

Daiwa Securities Group Inc.
2Q FY2022 Earnings Announcement

October 31, 2022

Daiwa Securities Group Inc.

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Highlights (2Q/FY2022, YoY)

Both net operating revenues and ordinary income decreased YoY.

Consolidated earnings results	FY2022 1H	FY2021 1H	% Changes vs 1H/FY2021
Net operating revenues	¥217.0 bn	¥255.9 bn	-15.2%
Ordinary income	¥32.9 bn	¥71.9 bn	-54.2%
Profit attributable to owners of parent	¥31.4 bn	¥50.2 bn	-37.3%

- Retail Division decreased in both operating revenues and ordinary income due to a decrease in revenues from customer order flow, but maintained ordinary income of ¥12.4 bn led by steady progress in shifting to wealth management business model and cost reduction.
 - Contract amount of wrap account service* is ¥297.3 bn and net inflow expanded to ¥165.9 bn.
- For Wholesale Division, ordinary income for Global Markets and Global Investment Banking deteriorated due to a decrease in client activities.
- Asset Management Division increased net operating revenues but decreased ordinary income.
 - In securities asset management, net inflow of publicly offered stock investment trusts (excluding ETF) was ¥269.3 bn, the highest level in seven years.
 - Real estate asset management reached a record high in net operating revenue and ordinary income. **
- In Investment Division, ordinary income jumped 3.8 times led by revenue expansion from private equity investment.
- Overseas operations doubled in ordinary income YoY.

FY2022 interim dividend per share is 11 yen (Dividend payout ratio : 51.8%)

* Includes Wholesale Division ** Since disclosures of segment information started in FY2010

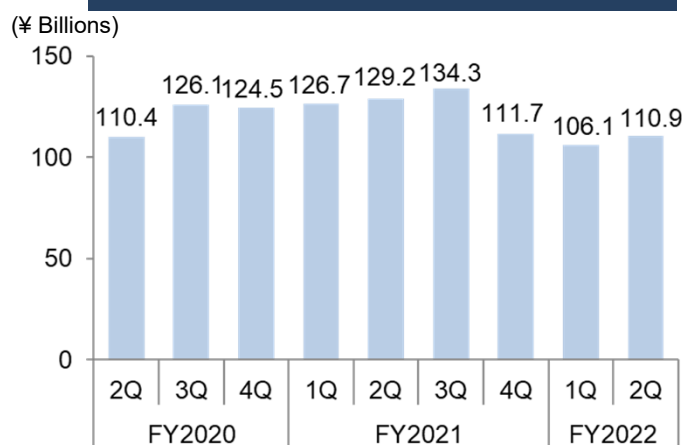
Summary (2Q/FY2022, QoQ)

Ordinary Income is ¥14.8 bn, decrease of 17.9% QoQ .

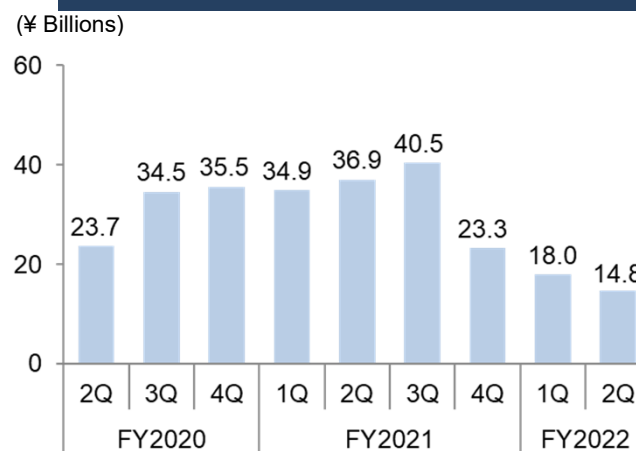
Consolidated earnings results	FY2022 2Q	FY2022 1Q	% Changes vs 1Q/FY2022
Net operating revenues	¥110.9 bn	¥106.1 bn	+4.5%
Ordinary income	¥14.8 bn	¥18.0 bn	-17.9%
Profit attributable to owners of parent	¥19.5 bn	¥11.8 bn	+64.8%

- For Retail Division, secured ordinary income of ¥6.1 bn with steady progress in shifting to wealth management business model and cost reduction.
- For Wholesale Division, Global Markets slowed whilst Global Investment Banking improved.
- Recorded a gain of ¥11.2 bn on the sale of a portion of the stake in Tokiwabashi Tower in order to expand assets under management in the real estate asset management business.
- Annualized ROE: 5.5%

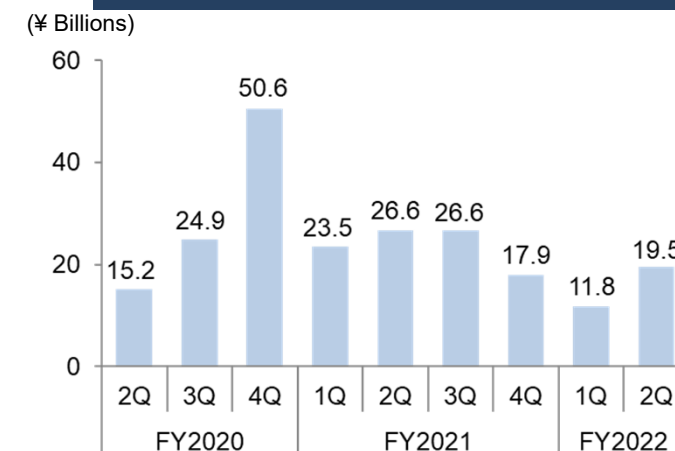
Net Operating Revenues



Ordinary Income



Profit Attributable to Owners of Parent



Financial Summary

(¥ Millions)	FY2021			FY2022		% Change vs 1Q/FY22	% Change vs 2Q/FY21	FY2021	FY2022	% Change vs 1H/FY21	FY2021
	2Q	3Q	4Q	1Q	2Q			1H	1H		
Operating revenues	154,702	166,599	148,333	146,640	192,552	31.3%	24.5%	304,538	339,193	11.4%	619,471
Net operating revenues	129,222	134,374	111,776	106,122	110,933	4.5%	-14.2%	255,943	217,055	-15.2%	502,093
SG&A	98,544	98,323	94,817	97,274	98,942	1.7%	0.4%	193,417	196,216	1.4%	386,559
Ordinary income	36,997	40,561	23,340	18,085	14,855	-17.9%	-59.8%	71,919	32,941	-54.2%	135,821
Profit (loss) attributable to owners of parent	26,642	26,698	17,989	11,878	19,576	64.8%	-26.5%	50,203	31,455	-37.3%	94,891
Total assets	25,510,806	26,415,274	27,531,089	28,747,174	31,461,475			25,510,806	31,461,475		27,531,089
Net assets	1,612,395	1,600,496	1,639,888	1,668,661	1,697,428			1,612,395	1,697,428		1,639,888
Shareholders' equity*	1,344,702	1,331,188	1,373,282	1,400,590	1,428,464			1,344,702	1,428,464		1,373,282
EPS (¥)	17.54	17.90	12.13	8.01	13.24			32.99	21.24		63.06
BPS (¥)	889.70	897.76	925.81	943.71	971.62			889.70	971.62		925.81
ROE (Annualized)	8.0%	8.0%	5.3%	3.4%	5.5%			7.5%	4.5%		7.0%

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

FY2022 Interim Dividend

11 yen

Consolidated Segment Summary

(¥ Millions)

Net operating revenues	FY2021			FY2022		% Change vs 1Q/FY22	% Change vs 2Q/FY21	FY2021	FY2022	% Change vs 1H/FY21	FY2021
	2Q	3Q	4Q	1Q	2Q			1H	1H		
Retail	49,653	49,783	42,085	40,393	41,187	2.0%	-17.1%	97,010	81,581	-15.9%	188,879
Wholesale	50,634	53,478	44,999	35,965	38,853	8.0%	-23.3%	97,385	74,819	-23.2%	195,863
<i>Global Markets</i>	32,567	35,892	34,210	24,491	25,280	3.2%	-22.4%	64,250	49,772	-22.5%	134,353
<i>Global Investment Banking</i>	18,066	17,586	10,788	11,474	13,573	18.3%	-24.9%	33,135	25,047	-24.4%	61,510
Asset Management	17,679	18,259	17,760	18,605	16,943	-8.9%	-4.2%	35,032	35,549	1.5%	71,052
<i>Securities Asset Management</i>	11,388	11,632	11,233	11,306	10,715	-5.2%	-5.9%	22,485	22,021	-2.1%	45,351
<i>Real Estate Asset Management</i>	6,290	6,627	6,526	7,299	6,227	-14.7%	-1.0%	12,546	13,527	7.8%	25,701
Investments	1,022	3,159	4,115	3,689	1,918	-48.0%	87.6%	3,780	5,607	48.3%	11,055
Other/Adjustments	10,232	9,692	2,815	7,466	12,029	-	-	22,734	19,496	-	35,242
Consolidated total	129,222	134,374	111,776	106,122	110,933	4.5%	-14.2%	255,943	217,055	-15.2%	502,093

Ordinary income	FY2021			FY2022		% Change vs 1Q/FY22	% Change vs 2Q/FY21	FY2021	FY2022	% Change vs 1H/FY21	FY2021
	2Q	3Q	4Q	1Q	2Q			1H	1H		
Retail	12,364	12,703	6,702	6,298	6,151	-2.3%	-50.2%	22,401	12,449	-44.4%	41,807
Wholesale	12,617	16,593	10,411	-2,672	-549	-	-	23,946	-3,221	-	50,951
<i>Global Markets</i>	8,833	11,296	10,375	-2,073	-1,481	-	-	16,629	-3,554	-	38,301
<i>Global Investment Banking</i>	3,444	4,840	-736	-1,155	733	-	-78.7%	6,589	-421	-	10,693
Asset Management	12,757	11,294	11,201	11,173	10,785	-3.5%	-15.5%	22,758	21,958	-3.5%	45,253
<i>Securities Asset Management</i>	5,811	5,681	5,317	5,309	4,594	-13.5%	-21.0%	10,996	9,903	-9.9%	21,995
<i>Real Estate Asset Management</i>	6,945	5,612	5,883	5,863	6,191	5.6%	-10.9%	11,761	12,055	2.5%	23,258
Investments	-464	1,728	4,103	4,483	788	-82.4%	-	1,360	5,271	287.5%	7,192
Other/Adjustments	-277	-1,757	-9,078	-1,196	-2,320	-	-	1,452	-3,517	-	-9,382
Consolidated total	36,997	40,561	23,340	18,085	14,855	-17.9%	-59.8%	71,919	32,941	-54.2%	135,821

