

Daiwa Securities Group Inc.
2Q FY2023 Earnings Announcement

October 31, 2023

Daiwa Securities Group Inc.

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

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Highlights (2Q/FY2023, YoY)

Net operating revenues and ordinary income increased YoY, ordinary income was 2.3x (highest level in 8 years).

Consolidated earnings results	FY2023 1H	FY2022 1H	% Changes vs 1H/FY2022
Net operating revenues	¥278.4 bn	¥217.0 bn	+28.3%
Ordinary income	¥76.9 bn	¥32.9 bn	+133.5%
Profit attributable to owners of parent	¥53.5 bn	¥31.4 bn	+70.1%

- Retail Division's ordinary income doubled to ¥25.5 bn, due to the steady progress of shifting to wealth management business model.
 - 2Q's asset based revenues of Retail Division of Daiwa Securities expanded to ¥22.8bn (¥91.2bn in annualized basis). Total cost coverage ratio was 62.6%.
 - Both contract amount (¥409.4 bn) and net inflow (¥258.2 bn) of wrap account service* was the highest since FY2015 1H. Contract AUM was record high (¥3.5 tn).
- Wholesale Division secured ordinary income of ¥23.8 bn due to the recovery in both primary and secondary markets.
 - Global Markets saw revenue increase in both equity and FICC due to the increase in customer activities.
 - Global Investment Banking revenue increased due to contributions from underwriting equity deals and debt deals, as well as expansion in M&A related revenues.

Continue high level of shareholder returns (Interim dividend: 19 yen, Set up of share repurchase program)

- FY2023 interim dividend: 19 yen (highest for interim dividend), dividend pay-out ratio: 51.5%
- Total number of share to be repurchased: up to 35.0 mil shares. Total amount to be paid for repurchase: up to ¥35.0 bn (2.43% of total shares outstanding, excluding treasury stock).

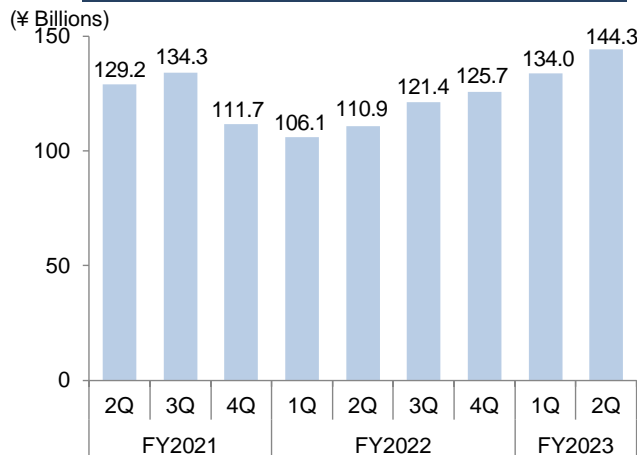
Summary (2Q/FY2023, QoQ)

Ordinary Income was ¥40.8 bn, +13.1% QoQ .

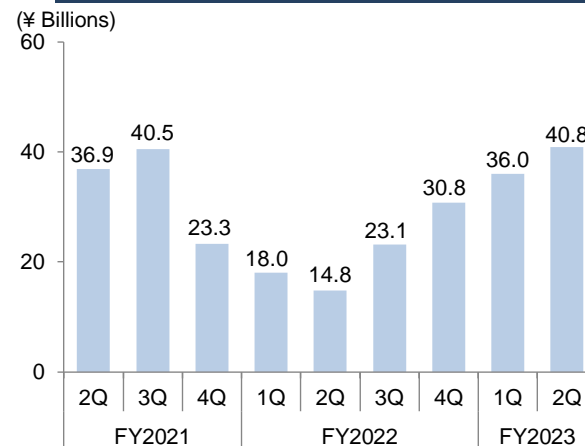
Consolidated earnings results	FY2023 2Q	% Changes vs 1Q/FY2023
Net operating revenues	¥144.3 bn	+7.6%
Ordinary income	¥40.8 bn	+13.1%
Profit attributable to owners of parent	¥29.7 bn	+25.6%

- Retail Division secured ordinary income of ¥12.0 bn. Wrap account service's contract amount (¥237.3bn) and net inflow (¥162.1bn) increased rapidly. Asset based revenues were record high.
- Wholesale Division's revenue and income increased. M&A related revenues increase in Global Investment Banking was the main driver.
- Annualized ROE: 8.0%

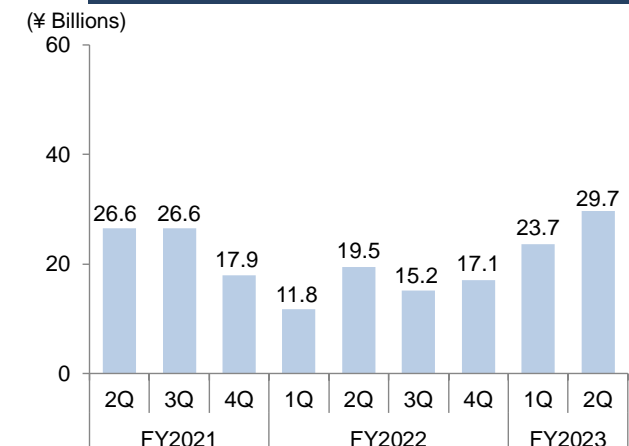
Net Operating Revenues



Ordinary Income



Profit Attributable to Owners of Parent



Financial Summary

(¥ Millions)	FY2022			FY2023		% Change vs 1Q/FY23	% Change vs 2Q/FY22	FY2022	FY2023	% Change vs 1H/FY22	FY2022
	2Q	3Q	4Q	1Q	2Q			1H	1H		
Operating revenues	192,552	233,036	293,860	266,259	303,827	14.1%	57.8%	339,193	570,087	68.1%	866,090
Net operating revenues	110,933	121,433	125,737	134,110	144,321	7.6%	30.1%	217,055	278,432	28.3%	464,226
SG&A	98,942	99,913	101,822	103,377	106,492	3.0%	7.6%	196,216	209,870	7.0%	397,952
Ordinary income	14,855	23,170	30,818	36,096	40,835	13.1%	174.9%	32,941	76,932	133.5%	86,930
Profit (loss) attributable to owners of parent	19,576	15,295	17,124	23,712	29,793	25.6%	52.2%	31,455	53,505	70.1%	63,875
Total assets	31,461,475	28,115,421	26,413,248	31,501,328	33,424,666			31,461,475	33,424,666		26,413,248
Net assets	1,697,428	1,657,832	1,675,489	1,736,856	1,773,266			1,697,428	1,773,266		1,675,489
Shareholders' equity*	1,428,464	1,388,380	1,407,840	1,468,713	1,504,956			1,428,464	1,504,956		1,407,840
EPS (¥)	13.24	10.52	11.79	16.32	20.60			21.24	36.91		43.53
BPS (¥)	971.62	955.66	968.93	1,010.78	1,046.95			971.62	1,046.95		968.93
ROE (Annualized)	5.5%	4.3%	4.9%	6.6%	8.0%			4.5%	7.3%		4.6%

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

FY2023 Interim Dividend

19 yen

Consolidated Segment Summary

(¥ Millions)

Net operating revenues	FY2022			FY2023		% Change vs 1Q/FY23	% Change vs 2Q/FY22	FY2022	FY2023	% Change vs 1H/FY22	FY2022
	2Q	3Q	4Q	1Q	2Q			1H	1H		
Retail	41,187	42,203	40,550	49,845	49,387	-0.9%	19.9%	81,581	99,232	21.6%	164,336
Wholesale	38,853	42,727	43,344	51,627	54,990	6.5%	41.5%	74,819	106,617	42.5%	160,891
<i>Global Markets</i>	25,280	27,923	25,155	36,848	36,921	0.2%	46.0%	49,772	73,770	48.2%	102,850
<i>Global Investment Banking</i>	13,573	14,804	18,188	14,778	18,069	22.3%	33.1%	25,047	32,847	31.1%	58,041
Asset Management	16,943	17,276	17,569	17,309	18,031	4.2%	6.4%	35,549	35,341	-0.6%	70,394
<i>Securities Asset Management</i>	10,715	10,514	10,346	10,862	11,653	7.3%	8.8%	22,021	22,515	2.2%	42,882
<i>Real Estate Asset Management</i>	6,227	6,762	7,222	6,447	6,377	-1.1%	2.4%	13,527	12,825	-5.2%	27,512
Investments	1,918	3,791	7,046	1,838	4,534	146.6%	136.4%	5,607	6,373	13.7%	16,446
Other/Adjustments	12,029	15,434	17,226	13,489	17,377	-	-	19,496	30,867	-	52,157
Consolidated total	110,933	121,433	125,737	134,110	144,321	7.6%	30.1%	217,055	278,432	28.3%	464,226

Ordinary income	FY2022			FY2023		% Change vs 1Q/FY23	% Change vs 2Q/FY22	FY2022	FY2023	% Change vs 1H/FY22	FY2022
	2Q	3Q	4Q	1Q	2Q			1H	1H		
Retail	6,151	7,164	6,272	13,542	12,024	-11.2%	95.5%	12,449	25,567	105.4%	25,886
Wholesale	-549	2,435	3,608	11,041	12,766	15.6%	-	-3,221	23,807	-	2,822
<i>Global Markets</i>	-1,481	227	196	9,783	9,157	-6.4%	-	-3,554	18,941	-	-3,130
<i>Global Investment Banking</i>	733	1,924	3,235	886	3,206	261.6%	336.9%	-421	4,092	-	4,738
Asset Management	10,785	10,569	11,998	9,022	11,551	28.0%	7.1%	21,958	20,574	-6.3%	44,526
<i>Securities Asset Management</i>	4,594	4,195	3,978	4,403	5,196	18.0%	13.1%	9,903	9,599	-3.1%	18,076
<i>Real Estate Asset Management</i>	6,191	6,374	8,020	4,619	6,355	37.6%	2.6%	12,055	10,975	-9.0%	26,450
Investments	788	1,233	6,563	2,975	4,702	58.0%	496.3%	5,271	7,677	45.6%	13,068
Other/Adjustments	-2,320	1,768	2,375	-486	-209	-	-	-3,517	-695	-	626
Consolidated total	14,855	23,170	30,818	36,096	40,835	13.1%	174.9%	32,941	76,932	133.5%	86,930

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

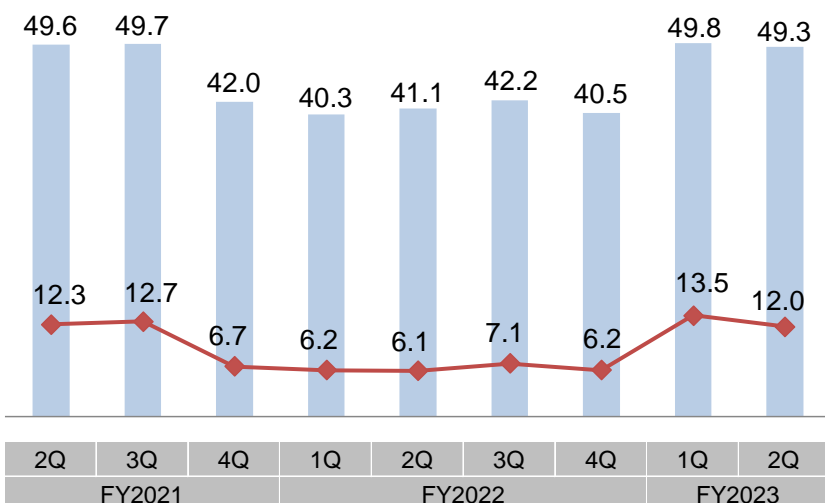
Segment Summary



■ Net operating revenues ◆ Ordinary income

Retail Division

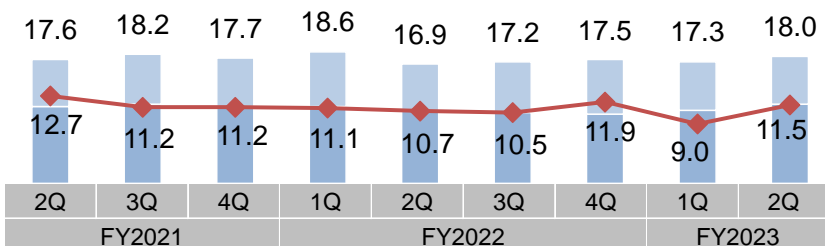
(¥ Billions)



