

Press Release



TOKAI TOKYO FINANCIAL HOLDINGS, INC.

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

(Securities Code 8616)

May 23, 2016

Re: Partial Amendments to the Current Articles of Incorporation

We, Tokai Tokyo Financial Holdings, Inc., (hereinafter “the Company”) inform you that we decided at the Board of Directors Meeting held today to submit a proposal pursuant to the captioned matter to the 104th Regular Meeting of Shareholders to be held on the 29th of June 2016.

1. Reasons for the amendments

Subject to the approval from the 104th Regular Meeting of Shareholders to be held on the 29th of June 2016, we plan to become “a company with an Audit and Supervisory Committee” as introduced by the Law for Partial Amendments to Companies Act (Act No. 90 of 2014) that came into effect on May 1, 2015.

In order to put the above mentioned plan into practice, we now make the necessary amendments to the Company’s Articles of Incorporation, which in essence include; introducing the new articles that 1) prescribe the Audit and Supervisory Committee and the Directors who concurrently will become members of the said Committee, 2) entrust the Directors with an authority to perform in part or entirety important business matters (except for the matters outlined in each item of paragraph (5) of the Article 399-13 under the Companies Act) when respective relevant decisions are made by the Board of Directors Meeting and; 3) deleting the current articles that are pursuant to Audit & Supervisory Board and its members.

2. Description of the Planned Amendments to the Company’s Articles of Incorporation.

Please refer to the details we set out in the attachment.

3. Scheduled progress for the Planned Amendments to the Company’s Articles of Incorporation

- (1) Planned date of the Regular Meeting of Shareholders in which the matter will be discussed: June 29, 2016
- (2) Target date on the proposed amendments to the Articles of Incorporation become effective.: June 29, 2016

(end)

Attachment

The amendments are set out as follows.

(Underlined parts will be amended.)

Current Articles of Incorporation	Proposed Amendments
<p>Chapter 1 General Provisions Articles 1 to 3 (Omitted)</p> <p>Article 4 (Governing Bodies) In addition to the General Meeting of Shareholders and Directors, the Company shall have the following bodies.</p> <p>(1) Board of Directors; (2) <u>Audit & Supervisory Board Members</u> (3) <u>Audit & Supervisory Board; and</u> (4) <u>Accounting Auditor.</u></p> <p>Article 5 (Method of Public Notice) The Company's public notices shall be by electronic public notices; provided, however, that, in case that it is impossible to provide electronic public notices due to accidents or for other unavoidable reasons, public notices shall <u>be made</u> by posting on The Nikkei and The Chunichi Shimbun.</p> <p>Chapter 2 Shares Articles 6 to 9 (Omitted)</p> <p>Article 10 (Adding to Holdings of Shares of Less than One Unit)</p> <p>1 <u>Subject to</u> the Share Handling Regulations, shareholders holding shares of less than one unit of the Company may request that the Company sell such shareholders a number of shares that would, in conjunction with the shares that they already hold, allow them to hold one full unit (hereinafter referred to as "Additional Purchase Request"); provided, however, that, the same shall not apply to cases in which the Company does not own the requisite number of shares to be sold at the time of Additional Purchase Request.</p> <p>2 The period, method, etc., that allows <u>Additional Purchase Request</u> to be made shall be subject to the Share Handling Regulations <u>regulated by the Board of Directors.</u></p> <p>Article 11 (Omitted)</p> <p>Article 12 (Shareholder Registry Administrator)</p> <p>1 The Company shall establish a shareholder registry administrator.</p> <p>2 A shareholder registry administrator and the location for the handling of its business affairs shall be <u>regulated by a resolution of the Board of Directors, and</u> announced by public notice.</p> <p>3 The compilation and storage of the shareholder registry and the registry of stock acquisition rights of the Company as well as business affairs relating to the aforementioned registries shall be delegated to a shareholder registry administrator, and the Company shall not handle the same.</p>	<p>Chapter 1 General Provisions Articles 1 to 3 (Unchanged)</p> <p>Article 4 (Governing Bodies) In addition to the General Meeting of Shareholders and Directors, the Company shall have the following bodies.</p> <p>(1) Board of Directors; (2) <u>Audit and Supervisory Committee; and</u> (Deleted) (3) <u>Accounting Auditor.</u></p> <p>Article 5 (Method of Public Notice) The Company's public notices shall be by electronic public notices; provided, however, that, in case that it is impossible to provide electronic public notices due to accidents or for other unavoidable reasons, public notices shall <u>be made (here, with only Japanese-language expressions differing from those in the current the Articles of Incorporation)</u> by posting on The Nikkei and The Chunichi Shimbun.</p> <p>Chapter 2 Shares Articles 6 to 9 (Unchanged)</p> <p>Article 10 (Adding to Holdings of Shares of Less than One Unit)</p> <p>1 Subject to the Share Handling Regulations <u>regulated by the Company,</u> shareholders holding shares of less than one unit of the Company may request that the Company sell such shareholders a number of shares that would, in conjunction with the shares that they already hold, allow them to hold one full unit (hereinafter referred to as "Additional Purchase Request"); provided, however, that, the same shall not apply to cases in which the Company does not own the requisite number of shares to be sold at the time of an Additional Purchase Request.</p> <p>2 The period, method, or the like, that allows <u>Additional Purchase Request</u> to be made shall be subject to the Share Handling Regulations.</p> <p>Article 11 (Unchanged)</p> <p>Article 12 (Shareholder Registry Administrator)</p> <p>1 (Unchanged)</p> <p>2 <u>Information on</u> a shareholder registry administrator and the location for the handling of its business affairs shall be announced by public notice.</p> <p>3 (Unchanged)</p>

