

# < Aiming to be a New Age's Flag Bearer >

The Management Plan, “New Age's, Flag Bearer 5”  
(April 2017 — March 2022)



**Tokai Tokyo Financial Holdings, Inc. (8616)**  
**Chief Executive Officer**  
**Tateaki Ishida**

**March 22, 2021**

# Contents

---

<b>I . The Profile of the Group</b>	<b>2</b>	<b>VI. The Group’s History over the 20 years</b>	<b>35</b>
		i . The Innovations as a Frontier	
<b>II . Stock Market Trend over the Recent 2 Years     &amp; the Future Outlook</b>	<b>4</b>	ii . The Performance Ranking over the Years	
<b>III . The Group performance</b>	<b>6</b>	<b>VII. Aiming to be a New Age’s Flag Bearer     Management Plan,     “New Age’s Flag Bearer5”</b>	<b>38</b>
~ The Slump in Fiscal 2019 and the Recovery in Fiscal 2020			
<b>IV . The Environment the Securities Industry     Faces</b>	<b>12</b>	<b>VIII. SDGs Initiatives</b>	<b>41</b>
~7 Challenges		<b>IX. Rewarding the Shareholders</b>	<b>44</b>
<b>V . Solutions to the Changing Environment</b>	<b>14</b>	i . Our Stock Price Trend and Dividend Payments	
i . Boost Earning Capability of Tokai Tokyo Securities		ii . Courtesy Gifts to Shareholders	
ii . Create New Business Models		<b>X. Aiming to be a New Age’s Flag Bearer</b>	<b>47</b>
		i . Locomotive Management	
		~ The Ambidexter Management ~	
		ii . Pursuing to become one of the 5 Big Elephants	

\* All the numerical data are presented here as consolidated figures of the Group unless otherwise mentioned.

---

# I . The Profile of the Group

# I . The Profile of the Group

## Tokai Tokyo Financial Holdings, Inc.

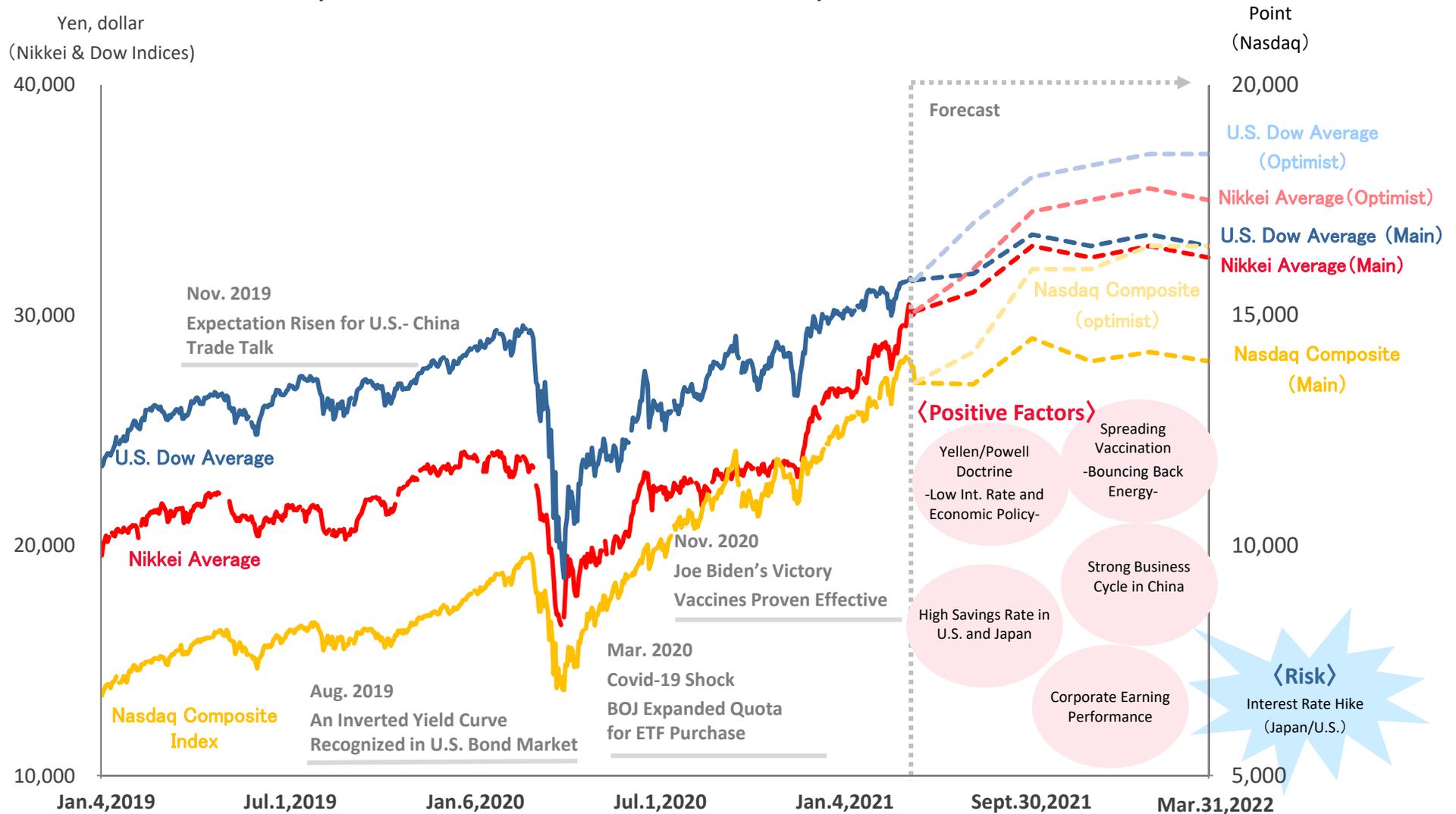
<p>■ <b>Stock Listing</b></p>	<p><b>First Section of both the Tokyo and the Nagoya Stock Exchanges (Security Code 8616)</b></p>	<p>Regional Bank Strategy Seven J/Vs in Operation</p>	<p>Brand Recognition in Tokai Region</p>
<p>■ <b>Net Equity</b></p>	<p><b>Yen 165.6 Billion</b></p>	<p><b>Strength of</b></p>	
<p>■ <b>Assets in Custody</b></p>	<p><b>Yen 6,740.1 Billion</b> (Group Total) <b>5,042.1 Billion</b> (Tokai Tokyo Securities )</p>	<p>High Competence in Trading</p>	<p>High Net Worth Business</p>
<p>■ <b>Market Capitalization</b></p>	<p><b>94 Billion Yen</b> as of 26 Feb. 2021</p>		
<p>■ <b>Number of Employees</b></p>	<p><b>3,045</b> (Group Total ) At the end of Dec. 2020</p>	<p>Enriched Staff Training</p>	<p>Digitalization</p>
<p>■ <b>Network</b></p>	<p><b>62 Branches</b> (Tokai Tokyo Securities) <b>71 Outlets</b>(JV Operations)</p>	<p>Diverse Business Operations</p>	

---

## **Ⅱ . Stock Market Trend over the Recent 2 Years & the Future Outlook**

## II . Stock Market Trend over the Recent 2 Years & the Future Outlook

Record of Primary Stock Price Indices in U.S. and Japan & the Future Outlook



---

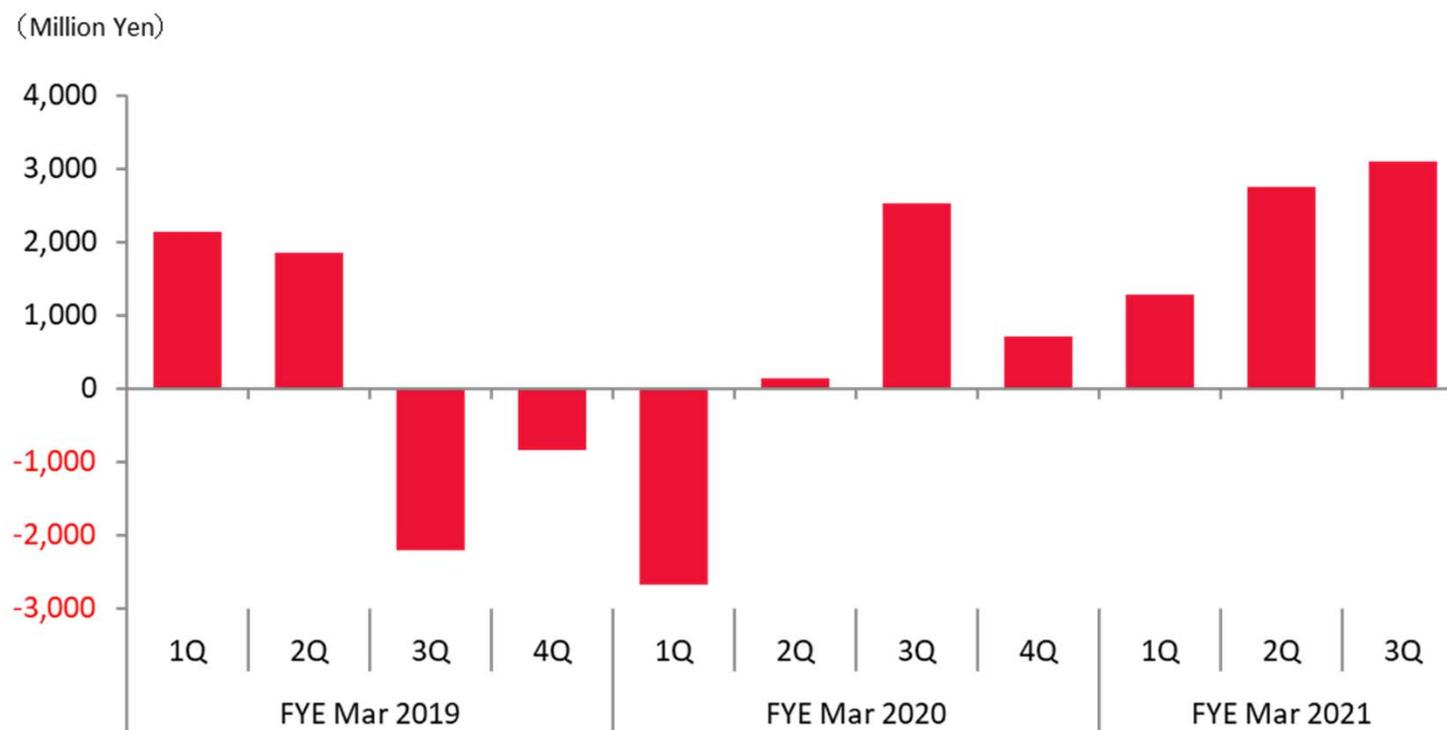
## **Ⅲ. The Group performance**

**~The Slump in Fiscal 2019 and the Recovery in Fiscal 2020**

### III. The Group performance

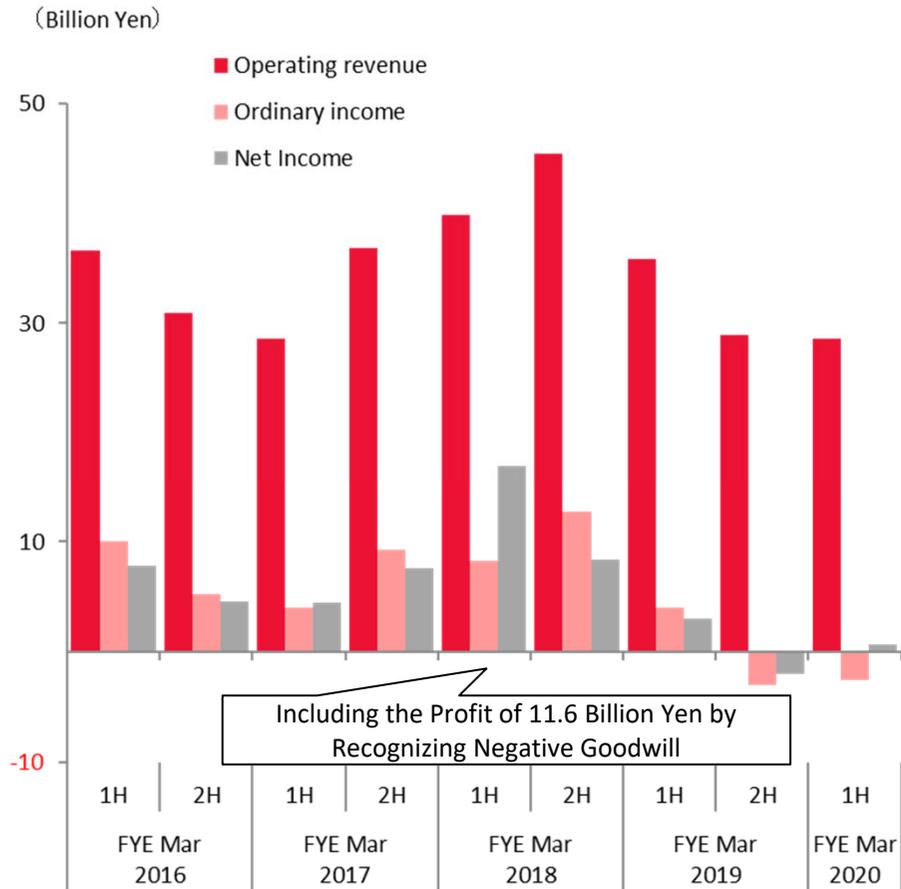
~The Slump in Fiscal 2019 and the Recovery in Fiscal 2020

Ordinary Income (Fiscal 2018—the 3rd Qtr. in Fiscal 2021)

