

48	Corporate Governance
48	Corporate Governance System
52	Directors (Members of the Board)
54	Messages from Outside Directors
56	Corporate Executive Officers
57	Compliance
58	Disclosure
59	IT Strategy and the Management of Systemic Risk
60	Risk Appetite Framework
61	Risk Management
65	Corporate Social Responsibility (CSR)
65	CSR Initiatives
66	Through Business Activities
68	With Our Employees
72	Environmental Initiatives
73	With Society

Management Systems

Corporate Governance System

Daiwa Securities Group clearly separates the supervisory and executive functions of its management to create a highly transparent and objective corporate governance system. As with Corporate Executive Officers of Daiwa Securities Group Inc., employees responsible for head office functions also hold similar roles for the securities subsidiary. Under this structure, the Group is pursuing a management structure that improves the efficiency of head office operations and that maximizes synergies between Group companies.

Basic Stance on Corporate Governance

With group management based on a holding company structure, Daiwa Securities Group aims to achieve a highly transparent and objective governance structure in international terms. The Group has built a unified group management system that elicits synergies among group companies with highly efficient and specialized oversight of group companies.

The Group has adopted a company with Three Committees System with the objective of supervising management through:

- a Better decision-making agility by having the Board of Directors assign significant authority to corporate executive officers while clarifying the division of duties among corporate executive officers;
- b More effective supervisory functions at the Board of Directors from the appointment of outside directors with highly specialized skills, and better transparency in management from the establishment of the Nominating Committee, Audit Committee and Compensation Committee with outside directors a majority of their members; and
- c Highly independent and ethical outside directors providing advice from an outside perspective to the Board of Directors and the three committees based on their knowledge and experiences.

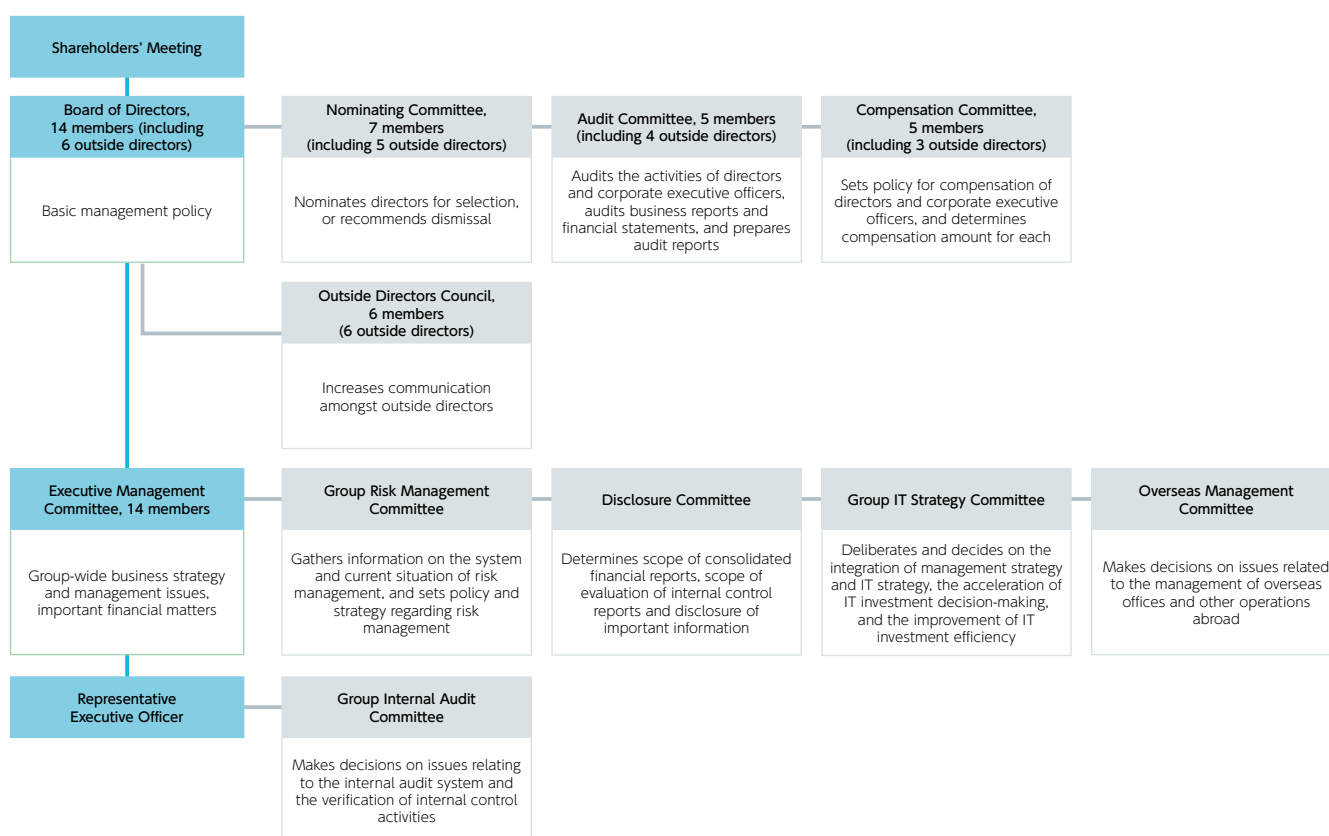
The Group also proactively engages in CSR activities to gain the trust of stakeholders. CSR encompasses providing excellent products and

services to customers with integrity, appropriately returning profits and disclosing information to shareholders, creating pleasant work environments and fair personnel evaluation systems for employees, strictly observing regulations and following corporate ethics, managing the environment, and contributing to society.

Through these initiatives, the Group aims to further enhance its corporate governance structure in terms of transparency, agility and efficiency, in order to continuously improve corporate value.

The corporate governance structure consists of the Board of Directors and the three aforementioned committees (Nominating Committee, Audit Committee and Compensation Committee) as supervisory functions. Business execution functions are embodied in the Executive Management Committee and its sub-committees comprising the Group Risk Management Committee, the Disclosure Committee, the Group IT Strategy Committee, and the Overseas Management Committee, as well as the Group Internal Audit Committee, the internal audit organization that reports directly to the Chief Executive Officer (CEO).

Corporate Governance System at Daiwa Securities Group



Major Initiatives in Corporate Governance

- Published the Corporate Governance Report detailing our response to the Corporate Governance Code
- Decided more than two members and more than one-third of the Board of Directors should be independent outside directors
- Established the Outside Directors Council in October 2015 for the purpose of increasing communication amongst outside directors
- Elected one additional outside director and six out of 14 Board of Directors as outside directors for FY2016. Strengthened management transparency and oversight functions by increasing the ratio of outside directors on the Nominating Committee and the Audit Committee.

History of Daiwa's Corporate Governance

June 1998	Elected outside auditors
April 1999	Became the first listed Japanese company to adopt a holding company structure
	Established the Advisory Board
June 2000	Established the Group Management Committee
	Established the Compensation Committee
June 2002	Elected outside directors
June 2002	Shortened directors' terms of office from two years to one year
July 2003	Established the Internal Control Committee
June 2004	Shifted to a Committee System (currently, a company with Three Committees System)
October 2015	Complied with the Corporate Governance Code
	Established the Outside Directors Council

Meetings of Three Committees and Board of Directors in FY2015

The Nominating Committee met five times to discuss matters including the composition of the Board of Directors with consideration for corporate governance, the basic policy for nominating candidates for directorships, and the selection of director candidates. The Nominating Committee selects candidates for directorships in light of the Group's selection standards for directors. These standards include criteria to ensure the independence of outside directors.

The Audit Committee met 12 times. The committee evaluated the activities of directors and corporate

executive officers, audited documentation including financial statements and business reports, and prepared an audit report for the period under review.

The Compensation Committee met five times to discuss the compensation policy, and to determine the compensation of each director and corporate executive officer. It also studied a Group-wide incentive plan aimed at improving consolidated earnings results.

The Board of Directors met 10 times, and outside directors had a 100% record of attendance.

Committee Members

Nominating Committee		Audit Committee		Compensation Committee	
Shigeharu Suzuki (Chairman)		Keiichi Tadaki (Chairman)	Outside Director	Hiroataka Takeuchi (Chairman)	Outside Director
Takashi Hibino		Morimasa Matsuda		Shigeharu Suzuki	
Nobuko Matsubara	Outside Director	Nobuko Matsubara	Outside Director	Takashi Hibino	
Keiichi Tadaki	Outside Director	Michiaki Ogasawara	Outside Director	Tadashi Onodera	Outside Director
Tadashi Onodera	Outside Director	Ikuo Nishikawa	Outside Director	Ikuo Nishikawa	Outside Director
Michiaki Ogasawara	Outside Director				
Hiroataka Takeuchi	Outside Director				

Executive Compensation That Is Closely Linked to Performance

Compensation for directors and corporate executive officers is determined by the Compensation Committee. Executive compensation has three components: basic compensation; performance-based compensation; and share price-linked compensation. Comprehensive criteria used in calculating

performance-based compensation include ROE and consolidated ordinary income, as well as other factors such as results of management targets as outlined in the Medium-Term Management Plan.

Compensation Paid to Directors and Corporate Executive Officers of Daiwa Securities Group Inc. in FY2015

	Directors		Corporate Executive Officers		Total	
	Recipients	Amount	Recipients	Amount	Recipients	Amount
Amounts based on resolution of the Compensation Committee	8 persons	¥124 million	13 persons	¥1,130 million	21 persons	¥1,254 million

Notes: 1. The above amounts include performance-based compensation paid in this fiscal year.

2. The above compensation amounts include a total of ¥84 million in stock acquisition rights granted as stock options to directors and corporate executive officers.

3. Compensation paid to the six outside directors totaled ¥88 million.

4. Six directors also served as corporate executive officers; their total compensation is included in the "Corporate Executive Officers" category.

Corporate Summary

Business Strategy

activities. They include the internal control systems at Daiwa Securities Co. Ltd. and overseas offices as a global financial instruments firm, the internal control systems at Daiwa Next Bank, Ltd. as a bank, the status of businesses that involve the collaboration between Group companies, and the status of control over Group companies by the holding company.

The Internal Audit Department collaborates with the internal auditing divisions of Group companies through periodic meetings, monitoring, and audits.

The degree to which these internal auditing activities satisfy The Institute of Internal Auditors' "International Standards for the Professional Practice of Internal Auditing," the global standard for internal auditing, is routinely evaluated by independent outside third parties, which helps to constantly improve the system.

The Internal Audit Department pays special attention to certain aspects of the Group's business

Management Systems



Directors (Members of the Board)

Chairman of the Board

Shigeharu Suzuki



Shigeharu Suzuki
Chairman of the Board

Senior Managing Director
Chairman of the Board,
Daiwa Securities Co. Ltd.

1971 Joined Daiwa Securities Co. Ltd.
1997 Member of the Board, Head of Corporate Clients Banking Division
1998 Executive Managing Director
2001 Senior Executive Managing Director
2002 Senior Executive Managing Director, Daiwa Securities SMBC Co. Ltd.
2003 Representative Director and Senior Executive Managing Director
2004 Member of the Board, President and CEO, Daiwa Securities Group Inc. President, Daiwa Securities Co. Ltd.
2011 Chairman of the Board and Senior Managing Director, Daiwa Securities Group Inc. Chairman of the Board, Daiwa Securities Co. Ltd.

