



Overview of Daiwa Securities Group (as of June 1, 2020)

■ Corporate Name	Daiwa Securities Group Inc.
■ Head Office	GranTokyo North Tower 9-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-6751, Japan
■ TEL	81-3-5555-1111
■ President and CEO	Seiji Nakata



Group website



Daiwa Securities Group  
and SDGs

# What are the Sustainable pursued by Daiwa Securities

# Development Goals (SDGs) Group?

SDGs are global goals for 2030 set out in the 2030 Agenda for Sustainable Development, which was unanimously adopted by the UN Summit in September 2015. SDGs is an acronym for Sustainable Development Goals.

The SDGs are comprised of 17 goals (see the chart on the right) targeting social issues of all countries and 169 targets which are the achievement criteria established for each of the issues. The SDGs aim to build an inclusive and sustainable society using these goals and targets.

The SDGs encompass a broad range of issues from poverty, hunger, and environmental issues to work style. The SDGs are designed not only to address issues of developing countries but also to call for action by developed countries, emphasizing that “no one will be left behind” in the course of implementation.

## SUSTAINABLE DEVELOPMENT GOALS



## We will fulfill our roles as a comprehensive securities group toward achieving the SDGs

We have only 10 years to achieve the SDGs by 2030. In order to realize a sustainable society, we must initiate action more proactively. What is now needed above all is prompt decisions in the face of accelerating changes in the world due to the repeated occurrence of natural disasters and the COVID-19 pandemic.

Looking at the 10 years ahead, it is necessary for us to further strengthen cooperative relations with every stakeholder and implement initiatives that are effective for solving issues around the world.

As a comprehensive securities group, we will endeavor to develop mechanisms for the sustainable flow of funds to prevent such initiatives from stagnating due to shortage of funds.

We will continue to work proactively to solve social issues to remain a company that is needed by society in the next 100 years.