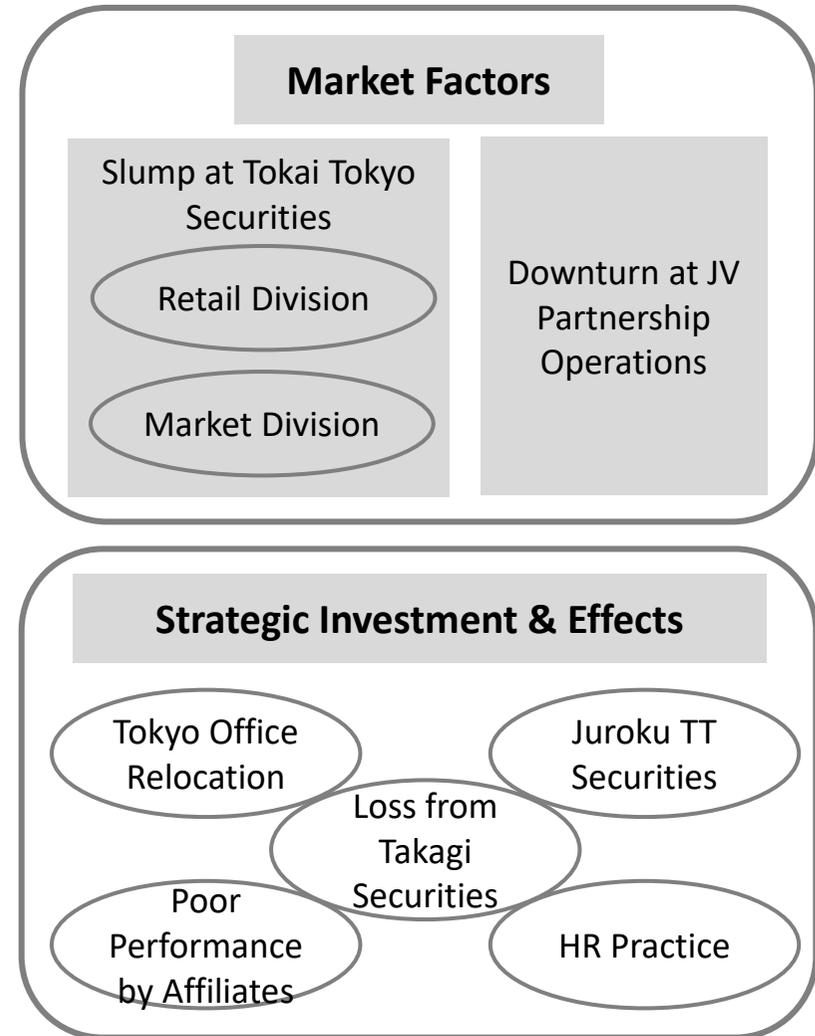


# III. The Group performance

~The Slump in Fiscal 2019



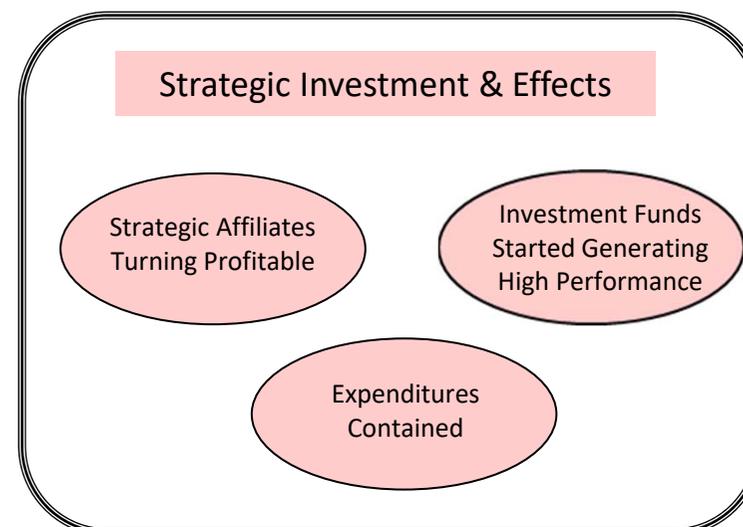
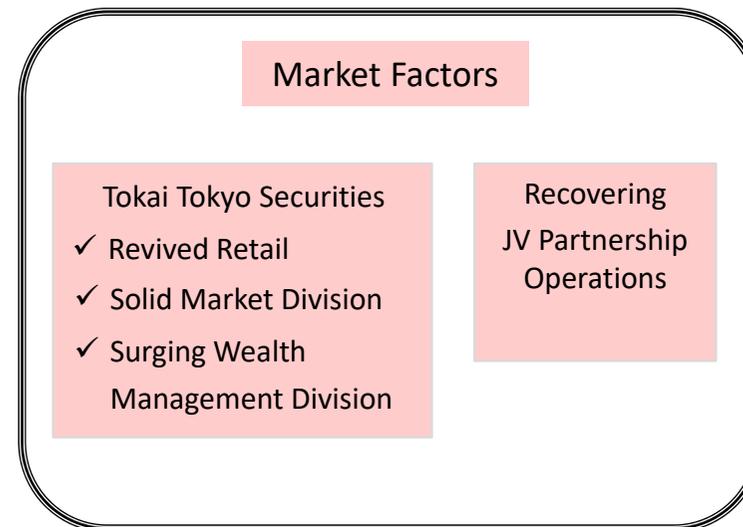
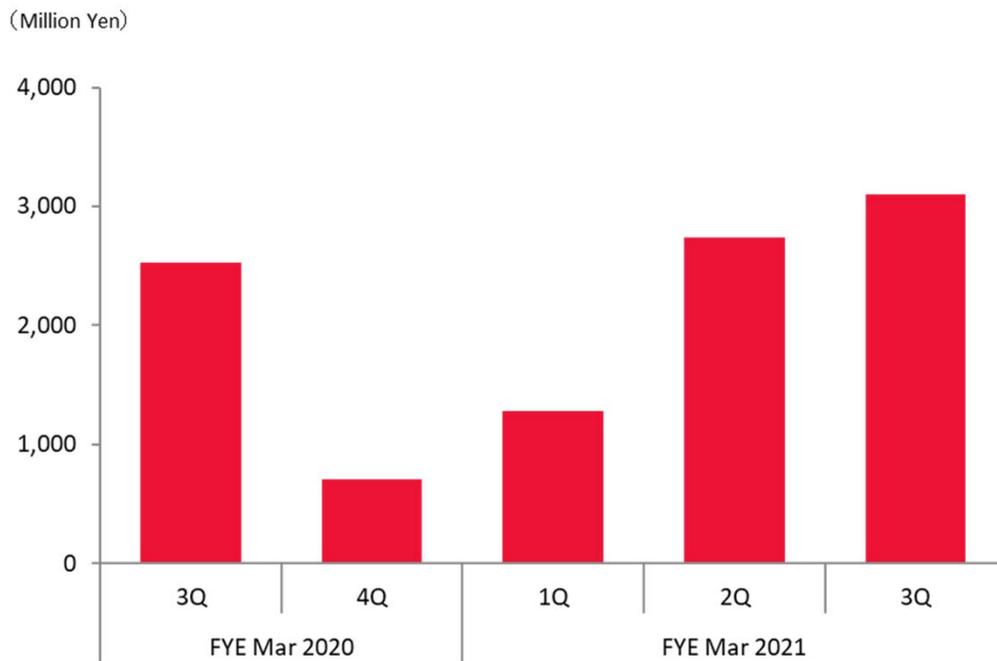
## Causes of Slump



### III. The Group performance

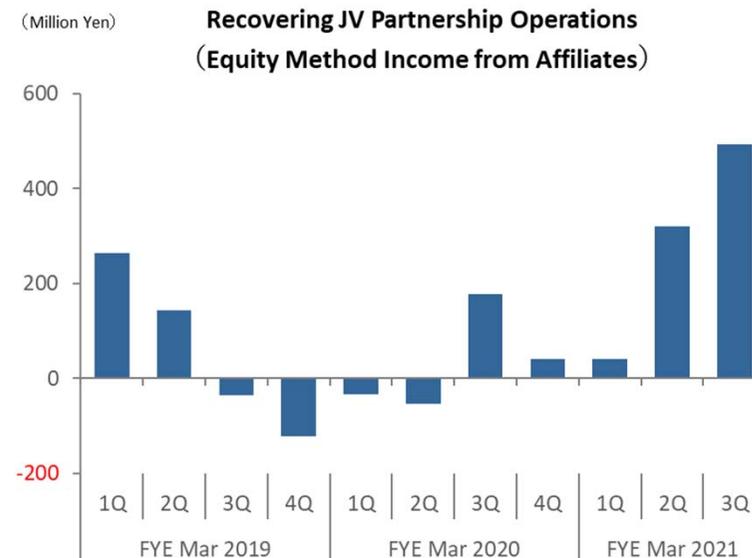
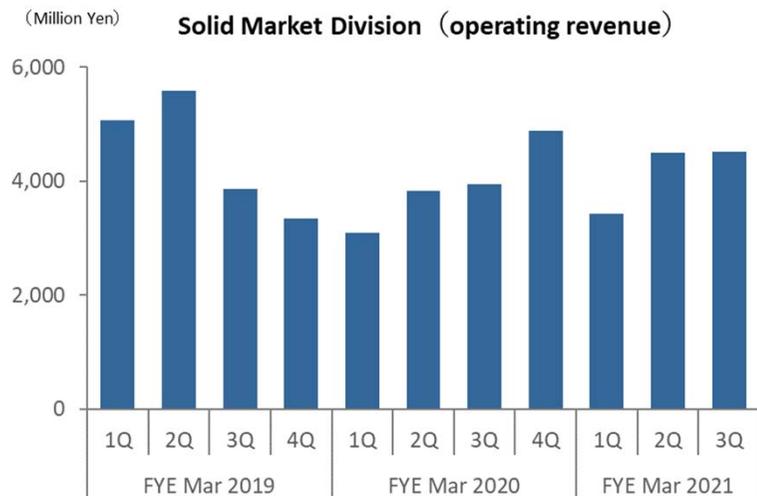
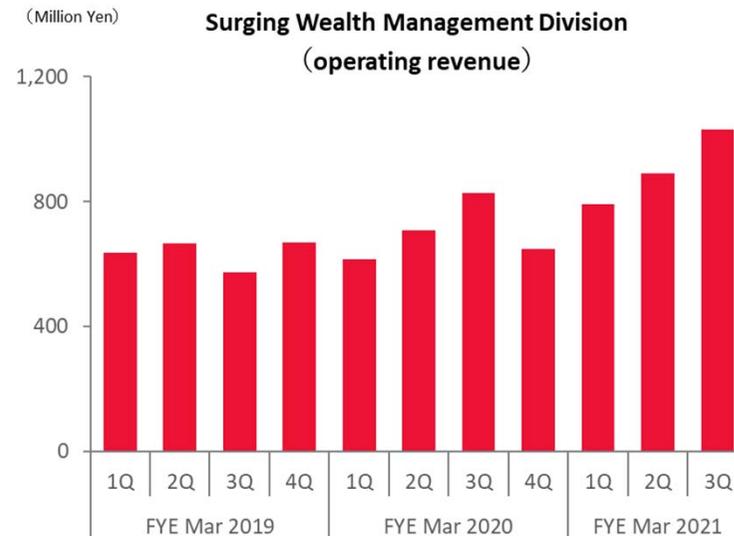
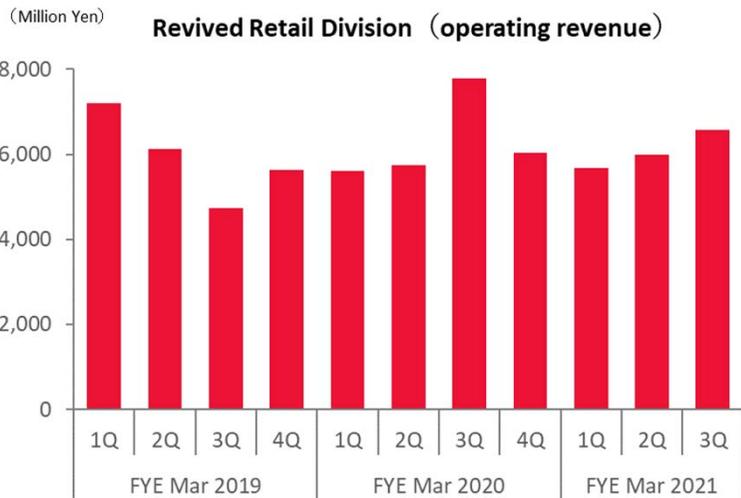
~The Recovery in Fiscal 2020

【Group’s Ordinary income】 Quarterly Progresses of Income Recovery 【Recovery Factors】  
 (the 3rd Qtr. of the FY 2020 ending in March 2020  
 —the 3rd Qtr. of the FY ending in March 2021)



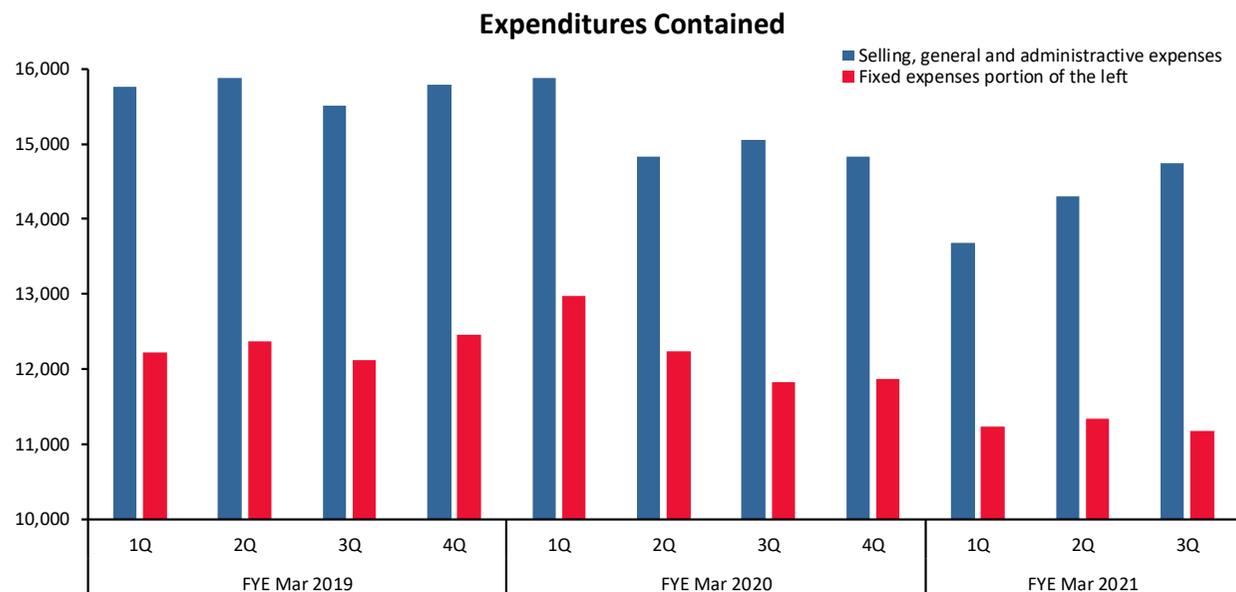
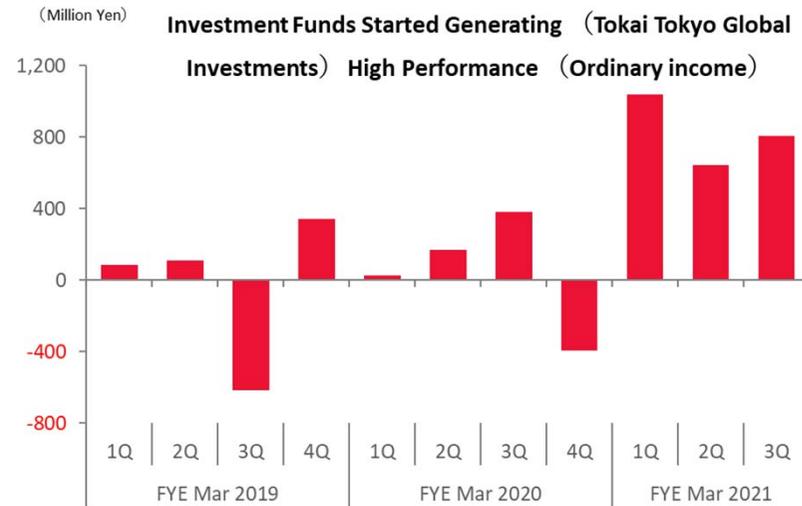
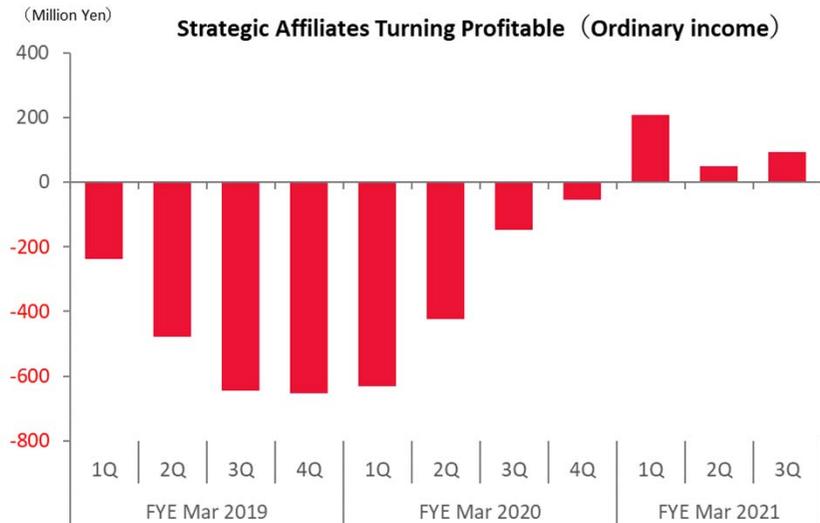
# III. The Group performance

