

Daiwa Securities Group Inc.
3Q FY2021 Earnings Announcement

January 28, 2022

Daiwa Securities Group Inc.

This presentation may contain forward-looking statements about the Daiwa Securities Group. You can identify these statements by the fact that they do not relate strictly to historic or current facts. These statements discuss future expectations, identify strategies, contain projections of results of operations or of financial condition or state other “forward-looking” information. These statements are based on currently available information and represent the beliefs of the management of the Daiwa Securities Group. These statements are subject to numerous risks and uncertainties that could cause the Daiwa Securities Group’s actual results, performance, achievements or financial condition to differ materially from those described or implied in the forward-looking statements. The Daiwa Securities Group undertakes no obligation to publicly update any forward-looking statements after the date of this presentation. These potential risks and uncertainties include, but are not limited to: competition within the financial services industries in Japan and overseas, our ability to adjust our business focus and to maintain profitable strategic alliances, volatile and sudden movements in the international securities markets, foreign exchange and global economic situations affecting the Daiwa Securities Group.

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Highlights (1Q-3Q/FY2021, YoY)

Both net operating revenues and ordinary income increased.
Profit attributable to owners of parent reached five-year high.

Consolidated earnings results	FY2021 1Q-3Q	% Changes vs 1Q-3Q/FY2020	FY2021 3Q	% Changes vs 2Q/FY2021
Net operating revenues	¥390.3 bn	+14.1%	¥134.3 bn	+4.0%
Ordinary income	¥112.4 bn	+41.2%	¥40.5 bn	+9.6%
Profit attributable to owners of parent	¥76.9 bn	+33.1%	¥26.6 bn	+0.2%

- **Ordinary income in Retail Division reported ¥35.1 bn led by steady progress in changing to wealth management business model and cost reduction.**
 - Both contract amount of wrap account service and investment trust sales amount jumped.
 - Asset under management of Asset based fee plan for investment trust reached ¥372.6 bn.
- **For Wholesale Division, both net operating revenues and ordinary income reached a record high* in Global Investment Banking.**
 - Revenues from M&A business reached a record high.
- **In Asset Management Division, both net operating revenues and ordinary income recorded the highest*.**

*Since disclosures of segment information started in FY2010.

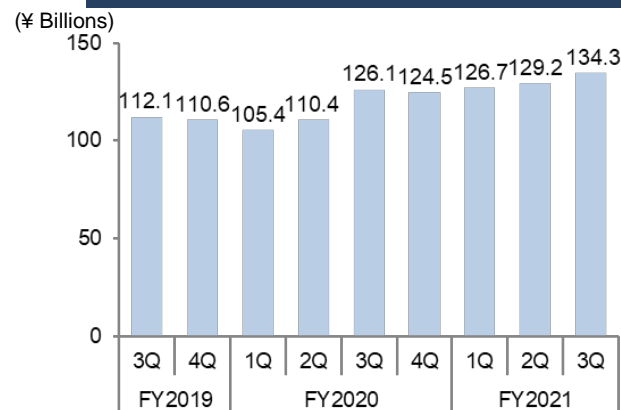
Summary (3Q/FY2021, QoQ)

Both net operating revenues and ordinary income increased.

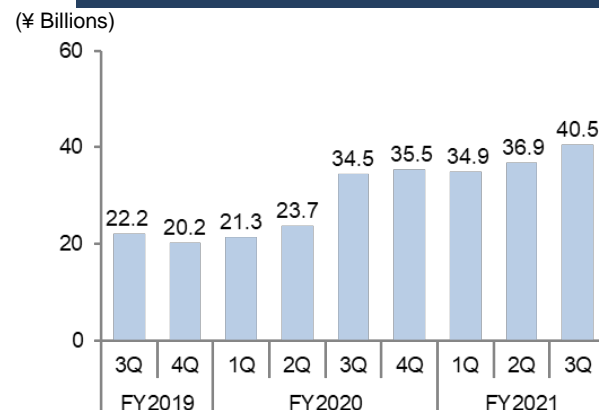
Consolidated earnings results	FY2021 3Q	% Changes vs 2Q/FY2021
Net operating revenues	¥134.3 bn	+4.0%
Ordinary income	¥40.5 bn	+9.6%
Profit attributable to owners of parent	¥26.6 bn	+0.2%

- Ordinary income in Retail Division posted ¥12.7 bn (+2.7%) and exceeded ¥10.0 bn for 4 consecutive quarters.
- For Wholesale Division, revenues from FICC recovered in Global Markets, and revenues from equity underwriting increased in Global Investment Banking.
- Annualized ROE:8.0% BPS: ¥897.76 (a record high)

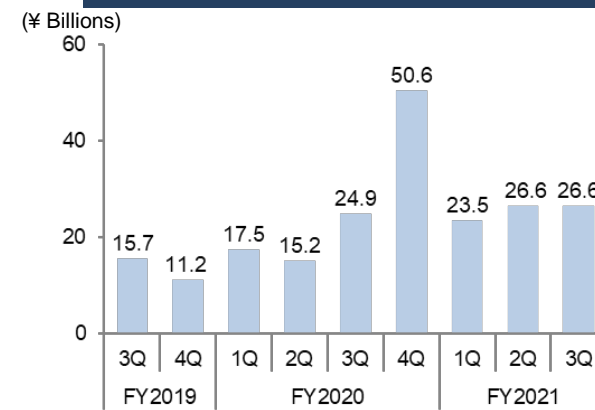
Net Operating Revenues



Ordinary Income



Profit Attributable to Owners of Parent



Financial Summary

(¥ Millions)	FY2020		FY2021			% Change vs 2Q/FY21	% Change vs 3Q/FY20	FY2020	FY2021	% Change vs 1Q-3Q/FY20	FY2020
	3Q	4Q	1Q	2Q	3Q			1Q-3Q	1Q-3Q		
Operating revenues	151,636	167,355	149,836	154,702	166,599	7.7%	9.9%	408,817	471,138	15.2%	576,172
Net operating revenues	126,149	124,576	126,721	129,222	134,374	4.0%	6.5%	342,083	390,317	14.1%	466,660
SG&A	94,207	99,990	94,873	98,544	98,323	-0.2%	4.4%	273,810	291,741	6.5%	373,800
Ordinary income	34,514	35,540	34,922	36,997	40,561	9.6%	17.5%	79,635	112,481	41.2%	115,175
Profit (loss) attributable to owners of parent	24,985	50,606	23,560	26,642	26,698	0.2%	6.9%	57,789	76,902	33.1%	108,396
Total assets	26,234,974	26,099,330	25,586,624	25,510,806	26,415,274			26,234,974	26,415,274		26,099,330
Net assets	1,300,145	1,591,841	1,581,457	1,612,395	1,600,496			1,300,145	1,600,496		1,591,841
Shareholders' equity*	1,250,130	1,333,570	1,321,883	1,344,702	1,331,188			1,250,130	1,331,188		1,333,570
EPS (¥)	16.40	33.22	15.45	17.54	17.90			37.97	50.86		71.20
BPS (¥)	820.74	875.12	866.74	889.70	897.76			820.74	897.76		875.12
ROE (Annualized)	8.0%	15.7%	7.1%	8.0%	8.0%			6.3%	7.7%		8.5%

* Shareholders' equity = Owners' equity + Accumulated other comprehensive income

Segment Summary

(¥ Millions)

Net operating revenues	FY2020		FY2021			% Change vs 2Q/FY21	% Change vs 3Q/FY20	FY2020	FY2021	% Change vs 1Q-3Q/FY20	FY2020
	3Q	4Q	1Q	2Q	3Q			1Q-3Q	1Q-3Q		
Retail	44,310	49,343	47,356	49,653	49,783	0.3%	12.4%	120,161	146,794	22.2%	169,505
Wholesale	57,078	59,676	46,751	50,634	53,478	5.6%	-6.3%	156,184	150,864	-3.4%	215,860
<i>Global Markets</i>	40,112	43,099	31,682	32,567	35,892	10.2%	-10.5%	118,631	100,142	-15.6%	161,730
<i>Global Investment Banking</i>	16,966	16,577	15,068	18,066	17,586	-2.7%	3.7%	37,552	50,721	35.1%	54,129
Asset Management	12,835	13,355	17,352	17,679	18,259	3.3%	42.3%	37,790	53,291	41.0%	51,145
<i>Securities Asset Management</i>	9,995	10,507	11,096	11,388	11,632	2.1%	16.4%	28,865	34,117	18.2%	39,373
<i>Real Estate Asset Management</i>	2,839	2,847	6,255	6,290	6,627	5.4%	133.4%	8,924	19,174	114.9%	11,772
Investments	3,174	-3,245	2,757	1,022	3,159	209.0%	-0.5%	7,848	6,940	-11.6%	4,602
Other/Adjustments	8,750	5,447	12,502	10,232	9,692	-	-	20,098	32,426	-	25,546
Consolidated total	126,149	124,576	126,721	129,222	134,374	4.0%	6.5%	342,083	390,317	14.1%	466,660

Ordinary income	FY2020		FY2021			% Change vs 2Q/FY21	% Change vs 3Q/FY20	FY2020	FY2021	% Change vs 1Q-3Q/FY20	FY2020
	3Q	4Q	1Q	2Q	3Q			1Q-3Q	1Q-3Q		
Retail	6,943	11,360	10,037	12,364	12,703	2.7%	82.9%	8,710	35,104	303.0%	20,070
Wholesale	21,454	20,619	11,328	12,617	16,593	31.5%	-22.7%	54,118	40,539	-25.1%	74,737
<i>Global Markets</i>	15,477	17,730	7,795	8,833	11,296	27.9%	-27.0%	45,047	27,925	-38.0%	62,777
<i>Global Investment Banking</i>	5,726	2,587	3,144	3,444	4,840	40.5%	-15.5%	8,434	11,429	35.5%	11,021
Asset Management	7,683	10,060	10,000	12,757	11,294	-11.5%	47.0%	22,714	34,052	49.9%	32,775
<i>Securities Asset Management</i>	4,237	4,658	5,184	5,811	5,681	-2.2%	34.1%	11,355	16,677	46.9%	16,013
<i>Real Estate Asset Management</i>	3,445	5,402	4,816	6,945	5,612	-19.2%	62.9%	11,359	17,374	53.0%	16,761
Investments	1,880	-3,102	1,824	-464	1,728	-	-8.1%	4,226	3,089	-26.9%	1,123
Other/Adjustments	-3,447	-3,396	1,730	-277	-1,757	-	-	-10,135	-304	-	-13,532
Consolidated total	34,514	35,540	34,922	36,997	40,561	9.6%	17.5%	79,635	112,481	41.2%	115,175

*Figures calculated based on managerial accounting of each Group companies. Equity in earnings of affiliates is included in each respective segment.