Asset Management Division

(¥ Billions)

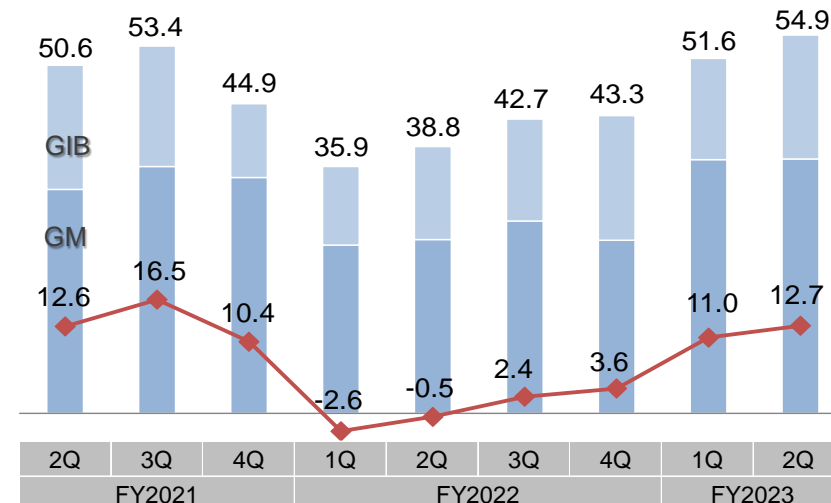
■ Real Estate AM (Net operating revenues)
■ Securities AM (Net operating revenues)



Wholesale Division

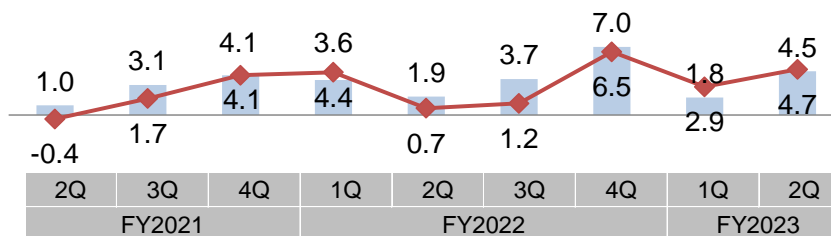
(¥ Billions)

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



Investment Division

(¥ Billions)



Consolidated B/S Summary

Consolidated Balance Sheet (September 30, 2023)

(¥ Billions)

Current assets			Current liabilities		
Cash and deposits	31,846	(6,973)	Trading products	28,338	(6,756)
Short-term investment securities	4,403	(536)	Trading securities and other	6,344	(902)
Trading products	1,273	(141)	Stocks, Convertible bonds	3,552	(100)
Trading securities and other	10,711	(3,085)	Bonds	158	(53)
Stocks, Convertible bonds	7,678	(2,253)	Other	3,299	(1)
Bonds	214	(-34)	Derivatives transactions	94	(45)
Beneficiary certificates	5,429	(979)	Loans payable secured by securities	2,792	(801)
Other	38	(-14)	Deposits for banking business	12,097	(4,167)
Derivatives transactions	1,995	(1,323)	Short-term loans payable	4,441	(508)
Operational investment securities	3,032	(831)	Current portion of bonds	1,351	(59)
(after allowance for possible investment losses)	127	(0)		251	(-233)
Loans secured by securities	10,720	(2,378)			
Non-current assets			Long-term liabilities		
Property, plant and equipment	1,578	(38)	Bonds payable	3,309	(156)
Intangible assets	923	(6)	Long-term loans payable	1,148	(-155)
Investments and other assets	128	(3)		2,016	(309)
Listed stocks	526	(28)	Total liabilities	31,651	(6,913)
Unlisted stocks	126	(12)	Net assets	1,773	(97)
Affiliated company stocks, etc.	21	(-4)	Owners' equity	1,313	(21)
Other	182	(11)	Accumulated other comprehensive income	191	(75)
	195	(8)	Non-controlling interests	260	(1)
Total Assets	33,424	(7,011)	Total liabilities and net assets	33,424	(7,011)

Total assets: ¥33.42 tn

Net assets: ¥1.77 tn

Shareholders' equity:** ¥1.50 tn

- 81.1% of total assets have high liquidity*.

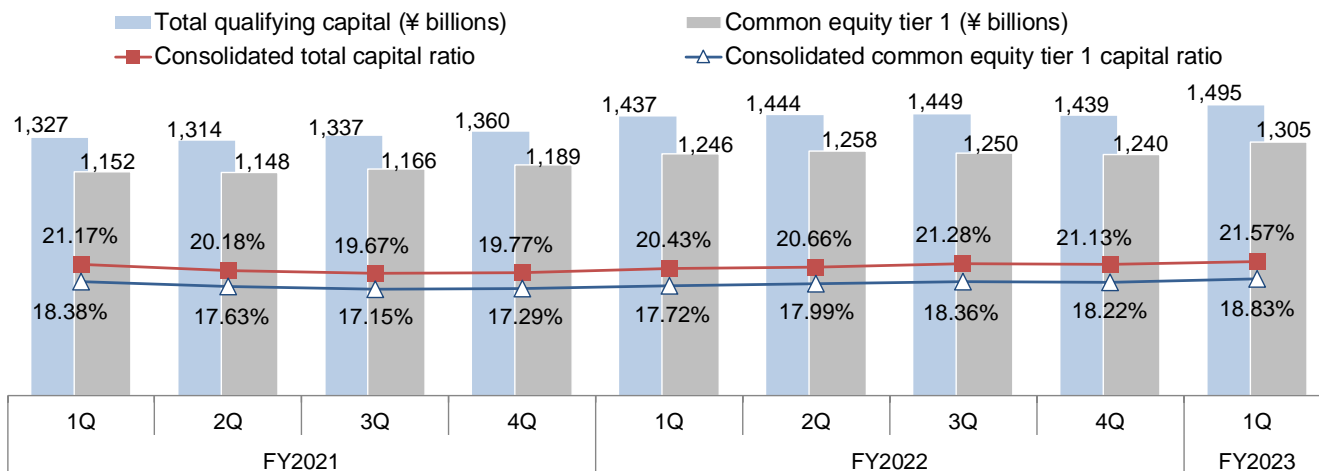
* Cash and deposits + Short-term investment securities + Trading products + Loans secured by securities

- Shareholders' equity** increased by ¥97.1 bn from March 31, 2023.

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

*Figures in parentheses indicate changes from March 31, 2023

Consolidated Capital Adequacy Ratio



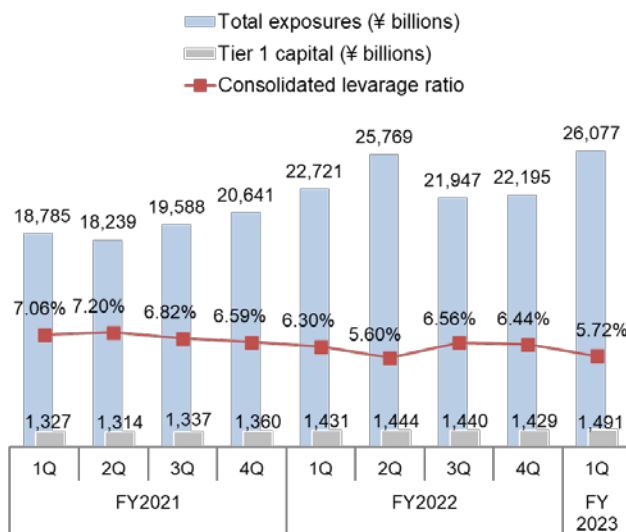
【Regulatory Capital (Basel III)】

(As at June 30, 2023)

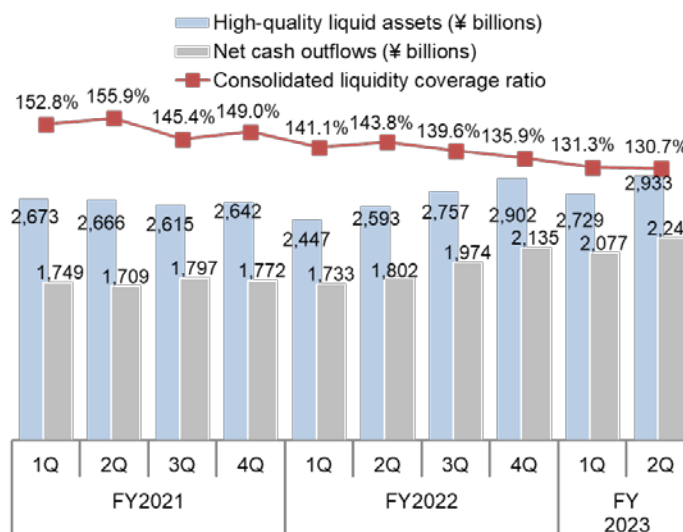
- Consolidated Total Capital Ratio : 21.57%
- Consolidated Tier 1 Capital Ratio : 21.52%
- Consolidated Common Equity Tier 1 Capital Ratio : 18.83%
- Consolidated Leverage Ratio : 5.72%

※ Figures are as at the end of each quarter.

Consolidated Leverage Ratio



Consolidated Liquidity Coverage Ratio



【Regulatory Liquidity (Basel III)】

(Daily average Jul. – Sep. 2023)

- Consolidated Liquidity Coverage Ratio : 130.7%

P/L Summary

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

(¥ Millions)	FY2022			FY2023		% Change vs 1Q/FY23	% Change vs 2Q/FY22	FY2022	FY2023	% Change vs 1H/FY22	FY2022
	2Q	3Q	4Q	1Q	2Q			1H	1H		
Operating revenues	192,552	233,036	293,860	266,259	303,827	14.1%	57.8%	339,193	570,087	68.1%	866,090
Commission received	70,506	69,588	72,890	82,381	86,124	4.5%	22.2%	137,511	168,506	22.5%	279,991
Net trading income	18,441	22,324	13,891	20,480	24,186	18.1%	31.2%	34,036	44,667	31.2%	70,253
Net gain (loss) on private equity	-1,523	1,735	937	186	3,272	17x	-	1,020	3,458	238.9%	3,692
Financial revenue	66,607	110,885	120,218	134,340	154,436	15.0%	131.9%	101,444	288,777	184.7%	332,548
Other operating revenue	38,519	28,502	85,922	28,869	35,807	24.0%	-7.0%	65,179	64,676	-0.8%	179,604
Financial expenses	52,486	91,027	101,427	113,701	130,846	15.1%	149.3%	76,043	244,548	221.6%	268,498
Other operating expenses	29,132	20,574	66,696	18,447	28,659	55.4%	-1.6%	46,094	47,106	2.2%	133,365
Net operating revenues	110,933	121,433	125,737	134,110	144,321	7.6%	30.1%	217,055	278,432	28.3%	464,226
SG&A	98,942	99,913	101,822	103,377	106,492	3.0%	7.6%	196,216	209,870	7.0%	397,952
Operating income	11,990	21,519	23,915	30,733	37,828	23.1%	215.5%	20,838	68,561	229.0%	66,273
Non-operating income	2,864	1,650	6,903	5,363	3,007	-43.9%	5.0%	12,102	8,370	-30.8%	20,657
Ordinary income/loss	14,855	23,170	30,818	36,096	40,835	13.1%	174.9%	32,941	76,932	133.5%	86,930
Extraordinary income/loss	9,499	693	-2,452	747	1,865	149.5%	-80.4%	11,594	2,613	-77.5%	9,835
Income before income taxes	24,355	23,864	28,365	36,844	42,701	15.9%	75.3%	44,536	79,545	78.6%	96,766
Total income taxes	2,609	6,330	8,617	10,886	10,694	-1.8%	309.8%	8,134	21,581	165.3%	23,082
Profit (loss) attributable to owners of parent	19,576	15,295	17,124	23,712	29,793	25.6%	52.2%	31,455	53,505	70.1%	63,875

- Commission received increased (+4.5%).
- Brokerage commission* was ¥21.9 bn (+0.9%).
- Underwriting and secondary offering commissions* were ¥9.2 bn (-19.1%).
- Distribution commission* was ¥3.7 bn (-3.6%).
- M&A related commission* was ¥10.9 bn (+37.7%).
- * Breakdown of total commission received (See p.23)
- Net gain on private equity was ¥3.2 bn (17x).
- Revenues from private equity investments increased.