## i. The Recovery in Fiscal 2020 ~ Market Factor



# III. The Group performance

## ii. The Recovery in Fiscal 2020 ~ Strategic Investment and the Effects



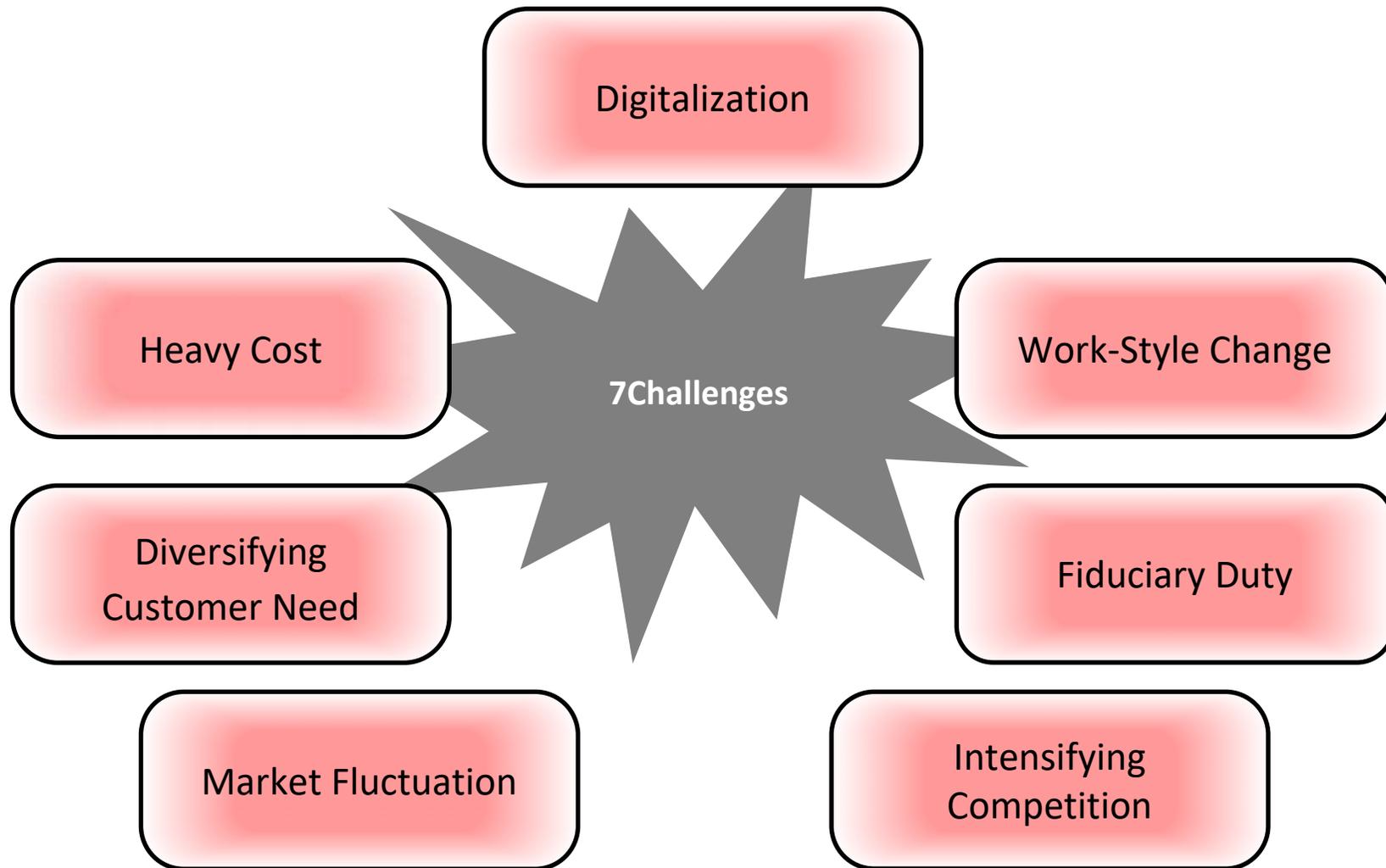
---

# **IV. The Environment the Securities Industry Faces ~7 Challenges**

# IV. The Environment the Securities Industry Faces

~7 Challenges

---



---

## **V . Solutions to the Changing Environment**

## V . Solutions to the Changing Environment

---

### Solutions

---

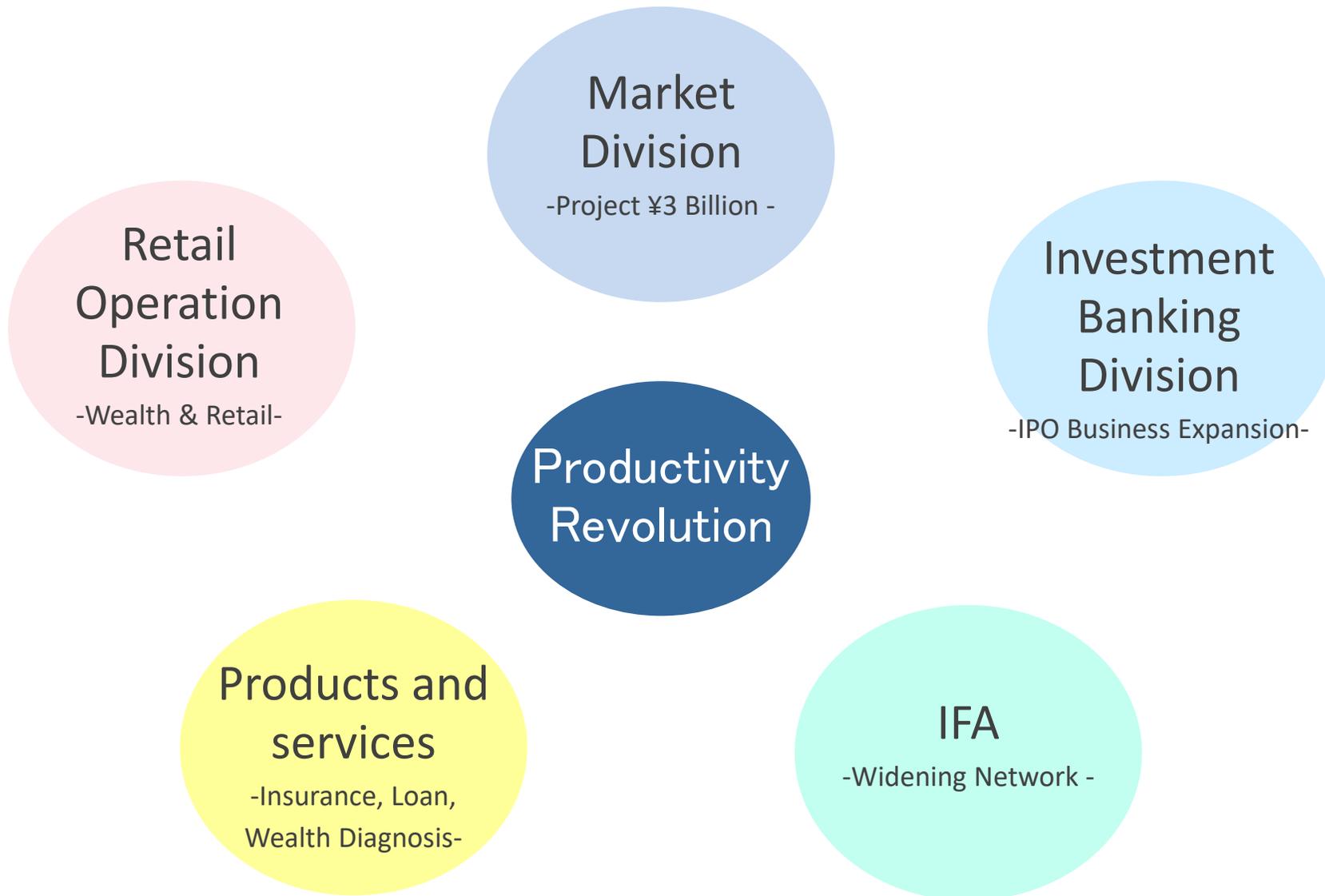
Boost Earning  
Capability of Tokai  
Tokyo Securities

Originate New Business  
Model

# V . Solutions to the Changing Environment

i . Boost Earning Capability of Tokai Tokyo Securities

---



# V. Solutions to the Changing Environment

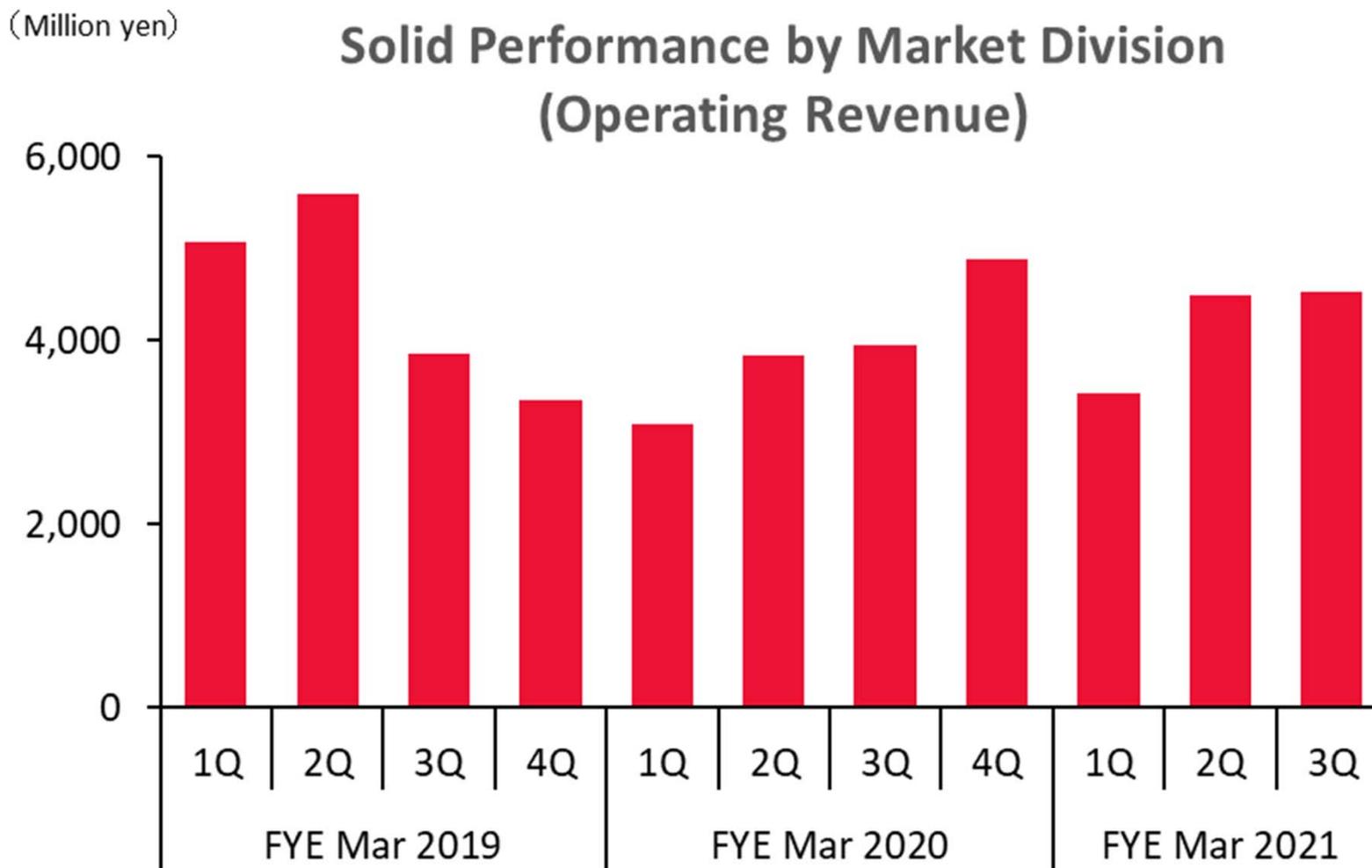
i. Boost Earning Capability of Tokai Tokyo Securities ① Market Division

## I. Boost Earning Capability of Tokai Tokyo Securities ① Market Division



## V. Solutions to the Changing Environment

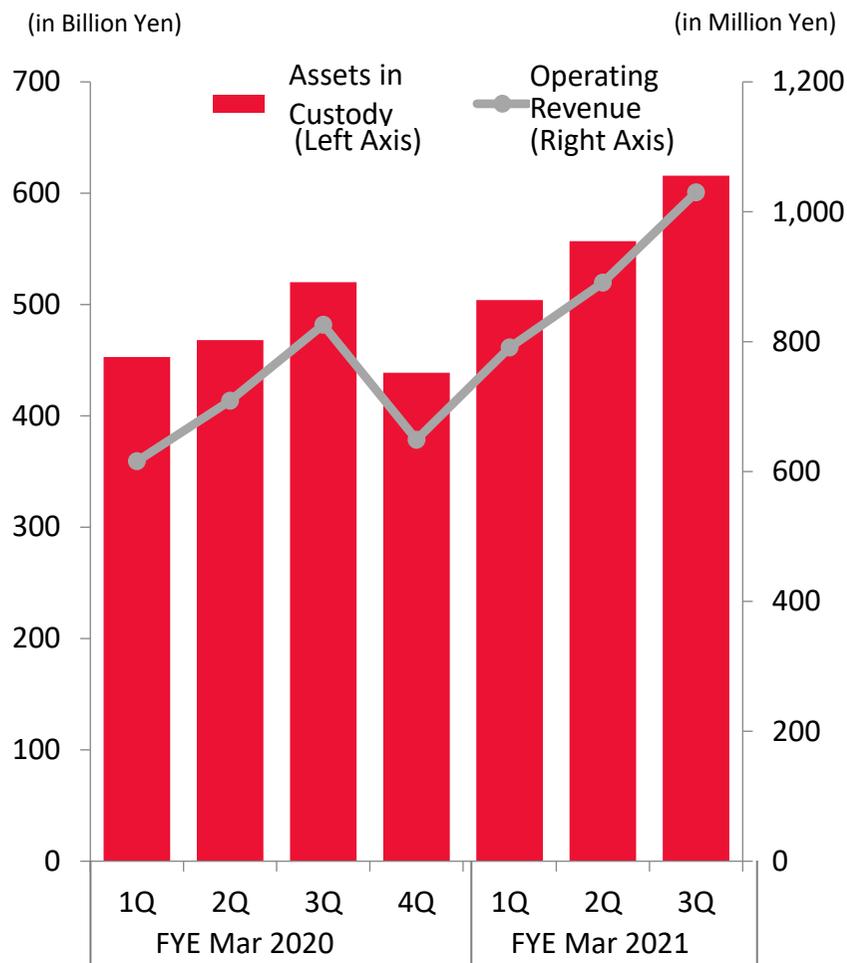
i. Boost Earning Capability of Tokai Tokyo Securities ① Market Division (continuing from the previous slide)



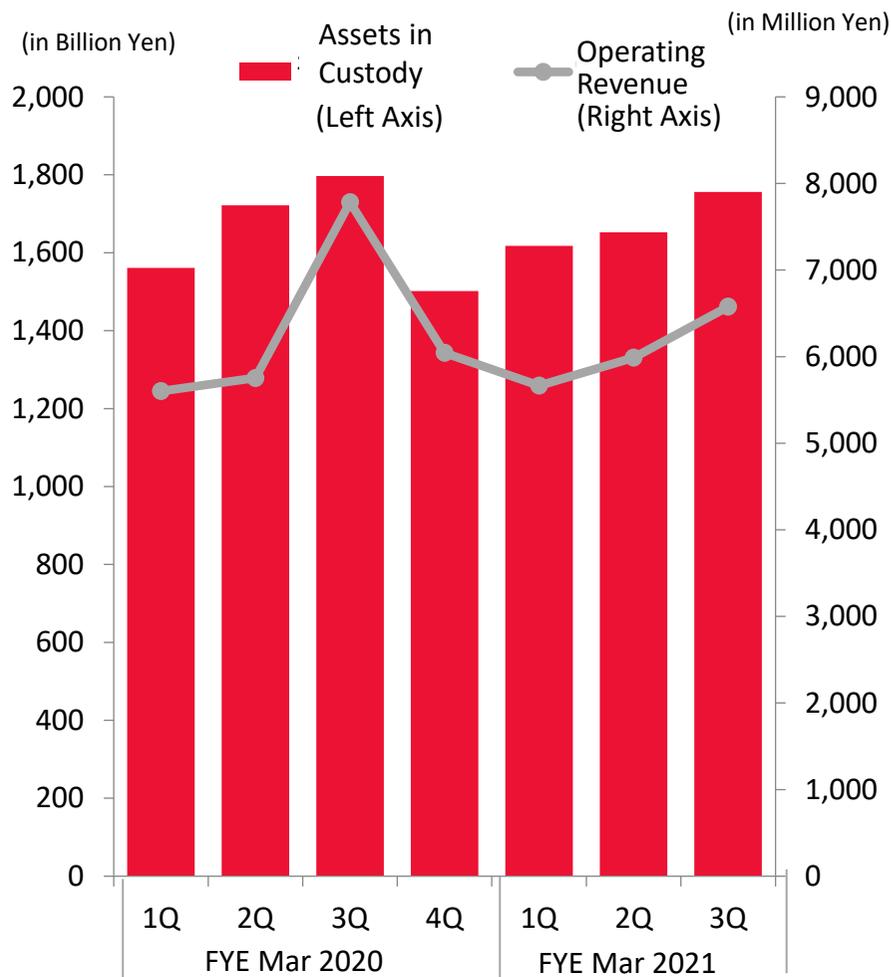
# V. Solutions to the Changing Environment

## i. Boost the Earning Capability of Tokai Tokyo Securities ② Personal Customers

**Wealth /Trends of Assets in Custody and Operating Revenue, Apr. 2019 —Dec. 2020**



**Retail Overall/Trends of Asses in Custody and Operating Revenue, Apr. 2019 — Dec. 2020**



## V. Solutions to the Changing Environment

i. Boost the Earning Capability of Tokai Tokyo Securities ③ Investment Banking Division

