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To Our Stakeholders



Shigeharu Suzuki

Takashi Hibino

We Aim to Be the Customer's First Choice Securities Group in an Era of Transition “from Savings to Investment.”

In our previous Medium-Term Management Plan, “Passion for the Best” 2014, which was launched in FY2012, we set out two management policies: “Establish a robust business structure capable of securing profits even under stressful economic conditions”; and “Achieve sustainable growth by linking Japan and growth markets of Asia.” We implemented various plans according to the three-phased plan: the first year was designated as the “Turnaround” phase, the second year was the “Growth” phase, and the third year was the “Expansion” phase. In FY2012, Daiwa Securities Group completed cost reduction measures earlier than it had initially planned, enabling its return to profitability, securing a “turnaround” in the first year of the management plan. Since FY2013, the Group has focused on the diversification of business activities and expansion of stable revenues, which substantially improved its earnings performance. Over the three-year period, the Group has succeeded in establishing a robust business structure that will support its sustainable growth.

In addition, the Group has made continued efforts to resolve socio-economic issues both in Japan and overseas through its securities business, such as elevating the social status of women in developing countries and creating residential facilities for senior citizens, by providing Japanese investors with various financial products including Impact Investment Bonds and a healthcare-related REIT. The Group has also been providing its continued support and expertise in Myanmar toward developing a capital market and establishing the Yangon Stock Exchange in FY2015. The Group will continue contributing to the sustainable growth of society and the economy through its securities business.

The Group aims to “take a leadership role in the development of capital markets in Japan and Asia, and become the customer’s first choice securities group” in 2020. In pursuit of that vision, the Group has embarked on a new three-year Medium-Term Management Plan, entitled “Passion for the Best” 2017, from this April. FY2015 will be a special year, as the Group aims to step up to the next stage of growth, based on the robust business structure established during the previous Medium-Term Management Plan. All employees and executives of the Group pledge to work as a team to lead the era of transition “from savings to investment.”

As we work toward achieving our goal, we kindly request the continued support and understanding of all stakeholders.



Shigeharu Suzuki
Chairman of the Board
Daiwa Securities Group Inc.



Takashi Hibino
President and CEO
Daiwa Securities Group Inc.

Message from the CEO



We Will Endeavor to Expand Our Customer Base and Aim for Growth in Earnings Performance, as the Group Enters a Phase of Sustainable Growth.

In our previous Medium-Term Management Plan, that covered the period from FY2012 to FY2014, we sought to “establish a robust business structure capable of securing profit even under stressful economic conditions.” By the final year, we had largely completed the measures set out in that plan, and efforts in FY2014 focused on expanding client-based, high-quality earnings growth.

Turning to domestic business conditions in FY2014, the Japanese stock market showed upward resistance in the first half amid a sense of uncertainty resulting from concerns toward an economic slowdown due to the effects of the consumption tax rate hike, and geopolitical risks including the Ukraine crisis. However, stock prices exhibited an upward trend after the Bank of Japan introduced further monetary easing measures in late October, the Government Pension Investment Fund (GPIF) altered its basic portfolio positions, and corporations reported strong earnings results. Stock markets in other leading industrialized countries including the US and Germany also showed strong performances.

These favorable business conditions supported our earnings performance. Net operating revenues were ¥532.2 billion, ordinary income was ¥184.5 billion, and net income was ¥148.4 billion. Ordinary income, in particular, surpassed the target figure of ¥120.0 billion of the previous management plan for the second consecutive year. This performance was not only the result of favorable business conditions, but also due to the significant improvement in the Group’s earnings structure. The start of a “New” Daiwa Securities structure in 2012 has helped to fortify intra-Group collaboration, which has enabled the Group to reduce its operating costs while accumulating stable revenues that are less

Corporate Principles of the Daiwa Securities Group

• Building trust

The trust and approval of customers form the very foundation of the Daiwa Securities Group. The Group will always place the needs of customers first, and strive to develop the advanced, specialized skills to offer them the most-attractive products and services of any securities group.

• Contributing to society

The Daiwa Securities Group will seek to benefit the economy and society through the development of healthy financial markets. In addition to scrupulously observing both regulations and internal policies, the Group will strive to maintain a high sense of morality and duty, endeavoring to continue contributing to the sustainable growth of the societies in which we operate.

• Placing importance on personnel

The source of the Group's competitiveness lies in the capabilities of its employees. The Group will promote the creativity of employees by offering them a challenging and self-directed working environment that encourages their abilities and appropriately rewards their contributions.

• Maintaining healthy earnings results

The Group will always seek to develop healthy business operations and to increase corporate value for the benefit of shareholders. By providing customers with attractive products and services, the Daiwa Securities Group will seek to generate strong profits and healthy returns for shareholders.

Daiwa Securities Group

susceptible to market fluctuations. Due to the Group's performance, the annualized fixed cost coverage ratio was 66% as of the fourth quarter of FY2014, a result that significantly exceeds the initial medium-term target of 60% or more.

FY2015 will be a special year in which we embark on a new Medium-Term Management Plan, entitled "Passion for the Best" 2017. Under the new plan, the Group will proceed from the "turnaround" phase to a "sustainable growth" phase. We plan to rapidly expand our customer base and revenue through appropriate investment and risk-taking by using the robust business structure that was created under the previous medium-term plan as a base on which to build. In response to the full-fledged start of an era of transition "from savings to investment," the Daiwa Securities Group will attract customers with the industry's highest service quality and become their best partner. We will also devote all of our resources to efforts aimed at contributing to the Japanese government's growth strategy through the development of the securities and capital markets.

Takashi Hibino

President and CEO
Daiwa Securities Group Inc.

Message from the Chairman



The Role of Top Management Is to Foster Loyalty Among Group Employees.

Daiwa Securities Group has the strength to create a new era, and the source of this strength originates from the Group's corporate culture. Here, employees with strong loyalty and professionalism consistently place cooperation and contributions to the success of the Group ahead of their own personal gain.

The loyalty of Daiwa Group employees is an "invisible asset." However, it is also an essential element in the growth and health of the Group as a business organization. Loyalty prompts improvements in the workplace and management of the company, and raises awareness toward compliance and governance issues. I believe it is the role of top management to continuously foster this "invisible asset," and to this end, we maintain our commitment to becoming a company that employees want to work for. We have striven to create a more positive work environment, raise compensation levels, expand internal training systems, and support employees in their efforts to achieve an ideal balance between their professional and personal lives.

The Japanese economy is beginning to break out of its period of prolonged deflation that has affected the country for many years. The Japanese stock market is now showing greater vitality than it has in recent years. I believe changes in society not only provide the Group with business opportunities to achieve sustainable growth, but they also present us with the chance to contribute to the realization of a sustainable society through our core business activities. Daiwa Securities Group will take a leadership role in the full-fledged transition of domestic financial assets "from savings to investment," driven by the strong loyalty and combined contributions of all employees, and will aim to become the customer's first choice securities group.

Shigeharu Suzuki

Chairman of the Board
Daiwa Securities Group Inc.