



# The Environmental Impact of the Daiwa Securities Group

Recognizing that the impact of its operations of the Daiwa Securities Group on the global environment is not inconsequential, we continually strive to reduce our environmental impact, and raise employee awareness. See pages 17 through 19 for our internal and external initiatives to help resolve environmental issues.

## Vision and medium-term goals for reducing the environmental impact of the Daiwa Securities Group

At the Daiwa Securities Group, we believe that each employee should think and act in the following way regarding global environmental issues.

- Recognizing that environmental issues are our issues, each

employee strives voluntarily and actively to conserve energy and improve administrative flows.

- Each employee strives to promote and raise awareness of socially responsible investment (SRI), and supports companies that tackle environmental issues through the securities market.

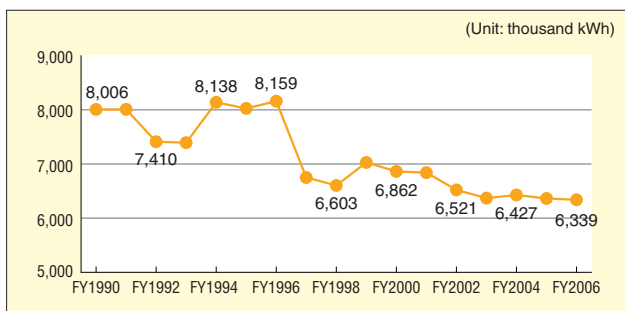
Through these efforts, we are committed to contributing to economic growth and the global environment.

Issues and targets for fiscal 2006	Results and progress for fiscal 2006
Expand the environmental management systems to consolidated subsidiaries in Japan.	<ul style="list-style-type: none"> <li>• Collected data on the environmental impact of our domestic consolidated subsidiaries, confirmed their compliance with requirements, adjusted room temperatures to appropriate levels, and implemented a "COOL BIZ" policy (open collars and shirtsleeves in the office).</li> <li>• Greatly reduced the amount of paper documents sent to customers and used internally (see pages 17 and 18).</li> <li>• Studied a general policy of green purchasing of stationary and other office supplies consequent to our home-office move in November 2007.</li> </ul>
Reduce environmental impact through the computerization of documents and the reduction of office paper usage.	
Establish guidelines on procurement.	

## The environmental impact of the Daiwa Securities headquarters building

We have been able to continuously collect data on the electricity usage of the Daiwa Securities headquarters building since fiscal 1990. As of fiscal 2006, electricity usage at this building decreased by 20.8% from fiscal 1990 levels. We believe that this reduction has been thanks mainly to the energy efficiency gained by replacing air-conditioning equipment and shorter working hours due to improved productivity.

Electricity usage of Daiwa Securities headquarters building



## The environmental impact of the Daiwa Securities Group

Although the environmental impact of the Daiwa Securities Group decreased continually from fiscal 2002 to fiscal 2005, our impact increased in fiscal 2006 due to our increased electricity usage. This was caused by increased electricity usage to power additional servers and control the air conditioning in the computer rooms of Daiwa Institute of Research Ltd., due to increased contracts for data processing and other business. Although the electricity usage of the headquarters building and branches of Daiwa Securities Co. Ltd. decreased, the rate of reduction has slowed.

Usage of natural gas, water, and light oil decreased through such actions as eliminating the employee cafeterias at our headquarters building and branches. We have also reduced our gasoline consumption by switching over our fleet of sales vehicles to light cars, but in fiscal 2006 the reduction was small.

In July 2007, the Daiwa Securities Group implemented a "COOL BIZ" policy group-wide, and began controlling temperature

setting to appropriate levels. All employees wore badges promoting the "COOL BIZ" style. Additionally, we put up posters in each of our departments and branches, and utilize the in-house satellite programs to promote COOL BIZ. Through these efforts, we have ensured that all employees group-wide know and understand our commitment to contribute to global environment.



The "COOL BIZ" badge

- ▶ **WEB** Scope of environmental impact data
- ▶ **WEB** Copy and statement paper purchase amount for Daiwa Securities Group

## Reducing our environmental impact by moving our headquarters

In December 2007, we will move the Daiwa Securities Group Inc., the Daiwa Securities Co. Ltd. headquarters, and Daiwa Securities SMBC to Gran Tokyo North Tower (1-9-1, Marunouchi, Chiyoda, Tokyo). Gran Tokyo North Tower has leading-edge energy-conservation technologies, including an automated sun-censoring control system and highly insulating airflow windows\*. We expect these technologies to greatly reduce our environmental impact.

