

This notice together with its attached documents, in its entirety, was retroactively prepared and presented solely as translated reference for information purpose. Thus, it is not intended to serve as valid alternative to the genuine convocation notice that was actually and dully made available in Japanese language. Therefore, any peripheral document such as “Guidance to the Exercise of Voting Right via the Internet” or any other form or document that is referred to in this translated information is omitted.

(Securities Code 8616)

June 4, 2015

To Shareholders with Voting Rights:

Tateaki Ishida
President & CEO
Tokai Tokyo Financial Holdings, Inc.
6-2 Nihonbashi 3-chome,
Chuo-ku, Tokyo, Japan

**NOTICE OF CONVOCATION OF
THE 103RD ORDINARY GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

We hereby inform you of the 103rd Ordinary General Meeting of Shareholders of Tokai Tokyo Financial Holdings, Inc. that we hold in accordance with the schedule described below.

If you are unable to attend the meeting, you can exercise your voting rights either in writing or by electronic methods (e.g. via the Internet, etc.). Please review the attached “Reference Document for the Ordinary General Meeting of Shareholders” and refer to “Guidance to the Exercise of Voting Right” which is omitted from this English translation, and you are requested to exercise your voting rights by 5:00 p.m. on Thursday, June 25, 2015 Japan time.

*** Schedule**

- 1. Date and Time:** Friday, June 26, 2015 at 10:00 a.m. Japan time
- 2. Place:** Sixth floor Conference Room at Nihonbashi Front Building, located at 6-2 Nihonbashi 3-chome, Chuo-ku, Tokyo, Japan
- 3. Meeting Agenda:**
 - Matters to be reported:**
 1. The Business Report, Consolidated Financial Statements for the Company’s 103rd Fiscal Year (April 1, 2014 - March 31, 2015) and results of audits by the Accounting Auditor and the Board of Corporate Auditors of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company’s 103rd Fiscal Year (April 1, 2014 - March 31, 2015)

Proposals to be resolved:

- Proposal No. 1:** Appropriation of Surplus
- Proposal No. 2:** Partial Amendments to the Articles of Incorporation
- Proposal No. 3:** Election of Seven (7) Directors
- Proposal No. 4:** Election of Two (2) Corporate Auditors
- Proposal No. 5:** Payment of Bonuses to Directors
- Proposal No. 6:** The Issuance of Stock Acquisition Rights as Stock Options Granted to Directors and Employees of the Company and Its Subsidiaries

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- For those attending, please present the enclosed Voting Rights Exercise Form at the reception desk on

arrival at the Meeting.

- In case any circumstances require us to revise the Reference Document for the Ordinary General Meeting of Shareholders, the Business Report, Non-consolidated Financial Statements, and/or Consolidated Financial Statements, the revised matter(s) will be immediately presented on the Company's Web site (<http://www.tokaitokyo-fh.jp/>).

Reference Documents for the Ordinary General Meeting of Shareholders

Proposals and References

Proposal No. 1: Appropriation of Surplus

The Company has a basic policy to pursue a stable and appropriate dividend to shareholders, while seeking the enhancement of an adequate retained earnings base with a goal of enhancing its corporate value through medium-to long-term growth.

Taking into account the above policy, and in commemoration of the 15th anniversary of the foundation of Tokai Tokyo Securities Co., Ltd., the core of the Group, on October 1, 2015, the Company plans to distribute profits for this fiscal year under review as set out below.

When taken with the interim dividend of ¥14.00 per share, the total dividend for the year will be ¥34.00 per share.

(1) Type of dividend assets

Cash

(2) Matters concerning allotment of dividend property and the total amount thereof

¥20.00 per share of common stock of the Company

(ordinary dividend: ¥16.00, commemorative dividend: ¥4.00)

Total amount: ¥5,333,051,720

(3) Effective date of distribution of surplus

June 29, 2015

Proposal No. 2: Partial Amendments to the Articles of Incorporation

1. Reasons for the amendments

According to the “Act for Partial Revision of the Companies Act” (Act No. 90 of 2014) enforced on May 1, 2015, it has become possible for the Company to enter into a limited liability agreement with Directors who are not executive directors, etc. and Corporate Auditors who are not Outside Corporate Auditors. Accordingly, the Company proposes that a part of Article 29 (Exemption from liability of Directors) and Article 37 (Exemption from liability of Corporate Auditors) of the current Articles of Incorporation be amended so that Directors who are not executive directors, etc. and Corporate Auditors who are not Outside Corporate Auditors can fulfill the roles expected of them.

Additionally, the Company has obtained the consent from all of the Corporate Auditors for the amendments to the provisions of Article 29 of the current Articles of Incorporation.

