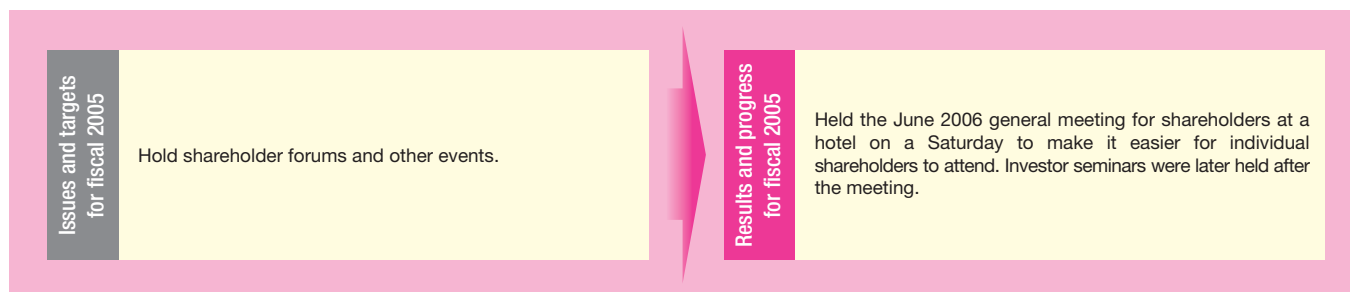


# Communication with Shareholders

The Daiwa Securities Group is working towards better communication with its shareholders by presenting information in forms that are easy to understand and with a shareholder reward program.



## Regarding shareholders and initiatives to improve relations

As a member of the securities industry, the Daiwa Securities Group has a social responsibility to expand the individual investor base as part of the government's initiative to channel savings into investments. The Group is therefore aiming to implement initiatives such as the provision of easy-to-understand information and improving communications with shareholders, which will serve as a model to other listed companies.

## Shareholder composition

As of the end of March 2006, the Group's shareholders included 37.3% of non-Japanese corporations and individuals, a 5.6% increase from the end of previous fiscal year. The Daiwa Securities Group Inc.'s standing overseas improved due to

better business results, which increased, in turn, the number of overseas investors. The percentage of individual investors fell by 2.7% from the end of previous fiscal year to 18.0%, but this was largely attributed to profit-taking by many individuals after the stockprice appreciation.

## Regular shareholder survey

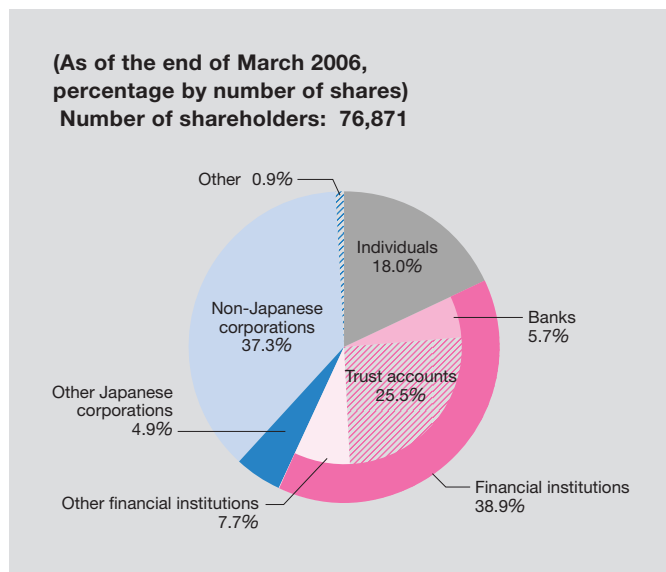
The Daiwa Securities Group Inc. conducts a regular shareholder survey in order to find out and take into account investor opinions. 8,800 participants responded to the survey carried out in November 2005.

When asked why they bought Daiwa Securities Group Inc. shares, 26% of the participants chose "business results," while 23% replied "growth potential" and 16% indicated "dividend yield." In response to the question of how to increase the attractiveness of Daiwa Securities Group Inc.

shares, 33% said "increase in dividend," 31% replied "better business results," and 12% selected "enhance shareholder reward program." When asked to identify effective IR activities for individual investors, it was revealed that 36% of the participants were in favor of posting more information for individual investors on the group's IR website, while 30% favored information dissemination sessions presented by top management officials for individual investors.

As a result of this survey, the IR website for individual investors was created in June 2006. The focus now is to provide appropriate and useful investment information for its individual shareholders.

