

 TOKAI TOKYO FINANCIAL HOLDINGS, INC.

IR Presentation FYE Mar. 2024

May 16, 2024

Tokai Tokyo Financial Holdings, Inc.

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I Summary of Financial Results for the Fiscal Year ending March 2024

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- 【 Individual 】 Net increase in funds and assets
(Tokai Tokyo Securities and Joint Ventures)

Financial Summary

- Revenue and profit increased and operating revenue reached the highest level in 10 years thanks to a favorable market environment.
- Significant recovery in terms of Profits and Losses at group securities companies. Digital companies now moving to the stage of advancing alliance
- Increased trading volume of both Japanese and foreign stocks has led to a significant leap in brokerage commissions compared to that of the same period last year.
- Selling, general, and administrative expenses increased over the same period last year due to a large hike in personnel expenses triggered by the salary base raise and higher provision for performance-linked bonuses.
- Group assets under custody have grown steadily, reaching the 10 trillion yen mark for the first time in the fiscal year ending March 2024.

Performance Review

Revenue and profit increased with a tailwind effect of a favorable market environment, and operating revenue reached the highest level in 10 years as well.

(Millions of yen)

	FYE Mar. 2023				FYE Mar. 2024				FYE Mar. 2023	FYE Mar. 2024	QoQ	YoY
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	Apr.–Mar.	Apr.–Mar.	% Change	% Change
Operating Revenue	18,460	20,175	17,746	16,999	21,205	22,269	21,116	24,610	73,383	89,201	17%	22%
Net Operating Revenue	17,621	18,979	16,975	16,022	20,615	21,588	20,538	23,949	69,598	86,692	17%	25%
SG&A Expenses	16,912	16,906	16,214	16,405	17,121	17,840	17,278	19,147	66,438	71,387	11%	7%
<i>(Operating Revenue=100)</i>	92	84	91	97	81	80	82	78	91	80	-	-
Operating Profit	708	2,072	761	-382	3,494	3,747	3,259	4,802	3,159	15,304	47%	384%
Non-Operating Income	616	606	154	2,842	740	484	-42	2,252	4,219	3,435	-	-19%
Non-Operating Expenses	124	238	315	354	230	-20	6	124	1,033	341	-	-67%
Ordinary Profit	1,200	2,441	600	2,104	4,004	4,252	3,210	6,930	6,346	18,397	116%	190%
<i>(Operating Revenue=100)</i>	7	12	3	12	19	19	15	28	9	21	-	-
Extraordinary Profit	54	-0	-0	123	244	2	547	141	177	936	-74%	428%
Extraordinary Losses	-	377	-37	83	369	27	159	447	423	1,003	181%	137%
Profit Before Income Taxes	1,255	2,062	637	2,144	3,879	4,228	3,598	6,624	6,099	18,330	84%	201%
<i>(Operating Revenue=100)</i>	7	10	4	13	18	19	17	27	8	21	-	-
Income Taxes - Current & Deferred	450	907	617	1,414	1,256	1,163	1,264	2,835	3,390	6,520	124%	92%
Profit attributable to non-controlling interests	703	442	-502	113	624	438	-165	722	756	1,620	-	114%
<i>(Operating Revenue=100)</i>	4	2	-3	1	3	2	-1	3	1	2	-	-
Profit Attributable to Owners of Parent	101	713	521	616	1,998	2,626	2,498	3,066	1,953	10,189	23%	422%
<i>(Operating Revenue =100)</i>	1	4	3	4	9	12	12	12	3	11	-	-

Profit analysis of each Group member (Ordinary Profit)

Significant recovery in Profits and Losses at group securities companies. Digital companies continue to experience poor performance.

	FYE Mar. 2023				FYE Mar. 2024				FYE Mar. 2023	FYE Mar. 2024	QoQ	YoY
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	Apr.–Mar.	Apr.–Mar.	% Change	% Change
Tokai Tokyo Securities	784	988	1,189	38	3,736	3,928	3,671	5,730	3,001	17,067	56%	469%
JV Securities Total	129	88	-53	-33	268	274	230	452	131	1,226	97%	836%
Tokai Tokyo Global Investments	-195	779	260	1,709	164	254	-14	1,189	2,554	1,592	-	-38%
ACE Securities	-3	-	-	-	-	-	-	-	-3	-	-	-
Maruhachi Securities	49	22	52	4	169	211	140	246	129	768	76%	495%
Insurance (ETERNAL, Mebius)	138	213	219	243	168	241	209	206	815	825	-1%	1%
M&A (Pinnacle, Pinnacle TT Solution, Mafolova)	-54	10	50	-45	-60	125	67	-40	-38	91	-	-
Digital Operations (Subsidiaries + Equity Method Affiliates' Profit and Loss as proportionally recognized) *	-562	-709	-790	-788	-823	-736	-792	-817	-2,850	-3,169	-	-
Others	913	1,047	-330	975	379	-45	-300	-37	2,609	-5	-	-
Total Consolidated ordinary income (loss)	1,200	2,441	600	2,104	4,004	4,252	3,210	6,930	6,346	18,397	116%	190%

*The figure of this contributing category is calculated as the sum of (1) Ordinary profit earned by CHEER Securities and TTDP, and (2) evaluated gain or loss on a pro-rata basis from equity-method affiliates including Money Design Co., Ltd., Hash Dash Holdings, and Digital Platformer. Further, Digital Platformer was added to this contributing category beginning FYE March 2022

Commission Received

The increased Japanese and foreign stock trading volume pushed up brokerage commissions significantly.

(Millions of yen)

	FYE Mar. 2023				FYE Mar. 2024				FYE Mar. 2023 Apr.–Mar.	FYE Mar. 2024 Apr.–Mar.	QoQ % Change	YoY % Change Apr.–Mar.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Brokerage Commission	2,689	2,857	3,132	3,079	4,283	4,039	3,873	5,586	11,758	17,783	44%	51%
Commission for Underwriting, Secondary Distribution & Solicitation	522	159	223	208	231	269	397	248	1,112	1,146	-38%	3%
Fee for Offering, Secondary Distribution & Solicitation	1,501	1,591	1,751	2,055	2,009	2,341	1,877	1,953	6,900	8,182	4%	19%
Other Fees Received	3,073	3,284	3,354	3,445	3,291	3,916	3,999	3,919	13,157	15,126	-2%	15%
Commission Received	7,786	7,892	8,461	8,789	9,815	10,567	10,148	11,707	32,929	42,239	15%	28%

【 Other fees received 】

(Millions of yen)

	FYE Mar.2023				FYE Mar.2024				FYE Mar. 2023 Apr.–Mar.	FYE Mar. 2024 Apr.–Mar.	QoQ % Change	YoY % Change Apr.–Mar.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Beneficiary Certificate (Investment Trust Brokerage Commission)	1,373	1,366	1,305	1,285	1,380	1,471	1,495	1,636	5,331	5,983	9%	12%
Commission on the Outstanding WRAP Accounts Balance	171	182	187	191	224	213	201	103	732	741	-49%	1%
Insurance fee	986	1,124	1,199	1,240	1,160	1,392	1,379	1,448	4,550	5,381	5%	18%
Consulting fee (M&A etc.)	136	137	206	128	115	329	291	211	610	948	-27%	55%
Others	405	473	454	599	410	509	631	519	1,933	2,071	-18%	7%
Total Other fees received	3,073	3,284	3,354	3,445	3,291	3,916	3,999	3,919	13,157	15,126	-2%	15%

Net Trading Income

With the increase in trading of foreign stocks, stock trading income increased significantly compared to the same period last year.

(Millions of yen)

	FYE Mar. 2023				FYE Mar. 2024				FYE Mar. 2023 Apr.–Mar.	FYE Mar. 2024 Apr.–Mar.	QoQ % Change	YoY % Change Apr.–Mar.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Stocks	2,998	1,387	4,138	5,105	7,790	4,741	5,193	7,771	13,630	25,497	50%	87%
Bonds & Forex	5,562	6,153	4,136	1,804	2,607	5,036	4,285	3,012	17,656	14,941	-30%	-15%
Net Trading Income	8,561	7,540	8,275	6,910	10,398	9,777	9,478	10,784	31,287	40,439	14%	29%

(Millions of yen)

	FYE Mar.2023				FYE Mar.2024				FYE Mar. 2023 Apr.–Mar.	FYE Mar. 2024 Apr.–Mar.	QoQ % Change	YoY % Change Apr.–Sep.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Stocks	5,216	5,666	2,946	3,997	7,106	5,566	5,504	8,163	17,826	26,341	48%	48%
Japanese Equities & Equity Swap	1,562	998	731	510	475	660	304	825	3,802	2,266	171%	-40%
Foreign Equities	2,169	2,733	2,276	3,305	5,666	4,232	5,179	6,502	10,485	21,581	26%	106%
Others (Funds etc.)	1,484	1,935	-61	180	964	673	20	835	3,538	2,493	-	-30%
Bonds & Forex	4,448	5,449	5,545	3,331	3,351	4,995	4,396	3,568	18,775	16,311	-19%	-13%
Japanese Government Bond	-44	383	1,275	826	341	999	71	724	2,440	2,136	920%	-12%
Public and Corporate Bonds	288	303	202	506	449	93	696	117	1,301	1,357	-83%	4%
Foreign Bonds, Forex, and Derivative	4,204	4,762	4,067	1,998	2,559	3,902	3,629	2,725	15,033	12,817	-25%	-15%
Total Net Trading Income	9,664	11,116	8,491	7,328	10,457	10,562	9,901	11,731	36,602	42,652	18%	17%

* Equity Swap is now grouped under “Stocks” taken out from “Bonds & Forex” unlike in the previous format.

The figures of “Japanese Equities and Equity Swap” under “Stocks” represent total revenues including financial income.

SG&A Expenses

Selling, general, and administrative expenses increased over the same period last year due to a large hike in personnel expenses triggered by the salary base raise and higher provision for performance-linked bonuses.

(Millions of yen)

	FYE Mar. 2023				FYE Mar. 2024				FYE Mar. 2023 Apr.–Mar.	FYE Mar. 2024 Apr.–Mar.	QoQ % Change	YoY % Change Apr.–Mar.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Trading Related Expenses	3,429	3,076	2,995	2,926	3,043	3,144	3,342	3,837	12,428	13,367	15%	8%
Personnel Expenses	7,590	8,061	7,576	7,607	8,032	8,739	8,022	9,133	30,836	33,928	14%	10%
Real Estate Expenses	2,033	1,891	1,853	1,806	1,898	1,932	1,942	2,003	7,585	7,777	3%	3%
Office Expenses	2,177	2,030	2,086	2,341	2,284	2,169	2,095	2,336	8,635	8,885	12%	3%
Depreciation	712	821	862	884	839	863	882	849	3,280	3,435	-4%	5%
Other	968	1,026	839	839	1,022	990	992	987	3,673	3,993	-1%	9%
Total SG&A Expenses	16,912	16,906	16,214	16,405	17,121	17,840	17,278	19,147	66,438	71,387	11%	7%

(Millions of yen)

	FYE Mar.2023				FYE Mar.2024				FYE Mar. 2023 Apr.–Mar.	FYE Mar. 2024 Apr.–Mar.	YoY Change Apr.-Sep.	YoY %Change Apr.-Sep.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Fixed Expenses												
Trading Related Expenses	1,355	1,148	1,212	1,208	1,326	1,154	1,332	1,342	4,924	5,155	231	5%
Personnel Expenses	6,654	6,661	6,388	6,564	6,717	7,147	6,387	6,672	26,268	26,925	656	2%
Real Estate Expenses	1,923	1,891	1,853	1,806	1,898	1,932	1,942	2,003	7,475	7,777	302	4%
Office Expenses	1,764	1,705	1,748	1,967	1,811	1,781	1,603	1,900	7,186	7,097	-89	-1%
Depreciation	712	821	862	884	839	863	882	849	3,280	3,435	155	5%
Other	955	928	839	839	1,022	949	1,008	999	3,562	3,980	417	12%
Total (Fixed Expenses)	13,366	13,156	12,905	13,270	13,616	13,828	13,157	13,769	52,698	54,371	1,673	3%
Variable Expenses												
Trading Related Expenses	2,073	1,928	1,783	1,718	1,717	1,990	2,009	2,494	7,504	8,211	707	9%
the portion paid to partners with wh	408	197	114	103	146	96	80	96	824	420	-404	-49%
Personnel Expenses	936	1,399	1,187	1,043	1,315	1,592	1,635	2,460	4,567	7,003	2,436	53%
Real Estate Expenses	110	-	-	-	-	-	-	-	110	-	-110	-
Office Expenses	412	324	337	373	472	388	491	435	1,448	1,787	339	23%
Other	13	98	-	-	-	40	-15	-12	111	12	-98	-88%
Total (Variable Expenses)	3,545	3,750	3,308	3,135	3,504	4,012	4,121	5,377	13,740	17,015	3,275	24%
Total SG&A Expenses	16,912	16,906	16,214	16,405	17,121	17,840	17,278	19,147	66,438	71,387	4,948	7%

Assets Under Custody

Group assets under custody have grown steadily, reaching the 10 trillion yen mark for the first time in the fiscal year ending March 2024.

(Billions of yen)

	Mar. 2022	Jun. 2022	Sep. 2022	Dec. 2022	Mar. 2023	Jun. 2023	Sep. 2023	Dec. 2023	Mar. 2024	
Tokai Tokyo Securities	Stocks	3,238	3,384	3,384	3,484	3,711	4,145	4,246	4,300	4,935
	Foreign	175	175	173	153	195	247	260	274	330
	Domestic	3,062	3,208	3,210	3,330	3,516	3,897	3,986	4,025	4,604
	Bonds	1,177	1,224	1,276	1,299	1,337	1,368	1,386	1,425	1,466
	Foreign	427	453	484	492	528	547	539	565	594
	Domestic	750	771	792	807	809	821	847	859	871
	Investment Trusts	1,273	1,352	1,311	1,288	1,340	1,435	1,436	1,500	1,624
	Other	58	55	61	61	59	76	80	77	87
	Tokai Tokyo Securities Total	5,748	6,016	6,033	6,133	6,450	7,025	7,150	7,303	8,113
	ACE Securities (Tokai Tokyo Securities)	442	-	-	-	-	-	-	-	-
Maruhachi Securities	197	186	181	181	193	218	224	225	266	
Joint Ventures	YM Securities	332	320	313	314	325	361	373	410	
	Hamagin TT Securites	550	532	558	570	598	662	674	760	
	Nishi-Nippon City TT Securites	317	306	311	316	334	361	368	438	
	Senshu Ikeda TT Securities	152	155	163	172	186	212	225	265	
	Hokuhoku TT Securities	227	219	219	218	230	249	253	281	
	Tochigin TT Securites	142	138	142	140	147	161	164	181	
	Juroku TT Securities	186	182	188	185	197	212	214	239	
	Joint Ventures Total	1,911	1,857	1,898	1,918	2,021	2,221	2,268	2,308	2,577
Group Total	8,299	8,060	8,113	8,233	8,664	9,465	9,643	9,838	10,959	

- Joint Ventures include YM Securities, Hamagin Tokai Tokyo Securities, Nishi-Nippon City Tokai Tokyo Securities, Senshu Ikeda Tokai Tokyo Securities, Hokuhoku Tokai Tokyo Securities, Tochigin Tokai Tokyo Securities, and Juroku Tokai Tokyo Securities. They are all affiliated companies accounted for under the equity method.
- The above figures are all as of the end of the month indicated in grey background at the top of the table.

【Individuals】 Net inflow of Cash and Securities (Tokai Tokyo Securities + JVs)

The net inflow of cash and securities at individual accounts remains high as in the previous year.

(Millions of yen)

	FYE Mar. 2023				FYE Mar. 2024				FYE Mar. 2023 Apr.–Dec.	FYE Mar. 2024 Apr.–Dec.	QoQ %Change	YoY %Change Apr.–Dec.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Inflow of Cash ^{*2}	125,569	120,454	115,771	122,999	119,367	145,551	140,146	179,310	484,797	584,377	28%	21%
Outflow of Cash ^{*3}	90,599	81,890	93,235	93,084	128,311	117,908	128,253	142,404	358,812	516,878	11%	44%
Net Inflow of Cash	34,968	38,564	22,535	29,915	-8,944	27,642	11,892	36,905	125,984	67,497	210%	-46%
Inflow of Securities	33,564	39,462	29,386	41,431	53,233	44,970	42,490	47,936	143,847	188,633	13%	31%
Outflow of Securities	10,724	16,144	13,715	31,128	13,008	18,621	18,507	25,353	71,714	75,491	37%	5%
Net Inflow of Securities	22,839	23,318	15,670	10,302	40,225	26,349	23,982	22,582	72,131	113,141	-6%	57%
Net Inflow of Cash and Securities	57,809	61,882	38,206	40,217	31,280	53,992	35,875	59,489	198,116	180,639	66%	-9%

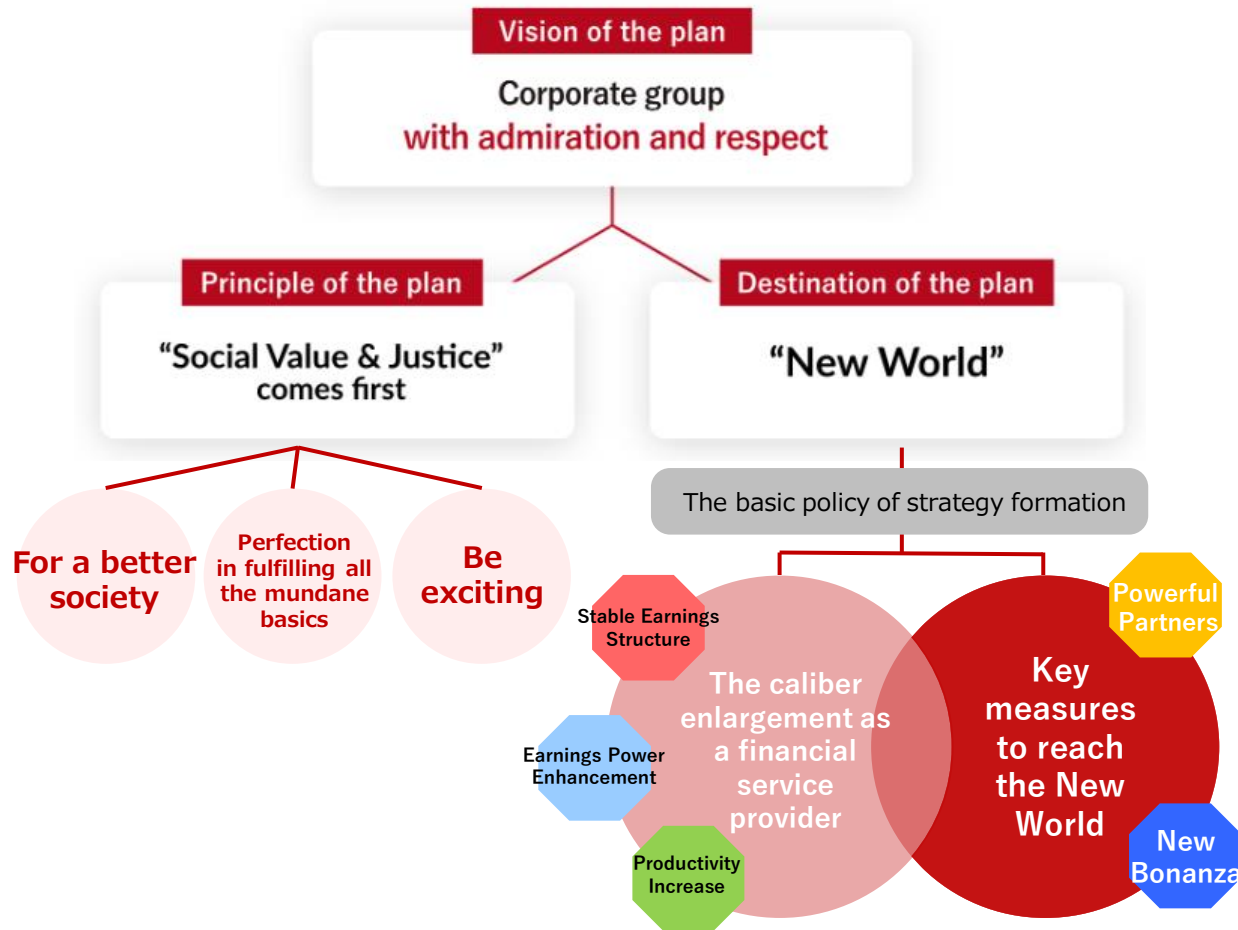
- ※ 1 Tokai Tokyo Securities and Joint ventures
- ※ 2 Including interest distributions and dividends.
- ※ 3 Including automatic transfer of interest and dividend payments.

