Human Capital

Message from the CHO

Placing importance on personnel (Corporate Principles)

The Group will promote the creativity of employees by offering them a challenging and self-directed working environment that encourages their abilities and appropriately rewards their contributions.

Daiwa Securities Group recognizes that human capital is the driving force behind its sustainable competitive edge and the foundation that underpins the creation of corporate value. Accordingly, we are committed to creating an environment in which each and every employee can fully realize their potential. Cognizant of the need to ensure organizational cohesion and increase employee engagement, we are also fostering a corporate culture of mutual respect and a workplace in which employees challenge themselves while supporting each other's growth. This we believe will help enhance corporate value on a sustainable basis.

We are also focusing on developing digital and AI talent. In 2022, we established the Daiwa Digital College, offering a wide-ranging curriculum to help all employees acquire the skills necessary to realize our Digital Strategy. At the same time, guided by the need to turn diversity into strength, we are continuously promoting diversity and inclusion. Furthermore, we are working to enhance employees' sense of fulfillment and job satisfaction while endeavoring to improve their well-being through various initiatives, including health management.

Moving forward, we will further strengthen our investment in human capital in an effort to **maximize customer asset value**, our Basic Group Management Policy. At the same time, we will work diligently to enhance corporate value over the medium to long term while fostering a culture that supports the challenges and growth of each and every employee.

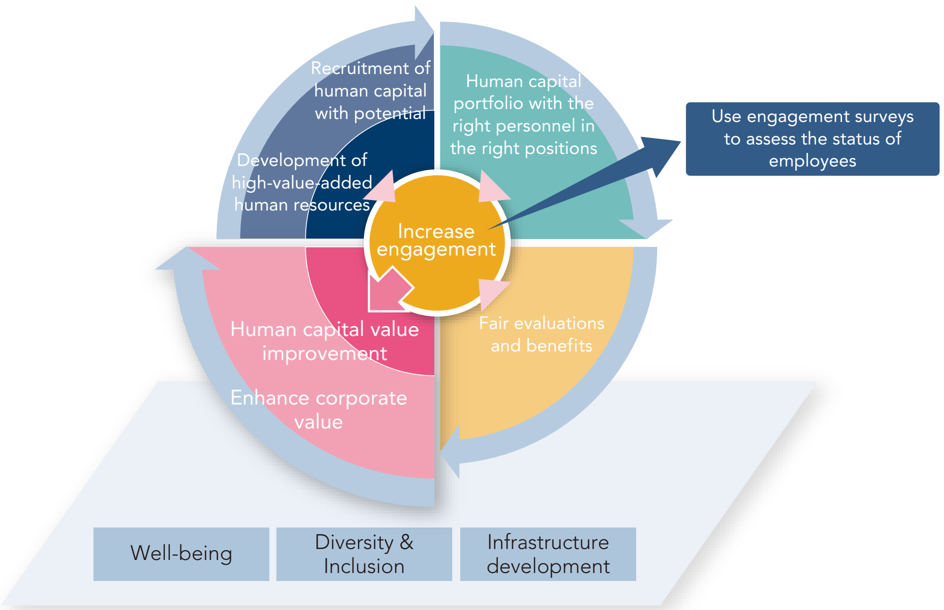
Hiromasa Kawashima
Executive Managing Director
Deputy Head of Corporate Planning
Head of Human Resources
Chief Health Officer (CHO)
Head of Sustainability
Head of Financial Education
Daiwa Securities Group Inc.

Approach to human capital management

The Group places **maximizing customer asset value** at the core of its management and is committed to securing sustainable growth while enhancing corporate value over the medium to long term through the advancement of total asset consulting and the provision of high-value-added solutions. True to this commitment, we position human resources as the source of our competitiveness and the foundation for realizing our management strategy, and accordingly promote our HR strategy in tandem with our management strategy.

Under our HR strategy, we have identified hiring, training, our human capital portfolio, and evaluation and compensation as key areas of focus. While continuously evolving and deepening our systematic investment in and management of human capital, energies are being directed toward securing top talent, developing highly specialized professionals, building an HR portfolio that maximizes talent value, and putting in place appropriate evaluation and compensation systems. Through these means, we are endeavoring to enhance each employee's ability to generate added value and foster behavioral change.

