

Daiwa Securities SB Capital Markets Co. Ltd.

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January 30, 2001

Non-consolidated financial summary
(For the third quarter ended December 31, 2000)

Note: Page 1 and page 6 of this "Non-consolidated financial summary" reflects the press release "Amendment of non-consolidated financial summary for the third quarter ended December 31, 2000" dated March 23, 2001.

(1) Operating results (from April 1, 2000 to December 31, 2000)

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
Third quarter (2000/12)	123,094	(-3.0)	43,726	(-15.1)	43,735	(-15.1)
Third quarter (1999/12)	126,893		51,527		51,532	
Fiscal 1999 (2000/3)	172,069		72,581		73,010	

	Net income	
	Millions of yen	Yr/yr % change
Third quarter (2000/12)	24,263	(-)
Third quarter (1999/12)	-94,762	
Fiscal 1999 (2000/3)	-85,080	

(2) Financial conditions

	Total assets	Stockholders' equity	Stockholders' equity ratio	Capital adequacy ratio
	Millions of yen	Millions of yen	%	%
As of Dec. 31, 2000	5,530,820	347,398	9.2	477.3
As of Dec. 31, 1999	4,796,998	313,239	10.2	597.3
As of Mar. 31, 2000	5,686,652	322,921	8.0	507.4

Note:

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 SB Capital Markets Co. Ltd.

Balance sheet

(millions of yen)

	(A) Third quarter Dec. 31, 2000	(B) Third quarter Dec. 31, 1999	(A)-(B) Increase/ decrease	Fiscal 1999 Mar. 31, 2000
<i>Assets</i>				
Current assets:	5,395,247	4,666,561	728,685	5,545,267
Cash and time deposits	44,015	163,536	-119,520	118,356
Cash segregated as deposits related to securities transactions	1,408	704	704	785
Receivables	280	2,226	-1,945	5,942
Advance payments on securities subscribed	1,948	1,503	444	199
Short-term loans receivable	166,354	22,883	143,471	31,835
Accrued income	6,814	5,099	1,715	4,863
Trading assets:	2,067,981	1,599,431	468,550	2,592,120
Trading securities and others	1,842,945	1,463,623	379,322	2,470,177
Option transactions	37,592	11,263	26,328	12,343
Derivative valuation accounts	187,443	124,544	62,899	109,599
Receivables related to margin transactions:	59,133	44,730	14,402	85,418
Loans receivable from customers for margin transactions	3	521	-517	315
Cash deposits as collateral for securities borrowed from securities finance companies	59,129	44,208	14,920	85,103
Receivables related to gensaki transactions	239,240	2,398	236,842	24,099
Cash deposits as collateral for securities borrowed	1,027,284	1,076,271	-48,987	1,004,175
Securities in custody	1,760,783	1,735,240	25,543	1,659,021
Short-term guarantee money deposited	12,825	7,472	5,353	9,547
Deferred income tax assets-current	4,920	1,828	3,091	4,387
Other current assets	2,865	3,287	-422	4,583
Less: Allowance for doubtful accounts-current	-610	-52	-557	-70
Non-current assets:	135,573	130,436	5,137	141,385
Tangible fixed assets	4,724	4,851	-126	5,333
Intangible fixed assets	17,841	9,549	8,292	11,543
Investments and others	113,006	116,035	-3,028	124,508
Investment securities	2,221	139	2,082	590
Investment in subsidiaries	34,928	29,945	4,983	34,928
Long-term loans receivable	34	33	1	35
Long-term guarantee deposits	8,806	8,276	529	8,336
Deferred income tax assets-non-current	61,196	72,495	-11,298	74,272
Other investments	5,826	5,144	681	6,344
Less: Allowance for doubtful accounts-non-current	-8	-0	-8	-0
Total assets	5,530,820	4,796,998	733,822	5,686,652

(millions of yen)

