

**Daiwa Securities SMBC Co.Ltd.**

3-5 Yaesu 1-chome, Chuo-ku  
Tokyo 103-8289, Japan

October 25, 2002

**Non-consolidated financial summary**

(For the first half ended September 30, 2002)

## (1) Operating results (from April 1, 2002 to September 30, 2002)

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

	Operating revenues		Net operating revenues		Operating income	
	Millions of yen	Yr/yr change	Millions of yen	Yr/yr change	Millions of yen	Yr/yr change
First half (2002/9)	56,606	18.1%	53,160	20.3%	6,899	- %
First half (2001/9)	47,923		44,172		(2,618)	
Fiscal 2001 (2002/3)	109,481		102,670		12,381	

	Ordinary income		Net income		Return on stockholders' equity (Annual basis)
	Millions of yen	Yr/yr change	Millions of yen	Yr/yr Change	
First half (2002/9)	7,971	- %	4,259	- %	2.4%
First half (2001/9)	(2,470)		(3,057)		(1.7)%
Fiscal 2001 (2002/3)	13,231		5,426		1.5%

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 Sep. 30, 2002	5,984,184	351,719	5.9%	462.1%
As of Sep. 30, 2001	4,562,620	339,064	7.4%	469.4%
As of Mar. 31, 2002	4,344,082	347,628	8.0%	500.2%

Note. Number of shares outstanding:

As of Sep. 30, 2002: 3,200

As of Sep. 30, 2001: 3,200

As of Mar.31, 2002: 3,200

Representative: Akira Kiyota, President

Contact: Tenzan Watanabe, General Manager, Treasury Department

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**Results of Operation**

(A) Overview of Operating Income (Comparisons in parenthesis are made versus the first half of fiscal 2001)

(1) Commissions

For the first half ended September 30, 2002, total commission revenues amounted to 24,956 million yen (9.5% down), of which 12,339 million yen (14.4% down) were derived from equity, 5,235 million yen (16.0% down) from fixed income, and 1,558 million yen (48.3% down) from Beneficiary Certificates. The components of the commissions received are set forth below:

a) Brokerage Commissions

Total Brokerage commissions decreased to 4,623 million yen (15.4% down) due to the declined daily average volume of Stocks traded in Tokyo Stock Exchange Market (811.8 billion yen, 2.0% decrease).

b) Underwriting Commissions

Underwriting Commissions totaled 11,758 million yen (16.4% down). Underwriting commissions derived from equity were 7,573 million yen (14.0% down). Underwriting commissions derived from fixed income also decreased to 4,075 million yen (22.5% down).

c) Distribution Commissions

Revenues from distribution commissions decreased to 608 million yen (13.3% down). Distribution commissions received from Investment Trust increased compared to the first half of last year.

d) Other Commissions

Other Commissions amounted to 7,966 million yen, 8.4% higher than the same period of last year. The fees derived from asset management of Investment Trust decreased by 59.6% to 1,028 million yen. On the other hand, the other commissions derived from M & A, Financial Advisory Service, IPO consulting, and so forth significantly increased to 6,937 million yen (44.5% increase).

(2) Net Gain on Trading Securities

Net trading gain derived from equity sales amounted to 6,610 million yen (189.5% up). Net trading gain from fixed income together with net trading gain from foreign exchange transactions increased 15,618 million yen (130.3% up). Consequently, total net trading gain for this first half came to 22,228 million yen (145.2% up).

(3) Net Interest and Dividend Income

Interest and Dividend Income totaled 9,421 million yen, whereas Interests Expenses totaled 3,446 million yen. Net Interest and Dividend Income came to 5,975 million yen, a 20.6% decrease compared with the first half of last year. Taking advantage of the current money market with low interest rate, interest expenses were relatively low, although whose positive effect was overall offset by the decrease of dividends and interest revenues.

