

# INTEGRATED REPORT 2025

Fiscal Year Ended March, 2025

*“Beyond Our Limits”*



# Becoming a Group that inspires Admiration and Respect

Tokai Tokyo Financial Group is committed to contributing to the growth of the Japanese economy by assisting our customers in creating new wealth and enhancing their capital.

Our Group has been an industry pioneer in realizing innovative initiatives, such as alliances with regional banks and the development of the “Orque d’or” brand for affluent customers, taking full advantage of the unique features of our independent and comprehensive financial group.

Under our medium-term management plan, “Beyond Our Limits,” launched in April 2022, we have been working to build a unique, comprehensive financial group that is capable of new financial services via a two-pronged strategic policies of strengthening “Enhancement of Financial Services Capabilities” and “Deploying Key Measures to Reach the New World.”

Our goal is to create new value and become a corporate group that inspires admiration and respect from our stakeholders.

Tokai Tokyo Financial Group will continue to take on challenges as the standard-bearer of a new era.



## Management Philosophy

**We will contribute to the growth of our nation's economy by fulfilling the role as a financial service provider to help customers with their wealth formation and capital enhancement**

Throughout its business operations, the Tokai Tokyo Financial Group cherishes local communities and the people living there. We want to help customers build their assets and capital, and in so doing contribute to Japan's economic growth.

Through a united effort and with the trust and support of all our stakeholders, we will pursue our vision of becoming a groundbreaking comprehensive financial group that leads the way into a new age.



## Vision under the Medium-term Management Plan

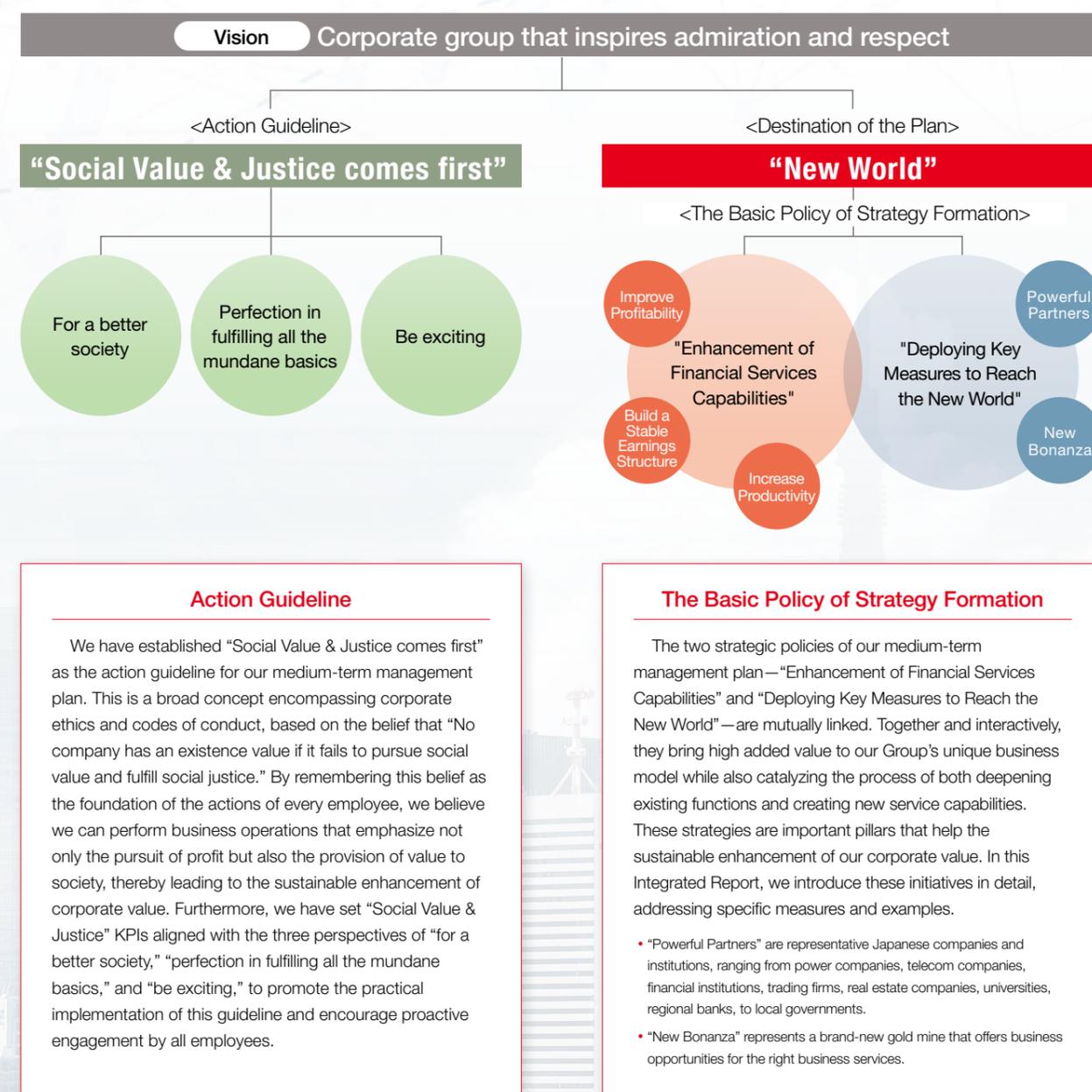
To become a corporate group that inspires admiration and respect from all stakeholders, Tokai Tokyo Financial Group is engaged in value creation under its medium-term management plan "Beyond Our Limits."

Under this plan, we hold up the key theme "Beyond our Limits" in Our endeavor to advance ourselves beyond the point of our current limits and strive for greater heights.

We leverage the unique business model and strengths we have cultivated thus far, and we work together as one team to execute the plan. Our aim of the said efforts is to assist customers with their new wealth creation and capital enhancement, thereby helping to drive the growth of the Japanese economy.

Five year plan (Apr. 2022 – Mar. 2027)

### "Beyond Our Limits"





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## Highlights of this Integrated Report

### 1 Visualizing our Vision

Our Group has set forth its vision of becoming a “corporate group that inspires admiration and respect.” Centered around messages from our Chairman and President, this report explains the worldview we aim to align our corporate actions with and the social value we intend to create along the way.

### 2 Translating Basic Policy of Strategy Formation into Action

The basic policy of strategy formation of our medium-term management plan—“Enhancement of Financial Services Capabilities” and “Deploying Key Measures to Reach the New World”—are two important, mutually linked axes. Together, they bring high added value to our Group’s unique business model while also catalyzing the process of both deepening our existing functions and creating new ones. In this Integrated Report, we explain these two basic strategic principles, which significantly contribute to enhancing corporate value, by referring to specific measures and examples.

### 3 “Culture of Challenge” and “Human Capital”—the Foundations for our Vision

Our Group’s greatest strengths lie in the “Culture of Challenge” that we have cultivated over many years as well as the “Human Resources” that supports it. To date, we have led the industry with innovative initiatives, including forging alliances with regional banks and developing “Orque d’or” services for high-net-worth individuals. Our people take on these challenges and get things done with flexible thinking and no constraint of existing framework.

In the Employee Roundtable section, some of the people who drive our Culture of Challenge speak candidly about their own experiences taking on challenges, as well as their enthusiasm for the new world we are aiming to reach.

### ■ Editorial Policy

We, Tokai Tokyo Financial Holdings, have prepared our Integrated Report for the FYE March 2025 to present the picture of our current status and the groupwide continuing efforts to grow corporate value. We hope that the report help you understand where we are and what we are doing now in our endeavors to enhance our corporate value. First, we refer to the Company’s strength, and clarify primarily the core strategies of the medium-term management plan, which is “Enhancement of Financial Services Capabilities” and “Deploying Key Measures to Reach the New World.” Our idea is to share our short to medium, and long-term value creation processes with a wide range of stakeholders. We produced this report conforming to the International Integrated Reporting Framework proposed by the IFRS Foundation as well as the Guidance for Collaborative Value Creation formulated by the Ministry of Economy, Trade and Industry. We will keep making our Integrated Report better while gathering and listening to the opinions of readers.

### TOPICS

Tokai Tokyo Financial Group celebrated its 25th anniversary in October 2025. Valuing the bonds of trust with its customers, our Group will strive to make its presence further stand out so that it is able to inspire admiration and respect while being cherished as a corporate group.

### ■ Forward-looking Statements

This integrated report is intended to provide information concerning the Company’s financial results for the period April 1, 2024, to March 31, 2025 and the Company’s future management vision. The report is not used to solicit investment in marketable securities issued by the Company and does not constitute any guarantee or promise. The strategies and opinions contained in this report are based on the judgment of the Company at the time when the report was prepared. The Company does not guarantee the accuracy or completeness of the information contained herein, and the information is subject to change without notice.



# A History of Transformation

## 25 Years of Continuous Business Model Transformation

Since its establishment in October 2000, the Tokai Tokyo Financial Group has consistently adapted to changes in the times and in customer needs while maintaining its retail securities brokerage operation, incessantly taking on challenges unbound by conventional thinking. Through the strategic development of alliances with diverse partners, our Group has formed a unique business model, and today, as a comprehensive financial group centered on the securities business, we are committed to creating new value.

## Tokai Tokyo Financial Group's History

2000

2025

External environment

2000

Collapse of the

IT bubble

2001

The September

11 terrorist

attacks

2007

Global stock market

plunged due to the

subprime mortgage crisis

2008

Collapse of Lehman

Brothers

2014

Launch of the

NISA program

2016

UK withdrawal from

the EU (Brexit)

2020

Spread of COVID-19

2023

Launch of the new

NISA program

**Oct. 2000**

Tokyo Securities and Tokai Maruman Securities merged to form Tokai Tokyo Securities (current: Tokai Tokyo Financial Holdings)

**Apr. 2009**

Transition to the new structure; Tokai Tokyo Financial Holdings established

## Expansion of Foundation

Alliances and provision of securities functions with regional financial institutions and other companies in the securities brokerage industry

**Oct. 2007**

YM Securities opened

**Nov. 2008**

Hamagin Tokai Tokyo Securities opened

**Apr. 2010**

Toyota Financial Services Securities and Tokai Tokyo Securities merged

**May 2010**

Nishi-Nippon City Tokai Tokyo Securities opened

**Sept. 2013**

Senshu Ikeda Tokai Tokyo Securities opened

**Jan. 2017**

Hokuhoku Tokai Tokyo Securities opened

**Apr. 2017**

Tochigin Tokai Tokyo Securities becomes an affiliated joint venture securities

**Apr. 2017**

Takagi Securities acquired as a subsidiary

**Jun. 2019**

Juroku Tokai Tokyo Securities opened

**Sept. 2019**

Takagi Securities and Tokai Tokyo Securities merged

**Apr. 2021**

Maruhachi Securities became a subsidiary

**Oct. 2021**

Financial instruments intermediary services via FIDEA Holdings commence

**May 2022**

ACE Securities and Tokai Tokyo Securities merged

## Expanding Operating Functions

Advancing securities brokerage functions and expanding new functions

**July 2005**

Tokai Tokyo Finance & Real Estate (current: Tokai Tokyo Asset Management) established

**Apr. 2006**

Tokai Tokyo Investment established

**Jan. 2007**

Tokai Tokyo Securities Europe established

**June 2007**

Tokai Tokyo-Sumishin Wealth Partners & Consulting (current: Tokai Tokyo Wealth Consulting) established

**Feb. 2008**

Tokai Tokyo Securities (USA) established

**July 2008**

Tokai Tokyo Business Service established

**Jan. 2011**

Tokai Tokyo Finance & Real Estate and Tokai Tokyo Investment Management merged (current: Tokai Tokyo Asset Management)

**Mar. 2011**

Tokai Tokyo Academy established

**Mar. 2011**

Tokai Tokyo Investment Management Singapore established

**Mar. 2015**

Phillip Tokai Tokyo Investment Management established

**Aug. 2015**

All Nippon Asset Management established

**Mar. 2016**

Orque d'or Salon (NAGOYA) opened

**May 2016**

Tokai Tokyo Global Investments established

**Mar. 2017**

ETERNAL acquired as a subsidiary

**June 2018**

Shares of Money Design acquired

**Apr. 2019**

Orque d'or Salon TOKYO opened

**Nov. 2019**

3.0 Securities Preparatory Co., Ltd. (current: CHEER Securities) established

**Feb. 2024**

Orque d'or Salon AOYAMA opened

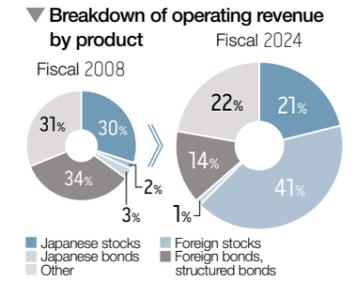
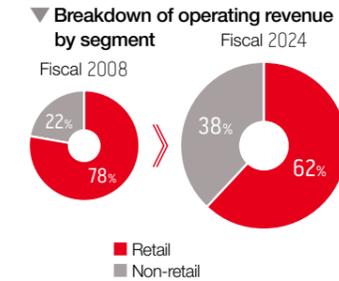
**Mar. 2024**

Tokai Tokyo Research Institute and Tokai Tokyo Academy merged (current: Tokai Tokyo Intelligence Laboratory)