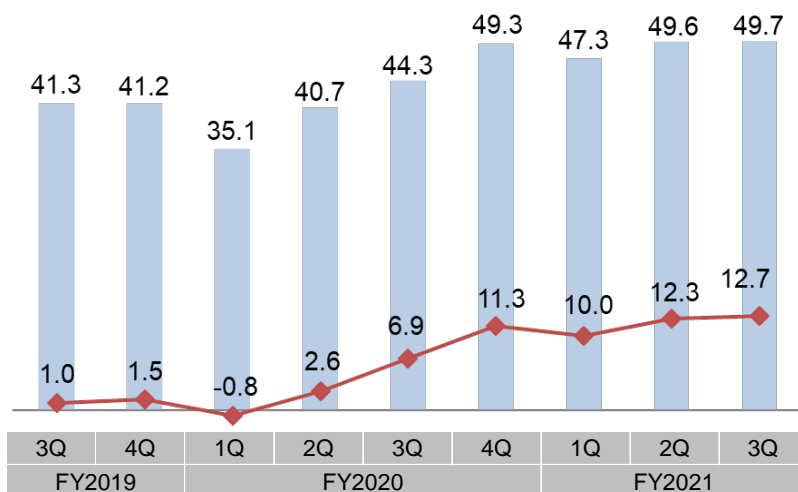
Segment Summary



Net operating revenues Ordinary income

Retail Division

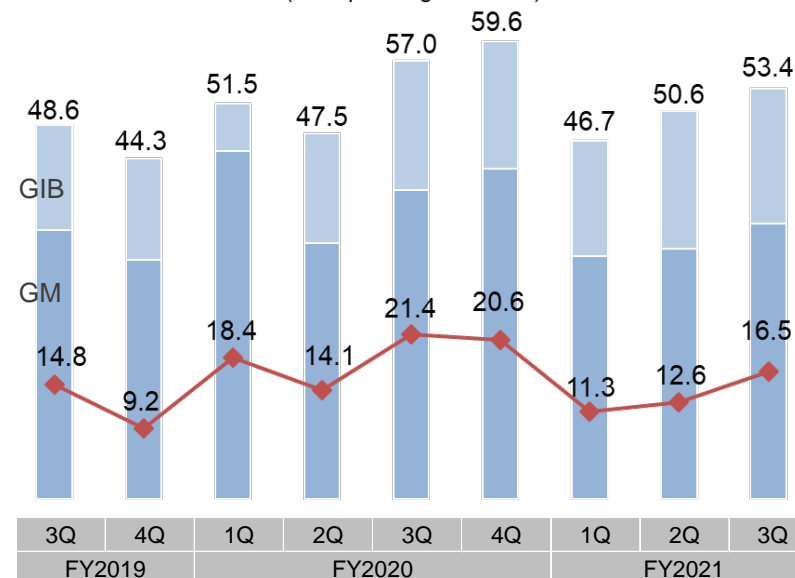
(¥ Billions)



Wholesale Division

(¥ Billions)

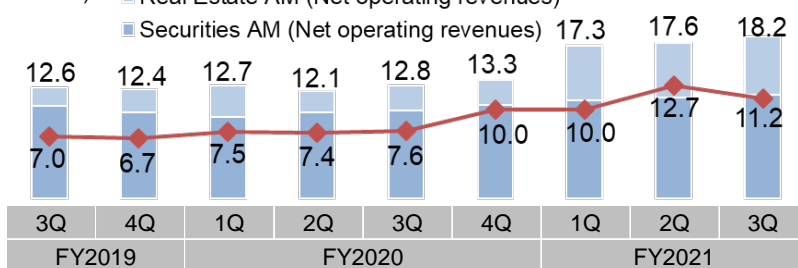
Global Investment Banking (Net operating revenues)
Global Markets (Net operating revenues)



Asset Management Division

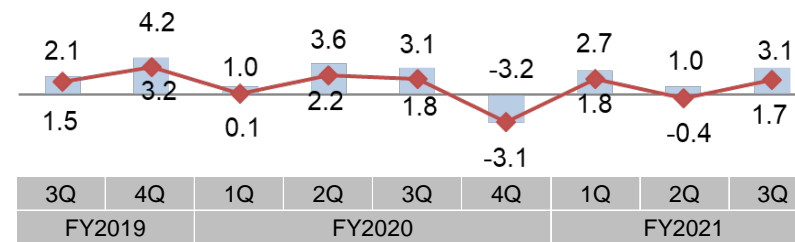
(¥ Billions)

Real Estate AM (Net operating revenues)
Securities AM (Net operating revenues)



Investment Division

(¥ Billions)



Consolidated B/S Summary

Consolidated Balance Sheet (December 31, 2021)

(¥ Billions)

Current assets	24,897	(251)	Current liabilities	21,841	(622)
Cash and deposits	4,612	(-150)	Trading products	4,816	(448)
Short-term investment securities	1,187	(190)	Trading securities and other	2,940	(907)
Trading products	7,874	(40)	<i>Stocks, Convertible bonds</i>	193	(-17)
Trading securities and other	5,879	(505)	<i>Bonds</i>	2,708	(947)
<i>Stocks, Convertible bonds</i>	206	(44)	<i>Other</i>	38	(-23)
<i>Bonds</i>	5,009	(1,606)	Derivatives transactions	1,876	(-458)
<i>Beneficiary certificates</i>	51	(-164)	Loans payable secured by securities	8,251	(75)
<i>Other</i>	612	(-981)	Deposits for banking business	4,325	(-90)
Derivatives transactions	1,995	(-464)	Short-term loans payable	1,832	(424)
Operational investment securities (after allowance for possible investment losses)	105	(8)	Current portion of bonds	362	(158)
Loans secured by securities	7,719	(271)			
Non-current assets	1,517	(64)	Long-term liabilities	2,969	(-315)
Property, plant and equipment	907	(27)	Bonds payable	1,550	(-7)
Intangible assets	120	(-8)	Long-term loans payable	1,276	(-310)
Investments and other assets	489	(45)	Total liabilities	24,814	(307)
Listed stocks	123	(-3)	Net assets	1,600	(8)
Unlisted stocks	27	(0)	Owners' equity	1,268	(-14)
Affiliated company stocks, etc.	153	(16)	Accumulated other comprehensive income	63	(11)
Other	183	(31)	Non-controlling interests	260	(10)
Total Assets	26,415	(315)	Total liabilities and net assets	26,415	(315)

Total assets: ¥26.41 tn

Net assets: ¥1.60 tn

Shareholders' equity:** ¥1.33 tn

- 81.0% of total assets have high liquidity*.

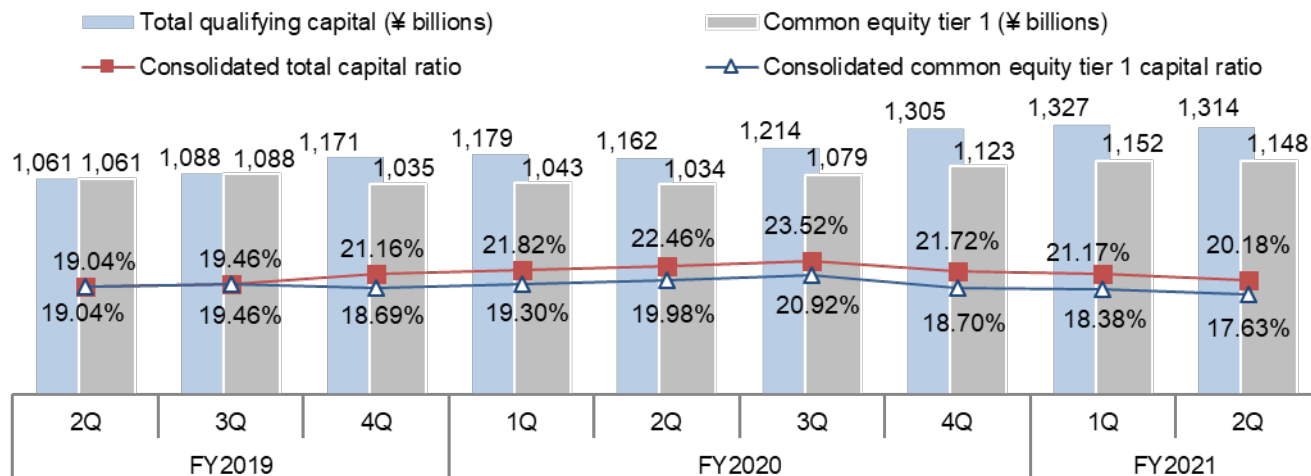
* Cash and deposits + Short-term investment securities + Trading products + Loans secured by securities

- Due to the acquisition of treasury stock (¥28.8 bn), shareholders' equity** decreased by ¥2.3 bn from March 31, 2021.

** Shareholders' equity = Owners' equity + Accumulated other comprehensive income

*Figures in parentheses indicate changes from March 31, 2021

Consolidated Capital Adequacy Ratio



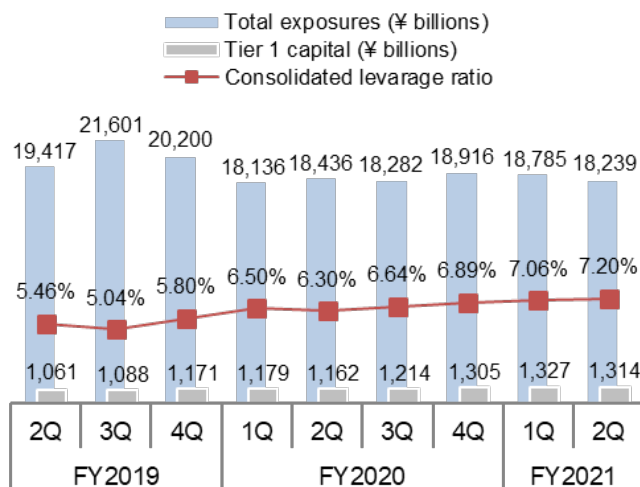
【Regulatory Capital (Basel III)】

(As at September 30, 2021)

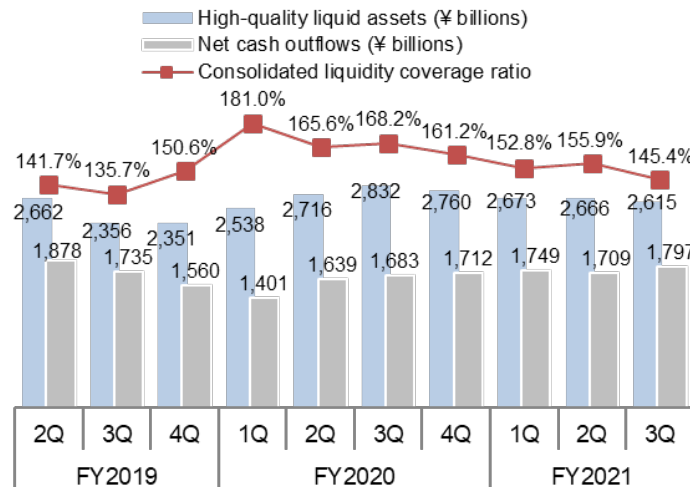
- Consolidated Total Capital Ratio : 20.18%
- Consolidated Tier 1 Capital Ratio : 20.18%
- Consolidated Common Equity Tier 1 Capital Ratio : 17.63%
- Consolidated Leverage Ratio : 7.20%

※ Figures are as at the end of each quarter.

Consolidated Leverage Ratio



Consolidated Liquidity Coverage Ratio



【Regulatory Liquidity (Basel III)】

(Daily average Oct. – Dec. 2021)

- Consolidated Liquidity Coverage Ratio : 145.4%

P/L Summary

※The following shows the percentage change from the previous quarter.

(¥ Millions)	FY2020		FY2021			% Change vs 2Q/FY21	% Change vs 3Q/FY20	FY2020	FY2021	% Change vs 1Q-3Q/FY20	FY2020
	3Q	4Q	1Q	2Q	3Q						
Operating revenues	151,636	167,355	149,836	154,702	166,599	7.7%	9.9%	408,817	471,138	15.2%	576,172
Commission received	76,664	81,612	77,309	82,983	84,490	1.8%	10.2%	205,223	244,783	19.3%	286,835
Net trading income	32,654	31,352	26,293	25,847	28,544	10.4%	-12.6%	87,543	80,684	-7.8%	118,895
Net gain (loss) on private equity	2,660	-1,703	1,681	926	1,037	11.9%	-61.0%	6,511	3,644	-44.0%	4,808
Financial revenue	24,429	21,845	21,295	18,587	17,687	-4.8%	-27.6%	71,343	57,570	-19.3%	93,188
Other operating revenue	15,227	34,249	23,257	26,357	34,840	32.2%	128.8%	38,195	84,454	121.1%	72,444
Financial expenses	11,160	16,201	10,421	12,503	10,225	-18.2%	-8.4%	38,279	33,151	-13.4%	54,480
Other operating expenses	14,326	26,577	12,692	12,976	21,999	69.5%	53.6%	28,453	47,668	67.5%	55,031
Net operating revenues	126,149	124,576	126,721	129,222	134,374	4.0%	6.5%	342,083	390,317	14.1%	466,660
SG&A	94,207	99,990	94,873	98,544	98,323	-0.2%	4.4%	273,810	291,741	6.5%	373,800
Operating income	31,941	24,586	31,848	30,677	36,050	17.5%	12.9%	68,273	98,575	44.4%	92,859
Non-operating income	2,573	10,953	3,074	6,319	4,511	-28.6%	75.3%	11,361	13,905	22.4%	22,315
Ordinary income/loss	34,514	35,540	34,922	36,997	40,561	9.6%	17.5%	79,635	112,481	41.2%	115,175
Extraordinary income/loss	637	26,707	253	3,054	300	-90.1%	-52.8%	2,684	3,609	34.5%	29,391
Income before income taxes	35,152	62,247	35,176	40,051	40,862	2.0%	16.2%	82,319	116,091	41.0%	144,567
Total income taxes	9,687	11,533	9,304	11,026	11,846	7.4%	22.3%	23,382	32,178	37.6%	34,915
Profit (loss) attributable to owners of parent	24,985	50,606	23,560	26,642	26,698	0.2%	6.9%	57,789	76,902	33.1%	108,396

- Commission received increased (+1.8%) .
- Brokerage commission* up to ¥20.1 bn (+3.0%) as Japanese equity trading volume increased.
- Underwriting and secondary offering commissions* rose to ¥13.7 bn (+39.4%) led by large equity underwriting deal.
- Distribution commission* was ¥5.5 bn (-10.1%) as sales and distribution amount of stock investment trusts decreased.
- M&A related commission* was ¥7.9 bn (-33.3%).

