

Press Release



TOKAI TOKYO FINANCIAL HOLDINGS, INC.

5-1, NIHONBASHI 2-CHOME, CHUO-KU, TOKYO 103-6130 JAPAN

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(TSE, NSE: 8616)

March 18, 2022

Re: Termination of the business alliance between our consolidated subsidiaries

We (hereafter “the Company” where appropriate), announce that two of our consolidated subsidiaries, ACE Securities Co., Ltd. (“ACE Securities” hereafter) and Maruhachi Securities Co., Ltd. (“Maruhachi Securities” hereafter) decided respectively at their board of directors’ meetings held today to terminate the comprehensive business alliance agreement that was concluded on November 1, 2008. The alliance was designed to strengthen their securities businesses. We set out below the details of the termination.

1. The reason for termination

ACE Securities and Maruhachi Securities established a business alliance to maximize profit and improve customer satisfaction respectively with enhanced operating efficiency. Toward that end, both companies effectively shared the business resources each company possesses such as talent, information, and other resources, and they took advantage of mutual accessibility to a large combined market as a benefit of the alliance.

They decided on the alliance termination at their board of directors’ meetings on the following grounds.

- Effective May 1, 2022, Tokai Tokyo Securities Co., Ltd. and ACE Securities will be merged as surviving entity and expiring entities respectively.
- ACE Securities made a decision today at its board of directors’ meeting to the effect that ACE RESEARCH INSTITUTE Co., Ltd. (voting rights share: 80% by ACE Securities, 20% by Maruhachi Securities), which provides research information to both ACE Securities and Maruhachi Securities, shall be dissolved on the effective date of April 30, 2022. Further, Maruhachi Securities, at its board of directors’ meeting, decided today to terminate an outsourcing agreement with ACE RESEARCH INSTITUTE Co., Ltd. on the effective date of April 30, 2022.
- The function such as information supply may be provided by another subsidiary of the Company.

2. Description of the business alliance to be terminated.

The agreement was reached between ACE Securities and Maruhachi Securities to terminate the comprehensive business alliance agreement concerning securities business operations that was concluded on the effective date of November 1, 2008.

3. Schedule for the termination

- The date on which the decision on termination is made by the respective board of directors' meetings: March 18, 2022.
- The effective termination date: March 18, 2022

4. The profile of the company that terminates business alliance

< ACE Securities >

(I)	Company Name	ACE Securities Co., Ltd.		
(II)	Address	2 Chome 6-11 Honmachi, Chuo Ku, Osaka City		
(III)	Name and Position of the Representative	Yoshinori Deguchi, President and Representative Director		
(IV)	Business	Financial Instruments Business Operator		
(V)	Capital Stock	¥8,831,125,000 (as of December 31, 2021)		
(VI)	Date of Incorporation	February 21, 1931		
(VII) Large shareholder(s)	as of December 31, 2021	Tokai Tokyo Financial Holdings, Inc., 100% shareholder		
(VIII)	The relation between the Company and the ACE Securities ("the subject" hereafter where appropriate)			
	Capital Relation	The Company owns 100% voting rights of the subject.		
	Personnel Relation	Mr. Satoshi Matsui, a director of the subject, concurrently served as a Company's Managing Executive Officer, and Mr. Masaaki Murakami now concurrently serves as an Advisor to the Company, Also, Mr. Ichiro Goda now concurrently serves as a Director of the Company. In addition, Mr. Yoshifumi Ito now concurrently serves as a Managing Executive Officer of the Company.		
	Business Relation	The Company supplies its products to the subject.		
	Status as Related Party	The subject is a wholly-owned subsidiary of the Company.		
(IX)	Business Performance and Financial Status of ACE Securities during the Recent Three-year Period (in million yen unless otherwise noted)			
	Fiscal Year Ended in:	March 2019	March 2020	March 2021
	Consolidated Net Assets	26,874	26,870	28,673
	Consolidated Total Assets	37,560	40,128	42,098
	Per-share Consolidated Net Assets	4,553.70 Yen	4,589.30 Yen	4,920.26 Yen
	Consolidated Operating Revenue	10,050	10,043	11,260
	Consolidated Ordinary Income	860	1,248	2,297
	Consolidated Net Income Attributable to the Parent Company	500	830	1,464
	Per-share Consolidated Net Income	100.34 Yen	166.63 Yen	293.77 Yen
	Dividend Per-share	50.00 Yen	60.00 Yen	0 Yen

< Maruhachi Securities >

(I)	Company Name	Maruhachi Securities Co., Ltd.
(II)	Address	2 Chome 4 Shinsakaemachi, Naka Ku, Nagoya City, Aichi Prefecture
(III)	Name and Position of the Representative	Takuya Suzuki, President and Representative Director

(IV)	Business	Financial Instruments Business Operator		
(V)	Capital Stock	¥3,751,856,000 (as of December 31, 2021)		
(VI)	Date of Incorporation	March 30, 1944		
(VII)	Major Shareholders and Respective Shareholding Ratios (as of September 30, 2021)	ACE Securities Co., Ltd.	43.63%*	
		Yoshitaka Nakamura	15.11%	
		Nomura Properties, Inc.	5.45%	
		Fumiko Nakamura	2.19%	
		KousukeHosokawa	1.21%	
		Fund Creation Co., Ltd.	1.03%	
		HideakiYamaguchi	0.98%	
		Maruhachi Securities Employee Shareholders' Association	0.81%	
		Yasunori Satono	0.58%	
(VIII)	Relation between the Company and Maruhachi Securities.			
	Capital Relation	The Company owns 43.63% of Maruhachi Securities's stocks.		
	Personnel Relation	Both Mr. Hiromi Tajima and Mr. Takuya Suzuki, Directors of Maruhachi Securities, were the Company's Managing Executive Directors and Mr. Masato Kozawa was the Company's Managing Executive Officer.		
	Business Relation	The Company Group supplies its products to Maruhachi Securities.		
	Status as Related Party	Maruhachi Securities is a consolidated subsidiary of the Company.		
(IX)	Business Performance and Financial Status of Maruhachi Securities in the Recent Three-year Period (in million yen unless otherwise noted)			
	Fiscal Year Ended in:	March 2019	March 2020	March 2021
	Net Assets	7,064	6,752	7,346
	Total Assets	8,722	8,698	9,957
	Per-share Net Assets	1,769.94 Yen	1,691.73 Yen	1,840.71 Yen
	Operating Revenue	2,898	2,421	3,040
	Ordinary Income	548	228	607
	Net Income	406	163	413
	Per-share Net Income	101.72 Yen	40.90 Yen	103.60 Yen
	Dividend Per-share	50.00 Yen	30.00 Yen	50.00 Yen

(Note) The "major shareholders" and "shareholding ratio" described above are the same as those in the "2nd Quarterly Report for the 104th Fiscal Year" submitted on November 12, 2021, by Maruhachi Securities.

* The shares of Maruhachi Securities that ACE Securities had possessed (with a shareholding ratio of 43.63%) were transferred to the Company in the form of a dividend in kind on the effective date of November 15, 2021.

5. Future Outlook

The impact on the Company's consolidated performance the matter announced today may cause would be insignificant.

(end)