

IR Presentation

The Second Qtr., Fiscal Year 2022 ending March 2023

(FYE Mar 2023)

Ichiro Goda

President and Representative Director

未来をつなぐ、心をむすぶ。

Contents

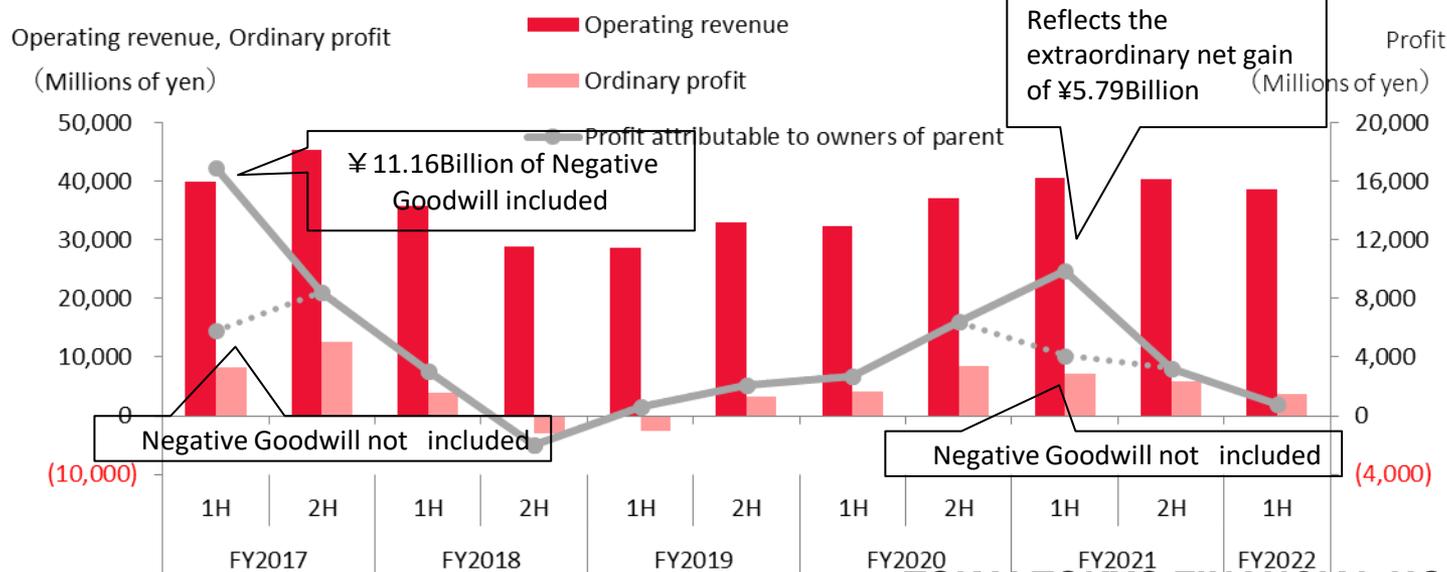
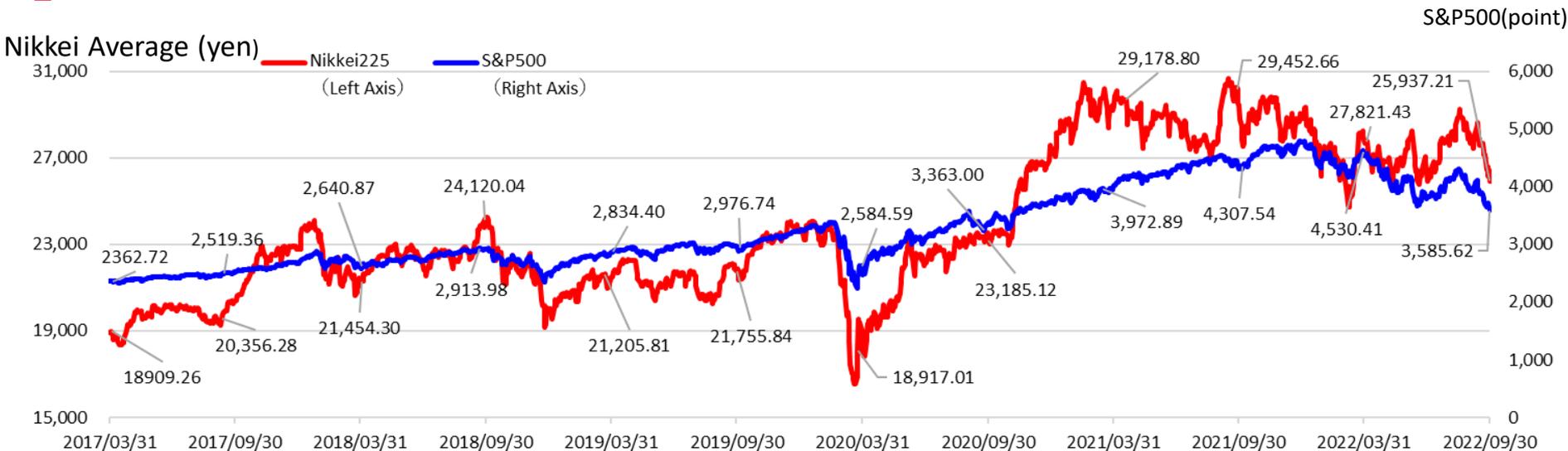
- I . The Performance Review**
- II . The Numeric Targets Set under the Mid-Term Management Plan**
- III . The Achievement Progress on the Numeric Targets Attainment**

I . The Performance Review

I. The Performance Review

Trends

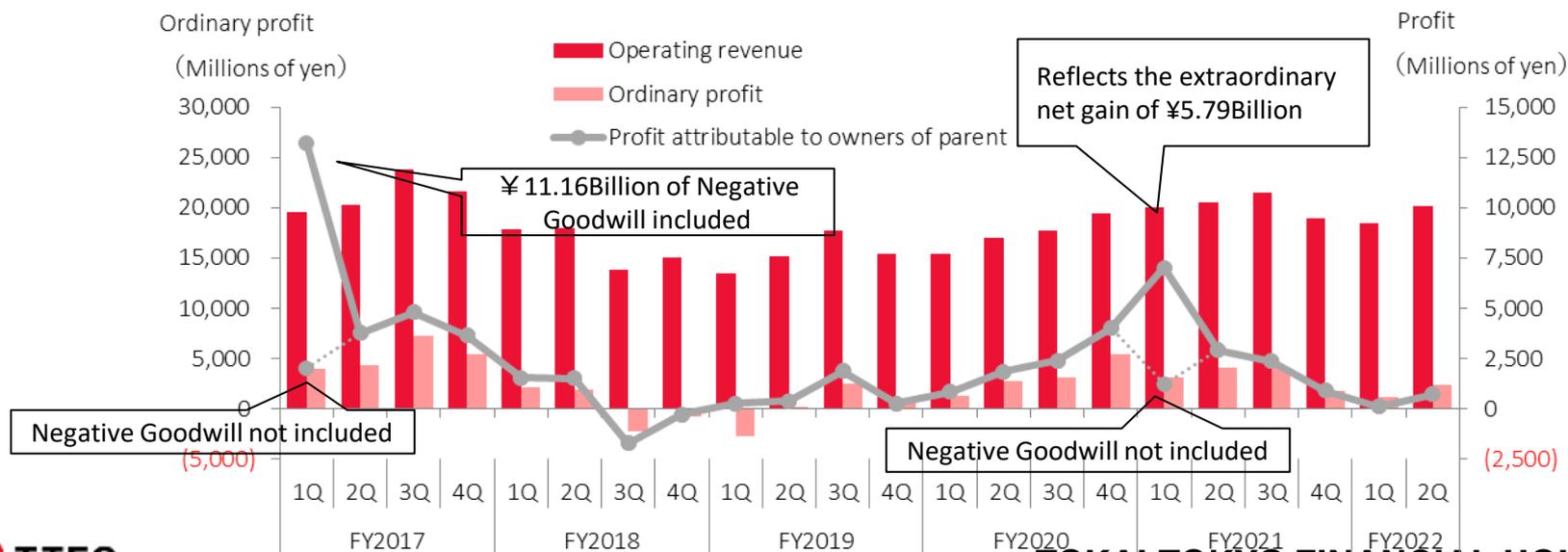
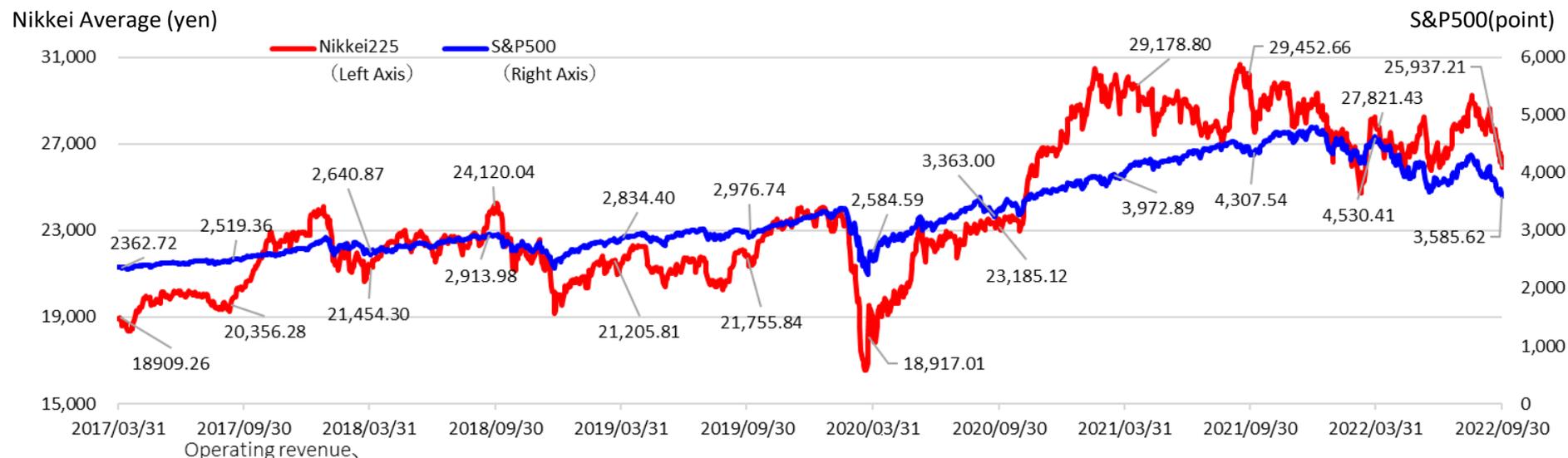
Half-Year Performance Trend (Consolidated)



I. The Performance Review

Trends

Quarterly Trends (Consolidated)



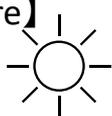
I. The Performance Review

Financial Characteristics of the Group <Revenue Generation Attributes>

Trends in ordinary profit earned by the group subsidiaries and affiliates

(Millions of yen)	FYE Mar 2021				FYE Mar 2022				FYE Mar 2023		FYE Mar 2022 Apr-Sep	FYE Mar 2023 Apr-Sep	QoQ FYE Mar 2023 1Q=100	YoY FYE Mar 2022 6M=100
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q				
Tokai Tokyo Securities	-359	1,504	1,871	3,170	1,888	2,396	3,195	1,443	784	988	4,285	1,773	126	41
JV Securities Total	41	320	494	772	497	478	533	65	129	88	976	218	68	22
Tokai Tokyo Global Investments	1,135	591	804	894	262	162	84	-209	-195	779	425	584	-	137
Ace Securities	The figures of those entities remain unconsolidated.				299	404	305	-47	-3	-	720	-3	-	-
Maruhachi Securities	The figures of those entities remain unconsolidated.				29	119	200	46	49	22	188	72	45	38
Insurance (Eternal, Mebius)	12	193	100	192	109	132	159	220	138	213	242	352	154	145
M&A (Pinnacle)	347	-61	109	-73	-10	27	20	-59	-54	10	16	-44	-	-
Others *	107	195	-282	471	-13	333	-419	330	352	341	261	689	97	264
Total Consolidated ordinary profit	1,283	2,742	3,096	5,426	3,061	4,051	4,077	1,789	1,200	2,441	7,113	3,641	203	51

【Feature】



Tokai Tokyo Global Investments, Insurance (Eternal, Mebius): Earnings are growing satisfactorily.



Joint Venture Securities Brokerage Operations: Declined earnings due to worsening adverse operating environment. However, strong performance by the Wealth segment and the Corporate Sales sustained overall group earnings.



Digital Business Field: Heavy upfront investment has caused a loss as we keep working on the project as planned.