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

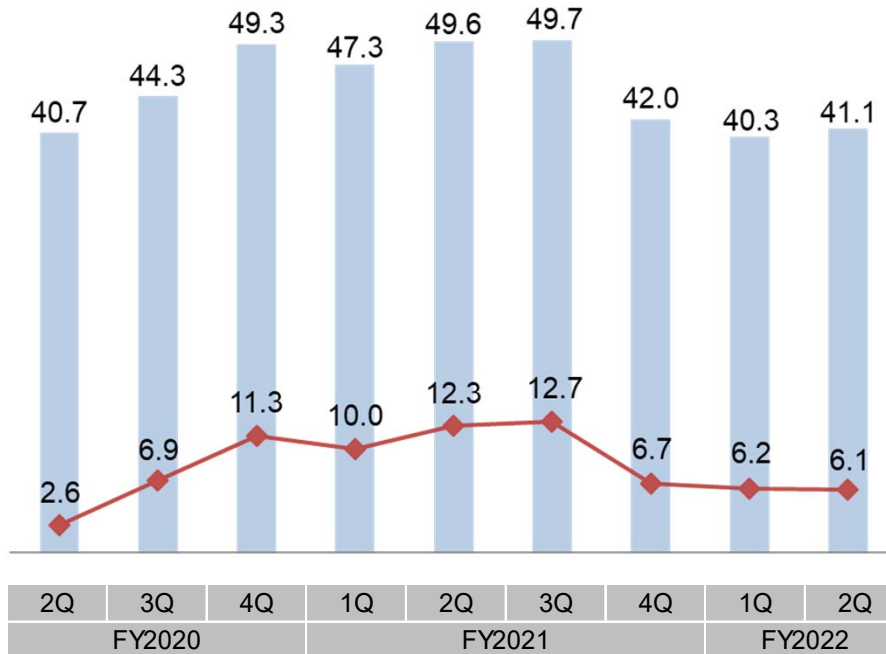
Consolidated Segment Summary



■ Net operating revenues ◆ Ordinary income

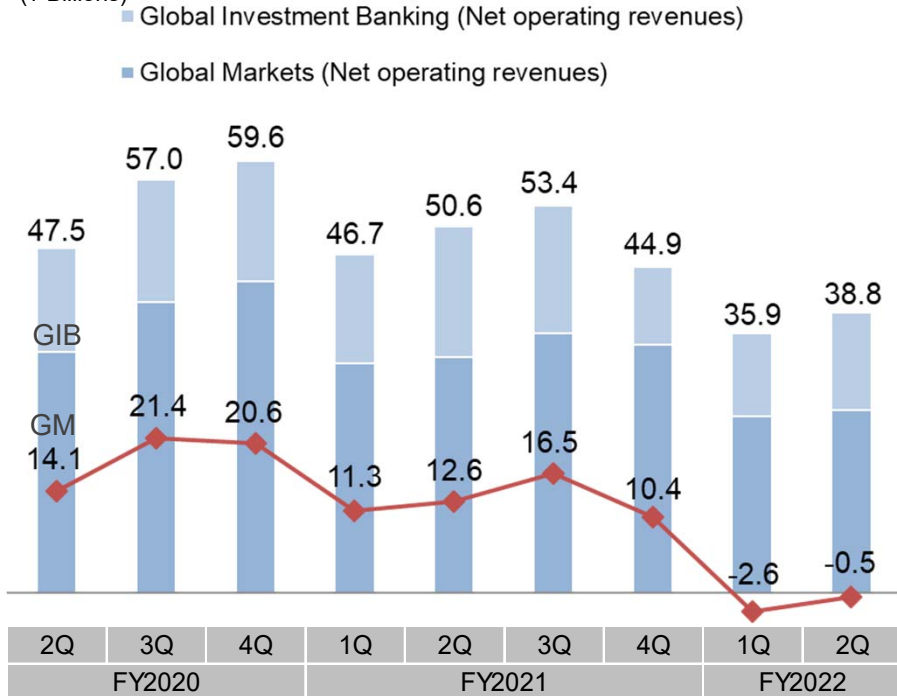
Retail Division

(¥ Billions)



Wholesale Division

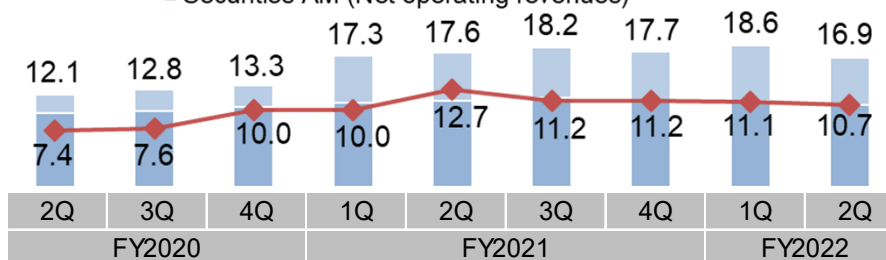
(¥ Billions)



Asset Management Division

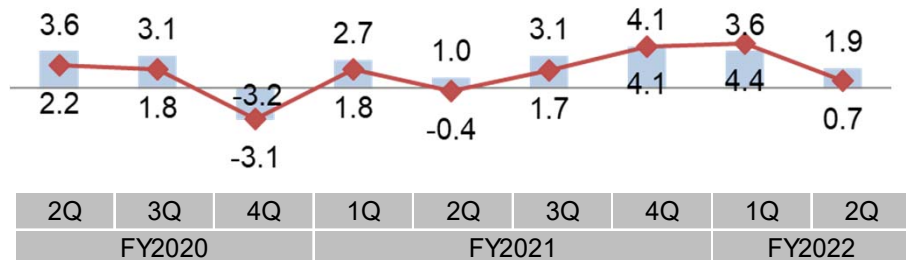
(¥ Billions)

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



Investment Division

(¥ Billions)



Consolidated B/S Summary



Consolidated Balance Sheet (September 30, 2022)

(¥ Billions)

Current assets	29,912	(3,902)	Current liabilities	26,578	(3,633)
Cash and deposits	3,964	(-627)	Trading products	6,304	(1,358)
Short-term investment securities	1,097	(-80)	Trading securities and other	3,677	(729)
Trading products	11,394	(3,389)	Stocks, Convertible bonds	190	(10)
Trading securities and other	8,581	(2,661)	Bonds	3,337	(723)
Stocks, Convertible bonds	133	(-44)	Other	149	(-5)
Bonds	7,949	(2,926)	Derivatives transactions	2,627	(629)
Beneficiary certificates	50	(-65)	Loans payable secured by securities	12,097	(2,633)
Other	448	(-155)	Deposits for banking business	4,126	(-62)
Derivatives transactions	2,813	(727)	Short-term loans payable	1,054	(-1,101)
Operational investment securities (after allowance for possible investment losses)	141	(17)	Current portion of bonds	494	(47)
Loans secured by securities	9,131	(737)			
Non-current assets	1,549	(27)	Long-term liabilities	3,181	(239)
Property, plant and equipment	924	(10)	Bonds payable	1,415	(-147)
Intangible assets	121	(0)	Long-term loans payable	1,619	(382)
Investments and other assets	503	(17)	Total liabilities	29,764	(3,872)
Listed stocks	114	(-5)	Net assets	1,697	(57)
Unlisted stocks	29	(1)	Owners' equity	1,286	(-0)
Affiliated company stocks, etc.	164	(9)	Accumulated other comprehensive income	142	(55)
Other	194	(12)	Non-controlling interests	260	(2)
Total Assets	31,461	(3,930)	Total liabilities and net assets	31,461	(3,930)

Total assets: ¥31.46 tn

Net assets: ¥1.69 tn

Shareholders' equity: ¥1.42 tn**

- 81.3% of total assets have high liquidity*.

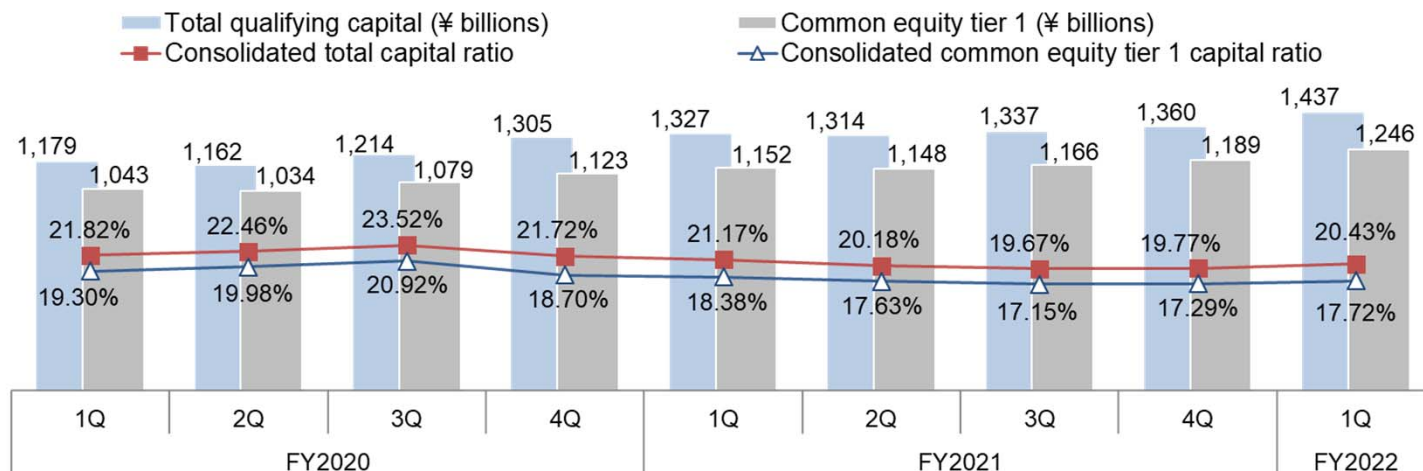
* Cash and deposits + Short-term investment securities + Trading products + Loans secured by securities

- Shareholders' equity** increased by ¥55.1 bn from March 31, 2022.

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

*Figures in parentheses indicate changes from March 31, 2022

Consolidated Capital Adequacy Ratio



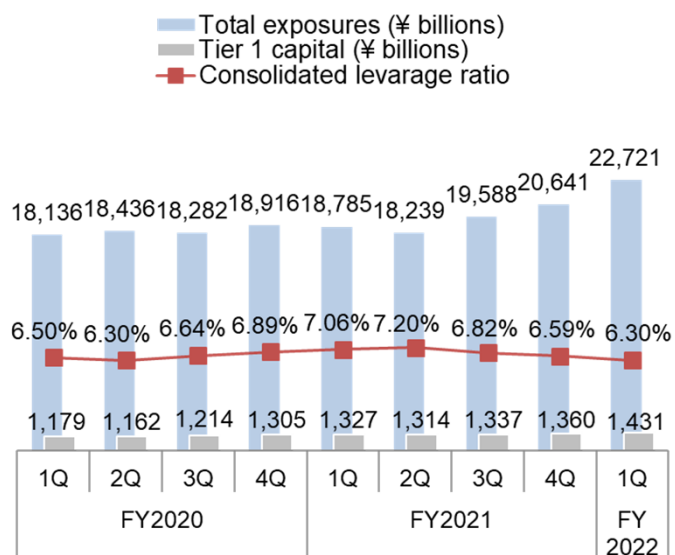
【Regulatory Capital (Basel III)】

(As at June 30, 2022)

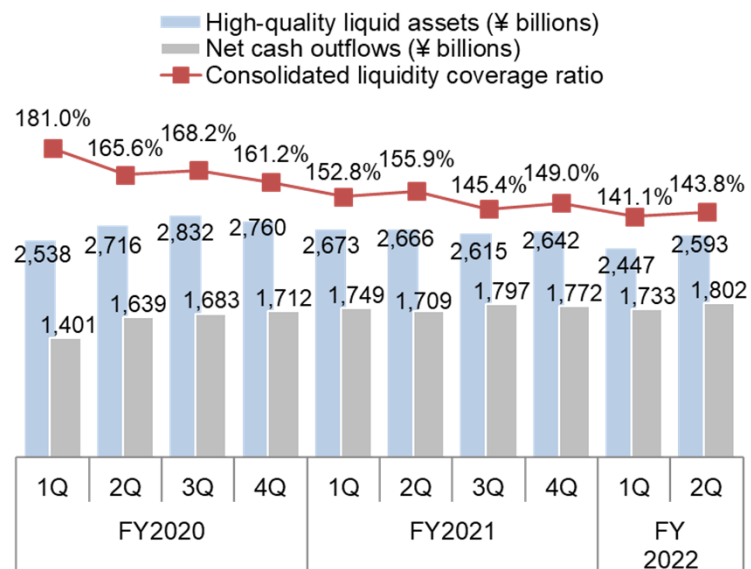
- Consolidated Total Capital Ratio : 20.43%
- Consolidated Tier 1 Capital Ratio : 20.35%
- Consolidated Common Equity Tier 1 Capital Ratio : 17.72%
- Consolidated Leverage Ratio : 6.30%

※ Figures are as at the end of each quarter.