* Breakdown of total commission received (See p.23)

- Other operating revenue and other operating expenses rose due to transfer of real estate.

Breakdown of SG&A

¥ Millions)	FY2020		FY2021			% Change vs 2Q/FY21	% Change vs 3Q/FY20	FY2020 1Q-3Q	FY2021 1Q-3Q	% Change vs 1Q-3Q/FY20	FY2020
	3Q	4Q	1Q	2Q	3Q						
SG&A	94,207	99,990	94,873	98,544	98,323	-0.2%	4.4%	273,810	291,741	6.5%	373,800
Trading related expenses	14,765	15,142	15,230	15,148	16,393	8.2%	11.0%	42,469	46,772	10.1%	57,612
Personnel expenses	48,911	52,464	49,200	51,827	50,036	-3.5%	2.3%	140,538	151,063	7.5%	193,002
Real estate expenses	9,457	10,132	9,137	9,338	9,524	2.0%	0.7%	28,309	27,999	-1.1%	38,441
Office cost	6,233	6,207	5,657	6,275	6,406	2.1%	2.8%	18,158	18,340	1.0%	24,365
Depreciation	8,473	8,601	8,771	8,773	8,753	-0.2%	3.3%	25,318	26,298	3.9%	33,920
Taxes and dues	2,707	3,436	2,858	2,577	2,949	14.4%	8.9%	8,057	8,386	4.1%	11,493
Other	3,659	4,006	4,018	4,603	4,259	-7.5%	16.4%	10,958	12,881	17.5%	14,964

- SG&A slightly decreased (-0.2%).

- Trading related expenses increased (+8.2%) as commission paid and travel / transportation expenses rose.

- Personnel expenses decreased as earnings-linked bonuses decreased in overseas (-3.5%).

Cost Structure

(¥ Billions)	FY2019			FY2020					FY2021		
	3Q	4Q	1Q-4Q	1Q	2Q	3Q	4Q	1Q-4Q	1Q	2Q	3Q
Total SG&A	93.2	94.2	371.9	88.8	90.7	94.2	99.9	373.8	94.8	98.5	98.3
Variable costs	35.2	35.4	139.5	30.4	32.2	35.5	38.5	136.7	35.6	38.0	37.9
Trading related expenses	17.3	16.9	68.8	13.2	14.4	14.7	15.1	57.6	15.2	15.1	16.3
<i>Advertising and promotion expenses</i>	3.0	3.2	12.0	1.3	1.9	2.0	1.6	6.9	1.6	1.7	1.8
Bonus and others	12.1	12.4	46.2	11.2	12.4	15.0	17.5	56.3	14.7	16.7	15.7
Overtime, part-time	2.2	2.1	8.9	1.9	1.9	1.9	1.8	7.7	1.7	1.6	1.7
Fixed costs	57.9	58.8	232.4	58.4	58.5	58.7	61.4	237.0	59.1	60.5	60.3
Personnel expenses	32.0	32.2	128.4	31.6	32.1	31.7	32.9	128.5	32.6	33.3	32.5
Real estate expenses	9.1	9.4	36.6	9.4	9.4	9.4	10.1	38.4	9.1	9.3	9.5
Depreciation	7.6	7.7	30.8	8.4	8.4	8.4	8.6	33.9	8.7	8.7	8.7
Office expenses	6.3	6.3	24.7	5.9	5.5	5.9	5.9	23.4	5.4	6.0	6.1
Taxes and dues	2.5	2.7	10.5	2.7	2.5	2.7	3.4	11.4	2.8	2.5	2.9

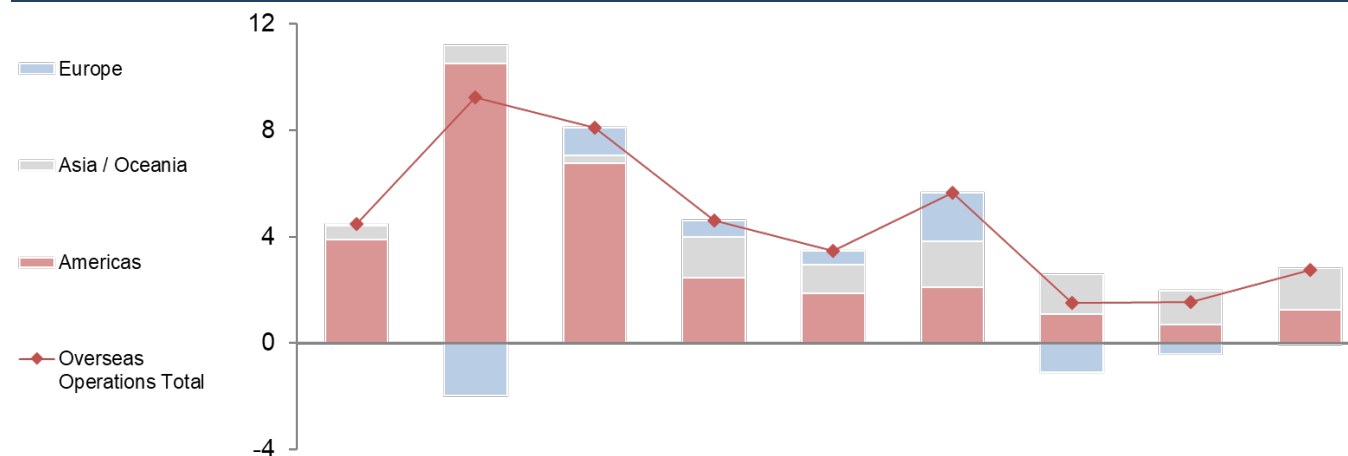
Ordinary Income of Overseas Operations

(¥ Millions)	FY2020		FY2021			% Change vs 2Q/FY21	% Change vs 3Q/FY20	FY2020 1Q-3Q	FY2021 1Q-3Q	% Change vs 1Q-3Q/FY20	FY2020
	3Q	4Q	1Q	2Q	3Q						
Overseas Operations Total	3,456	5,638	1,499	1,537	2,764	79.9%	-20.0%	16,179	5,801	-64.1%	21,817
Europe	494	1,818	-1,091	-426	-62	-	-	2,151	-1,581	-	3,969
Asia / Oceania	1,100	1,724	1,509	1,268	1,576	24.4%	43.3%	2,935	4,354	48.3%	4,659
Americas	1,860	2,096	1,080	695	1,250	79.8%	-32.8%	11,091	3,027	-72.7%	13,188

Overseas operations stayed in the black for 23 consecutive quarters.

- In Europe, ordinary income recovered as primary revenues increased even though revenues from M&A business decreased.
- Asia / Oceania posted strong results as primary revenues increased. In addition, equity method investment gain in SSI securities contributed to ordinary income.
- In Americas, ordinary income increased as FICC revenues and primary revenues rose.

Ordinary Income



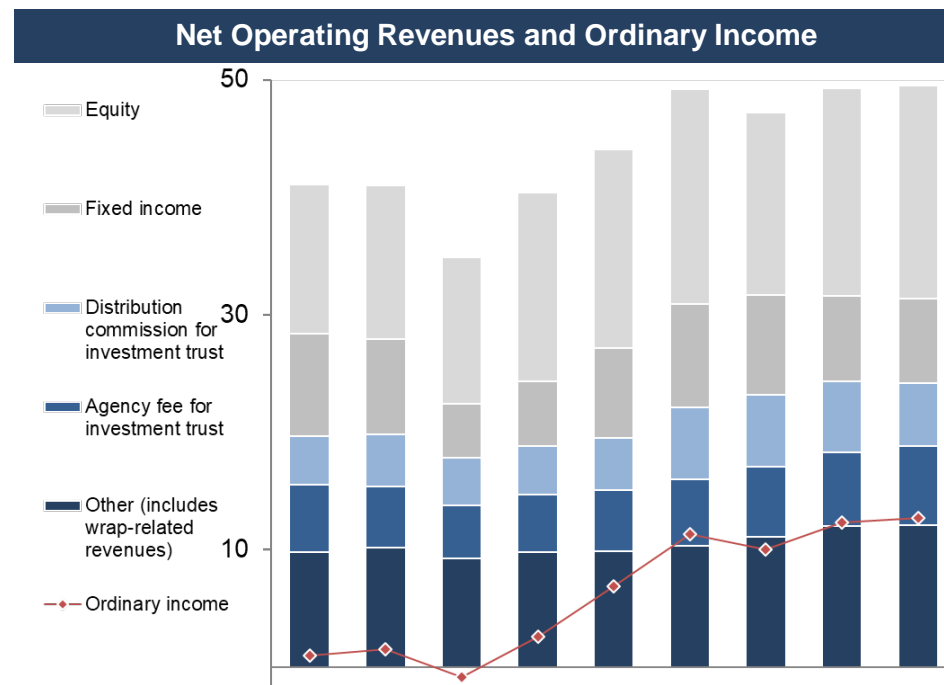
(¥ Billions)	FY2019		FY2020				FY2021		
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q

Retail Division

(¥ Millions)	FY2021 3Q	% Change vs 2Q/FY21	FY2021 1Q-3Q	% Change vs 1Q-3Q/FY20
Net operating revenues	49,783	0.3%	146,794	22.2%
Ordinary income	12,703	2.7%	35,104	303.0%

- Equity revenues rose from an increase in sales commission from equity underwriting owing to equity underwriting deals.
- Distribution commission for investment trust declined due to decrease in stock investment trust sales. Investment trust agency fee increased due to a rise in asset under custody.
- Other revenues increased supported by continued growth in wrap-related revenues.
- Asset based revenues expanded and reached ¥19.6 bn.
(40.4% of net operating revenues in Retail Division of Daiwa Securities)

*Asset based revenues (See p.30)



(¥ Billions)	FY2019		FY2020				FY2021		
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Equity	12.7	13.1	12.5	16.1	16.9	18.3	15.5	17.7	18.1
Fixed income	8.7	8.1	4.6	5.5	7.7	8.8	8.5	7.3	7.2
Distribution commission for investment trust	4.2	4.4	4.0	4.1	4.4	6.1	6.1	6.0	5.4
Agency fee for investment trust	5.7	5.2	4.5	4.9	5.2	5.7	6.0	6.3	6.7
Other (includes wrap-related revenues)	9.8	10.2	9.3	9.8	9.9	10.3	11.1	12.0	12.1
Net operating revenues	41.3	41.2	35.1	40.7	44.3	49.3	47.3	49.6	49.7
Ordinary income	1.0	1.5	-0.8	2.6	6.9	11.3	10.0	12.3	12.7