2. Description of the amendments

The amendments are set out as follows.

(Underlined parts will be amended.)

Current Articles of Incorporation	Proposed Amendments
Article 1 to Article 28 (Omitted)	Article 1 to Article 28 (Unchanged)
Article 29 (Exemption from Liability of Directors) 1. In accordance with the provisions of Paragraph 1, Article 426 of the Companies Act, the Company may, by resolution of the Board of Directors, exempt Directors (including former Directors) from liabilities for damages stipulated by Paragraph 1, Article 423 of the Companies Act, to the extent provided in laws and regulations. 2. In accordance with the provision of Paragraph 1, Article 427 of the Companies Act, the Company may enter into limited liability agreements to limit liabilities for damages incurred by <u>Outside Directors</u> , which are stipulated in Paragraph 1, Article 423 of the Companies Act, with <u>Outside Directors</u> . However, the amount of liability under the agreements is limited to the minimum liability amount stipulated by laws and regulations.	Article 29 (Exemption from Liability of Directors) 1. In accordance with the provisions of Paragraph 1, Article 426 of the Companies Act, the Company may, by resolution of the Board of Directors, exempt Directors (including former Directors) from liabilities for damages stipulated by Paragraph 1, Article 423 of the Companies Act, to the extent provided in laws and regulations. 2. In accordance with Paragraph 1, Article 427 of the Companies Act, the Company may enter into limited liability agreements to limit liabilities for damages incurred by <u>Directors (excluding persons who are executive directors, etc.)</u> , which are stipulated by Paragraph 1, Article 423 of the Companies Act, with <u>Directors (excluding persons who are executive directors, etc.)</u> . However, the amount of liability under the agreements is limited to the minimum liability amount stipulated by laws and regulations.
Article 30 to Article 36 (Omitted)	Article 30 to Article 36 (Unchanged)
Article 37 (Exemption from Liability of Corporate Auditors) 1. In accordance with the provisions of Paragraph 1, Article 426 of the Companies Act, the Company may, by resolution of the Board of Directors, exempt Corporate Auditors (including former Corporate Auditors) from liabilities for damages stipulated by Paragraph 1, Article 423 of the Companies Act, to the extent provided in laws and regulations. 2. In accordance with the provisions of Paragraph 1, Article 427 of the Companies Act, the Company may enter into limited liability agreements to limit liabilities for damages incurred by <u>Outside Corporate Auditors</u> , which are stipulated by Paragraph 1, Article 423 of the Companies Act, with <u>Outside Corporate Auditors</u> . However, the amount of liability under the agreements is limited to the minimum liability amount stipulated by laws and regulations.	Article 37 (Exemption from Liability of Corporate Auditors) 1. In accordance with the provisions of Paragraph 1, Article 426 of the Companies Act, the Company may, by resolution of the Board of Directors, exempt Corporate Auditors (including former Corporate Auditors) from liabilities for damages stipulated by Paragraph 1, Article 423 of the Companies Act, to the extent provided in laws and regulations. 2. In accordance with the provisions of Paragraph 1, Article 427 of the Companies Act, the Company may enter into limited liability agreements to limit liabilities for damages incurred by <u>Corporate Auditors</u> , which are stipulated by Paragraph 1, Article 423 of the Companies Act, with <u>Corporate Auditors</u> . However, the amount of liability under the agreements is limited to the minimum liability amount stipulated by laws and regulations.
Article 38 to Article 44 (Omitted)	Article 38 to Article 44 (Unchanged)

3. Effective date of the amendments

June 26, 2015

Proposal No. 3: Election of Seven (7) Directors

The terms of office of seven (7) Directors, Tateaki Ishida, Hiroshi Iizumi, Yoshimi Maemura, Ikuo Suzuki, Nobuhiro Morisue, Ichiro Mizuno, and Masato Setta, will expire at the conclusion of this 103rd Ordinary General Meeting of Shareholders. Accordingly, the election of seven (7) Directors is proposed.