Profits made by respective companies (In Million Yen)

Digital (Subsidiaries + Equity Method Affiliates)

FYE March 2023

1Q	2Q	1H
-562	-709	-1,272

I. The Performance Review

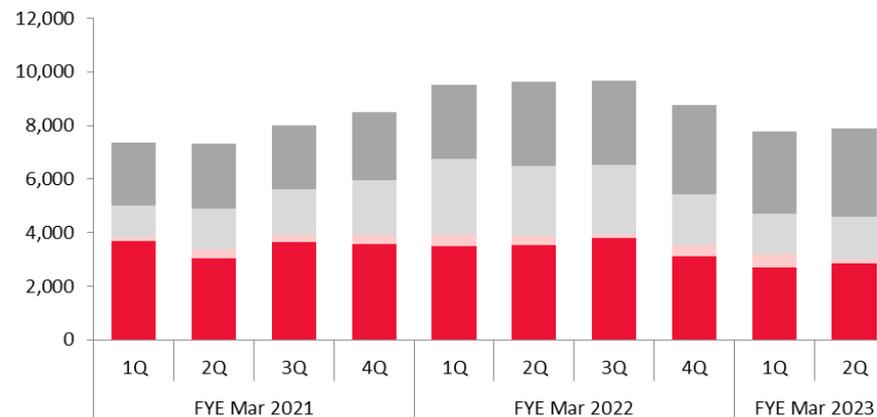
Financial Characteristics of the Group <P&L Analysis>

(Consolidated) Commission received

	FYE Mar 2021				FYE Mar 2022				FYE Mar 2023		FYE Mar 2022 Apr-Sep	FYE Mar 2023 Apr-Sep	QoQ FYE Mar 2023 1Q=100	YoY FYE Mar 2022 6M=100
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q				
(Millions of yen)														
Brokerage commission	3,679	3,044	3,640	3,571	3,485	3,549	3,782	3,111	2,689	2,857	7,035	5,546	106	79
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	151	329	266	328	436	311	166	420	522	159	747	681	30	91
Fee for offering, secondary distribution and solicitation for selling and others for professional investors	1,182	1,534	1,698	2,046	2,844	2,626	2,563	1,905	1,501	1,591	5,470	3,092	106	57
Other fees received	2,331	2,418	2,407	2,542	2,738	3,155	3,163	3,314	3,073	3,284	5,894	6,357	107	108
Total Commission received	7,344	7,327	8,012	8,489	9,504	9,642	9,675	8,752	7,786	7,892	19,147	15,678	101	82

(Millions of yen)

Commission received



■ Other fees received

■ Fee for offering, secondary distribution and solicitation for selling and others for professional investors

■ Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors

■ Brokerage commission

I. The Performance Review

Financial Characteristics of the Group <P&L Analysis>

(Consolidated) Other fees received (Half-year)

(Millions of yen)	FYE Mar 2021		FYE Mar 2022		FYE Mar 2023	YoY FYE Mar 2022 6M=100
	1H	2H	1H	2H	1H	
Beneficiary Certificate(Investment Trust Brokerage Commission)	1,715	1,932	2,907	2,943	2,740	94
Commission on the Outstanding WRAP Accounts Balance	175	227	291	319	353	121
Insurance fee	1,455	1,755	1,703	1,994	2,111	124
Consulting fee (M&A etc.)	659	421	331	277	274	83
Others	746	614	662	944	878	132
Other fees received	4,750	4,949	5,894	6,477	6,357	108

(reference) The share accounted for by “Interest on Loans collateralized by securities” against total Financial revenue

Balance and Revenue of Securities secured loan (Millions of yen)	FYE Mar 2020		FYE Mar 2021		FYE Mar 2022		FYE Mar 2023
	1H	2H	1H	2H	1H	2H	1H
Short-term loans receivable(Balance)	406	2,798	6,047	14,157	24,971	36,624	40,398
Interest income (Revenue)	2	15	28	59	106	175	222

Short-term loans receivable(Balance)



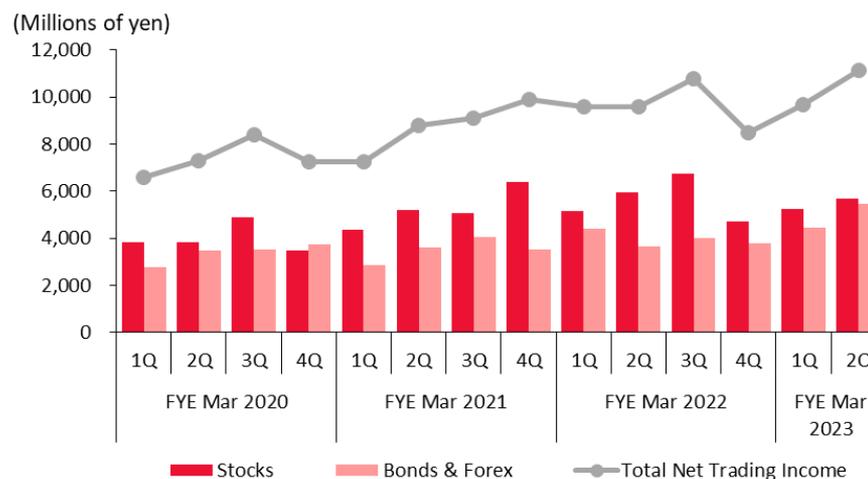
I. The Performance Review

Financial Characteristics of the Group <P&L Analysis>

(Consolidated) Net Trading Income ~ Loss/Profit from equity swap is now included in Stocks ~

(Millions of yen)	FYE Mar 2021					FYE Mar 2022					FYE Mar 2023		FYE Mar 2022Apr-Sep	FYE Mar 2023Apr-Sep	QoQ FYE Mar 2023 1Q=100	YoY FYE Mar 2023 6M=100
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q				
Stocks	4,375	5,190	5,062	6,393	21,020	5,166	5,947	6,731	4,695	22,659	5,216	5,666	11,232	10,883	109	97
Japanese Equities & Equity Swap	39	601	713	553	902	439	1,029	542	2,124	4,253	1,562	998	1,587	2,560	64	161
Foreign Equities	2,662	4,024	3,503	4,135	14,325	4,124	4,404	5,375	2,436	16,341	2,169	2,733	8,528	4,903	126	57
Others (Funds .etc)	1,672	565	846	1,705	4,789	603	514	813	134	2,065	1,484	1,935	1,116	3,419	130	306
Bonds & Forex	2,858	3,587	4,042	3,503	13,993	4,421	3,636	4,023	3,792	16,192	4,448	5,449	8,377	9,898	123	118
Japanese Government Bond	467	341	194	234	1,238	110	(48)	234	657	954	(44)	383	62	338	-	545
Public and Corporate Bonds	366	431	310	236	1,345	410	460	340	(58)	1,151	288	303	870	591	105	68
Foreign Bonds, Forex and Derivative	2,023	2,815	3,537	3,033	11,410	3,901	3,224	3,448	3,193	14,086	4,204	4,762	7,444	8,967	113	120
Total Net Trading Income	7,234	8,778	9,104	9,897	35,013	9,587	9,583	10,754	8,487	38,851	9,664	11,116	19,609	20,781	115	106

Actual Total Income inclusive of Net Financial Income



I. The Performance Review

Financial Characteristics of the Group ~ Sales and General Administrative Expenses ~

(Consolidated) Sales and General Administrative Expenses

(Millions of yen)	FYE Mar 2021				FYE Mar 2022				FYE Mar 2023		FYE Mar 2022 Apr-Sep	FYE Mar 2023 Apr-Sep
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q		
Trading related expenses	2,147	2,546	2,747	2,768	3,272	3,129	3,260	3,464	3,429	3,076	6,402	6,506
Personnel expenses	6,590	6,810	6,925	7,175	8,013	8,071	8,173	8,061	7,590	8,061	16,085	15,651
Provision for bonuses	772	865	910	1,266	1,054	1,159	1,210	1,051	779	1,186	2,214	1,966
Real estate expenses	1,700	1,676	1,709	1,708	1,959	1,916	1,940	1,916	2,033	1,891	3,875	3,924
Office cost	1,655	1,598	1,758	1,744	2,034	2,066	2,253	2,292	2,177	2,030	4,100	4,207
Depreciation	772	743	776	893	690	699	758	754	712	821	1,389	1,534
System expenses	211	231	229	212	218	217	249	239	247	282	436	530
Others	697	801	725	683	998	925	912	811	971	1,027	1,919	1,994
Total Selling, general and administrative expenses	13,563	14,176	14,640	14,974	16,966	16,806	17,296	17,298	16,912	16,906	33,773	33,819

I. The Performance Review

Financial Characteristics of the Group

(Consolidated) Revenue from investee entities

(Millions of yen)	FYE Mar 2021				FYE Mar 2022				FYE Mar 2023		FYE Mar 2022	FYE Mar 2023	QoQ FYE	YoY FYE
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	Apr-Sep	Apr-Sep	Mar2023 1Q=100	Mar 2023 6M=100
FinTech ^{※1}	(165)	(124)	(116)	(140)	(181)	109	(218)	(208)	(233)	(258)	(72)	(492)	-	-
Insurance ^{※2}	12	193	100	192	109	132	159	220	138	213	242	352	154	145
M&A ^{※3}	347	(61)	109	(73)	(10)	27	20	(59)	(54)	10	16	(44)	-	-
	194	8	93	(21)	(82)	268	(39)	(47)	(149)	(34)	187	(184)	-	-

※¹ Net of investment income and goodwill amortization from equity method affiliates, *Okaneno Design*, *Hash DasH Holdings*, and *Digital Platformer*

※² Ordinary income from *ETERNAL* and *Mebius* added together

※³ Ordinary income of *Pinnacle* (with one month delay), *Pinnacle TT Solution*, and *MAfolova* were added together

【note】Assets under Custody (Money Design Co., Ltd.)

(At the time of equity contribution)

(Millions of yen)

	As of Jun 30, 2018	As of Mar 31, 2019	As of Mar 31, 2020	As of Mar 31, 2021	As of Sep 30, 2021	As of Dec 31, 2021	As of Mar 31, 2022	As of June 30, 2022	As of Sep 30, 2022
Total Assets under Custody	29,181	42,038	64,999	125,450	148,059	185,126	200,160	201,928	224,379
THEO、THEO+	27,133	39,119	53,203	86,819	105,536	121,028	133,083	138,338	148,318
Investment Trust	2,048	2,919	11,796	38,631	42,523	64,098	67,077	63,590	76,061

* The above figures were all stated as Net Asset Values.

