

Message from the CIO

The new Medium-Term Management Plan began in FY2024, building on the foundation (environment, human resources, and culture) established in the previous Plan in the pursuit of digital innovation. Starting this fiscal year, Daiwa Securities Group is entering a phase of business model transformation, where it will fully leverage the latest technologies to significantly elevate the entire Group's operations.

Digital technology has advanced rapidly in recent years, with innovations such as AI, blockchain and other new digital technologies emerging one after the other. To **maximize customer asset value** and our own corporate value, we believe two approaches are essential: deepening of business, in order to sustain growth in existing businesses, and digital innovation, which creates new value and drives the evolution of the Group. As elements that support the deepening of business, we have come up with reforms to the business model for wealthy customers and reforms to the business model for asset-building customers. These reforms are key to sustaining the growth of the Group's financial business. In light of the remarkable advances in digital technology in recent years, digital innovation is crucial for the Group to take a leap forward.

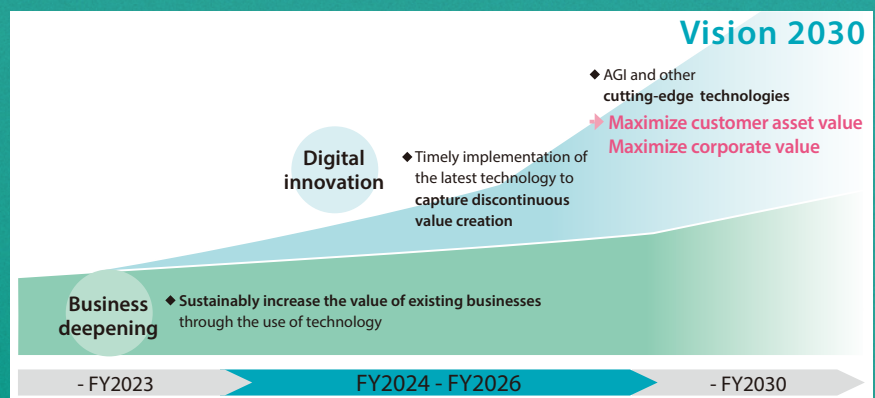
In May 2024, Daiwa Securities Group was selected for

inclusion in DX Stocks 2024, a designation led by Japan's Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange. This recognizes the Group's participation in the building of Japan's first private trading system for the security token market (START), the beginning of digital securities trading in Japan, and the role the Group played as the first financial institution in Japan to roll out ChatGPT to all employees. Our disclosure of the AI Governance Mission Statement and efforts to train advanced digital IT talent were also held in high regard.

To accelerate these initiatives across the Group, Daiwa Securities Group held an internal business idea contest in 2023 for using generative AI. The number of business ideas we received exceeded expectations. Of the ideas that won the contest, several are now being developed with implementation in mind. This contest was instrumental in fostering a mindset for business creation among employees, and sparked a cycle of innovation within the Group.

I am confident that pursuing digital innovation will lead to a fundamental transformation of the Group's business model. We will contribute to **maximize customer asset value** by continuing to enhance convenience and provide optimal products and services tailored to each customer's portfolio and life plan.

Image of improving the value provided to society through Digital Strategies



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CIO and CDO
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