



Trust built from within

Annual Report 2005



Corporate Profile

Building Trust

through change and innovation

Founded in 1962, Daishin Securities is a leading financial services provider in Korea.

Over the years, Daishin Securities has overcome numerous difficulties presented by rapid changes in the financial setting and fierce competition by maintaining a rigorous risk management system, profit-oriented approach, and transparent management.

Daishin Securities is devoted to creating new value and providing the utmost in satisfaction to our shareholders, clients, and the society at large. At the same time, constant change and innovation are being pursued in order to further the competitiveness and market presence of Daishin Securities and to realize the vision of "Management Built on Trust."

History

1962	Jul. 27	Established as Sam-Lark Securities (paid-in capital of ₩20 million)
1968	Jul. 8	Renamed as Chung-Bo Securities
1975	Apr. 22	Renamed as Daishin Securities
	Oct. 1	Listed on Korea Stock Exchange (now Korea Exchange)
1984	Aug. 25	Established Tokyo Representative Office
	Sep. 22	Established Daishin Economic Research Institute
1985	Mar. 6	Signed capital alliance with W.I.C.O., Hong Kong
	Apr. 12	Signed capital alliance with Yamaichi Securities, Japan
	May. 28	Relocated headquarters to Yoido, Seoul
1988	Mar. 24	Established Daishin Investment Consulting Co.
1991	Nov. 11	Established Hong Kong Representative Office
1996	Jul. 1	Renamed Daishin Investment Consulting Co. as Daishin Investment Trust Management Co.
	Nov. 23	Introduced Korea's first "One Card System"
1997	Apr. 12	Launched home trading system (CYBOS DOS version)
1998	Jan. 30	Established Daishin International in Hong Kong
	Jun. 9	Introduced Internet trading, the first to do so among large brokers
1999	Aug. 31	Capital increase (strategic alliance with Sumitomo Life Insurance, Japan)
	Nov. 3	Capital increase (rights issue)
2002	Sep. 16	Retired 200,000 common shares in treasury stock
2003	Jan. 13	Purchased 1 million treasury stocks
	Mar. 19	Purchased an additional 1 million treasury stocks
	Mar. 25	Sold 1,235,000 treasury shares to ESOP trust
	Jul. 21	Selected as component of KODI (Korea Stock Price Dividend Index, an index of 50 component stocks)
	Sep. 4	Registered as insurance sales agent financial institution
	Dec. 1	Selected as a component of Corporate Governance Index
	Dec. 23	Purchased an additional 1 million treasury stocks
	Dec. 26	Disaffiliated with Daishin Life Insurance following the insurer's bankruptcy
2004	Mar. 10	Received Good Compliance Member Award given by Korea Stock Exchange
	Mar. 25	Sold 758,000 treasury shares to ESOP trust
	Jun. 18	Purchased an additional 2 million treasury stocks
	Jun. 23	Registered for investment advisory business
2005	Jan. 4	Named one of best companies in corporate governance by Korea Corporate Governance Service
	Feb. 25	Received approval to deal in OTC derivatives products

Contents

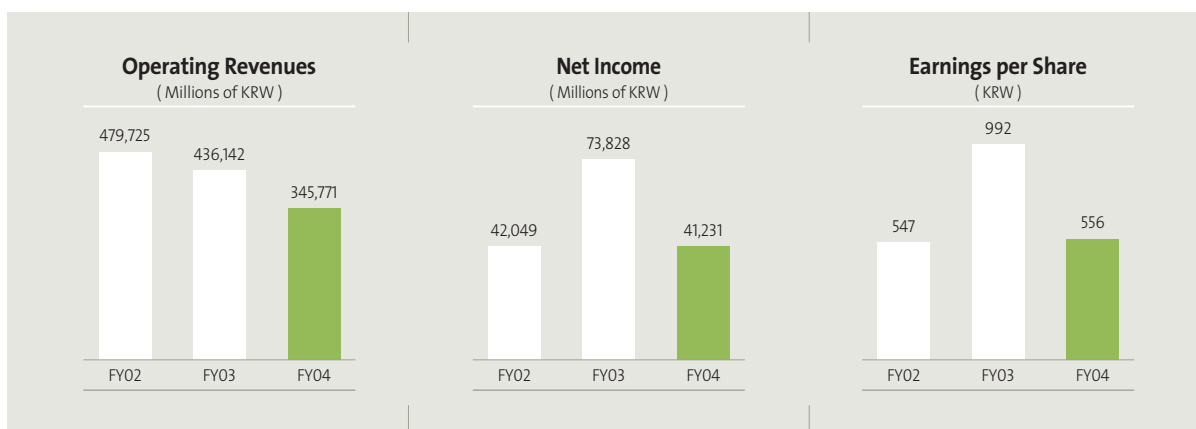
02. Financial Highlights / 03. Awards and Highlights / 04. Letter to Shareholders / 06. Interview with the CEO /
08. We create value on trust built from within / 12. Business Strategy for FY2005 / 18. Financial Section /
50. CEO & Presidents / 51. Organization Chart / 52. Introduction to Daishin Affiliates / 53. Corporate Information

Financial Highlights

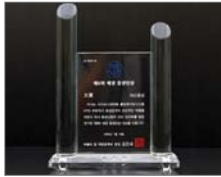
For the years ended on March 31, 2004 and 2005

	Millions of Korean Won		Thousands of U.S. Dollars	
	FY04 March 2005	FY03 March 2004	FY04 March 2005	FY03 March 2004
Operating revenues	₩ 345,771	₩ 436,142	\$ 337,568	\$ 378,169
Operating expenses	282,993	324,877	276,279	281,694
Operating income	62,778	111,265	61,289	96,475
Ordinary income	58,742	103,318	57,348	89,584
Net income	41,231	73,828	40,253	64,014
Total assets	2,466,782	2,298,010	2,408,262	1,992,552
Total liabilities	1,168,122	989,294	1,140,410	857,794
Total shareholders' equity	1,298,660	1,308,716	1,267,852	1,134,758
Earnings per Share (KRW and US\$)	556	992	0.54	0.86

Note) Translated into U.S. Dollars at rate of ₩ 1,024.30/USD and ₩ 1,153.30/USD, respectively, the prevailing rates on March 31, 2005 and March 31, 2004.



Awards and Highlights



6th Best Securities Companies, Grand Prize, awarded by Maeil Business Newspaper

Acknowledged for contribution to advancing online trading technology, maximizing shareholder value, and profit-oriented management

JAN. 16, 2004



Named one of 10 Best Companies in Corporate Governance by Korea Corporate Governance Service

Only securities firm to make it to the top ten

JAN. 14, 2005



9th Best Financial Products, Grand Prize, awarded by Maeil Business Newspaper

Awarded for No. 1 asset-backed securities of Korea Highway Corp. (Daishin, Meritz Securities, and Hana Securities were joint lead managers)

MAR. 10, 2004



Listing of Kumho Tire

Domestic lead manager for simultaneous listing of Kumho Tire in Korea and London

FEB. 17, 2005



Good Compliance Member Award given by Korea Stock Exchange

MAR. 10, 2004



International Certification in IT

First Korean securities company to be awarded CMMI-Level 3 certification, an indication of Daishin's world-class software and system quality

MAR. 10, 2005



Export of online trading technology to Taiwan

Signing of agreement for export of CYBOS 2004 and related technology with Polaris Securities of Taiwan

APR. 26, 2004



10th Best Financial Products, Silver Prize, awarded by Maeil Business Newspaper

Recognized for contribution to revitalizing Asian bond market with yen-denominated P-CBO

MAR. 23, 2005



Appointment of Ms. Lee, Auh Ryung as chairman

SEP. 24, 2004



2nd Korea IB Grand Prize for Structured Finance awarded by Money Today

Recognized for contribution to revitalizing Asian bond market with yen-denominated P-CBO

APR. 1, 2005

Issuance of yen-denominated international P-CBO specific to small- and mid-sized enterprises

First such issuance in Asia that took place with governmental cooperation between Korea and Japan

DEC. 12, 2004



Proclamation of "Management Built on Trust" philosophy

Realize "management built on trust" with evolution and innovation, strengthen asset management business, and realign profit structure

APR. 1, 2005



Strategic alliance with SK Communications

Signing of agreement for partnership to create a ubiquitous environment in securities investment

JAN. 12, 2005



Agreement for cooperation with IBTS of Taiwan

Under the agreement with Taiwan's Industrial Bank of Taiwan Securities (IBTS), provide mutual brokerage services for trading in the other country's securities and sell Daishin Investment Trust's products in Taiwan

APR. 13, 2005

Letter to Shareholders



To our esteemed shareholders,

On behalf of everyone at Daishin Securities, I extend my sincere appreciation for your encouragement and support over the past year. Along with numerous difficulties, both on the internal and external fronts, FY2004 was also filled with hope and much effort to discover new opportunities. The persistent strength in oil prices, China's soft-landing measures, interest rate hikes in the US, and the North Korean nuclear issue all worked to fan uncertainty and unease. The Korean economy enjoyed sustained growth in exports, but domestic demand extended its slump. Despite the multiple hurdles, the Korean stock market upheld a solid rise, topping the 1,000-point mark during the year, buoyed by hopes for an economic rebound, improving corporate earnings, and keen foreign interest in Korean stocks.

Alongside advances in information technology and deregulation, the pace of change has accelerated in the international financial markets. With the easing of regulatory constraints, national boundaries are being transcended and competitive pressure has heightened. The fight for survival with the world's leading financial service providers will grow more intense. At the same time, competition within the domestic realm will become fiercer in line with the shift towards universal banking and the pursuit for economies of scale.

In step with our forward-thinking approach, we endeavor to prepare early on to keep pace with a dynamic environment. Our proactive stance to change is a key factor that allows Daishin Securities to maintain a commanding presence in the financial services industry.

We are harvesting the fruits of our firm commitment to management transparency and profit-oriented approach sustained over the years. Last year, we were acknowledged for having the soundest asset quality among listed companies. We also received the honor of being named one of the best companies in corporate governance by the Korea Stock Exchange. The year 2004 marked a milestone as Daishin Securities became the first in the Korean securities sector to issue yen-denominated primary CBOs. The feat enhanced the recognition of Daishin on the global stage. Expansion into wrap accounts and OTC derivatives products diversified revenue sources and enhanced profit structure, while we strengthened the groundwork for future growth with the success of our initiatives '2004 SAVE Campaign' and 'Survival 2005, Asset Expansion Drive.'

Looking back on our performance in FY2004, we recorded total operating revenues of ₩ 345.8 billion. Brokerage commission, from both the retail and institutional operations, generated 59% of the total, at ₩ 204.1 billion. Contribution from investment banking business, such as bond underwriting and IPO, amounted to ₩ 6.1 billion. Treasury operations brought in revenue of ₩ 83.5 billion, and interest income and others totaled ₩ 52.1 billion. Operating expenses came to ₩ 283.0 billion. Non-operating income reached ₩ 21.8 billion, while non-operating expenses were ₩ 25.8 billion. Pre-tax income was ₩ 58.7 billion and net income was ₩ 41.2 billion. Overall, the results were lower compared to the previous year, mostly due to reduced stock market turnover, which depressed commission income, and losses on investment securities.

While a tough operating climate hindered earnings growth, we upheld our policy of maximizing shareholder return, distributing a cash dividend of ₩ 500 per common share and ₩ 550 per preferred share. Total dividends were ₩ 37.1 billion, for a payout ratio of 90%. That made Daishin the only large securities company in Korea to distribute cash dividends for seven years in a row.

Dear our shareholders,

Today's business environment is characterized by ever-rising uncertainty and rapid change. The ability to prepare ahead and swiftly adapt are vital to staying ahead in the race. The barriers that separate the various segments of the financial domain are crumbling, meaning our competition is no longer confined to other local securities firms. In particular, we have to equip ourselves to effectively face up to the challenge posed by large banking groups and foreign investment banks.

Based on our future-oriented stance, we are striving to establish a solid foundation that allows for steady earnings generation through the peaks and the troughs. That dedication is manifested in our management strategy for FY2005, "Management Built on Trust Powered by Change and Innovation." The strategy exemplifies our underlying philosophy of creating new value for our clients, employees, shareholders as well as the society at large. Our objective is providing the utmost in satisfaction and content for all our stakeholders while continually advancing Daishin Securities to the next level.

Our operations in the year ahead will be guided by four strategic initiatives: i) maximize shareholder value, ii) attain customer satisfaction, iii) innovate corporate culture, and iv) reinforce foundation for sustained growth.

No effort will be spared as we endeavor to achieve our goals in FY2005 and beyond. We pledge to reinvent Daishin Securities as the leader of the Korean securities sector and as a company that grows and prospers together with its stakeholders. I express once again my sincere gratitude for your encouragement and support and wish you every success and happiness.

Thank you.



Chairman of the Daishin Group **Lee, Auh Ryung**

Interview with the CEO



Kim, Dae Song Daishin Securities CEO & President

Q: What is the meaning of the newly adopted strategy “Management Built on Trust”?

A: Daishin Securities proclaimed a new business strategy of “Management Built on Trust” as we ushered in FY2005. It embodies Daishin’s management principle of reinventing ourselves to create new value for all of our stakeholders and the society at large, and to provide the utmost in satisfaction and fulfillment. The new business strategy will guide us as we strive to further the competitiveness and market presence of Daishin Securities through constant change and innovation.

In the next 3-4 years, we will push forward with our vision of “Management Built on Trust” based upon our unwavering commitment to transparency and a profit-oriented management. We will continue with our efforts to grow Daishin Securities into Korea’s representative financial services provider.

Q: What are the action plans for realizing “Management Built on Trust”?

