

Third-party Evaluation

FTSEGood Index

FTSE is a subsidiary of the UK's Financial Times and the London Stock Exchange. It provides data and constructs global indices for investment.

Starting in September 2006, Daiwa Securities Group Inc. has been included in the FTSE4Good, an index of socially responsible companies compiled by FTSE.



Dow Jones Sustainability World Indices

The Dow Jones Sustainability World Index (DJSI World) is a stock index of companies with sustainable practices as selected by Dow Jones & Company, Inc. of the US, and Sustainable Asset Management (SAM) of Switzerland.

Daiwa Securities Group Inc. has been in the DJSI World for nine years running now.



Scope of Report

Intended readership:

The Daiwa Securities Group's diverse stakeholders, which primarily include customers, shareholders, investors, and employees, as well as business partners, NPOs/NGOs (non-profit organizations), educational institutions, and the local communities in which our branches and overseas offices are located.

Scope of reporting:

This report basically covers our nine main group companies*, which account for about 90% of the Group's total number of employees. The report does not, however, encompass data from all nine companies on all items reported. Rather, information is provided in proportion to the size and business area of each company. The scope of numerical data is noted along with the data.

Period covered by report:

Fiscal 2006 (April 2006–March 2007). The report also includes some information on activities carried out in fiscal 2007 which became available close to the publication date, as well as some information on activities that occurred prior to fiscal 2005.

Publication date:

September 2007 (Previous report was published in September 2006, and the next report is planned for September 2008).

* See "Daiwa Securities Group's Business Description" on page 6 for the Group's nine principal companies.

The Road to Sustainability

2003	
January	Corporate Ethics Hotline, a group-wide internal reporting system, introduced.
February	Internal Audit Department established at Daiwa Securities Group Inc.
March	New medium-term management plan (FY2003–FY2005) drawn up.
April	New shareholder benefit plan introduced.
June	Total value of compensation paid to directors and corporate auditors of Daiwa Securities Group Inc. disclosed.
July	Daiwa Securities SMBC Principal Investments Co. Ltd., invests in the World Bank's Community Development Carbon Fund.
October	Support begins for Student Company Program, a hands-on economics education program provided by Junior Achievement. Begins sales of UBS Global Equity 40 SRI+, an SRI investment trust that invests in global corporations.
November	Membership in SIF-Japan, a socially responsible investment forum.
2004	
January	CSR/brand management website goes online.
March	Disclosure Policy established.
April	Cooperation with Waseda University's Graduate School of Finance, Accounting and Law begins.
May	Begins sales of the Daiwa SRI Fund, an SRI investment trust that invests in Japanese corporations.
June	New management introduced under the leadership of Shigeharu Suzuki. Change to committee system.
July	CSR Promotion Department established at Daiwa Securities Group Inc.
October	SRI fund included in defined-contribution pension fund for Daiwa Securities Group employees.
November	Membership in the United Nations Environmental Programme Finance Initiative (UNEP FI).
2005	
February	Long-term support determined for areas devastated by the Sumatra earthquake and South Asian tsunami. (Daiwa Securities Group Tsunami Reconstruction Fund) Daiwa Securities Co. Ltd. begins Electronic Statement Promotion Project
April	With the Incubation Projects of Waseda University Intellectual Property Center, set up a basic venture capitalist course for students.
May	Employee CSR questionnaire survey. Environmental Management Committee introduced at Daiwa Securities Group Inc.
June	Support provided to Finance Park, a hands-on economics educational program offered by Junior Achievement. Women entrepreneur support project begins.
July	Daiwa Asset Management Co. Ltd. participates in the GRI G3 project working group to consider the usefulness of sustainability reporting from the perspective of finance and investors.
October	Daiwa Securities Co. Ltd. begins the Daiwa e-members service, which makes it possible to be sent electronic transaction reports.
November	A support program begins for NPO staff, funded by donations based on Daiwa SRI Fund sales.
2006	
January	The Daiwa Securities Group Sustainability Report 2005 wins the Sustainability Report First Prize (Minister of the Environment Award), awarded by the Global Environmental Forum.
February	Development of Euro-dollar Bonds with Emissions Credit Value Referenced Coupons (Cool Bonds). Begins sales of Daiwa Eco Fund.
April	New medium-term management plan "Passion for the Best 2008," which includes the Group's basic CSR strategy. Daiwa Securities Group Sustainability Report 2005 wins the Excellence Prize in the sustainability report category awarded by Toyo Keizai Inc.
May	Daiwa Asset Management Co. Ltd. signs the Principles for Responsible Investment (PRI), jointly created by the United Nations Environment Programme Finance Initiative (UNEP FI) and the UN Global Compact.
October	Business School Pavilion opened as a special sponsor of Kidzania Tokyo. Daiwa-JFS Youth Sustainability College opened with environmental NPO Japan for Sustainability (JFS) as a grant program of the Daiwa Eco Fund.
November	Daiwa Securities Group Sustainability Report 2005 ranked 34th (top ranking of any Japanese company) in the Global Reporters 2006, an international comparative survey.
2007	
January	The Daiwa Securities Group makes it into the Global 100 (world's 100 most sustainable companies). Attends World Economic Forum (WEF) in Davos, Switzerland.
February	The Daiwa Securities Group Sustainability Report 2005 wins the Sustainability Report Excellence Prize (the President Award), awarded by the Global Environmental Forum.
April	Daiwa Securities Group Sustainability Report 2006 wins the Excellence Prize in the sustainability report category awarded by Toyo Keizai Inc. CSR seminar held for individual investors titled "New Trends in Investing: The Search for Sustainable Growth Companies."
May	Customer environmental seminar held titled "Daiwa Environmental Forum 2007: What Is Happening to the Earth Now?"
July	"COOL BIZ" policy (open collars and shirtsleeves in the office) implemented group-wide as an initiative to combat global warming.

Daiwa Securities Group Sustainability Report 2007 Reader Questionnaire

Thank you for taking the time to read Daiwa Securities Group Sustainability Report 2007.

We are conducting a survey about this report on the website below. Please let us know your thoughts on this report.

<http://www.daiwa-grp.jp/ir/english/corporate/report/>

GRI Application Level

This report was created with reference to Sustainability Reporting Guideline 2006 by the GRI*. This guideline recommends that reports declare their GRI Application Level**, which is an indicator of the level of compliance with the GRI defined by the guideline.

The Daiwa Securities Group believes that Daiwa Securities Group Sustainability Report 2007 meets the criteria of GRI Application Level B.

* Global Reporting Initiative (GRI): An organization founded in 1997 to draw up and disseminate international guidelines for sustainability reporting. Participants include a variety of stakeholders, such as businesses, non-governmental organizations (NGOs), consultants, accounting groups, and trade associations from different parts of the world.
<http://www.globalreporting.org/Home>

** See the following URL for details about GRI Application Levels.
<http://www.globalreporting.org/GRIReports/ApplicationLevels/>

WEB GRI Content Index

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Daiwa Securities Group Inc. is scheduled to move on December 3, 2007. Our contact information after the move is as follows.

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