

PASSION
FOR THE
BEST

Daiwa Securities Group
Medium-Term Management Plan
“Passion for the Best” 2011

April 2009
Daiwa Securities Group

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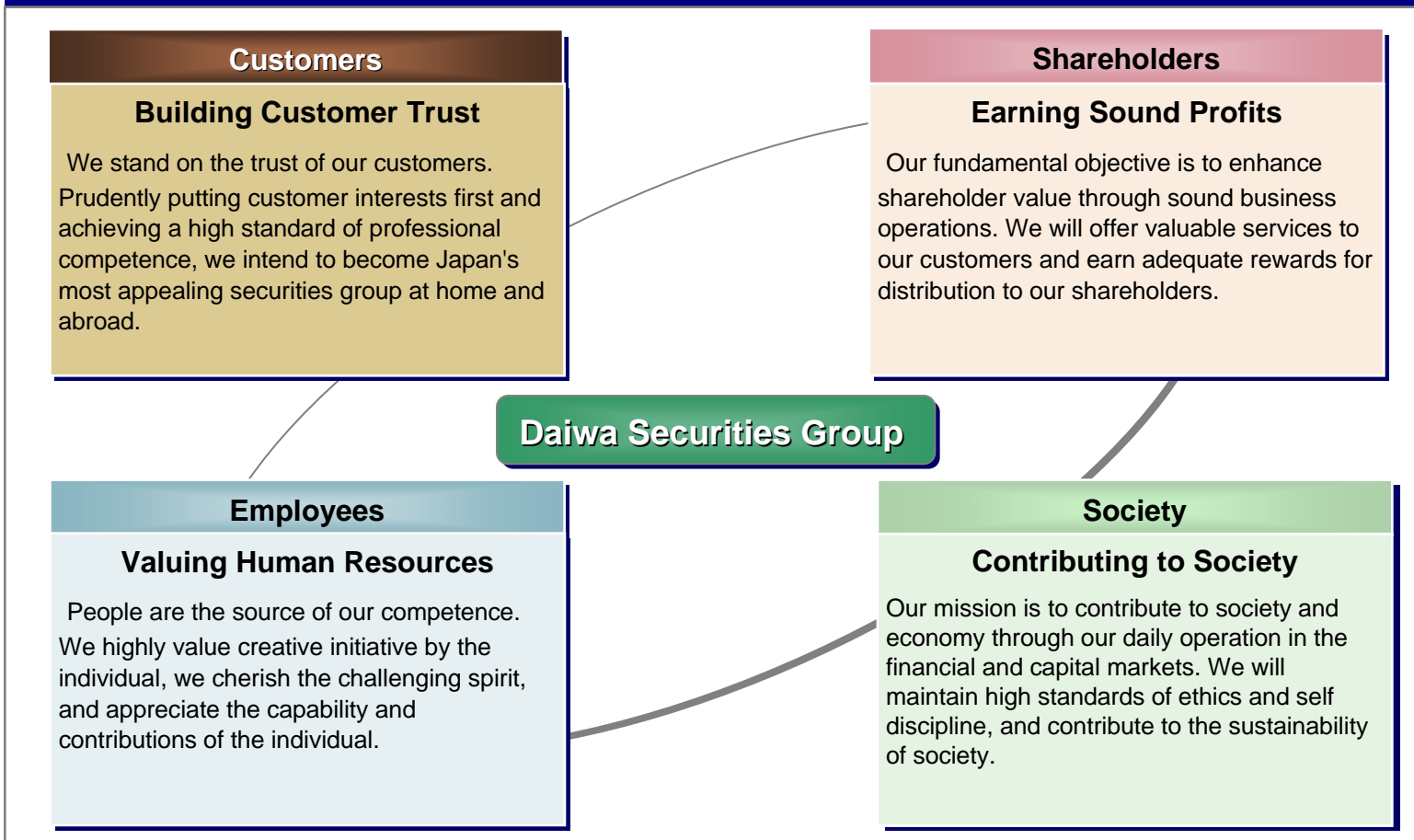
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I . Corporate Mission and Principle

Daiwa Securities Group's mission is to contribute to the development of society and economy through daily operations, including wealth management and supporting corporate clients' activities.

A strong trust from stakeholders including Customers, Shareholders, Employees and the Society is essential to accomplish our mission.

