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Daiwa Securities Group Inc.

Code number: 8601
Stock Exchange Listings: Tokyo, Nagoya
URL: https://www.daiwa-grp.jp/english/
Scheduled date of the ordinary general shareholders' meeting: June 19, 2026
Scheduled date of dividend payment: June 1, 2026
Scheduled date of filing financial report: June 17, 2026
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes (for analysts)

April 27, 2026

Financial Summary (Consolidated)

For the fiscal year ended March 31, 2026 <Under Japanese GAAP>

(Figures less than one million yen are rounded down)

1. Consolidated financial results (April 1, 2025 to March 31, 2026)

(1) Consolidated operating results (Millions of yen, % of change from previous year)

	Operating revenue		Net operating revenue		Operating income		Ordinary income	
FY 2025	1,467,983	7.0 %	720,427	11.5%	207,333	24.3%	234,510	4.4%
FY 2024	1,372,014	7.4 %	645,990	9.3%	166,742	8.5%	224,716	28.7%

(Note) Comprehensive income:
FY 2025: 271,898 million yen , 70.5% ; FY 2024: 159,471 million yen , (27.2)%

	Profit attributable to owners of parent		Net income per share		Diluted net income per share		Return on equity	
FY 2025	175,281	13.5%	126.04	Yen	124.15	Yen	10.3	%
FY 2024	154,368	27.0%	109.53	Yen	107.64	Yen	9.8	%

(Reference) Share of profit of entities accounted for using equity method:
FY 2025: 22,304 million yen ; FY 2024: 47,282 million yen

(2) Consolidated financial conditions (Millions of yen, except per share amounts and percentage)

	Total assets	Total net assets	Equity ratio		Net assets per share	
As of Mar. 31, 2026	38,077,646	2,045,809	4.6	%	1,272.72	Yen
As of Mar. 31, 2025	36,024,346	1,923,287	4.6	%	1,158.82	Yen

(Reference) Stockholders' equity (Total net assets - Share acquisition rights - Non-controlling interests):
As of Mar. 31, 2026: 1,763,569 million yen ; As of Mar. 31, 2025: 1,639,738 million yen

(3) Consolidated cash flows (Millions of yen)

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
FY 2025	438,963	(583,599)	199,423	3,772,624
FY 2024	(454,066)	(353,443)	199,019	3,739,698

2. Cash dividends

	Dividends per share(yen)					Total annual dividends (million yen)	Dividends payout ratio (consolidated)	Dividends on net assets (consolidated)
	First quarter -end	Second quarter -end	Third quarter -end	Fiscal year-end	Total			
FY 2024	－	28.00	－	28.00	56.00	79,108	51.1%	5.0%
FY 2025	－	29.00	－	35.00	64.00	88,747	50.8%	5.3%
FY 2026(expected)*	－	－	－	－	44.00		－	

(Note) Modification from the most recently announced dividend forecast: None
* Daiwa Securities Group Inc. (hereinafter the "Company") will basically pay dividends semiannually (interim and year-end dividends) at a payout ratio of 50% or more based on consolidated financial performance. In addition to this, the Company has set a minimum dividend per share (full year) of 44 yen from the fiscal year ending March 31, 2025 to the fiscal year ending March 31,

Representative: Akihiko Ogino, President and CEO
For inquiry: Kana Nakamura, Executive Director, Corporate Planning Dept. Investor Relations Office (Phone +81-3-5555-1111)

2027. For convenience, the minimum dividend for the full year is shown in the total column of FY 2026 (expected) in the above table. As indicated in 3. below, the Company does not forecast operating results and it does not present the actual amount of the full-year dividends for FY 2026 because those amounts are currently undetermined. Those amounts will be determined in line with the aforementioned policy, taking into consideration the consolidated operating results.

3. Earnings forecasts for the fiscal year ending March 31, 2027 (consolidated)

Daiwa Securities Group's (hereinafter the "Group") principal business is securities-related business, and the performance of the Group is significantly influenced by the economic and market environment in which it operates. Therefore, the Company does not disclose the forecasts of consolidated operating results, considering the difficulty to forecast the performance.

4. Other notes

(1) Significant changes in the scope of consolidation during the period: None
Newly included companies: None
Excluded companies: None

(2) Changes in accounting policies, estimates, and restatements:
(i) Changes in accounting policies due to the revision of accounting standards: None
(ii) Changes in accounting policies other than (i): None
(iii) Changes in accounting estimates: None
(iv) Restatements: None

(3) Number of shares issued (common stock)
(i) Number of shares issued (including treasury shares):
As of Mar. 31, 2026 : 1,569,378,772 ; As of Mar. 31, 2025 : 1,569,378,772
(ii) Number of treasury shares:
As of Mar. 31, 2026 : 183,731,624 ; As of Mar. 31, 2025 : 154,402,735
(iii) Average number of shares issued and outstanding in each fiscal year:
FY2025: 1,390,680,230 ; FY2024: 1,409,313,731
(Note) Please see "Notes to per share information" on page 18 regarding number of common stock included in calculation of net income per share.