Each of these areas of focus is also inextricably linked to employee engagement. Based on the belief that employees' proactive growth and high engagement lead to improved business performance and productivity, we identified sustainable engagement as a KPI under our HR strategy and are engaging in continuous monitoring and improvement.



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Recruiting high-potential talent

From a management strategy perspective, we view hiring as an important measure that contributes to the Group's sustainable growth and enhanced corporate value. As such, we engage in hiring activities tailored to the characteristics of each Group company.

At Daiwa Securities, for the year-round recruitment of new graduates, we assess applicants' values and behavioral traits based on the personal histories submitted by each applicant. Drawing from this, we then proceed with the selection process from multiple perspectives, including those of department and division managers. By selecting candidates with an eye toward their future career paths, we get an early start on helping applicants realize their full potential after joining the company. In addition, we introduced the Job Supporter System, which allows applicants to select employees from various departments and divisions to interview. By deepening their understanding of these employees' mindsets and approach toward work, the workplace atmosphere, and potential career paths, we are taking positive steps to minimize mismatches after they join the company.

In addition, we introduced the Expert Course, a human resources system that evaluates talent capable of applying high levels of expertise, such as advanced mathematical abilities and IT skills, to business operations, which in turn helps strengthen our recruitment of high-potential talent.

Moreover, we are actively promoting the recruitment of mid-career talent with diverse backgrounds and knowledge. In FY2025, 26.9% of the 766 annual hires were recruited as mid-career talent. To create an environment in which new hires can settle in and quickly thrive while making the most of their diversity, we implement such onboarding initiatives as induction ceremonies, a mentoring program, the establishment of communication channels, and social gatherings involving senior management.

P31 Employee comment (Daiwa PI Partners)

Developing high-value human capital

To support employee development, in addition to educational and training programs that leverage our accumulated insights and know-how, we are strengthening efforts to put in place an environment where employees can take the initiative in identifying the skills necessary for improving their performance and shaping their career, and continue to learn.

Daiwa Securities introduced an online video learning platform that provides individually optimized learning opportunities tailored to all employees, enabling them to select and acquire the knowledge and skills they need from a range of business courses, including those on management and data analysis. In addition, to address increasingly sophisticated and diverse customer needs and to deliver high-value-added solutions, we provide support for employees to obtain such qualifications as CFP and Certified Member Analyst (CMA). As of the end of March 2026, the number of Daiwa Securities employees holding the CFP certification was the highest among financial institutions in Japan. Furthermore, through the Daiwa Digital College, which is open to all employees, we are working to develop digital talent capable of actively utilizing digital technologies, including generative AI.

As part of our investment in human capital to develop talent with the high level of expertise necessary to **maximize customer asset value**, we have increased our per-employee investment in training by more than 25% compared with FY2020.

A human capital portfolio with the right people in the right places

In order for each employee to make the most of his or her individuality and strengths and perform at a high level, it is essential for that employee to take the initiative in shaping his or her own career and to take the necessary action.

To support employees in shaping their own careers, we have introduced a self-reporting system that allows them to share their career aspirations, strengths, and challenges with supervisors through 1-on-1 meetings. This self-reporting system is also a means to directly convey their preferences regarding career paths and work environments to human resources departments. We have also put in place an intra-Group open recruitment system that enables employees to voluntarily apply for diverse roles within the Group and secure transfers. By encouraging employees to take the initiative in pursuing new challenges, we are working to ensure the right people are placed in the right roles.

In addition, we utilize a human capital management (HCM) system that visualizes employees' aspirations and skill levels in real time. By accumulating and passing on information updated during 1-on-1 meetings for each employee, we ensure consistent career support and development even after a transfer.

Through each of these initiatives, we are building an optimal human capital portfolio by supporting the career development of our people, the wellspring of our competitiveness, and strategically utilizing the accumulated human capital information.

Fair evaluation and compensation

Daiwa Securities Group is working to put in place an evaluation and compensation system that encourages all employees, regardless of their year of employment, to strive for higher levels of achievement and positions of greater responsibility.

As far as evaluations are concerned, we conduct comprehensive assessments that take into consideration both quantitative and qualitative factors, while also scrutinizing the validity of evaluations from multiple perspectives. At the same time, we view evaluation feedback itself as a crucial opportunity to foster the growth of our human resources, and are committed to implementing an evaluation system in which employees can feel satisfied.

