

Affirmed BBB/Stable, J-2 on Tokai Tokyo Financial Holdings & Tokai Tokyo Securities
January 25, 2011

<Rationale>

Tokai Tokyo Financial Holdings, Inc. is a holding company of second-tier securities companies engaging primarily in retail securities operations centered on Tokai Tokyo Securities Co., Ltd. With an established customer base in Tokai region centering on Aichi Prefecture, it has carried out alliance strategies with regional banks in recent years. Its relationships with large financial groups are thin and its management is independent from such groups. The ratings on Tokai Tokyo Financial Holdings, Inc. and Tokai Tokyo Securities Co., Ltd. are supported by their strong customer base in Tokai region, capacity to flexibly provide products that can meet needs of customers, and thick equity capital against risk amount. JCR does not consider it necessary to reflect a rating notch difference in the rating for the holding company in consideration of its being combined with Tokai Tokyo Securities Co., Ltd. and its low double leverage ratio.

Issuer: Tokai Tokyo Financial Holdings, Inc. (8616)

<Affirmation>

Senior debts: BBB/Stable

Program Name: Euro Medium Term Note Programme

Maximum: Y30 billion

Date of Programme Established: April 30, 2010

Status: unsecured and unsubordinated obligations ranking pari passu with other unsecured and unsubordinated obligations.

Credit Enhancement: No

Covenants: Negative Pledge and Cross Default Clauses

Rating: BBB

Short-term Senior debts: J-2

CP: J-2

Maximum: Y20 billion

Issuer: Tokai Tokyo Securities Co., Ltd.

<Affirmation>

Senior debts: BBB/Stable

Short-term Senior debts: J-2

CP: J-2

Maximum: Y30 billion

A program rating is assigned to evaluate the creditworthiness of a program. The credit standing of an individual note issued under the program may be regarded as the same as that of the rated program. However, JCR does not consider the credit standing of the individual note as the same as that of the program, in the cases where the principal and interest payments of the individual note rely on the credit standing of a third party rather than the issuer of the program and notes (e.g. credit linked notes and exchangeable notes). JCR usually does not assign a rating to the individual note issued under the program, unless the issuer solicits a rating.