

# Initiatives Based on the Daiwa Securities Group's Core Business Initiatives to Encourage Economic and Financial Literacy

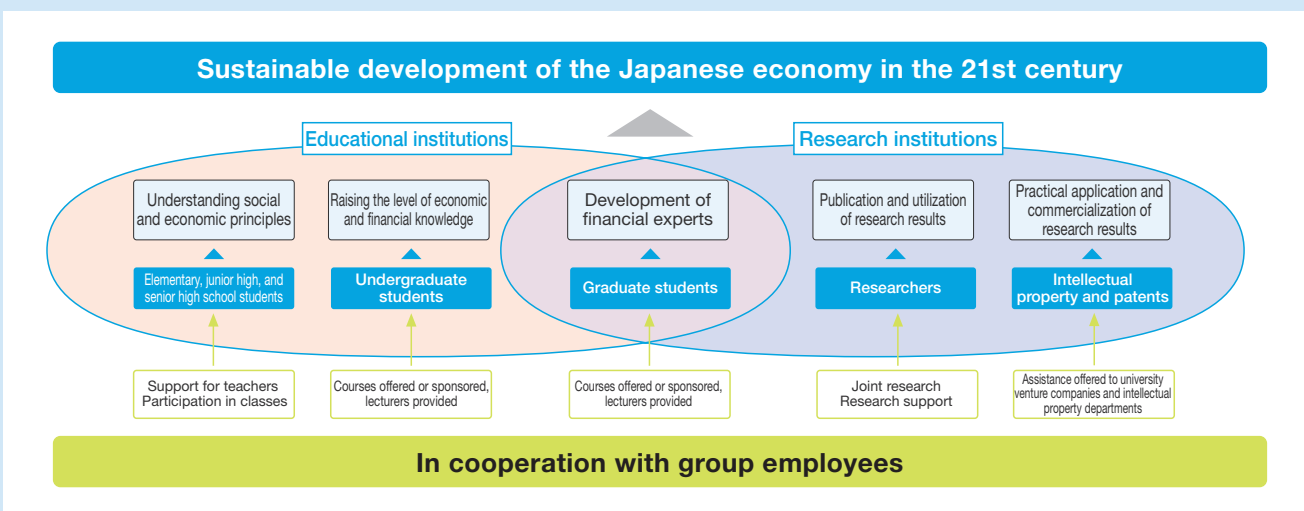
## Initiatives to encourage economics and financial literacy

The Daiwa Securities Group is keenly aware of the importance of education and research in the fields of economics and finance. Its initiatives address two main areas.

The first is the sponsorship of education and research through partnerships with universities and graduate schools. The Group is providing programs that teach practical business know-how, such as financial business courses by group employee instructors, while offering research positions with a focus on cutting-edge financial technology.

The second initiative entails support for programs that are carried out in the classrooms, as well as promotional activities to popularize the study of economics among elementary, junior high, and senior high school students. By learning about economics and society in secondary school, students will understand social interaction and discover the importance of work.

### Education in economics and finance



### Main academic partnerships with universities in fiscal 2005

Main university partnerships	University name	Examples of courses and themes
Courses sponsored or offered, lecturers provided	Graduate School of Economics, Kyoto University	Methods and theories for investment in securities
	Graduate School of Medicine, Kyoto University	Entrepreneurship
	Graduate School of International Corporate Strategy (ICS), Hitotsubashi University	Corporate strategy
	Faculty of Policy Management, Keio University (Shonan Fujisawa Campus)	Corporate governance theory
	Graduate School of International Management, Aoyama Gakuin University	Portfolio management, institutional investors and asset management
	Waseda Graduate School of Finance, Accounting and Law	Bond investment
	Open Education Center, Waseda University	Basic Course of Entrepreneurship and Business Planning
	Faculty of Comprehensive Welfare, Tohoku Fukushi University	Employee welfare management
	Faculty of Law, Chuo University	International finance and securities market, and law
	Faculty of Business Administration, Toyo University	New financial products and the transformation of the securities market
	Department of International Trade, Faculty of Economics, Kanagawa University	Special economic theory
	Otemon Gakuin University	Theory of venture capital and securities markets
	University of the Ryukyus	Securities market
Okinawa University	Securities market theory	
Joint research	Graduate School of Economics, Kyoto University	Construction of valuation models for intellectual property and intangible assets
	Graduate School of Business Administration, Keio University	Effects of IR activities on corporate value
	Graduate School of International Corporate Strategy (ICS), Hitotsubashi University	Development of models for fair stock option valuation
	Waseda Institute of Finance	Creating processes for eliminating financial system uncertainty and the future role of capital markets
Aiding in the commercialization of research results	Incubation Projects of Waseda University Intellectual Property Center	Venture management leadership course at Waseda University
	Business, Research and Intellectual Property Center, Nihon University	Technology Licensing Organization*
Support, courses, and holding joint conferences and lectures	Graduate School of International Corporate Strategy (ICS), Hitotsubashi University	Porter Prize
	Graduate School of Economics, Kyoto University	2005 Daiwa International Workshop on Financial Engineering

