

The Daiwa Securities Group is committed to establishing a sound work-life balance by creating a workplace where executives and employees feel that their work is fulfilling and that sustains their high motivation.

■ Employees at the Daiwa Securities Group (Consolidated) (persons)

		As of March 31, 2007			As of March 31, 2008			As of March 31, 2009		
		Employees	Financial advisor	Temporary employees*1	Employees	Financial advisor	Temporary employees*1	Employees	Financial advisor	Temporary employees*1
Japan	Male	7,341	324	–	7,821	256		8,281	181	–
	(Career track*2)	6,613	(–)		7,083			7,662	(–)	
	(Managers)	3,641	(–)		3,740			3,919	(–)	
	Female	3,666	593	–	4,401	465		4,812	378	–
	(Career track*2)	1,515	(–)		1,970			2,184	(–)	
	(Managers)	110	(–)		119			139	(–)	
	Japan Total	11,007	917	1,914	12,222	721	1,882	13,093	559	1,553
Overseas	1,340	–	37	1,513		34	1,572	–	35	
Total	12,347	917	1,951	13,735	721	1,916	14,665	559	1,588	

*1 Temporary employees are part-time hires; the figure shown here is the average number of such employees over the year. This class of employees is made up mostly of women but includes some men.

*2 Includes regional career-track employees and specialist positions.

Hiring Initiatives

The Daiwa Securities Group believes that long-term employment is essential for fostering confidence, pride in the company and a sense of solidarity. Toward this end, we are focusing on establishing a system, predicated on long-term employment, for expanding the number of employees who can share these ideas.

In April 2009, we hired 833 new graduates. We believe it is vital for prospective employees to understand our ideas, and therefore we are providing opportunities for communication in our hiring process by holding seminars and small meetings throughout Japan for student job-seekers.

■ Number ^{*1} of New Graduates Hired by the Daiwa Securities Group (persons)

		April 2007	April 2008	April 2009
Career-track employees/ Regional career-track Employees ^{*2}	Male	570	551	388
	Female	610	471	328
General Employees	Male	0	1	7
	Female	243	241	110
Total		1,423	1,264	833

*1 Total of 10 companies: Daiwa Securities Group Inc., Daiwa Securities Co. Ltd., Daiwa Securities SMBC Co. Ltd., Daiwa Asset Management Co. Ltd., the three companies comprising the Daiwa Institute of Research Ltd., Daiwa SB Investments Ltd., Daiwa Securities Business Center Co., Ltd. and Daiwa SMBC Capital Co., Ltd.

*2 Regional career-track employees: A class of career-track employees who stay in one region and are not subject to transfers that require a change of residence. Full-scale hiring of new graduates in this class began in April 2002.

■ Professional Return Plan

We implemented our Professional Return Plan (re-hiring of sales staff) in fiscal 2005. Under this system, sales staff who have retired from the Daiwa Securities Group due to marriage, having children, providing nursing care or other reasons and who wish to return to work, can be re-hired as full-time employees.

■ Rehiring of Veteran Employees

We actively employ veteran employees under the Daiwa Master System, which offers extended employment to age 65 to employees reaching the mandatory retirement age of 60 who meet certain criteria and wish to continue working. We are taking steps to employ highly motivated and experienced older people.

■ Reemployment under the Daiwa Master System (Daiwa Securities Group Inc., Daiwa Securities Co. Ltd. and Daiwa Securities SMBC Co. Ltd.) (persons)

	FY2006	FY2007	FY2008
No. of employees hired under the Daiwa Master System	6	14	36

■ Employing Persons with Disabilities

As of March 31, 2009, persons with disabilities accounted for 1.87 percent of our workforce, averaged across eleven Group companies. In fiscal 2007, we implemented a system enabling contract employees to acquire full-time employee status. In fiscal 2008, we began hiring new graduates with disabilities as full-time sales staff; 15 persons were hired by Daiwa Securities Group Inc., Daiwa Securities Co. Ltd. and Daiwa Securities SMBC Co. Ltd. in April 2009.