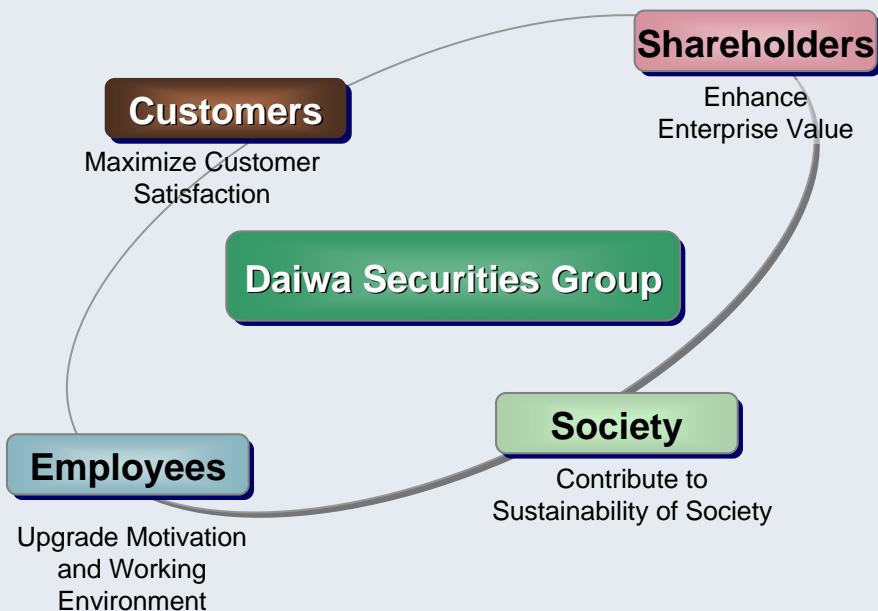
Corporate Principle and Stakeholders



II . Management Vision

Our Vision

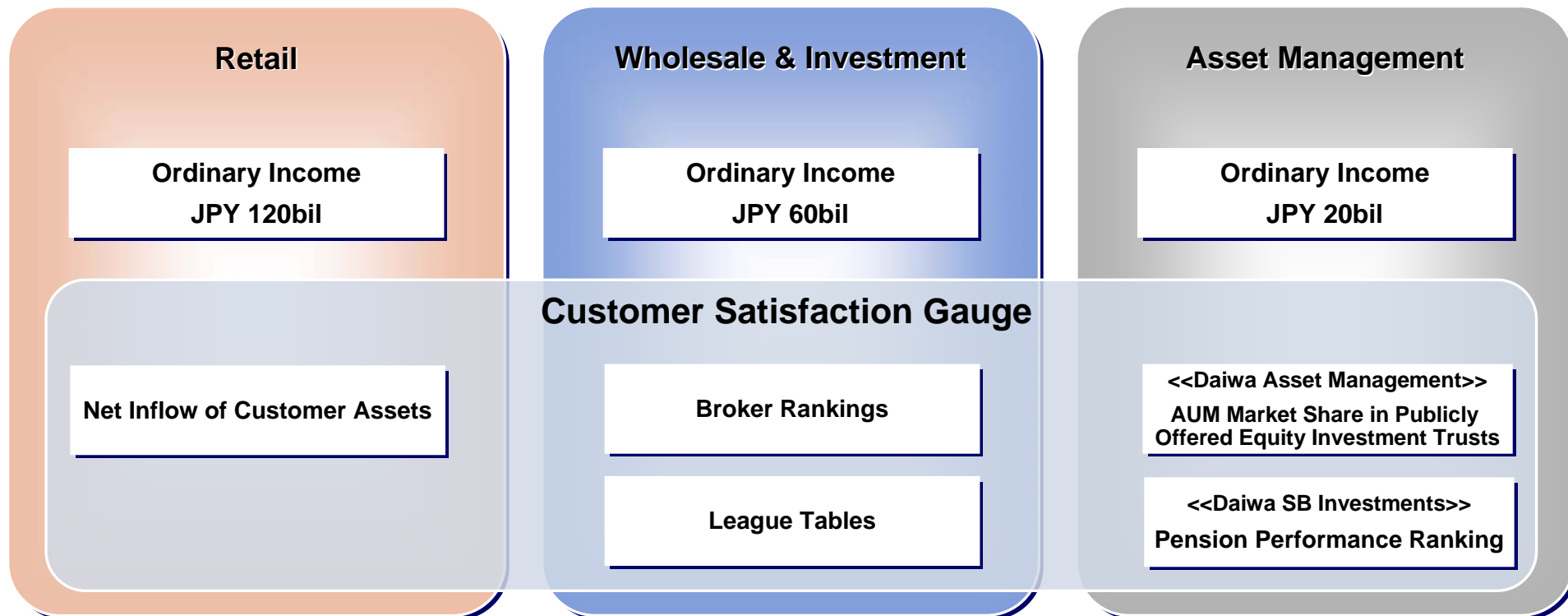
The Stakeholder-trusted Excellent Company Representing Japan



