Growth Strategy

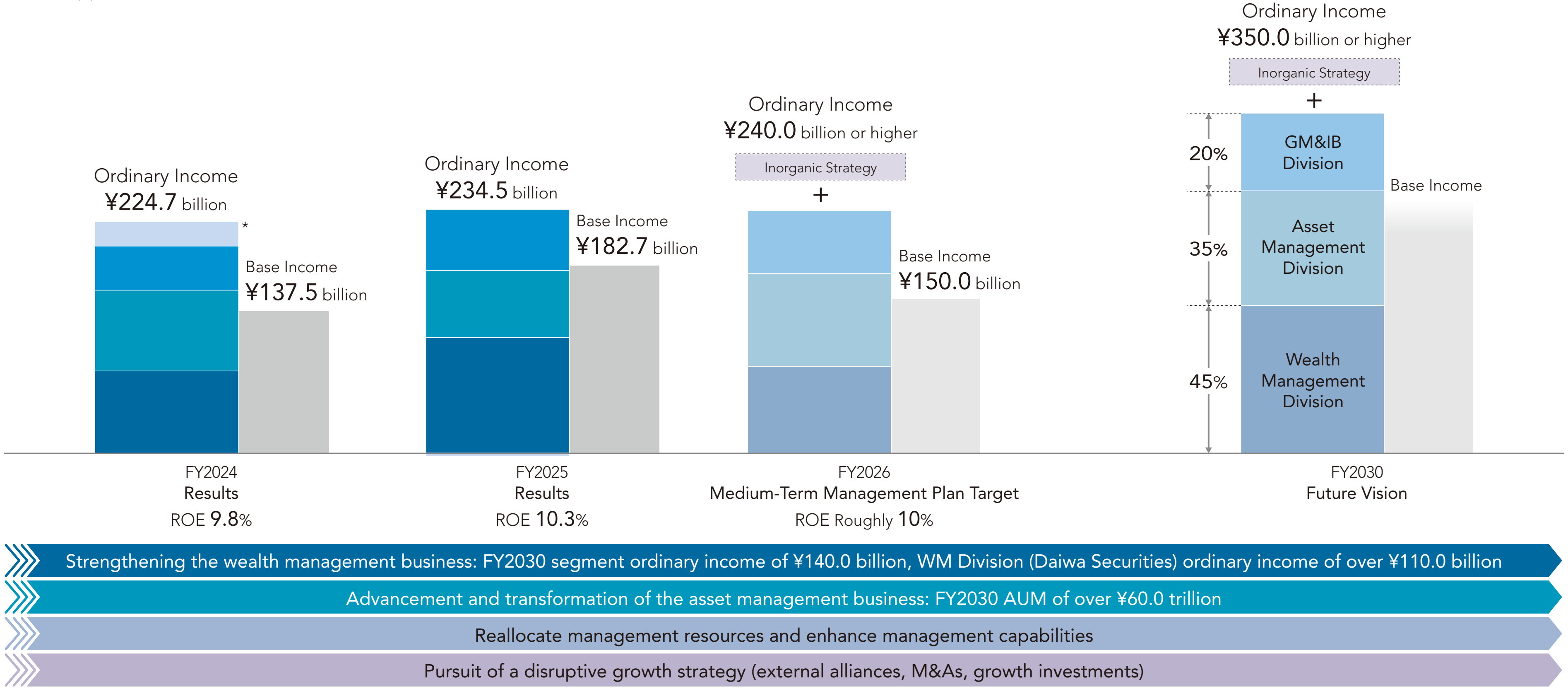
Overall Picture of the Growth Strategy

Future vision for FY2030

The Group aims to build an earnings structure that is resilient to changes in the external environment, while targeting ordinary income of over ¥350 billion by FY2030. To achieve this, we will not rely on any one division. Instead, each division will focus on growing its own profits and pursuing inorganic growth strategies to sustain higher ROE levels.

The Wealth Management (WM) Division will bolster the wealth management business by boosting asset-based revenue linked to the balance of customers' assets under custody. The goal is to secure ordinary income of ¥140 billion by FY2030, with the Daiwa Securities' WM Division (Daiwa Securities) contributing over ¥110 billion of the total. Our Asset Management (AM) Division is working to enhance its business by expanding its product lineup, including bonds, equities, real estate, and alternative funds. Through these initiatives, we aim to transform and further scale the business by expanding assets under management (AUM) and strengthening our asset management business foundation, while targeting AUM of more than ¥60 trillion by FY2030.

By rigorously evaluating the capital efficiency of each business and reducing or exiting unprofitable ones, we are reallocating management resources to growth areas and enhancing management capabilities. Furthermore, to achieve inorganic growth, we are actively pursuing collaborations with leading external companies, strategic investments, and M&A opportunities.



* Other/Adjustments Note: FY2026 Medium-Term Management Plan targets and future vision for FY2030 as announced in May 2024.

Overall Picture of the Growth Strategy

Medium-Term Management Plan progress and challenges for further growth

Ordinary income came in at ¥234.5 billion in FY2025. By division, ordinary income in the WM Division totaled ¥112.0 billion. This already exceeds the target of ¥84 billion by 30% set under the Group's Medium-Term Management Plan. Meanwhile, we believe there is still significant room for growth in our approach to total assets, including customers' liabilities. Moving forward, we will fully leverage the banking capabilities added through the acquisition of ORIX Bank to further enhance our total asset consulting services and significantly expand stable earnings.

The AM Division reported ordinary income of ¥65.4 billion. In FY2025, the Division posted impairment losses and provisions in connection with certain Alternative AM investment projects placing downward pressure on profits. Looking ahead, we will steadily implement measures to address key challenges. The initiatives include strengthening our competitiveness in the investment advisory segment of Securities AM, driving sustainable AUM growth in Real Estate AM through increased utilization of private funds, and shifting Alternative AM into a fee-based asset management business through the introduction of external capital. In doing so, we will work diligently to expand AUM and improve profitability.

Turning to the GM&IB Division, Global Markets (GM) recovered significantly during the second half of FY2025, while Global Investment Banking (GIB) achieved record-high ordinary income, resulting in ordinary income of ¥58.9 billion for the division. Going forward, we will seek to capture changes in global capital markets and client needs, translating them into sustainable revenue growth.

By steadily addressing the challenges facing each business segment, we will drive further profit growth across the Group.

	Ordinary Income FY2026 Target	Ordinary Income FY2025	Progress*	Achievements	Challenges
WM Division	¥84.0 billion	**¥112.0 billion**	◎	Deepen total asset consulting and substantially expand stable revenues	
WM Division (Daiwa Securities)	¥68.0 billion	¥91.3 billion	◎	◆ Stable revenue base steadily built; wrap account AUM surpassed ¥6 trillion ◆ Customer base expanded through stronger external partnerships ◆ Deposits surpassed ¥5 trillion	◆ Approach to customers' total assets, including liabilities ◆ Further expansion of the corporate market ◆ Upside potential in deposit balances and benefits from higher interest rates
Daiwa Next Bank	¥16.0 billion	¥21.1 billion	◎		
AM Division	¥91.0 billion	**¥65.4 billion**	△	AUM growth and associated revenue improvement	
Securities AM	¥32.0 billion	¥37.6 billion	◎	◆ Stable revenue base strengthened through investment advisory and alternatives ◆ Profit exceeded plan via AUM growth and broader revenue opportunities	◆ Strengthen competitiveness via differentiation and value-added in advisory
Real Estate AM	¥38.5 billion	¥33.0 billion	○	◆ Private REIT property acquisitions and private-fund mandates drive AUM growth steadily ◆ Continued stable management amid inflation and rising rates	◆ Sustainable AUM growth measures amid inflation and rising rates ◆ Ongoing support for Samty Group's business-model transformation and value-up
Alternative AM	¥20.5 billion	¥-5.2 billion	△	◆ Steady track record from exits of existing investments ◆ Transition to an asset management model in private equity	◆ Transition to an asset management model by introducing external capital
GM&IB Division	¥60.5 billion	**¥58.9 billion**	○	Capture global capital-market shifts and maximize revenue opportunities	
GM	¥39.5 billion	¥40.8 billion	◎	◆ Captured rising demand for Japanese equities and bonds; trading expanded mainly with overseas institutions	◆ Further revenue growth amid rising share prices and a higher-rate environment
GIB	¥19.0 billion	¥14.5 billion	△	◆ Ranked #1 in league tables for domestic straight bonds, municipal bonds, and SDGs-related bonds ◆ Group M&A-related revenues hit a record high	◆ Enhancing capabilities to address diversified financing needs, large-scale and global M&A transactions

* ◎: Achieved, ○: above 80%, △: below 80%

Corporate Executive Officers

What is the strength of Daiwa Securities Group?

A pioneering spirit that continues to take the lead in rapidly changing capital markets

Akihiko Ogino*
President and CEO
President,
Daiwa Securities Co. Ltd.

Leveraging organizational strengths to create value tailored to customers

Eiji Sato*
Deputy President and COO
Deputy President,
Daiwa Securities Co. Ltd.

Being a trusted partner that helps grow customers' assets and enhance corporate value through comprehensive solutions

Junichi Serizawa*
Deputy President
Head of Wealth Management
Deputy President,
Daiwa Securities Co. Ltd.

Compliance that underpins trust, supported by every employee

Hiroko Sakurai*
Deputy President
Head of Compliance
Deputy President,
Daiwa Securities Co. Ltd.

Challenge is in Daiwa's DNA. We are shaping the future of asset management

Shinsuke Niizuma
Deputy President
Head of Asset Management
and Securities Asset Management
Chairperson of the Board,
Daiwa Asset Management Co. Ltd.

* Holds the position of Board member on a concurrent basis.

Corporate Executive Officers

What is the strength of Daiwa Securities Group?

A culture that encourages and supports new challenges

Katsuyasu Murata
Senior Executive Managing Director
Head of Corporate Communication,
Deputy Head of Asset Management
Senior Executive Managing Director, Daiwa Securities Co. Ltd.

A customer-centric business model that continues to evolve

Takemichi Kobayashi
Senior Executive Managing Director
Head of Corporate Planning and Legal
Senior Executive Managing Director, Daiwa Securities Co. Ltd.

Knowing that steady, consistent efforts lead to tremendous value in the future

Kotaro Yoshida*
Executive Managing Director and CFO
Executive Managing Director, Daiwa Securities Co. Ltd.

The power of people: A culture of trust and solidarity

Hiromasa Kawashima
Executive Managing Director
Deputy Head of Corporate Planning,
Head of Human Resources,
CHO, and Head of Sustainability and Financial Education
Executive Managing Director, Daiwa Securities Co. Ltd.

Creating new value through people, AI, data, and IT

Masahiro Murase
Executive Managing Director
CIO and CDO
Executive Managing Director, Daiwa Securities Co. Ltd.

The power to transform uncertainty into value

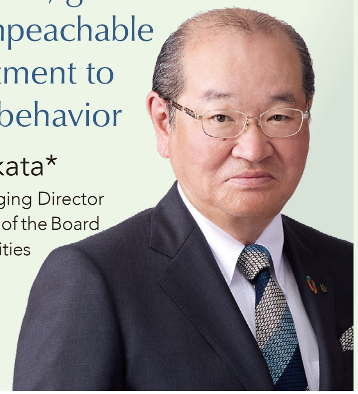
Takashi Yamaguchi
Executive Managing Director
CRO
Executive Managing Director, Daiwa Securities Co. Ltd.

Always putting our customers first and always doing our best for them

Keiichi Ishikawa
Senior Managing Director
Head of Internal Audit
Senior Managing Director, Daiwa Securities Co. Ltd.