**Apr. 2025**

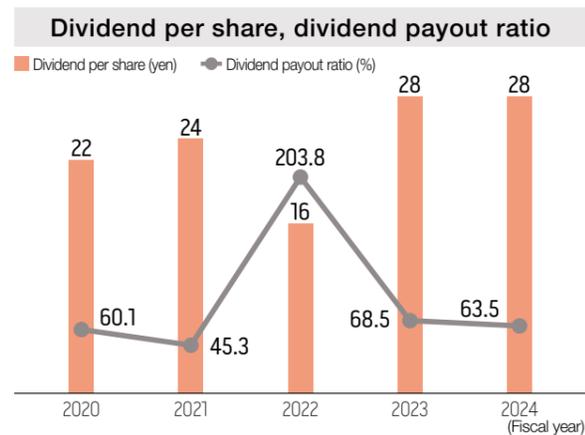
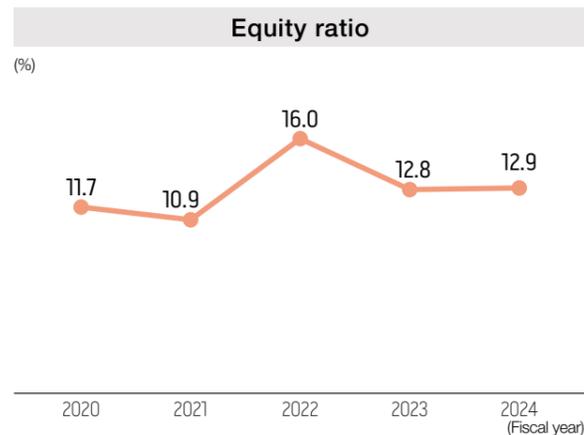
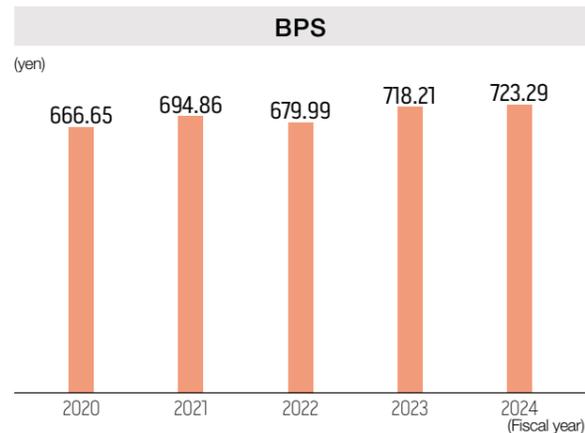
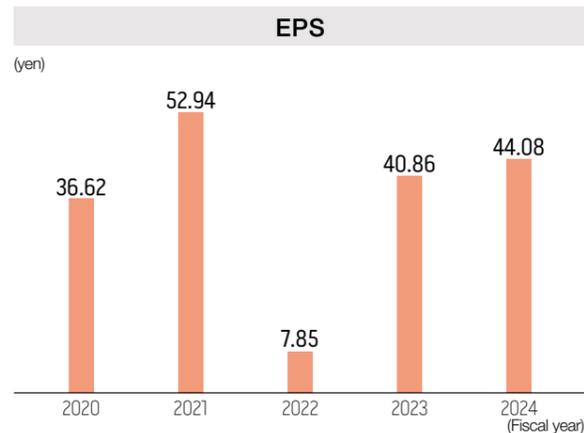
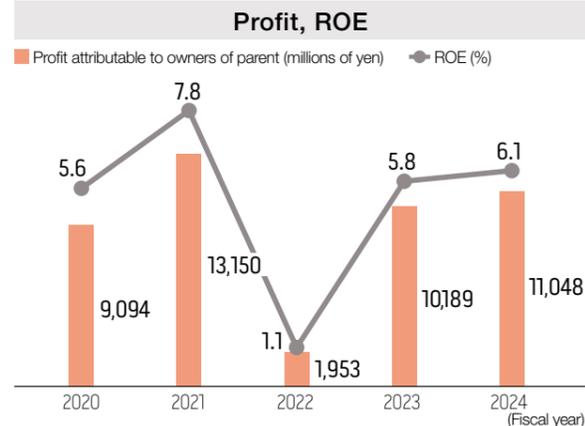
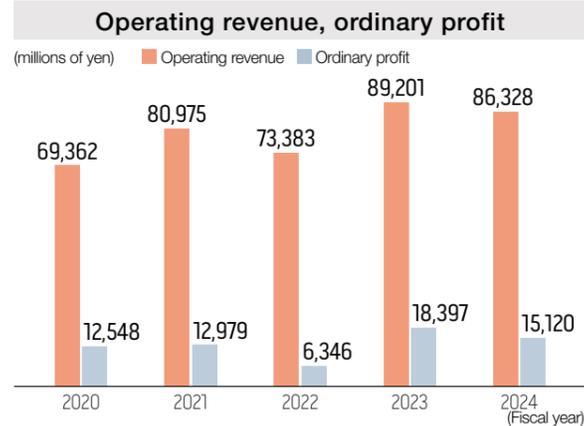
CHEER Securities and Tokai Tokyo Digital Platform merged (current: CHEER Securities)

While rooted in its traditional retail operations, our Group has expanded its operations into non-retail business tailored to corporate clients and focused on investment banking services. Furthermore, alongside our product lineup focused on equities, we have developed an operational framework to offer a wide range of financial products—including investment trusts, bonds, and alternative assets—driving our evolution into a comprehensive financial group capable of meeting the broad needs of our customers.

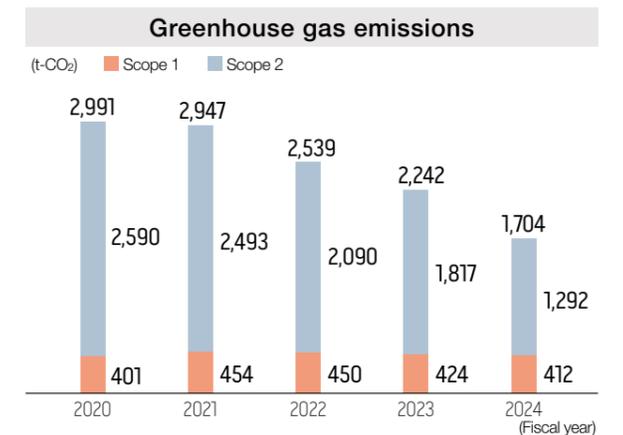
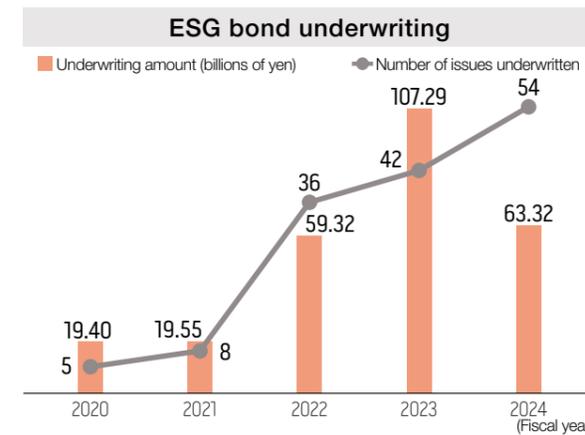
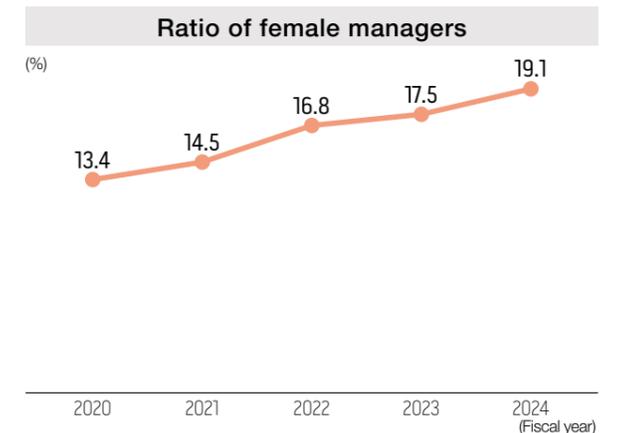
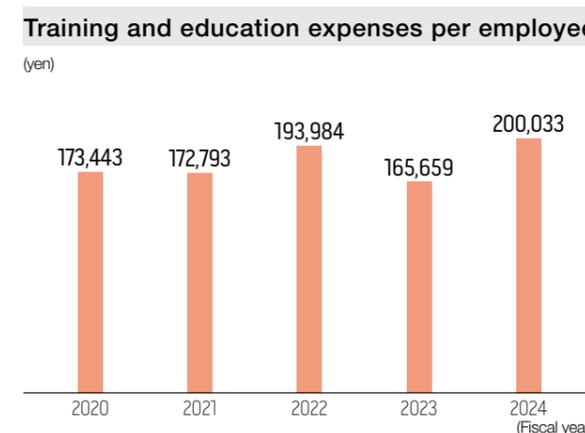
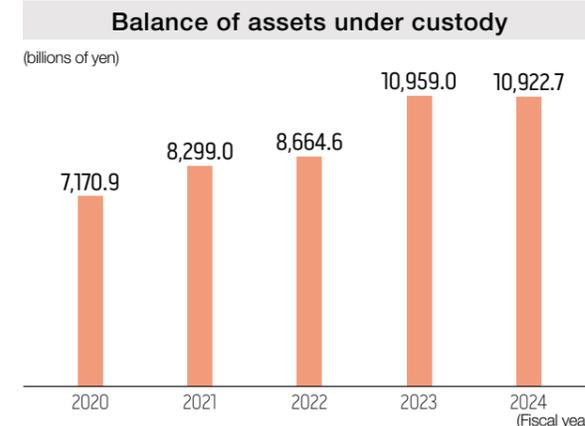


# Tokai Tokyo Financial Group at a Glance

## Financial Highlights



## Non-Financial Highlights



## The Third-Party Evaluations



Earned a score of "B" from CDP for our efforts dealing with climate change in 2024



## Chairman's Message



Tateaki Ishida  
Chairman and Representative Director  
Tokai Tokyo Financial Holdings, Inc.

石田建昭

## Uncompromising Challenge to Transformation with Unbending Determination: Growth Beyond Our Limits as a Financial Group Unprecedented by Our Peers

In October 2025, we at Tokai Tokyo Financial Group celebrated our 25th year of operation. Since I assumed the presidency, I have been driving forward our Group's evolution and transformation in a rapidly and significantly changing world.

Even at this memorable point in our history, one resolution remains unchanged in my mind: to establish a comprehensive financial group that inspires respect and admiration—one that possesses world-class financial solution capabilities. I have always pursued this goal, taking pride in my finance professional career with rich global experience.

In June 2025, our Group initiated a new management structure, with myself, Tateaki Ishida, as Chairman and Representative Director, and Hiroshi Kasugai serving as President and Representative Director. Mr. Kasugai has previously worked with me as Executive Vice President in charge of Strategy Promotion, helping to shape our vision of "Growth Beyond Our Limits" and driving the realization of our "Beyond The Bank" initiative. As he steps into the role of President, he will lead our Group in bringing this vision to fruition.

We are taking yet another step closer to becoming an attractive group that inspires respect and admiration.

### Our Resolution to Pursue True Financial Professionalism

The overseas professionals I encountered were those possessing both high expertise and integrity, approaching their business with respect and sincerity, and exemplifying a noble professionalism worthy of admiration.

When I became the president of Tokai Tokyo Securities, however, I found that many employees were elated and dejected by the daily fluctuations of stock prices, giving me a very different impression than what I had seen among financial professionals abroad. Yet among them were many who approached their work with genuine sincerity and dedication. Seeing this, I made up my mind to build a securities brokerage business, founded on true financial professionalism, and took the first step toward greater heights.

#### The reform begins with nurturing a culture of ever-learning

The theme we put forward was "Change Everything, Change Ourselves." We set out to shift away from our traditional revenue structure centered around stock brokerage commissions and to evolve toward a sophisticated model that supports our customers' long-term life plans, similar to those seen in Europe and the US.

To realize this, we adopted the theme, "the ever-learning culture" as the foundation of our company. While it is essential to refine our professional expertise, it is equally important—especially for us entrusted with the valuable assets of our high-wealth clients—to possess human qualities to resonate with them. With this in mind, we began building systems and an environment that encourage our employees to engage in lifelong learning.

What we have aimed to cultivate are financial professionals capable of thriving on the global stage. To do so, we have actively provided opportunities for gaining global perspectives through diverse experiences, such as earning MBAs, working in major financial

centers around the world, including London, and participating in language study abroad programs. In addition, by using English deliberately in key company slogans such as "Beyond Our Limits," we have made efforts to develop an international mindset as part of our company culture.

Additionally, mindset reform requires improvement in the working environment. By relocating the headquarters of Tokai Tokyo Securities to a major business center in front of Nagoya Station, we have created a workplace that fosters pride and motivation, where employees can aspire to become true financial professionals through their work.

#### A New Business Model Created Through Collaboration with Regional Banks

A major turning point for our Group—and a catalyst that later propelled "Beyond Our Limits"—was the launch of the joint-venture securities brokerage operation formed through alliances with regional banks.

Tokai Tokyo Securities has established offices across Japan, with each region differing in its stage of growth and in talent acquisition. Within this context, employees at regional branches possessed solid expertise in the securities market, while regional financial institutions, at growing momentum for bank-securities collaboration, were seeking ways to develop new securities businesses. The alignment of these respective challenges and strengths led to the creation of a new business model in the form of joint-venture securities brokerage firms.

Beginning with our partnership formed with the Yamaguchi Financial Group in 2007, our joint-venture securities business has grown for more than 15 years, and today our partnerships have expanded to seven companies. Through these new initiatives, signs of change have gradually begun to emerge within our Group.

## “Beyond Our Limits”—Striving for Greater Heights

The environment surrounding financial institutions worldwide, including our Group, is undergoing a dramatic transformation. The structure of the financial industry is becoming increasingly diverse as “neo-finance” companies, leveraging infrastructure and services that transcend conventional frameworks, continue to emerge and exert significant influence. Against this shifting landscape, Tokai Tokyo Financial Group celebrates the 25th anniversary of its founding, and we are called upon to pursue new heights guided by a “nonlinear vision” that goes beyond the simple continuation of what we have done to date.