The candidates are as follows:

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
1	Tateaki Ishida (January 2, 1946)	<p>April 1968 Joined The Tokai Bank, Limited</p> <p>April 1992 President & Chief Executive Officer, Tokai Bank Europe plc</p> <p>June 1994 Director, The Tokai Bank, Limited</p> <p>June 1996 Managing Director, The Tokai Bank, Limited</p> <p>June 1998 President, Tokai Asset Management Co., Ltd.</p> <p>April 2001 Chairman, the Tokai Bank Europe plc</p> <p>April 2002 Chairman, UFJ International plc</p> <p>April 2003 Chief Executive Officer, UFJ International plc</p> <p>May 2004 Advisor of the Company</p> <p>June 2004 Deputy President of the Company</p> <p>March 2005 President of the Company</p> <p>June 2006 President & CEO of the Company (current position)</p> <p>(Concurrently Held Significant Position)</p> <p>Chairman & CEO, Tokai Tokyo Securities Co., Ltd.</p> <p>Member of the Board, Nagoya Stock Exchange</p>	304,500 shares
2	Hiroshi Iizumi (March 6, 1958)	<p>April 1980 Joined The Tokai Bank, Limited</p> <p>May 1998 Managing Director, Tokai Bank Europe plc</p> <p>August 2001 General Manager, Securities Investment Office, The Tokai Bank, Limited</p> <p>January 2005 General Manager, Market Sales Department, UFJ Bank Limited</p> <p>May 2006 General Manager, Market Sales Department, The Bank of Tokyo-Mitsubishi UFJ, Ltd.</p> <p>June 2007 Executive Officer, General Manager of Market Sales Department, The Bank of Tokyo-Mitsubishi UFJ, Ltd.</p> <p>June 2008 Executive Officer, General Manager of Investment Management Department, The Bank of Tokyo-Mitsubishi UFJ, Ltd.</p> <p>June 2010 Director and Managing Executive Officer, Mitsubishi UFJ Research and Consulting Co., Ltd.</p> <p>June 2011 Director and Senior Managing Executive Officer, Mitsubishi UFJ Research and Consulting Co., Ltd.</p> <p>June 2012 Senior Managing Executive Officer, Head of Market Sales Promotion Unit, Tokai Tokyo Securities Co., Ltd.</p> <p>April 2014 Senior Managing Executive Officer, Chief of General Planning Group of the Company</p> <p>June 2014 Director, Senior Managing Executive Officer, Chief of General Planning Group of the Company</p> <p>April 2015 Deputy President of the Company (current position)</p> <p>(Concurrently Held Significant Position)</p> <p>Director, Tokai Tokyo Securities Co., Ltd.</p>	19,700 shares

No.	Name (Date of birth)	Career summary, positions, responsibilities, and concurrently held significant positions	Number of shares of the Company held
3	*Toshiyuki Hayakawa (April 1, 1956)	<p>April 1978 Joined The Tokai Bank, Limited</p> <p>January 2006 General Manager, Nagoya-Ekimae Commercial Banking Office, The Bank of Tokyo-Mitsubishi UFJ, Ltd.</p> <p>September 2007 Executive Officer, Tokai Tokyo Securities Co., Ltd.</p> <p>April 2008 Managing Executive Officer, Tokai Tokyo Securities Co., Ltd.</p> <p>April 2010 Managing Executive Officer, Deputy Head of Toyota Business Division, Tokai Tokyo Securities Co., Ltd.</p> <p>May 2011 Managing Executive Officer, Head of Head Office Sales Division, Tokai Tokyo Securities Co., Ltd.</p> <p>April 2012 Director and Deputy President, Hamagin Tokai Tokyo Securities Co., Ltd.</p> <p>April 2014 Senior Managing Executive Officer, Chief of Strategic Business Group of the Company</p> <p>April 2015 President & COO, Tokai Tokyo Securities Co., Ltd. (current position)</p>	52,400 shares
4	Ikuo Suzuki (January 2, 1944)	<p>April 1966 Joined The Tokai Bank, Limited</p> <p>June 1993 Director, The Tokai Bank, Limited</p> <p>June 1995 Managing Director, The Tokai Bank, Limited</p> <p>May 1998 Director, UNY Co., Ltd. (Part-Time)</p> <p>June 1998 Senior Managing Director, The Tokai Bank, Limited</p> <p>June 1999 Senior Managing Executive Officer, The Tokai Bank, Limited</p> <p>April 2001 Deputy President, The Tokai Bank, Limited</p> <p>January 2002 Director, UNY Co., Ltd.</p> <p>May 2002 Chairman, UNY Co., Ltd.</p> <p>June 2006 Director of the Company</p> <p>February 2007 Director and Senior Advisor, UNY Co., Ltd.</p> <p>May 2007 Senior Advisor, UNY Co., Ltd.</p> <p>June 2007 Director, Chairman of the Board of the Company (current position)</p> <p>(Concurrently Held Significant Position)</p> <p>Director, Tokai Tokyo Securities Co., Ltd.</p> <p>Corporate Auditor, Kanemi Co., Ltd.</p>	53,000 shares
5	Nobuhiro Morisue (August 28, 1943)	<p>September 1965 Passed the National Bar Examination</p> <p>April 1966 Joined the Ministry of Finance</p> <p>April 1996 Registered as Attorney at Law (Head of Morisue Law Office) (current position)</p> <p>June 2006 Corporate Auditor of the Company</p> <p>June 2010 Director of the Company (current position)</p> <p>(Concurrently Held Significant Position)</p> <p>Attorney at Law</p>	26,700 shares

