

Daiwa Securities Group Inc.

3Q FY2022 Earnings Announcement

January 30, 2023

Daiwa Securities Group Inc.

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Highlights (3Q/FY2022, YoY)

Both net operating revenues and ordinary income decreased YoY.

Consolidated earnings results	FY2022 1Q-3Q	FY2021 1Q-3Q	% Changes vs 1Q-3Q/FY2021
Net operating revenues	¥338.4 bn	¥390.3 bn	-13.3%
Ordinary income	¥56.1 bn	¥112.4 bn	-50.1%
Profit attributable to owners of parent	¥46.7 bn	¥76.9 bn	-39.2%

- Retail Division decreased in both operating revenues and ordinary income due to a decrease in revenues from customer order flow, but secured ordinary income of ¥19.6 bn led by steady progress in shifting to wealth management business model and cost reduction.
 - Contract amount of wrap account service is ¥434.5 bn and net inflow expanded to ¥225.4 bn, the highest level in seven years. Contract AUM hit a record high of ¥2.97 tn.*
- For Wholesale Division, ordinary income for Global Markets and Global Investment Banking deteriorated due to a decrease in client activities as a result of uncertain market condition.
- Asset Management Division maintained the same level as last year.
 - In securities asset management, net inflow of publicly offered stock investment trusts (excluding ETF) was ¥403.0 bn, the highest level in seven years.
 - Real estate asset management reached a record high in net operating revenues and ordinary income.**
- In Investment Division, ordinary income jumped 2.1 times YoY led by revenue expansion from private equity investment and renewable energy investment.
- Overseas operations recorded black in all areas, and ordinary income was up 2.1 times YoY.

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

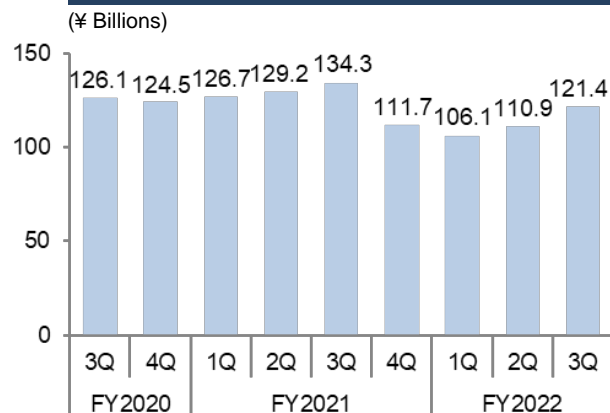
Summary (3Q/FY2022, QoQ)

Both net operating revenues and ordinary income increased.
Ordinary income is ¥23.1 bn, increase of 56.0% QoQ.

Consolidated earnings results	FY2022 3Q	FY2022 2Q	% Changes vs 2Q/FY2022
Net operating revenues	¥121.4 bn	¥110.9 bn	+9.5%
Ordinary income	¥23.1 bn	¥14.8 bn	+56.0%
Profit attributable to owners of parent	¥15.2 bn	¥19.5 bn	-21.9%

- For Retail Division, both net operating revenues and ordinary income increased due to an increase in transaction-based revenues such as equity revenues and fixed income revenues, as well as an increase in wrap-related revenues(asset-based revenues).
- For Wholesale Division, Global Markets improved QoQ driven by an increase in FICC revenue. Global Investment Banking increased in both net operating revenues and ordinary income.
- Annualized ROE: 4.3%

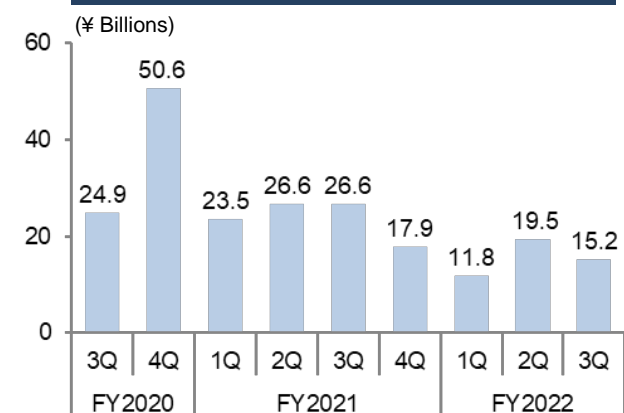
Net Operating Revenues



Ordinary Income



Profit Attributable to Owners of Parent



Financial Summary

(¥ Millions)	FY2021		FY2022			% Change vs 2Q/FY22	% Change vs 3Q/FY21	FY2021	FY2022	% Change vs 1Q-3Q/FY21	FY2021
	3Q	4Q	1Q	2Q	3Q			1Q-3Q	1Q-3Q		
Operating revenues	166,599	148,333	146,640	192,552	233,036	21.0%	39.9%	471,138	572,229	21.5%	619,471
Net operating revenues	134,374	111,776	106,122	110,933	121,433	9.5%	-9.6%	390,317	338,488	-13.3%	502,093
SG&A	98,323	94,817	97,274	98,942	99,913	1.0%	1.6%	291,741	296,130	1.5%	386,559
Ordinary income	40,561	23,340	18,085	14,855	23,170	56.0%	-42.9%	112,481	56,112	-50.1%	135,821
Profit (loss) attributable to owners of parent	26,698	17,989	11,878	19,576	15,295	-21.9%	-42.7%	76,902	46,750	-39.2%	94,891
Total assets	26,415,274	27,531,089	28,747,174	31,461,475	28,115,421			26,415,274	28,115,421		27,531,089
Net assets	1,600,496	1,639,888	1,668,661	1,697,428	1,657,832			1,600,496	1,657,832		1,639,888
Shareholders' equity*	1,331,188	1,373,282	1,400,590	1,428,464	1,388,380			1,331,188	1,388,380		1,373,282
EPS (¥)	17.90	12.13	8.01	13.24	10.52			50.86	31.75		63.06
BPS (¥)	897.76	925.81	943.71	971.62	955.66			897.76	955.66		925.81
ROE (Annualized)	8.0%	5.3%	3.4%	5.5%	4.3%			7.7%	4.5%		7.0%

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

Consolidated Segment Summary

(¥ Millions)

Net operating revenues	FY2021		FY2022			% Change vs 2Q/FY22	% Change vs 3Q/FY21	FY2021	FY2022	% Change vs 1Q-3Q/FY21	FY2021
	3Q	4Q	1Q	2Q	3Q			1Q-3Q	1Q-3Q		
Retail	49,783	42,085	40,393	41,187	42,203	2.5%	-15.2%	146,794	123,785	-15.7%	188,879
Wholesale	53,478	44,999	35,965	38,853	42,727	10.0%	-20.1%	150,864	117,547	-22.1%	195,863
<i>Global Markets</i>	35,892	34,210	24,491	25,280	27,923	10.5%	-22.2%	100,142	77,695	-22.4%	134,353
<i>Global Investment Banking</i>	17,586	10,788	11,474	13,573	14,804	9.1%	-15.8%	50,721	39,852	-21.4%	61,510
Asset Management	18,259	17,760	18,605	16,943	17,276	2.0%	-5.4%	53,291	52,825	-0.9%	71,052
<i>Securities Asset Management</i>	11,632	11,233	11,306	10,715	10,514	-1.9%	-9.6%	34,117	32,536	-4.6%	45,351
<i>Real Estate Asset Management</i>	6,627	6,526	7,299	6,227	6,762	8.6%	2.0%	19,174	20,289	5.8%	25,701
Investments	3,159	4,115	3,689	1,918	3,791	97.7%	20.0%	6,940	9,399	35.4%	11,055
Other/Adjustments	9,692	2,815	7,466	12,029	15,434	-	-	32,426	34,931	-	35,242
Consolidated total	134,374	111,776	106,122	110,933	121,433	9.5%	-9.6%	390,317	338,488	-13.3%	502,093

Ordinary income	FY2021		FY2022			% Change vs 2Q/FY22	% Change vs 3Q/FY21	FY2021	FY2022	% Change vs 1Q-3Q/FY21	FY2021
	3Q	4Q	1Q	2Q	3Q			1Q-3Q	1Q-3Q		
Retail	12,703	6,702	6,298	6,151	7,164	16.5%	-43.6%	35,104	19,614	-44.1%	41,807
Wholesale	16,593	10,411	-2,672	-549	2,435	-	-85.3%	40,539	-786	-	50,951
<i>Global Markets</i>	11,296	10,375	-2,073	-1,481	227	-	-98.0%	27,925	-3,327	-	38,301
<i>Global Investment Banking</i>	4,840	-736	-1,155	733	1,924	162.3%	-60.2%	11,429	1,502	-86.9%	10,693
Asset Management	11,294	11,201	11,173	10,785	10,569	-2.0%	-6.4%	34,052	32,528	-4.5%	45,253
<i>Securities Asset Management</i>	5,681	5,317	5,309	4,594	4,195	-8.7%	-26.2%	16,677	14,098	-15.5%	21,995
<i>Real Estate Asset Management</i>	5,612	5,883	5,863	6,191	6,374	2.9%	13.6%	17,374	18,430	6.1%	23,258
Investments	1,728	4,103	4,483	788	1,233	56.4%	-28.7%	3,089	6,505	110.6%	7,192
Other/Adjustments	-1,757	-9,078	-1,196	-2,320	1,768	-	-	-304	-1,748	-	-9,382
Consolidated total	40,561	23,340	18,085	14,855	23,170	56.0%	-42.9%	112,481	56,112	-50.1%	135,821

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

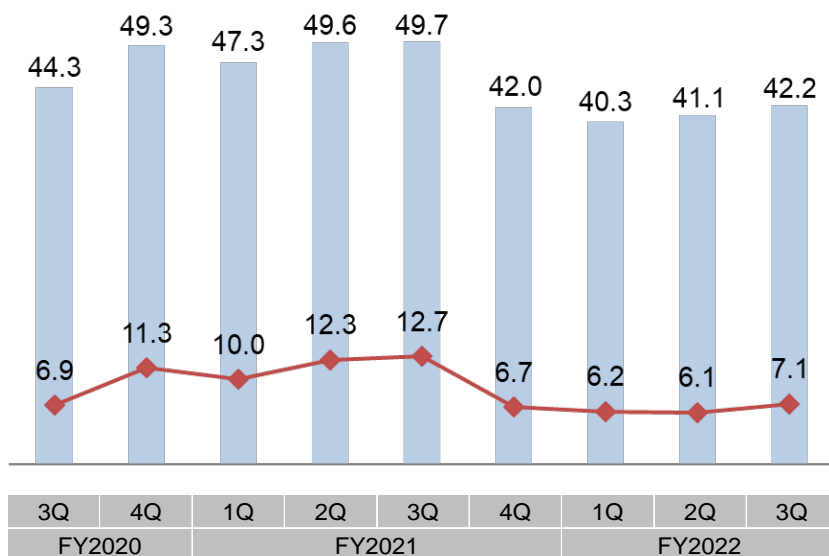
Segment Summary



Net operating revenues Ordinary income

Retail Division

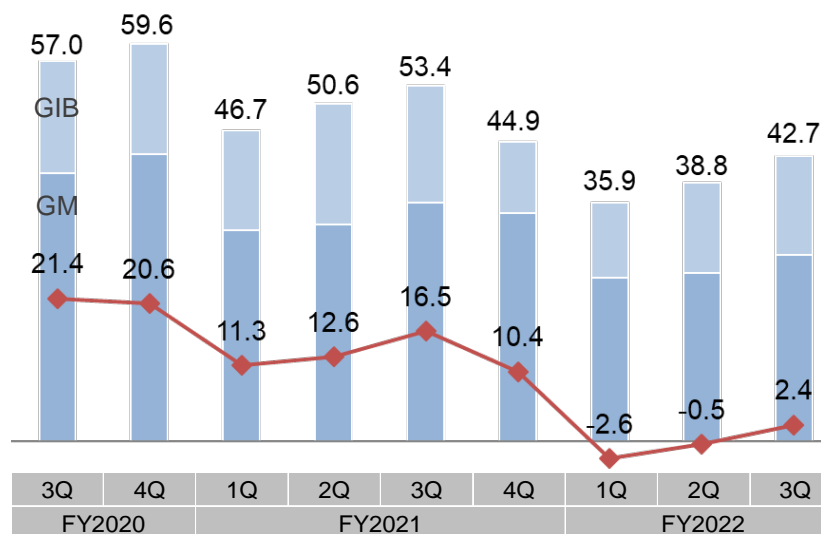
(¥ Billions)