【Equity Distribution】

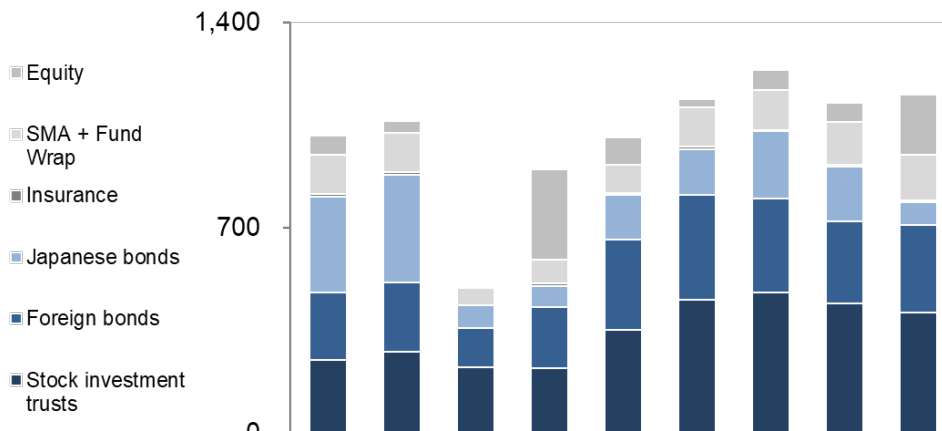
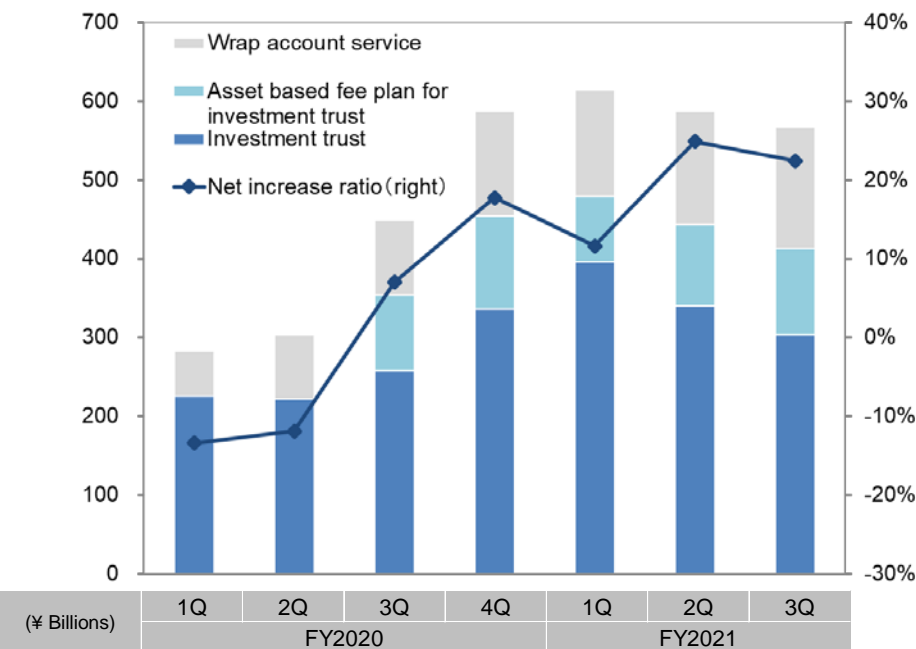
- Equity Distribution amount rose from JAPAN POST HD Global PO, the largest PO deal in this fiscal year, which also contributed to increases in newly opened accounts and net assets inflow.

【Wrap Account Service】

- Contract AUM hit a record high of ¥2.92 trillion* led by an increase in contract amount and net inflow.

Sales and Distribution Amount by Product

Sales/Distribution and Net increase ratio Wrap Account Service* and Amount of Stock Investment Trusts



(¥ Billions)	FY2019		FY2020				FY2021		
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Equity*	65.7	40.1	1.1	307.0	93.0	28.9	66.8	67.1	206.9
SMA + Fund Wrap**	135.3	133.4	56.9	81.8	95.5	133.8	135.7	144.6	154.0
Insurance***	7.8	8.6	2.4	6.9	7.8	8.3	4.8	6.6	7.4
Japanese bonds	328.6	369.7	76.6	73.8	153.1	156.3	231.2	185.8	78.4
Foreign bonds****	228.0	233.6	133.5	207.8	305.5	358.0	320.0	281.1	296.2
Stock investment trusts*****	251.0	279.2	225.5	221.2	353.8	453.8	478.9	442.9	412.9
Asset based fee plan for investment trust					96.3	117.8	83.0	102.2	109.1

*Distribution amount from equity underwriting

**Total contract amount of fund wrap and SMA

***Insurance include pension insurance, life insurance and business insurance

****Foreign bonds include yen-denominated foreign bonds

*****Stock investment trusts include switching transactions between funds

$$\text{Net increase ratio}(\%) = \frac{\text{Sales} - (\text{sell-off} + \text{redemption})}{\text{Sales}} \times 100$$

※ Includes switching transactions between funds.

* Includes Wholesale Division

Wholesale Division Global Markets

(¥ Millions)	FY2021 3Q	% Change vs 2Q/FY21	FY2021 1Q-3Q	% Change vs 1Q-3Q/FY20
Net operating revenues	35,892	10.2%	100,142	-15.6%
Ordinary income	11,296	27.9%	27,925	-38.0%

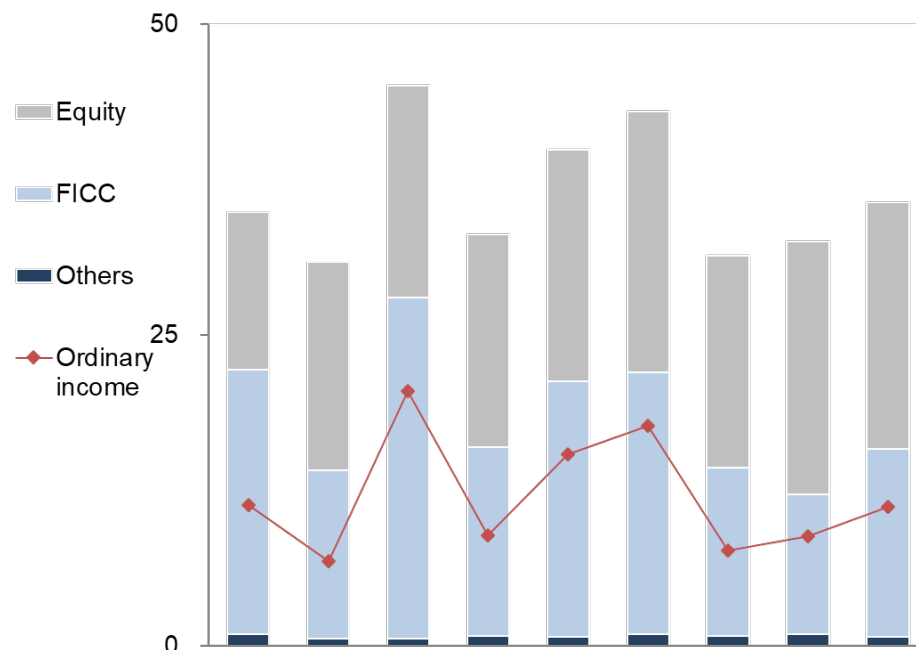
【Equity】

- Equity revenues decreased as revenues from derivatives dropped even though customer order flows of Japanese equity / foreign equity remained firm.

【FICC*】

- FICC revenues increased both in Japan and overseas.
- In Japan, customer order flow in JGB and derivatives recovered.
- In the U.S., revenues improved due to rise in interest rates and volatility.

Net Operating Revenues and Ordinary Income



(¥ Billions)	FY2019		FY2020				FY2021		
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Equity	12.7	16.8	17.1	17.1	18.6	21.0	17.1	20.3	19.9
FICC*	21.3	13.5	27.4	15.2	20.6	21.1	13.5	11.3	15.1
Others	0.9	0.6	0.6	0.8	0.7	0.9	0.8	0.9	0.7
Net operating revenues	35.0	31.1	45.2	33.2	40.1	43.0	31.6	32.5	35.8
Ordinary income	11.3	6.8	20.5	8.9	15.4	17.7	7.7	8.8	11.2

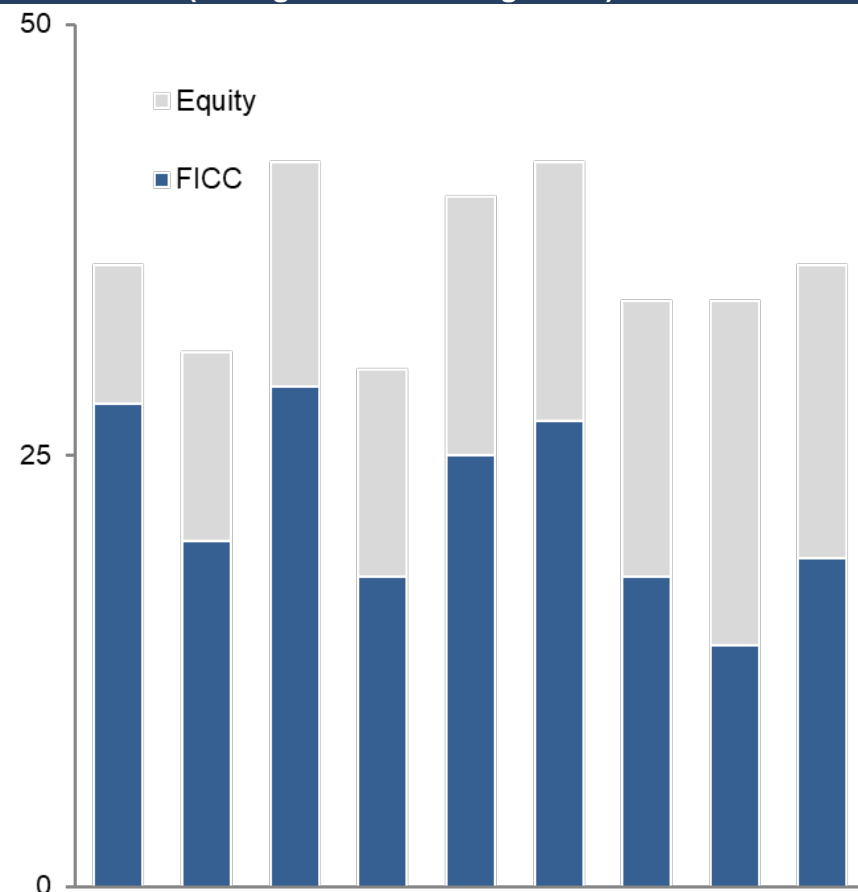
*FICC: Fixed Income, Currency and Commodities

Equity & FICC Income: Consolidated Trading Gain/Loss (Daiwa Securities/Overseas Subsidiaries)

【Managerial accounting basis】

(¥ Billions)	FY2021 3Q	% Change vs 2Q/FY21	FY2021 1Q-3Q	% Change vs 1Q-3Q/FY20
Equity	17	-15.0%	53	32.5%
FICC	19	35.7%	51	-29.2%
Total	36	5.9%	104	-7.1%

**Consolidated Trading Gain / Loss
(Managerial Accounting Basis)**



(¥ Billions)	FY2019		FY2020				FY2021		
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Equity	8	11	13	12	15	15	16	20	17
FICC	28	20	29	18	25	27	18	14	19
Total	36	31	42	30	40	42	34	34	36

Wholesale Division Global Investment Banking



(¥ Millions)	FY2021 3Q	% Change vs 2Q/FY21	FY2021 1Q-3Q	% Change vs 1Q-3Q/FY20
Net operating revenues	17,586	-2.7%	50,721	35.1%
Ordinary income	4,840	40.5%	11,429	35.5%

【Equity】

- Lead managed multiple deals including JAPAN POST HD Global PO, the largest PO deal in this fiscal year.

<Selected lead managed deals>		<Offering size>
JAPAN POST HOLDINGS Co., Ltd.	Global PO	¥843.1 bn
Hulic Co., Ltd.	Global PO	¥102.0 bn
Net Protections Holdings, Inc.	Global IPO	¥67.7 bn
KOEI TECMO HOLDINGS CO., LTD.	Overseas CB	¥46.0 bn
Finatext Holdings Ltd.	IPO	¥23.0 bn

【Debt】

- Managed a number of Straight Bond and Subordinated Bond.

