

Daiwa Securities Group Inc.
4Q FY2021 Earnings Announcement

April 27, 2022

Daiwa Securities Group Inc.

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Highlights (1Q-4Q/FY2021, YoY)

Both net operating revenues and ordinary income increased YoY.

| Consolidate earning results | FY2021 1Q-4Q | % Changes vs FY2020 |
|---|--------------|---------------------|
| Net operating revenues | ¥502.0 bn | +7.6% |
| Ordinary income | ¥135.8 bn | +17.9% |
| Profit attributable to owners of parent | ¥94.8 bn | -12.5% |

- **Ordinary income in Retail Division expanded and reached ¥41.8 bn led by steady progress in changing to wealth management business model and cost reduction.**
 - Ordinary income achieved the final target of Medium-Term Management Plan (¥40.0 bn) in its first fiscal year.
 - Both contract amount and net inflow of wrap account service jumped. Contract AUM hit a record high of ¥2.95 tn*.
- **For Wholesale Division, net operating revenues 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**.**

Shareholder return remained at high level

- FY2021 annual dividend is 33 yen (Interim dividend: 17 yen, Year-end dividend: 16 yen). Annual dividend payout ratio is 52.3%.
- Set up of share repurchase program. Total number of shares to be repurchased: up to 33.0 mil shares. Total amount to be paid for repurchase: up to ¥25.0 bn (2.22% of total shares outstanding, excluding treasury stock).
- Cancellations of treasury shares (Total number of shares cancelled: 130.0 mil shares; 7.64% of total number of issued shares before the cancellation)

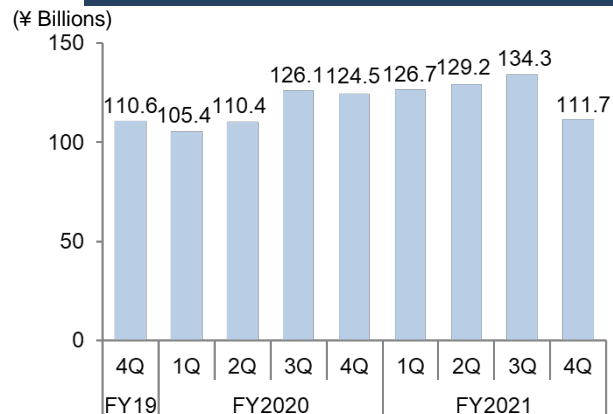
Summary (4Q/FY2021, QoQ)

Both revenues and income decreased due to market correction.

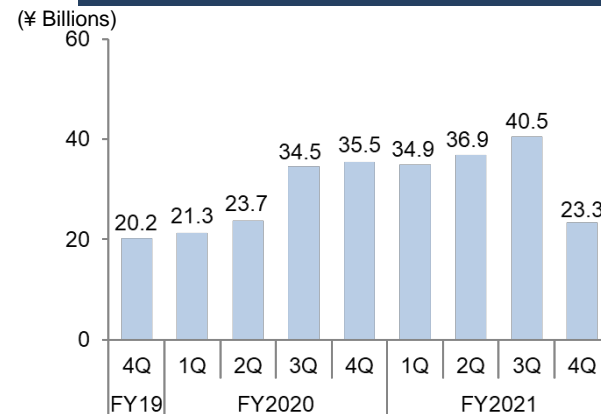
| Consolidated earnings results | FY2021 4Q | % Changes vs 3Q/FY2021 |
|---|-----------|------------------------|
| Net operating revenues | ¥111.7 bn | -16.8% |
| Ordinary income | ¥23.3 bn | -42.5% |
| Profit attributable to owners of parent | ¥17.9 bn | -32.6% |

- For Retail Division, sales of stock investment trusts and trading of foreign equity decreased.
- For Wholesale Division, profit decreased due to a decrease in revenues from equity though FICC revenues increased for Global Markets. Equity underwriting and debt underwriting decreased for Global Investment Banking.
- Annualized ROE:5.3% BPS: ¥925.81 (a record high)

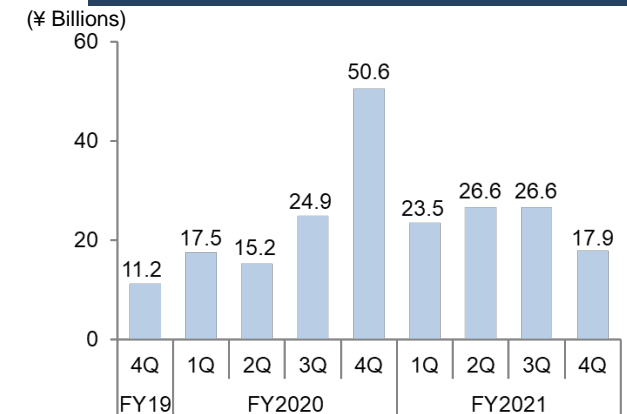
Net Operating Revenues



Ordinary Income



Profit Attributable to Owners of Parent



Financial Summary

| (¥ Millions) | FY2020 | FY2021 | | | | % Change vs 3Q/FY21 | % Change vs 4Q/FY20 | FY2020 | FY2021 | % Change vs FY20 |
|--|------------|------------|------------|------------|------------|---------------------|---------------------|------------|------------|------------------|
| | 4Q | 1Q | 2Q | 3Q | 4Q | | | | | |
| Operating revenues | 167,355 | 149,836 | 154,702 | 166,599 | 148,333 | -11.0% | -11.4% | 576,172 | 619,471 | 7.5% |
| Net operating revenues | 124,576 | 126,721 | 129,222 | 134,374 | 111,776 | -16.8% | -10.3% | 466,660 | 502,093 | 7.6% |
| SG&A | 99,990 | 94,873 | 98,544 | 98,323 | 94,817 | -3.6% | -5.2% | 373,800 | 386,559 | 3.4% |
| Ordinary income | 35,540 | 34,922 | 36,997 | 40,561 | 23,340 | -42.5% | -34.3% | 115,175 | 135,821 | 17.9% |
| Profit (loss) attributable to owners of parent | 50,606 | 23,560 | 26,642 | 26,698 | 17,989 | -32.6% | -64.5% | 108,396 | 94,891 | -12.5% |
| Total assets | 26,099,330 | 25,586,624 | 25,510,806 | 26,415,274 | 27,531,089 | | | 26,099,330 | 27,531,089 | |
| Net assets | 1,591,841 | 1,581,457 | 1,612,395 | 1,600,496 | 1,639,888 | | | 1,591,841 | 1,639,888 | |
| Shareholders' equity* | 1,333,570 | 1,321,883 | 1,344,702 | 1,331,188 | 1,373,282 | | | 1,333,570 | 1,373,282 | |
| EPS (¥) | 33.22 | 15.45 | 17.54 | 17.90 | 12.13 | | | 71.20 | 63.06 | |
| BPS (¥) | 875.12 | 866.74 | 889.70 | 897.76 | 925.81 | | | 875.12 | 925.81 | |
| ROE (Annualized) | 15.7% | 7.1% | 8.0% | 8.0% | 5.3% | | | 8.5% | 7.0% | |

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

FY2021 Dividends

33 yen
(including 17 yen interim dividend)

Segment Summary

(¥ Millions)

| Net operating revenues | FY2020 | FY2021 | | | | % Change vs 3Q/FY21 | % Change vs 4Q/FY20 | FY2020 | FY2021 | % Change vs FY20 |
|-------------------------------------|---------|---------|---------|---------|----------------|---------------------|---------------------|---------|----------------|------------------|
| | 4Q | 1Q | 2Q | 3Q | 4Q | | | | | |
| Retail | 49,343 | 47,356 | 49,653 | 49,783 | 42,085 | -15.5% | -14.7% | 169,505 | 188,879 | 11.4% |
| Wholesale | 59,676 | 46,751 | 50,634 | 53,478 | 44,999 | -15.9% | -24.6% | 215,860 | 195,863 | -9.3% |
| <i>Global Markets</i> | 43,099 | 31,682 | 32,567 | 35,892 | 34,210 | -4.7% | -20.6% | 161,730 | 134,353 | -16.9% |
| <i>Global Investment Banking</i> | 16,577 | 15,068 | 18,066 | 17,586 | 10,788 | -38.7% | -34.9% | 54,129 | 61,510 | 13.6% |
| Asset Management | 13,355 | 17,352 | 17,679 | 18,259 | 17,760 | -2.7% | 33.0% | 51,145 | 71,052 | 38.9% |
| <i>Securities Asset Management</i> | 10,507 | 11,096 | 11,388 | 11,632 | 11,233 | -3.4% | 6.9% | 39,373 | 45,351 | 15.2% |
| <i>Real Estate Asset Management</i> | 2,847 | 6,255 | 6,290 | 6,627 | 6,526 | -1.5% | 129.2% | 11,772 | 25,701 | 118.3% |
| Investments | -3,245 | 2,757 | 1,022 | 3,159 | 4,115 | 30.2% | - | 4,602 | 11,055 | 140.2% |
| Other/Adjustments | 5,447 | 12,502 | 10,232 | 9,692 | 2,815 | - | - | 25,546 | 35,242 | - |
| Consolidated total | 124,576 | 126,721 | 129,222 | 134,374 | 111,776 | -16.8% | -10.3% | 466,660 | 502,093 | 7.6% |

| Ordinary income | FY2020 | FY2021 | | | | % Change vs 3Q/FY21 | % Change vs 4Q/FY20 | FY2020 | FY2021 | % Change vs FY20 |
|-------------------------------------|--------|--------|--------|--------|---------------|---------------------|---------------------|---------|----------------|------------------|
| | 4Q | 1Q | 2Q | 3Q | 4Q | | | | | |
| Retail | 11,360 | 10,037 | 12,364 | 12,703 | 6,702 | -47.2% | -41.0% | 20,070 | 41,807 | 108.3% |
| Wholesale | 20,619 | 11,328 | 12,617 | 16,593 | 10,411 | -37.3% | -49.5% | 74,737 | 50,951 | -31.8% |
| <i>Global Markets</i> | 17,730 | 7,795 | 8,833 | 11,296 | 10,375 | -8.1% | -41.5% | 62,777 | 38,301 | -39.0% |
| <i>Global Investment Banking</i> | 2,587 | 3,144 | 3,444 | 4,840 | -736 | - | - | 11,021 | 10,693 | -3.0% |
| Asset Management | 10,060 | 10,000 | 12,757 | 11,294 | 11,201 | -0.8% | 11.3% | 32,775 | 45,253 | 38.1% |
| <i>Securities Asset Management</i> | 4,658 | 5,184 | 5,811 | 5,681 | 5,317 | -6.4% | 14.2% | 16,013 | 21,995 | 37.4% |
| <i>Real Estate Asset Management</i> | 5,402 | 4,816 | 6,945 | 5,612 | 5,883 | 4.8% | 8.9% | 16,761 | 23,258 | 38.8% |
| Investments | -3,102 | 1,824 | -464 | 1,728 | 4,103 | 137.4% | - | 1,123 | 7,192 | 540.0% |
| Other/Adjustments | -3,396 | 1,730 | -277 | -1,757 | -9,078 | - | - | -13,532 | -9,382 | - |
| Consolidated total | 35,540 | 34,922 | 36,997 | 40,561 | 23,340 | -42.5% | -34.3% | 115,175 | 135,821 | 17.9% |

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

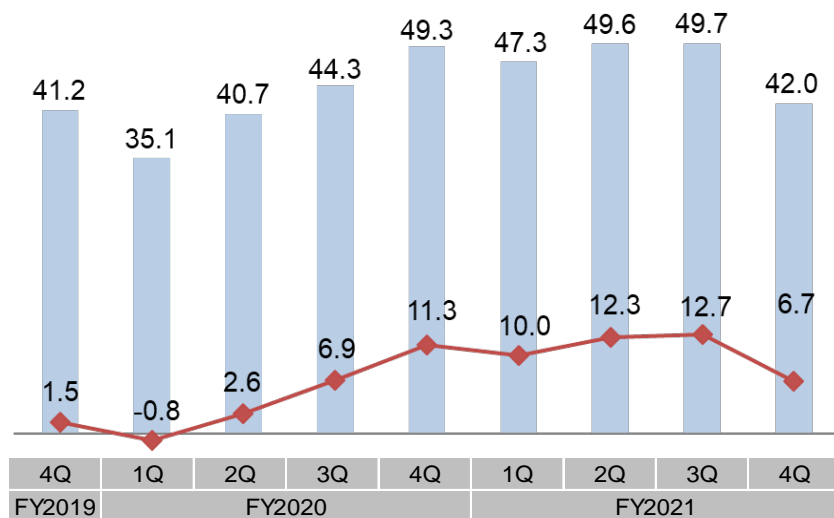
Segment Summary



Net operating revenues Ordinary income

Retail Division

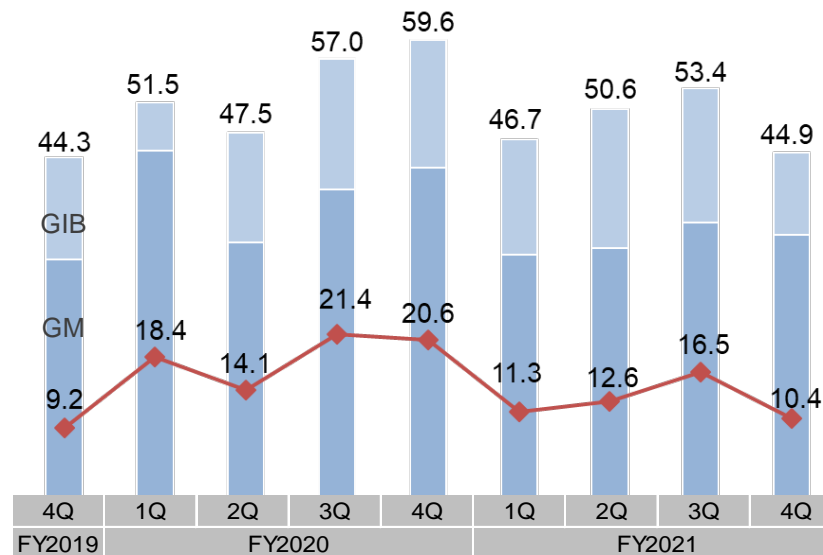
(¥ Billions)



