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(Securities Code 8616)

June 10, 2020

## To Our Shareholders

Tateaki Ishida  
President & CEO  
Tokai Tokyo Financial Holdings, Inc.  
5-1 Nihonbashi 2-chome,  
Chuo-ku, Tokyo, Japan

### NOTICE OF CONVOCATION OF THE 108TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders

We hereby inform you that we will hold the 108th Ordinary General Meeting of Shareholders of Tokai Tokyo Financial Holdings, Inc. (the “Company”) in accordance with the schedule described below.

To combat the spread of the coronavirus, the Government of Japan and prefectural governments have recently issued strong requests to refrain from going on unnecessary outings and holding largescale events. In view of these circumstances, and after careful consideration, we believe that this year’s meeting must be held under a special format in which shareholders do not attend in person.

Accordingly, **even if you are in good health, we ask you to avoid attending the meeting in person, if possible.** Instead of voting at the venue in person, please exercise your voting rights in advance, either by posting your votes or by submitting them online.

Please review the attached “Reference Document for the Ordinary General Meeting of Shareholders” and refer to “Guidance to the Exercise of Voting Right” (omitted from this English translation) and you are requested to exercise your voting rights by 5:10 p.m. (the time when our business day ends) on Wednesday, June 24, 2020 Japan time.

\* Schedule

- 1. Date and Time:** Thursday, June 25, 2020, at 10:00 a.m. Japan time
- 2. Place:** 8th floor hall, \* Midland Square  
4-7-1 Meieki, Nakamura-ku, Nagoya-shi, Aichi

\*Please note that this is not on the 5th floor as in previous years.

### 3. Meeting Agenda:

- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements for the Company's 108th Business Year (April 1, 2019 - March 31, 2020) and results of audits by the Accounting Auditor and the Audit & Supervisory Committee of the Consolidated Financial Statements
  2. Non-consolidated Financial Statements for the Company's 108th Business Year (April 1, 2019 - March 31, 2020)

#### **Proposals to be resolved:**

Company proposals

- Proposal No. 1:** Distribution of Retained Earnings
- Proposal No. 2:** Election of Five (5) Directors (excluding Directors serving on the Audit & Supervisory Committee)
- Proposal No. 3:** Election of Four (4) Directors Serving on the Audit & Supervisory Committee
- Proposal No. 4:** The Issuance of Stock Acquisition Rights as Stock Options Granted to Directors and Employees of the Company and Its Subsidiaries

Shareholder proposals

- Proposal No. 5:** Dismissal of One (1) Director (not a Director serving on the Audit & Supervisory Committee)

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- Among the Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements subject to auditing when the Audit & Supervisory Committee and Accounting Auditor prepared the audit report, the following items are posted on the Company's website via the Internet in accordance with the relevant laws and regulations and Article 20 of the Company's Articles of Incorporation. Therefore, we do not include them in this Notice of Convocation.
    - (1) Business Report: Notes on Subscription Rights to Shares
    - (2) Consolidated Financial Statements: Consolidated Statements of Changes in Net Assets and Notes on Consolidated Financial Statements
    - (3) Non-consolidated Financial Statements: Statement of Changes in Shareholder Equity and Notes to Non-Consolidated Financial Statements
  - In case any circumstances require us to revise the Reference Document for the Ordinary General Meeting of Shareholders, the Business Report, Non-consolidated Financial Statements, and Consolidated Financial Statements, we will revise and post them on the Company's Web site.

Company's website <http://www.tokaitokyo-fh.jp/>

Please refer to the translated site for reference, <http://www.tokaitokyo-fh.jp/en/>

# Reference Documents for the Ordinary General Meeting of Shareholders

## Proposals and References

### Company proposals

#### Proposal No. 1: Distribution of Retained Earnings

The Company's basic policy calls for paying dividends to shareholders in a stable and proper manner while enhancing retained earnings with the aim of increasing corporate value by medium-, long-term growth.

Based on the above policy, we, the Company, plan to distribute profits for the business year under review as set out below.

With the interim dividend of ¥4.00 per share already paid, the total dividend for the business year under review will be ¥8.00 per share.

The matter regarding Year-End Dividend

- (1) Type of dividend property  
Cash
- (2) Allotment of dividend property and the total allotment amount  
¥4.00 ordinary dividend per share of common stock of the Company  
Total amount: ¥993,462,076
- (3) Effective date of distribution of retained earnings  
June 26, 2020

**Proposal No. 2: Election of Five (5) Directors (Excluding Directors serving on the Audit & Supervisory Committee)**

All five (5) Directors (excluding Directors serving on the Audit & Supervisory Committee; this also applies to the rest of the text of this Proposal) will retire as their terms of office expire at the conclusion of this General Meeting of Shareholders. Therefore, we ask you to elect five (5) Directors.

The Board of Directors made this Proposal based on the report by the Nomination and Compensation Committee. The Audit & Supervisory Committee has determined that each candidate is eligible as a Director for the Board membership.

The candidates for directorship are as listed below.

Candidate No.	Name	Current position at the Company	Attendance at Board of Directors meetings during the business year
1	<span style="border: 1px solid black; padding: 2px;">Reelection</span> Tateaki Ishida	Representative Director and President	13/13
2	<span style="border: 1px solid black; padding: 2px;">Reelection</span> Masahide Kawamoto	Representative Director and Deputy President	10/10*
3	<span style="border: 1px solid black; padding: 2px;">New</span> Masataka Sato	Deputy President	—
4	<span style="border: 1px solid black; padding: 2px;">Reelection</span> Ichiro Mizuno <span style="border: 1px solid black; padding: 2px; margin-left: 20px;">Outside Director</span>	Director	13/13
5	<span style="border: 1px solid black; padding: 2px;">Reelection</span> Hiroshi Fujiwara <span style="border: 1px solid black; padding: 2px; margin-left: 20px;">Outside Director</span> <span style="border: 1px solid black; padding: 2px; margin-left: 20px;">Independent Director</span>	Director	9/10*

\*Indicates attendance at the Board of Directors meetings held after assuming office on June 26, 2019.

