



Corporate Citizenship

As a member of society, Daiwa Securities Group is actively committed to supporting volunteerism, culture and the arts, international exchange, and social-welfare projects.

Vision and medium-term goals for corporate citizenship initiatives

We believe that our contribution to developing a sustainable society and helping to resolve social issues is our mission as a corporate citizen, as well as an investment in society. We are actively involved in a wide range of efforts in the following four main fields.

- (1) Education and research activities in the fields of economics and finance
- (2) Encouraging volunteerism among employees
- (3) Support for culture and the arts
- (4) Assistance to communities both on the local and international level through foundations and NPOs

Issues and targets for fiscal 2006

Strengthen initiatives that address social issues.

Promote volunteer programs that enable the participation of larger numbers of employees.

Results and progress for fiscal 2006

- Enhanced our framework for collaboration with NPOs and NGOs in order to resolve social issues, including efforts to value 'human life'.
- Increased the numbers of programs and participants from the previous fiscal year. A remaining issue is to expand self-planned programs in which many employees can participate.

(1) Education and research activities in the fields of economics and finance

Leveraging the knowledge and expertise we have accumulated in our main businesses—economics and finance—we actively conduct joint research with universities, support economic education in junior and senior high schools, and the like. See pages 23 and 24 for more details.

• Women entrepreneur support project

We have held the Women Entrepreneur Business Plan Contest jointly with the Fujisankei Group since 2005, with the goal of supporting women entrepreneurs with a strong motivation.

In 2006, 1,161 women entrepreneurs from throughout Japan competed in the contest. The Grand Prize (Daiwa Securities Group Award) went to Ms. Eriko Yamaguchi for her fair-trade plan titled "Selling Products Planned and Produced in Developing Countries: Creating brands in developing countries." Ms. Yamaguchi's plan received high ratings from all of the judges. We will continue to support women entrepreneurs through this project.



Ceremony for contest winners

(2) Encouraging volunteerism among employees

Daiwa Securities Group encourages its employees to volunteer in order to maintain broad perspectives and become strong assets in a wide range of fields. In June 2007, Daiwa Securities Co. Ltd. created a new Volunteer Award as part of the President's Awards, which recognize company employees. The Volunteer Award recognizes employee accomplishments in volunteer activities. The Daiwa Securities Group Inc. CSR Promotion Department publishes information about various volunteer activities, and urges employees to become actively involved.

In fiscal 2006, a cumulative total of 2,771 people participated in 105 volunteer activities, including charitable fundraising, recycling, a sign-language class that was open to the public, and a hands-on forest thinning experience. Additionally, more than



Daiwa Securities Co. Ltd.'s Volunteer Award

100 employees volunteered at the Azabu-Juban Summer Festival held each year in August 2006 again, helping to pick up trash, set up the venue, etc.

In the charitable fundraising and recycling activities, employees collected unused and used stamps and prepaid cards, ruined postcards, and the like from across the company, and donated them to charitable organizations. In fiscal 2006, we notified employees ahead of time what money collected through fundraising and recycling would be used for, such as local development in developing countries, and urged them to get involved. As a result, the number of participants increased, and we collected donations worth a total of 414,463 yen (a 3.8% increase against the previous year).

▶ **WEB** Results of fundraising/recycling efforts by employees (fiscal 2006)



Employee volunteers participating at the Azabu-Juban Summer Festival

Daiwa Securities Group's initiatives as a corporate citizen

Activities	Activity type	Expenditure (unit: ¥1,000)			
		FY2004	FY2005	FY2006	
(1) Education and research in the fields of economics and finance	Initiatives for elementary, and junior and senior high school students	184,040	164,921	249,518	
	Academic-industrial cooperation and initiatives for universities, graduate schools and the public				
(2) Encouraging volunteerism among employees	Self-planned programs	4,305	6,208	6,765	
	Joint programs				
(3) Support for culture and the arts	Louvre Museum exhibitions, Teatro Comunale Di Bologna Japan Concert	360,000	358,000	517,000	
(4) Assistance to communities both on the local and international level through foundations, NPOs and others	Foundations	Daiwa Securities Foundation	160,000	75,440	136,097
		Daiwa Securities Health Foundation			
		Daiwa Anglo-Japanese Foundation			
	Assistance programs	Tsunami Reconstruction Fund			
		Daiwa SRI Fund Assistance Program			
		Daiwa Eco Fund Assistance Program			
Disaster relief, membership etc.					
Total		708,345	604,569	909,380	