- Daiwa Securities Group will materialize its vision and corporate principle in order to achieve higher goals.
- Daiwa Securities Group will aim to become **“the stakeholder-trusted excellent company representing Japan”** by maximizing the shareholders’ trust and contributing to sustainability of society.

Ⅲ. Targets

- ❑ Consolidated Ordinary Income : JPY 200bil or above
- ❑ Consolidated ROE : 10% or above
- ❑ Market Capitalization : Rank Top 40 in Japan
- ❑ Productivity : No.1 among peers
(Ordinary/Operating Income per employee)



IV. Priorities and Practices

General Overview of the Financial / Capital Markets

Capital flow between issuers and investors have significantly slowed down mainly due to weak economy and market turbulence, which reduced risk tolerance among investors and limited the fund raising method for issuers.

⇒ **Secure customer trust by providing the best solution and consequently activate the financial and capital markets**

Priorities and Practices of “Passion for the Best” 2011



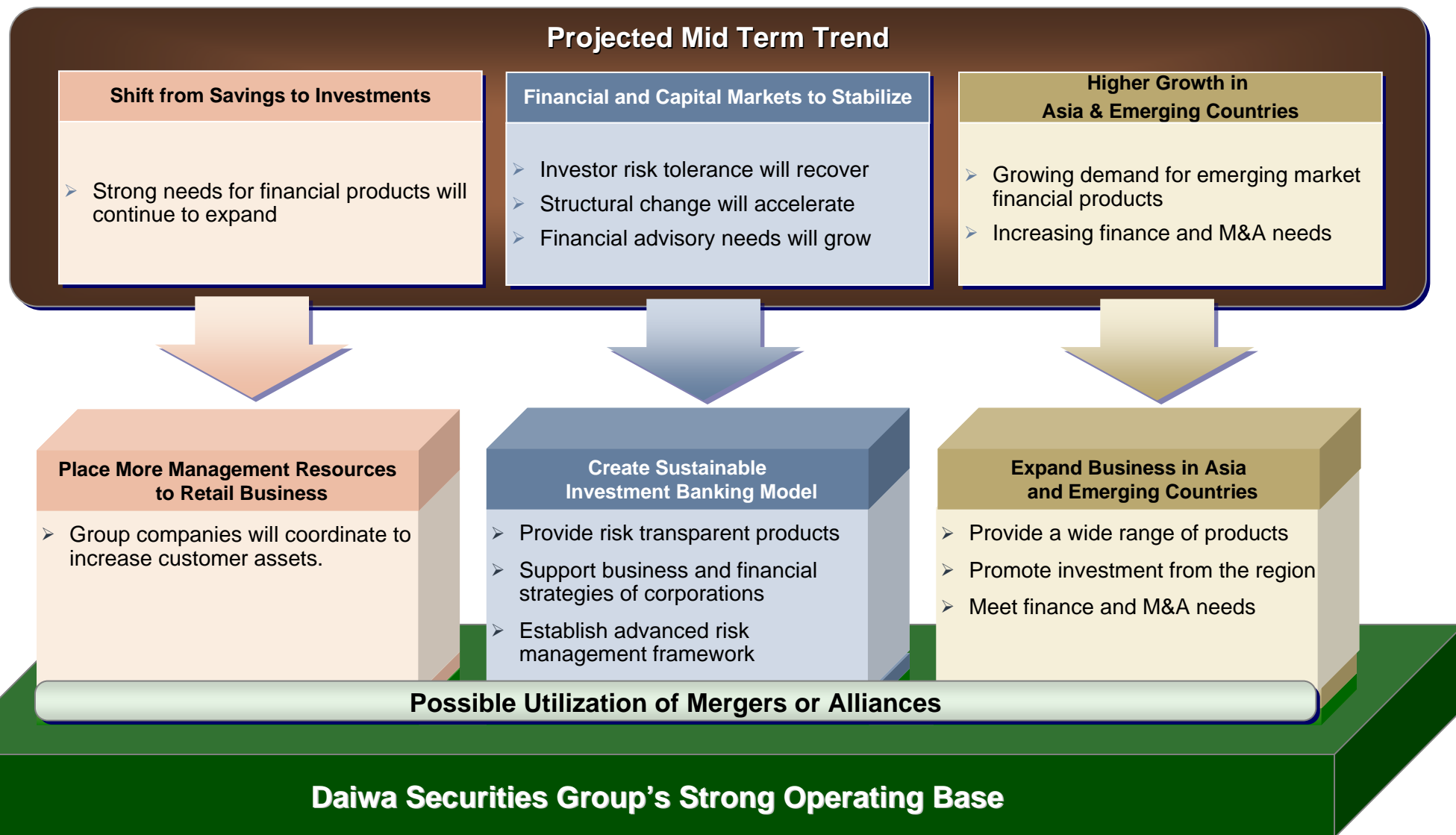
Priority : **Realigning Business Focus**

