

**Daiwa Securities Group Inc.**  
**3Q FY2023 Earnings Announcement**

**January 31, 2024**

**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 (3Q/FY2023, YoY)

**Net operating revenues increased YoY in all divisions, ordinary income was ¥117.8bn (highest level in 8 years).**

Consolidated earnings results	FY2023 1Q-3Q	FY2022 1Q-3Q	% Changes vs 1Q-3Q/FY2022
Net operating revenues	¥426.3 bn	¥338.4 bn	+25.9%
Ordinary income	¥117.8 bn	¥56.1 bn	+110.0%
Profit attributable to owners of parent	¥81.9 bn	¥46.7 bn	+75.3%

- **Retail Division's ordinary income was ¥38.1 bn, due to the steady progress of shifting to wealth management business model (highest level in 6 years).**
  - 3Q's asset based revenues of Retail Division of Daiwa Securities expanded to ¥23.2 bn (¥92.8 bn in annualized basis). Total cost coverage ratio was 63.8%.
  - Contract amount (¥608.7 bn) of wrap account service\* was the highest ever. Net inflow (¥363.0 bn) was the highest level in 9 years. Contract AUM hit a record high of ¥3.74 tn\*.
- **Wholesale Division secured ordinary income of ¥30.6 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, as well as expansion in M&A related revenues.
- **Asset Management Division secured ordinary income of ¥32.2 bn, around the same high level as last fiscal year.**
  - Daiwa Asset Management reported a net inflow of ¥406.2 bn in publicly offered stock investment trusts (excluding ETFs), highest level in 8 years. AUM reached a record high (¥25.1 tn).

\* Includes Wholesale Division

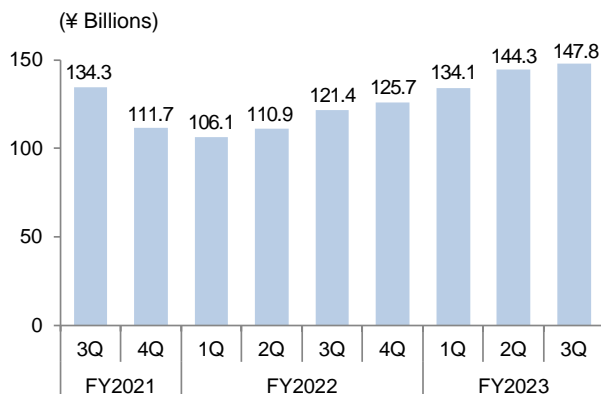
# Summary (3Q/FY2023, QoQ)

## Ordinary Income was ¥40.8 bn.

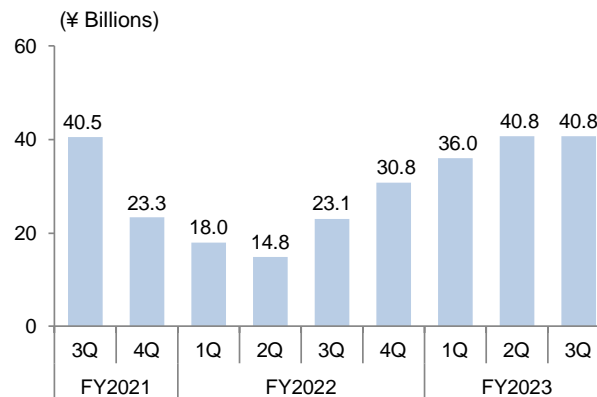
Consolidated earnings results	FY2023 3Q	% Changes vs 2Q/FY2023
Net operating revenues	¥147.8 bn	+2.5%
Ordinary income	¥40.8 bn	+0.1%
Profit attributable to owners of parent	¥28.4 bn	-4.5%

- For Retail Division, both net operating revenues and ordinary income increased. Asset based revenues (¥23.2 bn) were record high due to increase in stock investment trust sales (¥365.7 bn) and high level of wrap account service's contract amount (¥199.3 bn).
- For Wholesale Division, Global Markets saw a decline in both equity and FICC revenues due to lower customer flows. For Global Investment Banking, revenue from debt underwriting declined from the strong previous quarter.
- Annualized ROE: 7.7%

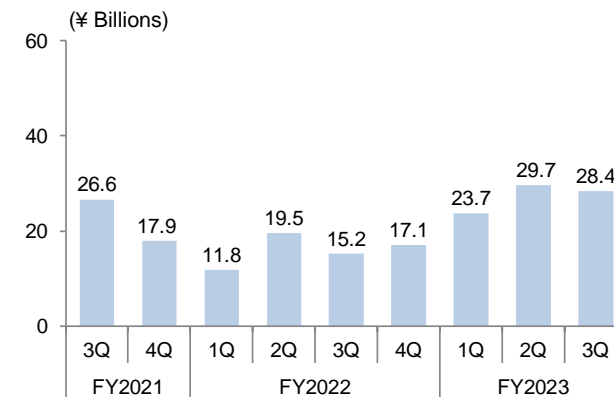
### Net Operating Revenues



### Ordinary Income



### Profit Attributable to Owners of Parent



## Financial Summary

(¥ Millions)	FY2022		FY2023			% Change vs 2Q/FY23	% Change vs 3Q/FY22	FY2022	FY2023	% Change vs 1Q-3Q/FY22	FY2022
	3Q	4Q	1Q	2Q	3Q			1Q-3Q	1Q-3Q		
<b>Operating revenues</b>	233,036	293,860	266,259	303,827	<b>335,378</b>	<b>10.4%</b>	<b>43.9%</b>	572,229	<b>905,465</b>	<b>58.2%</b>	866,090
<b>Net operating revenues</b>	121,433	125,737	134,110	144,321	<b>147,894</b>	<b>2.5%</b>	<b>21.8%</b>	338,488	<b>426,326</b>	<b>25.9%</b>	464,226
<b>SG&amp;A</b>	99,913	101,822	103,377	106,492	<b>109,834</b>	<b>3.1%</b>	<b>9.9%</b>	296,130	<b>319,704</b>	<b>8.0%</b>	397,952
<b>Ordinary income</b>	23,170	30,818	36,096	40,835	<b>40,876</b>	<b>0.1%</b>	<b>76.4%</b>	56,112	<b>117,808</b>	<b>110.0%</b>	86,930
<b>Profit (loss) attributable to owners of parent</b>	15,295	17,124	23,712	29,793	<b>28,457</b>	<b>-4.5%</b>	<b>86.1%</b>	46,750	<b>81,962</b>	<b>75.3%</b>	63,875
<b>Total assets</b>	28,115,421	26,413,248	31,501,328	33,424,666	<b>31,734,346</b>			28,115,421	<b>31,734,346</b>		26,413,248
<b>Net assets</b>	1,657,832	1,675,489	1,736,856	1,773,266	<b>1,728,706</b>			1,657,832	<b>1,728,706</b>		1,675,489
<b>Shareholders' equity*</b>	1,388,380	1,407,840	1,468,713	1,504,956	<b>1,459,671</b>			1,388,380	<b>1,459,671</b>		1,407,840
<b>EPS (¥)</b>	10.52	11.79	16.32	20.60	<b>20.02</b>			31.75	<b>56.91</b>		43.53
<b>BPS (¥)</b>	955.66	968.93	1,010.78	1,046.95	<b>1,031.99</b>			955.66	<b>1,031.99</b>		968.93
<b>ROE (Annualized)</b>	4.3%	4.9%	6.6%	8.0%	<b>7.7%</b>			4.5%	<b>7.6%</b>		4.6%

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

# Consolidated Segment Summary

(¥ Millions)

Net operating revenues	FY2022		FY2023			% Change vs 2Q/FY23	% Change vs 3Q/FY22	FY2022	FY2023	% Change vs 1Q-3Q/FY22	FY2022
	3Q	4Q	1Q	2Q	3Q			1Q-3Q	1Q-3Q		
<b>Retail</b>	42,203	40,550	49,845	49,387	<b>49,886</b>	<b>1.0%</b>	<b>18.2%</b>	123,785	<b>149,118</b>	<b>20.5%</b>	164,336
<b>Wholesale</b>	42,727	43,344	51,627	54,990	<b>51,840</b>	<b>-5.7%</b>	<b>21.3%</b>	117,547	<b>158,457</b>	<b>34.8%</b>	160,891
<i>Global Markets</i>	27,923	25,155	36,848	36,921	<b>33,758</b>	<b>-8.6%</b>	<b>20.9%</b>	77,695	<b>107,528</b>	<b>38.4%</b>	102,850
<i>Global Investment Banking</i>	14,804	18,188	14,778	18,069	<b>18,081</b>	<b>0.1%</b>	<b>22.1%</b>	39,852	<b>50,929</b>	<b>27.8%</b>	58,041
<b>Asset Management</b>	17,276	17,569	17,309	18,031	<b>18,620</b>	<b>3.3%</b>	<b>7.8%</b>	52,825	<b>53,961</b>	<b>2.1%</b>	70,394
<i>Securities Asset Management</i>	10,514	10,346	10,862	11,653	<b>11,886</b>	<b>2.0%</b>	<b>13.0%</b>	32,536	<b>34,402</b>	<b>5.7%</b>	42,882
<i>Real Estate Asset Management</i>	6,762	7,222	6,447	6,377	<b>6,733</b>	<b>5.6%</b>	<b>-0.4%</b>	20,289	<b>19,558</b>	<b>-3.6%</b>	27,512
<b>Investments</b>	3,791	7,046	1,838	4,534	<b>8,303</b>	<b>83.1%</b>	<b>119.0%</b>	9,399	<b>14,677</b>	<b>56.2%</b>	16,446
<b>Other/Adjustments</b>	15,434	17,226	13,489	17,377	<b>19,244</b>	-	-	34,931	<b>50,111</b>	-	52,157
<b>Consolidated total</b>	121,433	125,737	134,110	144,321	<b>147,894</b>	<b>2.5%</b>	<b>21.8%</b>	338,488	<b>426,326</b>	<b>25.9%</b>	464,226

Ordinary income	FY2022		FY2023			% Change vs 2Q/FY23	% Change vs 3Q/FY22	FY2022	FY2023	% Change vs 1Q-3Q/FY22	FY2022
	3Q	4Q	1Q	2Q	3Q			1Q-3Q	1Q-3Q		
<b>Retail</b>	7,164	6,272	13,542	12,024	<b>12,575</b>	<b>4.6%</b>	<b>75.5%</b>	19,614	<b>38,143</b>	<b>94.5%</b>	25,886
<b>Wholesale</b>	2,435	3,608	11,041	12,766	<b>6,823</b>	<b>-46.5%</b>	<b>180.2%</b>	-786	<b>30,631</b>	-	2,822
<i>Global Markets</i>	227	196	9,783	9,157	<b>5,093</b>	<b>-44.4%</b>	<b>22x</b>	-3,327	<b>24,034</b>	-	-3,130
<i>Global Investment Banking</i>	1,924	3,235	886	3,206	<b>1,059</b>	<b>-67.0%</b>	<b>-44.9%</b>	1,502	<b>5,152</b>	<b>242.8%</b>	4,738
<b>Asset Management</b>	10,569	11,998	9,022	11,551	<b>11,646</b>	<b>0.8%</b>	<b>10.2%</b>	32,528	<b>32,220</b>	<b>-0.9%</b>	44,526
<i>Securities Asset Management</i>	4,195	3,978	4,403	5,196	<b>5,303</b>	<b>2.1%</b>	<b>26.4%</b>	14,098	<b>14,903</b>	<b>5.7%</b>	18,076
<i>Real Estate Asset Management</i>	6,374	8,020	4,619	6,355	<b>6,342</b>	<b>-0.2%</b>	<b>-0.5%</b>	18,430	<b>17,317</b>	<b>-6.0%</b>	26,450
<b>Investments</b>	1,233	6,563	2,975	4,702	<b>5,304</b>	<b>12.8%</b>	<b>330.1%</b>	6,505	<b>12,982</b>	<b>99.6%</b>	13,068
<b>Other/Adjustments</b>	1,768	2,375	-486	-209	<b>4,526</b>	-	-	-1,748	<b>3,830</b>	-	626
<b>Consolidated total</b>	23,170	30,818	36,096	40,835	<b>40,876</b>	<b>0.1%</b>	<b>76.4%</b>	56,112	<b>117,808</b>	<b>110.0%</b>	86,930

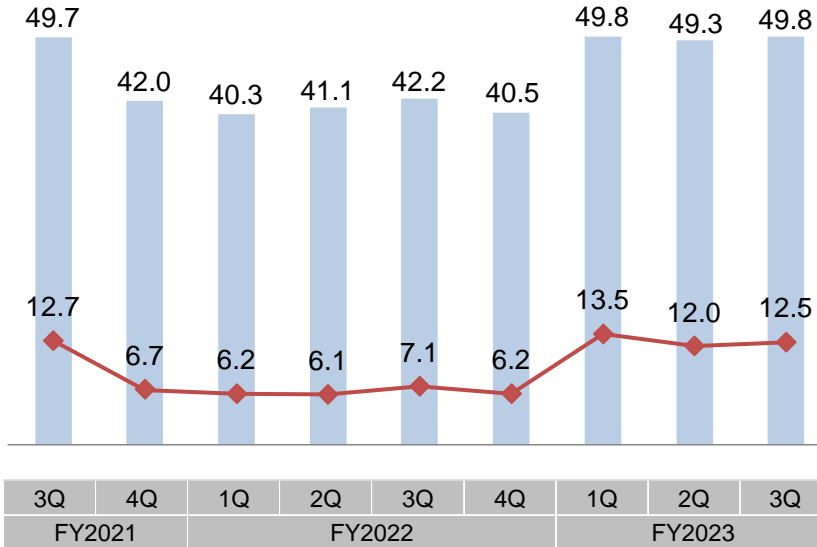
※ Figures calculated based on managerial accounting of each Group companies. Equity in earnings of affiliates is included in each respective segment.