Consolidated Leverage Ratio



Consolidated Liquidity Coverage Ratio



【Regulatory Liquidity (Basel III)】

(Daily average Jul. – Sep. 2022)

- Consolidated Liquidity Coverage Ratio : 143.8%

P/L Summary

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

(¥ Millions)	FY2021			FY2022		% Change vs 1Q/FY22	% Change vs 2Q/FY21	FY2021	FY2022	% Change vs 1H/FY21	FY2021
	2Q	3Q	4Q	1Q	2Q			1H	1H		
Operating revenues	154,702	166,599	148,333	146,640	192,552	31.3%	24.5%	304,538	339,193	11.4%	619,471
Commission received	82,983	84,490	69,267	67,004	70,506	5.2%	-15.0%	160,292	137,511	-14.2%	314,051
Net trading income	25,847	28,544	20,837	15,594	18,441	18.3%	-28.7%	52,140	34,036	-34.7%	101,522
Net gain (loss) on private equity	926	1,037	2,403	2,544	-1,523	-	-	2,607	1,020	-60.9%	6,048
Financial revenue	18,587	17,687	18,408	34,836	66,607	91.2%	258.3%	39,882	101,444	154.4%	75,978
Other operating revenue	26,357	34,840	37,415	26,659	38,519	44.5%	46.1%	49,614	65,179	31.4%	121,870
Financial expenses	12,503	10,225	11,562	23,556	52,486	122.8%	319.8%	22,925	76,043	231.7%	44,714
Other operating expenses	12,976	21,999	24,994	16,961	29,132	71.8%	124.5%	25,669	46,094	79.6%	72,663
Net operating revenues	129,222	134,374	111,776	106,122	110,933	4.5%	-14.2%	255,943	217,055	-15.2%	502,093
SG&A	98,544	98,323	94,817	97,274	98,942	1.7%	0.4%	193,417	196,216	1.4%	386,559
Operating income	30,677	36,050	16,958	8,847	11,990	35.5%	-60.9%	62,525	20,838	-66.7%	115,534
Non-operating income	6,319	4,511	6,381	9,237	2,864	-69.0%	-54.7%	9,393	12,102	28.8%	20,287
Ordinary income/loss	36,997	40,561	23,340	18,085	14,855	-17.9%	-59.8%	71,919	32,941	-54.2%	135,821
Extraordinary income/loss	3,054	300	2,234	2,094	9,499	353.5%	211.0%	3,308	11,594	250.4%	5,844
Income before income taxes	40,051	40,862	25,574	20,180	24,355	20.7%	-39.2%	75,228	44,536	-40.8%	141,666
Total income taxes	11,026	11,846	5,342	5,524	2,609	-52.8%	-76.3%	20,331	8,134	-60.0%	37,521
Profit (loss) attributable to owners of parent	26,642	26,698	17,989	11,878	19,576	64.8%	-26.5%	50,203	31,455	-37.3%	94,891

- Commission received increased (+5.2%).
 - Brokerage commission* was ¥16.1 bn (+6.4%).
 - Underwriting and secondary offering commissions* were ¥6.2 bn (+17.5%).
 - Distribution commission* was ¥3.0 bn (-15.9%).
 - M&A related commission* was ¥9.2 bn (+31.1%).
- * Breakdown of total commission received (See p.23)
- Extraordinary income/loss was ¥9.4 bn (+353.5%).
 - Recorded a gain of ¥11.2 bn on the sale of a portion of the stake in Tokiwabashi Tower as extraordinary income.

Breakdown of SG&A

(¥ Millions)	FY2021			FY2022		% Change vs 1Q/FY22	% Change vs 2Q/FY21	FY2021	FY2022	% Change vs 1H/FY21	FY2021
	2Q	3Q	4Q	1Q	2Q			1H	1H		
SG&A	98,544	98,323	94,817	97,274	98,942	1.7%	0.4%	193,417	196,216	1.4%	386,559
Trading related expenses	15,148	16,393	15,815	17,409	18,006	3.4%	18.9%	30,378	35,415	16.6%	62,588
Personnel expenses	51,827	50,036	47,726	49,116	48,776	-0.7%	-5.9%	101,027	97,892	-3.1%	198,790
Real estate expenses	9,338	9,524	9,644	9,704	9,764	0.6%	4.6%	18,475	19,468	5.4%	37,643
Office cost	6,275	6,406	6,399	6,178	6,260	1.3%	-0.3%	11,933	12,439	4.2%	24,740
Depreciation	8,773	8,753	8,513	8,623	8,770	1.7%	-0.0%	17,544	17,394	-0.9%	34,811
Taxes and dues	2,577	2,949	2,292	2,283	2,764	21.1%	7.2%	5,436	5,047	-7.1%	10,678
Other	4,603	4,259	4,425	3,957	4,600	16.2%	-0.1%	8,621	8,558	-0.7%	17,306

- SG&A increased (+1.7%).
- Trading related expense increased as commission paid increased (+3.4%).
- Personnel expenses decreased overall due to decrease in bonuses despite increase in salaries (-0.7%).

Consolidated Cost Structure



(¥ Billions)	FY2020				FY2021					FY2022	
	2Q	3Q	4Q	1Q-4Q	1Q	2Q	3Q	4Q	1Q-4Q	1Q	2Q
Total SG&A	90.7	94.2	99.9	373.8	94.8	98.5	98.3	94.8	386.5	97.2	98.9
Variable costs	32.2	35.5	38.5	136.7	35.6	38.0	37.9	34.3	146.0	35.8	35.2
Trading related expenses	14.4	14.7	15.1	57.6	15.2	15.1	16.3	15.8	62.5	17.4	18.0
<i>Advertising and promotion expenses</i>	1.9	2.0	1.6	6.9	1.6	1.7	1.8	1.5	6.9	1.8	1.8
Bonus and others	12.4	15.0	17.5	56.3	14.7	16.7	15.7	12.6	59.7	13.0	11.4
Overtime, part-time	1.9	1.9	1.8	7.7	1.7	1.6	1.7	1.6	6.7	1.5	1.5
Fixed costs	58.5	58.7	61.4	237.0	59.1	60.5	60.3	60.4	240.4	61.4	63.6
Personnel expenses	32.1	31.7	32.9	128.5	32.6	33.3	32.5	33.4	131.9	34.4	35.7
Real estate expenses	9.4	9.4	10.1	38.4	9.1	9.3	9.5	9.6	37.6	9.7	9.7
Depreciation	8.4	8.4	8.6	33.9	8.7	8.7	8.7	8.5	34.8	8.6	8.7
Office expenses	5.5	5.9	5.9	23.4	5.4	6.0	6.1	6.1	23.8	5.9	6.0
Taxes and dues	2.5	2.7	3.4	11.4	2.8	2.5	2.9	2.2	10.6	2.2	2.7

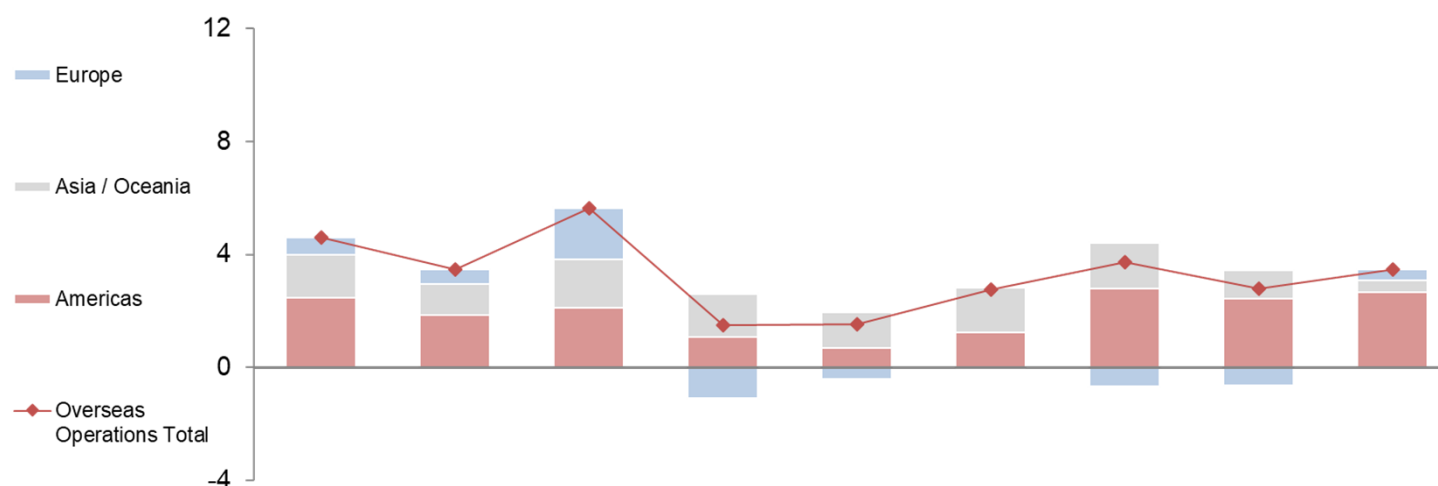
Ordinary Income of Overseas Operations

(¥ Millions)	FY2021			FY2022		% Change vs 1Q/FY22	% Change vs 2Q/FY21	FY2021	FY2022	% Change vs 1H/FY21	FY2021
	2Q	3Q	4Q	1Q	2Q						
Overseas Operations Total	1,537	2,764	3,723	2,800	3,470	23.9%	125.8%	3,036	6,271	106.5%	9,525
Europe	-426	-62	-689	-637	383	-	-	-1,518	-253	-	-2,270
Asia / Oceania	1,268	1,576	1,631	1,003	439	-56.2%	-65.3%	2,777	1,442	-48.1%	5,986
Americas	695	1,250	2,781	2,434	2,647	8.7%	280.5%	1,776	5,081	186.0%	5,809

Overseas operations stayed in the black for 26 consecutive quarters.

- Europe secured black for the first time in six quarters as M&A related revenues increased in addition to progress in reform of revenue structuring.
- In Asia / Oceania, revenues in equity, primary as well as equity method investment gain in SSI Securities decreased.
- In Americas, revenues in FICC continued to be strong, and ordinary income increased.

Ordinary Income



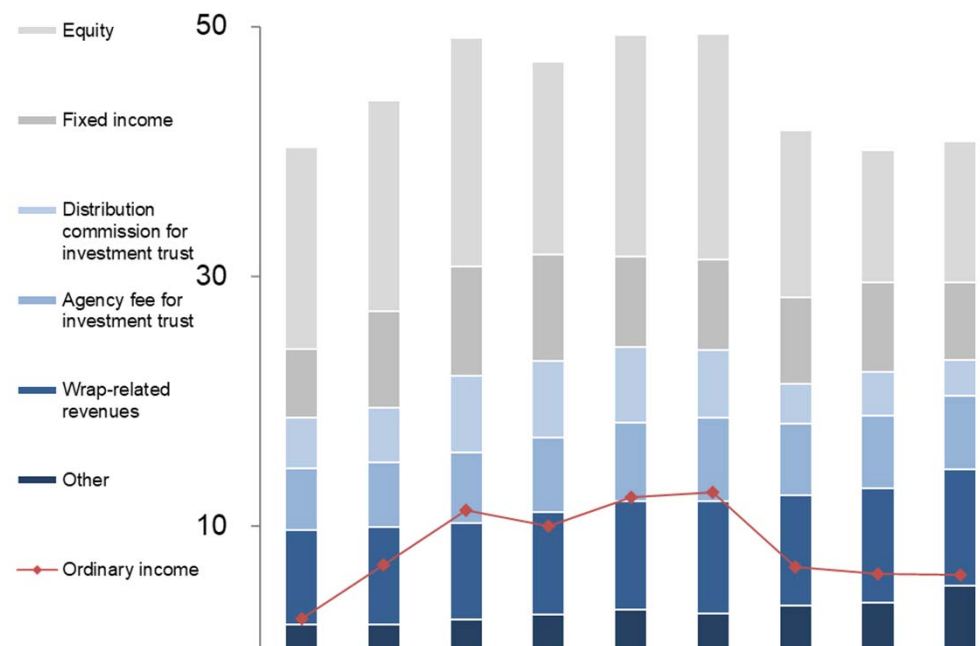
(¥ Billions)	FY2020			FY2021				FY2022	
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Europe	0.5	0.5	0.5	-0.5	-0.5	0.5	0.5	0.5	0.5
Asia / Oceania	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Americas	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Overseas Operations Total	4.5	4.5	4.5	1.5	1.5	4.5	4.5	4.5	4.5

Retail Division

(¥ Millions)	FY2022 2Q	% Change vs 1Q/FY22	FY2022 1H	% Change vs 1H/FY21
Net operating revenues	41,187	2.0%	81,581	-15.9%
Ordinary income	6,151	-2.3%	12,449	-44.4%

- Equity revenues increased due to an increase in trading of Japanese equities.
- Distribution commission for investment trust declined due to a decrease in stock investment trust sales.
- Other revenue increased due to higher bank agency fees.
- Asset based revenues were ¥20.7 bn.
(51.6% of net operating revenues in Retail Division of Daiwa Securities)
*Asset based revenues (See p.30)

Net Operating Revenues and Ordinary Income



(¥ Billions)	FY2020			FY2021			FY2022		
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Equity	16.1	16.9	18.3	15.5	17.7	18.1	13.4	10.6	11.3
Fixed income	5.5	7.7	8.8	8.5	7.3	7.2	6.9	7.2	6.2
Distribution commission for investment trust	4.1	4.4	6.1	6.1	6.0	5.4	3.2	3.5	2.9
Agency fee for investment trust	4.9	5.2	5.7	6.0	6.3	6.7	5.7	5.8	5.9
Wrap-related revenues	7.6	7.8	7.7	8.2	8.7	9.0	8.9	9.1	9.3
Others	2.1	2.1	2.5	2.9	3.3	3.0	3.6	3.9	5.2
Net operating revenues	40.7	44.3	49.3	47.3	49.6	49.7	42.0	40.3	41.1
Ordinary income	2.6	6.9	11.3	10.0	12.3	12.7	6.7	6.2	6.1

