

Press Release



TOKAI TOKYO FINANCIAL HOLDINGS, INC.

5-1, NIHONBASHI 2-CHOME, CHUO-KU, TOKYO 103-6130, JAPAN

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(8616; PRIME Market, PREMIER Market)

August 27, 2025

Stock Options (Stock Acquisition Rights) to be granted

We, Tokai Tokyo Financial Holdings (the Company), announce that the Board of Directors, at its meeting held today, decided in detail on the matter relating to the offer of stock acquisition rights issued as stock options to such parties that include executive directors, executive officers and employees of both Tokai Tokyo Financial Holdings and its subsidiaries as per the provisions of Article 236, Article 238 and Article 239 of the Companies Act of Japan. The matter was announced on May 20, 2025, and approved at our 113th Ordinary Shareholders' Meeting held on June 26, 2025. Details are outlined below.

1. Reasons necessitating the offer of stock acquisition rights with preferential conditions;

The issuance of Stock Acquisition Rights to the Parties is aimed at improving consolidated performance by providing the Parties with a common incentive to further raise the performance of the Tokai Tokyo Financial Group as a whole while pursuing harmonization of the Parties' interests with those of shareholders of the Company.

2. The details of Allocation regarding the recipients and the number of the Stock Acquisition Rights to be allocated to respective groups of the recipients

The Company's Executive Directors: 2 recipients, 44 rights in total

The Company's Employees: 289 recipients, 1,344 rights in total

The wholly-owned subsidiaries' Executive Directors: 15 recipients, 100 rights in total

The subsidiaries' Executive Directors: 2 recipients, 12 rights

Grand total: 308 recipients, 1,500 rights

The above data are presented as our current plan. So, if the subscription volume, in the end, does not reach the above-stated level, actual allocations may be done in whatever the actual subscribed numbers respectively.

3. Details of the stock acquisition rights

(1) Name of the subject stock acquisition rights

The 17th stock acquisition rights

(2) Number of the shares to be issued upon exercise of stock acquisition rights

The number of shares to be issued upon exercise of each stock acquisition right (i.e. “number of shares granted”) shall be one thousand (1,000) shares of common stock of Tokai Tokyo Financial Holdings.

In the event that 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 stock acquisition rights, the number of shares granted under 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.

(3) The payment to be made for acquiring the rights

No payment shall be required for the acquisition of the rights.

(4) Value of assets to be paid-in to the Company’s capital at the time of exercising stock acquisition rights, or the method of calculating such value

The value of assets to be paid-in at the time of exercising 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 × (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 stock 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 stock 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).

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.

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

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.

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

In the above formula, the “number of shares already issued” means the total number of shares issued by the Company minus the number of treasury shares held by the Company. Further, if the Company disposes of its treasury stocks, the “number of shares newly issued” in the formula above shall read the “number of treasury stock disposed of,” and the “amount paid-in per share” shall read the “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.

(5) The Exercise price after adjustment as calculated in accordance with the formula described in (4) above becomes applicable on the date determined in the following manner.

- (i) If the situation, unrelated to the subject stock options, arises where stock is issued at the price lower than the market price, the payment at the adjusted price becomes applicable later than the due date of the payment required under the said situation (in case where share allotment is granted to shareholders, such adjusted payment becomes applicable later than such allotment date).
- (ii) If the Company issues stocks in conjunction with stock split, the payment at the adjusted price become applicable later than the date of the share allotment to shareholders resulting from such stock split.
- (iii) If the stock merger is exercised, the payment at the adjusted price become applicable later than the effective date of such share merger.

(6) Notification

When we make any revision or adjustment to what we announce in this release, we will handle such revision or adjustment in proper manner, and notify the stock acquisition rights holders without delay with respect to the details of stock acquisition rights including effective date and other necessary matters referring to both cases of before and after revision or adjustment. We will fulfill the notification in accordance with the stock acquisition rights granting agreement we conclude with the holders of the subject stock acquisition rights.

(7) 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 of Paragraph 1 of Article 236 of the Companies Act of Japan (hereinafter the “Reorganized Company”), to each holder of 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, incorporation-type Company split plan, share exchange agreement or share transfer 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 (9) below, 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 (9) below.
- (v) Matters concerning the capital reserve increased by the issuance of shares upon exercise of stock acquisition rights
Decisions shall be made in accordance with (10) below.
- (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 (4) 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 (8) and (14) 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.

(8) Cases where the Company retrieves the stock acquisition rights

In the event that the stock acquisition rights are not transferred to a 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. (including company split agreement, stock transfer plan, etc.) or the resolution so made by the Shareholders' Meeting, the Company shall be able to retrieve the stock acquisition rights free of payment on the date to be determined separately by its Board of Directors.

(9) Exercise period for the stock acquisition rights

October 1, 2027 through September 30, 2034

(10) Matters concerning the capital and additional capital reserve increased by the issuance of shares upon exercise of stock acquisition rights.

(i) The amount of capital to be increased by the issuance of shares upon exercise of stock acquisition rights shall be the half of the maximum limit of capital increase, as calculated in accordance with the provisions of Article 17, Paragraph 1 of the Company Accounting Regulation, and any fraction of less than one (1) yen resulting from 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 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.

(11) Restriction on the transfer of stock acquisition rights

Any transfer of stock acquisition rights requires the approval of the Board of Directors of the Company.

(12) The place for handling the payment

Nihonbashi Chuo Branch, MUFG Bank, Ltd.

(13) Any fractions of less than one (1) share to be issued resulting from calculation to the holder of stock acquisition right who has exercised stock acquisition rights shall be disregarded.

(14) Other conditions of exercise of stock acquisition rights

(i) Holders of 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 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 stock acquisition right that remains unexercised by then:

- (a) When a holder is dismissed by the resolution of the shareholders' meeting of the Company or its any one of the 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 a petition for seizure, provisional seizure, preservation, or provisional disposition, or is subject to coercive collection.

(15) Total number of stock acquisition rights to be granted

1,500* *Please note, however, that this total number of the rights to be granted is stated on our currently planned basis. So, if the number of subscriptions does not reach the stated numbers, actual allocations may be done in whatever the actual subscribed numbers in terms of grand total and respective group total as referred to under the previously mentioned 2.

(16) Granting date of stock acquisition rights

September 16, 2025

In granting the subject stock acquisition rights, we do not issue any security that embodies such rights.

<Reference>

1. The date when the Board of Directors made the resolution in its meeting to send the subject proposal for approval to a regular general shareholders meeting: May 20, 2025.
2. The date of approval at a regular general shareholders meeting: June 26, 2025.

(end)

Contact: +81-(0)3-3517-8618, Corporate Communications, Tokai Tokyo Financial Holdings, Inc.