▶ **WEB** Main activities as a corporate citizen (fiscal 2006)

(3) Support for culture and the arts

Daiwa Securities Group supports a wide range of cultural and artistic activities. As part of our support for the arts, we were the special sponsor of a Japan concert by the Teatro Comunale Di Bologna of Italy in June 2006. The concert dazzled large numbers



Ryu Watanabe faces "Bonanza," the world's number-one computer shogi software

of Japanese opera fans, bringing together the three great tenors of the new century. Additionally, we were the special sponsor of the "Claude Monet: L'art de Monet et sa posterite" exhibit at the National Art Center, Tokyo, from April to July 2007, in commemoration of the center's opening. The exhibit was a great success, attracting a total of 710,000 visitors.

Meanwhile, we also focus on supporting traditional Japanese culture, such as shogi and go. We sponsor the top title matches in the shogi and go: the Meijin Title Match in shogi and the Honinbo Tournament in go. We are also the special sponsor of shogi and go formal matches via Internet. As a commemoration of the formal Internet shogi match, the Daiwa Securities Cup, we sponsored the special shogi match between Ryu Watanabe and "Bonanza," the world's number-one computer shogi software. This special match was broadcast as a special program by NHK and attracted large audiences in addition to shogi fans.

(4) Assistance to communities both on the local and international level through foundations and NPOs

• **Daiwa Anglo-Japanese Foundation**

The Daiwa Anglo-Japanese Foundation was established in 1988 in commemoration of the 25th anniversary of Daiwa Securities' establishment in London, with the goal of promoting mutual understanding between Japan and Britain.

The Daiwa Scholarship program provides 19-month internships in Japan to British graduates, in order to develop human resources that can serve as a bridge between Japan and Britain. Daiwa Scholars learn about Japan through training in the Japanese language and their own fields of specialty, and come in contact with Japanese society through interpersonal interactions in home stays. Since the program's founding, more than 100 Daiwa Scholarships have been awarded, and graduates of the program are active in a wide range of fields. In May 2007, a reception was held at the British Embassy to commemorate the 100th Daiwa Scholar.

Additionally, the Daiwa Anglo-Japanese Foundation supports the arts, culture, and science in a wide range of fields in both Japan and Britain.



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• Daiwa Securities Health Foundation

The Daiwa Securities Health Foundation supports outstanding medical research activities, with a special emphasis on research that contribute to the improved health, medical care, and welfare of middle-aged and older people. In fiscal 2006, the foundation provided 30 grants worth a total of 30 million yen to diverse research projects ranging from basic research to clinical studies.

Additionally, in September 2006 the foundation began offering health seminars for the public at Daiwa Securities branches, taught by researchers (892 in total) who had received the grant over the past 33 years. In fiscal 2006, the foundation held seminars at 39 branches, with such topics as “prevention and care of lifestyle diseases” and “what is metabolic syndrome?”



Health seminar on topic “what is metabolic syndrome?”

• Daiwa Securities Foundation

The Daiwa Securities Foundation provides research grants to support such fields as volunteering and welfare, with the goals of encouraging, promoting, and raising awareness of volunteering, and enriching lives in society. In fiscal 2006, the foundation provided 195 grants worth a total of 44.86 million yen.

The foundation will continuously contribute to improving the welfare of the Japanese people through ongoing grants for volunteer activities.

» Targets and main action plans for fiscal 2007

In order to enable directors and employees to participate in volunteer activities at any time, we will continue to reflect the feedback of volunteers and others, develop volunteer programs that interest people and create an environment for them. At the same time, we actively utilize grant programs, and continue activities that can contribute to the welfare of society.

The Daiwa Securities Group Tsunami Reconstruction Fund

The Daiwa Securities Group Tsunami Reconstruction Fund was established to assist survivors of the major earthquake and resulting tsunami that struck Indonesia and other countries along the Indian Ocean on December 26, 2004. The fund will provide long-term support for ten years starting in fiscal 2005, with an annual disbursement of 10 million yen, totaling 100 million yen.

One of the groups we support is the Sri Lankan NGO Women's Savings Effort “Wilpotha.” This NGO begins by teaching survivors the importance of savings, and the concept of bookkeeping. More than a simple financial effort, this NGO supports programs that encourage survivors' independence through microfinance, and the impact of this support is slowly but surely beginning to show.

