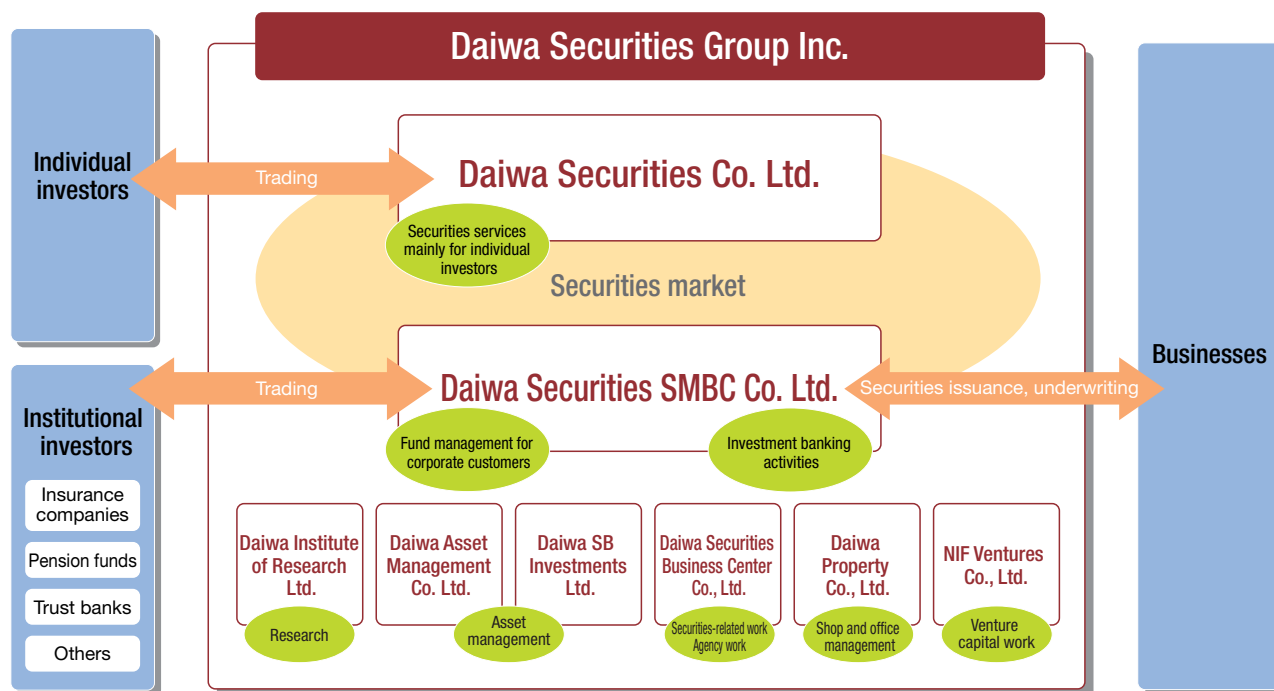


Overview of the Daiwa Securities Group

Businesses of the Daiwa Securities Group

The Daiwa Securities Group is composed of Daiwa Securities Group Inc., which holds the stock of the group companies, the two main corporations Daiwa Securities Co. Ltd. and Daiwa Securities SMBC Co. Ltd., and the many other companies that contribute to their operations. The Group provides customers with comprehensive investment and financial services.

Daiwa Securities Co. Ltd., primarily serves individual investors making securities investments. Daiwa Securities SMBC serves institutional investors, including businesses outside the finance industry, in the field of fund management, and also helps businesses and other organizations raise funds through its investment banking activities.



* For details about the individual companies of the Daiwa Securities Group, visit the Group's website at <http://daiwa.jp/ir/english/index.cfm>.

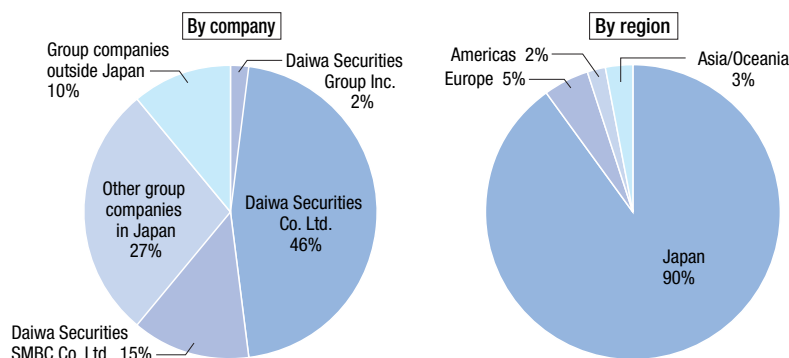
Corporate profile

Company name	Daiwa Securities Group Inc.
Headquarters	6-4, Otemachi 2-chome, Chiyoda-ku, Tokyo 100-8101, Japan
Telephone	81-(0)3-3243-2100
Established	December 27, 1943 (Founded 1902)
President and CEO	Shigeharu Suzuki
Capital	¥138.4 billion (As of March 31, 2005)
Shares issued and outstanding	1,331,736,000 (As of March 31, 2005)
Operating revenues (consolidated)	¥519.3 billion (FY2004)
Net operating revenues (consolidated)	¥390.4 billion (FY2004)
Ordinary income (consolidated)	¥120.4 billion (FY2004)
Number of employees* (consolidated)	11,295 (As of March 31, 2005)
Number of consolidated subsidiaries	46 (13 in Japan, 33 outside Japan)
Number of equity-method affiliates	5
Assets under custody	¥42.055 trillion (As of March 31, 2005)

* Excluding temporary employees and financial advisors.