## Candidate No. 1 **Tateaki Ishida** (Born on January 2, 1946)

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### Reelection

- Type and number of the Company's shares held:  
429,200 common shares
- Attendance at Board of Directors meetings during the current business year:  
13/13

- Profile (position and responsibilities at the Company)
  - April 1968 Joined The Tokai Bank, Ltd. (now MUFG Bank, Ltd.)
  - April 1992 President & CEO, Tokai Bank Europe plc
  - June 1994 Director, The Tokai Bank, Ltd.
  - June 1996 Managing Director, The Tokai Bank, Ltd.
  - June 1998 President, Tokai Asset Management Co., Ltd.
  - April 2001 Chairman, Tokai Bank Europe plc
  - April 2002 Chairman, UFJ International plc
  - April 2003 CEO, UFJ International plc
  - May 2004 Advisor of the Company
  - June 2004 Representative Director and Deputy President of the Company
  - March 2005 Representative Director and President of the Company
  - June 2006 Representative Director, President & CEO of the Company (current position)
  - April 2009 Representative Director, Chairman & CEO of Tokai Tokyo Securities Co., Ltd.
  - April 2019 Director, Tokai Tokyo Securities Co., Ltd. (current position)
- The candidate also takes the following important posts:  
Director of Tokai Tokyo Securities Co., Ltd.  
Member of the Board, Nagoya Stock Exchange  
Chairman, Tokai Tokyo Foundation
- The reason for nomination as a candidate for Director:  
Since he became President (Representative Director) of the Company in March 2005, Tateaki Ishida has fulfilled his duties as a Director appropriately by taking strong leadership to enhance the corporate value of the Company. We have determined that making the most of his rich experience, proven performance, and knowledge as a business manager will help promote the Company's management strategy and continuously enhance its corporate value. Therefore, we have determined that he is suitable as a Director of the Company and continued to choose him as a candidate for directorship.

## Candidate No. 2 Masahide Kawamoto (Born on December 1, 1956)



### Reelection

- Type and number of the Company's shares held:  
53,700 common shares
- Attendance at Board of Directors meetings during the current business year:  
10/10

\*Indicates attendance at the Board of Directors meetings held after assuming office on June 26, 2019.

- Profile (position and responsibilities at the Company)
  - April 1980 Joined The Tokai Bank, Ltd. (now MUFG Bank, Ltd.)
  - November 2000 General Manager, Technology Systems of Veri Sign Japan K.K.
  - November 2001 Senior Manager, System Engineering of Veri Sign Japan K.K.
  - April 2004 Deputy General Manager, Management Planning Department of the Company
  - September 2004 General Manager, IT Strategy Department of the Company
  - March 2006 Executive Officer concurrently supervising departments of Office Administration, System Development, and IT Strategy as its General Manager of the Company
  - April 2008 Managing Executive Officer supervising IT Strategy Promotion Unit of the Company
  - April 2009 Managing Executive Officer of the Company, concurrently supervising General Planning and Comprehensive Risk Management Groups as their Heads
  - April 2010 Representative Director and President of Tokai Tokyo Investment Management Co., Ltd. (now Tokai Tokyo Asset Management Co., Ltd.)
  - May 2011 Representative Director and President of Tokai Tokyo Business Service Co., Ltd.
  - April 2012 Managing Executive Officer, Deputy Head of General Planning Group of the Company
  - April 2013 Senior Managing Executive Officer, Head of Strategic Business Promotion Group of the Company
  - April 2014 Director and Deputy President of Hamagin Tokai Tokyo Securities, Co., Ltd.
  - April 2017 Director and Deputy President of Tokai Tokyo Wealth Consulting Co., Ltd.
  - April 2018 Senior Managing Executive Officer supervising Operation Division of Tokai Tokyo Securities, Co., Ltd.
  - April 2019 Deputy President, Head of General Planning Group of the Company
  - June 2019 Representative Director, Deputy President of the Company, Head of General Planning Group
  - October 2019 Representative Director, Deputy President of the Company, Chief Information Officer, Head of IT Group (current position)

- The candidate also takes the following important posts:  
Not applicable

- The reason for nomination as a candidate for Director:  
Masahide Kawamoto has formidable expertise in a general business administration having worked in a broad range of sectors in the Company and its subsidiaries, including in systems, general planning, and strategic business promotion. We have nominated Kawamoto for re-election as a Director in the belief that his experience equips him to continue discharging his duties, such as actively contributing to business strategies that will lead to growth for the group.