The Daiwa Securities Group is determined to help society enjoy sustained development. Now, it is giving back to the community, using its knowledge of its core business and its expertise accumulated over the years. One of these activities is education of young people in the areas of economics and finance.

Initiative  
example

## Basic Course of Entrepreneurship and Business Planning at Waseda University

The Basic Course of Entrepreneurship and Business Planning, a Daiwa Securities Group-sponsored course at Waseda University, provides practical financial and securities markets expertise. The course is taught by part-time instructors who are actual Daiwa Securities Group employees engaged in work in this field.

### Developing venture capitalists at university for the revitalization of the Japanese economy

The Basic Course of Entrepreneurship and Business Planning is a course that provides fundamental knowledge to university students ready to take on the challenge of becoming real entrepreneurs. The precursor of this course, the Waseda/Daiwa TLO\* Pilot Project, was started in 1997.

The course is offered to undergraduate students in their first through fourth years. Successful managers and young executives at newly listed companies are invited to come and speak to students about their experiences. These basic lectures cover topics such as the importance of management philosophy and vision, finance and accounting, legal matters, and approaches to intellectual property.



Lecture by Eiji Azuma, Senior managing director at the Daiwa Institute of Research

With this basic knowledge, the students prepare actual business plans. Employees at NIF SMBC Ventures Co. Ltd., the venture capital division at the Daiwa Securities Group, provide guidance including pointers on creating a presentation to venture capitalists. The course follows actual business practices, and offers guidance and evaluation from actual business professionals. The course culminates in a Business Plan Contest. The creator of the winning business plan is given free use of an office at the Waseda University Intellectual Property Center for one year.



Lecture by Eiji Suzue, Executive officer at the Daiwa Institute of Research Ltd.

**"I am grateful for this valuable experience which would not be available to me at any other university."**

"I learned things that are actually useful, ranging from financial affairs to effective presentation methods. Furthermore, I received expert advice from a professional, which I was able to put to use in my business plan." These are the words from a student at the School of Political Science and Economics at Waseda University, Mr. Taichi Murakami, who won the 2005 Business Plan Contest. "I received an internship at the Daiwa Institute of Research, and at class, I heard entrepreneurs recount their stories. It was a great experience."

By helping outstanding, enthusiastic student entrepreneurs with good ideas to realize their dreams, the Daiwa Securities Group is contributing to the revitalization of the Japanese economy.



Mr. Taichi Murakami in his company start-up office at the Waseda University Intellectual Property Center, after winning the Business Plan Contest.

\* Technology Licensing Organization

An organization that discovers and evaluates research results based on technology available at universities. Viable ideas are then patented and transferred to companies.

# Initiatives Based on the Daiwa Securities Group's Core Business Initiatives to Encourage Economic and Financial Literacy

## Initiative example Finance Park for junior high school students

Since June 2005, the Daiwa Securities Group Inc. has been providing support to Finance Park, an educational facility set up to imitate a real economy and provide students an interesting way of learning economics and finance. The park, located in Tokyo's Shinagawa-ku, is the first of its kind in Japan. Established by the NPO Junior Achievement Japan\*, Finance Park gives children an opportunity to learn and experience economics. There are about 1,500 students from 18 public junior high schools in Shinagawa-ku. The students, playing different roles in society, learn about how their local community works and the function of economics within the community. They also learn how to manage their lifestyle, deciding on various plans that target living expenses and actual expenditure, as well as plans for individual investment. The students then go round to different booths set up by 14 participating companies and organizations. By putting principles learnt into action, the students not only accumulate knowledge, but also learn practical skills. At the Daiwa Securities Group Inc. booth, the students learn how to invest in stocks for asset management.