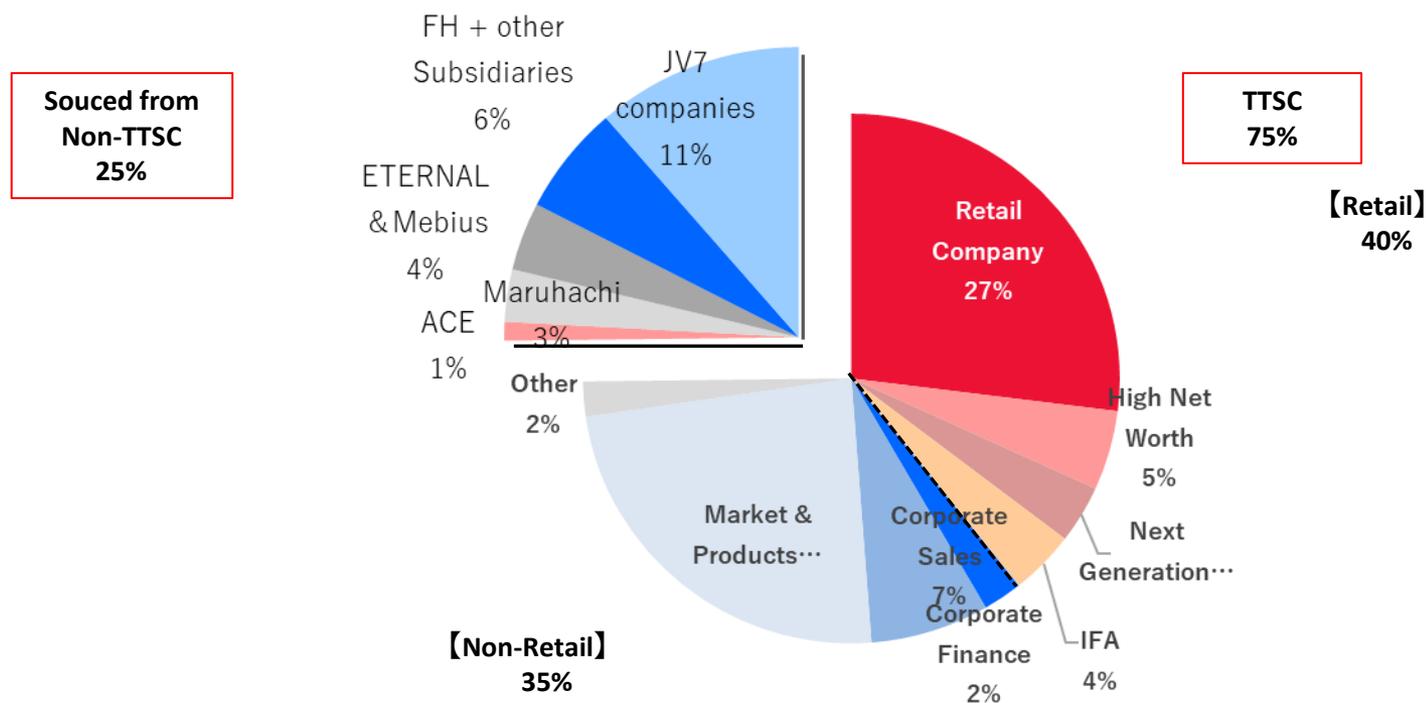
I. The Performance Review

Revenue Sources

Consolidated Breakdown of Operating Revenue Sources

2nd Half of the year ending in Mar.2023

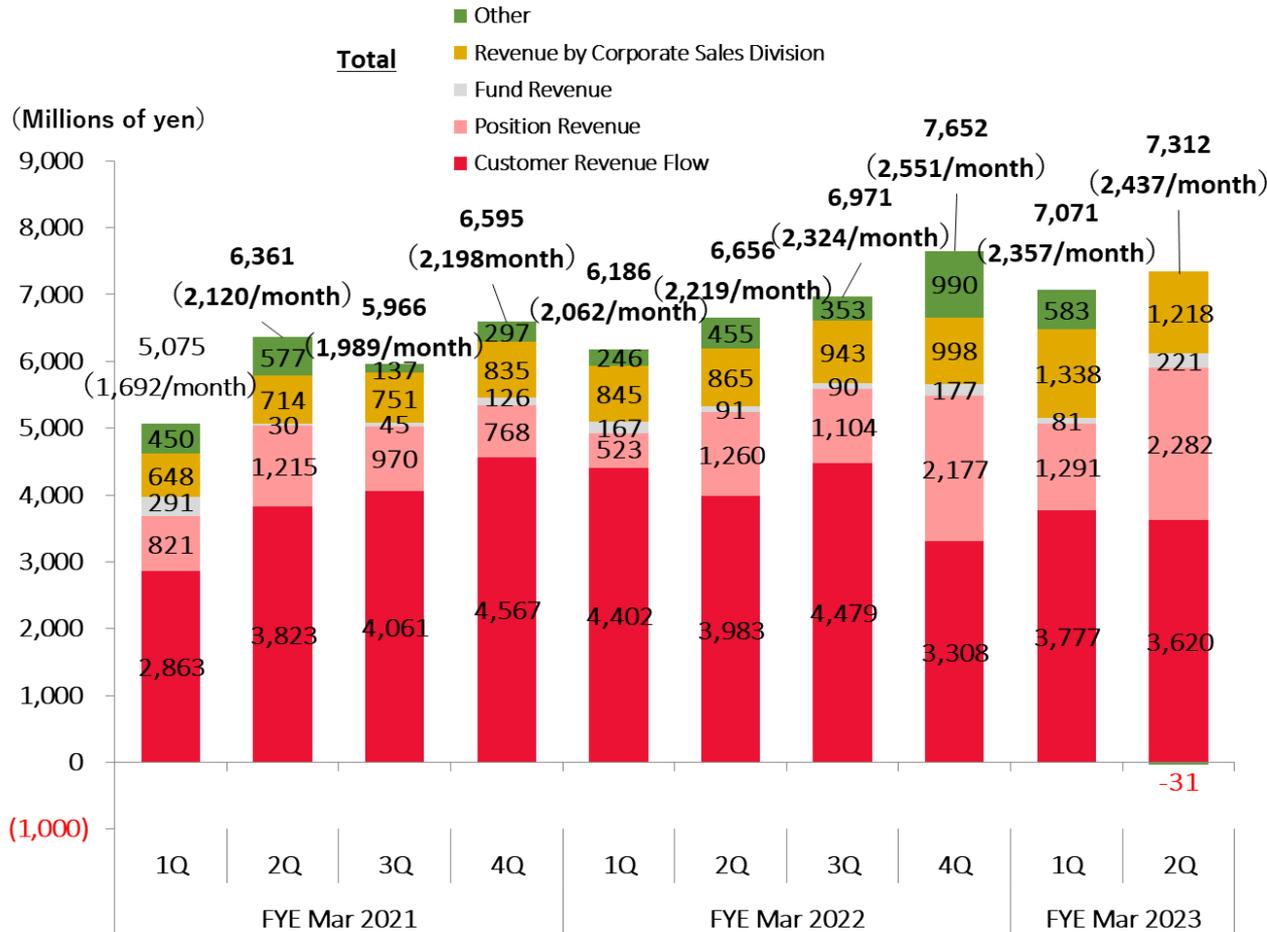
Operating revenue ¥38,636Mill.



I. The Performance Review

Global Market Company

Revenue from Each Category of Operation

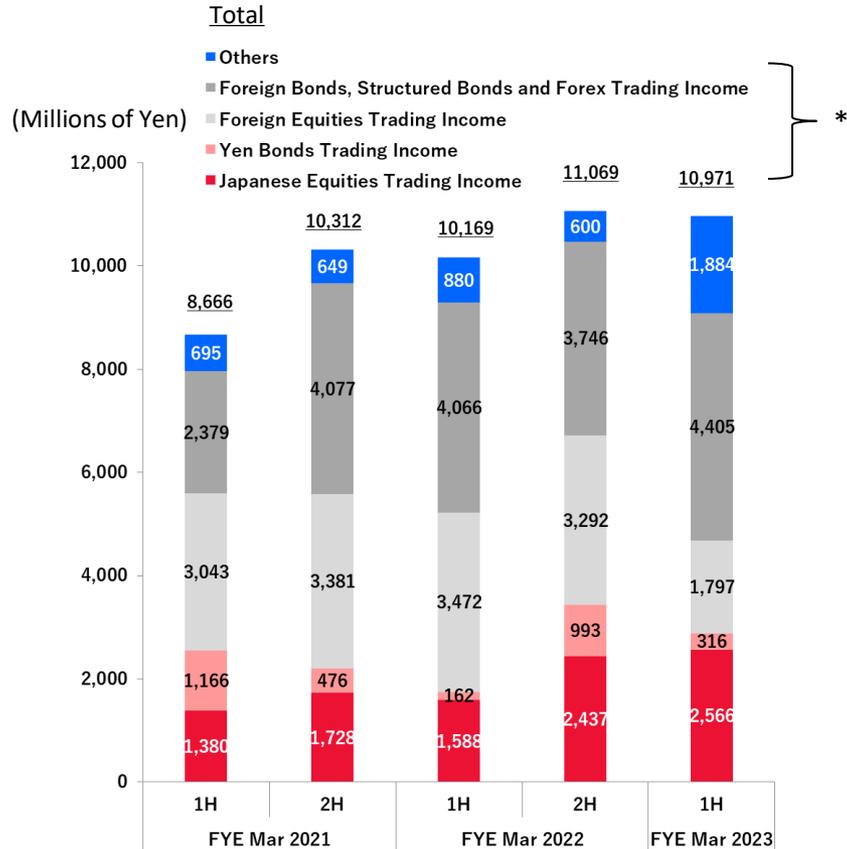


- ✓ Commissions from interest/forex derivatives for the 1st half of the FYE March 2023 increased 160% over the preceding half year.
- ✓ Commissions from stock lending with special contracts for the 1st half of the FYE March 2023 increased 50% over the preceding half year.
- ✓ Commissions from structured bonds embedded with interest/forex credit catered to corporate clients increased 100% over the preceding half year.
- ✓ Commissions from foreign currency bonds increased
- ✓ Revenue earned by the Corporate Sales Division increased 30% over the preceding half year.
- ✓ Aggregate maximum volume of Exclusive transaction of Japanese stock borrowing is now expanded to ¥130 billion from ¥100 billion.
- ✓ Strategic trading department started its trading in full swing in London.

I. The Performance Review

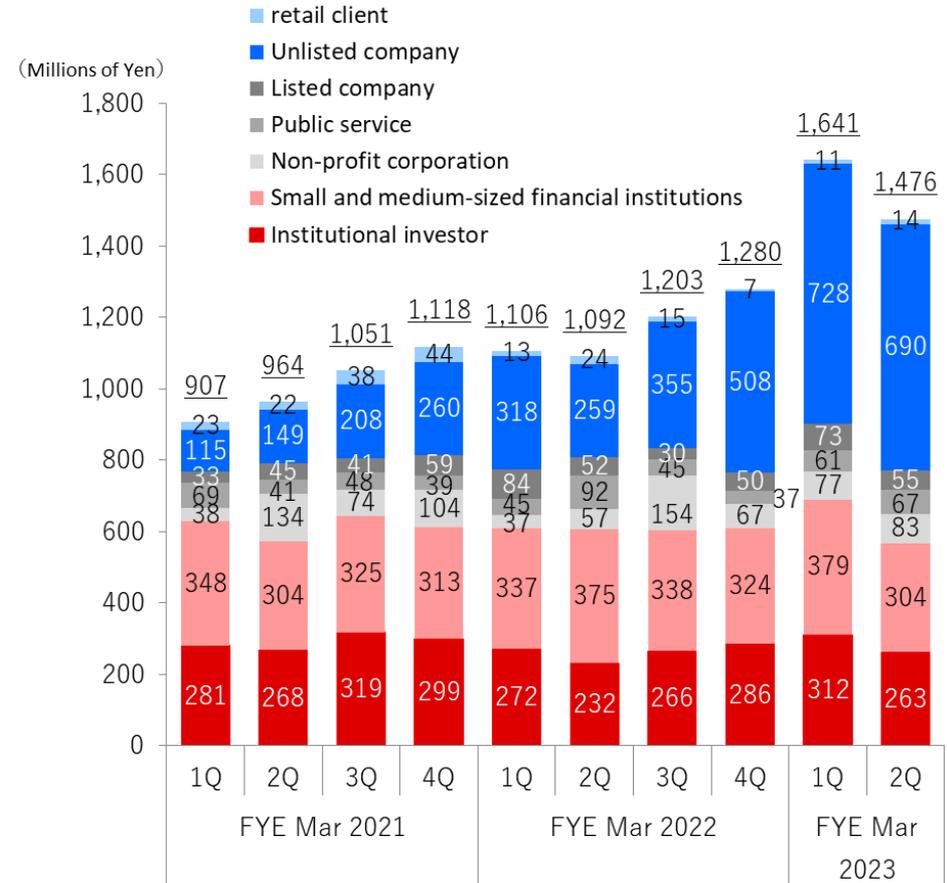
Market & Corporate Sales Divisions

Market Division Revenue Breakdown by Product



*All on net basis

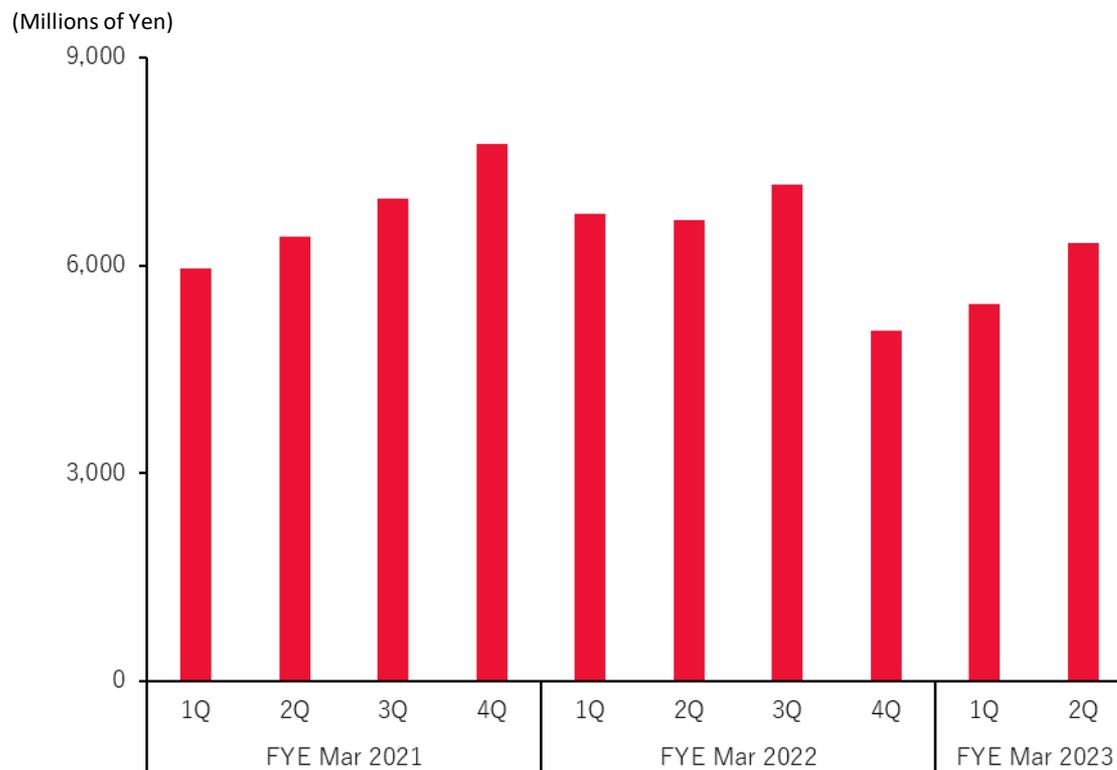
Corporate Sales Division Revenue Breakdown by Customer Category