## Candidate No. 3 Masataka Sato (Born on January 30, 1961)



### New

- Type and number of the Company's shares held:  
31,400 common shares

- Profile (position and responsibilities at the Company)
  - April 1983 Joined The Tokai Bank, Ltd. (now MUFG Bank, Ltd.)
  - April 2004 Head of Asset Finance Office at UFJ Bank Limited
  - April 2008 General Manager of Komaki Branch at The Bank of Tokyo-Mitsubishi UFJ, Ltd.
  - November 2010 Joined Tokai Tokyo Securities, Co., Ltd.  
General Manager, Investment Banking Division
  - October 2011 Deputy Head of Corporate Solutions Division,  
Tokai Tokyo Securities, Co., Ltd.
  - April 2012 Deputy Head of Corporate Finance Unit,  
Tokai Tokyo Securities, Co., Ltd.
  - April 2013 General Manager of General Planning Department, and  
General Manager of Financial Planning Department of the  
Company
  - October 2013 Executive Officer, Deputy Head of General Planning  
Group, General Manager of General Planning  
Department, General Manager of Financial Planning  
Department of the Company
  - April 2014 Executive Officer, Deputy Head of General Planning  
Group of the Company
  - April 2015 Managing Executive Officer, Head of General Planning  
Group of the Company
  - April 2016 Managing Executive Officer, Head of Investment  
Banking Unit, Tokai Tokyo Securities, Co., Ltd.
  - April 2017 Senior Managing Executive Officer, Head of Retail Sales  
Unit, Tokai Tokyo Securities, Co., Ltd.
  - April 2018 Senior Managing Executive Officer, Head of Retail  
Business Company, Tokai Tokyo Securities, Co., Ltd.
  - April 2019 Senior Managing Executive Officer, Head of Strategic  
Planning Group of the Company
  - May 2020 Deputy President, Supervisor of General Planning Group,  
Strategic Planning Group and Digital Strategy Group of  
the Company (current position)
- The candidate also takes the following important posts:  
Not Applicable
- The reason for nomination as a candidate for Director:  
Masataka Sato has formidable expertise in a general business  
administration having worked in a broad range of sectors in Company and  
its subsidiaries, including in investment banking, corporate planning, and  
retail. We have nominated Sato for directorship in the belief that his  
experience equips him to discharge his duties, such as actively contributing  
to business strategies implementation that will lead to growth for the group.

## Candidate No. 4 Ichiro Mizuno (Born on March 10, 1944)

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### Reelection

### Outside Director

- Type and number of the Company's shares held:  
None
- Length of service as an Outside Director (at the conclusion of the General Meeting of Shareholders):  
seven (7) years
- Attendance at Board of Directors meetings during the current business year:  
13/13

- Profile (position and responsibilities at the Company)
  - April 1966      Joined Mitsubishi Corporation
  - May 1991      General Manager, Corporate Information Dept., Mitsubishi Corporation
  - October 1993    General Manager, Currency Exchange Dept., Mitsubishi Corporation
  - May 1995      President, Mitsubishi Corporation Finance PLC
  - June 1997      General Manager, Finance Dept., Mitsubishi Corporation
  - June 2001      Executive Officer and CFO of New Business Initiative Group, Mitsubishi Corporation
  - April 2003      Executive Vice President and CFO, Mitsubishi Corporation
  - June 2003      Member of Board, Executive Vice President, and CFO, Mitsubishi Corporation
  - April 2006      Member of Board and Senior Executive Vice President, Mitsubishi Corporation
  - June 2010      Director, Tokai Tokyo Securities Co., Ltd
  - June 2013      Director of the Company (current position)
- The candidate also takes the following important posts:  
Not Applicable
- The reason for nomination as a candidate for Outside Director:  
Ichiro Mizuno, who fulfilled his duties as Representative Director of Mitsubishi Corporation, is highly rated for his achievements and knowledge. Furthermore, since June 2013, he has fully performed his functions in the decision of important managerial matters and supervision of business execution as an Outside Director of the Company. Based on his past track record, knowledge, and job performance, we have determined that he is suitable as an Outside Director and have nominated him for re-election as Outside Director.

## Candidate No. 5 Hiroshi Fujiwara (Born on September 26, 1954)



### Reelection

### Outside Director

### Independent Director

- Profile (position and responsibilities at the Company)
  - April 1977 Joined IBM Japan, Ltd.
  - December 1977 Joined Hitachi Engineering Co., Ltd.
  - February 1985 Joined ASCII Corporation
  - February 1987 Transferred to Graphics Communication Technologies Inc. Appointed as executive director and General Manager of Research and Development Division
  - September 1988 Appointed as a visiting research scientist of Bell Communications Research (Bellcore) of the U.S.
  - March 1993 Transferred to Graphics Communication Laboratories Inc. Appointed as an executive director and General Manager of Research and Development Division
  - June 1993 Appointed as a director of ASCII Corporation
  - April 1996 Guest Professor at Keio University (Science and technologies)
  - December 1996 Established Internet Research Institute, Inc. as Director and CEO (current position)
  - April 2012 Chairman of the Board, President, Chief Executive Officer, Representative Director of Broadband Tower, Inc. (current position)
  - December 2017 Director of CHANGE, Inc. (current position)
  - June 2018 Director of SKY Perfect JSAT Holdings Inc. (current position)
  - June 2019 Director of the Company (current position)
- The candidate also takes the following important posts:
  - Chairman of the Board, President, Chief Executive Officer, Representative Director of Broadband Tower, Inc.
  - Director of CHANGE, Inc.
  - Director of SKY Perfect JSAT Holdings Inc.
  - Director and CEO of Internet Research Institute, Inc.
- The reason for nomination as a candidate for Outside Director:

Hiroshi Fujiwara has many years of experience in leading systems-related businesses, and his achievements and insight are highly acclaimed. We have nominated Fujiwara for re-election as Outside Director in the belief that his systems experience equips him to continue discharging his duties, such as resolving important business matters and supervising business operations.
- Independence

Hiroshi Fujiwara is a candidate for the post of Outside Director. Since he satisfies the “Independence Assessment Standard” for Outside Directors established by the Company, we have determined that there is no concern about his independence. We have notified the Tokyo Stock Exchange and the Nagoya Stock Exchange that he is an independent officer who is unlikely to have conflicts of interest with ordinary shareholders as stipulated by the two exchanges.
- Type and number of the Company’s shares held:

None
- Length of service as an Outside Director (at the conclusion of the General Meeting of Shareholders):

one (1) year
- Attendance at Board of Directors meetings during the current business year:

9/10

\*Indicates attendance at the Board of Directors meetings held after assuming office on June 26, 2019.