(4) Selling, General and Administrative Expenses

Commissions paid, depreciation expenses, and data processing & office supplies were increased to 16,978 million yen (3.3% up), 4,077 million yen (12.7% up), and 7,403 million yen (0.9% up), respectively. On the other hand, employment expenses and real estate expenses were decreased to 10,919 million yen (6.9% down) and 5,168 million yen (8.7% down), respectively. Overall, the total Selling General and Administration Expenses came to 46,261 million yen (1.1% down), decreasing since last year with the Company's constant effort of expenditure control.

In conclusion, Operating Revenues for the first half of fiscal 2002 resulted in 56,606 million yen (18.1% up), and Net Operating Revenue in 53,160 million yen (20.3% up). Furthermore, Operational Income resulted in 6,899 million yen, and Ordinary Income in 7,971 million yen.

Net Extraordinary income resulted in loss of 673 million yen. Finally, the Net Income for this half year generated 4,259 million yen reversing its negative figure as at the first half of fiscal 2001.

(B) Financial Condition

During the first half of fiscal 2002, the total assets were increased by 1,640.1 billion yen to 5,984.1 billion yen compared with the end of fiscal 2001. Increased position of government bonds principally caused trading security account increased by 875.7 billion yen; and Receivable on Collateralized Securities Transactions were increased by 453.2 billion yen, short-term loans increased by 81.7 billion yen.

On the other hand, the total liabilities were 5,632.4 billion yen, a 1,636 billion yen more than last year. Payable on Collateralized Securities Transactions increased by 1,452.7 billion yen, and trading security account increased by 500.9 billion yen. The company newly issued 96.4 billion yen of corporate bond in order to raise its funds. Total Shareholder's Equity increased by 4 billion yen to 351.7 billion yen compared to last year.

Balance Sheet

(millions of yen)

	First half Sep. 30, 2002	First half Sep. 30, 2001	Increase/ Decrease	Fiscal 2001 Mar. 31, 2002
<b>Assets</b>				
<b>Current assets:</b>	<b>5,844,296</b>	<b>4,429,905</b>	<b>1,414,390</b>	<b>4,197,042</b>
Cash and time deposits	62,749	97,021	(34,271)	87,985
Cash segregated as deposits	20,017	17,000	3,016	22,233
Trading assets:	3,066,607	2,549,500	517,107	2,190,816
Trading securities and others	2,624,189	2,181,378	442,811	1,848,322
Derivative assets	442,418	368,122	74,296	342,493
Trade date accrual	287,142	6,995	280,146	-
Receivables related to margin transactions:	58,070	105,989	(47,919)	70,253
Loans receivable from customers for margin transactions	70	60	10	8
Cash deposits as collateral for securities borrowed from securities finance companies	57,999	105,928	(47,929)	70,244
Receivable on collateralized securities transactions:	2,150,260	1,558,591	591,669	1,696,982
Cash deposits as collateral for securities borrowed	1,928,992	1,355,926	573,066	1,559,260
Receivables related to Gensaki transactions	221,267	202,664	18,603	137,722
Receivables	184	1,557	(1,373)	1,980
Short-term guarantee money deposited	10,696	8,740	1,955	9,109
Short-term loans receivable	168,886	41,463	127,423	87,174
Accrued income	10,239	8,288	1,951	5,613
Deferred income tax assets	847	16,027	(15,179)	-
Other current assets	8,662	18,775	(10,113)	24,945
Less: Allowance for doubtful accounts-current	(69)	(46)	(23)	(52)
<b>Non-current assets:</b>	<b>139,888</b>	<b>132,715</b>	<b>7,173</b>	<b>147,039</b>
Tangible fixed assets	3,867	4,682	(814)	4,376
Intangible fixed assets	25,837	24,758	1,079	26,660
Investments and others:	110,183	103,274	6,908	116,002
Investment securities	43,777	40,895	2,881	43,919
Long-term loans receivable	1,038	42	995	1,042
Long-term guarantee deposits	6,253	7,552	(1,299)	7,427
Deferred income tax assets	54,916	48,836	6,080	58,927
Other investments	4,636	6,143	(1,506)	4,928
Less: Allowance for doubtful accounts-non-current	(438)	(196)	(242)	(243)
<b>Total assets</b>	<b>5,984,184</b>	<b>4,562,620</b>	<b>1,421,564</b>	<b>4,344,082</b>