Turning to the issue of compensation, which is necessarily a key component of our investment in human capital, we have adopted a Pay for Performance approach. We continually explore appropriate levels and allocations based on results and achievements, maintain a competitive compensation system, and conduct annual reviews to ensure that compensation aligns with performance. We have raised salary levels for five

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consecutive years since FY2022, with a cumulative increase of over 25% over the past five years. To strengthen our competitiveness in attracting talent, we have raised compensation levels, particularly for employees who make a significant contribution to the Group. We are also ensuring a comprehensive compensation system for senior employees after re-employment, based on their expertise and performance. As an additional initiative, we introduced a special incentive contribution program through the Group Employee Stock Ownership Plan from FY2026. By further raising employee awareness toward the links between stock price appreciation and corporate value enhancement, we are working to further increase corporate value.

Improvement in engagement

Engagement survey implementation

The Group regularly conducts anonymous engagement surveys with the aim of achieving sustainable business growth and enhancing corporate value over the medium to long term. The survey measures the level of sustainable engagement* and its 15 engagement categories. Through each survey, we analyze the results from multiple perspectives through comparisons with external benchmarks and analyses by employee demographic attributes. Furthermore, we have established sustainable engagement, whose correlation with future business performance has been verified, as a Group KPI. In the FY2025 survey, the sustainable engagement score rose by 3 points compared with the previous fiscal year, and the score for digital transformation initiatives, one of the Group's key challenges, increased by 6 points. We believe this was driven by the progress of our digital strategy, including the Group-wide rollout of Microsoft 365 Copilot, in line with our Group strategy to pursue digital innovation.

For details on these initiatives, see page 56, Digital Strategy.

* Sustainable engagement refers to a high level of willingness to contribute toward achieving goals as well as a strong sense of belonging to the organization, which is maintained through a productive work environment, physical and mental health and other factors. Willis Towers Watson states that companies with high scores tend in the future to show performance growth exceeding the average growth rate for the industry to which those companies belong. Note that the Group's KPI is calculated as the average percentage of positive responses across all questions in this component.

Daiwa Securities Group engagement score

(%)

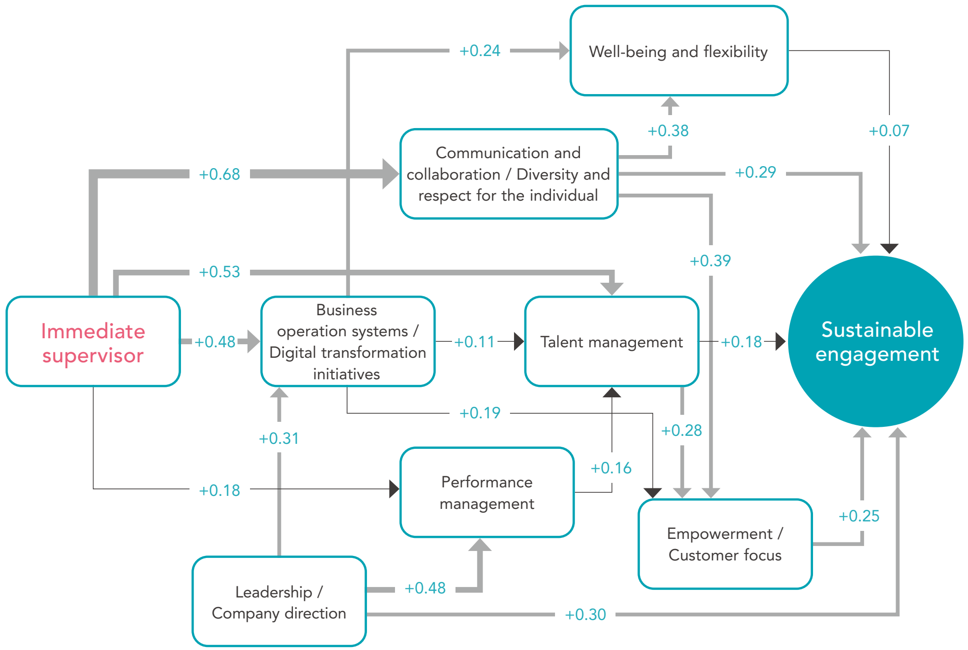
Category name	FY2021	FY2022	FY2023	FY2024	FY2025	Target value (FY2026)
Sustainable engagement	— (81)	79 (81)	80 (83)	81 (82)	84 (85)	80 or higher
Digital transformation initiatives	— (65)	67 (68)	69 (69)	71 (71)	77 (78)	—

Note: Figures in parentheses indicate Daiwa Securities' score.