- (Notes)
1. Each candidate for directorship has no special interests with the Company.
  2. In the above lists, for dates up to March 2009, “the Company” indicates Tokai Tokyo Securities Co., Ltd., the Company’s trade name at the time. For April 2009 and later dates, “the Company” indicates Tokai Tokyo Financial Holdings, Inc., the current trade name.
  3. In its Articles of Incorporation, the Company stipulates that it may enter into an agreement with its Directors (excluding those who are an Executive Director and the like) to limit their liability for compensation to the Company for damage to a certain extent. Based on this clause, in accordance with the provisions of Article 427 Paragraph 1 of the Companies Act, the Company has concluded an agreement with Ichiro Mizuno and Hiroshi Fujiwara to limit their liability for compensation for damage as stipulated in Article 423 Paragraph 1 of the Act (“limited liability agreement”). The Company intends to continue this limited liability agreement if their nomination is approved. The outline of the agreement is as follows.
    - If the Director (excluding those who are an Executive Director and the like) is liable for compensating the Company for the damage caused by negligence of his/her duties, he/she shall compensate up to the sum of amounts as stipulated in Article 425 Paragraph 1 Items 1(c) and 2.
    - Limited liability as referred to the above shall be accepted only if the Director (excluding those who are an Executive Director and the like) performs his/her duties with a good manager’s care and does not make a grave mistake when he/she is found liable for compensation.

**Proposal No. 3: Election of Four (4) Directors Serving on the Audit & Supervisory Committee**

All four (4) Directors serving on the Audit & Supervisory Committee will retire as their terms of office expire at the conclusion of this General Meeting of Shareholders. Therefore, we ask you to elect four (4) Directors serving on the Audit & Supervisory Committee.

The Board of Directors resolved to submit the proposal upon the recommendation of the Nomination and Compensation Committee and with the consent of the Audit & Supervisory Committee.

The candidates for directorship are as listed below.

Candidate No.	Name	Current position at the Company	Attendance at Board of Directors meetings and Audit & Supervisory Committee meetings during the business year
1	<span style="border: 1px solid black; padding: 2px;">New</span> Tetsuji Oono	Advisor	—
2	<span style="border: 1px solid black; padding: 2px;">Reelection</span> Keisuke Inoue	Director (Audit & Supervisory Committee Member)	Attended all 13 meetings of the Board of Directors and all 14 meetings of the Audit & Supervisory Committee
3	<span style="border: 1px solid black; padding: 2px;">New</span> Tsunehiro Nakayama	Director	Attended all 13 meetings of the Board of Directors
4	<span style="border: 1px solid black; padding: 2px;">New</span> Joichi Yamazaki	—	—

## Candidate No. 1 Tetsuji Oono (Born on February 11, 1961)



**New**

- Type and number of the Company's shares held:  
23,000 common shares

- Profile (position and responsibilities at the Company)
  - April 1983      Joined Maruman Securities Co., Ltd.
  - December 1992      Joined Maruman Finance Co., Ltd.
  - August 1996      Joined Central Capital Co., Ltd.
  - July 2000      Joined the Company
  - July 2003      General Manager of Investment Banking Department, Private Company, Nagoya
  - April 2007      General Manager of Corporate Solution Department
  - April 2009      General Manager of Corporate Finance Department, Nagoya, Tokai Tokyo Securities, Co., Ltd.
  - April 2010      General Manager of Headquarters Sales Promotion Department; Section Head of Headquarters Sales Promotion Section; Tokai Tokyo Securities, Co., Ltd.
  - April 2012      General Manager of General Planning Department of the Company
  - April 2013      General Manager of Corporate Sales Department (First), Tokyo, Tokai Tokyo Securities, Co., Ltd.
  - April 2014      General Manager of Corporate Sales Department, Tokyo, Tokai Tokyo Securities, Co., Ltd.
  - April 2015      General Manager of Financial Planning Department of the Company; General Manager of Finance Department, Tokai Tokyo Securities, Co., Ltd.
  - April 2017      Executive Officer, General Manager of Financial Planning Department of the Company; General Manager of Finance Department, Tokai Tokyo Securities, Co., Ltd.
  - April 2019      Managing Executive Officer, Deputy Head of General Planning Group, General Manager of General Planning Department of the Company
  - May 2020      Advisor of the Company (current position)
- The candidate also takes the following important posts:  
Not Applicable
- The reason for nomination as a candidate for Director serving on the Audit & Supervisory Committee:  
Tetsuji Oono has formidable expertise in financial accounting having worked in a broad range of sectors in the Company and its subsidiaries, including in investment banking, general planning, and finance. We have nominated Oono to be a Director serving on the Audit & Supervisory Committee in the belief that his knowledge and experience equips him to discharge the duties of such office, which include ensuring that the management is audited and supervised effectively.