Directors

Takashi Hibino
Seiji Nakata
Shinya Nishio



Takashi Hibino
Member of the Board

President and CEO

1979 Joined Daiwa Securities Co. Ltd.
2002 Head of Corporate Planning Dept., Daiwa Securities Group Inc. Senior Managing Director, Daiwa Securities SMBC Co. Ltd.
2004 Member of the Board and Executive Managing Director, Daiwa Securities Group Inc.
2007 Senior Executive Managing Director
2008 Senior Executive Managing Director, Daiwa Securities SMBC Co. Ltd.
2009 Deputy President, Daiwa Securities Group Inc. Deputy President, Daiwa Securities SMBC Co. Ltd.
2011 President and CEO, Daiwa Securities Group Inc. President, Daiwa Securities Co. Ltd. President, Daiwa Securities Capital Markets Co. Ltd.
2012 President and CEO, Daiwa Securities Group Inc. President, Daiwa Securities Co. Ltd.

Toshihiro Matsui
Keiko Tashiro
Mikita Komatsu



Seiji Nakata
Member of the Board

Deputy President and COO
Head of Retail

1983 Joined the Company
2005 Head of Structured Products Dept., Daiwa Securities SMBC Co. Ltd.
2006 Senior Managing Director
2007 Senior Managing Director, Daiwa Securities Group Inc.
2009 Executive Managing Director, Member of the Board and Executive Managing Director
2010 Member of the Board and Executive Managing Director, Daiwa Securities Capital Markets Co. Ltd.
2012 Senior Executive Managing Director, Daiwa Securities Co. Ltd.
2015 Senior Executive Managing Director, Daiwa Securities Group Inc. Senior Executive Managing Director and Member of the Board, Daiwa Securities Co. Ltd.
2016 Deputy President, Daiwa Securities Group Inc. Deputy President, Daiwa Securities Co. Ltd.

Morimasa Matsuda
Nobuko Matsubara
Keiichi Tadaki
Tadashi Onodera



Shinya Nishio
Member of the Board

Deputy President
Head of Wholesale

1981 Joined Daiwa Securities Co. Ltd.
2004 Head of Corporate Institution Sales Dept. (III), Daiwa Securities SMBC Co. Ltd.
2005 Senior Managing Director
2009 Executive Managing Director
2010 Member of the Board and Executive Managing Director
2012 Member of the Board and Senior Executive Managing Director, Daiwa Securities Co. Ltd.
2016 Member of the Board and Deputy President, Daiwa Securities Group Inc. Deputy President, Daiwa Securities Co. Ltd.



Toshihiro Matsui
Member of the Board

Senior Executive Managing Director
Corporate Planning Officer
Deputy Head of Wholesale

1985 Joined Daiwa Securities Co. Ltd.
2008 Head of Corporate Planning Dept., Daiwa Securities Group Inc.
2009 Senior Managing Director
2011 Executive Managing Director Senior Managing Director, Daiwa Securities Co. Ltd.
2012 Executive Managing Director, Daiwa Securities Group Inc. Executive Managing Director, Daiwa Securities Co. Ltd.
2014 Senior Executive Managing Director, Daiwa Securities Group Inc. Senior Executive Managing Director and Member of the Board, Daiwa Securities Co. Ltd.
2016 Member of the Board and Senior Executive Managing Director, Daiwa Securities Group Inc. Senior Executive Managing Director, Daiwa Securities Co. Ltd.



Keiko Tashiro
Member of the Board

Senior Executive Managing Director
Head of Overseas Operations

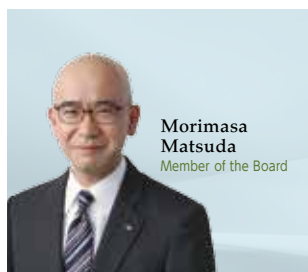
1986 Joined Daiwa Securities Co. Ltd.
2005 Head of Daiwa Direct Planning Dept., Daiwa Securities Co. Ltd.
2009 Senior Managing Director
2011 Senior Managing Director, Daiwa Securities Capital Markets Co. Ltd.
2012 Senior Managing Director, Daiwa Securities Co. Ltd.
2013 Executive Managing Director, Daiwa Securities Group Inc. Chairwoman of the Board, Daiwa Capital Markets America Holdings Inc.
2014 Member of the Board and Executive Managing Director, Daiwa Securities Group Inc. Chairwoman of the Board, Daiwa Capital Markets America Holdings Inc.
2016 Member of the Board and Senior Executive Managing Director, Daiwa Securities Group Inc. Senior Executive Managing Director, Daiwa Securities Co. Ltd.



Mikita Komatsu
Member of the Board

Senior Executive Managing Director and CFO
Deputy Head of Overseas Operations

1985 Joined Daiwa Securities Co. Ltd.
2008 President, Daiwa Securities SMBC Europe Limited
2010 Senior Managing Director, Daiwa Securities Capital Markets Co. Ltd.
2011 Senior Managing Director, Daiwa Securities Group Inc. Senior Managing Director, Daiwa Securities Co. Ltd. Senior Managing Director, Daiwa Securities Capital Markets Co. Ltd.
2012 Senior Managing Director, Daiwa Securities Group Inc. Senior Managing Director, Daiwa Securities Co. Ltd.
2013 Executive Managing Director, Daiwa Securities Group Inc. Executive Managing Director, Daiwa Securities Co. Ltd.
2016 Member of the Board and Senior Executive Managing Director, Daiwa Securities Group Inc. Senior Executive Managing Director, Daiwa Securities Co. Ltd.



Morimasa Matsuda
Outside Director
(Member of the Board)

- 1989 Joined Daiwa Securities Co. Ltd.
- 2013 Head of Internal Audit Dept., Daiwa Securities Group Inc.
Head of Internal Audit Dept., Daiwa Securities Co. Ltd.
- 2016 Member of the Board, Daiwa Securities Group Inc.



Nobuko Matsubara
Outside Director
(Member of the Board)

- 1964 Entered Ministry of Labour
- 1987 Director of International Labour Division
- 1991 Director-General of Women's Bureau
- 1997 Vice-Minister of the above Ministry
- 1999 President of Japan Association for Employment of Persons with Disabilities
- 2002 Ambassador of Japan to Italy
Ambassador of Japan to Albania
Ambassador of Japan to San Marino
Ambassador of Japan to Malta
- 2006 Chairwoman, Japan Institute of Workers' Evolution
- 2008 Outside Director (Member of the Board), Daiwa Securities Group Inc.
- 2012 Honorary Chairwoman, Japan Institute of Workers' Evolution



Keiichi Tadaki
Outside Director
(Member of the Board)

- 1969 Public Prosecutor of the Tokyo District Public Prosecutors Office
- 1996 Chief Prosecutor of the Oita District Public Prosecutors Office
- 1997 Public Prosecutor of the Supreme Public Prosecutors Office
Deputy Vice-Minister of Justice
- 2002 Vice-Minister of Justice
- 2004 Superintending Prosecutor of the Tokyo High Public Prosecutors Office
- 2006 Prosecutor General
- 2008 Stepped down as Prosecutor General Attorney-at-law
- 2009 Outside Director (Member of the Board), Daiwa Securities Group Inc.



Tadashi Onodera
Outside Director
(Member of the Board)

- 1989 Director of DDI Corporation (currently, KDDI Corporation)
- 1995 Associate Senior Vice President, Director
- 1997 Executive Vice President, Director
- 2001 President of KDDI Corporation
- 2005 President and Chairman
- 2010 Chairman
- 2014 Outside Director (Member of the Board), Daiwa Securities Group Inc.



Michiaki Ogasawara
Outside Director
(Member of the Board)

- 1976 Entered Ministry of Posts and Telecommunications
- 2003 Director-General of Tohoku Bureau of Comprehensive Communication, Ministry of Internal Affairs and Communications
- 2004 Director-General of Kantou Bureau of Telecommunication, the above Ministry
- 2005 Deputy Director-General of the above Ministry
Director-General of Local Public Service Personnel Department, Local Administration Bureau, the above Ministry
- 2006 Director-General of Civil Protection and Disaster Management Department, Fire and Disaster Management Agency, the above Ministry
- 2007 Director-General of the Information and Communications Policy, the above Ministry
- 2008 Director-General of the Global ICT Strategy Bureau, the above Ministry
- 2010 Assistant Vice-Minister of the above Ministry
- 2012 Vice-Minister of the above Ministry
- 2013 Advisor of Daiwa Institute of Research Ltd.
- 2015 Resigned as Advisor of Daiwa Institute of Research Ltd.
Outside Director (Member of the Board), Daiwa Securities Group Inc.



Hirotaka Takeuchi
Outside Director
(Member of the Board)

- 1976 Lecturer of Harvard Business School
- 1977 Assistant Professor of Harvard Business School
- 1983 Assistant Professor of Hitotsubashi University, Faculty of Commerce and Management
- 1987 Professor of Hitotsubashi University, Faculty of Commerce and Management
- 1998 Dean of Hitotsubashi University, the Graduate School of International Corporate Strategy
- 2010 Professor Emeritus of Hitotsubashi University
- 2016 Professor of Harvard Business School
Outside Director (Member of the Board), Daiwa Securities Group Inc.



Ikuo Nishikawa
Outside Director
(Member of the Board)

- 1990 Representative Partner of Century Audit Corporation (currently known as Ernst & Young ShinNihon LLC)
- 1993 Representative of JICPA in International Accounting Standards Committee
- 1995 Executive Director of the Japanese Institute of Certified Public Accountants
- 2001 Deputy Chairman of Accounting Standards Board of Japan
- 2007 Chairman of Accounting Standards Board of Japan
- 2012 Professor of Keio University, Faculty of Business and Commerce
- 2016 Outside Director (Member of the Board), Daiwa Securities Group Inc.

Messages from Outside Directors

In 1999, Daiwa Securities Group Inc. became the first listed company in Japan to adopt a holding company structure. In 2004, the Group introduced a Committee System that included three committees reporting to the Board—the Nominating Committee, the Audit Committee, and the Compensation Committee. The Group has also established a clear separation between the oversight functions of the Board and the execution functions of corporate executive officers.

Note: A Company with Committees since May 2006; a Company with Three Committees since May 2015



Nobuko Matsubara
Outside Director

Daiwa Securities Group has set forth being the “customer’s first choice securities group” as a major objective of its Medium-Term Management Plan. I believe this goal can only be achieved through the steady accumulation of effort by employees and executives to constantly place the highest priority on customers’ benefits over corporate gains and individual performance.

Such cumulative exertions will enhance corporate value, and underpin a sense of pride in our ability to provide shareholder returns. Daiwa Securities Group’s personnel development systems and initiatives for ensuring thorough compliance take this awareness into account, and are extremely advanced. I look forward to continue taking pride in supporting Daiwa Securities Group’s initiatives as an outside director, and aim to contribute to their further development.

Nobuko Matsubara is currently the Chairwoman of the Japan Institute of Workers’ Evolution. Before that, she was the Vice-Minister of Labour, and served as the Ambassador of Japan to Italy, among other posts. The Company has drawn on Ms. Matsubara’s expertise and broad experience nurtured throughout her career in providing management advice. Ms. Matsubara has been a director for eight years.