# Segment Summary

■ Net operating revenues    ◆ Ordinary income

## Retail Division

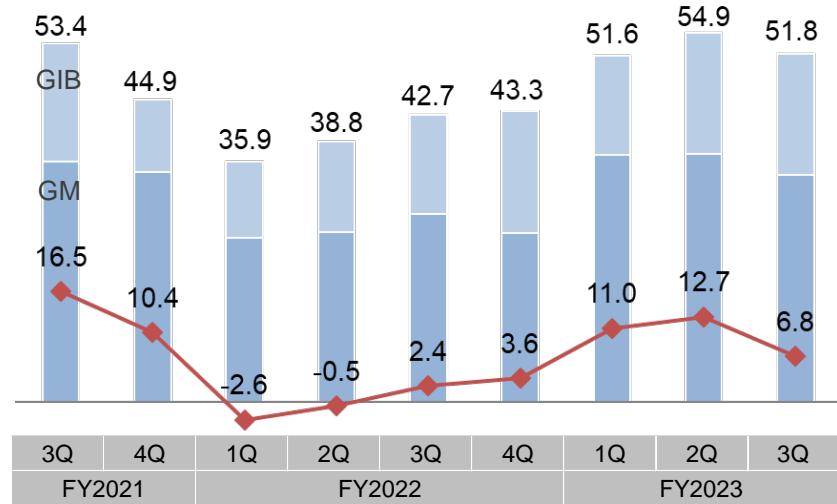
(¥ Billions)



## Wholesale Division

(¥ Billions)

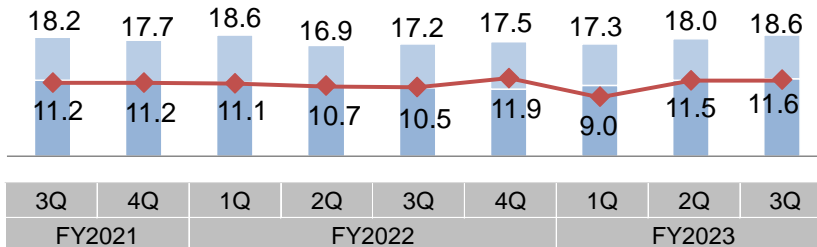
■ Global Investment Banking (Net operating revenues)  
■ Global Markets (Net operating revenues)



## Asset Management Division

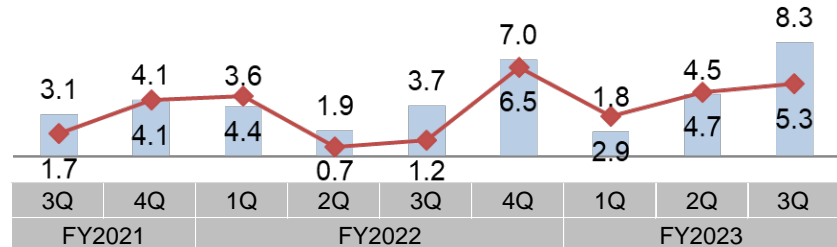
(¥ Billions)

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



## Investment Division

(¥ Billions)



# Consolidated B/S Summary

## Consolidated Balance Sheet (December 31, 2023)

(¥ Billions)

Current assets			Current liabilities		
Cash and deposits	4,576	(709)	Trading products	6,151	(709)
Short-term investment securities	1,287	(155)	Trading securities and other	3,913	(461)
Trading products	7,194	(-431)	<i>Stocks, Convertible bonds</i>	181	(77)
Trading securities and other	4,744	(-680)	<i>Bonds</i>	3,567	(269)
<i>Stocks, Convertible bonds</i>	166	(-82)	<i>Other</i>	163	(115)
<i>Bonds</i>	3,352	(-1,097)	Derivatives transactions	2,238	(247)
<i>Beneficiary certificates</i>	35	(-18)	Loans payable secured by securities	12,080	(4,150)
<i>Other</i>	1,190	(518)	Deposits for banking business	4,510	(577)
Derivatives transactions	2,449	(249)	Short-term loans payable	1,245	(-47)
Operational investment securities	141	(13)	Current portion of bonds	205	(-279)
(after allowance for possible investment losses)					
Loans secured by securities	12,526	(4,184)			
Non-current assets			Long-term liabilities		
Property, plant and equipment	922	(5)	Bonds payable	1,283	(-20)
Intangible assets	130	(5)	Long-term loans payable	2,073	(366)
Investments and other assets	524	(26)	<b>Total liabilities</b>	<b>30,005</b>	<b>(5,267)</b>
Listed stocks	122	(8)	<b>Net assets</b>	<b>1,728</b>	<b>(53)</b>
Unlisted stocks	19	(-6)	Owners' equity	1,293	(0)
Affiliated company stocks, etc.	185	(15)	Accumulated other comprehensive income	166	(50)
Other	197	(9)	Non-controlling interests	261	(2)
<b>Total Assets</b>	<b>31,734</b>	<b>(5,321)</b>	<b>Total liabilities and net assets</b>	<b>31,734</b>	<b>(5,321)</b>

**Total assets:** ¥31.73 tn

**Net assets:** ¥1.72 tn

**Shareholders' equity\*\*:** ¥1.45 tn

- 80.6% of total assets have high liquidity\*.

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

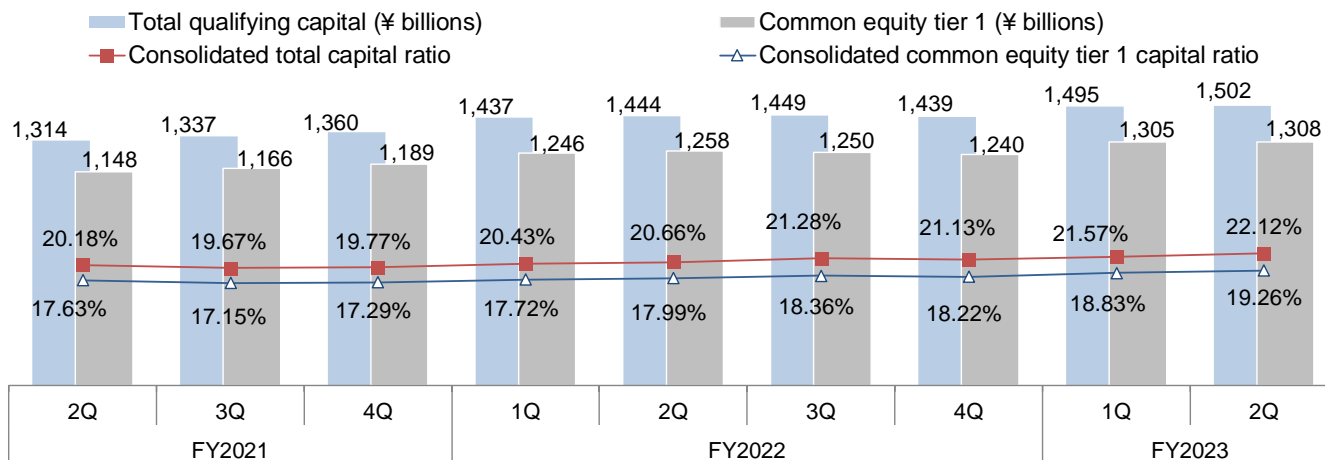
- Shareholders' equity\*\* increased by ¥51.8 bn from March 31, 2023.

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

※ Figures in parentheses indicate changes from March 31, 2023



## Consolidated Capital Adequacy Ratio



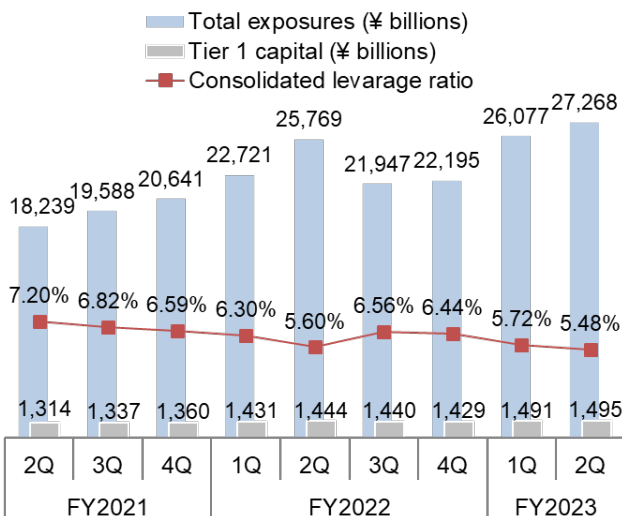
### 【Regulatory Capital (Basel III)】

(As at September 30, 2023)

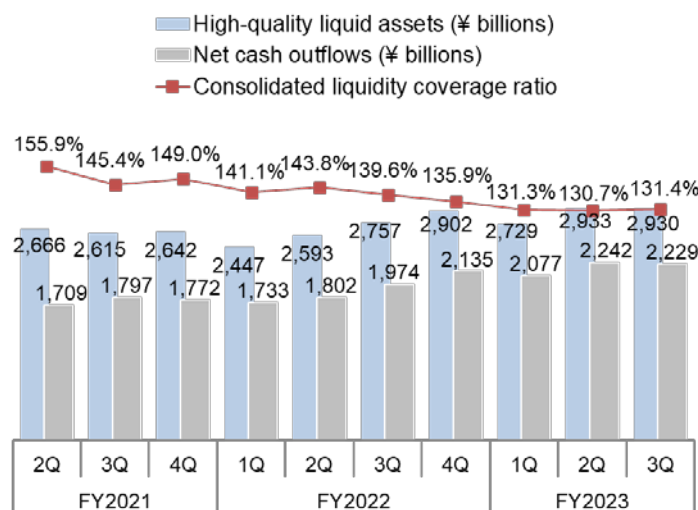
- Consolidated Total Capital Ratio : 22.12%
- Consolidated Tier 1 Capital Ratio : 22.03%
- Consolidated Common Equity Tier 1 Capital Ratio : 19.26%
- Consolidated Leverage Ratio : 5.48%

※ Figures are as at the end of each quarter.

## Consolidated Leverage Ratio



## Consolidated Liquidity Coverage Ratio



### 【Regulatory Liquidity (Basel III)】

(Daily average Oct. – Dec. 2023)

- Consolidated Liquidity Coverage Ratio : 131.4%

# Consolidated P/L Summary



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

¥ Millions)	FY2022		FY2023			% Change vs 2Q/FY23	% Change vs 3Q/FY22	FY2022 1Q-3Q	FY2023 1Q-3Q	% Change vs 1Q-3Q/FY22	FY2022
	3Q	4Q	1Q	2Q	3Q						
Operating revenues	233,036	293,860	266,259	303,827	335,378	10.4%	43.9%	572,229	905,465	58.2%	866,090
Commission received	69,588	72,890	82,381	86,124	86,254	0.2%	23.9%	207,100	254,761	23.0%	279,991
Net trading income	22,324	13,891	20,480	24,186	26,580	9.9%	19.1%	56,361	71,247	26.4%	70,253
Net gain (loss) on private equity	1,735	937	186	3,272	2,968	-9.3%	71.1%	2,755	6,427	133.2%	3,692
Financial revenue	110,885	120,218	134,340	154,436	161,866	4.8%	46.0%	212,329	450,644	112.2%	332,548
Other operating revenue	28,502	85,922	28,869	35,807	57,707	61.2%	102.5%	93,681	122,384	30.6%	179,604
Financial expenses	91,027	101,427	113,701	130,846	141,751	8.3%	55.7%	167,071	386,299	131.2%	268,498
Other operating expenses	20,574	66,696	18,447	28,659	45,733	59.6%	122.3%	66,669	92,840	39.3%	133,365
Net operating revenues	121,433	125,737	134,110	144,321	147,894	2.5%	21.8%	338,488	426,326	25.9%	464,226
SG&A	99,913	101,822	103,377	106,492	109,834	3.1%	9.9%	296,130	319,704	8.0%	397,952
Operating income	21,519	23,915	30,733	37,828	38,060	0.6%	76.9%	42,358	106,622	151.7%	66,273
Non-operating income	1,650	6,903	5,363	3,007	2,816	-6.3%	70.6%	13,753	11,186	-18.7%	20,657
Ordinary income/loss	23,170	30,818	36,096	40,835	40,876	0.1%	76.4%	56,112	117,808	110.0%	86,930
Extraordinary income/loss	693	-2,452	747	1,865	1,130	-39.4%	63.0%	12,288	3,743	-69.5%	9,835
Income before income taxes	23,864	28,365	36,844	42,701	42,007	-1.6%	76.0%	68,400	121,552	77.7%	96,766
Total income taxes	6,330	8,617	10,886	10,694	11,296	5.6%	78.5%	14,464	32,878	127.3%	23,082
Profit (loss) attributable to owners of parent	15,295	17,124	23,712	29,793	28,457	-4.5%	86.1%	46,750	81,962	75.3%	63,875

- Commission received increased (+0.2%).
- Brokerage commission\* was ¥20.2 bn (-7.9%).
- Underwriting and secondary offering commissions\* were ¥9.2 bn (+0.4%).
- Distribution commission\* was ¥4.1 bn (+11.9%).
- M&A related commission\* was ¥11.6 bn (+6.2%).

