

**FY2017 Daiwa Securities Group Management Policies**  
**～ Passion for the Best ～**

In FY2016, we turned in solid results given significant changes in the business climate amid a series of tumultuous developments on the global economic and political stage. Our steady performance is a result of the steps we have taken to create a balanced business model group wide by diversifying and expanding sources of stable revenue.

FY2017 marks the 115th anniversary of our group's foundation as well as the final year of our current medium-term management plan. This is a year in which we will step up our efforts to achieve the industry's highest quality in order to become the customer's first choice securities group.

On the domestic front, Japan is finally reaching a turning point in the deflationary period that has continued for close to 20 years, potentially creating brisk tailwinds for the transition from "savings to investment". With the global economy likely to see meaningful changes spurred by the shift to a new US administration, many of our customers are seeking professional advice.

We need to become our customers' best partner, with each and every employee building highly specialized "knowledge," developing the "expertise" to devise optimal solutions for customers based on this knowledge, and honing the "mindset" that places customer needs first.

Our goal is to contribute to the well-being of society and Japan's economic growth by playing a leading role in the transition from "savings to investment" as the customer's first choice securities group. To achieve this, we will establish the industry's highest quality based on the sincerity and highly specialized knowledge of our employees.

## **Action Plan for Each Business Division**

### **Retail Division**

1. Provide customer service befitting a "Best Partner"
2. Dramatic expansion of the stable revenue base
3. Enhancement of customer development capabilities in both the inbound and outbound aspects
4. Provide high-value-added products and services that suit the customer's stage of life
5. Creation of a new business model utilizing external channels and resources

### **Wholesale Division**

1. Improve capabilities to supply products that accurately respond to customer needs
2. Promote a global strategy focused on Asia
3. Identify and develop next-generation growth companies and help them to raise capital for growth
4. Provide solutions in response to corporate globalization and M&A needs and strengthen the M&A structure in the Americas

### **Asset Management Division**

1. Strengthen and improve management ability, and pursue excellence in performance
2. Develop products aimed at growth in investor return and high external ratings
3. Enhance products that meet customers' needs and strengthen the communication of information and support capabilities
4. Make a concerted effort to manage operations in a manner that puts the customer first
5. Further strengthen the real estate asset management business

### **Investment Division**

1. Secure returns by strengthening investment ability
2. Execute investments linked to Group businesses through the utilization of principal funds
3. Support the sustained growth of companies and development of new industries through the provision of growth funds

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

1. Increase synergies by strengthening coordination with Group companies
2. Communicate information centered on the economy and finance in a timely manner
3. Strengthen consulting capabilities aimed at the provision of comprehensive solutions
4. Provide highly competitive IT that contributes to customers' business

### **Other (Daiwa Next Bank)**

1. Expand new customer segments (strengthen inbound)
2. Promote customer transactions by strengthening securities-banking business model (expand functions and services)
3. Strengthen ALM (pursue appropriate ALM under a negative interest rate environment)
4. Strengthen all management systems

End