II Progress of Medium-Term Management Plan

- "Beyond Our Limits"
- The caliber enlargement as a financial service provider
- Key measures to reach the New World

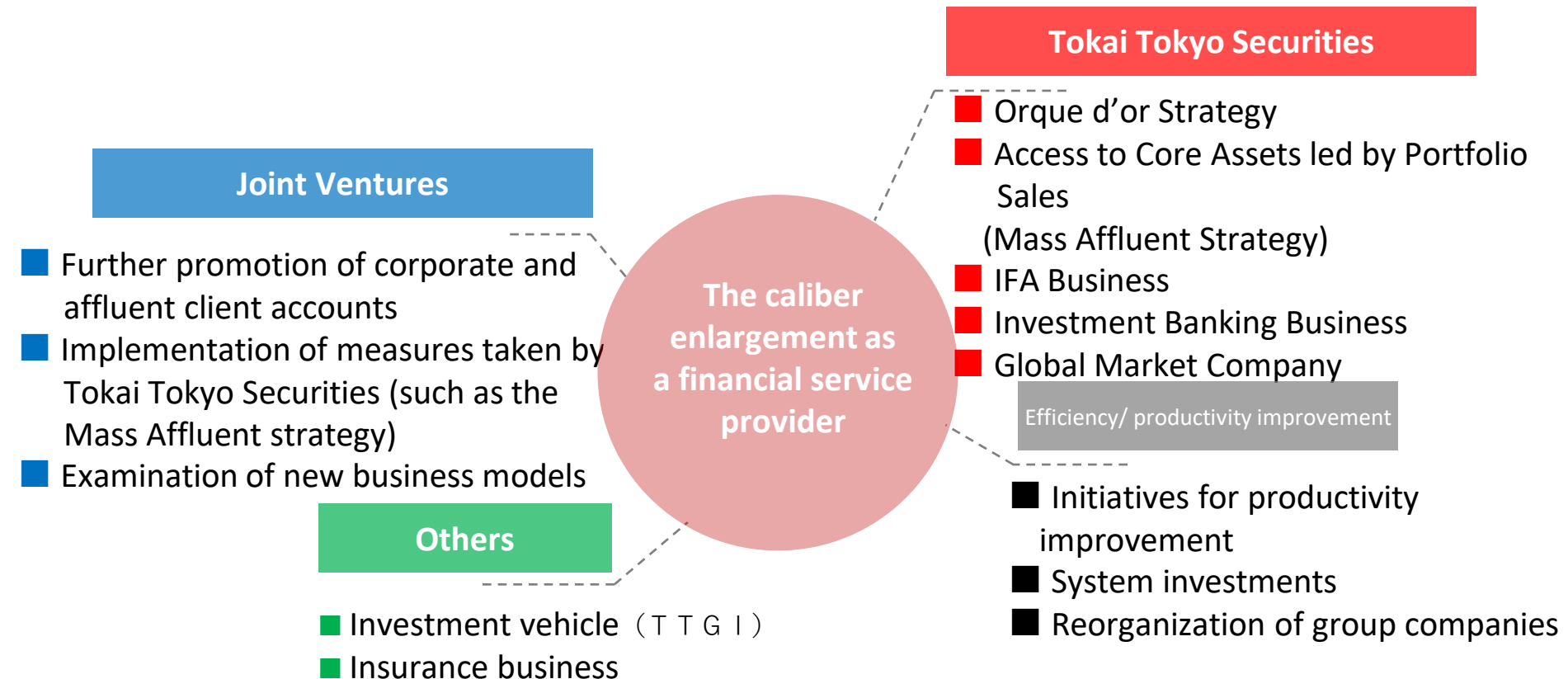
“Beyond Our Limits”

Starting in FY 2022, we have been promoting the medium-term management plan “Beyond Our Limits.”



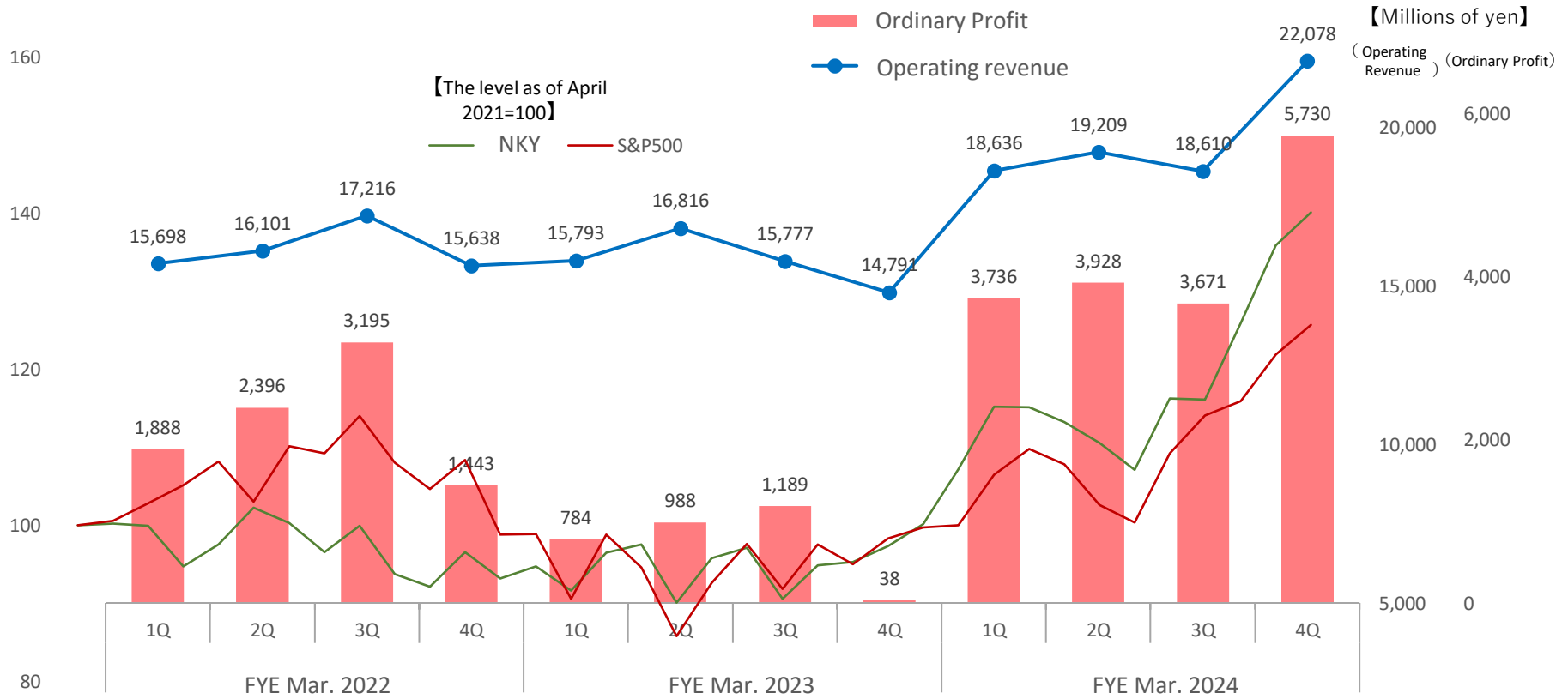
"The caliber enlargement as a financial service provider"

"The caliber enlargement as a financial service provider" is being developed from the following four subjects/perspectives.

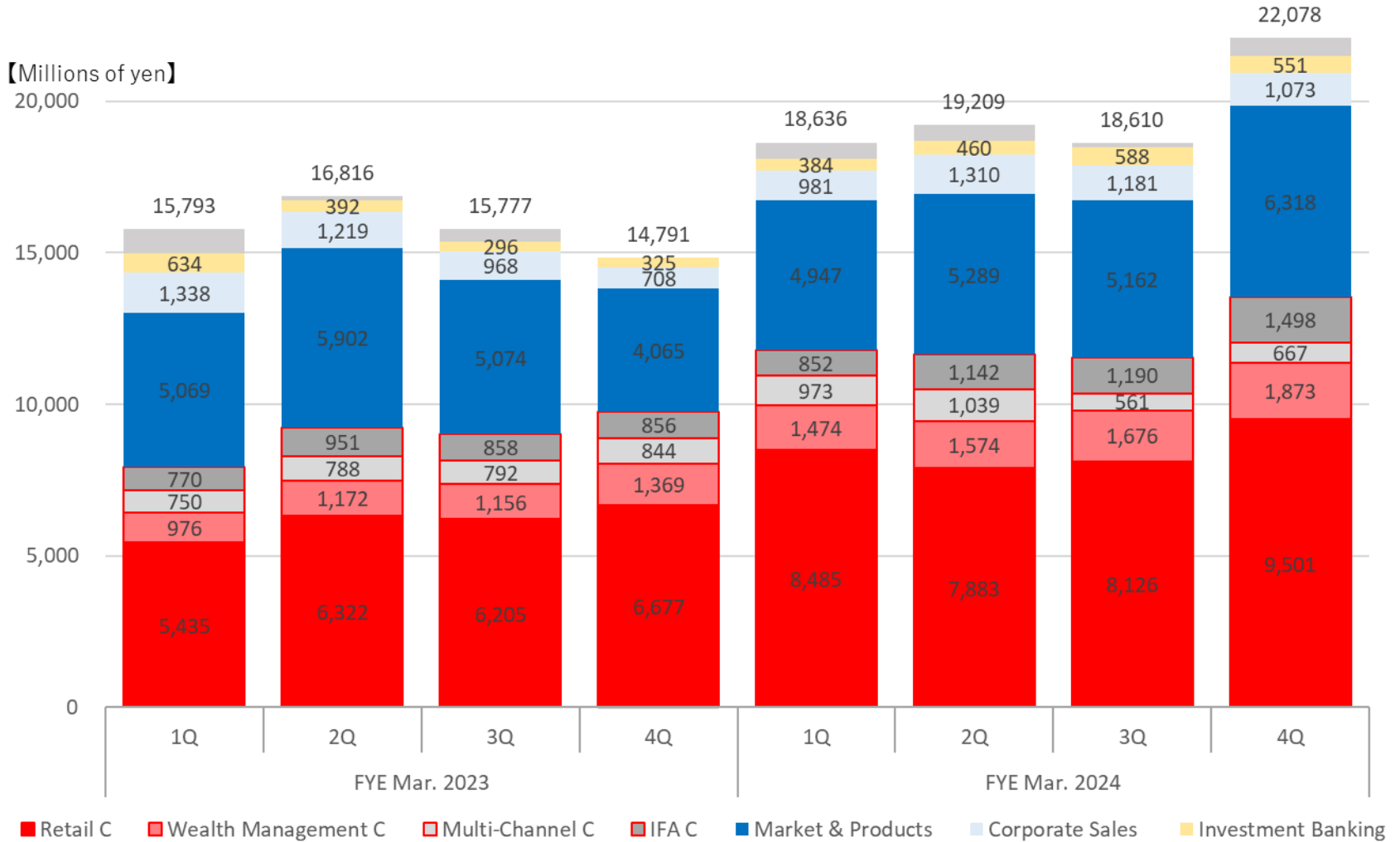


[The level as of April 2021=100]

Tokai Tokyo Securities Performance Trends

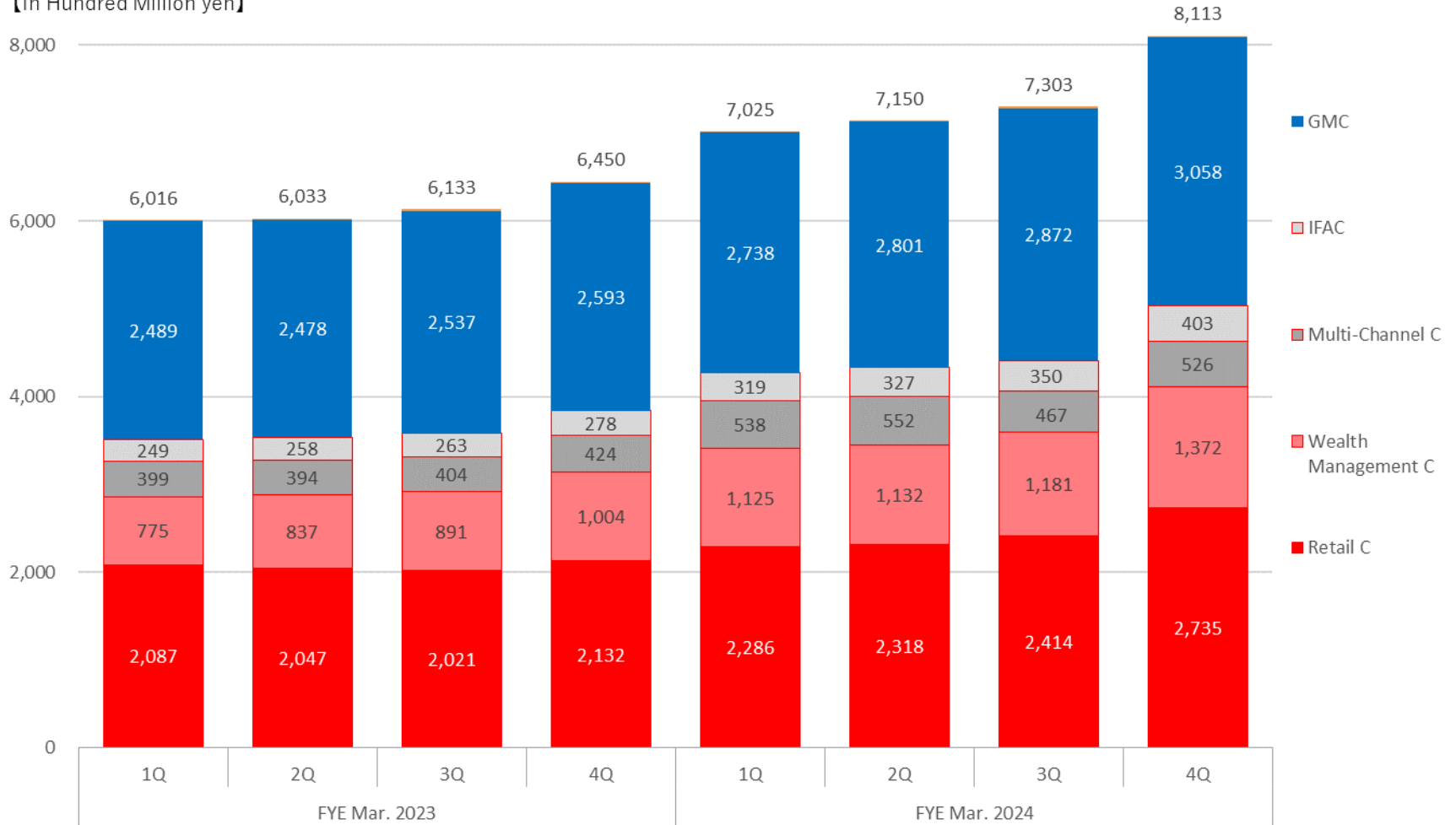


Status of Operating revenue by channel



Trend of Assets under Custody

【In Hundred Million yen】



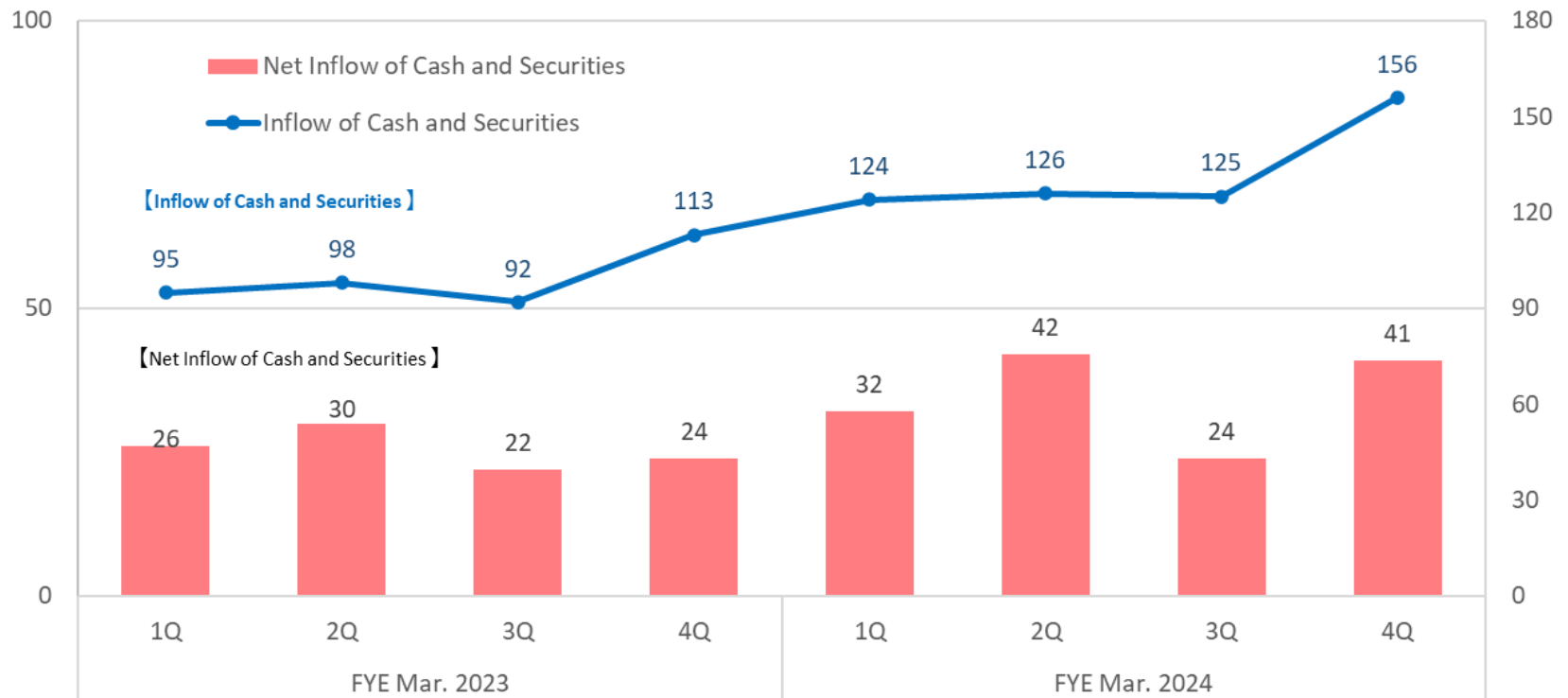
Status of net increase in assets and asset inflow

Status of net increase in assets and asset inflow (inflow of Cash and Securities)

【Individuals】

【Net Inflow of Cash and Securities】
 (Billions of yen)