	(A) Third quarter Dec. 31, 2000	(B) Third quarter Dec. 31, 1999	(A) -(B) Increase/ Decrease	Fiscal 1999 Mar. 31, 2000
<i>Liabilities</i>				
Current liabilities:	5,017,157	4,381,673	635,483	5,257,012
Short-term borrowings	316,699	160,000	156,699	230,200
Commercial paper	473,300	146,100	327,200	145,600
Bonds due within one year	5,000	-	5,000	-
Deposits received	6,961	12,669	-5,707	10,763
Trade date accrual	31,023	36,042	-5,019	125,262
Advance receipts on securities subscribed	1,178	1,424	-245	6,574
Accrued expenses	4,521	3,727	793	4,853
Trading liabilities:	929,785	862,003	67,782	1,078,232
Trading securities and others	728,546	738,188	-9,642	962,454
Option transactions	34,717	7,016	27,700	12,806
Derivative valuation accounts	166,522	116,798	49,723	102,971
Payables related to margin transactions:	9,047	7,635	1,412	34,198
Loans from securities finance companies for margin transactions	-	-	-	168
Proceeds of securities sold for margin transactions	9,047	7,635	1,412	34,030
Payables related to gensaki transactions	485,909	594,096	-108,186	1,123,837
Cash deposits as collateral for securities loaned	960,340	806,986	153,353	803,975
Short-term securities borrowed	1,604,032	1,516,177	87,855	1,451,897
Cash deposits received from customers	22,647	8,593	14,054	12,737
Securities deposited by customers as collateral	156,750	219,062	-62,312	207,124
Accrued income taxes	-	5,370	-5,370	16,878
Other current liabilities	9,957	1,783	8,174	4,876
Non-current liabilities:	164,957	101,610	63,346	105,974
Bonds	58,200	-	58,200	-
Long-term borrowings	100,000	100,000	-	100,000
Accrued retirement benefits	1,576	851	724	1,029
Multiemployer pension plan	4,232	-	4,232	4,232
Other non-current liabilities	948	759	189	712
Statutory reserves:	1,307	473	834	744
Reserve for securities transaction liabilities	1,307	473	834	744
Reserve for financial futures transaction liabilities	0	0	0	0
Total liabilities	5,183,422	4,483,758	699,664	5,363,731
<i>Stockholders' equity</i>				
Common stock	205,600	205,600	-	205,600
Legal reserve:	117,321	202,410	-85,088	202,410
Additional paid-in capital	117,321	202,410	-85,088	202,410
Retained earnings:	24,263	-94,770	119,034	-85,088
Special reserve for depreciation	517	-	517	-
Unappropriated retained earnings	23,746	-94,770	118,516	-85,088
(Net income for the current term)	(24,263)	(-94,762)	(119,025)	(-85,080)
Net unrealized gain on investment securities net of tax effect	213	-	213	-
Total stockholders' equity	347,398	313,239	34,158	322,921
Total liabilities and stockholders' equity	5,530,820	4,796,998	733,822	5,686,652

Daiwa Securities SB Capital Markets Co. Ltd.

Income statement

(millions of yen)