Wholesale Division

(¥ Billions)

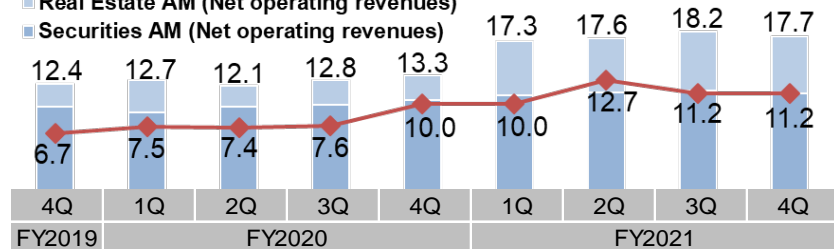
Global Investment Banking (Net operating revenues)
Global Markets (Net operating revenues)



Asset Management Division

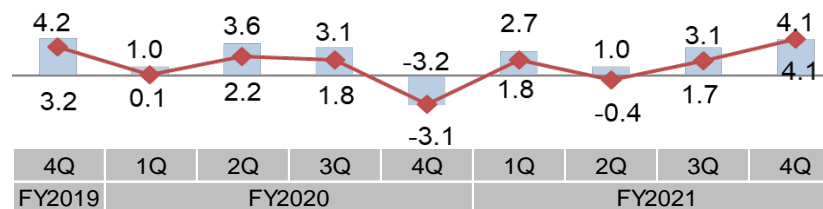
(¥ Billions)

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



Investment Division

(¥ Billions)



Consolidated B/S Summary

Consolidated Balance Sheet (March 31, 2022)

(¥ Billions)

| Current assets | | | Current liabilities | | |
|--|---------------|----------------|---|---------------|----------------|
| Cash and deposits | 26,009 | (1,363) | Trading products | 22,945 | (1,725) |
| Short-term investment securities | 4,592 | (-170) | Trading securities and other | 4,945 | (578) |
| Trading products | 1,177 | (181) | Stocks, Convertible bonds | 2,948 | (915) |
| Trading securities and other | 8,004 | (170) | Bonds | 179 | (-30) |
| Stocks, Convertible bonds | 5,919 | (545) | Other | 2,613 | (853) |
| Bonds | 177 | (16) | Derivatives transactions | 154 | (92) |
| Beneficiary certificates | 5,023 | (1,619) | Loans payable secured by securities | 1,997 | (-337) |
| Other | 115 | (-100) | Deposits for banking business | 9,463 | (1,287) |
| Derivatives transactions | 603 | (-990) | Deposits for banking business | 4,189 | (-226) |
| Operational investment securities | 2,085 | (-374) | Short-term loans payable | 2,155 | (747) |
| (after allowance for possible investment losses) | | | Current portion of bonds | 446 | (242) |
| Loans secured by securities | 123 | (27) | | | |
| | 8,394 | (945) | | | |
| Non-current assets | | | Long-term liabilities | | |
| Property, plant and equipment | 1,521 | (68) | Bonds payable | 2,942 | (-342) |
| Intangible assets | 913 | (33) | Long-term loans payable | 1,563 | (6) |
| Investments and other assets | 121 | (-7) | | 1,237 | (-349) |
| Listed stocks | 486 | (42) | Total liabilities | 25,891 | (1,383) |
| Unlisted stocks | 119 | (-7) | Net assets | 1,639 | (48) |
| Affiliated company stocks, etc. | 28 | (0) | Owners' equity | 1,286 | (4) |
| Other | 155 | (18) | Accumulated other comprehensive income | 86 | (35) |
| | 182 | (30) | Non-controlling interests | 257 | (8) |
| Total Assets | 27,531 | (1,431) | Total liabilities and net assets | 27,531 | (1,431) |

Total assets: ¥27.53 tn

Net assets: ¥1.63 tn

Shareholders' equity:** ¥1.37 tn

- 80.5% of total assets have high liquidity*.

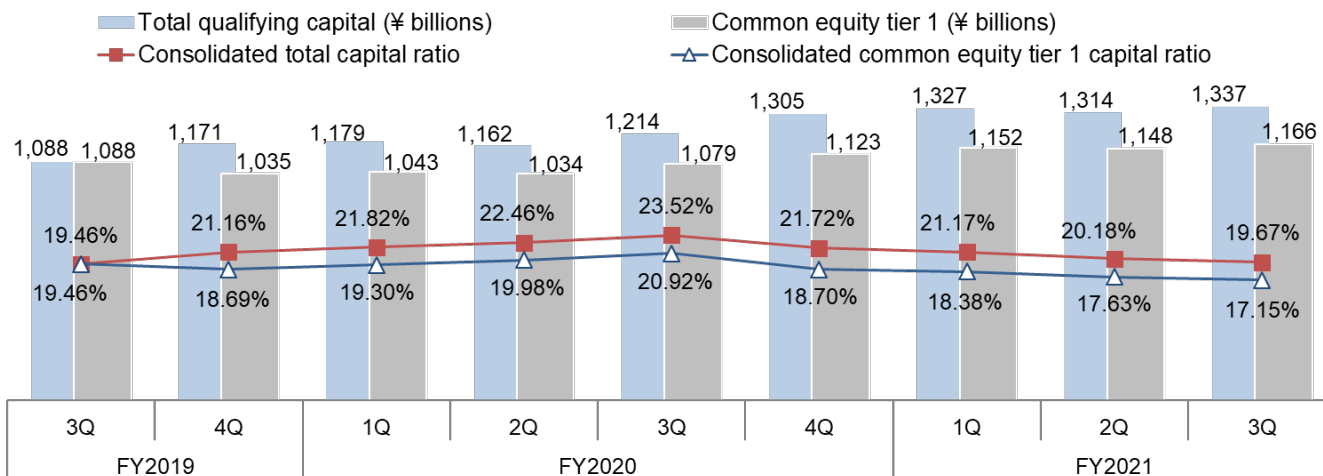
* Cash and deposits + Short-term investment securities + Trading products + Loans secured by securities

- Shareholders' equity** increased by ¥39.7 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



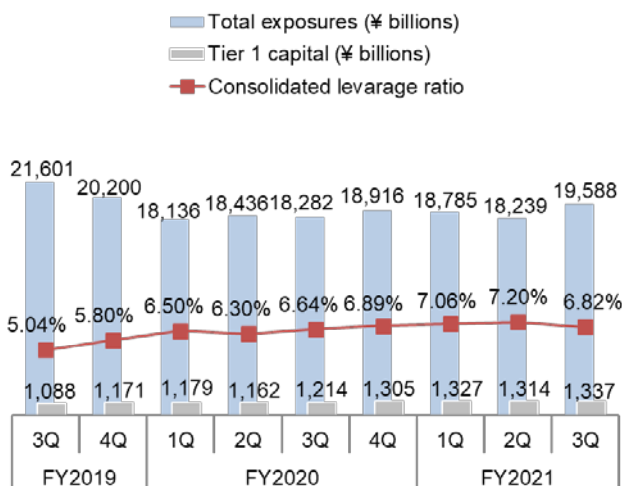
【Regulatory Capital (Basel III)】

(As at December 31, 2021)

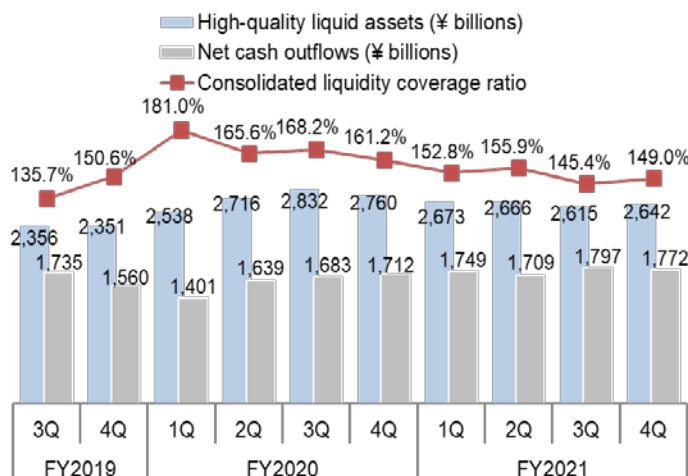
- Consolidated Total Capital Ratio : 19.67%
- Consolidated Tier 1 Capital Ratio : 19.67%
- Consolidated Common Equity Tier 1 Capital Ratio : 17.15%
- Consolidated Leverage Ratio : 6.82%

※ Figures are as at the end of each quarter.

Consolidated Leverage Ratio



Consolidated Liquidity Coverage Ratio



【Regulatory Liquidity (Basel III)】

(Daily average Jan. – Mar. 2022)

- Consolidated Liquidity Coverage Ratio : 149.0%

P/L Summary

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

| (¥ Millions) | FY2020 | FY2021 | | | | % Change vs 3Q/FY21 | % Change vs 4Q/FY20 | FY2020 | FY2021 | % Change vs FY20 |
|---|---------|---------|---------|---------|----------------|---------------------|---------------------|---------|----------------|------------------|
| | 4Q | 1Q | 2Q | 3Q | 4Q | | | | | |
| Operating revenues | 167,355 | 149,836 | 154,702 | 166,599 | 148,333 | -11.0% | -11.4% | 576,172 | 619,471 | 7.5% |
| Commission received | 81,612 | 77,309 | 82,983 | 84,490 | 69,267 | -18.0% | -15.1% | 286,835 | 314,051 | 9.5% |
| Net trading income | 31,352 | 26,293 | 25,847 | 28,544 | 20,837 | -27.0% | -33.5% | 118,895 | 101,522 | -14.6% |
| Net gain (loss) on private equity | -1,703 | 1,681 | 926 | 1,037 | 2,403 | 131.8% | - | 4,808 | 6,048 | 25.8% |
| Financial revenue | 21,845 | 21,295 | 18,587 | 17,687 | 18,408 | 4.1% | -15.7% | 93,188 | 75,978 | -18.5% |
| Other operating revenue | 34,249 | 23,257 | 26,357 | 34,840 | 37,415 | 7.4% | 9.2% | 72,444 | 121,870 | 68.2% |
| Financial expenses | 16,201 | 10,421 | 12,503 | 10,225 | 11,562 | 13.1% | -28.6% | 54,480 | 44,714 | -17.9% |
| Other operating expenses | 26,577 | 12,692 | 12,976 | 21,999 | 24,994 | 13.6% | -6.0% | 55,031 | 72,663 | 32.0% |
| Net operating revenues | 124,576 | 126,721 | 129,222 | 134,374 | 111,776 | -16.8% | -10.3% | 466,660 | 502,093 | 7.6% |
| SG&A | 99,990 | 94,873 | 98,544 | 98,323 | 94,817 | -3.6% | -5.2% | 373,800 | 386,559 | 3.4% |
| Operating income | 24,586 | 31,848 | 30,677 | 36,050 | 16,958 | -53.0% | -31.0% | 92,859 | 115,534 | 24.4% |
| Non-operating income | 10,953 | 3,074 | 6,319 | 4,511 | 6,381 | 41.4% | -41.7% | 22,315 | 20,287 | -9.1% |
| Ordinary income/loss | 35,540 | 34,922 | 36,997 | 40,561 | 23,340 | -42.5% | -34.3% | 115,175 | 135,821 | 17.9% |
| Extraordinary income/loss | 26,707 | 253 | 3,054 | 300 | 2,234 | 642.7% | -91.6% | 29,391 | 5,844 | -80.1% |
| Income before income taxes | 62,247 | 35,176 | 40,051 | 40,862 | 25,574 | -37.4% | -58.9% | 144,567 | 141,666 | -2.0% |
| Total income taxes | 11,533 | 9,304 | 11,026 | 11,846 | 5,342 | -54.9% | -53.7% | 34,915 | 37,521 | 7.5% |
| Profit (loss) attributable to owners of parent | 50,606 | 23,560 | 26,642 | 26,698 | 17,989 | -32.6% | -64.5% | 108,396 | 94,891 | -12.5% |

■ Commission received decreased (-18.0%).