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

- Net trading income increased driven by an increase in FICC revenue (+9.9%).
- Other operating revenue and other operating expenses increased due to the transfer of real estate in the Investment Division and Daiwa Securities Realty.

## Breakdown of SG&amp;A

(¥ Millions)	FY2022		FY2023			% Change vs 2Q/FY23	% Change vs 3Q/FY22	FY2022 1Q-3Q	FY2023 1Q-3Q	% Change vs 1Q-3Q/FY22	FY2022
	3Q	4Q	1Q	2Q	3Q						
<b>SG&amp;A</b>	99,913	101,822	103,377	106,492	<b>109,834</b>	<b>3.1%</b>	<b>9.9%</b>	296,130	<b>319,704</b>	<b>8.0%</b>	397,952
<b>Trading related expenses</b>	18,147	17,981	18,700	20,217	<b>20,494</b>	<b>1.4%</b>	<b>12.9%</b>	53,563	<b>59,412</b>	<b>10.9%</b>	71,545
<b>Personnel expenses</b>	50,192	51,705	52,063	53,701	<b>55,757</b>	<b>3.8%</b>	<b>11.1%</b>	148,084	<b>161,522</b>	<b>9.1%</b>	199,790
<b>Real estate expenses</b>	9,747	9,488	9,720	9,924	<b>10,003</b>	<b>0.8%</b>	<b>2.6%</b>	29,216	<b>29,648</b>	<b>1.5%</b>	38,704
<b>Office cost</b>	6,478	6,850	6,524	6,464	<b>6,766</b>	<b>4.7%</b>	<b>4.4%</b>	18,917	<b>19,754</b>	<b>4.4%</b>	25,768
<b>Depreciation</b>	8,584	8,518	8,734	8,793	<b>8,833</b>	<b>0.5%</b>	<b>2.9%</b>	25,979	<b>26,360</b>	<b>1.5%</b>	34,497
<b>Taxes and dues</b>	2,431	2,712	3,223	2,913	<b>2,992</b>	<b>2.7%</b>	<b>23.1%</b>	7,479	<b>9,129</b>	<b>22.1%</b>	10,191
<b>Other</b>	4,330	4,565	4,410	4,478	<b>4,986</b>	<b>11.3%</b>	<b>15.1%</b>	12,889	<b>13,875</b>	<b>7.7%</b>	17,454

- SG&A increased (+3.1%).
- Trading related expenses increased as fee commissions increased due to increased transactions (+1.4%).
- Personnel expense increased (+3.8%), mainly in overseas, as performance-linked bonuses rose.
- Office cost increased due to outsourcing costs related to DX and IT increased (+4.7%).

# Cost Structure

(¥ Billions)	FY2021			FY2022					FY2023		
	3Q	4Q	1Q-4Q	1Q	2Q	3Q	4Q	1Q-4Q	1Q	2Q	3Q
<b>Total SG&amp;A</b>	98.3	94.8	<b>386.5</b>	97.2	98.9	99.9	101.8	<b>397.9</b>	103.3	106.4	<b>109.8</b>
<b>Variable costs</b>	37.9	34.3	<b>146.0</b>	35.8	35.2	37.1	38.4	<b>146.7</b>	38.8	41.4	<b>44.0</b>
<b>Trading related expenses</b>	16.3	15.8	<b>62.5</b>	17.4	18.0	18.1	17.9	<b>71.5</b>	18.7	20.2	<b>20.4</b>
<i>Advertising and promotion expenses</i>	1.8	1.5	<b>6.9</b>	1.8	1.8	1.9	2.0	<b>7.6</b>	1.8	2.8	<b>2.5</b>
<b>Bonus and others</b>	15.7	12.6	<b>59.7</b>	13.0	11.4	13.1	14.3	<b>51.9</b>	14.1	15.2	<b>16.9</b>
<b>Overtime, part-time</b>	1.7	1.6	<b>6.7</b>	1.5	1.5	1.6	1.7	<b>6.4</b>	1.6	1.6	<b>1.8</b>
<b>Fixed costs</b>	60.3	60.4	<b>240.4</b>	61.4	63.6	62.7	63.3	<b>251.2</b>	64.5	65.0	<b>65.8</b>
<b>Personnel expenses</b>	32.5	33.4	<b>131.9</b>	34.4	35.7	35.3	35.6	<b>141.1</b>	36.1	36.7	<b>36.9</b>
<b>Real estate expenses</b>	9.5	9.6	<b>37.6</b>	9.7	9.7	9.7	9.4	<b>38.7</b>	9.7	9.9	<b>10.0</b>
<b>Depreciation</b>	8.7	8.5	<b>34.8</b>	8.6	8.7	8.5	8.5	<b>34.4</b>	8.7	8.7	<b>8.8</b>
<b>Office expenses</b>	6.1	6.1	<b>23.8</b>	5.9	6.0	6.2	6.6	<b>24.8</b>	6.2	6.2	<b>6.5</b>
<b>Taxes and dues</b>	2.9	2.2	<b>10.6</b>	2.2	2.7	2.4	2.7	<b>10.1</b>	3.2	2.9	<b>2.9</b>

# Ordinary Income of Overseas Operations

¥ Millions)	FY2022		FY2023			% Change vs 2Q/FY23	% Change vs 3Q/FY22	FY2022	FY2023	% Change vs 1Q-3Q/FY22	FY2022
	3Q	4Q	1Q	2Q	3Q			1Q-3Q	1Q-3Q		
<b>Overseas Operations Total</b>	6,273	5,558	5,007	3,882	<b>6,489</b>	<b>67.1%</b>	<b>3.4%</b>	12,544	<b>15,379</b>	<b>22.6%</b>	18,102
<b>Europe</b>	3,360	4,076	-1,423	553	<b>1,272</b>	<b>129.7%</b>	<b>-62.1%</b>	3,107	<b>402</b>	<b>-87.1%</b>	7,184
<b>Asia / Oceania</b>	711	853	1,703	1,227	<b>1,582</b>	<b>28.9%</b>	<b>122.5%</b>	2,154	<b>4,514</b>	<b>109.6%</b>	3,007
<b>Americas</b>	2,201	627	4,727	2,100	<b>3,634</b>	<b>73.0%</b>	<b>65.1%</b>	7,283	<b>10,462</b>	<b>43.7%</b>	7,910

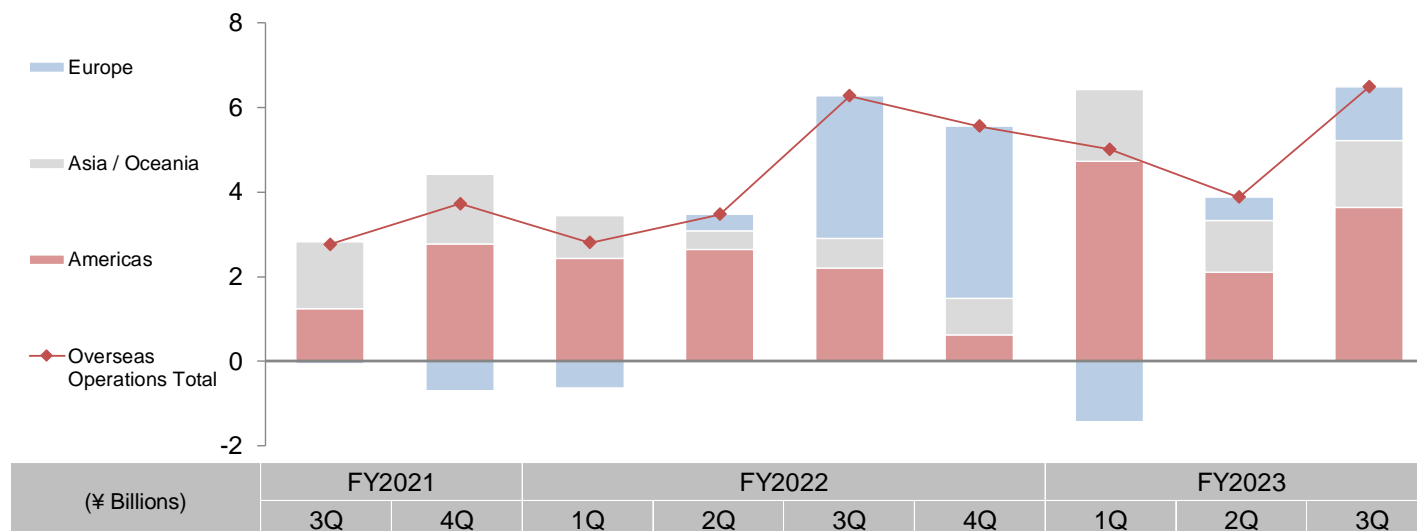
**Overseas operations stayed in the black for 31 consecutive quarters.**

- In Europe, increased ordinary income due to higher revenues from Green Giraffe\*

\* Green Giraffe (50% ownership) is a European renewable energy related M&A house.

- Asia / Oceania increased ordinary income due to contribution from wealth management business and equity method investment gains of SSI Securities.
- In Americas, ordinary income increased due to expansion in FICC and M&A revenues.

## Ordinary Income



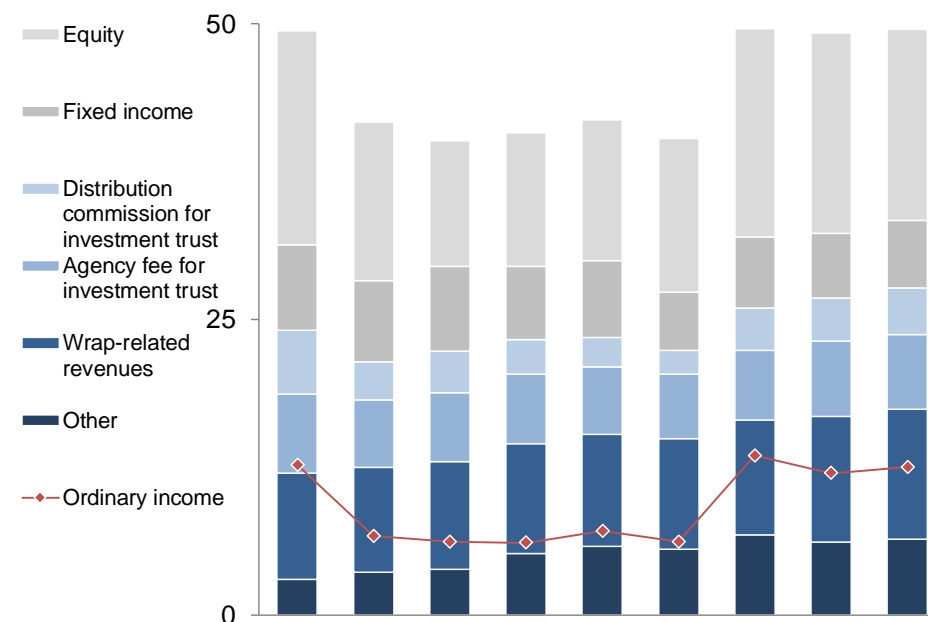
# Retail Division

(¥ Millions)	FY2023 3Q	% Change vs 2Q/FY23	FY2023 1Q-3Q	% Change vs 1Q-3Q/FY22
<b>Net operating revenues</b>	<b>49,886</b>	<b>1.0%</b>	<b>149,118</b>	<b>20.5%</b>
<b>Ordinary income</b>	<b>12,575</b>	<b>4.6%</b>	<b>38,143</b>	<b>94.5%</b>

- Equity revenues declined as Japanese equity trading decreased.
- Distribution commission for investment trust increased as stock investment trust sales increased.
- Wrap-related revenues increased as contract AUM of wrap accounts increased.
- Asset based revenues\* were ¥23.2 bn.
- 48.0% of net operating revenues in Retail Division of Daiwa Securities.
- 94.3% of fixed cost and 63.8% 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		
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Equity	18.1	13.4	10.6	11.3	11.9	13.0	17.6	16.9	<b>16.1</b>
Fixed income	7.2	6.9	7.2	6.2	6.5	4.9	6.0	5.5	<b>5.7</b>
Distribution commission for investment trust	5.4	3.2	3.5	2.9	2.5	2.0	3.6	3.6	<b>4.0</b>
Agency fee for investment trust	6.7	5.7	5.8	5.9	5.7	5.5	5.9	6.4	<b>6.3</b>
Wrap-related revenues	9.0	8.9	9.1	9.3	9.5	9.3	9.7	10.6	<b>11.0</b>
Other	3.0	3.6	3.9	5.2	5.8	5.6	6.8	6.2	<b>6.4</b>
<b>Net operating revenues</b>	<b>49.7</b>	<b>42.0</b>	<b>40.3</b>	<b>41.1</b>	<b>42.2</b>	<b>40.5</b>	<b>49.8</b>	<b>49.3</b>	<b>49.8</b>
<b>Ordinary income</b>	<b>12.7</b>	<b>6.7</b>	<b>6.2</b>	<b>6.1</b>	<b>7.1</b>	<b>6.2</b>	<b>13.5</b>	<b>12.0</b>	<b>12.5</b>