- Concentrate management resource to selected business, based on customer needs and change in business environment
- Establish stronger customers' trust by providing highly value added products and services

Practices : **Speed / Cooperation / Originality**

- Deliver high value added solutions by practicing “Speed / Cooperation / Originality” through daily operations

V. Priorities : Realigning Business Focus



Concentrate resources to the above three areas

FY2009 Daiwa Securities Group Management Policy

~Passion for the Best~

Shigeharu Suzuki
President and CEO
Daiwa Securities Group Inc.

As the world economy has slowed down and global financial markets remain volatile, we are yet to see an immediate turn around in the business environment for FY2009. Since the market has not recovered its function as a financial intermediary, capital flows between investors and issuers are still minimal. Under such circumstances, we believe that Daiwa Securities Group should obtain a strong trust from our customers and stabilize the financial and capital markets through providing highly value added solutions.

We have formulated our three year Medium-Term Management Plan, "Passion for the Best" 2011. We will conduct "Realignment of Business Focus" to meet our customers' high expectations. Each employees will also practice "Speed / Cooperation / Originality" to maximize group synergy. Accordingly, we envision ourselves to become "The Stakeholder-trusted Excellent Company Representing Japan".

Fiscal year 2009 is the first step and each business unit will implement its action plans.

- Serve wealth management customers with ideal financial products and promote the "savings to investments" trend.
- Improve consultation service to corporate clients to prepare for upcoming changes in the industrial structures. We will also offer improved financial products with a highly advanced risk management.
- Focus on Asia and emerging markets will continue. We will actively utilize the Group's network and tighten collaboration with our alliance partners, and capture cross border business opportunities.

Action Plans

Retail Business

1. Reinforce marketing by reorganizing sales and support structure
2. Emphasize equity and fixed income products together with existing investment trusts, annuities and wrap accounts
3. Improve Daiwa Direct service menu for more active investors
4. Efficient administrative work with IT innovation

Asset Management Business

Daiwa Asset Management

1. Improve fund performance by further emphasizing global research and diversifying approaches to generate returns
2. Develop large-scale funds by strengthening product development capability
3. Improve marketing based on investor and distributor needs

Daiwa SB Investments

1. Improve fund performance by strengthening collaboration with research division
2. Expand product lineup with new funds
3. Increase AUM by providing client-oriented solutions, information and sales support

Wholesale & Investment Business

1. Expand product and service lineup, and provide best solutions to maximize client satisfaction
2. Stabilize revenues by improving trading positions and manage risk on a global basis
3. Continue focus on Asia
4. Establish a global M&A advisory platform
5. Create proprietary fund as a first step to manage full scale funds

Research and IT Systems Business

1. Provide support to improve broker rankings and customer satisfaction, and expand the Group's business in Asia
2. Support IB business, including privatization transactions
3. Enhance flexible and efficient IT development and system management.
4. Contribute to the Group's global business strategy and cost reduction by leading the Group's system functions