■ Employment Rate for Persons with Disabilities (Average across the Eleven Principal Group Companies, as of Each Fiscal Year-end)

	FY2006	FY2007	FY2008
Employment Rate for Persons with Disabilities	1.95	1.87	1.87

Human Resources Development and Skill Upgrading

With the goal of making Daiwa the number one professional team in the industry, we focus on human resources development. In particular, we see the first three years of employment as the optimum period for acquiring knowledge and skills, and we offer a broad range of training programs to employees at this stage of their careers. We created a new Education and Training Department in 2007 in Daiwa Securities Co. Ltd. We have expanded our training system for young employees and introduced coaching training and other initiatives aimed at improving the abilities of intermediate-level staff to direct younger employees in the field. For employees in their fourth year of employment, we conduct group training in order to reinforce awareness that they are working for the Daiwa Securities Group and fostering solidarity among colleagues. We also conduct selected management training that includes the Daiwa Management Academy and the Daiwa Leadership Program, which are aimed at managers.

Furthermore, we have adopted a system requiring a certain number of points, based on qualifications obtained, to increase the aspirations of employees.

Selected Management Training, Skill Upgrading Trainees

Selected Management Training (persons)

Daiwa Management Academy					
	FY2004	FY2005	FY2006	FY2007	FY2008
Trainees (total)	130	150	169	190	210

(persons)

Daiwa Leadership Program					
	FY2004	FY2005	FY2006	FY2007	FY2008
Trainees (total)	356	415	443	473	507

Skill Upgrading (persons)

Consulting Skill Training					
	FY2004	FY2005	FY2006	FY2007	FY2008
Trainees (total)	190	275	301	379	449

Internal (Intra-Group) Job Postings and New Career Path Examinations

The Daiwa Securities Group's internal (intra-Group) job posting system has been in place since fiscal 2000. This facilitates personnel transfers across Group companies and gives employees the opportunity to explore different career options and apply their capabilities to the fullest. In fall 2008, six out of 54 applicants were successful. There have been a total of 745 applicants since 2000, and a total of 135 successful transfers. The Group also offers new career path examinations for those in non-career-track jobs to move into career-track and regional career-track jobs.

■ Successful Applicants in the Internal Recruiting System (persons)

Held	Positions offered in	No. of applicants	No. of successful applicants
FY2005 spring (8th recruitment)	Compliance, product development, investment advisors, M&A, principal finance specialists, analysts	87	24
FY2005 fall (9th recruitment)	Corporate sales, product development, overseas postings	40	9
FY2006 spring (10th recruitment)	SMA consultants, individual and corporate sales, product development, analysts, dealers	38	10
FY2006 fall (11th recruitment)	Corporate sales, traders, principal finance specialists	47	6
FY2007 spring (12th recruitment)	Corporate sales, underwriting	29	3
FY2007 fall (13th recruitment)	SMA consultants, institutional investor sales, underwriting, fund management, overseas postings	43	8
FY2008 fall (14th recruitment)	Analysts, traders, institutional investor sales, overseas, venture capitalists	54	6

■ Basic Employee Statistics (Daiwa Securities Group Inc.)

	FY2006	FY2007	FY2008
Average annual salary*	¥11.87 million	¥10.32 million	¥7.06 million
Average age	37.9	37.7	37.1
Average number of years of service	11.4	11.2	10.7

*Average annual salary includes bonuses and other forms of additional remuneration.

■ Persons Earning Credentials (Eleven Principal Group Companies) (persons)

Figures as of Qualification	March 31, 2007	March 31, 2008	March 31, 2009
	No. of persons obtaining	No. of persons obtaining	No. of persons obtaining
Financial Planner (AFP)	2,445	2,725	2,997
Financial Planner (CFP)	234	263	279
Chartered Member, Security Analyst Association of Japan	1,444	1,347	1,372
Chartered Financial Analyst (USA credential)	46	42	47
Licensed Tax Accountant	17	17	20
Variable Insurance Sales Credentials	5,579	6,111	6,384
Systems Analyst	28	46	54
Overseas MBA program graduate, etc.	153	168	176

| Evaluation System

To make its evaluation system fair and acceptable to employees, the Daiwa Securities Group implements a two-way evaluation system in which subordinates evaluate their superiors and a multi-directional evaluation system in which evaluations are received from collaborating departments. Multi-faceted evaluations are carried out that also take compliance-related performance into account.

| Creating a Workplace Supportive of Work-life Balance

■ Encouraging Work-life Balance

The Daiwa Securities Group believes that companies in the future will need to enable everyone working for them to have satisfying private and professional lives. In April 2008, we established a Work-life Balance Promotion Committee, with Daiwa Securities Group Inc. President and CEO Shigeharu Suzuki as chief work-life balance officer (CWO) and executives from the Daiwa Group companies in charge of human resources as members. In addition, a Work-life Balance Promotion Department was created at Daiwa Securities Group Inc., and was reorganized into the Work-life Balance Promotion Division in July 2009 to reflect an increase in the number of staff members. This is a Group-wide undertaking aimed at balancing work and private life in order to improve motivation among all executives and employees.