<Selected deals>		<Offering size>
Panasonic Corp. (60yrs)	Subordinated Bond	¥400.0 bn
Rakuten Group, Inc. (3/5/7/10/12/15yrs)	Straight Bond	¥300.0 bn
JA(30yrs)	Subordinated Bond	¥200.0 bn
Development Bank of Japan Inc.(5/10yrs)	Benchmark Bond	USD 1.9 bn
Japan Airlines Co., Ltd.(37yrs)	Subordinated Bond	¥150.0 bn
West Nippon Expressway Company Limited(2*/5*yrs)	Straight Bond◆	¥150.0 bn

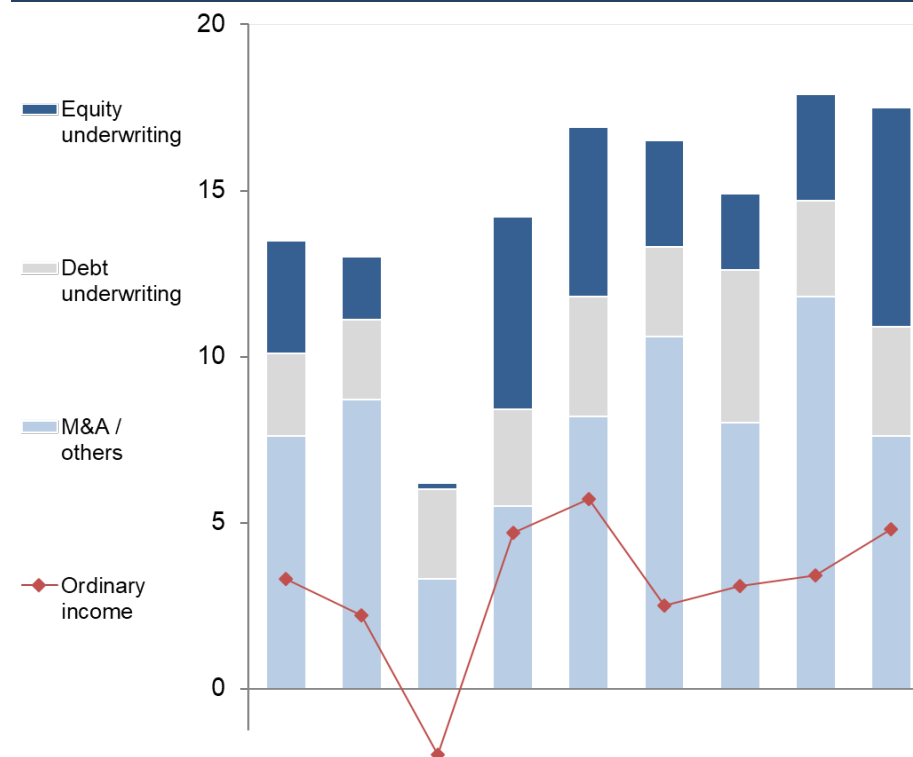
【M&A】

- Managed several domestic and overseas deals.

<Selected deals>
 Sale of the Kanpo-no-Yado hotels by JAPAN POST HOLDINGS Co., Ltd.
 Management integration of FUJI CO.,LTD and MAXVALU NISHINIHON CO., LTD.
 Making TOPPAN FORMS CO., LTD. a wholly owned subsidiary of Toppan Inc.
 Acquisition of Ermewa by consortium of DWS and CDPQ
 Sale of Thomas Publishing Company to Xometry
 Acquisition of Digital Management Holdings by OceanSound Partners

* Social bonds ◆: Sustainability related

Net Operating Revenues and Ordinary Income



(¥ Billions)	FY2019		FY2020				FY2021		
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Equity underwriting	3.4	1.9	0.2	5.8	5.1	3.2	2.3	3.2	6.6
Debt underwriting	2.5	2.4	2.7	2.9	3.6	2.7	4.6	2.9	3.3
M&A / others	7.6	8.7	3.3	5.5	8.2	10.6	8.0	11.8	7.6
Net operating revenues	13.6	13.2	6.2	14.3	16.9	16.5	15.0	18.0	17.5
Ordinary income	3.3	2.2	-2.0	4.7	5.7	2.5	3.1	3.4	4.8

Asset Management Division

(¥ Millions)	FY2021 3Q	% Change vs 2Q/FY21	FY2021 1Q-3Q	% Change vs 1Q-3Q/FY20
Net operating revenues	18,259	3.3%	53,291	41.0%
Ordinary income	11,294	-11.5%	34,052	49.9%

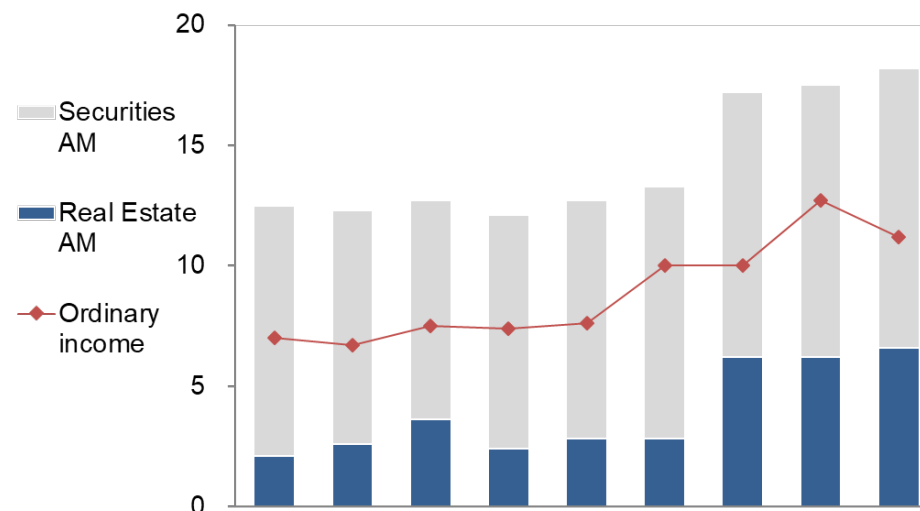
【Securities AM】

- Revenues in Daiwa Asset Management increased led by net asset inflow of publicly offered stock investment trusts and rise in average AUM.

【Real estate AM】

- AUM of both Daiwa Real Estate Asset Management and Samty Asset Management increased.

Net Operating Revenues and Ordinary Income



(¥ Billions)	FY2019		FY2020				FY2021		
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Securities AM	10.4	9.7	9.1	9.7	9.9	10.5	11.0	11.3	11.6
Real estate AM*	2.1	2.6	3.6	2.4	2.8	2.8	6.2	6.2	6.6
Net operating revenues	12.6	12.4	12.7	12.1	12.8	13.3	17.3	17.6	18.2
Securities AM	4.4	4.0	3.1	3.9	4.2	4.6	5.1	5.8	5.6
Real estate AM**	2.5	2.7	4.3	3.5	3.4	5.4	4.8	6.9	5.6
Ordinary income	7.0	6.7	7.5	7.4	7.6	10.0	10.0	12.7	11.2

* Includes Daiwa Real Estate Asset Management, Daiwa Office Investment (from 1Q FY2021), and Samty Residential Investment

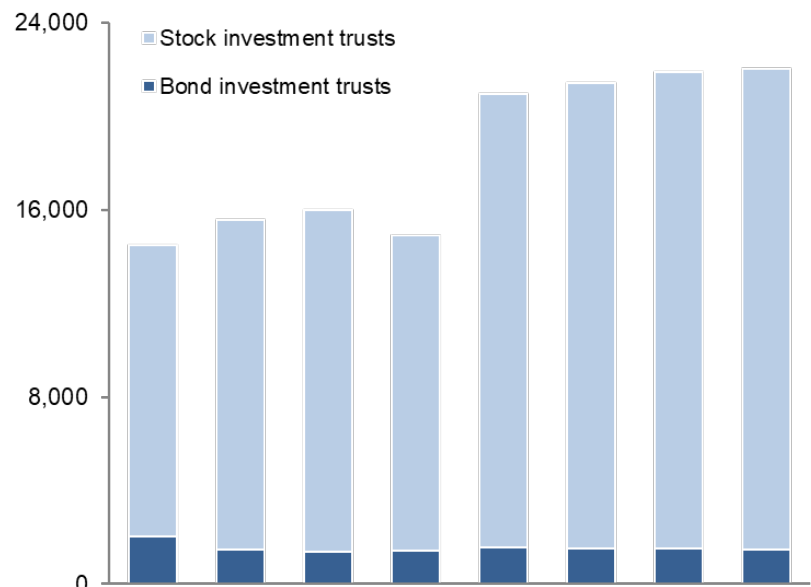
** Equity in earnings of affiliates is included in non-operating revenues

Asset Management Division

Assets Under Management and Net Increase



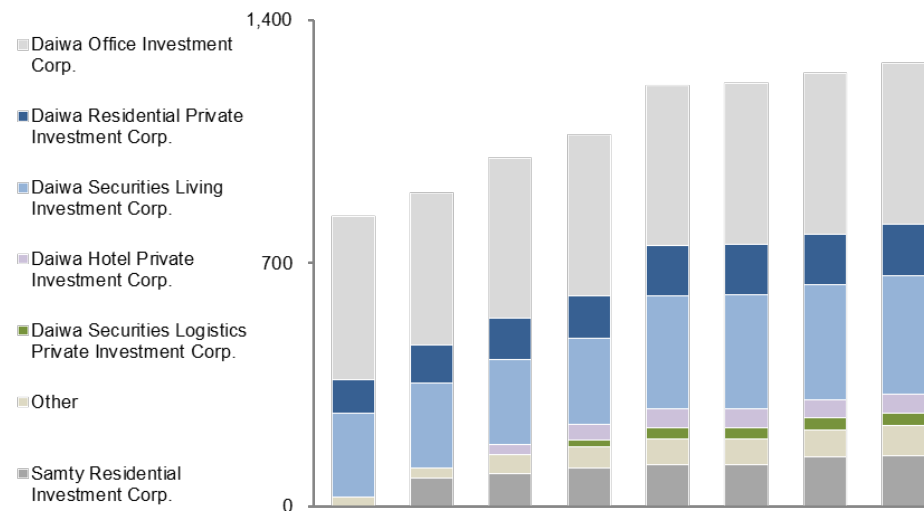
Daiwa Asset Management AUM



¥ Billions	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021		
						1Q	2Q	3Q
Stock investment trusts	12,454	14,123	14,616	13,478	19,418	19,892	20,398	20,543
excl. ETF	7,805	7,717	7,245	6,063	7,543	7,863	7,892	8,321
(Net inflow)	(168)	(302)	(-339)	(-217)	(50)	(32)	(96)	(114)
ETF	4,648	6,406	7,371	7,414	11,875	12,029	12,505	12,221
(Net inflow)	(1,255)	(1,109)	(1,279)	(947)	(1,001)	(216)	(142)	(-59)
Bond investment trusts	2,036	1,465	1,396	1,421	1,561	1,515	1,521	1,476
Total	14,491	15,588	16,012	14,900	20,980	21,408	21,919	22,019
Publicly Offered Securities Investment Trusts Share	14.7%	14.3%	14.2%	14.0%	13.9%	13.7%	13.7%	13.4%

※ All figures are as at the end of each quarter

Real Estate Asset Management Business AUM of Two Companies*



¥ Billions	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021		
						1Q	2Q	3Q
Daiwa Office Investment Corp.	469	439	460	463	461	461	463	466
Daiwa Residential Private Investment Corp.	96	107	118	121	146	146	146	146
Daiwa Securities Living Investment Corp.**	242	244	245	247	323	328	329	343
Daiwa Hotel Private Investment Corp.			29	45	54	54	54	54
Daiwa Securities Logistics Private Investment Corp.				20	33	33	35	35
Other	25	30	53	59	75	75	76	86
Total	834	822	907	959	1,094	1,099	1,105	1,131
Samty Residential Investment Corp. (Sub sponsor)		81	93	109	118	118	143	146
Total (Including sub sponsor)	834	903	1,000	1,069	1,212	1,217	1,249	1,278

