

**FY2020 Daiwa Securities Group Management Policies**  
**～ Passion for the Best ～**

Fiscal 2019, which marked the beginning of the new era of *Reiwa*, was a turbulent year for the securities market. As the first stage of an agreement in trade talks between the United States and China was reached and the lack of transparency of Brexit eased, at one point the stock market showed a recovery approaching the recovery high following the collapse of the bubble economy. However, in the new year, the rapid global expansion of novel coronavirus has severely shaken the global economy and international financial markets, forcing the stock market to undergo a significant adjustment in the confusion.

As the world faces an unprecedented crisis, many customers are anxious about the future. It is at times such as this when our Group, which has seriously faced markets for 117 years, is able to fully utilize the experience and know-how we have accumulated until now.

We will directly face customers' concerns about financial asset management and funding and do our best to respond to these first. On top of this, we will strive to make thorough consulting proposals to design medium- to long-term life plans for customers and realize the sustainable growth of companies. Furthermore, by providing new value to customers through a hybrid strategy, we aim to diversify and stabilize Group revenue and achieve sustainable growth.

The response to the recent crisis has led to the acceleration of work style reform and digitalization worldwide, and not only the structure of industry but also society as a whole is undergoing a transformation. At we currently stand at a historical turning point, the Daiwa Securities Group will contribute to the realization of a sustainable and prosperous society through the provision of new value and the creation of shared value aimed at the achievement of SDGs as a financial and capital market pioneer that creates the future.

## **Action Plan for Each Business Division**

### **Retail Division**

1. Creation of a principle-based sales system
2. Development of appealing products and services that match the customer's various needs, and enhancement of solution proposals
3. Expand the business by utilizing external channels and resources
4. Transformation of revenue structure and review of cost structure

### **Asset Management Division**

1. Strengthening of promotion of existing funds and development of hit products through the strategic introduction of new funds
2. Realization of net increase of funding through the expansion of sales companies, etc.
3. Transition to a system of investment teams by strategy, and strengthening of investment capability through the establishment of a new investment analysis team
4. Expand alternative investment products, centered around real estate

### **Other (Daiwa Institute of Research Group)**

1. Contribution to strengthening of business through Group coordination as a think-tank of a hybrid comprehensive securities group
2. Transmission of forward-looking economic and financial information that responds to accelerating changes in society brought about by digitalization
3. Provision of solutions that contribute to enhancement of competitiveness of customers' businesses
4. Expansion of business through the creation of "new value" 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

End