Causal structure of engagement scores

Based on the results of the engagement survey, we analyze the relationships among factors that impact employee engagement. In specific terms, we developed a causal structure model by category using such theoretical frameworks as the Job Demands–Resources (JD-R) model and questions from the engagement survey, and visualized the strength of these causal relationships. The data shown in the diagram below indicate the degree of influence each factor has on other factors with a higher number indicating a stronger influence. Based on the causal structure model, we identify high-priority issues for each organization to improve sustainable engagement scores and use these findings to formulate measures aimed at improvement. At Daiwa Securities, the results showed that the immediate supervisor category had the greatest influence. Based on these results, to improve organizational performance, we are comprehensively promoting initiatives that range from manager competency development to behavioral change, implementation, and systemic support.

Causal structure model



Notes: 1. Path coefficient: 0.5 or higher indicates a very strong impact; 0.3–0.5 indicates a strong impact; 0.1–0.3 indicates a weak impact; and less than 0.1 indicates almost no impact.
2. The causal structure analysis of the engagement score was conducted in collaboration with MCD3 Inc.

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Support for managers

Development of management skills and knowledge
- Content tailored to specific target groups (new managers, female managers, etc.)
- 1-on-1 meeting workshops
- Online learning service: Udemy Business
- Guidebook on general management operations

Communication support
- Bonus feedback guidelines

Self-reflection support
- Multifaceted evaluation
- Assessment Programs

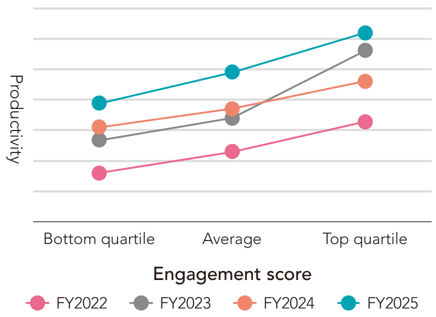
Infrastructure development
- System for recording and tracking 1-on-1 meetings
- Pulse surveys that provide timely insights into employee well-being

Analysis of the correlation between engagement scores and financial metrics

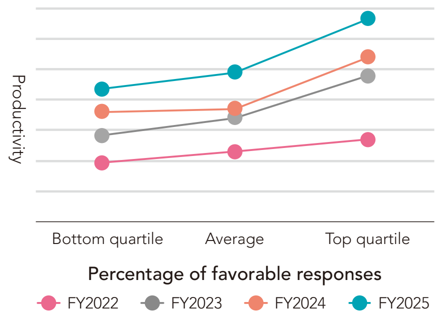
Daiwa Securities Group analyzes the correlation between engagement survey results and financial metrics. In addition to sustainable engagement, which has been set as a Group KPI, we confirmed that the scores of approximately half of the 15 categories have a statistically significant correlation with productivity (revenue per working hour). In particular, when comparing segments by their scores for sustainable engagement and digital transformation initiatives, we observed indications that segments with higher scores tended to have higher productivity. Based on these analysis results, we are engaging in such activities as the development of digital talent, the promotion of data use, and the more fundamental use of AI to transform business processes. By continuing these initiatives, we are working to improve productivity year after year.

Correlation between engagement scores/category scores and productivity

Sustainable engagement



Digital transformation initiatives



Note: This data and analysis were provided by WTW, our survey partner. The numbers represent the percentage of employees who gave positive responses to questions in the sustainable engagement category or relevant survey questions, with the scores of each organization divided into quartiles.