I. The Performance Review

Retail Company

Operating Revenue

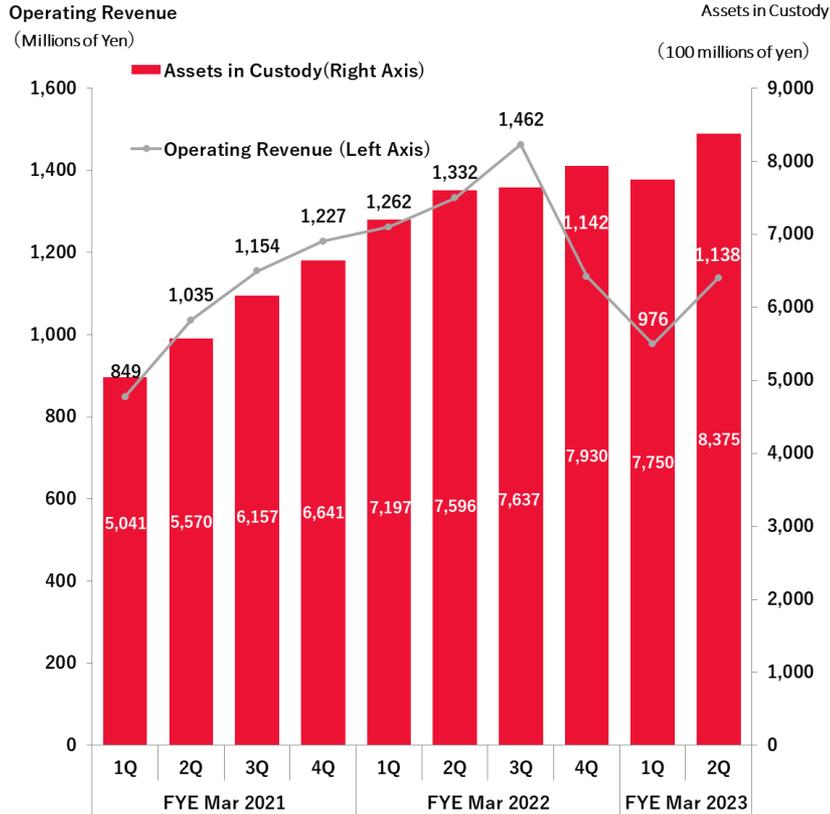


- ✓ Solution business started showing positive results with a focus on insurance and contributed to revenue source diversification
- ✓ Enhance competence in offering new suggestions that fit customer's life plans, familiarity with investment, and market forecast
- ✓ Build a sound customer base through new accounts acquisition and assets-under-custody growth
- ✓ Save time and reduce expenses through the effective use of web-based business communication tools
- ✓ Achieve the conversion to a high-efficiency operation by taking such measures as the optimal distribution of sales office and human resources , the process of internal learning from high-performing sales personnel and database marketing

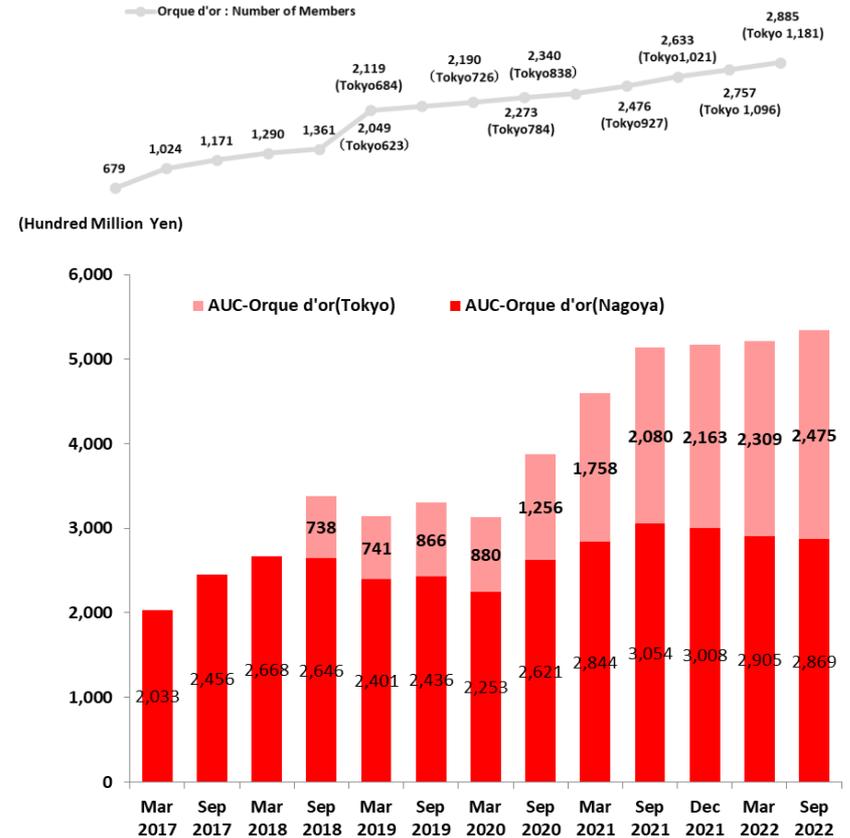
I. The Performance Review

Wealth Management Company

Wealth Management Company /Operating Revenue and Assets under custody



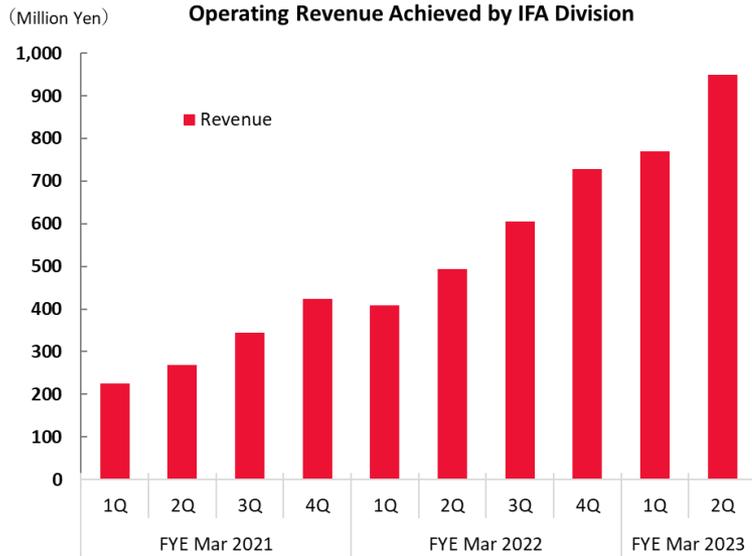
Orque d'or : Number of Members and AUC



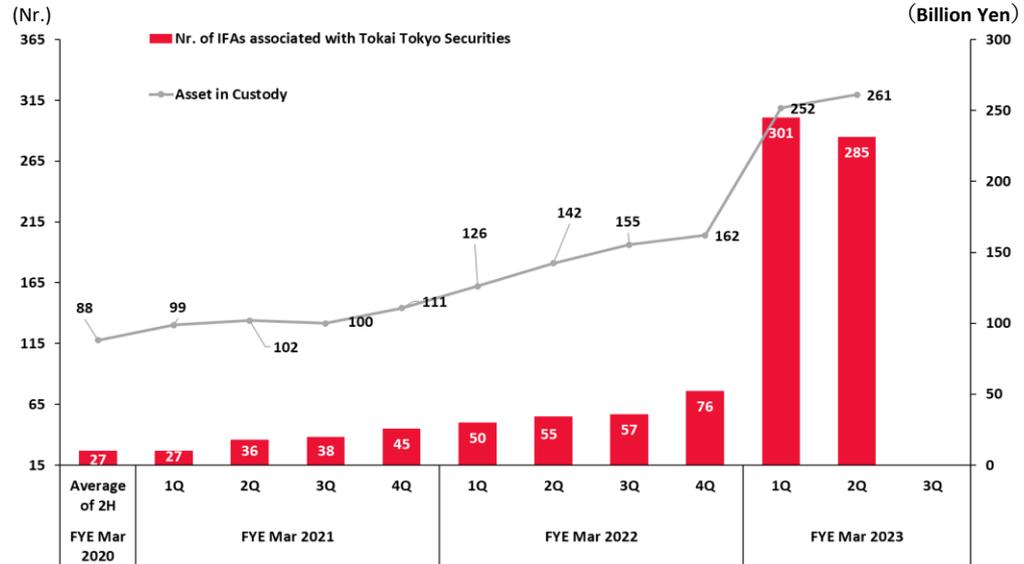
- ✓ Both widened market acceptance of Orque d'or business brand and improved sales personnel expertise contributed to a net increase in assets-under-custody, reaching 65.3 billion Yen, of which the increase was most notable in the Tokyo region.
- ✓ Advanced market penetration into owners of public companies (accounts of the business owner opened: 71 Newly acquired asset-under-custody from those accounts: about 40 billion Yen)
- ✓ Tokyo Open Innovation College opened in June this year.

I. The Performance Review

IFA Company



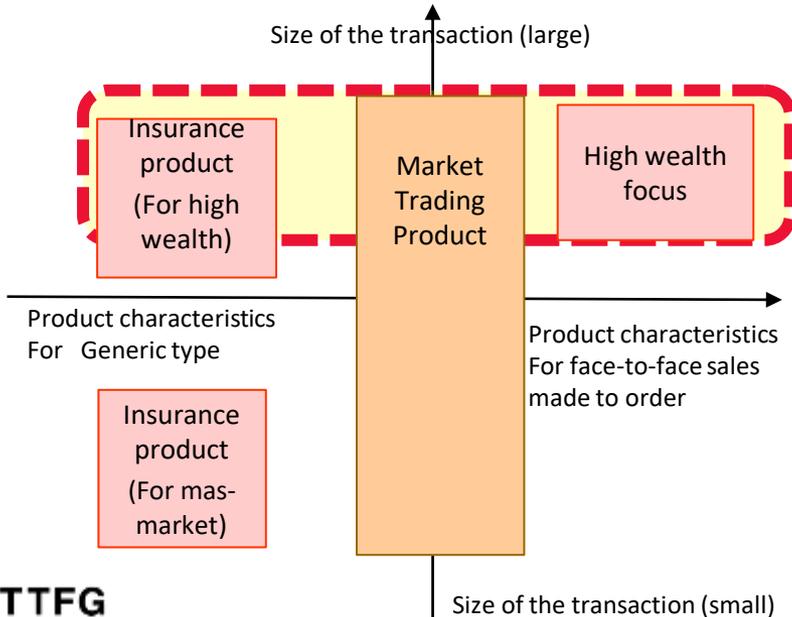
Focused Areas



※The merger between Tokai Tokyo Securities and ACE Securities on May 1, 2022, resulted in an increase of 306 of the IFA and the multi-channel company that runs the financial intermediary business as of May 1, 2022.

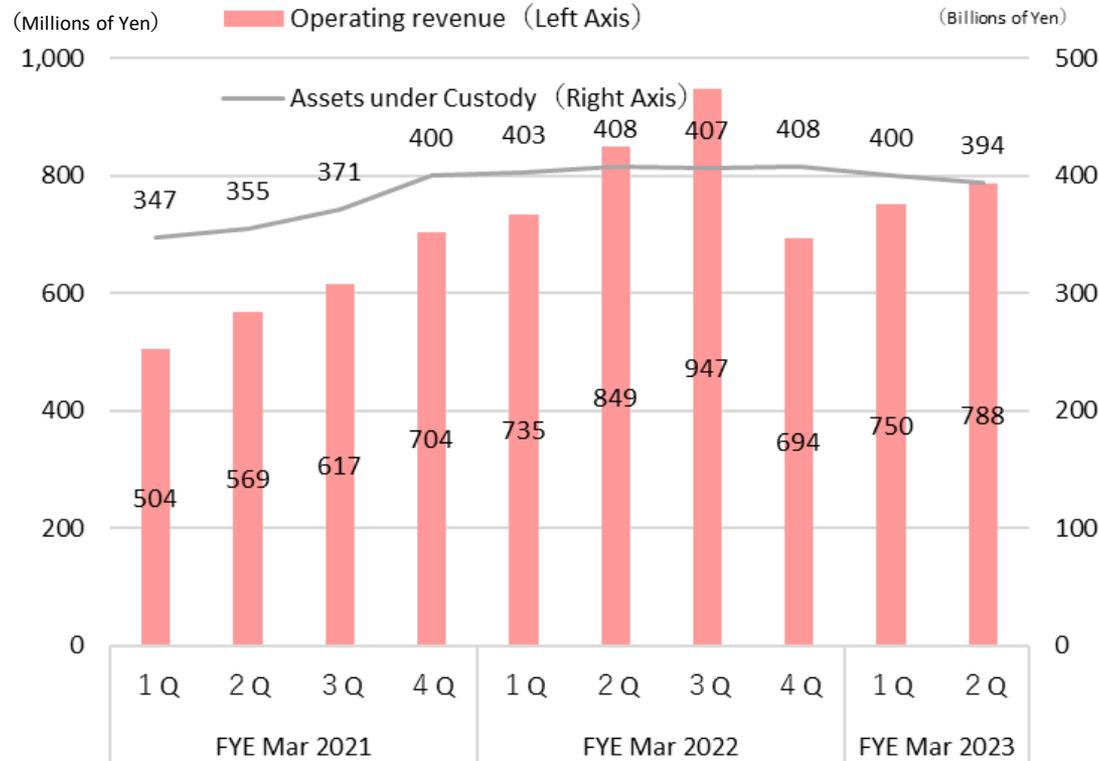
※Financial instruments intermediary service providers including IFA Company and Multi-channel Company

- ✓ The business of IFA company, taking over Takagi Securities, is now proud of its industry's top position in terms of the number of contracted IFA, with its operating base added by the joining former ACE Securities.
- ✓ Revenue increase by driving forth segmented sales approaches.
- ✓ Financial instruments intermediary business with Shonai Bank and Hokuto Bank, both members of FIDEA HOLDINGS, achieved more than 100% year-to-year growth measured by the assets-in-custody brought in to us, assisted by an expanded geographical business area in June this year.