Keiichi Tadaki
Outside Director

Daiwa Securities Group is rooted in the four main pillars of its corporate principle: “Building trust,” “Placing importance on personnel,” “Contributing to society” and “Maintaining healthy earnings results.” This principle satisfies the management philosophy requirements of the Corporate Governance Code.

The Group earns the empathy and support of its employees through consulting that meets broad-ranging customer needs, including for inheritance and business succession; a combined securities-banking business model that suits this demand; the development of employees, including those with CFP certifications and inheritance planners; an alliance strategy in ASEAN countries; through maintaining the high level of financial soundness required of D-SIBs; and by placing importance on compliance. I believe that high employee motivation based on shared corporate principles and the direction of management are the cornerstones of corporate governance.

Keiichi Tadaki is currently an attorney-at-law. Before that, he was the Vice-Minister of Justice, and served as the Superintending Prosecutor of the Tokyo High Public Prosecutors Office and the Prosecutor General. The Company has drawn on Mr. Tadaki’s wealth of experience and expertise on legal and compliance issues nurtured throughout his career in providing management advice. Mr. Tadaki has been a director for seven years.



Tadashi Onodera
Outside Director

The Bank of Japan’s introduction of a negative interest rate policy has significantly altered the business environment in the Japanese financial sector. Through thoroughgoing risk management and by steadily increasing its fixed cost coverage ratio, I believe Daiwa Securities Group will be able to sustain its steady management.

It goes without saying that accelerating the shift “from savings to investment” will be important to the further development of Daiwa Securities Group. “Building trust,” as espoused in the Group’s corporate principles, is one of the most important tenets for a financial institution. If we are able to build solid, trust-based relationships with customers, it will be possible to accelerate the transition from savings to investment. The actions of individual employees are the key to building such relationships. By consistently adhering to the corporate principle of “Building trust” through their own actions, employees should aim to become the “customer’s first choice securities group.”

Tadashi Onodera is currently Chairman of KDDI Corporation. The Company has drawn on Mr. Onodera’s wealth of management experience and insight nurtured throughout his career at KDDI. Mr. Onodera has been a director for two years.

Furthermore, in October 2015 we established the Outside Directors Council, whose main objective is to facilitate the sharing of information among the outside directors.



Michiaki Ogasawara
Outside Director

The markets have been in major turmoil since last summer. In this difficult environment, I look forward to seeing the true value of initiatives implemented by Daiwa Securities Group in recent years to bolster management efficiency and ensure stable earnings. Evidence of these initiatives can be seen in efforts on the personnel front, such as supporting the contributions of female employees and developing employees with CFP certifications and other specialists.

Operating in a society with a falling birthrate and aging population, management resources will become even more important for Daiwa Securities Group's sustainable development going forward. At the same time, we will need to accurately embrace progress in technology. From this perspective, I aim to contribute toward enhanced corporate governance as an outside director.

Michiaki Ogasawara has held positions as the Director-General of the Global ICT Strategy Bureau at the Ministry of Internal Affairs and Communications and as Vice-Minister at the same ministry. The Company has drawn on Mr. Ogasawara's expertise and experience nurtured throughout his career in providing management advice. Mr. Ogasawara has been a director for one year.



Hirotaka Takeuchi
Outside Director

The Japanese stance of employing a "knowledge-based strategy" involves considering why a company exists and what sort of future it wishes to create, and the strategy is formulated on the basis of the sense of mission of top management. This is a major strength for Japanese companies. For a true global retailer like Daiwa Securities Group to make a further leap forward in the world, I aim to support the development of future leaders with such a perspective.

I have been involved in developing employees at a number of companies. I hope to play a role in accelerating the progress of Daiwa Securities Group and contribute to its future growth.

Hirotaka Takeuchi has served as Professor of the Faculty of Commerce and Management at Hitotsubashi University and is currently Professor at Harvard Business School. Mr. Takeuchi was newly appointed as an outside director at the Company's 2016 General Meeting of Shareholders to provide management advice based on his expertise and experience nurtured throughout his career.



Ikuro Nishikawa
Outside Director

Daiwa Securities Group has outlined ideal corporate principles with consideration given to shareholders, customers, employees and society and plays a role in supporting the Japanese financial and securities markets. These corporate activities are essential, given the troubled global waters faced by Japanese companies and the Japanese economy. To remain a highly trusted company going forward, I believe it is important for Daiwa Securities Group to continue various initiatives in accordance with its corporate principles.

Having been appointed as outside director, I hope to make use of my experience in concepts related to disclosure systems gained during my time at the Accounting Standards Board of Japan to advance compliance and governance at Daiwa Securities Group.

Ikuro Nishikawa has served as Representative Partner of Century Audit Corporation and Chairman of the Accounting Standards Board of Japan. He is currently Professor at the Faculty of Business & Commerce, Keio University. Mr. Nishikawa was newly appointed as an outside director at the Company's 2016 General Meeting of Shareholders to provide management advice based on his expertise and experience nurtured throughout his career.

Corporate Executive Officers

President and CEO
President,
Daiwa Securities Co. Ltd.

Takashi Hibino

Deputy President and COO
Head of Retail
Deputy President,
Daiwa Securities Co. Ltd.

Seiji Nakata

Deputy President
Head of Wholesale
Deputy President,
Daiwa Securities Co. Ltd.

Shinya Nishio

Deputy President
Head of Asset Management
President,
Daiwa Asset Management Co. Ltd.



Nobuyuki
Iwamoto

1980 Joined Daiwa Securities Co. Ltd.
2001 Head of International Finance Dept.,
Daiwa Securities SMBC Co. Ltd.
2005 Senior Managing Director,
Daiwa Securities Group Inc.
2006 Member of the Board and
Senior Managing Director
2008 Executive Managing Director
2009 Senior Executive Managing Director
2011 Deputy President, Daiwa Securities
Group Inc.
Deputy President, Daiwa Securities Capital
Markets Co. Ltd.
2012 Deputy President, Daiwa Securities
Group Inc.
Deputy President, Daiwa Securities Co. Ltd.
2016 Deputy President, Daiwa Securities
Group Inc.
President, Daiwa Asset Management
Co. Ltd.

Deputy President
Head of Think Tank
President, Daiwa Institute of Research
Holdings Ltd.
President, Daiwa Institute of Research
Ltd.
President, Daiwa Institute of Research
Business Innovation Ltd.



Yoriyuki
Kusaki

1980 Joined Daiwa Securities Co. Ltd.
2002 Head of Corporate Clients Banking
Dept. (III), Daiwa Securities SMBC Co. Ltd.
2004 Senior Managing Director
2007 Executive Managing Director
2009 Member of the Board and Senior
Executive Managing Director,
Daiwa Securities Co. Ltd.
2012 Member of the Board and Deputy
President, Daiwa Securities Group Inc.
Deputy President, Daiwa Securities Co. Ltd.
2016 Deputy President, Daiwa Securities
Group Inc.
President, Daiwa Institute of Research
Holdings Ltd.
President, Daiwa Institute of Research Ltd.
President, Daiwa Institute of Research
Business Innovation Ltd.

Senior Executive Managing Director
Corporate Planning Officer
Deputy Head of Wholesale
Senior Executive Managing Director,
Daiwa Securities Co. Ltd.

Toshihiro Matsui

Senior Executive Managing Director
Head of Overseas Operations
Senior Executive Managing Director,
Daiwa Securities Co. Ltd.

Keiko Tashiro

Senior Executive Managing Director
and CFO
Deputy Head of Overseas Operations
Senior Executive Managing Director,
Daiwa Securities Co. Ltd.

Mikita Komatsu

Executive Managing Director and CIO
Executive Managing Director and
Member of the Board,
Daiwa Securities Co. Ltd.



Masahisa
Nakagawa

1987 Joined Daiwa Securities Co. Ltd.
2009 Head of Omiya Branch
2010 Senior Managing Director
2011 Senior Managing Director,
Daiwa Securities Group Inc.
Senior Managing Director,
Daiwa Securities Co. Ltd.
Senior Managing Director,
Daiwa Securities Capital Markets Co. Ltd.
2013 Executive Managing Director,
Daiwa Securities Group Inc.
Executive Managing Director,
Daiwa Securities Co. Ltd.
2016 Executive Managing Director,
Daiwa Securities Group Inc.
Executive Managing Director and
Member of the Board, Daiwa Securities Co. Ltd.

Executive Managing Director and CRO
Executive Managing Director and
Member of the Board,
Daiwa Securities Co. Ltd.



Hiroyuki
Inose

1984 Joined Daiwa Securities Co. Ltd.
2010 Head of Group Risk Management Dept.,
Daiwa Securities Group Inc.
2011 Senior Managing Director, Daiwa Securities
Group Inc. Senior Managing Director,
Daiwa Securities Co. Ltd. Senior Managing
Director, Daiwa Securities Capital Markets
Co. Ltd.
2012 Senior Managing Director, Daiwa Securities
Group Inc. Senior Managing Director,
Daiwa Securities Co. Ltd.
2014 Senior Managing Director, Daiwa Securities
Group Inc. Member of the Board,
Daiwa Securities Co. Ltd.
2015 Executive Managing Director, Daiwa
Securities Group Inc. Executive Managing
Director and Member of the Board,
Daiwa Securities Co. Ltd.

Executive Managing Director
Internal Audit Officer
Executive Managing Director,
Daiwa Securities Co. Ltd.



Masaru
Shirataki

1985 Joined Daiwa Securities Co. Ltd.
2011 Head of Group Internal Audit Dept.,
Daiwa Securities Group Inc.
Head of Internal Audit Dept.,
Daiwa Securities Co. Ltd.
Head of Internal Audit Dept.,
Daiwa Securities Capital Markets Co. Ltd.
2013 Member of the Board,
Daiwa Securities Group Inc.
2016 Executive Managing Director,
Daiwa Securities Group Inc.
Executive Managing Director,
Daiwa Securities Co. Ltd.

Executive Managing Director,
Corporate Communication Officer
Executive Managing Director,
Daiwa Securities Co. Ltd.



Yoshihisa
Kaneko

1987 Joined Daiwa Securities Co. Ltd.
2012 Head of Corporate Communication Dept.,
Daiwa Securities Group Inc.
Head of Corporate Communication Dept.,
Daiwa Securities Co. Ltd.
Head of Corporate Communication Dept.,
Daiwa Securities Capital Markets Co. Ltd.
2013 Senior Managing Director,
Daiwa Securities Group Inc.
Senior Managing Director,
Daiwa Securities Co. Ltd.
2016 Executive Managing Director,
Daiwa Securities Group Inc.
Executive Managing Director,
Daiwa Securities Co. Ltd.

Executive Managing Director,
Human Resources Officer
Executive Managing Director,
Daiwa Securities Co. Ltd.



Atsushi
Mochizuki

1988 Joined Daiwa Securities Co. Ltd.
2011 Head of Yokohama Branch
2013 Senior Managing Director,
Daiwa Securities Group Inc.
Senior Managing Director,
Daiwa Securities Co. Ltd.
2016 Executive Managing Director,
Daiwa Securities Group Inc.
Executive Managing Director,
Daiwa Securities Co. Ltd.

