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Five-year Financial Summary

Daiwa Securities Group Inc. and Subsidiaries

	FY1999	FY2000	FY2001	FY2002	FY2003	FY2003
	Millions of yen					Millions of U.S. dollars**
Operating Performance						
Operating revenues	651,298	714,909	488,044	387,659	453,814	4,281
Commissions	364,116	254,704	171,869	144,283	194,163	1,831
Net gain on trading	126,170	169,506	67,249	91,307	122,013	1,151
Interest and dividend income	100,530	220,790	195,934	114,707	103,224	973
Other sales revenues	60,482	69,909	52,992	37,362	34,414	324
Net operating revenues	512,276	464,057	284,932	270,810	352,435	3,324
Operating income	224,778	177,109	22,769	24,109	92,520	872
Income (loss) before income taxes and minority interests	135,173	166,615	(119,968)	11,845	76,926	725
Net income (loss)	105,376	64,549	(130,547)	(6,323)	42,637	402
Balance Sheet						
	Millions of yen					Millions of U.S. dollars**
Total assets	6,693,308	7,694,051	7,827,306	9,502,826	10,765,665	101,562
Total risk assets* ²	589,376	590,345	541,364	422,019	371,294	3,502
Operational investment securities	44,742	48,564	42,638	45,270	40,733	384
Tangible fixed assets	324,561	313,906	188,451	162,339	143,123	1,350
Investment securities	220,072	227,875	310,273	214,409	187,437	1,768
Total shareholders' equity	666,072	716,816	570,839	541,719	604,170	5,699
Per Share Data						
	Yen				U.S. dollars**	
Net Income (loss)* ³	79.43	48.62	(98.27)	(4.75)	31.66	0.30
Total shareholders' equity* ³	502.05	539.72	429.68	407.84	453.60	4.28
Cash dividends	13.0	13.0	6.0	6.0	10.0	0.09
Financial Ratios						
	%					
Return on Equity (ROE)* ⁴	16.1	9.3	—	—	7.4	
Equity ratio	10.0	9.3	7.3	5.7	5.6	
Other data						
Total number of employees	11,415	11,114	11,483	11,559	11,565	

Notes:

- Translations of the Japanese yen amounts into U.S. dollars are made at the rate of ¥106.00 per U.S. dollar, solely for the convenience of readers.
- Risk assets are calculated as the sum of operational investment securities, tangible fixed assets and investment securities.
- Net income (loss) and shareholders' equity per share are computed based on the average number of shares outstanding during the year.
- ROE is computed based on the average shareholders' equity at the beginning and end of the fiscal year.
- Simple comparisons across the years cannot be made due to changes in items made to accommodate changes in statutory accounting standards. Some of the main changes are as following.
 - We have adopted the "Accounting Standard for Employees' Severance and Pension Benefits" in FY2000. We have also adopted the "Accounting Standards for Financial Instruments" resulting in the evaluation changes from mark-to-market valuations minus any tax effects of other securities to be included in stockholders' equity as "Net unrealized gain on securities net of tax effects." Furthermore, "translation adjustments" which were previously recorded on the asset side has been moved to stockholders' equity.
 - The operating results are presented in accordance with the amended "Uniform Accounting Standards of Securities Companies" (set by the board of directors of the Japan Securities Dealers' Association, September 28, 2001) since FY2001. Therefore figures for FY1999 and FY2000 have been adjusted according to the amended standards.