One specific initiative is Daiwa Securities Group Inc.'s participation in a model work-life balance project promoted by the Ministry of Health, Labour and Welfare. We contribute to society through this project by implementing enhanced measures for work-life balance and by also communicating information outside the company about the measures we are taking.

A significant transformation of work practices resulted from asking employees to leave the office before 7:00 p.m., a directive that began in earnest in July 2007. Moreover, since fiscal 2008, policies to encourage executives and employees to take yearly paid leave have been promoted with the aim of creating a work environment where it is easy to take time off. As a result, not only have paid vacation usage rates increased but the number of male employees and executives taking childcare leave has risen owing to amendments made to the Group's childcare leave system that make it easier for male executives and employees to take childcare leave. Daiwa Securities Group has been holding internal seminars since November 2008 in order to promote employee understanding of the philosophy behind work-life balance and the purpose of related Group initiatives. To date, such seminars have been held 20 times with 1,600 employees attending.

The Group has been expanding its assistance for nursing care providers through such measures as establishing the Daiwa Child Care and Nursing Support Desk in April 2009, which provides employees with practical advice regarding child-rearing and providing nursing care. At the same time, the Group has updated its child-care support website (former Daiwa Family Net website), adding nursing care-related content. This website, which promotes work-life balance, is now known as the Daiwa WLB Station. To help establish practical systems, we will be monitoring and analyzing the extent to which various leave programs are being used and how this relates to productivity.

■ Working Hours and Paid Vacation Usage Rate (Daiwa Securities Group Inc., Daiwa Securities Co. Ltd., Daiwa Securities SMBC Co. Ltd.)

	FY2006	FY2007	FY2008
Annual regular working hours (hours)	1845.0	1837.5	1837.5
Average monthly overtime hours (hours) ^{*1}	26.2	25.2	21.3
Paid vacation usage rate	35.6%	37.4%	57.0%
Paid vacation usage rate (including special summer vacation) ^{*2}	44.5%	46.5%	63.6%

*1 Figures indicate employees at the three companies who are members of the Daiwa Securities Group Employees' Union.

*2 In addition to annual paid vacation, the Daiwa Securities Group offers three days of special summer vacation. These figures show the usage rate for annual paid vacation when special summer vacation is included.

■ Helping Women Use Their Abilities in the Workplace

The Daiwa Securities Group actively supports its female employees, introducing a wide range of opportunities and programs to enable women to make the most of their capabilities in the workplace. In February 2005, Daiwa Securities Group Inc. started up a Women's Support Action Team, which has introduced programs in Group companies to help women balance work and family life, such as leave of absence for childbirth or child care, exemption from overtime work and so on.

Daiwa Securities Group Inc. expanded measures to promote these programs through the following measures: it made changes to its system in which superiors encourage female employees to use these programs in fiscal 2007; distributed a synopsis of these programs to all managers in fiscal 2008; and, in April 2009, established the Daiwa Child Care and Nursing Support Desk to provide consultation services and updated the Daiwa WLB Station, which promotes work-life balance. Consequently, these measures have helped executives and employees understand the programs better and created a workplace atmosphere more supportive of those using the programs. In addition, the Women's Career Design Seminar and Career Design Training programs are offered at Group companies to enable female employees to take the initiative to map out their careers. At the same time, managers, mainly members of the Women's Support Action Team and Work-life Balance Promotion Division, seek out female employees to discuss various issues. 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 throughout the Group.

■ Main Initiatives of the Female Employee Support Plan (as of March 2009)

Program name	Program description
Professional Return Plan (re-hiring of sales staff)	Offers opportunities for re-employment to former full-time employees who left their jobs due to marriage or childbirth
Job Location Change System	Offers a position in a new location when an employee must relocate due to marriage or spouse's job transfer
Childcare leave, shortened work hours	Employees can take childcare leave or opt for shortened work hours until their child's 3rd birthday
Exemption from or restricted overtime work	Employees can apply for an exemption from overtime work until their child completes the 3rd grade of elementary school. Employees can also apply for restricted overtime work until their child completes the 6th grade of elementary school.
Day care subsidy	The company offers a subsidy for day care expenses until the employee's child begins elementary school (age 6).
Expanded leave system	The company encourages employees to take paid vacation and has introduced leave for marriage preparations or "family day" leave to give employees a chance to spend time with their families.
Follow-up on program use	The Personnel Department keeps track of individual employees' childcare-related schedules and notifies them of programs available at the appropriate time.
Support after returning to work	Daiwa WLB Station, a work-life balance promotion website that focuses on various support systems related to child-rearing and nursing care, provides information for employees on childcare leave as well as support to facilitate their smooth return to the workplace.