Senior Managing Director
Chairman of the Board,
Daiwa Securities Co. Ltd.

Shigeharu Suzuki

Note: Please also refer to details of directors on page 52 of this report for information on corporate executive officers whose photographs are not presented on this page.

Compliance

Daiwa Securities Group has four corporate principles. They are “building trust,” “placing importance on personnel,” “contributing to society,” and “maintaining healthy earnings results.” The Group believes that compliance is a significant element for achieving these principles. The goal of the Group’s compliance activities is not merely to “comply with laws and regulations,” but to earn the trust of customers, markets, society, and stakeholders.

Raising Compliance Awareness

Daiwa Securities Group rigorously observes regulations and exercises self-discipline so that it can contribute to the sustainable growth of society while maintaining high ethical standards. We conduct training programs for new graduates when they join the Group, and continue through regularly scheduled training sessions throughout their careers, thus ensuring that every employee is aware of, and thoroughly understands, compliance issues.

The Group trains its employees so that even when the Group pursues new business ventures in areas where the regulatory structure is incomplete, they can return to the basic approach of laws and regulations, act sincerely in light of socially accepted ideas and common sense, and maintain strong self-discipline and legal awareness.

As basic standards that should be fulfilled at a bare minimum, the Group has formulated Group Minimum Standards for securing information, preventing insider trading, and eliminating relationships with anti-social forces. Based on these standards, the Group aims to further improve awareness of compliance.

Compliance Initiatives for FY2016

To support the building out of internal management systems at each Group company, Daiwa Securities Group will continue to enhance information security, strengthen Group efforts to eliminate connections with anti-social forces, and reinforce measures to prevent insider trading.

From FY2016, the Group will hold Group Compliance Liaison Meetings as a venue for periodically sharing information among compliance departments of Group companies. We aim to further improve internal management as a Group by strengthening collaboration among Group companies.

Compliance Training

In addition to raising compliance awareness and spreading corporate ethics, Group companies routinely conduct verification and training while encouraging employees to exercise self-discipline under any and all circumstances. The Group conducts a wide range of compliance training on a variety of topics including information security, the prevention of insider trading and the elimination of relations with anti-social forces. The methods used encompass group training and e-learning systems.

As a part of our education and training programs on cybersecurity, the Group conducts drills in targeted attack emails in a bid to raise awareness of cybersecurity among managers and employees.

Daiwa Securities conducts a broad range of training with a practical emphasis starting with Compliance Training for all employees, as well as compliance education and instruction for new graduates and newly appointed managers, group training, and training on firewall regulations.

Disclosure

Daiwa Securities Group works to communicate proactively and provide fair and appropriate information in a timely manner so that customers, stakeholders, investors, local communities, employees and executives clearly understand and properly evaluate the Group's activities.

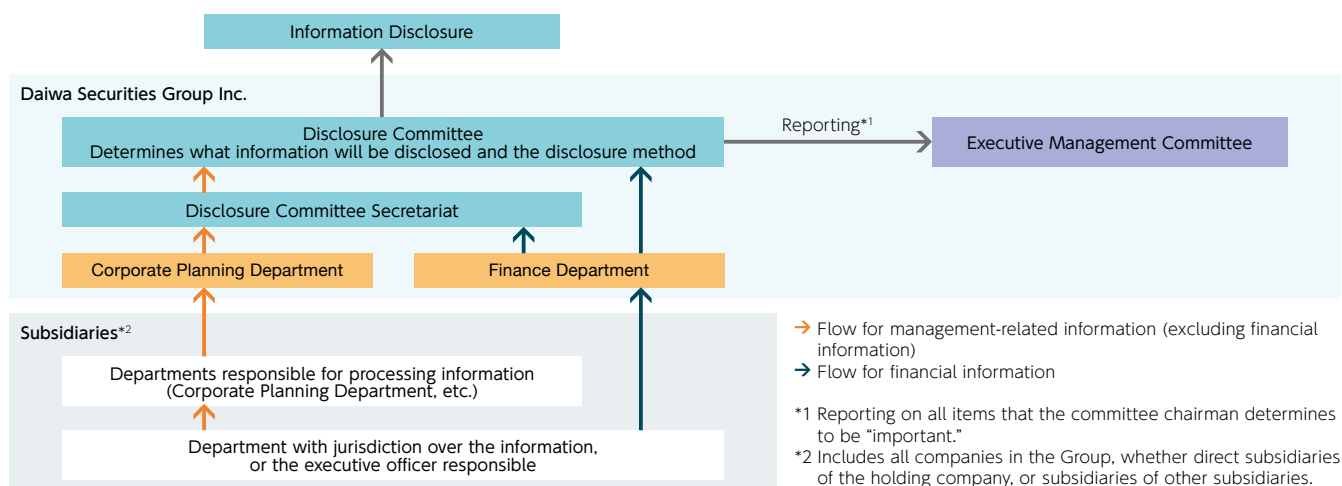
Disclosure System

The Group has formulated a Disclosure Policy, which outlines the Group's basic approach to information disclosure, and strives to provide information that is fair, prompt, and appropriate.

In order to realize the policy's spirit, Daiwa Securities Group Inc. has established the Disclosure Committee—a sub-committee of the Executive Management Committee—based on the Group's Disclosure Regulations, which makes final decisions regarding the disclosure of information. Main Group companies have also established their own regulations on management-related information, which govern the appropriate collection of information and presentation of reports to Daiwa Securities Group Inc.

The Group clearly allocates responsibilities for disclosure, depending on the intended recipient of the information. The Group's Investor Relations Office handles disclosure to shareholders, investors, and analysts. The Corporate Communication Department is responsible for communications with the mass media and local communities. Information is released through a variety of media, including via the Internet and in print. In addition, representatives from disclosure-related divisions of Group companies take part in the Group PR/IR Meeting, which convenes once a month, to share disclosure-related information across the Group.

Flowchart of the Daiwa Securities Group's Disclosure Activities



Daiwa Securities Group Disclosure Policy

- The Daiwa Securities Group will disclose important financial, social, and environmental information about the Group ("Management-related Information") in a prompt, fair, and appropriate manner, so that our stakeholders (including shareholders, investors, and the communities we operate in) may understand and maintain realistic expectations of the Daiwa Securities Group.
- The Group will comply with the Financial Instruments and Exchange Act and other laws and ordinances related to securities transactions and the various rules of the financial instruments exchanges on which our stock is listed.
- The Group will strive to disclose information fairly, in terms of both content and timing.
- The Group will utilize various communication channels including presentations, telephone conferences, the Internet, and printed materials to disclose information in a manner that is easy for investors to comprehend.
- The Group will keep in mind its responsibility to set an example for other listed corporations, in terms of disclosure, and will strive to promote healthy markets.
- To ensure that these policies are implemented properly, the Group has established "Disclosure Regulations" which include guidelines for disclosing Management-related Information and standards for establishing a "Disclosure Committee."

IT Strategy and the Management of Systemic Risk

Under its Medium-Term Management Plan, “Passion for the Best” 2017, Daiwa Securities Group will promote two IT strategies (basic IT policies), namely, “strategic IT investment” and “strengthening IT governance” in order to achieve the management vision of “leading the capital markets in Japan and Asia, and becoming the customer’s first choice securities group.”

IT Governance Structure

Daiwa Securities Group has established the Group IT Strategy Committee as a sub-committee of the Executive Management Committee, and in September 2015, created the IT Strategy Committee at Daiwa Securities, the core company of the Group, as a sub-committee of the Management Committee. These committees deliberate and decide medium- and long-term IT investment policies and budgets for IT investment after taking into account business needs and trends in the business environment, such as systems and regulations. The Group has also established the Group IT Management Committee (the prior consultation organization of the Group IT Strategy Committee), headed by the Chief Information Officer (CIO), putting in place a system for deliberation at the director level to address common issues and the medium-term IT strategies of each Group company.

Against a backdrop of globally tightening financial regulations, increasingly serious and sophisticated cyberattacks, and the spread of advanced services combining finance and IT (FinTech), the CIO has been placed in charge of overseeing all IT-related operations across the Group, including overseas bases, through the aforementioned committees, and is tasked with strengthening collaboration within the Group and managing risk on a global basis.

Strategic IT Investment

Aware of the importance of synchronizing management and IT strategies, Daiwa Securities Group prioritizes the allocation of resources in IT investments that contribute to the achievement of Group performance targets and business strategies. By aiming to coordinate strategic IT investments with changes in tax systems and infrastructure platforms that are essential for business continuity, the Group strives to enhance the value added of its businesses. More specifically, to provide investment services that lead the transition “from savings to investment,” the Group is working to improve its approach to a new customer base (i.e., the next generation of high-net-worth individuals and young people) and enhance marketing efficiency and quality in order to address the diverse needs of investors. The Group is focusing efforts on enhancing convenience for Japan’s individual savings account (NISA) holders and users of its online services, while expanding marketing support functions.

The Group has proactively developed both face-to-face marketing and non-face-to-face marketing channels with IT. Since the rapid advancement of IT has made it more important to have a business strategy that leverages cutting-edge technologies, the Group has newly established the Artificial Intelligence (AI) Office and the Advanced IT Strategy Department as organizations specializing in analysis and research in this field. The Group has also reinforced efforts by launching conferences on financial innovation with cutting-edge technologies across the Group organization, headed by the CIO.

Systemic Risk Management

Daiwa Securities Group has worked to maintain and enhance the management of systemic risk in order to reliably provide high-quality services to customers while protecting information assets from various threats and risks. The Group monitors the status of its networks and information systems and makes qualitative improvements to its systems based on periodic risk assessments, in order to prevent risks from occurring. In FY2015, in response to the launch of the national government’s My Number identification system for individuals, the Group introduced security management measures using the latest in technology to encrypt these identification numbers and restrict access to this information.

In recent years, external threats such as cyberattacks have grown in severity and sophistication. Since it has become more important for the entire Group, including overseas bases, to address these external threats on an organizational and technological level, the Group has collaborated with outside institutions to collect and analyze the latest information about cyberattack methods and vulnerabilities. We have adopted a multi-layered defense that combines defense measures on several fronts, such as “ingress defenses” that prevent illicit intrusions from the outside, “internal defenses” that prevent unauthorized use, and “egress defenses” that prevent the external leaking of information. The Group will continue to enhance its management of cyber security, centered on its CSIRT*.

* Computer Security Incident Response Team: the organization that manages cyber security across departments

Risk Appetite Framework

In FY2016, Daiwa Securities Group introduced a risk appetite framework for the purpose of strengthening risk governance on all management levels.

Risk Appetite Framework

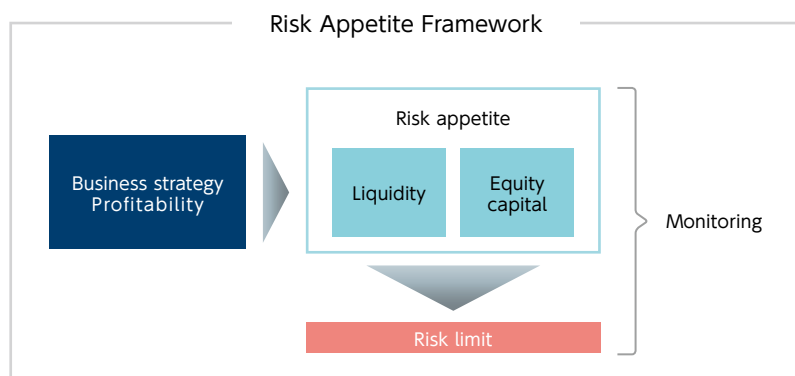
As financial regulations have tightened around the world since the global financial crisis of 2008, globally active financial institutions are increasingly required to have sufficient financial health to perform their functions as financial intermediaries during times of stress in economies and markets.