### An increasingly competitive environment

Currently, Japan's financial industry is witnessing the coexistence of major financial groups with different strengths and emerging players such as online securities companies. These companies are competing to gain market share by advancing the sophistication of bank-securities functional collaboration and by integrating AI and digital transformation (DX) with the real world. Their efforts to dominate the market are accelerating through strategies that leverage unconventional systems and scale. In this environment, it will not be easy for our Group to achieve sustainable growth through traditional face-to-face business alone.

Meanwhile, in the global market—particularly in the United States—companies that have adopted business models distinct from conventional ones are rapidly improving their performance and expanding their market share within the financial industry. A prime example is the emergence of “neo-finance” companies that seamlessly integrate banking and nonbanking functions to deliver services unconstrained by traditional methodologies.

## Beyond Our Limits Partnership Initiative

We regard companies having large customer bases and showing a strong interest in the securities brokerage field as “Powerful Partners.” Through tie-ups with these companies, we aim to accelerate dramatically the growth of our Group. Under this concept, we will build win-win relationships by combining each other's strengths, thereby further increasing the value of our assets and functions.

### The foundation of partnerships is a “shared thought”

In forming new partnerships, what we value most is empathy with our vision of creating a new framework for value creation in finance. The ability to identify and realize comprehensive synergies is a key factor that leads us to the success of any alliance. Our partner companies differ from us in their origins and business models. Precisely for that reason, we believe that maintaining a

Under growing pressures that leave little room for choice, the afore-mentioned “neo-finance” companies are expected to emerge in Japan as new forces within the financial sector. Our group has made efforts to enhance our securities functions through previous challenges. However, we believe it is now essential to go beyond the boundaries of securities and banking and renew our product and service portfolio through collaboration with a diverse range of industries. In other words, we must keep pace with the magnitude and speed of changes in the business environment.

### Enter the New World, “Beyond Our Limits”

Over the 25 years of continuous transformation since the founding of Tokai Tokyo Financial Group, we have built and practiced unique business models such as partnerships with regional banks and wealth management service, Orque d'or. In recent years, an increasing number of companies have expressed interest in collaborating with us, sharing our vision and values, and seeking to develop our Group's face-to-face securities business model together.

In a business environment that becomes increasingly competitive, achieving sustainable growth requires us to further refine the unique strengths that set us apart from others. By integrating a broad range of financial functions, including securities, insurance, real estate, trust, leasing, and credit cards, and others, we will create a business model on an entirely new level, one that transcends conventional concepts, together with many partners. Leading this challenge is our medium-term management plan, “Beyond Our Limits,” which embodies our strong determination to surpass existing boundaries and generates new value.

stance of mutual respect for each autonomy while leveraging our respective strengths is a principle that must never be compromised in any partnership.

Meanwhile, large financial groups have already established bank-securities collaboration as a key business model, and the integration of banking and securities functions for service provision has become common. In addition, integration with companies that operate their own platforms in fields such as e-commerce and telecommunications is progressing, accelerating the efforts to bring new added value to the securities business.

We, too, are committed to creating new value in finance through collaboration with “Powerful Partners,” assisting our customers' wealth building and capital growth, and ultimately contributing to forming a sustainable economic society.

### The progress update on the Partnership Initiative

Our Partnership Initiative matches the global trend of neo-finance companies, and we have already received positive responses and inquiries from several companies about collaboration. This concept is not limited to simple business collaboration but to attempt to create new value that goes beyond the boundaries of finance.

The current ongoing schemes fall into three categories:

- **Super Tie-Up**  
Providing new financial functions through comprehensive collaboration
  - **DX Tie-Up**  
Establish a B to B to C model based on our group's digital technology
  - **Bank Tie-Up**  
Creating new value by mutually linking the business functions of both partners, namely, banking and securities brokerage, in the form of mutual complementation
- The participants in these schemes are financial institutions and business companies that have capabilities not available in our Group,



share our vision, and are willing to work together to create new value. We are noticing some progress in several negotiations.

## People Create the Future

Taking on advanced technologies such as AI and digital transformation should be essential to realizing our Group's vision for the future, but what matters even more is the power of our people. Competitors proudly demonstrate their presence by showing off sophisticated systems and large-scale operations. But we will prevail with our strength arising from the human-centered value creation process. By placing people at the heart of everything we do, we naturally cultivate a sense of partnership with our collaborators and pave the way toward a new future together.

It is for this very reason that we have placed importance not only on

enhancing professional expertise but also on cultivating humanity to develop human resources. For employees with a strong desire to grow, we have actively provided support to expand their opportunities for learning and taking on challenges. As a result, our Group has fostered a virtuous cycle in which individuals with distinctive character, ambition, and high aspirations—both in business and in their personal lives—gather and continue to grow. I think that this task, people-centered growth, brings about one of our Group's greatest strengths and it serves as the driving force that will powerfully propel our challenge to go “Beyond Our Limits.”

## Message for Our Stakeholders

We, our Group, uphold “Social Value & Justice comes first” as a guiding principle in our medium-term management plan. This principle demonstrates our strong commitment to prioritizing foremost the creation of social value and the pursuit of social justice throughout our day-to-day business activities.

Unlike other financial institutions that place top priority on safety and security, we see ourselves as a “cupid-like messenger” delivering abundance to our customers. By the word “abundance,” we mean not only material or financial fulfillment but also richness of

the heart. Guided by this belief, our Group practices sustainability management that extends beyond the provision of financial services and actively engage with environmental and social issues. We have also remained dedicated to returning value to our shareholders through a consistent dividend policy and our unique shareholder benefits program. With sincerity and a steadfast commitment to sustainable value creation for all stakeholders, we will continue to advance our “Beyond Our Limits” with unwavering determination and pave the way for the future.

## President's Message



Hiroshi Kasugai  
President and Representative Director  
Tokai Tokyo Financial Holdings, Inc.

春日井 博

## Based on Trust, Go Beyond the Age of Change —— Challenge of realizing “Beyond The Bank”

### Upon assuming the presidency: Trust, which connects people, will be the starting point of transformation

I joined the Tokai Bank (now MUFG Bank) in 1987. Having studied management engineering at university, where I focused on probability, statistics, and economic engineering, I chose a career in banking because I wanted to turn my evaluation skill of corporations' cash generation and technological competence to practical use in the field of financial industry. As soon as I joined the bank, the Black Monday crash struck, and as awareness of risk management surged across the financial world, I found myself working on the front lines of that newly emerged risk management. Later, during an assignment in London, I had the opportunity to study derivatives—then at the very forefront of financial innovation. Those early experiences helped me build the foundation of my career. Since 2020, I have been applying that experience within our Group, engaged in market operations, corporate management, and risk management, and most recently driving our strategic partnership with “Powerful Partners.”

I have always been drawn to cutting-edge businesses and products, and I have placed great importance on refining my expertise. Yet as I began working more frequently with diverse colleagues and partners, leading various projects and initiatives, I came to realize just how vital it is to be sincere and to earn the trust of others. Advanced skills and extensive experience are, of course, essential, but without sincerity, genuine trust cannot be built—and without trust, no real results can follow.

We are aiming beyond our limits—Beyond The Bank—by not only “Enhancement of Financial Services Capabilities” but also “Deploying Key Measures to Reach the New World.” Achieving these goals depends on forming partnerships with a wide range of external collaborators. In addition to sharing a common awareness of challenges and a unified vision, we ourselves must embody the qualities of a trustworthy partner—one that others genuinely wish to work with. It is for this reason that I encourage every employee to act with sincerity.

### Progress on the Medium-term Management Plan

When our Group expands its customer base through partnerships with a wide range of financial institutions and business corporations, the “New World” opens—one we could never have reached on our own—allowing us to deliver our Group's functions and services to entirely new customers. As major financial groups with vast capital and FinTech companies leveraging technology to forge new customer connections continue to rise, our Group cannot afford to remain on the same trajectory as before. That is precisely why we must continue to challenge ourselves to reach the “New World.”

As we continue our challenge toward “Beyond The Bank,” the key to achieving our medium-term management plan lies in realizing the “New World” where we can deliver fresh value to our customers. We believe this will be made possible by advancing the diverse securities expertise and capabilities we have cultivated thus far, and, at the same time, by acquiring and enhancing new functions under “New Bonanza.” Further, it is indispensable to deepen collaboration with business corporations, namely, “Powerful Partners,” and create partnerships that generate mutual benefit for both sides.

### Building Solid Financial Strength to Weather the Rough Seas of the Market

During fiscal 2024, market conditions fluctuated widely, with the Nikkei Stock Average falling 13% from the previous year, which had some impact on our Group's assets under custody. Nevertheless, thanks to

asset transfers from other firms, new investments in stock-type products as opposed to those in quick buying-and-selling category, as well as a net increase in assets under custody at our joint venture securities brokerage operations, we were able to maintain our total assets under custody at the 10-trillion-yen mark.

Under these conditions, the wealth management operation—one of the key focus areas under our initiative to strengthen financial capabilities—continued to perform steadily and has firmly established itself under the Orque d'Or brand. By providing high-quality financial and non-financial services that meet our clients' expectations, we have been constantly expanding our business foundation. Investment behavior among clients has become increasingly diverse, extending beyond domestic and foreign stocks and investment trusts to include foreign bonds for income gains, as well as overseas private assets, real estate, and products for customers with a higher-risk appetite. This diversification is no longer limited to high-net-worth individuals but is spreading across a broader customer base, presenting a valuable opportunity for our Group to further expand the scope of products and services we offer.

At our joint venture securities with regional banks, assets under custody increased by about 7% in fiscal 2024, assisted by the tailwind such as the introduction of the new NISA program. Also, we have now shifted the emphasis on sales to a proposal-based activity that suggests an appropriate portfolio of securities suitable for each

## President's Message

customer. Our idea is to support customers with their long-term asset building, and this shift has begun to yield steady results. At the same time, in the current environment of rising interest rates, the needs of regional bank customers have become diverse. To meet these needs with greater precision, we consider it necessary to review flexibly and enhance our partnership model and lift it to a higher level. It is precisely the steady effort for “Enhancement of Financial Services Capabilities” we must keep to make in order to elevate our financial capabilities to a higher stage. We believe that this process helps us to lay the foundation of our Group's operations.

### DX: The Doorway to the “New World”

Under our key initiative to reach the “New World,” we continue pursuing the creation of new value through collaboration with “Powerful Partners,” centered on three partnership models: Super Tie-Up, DX Tie-Up, and Bank Tie-Up. Among these, DX Tie Up represents a symbolic initiative that leverages the capabilities we have nurtured within our culture of challenge. At its core is CHEER Securities, established in 2022 as a smartphone-based brokerage firm. CHEER Securities provides customers with a web platform on smartphones that allows them to buy and sell domestic and foreign stocks with ease in small amounts directly from their devices, serving as an accessible entry point for beginners to invest. In addition, we are advancing the collaborations, which, for instance, enable us to provide a fund wrap service called THEO via Money Design, our partner and the developer of the said service. The service, THEO, is featured with a robot-advisory capability. Also, we integrated CHEER Securities' services into banking applications. We anticipate that when such collaborations with “Powerful Partners” reach full-swing stage, we expect to gain easier access to their customer bases, which would not be feasible by ourselves alone. We expect we can come realistically closer to “the new world beyond our limits” by executing such alliance initiatives.



Money Design Co. has remained consistently profitable, and CHEER Securities also keeps showing positive progress in executing its alliance strategy, exemplified by discussions to expand

collaboration beyond existing partners to several new business corporations. However, as we enter the second half of our medium-term management plan, we must review business plans or, in some cases, even consider an exit if our investment projects do not make progress as planned. One such example is Tokai Tokyo Digital Platform, which was established in 2019 to promote regional revitalization, had run DX (Digital Transformation) service operations, dealing with local digital currencies and other services. Their application, YORISO, was transferred to CHEER Securities in March 2025. The application, tailored to employees of our important corporate accounts, offers multiple features such as life planning simulations and employee benefit support, enabling it to meet a wide range of asset building needs from younger generations to owner-managers. The application has received strong evaluations from corporate clients, and we expect it to serve as an important foundation for our future growth.

### Creating New Value through Co-creation

When considering alliances with potential “Powerful Partners,” there are three key points to consider: 1) sharing a vision, 2) strengthening the management base, and 3) maximizing synergies.

What matters at the outset is that both parties share and sympathize with a common vision of what they aim to achieve. This shared understanding is the essential foundation for any successful alliance. The next key factor that determines success is how effectively we can expand our customer base by providing our functions—services and products—to the partner's customers. In addition, as many financial platforms now coexist, the ability to co-create new values by combining our services with those of our partners and to maximize synergies by leveraging each other's strengths will be increasingly important.

In this regard, our company has built a solid track record through joint venture securities established in partnership with leading regional banks. Under an equity structure in which the banks hold a 60 percent stake and our company 40 percent, we have provided the banks' customers with access to our Group's securities functions while developing the business in close alignment with our partners' management approaches. This cooperative stance has fostered strong trust, and the business has come to be recognized as a distinctive and successful model.

It is precisely the above-mentioned proven track record with our joint venture securities partnerships that has led potential partners, including “Powerful Partners,” to approach us as a valuable collaborator. We believe this demonstrates one of our Group's key strengths: the ability to work flexibly and effectively across different corporate cultures and business models.

### Medium-term Management Plan The Power of Us On the Field to Take Us “Beyond Our Limits”

The key to achieving “Beyond Our Limits” lies with every member of our Group. We must never forget that the starting point for all businesses is

always the needs of our customers. As the world changes, needs become diverse. Our constant sensitivity honing efforts to grasp these changing needs quickly will be required of our Group's people from now on. Customers' concerns and troubles often have more in common than one might expect among the customers belonging to the same segments we define, sharing similar family structures or lifestyles. By identifying their issues early and delivering the right solutions, we can apply a single successful case across a wider base and meet the needs of many more customers of similar characteristics. To achieve this, it is essential to train our ability to identify accurately and understand customer needs, which is a fact-finding sense of smell.