I. The Performance Review

Multi-channel Company

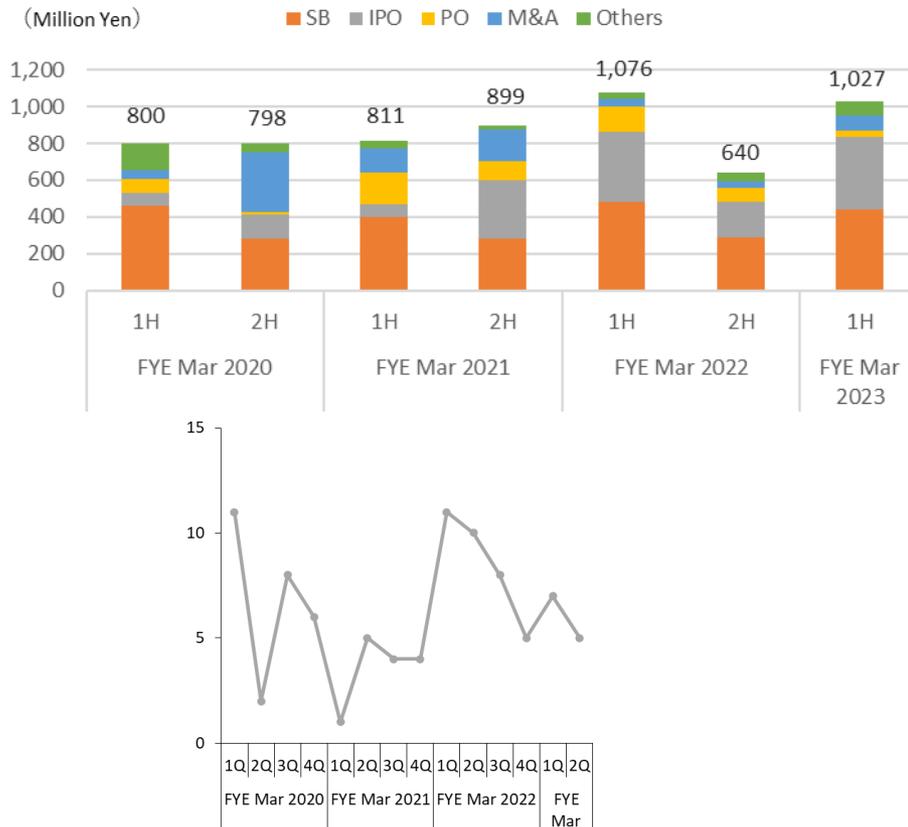


- ✓ CSC (Customer Support Center) renewed its record-high revenue through its widened sales approach and resuscitated accounts that were once dormant.
- ✓ The newly set up “Training and Quality Control Group” now provides training to personnel from JV operation companies as well in addition to the first-year rookie employees
- ✓ CSC can now conduct decent telephone reception support service thanks to its continuing thorough quality control efforts, which was attested by winning the highest three-star certification in the call center category from HDI
- ✓ On-site sales promotion activity toward Toyota group employees now expands its target to the broader range of companies.

I. The Performance Review

Investment Banking Company

Investment Banking Company
Trend of Operating Revenue



Ranks	Peers	Nr.Of Deals	Total Amount (Million Yen)	Share (%)
1	Nomura	16	15,896	23.4
2	Daiwa	18	14,371	21.2
3	SMBC Nikko	18	11,347	16.7
4	Mizuho	18	7,247	10.7
5	SBI	37	6,618	9.8
6	Mitsubishi UFJ MS	9	4,198	6.19
7	Tokai Tokyo	12	4,083	6.0
8	Ichiyoshi	9	1,094	1.6
9	Rakuten	25	578	0.9
10	Monex	23	434	0.6

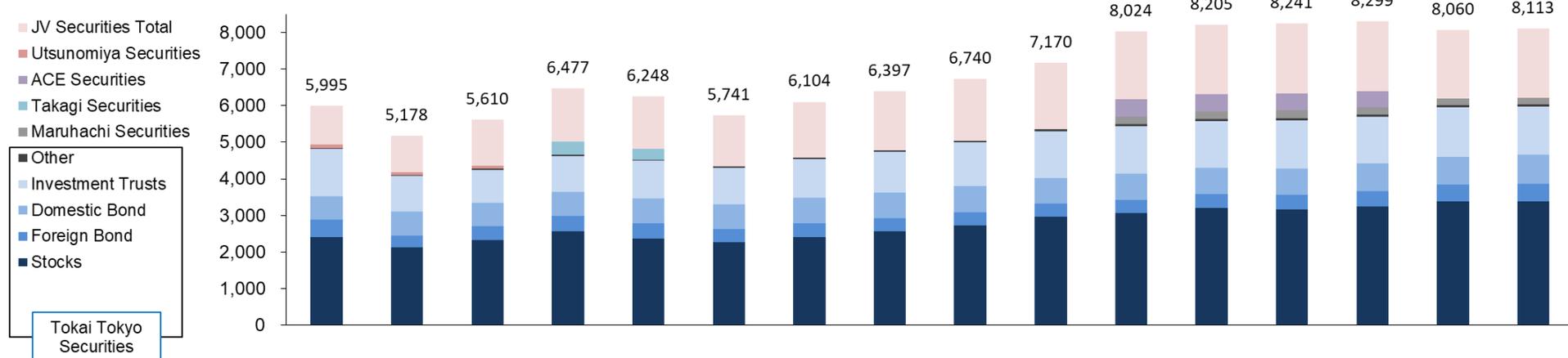
Ranks	Peers	Nr.Of Deals	Total Amount (Million Yen)	Share (%)
1	Mizuho	210	1,372,404	24.6
2	Nomura	222	1,338,019	24.0
3	Mitsubishi UFJ MS	162	1,210,191	21.7
4	Daiwa	189	1,177,136	21.1
5	Tokai Tokyo	57	148,626	2.7
6	Shinkin	33	98,952	1.8
7	SBI	8	54,797	1.0
8	SMBC Nikko	13	50,000	0.9
9	Okasan	20	33,526	0.6
10	Goldman Sachs	14	30,800	0.6

- ✓ We ranked number 5 position in the league table, the highest ever in our history, regarding the total underwriting amount of industrial bonds during the first half of the FYE March 2023. We achieved a record-high result of 371.3 billion Yen.
- ✓ We increased underwriting business dealing with electric utility and industrial bond issuers. In the Tokai region, we assumed the role of lead manager for prominent issuers like Menicon, Toyota Motor Corporation (Woven Planet Bond), Toho Gas, and Sumitomo Riko Company Limited.

I. The Performance Review

Assets under Custody

(Billions of yen)



I. The Performance Review

Assets under Custody

(Millions of yen)	FYE Mar 2021				FYE Mar 2022				FYE Mar 2023	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Inflow of Cash	606,017	588,176	627,053	745,635	891,317	999,468	1,149,151	1,114,561	987,121	968,061
Outflow of Cash	-406,443	-337,949	-495,855	-462,268	-731,964	-805,989	-861,380	-601,744	-708,110	-657,594
Net Inflow of Cash	199,574	250,227	131,198	283,367	159,353	193,480	287,771	512,817	279,011	310,468
Inflow of Securities	27,909	41,459	42,377	41,228	56,967	111,061	62,049	105,584	38,993	85,294
Outflow of Securities	-239,129	-34,008	-35,221	-28,448	-19,330	-19,457	-20,669	-25,475	-32,347	-62,330
Net Inflow of Securities	-211,220	7,452	7,157	12,780	37,637	91,604	41,381	80,109	6,646	22,963
Net Inflow of Cash and Securities	-11,646	257,679	138,355	296,147	196,991	285,084	329,152	592,926	285,657	333,431

(Millions of yen)	FYE Mar 2021				FYE Mar 2022				FYE Mar 2023	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Inflow of Cash	51,460	96,001	73,253	97,101	90,005	101,931	92,875	97,240	80,043	121,418
Outflow of Cash	-49,587	-45,164	-73,004	-90,041	-76,107	-67,147	-65,914	-56,281	-48,913	-57,730
Net Inflow of Cash	1,874	50,837	249	7,060	13,899	34,784	26,961	40,959	31,130	63,688
Inflow of Securities	5,166	10,656	9,569	10,455	14,849	6,998	9,712	9,160	4,410	8,700
Outflow of Securities	-3,931	-4,157	-5,773	-8,546	-4,380	-3,781	-7,300	-2,176	-3,501	-1,861
Net Inflow of Securities	1,235	6,499	3,796	1,909	10,469	3,216	2,412	6,984	909	6,839
Net Inflow of Cash and Securities	6,057	60,071	7,768	13,158	29,075	41,631	33,591	50,938	36,326	73,227

(Millions of yen)	FYE March 2021				FYE March 2022				FYE March 2021	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Net Inflow of Cash and Securities of the Group	-5,589	317,750	146,123	309,305	226,066	326,716	362,743	643,865	321,983	406,658

I. The Performance Review

Structured bonds

(Millions of Yen)	FYE March 2021				FYE March 2022				FYE March 2023		FYE March 2022 1H	FYE March 2023 1H
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q		
Sales Administration Unit	353	604	963	975	943	1,002	1,045	842	948	897	1,945	1,846
Corporate Sales	80	89	149	227	206	144	177	210	201	249	351	450
Market & Products	419	729	1,137	1,498	1,311	1,112	1,301	958	1,000	964	2,424	1,965
Income from Structured Bond	853	1,423	2,250	2,701	2,461	2,259	2,524	2,011	2,150	2,111	4,721	4,262
Consolidated operating income	15,365	16,933	17,705	19,358	19,973	20,569	21,528	18,904	18,460	20,175	40,543	38,636
The share the Income from Structured bond accounts against the Total consolidated operating income	6%	8%	13%	14%	12%	11%	12%	11%	12%	10%	12%	11%

Sales policy and actions from now on

- ◆ From the 3rd quarter, we operate under the new rule we lay down, stipulating strict requirements before the execution of sales
- ◆ We limit our sales only to clients who possess a specified minimum financial asset or more. We enhance the customer-first sales approach and continue the sales while ensuring that whatever we recommend genuinely suits customer needs. Further, our sales activity will be subject to third-party follow-up calls to verify its appropriateness.
- ◆ It may be true that the controversy about the product negatively affects our revenue to some degree. Considering that possible impact, we have started studying products that may replace structured bonds. Some possible alternatives include foreign currency bonds issued by our customers, investment trusts embedded with bonds, and other new products.
- ◆ We minimize the negative effect on our revenue by bolstering lending collateralized by securities, stock lending with special contracts, and others.

I. The Performance Review

Capitalization Status

The Group's Capitalization Status (At the end of Sept. 2022)

(one hundred millions of yen)

(one hundred millions of yen)

**Consolidated
Net Assets
1,839**

Capital
Currently
Used
1,400

Core Securities Brokerage

Capital in use to run core securities brokerage operation	1,027
Capital in use to run group subsidiaries' operations	50
Capital in use for equity method affiliates	244
Total	1,321

Digital Field Operation

TT Digital Platform	10
CHEER Securities	58
HashDasH	11
In Full-fledged Phase (Need estimation for the future)	
Total	100

【 Capital Usage from now on 】

**Useable Surplus
Capital
439**

Interim Dividend

<ul style="list-style-type: none"> • 8 Yen per share/Dividend Yield 4.5%, (on annually averaged stock price basis) • Dividend payout ratio 243.9% « Dividend Policy » ① Dividend payout ratio(basic policy) : 30~50%...considering comprehensively the interest and dividend ratio of JGB and others ② We aim at keeping stable and suitable dividend payments.	Total	20
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Investment for Growth

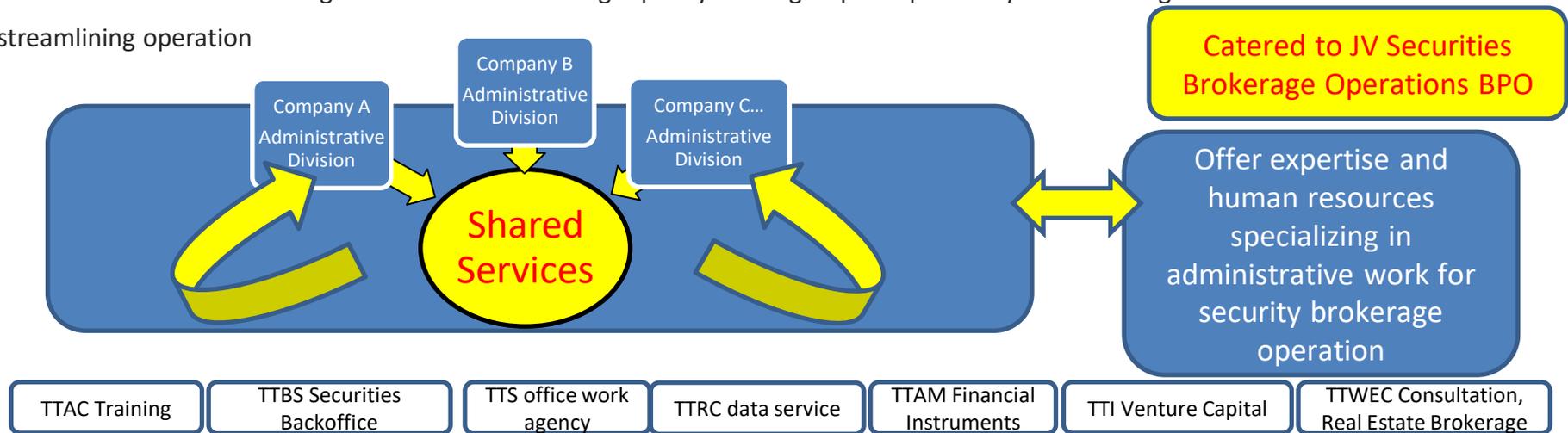
« Possible Investment Targets » <ul style="list-style-type: none"> • M&A、 Capital contribution ~ Banks, Securities Brokerages, Fintech, Block-Chain, Regional Revitalization Involvement • Expansion ~ Market Operations, Wealth Segment, IFA, Lending • Cutting-Edge AI Technology and others 	Total	419
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I. Performance Review

Productivity Improvement Measures

Productivity Improvement Measures — Shared Services

- Standardize and centralize administrative operation of all the group subsidiaries
- Consolidate at one place all the indirect operations and human resources assigned thereto across the group subsidiaries
- Provide advanced knowledge-intensive service of high quality to the group companies by standardizing and streamlining operation



【Future Plan】

- Insource the office work processing of JV brokerage partnership operations that are currently being outsourced
- Installation of cloud accounting at all the subsidiaries to start using group shared system and its maintenance (i.e., including expense processing)
- Fulfill compliance requirements associated with accounting practice, electronic bookkeeping, and the qualified invoice-based methods by consolidating all the relevant data of the Group companies using shared service efficiently.
 - Realize financial data sharing among the Group companies by the use of a cloud system
 - Conduct training programs covering the areas of HR, general administration, financing, and accounting in the form of one consolidated shared service, rather than individually at the respective companies

✂ By consolidating the administrative function of all seven revenue-generating companies, we develop the administrative human resources specializing in security brokerage operations.