# Retail Division Daiwa Securities

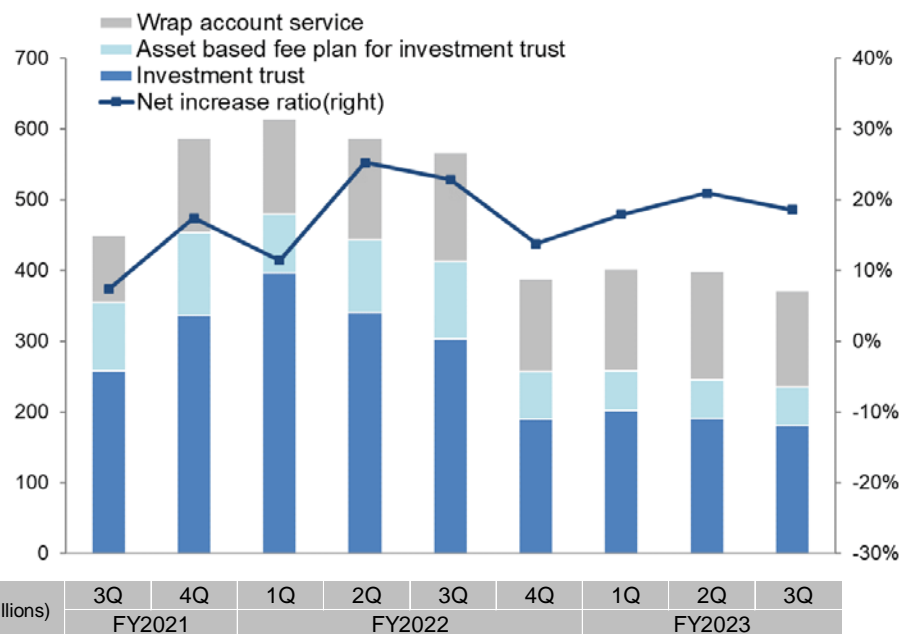
## 【Wrap Account Service\*】

- Recorded contract amount of ¥199.3 bn, net inflow of ¥104.8 bn, both at high levels. Contract AUM was ¥3.7 tn\*.

## 【Stock Investment Trusts】

- Strong sales in a wide range of stock investment trusts including Daiwa Dynamic India Stock Fund, Invesco World Best Equity Open, Daiwa Blackstone Private Credit Fund, etc.

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

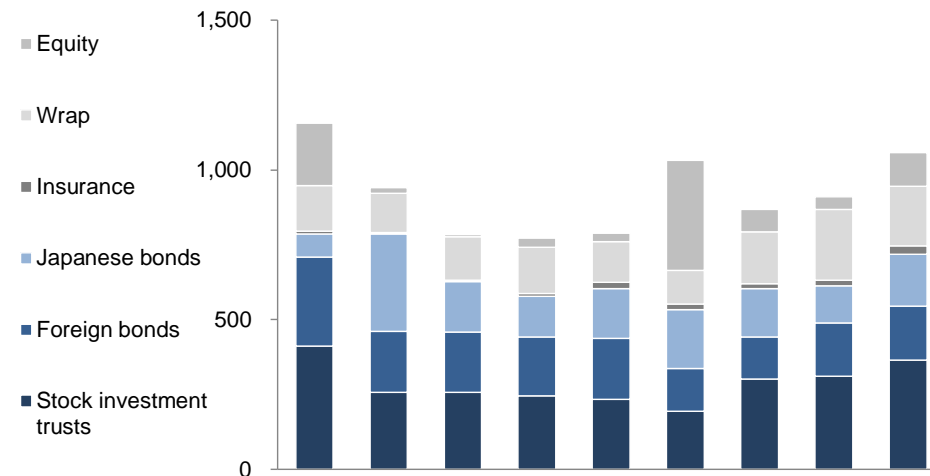


$$\text{Net increase ratio}(\%) = \frac{\text{Sales} - (\text{sell-off} + \text{redemption})}{\text{Sales}} \times 100$$

※ Includes switching transactions between funds.

\* Includes Wholesale Division

## Sales and Distribution Amount by Product



(¥ Billions)	FY2021		FY2022				FY2023		
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Equity	206.9	19.2	6.2	31.3	25.9	367.5	75.6	41.1	113.3
Wrap*	154.0	131.5	144.6	152.7	137.1	113.0	172.0	237.3	199.3
Insurance**	7.4	5.0	6.2	11.3	20.1	18.8	16.0	19.4	27.0
Japanese bonds	78.4	325.7	167.9	135.2	166.0	195.0	163.3	122.2	173.4
Foreign bonds***	296.2	203.8	200.4	196.0	203.8	143.7	138.9	177.9	180.3
Stock investment trusts****	412.9	256.8	258.0	245.8	234.8	193.8	302.3	312.1	365.7
Asset based fee plan for investment trust	109.1	67.1	55.9	55.5	54.6	48.8	61.3	69.7	78.5

\*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)	FY2023 3Q	% Change vs 2Q/FY23	FY2023 1Q-3Q	% Change vs 1Q-3Q/FY22
<b>Net operating revenues</b>	<b>33,758</b>	<b>-8.6%</b>	<b>107,528</b>	<b>38.4%</b>
<b>Ordinary income</b>	<b>5,093</b>	<b>-44.4%</b>	<b>24,034</b>	<b>-</b>

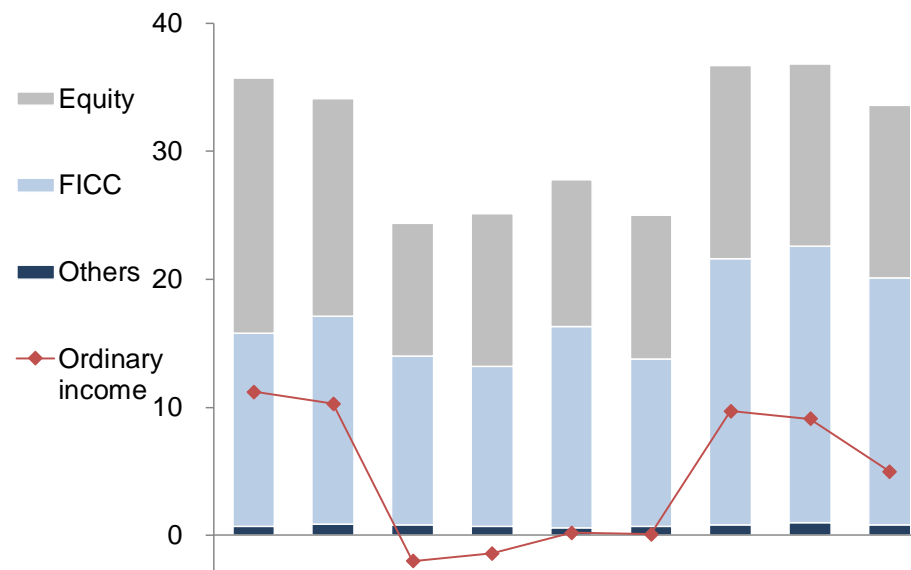
## 【Equity】

- Equity revenues decreased due to uncertain market environment, resulting in lower customer flows.

## 【FICC\*】

- In Japan, FICC revenues decreased QoQ, as JGB and credit were strong due to rising interest rates in the previous quarter.
- In Americas, interest rate volatility expanded, and revenues increased driven by higher customer order flows in Treasury and repo.

## Net Operating Revenues and Ordinary Income



(¥ Billions)	FY2021		FY2022				FY2023		
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Equity	19.9	17.0	10.4	11.9	11.5	11.2	15.1	14.2	<b>13.5</b>
FICC*	15.1	16.2	13.2	12.5	15.7	13.1	20.8	21.6	<b>19.3</b>
Others	0.7	0.9	0.8	0.7	0.6	0.7	0.8	1.0	<b>0.8</b>
<b>Net operating revenues</b>	<b>35.8</b>	<b>34.2</b>	<b>24.4</b>	<b>25.2</b>	<b>27.9</b>	<b>25.1</b>	<b>36.8</b>	<b>36.9</b>	<b>33.7</b>
<b>Ordinary income</b>	<b>11.2</b>	<b>10.3</b>	<b>-2.0</b>	<b>-1.4</b>	<b>0.2</b>	<b>0.1</b>	<b>9.7</b>	<b>9.1</b>	<b>5.0</b>

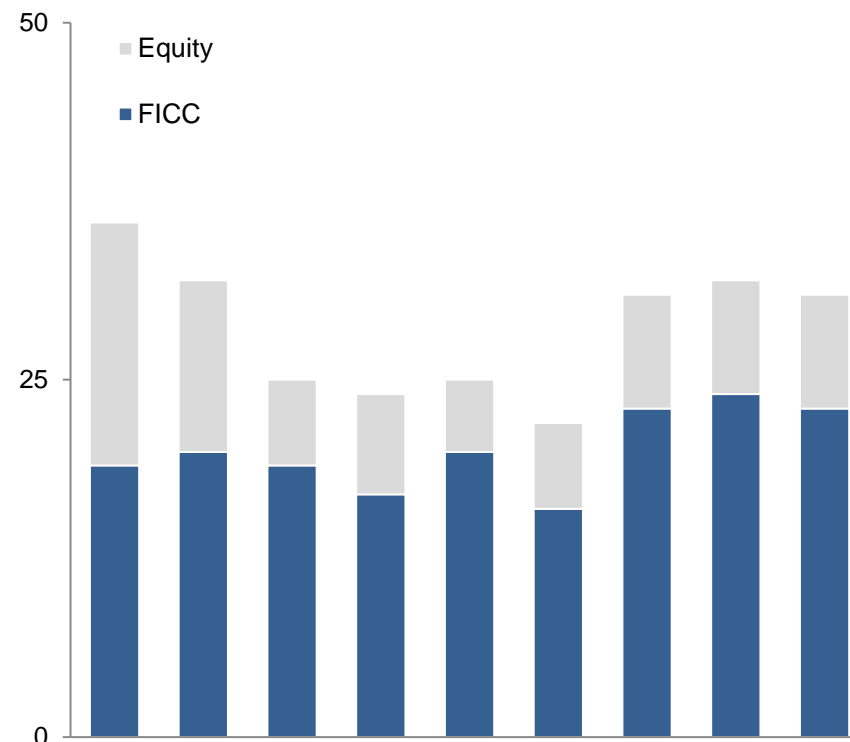
\*FICC: Fixed Income, Currency and Commodities



**【Managerial accounting basis】**

(¥ Billions)	FY2023 3Q	% Change vs 2Q/FY23	FY2023 1Q-3Q	% Change vs 1Q-3Q/FY22
Equity	8	0.0%	24	33.3%
FICC	23	-4.2%	70	25.0%
Total	31	-3.1%	94	27.0%

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



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

# Wholesale Division Global Investment Banking



(¥ Millions)	FY2023 3Q	% Change vs 2Q/FY23	FY2023 1Q-3Q	% Change vs 1Q-3Q/FY22
<b>Net operating revenues</b>	<b>18,081</b>	<b>0.1%</b>	<b>50,929</b>	<b>27.8%</b>
<b>Ordinary income</b>	<b>1,059</b>	<b>-67.0%</b>	<b>5,152</b>	<b>242.8%</b>

- **Debt underwriting decreased due to a decrease in issuance of long-term bonds in particular, as interest rates rose.**
- **M&A revenues increased led by Europe and the Americas.**

## 【Equity】

		<Offering size>
DENSO CORPORATION	PO	¥610.1 bn
Sanrio Company, Ltd.	Euro yen CB	¥30.0 bn
Daiwa Securities Living Investment Corporation	REIT	¥14.8 bn
TOMONY Holdings, Inc.	PO	¥11.8 bn
Japan Eyewear Holdings Co., Ltd.	IPO	¥10.3 bn