(Reference)
Non-consolidated financial results (April 1, 2025 to March 31, 2026)

(1) Non-consolidated operating results (Millions of yen, % of change from previous year)

	Operating revenues		Operating income		Ordinary income	
FY 2025	138,760	25.0 %	86,419	37.2 %	91,570	27.5 %
FY 2024	111,013	51.3 %	62,990	87.5 %	71,825	63.2 %

	Net income		Net income per share		Diluted net income per share	
FY 2025	104,453	50.5 %	75.11	Yen	73.98	Yen
FY 2024	69,393	64.3 %	49.24	Yen	48.39	Yen

(2) Non-consolidated financial conditions (Millions of yen, except per share amounts and percentage)

	Total assets	Total net assets	Equity ratio		Net assets per share	
As of Mar. 31, 2026	2,779,827	835,315	29.8	%	598.61	Yen
As of Mar. 31, 2025	2,675,876	817,079	30.3	%	572.94	Yen

(Reference) Stockholders' equity (Total net assets -Share acquisition rights):
As of Mar. 31, 2026: 829,494 million yen ; As of Mar. 31, 2025: 810,734 million yen

<u>Implementation status of audit procedure:</u>
Financial Summary and accompanying materials including the consolidated financial statements are not subject to the audit procedure by external auditors.

<u>Statement on the proper use of earnings forecasts and other information:</u>
Not applicable.

(Accompanying materials)

Contents

(Note) Presentation materials (PDF version) of the financial results briefing are available at our website.
URL: https://www.daiwa-grp.jp/english/ir/presentation/index.html

1. Overview of operating results, etc.

(1) Overview of consolidated operating results

For FY2025 (12 months from April 1, 2025 to March 31, 2026) compared with FY2024, the Group's operating revenue increased by 7.0% to 1,467,983 million yen, and net operating revenue increased by 11.5% to 720,427 million yen. Selling, general and administrative expenses increased by 7.1% to 513,094 million yen, and ordinary income increased by 4.4% to 234,510 million yen. Adding extraordinary income and subtracting extraordinary losses, income taxes, and profit attributable to non-controlling interests to ordinary income, profit attributable to owners of parent increased by 13.5% to 175,281 million yen.

The results of each segment are as follows.

<u>Wealth Management Division:</u>

Mainly equity revenue increased due to intensifying market investment activities and the deepening of total asset consulting. In addition, the contract amounts and net inflows for wrap account services remained at high levels. As a result, net operating revenue increased by 15.6% to 295,788 million yen and ordinary income increased by 38.9% to 112,033 million yen,

<u>Asset Management Division:</u>

Securities Asset Management had an increase in both revenue and profit due to a net increase in funds in publicly offered investment trusts and rise in the stock market. Real Estate Asset Management had an increase in both revenue and profit due to the recognition of fees for property acquisition and gains on sale of properties. Alternative Asset Management recorded provisions and recognized impairment losses from revaluations of certain investees, resulting in the recognition of an ordinary loss. As a result, net operating revenue increased by 9.2% to 111,930 million yen and ordinary income decreased by 15.5% to 65,432 million yen.

<u>Global Markets & Investment Banking Division:</u>

Global Markets had an increase in both revenue and profit due to an increase in equity revenue on the back of a favorable market for equities. Global Investment Banking had an increase in both revenue and profit due to many transactions in the M&A business executed both in Japan and overseas. As a result, net operating revenue increased by 9.9% to 257,395 million yen and ordinary income increased by 38.0% to 58,995 million yen.

(2) Overview of consolidated financial conditions (compared to previous fiscal year end)

Regarding total assets, loans secured by securities decreased by 3,224,897 million yen, cash and deposits increased by 33,421 million yen, trading products increased by 4,064,116 million yen and operating loans receivable increased by 817,043 million yen. As a result, total assets increased by 2,053,299 million yen to 38,077,646 million yen.

Regarding total liabilities, borrowings secured by securities decreased by 1,637,064 million yen, trading products increased by 1,323,547 million yen , deposits for the banking business increased by 744,340 million yen. As a result, total liabilities increased by 1,930,776 million yen to 36,031,836 million yen.

Regarding total net assets, retained earnings increased by 79,925 million yen due to adding net income as well as payment of dividends. As a result, total net assets increased by 122,522 million yen to 2,045,809 million yen. Consequently, net assets per share were 1,272.72 yen.

Cash flows from operating activities increased by 438,963 million yen, mainly due to decrease (increase) in trading products - assets (liabilities) and decrease/increase in loans/borrowings secured by securities. Cash flows from investing activities decreased by 583,599 million yen, mainly due to purchase of securities and proceeds from sales and redemption of securities. Cash flows from financing activities increased by 199,423 million yen, mainly due to net increase (decrease) in short-term borrowings. With the effect of fluctuation in foreign exchange rates, cash and cash equivalents at end of FY2025 was 3,772,624 million yen.

2. Basic approach for selecting accounting standards

The Group prepares consolidated financial statements under Generally Accepted Accounting Principles in Japan. Continuing its disclosure under Japanese GAAP, the Group started presenting consolidated financial statements based on IFRS from the end of FY2014. The purpose of this change was to provide shareholders and investors with more useful information for their reference.