### Quarterly Trend of IPO Underwriting



### IPO Underwriting Ranking Apr. 2020—Dec. 2020

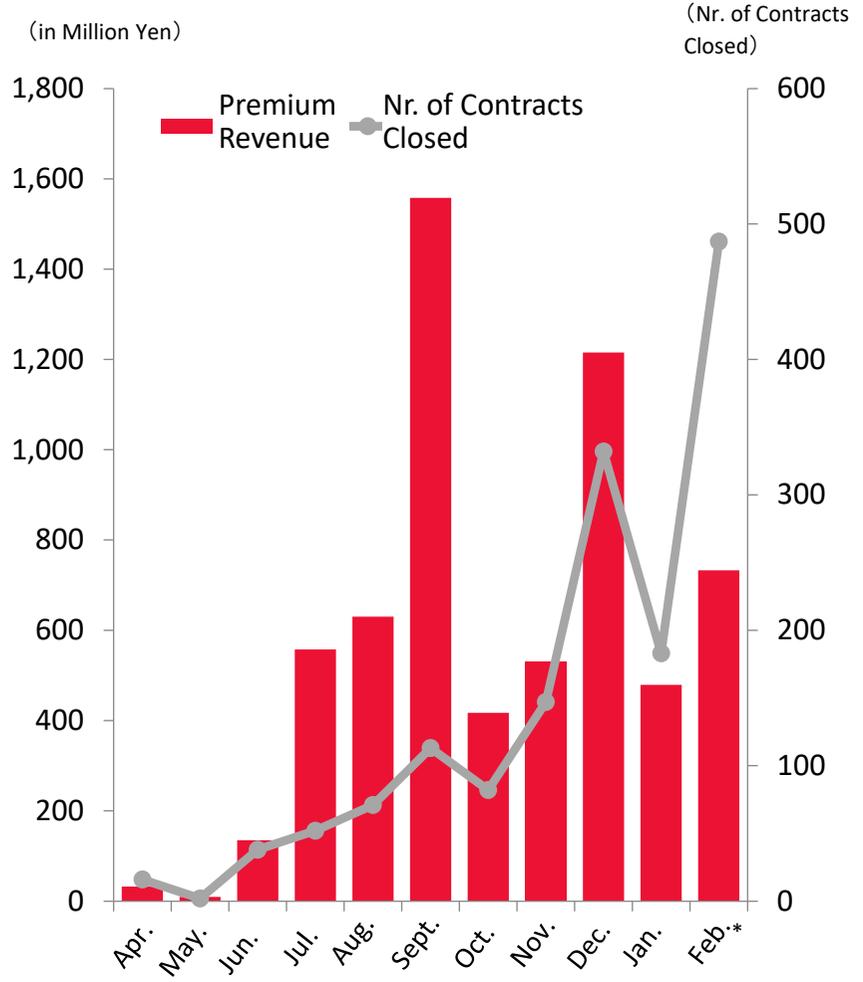
Ranks	Peers	Nr. Of Deals	Total Amount (in Million Yen)	Share (%)
1	SMBC Nikko	36	52,714	22.8
2	Daiwa	33	46,823	20.2
3	Nomura	31	42,871	18.5
4	Mizuho	43	39,983	17.3
5	SBI	61	29,189	12.6
6	Mitsubishi UFJ MS	13	2,821	1.2
7	Credit Suisse	3	2,463	1.1
8	Ichiyoshi	23	2,336	1.0
9	UBS	1	2,078	0.9
10	Rakuten	33	1,855	0.8
11	<b>Tokai Tokyo</b>	<b>10</b>	<b>1,752</b>	<b>0.8</b>

※We prepared the above table by using the data available from “Capital Eye”.

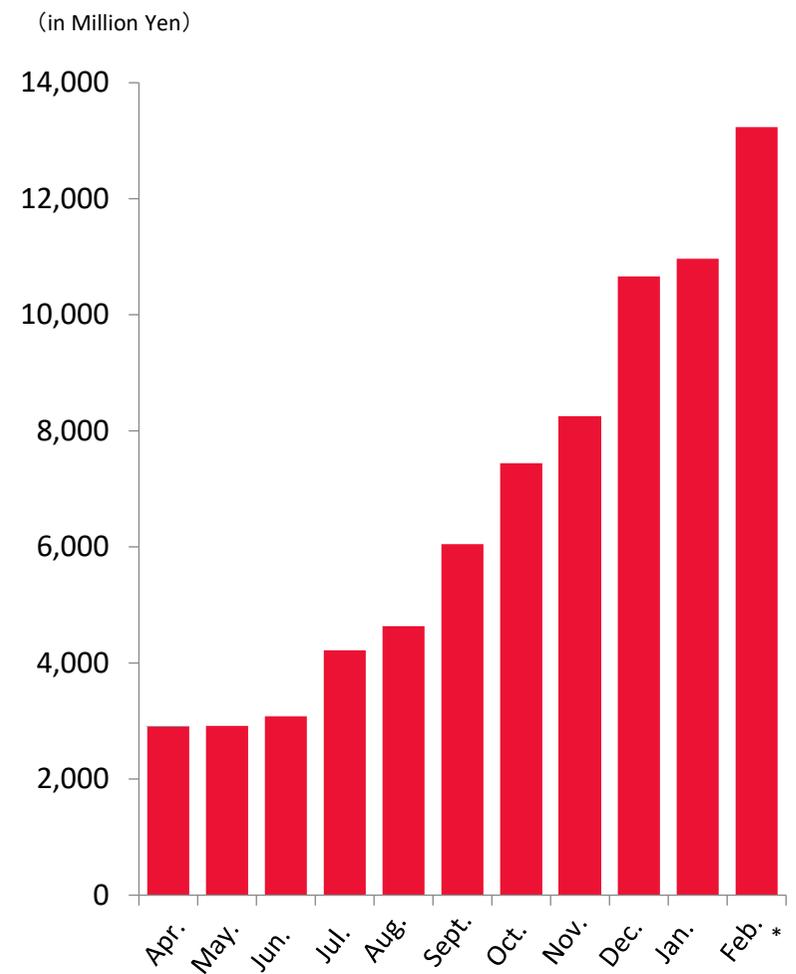
# V. Solutions to the Changing Environment

i. Boost the Earning Capability of Tokai Tokyo Securities ④ Products and Services

**Trend of Insurance Contract Closed**  
Apr. 2020—Feb. 2021



**Trend of Lending with Collateralized Securities** Apr. 2020—Feb. 2021



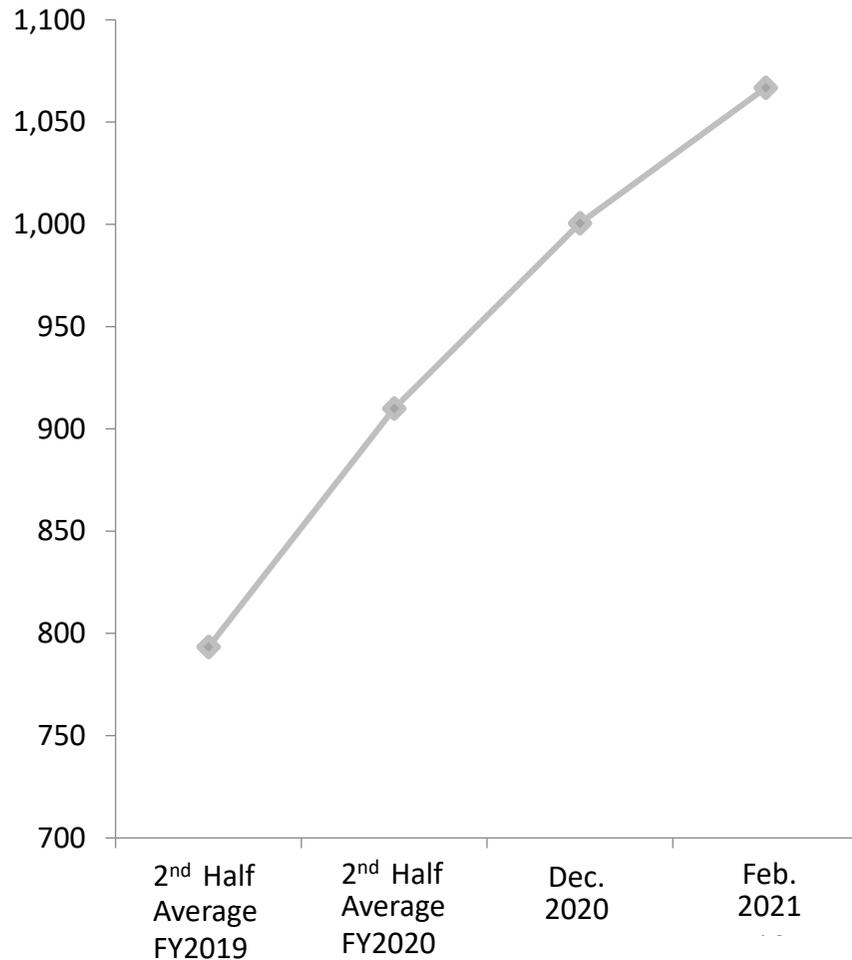
(\*projected figure)

# V . Solutions to the Changing Environment

i . Boost the Earning Capability of Tokai Tokyo Securities ⑤ IFA

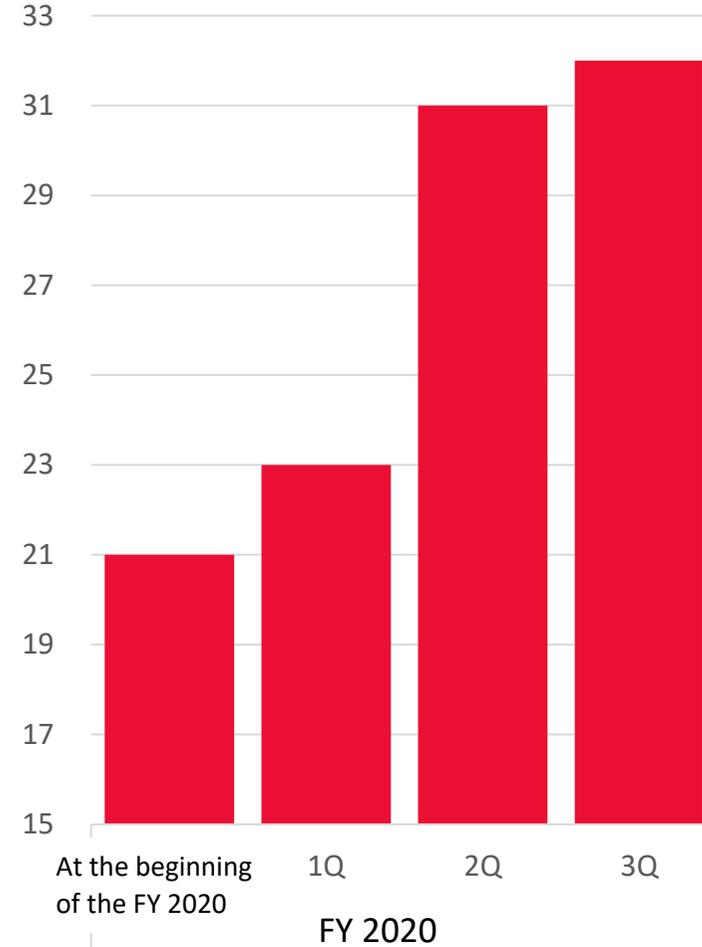
## Trend of Asset in Custody achieved by IFAs

(in 100 Million Yen)



## Nr. of IFAs associated with Tokai Tokyo Securities

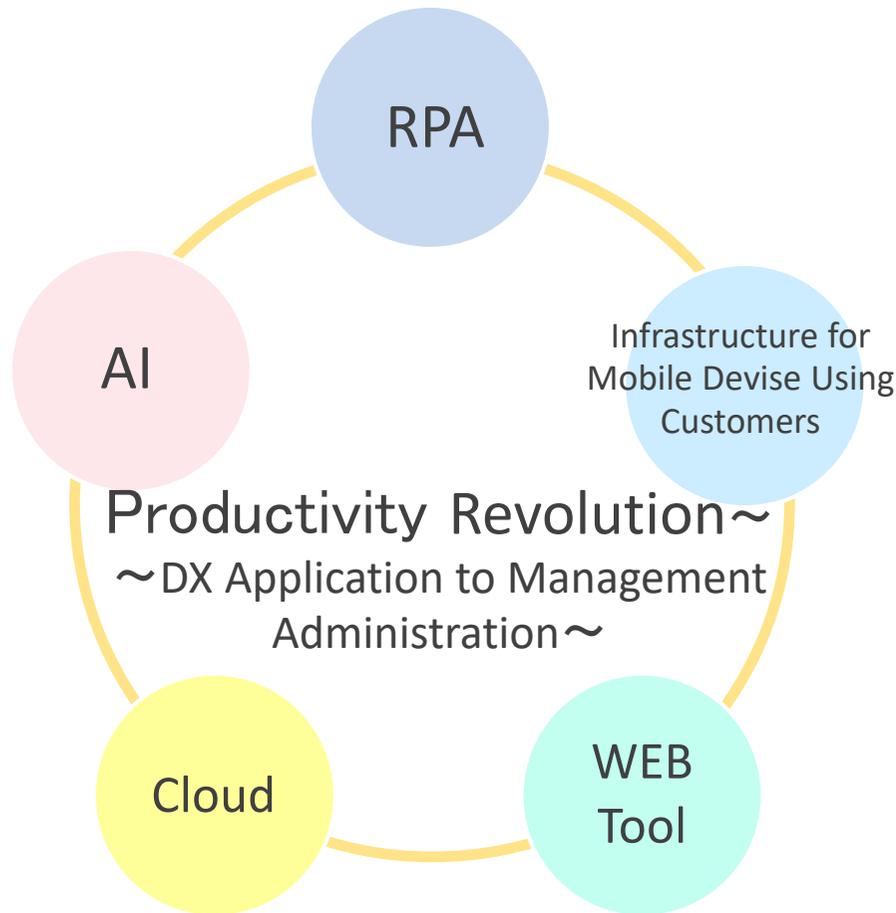
(Nr. Of IFAs)



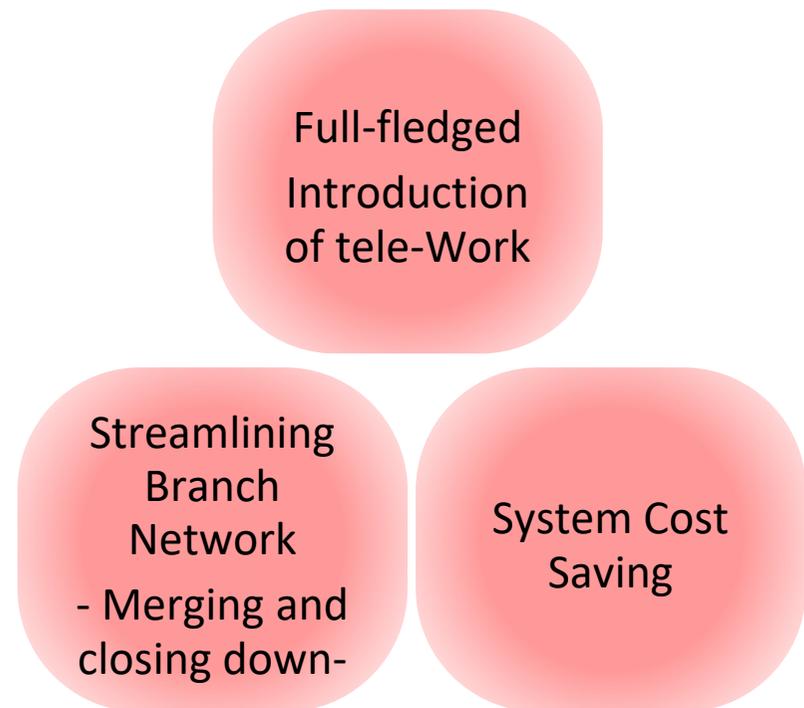
# V . Solutions to the Changing Environment

i . Boost the Earning Capability of Tokai Tokyo Securities ⑥ Productivity Revolution

