

# Press Release



**TOKAI TOKYO FINANCIAL HOLDINGS, INC.**

5-1, NIHONBASHI 2-CHOME, CHUO-KU, TOKYO 103-6130 JAPAN

*Note: This English translation is for reference purposes only. In the event of any discrepancy between the Japanese original and this English translation, the Japanese original shall prevail.  
We assume no responsibility for this translation or for direct, indirect or any other form of damage arising from the translation.*

(TSE, NSE: 8616)

March 30, 2021

## **Notice Regarding the Results of the Tender Offer for Shares of ACE Securities Co., Ltd. and the Changes in Specified Subsidiaries**

On February 12, 2021, Tokai Tokyo Financial Holdings, Inc. (the “Company”) adopted a resolution at its board of directors’ meeting to acquire the shares of ACE Securities Co., Ltd. (the “Target”) through a tender offer (the “Tender Offer”) under the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended; the “Act”), and commenced the Tender Offer on February 15, 2021, which then ended on March 29, 2021. Accordingly, the Company hereby announces the result of the Tender Offer as follows.

The Company also announces that as a result of the Tender Offer, the Target and its subsidiary, Maruhachi Securities Co., Ltd. (“Maruhachi Securities”) will become the Company’s consolidated subsidiaries on April 16, 2021 (the commencement date of settlement of the Tender Offer), and consequently the Target and Maruhachi Securities will become the Company’s specified subsidiaries.

### **I. The Tender Offer Result**

#### **1. The Outline of the Purchase**

##### **(1) Name and Location of the Tender Offeror**

Tokai Tokyo Financial Holdings, Inc.  
2-Chome 5-1, Nihonbashi, Chuo-Ku, Tokyo

##### **(2) Name of the Target**

ACE Securities Co., Ltd.

##### **(3) Category of Shares to be purchased under the Tender Offer**

Common stock (the “Target Stock”)

##### **(4) Number of Shares to Be Purchased**

Number of shares to be purchased	Minimum number of shares to be purchased	Maximum number of shares to be purchased
3,530,923 shares	1,869,000 shares	— shares

(Note 1) The “Number of shares to be purchased” is the maximum possible number of Target

Stock to be acquired by the Company through the Tender Offer. This maximum number of shares (3,530,923 shares in total) is obtained by deducting the number of Target Stock owned by the Company as of December 31, 2020 (1,455,000 shares) as stated in the “3rd Quarterly Report for the 103rd Fiscal Year” submitted by the Target on February 12, 2021 (the “Target’s 3rd Quarterly Report for the 103rd FY”) and the number of treasury shares owned by the Target (1,577 shares), from the total number of issued shares of the Target as of December 31, 2020 (4,987,500 shares), as stated in the Target’s 3rd Quarterly Report for the 103rd FY.

(Note 2) If the total number of shares tendered in the Tender Offer (“Tendered Shares”) is less than the minimum number of shares to be purchased (1,869,000 shares), none of the Tendered Shares will be purchased. If the total number of Tendered Shares is equal to or above the minimum number of shares to be purchased (1,869,000 shares), all of the Tendered Shares will be purchased.

(Note 3) Shares less than one unit are also targets of the Tender Offer. If shareholders exercise their right to demand a purchase of shares less than one unit in accordance with the Companies Act, the Target may purchase its own shares during the Tender Offer Period in accordance with the relevant laws and regulations.

(Note 4) There are no plans for the Company to acquire the treasury shares owned by the Target through the Tender Offer.

#### (5) Purchase Period

- (I) Purchase Period Originally Specified in the Tender Offer Registration Statement  
From Monday, February 15, 2021 through Monday, March 29, 2021 (30 business days)
- (II) Possibility of Extension Upon Request of the Target  
Not applicable

#### (6) Purchase Price

¥3,220 per share of common stock

### 2. Result of the Tender Offer

#### (1) Outcome of the Tender Offer

In the Tender Offer, it was conditioned that if the total number of Tendered Shares is less than the minimum number of shares to be purchased (1,869,000 shares), none of the Tendered Shares will be purchased. Since the total number of Tendered Shares (3,274,862 shares) was equal to or above the minimum number of shares to be purchased (1,869,000 shares), all of the Tendered Shares will be purchased as stated in the public notice of commencement of the Tender Offer and the Tender Offer Registration Statement.

