

March 26, 1999

Daiwa Securities Co. Ltd.

The Sumitomo Bank, Limited

**Daiwa Securities / Sumitomo Bank Form a Joint Venture and a Strategic Alliance
in Asset Management with T. Rowe Price/Robert Fleming**

Tokyo, Japan : Today, based on the Letter of Intent of January 25, 1999, Daiwa Securities Co. Ltd. (“Daiwa”) and the Sumitomo Bank, Limited (“Sumitomo”) signed a Definitive Agreement to form a strategic alliance with T. Rowe Price Associates, Inc. (“T. Rowe Price”), a major US-based asset management firm and Robert Fleming Holdings (“Fleming”), one of the oldest financial groups in UK.

The global reach of the asset management expertise commanded by T. Rowe Price and Fleming, combined with the investment capability, extensive customer base and nationwide branch network of Daiwa and Sumitomo, will create an asset management powerhouse offering world-class service to both retail and institutional investors. This alliance will enable Daiwa and Sumitomo to fulfill the growing and increasingly sophisticated needs of the 1,200 trillion-yen Japanese personal finance market, especially in the new world now unfolding from the “Big Bang” financial reforms.

The outline of the alliance scheme follows:

Joint venture to be formed in Japan (Daiwa SB Investments Ltd.)

Daiwa International Capital Management Co.,Ltd. (“DICAM“), SB Investment Management Co.,Ltd. (“SBIM“) and SBIM Investment Trust Management (“SBIMITM”) are scheduled to merge on April 1, 1999 to form an asset management joint venture in which T. Rowe Price will take a 10% stake. Daiwa and Sumitomo will each hold 44%, and the Sumitomo Trust & Banking Co., Ltd. (“Sumitomo Trust & Banking“) will own 2%. The new firm will have a board member from T. Rowe Price.

(Profile)

Name : Daiwa SB Investments Ltd.

Location: Tokyo, Japan

Function: Investment trust management and investment advisory

Ownership: 44% Daiwa Securities group, 44% Sumitomo Bank group,
10% T. Rowe Price, 2% Sumitomo Trust & Banking

Capitalization: 2 billion-yen

Merger Date: April 1, 1999

Management: Minoru Mori, President (currently President of DICAM)
(Executive Officer system will be newly adopted.)

Joint venture to be set up outside of Japan

Outside of Japan, T. Rowe Price and Robert Fleming will establish another joint venture, dedicated mainly to managing non-Japanese securities portfolios of investment trust products for customers of the joint venture in Japan.

Some personnel from the Japanese JV will join the venture to help both joint ventures work closely to ensure the highest-quality investment management service tailored for the Japanese investors. The parties to the agreement will consider having the Japanese JV hold a stake in the T. Rowe Price/Robert Fleming joint venture in the future.

Joint study of business opportunities in the defined contribution pension market

Daiwa and Sumitomo plan to possibly pursue opportunities in the defined contribution pension business with T. Rowe Price, one of the leading players in the U.S. defined contribution pension market. The combination of Daiwa and Sumitomo's contacts, with the defined contribution skills of T. Rowe Price and the investment management capabilities of the new joint venture, should make Daiwa and Sumitomo very well positioned to serve this new market.

(Appendix)

Profile of T. Rowe Price

Name: T. ROWE PRICE ASSOCIATES, INC.

Year established: 1937

Location of Headquarters: Baltimore , Maryland USA

Principal Business: Asset Management

Number of Employees: 3,462

Total Asset Under Management: \$ 147,970 Million

Defined Contribution: 1) Number of Plan Participants: 1,140,000
2) AUM : \$ 42 billion
3) Nation's First provider of fully bundled defined contribution plan
4) First defined contribution plan client , 1972

Others: 1) Conservative approach to investment management
2) Portfolio managers average 17 years of investment experience - 12 of those years with T.Rowe Price

Profile of Robert Fleming

Name: ROBERT FLEMING HOLDINGS LIMITED

Year established: 1873

Location of headquarters: London, England

Principal business: Investment banking and asset management

Number of employees: approx. 8,000

(incl. Approx. 2,600 in the asset management business)

Total asset under management: approx. 11 trillion yen

Pension fund AUM: approx. 5.6 trillion yen

Mutual fund (incl. investment trust) AUM: approx. 5.4 trillion yen

Others: (Asset Management)

- 1) Manage assets in markets worldwide
- 2) 73 operations in 44 countries
- 3) 184 investment professionals worldwide
- 4) A leading asset management company in Europe

Profile of DICAM

Name: Daiwa International Capital Management Co.,Ltd.

Year established: 1973

Location of headquarters: Chuo-ku, Tokyo

President : Minoru Mori

Principal business: Asset management

Number of employees: 98 (overseas: 44)

Capital: 1,600,000,000 Japanese yen

Number of issued and outstanding shares: 3,200,000 shares (par-value 500 yen)

Total asset under management: 2.6 trillion yen (as of December 1998)

Profile of SBIM

Name: SB Investment Management Co.,Ltd.

Year established: 1985

Location of headquarters: Chiyoda-ku, Tokyo

President: Katsuhiko Tamaki

Principal business: Asset management

Number of employees: 55

Capital: 500,000,000 Japanese yen

Number of issued and outstanding shares: 10,000 shares (par-value 50,000 yen)

Total asset under management: 676 billion yen (as of December 1998)

Profile of SBIMITM

Name: SBIM Investment Trust Management Co.,Ltd.

Year established: 1993

Location of headquarters: Chiyoda-ku , Tokyo

President: Norio Imai

Principal business: Investment Trust management

Number of employees: 29

Capital: 1,000,000,000 Japanese yen

Number of issued and outstanding shares: 20,000 shares (par-value 50,000 yen)

Total asset under management: 46 billion yen (as of December 1998)