Article 13 (Record Date)

In addition to the regulations under the Articles of Incorporation, if necessary, the Company shall allow shareholders or registered share pledgees stated or recorded in the shareholder registry as of a certain date to be shareholders or registered share pledgees who are able to exercise their rights by a resolution of the Board of Directors by prior public notice.

Chapter 3 General Meeting of Shareholders

Article 14 (Convocation)

- 1 The Ordinary General Meeting of Shareholders shall be convened within three (3) months following April 1 each year, and an Extraordinary General Meeting of Shareholders shall be convened as necessary.
- 2 Unless separately required under laws and regulations, a General Meeting of Shareholders shall be convened by the President; provided, however, that, when the President is unable to act, another Representative Director shall convene the same in accordance with the order of priority set in advance by the Board of Directors.

Articles 15 and 16 (Omitted)

Article 17 (Chairperson)

The President shall act as the Chairperson of the General Meeting of Shareholders; provided, however, that, when the President is unable to act, another Director shall act as the Chairperson of the General Meeting of Shareholders in accordance with the order of priority set in advance by the Board of Directors.

Article 18 to 20 (Omitted)

Chapter 4 Directors and Board of Directors

Article 21 (Number and Election)

- 1 There shall be up to twelve (12) Directors of the Company, to be elected at a General Meeting of Shareholders.

(Newly Established)

- 2 A resolution for the election under the preceding Paragraph shall be made by a majority vote of attending shareholders holding one-third (1/3) or more of the total voting rights.

- 3 The election of Directors shall not be by cumulative voting.

(Newly Established)

Article 13 (Record Date)

In addition to the regulations under the Articles of Incorporation, if necessary, the Company shall allow shareholders or registered share pledgees stated or recorded in the shareholder registry as of a certain date to be shareholders or registered share pledgees who are able to exercise their rights by prior public notice..

Chapter 3 General Meeting of Shareholders

Article 14 (Convocation)

- 1 (Unchanged)

2. Unless separately required under laws and regulations, a General Meeting of Shareholders shall be convened by the Chairman or the President; provided, however, that, when both the Chairman and the President are unable to act, another Representative Director shall convene the same in accordance with the order of priority set in advance by the Board of Directors.

Articles 15 and 16 (Omitted)

Article 17 (Chairperson)

Of the Chairman and the President, the Director previously determined by resolution of the Board of Directors shall act as the Chairperson of the General Meeting of Shareholders; provided, however, that, when both the Chairman and the President are unable to act, another Director shall act as the Chairperson of the General Meeting of Shareholders in accordance with the order of priority set in advance by the Board of Directors.

Article 18 to 20 (Unchanged)

Chapter 4 Directors and Board of Directors

Article 21 (Number)

- 1 There shall be up to ten (10) Directors of the Company.

- 2 From among the Directors under the preceding Paragraph, up to five (5) shall be Audit and Supervisory Committee Directors.

(Deleted)

(Deleted)

Article 22 (Method for Election)

- 1 Election of Directors shall be conducted by distinguishing Audit and Supervisory Committee Directors and Directors who are not, by resolution at a General Meeting of Shareholders.

