

Daiwa Securities Co. Ltd.2-6-4 Otemachi Chiyoda-ku
Tokyo 100-8101, Japan

October 27, 2000

Non-consolidated financial summary

(For the first half ended September 30, 2000)

(1) Operating results (from April 1, 2000 to September 30, 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	Net income
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
First half (Apr. 1 - Sep. 30, 2000)	102,260	22,543	22,763	12,822
Fiscal 1999 (Apr. 1 - Mar. 31, 2000)	258,286	106,859	106,837	51,343

(2) Financial conditions

	Total assets	Stockholders' equity	Stockholders' equity ratio	Capital adequacy ratio
	Millions of yen	Millions of yen	%	%
As of Sept. 30, 2000	755,107	202,070	38.3	272.1
As of Mar. 31, 2000	1,086,214	201,346	26.7	262.7

Note: Stockholders' equity ratio = Total stockholders' equity / (Total liabilities* + Total stockholders' equity)

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

Year-to-year comparison is omitted, as the company started operations on April 26, 1999

Daiwa Securities Co. Ltd.
Balance Sheet
(As of September 30, 2000)

(millions of yen)

Assets			
	First half Sep. 30, 2000	Fiscal 1999 Mar. 31, 2000	Increase/ Decrease
Current assets:	682,241	1,017,259	-335,018
Cash and time deposits	201,259	279,799	-78,540
Cash segregated as deposits related to securities transactions	1,390	1,787	-396
Receivables	5,910	15,230	-9,320
Trade date accrual	3,132	199	2,933
Advance payments on securities subscribed	532	510	22
Short-term loans	12,827	22,446	-9,618
Accrued income	11,155	11,699	-543
Trading assets:	6,311	9,924	-3,613
Trading securities and others	6,280	9,885	-3,604
Derivative valuation accounts	30	39	-9
Receivables related to margin transactions:	194,672	308,210	-113,537
Loans receivable from customers for margin transactions	193,689	308,011	-114,322
Cash deposits as collateral for securities borrowed from securities finance companies	983	198	784
Cash deposits as collateral for securities borrowed	6,618	19,703	-13,084
Securities in custody	227,933	331,852	-103,919
Short-term guarantee money deposited	6,230	6,809	-579
Deferred income tax assets-current	2,426	7,307	-4,881
Other current assets	2,296	2,347	-51
Less: Allowance for doubtful accounts	-455	-568	112
Non-current assets:	72,866	68,955	3,911
Tangible fixed assets	4,907	4,334	572
Intangible fixed assets	6,191	1,898	4,292
Investments and others:	61,767	62,721	-953
Long-term loans	5,000	5,000	-
Long-term guarantee deposits	47,712	48,954	-1,241
Deferred income tax assets-non-current	7,238	6,884	354
Other investments	1,833	1,893	-59
Less: Allowance for doubtful accounts	-16	-10	-6
Total assets	755,107	1,086,214	-331,106

Daiwa Securities Co. Ltd.
Balance Sheet
(As of September 30, 2000)

(millions of yen)

Liabilities			
	First half	Fiscal 1999	Increase/ Decrease
	Sep. 30, 2000	Mar. 31, 2000	
Current liabilities:	533,903	867,793	-333,889
Short-term borrowings	147,000	268,000	-121,000
Deposits received	61,851	88,258	-26,407
Advance receipts on securities subscribed	625	725	-99
Accrued expenses	7,543	8,829	-1,285
Trading liabilities:	13	205	-191
Trading securities and others	5	0	5
Derivative valuation accounts	8	205	-197
Payables related to margin transactions:	28,888	29,994	-1,106
Loans from securities finance companies for margin transactions	21,949	24,747	-2,797
Proceeds securities sold for margin transactions	6,938	5,247	1,691
Short-term securities borrowed	12,060	32,687	-20,627
Cash deposits received from customers	43,818	70,140	-26,322
Securities deposited by customers as collateral	215,873	299,164	-83,291
Accrued income taxes	5,095	52,073	-46,977
Accrued bonuses	8,600	9,500	-900
Other current liabilities	2,532	8,212	-5,679
Non-current liabilities:	18,783	16,838	1,944
Accrued retirement benefits	2,404	1,618	786
Multiemployer pension plan	15,220	15,220	-
Other non-current liabilities	1,159	-	1,159
Statutory reserves:	350	236	113
Reserve for securities transaction liabilities	350	236	113
Total liabilities	553,037	884,868	-331,830
Stockholders' equity			
Common stock	100,000	100,000	-
Legal reserve:	51,220	50,010	1,210
Additional paid-in capital	50,010	50,010	-
Earned surplus reserve	1,210	-	1,210
Retained earnings:	50,850	51,336	-486
General-purpose reserve	238	-	238
Unappropriated retained earnings	50,611	51,336	-724
(Net income for the current term)	(12,822)	(51,343)	(-38,520)
Total stockholders' equity	202,070	201,346	723
Total liabilities and stockholders' equity	755,107	1,086,214	-331,106