No.	Name (Date of birth)	Career summary, positions, responsibilities, and concurrently held significant positions	Number of shares of the Company held
6	Ichiro Mizuno (March 10, 1944)	<p>April 1966 Joined Mitsubishi Corporation</p> <p>May 1991 General Manager, Corporate Information Dept., Mitsubishi Corporation</p> <p>October 1993 General Manager, Currency Exchange Dept., Mitsubishi Corporation</p> <p>June 1997 General Manager, Finance Dept., Mitsubishi Corporation</p> <p>June 2001 Executive Officer, Chief Financial Officer, New Business Initiative Group, Mitsubishi Corporation</p> <p>April 2003 Executive Vice President, Chief Financial Officer, Mitsubishi Corporation</p> <p>June 2003 Member of Board, Executive Vice President, Chief Financial Officer, Mitsubishi Corporation</p> <p>April 2006 Member of Board, Senior Executive Vice President, Mitsubishi Corporation</p> <p>June 2010 Director of Tokai Tokyo Securities Co., Ltd</p> <p>June 2013 Director of the Company (current position)</p>	0 share
7	Masato Setta (March 13, 1960)	<p>April 1983 Joined Toyota Motor Corporation</p> <p>January 1998 Manager, Accounting Division, Toyota Motor Corporation</p> <p>January 2003 General Manager, Tokyo Secretarial Division, Toyota Motor Corporation</p> <p>January 2004 Director, Toyota Personnel Support Co., Ltd.</p> <p>January 2007 Seconded to Toyota Motor Sales, U.S.A. Inc.</p> <p>January 2011 General Manager, General Administration Group, Toyota Motor Corporation</p> <p>June 2013 Managing Officer, Toyota Financial Services Corporation (current position)</p> <p>June 2013 Director of the Company (current position) (Concurrently Held Significant Position)</p> <p>Audit & Supervisory Board Member, Toyota Finance Corporation</p>	0 share

(Notes) 1. * denotes newly appointed candidates for the positions of Directors.

2. Each candidate has no special interest in the Company.

3. The “Company” stated in the above table refers as the case may be either to “Tokai Tokyo Securities Co., Ltd.,” the former name of the Company prior to the change in business name that became effective as of the end of March 2009 or the current “Tokai Tokyo Financial Holdings, Inc.,” the one valid since April 2009.

4. Messrs. Ikuo Suzuki, Nobuhiro Morisue, Ichiro Mizuno and Masato Setta are candidates for positions as the Company’s Outside Directors.

(1) Reasons why the Company recommends them as candidates for Outside Director

The Company recommends that Mr. Ikuo Suzuki be elected as the Company’s Outside Director for the following reasons.

Mr. Suzuki has successfully held several important posts, including Senior Managing Director and Deputy President of The Tokai Bank, Limited (presently The Bank of Tokyo-Mitsubishi UFJ, Ltd.), and Chairman of UNY Co., Ltd. We highly acclaim his achievements and insight in corporate management area. In view of this, the Company believes that Mr. Suzuki will be able to fulfill his responsibility to make important business decisions and to supervise business executions and other management matters. Mr. Suzuki’s term of office will have been nine years at the close of this Ordinary General Meeting of Shareholders.

The Company recommends that Mr. Nobuhiro Morisue be elected as the Company’s Outside Director for the following reasons.

After many years of service in the Ministry of Finance, Mr. Morisue currently practices law. His achievements and considerable insight are highly regarded. In view of this, the Company believes that Mr. Morisue will be able to fulfill his responsibility to make important business decisions and to supervise business executions and other management matters. Mr. Morisue meets the requirements for Independent Director as stipulated by the Tokyo Stock Exchange and Nagoya Stock Exchange, having no potential conflict with the interests of general shareholders. Mr. Morisue’s term of office will have been five years at the close of this Ordinary General Meeting of Shareholders.

The Company recommends that Mr. Ichiro Mizuno be elected as the Company’s Outside Director for the following reasons.

Mr. Mizuno has successfully fulfilled his responsibility as a Member of Board of Mitsubishi Corporation. His achievements and considerable insight are highly regarded. In view of this, the Company believes that Mr.

Mizuno will be able to fulfill his responsibility to make important business decisions and to supervise business executions and other management matters. Mr. Mizuno meets the requirements for Independent Director as stipulated by the Tokyo Stock Exchange and Nagoya Stock Exchange, having no potential conflict with the interests of general shareholders. Mr. Mizuno's term of office will have been two years at the close of this Ordinary General Meeting of Shareholders.

