

Initiatives to Achieve Customer Satisfaction

Issues and targets for fiscal 2005	Results and progress for fiscal 2005
Actively pursue post-sales follow up.	Created more opportunities to gather customer feedback and provide information by holding post-sales follow up seminars, and encouraging interaction between customers, the staff and their superiors. Improved programs for training junior sales staff.
Enhance the convenience of branches offices through utilization of IT.	Established online trading terminals and support desks at all branches, enabling customers to easily access information and place orders
Create branch office atmospheres that are welcoming to a broad clientele.	Commenced renovations at all branches. Promoted in-house projects with the goal of improving customer service quality.

Approach to achieving customer satisfaction

The Daiwa Securities Group is built on the trust of its customers. Customer confidence is its number-one Corporate Principle. Moreover, the Group has made improving customer satisfaction a top priority among its management issues. The Group seeks the feedback from customers and uses this information to provide new services and to improve the quality of customer service.

How customer feedback is utilized and initiatives

Improving customer satisfaction

At Daiwa Securities Co. Ltd., the group company that has the most customer interaction, a Customer Satisfaction (CS) Promotion Section in the Sales Planning Department has been established to carry out initiatives to improve customer satisfaction. For example, each week, customer feedback received at the branches is shared and discussed by all executives and employees in the company.

Initiatives to address fiscal 2005 issues

1. Actively pursue post-sales follow up

Based on the annual customer questionnaire as well as other forms of feedback, following up after sales is one of our most important services. In fiscal 2005, Daiwa Securities Co. Ltd. increased opportunities for customers to give feedback to staff and their superiors. It held more post-sales follow up seminars, keeping customers informed of new developments and encouraging them to provide feedback. The seminar content was also expanded to include more on customer

service. Further, Daiwa Securities Co. Ltd. encourages training programs for the development of junior sales staff to further emphasize, at an early stage, the importance of following up post sales.

2. Utilizing IT at the offices

Daiwa Securities Co. Ltd. has placed online trading terminals at its branches as conveniences for customers to gather information and place stock orders. Also, online support desks have been established at the branches to assist customers who are not familiar with personal computers or Internet transactions.

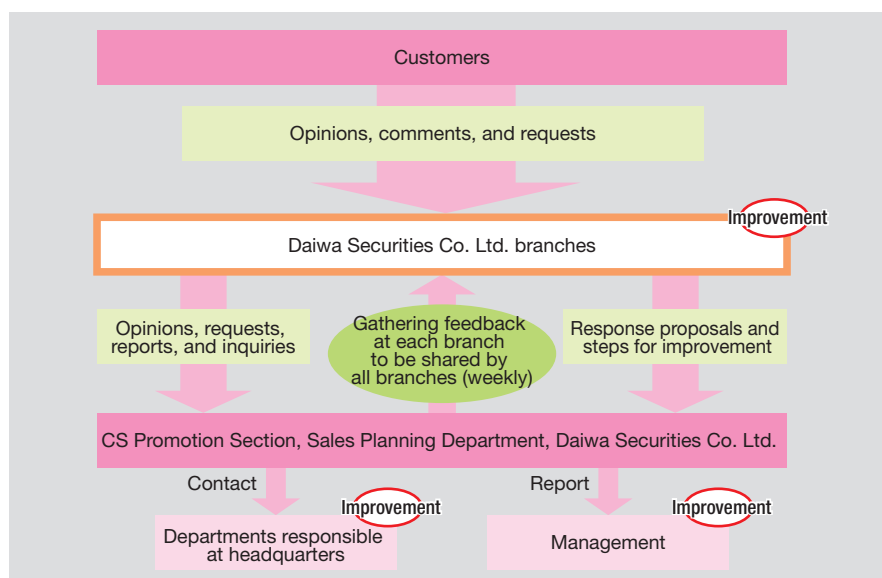
3. Creating a functionally appealing environment at all branches to satisfy a wider range of customers

Daiwa Securities Co. Ltd. plans to renovate all its branches by the end of fiscal 2007. The aim is to improve each branch's convenience and functionality, while creating a relaxed, private and secure setting for investment consultation.

In-house projects such as raising awareness of the basics like business etiquette and branch tidiness are also being pursued.

By improving both facilities and customer service etiquette, Daiwa Securities Co. Ltd. aims to create a pleasant branch environment for its customers.

