

# Press Release



## TOKAI TOKYO FINANCIAL HOLDINGS, INC.

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(8616; PRIME Market, PREMIER Market)

March 25, 2024

### **Re: The notice of scheduled payment of corporate tax and the related tax on incomes earned in the past fiscal years in the UK**

We, Tokai Tokyo Financial Holdings, Inc., decided on March 25, 2024, that we will pay corporate tax and the related tax to HM Revenue & Customs (hereafter referred to as “HMRC”) assessed on incomes earned in the past fiscal years. (We refer to this specific gross tax payment hereafter as “the subject tax payment”). Accordingly, we now advise you that we will post the payment obligation of corporate income tax and the related tax for the fiscal year ending in March 2024 in the manner we describe below.

#### 1. Background and details of the subject tax payment

In 2009, we made a less than 2% capital contribution to a fund management advisory firm in the UK. Since then, we have been receiving distributed profits (hereafter “the distributed profits”) that have accumulated to about 4.2 billion Yen up to now, and we continue paying corporate tax in Japan on the distributed profits.

Concerning the UK tax implication of the distributed profits, we have negotiated with HMRC, and we received a notification from them to the effect that we must make a tax payment in the UK. We then studied the HMRC’s view assisted by an international taxation specialist and a tax attorney versed in UK tax law. As a result of the scrutiny, we decided today to pay the UK corporate tax and the related tax on the distributed profits we have received for the period from 2010 until March 2023 in complying with the HMRC’s view. We exercised a comprehensive judgment in reaching this decision. Therefore, we now advise you that we will pay soon to HMRC the total amount of STG £ 8,002,411.28 (which is equivalent to approximately ¥1.5 billion as of March 25, 2024) including the overdue tax.

#### 2. The impact the subject tax payment may have on the financial results of the Tokai Tokyo Financial Group.

Since we, Tokai Tokyo Financial Holdings, Inc., regularly pay corporate tax in Japan on the distributed profits, we are considered to be an eligible recipient of foreign tax credit retroactively associated with the subject tax payment including those we have made in the past. We intend to apply, to the extent the Japanese corporate tax law allows, for receiving the tax credit regarding the subject tax payment when we file the tax return for the FYE March 2024. Therefore, we estimate that the total financial impact the subject tax payment may cause will not exceed the total amount stated above in paragraph 1.

It is our estimate as of now that we will post the corporate tax and others for the FYE March 2024 approximately in the amount of ¥700 million associated with the subject tax payment.

We do not publicly disclose the estimated performance fully for the FYE March 2024, but we show below the group performance result up to the end of the 3<sup>rd</sup> quarter of the same year for your reference.

We, the Tokai Tokyo Financial Group, deem it our fundamental management policy to comply with the laws and regulations we are subject to, and we will continue to fulfill appropriate tax obligations accordingly.

(For your reference) The Group Performance Summary (in Million Yen)

	Operating Revenue	Ordinary Income	Profit Attributable to Owners of Parent
Accumulated Performance as of the 3 <sup>rd</sup> quarter of the FYE March 2024	64,590	11,467	7,123
Performance of the FYE March 2023	73,383	6,346	1,953

(end)

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