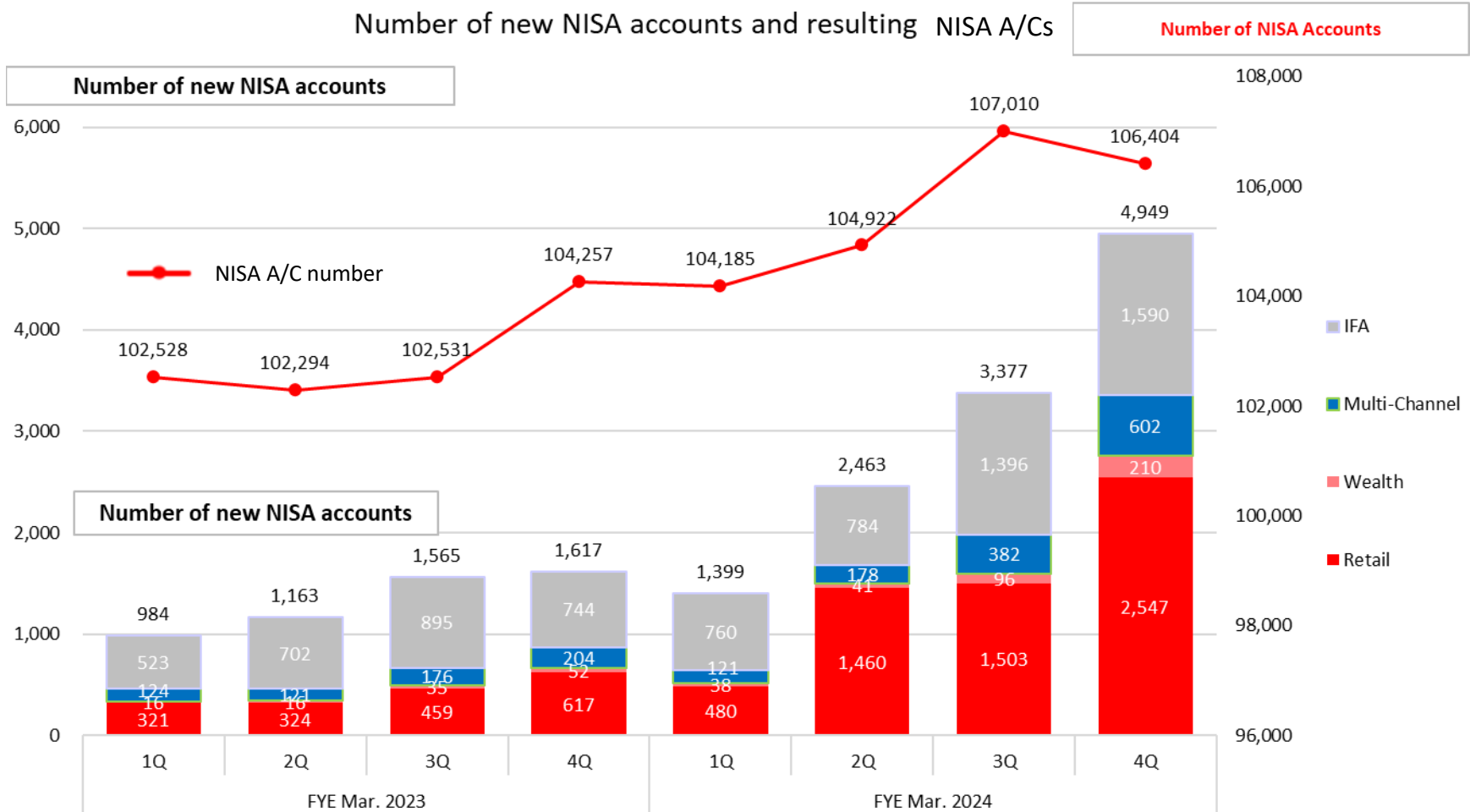
【Inflow of Cash and Securities】
 (Billions of yen)



Tokai Tokyo Securities

New NISA whirlwind

Number of new NISA accounts and resulting NISA A/Cs

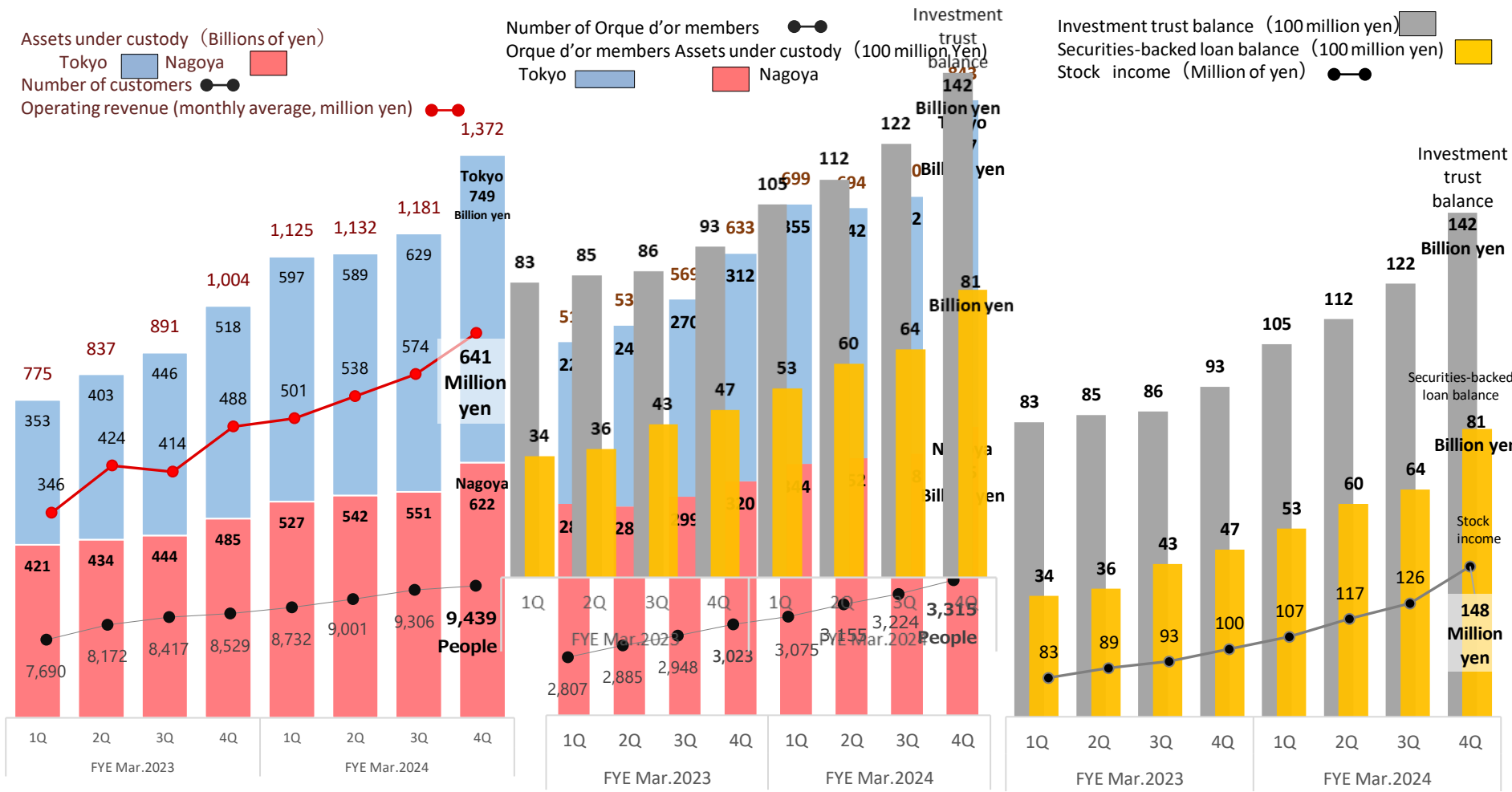


Tokai Tokyo Securities



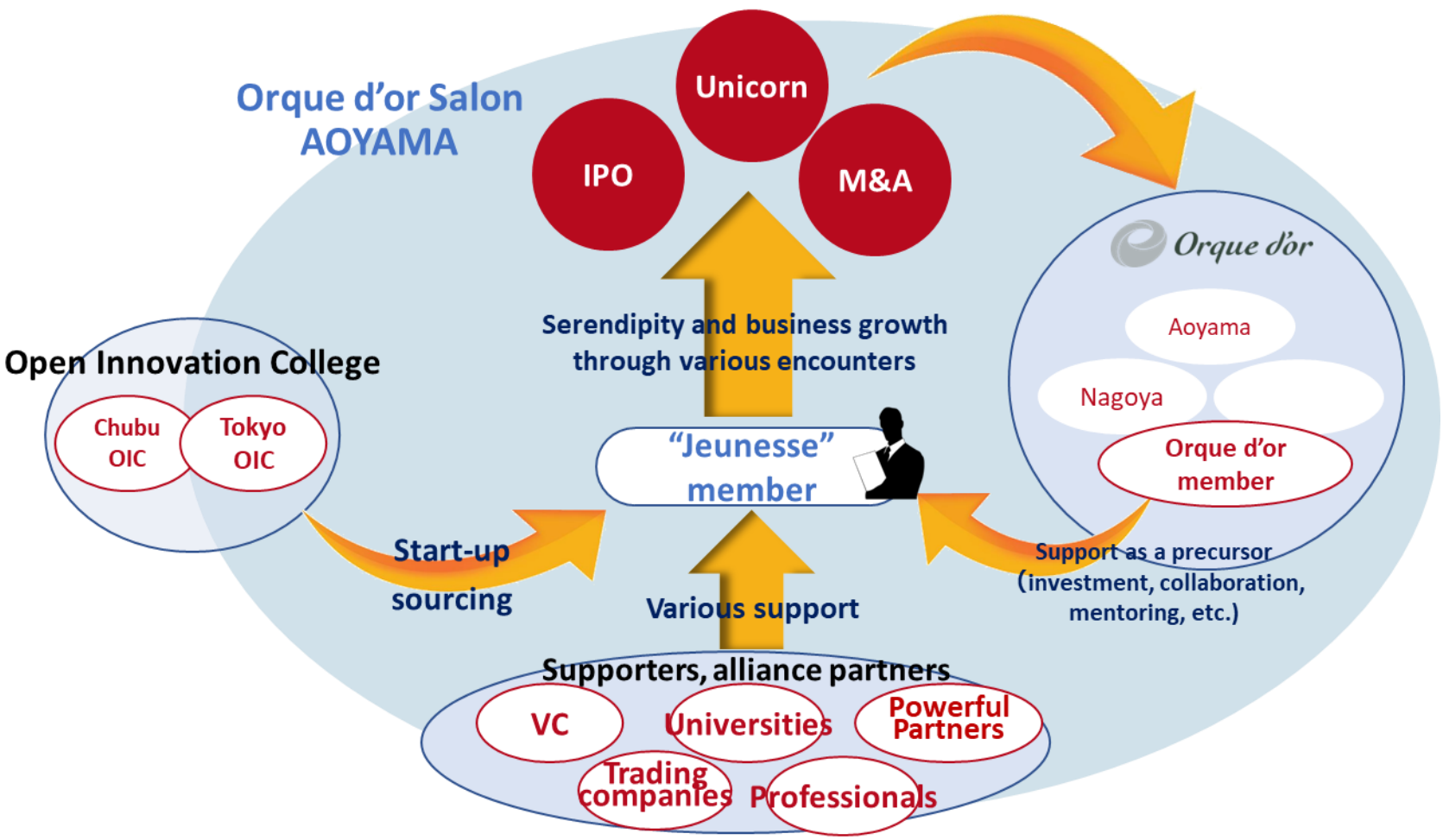
Tokai Tokyo Securities "Orque d'or" Strategy

Trends in Wealth Management Company re: Operating revenue and Assets under Custody, etc

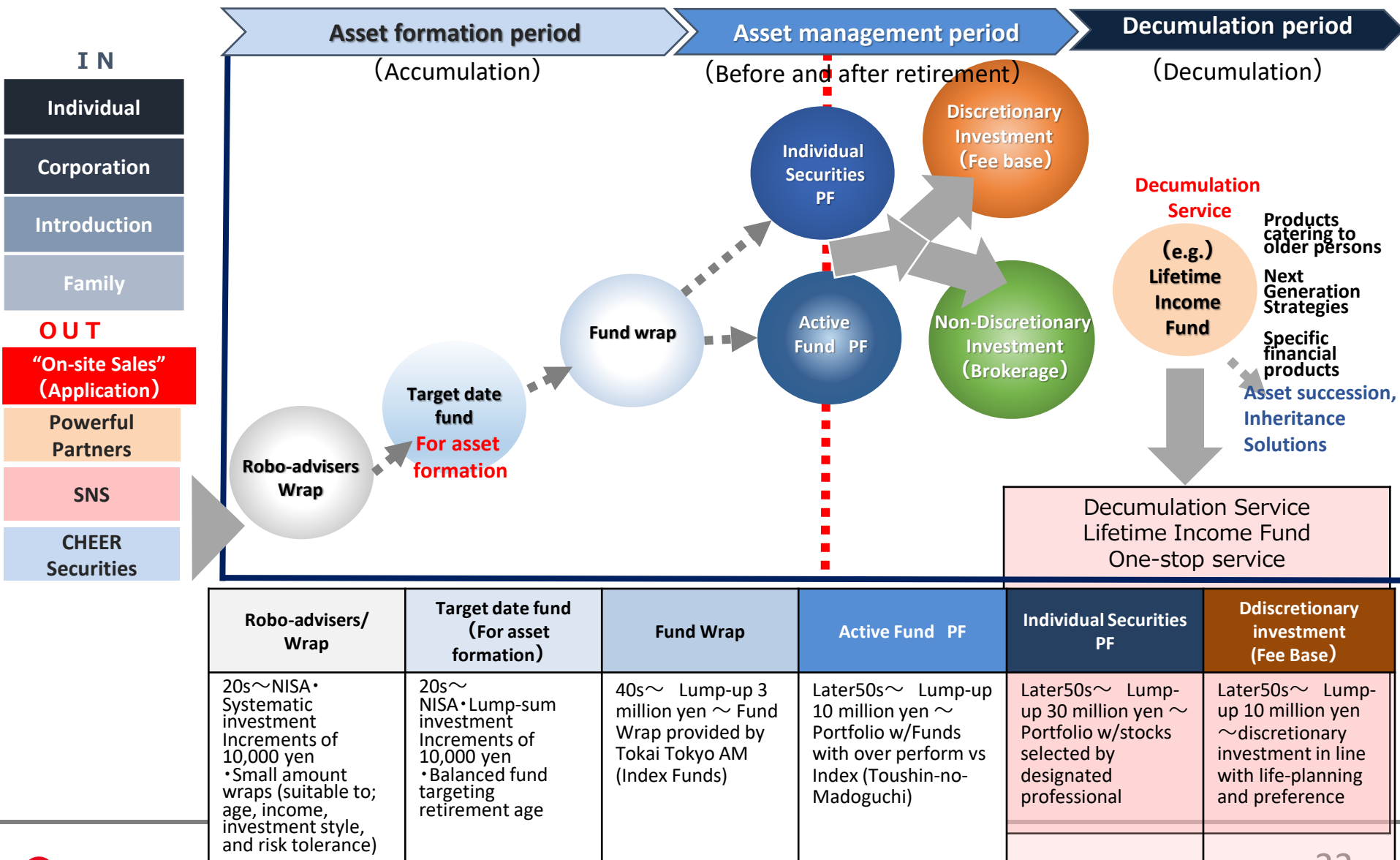


"Orque d'or" Strategy

Aoyama Start-up Ecosystem



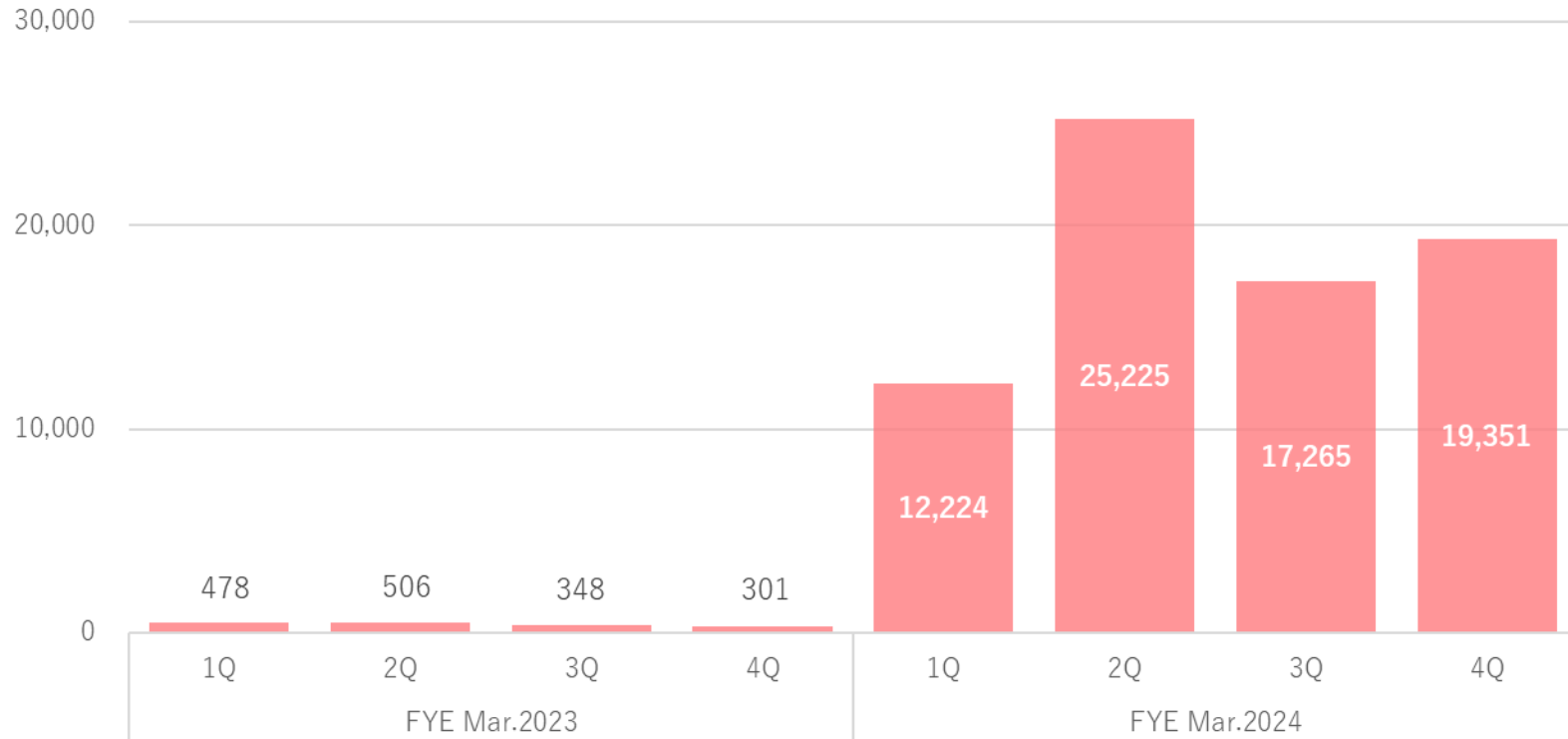
Access to Core Assets led by Portfolio Sales (Mass Affluent Strategy)



Access to Core Assets led by Portfolio Sales (Mass Affluent Strategy)