Daiwa Securities Group Inc. was designated a Domestic Systemically Important Bank (D-SIB) in December 2015, as a large-scale securities company group active on the world stage.

In order to be adequately prepared during times of stress as a D-SIB, the Group must appropriately evaluate risks outside of the ordinary, and ensure it has sufficient liquidity and equity capital commensurate with these risks. The Group introduced a risk appetite framework in FY2016 for the purpose of strengthening risk governance at the management level.

This risk appetite framework defines risk appetite as the type and total amount of risk that should be assumed in order to achieve business strategies. It is a common phrase used internally to discuss risk-taking policies within the context of business management. Risk appetite is the level of risk to be taken based on a risk appetite index that refers to liquidity and equity capital, among other factors. Risk limits that restrict risk appetite are logically set based on the risk appetite index, and then managed and monitored.

The Group has documented this framework in its Risk Appetite Statement, and aims to foster a risk culture while spreading awareness of risk appetite within the Group and improving the level of business and risk management.



Risk Appetite Framework Management Structure

Daiwa Securities Group has built a risk appetite framework through coordination between the CEO, COO, CFO and Chief Risk Officer (CRO).

The Board of Directors has deliberated and decided on a Risk Appetite Statement that

quantifiably sets the risk appetite index within the context of liquidity and equity capital.

The Audit Committee conducts audits of the Board of Directors and management with regard to the risk appetite framework.

Risk Management

While Daiwa Securities Group pursues profitability and growth, it also recognizes the importance of appropriately identifying, evaluating, and effectively managing various risks associated with its business operations. The Group aims to continuously improve its corporate value by maintaining a sound financial base and profit structure that is balanced in terms of risks and returns, and by implementing appropriate risk management.

Risk Management

Risk management policy

Based on its risk appetite framework, Daiwa Securities Group Inc. has established the Rules of Risk Management, which governs the risk management activities of the Group. These rules outline the following basic policies:

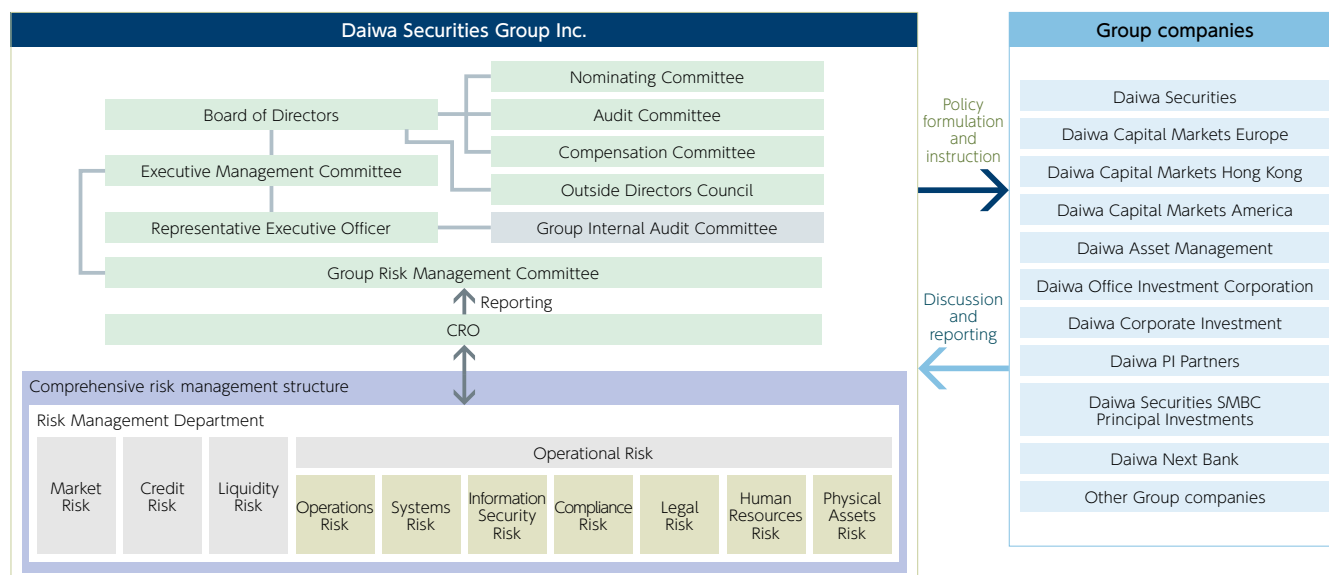
- ① Management's proactive involvement in risk management.
- ② The structure of a risk management system that responds to features of the risks held by the Group.
- ③ Understand overall risk based on integrated risk management, secure strong capital and the soundness of liquidity.
- ④ Clarify the risk management process.

Limits are set for each type of risk so as to appropriately manage Group risk.

Types of risks

Daiwa Securities Group faces various risks in the course of its business activities. The Group therefore believes that it is important to identify and appropriately evaluate and manage those risks in order to maintain a sound financial base and earnings structure. Daiwa Securities Group Inc. determines the risks that need to be managed, and conducts risk management based on the respective Group company's business characteristics and risk profile. The types of risks that have been deemed important to manage include: market risk, credit risk, liquidity risk, operational risk, and reputational risk.

Risk Management System



Risk management system

Based on its risk appetite framework, the Board of Directors of Daiwa Securities Group Inc. has approved the Rules of Risk Management. The rules define basic policies related to risk management, the types of risks that need to be managed, and the responsible executive and department for each major risk. Each of the Group's subsidiaries conducts risk management that responds to the risk profile and size of each business in accordance with the abovementioned basic policies. Daiwa Securities Group Inc. monitors its subsidiaries, and reports the risk exposures and issues concerning the risk management system to the Group Risk Management Committee. This is a sub-committee of the Executive Management Committee of Daiwa Securities Group Inc., and it discusses and resolves any issues that are reported. In addition, major Group companies regularly hold risk management meetings in order to strengthen their risk management system.

Major Risks and Methods of Management

Market risk management

Market risk refers to the risk of incurring losses due to market fluctuations, which affect the value of stock prices, interest rates, foreign exchange rates, and commodity prices. In terms of the Group's trading business, the Group implements suitable hedges to curtail fluctuations in profits and losses. However, as hedges may fail to function effectively in times of stress, the Group sets limits on Value at Risk (VaR)*¹ and loss estimates under various types of stress test*² to ensure that they are within the scope of equity capital after taking into consideration financial conditions and such factors as the business plans and budgets of subject

departments. The Group also sets limits on such facets as position and sensitivity. Risk management departments of Daiwa Securities Group Inc. monitor market risk across the Group, and report the status of market risk to management on a daily basis.

*1 Value at Risk (VaR) represents the maximum possible loss of a given trading portfolio with a given probability over a given time horizon.

*2 Stress tests are used to calculate the Group's maximum losses based on scenarios of the most significant market fluctuations of the past and due to scenarios based on hypothetical risk events.

Credit risk management

Credit risk refers to the risk of losses caused in cases where a counterparty of a trade or the issuer of a financial product held by the Group suffers a default, or credibility deteriorates. The credit risk of the Group's trading activities involves counterparty risk and issuer risk.

For counterparty risks, the Group assigns an upper allowable credit amount for each counterparty group and monitors risk on a regular basis. In addition, the Group sets a limit for the total counterparty risk amount.

Issuer risk for financial instruments held through market-making activities is also monitored.

When the Group provides products and engages in asset management and investments, there exists a risk that its exposure to various products and transactions could be concentrated on specific counterparty groups. If the credit situation at such counterparty groups should worsen, large-scale losses could be generated. For this reason, the Group sets limits on its total exposure to individual counterparty groups and monitors this exposure regularly.

The Daiwa Securities Group (Consolidated) Value at Risk

Range and Assumption of VaR • Scope: Trading accounts • Confidence level: 99% (one-side test) Holding period: 1 day
• Adjusted for price correlation between products

	(Billions of yen)							
	6/14	9/14	12/14	3/15	6/15	9/15	12/15	3/16
VaR (Month-end)	1.29	2.00	2.07	2.32	1.74	1.53	1.25	1.55
Quarterly								
High	1.94	2.30	2.37	3.46	2.43	2.59	1.71	3.14
Low	1.22	1.08	1.42	1.61	1.68	1.34	1.13	1.17
Average	1.50	1.48	1.95	1.93	2.04	1.65	1.47	1.67
By Risk Factor (Month-end)								
Equity	0.45	0.49	0.43	0.70	0.56	0.83	0.39	0.28
Interest	1.40	1.82	1.90	2.27	1.98	1.42	1.13	1.64
Currency	0.32	0.39	0.76	0.32	0.25	0.33	0.59	0.33
Commodities	—	—	—	0.02	0.00	0.00	0.00	0.00

Management of market risk and credit risk unrelated to the trading business

Besides the trading business, the Group also owns operational investment securities related to the investment business, loans and securities related to the banking business, and investment securities that are held for the purpose of maintaining business relationships. Those assets are also exposed to market and credit risks, and risk management is conducted according to the risks that are unique to each line of business.

Liquidity risk management

Liquidity risk refers to the risk of suffering losses due to cash management difficulties or having to finance at markedly higher costs than usual as a result of a change in market conditions or a deterioration of Group companies' finance. The Group uses a variety of financial assets and liabilities to conduct its business with a focus on securities-related operations as its core business. Accordingly, it procures funds based on the policy of efficiently and stably ensuring ample liquidity necessary to continue its business.

In order to prevent market fluctuations from affecting the continuation of our business activities, the Group is constantly striving to secure the stability of fund procurement. Particularly in recent years, the Group has been accumulating liquidity through such means as fund procurement through the market as well as loans from financial institutions, in preparation for unforeseen events such as those caused by global financial crises or credit crunches. Additionally, with the anticipation that such crises may make it difficult

to procure new funds and reacquire existing funds, the Group diversifies repayment periods and fund sources.

Daiwa Securities Group has established a liquidity management system that consists of the regulatory consolidated liquidity coverage ratio as well as its own liquidity management indicators. Under this system, the Group performs daily checks to ascertain that the liquidity portfolios in place are sufficient to cover the repayment of unsecured short-term funds due within a certain time period as well as the estimated outflow of funds under stress in an appropriate time frame—here a number of stress scenarios are adopted. Also, if stressful conditions are expected to continue for a long period of one year or more, in order to maintain its asset holdings, the Group measures and monitors long-term fundraising conditions so that it can continue its business operations even when it becomes impossible to procure funds without collateral for a whole year.

In order to prevent major market fluctuations from affecting the continuation of its business activities, the Group is striving to reinforce its liquidity management.