Retail Division Daiwa Securities

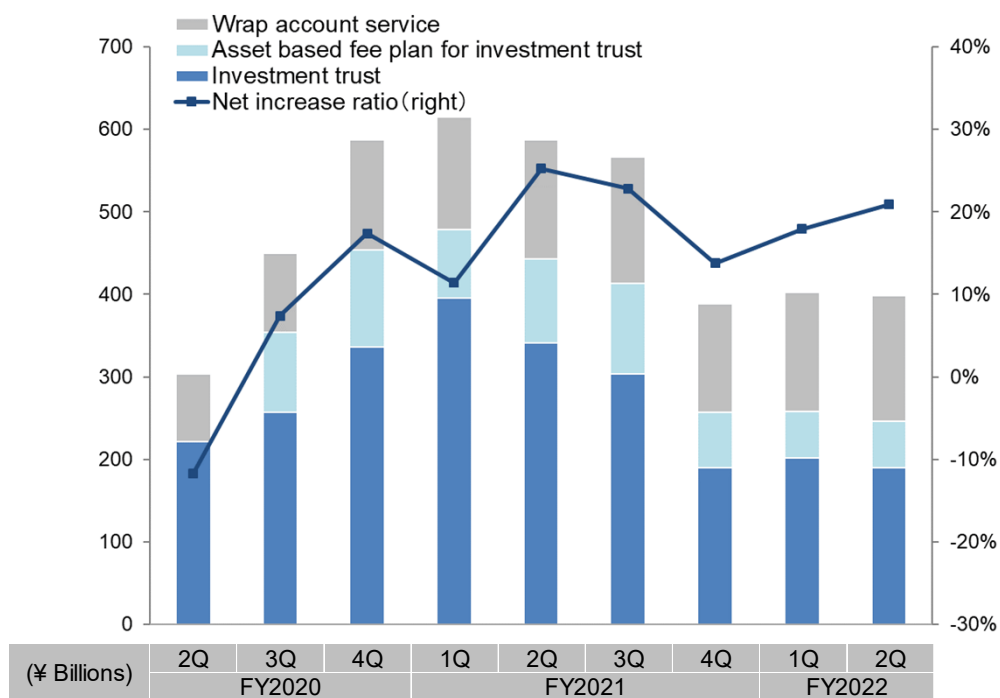
【Wrap Account Service*】

- Increase in contract amount to ¥152.7 bn and net inflow to ¥83.2 bn.

【Stock Investment Trusts】

- Steady sales of global high dividend stock fund and inbound-related Japanese equity fund.

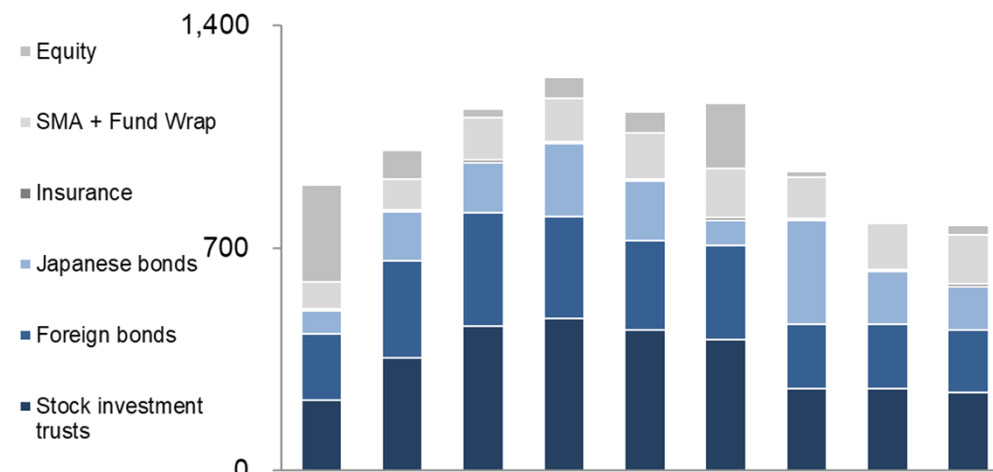
Sales/Distribution Amount and Net Increase Ratio Wrap Account Service* and Stock Investment Trusts



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

※ Includes switching transactions between funds. * Includes Wholesale Division

Sales and Distribution Amount by Product



(¥ Billions)	FY2020			FY2021			FY2022		
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Equity	307.0	93.0	28.9	66.8	67.1	206.9	19.2	6.2	31.3
SMA + Fund Wrap*	81.8	95.5	133.8	135.7	144.6	154.0	131.5	144.6	152.7
Insurance**	6.9	7.8	8.3	4.8	6.6	7.4	5.0	6.2	11.3
Japanese bonds	73.8	153.1	156.3	231.2	185.8	78.4	325.7	167.9	135.2
Foreign bonds***	207.8	305.5	358.0	320.0	281.1	296.2	203.8	200.4	196.0
Stock investment trusts****	221.2	353.8	453.8	478.9	442.9	412.9	256.8	258.0	245.8
Asset based fee plan for investment trust		96.3	117.8	83.0	102.2	109.1	67.1	55.9	55.5

*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

Wholesale Division Global Markets



(¥ Millions)	FY2022 2Q	% Change vs 1Q/FY22	FY2022 1H	% Change vs 1H/FY21
Net operating revenues	25,280	3.2%	49,772	-22.5%
Ordinary income	-1,481	-	-3,554	-

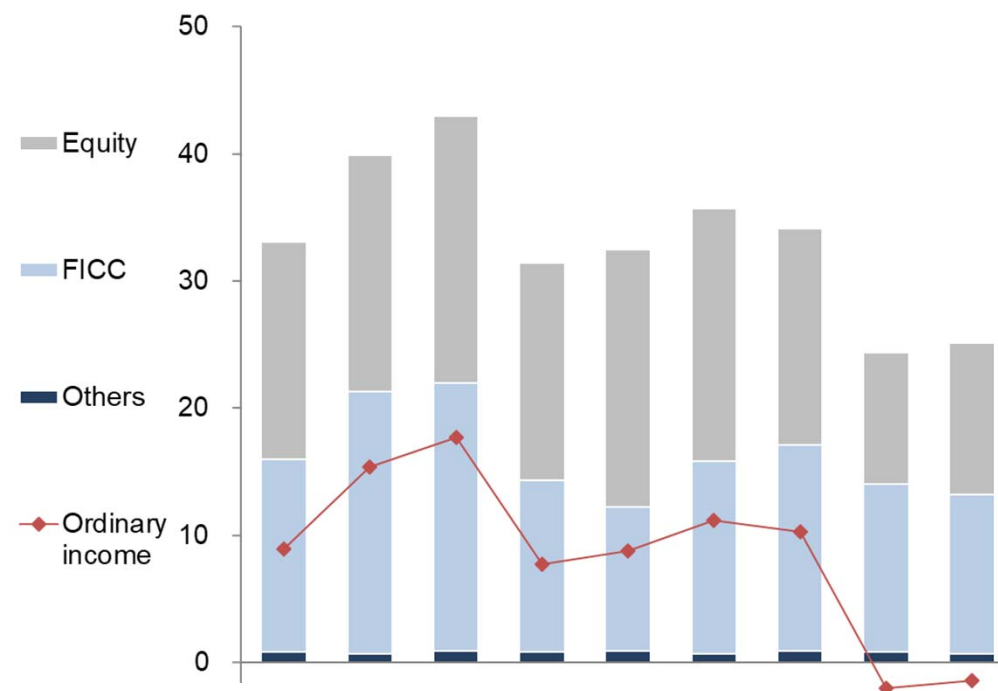
【Equity】

- Equity revenues increased due to a recovery in the flow of Japanese equities by individual investors.
- Derivatives struggled in position management due to volatile market environment.

【FICC*】

- FICC revenues decreased.
- In Japan, deceleration from the previous quarter where performance of JGB was strong.
- For Overseas, sales of MBS decreased in Americas, but remained strong.

Net Operating Revenues and Ordinary Income



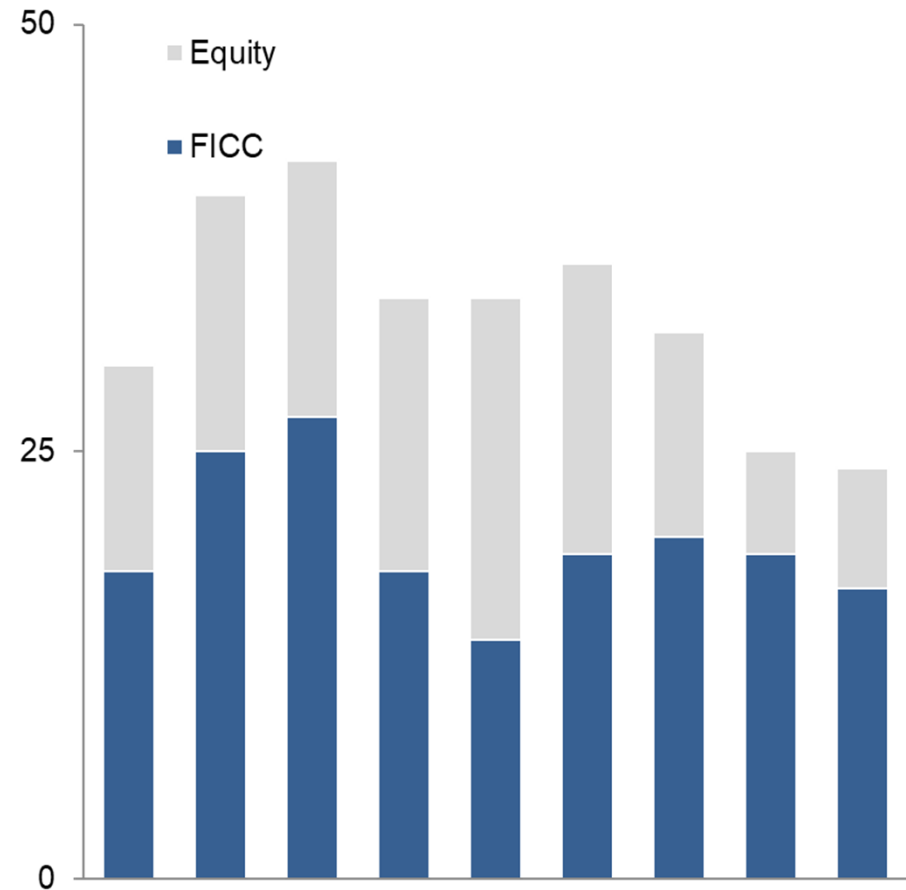
(¥ Billions)	FY2020			FY2021				FY2022	
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Equity	17.1	18.6	21.0	17.1	20.3	19.9	17.0	10.4	11.9
FICC*	15.2	20.6	21.1	13.5	11.3	15.1	16.2	13.2	12.5
Others	0.8	0.7	0.9	0.8	0.9	0.7	0.9	0.8	0.7
Net operating revenues	33.2	40.1	43.0	31.6	32.5	35.8	34.2	24.4	25.2
Ordinary income	8.9	15.4	17.7	7.7	8.8	11.2	10.3	-2.0	-1.4

*FICC: Fixed Income, Currency and Commodities

【Managerial accounting basis】

(¥ Billions)	FY2022 2Q	% Change vs 1Q/FY22	FY2022 1H	% Change vs 1H/FY21
Equity	7	16.7%	13	-63.9%
FICC	17	-10.5%	36	12.5%
Total	24	-4.0%	49	-27.9%

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



(¥ Billions)	FY2020			FY2021				FY2022	
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Equity	12	15	15	16	20	17	12	6	7
FICC	18	25	27	18	14	19	20	19	17
Total	30	40	42	34	34	36	32	25	24

Wholesale Division Global Investment Banking



(¥ Millions)	FY2022 2Q	% Change vs 1Q/FY22	FY2022 1H	% Change vs 1H/FY21
Net operating revenues	13,573	18.3%	25,047	-24.4%
Ordinary income	733	-	-421	-

【Equity】

■ Lead Managed several deals.