The integrity and high moral standards of our officers and employees, grounded in an unimpeachable commitment to ethical behavior

Seiji Nakata*
Senior Managing Director
Chairperson of the Board Daiwa Securities Co. Ltd.

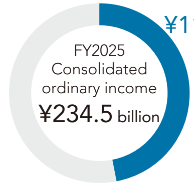


* Holds the position of Board member on a concurrent basis.

Wealth Management Strategy

The main sources of revenues in the Wealth Management Division are asset-based revenues, mainly wrap fees and investment trust administration fees, as well as product sales commissions related to the management of assets for individual investors and unlisted companies in Japan.

WM Division ordinary income



Junichi Serizawa
Head of Wealth Management

In FY2025, the WM Division's ordinary income increased significantly to ¥112.0 billion, up 38.9% compared with the previous fiscal year. In doing so, the Division achieved the target set for FY2026 under the Group's Medium-Term Management Plan ahead of schedule. Asset-based revenues reached ¥123.2 billion, while the fixed cost coverage ratio and total cost coverage ratio on asset-based revenues rose to 112% and 73%, respectively. These results demonstrate the steady progress of the Group's transformation toward a wealth management business model.

These achievements reflect our deep understanding of customers cultivated through our total asset consulting approach and our success in enhancing the quality of portfolio improvement proposals based on a holistic view of customers' assets. Moving forward, we will refine this total asset consulting approach, centered on our understanding of customers and proposal capabilities nurtured to date, and work to significantly increase our share of the customer's wallet. Consequently, we aim to achieve stable and sustainable revenue growth while further supporting each customer in wealth accumulation and preservation.

Main Companies

- Daiwa Securities Co. Ltd.
- Daiwa Next Bank, Ltd.
- Daiwa Connect Securities Co., Ltd.
- Fintertech Co. Ltd.
- Retela Crea Securities Co., Ltd.

(Daiwa Securities) Number of branches and sales offices in Japan	182
(Daiwa Securities) Number of customer accounts with balance	3,277 thousand
(Daiwa Next Bank) Balance of deposits	¥5.0 trillion
(Daiwa Next Bank) Number of accounts	2,288 thousand

Business Environment

- Growing inflationary pressure
- Growing needs for asset preservation as people live longer
- A future transfer of wealth to the digital-native generation, while the current crop of young people has less investment experience
- Emergence of new products and services enabled by emerging technologies, changes in regulations in response

Strengths

- Network of 182 sales branches/sales offices and a customer base built up over 124 years since its foundation
- Highest number of CFPs among financial institutions in Japan
- Ability to develop and recommend products and services in line with customer needs
- Ability to provide products such as foreign equities/bonds, IPOs, primary and secondary offerings, through synergies with other divisions, including the GM&IB Division

Business Risks

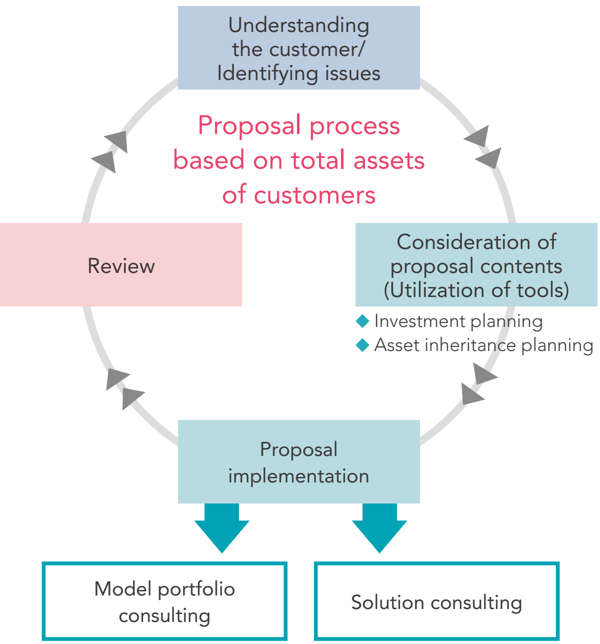
- Risk of major decline in earnings due to weak demand for securities investment from customers owing to market slump, or investors becoming less willing to hold risk assets
- Risk arising from substantial fixed costs, such as real estate-related expenses, personnel expenses, or depreciation on systems investments, for branches, sales representatives, online trading systems, etc.
- Risk of reduced investment margins caused by changes in monetary policy
- Risk of sluggish growth in earning power if the strategy to differentiate from other competing banks does not advance as expected
- Risk of incurring additional costs in the event of an inadequate response to the risks faced by the banking industry

Wealth Management Strategy

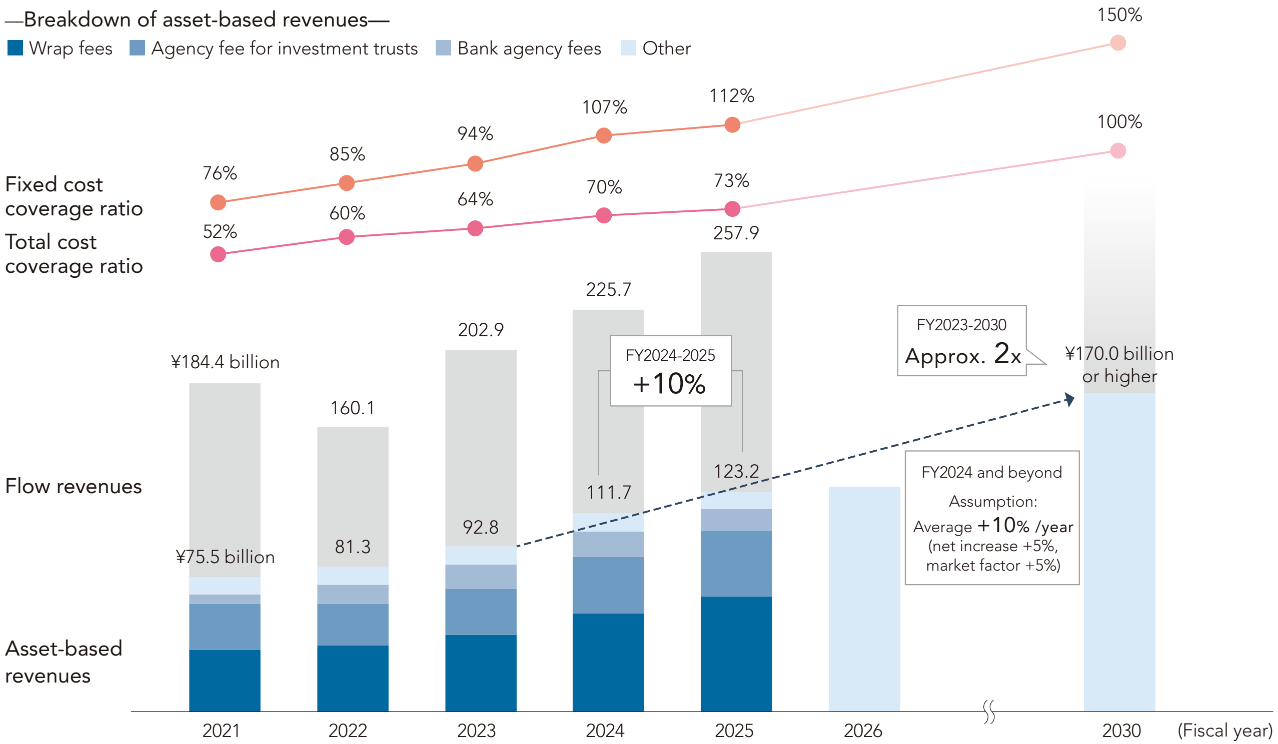
Sustainable growth through the promotion of total asset consulting

The WM Division has focused on sales reform centered on improving customer satisfaction and the shift to a wealth management business model. Among a host of endeavors, the Division provides services tailored to the needs and attributes of each customer through a nationwide network of 182 branches, sales offices, and contact centers, as well as via online trading. The Division also utilizes analytical tools such as investment and asset inheritance planning to visualize total assets, including non-financial assets like real estate and assets held at other financial institutions, to put forward proposals that ensure the optimal allocation of assets and high-value-added solutions to customers with advanced consulting needs. Buoyed by efforts to further refine portfolio proposals based on this total asset consulting approach and expand the customer base through external alliances, asset-based revenues climbed 10% compared with the previous fiscal year, to ¥123.2 billion in FY2025. In addition, positive steps have been taken to respond promptly to trading needs that stem from fluctuations in the market. This has in turn led to steady growth in flow revenues. Looking ahead, we will build a more robust earnings structure that is resilient to the external environment. At the same time, we will promote total asset consulting tailored to the needs of individual customers, with the aim of further expanding asset-based revenues and securing sustainable profit growth through FY2030.

Total asset consulting loop



Growth image of WM Division (Daiwa Securities)

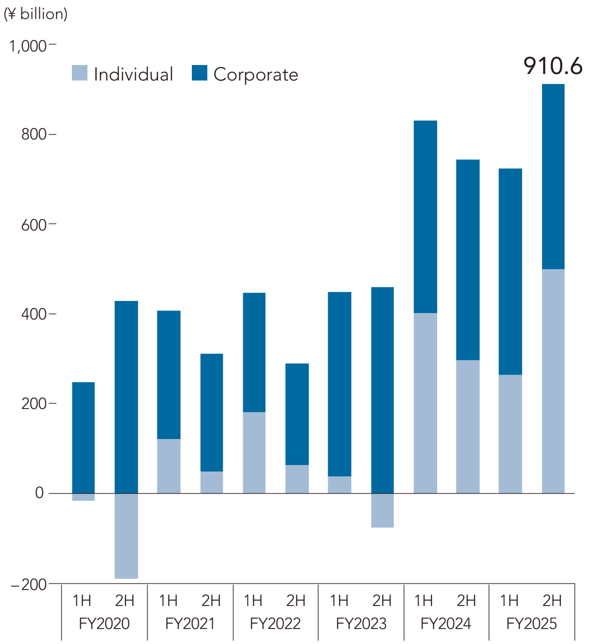


Wealth Management Strategy

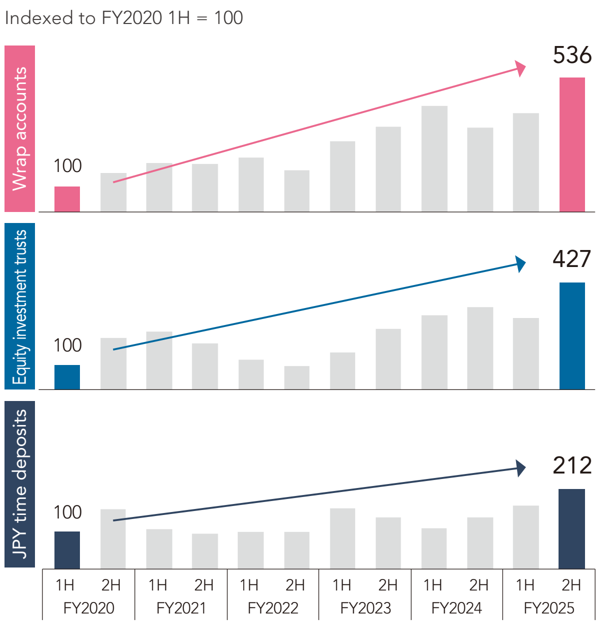
Since promoting total asset consulting, asset inflows have enjoyed an upward trend for both individual and corporate customers. In an index of cash-funded purchase amounts for each product, with the first half of FY2020 set at 100, wrap accounts and stock investment trusts have expanded 4 to 5 times, and JPY time deposits have doubled, indicating steady growth in purchases underpinned by new funds. Moving forward, we will further strengthen our business foundation through sustained asset inflows and accumulation of new funds.