Wholesale Division

(¥ Billions)

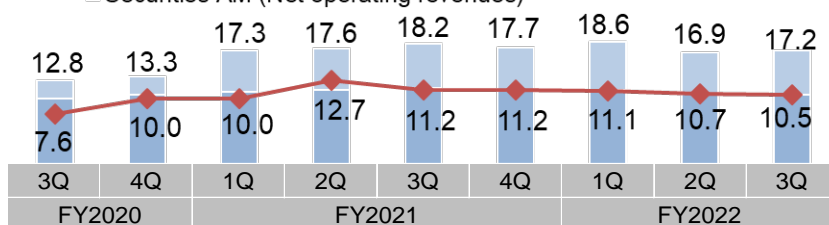
Global Investment Banking (Net operating revenues)
Global Markets (Net operating revenues)



Asset Management Division

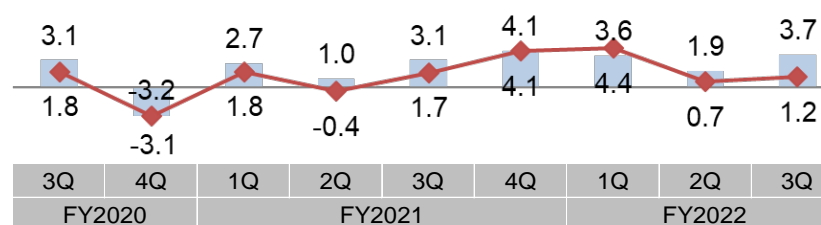
(¥ Billions)

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



Investment Division

(¥ Billions)



Consolidated B/S Summary

Consolidated Balance Sheet (December 31, 2022)

(¥ Billions)

Current assets	26,579	(569)	Current liabilities	23,360	(415)
Cash and deposits	4,465	(-126)	Trading products	5,606	(660)
Short-term investment securities	1,037	(-140)	Trading securities and other	3,101	(153)
Trading products	8,325	(320)	<i>Stocks, Convertible bonds</i>	111	(-68)
Trading securities and other	5,540	(-379)	<i>Bonds</i>	2,943	(329)
<i>Stocks, Convertible bonds</i>	155	(-22)	<i>Other</i>	47	(-107)
<i>Bonds</i>	4,661	(-361)	Derivatives transactions	2,504	(506)
<i>Beneficiary certificates</i>	48	(-67)	Loans payable secured by securities	9,685	(221)
<i>Other</i>	675	(72)	Deposits for banking business	4,135	(-53)
Derivatives transactions	2,784	(699)	Short-term loans payable	1,098	(-1,056)
Operational investment securities	142	(18)	Current portion of bonds	509	(62)
(after allowance for possible investment losses)					
Loans secured by securities	8,886	(491)			
Non-current assets	1,536	(14)	Long-term liabilities	3,093	(151)
Property, plant and equipment	925	(11)	Bonds payable	1,325	(-238)
Intangible assets	123	(1)	Long-term loans payable	1,626	(389)
Investments and other assets	487	(1)	Total liabilities	26,457	(566)
Listed stocks	113	(-6)	Net assets	1,657	(17)
Unlisted stocks	26	(-2)	Owners' equity	1,275	(-11)
Affiliated company stocks, etc.	167	(11)	Accumulated other comprehensive income	113	(26)
Other	181	(-1)	Non-controlling interests	260	(3)
Total Assets	28,115	(584)	Total liabilities and net assets	28,115	(584)

Total assets: ¥28.11 tn

Net assets: ¥1.65 tn

Shareholders' equity:** ¥1.38 tn

- 80.8% of total assets have high liquidity*.

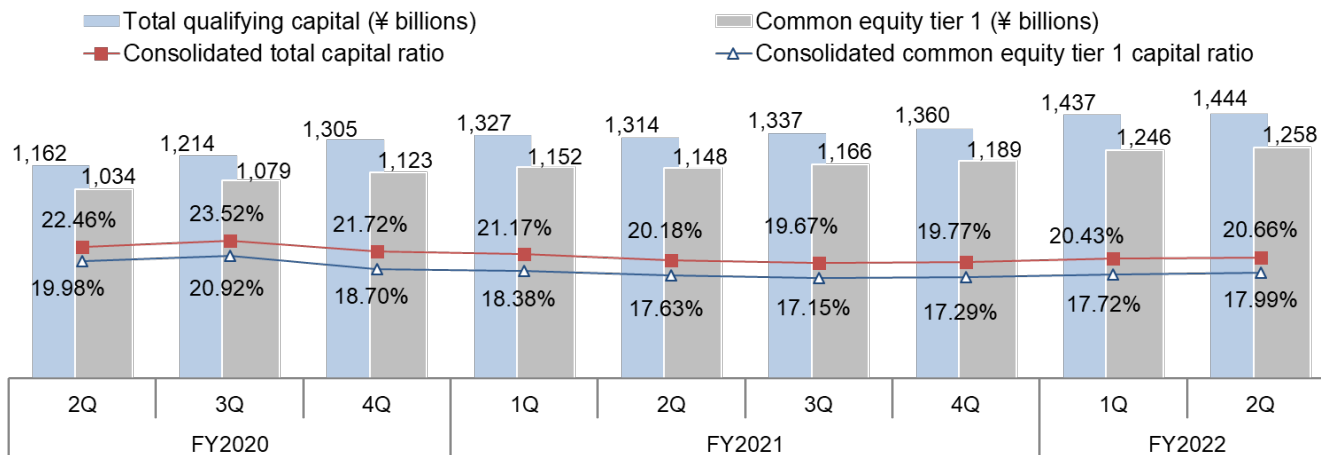
* Cash and deposits + Short-term investment securities + Trading products + Loans secured by securities

- Shareholders' equity** increased by ¥15.0 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



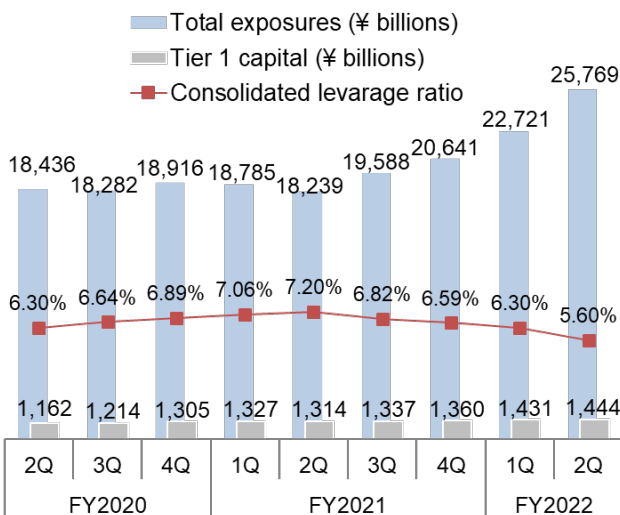
【Regulatory Capital (Basel III)】

(As at September 30, 2022)

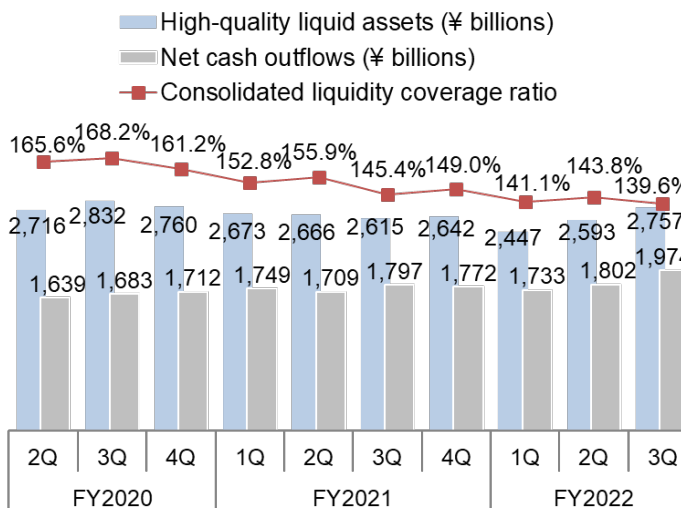
- Consolidated Total Capital Ratio : 20.66%
- Consolidated Tier 1 Capital Ratio : 20.65%
- Consolidated Common Equity Tier 1 Capital Ratio : 17.99%
- Consolidated Leverage Ratio : 5.60%

※ Figures are as at the end of each quarter.

Consolidated Leverage Ratio



Consolidated Liquidity Coverage Ratio



【Regulatory Liquidity (Basel III)】

(Daily average Oct. – Dec. 2022)

- Consolidated Liquidity Coverage Ratio : 139.6%

Consolidated P/L Summary



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

¥ Millions)	FY2021		FY2022			% Change vs 2Q/FY22	% Change vs 3Q/FY21	FY2021 1Q-3Q	FY2022 1Q-3Q	% Change vs 1Q-3Q/FY21	FY2021
	3Q	4Q	1Q	2Q	3Q						
Operating revenues	166,599	148,333	146,640	192,552	233,036	21.0%	39.9%	471,138	572,229	21.5%	619,471
Commission received	84,490	69,267	67,004	70,506	69,588	-1.3%	-17.6%	244,783	207,100	-15.4%	314,051
Net trading income	28,544	20,837	15,594	18,441	22,324	21.1%	-21.8%	80,684	56,361	-30.1%	101,522
Net gain (loss) on private equity	1,037	2,403	2,544	-1,523	1,735	-	67.3%	3,644	2,755	-24.4%	6,048
Financial revenue	17,687	18,408	34,836	66,607	110,885	66.5%	526.9%	57,570	212,329	268.8%	75,978
Other operating revenue	34,840	37,415	26,659	38,519	28,502	-26.0%	-18.2%	84,454	93,681	10.9%	121,870
Financial expenses	10,225	11,562	23,556	52,486	91,027	73.4%	790.2%	33,151	167,071	404.0%	44,714
Other operating expenses	21,999	24,994	16,961	29,132	20,574	-29.4%	-6.5%	47,668	66,669	39.9%	72,663
Net operating revenues	134,374	111,776	106,122	110,933	121,433	9.5%	-9.6%	390,317	338,488	-13.3%	502,093
SG&A	98,323	94,817	97,274	98,942	99,913	1.0%	1.6%	291,741	296,130	1.5%	386,559
Operating income	36,050	16,958	8,847	11,990	21,519	79.5%	-40.3%	98,575	42,358	-57.0%	115,534
Non-operating income	4,511	6,381	9,237	2,864	1,650	-42.4%	-63.4%	13,905	13,753	-1.1%	20,287
Ordinary income/loss	40,561	23,340	18,085	14,855	23,170	56.0%	-42.9%	112,481	56,112	-50.1%	135,821
Extraordinary income/loss	300	2,234	2,094	9,499	693	-92.7%	130.5%	3,609	12,288	240.4%	5,844
Income before income taxes	40,862	25,574	20,180	24,355	23,864	-2.0%	-41.6%	116,091	68,400	-41.1%	141,666
Total income taxes	11,846	5,342	5,524	2,609	6,330	142.6%	-46.6%	32,178	14,464	-55.0%	37,521
Profit (loss) attributable to owners of parent	26,698	17,989	11,878	19,576	15,295	-21.9%	-42.7%	76,902	46,750	-39.2%	94,891

- Commission received decreased (-1.3%).
- Brokerage commission* was ¥16.6 bn (+3.5%).
- Underwriting and secondary offering commissions* were ¥7.6 bn (+21.6%).
- Distribution commission* was ¥2.5 bn (-15.2%).
- M&A related commission* was ¥6.3 bn (-31.9%).