3. Consolidated financial statements and main notes

(1) Consolidated balance sheets

Millions of yen

Assets	As of March 31, 2025	As of March 31, 2026
Current assets:		
Cash and deposits	3,756,732	3,790,154
Cash segregated as deposits	574,551	560,091
Notes and accounts receivable - trade, and contract assets	33,044	38,211
Securities	1,586,939	2,140,789
Trading products:	8,327,538	12,391,655
Trading securities and other	5,544,556	8,005,002
Derivatives	2,782,981	4,386,652
Trade date accrual	553,053	—
Private equity and other investments	107,364	123,170
Allowance for investment loss	(445)	(105)
Operating loans receivable	2,793,554	3,610,598
Work in process	759	861
Margin transaction assets:	160,052	308,051
Loans on margin transactions	155,847	171,384
Cash collateral pledged for securities borrowing on margin transactions	4,204	136,667
Loans secured by securities:	15,377,587	12,152,689
Cash collateral pledged for securities borrowed	11,469,141	9,899,110
Securities purchased under resale agreements	3,908,445	2,253,578
Advances paid	50,789	48,056
Short-term loans receivable	994	654
Accrued income	100,569	126,786
Other current assets	865,790	942,135
Allowance for doubtful accounts	(13,131)	(14,254)
Total current assets	**34,275,746**	**36,219,548**
Non-current assets:		
Property, plant and equipment:	942,230	977,957
Buildings	247,629	244,528
Machinery and equipment	6,006	21,890
Furniture and fixtures	21,749	25,283
Land	651,878	672,248
Construction in progress	14,965	14,005
Intangible assets:	137,398	154,732
Goodwill	15,622	16,101
Leasehold right	5,605	5,605
Software	73,552	91,673
Other	42,616	41,351
Investments and other assets:	668,972	725,408
Investment securities	618,456	673,079
Long-term loans receivable	7,532	7,851
Long-term guarantee deposits	15,915	16,117
Deferred tax assets	7,889	7,370
Other	22,366	24,596
Allowance for doubtful accounts	(3,187)	(3,606)
Total non-current assets	**1,748,600**	**1,858,097**
Total assets	**36,024,346**	**38,077,646**

Liabilities	As of March 31, 2025	As of March 31, 2026
	Millions of yen	
Current liabilities:		
Notes and accounts payable - trade	8,471	8,131
Trading products:	7,437,195	8,760,742
Trading securities and other	4,810,648	3,698,556
Derivatives	2,626,547	5,062,186
Trade date accrual	—	970,944
Margin transaction liabilities:	39,891	43,399
Borrowings on margin transactions	2,466	4,904
Cash received for securities lending on margin transactions	37,425	38,494
Borrowings secured by securities:	15,445,468	13,808,404
Cash collateral received for securities lent	8,793,891	9,379,709
Securities sold under repurchase agreements	6,651,576	4,428,695
Deposits for the banking business	4,297,685	5,042,025
Deposits received	602,199	659,605
Guarantee deposits received	495,532	495,268
Short-term borrowings	1,415,334	2,033,926
Commercial papers	322,500	396,500
Current portion of bonds payable	399,531	459,397
Income taxes payable	28,724	51,377
Provision for bonuses	48,644	56,580
Other current liabilities	154,219	193,597
Total current liabilities	**30,695,399**	**32,979,901**
Non-current liabilities:		
Bonds payable	1,218,490	1,031,024
Long-term borrowings	2,036,629	1,850,739
Deferred tax liabilities	45,403	60,399
Retirement benefit liability	43,139	43,978
Provision for loss on litigation	413	362
Other non-current liabilities	55,309	57,154
Total non-current liabilities	**3,399,386**	**3,043,658**
Reserves under special laws:		
Reserve for financial instruments transaction liabilities	6,273	8,276
Total reserves under special laws	**6,273**	**8,276**
Total liabilities	**34,101,059**	**36,031,836**

Net assets	Millions of yen As of **March 31, 2025**	 **March 31, 2026**
Shareholders' equity:		
Share capital	247,397	247,397
Capital surplus	266,290	266,538
Retained earnings	1,041,490	1,121,416
Treasury shares	(113,139)	(149,544)
Deposits for subscriptions of treasury shares	40	27
Total shareholders' equity	**1,442,079**	**1,485,835**
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	50,173	80,264
Deferred gains or losses on hedges	13,837	27,211
Foreign currency translation adjustment	133,623	169,918
Remeasurements of defined benefit plans	24	340
Total accumulated other comprehensive income	**197,659**	**277,734**
Share acquisition rights	**6,344**	**5,821**
Non-controlling interests	**277,204**	**276,419**
Total net assets	**1,923,287**	**2,045,809**
Total liabilities and net assets	**36,024,346**	**38,077,646**

(2) Consolidated statements of income and Consolidated statements of comprehensive income

Consolidated statements of income

Millions of yen

	Years Ended March 31, 2025	Years Ended March 31, 2026
Operating revenue:		
Commission received:	416,489	478,481
Brokerage commission	89,045	109,684
Commission for underwriting, secondary distribution, and solicitation for selling and others for professional investors	47,930	39,939
Fees for offering, secondary distribution, and solicitation for selling and others for professional investors	24,900	26,509
Other commission received	254,613	302,348
Net trading income	107,373	105,855
Net gain on private equity and other investments	12,360	1,639
Financial revenue	681,952	690,472
Other operating revenue	153,839	191,534
Total operating revenue	**1,372,014**	**1,467,983**
Financial expenses	**603,940**	**597,866**
Other operating expenses	**122,084**	**149,689**
Net operating revenue	**645,990**	**720,427**
Selling, general and administrative expenses:		
Trading related expenses	91,756	100,165
Personnel expenses	245,001	256,197
Real estate expenses	43,808	47,245
Office expenses	28,449	35,047
Depreciation	34,313	33,980
Taxes and dues	14,257	16,679
Provision of allowance for doubtful accounts	―	180
Other	21,661	23,597
Total selling, general and administrative expenses	**479,247**	**513,094**
Operating income	**166,742**	**207,333**
Non-operating income:		
Dividend income	5,258	6,128
Share of profit of entities accounted for using the equity method	47,282	22,304
Foreign exchange gains	1,857	―
Gain on investments in investment partnerships	2,851	4,269
Other	5,765	5,009
Total non-operating income	**63,016**	**37,711**
Non-operating expenses:		
Interest expenses	2,701	3,782
Foreign exchange losses	―	2,380
Bond issuance costs	289	272
Other	2,051	4,099
Total non-operating expenses	**5,042**	**10,534**
Ordinary income	**224,716**	**234,510**

