

Daiwa Securities SMBC Co. Ltd.3-5 Yaesu 1-chome, Chuo-ku
Tokyo 103-8289, Japan

April 27, 2001

Non-consolidated financial summary

(For fiscal year ended March 31, 2001)

(1) Operating results (from April 1, 2000 to March 31, 2001)

Note : All figures in the financial statements are rounded down to the nearest millionth.

" - " indicates a loss or negative figure.

	Operating revenues		Operating income		Ordinary income	
	millions of yen	Yr/yr % change	Millions of yen	Yr/yr % change	millions of yen	Yr/yr % change
Fiscal 2000 (2001/3)	230,735	(34.1)	123,484	(70.1)	123,640	(69.3)
Fiscal 1999 (2000/3)	172,069		72,581		73,010	

	Net income		Return on Stockholder's equity
	millions of yen	Yr/yr % change	%
Fiscal 2000 (2001/3)	70,802	(-)	19.7
Fiscal 1999 (2000/3)	-85,080		-

Note. Change in accounting policies: None

(2) Financial conditions

	Total assets	Stockholders' equity	Stockholders' equity ratio	Capital adequacy ratio
	Millions of yen	Millions of yen	%	%
As of Mar. 31, 2001	5,626,580	394,136	9.6	364.7
As of Mar. 31, 2000	5,686,652	322,921	8.0	507.4

Note:

1. Stockholders' equity ratio = Total stockholders' equity / (Total liabilities* + Total stockholders' equity)

(*)Excluding securities deposited by customers as collateral and short-term securities borrowed.

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Daiwa Securities SMBC Co. Ltd.

Balance Sheet

(millions of yen)

Assets			
	(A) Fiscal 2000 Mar. 31, 2001	(B) Fiscal 1999 Mar. 31, 2000	(A)-(B) Increase/ Decrease
Current assets:	5,490,024	5,545,267	-55,242
Cash and time deposits	41,894	118,356	-76,462
Cash segregated as deposits related to securities transactions	1,586	785	800
Receivables	1,929	5,942	-4,012
Advance payments on securities subscribed	806	199	607
Short-term loans receivable	289,539	31,835	257,704
Accrued income	8,703	4,863	3,840
Trading assets:	2,490,598	2,592,120	-101,521
Trading securities and others	2,174,429	2,470,177	-295,747
Option transactions	42,341	12,343	29,997
Derivative valuation accounts	273,827	109,599	164,227
Receivables related to margin transactions:	137,648	85,418	52,229
Loans receivable from customers for margin transactions	-	315	-315
Cash deposits as collateral for securities borrowed from securities finance companies	137,648	85,103	52,544
Receivables related to gensaki transactions	217,451	24,099	193,351
Cash deposits as collateral for securities borrowed	777,872	1,004,175	-226,303
Securities in custody	1,501,176	1,659,021	-157,844
Short-term guarantee money deposited	8,335	9,547	-1,211
Deferred income tax assets-current	6,062	4,387	1,675
Other current assets	7,362	4,583	2,779
Less: Allowance for doubtful accounts-current	-944	-70	-873
Non-current assets:	136,555	141,385	-4,829
Tangible fixed assets	4,972	5,333	-360
Intangible fixed assets	21,856	11,543	10,312
Investments and others:	109,726	124,508	-14,782
Investment securities	37,758	35,519	2,239
Long-term loans receivable	37	35	1
Long-term guarantee deposits	9,045	8,336	709
Deferred income tax assets-non-current	57,218	74,272	-17,054
Other investments	5,790	6,344	-554
Less: Allowance for doubtful accounts-non-current	-123	0	-123
Total assets	5,626,580	5,686,652	-60,072

(millions of yen)

