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

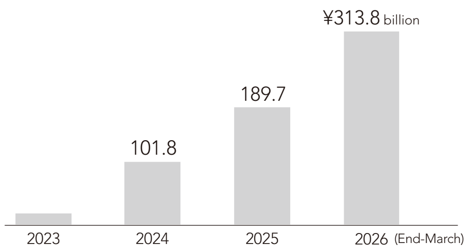
Leveraging the Group's expertise, experience, and platforms in the securities business, we work with strategic partners to provide securities investment services to their customers.

Collaboration with JAPAN POST BANK

JAPAN POST BANK

JAPAN POST BANK Fund Wrap balance*

(Started offering in May 2022)

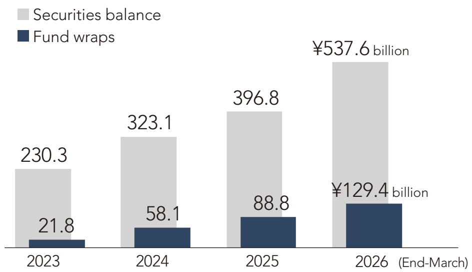


* Selected financial information of JAPAN POST BANK for the fiscal year ended March 31, 2026

Comprehensive business alliance with Shikoku Bank

四国銀行 & 大和証券

Shikoku Bank securities balance*

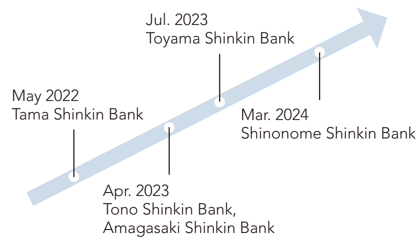


* Consolidated financial results of Shikoku Bank for the fiscal year ended March 31, 2026

Partnerships with Shinkin Central Bank

SHINKIN CENTRAL BANK

Partner credit unions offering Shinkin Fund Wrap



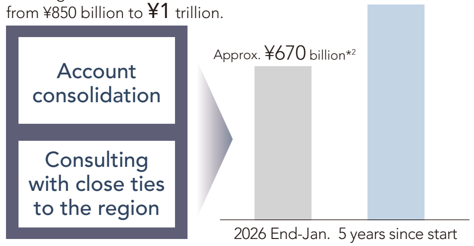
Comprehensive business alliance with Bank of Iwate

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

May 2026 Capital Alliance

Daiwa Securities Group Inc. → AIRBORNE CAPITAL (Ireland)

50% | 50%

From Jan. 2025

DAIWA AIRBORNE

(Affiliate, WM Division)

Provides aircraft JOL*1 products to UHNW individuals, corporate customers, and others

Japan's first open-ended aircraft fund MACH OE

Target asset size ➡ ¥150 billion

Broaden the base of aircraft investment opportunities	For Japanese investors: Attractive products	Securities AM: Enhanced investment capabilities

AIRBORNE CAPITAL | MERCURIA INVESTMENT

Strategic business alliance

Daiwa JPI Alternative Investments

Daiwa Asset Management

Provides open-ended aircraft funds to institutional investor clients

*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.

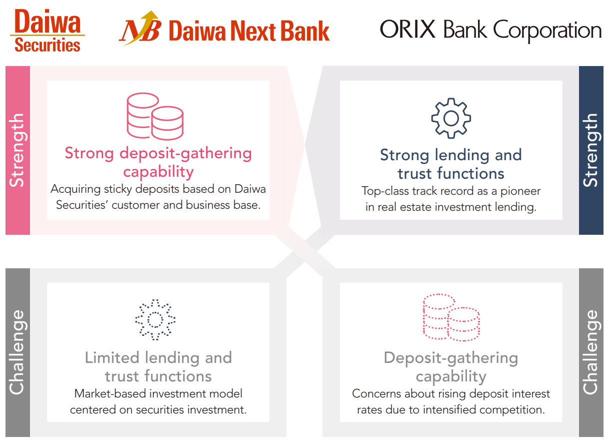
*1 A merger of the two banks is anticipated in the future.
*2 The final acquisition price will be determined after price adjustments stipulated in the share transfer agreement.

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.

An ideal match: Mutually complementary strengths and challenges



Optimizing the balance sheet of client assets and liabilities

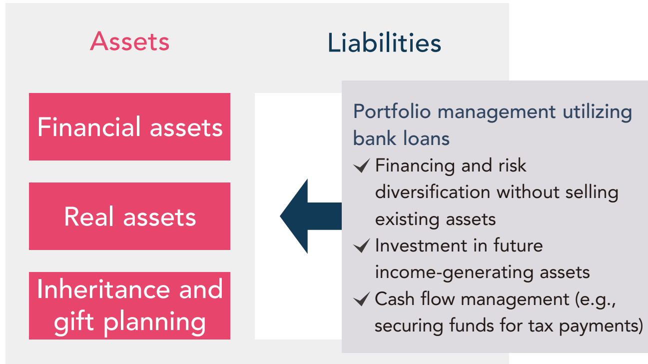
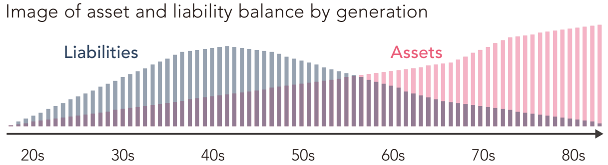


Image of asset and liability balance by generation



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.

