

Summary of Interim Financial Results (September 30, 2003/Unaudited)

(1) Operating Results

(Millions of yen)

	Non-consolidated			Consolidated		
	September 30, 2003	September 30, 2002	March 31, 2003	September 30, 2003	September 30, 2002	March 31, 2003
Ordinary income	380,869	Ex-Daiwa 178,920 Ex-Asahi 282,124	371,264	468,991	Ex-Daiwa 214,526 Ex-Asahi 337,620	441,737
Ordinary profit (loss)	(1,035,608)	Ex-Daiwa 4,620 Ex-Asahi 32,391	(316,405)	(1,029,858)	Ex-Daiwa 3,629 Ex-Asahi 31,773	(312,367)
Net income (loss)	(1,476,128)	Ex-Daiwa 7,417 Ex-Asahi 24,340	(583,069)	(1,472,027)	Ex-Daiwa 4,532 Ex-Asahi 24,374	(580,624)

(2) Management indices

(yen)

	Non-consolidated			Consolidated		
	September 30, 2003	September 30, 2002	March 31, 2003	September 30, 2003	September 30, 2002	March 31, 2003
Net income (loss) per share	(82.41)	Ex-Daiwa 3.61 Ex-Asahi 8.60	(254.23)	(82.18)	Ex-Daiwa 2.20 Ex-Asahi 8.61	(253.16)
Net income per share (potential equity adjusted)				-	Ex-Daiwa 1.02 Ex-Asahi 6.52	-
Capital adequacy ratio	8.38%	Ex-Daiwa 7.58% Ex-Asahi 8.00%	2.27%	7.78%	Ex-Daiwa 7.52% Ex-Asahi 7.79%	2.07%

(3) Total assets and Shareholders' equity

(Millions of yen)

	Non-consolidated			Consolidated		
	September 30, 2003	September 30, 2002	March 31, 2003	September 30, 2003	September 30, 2002	March 31, 2003
Total assets	29,187,771	Ex-Daiwa 13,442,060 Ex-Asahi 23,378,498	31,750,707	32,515,539	Ex-Daiwa 13,539,490 Ex-Asahi 23,992,456	34,922,723
Shareholders' equity	735,482	Ex-Daiwa 296,231 Ex-Asahi 637,520	118,146	717,075	Ex-Daiwa 272,336 Ex-Asahi 632,381	85,262
Shareholders' equity per share (yen)	(56.74)	Ex-Daiwa (59.79) Ex-Asahi 83.63	(143.60)	(57.34)	Ex-Daiwa (71.43) Ex-Asahi 81.82	(150.34)

(4) Number of shares of stock (consolidated)

(Shares)

	Issued number of shares			Average number of shares		
	September 30, 2003	September 30, 2002	March 31, 2003	September 30, 2003	September 30, 2002	March 31, 2003
Common stock	30,797,278,548	2,052,867,887 2,831,698,947	4,884,803,087	17,911,827,409	2,052,867,887 2,831,556,729	2,293,471,151
Preferred Stock						
Class A, No.1	10,970,000	10,970,000	10,970,000	10,970,000	10,970,000	10,970,000
Class B, No.1	680,000,000	680,000,000	680,000,000	680,000,000	680,000,000	680,000,000
Class C, No.1	338,000	(1 st) 349,000	340,000	339,978	(1 st) 384,306	28,877
Class D, No.1	240,000,000	(1 st Class 2) 240,000,000	240,000,000	240,000,000	(1 st Class 2) 240,000,000	20,383,562
Class E, No.1	80,000,000	(2 nd Class 2) 80,000,000	80,000,000	80,000,000	(2 nd Class 2) 80,000,000	6,794,521
Class 1, Series 1	12,500,000,000	-	-	6,284,153,005	-	-
Class 2, Series 1	12,808,217,550	-	-	6,439,103,905	-	-
Class 3, Series 1	12,500,000,000	-	-	6,284,153,005	-	-

(Note) In the Common stock row, the figures on the upper line are those of ex-Daiwa Bank and the figures on the lower line are those of ex-Asahi Bank.