I. The Performance Review

Investment in Human Resources

Human Resources Training

【Training and Study Programs】 

Departmental Training and Study Sessions
(Administered at Respective Departments)

Humanity Enhancement Program
(HEP)

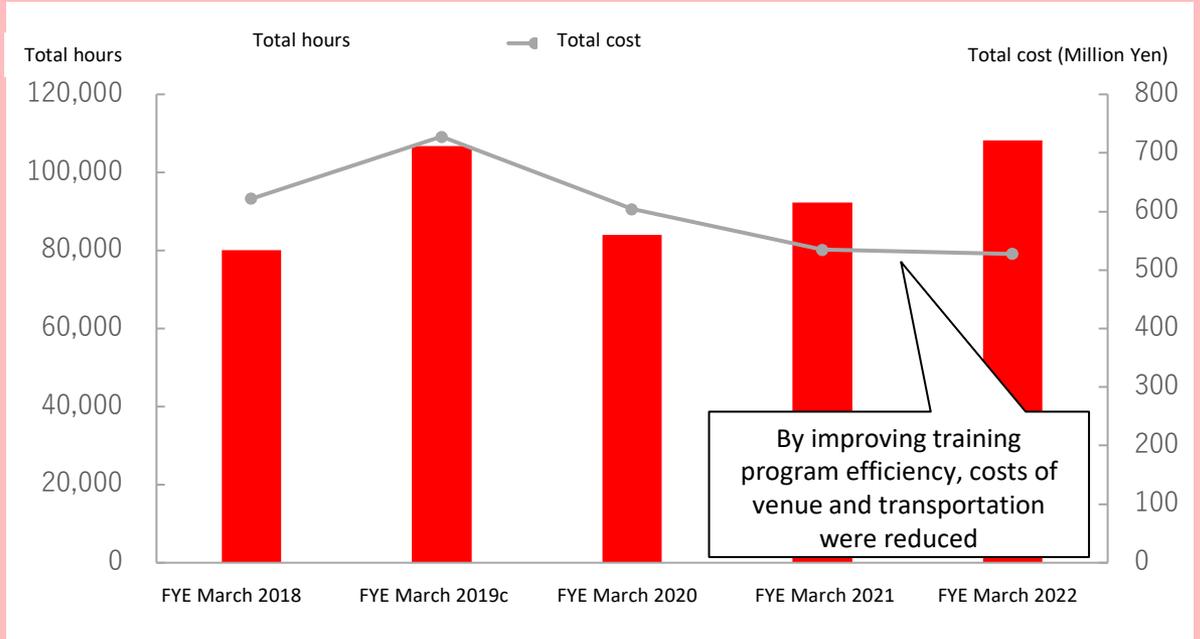
Cafeteria Learning Program for
acquiring the various licenses and
qualifications

Training for Career Path Planning
Administered to All Employees

Full Scholarship for the employees
enrolling in the MBA programs
offered both inside and outside Japan

etc.

Cost and Time allocated to Human Resources Training



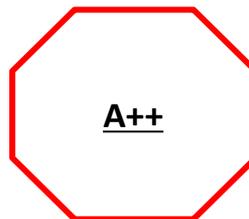
※ Includes commission payment to Tokai Tokyo Academy

※ Total hours do not include those spent for trainings administered by respective divisions during FYE March 2018 and FYE March 2019.

【Result】 【 Rating on Human Resources Usage 】



“Nikkei Smart Work
Management Survey 2022”



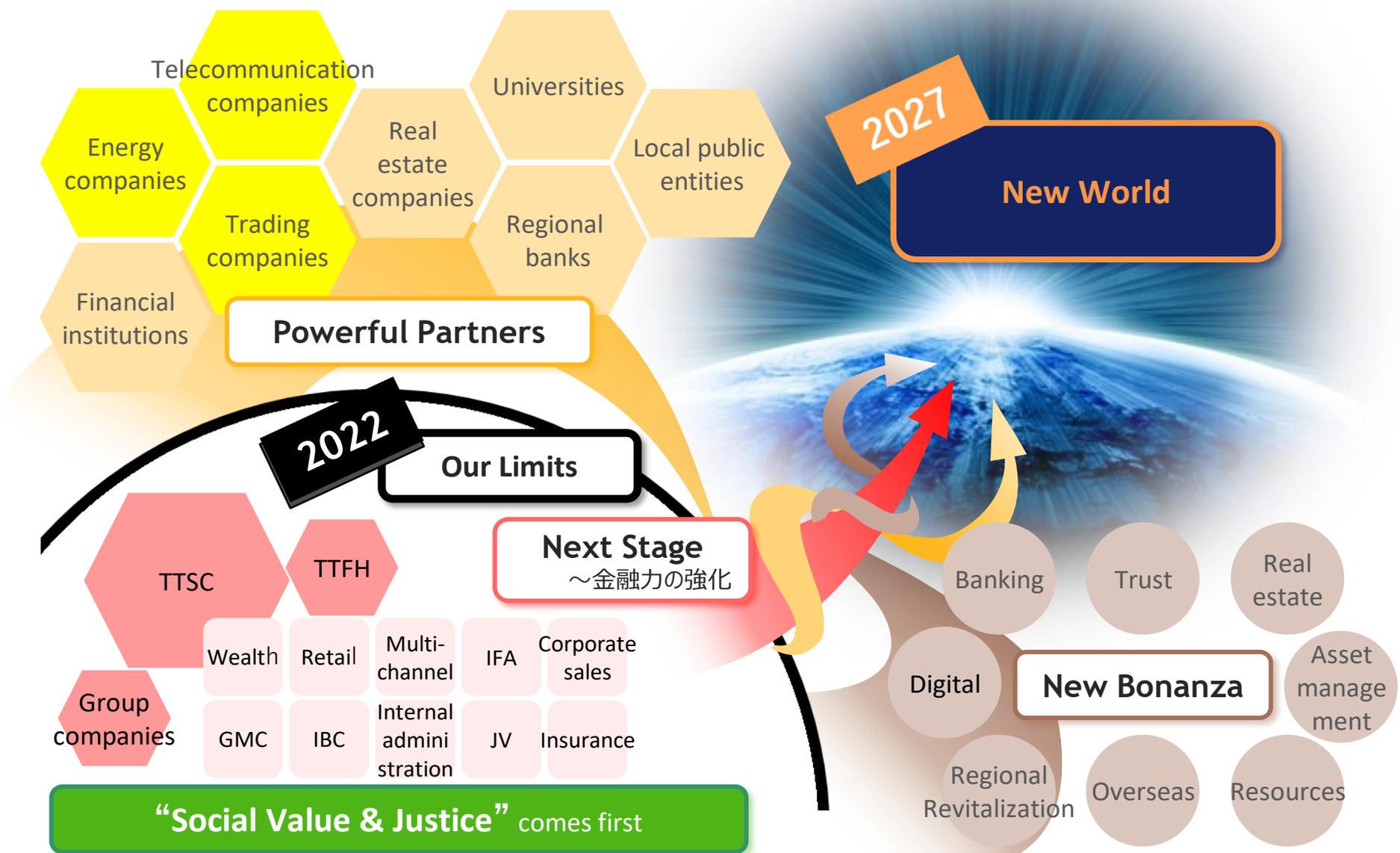
A++

As an “Ever-Learning Company”, we develop our human resources to financial professionals who possess both expertise and humanity

Ⅱ . The Numeric Targets Set under the Mid-Term Management Plan

II . The Numeric Targets Set under the Mid-Term Management Plan

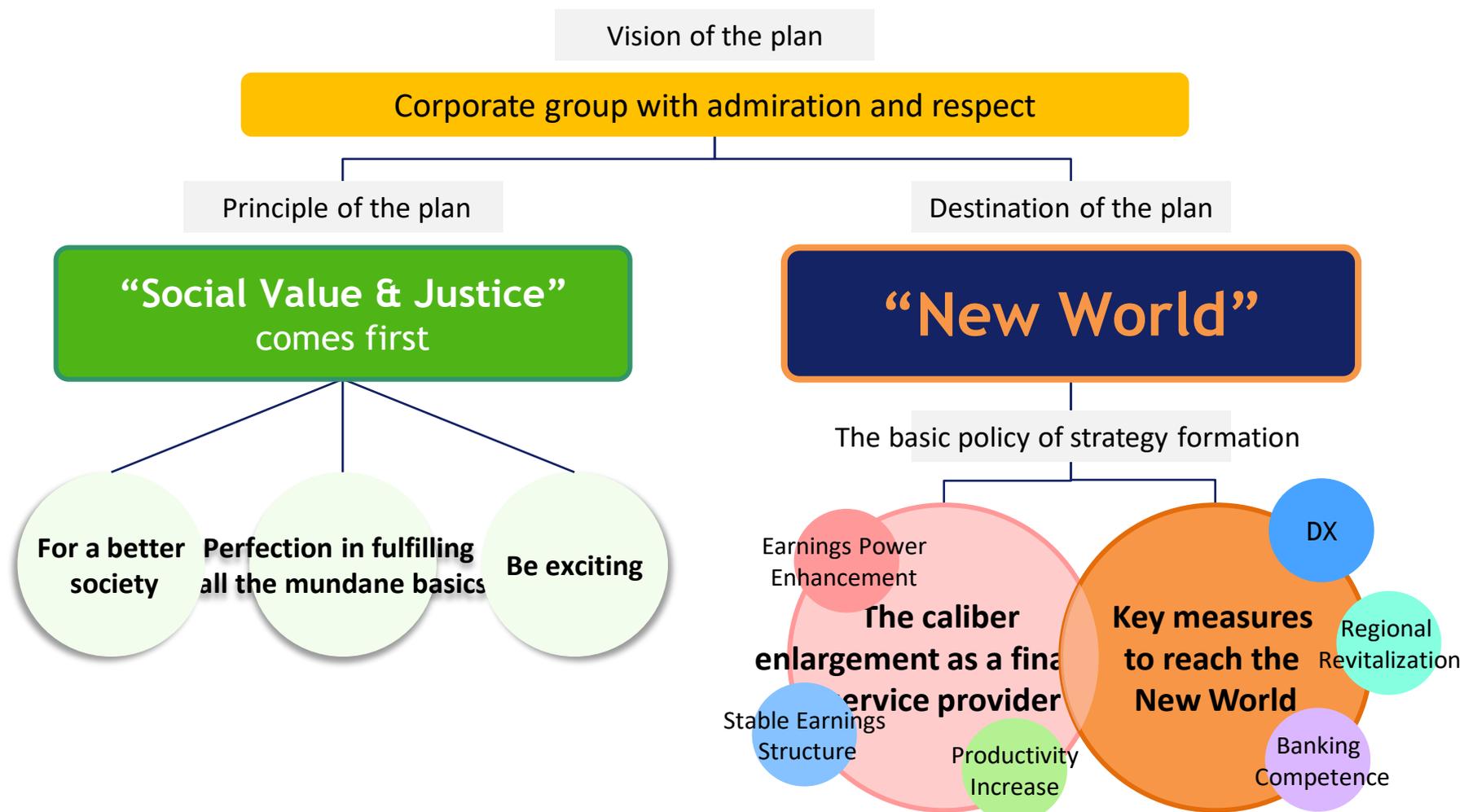
Leap forward to New World



II . The Numeric Targets Set under the Mid-Term Management Plan “Beyond Our Limits”

Five-year plan

“Beyond Our Limits”



II . The Numeric Targets Set under the Mid-Term Management Plan

KGI and KPI of Medium-Term Management Plan

Group KGI (FYE Mar.2027)

ROE

12 %

Assets under Custody *1

12Trillion Yen

Financial KPI

The caliber enlargement as a financial service provider

Key measures

to reach the New World

Earnings Power Enhancement

Stable Earnings Structure

Productivity Increase

Ordinary Profit

Assets under Custody*1

Stable Earnings/
Fixed Cost
Coverage Ratio*2

Labor productivity
/per employee

Ordinary Profit

Current level

14.4 billion yen

8.2 trillion yen

16%

18million yen

(1.5 billion yen)

FY2024

25 billion yen

9 trillion yen

18%

21 million yen

(3 billion yen)

FY2026

30 billion yen

10 trillion yen

20%

23 million yen

6~10 billion yen

Others

M&A etc.

Ordinary Profit

FY2026

5 billion yen

∩

10 billion yen

“Social Value & Justice”

For a better society

Perfection in fulfilling
all the mundane basics

Be exciting

CO2 Net Emissions

Social contribution activities

Customer oriented (NPS®*3)

Employee engagement

Investment in Training

FY2026

Reduced by half
Compared to FY 2021 results
In addition, 0 tons in real
terms by March.2030

1%
Compared to ordinary
profit in the previous year

+20-point improvement
Compared to FY 2021 results

Measurement started
this year and aiming
for improvement.