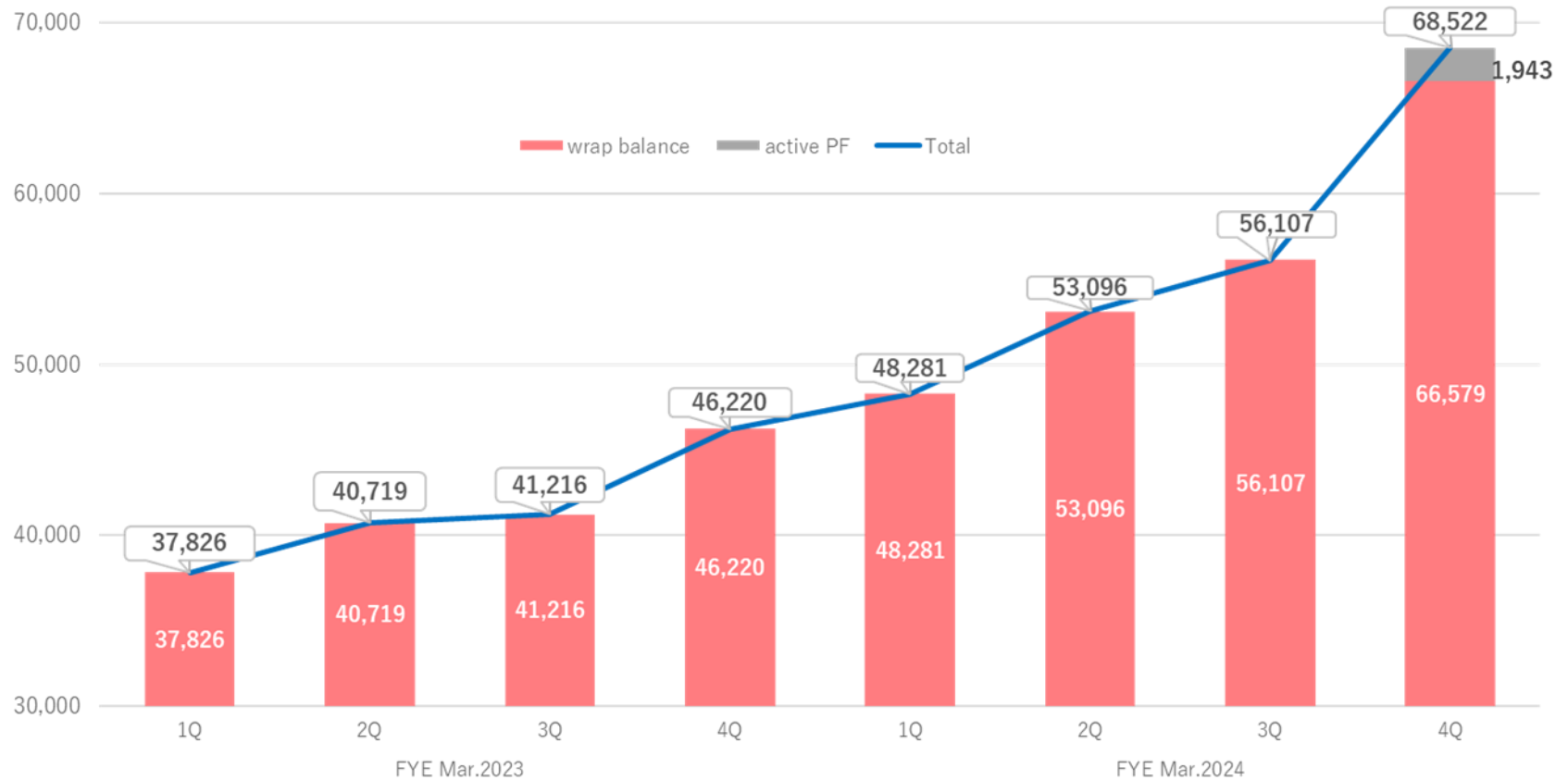
Financial Planning Tool; Login Counts - Quarterly Trend

(As of March 30, 2024)



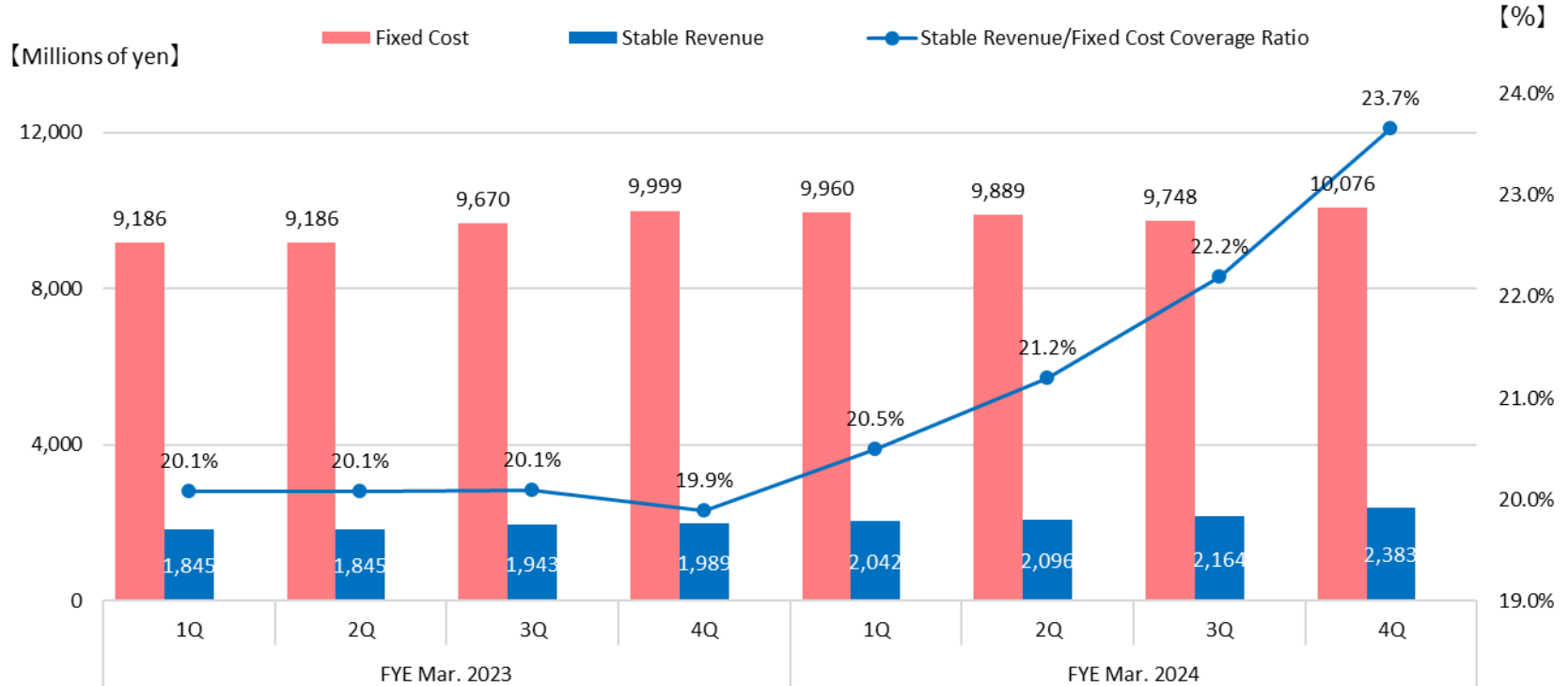
Portfolio Sales trends

【Millions of yen】

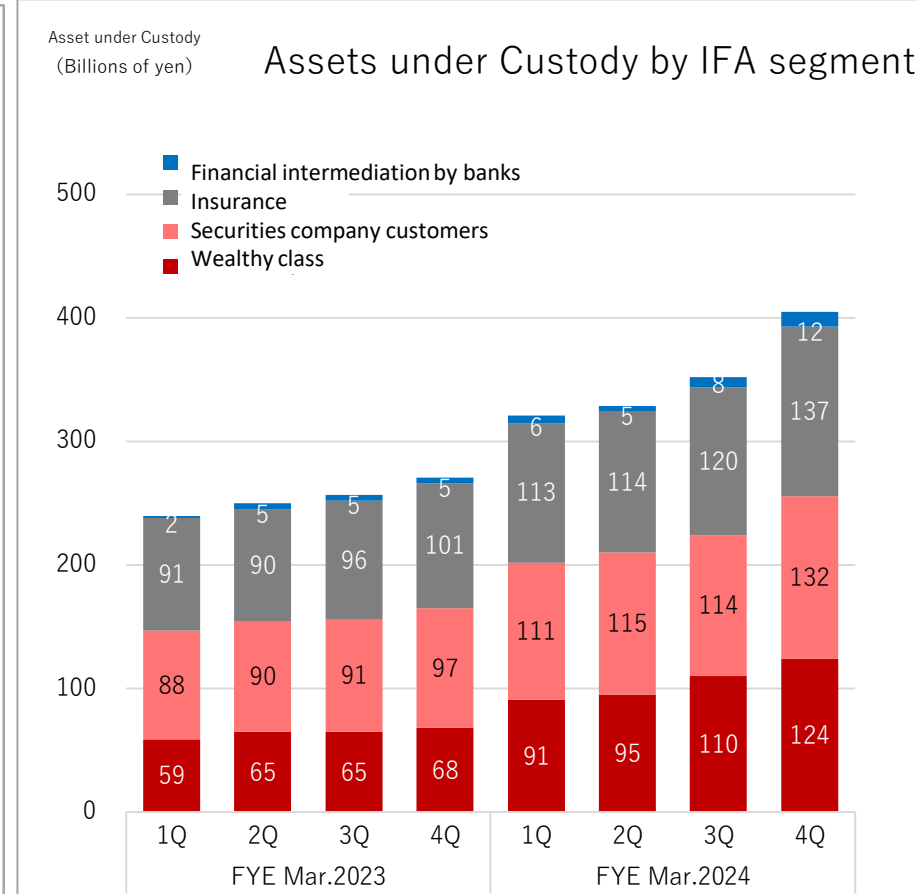
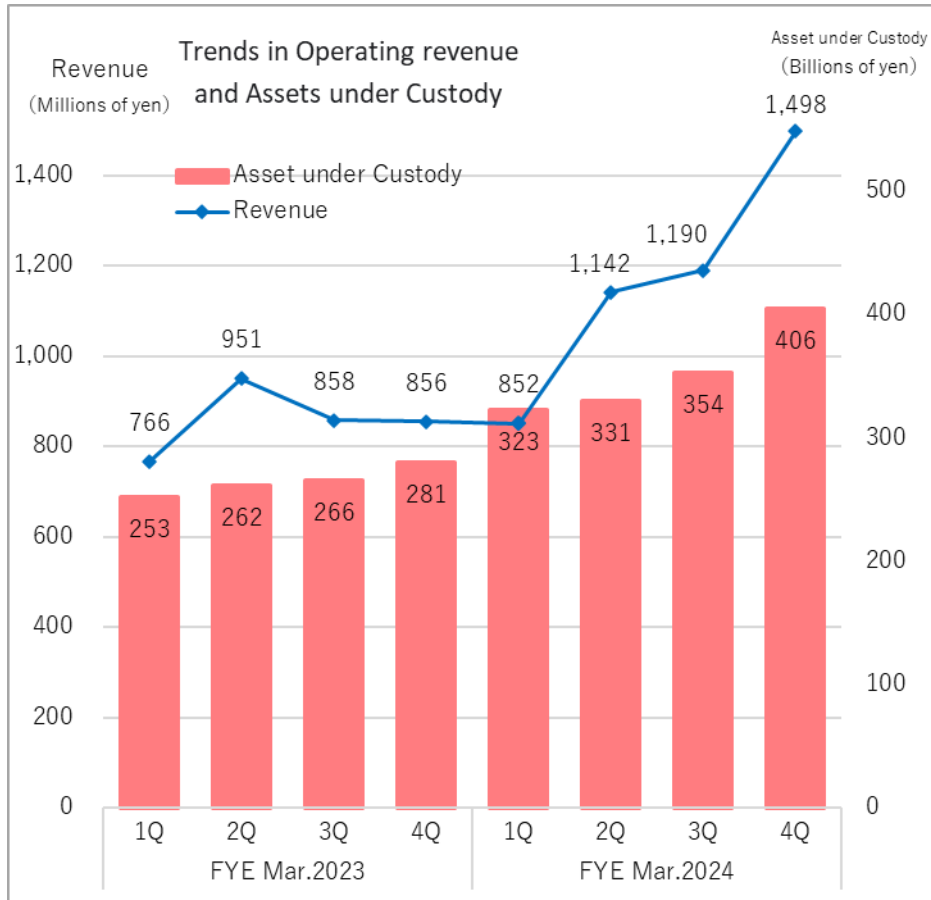


Stable Revenue/Fixed Cost Coverage Ratio

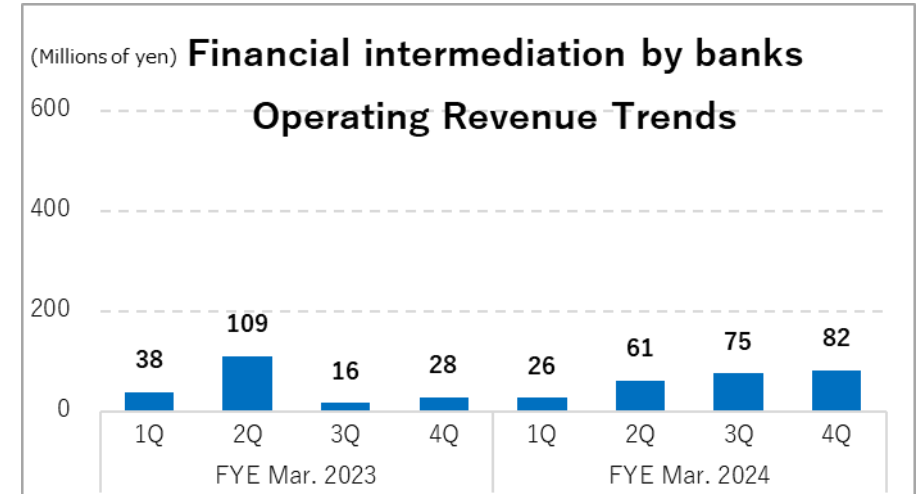
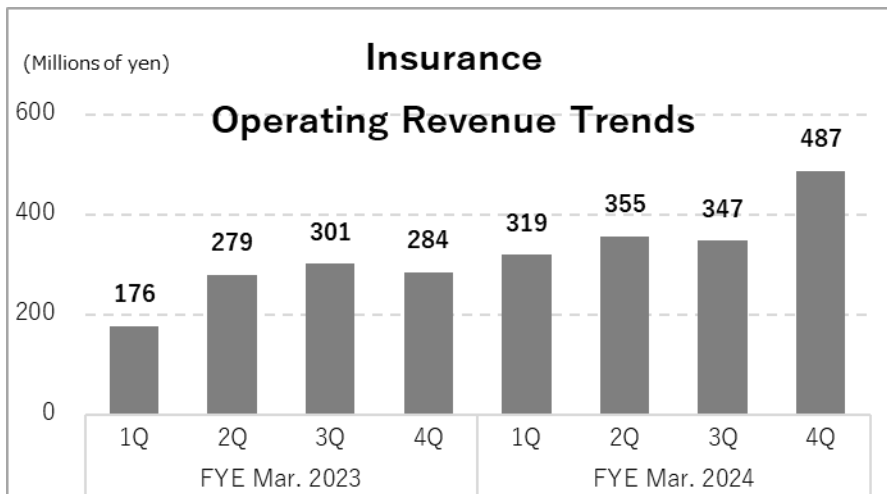
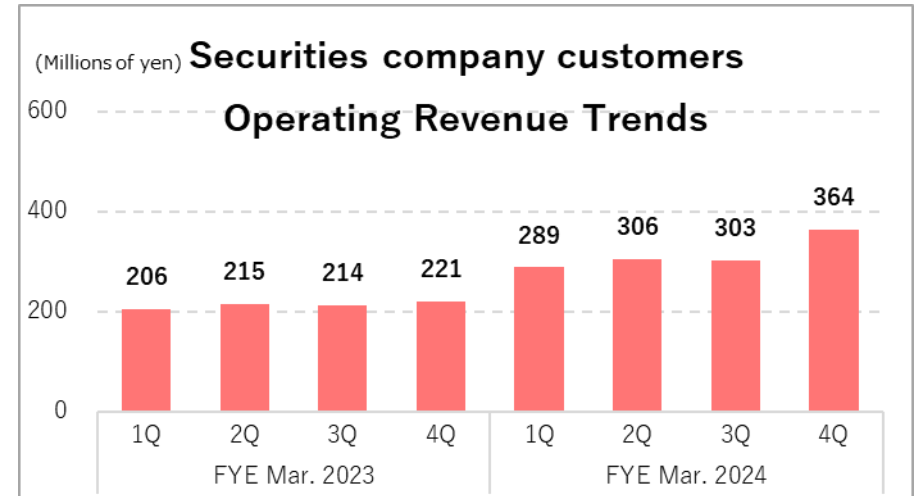
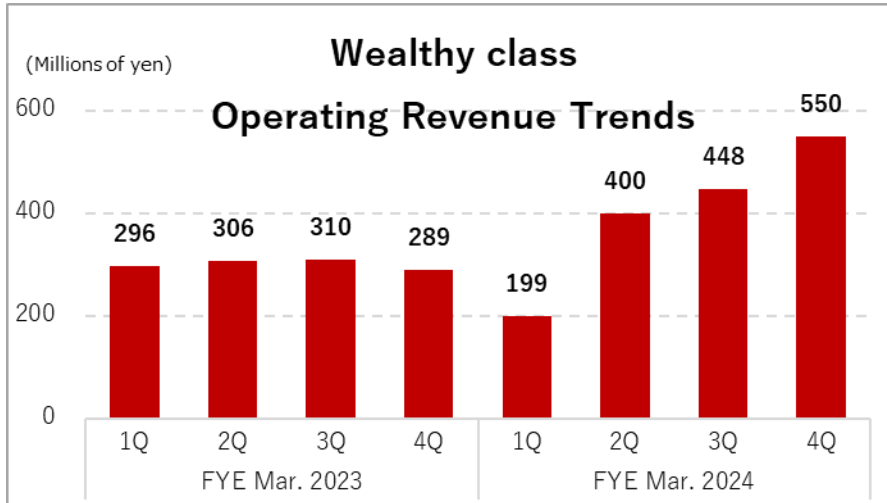
Stable Revenue/Fixed Cost Coverage Ratio trends