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

- Net trading income increased driven by an increase in FICC revenue (+21.1%).

Breakdown of SG&A

(¥ Millions)	FY2021		FY2022			% Change vs 2Q/FY22	% Change vs 3Q/FY21	FY2021 1Q-3Q	FY2022 1Q-3Q	% Change vs 1Q-3Q/FY21	FY2021
	3Q	4Q	1Q	2Q	3Q						
SG&A	98,323	94,817	97,274	98,942	99,913	1.0%	1.6%	291,741	296,130	1.5%	386,559
Trading related expenses	16,393	15,815	17,409	18,006	18,147	0.8%	10.7%	46,772	53,563	14.5%	62,588
Personnel expenses	50,036	47,726	49,116	48,776	50,192	2.9%	0.3%	151,063	148,084	-2.0%	198,790
Real estate expenses	9,524	9,644	9,704	9,764	9,747	-0.2%	2.3%	27,999	29,216	4.3%	37,643
Office cost	6,406	6,399	6,178	6,260	6,478	3.5%	1.1%	18,340	18,917	3.1%	24,740
Depreciation	8,753	8,513	8,623	8,770	8,584	-2.1%	-1.9%	26,298	25,979	-1.2%	34,811
Taxes and dues	2,949	2,292	2,283	2,764	2,431	-12.0%	-17.6%	8,386	7,479	-10.8%	10,678
Other	4,259	4,425	3,957	4,600	4,330	-5.9%	1.7%	12,881	12,889	0.1%	17,306

- SG&A increased (+1.0%).
- Personnel expense increased (+2.9%) as performance-linked bonuses rose.
- Office cost increased (+3.5%) due to increase in system related office expense.

Cost Structure

(¥ Billions)	FY2020			FY2021					FY2022		
	3Q	4Q	1Q-4Q	1Q	2Q	3Q	4Q	1Q-4Q	1Q	2Q	3Q
Total SG&A	94.2	99.9	373.8	94.8	98.5	98.3	94.8	386.5	97.2	98.9	99.9
Variable costs	35.5	38.5	136.7	35.6	38.0	37.9	34.3	146.0	35.8	35.2	37.1
Trading related expenses	14.7	15.1	57.6	15.2	15.1	16.3	15.8	62.5	17.4	18.0	18.1
<i>Advertising and promotion expenses</i>	2.0	1.6	6.9	1.6	1.7	1.8	1.5	6.9	1.8	1.8	1.9
Bonus and others	15.0	17.5	56.3	14.7	16.7	15.7	12.6	59.7	13.0	11.4	13.1
Overtime, part-time	1.9	1.8	7.7	1.7	1.6	1.7	1.6	6.7	1.5	1.5	1.6
Fixed costs	58.7	61.4	237.0	59.1	60.5	60.3	60.4	240.4	61.4	63.6	62.7
Personnel expenses	31.7	32.9	128.5	32.6	33.3	32.5	33.4	131.9	34.4	35.7	35.3
Real estate expenses	9.4	10.1	38.4	9.1	9.3	9.5	9.6	37.6	9.7	9.7	9.7
Depreciation	8.4	8.6	33.9	8.7	8.7	8.7	8.5	34.8	8.6	8.7	8.5
Office expenses	5.9	5.9	23.4	5.4	6.0	6.1	6.1	23.8	5.9	6.0	6.2
Taxes and dues	2.7	3.4	11.4	2.8	2.5	2.9	2.2	10.6	2.2	2.7	2.4

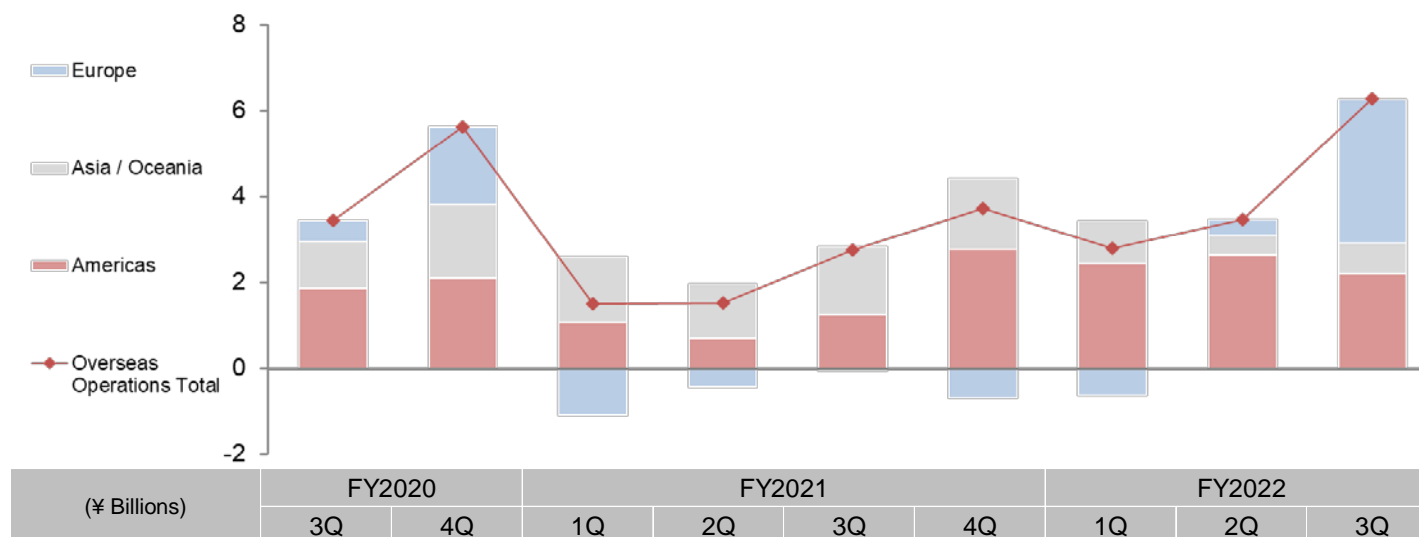
Ordinary Income of Overseas Operations

(¥ Millions)	FY2021		FY2022			% Change vs 2Q/FY22	% Change vs 3Q/FY21	FY2021 1Q-3Q	FY2022 1Q-3Q	% Change vs 1Q-3Q/FY21	FY2021
	3Q	4Q	1Q	2Q	3Q						
Overseas Operations Total	2,764	3,723	2,800	3,470	6,273	80.8%	126.9%	5,801	12,544	116.2%	9,525
Europe	-62	-689	-637	383	3,360	775.8%	-	-1,581	3,107	-	-2,270
Asia / Oceania	1,576	1,631	1,003	439	711	61.8%	-54.9%	4,354	2,154	-50.5%	5,986
Americas	1,250	2,781	2,434	2,647	2,201	-16.8%	76.0%	3,027	7,283	140.6%	5,809

Overseas operations stayed in the black for 27 consecutive quarters.

- In Europe, in addition to increase in Japan-related primary revenue, gains on the sale of equity in ESG-related funds contributed to secure a high level of profit.
- Asia / Oceania increased ordinary income due to an increase in primary revenue on top of contribution of wealth management business.
- In Americas, revenues in FICC continued to be strong while M&A revenues slowed, resulting to a decrease in ordinary income.

Ordinary Income

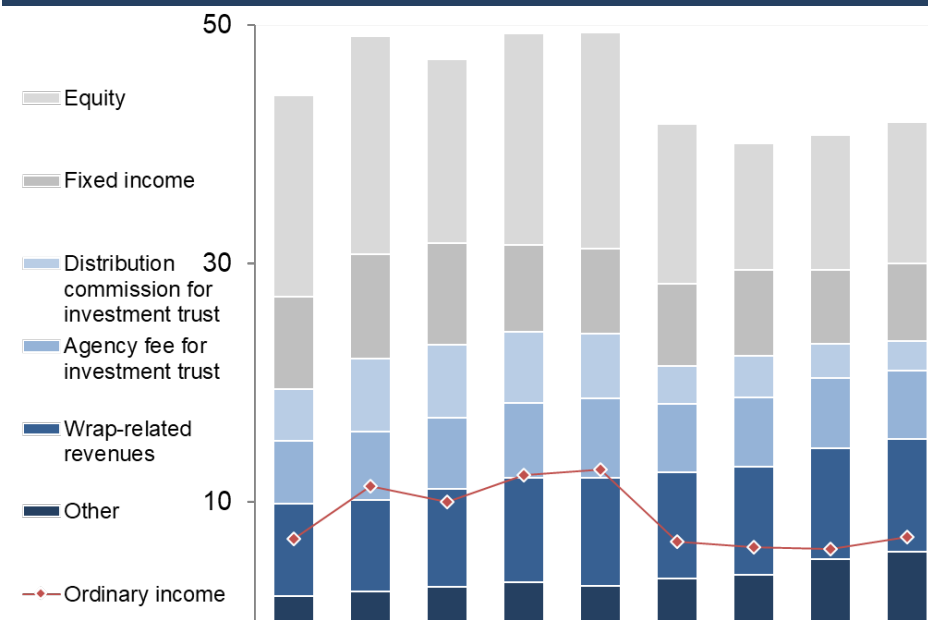


Retail Division

(¥ Millions)	FY2022 3Q	% Change vs 2Q/FY22	FY2022 1Q-3Q	% Change vs 1Q-3Q/FY21
Net operating revenues	42,203	2.5%	123,785	-15.7%
Ordinary income	7,164	16.5%	19,614	-44.1%

- Equity revenues increased as Japanese equity trading rebounded.
- Fixed income revenues increased due to increase in sales of Japanese bonds.
- Distribution commission for investment trust declined due to a decrease in stock investment trust sales. Agency fee for investment trust decreased due to decrease in AUM.
- Wrap-related revenues increased as contract AUM increased.
- Asset based revenues were ¥20.6 bn.
(50.5% 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		
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Equity	16.9	18.3	15.5	17.7	18.1	13.4	10.6	11.3	11.9
Fixed income	7.7	8.8	8.5	7.3	7.2	6.9	7.2	6.2	6.5
Distribution commission for investment trust	4.4	6.1	6.1	6.0	5.4	3.2	3.5	2.9	2.5
Agency fee for investment trust	5.2	5.7	6.0	6.3	6.7	5.7	5.8	5.9	5.7
Wrap-related revenues	7.8	7.7	8.2	8.7	9.0	8.9	9.1	9.3	9.5
Other	2.1	2.5	2.9	3.3	3.0	3.6	3.9	5.2	5.8
Net operating revenues	44.3	49.3	47.3	49.6	49.7	42.0	40.3	41.1	42.2
Ordinary income	6.9	11.3	10.0	12.3	12.7	6.7	6.2	6.1	7.1