## Candidate No. 2 Keisuke Inoue (Born on August 6, 1949)



**Reelection**

**Outside Director**

**Independent Director**

- Type and number of the Company's shares held:  
None
- Length of service as an Outside Director (at the conclusion of the General Meeting of Shareholders):  
Four (4) years
- Length of service as a Director serving on the Audit & Supervisory Committee (at the conclusion of the General Meeting of Shareholders):  
Four (4) years
- Attendance at Board of Directors meetings during the current business year:  
13/13
- Attendance at Audit & Supervisory Committee meetings during the current business year:  
14/14

- Profile (position and responsibilities at the Company)
  - April 1973      Joined Sumitomo Life Insurance Company
  - July 1999      Director, Sumitomo Life Insurance Company
  - October 2001    Managing Director, Sumitomo Life Insurance Company
  - April 2002      Managing Director and Managing Executive Officer, Sumitomo Life Insurance Company
  - June 2002      President and CEO, Sumitomo Life Investment Co., Ltd.
  - December 2002    President and CEO, Sumitomo Mitsui Asset Management Company, Limited
  - July 2007      Senior Managing Executive Officer and Representative Director, Sumitomo Life Insurance Company
  - April 2009      Executive Vice President, Mitsui Life Insurance Co., Ltd.
  - June 2009      Director and Executive Vice President, Mitsui Life Insurance Co., Ltd.
  - April 2012      Executive Advisor, Sumitomo Life Insurance Company
  - July 2013      Head of Azabu Economic Research Institute (current position)
  - April 2016      Part-time Advisor of the Company
  - June 2016      Director (Audit & Supervisory Committee Member), the Company (current position)
  - September 2017    Audit & Supervisory Board Member, Cardif-Assurances Risques Divers Japan (current position)
- The candidate also takes the following important posts:  
Head of Azabu Economic Research Institute  
Audit & Supervisory Board Member, Cardif-Assurances Risques Divers Japan
- The reason for nomination as a candidate for Outside Director serving on the Audit & Supervisory Committee:  
Keisuke Inoue has many years of experience in financial management, and his achievements and insight are highly acclaimed. Since June 2016, Inoue has duly discharged his duties as Outside Director serving on the Audit & Supervisory Committee. We have nominated Inoue for reelection to the same office in the belief that he will contribute his opinions actively and impartially on a range of matters concerning business administration.
- Independence  
Keisuke Inoue is a candidate for the post of Outside Director. Since he satisfies the "Independence Assessment Standard" for Outside Directors established by the Company, we have determined that there is no concern about his independence. We have notified the Tokyo Stock Exchange and the Nagoya Stock Exchange that he is an independent officer who is unlikely to have conflicts of interest with ordinary shareholders as stipulated by the two exchanges.

## Candidate No. 3 Tsunehiro Nakayama (Born on January 20, 1948)



**New**

**Outside Director**

**Independent Director**

- Profile (position and responsibilities at the Company)
  - April 1971      Joined the Industrial Bank of Japan, Limited
  - June 1999      Executive Officer and General Manager of Corporate Banking Dept. No. 1 of the Industrial Bank of Japan, Limited
  - September 2000      Managing Executive Officer of Mizuho Holdings Inc.
  - April 2002      Managing Executive Officer of Mizuho Corporate Bank, Ltd.
  - April 2004      Deputy President (Representative Director) and Chief Compliance Officer of Mizuho Corporate Bank, Ltd.
  - April 2007      Adviser of Merrill Lynch Japan Securities Co., Ltd.
  - May 2007      Representative Director and Chairman of Merrill Lynch Japan Securities Co., Ltd.
  - November 2008      Representative Director, Chairman and President of Merrill Lynch Japan Securities Co., Ltd.
  - March 2009      Japan Country Executive of Bank of America Group (Additional function)
  - July 2010      Representative Director and Chairman of Merrill Lynch Japan Securities Co., Ltd.
  - June 2017      Director of Merrill Lynch Japan Securities Co., Ltd.
  - July 2017      Special Adviser of Merrill Lynch Japan Securities Co., Ltd.
  - June 2018      Director of the Company (current position)
  - June 2019      Director, Mitsui Fudosan Co., Ltd. (current position)
- The candidate also takes the following important posts:
  - Director, Mitsui Fudosan Co., Ltd.
- The reason for nomination as a candidate for Outside Director serving on the Audit & Supervisory Committee:

Tsunehiro Nakayama has many years of experience in financial management, and his achievements and insight are highly acclaimed. Moreover, Nakayama has demonstrated sound judgement and business acumen in his role of Outside Director, which he has served since June 2018. In view of his track record and knowledge, we have nominated Nakayama to be a Director serving on the Audit & Supervisory Committee in the belief that he will duly discharge his audit and supervisory duties.
- Independence

Tsunehiro Nakayama is a candidate for the post of Outside Director. Since he satisfies the “Independence Assessment Standard” for Outside Directors established by the Company, we have determined that there is no concern about his independence. We also plan to notify the Tokyo Stock Exchange and the Nagoya Stock Exchange that he is an independent officer who is unlikely to have conflicts of interest with ordinary shareholders as stipulated by the two exchanges.

## Candidate No. 4 Joichi Yamazaki (Born on January 9, 1955)



**New**

**Outside Director**

**Independent Director**

- Type and number of the Company's shares held:  
None

- Profile (position and responsibilities at the Company)
  - April 1978 Joined the Ministry of Finance (MOF)
  - May 1985 Deputy Director of the Government Debt Division, Financial Bureau, MOF
  - January 1995 Counselor at the Embassy of Japan in Korea
  - July 1997 Director of the Bond Market Office, Securities Market Division, Securities Bureau, MOF
  - December 1998 Director of the Financial Crisis Management Division, Executive Bureau, Financial Reconstruction Commission
  - July 2000 Director, Budget Bureau (in charge of budgets for the Ministry of Land, Infrastructure, Transport and Tourism, and the Ministry of the Environment), MOF
  - December 2005 Deputy Director-General of the Planning and Coordination Bureau (in charge of the Supervision Bureau), Financial Services Agency
  - July 2009 Director-General of the Tokai Local Finance Bureau
  - July 2010 Director-General of the Kinki Local Finance Bureau
  - July 2011 Vice President, the National Printing Bureau
  - July 2012 Principal of the National Tax College
  - February 2013 Retired from MOF
  - March 2013 Audit & Supervisory Board Member of the Norinchukin Bank
  - December 2018 Advisor of Sompo Japan Insurance Inc.
  - May 2019 Full-time Audit & Supervisory Board Member of Sompo Japan DC Securities Inc.