---



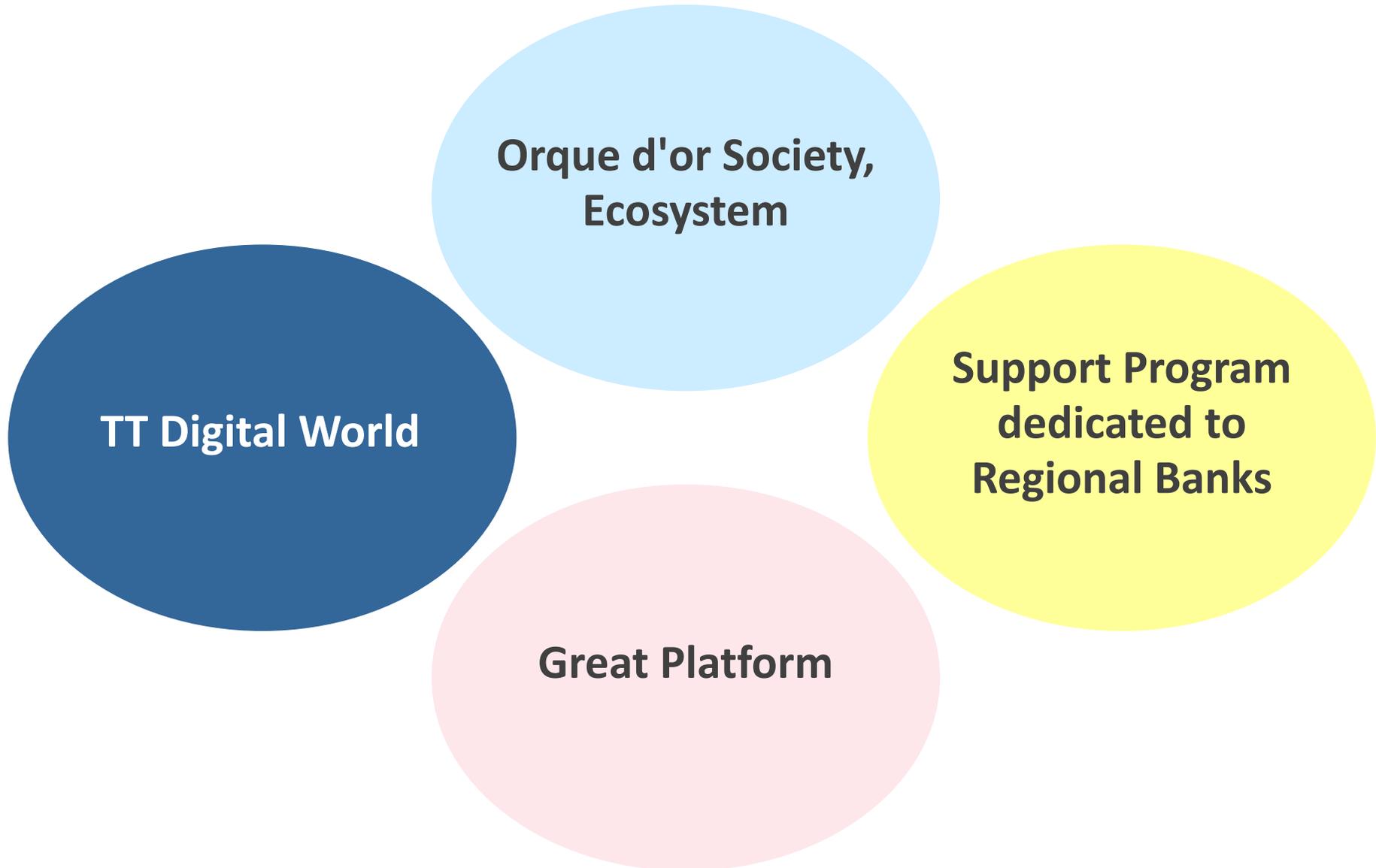
Step-by-step Implementation  
beginning in Apr. 2021



# V . Solutions to the Changing Environment

## ii . Create New Business Models

---



# V . Solutions to the Changing Environment

ii . Create New Business Models ①Orque d'or Society, Ecosystem

---

## Orque d'or Salon Tokyo

Opened in 2019



## Orque d'or Salon(Nagoya)

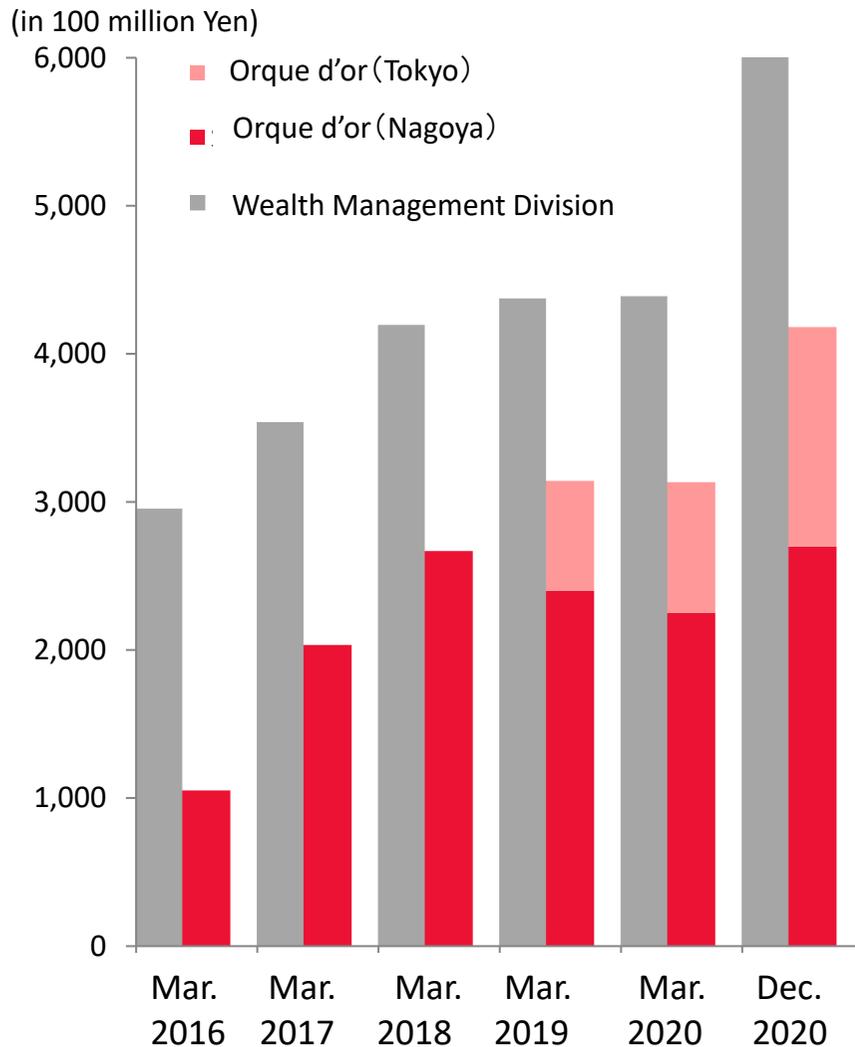
Opened in 2016



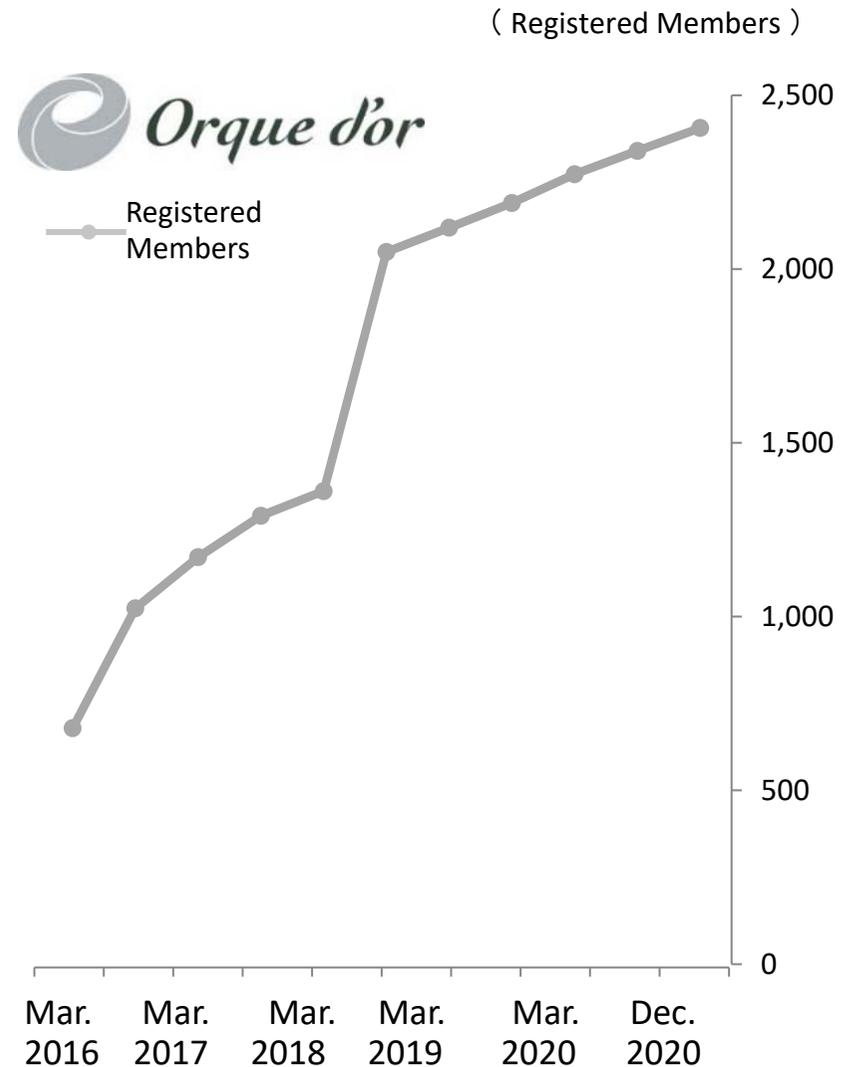
# V. Solutions to the Changing Environment

ii. Create New Business Models ① Orque d'or Society, Ecosystem (continuing from the previous slide)

## Trend of assets in Custody



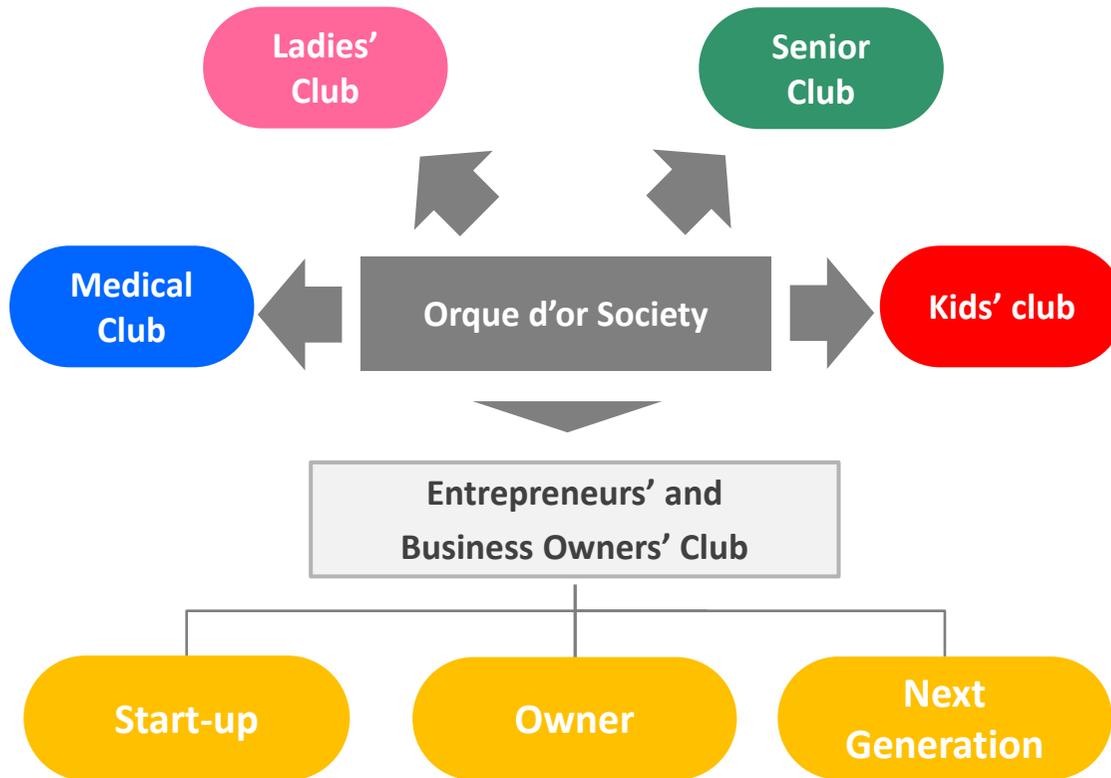
## Membership Growth



# V . Solutions to the Changing Environment

ii . Create New Business Models ①Orque d’or Society, Ecosystem ( continuing from the previous slide)

## Orque d’or Society



- ✓ Financial Advisory
- ✓ Referral for Business Investment
- ✓ Fund Raising Planning
- ✓ Information Exchange Network

- ✓ Industry Specific Expertise
- ✓ Information Provision
- ✓ Planning of Affluent Life
- ✓ Orque d’or Ecosystem

## Startup Business Community

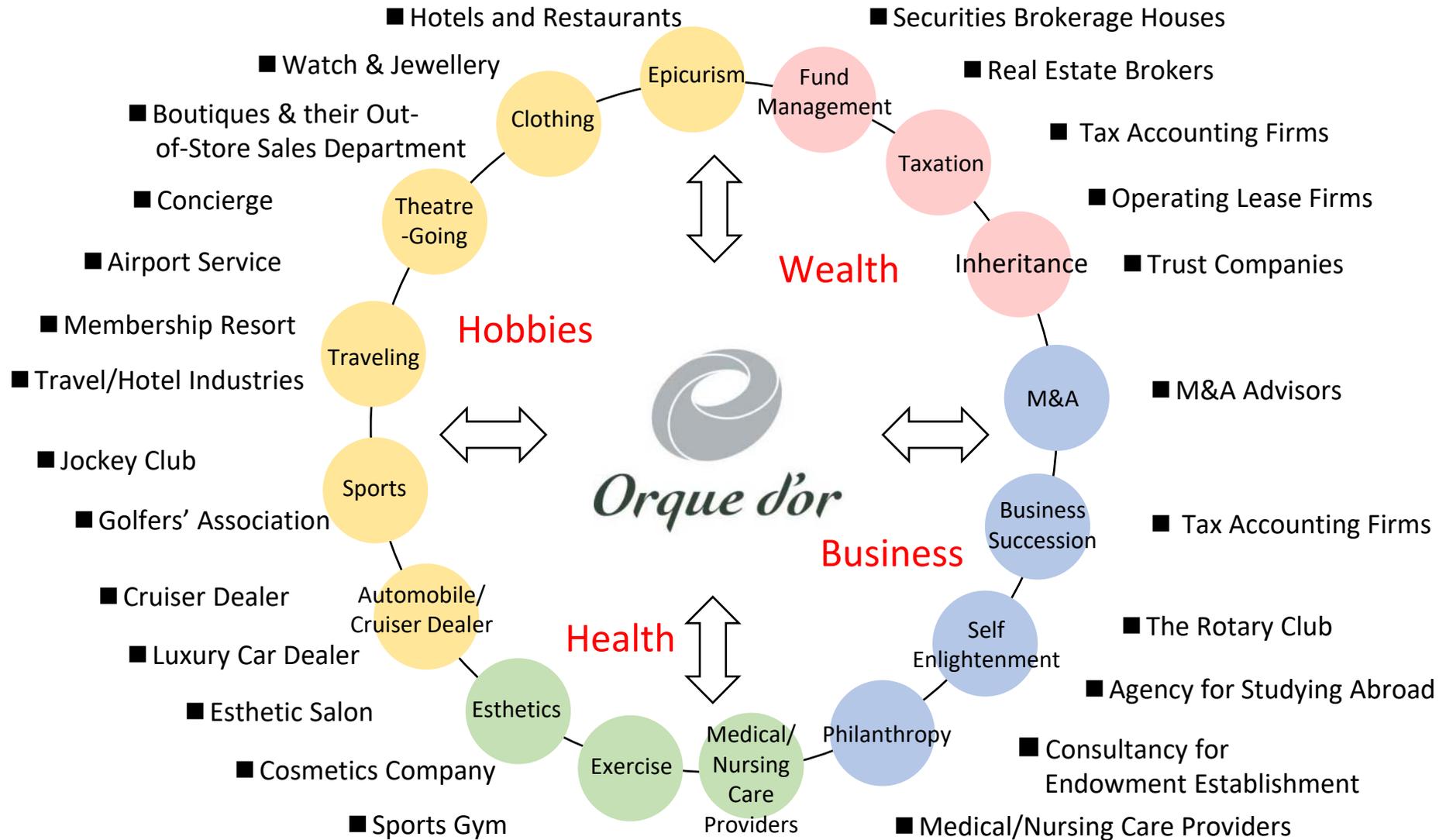


- ✓ Start-up Business Community
- ✓ Venture Business Community
- ✓ Entrepreneurs’ Community in Asia
- ✓ IPO Candidates’ Community
- ✓ Young Entrepreneurs’ Community