The Company recommends that Mr. Masato Setta be elected as the Company's Outside Director for the following reasons.

During his many years of service at Toyota Motor Corporation, Mr. Setta held important posts in accounting, human resources and the secretariat, among others, and currently serves as the Managing Officer of Toyota Financial Services Corporation. Mr. Setta also serves as Audit & Supervisory Board Member of an affiliated company of the Toyota Group and his achievements and insight in his field of expertise and corporate management backed by his practical experience are highly regarded. In view of this, the Company believes that Mr. Setta will be able to fulfill his responsibility to make important business decisions and to supervise business executions and other management matters. Mr. Setta meets the requirements for Independent Director as stipulated by the Tokyo Stock Exchange and Nagoya Stock Exchange, having no potential conflict with the interests of general shareholders. Mr. Setta's term of office will have been two years at the close of this Ordinary General Meeting of Shareholders.

(2) Independence of the Outside Directors

There are no matters concerning the Outside Director candidates that affect the independence of the Outside Directors.

(3) Limited liability agreement with Outside Directors

With a view to employing talented personnel as Outside Directors, the current Articles of Incorporation allows the Company to enter into an agreement with Outside Directors to limit the maximum amount of their liabilities for damages to the Company within a defined range. Accordingly, pursuant to Paragraph 1, Article 427 of the Companies Act, Messrs. Ikuo Suzuki, Nobuhiro Morisue, Ichiro Mizuno and Masato Setta, all as candidates for the Company's Outside Directors, have concluded an agreement with the Company to limit their liabilities for damages prescribed in Paragraph 1, Article 423 of the Act. An outline of the agreement is set out below.

- If an Outside Director is liable for damage to the Company due to his/her negligence of duty, he or she should assume responsibility for the damage at costs no more than the total amount prescribed in Items 1-c and 2, Paragraph 1, Article 425 of the Companies Act.
- The acceptance of the above liability limitation is applicable only to the case where the Outside Director has caused the damage either due to the exercise of his/her duty in good faith or not due to the grave negligence.

Proposal No. 4: Election of Two (2) Corporate Auditors

Corporate Auditor, Akira Takeuchi will retire due to the expiration of his term of office, and Corporate Auditor, Eiichi Kinoshita will retire due to resignation, at the conclusion of this 103rd Ordinary General Meeting of Shareholders. Accordingly, the election of two (2) Corporate Auditors is proposed. The Board of Corporate Auditors has previously approved the proposal.

The candidates are as follows:

No.	Name (Date of birth)	Career summary, positions and significant concurrent positions	Number of shares of the Company held
1	*Masato Okajima (May 26, 1959)	<p>April 1983 Joined Tokyo Securities Co., Ltd. (currently, the Company)</p> <p>February 2003 General Manager, Financial Department of the Company</p> <p>April 2009 General Manager, Financial Planning Department of the Company, General Manager, Financial Department, Tokai Tokyo Securities Co., Ltd.</p> <p>April 2010 Executive Officer, General Manager of General Planning Group, General Manager of Financial Planning Department of the Company</p> <p>May 2011 Executive Officer, Deputy Chief of General Planning Group of the Company</p> <p>April 2013 Managing Executive Officer, Deputy Chief of General Planning Group of the Company</p> <p>October 2013 Managing Executive Officer, Head of Operation Unit, General Manager of Funds Department, Tokai Tokyo Securities Co., Ltd.</p> <p>November 2013 Managing Executive Officer, Head of Operation Unit, Tokai Tokyo Securities Co., Ltd.</p> <p>April 2015 Managing Executive Officer of the Company (current position)</p>	33,100 shares
2	*Mitsuhiro Yasuda (January 11, 1949)	<p>April 1977 Registered as Attorney at Law</p> <p>January 1987 Partner, Mitsui & Yasuda Law Firm</p> <p>May 2005 Partner, Linklaters Gaikokuho-Kyodo-Jigyo (foreign law joint enterprise) Law Firm</p> <p>July 2007 Partner, Nishimura & Asahi</p> <p>March 2015 Of Counsel, Marunouchi International Law Office (current position)</p>	0 share

(Notes) 1.* denotes newly appointed candidates for the positions of Corporate Auditors.

2. Each of the candidates has no special interest in the Company.

3 The “Company” stated in the above table refers as the case may be either to “Tokai Tokyo Securities Co., Ltd.,” the former name of the Company prior to the change in business name that became effective as of the end of March 2009 or the current “Tokai Tokyo Financial Holdings, Inc.,” the one valid since April 2009.

