

# *Press Release*



**TOKAI TOKYO FINANCIAL HOLDINGS, INC.**

6-2, NIHONBASHI 3-CHOME, CHUO-KU, TOKYO 103-0027 JAPAN

March 22, 2016

## **Re: Shifting to the company with a committee governance structure**

We, Tokai Tokyo Financial Holdings, Inc. (the Company hereinafter), are pleased to inform you that we passed the resolution at our Directors Meeting held today to the effect that the Company will shift to the company with a committee governance structure. The subject resolution was made as per the “Act for Partial Revision of the Companies Act” (Act No. 90 of 2014), which came into force on May 1, 2015.

Please note however that the practice of the resolution is conditioned upon the approval by the 104<sup>th</sup> Regular Meeting of Shareholders that is scheduled to be held in June 2016.

### 1. The objective:

A part of our current policy related to corporate governance is that 1) we appoint an External Director as the Chairperson of the Directors Meeting, 2) we elect at least half of the Directors as External Directors, and further 3) we elect at least a third of such External Directors from those who meet the requirement to be the Independent External Director in the context of the Company Act. The policy we stated above reflects our recognition that the enhancement of corporate governance is one of the primary management tasks we must fulfill. For such objective, we have made endeavors to raise the fairness and the transparency of management, win trust from all the stakeholders, and ultimately increase the corporate value of the Company.

What we meant to accomplish by this proposed shift is the following; By appointing the committee member(s) who assume the role of auditing as Director(s), we should be able to enhance audit and supervision function, which leads the Company to better governance status. In addition, by delegating some of the authorities from the Directors Meeting to Operating Officers, we should be able to speed up the decision making process, which, altogether, helps the Directors Meeting focus on discussions on important strategic matters.

### 2. The scheduled timing of the shift:

We will implement the shift after obtaining the approval from the Regular Meeting of Shareholders to be held in June 2016 on both the revision of the Company’s Articles of Incorporation, and the personal reshuffle, which are necessary for the subject shift.

### 3. Others:

We will advise you of the details related to the subject shift such as the part of the Articles of Incorporation to be revised, the change of Directors and other matters as soon as they are determined. Also, please be notified that Tokai Tokyo Securities Company Ltd., a consolidated subsidiary of the Company, will also shift to the company with a committee governance structure after confirming the approval from the 8<sup>th</sup> Regular Meeting of Shareholders.

(end)