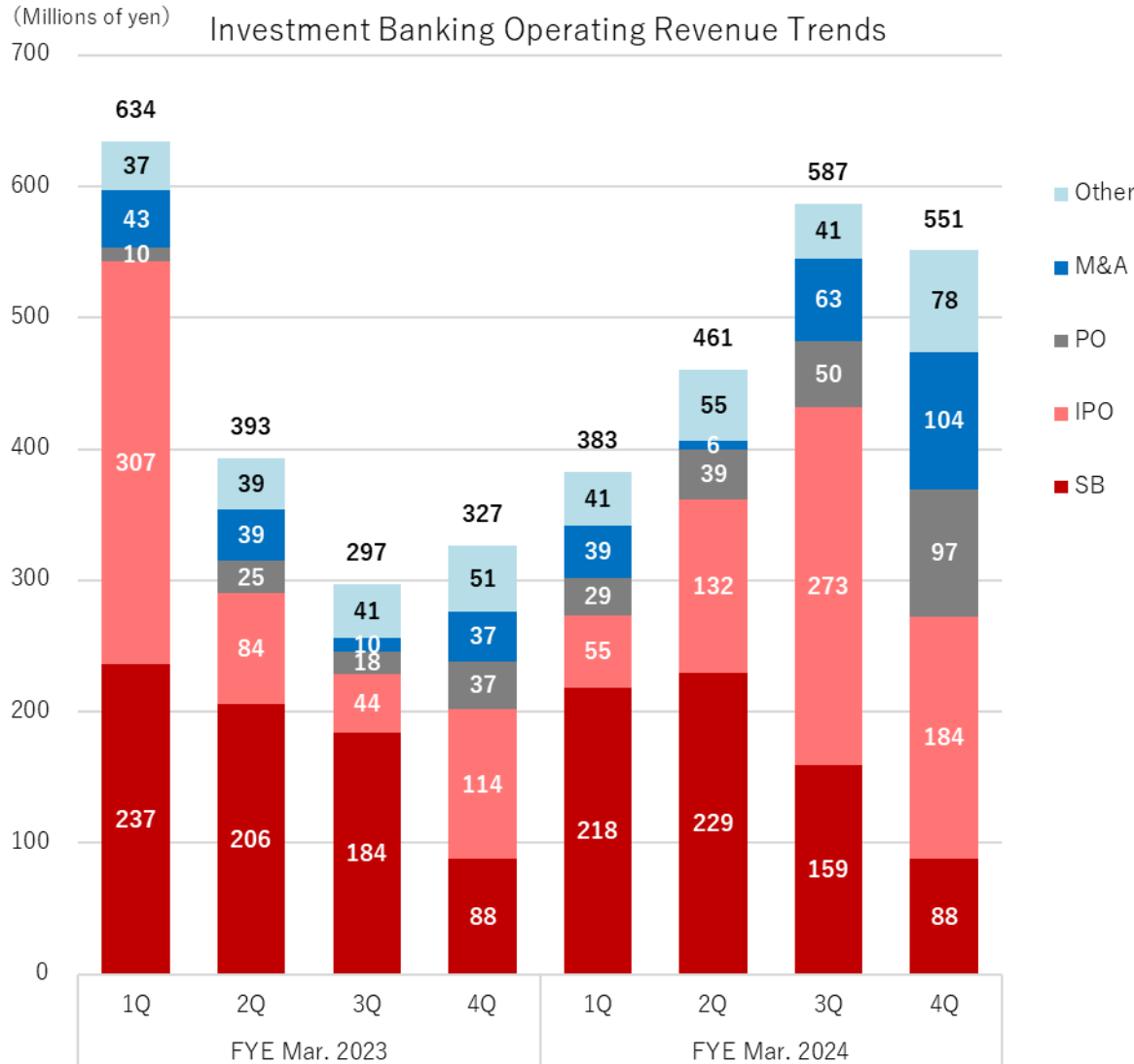
Trends in Operating revenue and Assets under Custody/changes in Assets under Custody by segment



Operating revenue Trends by segment



Investment Banking Business



IPO / SB

[FYE Mar.2024 IPO Ranking ~Total Underwritten Amount ~]

2023/4/1~2024/3/31

Rank	Underwriter	No.of Issues	Amount (Millions of yen)	Share (%)
1	SMBC Nikko	62	81,461	21.8
2	Nomura	41	80,828	21.6
3	Daiwa	41	56,537	15.1
4	Mizuho	47	46,895	12.5
5	MUMSS	29	39,832	10.7
6	SBI	90	38,044	10.2
7	Rakuten	62	7,574	2.0
8	Tokai Tokyo	25	5,892	1.6
9	Goldman Sachs	3	5,654	1.5
10	Okasan	50	2,703	0.7

* Derived from Capital Eve's data

[FYE Mar.2024 Bond league table (All new issue)]

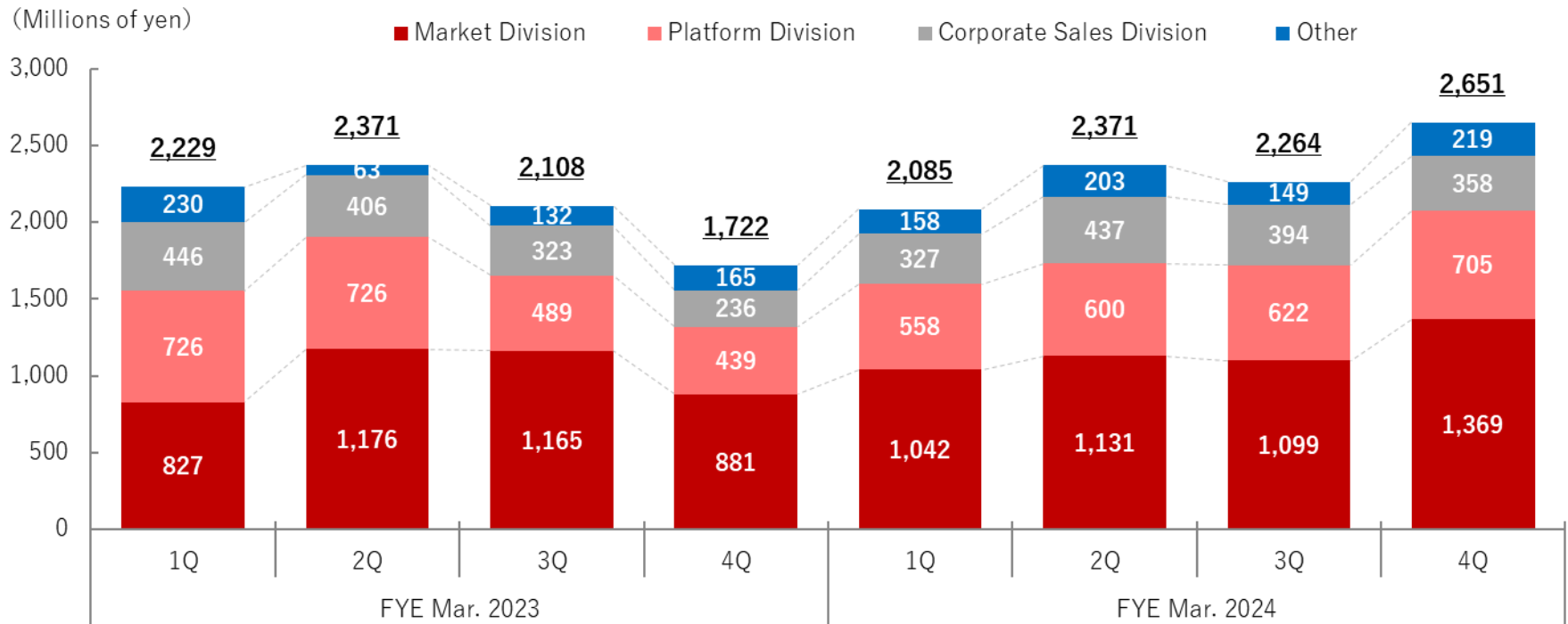
※Issuing Terms & Conditions fixing dates : 2023/4/1~2024/3/31

Rank	Underwriter	No.of Issues	Amount (Millions of yen)	Share (%)
1	Mizuho	866	48,097	18.0
2	Nomura	885	47,162	17.7
3	Daiwa	806	43,263	16.2
4	SMBC Nikko	811	41,639	15.6
5	MUMSS	780	39,500	14.8
6	Tokai Tokyo	342	4,923	1.8
7	Goldman Sachs	180	3,832	1.4
8	Okasan	307	3,684	1.4
9	SBI	136	2,273	0.9
10	Shinkin	232	2,004	0.8

※Complied by TTSC based on public information sources

※Excluding those privately issued bonds underwritten by banks

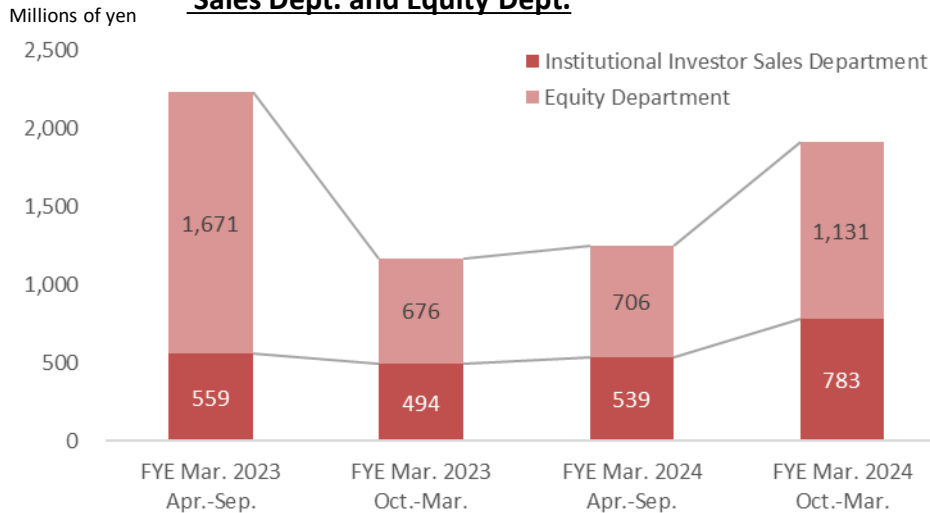
Operating revenue trends by division (monthly average in each quarter)



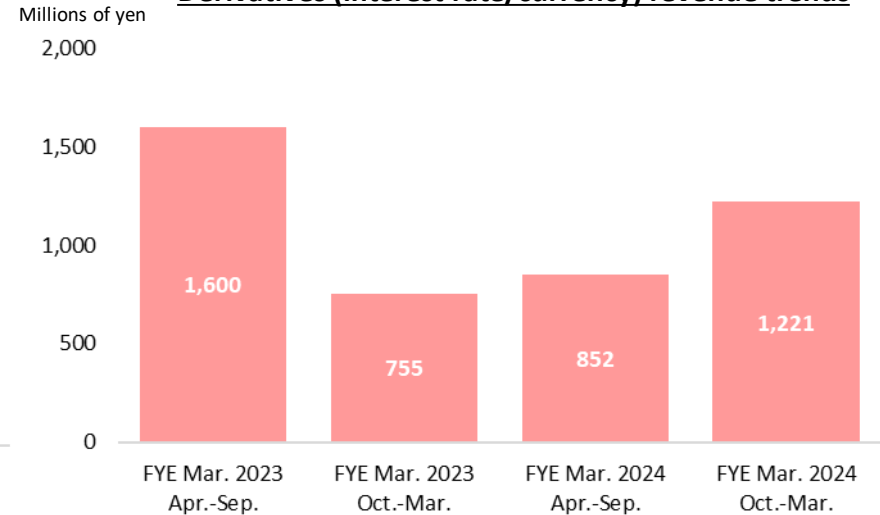
Tokai Tokyo Securities

Global Market Company

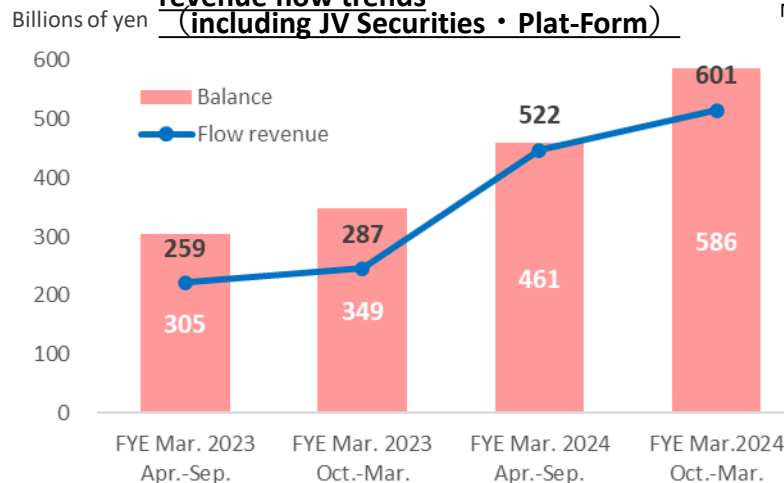
Operating revenue trends of Institutional Investor Sales Dept. and Equity Dept.



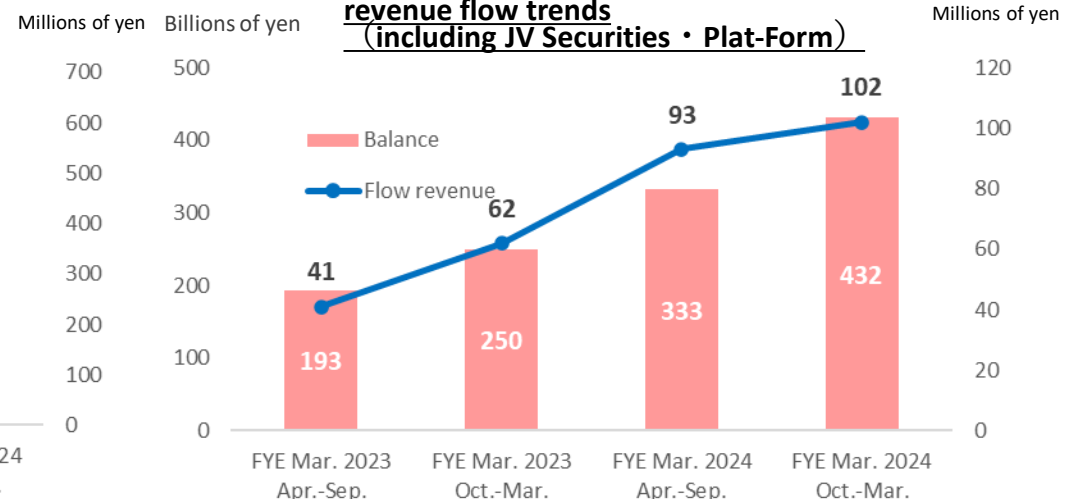
Derivatives (interest rate/currency) revenue trends



Foreign stock under custody balance and revenue flow trends (including JV Securities • Plat-Form)



Foreign bonds under custody balance and revenue flow trends (including JV Securities • Plat-Form)



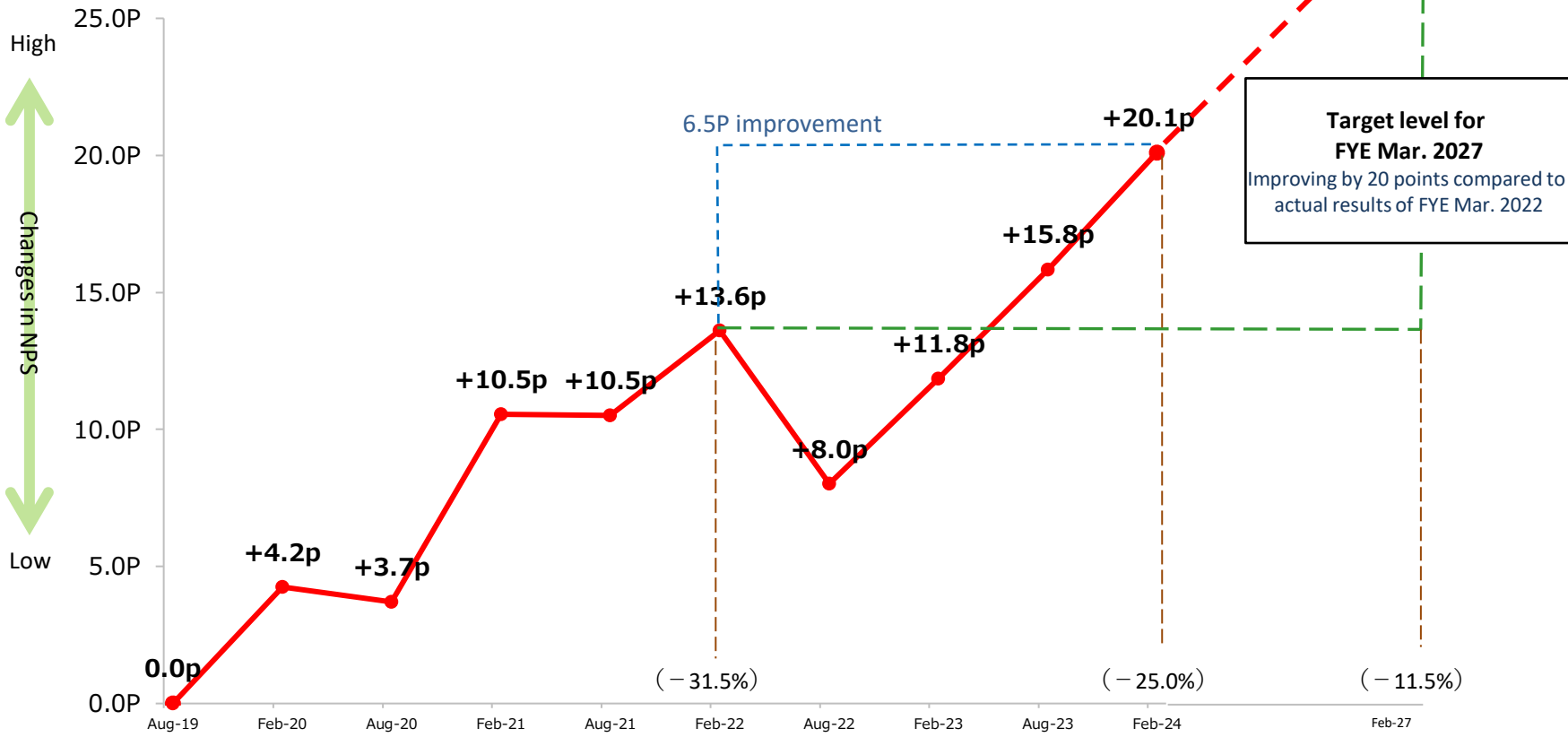
The caliber enlargement as a financial service provider

Tokai Tokyo Securities

Customer Loyalty level

Customer Loyalty Trend (As measured by the Changes in Tokai Tokyo Securities' NPS® *)

*The trend was analyzed with the NPS that Tokai Tokyo Securities earned during August 2019 as a base value of zero.

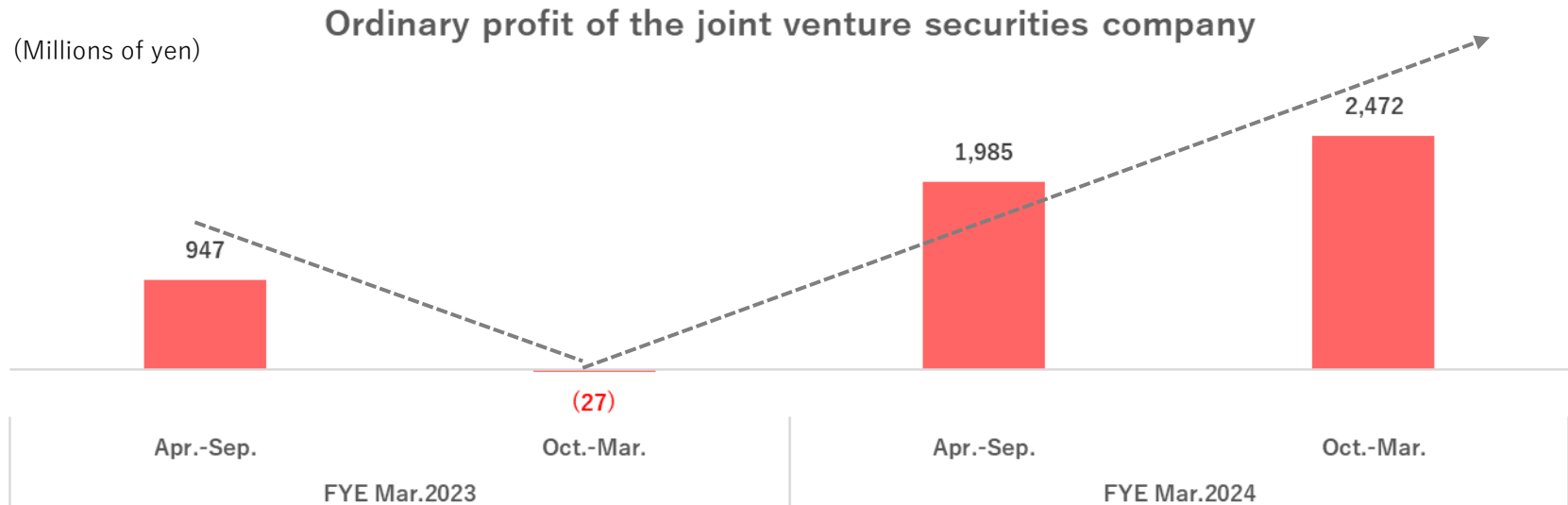


*NPS® is a trademark registered by BAIN & COMPANY, Fred Reichheld and Satmetrix Systems. (Currently, NICE Systems, Inc.). It is the abbreviation of Net Promoter Score® and is translated as a net recommender ratio and the score quantifies the level of loyalty, attachment and confidence customers feel about any given corporation and/or brand.

