

Customer Satisfaction

We at the Daiwa Securities Group consider improving customer satisfaction to be one of our key management challenges. Reflecting the feedback and views from customers, the Daiwa Securities Group is committed to offering services that exceed their expectations, and improving the quality of service we provide.

Vision and medium-term goals for customer satisfaction

As the trend from saving in investing accelerates, the services demanded by our customers grow more diverse and ceaselessly changing. Our vision for the Daiwa Securities Group is to be a team of professionals that continues to offer new services that

accurately reflect these customer needs.

We also create an atmosphere at our branches that makes more customers glad that they came to Daiwa Securities. In order to accomplish this, we offer warm hospitality in addition to creating a relaxed ambiance, and providing information in depth and in an easy-to-understand manner.

➤ Issues and targets for fiscal 2006	➤ Results and progress for fiscal 2006
Actively pursue post-sales follow up.	<ul style="list-style-type: none"> • Held emergency follow-up seminar to give an analysis of the current situation and future forecasts at a time of rapid market change. • Ensured thorough awareness and understanding of the importance of post-sales follow-up in sales training.
Create office atmospheres that are appealing to a broad clientele.	<ul style="list-style-type: none"> • Established a branch layout and presentation flow that make it easier for customers visiting branches to achieve the purposes of their visits. • Provided hospitality training to staff that interface with customers. • Installed Executive Rooms that utilize teleconferencing to enable expert staff at the headquarters to provide information and describe products to customers.
Implement education programs to improve manners and knowledge of younger sales staff.	<ul style="list-style-type: none"> • Created a site for younger sales staff, prepared training materials, and published reference materials for trainers.

Initiatives to improve customer satisfaction

◎ Actively following up customers after sales

Post-sales follow-up is always a focus of customers. We emphasize the importance of post-sales follow-up to our sales force and branch staff that interacts with customers, and raise their awareness of this issue.

In June 2006, there was a rapid change in exchange rates; then March 2007 saw rapid fluctuations in the stock market. At these times, we held Emergency Investment Seminars at our branches nationwide, rapidly providing a broad range of information relating to analyses of the current situation for products held by our customers and future forecasts. We also held Internet seminars in order to enable access by customers who live a long distance from our branches, and customers who work during the day.

◎ Creating a branch ambiance that engenders customer satisfaction

Our branches are currently being remodeled. In this remodeling, we are converting our counters to booths. This enables us to consult with our customers in a more relaxed atmosphere, and also better protects their privacy. Executive Rooms equipped with teleconferencing systems are installed to enable experts at our headquarters to provide information and describe products to customers, as well as provide advice on asset management directly.



Hospitality training

Hospitality training is also provided to all employees in the Investment Services Section who interact with customers, in order to improve their customer-service skills with an emphasis on attentiveness and consideration. We value warmth and hospitality, and are committed to making a visit to each branch a worry-free experience for all our customers, including the elderly and persons with handicaps.

© **Educating junior sales staff**

At Daiwa Securities, we focus on educating our junior salespeople, in order to give them correct knowledge and understanding of customer satisfaction from an early stage. In addition to group training as appropriate, a special site for junior sales representative is established, which helps achieve this goal in conjunction with our corporate television circuit and other tools.

Fiscal 2006 customer satisfaction survey

Each year, a customer-satisfaction survey is carried out in order to track how our customers rate us. In fiscal 2006, we received responses from 1,897 customers. The results of the survey showed that providing information and advice after the purchase of a product (i.e. post-sales follow-up) continues to be an issue that we must focus on. We will therefore hold seminars and work to raise employee awareness, identifying post-sales follow-up as a key issue.

Systems and initiatives to leverage customer feedback

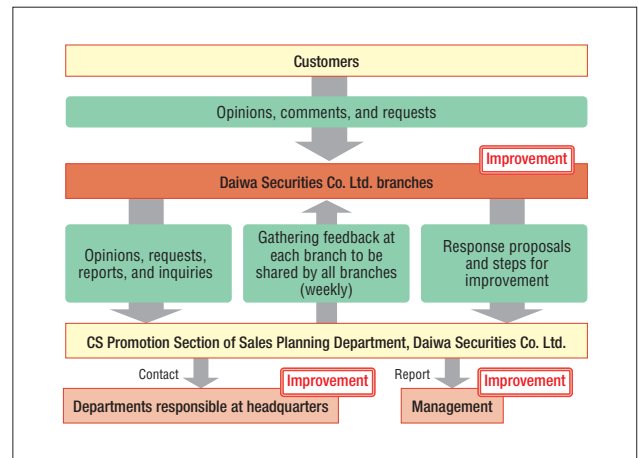
Our headquarters collects and summarizes feedback received from customers by each of our branches, and provides this feedback throughout the company each week, teaching customer-service skills and sharing knowledge.

Our “report on initiatives to utilize customer feedback” summarizes our initiatives to make improvements reflecting customer feedback.

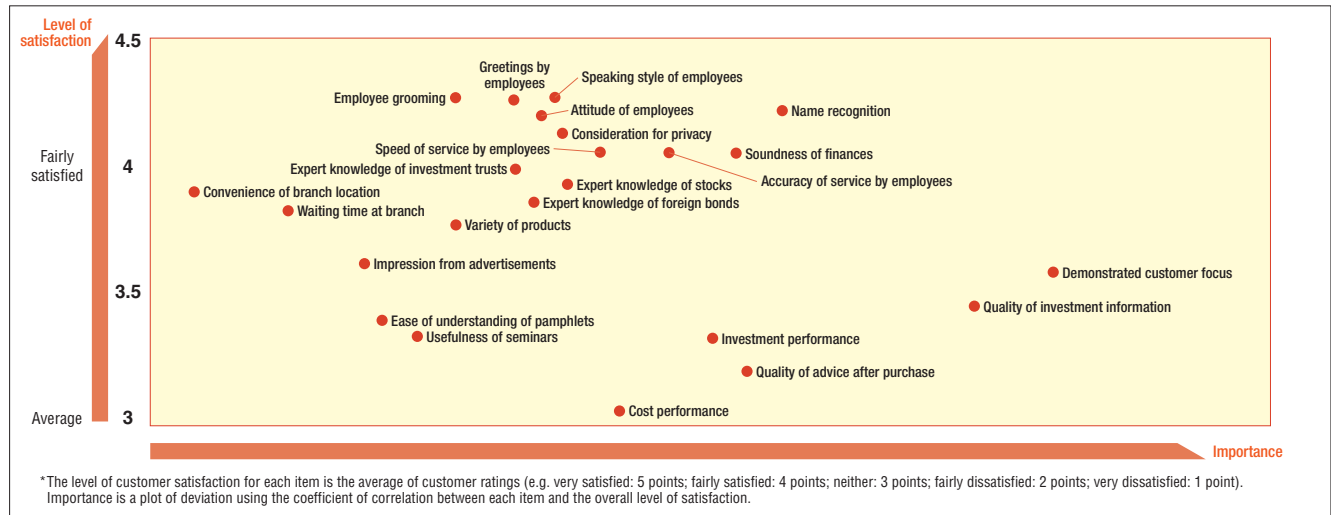
The report is available from the following URL (In Japanese only).

<http://www.daiwa.jp/company/documents/0706.pdf>

How customer feedback is utilized



Results from the customer satisfaction survey (fiscal 2006)



>> Targets and main action plans for fiscal 2007

In fiscal 2007 and beyond, we will continue to actively follow up customers after sales. We will also improve the skills of our junior salespeople through various training programs including on-the-job training, and give our branches a sense of hospitality that makes our customers happy that they came to Daiwa Securities for a consultation.