In our business serving corporate customers with accounts at the WM Division, both revenues and assets under custody continue to increase steadily, an indication of significant ongoing growth potential. Through collaboration among Group divisions, we have consistently provided advanced consulting services to a wide range of corporate and institutional customers, including unlisted companies and owner-managed companies. Extending beyond the provision of added value to customers, these initiatives have expanded revenue opportunities across the entire Group. In the future, we will promote Group-wide growth by bolstering collaboration among divisions and accelerating efforts to expand our corporate business.

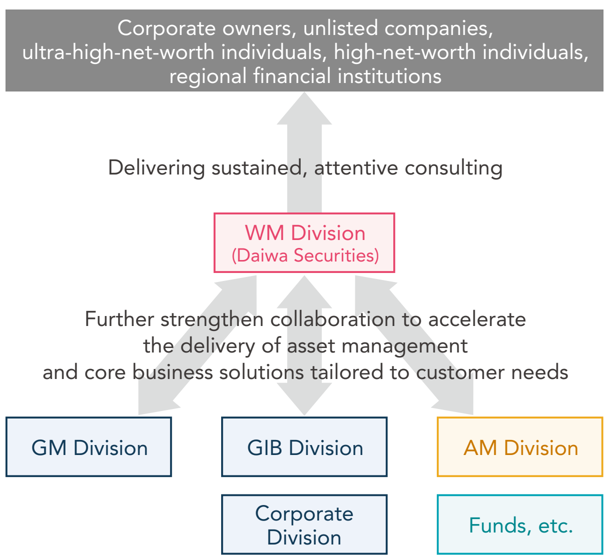
Asset inflows—WM Division (Daiwa Securities)



Cash-funded purchases / deposits by product



Inter-divisional collaboration (business serving corporate customers)

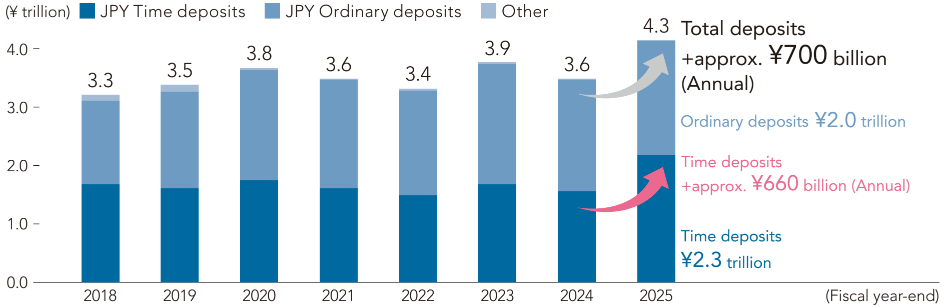


Wealth Management Strategy

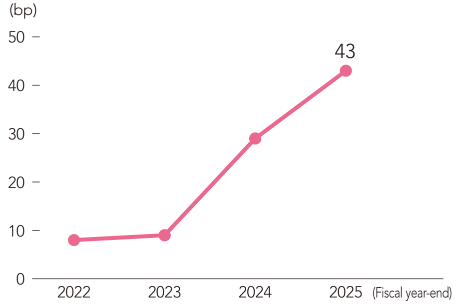
Daiwa Next Bank

Commencing operations in 2011, Daiwa Next Bank functions within the Group as a gateway to the shift "from savings to investment," automatically managing funds on hold in securities accounts in savings accounts. Through a low-cost market investment business model, the bank secures profits by way of interest margins by investing the funds raised. Buoyed by the steady improvement in its deposit-gathering capabilities, the balance of yen-denominated deposits increased approximately ¥700 billion in FY2025. With the era of positive interest rates now firmly established and the inflow of funds on hold projected to accompany the expansion of securities trading, Daiwa Next Bank believes that deposit balances will continue to grow further going forward. In addition, while the yield on yen-denominated investments remained low for a considerable amount of time, it widened significantly following the end of BOJ's negative interest rate policy in March 2024. The yield expanded to 43 basis points as of the end of March 2026, thereby improving profitability. In light of the aforementioned, ordinary income hit a record high of ¥21.1 billion in FY2025.

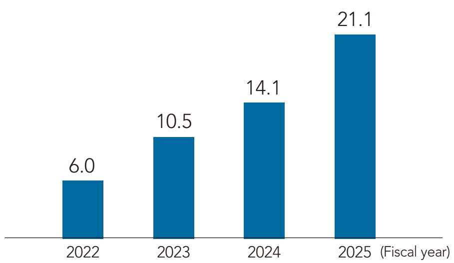
Daiwa Next Bank JPY deposit balance trend



JPY funds interest margin trend



Ordinary income trend



Daiwa Connect Securities

Daiwa Connect Securities commenced operations in July 2020 as a smartphone-based securities company with a mission to help expand the investor base by creating connections with new customers. Focusing primarily on investment novices and young adults, the company is expanding its customer base by providing new financial services tailored to the digital native generation, while also collaborating closely with external companies. Moving forward, Daiwa Connect Securities will continue to expand its customer base and stabilize its earnings, focusing on its branding strategy as a smartphone-only securities service that prioritizes UI/UX as well as its installment-type investment services.

Major Initiatives	
Capturing digitally native customers	◆ Promote new NISA and installment-type Investments ◆ Strengthen video utilization and owned media
Stimulate transactions	◆ Strengthen installment-type services and promote continuous transactions ◆ Utilize data analysis and marketing automation
Collaborate with Daiwa Securities Group companies and external corporations	◆ Mutual referrals between Group companies ◆ Collaborate with external companies with a customer base

Fintertech

Fintertech was established in April 2018 with the purpose of developing next-generation financial services in an agile and flexible manner by utilizing cutting-edge technology and collaborating with external companies. Currently, the company offers services such as Digital Asset-backed Loans and Digital Asset Staking as well as the loan-type crowdfunding service Funvest. By leveraging Daiwa Securities Group's business platform and cutting-edge technologies, including blockchain, Fintertech will create a new cycle of capital flow that bridges the digital and physical worlds.

Expand the digital asset finance business

デジタルアセット担保ローン

デジタルアセットステーク（消費貸借）

Crowdfunding-based cash flow creation

Funvest

Wealth Management Strategy

Employee comment: Sustainable growth underpinned by the frontline

I work closely with customers to address their challenges and needs, supporting their sustainable growth with multifaceted solutions.

At our sales branch, I work with individual customers and unlisted corporations to help address their wealth management and business succession needs. I strive daily to address customers' ever-changing needs and provide proposals that help them achieve their goals.

I particularly recall one customer, an owner of an unlisted corporation who was concerned about the high valuation of the company's shares in relation to business succession. In this instance, I was able to contribute to the growth of the customer's core business by providing solutions that addressed a myriad of issues, including asset management for surplus funds, measures to address the valuation of the company's shares, retirement allowance planning, and referrals to tax advisors.

Currently, the market environment is undergoing significant change. In the midst of unprecedented conditions, marked by such factors as the surge in the Nikkei Stock Average and steps by the BOJ to implement interest rate hikes, I feel a renewed sense of responsibility as a professional in the securities industry. Moving forward, I will continue to work tirelessly to contribute to our customers' sustainable growth.

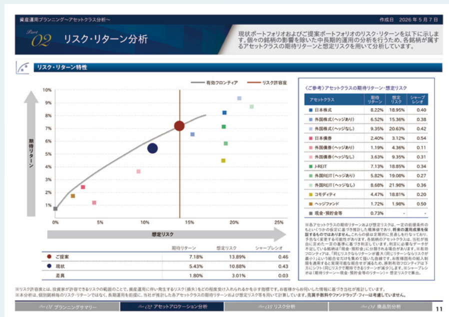
Keisuke Takahashi
Director
Iwaki Branch
Daiwa Securities

Drawing on frontline insights, I will continue evolving the frameworks that support customers in realizing their ideal future.

Planned and developed by this department, Daiwa Securities' investment and asset inheritance planning tools help customers envision their ideal future from a medium- to long-term perspective. What we deliver through these two tools is not the financial products themselves. Rather, we provide the value of a continuous process designed to help customers achieve their goals, supported by professional consulting. Both tools support a seamless and integrated cycle that encompasses an assessment of prevailing conditions, subsequent proposals, and a review as circumstances evolve.

One of the benefits of this cycle is that it does not rely on the level of experience of an individual member of staff at our head office or branches. Each staff member can provide customers with the optimal way forward, backed by pertinent data. Furthermore, since introducing these tools, we have made hundreds of specification changes based on staff insights. Promoting version updates while enhancing convenience as a matter of course, we are constantly working to ensure that the tools evolve in a manner that accurately adapts to changing customer needs and developments in the broader environment.

Shiori Oze
Associate Director
NPS Acceleration Department
Daiwa Securities

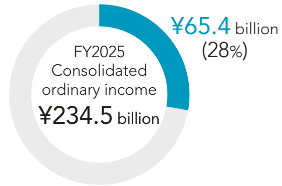


(Sample proposal) An example of investment planning

Asset Management Strategy

The Asset Management Division consists of Securities Asset Management, Real Estate Asset Management, and Alternative Asset Management. The Division manages a wide range of assets, including investment trusts, real estate, venture capital, private equity, and renewable energy investments.

AM Division ordinary income



Shinsuke Niizuma
Head of Asset Management

As the era of positive interest rates becomes entrenched and Japan's asset management market reaches a turning point, the Asset Management Division—itself forming the core of Base Income, the Group's stable revenue base—is playing a pivotal role in realizing the aim of Promoting Japan as a Leading Asset Management Center. In FY2025, the AM Division saw steady growth in each business area, including full-scale activities in the investment advisory business within Securities AM, the expansion of the private fund business in Real Estate AM, and steady strides toward shifting Alternative AM to a fund-based business—resulting in the AM Division's total AUM growing to over ¥46 trillion.

In FY2026, the final year of the Medium-Term Management Plan, we will focus on expanding our customer base and enhancing investment capabilities in Securities AM; increasing AUM in Real Estate AM by strengthening property sourcing and expanding investment products, and accelerating the shift toward a fund-based business model in Alternative AM. While strengthening our investment capabilities and pursuing both external alliances and growth investments, we will work diligently to surpass ¥60 trillion in AUM, a FY2030 target, and, ultimately, contribute to **maximizing customer asset value**.

Main Companies

Securities Asset Management

- Daiwa Asset Management Co. Ltd.
- Daiwa Fund Consulting Co. Ltd.

Real Estate Asset Management

- Daiwa Real Estate Asset Management Co. Ltd.
- Daiwa Office Investment Corporation
- Daiwa Securities Realty Co. Ltd.
- Samty Residential Investment Corporation

Alternative Asset Management

- Daiwa Corporate Investment Co., Ltd.
- Daiwa PI Partners Co. Ltd.
- Daiwa Energy & Infrastructure Co. Ltd.