A: We have adopted four strategic initiatives: maximize shareholder value, attain customer satisfaction, innovate corporate culture, and reinforce foundation for growth.

To elaborate on the four initiatives:

To maximize shareholder value, we will enhance management transparency and corporate image while also pursuing profit maximization.

To attain customer satisfaction, we will promote a customer-oriented system, provide higher returns for our clients, offer comprehensive financial services, and adopt a service-oriented mindset.

To innovate corporate culture, we will heighten the sense of ownership among all members of our organization and foster active communication to create a dynamic organizational setting.

To reinforce foundation for growth, we will strengthen our capacities in all business areas, reconfigure our profit structure, preempt new markets, and expand our staff of specialists.

To achieve the objectives noted above, each of our business groups (Planning Group, Administration Support Group, IT Group, Research Center, Investment Banking Business Group, Treasury Management Group, Institutional Business Group, Retail Business Group) has devised a blueprint mapping out the group’s course of action. Furthermore, all employees and officers will work to reinforce their individual abilities and skills to advance the Daishin strategy of “Management Built on Trust.”

Q: What are the business plans for FY2005?

A: The emphasis will be on the retail business, treasury management, and investment banking.

For our retail business, efforts will be concentrated on maximizing returns for our clients both in terms of asset management and brokerage operations. Given the rising prominence of indirect investments, we will strive for higher returns on assets entrusted by our clients. On the brokerage side, we will train our sales persons to equip them with the skills of top-ranked analysts so they are positioned to provide an even higher level of services. The underlying belief as we move forward is a firm commitment to protecting customers’ best interests and preserving their assets.

Maximizing returns will also be the driving force behind our treasury management business. An integral element in our treasury operations is abiding to the highest standards of risk management, along with fostering professional fund managers and expert portfolio managers.

Additionally, we will revitalize our investment banking business. In particular, our aim is to assist small- and mid-size companies raise funds in the capital markets in a timely manner and with optimal conditions. We will establish a high-caliber investment banking staff by providing various training opportunities that include both in-house and outsourced training programs.

The expanding business scope of securities companies is putting the spotlight on new areas such as investment trusts and retirement pension funds. In keeping pace with these trends and changing customer needs, we are in the process of developing advanced and innovative financial products and services.

Q: Do you have comments you would like to share on shareholder value?

A: I would like to sincerely thank the shareholders of Daishin Securities for their ongoing support and interest in our company. For FY2004, Daishin distributed dividends of ₩500 per common share and ₩550 per preferred share, becoming the first Korean securities company to pay out cash dividends for seven consecutive years. Our basic stance on returning value to our shareholders explains why Daishin is the sole securities stock to be included in the Korea Stock Price Dividend Index (KODI). Our dedication to enhancing shareholder value remains firm.

On the strength of sound financial structure and high profitability, Daishin Securities is today emerging as the first name in the domestic financial industry

We create value

on trust built from within



What

creates trust for

Daishin Securities?

1. Healthy revenue structure and effective cost control

As of the end of March 2005, the ratio of operating revenue to operating expenses was 118.2% and the SG&A expenses to operating revenue ratio was 98.7%. Those figures mean that commission income sufficiently covers SG&A expenses, thereby enabling Daishin to sustain profits.

118.2%

2. Industry's most advanced IT platform keeps Daishin at the forefront in online trading

Daishin Securities' U-CYBOS is regarded as the most stable and innovative home trading system (HTS) in the domestic securities industry. Since the introduction of online trading in Korea, transactions worth more than ₩ 2,500 trillion have been conducted over U-CYBOS. The system continues to be updated to reflect feedback from customers that are provided on a daily basis. Over 70,000 suggestions from customers have given us their response to U-CYBOS.

₩2,500 trillion

3. Stable organizational structure and expertise built on years of experience

Daishin Securities has reshuffled its organizational structure to strengthen the research function and to reinforce investment banking and asset management, which will serve as the future growth drivers. The company has also been preparing for a new era in investment from three years ago with extensive training for sales persons, the people who directly interact with customers, to bring their knowledge and skills to the level of best-ranked analysts.

(36% of employees have been with Daishin for 10 years or longer)

36% of employees

4. Enhancing shareholder value on the back of a solid financial structure

Daishin Securities is the sole brokerage firm in Korea to distribute cash dividends for seven consecutive years. Our shareholder-oriented policy is the reason that we are included in the Korea Stock Price Dividend Index (KODI), which is composed of 50 representative dividend-plays in Korea.

7 consecutive years

1. Operating Efficiency

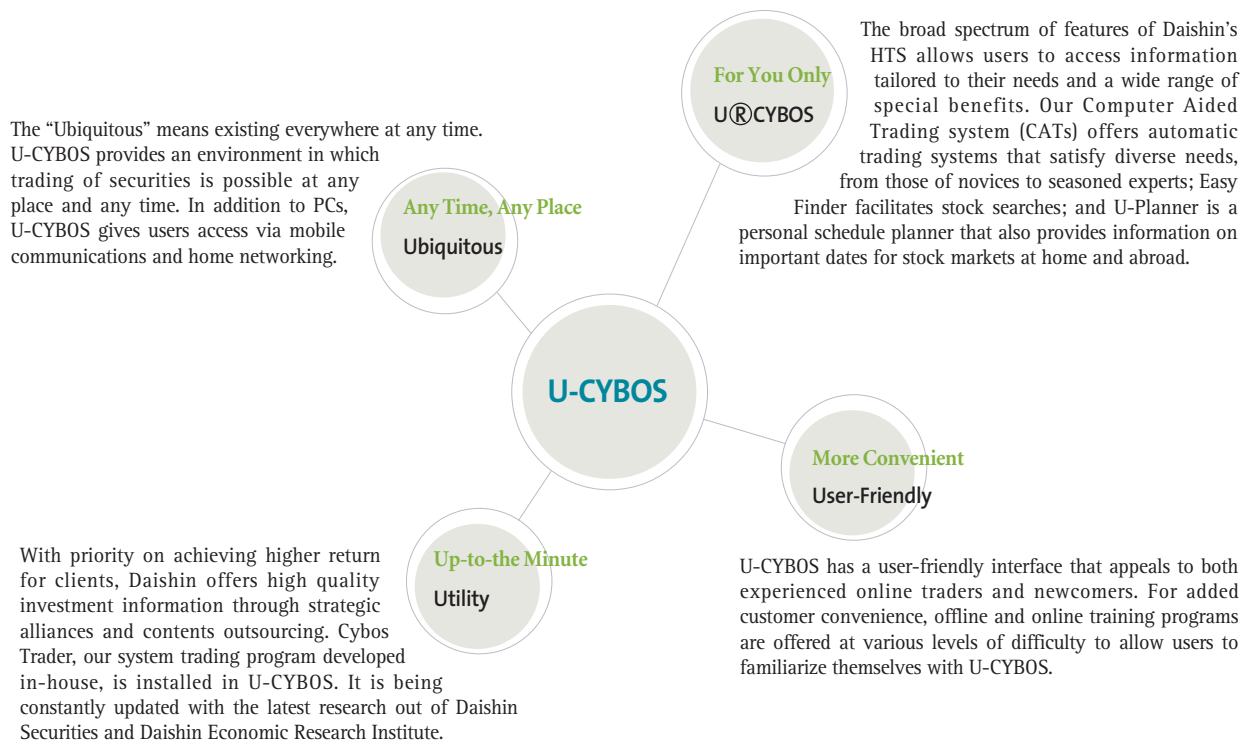
The concerted efforts of everyone at Daishin Securities have enabled the company to overcome the challenges of a rapidly changing financial landscape and severe competition in the securities industry. Rather than pursuing growth at any expense, we have maintained a profit-oriented approach, which is the main factor behind our high levels of operating efficiency. As of the end of March 2005, our ratio of operating revenue to operating expense and SG&A expenses to operating revenue ratio stood at 118.2% and 98.7%, respectively. Those figures mean that commission income sufficiently covers SG&A expenses, thereby enabling continued profits. Wages, accounting for some 50% of SG&A expenses, are linked with the company's profits under the flexible compensation system. Variable cost as a portion of total labor cost in FY2004 was 36.6%, relatively higher than that of our competitors. That is one indication of our superior cost control.

Also Daishin Securities has a superior financial structure. With sufficient provisioning for loans below substandard, our coverage ratio climbed to 94.1% in FY2004, up by 6.7%p over the previous year. Attesting to our sound asset quality, the capital adequacy ratio stood at 982.6% and the assets-to-liabilities ratio reached 190.1% as of the end of March 2005.

2. U-CYBOS

CYBOS was the first home trading system (HTS) to be introduced in Korea and continues to be regarded as a premier online trading program. CYBOS presented a standard for HTS and gave rise to the popular notion that "HTS is CYBOS."

CYBOS traces its roots back to the autumn of 1997, which was one year before online trading took off in Korea, when Daishin developed the first version of CYBOS based on Windows 95. Then in 1998 came the launch of CYBOS 2000, which enabled trading over the Internet. Features were updated with the subsequent rollout of CYBOS 2002 and CYBOS 2004. At the end of 2004, we debuted U-CYBOS, a customer-oriented, future-driven trading system that adopts the concept of ubiquitous trading. It stands as a symbol of the technological prowess of Daishin Securities.



3. Stable Organizational Structure and Strong Manpower

Daishin Securities proceeded with an organization reshuffle on April 1, 2005, as part of our strategy of nurturing the research, investment banking (IB), and asset management functions.

Our research capacity has been strengthened with the integration of fundamental analysis and technical analysis, which used to be scattered in Daishin Securities and Daishin Economic Research Institute. The integration sets up an enhanced support framework for our branch operations. Under the Retail Business Group, customer asset trading team and wealth management business promotion team were newly established to reinforce the base for retail operations. In investment banking, we set up an IB strategy team that formulates and pursues development strategies. The existing teams were reorganized into IB business team I, IB business team II, OTC derivatives team, and international business team. To implement diverse strategies for treasury management that link the spot and futures transactions, the equity team and the futures & options team were integrated into the equity and derivative trading team. Meanwhile, Daishin Economic Research Institute will maintain its role as the think tank of Daishin Securities. It will also direct efforts toward fostering its financial engineering unit.

Highly skilled manpower is another important source of competitiveness at Daishin Securities. We started making preparations for a new era in investment three years ago, the central point of which is our slogan of “training sales persons to the level of best-ranked analysts.” That initiative is grounded in our belief that employees who are at the frontlines and directly interact with clients have to be equipped with skills that match or even better those of research analysts in order to ensure high returns and to attract new clients. Our goal is to foster the next generation of professionals who possess outstanding abilities at stock picking and identifying opportune investment timing, and the capacity to provide astute investment advice.

4. Enhancing Shareholder Value

For FY2004, Daishin Securities decided to distribute cash dividends of ₩500 per common share and ₩550 per preferred share. The figures translate into respective dividend yields of 3.3% and 5.1% for common shareholders and preferred shareholders, with a payout ratio of 90.0%. Daishin Securities is the only brokerage house in Korea to pay out cash dividends for seven years in a row.

Our efforts at enhancing shareholder value, including the 7-year dividend payout record, is the reason for our inclusion in the Korea Stock Price Dividend Index (KODI), which is composed of 50 representative dividend plays in Korea. Daishin is also a component of the index for the top corporate governance stocks. In addition, we were selected as one of the 10 best companies in corporate governance by the Korea Corporate Governance Service.

We steadfastly uphold our shareholder-oriented policy, which is represented by our priority on distributing dividends, and continue to implement measures such as stock repurchase.

Dividend History

		FY98	FY99	FY00	FY01	FY02	FY03	FY04
Dividend per share (KRW)	Common	500	1,500	750	500	500	650	500
	Preferred	550	1,550	800	550	550	700	550
Dividend yield (%)	Common	3.7	8.8	7.3	1.9	3.3	3.8	3.3
	Preferred	5.9	12.2	13.4	4.4	7.4	7.4	5.1
Dividend payout ratio (%)		46.4	33.7	65.7	288.1	90.9	66.5	90.0

Business Strategy for FY2005



Operating Environment

FY2004 was a tough year for Korean securities firms. Reduced market participation by retail investors amid instability in domestic and overseas markets and severe competition among securities companies weighed down on the sector's overall profitability.

On the one hand, online brokers aggressively expanded market share by cutting commission rates. On the other hand, larger securities houses, including former investment trust companies, moved to secure a strong foothold with diverse expansion strategies such as M&As.

Against such backdrop, Daishin Securities continued to report profits, but saw less trading volume in its brokerage business and suffered from a relatively smaller asset base. To counter such adversities, the company launched a campaign in the second half of 2004 to expand its asset base. These efforts will continue throughout the current year.

The main focus in FY2005 will be our retail business, treasury management and investment banking. For the retail business, the ultimate goal is to maximize customer benefits in both asset management and brokerage operations. With increasing indirect investments, Daishin will seek higher returns for customers via sound asset management, and train all sales persons to the level of best-ranked analysts. We pledge to protect investors' interest by preventing breaches of

fiduciary duty and safeguarding customers' assets. Similarly, our treasury and trading business will focus on improving profitability based on strict risk management and fostering fund management specialists. In addition, we aim to vitalize our investment banking division. We will support the corporate sector with optimal services to satisfy their financing needs, particularly small- and medium-sized companies. To achieve our goals, we will secure the necessary workforce and provide appropriate training via in-house and outsourced education.

In view of the expanding business scope of securities firms, Daishin will pursue development of innovative financial products and services, such as advanced investment trusts and retirement pension funds. Customers' needs with respect to wealth management are becoming increasingly sophisticated in tandem with the changing socio-economic environment.