<Selected lead managed deals>

FP Partner Inc.	IPO	<Offering size> ¥9.0 bn
Kenedix Realty Token	STO	¥6.9 bn
Lonco Profit Mart Atsugi I		
Samty Residential Investment Corporation	REIT	¥4.0 bn
eWell Co., Ltd.	IPO	¥3.6 bn

【Debt】

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

<Selected deals>

NEC Corporation(5/7/10 yrs)	Straight Bond ◆*	<Offering size> ¥110.0 bn
Mitsui Fudosan Co., Ltd.(5/7/10 yrs)	Straight Bond ◆**	¥80.0 bn
Nippon Life Insurance Co. Sub. Loan (30 yrs)	Subordinated Bond	¥71.0 bn
United Mexican States (3/5/10/15/20 yrs)	Samurai Bond ◆***	¥75.6 bn
Sumitomo Mitsui Trust Bank, Limited (3/5 yrs)	Benchmark Bond	USD 1.0 bn
Z Holdings Corporation (5 yrs)	Straight Bond	¥60.0 bn

【M&A】

■ Managed several domestic and overseas deals.

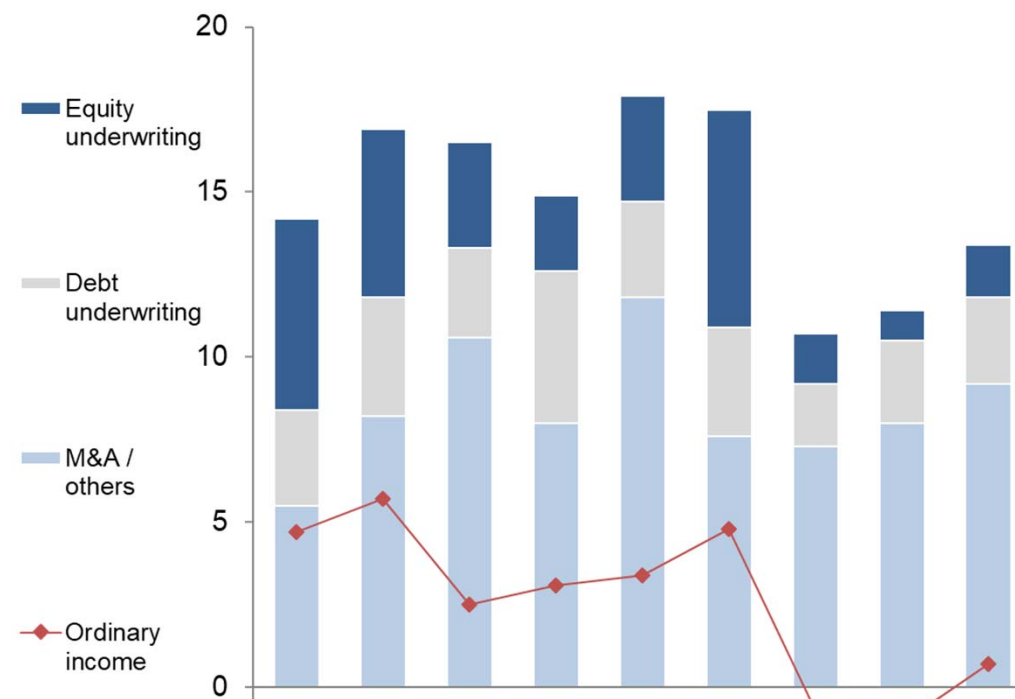
<Selected deals>

Acquisition of eCycle Solutions Inc.(Canada) by JX Nippon Mining & Metals Corporation
 Tender Offer of shares of Honda Tsushin Kogyo Co., Ltd. by MINEBEA MITSUMI Inc.
 Transfer of MARUHON INC. shares to Sekisui House, Ltd. by Ant Capital Partners
 Advising on capital strategies such as the sale of an Asia-Pacific subsidiary to Digicel (Jamaica)
 Acquisition of Wildstone (UK) by Antin Infrastructure Partners (France)
 Sale of Lee Soon Seng Plastic Industries Sdn. Bhd. (Malaysia) to Mitsui & Co., Ltd. and FP Corporation by SCGM Bhd.(Malaysia)

*Sustainability link bonds ◆: Sustainability related

Green bonds *Sustainability bonds

Net Operating Revenues and Ordinary Income



(¥ Billions)	FY2020			FY2021				FY2022	
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Equity underwriting	5.8	5.1	3.2	2.3	3.2	6.6	1.5	0.9	1.6
Debt underwriting	2.9	3.6	2.7	4.6	2.9	3.3	1.9	2.5	2.6
M&A / others	5.5	8.2	10.6	8.0	11.8	7.6	7.3	8.0	9.2
Net operating revenues	14.3	16.9	16.5	15.0	18.0	17.5	10.7	11.4	13.5
Ordinary income	4.7	5.7	2.5	3.1	3.4	4.8	-0.7	-1.1	0.7

Asset Management Division

(¥ Millions)	FY2022 2Q	% Change vs 1Q/FY22	FY2022 1H	% Change vs 1H/FY21
Net operating revenues	16,943	-8.9%	35,549	1.5%
Ordinary income	10,785	-3.5%	21,958	-3.5%

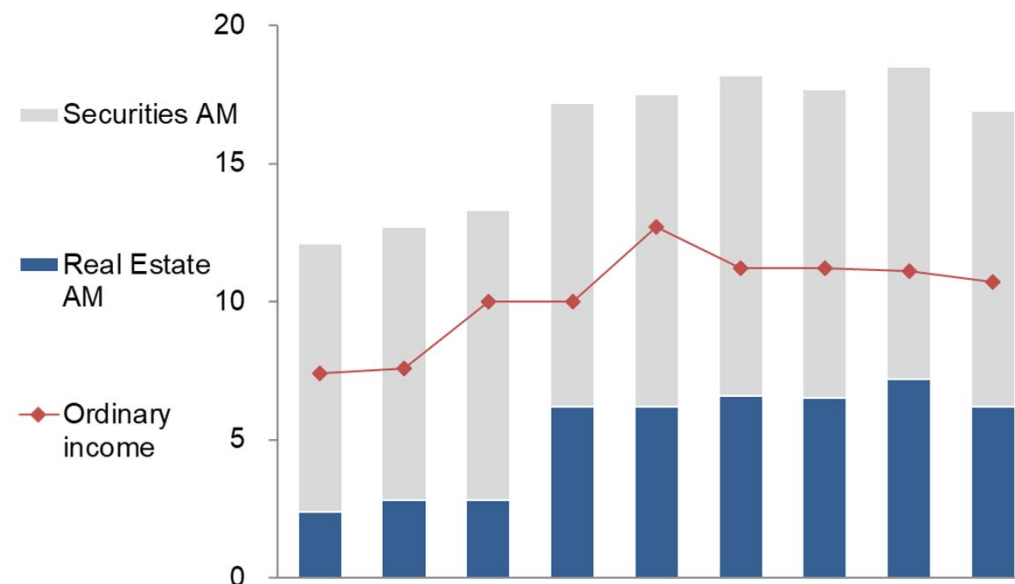
【Securities AM】

- Revenues in Daiwa Asset Management decreased. Secured net asset inflow, but AUM dropped due to market factors.

【Real estate AM】

- AUM in Daiwa Real Estate Asset Management increased.
- Revenues up due to equity method investment gain (Samty).

Net Operating Revenues and Ordinary Income



(¥ Billions)	FY2020			FY2021				FY2022	
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Securities AM	9.7	9.9	10.5	11.0	11.3	11.6	11.2	11.3	10.7
Real estate AM*	2.4	2.8	2.8	6.2	6.2	6.6	6.5	7.2	6.2
Net operating revenues	12.1	12.8	13.3	17.3	17.6	18.2	17.7	18.6	16.9
Securities AM	3.9	4.2	4.6	5.1	5.8	5.6	5.3	5.3	4.5
Real estate AM**	3.5	3.4	5.4	4.8	6.9	5.6	5.8	5.8	6.1
Ordinary income	7.4	7.6	10.0	10.0	12.7	11.2	11.2	11.1	10.7

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

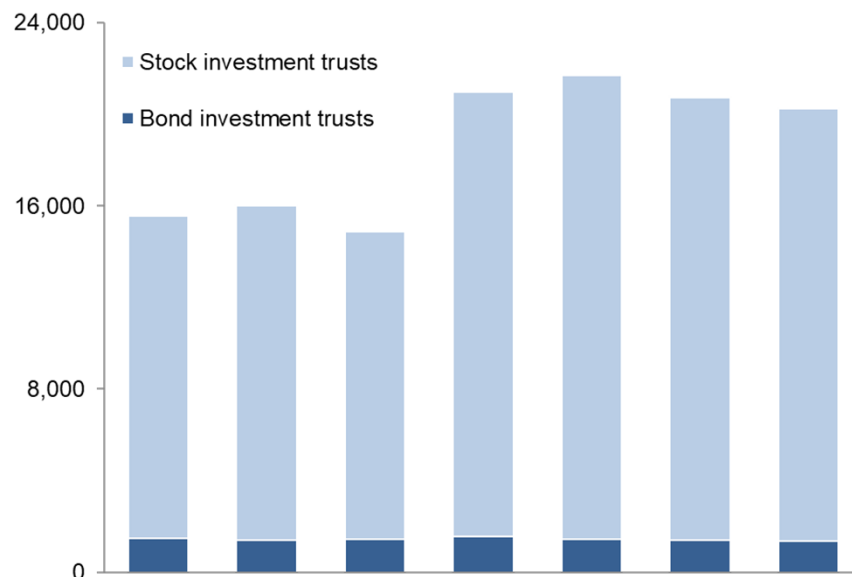
** Equity in earnings of affiliates is included in non-operating revenues

Asset Management Division

Assets Under Management and Net Increase



Daiwa Asset Management Publicly Offered Securities Investment Trusts AUM

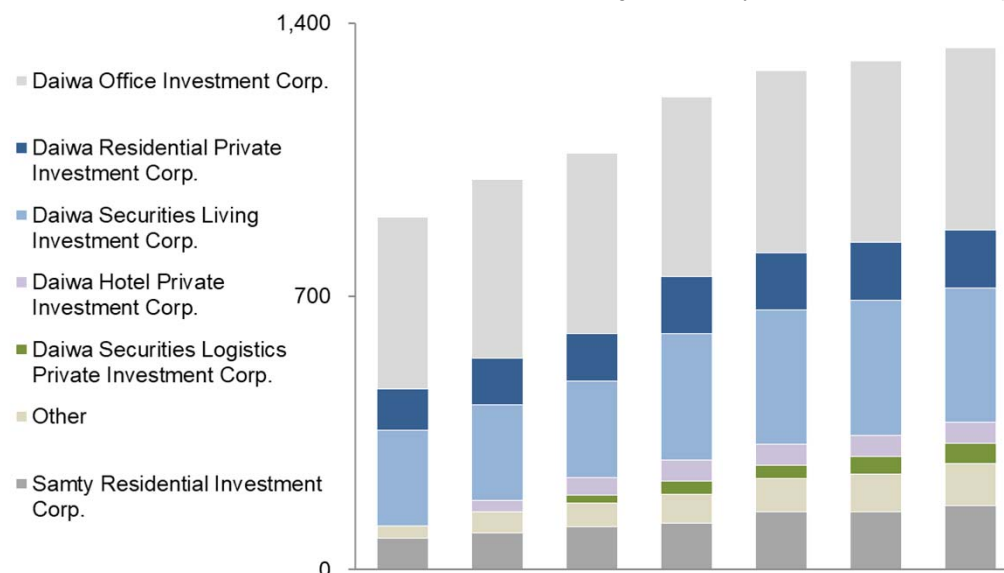


¥ Billions)	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	
						1Q	2Q
Stock investment trusts	14,123	14,616	13,478	19,418	20,261	19,321	18,863
excl. ETF	7,717	7,245	6,063	7,543	8,268	7,862	7,757
(Net inflow)	(302)	(-339)	(-217)	(50)	(347)	(133)	(135)
ETF	6,406	7,371	7,414	11,875	11,993	11,459	11,106
(Net inflow)	(1,109)	(1,279)	(947)	(1,001)	(275)	(-53)	(-25)
Bond investment trusts	1,465	1,396	1,421	1,561	1,434	1,397	1,379
Total	15,588	16,012	14,900	20,980	21,696	20,718	20,242
Publicly Offered Securities Investment	14.3%	14.2%	14.0%	13.9%	13.3%	13.2%	13.1%

※ All figures are as at the end of each quarter

Real Estate Asset Management Business AUM of Two Companies*

※ Daiwa Real Estate Asset Management, Samty Residential Investment Corp.