• Brokerage commission* was ¥17.6 bn (-12.1%) due to a decrease in both Japanese and foreign equity trading.

• Underwriting and secondary offering commissions* were ¥5.0 bn (-63.0%) as both equity and debt underwriting decreased.

• Distribution commission* was ¥3.4 bn (-38.8%) as stock investment trust sales decreased.

• M&A related commission* was ¥7.5 bn (-4.7%).

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

Breakdown of SG&A

| (¥ Millions) | FY2020 | FY2021 | | | | % Change vs 3Q/FY21 | % Change vs 4Q/FY20 | FY2020 | FY2021 | % Change vs FY20 |
|---------------------------------|--------|--------|--------|--------|---------------|---------------------------|---------------------------|---------|----------------|------------------------|
| | 4Q | 1Q | 2Q | 3Q | 4Q | | | | | |
| SG&A | 99,990 | 94,873 | 98,544 | 98,323 | 94,817 | -3.6% | -5.2% | 373,800 | 386,559 | 3.4% |
| Trading related expenses | 15,142 | 15,230 | 15,148 | 16,393 | 15,815 | -3.5% | 4.4% | 57,612 | 62,588 | 8.6% |
| Personnel expenses | 52,464 | 49,200 | 51,827 | 50,036 | 47,726 | -4.6% | -9.0% | 193,002 | 198,790 | 3.0% |
| Real estate expenses | 10,132 | 9,137 | 9,338 | 9,524 | 9,644 | 1.3% | -4.8% | 38,441 | 37,643 | -2.1% |
| Office cost | 6,207 | 5,657 | 6,275 | 6,406 | 6,399 | -0.1% | 3.1% | 24,365 | 24,740 | 1.5% |
| Depreciation | 8,601 | 8,771 | 8,773 | 8,753 | 8,513 | -2.7% | -1.0% | 33,920 | 34,811 | 2.6% |
| Taxes and dues | 3,436 | 2,858 | 2,577 | 2,949 | 2,292 | -22.3% | -33.3% | 11,493 | 10,678 | -7.1% |
| Other | 4,006 | 4,018 | 4,603 | 4,259 | 4,425 | 3.9% | 10.5% | 14,964 | 17,306 | 15.7% |

- SG&A decreased (-3.6%).

- Personnel expenses decreased as earnings-linked bonuses decreased (-4.6%).

Cost Structure

| (¥ Billions) | FY2019 | | FY2020 | | | | | FY2021 | | | | |
|---|--------|--------------|--------|------|------|------|--------------|--------|------|------|-------------|--------------|
| | 4Q | 1Q-4Q | 1Q | 2Q | 3Q | 4Q | 1Q-4Q | 1Q | 2Q | 3Q | 4Q | 1Q-4Q |
| Total SG&A | 94.2 | 371.9 | 88.8 | 90.7 | 94.2 | 99.9 | 373.8 | 94.8 | 98.5 | 98.3 | 94.8 | 386.5 |
| Variable costs | 35.4 | 139.5 | 30.4 | 32.2 | 35.5 | 38.5 | 136.7 | 35.6 | 38.0 | 37.9 | 34.3 | 146.0 |
| Trading related expenses | 16.9 | 68.8 | 13.2 | 14.4 | 14.7 | 15.1 | 57.6 | 15.2 | 15.1 | 16.3 | 15.8 | 62.5 |
| <i>Advertising and promotion expenses</i> | 3.2 | 12.0 | 1.3 | 1.9 | 2.0 | 1.6 | 6.9 | 1.6 | 1.7 | 1.8 | 1.5 | 6.9 |
| Bonus and others | 12.4 | 46.2 | 11.2 | 12.4 | 15.0 | 17.5 | 56.3 | 14.7 | 16.7 | 15.7 | 12.6 | 59.7 |
| Overtime, part-time | 2.1 | 8.9 | 1.9 | 1.9 | 1.9 | 1.8 | 7.7 | 1.7 | 1.6 | 1.7 | 1.6 | 6.7 |
| Fixed costs | 58.8 | 232.4 | 58.4 | 58.5 | 58.7 | 61.4 | 237.0 | 59.1 | 60.5 | 60.3 | 60.4 | 240.4 |
| Personnel expenses | 32.2 | 128.4 | 31.6 | 32.1 | 31.7 | 32.9 | 128.5 | 32.6 | 33.3 | 32.5 | 33.4 | 131.9 |
| Real estate expenses | 9.4 | 36.6 | 9.4 | 9.4 | 9.4 | 10.1 | 38.4 | 9.1 | 9.3 | 9.5 | 9.6 | 37.6 |
| Depreciation | 7.7 | 30.8 | 8.4 | 8.4 | 8.4 | 8.6 | 33.9 | 8.7 | 8.7 | 8.7 | 8.5 | 34.8 |
| Office expenses | 6.3 | 24.7 | 5.9 | 5.5 | 5.9 | 5.9 | 23.4 | 5.4 | 6.0 | 6.1 | 6.1 | 23.8 |
| Taxes and dues | 2.7 | 10.5 | 2.7 | 2.5 | 2.7 | 3.4 | 11.4 | 2.8 | 2.5 | 2.9 | 2.2 | 10.6 |

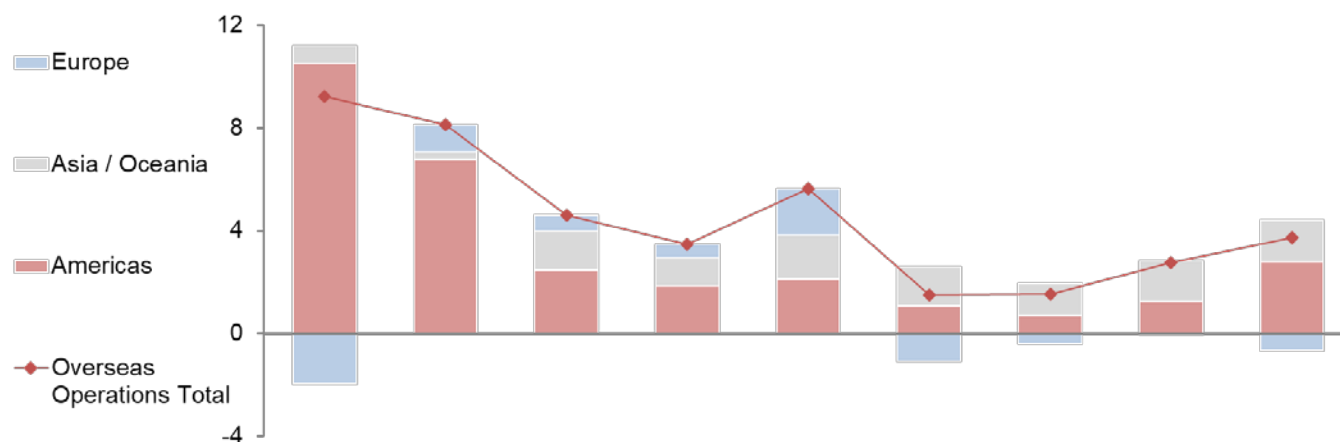
Ordinary Income of Overseas Operations

| (¥ Millions) | FY2020 | FY2021 | | | | % Change vs 3Q/FY21 | % Change vs 4Q/FY20 | FY2020 | FY2021 | % Change vs FY20 |
|---------------------------|--------|--------|-------|-------|-------|---------------------|---------------------|--------|--------|------------------|
| | 4Q | 1Q | 2Q | 3Q | 4Q | | | | | |
| Overseas Operations Total | 5,638 | 1,499 | 1,537 | 2,764 | 3,723 | 34.7% | -34.0% | 21,817 | 9,525 | -56.3% |
| Europe | 1,818 | -1,091 | -426 | -62 | -689 | - | - | 3,969 | -2,270 | - |
| Asia / Oceania | 1,724 | 1,509 | 1,268 | 1,576 | 1,631 | 3.5% | -5.4% | 4,659 | 5,986 | 28.5% |
| Americas | 2,096 | 1,080 | 695 | 1,250 | 2,781 | 122.4% | 32.7% | 13,188 | 5,809 | -56.0% |

Overseas operations stayed in the black for 24 consecutive quarters.

- In Europe, primary revenues slowed compared with the strong prior quarter.
- Asia / Oceania posted strong results as equity method investment gain in SSI securities contributed to ordinary income though primary revenues decreased.
- Americas increased in revenues and income due to FICC revenue growth from a rise in interest rate volatility though revenues from M&A business slowed.

Ordinary Income



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

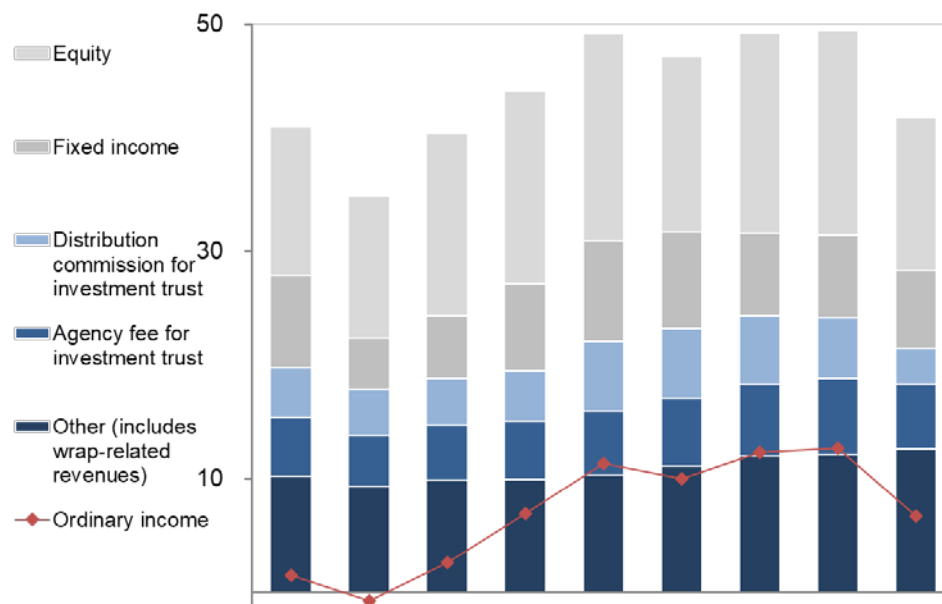
Retail Division

| (¥ Millions) | FY2021 4Q | % Change vs 3Q/FY21 | FY2021 | % Change vs FY20 |
|-------------------------------|---------------|------------------------|----------------|------------------------|
| Net operating revenues | 42,085 | -15.5% | 188,879 | 11.4% |
| Ordinary income | 6,702 | -47.2% | 41,807 | 108.3% |

- Equity revenues dropped as both Japanese and foreign equity trading volume decreased.
- Distribution commission for investment trust declined due to a decrease in stock investment trust sales. Agency fee for investment trust decreased due to a decrease in asset under custody.
- Asset based revenues were ¥18.9 bn.
(46.1% of net operating revenues in Retail Division of Daiwa Securities)

*Asset based revenues (See p.30)

Net Operating Revenues and Ordinary Income



| (¥ Billions) | FY19 | FY2020 | | | | FY2021 | | | |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q |
| Equity | 13.1 | 12.5 | 16.1 | 16.9 | 18.3 | 15.5 | 17.7 | 18.1 | 13.4 |
| Fixed income | 8.1 | 4.6 | 5.5 | 7.7 | 8.8 | 8.5 | 7.3 | 7.2 | 6.9 |
| Distribution commission for investment trust | 4.4 | 4.0 | 4.1 | 4.4 | 6.1 | 6.1 | 6.0 | 5.4 | 3.2 |
| Agency fee for investment trust | 5.2 | 4.5 | 4.9 | 5.2 | 5.7 | 6.0 | 6.3 | 6.7 | 5.7 |
| Other (includes wrap-related revenues) | 10.2 | 9.3 | 9.8 | 9.9 | 10.3 | 11.1 | 12.0 | 12.1 | 12.6 |
| Net operating revenues | 41.2 | 35.1 | 40.7 | 44.3 | 49.3 | 47.3 | 49.6 | 49.7 | 42.0 |
| Ordinary income | 1.5 | -0.8 | 2.6 | 6.9 | 11.3 | 10.0 | 12.3 | 12.7 | 6.7 |

Retail Division Daiwa Securities

【Wrap Account Service】

- Contract AUM hit a record high of ¥2.95 trillion* at the end of March.