Asian Community Center 21 (ACC21) selects programs and monitors their activities. Sumitomo Trust & Banking Co., Ltd. is in charge of fund management.

Aid-recipient organizations

Country	Activity	Local NGOs	Number of beneficiaries	Aid*
Sri Lanka	Women's Independence and Development Program	Women's Savings Effort “Wilpotha”	425 women (200 new women added)	¥3.50 million
India	Occupational training and self-efficiency support for orphans and persons with disabilities	TRUE	75 disabled children and teenagers who were affected by the disaster	¥3.10 million
Indonesia	Psychological care and educational support for children	WALSAMA-NAD	65 children	¥3.00 million

* This is the amount spent in the second year of either a two- or three-year plan.

Daiwa SRI Fund Assistance Program*

The Daiwa SRI Fund Assistance Program provides grants to cover the personnel and education costs of Japanese NGOs that help people whose lives are in danger for various reasons. This program is planned and operated in collaboration with the Civil Society Initiative Fund, a registered special non-profit organization.

In response to the needs of society, in fiscal 2006 the total grant money was increased to 10 million yen, from 7 million yen in the previous year. The scope of the program was also expanded from the greater Tokyo metropolitan area to all eligible NGOs in Japan.

* This program derives its funding from a portion of the revenues of Daiwa Securities Group gained through the sale and management of the Daiwa SRI Fund.

Aid-recipient organizations

Plan	Organization	Aid
Creation of staffing regime for project to prevent child suicide via “Life Classes”	VIVACE	¥1.75 million
Generalist education for planning and implementation of training for supporters of rape victims	Center for Education and Support of Women Japan	¥1.45 million
Coordinator education to expand and promote medical interpreting system	Tabunka Kyosei Center Kyoto	¥1.90 million
Staff training for training of interpreters to support foreign women and children who are victims of violence	Clover	¥1.80 million
Enhancement of organizational infrastructure for refugee support activities (enhancement of PR and finances)	Japan Association for Refugees	¥1.70 million
Improvement of staff capabilities in the areas of caring for prisoners and providing political advocacy on their behalf	Center for Prisoners' Rights	¥1.40 million

Comment from stakeholder

Receiving micro-finance support

This is the second year that the Daiwa Securities Group Tsunami Reconstruction Fund has supported the Women's Independence and Development Program. This year, we continued our program for 225 women who received assistance in the first fiscal year (business improvement, home gardening, women's rights/gender equality, and creation of a children's library). In addition, we conducted savings and finance activities, business development, technical training, and other programs for 200 new women. The women from the first fiscal year were actively involved in these programs, and contributed greatly.

Taking advantage of their experiences from the first year, the women leaders offered a wide range of ideas on how to improve the program,

and told the women in the second year about the results and experiences of the first-year women: (1) the savings system, savings passbooks, and bookkeeping; (2) experiences from the savings program; (3) group organization; (4) marketing; and (5) incorporating women's organizations. They used local idioms and vocabulary, and taught in an easy-to-understand way. This increased the understanding of the novice women, and gave them confidence about starting a handicraft or food business.

They are working actively to create an operational system led by members of the incorporated women's group, with the primary goal of guiding victims toward independence.



Karunawathie Menike
Chairperson
Women's Savings Effort "Wilpotha"
(Sri Lankan NGO)

Comment from stakeholder

Receiving personnel support assistance

We have a new success through the assistance for personnel expenses through the SRI Fund, which manages socially responsible investment products. The focus of the SRI Fund assistance was on our staff, with the goal of strengthening our organization through human-resource training. This enabled the staff receiving the personnel expenses to improve their expertise and become actively aware of their roles in the organization, increasing their sense of ownership. Additionally, since marketing and financial staff were eligible, we were able to begin building an infrastructure to support our organization that is beyond the resources of most mid-sized and smaller NPOs.

Activities to support refugees were accepted as an eligible type of project for human security (protection of people whose lives are in danger),

as one form of collaboration between companies and NPOs. Thanks to this, we have had increasing inquiries from adults and students with an interest in NPOs.

Refugees are among those who fall through the safety net of modern Japanese society. The SRI Fund is showing society that there is value in this effort, especially because there is still no safety net for these people. We hope for even more opportunities to communicate our message to society in the future.



Shiho Tsutsui
Director of Secretariat
Japan Association for Refugees