Liabilities			
	(A) Fiscal 2000 Mar. 31, 2001	(B) Fiscal 1999 Mar. 31, 2000	(A) -(B) Increase/ Decrease
Current liabilities:	5,050,326	5,257,012	-206,685
Short-term borrowings	220,503	230,200	-9,696
Commercial paper	516,300	145,600	370,700
Bonds due within one year	4,400	-	4,400
Deposits received	8,471	10,763	-2,291
Trade date accrual	36,658	125,262	-88,604
Advance receipts on securities subscribed	1,011	6,574	-5,562
Accrued expenses	5,365	4,853	511
Trading liabilities:	1,094,936	1,078,232	16,703
Trading securities and others	789,771	962,454	-172,683
Option transactions	40,317	12,806	27,510
Derivative valuation accounts	264,847	102,971	161,876
Payables related to margin transactions:	59,876	34,198	25,678
Loans from securities finance companies for margin transactions	-	168	-168
Proceeds of securities sold for margin transactions	59,876	34,030	25,846
Payables related to gensaki transactions	741,938	1,123,837	-381,899
Cash deposits as collateral for securities loaned	776,512	803,975	-27,463
Short-term securities borrowed	1,321,226	1,451,897	-130,670
Cash deposits received from customers	50,115	12,737	37,377
Securities deposited by customers as collateral	179,950	207,124	-27,173
Accrued income taxes	27,518	16,878	10,639
Accrued bonuses	3,600	3,300	300
Other current liabilities	1,941	1,576	364
Non-current liabilities:	180,576	105,974	74,601
Bonds	73,200	-	73,200
Long-term borrowings	100,000	100,000	-
Deferred income tax liabilities-non-current	299	-	299
Accrued retirement benefits	1,865	1,029	835
Multiemployer pension plan	4,232	4,232	-
Other non-current liabilities	979	712	266
Statutory reserves:	1,541	744	797
Reserve for securities transaction liabilities	1,541	744	797
Reserve for financial futures transaction liabilities	0	0	0
Total liabilities	5,232,444	5,363,731	-131,287
Stockholders' equity			
Common stock	205,600	205,600	-
Legal reserve:	117,321	202,410	-85,088
Additional paid-in capital	117,321	202,410	-85,088
Retained earnings:	70,802	-85,088	155,891
Special reserve for depreciation	517	-	517
Unappropriated retained earnings	70,284	-85,088	155,373
(Net income for the current term)	(70,802)	-(85,080)	(155,883)
Revaluation reserve for Investment securities, net of tax	412	-	412
Total stockholders' equity	394,136	322,921	71,215
Total liabilities and stockholders' equity	5,626,580	5,686,652	-60,072

Daiwa Securities SMBC Co. Ltd.

Income Statement

	(millions of yen)			
	(A) Fiscal 2000 Apr. 1, 2000 - Mar. 31, 2001	(B) Fiscal 1999 Apr. 1, 1999 - Mar. 31, 2000	(A)-(B) Increase/ Decrease	(A)/(B) Comparison (%)
Operating revenues	230,735	172,069	58,665	134.1
Commissions	73,643	92,471	-18,828	79.6
Net gain on trading securities	128,934	70,679	58,255	182.4
Net gain on other commodities trading	2	340	-337	0.7
Interest and dividend income	28,155	8,578	19,577	328.2
Operating expenses	107,251	99,488	7,763	107.8
Selling, general and administrative expenses	94,993	93,816	1,176	101.3
Commission and other expenses	34,743	37,518	-2,775	92.6
Employees' compensation and benefits	24,963	22,834	2,128	109.3
Real estate expenses	9,917	9,832	85	100.9
Data processing and office supplies	14,282	16,364	-2,082	87.3
Depreciation expenses	5,768	4,115	1,653	140.2
Taxes other than income taxes	2,833	1,913	919	148.1
Others	2,485	1,237	1,247	200.8
Interest expenses	12,258	5,671	6,586	216.1
Operating income	123,484	72,581	50,902	170.1
Non-operating income	677	579	98	117.0
Non-operating expenses	521	150	371	346.8
Ordinary income	123,640	73,010	50,629	169.3
Extraordinary gains	-	-	-	-
Extraordinary losses	797	219,392	-218,595	0.4
Write off of goodwill	-	208,000	-208,000	-
Consumption tax incurred regarding goodwill not falling under other deductions	-	4,359	-4,359	-
Provision for multiemployer pension plan	-	4,232	-4,232	-
Business start-up-related expenses	-	2,056	-2,056	-
Provision for securities transaction liabilities	797	744	52	107.1
Provision for financial futures transaction liabilities	0	0	0	13.4
Income before income taxes	122,843	-146,382	269,225	-
Income taxes	36,661	17,358	19,302	211.2
Income taxes-deferred	15,379	-78,659	94,039	-
Net income	70,802	-85,080	155,883	-
Unappropriated retained earnings-carryforward	517	8	509	-
Unappropriated retained earnings	70,284	-85,088	155,373	-