### • Daiwa Securities Group Inc. shareholder composition



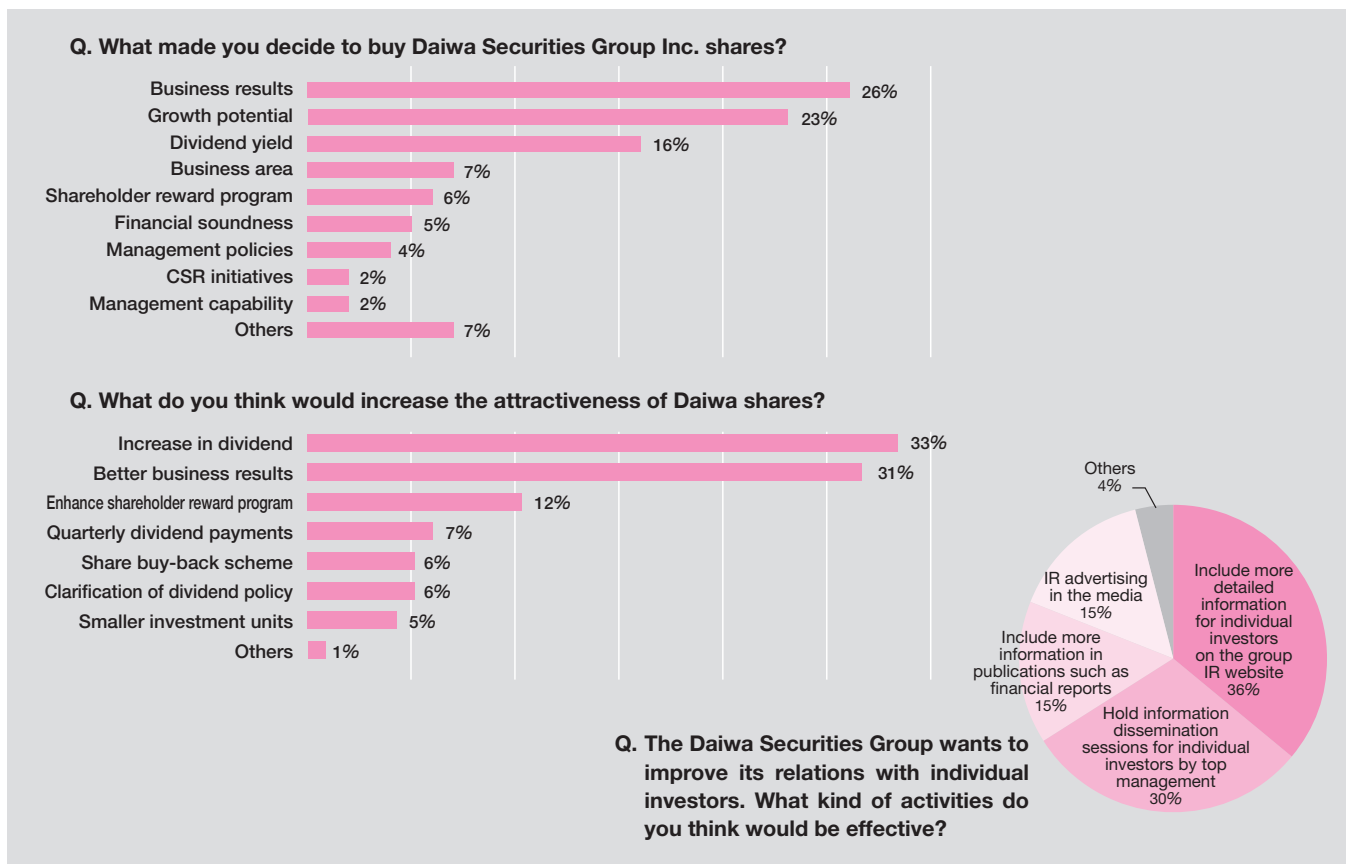
Daiwa Securities Group IR website for individual investors.  
▶ <http://www.daiwa.jp/ir/individual/index.cfm> (in Japanese only)

## Communication with shareholders

Holding the general meeting for shareholders on a Saturday

The 69th regular general meeting for shareholders was held for the first time at a hotel on a Saturday (June 24, 2006) in order to allow as many shareholders as possible to attend. The number of shareholders in attendance reached 1,681, which was a dramatic increase from 375 the previous year. At the meeting, shareholders raised issues such as the dividend policy and the promotion

• Shareholder survey results (November 2005)



of women, resulting in a lively exchange of questions and answers. The meeting was also telecast live by satellite to alternate sites in Osaka and Nagoya where there were 599 and 212 attendees respectively.

The general meeting for shareholders was followed by a luncheon, and then, an afternoon of seminars. Various booths were set up at the stand-up buffet lunch venue, enabling participants to view panel exhibits displaying initiatives by the Daiwa Securities Group to improve its relationship with society. During the afternoon seminars, novelist Mr. Taichi Sakaiya gave a talk on the economy and the baby boom generation, while Eiji Azuma, Senior Managing Director at the Daiwa Institute of Research Ltd., gave a presentation called, "The Favorable Wind Now Blowing through Japan".

A publication produced in collaboration with the Daiwa Securities Group [Supplement to the monthly magazine Sotokoto: "Chibikoto LOHAS (Lifestyles of Health and Sustainability) Economics"] was also distributed.



69th general shareholders meeting.

● Information dissemination session for individual investors

The Daiwa Securities Group is taking steps to provide information in an easily accessible format to a large number of individual investors. In November 2005 and February 2006, information dissemination sessions were held for individual investors in Tokyo. In March 2006, a similar session was held in Fukuoka, along with a seminar on the economy.

● Shareholder reward program

The shareholder reward program was implemented for shareholders. Under the Daiwa Point Program, shareholders with accounts at Daiwa Securities Co. Ltd. are awarded points according to the number of shares owned, which can then be exchanged for a selection of gifts.

Future issues and fiscal 2006 targets

The Daiwa Securities Group is working towards the goal of increasing the number of individual shareholders in the future, and hence, has been focusing its energies on ways to make investing easier for individuals. The Group is also working to provide information that is easily accessible for investors in Japan and overseas.