Retail Division Daiwa Securities

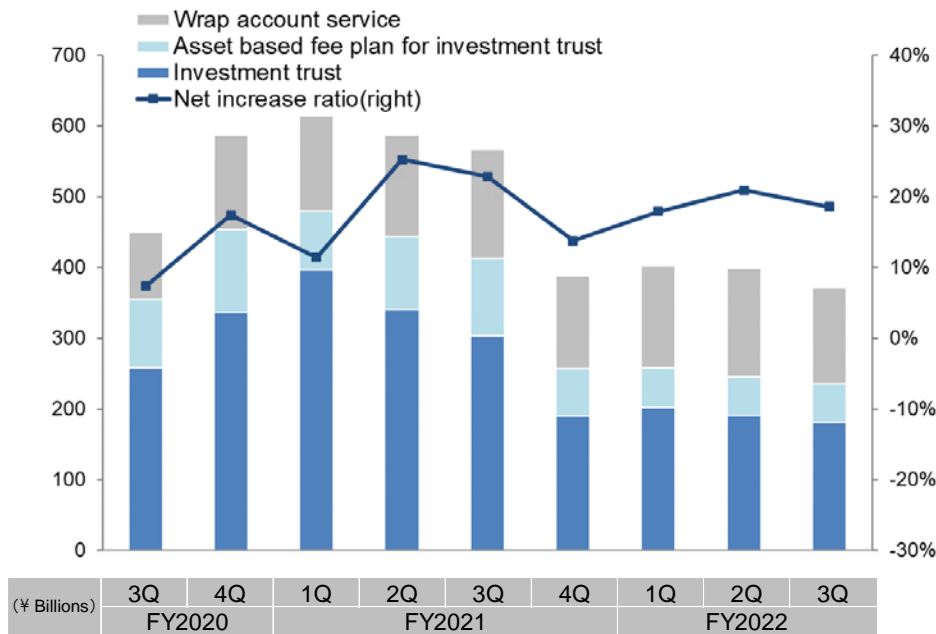
【Wrap Account Service*】

- Contract amount of ¥137.1 bn and net inflow of ¥59.4 bn.

【Stock Investment Trusts】

- Steady sales of inbound-related Japanese equity funds and fund which invests in global undervalued growth stocks.

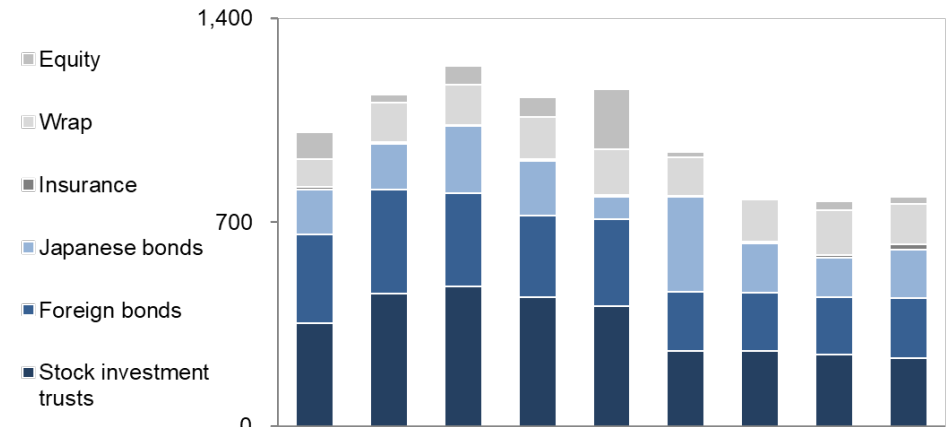
Sales/Distribution Amount and Net Increase Ratio Wrap Account Service* and Stock Investment Trusts



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

※ Includes switching transactions between funds.

Sales and Distribution Amount by Product



(¥ Billions)	FY2020		FY2021				FY2022		
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Equity	93.0	28.9	66.8	67.1	206.9	19.2	6.2	31.3	25.9
Wrap*	95.5	133.8	135.7	144.6	154.0	131.5	144.6	152.7	137.1
Insurance**	7.8	8.3	4.8	6.6	7.4	5.0	6.2	11.3	20.1
Japanese bonds	153.1	156.3	231.2	185.8	78.4	325.7	167.9	135.2	166.0
Foreign bonds***	305.5	358.0	320.0	281.1	296.2	203.8	200.4	196.0	203.8
Stock investment trusts****	353.8	453.8	478.9	442.9	412.9	256.8	258.0	245.8	234.8
Asset based fee plan for investment trust	96.3	117.8	83.0	102.2	109.1	67.1	55.9	55.5	54.6

*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 3Q	% Change vs 2Q/FY22	FY2022 1Q-3Q	% Change vs 1Q-3Q/FY21
Net operating revenues	27,923	10.5%	77,695	-22.4%
Ordinary income	227	-	-3,327	-

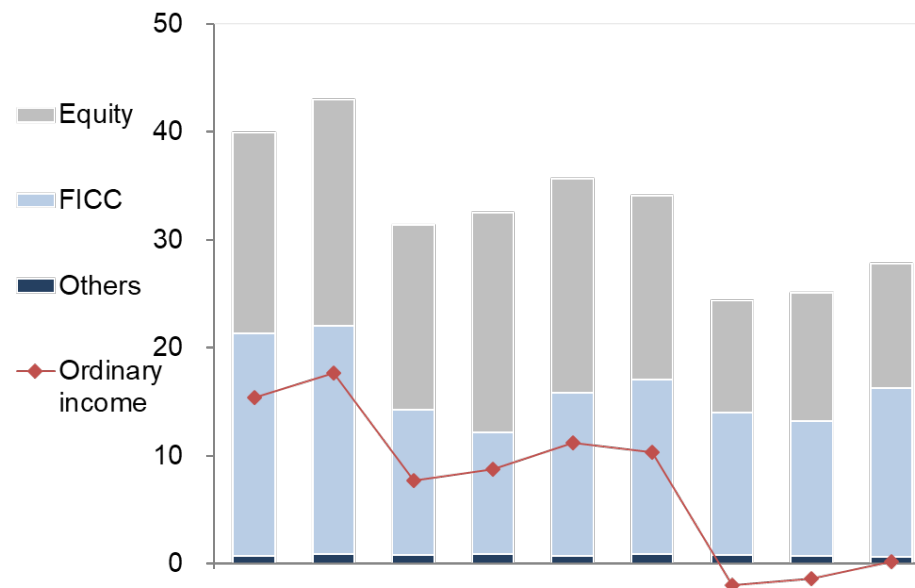
【Equity】

- Equity revenues decreased. Due to uncertain market environment, investors continued to take a wait-and-see attitude over foreign equity and derivatives, resulting in a lower customer order flows.

【FICC*】

- FICC revenues increased.
- In Japan, increased JGB revenues driven by a rise in interest rate volatility.
- Overseas revenues increased due to accumulation of revenues from Treasury, repo, and MBS in Americas.

Net Operating Revenues and Ordinary Income



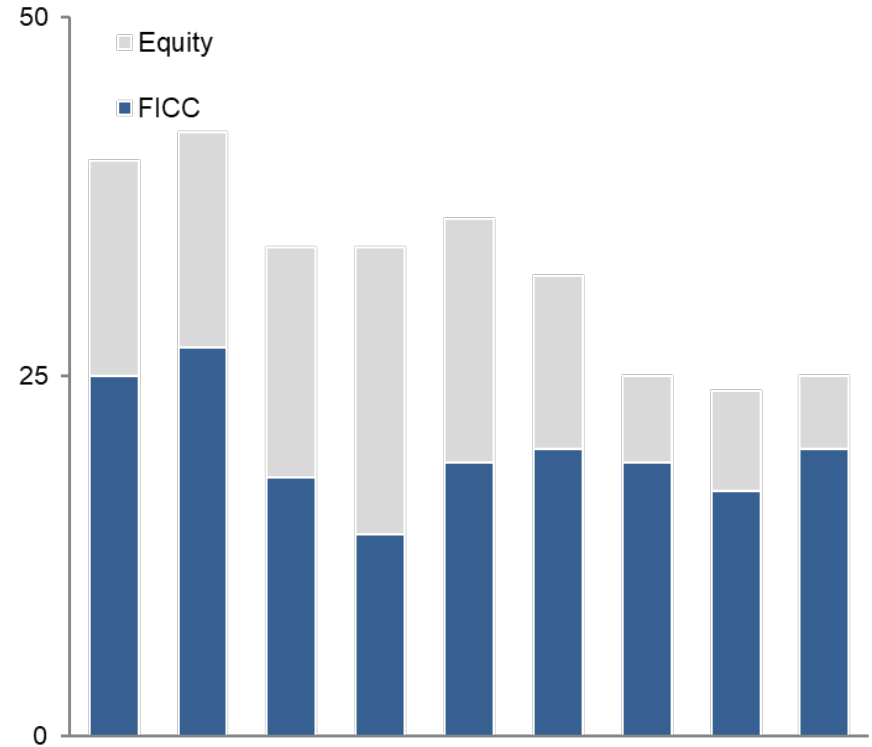
(¥ Billions)	FY2020		FY2021				FY2022		
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Equity	18.6	21.0	17.1	20.3	19.9	17.0	10.4	11.9	11.5
FICC*	20.6	21.1	13.5	11.3	15.1	16.2	13.2	12.5	15.7
Others	0.7	0.9	0.8	0.9	0.7	0.9	0.8	0.7	0.6
Net operating revenues	40.1	43.0	31.6	32.5	35.8	34.2	24.4	25.2	27.9
Ordinary income	15.4	17.7	7.7	8.8	11.2	10.3	-2.0	-1.4	0.2

*FICC: Fixed Income, Currency and Commodities

【Managerial accounting basis】

(¥ Billions)	FY2022 3Q	% Change vs 2Q/FY22	FY2022 1Q-3Q	% Change vs 1Q-3Q/FY21
Equity	5	-28.6%	18	-66.0%
FICC	20	17.6%	56	9.8%
Total	25	4.2%	74	-28.8%

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



(¥ Billions)	FY2020		FY2021				FY2022		
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Equity	15	15	16	20	17	12	6	7	5
FICC	25	27	18	14	19	20	19	17	20
Total	40	42	34	34	36	32	25	24	25

Wholesale Division Global Investment Banking



(¥ Millions)	FY2022 3Q	% Change vs 2Q/FY22	FY2022 1Q-3Q	% Change vs 1Q-3Q/FY21
Net operating revenues	14,804	9.1%	39,852	-21.4%
Ordinary income	1,924	162.3%	1,502	-86.9%

【Equity】

■ Lead managed a number of deals.

<Selected lead managed deals>

CyberAgent, Inc	Euroyen CB	<Offering size> ¥40.0 bn
Skymark Airlines Inc.	Global IPO	¥37.4 bn
Mitsubishi Estate Logistics REIT Investment Corporation	REIT Global PO	¥21.1 bn
Advance Logistics Investment Corporation	REIT	¥10.4 bn
SBI Leasing Services Co., Ltd.	IPO	¥7.5 bn

【Debt】

■ Lead managed a number of Straight Bond, and etc.

<Selected deals>

SoftBank Group Corp. (7 yrs)	Straight Bond	<Offering size> ¥385.0 bn
DAIWA HOUSE INDUSTRY CO. LTD.(3/5/10 yrs)	Straight Bond	¥150.0 bn
Sony Group Corporation(3/5 yrs)	Straight Bond	¥150.0 bn
KDDI CORPORATION(3/5 yrs)	Straight Bond ◆*	¥100.0 bn
Tokyo Institute of Technology(40 yrs)	FILP Agency Bond ◆*	¥30.0 bn
Rakuten Group, Inc. (3 yrs)	Benchmark Bond	USD 0.5 bn

【M&A】

■ Managed several domestic and overseas deals.