Retail Business

1. Performance in FY2004

Daishin launched a campaign to increase entrusted assets to reinforce our foundation for stable operations. In addition, the company has offered various advanced financial products such as installment-type funds and wrap accounts to secure new customers. These efforts should provide a sturdy basis for our brokerage business in the long run.

As part of the campaign, Daishin selected a list of "Nifty Fifty" stocks to direct investment towards stocks with high potential, enhanced the quality of training given to brokers to improve returns for customers, and devised a wide range of schemes to promote investment. Regional headquarters held mock-investment contests and conducted one-on-one brokerage meetings for customers.

Efforts were made to heighten the loyalty of our retail customers while also working to attract new customers and reactivate dormant accounts with timely promotional events. Moreover, Daishin endeavored to diversify our distribution channels and upgrade our marketing based on careful segmentation of customer groups.

2. Business Strategy for FY2005

Our first priority is on enhancing returns on investment. To this end, our brokers will receive expert training in the form of seminars and conferences to become equipped with the skills to make systematic stock recommendations and give advice on investment timing. All our employees will be well versed with our existing and new financial products to provide sound financial advice, and our products will be engineered to best comply with individual client preferences.

Second, Daishin will endeavor to achieve operating results befitting our position as one of the leading securities firms. Profits are the barometer for measuring various revenue streams and asset base and therefore, profitability improvement and efficient cost management will be our key focus.

Third, Daishin will upgrade customer relationship management through diversifying customer contact routes and promoting various marketing events. With the growing use of the Internet for trading stocks and managing finances, we will ensure that we maintain constant communication with our clients via online channels. We plan to encourage our brokers to remain in close and regular contact with their clients through diverse medium.

We will also hold regular events to strengthen client relationship and enhance customer loyalty. Various efforts will be made to encourage potential customers to engage the services of our brokers and manage their financial affairs through Daishin.



Wealth Management Business

1. Formation of Wealth Management Business Promotion Team

Daishin set up wealth management business promotion team on April 1, 2005, by merging financial products team and customer asset management team. On top of the existing beneficiary certificates, mutual funds, wrap accounts and bancassurance, this team is responsible for all wealth management business promotion, excluding sale of equity-linked securities and development of new financial products.

As of May 10, 2005

	Beneficiary Certificate	Mutual Fund	Wrap Account	ELS
Balance	KRW 1,986.2bn	KRW 4.7bn	KRW 67.5bn	KRW 72.3bn

2. Key Drivers of Wealth Management Business Promotion

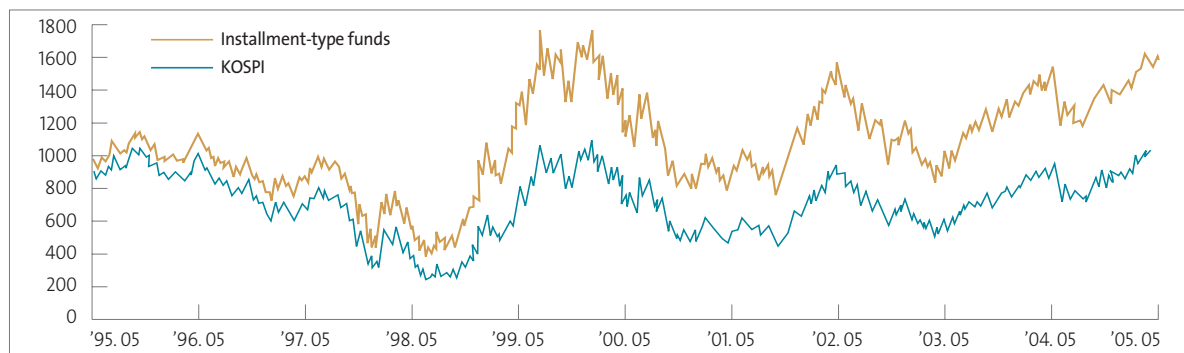
1) Nurturing representative funds

In view of the growing market of indirect investment, Daishin is nurturing large-scale representative funds as well as achieving higher returns and providing differentiated client services. Our emphasis is on enhancing our corporate image and brand marketing for our funds.

2) Active promotion of installment-type funds

Raising the base of managed assets centering on installment-type funds will be the key to the success of a securities company, going forward. Daishin aims to strengthen its asset management business by attracting installment-type funds and securing stable profits through CMS.

Impact of installment-type funds



3) Preparation for new business expansion

Another key driver will be preparation for new businesses such as corporate-sponsored retirement pension funds and investment trusts, which will be introduced from the second half of 2005. Becoming the frontrunner in these new fields with proactive development of new financial products and aggressive marketing is an integral part of Daishin's strategy to expand the asset management business.

4) Backing up wealth management business

The company plans to improve the business environment for wealth management by holding regular seminars to help clients understand the financial products, building the necessary IT infrastructure and staging active advertising and promotions. Along with innovative and profitable new products, we will also widen investors' opportunities with various derivative products.

Investment Banking Business

The corporate finance division of the Investment Banking Business Group helps companies raise capital through the issuance of bond and equity securities. In the market for new corporate bond issues, Daishin, as a lead or co-lead manager, secured a 4.53% market share in FY2004 and maintained its leading position in the business.

For the public and financial institution division, the company continued to participate in the issuance of asset-backed securities for the public sector, NPL-backed securities for financial institutions, and primary CBO for small- and mid-sized companies. In addition, it proactively entered new business fields such as real estate project financing, issuance of restructuring bonds and natural resource development funds as a means of revenue diversification. In particular, we creatively developed new financial vehicles by issuing ₩ 400 billion worth of yen-denominated international P-CBO specific to small- and mid-sized companies for the first time in Asia, and financing working capital for the Daejeon Railways via ABS for the first time in the domestic securities industry.

The IPO division successfully listed Kumho Tire simultaneously in Seoul and London in FY2004. The listing of Kumho Tire in both exchanges, the third largest deal during the fiscal year, was worth ₩ 300 billion with the offering in Korea bringing in ₩ 100 billion. Our IPO division also led the listing of BI EMT and Digital Multi Technology on the KOSDAQ market and boasted its 100% success rate in stock market listings. Daishin is currently preparing the IPO of seven companies in FY2005 and will endeavor to uphold its 100% success rate in the future.

The company acquired a license to trade in OTC derivatives from the Financial Supervisory Service at the end of FY2004. Prior to that, the company performed extensive market research, conducted product analysis, developed demands, and enhanced management capability during FY2004. Furthermore, we finalized the pricing and simulation program which is required for the actual issuance of ELS, developed the IT system, educated our sales force, and completed the business procedure manual. We project OTC derivatives team to sell ₩ 400 billion worth of ELS products, some of which are already successfully issued.

The Korean financial markets remained volatile in 2004. Despite the sluggish domestic economy, Korea sustained a 4% level economic growth on the back of solid exports. Foreign investors expanded their influence in the Korean financial markets and net bought over ₩ 10 trillion worth of Korean stocks. Steady export growth and foreign net buying propelled the KOSPI up by 9.67% in FY2004.

FY2004 was yet another year of stable growth and diversified revenue stream for Daishin's international business team. This growth trend should be sustained in FY2005 underpinned our ongoing efforts to attract foreign institutional investors and various measures to expand our client base. We are currently concentrating on the niche market in Southeast Asia and US-based private equity funds. In addition, we are trying to diversify our revenue source by helping domestic companies raise capital in overseas markets.

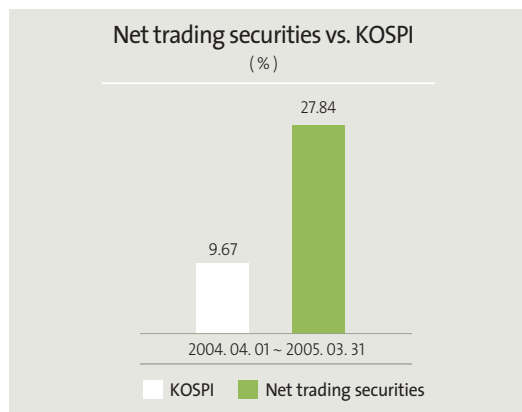
Tokyo representative office facilitates Japanese institutional investors' participation in the Korean market and assists Korean businesses that are vying to attract Japanese capital. Presently, we have attracted Japan's first fund dedicated to investing in Korea (established by a Japanese investment trust company) to assist Japanese investors interested in investing in Korean stocks.



Treasury and Trading Business

1. Performance in FY2004

The equity part of equity and derivative trading team recorded net trading securities of ₩ 38.8 billion (average balance) and profit of ₩ 10.8 billion in FY2004, for an outstanding yield of 27.84%. Daishin outperformed the KOSPI by 18.17%p, compared to the KOSPI's gain of 9.67% over the same time frame.



Rather than building up a passive market portfolio, the equity and derivative trading team derived its superb performance from strategic asset allocation based on thorough analysis of external and internal factors affecting the corporate sector as well as strict risk management.

As one of the primary dealers, Daishin has continued to lead the government bond market since 1999. We contributed to the development of the domestic government bond market with sustained participation in the issuance market by underwriting a certain portion of bond issues for market making. In addition, despite the challenging business atmosphere, we kept up our prominent status at home and abroad by fostering a stable market foundation.

In government bond market, we were in the top-tier for secondary and OTC markets as well as underwriting in FY2004. Daishin has reaffirmed its leading position in the primary dealer market since government bond primary dealers were first introduced in August 1999.

2. Business Strategy for FY2005

Daishin integrated equity team and futures & options team to equity and derivative trading team in FY2005. As part of ongoing efforts to enhance profitability, the equity part of the team will continue with efforts at uncovering undervalued stocks and analyzing the investment timing while also appropriately managing risk. To achieve this, the equity and derivative trading team will endeavor to form new investment strategies based upon company visits and in-house market research, thereby formulating investment ideas and swiftly adapting to the quickly changing market environment.

The futures & options part of the team will add on more staff, build a systematic platform for operations, and effectively manage risk. Those pursuits are intended to maximize synergies from the integration of the futures & options with the equity function. The unified team strives to achieve higher returns through effective treasury management skills, financially engineered arbitrage transactions, and system trading.

This year's bond market should be increasingly volatile due to uncertainties over domestic and overseas economic variables. While interest rates declined last year due to the languished domestic economy, a gradual rebound in the rates is anticipated from the second quarter of 2005. Accordingly, capital gains should be maximized via proactive dealings that are built upon strict risk management principles and effective treasury management strategy.

The recently accelerated growth of the derivatives market (e.g. futures, options and OTC derivative products) is expanding the role of the fixed income team. The focus is shifting toward transactions that combine the spot and derivative products. In the corporate bond market, financing vehicles are becoming more sophisticated and are moving away from straight bonds to options or floating rate notes. We are likely to face a more dynamic and diverse bond market as we move forward.

U-CYBOS

1. Key Strategies for U-CYBOS

1) Branching out into global markets such as Taiwan, Japan and China

In April 2004, Daishin became the first domestic securities firm to enter the global market when we signed a contract for online trading system platform INFOWAY and U-CYBOS and consulting services with Polaris Securities of Taiwan. This was a meaningful event that served as the stepping-stone to entering the securities industry in China. In early 2005, we successfully provided U-CYBOS consulting service to SETTRADE of Thailand. Going forward, we plan to export our online trading program to other global markets.

2) Strengthened collaboration in online trading

CYBOS Trader is a system-trading program developed in collaboration between Daishin Securities and Daishin Economic Research Institute. All clients of Daishin Securities can use this program free of charge. It is true that system trading is not easily approachable for novice investors. This is why we have combined U-CYBOS and CYBOS Trader to create a new home trading system (HTS) that is user-friendly. An example is CT on CYBOS, a service provided by U-CYBOS, which has integrated various charts and system trading in a single screen and allows for easy stock analysis.

3) Charging for contents and trading system

The highlights of U-CYBOS are its convenient interface, customized service and high quality investment information. Given such attractive features and changes in securities sector regulations that now allow brokerage firms to sell information, Daishin Economic Research Institute and Daishin Securities will now start to charge a fee for selected information. Furthermore, we will develop and sell trading systems for specialists to attract corporate and institutional clients.

4) Standardizing the development process to maximize customer satisfaction

Daishin was the first domestic securities company to be awarded CMMI (Capability Maturity Model Integration) Level 3 certification, an indication of its world-class software and system quality, in January 2005. Going forward, U-CYBOS as well as all IT infrastructure of the company will be based on the CMMI model and will provide top-quality IT service for our clients.

5) Expansion of ubiquitous trading environment and brand marketing

Daishin is expanding the ubiquitous trading environment by providing insightful stock tips and highly advanced trading functions through the SK Communications website such as Nate.com, Nate On and Cyworld. Furthermore, it is strengthening brand awareness by opening a homepage on Cyworld (one of the most popular self-made homepage websites in Korea), stepping up marketing efforts and trying to attract future potential clients.



Financial Section



Overview

Despite the protracted slump in domestic demand in FY2004, Korea managed to keep the economic growth rate above 4% thanks to robust export momentum during FY2004. The stock market, however, had a more volatile year. As uncertainties heightened amid anemic consumption, appreciation of the Korean won and soaring oil prices, the KOSPI plummeted to a low of 719.59 points in early August 2004. But government measures to spur the economy coupled with improving corporate profitability raised hopes for an economic rebound and propelled the KOSPI to 1,022.79 points in March 2005. A correction ensued and the index closed at 965.68 points on the last day of March 2005, up by 9.7% YoY.