※ All figures are as at the end of each quarter

* Daiwa Real Estate Asset Management, Samty Asset Management

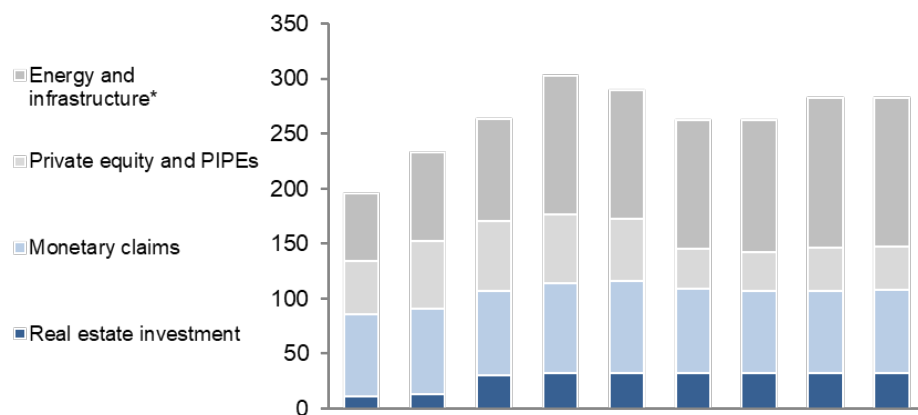
** Japan Rental Housing Investment Inc. merged with Nippon Healthcare Investment Corp. through absorption-type merger and changed its trade name to Daiwa Securities Living Investment Corp. on April 1, 2020. Daiwa Securities Living Investment Corp.'s AUM from FY2016 to FY2019 is a total of the two companies.

Investment Division

(¥ Millions)	FY2021 3Q	% Change vs 2Q/FY21	FY2021 1Q-3Q	% Change vs 1Q-3Q/FY20
Net operating revenues	3,159	209.0%	6,940	-11.6%
Ordinary income	1,728	-	3,089	-26.9%

- Investment Division posted profit due to several exits from existing investments.

Principal Investment Value



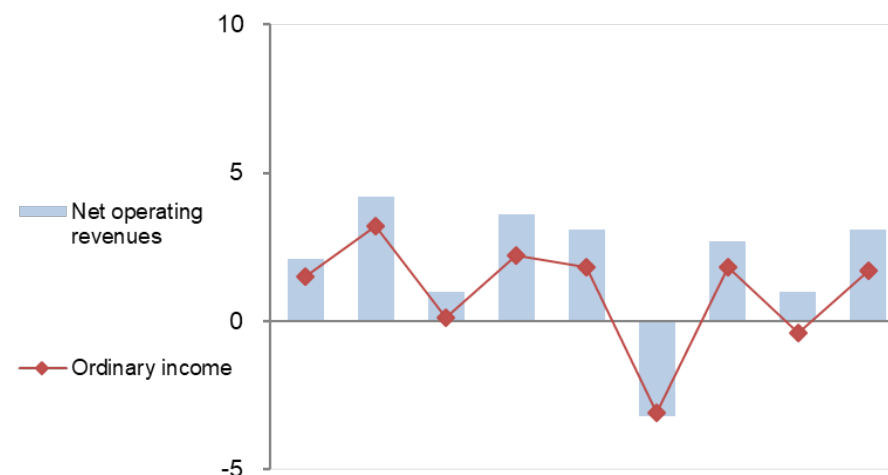
(¥ Billions)	FY2019		FY2020				FY2021		
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Daiwa PI Partners									
Private equity and PIPEs	48	61	63	63	56	36	35	39	39
Monetary claims	75	78	77	82	84	77	75	75	76
Real estate investment	11	13	30	32	32	32	32	32	32
Daiwa Energy & Infrastructure	62	81	93	126	118	117	120	136	136
Total	198	235	265	305	290	264	264	283	285

* Energy and infrastructure indicates investment balance of Daiwa Energy & Infrastructure

**PIPEs: Private Investment in Public Equities

※ All figures are as at the end of each quarter

Net Operating Revenues and Ordinary Income



(¥ Billions)	FY2019		FY2020				FY2021		
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Net operating revenues	2.1	4.2	1.0	3.6	3.1	-3.2	2.7	1.0	3.1
Ordinary income	1.5	3.2	0.1	2.2	1.8	-3.1	1.8	-0.4	1.7

Reference

Daiwa Securities Group Inc.

Breakdown of Commission

(¥ Millions)	FY2020		FY2021			% Change vs 2Q/FY21	% Change vs 3Q/FY20	FY2020 1Q-3Q	FY2021 1Q-3Q	% Change vs 1Q-3Q/FY20	FY2020
	3Q	4Q	1Q	2Q	3Q						
Total commission	76,664	81,612	77,309	82,983	84,490	1.8%	10.2%	205,223	244,783	19.3%	286,835
Brokerage commission	20,287	24,194	18,600	19,521	20,105	3.0%	-0.9%	53,831	58,227	8.2%	78,026
Underwriting and secondary offering commissions	11,871	7,353	10,595	9,833	13,708	39.4%	15.5%	30,745	34,137	11.0%	38,098
Distribution commission	4,613	6,324	6,295	6,181	5,559	-10.1%	20.5%	12,887	18,036	40.0%	19,211
Other commission	39,892	43,740	41,817	47,445	45,117	-4.9%	13.1%	107,758	134,380	24.7%	151,499
<i>Investment advisory and account management fees</i>	7,299	7,256	7,702	8,237	8,518	3.4%	16.7%	21,241	24,458	15.1%	28,498
<i>Insurance sales commission</i>	155	226	131	128	115	-10.3%	-25.7%	528	375	-28.9%	755
<i>M&A related commission</i>	8,100	10,664	7,948	11,877	7,918	-33.3%	-2.2%	16,032	27,743	73.0%	26,696
<i>Management fee</i>	16,758	17,509	18,391	19,027	19,290	1.4%	15.1%	48,401	56,708	17.2%	65,910
<i>Other</i>	7,578	8,083	7,644	8,174	9,274	13.5%	22.4%	21,555	25,093	16.4%	29,638

Balance Sheet

Daiwa Securities Balance Sheet (December 31, 2021)

(¥ Billions)

Current assets	13,512	(581)	Current liabilities	11,391	(532)
Trading products	5,585	(511)	Trading products	3,336	(-127)
Trading securities and other	3,594	(928)	Trading securities and other	1,464	(299)
Derivatives transactions	1,991	(-417)	Derivatives transactions	1,871	(-427)
Margin transaction assets	180	(23)	Margin transaction liabilities	65	(2)
Loans on margin transactions	177	(30)	Loans payables secured by securities	4,886	(43)
Cash collateral pledged for securities borrowing on margin transactions	3	(-6)	Short-term loans payable	1,402	(113)
Loans secured by securities	4,721	(28)	Current portion of bonds	142	(-14)
Short-term guarantee deposits	522	(-26)	Long-term liabilities	1,469	(29)
Short-term loans receivable	500	(30)	Bonds payable	841	(167)
Non-current assets	157	(-9)	Long-term loans payable	579	(-135)
Property, plant and equipment	46	(-1)	Total liabilities	12,864	(561)
Intangible assets	69	(-4)	Net assets	805	(10)
			Shareholders' equity	803	(10)
			Capital stock	100	—
Total assets	13,670	(572)	Total liabilities and net assets	13,670	(572)

※ Figures in parentheses show changes from March 31, 2021

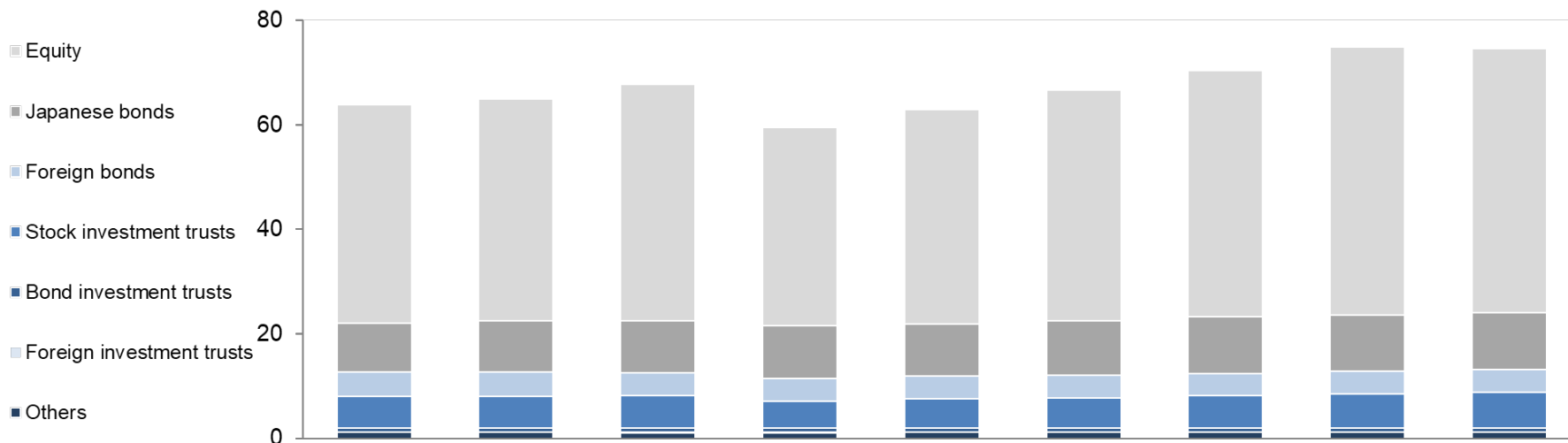
Financial Summary I

(¥ Millions)	FY2020		FY2021			% Change vs 2Q/FY21	% Change vs 3Q/FY20	FY2020	FY2021	% Change vs 1Q-3Q/FY20	FY2020
	3Q	4Q	1Q	2Q	3Q			1Q-3Q	1Q-3Q		
Operating revenues	88,281	85,198	86,283	83,982	88,830	5.8%	0.6%	229,981	259,096	12.7%	315,179
Commission received	50,684	51,325	50,473	52,145	54,598	4.7%	7.7%	134,872	157,217	16.6%	186,197
Brokerage commission	15,683	18,084	13,973	14,660	15,404	5.1%	-1.8%	40,237	44,037	9.4%	58,321
<i>Stock and others</i>	15,362	17,713	13,626	14,214	14,979	5.4%	-2.5%	38,913	42,821	10.0%	56,626
Underwriting and secondary offering commissions	10,454	6,025	9,042	8,271	11,201	35.4%	7.1%	27,805	28,515	2.6%	33,830
<i>Equity</i>	5,829	2,798	2,419	3,441	6,702	94.8%	15.0%	14,877	12,563	-15.6%	17,675
<i>Bond and others</i>	4,624	3,226	6,622	4,830	4,499	-6.9%	-2.7%	12,927	15,952	23.4%	16,154
Distribution commission	4,559	6,268	6,195	6,102	5,478	-10.2%	20.2%	12,736	17,776	39.6%	19,004
<i>Investment trust</i>	4,383	6,053	6,018	5,995	5,371	-10.4%	22.6%	12,496	17,385	39.1%	18,550
Other commissions	19,986	20,947	21,262	23,111	22,514	-2.6%	12.6%	54,093	66,888	23.7%	75,040
<i>Agency fee and others</i>	6,081	6,776	7,277	7,835	8,103	3.4%	33.2%	17,278	23,216	34.4%	24,054
<i>Investment advisory and account management fees</i>	7,299	7,256	7,702	8,237	8,518	3.4%	16.7%	21,241	24,458	15.1%	28,498
<i>Insurance sales commission</i>	155	226	131	128	115	-10.3%	-25.7%	528	375	-28.9%	755
<i>M&A related commission</i>	2,789	2,469	2,152	2,633	1,459	-44.6%	-47.7%	4,842	6,246	29.0%	7,311
Net trading income/loss	30,551	29,057	28,598	26,289	27,402	4.2%	-10.3%	73,538	82,290	11.9%	102,596
Financial revenues	7,045	4,815	7,211	5,547	6,829	23.1%	-3.1%	21,570	19,588	-9.2%	26,385
Financial expenses	3,742	1,930	3,871	1,727	3,310	91.6%	-11.6%	11,850	8,908	-24.8%	13,780
Net operating revenues	84,539	83,267	82,412	82,254	85,520	4.0%	1.2%	218,131	250,187	14.7%	301,399