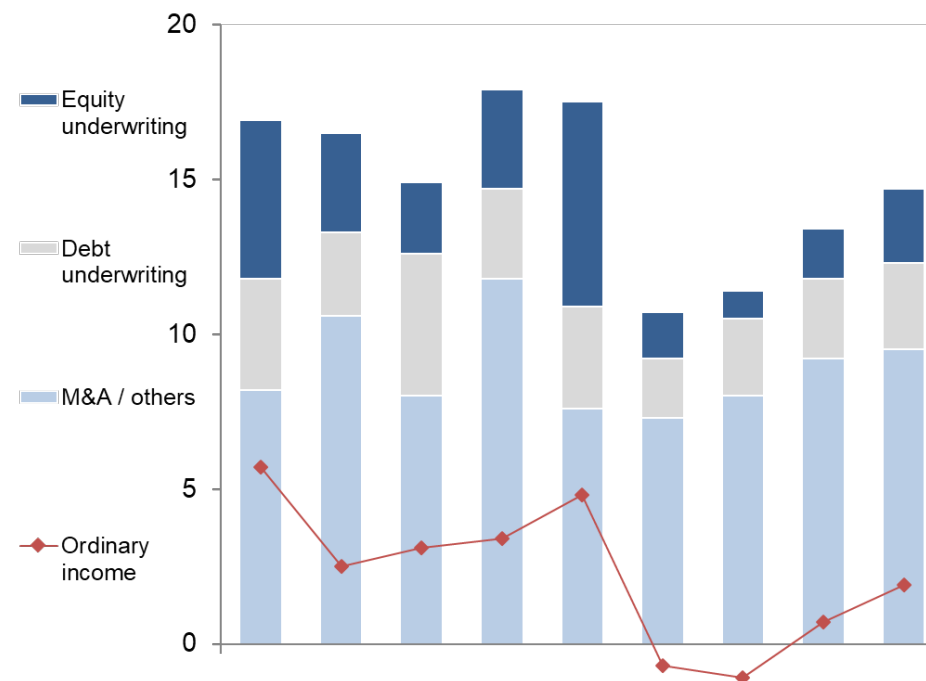
<Selected deals>

Share acquisition of SCRIPTS Asia, K.K. by JPX
 Making TATSUTA Electric Wire and Cable Co., Ltd. a wholly owned subsidiary of JX Nippon Mining & Metals Corporation
 MBO for shares of Daihohs Corporation by Integral Corporation
 Sale of group.ONE(Sweden) to the Seventh Cinven Fund and Ontario Teachers' Pension Plan(Canada) by Cinven(UK)
 Investment in InvestorCOM(US) by Estancia Capital Partners(US)
 Advised an ad hoc group of creditors in the restructuring of Officine Maccaferri SpA(Italy)

*Sustainability bonds

◆: Sustainability related

Net Operating Revenues and Ordinary Income



(¥ Billions)	FY2020		FY2021				FY2022		
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Equity underwriting	5.1	3.2	2.3	3.2	6.6	1.5	0.9	1.6	2.4
Debt underwriting	3.6	2.7	4.6	2.9	3.3	1.9	2.5	2.6	2.8
M&A / others	8.2	10.6	8.0	11.8	7.6	7.3	8.0	9.2	9.5
Net operating revenues	16.9	16.5	15.0	18.0	17.5	10.7	11.4	13.5	14.8
Ordinary income	5.7	2.5	3.1	3.4	4.8	-0.7	-1.1	0.7	1.9

Asset Management Division

(¥ Millions)	FY2022 3Q	% Change vs 2Q/FY22	FY2022 1Q-3Q	% Change vs 1Q-3Q/FY21
Net operating revenues	17,276	2.0%	52,825	-0.9%
Ordinary income	10,569	-2.0%	32,528	-4.5%

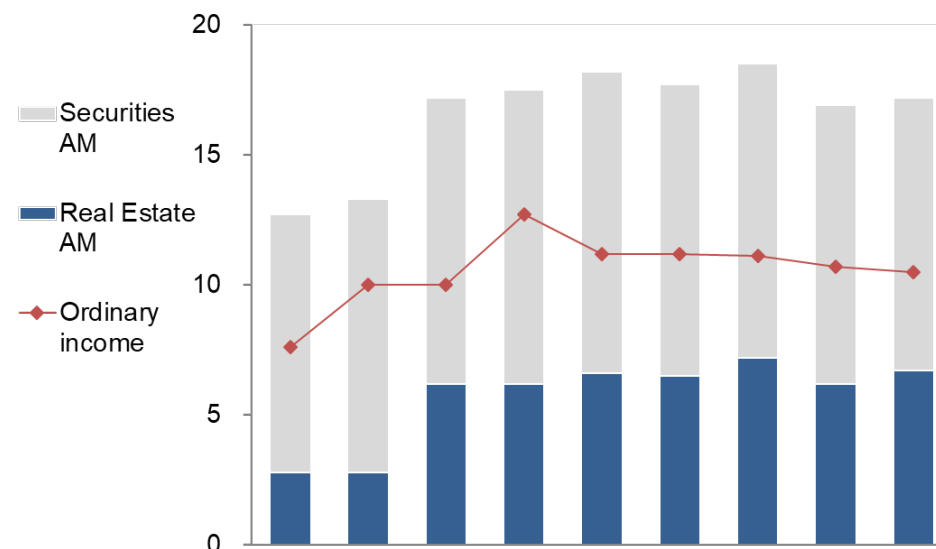
【Securities AM】

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

【Real estate AM】

- Real estate AM recorded increase in both net operating revenue and ordinary income.
- AUM in Daiwa Real Estate Asset Management increased.

Net Operating Revenues and Ordinary Income



(¥ Billions)	FY2020		FY2021				FY2022		
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Securities AM	9.9	10.5	11.0	11.3	11.6	11.2	11.3	10.7	10.5
Real estate AM*	2.8	2.8	6.2	6.2	6.6	6.5	7.2	6.2	6.7
Net operating revenues	12.8	13.3	17.3	17.6	18.2	17.7	18.6	16.9	17.2
Securities AM	4.2	4.6	5.1	5.8	5.6	5.3	5.3	4.5	4.1
Real estate AM**	3.4	5.4	4.8	6.9	5.6	5.8	5.8	6.1	6.3
Ordinary income	7.6	10.0	10.0	12.7	11.2	11.2	11.1	10.7	10.5

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

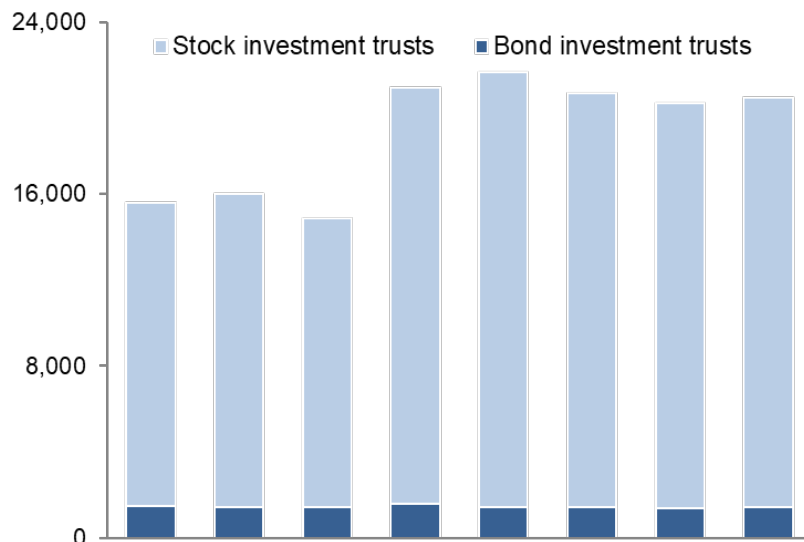
** Equity in earnings of affiliates is included in non-operating revenues

Asset Management Division

Assets Under Management and Net Increase



Daiwa Asset Management Publicly Offered Securities Investment Trusts AUM

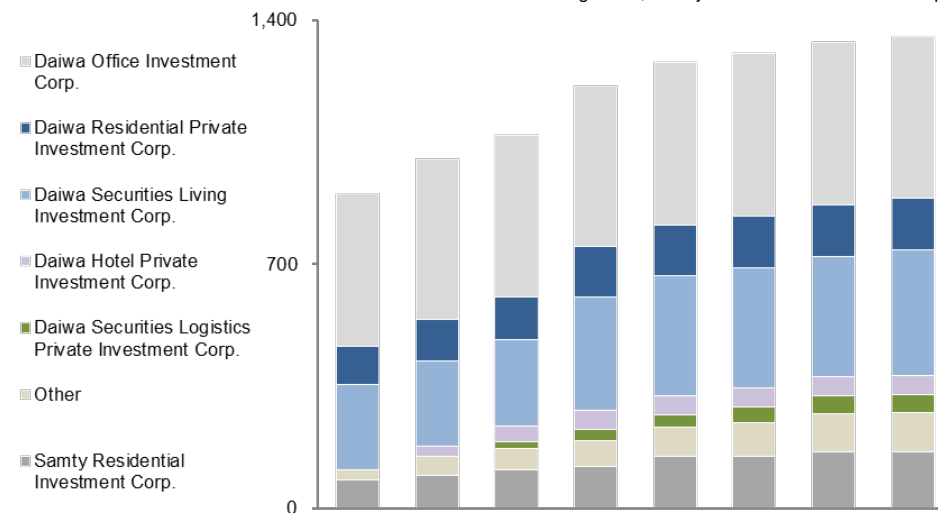


AUM (¥ Billions)	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022		
						1Q	2Q	3Q
Stock investment trusts	14,123	14,616	13,478	19,418	20,261	19,321	18,863	19,074
excl. ETF	7,717	7,245	6,063	7,543	8,268	7,862	7,757	7,700
(Net inflow)	(302)	(-339)	(-217)	(50)	(347)	(133)	(135)	(133)
ETF	6,406	7,371	7,414	11,875	11,993	11,459	11,106	11,374
(Net inflow)	(1,109)	(1,279)	(947)	(1,001)	(275)	(-53)	(-25)	(3)
Bond investment trusts	1,465	1,396	1,421	1,561	1,434	1,397	1,379	1,410
Total	15,588	16,012	14,900	20,980	21,696	20,718	20,242	20,485
Publicly Offered Securities Investment Trusts Share	14.3%	14.2%	14.0%	13.9%	13.3%	13.2%	13.1%	13.0%

※ 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.



