



**Financial Results Report for the Fiscal Year
Ended March 31, 2002
(Non-consolidated Statements)**

May 24, 2002

Daiwa Bank Holdings, Inc.

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Summary of Non-Consolidated Financial Results (March 31, 2002/Unaudited)

May 24, 2002

Daiwa Bank Holdings, Inc.

2-2-1 Bingomachi, Cyuo-ku, Osaka, Japan

1. Financial Highlights (December 12, 2001 - March 31, 2002)

(1) Operating Results

	Operating income	Change from previous fiscal year	Operating profit	Change from previous fiscal year	Ordinary net profit	Change from previous fiscal year
	<i>Million yen</i>	%	<i>Million yen</i>	%	<i>Million yen</i>	%
March 31, 2002	2,125	-	424	-	307	-
March 31, 2001	-	-	-	-	-	-

	Net income	Change from previous fiscal year	Net income per share	Net income per share (potential equity adjusted)	Ratio of net income to shareholders' equity	Ratio of ordinary net profit to total assets	Ratio of ordinary net profit to operating income
	<i>Million yen</i>	%	<i>Yen</i>	<i>Yen</i>	%	%	%
March 31, 2002	19,901	-	2.66	-	2.1	0.0	14.5
March 31, 2001	-	-	-	-	-	-	-

Note: (1) Average number of ordinary shares issued: 3,601,332,878 shares (fiscal year ended March 31, 2002)

Average number of ordinary shares issued: - shares (fiscal year ended March 31, 2001)

(2) There were no changes in accounting policies.

(3) Percentages in operating income, operating profit, ordinary net profit and net income show the changes from the prior year.

(2) Dividend Payment

	Cash dividends per share			Total cash dividends (Yearly)	Dividend payout ratio	Ratio of total dividends to shareholders' equity
	Interim	Term-end				
	<i>Yen</i>	<i>Yen</i>	<i>Yen</i>	<i>Million yen</i>	%	%
March 31, 2002	0	-	0	-	-	-
March 31, 2001	-	-	-	-	-	-

Note: As for dividends paid for preferred stock, please refer to the following page.

(3) Financial Position

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share
	<i>Million yen</i>	<i>Million yen</i>	%	<i>Yen</i>
March 31, 2002	1,822,271	1,511,298	82.9	112.08
March 31, 2001	-	-	-	-

Note: (1) Number of ordinary shares issued: 5,634,683,511 shares (as of March 31, 2002)

Number of ordinary shares issued: - shares (as of March 31, 2001)

(2) Treasury stock 220,554 shares (as of March 31, 2002)

Treasury stock - shares (as of March 31, 2001)

2. Forecast of Fiscal Year's Performance (April 1, 2002 - March 31, 2003)

	Operating Income	Ordinary Net Profit	Net Income	Cash dividends per share		
				Interim	Term-end	
	<i>Million yen</i>	<i>Million yen</i>	<i>Million yen</i>	<i>Yen</i>	<i>Yen</i>	<i>Yen</i>
Interim	4,000	550	350	0	-	0
Full year	8,000	1,100	700	-	1.50	1.50

Note: Forecasted net income per share (full year) (1.71) Yen

(1): Dividend per share is for common stock. For preferred stock, refer to the appendix.

(2): See appendix for conditions for above forecast.

Number of Preferred Shares Issued and Outstanding

	Year ended March 31, 2002		
	Average outstanding for the year	Issued at year-end	Treasury stock at year-end
Type A, First Issue Preferred Stock	10,970,000 shares	10,970,000 shares	- shares
Type B, First Issue Preferred Stock	680,000,000	680,000,000	-
Type C, First Issue Preferred Stock	120,000,000	120,000,000	-
Type D, First Issue Preferred Stock	108,781	386,000	-
Type E, First Issue Preferred Stock	67,636,363	240,000,000	-
Type F, First Issue Preferred Stock	22,545,454	80,000,000	-

Cash Dividends Declared on Preferred Stocks

	Year ended March 31, 2002			
	Annual dividends per share declared on preferred stocks (Yen)			Total dividends paid (¥ million)
	Interim	Year-end		
Type A, First Issue Preferred Stock	¥ -	¥24.75	¥24.75	¥ 271
Type B, First Issue Preferred Stock	-	6.36	6.36	4,324
Type C, First Issue Preferred Stock	-	6.33	6.33	759
Type D, First Issue Preferred Stock	-	10.00	10.00	3
Type E, First Issue Preferred Stock	-	14.38	14.38	3,451
Type F, First Issue Preferred Stock	-	18.50	18.50	1,480