The “sincerity” and “trust” I mentioned at the beginning are attitudes serving as the basis for understanding customer needs, and they remain the essential core for us to engage in front-line sales activities. As the principle of fiduciary duty illustrates, a customer-oriented mindset and the pursuit of clients' best interests are cultivated by keeping sincerity and steadily earning trust. When we embrace these two requirements at a deeper, more personal level and express them spontaneously in daily actions, they become firmly ingrained in our behaviors. Another essential element is advanced expertise. Only when professional knowledge and sincere



conduct come together can we truly become an organization chosen by customers. I hope every member of our Group will continue to act with the determination to offer solutions that exceed customers' expectations.

## Chain of Value Creation—Sustainable Growth Brought about by a Customer-oriented Attitude

Japan's financial industry has long been structured around banks. Because of strict regulations on risk-taking aimed at protecting depositors, there has traditionally been a strong emphasis on safety in customer services. Meanwhile, under the government's Asset Management Nation initiative, efforts to shift personal savings toward investment and increase the supply of risk capital are accelerating to strengthen Japan's overall growth potential. Amid these changes, securities firms are expected to fulfill a vital social role as professionals in asset management, supporting individuals in their investment activities. To meet these expectations, our Group is expanding its product lineup while also upholding its responsibility as a risk management professional to provide services optimized to each customer's risk tolerance.

We are now serving customers not only in the Tokai region, where Tokai Tokyo Securities has its roots, but also clients across Japan by way of joint venture securities established with regional banks. This is a unique model that our Group has developed together with regional financial institutions to promote local revitalization. Our policy of placing importance on collaboration with leading regional banks in each region of Japan and boosting these collaborations is an important strategy that will support the continuing growth of both our company and our affiliated banks.

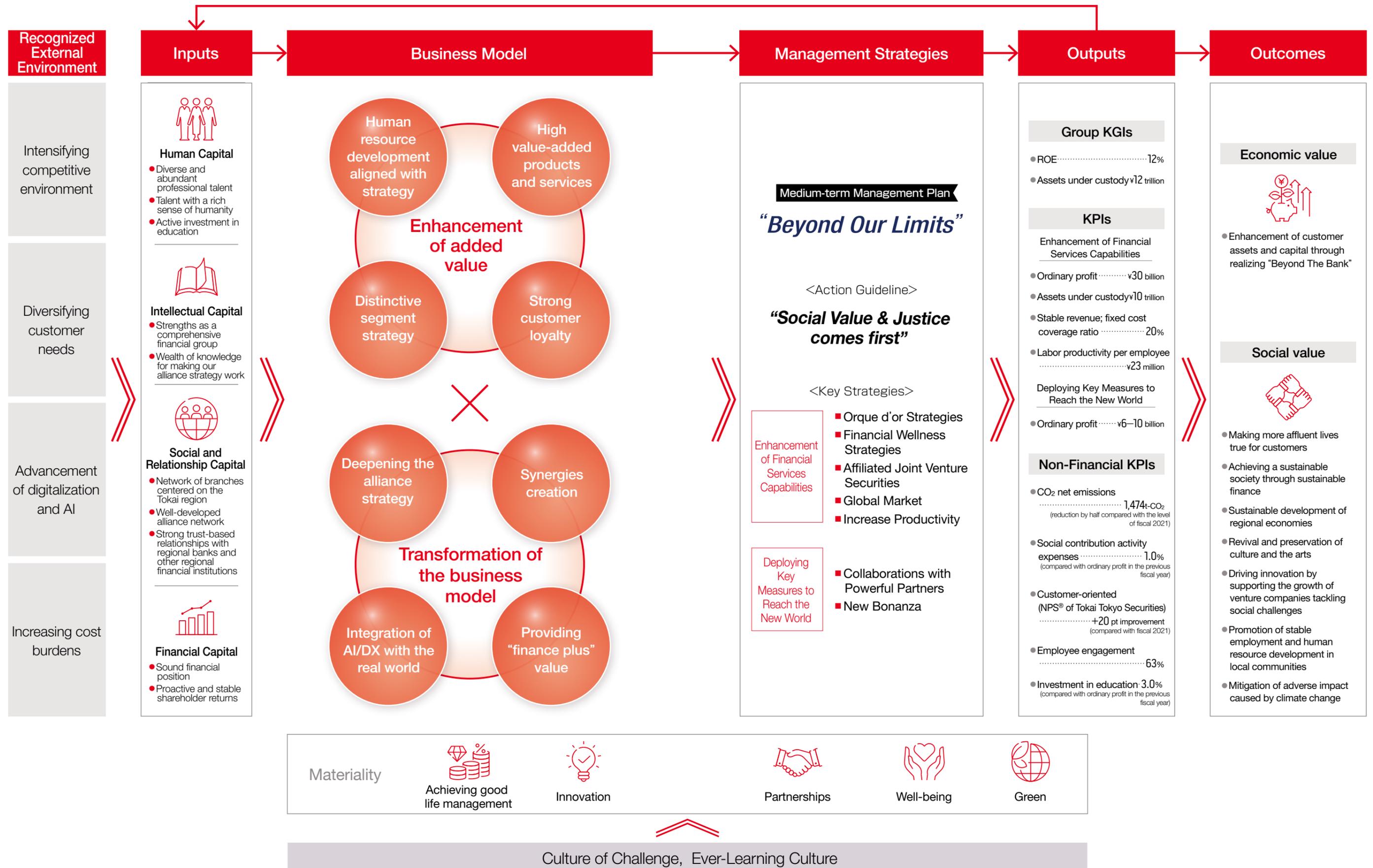
Furthermore, we strive to differentiate ourselves from major securities firms by executing exit transactions such as IPOs and M&As, and by flexibly accommodating unique funding needs. As

such, we strongly support the efforts and ambitions of regional companies and entrepreneurs. Thus, we keep contributing to the revitalization of local economies.

At the core of these initiatives is our commitment to creating a virtuous cycle of value. It is exactly because of the trust we have from our customers that they can entrust us with their important assets and seek our advice on matters that may be difficult for them to discuss elsewhere. By delivering high-quality services and products to an even wider range of clients, we can drive sustainable growth in our earnings, ultimately returning that value to our stakeholders, including employees and shareholders.

Of course, securing profit is important, but it must always be grounded in a customer-oriented approach. We view profits as a reward for being valued by our customers. Guided by the principle outlined in our medium-term management plan, “Social Value & Justice comes first,” we aim to become a Group that is loved by all and inspires respect and admiration. To achieve this, we place great importance on everyone's commitment to personal integrity. When every employee learns not just intellectually but in their hearts the importance of making and acting on the right choices, a genuine sense of trustworthiness naturally takes root. We believe that the combination of professional expertise developed through our pursuit of stronger financial capabilities and the consistent practice of sincerity and customer-centered conduct will serve as the true source of our Group's sustainable value creation.

# Value Creation Process





# Progress of the Medium-term Management Plan

In April 2022, the Group launched its medium-term management plan, “Beyond Our Limits,” to initiate a major transformation that distinguishes itself from conventional financial business models. The plan is based on the basic policy of strategy formation: “Enhancement of Financial Services Capabilities” and “Deploying Key Measures to Reach the New World.” The former aims to enhance profitability, create a stable earnings structure, and improve productivity for our existing securities business and our affiliated joint venture securities. The latter aims to expand our business base through collaboration with “Powerful Partners” and the use of digital functions such as CHEER Securities. Additionally, we will acquire new banking and asset management capabilities that work as “New Bonanza.” We design all the measures stated here to reinvent our business model and drive further growth and expansion of our business.

## Five year plan “Beyond Our Limits”

Vision Corporate group that inspires admiration and respect

<Action Guideline> “Social Value & Justice comes first”



<Destination of the plan> “New World”

The basic policy of strategy formation



			KGI/KPI items	Main measures	FY2022 results	FY2023 results	FY2024 results	FY2026 targets
Group KGIs			ROE	—	1.1%	5.8%	6.1%	12%
			Assets under custody*1	—	¥8.6 trillion	¥10.9 trillion	¥10.9 trillion	¥12 trillion
Financial KPIs	“Enhancement of Financial Services Capabilities”	Improve Profitability	Ordinary profit*2	<ul style="list-style-type: none"> <li>Orque d’or/Financial wellness strategy</li> <li>Access to customers’ core assets through portfolio sales</li> <li>Deepening the affiliated joint venture securities business</li> <li>Expansion of the IFA business base</li> <li>Establishment of a sales and trading model</li> <li>Startup ecosystem</li> </ul>	¥9.19 billion	¥21.57 billion	¥18.74 billion	¥30 billion
			Assets under custody*1	<ul style="list-style-type: none"> <li>Increase in earnings of a recurring nature</li> <li>Insurance business enhancement</li> </ul>	¥8.6 trillion	¥10.9 trillion	¥10.9 trillion	¥10 trillion
		Build a Stable Earnings Structure	Stable earnings/fixed cost coverage ratio*3	<ul style="list-style-type: none"> <li>Improving operational efficiency by making use of digital tools and AI</li> <li>Cost reduction by system integration and streamlining</li> <li>Reorganization of Group companies</li> </ul>	18.6%	21.0%	23.7%	20%
			Improve Productivity	Labor productivity per employee	<ul style="list-style-type: none"> <li>Cooperation and collaboration with Powerful Partners</li> <li>Acquisition of New Bonanza</li> <li>Use of digital functions</li> </ul>	¥16.5 million	¥21.5 million	¥19.8 million
	“Deploying Key Measures to Reach the New World”	Ordinary profit*4	<ul style="list-style-type: none"> <li>Use of renewable energy</li> <li>Replacement of company cars with fuel-efficient vehicles</li> <li>Switch to highly energy-efficient lighting and air conditioning</li> </ul>	-¥2.85 billion	-¥3.1 billion	-¥3.6 billion	¥6.0–10.0 billion	
Non-Financial KPIs	“Social Value & Justice” KPI	For a better society	CO <sub>2</sub> net emissions (Reduction by half compared with FY2021)	<ul style="list-style-type: none"> <li>Support for activities related to education, culture, and the arts, etc.</li> <li>Community contributions and disaster relief</li> </ul>	2,539t-CO <sub>2</sub>	2,242t-CO <sub>2</sub>	1,704t-CO <sub>2</sub>	1,474t-CO <sub>2</sub>
			Social contribution activities cost (Compared with ordinary profit in the previous year)	<ul style="list-style-type: none"> <li>Customer-Oriented Business Conduct</li> <li>Establishing action goals for branch office</li> </ul>	1.5%	4.6%	1.7%	1.0%
	Be exciting	Perfection in fulfilling all the mundane basics	Customer-oriented (NPS® of Tokai Tokyo Securities) (Compared with FY2021)	<ul style="list-style-type: none"> <li>Support for challenges taken by employees</li> <li>Developing a comfortable working environment</li> </ul>	-1.8pt improvement	+6.5pt improvement	+13.4pt improvement	+20pt improvement
			Employee engagement	<ul style="list-style-type: none"> <li>Wide-ranging skill development</li> <li>Support for personal development</li> </ul>	40%	41%	38%	63%
			Investment in training (Compared with ordinary profit in the previous year)		4.5%	8.4%	3.4%	3.0%

\*1 Refers to the balance of customers’ financial assets (including securities, deposits, and insurance) managed by the Group. We aim to achieve a balance of ¥10 trillion through the measures outlined in “Enhancement of Financial Services Capabilities” and ¥2 trillion through the other measures “Deploying Key Measures to Reach the New World.”

\*2 Refers to the ordinary profit of Group companies running conventional securities business, excluding digital affiliates.

\*3 Refers to balance-linked and recurring revenue (such as investment trust fees, fees from fund wraps, credit interest, insurance fees, lending against collateral loans, and investment advice).

\*4 Refers to the ordinary profit to be earned under alliances with digital affiliates, “Powerful Partners,” and “New Bonanza.” NPS® is a registered trademark of Bain & Company, Fred Reichheld, and Satmetrix Systems (Currently, NICE Systems, Inc.). It is an abbreviation of “Net Promoter Score™” and is a performance indicator that quantifies customer loyalty (measuring the degree of attachment and trust to a company or brand).

# Financial Strategy

## Message

## We will execute our capital strategies, with a focus on investment for growth, while also caring about shareholder returns

• Yasuyoshi Oomi

Managing Executive Officer, Head of General Planning Group (Finance)  
Tokai Tokyo Financial Holdings



### Progress of the Medium-term Management Plan

FYE March 2025 was marked by an extremely volatile market. Sharp downturns in the Japanese and U.S. stock markets rapidly heightened investor caution and increased uncertainty about the future, which had an acute impact on customer psychology. As a result, there was a pronounced trend of customers refraining from investment, and we recognized a clear downward pressure on our business performance toward the end of the fiscal year.

On the other hand, even under this volatility, our Group's assets under custody increased steadily, which testifies to the fact that our initiatives aimed at transforming our revenue structure model are steadily beginning to materialize. Generally, our past performance was driven upward in a pattern where a rise in the U.S. stock market stimulates customer transaction flows, which in turn encourages position-taking in our Market Division, thus creating a virtuous cycle. We are now, however, in the process of coming out of this pattern.

This model transformation has progressed in two major phases. First, we shifted our focus from gaining transactional revenue to the accumulation of recurring revenue. In our business with high-net-worth individuals, we have established a structure to secure long-term stable earnings targeting on such customers' core assets, while in our financial wellness strategy, we are accelerating portfolio proposal presentation, eyeing on their medium- to long-term diversified investment. Second, we have also made progress in shifting the mindset of our sales representatives. We started training sales personnel who were previously assigned to brokerage only to become family portfolio managers, and now we recognize a decrease in sales proposals that stress customers' short-term reactive investment behaviors during sharp downturns in markets. Instead, investment proposals premised on medium- to the long-term holding have taken root, leading to the steady buildup of stock assets.