Diversity & Inclusion

D&I initiatives: Transforming diversity into a strength

We position the promotion of Diversity & Inclusion (D&I) as a critical management priority. We believe that creating an environment in which a diverse workforce can realize their full potential while respecting one another's differences serves as the driving force behind sustainable growth and the enhancement of corporate value over the medium to long term. In particular, we view inclusion, which goes beyond simply promoting diversity in terms of such attributes as gender, age, disability, nationality, and LGBTQ+ identity, as a means through which to turn diversity into strength regardless of life stage. In this manner, we see diversity as a driver of new value creation, and are advancing inclusion endeavors in tandem with our HR strategy coupled with employee engagement initiatives.

D&I Promotion Committee

As chair of this Committee, the President and CEO leads discussions on a wide range of themes involved in D&I together with executives and employees from across the Group who are appointed as advisers depending on the topic under discussion. Committee meetings can also be observed online by all executives and employees. In light of the issues raised by the Committee, we are translating these discussions into concrete actions to enhance and expand various systems and initiatives.

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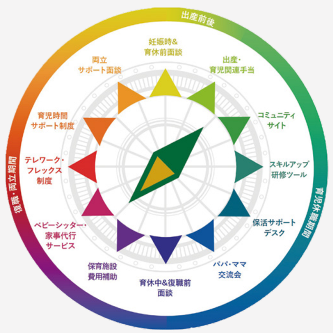
Gender diversity

We have been actively promoting the advancement of women in the workplace since 2005, more than 20 years ago. As of the end of FY2025, the ratio of female managers stood at 22.0%, achieving our sustainability KPI target of 20% or more (consolidated) by FY2026.

1 Job transfer system and career training

Having put in place a job transfer system through which employees can broaden their career opportunities, since 2009 more than 1,200 employees have moved from clerical positions to career-track positions. In addition, we conduct the Daiwa Women's Forum, a multi-tiered career training program designed to support the promotion of women to managerial positions and the development of future executive candidates.

あなたがもっと輝けるほうへ
ダイワのCOMPASS



2 COMPASS: Return-to-work support program

Daiwa Securities Group introduced COMPASS, a new program designed to support a smooth return to work after taking childcare leave in FY2025. By alleviating anxieties and bridging gaps before and after returning to work, and by providing support from both the skills and mindset perspectives, we are facilitating a seamless continuation of careers and helping employees continue and further develop their careers.

3 Encouraging the taking of childcare leave among male employees

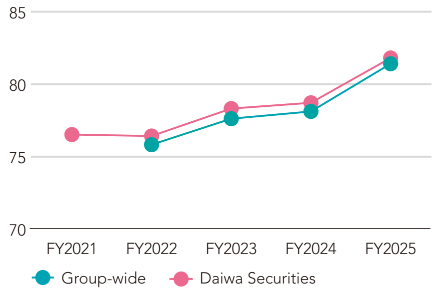
With respect to childcare leave among male employees, we are encouraging meaningful participation in childcare by extending the number of available days. In this regard, the Group has guaranteed a maximum of four weeks of wages for both childcare leave at birth and for childcare support leave since FY2022. As a general rule, we also require employees to take at least two weeks of leave. In FY2025, the average number of childcare leave days taken by male employees was 34.8 days, exceeding one month.

Sustainable engagement from a D&I perspective

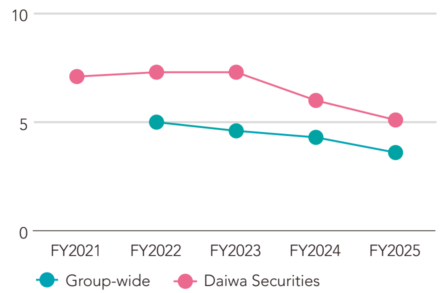
Women's engagement scores tend to be relatively lower compared with the overall average. With this in mind, we have positioned improving women's engagement as one of the key areas for further improving organizational performance. As a result of continuously implementing various initiatives related to gender diversity, women's scores have shown a gradual improvement, and the gap between men's and women's scores is narrowing.

Please also refer to Improvement in engagement on page 51 for more information on sustainable engagement.

Female employee scores (sustainable engagement)



Gender score difference (sustainable engagement)



Collaboration with employees

Guided by our Corporate Principle of placing importance on personnel, the Group has fostered a corporate culture where colleagues support and inspire one another. Under this culture, we have implemented employee-centered HR policies and systems, flexible work-styles, and comprehensive benefits. To clearly communicate our vision and aspirations to each and every employee, we began publishing the Daiwa Human Capital Report in 2026. This report highlights the benefits of various programs, including the special incentive contribution program through the Group Employee Stock Ownership Plan, the student loan repayment support system, and the comprehensive support provided by the Health Insurance Society, and outlines details through interviews with employees who have actually used these programs. This helps employees better understand how the programs can be utilized in practice and the benefits they provide, thereby promoting greater awareness and acceptance.