Daiwa Securities Group Inc.  
President and CEO

中田 誠司 *Seiji Nakata*

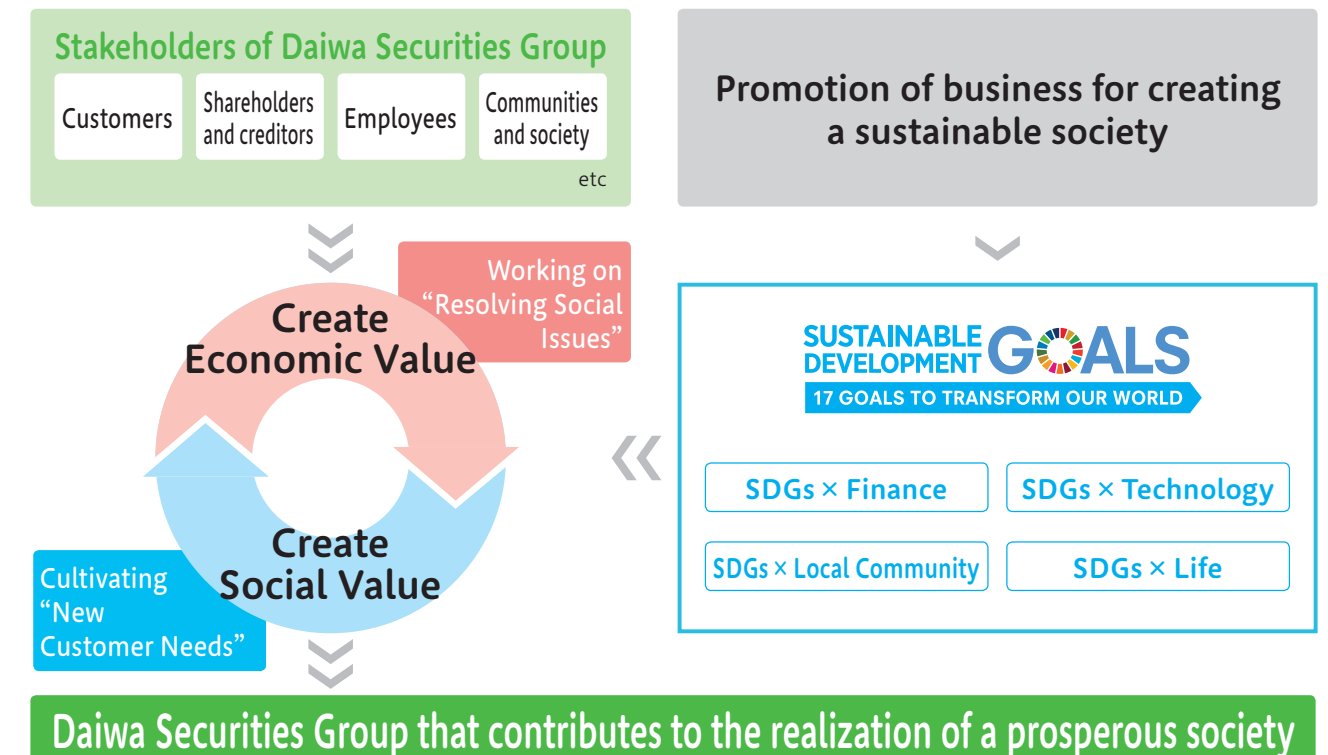


## Contributing to resolving various social issues through business activities

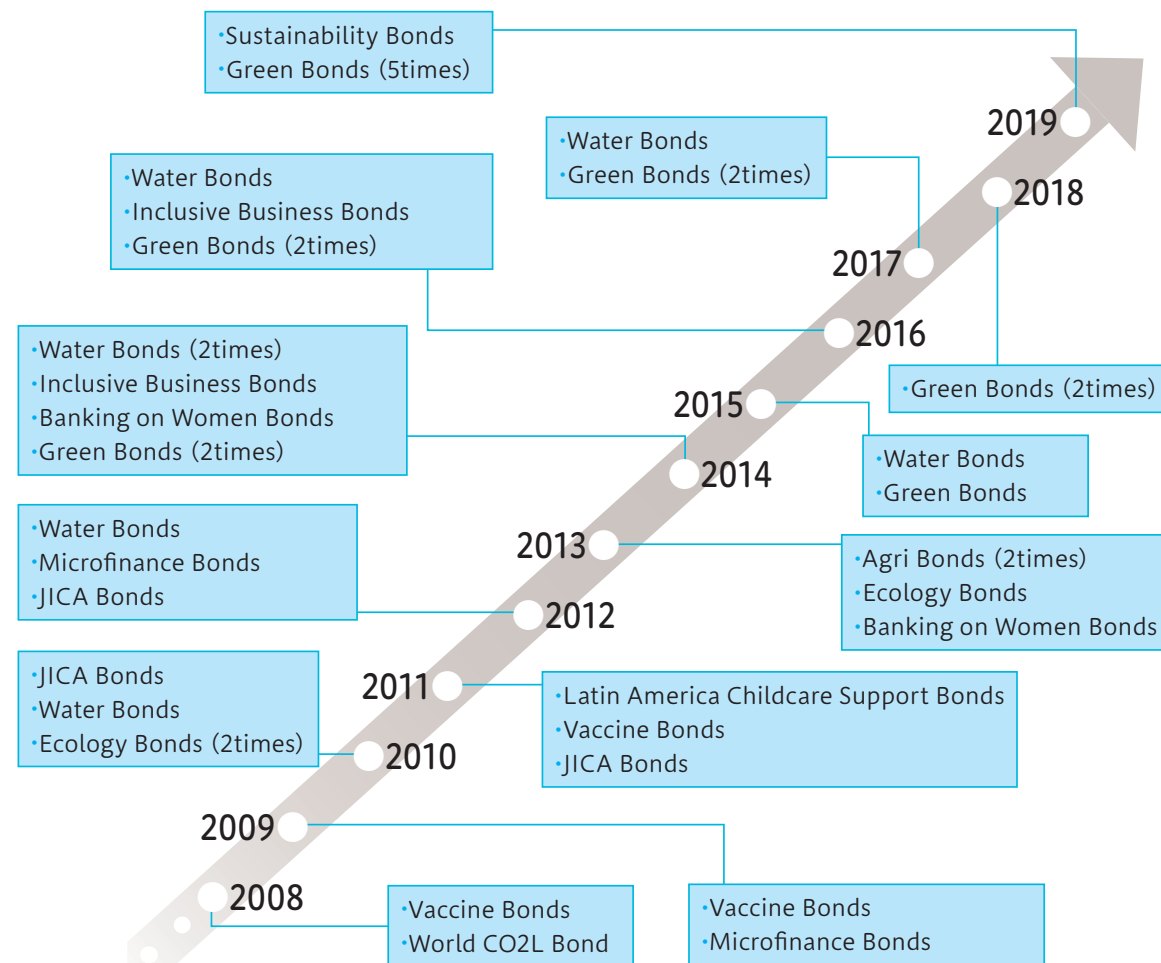
Daiwa Securities Group plays a role of contributing to resolving social issues by linking social issues with investment needs through financial functions.