(5) Scope of consolidation

	September 30, 2003	March 31, 2003	Changes		
				Added	Excluded
Number of consolidated subsidiaries	43	47	(4)	-	4
(Number of nonconsolidated subsidiaries that applied the equity method)	(-)	(-)	(-)	(-)	(-)
Number of affiliated companies that applied the equity method	3	3	-	-	-

(Reference)

Formulas for computing ratios

Net Income (loss) per Share:

$$\frac{\text{Net income (loss) on common stock}}{\text{Average number of shares of common stock during the term}}$$

Shareholders' equity per share:

$$\frac{\text{Ending shareholders' equity on common stock}}{\text{Issued number of shares of common stock at term end}}$$

Consolidated Interim Balance Sheets

(Millions of yen)

Items	Sep 30, 2003 (A)	Mar 31, 2003 (B)	Difference (A) - (B)
Assets			
Cash and due from banks	¥ 2,462,842	¥ 1,703,582	¥ 759,259
Call loans and bills bought	104,621	108,109	(3,487)
Deposits paid for bonds borrowing transactions	7,576	6,349	1,227
Monetary claims bought	6	10,006	(9,999)
Trading assets	610,814	511,998	98,816
Money held in trust	51,025	70,450	(19,424)
Securities	4,874,467	5,114,724	(240,256)
Loans and bills discounted	19,672,074	21,444,269	(1,772,194)
Foreign exchange assets	95,056	164,215	(69,158)
Other assets	913,544	972,260	(58,716)
Premises and equipment	637,698	646,567	(8,868)
Deferred tax assets	43,534	401,185	(357,650)
Consolidation difference	-	2,939	(2,939)
Customers' liabilities for acceptances and guarantees	4,365,074	4,432,462	(67,388)
Reserve for possible loan losses	(1,307,736)	(666,396)	(641,340)
Reserve for possible losses on investments	(15,062)	-	(15,062)
Total assets	¥ 32,515,539	¥ 34,922,723	¥ (2,407,183)
Liabilities			
Deposits	¥ 20,326,544	¥ 22,354,064	¥ (2,027,520)
Negotiable certificates of deposit	498,296	414,926	83,369
Call money and bills sold	3,721,453	5,025,209	(1,303,756)
Bills sold under repurchase agreement	304,479	283,991	20,487
Deposits received for bonds lending transactions	96,432	-	96,432
Commercial paper	-	6,000	(6,000)
Trading liabilities	39,841	44,641	(4,800)
Borrowed money	529,641	544,718	(15,076)
Foreign exchange liabilities	12,667	24,709	(12,042)
Bonds	374,991	392,550	(17,559)
Due to trust account	352,271	267,600	84,671
Other liabilities	657,695	696,502	(38,807)
Reserve for employees' bonuses	-	5,742	(5,742)
Reserve for employees' retirement benefits	9,573	2,920	6,653
Reserve for possible losses on loans sold	777	4,201	(3,423)
Reserve for specific borrowers under support	82,932	-	82,932
Reserve for possible losses on business restructuring	88,232	-	88,232
Other reserves	157	12	145
Deferred tax liabilities	755	600	155
Deferred tax liabilities on revaluation reserve for land	52,999	55,842	(2,843)
Consolidation differences	322	-	322
Acceptances and guarantees	4,365,074	4,432,462	(67,388)
Total liabilities	¥ 31,515,139	¥ 34,556,698	¥ (3,041,558)

Consolidated Interim Balance Sheets (Continued)

(Millions of yen)