In addition, we introduced the D-Link application in July 2026 as a bridge, helping employees remain connected to the Group even while away from the workplace. With the introduction of this app, employees on leave, such as for the birth of a child, childcare, or caregiving, or on secondment, can easily access the necessary procedures and available HR programs when life events occur, even if they do not have a company-issued device.

Looking ahead, we will upgrade and expand initiatives that allow all employees to excel by strengthening collaboration.

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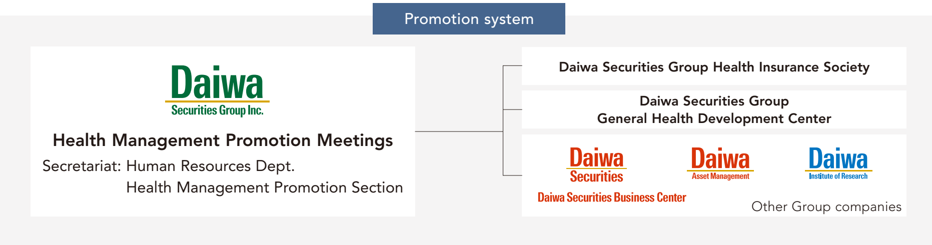
Improved well-being

Health management promotion system

We have appointed the Head of Human Resources as Chief Health Officer (CHO), and Group company executives are also actively involved in promoting health management. Every year, we prepare a White Book on Health that analyzes the health status of all Group executives and employees and regularly hold a Group-wide Health Management Promotion Meeting hosted by the CHO to identify issues, evaluate initiatives, and make improvements, using the PDCA cycle for health management. In FY2025, we implemented various initiatives, including measures for women's health. In March 2026, Daiwa Securities Group was selected as a KENKO Investment for Health Stock, a designation awarded by Japan's Ministry of Economy, Trade and Industry (METI) in cooperation with the Tokyo Stock Exchange to recognize publicly listed companies that take a strategic approach to employee health from a managerial perspective. This marks the 11th time Daiwa Securities Group has been selected, since this initiative began in 2015.



Targets

To improve the two KPIs that serve as indicators of the effectiveness of health management and to boost productivity, we engage in a variety of measures, including the initiatives listed as follows.

	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	Target (FY2030)
Presenteeism loss percentage*1	17.0%	15.2%	12.6%	13.9%	14.5%	14.5%	Less than 10.0%
Absenteeism average*2	3.4 days	3.4 days	3.1 days	3.9 days	4.0 days	3.8 days	3.0 days or less

*1 A condition in which a person goes to work with some illness or symptom that reduces his or her ability to perform work and productivity. Calculated by conducting a questionnaire that evaluates one's own work for the past four weeks, taking as 100% the work performance that can be demonstrated in the absence of illness or injury. The smaller the number, the higher the productivity.

*2 Employees taking sick leave. Calculated by conducting a questionnaire that asks how many days one has missed from work due to one's own illness in the past year. The fewer the number of days, the higher the productivity.

Major initiatives

1 Addressing women's health issues

In the context of promoting women's advancement, we introduced the Daiwa ELLE Plan in 2018 to provide comprehensive support for women's health. As part of this initiative, we established ELLE leave to be taken for physical issues caused by menstruation and menopause and for infertility treatment, introduced measures to ensure employees can take time off for treatment, put in place an e-learning program to improve health literacy, and set up a consultation service. In addition, we began offering gynecological consultations by leveraging the online medical consultation system for use by Group employees from 2023. Furthermore, in 2024, we expanded our support by introducing an app-based tool to reduce the physical and mental stress associated with menstrual symptoms, as well as providing video content for employees created by specialists in gynecology and conducting gynecological screenings at key life stages. In FY2025, we implemented initiatives utilizing Femtech, such as a program using devices to directly alleviate menstrual pain and a menopause self-care app.