Operational risk management

Operational risk is the risk of losses that occur when internal processes, people, and systems do not perform adequately or do not function; it can also arise from external events. The Group classifies operational risk into operations risk, systems risk, information security risk, compliance risk, legal risk, human resources risk, and physical assets risk, and monitors them by assigning departments responsible for individual risks.

Definitions	
Operations Risk	The risk of suffering losses due to the neglect of proper operations by employees and executives or due to accidents or impropriety
Systems Risk	The risk of suffering losses due to computer systems going down, malfunctioning, or experiencing system inadequacies, and the risk of suffering losses due to the inappropriate use of computers
Information Security Risk	The risk that a threat to information assets could materialize, preventing information security (confidentiality, completeness, or continued availability) from being assured
Compliance Risk	The risk of suffering losses due to the failure of employees and executives to comply with corporate ethics or laws and regulations, and the risk of suffering losses due to lawsuits with customers and other parties in Japan
Legal Risk	The risk of suffering losses due to the inappropriate conclusion of contracts, breaches of contract, or lawsuits with customers or other parties in relation to overseas offices
Human Resources Risk	The risk of suffering losses due to problems in labor management or from the standpoint of workplace safety, and the risk of being unable to secure necessary human resources
Physical Assets Risk	The risk of suffering losses due to damage to physical assets as the result of natural disasters or external factors, or to negligence on the part of executives and employees

As the Group's business becomes more sophisticated, diversified, and systemized, the accompanying risks become more varied. As a result, the importance of managing operational risk has grown each year.

Major Group companies control their operational risks appropriately by measures including risk control self-assessments (RCSAs), in accordance with rules on operational risk management set by Daiwa Securities Group Inc. In addition, the Group has taken other necessary measures, including the implementation of rigid rules concerning authority, the automation of office operations for reducing human errors, and the preparation of procedural manuals. Each Group company strives to reduce operational risk according to the nature of its own business.

Reputational risk management

Reputational risk refers to the possibility of the Group sustaining unforeseen losses and the Group's counterparties being adversely affected due to a deterioration of its reliability, reputation, and assessment caused by the spread of rumors or erroneous information. There are no uniform procedures for managing reputational risk because it can emanate from a variety of sources.

The Group has established various regulations under its Disclosure Policy, with particular emphasis on the management and provision of information. It has also set up the Disclosure Committee within Daiwa Securities Group Inc.

Each Group company is responsible for reporting information that could turn into reputational risk to the Disclosure Committee. That way, Daiwa Securities Group Inc. can obtain and centrally manage information, and it disseminates accurate information in a prompt manner according to the decisions of the Disclosure Committee.

The Group strives to keep abreast of problems and occurrences that may affect its reputation so that if and when such problems occur, their impact on the Group can be minimized. It also acts to ensure that erroneous and inaccurate information is properly corrected, and that it responds appropriately to libel and other issues. The Group has public relations and investor relations systems in place to prevent and minimize risks regarding its reputation.

Accounting and tax risk management

Accounting and tax risk is the risk of not conducting appropriate accounting treatment and disclosure in accordance with accounting or taxation standards, laws, and regulations, or of not filing or paying taxes appropriately, as well as the risk of losses arising as a result.

The Group strives to reduce accounting risk by operating in accordance with fundamental regulations related to internal controls on financial reporting, and by establishing, putting into practice, and striving to improve its internal controls on financial reporting. In addition, by notifying principal Group companies of necessary reporting items related to tax risk management and receiving such items in a timely manner, the Group endeavors to appropriately determine the tax risk management status and risk conditions for the Group as a whole, thereby reducing its tax risk.

CSR Initiatives

Daiwa Securities Group believes that its business activities like providing financial advice and investment banking, play important functions in social and economic development and regards them as our mission.

To continue to fulfill our mission whilst expanding our business, we trust that it is essential to maintain close ties with our stakeholders.

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.

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.

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.

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.

Key CSR Issues for the Daiwa Securities Group

To achieve our corporate principles and realize a sustainable society, based on the requests and opinions we have received from our stakeholders thus far, we have addressed the following key issues:

1. Leveraging financial capabilities to contribute to a sustainable society
2. Developing sound financial and capital markets for the next generation

We believe keeping each and every one of our executives and employees motivated and proud of their work is essential for tackling these key issues.

In addition to these two CSR issues, the Group strives to create a rewarding workplace in which our executives and employees can take pride.

▼
To achieve its corporate principles, the Daiwa Securities Group anchors its CSR activities in these goals.

Through Business Activities

Daiwa Securities Group plays an important role in society by fulfilling its responsibility to contribute to the development of a sustainable society through various activities in the core securities business.

Impact Investment Bonds

Although the concept of Socially Responsible Investment (SRI) has been around for some time, "Impact Investing" – as this section explains – seeks ways to make a direct impact on social issues through investments. Instead of merely seeking to generate profits and to create economic prosperity, Impact Investing puts an emphasis on resolving specific issues such as poverty, environmental distress or other social issues.

Daiwa Securities Group markets and distributes many financial products that focus on Impact Investing, thereby working to resolve social issues as a leading financial institution.

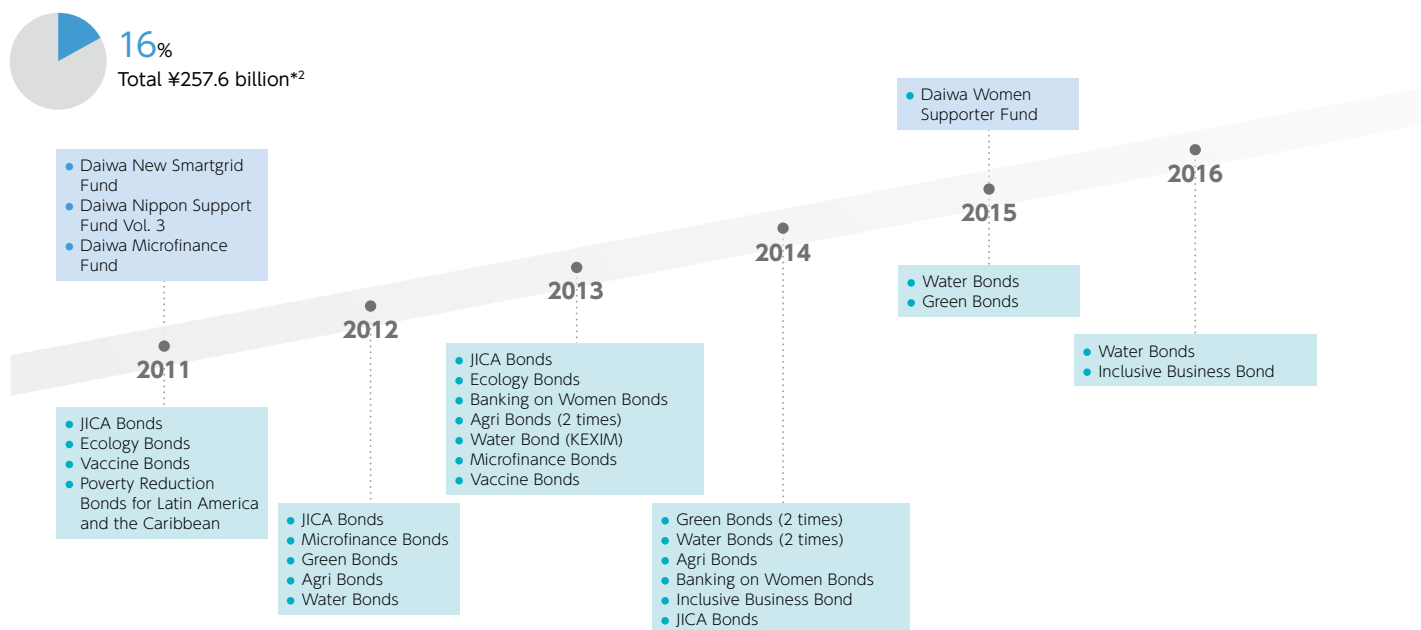
SRI Investment Trusts

SRI investment trusts are a mixture of stocks and bonds that take into account factors other than financial performance, such as ethics and social and environmental objectives, in addition to assessments of the sales and profits of the investment candidates. We offer eco funds that limit non-financial assessments to environmental performance, and investment trusts that limit their stock portfolios to environmental-related businesses. By investing in these trusts, through financial markets, investors can indirectly support countries and corporations that are proactively involved in CSR and environmental programs.

Daiwa Securities Group's History of SRI Funds and Impact Investment Bonds (from FY2011)

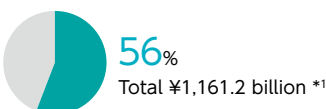
Net assets of SRI funds (As of the end of March 2016)

Daiwa Securities Group net assets ¥42.0 billion*1



Cumulative sales of Impact Investment bonds (March 2008 to the end of March 2016)

Daiwa Securities cumulative sales ¥653.9 billion*1



*1 Source: Daiwa Securities Co. Ltd.

*2 Source: Daiwa Fund Consulting Co. Ltd.

Developmental Support for Capital Markets in Myanmar

The Yangon Stock Exchange (YSX), which was established by Daiwa Institute of Research, Japan Exchange Group and the Myanmar Economic Bank, commenced trading operations in March 2016 with the listing of First Myanmar Investment Co., Ltd. (FMI), a real estate company in Myanmar, as its first stock.

The Yangon Stock Exchange was established with broad support from the public and private sector in Japan. In December 2014, the Myanmar Economic Bank, Japan Exchange Group and Daiwa Institute of Research signed an agreement on the Yangon Stock Exchange, and then worked together to put in place the groundwork for operations. Daiwa Securities Group has provided support to Myanmar since 1996, when it established the Myanmar Securities Exchange Centre as a joint venture between Daiwa Institute of Research and the Myanmar Economic Bank.

The Yangon Stock Exchange plans to steadily increase the number of listed companies. Daiwa Securities Group and Japan Exchange Group will continue to support the formation of a capital market in Myanmar.

Daiwa Myanmar-Japan Foundation

In April 2013, the Daiwa Securities Group established the Daiwa Myanmar-Japan Foundation to support human resources development for the purpose of achieving sustainable economic growth in the country. The Foundation has been helping with the development of key personnel for cultivating capital markets in Myanmar, by offering scholarships to young staff working in the Myanmar government for studying abroad in Japan. On December 2, 2013, the Foundation signed a memorandum of understanding concerning cooperation in human resources development with the Myanmar Institute of Certified Public Accountants and has been helping with the training of public accountants in Yangon.

Investment Companies and Other Initiatives to Resolve Social Problems

Daiwa Real Estate Asset Management Co. Ltd. manages investments and infrastructure assets for solving social issues through investment companies and fund structures. Nippon Healthcare Investment Corporation, which listed on the Tokyo Stock Exchange in November 2014, invests in healthcare facilities that are likely to see stronger demand from society over the longer term as the number of senior citizens increases.

In FY2015, Daiwa Real Estate Asset Management began managing a new fund with assets focused on solar power plants and logistics facilities. Among the infrastructure assets held by private-sector companies, this investment fund will first mainly acquire solar power plants and logistics facilities, and in the future it aims to be a receptacle for public infrastructure by acquiring infrastructure assets sold off by unprofitable joint ventures between public corporations and private-sector companies.