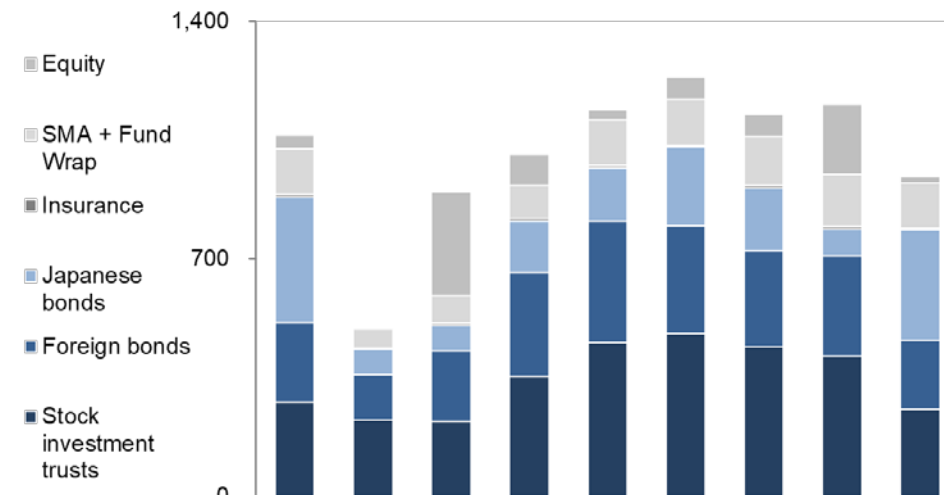
【Stock Investment Trusts】

- Sales of funds related to U.S. growth equity decreased though sales of value equity funds rose.

【Japanese Bonds】

- Sales increased with contributions from Softbank Group SB and JGB for individuals.

Sales and Distribution Amount by Product



| (¥ Billions) | FY19 | FY2020 | | | | FY2021 | | | |
|---|-------|--------|-------|-------|-------|--------|-------|-------|--------------|
| | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q |
| Equity* | 40.1 | 1.1 | 307.0 | 93.0 | 28.9 | 66.8 | 67.1 | 206.9 | 19.2 |
| SMA + Fund Wrap** | 133.4 | 56.9 | 81.8 | 95.5 | 133.8 | 135.7 | 144.6 | 154.0 | 131.5 |
| Insurance*** | 8.6 | 2.4 | 6.9 | 7.8 | 8.3 | 4.8 | 6.6 | 7.4 | 5.0 |
| Japanese bonds | 369.7 | 76.6 | 73.8 | 153.1 | 156.3 | 231.2 | 185.8 | 78.4 | 325.7 |
| Foreign bonds**** | 233.6 | 133.5 | 207.8 | 305.5 | 358.0 | 320.0 | 281.1 | 296.2 | 203.8 |
| Stock investment trusts***** | 279.2 | 225.5 | 221.2 | 353.8 | 453.8 | 478.9 | 442.9 | 412.9 | 256.8 |
| Asset based fee plan for investment trust | | | | 96.3 | 117.8 | 83.0 | 102.2 | 109.1 | 67.1 |

*Distribution amount from equity underwriting

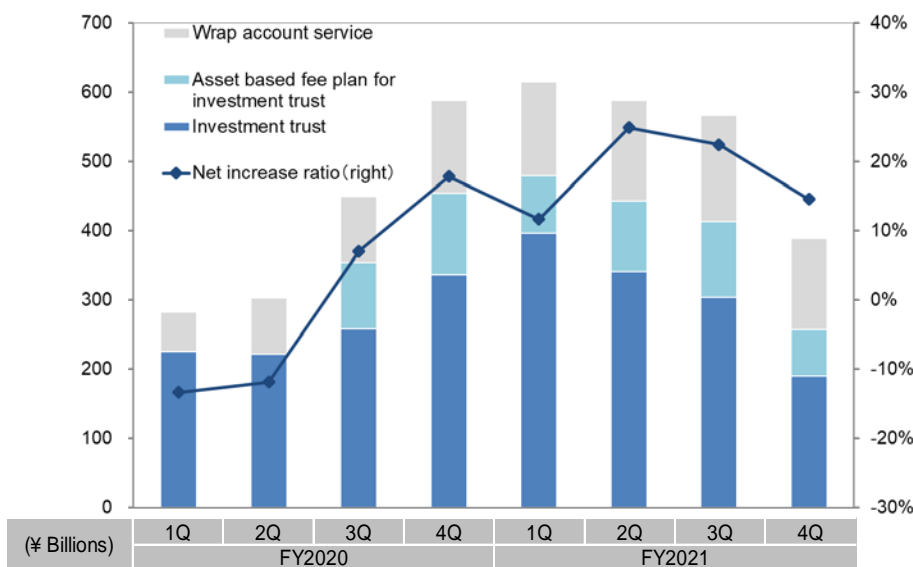
**Total contract amount of fund wrap and SMA

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

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

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

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



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

※ Includes switching transactions between funds.

* Includes Wholesale Division

Wholesale Division Global Markets



| (¥ Millions) | FY2021 4Q | % Change vs 3Q/FY21 | FY2021 | % Change vs FY20 |
|-------------------------------|---------------|---------------------------|----------------|------------------------|
| Net operating revenues | 34,210 | -4.7% | 134,353 | -16.9% |
| Ordinary income | 10,375 | -8.1% | 38,301 | -39.0% |

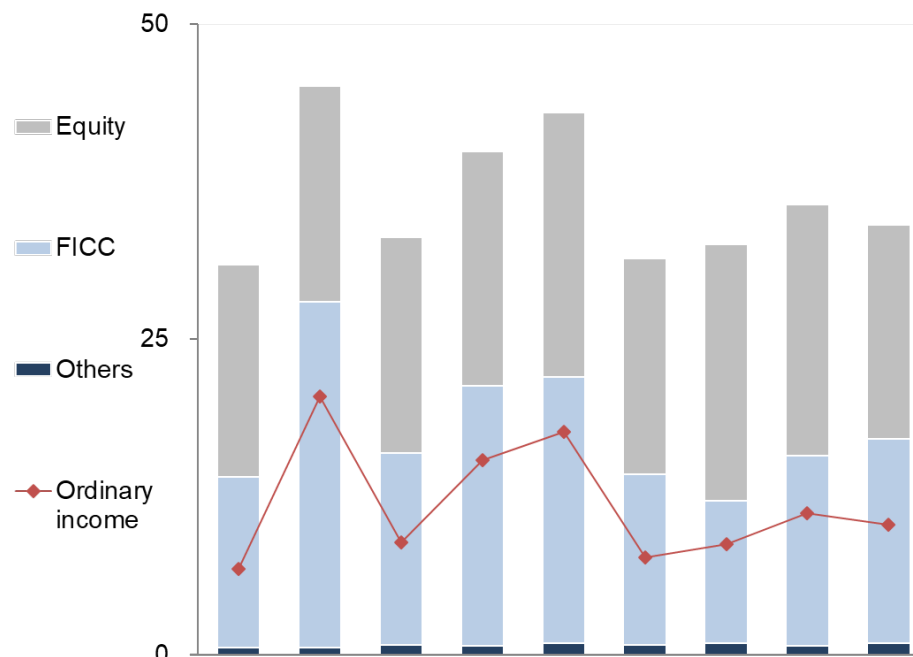
【Equity】

- Equity revenues decreased. Revenues from foreign equity and derivatives decreased.

【FICC*】

- FICC revenues increased.
- In Japan, customer order flow in JGB and derivatives increased though revenues from credit were stagnant.
- In the U.S., revenues from treasury, MBS and repo improved due to a rise in interest rates and volatility.

Net Operating Revenues and Ordinary Income



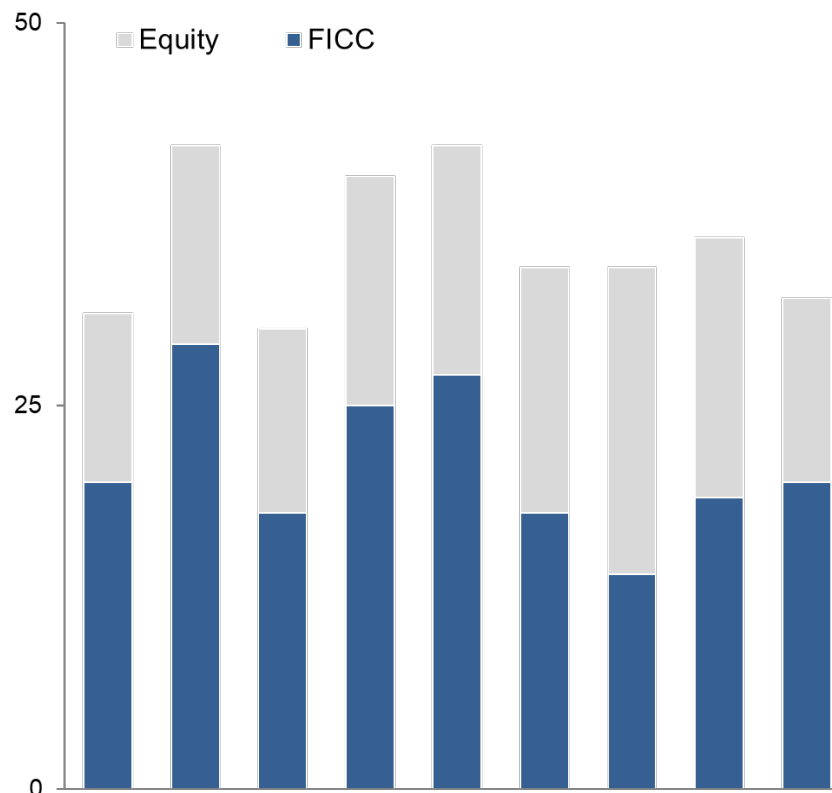
| (¥ Billions) | FY19 | FY2020 | | | | FY2021 | | | |
|-------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q |
| Equity | 16.8 | 17.1 | 17.1 | 18.6 | 21.0 | 17.1 | 20.3 | 19.9 | 17.0 |
| FICC* | 13.5 | 27.4 | 15.2 | 20.6 | 21.1 | 13.5 | 11.3 | 15.1 | 16.2 |
| Others | 0.6 | 0.6 | 0.8 | 0.7 | 0.9 | 0.8 | 0.9 | 0.7 | 0.9 |
| Net operating revenues | 31.1 | 45.2 | 33.2 | 40.1 | 43.0 | 31.6 | 32.5 | 35.8 | 34.2 |
| Ordinary income | 6.8 | 20.5 | 8.9 | 15.4 | 17.7 | 7.7 | 8.8 | 11.2 | 10.3 |

*FICC: Fixed Income, Currency and Commodities

【Managerial accounting basis】

| (¥ Billions) | FY2021 4Q | % Change vs 3Q/FY21 | FY2021 | % Change vs FY20 |
|--------------|--------------|---------------------------|--------|------------------------|
| Equity | 12 | -29.4% | 65 | 18.2% |
| FICC | 20 | 5.3% | 71 | -28.3% |
| Total | 32 | -11.1% | 136 | -11.7% |

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



| (¥ Billions) | FY19 | FY2020 | | | | FY2021 | | | |
|--------------|------|--------|----|----|----|--------|----|----|----|
| | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q |
| Equity | 11 | 13 | 12 | 15 | 15 | 16 | 20 | 17 | 12 |
| FICC | 20 | 29 | 18 | 25 | 27 | 18 | 14 | 19 | 20 |
| Total | 31 | 42 | 30 | 40 | 42 | 34 | 34 | 36 | 32 |

Wholesale Division Global Investment Banking



| (¥ Millions) | FY2021 4Q | % Change vs 3Q/FY21 | FY2021 | % Change vs FY20 |
|-------------------------------|---------------|---------------------------|---------------|------------------------|
| Net operating revenues | 10,788 | -38.7% | 61,510 | 13.6% |
| Ordinary income | -736 | - | 10,693 | -3.0% |

【Equity】

■ Managed deals by responding to various needs for finance.

| <Selected lead managed deals> | | <Offering size> |
|---|----------------|-----------------|
| Nippon Building Fund Inc. | REIT | ¥33.0 bn |
| Mitsubishi Estate Logistics REIT Investment Corporation | REIT Global PO | ¥23.9 bn |
| Mitsui Fudosan Logistics Park Inc. | REIT Global PO | ¥18.5 bn |
| SRE Holdings Corporation | Global PO | ¥9.2 bn |
| <Selected advisory deals> | | |
| Private Placement of with inc. and YARUKI Switch Group Holdings Co.,Ltd | | |

【Debt】

■ Lead managed a number of Straight Bond and Subordinated Bond.

| <Selected deals> | | <Offering size> |
|--|-------------------|-----------------|
| Softbank Group Corp. (7yrs) | Straight Bond | ¥550.0 bn |
| The Kansai Electric Power Co., Inc. (60yrs) | Subordinated Bond | ¥220.0 bn |
| Hungary(3/5*/7*/10*yrs) | Samurai Bond ◆ | ¥75.3 bn |
| East Japan Railway Company (10**yrs) | Straight Bond ◆ | ¥30.0 bn |
| JBIC (7yrs) | Benchmark Bond | USD 1.25 bn |
| Sumitomo Mitsui Trust Bank, Limited.(3/5yrs) | Benchmark Bond | USD 1.0 bn |

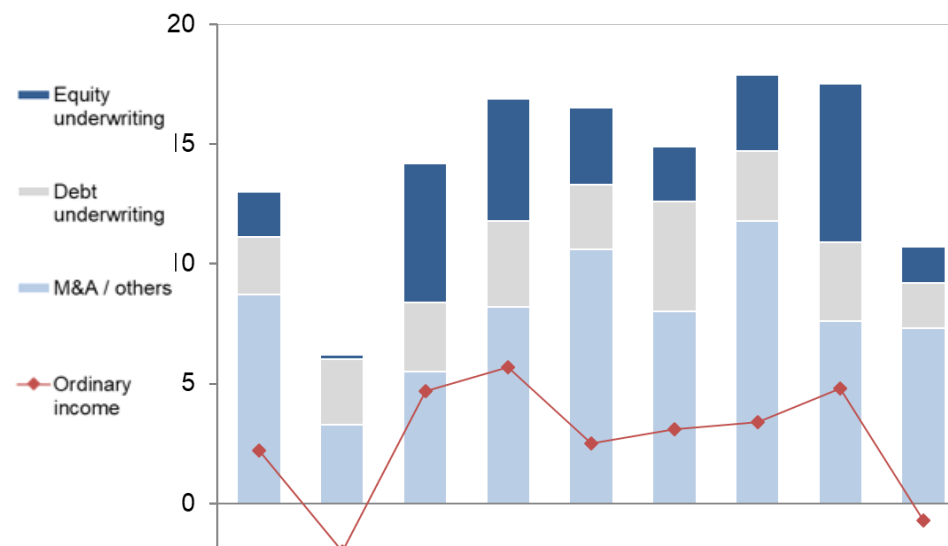
【M&A】

■ Managed several domestic and overseas deals.