AUM (¥ Billions)	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022		
						1Q	2Q	3Q
Daiwa Office Investment Corp.	439	460	463	461	466	466	466	462
Daiwa Residential Private Investment Corp.	107	118	121	146	146	148	148	149
Daiwa Securities Living Investment Corp.*	244	245	247	323	343	345	345	361
Daiwa Hotel Private Investment Corp.		29	45	54	54	54	54	54
Daiwa Securities Logistics Private Investment Corp.			20	33	35	45	51	51
Other	30	53	59	75	85	96	108	110
Total	822	907	959	1,094	1,131	1,157	1,175	1,190
Samty Residential Investment Corp. (Sub sponsor)	81	93	109	118	147	147	162	162
Total (Including sub sponsor)	903	1,000	1,069	1,212	1,279	1,304	1,337	1,353

※ All figures are as at the end of each quarter

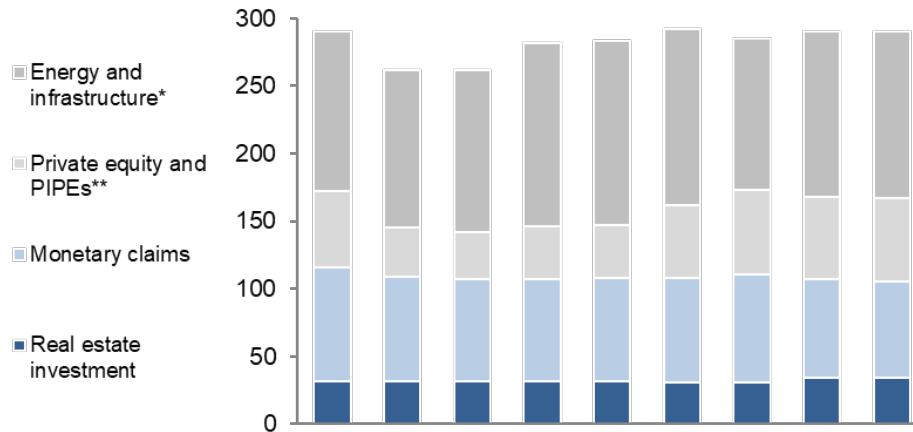
* Japan Rental Housing Investment Inc. merged with Nippon Healthcare Investment Corp. through absorption-type merger and changed its trade name to Daiwa Securities Living Investment Corp. on April 1, 2020. Daiwa Securities Living Investment Corp.'s AUM from FY2017 to FY2019 is a total of the two companies.

Investment Division

(¥ Millions)	FY2022 3Q	% Change vs 2Q/FY22	FY2022 1Q-3Q	% Change vs 1Q-3Q/FY21
Net operating revenues	3,791	97.7%	9,399	35.4%
Ordinary income	1,233	56.4%	6,505	110.6%

- In Daiwa PI Partners, revenues from monetary claims increased.
- Daiwa Energy & Infrastructure grew its revenues from renewable energy investment.

Principal Investment Value



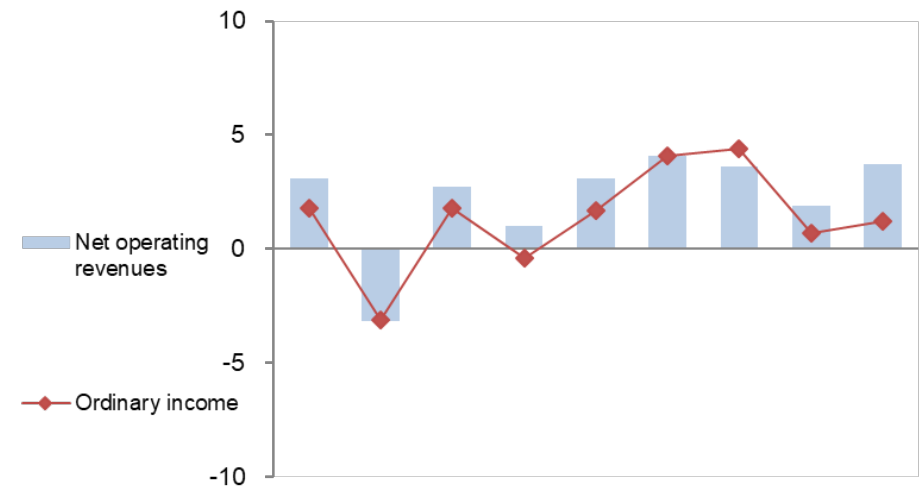
(¥ Billions)	FY2020		FY2021				FY2022		
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Daiwa PI Partners									
Private equity and PIPEs**	56	36	35	39	39	54	62	61	62
Monetary claims	84	77	75	75	76	77	80	73	71
Real estate investment	32	32	32	32	32	31	31	34	34
Daiwa Energy & Infrastructure	118	117	120	136	136	130	112	122	123
Total	290	264	264	283	285	294	287	292	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		
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Net operating revenues	3.1	-3.2	2.7	1.0	3.1	4.1	3.6	1.9	3.7
Ordinary income	1.8	-3.1	1.8	-0.4	1.7	4.1	4.4	0.7	1.2

Reference

Daiwa Securities Group Inc.

Breakdown of Commission

(¥ Millions)	FY2021		FY2022			% Change vs 2Q/FY22	% Change vs 3Q/FY21	FY2021 1Q-3Q	FY2022 1Q-3Q	% Change vs 1Q-3Q/FY21	FY2021
	3Q	4Q	1Q	2Q	3Q						
Total commission	84,490	69,267	67,004	70,506	69,588	-1.3%	-17.6%	244,783	207,100	-15.4%	314,051
Brokerage commission	20,105	17,679	15,137	16,104	16,662	3.5%	-17.1%	58,227	47,904	-17.7%	75,907
Underwriting and secondary offering commissions	13,708	5,072	5,357	6,296	7,653	21.6%	-44.2%	34,137	19,307	-43.4%	39,210
Distribution commission	5,559	3,403	3,620	3,043	2,580	-15.2%	-53.6%	18,036	9,244	-48.7%	21,440
Other commission	45,117	43,112	42,889	45,062	42,692	-5.3%	-5.4%	134,380	130,644	-2.8%	177,493
<i>Investment advisory and account management fees</i>	8,518	8,393	8,522	8,787	8,945	1.8%	5.0%	24,458	26,255	7.3%	32,852
<i>Insurance sales commission</i>	115	127	189	446	904	102.4%	681.9%	375	1,540	310.0%	503
<i>M&A related commission</i>	7,918	7,548	7,077	9,278	6,321	-31.9%	-20.2%	27,743	22,677	-18.3%	35,292
<i>Management fee</i>	19,290	18,321	18,421	17,878	17,353	-2.9%	-10.0%	56,708	53,653	-5.4%	75,030
<i>Other</i>	9,274	8,721	8,678	8,671	9,168	5.7%	-1.2%	25,093	26,517	5.7%	33,815

Balance Sheet

Daiwa Securities Balance Sheet (December 31, 2022)

(¥ Billions)

Current assets	13,445	(-1,011)	Current liabilities	11,554	(-796)
Trading products	5,141	(-308)	Trading products	3,997	(560)
Trading securities and other	2,363	(-1,035)	Trading securities and other	1,493	(30)
Derivatives transactions	2,778	(726)	Derivatives transactions	2,504	(530)
Margin transaction assets	165	(-7)	Margin transaction liabilities	49	(-19)
Loans on margin transactions	158	(-7)	Loans payables secured by securities	4,938	(-980)
Cash collateral pledged for securities borrowing on margin transactions	6	(-0)	Short-term loans payable	870	(-815)
Loans secured by securities	5,075	(-406)	Current portion of bonds	376	(171)
Short-term guarantee deposits	652	(-49)	Long-term liabilities	1,560	(-219)
Short-term loans receivable	448	(-119)	Bonds payable	715	(-150)
Non-current assets	189	(0)	Long-term loans payable	798	(-68)
Property, plant and equipment	52	(6)	Total liabilities	13,118	(-1,015)
Intangible assets	71	(1)	Net assets	516	(5)
			Shareholders' equity	514	(5)
			Capital stock	100	—
Total assets	13,634	(-1,010)	Total liabilities and net assets	13,634	(-1,010)

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

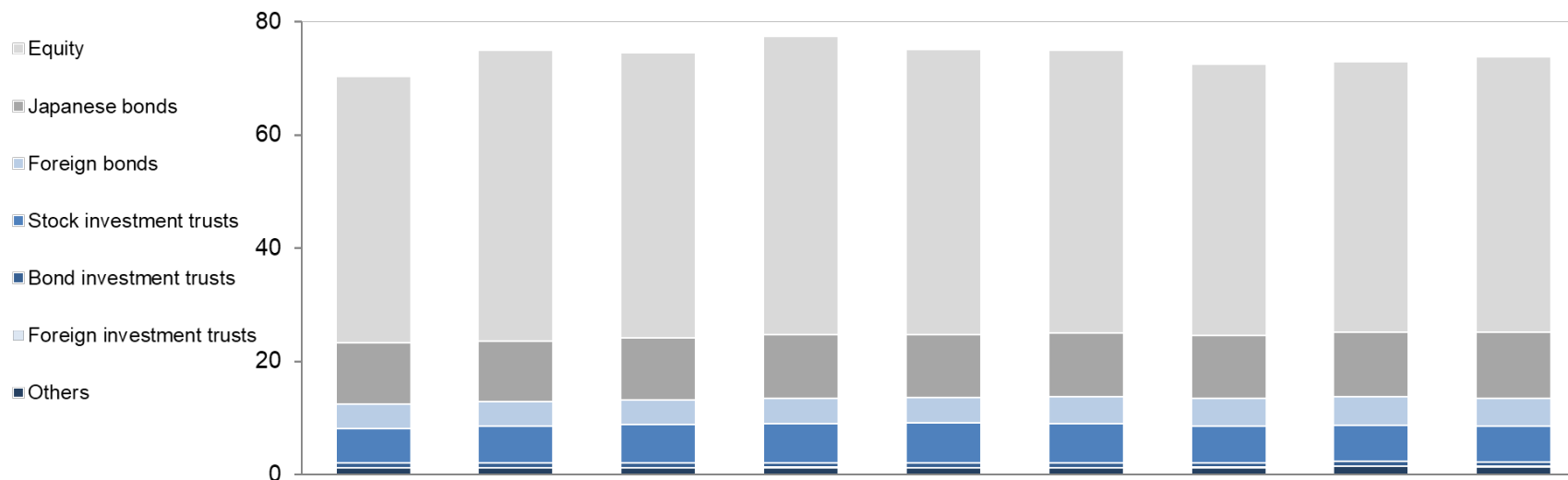
Financial Summary I

(¥ Millions)	FY2021		FY2022			% Change vs 2Q/FY22	% Change vs 3Q/FY21	FY2021	FY2022	% Change vs 1Q-3Q/FY21	FY2021
	3Q	4Q	1Q	2Q	3Q			1Q-3Q	1Q-3Q		
Operating revenues	88,830	66,942	59,273	67,296	77,833	15.7%	-12.4%	259,096	204,403	-21.1%	326,039
Commission received	54,598	43,633	40,496	44,631	46,243	3.6%	-15.3%	157,217	131,371	-16.4%	200,850
Brokerage commission	15,404	13,594	10,745	11,659	12,060	3.4%	-21.7%	44,037	34,465	-21.7%	57,631
<i>Stock and others</i>	14,979	13,107	10,345	11,244	11,642	3.5%	-22.3%	42,821	33,232	-22.4%	55,929
Underwriting and secondary offering commissions	11,201	4,431	4,263	5,817	6,829	17.4%	-39.0%	28,515	16,909	-40.7%	32,946
<i>Equity</i>	6,702	1,020	606	1,709	2,332	36.5%	-65.2%	12,563	4,648	-63.0%	13,583
<i>Bond and others</i>	4,499	3,377	3,656	3,824	4,496	17.6%	-0.1%	15,952	11,977	-24.9%	19,329
Distribution commission	5,478	3,345	3,562	2,983	2,536	-15.0%	-53.7%	17,776	9,082	-48.9%	21,121
<i>Investment trust</i>	5,371	3,205	3,444	2,891	2,492	-13.8%	-53.6%	17,385	8,828	-49.2%	20,591
Other commissions	22,514	22,263	21,924	24,171	24,817	2.7%	10.2%	66,888	70,914	6.0%	89,151
<i>Agency fee and others</i>	8,103	7,509	7,412	7,572	7,351	-2.9%	-9.3%	23,216	22,336	-3.8%	30,725
<i>Investment advisory and account management fees</i>	8,518	8,393	8,522	8,787	8,945	1.8%	5.0%	24,458	26,255	7.3%	32,852
<i>Insurance sales commission</i>	115	127	189	446	904	102.4%	681.9%	375	1,540	310.0%	503
<i>M&A related commission</i>	1,459	1,797	1,001	1,942	1,708	-12.0%	17.1%	6,246	4,652	-25.5%	8,043
Net trading income/loss	27,402	18,145	10,790	11,462	15,045	31.3%	-45.1%	82,290	37,297	-54.7%	100,436
Financial revenues	6,829	5,163	7,987	11,202	16,544	47.7%	142.2%	19,588	35,733	82.4%	24,752
Financial expenses	3,310	2,023	4,622	6,686	11,322	69.3%	242.1%	8,908	22,631	154.0%	10,932
Net operating revenues	85,520	64,919	54,651	60,609	66,510	9.7%	-22.2%	250,187	181,771	-27.3%	315,106

