

Financial Highlights

Consolidated Statements of Income

Daiwa Securities Group Inc.

	Millions of yen				Millions of U.S. dollars (Note 1)	
	FY2004	FY2005	FY2006	FY2007	FY2008	FY2008
Operating revenues:						
Commissions ^[1]	¥216,387	¥309,189	¥306,736	¥294,425	¥ 208,881	\$ 2,131
Net gain on trading ^[2]	151,118	224,912	157,333	103,361	40,921	417
Net gain on private equity and other investments ^[3]	12,763	21,539	32,818	19,160	(79,478)	(811)
Interest and dividend income	105,428	245,211	373,453	358,423	192,664	1,965
Service fees and other revenues	33,641	44,809	46,968	50,053	50,948	519
	519,337	845,660	917,308	825,422	413,936	4,223
Interest expense	103,677	231,572	354,245	339,784	176,034	1,796
Cost of service fees and other revenues	25,228	34,729	36,299	38,147	38,358	391
Net operating revenues	390,432	579,359	526,764	447,491	199,544	2,036
Selling, general and administrative expenses	275,544	325,199	340,373	363,859	343,270	3,502
Operating income	114,888	254,160	186,391	83,632	(143,726)	(1,466)
Ordinary income	120,433	260,651	195,415	90,143	(141,150)	(1,440)
Other income (expenses)	(2,285)	4,196	(468)	(1,681)	(20,068)	(204)
Income before income taxes and minority interests	112,603	258,356	185,923	81,951	(163,794)	(1,671)
Income taxes	40,167	78,068	69,451	40,774	(18,174)	(185)
Minority interests	(19,771)	(40,340)	(23,747)	5,234	60,581	618
Net income	52,665	139,948	92,725	46,411	(85,039)	(867)
Per share amounts:						
Net income (Note 2)	¥39.03	¥103.90	¥67.90	¥33.69	¥(63.16)	\$(0.63)
Cash dividends applicable to the year	13.00	34.00	28.00	22.00	8.00	0.08

Notes: 1. Translations of the Japanese yen amounts into US dollars use an exchange rate of ¥98.00 = US\$1.00 (rounded down to the nearest yen), and are provided solely for the convenience of the reader.

2. Net income per share is calculated on the basis of the average number of shares outstanding over the course of the fiscal year.

[1] Commissions

This covers equity brokerage commissions from securities trading activities, asset management fees from the sale and management of investment trusts, and investment banking commissions from stock and bond underwriting and M&A advisory activities.

[2] Net gain on trading

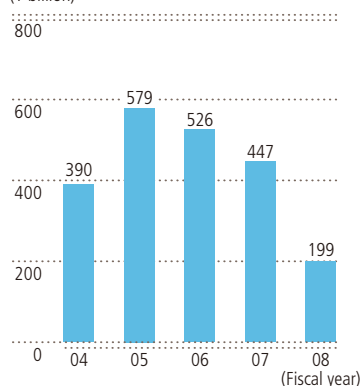
Gains (losses) on negotiable securities held for securities business purposes and derivatives trading include unrealized valuation gains or losses.

[3] Net gain on private equity and other investments

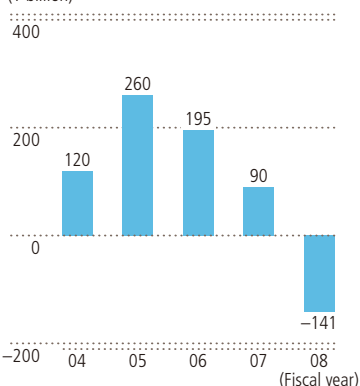
This is calculated from gains (losses) on the sale of investments in the businesses conducted by Daiwa Securities SMBC Principal Investments and Daiwa SMBC Capital.

Net Operating Revenues

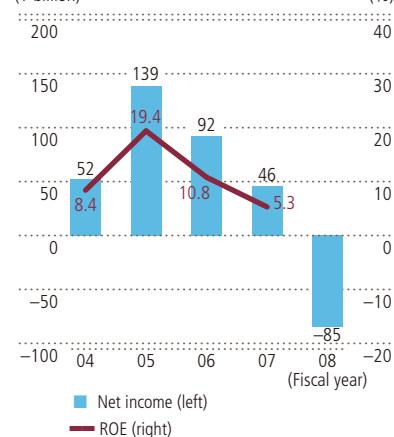
(\$ billion)

**Ordinary Income**

(\$ billion)

**Net Income and Return on Equity**

(\$ billion)



Financial Highlights

Consolidated Balance Sheets

Daiwa Securities Group Inc.

