



## Social Report

# Corporate Citizenship

As part of its corporate citizenship activities, the Daiwa Securities Group supports social welfare projects and participation in volunteer work by executives and employees, provides support for cultural and artistic activities, and offers grants through foundations and NPOs for the benefit of international society.

### Initiatives and Targets

We believe it is important to tackle the various issues that today's society faces and offer continuous support for solving problems in order to create a sustainable society. To accomplish this, we carry out various activities in the four fields on the right.

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

### Issues and Targets for Fiscal 2007

- Promote volunteer programs to enable more executives and employees to participate (continued).
- 
- Contribute to social welfare through grant programs and the like.

### Performance/Progress Achieved in Fiscal 2007

- Improved feedback from recycling activities, leading to increased participation.
- 
- Created the Daiwa CI Biodiversity Conservation Fund (see p. 20).

### Corporate Citizenship Activities

#### 1. Education and research activities in the fields of economics and finance

Taking advantage of the knowledge and expertise built up in our main businesses of economics and finance, we are actively engaged in business-academia collaboration and we also support economic education programs in junior and senior high schools, in order to teach young people knowledge and wisdom about life through economics. These activities are described in more detail on pages 21 through 24.

#### 2. Encouraging volunteerism among executives and employees

##### • Volunteer Awards

We implement the President's Awards system to recognize various achievements by executives and employees. Daiwa Securities Co. Ltd. created the Volunteer Awards in 2007, to acknowledge both private and professional activities. From the second half of fiscal 2007, we enhanced coordination between the Daiwa Securities Group Inc.'s CSR Promotion Department and Daiwa Securities Co. Ltd.'s Sales Planning Department in the volunteer award evaluation process. In order to broaden the scope of volunteer activities, award eligibility was expanded from individuals to groups and departments. The award ceremonies feature slides or other materials to describe the volunteer activities of the award recipients, which is also useful for educating other executives and employees.



Daiwa Securities Co. Ltd. Volunteer Award ceremony

##### • Hands-on environment experience on Mount Takao

In April 2008, 29 employees participated in a hands-on environment conservation experience on Tokyo's Mount Takao that we organized. This is the sixth year this event has been held, and this year the group repaired damaged walkways and signs and created footholds in a stream, using cross-pieces and stakes made from trees that had been thinned in 2007.



Hands-on environment experience on Mount Takao

#### ● Volunteer and recycling activities by executives and employees

Group executives and employees organized sign language classes, helped clean up after community events and participated in various recycling activities. One recycling activity involves collecting used and unused stamps and prepaid cards, partially used postcards and similar items for donating to NPOs. When we provided more feedback to volunteers about the activities of the groups supported by volunteer activities, reports on yearly donation activities and so on, donations raised in fiscal 2007 totaled 665,585 yen, a 61 percent increase compared to fiscal 2006. Volunteers also started a new recycling activity of collecting used books and CDs.

We have been using a new tabulation method for calculating the cumulative number of volunteer activity participants (a total of 2,771 people, including the general public) since fiscal 2006. Excluding those who participated in collecting calendars and partially used postcards, the number of people voluntarily taking part in activities on weekends or after business hours in fiscal 2006 was amended from a cumulative total of 624 people to 569 people.

#### Web Activities ● Results of Recycling Activities by Executives and Employees (Fiscal 2007)

#### ■ The Daiwa Securities Group's Initiatives as a Corporate Citizen

| Type of activity  |   | Expenditure (unit: ¥1,000)         |         |         |         |
|---|---|------------------------------------|---------|---------|---------|
|   |   | FY2005                             | FY2006  | FY2007  |         |
| 1. Education and research activities in the fields of economics and finance                             | Initiatives for elementary, and junior and senior high school students                          | 164,921                            | 249,518 | 225,524 |         |
|   | Academia-business cooperation and initiatives for universities, graduate schools and the public |                                    |         |         |         |
| 2. Encouraging volunteerism among executives and employees  | Self-planned programs   | 6,208                              | 6,765   | 6,471   |         |
|   | Joint programs  |                                    |         |         |         |
| 3. Support for culture and the arts   | Support for culture and the arts  | 358,000                            | 517,000 | 560,000 |         |
| 4. Assistance to communities both on the local and the international level through foundations and NPOs | Foundations   | Daiwa Securities Foundation        | 75,440  | 136,097 | 141,806 |
|   |   | Daiwa Securities Health Foundation |         |         |         |
|   |   | Daiwa Anglo-Japanese Foundation    |         |         |         |
|   | Assistance programs   | Tsunami Reconstruction Fund        |         |         |         |
|   |   | Daiwa SRI Fund Assistance Program  |         |         |         |
| Disaster relief, sponsorship fees for NPOs/NGOs, etc.   |   |                                    |         |         |         |
| Total   |   | 604,569                            | 909,380 | 933,801 |         |