Joint Ventures

Performance recovery of the Joint Venture securities company

Reduced structured bond sales once hurt the performance of JVs, but they have turned around with rapid recovery and expansion in the fiscal year ending March 2024.



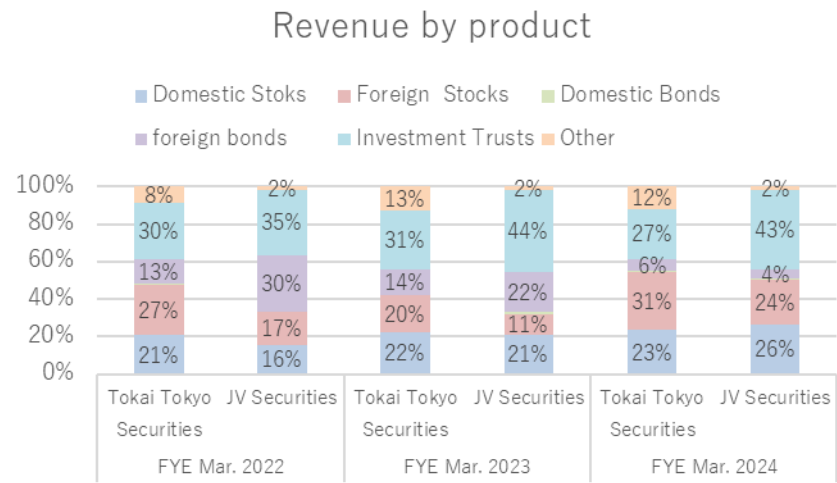
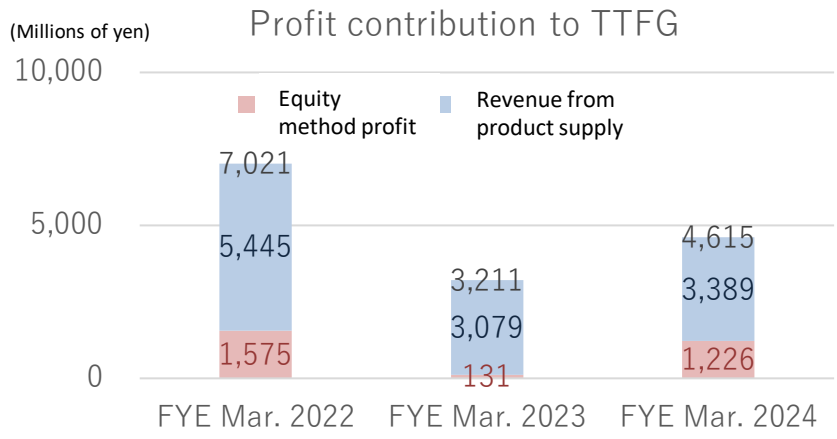
Suspension of structured bond sales

- Gaining income from stock trading in addition to favorable market factors
- Increase in Mutual Fund sales and net increase in foreign currency-denominated assets assisted by portfolio proposal approaches
- Expanded customer base of wealthy and corporate accounts
- Advancing sales efficiency

Joint Ventures **Future strategies of the Joint Venture securities company**

We keep driving forward the JV securities operation, aiming to accomplish further growth.

<Contribution and characteristics of JV Securities>



<Future strategies>

Continuing activities

- Wealthy · Corporate**
 - Directing support to their wealthy and corporate customer service
- Portfolio sales**
 - Realize net increase in foreign currency assets/ expand investment trust sales
- Providing functionality**
 - Provision of market information by Tokai Tokyo Intelligence Laboratory Training and education support

The measures TTSC takes

Mass Affluent

- Promotion of portfolio sales
- Goal-based approach
- Core asset introduction → Acquisition of net depositor accounts
- Differentiating approach to each customer segment
- Follow up rules

Explore new business models

- Intermediation of securities buying and selling conducted by financial instruments business operators**
 - Building a new bank-securities collaboration system, including a hybrid with the current model
 - Strengthen proposals to depositors with no borrowings
- Shared services**
 - Improve operational efficiency and reduce cost of operation

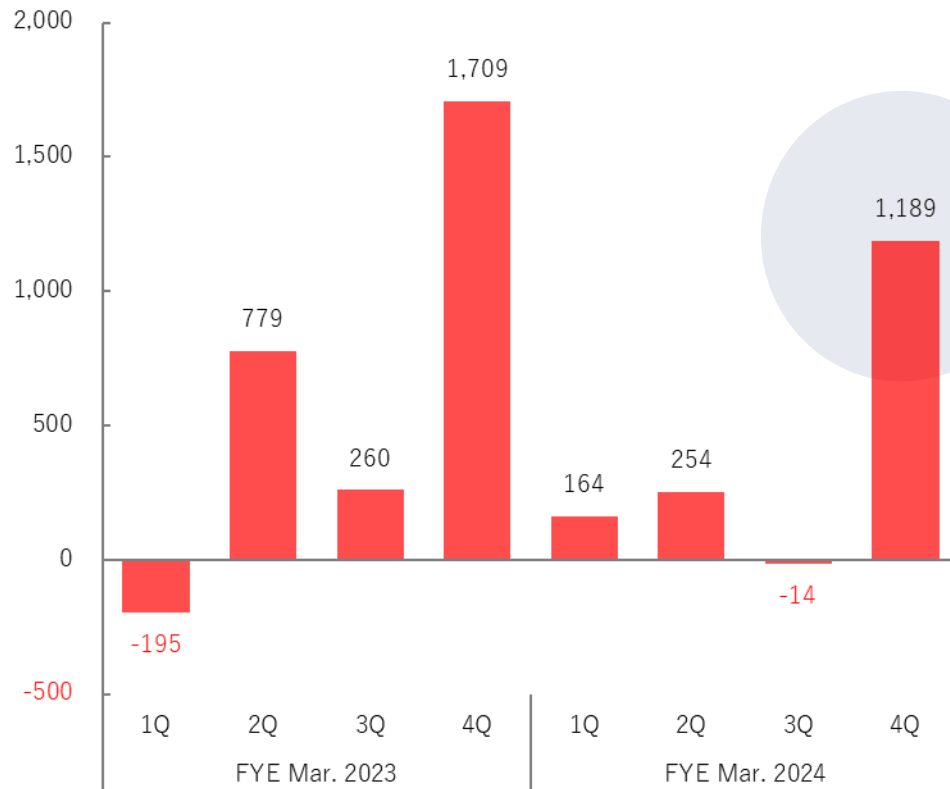
Others

Revitalizing investment vehicles

Establishing a stable profit structure by portfolio optimization and discovering new opportunities

《Tokai Tokyo Global Investments' Profit and Loss Trends》

(Millions of yen)



- Dividends from unlisted foreign stocks and expanded foreign exchange valuation gains from yen depreciation on held stocks contributed.

《Future strategy》

Portfolio optimization

Discovering excellent new projects

Others

Expansion of stable revenue base (Insurance business)

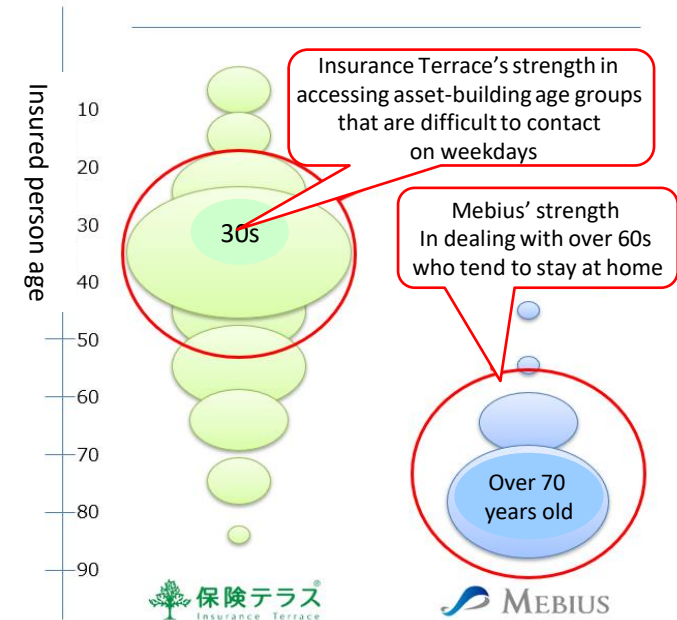
Securing stable profits by properly differentiating sales styles (door-to-door sales, small shop insurance sales) and sales approaches catering to respectively segmented target customers

(Millions of yen)

	FYE Mar.2023				FYE Mar.2024				FYE Mar. 2023 Apr.–Mar.	FYE Mar. 2024 Apr.–Mar.	QoQ % Change	YoY % Change Apr.–Mar.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Insurance fee (ETERNAL・Mebius)	791	854	848	924	911	1,028	1,014	1,058	3,418	4,013	4%	17%

(reference)
(Millions of yen)

	FYE Mar.2023				FYE Mar.2024				FYE Mar. 2023 Apr.–Mar.	FYE Mar. 2024 Apr.–Mar.	QoQ % Change	YoY % Change Apr.–Mar.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Insurance fee (TTSC)	195	270	350	315	248	364	364	389	1,132	1,367	7%	21%



項目	ETERNAL	MEBIUS
Features	<ul style="list-style-type: none"> ① Efficiently sell insurance to customers who know what they need. ② Good at serving families in their 30s to 40s and women 	<ul style="list-style-type: none"> ① Efficiently combine telephone appointments and door-to-door sales based on customer list ② Strengths in older adults around 70s
Products	<ul style="list-style-type: none"> ① Strength in life insurance, medical insurance, and cancer insurance, etc. ② Selected recommendable products from those designed by 10 companies out of the entire pool offered by 26 life & 12 non-life insurance companies. 	<ul style="list-style-type: none"> ① Specialized in medical insurance and cancer insurance, etc. ② Sales by narrowing down to 3 products out of 12 life insurance companies and 1 non-life insurance company.
Business method (know-how)	<ul style="list-style-type: none"> ① Small shop insurance sales for visitors Compare-and-recommend type of sales ② Eternal conducts online interviews and has insurance that can be sold entirely online. 	<ul style="list-style-type: none"> ① Door-to-door sales・Intent confirmation sales ② Perfect division of labor ③ Manual-based standardization of operation
Store development・HR system	<ul style="list-style-type: none"> ① 45 company-owned stores、11 franchises ② 151 insurance consultants ③ Meister system introduced 	<ul style="list-style-type: none"> ① Call center staffed by 92 people (41 employees, 51 part-time employees) ② 28 insurance consultants

Efficiency/productivity improvement

Initiatives for productivity improvement

Efforts to improve productivity using various digital tools in retail business

Business process optimization

BellFace※

**Database
Marketing**

**Promotion of
document digitization** etc.

※ A service that allows you to share your screen online using a smartphone, PC, or tablet while on the phone with a sales staff.

KPI for mid-term management plan
Labor productivity per capita

FYE Mar.2023 results

19.6 Million yen

FYE Mar.2024 results

21.5 Million yen

Total revenue per person/hour in retail companies

FYE Mar.2023

13,748 Yen

FYE Mar.2024

18,613 Yen

Efficiency/productivity improvement

System investments

Improve profitability and productivity through active investment in Strategic / DX projects, etc., and reduce cost by streamlining operation

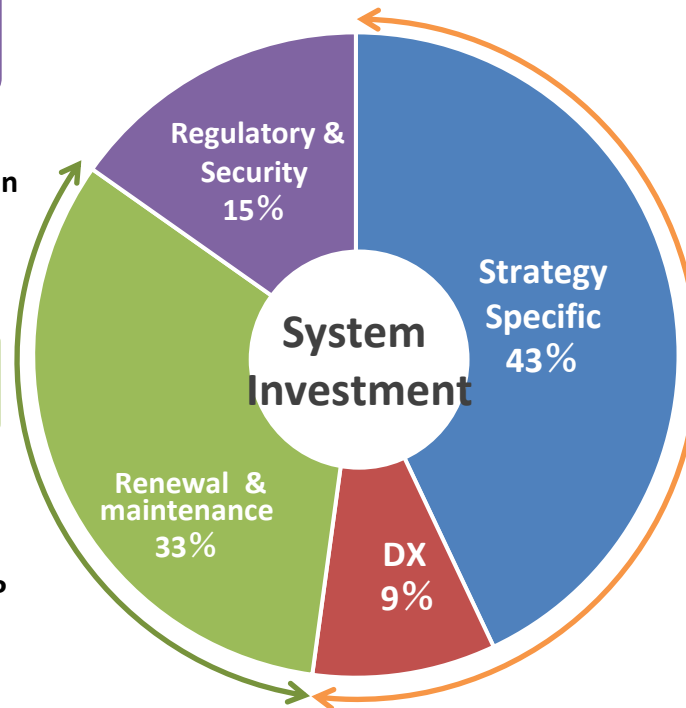
Regulatory & Security Requirements

- New NISA
- Over-the-counter derivative transaction report, Initial Margin (IM) Regulations
- Secure browser compatible , Vulnerability diagnosis

Renewal & Maintenance of Operation

- DWH/CRM Virtual server renewal
- Network equipment renewal
- Conversion of existing telephones to IP telephones

System integration & Slimming, and Cost Reduction



Strategic Projects

- Orque d'or salon AOYAMA opened
- Introduction of system sharing among JV securities, etc. (Allain)
- Management system (Murex) for product portfolio expansion of over-the-counter derivatives

DX Projects

- Introduction of cloud-type call center infrastructure system
- Introduction of Generation AI (Chat GPT, etc.)
- Introduction of data analysis platform

Enhancement of competitiveness, Profitability, and Productivity

Efficiency/productivity improvement

Office & branch network reconfiguration for higher efficiency

Reduce real estate-related costs by consolidating branches at Tokai Tokyo Securities and reorganizing and streamlining the headquarters office

Reconfiguration through branches consolidation

Reduction of real estate-related costs through branches reorganization

- ① Integrated Ikebukuro branch into Shibuya branch
- ② Integration of Moneque Sakaechika branch into other branches

Approximately 42 million yen per year Saved

Partial Lease Termination of headquarters office space

Cut costs by terminating the lease for the part of the headquarters office with a low occupancy rate

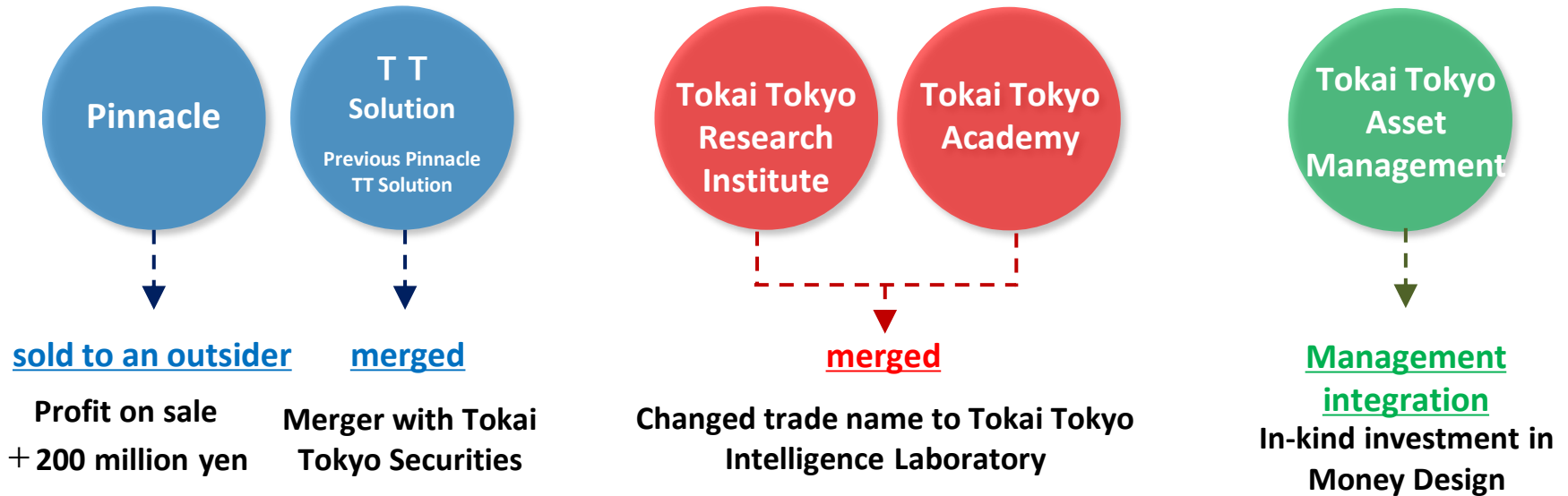
Approximately 50 million yen per year Saved

We aim to reduce fixed costs by consistently reconfiguring our office and branch network as per our sales and management strategies.

Efficiency/productivity improvement

Reorganizing group companies and pursuing synergies

Achieved corporate reorganization to pursue efficient management of group companies and synergies



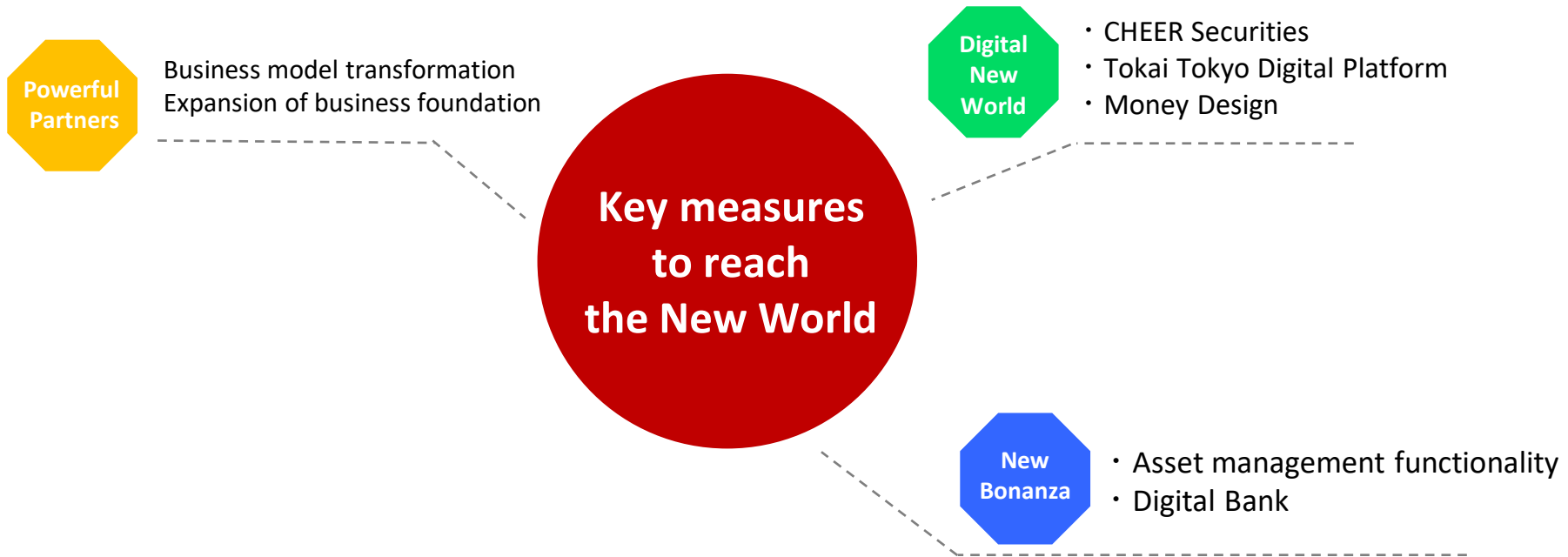
※ Currently, we are providing some subsidiaries with shared services of accounting & finance, and human resources & general affairs. We will gradually expand the scope of such internal service recipients and promote further efficiency.