3%
Compared to ordinary profit
in the previous year

*The KGI is based on information currently available to the Company and certain assumptions deemed reasonable, such as the House View by Tokai Tokyo Research Institute Co., Ltd., where the Nikkei average forecast as of the end of September 2023 is 34,000 yen. The numerical targets may be revised if the market environment changes significantly.

*1 Assets under Custody: Securities, deposits, insurance

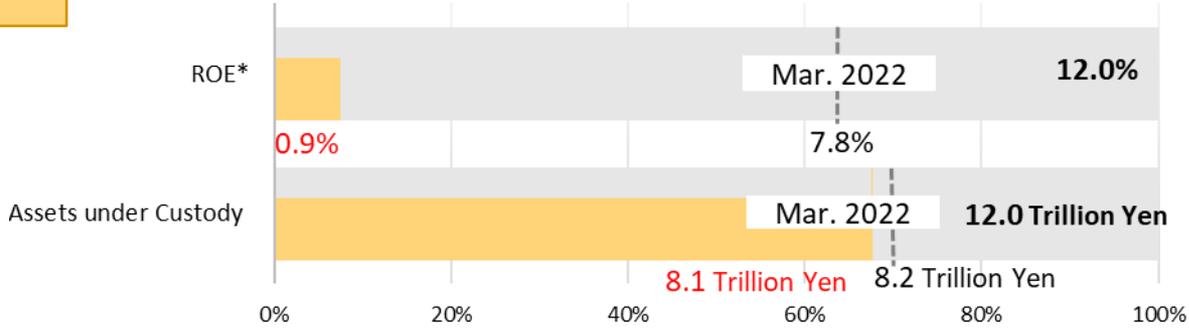
*2 Stable Earnings here denotes the balance-linked and continuously earned revenues as time passes (such as investment trust-related trust fees, fees from wrap handling, credit provision, insurance fees, lending with against collateralized securities, investment advisory service).

* 3 NPS® is a registered trademark of Bain & Company, Fred Reichheld, and Satmetrix Systems. It is an abbreviation of “Net Promoter Score ®” and is a performance indicator that quantifies customer loyalty (measuring the degree of attachment and trust to a company or brand).

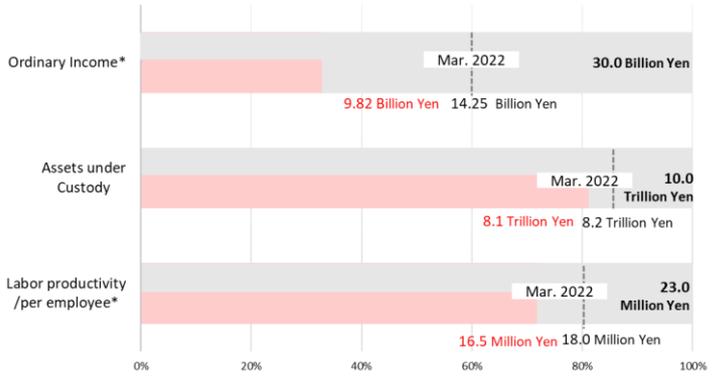
Ⅲ. The Achievement Progress on the Numeric Targets Attainment

III. The Achievement Progress on the Numeric Targets Attainment

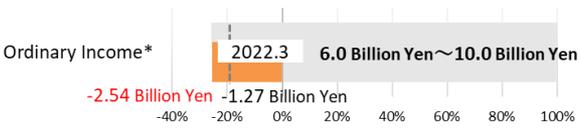
Group KGI



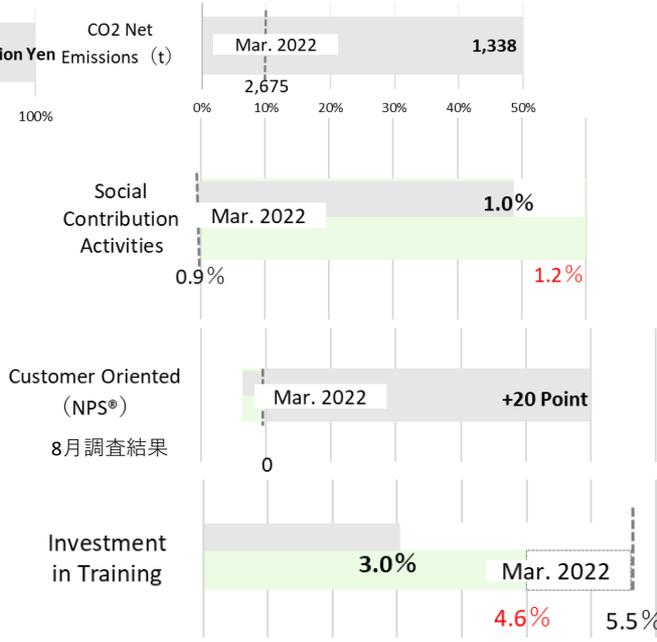
The caliber enlargement as a financial service provider



Key measures to reach the New World



"Social Value & Justice" KPI



Gray : FYE Mar. 2027 KGI, KPI
 Pink, Green and Orange : The Rate of Progress as of the first half of FYE March 2023

* The following target values were all converted to annual basis; ROE, Ordinary Income to be earned by enhancing financial competence, Per head productivity, Ordinary Income to be earned by implementing "Focused Efforts Beyond Our Limits."

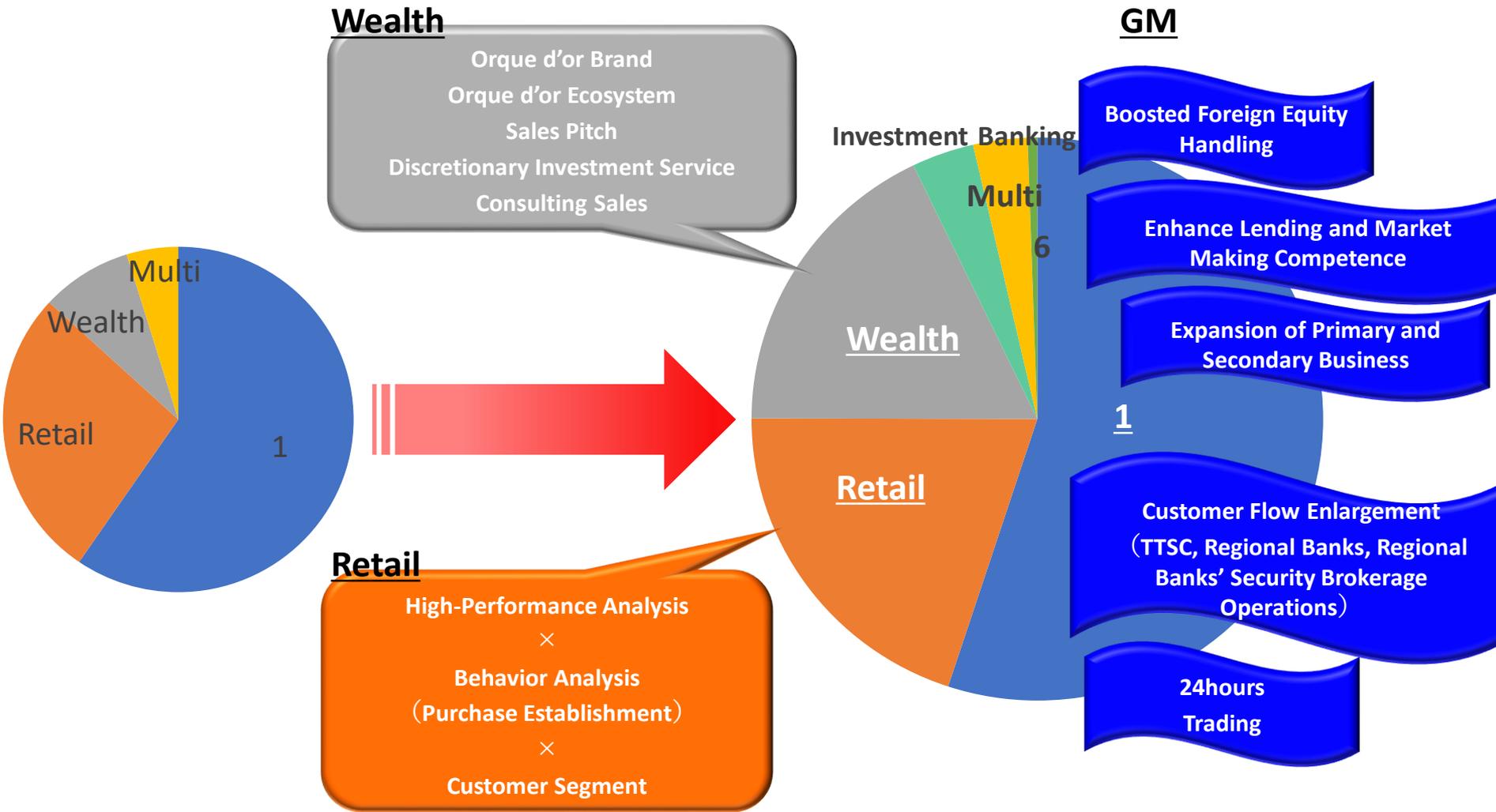
**① The caliber enlargement as
a financial service provider**

III. The Achievement Progress on the Numeric Targets Attainment

① The caliber enlargement as a financial service provider

At the end of Sept. 2022

At the end of March 2027



III. The Achievement Progress on the Numeric Targets Attainment

① The caliber enlargement as a financial service provider

Financial Platform

Brokerage Houses owned by Regional Banks

The need for business model conversion, the Importance of Security Brokerage Function within a Group
(Response to Government's policy for Structured Bond and Income-Doubling Program)

I : Joint Venture Securities Brokerage Houses

II : Securities Brokerage Houses Owned by Banks

III : Other Banks

- Customer Segment Strategy
Corporate ← Corporate Solution Department
Wealth Segment ← PEA
Mass Market ← FinTech
- Product Diversity
- High-Efficiency Operation
(CSC, Shared Service)

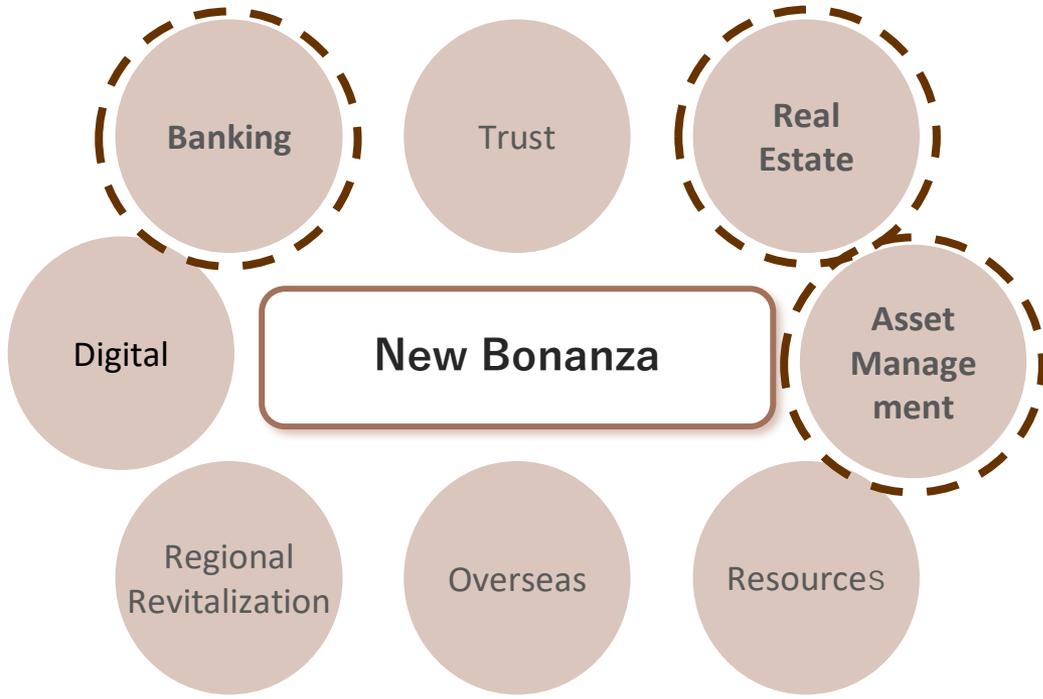
- Customer Segment nurtured by JV Model, High-Efficiency Operation, Employee Training
- +
- Intermediary Business Model

- Intermediary Business Model



III. The Achievement Progress on the Numeric Targets Attainment

① The caliber enlargement as a financial service provider



Banking

- Secure banking competence as a comprehensive financial group
- Feasibility study on digital banking
- Collaboration and partnership with the banking industry

