

June 8, 2017

Press Release

Daiwa Securities Group Inc.

**Announcement of the “Basic Policy on Customer-first Operations”**

Attention

This document is an unofficial translation of a press release announced on June 8, 2017 by Daiwa Securities Group Inc. The original press release is in Japanese.

At the heart of the Daiwa Securities Group’s corporate principles are building trust, placing importance in its personnel, contributing to society, and maintaining healthy earnings results. The Group actively implements these principles with the goal of realizing healthy earnings results, backed by secure and sustainable relationships with its customers, while contributing to the rising affluence of the Japanese people and growth of Japan’s economy through financial and capital markets.

Under our Management Vision for 2020 – “Be the First Choice” – the company aims to continue to lead the development of capital markets in Japan and Asia and striving to be our customers’ preferred securities group. The company’s goal is to build productive, trusting and lasting relationships with our customers by making their financial asset management needs our top priority.

This new policy dovetails with Daiwa Securities’ “OMOTENASHI statement (the spirit of Japanese hospitality)”, which describes the company’s commitment to provide products and services across all sales branches and offices that deliver superior customer satisfaction.

Today, with the publication of the “Basic Policy on Customer-first Operations”, we are pleased to announce that the Daiwa Securities Group upholding the purpose of the “Principles for Customer-Oriented Business Conduct” announced by the Financial Services Agency on March 30 ,2017.

Group companies implementing initiatives based on the Basic Policy

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| <ul style="list-style-type: none"><li>- Daiwa Securities Co. Ltd.</li><li>- Daiwa Asset Management Co. Ltd.</li><li>- Daiwa Next Bank, Ltd.</li></ul> |
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## **Daiwa Securities Group “Basic Policy on Customer-first Operations”**

### **Policy 1. Formulation and publication of policies**

The Daiwa Securities Group has formulated and published the Daiwa Securities Group “Basic Policy on Customer-first Operations” for providing products and services that put the customer first. Based on this Basic Policy, we strive to achieve operations that put the customer first, and periodically check and publish the state of these efforts.

### **Policy 2. Seeking to put the customer first**

The Daiwa Securities Group believes that being trusted by customers is the source of sustained growth, and we aim to be the securities group that is the Customer’s First Choice and serves as the customer’s best partner by acting with sincerity and integrity while offering a high level of specialized capabilities.

### **Policy 3. Appropriate management of conflicts of interest**

The Daiwa Securities Group engages in operations with a view not only to complying with laws and regulations but also acting in accordance with social conventions, maintains strong self-discipline based on high ethical standards, and ascertains and appropriately manages any conflicts of interest that may exist with customers to ensure transactions are not inappropriate for customers.

### **Policy 4. Clarification of fees, etc.**

The Daiwa Securities Group communicates readily understandable information on the fees, etc. paid for products and services provided to ensure customers can conduct transactions with peace of mind.

### **Policy 5. Provision of important information in a manner that is easy to understand**

When providing and recommending products and services, the Daiwa Securities Group provides comprehensive yet readily understandable information, such as the details of products and services and market conditions, to help customers make informed investment decisions..

### **Policy 6. Provision of products and services suited to customers**

The Daiwa Securities Group endeavors to ascertain the individual needs of customers and provide products and services with high added value that are matched to those needs.

### **Policy 7. Nurturing a corporate culture**

The Daiwa Securities Group will foster employees who act with integrity and have a high level of specialized knowledge, correctly evaluate their capabilities and contributions and provide an environment enabling employees to perform to the best of their ability in order to provide and recommend products and services that are suited to customers.

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