

FY2021 Daiwa Securities Group Management Policies
~ Passion for the Best ~

FY2020 was a tumultuous year due to the impact of COVID-19. The stock market reached record levels with the Nikkei average returning to 30,000 yen mark for the first time in 30 years backed by overcoming the COVID-19 shock, practical implementation of vaccines and the expected recovery of corporate earnings.

It was a pivotal year for building the foundations for a new era in which the Daiwa Securities Group dynamically responded to customers through the promotion of DX and proceeded to establish infrastructure aimed at the realization of flexible work styles in the era of the new normal. Furthermore, due to increasingly heightened interest in sustainable finances as a result of COVID-19, it was also a year in which we strongly realized the necessity of the promotion of SDGs and ESG, reaffirming our social mission as a securities group connecting companies and investors.

As we experience this unprecedented crisis and the world makes the transition to new ways of life, the Daiwa Securities Group established “Passion for the Best” 2023 as the Group’s new Medium-Term Management Plan extending to FY2023 in order to serve as the best partner for creating the future together.

In addition to embodying Quality No.1 and more clearly promoting the creation of value through a hybrid strategy, we aim to provide added value that satisfies all stakeholders by pursuing “the best mix of digital and real” in a variety of situations and providing customers with a sense of security and convenience.

In FY2021, which is the first year of the plan, we aim to steadily execute action plans on themes such as further penetration of business models aimed at seeking the best interests of customers, supporting companies’ growth strategies for the new era and producing results in new business areas.

Daiwa Securities Group will engage in the creation of a new cycle of funds for the realization of a sustainable and rich society in order to be a necessary presence for all stakeholders.

Action Plan for Each Business Division

Retail Division

1. Realization of wealth management type business model
2. Provision of products and services that meet customers' needs and expansion of solution business through a total assets approach
3. Expansion of contact points with customers and optimization of costs through the merging of digital and real
4. Operation and monetization of new business utilizing external channels

Asset Management Division

1. Expansion and enhancement of existing business by strengthening management capability, discovery capability and product arrangement capability
2. Research and development, and commercialization of new businesses. Transition to corporate management grounded in ESG
3. Strengthening of asset management capability and establishment of business foundation in the real estate asset management business
4. Promotion of real estate business such as the consideration of new real estate investment products through coordination within the Group

Other (Daiwa Institute of Research Group)

1. Establishment of IT service platforms and creation of new value through AI and data science
2. Contribution to the reduction of costs of the Daiwa Securities Group by providing high-quality, stable services at low cost
3. Acquisition of new customers through the coordination of systems, research and consulting, and expansion of external sales revenue through the operation of new businesses
4. Enhancement of research quality by creating a virtuous cycle of communication, information gathering and exchange of opinions

Wholesale Division

1. Provision of diverse products and advanced solutions that meet customers' needs
2. Expansion of pan-Asian business base as a regional Asian broker
3. Support for the sustainability of companies through the promotion of SDGs financing
4. Improvement of flexibility and service quality utilizing digital technology

Investment Division

1. Discovery of excellent investment opportunities, enhancement of value of investments and strengthening of monitoring systems
2. Promotion of capital recycling model in the energy sector
3. Establishment of ongoing VC fund management business
4. Development of socially meaningful investments conscious of SDGs

Other (Daiwa Next Bank)

1. Provision of competitive interest rates and provision of appealing new products and new services
2. Further strengthening of coordination within the Group and execution of new businesses such as financing projects
3. Diversification of investment
4. Expansion of balance of Ouen (Supporting) Term Deposits and efforts to promote ESG investment and lending

End