That said, however, we are currently exploring the optimal balance between revenues in the recurring nature and those from transaction flows. Too little recurring revenue increases performance fluctuation. Conversely, an over-reliance on recurring revenue can reduce profitability, which could negatively impact on the availability of funds for shareholder returns and internal reserves. We believe that achieving both stability and profitability by balancing these two is essential for sustainable growth.

#### ■ Progress on "Enhancement of Financial Services Capabilities" and "Deploying Key Measures to Reach the New World"

Under our medium-term management plan, our Group has

established two pillars for growth: "Enhancement of Financial Services Capabilities" and "Deploying Key Measures to Reach the New World."

First, regarding "Enhancement of Financial Services Capabilities," Tokai Tokyo Securities is further enhancing its wealth management strategy for high-net-worth individuals. By accurately grasping customers' core assets and satellite assets and offering investment and solution proposals tailored to their asset characteristics and needs, we are successfully expanding our transaction flow base. Furthermore, in the area of financial wellness targeting the semi-high-net-worth and upper mass customer segments, we are rolling out the new CLAIR CIEL Strategy following our Orque d'or Strategy, advancing the establishment of a membership-based brand. Through these initiatives, we keep deepening relationships with our customers by enhancing both financial and non-financial services. At the same time, we take advantage of the diverse product supply capabilities of our Market Division and the effective management of customer flow and positions. Results are emerging as we move toward maximizing revenue opportunities while also accumulating recurring revenue.

That said, in FYE March 2025—the halfway point of our medium-term management plan—we were unable to achieve the ¥20 billion in ordinary profit we had set as the minimum target. The result was approximately ¥4–5 billion below our initial expectations, particularly due to the impact of upfront investments related to our digital strategy. From now on, we will expand and stabilize earnings by further strengthening our financing competency, such as increasing securities-backed loans. At the same time, we now have access to overwhelmingly fertile customer bases of our joint venture securities partners and their parent banking groups. We are sure of our success in achieving performance growth by expanding the scale of operation together with the said partners because we believe we can expand our business scale, primarily, by directing our sales efforts to a high-net-worth customer base and corporate transactions, which constitute the hallmark strengths of Tokai Tokyo Securities.

Second, regarding the measure, "Deploying Key Measures to Reach the New World," we are pursuing dramatic growth through alliances with "Powerful Partners" having extensive customer bases in various industries. We aim to tap their customer base that we could not acquire on our own. Our initial plan was to sign alliance agreements by the 3rd year of the medium-term plan and start specific initiatives in the 4th and 5th years. However, we are currently lagging behind our plan and have not yet reached a point where we can realistically count on ¥6–10 billion profit, which is a target set for

the final fiscal year. One factor behind this delay is the need for additional discussions with our partners to fully share the synergy effects generated by the securities business. We are currently engaged in detailed discussions to map out a concrete direction for attaining mutual values.

### Securing Resources for Growth and Capital Utilization Policy

Investments directed at the measure, "Enhancement of Financial Services Capabilities," and "Deploying Key Measures to Reach the New World" constitute the core of our capital utilization policy, which intends to make use of capital surplus effectively. Furthermore, we plan to secure additional funds and capital by means of asset reallocation. For that purpose, we may terminate strategic equity holdings and unprofitable operations in accordance with the progress on future investment and funding needs.

As a specific example, the enhancement of securities-backed loans, an initiative to expand business targeting high-net-worth individuals, is capturing favorable responses from many customers, and it serves as a powerful driver for growing transaction flow. Although we currently procure and supply funds on our own creditworthiness, we consider strengthening our financing capabilities by acquiring banking operations. This would both enhance our own funding capacity and create new revenue opportunities for our partner banks, allowing them to utilize our Group's securities platform for their high-net-worth and corporate customers, and, as a consequence, perform the role of securities intermediation. It is a form of alliance strategy (Bank Tie-Up) that is designed to deliver a win-win outcome for both parties. Rather than merely setting up a partnership that is accompanied by capital contribution should help both sides to establish more robust relationships.

We continue driving forward alliance strategies with "Powerful Partners," including corporate groups with large customer bases, not only in finance but also in other sectors. Through advancing alliances with such groups, we provide new financial functions through comprehensive collaboration (dubbed as Super Tie-Up) and establish a B2B2C model utilizing our Group's diverse DX companies (DX Tie-Up). To realize these strategies, we intend to prioritize the execution of "Deploying Key Measures to Reach the New World," by using our capital surplus.

Having said that, it is essential to secure returns that exceed our capital cost when making investments. By providing diverse securities services to the customer bases of "Powerful Partners" and creating multilayered revenue opportunities, we will continue to meet investor expectations. We foresee a capital strategy that requires an investment scale of approximately ¥30–50 billion.

### Improving Capital Efficiency

We have set a Group key goal indicator (KGI) of 12% return on equity (ROE). To achieve this, we are working to improve capital efficiency by streamlining inefficient businesses and assets in addition to what the capital strategies described earlier asked for.

ROE for FYE March 2025 remained at 6.1%. Underlying this was a decline in investor appetite due to the sharp market fluctuations beginning in August 2024 and again from February 2025. The resulting decrease in transactional revenue significantly affected our

business performance. Another issue that has surfaced is the fact that various initiatives, like the expansion of portfolio management, have not been fully implemented yet. Moreover, upfront investment costs to establish diverse DX business models reached ¥3.6 billion for the year, which was also a major cause of the sluggish results, as it pushed down ROE by more than two percentage points.

Concerning the DX business, we must urgently exercise the process of "choosing and focusing" to reduce losses while pursuing full-scale business development through alliance operations. In FYE March 2025, we consolidated system and administrative departments that had been dispersed among subsidiaries (subsidiary integration), cut indirect costs, withdrew from regional revitalization projects, and recorded a lump-sum amortization of financial goodwill.

Regarding strategic equity holdings, although the ratio of holdings against net assets is not particularly high at around 5%–6%, we have a policy to halve the total amount of ¥10.8 billion (as of the end of September 2023) by the end of the final year of the medium-term management plan. As of the end of March 2025, we achieved over 60% of this reduction target. Reducing strategic equity holdings is meaningful as a way to both lower/retrieve risk capital and secure funds for growth investments. Alongside our guiding principle, "making judgments resolutely and enhancing efficiency of capital use and funding," we continue extensive discussion internally to figure out what we should do with unprofitable businesses and strategic equity holdings.

### Approach to Shareholder Returns

We deem stable and sustainable returns to our shareholders as a key management priority. In recent years, the unwinding of cross-shareholdings among corporations has progressed, and the percentage of the Company's individual shareholders on the contrary has risen to 30%, illustrating a shift in shareholder composition. Such a change indicates the growing importance of shareholder base building because we must gain support over the medium to long term period for implementing stable business management.

Some competitors are actively pursuing share buybacks by using their capital surplus. But our policy is to allocate our capital surplus to strategic business investments that will directly enhance our future corporate value. For this reason, we stick to the practice of paying returns to shareholders as dividends primarily from period profits. Specifically, we have pledged a dividend policy of a payout ratio of 50% or higher and an annual dividend of at least ¥24 (through to the end of March 2027), in our continuing efforts to meet the dividend expectations of our shareholders.

On October 1, 2025, the Group marked the 25th anniversary of its establishment, bearing the current organizational structure. In appreciation of the shareholders who have supported our Group up to now, we will issue a commemorative dividend of ¥16 per share this fiscal year, in addition to the regular dividend, as per the policy outlined above. Therefore, the total annual shareholder dividend for this fiscal year will be ¥40 or more, including this commemorative dividend. We believe that this is a level that meets shareholder expectations for returns.

Based on this policy, we will continue to perform the task of both capital efficiency improvement and shareholder value maximization, to further strengthen the relationship of trust with our shareholders.

# A Message from the President of Tokai Tokyo Securities

## Promoting Enhancement of Financial Services Capabilities and Earnings Structure Reform to Reach “Beyond Our Limits”



Naoko Kitagawa  
Tokai Tokyo Securities Co., Ltd.  
President and Representative Director

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reforming our earnings structure and accelerating the shift to a sales model focusing on asset management services. We now take on initiatives to further elevate our business performance and increase assets under custody.

### Progress Review of the Management Plan

We launched our current medium-term management plan in fiscal 2022, which presents the concept of our 5-year structural transformation that will shape the future of our Group. Although we faced adverse market conditions in the first year, subsequent regulatory reforms and favorable market trends since then have helped us lay the groundwork for the change we had envisioned. We are accelerating the pace of shifting our focus to establish an asset management model that generates stable earnings in a manner less susceptible to market fluctuations.

We operate this model to provide our customers with value by offering comprehensive advisory support on portfolio construction, business succession, tax, real estate, and other matters. I believe that the model facilitates the establishment of stable and sustainable earnings structure to expand a recurring revenue source for us, Tokai Tokyo Securities.

With less than two years remaining in the medium-term management plan, we are now entering a crucial phase for maximizing results. We will redouble our efforts and devote all our energy to ensuring the successful execution of our strategies.

### Performance Evaluation by the Company

Tokai Tokyo Securities has adopted a “company system” organized according to functions and customer attributes we deliver and address.

The Wealth Management Company (WMC) in the private banking area is leading our efforts under the Orque d’or Strategy. What we aim to do is expand assets under custody and drive forward the structural transformation initiatives. Such endeavors are steadily producing results, with recurring revenue now accounting for approximately 40% of total revenue. We currently operate one Orque d’or Salon in Nagoya and two in Tokyo, offering finely tailored solutions that adapt to regional characteristics and meet customer needs.

Meanwhile, I set an important task for the Financial Wellness Company (FWC) to raise the ratio of recurring revenue. We recognize it is essential to drive forward the transformation of the earnings structure according to the plan while maintaining the right balance with transactional revenue generation. We are currently providing portfolio construction support services for customers to form their wealth. Not only that, now, we are promoting the advisory service on “decumulation” (the planned drawdown of assets). By rolling out the said services that meet customers’ needs different from those WMC deals with, we are achieving clear differentiation from our peers. The CLAIR CIEL Strategy, which began in 2025, has also moved into full-scale operation following careful preparations.

In the corporate area, the Investment Banking Company is steadily winning lead underwriting mandates, mainly from growing companies

in Nagoya, from which we source our strengths.

Against a backdrop of stricter listing standards on the Tokyo Stock Exchange Growth Market, there are growing needs for enhanced disclosure systems and stronger governance. Amid this trend, our opportunities to provide comprehensive support, including for IPOs on the Nagoya Stock Exchange, are steadily expanding.

The Global Market Company (GMC) has evolved its unique platform based on its trading competency, through the operations of supplying products to regional bank-affiliated securities firms and small- to medium-sized securities firms. In addition to revenue expansion driven by increased flow, foreign stocks sales have made a significant contribution in recent years, further amplifying the positive ripple effects across the entire Group.

The IFA Company is strengthening its operating base while selectively adding its affiliated advisors. Targeting mainly high-net-worth customers, it has concentrated its efforts on accumulating assets denominated in foreign currencies, and in fiscal 2024, achieved a net increase in assets of approximately ¥60 billion.

Moreover, each company is not only generating results independently but also focusing on creating synergies through mutual collaboration. For example, crossover initiatives between the WMC and the Investment Banking Division now support start-ups, while coordination between the FWC and GMC enables product supply. In this way, we are promoting value creation using the comprehensive capability of the Group.

### “Enhancement of Financial Services Capabilities” and the Progress

At the core of the WMC is the Orque d’or Strategy. Recently, we have enhanced our services, centered on securities-backed loans, to meet the diverse financing needs of high-net-worth customers, and we have pushed up our total loan balance to approximately up to ¥100 billion. In addition, we are broadening the scope of solution services for real assets to begin with, mortgage loans. Alongside these initiatives, we are developing a service model that supports the optimization and maximization of assets by linking financing functions to asset allocation proposals covering all the assets customers possess.

Under the CLAIR CIEL Strategy led by the FWC, we opened branches specializing in portfolio consulting to promote comprehensive asset management. A key feature of this strategy is its financial services, addressing the diverse needs of each customer. By achieving the centralization of whole assets customers hold, we can increase our business growth potential. To that end, we will gain broad access to customer assets. I consider that we should be able to make wide access by offering solutions for the issues customers face, like insurance proposals and real estate services, besides advising the choice of investment products. We have also introduced a membership program under which we stimulate co-creative value generation, such as a community-building campaign based on the actions related to locally rooted activities but not necessarily to our business. Thus, we aim for sustainable growth by expanding membership through referrals among members.

In addition, Tokai Tokyo Securities possesses a wealth of qualitative information it has accumulated over many years in the process of nurturing its relationships of trust with customers. This includes data and information on life events, asset succession needs, investment

preferences, and workplace and other communities. Such information is not just data, but an important resource necessary for a profound understanding of customer values and behavioral characteristics. By leveraging this strength and promoting our unique DX strategy, which combines AI and marketing automation, we can timely deliver information suitable to retail customers and increase the likelihood of a successful sales.

Furthermore, we now strive to enhance our touchpoints across all channels, including call-based and face-to-face interactions with customers. For telemarketing customers who hold financial assets of a substantial amount, but with only a marginal portion being entrusted with us, we are strengthening our relationship management starting from the call center division and steadily promoting internal referral exchanges so as to reach such customers and offer our face-to-face consultations.

We started offering a workplace application, the “YORISO” in February 2025. We aim to capture the needs of the workplace market. The application features AI-powered HR functionality that improves administrative work efficiency and an asset diagnostics service that supports matters concerning future tax and inheritance planning.

### Steady Implementation of Our Plan

As described above, facing diversifying customer needs and a changing market environment, Tokai Tokyo Securities is accelerating its evolution toward a business model centered on asset management. By combining multifaceted channels and services, we will simultaneously achieve sustainable growth and improved customer satisfaction.