Even though the KOSPI advanced, individual investors increasingly turned away from the stock market as internal and external uncertainties mounted. Their departure was largely to blame for the 11.3% decrease in stock market turnover from ₩ 862 trillion in FY2003 to ₩ 765 trillion in FY2004. Reduction in turnover deteriorated profitability of the entire securities sector, given its considerable dependence on stock brokerage commission. Nonetheless, Daishin Securities stayed profitable by expanding its asset base and diversifying income sources. Although the Company's net income contracted by 44.1% YoY to ₩ 41.2 billion in FY2004, the rate of decline was milder than the sector average. The Company fared better than most of competitors due to revenue diversification and effective cost controls. Daishin's capital adequacy ratio stood at 982.6% and assets-to-liabilities ratio reached 190.1%, attesting to its superior asset quality and outstanding financial structure.

Management's Discussion & Analysis

Analysis of Operating Performance

Operating Revenues

Operating revenues decreased by 20.7% YoY to ₩ 345.8 billion in FY2004. Falling commission rates and reduced stock market turnover resulted in a 23.8% drop to ₩ 215.3 billion in commission income, which accounts for more than 60% of operating revenues. But on a positive note, brokerage commissions fell by 25.9% in FY2004, whereas underwriting commissions shot up 175.6%. That is a sign of the shift in our profit base away from brokerage operations towards underwriting, advisory, asset management and others.

As of the end of March 2005, cash, bank deposits and reserve for claims of customers' deposits increased by 16.4% YoY to ₩ 838.7 billion. However, falling market interest rates slashed interest income by 15.0% to ₩ 75.5 billion in FY2004. Separately, gains on sale of trading securities grew by 28.6% to ₩ 47.7 billion backed by a surge in gains on sales of bonds and beneficiary certificates, but valuation gains on trading securities tumbled. As a result, securities-related gains dropped 14.2% to ₩ 53.4 billion in FY2004.

Commission and other income continued to decline due to stock market fluctuations and the low interest rate environment. However, the Company succeeded in diversifying revenue sources, with interest income and securities-related income comprising a larger share of our operating revenues.

Operating Revenues

	Billions of Korean Won		
	FY03	FY04	%YoY
Commission income	282.7	215.3	-23.8
Interest income*	88.8	75.5	-15.0
Securities-related income	62.2	53.4	-14.2
Other income	2.4	1.6	-34.6
Operating revenues	436.1	345.8	-20.7

* Interest income includes gain on customers' deposits

Operating Revenues Breakdown

	% of Total	
	FY03	FY04
Commission income	64.8	62.3
Interest income	20.4	21.8
Securities-related income	14.3	15.4
Other income	0.6	0.5

Operating Expenses

Because of flexible cost structure, the reduction in operating revenues pulled down operating expenses by 12.9% to ₩ 283.0 billion in FY2004. In line with the decrease in commission income and falling market interest rates, both commission expenses and interest expenses declined.

Commission expenses slid more than 30% in FY2004 as trading commissions and investment consultant fees, positively correlated with commission income, fell by 31.5% and 32.1% YoY, respectively. In addition, the sustained downtrend in market interest rates reduced interest on customers' deposits by 46.3% from ₩ 11.7 billion in FY2003 to ₩ 6.3 billion in FY2004. As a result, interest expenses fell by 18.4% to ₩ 17.2 billion. With respect to trading securities, losses expanded on sales of stock and bonds, thereby pushing up securities-related losses by 35.4% to ₩ 27.5 billion.

Operating Expenses

	Billions of Korean Won		
	FY03	FY04	%YoY
Commission expenses	23.8	16.3	-31.4
Interest expenses	21.1	17.2	-18.4
Securities-related expenses	20.3	27.5	35.4
SG&A expenses	257.2	220.0	-14.5
Other expenses	2.4	2.0	-19.9
Operating expenses	324.9	283.0	-12.9

Operating Expenses Breakdown

	% of Total	
	FY03	FY04
Commission expenses	7.3	5.8
Interest expenses	6.5	6.1
Securities-related expenses	6.3	9.7
SG&A expenses	79.2	77.7
Other expenses	0.8	0.7

As a portion of total operating expenses, SG&A expenses slid from 79.2% in FY2003 to 77.7% in FY2004, down by 1.5%p. Wages, which soak up nearly 50% of SG&A expenses, decreased by 14.1% YoY to ₩ 109.0 billion. About 40% of salaries, including commission expenses, are variable costs, enabling the Company to flexibly manage operating expenses according to stock market conditions. Moreover, sufficient provisions for bad assets enhanced asset quality, leading to a 50.3% drop in credit loss expenses. Along with a reduction in discretionary expenses such as miscellaneous commissions and advertising expenses, SG&A expenses declined by 14.5% YoY to ₩ 220.0 billion in FY2004. The Company has firmed the basis for a cost structure to post profits even during stock market downturns.

Management's Discussion & Analysis

SG&A Expenses

	Billions of Korean Won		
	FY03	FY04	%YoY
Salaries & employee benefits	126.9	109.0	-14.1
IT system operating expenses	25.8	24.8	-3.8
Miscellaneous commissions	18.6	16.6	-10.7
Advertising expenses	7.0	4.9	-30.3
Depreciation expenses	33.9	28.9	-14.7
Credit loss expenses	15.0	7.4	-50.3
Other expenses	30.0	28.3	-5.7
SG&A expenses	257.2	220.0	-14.5

Profitability and Shareholder Value

The securities sector as a whole experienced deterioration in operating profitability owing to ever-lower commission rates amid fierce competition combined with declining stock market turnover. Daishin Securities was not immune to those hardships. While the Company made rigorous efforts to reduce costs, the sharp drop in operating revenues squeezed the operating margin to 18.2% in FY2004, down by 7.3%p compared to 25.5% in FY2003; operating income tumbled 43.6% YoY to ₩ 62.8 billion. Even so, Daishin continued to post one of the highest operating margins among the major securities firms.

	FY03	FY04	Change
Operating income (KRW billion)	111.3	62.8	-43.6
Operating margin (%)	25.5	18.2	-7.3%P

The Company's profit-oriented approach and transparent management, along with a focus on its core competencies, are behind the downward trend in both non-operating income and expenses. In FY2004, non-operating income and expenses decreased by 14.3% and 22.6%, respectively. Net non-operating expenses narrowed to ₩ 4.0 billion, a decrease by about 50% from ₩ 7.9 billion in FY2003.

Billions of Korean Won

	FY03	FY04
Non-operating income	25.4	21.8
Non-operating expenses	33.4	25.8
Net non-operating balance	-7.9	-4.0

Pre-tax income dwindled by 43.1% YoY to ₩ 58.7 billion in FY2004, while the effective tax rate stood at about 29%, virtually unchanged from FY2003. The net margin deteriorated by 5.0%p to 11.9% in FY2004, and net income contracted by 44.1% to ₩ 41.2 billion.

	FY03	FY04	Change
Net income (KRW billion)	73.8	41.2	-44.1
Net margin (%)	16.9	11.9	-5.0%P

Daishin Securities is the only major securities company in Korea to pay cash dividends for seven consecutive years. That track record is a testament to its policy of sharing profits with shareholders. A resolution was passed at the general shareholders' meeting to pay out a cash dividend of ₩ 500 per common share and ₩ 550 per preferred share for FY2004, which translates into a payout ratio of 90%. Also as another means of maximizing shareholder value, the Company has implemented share buybacks to support the share price. As of the end of March 2005, Daishin held 3,006,070 shares in treasury stock. The weighted average number of outstanding common shares was 45,884,682 in FY2004, falling by 3.2% from the previous year. Earnings per share in FY2004 was recorded at ₩ 556.

		FY98	FY99	FY00	FY01	FY02	FY03	FY04
Dividend per share (KRW)	Common	500	1,500	750	500	500	650	500
	Preferred	550	1,550	800	550	550	700	550
Dividend yield (%)	Common	3.7	8.8	7.3	1.9	3.3	3.8	3.3
	Preferred	5.9	12.2	13.4	4.4	7.4	7.4	5.1
Dividend payout ratio (%)		46.4	33.7	65.7	288.1	90.9	66.5	90.0

Management's Discussion & Analysis

Analysis of Financial Conditions

Assets

To address its relatively weak asset base, Daishin Securities launched campaigns for asset expansion from the latter half of 2004. Such efforts helped to push up total assets by 7.3% YoY to ₩ 2,466.8 billion as of the end of March 2005. Moreover, there was a qualitative improvement in our asset portfolio. Loans for stock subscription and loans secured by securities jumped 50.8% and 87.3%, respectively, leading to an 82.4% surge in total loans to ₩ 170.1 billion. Consequently, the proportion of income-generating assets in the asset portfolio expanded from 68.2% in FY2003 to 72.2% in FY2004.

Assets

	Billions of Korean Won		
	FY03	FY04	%YoY
Cash & deposits	720.8	838.7	16.4
Securities	752.2	771.8	2.6
Loans	93.3	170.1	82.4
Tangible assets	598.3	570.3	-4.7
Others	133.4	115.9	-13.1
Total assets	2,298.0	2,466.8	7.3

Assets Portfolio

	% of Total Assets	
	FY03	FY04
Cash & deposits	31.4	34.0
Securities	32.7	31.3
Loans	4.1	6.9
Tangible assets	26.0	23.1
Others	5.8	4.7

Liabilities & Shareholders' Equity

Total liabilities increased by 18.1% YoY to ₩ 1,168.1 billion as of March 31, 2005. Whereas borrowings dropped by 80.0%, customers' deposits grew by 11.6% to ₩ 825.7 billion as a bullish stock market lured back retail investors in the first quarter of 2005. A temporary surge in bonds sold under reverse resale agreement resulted in a sharp rise in other liabilities.

Liabilities

	Billions of Korean Won		
	FY03	FY04	%YoY
Borrowings	52.2	10.5	-80.0
Customers' deposits	740.2	825.7	11.6
Others	196.9	332.0	68.6
Total liabilities	989.3	1,168.1	18.1

Liabilities Breakdown

	% of Total Liabilities	
	FY03	FY04
Borrowings	5.3	0.9
Customers' deposits	74.8	70.7
Others	19.9	28.4

Even though the Company posted a net profit of ₩ 41.2 billion in FY2004, total shareholders' equity slid by 0.8% from ₩ 1,308.7 billion as of the end of March 2004 to ₩ 1,298.7 billion on March 31, 2005. The decrease is attributable to cash dividend payment and share repurchase, which are in line with the policy of shareholder value maximization. The Company distributed a total of ₩ 49.1 billion in cash dividends and repurchased shares worth ₩ 26.5 billion during FY2004. The share repurchase caused capital adjustment account related to treasury stock to increase from ₩ 16.6 billion in FY2003 to ₩ 43.1 billion. The reserve ratio held steady, staying at around 250%.

Shareholders' Equity

	Billions of Korean Won		
	FY03	FY04	%YoY
Paid-in-capital	373.9	373.9	0.0
Capital surplus	610.7	610.7	0.0
Retained earnings	355.3	347.4	-2.2
Capital adjustment	-31.1	-33.3	-
Total shareholders' equity	1,308.7	1,298.7	-0.8

Asset Quality

In spite of the fast changing financial environment and intense competition, Daishin Securities maintains sound asset quality and a healthy financial position. Capital adequacy ratio improved by 84.6%p to 98.2.5% in FY2004. The coverage ratio, which indicates provisions against loans classified below substandard, climbed by 6.7%p to 94.1%. In addition, the ratio of assets to liabilities declined from 202.5% in FY2003 to 190.1% in FY2004, further reinforcing solid financial structure.

	FY03	FY04	Change
Coverage ratio (%)	87.4	94.1	6.7%P
Capital adequacy ratio (%)	898.0	982.6	84.6%P

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

(English Translation of a Report Originally Issued in Korean)

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To the Shareholders and Board of Directors of Daishin Securities Co., Ltd.

We have audited the accompanying balance sheets of Daishin Securities Co., Ltd. (the "Company") as of March 31, 2005 and 2004, and the related statements of income, appropriations of retained earnings and cash flows for the years then ended, all expressed in Korean won. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards in the Republic of Korea. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Daishin Securities Co., Ltd. as of March 31, 2005 and 2004, and the results of its operations, changes in retained earnings and its cash flows for the years then ended, in conformity with financial accounting standards in the Republic of Korea (see Note 2).

As explained in Note 17, in 2005 and 2004, the total revenues earned by the Company from affiliated companies amounted to ₩ 5,498 million and ₩ 8,214 million, respectively, and the total charges of affiliated companies amounted to ₩ 9,686 million and ₩ 10,422 million, respectively. As of March 31, 2005 and 2004, receivables from affiliated companies amounted to ₩ 35,416 million and ₩ 35,830 million, respectively, and payables to affiliated companies amounted to ₩ 4,167 million and ₩ 4,804 million, respectively.

Accounting principles and auditing standards and their application in practice vary among countries. The accompanying financial statements are not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries other than the Republic of Korea. In addition, the procedures and practices utilized in the Republic of Korea to audit such financial statements may differ from those generally accepted and applied in other countries. Accordingly, this report and the accompanying financial statements are for use by those knowledgeable about Korean accounting procedures and auditing standards and their application in practice.

Deloitte HanaAnjin LLC

Seoul, Korea

April 22, 2005

Deloitte HanaAnjin LLC

Notice to Readers

This report is effective as of April 22, 2005, the auditors' report date. Certain subsequent events or circumstances may have occurred between the auditors' report date and the time the auditors' report is read. Such events or circumstances could significantly affect the accompanying financial statements and may result in modifications to the auditors' report.