Financial Summary II

(¥ Millions)	FY2021		FY2022			% Change vs 2Q/FY22	% Change vs 3Q/FY21	FY2021	FY2022	% Change vs 1Q-3Q/FY21	FY2021
	3Q	4Q	1Q	2Q	3Q			1Q-3Q	1Q-3Q		
SG&A	60,921	59,605	57,530	60,694	61,060	0.6%	0.2%	180,092	179,286	-0.4%	239,698
Trading related expenses	9,794	9,941	9,942	10,373	10,472	1.0%	6.9%	27,500	30,789	12.0%	37,441
Personnel expenses	24,897	23,589	22,616	22,586	22,813	1.0%	-8.4%	74,909	68,016	-9.2%	98,498
Real estate expenses	5,359	5,485	5,365	5,492	5,321	-3.1%	-0.7%	16,111	16,178	0.4%	21,596
Office cost	12,535	12,970	12,206	14,400	14,654	1.8%	16.9%	36,731	41,261	12.3%	49,702
Depreciation	5,941	5,721	5,662	5,790	5,753	-0.6%	-3.2%	17,872	17,206	-3.7%	23,593
Taxes and dues	1,283	647	739	880	797	-9.4%	-37.9%	3,744	2,417	-35.4%	4,391
Other	1,109	1,250	998	1,170	1,246	6.6%	12.4%	3,223	3,414	6.0%	4,473
Ordinary income	25,627	5,969	-2,345	248	5,324	21.4x	-79.2%	72,264	3,226	-95.5%	78,234
Net income	17,781	5,125	-1,967	2,388	5,223	118.7%	-70.6%	52,275	5,644	-89.2%	57,401
ROE (Annualized)	8.9%	3.1%	-	1.9%	4.1%			8.7%	1.5%		8.8%
Capital adequacy ratio	318.3%	280.4%	283.0%	287.3%	307.5%			318.3%	307.5%		280.4%

Assets under Custody



¥ Trillions	FY2020		FY2021				FY2022		
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Equity	47.1	51.4	50.5	52.7	50.4	49.9	47.9	47.8	48.7
Japanese bonds	10.8	10.7	11.0	11.3	11.1	11.2	11.1	11.4	11.6
Foreign bonds	4.3	4.3	4.3	4.4	4.5	4.8	4.9	5.0	4.9
Stock investment trusts	6.1	6.5	6.8	6.9	7.1	7.0	6.5	6.4	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	1.2	1.1	1.1	1.2	1.4	1.3
Total	70.7	75.3	75.0	77.7	75.5	75.1	72.8	73.3	74.1
Daiwa Next Bank deposit balance	4.2	4.4	4.2	4.2	4.3	4.1	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

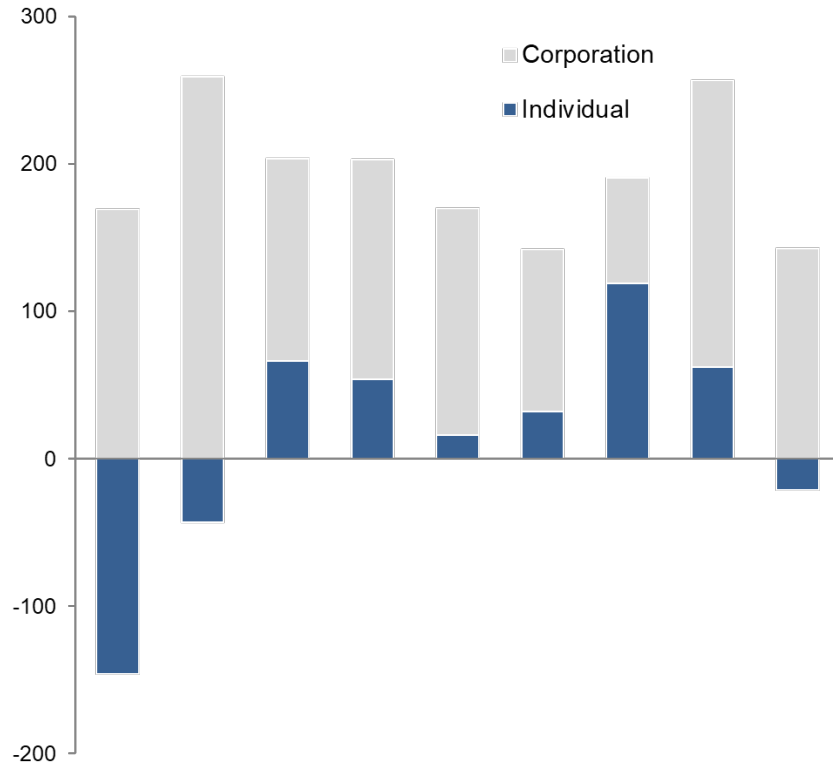
	FY2020		FY2021				FY2022		
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Accounts with balance (thousands)	3,010	3,034	3,023	3,031	3,024	3,038	3,033	3,041	3,042
Accounts holding equity (thousands)	1,453	1,445	1,450	1,447	1,456	1,458	1,462	1,463	1,458
Online trading accounts (thousands)	3,411	3,446	3,460	3,477	3,492	3,506	3,517	3,532	3,550
Newly opened accounts (thousands)	35	41	34	37	31	29	29	33	43
NISA accounts* (thousands)	866	866	864	863	862	863	652	653	654
Wrap account service (end of quarter)									
Contract assets under management (¥ billions)	2,430	2,574	2,701	2,789	2,925	2,957	2,926	2,950	2,975
Number of customers (thousands)	137	137	139	140	142	144	147	150	154
Contracts and trading value for individual investors at Daiwa Securities (Japanese Equity)									
Total number of contracts (thousands)	2,908	3,416	2,542	2,511	2,590	2,541	2,211	2,219	2,261
<i>Online out of total (thousands)</i>	<i>2,537</i>	<i>2,998</i>	<i>2,237</i>	<i>2,202</i>	<i>2,260</i>	<i>2,255</i>	<i>1,984</i>	<i>1,986</i>	<i>1,999</i>
Total trading value (¥ billions)	2,990	3,704	2,801	2,997	3,007	2,857	2,302	2,415	2,558
<i>Online out of total (¥ billions)</i>	<i>2,159</i>	<i>2,708</i>	<i>2,054</i>	<i>2,094</i>	<i>2,086</i>	<i>2,004</i>	<i>1,680</i>	<i>1,761</i>	<i>1,851</i>
Foreign equity trading value (Retail)									
Trading value (¥ billions)	403	383	367	381	400	204	154	117	120

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

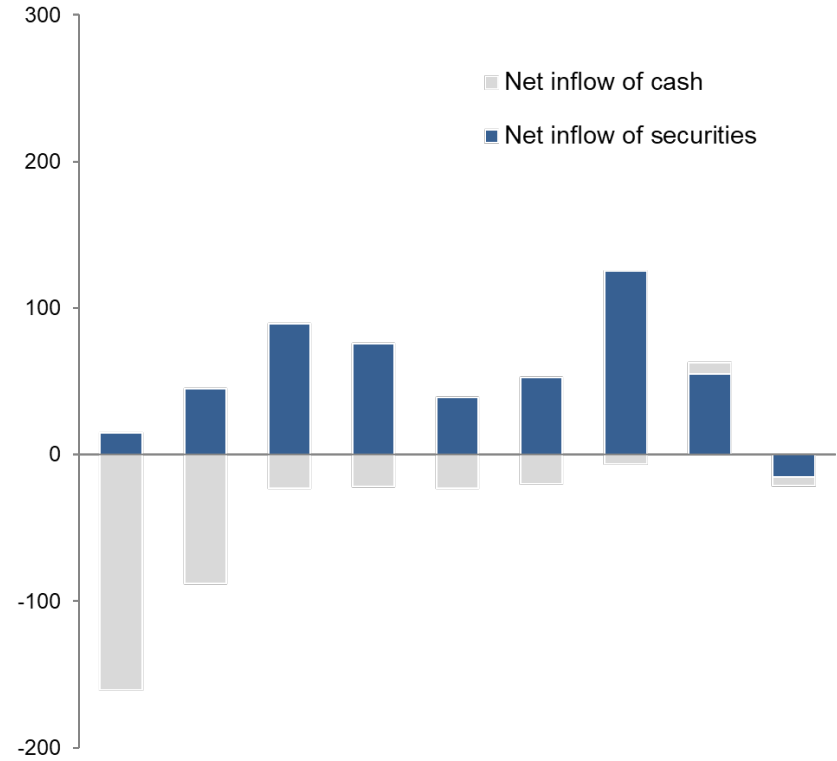
Net Asset Inflow



Retail Division (Daiwa Securities) Net Asset Inflow*



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



¥ Billions	FY2020		FY2021				FY2022		
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Corporation	169.2	258.8	137.2	148.9	153.8	109.7	71.5	194.5	142.7
Individual	-145.8	-43.3	66.5	54.2	15.9	32.2	118.8	62.4	-21.1
Total	23.3	215.4	203.7	203.2	169.7	141.9	190.3	257.0	121.5

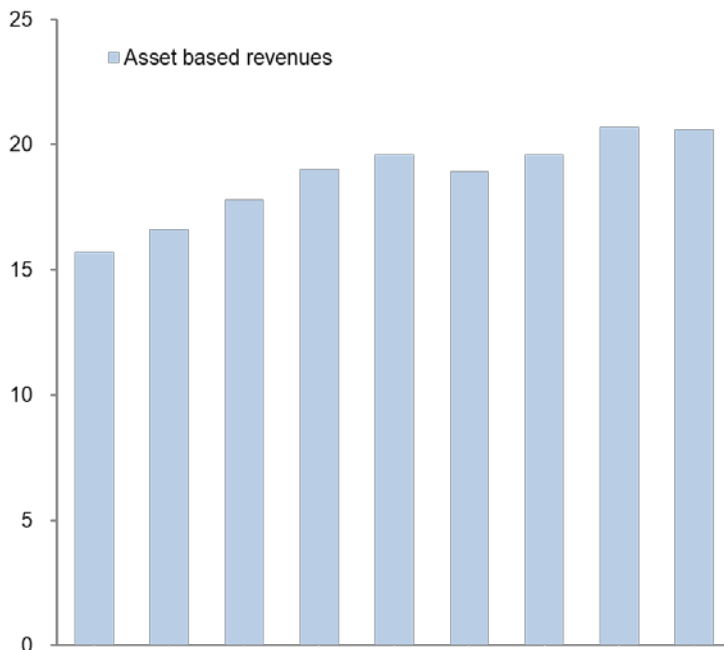
¥ Billions	FY2020		FY2021				FY2022		
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Net inflow of cash	-160.7	-88.1	-22.8	-21.6	-22.9	-20.3	-6.4	7.6	-5.9
Net inflow of securities	14.8	44.7	89.3	75.8	38.8	52.5	125.2	54.8	-15.1
Total	-145.8	-43.3	66.5	54.2	15.9	32.2	118.8	62.4	-21.1