Statement of appropriation of retained earnings

(millions of yen)

(Appropriation plan)

	Fiscal 2000	
Unappropriated retained earnings		70,284
Reversal of Special reserve for depreciation		260
Total		70,545
Appropriations of retained earnings		56,652
Legal reserve	5,141	
Cash dividends(*)	51,200	
Bonuses to directors	210	
Special reserve for depreciation	101	
Unappropriated retained earnings carried forward		13,892

(*) Cash dividends for fiscal year 2000: 16,000,000 yen per share (planned)

Supplemental information for
(Apr. 1, 2000 - Mar. 31 2001)

1. Breakdown of commission revenue

(1) Activity

(millions of yen)

	Fiscal 2000 (2001/3)	Fiscal 1999 (2000/3)	(2001/3) vs (2000/3)
Brokerage commission	13,714	33,722	40.7%
(Stock and other)	(13,531)	(33,167)	(40.8%)
(Bond and other)	(182)	(549)	(33.1%)
Underwriting & Distribution	37,296	33,979	109.8%
(Stock and other)	(29,381)	(26,417)	(111.2%)
(Bond and other)	(7,914)	(7,562)	(104.6%)
Subscription & Distribution	3,384	3,713	91.1%
(Beneficiary certificates)	(1,680)	(2,496)	(67.3%)
Other commission	19,247	21,055	91.4%
(Beneficiary certificates)	(9,232)	(12,167)	(75.9%)
Total	73,643	92,471	79.6%

(2) Asset class

(millions of yen)

	Fiscal 2000 (2001/3)	Fiscal 1999 (2000/3)	(2001/3) vs (2000/3)
Stock and other	44,296	59,974	73.9%
Bond and other	10,483	11,281	92.9%
Beneficiary certificates	10,914	14,669	74.4%
Others	7,949	6,546	121.4%
Total	73,643	92,471	79.6%

*Commission revenue on "Stock and other" includes commission revenue on CBs and warrants. Figures for "Fiscal 1999" are reclassified in such a manner.

2. Breakdown of trading gains/losses

(millions of yen)

	Fiscal 2000 (2001/3)	Fiscal 1999 (2000/3)	(2001/3) vs (2000/3)
Stock and other	115,403	33,213	347.5%
Bond, Forex and other	13,531	37,466	36.1%
(Bond and other)	(18,606)	(37,425)	(49.7%)
(Forex and other)	(-5,075)	(41)	(-)
Total	128,934	70,679	182.4%

3. Trading volume of stocks (excluding futures transaction)

(millions of share, millions of yen)

	Fiscal 2000 (2001/3)		Fiscal 1999 (2000/3)		(2001/3) vs (2000/3)	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Total	39,514	60,131,859	36,854	60,773,098	107.2%	98.9%
(Dealing) (a)	(20,817)	(31,387,302)	(17,483)	(29,146,860)	(119.1)	(107.7)
(Brokerage)(b)	(18,696)	(28,744,556)	(19,371)	(31,626,237)	(96.5)	(90.9)
b/(a + b)	47.3%	47.8%	52.6%	52.0%		
TSE share	6.7%	7.7%	6.2%	6.6%		

4. Underwriting activities

(millions of share, millions of yen)