### Building an Organization Where People Generate Value

The source of our Group’s competitiveness lies in our human resources. After joining the company, employees develop their customer insight and proposal capabilities through a practical training program that combines two years of on-the-job training, the cultivation of listening skills in our call center, and the enhancement of professional expertise as securities specialists at the GMC. As a result of this development program, we are witnessing an increasing number of cases where even our younger employees succeed in closing deals of winning entrusted assets from major clients. I am confident that the more our transition to asset management-based sales progresses, the more clearly these training efforts will prove their effectiveness.

Tokai Tokyo Securities will accelerate “Enhancement of Financial Services Capabilities” by expanding its business base and improving the sophistication level of market responsiveness leveraging on boosted asset management-based sales. We will elevate business innovation utilizing AI and DX and enhance value creation through human resource development, thereby maximizing customer touchpoints and establishing a unique status within the industry.

As the core company of the Group, under the banner of “Beyond Our Limits,” we will transcend existing boundaries and act with a sense of urgency but without fear of challenge. We move forward with vigor as a challenger to realize Japan’s transformation into a “Leading Asset Management Center” and to revolutionize the industry.

# Enhancement of Financial Services Capabilities

About the theme, “Enhancement of Financial Services Capabilities,” we aim to originate rigorously the uniqueness and predominance that defines the Group’s appeal, by bolstering its business model centered on the securities business, which is the very foundation of the Group.

## Three Priority Areas

To enhance management sustainability and competitiveness, the Group is strategically promoting “Enhancement of Financial Services Capabilities” from three perspectives: improve profitability, build a

stable earnings structure, and increase productivity.

By reinforcing its foundation and improving its future earning power, the Group will materialize management that is resilient to environmental changes.

### Improve Profitability

The Group will provide high-value-added services in response to sophisticated and diversifying customer needs. It will pursue greater depth and scalability in its business relationships by deepening solutions for both corporate and individual customers, thereby achieving sustainable growth.

### Build a Stable Earnings Structure

The Group will secure revenue stability and continuity through strengthening its recurring revenue business model, which is less susceptible to market conditions. It will enhance its corporate resilience by expanding its recurring earnings, such as interest income, asset management fees, and advisory fees.

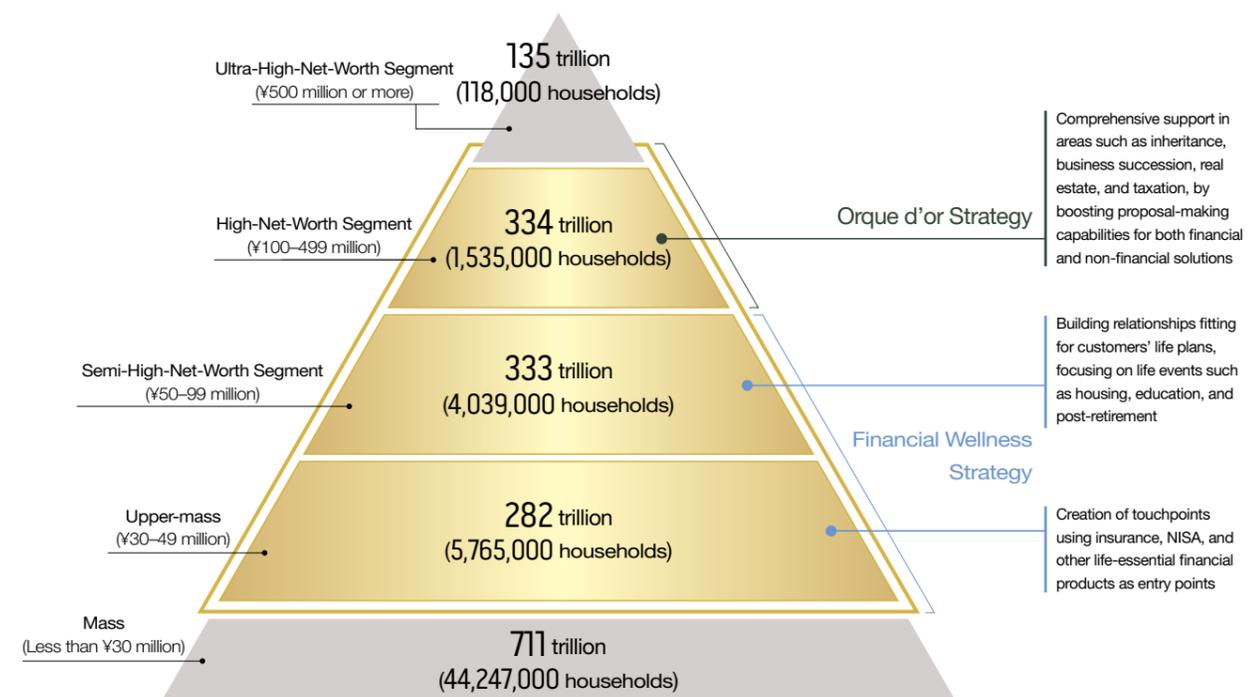
### Increase Productivity

The Group will achieve effective and efficient organizational operations by promoting its DX strategy and reforming business processes. It will advance its transition into a highly profitable structure by optimizing human resource allocation and redesigning its channels.

## Segment Strategy in the Retail Financial Market

To strengthen its financial capabilities, Tokai Tokyo Securities has formulated a new segment strategy in the retail sales domain, fitting for diverse customers with respect to their asset size, financial literacy,

and life stage. It will focus on the segment spanning high-net-worth, semi-high-net-worth, and upper-mass customers, dubbed as the “Golden Trapezoid.”



Source: Created by the Company based on Asset Size and Household Numbers by Tier of Net Financial Asset Ownership, Nomura Research Institute (NRI)

## Orque d'or Strategy

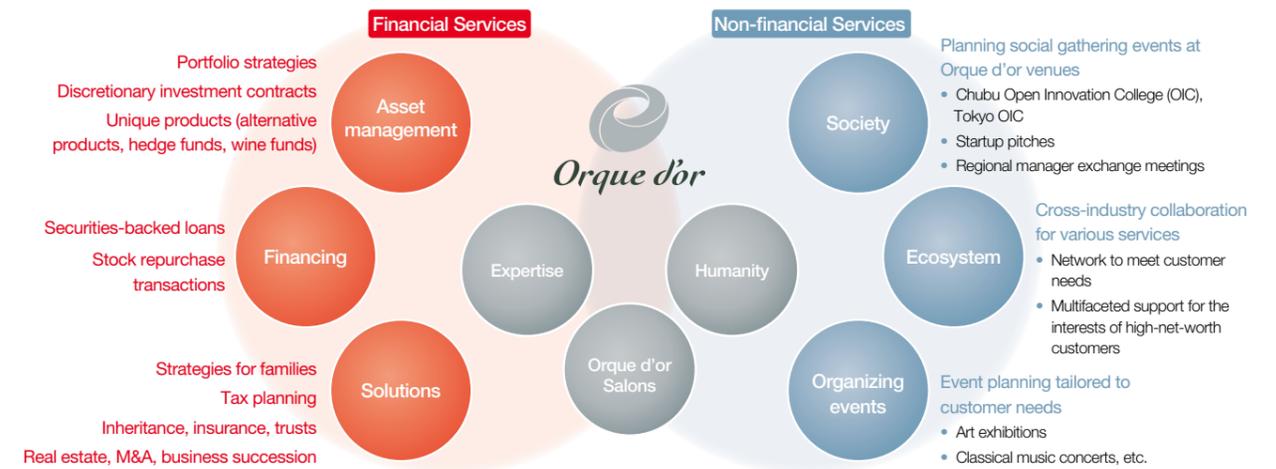
As per its segment strategy, the Group deploys optimal channels and proposals tailored to customers in each tier.

The Orque d'or brand for high-net-worth customers provides optimal, one-stop solutions for a wide range of tasks they face. These include real estate, taxation, and M&A, in addition to financial solutions ranging from asset management, securities-backed loans and other forms of financing to inheritance and business succession.

Furthermore, crossing over the financial domain, the Group also

emphasizes non-financial services that offer “emotional enrichment.” It creates value that supports the overall lifestyle of its customers, from supporting their business activities to hosting events and community activities that add color to their private lives.

By implementing these initiatives, the Group aims to become an indispensable presence in both the business and personal lives of its customers.



### Creating Brand Value leveraging on the Orque d'or Community and Ecosystem

By driving the resource of Orque d'or, the Group creates various communities centered around business owners, actively organizing business matching opportunities and startup pitch events. These initiatives go beyond the boundaries of financial services, serving as a platform for building personal networks and creating new value.

Furthermore, in the diverse service areas of interest to its high-net-worth customers, the Group is establishing and promoting an “ecosystem” to meet a wide range of customer needs by way of

collaborations with companies from different industries. By collaborating with highly specialized partners in fields such as medical care, education, real estate, art, and well-being, it provides integrated services unique to Orque d'or.

Through the fusion of community and ecosystem, Orque d'or establishes its uniqueness as a brand that “urges people to recommend,” aiming to build long-term relationships of trust as a partner standing by its customers throughout the stages of their lives.

### Changes in Assets under Custody and Assets under Management

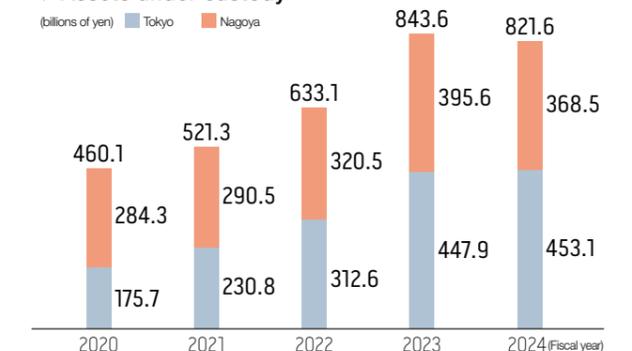
Orque d'or has received a high reputation from members, with assets under custody steadily increasing in both Nagoya and Tokyo.

In Nagoya, stable demand for asset management has supported steady growth in assets under management, leading to an expanded assets under custody.

Meanwhile, in Tokyo, relationship-building within the entrepreneur community and capturing the needs of young owner-managers to utilize their own company shares have expanded the assets under custody.

In addition to revenue base expansion, the increased investment trusts and securities-backed loans led to a 50% year-on-year growth of recurring revenue. Steady progress is being made toward building a stable earnings structure.

### Assets under custody



## Enhancement of Financial Services Capabilities

### Value Embodied in Three Orque d'or Salons

The Orque d'or strategy is built upon long-term relationships of trust with high-net-worth customers. This philosophy is embodied in the three Orque d'or Salons located in Nagoya, Tokyo, and Aoyama. Each salon offers not only a luxurious atmosphere but also sophisticated,

customized proposals and asset consulting services fitting for customer needs. These salons function as the core infrastructure of the Orque d'or strategy, facilitating both the caliber enlargement as a financial service provider and the realization of high profitability.

#### Nagoya

Opened in March 2016 on the top floor of the Dai Nagoya Building, this salon features a lounge, restaurant, reception room, seminar room, multipurpose hall, and a traditional Japanese-style annex. The salon provides customers with meticulous, high-level service, honed through face-to-face engagement in the securities business, catering to business leaders, distinguished families, and executives and officers of listed companies in the Tokai region.

#### Tokyo

Opened in April 2019 on the top floor of the Nihonbashi Takashimaya Mitsui Building, the salon serves as a hub for discerning executives, including owners of long-established companies. It offers comprehensive consulting services to meet diverse needs and fosters interaction that blends business and culture into a space adorned with contemporary art.

#### Aoyama

Opened in February 2024 on the top floor of 3rd MINAMI AOYAMA, this new salon was established to meet the needs of customers of varying profiles of high-net-worth individuals. Taking advantage of the characteristics of the Aoyama area, where many young entrepreneurs gather, the salon is actively creating new opportunities, like networking with startup founders and providing IPO support.



Orque d'or Salon (NAGOYA)



Orque d'or Salon TOKYO



Orque d'or Salon AOYAMA

### Comment from an Orque d'or Representative

#### Standing by Our Customers, Building the Future Together

In my daily work, I value my relationships of trust with clients above all else. Placing relationship-building as our focus, I engage in wealth management work ranging from gathering and analyzing market information to offering portfolio proposals and planning for asset succession and inheritance. Throughout these activities, I always maintain a strong awareness of high-level hospitality and professionalism. My goal is to be the person my clients think of first when they need advice.

The reason people choose Orque d'or is the representatives, spaces, and hospitality services that make clients naturally feel the urge to recommend us to others. I personally strive every day to ensure that my clients experience that value.

A particularly memorable instance was when I was introduced to a client who was facing difficulties, having no one he could turn to

for advice on managing his family assets. I provided extensive support, including the sale of a residence jointly owned by multiple individuals, business succession, and inheritance planning. Helping him to alleviate his concerns about the family's future, even slightly, was both deeply rewarding and an invaluable experience for me.

Having been with Tokai Tokyo Securities for about 20 years, I take great pride in serving the members of Orque d'or. I remain committed to ensuring client satisfaction and to further elevating the Orque d'or brand.

**Shinobu Kawamura,**  
Section head Advisory Section 3,  
Orque d'or Department Tokyo 1  
Tokai Tokyo Securities



## Financial Wellness Strategy

### Expansion of the Semi-high-net-worth Market and Trends in the Financial Industry

In recent years, the presence of customers in the segments of semi-high-net-worth and upper-mass—those holding financial assets between ¥30 million and ¥100 million—has been growing globally. Against the backdrop of inflation and rising asset prices, the assets held by these segments are expanding rapidly, and financial institutions of all types, including securities companies, banks, trust banks, and online brokers, are competing to strengthen their initiatives.

In Japan as well, considering the looming structural problems such as

the aging population, concerns over the pension system deterioration, and inflation, our comprehensive asset management designed to extend the longevity of customer assets staying with us has become essential. Spurred by factors such as the introduction of the new NISA program, interest in early wealth formation is rising among customers across a wide range of generations, including younger investors. In this context, the importance of services that alleviate customer anxieties and stand by them throughout their long-term life planning is growing ever greater.