#### Web Activities ● The Daiwa Securities Group's Initiatives as a Corporate Citizen (Details)

### 3. Support for culture and the arts

The 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 the Dresden Opera from Germany in November 2007. Additionally, we were the special sponsor of the "Renoir + Renoir" exhibit at the Bunkamura Museum of Art in Shibuya, Tokyo, from February to May 2008. This exhibit was also presented at the National Museum of Modern Art, Kyoto from May to July 2008. The ex-

hibit took the novel approach of focusing on two giants of the art world, Pierre Renoir and his paintings, and the films of his son Jean Renoir, and was a great success.



Performance of the Dresden Opera in Japan

We also focus on supporting traditional Japanese culture such as *shogi* and *go*. In addition to sponsoring the top title matches in *shogi* and *go*, the Meijin Title Match (*shogi*) and the Honinbo Tournament (*go*) since 2005, we are also the special sponsor of the Daiwa Securities Cup *shogi* and *go* title matches via the Internet. We support the Saikyo Tournament and the Women's Saikyo Tournament, which were the first official *shogi* matches to take place on the Internet, in 2007. In *go*, the Open, Ladies and Grand Champion Internet title matches, as well as the Amateur Championship, take place on the Internet year-round, and viewers can watch the matches in real time on the Internet. The matches, which begin at 8 p.m. on weekend evenings, attract a strong following not only among Japanese fans but also *shogi* and *go* devotees living abroad. For playoff games in the various tournaments, we organize commentary sessions by professional players who use large boards to describe the game's moves, which take place at the Daiwa Conference Hall on the 18th floor of the Daiwa Securities Headquarters Building in Tokyo. We also hold award ceremonies for winning players and provide opportunities for exchanges between amateurs and players.



Move-by-move commentary of the 1st Daiwa Securities Internet *shogi* Women's Saikyo Tournament

### Fiscal 2008 Targets and Action Plans

Our goal is to communicate information on 50 volunteer activities per year and further encourage volunteerism among executives and employees. We will introduce the winners of Volunteer Awards and describe their activities at award ceremonies and also through other channels such as internal bulletins and the company intranet.

## 4. Assistance to communities both on the local and the international level through foundations and NPOs

### ● Daiwa Securities Health Foundation

Since 1973, the Daiwa Securities Health Foundation has been supporting outstanding research focusing on the improved health, medical care and welfare of middle-aged and older people, disbursing 30 million yen in grants of 1 million yen each every year. Fiscal 2007 marked the 34th year of this program, with a cumulative total of 922 recipients receiving 907 million yen in total. Since September 2006, the foundation has been offering health seminars for the public given by grant recipients. As of the end of March 2008, health seminars had been given at 71 Daiwa Securities branches throughout Japan.

### ● Daiwa Securities Foundation

The Daiwa Securities Foundation was established in 1994 in commemoration of the 50th anniversary of the founding of the Daiwa Securities Group for the benefit of society. The foundation provides yearly research grants in the fields of volunteerism and welfare; in fiscal 2007, the foundation provided 199 grants worth a total of 45.23 million yen to various applicants, and a one million yen grant for one research project. A new "disaster volunteer activities grant" was also created in fiscal 2004 to support the expenses of volunteers involved in disaster recovery work. Under this new grant, the foundation donated the sums of 1 million yen and 500,000 yen, respectively, to the municipalities of Kashiwazaki and Kariwa affected by the Niigata Chuetsu Offshore Earthquake of July 16, 2007. The foundation will continue activities contributing to improving social welfare.

## Support for Disaster Survivors

The Daiwa Securities Group made a donation of 2 million yen to Japan Platform\*1 through the Daiwa Securities Foundation to support local recovery activities by volunteers following the May 2008 cyclone in Myanmar.

Daiwa Securities Group Inc. also provided emergency support through the Japanese Red Cross after the Sichuan Earthquake in May 2008. Furthermore, we extended aid for recovery in Gansu Province, which was as severely affected as Sichuan but which, on the basis of information obtained locally, we learned had received less aid, by donating 1.52 million yuan (approx. 24 million yen) to the China Children and Teenagers' Fund\*2 to build two permanent elementary school facilities.

In Japan, we donated 6 million yen to the Central Community Chest of Japan to help the areas affected by the Iwate-Miyagi Nairiku Earthquake of June 2008.

We hope that the affected areas will recover as soon as possible.

\*1 Japan Platform: An international emergency humanitarian aid organization offering prompt and effective aid in times of natural disasters.

\*2 China Children and Teenagers' Fund: Chinese government organization that coordinates donations for school construction and requests for school buildings from disaster-affected areas.