Daiwa Securities Group will continue to fulfill its role by supplying private sector funds for maintaining social infrastructure.

With Our Employees

Daiwa Securities Group believes that maximizing the motivation of every executive and employee will improve customer satisfaction and consequently enhance shareholder value. We take a range of measures to ensure that all of our executives and employees feel a sense of job satisfaction and that their families and friends share in their pride to be part of the Group. In addition, the Group has taken steps to clarify its "identity," which has developed through a process of evolution grounded in its corporate principles. This identity expresses the basic philosophy and mind-set of the Group's corporate culture since its foundation, and is clearly stated as the "Daiwa Spirit."

We hope that the "Daiwa Spirit" will enhance employees' sense of unity and togetherness and thus the Group's overall cohesiveness.

Hiring and Employment Measures

Daiwa Securities Group would like all of its employees to be highly motivated and to stay with the Group from hiring to retirement. All new college graduates recruited by the Group, including those with disabilities, are brought on as full-time, regular employees. This helps to encourage new hires to feel a sense of trust and pride in the Group and a sense of solidarity with their colleagues. On April 1, 2016, 662 new employees joined the Group.

Our approach to retaining quality human resources is to provide an environment in which diverse individuals can perform to their full potential. In order to lead the development of capital markets in Japan and Asia, and become the securities group of choice, considerable emphasis is being placed on securing human resources who are capable of excelling on the world stage.

Employment of people with disabilities

Daiwa Securities Group had over 170 employees with disabilities working in a wide range of roles at its headquarters, in sales branches, and in contact centers in FY2015. The Group started recruiting new graduates with disabilities as regular employees (general office staff) in FY2008 and, in addition, in FY2011, broadened recruitment into the career-track employee, regional career-track employee, and customer service employment streams. We also actively increased recruitment opportunities, holding briefings about the company for new graduates, participating in career expos, and implementing job placement support programs for university students with disabilities.

Once people with disabilities are hired, we provide support for career advancement, for example,

creating opportunities for them to enter the career-track and regional career-track employment streams.

Support for the success of veteran employees

Daiwa Securities Group has in place a Senior Advisor System that provides veteran employees with a wealth of experience to play an active role in the workplace. Senior advisors are dispatched to locations of their choice and engage in community-based consulting and sales from a long-term perspective. In addition, the Group offers the "Daiwa Master Program" to actively support the success of highly motivated and skilled veteran employees. Senior advisors can work up to the age of 70 under the Daiwa Master Program.

In accordance with the enactment of revisions to the Act on Stabilization of Employment of Elderly Persons in 2013, and as the careers of employees grow longer, we associate our sustainable growth as a company with the employment of veteran staff who wish to continue learning and working in a meaningful way as a part of the organization. Daiwa Securities is greatly expanding its training programs for employees aged 45 and older, and has introduced a License Certification System that provides incentives to employees to improve their skills and polish their acumen as professionals.

Moreover, we help employees secure a balance between their work and nursing care needs. We also work diligently to create a workplace environment in which all employees can carry out their duties with vigor free from any anxiety regarding the future.

Human Resource Development and Skill Advancement

Daiwa Securities Group's competitiveness derives from its human resources. We focus on human resource development with the aim of creating a professional group. We offer extensive training programs to employees from the time new graduates are just getting their start as Group employees, as we believe that it is critical for them to receive a solid basic education immediately after joining the Group. Our varied training options ensure that employees not only acquire the fundamental skills, but also learn about the Group's corporate philosophy and commitment to CSR. We have systems in place to rapidly train employees up to professional levels.

We also believe that our employees must have a firm understanding of corporate ethics and compliance in order to ensure the development of sound financial and capital markets—a key issue for Daiwa Securities Group. Accordingly, we offer regular training on information security and compliance.

Education and training system

Daiwa Securities Group trains employees tailored to their skill levels based on a Group-wide policy. At the same time, every effort is being made to expand inter-group training opportunities.

Daiwa Securities helps employees raise their skills to new levels, and has set up new programs that aim to improve specializations. We also have training programs for managerial personnel to improve organizational productivity further. The Group views the first two years of an employee's career as a period for their basic training. The Daiwa Basic Program covers this period of training, and its content is being expanded from FY2015.

Supporting employees trying to earn credentials

Daiwa Securities Group consistently strives to further enhance its expertise as a part of efforts to be the customer's first choice securities group. Daiwa Securities sees Financial Planner (AFP and CFP®) and Securities Analyst qualifications as core requirements, and encourages employees to acquire these certifications. Daiwa Securities had 616 employees with CFP certifications as of March 31, 2016.

Since FY2014, we have had an Inheritance Planner Certification® program in place. Certification candidates are selected from among employees with CFP qualifications. They undergo practical training in-house, and those who pass are certified as personnel with advanced expertise through an in-house qualification system.

In addition, the company provides generous support by, for example, subsidizing certification costs so that employees can enhance their specialized skills and become professionals.

Evaluation system

At Daiwa Securities Group, we believe that a fair and well-accepted evaluation system is crucial in keeping all employees highly motivated in their jobs. As part of this, we implement a multifaceted evaluation system for managers. Under this system, the manner in which day-to-day duties are carried out is evaluated by subordinates and related departments. The results of these evaluations are fed back to the individual helping to identify issues. Through various initiatives including training programs, positive steps are being taken to enhance management skills, which in turn is contributing to a general improvement in productivity across the Group as a whole. This comprehensive system also takes compliance-related performances into account.

In addition, our aim is to create a personnel evaluation system that motivates all employees, regardless of job experience whether they are young, mid-career, or experienced veterans, to move to the next stage and work in positions with major responsibilities.

Striving to Create a Pleasant Working Environment

Encouraging work-life balance (WLB)

One of Daiwa Securities Group's targets is to promote an advanced level of WLB. The Group is committed to pursuing working styles that enable employees to achieve a balance between their professional and private lives, and makes efforts to create an environment in which both men and women can work in a variety of ways.

Not only do we seek to establish systems that enable diverse work styles, but we also work to change employee awareness by ensuring employees leave work before 7 p.m., by encouraging them to take all their paid holidays, and by setting a day of welcoming family visits to the workplace.

Since FY2013, Daiwa Securities has held meetings of the WLB Advisory Committee once a quarter. With the participation of directors, general and branch managers as well as employees, these meetings are a forum for lively discussion on a wide variety of measures.

The Group has adopted systems aimed at supporting its employees in both areas of childrearing and nursing care that exceed statutory requirements. Surveys concerning the Group's efforts to support both the career and childrearing needs of its employees have been conducted to solicit input from all Group employees. These surveys are designed to ascertain the degree to which employees are using the Group's systems and to collect feedback focusing particularly on employee needs. Drawing on the results of the surveys, the Group is working to further improve conditions and put in place a pleasant working environment for all employees. Even during childcare leave, employees are still eligible for promotions and raises based on their contributions to date. Starting in FY2014, Daiwa Securities Group began offering a Childcare Support Leave system. This system has helped to significantly increase the incidence of male employees taking leave to help with childrearing.

With the continued aging of society, the number of employees forced to deal with family and nursing issues is expected to increase. Under these circumstances, steps will be taken to upgrade and expand support systems that allow employees to better balance the needs of work and nursing care. Initiatives include Nursing Care Leave that can be taken in instalments and the introduction of a Life Support Paid Leave system to provide employees with the time to prepare and attend to nursing care requirements.

Encouraging women to succeed

Daiwa Securities Group proactively appoints talented human resources regardless of gender. We are trying to appeal more to women's individual interests by introducing thriving female employees in internal publications, in order to increase the number of women in management positions. A career consultation service has been set up on the Group's internal Initiatives for WLB site. Female executives as well as heads of each department, office, and branch give advice on the concerns and inquiries of female employees. There are a total of seven women in top management positions across the Group, including two female executives at Daiwa Securities Group Inc.

The number of women in management positions has increased every year, totaling 316 women at Group companies as of March 31, 2016. The ratio of women in management positions has risen from 2.2% (at the end of FY2004) to 7.5% at the Group, and from 2.3% to 8.9% at Daiwa Securities.

By increasing the number of role models, we are making it easier for the Group's female staff to envision their career path. In this context, there has

been a sharp increase in female employees aspiring to advance their careers by switching to career-track and regional career-track positions in recent years. To date, more than 1,100 female employees converted to career-track positions. An increasing number of employees have also taken advantage of our Professional Return Plan, a system for re-hiring employees who left work to raise children or care for family members, starting them at the same level of compensation as when they left. The scope of this system was expanded in FY2015. This has helped us secure talented personnel who support operations.

Starting in FY2014, Daiwa Securities launched the female employee career support training initiative (Daiwa Woman's Forum) helping women to build networks among themselves. We will continue to increase the number of female managers, aiming to develop female leaders who will drive the future of Japan's financial industry.

Daiwa Securities has a proven track record of implementing a wide range of initiatives that help female employees reach their full potential. The company has also clarified its objectives through to

Main Initiatives for Work-Life Balance and Female Employee Support Plan

Program name	Program description
Professional Return Plan (rehiring of sales staff)	Offers opportunities for re-employment to former full-time employees who left their jobs after marriage or childbirth (The scope of the plan was extended from a maximum of five years after retirement to a maximum of 10 years after retirement from November 2015).
Job Location Change System	Offers a position in a new location when an employee must relocate after marriage or spouse's job transfer.
Spouse Work Reassignment Leave System	In the event a spouse is reassigned to work in a location that is untenable for the employee to commute to work at Daiwa Securities the employee may opt to take leave for a certain period (up to five years).
Childcare Leave	Employees can take childcare leave until their child's third birthday.
Childcare Support Leave	When a spouse gives birth or returns to work, leave may be taken (first two weeks of pay is guaranteed for childcare leave).
Life Support Leave	Excluding the ability to take other leave, leave can be taken for accidents and sickness, care preparation and infertility treatment if necessary (unused annual leave can be accrued up to a maximum of 50 days).
Shorter Working Hours System	Regular working hours can be shortened with the shortest period of six hours; employees can return home early.
Exemption from Overtime Work	Employees are exempt from overtime work until their children complete the third grade of elementary school.
Restricted Overtime Work	Employees are exempted from overtime work over a certain number of hours until their children finish elementary school.
Daycare Subsidy	The Group offers subsidies for daycare expenses until the employee's child begins elementary school.
Expanded Leave System	The Group encourages employees to take paid vacation and has introduced leave for marriage preparations, children's ceremony leave (to allow employees to attend their children's events including school entrance ceremonies) and "family day" leave to give employees a chance to spend quality time with their families.
Expanded Support for Balancing Work and Nursing Care Needs	The Group has launched a seminar to help employees better balance their work and nursing care needs. This initiative is aimed at alleviating the anxieties associated with the prospect of future nursing care needs.
Nursing Care Leave	Enables employees to take leave on an instalment basis to care for a family member four times within the period of 365 days.
Support after Returning to Work	Enables employees to return to work after a period of childcare leave. Daiwa WLB Station, a WLB promotion website that focuses on various support systems related to childrearing and nursing care, provides information for employees on childcare leave and helps facilitate their smooth return to the workplace.

FY2020. In this manner, positive steps are being taken to provide an environment in which employees with diverse values can maximize their capabilities.