NON-CONSOLIDATED BALANCE SHEETS

(As of March 31, 2005 and 2004)

		Millions of Korean Won	
		2005	2004
ASSETS			
CURRENT ASSETS:			
Cash and bank deposits	₩	85,062	₩ 46,544
Korea Securities Finance Corporation deposits (Note 3)		753,619	674,265
Trading securities (Notes 4 and 18)		586,104	561,243
Call loans		21,700	-
Broker's loans, less allowance for doubtful accounts of ₩ 862 million in 2005 and ₩ 496 million in 2004		146,686	91,924
Short-term loans, less allowance for doubtful accounts of ₩ 833 million in 2005 and 2004		-	7
Accounts receivable from customers, less allowance for doubtful accounts of ₩ 5,414 million in 2005 and ₩ 3,607 million in 2004		35,163	39,854
Accrued income, less allowance for doubtful accounts of ₩ 1,456 million in 2005 and ₩ 1,160 million in 2004		11,399	12,615
Other current assets (Note 17)		11,506	9,138
Total current assets		1,651,239	1,435,590
NON-CURRENT ASSETS:			
Long-term securities, less allowance for doubtful accounts of ₩ 51,137 million in 2005 and ₩ 48,211 million in 2004 (Notes 6 and 10)		134,596	142,782
Long-term deposits (Note 3)		39	41
Long-term loans receivable, less allowance for doubtful accounts of ₩ 5,508 million in 2005 and ₩ 5,669 million in 2004 (Notes 17 and 21)		2,842	5,152
Guarantee deposits (Note 3)		46,883	50,873
Investment in real estate (Note 7)		11,072	11,072
Other investment assets		11,341	11,475
Tangible fixed assets (Note 8):			
Land		286,830	289,661
Buildings		301,122	305,390
Vehicles		1,072	1,109
Furniture and equipment		166,935	165,439
Construction in progress		-	-
Others		-	-
		755,959	761,599
Less: Accumulated depreciation (Note 9)		(185,694)	(163,279)
	₩	570,265	₩ 598,320

NON-CONSOLIDATED BALANCE SHEETS (Continued)

(As of March 31, 2005 and 2004)

	Millions of Korean Won	
	2005	2004
Advances for customers, less allowance for doubtful accounts of ₩94,912 million in 2005 and ₩108,053 million in 2004 (Note 10)	₩ 26,533	₩ 29,864
Collective fund for default loss (Note 3)	10,666	10,130
Dishonored bonds and bills receivable, less allowance for doubtful accounts of ₩24,215 million in 2005 and ₩23,121 million in 2004	1,306	2,711
Total non-current assets	815,543	862,420
Total assets	2,466,782	2,298,010
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Call money (Note 11)	-	40,400
Short-term borrowings (Note 11)	10,453	11,804
Bonds sold under repurchase agreements	222,344	78,091
Customers' deposits (Note 17)	825,697	740,160
Income tax payable	12,793	8,041
Dividends payable (Note 14)	32	30
Accrued expenses (Note 17)	5,886	9,776
Other current liabilities (Note 17)	88,313	98,711
Total current liabilities	1,165,518	987,013
LONG-TERM LIABILITIES:		
Deferred income tax liabilities (Note 16)	87	945
Accrued severance indemnities, net of payments to National Pension Fund of ₩9 million in 2005 and ₩22 million in 2004, and individual severance deposits of ₩7,319 million in 2005 and ₩2,643 million in 2004 (Note 2)	2,516	1,336
Total long-term liabilities	2,603	2,281
Total liabilities	₩ 1,168,121	₩ 989,294

NON-CONSOLIDATED BALANCE SHEETS (Continued)

(As of March 31, 2005 and 2004)

	Millions of Korean Won	
	2005	2004
SHAREHOLDERS' EQUITY:		
Capital stock (Note 12)	₩ 373,932	₩ 373,932
Capital surplus	610,651	610,651
Retained earnings:		
Legal reserve (Note 12)	68,300	63,386
Reserve for loss on securities transactions	-	19,453
Voluntary reserve	220,000	180,000
Before appropriations		
(Net income of ₩ 41,231 million in 2005 and ₩ 73,828 million in 2004)	59,060	92,417
Capital adjustments (Note 13)	(33,282)	(31,123)
Total shareholders' equity	1,298,661	1,308,716
Total liabilities and shareholders' equity	2,466,782	2,298,010
FOOTNOTES:		
Securities in custody (Note 5)	11,715,342	10,573,717
Negotiable certificates of deposits in custody	22,386	33,750
Deposits in foreign currency on exchanges	7	7
Receivable charge-offs	69	23,315

See accompanying notes to financial statements.

NON-CONSOLIDATED STATEMENTS OF INCOME

(For the Years Ended March 31, 2005 and 2004)

Millions of Korean Won

	2005		2004	
	(except per share amounts)			
OPERATING REVENUES:				
Commissions received (Note 17)	₩	215,289	₩	282,713
Interest income (Note 17)		49,826		56,383
Dividend income (Note 17)		1,834		6,547
Distribution income		-		1,416
Gain on disposal of trading securities		47,702		37,096
Gain on valuation of trading securities		3,863		17,162
Gain on valuation of customers' deposits		25,675		32,406
Gain on derivative transactions		1,582		2,419
		345,771		436,142
OPERATING EXPENSES:				
Commission expenses		16,314		23,795
Interest expenses		17,220		21,093
Loss on disposal of trading securities		25,075		18,695
Loss on valuation of trading securities		2,436		1,616
Loss on derivative transactions		1,958		2,445
General and administrative expenses (Notes 17 and 20)		219,990		257,233
		282,993		324,877
OPERATING INCOME		62,778		111,265
NON-OPERATING INCOME (EXPENSES):				
Gain on disposal of tangible fixed assets, net		621		3,500
Gain on disposal of available-for-sale securities, net		2,041		3,215
Gain on valuation of securities using the equity method, net		1,472		2,540
Loss on valuation of investment in Stock		-		-
Market Stabilization Fund		-		-
Recovery of securities reduction loss		87		-
Rental income (Note 17)		12,465		13,641
Impairment loss on long-term securities (Note 6)		(24,494)		(9,629)
Gain on recovery of write-offs		119		149
Donations		(344)		(102)
Other, net		3,997		(21,261)
	₩	(4,036)	₩	(7,947)
ORDINARY INCOME	₩	58,742	₩	103,318
EXTRAORDINARY ITEM		-		-
INCOME BEFORE INCOME TAX		58,742		103,318
INCOME TAX EXPENSE (Note 16)		17,511		29,490
NET INCOME		41,231		73,828
ORDINARY INCOME PER COMMON SHARE (Note 2)		556		992
NET INCOME PER COMMON SHARE (Note 2)	₩	556	₩	992

NON-CONSOLIDATED STATEMENTS OF APPROPRIATIONS OF RETAINED EARNINGS

(For the Years Ended March 31, 2005 and 2004)

	Millions of Korean Won			
	2005		2004	
RETAINED EARNINGS BEFORE APPROPRIATIONS:				
Unappropriated retained earnings carried over from prior years	₩	17,829	₩	18,589
Retirement of treasury stock		-		-
Net income		41,231		73,828
		59,060		92,417
TRANSFER FROM VOLUNTARY RESERVE AND OTHERS:				
Reserve for loss on securities transactions		-		19,453
		59,060		111,870
APPROPRIATIONS:				
Legal reserve (Note 12)		3,710		4,914
Loss on disposal of treasury stock		-		-
Dividends (Note 14)		37,090		49,127
Voluntary reserve		-		40,000
		40,800		94,041
UNAPPROPRIATED RETAINED EARNINGS TO BE CARRIED FORWARD TO SUBSEQUENT YEAR	₩	18,260	₩	17,829

See accompanying notes to financial statements.

NON-CONSOLIDATED STATEMENTS OF CASH FLOWS

(For the Years Ended March 31, 2005 and 2004)

Millions of Korean Won

	2005		2004	
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net income	₩	41,231	₩	73,828
Addition of expenses not involving cash outflows:				
Loss on disposal of trading securities		25,075		18,695
Loss on valuation of trading securities		2,436		1,616
Loss on derivative transactions		1,958		2,445
Provision for possible loan losses		7,447		14,993
Depreciation		28,919		33,918
Loss on disposal of tangible fixed assets		535		461
Loss on impairment of long-term securities		24,494		9,629
Loss on disposal of long-term securities		381		79
Provision for severance indemnities		8,452		12,388
		99,697		94,224
Deduction of revenues not involving cash inflows:				
Gain on disposal of trading securities		47,702		37,096
Gain on valuation of trading securities		3,863		17,162
Gain on derivative transactions		1,582		2,419
Gain on disposal of tangible fixed assets		1,157		3,961
Gain on valuation of securities using the equity method, net		1,472		2,540
Amortization of present value discount		3,319		3,758
Gain on disposal of long-term securities		2,421		3,294
Recovery of securities reduction loss		87		-
Gain on valuation of customers' deposits		25,675		32,406
	₩	87,278	₩	102,636

NON-CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)

(For the Years Ended March 31, 2005 and 2004)

	Millions of Korean Won	
	2005	2004
Changes in assets and liabilities resulting from operations:		
Decrease (increase) in deposits	₩ (53,680)	₩ 210,586
Decrease (increase) in trading securities	(806)	20,142
Increase in broker's loan	(76,820)	(38,966)
Decrease in short-term loans	-	4
Decrease (increase) in accounts receivable from customers	2,833	(2,255)
Decrease in accrued income	902	3,063
Decrease (increase) in advanced payments	(2,396)	663
Decrease (increase) in prepaid expenses	29	(129)
Decrease in other current assets	-	2,284
Decrease in long-term securities	5,283	21,339
Decrease in advances for customers	5,621	5,942
Decrease in dishonored bonds bills receivable	311	-
Decrease in deferred income tax assets	-	10,428
Increase (decrease) in customers' deposits	85,536	(175,841)
Increase in income tax payable	4,752	7,498
Increase (decrease) in accounts payable	(1,771)	3,396
Increase (decrease) in accrued expenses	(3,890)	2,786
Increase (decrease) in withholding income tax	(2,166)	2,778
Decrease in unearned income	(255)	(5)
Increase in other current liabilities	2	-
Decrease in deferred income tax liabilities	(857)	-
Decrease (increase) in deposits of insurance for severance indemnities	(4,676)	35,121
Decrease in National Pension Fund for severance indemnities	13	1,655
Payment of severance indemnities	(2,608)	(71,371)
Decrease in derivative transactions	(376)	(26)
	(45,019)	39,092
	8,631	104,508
CASH FLOWS FROM INVESTING ACTIVITIES:		
Cash inflows from investing activities :		
Proceeds from disposal of tangible fixed assets	8,251	13,000
Proceeds from disposal of long-term securities	3,425	-
Collection of long-term deposits	3	-
Collection of long-term loans	2,450	1,882
Refund of guarantees	11,040	11,265
Proceeds from disposal of other investment assets	138	1,157
Others	-	4
	₩ 25,307	₩ 27,308

NON-CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)

(For the Years Ended March 31, 2005 and 2004)

Millions of Korean Won

	2005		2004
Cash outflows from investing activities :			
Payment of guarantees	₩ 7,050	₩	11,481
Acquisition of other investment assets	4		1,047
Acquisition of tangible fixed assets	8,495		5,861
Others	537		982
	16,086		19,371
	9,221		7,937
CASH FLOWS FROM FINANCING ACTIVITIES:			
Cash inflows from financing activities :			
Proceeds from call money	37,128,200		-
Proceeds from short-term borrowings	2,841,783		-
Proceeds from rent deposits	18,190		9,750
Proceeds from bonds sold under resale agreements	2,269,096		-
Proceeds from deposits received for margin accounts	1,632		1,236
Disposal of treasury stock	-		12,823
	42,258,901		23,809
Cash outflows from financing activities :			
Payment of accounts payable	-		41,150
Payment of call money	37,168,600		39,500
Repayment of short-term borrowings	2,843,134		41,446
Payment of bonds sold under resale agreements	2,124,843		15,930
Payment of dividends	49,126		38,199
Repayment of deposits received for margin accounts	2,026		1,809
Repayment of rent deposits	24,004		19,434
Acquisition of treasury stock	26,502		17,508
	42,238,235		214,976
	20,666		(191,167)
NET INCREASE(DECREASE) IN CASH AND BANK DEPOSITS	38,518		(78,722)
CASH AND BANK DEPOSITS, AT THE BEGINNING OF THE YEAR	46,544		125,266
CASH AND BANK DEPOSITS, AT THE END OF THE YEAR	₩ 85,062	₩	46,544

See accompanying notes to financial statements.

NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS

(For the Years Ended March 31, 2005 and 2004)

1. GENERAL:

Daishin Securities Co., Ltd. (the "Company") was incorporated as Samrak Securities Co., Ltd. on July 27, 1962, under the Commercial Code of the Republic of Korea, to engage in the securities business operations, including brokerage transactions, trading and underwriting of securities and other related business activities. The Company changed its corporate name to Daishin Securities Co., Ltd. on April 22, 1975 and has been listed on the Korea Stock Exchange since October 1, 1975. The Company's capital stock as of March 31, 2005 amounted to ₩373,932 million and its primary shareholders are Yang Hong Seok, Yang Hong Jun (8.38 percent). The head office of the Company is in Seoul, and has 108 domestic branches and an overseas branch in Tokyo.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Non-Consolidated Financial Statement Presentation

The Company maintains its official accounting records in Korean won and prepares statutory financial statements in the Korean language (Hangul) in conformity with the accounting principles generally accepted in the Republic of Korea. Certain accounting principles applied by the Company that conform with financial accounting standards and accounting principles in the Republic of Korea may not conform with generally accepted accounting principles in other countries. Accordingly, these financial statements are intended for use by those who are informed about Korean accounting principles and practices. The accompanying financial statements have been condensed, restructured and translated into English (with certain expanded descriptions) from the Korean language financial statements. Certain information included in the Korean language financial statements, but not required for a fair presentation of the Company's financial position, results of operations or cash flows, is not presented in the accompanying financial statements.