Assets under management by Daiwa Asset Management	¥44.2 trillion
Assets under management by two real estate asset management companies*1	¥1,797.8 billion
Number of investment companies (cumulative)*2	2,382 companies
Investment amount (cumulative)*2	¥477.7 billion
Outstanding principal investment balance*3	¥290.0 billion

*1 Daiwa Real Estate Asset Management and Samty Residential Investment Corporation *2 Daiwa Corporate Investment cumulative value
*3 Total of Daiwa PI Partners and Daiwa Energy & Infrastructure

Business Environment

- ◆ Against the backdrop of Promoting Japan as a Leading Asset Management Center and growing interest in the new NISA system, increasingly fast-paced shift "from savings to investment"
- ◆ Changes in asset management needs against the backdrop of rising interest rates
- ◆ Slowdown in the listed REIT market; steady growth in the private REIT market
- ◆ Growing interest in alternative asset investment

Strengths

- ◆ Product development capabilities that address increasingly diverse customer needs
- ◆ Flexible acquisition of properties by harnessing the Group's warehousing functions
- ◆ Building a portfolio of high-quality investment projects and shift toward management that prioritizes capital efficiency
- ◆ Ability to generate new growth opportunities through external alliances

Business Risks

- ◆ Securities AM: Risk of reduced earnings due to a decrease in the balance of assets under management; risk of being unprofitable in the event of a significant decline in earnings
- ◆ Real Estate AM: Risk of fluctuations in the real estate market; risk of upswing in expenses, including personnel as well as real estate-related costs
- ◆ Alternative AM: Risk of losses on the sale or revaluation of securities and other holdings due to changes in the operating conditions or economic environment of investees

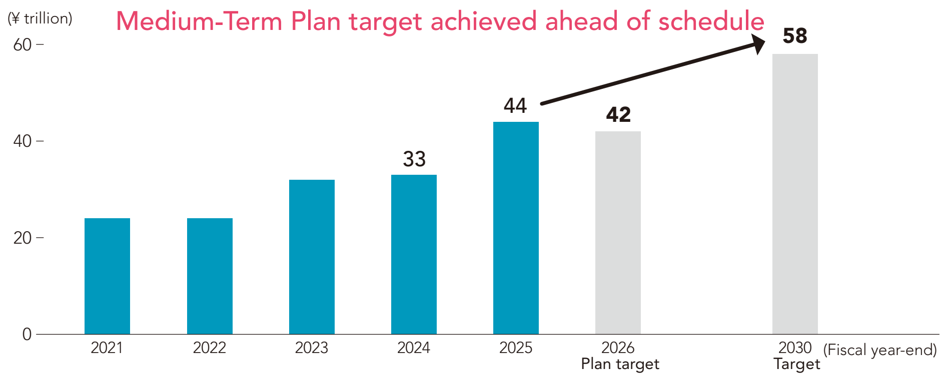
Growth Strategy for Securities Asset Management

Accelerating the pace of AUM expansion and achieving Medium-Term Management Plan targets ahead of schedule

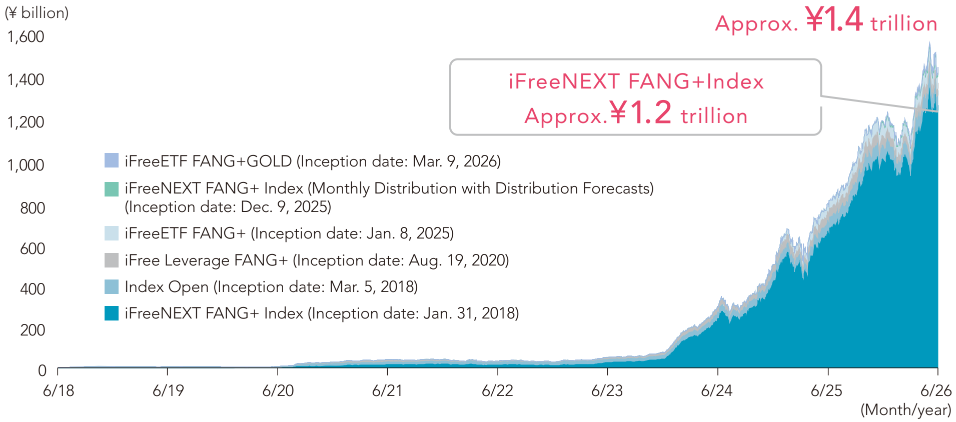
In the Securities Asset Management business, we increased AUM by more than ¥10 trillion over the course of a year, against the backdrop of a favorable market environment and capital inflows stemming from the provision of a distinctive product lineup centered on the iFreeNEXT FANG+ Index. As of March 31, 2026, the balance of AUM stood at ¥44 trillion. As such, we achieved the FY2026 target set under our Medium-Term Management Plan ahead of schedule. As a result, Daiwa Asset Management (Daiwa AM) has achieved ordinary income growth of more than 30% for two consecutive fiscal years.

In the public investment trust sector, we are working to expand unique, high-value-added products like alternative investments, while also improving services for distributors.

Trends in Securities AM total AUM



Trends in FANG+ series total net assets

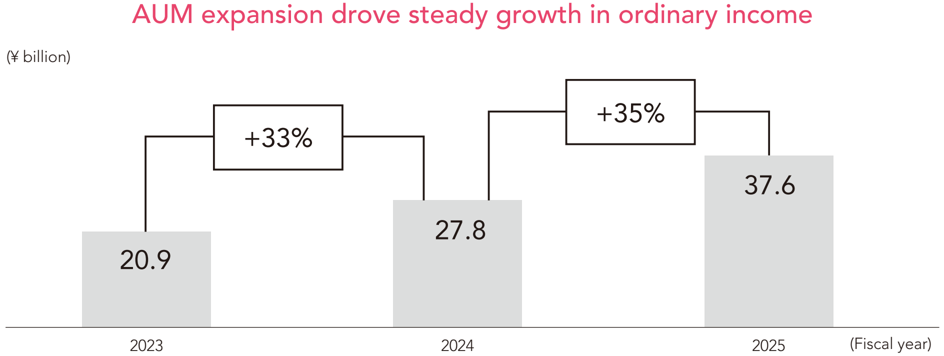


Progress made in the capital and business alliance with JAPAN POST INSURANCE

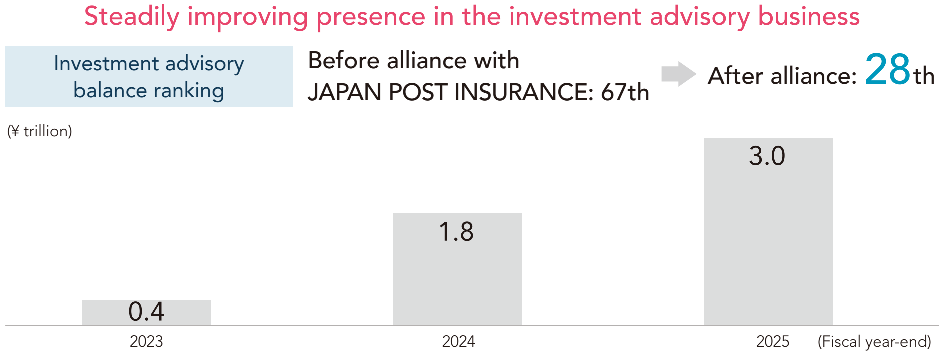
In October 2024, Daiwa AM welcomed JAPAN POST INSURANCE as a 20% shareholder and made a full-scale entry into the investment advisory business, including alternative investments. We are currently working to reform our investment capabilities and enhance our investment functions by incorporating the perspectives of asset owners through the mutual exchange of investment personnel.

Building on this business alliance, we increased AUM entrusted by JAPAN POST INSURANCE to more than ¥2.5 trillion (based on market value as of March 31, 2026). At the same time, Daiwa AM's industry ranking for investment advisory AUM improved from 67th prior to the partnership to 28th. Looking ahead, we will further strengthen our competitiveness through a process of differentiation and take steps to enhance value-added services in the investment advisory sector.

Ordinary income and profit growth rate trends (Securities AM)



Investment advisory balance (Daiwa AM)



(Source) R&I Newsletter on Pension & Investment compiled by Daiwa Securities Group Inc.

Growth Strategy for Real Estate Asset Management

Expanding AUM through REITs and private funds

Since entering the real estate asset management business in 2009, this business has steadily grown by expanding the scope of its managed assets, merging with asset management companies and real estate investment trusts (REITs), and strengthening its warehousing functions. These efforts have helped secure stable profits for the Group. Driven by initiatives such as the formation of private placement funds by Daiwa Real Estate Asset Management (Daiwa Real), AUM steadily increased, reaching ¥1,797.8 billion as of March 31, 2026. We are on track to achieve the FY2030 target of ¥1.8–2.0 trillion ahead of schedule, which is also contributing to increased stable earnings for the entire Group. Largely comprising inflation-resistant residential properties and medium-sized offices, the managed assets achieve rent increases even in periods of rising interest rates and are distinguished by their stable operations. Going forward, we will continue to expand AUM through both REITs and private funds.

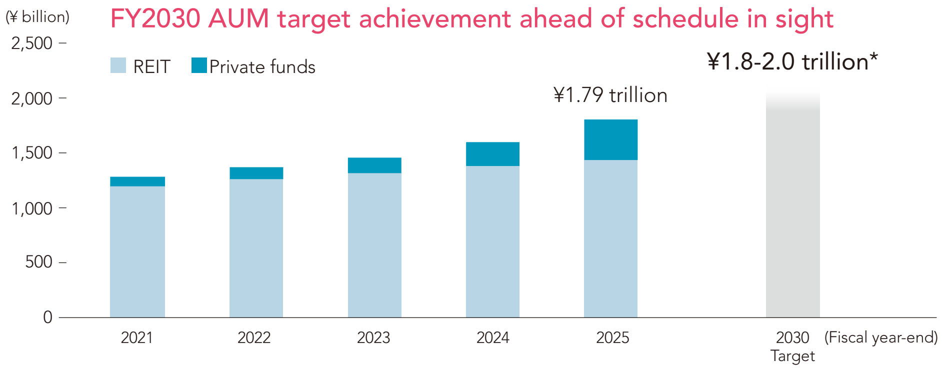
In January 2026, Daiwa Real established a private real estate fund in which Daiichi Life Insurance took an equity interest. Featuring an asset size of approximately ¥15.5 billion, this fund is composed of real estate trust beneficiary interests backed by rental residential properties in Tokyo and Osaka. Looking ahead, we will continue to provide a diverse range of investment products tailored to investor needs, with the aim of delivering attractive investment opportunities.

Value enhancement at Samty Holdings

Turning to Samty Holdings, the real estate developer with whom we entered into a capital and business alliance in 2019, steps have been taken to steadily transform the company's business model following its shift away from public ownership in 2025. Through such initiatives as the establishment of hotel and residential funds, AUM has expanded to approximately ¥540 billion. Furthermore, in partnership with Hillhouse Investment Management, we are driving inorganic growth including the acquisition of UniLodge, the largest student accommodation operator in Australia and New Zealand. In this way, we are working to continuously enhance value through a variety of measures.

Real Estate AM AUM trends

FY2030 AUM target achievement ahead of schedule in sight



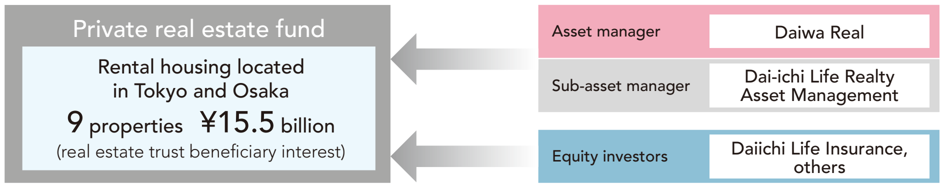
* In order to exceed AUM of ¥1.8 trillion, factors such as favorable acquisition environment, REIT's M&A, funding capacity, etc., among other requirements, must be met.

Rent change rates of listed REITs managed by Daiwa Real

Achieved rent increases in office and rental residential assets, which account for the majority of AUM

	Asset type	Fiscal year-end	Replacement	Renewal
Daiwa Office Investment Corporation	Office	May 2026	+23.3%	+12.0%
Daiwa Securities Living Investment Corporation	Rental housing	Mar. 2026	+13.2%	+4.4%

Establishing private real estate funds with Daiichi Life Insurance



Daiwa Real and Daiichi Life Insurance have signed a memorandum of understanding and will consider establishing private funds, with the aim of continuing collaboration in the private real estate fund field

Value enhancement at Samty Holdings

Advancing business model transformation and accelerating inorganic growth

Nov. 2025 UniLodge acquisition announced
- Agreed to acquire a stake in the largest student accommodation operator in Australia and New Zealand. (45,000 units under management)

Dec. 2025 Multi-family residential asset fund formation announced
- Established a USD 0.5 billion fund with a sovereign wealth fund and acquired USD 0.2 billion in rental residential assets.