(millions of yen)

	First half Sep. 30, 2002	First half Sep. 30, 2001	Increase/ Decrease	Fiscal 2001 Mar. 31, 2002
<b>Liabilities</b>				
<b>Current liabilities:</b>	<b>5,283,460</b>	<b>3,988,294</b>	<b>1,295,166</b>	<b>3,690,236</b>
Trading liabilities:	1,573,727	1,056,970	516,757	1,072,774
Trading securities and others	1,167,161	712,353	454,808	767,688
Derivative liabilities	406,566	344,616	61,949	305,085
Trade date accrual	-	-	-	178,643
Payables related to margin transactions:	18,189	73,955	(55,766)	25,267
Loans from securities finance companies for margin transactions	4	-	4	-
Proceeds of securities sold for margin transactions	18,184	73,955	(55,770)	25,267
Payables on collateralized securities transactions	2,031,306	1,732,385	298,920	578,574
Cash deposits as collateral for securities loaned	1,865,162	1,446,094	419,068	500,477
Payables related to Gensaki transactions	166,143	286,291	(120,147)	78,096
Deposits received	6,435	12,290	(5,854)	10,537
Cash deposits received from customers	6,915	31,722	(24,807)	23,273
Short-term borrowings	1,200,673	730,029	470,643	1,413,104
Commercial paper	430,500	334,500	96,000	366,100
Bonds due within one year	5,312	1,806	3,506	4,604
Accrued expenses	6,445	4,745	1,700	4,884
Accrued income taxes	23	20	2	50
Deferred income tax liabilities	-	-	-	460
Other current liabilities	3,930	9,867	(5,936)	11,961
<b>Non-current liabilities:</b>	<b>346,306</b>	<b>233,347</b>	<b>112,958</b>	<b>303,906</b>
Bonds	242,900	130,600	112,300	200,800
Long-term borrowings	100,000	100,000	-	100,000
Accrued retirement benefits	2,775	2,267	507	2,530
Other non-current liabilities	630	479	150	576
<b>Statutory reserves:</b>	<b>2,698</b>	<b>1,914</b>	<b>783</b>	<b>2,310</b>
Reserve for securities transaction liabilities	2,698	1,914	783	2,310
Reserve for financial futures transaction liabilities	0	0	-	0
<b>Total liabilities</b>	<b>5,632,464</b>	<b>4,223,556</b>	<b>1,408,908</b>	<b>3,996,453</b>
<b>Stockholders' equity</b>				
Common stock	-	205,600	(205,600)	205,600
Legal reserve:	-	122,462	(122,462)	122,462
Additional paid-in capital	-	117,321	(117,321)	117,321
Earned surplus reserve	-	5,141	(5,141)	5,141
Retained earnings:	-	11,194	(11,194)	19,678
Special reserve for depreciation	-	359	(359)	359
Unappropriated retained earnings including net loss 3,057 mil. yen for Sep. 2001, net income 5,426 mil. yen for FY2001	-	10,835	(10,835)	19,319
Revaluation reserve for investment securities, net of tax effect	-	(192)	192	(112)
Common stock	205,600	-	205,600	-
Capital surplus	117,321	-	117,321	-
Additional paid-in capital	117,321	-	117,321	-
Earned surplus	29,078	-	29,078	-
Earned surplus reserve	5,141	-	5,141	-
Special reserve for depreciation	301	-	301	-
Unappropriated retained earnings including net income 4,259 million yen for Sep. 2002	23,636	-	23,636	-
Revaluation reserve for investment securities, net of tax effect	(280)	-	(280)	-
<b>Total stockholders' equity</b>	<b>351,719</b>	<b>339,064</b>	<b>12,655</b>	<b>347,628</b>
<b>Total liabilities and stockholders' equity</b>	<b>5,984,184</b>	<b>4,562,620</b>	<b>1,421,564</b>	<b>4,344,082</b>

