

**FY2024 Daiwa Securities Group Management Policies**  
~ Passion for the Best ~

FY2023 marked a major turning point for the Japanese economy. Japan is on the verge of a full departure from the deflationary trend it has endured for the past 30 years. A complete return to post-pandemic economic normalcy has begun, led by increasingly clear signs of recovery in areas such as inbound demand. The Japanese stock market has also been performing well, with the Nikkei index surpassing its all-time high of JPY 38,915 for the first time in 34 years. The rise reflects solid corporate earnings, a push by the Tokyo Stock Exchange for greater awareness of cost of capital and stock price among the management of listed companies, and greater foreign investor demand for Japanese equities. Monetary policy has also taken a step toward normalization by getting rid of the negative interest rates that persisted for the past 8 years. The Group's steady advances in transitioning to a wealth management business model and in growing our hybrid business areas have led to a recovery in earnings.

"Passion for the Best" 2026 is the name of the New Medium-term Management Plan that the Group has devised to respond to this outside environment and Japan's incipient tidal shift from savings to asset building. The Plan will run for the 3-year period from FY2024 to 2026. This Medium-term Management Plan is a collection of priority strategies and policies that draw on backcasting to achieve the Group's FY2030 vision—creating a solid earnings foundation resistant to impacts from the outside environment. "Maximizing the value of customer assets" is the Group's basic management policy. All Group business activities are designed to grow client asset value over the medium to long term by providing high-quality consulting services and solutions driven by accurate analysis of market environments and in-depth understanding of client needs.

As the inaugural year of the Medium-term Management Plan, FY2024 will be devoted to executing the action plans detailed below. The Japanese government has recently announced a policy plan for promoting Japan as a leading asset management center. The Group's activities will help bring this plan to life and ultimately help create a prosperous future made possible by financial and capital markets.

## **Action Plans for Each Business Division**

### **Wealth Management Division**

1. Refining our wealth management business by providing optimum consulting services rooted in an in-depth understanding of client needs
2. Augmenting our lineup of high-added-value bespoke products, services and solutions tailored to the advanced demands of high-net-worth and corporate clients
3. Using digital marketing to create an organization for providing the right services for client needs in a timely manner
4. Growing our client base through outside partnerships and workplace business
5. Augmenting our banking solutions for high-net-worth clients

### **Asset Management Division**

1. Providing high-added-value asset management services by offering more advanced asset management options and improving our product development capabilities
2. Building a new business foundation by augmenting our alternative product lineup and fully entering the investment advisory sector
3. Working on our real estate asset management segment by enhancing our asset management and property sourcing capabilities, and having Group members work together
4. Drawing on our alternative investment expertise and experience to provide high-quality investment opportunities that seek to outperform

### **Global Markets & Investment Banking Division**

1. Providing a diverse and advanced lineup of products and solutions tailored to a wide range of client needs
2. Growing our business foundation by working more closely with our Wealth Management Division
3. Providing more solutions to unlisted companies while enhancing M&A activities inside and outside Japan
4. Boosting profitability by reallocating management resources

### **Other (Daiwa Institute of Research)**

1. Enhancing research quality to provide higher-quality information in a timely manner
2. Enhancing client services by creating an IT service platform and drawing on AI and data science
3. Helping extend healthy life expectancy by providing solutions driven by data gathered by our social insurance business

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