


# What Characterizes “Originality” of the Daiwa Securities Group ?

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To a corporation, “Originality” is the wellspring of competitiveness. From products and services to a company’s unique culture, creating value that competitors cannot imitate is what enables a corporation to sustain its growth. “Originality” of the Daiwa Securities Group is alive and well in its corporate culture and philosophy. It is by rediscovering this “Originality” that the Group will achieve lasting growth.

The following is a reader-friendly overview of the original features of the Group’s operations.

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#### Forward-Looking Statements

This annual report contains forward-looking statements about the Daiwa Securities Group. You can identify these statements by the fact that they do not relate strictly to historic or current facts. These statements discuss future expectations, identify strategies, contain projections of results of operations or of financial condition, or state other “forward-looking” information. These statements are based on currently available information and represent the beliefs of the management of the Daiwa Securities Group. These statements are subject to numerous risks and uncertainties that could cause the Daiwa Securities Group’s actual results, performance, achievements or financial condition to differ materially from those described or implied in the forward-looking statements. The Daiwa Securities Group undertakes no obligation to publicly update any forward-looking statements after the date of issuance of this annual report. These potential risks and uncertainties include, but are not limited to: competition within the financial services industries in Japan and overseas, our ability to adjust our business focus and to maintain profitable strategic alliances, volatile and sudden movements in the international securities markets, foreign exchange and global economic situations affecting the Daiwa Securities Group. “FY2009” refers to the fiscal year ended March 31, 2010, and other fiscal years are referred to in a corresponding manner.

## I. Pursuing Sustainability by Winning Trust

### **Earning the Trust of Customers and Society: The Best Way to Sustainable Growth**

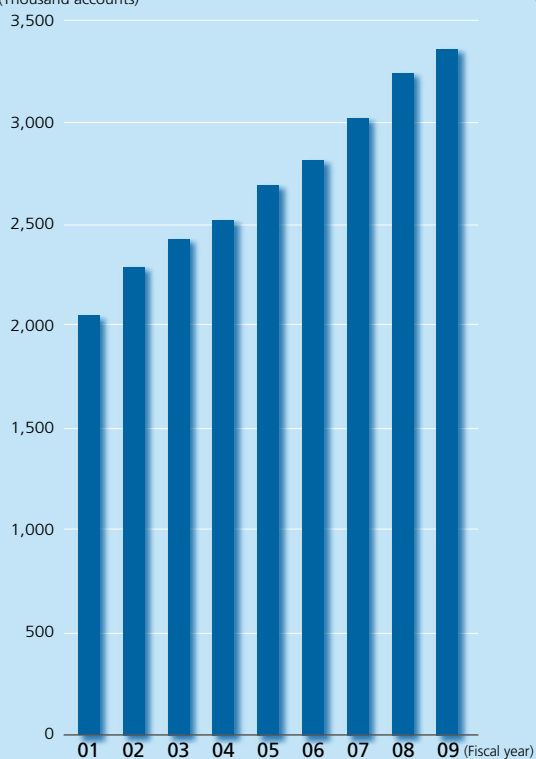
During the global financial crisis that erupted in the second half of FY2008, financial institutions that had taken on excessive risk suffered huge losses when business conditions deteriorated. These losses triggered bankruptcies and government rescue packages, exposing the damage caused by attempts to maximize short-term profits. Rather than pursuing short-term profits, the Daiwa Securities Group endeavors to expand its operating base by winning the confidence of customers and society. We believe that earning the trust of all our stakeholders to become one of “Japan’s excellent companies” is the best way to achieve lasting growth.

## I. An Expanding Base of Operations

### Retail

#### Daiwa Securities Cash Management Service (CMS) accounts

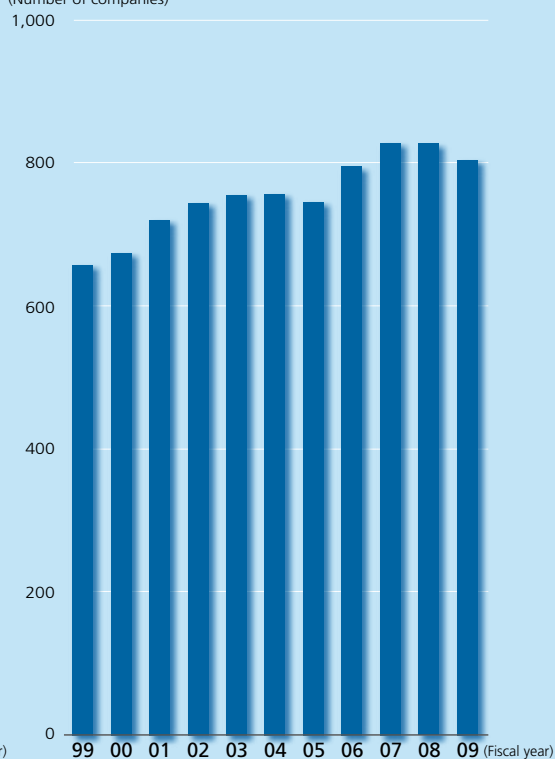
(Thousand accounts)