- 2 A resolution for the election of Directors shall be made by a majority vote of attending shareholders holding one-third (1/3) or more of the total voting rights.

- 3 The election of Directors shall not be by cumulative voting.

Article 22 (Term of Office)

The term of office of a Director shall expire at the conclusion of the Ordinary General Meeting of Shareholders held with respect to the latest business year ending within one (1) year after his or her election to the office.

(Newly Established)

(Newly Established)

(Newly Established)

Article 23 (Representative Directors and Directors with Title)

1 The Company shall select one (1) or more Representative Directors by resolution of the Board of Directors.

2 The Board of Directors shall select one (1) President from among Representative Directors.

3 The Board of Directors may select other Directors with titles from among Directors.

Article 24 (Convocation)

1 Unless separately required under laws and regulations, a Board of Directors meeting shall be convened by the Chairman of the Board of Directors or the President; provided, however, that, when the Chairman of the Board of Directors or the President is unable to act, another Director shall convene the same in accordance with the order of priority set in advance by the Board of Directors.

2 The convocation of a Board of Directors Meeting under the preceding Paragraph shall be conducted by dispatching the notice of convocation to each Director and each Audit & Supervisory Board Member at least three (3) days prior to the date of such meeting; provided, however, that in case of an emergency, such period may be shortened.

3 A Board of Directors meeting may be held without undergoing relevant convocation procedures with the consent of all Directors and Audit & Supervisory Board Members.

Article 23 (Term of Office)

1 The term of office of a Director (excluding Audit and Supervisory Committee Directors) shall expire at the conclusion of the Ordinary General Meeting of Shareholders held with respect to the latest business year ending within one (1) year after his or her election to the office.

2 The term of office of an Audit and Supervisory Committee Director shall expire at the conclusion of the Ordinary General Meeting of Shareholders held with respect to the latest business year ending within two (2) years after his or her election to the office.

3 The term of office of an Audit and Supervisory Committee Director elected to fill a vacancy created by the retirement of an Audit and Supervisory Committee Director before the expiration of his or her term of office shall expire at the time of expiration of the term of office of the retired Audit and Supervisory Committee Director.

4 The effective period for the resolution for election of a substitute Audit and Supervisory Committee Director elected based on Paragraph 3, Article 329 of the Companies Act shall expire at the beginning of the Ordinary General Meeting of Shareholders held with respect to the latest business year ending within two (2) years after such resolution for election.

Article 24 (Representative Directors and Executive Directors)

1 The Company shall select one (1) or more Representative Directors from among Directors (Excluding Directors serving on the Audit and Supervisory Committee) by resolution of the Board of Directors.

2 The Board of Directors may select one (1) Chairman and one (1) President from among Representative Directors.

3 The Board of Directors may select other Executive Directors from among Directors (Excluding Directors serving on the Audit and Supervisory Committee).

Article 25 (Convocation)

1 Unless separately required under laws and regulations, a Board of Directors meeting shall be convened by the Chairman of the Board of Directors, the Chairman or the President; provided, however, that, when the Chairman of the Board of Directors, the Chairman and the President are all unable to act, another Director shall convene the same in accordance with the order of priority set in advance by the Board of Directors.

2 The convocation of a Board of Directors Meeting, shall be conducted by dispatching the notice of convocation to each Director at least three (3) days prior to the date of such meeting; provided, however, that in case of an emergency, such period may be shortened.

3 A Board of Directors meeting may be held without undergoing relevant convocation procedures with the consent of all Directors.

Article 25 (Chairperson of the Board of Directors)

The Board of Directors shall select one (1) Chairperson of the Board of Directors from among Directors; provided, however, that, when the Chairman of the Board of Directors is unable to act, another Director shall assume the chair in accordance with the order of priority set in advance by the Board of Directors.

Article 26 (Method for Resolution)

(Omitted)

(Newly Established)

Article 27 (Minutes)

- 1 The proceedings of a Board of Directors meeting, the outline of the course of proceedings and the results as well as matters regulated under laws and regulations shall be recorded in the minutes, and the Directors and Audit & Supervisory Board Members present shall sign or seal their names thereon.
- 2 The content of matters deemed to be a resolution in accordance with Paragraph 2 of the preceding Article as well as matters regulated under laws and regulations shall be recorded in the minutes.

Article 28 (Remunerations, etc.)