Real Estate

- Real estate-related business expansion

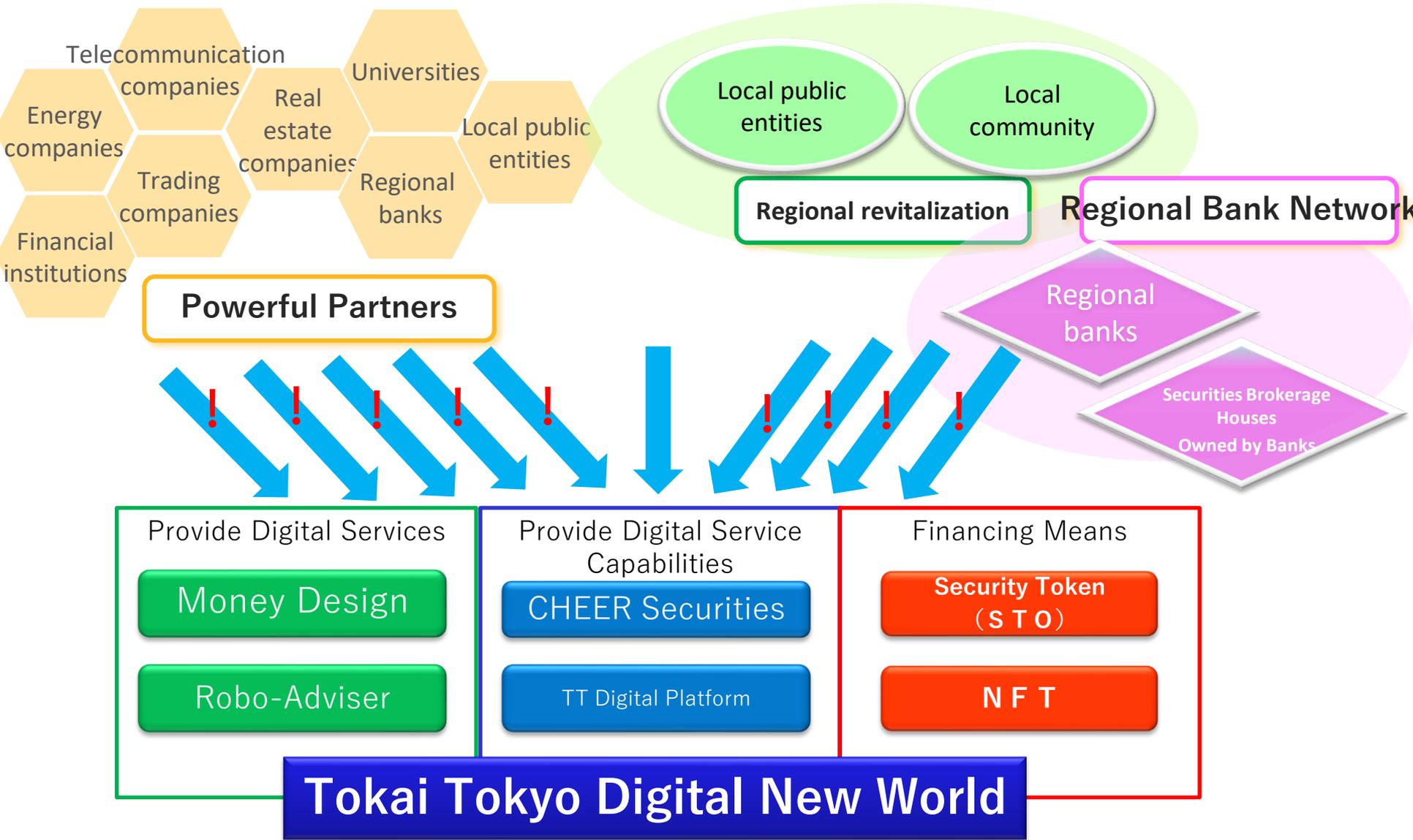
Asset Management (TTAM)

- Offer investment fund specializing in alternative investment classes like hedge fund
- Develop new business operations addressing the specific needs of regional banks

② Key measures to reach the New World

III. The Achievement Progress on the Numeric Targets Attainment

② Key measures to reach the New World



III. The Achievement Progress on the Numeric Targets Attainment

② Key measures to reach the New World



CHEER 証券

(Point Investment)

- ◆ Started point investment service on October 3 under the name of StockPoint for CHEER Securities through a collaboration with STOCK POINT Inc.
- ◆ Started business tie-up with Menicon as publicized on November 15

※ At the time of starting the service, CHEER Securities was the sole brokerage house that converts points to actual stocks for customers.



- ✓ One-coin Investment (500 Yen)
- ✓ User-friendly UI/UX
- ✓ 24hours/365 days Service
- ✓ Easy account opening

III. The Achievement Progress on the Numeric Targets Attainment

② Key measures to reach the New World

TT Digital Platform (TTDP)

Support local governments' DX endeavors

- Create Regional Redevelopment Platform
→ Signing Business Matching Promotion Agreement with Hokuriku Bank
- Saijyo City, Ehime Pref. retained us as the consignee for their Digital Point Service Operation.
- Kosai City, Shizuoka Pref. retained us for their Digital Gift Coupon operation.



A pedometer-linked application that rewards users with points daily for the total number of steps and the achievement of self-declared goals

Wellbeing Promotion

- Good Health (Icon: person walking)
- Via Digital Service (Icon: people at a computer)

Activate Regional Community

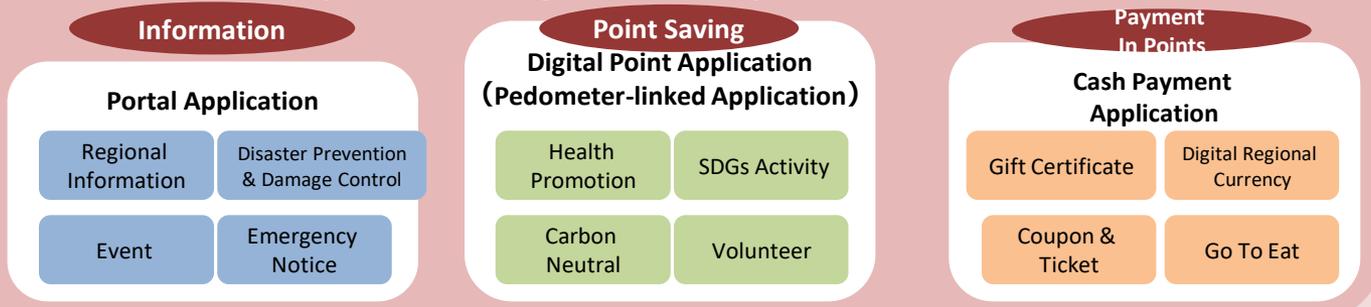
- Volunteers (Icon: hand holding a leaf)
- SDGs (Icon: recycling symbol)
- Carbon Neutral (Icon: CO2 with a downward arrow)

Enhance Regional Economic Circulation Flow

- Stimulate Consumption in a Region (Icon: wallet with a coin)
- Revitalize Local Community (Icon: storefront)

Support Local revitalization with "Our Regional Redevelopment Platform" which facilitates municipalities' digitalization initiatives

Description of our "Regional Redevelopment Platform" service



III. The Achievement Progress on the Numeric Targets Attainment

② Key measures to reach the New World

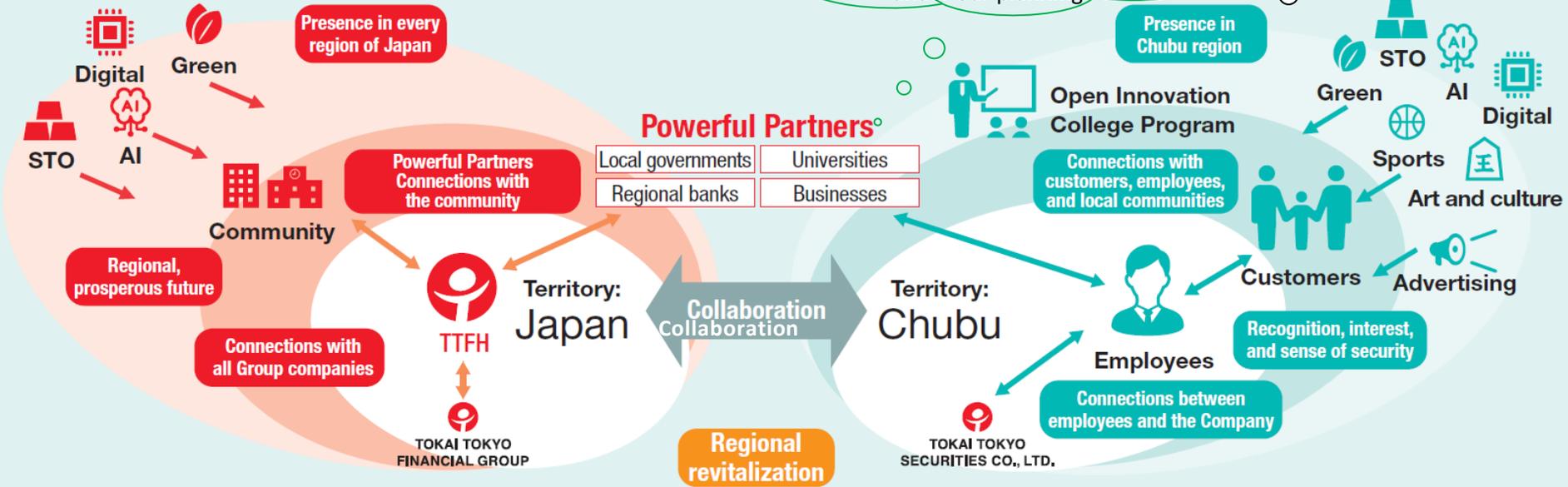
Action for Regional Revitalization

Vision

- * With regional revitalization as a catchword in mind, we will uplift the brand image of Tokai Tokyo.
- * Regional Revitalization Promotion Department considers its affinity and actual collaboration with the Chubu region important as a community citizen.
- * Regional Revitalization Support Department covers the entire Japan while they cooperate with Regional Revitalization Promotion Department in the Chubu region.

The 1st Step of the Strategy under "Powerful Partners"

Community-based Joint Fund to be established with Universities under our planning



Contributing to regional economic revitalization by supporting the introduction of digital and local currencies

③ Social Value & Justice

III. The Achievement Progress on the Numeric Targets Attainment

③ Social Value & Justice

NPS® Survey Result (over the group as a whole)



R&I gave us an “S+” rating as a customer First Investment Trust Sellers in May 2022

※NPS® is a registered trade mark of Bain and Company Fred Reichheld、 Satmetrics Systems.

※NPS® is the acronym of Net Promoter Score meaning in Japanese “the % of net endorser”, and it quantifies the customer loyalty (as the level of fondness for or confidence in, corporations and brands customers feel.)

The Company’s NPS declined in August 2022, which is mainly due to the lowered level of satisfaction customers felt with our service personnel.

III. The Achievement Progress on the Numeric Targets Attainment

③ Social Value & Justice

Action for Sustainability

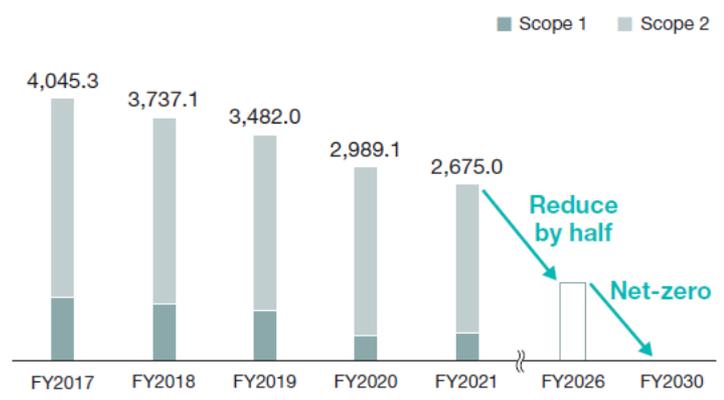
【Energy & Climate】

We have set a target of net-zero emissions by 2030.



- Replacing company vehicles with fuel-efficient cars
- Expand the use of renewable energy sources etc.

Greenhouse gas emissions (t-CO₂)



*Greenhouse gas emissions (CO₂ emissions) are calculated based on the following companies:
Tokai Tokyo Financial Holdings, Tokai Tokyo Securities, Tokai Tokyo Research Institute, Tokai Tokyo Asset Management, Tokai Tokyo Investment, Tokai Tokyo Academy, Tokai Tokyo Services (for occupancy in the Nihonbashi Takashimaya Mitsui Building, Kayabacho First Building, and Midland Square), Tokai Tokyo Business Service, Tokai Tokyo Digital Platform, and CHEER Securities

【FTSE Blossom Japan Sector Relative Index】

We were selected as one of the constituents of “FTSE Blossom Japan Sector Relative Index.”



FTSE Blossom Japan Sector Relative Index

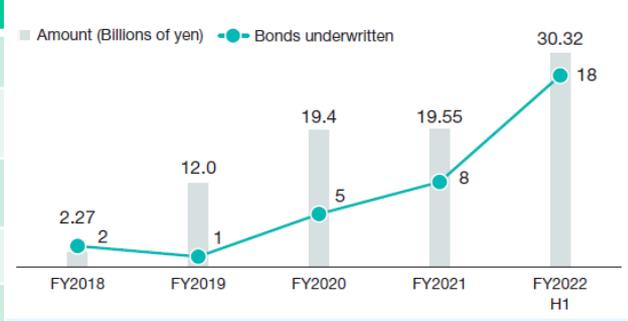
【SDG Bonds】

Being fully aware of the importance of contribution to SDGs, we are grappling with the realization of a sustainable society and SDGs.

Some notable underwriting transactions during the 1st half of FY 2022

- JERA Transition Bond
- Chubu Electric Company Green Bond
- Toyota Motor Corporation Sustainability Bond
- Mitsui Fudosan Green Bond
- JICA Peace Building Bond

Tokai Tokyo Securities' SDG bond underwriting



MEMO

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- 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.