¥ Billions)	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	
						1Q	2Q
Daiwa Office Investment Corp.	439	460	463	461	466	466	466
Daiwa Residential Private Investment Corp.	107	118	121	146	146	148	148
Daiwa Securities Living Investment Corp.*	244	245	247	323	343	345	345
Daiwa Hotel Private Investment Corp.		29	45	54	54	54	54
Daiwa Securities Logistics Private Investment Corp.			20	33	35	45	51
Other	30	53	59	75	85	96	108
Total	822	907	959	1,094	1,131	1,157	1,175
Samty Residential Investment Corp. (Sub sponsor)	81	93	109	118	147	147	162
Total (Including sub sponsor)	903	1,000	1,069	1,212	1,279	1,304	1,337

※ All figures are as at the end of each quarter

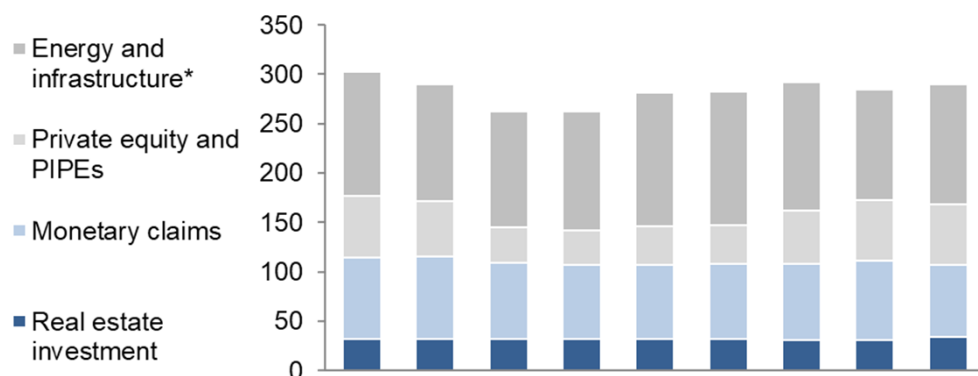
* Japan Rental Housing Investment Inc. merged with Nippon Healthcare Investment Corp. through absorption-type merger and changed its trade name to Daiwa Securities Living Investment Corp. on April 1, 2020. Daiwa Securities Living Investment Corp.'s AUM from FY2017 to FY2019 is a total of the two companies.

Investment Division

(¥ Millions)	FY2022 2Q	% Change vs 1Q/FY22	FY2022 1H	% Change vs 1H/FY21
Net operating revenues	1,918	-48.0%	5,607	48.3%
Ordinary income	788	-82.4%	5,271	287.5%

- Decreased in both net operating revenues and ordinary income as revenues from private equity investment dropped.

Principal Investment Value



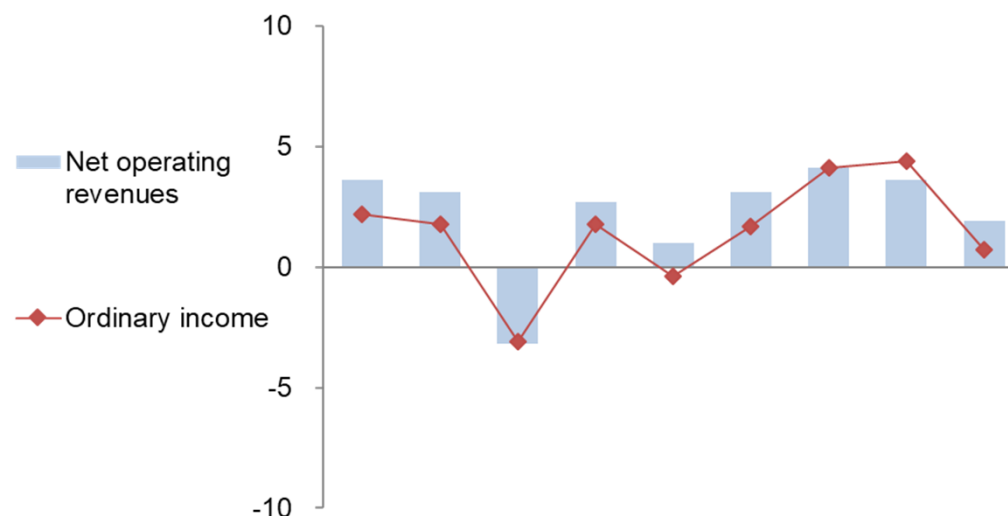
(¥ Billions)	FY2020			FY2021			FY2022		
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Daiwa PI Partners									
Private equity and PIPEs**	63	56	36	35	39	39	54	62	61
Monetary claims	82	84	77	75	75	76	77	80	73
Real estate investment	32	32	32	32	32	32	31	31	34
Daiwa Energy & Infrastructure	126	118	117	120	136	136	130	112	122
Total	305	290	264	264	283	285	294	287	292

※ All figures are as at the end of each quarter

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

**PIPEs: Private Investment in Public Equities

Net Operating Revenues and Ordinary Income



(¥ Billions)	FY2020			FY2021			FY2022		
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Net operating revenues	3.6	3.1	-3.2	2.7	1.0	3.1	4.1	3.6	1.9
Ordinary income	2.2	1.8	-3.1	1.8	-0.4	1.7	4.1	4.4	0.7

Reference

Daiwa Securities Group Inc.

Breakdown of Commission

(¥ Millions)	FY2021			FY2022		% Change vs 1Q/FY22	% Change vs 2Q/FY21	FY2021	FY2022	% Change vs 1H/FY21	FY2021
	2Q	3Q	4Q	1Q	2Q			1H	1H		
Total commission	82,983	84,490	69,267	67,004	70,506	5.2%	-15.0%	160,292	137,511	-14.2%	314,051
Brokerage commission	19,521	20,105	17,679	15,137	16,104	6.4%	-17.5%	38,122	31,242	-18.0%	75,907
Underwriting and secondary offering commissions	9,833	13,708	5,072	5,357	6,296	17.5%	-36.0%	20,429	11,653	-43.0%	39,210
Distribution commission	6,181	5,559	3,403	3,620	3,043	-15.9%	-50.8%	12,477	6,664	-46.6%	21,440
Other commission	47,445	45,117	43,112	42,889	45,062	5.1%	-5.0%	89,263	87,951	-1.5%	177,493
<i>Investment advisory and account management fees</i>	8,237	8,518	8,393	8,522	8,787	3.1%	6.7%	15,940	17,310	8.6%	32,852
<i>Insurance sales commission</i>	128	115	127	189	446	135.9%	246.4%	260	636	144.6%	503
<i>M&A related commission</i>	11,877	7,918	7,548	7,077	9,278	31.1%	-21.9%	19,825	16,355	-17.5%	35,292
<i>Management fee</i>	19,027	19,290	18,321	18,421	17,878	-2.9%	-6.0%	37,418	36,300	-3.0%	75,030
<i>Other</i>	8,174	9,274	8,721	8,678	8,671	-0.1%	6.1%	15,819	17,349	9.7%	33,815

Daiwa Securities Balance Sheet (September 30, 2022)

(¥ Billions)

Current assets	15,944	(1,487)	Current liabilities	13,968	(1,617)
Trading products	7,629	(2,178)	Trading products	4,042	(605)
Trading securities and other	4,857	(1,458)	Trading securities and other	1,442	(-21)
Derivatives transactions	2,772	(719)	Derivatives transactions	2,600	(626)
Margin transaction assets	166	(-6)	Margin transaction liabilities	62	(-5)
Loans on margin transactions	163	(-2)	Loans payables secured by securities	6,994	(1,074)
Cash collateral pledged for securities borrowing on margin transactions	2	(-4)	Short-term loans payable	800	(-885)
Loans secured by securities	5,156	(-325)	Current portion of bonds	363	(158)
Short-term guarantee deposits	952	(250)	Long-term liabilities	1,659	(-120)
Short-term loans receivable	375	(-192)	Bonds payable	770	(-95)
Non-current assets	197	(9)	Long-term loans payable	841	(-24)
Property, plant and equipment	54	(8)	Total liabilities	15,630	(1,496)
Intangible assets	69	(-0)	Net assets	510	(0)
Total assets	16,141	(1,496)	Shareholders' equity	508	(0)
			Capital stock	100	—
			Total liabilities and net assets	16,141	(1,496)

※ Figures in parentheses show changes from March 31, 2022.

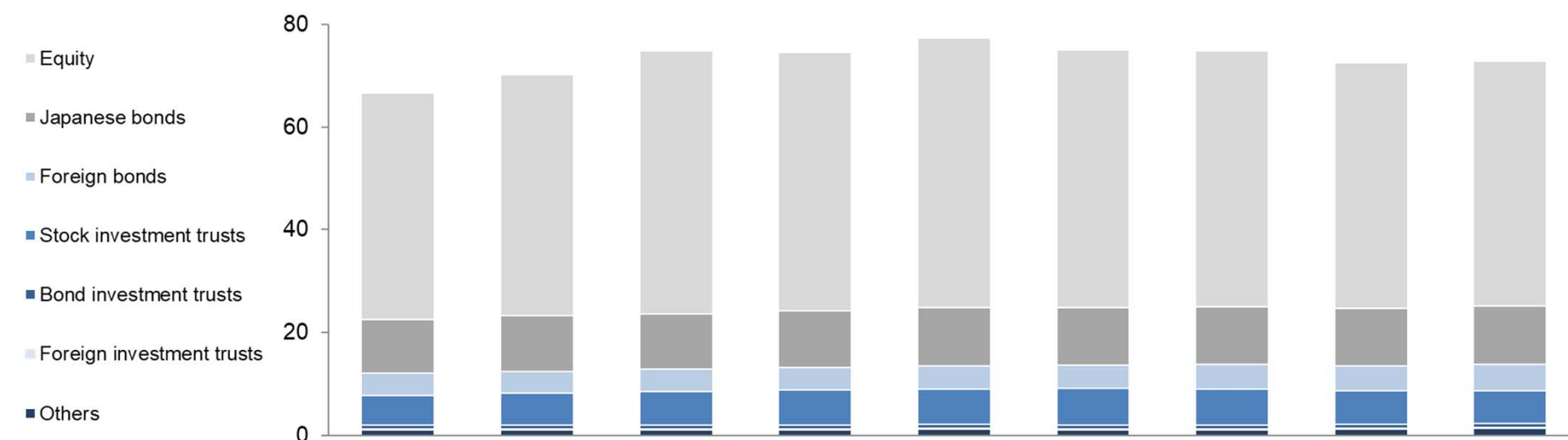
Financial Summary I

(¥ Millions)	FY2021			FY2022		% Change vs 1Q/FY22	% Change vs 2Q/FY21	FY2021	FY2022	% Change vs 1H/FY21	FY2021
	2Q	3Q	4Q	1Q	2Q			1H	1H		
Operating revenues	83,982	88,830	66,942	59,273	67,296	13.5%	-19.9%	170,265	126,569	-25.7%	326,039
Commission received	52,145	54,598	43,633	40,496	44,631	10.2%	-14.4%	102,618	85,128	-17.0%	200,850
Brokerage commission	14,660	15,404	13,594	10,745	11,659	8.5%	-20.5%	28,633	22,405	-21.8%	57,631
<i>Stock and others</i>	14,214	14,979	13,107	10,345	11,244	8.7%	-20.9%	27,841	21,590	-22.5%	55,929
Underwriting and secondary offering commissions	8,271	11,201	4,431	4,263	5,817	36.5%	-29.7%	17,313	10,080	-41.8%	32,946
<i>Equity</i>	3,441	6,702	1,020	606	1,709	181.8%	-50.3%	5,861	2,315	-60.5%	13,583
<i>Bond and others</i>	4,830	4,499	3,377	3,656	3,824	4.6%	-20.8%	11,452	7,481	-34.7%	19,329
Distribution commission	6,102	5,478	3,345	3,562	2,983	-16.3%	-51.1%	12,297	6,545	-46.8%	21,121
<i>Investment trust</i>	5,995	5,371	3,205	3,444	2,891	-16.0%	-51.8%	12,014	6,335	-47.3%	20,591
Other commissions	23,111	22,514	22,263	21,924	24,171	10.2%	4.6%	44,373	46,096	3.9%	89,151
<i>Agency fee and others</i>	7,835	8,103	7,509	7,412	7,572	2.2%	-3.4%	15,113	14,984	-0.9%	30,725
<i>Investment advisory and account management fees</i>	8,237	8,518	8,393	8,522	8,787	3.1%	6.7%	15,940	17,310	8.6%	32,852
<i>Insurance sales commission</i>	128	115	127	189	446	135.9%	246.4%	260	636	144.6%	503
<i>M&A related commission</i>	2,633	1,459	1,797	1,001	1,942	94.0%	-26.2%	4,786	2,943	-38.5%	8,043
Net trading income/loss	26,289	27,402	18,145	10,790	11,462	6.2%	-56.4%	54,887	22,252	-59.5%	100,436
Financial revenues	5,547	6,829	5,163	7,987	11,202	40.3%	101.9%	12,759	19,189	50.4%	24,752
Financial expenses	1,727	3,310	2,023	4,622	6,686	44.7%	287.0%	5,598	11,308	102.0%	10,932
Net operating revenues	82,254	85,520	64,919	54,651	60,609	10.9%	-26.3%	164,667	115,261	-30.0%	315,106