Daiwa Securities Co. Ltd
Income Statement

(millions of yen)

	First half Apr. 1, 2000 - Sep. 30, 2000	Fiscal 1999 Apr. 1, 1999 - Mar. 31, 2000
Operating revenues	102,260	258,286
Commissions	94,174	240,898
Net gain on trading securities	5,821	13,162
Net gain on other commodities trading	5	5
Interest and dividend income	2,258	4,220
Operating expenses	79,717	151,426
Selling, general and administrative expenses	79,107	150,594
Commission and other expenses	17,508	30,984
Employees' compensation and benefits	34,532	64,623
Real estate expenses	13,225	27,179
Data processing and office supplies	11,151	22,762
Depreciation expenses	943	1,720
Taxes other than income taxes	216	367
Others	1,529	2,957
Interest expenses	609	831
Operating income	22,543	106,859
Non-operating income	747	184
Non-operating expenses	526	206
Ordinary income	22,763	106,837
Extraordinary gains	-	-
Extraordinary losses	113	17,484
Provision for multiemployer pension plan	-	15,220
Expenses for foundation	-	1,078
Expenses for reorganization of system	-	950
Provision for securities transaction liabilities	113	236
Income before income taxes	22,649	89,352
Income taxes-current	5,300	52,200
Income taxes-deferred	4,527	-14,191
Net income	12,822	51,343
Unappropriated retained earnings-carryforward	37,788	-7
Unappropriated retained earnings	50,611	51,336

Supplemental information for the first half of fiscal 2000

1. Breakdown of commission income

(1) Activity

(millions of yen)

	First half of fiscal 2000	Fiscal 1999
Brokerage commission	40,391	112,856
(Stock)	(39,093)	(109,249)
(Bond)	(1,296)	(3,602)
Underwriting & distribution	-	-
Subscription & distribution	32,595	91,430
(Stock)	(5,149)	(8,085)
(Bond)	(5,008)	(5,115)
(Investment Trust)	(22,437)	(78,229)
Other commission	21,187	36,611
Total	94,174	240,898

(2) Asset class

(millions of yen)

	First half of fiscal 2000	Fiscal 1999
Stock	45,853	120,488
Bond	8,901	13,651
Beneficiary certificate	38,411	105,268
Others	1,007	1,489
Total	94,174	240,898

2. Breakdown of trading gains/losses

(millions of yen)

	First half of fiscal 2000	Fiscal 1999
Stock	132	1,945
Bond & forex	5,689	11,216
(Bond)	(3,406)	(6,930)
(Forex)	(2,282)	(4,286)
Total	5,821	13,162

3. Trading volume of stocks (excluding futures transaction)

(millions of share, millions of yen)

	First half of fiscal 2000		Fiscal 1999	
	Number of Shares	Amount	Number of shares	Amount
Total	5,597	6,413,510	11,606	17,752,427
(Dealing) (a)	(361)	(627,225)	(542)	(1,057,218)
(Brokerage)(b)	(5,236)	(5,786,285)	(11,064)	(16,695,208)
(b)/(a + b)	93.5%	90.2%	95.3%	94.0%
TSE share	2.9%	2.1%	3.3%	3.0%
Brokerage commission/share	7.34yen		9.87 yen	

4. Underwriting activities

(millions of share, millions of yen)

	First half of fiscal 2000	Fiscal 1999
Underwriting:	-	-
Subscription & distribution (*)		
Stock (number of shares)	31	92
(yen amount)	200,372	464,488
Bond (face value)	122,587	365,732
Beneficiary certificates (face value)	6,336,495	12,809,138
CP & others (face value)	-	-

(*)Including secondary offering and private placement

5. Capital adequacy ratio

(millions of yen)

		Sept. 30, 2000	Mar. 31, 2000
Basic item	Total stockholders' equity (A)	202,070	201,346
Supplementary item	Statutory reserve	350	236
	Allowance for doubtful accounts	472	578
	Total (B)	822	814
Assets excluded from capital (C)		75,916	72,126
Capital after exclusion (A)+(B)-(C) (D)		126,976	130,033
Risk equivalent	Market risk equivalent	585	1,487
	Counterparty risk equivalent	5,103	7,810
	Fundamental risk equivalent	40,964	40,196
	Total (E)	46,653	49,494
Capital adequacy ratio (D) / (E) X 100%		272.1%	262.7%