

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 1, 2019

Tokai Tokyo Securities will Absorb Takagi Securities (Absorption Merger between our Consolidated Subsidiaries)

As disclosed on December 17, 2018, we, Tokai Tokyo Financial Holdings, Inc. (hereinafter “the Company”), have been discussing an absorption merger (hereinafter “the Merger”) between our wholly owned subsidiaries, Tokai Tokyo Securities Co., Ltd. (hereinafter “Tokai Tokyo Securities”) and Takagi Securities Co., Ltd. (hereinafter “Takagi Securities”), with Tokai Tokyo Securities as a surviving company. After the deliberation, we hereby announce that we have resolved to carry out the Merger effective September 1, 2019 (the date of the Merger) as follows. Please note that some disclosure matters have been omitted as per the relevant disclosure requirement since the Merger will take place between the Company’s consolidated subsidiaries.

Furthermore, Takagi Securities, which will be extinguished as a result of the Merger, is a specified subsidiary of the Company.

1. Purpose of the Merger

Currently, we are seeing intensified competition due to entries of securities companies owned by the parents from different industries and changes in the operating environment surrounding the securities industry including market trends. In order to further improve our customer service, and effectively maintain and increase our group’s corporate value, we have decided to carry out the Merger.

2. Outline of the Merger

(1) Schedule

Resolution date by the Board of Directors	March 1, 2019
Execution date of the Merger Agreement	March 1, 2019
Resolution adoption date by Shareholders’ Meetings of merging companies	During June 2019 (Planned)
Date of the Merger	September 1, 2019 (Planned)

(2) Method

The Merger is an absorption merger wherein Tokai Tokyo Securities will be the surviving company and Takagi Securities will be the absorbed company.

(3) Details of allotments relating to the Merger

No shares or other pecuniary interests will be allocated through the Merger.

(4) Treatment of stock acquisition rights and convertible bonds for the absorbed company

Not applicable.

3. Outline of the companies involved in the Merger (as of March 1, 2019)

	Surviving company	Absorbed company
(1) Company name	Tokai Tokyo Securities Co., Ltd.	Takagi Securities Co., Ltd.
(2) Headquarters	7-1, Meieki 4-chome, Nakamura-ku, Nagoya-shi, Aichi, Japan	3-1-400, Umeda 1-chome, Kita-ku, Osaka-shi, Osaka, Japan
(3) President and Representative Director	Toshiyuki Hayakawa	Kouji Iida
(4) Business	Financial Instruments Business Operator	Financial Instruments Business Operator
(5) Paid-in capital	6,000 million yen	11,069 million yen
(6) Date of incorporation	October 8, 2008	November 21, 1918
(7) Number of shares issued	120,000	59,764,000
(8) End of fiscal year	March 31	March 31
(9) Major shareholders/ ownership ratio	Tokai Tokyo Financial Holdings, Inc. 100%	Tokai Tokyo Financial Holdings, Inc. 100%

4. Outline of Tokai Tokyo Securities after the Merger

(1) Company name	Tokai Tokyo Securities Co., Ltd.
(2) Headquarters	7-1, Meieki 4-chome, Nakamura-ku, Nagoya-shi, Aichi, Japan
(3) President and Representative Director	Ichiro Gouda
(4) Business	Financial Instruments Business Operator
(5) Paid-in capital	6,000 million yen
(6) Date of incorporation	October 8, 2008
(7) Number of shares issued	120,000
(8) End of fiscal year	March 31
(9) Major shareholders/ ownership ratio	Tokai Tokyo Financial Holdings, Inc. 100%

5. Other information

Since the Merger takes place between the Company's wholly-owned consolidated subsidiaries, we estimate that the impact of the Merger on our consolidated financial standing would be insignificant.

(end)