### Shared Value Creation Cycle



## Daiwa Securities Group's History of SDG Bonds



## Promoting Investment in Social Issues and Expanding Handling of SDG Bonds



In addition to its existing underwriting and sales of Green Bonds, Daiwa Securities Group has further expanded handling of SDG bonds including social bonds and sustainability bonds.

### Green Bonds

Bonds issued to raise funds required for green projects that contribute to solving environmental issues

### Social Bonds

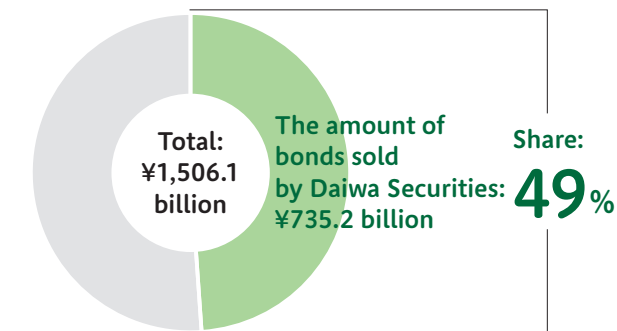
Bonds issued to raise funds required for social projects that contribute to solving social issues such as welfare and education

### Sustainability Bonds

Bonds issued to raise funds required for both green and social projects

\*Excerpts from “Guidebook (History, etc.) on Financial Instruments Contributing to the SDGs” by Japan Securities Dealers Association

Daiwa Securities' share of cumulative sales of Impact Investment bonds (SDG bonds) for retail investors in the domestic market has remained high at 49% as of March 31, 2020.



(Results of SDG bonds for retail investors as of March 31, 2020)

## Social Challenges Fund (nicknamed “Egao-no-kakehashi”)

Daiwa Asset Management established a fund to support initiatives including SDGs for solving social issues in 2018. This fund focuses on solving social issues that have become apparent, as well as potential social issues that have yet to receive attention from society.

Potential social issues can become a trigger for producing sustainable growth for companies. Investment themes of this fund are selected through interviews with companies and internal and external information resources.

By taking potential social issues as business opportunities and investing in companies with prospects for sustainable growth, this fund seeks to gain both economic and social returns.

### Image of Portfolio Development

Shares listed on financial instruments exchanges in Japan (including shares scheduled for listing)

- Select investment themes from among issued faced by society

- From among companies that satisfy the investment themes, select companies that meet the following criteria as candidates for investment.

- 1 Companies that identify potential issues faced by people and society ahead of others and work on solving such issues as business
- 2 Companies that work on solving issues attracting social attention to earn profits
- 3 Companies that support initiatives for solving issues through provision of products and services
- 4 Companies that benefit from resolution of issues

Investment candidates

- Select companies with high investment attractiveness by conducting analysis of individual companies placing an emphasis on a thorough bottom-up approach and analysis of investment environment
- Give consideration to liquidity of individual stocks and share price level, etc.

Portfolio

## Deposits by Customers Contribute to Society— Daiwa Next Bank’s “Support Term Deposits”

Daiwa Next Bank donates an amount calculated by multiplying the balance of its “Support Term Deposits” by a certain rate to 10 or more organizations according to four themes.