### From Retail Strategy to Financial Wellness Strategy

Traditional retail strategies are centered on the brokering of equities and investment trusts. However, as Japan faces a declining birthrate and aging population and transitions into an era with positive interest rates, customers are increasingly recognizing greater importance on long-term wealth formation and life planning support.

To respond to these changes, Tokai Tokyo Securities transitioned from a sales-centric model to a support-oriented model that stands alongside its customers. In April 2025, it renamed the "Retail Company" to the

"Financial Wellness Company," clarifying its stance on endeavors to further improve the financial wellness of its customers.

"Financial wellness" refers to a state in which individuals are free from financial anxiety in both their daily lives and future plans and can make choices to enjoy life. Along with strengthening stable recurring revenue, the Company will contribute to the formation of a sustainable society by providing services to meet customer needs.

### Asset Management Tailored to Life Stages

Tokai Tokyo Securities values providing optimal asset management matching each life stage of customers. Under its Financial Wellness Strategy, it has adopted a goal-based approach, assisting the portfolio construction to accomplish multiple objectives, such as education funding and post-retirement living expenses.

For the post-retirement stage, it offers "decumulation" services to customers, which include planned drawdowns while continuing investment. Our idea is to extend the duration of customer assets. By providing consistent support at all phases beginning from wealth

formation to management, and finally to decumulation, it achieves long-term asset management.

In addition to assisting portfolio construction, Tokai Tokyo Securities is strengthening its capability of comprehensive proposal origination by combining its Contingent Agent Transaction Program with insurance products. This enables flexible asset management suited to the customer's own life plan and risk tolerance, thus creating an environment where they can plan their future with peace of mind.

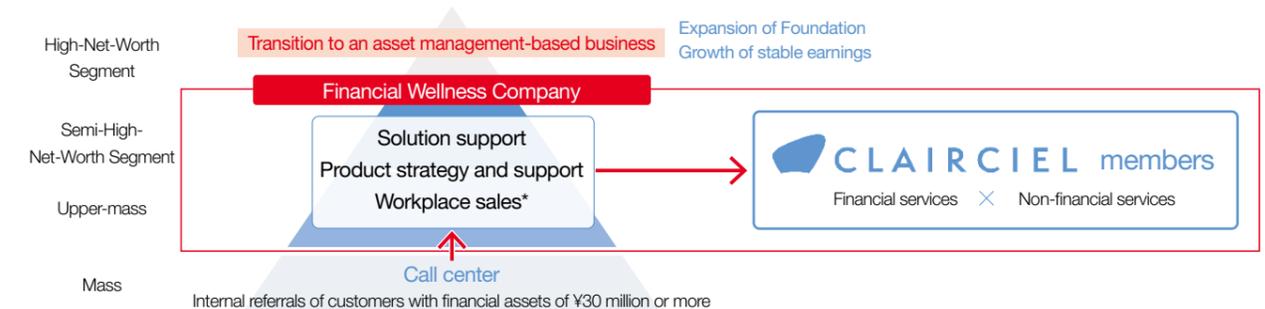
### Brand Strategy and New Value Creation

Following the opening of its Orque d'or brand for high-net-worth customers, the Group has launched a new brand, CLAIR CIEL, targeting the semi-high-net-worth and upper-mass segments. CLAIR CIEL is positioned as a brand that caters to a broader range of age groups and values, focusing primarily on the segment holding financial assets of at least ¥30 million.

This brand adopts a membership system, and it offers events and community activities besides conventional financial services. The activities are designed to connect customers with shared hobbies and

values. By integrating financial and non-financial services, the brand aims to enrich the lives of customers and their families, building long-term relationships of trust.

Furthermore, under the CLAIR CIEL Strategy, services are tailored to the varying status of portfolio asset holdings, and a goal-based approach aligned with the customer's life cycle is applied. By providing consistent support ranging from wealth formation to management and succession, the strategy promotes the creation of a fan base for Tokai Tokyo Securities and the sustainable expansion of its customer base.



\* Marketing directed toward selected corporate accounts to promote solution services including applications-based advisory that assist their employees' financial planning and wellness.

## Enhancement of Financial Services Capabilities

### Global Market Company: Pursuing a Monthly Revenue Target of ¥3 Billion

The Market Division serves as the direct interface with financial markets and works as the core of the Group's securities business. It contributes to enhancing corporate value by generating stable revenues through proprietary trading, customer transactions, and market making, and, not to a lesser extent, by providing customers with advanced and sophisticated financial services.

The Market Division (Global Market Company) is made up of three divisions. Handling a wide range of financial products, including domestic and foreign equities, bonds, foreign exchange, and derivatives, it meets the diverse needs of institutional investors and corporate customers, while supporting the sophistication of their risk management and asset management activities. Furthermore, we respond swiftly to rapidly changing domestic and international economic and financial conditions, as well as provide in-depth market information and precise solutions. Through these operations, the division is deepening its relationship of trust with customers.

In recent years, the division has been responding to the needs of business owners in addition to corporate customers. Examples include the effective utilization of the assets we hold, by executing cash-collateralized securities lending (equity repo transactions) and the sale of

shareholdings via equity block offers (EBOs) with minimal market impact.

Tokai Tokyo Securities is strategically pursuing the sophistication and diversification of its product development capabilities. Particularly in the areas of foreign bonds, foreign exchange, and derivatives, it has developed a high-level support system led by specialized teams, strengthening its ability to propose solutions that meet the needs of corporate customers.

Furthermore, it introduced its unique "sales and trading" operation to fulfill both product strategy and customer strategy. The division utilizes positions generated from customer transactions to maximize trading revenue. By doing so, it turns market fluctuations into revenue opportunities, strengthening both its profitability and proposal offering capabilities.



#### Market Division

The Market Division engages in the trading of marketable securities, including domestic and foreign equities and bonds, foreign exchange, and derivatives. Collaborating closely with the Corporate Sales Division and the Investment Banking Division, it provides optimal financial products that meet diverse customer needs, such as funding, asset management, and risk hedging.

Examples of high-value-added solutions that combine financial technology with market expertise delivered through collaboration with other divisions include structuring private placement bonds for

M&A financing and proposing interest rate and currency hedging for global companies.

This division plays the role of the "engine" of the securities business, continuously pursuing the strengthening of product development capabilities and the sophistication and diversification of its functions. By responding flexibly and swiftly to the changing market environment and providing innovative products and services that help resolve customers' problems, the division contributes to the enhancement of corporate value and the formation of sound capital markets.

#### Platform Division

The Platform Division is responsible for introducing various financial products to the affiliated joint venture securities companies and platform partners, including more than 50 industry peers. We, at the same time, help such peers and platform partners sell our products to their customers.

#### Corporate Sales Division

The Corporate Sales Division is responsible for providing various solutions related to financial products to financial institutions, business corporations, public and public service corporations, and various other corporate customers across Japan. The division handles brokerage

services for domestic equities and bonds, sales of newly issued bonds backed by high underwriting capabilities, provision of a wide variety of foreign bonds, as well as making proposals and structuring derivative transactions for the mitigation of interest rate and foreign exchange risks.

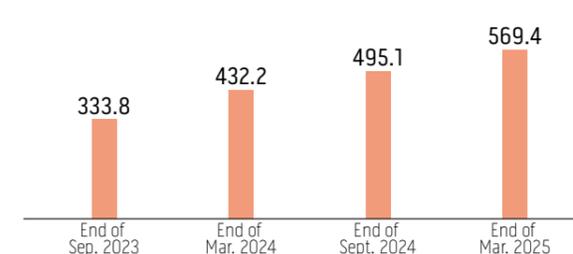
### Core Competencies of the Market Division

- Provision of added value to customers by leveraging synergies from collaboration within the Group, such as with the Investment Banking Company and affiliated joint venture securities companies
- Diverse and extensive product lineup catering to both retail and corporate customers, including those of affiliated joint venture securities companies and platform partners
- High reputation from domestic and international institutional investors for our execution capabilities that utilize the Company's proprietary positions and research sales competence covering domestic equities, which was made possible by collaboration with Tokai Tokyo Intelligence Laboratory
- Product structuring capabilities that design diverse derivative transactions covering interest rates, foreign exchange, and domestic and foreign equities
- Ability to arrange new bond issues and execute trades in the secondary market, backed by a long track record as a JGB Market Special Participant and a track record of underwriting for municipal bonds
- Execution capabilities for OTC trading of foreign equities in Japan, with a focus on U.S. stocks
- Structuring and sales capabilities to handle privately placed investment trusts targeting financial institutions

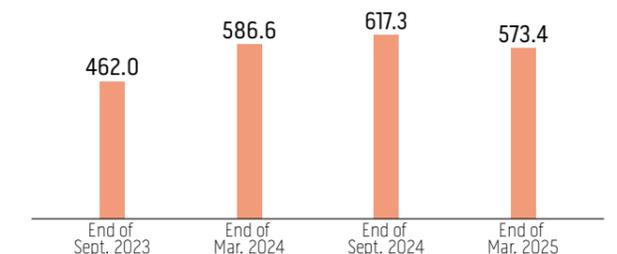
### Unique Sales and Trading



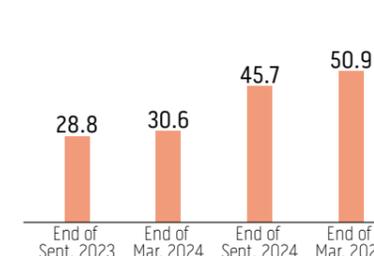
Foreign bond assets under custody (billions of yen)



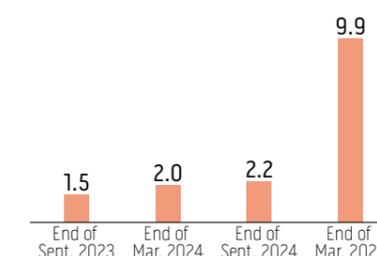
Foreign equity assets under custody (billions of yen)



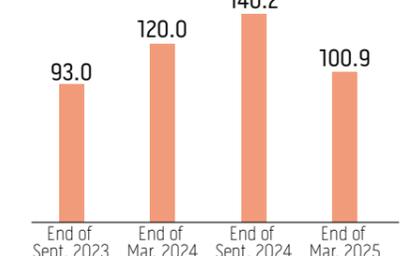
Value of equity repo transactions (billions of yen)



Value of EBO transactions (billions of yen)



Notional amount of interest rate and FX derivatives (billions of yen)



## Enhancement of Financial Services Capabilities

### Investment Banking Division: Assisting Customers with Their Growth and Problem-Solving Regarding Their Corporate Structures

The Investment Banking Division is a core division that professionally responds to the structural management challenges and needs for growth of corporate customers. Our response takes the form of suggestions for IPOs, M&A, and capital policies. In collaboration with the Corporate Sales Division, it formulates and executes solutions for identified problems from a medium- to long-term perspective.

Furthermore, when designing financing schemes, the division collaborates with the Market Division, combining their resources associated with marketable securities such as equities, bonds, and

derivatives to prepare highly executable proposals.

About underwriting, the division has recently been attempting to expand its corporate bond business, with a focus on municipal bonds and electric power bonds, and it is achieving an underwriting track record second only to the major securities companies. In the area of IPO underwriting, the division is focused on small- and mid-sized deals that major securities companies stay away from, supporting IPO issuers that have excellent business models.

As a result, we have achieved a certain decent position in the IPO underwriting business area.

#### Strengths

- Acquisition of lead manager mandates from companies with distinctive business models
- Formation of a stable shareholder base for IPO companies by leveraging our nationwide retail network of affiliated joint venture securities companies
- Deal sourcing routes established in collaboration with partner regional banks and Tokai Tokyo Group companies
- Collaboration with the Group's corporate transaction network in the Tokai region and the startup support community in the Tokyo metropolitan area
- Ability to support and nurture startup entrepreneurs by utilizing the Group's venture capital functions

#### ▼ Tokai Tokyo Securities' league table for fiscal year ended March 2025 (underwriting)

	Bonds (overall)	Municipal bonds	IPO
Ranking	6th	7th	11th
Amount	¥311,395 million	¥102,900 million	¥8,997 million
Number of deals	155*	25	30

(Created by the Company based on CAPITAL EYE NEWS)

\* Excluding scheduled bonds (public bonds issued periodically on a predetermined schedule)

#### End-to-end Startup Support System

Tokai Tokyo Securities has established the Orque d'or Salon AOYAMA as a venue for interaction between startup entrepreneurs and members of Orque d'or. By this, the Company is building long-term relationships with passionate startup executives who are driven to change Japan, starting from the early stages of their entrepreneurial journey. The salon embodies the Group's aim for an "end-to-end startup support system." Startup companies connected with Tokai Tokyo Securities achieve their public listing supported by the Investment Banking Division. Even after listing, Tokai Tokyo Securities continues to provide continuing support as their lead manager for financing, IR, and financial strategy mapping.

Going forward, the Company will take one step more beyond the end-to-end model. It will work with external partners owning specialized expertise, and provide new financing functions such as equity investments and loans. In addition, the Corporate Sales Division, Investment Banking Division, and Wealth Management Division will unite to focus even more actively and powerfully on startup support. Through this, a unique business model will be formed to differentiate Tokai Tokyo Securities from other companies.

#### Capturing Opportunities amid Stricter TSE Growth Market

Due to stricter listing criteria now imposed on the TSE Growth Market, companies are now required to provide greater accountability regarding their governance, financial strategies, and growth potential. The said development raises the hurdle for maintaining a listing, particularly for the regional small-and medium-sized enterprises and startups that are primary targets for Tokai Tokyo Securities. So, the situation now presents a significant opportunity as the target companies' need for support increases.

With a structure in place where its Corporate Sales, Market, and Investment Banking divisions collaborate to provide services such as capital policy planning for IPOs, development of governance structures, and IR support, the Group is fulfilling its role as a "partner" helping companies navigate these stricter listing standards.