4. A candidate for the position of Corporate Auditor, Mr. Mitsuhiro Yasuda, is a candidate for the position as the Company’s Outside Corporate Auditor.

(1) Reasons why the Company recommends him as candidate for Outside Corporate Auditor

The Company recommends that Mr. Mitsuhiro Yasuda be elected as the Company’s Outside Corporate Auditor for the following reasons.

Mr. Mitsuhiro Yasuda has been working as an attorney at law for many years, and his achievements and considerable insight are highly regarded. In view of this, the Company believes that Mr. Yasuda will be able to adequately fulfill his responsibility as Outside Corporate Auditor.

(2) Independence of the Outside Corporate Auditor

There are no matters concerning the Outside Corporate Auditor candidate that affect the independence of the Outside Corporate Auditor.

(3) Limited liability agreement with Outside Corporate Auditor

If Mr. Mitsuhiro Yasuda is elected and assumes office as Corporate Auditor, pursuant to provisions prescribed in Paragraph 1, Article 427 of the Companies Act, the Company and Mr. Yasuda will enter into a limited liability agreement to limit his liability for damages prescribed in Paragraph 1, Article 423 of the Act. In addition, if Mr. Masato Okajima is elected and assumes office as Corporate Auditor, provided that Proposal No. 2 “Partial Amendments to the Articles of Incorporation” is approved and passed at the Shareholders’ Meeting, the Company will enter into a similar limited liability agreement with Mr. Okajima. An outline of the agreements

entered into between the Company and Messrs. Yasuda and Okajima is set out below.

- If a Corporate Auditor is liable for damage to the Company due to his/her negligence of duty, he or she should assume responsibility for the damage at costs no more than the total amount prescribed in Items 1-c and 2, Paragraph 1, Article 425 of the Companies Act.
- The acceptance of the above liability limitation is applicable only to the case where the Corporate Auditor has caused the damage either the exercise of his/her duty in good faith or not due to the grave negligence.

Proposal No. 5: Payment of Bonuses to Directors

The Company proposes that bonuses amounting to ¥99.4 million be paid to the three (3) Directors (excluding Outside Directors) who are at the office of Directors at the end of current fiscal year, based on the Company's earnings results.

Proposal No. 6: The Issuance of Stock Acquisition Rights as Stock Options Granted to Directors and Employees of the Company and Its Subsidiaries

The Company seeks Shareholders' approval for the Board of Directors to be empowered to determine matters relating to the issuance of stock acquisition rights as stock options (hereinafter referred to as "the Stock Acquisition Rights") granted to such parties that include Directors, but excluding Outside Directors, and employees of both the Company and its subsidiaries, and matters of offer, in accordance with provisions of Article 236, 238 and 239 of the Companies Act.

The amount of stock options granted to the Company's Directors is equal to the value of the estimated fair value of each stock option as of the grant date multiplied by the total number of the stock options granted. The Company has booked this amount as part of the annual remuneration for Directors (including Outside Directors) of ¥420 million, approved at the 94th Ordinary General Meeting of Shareholders.

The number of incumbent Directors (excluding Outside Directors) is three (3), which will remain the same if Proposal No. 3 is approved.

(1) Reasons necessitating the offer of the Stock Acquisition Rights with preferential conditions

The issuance of the Stock Acquisition Rights to the above stated parties, which exclude Outside Directors of the Company and its subsidiaries, is aimed at improving consolidated performance by providing them with the common incentive of improving the performance of the Group as a whole, while pursuing harmonization of such parties' interests with those of shareholders. When issuing the Stock Acquisition Rights, the recipients of such stock acquisition rights and the number of actual allotments shall be determined specifically by the Board of Directors of Tokai Tokyo Financial Holdings, Inc. after adequate deliberation thereat with respect to the degree of each company's contribution to the Company's consolidated performance results, and the contribution and the matching compensation levels of each director and employee within respectively assigned company.

(2) Maximum number of the Stock Acquisition Rights that can be determined under the power delegation by the resolution at the Shareholders' Meeting

The resolution at the Shareholders' Meeting provides that, the maximum allocatable number of the Stock Acquisition Rights will be one thousand four hundred (1,400) stock acquisition rights. In addition, the maximum issuable number of common stocks of Tokai Tokyo Financial Holdings through the exercise of the Stock Acquisition Rights shall be one million four hundred thousand (1,400,000) shares (approximately 0.50% of outstanding shares).

However, if adjustment is made to the maximum issuable number of shares in accordance with the Paragraph (4) 1) below, such maximum issuable number of shares (hereinafter, "the number of shares granted") shall be the one we get by way of multiplying the number of shares granted after adjustment by the above specified maximum number of allocatable the Stock Acquisition Rights.

