

Information Disclosure

The Daiwa Securities Group is committed to fair, timely, and appropriate information disclosure, in order to promote transparency for all stakeholders.

Issues and targets for fiscal 2005	Encourage active disclosure of information to attract new individual shareholders.	Results and progress for fiscal 2005	Improved efforts to reach individual investors by holding information disclosure sessions and setting up an IR section on the company's website.
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Daiwa Securities Group's understanding of information disclosure and initiatives

The Daiwa Securities Group unveiled its Disclosure Policy in March 2004. Based on this policy, the Group has been working towards providing information to stakeholders in a fair, timely, and appropriate manner.

Proper disclosure of information for investment decisions is vital for the sound operation of the stock markets. As a member of the securities industry, the Group is stepping up its efforts to offer investors a level

• Disclosure Policy

- We will observe fair and timely disclosure of important financial, social and environmental information ("Management-Related Information") regarding the Daiwa Securities Group so that our stakeholders (including shareholders, investors and the communities we operate in) may understand and maintain realistic expectations of the Daiwa Securities Group.
- We will comply with the Securities Exchange Law and other laws and ordinances related to securities transactions and the various rules of the stock exchanges where on which our stock is listed.
- We will endeavor to achieve fair disclosure both in terms of content and timing.
- We will utilize various communication channels including presentations, telephone conferences, the Internet and printed materials to disclose information in an easy to comprehend manner for investors.
- We will consciously act as a leader of the securities markets in terms of disclosure and set the standards for all other listed corporations.
- We have established the Daiwa Securities Group Inc. Disclosure Regulations, that define guidelines such as setting up a disclosure committee and the methods of disclosing management-related information to fulfill the spirit of this Policy.

of transparency that can serve as a model to other listed companies.

The expansion of the individual shareholder base is also important for the basic health of the Japanese economy as savings are gradually diverted towards investment. Accordingly, the Daiwa Securities Group is providing greater disclosure to individual investors with information dissemination sessions. The decrease in the number of shareholders in fiscal 2005 was due to increased selling by individual shareholders following the rise in the stock price.

Approach to information disclosure

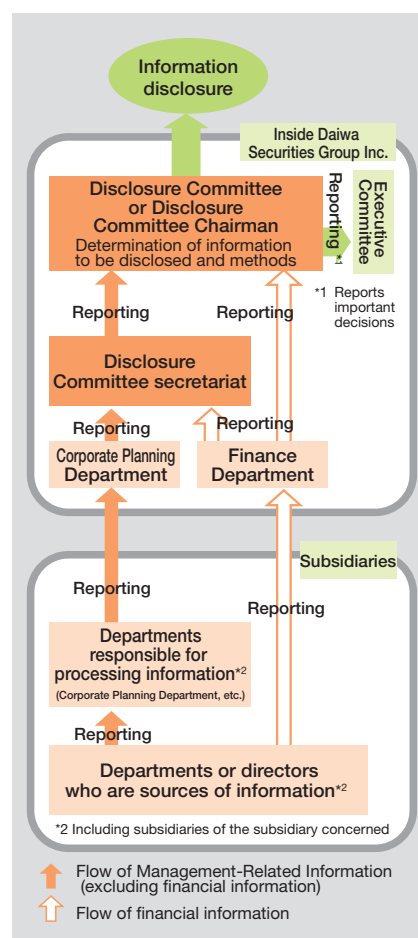
Daiwa Securities Group Inc. established the Disclosure Regulations in order to achieve the goals set in the Disclosure Policy. Based on these regulations, the Disclosure Committee, a subcommittee of the Executive Committee, makes the final decisions on information disclosure. There are also rules for controlling the release of Management-Related Information established at each of the group companies. Information is therefore collected in an efficient and effective manner at all the group companies and reliably reported to Daiwa Securities Group Inc.

Fair, timely, and appropriate information disclosure

The Daiwa Securities Group believes that disclosing management information to its stakeholders in a timely and appropriate manner is of primary importance.

Various methods are used to disclose information, including press releases, the Internet, printed materials, and information dissemination sessions. The Group is committed to achieving fair disclosure of easy-to-understand information that is accessible to as many of its stakeholders as possible.

• Information disclosure flow at the Daiwa Securities Group





An IR information dissemination session held in New York.

Information disclosure with financial, social, and environmental impact

The Disclosure Policy mandates the announcement of financial, social, and environmental information to all stakeholders including shareholders, investors, and local communities. The Daiwa Securities Group publishes its Sustainability Report after the Disclosure Committee has vetted the suitability of the content.

The Daiwa Securities Group has been highly commended for its efforts to raise the level of transparency through the disclosure of quality information. As a result, the Daiwa Securities Group Sustainability Report 2005 received honors from the Japanese Ministry of the Environment's 9th Environmental Communication Awards 2005's environmental report division.

Disclosure of negative information

A company's approach to the disclosure of negative information can have a major impact on how it is assessed by investors and other stakeholders. Since the Daiwa Securities Group believes that gaining the confidence of its stakeholders is important for the company over the long-term, the Group chooses to disclose negative information as it does positive information in a timely and appropriate manner.

Information disclosure tools



Future issues and fiscal 2006 targets

In order to further expand disclosure awareness among executives and managers, one goal for fiscal 2006 will be to increase understanding of disclosure-related regulations within the Group. This will be promoted using the Group's intranet and by incorporating related topics into in-house training programs.

Another issue to tackle is IR programs suited to more types of investor. IR activities at individual investors and one-on-one meetings with overseas investors and Japanese institutional investors will be arranged. The Daiwa Securities Group aims to create the best IR practices in Japan.

Comments from stakeholders

Expectations for the Daiwa Securities Group

It is my view that the Daiwa Securities Group is leading the industry in information disclosure in terms of both content and communication. The most difficult thing in information disclosure is communications between management and investors. Management must convey strategy and business conditions in an easy-to-understand format while complying with laws and regulations at the same time. Individual executives are obligated to make the correct decisions as each situation arises. The attitude of the entire management team towards information disclosure, as well as the appreciation of the investor's concerns, may also affect the effectiveness of this communication. I hope that the Daiwa Securities Group will continue to improve on this area, and achieve the best practices in the industry.



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