#### (2) Date of Public Notice of Result of the Tender Offer and Name of the Newspaper That Carries the Public Notice

Pursuant to Article 27-13, paragraph (1) of the Act, the Company publicly announced the result of the Tender Offer to the media via the methods prescribed in Article 9-4 of the Order for Enforcement of the Financial Instruments and Exchange Act (Cabinet order No. 321 1965, as amended, the “Order”) and Article 30-2 of the Cabinet Office Order on

Disclosure Required for Tender Offer for Share Certificates by Persons Other Than Issuers (Ministry of Finance Order No. 38 of 1990, as amended; the “Cabinet Office Order”) on March 30, 2021, at the Tokyo Stock Exchange.

(3) Number of Shares Purchased

Category of Shares	Number of Tenders Converted into Shares	Number of Purchases Converted into Shares
Shares	3,274,862 shares	3,274,862 shares
Share option certificates	– shares	– shares
Corporate bonds with share option certificates	– shares	– shares
Beneficiary certificates of shares in trust ( )	– shares	– shares
Depository receipts for shares ( )	– shares	– shares
Total	3,274,862 shares	3,274,862 shares
(Total number of dilutive shares)	(– shares)	(– shares)

(4) Post-purchase Share Ownership Ratio

Number of voting rights pertaining to shares owned by the Tender Offeror before the purchase	14,550 voting rights	(Share ownership ratio before the purchase: 29.18 %)
Number of voting rights pertaining to shares owned by specially related parties before the purchase	141 voting rights	(Share ownership ratio before the purchase: 0.28 %)
Number of voting rights pertaining to shares owned by the Tender Offeror after the purchase	47,298 voting rights	(Share ownership ratio after the purchase: 94.86%)
Number of voting rights pertaining to shares owned by specially related parties after the purchase	– voting rights	(Share ownership ratio after the purchase: – %)
Total number of voting rights pertaining to shares owned by all shareholders of the Target	49,827 voting rights	

(Note 1) The “number of voting rights pertaining to shares owned by specially related parties before the purchase” is the total number of voting rights pertaining to shares owned by specially related parties (excluding those specially related parties who are excluded from being a specially related party under Article 3(2)(i) of the Cabinet Office Order for the purpose of calculating the share ownership ratio under each item of Article 27-2(1) of the Act).

(Note 2) The “total number of voting rights pertaining to shares owned by all shareholders of the Target” is the number of voting rights of all shareholders as of September 30, 2020, as stated in the Target’s 3rd Quarterly Report for the 103rd FY. However, since shares less than one unit were also subject to the purchase, for the purpose of calculating the “Share ownership ratio before the purchase” and “Share ownership ratio after the purchase”, the denominator used was the number of voting rights (49,859 voting rights) pertaining to the number of shares of Target Stock (4,985,923 shares) obtained by deducting the number of treasury shares owned by the Target as of December 31, 2020, as stated in the Target’s 3rd Quarterly Report for the 103rd FY (1,577 shares) from the total number of issued shares

of Target Stock (4,987,500 shares) as of December 31, 2020, as stated in the Target's 3rd Quarterly Report for the 103rd FY.

(Note 3) Regarding the "share ownership ratio before the purchase" and the "share ownership ratio after the purchase," any fraction is rounded off to the second decimal places.

(5) Calculation in case of Tender Offer on Pro Rata Basis

Not applicable.

(6) Settlement Method

(I) Name and Main Office Location of Financial Instruments Business Operators, Banks, and Other Institutions Conducting Settlement of Purchases

Tokai Tokyo Securities Co., Ltd.

4 Chome 7-1 Meieki, Nakamura Ku, Nagoya City, Aichi Prefecture, Japan

(II) Commencement Date of Settlement

Friday, April 16, 2021

(III) Settlement Method

Promptly following expiration of the Tender Offer Period, notifications of the purchases through the Tender Offer will be mailed to the addresses of the tendering shareholders (or the addresses of standing proxies for foreign shareholders). Purchases are made in cash. At the tendering shareholders' instruction (or standing proxies' instruction for foreign shareholders) and promptly after commencement of the settlement procedures, proceeds of sales will be (i) remitted from the Tender Offer Agent to a bank account designated by the tendering shareholders (or standing proxies for foreign shareholders), or (ii) paid into an account of the tendering shareholders whose applications to tender their shares in the Tender Offer were accepted by the Tender Offer Agent.