- By merging and optimizing the contents of knowledge and expertise owned by both companies, we aim to operate business efficiently and develop new channels and customers.
- Cost reduction: ¥80 million per year

- Expansion of functions and diversification of products through the fusion of two companies
- Cost reduction: ¥95 million per year

Key measures to reach the New World

We will transform our business model by leveraging digital capabilities and collaborating with Powerful Partners.

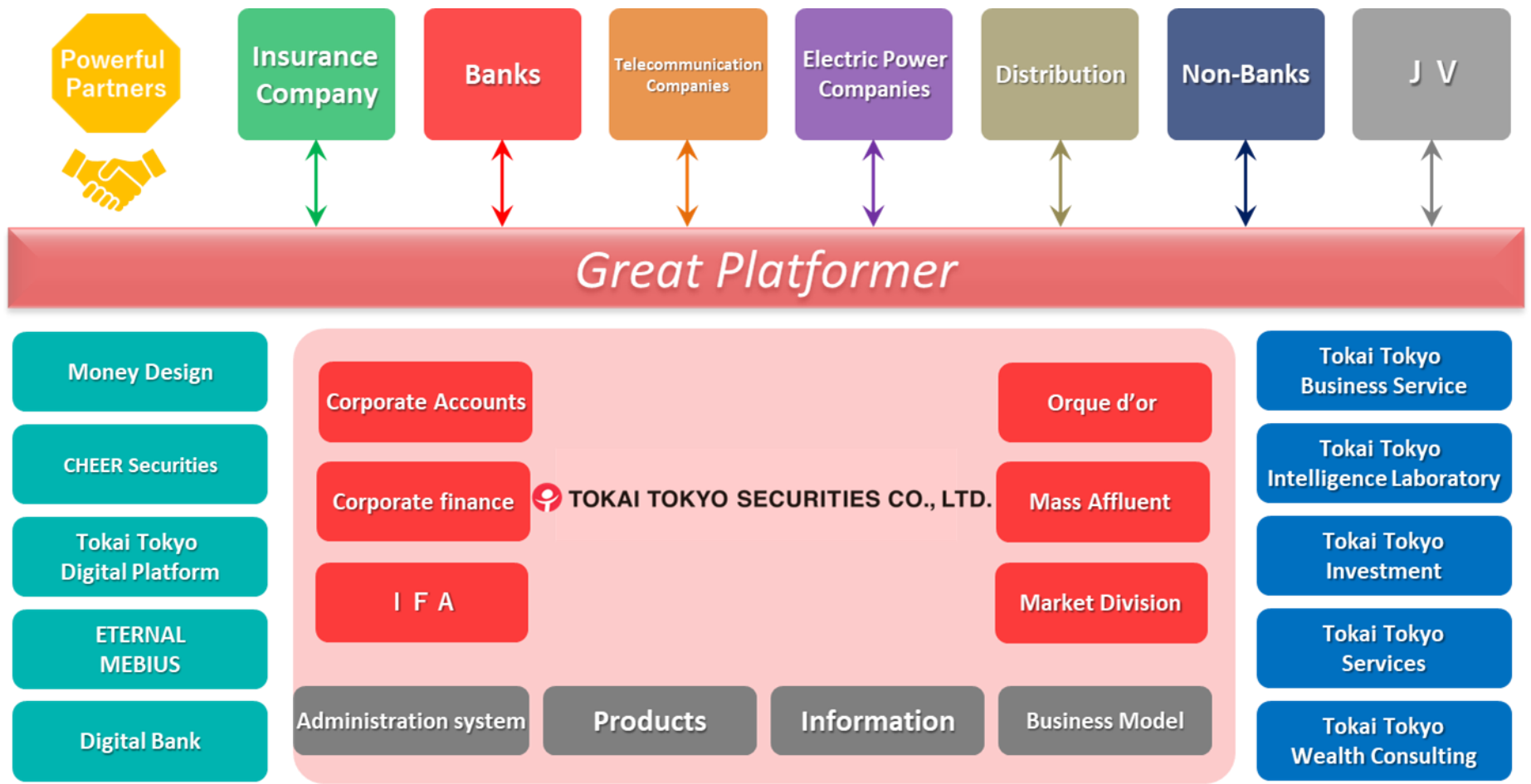


Key measures to reach the New World



Powerful Partners

Forming business partnerships with Powerful Partners aspiring to become a great comprehensive financial platformer



Key measures to reach the New World

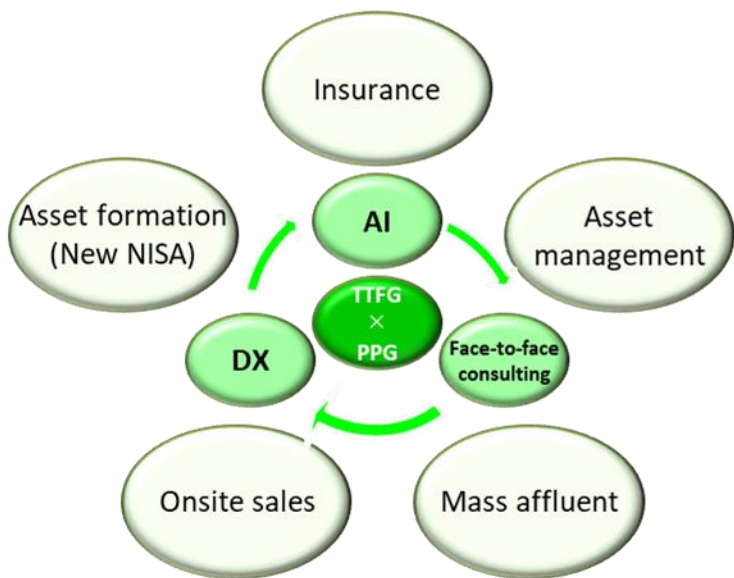


Powerful Partners

We are currently in negotiation with multiple potential institutions in varying non-financial sectors that may procure our group's diverse functions and services.

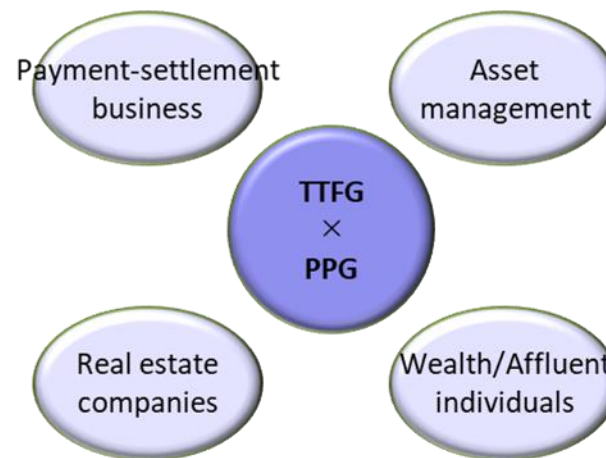
Powerful Partners A

- Collaboration leveraging on our face-to-face sales capabilities
- Supplying products that meet their customers' needs like insurance/asset formation/asset management
- Supporting employee well-being through occupational sales



Powerful Partners B

- Collaboration with partners who serve their customers primarily non-face-to-face
- Assist partners having vast customer data including settlement data with asset management business opportunities
- Aiming for services specifically catered to Wealth/Affluent individuals and taking on new services in the real estate field



* An example of a model currently under discussion

Key measures to reach the New World

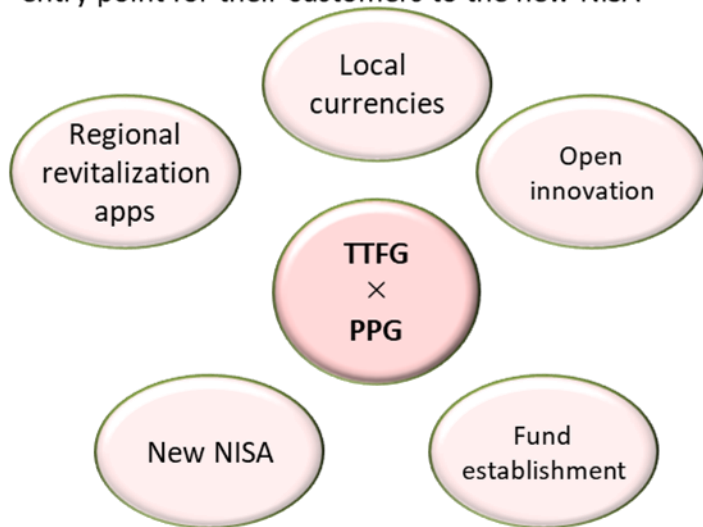


Powerful Partners

We are currently in negotiation with multiple potential institutions in varying non-financial sectors that may procure our group's diverse functions and services.

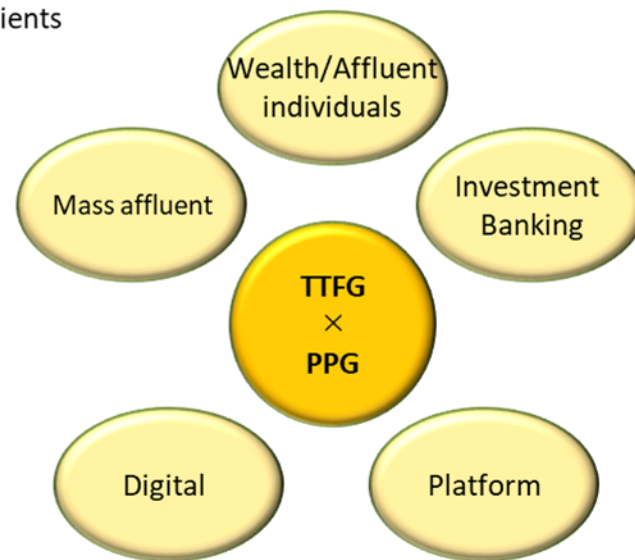
Powerful Partners C

- Collaboration with partners that have a customer base across Japan
- Collaboration with start-ups, and introduction of local currencies as an initiative for regional revitalization
- Providing securities services through CHEER Securities an entry point for their customers to the new NISA



Powerful Partners D

- Comprehensive financial institutions with wide area networks
- Providing securities services tailored to each segment of individual customers
- Providing investment banking functions to corporate clients



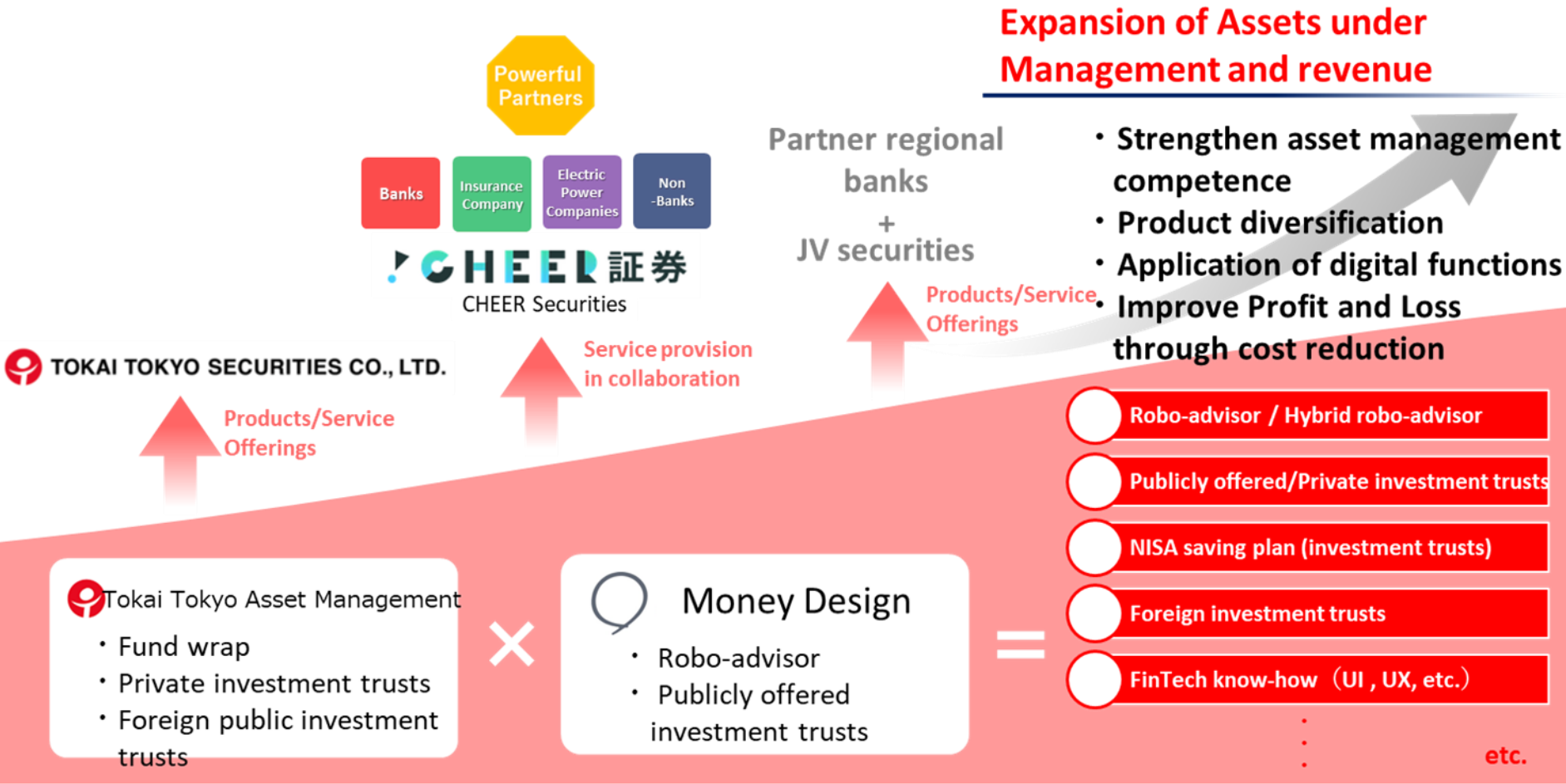
* One of the collaboration ideas currently under negotiation

Key measures to reach the New World



New Bonanza 「Asset management functionality」

Placing Money Design and Tokai Tokyo Asset Management at the core of the group's asset management function



Key measures to reach the New World



New Bonanza 「Digital Bank」

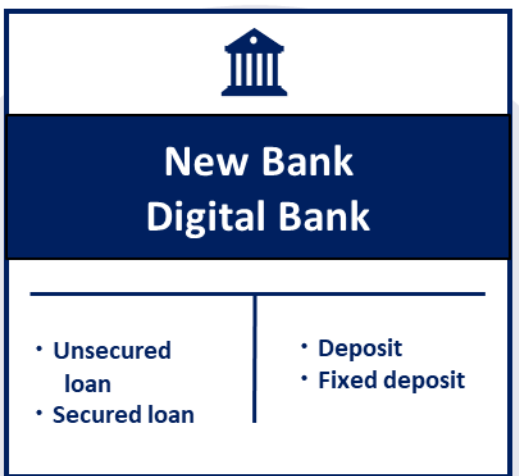
As a comprehensive financial group, we aim for further growth and establish collaboration functions to offer banking and securities.

TOKAI TOKYO SECURITIES CO., LTD.

- ✓ Sweep function
- ✓ Finance function
 - 《For Wealth/Affluent》
 - Real estate investment loan
 - Real estate secured loan
 - Inheritance and business succession support, etc.
 - 《For Mass Affluent》
 - Credit-card loan
 - Real estate secured loan, etc.
 - 《For Corporate》
 - Finance for M&A
 - Debt for start-ups

CHEER 証券
CHEER Securities

- ✓ Sweep function
- ✓ Finance function
 - Credit-card loan
 - Loans for various specified purposes
- ✓ Onsite sales on the premise of companies



Mother market
【Contributing to the Chubu region】

Business partner

- Financial company/
- Business company/
- System company/
- Guarantee company

Joint investment partner



Alignment



Investment

BaaS offer



Alignment



Alignment



Partnership (Customer introduction)

- Implement integrated operation model for banking and securities in the Chubu region
- Onsite sales vitalization, Collaboration with business entities via BaaS

Key measures to reach the New World



Tokai Tokyo Digital New World

We will improve our bottom line by improving our top line through the advancement of alliances and synergy effects, and by thoroughly increasing efficiency.



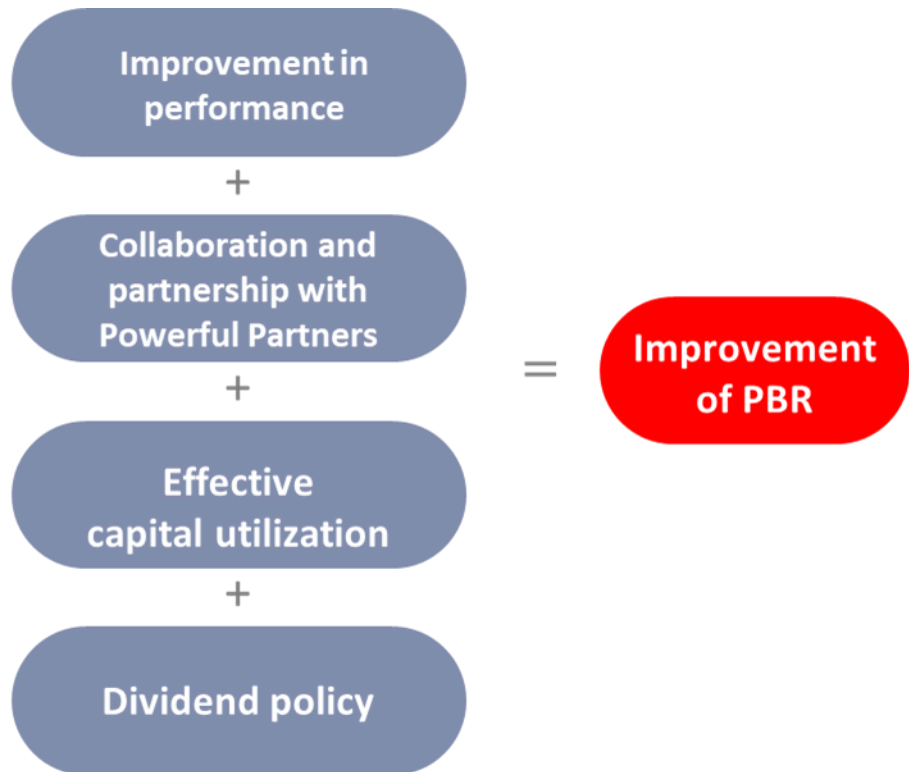
III Towards improving PBR

- Efforts to improve PBR
- Financial capital policy
- Reduction of Strategic Equity Holdings

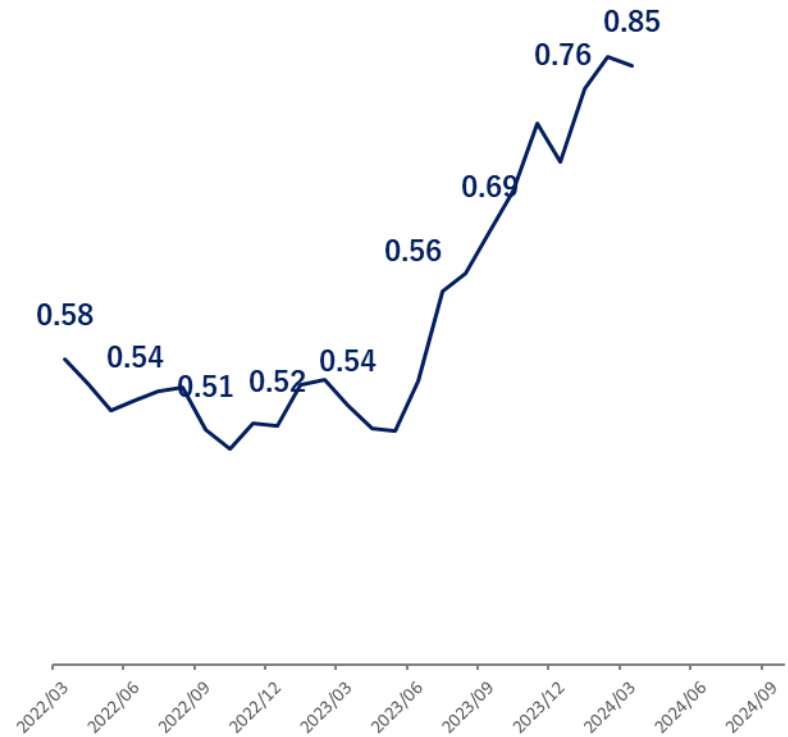
Efforts to improve PBR

We will improve business performance, achieve medium-term management plans, utilize capital effectively, and improve PBR.