## 【Debt】

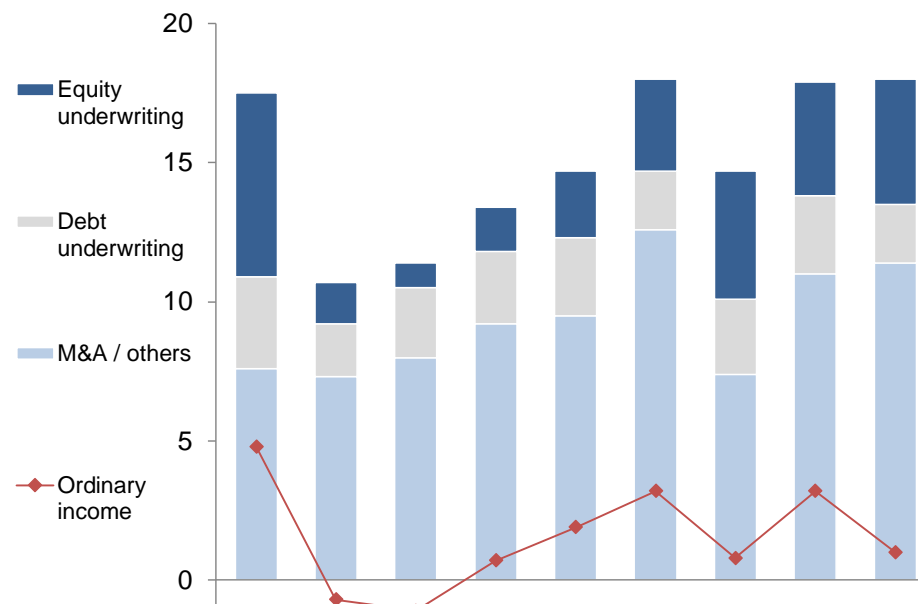
		<Offering size>
NTT FINANCE CORPORATION(3*/5*/7*/10* yrs)	Straight Bond ◆	¥220.0 bn
TOYOTA FINANCE CORPORATION (3/5 yrs)	Straight Bond	¥160.0 bn
Tokyo Metropolitan Government (5*/30* yrs)	Municipal Bond ◆	¥40.0 bn
Republic of Poland (3/10/20 yrs)	Samurai Bond	¥85.4 bn
Asahi Kasei Corp. (3/5*/7/10 yrs)	Straight Bond ◆	¥60.0 bn
Mitsubishi Electric Corporation (3*/5* yrs)	Straight Bond ◆	¥50.0 bn

## 【M&A】

Privatization of TAISHO PHARMACEUTICAL HOLDINGS CO., LTD. through MBO  
 Privatization of Benesse Holdings, Inc. through MBO  
 Management integration of Ryoyo Electro Corp. and Ryosan Company, Limited through a joint share transfer  
 Privatization of Japan Best Rescue System Co., Ltd. by MBK Partners  
 Sale of East Japan Institute of Technology Co., Ltd. by Ant Capital Partners to ALTEN Group  
 Refinancing of Phoenix Energy (Ireland)  
 Sale of Hemisphere GNSS (U.S.) by Beijing UniStrong Science & Technology (China) to CNH Industrial Alberta (U.S.)  
 Acquisition of Statera Energy (UK) by EQT Infrastructure (Sweden)

\* Green bonds ◆: Sustainability related

## Net Operating Revenues and Ordinary Income



(¥ Billions)	FY2021		FY2022				FY2023		
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Equity underwriting	6.6	1.5	0.9	1.6	2.4	3.3	4.6	4.1	<b>4.5</b>
Debt underwriting	3.3	1.9	2.5	2.6	2.8	2.1	2.7	2.8	<b>2.1</b>
M&A / others	7.6	7.3	8.0	9.2	9.5	12.6	7.4	11.0	<b>11.4</b>
<b>Net operating revenues</b>	<b>17.5</b>	<b>10.7</b>	<b>11.4</b>	<b>13.5</b>	<b>14.8</b>	<b>18.1</b>	<b>14.7</b>	<b>18.0</b>	<b>18.0</b>
<b>Ordinary income</b>	<b>4.8</b>	<b>-0.7</b>	<b>-1.1</b>	<b>0.7</b>	<b>1.9</b>	<b>3.2</b>	<b>0.8</b>	<b>3.2</b>	<b>1.0</b>
<b>Group M&amp;A related revenues*</b>	<b>8.3</b>	<b>9.1</b>	<b>8.8</b>	<b>10.8</b>	<b>11.5</b>	<b>15.6</b>	<b>8.2</b>	<b>11.7</b>	<b>13.2</b>

\*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 3Q	% Change vs 2Q/FY23	FY2023 1Q-3Q	% Change vs 1Q-3Q/FY22
Net operating revenues	18,620	3.3%	53,961	2.1%
Ordinary income	11,646	0.8%	32,220	-0.9%

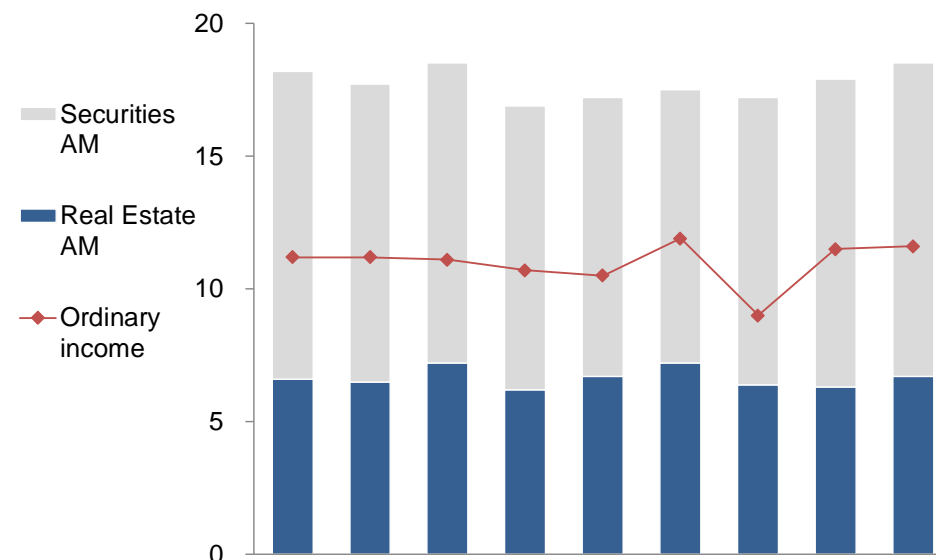
## 【Securities AM】

- Both net operating revenues and ordinary income in Daiwa Asset Management increased. Secured net asset inflow, and average AUM of publicly offered stock investment (excluding ETFs) increased.

## 【Real estate AM】

- Ordinary income decreased as equity method investment gains from Samty decreased.

## Net Operating Revenues and Ordinary Income



(¥ Billions)	FY2021		FY2022				FY2023		
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Securities AM	11.6	11.2	11.3	10.7	10.5	10.3	10.8	11.6	11.8
Real estate AM*	6.6	6.5	7.2	6.2	6.7	7.2	6.4	6.3	6.7
<b>Net operating revenues</b>	<b>18.2</b>	<b>17.7</b>	<b>18.6</b>	<b>16.9</b>	<b>17.2</b>	<b>17.5</b>	<b>17.3</b>	<b>18.0</b>	<b>18.6</b>
Securities AM	5.6	5.3	5.3	4.5	4.1	3.9	4.4	5.1	5.3
Real estate AM**	5.6	5.8	5.8	6.1	6.3	8.0	4.6	6.3	6.3
<b>Ordinary income</b>	<b>11.2</b>	<b>11.2</b>	<b>11.1</b>	<b>10.7</b>	<b>10.5</b>	<b>11.9</b>	<b>9.0</b>	<b>11.5</b>	<b>11.6</b>

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

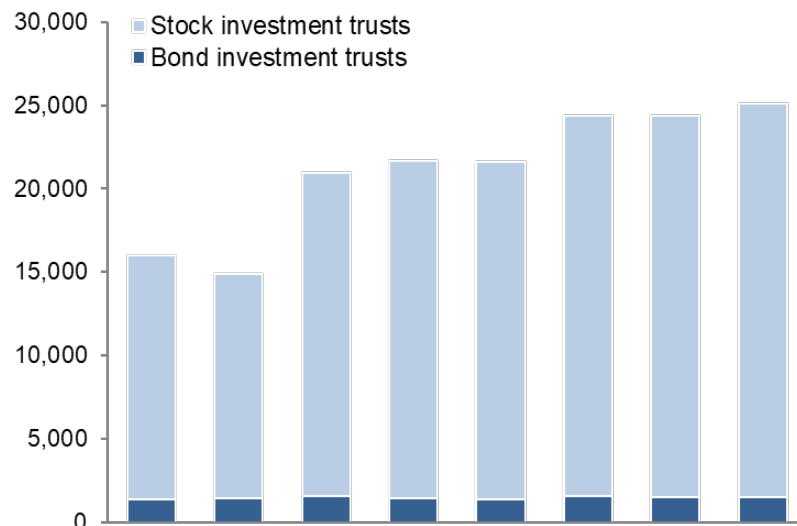
\*\* Equity in earnings of affiliates is included in non-operating revenues

# Asset Management Division

Assets Under Management and Net Increase



## Daiwa Asset Management Publicly Offered Securities Investment Trusts AUM

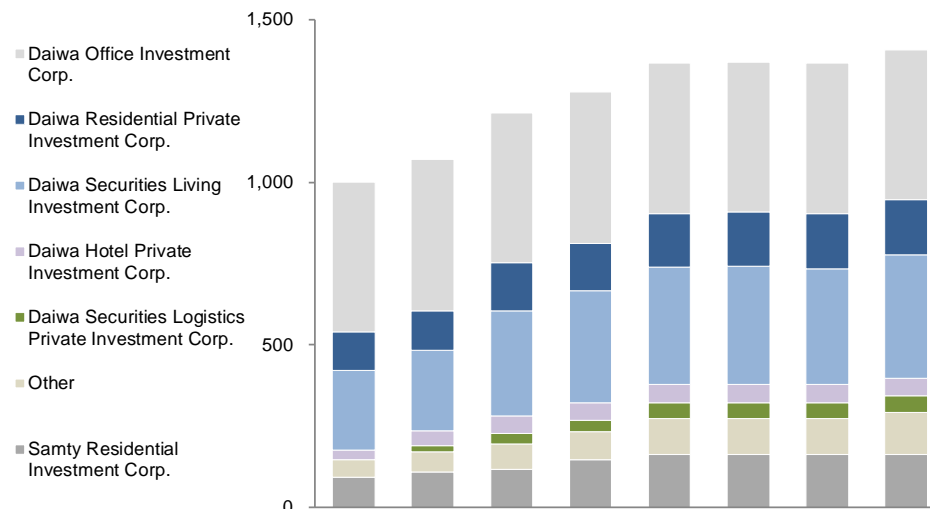


¥ Billions	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023		
						1Q	2Q	3Q
Stock investment trusts	14,616	13,478	19,418	20,261	20,225	22,827	22,830	<b>23,595</b>
excl. ETF	7,245	6,063	7,543	8,268	8,038	8,863	8,922	<b>9,393</b>
(Net inflow)	(-339)	(-217)	(50)	(347)	(516)	(53)	(254)	<b>(98)</b>
ETF	7,371	7,414	11,875	11,993	12,186	13,963	13,908	<b>14,201</b>
(Net inflow)	(1,279)	(947)	(1,001)	(275)	(-80)	(-64)	(137)	<b>(-101)</b>
Bond investment trusts	1,396	1,421	1,561	1,434	1,365	1,581	1,534	<b>1,533</b>
Total	16,012	14,900	20,980	21,696	21,590	24,409	24,365	<b>25,128</b>
Publicly Offered Securities Investment Trusts Share	14.2%	14.0%	13.9%	13.3%	13.0%	13.0%	12.9%	<b>12.8%</b>

※ 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	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023		
						1Q	2Q	3Q
Daiwa Office Investment Corp.	460	463	461	466	462	462	462	<b>462</b>
Daiwa Residential Private Investment Corp.	118	121	146	146	164	167	170	<b>170</b>
Daiwa Securities Living Investment Corp.*	245	247	323	343	363	364	357	<b>377</b>
Daiwa Hotel Private Investment Corp.	29	45	54	54	54	54	54	<b>54</b>
Daiwa Securities Logistics Private Investment Corp.		20	33	35	51	51	51	<b>51</b>
Other	53	59	75	85	110	110	110	<b>130</b>
<b>Total</b>	<b>907</b>	<b>959</b>	<b>1,094</b>	<b>1,131</b>	<b>1,206</b>	<b>1,210</b>	<b>1,207</b>	<b>1,247</b>
Samty Residential Investment Corp. (Sub sponsor)	93	109	118	147	162	162	162	<b>163</b>
<b>Total (including sub sponsor)</b>	<b>1,000</b>	<b>1,069</b>	<b>1,212</b>	<b>1,279</b>	<b>1,369</b>	<b>1,373</b>	<b>1,370</b>	<b>1,411</b>

※ All figures are as at the end of each quarter

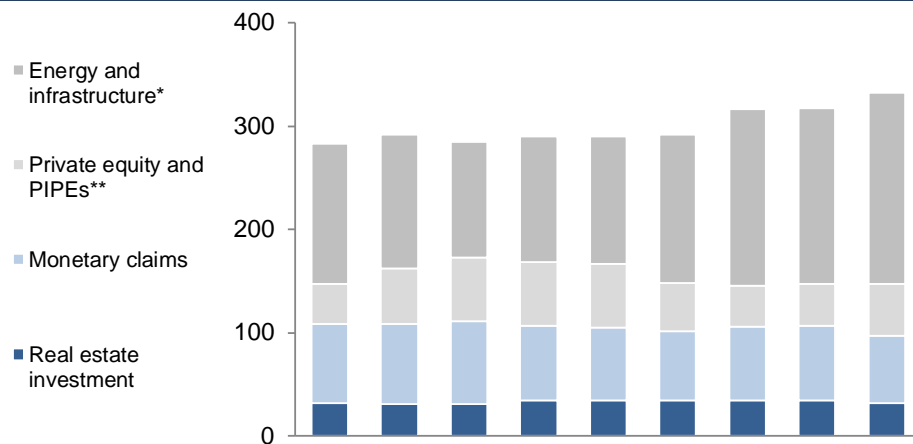
\* Japan Rental Housing Investment Inc. merged with Nippon Healthcare Investment Corp. through absorption-type merger and changed its trade name to Daiwa Securities Living Investment Corp. on April 1, 2020. Daiwa Securities Living Investment Corp.'s AUM from FY2018 to FY2019 is a total of the two companies.