- The candidate also takes the following important posts:  
None

- The reason for nomination as a candidate for Outside Director serving on the Audit & Supervisory Committee:  
Joichi Yamazaki has served the Financial Services Agency as Deputy Director-General of the Planning and Coordination Bureau and as Director-General of the Tokai Local Finance Bureau, and his achievements and insights are highly acclaimed. We have nominated Yamazaki to be an Outside Director serving on the Audit & Supervisory Committee in the belief that he will duly discharge his audit and supervisory duties.

- Independence  
Joichi Yamazaki is a candidate for the post of Outside Director. Since he satisfies the "Independence Assessment Standard" for Outside Directors established by the Company, we have determined that there is no concern about his independence. We also plan to notify the Tokyo Stock Exchange and the Nagoya Stock Exchange that he is an independent officer who is unlikely to have conflicts of interest with ordinary shareholders as stipulated by the two exchanges.

- (Notes)
1. Each candidate for directorship has no special interests with the Company.
  2. In the above lists, for dates up to March 2009, “the Company” indicates Tokai Tokyo Securities Co., Ltd., the Company’s trade name at the time. For April 2009 and later dates, “the Company” indicates Tokai Tokyo Financial Holdings, Inc., the current trade name.
  3. Tsunehiro Nakayama is retiring as Outside Director serving on the Audit & Supervisory Committee because his term in said office will have expired by the close of the Ordinary General Meeting of Shareholders.
  4. In its Articles of Incorporation, the Company stipulates that it may enter into an agreement with its Directors (excluding those who are an Executive Director and the like) to limit their liability for compensation to the Company for damage to a certain extent. Based on this clause, the Company has concluded the limited liability agreement with Keisuke Inoue. The Company intends to continue this agreement if his nomination is approved. If the nomination of Tetsuji Oono, Tsunehiro Nakayama and Joichi Yamazaki is approved, the Company plans to conclude a limited liability agreement with them. The outline of the agreement is as follows.
    - If the Director (excluding those who are an Executive Director and the like) is liable for compensating the Company for the damage caused by negligence of his/her duties, he/she shall compensate up to the sum of amounts as stipulated in Article 425 Paragraph 1 Items 1(c) and 2.
    - Limited liability as referred to the above shall be accepted only if the Director (excluding those who are an Executive Director and the like) performs his/her duties with a good manager’s care and does not make a grave mistake when he/she is found liable for compensation.

#### **Proposal No. 4: The Issuance of Stock Acquisition Rights as Stock Options Granted to Directors and Employees of the Company and Its Subsidiaries**

We, the Company, seek the Shareholders' approval for the Board of Directors to issue stock acquisition rights, without consideration, as stock options (hereinafter referred to as the "Stock Acquisition Rights") to be granted to the Executive Directors and employees of the Company and its subsidiaries, and to be empowered to determine the matters relating to the subscription offer of such stock acquisition rights, in accordance with the provisions of Articles 236, 238 and 239 of the Companies Act of Japan.

The total amount of remuneration as stock options granted to Executive Directors of the Company will be the amount equal to the total number of the subject stock acquisition rights allocated multiplied by the fair value per stock acquisition right calculated at the date of allocation of the subject stock acquisition rights. Currently, the said total amount is included within the ¥300 million per year approved by a resolution of the 104th Ordinary General Meeting of Shareholders as the amount of remuneration for Directors (excluding the Directors serving on the Audit & Supervisory Committee).

If Proposal No. 2, Election of Five (5) Directors (Excluding Directors serving on the Audit & Supervisory Committee), and Proposal No. 3, Election of Four (4) Directors Serving on the Audit & Supervisory Committee, are approved as originally proposed, Proposal No. 4 will apply to the three (3) Executive Directors of the Company.

- (1) Reasons necessitating the subscription offer of the Stock Acquisition Rights with preferential conditions

The issuance of the Stock Acquisition Rights without consideration to the above stated parties is aimed at improving consolidated performance by providing them with the common incentive of improving the performance of the Group, as a whole, while pursuing harmonization of such parties' interests with those of shareholders.

- (2) Maximum number of Stock Acquisition Rights that may be determined under the power delegation by the resolution at the Shareholders' Meeting

The resolution at the Shareholders' Meeting provides that the maximum allocatable number of the Stock Acquisition Rights will be one thousand and five hundred (1,500). In addition, the maximum issuable number of common stocks of Tokai Tokyo Financial Holdings through the exercise of the Stock Acquisition Rights shall be one million and half (1,500,000) shares (approximately 0.58% of outstanding shares).

However, if adjustment is made to the Number of Shares Granted in accordance with Paragraph (4) 1) below, such maximum issuable number of shares shall be the number by multiplying the Number of Shares Granted after adjustment by the above specified maximum number of allocatable stock acquisition rights.

- (3) No payment shall be required for the Stock Acquisition Rights discussed here.

- (4) Details of the Stock Acquisition Rights

- 1) Number of shares to be issued upon exercise of the Stock Acquisition Rights

The number of shares to be issued upon exercise of each of the Stock Acquisition Rights (hereinafter the "Number of Shares Granted") shall be one thousand (1,000) shares of common stock of the Company.

