

# Our DNA Underpinning Sustainable Growth in Concert with Society

## Daiwa Securities Group's DNA

### Values That Underpin the Group's Foundations

### Penetration to All Employees

#### Corporate Principles

##### 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.

#### Practicing Its Values

#### The Daiwa Spirit

1. Exercises self-discipline and complies fully with the law, recognizing that sustainable growth hinges on winning the trust of customers, financial and capital markets, and society at large.
2. Secures sound profits by contributing to societal and economic development through its actions in financial and capital markets.
3. Exerts unflagging efforts to build strong, sustainable, trust-based customer relations.
4. Continues to pioneer products and services in financial and capital markets, with each employee fulfilling his/her mission with confidence and pride.
5. Cultivates unbeatable competitiveness to overcome challenges, underpinned by strong company-employee trust and solidarity between colleagues.
6. Aims to be the securities group with the highest ambitions, a positive attitude that turns hardships into opportunity, and unmatched speed.

Creating a rewarding company in which employees are satisfied with their job  P.27

Quality No. 1 initiatives  P.28

Customer-first operations  P.48

#### Medium-Term Management Plan

"Passion for the Best" 2020 A Financial and Capital Market Pioneer That Creates the Future

Action plan / Fiscal year management policy

Fiscal year numerical targets and budgets

## Key Issues for Achieving Sustainable Growth in Concert with Society (Three Pillars)

**Key Issue 1** ■ Leveraging financial capabilities to contribute to a sustainable society

**Key Issue 2** ■ Developing sound financial and capital markets for the next generation

Working to develop a work environment which serves as a base for promoting these issues

■ Striving to create a pleasant working environment

In FY2014, Daiwa Securities Group held hearings with each of its departments to ascertain the expectations of stakeholders and changes in social trends. Drawing from its findings, the Group identified CSR materiality based on its three pillars.

### CSR Materiality of the Daiwa Securities Group

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| <ul style="list-style-type: none"> <li>I. Appropriate proposals and after-sales service in accordance with the characteristics and needs of customers</li> <li>II. Customer service with a wealth of hospitality</li> <li>III. Development and provision of superior financial and investment products</li> <li>IV. Dissemination of analysis and proposals on the economy, society, and investment information</li> <li>V. Maintenance and development of financial and capital market functions</li> <li>VI. Appropriate risk controls</li> <li>VII. Appropriate management of customer information</li> <li>VIII. Construction and maintenance of a strong IT system</li> <li>IX. Responsible action as an institutional investor</li> </ul> | <ul style="list-style-type: none"> <li>X. Creation of a workplace that values human resource development and diversity of employees</li> <li>XI. Creation of a corporate culture to comply with laws, regulations and codes in Japan and overseas, based on self-discipline (including appropriate anti-corruption and human rights measures)</li> <li>XII. Reduction of environmental load and responses to environmental changes</li> <li>XIII. Initiatives to address social concerns and contribute to future development of society, and financial and capital markets</li> <li>XIV. Contribution to local communities</li> <li>XV. Construction and maintenance of an appropriate corporate governance system</li> </ul> |
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Integrate

### Promoting the creation of shared values based on sustainable development goals under the Medium-Term Management Plan

