

Message from the President

Employees who are proud of the work they do and the company they represent will earn society's confidence and achieve sustainable development



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CSR involves contributing to society through daily operations. Attention to meeting compliance standards lead to better business performance.

The essence of CSR does not involve doing anything extraordinary, it is simply to contribute to society through a company's core business operations. To achieve this, it is of utmost importance that all employees to approach their daily work with an awareness of their duty to society.

In the securities business, we handle financial products which are inherently subject to price fluctuations. Therefore, it is critical for us to be confident that our work is being carried out properly. We do not want to conduct any but truly fair, sensible and socially acceptable operations. Carrying out our work in a transparent and proper manner will bring profits as a matter of course. Indeed, compliance and business performance are not contrary goals; rather, compliance is the most direct way to sustainable long-term growth. I firmly believe that we have been able to improve the Daiwa Securities Group's performance as a result of educating our employees about this concept.

Promoting CSR specified as a goal in the medium-term management plan. Taking action to encourage SRI.

In April 2006, the Daiwa Securities Group established a three-year Medium-term Management Plan which is due to be completed by the end of fiscal 2008. With formulating a defined CSR strategy stated as a goal within the plan, the Group aims to promote socially responsible investment (SRI) as part of its CSR efforts.

The Daiwa Securities Group has become Japan's largest manager of SRI funds. We believe companies that take measures to protect the environment and help society are expected to perform better over the long term, and hence, offer satisfaction to their investors. I would therefore like to strive for a better understanding of SRI among existing and new customers.

A company worth working for increases shareholder value. Employees are important stakeholders.

As an executive of the firm, it is my greatest concern to make the Daiwa Securities Group an enterprise worth working for. Such a company is one that employees trust. They are aware of the importance of their roles, and they have a sense of solidarity with their co-workers.

One of our key goals as a commercial enterprise is to maximize shareholder value. Although the shareholders own the company, it does not exist solely for their benefit. The company is an integral part of society. If all stakeholders—customers, suppliers, employees—do not accept us as a desirable enterprise, we cannot maximize shareholder value.

In this regard, I think employees represent an important group of stakeholders. All communication between other stakeholders and the company is carried out through employees, and thus, the actions of employees reflect the actions of the company. It is through the employees' hard work that the company can excel, in turn, raising shareholder value. Therefore, by focusing on the welfare of employees, we are taking care of all our stakeholders.

In order to realize a workplace that is conducive for staff to maximize their capabilities, we need to create an environment that is supportive of women.

I think women have a huge role to play in the securities business, and I endorse the creation of workplaces that offer encouragement to female employees. In Japan, securities companies historically have been dominated by males, but I think this was largely due to an inability to provide the right environment for talented female employees to thrive.

Since the securities business requires specialized qualifications and skills, it is usually not possible for new employees entering the company to hit the ground running. Losing female employees who have acquired years of expertise because of marriage or childbirth is a great and needless expense to the company.

The Daiwa Securities Group already has women in branch manager and other management positions, and these employees are demonstrating their abilities to the fullest potential. In the future, we will continue to focus on giving our employees a work environment that will allow both men and women to balance their work and personal life. We want our employees to feel that this is a company worth working for.



Employee pride earns us the confidence of our customers and society. Human resources are the key to sustainable development.

The company's strategies and initiatives are publicized through the Sustainability Report, TV commercials, and other forms of media. However, these channels also serve to convey information from the company to our employees. I believe that this public announcement of our activities is a source of pride to our employees. The Daiwa Securities Group is a signatory to the United Nations Environment Programme Finance Initiative (UNEP FI), as well as the Principles for Responsible Investment (PRI). These types of public commitments also send important signals to our employees.

When our employees carry out their respective duties with pride based on the understanding of the Group's initiatives, they convey their faith in the company to the public, and in turn, earn the public's confidence. After all, winning society's trust and confidence is the ultimate goal of CSR.

I think the key to the Group's long-term sustainability depends solely on whether we can cultivate very loyal people who understand that the company's success is a reflection of their own success, and that the company's well-being also ensures their own happiness. I want to make the Daiwa Securities Group the type of company that attracts and energizes such people.