Breakdown of SG&A

(¥ Millions)	FY2022			FY2023		% Change vs 1Q/FY23	% Change vs 2Q/FY22	FY2022	FY2023	% Change vs 1H/FY22	FY2022
	2Q	3Q	4Q	1Q	2Q			1H	1H		
SG&A	98,942	99,913	101,822	103,377	106,492	3.0%	7.6%	196,216	209,870	7.0%	397,952
Trading related expenses	18,006	18,147	17,981	18,700	20,217	8.1%	12.3%	35,415	38,918	9.9%	71,545
Personnel expenses	48,776	50,192	51,705	52,063	53,701	3.1%	10.1%	97,892	105,765	8.0%	199,790
Real estate expenses	9,764	9,747	9,488	9,720	9,924	2.1%	1.6%	19,468	19,644	0.9%	38,704
Office cost	6,260	6,478	6,850	6,524	6,464	-0.9%	3.3%	12,439	12,988	4.4%	25,768
Depreciation	8,770	8,584	8,518	8,734	8,793	0.7%	0.3%	17,394	17,527	0.8%	34,497
Taxes and dues	2,764	2,431	2,712	3,223	2,913	-9.6%	5.4%	5,047	6,136	21.6%	10,191
Other	4,600	4,330	4,565	4,410	4,478	1.5%	-2.7%	8,558	8,889	3.9%	17,454

- SG&A increased (+3.0%).
- Trading related expense increased as advertisement expense for sales promotion increased (+8.1%).
- Personnel expenses increased due to increase in performance-linked bonuses and salaries (+3.1%).

Cost Structure

(¥ Billions)	FY2021				FY2022					FY2023	
	2Q	3Q	4Q	1Q-4Q	1Q	2Q	3Q	4Q	1Q-4Q	1Q	2Q
Total SG&A	98.5	98.3	94.8	386.5	97.2	98.9	99.9	101.8	397.9	103.3	106.4
Variable costs	38.0	37.9	34.3	146.0	35.8	35.2	37.1	38.4	146.7	38.8	41.4
Trading related expenses	15.1	16.3	15.8	62.5	17.4	18.0	18.1	17.9	71.5	18.7	20.2
<i>Advertising and promotion expenses</i>	1.7	1.8	1.5	6.9	1.8	1.8	1.9	2.0	7.6	1.8	2.8
Bonus and others	16.7	15.7	12.6	59.7	13.0	11.4	13.1	14.3	51.9	14.1	15.2
Overtime, part-time	1.6	1.7	1.6	6.7	1.5	1.5	1.6	1.7	6.4	1.6	1.6
Fixed costs	60.5	60.3	60.4	240.4	61.4	63.6	62.7	63.3	251.2	64.5	65.0
Personnel expenses	33.3	32.5	33.4	131.9	34.4	35.7	35.3	35.6	141.1	36.1	36.7
Real estate expenses	9.3	9.5	9.6	37.6	9.7	9.7	9.7	9.4	38.7	9.7	9.9
Depreciation	8.7	8.7	8.5	34.8	8.6	8.7	8.5	8.5	34.4	8.7	8.7
Office expenses	6.0	6.1	6.1	23.8	5.9	6.0	6.2	6.6	24.8	6.2	6.2
Taxes and dues	2.5	2.9	2.2	10.6	2.2	2.7	2.4	2.7	10.1	3.2	2.9

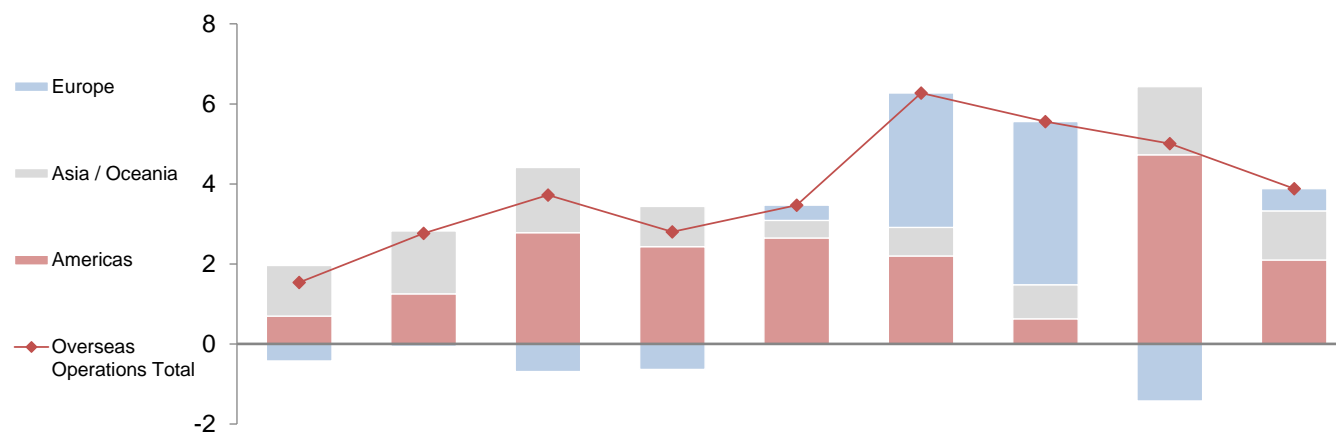
Ordinary Income of Overseas Operations

¥ Millions	FY2022			FY2023		% Change vs 1Q/FY23	% Change vs 2Q/FY22	FY2022	FY2023	% Change vs 1H/FY22	FY2022
	2Q	3Q	4Q	1Q	2Q			1H	1H		
Overseas Operations Total	3,470	6,273	5,558	5,007	3,882	-22.5%	11.9%	6,271	8,889	41.8%	18,102
Europe	383	3,360	4,076	-1,423	553	-	44.3%	-253	-869	-	7,184
Asia / Oceania	439	711	853	1,703	1,227	-27.9%	179.3%	1,442	2,931	103.2%	3,007
Americas	2,647	2,201	627	4,727	2,100	-55.6%	-20.6%	5,081	6,828	34.4%	7,910

Overseas operations stayed in the black for 30 consecutive quarters.

- Europe turned into the black due to recovery in M&A revenues.
- In Asia / Oceania, ordinary income decreased mainly due to decline in primary revenues.
- In Americas, ordinary income decreased due to decline in FICC revenues.

Ordinary Income



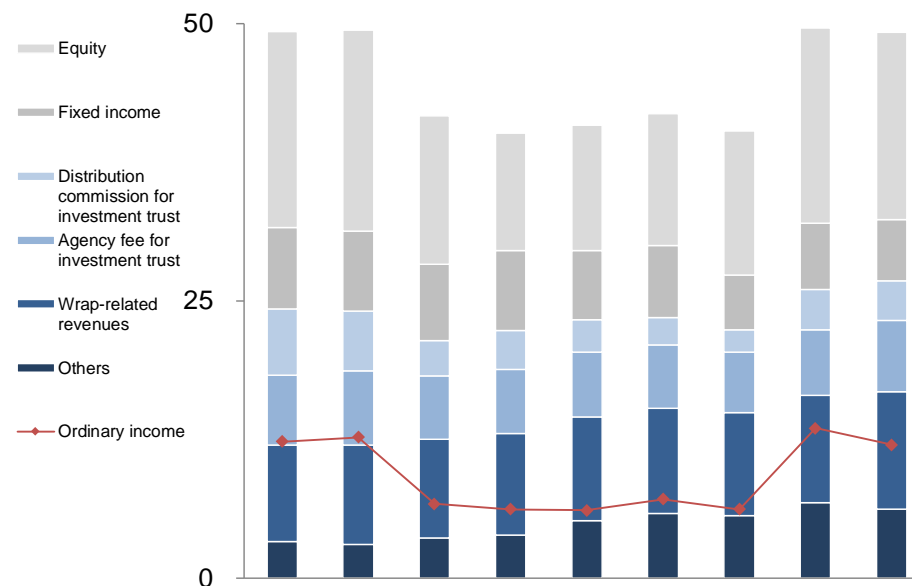
¥ Billions	FY2021			FY2022				FY2023	
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q

Retail Division

(¥ Millions)	FY2023 2Q	% Change vs 1Q/FY23	FY2023 1H	% Change vs 1H/FY22
Net operating revenues	49,387	-0.9%	99,232	21.6%
Ordinary income	12,024	-11.2%	25,567	105.4%

- Equity revenues decreased as equity distribution commission from underwriting deals decreased.
 - Fixed income revenues decreased as transactions of domestic bonds decreased.
 - Agency fee for investment trust increased as average AUM increased.
 - Wrap-related revenues increased as contract AUM of wrap accounts increased.
 - Asset based revenues* were ¥22.8 bn.
 - 47.2% of net operating revenues in Retail Division of Daiwa Securities.
 - 91.9% of fixed cost and 62.6% of total cost in Retail Division of Daiwa Securities.
- *Asset based revenues (See p.30)

Net Operating Revenues and Ordinary Income



(¥ Billions)	FY2021			FY2022				FY2023	
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Equity	17.7	18.1	13.4	10.6	11.3	11.9	13.0	17.6	16.9
Fixed income	7.3	7.2	6.9	7.2	6.2	6.5	4.9	6.0	5.5
Distribution commission for investment trust	6.0	5.4	3.2	3.5	2.9	2.5	2.0	3.6	3.6
Agency fee for investment trust	6.3	6.7	5.7	5.8	5.9	5.7	5.5	5.9	6.4
Wrap-related revenues	8.7	9.0	8.9	9.1	9.3	9.5	9.3	9.7	10.6
Others	3.3	3.0	3.6	3.9	5.2	5.8	5.6	6.8	6.2
Net operating revenues	49.6	49.7	42.0	40.3	41.1	42.2	40.5	49.8	49.3
Ordinary income	12.3	12.7	6.7	6.2	6.1	7.1	6.2	13.5	12.0

Retail Division Daiwa Securities

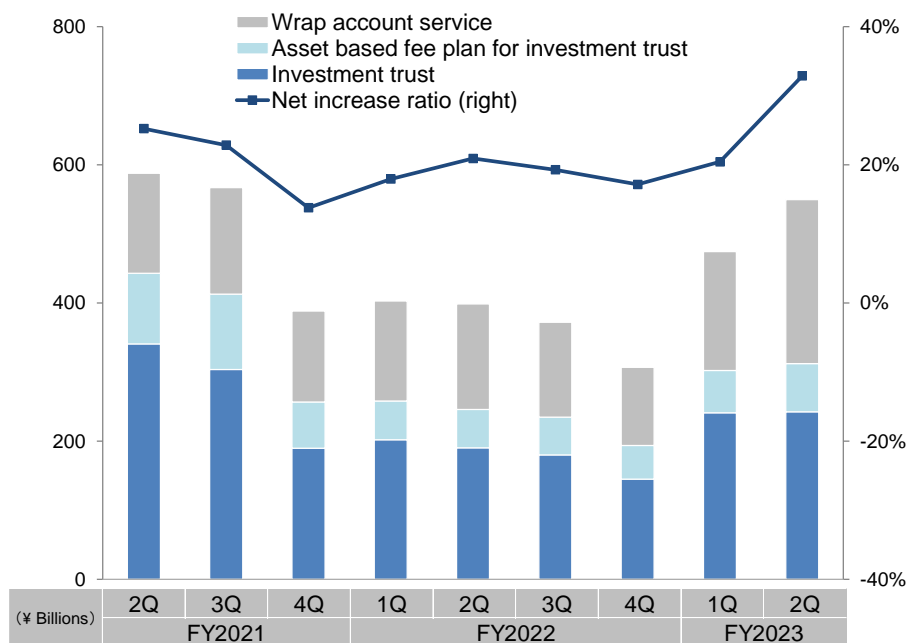
【Wrap Account Service*】

- Recorded contract amount of ¥237.3 bn, net inflow of ¥162.1 bn, both the highest levels in 8 years. Contract AUM was ¥3.5 tn*.