<Selected deals>
 Acquisition of ITOCHU Techno-Solutions Corporation's data centers and share acquisition of CTC Facilities Corporation by Digital Edge Holdings Pte. Ltd.
 Sale of European affiliated company's hydraulic components division of JTEKT Corporation to EiM Capital and Apogee
 Making Sakai Display Products Corporation a wholly owned subsidiary of Sharp Corporation by share exchange
 Sale of Infosec Institute to Cengage Group
 Sale to Ardian by Alixio's shareholder
 Sale of Ayesa to A&M Capital Europe

*Green bonds ◆: Sustainability related
 **Sustainability bonds

Net Operating Revenues and Ordinary Income



| (¥ Billions) | FY19 | FY2020 | | | | FY2021 | | | |
|-------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q |
| Equity underwriting | 1.9 | 0.2 | 5.8 | 5.1 | 3.2 | 2.3 | 3.2 | 6.6 | 1.5 |
| Debt underwriting | 2.4 | 2.7 | 2.9 | 3.6 | 2.7 | 4.6 | 2.9 | 3.3 | 1.9 |
| M&A / others | 8.7 | 3.3 | 5.5 | 8.2 | 10.6 | 8.0 | 11.8 | 7.6 | 7.3 |
| Net operating revenues | 13.2 | 6.2 | 14.3 | 16.9 | 16.5 | 15.0 | 18.0 | 17.5 | 10.7 |
| Ordinary income | 2.2 | -2.0 | 4.7 | 5.7 | 2.5 | 3.1 | 3.4 | 4.8 | -0.7 |

Asset Management Division

| (¥ Millions) | FY2021 4Q | % Change vs 3Q/FY21 | FY2021 | % Change vs FY20 |
|-------------------------------|---------------|---------------------------|---------------|------------------------|
| Net operating revenues | 17,760 | -2.7% | 71,052 | 38.9% |
| Ordinary income | 11,201 | -0.8% | 45,253 | 38.1% |

Both net operating revenues and ordinary income of Asset Management Division recorded the highest on a yearly basis.

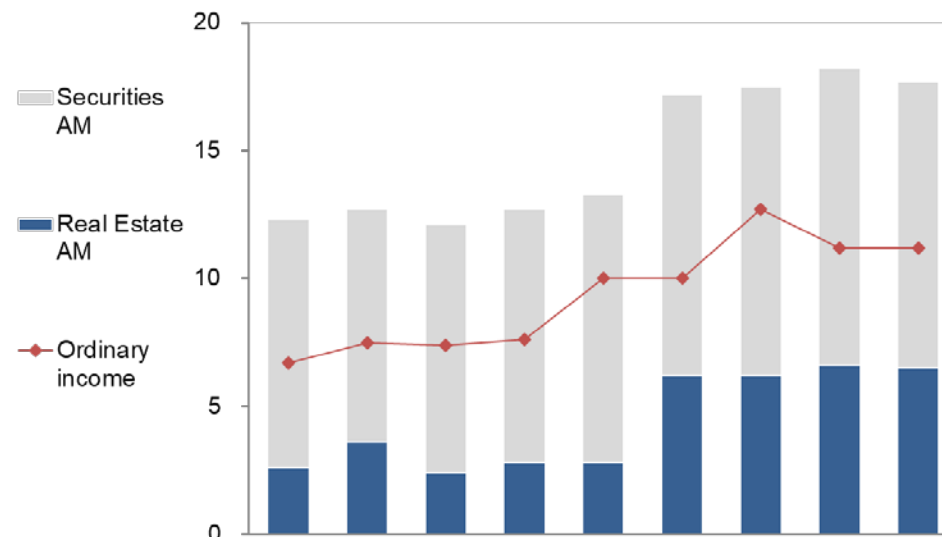
【Securities AM】

- Revenues in Daiwa Asset Management decreased due to a drop in AUM from market factors though net asset inflow of publicly offered stock investment trusts increased.

【Real estate AM】

- Revenues up due to equity method investment gain (Samty).

Net Operating Revenues and Ordinary Income

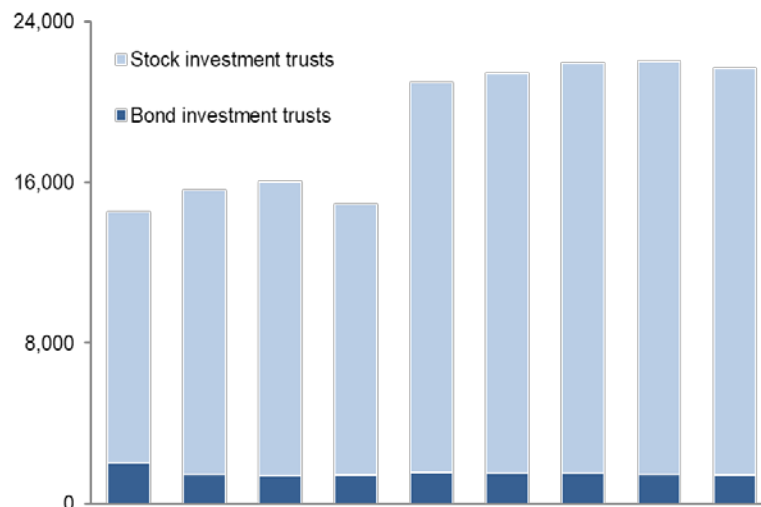


| (¥ Billions) | FY19 | FY2020 | | | | FY2021 | | | |
|-------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q |
| Securities AM | 9.7 | 9.1 | 9.7 | 9.9 | 10.5 | 11.0 | 11.3 | 11.6 | 11.2 |
| Real estate AM* | 2.6 | 3.6 | 2.4 | 2.8 | 2.8 | 6.2 | 6.2 | 6.6 | 6.5 |
| Net operating revenues | 12.4 | 12.7 | 12.1 | 12.8 | 13.3 | 17.3 | 17.6 | 18.2 | 17.7 |
| Securities AM | 4.0 | 3.1 | 3.9 | 4.2 | 4.6 | 5.1 | 5.8 | 5.6 | 5.3 |
| Real estate AM** | 2.7 | 4.3 | 3.5 | 3.4 | 5.4 | 4.8 | 6.9 | 5.6 | 5.8 |
| Ordinary income | 6.7 | 7.5 | 7.4 | 7.6 | 10.0 | 10.0 | 12.7 | 11.2 | 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

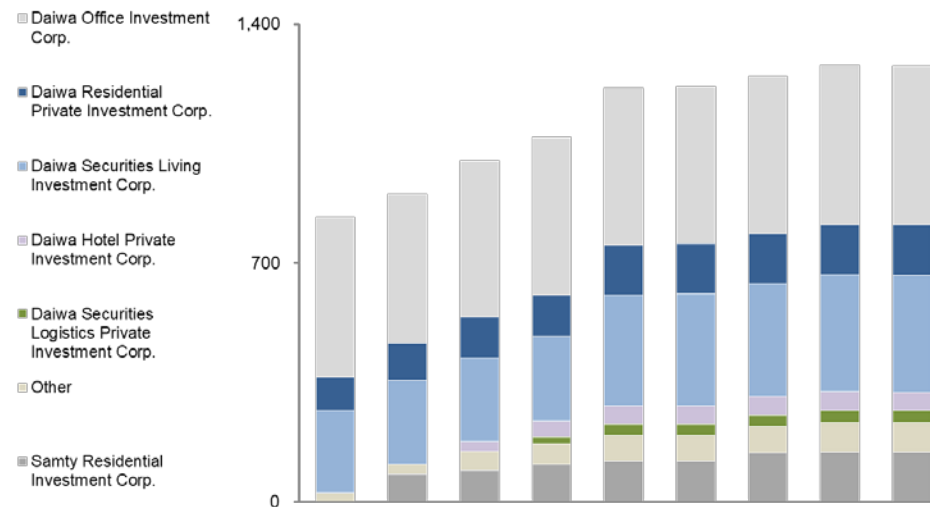
Daiwa Asset Management AUM



| ¥ Billions) | FY2016 | FY2017 | FY2018 | FY2019 | FY2020 | FY2021 | | | |
|---|---------|---------|---------|--------|---------|--------|--------|--------|---------------|
| | | | | | | 1Q | 2Q | 3Q | 4Q |
| Stock investment trusts | 12,454 | 14,123 | 14,616 | 13,478 | 19,418 | 19,892 | 20,398 | 20,543 | 20,261 |
| excl. ETF | 7,805 | 7,717 | 7,245 | 6,063 | 7,543 | 7,863 | 7,892 | 8,321 | 8,268 |
| (Net inflow) | (168) | (302) | (-339) | (-217) | (50) | (32) | (96) | (114) | (103) |
| ETF | 4,648 | 6,406 | 7,371 | 7,414 | 11,875 | 12,029 | 12,505 | 12,221 | 11,993 |
| (Net inflow) | (1,255) | (1,109) | (1,279) | (947) | (1,001) | (216) | (142) | (-59) | (-24) |
| Bond investment trusts | 2,036 | 1,465 | 1,396 | 1,421 | 1,561 | 1,515 | 1,521 | 1,476 | 1,434 |
| Total | 14,491 | 15,588 | 16,012 | 14,900 | 20,980 | 21,408 | 21,919 | 22,019 | 21,696 |
| Publicly Offered Securities Investment Trusts Share | 14.7% | 14.3% | 14.2% | 14.0% | 13.9% | 13.7% | 13.7% | 13.4% | 13.3% |

※ 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 | 4Q |
| Daiwa Office Investment Corp. | 469 | 439 | 460 | 463 | 461 | 461 | 463 | 466 | 466 |
| Daiwa Residential Private Investment Corp. | 96 | 107 | 118 | 121 | 146 | 146 | 146 | 146 | 146 |
| Daiwa Securities Living Investment Corp.** | 242 | 244 | 245 | 247 | 323 | 328 | 329 | 343 | 343 |
| Daiwa Hotel Private Investment Corp. | | | 29 | 45 | 54 | 54 | 54 | 54 | 54 |
| Daiwa Securities Logistics Private Investment Corp. | | | | 20 | 33 | 33 | 35 | 35 | 35 |
| Other | 25 | 30 | 53 | 59 | 75 | 75 | 76 | 85 | 85 |
| Total | 834 | 822 | 907 | 959 | 1,094 | 1,099 | 1,105 | 1,130 | 1,131 |
| Samty Residential Investment Corp. (Sub sponsor) | | 81 | 93 | 109 | 118 | 118 | 143 | 146 | 146 |
| Total (Including sub sponsor) | 834 | 903 | 1,000 | 1,069 | 1,212 | 1,217 | 1,249 | 1,276 | 1,277 |

※ All figures are as at the end of each quarter

* Daiwa Real Estate Asset Management, Samty Asset Management

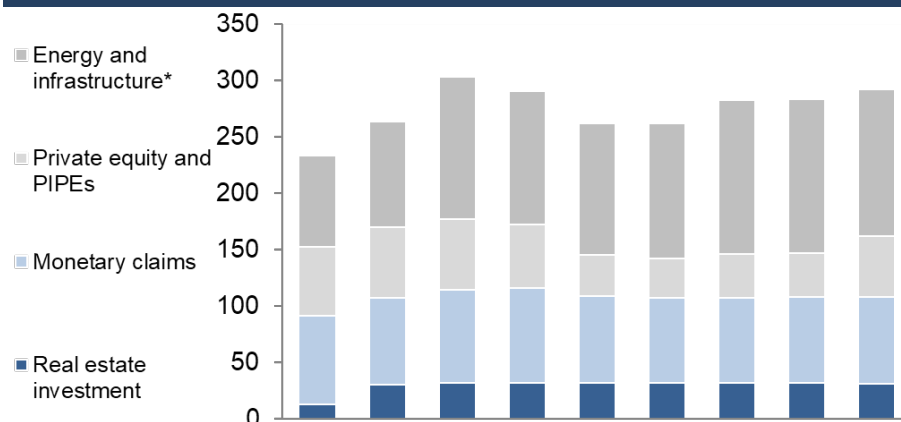
** Japan Rental Housing Investment Inc. merged with Nippon Healthcare Investment Corp. through absorption-type merger and changed its trade name to Daiwa Securities Living Investment Corp. on April 1, 2020. Daiwa Securities Living Investment Corp.'s AUM from FY2016 to FY2019 is a total of the two companies.