	Millions of yen	
	Years Ended	
	March 31, 2025	**March 31, 2026**
Extraordinary income:		
Gain on sale of non-current assets	—	22,793
Gain on sale of investment securities	2,926	11,797
Gain on sale of shares of subsidiaries and associates	943	—
Gain on reversal of share acquisition rights	248	134
Gain on change in equity	—	745
Total extraordinary income	**4,118**	**35,471**
Extraordinary losses:		
Loss on sale and retirement of non-current assets	523	245
Impairment losses	3,838	791
Loss on sale of investment securities	4	7
Loss on valuation of investment securities	1,115	29
Loss on sale of shares of subsidiaries and associates	—	1,333
Loss on valuation of shares of subsidiaries and associates	—	23
Loss on change in equity	66	309
Office relocation expenses	402	—
Provision of reserve for financial instruments transaction liabilities	636	2,002
Structural reform costs	890	—
Business restructuring expenses	2,331	126
Provision of allowance for compensation losses	—	1,184
Total extraordinary losses	**9,808**	**6,054**
Income before income taxes	**219,026**	**263,927**
Income taxes - current	55,304	75,201
Income taxes - deferred	(1,372)	(1,505)
Total income taxes	**53,932**	**73,695**
Profit	**165,093**	**190,232**
Profit attributable to non-controlling interests	**10,725**	**14,951**
Profit attributable to owners of parent	**154,368**	**175,281**

Consolidated statements of comprehensive income

Millions of yen

	Years Ended	
	March 31, 2025	**March 31, 2026**
Profit	**165,093**	**190,232**
Other comprehensive income:		
Valuation difference on available-for-sale securities	(4,957)	26,896
Deferred gains or losses on hedges	(1,537)	14,247
Foreign currency translation adjustment	(3,165)	38,706
Share of other comprehensive income of entities accounted for using the equity method	4,038	1,814
Total other comprehensive income	**(5,622)**	**81,665**
Comprehensive income	**159,471**	**271,898**
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	**148,068**	**255,862**
Comprehensive income attributable to non-controlling interests	**11,403**	**16,036**

(3) Consolidated statements of changes in net assets

FY 2024 (Apr. 1, 2024 - Mar. 31, 2025)

(Millions of yen)

	Shareholders' equity					
	Share capital	**Capital surplus**	**Retained earnings**	**Treasury shares**	**Deposit for subscriptions of treasury shares**	**Total shareholders' equity**
Balance at the beginning of the period	**247,397**	**232,461**	**961,438**	**(123,153)**	**83**	**1,318,227**
Changes of items during the period						
Dividends of surplus	—	—	(74,521)	—	—	(74,521)
Profit attributable to owners of parent	—	—	154,368	—	—	154,368
Purchase of treasury shares	—	—	—	(10)	—	(10)
Disposal of treasury shares	—	1,016	—	10,025	(43)	10,998
Capital increase of consolidated subsidiaries	—	32,655	—	—	—	32,655
Change of scope of equity method	—	—	—	—	—	—
Other	—	156	204	—	—	361
Net changes of items other than shareholders' equity	—	—	—	—	—	—
Total changes of items during the period	**—**	**33,828**	**80,051**	**10,014**	**(43)**	**123,851**
Balance at the end of the period	**247,397**	**266,290**	**1,041,490**	**(113,139)**	**40**	**1,442,079**

	Accumulated other comprehensive income					
	Valuation difference on available-for-sale securities	**Deferred gains or losses on hedges**	**Foreign currency translation adjustment**	**Remeasurements of defined benefit plans**	**Share acquisition rights**	**Non-controlling interests**
Balance at the beginning of the period	**52,936**	**16,873**	**134,149**	**—**	**6,956**	**259,515**
Changes of items during the period						
Dividends of surplus	—	—	—	—	—	—
Profit attributable to owners of parent	—	—	—	—	—	—
Purchase of treasury shares	—	—	—	—	—	—
Disposal of treasury shares	—	—	—	—	—	—
Capital increase of consolidated subsidiaries	—	—	—	—	—	—
Change of scope of equity method	—	—	—	—	—	—
Other	—	—	—	—	—	—
Net changes of items other than shareholders' equity	(2,763)	(3,035)	(526)	24	(611)	17,688
Total changes of items during the period	**(2,763)**	**(3,035)**	**(526)**	**24**	**(611)**	**17,688**
Balance at the end of the period	**50,173**	**13,837**	**133,623**	**24**	**6,344**	**277,204**

FY 2025(Apr. 1, 2025 - Mar. 31, 2026)

(Millions of yen)