【Stock Investment Trusts】

- Steady sales from Indian equity fund and US growth stock fund.

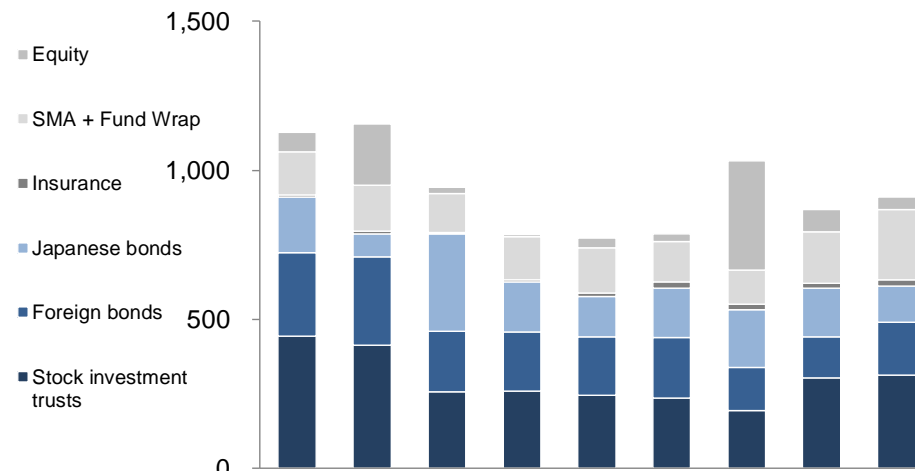
Sales/Distribution Amount and Net Increase Ratio
Wrap Account Service* and Stock Investment Trusts



※ 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



Product	FY2021			FY2022			FY2023		
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Equity	67.1	206.9	19.2	6.2	31.3	25.9	367.5	75.6	41.1
SMA + Fund Wrap*	144.6	154	131.5	144.6	152.7	137.1	113.0	172.0	237.3
Insurance**	6.6	7.4	5.0	6.2	11.3	20.1	18.8	16.0	19.4
Japanese bonds	185.8	78.4	325.7	167.9	135.2	166.0	195.0	163.3	122.2
Foreign bonds***	281.1	296.2	203.8	200.4	196.0	203.8	143.7	138.9	177.9
Stock investment trusts****	442.9	412.9	256.8	258.0	245.8	234.8	193.8	302.3	312.1
Asset based fee plan for investment trust	102.2	109.1	67.1	55.9	55.5	54.6	48.8	61.3	69.7

*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)	FY2023 2Q	% Change vs 1Q/FY23	FY2023 1H	% Change vs 1H/FY22
Net operating revenues	36,921	0.2%	73,770	48.2%
Ordinary income	9,157	-6.4%	18,941	-

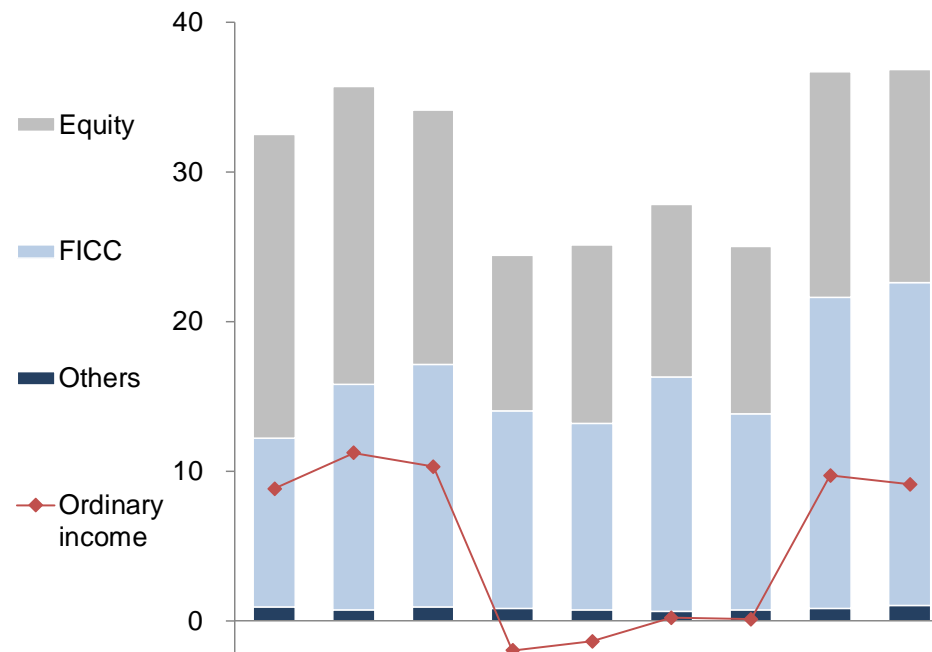
【Equity】

- Equity revenues decreased due to equity distribution commission decrease, although kept solid momentum.

【FICC*】

- Domestic FICC revenues increased due to customer flows increase in JGBs and credit, as well as effective position management, amid interest rate rise.
- Overseas saw slowdown in Americas, which showed strong performance in the previous quarter.

Net Operating Revenues and Ordinary Income



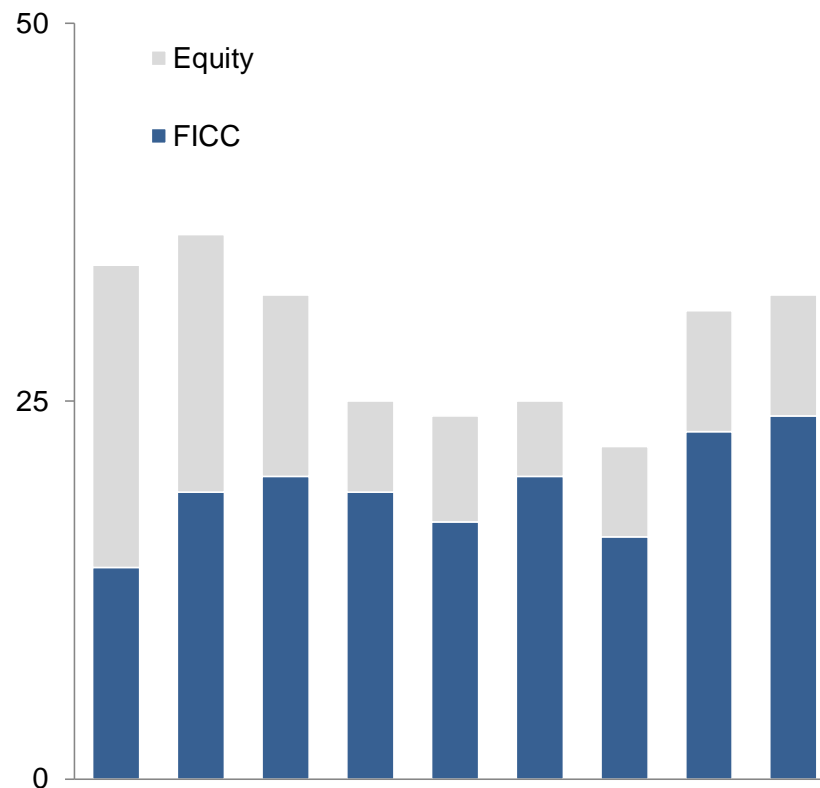
(¥ Billions)	FY2021			FY2022				FY2023	
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Equity	20.3	19.9	17.0	10.4	11.9	11.5	11.2	15.1	14.2
FICC*	11.3	15.1	16.2	13.2	12.5	15.7	13.1	20.8	21.6
Others	0.9	0.7	0.9	0.8	0.7	0.6	0.7	0.8	1.0
Net operating revenues	32.5	35.8	34.2	24.4	25.2	27.9	25.1	36.8	36.9
Ordinary income	8.8	11.2	10.3	-2.0	-1.4	0.2	0.1	9.7	9.1

*FICC: Fixed Income, Currency and Commodities

【Managerial accounting basis】

(¥ Billions)	FY2023 2Q	% Change vs 1Q/FY23	FY2023 1H	% Change vs 1H/FY22
Equity	8	0.0%	16	23.1%
FICC	24	4.3%	47	30.6%
Total	32	3.2%	63	28.6%

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



(¥ Billions)	FY2021			FY2022				FY2023	
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Equity	20	17	12	6	7	5	6	8	8
FICC	14	19	20	19	17	20	16	23	24
Total	34	36	32	25	24	25	22	31	32

Wholesale Division Global Investment Banking



(¥ Millions)	FY2023 2Q	% Change vs 1Q/FY23	FY2023 1H	% Change vs 1H/FY22
Net operating revenues	18,069	22.3%	32,847	31.1%
Ordinary income	3,206	261.6%	4,092	-

- Equity underwriting decreased compared to previous quarter which had contribution of large-sized deals.
- M&A revenues for domestic kept high level, overseas saw recovery in Europe.

[Equity]

		<Offering size>
Daiwa House REIT Investment Corporation	REIT	¥25.7 bn
Integral Corporation	Global IPO	¥20.7 bn
Mitsui Fudosan Logistics Park Inc.	REIT	¥15.3 bn
JAFCO Group Co., Ltd.	Euro yen CB	¥15.0 bn
TESS Holdings Co., Ltd.	Rights Offering	¥14.0 bn
Japan Hotel REIT Investment Corporation	REIT	¥12.2 bn
Nareru Group Inc.	IPO	¥10.8 bn

[Debt]

		<Offering size>
NTT FINANCE CORPORATION (3*/5*/7*/10*yrs)	Straight Bond ◆	¥380.0 bn
Panasonic Holdings Holdings (5/7/10 yrs)	Straight Bond	¥260.0 bn
Mitsui Fudosan Co., Ltd. (10*/15*/20*yrs)	Straight Bond ◆	¥100.0 bn
Japan Post INSURANCE Co., Ltd. (30 yrs)	Subordinated Bond	¥100.0 bn
East Japan Railway Company (10/20/30/40/50 yrs)	Straight Bond	¥80.0 bn
JBIC (5 yrs)	Benchmark Bond	USD 1.5 bn

[M&A]

Sale of Daiwa Resort Co., Ltd. to Japan Hotel REIT Advisors Co., Ltd. by DAIWA HOUSE INDUSTRY CO., LTD.