**Income Statement**

(millions of yen)

	First half Apr. 1, 2002 - Sep. 30, 2002	First half Apr. 1, 2001 - Sep. 30, 2001	Yr/yr Change	Fiscal 2001 Apr. 1, 2001 - Mar. 31, 2002
<b>Operating revenues</b>	<b>56,606</b>	<b>47,923</b>	<b>18.1%</b>	<b>109,481</b>
Commissions	24,956	27,580	(9.5)%	54,724
Net gain on trading securities	22,228	9,064	145.2%	26,089
Interest and dividend income	9,421	11,278	(16.5)%	28,667
<b>Interest expenses</b>	<b>3,446</b>	<b>3,751</b>	<b>(8.1)%</b>	<b>6,810</b>
<b>Net operating revenues</b>	<b>53,160</b>	<b>44,172</b>	<b>20.3%</b>	<b>102,670</b>
<b>Selling, general and administrative expenses:</b>	<b>46,261</b>	<b>46,790</b>	<b>(1.1)%</b>	<b>90,288</b>
Commission and other expenses	16,978	16,433	3.3%	31,222
Employees' compensation and benefits	10,919	11,724	(6.9)%	22,491
Real estate expenses	5,168	5,662	(8.7)%	11,316
Data processing and office supplies	7,403	7,339	0.9%	13,985
Depreciation expenses	4,077	3,617	12.7%	7,607
Taxes other than income taxes	906	1,210	(25.2)%	1,967
Others	806	802	0.4%	1,697
<b>Operating income</b>	<b>6,899</b>	<b>(2,618)</b>	-	<b>12,381</b>
Non-operating income	1,436	377	280.4%	1,069
Non-operating expenses	363	229	58.3%	220
<b>Ordinary income</b>	<b>7,971</b>	<b>(2,470)</b>	-	<b>13,231</b>
Extraordinary gains	45	3,648	(98.7)%	3,604
Extraordinary losses	718	5,808	(87.6)%	6,650
<b>Income before income taxes and others</b>	<b>7,297</b>	<b>(4,631)</b>	-	<b>10,184</b>
Income taxes-current	263	27	868.3%	87
Refund of Income taxes	48	124	(61.0)%	190
Reversal of accrued income taxes	2	33	(93.1)%	33
Income taxes-deferred	2,825	(1,443)	-	4,894
<b>Net income</b>	<b>4,259</b>	<b>(3,057)</b>	-	<b>5,426</b>
Unappropriated retained earnings-carryforward	19,376	13,892	39.5%	13,892
Unappropriated retained earnings	23,636	10,835	118.1%	19,319

**Notes to financial statements**

The financial statements of the Company for the first half of fiscal 2002 ended September 30, 2002 are prepared in accordance with the “Enforcement Regulations of Commercial Law” (Ministry of Justice Ordinance No.22, 2002), the “Cabinet Office Ordinance Concerning Securities Companies” (Prime Minister’s Office Ordinance and MOF Ordinance No.32, 1998), and the “Uniform Accounting Standards of Securities Companies” (set by the board of directors of the Japan Securities Dealers’ Association, September 28, 2001).

**Basis of financial statements**

## 1. Valuation of securities

## (1) Valuation of trading account

Securities and derivative transactions in trading account are recorded at fair value.

## (2) Valuation of non-trading securities

(a) Subsidiary and related company stocks are valued at moving average cost method.

(b) Other securities in non-trading account are valued at fair value on the closing date with posting net unrealized gain on securities net of tax effect directly in stockholders’ equity, if their fair value is available. Those securities cost is based on moving average method. Other securities are valued at moving average cost method, if their fair value is not available.

## 2. Depreciation of depreciable assets

## (1) Tangible fixed assets

Declining-balance method is applied, and straight-line method is applied to the building (excluding appendixes) acquired after April 1, 1998. Useful life for depreciation is based on Corporation Tax Law.

