

DAIKI CO., LTD.

Matsuyama City, Japan (the “Company”)

CHF 70,000,000.–

³/₈ per cent. Swiss Franc Convertible Notes due March 31, 2004 (The “Notes”)

Swiss Security No.: 1021009 / ISIN: CH0010210091 / Common Code: 10504007

“Adjustment of the Conversion Price”

Notice is hereby given that on September 24, 2003 the Board of Directors of the Company resolved to issue on October 16, 2003 the JPY 7,000,000,000.– Zero Coupon Japanese Yen Convertible Bonds due September 30, 2008. The initial conversion price of such newly issuing bonds is JPY 1,262.– per Share which is less than the current market price per share of JPY 1,325.50.

This new issuance of the convertible bonds will result in an adjustment of the conversion price of the Notes as follows:

Conversion price before adjustment:	JPY 1,057.–
Conversion price after adjustment:	JPY 1,048.90
Effective date:	October 17, 2003 (Japan time)

This announcement is made pursuant to Section 5 (F) of the Terms of the Notes in ANNEX B-2 and Section 3 (D) of the Conversion of the Notes in ANNEX D to the Note Purchase, Paying and Conversion Agency Agreement dated December 3, 1999.

Geneva, October 20, 2003

By order of:
Daiwa Securities SMBC Europe Limited, London,
Geneva Branch