Finance Park opening ceremony.



Daiwa Securities Group Inc. booth at Finance Park.

### Feedback from student participants in Finance Park

I'm glad I had a chance to learn how to manage my money in the future. I've never thought much about finances, but through this experience, I have realized the value of money.

I found out how hard it is to live on a limited income. By having a chance to experience the difficulties of life in this game, I feel I have gained knowledge that will be very useful to me in the future.

\* Junior Achievement was founded in 1919 in the United States, and promotes education in the areas of corporate management, economics, and finance, together with practical experience. Currently, the organization receives both financial support as well as human support in the form of instructors who are, in fact, corporate executives and employees from some 40,000 firms. Every year, 4.5 million youths participate in Junior Achievement programs worldwide. Junior Achievement Japan was established in 1995.

## Initiative example Student Company Program for senior high school students

The Student Company Program (SCP) offered by Junior Achievement Japan is a program for senior high school students to learn about economics through practical experience. The students establish and manage a real company and thus learn how a company operates and the economy functions. Through this exercise, students develop the ability to make independent judgments and hone their decision-making skills. They also learn to take responsibility for the company's results. Since fiscal 2003, the Daiwa Securities Group Inc. has supported the SCP in Ritsumeikan Senior High School in Kyoto, as part of the school's regular curriculum. Group employees are sent to the school to provide practical business advice as "external directors" to the company established and managed by the students. The students show remarkable growth and maturity through the program by directly tackling business problems, and using their own abilities to solve them.



SCP participants discussing company business.



Candleholder produced by student enterprise, Sho Inc.

Initiative example

## Basic securities courses on the web and TV for the public

The Daiwa Securities Media Networks manage Daiwa Securities Information TV and Daiwa Internet TV, which broadcast information concerning securities and economics to the general public.

The Daiwa Securities Information TV is aired as Japan's only channel dedicated to securities information, and can be watched by subscribers of SKY PerfecTV (broadcasts are only in Japanese). One of the programs on this channel, Investment for Beginners, provides easy-to-understand information about securities and economics for beginner investors. As of May 31, 2006, the viewership for this channel was about 410,000 households.

Daiwa Internet TV (<http://www.daiwatv.jp/>) is a website for the large-scale distribution of videos relating to finance and securities. In the Website section entitled "Learning to Invest", visitors can watch five-minute lessons on basic topics such as types of securities products and fundamental investment concepts. The number of visitors to the site in May 2006 was about 890,000, and the number of video viewings numbered around 420,000.



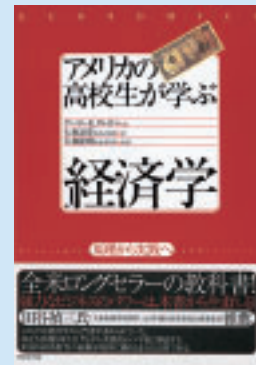
Daiwa Securities Information TV  
▶ <http://daiwa766.jp/> (in Japanese only)

Initiative example

## Encouraging the use of Japanese-translated American high school economics textbook

The Japanese translation of *Economics: Principles and Practices* by Gary E. Clayton (McGraw Hill), a textbook widely used by American senior high school students, was published in September 2005. The book uses examples taken from daily life, and provides easy-to-understand explanations of economic fundamentals. By covering topics like supply, demand and macroeconomics, it serves as a good introduction to economics for both students and working adults. Employees at Daiwa Securities Group Inc. felt it was important to encourage people in Japan to acquire a good foundation in economics, and hence, suggested the idea of having this book published in Japanese.

The translated book has been featured on the Daiwa Securities Group Inc.'s website, and 500 free copies have been distributed to teachers and education experts based on a lottery.



Japanese translation of an American high school economics textbook.

Initiative example

## Helping to publish *Financial Fitness for Life* in Japanese for use as primary and junior high school textbooks

The Daiwa Securities Group Inc. is sponsoring Junior Achievement Japan for the publication of the Japanese version of *Financial Fitness for Life*, a series of textbooks widely used in American junior high schools.

By employing a consistent theme that economics is based on choices, these textbooks are intended to teach children to use economic concepts in their daily decision making and future career paths. The text has been adapted to reflect local culture and customs, in order to make it more relevant for Japanese students.



The Japanese version of *Financial Fitness for Life*.