Settlement procedures are commenced subject to completion of a name change entry in the shareholder registry of the shares purchased through the Tender Offer. Specifically, via the Tender Offer Agent, if necessary, (i) the Company will fix the total number of Tendered Shares promptly after the expiration of the Tender Offer Period and deliver a "request for name change entry" and a "share balance statement" regarding the shares purchased through the Tender Offer to the share registry administrator of the Target; (ii) upon the notice from the share registry administrator that the name change entry for the relevant shares has been completed, the Company will confirm the name change entry in the share registry regarding the shares purchased through the Tender Offer; and then (iii) the Company will commence settlement procedures on the date specified in "(II) Commencement Date of Settlement" above for the tendering shareholders for which the name change entry has been completed. If the "tender offer application form" or "request for name change entry" submitted to the Tender Offer Agent by a tendering shareholder is insufficient, and the share registry administrator cannot confirm completion of the name change entry by the date specified in "(II) Commencement Date of Settlement" above, the shares tendered by such tendering shareholder will not be purchased and thus settlement procedures for such tendering shareholder will not be commenced.

Further, it may take several days from the time when rights to the shares purchased by a tendering shareholder through the Tender Offer are transferred from the tendering shareholder to the Company (the time when the name change entry in (ii) above is completed) until the time the payment of proceeds of sales of the shares purchased

through the Tender Offer has been commenced. This is due to paperwork required to be done because the Target is not a listed company and a share certificate-issuing company.

### 3. Post-Tender Offer Policies and Future Outlook

The post-Tender Offer policies remain unchanged from those set forth in the “Notice Regarding Commencement of Tender Offer for Shares of ACE Securities Co., Ltd.” released by the Company on February 12, 2021.

Based on the result of the Tender Offer, the Company plans to execute a series of procedures to make the Target its wholly-owned subsidiary. The procedures will be disclosed by the Target promptly once determined.

### 4. Place Where the Copy of the Tender Offer Report is Made Available for Public Inspection Tokai Tokyo Financial Holdings, Inc. (2-Chome 5-1, Nihonbashi, Chuo-Ku, Tokyo)

## II. Changes in Subsidiaries

### 1. ACE Securities Co., Ltd.

#### (1) Reason for the Change

As a result of the Tender Offer, the Target will become a consolidated subsidiary of the Company, effective April 16, 2021 (the commencement date of settlement under the Tender Offer), whereby the Target will become a specified subsidiary of the Company.

#### (2) Overview of the Subsidiary Subject to the Change (Target)

(I)	Company Name	ACE Securities Co., Ltd.																														
(II)	Address	2 Chome 6-11 Honmachi, Chuo Ku, Osaka City																														
(III)	Name and Position of the Representative	Yoshinori Deguchi, President and Representative Director																														
(IV)	Business	Financial Instruments Business Operator																														
(V)	Capital Stock	¥8,831,125,000 (as of December 31, 2020)																														
(VI)	Date of Incorporation	February 21, 1931																														
(VII)	Major Shareholders and Shareholding Ratio (as of September 30, 2020)	<table> <tr> <td>1.</td><td>Tokai Tokyo Financial Holdings, Inc.</td><td>29.18%</td></tr> <tr> <td>2.</td><td>FUJISOFT INCORPORATED</td><td>26.97%</td></tr> <tr> <td>3.</td><td>Leopalace21 Corporation</td><td>6.01%</td></tr> <tr> <td>4.</td><td>ACE Securities Employee Shareholders' Association</td><td>5.42%</td></tr> <tr> <td>5.</td><td>Resona Bank, Ltd.</td><td>3.69%</td></tr> <tr> <td>6.</td><td>Rakuten General Insurance Co., Ltd.</td><td>1.95%</td></tr> <tr> <td>7.</td><td>SHIZUOKA YAIZU SHINKIN BANK</td><td>1.24%</td></tr> <tr> <td>8.</td><td>SUGIMURA WAREHOUSE CO., LTD.</td><td>1.06%</td></tr> <tr> <td>9.</td><td>Custody Bank of Japan, Ltd (Trust Account 4)</td><td>0.78%</td></tr> <tr> <td>10.</td><td>Endeavor Partners Co., Ltd.</td><td>0.72%</td></tr> </table>	1.	Tokai Tokyo Financial Holdings, Inc.	29.18%	2.	FUJISOFT INCORPORATED	26.97%	3.	Leopalace21 Corporation	6.01%	4.	ACE Securities Employee Shareholders' Association	5.42%	5.	Resona Bank, Ltd.	3.69%	6.	Rakuten General Insurance Co., Ltd.	1.95%	7.	SHIZUOKA YAIZU SHINKIN BANK	1.24%	8.	SUGIMURA WAREHOUSE CO., LTD.	1.06%	9.	Custody Bank of Japan, Ltd (Trust Account 4)	0.78%	10.	Endeavor Partners Co., Ltd.	0.72%
1.	Tokai Tokyo Financial Holdings, Inc.	29.18%																														
2.	FUJISOFT INCORPORATED	26.97%																														
3.	Leopalace21 Corporation	6.01%																														
4.	ACE Securities Employee Shareholders' Association	5.42%																														
5.	Resona Bank, Ltd.	3.69%																														
6.	Rakuten General Insurance Co., Ltd.	1.95%																														
7.	SHIZUOKA YAIZU SHINKIN BANK	1.24%																														
8.	SUGIMURA WAREHOUSE CO., LTD.	1.06%																														
9.	Custody Bank of Japan, Ltd (Trust Account 4)	0.78%																														
10.	Endeavor Partners Co., Ltd.	0.72%																														
(VIII)	Relation between the Listed Company and the Target																															
	Capital Relation	As of today, the Company owns 1,455,000 shares (ownership ratio: 29.18%) of the Target Stock.																														

