

Milestones toward Sustainability

Year	Month	Daiwa Securities Group milestones toward sustainability
1997	Oct.	New management team led by Yoshinari Hara begins work
1998	Jan.	Business Improvement Report submitted regarding previous year's racketeer payoff
	Jan.	Suggestion Box System introduced to encourage direct suggestions to President
	Feb.	Personnel system reforms include specialist positions, regional career-track employees
	Mar.	Corporate Principles established
	Jun.	First Outside Corporate Auditor appointed
1999	Apr.	Daiwa Securities Group Inc. (the "Company"), first holding company listed in Japan, established, and Daiwa Securities Co., Ltd., Daiwa Securities SB Capital Markets Co. Ltd. (now Daiwa Securities SMBC Co. Ltd.) spun off
	Apr.	Executive Officer System implemented at the Company and Group companies
	Apr.	Advisory Board established at the Company
	Apr.	As part of reforms to personnel system, seniority-based salary increases and promotions abolished.
	July-Sept.	Corporate Community Affairs Department and Corporate Ethics Department established at the Company
	Sept.	Company's shares selected to be included in the Dow Jones Sustainability World Indexes
2000	Apr.	Group Executive Officer System introduced at the Company
	May	Daiwa Management Academy established with the aim to develop management personnel for the future
	June	Compensation Committee established at the Company
	June	Daiwa Elder System, allowing the reemployment of experienced persons up to age 65, introduced
	Aug.	First company information session aimed at individual investors held
	Oct.	Corporate Branding Project launched
	Nov.	Daiwa Securities Business Center acquired ISO9001 certification for quality system
	Nov.	Fundraising for relief to victims of Miyakejima volcanic eruption, heavy rains in Tokai region and earthquake in western Tottori Prefecture
	Dec.	Group's annual report receives highest award in "Nikkei Annual Report Awards"
	Dec.	Support begins for "Saving Forest Giants," a giant tree preservation program
2001	Jan.-Mar.	Daiwa Institute of Research publishes two reports called "Urgent Proposals for the Revitalization of the Japanese Economy" and "Urgent Proposals Concerning the Share Purchase Organization Plan"
	Mar.	"Brand Statement," which defines the Group's core values, released to public
	Mar.	Daiwa Securities, Daiwa Securities SMBC and Daiwa Asset Management publicly announce their Solicitation Policy
	Apr.	CS Promotion Department established at Daiwa Securities
	May	Comprehensive alliance formed with Hitotsubashi University's graduate school to form cooperative industrial-academic relationship in finance and management
	June	Mrs. Green eco fund established by Daiwa SB Investments
	June-July	Sponsorship of Japan staging of Gran Teatro La Fenice
	July-Mar.'02	Group Management Training Program that shares Group's sense of values with all officers and general managers implemented
	Aug.	Internship program for college students begun
	Sept.	"Letter from Yoshinari Hara," an e-mail newsletter from President Hara to officers and employees, begins distribution.
	Sept.	Lecture series "Corporate Governance in the Securities Market" held at Keio University
	Oct.	As part of relief efforts, Group executives and Group companies donate \$100,000 to families of victims of September 11.
	Nov.	Customer Support Hotline established at Daiwa Securities
	Nov.	Daiwa Leadership Program begun as screening and development training program for mid-level employees
2002	Jan.	Multi-directional evaluation system involving superiors, subordinates and relevant departments introduced at the Company
	Mar.	Joint industry/academia lecture with Tohoku Fukushi University
	Mar.	Comprehensive alliance to conduct joint research on areas relating to financial technology formed with Kyoto University's graduate division
	Mar.-Sept.	Regional index funds, such as the "Shizuoka Benchmark Fund," launched by Daiwa Asset Management
	Apr.	Daiwa Securities introduces online training system @DESK
	Apr.-Dec.	Exhibition of Marc Chagall artwork sponsored to commemorate Group centennial
	June	Online voting system introduced for the general meeting of shareholders by the Company
	June	First Outside Director appointed, Director terms reduced from two years to one
	June	Five hundred forty employees, family members and former staff members participate in Kujukurihama Beach cleanup in Chiba Prefecture
	Oct.	Daiwa Securities Group publishes its first Sustainability Report
2003	Jan.	Group-wide Corporate Ethics Hotline internal reporting system set up
	Feb.	Internal Audit Department established at Company
	Mar.	New medium-term management plan (for FY 2003-2005) established
	Apr.	New rewards program for shareholders inaugurated
	June	Total Company director and corporate auditor compensation disclosed