# Investment Division

(¥ Millions)	FY2023 3Q	% Change vs 2Q/FY23	FY2023 1Q-3Q	% Change vs 1Q-3Q/FY22
<b>Net operating revenues</b>	<b>8,303</b>	<b>83.1%</b>	<b>14,677</b>	<b>56.2%</b>
<b>Ordinary income</b>	<b>5,304</b>	<b>12.8%</b>	<b>12,982</b>	<b>99.6%</b>

- In Daiwa PI Partners, revenues from monetary claims and real estate investment increased.

## Principal Investment Value



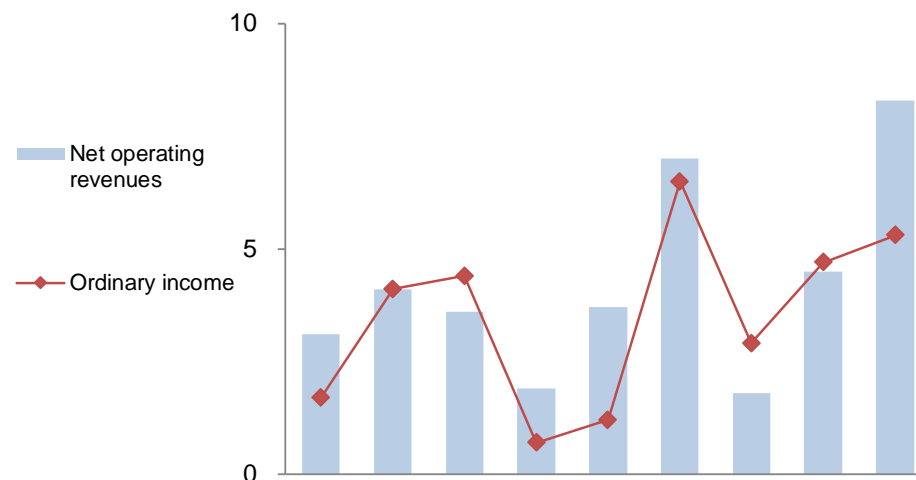
(¥ Billions)	FY2021		FY2022				FY2023		
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
<b>Daiwa PI Partners</b>									
Private equity and PIPEs**	39	54	62	61	62	47	39	40	<b>50</b>
Monetary claims	76	77	80	73	71	67	72	73	<b>65</b>
Real estate investment	32	31	31	34	34	34	34	34	<b>32</b>
<b>Daiwa Energy &amp; Infrastructure</b>	136	130	112	122	123	144	171	170	<b>185</b>
<b>Total</b>	285	294	287	292	292	293	318	318	<b>334</b>

※ 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		
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
<b>Net operating revenues</b>	3.1	4.1	3.6	1.9	3.7	7.0	1.8	4.5	<b>8.3</b>
<b>Ordinary income</b>	1.7	4.1	4.4	0.7	1.2	6.5	2.9	4.7	<b>5.3</b>

# Reference

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**Daiwa Securities Group Inc.**

## Breakdown of Commission

(¥ Millions)	FY2022		FY2023			% Change vs 2Q/FY23	% Change vs 3Q/FY22	FY2022 1Q-3Q	FY2023 1Q-3Q	% Change vs 1Q-3Q/FY22	FY2022
	3Q	4Q	1Q	2Q	3Q						
<b>Total commission</b>	69,588	72,890	82,381	86,124	<b>86,254</b>	<b>0.2%</b>	<b>23.9%</b>	207,100	<b>254,761</b>	<b>23.0%</b>	279,991
<b>Brokerage commission</b>	16,662	16,368	21,795	21,982	<b>20,244</b>	<b>-7.9%</b>	<b>21.5%</b>	47,904	<b>64,022</b>	<b>33.6%</b>	64,272
<b>Underwriting and secondary offering commissions</b>	7,653	8,857	11,429	9,242	<b>9,279</b>	<b>0.4%</b>	<b>21.2%</b>	19,307	<b>29,951</b>	<b>55.1%</b>	28,165
<b>Distribution commission</b>	2,580	2,071	3,890	3,749	<b>4,196</b>	<b>11.9%</b>	<b>62.6%</b>	9,244	<b>11,836</b>	<b>28.0%</b>	11,316
<b>Other commission</b>	42,692	45,593	45,267	51,150	<b>52,533</b>	<b>2.7%</b>	<b>23.1%</b>	130,644	<b>148,951</b>	<b>14.0%</b>	176,237
<i>Investment advisory and account management fees</i>	8,945	8,828	9,249	10,199	<b>10,657</b>	<b>4.5%</b>	<b>19.1%</b>	26,255	<b>30,106</b>	<b>14.7%</b>	35,084
<i>Insurance sales commission</i>	904	840	675	842	<b>1,263</b>	<b>50.0%</b>	<b>39.7%</b>	1,540	<b>2,781</b>	<b>80.6%</b>	2,380
<i>M&amp;A related commission</i>	6,321	9,926	7,986	10,995	<b>11,673</b>	<b>6.2%</b>	<b>84.7%</b>	22,677	<b>30,655</b>	<b>35.2%</b>	32,603
<i>Management fee</i>	17,353	16,962	17,860	19,044	<b>19,254</b>	<b>1.1%</b>	<b>11.0%</b>	53,653	<b>56,159</b>	<b>4.7%</b>	70,615
<i>Other</i>	9,168	9,034	9,495	10,068	<b>9,684</b>	<b>-3.8%</b>	<b>5.6%</b>	26,517	<b>29,248</b>	<b>10.3%</b>	35,552

## Balance Sheet

## Daiwa Securities Balance Sheet (December 31, 2023)

(¥ Billions)

<b>Current assets</b>	<b>15,583</b>	<b>(3,865)</b>	<b>Current liabilities</b>	<b>13,737</b>	<b>(3,852)</b>
Trading products	4,626	(-315)	Trading products	4,742	(673)
Trading securities and other	2,173	(-568)	Trading securities and other	2,527	(440)
Derivatives transactions	2,452	(253)	Derivatives transactions	2,215	(232)
Margin transaction assets	150	(-4)	Margin transaction liabilities	44	(-8)
Loans on margin transactions	144	(-4)	Loans payables secured by securities	6,135	(3,296)
Cash collateral pledged for securities borrowing on margin transactions	6	(0)	Short-term loans payable	956	(-143)
Loans secured by securities	7,770	(3,760)	Current portion of bonds	124	(-226)
Short-term guarantee deposits	530	(-86)	<b>Long-term liabilities</b>	<b>1,486</b>	<b>(-15)</b>
Short-term loans receivable	421	(12)	Bonds payable	504	(-142)
<b>Non-current assets</b>	<b>194</b>	<b>(3)</b>	Long-term loans payable	935	(127)
Property, plant and equipment	48	(-2)	<b>Total liabilities</b>	<b>15,228</b>	<b>(3,836)</b>
Intangible assets	77	(4)	<b>Net assets</b>	<b>549</b>	<b>(31)</b>
			Shareholders' equity	547	(31)
			Capital stock	100	—
<b>Total assets</b>	<b>15,778</b>	<b>(3,868)</b>	<b>Total liabilities and net assets</b>	<b>15,778</b>	<b>(3,868)</b>

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



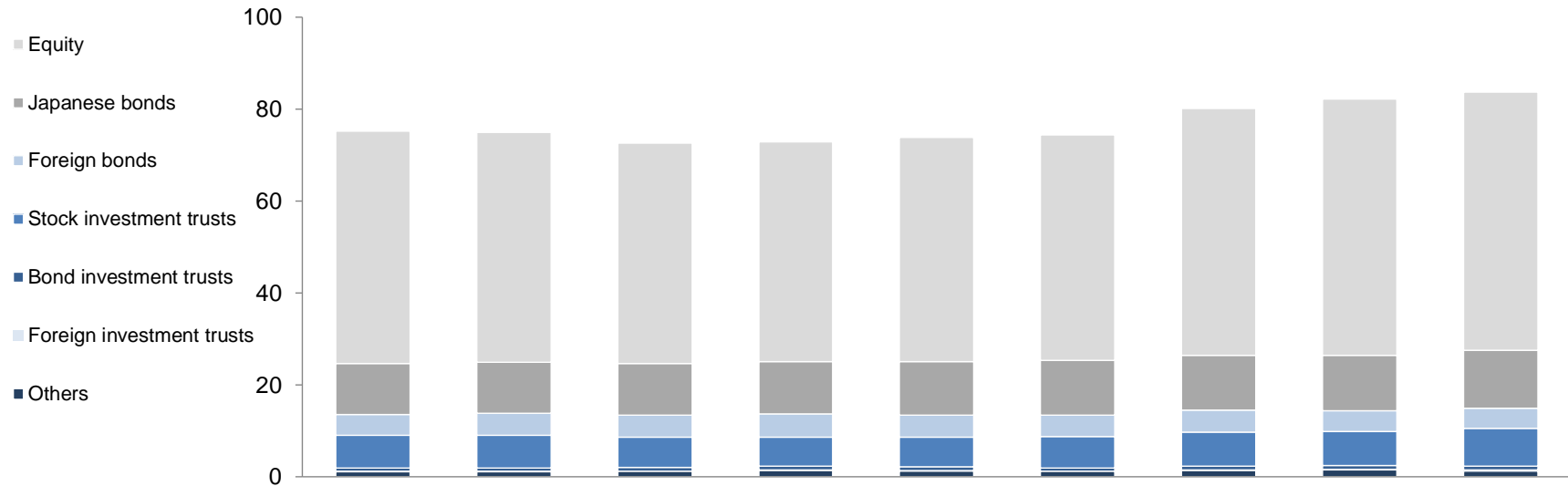
## Financial Summary I

(¥ Millions)	FY2022		FY2023			% Change vs 2Q/FY23	% Change vs 3Q/FY22	FY2022	FY2023	% Change vs 1Q-3Q/FY22	FY2022
	3Q	4Q	1Q	2Q	3Q			1Q-3Q	1Q-3Q		
<b>Operating revenues</b>	77,833	73,139	94,059	100,696	<b>98,972</b>	-1.7%	27.2%	204,403	<b>293,728</b>	43.7%	277,542
<b>Commission received</b>	46,243	46,001	58,959	58,920	<b>56,682</b>	-3.8%	22.6%	131,371	<b>174,562</b>	32.9%	177,373
<b>Brokerage commission</b>	12,060	11,721	16,655	16,788	<b>14,657</b>	-12.7%	21.5%	34,465	<b>48,100</b>	39.6%	46,186
<i>Stock and others</i>	11,642	11,384	16,282	16,485	<b>14,280</b>	-13.4%	22.7%	33,232	<b>47,048</b>	41.6%	44,616
<b>Underwriting and secondary offering commissions</b>	6,829	8,200	9,603	8,179	<b>9,349</b>	14.3%	36.9%	16,909	<b>27,133</b>	60.5%	25,110
<i>Equity</i>	2,332	5,082	4,623	3,932	<b>5,979</b>	52.0%	156.3%	4,648	<b>14,535</b>	212.7%	9,731
<i>Bond and others</i>	4,496	3,117	4,606	4,030	<b>3,211</b>	-20.3%	-28.6%	11,977	<b>11,847</b>	-1.1%	15,095
<b>Distribution commission</b>	2,536	2,022	3,819	3,682	<b>4,100</b>	11.3%	61.6%	9,082	<b>11,602</b>	27.7%	11,105
<i>Investment trust</i>	2,492	1,945	3,622	3,616	<b>4,016</b>	11.1%	61.2%	8,828	<b>11,255</b>	27.5%	10,773
<b>Other commissions</b>	24,817	24,056	28,880	30,269	<b>28,575</b>	-5.6%	15.1%	70,914	<b>87,726</b>	23.7%	94,970
<i>Agency fee and others</i>	7,351	7,160	7,707	8,357	<b>8,385</b>	0.3%	14.1%	22,336	<b>24,450</b>	9.5%	29,497
<i>Investment advisory and account management fees</i>	8,945	8,828	9,249	10,199	<b>10,657</b>	4.5%	19.1%	26,255	<b>30,106</b>	14.7%	35,084
<i>Insurance sales commission</i>	904	840	675	842	<b>1,263</b>	50.0%	39.7%	1,540	<b>2,781</b>	80.6%	2,380
<i>M&amp;A related commission</i>	1,708	1,589	4,417	4,583	<b>2,300</b>	-49.8%	34.6%	4,652	<b>11,301</b>	142.9%	6,241
<b>Net trading income/loss</b>	15,045	10,862	16,599	21,051	<b>20,607</b>	-2.1%	37.0%	37,297	<b>58,258</b>	56.2%	48,159
<b>Financial revenues</b>	16,544	16,275	18,501	20,724	<b>21,682</b>	4.6%	31.1%	35,733	<b>60,907</b>	70.4%	52,009
<b>Financial expenses</b>	11,322	11,552	14,327	15,626	<b>18,455</b>	18.1%	63.0%	22,631	<b>48,409</b>	113.9%	34,183
<b>Net operating revenues</b>	66,510	61,586	79,731	85,070	<b>80,517</b>	-5.4%	21.1%	181,771	<b>245,319</b>	35.0%	243,358