The Deposit balance stands at ¥73 billion as of March 31, 2020. As a result, Daiwa Next Bank donated ¥9.49 million in April 2020 (the amount for the second half of FY2019), which is a record-high amount. The cumulative total amount donated is approximately ¥19 million.

Feedback received from customers includes: “This was a good opportunity to learn about social issues” and “I hope similar initiatives will become more widespread.”



### Examples of activities that can be supported through term deposits

Environmental protection, support to sports for persons with disabilities, medical support to children, support to children in poverty and other vulnerable situations

Daiwa Energy &amp; Infrastructure Co. Ltd.

## Investment in Renewable Energy

Daiwa Energy & Infrastructure Co., Ltd. aims to solve social issues by developing new energy systems through investment in renewable energy projects.

The company contributes to the provision of clean energy sources through investment in photovoltaic solar power plants, biomass power plants that utilize unused materials as the main energy source, and thermal power plants, etc. in Japan and overseas.



Photovoltaic solar power plants in Kanonji (left) and Nikko (right)

Daiwa Food &amp; Agriculture Co. Ltd.

## Introducing New Technologies to Promote Industrialization in Agriculture

Daiwa Food & Agriculture Co., Ltd. aims to contribute to solving social issues surrounding the agriculture and food sectors in Japan by promoting industrialization in agriculture pursuing expansion of scale and efficiency improvement.

Starting from the spring of 2019, the company launched a business of producing baby leaf vegetables utilizing agritech in Kumamoto Prefecture in cooperation with a local partner company. In the spring of 2020, the company started a business of producing tomatoes in large-scale cultivation facilities in Yamagata and Oita Prefectures.



Image of tomato cultivation

## SDGs × “Life”

### Good Time Living

## Provision of High-Quality Nursing Care Services



The population aged 75 years or older in Japan is expected to exceed 20 million in the first half of the 2020s. Therefore, providing high-quality nursing care facilities and services is an urgent issue. To address that issue, Good Time Living provides customized nursing care services suited to the needs of individual residents.

Daiwa Securities Group will introduce our customers and their families to reliable residence facilities for the elderly and provide a wider range of support for their secure and fulfilling second life.



Entrance Hall of Good Time Living Center Minami

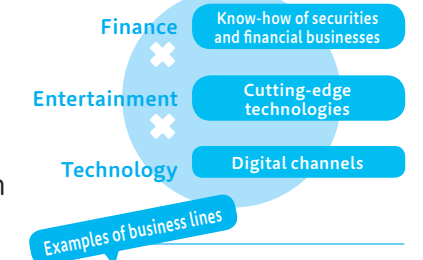
## SDGs × “Technology”

## Creation of Next Generation Financial Services (Fintertech)



Cutting-edge financial technologies such as blockchain are becoming widespread.

In this situation, Fintertech is working to create next generation financial services targeting the digital native generation.



Digital asset collateral loans, crowd-funding, crowd-tipping system, etc.

## SDGs × “Local Community”

## Solutions for Business Succession (Daiwa ACA Business Succession Fund)



It is said that about half of the small and medium-sized companies in Japan do not have successors, and business succession is thus a major social issue. Daiwa ACA Business Succession Fund supports small and medium-sized companies to pass on their excellent technologies and services to the next generations.

## SDGs × “Life”

## Proactively Supporting the Healthcare Area (Daiwa ACA HealthCare Inc.)



Through Daiwa ACA HealthCare Inc., which has investment expertise in the medical and nursing care business, Daiwa Securities Group aims to solve social issues in those fields by the provision of funds for the hospital and nursing care business and support for succession and management of medical institutions, in Japan and overseas.



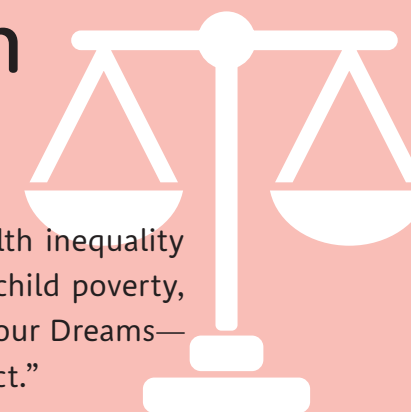
# Supporting Sound Financial and Capital Markets

Daiwa Securities Group assists companies that need funds and supports generation of the flow of funds. We will continue to support social infrastructure by contributing to the creation of a more active and stable financial market.