- 1 Remunerations, bonuses, and other property benefits in consideration of execution of the duties of Directors received from the Company shall be determined based on a resolution of a General Meeting of Shareholders.

Article 29 (Exemption from Liability of Directors)

(Omitted)

Chapter 5 Audit & Supervisory Board Members and Audit & Supervisory Board

Article 30 (Number and Election)

- 1 There shall be up to six (6) Audit & Supervisory Board Members of the Company, to be elected at a General Meeting of Shareholders.
- 2 A resolution for the election under the preceding Paragraph shall be made a majority vote of attending shareholders holding one-third (1/3) or more of the total voting rights.

Article 31 (Term of Office)

The term of office of an Audit & Supervisory Board Member shall expire at the conclusion of the Ordinary General Meeting of Shareholders held with respect to the latest business year ending within four (4) years after his or her election to the office; provided, however, the term of office of an Audit &

Article 26 (Chairperson)

The Board of Directors shall select one (1) Chairperson of the Board of Directors from among Directors; provided, however, that, when the Chairman of the Board of Directors is (here, the preposition differs from that in the current Articles of Incorporation only in the Japanese language) unable to act, another Director shall assume the chair in accordance with the order of priority set in advance by the Board of Directors.

Article 27 (Method for Resolution)

(Unchanged)

Article 28 (Delegation of Decisions regarding the Execution of Important Business Activities)

Subject to the Companies Act Paragraph 6, Article 399-13, the Company may delegate to Directors all or part of decisions regarding the execution of important business activities (excluding matters outlined in each item of Paragraph 5, Article 399-13) by resolution of the Board of Directors.

Article 29 (Minutes)

- 1 The proceedings of a Board of Directors meeting, the outline of the course of proceedings and the results as well as matters regulated under laws and regulations shall be recorded in the minutes, and the Directors present shall sign or seal their names thereon.
- 2 The content of matters deemed to be a resolution in accordance with Paragraph 2, Article 27 as well as matters regulated under laws and regulations shall be recorded in the minutes.

Article 30 (Remunerations, etc.)

Remunerations, bonuses, and other property benefits in consideration of execution of the duties of Directors received from the Company shall be determined based on a resolution of a General Meeting of Shareholders, distinguishing between Audit and Supervisory Committee Directors and those who are not.

Article 31 (Exemption from Liability of Directors)

(Unchanged)

(Deleted)

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<p><u>Supervisory Committee Member elected to fill a vacancy created by the retirement of an Audit & Supervisory Committee Member before the expiration of his or her term of office shall expire at the time of expiration of the term of office of the predecessor.</u></p>	
<p><u>Article 32 (Full-Time Audit & Supervisory Board Members)</u> <u>The Audit & Supervisory Board shall select full-time Audit & Supervisory Board Members by resolution.</u></p>	(Deleted)
<p><u>Article 33 (Convocation)</u> <u>1 The convocation of an Audit & Supervisory Board Meeting shall be conducted by dispatching the notice of convocation to each Audit & Supervisory Board Member at least three (3) days prior to the date of such meeting; provided, however, that in case of an emergency, such period may be shortened.</u> <u>2 The notice in the preceding Paragraph may be conducted without undergoing relevant convocation procedures with the consent of all Audit & Supervisory Board Members.</u></p>	(Deleted)
<p><u>Article 34 (Resolution)</u> <u>Unless separately required under laws and regulations, resolutions of an Audit & Supervisory Board Meeting shall be approved by a majority of the Audit & Supervisory Board Members.</u></p>	(Deleted)
<p><u>Article 35 (Minutes)</u> <u>The proceedings of an Audit & Supervisory Board Meeting, the outline of the course of proceedings and the results as well as matters regulated under laws and regulations shall be recorded in the minutes, and the Audit & Supervisory Board Members present shall sign or seal their names thereon.</u></p>	(Deleted)
<p><u>Article 36 (Remunerations, etc.)</u> <u>Remunerations, bonuses, and other property benefits in consideration of execution of the duties of Audit & Supervisory Board Members received from the Company shall be determined based on a resolution of a General Meeting of Shareholders.</u></p>	(Deleted)
<p><u>Article 37 (Exemption from Liability of Audit & Supervisory Board Members)</u> <u>1 In accordance with the provisions of Paragraph 1, Article 426 of the Companies Act, the Company may, by resolution of the Board of Directors, exempt Audit & Supervisory Board Members (including former Audit & Supervisory Board Members) from liabilities for damages stipulated by Paragraph 1, Article 423 of the Companies Act, to the extent provided in laws and regulations.</u> <u>2 In accordance with the provisions of Paragraph 1, Article 427 of the Companies Act, the Company may enter into limited liability agreements to limit liabilities for damages incurred by Audit & Supervisory Board Members, which are stipulated by Paragraph 1, Article 423 of the Companies Act, with Audit & Supervisory Board Members. However, the amount of liability under the agreements is limited to the minimum liability amount stipulated by laws and regulations.</u></p>	(Deleted)