Financial Summary II

(¥ Millions)	FY2020		FY2021			% Change vs 2Q/FY21	% Change vs 3Q/FY20	FY2020	FY2021	% Change vs 1Q-3Q/FY20	FY2020
	3Q	4Q	1Q	2Q	3Q			1Q-3Q	1Q-3Q		
SG&A	59,423	61,387	59,291	59,878	60,921	1.7%	2.5%	174,363	180,092	3.3%	235,750
Trading related expenses	9,424	8,885	9,046	8,659	9,794	13.1%	3.9%	26,833	27,500	2.5%	35,718
Personnel expenses	24,357	25,596	24,622	25,389	24,897	-1.9%	2.2%	71,248	74,909	5.1%	96,844
Real estate expenses	5,601	5,937	5,360	5,392	5,359	-0.6%	-4.3%	18,256	16,111	-11.8%	24,194
Office cost	11,875	12,368	12,055	12,139	12,535	3.3%	5.6%	34,821	36,731	5.5%	47,189
Depreciation	5,938	5,983	5,956	5,973	5,941	-0.5%	0.1%	17,098	17,872	4.5%	23,081
Taxes and dues	1,191	1,334	1,265	1,194	1,283	7.5%	7.7%	3,248	3,744	15.3%	4,583
Other	1,034	1,281	984	1,129	1,109	-1.8%	7.2%	2,856	3,223	12.8%	4,137
Ordinary income	25,312	22,135	23,730	22,905	25,627	11.9%	1.2%	44,147	72,264	63.7%	66,283
Net income	17,321	11,495	17,512	16,981	17,781	4.7%	2.7%	29,898	52,275	74.8%	41,393
ROE (Annualized)	9.1%	5.8%	9.0%	8.7%	8.9%			5.2%	8.7%		5.4%
Capital adequacy ratio	393.6%	364.6%	337.1%	331.2%	318.3%			393.6%	318.3%		364.6%

Assets under Custody



(¥ Trillions)	FY2019		FY2020				FY2021		
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Equity	45.4	38.0	41.0	44.1	47.1	51.4	50.5	52.7	50.4
Japanese bonds	9.8	10.1	10.0	10.5	10.8	10.7	11.0	11.3	11.1
Foreign bonds	4.5	4.3	4.4	4.3	4.3	4.3	4.3	4.4	4.5
Stock investment trusts	6.2	5.2	5.5	5.7	6.1	6.5	6.8	6.9	7.1
Bond investment trusts	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Foreign investment trusts	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Others	1.0	1.0	1.1	1.1	1.1	1.1	1.1	1.2	1.1
Total	68.2	59.8	63.2	67.0	70.7	75.3	75.0	77.7	75.5
Daiwa Next Bank deposit balance	4.2	4.0	3.9	4.0	4.2	4.4	4.2	4.2	4.3

※ All figures are as at the end of each quarter.

※ ETFs are recorded in 'Equity'.

Number of Accounts and Equity Trading

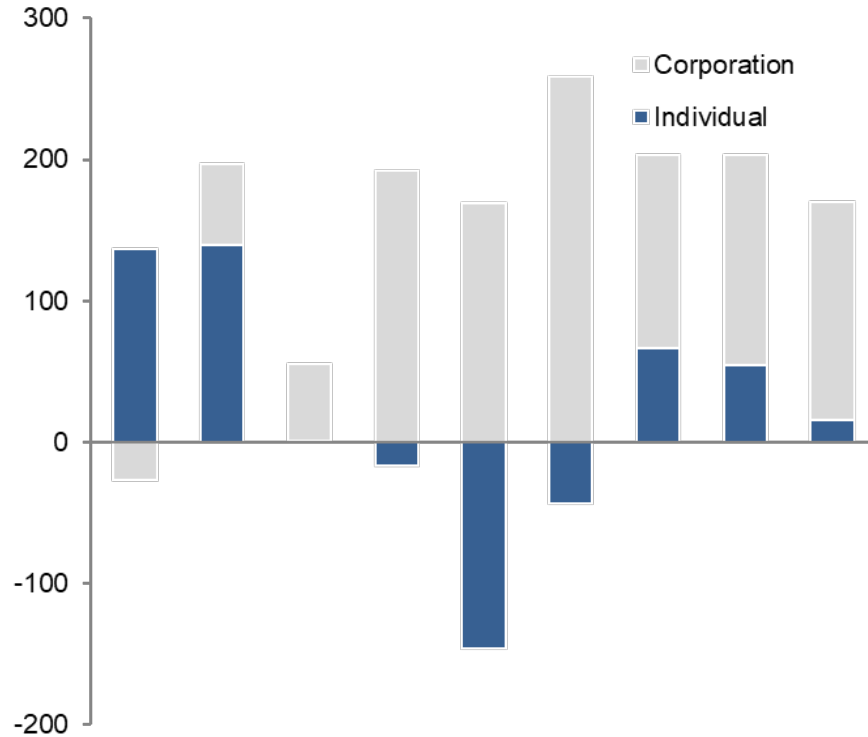
	FY2019		FY2020				FY2021		
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Accounts with balance (thousands)	3,009	3,022	3,020	3,019	3,010	3,034	3,023	3,031	3,024
Accounts holding equity (thousands)	1,427	1,440	1,445	1,461	1,453	1,445	1,450	1,447	1,456
Online trading accounts (thousands)	3,358	3,373	3,381	3,397	3,411	3,446	3,460	3,477	3,492
Newly opened accounts (thousands)	31	35	24	36	35	41	34	37	31
NISA accounts* (thousands)	863	866	867	868	866	866	864	863	862
Wrap account service (end of quarter)									
Contract assets under management (¥ billions)	2,313	2,087	2,219	2,318	2,430	2,574	2,701	2,789	2,925
Number of customers (thousands)	142	141	141	140	137	137	139	140	142
Contracts and trading value for individual investors at Daiwa Securities (Japanese Equity)									
Total number of contracts (thousands)	2,392	3,131	3,220	2,606	2,908	3,416	2,542	2,511	2,590
Online out of total (thousands)	2,112	2,788	2,917	2,328	2,537	2,998	2,237	2,202	2,260
Total trading value (¥ billions)	2,169	2,564	2,700	2,447	2,990	3,704	2,801	2,997	3,007
Online out of total (¥ billions)	1,686	2,050	2,172	1,899	2,159	2,708	2,054	2,094	2,086
Foreign equity trading value (Retail)									
Trading value (¥ billions)	221	300	337	377	403	383	367	381	400

* Includes Junior NISA

Net Asset Inflow



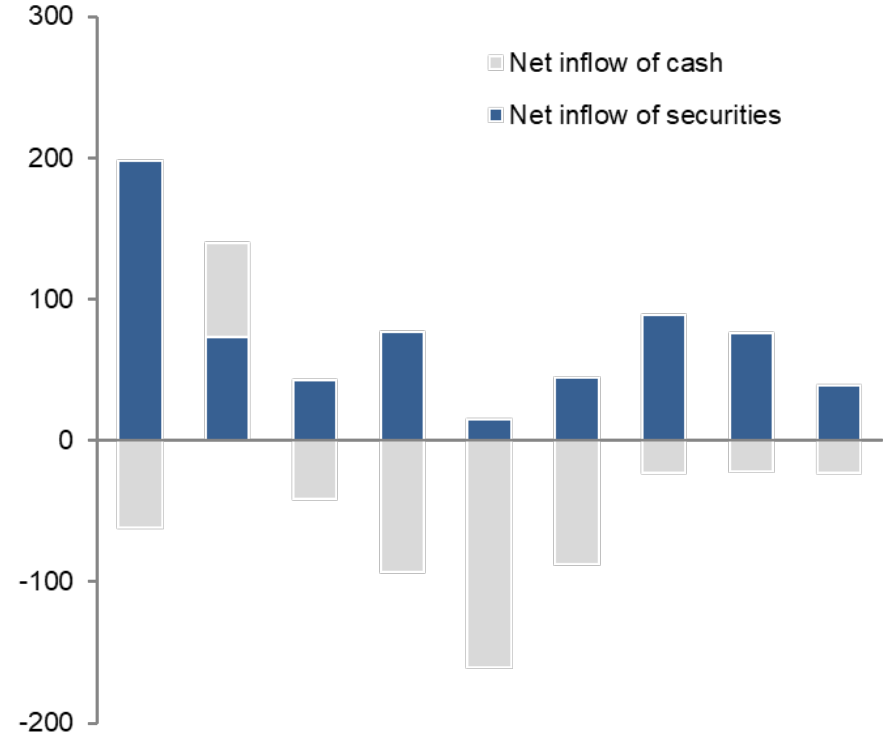
Retail Division (Daiwa Securities) Net Asset Inflow*



¥ Billions	FY2019		FY2020				FY2021		
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Corporation	-26.7	57.7	54.6	192.4	169.2	258.8	137.2	148.9	153.8
Individual	136.6	139.6	0.8	-16.3	-145.8	-43.3	66.5	54.2	15.9
Total	109.9	197.3	55.4	176.1	23.3	215.4	203.7	203.2	169.7

* Net asset inflow = net inflow of cash and securities

Retail Division (Daiwa Securities) Net Asset Inflow (Individuals)

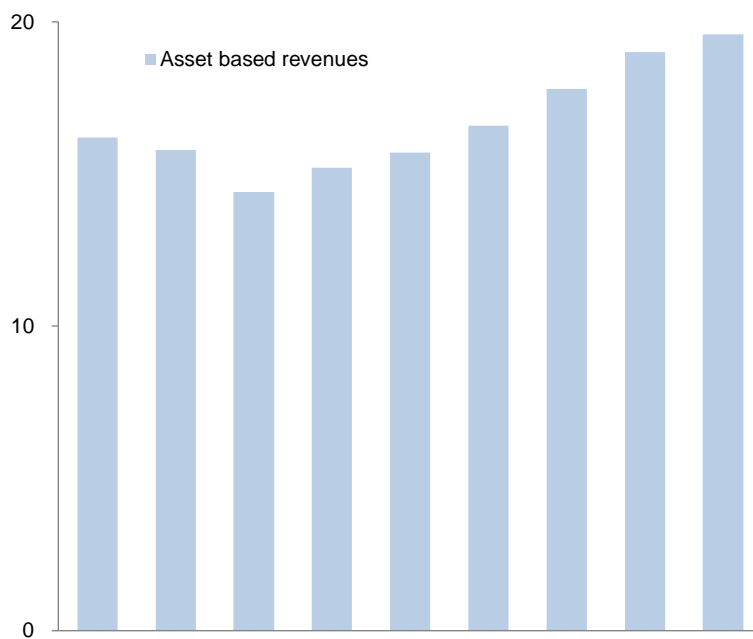


¥ Billions	FY2019		FY2020				FY2021		
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Net inflow of cash	-61.4	66.2	-41.7	-92.9	-160.7	-88.1	-22.8	-21.6	-22.9
Net inflow of securities	198.0	73.4	42.6	76.6	14.8	44.7	89.3	75.8	38.8
Total	136.6	139.6	0.8	-16.3	-145.8	-43.3	66.5	54.2	15.9