2 Providing online medical care

Since 2020, Daiwa Online Care* has been available to employees across Japan, providing online access to the medical office at our head office (general health development center). Since FY2022, the number of consultations has more than doubled compared with the first year of operation, exceeding 1,000 annually. In addition to regular consultations about internal medicine, for example, the service offers a wide range of healthcare, such as consultations on health checkup results, mental health, and clinics to help quit smoking. Employees are responsible for medical and prescription fees, while the Group covers shipping costs to ensure next-day delivery of medications, regardless of the employee's location.

* Daiwa Online Care medical specialists (medical care and consultation): Cardiology, respiratory medicine, gastroenterology, brain/neurology, nephrology/hypertension/diabetes, psychiatry, gynecology

3 Utilizing the well-being platform

To support employees' health and advance human capital management through the use of data science and AI, we initiated a trial of Hearbit, a well-being platform developed by our Group company Daiwa Institute of Research, in FY2025. We are creating an environment in which employees can use apps for diet, exercise, mental health, and more, all in one place and free of charge, allowing them to proactively improve their health while monitoring the risk of disease.

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Health management strategy map

Health investment (measures)

Common to all fields
Regular health checkup / Daiwa Online Care (in-house online medical consultation service) / Hearbit (Health promotion apps)

Lifestyle
KA-RA-DA iki-iki PJ / Good Sleep Daiwa / Smoking cessation during working hours / Quit smoking challenge / Alcohol screening / Yellow paper system / Health guidance program

Younger generation
Fitness app Beatfit / Improve health education and health literacy among the younger generation

Women
Daiwa ELLE Plan+ (ELLE Leave, menopause, infertility treatment support, Femtech and gynecological care)

Cancer
Cancer screening (cervical and breast cancer, etc.) / Employment support plan for employees with cancer

Mental health
Mindfulness training / Stress check / Mental health consultation

Impact of health investments

1 Indicators of initiative implementation
- Regular health checkup rate / Medical institution attendance rate for employees with problematic results
- Number of Daiwa Online Care users
- Number of e-learning viewers
- Number of health promotion event participants
- Number of sleep apnea screening test users
- Female cancer screening rate (cervical and breast cancer) / Number of employees taking ELLE leave, number of participants in Femtech initiatives
- Number of appearance support users
- Stress check participation rate

2 Indicators of changes in employee awareness and behavior
- Smoking rate
- Regular exercise rate
- Moderate alcohol consumption rate
- Percentage of employees who get sufficient rest through sleep
- Regular dental examination rate
- Health app usage rate

3 Final health-related target indicators
- Presenteeism loss percentage
- Absenteeism average
- Sustainable engagement
- Female ratio in managerial positions
- Number of employees who left their jobs
- Obesity rate / Prevalence rate
- Ratio of employees with high stress

Target year: FY2030 — KGI

- Presenteeism loss percentage: **Less than 10.0%**
- Absenteeism average: **3.0 days or less**
- Sustainable engagement: **Enhancement**

Health management targets

By enhancing employees' well-being, we aim to achieve

- Increased employee productivity
- Greater engagement
- Empowering a diverse workforce

Health management promotion policy

Declaration on Health Management

We seek to raise productivity by enhancing employees' well-being and to sustain a high level of organizational performance.
To this end, we are undertaking strategic measures to promote health management.

Management policy

Corporate Principles

Placing importance on personnel

The source of the Group's competitiveness lies in the capabilities of its employees

Enhancing corporate value on a sustainable basis through human capital management

Employee health issues

- Lifestyle (employees with risk factors such as obesity and hypertension, smoking, diet, exercise and sleep)
- Younger generation health awareness and health literacy
- Health issues specific to women
- Early cancer detection, balancing work and treatment
- Prevention and early detection of mental health issues

Foundations supporting health management

Status of health management awareness	Systems and environment for implementing policies	Support and organizational assistance (POS), WSC, etc.
Analyzing the health status and adoption levels of all Group officers and employees via the White Book on Health	CHO (Head of Human Resources) / Quarterly Health Management Promotion Meeting / Safety and Health Committee (with employee union participation)	Three-party collaboration among the Human Resources Department, the General Health Development Centers, and the Health Insurance Society / Point incentives

— Fostering a Culture of Health —
(Top management commitment and group-wide adoption of health promotion)