Investment Division

| (¥ Millions) | FY2021 4Q | % Change vs 3Q/FY21 | FY2021 | % Change vs FY20 |
|-------------------------------|--------------|---------------------------|---------------|------------------------|
| Net operating revenues | 4,115 | 30.2% | 11,055 | 140.2% |
| Ordinary income | 4,103 | 137.4% | 7,192 | 540.0% |

- Daiwa Energy & Infrastructure increased in revenues and income from both income gains and capital gains.
- In Daiwa PI Partners, revenues from monetary claims posted strong results.

Principal Investment Value



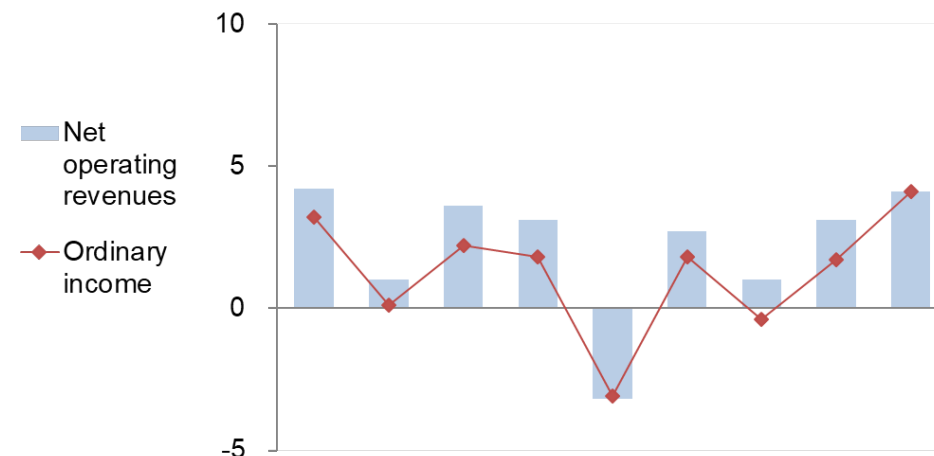
| (¥ Billions) | FY19 | | FY2020 | | | | FY2021 | | | |
|-------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|--|
| | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | |
| Daiwa PI Partners | | | | | | | | | | |
| Private equity and PIPEs | 61 | 63 | 63 | 56 | 36 | 35 | 39 | 39 | 54 | |
| Monetary claims | 78 | 77 | 82 | 84 | 77 | 75 | 75 | 76 | 77 | |
| Real estate investment | 13 | 30 | 32 | 32 | 32 | 32 | 32 | 32 | 31 | |
| Daiwa Energy & Infrastructure | | | | | | | | | | |
| 81 | 93 | 126 | 118 | 117 | 120 | 136 | 136 | 130 | | |
| Total | 235 | 265 | 305 | 290 | 264 | 264 | 283 | 285 | 294 | |

* 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) | FY19 | | FY2020 | | | | FY2021 | | | |
|-------------------------------|------------|------------|------------|------------|-------------|------------|-------------|------------|------------|--|
| | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | |
| Net operating revenues | 4.2 | 1.0 | 3.6 | 3.1 | -3.2 | 2.7 | 1.0 | 3.1 | 4.1 | |
| Ordinary income | 3.2 | 0.1 | 2.2 | 1.8 | -3.1 | 1.8 | -0.4 | 1.7 | 4.1 | |

Reference

Daiwa Securities Group Inc.

Breakdown of Commission

| (¥ Millions) | FY2020 | FY2021 | | | | % Change vs 3Q/FY21 | % Change vs 4Q/FY20 | FY2020 | FY2021 | % Change vs FY20 |
|--|--------|--------|--------|--------|---------------|---------------------|---------------------|---------|----------------|------------------|
| | 4Q | 1Q | 2Q | 3Q | 4Q | | | | | |
| Total commission | 81,612 | 77,309 | 82,983 | 84,490 | 69,267 | -18.0% | -15.1% | 286,835 | 314,051 | 9.5% |
| Brokerage commission | 24,194 | 18,600 | 19,521 | 20,105 | 17,679 | -12.1% | -26.9% | 78,026 | 75,907 | -2.7% |
| Underwriting and secondary offering commissions | 7,353 | 10,595 | 9,833 | 13,708 | 5,072 | -63.0% | -31.0% | 38,098 | 39,210 | 2.9% |
| Distribution commission | 6,324 | 6,295 | 6,181 | 5,559 | 3,403 | -38.8% | -46.2% | 19,211 | 21,440 | 11.6% |
| Other commission | 43,740 | 41,817 | 47,445 | 45,117 | 43,112 | -4.4% | -1.4% | 151,499 | 177,493 | 17.2% |
| <i>Investment advisory and account management fees</i> | 7,256 | 7,702 | 8,237 | 8,518 | 8,393 | -1.5% | 15.7% | 28,498 | 32,852 | 15.3% |
| <i>Insurance sales commission</i> | 226 | 131 | 128 | 115 | 127 | 10.1% | -43.8% | 755 | 503 | -33.4% |
| <i>M&A related commission</i> | 10,664 | 7,948 | 11,877 | 7,918 | 7,548 | -4.7% | -29.2% | 26,696 | 35,292 | 32.2% |
| <i>Management fee</i> | 17,509 | 18,391 | 19,027 | 19,290 | 18,321 | -5.0% | 4.6% | 65,910 | 75,030 | 13.8% |
| <i>Other</i> | 8,083 | 7,644 | 8,174 | 9,274 | 8,721 | -6.0% | 7.9% | 29,638 | 33,815 | 14.1% |

Balance Sheet

Daiwa Securities Balance Sheet (March 31, 2022)

(¥ Billions)

| | | | | | |
|---|---------------|----------------|---|---------------|----------------|
| Current assets | 14,456 | (1,525) | Current liabilities | 12,350 | (1,491) |
| Trading products | 5,450 | (377) | Trading products | 3,437 | (-27) |
| Trading securities and other | 3,398 | (732) | Trading securities and other | 1,463 | (298) |
| Derivatives transactions | 2,052 | (-355) | Derivatives transactions | 1,973 | (-325) |
| Margin transaction assets | 172 | (16) | Margin transaction liabilities | 68 | (5) |
| Loans on margin transactions | 165 | (19) | Loans payables secured by securities | 5,919 | (1,075) |
| Cash collateral pledged for securities borrowing on margin transactions | 6 | (-3) | Short-term loans payable | 1,685 | (396) |
| Loans secured by securities | 5,481 | (789) | Current portion of bonds | 205 | (48) |
| Short-term guarantee deposits | 701 | (152) | Long-term liabilities | 1,779 | (339) |
| Short-term loans receivable | 568 | (99) | Bonds payable | 866 | (191) |
| Non-current assets | 188 | (22) | Long-term loans payable | 866 | (151) |
| Property, plant and equipment | 46 | (-1) | Total liabilities | 14,134 | (1,831) |
| Intangible assets | 69 | (-5) | Net assets | 510 | (-283) |
| Total assets | 14,645 | (1,547) | Shareholders' equity | 508 | (-283) |
| | | | Capital stock | 100 | — |
| | | | Total liabilities and net assets | 14,645 | (1,547) |

※ Figures in parentheses show changes from March 31, 2021

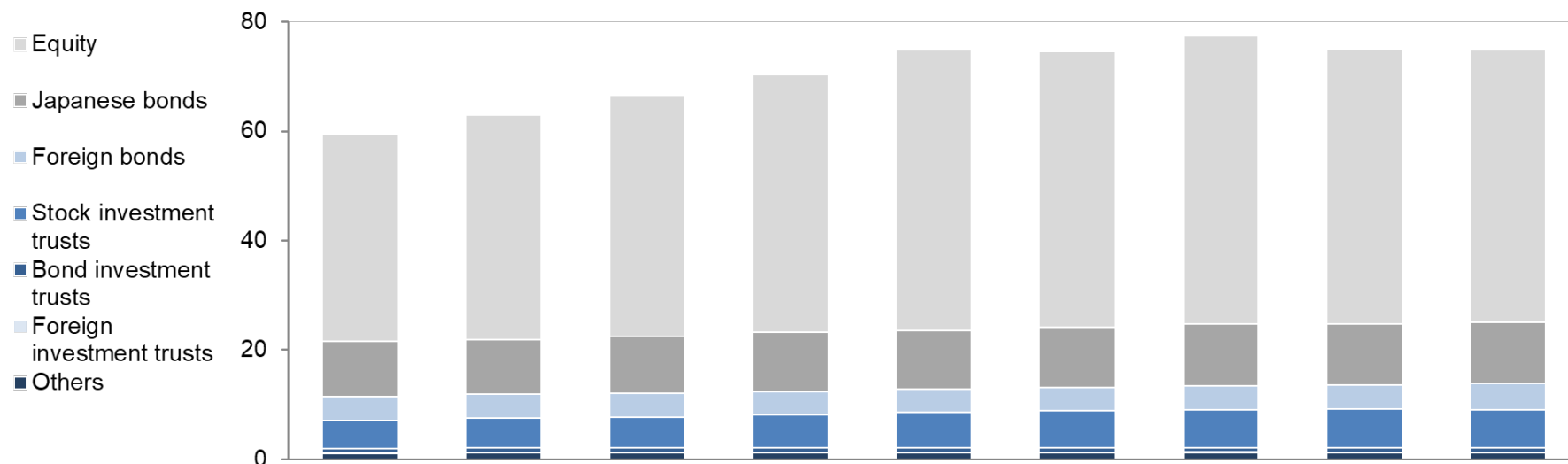
Financial Summary I

| (¥ Millions) | FY2020 | FY2021 | | | | % Change vs 3Q/FY21 | % Change vs 4Q/FY20 | FY2020 | FY2021 | % Change vs FY20 |
|--|--------|--------|--------|--------|---------------|---------------------|---------------------|---------|----------------|------------------|
| | 4Q | 1Q | 2Q | 3Q | 4Q | | | | | |
| Operating revenues | 85,198 | 86,283 | 83,982 | 88,830 | 66,942 | -24.6% | -21.4% | 315,179 | 326,039 | 3.4% |
| Commission received | 51,325 | 50,473 | 52,145 | 54,598 | 43,633 | -20.1% | -15.0% | 186,197 | 200,850 | 7.9% |
| Brokerage commission | 18,084 | 13,973 | 14,660 | 15,404 | 13,594 | -11.8% | -24.8% | 58,321 | 57,631 | -1.2% |
| <i>Stock and others</i> | 17,713 | 13,626 | 14,214 | 14,979 | 13,107 | -12.5% | -26.0% | 56,626 | 55,929 | -1.2% |
| Underwriting and secondary offering commissions | 6,025 | 9,042 | 8,271 | 11,201 | 4,431 | -60.4% | -26.5% | 33,830 | 32,946 | -2.6% |
| <i>Equity</i> | 2,798 | 2,419 | 3,441 | 6,702 | 1,020 | -84.8% | -63.5% | 17,675 | 13,583 | -23.2% |
| <i>Bond and others</i> | 3,226 | 6,622 | 4,830 | 4,499 | 3,377 | -24.9% | 4.7% | 16,154 | 19,329 | 19.7% |
| Distribution commission | 6,268 | 6,195 | 6,102 | 5,478 | 3,345 | -38.9% | -46.6% | 19,004 | 21,121 | 11.1% |
| <i>Investment trust</i> | 6,053 | 6,018 | 5,995 | 5,371 | 3,205 | -40.3% | -47.0% | 18,550 | 20,591 | 11.0% |
| Other commissions | 20,947 | 21,262 | 23,111 | 22,514 | 22,263 | -1.1% | 6.3% | 75,040 | 89,151 | 18.8% |
| <i>Agency fee and others</i> | 6,776 | 7,277 | 7,835 | 8,103 | 7,509 | -7.3% | 10.8% | 24,054 | 30,725 | 27.7% |
| <i>Investment advisory and account management fees</i> | 7,256 | 7,702 | 8,237 | 8,518 | 8,393 | -1.5% | 15.7% | 28,498 | 32,852 | 15.3% |
| <i>Insurance sales commission</i> | 226 | 131 | 128 | 115 | 127 | 10.1% | -43.8% | 755 | 503 | -33.4% |
| <i>M&A related commission</i> | 2,469 | 2,152 | 2,633 | 1,459 | 1,797 | 23.2% | -27.2% | 7,311 | 8,043 | 10.0% |
| Net trading income/loss | 29,057 | 28,598 | 26,289 | 27,402 | 18,145 | -33.8% | -37.6% | 102,596 | 100,436 | -2.1% |
| Financial revenues | 4,815 | 7,211 | 5,547 | 6,829 | 5,163 | -24.4% | 7.2% | 26,385 | 24,752 | -6.2% |
| Financial expenses | 1,930 | 3,871 | 1,727 | 3,310 | 2,023 | -38.9% | 4.8% | 13,780 | 10,932 | -20.7% |
| Net operating revenues | 83,267 | 82,412 | 82,254 | 85,520 | 64,919 | -24.1% | -22.0% | 301,399 | 315,106 | 4.5% |