## (2) Intangible fixed assets, and investments and others

Straight-line method is applied, and useful life for depreciation is based on Corporation Tax Law. Software for in-house use is depreciated under straight-line method based on internal estimated useful life (5 years).

## 3. Accounting policies for various provisions

## (1) Provision for doubtful accounts

The Company provides the allowance based on the historical deterioration rate as for normal loans, and the allowance specifically assessed as for doubtful and failed loans.

## (2) Accrued employees’ bonuses

Estimated amount of employees’ bonuses is accrued based on the Company’s bylaws.

## (3) Accrued retirement benefits

The Company provides accrued retirement benefits for employees in conformity with the bylaws to meet obligations as of September 30, 2002, as the rise in salaries in the future does not cause fluctuation in the benefit obligation and therefore the service costs are vested fiscal year by fiscal year.

## 4. Accounting for certain lease transactions

Finance leases in which ownership is not transferred to a lessee are accounted for in the same manner as operating leases.

## 5. Other material items

(Consumption Taxes)

Consumption taxes are separately recorded.

(Deferred assets)

Expenses for issue of bond are amortized in a lump when incurred.

**Notes to balance sheet**

## 1. Accumulated depreciation of tangible fixed assets

	<u>As of Sep. 30, 2002</u>	<u>As of Sep. 30, 2001</u>	(millions of yen) <u>As of Mar. 31, 2002</u>
	6,518	4,879	5,827

## 2. Guarantee

	<u>As of Sep. 30, 2002</u>	<u>As of Sep. 30, 2001</u>	(millions of yen) <u>As of Mar. 31, 2002</u>
	440	4,335	410

3. Long-term borrowings are the subordinated borrowings stipulated by Article 2 of the "Cabinet Office Ordinance on the Capital Adequacy Rule for Securities Companies" (Cabinet office Ordinance No. 23, 2001).

**Notes to income statement**

	(millions of yen)		
Details of extraordinary gains/losses	First half <u>Apr. 1, 2002 - Sep. 30, 2002</u>	First half <u>Apr. 1, 2001 - Sep. 30, 2001</u>	Fiscal 2001 <u>Apr. 1, 2001 - Mar. 31, 2002</u>
Extraordinary gains			
Gain on sale of investment securities	40	224	233
Reversal of the provision for multiemployer pension plan (Note 1)	-	2,599	2,599
Reversal of allowance for doubtful accounts	5	824	771
Extraordinary losses			
Write-down of investment securities	49	156	480
Valuation loss of fixed assets	202	162	272
Loss on sale of investment securities	78	18	33
Amortization of goodwill (Note2)	-	5,000	5,000
Non-deductible consumption tax relating to goodwill	-	98	93
Provision for securities transaction liabilities	387	372	769

(Note 1): The reversal of the provision for multiemployer pension plan is the amount after the deduction of expenses actually paid to Securities Companies' Welfare Pension Fund upon withdrawal.

(Note 2): Amortization of goodwill is incurred as a result of the acquisition of goodwill from former Sakura Securities Company Ltd. in April 2001.

**Supplemental information for the first half ended September 30, 2002**

(Apr. 1, 2002 – Sep. 30, 2002)

## 1. Breakdown of commission revenue

## (1) Activity

(millions of yen)

	First half (2002/9)	First half (2001/9)	Yr/yr change	Fiscal 2001 (2002/3)
<b>Brokerage commission</b>	<b>4,623</b>	<b>5,466</b>	<b>(15.4)%</b>	<b>10,727</b>
Stock and other	4,539	5,379	(15.6)%	10,517
Bond and other	63	82	(23.0)%	190
<b>Underwriting</b>	<b>11,758</b>	<b>14,065</b>	<b>(16.4)%</b>	<b>26,306</b>
Stock and other	7,573	8,807	(14.0)%	15,716
Bond and other	4,075	5,257	(22.5)%	8,973
<b>Distribution</b>	<b>608</b>	<b>702</b>	<b>(13.3)%</b>	<b>1,709</b>
Beneficiary certificates	509	460	10.6%	953
<b>Other commission</b>	<b>7,966</b>	<b>7,347</b>	<b>8.4%</b>	<b>15,980</b>
Beneficiary certificates	1,028	2,547	(59.6)%	4,240
<b>Total</b>	<b>24,956</b>	<b>27,580</b>	<b>(9.5)%</b>	<b>54,724</b>