Items	Sep 30, 2003 (A)	Mar 31, 2003 (B)	Difference (A) - (B)
Minority interests			
Minority interests in consolidated subsidiaries	¥ 283,325	¥ 280,763	¥ 2,561
Shareholders' equity			
Capital	1,051,799	443,158	608,640
Capital surplus	1,032,200	206,516	825,683
Earned surplus	(1,543,557)	(601,391)	(942,166)
Revaluation reserve for land, net of taxes	78,025	82,211	(4,185)
Net unrealized gains/losses on securities available for sale, net of taxes	99,815	(35,702)	135,517
Foreign currency translation adjustments, net of taxes	(1,207)	(9,531)	8,323
Total shareholders' equity	717,075	85,262	631,812
Total liabilities, minority interests and shareholders' equity	¥ 32,515,539	¥ 34,922,723	¥ (2,407,183)

Consolidated Interim Statements of Operations

(Millions of yen)

Items	Interim 2003 From Apr 1, 2003 To Sep 30, 2003	FY 2002 From Apr 1, 2002 To Mar 31, 2003
Ordinary income	¥ 468,991	¥ 441,737
Interest income	227,928	232,444
(Interest on loans and discounted)	203,610	202,634
(Interest and dividends on securities)	19,613	21,714
Trust fees	1,458	7,809
Fees and commissions	72,776	84,201
Trading income	12,471	16,219
Other operating income	51,721	48,011
Other ordinary income	102,636	53,051
Ordinary expenses	1,498,849	754,105
Interest expenses	28,675	38,855
(Interest on deposits)	11,912	20,036
Fees and commissions	17,010	28,761
Trading expenses	0	51
Other operating expenses	36,893	8,979
General and administrative expenses	217,958	230,260
Other ordinary expenses	1,198,309	447,196
Ordinary loss	1,029,858	312,367
Extraordinary profits	25,593	5,009
Extraordinary losses	178,865	3,660
Loss before income taxes and minority interests	1,183,129	311,018
Income taxes – current	2,082	1,869
Income taxes – deferred	286,726	268,730
Minority interests in net income (loss)	89	(994)
Net loss	¥ 1,472,027	¥ 580,624

Consolidated Interim Statements of Surplus

(Millions of yen)

Items	Interim 2003	FY 2002
	From Apr 1, 2003 To Sep 30, 2003	From Apr 1, 2002 To Mar 31, 2003
Capital Surplus		
Balance at beginning of year	¥ 206,516	¥ 404,449
Increase:	980,000	206,516
Increase in capital surplus due to issue of new shares	980,000	-
Increase in capital surplus due to merger	-	206,516
Decrease:	154,316	404,449
Transfer of capital reserve to cover deficit	154,316	404,449
Balance at end of the period	¥ 1,032,200	¥ 206,516
Earned Surplus		
Balance at beginning of year	¥ (601,391)	¥ (390,541)
Increase:	529,861	404,691
Transfer from capital to cover deficit	371,359	-
Transfer from capital reserve to cover deficit	154,316	404,449
Reversal of revaluation reserve for land	4,185	241
Decrease:	1,472,027	615,541
Net loss	1,472,027	580,624
Decrease in earned surplus due to merger	-	34,917
Balance at end of the period	¥ (1,543,557)	¥ (601,391)

<Note> Amounts of less than one million yen have been rounded down.

Consolidated Interim Statements of Cash Flows

(Millions of yen)