	Shareholders' equity					
	Share capital	**Capital surplus**	**Retained earnings**	**Treasury shares**	**Deposit for subscriptions of treasury shares**	**Total shareholders' equity**
Balance at the beginning of the period	**247,397**	**266,290**	**1,041,490**	**(113,139)**	**40**	**1,442,079**
Changes of items during the period						
Dividends of surplus	—	—	(79,869)	—	—	(79,869)
Profit attributable to owners of parent	—	—	175,281	—	—	175,281
Purchase of treasury shares	—	—	—	(50,011)	—	(50,011)
Disposal of treasury shares	—	(439)	—	13,605	(12)	13,154
Capital increase of consolidated subsidiaries	—	—	—	—	—	—
Change of scope of equity method	—	—	(14,868)	0	—	(14,868)
Other	—	686	(617)	—	—	69
Net changes of items other than shareholders' equity	—	—	—	—	—	—
Total changes of items during the period	**—**	**247**	**79,925**	**(36,405)**	**(12)**	**43,755**
Balance at the end of the period	**247,397**	**266,538**	**1,121,416**	**(149,544)**	**27**	**1,485,835**

	Accumulated other comprehensive income					
	Valuation difference on available-for-sale securities	**Deferred gains or losses on hedges**	**Foreign currency translation adjustment**	**Remeasure ments of defined benefit plans**	**Share acquisition rights**	**Non-controlling interests**
Balance at the beginning of the period	**50,173**	**13,837**	**133,623**	24	**6,344**	**277,204**
Changes of items during the period						
Dividends of surplus	—	—	—	—	—	—
Profit attributable to owners of parent	—	—	—	—	—	—
Purchase of treasury shares	—	—	—	—	—	—
Disposal of treasury shares	—	—	—	—	—	—
Capital increase of consolidated subsidiaries	—	—	—	—	—	—
Change of scope of equity method	—	—	—	—	—	—
Other	—	—	—	—	—	—
Net changes of items other than shareholders' equity	30,090	13,373	36,294	316	(523)	(785)
Total changes of items during the period	**30,090**	**13,373**	**36,294**	**316**	**(523)**	**(785)**
Balance at the end of the period	**80,264**	**27,211**	**169,918**	**340**	**5,821**	**276,419**

(4) Consolidated statements of cash flows

Millions of yen

	Years ended	
	March 31, 2025	**March 31, 2026**
Cash Flows from operating activities:		
Income before income taxes	219,026	263,927
Depreciation	44,353	44,418
Amortization of goodwill	1,467	1,532
Increase (decrease) in allowance for doubtful accounts	4,624	1,612
Increase (decrease) in reserve for financial instruments transaction liabilities	636	2,002
Interest and dividend income	(5,530)	(6,393)
Interest expenses	2,701	3,782
Share of loss (profit) of entities accounted for using the equity method	(47,282)	(22,304)
Loss (gain) on sale and retirement of non-current assets	523	(22,547)
Loss (gain) on sale of investment securities	(2,921)	(11,790)
Loss (gain) on sale of shares of subsidiaries and associates	(943)	1,333
Loss (gain) on change in equity	66	(436)
Loss (gain) on valuation of investment securities	1,115	29
Impairment losses	3,838	791
Business restructuring expenses	890	—
Decrease (increase) in cash segregated as deposits for customers	(25,622)	9,517
Decrease (increase) in trading products - assets (liabilities)	(1,213,635)	(1,111,475)
Decrease (increase) in private equity and other investments	15,508	(12,301)
Decrease (increase) in operating loans receivable	(73,505)	(799,328)
Decrease/increase in margin transaction assets/liabilities	(15,939)	(144,491)
Decrease/increase in loans/borrowings secured by securities	746,676	1,508,883
Decrease (increase) in short-term loans receivable	133	67
Increase (decrease) in deposits for the banking business	(213,918)	744,340
Decrease (increase) in short-term guarantee deposits	132,139	(11,608)
Increase (decrease) in guarantee deposits received	(27,303)	519
Increase (decrease) in deposits received	41,257	43,389
Other, net	8,316	(4,436)
Subtotal	**(403,326)**	**479,035**
Interest and dividends received	13,125	16,124
Interest paid	(2,811)	(3,663)
Income taxes refund (paid)	(61,053)	(52,533)
Net cash provided by (used in) operating activities	**(454,066)**	**438,963**

	Millions of yen	
	Years ended	
	March 31, 2025	**March 31, 2026**
Cash flows from investing activities:		
Payments into time deposits	(35,528)	(28,649)
Proceeds from withdrawal of time deposits	69,170	31,685
Purchase of securities	(1,198,573)	(1,488,686)
Proceeds from sales and redemption of securities	977,880	985,571
Purchase of property, plant and equipment	(46,823)	(68,585)
Proceeds from sales of property, plant and equipment	11,090	47,736
Purchase of intangible assets	(38,471)	(43,156)
Purchase of investment securities	(50,305)	(23,123)
Proceeds from sales and redemption of investment securities	57,987	41,783
Purchase of shares of subsidiaries and associates	(98,644)	(13,566)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(630)
Loan advances	(626)	(5,544)
Proceeds from collection of loans receivable	184	5,166
Increase in money held in trust	—	(20,000)
Other, net	(781)	(3,600)
Net cash provided by (used in) investing activities	**(353,443)**	**(583,599)**
Cash flows from financing activities:		
Net increase (decrease) in short-term borrowings	109,729	271,261
Proceeds from long-term borrowings	236,340	426,455
Repayments of long-term borrowings	(302,016)	(207,868)
Proceeds from issuance of bonds	512,618	558,060
Redemption of bonds	(329,740)	(691,430)
Proceeds from sales of treasury shares	9,954	11,110
Purchase of treasury shares	(10)	(50,011)
Dividends paid	(74,521)	(79,869)
Proceeds from share issuance to non-controlling shareholders	52,500	—
Dividends paid to non-controlling interests	(10,505)	(14,549)
Other, net	(5,329)	(23,736)
Net cash provided by (used in) financing activities	**199,019**	**199,423**
Effect of exchange rate change on cash and cash equivalents	**(3,763)**	**(21,861)**
Net increase (decrease) in cash and cash equivalents	**(612,253)**	**32,925**
Cash and cash equivalents at the beginning of the period	**4,351,951**	**3,739,698**
Cash and cash equivalents at the end of the period	**3,739,698**	**3,772,624**

