



Environmental Impact of the Daiwa Securities Group

Recognizing that the impact of the operations of the Daiwa Securities Group on the global environment is not inconsequential, we continue striving to reduce our environmental impact and raise employee awareness.

Initiatives and Targets

We believe that all executives and employees should be aware of global environmental issues and conduct themselves as set out below.

- Everyone should think of environmental problems as their

Issues and Targets for Fiscal 2007

- Consider the development of financial products that enable investors to help resolve environmental issues.
- Expand environmental management systems to major overseas offices.
- Reduce environmental impact by such means as appropriately adjusting air conditioning and using electronic statements.
- Achieve zero waste in relocation from former headquarters building.

Progress/Performance Achieved in Fiscal 2007

- Sold the World CO2L (Cool) Bond and the Russell Global Environmental Technology Fund.
- Monitored undertakings at our main overseas branches and expanded scope of data tabulation regarding use of electricity and paper.
- Implemented the "Cool Biz" policy (open collars and shirt-sleeves in the office) throughout the Group and adjusted office temperatures appropriately.
- Promoted paperless meetings, reduced paper use by monitoring copying paper usage per day, reduced the use of paper for statements by converting to electronic format.
- Disposal of waste from the former head office building was incomplete as of June 30; we plan to report on status of disposal in the next *Sustainability Report*.

Environmental Impact of the Daiwa Securities Group

Energy consumption at the Daiwa Securities Group's domestic offices (on a CO₂ emissions basis) rose 3.4 percent in fiscal 2007 compared to fiscal 2006. The main factors responsible for the increase are analyzed below.

Analysis of Higher Energy Consumption Breakdown

Factor	%
1. Duplicated use of buildings due to relocation of the head office building	+ 1.9%
2. Higher volume of entrusted data processing work, etc.	+ 3.0%
3. Effects of energy-saving measures	- 1.5%
Total	+ 3.4%

1. Duplicated use of buildings due to relocation of the head office building

Between December 2007 and March 2008, the Daiwa Securities Group moved its main offices, including Daiwa Securities Group Inc., to Gran Tokyo North Tower (9-1, Marunouchi 1-chome, Chiyoda, Tokyo). Use of both our former and our new offices during the relocation period was re-

sponsible for higher electricity consumption and more environmental impact.

- Everyone should strive to promote and raise awareness of socially responsible investment (SRI) and through the securities market, support companies that are environmentally aware.

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

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Offices Relocated to the New Head Office Building (Gran Tokyo North Tower)

Building name	Main companies relocating
Daiwa Securities former head office building	Daiwa Securities Group Inc., Daiwa Securities Co. Ltd.
Kabutocho Bldg.	Daiwa Securities Co. Ltd., other Group companies
Daiwa Securities SMBC Headquarters Bldg.	Daiwa Securities SMBC Co. Ltd., other Group companies
Eitai Daiya Bldg.	Daiwa Securities SMBC Co. Ltd.

In addition to the above, relocation of the Daiwa SB Investments Ltd. head office also occasioned duplicated use of buildings.

We estimate that the higher environmental impact generated by duplicated use due to office relocation was 1,868 MWh for electricity consumption, equivalent to 1,603 tons of CO₂ emissions.

2. Higher volume of entrusted data processing work, etc.

Due to the higher volume of data processing work entrusted to the Daiwa Institute of Research Ltd., use of servers and other IT equipment increased, which led to more electricity consumption for the equipment itself and the cooling it requires.

3. Effects of energy-saving measures

Thanks to appropriate control of office temperatures at Daiwa Securities Group domestic offices other than those listed above, energy consumption at those offices fell by 1.5 percent compared to fiscal 2006.

■ Energy Consumption by the Daiwa Securities Group (Table 1)

	FY2004	FY2005	FY 2006	FY2007
Domestic offices				
Electricity (kWh)	89,546,672	86,320,394	88,732,751	92,659,304
City gas (m ³)	904,255	727,485	691,395	643,908
Gasoline (liters)	1,151,487	1,036,609	1,035,700	942,319
Heavy oil (liters)	61,739	30,146	34,087	23,677
Diesel fuel (liters)	11,048	1,267	73	0
Overseas offices				
Electricity (kWh)	—	—	—	7,717,773

- At overseas offices, only figures for electricity consumption were tabulated.
- For scope of data, see the "Scope of Environmental Impact Data" table on our [Web Activities](#).