Items	Interim 2003 From Apr 1, 2003 To Sep 30, 2003	FY 2002 From Apr 1, 2002 To Mar 31, 2003
Cash flows from operating activities		
Income (loss) before income taxes and minority interests	¥ (1,183,129)	¥ (311,018)
Depreciation of premises and equipment	48,385	38,091
Amortization of consolidation differences	3,336	(339)
Equity in net (gains)/losses from investments in affiliated companies	847	(358)
Increase in reserve for possible loan losses	641,340	(135,148)
Increase in reserve for possible losses on investments	15,062	(45)
Increase in reserve for possible losses on loans sold	(3,423)	(3,918)
Increase in reserve for specific borrowers under support	82,932	-
Increase in reserve for possible losses on business restructuring	88,232	-
Increase in reserve for employees' bonuses	(5,746)	315
Increase in reserve for employees' retirement benefits	6,648	(510)
Interest income	(227,928)	(232,444)
Interest expenses	28,675	38,855
Net (gains)/losses on securities	(24,636)	182,586
Net (gains)/losses on money held in trust	(396)	245
Net foreign exchange (gains)/losses	7,851	(280)
Net (gain)/losses on sales of premises and equipment	7,034	1,680
Net (increase)/decrease in trading assets	(99,539)	187,180
Net increase/(decrease) in trading liabilities	13,359	(164,288)
Net (increase)/decrease in loans and bills discounted	1,772,194	(283,042)
Net increase/(decrease) in deposits	(2,027,520)	829,206
Net increase/(decrease) in negotiable certificates of deposit	83,369	(330,012)
Net increase/(decrease) in borrowed money (excluding subordinated borrowed money)	11,909	(11,075)
Net (increase)/decrease in due from banks (excluding those deposited at BOJ)	(51,737)	224,635
Net (increase)/decrease in call loans and other	13,487	(98,147)
Net (increase)/decrease in deposits paid for bonds borrowing transactions	(1,227)	2,777
Net increase/(decrease) in call money and others	(1,283,269)	(582,755)
Net increase/(decrease) in commercial paper	(6,000)	(4,000)
Net increase/(decrease) in deposits received for bonds lending transactions	96,432	(493,689)
Net (increase)/ decrease in foreign exchange assets	69,158	27,919
Net increase/(decrease) in foreign exchange liabilities	(12,042)	6,667
Net increase/(decrease) in due to trust account	84,671	73,315
Interest receipts	231,454	249,440
Interest payments	(30,936)	(50,669)
Other	(3,738)	60,413
Subtotal	(1,654,888)	(778,410)
Income taxes paid	(4,317)	(1,728)
Net cash (used in) provided by operating activities	¥ (1,659,205)	¥ (780,139)

Consolidated Interim Statements of Cash Flows (Continued)

(Millions of yen)

Items	Interim 2003 From Apr 1, 2003 To Sep 30, 2003	FY 2002 From Apr 1, 2002 To Mar 31, 2003
Cash flows from investing activities		
Purchases of securities	¥ (5,793,406)	¥ (5,403,819)
Proceeds from sales of securities	6,068,832	5,674,477
Proceeds from maturity of securities	195,264	226,442
Payments associated with increase in money held in trust	(61,986)	(32,000)
Proceeds from decrease in money held in trust	81,409	4,024
Purchases of premises and equipment	(47,440)	(42,521)
Proceeds from sales of premises and equipment	7,511	7,285
Net cash provided by investing activities	¥ 450,183	¥ 433,887
Cash flows from financing activities		
Proceeds from subordinated borrowed money	¥ -	¥ 19,000
Repayment of subordinated borrowed money	(27,000)	(130,500)
Proceeds from issuance of subordinated bonds	-	-
Repayment of subordinated bonds	(16,200)	(142,539)
Proceeds from issuance of stock	1,960,000	-
Proceeds from issuance of preferred securities	-	178,850
Dividends paid to minority shareholders	(420)	(290)
Net cash provided by (used in) financing activities	¥ 1,916,379	¥ (75,479)
Effect of exchange rate changes on cash and cash equivalents	201	962
Increase (decrease) in cash and cash equivalents	707,558	(420,768)
Cash and cash equivalents at beginning of the year	1,611,074	1,114,935
Increase in cash and cash equivalents due to merger	-	916,907
Increase in cash and cash equivalents due to merger of subsidiaries	0	-
Cash and cash equivalents at end of the period	¥ 2,318,632	¥ 1,611,074

Statement of Trust Assets and Liabilities

(As of September 30, 2003)

(Millions of Yen)

Assets		Liabilities	
Loans and bills discounted	¥ 287,447	Money trusts	¥ 750,277
Securities	126,724	Asset formation benefit trusts	2,213
Trust beneficiary certificate	3,996	Pecuniary trusts other than money trusts	0
Securities held in custody account	28	Securities trusts	28
Monetary claims	489,406	Monetary claims trusts	400,933
Premises and equipment	280,625	Real estates trusts	232,054
Land lease rights	1,977	Land leases trusts	4,935
Other claims	4,445	Composite trusts	174,926
Due from banking account	352,271		
Cash and due from banks	18,444		
Total assets	¥ 1,565,369	Total liabilities	¥ 1,565,369

