

November 9, 2011
Daiwa Securities Group Inc.

Attention

This is an unofficial translation of an excerpt of the news release issued on November 9th, 2011, by Daiwa Securities Group Inc. The original news release is in Japanese.

Regarding Moody's Japan K.K. Announcement

Moody's Japan K.K. (hereinafter "Moody's") has announced today, to downgrade the debt ratings of Daiwa Securities Group Inc. ("DSGI"), Daiwa Securities Co. Ltd. ("Daiwa Securities"), and Daiwa Securities Capital Markets Co. Ltd. ("Daiwa CM") as bellow.

	New	Previous
DSGI	Baa3 (negative)	Baa2 (under review for possible downgrade)
Daiwa Securities	Baa2 (negative)	Baa1 (under review for possible downgrade)
Daiwa CM	Baa2 (negative)	Baa1 (under review for possible downgrade)

As Moody's indicates, "Daiwa continues to maintain a relatively solid capital base and adequate liquidity. Its capital adequacy ratio as of end-June 2011 was 28% and its liquidity portfolio was over JPY 1 trillion." In consideration of such firm financial basis and adequate liquidity, we are greatly disappointed by the said downgrade decision of Moody's. We will further accelerate our efforts on current profitability improvement plans to bring forward breakeven performance.

End