Apr. 2026 Formation of hotel-focused fund II and additional acquisitions of residential assets through funds announced
- Formed Hotel-Focused Fund II with domestic investor capital and acquired an additional USD 0.14 billion in rental residential assets.

Growth Strategy for Alternative Asset Management

Shifting to an asset management model

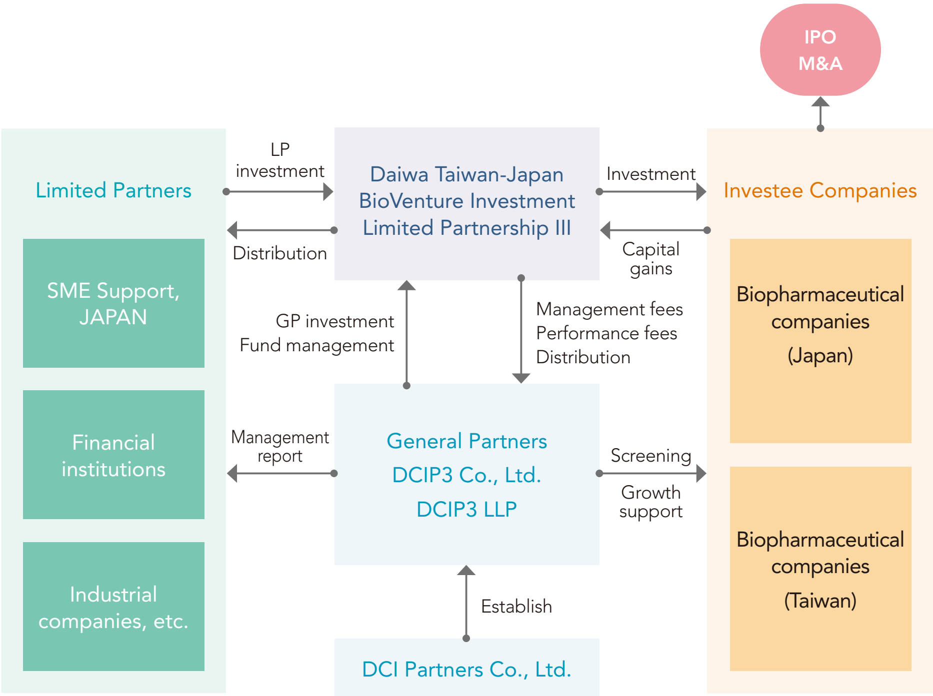
Alternative Asset Management is shifting from an earnings structure primarily driven by capital gains and funded by our own capital to an asset management model that incorporates external funds. In addition to Daiwa Corporate Investment, a long-standing venture capital firm with a 40-year track record in fund management, Daiwa PI Partners and Daiwa Energy & Infrastructure, which had previously been investing their own capital, are leveraging their accumulated investment expertise and track records to accelerate their shift toward fund businesses that prioritize capital efficiency.

Daiwa Corporate Investment has established a fund through its subsidiary, DCI Partners, Daiwa Taiwan-Japan BioVenture Investment Limited Partnership III, which specializes in drug discovery and regenerative medicine, to invest in unlisted biotech ventures, primarily in the drug discovery sectors of Japan and Taiwan. In the private equity sector, Daiwa PI Capital, a Daiwa PI Partners subsidiary, manages private equity funds. The company established a fund with a total value of ¥26 billion in 2024 and to date has made five investments. Going forward, we aim to continue expanding our fund business by establishing series funds on the scale of tens of billions of yen. Daiwa Energy & Infrastructure will also accelerate initiatives to shift toward a fund-based business model, centering on the newly established Fund Strategy Promotion Office.

By continuing to invest in high-quality projects and executing optimal exits, as well as leveraging our robust performance and the network of partners that we have built in Japan and overseas, we will build a strong track record which in turn will lead to a stable asset management business.

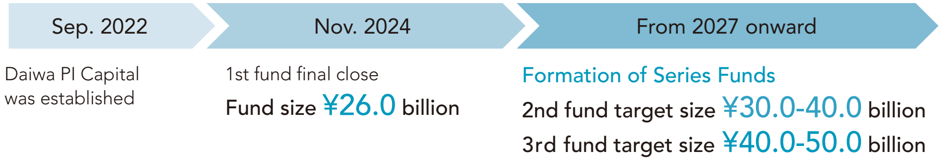
Daiwa Taiwan-Japan BioVenture Investment Limited Partnership III established by DCI Partners

Japan's largest bioventure investment fund



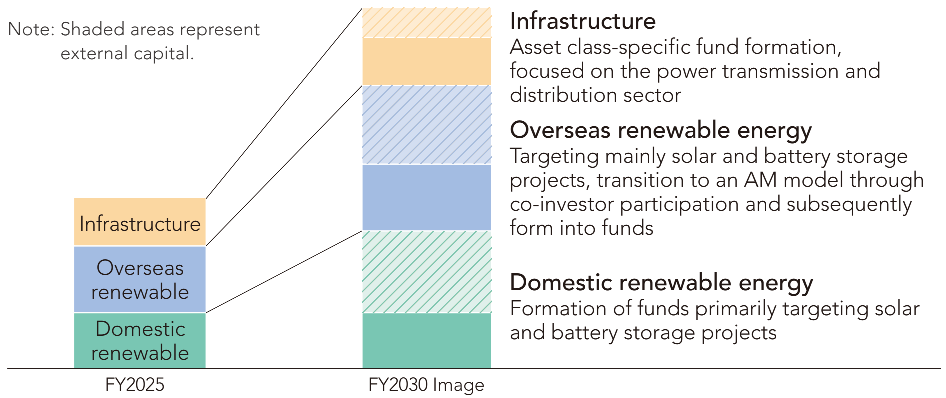
Daiwa PI Partners

Expansion of fund business (Daiwa PI Capital)



Daiwa Energy & Infrastructure's investment balance

Promotion of the asset management business



Employee comment: Sustainable growth underpinned by the frontline

Through an ESG perspective that supports corporate value, I help investors accumulate wealth over the long term.

Eriko Ono
Senior Fund Manager
Beta Management &
Investment Solution Department
Daiwa Asset Management

Taking into consideration expansion of the NISA system and the shift toward Japan as a Leading Asset Management Center, the long-term accumulation of wealth has become increasingly accessible to individual investors. At Daiwa Asset Management, we work diligently to provide low-cost, highly transparent ESG investment opportunities through funds linked to indices that incorporate ESG ratings. Leveraging the characteristics of index management based on clearly defined rules, we strive to design products that allow investors to seamlessly incorporate ESG investment opportunities into their long-term efforts to accumulate wealth.

While market perceptions of ESG-related indices may at times be influenced by short-term market conditions, I believe that a company's ability to address sustainability issues can become a key factor underpinning its corporate value in the long term. Viewing ESG as a lens through which to assess a company's ability to create medium- to long-term value as well as its risk management capabilities, I will continue to contribute to both the accumulation of wealth and the realization of a sustainable society by providing easy-to-understand and compelling products and information going forward.

P65 Supporting wealth creation in the era of 100 years of life

In an environment where diverse talent and expertise converge, I am committed to driving people-centric value creation.

Fumiaki Asahiro
Head of Debt and Real Estate
Investment Department II
Daiwa PI Partners

Over my career I have engaged in the appraisal as well as purchase and sale of real estate, strategic consulting, and the revitalization of businesses at government and private funds, transcending real assets, strategy, and finance. Seeking to apply this experience in a new field, I was recruited mid-career and joined Daiwa PI Partners. The deciding factor for joining was the opportunity to immerse myself in an entire process that extended from investment to recovery, hands-on management, and exit. At the same time, I would actively contribute to enhancing business value and revitalizing regions.

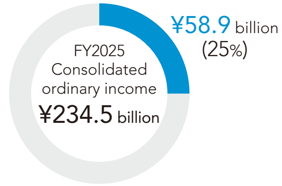
Daiwa Securities Group fosters a culture where professionals with diverse backgrounds respect each other's expertise and exercise their own discretion to apply the insights gained from their previous careers. Leveraging the flexibility and speed of decision-making enabled by our proprietary investment capital, my goals are to support the revitalization and growth of investee companies, provide a wide range of investment opportunities to external customers going forward, and strengthen the Group's alternative investment base. Recognizing that behind every investee company are the lives and aspirations of its employees and customers, I am committed to creating sustainable value with people at its core.

Investee company example
(Golf Resort / Kagoshima Prefecture)

P50 Recruiting high-potential talent

Global Markets & Investment Banking Strategy

GM&IB Division ordinary income



The Global Markets & Investment Banking Division consists of Global Markets (GM), which provides securities sales and trading services mainly to institutional investors, and Global Investment Banking (GIB), which provides underwriting services for securities issued by business corporations, financial institutions and other entities, as well as M&A advisory services.

Kenichi Tazawa
Head of Global Markets

GM ordinary income totaled ¥40.8 billion in FY2025. In Equities, client activity from both retail and institutional investors increased amid strong Japanese equity market conditions. In FICC, rising domestic interest rates encouraged participation from new investors. Looking ahead, we expect revenue opportunities to expand as interest in the Japanese market continues to grow, supported by expectations for entrenched inflation and governance reforms. We also expect continued demand for hedging and portfolio reallocation as investors adapt to a world of positive interest rates. By capitalizing on changes in the external environment, we aim to provide a diverse range of products and advanced solutions to meet a wide range of customer needs. We will also deepen collaboration with other divisions to further expand trading revenue.

Toru Yamamoto
Head of Global Investment Banking

GIB ordinary income totaled ¥14.5 billion in FY2025, reaching a record high since segment reporting began. In addition to ranking first in the league tables for domestic straight bonds, municipal bonds, and SDGs-related bonds, the Group's M&A-related revenues hit their highest level to date. Corporate actions have accelerated amid ongoing structural changes in the Japanese corporate sector, and we expect this trend to continue. To address increasingly diversified financing needs as well as larger, more global M&A transactions, we will further strengthen our capabilities through deeper collaboration with the WM Division and GM, while leveraging the Group's comprehensive strengths. We will also utilize AI to broaden client engagement and enhance the quality of our proposals, helping clients maximize their corporate value.

Main Companies

- Daiwa Securities Co. Ltd.
- Daiwa Capital Markets Europe Limited
- Daiwa Capital Markets Hong Kong Limited*
- Daiwa Capital Markets Singapore Limited*
- Daiwa Capital Markets America Inc.