(3) No payment shall be required for the Stock Acquisition Rights.

(4) Details of the Stock Acquisition Rights

1) Number of shares to be issued upon exercise of the Stock Acquisition Rights

The number of shares to be issued upon exercise of each of the Stock Acquisition Rights (i.e. "number of shares granted") shall be one thousand (1,000) shares of common stock of Tokai Tokyo Financial Holdings, Inc.

In the event the Company splits its common stock (including the gratis allotment of the Company's common stock, the same being applied hereinafter) or consolidates its common stock after the allocation of the Stock Acquisition Rights, the number of shares granted under the Stock Acquisition Rights which have remained unexercised at the time of the stock split or stock consolidation will be adjusted in accordance with the following formula. Any fraction of less than one (1) share resulting from the adjustment shall be disregarded.

Adjusted number of shares granted = Number of shares granted before adjustment × Ratio of split or consolidation

In addition to the above, in the event of the Company's merger with another company, company split, capital reduction of the Company, or any other similar event in which adjustment of the number of shares granted is required after the allocation of the Stock Acquisition Rights, the Company may suitably adjust the number of shares granted to the extent the Company considers reasonable.

2) Value of assets to be paid-in to the Company's capital at the time of exercising the Stock Acquisition Rights, or the method of calculating such value

- (i) The value of assets to be paid-in at the time of exercising the Stock Acquisition Rights shall be the amount paid per share to be issued by the exercise of the Stock Acquisition Rights (hereinafter "the exercise price") multiplied by the number of shares granted. The exercise price shall be equal to the product of (*) the price determined by the following rule \times (multiplied by) 1.05. Any fraction of less than one (1) yen resulting from the calculation shall be rounded up to the nearest yen.

(*) The price determination rule: The higher price of either the average of the daily closing prices of the common stocks of the Company in regular transactions at the Tokyo Stock Exchange, Inc. on each of the trading days (excluding days on which no trading is made) in the calendar month immediately prior to the month when the Stock Acquisition Rights are allocated, or the closing price of the common stocks of the Company in regular transactions at the Tokyo Stock Exchange, Inc. on the allocation date (if there is no closing price on the allocation date, the most recent closing price prior to the allocation date shall apply).

- (ii) If the Company splits or consolidates its common stock after the allocation date, the exercise price is adjusted by the following formula, and any fraction of less than one (1) yen resulting from such adjustment shall be rounded up.

$$\text{Exercise price after adjustment} = \text{Exercise price before adjustment} \times \frac{1}{\text{Ratio of split or consolidation}}$$

- (iii) If the Company issues new shares of common stock or disposes of its treasury stocks at less than the current market price (except in the case of responding to either exercise of stock acquisition rights or request for the additional purchase of shares constituting less than one unit), then the exercise price shall be adjusted by the following formula, and any fraction of less than one (1) yen resulting from such adjustment shall be rounded up.

$$\begin{array}{lcl} \text{Exercise price} & & \text{Number of} \\ \text{after} & & \text{shares} \\ \text{adjustment} & = & \text{already} \\ & & \text{issued} \\ & & \times \frac{\text{Exercise price before adjustment} + \frac{\text{Number of shares newly issued} \times \text{Amount paid per share}}{\text{Current market price per share}}}{\text{Number of shares already issued} + \text{Number of shares newly issued}} \end{array}$$

- (iv) Further, if the Company disposes of its treasury stocks, "Number of shares newly issued" in the formula above shall read "Number of treasury stock disposed of," and "Amount paid-in per share" shall read "Disposal value per share" respectively.

In addition to the foregoing, in the event of merger of the Company with another company, company split, capital reduction of the Company, or any similar case in which adjustment of the exercise price is required after the allocation of the Stock Acquisition Rights, the Company may suitably adjust the exercise price to the extent the Company considers reasonable.

3) Exercise period for the Stock Acquisition Rights

Three (3) years from the first day of the month following the month that is two years after the Stock Acquisition Rights are allocated.

4) Matters concerning the capital and additional capital reserve increased by the issuance of shares upon exercise of the Stock Acquisition Rights.

- (i) The amount of capital to be increased by the issuance of shares upon exercise of the Stock Acquisition Rights shall be the half of the maximum limit of capital increase, as calculated in accordance with the provisions of Paragraph 1, Article 17 of the Company Accounting Regulation, and any fraction of less than one (1) yen arising as a result of such calculation shall be rounded up to the nearest one (1) yen.

- (ii) The amount of capital reserve to be increased by the issuance of shares upon exercise of the Stock

Acquisition Rights shall be the amount obtained by deducting the capital to be increased, as provided in (i) above, from the maximum limit of capital increase, as also provided in (i) above.