Financial Summary II

| (¥ Millions) | FY2020 | FY2021 | | | | % Change vs 3Q/FY21 | % Change vs 4Q/FY20 | FY2020 | FY2021 | % Change vs FY20 |
|---------------------------------|--------|--------|--------|--------|---------------|---------------------|---------------------|---------|----------------|------------------|
| | 4Q | 1Q | 2Q | 3Q | 4Q | | | | | |
| SG&A | 61,387 | 59,291 | 59,878 | 60,921 | 59,605 | -2.2% | -2.9% | 235,750 | 239,698 | 1.7% |
| Trading related expenses | 8,885 | 9,046 | 8,659 | 9,794 | 9,941 | 1.5% | 11.9% | 35,718 | 37,441 | 4.8% |
| Personnel expenses | 25,596 | 24,622 | 25,389 | 24,897 | 23,589 | -5.3% | -7.8% | 96,844 | 98,498 | 1.7% |
| Real estate expenses | 5,937 | 5,360 | 5,392 | 5,359 | 5,485 | 2.4% | -7.6% | 24,194 | 21,596 | -10.7% |
| Office cost | 12,368 | 12,055 | 12,139 | 12,535 | 12,970 | 3.5% | 4.9% | 47,189 | 49,702 | 5.3% |
| Depreciation | 5,983 | 5,956 | 5,973 | 5,941 | 5,721 | -3.7% | -4.4% | 23,081 | 23,593 | 2.2% |
| Taxes and dues | 1,334 | 1,265 | 1,194 | 1,283 | 647 | -49.6% | -51.5% | 4,583 | 4,391 | -4.2% |
| Other | 1,281 | 984 | 1,129 | 1,109 | 1,250 | 12.7% | -2.4% | 4,137 | 4,473 | 8.1% |
| Ordinary income | 22,135 | 23,730 | 22,905 | 25,627 | 5,969 | -76.7% | -73.0% | 66,283 | 78,234 | 18.0% |
| Net income | 11,495 | 17,512 | 16,981 | 17,781 | 5,125 | -71.2% | -55.4% | 41,393 | 57,401 | 38.7% |
| ROE (Annualized) | 5.8% | 9.0% | 8.7% | 8.9% | 3.1% | | | 5.4% | 8.8% | |
| Capital adequacy ratio | 364.6% | 337.1% | 331.2% | 318.3% | 280.4% | | | 364.6% | 280.4% | |

Assets under Custody



| (¥ Trillions) | FY2019 | FY2020 | | | | FY2021 | | | |
|---------------------------------|--------|--------|------|------|------|--------|------|------|-------------|
| | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q |
| Equity | 38.0 | 41.0 | 44.1 | 47.1 | 51.4 | 50.5 | 52.7 | 50.4 | 49.9 |
| Japanese bonds | 10.1 | 10.0 | 10.5 | 10.8 | 10.7 | 11.0 | 11.3 | 11.1 | 11.2 |
| Foreign bonds | 4.3 | 4.4 | 4.3 | 4.3 | 4.3 | 4.3 | 4.4 | 4.5 | 4.8 |
| Stock investment trusts | 5.2 | 5.5 | 5.7 | 6.1 | 6.5 | 6.8 | 6.9 | 7.1 | 7.0 |
| 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 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.2 | 1.1 | 1.1 |
| Total | 59.8 | 63.2 | 67.0 | 70.7 | 75.3 | 75.0 | 77.7 | 75.5 | 75.1 |
| Daiwa Next Bank deposit balance | 4.0 | 3.9 | 4.0 | 4.2 | 4.4 | 4.2 | 4.2 | 4.3 | 4.1 |

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

※ ETFs are recorded in 'Equity'.

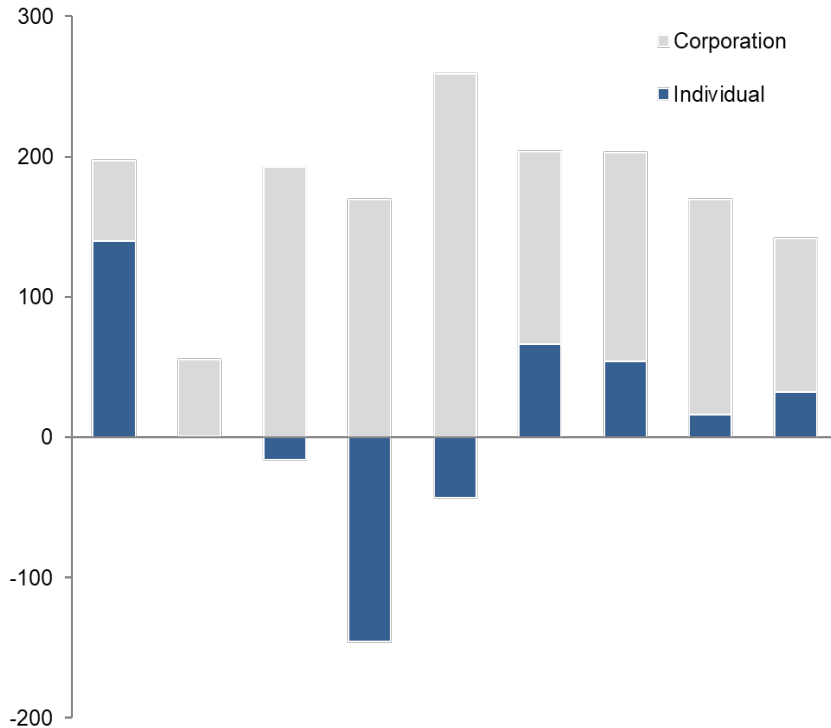
Number of Accounts and Equity Trading

| | FY2019 | FY2020 | | | | FY2021 | | | |
|--|--------|--------|-------|-------|-------|--------|-------|-------|--------------|
| | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q |
| Accounts with balance (thousands) | 3,022 | 3,020 | 3,019 | 3,010 | 3,034 | 3,023 | 3,031 | 3,024 | 3,038 |
| Accounts holding equity (thousands) | 1,440 | 1,445 | 1,461 | 1,453 | 1,445 | 1,450 | 1,447 | 1,456 | 1,458 |
| Online trading accounts (thousands) | 3,373 | 3,381 | 3,397 | 3,411 | 3,446 | 3,460 | 3,477 | 3,492 | 3,506 |
| Newly opened accounts (thousands) | 35 | 24 | 36 | 35 | 41 | 34 | 37 | 31 | 29 |
| NISA accounts* (thousands) | 866 | 867 | 868 | 866 | 866 | 864 | 863 | 862 | 863 |
| Wrap account service (end of quarter) | | | | | | | | | |
| Contract assets under management (¥ billions) | 2,087 | 2,219 | 2,318 | 2,430 | 2,574 | 2,701 | 2,789 | 2,925 | 2,957 |
| Number of customers (thousands) | 141 | 141 | 140 | 137 | 137 | 139 | 140 | 142 | 144 |
| Contracts and trading value for individual investors at Daiwa Securities (Japanese Equity) | | | | | | | | | |
| Total number of contracts (thousands) | 3,131 | 3,220 | 2,606 | 2,908 | 3,416 | 2,542 | 2,511 | 2,590 | 2,541 |
| <i>Online out of total (thousands)</i> | 2,788 | 2,917 | 2,328 | 2,537 | 2,998 | 2,237 | 2,202 | 2,260 | 2,255 |
| Total trading value (¥ billions) | 2,564 | 2,700 | 2,447 | 2,990 | 3,704 | 2,801 | 2,997 | 3,007 | 2,857 |
| <i>Online out of total (¥ billions)</i> | 2,050 | 2,172 | 1,899 | 2,159 | 2,708 | 2,054 | 2,094 | 2,086 | 2,004 |
| Foreign equity trading value (Retail) | | | | | | | | | |
| Trading value (¥ billions) | 300 | 337 | 377 | 403 | 383 | 367 | 381 | 400 | 204 |

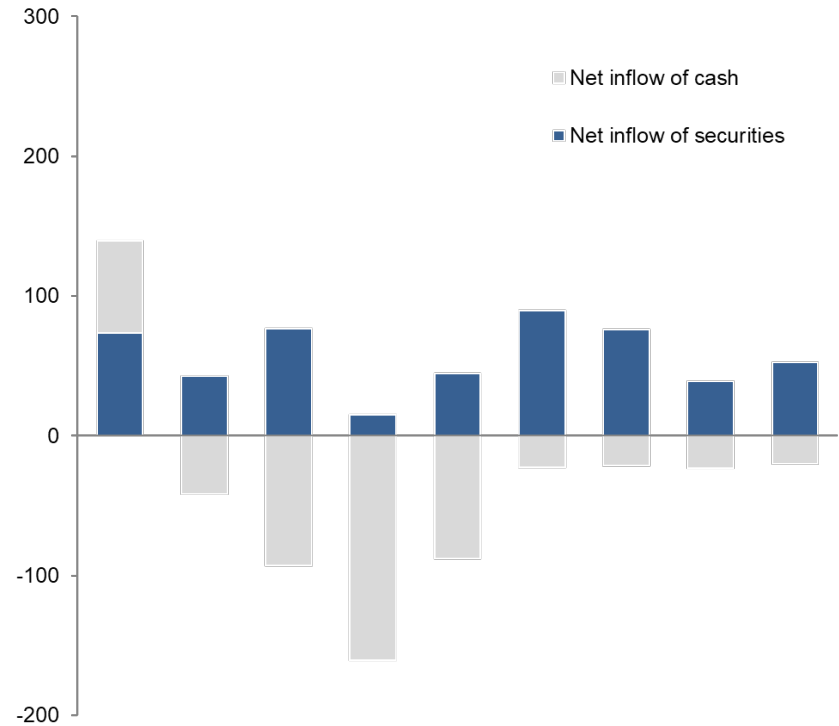
* Includes Junior NISA

Net Asset Inflow

Retail Division (Daiwa Securities) Net Asset Inflow*



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



| ¥ Billions | FY2019 | FY2020 | | | | FY2021 | | | |
|-------------|--------|--------|-------|--------|-------|--------|-------|-------|--------------|
| | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q |
| Corporation | 57.7 | 54.6 | 192.4 | 169.2 | 258.8 | 137.2 | 148.9 | 153.8 | 109.7 |
| Individual | 139.6 | 0.8 | -16.3 | -145.8 | -43.3 | 66.5 | 54.2 | 15.9 | 32.2 |
| Total | 197.3 | 55.4 | 176.1 | 23.3 | 215.4 | 203.7 | 203.2 | 169.7 | 141.9 |

