



Leveraging financial capabilities to help Japan recover and Asia develop

We would like to extend our deepest sympathies to those affected by the Great East Japan Earthquake. We are supporting the solid recovery of the affected region through financial and capital markets as well as corporate citizenship initiatives.

The most important facet of corporate social responsibility for the Daiwa Securities Group is to use our financial capabilities to contribute to sustainable development. The earthquake, which was a national crisis, not only caused the loss of many precious lives, but also seriously hurt communities in the Tohoku region, damaged the Japanese economy, and significantly affected the global economy.

As a group of Japan's leading comprehensive financial service companies, we see it as our special mission to encourage economic activity contributing to the creation of a sustainable society and help create future prospects through capital markets in Japan, Asia, and worldwide to revitalize the economies in Japan and other regions.

The Daiwa Securities Group has always been a pioneer in reforming the Japanese securities industry. We have developed and offered Eco Funds, SRI Funds and other socially responsible investment (SRI) products with environmental or social elements since 2001. In 2008, we introduced Vaccine Bonds and other impact investment¹ products in Japan,

¹ Investment with social objectives such as poverty reduction and environmental protection that also generates financial returns for investors.

taking a leading role in this field. These products are aimed at financially supporting social objectives such as alleviating poverty and protecting the environment.

We have been providing a steady flow of information to investors through seminars and reports, seeking to foster a broad understanding of microfinance², poverty in developing nations, and other problems in society that need to be resolved. This has also been important in creating broad awareness among Japanese investors that both social returns and financial returns can be achievable from investments. We are supporting the reconstruction through financial instruments, and the Japan-version of impact investment products.

Another important social responsibility is to contribute to the development of sound capital markets by gaining the confidence of more customers through even stronger compliance.

Regarding business in Asia, we have strategically enhanced networks, systems and boosted our human resources and capital to strengthen the relationships with regional communities and local customers. We expect this to reinforce our business and help it grow at an unprecedented speed. Meanwhile, it is also important to consider resolving environmental and other issues affecting communities amid Asia's economic growth. We are contributing to sustainable development in the region through impact investment products and services funding the resolution of problems such as climate change and poverty.

The cornerstone of these efforts is fostering human resources. It is necessary to develop people with a high awareness of global concerns such as environmental problems and poverty and regional issues even for post-earthquake reconstruction. Also,

offering high-quality products and services able to help resolve problems gives executives and employees a sense of pride.

We are actively encouraging employees to establish a good work-life balance as we believe this is the foundation for such high-quality personnel as well as products and services. Part of our Asia strategy is to put more effort into creating a workplace that makes the most of the advantages of a diverse staff.

The Daiwa Securities Group is highly conscious of the importance of maintaining long-term reconstruction support following major disasters. We are carrying out a ten-year reconstruction support program following the 2004 Sumatra earthquake and tsunami. Daiwa Institute of Research has proposed a reconstruction support fund scheme in the wake of the recent earthquake in Japan. Using the power of the whole group to provide long-term support, we will contribute to social reconstruction and development, for example by helping facilitate regional financial institutions' funding and developing the Japan-version of impact investments. We hope these efforts make our executives and employees feel part of the Daiwa Securities Group and help our stakeholders feel greater pride in our companies.

We would like to ask for your understanding and continued support because these efforts will come to fruition only if we communicate with and have the cooperation of our stakeholders.



Takashi Hibino
President and CEO
Daiwa Securities Group Inc.

² General term for small-scale financial services to encourage their economic independence of impoverished people.