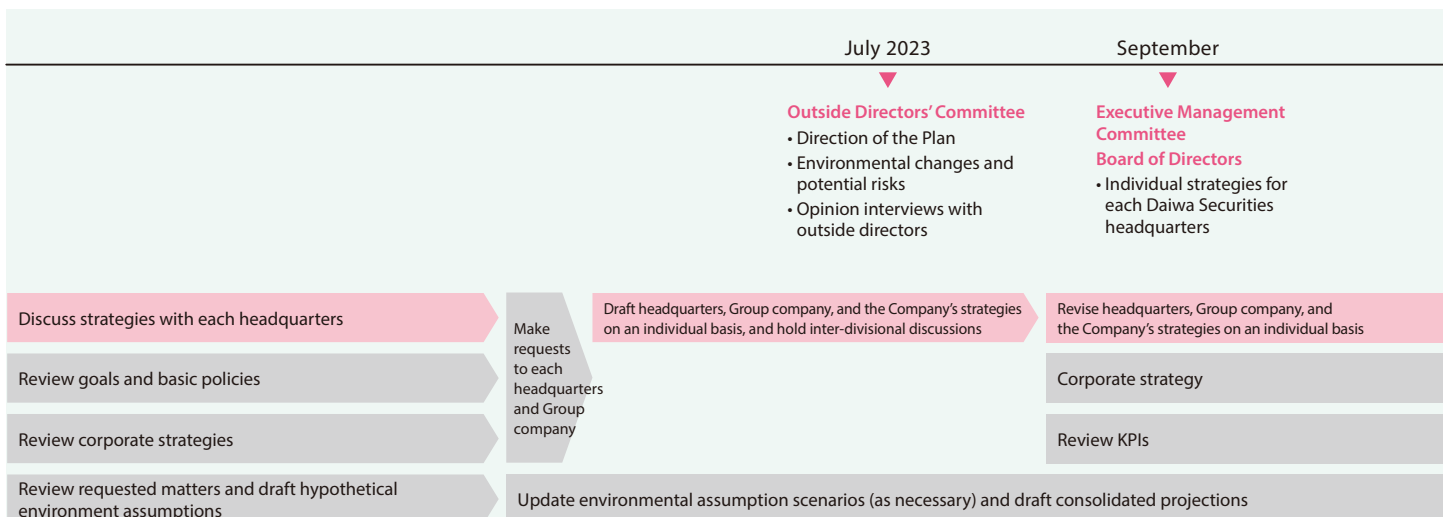


# Comments from Outside Directors on Formulating Vision 2030 and the New Medium-Term Management Plan



## Formulation process



	Vision 2030 and Basic Strategies	Wealth Management Business	Digital Transformation (DX)	Human Capital
<b>Comments from Outside Directors</b>	<ul style="list-style-type: none"> <li>I would like the Group to appreciably raise its ability to achieve the Plan.</li> <li>I would like the Group to accumulate assets that are resilient to market trends. With this in mind, I would ask the Group to continue considering the disclosure of earnings forecasts.</li> <li>I would ask the Group to factor in the impact of Japan's declining population when formulating the Plan and revising Vision 2030.</li> <li>Although I understand that the Group will carry forward, expand, and enhance initiatives under its Hybrid Strategy, I would ask that it presents details at briefings to help better understand the process.</li> <li>I would like the Group to remain conscious of the links to former segments so that the reorganization of segments is not misunderstood.</li> </ul>	<ul style="list-style-type: none"> <li>It would make a lot of sense for the Group to include Daiwa Connect Securities into the Wealth Management Division as a means of covering all levels from the mass market to ultra-high-net-worth individuals.</li> <li>The Group must establish a competitive advantage over other companies in order to expand business for wealthy customers.</li> <li>I would like the Group to carefully address customer segmentation and targeting given the limitations on personnel and capital.</li> <li>I would like the Group to organize a system that instantly displays the past investment results of customers given the importance of total asset consulting.</li> </ul>	<ul style="list-style-type: none"> <li>It is likely that respective sets of AI-related rules will be established for the development, service provider, and user sides going forward. Although the Group was the first financial institution in Japan to announce AI guidelines, I would like it to study approaches to AI governance while remaining acutely aware of AI's negative aspects.</li> <li>I believe that crypto assets hold significant potential. Therefore, I would like the Group to continue making various attempts, including the launch of new services that utilize DX, into the next Plan.</li> <li>The Group must deliberate on ways to secure talented personnel beyond conventional compensation packages because the IT industry is facing increasing mobility with respect to human resources. Accordingly, I would ask the Group to promote systems that assign personnel to the optimal project from the perspective of each individual's aspirations and personnel development.</li> </ul>	<ul style="list-style-type: none"> <li>Although the ratio of female managers and the ratio of female directors on the Board were included as KPIs in the previous Plan, but not included in the new Plan, I would like the Group to therefore act to ensure that this change does not give the impression that it is taking a step backward in this area.</li> <li>The debate over male employee childcare leave has shifted from the take-up rate to the number of days taken. I would ask that the Group therefore takes the industry lead in implementing appropriate measures.</li> </ul>
<b>Company measures and initiatives</b>	<ul style="list-style-type: none"> <li>The Group prepared Medium-Term Management Plan profit targets through an accumulation of achievable individual strategies from each headquarters and company.</li> <li>While continuing to consider the disclosure of earnings forecasts, the Group revised its dividend policy (set a minimum dividend) in light of its shift to a wealth management business model and robust consolidated performance.</li> <li>The Group took steps to clarify the level of profit contribution by reviewing its business segments and classifying businesses previously included under "Other" into new segments.</li> <li>The Group has reorganized its business segments to more appropriately present the business models to which it aspires as well as the status of its business.</li> </ul>	<ul style="list-style-type: none"> <li>The Group has included Daiwa Connect Securities and other Group companies with business relevance in the Wealth Management Division.</li> <li>The Group now instantly displays the past deposits/withdrawals and investment results of customers using wealth management reports.</li> </ul>	<ul style="list-style-type: none"> <li>The Group has organized a system for appropriately managing AI development and use on a Group-wide basis under the Group AI Governance Committee.</li> <li>The Group set the number of value created digital projects and the number of digital project trials as KPIs in the Plan.</li> <li>The Group has executed real estate investment loans and digital finance initiatives as part of Fintertech.</li> </ul>	<ul style="list-style-type: none"> <li>The Group set the ratio of female managers and the ratio of female directors on the Board as sustainability KPIs.</li> <li><b>P86</b></li> <li>Starting in January 2023, the Group has required its male employees to take at least two consecutive weeks of childcare leave within one year of the birth of a child.</li> <li>The average number of days of childcare leave taken by male employees in FY2023 was 23.7 days for Daiwa Securities Group Inc., and all domestic consolidated subsidiaries.</li> </ul>