## Financial Summary II

(¥ Millions)	FY2022		FY2023			% Change vs 2Q/FY23	% Change vs 3Q/FY22	FY2022	FY2023	% Change vs 1Q-3Q/FY22	FY2022
	3Q	4Q	1Q	2Q	3Q			1Q-3Q	1Q-3Q		
<b>SG&amp;A</b>	61,060	59,293	61,730	63,970	<b>64,414</b>	<b>0.7%</b>	<b>5.5%</b>	179,286	<b>190,115</b>	<b>6.0%</b>	238,579
<b>Trading related expenses</b>	10,472	9,552	10,063	10,870	<b>11,257</b>	<b>3.6%</b>	<b>7.5%</b>	30,789	<b>32,190</b>	<b>4.6%</b>	40,341
<b>Personnel expenses</b>	22,813	24,081	24,943	25,871	<b>25,494</b>	<b>-1.5%</b>	<b>11.7%</b>	68,016	<b>76,308</b>	<b>12.2%</b>	92,098
<b>Real estate expenses</b>	5,321	5,460	5,279	5,502	<b>5,272</b>	<b>-4.2%</b>	<b>-0.9%</b>	16,178	<b>16,054</b>	<b>-0.8%</b>	21,639
<b>Office cost</b>	14,654	12,242	13,529	13,745	<b>14,286</b>	<b>3.9%</b>	<b>-2.5%</b>	41,261	<b>41,560</b>	<b>0.7%</b>	53,503
<b>Depreciation</b>	5,753	5,760	5,706	5,828	<b>5,887</b>	<b>1.0%</b>	<b>2.3%</b>	17,206	<b>17,422</b>	<b>1.3%</b>	22,967
<b>Taxes and dues</b>	797	865	1,168	1,180	<b>1,139</b>	<b>-3.5%</b>	<b>42.8%</b>	2,417	<b>3,487</b>	<b>44.3%</b>	3,283
<b>Other</b>	1,246	1,330	1,039	972	<b>1,077</b>	<b>10.7%</b>	<b>-13.6%</b>	3,414	<b>3,090</b>	<b>-9.5%</b>	4,745
<b>Ordinary income</b>	5,324	2,733	18,711	21,672	<b>16,660</b>	<b>-23.1%</b>	<b>212.9%</b>	3,226	<b>57,044</b>	<b>17x</b>	5,959
<b>Net income</b>	5,223	1,507	12,751	14,914	<b>11,412</b>	<b>-23.5%</b>	<b>118.5%</b>	5,644	<b>39,079</b>	<b>592.4%</b>	7,151
<b>ROE (Annualized)</b>	4.1%	1.2%	9.8%	11.2%	<b>8.4%</b>			1.5%	<b>9.8%</b>		1.4%
<b>Capital adequacy ratio</b>	307.5%	323.6%	342.7%	371.7%	<b>404.6%</b>			307.5%	<b>404.6%</b>		323.6%

# Assets under Custody



¥ Trillions	FY2021		FY2022				FY2023		
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Equity	50.4	49.9	47.9	47.8	48.7	49.0	53.6	55.6	56.1
Japanese bonds	11.1	11.2	11.1	11.4	11.6	11.9	12.0	12.1	12.5
Foreign bonds	4.5	4.8	4.9	5.0	4.9	4.7	4.7	4.5	4.5
Stock investment trusts	7.1	7.0	6.5	6.4	6.4	6.8	7.4	7.4	8.2
Bond investment trusts	0.8	0.8	0.8	0.8	0.8	0.7	0.8	0.8	0.8
Foreign investment trusts	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2
Others	1.1	1.1	1.2	1.4	1.3	1.2	1.4	1.5	1.3
<b>Total</b>	<b>75.5</b>	<b>75.1</b>	<b>72.8</b>	<b>73.3</b>	<b>74.1</b>	<b>74.7</b>	<b>80.3</b>	<b>82.3</b>	<b>83.9</b>
Daiwa Next Bank deposit balance	4.3	4.1	4.1	4.1	4.1	3.9	4.3	4.4	4.5

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

※ ETFs are recorded in 'Equity'.

# Number of Accounts and Equity Trading

	FY2021		FY2022				FY2023		
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Accounts with balance (thousands)	3,024	3,038	3,033	3,041	3,042	3,057	3,093	3,104	<b>3,106</b>
Accounts holding equity (thousands)	1,456	1,458	1,462	1,463	1,458	1,473	1,476	1,474	<b>1,467</b>
Online trading accounts (thousands)	3,492	3,506	3,517	3,532	3,550	3,571	3,596	3,616	<b>3,641</b>
Newly opened accounts (thousands)	31	29	29	33	43	46	43	46	<b>43</b>
NISA accounts* (thousands)	862	863	652	653	654	655	678	683	<b>695</b>
Wrap account service (end of quarter)									
Contract assets under management (¥ billions)	2,925	2,957	2,926	2,950	2,975	3,095	3,408	3,558	<b>3,749</b>
Number of customers (thousands)	142	144	147	150	154	157	161	168	<b>174</b>
Contracts and trading value for individual investors at Daiwa Securities (Japanese Equity)									
Total number of contracts (thousands)	2,590	2,541	2,211	2,219	2,261	2,220	2,637	2,651	<b>2,517</b>
<i>Online out of total (thousands)</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>	<b><i>2,181</i></b>
Total trading value (¥ billions)	3,007	2,857	2,302	2,415	2,558	2,496	3,309	3,409	<b>2,984</b>
<i>Online out of total (¥ billions)</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>	<b><i>2,087</i></b>
Foreign equity trading value (Retail)									
Trading value (¥ billions)	400	204	154	117	120	115	240	226	<b>242</b>

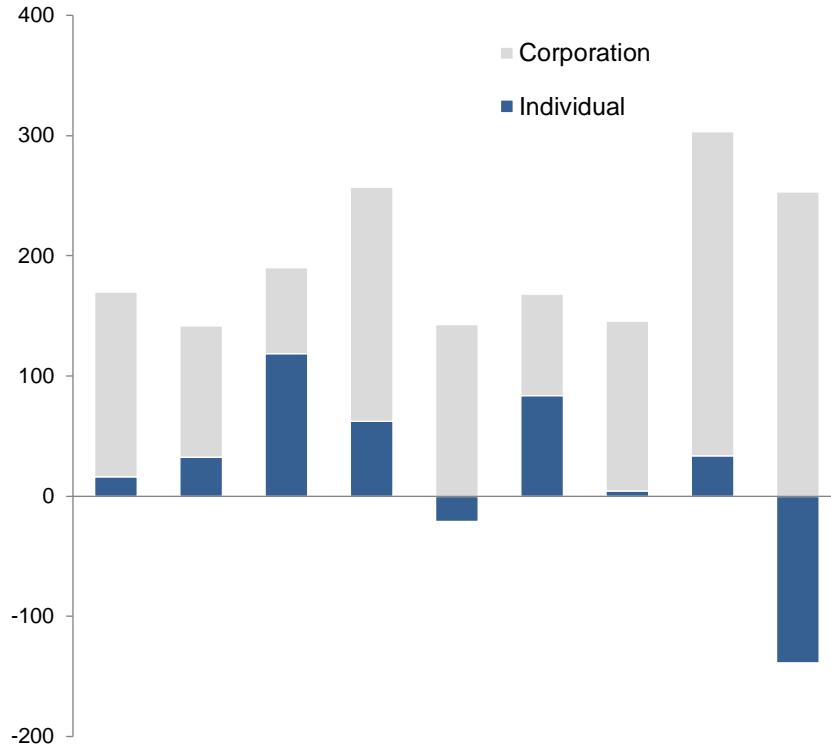
\* Includes accounts being transferred from Shikoku Bank from 1Q FY2023 under comprehensive business alliance.

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

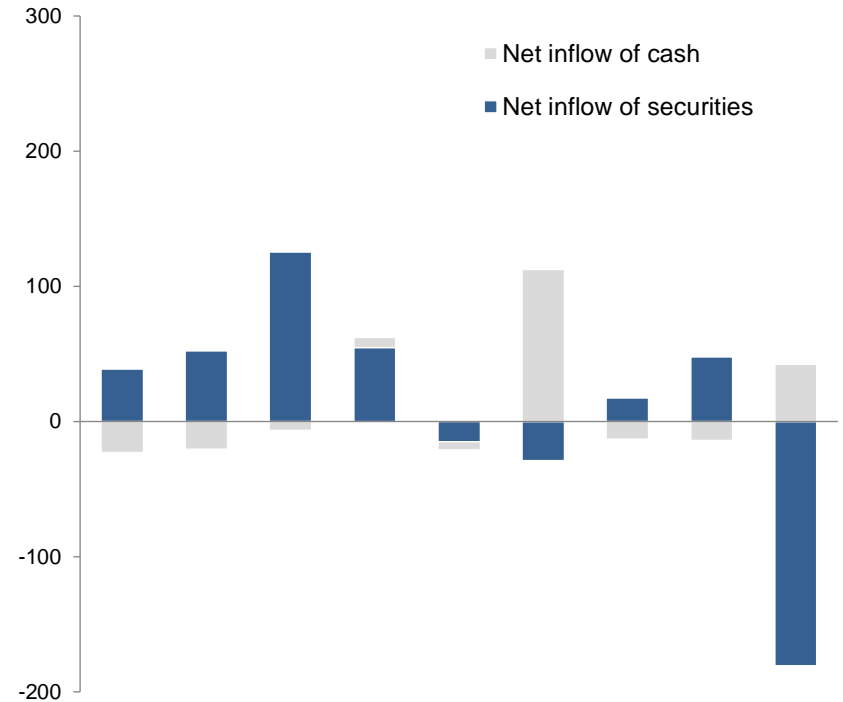
# Net Asset Inflow



Retail Division (Daiwa Securities) Net Asset Inflow\*



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



¥ Billions	FY2021		FY2022				FY2023		
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Corporation	153.8	109.7	71.5	194.5	142.7	84.7	141.2	269.6	<b>252.8</b>
Individual	15.9	32.2	118.8	62.4	-21.1	83.6	4.2	33.6	<b>-138.6</b>
<b>Total</b>	<b>169.7</b>	<b>141.9</b>	<b>190.3</b>	<b>257.0</b>	<b>121.5</b>	<b>168.4</b>	<b>145.5</b>	<b>303.3</b>	<b>114.2</b>

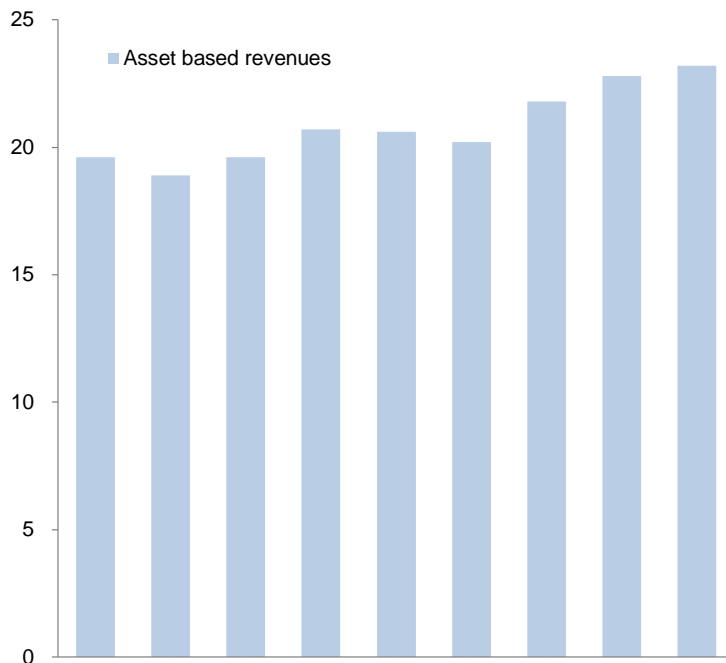
¥ Billions	FY2021		FY2022				FY2023		
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Net inflow of cash	-22.9	-20.3	-6.4	7.6	-5.9	112.7	-13.0	-14.0	<b>42.2</b>
Net inflow of securities	38.8	52.5	125.2	54.8	-15.1	-29.1	17.3	47.7	<b>-180.9</b>
<b>Total</b>	<b>15.9</b>	<b>32.2</b>	<b>118.8</b>	<b>62.4</b>	<b>-21.1</b>	<b>83.6</b>	<b>4.2</b>	<b>33.6</b>	<b>-138.6</b>