# V . Solutions to the Changing Environment

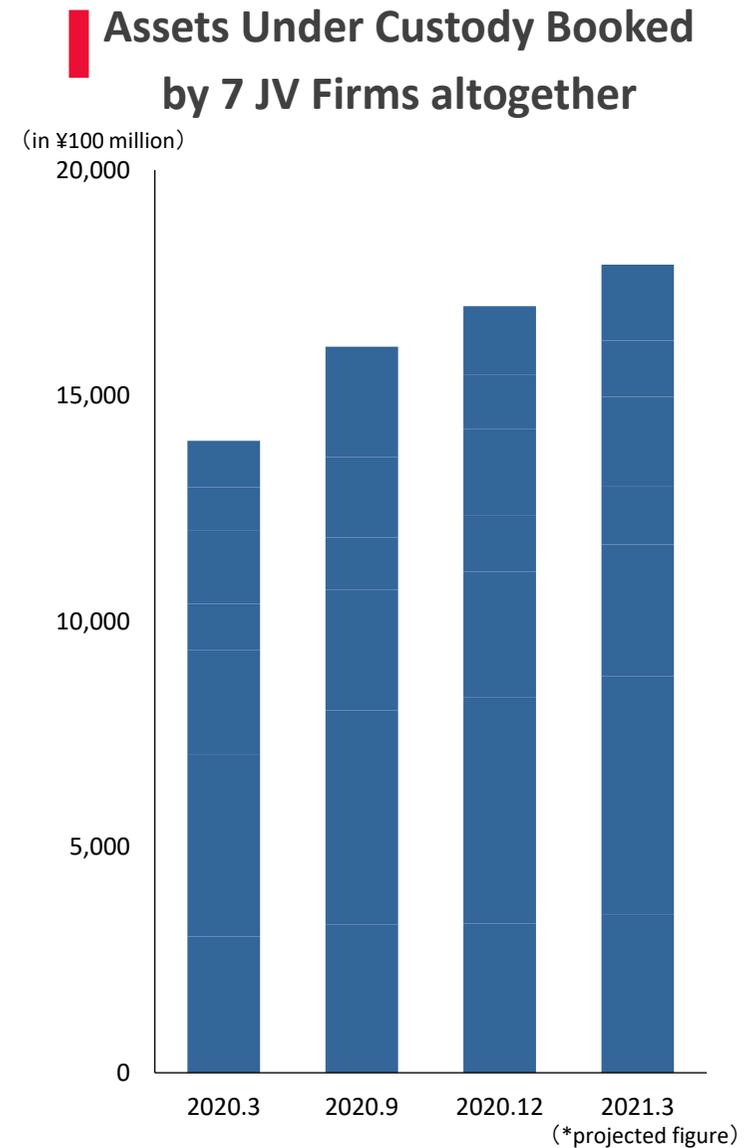
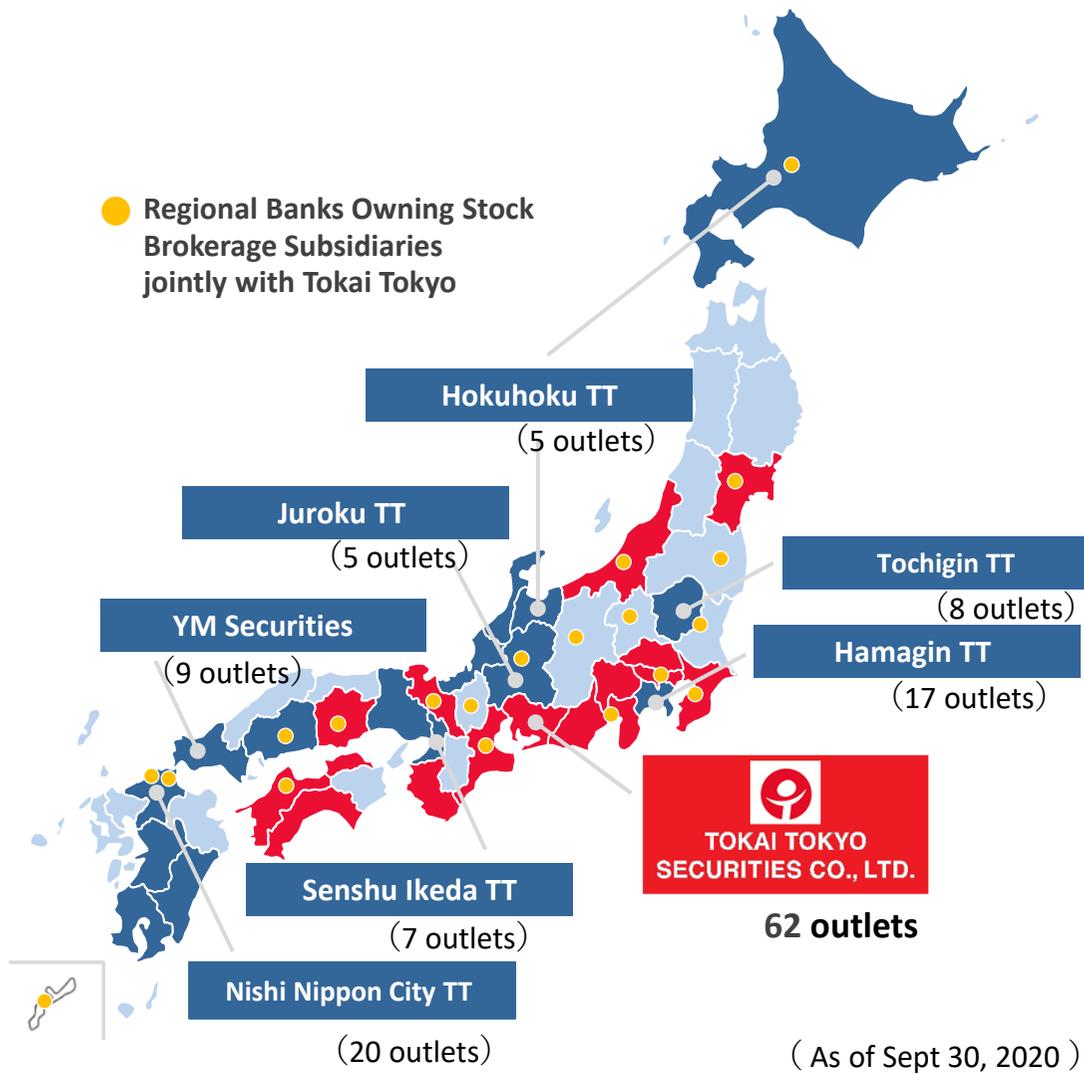
ii . Create New Business Models ①Orque d'or Society, Ecosystem ( continuing from the previous slide)

## Orque d'or Ecosystem



# V. Solutions to the Changing Environment

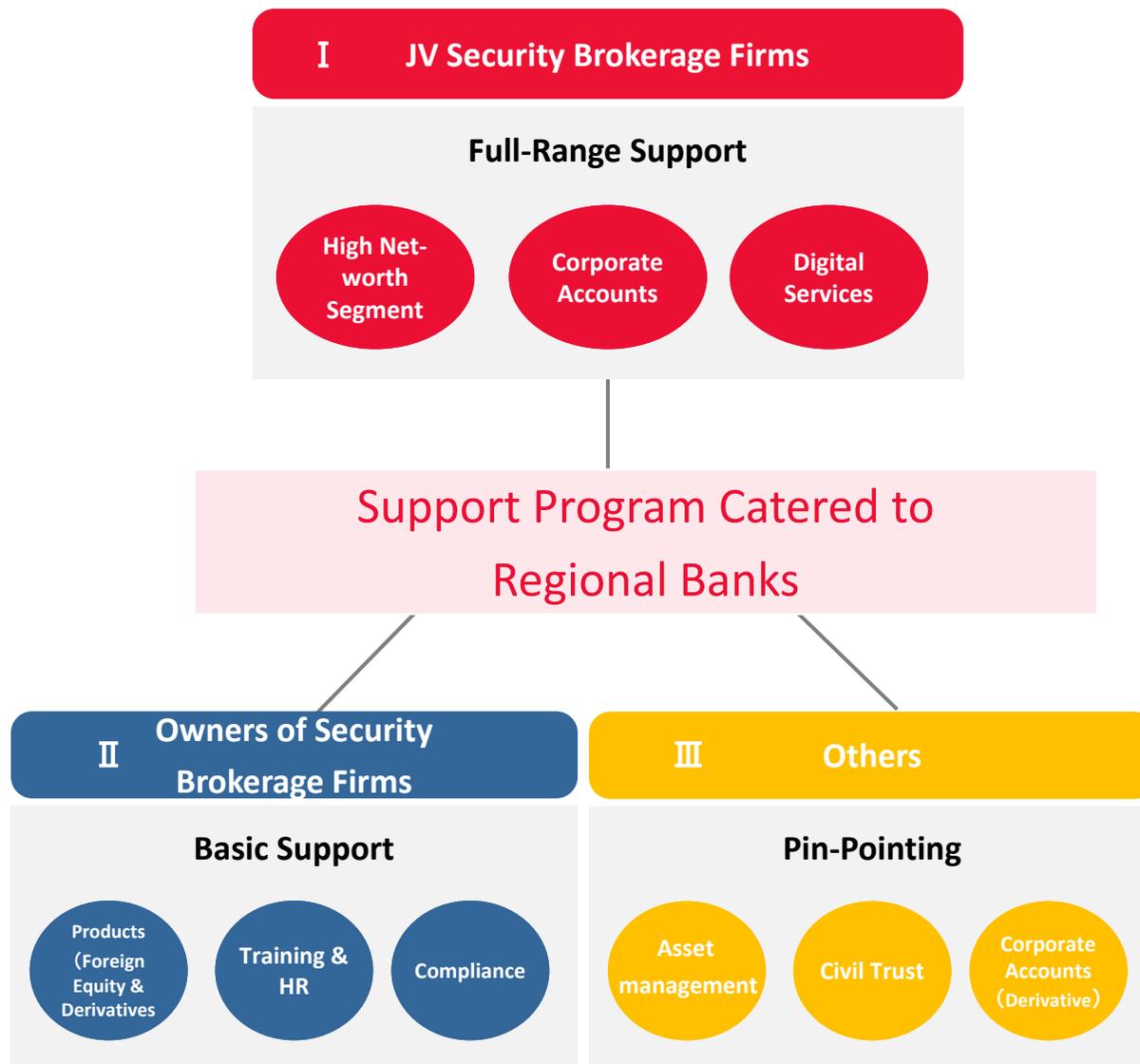
ii. Create New Business Models ②Support Program dedicated to Regional Banks



# V. Solutions to the Changing Environment

## ii. Create New Business Models ②Support Program dedicated to Regional Banks

(continuing from the previous slide)



	I	II	III
Securities Operation (JV, IFA)	◎	○	○
Corporate Segment (Fund Management, Derivatives)	◎	◎	◎
Asset Management (Investment in Securities, Risk Management)	○	○	◎
Wealth Segment (PEA※)	◎	◎	○
FinTech (Smart Phone Securities, Money Design Co., Ltd. etc.)	○	○	○
Regional Revitalization (Regional currency, STO)	○	○	○
Insurance	○	○	○
Business Succession	○	○	○
Training	◎	◎	—
Compliance, Internal Supervision	◎	◎	—
Marketing Approach (Database, Segmentation)	◎	○	—
Fiduciary account based on family estate contracts	◎	◎	◎
Information & Analysis	◎	◎	○
Corporate Finance(IPO, etc.)	◎	◎	◎

# V. Solutions to the Changing Environment

## ii. Create New Business Models ③TT Digital World

Engagement in Digitalization ~ Adoption of DX2020 proposed by the Ministry of Economy, Trade and Industry ~



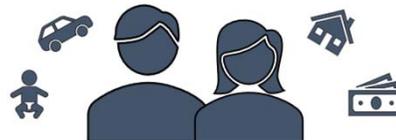
### 3.0 Securities Company Preparatory Firm

- Stocks/Investment Trust/Bond
- Investment using earned points
- Cryptocurrency/Regional Currency
- Security Token
- Lending Against Collateralized Stocks / Unsecured Lending
- Bank Accounts Sweeping

### Money Compass Japan Co., Ltd.

- Household Book
- Asset Management Aggregation
- Life Planning
- Small Change Investment
- Robo-Adviser
- Insurance and Pension Management

### Financial Service for Next generation



### HashDasH HD System Development (Block Chain)

**ICHX**  
(Digital Securities Exchange)

**Huobi Japan**  
(Cryptocurrency Dealer)

**Money Design**  
(Robo-Adviser)

**TORANOTEC**  
(Small Change Investment)

**Xenodata labs**  
(Type SaaS AI Service)

**Digital Platformer**  
(Digital Currency)

# V . Solutions to the Changing Environment

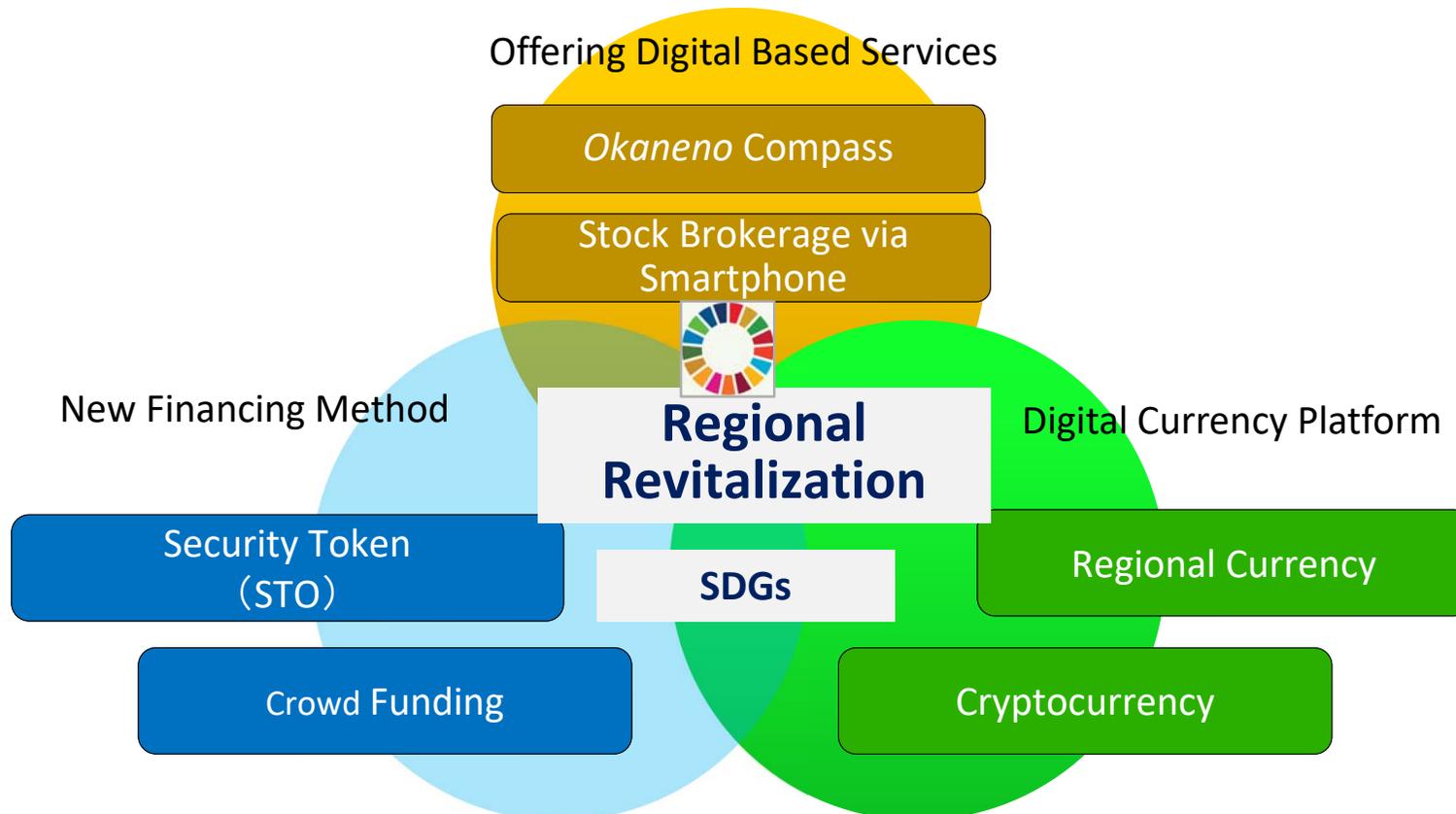
ii . Create New Business Models ③TT Digital World ( continuing from the previous slide)

