

**FY2019 Daiwa Securities Group Management Policies**  
~ Passion for the Best ~

In FY2018, despite the Nikkei 225 reaching a 27-year high, the securities and financial markets have since been in a prolonged correction, making it a very volatile year.

It was an important year in which we took new steps forward, following the basic policies of “Providing high-value-added solutions through the use of our “Quality No.1” consulting capabilities” and “Providing new value as a integrated securities group with a hybrid business model in accordance with the Group’s - “Passion for the Best” 2020 - medium-term management plan.

In addition, by the introduction of Daiwa NPS®, we deepened our customer-first operations, and were able to achieve a certain level of results in the expansion of the customer base. Furthermore, this was a year in which we started to expand our business portfolio into areas including renewable energy, infrastructure, agriculture and healthcare, in order to generate new value as a Group.

In recent years, the uncertain global situation and the spreading digital transformation has driven dramatic change in the management environment, not only for the financial industry, but for all industries. Companies is required to respond to such changes and foster innovations, while continuing to take on challenges without fear of failure.

In FY2019, the second year of the Group’ s medium-term management plan, we will continue to pursue the quality of our customer-first operations, while maintaining our efforts to create and expand “new value” by fusing new business areas with the traditional securities business.

By actively taking initiatives to achieve SDGs (Sustainable Development Goals) and simultaneously creating both economic and social value, which is to say by creating shared values, the Daiwa Securities Group contributes to the realization of a sustainable society and a betterment of Japanese lifestyles.

(Note): NPS® is a registered trademark of Bain & Company, Fred Reichheld and Satmetrix Systems

## Action Plan for Each Business Division

### Retail Division

1. Build a sales structure grounded in customer satisfaction
2. Provide service solutions for customer attributes that match the customer's various needs
3. Sustainable expansion of the revenue base
4. Expand the business by utilizing external channels and resources

### Asset Management Division

1. Pursue customer profits by strengthening and enhancing management capabilities
2. Strengthen development of products that capture a wide range of customer needs
3. Enhance products lineups contributing to the customers' financial asset management and strengthen the communication of information and support capabilities
4. Expand alternative investment products, centered around real estate

### Other (Daiwa Institute of Research Group)

1. Contribute to the strengthening of the business by collaborating with the Group as the think tank of the hybrid securities group
2. Transmits visionary, economic and financial information that guide customers in uncertain future led by accelerating digitalization.
3. Contribute to the business of customers engage, providing competitive solutions speedily
4. Expand the business through the creation of "new value" by utilizing advanced technology

### Wholesale Division

1. Promote the company's shift to higher added value
2. Provide products and services that capture customer needs
3. Support changes in business structure and in Japan's industrial structure
4. Provide pan-Asian business support as a regional Asian broker

### Investment Division

1. Contribute to the fund ecosystem by unearthing and nurturing new industries
2. Expand investments in Asia
3. Develop socially responsible investments
4. Pursue investment returns through further evolution of management capabilities

### Other (Daiwa Next Bank)

1. Develop customer-oriented products and services by utilizing securities-banking business model
2. Construct mechanisms for building the future revenue base of the entire Group
3. Pursue portfolio management strategy that can adapt to changes in market environments in a timely manner
4. Sustainable growth achieved by securing healthy earning results