We will also introduce several environmental measures specific to the Daiwa Securities Group, including utilizing recyclable floor carpet on about 49,500 square meters spanning 14 floors, a paper recycling system capable of dissolving all waste paper, and a fire-extinguishing system that does not use halon gas.

Our goal is to make a "zero waste" move: we will utilize reusable container boxes, and strive to reuse and recycle as much unneeded material as possible.

\* Airflow window: The window consists of two panes of glass, between which room air is made to flow, reducing the impact of outside heat from the windows.

### >> Targets and main action plans for fiscal 2007

We will increase our employees' awareness of global environmental issues and strive to further reduce our environmental impact through our "COOL BIZ" policy and by appropriately controlling room temperatures. We will also conserve paper through such means as converting more paperwork to electronic format. We will strive to make a "zero waste" move of the headquarters through reuse and recycling.

### Daiwa Securities Group's energy consumption (Table 1)

	FY2003	FY2004	FY2005	FY2006
Electricity (kWh)	95,239,027	89,546,672	86,320,394	88,732,751
Natural gas (cubic meters)	885,700	904,255	727,485	691,395
Gasoline (l)	1,213,171	1,151,487	1,036,609	1,035,700
Heavy oil (l)	45,179	61,739	30,146	34,087
Light oil (l)	12,732	11,048	1,267	73

**WEB** For the scope of data, see the "scope of environmental impact data" table on the website.

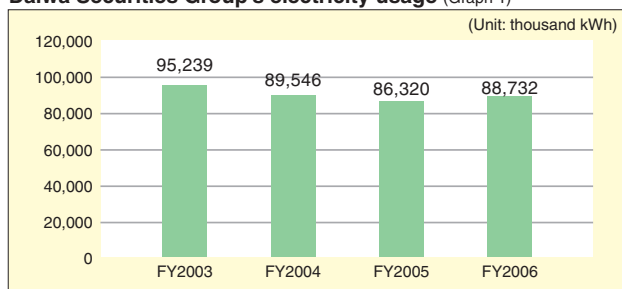
### Daiwa Securities Group's CO<sub>2</sub> emissions (Table 2) (Unit: kg-CO<sub>2</sub>)

	FY2003	FY2004	FY2005	FY2006
Electricity	52,857,660	49,698,403	47,907,819	49,246,677
Natural	1,841,955	1,880,543	1,512,921	1,437,867
Gasoline	2,816,571	2,673,362	2,406,654	2,404,543
Heavy oil	134,703	184,078	89,882	101,632
Light oil	33,349	28,937	3,319	191
Total	57,684,238	54,465,324	51,920,594	53,190,910

\* The emissions conversion factors used in the CO<sub>2</sub> output calculations are based on the ministerial ordinance related to the calculation of greenhouse gas emissions arising from the business activities of specified emitters (March 2006, Ministry of Economy, Trade and Industry and Ministry of the Environment, Ordinance No. 3), for all fiscal years.

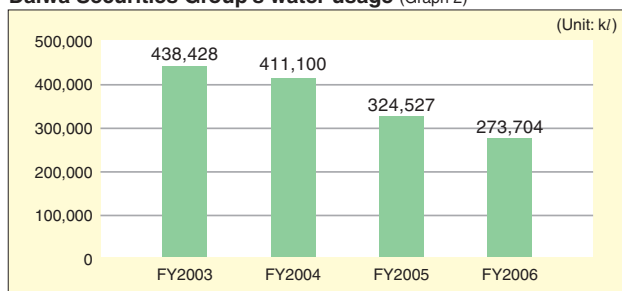
**WEB** For the scope of data, see the "scope of environmental impact data" table on the website.

### Daiwa Securities Group's electricity usage (Graph 1)



**WEB** For the scope of data, see the "scope of environmental impact data" table on the website.

### Daiwa Securities Group's water usage (Graph 2)



**WEB** For the scope of data, see the "scope of environmental impact data" table on the website.

### Daiwa Securities Group's waste generation and recycling over time (Table 3) (Unit: tons)

		FY2003	FY2004	FY2005	FY2006
Paper Waste	Amount generated	1,495.5	1,552.8	1,470.3	1,451.6
	Amount recycled	1,297.4	1,328.8	1,212.3	1,230.4
	Amount discarded	198.1	224.0	258.0	221.2
	Recycling rate	87%	86%	82%	83%
Non-paper Waste	Amount generated	316.5	417.5	391.8	415.8
	Amount recycled	79.0	112.9	104.4	88.5
	Amount discarded	237.5	304.6	287.4	327.1
	Recycling rate	25%	27%	27%	21%

**WEB** For the scope of data, see the "scope of environmental impact data" table on the website.