	Millions of yen				Millions of U.S. dollars (Note 1)	
	FY2004	FY2005	FY2006	FY2007	FY2008	FY2008
Cash and cash deposits	¥ 552,205	¥ 705,768	¥ 630,245	¥ 678,521	¥ 639,164	\$ 6,522
Receivables	588,395	780,933	842,737	1,221,314	679,095	6,929
Collateralized short-term financing agreements ^[1]	5,348,916	6,274,506	6,814,612	6,206,327	5,413,526	55,240
Trading assets ^[2]	5,242,320	6,162,243	5,082,219	7,857,122	6,203,742	63,303
Private equity and other investments ^[3]	142,547	382,421	440,178	471,732	515,770	5,262
Deferred tax assets	21,916	29,488	25,680	31,348	20,113	205
Property and equipment, at cost	234,920	232,284	245,590	260,104	254,962	2,601
Less: Accumulated depreciation	(97,300)	(105,753)	(111,054)	(106,711)	(104,760)	(1,068)
Other assets	345,043	436,802	441,058	472,583	431,846	4,406
Total assets	12,378,962	14,898,692	14,411,265	17,307,120	14,182,579	144,720
Debt	3,445,867	3,176,443	3,159,490	4,207,399	2,766,624	28,230
Payables	455,083	794,121	567,567	992,479	643,346	6,564
Collateralized short-term financing agreements ^[1]	3,877,731	4,744,007	5,159,100	6,238,684	4,893,262	49,931
Trading liabilities ^[2]	3,658,544	4,879,189	4,105,362	4,643,644	4,809,093	49,072
Accrued and other liabilities	98,561	269,106	188,623	133,973	113,508	1,158
Statutory reserves	5,650	7,025	7,897	8,017	4,417	45
Total liabilities	11,541,436	13,869,891	13,188,039	16,224,196	13,230,250	135,002
Net assets ^(Note 3)	—	—	1,223,226	1,082,924	952,329	9,717
Per share amount:					Yen	U.S. dollars (Note 1)
Net assets ^(Note 4)	—	—	¥665.98	¥607.64	¥534.99	\$5.45

Notes: 3. Accounting data is presented based on the revised accounting standards stipulated in the "Accounting Standard for Presentation of Net Assets in the Balance Sheet," and reflects the calculations after these revisions.

4. Net assets per share is calculated using the following formula:

Net assets per share = (net assets – stock subscription rights – minority interests) / (shares outstanding as of the fiscal year-end – treasury shares as of the fiscal year-end)

[1] Collateralized short-term financing agreements

Assets and liabilities related to securities repo operations (securities purchased under agreements to resell, and securities sold under agreements to repurchase) and securities loaned or borrowed

[2] Trading assets / liabilities

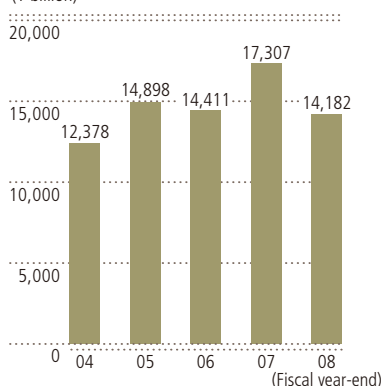
Assets and liabilities related to the trading of stocks, bonds and derivatives held for securities business purposes, and other financial products

[3] Private equity and other investments

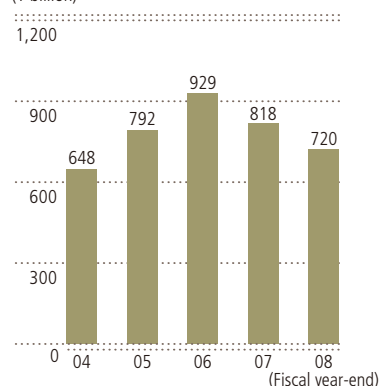
Investment in securities, monetary claims and real estate-related assets by Daiwa Securities SMBC Principal Investments and Daiwa SMBC Capital, and capital extended under limited partnership agreements

Total Assets

(¥ billion)

**Equity**

(¥ billion)



Note: Equity = owners' equity + valuation and translation adjustments

Annual Dividends Paid by Daiwa Securities Group Inc.

(Yen)