Breakdown by Business and Geographical Region

Daiwa Securities Group Inc. and Subsidiaries

	Millions of yen			
	FY2000	FY2001	FY2002	FY2003
Breakdown of Net Operating Revenues by Business				
Equity	215,151	80,974	49,178	130,084
Commissions	84,851	60,667	47,242	80,061
Net gain on trading	130,300	20,307	1,936	50,024
Fixed income (Bond)	39,062	47,755	96,580	75,390
Commissions	3,726	4,671	4,585	5,219
Net gain on trading	35,336	43,084	91,995	70,171
Investment trust	107,939	61,403	40,870	43,046
Investment banking	48,095	36,313	39,638	55,805
Others	53,810	58,487	44,544	48,111
Net operating revenues	464,057	284,932	270,810	352,435
Breakdown of Commission Income by Business				
Equity	84,851	60,667	47,242	80,061
Brokerage commission	82,231	58,280	45,403	78,194
Others	2,620	2,387	1,839	1,867
Fixed income (Bond)	3,726	4,671	4,585	5,219
Investment trust	107,939	61,403	40,870	43,046
Brokerage commission	8	244	276	209
Distribution commission	37,510	14,734	14,059	21,904
Others (excluding agency commission)	31,783	20,917	13,029	9,992
Agency commission	38,637	25,507	13,506	10,940
Investment banking	48,095	36,313	39,638	55,805
Underwriting commission (Stock and other)	31,131	17,112	18,092	36,927
Underwriting commission (Bond and other)	7,727	9,070	9,522	8,400
Distribution commission	2,099	876	608	1,662
Others (M&A commission etc.)	7,137	7,619	11,084	8,049
Others	10,093	8,815	11,948	10,032
Life insurance sales commission	—	654	3,500	1,485
Investment enterprise partnership administration fee	4,526	2,419	2,439	2,652
Others	5,567	5,740	6,007	5,895
Total	254,704	171,869	144,283	194,163
Geographical Segment Information				
Net operating revenues				
Japan	424,957	250,266	239,719	315,579
America	24,897	17,082	7,677	11,217
Europe	20,965	24,553	23,331	27,369
Asia & Oceania	6,735	5,696	5,862	7,672
Operating income				
Japan	170,785	23,831	24,054	83,310
America	11,156	1,973	(3,404)	1,020
Europe	4,792	5,051	3,386	6,956
Asia & Oceania	1,065	(571)	67	1,561
Total assets				
Japan	5,542,775	5,560,406	7,270,670	8,617,452
America	1,817,112	1,757,738	1,817,691	1,948,621
Europe	572,244	661,297	656,448	768,712
Asia & Oceania	76,507	72,098	63,721	63,531

Eight-quarter Financial Summary

Daiwa Securities Group Inc. and Subsidiaries

	FY2002			
	Q1	Q2	Q3	Q4
Market Data				
TOPIX (quarterly average, index)	1,082	959	858	831
Average daily trading value in TSE, OSE and NSE (billions of yen) . . .	801	657	598	595
Net trading value by investors (total of TSE, OSE and NSE, billions of yen)				
Institutions	(671)	1,001	924	(447)
Individuals	266	(417)	(880)	(2)
Foreigners	1,125	(1,027)	2	200
Securities companies	87	45	(168)	(52)
Ten-year Japanese government bond yield (quarterly average, %)	1.38	1.25	1.02	0.81
Foreign exchange rates (quarterly average):				
Yen per U.S. Dollar	126.9	119.3	122.4	118.9
Yen per Euro	116.5	117.3	122.5	127.6

Operating Performance

	Millions of yen			
	Q1	Q2	Q3	Q4
Operating revenues	100,717	95,198	100,114	91,628
Commissions	38,990	37,507	34,480	33,305
Brokerage commission	15,562	10,753	12,328	8,197
Underwriting commission	5,988	6,893	7,077	7,986
Distribution commission	3,965	3,634	2,961	4,105
Other commission	13,472	16,226	12,113	13,015
Net gain on trading	24,355	18,686	25,099	25,790
Net gain on operational investment securities	1,001	(744)	(281)	(2,599)
Interest and dividend income	27,123	30,695	32,218	24,669
Other sales revenues	9,246	9,054	8,597	10,462
Interest expenses	21,720	24,716	25,701	18,455
Cost of sales	6,756	6,162	6,290	7,046
Net operating revenues	72,240	64,319	68,123	66,126
Selling, general and administrative expenses	62,502	62,465	61,238	60,494
Commission and other expenses	10,277	10,833	9,958	9,583
Employees' compensation and benefits	31,923	30,764	30,781	30,434
Real estate expenses	8,097	9,004	8,384	7,861
Data processing and office supplies	3,503	3,621	3,872	3,711
Depreciation expenses	5,143	5,190	5,219	5,513
Taxes other than income taxes	1,446	1,101	1,016	1,106
Others	2,110	1,949	2,006	2,283
Operating income	9,738	1,853	6,884	5,631
Non-operating income	2,854	2,746	1,186	1,370
Non-operating expenses	666	959	423	1,016
Ordinary income	11,926	3,640	7,647	5,985
Extraordinary gains	2,325	5,804	961	6,498
Extraordinary losses	2,195	3,664	6,527	20,557
Income before income taxes and others	12,056	5,780	2,081	(8,073)
Net income (loss)	5,785	1,434	(2,544)	(10,998)

Notes *Quarterly figures are based on unaudited financial statements included in the Group's Consolidated Financial Summary submitted to the Tokyo Stock Exchange.