Privatization of ITOCHU Techno-Solutions Corporation by ITOCHU Corporation.

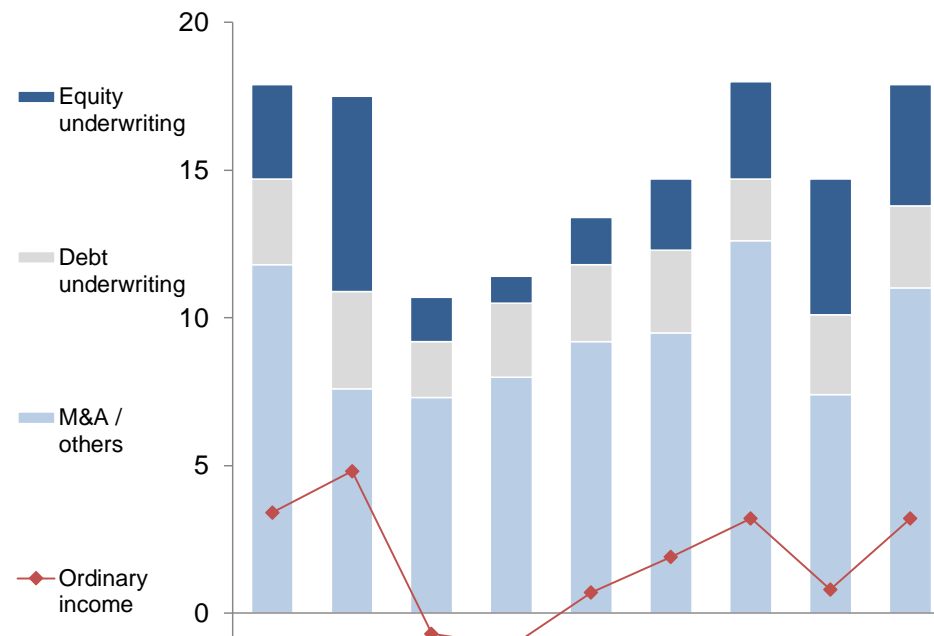
Making Takisawa Machine Tools Co., Ltd. a wholly owned subsidiary of NIDEC CORPORATION by Tender Offer of shares

Tender Offer of shares of INTAGE HOLDINGS Inc. by NTT DOCOMO, INC.

Acquisition of Kenter (Netherlands) by consortium of APG Asset Management (Netherlands) and OMERS Infrastructure (Canada)

Sale of TVC Pro-Driver (US) to Love's Travel Stops (US)

Net Operating Revenues and Ordinary Income



(¥ Billions)	FY2021			FY2022				FY2023	
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Equity underwriting	3.2	6.6	1.5	0.9	1.6	2.4	3.3	4.6	4.1
Debt underwriting	2.9	3.3	1.9	2.5	2.6	2.8	2.1	2.7	2.8
M&A / others	11.8	7.6	7.3	8.0	9.2	9.5	12.6	7.4	11.0
Net operating revenues	18.0	17.5	10.7	11.4	13.5	14.8	18.1	14.7	18.0
Ordinary income	3.4	4.8	-0.7	-1.1	0.7	1.9	3.2	0.8	3.2
Group M&A related revenues*	12.3	8.3	9.1	8.8	10.8	11.5	15.6	8.2	11.7

*In addition to "M&A / others" revenues, includes revenues from equity-method affiliates such as Green Giraffe (50% ownership), a renewable energy M&A house in Europe

Asset Management Division

(¥ Millions)	FY2023 2Q	% Change vs 1Q/FY23	FY2023 1H	% Change vs 1H/FY22
Net operating revenues	18,031	4.2%	35,341	-0.6%
Ordinary income	11,551	28.0%	20,574	-6.3%

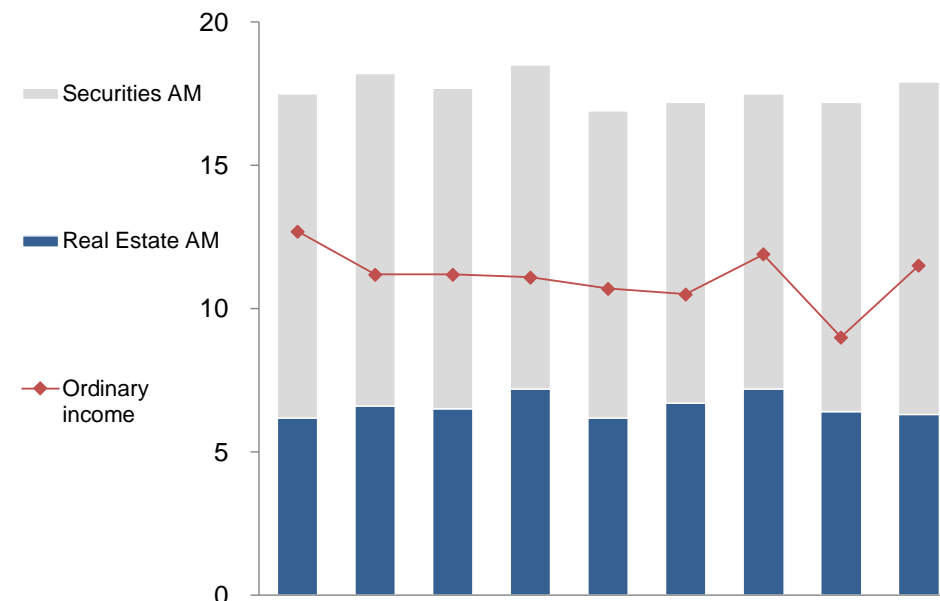
【Securities AM】

- Revenues in Daiwa Asset Management increased. Secured net asset inflow, and average AUM of publicly offered stock investments (excluding ETF) increased.

【Real estate AM】

- Profit increased as equity method investment gains from Samty improved.

Net Operating Revenues and Ordinary Income



(¥ Billions)	FY2021			FY2022			FY2023		
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Securities AM	11.3	11.6	11.2	11.3	10.7	10.5	10.3	10.8	11.6
Real estate AM*	6.2	6.6	6.5	7.2	6.2	6.7	7.2	6.4	6.3
Net operating revenues	17.6	18.2	17.7	18.6	16.9	17.2	17.5	17.3	18.0
Securities AM	5.8	5.6	5.3	5.3	4.5	4.1	3.9	4.4	5.1
Real estate AM**	6.9	5.6	5.8	5.8	6.1	6.3	8.0	4.6	6.3
Ordinary income	12.7	11.2	11.2	11.1	10.7	10.5	11.9	9.0	11.5

* Includes Daiwa Real Estate Asset Management, Daiwa Office Investment, and Samty Residential Investment

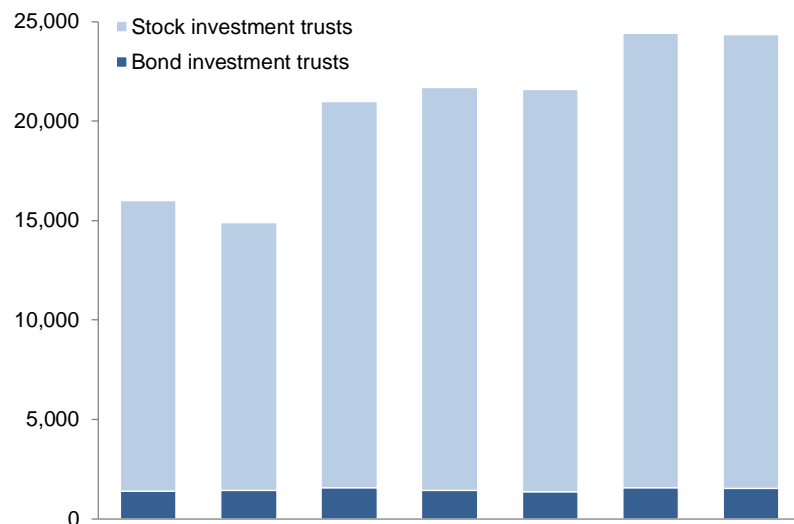
** Equity in earnings of affiliates is included in non-operating income

Asset Management Division

Assets Under Management and Net Increase



Daiwa Asset Management Publicly Offered Securities Investment Trusts AUM

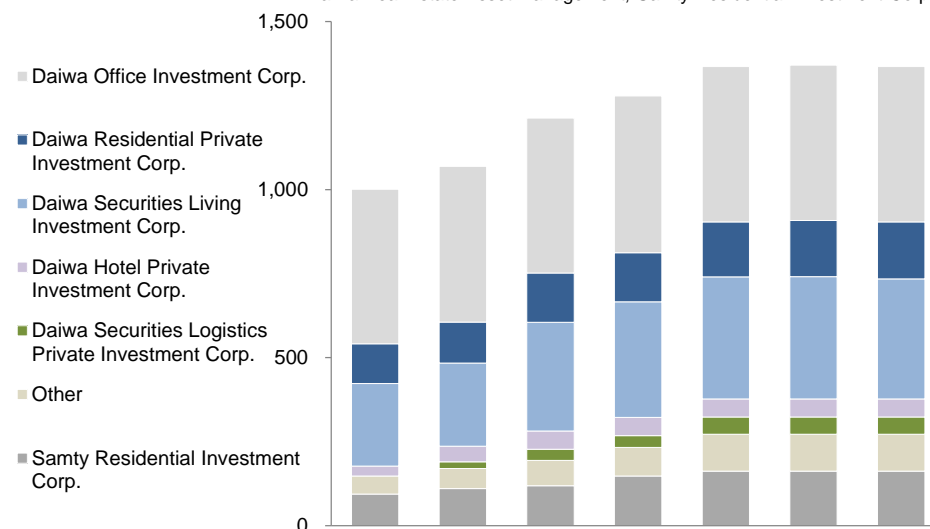


AUM (¥ Billions)	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	
						1Q	2Q
Stock investment trusts	14,616	13,478	19,418	20,261	20,225	22,827	22,830
excl. ETF	7,245	6,063	7,543	8,268	8,038	8,863	8,922
(Net inflow)	(-339)	(-217)	(50)	(347)	(516)	(53)	(254)
ETF	7,371	7,414	11,875	11,993	12,186	13,963	13,908
(Net inflow)	(1,279)	(947)	(1,001)	(275)	(-80)	(-64)	(137)
Bond investment trusts	1,396	1,421	1,561	1,434	1,365	1,581	1,534
Total	16,012	14,900	20,980	21,696	21,590	24,409	24,365
Publicly Offered Securities Investment	14.2%	14.0%	13.9%	13.3%	13.0%	13.0%	12.9%

※ 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)	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	
						1Q	2Q
Daiwa Office Investment Corp.	460	463	461	466	462	462	462
Daiwa Residential Private Investment Corp.	118	121	146	146	164	167	170
Daiwa Securities Living Investment Corp.*	245	247	323	343	363	364	357
Daiwa Hotel Private Investment Corp.	29	45	54	54	54	54	54
Daiwa Securities Logistics Private Investment Corp.		20	33	35	51	51	51
Other	53	59	75	85	110	110	110
Total	907	959	1,094	1,131	1,206	1,210	1,207
Samty Residential Investment Corp. (Sub sponsor)	93	109	118	147	162	162	162
Total (Including sub sponsor)	1,000	1,069	1,212	1,279	1,369	1,373	1,370

※ All figures are as at the end of each quarter

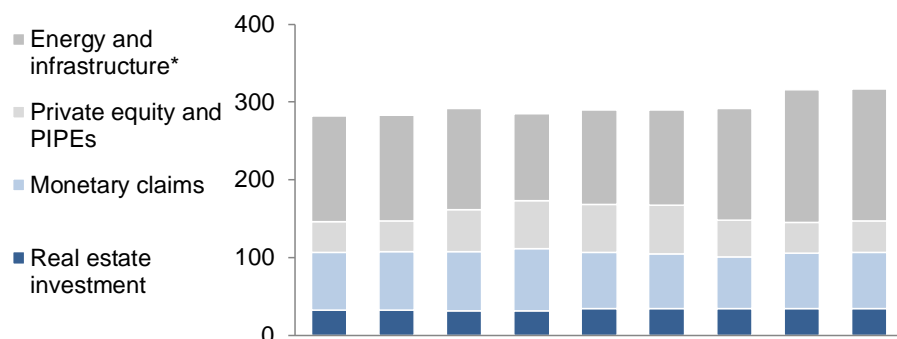
* Japan Rental Housing Investment Inc. merged with Nippon Healthcare Investment Corp. through absorption-type merger and changed its trade name to Daiwa Securities Living Investment Corp. on April 1, 2020. Daiwa Securities Living Investment Corp.'s AUM from FY2018 to FY2019 is a total of the two companies.