## (2) Asset class

(millions of yen)

	First half (2002/9)	First half (2001/9)	Yr/yr change	Fiscal 2001 (2002/3)
Stock and other	12,339	14,409	(14.4)%	26,684
Bond and other	5,235	6,233	(16.0)%	12,411
Beneficiary certificates	1,558	3,013	(48.3)%	6,829
Others	5,822	3,923	48.4%	8,798
<b>Total</b>	<b>24,956</b>	<b>27,580</b>	<b>(9.5)%</b>	<b>54,724</b>

## 2. Breakdown of trading gains/losses

(millions of yen)

	First half (2002/9)	First half (2001/9)	Yr/yr change	Fiscal 2001 (2002/3)
<b>Stock and other</b>	<b>6,610</b>	<b>2,283</b>	<b>189.5%</b>	<b>14,753</b>
<b>Bond, Forex and other</b>	<b>15,618</b>	<b>6,781</b>	<b>130.3%</b>	<b>11,335</b>
Bond and other	10,294	2,455	319.3%	9,566
Forex and other	5,323	4,325	23.1%	1,768
<b>Total</b>	<b>22,228</b>	<b>9,064</b>	<b>145.2%</b>	<b>26,089</b>

3. Trading volume of stocks (excluding futures transaction) (millions of share, millions of yen)

	First half (2002/9)		First half (2001/9)		Yr/yr change		Fiscal 2001 (2002/3)	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of Shares	Amount
<b>Total</b>	<b>19,204</b>	<b>20,063,454</b>	<b>18,469</b>	<b>22,959,048</b>	<b>4.0%</b>	<b>(12.6)%</b>	<b>38,404</b>	<b>43,419,448</b>
Dealing (a)	10,900	10,910,834	10,404	12,576,412	4.8%	(13.2)%	21,040	23,460,803
Brokerage (b)	8,304	9,152,619	8,064	10,382,635	3.0%	(11.8)%	17,364	19,958,645
b/(a + b)	43.2%	45.6%	43.7%	45.2%			45.2%	46.0%
TSE share	6.8%	7.0%	6.1%	7.0%			6.5%	7.1%

4. Underwriting activities (millions of share, millions of yen)

	First half (2002/9)	First half (2001/9)	Yr/yr change	Fiscal 2001 (2002/3)
<u>Underwriting:</u>				
Stock (number of shares)	89	38	130.5%	63
(yen amount)	167,020	175,302	(4.7)%	272,702
Bond (face value)	2,641,730	1,999,368	32.1%	3,605,953
Beneficiary Certificates (face value)	-	-	-	52,500
CP & others (face value)	797,370	988,010	(19.3)%	1,600,110
<u>Distribution (*)</u>				
Stock (number of shares)	90	38	131.2%	63
(yen amount)	168,601	176,980	(4.7)%	272,887
Bond (face value)	2,639,928	1,810,034	45.8%	3,393,263
Beneficiary certificates (face value)	614,035	1,041,986	(41.1)%	1,610,511
CP & others (face value)	759,370	980,010	(22.5)%	1,584,110

(\*)Including secondary offering and private placement

5. Capital adequacy ratio (millions of yen)

		First half Sep. 30, 2002	First half Sep. 30, 2001	Fiscal 2001 Mar. 31, 2002
Basic item	Stockholders' equity (A)	351,719	339,064	347,628
Supplementary item	Valuation profits of investment securities	-	-	-
	Statutory reserve	2,698	1,914	2,310
	Allowance for doubtful accounts	69	46	52
	Subordinated borrowings	100,000	100,000	100,000
	Total (B)	102,767	101,960	102,362
	Assets excluded from capital (C)	137,487	130,382	144,253
	Net capital (A)+(B)-(C) (D)	317,000	310,642	305,738
Risk equivalent	Market risk equivalent	35,890	30,338	27,250
	Counterparty risk equivalent	12,882	14,154	13,364
	Basic risk equivalent	19,823	21,681	20,498
	Total (E)	68,596	66,173	61,112
	Capital adequacy ratio (D)/(E)	462.1%	469.4%	500.2%