How customer feedback is utilized

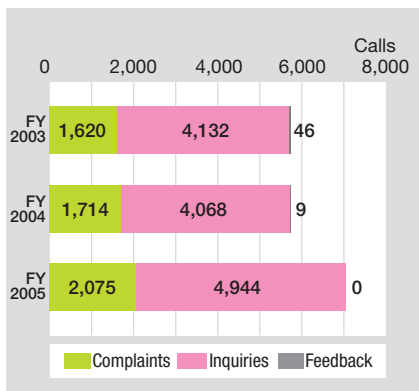


Customer Support Center inquiries and responses

In fiscal 2005, there were 7,019 calls made to the Customer Support Center, an increase of 1,228 over the previous fiscal year. Of these calls, 2,075 were complaints, 361 more than the previous fiscal year. Problems with the online trading system were the cause of 223 of these increase in complaints.

Complaints concerning branches made up 1,354 of the complaints received in fiscal 2005. Half of these dealt with dissatisfaction over customer service and the business etiquette of sales staff. In these cases, the complaints were relayed to the branches or departments concerned within the same day. This system enables rapid response to customer complaints. Moreover, customer comments received by telephone are published in the *Customer Support Center*

Number and types of calls received by the Customer Support Center



Future issues and fiscal 2006 targets

In fiscal 2006, the Daiwa Securities Co. Ltd. will continue working on constructing a pleasant environment at its branches. Specifically, the Group aims to maximize the utilization of new office space post renovation and create a service flow that will give customers a better impression. Also, the company is implementing training programs that will improve the knowledge and etiquette of junior sales staff. Following efforts started in fiscal 2005, the Group will continue to work on the area of post-sales follow up.

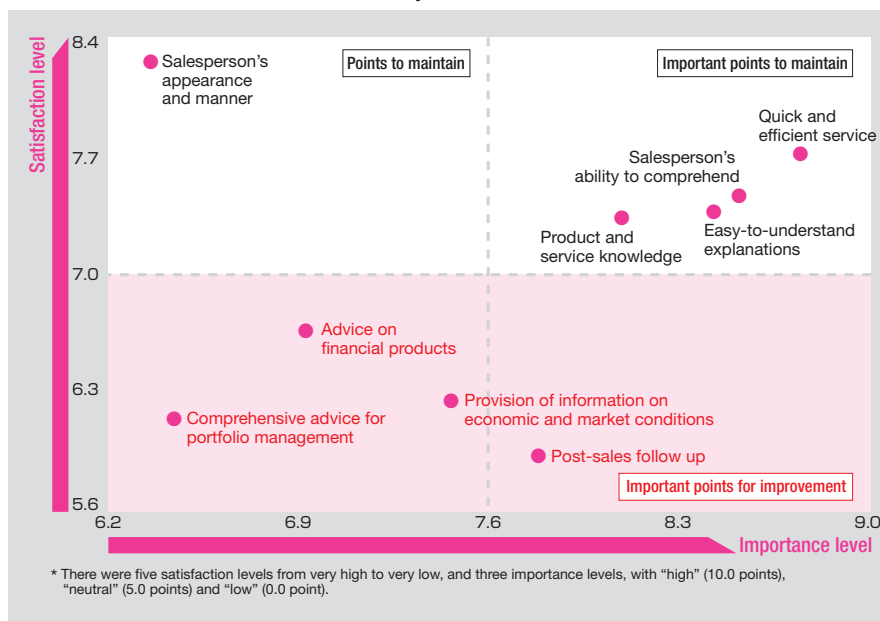
Monthly Report, which is sent to executives, all branch managers, branch internal administration supervisors, and general managers at headquarters.

Fiscal 2005 customer satisfaction survey

Since fiscal 2001, Daiwa Securities Co. Ltd. has been carrying out an annual customer satisfaction survey in order to assess customers' opinion of our services. In fiscal 2005, over 220,000 questionnaires were sent out, and about 80,000 of them were returned.

From the responses, it was revealed that the greatest sources of dissatisfaction came from a change in salesperson due to transfers, and the lack of follow up after sales. These issues will be addressed in fiscal 2006.

Results from the customer satisfaction survey



Comments from stakeholders

Customer satisfaction initiatives at the Daiwa Securities Group

The Daiwa Securities Group is dependent on the satisfaction of its customers. As the employees that actually interact with customers in the branches, we in the Investment Services Section play a major role in delivering customer satisfaction. In order to ensure that customers are happy when they visit one of our branches, I think it is important to make them feel glad they came in, and encourage them to come again. If every employee appreciates the benefit of making customers feel this way, and thereby achieve in job fulfillment, we can improve customer satisfaction even further.



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