(5) Changes in significant accounting policies for preparing consolidated financial statements

i) Scope of consolidation

(Changes of scope of consolidation)

During current period, 19 companies were newly included into the scope of consolidation due to following reasons;
13 companies (share acquisition),
3 companies (investment in the silent partnership investment business),
3 companies (newly incorporated).

3 companies were excluded due to following reasons;
1 company (share transfer),
1 company (transfer of investment equity),
1 company (liquidation).

Number of consolidated subsidiaries after the changes above: 138 companies

ii) Application of equity method

(Change of application of equity method)

During current period, 15 companies were newly applied to equity method due to following reasons;
11 companies (share acquisition),
2 companies (investment in the silent partnership investment business),
1 company (increase in influence),
1 company (share exchange).

1 company was excluded due to the decrease in influence.

Number of unconsolidated subsidiaries applying equity method after the change above: 5 companies
Number of affiliates applying equity method after the change above: 34 companies

(6) Notes to consolidated financial statements

(Going concern assumption)

Not applicable.

(Segment information)

i) Outline of reportable segments

The Group's reportable segment is defined as an operating division or a group of operating divisions for which discrete financial information is available, and whose operating results are reviewed at regular intervals by the Company's management in order to make decisions about resources to be allocated and assess its performances.

The Group sets securities-related business as its core business, and provides comprehensive investment and financial services in coordination with the Group's supporting businesses. In conducting the Group's business activities, the Company determines domestic and global comprehensive strategies by each managerial organization corresponding to markets and business types with respect to the businesses of consolidated subsidiaries and affiliates accounted for using the equity method.

Therefore, the Group consists of segments corresponding to each market and business type based on individual consolidated subsidiaries and affiliates accounted for using the equity method, and has aggregated them into three reportable segments based on the similarity of economic characteristics as "Wealth Management Division," "Asset Management Division," and "Global Markets & Investment Banking Division."

"Wealth Management Division" provides a broad range of financial products and services mainly to individual and unlisted corporate customers. "Asset Management Division" establishes and manages investment trust funds for various assets, provides investment advisory and management services to domestic and global institutional investors, and also manages investment corporations and funds for real estates. It also invests in assets such as monetary claims, private equity, venture capital, real estate, renewable energy, and infrastructure, and carries out its business with a focus on maximizing investment returns from existing projects and creating new investment funds. "Global Markets & Investment Banking Division" consists of "Global Markets" and "Global Investment Banking." "Global Markets" sells and trades stocks, bonds, foreign exchange and their derivatives mainly to domestic and global institutional investors, corporations, and financial and public-interest corporations. "Global Investment Banking" provides various investment banking services such as the underwriting of securities and M&A advisory, both in Japan and overseas.

ii) Method of calculating amounts of net operating revenue, operating income (loss) and other items by reportable segments

Accounting method applied to the reportable business segment is generally the same as described in "Basis of preparation of consolidated financial statements."

Intersegment net operating revenue is based on third-party transaction prices.

iii) Information about net operating revenue, ordinary income (loss), and the amounts of other items by reportable segments and information on disaggregation of revenue

FY 2025 (Apr. 1, 2025 - Mar. 31, 2026)

(Millions of yen)

	Reportable segments				Others (Note)1	Total
	Wealth Management Division	Asset Management Division	Global Markets & Investment Banking Division	Total		
Revenue from contracts with customers	212,005	208,710	158,975	579,691	40,687	620,379
Commission received	197,934	120,436	158,975	477,347	1,134	478,481
Other operating revenue (external customers)	14,070	88,273	—	102,343	39,553	141,897
Net trading income and other	37,983	2,684	96,600	137,269	97	137,366
Lease revenue based on rental contracts	—	42,180	—	42,180	5,823	48,004
Others (Note)2	28,036	(118,663)	(65)	(90,692)	(31,382)	(122,074)
Net operating revenue						
Net operating revenue from external customers	278,025	134,912	255,511	668,448	15,226	683,675
Intersegment net operating revenue and transfers	17,763	(22,982)	1,884	(3,334)	22,353	19,018
Total	295,788	111,930	257,395	665,114	37,580	702,694
Segment income (loss) (Ordinary income (loss))	112,033	65,432	58,995	236,461	(2,919)	233,542
Other items						
Depreciation	14,533	7,099	14,123	35,756	14,597	50,353
Amortization of goodwill	—	1,037	495	1,532	—	1,532
Interest income	55	331	9	395	95	491
Interest expenses	15	5,488	0	5,503	321	5,825
Share of profit of entities accounted for using the equity method	236	12,234	1,614	14,085	5,358	19,443

(Note) 1. “Others” are the business segments which are not included in the reportable segments, and include consolidation and management of subsidiaries, information service, back-office service, and real-estate rental, etc.