	Personnel Relation	Mr. Satoshi Matsui, a director of the Target, was the Company’s Managing Executive Officer; and Mr. Masaaki Murakami concurrently serves as advisor to the Company.		
	Business Relation	The Company Group supplies products to the Target.		
	Status as Related Party	The Target is an equity-method affiliate of the Company.		
(IX)	Consolidated Business Performance and Financial Status of the Target in the Recent Three-year Period (in million yen unless otherwise noted)			
Fiscal Year Ended in:		March 2018	March 2019	March 2020
Consolidated Net Assets		26,838	26,874	26,870
Consolidated Total Assets		46,867	37,560	40,128
Per-share Consolidated Net Assets		4,568.32 Yen	4,553.70 Yen	4,589.30 Yen
Consolidated Operating Revenue		11,513	10,050	10,043
Consolidated Ordinary Income		1,897	860	1,248
Consolidated Net Income Attributable to the Parent Company		1,142	500	830
Per-share Consolidated Net Income		229.13 Yen	100.34 Yen	166.63 Yen
Dividend Per-share		7.00 Yen	50.00 Yen	60.00 Yen

(Note) The “major shareholders” and “shareholding ratio” described above are similar to those in the “2nd Quarterly Report for the 103rd Fiscal Year” submitted on November 12, 2020, by the Target.

(3) Number of Shares acquired, acquisition price, and Status of Shareholding before and after the Purchase

(I) Number of shares owned before change	1,455,000 shares (Number of voting rights: 14,550) (Voting rights holding ratio: 29.18%)
(II) Number of shares acquired	Common stock: 3,274,862 shares (Number of voting rights: 32,748) (Voting rights holding ratio: 65.68%)
(III) Acquisition price	Amount of consideration for common stock: 10,545 million yen
(IV) Number of shares owned after change	Common stock: 4,729,862 shares (Number of voting rights: 47,298) (Voting rights holding ratio: 94.86%)

(Note 1) For the purpose of calculating the “voting rights holding ratio,” the denominator used was the number of voting rights (49,859 voting rights) pertaining to the number of shares of Target Stock (4,985,923 shares) obtained by deducting the number of treasury shares owned by the Target as of December 31, 2020, as stated in the Target's 3rd Quarterly Report for the 103rd FY (1,577 shares) from the total number of issued shares of Target Stock (4,987,500 shares) as of December 31, 2020, as stated in the Target's 3rd Quarterly Report for the 103rd FY.

(Note 2) Regarding the “voting rights holding ratio,” any fraction is rounded off to the second decimal places.

(Note 3) The “Acquisition price” does not include advisory fees or other similar expenses.

(4) Scheduled date of the Change (tentative)

Friday, April 16, 2021 (the commencement date of settlement under the Tender Offer)

(5) Future Outlook

Whether there are any facts concerning the impact of the proposed change of the specified subsidiary under the Tender Offer on the Company's consolidated business results that should be disclosed currently is being determined, and such facts will be promptly published if they arise.

2. Maruhachi Securities Co., Ltd.

(1) Reason for the Change

As a result of the Tender Offer, the Target will become a consolidated subsidiary of the Company, effective April 16, 2021 (the commencement date of settlement under the Tender Offer), whereby Maruhachi Securities will become a consolidated subsidiary and specified subsidiary of the Company, effective on the same date.

