

OUR INITIATIVE

Building a Rewarding Workplace for Executives and Employees

Human resources are at the core of the Daiwa Securities Group's efforts to implement its CSR key issues.

To keep executives and employees highly motivated to contribute to the Group and society, it is imperative to have a rewarding workplace. There is a direct link between the high level of satisfaction of executives and employees and that of customers and shareholders.

To get staff to carry out their duties with a high level of motivation and to take on challenges in the workplace, we believe that it is important to generate greater vitality for work and enhance work efficiency by striking a balance between work and private life.

Regardless of gender or age, we will take active steps to promote a work-life balance with the aim of becoming the "the number one company in terms of working conditions."

“ At first, everyone considered work-life balance as an issue related to women in the workplace. As I worked to promote this idea, there was a gradual change in people's attitudes towards long working hours, which had long been considered a virtue. With the understanding of customers, we established the policy of leaving work before 7:00 p.m., which gradually made everyone aware that they have control over their own time. In addition, an increasing number of men are taking childcare leave. With the aim of becoming the number one company in terms of working conditions for all executives and employees, we will continue to take steps to establish effective systems. ”

Risa Murase

*Manager
Work-life Balance Promotion Department
Daiwa Securities Group Inc.*

Joining Daiwa Securities Co. Ltd. in 2001, Ms. Murase worked in sales and the Sales Planning Section at the Shibuya Branch. She currently works as a manager in the Work-life Balance Promotion Department, which was established in April 2008, at Daiwa Securities Group Inc.



Ms. Murase at one year old

Aiming to Realize a Work-life Balance

For any company that aims for sustainable growth, the attainment of a work-life balance as well as the retention of exceptional people is indispensable. To that end, the Daiwa Securities Group has strengthened its initiatives to achieve a work-life balance for executives and employees under executive management leadership.

In April 2008, the Group established the Work-life Balance Promotion Department within Daiwa Securities Group Inc. and holds the Work-life Balance Promotion Committee meeting on a regular basis under the leadership of President and CEO Shigeharu Suzuki, who functions as the chief work-life balance officer (CWO). From that same month onward, the Group began participating in a work-life balance project promoted by the Ministry of Health, Labour and Welfare as a model company.

Paid Leave Usage Rate

(Daiwa Securities Group Inc., Daiwa Securities Co. Ltd., Daiwa Securities SMBC Co. Ltd.)

| FY | 2006 | 2007 | 2008 |
|-----------------------|-------|-------|-------|
| Paid leave usage rate | 35.6% | 37.4% | 57.0% |

Policies for Promoting Work-life Balance

We have initiated a variety of measures to achieve a work-life balance for executives and employees.

A significant transformation of work practices in all offices and branches of Daiwa Securities Co. Ltd. resulted from asking employees to leave the office before 7:00 p.m., a directive which began in earnest in July 2007. Not only do many executives and employees now have more time to spend with their families and to pursue their own interests, but also the work efficiency of the entire organization has increased. As a result, this policy directive has been expanded to the other Group companies. Moreover, since 2008, policies to encourage executives and employees to take paid leave have been expanded with the aim of creating a work environment where it is easy to take time off.

Beyond these measures, the childcare leave system has been revised to make it easier for male executives and employees to take time off to care for their children. This approach garnered Daiwa Securities Group Inc. the Ministry of Health, Labour and Welfare's family-friendly employer certification in June 2008 as a company that actively supports the development of the next generation. This certification has been obtained by Daiwa Securities Co. Ltd., Daiwa Securities SMBC Co. Ltd., Daiwa Institute of Research Holdings Ltd., Daiwa Institute of Research Ltd., Daiwa Institute of Research Business Innovation Ltd. and Daiwa Securities Business Center Co., Ltd. Beyond this, in December 2007, the Group began providing a two million yen cash benefit for an employees' third child or subsequent children to offset the financial burden of child-rearing.

Employee Welfare System Usage (Nine Principal Group Companies) (persons)

| FY | | 2006 | 2007 | 2008 |
|---|--------|------|------|------|
| Number of employees taking childcare leave* | Female | 150 | 209 | 245 |
| | Male | 2 | 4 | 14 |

*Employees eligible for childcare leave include non-regular employees (contract workers, part-timers, etc.).

A Supportive Work Environment for Both Men and Women

Since establishing the Women's Support Action Team in 2005, the Daiwa Securities Group has been expanding measures to support activities undertaken by female employees. As of April 2009, of Daiwa Securities Co. Ltd.'s 117 branches, eight are headed by women. In addition, four new female executive officers were appointed in the same month, invigorating the entire organization.

Daiwa Securities Group Inc. ranked 7th overall (and 1st in the finance industry) among the Best 100 Companies for Women to Work At in the May 2008 issue of *Nikkei Woman Magazine* and ranked No. 1 in the Providing Opportunities for Women in the Workplace category. In the survey of Companies with Best Working Conditions, featured in the September 2008 issue of the *Nihon Keizai Shimbun* and *Nihon Keizai Sangyo Shimbun*, the Company placed 14th overall and 1st in the securities industry. Furthermore, in the 2009 Career Search Survey ranking of financial institutions conducted by the weekly magazine, *Diamond*, Daiwa Securities Inc. placed 4th among men and 6th among women, while coming in 5th in a similar survey undertaken by *Nihon Keizai Shimbun*, and placing 1st in the securities industry.

Through the Daiwa Securities Group's work-life balance policy, continual efforts are being made to maintain a comfortable workplace environment for men and women.

Daiwa Securities Group's Female Employee Ratio in Japan

| | March 31, 2007 | March 31, 2008 | March 31, 2009 |
|--|----------------|----------------|----------------|
| Ratio of female employees to all employees | 33.3% | 36.0% | 36.8% |

Communication with Families of Executives and Employees

It is not only executives and employees themselves, but also their families that have a significant interest in the workplace of their spouses, parents and/or children.

Considering the families of executives and employees as important stakeholders, the Daiwa Securities Group has held large-scale events in which they can participate and has invited families of award recipients to the President's Awards Ceremony. On top of this, families of employees and executives were invited to visit workplaces at all Group departments and branches for the first time in August 2008. This turned into a major event with approximately 4,400 people participating throughout the Group.



Families visit Daiwa Securities offices

*Additional statistics and details will be released on the Daiwa Securities Group's CSR website in September 2009.