

Financial Highlights

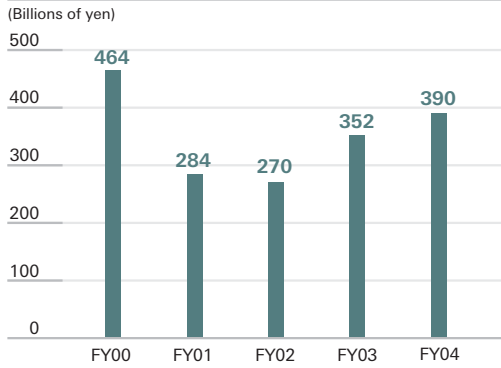
Daiwa Securities Group Inc. and Consolidated Subsidiaries

	FY2002	FY2003	FY2004	FY2004
	Millions of yen (Unless otherwise specified)			Millions of U.S. dollars*1
Market Data				
TOPIX (annual average, index)	932	981	1,139	—
TSE 1 st section average daily trading value	729,049	1,145,296	1,345,197	12,571
Ten-year Japanese government bond yield (annual average, % per annum)	1.12	1.13	1.53	—
Foreign exchange rates (annual average):				
Yen per U.S. Dollar	121.9	113.0	107.5	—
Yen per Euro	121.0	132.6	135.1	—
Operating Performance				
Operating revenues	387,659	453,814	519,337	4,853
Net operating revenues	270,810	352,435	390,432	3,648
Selling, general and administrative expenses	246,701	259,915	275,544	2,575
Operating income	24,109	92,520	114,888	1,073
Ordinary income	29,200	96,130	120,433	1,125
Net income (loss)	(6,323)	42,637	52,665	492
Balance Sheet				
Total assets	9,502,826	10,765,665	12,378,962	115,691
Total risk assets *2	584,358	518,331	499,084	4,664
Total shareholders' equity	541,719	604,170	648,332	6,059
Per Share Data				
		Yen		U.S. dollars
Net income (loss) *3	(4.75)	31.66	39.03	0.36
Total shareholders' equity *3	407.84	453.60	486.70	4.54
Cash dividends	6.0	10.0	13.0	0.12
Financial Ratios				
		%		
Return on equity (ROE) *4	—	7.4	8.4	
Equity ratio	5.7	5.6	5.2	
Other data				
Total number of employees	11,559	11,565	11,295	

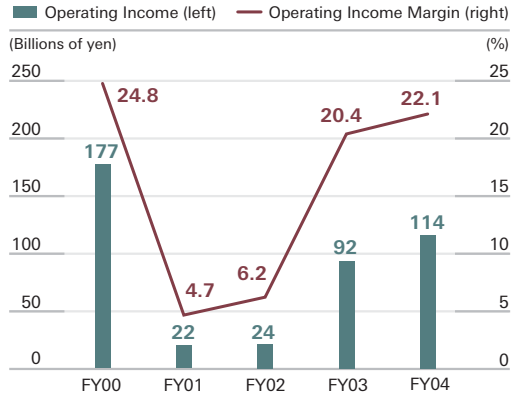
*Notes:

1. Translations of the Japanese yen amounts into U.S. dollars are made at the rate of ¥107.00 per U.S. dollar, solely for the convenience of readers.
 2. Total risk assets are calculated as the sum of operational investment securities, tangible fixed assets, investment securities, and other investments.
 3. Net income (loss) and shareholders' equity per share are computed based on the average number of shares outstanding during the year.
 4. ROE is computed based on the average total shareholders' equity at the beginning and end of the fiscal year.
 5. 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.
- 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 FY 2001. Therefore figures for FY 2000 in the graphs on the next page have been adjusted according to the amended standards.

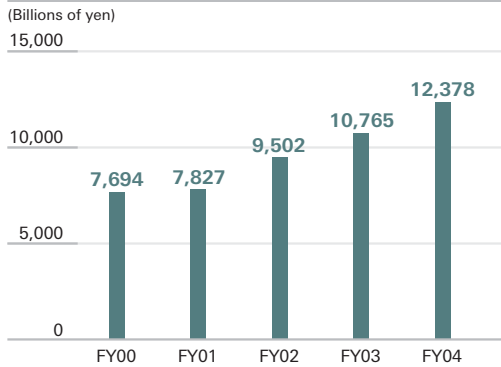
Net Operating Revenues



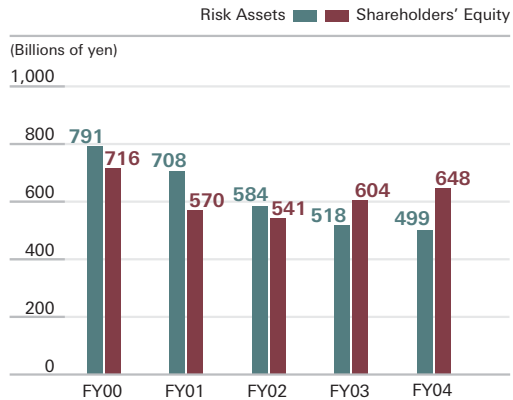
Operating Income and Operating Income Margin



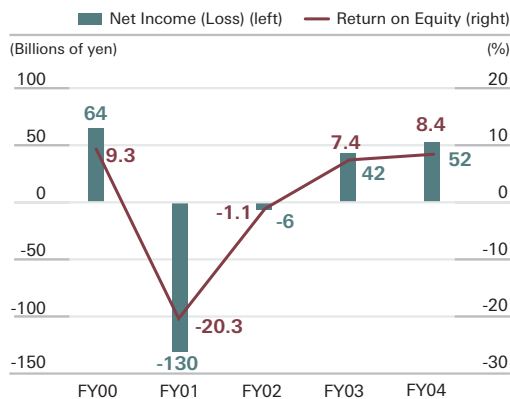
Total Assets



Risk Assets vs Shareholders' Equity



Net Income (Loss) and Return on Equity



Net Operating Revenues per Employee