(2) Overview of the Subsidiary Subject to the Change (Maruhachi Securities)

(I)	Company Name	Maruhachi Securities Co., Ltd.																														
(II)	Address	2 Chome 4 Shinsakaemachi, Naka Ku, Nagoya City, Aichi Prefecture																														
(III)	Name and Position of the Representative	Yasunori Satono, President and Representative Director																														
(IV)	Business	Financial Instruments Business Operator																														
(V)	Capital Stock	¥3,751,856,000 (as of December 31, 2020)																														
(VI)	Date of Incorporation	March 30, 1944																														
(VII)	Major Shareholders and Shareholding Ratio (as of September 30, 2020)	<table><tr><td>1.</td><td>ACE Securities Co., Ltd.</td><td>43.63%</td></tr><tr><td>2.</td><td>Yoshitaka Nakamura</td><td>15.11%</td></tr><tr><td>3.</td><td>Nomura Land and Building Co., Ltd.</td><td>5.45%</td></tr><tr><td>4.</td><td>Fumiko Nakamura</td><td>2.19%</td></tr><tr><td>5.</td><td>Fund Creation Co., Ltd.</td><td>1.03%</td></tr><tr><td>6.</td><td>Maruhachi Securities Employee Shareholders' Association</td><td>0.80%</td></tr><tr><td>7.</td><td>Yasunori Satono</td><td>0.64%</td></tr><tr><td>8.</td><td>Akira Tsukashima</td><td>0.58%</td></tr><tr><td>9.</td><td>JAPAN SECURITIES FINANCE CO., LTD.</td><td>0.51%</td></tr><tr><td>10.</td><td>Custody Bank of Japan, Ltd. (Trust Account 4)</td><td>0.42%</td></tr></table>	1.	ACE Securities Co., Ltd.	43.63%	2.	Yoshitaka Nakamura	15.11%	3.	Nomura Land and Building Co., Ltd.	5.45%	4.	Fumiko Nakamura	2.19%	5.	Fund Creation Co., Ltd.	1.03%	6.	Maruhachi Securities Employee Shareholders' Association	0.80%	7.	Yasunori Satono	0.64%	8.	Akira Tsukashima	0.58%	9.	JAPAN SECURITIES FINANCE CO., LTD.	0.51%	10.	Custody Bank of Japan, Ltd. (Trust Account 4)	0.42%
1.	ACE Securities Co., Ltd.	43.63%																														
2.	Yoshitaka Nakamura	15.11%																														
3.	Nomura Land and Building Co., Ltd.	5.45%																														
4.	Fumiko Nakamura	2.19%																														
5.	Fund Creation Co., Ltd.	1.03%																														
6.	Maruhachi Securities Employee Shareholders' Association	0.80%																														
7.	Yasunori Satono	0.64%																														
8.	Akira Tsukashima	0.58%																														
9.	JAPAN SECURITIES FINANCE CO., LTD.	0.51%																														
10.	Custody Bank of Japan, Ltd. (Trust Account 4)	0.42%																														
(VIII)	Relation between the Listed Company and Maruhachi Securities Co., Ltd.																															
	Capital Relation	The Company owns 29.18% of the Target Stock, which is the parent company of Maruhachi Securities.																														
	Personnel Relation	Messrs. Satoshi Matsui and Masato Kozawa, directors of Maruhachi Securities, were the Company's Managing Executive Directors; and Mr. Osamu Yagisawa concurrently serves as advisor to the Company.																														
	Business Relation	The Company Group supplies products to Maruhachi Securities.																														

	Status as Related Party	Maruhachi Securities is an equity-method affiliate of the Company.		
(IX)	Business Performance and Financial Status of Maruhachi Securities Co., Ltd. in the Recent Three-year Period (in million yen unless otherwise noted)			
Fiscal Year Ended in:		March 2018	March 2019	March 2020
Net Assets		6,869	7,064	6,752
Total Assets		8,815	8,722	8,698
Per-share Net Assets		1,721.17 Yen	1,769.94 Yen	1,691.73 Yen
Operating Revenue		2,815	2,898	2,421
Ordinary Income		444	548	228
Net Income		375	406	163
Per-share Net Income		94.06 Yen	101.72 Yen	40.90 Yen
Dividend Per-share		4.00 Yen	50.00 Yen	30.00 Yen

(Note) The “major shareholders” and “shareholding ratio” described above are similar to those in the “2nd Quarterly Report for the 79th Fiscal Year” submitted on November 12, 2020 by Maruhachi Securities.

(3) Scheduled Date of the Change (tentative)

Friday, April 16, 2021 (the commencement date of settlement under the Tender Offer)

(4) Future Outlook

Whether there are any facts concerning the impact of the proposed change of the specified subsidiary under the Tender Offer on the Company’s consolidated business results that should be disclosed currently is being determined, and such facts will be promptly published if they arise.

(end)