FY2003			
Q1	Q2	Q3	Q4
830	984	1,027	1,082
715	1,150	1,197	1,346
(1,390)	(3,710)	(1,487)	(3,171)
(339)	(474)	(837)	(1,213)
2,003	4,026	1,984	3,629
(48)	24	(51)	(56)
0.60	1.21	1.39	1.32
118.5	117.5	108.9	107.2
134.6	132.1	129.5	134.1

Millions of yen			
111,996	110,362	108,462	122,991
31,547	49,441	52,960	60,213
12,939	21,911	21,069	23,724
4,073	10,241	15,656	16,122
5,328	5,631	5,136	7,469
9,206	11,657	11,098	12,896
43,679	24,958	23,221	28,336
288	136	599	793
28,516	27,763	23,830	23,113
7,963	8,063	7,850	10,535
21,985	19,591	17,467	18,285
5,431	5,295	5,322	7,997
84,579	85,475	85,672	96,708
62,672	64,702	63,718	68,820
9,174	9,925	10,119	10,566
34,099	33,352	33,966	35,545
7,846	8,205	7,661	8,805
3,529	3,933	3,619	3,816
4,964	5,242	5,221	6,101
1,172	2,018	1,202	1,224
1,886	2,025	1,926	2,761
21,906	20,772	21,953	27,887
2,654	1,328	954	1,075
878	699	465	359
23,682	21,401	22,442	28,603
314	2,047	748	5,851
394	3,774	3,026	20,971
23,602	19,674	20,164	13,483
11,028	8,263	9,100	14,244

Operational Data

Daiwa Securities Group Inc. and Subsidiaries

	Billions of yen (Unless otherwise specified)			
	FY2002			
	Q1	Q2	Q3	Q4
Daiwa Securities				
Retail customer assets under custody*	13,154	12,630	12,514	12,219
Equities	6,156	5,795	5,675	5,369
Bonds	2,899	2,995	3,213	3,394
Investment trusts	4,018	3,728	3,511	3,339
Equity investment trust	1,111	1,000	963	949
Bond investment trust	2,907	2,728	2,548	2,390
Pension insurance	25	51	65	65
Others	58	61	50	53
Net inflow of retail funds**	130	205	329	(90)
Unlisted corporation etc.	60	19	41	(61)
Retail	70	186	288	(29)
Cash Management Service Accounts* (thousands)	2,074	2,102	2,278	2,292
Online trading accounts* (thousands)	500	532	609	639
Assets under custody of online accounts*	1,673	1,737	1,846	1,914
Online transactions (thousands)	568	441	435	407
Online ratio	50.8%	53.2%	47.3%	58.2%
Online trading value	244	169	167	152
Online ratio	13.9%	13.1%	8.6%	27.7%
“Daiwa Direct” course accounts* (thousands)	205	216	236	244
Assets under custody of “Daiwa Direct” accounts*	380	374	366	367
Sales of core products				
Equity investment trusts	120	95	94	109
Yen denominated bonds	n.a.	n.a.	201	267
Foreign currency-denominated bonds	278	236	267	376
Daiwa Securities SMBC				
Assets under custody*	15,839	15,388	15,298	15,313
Equities	6,637	6,248	5,462	5,253
Bonds	7,174	6,667	7,008	7,697
Investment trusts	1,336	1,231	1,160	1,045
Equity investment trust	369	355	320	277
Bond investment trust	967	876	840	767
Others	693	1,242	1,668	1,317
Daiwa Asset Management				
Funds under management*	7,933	7,243	6,788	6,325
Fixed income type investment trusts	6,352	5,842	5,472	5,097
Equity type investment trusts	1,581	1,401	1,316	1,228

Notes * As of the end of each quarter

** Net inflow of retail funds = net inflow/outflow of funds + net deposit/withdrawal of securities

Billions of yen
(Unless otherwise specified)

FY2003

Q1	Q2	Q3	Q4
13,573	14,597	15,061	16,762
6,215	7,243	7,567	8,979
3,567	3,395	3,555	3,695
3,480	3,646	3,616	3,757
1,114	1,226	1,313	1,475
2,366	2,420	2,304	2,282
81	97	110	124
230	216	212	207
161	264	283	188
89	34	15	(1)
73	230	268	189
2,303	2,332	2,373	2,430
658	692	770	807
2,291	2,786	3,389	4,160
650	1,031	1,033	1,218
56.4%	57.6%	62.7%	65.7%
270	543	590	715
27.4%	27.5%	30.4%	34.4%
252	268	282	313
451	540	583	707
168	186	157	205
287	224	302	352
458	226	142	259
16,480	17,213	17,690	19,395
6,152	7,091	7,569	8,968
7,569	8,446	8,304	8,147
961	849	923	1,002
299	316	380	477
662	533	543	525
1,798	827	895	1,278
6,203	6,141	5,989	5,947
4,853	4,702	4,415	4,335
1,349	1,438	1,573	1,612