Investment Division

(¥ Millions)	FY2023 2Q	% Change vs 1Q/FY23	FY2023 1H	% Change vs 1H/FY22
Net operating revenues	4,534	146.6%	6,373	13.7%
Ordinary income	4,702	58.0%	7,677	45.6%

- Both net operating revenues and ordinary income increased due to contributions from revenues of private equity investments at Daiwa PI Partners, and dividends from infrastructure investments at Daiwa Energy & Infrastructure.

Principal Investment Value



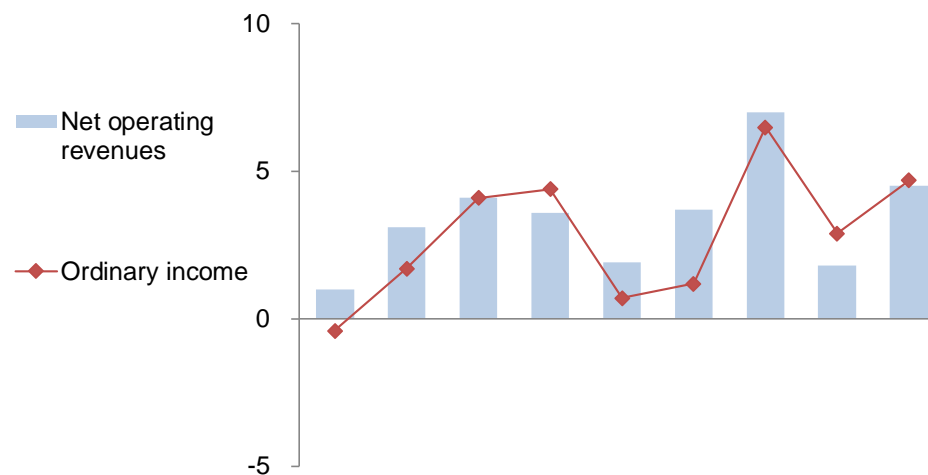
(¥ Billions)	FY2021			FY2022				FY2023	
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Daiwa PI Partners									
Private equity and PIPEs**	39	39	54	62	61	62	47	39	40
Monetary claims	75	76	77	80	73	71	67	72	73
Real estate investment	32	32	31	31	34	34	34	34	34
Daiwa Energy & Infrastructure	136	136	130	112	122	123	144	171	170
Total	283	285	294	287	292	292	293	318	318

※ 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)	FY2021			FY2022				FY2023	
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Net operating revenues	1.0	3.1	4.1	3.6	1.9	3.7	7.0	1.8	4.5
Ordinary income	-0.4	1.7	4.1	4.4	0.7	1.2	6.5	2.9	4.7

Reference

Daiwa Securities Group Inc.

Breakdown of Commission

(¥ Millions)	FY2022			FY2023		% Change vs 1Q/FY23	% Change vs 2Q/FY22	FY2022	FY2023	% Change vs 1H/FY22	FY2022
	2Q	3Q	4Q	1Q	2Q			1H	1H		
Total commission	70,506	69,588	72,890	82,381	86,124	4.5%	22.2%	137,511	168,506	22.5%	279,991
Brokerage commission	16,104	16,662	16,368	21,795	21,982	0.9%	36.5%	31,242	43,777	40.1%	64,272
Underwriting and secondary offering commissions	6,296	7,653	8,857	11,429	9,242	-19.1%	46.8%	11,653	20,671	77.4%	28,165
Distribution commission	3,043	2,580	2,071	3,890	3,749	-3.6%	23.2%	6,664	7,639	14.6%	11,316
Other commission	45,062	42,692	45,593	45,267	51,150	13.0%	13.5%	87,951	96,417	9.6%	176,237
<i>Investment advisory and account management fees</i>	8,787	8,945	8,828	9,249	10,199	10.3%	16.1%	17,310	19,448	12.4%	35,084
<i>Insurance sales commission</i>	446	904	840	675	842	24.7%	88.6%	636	1,517	138.6%	2,380
<i>M&A related commission</i>	9,278	6,321	9,926	7,986	10,995	37.7%	18.5%	16,355	18,982	16.1%	32,603
<i>Management fee</i>	17,878	17,353	16,962	17,860	19,044	6.6%	6.5%	36,300	36,904	1.7%	70,615
<i>Other</i>	8,671	9,168	9,034	9,495	10,068	6.0%	16.1%	17,349	19,563	12.8%	35,552

Balance Sheet

Daiwa Securities Balance Sheet (September 30, 2023)

(¥ Billions)

Current assets	15,804	(4,086)	Current liabilities	14,100	(4,215)
Trading products	6,610	(1,668)	Trading products	4,757	(688)
Trading securities and other	3,596	(853)	Trading securities and other	1,966	(-119)
Derivatives transactions	3,013	(814)	Derivatives transactions	2,790	(808)
Margin transaction assets	163	(7)	Margin transaction liabilities	45	(-6)
Loans on margin transactions	153	(4)	Loans payables secured by securities	5,609	(2,770)
Cash collateral pledged for securities borrowing on margin transactions	9	(2)	Short-term loans payable	1,093	(-6)
Loans secured by securities	5,896	(1,885)	Current portion of bonds	172	(-178)
Short-term guarantee deposits	667	(51)	Long-term liabilities	1,356	(-145)
Short-term loans receivable	454	(44)	Bonds payable	519	(-127)
Non-current assets	194	(3)	Long-term loans payable	789	(-18)
Property, plant and equipment	49	(-1)	Total liabilities	15,461	(4,069)
Intangible assets	77	(3)	Net assets	538	(20)
Total assets	15,999	(4,090)	Shareholders' equity	536	(20)
			Capital stock	100	—
			Total liabilities and net assets	15,999	(4,090)

※ Figures in parentheses show changes from March 31, 2023.

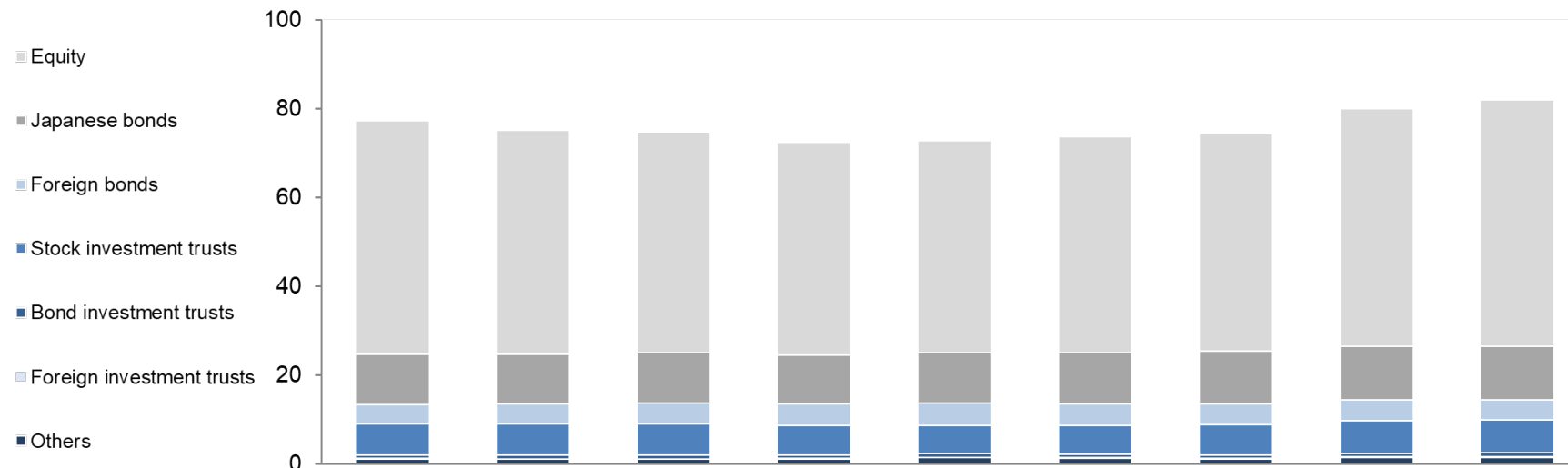
Financial Summary I

(¥ Millions)	FY2022			FY2023		% Change vs 1Q/FY23	% Change vs 2Q/FY22	FY2022	FY2023	% Change vs 1H/FY22	FY2022
	2Q	3Q	4Q	1Q	2Q			1H	1H		
Operating revenues	67,296	77,833	73,139	94,059	100,696	7.1%	49.6%	126,569	194,756	53.9%	277,542
Commission received	44,631	46,243	46,001	58,959	58,920	-0.1%	32.0%	85,128	117,879	38.5%	177,373
Brokerage commission	11,659	12,060	11,721	16,655	16,788	0.8%	44.0%	22,405	33,443	49.3%	46,186
<i>Stock and others</i>	11,244	11,642	11,384	16,282	16,485	1.2%	46.6%	21,590	32,767	51.8%	44,616
Underwriting and secondary offering commissions	5,817	6,829	8,200	9,603	8,179	-14.8%	40.6%	10,080	17,783	76.4%	25,110
<i>Equity</i>	1,709	2,332	5,082	4,623	3,932	-14.9%	130.1%	2,315	8,556	269.5%	9,731
<i>Bond and others</i>	3,824	4,496	3,117	4,606	4,030	-12.5%	5.4%	7,481	8,636	15.4%	15,095
Distribution commission	2,983	2,536	2,022	3,819	3,682	-3.6%	23.4%	6,545	7,501	14.6%	11,105
<i>Investment trust</i>	2,891	2,492	1,945	3,622	3,616	-0.2%	25.0%	6,335	7,238	14.2%	10,773
Other commissions	24,171	24,817	24,056	28,880	30,269	4.8%	25.2%	46,096	59,150	28.3%	94,970
<i>Agency fee and others</i>	7,572	7,351	7,160	7,707	8,357	8.4%	10.4%	14,984	16,064	7.2%	29,497
<i>Investment advisory and account management fees</i>	8,787	8,945	8,828	9,249	10,199	10.3%	16.1%	17,310	19,448	12.4%	35,084
<i>Insurance sales commission</i>	446	904	840	675	842	24.7%	88.6%	636	1,517	138.6%	2,380
<i>M&A related commission</i>	1,942	1,708	1,589	4,417	4,583	3.7%	135.9%	2,943	9,000	205.8%	6,241
Net trading income/loss	11,462	15,045	10,862	16,599	21,051	26.8%	83.7%	22,252	37,650	69.2%	48,159
Financial revenues	11,202	16,544	16,275	18,501	20,724	12.0%	85.0%	19,189	39,225	104.4%	52,009
Financial expenses	6,686	11,322	11,552	14,327	15,626	9.1%	133.7%	11,308	29,954	164.9%	34,183
Net operating revenues	60,609	66,510	61,586	79,731	85,070	6.7%	40.4%	115,261	164,801	43.0%	243,358