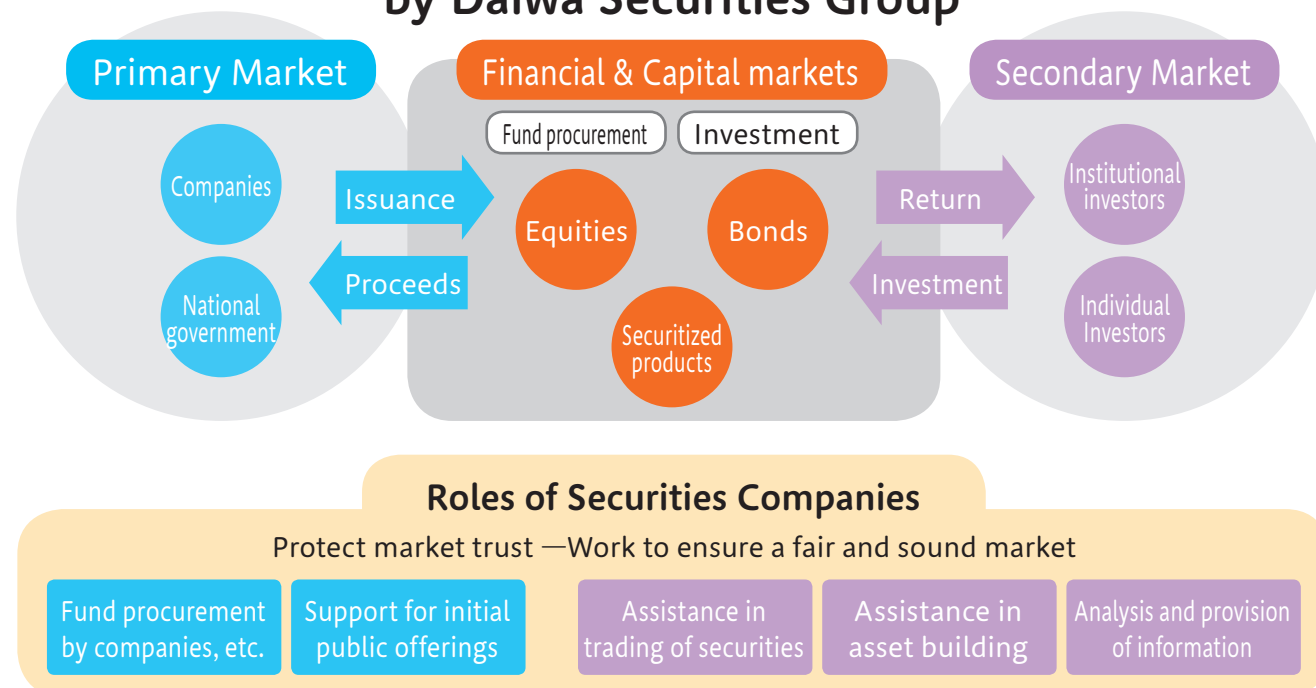


# Smiles to Children Project

As a measure for approaching the issue of wealth inequality created by capitalism, particularly the issue of child poverty, Daiwa Security Group is undertaking the “For Your Dreams—Daiwa Securities Group Smiles to Children Project.”



## Securities Companies' Roles in Society as Viewed by Daiwa Securities Group



As part of this project, Daiwa Securities Group has created the “Child Support Fund for a Bright Future” in collaboration with the Public Resources Foundation, a public interest incorporated foundation, with the aim of improving the environment surrounding children and preventing the cycle of poverty.

This fund supports NPOs and others that assist children’s future, and grant recipients are selected through open invitation.

