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investment advisory business, Daiwa SB Investments maintained its first-place overall position in the investment advisory rankings published by Rating & Investment Information, Inc. (R&I)'s "Pensions & Investments" newsletter, for a third consecutive year. It also received various awards from R&I's Fund Awards 2012 and the ninth-annual Mercer MPA Awards (Japan).

These strong performances boosted the Daiwa Securities Group's overall share of the market for mutual funds by

1.7 percentage points, to 17.9%. The two companies together controlled a 16.0% share of all mutual funds sold through bank sales channels in FY2011—an increase of 2.4 percentage points over the previous year. Net operating revenues for the overall Asset Management Division increased by 3.0% year on year, to ¥37.4 billion, and ordinary income declined by 8.4%, to ¥14.6 billion.

### Action Plan for FY2012

1. Sophisticate investment style and research analysis
2. Improve product development functions and offer new attractive products
3. Enhance supports to distributors and provide information meeting client needs
4. Establish an efficient organization and enhance risk management system

### Daiwa Asset Management

#### ■ Improve fund management capabilities

Adopt more sophisticated management techniques, better research and analysis in order to improve fund performance, and promote diversification of investment objects and investment strategies

#### ■ Enhance product development capabilities

Develop products with content and performance that meets client needs, and develop in-house infrastructure to support new product development

#### ■ Improve marketing capabilities

Bolster product proposal and customer support capabilities and strengthen transmissions of information from the investor's perspective

#### ■ Strengthen the organizational base

Invest in a solid organizational base that can provide top-quality services, while pursuing the most efficient cost structure by prioritizing cost-cutting targets

### Daiwa SB Investments

#### ■ Improve fund management capabilities

Strengthen fund management base focusing in particular on growing Asian asset markets, and enhance competitiveness of existing products

#### ■ Expand range of fund management products

Develop and manage competitive funds that address investors' needs

#### ■ Improve sales and marketing base

Establish a stronger base to manage publicly offered investment trusts by increasing support for sales agents; elevate and maintain the market presence of the investment advisory business by developing products and services that meet customer needs

#### ■ Strengthen the organizational base

Upgrade quality and efficiency of specialized operations, train and efficiently utilize personnel and enhance product management