Financial Summary II

(¥ Millions)	FY2022			FY2023		% Change vs 1Q/FY23	% Change vs 2Q/FY22	FY2022	FY2023	% Change vs 1H/FY22	FY2022
	2Q	3Q	4Q	1Q	2Q			1H	1H		
SG&A	60,694	61,060	59,293	61,730	63,970	3.6%	5.4%	118,225	125,701	6.3%	238,579
Trading related expenses	10,373	10,472	9,552	10,063	10,870	8.0%	4.8%	20,316	20,933	3.0%	40,341
Personnel expenses	22,586	22,813	24,081	24,943	25,871	3.7%	14.5%	45,202	50,814	12.4%	92,098
Real estate expenses	5,492	5,321	5,460	5,279	5,502	4.2%	0.2%	10,857	10,781	-0.7%	21,639
Office cost	14,400	14,654	12,242	13,529	13,745	1.6%	-4.6%	26,607	27,274	2.5%	53,503
Depreciation	5,790	5,753	5,760	5,706	5,828	2.1%	0.7%	11,453	11,534	0.7%	22,967
Taxes and dues	880	797	865	1,168	1,180	1.0%	34.1%	1,620	2,348	44.9%	3,283
Other	1,170	1,246	1,330	1,039	972	-6.4%	-16.8%	2,168	2,012	-7.2%	4,745
Ordinary income	248	5,324	2,733	18,711	21,672	15.8%	87x	-2,097	40,384	-	5,959
Net income	2,388	5,223	1,507	12,751	14,914	17.0%	524.5%	420	27,666	65x	7,151
ROE (Annualized)	1.9%	4.1%	1.2%	9.8%	11.2%			0.2%	10.5%		1.4%
Capital adequacy ratio	287.3%	307.5%	323.6%	342.7%	371.7%			287.3%	371.7%		323.6%

Assets under Custody



(¥ Trillions)	FY2021			FY2022				FY2023	
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Equity	52.7	50.4	49.9	47.9	47.8	48.7	49.0	53.6	55.6
Japanese bonds	11.3	11.1	11.2	11.1	11.4	11.6	11.9	12.0	12.1
Foreign bonds	4.4	4.5	4.8	4.9	5.0	4.9	4.7	4.7	4.5
Stock investment trusts	6.9	7.1	7.0	6.5	6.4	6.4	6.8	7.4	7.4
Bond investment trusts	0.8	0.8	0.8	0.8	0.8	0.8	0.7	0.8	0.8
Foreign investment trusts	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2
Others	1.2	1.1	1.1	1.2	1.4	1.3	1.2	1.4	1.5
Total	77.7	75.5	75.1	72.8	73.3	74.1	74.7	80.3	82.3
Daiwa Next Bank deposit balance	4.2	4.3	4.1	4.1	4.1	4.1	3.9	4.3	4.4

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

※ ETFs are recorded in 'Equity'.

Number of Accounts and Equity Trading

	FY2021			FY2022				FY2023	
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Accounts with balance* (thousands)	3,031	3,024	3,038	3,033	3,041	3,042	3,057	3,093	3,104
Accounts holding equity (thousands)	1,447	1,456	1,458	1,462	1,463	1,458	1,473	1,476	1,474
Online trading accounts (thousands)	3,477	3,492	3,506	3,517	3,532	3,550	3,571	3,596	3,616
Newly opened accounts (thousands)	37	31	29	29	33	43	46	43	46
NISA accounts** (thousands)	863	862	863	652	653	654	655	678	683
Wrap account service (end of quarter)									
Contract assets under management (¥ billions)	2,789	2,925	2,957	2,926	2,950	2,975	3,095	3,408	3,558
Number of customers (thousands)	140	142	144	147	150	154	157	161	168
Contracts and trading value for individual investors at Daiwa Securities (Japanese Equity)									
Total number of contracts (thousands)	2,511	2,590	2,541	2,211	2,219	2,261	2,220	2,637	2,651
<i>Online out of total (thousands)</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>	<i>1,970</i>	<i>2,274</i>	<i>2,275</i>
Total trading value (¥ billions)	2,997	3,007	2,857	2,302	2,415	2,558	2,496	3,309	3,409
<i>Online out of total (¥ billions)</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>	<i>1,796</i>	<i>2,220</i>	<i>2,309</i>
Foreign equity trading value (Retail)									
Trading value (¥ billions)	381	400	204	154	117	120	115	240	226

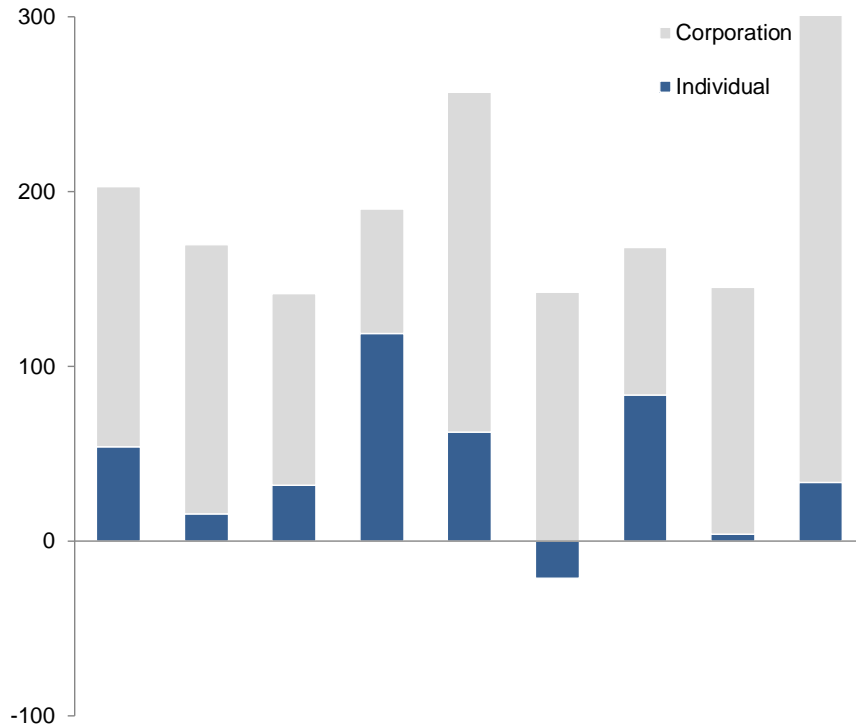
* Includes accounts being transferred from Shikoku Bank from 1Q FY2023 under comprehensive business alliance.

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

Net Asset Inflow



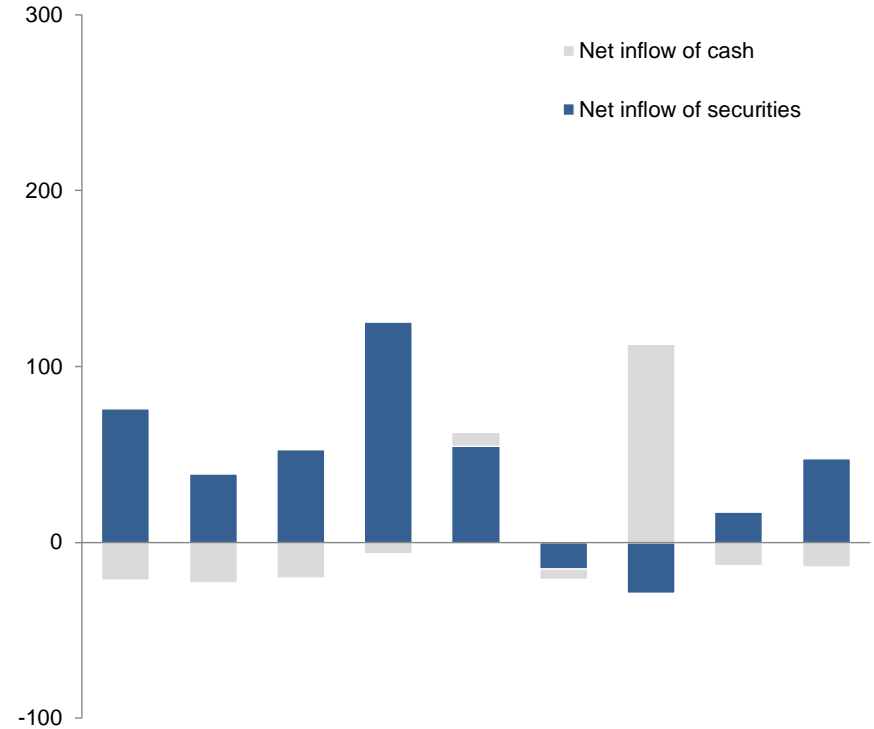
Retail Division (Daiwa Securities) Net Asset Inflow*



¥ Billions	FY2021			FY2022				FY2023	
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Corporation	148.9	153.8	109.7	71.5	194.5	142.7	84.7	141.2	269.6
Individual	54.2	15.9	32.2	118.8	62.4	-21.1	83.6	4.2	33.6
Total	203.2	169.7	141.9	190.3	257.0	121.5	168.4	145.5	303.3

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

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

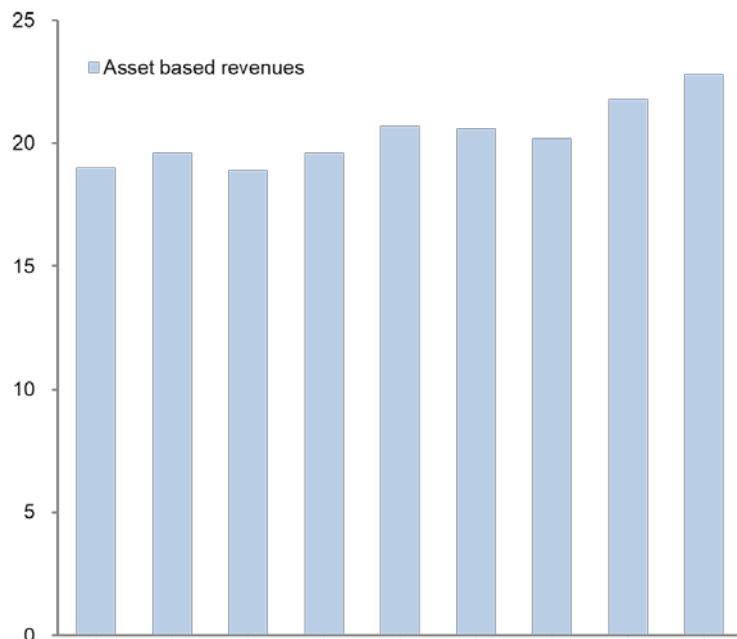


¥ Billions	FY2021			FY2022				FY2023	
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Net inflow of cash	-21.6	-22.9	-20.3	-6.4	7.6	-5.9	112.7	-13.0	-14.0
Net inflow of securities	75.8	38.8	52.5	125.2	54.8	-15.1	-29.1	17.3	47.7
Total	54.2	15.9	32.2	118.8	62.4	-21.1	83.6	4.2	33.6