In the event the Company splits its common stock (including the gratis allotment of the Company's common stock, the same being applied hereinafter) or consolidates its

common stock after the allocation of the Stock Acquisition Rights, the number of shares granted under the Stock Acquisition Rights which have remained unexercised at the time of the stock split or stock consolidation will be adjusted in accordance with the following formula. Any fraction of less than one (1) share resulting from the adjustment shall be disregarded.

$$\text{Adjusted Number of Shares Granted} = \text{Number of Shares Granted before adjustment} \times \text{Ratio of split or consolidation}$$

In addition to the above, in the event of the Company's merger with another company, a company split, a capital reduction of the Company, or any other event in which adjustment of the Number of Shares Granted is similarly required after the allocation of the Stock Acquisition Rights, the Company may suitably adjust the number of shares granted to the extent the Company considers reasonable.

- 2) The value of assets to be paid-in to the Company's capital at the time of exercising the subject Stock Acquisition Rights, or the method of calculating such a value  
 The value of assets to be paid-in at the time of exercising the Stock Acquisition Rights shall be the amount paid per share to be issued by the exercise of the Stock Acquisition Rights (hereinafter "the Exercise Price") multiplied by the Number of Shares Granted. The Exercise Price shall be equal to the product of (\*) the price determined by the following rule  $\times$  (multiplied by) 1.05. Any fraction of less than one (1) yen resulting from the calculation shall be rounded up to the nearest yen.

(\*) The price determination rule: The higher price of either the average of the daily closing prices of the common stocks of the Company in regular transactions at the Tokyo Stock Exchange, Inc. on each of the trading days (excluding days on which no trading is made) in the calendar month immediately prior to the month in which the Stock Acquisition Rights are allocated, or the closing price of the common stocks of the Company in regular transactions at the Tokyo Stock Exchange, Inc. on the allocation date (if there is no closing price on the allocation date, the most recent closing price prior to the allocation date shall apply).

If the Company splits or consolidates its common stock after the allocation date, the exercise price is adjusted by the following formula, and any fraction of less than one (1) yen resulting from such adjustment shall be rounded up.

$$\text{Exercise Price after adjustment} = \text{Exercise Price before adjustment} \times \frac{1}{\text{Ratio of split or consolidation}}$$

If the Company issues new shares of common stock or disposes of its treasury stocks at less than the current market price (except in the case of responding to either exercise of stock acquisition rights or request for the additional purchase of shares constituting less than one unit), then the Exercise Price shall be adjusted by the following formula, and any fraction of less than one (1) yen resulting from such adjustment shall be rounded up.

$$\text{Exercise Price after adjustment} = \text{Exercise Price before adjustment} \times \frac{\text{Number of shares already issued} + \frac{\text{Number of shares newly issued} \times \text{Amount paid-in per share}}{\text{Current market price per share}}}{\text{Number of shares already issued} + \text{Number of shares newly issued}}$$

In the formula above, “Number of shares already issued” is the remaining number when the total number of treasury stock of the Company is subtracted from the total number of outstanding shares of the Company. Further, if the Company disposes of its treasury stocks, “Number of shares newly issued” in the formula above shall read “Number of treasury stock disposed of,” and “Amount paid-in per share” shall read “Disposal value per share” respectively.

In addition to the foregoing, in the event of a merger of the Company with another company, a company split, a capital reduction of the Company, or any similar case in which adjustment of the Exercise Price is required after the allocation of the Stock Acquisition Rights, the Company may suitably adjust the Exercise Price to the extent the Company considers reasonable.

3) Exercise period for the Stock Acquisition Rights

Five (5) years from the first day of the month following the month that is two (2) years after the Stock Acquisition Rights are allocated.

4) Matters concerning the capital and capital reserve increased by the issuance of shares upon the exercise of the Stock Acquisition Rights.

- (i) The amount of capital to be increased by the issuance of shares upon the exercise of the Stock Acquisition Rights shall be the half of the maximum limit of capital increase, as calculated in accordance with the provisions of Paragraph 1, Article 17 of the Ordinance on Accounting of Companies, and any fraction of less than one (1) yen arising as a result of such calculation shall be rounded up to the nearest one (1) yen.
- (ii) The amount of capital reserve to be increased upon the issuance of shares through the exercise of the Stock Acquisition Rights shall be the amount obtained by deducting the capital to be increased, as provided in (i) above, from the maximum limit of capital increase, as also provided in (i) above.

5) Restriction on the obtainment of Stock Acquisition Rights through transfer;

Any obtainment of Stock Acquisition Rights through transfer requires the approval of the Board of Directors of the Company.

6) Measures to be taken in the event of reorganization such as merger or company split;

In the event of the Company engaging in absorption-type merger (limited to cases where the Company does not survive after the merger), consolidation-type merger, company split and other reorganizations (hereinafter collectively referred to as the “Reorganization Actions” excluding stock transfer and stock exchange), the Company shall issue the stock acquisition rights of the company as described in provisions (a) through (e) of Item 8 of Paragraph 1 of Article 236 of the Companies Act of Japan (hereinafter the “Reorganized Company”) to each holder of the Stock Acquisition Rights remaining at the time the Reorganization Actions become effective (hereinafter the “Remaining Stock Acquisition Rights”), based on the conditions described below. The above stated issuance is, however, effected only when statements of the issuance of the stock acquisition rights of the Reorganized Company have been made in absorption-type merger agreement, consolidation-type merger agreement, absorption-type company split agreement, or incorporation-type company split plan in accordance with the conditions given below.

- (i) Number of new stock acquisition rights of the Reorganized Company to be issued; The same number as the stock acquisition rights held by the holder of Remaining Stock Acquisition Rights then shall be issued.
- (ii) Type of shares of the Reorganized Company to be issued upon the exercise of the stock acquisition rights;

Common stocks of the Reorganized Company.

