

Environmental Initiatives

Protecting the planet Earth is an essential responsibility for any company that seeks a sustainable future. The Daiwa Securities Group does its best to address environmental issues through its core business activities, by helping to provide funds to companies developing products that reduce society's impact on the environment, or which produce and popularize environmental infrastructure products. But this is just the first step in our environmental effort. The Group also collects data on the environmental impact of our own business activities, and then uses it to reduce the overall environmental impact of our operations and to raise the environmental awareness of every employee. In an effort to further stimulate in-house environmental efforts, in May 2012 the Group upgraded its basic policies on the issue, renaming the former "Stance and basic policy on the environment" to "Environmental vision, principles and basic policies" (see chart below).

<Environmental Management>

Each company in the Group adopts and implements an environmental management policy. For example, Daiwa Institute of Research Business Innovation Ltd.'s EMS complies with ISO 14001. Every other month, a representative from each Group company attends meetings of the Environmental Management Council to share data, ideas and views on environmental issues. This Council, and the Group as a whole, is constantly seeking ways to improve and implement environmental management systems.

The Group compiles and reports quantitative data on its environmental impact each year, including details such as energy and water consumption, CO₂ emissions, paper usage, waste disposal and recycling volume. Beginning in March 2012, a system was

introduced in which paper documents used by Group companies are recycled into toilet paper used at Group office facilities.

<Measures to Reduce Environmental Burden>

Whenever new equipment, such as air conditioners, power supply units, power conversion equipment, and water supply and sewerage units, is introduced in Daiwa Securities branch offices, policy dictates that the company use products that meet the highest ("top runner") standards for environmental impact. The "top runner" standard is based on Japan's "Act on the Rational Use of Energy," which requires that manufacturers clear certain benchmarks for energy conservation in the new products they develop and produce.

In 2008, Daiwa Securities Business Center Co. Ltd. established an "Eco Promotion Committee" to promote environmental initiatives. The company sets targets for the use of electricity and paper, among other items, to raise awareness among employees and motivate them to suggest other environmental measures. For example, data on paper usage, electric power consumption, hours of power use, etc., is collected and calculated on a monthly, quarterly, semiannual and annual basis, and then published on the company website to inform employees of their progress in meeting targets.

In fiscal 2011, Daiwa Securities Business Center achieved a 6.3% reduction in paper use over the previous fiscal year. Paper use has been cut by a cumulative 34.5% since the program started. During fiscal 2011 the entire Daiwa Securities Group redoubled its efforts to conserve electric power. Lighting in offices was lowered, signs and displays such as the stock price "big board" were turned off, and office equipment at companies throughout the Group was set to power-conserve mode.

Environmental Vision

The Group is dedicated to protecting the precious global environment and preserving it for future generations by leveraging financial capabilities.

Environmental Principles

The Group recognizes the importance of environmental principles such as the effort to combat global warming, recycling and reuse of raw materials, and preserving biodiversity, in order to create a sustainable society for the 21st century. The Group pledges to contribute to solving environmental issues through its business as a financial service company and to constantly seek new ways to reduce its environmental impact as a responsible corporate citizen.

Basic Environmental Policies

1. Make positive environmental contributions through our core business activities

We shall seek to develop and provide financial products and services that promote a low-carbon, recycling-oriented and symbiotic society.

2. Implement an environmental management system

We shall implement an environmental management system and constantly seek new ways to improve environmental activities. In addition, we shall support environmental education and publicity efforts, while promoting environmental protection efforts by employees.

Daiwa Securities Group Inc.
President and CEO Takashi Hibino
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