<p>(Newly Established) (Newly Established)</p>	<p><u>Chapter 5 Audit and Supervisory Committee</u> <u>Article 32 (Full-Time Audit and Supervisory Committee Members)</u> <u>The Audit and Supervisory Committee may select full-time Audit and Supervisory Committee Members by resolution.</u></p>
<p>(Newly Established)</p>	<p><u>Article 33 (Convocation)</u> <u>1 The convocation of an Audit and Supervisory Committee Meeting shall be conducted by dispatching the notice of convocation to each Audit and Supervisory Committee Member at least three (3) days prior to the date of such meeting; provided, however, that in case of an emergency, such period may be shortened.</u> <u>2 An Audit and Supervisory Committee Meeting may be held without undergoing relevant convocation procedures with the consent of all Audit and Supervisory Committee Members.</u></p>
<p>(Newly Established)</p>	<p><u>Article 34 (Method for Resolution)</u> <u>A resolution by the Audit and Supervisory Committee shall be made by a majority of attending Audit and Supervisory Committee Members of a majority of Audit and Supervisory Committee Members with voting rights.</u></p>
<p>(Newly Established)</p>	<p><u>Article 35 (Minutes)</u> <u>The proceedings of an Audit and Supervisory Committee Meeting, the outline of the course of proceedings and the results as well as matters regulated under laws and regulations shall be recorded in the minutes, and the Audit and Supervisory Committee Members present shall sign or seal their names thereon.</u></p>
<p>Chapter 6 Accounting Auditor Article <u>38</u> (Method for Election) (Omitted)</p> <p>Article <u>39</u> (Term of Office) (Omitted)</p> <p>Article <u>40</u> (Remunerations, etc.) Remuneration, bonuses, and other property benefits in consideration of execution of the duties of the Accounting Auditor received from the Company shall be determined by a Representative Director upon obtaining consent of the <u>Audit & Supervisory Board</u>.</p>	<p>Chapter 6 Accounting Auditor Article <u>36</u> (Method for Election) (Unchanged)</p> <p>Article <u>37</u> (Term of Office) (Unchanged)</p> <p>Article <u>38</u> (Remunerations, etc.) Remuneration, bonuses, and other property benefits in consideration of execution of the duties of the Accounting Auditor received from the Company shall be determined by a Representative Director upon obtaining consent of the <u>Audit and Supervisory Committee</u>.</p>
<p>Chapter 7 Accounts Article <u>41</u> (Business Year) (Omitted)</p> <p>Article <u>42</u> (Dividends from Surplus) (Omitted)</p> <p>Article <u>43</u> (Interim Dividends) (Omitted)</p>	<p>Chapter 7 Accounts Article <u>39</u> (Business Year) (Unchanged)</p> <p>Article <u>40</u> (Dividends from Surplus) (Unchanged)</p> <p>Article <u>41</u> (Interim Dividends) (Unchanged)</p>
<p>Article <u>44</u> (Prescription Period of Dividends from Surplus) (Omitted)</p>	<p>Article <u>42</u> (Prescription Period of Dividends from Surplus) (Unchanged)</p>

<p>(Newly Established) (Newly Established)</p>	<p><u>Supplementary Provisions</u> <u>Article 1 (Transitional Measures Relating to Exemption from Liability of Audit & Supervisory Board Members)</u></p> <p><u>In accordance with the provisions of Paragraph 1, Article 426 of the Companies Act, the Company may, by resolution of the Board of Directors, exempt Audit & Supervisory Board Members (including former Audit & Supervisory Board Members) from liabilities for damages stipulated by Paragraph 1, Article 423 of the Companies Act in relation to acts undertaken prior to the conclusion of the 104th Ordinary General Meeting of Shareholders, to the extent provided by laws and regulations.</u></p>
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