### Wholesale

#### Number of Companies with Daiwa Securities Capital Markets as lead manager

(Number of companies)





## II. Motivation, Social Mission, and Our Pride as Professionals

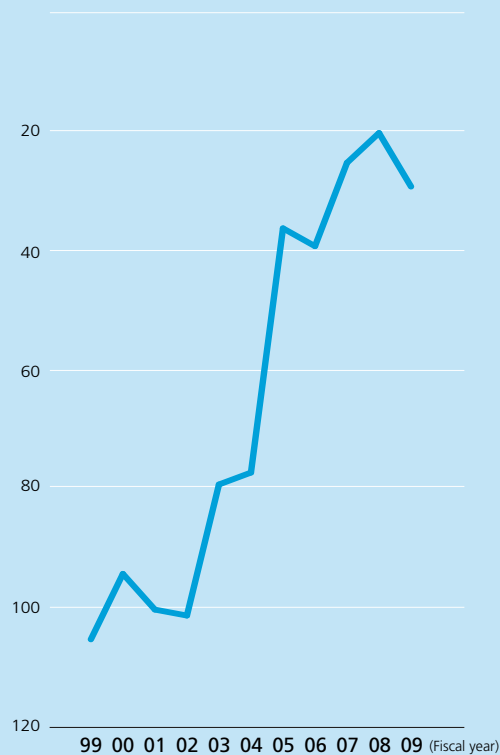
### **The Drivers of Growth**

There are limits to how far monetary compensation alone can boost employee motivation. Similarly, mergers and acquisitions that merely aim to increase the size of a company cannot be expected to unify people and organizations to full advantage right away. The Daiwa Securities Group strives to create a highly motivated organization by providing a working environment in which all employees can excel. Moreover, we recognize that each employee's contributions to the overall development of society through the financial and capital markets, which represent our social mission and our pride as professionals, are the drivers of the Group's growth.

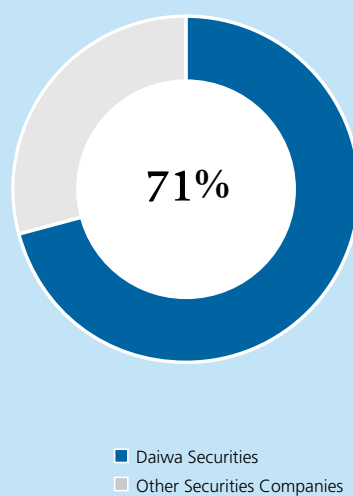
## II. Growth Fueled through a Dynamic Organization and Fulfillment of Our Social Mission

**Popularity Ranking of Companies Where University Students Would Like to Work**

(Overall rank)



**Market Share of Impact Investment Bonds**



### III. Highly Flexible and Innovative Initiatives

#### **Staying Ahead of the Times as a Leading Company**

The Daiwa Securities Group targets medium- to long-term growth underpinned by a consistent philosophy. At the same time, we have flexibly responded to the changing business environment. For example, we became the first publicly listed company to transition to a holding company structure, and we launched Japan’s first online trading service, among other innovative products and services. The Group strives to be a leader that is ever at the forefront of the industry and a step ahead of the times.



### III. History of Daiwa's Innovative Initiatives

1971	Lead-managed the world's first Asian dollar bond (DBS bond) issue
1978	Lead-managed the world's first euro-yen bond issued by ADB in Asia
1986	Launched Japan's first "home-trading service"
1995	Became Japan's first listed company to "conduct share buy-back" after amendment to the Commercial Law
1996	Lead-managed the first-ever listing by an Asian company on the TSE
1999	Became Japan's first listed company to move to a "holding company structure"
2002	Became the first securities company in Japan to establish a joint venture in China, commencing operations at "Daiwa SMBC-SSC Securities Co., Ltd.,"** in 2004
2004	Transit to a "Committee System" of corporate governance
2007	Lead-managed the first-ever listing by a Chinese company on the 1st section of the TSE
2008	Became Japan's first company to develop and market "Vaccine Bonds" for individual investors
2010	Began domestic equities CFD (offering approx. 100 stocks) in "Daiwa CFD," an over-the-counter CFD trading service

\* Currently Daiwa SSC Securities Co., Ltd.