■ Daiwa Securities Group's Female Employee and Manager Ratios in Japan

	March 31, 2007	March 31, 2008	March 31, 2009
Ratio of female employees to all employees	33.3%	36.0%	36.8%
Ratio of female managers to all manager	2.9%	3.1%	3.4%

■ Mental Health

Both mental and physical health is fundamental to ensuring that executives and employees are able to fully utilize their abilities in the course of their duties. For this reason, the Health Support Promotion Department was established as a mental health support system. The Health Support Promotion Department is staffed with two certified clinical psychologists and one industrial counselor who are available to provide consultations to support Group executives and employees. Moreover, we maintain arrangements with outside specialists so that Group personnel and their families can receive prompt attention anywhere in Japan.

We will undertake measures to build the mental health of Group executives and employees primarily through training that focuses on self care and care provided by superiors and colleagues in the workplace. These measures will be conducted from the standpoint of primary prevention (proactive prevention), secondary prevention (early detection and treatment) and tertiary prevention (relapse prevention, facilitate a return to work).

■ Human Rights Awareness

The Daiwa Securities Group has been a member of the Industrial Federation for Human Rights, Tokyo since 1998. Daiwa Securities Group Inc. established a Human Rights Awareness Promotion Committee which is headed by the Daiwa Securities Group Inc. director in charge of personnel management. All heads of Group departments and branches are members of the committee, which meets regularly and conducts activities to enhance awareness of human rights, such as training for executives and employees and canvassing for slogans. The Daiwa Securities Group will continue its human rights awareness initiatives to ensure fair, discrimination-free hiring and create a gender-equal society.

■ Workplace Environment

In December 2007, Daiwa Securities Group Inc. and the head offices of Daiwa Securities and Daiwa Securities SMBC relocated to GranTokyo North Tower. Prior to this, all Daiwa Securities sales branches were renovated to provide more spacious surroundings for customers and make the workplace more pleasant for employees.

■ Employee Welfare System Usage (Consolidated) (persons)

		FY2006	FY2007	FY2008
Number of employees taking childcare leave*	Female	150	209	245
	Male	2	4	14
Number of employees taking nursing care leave	Female	3	6	2
	Male	0	3	1

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

■ Communication

The Daiwa Securities Group believes that communication with executives and employees is vital. Communication takes place through interviews with the Personnel Department and a semi-annual self-assessment questionnaire giving personnel an opportunity to voice comments or wishes. We take proactive efforts to reflect the voices of executives and employees in such areas as spring labor negotiations with the Employees' Union and findings from union member questionnaires conducted by the union in a variety of policies and initiatives. Other communication activities include our "Salon de Woman," a forum for communicating with young female sales staff and female sales staff with children, and Personnel Department staff participation in events organized by the Employees' Union. These activities give us opportunities to hear directly from executives and employees and reflect what we learn through such contacts in various policies and programs.

■ Number of Employees' Union Members

(Nine Principal Group Companies,* as of the End of Each Fiscal Year) (persons)

	FY2006	FY2007	FY2008
Employees' union membership	6,078	6,969	7,666

* Does not include Daiwa Asset Management Co. Ltd., which has its own employees' union, and Daiwa Property Co. Ltd., which has no employee union.

■ Initiatives for Families

The Daiwa Securities Group undertakes various activities to help executives' and employees' families become more familiar with the company. We invite the families of prizewinners to the Daiwa Securities President's Awards ceremonies held twice a year, and all families receive flowers for Christmas. We are also striving to enhance a variety of programs through such measures as the introduction of a "family days off" holiday to make it easier to take paid vacation time and mental health support programs that target executives, employees and their families. In December 2007, we introduced a system providing a two million yen benefit for employees' third or subsequent children to offset the financial burden of child-rearing. Since fiscal 2008, we have been designating days when employees can invite family members to their workplaces.

External Evaluations

Daiwa Securities Group Inc. received 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.

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 for university students graduating in 2010, conducted by the weekly magazine, *Diamond*—which focused on the banking and securities industries—Daiwa Securities Group Inc. placed 4th among men and 3rd among women, while coming in 5th in a similar survey undertaken by *Nihon Keizai Shimbun*.



Certified Family-friendly
Employer