

Press Release



TOKAI TOKYO FINANCIAL HOLDINGS, INC.

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(TSE, NSE: 8616)

December 26, 2019

Capital and Business Alliance with Huobi Japan

We, Tokai Tokyo Financial Holdings, Inc. (hereinafter “the Company”), are pleased to announce that we have entered into the capital and business alliance agreement with Huobi Japan Inc. (hereinafter “Huobi Japan”), a Japanese subsidiary of the Huobi Group that operates crypto asset exchanges globally.

1. Background and Purpose of the Capital and Business Alliance

Under our business plan, New Age's Flag Bearer 5, we are working to strengthen our management foundation to evolve into an advanced integrated financial group. We recognize that one of our important management issues is to expand products and services that meet customer needs by actively deploying leading technologies such as FinTech and digitalization for our financial services.

The financial business using blockchain technology has advanced rapidly in recent years with the application area of crypto assets and Security Token Offering (STO) expanding globally. Here in Japan, the relevant ministerial ordinances are expected in force next spring. Therefore, we believe that the business dealing with crypto assets and blockchain will accelerate further.

Using the capital and business alliance with Huobi Japan, a Japanese subsidiary of Huobi Group, which is a global blockchain business developer, we will promote new businesses in the areas of crypto asset exchange, new financing schemes utilizing crypto assets such as Initial Exchange Offering (IEO) ^{*1}, local currency issuance, and storage and management service associated with crypto assets. We consider expanding this business to partner regional banks and other regional banks in the future.

^{*1} Initial Exchange Offering (IEO): When a company or business project raises funds with crypto assets, the crypto asset exchange takes the lead in conducting the preparatory processes for fund raising ranging from due diligence to investor identification to sales.

2. About Huobi Japan

- Company Name: Huobi Japan Inc.
- Establishment: September 12, 2016
- Paid-in Capital: Approximately 870 Million Yen as of October 31, 2019
- Representative Director and President (CEO): Haiteng Chen.
- Business Description: Crypto Asset Exchange Business
Virtual Currency Exchange Service Provider Registration Number
Director-General of Kanto Local Financial Bureau No. 00007
- Major Shareholders: Huobi Asset Investments Pte Ltd.,
Goldenway Japan Co., Ltd. and others

Huobi Group acquired BitTrade Co., Ltd., a crypto asset exchange in September 2018, and changed its company name to “Huobi Japan Inc.” in February 2019. The company is currently operating mainly the crypto asset exchange business and it will continue to expand into new areas such as local currency and Initial Exchange Offering.

***About Huobi Group**

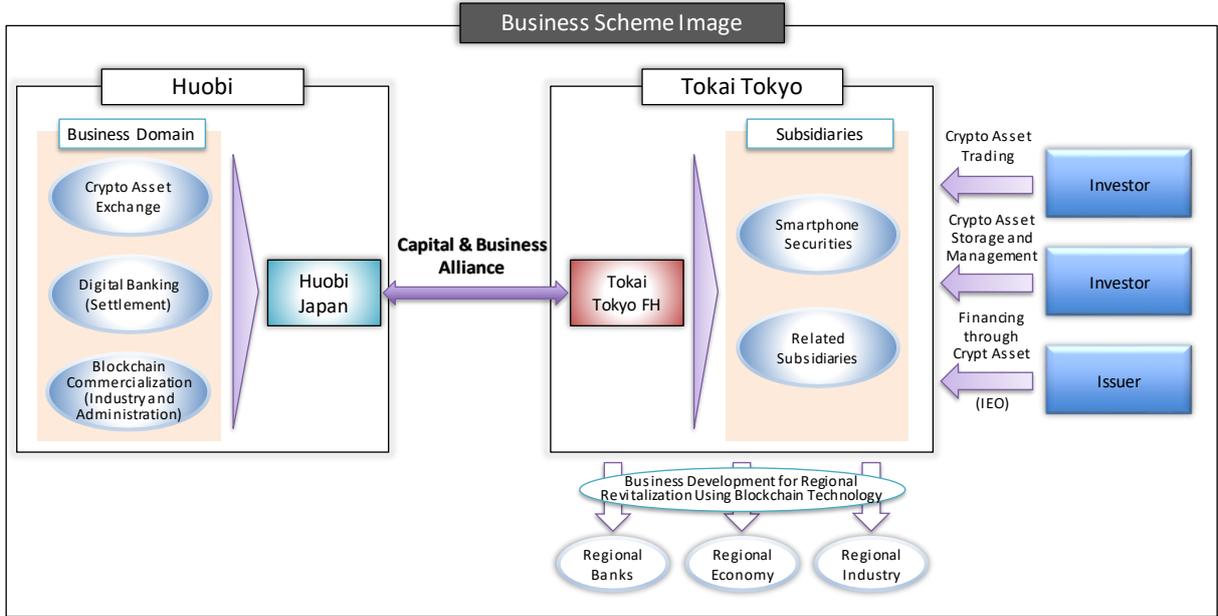
Huobi Group is the world's leading provider of digital asset financial services with the world's leading crypto asset exchanges under its umbrella. Huobi Group provides secure and reliable crypto asset transactions and management services to over 10 million users in 130 countries around the world. Huobi Group is also developing peripheral businesses centered on crypto assets and blockchain areas such as the research and development, incubations, and fund originations.

3. Schedule and Future Prospects

- Share Acquisition Date: January 2020 (planned)
- Investment Amount: Approximately 500 Million Yen

We estimate that the impact to be caused by this matter upon the Company’s financial standing for the fiscal year ending March 31, 2020 would be insignificant.

(Reference: Business Scheme Image)



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