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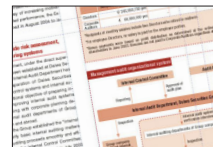
## Key points of Daiwa Sustainability Report 2004



**Initiatives in the Daiwa Securities Group's Core Business**

P.08

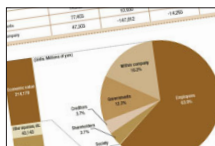
The Group performs CSR through its core business by promoting socially responsible investment (SRI), supporting the economic and financial education of young people and forming industry/academic partnerships with universities and graduate schools.



**Corporate Governance**

P.18

The Group is tying executive compensation more closely to performance and, to give management more transparency and mobility, has transitioned to a committee system.



**Economic Reporting**

P.28

This year's report provides more information on economic relations with stakeholders than the last report did.



**Stakeholder Dialogue**

P.42

Daiwa Securities Group managers met with outside parties on June 14, 2004 to discuss the topic "How CSR should be done in the Daiwa Securities Group."

## Editorial Policy

The Daiwa Securities Group issues this year's report with a goal of disclosing, clearly and with complete sincerity, information relating to the Group's sustainability initiatives and social responsibility.

Another purpose that is served by creating this report is to enable the Group to self-check the state of our efforts and issues to be addressed.

This report has two distinctive features. First, its primary focus is on management reporting and social reporting, a feature of every Group report since the first issue in 2002. This is because, working as we do in the securities industry, it is essential to us to have the trust of our stakeholders in our management system.

Second, we have heavily emphasized reporting on activities undertaken in the course of our securities business, such as socially responsible investment and economic and financial education. As for environmental reporting, the Group has endeavored to disclose the state of its environmental management and its environmental burden data, even though our efforts are not yet satisfactory.

This report was produced following the *2002 Sustainability Reporting Guidelines*, the international guidelines for sustainability reporting published by the Global Reporting Initiative (GRI)<sup>1</sup>.

### • Coverage of this report

#### Target readers:

Daiwa Securities Group's diverse stakeholders, primarily customers, shareholders, investors and employees as well as business partners, non-profit organizations, persons living near Daiwa Securities head and branch offices nationwide, and educational organizations.

#### Scope of reporting:

This report basically covers our nine main Group companies<sup>2</sup>. However, it does not provide data from all nine companies on all items. Rather, the information is provided in proportion to the size and business area of each company. The scope of each category of numerical data is noted along with the data.

#### Period covered in report:

FY 2003 (April 2003 – March 2004). Some information is provided that became available close to the publication date and some activities are covered that occurred prior to FY 2003.

<sup>1</sup> Global Reporting Initiative (GRI): An organization founded to propose and promote international guidelines for sustainability reporting. Participants include a variety of stakeholders such as businesses, non-governmental organizations, consultants, accounting groups and business groups from different parts of the world. Operations began in the autumn of 1997.

<sup>2</sup> Nine main Group companies: See *The Business of the Daiwa Securities Group*, page 07.