Financial Summary II

(¥ Millions)	FY2021			FY2022		% Change vs 1Q/FY22	% Change vs 2Q/FY21	FY2021	FY2022	% Change vs 1H/FY21	FY2021
	2Q	3Q	4Q	1Q	2Q			1H	1H		
SG&A	59,878	60,921	59,605	57,530	60,694	5.5%	1.4%	119,170	118,225	-0.8%	239,698
Trading related expenses	8,659	9,794	9,941	9,942	10,373	4.3%	19.8%	17,706	20,316	14.7%	37,441
Personnel expenses	25,389	24,897	23,589	22,616	22,586	-0.1%	-11.0%	50,012	45,202	-9.6%	98,498
Real estate expenses	5,392	5,359	5,485	5,365	5,492	2.4%	1.9%	10,752	10,857	1.0%	21,596
Office cost	12,139	12,535	12,970	12,206	14,400	18.0%	18.6%	24,195	26,607	10.0%	49,702
Depreciation	5,973	5,941	5,721	5,662	5,790	2.3%	-3.1%	11,930	11,453	-4.0%	23,593
Taxes and dues	1,194	1,283	647	739	880	19.0%	-26.3%	2,460	1,620	-34.2%	4,391
Other	1,129	1,109	1,250	998	1,170	17.2%	3.6%	2,114	2,168	2.6%	4,473
Ordinary income	22,905	25,627	5,969	-2,345	248	-	-98.9%	46,636	-2,097	-	78,234
Net income	16,981	17,781	5,125	-1,967	2,388	-	-85.9%	34,494	420	-98.8%	57,401
ROE (Annualized)	8.7%	8.9%	3.1%	-	1.9%			8.7%	0.2%		8.8%
Capital adequacy ratio	331.2%	318.3%	280.4%	283.0%	287.3%			331.2%	287.3%		280.4%

Assets under Custody



(¥ Trillions)	FY2020			FY2021				FY2022	
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Equity	44.1	47.1	51.4	50.5	52.7	50.4	49.9	47.9	47.8
Japanese bonds	10.5	10.8	10.7	11.0	11.3	11.1	11.2	11.1	11.4
Foreign bonds	4.3	4.3	4.3	4.3	4.4	4.5	4.8	4.9	5.0
Stock investment trusts	5.7	6.1	6.5	6.8	6.9	7.1	7.0	6.5	6.4
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	1.1	1.1	1.1	1.1	1.2	1.1	1.1	1.2	1.4
Total	67.0	70.7	75.3	75.0	77.7	75.5	75.1	72.8	73.3
Daiwa Next Bank deposit balance	4.0	4.2	4.4	4.2	4.2	4.3	4.1	4.1	4.1

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

※ ETFs are recorded in 'Equity'.

Number of Accounts and Equity Trading

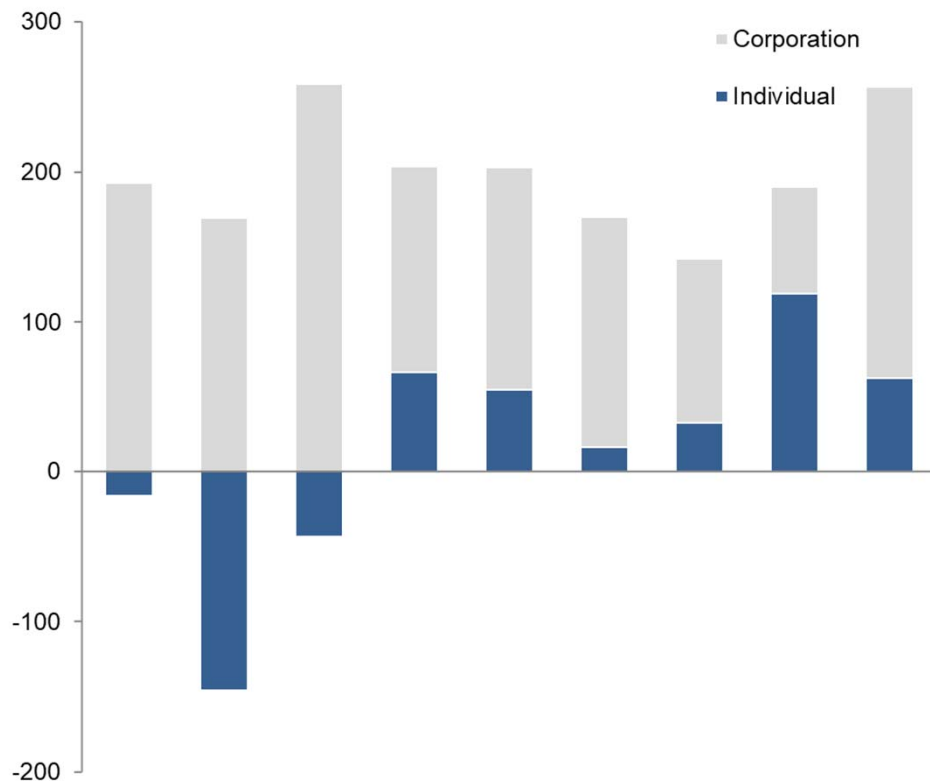
	FY2020			FY2021				FY2022	
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Accounts with balance (thousands)	3,019	3,010	3,034	3,023	3,031	3,024	3,038	3,033	3,041
Accounts holding equity (thousands)	1,461	1,453	1,445	1,450	1,447	1,456	1,458	1,462	1,463
Online trading accounts (thousands)	3,397	3,411	3,446	3,460	3,477	3,492	3,506	3,517	3,532
Newly opened accounts (thousands)	36	35	41	34	37	31	29	29	33
NISA accounts* (thousands)	868	866	866	864	863	862	863	652	653
Wrap account service (end of quarter)									
Contract assets under management (¥ billions)	2,318	2,430	2,574	2,701	2,789	2,925	2,957	2,926	2,950
Number of customers (thousands)	140	137	137	139	140	142	144	147	150
Contracts and trading value for individual investors at Daiwa Securities (Japanese Equity)									
Total number of contracts (thousands)	2,606	2,908	3,416	2,542	2,511	2,590	2,541	2,211	2,219
<i>Online out of total (thousands)</i>	2,328	2,537	2,998	2,237	2,202	2,260	2,255	1,984	1,986
Total trading value (¥ billions)	2,447	2,990	3,704	2,801	2,997	3,007	2,857	2,302	2,415
<i>Online out of total (¥ billions)</i>	1,899	2,159	2,708	2,054	2,094	2,086	2,004	1,680	1,761
Foreign equity trading value (Retail)									
Trading value (¥ billions)	377	403	383	367	381	400	204	154	117

* Excludes deemed closed accounts from FY2022.
Includes Junior NISA.

Net Asset Inflow

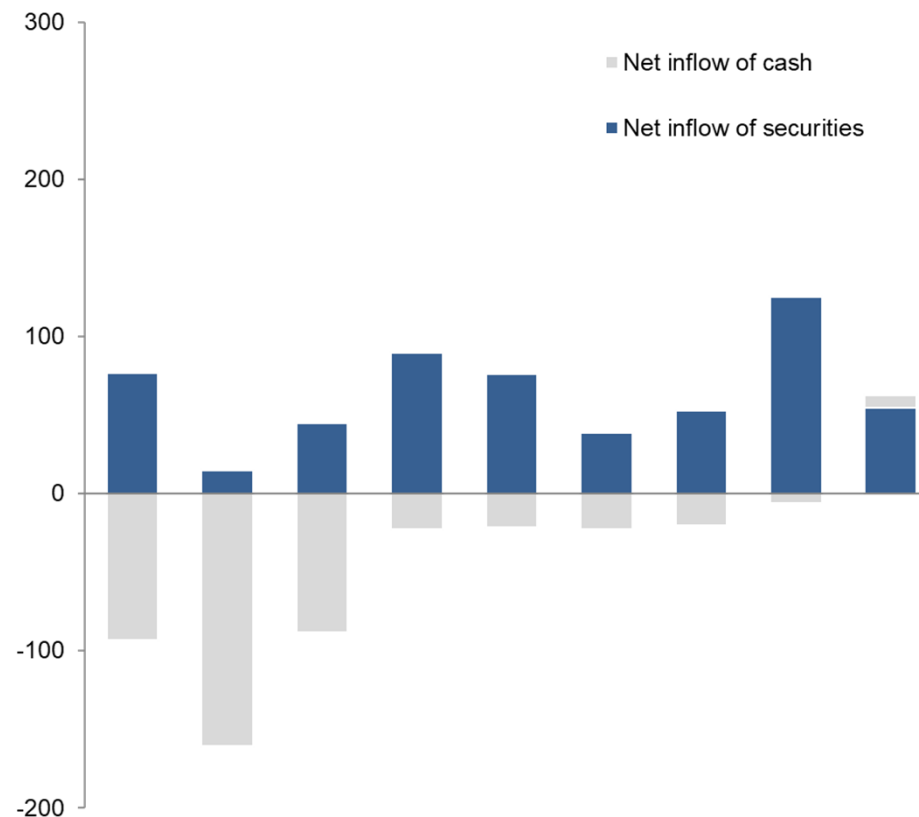


Retail Division (Daiwa Securities) Net Asset Inflow*



(¥ Billions)	FY2020			FY2021				FY2022	
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Corporation	192.4	169.2	258.8	137.2	148.9	153.8	109.7	71.5	194.5
Individual	-16.3	-145.8	-43.3	66.5	54.2	15.9	32.2	118.8	62.4
Total	176.1	23.3	215.4	203.7	203.2	169.7	141.9	190.3	257.0

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



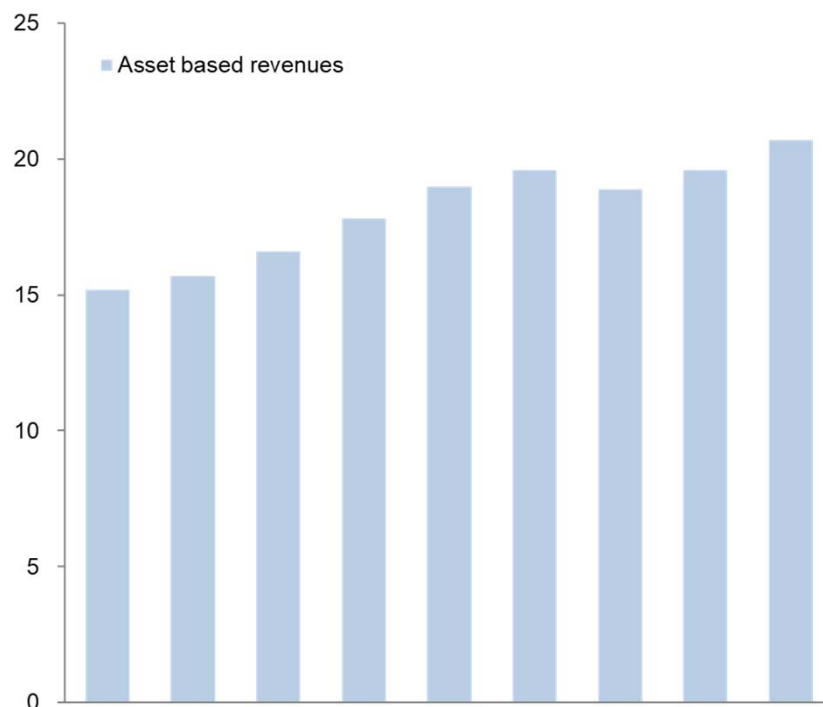
(¥ Billions)	FY2020			FY2021				FY2022	
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Net inflow of cash	-92.9	-160.7	-88.1	-22.8	-21.6	-22.9	-20.3	-6.4	7.6
Net inflow of securities	76.6	14.8	44.7	89.3	75.8	38.8	52.5	125.2	54.8
Total	-16.3	-145.8	-43.3	66.5	54.2	15.9	32.2	118.8	62.4

* Net asset inflow = net inflow of cash and securities.