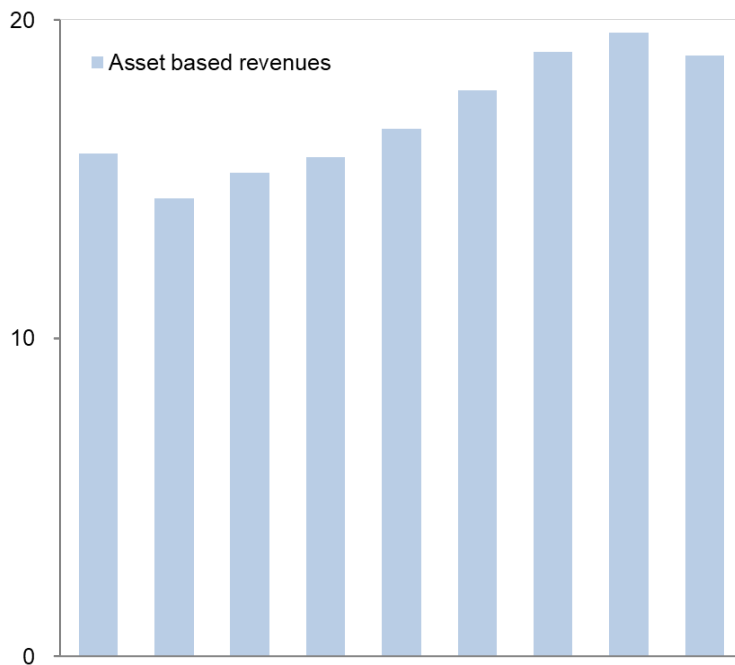
| ¥ Billions | FY2019 | FY2020 | | | | FY2021 | | | |
|--------------------------|--------|--------|-------|--------|-------|--------|-------|-------|--------------|
| | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q |
| Net inflow of cash | 66.2 | -41.7 | -92.9 | -160.7 | -88.1 | -22.8 | -21.6 | -22.9 | -20.3 |
| Net inflow of securities | 73.4 | 42.6 | 76.6 | 14.8 | 44.7 | 89.3 | 75.8 | 38.8 | 52.5 |
| Total | 139.6 | 0.8 | -16.3 | -145.8 | -43.3 | 66.5 | 54.2 | 15.9 | 32.2 |

* Net asset inflow = net inflow of cash and securities

Asset Based Revenues



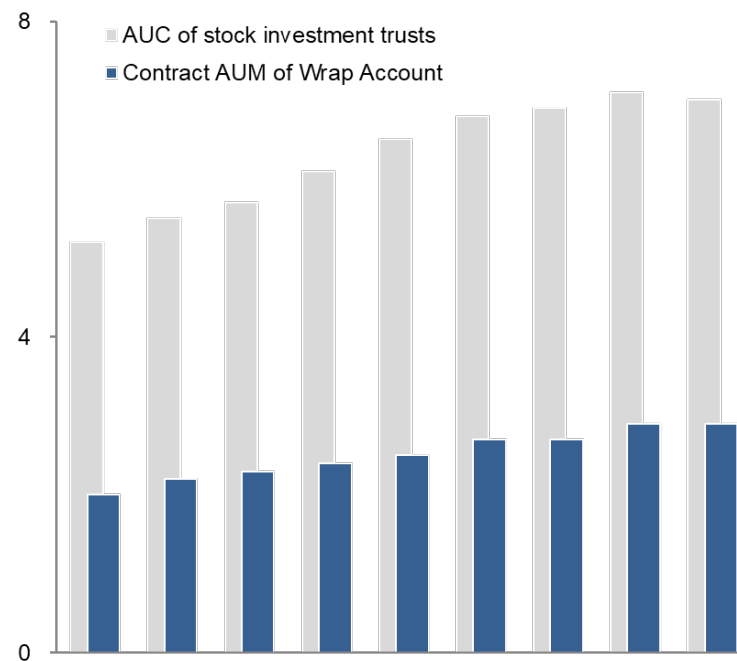
Asset Based Revenues



| ¥ Billions) | FY19 | FY2020 | | | | FY2021 | | | |
|--|-------|--------|-------|-------|-------|--------|-------|-------|--------------|
| | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q |
| Net operating revenues in Retail Division (Daiwa Securities) | 40.0 | 34.1 | 39.5 | 43.2 | 48.1 | 46.2 | 48.3 | 48.6 | 41.2 |
| Asset based revenues | 15.8 | 14.4 | 15.2 | 15.7 | 16.6 | 17.8 | 19.0 | 19.6 | 18.9 |
| Asset based revenue ratio | 39.6% | 42.3% | 38.6% | 36.5% | 34.6% | 38.6% | 39.5% | 40.4% | 46.1% |

* 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) | FY19 | FY2020 | | | | FY2021 | | | |
|--------------------------------|------|--------|-----|-----|-----|--------|-----|-----|------------|
| | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q |
| AUC of stock investment trusts | 5.2 | 5.5 | 5.7 | 6.1 | 6.5 | 6.8 | 6.9 | 7.1 | 7.0 |
| Contract AUM of Wrap Account | 2.0 | 2.2 | 2.3 | 2.4 | 2.5 | 2.7 | 2.7 | 2.9 | 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 League Table | | | | | | | |
| 1st | Daiwa | SMBC Nikko | Mizuho | Nomura | Nomura | SMBC Nikko | Nomura |
| | 18.9% | 24.9% | 24.2% | 22.9% | 21.3% | 40.2% | |
| 2nd | Mizuho | Nomura | Daiwa | Mitsubishi UFJMS | Mitsubishi UFJMS | Nomura | SMFG |
| | 16.9% | 21.3% | 19.8% | 21.4% | 17.1% | 20.3% | |
| 3rd | Nomura | Mizuho | Nomura | Mizuho | SMBC Nikko | Mizuho | Mizuho |
| | 14.4% | 14.0% | 19.4% | 21.1% | 16.6% | 16.9% | |
| 4th | SMBC Nikko | Daiwa | Mitsubishi UFJMS | Daiwa | Mizuho | Daiwa | Daiwa |
| | 12.8% | 13.7% | 16.5% | 17.6% | 16.5% | 15.6% | |
| 5th | Morgan Stanley | Morgan Stanley | SMBC Nikko | SMBC Nikko | Daiwa | Mitsubishi UFJMS | Morgan Stanley |
| | 10.0% | 5.4% | 15.6% | 11.6% | 15.4% | 6.9% | |

Source: Compiled by Daiwa Securities based on REFINITIV April 2021 – March 2022

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 3Q/FY21 | % Change vs 4Q/FY20 | FY2020 | FY2021 | % Change vs FY20 |
|---------------------------------|--------|--------|--------|--------|---------------|---------------------|---------------------|--------|---------------|------------------|
| | 4Q | 1Q | 2Q | 3Q | 4Q | | | | | |
| Operating revenues | 17,486 | 18,326 | 19,044 | 19,328 | 18,249 | -5.6% | 4.4% | 65,906 | 74,948 | 13.7% |
| Management fee | 17,378 | 18,150 | 18,925 | 19,206 | 18,120 | -5.7% | 4.3% | 65,487 | 74,403 | 13.6% |
| <i>Stock investment trust</i> | 17,306 | 18,074 | 18,838 | 19,114 | 18,034 | -5.6% | 4.2% | 65,280 | 74,062 | 13.5% |
| <i>Bond investment trust</i> | 72 | 75 | 87 | 91 | 85 | -6.4% | 19.2% | 206 | 340 | 64.5% |
| Other operating revenues | 107 | 176 | 118 | 122 | 128 | 5.3% | 19.6% | 419 | 545 | 30.1% |
| SG&A | 13,606 | 13,900 | 14,070 | 14,570 | 13,855 | -4.9% | 1.8% | 51,838 | 56,397 | 8.8% |
| Commission paid | 7,359 | 7,698 | 8,009 | 8,026 | 7,500 | -6.6% | 1.9% | 27,965 | 31,234 | 11.7% |
| Other SG&A | 6,246 | 6,201 | 6,060 | 6,544 | 6,355 | -2.9% | 1.7% | 23,872 | 25,163 | 5.4% |
| Operating income | 3,879 | 4,426 | 4,973 | 4,757 | 4,393 | -7.7% | 13.2% | 14,067 | 18,551 | 31.9% |
| Ordinary income | 4,126 | 4,522 | 5,017 | 5,081 | 4,466 | -12.1% | 8.2% | 14,616 | 19,089 | 30.6% |
| Net income | 2,148 | 3,127 | 3,280 | 3,496 | 2,833 | -19.0% | 31.9% | 9,389 | 12,738 | 35.7% |

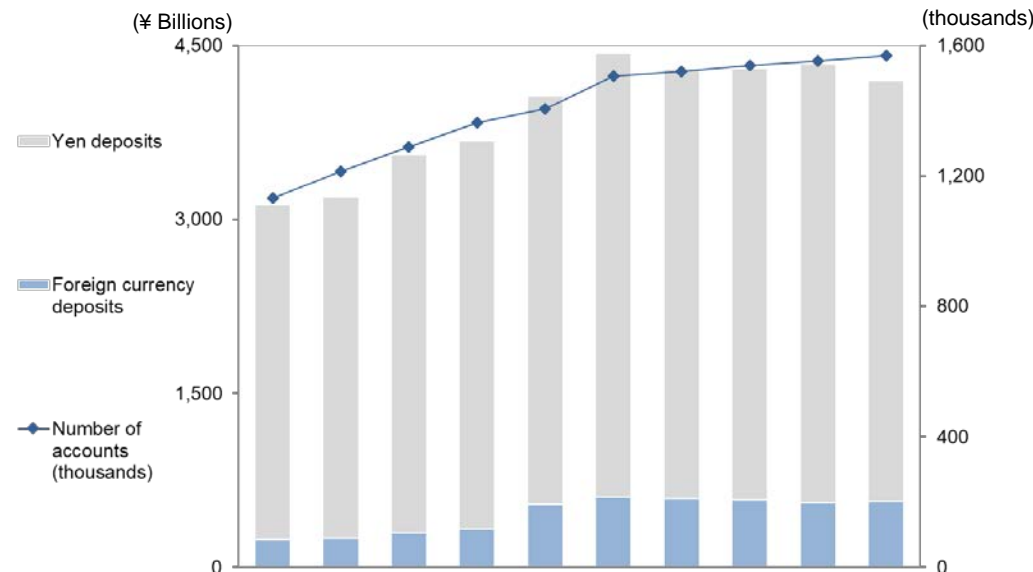
Earnings and Deposit Balance

Gross Profits / Ordinary Income



| (¥ Billions) | FY2015 | FY2016 | FY2017 | FY2018 | FY2019 | FY2020 | FY2021 | | | |
|-----------------|--------|--------|--------|--------|--------|--------|--------|-----|-----|------------|
| | | | | | | | 1Q | 2Q | 3Q | 4Q |
| Gross profits | 17.3 | 11.5 | 11.9 | 14.5 | 13.6 | 11.2 | 3.6 | 3.0 | 2.9 | 2.8 |
| Ordinary income | 9.5 | 3.5 | 4.2 | 6.8 | 6.0 | 3.6 | 1.0 | 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 | 4Q |
| Ordinary deposits | 1,401 | 1,653 | 1,756 | 1,610 | 1,873 | 2,224 | 2,180 | 2,164 | 2,208 | 2,163 |
| Time deposits | 1,711 | 1,480 | 1,746 | 1,953 | 2,067 | 2,171 | 2,085 | 2,106 | 2,095 | 2,005 |
| Negotiable certificate of deposits / Other | 8 | 59 | 53 | 115 | 122 | 35 | 27 | 27 | 36 | 29 |
| Deposit balance | 3,121 | 3,193 | 3,556 | 3,678 | 4,062 | 4,430 | 4,293 | 4,298 | 4,340 | 4,197 |
| Foreign currency deposits | 243 | 253 | 300 | 331 | 539 | 606 | 592 | 582 | 557 | 568 |
| Number of accounts (thousands) | 1,133 | 1,213 | 1,289 | 1,364 | 1,405 | 1,505 | 1,520 | 1,539 | 1,552 | 1,569 |

*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 | | | |
|-------------------|--------|--------|------|------|------|--------|------|------|-------------|
| | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q |
| VaR (Quarter end) | 1.22 | 0.99 | 1.21 | 1.20 | 1.18 | 1.59 | 1.74 | 1.95 | 1.92 |
| High | 1.77 | 1.43 | 1.43 | 1.89 | 1.62 | 1.83 | 2.07 | 2.58 | 2.37 |
| Low | 0.87 | 0.75 | 0.90 | 0.94 | 1.05 | 0.82 | 1.35 | 1.43 | 1.55 |
| Average | 1.18 | 1.08 | 1.11 | 1.35 | 1.35 | 1.37 | 1.64 | 1.90 | 1.90 |

By risk factors (Quarter end)

| | | | | | | | | | |
|-------------|------|------|------|------|------|------|------|------|-------------|
| Equity | 0.19 | 0.21 | 0.33 | 0.37 | 0.40 | 0.25 | 0.41 | 0.24 | 0.40 |
| Interest | 1.12 | 1.25 | 0.97 | 1.16 | 1.22 | 0.66 | 1.28 | 1.29 | 1.20 |
| Currency | 0.20 | 0.24 | 0.29 | 0.41 | 0.31 | 0.45 | 0.49 | 0.48 | 0.51 |
| Commodities | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

※Preliminary results for 3Q FY2021 are modified.

Number of Group Employees

| | FY2019 | FY2020 | | | | FY2021 | | | |
|--------------|--------|--------|--------|--------|--------|--------|--------|--------|---------------|
| | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q |
| Total | 15,904 | 16,120 | 15,972 | 15,749 | 15,529 | 15,671 | 15,455 | 15,229 | 15,134 |
| Overseas | 1,984 | 1,977 | 1,989 | 2,012 | 2,018 | 2,024 | 2,032 | 2,007 | 2,046 |

■ 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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