	(A) Third quarter Apr. 1, 2000 - Dec. 31, 2000	(B) Third quarter Apr. 1, 1999 - Dec. 31, 1999	(A)/(B) Comparison(%)	Fiscal 1999 Apr. 1, 1999 - Mar. 31, 2000
Operating revenues	123,094	126,893	97.0%	172,069
Commissions	57,829	68,164	84.8%	92,471
Net gain on trading	44,939	52,604	85.4%	70,679
Net gain on other commodities trading	2	227	1.0%	340
Interest and dividend income	20,322	5,896	344.6%	8,578
Operating expenses	79,367	75,365	105.3%	99,488
Selling, general and administrative expenses	71,281	71,328	99.9%	93,816
Commission and other expenses	27,284	29,567	92.3%	37,518
Employees' compensation and benefits	18,245	16,762	108.8%	22,834
Real estate expenses	7,260	7,256	100.1%	9,832
Data processing and office supplies	10,719	12,405	86.4%	16,364
Depreciation expenses	4,107	3,019	136.0%	4,115
Taxes other than income taxes	1,887	1,494	126.3%	1,913
Others	1,776	821	216.2%	1,237
Interest expenses	8,085	4,037	200.3%	5,671
Operating income	43,726	51,527	84.9%	72,581
Non-operating income	416	376	110.5%	579
Non-operating expenses	407	372	109.4%	150
Ordinary income	43,735	51,532	84.9%	73,010
Extraordinary gains	-	-	-	-
Extraordinary losses	563	214,888	0.3%	219,392
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
Business start-up-related expenses	-	2,056	-	2,056
Provision for securities transaction liabilities	563	473	118.9%	744
Provision for financial futures transaction liabilities	0	0	134.9%	0
Income before income taxes and others	43,171	-163,356	-	-146,382
Income taxes- current	6,520	5,729	113.8%	17,358
Income taxes-deferred	12,387	-74,324	-	-78,659
Net income	24,263	-94,762	-	-85,080
Unappropriated deficit-carryforward	517	8	-	8
Unappropriated retained earnings	23,746	-94,770	-	-85,088

Supplemental information for the third quarter of fiscal 2000

(Apr. 1, 2000 – Dec. 31 2000)

1. Breakdown of commission revenue

(1) Activity

(millions of yen)

	Third quarter (2000/12)	Third quarter (1999/12)	(2000/12) vs (1999/12)	Fiscal 1999 (2000/3)
Brokerage commission	10,884	27,637	39.4%	33,722
(Stock and other)	(10,747)	(27,126)	(39.6%)	(33,167)
(Bond and other)	(136)	(506)	(26.9%)	(549)
Underwriting & Distribution	30,973	24,531	126.3%	33,979
(Stock and other)	(24,980)	(19,200)	(130.1%)	(26,417)
(Bond and other)	(5,992)	(5,330)	(112.4%)	(7,562)
Subscription & Distribution	2,281	2,028	112.5%	3,713
(Beneficiary certificates)	(1,209)	(1,563)	(77.4%)	(2,496)
Other commission	13,690	13,967	98.0%	21,055
(Beneficiary certificates)	(7,364)	(9,116)	(80.8%)	(12,167)
Total	57,829	68,164	84.8%	92,471

(2) Asset class

(millions of yen)

	Third quarter (2000/12)	Third quarter (1999/12)	(2000/12) vs (1999/12)	Fiscal 1999 (2000/3)
Stock and other	36,590	46,543	78.6%	59,974
Bond and other	7,756	7,612	101.9%	11,281
Beneficiary certificates	8,574	10,684	80.3%	14,669
Others	4,908	3,323	147.7%	6,546
Total	57,829	68,164	84.8%	92,471

*Commission revenue on "Stock and other" includes commission revenue on CBs and warrants. Figures for "Third quarter (1999/12)" and "Fiscal 1999" are reclassified in such a manner.

2. Breakdown of trading gains/losses

(millions of yen)

	Third quarter (2000/12)	Third quarter (1999/12)	(2000/12) vs (1999/12)	Fiscal 1999 (2000/3)
Stock and other	37,607	24,428	153.9%	33,213
Bond, Forex and other	7,331	28,175	26.0%	37,466
(Bond and other)	(10,175)	(27,027)	(37.6%)	(37,425)
(Forex and other)	(-2,843)	(1,148)	(-)	(41)
Total	44,939	52,604	85.4%	70,679

3. Trading volume of stocks (excluding futures transaction)

(millions of share, millions of yen)

	Third quarter (2000/12)		Third quarter (1999/12)		(2000/12) vs (1999/12)		Fiscal 1999 (2000/3)	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Total	27,879	44,618,127	23,405	32,664,414	119.1%	136.6%	36,854	60,773,098
(Dealing) (a)	(14,544)	(23,217,250)	(10,956)	(15,368,198)	(132.7)	(151.1)	(17,483)	(29,146,860)
(Brokerage)(b)	(13,335)	(21,400,876)	(12,448)	(17,296,216)	(107.1)	(123.7)	(19,371)	(31,626,237)
b/(a + b)	47.8%	48.0%	53.2%	53.0%			52.6%	52.0%
TSE share	6.8%	7.7%	6.1%	6.1%			6.2%	6.6%