Efforts toward improving PBR



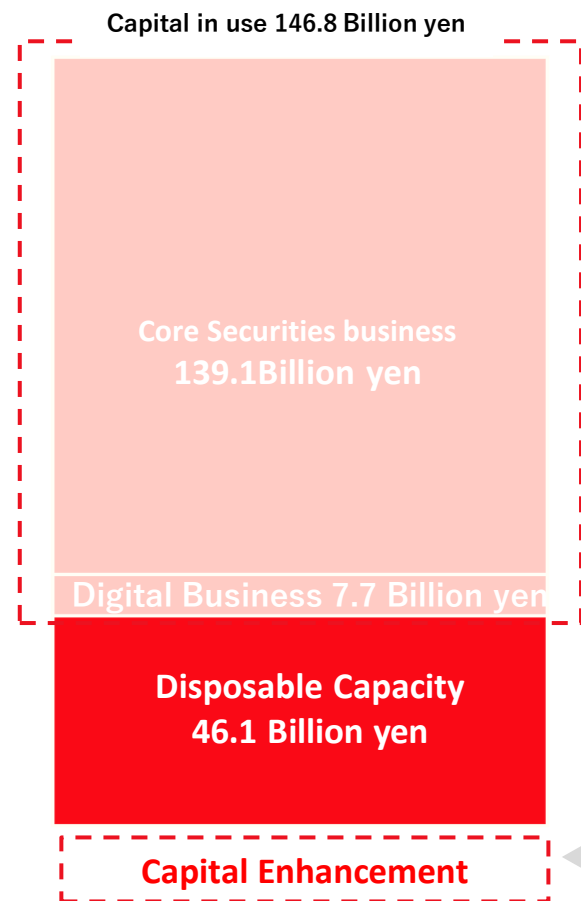
Trends in PBR



Financial capital policy

We aim to improve PBR by implementing a well-balanced use among dividend payments, capital allocation, and investment for growth.

Consolidated net assets 192.9 Billion yen



Dividend policy

< Dividend policy >

- (i) Dividend payout ratio based on consolidated net income attributable to the parent company shall be 50% or higher
- (ii) Annual dividends shall be 24 yen or more

Either (i) or (ii) of the above, whichever may result in higher payment, shall be the dividend basis. These policies will remain effective until the end of the current medium-term management plan (which is the end of the fiscal year ending in March 2027).

Effective utilization of capital

- TTSC : Using distributed capital, we conduct **ROE analysis and evaluation by each Division**
 - ▶ We will re-examine our capital utilization for **optimal resource allocation**.
- JV Securities : We will adjust our capital allocation to the **appropriate level** to some JV Securities with excessive capital from us.
- Strategic Equity Holdings/ Reduction of fixed assets

Investment company
(Recovery by listing and selling their stocks)

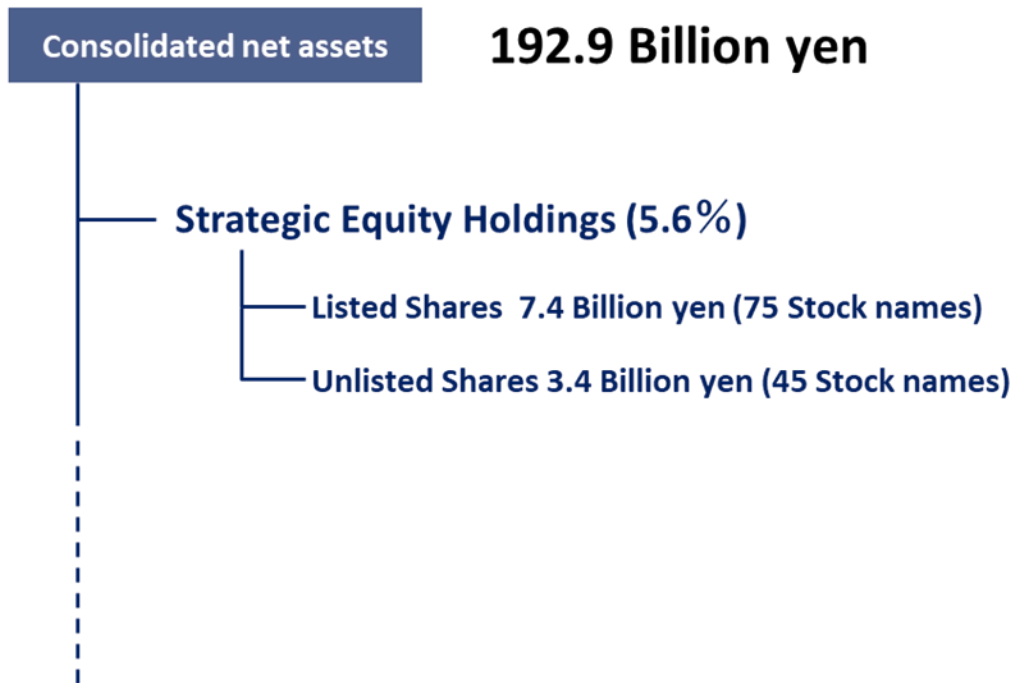
TTSC and JV Securities
(Capital recovery by receiving dividends)

Affiliated companies
(Capital recovery through consolidation, etc.)

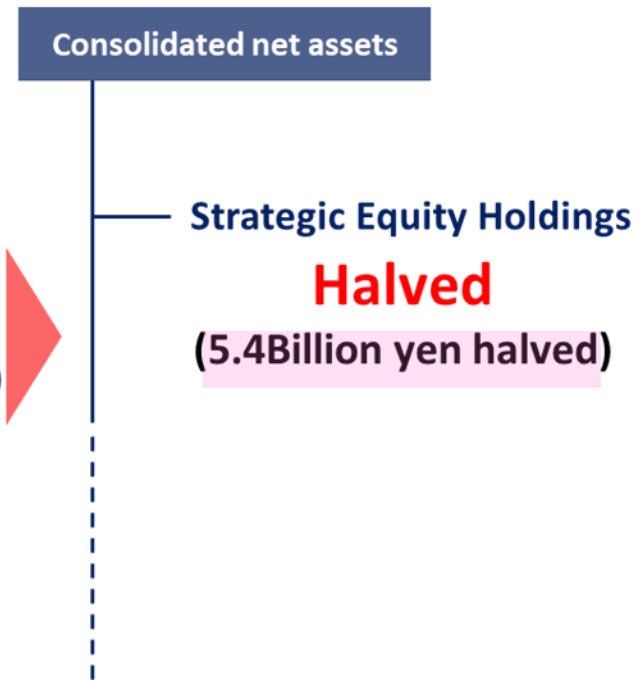
Reduction of Strategic Equity Holdings

We aim to halve strategic equity holdings during the current medium-term management plan (end of March 2027)

【End of March 2024】



【 End of March 2027 】

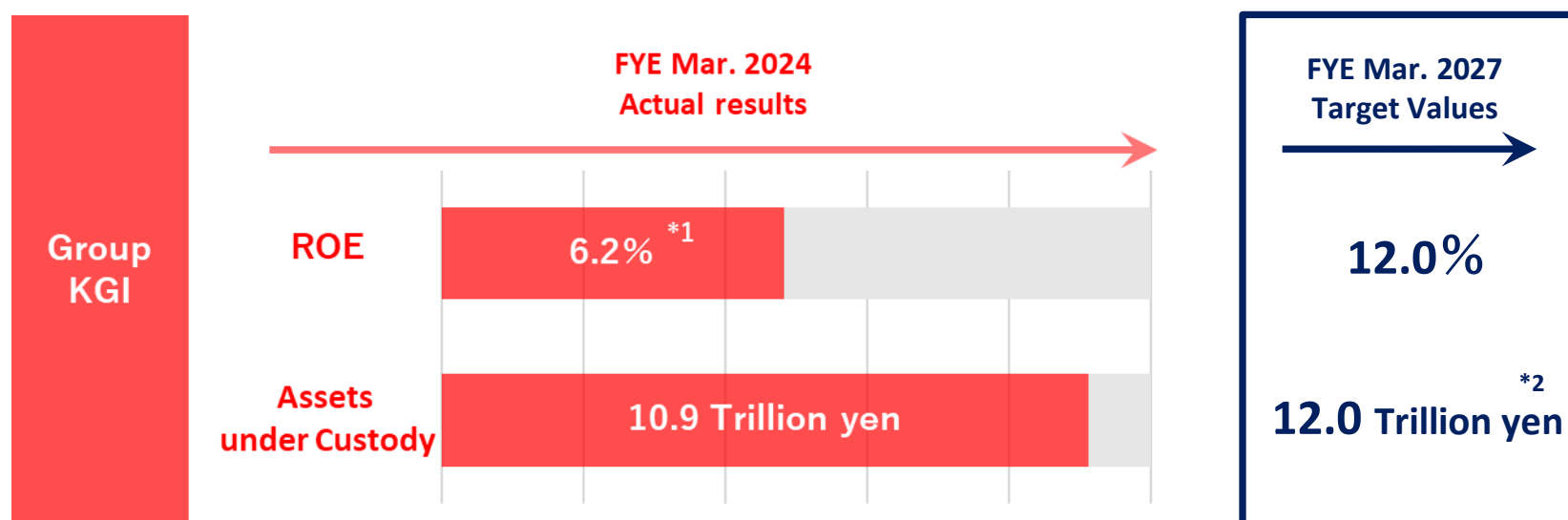


IV Progress of the medium-term management plan

- Group KGI
- Financial KPI
- Social Value & Justice KPI

Group KGI

“Assets under Custody” has steadily increased. We aim to further improve our performance to achieve ROE target.



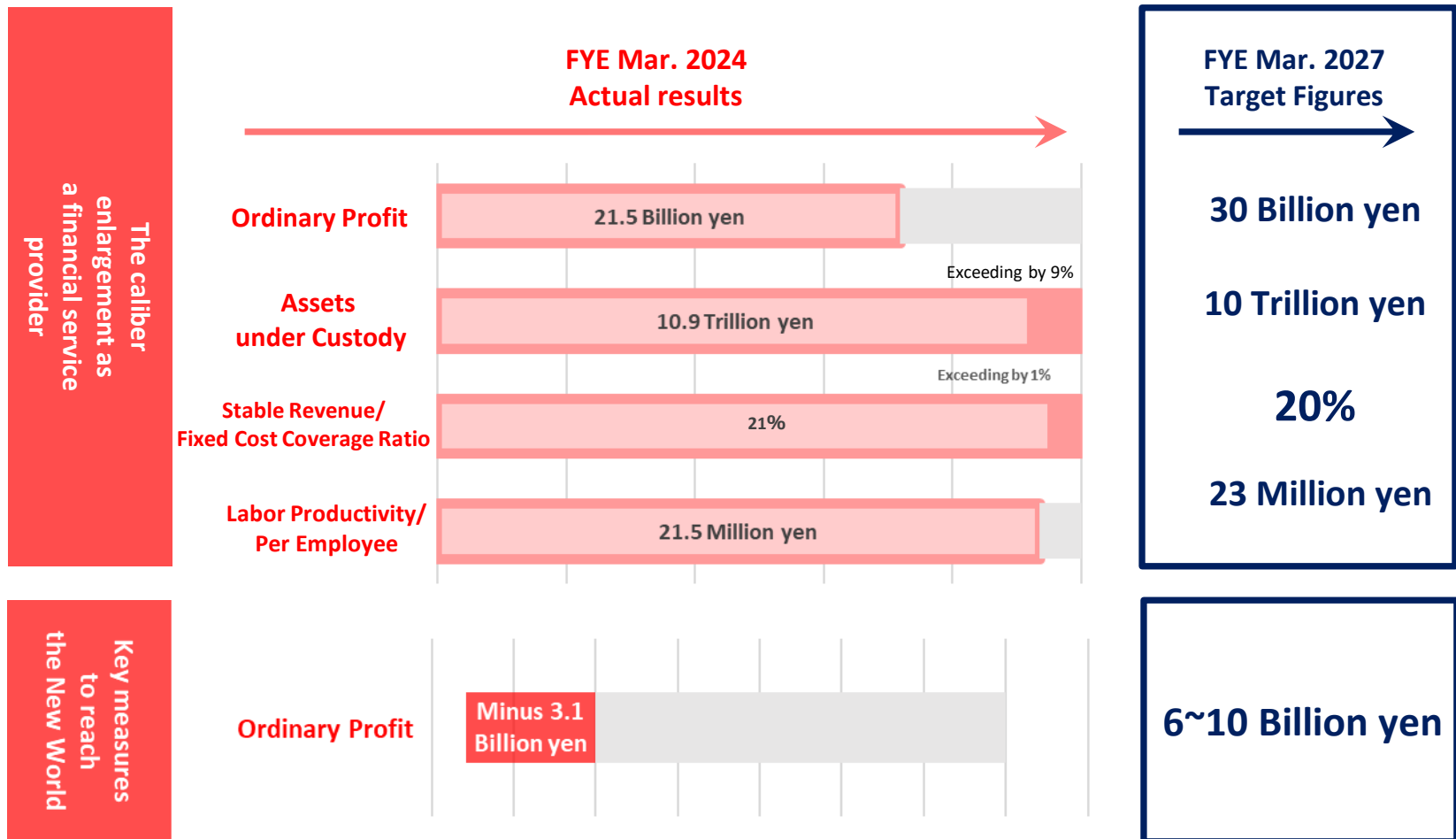
*1. "ROE" after deducting UK corporate taxes on the past year income

*2. Refers to the balance of customers' financial assets (including securities, deposits, and insurance) managed by the Group.

We aim to accomplish a balance of ¥10 trillion by achieving “The Caliber Enlargement as a Financial Service Provider” and ¥2 trillion by realizing “Deploying Key Measures to Reach the New World.”

Financial KPI

We achieved our plan for the parts, “Assets under Custody” and “Stable Revenue.” What remains to be done is to achieve an Ordinary Profit to “reach the New World”.

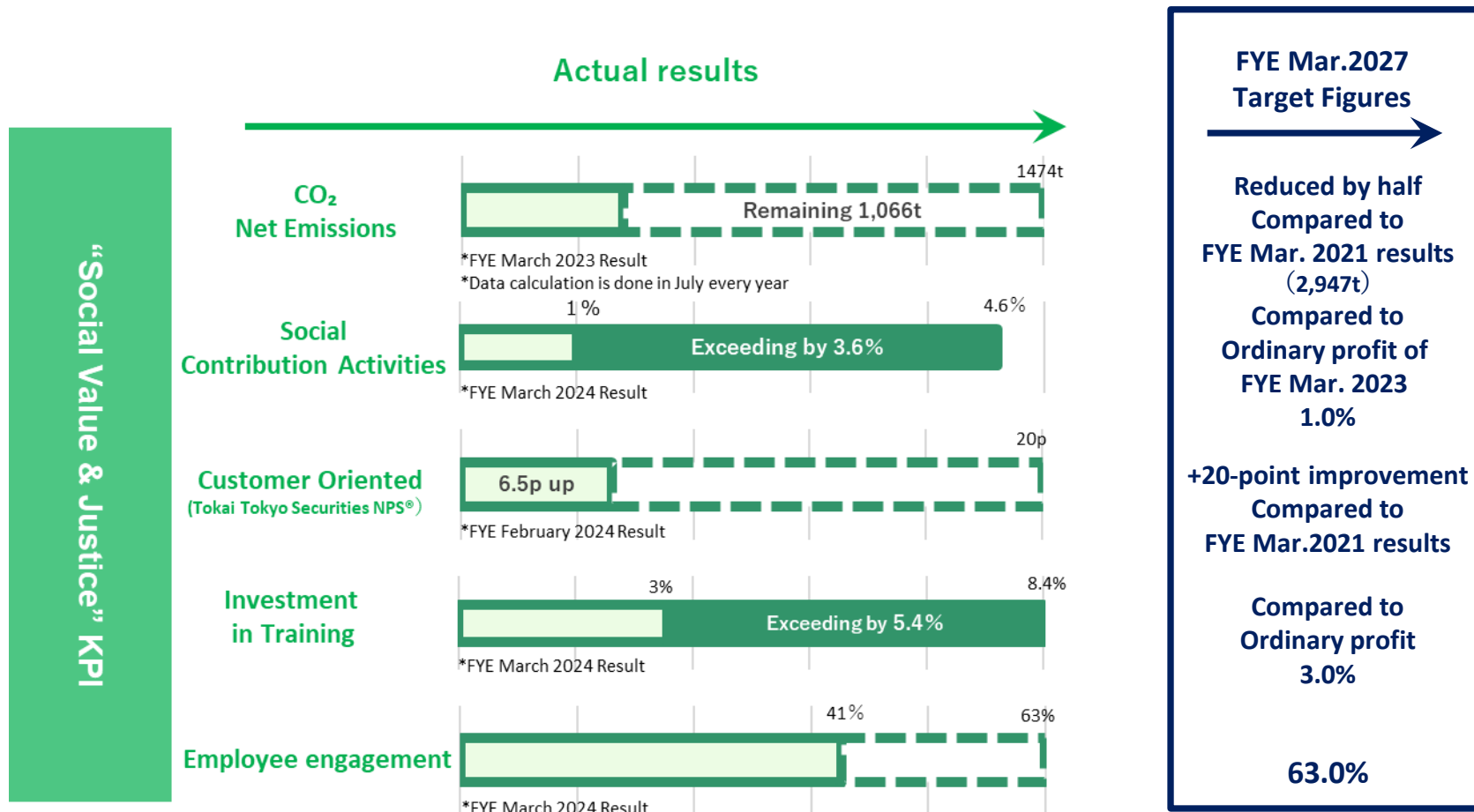


The caliber enlargement as a financial service provider

Key measures to reach the New World

Social Value & Justice KPI

We continuously promote efforts aimed to achieve the targets in all items.



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- E-mail: fh_ir@tokaitokyo-fh.jp

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