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

# Asset Based Revenues



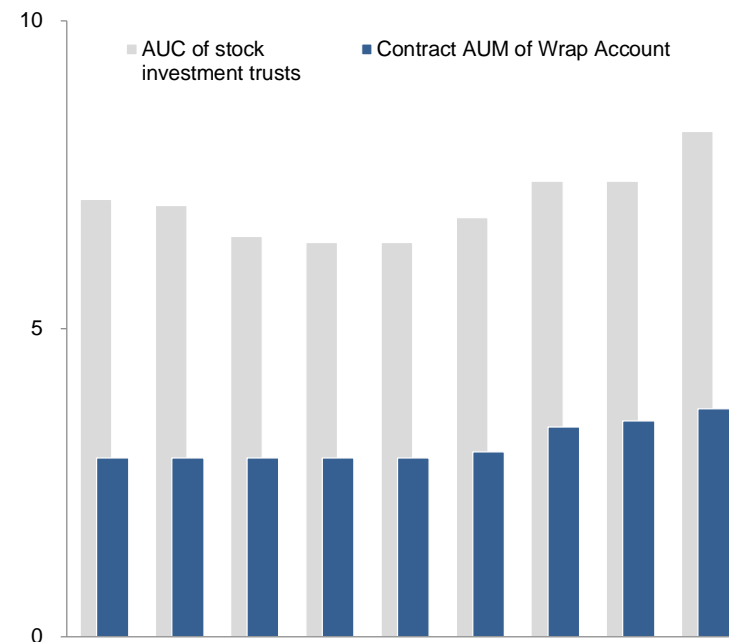
## Asset Based Revenues



¥ Billions	FY2021		FY2022				FY2023		
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Net operating revenues in Retail Division (Daiwa Securities)	48.6	41.2	39.4	40.1	40.9	39.5	48.3	48.3	<b>48.3</b>
Asset based revenues	19.6	18.9	19.6	20.7	20.6	20.2	21.8	22.8	<b>23.2</b>
Asset based revenue ratio	40.4%	46.1%	49.7%	51.6%	50.5%	51.2%	45.3%	47.2%	<b>48.0%</b>
Fixed cost coverage ratio	79.4%	77.2%	83.7%	83.1%	85.0%	87.0%	89.4%	91.9%	<b>94.3%</b>
Total cost coverage ratio	54.0%	54.7%	58.9%	60.7%	60.6%	60.6%	61.7%	62.6%	<b>63.8%</b>

※ 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		
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
AUC of stock investment trusts	7.1	7.0	6.5	6.4	6.4	6.8	7.4	7.4	<b>8.2</b>
Contract AUM of Wrap Account	2.9	2.9	2.9	2.9	2.9	3.0	3.4	3.5	<b>3.7</b>

※ 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)
<b>FY2023 3Q League Table</b>							
1st	Nomura	SMBC Nikko	Mizuho	Nomura	Nomura	SMBC Nikko	Nomura
	41.7%	21.1%	23.7%	24.8%	23.3%	23.2%	
2nd	SMBC Nikko	Nomura	Nomura	Daiwa	Daiwa	Mizuho	SMFG
	13.7%	19.9%	22.4%	21.0%	20.1%	21.6%	
3rd	Daiwa	Daiwa	Daiwa	SMBC Nikko	Mizuho	Nomura	Mizuho
	13.2%	13.4%	19.5%	18.4%	16.4%	17.9%	
4th	Mizuho	Mizuho	SMBC Nikko	Mitsubishi UFJMS	Mitsubishi UFJMS	Mitsubishi UFJMS	Morgan Stanley
	10.4%	9.4%	16.2%	14.7%	15.9%	16.6%	
5th	JPMorgan	Mitsubishi UFJMS	Mitsubishi UFJMS	Mizuho	SMBC Nikko	Daiwa	Daiwa
	5.7%	9.2%	14.0%	14.1%	12.8%	15.9%	

Source: Compiled by Daiwa Securities based on LESG Data & Analytics **April 2023 – December 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

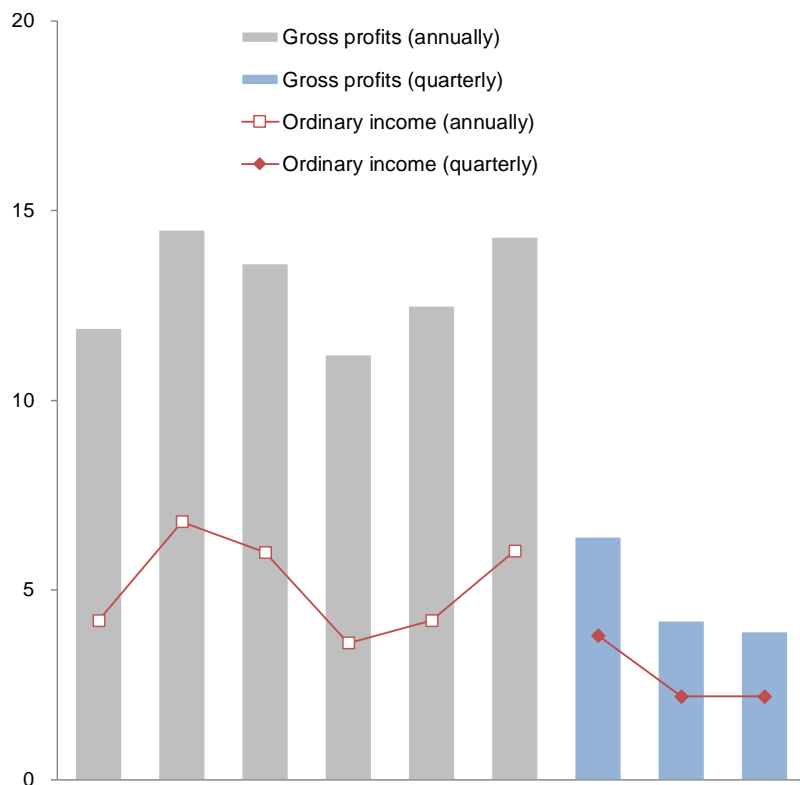
## Financial Summary

(¥ Millions)	FY2022		FY2023			% Change vs 2Q/FY23	% Change vs 3Q/FY22	FY2022	FY2023	% Change vs 1Q-3Q/FY22	FY2022
	3Q	4Q	1Q	2Q	3Q			1Q-3Q	1Q-3Q		
<b>Operating revenues</b>	17,288	16,908	17,805	19,073	<b>19,300</b>	<b>1.2%</b>	<b>11.6%</b>	53,496	<b>56,179</b>	<b>5.0%</b>	70,405
<b>Management fee</b>	17,144	16,774	17,666	18,890	<b>19,109</b>	<b>1.2%</b>	<b>11.5%</b>	53,070	<b>55,666</b>	<b>4.9%</b>	69,845
<i>Stock investment trust</i>	17,077	16,708	17,598	18,819	<b>19,041</b>	<b>1.2%</b>	<b>11.5%</b>	52,854	<b>55,459</b>	<b>4.9%</b>	69,562
<i>Bond investment trust</i>	66	65	68	70	<b>67</b>	<b>-4.9%</b>	<b>0.4%</b>	216	<b>206</b>	<b>-4.6%</b>	282
<b>Other operating revenues</b>	144	133	138	183	<b>191</b>	<b>4.0%</b>	<b>32.5%</b>	426	<b>513</b>	<b>20.5%</b>	559
<b>SG&amp;A</b>	13,709	13,558	14,069	14,649	<b>14,913</b>	<b>1.8%</b>	<b>8.8%</b>	41,535	<b>43,633</b>	<b>5.0%</b>	55,094
<b>Commission paid</b>	7,266	7,050	7,390	7,859	<b>7,863</b>	<b>0.1%</b>	<b>8.2%</b>	22,355	<b>23,114</b>	<b>3.4%</b>	29,405
<b>Other SG&amp;A</b>	6,442	6,508	6,679	6,789	<b>7,049</b>	<b>3.8%</b>	<b>9.4%</b>	19,180	<b>20,518</b>	<b>7.0%</b>	25,688
<b>Operating income</b>	3,578	3,349	3,735	4,424	<b>4,386</b>	<b>-0.9%</b>	<b>22.6%</b>	11,961	<b>12,546</b>	<b>4.9%</b>	15,310
<b>Ordinary income</b>	3,590	3,364	3,699	4,473	<b>4,496</b>	<b>0.5%</b>	<b>25.3%</b>	12,277	<b>12,669</b>	<b>3.2%</b>	15,642
<b>Net income</b>	2,413	2,398	2,425	2,979	<b>3,075</b>	<b>3.2%</b>	<b>27.4%</b>	7,918	<b>8,480</b>	<b>7.1%</b>	10,317



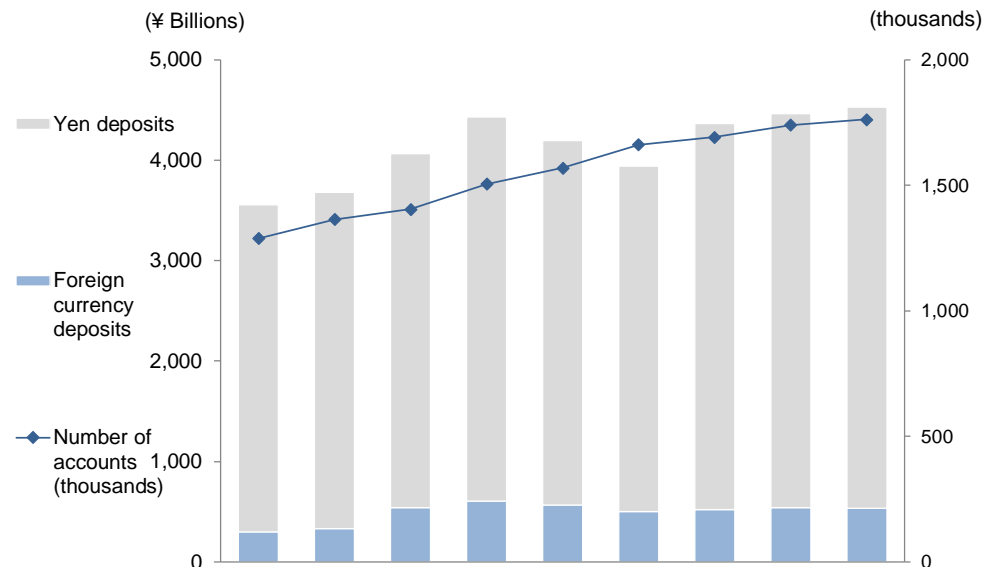
# Earnings and Deposit Balance

## Gross Profits / Ordinary Income



(¥ Billions)	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023		
							1Q	2Q	3Q
Gross profits	11.9	14.5	13.6	11.2	12.5	14.3	6.4	4.2	<b>3.9</b>
Ordinary income	4.2	6.8	6.0	3.6	4.2	6.0	3.8	2.2	<b>2.2</b>

## Daiwa Next Bank Deposit Balance & Number of Accounts



	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023		
							1Q	2Q	3Q
Ordinary deposits	1,756	1,610	1,873	2,224	2,163	2,007	2,272	2,200	<b>2,243</b>
Time deposits	1,746	1,953	2,067	2,171	2,005	1,905	2,057	2,220	<b>2,246</b>
Negotiable certificate of deposits / Other	53	115	122	35	29	27	35	40	<b>36</b>
Deposit balance	3,556	3,678	4,062	4,430	4,197	3,940	4,365	4,462	<b>4,527</b>
Foreign currency deposits	300	331	539	606	569	499	520	542	<b>536</b>
Number of accounts (thousands)	1,289	1,364	1,405	1,505	1,569	1,662	1,692	1,740	<b>1,763</b>

※ 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		
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
VaR (Quarter end)	1.95	1.92	1.35	1.07	1.04	1.33	1.06	1.29	<b>0.97</b>
High	2.58	2.37	1.96	1.52	1.42	1.85	1.61	1.63	<b>1.54</b>
Low	1.43	1.55	0.99	0.94	0.83	1.04	1.06	1.05	<b>0.93</b>
Average	1.90	1.90	1.54	1.13	1.05	1.44	1.32	1.27	<b>1.22</b>
By risk factors (Quarter end)									
Equity	0.24	0.40	0.27	0.18	0.42	0.33	0.31	0.40	<b>0.17</b>
Interest	1.29	1.20	0.86	1.00	0.78	0.68	0.92	1.19	<b>0.84</b>
Currency	0.48	0.51	0.22	0.39	0.45	0.51	0.39	0.40	<b>0.25</b>
Commodities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	<b>0.00</b>

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

VaR (Quarter end)	0.87	0.88	0.70	0.81	0.59	0.83	0.71	0.82	<b>0.60</b>
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# Number of Group Employees

	FY2021		FY2022				FY2023		
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
<b>Total</b>	15,209	15,119	15,363	15,226	15,060	14,979	15,296	15,117	<b>14,994</b>
Overseas	1,987	2,031	2,048	2,030	2,006	2,020	2,006	1,991	<b>1,981</b>

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

\* Total figures are the sum of consolidated group companies.

\* Figures include temporary staff.

## Contact

Daiwa Securities Group Inc.

Investor Relations

E-mail: [ir-section@daiwa.co.jp](mailto:ir-section@daiwa.co.jp)

URL: <https://www.daiwa-grp.jp/english/ir/>