The Company prepared its 2005 financial statements in accordance with the Statements of Korea Accounting Standard ("SKAS") No. 1 through No. 10, No. 12, No. 13 (SKAS No. 10, No. 12 and No. 13 are effective from April 1, 2004 and the Company adopted SKAS No. 2 through No. 9 since April 1, 2003 and SKAS No. 1 since April 1, 2002).

The significant accounting policies followed by the Company in the preparation of its financial statements are summarized below.

Accounting for Foreign Currency Transactions and Translation

The Company maintains its accounts in Korean won. Transactions in foreign currencies are recorded in Korean won based on the prevailing rates of exchange on the transaction date. Monetary accounts with balances denominated in foreign currencies are recorded and reported in the accompanying financial statements at the exchange rates (₩1,024.30 to US \$ 1.00 at March 31, 2005) prevailing at the balance sheet dates and the resulting translation gains and losses are reflected in current operations.

Allowance for Doubtful Accounts

The Company provides an allowance for doubtful accounts based on outstanding loans and accounts receivable (broker's loans, receivables, accrued income, short and long-term loans, advances for customers, dishonored bonds and bills receivable) at the end of the period based on management's evaluation of the collectibility of individual receivables and in accordance with the securities accounting standards of the Securities and Futures Commission ("SFC") of Korea. These standards require that all loans should be classified as normal, precautionary, substandard, doubtful, or loss based on a number of factors, including the financial position, the repayment ability of the borrower and overdue status of loans.

The details of the classification of loans and the corresponding allowance provided as of March 31, 2005 and 2004 are as follows:

NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(For the Years Ended March 31, 2005 and 2004)

Millions of Korean Won

	2005		2004	
	Loans	Allowance	Loans	Allowance
Normal	₩ 178,012	₩ 890	₩ 100,315	₩ 501
Precautionary	27,804	556	19,590	392
Substandard	8,649	1,890	31,285	12,146
Doubtful	64,343	58,018	93,394	85,826
Loss	122,982	122,982	92,285	92,285
Total	₩ 401,790	₩ 184,336	₩ 336,869	₩ 191,150

Restructuring of loans

Loans of which contractual terms are modified in a troubled debt restructuring due to mutual agreements, such as commencement of reorganization, court mediation and workout plans, are accounted for at the present value of expected future cash flows, if book value of the loans differs from the present value. The difference between book value and present value is offset against the allowance for possible loan losses, and any remaining amounts are charged to operations as bad debt expense. The difference between the book value of a loan and its present value is recorded as an allowance account, which is presented as a deduction from the loan. The allowance account is amortized over the remaining maturity using the effective interest rate method and the amortization amount is recorded as interest income.

As SKAS No. 13 -"Troubled Debt Restructurings" was applied in current year, the Company substituted unamortized present value discount (₩11,765 million), which is carried over from prior year, with allowance for doubtful accounts.

Bonds under Resale or Repurchase Agreements

Bonds purchased under resale agreement are recorded as loans and bonds sold under repurchase agreements are recorded as borrowings, when the Company purchases or sells securities under resale or repurchase agreements.

Securities other than those Accounted for Using the Equity Method

Classification of Securities

At acquisition, the Company classifies securities into one of the three categories; trading, held-to-maturity or available-for-sale. Trading securities are those that were acquired principally to generate profits from short-term fluctuations in prices. Held-to-maturity securities are those with fixed or determinable payments and fixed maturity that the Company has the positive intent and ability to hold to maturity. Available-for-sale securities are those not classified as either held-to-maturity or trading securities. Trading securities are classified as current securities, whereas available-for-sale and held-to-maturity securities are classified as non-current securities, except for those whose maturity dates or whose likelihood of being disposed of are within one year from balance sheet date, which are classified as current securities.

Valuation of Securities

Securities are recognized initially at cost, which includes the market price of the consideration given to acquire them and incidental expenses. If the market price of the consideration is not reliably determinable, the market prices of the securities purchased are used as the basis for measurement. If neither the market prices of the consideration given nor those of the acquired securities are available, the acquisition cost is measured at the best estimates of its fair value.

After initial recognition, held-to-maturity securities are stated at amortized cost. The difference between their acquisition costs and face values of held-to-maturity securities is amortized over the remaining term of the securities by applying the effective interest method and added to or subtracted from the acquisition costs and interest income of the remaining period. Trading securities are valued at fair value, with unrealized gains or losses included in current operations. Available-for-sales securities

NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(For the Years Ended March 31, 2005 and 2004)

are also valued at fair value, with unrealized gains or losses included in capital adjustments, until the securities are sold or if the securities are determined to be impaired and the lump-sum cumulative amount of capital adjustments are included in current operations. However, available-for-sales securities that are not traded in an active market and whose fair values cannot be reliably estimated are accounted for at their acquisition costs. For those securities that are traded in an active market, fair values refer to those quoted market prices, which are measured as the closing price at the balance sheet date. The fair value of non-marketable securities are measured at the discounted future cash flows by using the discount rate that appropriately reflects the credit rating of issuing entity assessed by a publicly reliable independent credit rating agency. If application of such measurement method is not feasible, estimates of the fair values may be made using a reasonable valuation model or quoted market prices of similar debt securities issued by entities conducting similar business in similar industries.

Securities are evaluated at each balance sheet date to determine whether there is any objective evidence of impairment loss. When any such evidence exists, unless there is a clear counter-evidence that recognition of impairment is unnecessary, the Company estimates the recoverable amount of the impaired security and recognizes any impairment loss in current operations. The amount of impairment loss of the held-to-maturity security or non-marketable equity security is measured as the difference between the recoverable amount and the carrying amount. The recoverable amount of held-to maturity security is the present value of expected future cash flows discounted at the securities' original effective interest rate.

For available-for-sale debt or equity security, the amount of impairment loss to be recognized in the current period is determined by subtracting the amount of impairment loss of debt or equity security already recognized in prior period from the amount of amortized cost in excess of the recoverable amount for debt security or the amount of the acquisition cost in excess of the fair value for equity security.

If the realizable value subsequently recovers, in case of a security stated at fair value, the increase in value is recorded in current operations, up to the amount of the previously recognized impairment loss, while for the security stated at amortized cost or acquisition cost, the increase in value is recorded in current operation, so that its recovered value does not exceed what its amortized cost would be as of the recovery date if there had been no impairment loss.

When transfers of securities between categories are needed because of changes in an entity's intention and ability to hold those securities, such transfer is accounted for as follows: trading securities cannot be reclassified into available-for-sale and held-to-maturity securities, and vice versa, except when certain trading securities lose their marketability. Available-for-sale securities and held-to-maturity securities can be reclassified into each other after fair value recognition. When held-to-maturity security is reclassified into available-for-sale security, the difference between the book value and fair value is reported in capital adjustments. Whereas, in case available-for-sale security is reclassified into held-to-maturity securities, the difference is reported in capital adjustments and amortized over the remaining term of the securities using the effective interest method.

Securities Accounted for Using the Equity Method

Investments in equity securities of companies in which the Company is able to exercise significant influence over the operating and financial policies of the investees are accounted for using the equity method. The change in the Company's portion of an investee's net equity resulting from a change in an investee's net equity is reflected in the Company's net income (loss), retained earnings and capital adjustments, in accordance with the causes of the change which consist of the investees' net income (loss), changes in retained earnings and changes in capital surplus and capital adjustments.

Derivatives Instruments

All derivative instruments are accounted for at fair value with the valuation gain or loss recorded as an asset or liability. If the derivative instrument is not part of a transaction qualifying as a hedge, the adjustment to fair value is reflected in current operations. The accounting for derivative transactions that are part of a qualified hedge based both on the purpose of the transaction and on meeting the specified criteria for hedge accounting differs depending on whether the transaction is a fair value hedge or a cash flow hedge. Fair value hedge accounting is applied to a derivative instrument designated as hedging the exposure to changes in the fair value of an asset or a liability or a firm commitment (hedged item) that is attributable to a particular risk. The gain or loss both on the hedging derivative instruments and on the hedged item attributable to the hedged risk is reflected in current operations. Cash flow hedge accounting is applied to a derivative instrument designated as hedging

NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(For the Years Ended March 31, 2005 and 2004)

the exposure to variability in expected future cash flows of an asset or a liability or a forecasted transaction that is attributable to a particular risk. The effective portion of gain or loss on a derivative instrument designated as a cash flow hedge is recorded as a capital adjustment and the ineffective portion is recorded in current operations. The effective portion of gain or loss recorded as a capital adjustment is reclassified to current earnings in the same period during which the hedged forecasted transaction affects earnings. If the hedged transaction results in the acquisition of an asset or the incurrence of a liability, the gain or loss in capital adjustments is added to or deducted from the asset or the liability.

Tangible Fixed Assets

Tangible fixed assets are stated at cost except for the assets revalued upward in accordance with the Asset Revaluation Law of Korea. Major renewals and betterment are capitalized and expenditures for repairs and maintenance are charged to expense as incurred. Depreciation is computed using the straight-line method based on the estimated useful lives of the assets as follows:

Assets	Years
Buildings	40
Vehicles	5
Furniture and equipment	5

Collective Fund for Default Loss

In accordance with the provisions of Article 95 of the Korea Securities and Exchange Law, the Company deposits special reserve funds equal to 1/100,000 of the volume of securities transaction and 15/10,000 of volume of stock price index futures with the Korea Exchange ("KRX") to compensate for any default loss.

Accrued Severance Indemnities

Severance indemnities are accrued in accordance with Company regulations, which provide that employees with more than one year of service are entitled to receive severance indemnities, based on length of service and rate of pay, upon termination of their employment. Accrued severance indemnities that would be payable assuming that all eligible employees were to resign as of March 31, 2005 and 2004 amount to ₩ 9,844 million and ₩ 4,001 million, respectively. Actual payment of severance indemnities amounted to ₩ 2,608 million and ₩ 71,371 million in 2005 and 2004, respectively.

The Company has purchased severance benefits insurance, which meets the funding requirement for tax purposes, and made deposits with Green Cross Life Insurance Co., Ltd. Withdrawal of these deposits, with a balance of ₩ 7,319 million and ₩ 2,643 million as of March 31, 2005 and 2004, respectively, is restricted to the payment of severance benefits. As the beneficiary of severance insurance deposits has been changed from the Company to its employees, the individual severance insurance deposits are presented as a deduction from the accrued severance indemnities.

In accordance with the National Pension Act, as of March 31, 2005 and 2004, accrued severance benefits of approximately ₩ 9 million and ₩ 22 million, respectively, were paid by the Company on behalf of its employees to the National Pension Fund and shown as a deduction from accrued severance indemnities. The contributed amount shall be refunded from the National Pension Fund to employees and directors on their retirement.

Income Tax Expense

The Company recognizes deferred income taxes. Accordingly, income tax expense is determined by adding or deducting the total income tax and surtaxes to be paid for the current period and the changes in deferred income tax debits (credits).

Ordinary Income per Common Share and Net Income per Common Share

Ordinary income per common share and net income per common share are computed by dividing ordinary income (after deduction of tax effect) and net income, respectively, after deduction of expected dividends on preferred stock, by the weighted average number of common shares (45,884,682 shares in 2005 and 47,422,288 shares in 2004) outstanding during the year.

Reclassification

For comparative purposes, certain accounts in the 2004 financial statements were reclassified. Such reclassification had no effect on the income for the year ended March 31, 2004 or net equity as of March 31, 2004.

NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(For the Years Ended March 31, 2005 and 2004)

3. RESTRICTED DEPOSITS:

Restricted due from banks in local currency and foreign currencies as of March 31, 2005 and 2004 are as follows:

	Millions of Korean Won			
	2005		2004	
KSFC deposits	₩	753,619	₩	674,265
Long-term deposits		39		41
Surety guarantee		1		1
Collective fund for default loss		10,666		10,130
Total	₩	764,325	₩	684,437

Korea Securities Finance Corporation (“KSFC”) deposits are maintained by the Company with KSFC for the payment of customers’ deposits. Long-term deposits consist of guarantee deposits for checking accounts and severance insurance deposits. Collective fund for default loss is special reserve funds for the Korean Stock Exchange and KSFC to compensate for any loss from default of trade contracts in the securities market and to pay the deposits of stock investors.

4. TRADING SECURITIES:

Trading securities owned by the Company as of March 31, 2005 and 2004 consist of the following:

	Millions of Korean Won			
	2005		2004	
Stocks	₩	32,174	₩	38,836
Korean government and public bonds		445,094		433,221
Domestic Korean corporate bonds		93,175		33,687
Beneficiary certificates		15,661		31,499
Negotiable commercial papers		-		24,000
Total	₩	586,104	₩	561,243

Acquisition cost of Korean government and public bonds and domestic Korean corporate bonds excluded the amount of accrued interest on bonds (₩ 9,637 million and ₩ 7,310 million as of March 31, 2005 and 2004, respectively). Stocks and beneficiary certificates are valued at fair value as of March 31, 2005 and 2004. Trading debt securities are valued using the average of earning rate from rating agency.

NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(For the Years Ended March 31, 2005 and 2004)

5. SECURITIES IN CUSTODY:

Securities in custody consist of securities deposited by customers as collateral for margin loan transactions and securities and certificates of deposits held by the Company on behalf of its customers. Securities in custody as of March 31, 2005 and 2004 are as follows:

	Millions of Korean Won	
	2005	2004
Trustor securities in custody	₩ 9,463,761	₩ 8,804,523
Saver securities in custody	72,012	83,387
Beneficiary securities in custody	2,175,505	1,670,312
Others	4,064	15,495
	₩ 11,715,342	₩ 10,573,717

6. LONG-TERM SECURITIES:

Long-term securities as of March 31, 2005 and 2004 consist of the following:

	Millions of Korean Won	
	2005	2004
Investment equity securities	₩ 54,679	₩ 40,813
Investments in capital	11,046	12,934
Corporate bonds	54,431	55,074
Beneficiary certificates	26,490	40,707
Equity securities using the equity method	39,060	41,438
Others	27	27
	₩ 185,733	₩ 190,993

NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(For the Years Ended March 31, 2005 and 2004)

(1) Investment equity securities owned by the Company as of March 31, 2005 and 2004 consist of the following:

Investees	Millions of Korean Won			
	2005		2004	
	Acquisition cost	Book value	Acquisition cost	Book value
Listed:				
Sinwon Co.	₩ 12,835	₩ 556	₩ 12,835	₩ 501
KP Chemical	664	812	1,460	937
Namsun Aluminum Co.	1,377	274	1,377	412
Sinho Paper Manufacturing Co.	-	-	556	65
Chungnam Spinning Co.	3,064	290	3,064	380
Taechang Company Ltd.	322	409	7,309	322
Daishin Information & Communication Co., Ltd.	10,755	1,705	10,755	931
Daishin Development & Financial Co., Ltd.	178	56	196	67
Hynix Semiconductor Inc.	13,933	15,090	320	1,287
	43,128	19,192	37,872	4,902
Unlisted:				
Korea Securities Co.	14,780	14,780	14,780	14,780
Dong Sung Co., Ltd.	2,701	96	2,652	2,652
Korea Securities Depository	1,027	1,027	1,027	1,027
Ecomaister Co.	1,250	1,250	1,250	1,250
Songchon Construction Co., Ltd.	4,835	4,835	4,835	4,835
Micro Science Tech Co., Ltd.	675	675	675	675
IGLOO Security, Inc.	3,000	3,000	3,000	3,000
KIDB Co., Ltd.	380	380	380	380
Korea Securities Computer Corp.	291	291	291	291
Korea Exchange	3,210	3,210	560	560
Korea ECN securities Co., Ltd	800	242	800	800
Others (*1)	5,701	5,701	5,661	5,661
	38,650	35,487	35,911	35,911
	₩ 81,778	₩ 54,679	₩ 73,783	₩ 40,813

(*1) Others included the impairment losses on equity securities and various equity securities.

NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(For the Years Ended March 31, 2005 and 2004)

(2) Investments in capital as of March 31, 2005 and 2004 consist of the following:

Investees	Millions of Korean Won			
	2005		2004	
	Acquisition cost	Book value	Acquisition cost	Book value
Investments in capital:				
The Stock Market Stabilization Fund (*1)	₩ -	₩ 11,045	₩ -	₩ 10,283
Korea Stock Exchange	-	-	2,650	2,650
Others (*2)	1	1	1	1
	₩ 1	₩ 11,046	₩ 2,651	₩ 12,934

(*1) The Company received ₩40,799 million, which include amount invested amounting to ₩27,171 million and profits from the Stock Market Stabilization Fund. Also, the gain on valuation of investment was recognized as capital adjustments, in accordance with SKAS No. 8 "Investment in Securities".

(*2) Others investments in capital were stated at acquisition cost.

(3) Corporate bonds as of March 31, 2005 and 2004 consist of the following:

Investees	Millions of Korean Won			
	2005		2004	
	Acquisition cost	Book value	Acquisition cost	Book value
Private placement corporate bonds: (*1)				
Daishin Factoring Co. CB	₩ 10,000	₩ 10,000	₩ 10,000	₩ 10,000
Kohap Co. CB	15,716	15,716	15,716	5,716
Chungnam Spinning Co. CB	-	-	-	-
Others	2,704	2,704	3,024	3,024
	28,420	28,420	28,740	28,740
Guaranteed corporate bonds:				
Chungnam Spinning Co.	1,415	1,415	1,415	1,415
Kohap Co.	7,041	7,041	7,041	7,041
Namsun Aluminum Co.	1,831	1,831	2,178	2,178
Kabool Co. Ltd.	15,177	15,177	15,177	15,177
Others	547	547	523	523
	26,011	26,011	26,334	26,334
	54,431	54,431	55,074	55,074
Less: Allowance		(51,132)		(48,205)
		₩ 3,299		₩ 6,869

(*1) Corporate bonds of which contractual terms are modified in a troubled debt restructuring due to mutual agreements are accounted for at the present value of expected future cash flows, if book value of the loan differs from the present value. An allowance for corporate bonds valued at present value is established in accordance with the securities accounting standards of the Securities and Futures Commission ("SFC") of Korea (See Note 2).

NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(For the Years Ended March 31, 2005 and 2004)

(4) Beneficiary certificates as of March 31, 2005 and 2004 consist of the following:

Investees	Millions of Korean Won			
	2005		2004	
	Acquisition cost	Book value	Acquisition cost	Book value
Green Arbitrage Fund	₩ -	₩ -	₩ 10,000	₩ 10,023
Yuri Arbitrage Fund	10,000	10,231	10,000	10,228
Hanil HIT Arbitrage Trust	-	-	10,000	10,189
Consus Harvest Investment Trust	5,000	6,216	-	-
Multi-ST Fund	10,000	10,043	-	-
M Neutral Fund.	-	-	10,000	10,267
	₩ 25,000	₩ 26,490	₩ 40,000	₩ 40,707

(5) Equity securities using the equity method as of March 31, 2005 and 2004 consist of the following:

	Millions of Korean Won				
	Percentage of ownership	2005		2004	
		Acquisition cost	Book value	Acquisition cost	Book value
Daishin Investment Trust Management Co., Ltd. (*1)	81.00%	₩ 25,080	₩ 34,110	₩ 25,080	₩ 34,704
Daishin Factoring Co., Ltd.	33.25%	20,805	-	20,805	-
Daishin Economic Research Institute	99.00%	4,950	4,950	4,950	4,950
Daishin International Hong Kong Ltd.	0.00%	-	-	1,784	1,784
		₩ 50,835	₩ 39,060	₩ 52,619	₩ 41,438

In accordance with the revised financial accounting standards, equity securities in affiliated companies in which the Company holds over 20 percent ownership of outstanding equity are stated using the equity method. The change in the Company's portion of an investee's net equity resulting from a change in an investee's net equity is recorded in the non-operating income, retained earnings and capital adjustments.

(*1) Gain on equity method valuation amounted to ₩1,472 million and ₩2,540 million in 2005 and 2004, respectively.

NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(For the Years Ended March 31, 2005 and 2004)

(6) Other investment securities as of March 31, 2005 and 2004 consist of the following:

	Millions of Korean Won			
	2005		2004	
	Acquisition cost	Book value	Acquisition cost	Book value
Daewoo Motor Co. CP	₩ 27	₩ 27	₩ 27	₩ 27

(7) Gain (loss) on valuation of non-current securities as of March 31, 2005 and 2004 consist of the following:

	Millions of Korean Won			
	2005		2004	
Equity securities	₩	(2,694)	₩	(25,492)
Investments in capital		11,045		10,283
Stocks of affiliated company		1,491		708
	₩	9,842	₩	(14,501)

7. INVESTMENT IN REAL ESTATE:

Investment in real estate as of March 31, 2005 and 2004 consist of the following:

	Millions of Korean Won			
	2005		2004	
Land	₩	11,072	₩	11,072

8. INSURED ASSETS:

As of March 31, 2005, tangible fixed assets are insured for ₩ 112,016 million with Ssangyong Fire & Marine Insurance Co. In addition, the Company carries comprehensive automobile insurance for its vehicles, e-biz@liability insurance for ₩ 3,000 million, comprehensive system insurance for ₩ 33,865 million and deposit insurance for ₩ 848,322 million.

NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(For the Years Ended March 31, 2005 and 2004)

9. ACCUMULATED DEPRECIATION OF TANGIBLE FIXED ASSETS:

Accumulated depreciation of tangible assets as of March 31, 2005 and 2004 is as follows:

	Millions of Korean Won			
	2005		2004	
Building	₩	42,9423	₩	6,067
Vehicles		755		650
Furniture and equipment		141,997		126,562
	₩	185,694	₩	163,279

10. PRESENT VALUE DISCOUNT:

(1) Present value discount as of March 31, 2005 consist of the following:

Description	Discount rate (%)	Millions of Korean Won	
		Loans	Present value discount
Corporate bonds:			
Sungwon Corporation	9.0	₩ 1,093	₩ 36
Dasan Electron Co., Ltd.	10.0	691	76
		1,784	112
Advances for customers			
Nasan Co., Ltd.	12.0	7,005	1,318
Nasan Construction Co., Ltd.	12.0	18,231	6,253
Donghae Pulp Co., Ltd.	10.5	4,578	686
Others	9.0	2,148	77
		31,962	8,334
		₩ 33,746	₩ 8,446

NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(For the Years Ended March 31, 2005 and 2004)

(2) Present value discount as of March 31, 2004 consist of the following:

Millions of Korean Won					
Description	Discount rate (%)	Loans		Present value discount	
Corporate bonds:					
Sungwon Corporation	9.0	₩	1,333	₩	132
Dasan Electron Co., Ltd.	10.0		691		133
Namsun Aluminum Co.	10.5		2,178		48
			4,202		313
Advances for customers					
Nasan Co., Ltd.	12.0		8,756		2,052
Nasan Construction Co., Ltd.	12.0		18,231		7,589
Donghae Pulp Co., Ltd.	10.5		4,578		1,069
Others	8.5~13.0		6,569		742
			318,134		11,452
		₩	42,336	₩	11,765

11. BORROWINGS:

Borrowings as of March 31, 2005 and 2004 are as follows:

Millions of Korean Won					
Description	Financial institution	Annual interest rate (%)	2005		2004
Call money	Korea Investment & Securities Co., Ltd. and others	3.30~3.35	₩	-	₩ 40,400
Short-term borrowings:					
Borrowings from KSFC	KSFC	3.45		10,453	11,804
			₩	10,453	₩ 52,204

NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(For the Years Ended March 31, 2005 and 2004)

12. SHAREHOLDERS' EQUITY:

(1) Capital stock

Authorized shares	Par value	Issued and outstanding at March 31, 2005		
		Description	Shares	Amount
200,000,000	₩ 5,000	Common stock	48,586,400	₩ 243,932 million
	5,000	Preferred stock	26,000,000	130,000 million
			74,586,400	₩ 373,932 million

On September 16, 2002, the Company retired its treasury stock of 200 thousand shares based on the resolution at the general meeting of shareholders on May 25, 2002. Due to the retirement of the treasury stock, per share of issued shares is ₩ 5,021 as of March 31, 2005.

Paid-in capital in excess of par value is accounted for as a capital surplus, which may be used to offset a future deficit or be transferred to capital, but not for distribution as cash dividends.

The Company has issued non-fixed, non-cumulative, participating and non-voting preferred stock, which is eligible to receive cash dividends at a dividend rate 1 percent more than the dividends declared in any year for common stock.

(2) Legal reserve

The Company is required by the Korean Commercial Code to appropriate from retained earnings a minimum amount equal to 10 percent of cash dividends to be designated as a legal reserve until the legal reserve reaches 50 percent of the aggregate par value of issued capital stock.

(3) Treasury stock

The Company repurchased treasury stock of 1,000 thousand shares for ₩ 17,508,116 thousand based on the resolution at the meeting of the Board of Directors for employee stock ownership association in 2004. The Company sold treasury stock of 293,670 shares and contributed 465,060 shares to employee stock ownership association on March 25, 2004. Also, the Company repurchased treasury stock of 2,000 thousand shares for ₩ 26,502,391 thousand based on the resolution at the meeting of the Board of Directors for employee stock ownership association in current year. Therefore, the Company hold treasury stock of 3,006,070 shares (₩ 43,124,200 thousand), which is recorded as a capital adjustment.

NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(For the Years Ended March 31, 2005 and 2004)

13. CAPITAL ADJUSTMENTS:

Capital adjustments as of March 31, 2005 and 2004 consist of the following:

	Millions of Korean Won	
	2005	2004
Treasury Stock (Note 12)	₩ (43,124)	₩ (16,622)
Gain (Loss) on valuation of non-current securities (Note 6)	9,842	(14,501)
	₩ (33,282)	₩ (31,123)

14. DIVIDENDS:

(1) The Company's proposed dividends for 2005 are as follows:

	Share	Par Value	Dividend rate	Millions of Korean Won
Common stock	45,580,230	₩ 5,000	10%	₩ 22,790
Preferred stock	25,999,998	₩ 5,000	11%	14,300
				₩ 37,090

(2) In 2005, the dividend to net income is as follows:

Dividends	Net income	Dividends to net income ratio
₩ 37,090 million	₩ 41,231 million	90%

(3) In 2005, the dividend to year-end stock price ratio is as follows:

	Dividend per share	Stock price	Dividend per share to stock price ratio
Common stock	₩ 500	₩ 14,650	3.41%
Preferred stock	₩ 550	₩ 10,100	5.45%

NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(For the Years Ended March 31, 2005 and 2004)

15. DERIVATIVE INSTRUMENTS:

The financial derivatives as of March 31, 2005 and 2004 are as follows:

Millions of Korean Won

Type	2005		2004	
	Gain	Loss	Gain	Loss
Index forwards	₩ 1,069	₩ 1,336	₩ 1,351	₩ 1,093
Index options	10	10	61	45
CD interest forwards	503	612	1,007	1,307
	₩ 1,582	₩ 1,958	₩ 2,419	₩ 2,445

16. INCOME TAX EXPENSE AND DEFERRED INCOME TAXES:

The Company is subject to Korean corporation income tax at 13 percent of the first ₩ 100 million of taxable income and 25 percent of the excess. Added to this is resident surtax of 10 percent of the corporate income tax.