■ Daiwa Securities Group's CO₂ Emissions (Table 2) (Unit: kg-CO₂)

	FY2004	FY2005	FY2006	FY2007
Domestic offices	54,465,324	51,920,594	53,190,910	55,023,361
Overseas offices	—	—	—	4,283,364
Total for domestic and overseas	—	—	—	59,306,725

- Shows data for consumption of electricity, gas, gasoline, heavy oil and diesel fuel at our domestic offices and electricity consumption at our overseas offices converted to CO₂ emissions (kg).
- For all fiscal years and regions, the emissions coefficient used for converting to CO₂ emissions is based on the ministerial ordinance related to the calculation of greenhouse gas emissions arising from the business activities of specified emitters (Ministry of Economy, Trade and Industry and Ministry of the Environment, Ordinance No. 3, March 2006).
- For scope of data, see the "Scope of Environmental Impact Data" table on our [Web Activities](#).

[Web Activities](#) ● Daiwa Securities Group's CO₂ Emissions (Details of Table 2)

■ CO₂ Emissions per Employee (Domestic) (Table 3) (Unit: kg-CO₂)

	FY2003	FY2004	FY2005	FY2006	FY2007
Per employee	5,556	5,393	5,055	4,832	4,502

- For scope of data, see the "Scope of Environmental Impact Data" table on our [Web Activities](#).

Initiatives to Reduce Environmental Impact

■ Adoption of "Cool Biz"

In July 2007, the Daiwa Securities Group adopted the "Cool Biz" policy group-wide and began setting office temperatures at appropriate levels. All employees wore badges promoting the "Cool Biz" style. Additionally, posters were displayed in all our departments and branches, and we used in-house broadcasting to promote "Cool Biz." Through these efforts, we have ensured that all Group employees are acquainted with and understand our commitment to contributing to solving global environment problems.

■ Shortening Business Hours by Encouraging Personnel to Leave before 7 P.M.

Encouraging personnel to leave the office before 7 p.m. in the interest of work-life balance means that lights and heating/cooling are used for shorter periods, thus contributing to reducing environmental impact.

■ Promoting Reductions in Paper Use

In addition to converting statements, etc. into electronic format (see pp. 19–20), we are promoting measures to reduce the amount of copying paper we use.

In January 2008, all Daiwa Securities Group Inc. departments appointed staff members in charge of reducing paper use. The duties of these individuals include gathering information about why it is necessary to use paper to produce documents for business operations and the amount of paper used, and promoting awareness of reducing paper use within their respective departments. These individuals are also responsible for tabulating the amount of paper used at regular meetings held by their departments and encouraging the use of projectors to reduce paper use during meetings.

■ Reduction of Environmental Impact Related to Relocation to New Head Office Building

The Daiwa Securities Group's new head office building in the Gran Tokyo North Tower uses energy-saving technologies such as an automatic lighting control system and high-efficiency air flow windows.* Among other environment conservation measures unique to the Daiwa Securities Group are the use of recyclable carpeting over 15,000 square meters of space on 14 floors, a paper recycling system that can dissolve discarded documents, and halon gas-free fire-fighting equipment.

During the move to our new quarters, we used re-usable packing boxes and tried to re-use and recycle unneeded items as much as possible, aiming to achieve a "zero waste" move. As of June 2008, disposal of fixtures and equipment from our former head office building has not been completed. We plan to report on status of disposal in the next *Sustainability Report*.

* Air flow windows: double-glazed windows equipped with an air intake slit in the interior panes that allows indoor air to circulate between the glass panes, thus reducing the external temperature load from windows.

- [Web Activities](#)
- New Head Office Building Environmental Impact Data
 - Volume of Copying Paper/Forms Purchased by the Daiwa Securities Group
 - Changes in Waste Generated and Recycling Volume (Table 4)
 - Changes in Electricity Consumption at the Daiwa Securities Group (Graph 1)
 - Changes in Water Consumption at the Daiwa Securities Group (Graph 2)
 - Scope of Environmental Impact Data

Fiscal 2008 Targets and Action Plans

We will heighten awareness of global environment issues among executives and employees and continue our efforts to reduce the Group's environmental impact.