4. Underwriting activities

(millions of share, millions of yen)

	Third quarter (2000/12)	Third quarter (1999/12)	(2000/12) vs (1999/12)	Fiscal 1999 (2000/3)
Underwriting:				
Stock (number of shares)	60	70	85.5%	92
(yen amount)	516,635	542,250	95.3%	662,799
Bond (face value)	2,435,674	2,323,030	104.8%	3,055,531
CP & others (face value)	1,292,600	716,100	180.5%	1,192,600
Subscription & Distribution (*)				
Stock (number of shares)	119	72	164.8%	98
(yen amount)	540,344	543,428	99.4%	665,745
Bond (face value)	2,467,808	2,253,920	109.5%	3,136,207
Beneficiary certificates (face value)	3,120,124	3,480,316	89.7%	5,024,142
CP & others (face value)	1,292,600	716,100	180.5%	1,162,600

(*)Including secondary offering and private placement

5. Capital adequacy ratio

(millions of yen)

		Dec. 31, 2000	Dec. 31, 1999	Mar. 31, 2000
Basic item	Total stockholders' equity (A)	347,184	313,239	322,921
Supplementary item	Statutory reserve	1,307	473	744
	Allowance for doubtful accounts	619	53	70
	Subordinated borrowings	100,000	100,000	100,000
	Valuation profits/losses of securities	368	-	690
	Total (B)	102,295	100,526	101,505
	Assets excluded from capital (C)	137,935	131,195	141,675
	Capital after exclusion (A)+(B)-(C) (D)	311,544	282,571	282,751
Risk equivalent	Market risk equivalent	34,252	22,293	28,667
	Counterparty risk equivalent	12,705	8,432	9,384
	Fundamental risk equivalent	18,308	16,579	17,668
	Total (E)	65,266	47,304	55,720
Capital adequacy ratio	(D)/(E) X 100%	477.3%	597.3%	507.4%

(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
Operating revenue	55,097	59,980	8,016
Commissions	18,579	24,371	14,878
Brokerage commission	4,066	3,970	2,847
(Stock and other)	4,033	3,922	2,790
(Bond and other)	32	47	56
Underwriting & distribution commission	8,847	13,941	8,184
(Stock and other)	6,135	12,134	6,710
(Bond and other)	2,711	1,806	1,474
Subscription & distribution commission	851	1,087	343
(Beneficiary certificates)	674	350	184
Other commission	4,814	5,372	3,503
(Beneficiary certificates)	2,820	2,549	1,994
Net gain on trading	32,089	26,212	-13,362
(Stock and other)	27,178	19,346	-8,917
(Bond and other)	5,809	7,622	-3,256
(Forex and other)	-899	-756	-1,188
Net gain on other commodities trading	-	-	2
Interest and dividend income	4,428	9,396	6,497
Operating expenses	24,048	29,342	25,976
Selling, general and administrative expenses	22,668	26,662	21,950
Commission and other expenses	8,408	11,114	7,760
Employees' compensation and benefits	6,371	6,511	5,363
Real estate expenses	2,152	2,652	2,455
Data processing and office supplies	3,399	3,769	3,550
Depreciation expenses	1,268	1,379	1,459
Taxes other than income taxes	632	506	749
Others	435	729	611
Interest expenses	1,379	2,680	4,025
Operating income	31,048	30,638	-17,959
Non-operating income	127	188	100
Non-operating expenses	208	35	163
Ordinary income	30,967	30,790	-18,023
Extraordinary gains	-	-	-
Extraordinary losses	201	212	149
Income before income taxes and others	30,766	30,578	-18,172
Income taxes-current	7,888	10,163	-11,532
Income taxes-deferred	5,281	3,142	3,963
Net income	17,595	17,272	-10,604