(Note)

1. Amounts of less than one million yen have been rounded down.
2. The trust that were re-entrusted for operations were excluded.
3. Co-managed trust funds under other trust bank's administration amounted to ¥75,836 million.
4. Loans and bills discounted that were funded by the JOMT account funds, where a Bank guarantees the principal, amounted to ¥254,962 million, included the following:

(Millions of Yen)

Loans to borrowers in legal bankruptcy	¥ 1,627
Past-due loans	12,451
Loans past due 3 months or more	763
<u>Restructured loans</u>	<u>8,182</u>
Total	¥ 23,025

Jointly Operated Designated Money in Trusts(JOMT)

The trust with principal indemnification agreement

(As of September 30, 2003)

(Millions of Yen)

Assets		Liabilities	
Loans and bills discounted	¥ 254,962	Principal	¥ 598,919
Securities	125,605	Special loan loss reserve	770
Other	219,511	Other	390
Total assets	¥ 600,079	Total liabilities	¥ 600,079

(Reference Sheet)
Comparison of Statements of Trust Assets and Liabilities

(Millions of Yen)

	Sep 30, 2003 (A)	Mar 31, 2003 (B)	Difference (A) - (B)
Assets			
Loans and bills discounted	¥ 287,447	¥ 326,028	¥ (38,581)
Securities	126,724	127,309	(585)
Trust beneficiary certificate	3,996	4,657	(661)
Securities held in custody account	28	255	(227)
Monetary claims	489,406	689,591	(200,185)
Premises and equipment	280,625	256,970	23,655
Land lease rights	1,977	1,977	-
Other claims	4,445	5,228	(783)
Due from banking account	352,271	267,600	84,671
Cash and due from banks	18,444	49,747	(31,303)
Total assets	¥ 1,565,369	¥ 1,729,365	¥ (163,996)
Co-managed trust funds under other trust bank's administration	¥ 75,836	¥ 78,294	¥ (2,458)

	Sep 30, 2003 (A)	Mar 31, 2003 (B)	Difference (A) - (B)
Liabilities			
Money trusts	¥ 750,277	¥ 709,600	¥ 40,677
Asset formation benefit trusts	2,213	2,422	(209)
Pecuniary trusts other than money trusts	0	0	-
Securities trusts	28	255	(227)
Monetary claims trusts	400,933	602,184	(201,251)
Real estates trusts	232,054	213,685	18,369
Land leases trusts	4,935	4,913	22
Composite trusts	174,926	196,304	(21,378)
Total liabilities	¥ 1,565,369	¥ 1,729,365	¥ (163,996)

(Note) Amounts of less than one million yen have been rounded down.

Non-Consolidated Interim Balance Sheets

(Millions of yen)

Items	Sep 30, 2003 (A)	Mar 31, 2003 (B)	Difference (A) - (B)
Assets			
Cash and due from banks	¥ 2,444,471	¥ 1,682,444	¥ 762,027
Call loans	101,431	104,934	(3,503)
Deposits paid for bonds borrowing transactions	2,101	-	2,101
Trading assets	603,340	504,214	99,126
Money held in trust	25	70,449	(70,424)
Securities	4,940,272	5,267,210	(326,937)
Loans and bills discounted	19,510,385	21,412,766	(1,902,381)
Foreign exchange assets	94,124	162,924	(68,799)
Other assets	641,758	725,847	(84,088)
Premises and equipment	441,915	450,668	(8,753)
Deferred tax assets	35,981	391,643	(355,661)
Customers' liabilities for acceptances and guarantees	1,490,832	1,581,136	(90,304)
Reserve for possible loan losses	(1,104,124)	(603,533)	(500,591)
Reserve for possible losses on investment	(14,743)	-	(14,743)
Total assets	¥ 29,187,771	¥ 31,750,707	¥ (2,562,935)
Liabilities			
Deposits	¥ 20,336,944	¥ 22,356,118	¥ (2,019,173)
Negotiable certificates of deposits	545,296	535,926	9,369
Call money	3,556,427	3,847,509	(291,082)
Bills sold under repurchase agreement	304,479	283,991	20,487
Deposits received for bonds lending transaction	96,133	-	96,133
Bills sold	165,300	1,177,700	(1,012,400)
Commercial paper	-	6,000	(6,000)
Trading liabilities	38,260	43,815	(5,554)
Borrowed money	607,256	652,785	(45,529)
Foreign exchange liabilities	12,822	25,047	(12,225)
Bonds	394,060	394,060	-
Due to trust account	352,271	267,600	84,671
Other liabilities	320,731	396,780	(76,049)
Reserve for employees' bonuses	-	4,044	(4,044)
Reserve for employees' retirement benefits	6,532	-	6,532
Reserve for possible losses on loans sold	777	4,201	(3,423)