Cash Dividends on Preferred Stocks for Year Ending March 31, 2003 (forecast)

	Annual dividends per share declared on preferred stocks (Yen)		
	Interim	Year-end	
Type A, First Issue Preferred Stock	¥ 0.00	¥24.75	¥24.75
Type B, First Issue Preferred Stock	0.00	6.36	6.36
Type C, First Issue Preferred Stock	0.00	6.80	6.80
Type D, First Issue Preferred Stock	0.00	10.00	10.00
Type E, First Issue Preferred Stock	0.00	14.38	14.38
Type F, First Issue Preferred Stock	0.00	18.50	18.50

(Reference)

Formulas for computing ratios for the year ended March 31, 2002**Net Income per Common Share:**

$$\frac{\text{Net income} - \text{Cash dividends declared on preferred stocks}}{\text{Average number of outstanding shares of common stock}}$$

Return on Equity:

$$\frac{\text{Net income} - \text{Cash dividends declared on preferred stocks}}{[(\text{Shareholders' equity at the beginning of the fiscal year} - \text{Number of preferred shares outstanding at the beginning of the fiscal year} \times \text{issue price}) + (\text{Shareholders' equity at the fiscal year-end} - \text{Number of preferred shares outstanding at the fiscal year-end} \times \text{issue price})] / 2} \times 100$$

Payout Ratio:

$$\frac{\text{Cash dividends declared on common stock}}{\text{Net income} - \text{Cash dividends declared on preferred stocks}}$$

Dividends on Equity

$$\frac{\text{Cash dividends declared on common stock}}{\text{Shareholders' equity at the fiscal year-end} - \text{Number of preferred shares outstanding at the fiscal year-end} \times \text{issue price}} \times 100$$

Shareholders' Equity per Common Share:

$$\frac{\text{Shareholders' equity at the fiscal year-end} - \text{Number of preferred shares outstanding at the fiscal year-end} \times \text{issue price}}{\text{Number of outstanding shares of common stock at the fiscal year-end}}$$

- Formula for computing ratios for the year ending March 31, 2003

Net Income per Common Share (Fiscal 2002 forecast):

$$\frac{\text{Net income (forecast)} - \text{Cash dividends declared on preferred stocks (forecast)}}{\text{Number of outstanding shares of common stock at the fiscal year-end}}$$

Non-Consolidated Balance Sheet (Unaudited)

(Millions of yen)

	March 31, 2002
Assets	
Cash and deposits	¥ 31,482
Deferred tax assets	993
Accrued income	34
Others	35
Total current assets	32,545
Premises and equipment	20
Others	0
Software	5
Investments in subsidiaries	1,489,234
Long-term loans to subsidiaries	300,000
Others	8
Fixed assets	1,789,269
Organization cost	456
Total assets	¥1,822,271
Liabilities	
Accounts payable	¥ 424
Accrued expenses	153
Income tax payable	10,313
Consumption tax payable	67
Others	13
Total current liabilities	10,972
Long-term loans	300,000
Total liabilities	310,972
Shareholders' equity	
Capital	720,000
Capital surplus	731,417
Other reserves	
Gain from deduction of capital surplus	40,000
Retained earnings	19,901
Treasury stock	(19)
Total shareholder' equity	1,511,298
Total liabilities and shareholders' equity	¥1,822,271

<Note> Yen amounts are rounded down to the nearest million yen.

Non-Consolidated Statement of Operations (Unaudited)

(Millions of yen)

	FY 2001 From December 12, 2001 To March 31, 2002
Operating income:	¥ 2,125
Fees from subsidiaries	2,091
Interest on loans to subsidiaries	34
Operating expenses:	1,700
Interest expenses	34
General and administrative expenses	1,666
Operating profit	424
Non-operating profit:	1
Interest income	0
Others	1
Non-operating expenses:	118
Interest expenses	4
Amortization of organization cost	114
Others	0
Ordinary net profit	307
Extraordinary profit:	28,913
Gain on sales of investment in subsidiaries	28,913
Income before income taxes	29,221
Income taxes:	9,319
Income taxes – current	10,313
Income taxes – deferred	(993)
Net income	19,901
Retained earnings at end of year	¥19,901

<Note> Yen amounts are rounded down to the nearest million yen.