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.

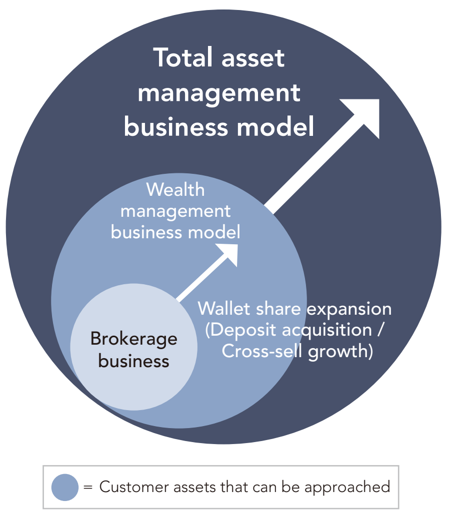
Unlocking the full potential of our combined strengths

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.

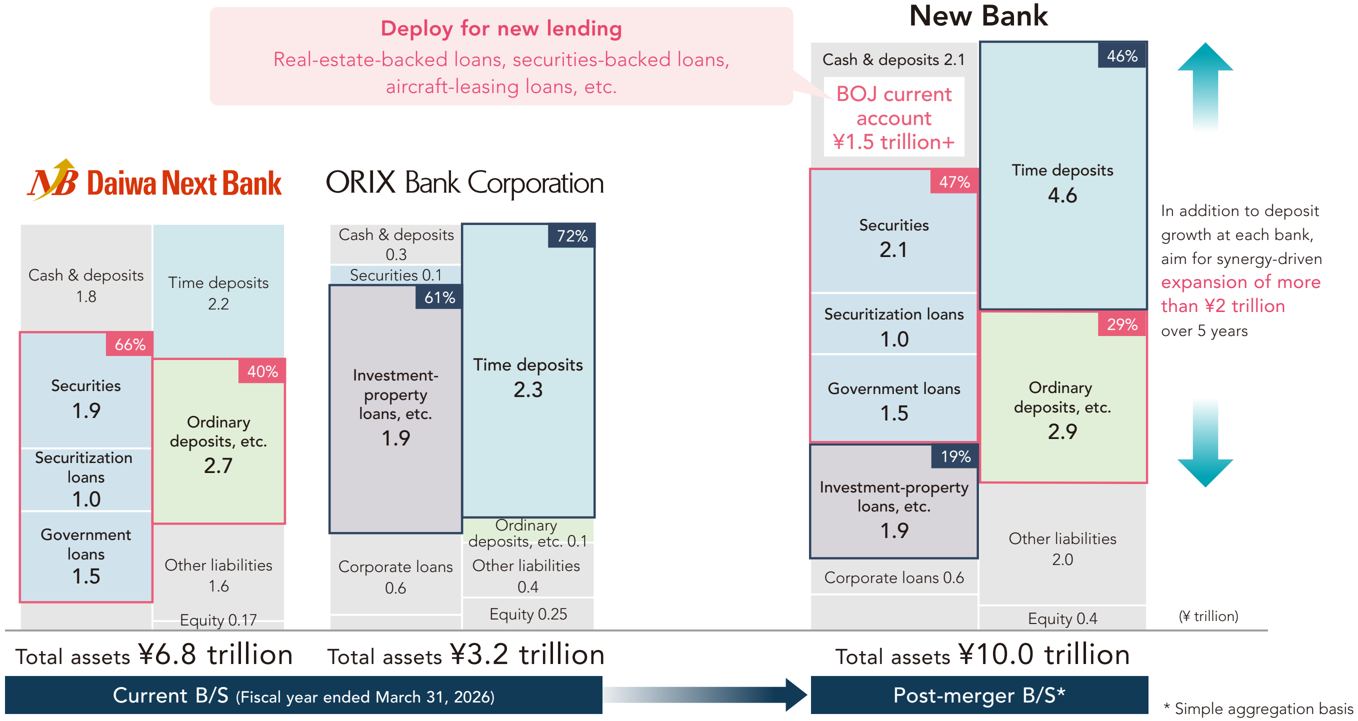
In addition to the excess reserves of over ¥1.5 trillion held by Daiwa Next Bank, we aim to build more than ¥2 trillion in additional deposits over the next five years through competitive deposit offerings and other measures. By deploying the combined funds of more than ¥3.5 trillion into capital-efficient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