* Also part of the Wealth Management Division

Offices in .... **21** countries and regions
Total value of underwriting and distribution .... **¥774.3** billion (equity)
¥12.5 trillion (bond)

Business Environment

GM
- ◆ Full-scale shift in investment behavior "from savings to investment"
- ◆ Changes in monetary and fiscal policy due to recent trends in inflation
- ◆ Continued uncertainty in the global economic environment due to geopolitical risks
- ◆ Increasing ESG awareness and action by investors and issuers
- ◆ Changes in the competitive environment due to new entrants from other industries, driven by advances in technology

GIB
- ◆ Rising interest rates and continued inflation
- ◆ Expanding corporate activity in response to geopolitical risks
- ◆ Growing influence of investors seeking corporate governance and efficiency
- ◆ Heightened demand for environmental initiatives in corporate activities
- ◆ Diversification of methods for supporting start-ups

Strengths

GM
- ◆ Ability to provide products and information across Japan and overseas by leveraging our global network
- ◆ Robust and advanced execution platform for equities and bonds
- ◆ Industry-leading research quality

GIB
- ◆ Ability to provide diverse products and advanced solutions
- ◆ Global M&A advisory network
- ◆ Corporate coverage structure serving listed and unlisted companies in Japan

Business Risks

GM
- ◆ In trading services, the risk of losses resulting from a decline in market liquidity caused by sudden changes in market conditions
- ◆ In brokerage services, the risk of a significant decline in earnings due to weak investor demand or risk-averse investment behavior
- ◆ System investment risk for large-scale trading systems, risk of system failure

GIB
- ◆ In M&A advisory services, the risk of a decline in transaction volume due to market conditions
- ◆ In underwriting deals, the risk of underwritten securities not being distributed smoothly
- ◆ In failing to properly disclose the offer and sale of securities, the risk of claims for damages from investors as an underwriter

Global Markets Growth Strategy

Transforming structural changes in the environment into growth opportunities

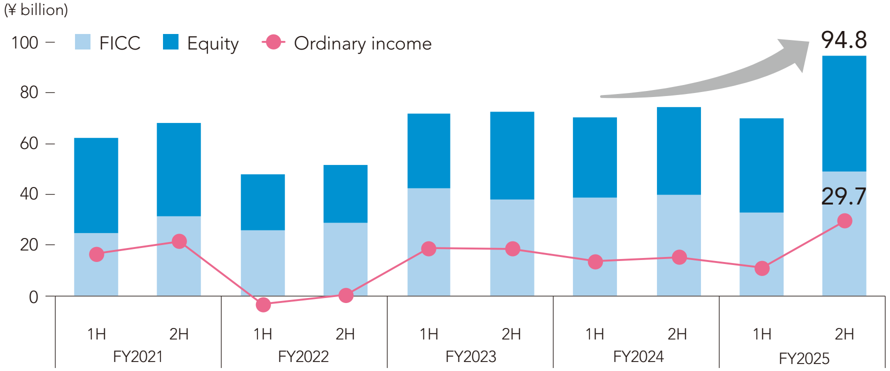
In anticipation of long-term Japanese equities growth and an era of positive interest rates, the scope of revenue opportunities for this Division has spread to an unprecedented degree. Capitalizing on these structural changes in the environment as growth opportunities, we will work to further expand revenues in both the equity and FICC businesses based on an expanding, more robust customer base, a core strength of the Group, and on enhanced solution proposal capabilities.

In Equities, we will maintain our robust domestic institutional investor base while broadening our engagement with overseas investors and large institutions through multiple channels to accelerate the incorporation of revenue opportunities centered on the wholesale Japanese equities business. In FICC, as interest rate hikes gain momentum, we will capture increasingly aggressive investor flows in Japan and abroad, meeting the diversifying needs of customers to steadily transform growth opportunities into profits.

Through these initiatives, we will further deepen collaboration with other Group divisions and establish a platform for sustainable revenue growth while enhancing the Group's presence in global capital markets.

Key strategies and earnings trends

1	Strengthen collaboration between WM Division and GIB
2	Expand client touchpoints for Japanese equities on a global basis
3	Enhance the provision of sophisticated investment and risk management solutions tailored to the interest rate environment
4	Improve efficiency through function consolidation, primarily in overseas businesses



Analyst ranking

One of the most traditional equity research institutions in Japan, Daiwa Securities' Research Division has remained consistently committed to a fundamentals-driven approach to research. As a result, we have produced numerous analysts who are ranked highly in the Nikkei Veritas and Extel analyst rankings. In the 2026 Nikkei Veritas analyst rankings, we ranked No. 1 among all firms in both the Equities category and the bond and exchange rate category.

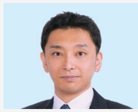
2026 top ranked analysts

Equity (No. 1 ranked analysts)


Takumi Sado
(Electronics/Components)


Eiji Hakomori
(Autos)


Kazuaki Hashiguchi
(Biotechnology & Pharmaceuticals)

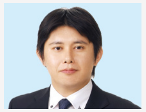

Noritsugu Hirakawa
(Technical Materials)


Hirosuke Tai
(Machinery)


Hideaki Teraoka
(Construction, Housing & Real Estate)


Makoto Ueno
(IT & Software)


Satoru Sekine
(OTC & Small Companies)


Yusuke Miura
(OTC & Small Companies)


Eiji Kinouchi
(Thematic Research)

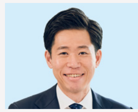

Masahiro Suzuki
(Quantitative Research)


Naoki Ieiri
(Sustainability (ESG))

FICC (top ranked analysts)


Eiichiro Tani
(Fixed Income)


Kenji Yamamoto
(Economist)


Kenta Tadaide
(FX)


Fumio Taki
(Credit)


Yuki Sakamoto
(Credit)


Takao Matsuzaka
(Credit)


Koji Matsushita
(Securitization)


Shun Otani
(Securitization)

Global Investment Banking Growth Strategy

Driving revenue growth through finance and M&A by capturing corporate transformation and growth

The environment surrounding corporations is changing drastically, with growing geopolitical risk, shifts in Japanese trade and industrial policies, corporate governance reforms, and the normalization of interest rates. Against this backdrop, corporate actions are accelerating, including the unwinding of strategic shareholdings, large-scale industry consolidation, and delisting. These are all excellent opportunities for the investment banking business to demonstrate their value-added capabilities, and we will bring together the Group's integrated strengths to translate these trends into sustainable growth.

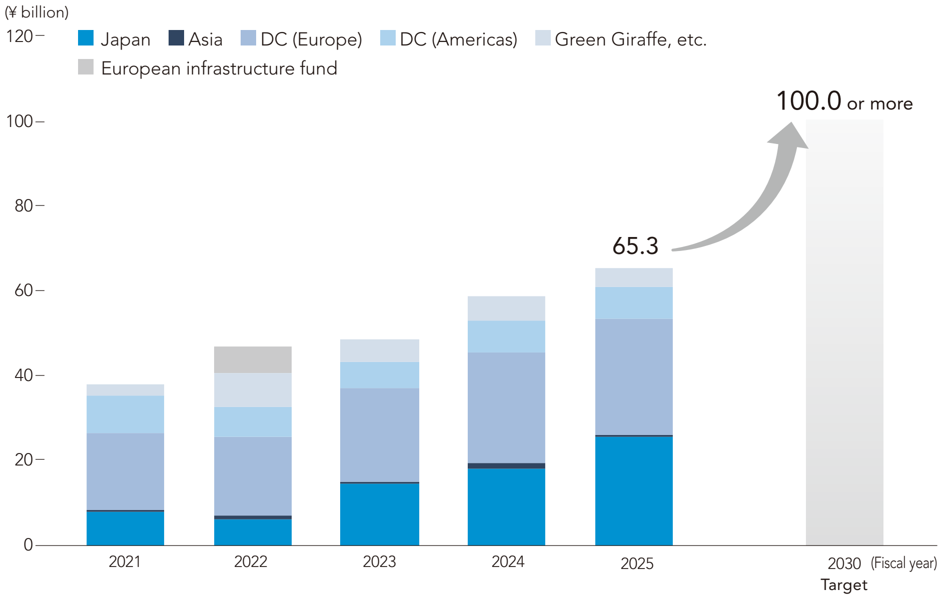
In the finance-related business, we are enhancing our ability to address increasingly diverse financing and capital policy needs across both ECM and DCM by deepening collaboration with GM and the WM Division amid significant changes in market and industry conditions. Demand for M&A services among Japanese companies remains strong, steadily expanding revenue opportunities. In GIB, we position M&A as a key driver of medium- to long-term growth. In addition to strengthening our domestic and international platforms, we are expanding our involvement in large-scale domestic projects as well as cross-border acquisitions and sales transactions involving overseas companies by deepening relationships with business corporations and PE funds. We are also strengthening our ability to originate cross-border transactions by leveraging DC Advisory's network. Given the expanding revenue opportunities in Japan and overseas, we plan to raise our M&A-related revenue target from the original ¥70 billion to approximately ¥100 billion in FY2030.

Business environment outlook and strategy

ECM/IPO	◆ Growing potential funding needs in addition to secondary offerings ◆ IPO volume trending lower overall, but deals expected to grow larger over the medium / long term including re-listings
DCM	◆ Issuers' funding appetite continues ◆ Diversification of funding methods including foreign-currency bonds is expanding revenue opportunities
M&A	◆ Needs of domestic companies for M&A remain at high levels ◆ Overseas M&A is recovering despite remaining geopolitical risks, with further growth expected

1. Strengthening domestic and overseas M&A structure
2. Strategic resource allocation to growing corporate actions
3. Provide diverse solutions through cross-divisional collaboration
4. Enhance client engagement and proposal quality through AI

Group M&A-related revenue trends and plan



M&A business strategy and target outcomes

	Business foundation	Strategy
Domestic	Broad relationships with corporates and PE funds	◆ Expanding large deals ◆ Expanding PE fund deals ◆ Strengthening cross-border deals
Overseas	DC Advisory's global network	◆ Concentrate resources on core sectors common to Europe and the Americas ◆ Differentiate Europe/Americas deals through collaboration with Japan and Asia ◆ Explore diverse growth options including inorganic (North America)

Global Markets & Investment Banking Strategy

Employee comment: Sustainable growth underpinned by the frontline

Serving as a bridge between the GM Division and WM Division, I leverage data and AI to enhance the quality of our consulting services.

As a data scientist that serves as a bridge between the GM Division and WM Division, I engage in the cross-sectional analysis of data, encompassing the characteristics of customers and regions, as well as the activities of frontline employees, to identify each branch's strengths and challenges. Drawing on this analysis, I translate these insights into actionable recommendations and share them with frontline teams. By leveraging data and AI, I objectively identify issues that cannot be fully captured through experience alone, and through collaboration with specialized departments within the GM Division, I help differentiate our services from those of competitors while improving the quality of consulting services provided to customers.

At the same time, I have experienced the challenges of ensuring that analytical insights translate into frontline decision-making. This has taught me the importance of effectively communicating insights and providing support that extends to implementation. Furthermore, to ensure that data science expertise is not limited to the GM Division, but also reaches the WM Division, I am working to promote the use of AI in training and operations, and to develop talent capable of utilizing data.

Based on the belief that data is the foundation that underpins optimal decision-making, I will leverage my experience in bridging the gap between the frontlines and data to lead decision-making across the entire Group and contribute to sustainable growth going forward.

Koji Maeda
Director
Global Markets Strategic Planning Department concurrently serving in NPS Acceleration Department and Digital Acceleration Department
Daiwa Securities

I create new value by linking social issues with funding needs.

The Sustainability Solutions Department provides sustainable finance solutions that transcend the boundaries of such traditional products as bonds and equity to various entities, including business corporations.

In FY2025, I was part of the team that served as lead manager for ITOCHU Corporation's orange bond, the first of its kind in Japan. This project was the culmination of more than a year of close dialogue with the issuer, external review providers, and investors. By linking the social challenge of achieving gender equality to corporate growth strategies and supply chains, we were successful in providing an innovative solution that balances social impact with financing needs.

In order to transform sustainability from a cost into a new revenue opportunity, securities firms are expected to play a role in connecting related parties and turning these initiatives into practical and effective financing frameworks. Looking ahead, I will continue to explore a wide range of solutions that contribute to solving social issues and enhancing corporate value.

P65 Promoting sustainable finance

Moyu Yamada
Associate Director
Sustainability Solutions Department
Daiwa Securities

Orange Bond Initiative™: An international initiative that promotes the mobilization of funds and the development of the orange bond market to achieve gender equality.

Overseas Business

The Group's overseas operations continue to lay the groundwork for sustainable growth through the strategic allocation of resources that leverage the competitive advantages of each region, as well as through proactive collaboration and investment.