- (iii) Number of shares of the Reorganized Company to be issued upon the exercise of stock acquisition rights;  
The number shall be determined after reasonable adjustment is made by considering the conditions of Reorganization Actions and other factors (hereinafter “the Number of Shares after the succession”). Any fraction of less than one (1) share resulting from the adjustment shall be disregarded.
- (iv) Exercise period for the stock acquisition rights;  
The exercise period shall be from either the commencement date of the exercise period for the Stock Acquisition Rights as described in 3) above, or the effective date of the Reorganization Actions, whichever is later, to the final day of the exercise period for the Stock Acquisition Rights as described in 3) above.
- (v) Matters concerning the capital and capital reserve to be increased by the issuance of shares through exercise of stock acquisition rights;  
Decisions shall be made in accordance with 4) above.
- (vi) Value of assets to be paid-in as capital at the time of exercising stock acquisition rights;  
The value shall be the Exercise Price, as described in 2) above, that has been adjusted in a reasonable manner by taking into account the conditions of the Reorganization Actions and other factors, multiplied by the number of shares after the succession.
- (vii) Other conditions of exercise of stock acquisition rights and reasons for acquisition of stock acquisition rights;  
Decisions shall be made in accordance with 7) and 9) below.
- (viii) Restriction on the transfer of stock acquisition rights;  
Any obtainment of stock acquisition rights through transfer requires approval of the Board of Directors of the Reorganized Company.

7) Reasons for acquisition of the Stock Acquisition Rights;

In the event that the Stock Acquisition Rights are not transferred to the new company in accordance with the provisions of an agreement concerning an absorption-type merger (limited to cases where the Company does not survive after merger), consolidation-type merger, company split, stock transfer or stock exchange, etc. (includes company split agreement, stock transfer plan, etc.) or the resolution so made by the Shareholders’ Meeting, the Company shall be able to acquire the Stock Acquisition Rights free of payment on a date to be determined separately by its Board of Directors.

8) Any fractions of less than one (1) share of the number of shares to be issued to the holder of the Stock Acquisition Rights who has exercised the Stock Acquisition Rights shall be disregarded.

9) Other conditions for the exercise of the Stock Acquisition Rights;

- (i) Holders of the Stock Acquisition Rights shall be in the position of Directors or Employees (including those who are seconded to the Company or its subsidiaries) of the Company or its subsidiaries at the time of exercising the Stock Acquisition Rights, excluding cases where such positions are relinquished due to proper reasons including retirement after the full term service completion, mandatory retirement, and resignation or retirement at the request of the Company or any of its subsidiaries.
- (ii) If any one of the cases below applies, the holder of the Stock Acquisition Rights shall be ineligible to exercise any unexercised Stock Acquisition Rights:
  - (a) When a holder is dismissed by the resolution of the shareholders’ meeting of the

Company or any one of its subsidiaries, or dismissed on disciplinary grounds, or when they resign or retire for personal reasons;

- (b) When a holder is given a court sentence of imprisonment without work or greater severity;
- (c) When a holder files a petition for bankruptcy or civil rehabilitation proceedings, or when a holder is subject to petition for seizure, provisional seizure, preservation, or provisional disposition, or is subject to coercive collection.

## Shareholder proposal

Proposal No. 5 has been proposed by a single shareholder. The shareholder holds 350 voting shares (representing 0.014% of voting stock).

The statement in “Reason(s) for Proposal” was made by the shareholder, and it represents the shareholder’s perspective. It has been translated here from the original statement written by the shareholder.

### **Proposal No. 5: Dismissal of Director (not a Director serving on the Audit & Supervisory Committee)**

#### 1. Proposal

It is proposed that Tateaki Ishida be dismissed as President & CEO.

#### 2. Reason(s) for Proposal

- (1) On a full-year basis, operating income remained positive up to and including FY 2018. In FY 2019, it entered negative territory for the first time in eight years. Accountability for this situation lies with President & CEO Tateaki Ishida.
- (2) The securities and financial sectors have started integrating, and face-to-face customer contact, once a mainstay of our industry, is increasingly giving way to online interfaces. Moreover, as we head into an even more globalized future, we would be foolish to disregard how the Financial Services Agency is edging closer to adopting US-style regulatory infrastructure. This is the situation facing the securities industry today. Hence, business leaders bear a heavy responsibility. This is no longer a time for a company to be led by the same person for 15 or so years. We must rejuvenate the leadership if we are to keep up with the rapid pace of change in the securities industry. The leader is responsible for preparing a successor. Tateaki Ishida has held the reins of power for too long; it is time for him to step aside for someone else.
- (3) The Company’s belittlement of shareholders grows worse by the year. The full-year dividend for FY 2018 was 38 yen. In FY 2019, it was 16 yen. For FY 2020, the dividend is forecasted at a mere 8 yen. When it comes to cutting costs, Ishida has failed to lead from the front. A radical organizational overhaul is warranted.

#### The Board of Directors’ Opinion on Proposal No. 5

##### 1. Board of Directors’ Opinion

**The Board of Directors objects to the proposal.**

##### 2. Reason for Objection

Tateaki Ishida has applied his extensive knowledge and experience in his role as President & CEO. Since assuming office, he has exhibited powerful leadership, spearheading efforts to enhance the Group’s enterprise value. He has also duly discharged his directorial duties.

On this basis, the Board of Directors believes that Ishida remains fit for the office of Director, and thus opposes the proposal to dismiss him. The board has proposed his reelection at the Ordinary General Meeting of Shareholders.

The Audit & Supervisory Committee, likewise, believes that Ishida remains fit for the office of Director, and thus opposes the proposal to dismiss him.

(end)