5) Restriction on the transfer of the Stock Acquisition Rights

Any transfer of the Stock Acquisition Rights requires the approval of the Board of Directors of the Company.

6) Measures to be taken in the event of reorganization such as merger or company split

In the event of the Company engaging in absorption-type merger (limited to cases where the Company does not survive after merger), consolidation-type merger, company split and other reorganizations (hereinafter referred to as the “Reorganization Actions,” excluding stock transfer and stock exchange), the Company shall issue the stock acquisition rights of the company that is described in provisions of (a) through (e) of Item 8, Paragraph 1, Article 236 of the Companies Act of Japan (hereinafter the “Reorganized Company”) to each holder of the Stock Acquisition Rights remaining at the time the Reorganization Actions become effective (hereinafter the “Remaining Stock Acquisition Rights”), based on the conditions described below. The above stated issuance is, however, effected only when statements of the issuance of the stock acquisition rights of the Reorganized Company have been made in absorption-type merger agreement, consolidation-type merger agreement, absorption-type company split agreement, or incorporation-type company split plan in accordance with the conditions given below.

- (i) Number of new stock acquisition rights of the Reorganized Company to be issued
Same as the number of stock acquisition rights that are held by the holder of Remaining Stock Acquisition Rights shall be issued.
- (ii) Type of shares of the Reorganized Company to be issued upon the exercise of stock acquisition rights
Common stocks of the Reorganized Company.
- (iii) Number of shares of the Reorganized Company to be issued upon the exercise of stock acquisition rights
The number shall be determined after the reasonable adjustment is made by taking into account the conditions of Reorganization Actions and other factors (hereinafter “the Number of Shares after the succession”). Any fraction of less than one (1) share resulting from the adjustment shall be disregarded.
- (iv) Exercise period for the stock acquisition rights
The exercise period shall be from either the commencement date of the exercise period for the Stock Acquisition Rights as described in 3) above, or the effective date of the Reorganization Actions, whichever is later, to the final day of the exercise period for the Stock Acquisition Rights as described in 3) above.
- (v) Matters concerning the capital reserve to be increased by the issuance of shares upon exercise of stock acquisition rights
Decisions shall be made in accordance with 4) above.
- (vi) Value of assets to be paid-in at the time of exercising stock acquisition rights
The value shall be the exercise price, as described in 2) above, that has been adjusted in a reasonable manner by taking into account the conditions of Reorganization Actions and other factors, multiplied by the number of shares after the succession.
- (vii) Other conditions of exercise of stock acquisition rights and reasons for acquisition of stock acquisition rights
Decisions shall be made in accordance with 7) and 9) below.
- (viii) Restriction on the transfer of stock acquisition rights
Any transfer of stock acquisition rights requires the approval of the Board of Directors of the Reorganized Company.

7) Reasons for acquisition of the Stock Acquisition Rights

In the event that the Stock Acquisition Rights are not transferred to the new company in accordance with the provisions of an agreement concerning an absorption-type merger (limited to cases where the Company does not survive after merger), consolidation-type merger, company split, stock transfer or stock exchange, etc. (includes company split agreement, stock transfer plan, etc.) or the resolution so made by the Shareholders’ Meeting, the Company shall be able to acquire the stock acquisition rights free of payment on the date to be determined separately by its Board of Directors.

- 8) Any fractions of less than one (1) share of the number of shares to be issued to the holder of the Stock Acquisition Rights who has exercised the Stock Acquisition Rights shall be disregarded.
- 9) Other conditions of exercise of the Stock Acquisition Rights
- (i) Holders of the Stock Acquisition Rights shall be in the position of directors or employees (including those who are seconded to the Company or its subsidiaries) of the Company or its subsidiaries at the time of exercising the Stock Acquisition Rights, excluding cases where such positions are relinquished due to proper reasons including retirement after the full term service completion, mandatory retirement, and resignation or retirement at the request of the Company or its any subsidiary.
 - (ii) If any one of the cases below applies, the holder of stock acquisition right shall be ineligible to exercise the unexercised Stock Acquisition Rights:
 - (a) When a holder is dismissed by the resolution of the shareholders' meeting of the Company or any one of its subsidiaries, or dismissed on disciplinary grounds, or when they resign or retire for personal reasons;
 - (b) When a holder is given a court sentence of imprisonment or greater severity;
 - (c) When a holder files a petition for bankruptcy or civil rehabilitation proceedings, or when a holder is subject to petition for seizure, provisional seizure, preservation, or provisional disposition, or is subject to coercive collection.

(end)