

Revision of Consolidated Earnings Forecast for the Fiscal Year Ended March 31, 2002

Daiwa Bank Holdings, Inc. ("Daiwa Bank HD") revised its consolidated earnings forecast for the fiscal year ended March 31, 2002, which was previously announced on December 10, 2001, as follows.

Banking subsidiaries of Daiwa Bank HD drastically will dispose problem loans and unrealized losses on their stock portfolios in the fiscal year ended March 31, 2002, in order to minimize potential credit and market risks that may cause further losses in the future and ensure the recoveries of earnings in the current fiscal year and onward. Due to the disposal, subsidiary banks post significant losses for the fiscal year ended March 31, 2002.

The previous consolidated earnings forecast included the accounts of Daiwa Bank, Kinki Osaka Bank and Nara Bank. The revised forecast also includes the accounts of Asahi Bank and Daiwa Trust & Banking Company since the two banks became subsidiaries of Daiwa Bank HD subsequently.

Consolidated Earnings Forecast of Daiwa Bank Holdings

(Billions of Yen)

	Operating Income	Ordinary Profit / (Loss)	Net Income / (Loss)
Previous Forecast	610.0	(240.0)	(113.0)
Revised Forecast	1,350.0	(1,160.0)	(910.0)
Increase / (Decrease)	740.0	(920.0)	(797.0)

*Previous forecast was announced on December 10, 2001.

(Reference)

If the previous forecast reported above were adjusted to include the previous forecast of Asahi Bank, difference between the revised forecast and the adjusted previous forecast would be as follows:

(Billions of Yen)

	Operating Income	Ordinary Profit / (Loss)	Net Income / (Loss)
Adjusted Previous Forecast	1,410.0	(900.0)	(643.0)
Increase / (Decrease)	(60.0)	(260.0)	(267.0)

Previous forecast of Asahi Bank was announced on November 26, 2001.

Attachment

Summary of Results for Fiscal Year Ended March 31, 2002

Billions of Yen

	Daiwa Bank HD	Daiwa Bank	Asahi Bank	Kinki Osaka Bank
Net Business Profits	220.0	45.0	150.0	17.0
Core Net Business Profits	325.0	114.0	190.0	18.5
Ordinary Profits / (Losses)	(1,160.0)	(540.0)	(690.0)	(24.0)
Net Income / (Loss)	(910.0)	(430.0)	(570.0)	(22.0)
Credit Costs	955.0	400.0	530.0	24.0
Net of Gains & Losses on Stocks	(510.0)	(240.0)	(330.0)	(24.0)
Devaluation Loss on Securities	320.0	240.0	140.0	24.0
Of which, "Other Securities"	320.0	180.0	140.0	24.0
Capital Adequacy Ratio	Middle of 8% level	Former half of 8% level	Middle of 8% level	Former half of 7% level
Tier 1 Ratio	Middle of 4% level	Former half of 4% level	Middle of 4% level	Former half of 4% level
Unrealized losses on "Other Securities"	(78.0)	(48.0)	(20.0)	(10.0)
Of which, Unrealized Losses on Stocks	(90.0)	(59.5)	(30.0)	0.0
Unrealized Gains	100.0	35.0	60.0	5.0
Unrealized Losses	190.0	94.5	90.0	5.0

(Notes)

- Figures for Daiwa Bank, Asahi Bank and Kinki Osaka Bank are on a non-consolidated basis. Figures for Daiwa Bank HD are on a consolidated basis.
- Core Net Business Profits = Net Business Profits + NPL disposal expenses in trust account (Daiwa Bank only) + Transfer to General Reserve
- Capital adequacy ratios are computed in accordance with the Japanese domestic standard.
- Market prices of marketable stocks included in "Other Securities" are determined using the average prices in one-month period prior to the fiscal year-end.
- Capital adequacy ratio of Daiwa Bank would be in the middle of 8% level if decrease of its net assets in the amount of approximately 23 billion-yen in relation to the corporate separation of its pension and corporate trust unit were adjusted.