

What business must do for the future

CSR is a business's code of conduct. Society expects businesses to practice CSR.

Since last year the term CSR, or corporate social responsibility, has commanded the attention in and beyond the business world. The idea that enterprise must play a role as an organ of society and that it must fulfill its social responsibilities is not new. However, the market economy has gone through vigorous development in recent years, with economic activities going global, the IT revolution expanding information applications, and consumer consciousness changing as society matures. Along with the economic changes, society's expectations of enterprise have become more multi-faceted.

The CSR we hear about so much today is an expanded version of social responsibility in the general sense. It is a crucial element in a business's sustainable coexistence with society, and as such should be considered essentially the same as a business's code of conduct. In this age, the sustainability of businesses facing international competition depends on two things: how it conducts itself with stakeholders (customers, shareholders, employees and so on) and how, as a result, it can win the trust of those stakeholders and society as a whole. I am convinced that businesses that eagerly perform their CSR duties will earn the praise of all their stakeholders and the trust of society, which will lead to business success without exception.

A new role for financial institutions: Proving that CSR leads to business success

Whenever one considers CSR, one has to ask, "What should our business be doing for the sake of the future?" The economic education of the young generation that the Daiwa Securities Group actively supports is based on this theme. Society is an instrument for the common good. Unless we think in terms of each other's benefit, we can gain no lasting benefit for ourselves. In that sense, economic education leads to moral and ethical education. We believe that an understanding of economic principles gives people vitality and eagerness for their lives. The moral and ethical view that young people acquire through economic education will motivate them and vitalize the economy and society of the future.

The Daiwa Securities Group, moreover, conducts socially responsible investment (SRI) as part of the CSR activities of its core business. Our SRI funds are a good example. Customers and our sales staff get a sense of satisfaction from funds that directly invest in businesses that benefit society. Along with a sense of satisfaction, the funds encourage better performance, and this mutually beneficial effect enlarges the scale of the SRI funds. Additionally, when inclusion in an SRI fund becomes a measure of a company, it raises awareness of CSR within the company and further leads to the sustainable development of Japan's economy.

I believe that one of the essential future roles for the Daiwa Securities Group is creating frameworks in which companies that eagerly embrace CSR enjoy better results and win the praise of the market.



Yoshinari Hara
Chairman of the Board,
Daiwa Securities Group Inc.

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The Daiwa Securities Group works for trust

Aiming for true professionalism

In June of this year Daiwa Securities Group Inc. evolved into a company based on a committee system, and at the same time I accepted the post of President and CEO.

My management ideal is to run the Daiwa Securities Group so that it is trusted by customers and society and indispensable to its stakeholders. Our employees are the contact point customers see when they deal with us, so the behavior of each and every employee is a vital concern for us. For our customers, the sense of trust they feel toward the individual employee is the sense of trust they have in the Group as a whole. Therefore, each employee must always be thinking about and acting on what he or she can do in order to be trusted and needed by the customer and society.

This means, of course, that the employee takes the customer's point of view, anticipating customer needs in order to offer products and services and serving as an advisor indispensable to the customer. In the securities industry, where we deal with risk-bearing products whose values change day to day, another critical requirement for building trusting relationships is adequate communication. To achieve this, I hope to oversee a company where all employees exhibit true professionalism based on their impeccable on-the-job ethics and a fair code of conduct in all aspects of the job, not just knowledge and technical aspects.

The Daiwa Securities Group: Aiming to win trust from customers and society through CSR

With this as my fundamental understanding, I intend to bring Daiwa Securities Group further down the road I inherited from former-President and CEO Hara, namely management with a heavy emphasis on corporate branding and CSR. CSR has so many aspects, including offering superior products and services to customers, dealing with customers sincerely, bringing a reasonable profit to shareholders and disclosing information to them, taking steps to improve the work environment for employees and evaluate personnel, as well as assuring legal compliance, corporate ethics, environmental management and social contributions. The Group's approach to each of these is to ask, "Will this action win the trust of society?"

The Daiwa Securities Group sells SRI funds as part of its CSR activities in its core business, and sales of these funds have exceeded expectations. Continuing to offer such products meeting the needs of customers and society is the Daiwa Securities Group's social mission and a forward step in the sustainable development of the Group. We will exhibit the high standard of professional competence and the challenging spirit called for in our Corporate Principles, and continue to develop and introduce new products and services for our customers.

In July of this year, the Group set up its CSR Promotion Department with the aim of further developing our existing measures and expanding the use of CSR in our management systems. I have faith in the idea that "CSR-based management will energize our employees and benefit society," and I intend to continue this effort proactively.

We in the Daiwa Securities Group will take new steps to earn greater and greater trust from customers and society.

Shigeharu Suzuki
President and CEO,
Daiwa Securities Group Inc.

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