The effective tax rate considering deferred income taxes is 29.81 percent and 28.54 percent in 2005 and 2004, respectively, due mainly to tax adjustment of allowance for doubtful accounts for tax purposes. Income tax expense considering deferred income taxes is as follows:

Millions of Korean Won

Description	2005	2004
Income tax currently payable	₩ 18,369	₩ 19,062
Changes in deferred income taxes due to: temporary differences	(858)	10,428
Income tax expense	₩ 17,511	₩ 29,490

NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(For the Years Ended March 31, 2005 and 2004)

In 2005 and 2004, the differences between income before tax in financial accounting and taxable income pursuant to Corporate Income Tax Law of Korea are as follows:

Description	Millions of Korean Won	
	2005	2004
Income before income tax	₩ 58,742	₩ 103,318
Permanent differences	285	(24,588)
Temporary differences	2,863	(14,504)
Taxable income	₩ 61,890	₩ 64,226

The changes in accumulated temporary differences in 2005 and 2004 are as follows:

Description	Millions of Korean Won	
	2005	2004
Beginning of year, net	₩ (3,180)	₩ 31,931
Changes in the current year, net	2,863	(35,111)
End of year, net	₩ (317)	₩ (3,180)

Deferred income tax assets (liabilities) as of March 31, 2005 and 2004 are computed as follows:

Description	Millions of Korean Won	
	2005	2004
Accumulated temporary differences, net	₩ (317)	₩ (3,180)
Statutory tax rate (%)	27.5	29.7
Deferred income tax liabilities	₩ (87)	₩ (945)

NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(For the Years Ended March 31, 2005 and 2004)

17. RELATED PARTY TRANSACTIONS:

Significant transactions with related parties for the years ended and balances with related parties as of March 31, 2005 and 2004 are as follows:

		Millions of Korean Won	
Related party	Description	2005	2004
Daishin Investment Trust Management Co., Ltd.	Brokerage commissions on beneficiary certificates	₩ 2,529	₩ 3,483
	Dividends	2,066	1,994
	Rental income	133	130
	Disposition of other assets	-	350
	Non-operating income	-	195
	Accrued commissions	352	454
	Deposits for rent	1,772	1,772
Daishin Factoring Co., Ltd.	Interest income	-	1,326
	Corporate bonds	10,000	10,000
	Dishonored bills receivable	25,064	25,375
Daishin Economic Research Institute	Rental income	148	140
	General and administrative expenses	6,372	6,617
	Disposition of other assets	-	310
	Non-operating income	-	86
	Purchase assets	407	-
	Accrued expenses	428	504
	Deposits for rent	886	1,195
Daishin Information & Communication Co., Ltd.	Rental income	10	10
	General and administrative expenses	3,314	3,805
	Deposits for rent	6	6
	Accrued expenses	47	-
	Interest income	4	4
Daishin Development & Finance	Interest income	4	4
	Rental income	569	896
Daishin Champs Elysees Hwit	Deposits for rent	800	600
	Rental income	40	-
Yang, Young-ae / Yang, Hoi-Gum	Deposits for rent	₩ 228	₩ 728

NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(For the Years Ended March 31, 2005 and 2004)

In 2005 and 2004, the total revenues earned by the Company from affiliated companies amounted to ₩ 5,498 million and ₩ 8,214 million, respectively, and the total charges of affiliated companies amounted to ₩ 9,686 million and ₩ 10,422 million, respectively, and the total assets disposed to the Company by affiliated companies amounted to ₩ 660 million in 2004, and the total assets purchased by the Company from affiliated companies amounted to ₩ 407 million in 2005. As of March 31, 2005 and 2004, receivables from affiliated companies amounted to ₩ 35,416 million and ₩ 35,830 million, respectively, and payables to affiliated companies amounted to ₩ 4,167 million and ₩ 4,804 million, respectively.

18. CONTINGENCIES AND COMMITMENTS:

(1) The Company has provided government and public bonds and others (face value of ₩ 62,900 million) as collateral for reserve for future transaction to Korea Exchange.

(2) Promissory notes: As of March 31, 2005, the Company has provided KSFC with a promissory note (₩ 1,182,006 million) as collateral for borrowings and securities transactions.

(3) As of March 31, 2005, the Company entered into daily overdraft agreements with banks with the aggregate limit of ₩ 128,000 million.

19. PENDING LITIGATION:

Certain customers of the Company have filed a lawsuit against the Company claiming return of rent deposits, compensation for damages and others, which amount to ₩ 10,338 million. The management of the Company believes that the ultimate resolution of the litigation will not materially affect the Company's financial position.

20. GENERAL AND ADMINISTRATIVE EXPENSES:

General and administrative expenses in 2005 and 2004 are as follows:

	Millions of Korean Won			
	2005		2004	
Salaries	₩	51,994	₩	52,533
Provision for severance indemnities		8,452		12,388
Other employee benefits		48,551		61,973
Computer system operating expenses		24,831		25,811
Rent		4,830		5,330
Commissions		16,603		18,597
Entertainment		808		894
Advertising		4,913		7,048
Depreciation		28,919		33,918
Research		-		5
Training and study		381		440
Bad debts written off		7,447		14,993
Taxes and dues		5,203		4,917
Others		17,058		18,386
	₩	219,990	₩	257,233

NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(For the Years Ended March 31, 2005 and 2004)

21. CONTRIBUTIONS TO EMPLOYEE WELFARE AND SOCIETY:

The Company gives support to its employees for housing loans, educational service fees and others. The Company paid ₩ 48,551 million and ₩ 61,973 million for employee welfare for the years ended March 31, 2005 and 2004, respectively. In addition, the Company's long-term loans to employees for housing amounted to ₩ 98 million as of March 31, 2005.

22. SUPPLEMENTARY INFORMATION FOR COMPUTATION OF VALUE ADDED:

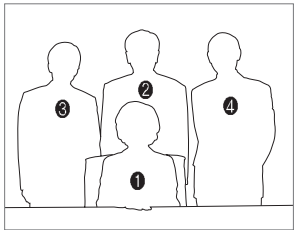
The accounts and amounts needed for calculation of value added in 2005 and 2004 are as follows:

	Millions of Korean Won	
	2005	2004
Ordinary income	₩ 58,742	₩ 103,318
Labor costs	108,997	126,894
Rent	4,830	5,330
Taxes and dues	5,203	4,917
Depreciation	28,919	33,918
	₩ 206,691	₩ 274,377

23. APPROVAL OF FINANCIAL STATEMENTS:

The 2005 financial statements for submission to the general shareholders' meeting are subject to approval at the board of directors' meeting to be held on May 9, 2005.

CEO & Presidents



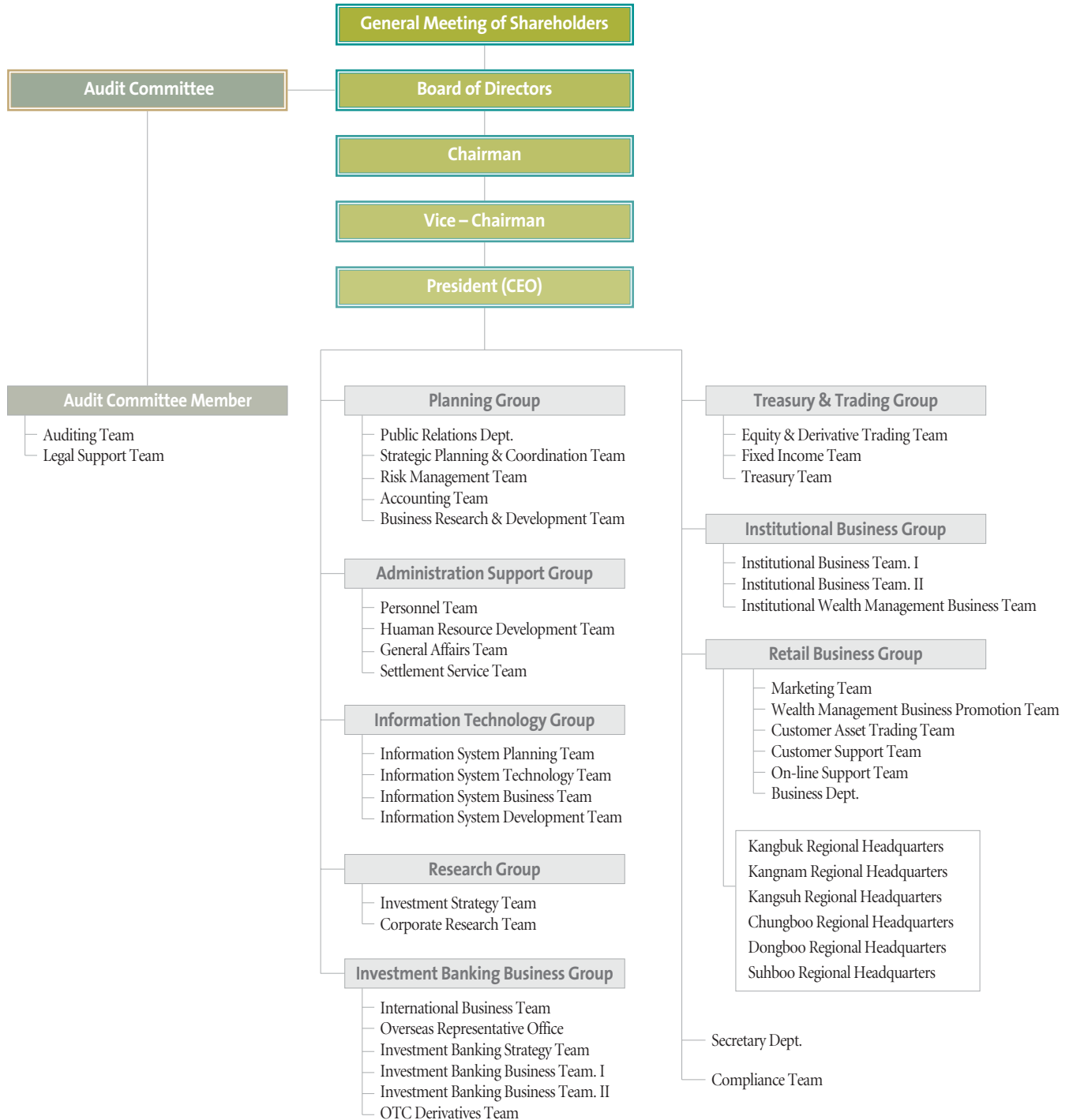
1 _ Lee, Auh Ryung
Chairman of the Daishin Group

2 _ Kim, Dae Song
Daishin Securities CEO & President

3 _ Roh, Chung Nam
DITM CEO & President

4 _ Moon, Hong Jib
DERI CEO & President

Organization Chart



Introduction to Daishin Affiliates

Daishin Investment Trust Management

Initially founded under the name of Daishin Investment Consulting in March 1988, Daishin Investment Trust Management has steadily grown over the years and accumulated a wealth of know-how in asset management. It offers a wide range of services from investment trusts and financial planning to discretionary investment, overseas investment consulting and mutual funds.

In tandem with globalization of the financial markets, Daishin Investment Trust Management was registered as an investment advisory with the US Securities and Exchange Commission in October 1988. Its high level of professionalism and credit worthiness was further attested to by the strategic alliance with Sumitomo Life Insurance of Japan and the induction of private Japanese capital in August 1999.

As a member of Daishin Group, which specializes in financial services, an organic cooperative framework is maintained with other Group affiliates, Daishin Securities and Daishin Economic Research Institute. With a management philosophy that places priority on the customer and emphasis on nurturing talent and adhering to strict codes of conduct, Daishin Investment Trust Management strives to deliver high-quality, tailored financial services. Stability and rational investment decisions are the basic principles that guide asset management activities.

Satisfaction of customer needs, stable return on investment, and systematic risk management are the keys that allow Daishin Investment Trust Management to maintain its prominence in the field of asset management and enhance value of the Daishin brand.

Daishin Economic Research Institute

Daishin Economic Research Institute specializes in the research of financial engineering and quantitative tools to respond to the ever changing financial markets and economic landscape.

The institute is the think tank of Daishin Securities and is manned by a pool of top-notch researchers, who provide timely information on myriads of topics including the domestic and overseas economies, and real estate policy. Investors can access the information through both the online and offline media.

To help investors move towards efficient investment decision-making backed by scientific and quantitative analysis, the research institute developed an independent cyber-trading system that is supported by Daishin Securities. Moreover, work is underway to produce more investor-oriented research using an objective database and to develop a customer-oriented asset management strategy in order to spearhead the markets with a diverse offering of new financial products.

Daishin Economic Research Institute is striving to lead the post-online era with the development and diffusion of world-class systems that combine the online and offline media and to produce research that is highly recognized in the global markets.

Corporate Information

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ESTABLISHED

June 20, 1962

NUMBER OF DOMESTIC BRANCHES

109 (end of March 2005)

EMPLOYEES

1,874

PAID-IN CAPITAL

373.9 billion won

TOTAL SHAREHOLDERS' EQUITY

1,298.7 billion won

OVERSEAS NETWORK

■ Tokyo Representative Office

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Shinjuku-ku, Tokyo, Japan

Tel 81-3-3269-3783, Fax 81-3-3269-3794

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