Reserve for specific borrowers under support	82,932	-	82,932
Reserve for possible losses on business restructuring	88,232	-	88,232
Other reserves	0	0	-
Deferred tax liabilities on revaluation reserve for land	52,999	55,842	(2,843)
Acceptances and guarantees	1,490,832	1,581,136	(90,304)
Total liabilities	¥ 28,452,289	¥ 31,632,560	¥ (3,180,271)

Non-Consolidated Interim Balance Sheets (Continued)

(Millions of yen)

Items	Sep 30, 2003 (A)	Mar 31, 2003 (B)	Difference (A) - (B)
Shareholder' equity			
Capital	¥ 1,051,799	¥ 443,158	¥ 608,640
Capital surplus	980,000	154,316	825,683
Capital reserve	980,000	154,316	825,683
Earned surplus	(1,471,942)	(525,676)	(946,266)
Legal reserve	-	57,087	(57,087)
Undisposed deficits	1,471,942	582,763	889,178
Net loss	1,476,128	583,069	893,058
Revaluation reserve for land, net of taxes	78,025	82,211	(4,185)
Net unrealized gains/losses on securities available for sale, net of taxes	97,599	(35,864)	133,463
Total shareholders' equity	735,482	118,146	617,335
Total liabilities and shareholders' equity	¥ 29,187,771	¥ 31,750,707	¥ (2,562,935)

<Note> Amounts of less than one million yen have been rounded down.

Non-Consolidated Interim Statements of Operations

(Millions of yen)

Items	Interim 2003	FY 2002
	From Apr 1, 2003 To Sep 30, 2003	From Apr 1, 2002 To Mar 31, 2003
Ordinary income	¥ 380,869	¥ 371,264
Interest income:	226,129	228,147
Interest on loans and bills discounted	196,788	197,838
Interest and dividends on securities	25,610	24,015
Trust fees	1,458	7,809
Fees and commissions	50,053	66,484
Trading income	10,358	13,550
Other operating income	13,587	23,613
Other ordinary income	79,281	31,659
Ordinary expenses	1,416,478	687,670
Interest expenses:	33,588	38,743
Interest on deposits	11,705	19,645
Fees and commissions	23,371	34,008
Trading expenses		13
Other operating expenses	32,335	3,752
General and administrative expenses	162,968	181,335
Other ordinary expenses	1,164,214	429,816
Ordinary loss	1,035,608	316,405
Extraordinary profits	24,504	4,698
Extraordinary losses	178,358	1,858
Loss before income taxes	1,189,462	313,565
Income taxes:		
Current	142	636
Deferred	286,523	268,867
Net loss	1,476,128	583,069
Loss carry forward from previous year	371,359	
Reduction of capital reserve for compensation of deficit	371,359	
Increase of retained earnings due to merger		63
Reversal of land revaluation difference	4,185	241

Undisposed loss at end of the period	¥ 1,471,942	¥ 582,763
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<Note> Amounts of less than one million yen have been rounded down.