In the Americas, in addition to our traditional FICC business, equities, which have enjoyed a steady upswing in revenue, are driving the growth of our operations in the region. Both businesses are expanding the flow of customers through product diversification, thereby further stabilizing their revenue base. In particular, regarding US equities, a mainstay product, cooperation with the WM Division in Japan is progressing steadily. Moreover, we are working to cultivate a local customer base by establishing satellite offices in regional financial hubs.

In Europe and the Middle East, we remain committed to improving profitability in a bid to establish a structure that is capable of consistently generating stable profits as an efficient sales base. Turning to the FICC business, we are working to expand our customer and revenue bases by promoting integrated management with the Americas. In Equities, in addition to expanding our product lineup and strengthening customer engagement, we will further expand sales activities in Northern Europe and the Middle East. As part of our M&A activities, we will bolster efforts to not only expand our pipeline, but also improve profitability by strengthening our presence in the mid-cap market, enhancing our coverage structure, and engaging in proper cost control.

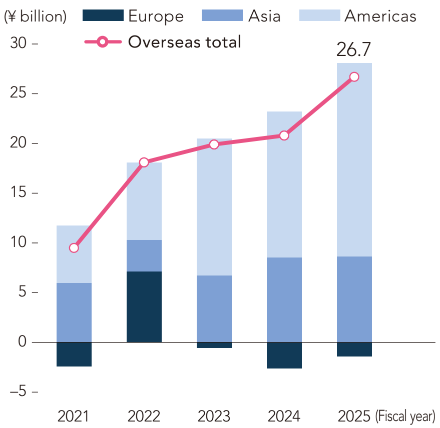
In Asia and Oceania, we are working to improve profitability from pan-Asian equity investors by upgrading and expanding promotional events and investor relations (IR) activities to broaden our customer base for Japanese and Asian equities. In the WCS* business, we are taking preparatory steps to open a new office in Bangkok, in addition to our existing offices in Singapore and Hong Kong. Furthermore, by forming a business alliance with Affin Hwang Investment Bank in Malaysia with which we have a long-standing relationship, we will begin providing services tailored to the needs of Malaysia's high-net-worth individuals. Building on this endeavor, we will work to expand our customer base through collaboration between Japan and Asia as part of ongoing efforts to cultivate high-net-worth Chinese customers.

With a view to promoting our alliance strategy, we are focusing on Asia to capture market growth through partners in various countries and to generate synergies with the Group. In India, we began a business partnership with the Ambit Group in 2016, and since acquiring an equity stake in Ambit Private Limited in 2023, have progressively deepened collaboration. In forging closer ties, we took up equity investments in Ambit Finvest Private Limited, a non-bank financial institution, in 2024, and in Ambit Wealth Private Limited, which operates a wealth management business targeting ultra-high-net-worth individuals in 2026. Through these investments, our goals are to capitalize on the growth of India's non-bank financial and wealth management sectors, which are expected to experience high growth over the medium to long term, and to contribute to the promotion of financial inclusion in the region.

Through these means, we will secure sustainable growth across our overseas business as a whole by developing businesses tailored to the strengths of each region in line with their growth potential and profitability.

* Wealth and Corporate Solutions: Private banking solutions mainly to high-net-worth Japanese citizens living abroad and to corporate customers that are overseas subsidiaries.

Overseas business: Trends in ordinary income



Direction of regional strategy

Investment/alliances with Ambit Group

2016 — **Business alliance with Ambit**
Alliance in the M&A advisory business area

2023 — **Capital alliance with Ambit**
Collaboration in equity, ECM, and other areas

2024 — **Investment in Ambit Finvest**
Capturing growth in India's non-bank business

2026 — **Investment in Ambit Wealth**
Acquired a partner for wealth management services targeting India's ultra-high-net-worth segment

Pursuing Transformative Growth (external alliances, M&As, growth investments)

Daiwa Securities Group maintains a well-diversified business portfolio. In addition to steadily expanding existing businesses across each segment, we will actively pursue growth opportunities through strategic investments and external alliances. Moving forward, the Group will work diligently to achieve sustainable ROE improvement through a balanced approach that combines both organic and inorganic growth.

Our approach to strategic investments and alliances

Growth investments that utilize surplus capital are an important component of the Group's strategy for sustainable growth. To capture attractive growth opportunities, we continuously evaluate investments and partnerships with companies in Japan and overseas across areas such as expanding our customer base, enhancing capabilities and product offerings, and fostering open innovation. Through these initiatives, we aim to strengthen earning power, further enhance our business portfolio, and continue advancing our governance and management framework.

Criteria for deciding on investments and strategic alliances

- Market size/ growth potential
- Strategic fit
- Capital efficiency
- Competitive advantage

Hurdle rate

A level that can achieve **10% ROE** based on regulatory RWA

Capital cost (approx. 9%) + Individual risk premium + Interest rate differential

Business portfolio

Wealth Management | Asset Management | Daiwa Securities Group | GM&IB | Other

×

Direction of inorganic strategy

- ✓ Customer base expansion
- ✓ Capability enhancement and product expansion
- ✓ Open innovation

Collaboration with key partners

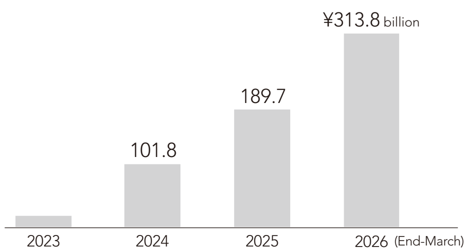
Leveraging the Group's expertise, experience, and platforms in the securities business, we work with strategic partners to provide securities investment services to their customers.

Collaboration with JAPAN POST BANK

JAPAN POST BANK

JAPAN POST BANK Fund Wrap balance*

(Started offering in May 2022)

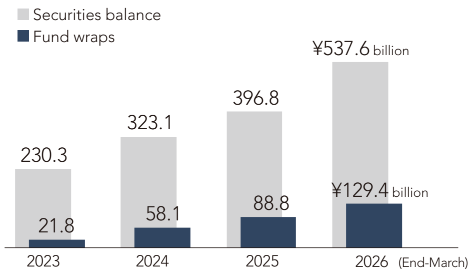


* Selected financial information of JAPAN POST BANK for the fiscal year ended March 31, 2026

Comprehensive business alliance with Shikoku Bank

四国銀行 & 大和証券

Shikoku Bank securities balance*

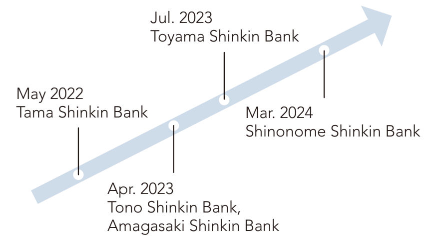


* Consolidated financial results of Shikoku Bank for the fiscal year ended March 31, 2026

Partnerships with Shinkin Central Bank

SHINKIN CENTRAL BANK

Partner credit unions offering Shinkin Fund Wrap



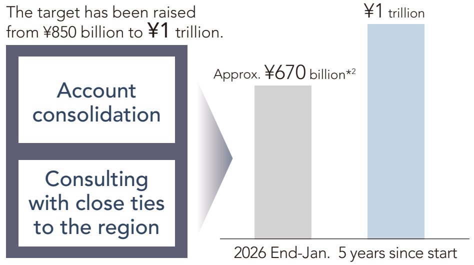
Comprehensive business alliance with Bank of Iwate

岩手銀行 & 大和証券

The partnership commenced on April 6, 2026.

The target has been raised from ¥850 billion to ¥1 trillion.

Assets on deposit held by both companies*1



*1 Bank of Iwate and Daiwa Securities Morioka Branch

*2 Includes insurance

Pursuing Transformative Growth (external alliances, M&As, growth investments)

Alliance with Aozora Bank

Through broader utilization of each firm's capabilities and mutual client referrals, the benefits of the alliance are steadily being realized in the Corporate division and the GIB division as well as across various other divisions. By leveraging Aozora Bank's lending, trust, and other strengths, we are enhancing and diversifying our investment banking capabilities in areas such as underwriting and M&A advisory services. In addition, Daiwa Securities provides the Aozora Mirai Irodori Wrap, a fund wrap service, to Aozora Bank's retail customers.

Advancement and diversification of corporate solutions

GM&IB

- ✓ Joint LBO proposals delivering unique solutions to clients
- ✓ Execution and expansion of joint funding schemes to diversify short-term financing
- ✓ Growing track record in corporate finance, growth-company support, and real estate

AM

- ✓ Initiated collaboration in renewable energy project finance
- ✓ Continued deal sourcing through the jointly-invested Daiwa-Aozora Challenge Fund

Retail business also steadily building track record

WM

- ✓ Sales of fund wrap started at Aozora Bank in October 2025
- ✓ Fund wrap balance significantly exceeded plan at ¥67.4 billion (end-March 2026); planning approx. ¥100 billion for FY2026

Alliance effects

	End-Mar. 2025	End-Mar. 2026
No. of customers agreeing to referrals*1	450 companies	970 companies
Total investments & loans executed*2	¥39.0 billion	¥286.0 billion
Aozora Bank's core operating profit	n.a.	+¥3.5 billion

*1 Cumulative number of information-sharing consent agreements obtained from FY2024 onward

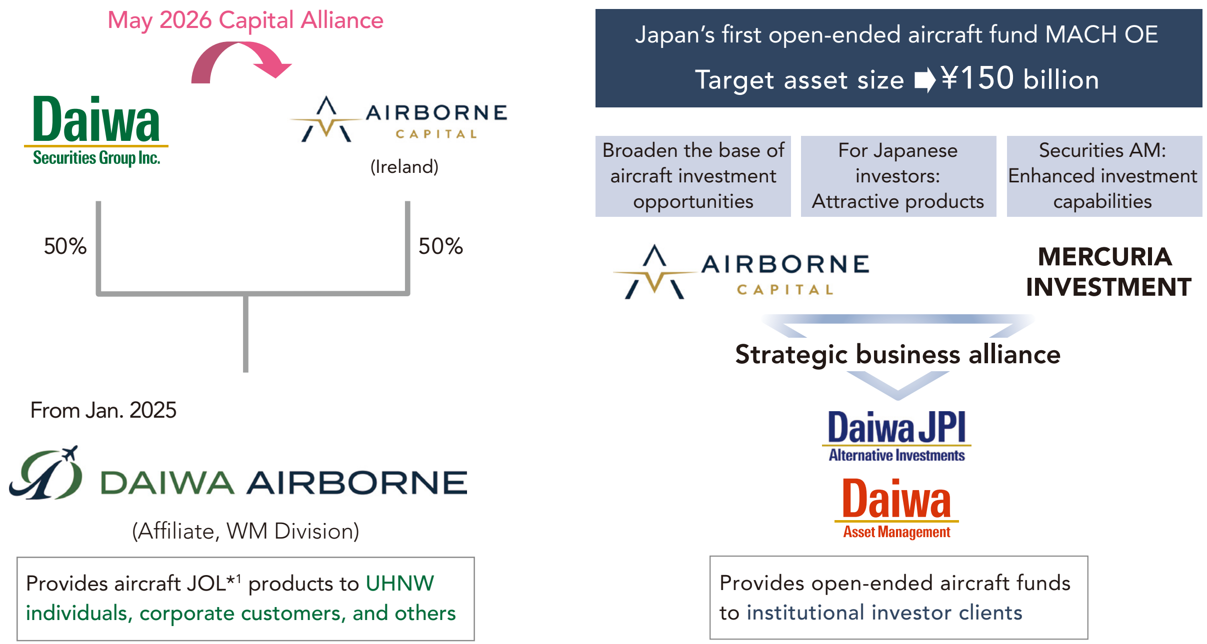
*2 Cumulative from FY2024 onward; repayments not considered

Capital and business alliance with Airborne Capital Limited

On May 20, 2026, the Group announced its investment in Airborne Capital, a co-shareholder of Daiwa Airborne. Airborne Capital has a strong track record and deep expertise in aircraft leasing and aviation investments. By strengthening our relationship with the company, we aim to broaden access to aircraft investment opportunities in Japan and benefit from the growth of this market. We are also partnering with Airborne Capital on Japan's first open-ended aircraft fund. Through these initiatives, we will provide institutional investors with new investment opportunities, further expand our asset management business in alternative investments, and create additional revenue opportunities for the Group.