Daiwa Securities Group decided to issue bonds for retail investors (nicknamed “Daiwa Securities Group Future Support Bonds”) in June 2020 and donate ¥112.5 million, comprising a 0.15% of the total amount of issuance.

Of this amount, ¥10 million will be allocated for donation to the “COVID-19 Emergency Fund for Children Support Groups” established by the Public Resources Foundation and the remaining amount for donation to the “Daiwa Securities Group Future Support Bonds Child Support Group Sustainable Fund”.



Representatives of grant recipient organizations and Daiwa Securities Group Inc. President and CEO Nakata



## Providing Financial Education to Various Generations

Daiwa Securities Group provides opportunities for financial education based on the idea that deepening monetary knowledge and learning among various generations and increasing money flows in the market will lead to the revitalization of financial markets in the future.



## Toward Maximization of Job Satisfaction

Daiwa Securities Group aims to create a workplace where all employees feel job satisfaction through the promotion of work-life balance, health and productivity management, and other initiatives.



## Cooperation with “Job Museum”

Daiwa Securities Group cooperates with “Job Museum,” career education materials for elementary school children designed to allow children to proactively decide on their future courses to prevent career mismatches. The book version, “Job Almanac,” meets curriculum guidelines and can be used in school classes.

Job Museum Kids Website



## Daiwa Internet TV

We produce “Daiwa Internet TV” at our own studio and distribute economic, social and investment information free of charge in a varied and timely manner.

Daiwa Internet TV



## Encouraging Women to Succeed

Daiwa Securities Group proactively promotes female employees, and the ratio of female directors in Daiwa Securities Group Inc. is currently 21.4% (three out of 14 directors). In addition, we have been selected as a “Nadeshiko Brand\*” for six consecutive years in recognition that our efforts for an environment that encourages women to success are facilitating the sustainable growth of the company.



## Promotion of Health and Productivity Management

Daiwa Securities Group appoints a Chief Health Officer (CHO) and promotes health management across the Group by holding Health Management Promotion Meetings and preparing the Health White Paper. Specifically, we take measures, such as undertaking a health awareness improvement project, and Daiwa Securities Group has been selected as a “Health & Productivity Stock Selection” for six consecutive years.



\* Selected jointly by Japan’s Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange

# “SDGs Promotion Original Logo” Selected through Internal Open Invitation

We solicited ideas for Daiwa Securities Group’s original SDGs promotion logo from all officers and employees, in order to strengthen promotion of SDGs in business and proactively disseminate our stance externally.

As a result, we received more than 70 entries of logo designs from across the Group, including overseas branches.

To ensure that each employee feels willing to use SDGs promotion logo in their daily work, the original logo was selected from the short-listed designs through a vote of officers and employees.



The employee who created the logo design said that the logo was designed to express the idea that “Daiwa Securities Group, in a society facing various issues, will contribute to building of a better society.”

Sharing this idea across the Group, we will step up our initiatives toward achieving SDGs.

## Expectations for the Capabilities of

### Securities Company

Hoping to contribute to solving issues facing society—even if only slightly—Daiwa Securities Group considers and takes actions together with local communities and civil society. We invited comments from people in NPOs.



Natsuko Hagiwara  
Professor of Rikkyo University  
Chairperson of Japan NPO Center

### Hoping that Daiwa Securities Group will Continue Providing Gift Work to Children to Change Their Lives for a Brighter Future

With only 10 years to achieve the SDGs by 2030, what is now required is for more diversified entities than ever to cooperate and collaborate with each other to face social issues and make efforts toward solving those issues. In particular, to realize a society with “no one left behind,” the urgent task is to eliminate wealth inequality that creates difficulties for children arising from poverty and leads to inequality affecting children’s future. “Daiwa Securities Group Child Support Fund for a Bright Future” is a valuable initiative for supporting NPOs that provides support to children according to their diverse needs. Daiwa Securities Group’s social contribution activities of returning profits from the main business to activities that will expand children’s opportunities for the future are examples of what management scholar Charles Handy calls the “Gift Work” of companies. I hope that Daiwa Securities Group will continue to provide “Gift Work” to bring a brighter future for children, who will be the torchbearers of a sustainable society.