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

Asset Based Revenues



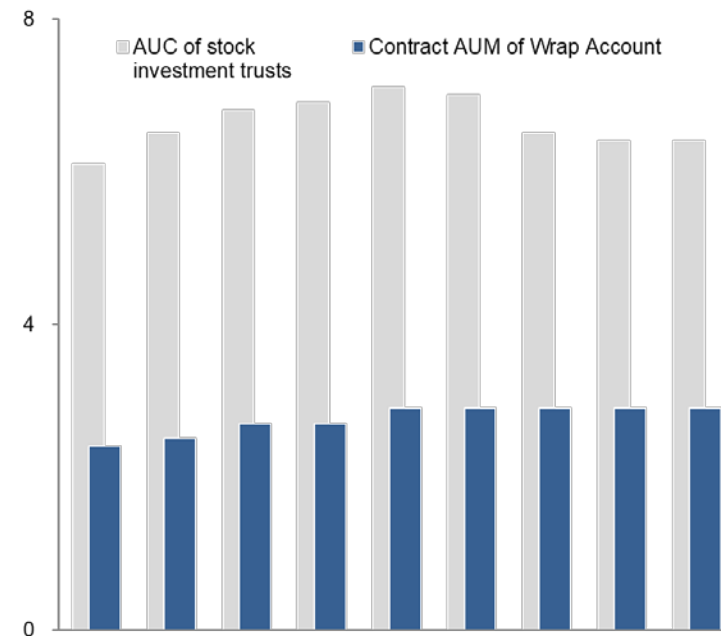
Asset Based Revenues



¥ Billions	FY2020		FY2021				FY2022		
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Net operating revenues in Retail Division (Daiwa Securities)	43.2	48.1	46.2	48.3	48.6	41.2	39.4	40.1	40.9
Asset based revenues	15.7	16.6	17.8	19.0	19.6	18.9	19.6	20.7	20.6
Asset based revenue ratio	36.5%	34.6%	38.6%	39.5%	40.4%	46.1%	49.7%	51.6%	50.5%

※ 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		
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
AUC of stock investment trusts	6.1	6.5	6.8	6.9	7.1	7.0	6.5	6.4	6.4
Contract AUM of Wrap Account	2.4	2.5	2.7	2.7	2.9	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 3Q League Table							
1st	Nomura	SMBC Nikko	Mizuho	Daiwa	Nomura	SMBC Nikko	Nomura
	62.6%	39.3%	27.5%	30.1%	24.3%	33.6%	
2nd	Mitsubishi UFJMS	Nomura	Daiwa	Nomura	Daiwa	Mitsubishi UFJMS	Mizuho
	12.0%	22.5%	24.2%	26.2%	18.6%	20.6%	
3rd	JPMorgan	Daiwa	Nomura	Mizuho	Mitsubishi UFJMS	Nomura	SMFG
	11.7%	12.6%	24.1%	23.6%	17.8%	17.3%	
4th	Mizuho	SBI	Mitsubishi UFJMS	Mitsubishi UFJMS	Mizuho	Mizuho	Morgan Stanley
	6.3%	6.2%	15.1%	13.5%	17.3%	17.3%	
5th	SMBC Nikko	Mitsubishi UFJMS	SMBC Nikko	Tokai Tokyo	SMBC Nikko	Daiwa	Houlihan Lokey (4th)
	4.0%	5.8%	3.2%	2.0%	6.9%	11.2%	
6th	Daiwa						Daiwa
	2.9%						

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

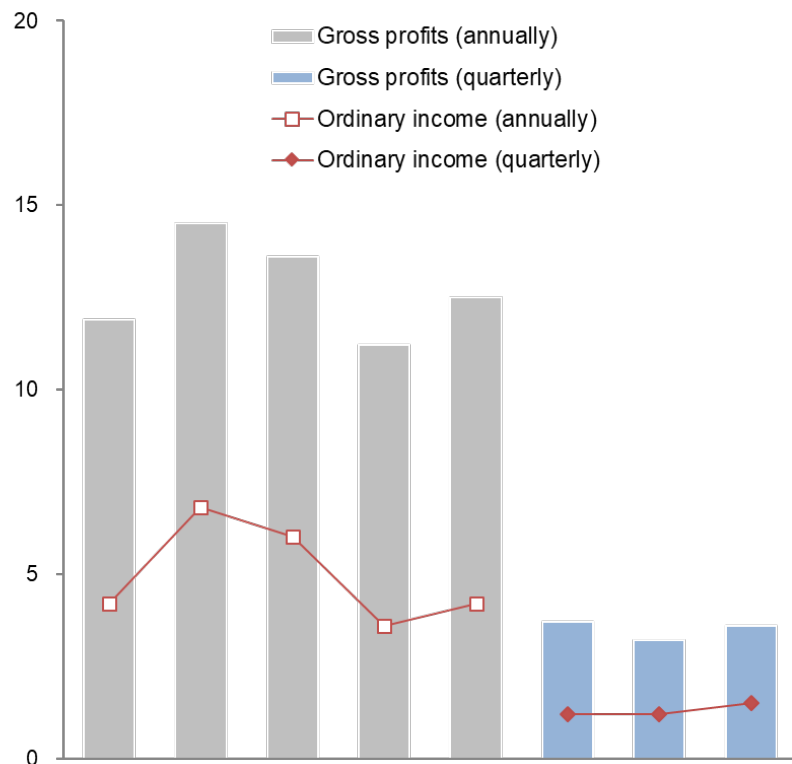
M&A is compiled by Daiwa Securities based on Mergermarket

Financial Summary

(¥ Millions)	FY2021		FY2022			% Change vs 2Q/FY22	% Change vs 3Q/FY21	FY2021	FY2022	% Change vs 1Q-3Q/FY21	FY2021
	3Q	4Q	1Q	2Q	3Q			1Q-3Q	1Q-3Q		
Operating revenues	19,328	18,249	18,379	17,828	17,288	-3.0%	-10.6%	56,699	53,496	-5.6%	74,948
Management fee	19,206	18,120	18,241	17,684	17,144	-3.1%	-10.7%	56,282	53,070	-5.7%	74,403
<i>Stock investment trust</i>	19,114	18,034	18,166	17,609	17,077	-3.0%	-10.7%	56,027	52,854	-5.7%	74,062
<i>Bond investment trust</i>	91	85	74	75	66	-10.9%	-27.1%	254	216	-14.8%	340
Other operating revenues	122	128	138	143	144	0.6%	18.2%	416	425	2.2%	545
SG&A	14,570	13,855	14,004	13,821	13,709	-0.8%	-5.9%	42,541	41,535	-2.4%	56,397
Commission paid	8,026	7,500	7,503	7,584	7,266	-4.2%	-9.5%	23,733	22,355	-5.8%	31,234
Other SG&A	6,544	6,355	6,500	6,237	6,442	3.3%	-1.6%	18,807	19,180	2.0%	25,163
Operating income	4,757	4,393	4,375	4,006	3,578	-10.7%	-24.8%	14,157	11,961	-15.5%	18,551
Ordinary income	5,081	4,466	4,720	3,966	3,590	-9.5%	-29.3%	14,622	12,277	-16.0%	19,089
Net income	3,496	2,833	2,984	2,520	2,413	-4.3%	-31.0%	9,904	7,918	-20.0%	12,738

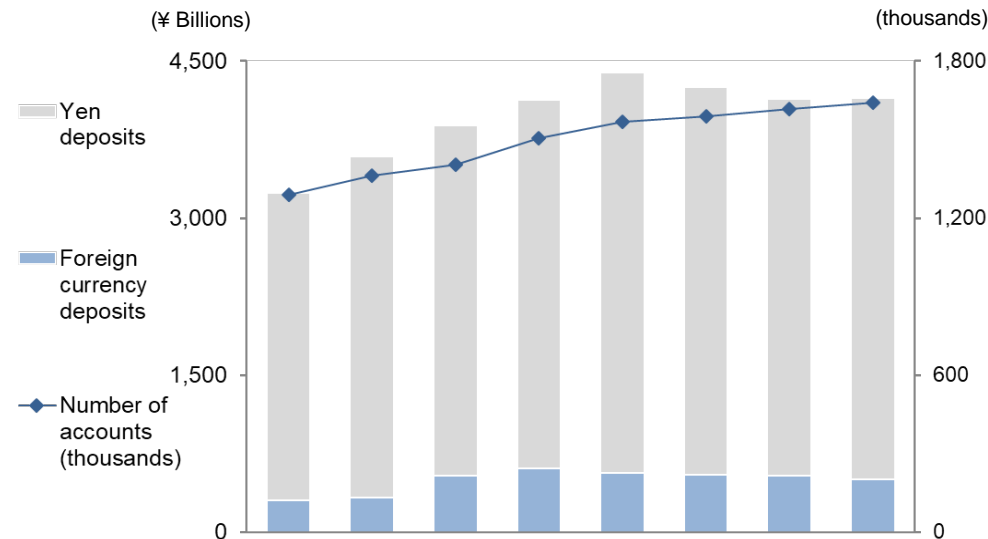
Earnings and Deposit Balance

Gross Profits / Ordinary Income



¥ Billions	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022		
						1Q	2Q	3Q
Gross profits	11.9	14.5	13.6	11.2	12.5	3.7	3.2	3.6
Ordinary income	4.2	6.8	6.0	3.6	4.2	1.2	1.2	1.5

Daiwa Next Bank Deposit Balance & Number of Accounts



	FY2017	FY2018	FY2019	FY2020	FY2021	FY2020		
						1Q	2Q	3Q
Ordinary deposits	1,756	1,610	1,873	2,224	2,163	2,125	2,085	2,096
Time deposits	1,746	1,953	2,067	2,171	2,005	1,997	2,021	2,019
Negotiable certificate of deposits / Other	53	115	122	35	29	29	33	32
Deposit balance	3,556	3,678	4,062	4,430	4,197	4,151	4,140	4,148
Foreign currency deposits	300	331	539	606	569	551	538	501
Number of accounts (thousands)	1,289	1,364	1,405	1,505	1,569	1,589	1,618	1,640

※ 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		
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
VaR (Quarter end)	1.20	1.18	1.59	1.74	1.95	1.92	1.35	1.07	1.04
High	1.89	1.62	1.83	2.07	2.58	2.37	1.96	1.52	1.42
Low	0.94	1.05	0.82	1.35	1.43	1.55	0.99	0.94	0.83
Average	1.35	1.35	1.37	1.64	1.90	1.90	1.54	1.13	1.05
By risk factors (Quarter end)									
Equity	0.37	0.40	0.25	0.41	0.24	0.40	0.27	0.18	0.42
Interest	1.16	1.22	0.66	1.28	1.29	1.20	0.86	1.00	0.78
Currency	0.41	0.31	0.45	0.49	0.48	0.51	0.22	0.39	0.45
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		
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Total	15,735	15,514	15,637	15,432	15,209	15,119	15,363	15,226	15,060
Overseas	1,998	2,003	1,990	2,009	1,987	2,031	2,048	2,030	2,006

■ 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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