- Ratio of women in management positions: Over 15%, more than five times the ratio reported in FY2005
- Ratio of women among new graduate recruits: Stable at 50%
- Ratio of women participating in training programs: 50%
- Annual leave utilization rate: Over 70%
- Ratio of men utilizing childcare leave: 100%

Takashi Hibino, president and CEO of Daiwa Securities Group Inc., has shown his support for the Declaration on Action by A Group of Male Leaders Who Will Create a Society in which Women Shine spearheaded by Japan's Gender Equality Bureau of the Cabinet Office.

External evaluations

Daiwa Securities Group's personnel policies and initiatives are evaluated by external parties.

- Daiwa Securities Group ranked 14th overall in the May 2016 Nikkei Woman survey of the 100 Best Companies Where Women Play an Active Part, 1st in encouraging women to succeed and 5th in the level of diversity awareness
- Among companies to have received Kurumin certification for measures to support raising next-generation children from Japan's Ministry of Health, Labour and Welfare, Daiwa Securities received the Platinum Kurumin mark in recognition of its proactive initiatives as an enterprise that supports child raising activities.
- In March 2016, Daiwa Securities Group was selected as a Nadeshiko Brand company in FY2015 and as a Health and Productivity Company, designations co-sponsored by Japan's Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange for a second consecutive year.

Human Rights Education Initiatives

Based on its corporate principles, the Act on Promotion of Education and Enlightenment of Human Rights, the United Nations Global Compact and ISO 26000, the Daiwa Securities Group is strengthening efforts to educate its employees about human rights with the aim of improving a corporate culture rooted in the basic principles of human rights.

In 1984, the Group set up the Human Rights Awareness Promotion Committee with the objective of promoting human rights education and training to deepen awareness and ensure an accurate understanding of human rights issues, such as social integration issues in Japan. As of March 31, 2016,

the committee was chaired by the Head of Human Resources at Daiwa Securities Group Inc., with the Deputy Head of Human Resources and the general manager of the Human Resources Department serving as deputy chairs, and comprised of five other personnel including the Executive Officer and general manager of the Corporate Communications Department, general manager of the General Affairs Department, and general manager of the Compliance Control Department (all positions held on a concurrent basis). Under the guidance of the Committee, the heads of all Group departments act as members in charge of promoting its mission. In May 2011, the Committee revised and published the Basic Policy for Initiatives Addressing Human Rights and Social Integration Issues.

In FY2015, human rights training was conducted as a part of the education program for the newly hired and education programs for group training, together with programs targeting employees newly promoted to the positions of general manager, manager and assistant manager. Particular emphasis was placed on deepening understanding toward LGBT issues in the training. All Group executives and employees viewed films on human rights and then adjourned to Human Rights Awareness Workshops for group discussions within their divisions. A contest was also held among Group executives, employees and their families, for drafting a Human Rights Awareness Slogan to promote broader and deeper understanding of human rights.

Basic Policy for Initiative Addressing Human Rights and Social Integration Issues

- 1 The Daiwa Securities Group supports and complies with the protection of human rights as advocated internationally and does not infringe on human rights within the limits of its influence.
- 2 The Daiwa Securities Group educates and instructs the Group's employees with accurate information on human rights and social integration issues.
- 3 At the same time, the Group views human rights and social integration issues as our own problem, not somebody else's problem, and fosters a sensitivity that enables empathy with the pain of others.
- 4 We provide an equitable working environment free of discrimination that values people.
- 5 Each employee is a member of society unburdened by prejudice.

Specific Activity Details

- 1 Respect the rights of all stakeholders and ensure that all employees interact with local communities and customers with a deep awareness toward human rights
- 2 Adhere strictly to fair and open employee screening and evaluation as well as labor management
- 3 Further upgrade and expand human rights education and awareness activities within the Group, systematically implement training, and solicit feedback

The Human Rights Awareness Promotion Committee (May 18, 2011)

Environmental Initiatives

Protecting the global environment, the basis of our livelihoods, is essential for a sustainable society. Through its business activities, based on its Environmental Vision, Environmental Principles and Basic Environmental Policies, Daiwa Securities Group strives to help resolve environmental issues by investing in products that can reduce the environmental burden, and also by making investments that help to make environmental technologies and infrastructure more widely available. At the same time, we are working to establish a system that efficiently collects data on Daiwa's environmental load. We are also focusing on raising employees' environmental awareness to empower them to reduce the environmental burden in daily business operations. We strive to connect and cooperate with various stakeholders through multi-channel communications with society and the dissemination of information about the environment.

Climate Change Initiatives

In every facet of its ongoing business activities, Daiwa Securities Group is implementing various initiatives and developing services in an effort to mitigate the effects attributable to climate change.

Renewable energy power generation projects

Daiwa PI Partners Co. Ltd. (PIP) has aggressively invested in the development and operation of renewable energy power generation projects, leveraging the network of the Daiwa Securities Group, since the renewable energy feed-in tariff system was introduced in July 2012.

In November 2015, construction was completed on the Iwamizawa Solar Power Plant that Daiwa PI Partners developed on its own in Iwamizawa, Hokkaido. This solar power plant is one of the largest of its kind in the Sorachi area of Hokkaido. All five of the solar power plants that Daiwa PI Partners has developed and invested in are operating stably.

In December 2015, Daiwa PI Partners announced plans to construct a wood pulp biomass power generation plant that uses tree trimmings as its primary source of fuel in the city of Yonezawa in Yamagata Prefecture. Wood-based biomass power generation is a form of renewable power generation that contributes to the revitalization of regional economies through the creation of new industries and employment in the forestry business.

The Group will continue to aggressively invest in the development and operation of energy infrastructure assets.

Finding ways to save energy in Smart Community Experiments

Daiwa Institute of Research Business Innovation Ltd. participated in two separate experimental smart community projects promoted by the Ministry of Economy, Trade and Industry, and Kawasaki City from FY2014 to FY2015. The experimental projects entail the use of HEMS* installed in homes to manage energy usage in the home and the community, as well as the provision of government, community and lifestyle-related services to invigorate the local community. Through the use of IT, electricity usage has been cut by roughly 12% by encouraging residents to step out during times of high energy usage and giving advice on how to cut back on energy use based on individual usage patterns. Taking advantage of the knowledge gained from these experiments, we will continue to help improve convenience in daily lives, revitalize regional economies and create environmentally sustainable communities.

* Home Energy Management System; the system for supporting energy management, including the display and control of electric power and other energy sources used in the home.

Initiatives to Reduce Environmental Impact of Business Activities

Initiatives at branch offices

When installing new equipment at its head and branch offices, Daiwa Securities has a requirement that the equipment must be certified under Top Runner standards, and continues to upgrade its energy-saving equipment. In FY2014, the company started replacing company-owned passenger vehicles* with eco-cars and hybrid vehicles. In FY2015, 137 eco-cars and 31 hybrid vehicles were introduced. In FY2016, we plan to replace more cars with 64 eco-cars and 58 hybrid vehicles.

* 1,036 passenger vehicles as of March 31, 2016

With Society

As a good corporate citizen, Daiwa Securities Group engages with regional and international communities in a variety of ways, including education about the economy and finance. The Group also continues to provide reconstruction support to those areas devastated by the Great East Japan Earthquake.

Initiatives to Promote Economic/Financial Education

KidZania

Daiwa Securities Group is a supporter of KidZania, a theme park designed to provide young children from the age of three through to junior high school students with work experience and has established securities consulting pavilions at facilities in Tokyo and Koshien (Hyogo Prefecture).

Children gain an insight into the workings of a company, the importance of finance, and the role that financial service companies play within the finance sector. At the same time, this initiative helps improve the level and scope of their financial literacy.



KidZania Tokyo

Finance Park

Daiwa Securities Group helps out with the Finance Park operated by Junior Achievement Japan, a program for junior high school students that gives them the experience of planning a budget for their life. Daiwa Securities has set up mock stores in Shinagawa, Kyoto, Iwaki and Sendai to give the students opportunities to gain practical knowledge about the economy and finance.



Finance Park (Sendai)

“Okane no Mikata” educational website about finance and the economy

In March 2016, Daiwa Securities launched the “Okane no Mikata” website for learning more about finance and the economy. The website is geared toward junior high school and high school students to help them learn how to manage their money and plan a budget for their own lifestyles in the future, while giving them a basic and broad introduction to finance, the economy and investing.



Okane no Mikata

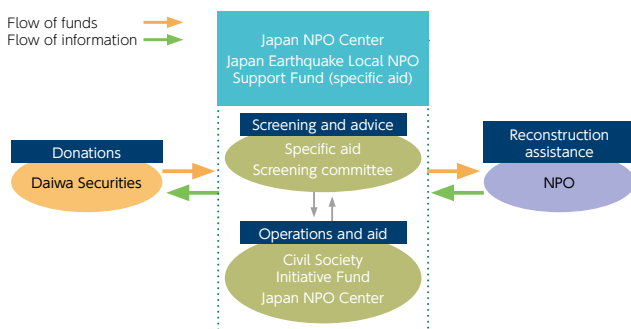
Disaster Reconstruction Support Initiatives

Daiwa Securities Phoenix Japan Program

In May 2012, Daiwa Securities Group established a reconstruction assistance program to rebuild the social foundation of regions affected by the Great East Japan Earthquake. The program donates a portion of management fees from the Daiwa Nippon Support Fund Vol. 3-Phoenix Japan to local designated NPOs through Japan NPO Center's Japan Earthquake Local NPO Support Fund. The Fund supports NPOs working in the affected areas to help people reconstruct their lives and communities. In FY2015, Daiwa Securities Group donated ¥39.23 million to the fund, and decided how to allocate aid for a fourth round of assistance (nine aid projects totaling ¥36.8 million*).

The Group will support programs that allow local NPOs to operate stably over the long term and provide assistance to people affected by natural disasters for restoring their livelihoods and helping rebuild communities.

* Includes joint training subsidies totaling ¥2.5 million



Assistance for other natural disasters

Daiwa Securities Group Inc. has donated ¥10 million in aid for people affected by the earthquake that struck Nepal in April 2015, and for repairing damage caused by the earthquake. It also donated ¥10 million for people and communities affected by heavy rainfall during Typhoon #18 that struck in September 2015.

Daiwa Securities' Tokuyama Branch Office delivered emergency water bottles to regions cut off from the supply of water due to heavy snowfall that hit Yamaguchi Prefecture in January 2016.

Activities as a Corporate Citizen

Daiwa Securities Group engages in various volunteer and regional revitalization activities in Japan and overseas.

Activities in Japan

Since spring 2013, Daiwa Securities Group has participated in the TFT Program operated by TABLE FOR TWO International, a specified nonprofit corporation. In this program, a portion of the proceeds from food and beverages purchased by employees is donated for school lunches in developing countries. We aim to increase opportunities to participate in this program by expanding it.

In addition, the head and branch offices of Daiwa Securities engage in various activities that give back to local communities.



Daiwa Securities' Ikebukuro Branch Office staff clean the neighborhood

Overseas activities

Among the members of the major overseas bases of Daiwa Securities Group, volunteers operate CSR programs that support education by providing supplies to schools, recognize the past services of senior citizens living alone, and offer donations to support local communities.



Activities to support education in Hong Kong