

Press Release



TOKAI TOKYO FINANCIAL HOLDINGS, INC.

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

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(TSE, NSE: 8616)

December 27, 2018

Establishment of M&A Advisory Company “Pinnacle TT Solution” Specialized in Business Succession

We, Tokai Tokyo Financial Holdings, Inc., are pleased to announce that we are preparing to start the operation of Pinnacle TT Solution Inc. (President & Representative Director: Masaaki Takano, headquarters: Minato-ku, Tokyo, hereinafter referred to as “PTTS”) in January 2019 with a concept to help small and medium-sized companies solve their business succession problems.

PTTS is a subsidiary of Pinnacle Inc., an M&A advisory service company that is, further, one of our consolidated subsidiaries. PTTS will provide advisory services specializing in business succession type of M&A, and it will set itself apart in providing the said services from the peers by differentiating approach to focus on customers’ interests.

With the aim stated above, PTTS will operate with the people from Pinnacle Inc. as core staff who possess extensive experience in the advisory service, as well as the staff from Tokai Tokyo Securities Co., Ltd.

While driving this operation forward, we will make the most of the collaboration with our strategic partner regional banks, as well as the extensive network we have built with various securities brokerage firms that we are wholesaling our services to. Thus, we will have PTTS work on the business succession solutions tailored to small and medium-sized business owners all across Japan.

PTTS was established originally as a wholly owned subsidiary of Pinnacle Inc., but we plan to acquire 40% of the shares of PTTS in January 2019 by undertaking a third-party allotment of new shares. We will add the PTTS’s business succession advisory service to the portfolio of our wholesale services that we refer to as “the Platform”. It is our strategy to leverage on this specific M&A advisory service for our future business expansion because the business succession is a widely prevalent concern among the owners of small and medium-sized businesses in Japan.

About the burden associated with this equity acquisition, we estimate that the impact on our consolidated financial standing would be insignificant.

Corporate profile of PTTS (as of December 27, 2018)

Company name	Pinnacle TT Solution Inc.
Headquarters	1-6-7 Shiba-Koen, Minato-ku, Tokyo, Japan
Representative	Mr. Masaaki Takano, President & Representative Director
Business	Business succession M&A advisory services
Paid-in capital	1 million yen
Establishment	December 7, 2018
Major shareholders	Pinnacle Inc. 100% (40% to be owned by Tokai Tokyo Financial Holdings, Inc. and 60% to be owned by Pinnacle Inc. as of January 2019)

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Contact: +81-(0)3-3517-8618, Corporate Communications, Tokai Tokyo Financial Holdings, Inc.