2. “Others” of Wealth Management Division, Asset Management Division, and Others includes “Commission fees” which constitute part of “Net operating revenue”.

3. “Net operating revenue” mainly consists of “Operating revenue”, “Financial expenses”, “Other operating expenses” and “Commission fees (Selling, general and administrative expenses)”.

4. The Company does not disclose the segment information on assets as the management does not allocate it to each segment for managerial decision-making.

iv) Difference between total amount of reportable segments and the amount reported in the consolidated financial statements, and the major components thereof

FY 2025 (Apr. 1, 2025 - Mar. 31, 2026)

(Millions of yen)

Net operating revenue	Amount
Reportable segments total	665,114
Net operating revenue from “Others”	37,580
Elimination between segments	(19,018)
Commission fees deducted from net operating revenue	35,921
Other adjustments	829
Net operating revenue on the financial statements	720,427

(Millions of yen)

Ordinary income	Amount
Reportable segments total	236,461
Loss from “Others”	(2,919)
Elimination between segments	2
Adjustments for unrealized gains or losses	(1,496)
Other adjustments	2,463
Ordinary income on the financial statements	234,510

(Millions of yen)

Other items	Reportable segments total	Others	Adjustments	Consolidated financial statements amount
Depreciation	35,756	14,597	(5,935)	44,418
Amortization of goodwill	1,532	—	—	1,532
Interest income	395	95	(225)	265
Interest expenses	5,503	321	(2,042)	3,782
Share of profit of entities accounted for using the equity method	14,085	5,358	2,860	22,304

(Notes to per share information)

FY 2025 (Apr. 1, 2025 - Mar. 31, 2026)

Net assets per share	1,272.72yen
Net income per share	126.04yen
Diluted net income per share	124.15yen

(Note) The calculation bases are as follows:

i) Net assets per share

FY 2025 (As of Mar. 31, 2026)

Total net assets (million yen)	2,045,809
Deduction from total net assets (million yen)	282,268
Share acquisition rights (million yen)	5,821
Non-controlling interests (million yen)	276,419
Deposits for subscriptions of treasury shares (million yen)	27
Net assets attributable to common stock (million yen)	1,763,541
Number of common stock used for the calculation of net assets per share (thousands of shares)	1,385,647

ii) Net income per share and diluted net income per share

FY 2025 (Apr. 1, 2025 - Mar. 31, 2026)

Net income per share	
Profit attributable to owners of parent (million yen)	175,281
Profit not attributable to common stockholders (million yen)	—
Profit attributable to owners of parent attributable to common stock (million yen)	175,281
Average number of common stock outstanding during the period (thousands of shares)	1,390,680
Diluted net income per share	
Adjustment of profit attributable to owners of parent (million yen)	—
Increase in the number of common stock (thousands of shares)	21,208
Share acquisition rights (thousands of shares)	21,208
Outline of dilutive shares that are not included in the calculation of diluted net income per share due to a lack of dilutive effect (thousands of shares)	Type of potential shares Stock option by Share Acquisition Rights
	—

(Notes to significant subsequent events)

(Business combination by share acquisition)

The Company has resolved that Daiwa Next Bank, Ltd. (hereinafter, "Daiwa Next Bank"), a wholly-owned subsidiary of the Company, will acquire all issued shares of ORIX Bank Corporation (hereinafter, "ORIX Bank"), thereby making ORIX Bank a wholly-owned subsidiary of Daiwa Next Bank (hereinafter, the "Share Acquisition" or the "Subsidiary Acquisition"). In addition, as of April 27, 2026, Daiwa Next Bank entered into a share transfer agreement related to the Share Acquisition (hereinafter, the "Agreement") with ORIX Corporation, the ultimate parent company of ORIX Bank.

1. Overview of business combination

(1) Name and business description of the acquired company

Name of the acquired company : ORIX Bank Corporation

Business description : Banking business

(2) Major reasons for the business combination

The Group has continuously worked to expand stable earnings and enhance its business portfolio with the aim of establishing a robust earnings base that is less susceptible to changes in the external environment. Under its Medium-term Management Plan, "Passion for the Best" 2026, the Group has set forth "maximizing customer asset value" as its basic management policy and has focused on stabilizing consolidated business performance by promoting high-quality consulting and the provision of optimal solutions based on a deep understanding of each individual customer.

As Japan's economy steadily emerges from the long period of deflation and transitions to a "world with interest rates," demand has risen to an unprecedented level for comprehensive consulting covering customers' financial positions, including both assets and liabilities, tailored to each customer's stage of life. Moreover, in order to respond accurately to these changing needs, the fundamental expansion and enhancement of banking functions, including lending and trust services, has become indispensable and is an important management issue for the Group.

Since commencing operations in 2011 as a gateway bank to the securities business, Daiwa Next Bank has steadily expanded its earnings based on a low-cost operating structure and a market-based investment model. However, as indicated by its current account balance at the Bank of Japan of approximately JPY 2 trillion, Daiwa Next Bank has not been able to efficiently deploy deposits entrusted by customers, and the diversification and sophistication of its fund management methods have become urgent issues. In addition, although demand has been increasing at Daiwa Securities Co. Ltd. for lending and trust-related services, particularly securities-backed loans, real estate-backed loans, and inheritance-related services, the current functions of Daiwa Next Bank are insufficient to fully meet such needs.