Edge over the peers in digital field and the future

Network in Asia for Security Token Offering

Introduction of Block Chain Technology

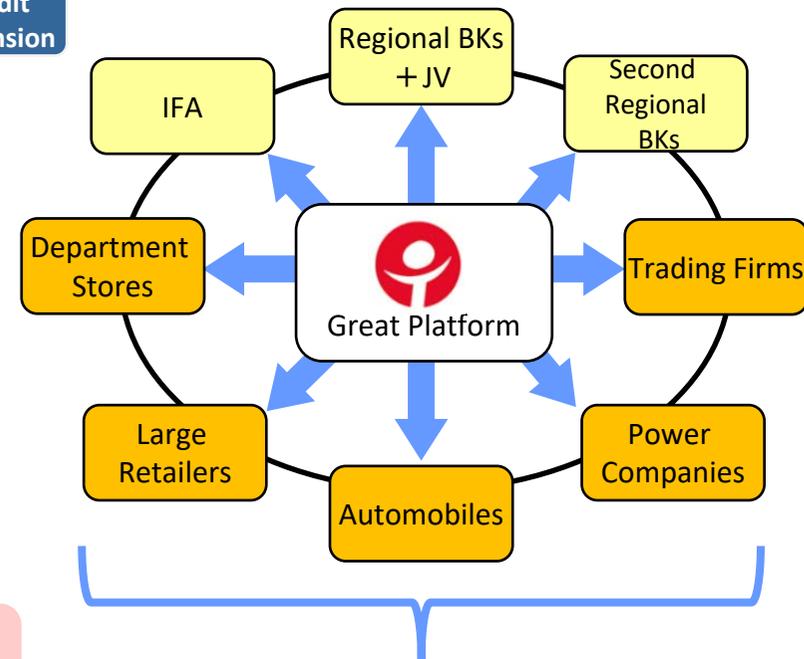
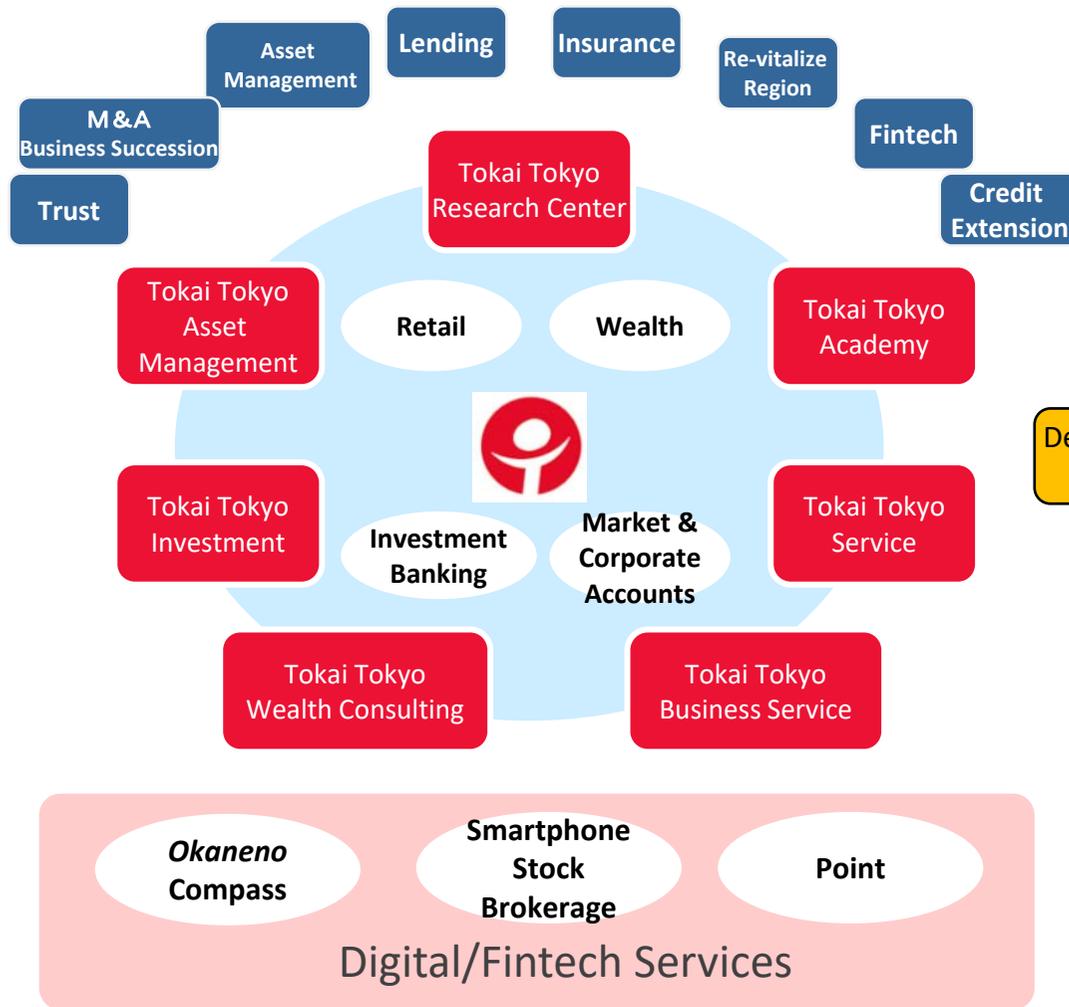
Unique Service for Smartphone Users



# V . Solutions to the Changing Environment

## ii . Create New Business Models ④Great Platform

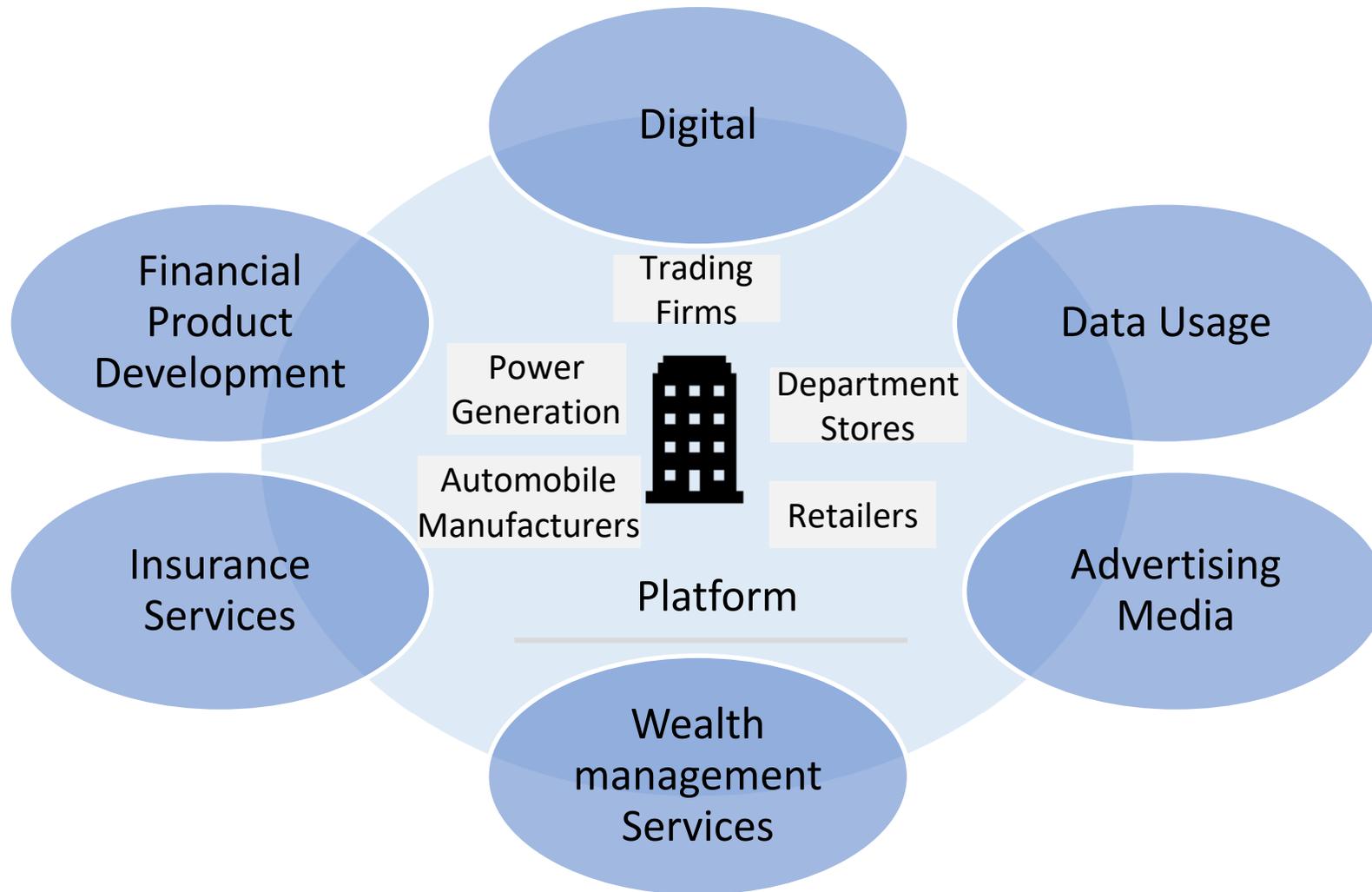
### Great Platform System



# V . Solutions to the Changing Environment

ii . Create New Business Models ④Great Platform ( continuing from the previous slide)

## Linking with Other Industry Networks

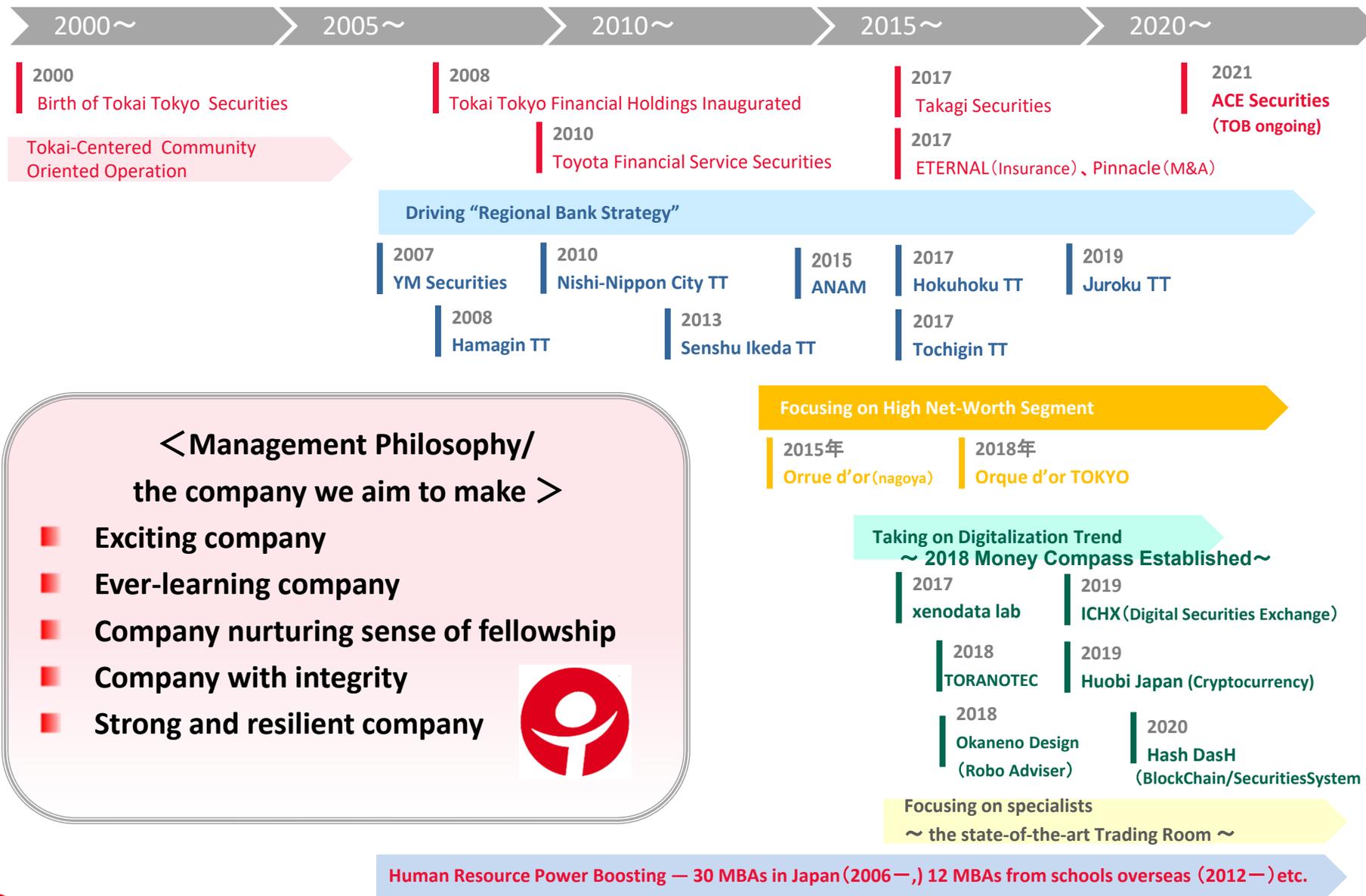


---

## **VI. The Group's History over the 20 years**

# VI. The Group's History over the 20 years

## i. The Innovations as a Frontier



### < Management Philosophy/ the company we aim to make >

- Exciting company
- Ever-learning company
- Company nurturing sense of fellowship
- Company with integrity
- Strong and resilient company



## VI. The Group's History over the 20 years

### ii . The Performance Ranking over the Years

#### Net Operating Revenue

FYE Mar 2001			FYE Mar 2020			As of March 2021 (9-month interim result)		
Ranking	Company	NOR (in¥100million)	Ranking	Company	NOR (in¥100million)	Ranking	Company	NOR (in¥100million)
1	NOMURA	11,382	1	NOMURA	12,878	1	NOMURA	12,318
2	DAIWA	7,181	2	DAIWA	4,262	2	DAIWA	3,420
3	NIKKO	4,425	3	SBI	3,680	3	MIZUHO	2,676
4	SHINKO	1,354	4	mitsubishi UFJ MORGAN S	3,221	4	SMBC NIKKO	2,671
5	KOKUSAI	905	5	SMBC NIKKO	3,160	5	mitsubishi UFJ MORGAN S	2,367
6	TSUBASA	717	6	MIZUHO	2,820	6	SBI	1,082
7	OKASAN	522	7	OKASAN	640	7	RAKUTEN	527
8	MIZUHO INVESTORS	424	8	TTFH	597	8	TTFH	481
9	TTFH	390	9	RAKUTEN	565	9	OKASAN	477
10	SAKURA FRIEND	251	10	MONEX	532	10	MONEX	439

---

**VII. Aiming to be a New Age's Flag Bearer  
Management Plan,  
“New Age's Flag Bearer5”**

# VII. Aiming to be a New Age's Flag Bearer Management Plan, "New Age's Flag Bearer5"

Further Enhancement of Operating Foothold and Growth

KGI as the Final Target



ROE	10%
Ordinary Income	30 Billion Yen
The Group's Total Assets in Custody	10 Trillion Yen

**New Age's, Flag Bearer5**  
 ~新時代の旗手~

Market Operation  
Investment Banking

Great Platform

Productivity Revolution

# VII. Aiming to be a New Age's Flag Bearer Management Plan, "New Age's Flag Bearer5"



- Pending Tasks to be Addressed under the Management Plan**
- Growth by M&A
  - Banking Competence
  - Asset Management Competence
  - Diverse Pension and Insurance Products
  - Strategy for Operation Overseas



---

## VIII. SDGs Initiatives

# VIII. SDGs Initiatives

## Energy & Climate

- Green Bond Issue Supporter
- Dealing in Bonds of Social Service Type (Green Bond , Water Bond)
- Switching to Lighting and Air Conditioning of Higher Energy Efficiency
- Switching to Fuel Saving Automobiles