	Fiscal 2000 (2001/3)	Fiscal 1999 (2000/3)	(2001/3) vs (2000/3)
Underwriting:			
Stock (number of shares)	73	92	79.7%
(yen amount)	648,552	662,799	97.9%
Bond (face value)	3,097,155	3,055,531	101.4%
CP & others (face value)	1,822,300	1,192,600	152.8%
Subscription & Distribution (*)			
Stock (number of shares)	133	98	134.9%
(yen amount)	672,230	665,745	101.0%
Bond (face value)	3,129,498	3,136,207	99.8%
Beneficiary certificates (face value)	4,667,340	5,024,142	92.9%
CP & others (face value)	1,822,300	1,162,600	156.7%

(*)Including secondary offering and private placement

5. Capital adequacy ratio

(millions of yen)

		Mar. 31, 2001	Mar. 31, 2000
Basic item	Stockholders' equity (*) (A)	342,313	322,921
Supplementary item	Valuation profits of Investment securities	412	690
	Statutory reserve	1,541	744
	Allowance for doubtful accounts	944	70
	Subordinated borrowings	100,000	100,000
	Total (B)	102,897	101,505
	Assets excluded from capital (C)	137,876	141,675
	Capital after exclusion (A)+(B)-(C) (D)	307,335	282,751
Risk equivalent	Market risk equivalent	49,056	28,667
	Counterparty risk equivalent	16,399	9,384
	Fundamental risk equivalent	18,809	17,668
	Total (E)	84,265	55,720
	Capital adequacy ratio (D)/(E) X 100%	364.7%	507.4%

(*) Dividends, directors' bonuses and Revaluation reserve for Investment securities are excluded as of March 31, 2001 as "Cabinet Office Ordinance on the Capital Adequacy Rule for Securities Companies" (Cabinet Office Ordinance No 23, 2001) was implemented on March 31, 2001.

(Reference Data)

Quarterly income statement

(millions of yen)

	First quarter Apr. 1, 2000 - Jun. 30, 2000	Second quarter Jul. 1, 2000 - Sep. 30, 2000	Third quarter Oct. 1, 2000 - Dec. 31, 2000	Fourth quarter Jan. 1, 2001 - Mar. 31, 2001
Operating revenue	55,097	59,980	8,016	107,641
Commissions	18,579	24,371	14,878	15,813
Brokerage commission	4,066	3,970	2,847	2,830
(Stock and other)	4,033	3,922	2,790	2,784
(Bond and other)	32	47	56	45
Underwriting & distribution commission	8,847	13,941	8,184	6,322
(Stock and other)	6,135	12,134	6,710	4,401
(Bond and other)	2,711	1,806	1,474	1,921
Subscription & distribution commission	851	1,087	343	1,102
(Beneficiary certificates)	674	350	184	470
Other commission	4,814	5,372	3,503	5,557
(Beneficiary certificates)	2,820	2,549	1,994	1,868
Net gain on trading	32,089	26,212	-13,362	83,995
(Stock and other)	27,178	19,346	-8,917	77,795
(Bond and other)	5,809	7,622	-3,256	8,431
(Forex and other)	-899	-756	-1,188	-2,231
Net gain on other commodities trading	-	-	2	-
Interest and dividend income	4,428	9,396	6,497	7,833
Operating expenses	24,048	29,342	25,976	27,883
Selling, general and administrative expenses	22,668	26,662	21,950	23,711
Commission and other expenses	8,408	11,114	7,760	7,458
Employees' compensation and benefits	6,371	6,511	5,363	6,717
Real estate expenses	2,152	2,652	2,455	2,657
Data processing and office supplies	3,399	3,769	3,550	3,562
Depreciation expenses	1,268	1,379	1,459	1,661
Taxes other than income taxes	632	506	749	945
Others	435	729	611	708
Interest expenses	1,379	2,680	4,025	4,172
Operating income	31,048	30,638	-17,959	79,757
Non-operating income	127	188	100	261
Non-operating expenses	208	35	163	114
Ordinary income	30,967	30,790	-18,023	79,905
Extraordinary gains	-	-	-	-
Extraordinary losses	201	212	149	233
Income before income taxes and others	30,766	30,578	-18,172	79,671
Income taxes-current	7,888	10,163	-11,532	30,140
Income taxes-deferred	5,281	3,142	3,963	2,991
Net income	17,595	17,272	-10,604	46,538