Asset Based Revenues



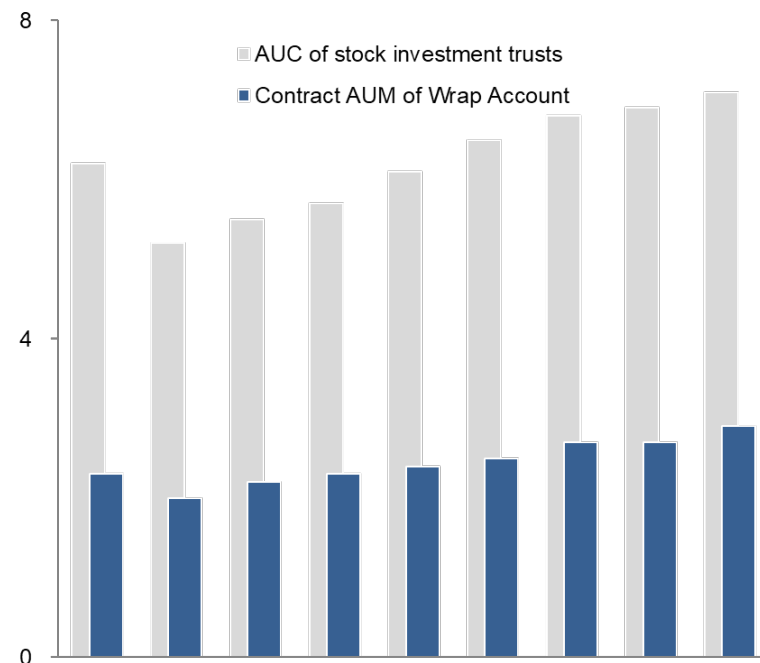
Asset Based Revenues



(¥ Billions)	FY2019		FY2020				FY2021		
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Net operating revenues in Retail Division (Daiwa Securities)	40.2	40.0	34.1	39.5	43.2	48.1	46.2	48.3	48.6
Asset based revenues	16.2	15.8	14.4	15.2	15.7	16.6	17.8	19.0	19.6
Asset based revenue ratio	40.5%	39.6%	42.3%	38.6%	36.5%	34.6%	38.6%	39.5%	40.4%

* Asset based revenues: Agency fee for investment trust, Investment advisory and account management fees, Bank agency fees and other, revenues from asset based fee plan for investment trusts, etc.

AUC of Stock Investment Trusts and Contract AUM of Wrap Account



(¥ Trillions)	FY2019		FY2020				FY2021		
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
AUC of stock investment trusts	6.2	5.2	5.5	5.7	6.1	6.5	6.8	6.9	7.1
Contract AUM of Wrap Account	2.3	2.0	2.2	2.3	2.4	2.5	2.7	2.7	2.9

*Contract AUM of Wrap Account includes Stocks, Bonds and Cash in some parts.

League Table

	Primary and secondary equity offerings	IPO	Straight bonds (excl. family bonds)	Agency bonds	Municipal bonds	Samurai bonds (excl. family bonds)	M&A (Number of deals)
FY2021 3Q League Table							
1st	Daiwa	SMBC Nikko	Mizuho	Nomura	Nomura	SMBC Nikko	Nomura
	20.2%	25.1%	23.5%	21.5%	20.5%	43.6%	
2nd	Mizuho	Nomura	Daiwa	Mitsubishi UFJMS	SMBC Nikko	Nomura	SMFG
	18.4%	22.0%	19.9%	21.2%	17.4%	19.3%	
3rd	Nomura	Daiwa	Nomura	Mizuho	Mitsubishi UFJMS	Mizuho	Mizuho
	13.1%	14.1%	19.0%	21.0%	16.8%	15.1%	
4th	SMBC Nikko	Mizuho	Mitsubishi UFJMS	Daiwa	Mizuho	Daiwa	Daiwa
	12.8%	12.7%	16.9%	17.8%	16.6%	13.5%	
5th	Morgan Stanley	Morgan Stanley	SMBC Nikko	SMBC Nikko	Daiwa	Mitsubishi UFJMS	Morgan Stanley
	9.9%	5.6%	16.4%	12.6%	15.9%	8.6%	

Source: Compiled by Daiwa Securities based on REFINITIV April 2021 – December 2021

Primary and secondary equity, IPO, Straight bonds, Agency bonds, Municipal bonds and Samurai bonds are based on settlement date.

Joint lead manager allotment of Primary and secondary equity, IPO, Straight bonds, Municipal bonds and Agency bonds is based on underwritten amount.

Joint bookrunner allotment of Samurai bonds is divided up evenly among the bookrunners.

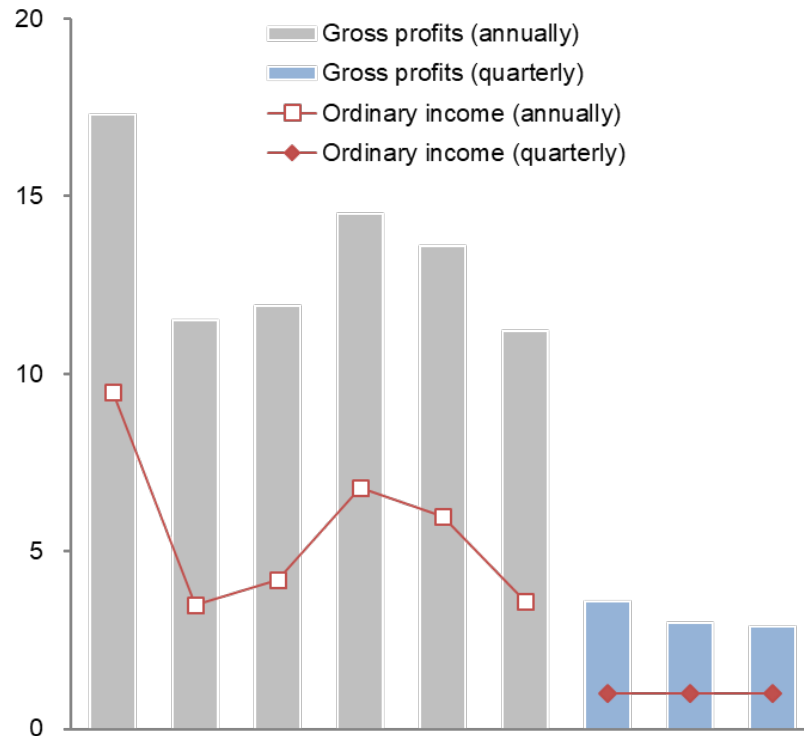
M&A is compiled by Daiwa Securities based on Mergermarket

Financial Summary

(¥ Millions)	FY2020		FY2021			% Change vs 2Q/FY21	% Change vs 3Q/FY20	FY2020	FY2021	% Change vs 1Q-3Q/FY20	FY2020
	3Q	4Q	1Q	2Q	3Q			1Q-3Q	1Q-3Q		
Operating revenues	16,779	17,486	18,326	19,044	19,328	1.5%	15.2%	48,420	56,699	17.1%	65,906
Management fee	16,682	17,378	18,150	18,925	19,206	1.5%	15.1%	48,108	56,282	17.0%	65,487
<i>Stock investment trust</i>	16,627	17,306	18,074	18,838	19,114	1.5%	15.0%	47,973	56,027	16.8%	65,280
<i>Bond investment trust</i>	55	72	75	87	91	5.2%	65.5%	134	254	88.8%	206
Other operating revenues	96	107	176	118	122	3.0%	25.9%	311	416	33.7%	419
SG&A	13,188	13,606	13,900	14,070	14,570	3.6%	10.5%	38,232	42,541	11.3%	51,838
Commission paid	7,097	7,359	7,698	8,009	8,026	0.2%	13.1%	20,606	23,733	15.2%	27,965
Other SG&A	6,091	6,246	6,201	6,060	6,544	8.0%	7.4%	17,625	18,807	6.7%	23,872
Operating income	3,590	3,879	4,426	4,973	4,757	-4.4%	32.5%	10,188	14,157	39.0%	14,067
Ordinary income	3,810	4,126	4,522	5,017	5,081	1.3%	33.4%	10,489	14,622	39.4%	14,616
Net income	2,641	2,148	3,127	3,280	3,496	6.6%	32.4%	7,240	9,904	36.8%	9,389

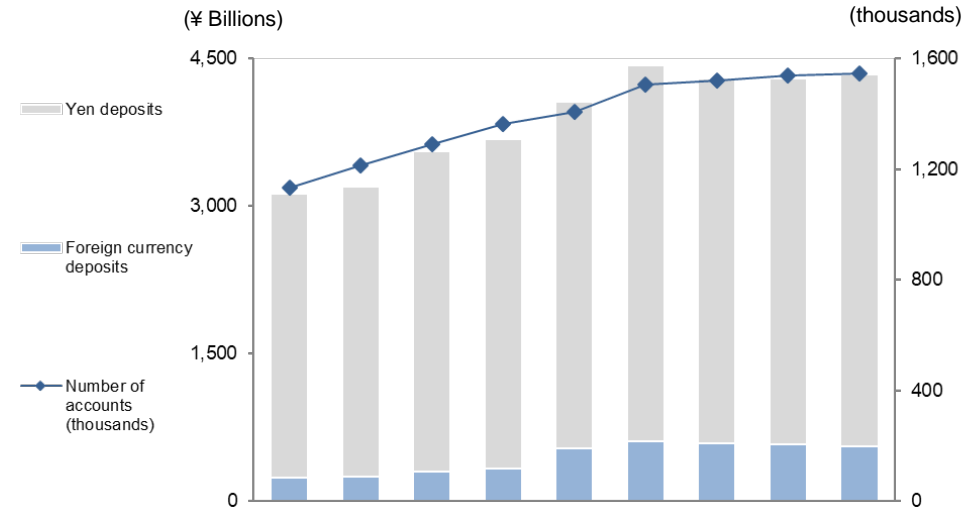
Earnings and Deposit Balance

Gross Profits / Ordinary Income



(¥ Billions)	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021		
							1Q	2Q	3Q
Gross profits	17.3	11.5	11.9	14.5	13.6	11.2	3.6	3.0	2.9
Ordinary income	9.5	3.5	4.2	6.8	6.0	3.6	1.0	1.0	1.0

Daiwa Next Bank Deposit Balance & Number of Accounts



(¥ Billions)	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021		
							1Q	2Q	3Q
Ordinary deposits	1,401	1,653	1,756	1,610	1,873	2,224	2,180	2,164	2,208
Time deposits	1,711	1,480	1,746	1,953	2,067	2,171	2,085	2,106	2,095
Negotiable certificate of deposits / Other	8	59	53	115	122	35	27	27	36
Deposit balance	3,121	3,193	3,556	3,678	4,062	4,430	4,293	4,298	4,340
Foreign currency deposits	243	253	300	331	539	606	592	582	557
Number of accounts (thousands)	1,133	1,213	1,289	1,364	1,405	1,505	1,520	1,539	1,552

*All figures are as at the end of the period.

Range and Assumption of VaR

- Confidence level: 99% (one-side test)
- Holding period: 1 day
- Adjusted for price correlation between products

(¥ Billions)	FY2019		FY2020				FY2021		
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
VaR (Quarter end)	0.94	1.22	0.99	1.21	1.20	1.18	1.59	1.74	1.80
High	1.61	1.77	1.43	1.43	1.89	1.62	1.83	2.07	2.58
Low	0.94	0.87	0.75	0.90	0.94	1.05	0.82	1.35	1.43
Average	1.28	1.18	1.08	1.11	1.35	1.35	1.37	1.64	1.90
By risk factors (Quarter end)									
Equity	0.34	0.19	0.21	0.33	0.37	0.40	0.25	0.41	0.25
Interest	1.21	1.12	1.25	0.97	1.16	1.22	0.66	1.28	0.97
Currency	0.20	0.20	0.24	0.29	0.41	0.31	0.45	0.49	0.48
Commodities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Number of Group Employees

	FY2019		FY2020				FY2021		
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Total	16,078	15,904	16,120	15,972	15,749	15,529	15,671	15,455	15,229
Overseas	1,963	1,984	1,977	1,989	2,012	2,018	2,024	2,032	2,007

■ Number of employees as at the end of each quarter.

* Total figures are the sum of consolidated group companies.

* Figures include temporary staff.

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