## Communities

- Regional Revitalization Jointly with Major Regional Banks
- Disaster Recovery Assistance
- Supporting Sports in Communities
- Funding Support for Cultural and Art Promotion in Communities
- Funding Support for Preservation of Local Festival and Folklore through Tokai Tokyo Foundation

## VIII. SDGs Initiatives

### The List of Awards and Recognitions given the Group by External Institutions



**Diversity Management Selection 100**  
[Ministry of Economy, Trade and Industry]



**Excellent Health Management Corporation**  
[Ministry of Economy, Trade and Industry]



**L-boshi**  
[Ministry of Health, Labour and Welfare]



**Good Career Company Award**  
[Ministry of Health, Labour and Welfare]



**The Woman's Social Participation Award**  
[Tokyo Metropolitan Government]



**Sports Yell Company**  
[Japan Sports Agency]



**The Workplace where the Women Work Sparkingly**  
[Aichi Prefecture]



**Sports Promoting Corporation**  
[Tokyo Metropolitan Government]



**The Company in Nagoya Encouraging Women to Assume Active Role**  
[Nagoya City]



**Corporation Promoting Work-Life Balance for Employees**  
[Nagoya City]



**Noteworthy DX Companies**  
[Ministry of Economy, Trade and Industry]



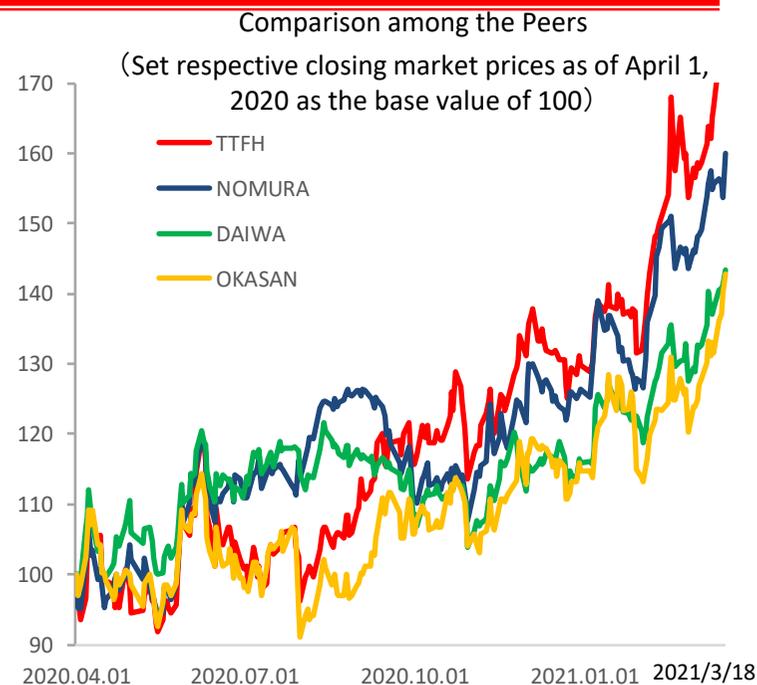
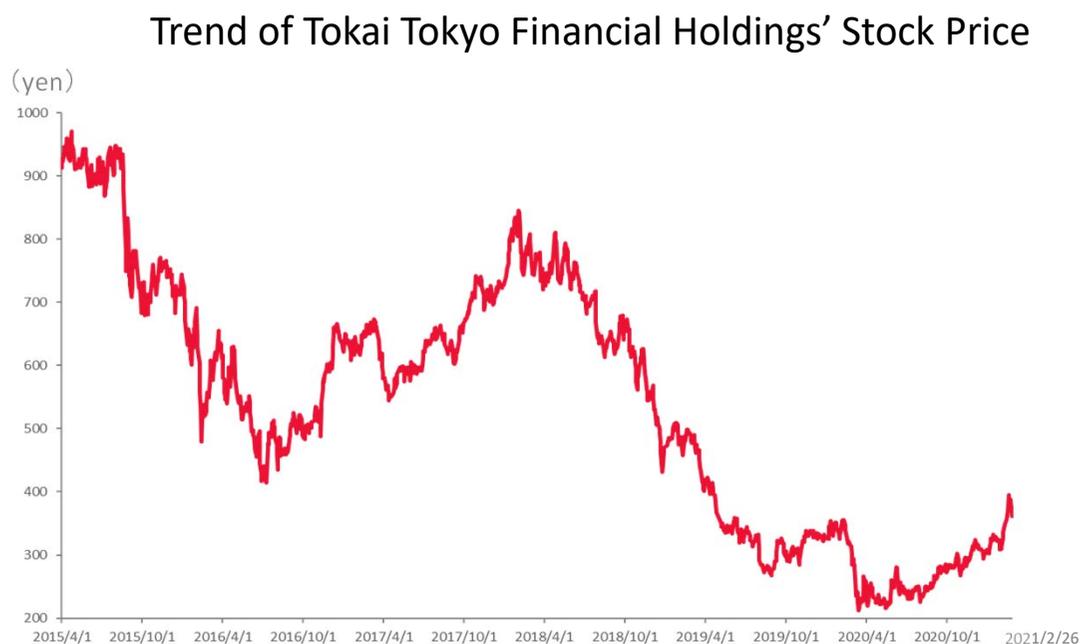
**Child-Care Supporting Corporation Nagoya City**  
[Nagoya City]

---

## **Ⅸ. Rewarding the Shareholders**

## IX. Rewarding the Shareholders

### i. Our Stock Price Trend and Dividend Payments



	FYE Mar 2016		FYE Mar 2017		FYE Mar 2018		FYE Mar 2019		FYE Mar 2020		FYE Mar 2021
	Interim	Year-end	Interim								
Dividend per share(yen)	14.00	14.00	12.00	14.00	14.00	24.00	12.00	4.00	4.00	4.00	8.00
Dividend yield ※1	4.0%	4.5%	4.9%	4.5%	4.2%	5.2%	3.7%	4.0%	2.7%	3.3%	5.9%
Dividend payout ratio ※2	47.4%	59.7%	71.2%	56.9%	63.2% ※3	69.7% ※3	101.3%	382.8%	156.2%	72.5%	73.6%

\*1 We posted dividend yields here based on our stock prices at market closing either on interim or term-end account settlement date, while evaluating semi-annual dividend payment to full year basis.

\*2 We posted dividend pay-out ratios at respective term-ends as the result of the following calculation; Dividend pay-out ratio = Total dividend payment (which is Interim dividend + Year end dividend) divided by the Net income of full year.

\*3 In calculating these figures, we eliminated the effect of Gain on negative goodwill, which resulted from transient consolidated accounting treatment associated with company integration.

# IX. Rewarding the Shareholders

## ii . Courtesy Gifts to Shareholders

- Shareholders may choose the item(s) they like from the catalogue in accordance with the number of shares they hold. (The below table illustrates the precedence in the FY 2020)

Nr. of Shares Held	Gift
1,000 or more but less than 3,000	One item valuing 2,000 Yen
3,000 or more but less than 5,000	Two items of each valuing 2,000 Yen
5,000 or more but less than 10,000	One item valuing 5,000 Yen
10,000 or more	Two items of each valuing 5,000 Yen

- To the shareholders of 100 shares or more but less than 1,000, we uniformly present 500 Yen gift card (QUO CARD) if they have been our shareholders for more than 3 years.



TOKAI TOKYO FINANCIAL HOLDINGS, INC.

TOKAI TOKYO FINANCIAL HOLDINGS, INC.

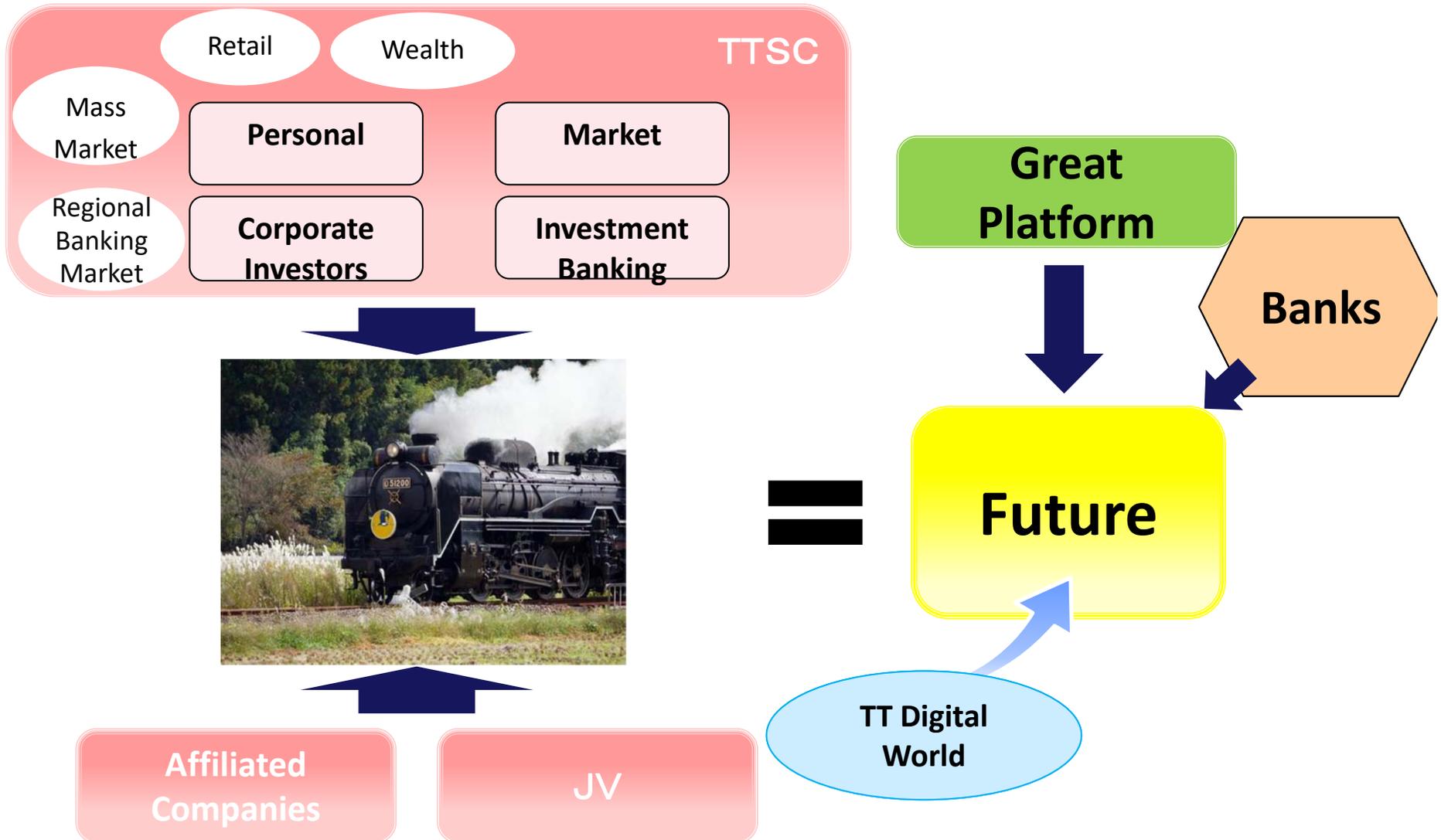
(the images of various local food items on the catalogue)

---

## **X. Aiming to be a New Age's Flag Bearer**

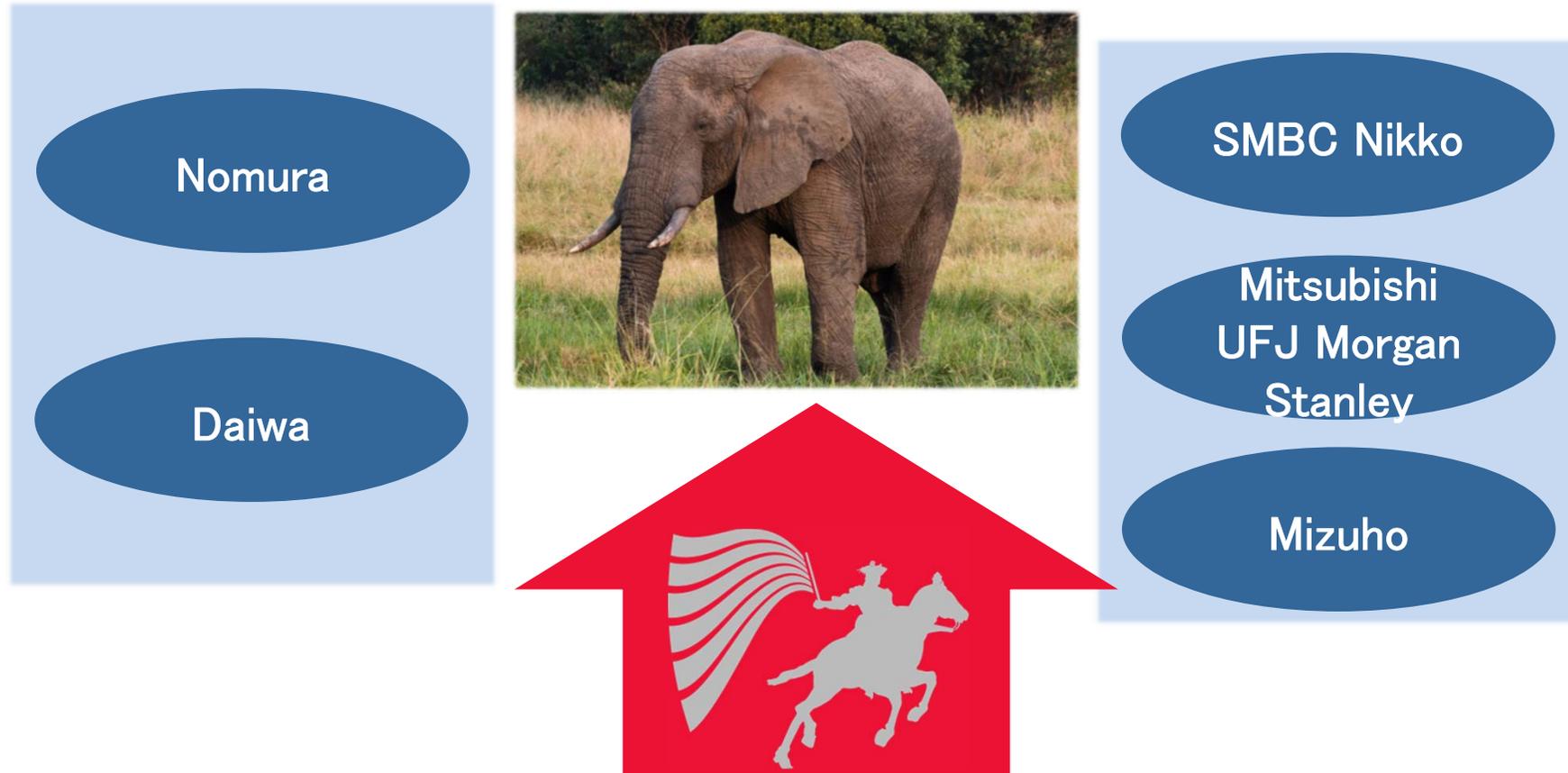
# X. Aiming to be a New Age's Flag Bearer

i . Locomotive Management ~ The Ambidexter Management ~



# X. Aiming to be a New Age's Flag Bearer

ii . Pursuing to become one of the 5 Big Elephants



**Tokai Tokyo Financial Group**  
**“New Age’ s, Flag Bearer 5”**

# MEMO

---

## Inquiries to be directed to:

---

- Corporate Communications
- Phone: +81-3-3517-8618 FAX: +81-3-3517-8314
- E-mail: fh\_ir@tokaitokyo-fh.jp

Effective April 1, 2009, the Company spun off its financial instrument operation and Tokai Tokyo Security Co., Ltd. (former Tokai Tokyo Securities Spin-off Preparation Co., Ltd.) took it over. The Group (Tokai Tokyo Financial Group) at the same time shifted to a holding company system.

Effective the same date, the Company and Tokai Tokyo Securities Spin-off Preparation Co., Ltd. changed their corporate names to Tokai Tokyo Financial Holdings, Inc., and Tokai Tokyo Securities Co., Ltd. respectively.

The result for the fiscal year ended on March 31, 2009 or any earlier date account for the operation of the former Tokai Tokyo Securities Co., Ltd. under then existing organizational structure.

This material is intended to provide information regarding the Company's most recent operational result and NOT to solicit investment in securities issued by the Company.