Significant Accounting Policies

1. Valuation basis and method of securities

Investments in subsidiaries: Cost (determined by moving average basis)

2. Depreciation of fixed assets

(1) Premises and equipment are depreciated by the declining balance method over the useful lives of 2 ~ 20 years.

(2) Software used by the Company is being amortized by the straight-line method based on an estimated useful life (5 year) determined by the Company.

3. Organization cost is being amortized by the straight-line method for 5 years in accordance with the Commercial Code of Japan.

4. The Company accounts for consumption tax and local consumption tax by the tax-exclusion method.

Notes to Balance Sheet

1. Amounts of less than one million yen have been rounded down.

2. Accumulated depreciation of premises and equipment: ¥2 million

3. Long-term loans are sub-ordinated loans.

4. Total number of shares to be issued by the Company

Common stock	13,000,000,000 shares
Preferred stock	1,131,356,000 shares

Total number of shares issued

Common stock	5,634,904,065 shares
Preferred stock	1,131,356,000 shares

5. The Company's article of incorporation states that preferred dividends to preferred shareholders will never be paid in excess of the following by the class of preferred stock:

Class A	No. 1 Preferred Stock	24.75 yen per share
Class B	No. 1 Preferred Stock	6.36 yen per share
Class C	No. 1 Preferred Stock	6.33 yen per share
Class D	No. 1 Preferred Stock	10 yen per share
Class E	No. 1 Preferred Stock	14.38 yen per share
Class F	No. 1 Preferred Stock	18.50 yen per share

6. Capital surplus was reversed during the period ended March 31, 2002 in accordance with the provision of Article 289-2 of Commercial Code of Japan. As a result, capital surplus decreased by ¥40,000 million and gain from reduction of capital surplus increased by the same amount.

Notes to Statement of Operations

1. Amounts of less than one million yen have been rounded down.

2. Transactions with subsidiaries in operating income

Fees from subsidiaries	¥2,091 million
Interest income from loans to subsidiaries	¥ 34 million

3. Transactions with subsidiaries in non-operating income

Interest income	¥0 million
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4. Major items in general and administrative expenses

Salaries	¥607 million
Commissions	¥304 million
Lease expenses	¥259 million
Fees paid	¥203 million
Taxes	¥113 million

Securities

Investment securities in subsidiaries have no fair value information.

Tax Effect Accounting

1. Break down of sources of deferred tax assets

Accrued enterprise tax	¥944 million
Others	<u>49</u>
Total	<u>¥993 million</u>

2. Major items for the significant differences between statutory tax rate and effective tax rate after tax effect accounting was adopted

Statutory tax rate	42.00%
Reconciliations:	
Gain from sales of securities of subsidiaries	(10.12)
Others	<u>0.01</u>
Effective tax rate	<u>31.89%</u>

Data per share

Net assets per share	¥112.08
Net income per share	¥ 2.66
Net income per share as adjusted for potential shares	¥ –

(Note)

1. Net assets per share =
$$\frac{\text{Year-end net assets} - \text{Year end issued preferred shares} \times \text{issue price}}{\text{Year-end number of common shares}}$$
2. Net income per share =
$$\frac{\text{Net income} - \text{Total dividends on preferred shares}}{\text{Average number of common shares during the period}}$$
3. Net income per share as adjusted for potential shares is not presented because of non dilutive effect.

Proposal of Appropriation of Retained Earnings

(Millions of yen)

	FY 2001
Retained earnings at March 31, 2002	¥19,901
Appropriations:	10,290
Dividends on Class A No. 1 Preferred stock (¥24.75 per share)	271
Dividends on Class B No. 1 Preferred stock (¥6.36 per share)	4,324
Dividends on Class C No. 1 Preferred stock (¥6.33 per share)	759
Dividends on Class D No. 1 Preferred stock (¥10 per share)	3
Dividends on Class E No. 1 Preferred stock (¥14.38 per share)	3,451
Dividends on Class F No. 1 Preferred stock (¥18.50 per share)	1,480
Retained earnings carried forward	¥ 9,610

<Note> Yen amounts are rounded down to the nearest million yen.