Meanwhile, ORIX Bank has steadily expanded its earnings base centered on real estate-related lending and trust-related business as its core businesses. However, in order to achieve further growth, it will be important to strengthen and further promote the stability of the funding base by acquiring highly sticky deposits.

In light of this business environment and these management issues, and after repeated discussions between the Group and the ORIX Group, the parties concluded that integrating Daiwa Next Bank and ORIX Bank—each of which possesses different strengths and management resources—would make it possible both to further enhance their ability to provide solutions to customers' issues relating to both assets and liabilities and to dramatically increase the corporate value of the two banks. Accordingly, Daiwa Next Bank has decided to acquire ORIX Bank as its subsidiary.

Through the Subsidiary Acquisition, the Group will organically combine ORIX Bank's cultivated strengths in lending and trust functions and its highly specialized personnel with the Group's strong customer base and sales platform, which underpin its deposit-gathering capabilities. In doing so, the Group aims to deepen its consulting capabilities with respect to customers' financial positions, including both assets and liabilities, while also establishing a sustainable growth model based on a virtuous cycle of deposit growth and loan growth. Furthermore, in the future, the Group will pursue maximum synergies through functional integration by way of a merger of the two banks. Through these initiatives, the Group aims to achieve sustained expansion of stable earnings and improve its consolidated business performance.

(3) Date of business combination Expected by October 2026
(4) Legal format of business combination Share acquisition by cash used as consideration.
(5) Company name after business combination No changes
(6) Ratio of voting rights acquired 100%
(7) Primary grounds for determining acquiring company
Daiwa Next Bank, a wholly owned subsidiary of the Company, acquired the shares for cash as consideration.

2. Acquisition cost of acquired company and type of consideration

Type of consideration	Cash	370.0 billion yen*
Acquisition cost		370.0 billion yen*

*The final acquisition price will be determined after the price adjustment and other procedures set forth in the share transfer agreement.

3. Details and amount of acquisition related expenses
Not yet determined.

4. Amount of goodwill, reason for recognition, and method and period of amortization
Not yet determined.

5. Amount of assets accepted and liabilities assumed at the business combination date and the breakdown of major items
Not yet determined.

4. Supplementary information

(1) Quarterly transition of consolidated statements of income

Millions of yen

	Three Months Ended				
	March 31, 2025	June 30, 2025	September 30, 2025	December 31, 2025	March 31, 2026
Operating revenue:					
Commission received:	114,899	100,398	118,300	128,579	131,203
Brokerage commission	23,043	21,153	26,968	29,578	31,983
Commission for underwriting, secondary distribution, and solicitation for selling and others for professional investors	15,245	8,901	10,831	11,047	9,158
Fees for offering, secondary distribution, and solicitation for selling and others for professional investors	6,670	4,761	6,275	7,741	7,731
Other commission received	69,941	65,581	74,224	80,211	82,330
Net trading income	23,133	22,310	23,375	28,249	31,919
Net gain on private equity and other investments	8,490	1,797	(1,164)	3,921	(2,915)
Financial revenue	163,482	160,616	175,175	177,115	177,564
Other operating revenue	35,571	41,277	59,662	35,996	54,597
Total operating revenue	**345,577**	**326,400**	**375,349**	**373,862**	**392,369**
Financial expenses	**142,541**	**140,821**	**155,261**	**152,824**	**148,959**
Other operating expenses	**28,817**	**30,326**	**47,459**	**26,392**	**45,510**
Net operating revenue	**174,218**	**155,252**	**172,628**	**194,646**	**197,899**
Selling, general and administrative expenses:					
Trading related expenses	24,115	23,496	24,798	25,926	25,944
Personnel expenses	60,952	58,163	60,606	67,751	69,675
Real estate expenses	11,379	11,110	11,320	11,893	12,921
Office expenses	7,292	8,316	8,101	8,822	9,807
Depreciation	8,315	8,271	8,292	8,645	8,770
Taxes and dues	3,347	3,930	4,232	4,058	4,456
Provision of allowance for doubtful accounts	(45)	109	30	(11)	52
Other	5,944	5,674	5,402	5,797	6,722
Total selling, general and administrative expenses	**121,302**	**119,074**	**122,785**	**132,882**	**138,351**
Operating income	**52,916**	**36,177**	**49,842**	**61,764**	**59,548**
Non-operating income	(521)	10,710	6,846	9,528	10,625
Non-operating expenses	1,366	3,172	2,497	1,733	3,130
Ordinary income	**51,027**	**43,716**	**54,192**	**69,559**	**67,042**
Extraordinary income	425	1,806	23,250	451	9,963
Extraordinary losses	4,452	728	1,811	249	3,265
Income before income taxes	**47,000**	**44,794**	**75,631**	**69,760**	**73,741**
Income taxes - current	18,993	3,853	27,163	17,448	26,735
Income taxes - deferred	(4,917)	6,901	(3,958)	1,514	(5,963)
Total income taxes	**14,076**	**10,754**	**23,205**	**18,963**	**20,771**
Profit	**32,923**	**34,039**	**52,426**	**50,797**	**52,969**
Profit attributable to non-controlling interests	**2,968**	**2,802**	**4,699**	**4,334**	**3,114**
Profit attributable to owners of parent	**29,954**	**31,237**	**47,726**	**46,462**	**49,854**