Company Name	Airborne Capital Limited
Shareholders	Airwayy Partnership LLP (90%) Daiwa Securities Group Inc. (10%) ⇛ 20% in the future
Strengths	◆ One of the world's leading specialist aircraft asset management companies ◆ Specialist team with backgrounds from airlines, aircraft OEMs, and financial institutions
Rationale	◆ Strengthen the provision of aircraft investment opportunities in Japan ◆ Capture growth in the aircraft investment market

Capture growth in the aircraft investment market by strengthening the partnership with Airborne Capital Limited



*1 Japanese Operating Lease

Pursuing Transformative Growth (external alliances, M&As, growth investments)

Acquiring ORIX Bank as a subsidiary

Daiwa Securities Group announced its acquisition of ORIX Bank as a subsidiary on April 27, 2026. The purpose of this transaction is to drive sustainable growth in stable earnings and enhance ROE through the strengthening of our wealth management business.

Transaction overview

100% subsidiarization*1

Daiwa Next Bank acquired all issued shares of ORIX Bank

Number of Shares Acquired	1,200,000
Voting Rights Ratio	100%

Acquisition price*2 ¥370 billion

Fully self-funded acquisition

- The acquisition will be financed entirely from own funds.
- Represents a strategic deployment of capital buffer, with financial soundness maintained.

*1 A merger of the two banks is anticipated in the future.
*2 The final acquisition price will be determined after price adjustments stipulated in the share transfer agreement.

Purpose of the acquisition

Daiwa Securities Group and ORIX Bank are highly complementary. By integrating Daiwa Securities Group's deposit-gathering capabilities, supported by its strong customer base and sales platform, with ORIX Bank's well-established lending and trust capabilities, we will enhance our ability to address customers' needs across both sides of the balance sheet.

The balance between assets and liabilities changes over the course of a customer's life. Leveraging ORIX Bank's lending and trust capabilities, we will provide total asset consulting that optimizes customers' overall balance sheets, encompassing not only assets, but also liabilities. Through this approach, we will further enhance our ability to deliver solutions tailored to each customer's stage of life.

Positive effects expected from this acquisition*1

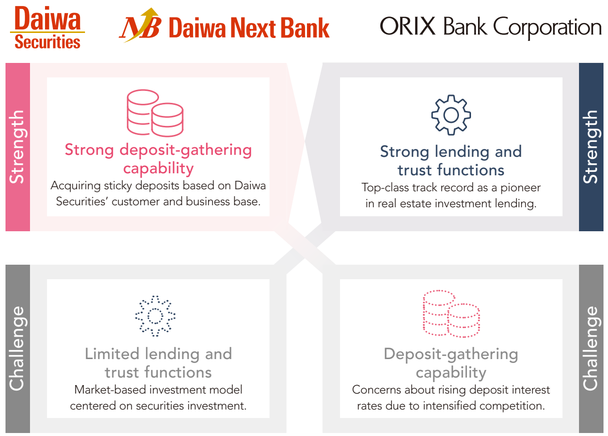
Non-linear improvement in consolidated ROE via the strategic use of capital buffers

First year of acquisition (Annualized)	Net income: +¥12 to ¥14 billion ROE*2: +0.7 to 0.8%		
FY2030	Net income: +¥36.5 to ¥43.5 billion ROE*2: +2.1 to 2.6%	+	Spillover effects to securities business, etc.

- Earnings contribution from ORIX Bank: ¥20 billion (ORIX Bank's past 5-year average net income is approx. ¥20 billion.)
- Net income uplift from net interest income improvement: FY2030 ¥24.5 to ¥29.5 billion*3
- Tentative goodwill amortization: Approx. –¥6 to –¥8 billion/year (assuming amortization period of 15 to 20 years.)

*1 Synergy estimates exclude interest costs of perpetual subordinated bonds (timing and amount TBD) and effects other than net interest income improvement. (e.g., spillover effects to securities business from enhanced lending/trust functions or cost synergies from the two-bank merger, etc.)
*2 Calculated based on average shareholders' equity for the fiscal year ended March 31, 2026.
*3 Potential for an increase in earnings based on the investment of over ¥3.5 trillion (see the next page), assuming net interest income of 1% to 1.2% after deducting operating expenses and credit costs.

An ideal match: Mutually complementary strengths and challenges



Optimizing the balance sheet of client assets and liabilities

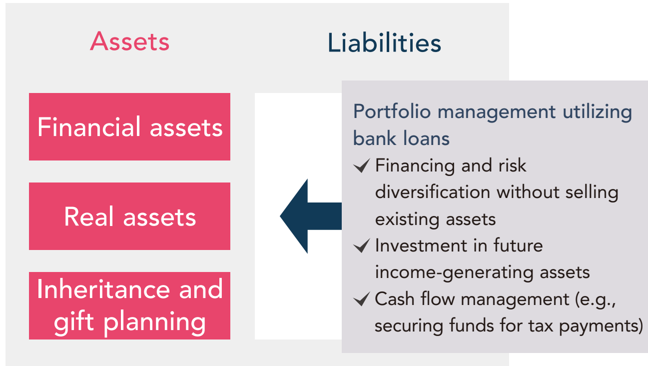
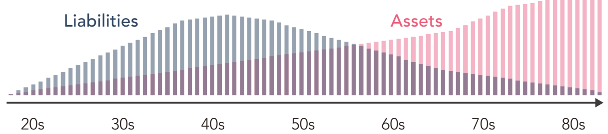


Image of asset and liability balance by generation



Pursuing Transformative Growth (external alliances, M&As, growth investments)

Pathway to a total asset management business model

Through the acquisition of ORIX Bank, the scope of the Group's services will expand significantly beyond financial assets to include real estate, wealth and business succession, and lending. In particular, by making effective use of bank financing, we will be able to help high-net-worth customers with concentrated portfolios obtain liquidity and diversify risk without having to sell existing assets. Moreover, we will also be better positioned to support more sophisticated cash flow management needs, including investing in future income-generating assets and securing funds for tax payments.

The Group has long been at the forefront of the industry's shift from a brokerage-centric business model to a wealth management business model. With the acquisition of ORIX Bank, our coverage will extend beyond customers' assets to encompass customers' entire balance sheets, enabling us to provide more comprehensive support across both sides of the balance sheet. As a result, we believe the Group will evolve beyond a traditional wealth management model into a total asset management business model. This will significantly expand the growth opportunities of our wealth management business.

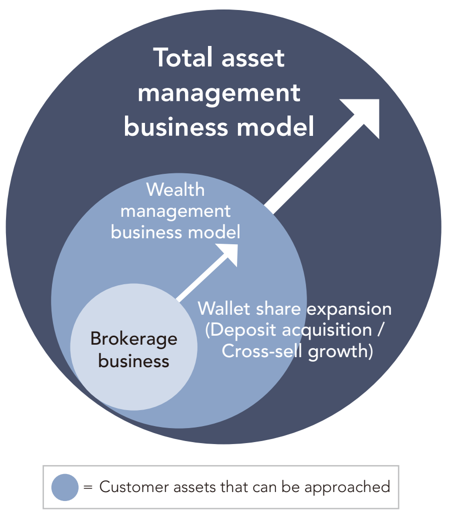
Unlocking the full potential of our combined strengths

The integration of Daiwa Next Bank and ORIX Bank will create a strong and well-diversified balance sheet, with an appropriate mix of loans and securities, as well as ordinary and time deposits.

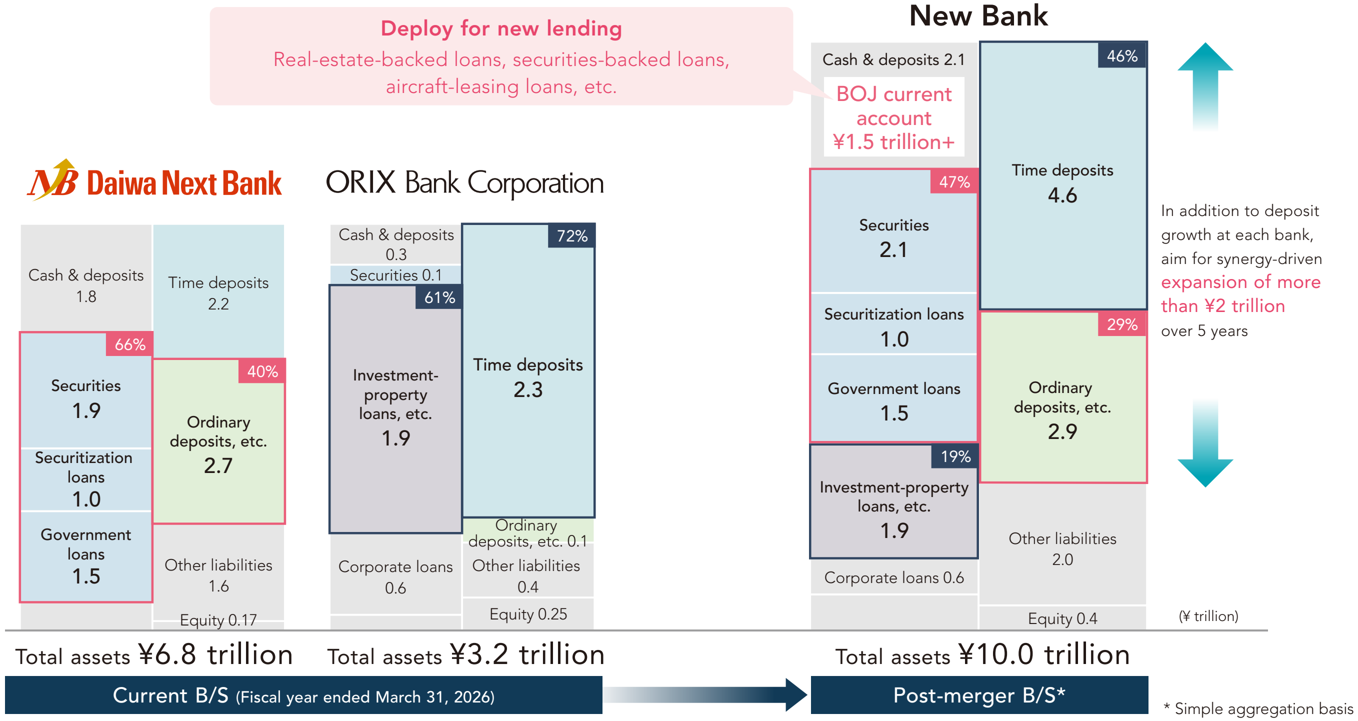
In addition to the excess reserves of over ¥1.5 trillion held by Daiwa Next Bank, we aim to build more than ¥2 trillion in additional deposits over the next five years through competitive deposit offerings and other measures. By deploying the combined funds of more than ¥3.5 trillion into capital-efficient real estate-backed and securities-backed lending, we expect to further enhance net interest income.

Business expansion through enhanced banking functions

WM business growth potential expands dramatically



A stronger balance sheet through the integration of the two banks



* Simple aggregation basis