(Reference Data)

**Quarterly income statement**

(millions of yen)

	Fiscal 2001			Fiscal 2002	
	Second quarter	Third quarter	Fourth quarter	First quarter	Second quarter
	Jul. 1, 2001 - Sep. 30, 2001	Oct. 1, 2001 - Dec. 31, 2001	Jan. 1, 2002 - Mar. 31, 2002	Apr. 1, 2002- Jun. 30, 2002	Jul. 1, 2002 - Sep. 30, 2002
<b>Operating revenue</b>	<b>20,965</b>	<b>27,482</b>	<b>34,075</b>	<b>28,883</b>	<b>27,722</b>
Commissions	14,475	13,030	14,112	10,960	13,996
Brokerage commission	2,687	2,535	2,725	2,551	2,072
(Stock and other)	2,630	2,489	2,649	2,512	2,027
(Bond and other)	51	38	69	30	32
Underwriting commission	7,876	6,571	5,669	5,413	6,344
(Stock and other)	5,228	3,228	3,680	3,217	4,356
(Bond and other)	2,647	1,727	1,989	2,196	1,878
Distribution commission	522	479	528	163	444
(Beneficiary certificates)	333	203	289	150	358
Other commission	3,389	3,444	5,188	2,831	5,134
(Beneficiary certificates)	1,182	1,001	691	543	484
Net gain on trading	2,449	3,031	13,993	13,902	8,326
(Stock and other)	(1,995)	5,048	7,422	5,243	1,366
(Bond and other)	(2,750)	1,559	5,551	6,093	4,201
(Forex and other)	7,195	(3,576)	1,019	2,565	2,758
Interest and dividend income	4,040	11,419	5,968	4,021	5,400
Interest expenses	1,755	1,531	1,528	1,734	1,711
<b>Net operating revenues</b>	<b>19,209</b>	<b>25,951</b>	<b>32,546</b>	<b>27,149</b>	<b>26,011</b>
Selling, general and administrative expenses	23,950	20,975	22,522	22,324	23,936
Commission and other expenses	9,208	6,975	7,813	7,767	9,211
Employees' compensation and benefits	5,815	5,042	5,723	5,527	5,392
Real estate expenses	2,859	2,726	2,927	2,418	2,749
Data processing and office supplies	3,277	3,429	3,215	3,604	3,799
Depreciation expenses	1,879	1,946	2,043	2,014	2,063
Taxes other than income taxes	524	483	272	522	383
Others	386	370	524	469	337
<b>Operating income</b>	<b>(4,740)</b>	<b>4,975</b>	<b>10,024</b>	<b>4,824</b>	<b>2,074</b>
Non-operating income	127	422	269	234	1,201
Non-operating expenses	221	(94)	85	82	281
<b>Ordinary income</b>	<b>(4,834)</b>	<b>5,492</b>	<b>10,209</b>	<b>4,976</b>	<b>2,994</b>
Extraordinary gains	2,653	18	(62)	4	41
Extraordinary losses	484	187	653	220	498
<b>Income before income taxes and others</b>	<b>(2,666)</b>	<b>5,323</b>	<b>9,492</b>	<b>4,759</b>	<b>2,538</b>
Income taxes-current	23	4	55	236	27
Refund of income taxes	124	65	0	1	47
Reversal of accrued income taxes	-	-	-	-	2
Income taxes-deferred	(805)	2,166	4,171	1,756	1,069
<b>Net income</b>	<b>(1,759)</b>	<b>3,217</b>	<b>5,266</b>	<b>2,768</b>	<b>1,490</b>