

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)

May 28, 2021

Commencement of Discussion about Merger between our Consolidated Subsidiaries (Tokai Tokyo Securities and ACE Securities)

We, Tokai Tokyo Financial Holdings, Inc. (hereinafter "the Company"), hereby announce the commencement of the discussion about an absorption merger (hereinafter "the Merger") between our wholly owned subsidiaries, Tokai Tokyo Securities Co., Ltd. (hereinafter "Tokai Tokyo Securities") as a surviving company, and ACE Securities Co., Ltd. (hereinafter "ACE Securities") as an absorbed company as you find below.

1. Background and purpose of the Merger

We will make ACE Securities a wholly owned subsidiary of the Company on May 31, 2021, subsequent to the acquisition of their common stocks through tender offer. Since the successful completion of the tender offer, we and ACE Securities have studied concrete measures to generate operational synergy at the earliest timing by mutually utilizing superior business resources each possesses for an ultimate purpose of improving corporate values of both organizations. Now, in view of changes in the environment surrounding the securities industry, we decided to commence the discussion about the Merger with a view to further enhancing our customer service quality and effectively maintaining and further growing our group's corporate value.

2. Outline of the companies involved in the Merger (as of April 30, 2021)

	Surviving company	Absorbed company
(1) Company name	Tokai Tokyo Securities Co., Ltd.	ACE Securities Co., Ltd.
(2) Headquarters location	4 Chome 7-1, Meieki, Nakamura-ku, Nagoya City, Aichi, Japan	2 Chome 6-11 Honmachi, Chuo Ku, Osaka City, Japan
(3) President and Representative Director	Ichiro Goda	Yoshinori Deguchi
(4) Business	Financial Instruments Business Operator	Financial Instruments Business Operator
(5) Paid-in capital	¥6,000,000 thousand	¥8,831,125 thousand
(6) Major shareholders/ ownership ratio	Tokai Tokyo Financial Holdings, Inc. 100%	Tokai Tokyo Financial Holdings, Inc. 94.84%

3. Date of the Merger

During the first half of the fiscal year ending March 2023 (planned)

4. Other information

We will announce the details of the Merger once they are confirmed. We estimate that the impact of the Merger on our financial standing would be insignificant.

(end)