Asset Based Revenues



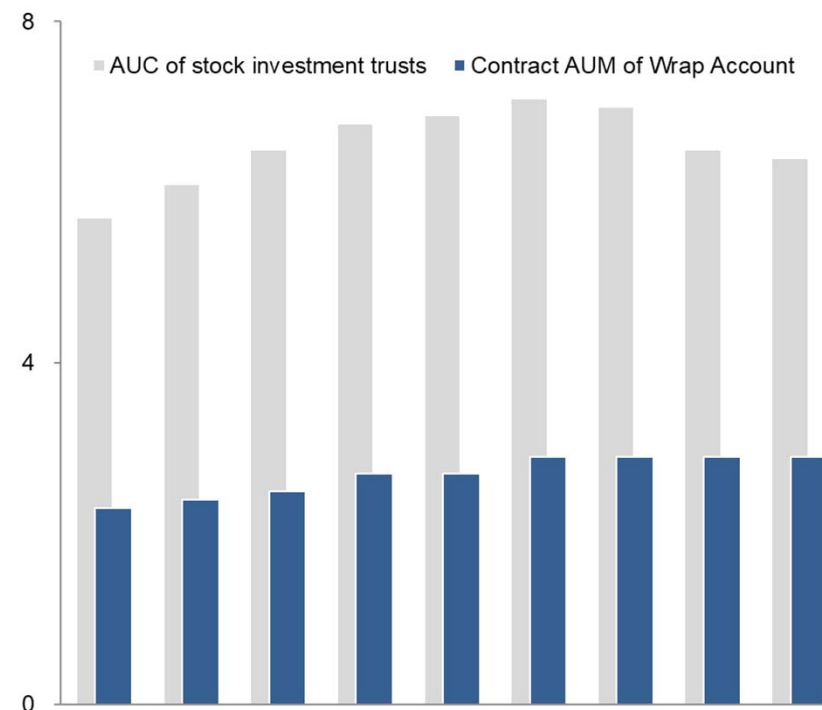
Asset Based Revenues



(¥ Billions)	FY2020			FY2021				FY2022	
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Net operating revenues in Retail Division (Daiwa Securities)	39.5	43.2	48.1	46.2	48.3	48.6	41.2	39.4	40.1
Asset based revenues	15.2	15.7	16.6	17.8	19.0	19.6	18.9	19.6	20.7
Asset based revenue ratio	38.6%	36.5%	34.6%	38.6%	39.5%	40.4%	46.1%	49.7%	51.6%

* 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)	FY2020			FY2021				FY2022	
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
AUC of stock investment trusts	5.7	6.1	6.5	6.8	6.9	7.1	7.0	6.5	6.4
Contract AUM of Wrap Account	2.3	2.4	2.5	2.7	2.7	2.9	2.9	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)
FY2022 2Q League Table							
1st	Mitsubishi UFJMS	Nomura	Mizuho	Daiwa	Nomura	Mitsubishi UFJMS	Nomura
	28.5%	23.8%	26.8%	29.3%	24.7%	28.5%	
2nd	JPMorgan	Daiwa	Nomura	Nomura	Mitsubishi UFJMS	Nomura	SMFG
	27.7%	23.3%	24.9%	27.6%	19.4%	20.7%	
3rd	Mizuho	SMBC Nikko	Daiwa	Mizuho	Mizuho	Mizuho	Mizuho
	14.8%	17.7%	24.3%	26.6%	18.9%	20.7%	
4th	Nomura	Mizuho	Mitsubishi UFJMS	Mitsubishi UFJMS	Daiwa	SMBC Nikko	Daiwa
	13.2%	11.6%	15.7%	11.2%	16.7%	15.6%	
5th	SMBC Nikko	SBI	Tokai Tokyo	Barclays	SMBC Nikko	Daiwa	Morgan Stanley
	9.5%	7.8%	2.6%	1.2%	6.7%	14.4%	
6th	Daiwa						
	5.3%						

Source: Compiled by Daiwa Securities based on REFINITIV April 2022 – September 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.

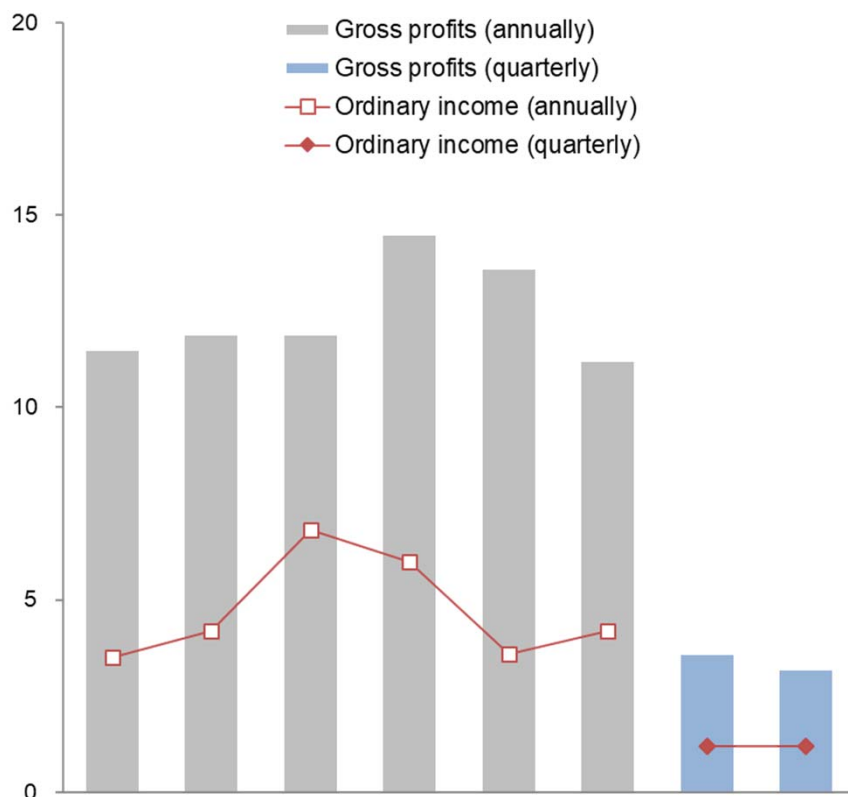
M&A is compiled by Daiwa Securities based on Mergermarket

Financial Summary

(¥ Millions)	FY2021			FY2022		% Change vs 1Q/FY22	% Change vs 2Q/FY21	FY2021 1H	FY2022 1H	% Change vs 1H/FY21	FY2021
	2Q	3Q	4Q	1Q	2Q						
Operating revenues	19,044	19,328	18,249	18,379	17,828	-3.0%	-6.4%	37,371	36,208	-3.1%	74,948
Management fee	18,925	19,206	18,120	18,241	17,684	-3.1%	-6.6%	37,076	35,926	-3.1%	74,403
<i>Stock investment trust</i>	18,838	19,114	18,034	18,166	17,609	-3.1%	-6.5%	36,913	35,776	-3.1%	74,062
<i>Bond investment trust</i>	87	91	85	74	75	0.5%	-13.9%	162	149	-7.9%	340
Other operating revenues	118	122	128	138	143	3.5%	21.1%	294	281	-4.5%	545
SG&A	14,070	14,570	13,855	14,004	13,821	-1.3%	-1.8%	27,970	27,825	-0.5%	56,397
Commission paid	8,009	8,026	7,500	7,503	7,584	1.1%	-5.3%	15,707	15,088	-3.9%	31,234
Other SG&A	6,060	6,544	6,355	6,500	6,237	-4.1%	2.9%	12,262	12,737	3.9%	25,163
Operating income	4,973	4,757	4,393	4,375	4,006	-8.4%	-19.4%	9,400	8,382	-10.8%	18,551
Ordinary income	5,017	5,081	4,466	4,720	3,966	-16.0%	-21.0%	9,540	8,686	-8.9%	19,089
Net income	3,280	3,496	2,833	2,984	2,520	-15.5%	-23.1%	6,407	5,505	-14.1%	12,738

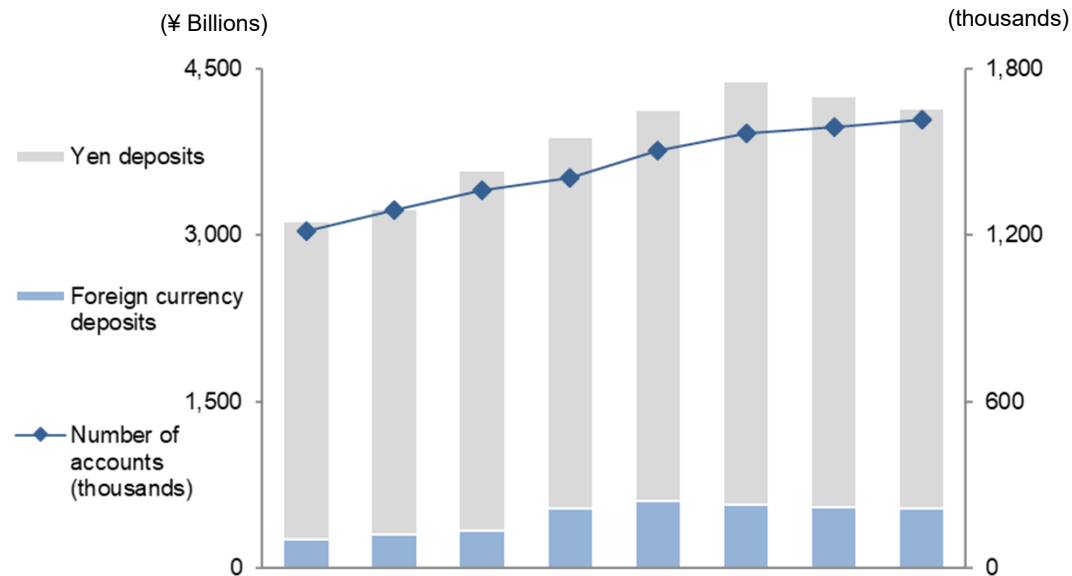
Earnings and Deposit Balance

Gross Profits / Ordinary Income



(¥ Billions)	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	
							1Q	2Q
Gross profits	11.5	11.9	14.5	13.6	11.2	12.5	3.7	3.2
Ordinary income	3.5	4.2	6.8	6.0	3.6	4.2	1.2	1.2

Daiwa Next Bank Deposit Balance & Number of Accounts



(¥ Billions)	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	
							1Q	2Q
Ordinary deposits	1,653	1,756	1,610	1,873	2,224	2,163	2,125	2,085
Time deposits	1,480	1,746	1,953	2,067	2,171	2,005	1,997	2,021
Negotiable certificate of deposits / Other	59	53	115	122	35	29	29	33
Deposit balance	3,193	3,556	3,678	4,062	4,430	4,197	4,151	4,140
Foreign currency deposits	253	300	331	539	606	569	551	538
Number of accounts (thousands)	1,213	1,289	1,364	1,405	1,505	1,569	1,589	1,618

*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)	FY2020			FY2021				FY2022	
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
VaR (Quarter end)	1.21	1.20	1.18	1.59	1.74	1.95	1.92	1.35	1.07
High	1.43	1.89	1.62	1.83	2.07	2.58	2.37	1.96	1.52
Low	0.90	0.94	1.05	0.82	1.35	1.43	1.55	0.99	0.94
Average	1.11	1.35	1.35	1.37	1.64	1.90	1.90	1.54	1.13
By risk factors (Quarter end)									
Equity	0.33	0.37	0.40	0.25	0.41	0.24	0.40	0.27	0.18
Interest	0.97	1.16	1.22	0.66	1.28	1.29	1.20	0.86	1.00
Currency	0.29	0.41	0.31	0.45	0.49	0.48	0.51	0.22	0.39
Commodities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Number of Group Employees

	FY2020			FY2021				FY2022	
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Total	15,958	15,735	15,514	15,637	15,432	15,209	15,119	15,363	15,226
Overseas	1,975	1,998	2,003	1,990	2,009	1,987	2,031	2,048	2,030

- Number of employees as at the end of each quarter.
- * Total figures are the sum of consolidated group companies.
- * Figures include temporary staff.
- * Retroactive adjustment to exclude temporary staff with short-term employment.

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