

Social Report

Relationship with Shareholders

At the Daiwa Securities Group, we work hard to improve communication with shareholders and to build relationships of trust. We strive to provide information that individual shareholders can easily understand and also offer a shareholder reward program.

Approach and Basic Stance

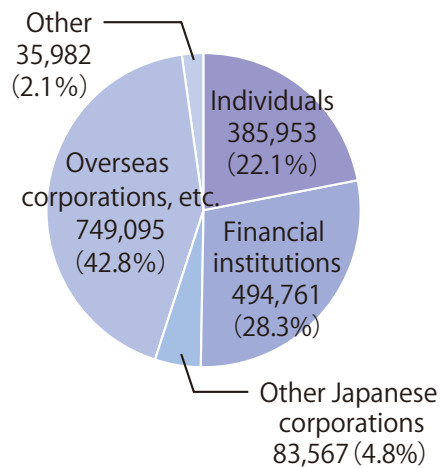
The Daiwa Securities Group endeavors to promote communication with shareholders. As part of our "from saving to investment" policy in Japan, we believe that increasing the number of retail investors is part of the Daiwa Securities Group's social responsibility. Accordingly, we work to communicate better with shareholders and provide information that is easy to understand.

Shareholder Composition

As of March 31, 2010, 42.8% of the shareholders of Daiwa Securities Group Inc. were overseas corporations, etc., up 6.6 points compared to the end of the previous fiscal year. The share of individual investors increased 3.0 points to 22.1%. These increases were likely due to the capital increase through public offering carried out in July 2009.

Distribution by owner (as of March 31, 2010)

Unit: 1,000 shares



Dividend Policy

Daiwa Securities Group Inc. aims to continue improving value for shareholders, which includes distribution of profit. In principle, dividends are paid semiannually at a pay-out ratio of approximately 30% based on consolidated financial performance.

Daiwa Securities Group Inc. also looks for ways to increase returns to its shareholders in various ways, including share buybacks when it has sufficient accumulated capital to pursue further growth.

Communication with Shareholders

The general meeting of shareholders is an opportunity for direct communication with shareholders. To encourage higher attendance, since 2006 regular general meetings of shareholders have been held on Saturdays. A total of 2,710 shareholders attended the 73rd regular general meeting of shareholders held on June 26, 2010 in Tokyo. After the meeting, there was a break for light refreshments, followed by a lecture.

The meeting was also broadcast live via satellite to halls in Osaka and Nagoya for those who were unable to come to Tokyo. A total of 1,561 people gathered in Osaka and Nagoya. Thus, a total of 4,271 shareholders attended the meeting. Daiwa Securities Group Inc. will strive to make its communications more accessible by, among other initiatives, renewing its website to facilitate ease of access for shareholders.

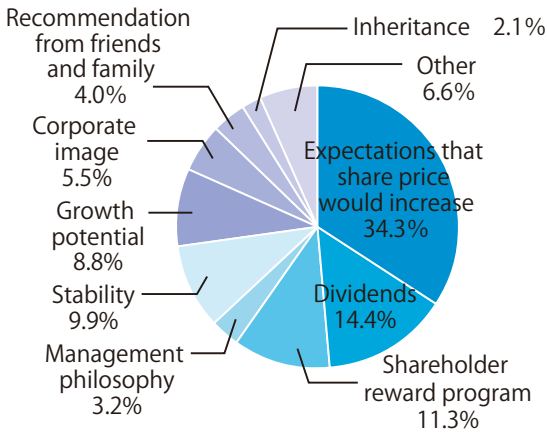
Questionnaire for shareholders

The Daiwa Securities Group regularly gives a questionnaire to shareholders with a view to reflecting their opinions in management and IR activities. We utilize the results to good advantage

in business activities, leading to improvements such as higher satisfaction with the shareholder reward program.

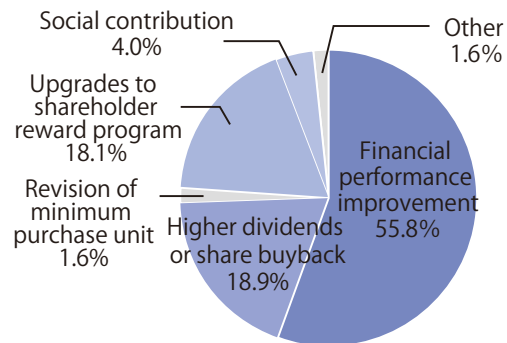
■ Results of shareholder questionnaire

Q. Why did you acquire shares in Daiwa Securities Group Inc.?



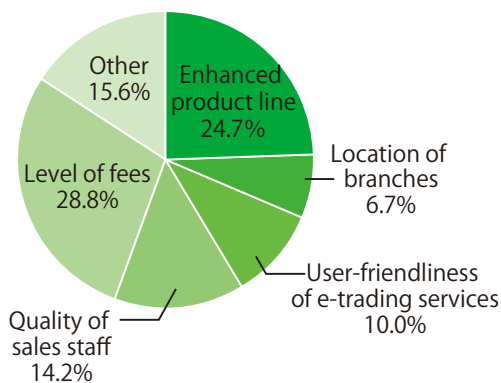
Multiple answers possible; number of answers selected: 163,227

Q. What do you expect from the Daiwa Securities Group in the future?



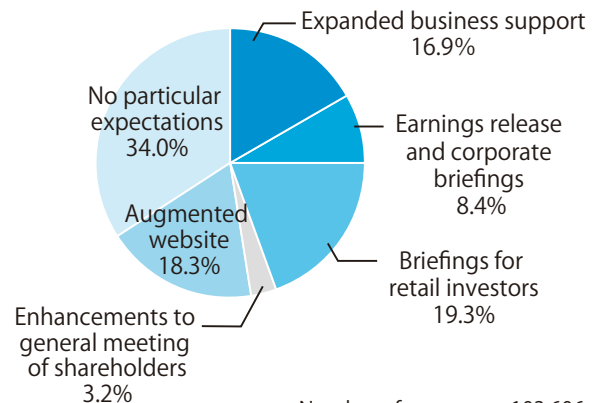
Multiple answers possible; number of answers selected: 134,280

Q. What service improvements would you like to see at Daiwa Securities?



Number of responses: 94,353

Q. How would you like to see information disclosure and communication augmented in the future?



Number of responses: 103,606

Shareholder Reward Program

In addition, Daiwa Securities Group Inc. is working to strengthen its shareholder reward program to ensure that retail investors are satisfied and improve the chance of retaining shareholders over the long term. On September 30, 2007, it increased the number of opportunities for shareholders to review their subscription to the (personal) shareholder reward program to twice a year, namely the interim period and year-end.

Beginning with the reward program for March 31, 2008, shareholders were enabled to select various items from the shareholder reward program catalogue, which encompasses local "delicacies"; exchange points for the Daiwa Point Program; or the *Kaisha Shikiho*, a publication which shows quarterly reports from listed companies in Japan. The shareholder reward program will continue to be improved.

