

FY2013 Daiwa Securities Group Management Policy
～ Passion for the Best ～

During FY 2012, positioned as the phase for “Turnaround” for the first fiscal year of the Medium Term Management Plan “Passion for the Best” 2014, we steadily reduced costs and improved efficiency of organizations while integrating our two main subsidiaries, in which each the retail and wholesale business were operated. Moreover, we quickly brought the integration to full effect, greatly advancing our steps toward achieving the Plan’s management target of “returning to profitability during the initial fiscal year”, and the Group’s basic management policy of “establishing a robust business structure capable of securing profit regardless of economic conditions.”

In FY 2013, positioned as the phase for “Growth” for the second fiscal year of the Group’s Medium Term Management Plan, we will accelerate our business development vigorously to seize the dynamic transition from “savings to investments” aggregating group-wide efforts. The long lasting tendency toward stronger yen and weaker stock prices has finally reached its historical turning point, preparing the market environment to bring about a large current from “savings to investments.” Political supports to insist this dynamic shift of the vast individual financial assets, such as earnest efforts to exit from deflation and introduction of the Japanese ISA (Individual Savings Account) in January 2014, can also be expected.

By putting emphasis on three themes: 1) Evolving the combined securities-banking business model 2) Strengthening the asset management business 3) Strengthening the wealth management business through inheritance related services, we will provide highly valued products and services that accurately meet client needs.

In turn, by efficiently developing Investment Banking business through our global network, we will simultaneously facilitate the transition from “savings to investments” and provide abundant capital to enterprises, thus to contribute in regenerating and revitalizing the Japanese economy.

Action Plans of Operating Segment

Retail Business

1. Evolve a unique business model creating synergy between securities and banking service
2. Facilitate transition from savings to investments through the Japanese ISA
3. Strengthen wealth management business through inheritance related services
4. Strengthen service coverage of the Middle Markets
5. Raise revenue level by expanding stable revenue and improving productivity of sales forces

Wholesale Business

1. Provide IB solution that precisely answer client needs leveraging global network
2. Provide timely products to link firm client base and market environments
3. Develop business focused on client trading flows and expand trading revenue

Investment Business

1. Maximize returns from the existing portfolio
2. Raise funds timely conforming to market environment and seize attractive investment opportunities while managing risk conditions and capital efficiency

Asset Management Business

1. Strengthen investment management capability and pursue investment performance
2. Raise and expand main funds both in securities and bank related distribution channels
3. Enhance supports to distributors and provide information meeting clients needs
4. Develop products and strengthen marketing corresponding to introduction of the Japanese ISA

IT / Think Tank Business

1. Enhance the Group's presence by aggressively transmitting economical, financial and environmental research information
2. Increase the Group's business opportunities by strengthening consulting capacity in Asia including Japan
3. Improve the Group's system efficiency by using off-shore and cloud computing systems

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