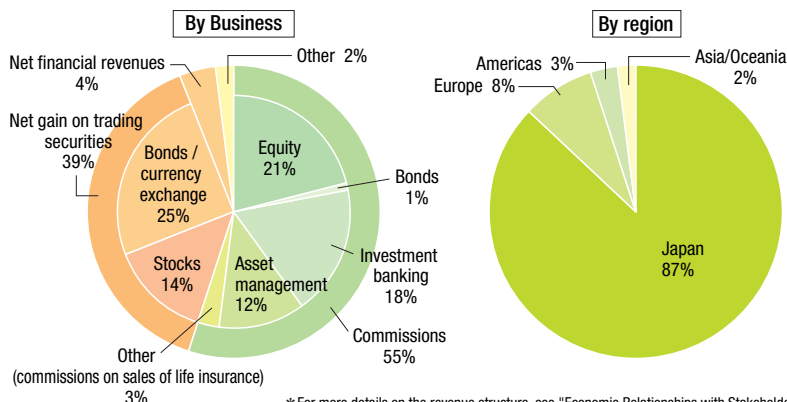
Employee composition (FY2004)

Number of employees: 11,295



Net operating revenues (FY2004)

Net operating revenues: ¥390.4 billion



* For more details on the revenue structure, see "Economic Relationships with Stakeholders" on page 34.

Key features of Sustainability Report 2005



Special Feature 1: Initiatives in the Daiwa Securities Group's Core Business

This feature reports on our progress in two initiatives to help realize a sustainable society through our everyday business: socially responsible investment (SRI) and economic and financial education. **▶ Page 8**



Special Feature 2: Stakeholder Dialogue

We invited people who are related to the Daiwa Securities Group's CSR initiatives to join us in a dialogue in order to gain an understanding of society's expectations and demands. Read what they had to say. **▶ Page 16**



Internal Stakeholders' Meeting

What do frontline employees think about the Daiwa Securities Group's CSR activities? We present a frank, roundtable discussion among three sales employees from Daiwa Securities Co. Ltd. **▶ Page 48**

Editorial policy

We have published this report every year since 2002 with the aim of disclosing, clearly and in good faith, information relating to the Daiwa Securities Group's sustainability initiatives and corporate social responsibility. We also see the process of preparing this report as an important opportunity for us to confirm the status of our efforts and identify issues for further attention.

We gave particularly strong attention to the need for dialogue with stakeholders and the promotion of understanding among employees when planning and producing this year's report. As with the 2004 report, we focused this year's report on the efforts in socially responsible investment and economic and financial education that we are making in our everyday business, as well as on reports on management, and on social issues. As for environmental reporting, we are working to continuously collect environmental impact data in preparation for disclosure. We hope to be ready to report in this area as well in the near future.

The 2002 *Sustainability Reporting Guidelines*, an international guideline for sustainability reporting published by the Global Reporting Initiative (GRI),^{*1} and *GRI's Financial Services Sector Supplement: Social Performance*, were used as references in the preparation of this report.

Scope of report

Intended readership:

The Daiwa Securities Group's diverse stakeholders, primarily customers, shareholders, investors, and employees as well as business partners, non-profit organizations (NPOs), persons living and working in the vicinity of Daiwa Securities headquarters and our branch offices nationwide, and educational organizations.

Scope of reporting:

This report basically covers our nine main group companies,^{*2} which account for about 90% of the Group's total number of employees. The report does not, however, encompass data from all nine companies on all items reported. Rather, information is provided in proportion to the size and business area of each company. The scope of numerical data is noted along with the data.

Period covered by report:

Fiscal 2004 (April 2004 - March 2005). The report includes some information on activities carried out in fiscal 2005 which became available close to the publication date, as well as some information on activities that occurred prior to fiscal 2004.

Publication date:

September 2005 (Previous report in September 2004, next report planned for September 2006).

^{*1}. Global Reporting Initiative (GRI): An organization founded in the autumn of 1997 to draw up and disseminate international guidelines for sustainability reporting. Participants include a variety of stakeholders such as businesses, non-governmental organizations (NGOs), consultants, accounting groups, and trade associations from different parts of the world.

^{*2}. See "Overview of the Daiwa Securities Group" on page 2 for the Group's nine main companies.

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