## The Daiwa Securities Group Tsunami

The Daiwa Securities Group Tsunami Reconstruction Fund was established to assist survivors of the Sumatra Earthquake and Indian Ocean Tsunami of December 26, 2004. This fund provides long-term support for recovery over a 10-year period which began in fiscal 2005, disbursing 10 million yen annually for a total of 100 million yen over the period to help survivors become self-sufficient and establish occupational training facilities for orphans and persons with disabilities.

### Aid-recipient Organizations

| Country   | Activity  | Organization   | Number of beneficiaries | Aid amount             |
|-----------|---|--|-------------------------|------------------------|
| Sri Lanka | Women's Independence and Development Program  | Women's Savings Effort "Wilpotha"                            | 200 women               | ¥3.5 million           |
| Indonesia | Education support and mental health care for child survivors                                      | Indonesia Planned Parenthood Association (IPPA), Aceh branch | 135 children            | ¥2.4 million           |
| India     | Occupational training and self-sufficiency support for young people with disabilities and orphans | TRUE   | 75 young people         | ¥3 million (projected) |

## Daiwa SRI Fund Assistance Program

The Daiwa SRI Assistance Program provides grants for Japanese NGOs that help people whose lives are in danger for various reasons.

Working together with NPO Civil Society Initiative Fund, this program supports personnel and education costs to train staff and nurture organizations working on the front lines in outreach activities.

### Aid-recipient Organizations

| Project name (new grant)  | Organization  | Grant amount  |
|---|---|---------------|
| Providing stable staff training to help create a support framework for a youth support center and strengthen the organization | NPO Tohoku Youth Support Center                               | ¥2 million    |
| Training staff for outreach activities directed to seniors on social assistance living alone                                  | NPO COCOROOM  | ¥2 million    |
| Training staff for home visit program to prevent youth suicides and social isolation  | NPO Student Support Faith                                     | ¥1.87 million |
| Project name (continuing grant)   | Organization  | Grant amount  |
| Training generalists who plan and implement programs to develop supporters for victims of sexual violence                     | NPO Center for Education and Support for Women, Japan         | ¥1.66 million |
| Training coordinators to develop, expand and propagate a health care support system for non-Japanese living in Japan          | NPO Center for Multicultural Information and Assistance Kyoto | ¥1.93 million |

## Reconstruction Fund

### Stakeholder Comment

#### Supporting Self-help for Becoming Independent

Three and a half years have gone by since the tsunami disaster that took so many precious lives. Many support organizations that poured in to rebuild infrastructure, provide materials and build homes in the affected areas have left, and now the major issue is how to help residents become independent once more.

In projects in Sri Lanka, Indonesia and India, affected residents are actively participating in self-sufficiency. In Indonesia, mental health care and support for the education of 135 children are provided with the help of 20 local volunteer teachers. These volunteers, who have become the mainstay of the program, provide one-on-one psychological support, with regular

input by psychiatrists, and help the children with their schooling. In Sri Lanka, a microfinance organization for women operating small businesses was set up. The women actively share their experience with the management of a revolving fund, and in the second year, members made larger contributions to shore up the fund's finances. This women's organization can now negotiate with the government and outside organizations and ask for support, and is expanding its activities. The way that people have changed from passively receiving aid to actively carving out their own futures coincides with the idea of supporting self-help for becoming independent that is ACT's philosophy.



**Mari Suzuki**  
Secretary General  
Asian Community Center 21  
The Asian Community Trust  
(ACT) Secretariat

### Stakeholder Comment

#### Daiwa SRI Fund Assistance Program in Its Third Year

Many NPO groups have weak organizations; staff training is an urgent issue for them but they cannot easily afford to spend money on training. In particular, it is important to improve the quality of staff in organizations involved in ordinary outreach activities having to do with the fundamentals of life or ensuring that people are treated with respect. We received a donation from the Daiwa Securities Group to address these issues and started the Daiwa SRI Fund Assistance Program three years ago. It is very gratifying to see numerous aid-recipient groups becoming stronger and better organized thanks to this support.

For example, one aid-recipient organization supporting refugees in Japan was able to become

a registered special non-profit organization, donations to which are tax-deductible, by strengthening its fund-raising and accounting staff. This attracted more donations and permitted the group to operate more stably. Another group involved in preventing bullying and child suicides organized its secretariat to operate more effectively and won a reputation for reliability and quick response by setting up a consultation service especially for schools, which in turn boosted the number of its supporters.

A grant program for staff training that focuses on personnel expenses is a new approach welcomed by many NPOs. People are at the heart of NPO activities and training takes time, but I am eager to see the long-term results of this program.



**Kuniko Kamiyama**  
Program Officer  
NPO Civil Society Initiative Fund