Asset Based Revenues



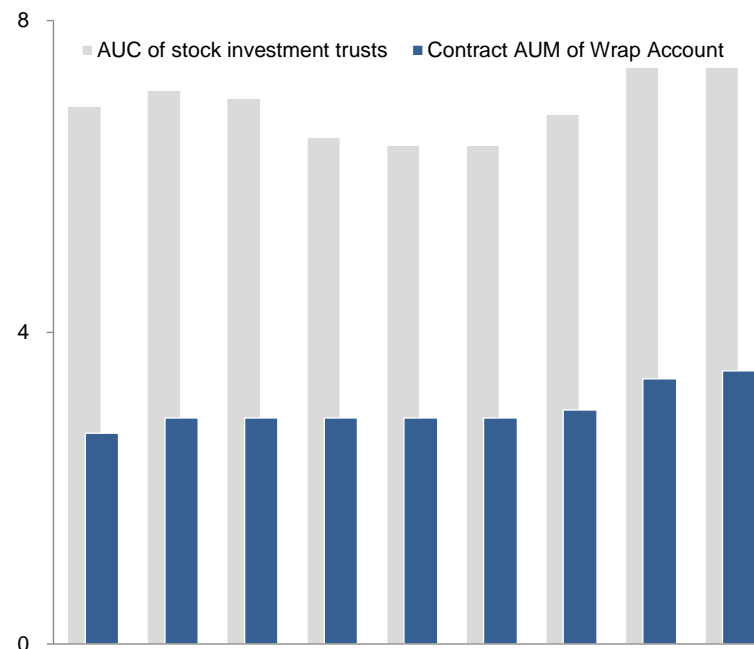
Asset Based Revenues



¥ Billions	FY2021			FY2022				FY2023	
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Net operating revenues in Retail Division (Daiwa Securities)	48.3	48.6	41.2	39.4	40.1	40.9	39.5	48.3	48.3
Asset based revenues	19.0	19.6	18.9	19.6	20.7	20.6	20.2	21.8	22.8
Asset based revenue ratio	39.5%	40.4%	46.1%	49.7%	51.6%	50.5%	51.2%	45.3%	47.2%
Fixed cost coverage ratio	75.5%	79.4%	77.2%	83.7%	83.1%	85.0%	87.0%	89.4%	91.9%
Total cost coverage ratio	52.3%	54.0%	54.7%	58.9%	60.7%	60.6%	60.6%	61.7%	62.6%

* 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	FY2021			FY2022				FY2023	
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
AUC of stock investment trusts	6.9	7.1	7.0	6.5	6.4	6.4	6.8	7.4	7.4
Contract AUM of Wrap Account	2.7	2.9	2.9	2.9	2.9	2.9	3.0	3.4	3.5

* 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)
FY2023 2Q League Table							
1st	Nomura	Nomura	Mizuho	Nomura	Nomura	Mizuho	Nomura
	41.6%	18.5%	24.5%	24.2%	22.4%	25.6%	
2nd	Daiwa	SMBC Nikko	Nomura	Daiwa	Daiwa	SMBC Nikko	SMFG
	14.9%	18.5%	21.1%	22.0%	20.0%	24.6%	
3rd	Mizuho	Daiwa	Daiwa	SMBC Nikko	Mizuho	Mitsubishi UFJMS	Daiwa
	10.1%	18.1%	20.8%	17.2%	17.2%	17.2%	
4th	JPMorgan	Mitsubishi UFJMS	SMBC Nikko	Mizuho	Mitsubishi UFJMS	Daiwa	Morgan Stanley (3rd)
	8.1%	9.0%	16.1%	16.1%	17.0%	13.8%	
5th	Goldman Sachs	Mizuho	Mitsubishi UFJMS	Mitsubishi UFJMS	SMBC Nikko	Nomura	Mizuho
	7.9%	8.7%	12.5%	12.8%	13.1%	12.1%	

Source: Compiled by Daiwa Securities based on REFINITIV April 2023 – September 2023

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.

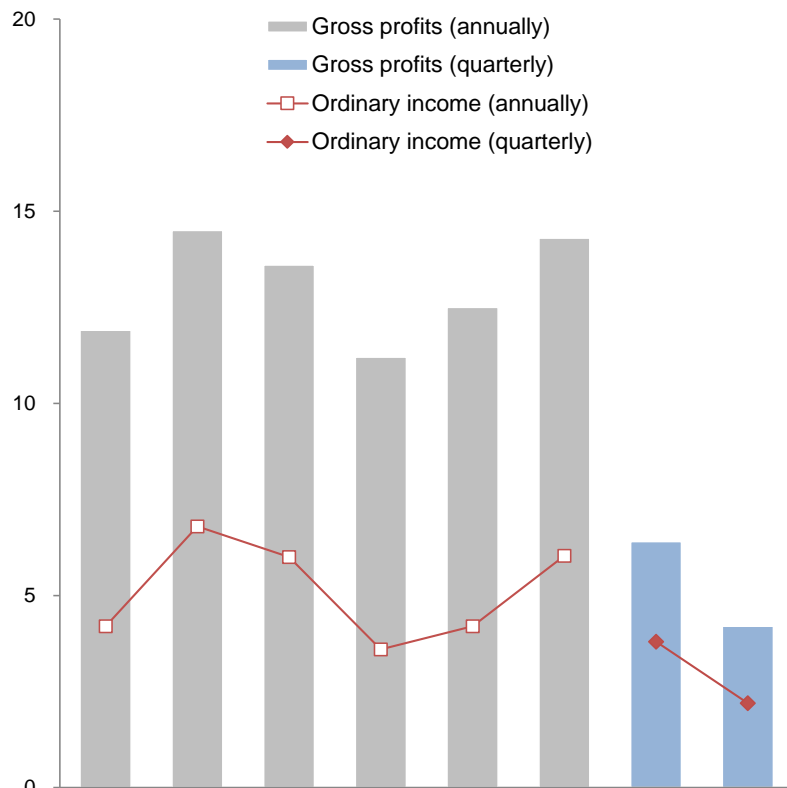
M&A is compiled by Daiwa Securities based on Mergermarket

Financial Summary

(¥ Millions)	FY2022			FY2023		% Change vs 1Q/FY23	% Change vs 2Q/FY22	FY2022	FY2023	% Change vs 1H/FY22	FY2022
	2Q	3Q	4Q	1Q	2Q			1H	1H		
Operating revenues	17,828	17,288	16,908	17,805	19,073	7.1%	7.0%	36,208	36,879	1.9%	70,405
Management fee	17,684	17,144	16,774	17,666	18,890	6.9%	6.8%	35,926	36,557	1.8%	69,845
<i>Stock investment trust</i>	17,609	17,077	16,708	17,598	18,819	6.9%	6.9%	35,776	36,417	1.8%	69,562
<i>Bond investment trust</i>	75	66	65	68	70	2.5%	-6.0%	149	139	-6.8%	282
Other operating revenues	143	144	133	138	183	32.3%	28.1%	281	322	14.4%	559
SG&A	13,821	13,709	13,558	14,069	14,649	4.1%	6.0%	27,825	28,719	3.2%	55,094
Commission paid	7,584	7,266	7,050	7,390	7,859	6.3%	3.6%	15,088	15,250	1.1%	29,405
Other SG&A	6,237	6,442	6,508	6,679	6,789	1.7%	8.9%	12,737	13,468	5.7%	25,688
Operating income	4,006	3,578	3,349	3,735	4,424	18.4%	10.4%	8,382	8,160	-2.6%	15,310
Ordinary income	3,966	3,590	3,364	3,699	4,473	20.9%	12.8%	8,686	8,172	-5.9%	15,642
Net income	2,520	2,413	2,398	2,425	2,979	22.8%	18.2%	5,505	5,405	-1.8%	10,317

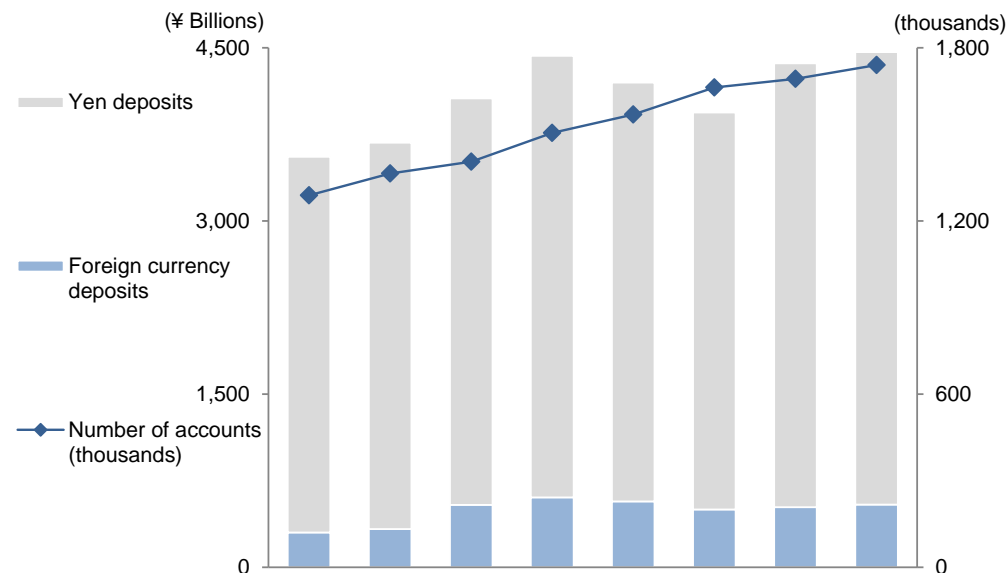
Earnings and Deposit Balance

Gross Profits / Ordinary Income



(¥ Billions)	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	
							1Q	2Q
Gross profits	11.9	14.5	13.6	11.2	12.5	14.3	6.4	4.2
Ordinary income	4.2	6.8	6.0	3.6	4.2	6.0	3.8	2.2

Daiwa Next Bank Deposit Balance & Number of Accounts



(¥ Billions)	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	
							1Q	2Q
Ordinary deposits	1,756	1,610	1,873	2,224	2,163	2,007	2,272	2,200
Time deposits	1,746	1,953	2,067	2,171	2,005	1,905	2,057	2,220
Negotiable certificate of deposits / Other	53	115	122	35	29	27	35	40
Deposit balance	3,556	3,678	4,062	4,430	4,197	3,940	4,365	4,462
Foreign currency deposits	300	331	539	606	569	499	520	542
Number of accounts (thousands)	1,289	1,364	1,405	1,505	1,569	1,662	1,692	1,740

*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)	FY2021			FY2022				FY2023	
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
VaR (Quarter end)	1.74	1.95	1.92	1.35	1.07	1.04	1.33	1.06	1.29
High	2.07	2.58	2.37	1.96	1.52	1.42	1.85	1.61	1.63
Low	1.35	1.43	1.55	0.99	0.94	0.83	1.04	1.06	1.05
Average	1.64	1.90	1.90	1.54	1.13	1.05	1.44	1.32	1.27
By risk factors (Quarter end)									
Equity	0.41	0.24	0.40	0.27	0.18	0.42	0.33	0.31	0.40
Interest	1.28	1.29	1.20	0.86	1.00	0.78	0.68	0.92	1.19
Currency	0.49	0.48	0.51	0.22	0.39	0.45	0.51	0.39	0.40
Commodities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

(Ref) Confidence level : 95% (one-side test), Holding period : 1 day

VaR (Quarter end)	0.98	0.87	0.88	0.70	0.81	0.59	0.83	0.71	0.82
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Number of Group Employees

	FY2021			FY2022				FY2023	
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Total	15,432	15,209	15,119	15,363	15,226	15,060	14,979	15,296	15,117
Overseas	2,009	1,987	2,031	2,048	2,030	2,006	2,020	2,006	1,991

- 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 for FY2023 1Q.

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