In a domain where major securities companies are less inclined to concentrate their efforts, the Company is contributing to regional economic growth and enhancing corporate competitiveness by providing support that leverages its regional characteristics and our expertise, thereby shaping a business model that is uniquely its own.

### IFA Businesses

The IFA Division was established in 2019, inheriting the business foundation of Takagi Securities. In the past few years, there has been a growing need for independent financial advisors (IFAs) who support customers in building wealth over the medium to long term. This division is steadily expanding its role as an entity that meets this societal demand.

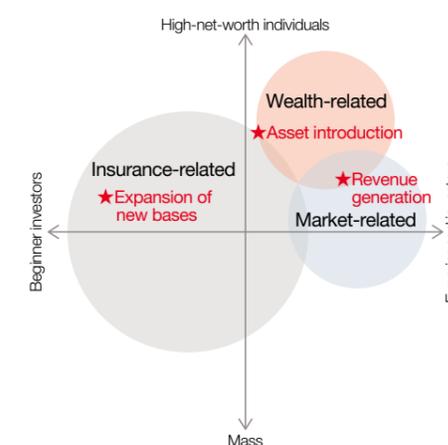
Currently, the IFA Division provides a wide range of financial products and solutions by making use of the knowledge and expertise

accumulated through face-to-face business operations. At the same time, it also focuses on information provision in collaboration with the specialized departments of the Tokai Tokyo Financial Group, such as issuing financial reports and holding online seminars.

Going forward, the division will continue to expand its business network by acquiring additional IFAs while pursuing further growth in the high-net-worth business, which is one of the strengths of the Group.

#### ■ Segment Strategies for IFA Businesses

	Wealth-related	Market-related	Insurance-related
Features	Focus on offering diverse investment portfolio proposals, mobilizing many staff experienced in sales activities to high-net-worth individuals at foreign-owned securities firms and major financial institutions	Focus on offering asset management proposals that capture market trends right, assigning many staff with general securities sales experience	Focus on asset formation proposals that utilize NISA and investment trust savings, with staff working concurrently as insurance agents, etc.
Primary customer base	Ultra-high-net-worth and high-net-worth individuals	Matured segment (experienced investors)	Mass affluent/middle-class (beginner investors)
Mission	Asset introduction (growing assets under custody)	Revenue generation (daily revenue source)	New accounts acquisition (expansion of the foundation for the future)



#### ■ Progress in the Expansion of the IFA Business Foundation

Emphasizing sales of foreign bonds, which make up the core of portfolios for high-net-worth individuals, has proven successful in achieving sales by IFAs dealing with wealth segment customers. In accordance with an increase in the number of active sales staff, the net increase in assets grew significantly, bringing assets under

custody to ¥464.2 billion at the end of fiscal 2024.

Furthermore, by elevating investment trust balance and securities-backed loans, the division is increasing stable earnings. At the same time, the revenue breakdown by product category shows that IFA's operation is attaining a more balanced revenue portfolio than before.

#### ■ Future Initiatives

To achieve sustainable growth of the IFA business, the Group is leveraging the superiority of its products and services, which is a distinctive strength of face-to-face securities brokering services, while prioritizing the sophistication of its compliance framework and the support service with a human touch. By further evolving its platform functions, the Group will strengthen its differentiation from competitors and aim for the dramatic expansion of its IFA business.

#### ▼ Net increase in assets



Enhancement of Financial Services Capabilities

Affiliated Joint Venture Securities Companies

Establishing a Co-creation Business Model

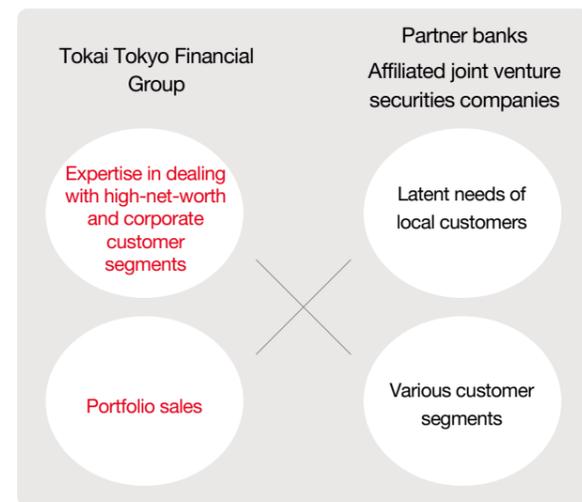
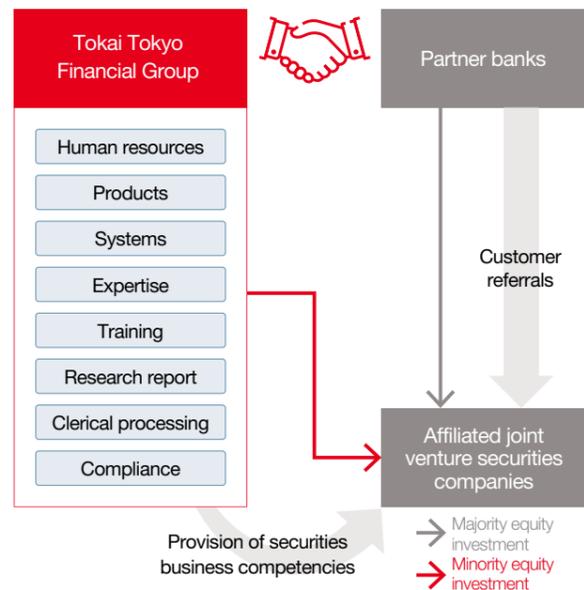
The Company has developed community-focused financial services through joint venture securities companies established with regional banks, based on co-creation with these partners. Beginning with its alliance with the Yamaguchi Financial Group in 2007, the Company has developed its collaboration emphatically with major regional banks for more than 15 years. As of the end of March 2025, its network of affiliated joint venture securities had expanded to seven companies. This

affiliated joint venture securities business has been the starting point for fostering a "culture of partnership and alliance" within the Group, and the culture demonstrates a collaborative approach, free from a "go-it-alone" mentality. By combining the customer base of regional financial institutions with the securities know-how of Tokai Tokyo Securities, the Company has created significant mutual benefits and laid the foundation for a framework that also supports regional enterprises.

Strategic Significance of Affiliated Joint Venture Securities Companies

The affiliated joint venture securities business is a platform that merges the strong relationships regional banks maintain with local high-net-worth individuals with the Group's sophisticated securities services. Based on the trust placed in these regional banks, the Group is building a channel for highly specialized services, such as asset management and business succession support for high-net-worth individuals. The acquisition of new customer bases through this co-creation with regional banks is one of the important measures for expanding the Group's high-net-worth business. Currently, each affiliated joint venture securities company is

engaged in portfolio sales (proposing optimal solutions for customer assets) and providing proposals for high-net-worth individuals and corporate customers. To support these initiatives, the Group provides training programs, market information, and new products. In addition, Tokai Tokyo Securities sends specialized personnel to support high-net-worth and corporate customers. Through joint customer visits with the sales staff of the affiliated joint venture securities companies, these specialists help customers understand correctly what they need and create solution-based deals that benefit the regional bank groups.

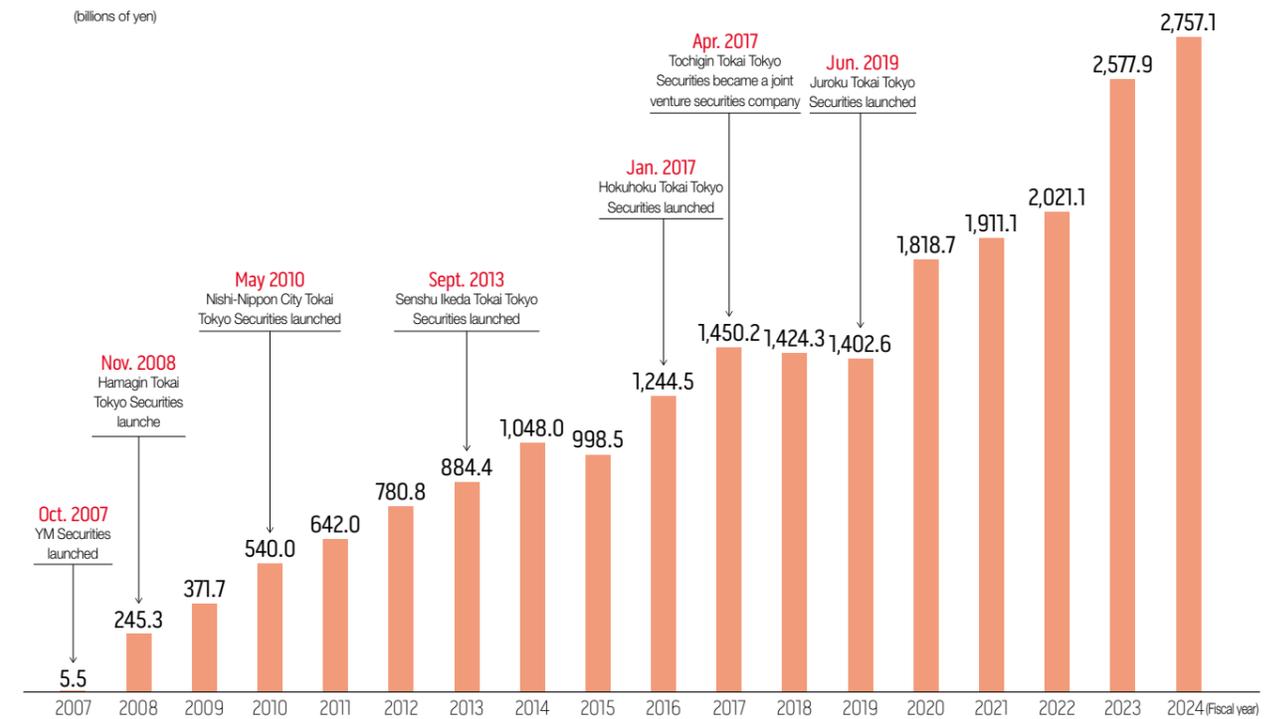


Current Status and Future Outlook

As of the end of March 2025, the total assets under custody accumulated by all seven joint venture securities companies affiliated with regional banks reached ¥2,757.1 billion. Going forward, the Group will continue to strive to maximize synergies and deepen its alliances by combining the strong customer bases of each regional bank with the extensive knowledge and expertise of the Group's Retail, Corporate Sales, and Market divisions.

Furthermore, the Group will grow its earnings by promoting the provision of functions and collaboration across the Group, starting with the Global Market Company within Tokai Tokyo Securities. Besides the conventional referral-type brokerage, the Group will also incorporate intermediary-type brokerage, aiming to build an optimal business model that utilizes various forms of collaboration as it strengthens these partnerships.

Affiliated joint venture securities companies – Growth of assets under custody



Comment from the Employee Seconded to an Affiliated Joint Venture Securities Company

Expanding Possibilities through Partnership Operations

At Senshu Ikeda Holdings, many high-net-worth customers were using other securities companies, posing a challenge for the bank regarding how to meet the need for financial products that the bank itself could not handle. In response, our Group established a joint venture securities company with Senshu Ikeda Holdings to precisely meet these broad customer needs and ensure that their valuable funds could be effectively utilized within the group. We offer an extensive product lineup and highly specialized services.

This alliance has enabled us to combine trust in the regional brand with the know-how of a specialized securities company to achieve high-quality asset management services. Talking about human resources, we strengthened sales capabilities and developed human resources by means of accepting employees from the bank to the securities company, as well as training furnished by our Group. The fusion of different corporate cultures has fostered an environment that accepts diverse values and has enhanced organizational flexibility.

I think that this alliance has produced a noticeable result for us and the regional economy. First, our partner introduced us to several local companies that were considering IPOs, and then, Tokai Tokyo

Securities could support such companies with their procedures for going public. Plus, by having Tokai Tokyo Securities support the listing of such local companies, I felt firsthand the significant contribution we made to the regional economy. In addition, market study sessions and wealth management training we administered honed the responsiveness of sales representatives, thereby leading to an expansion of assets under custody and improved customer satisfaction. Looking ahead, we will pursue the joint development of sales and administrative tools utilizing DX to improve operational efficiency and further enhance the value of our partnership. By bringing together the strengths of both companies, we will continue to provide financial functions that facilitate the sustainable growth of the local community.



Masaomi Umezawa  
Managing Executive Officer, Senshu Ikeda Tokai Tokyo Securities  
(on secondment from Tokai Tokyo Financial Group)

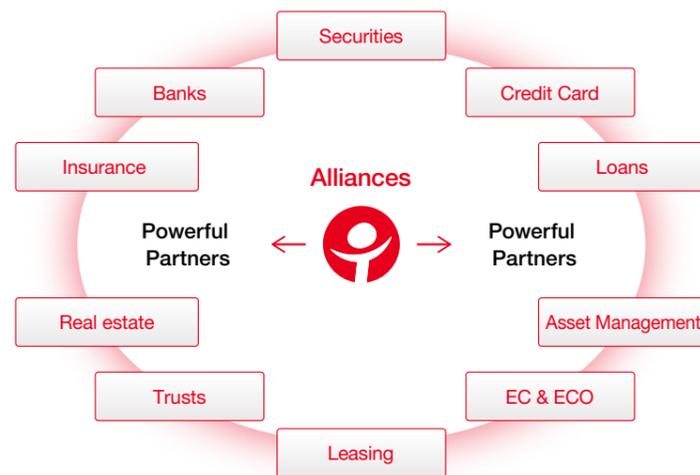
# Deploying Key Measures to Reach the New World

Besides its existing alliances with regional banks, the Group pursues cooperation and collaboration with leading Japanese companies, which it calls “Powerful Partners,” to achieve growth and business expansion “Beyond Our Limits.” By advancing this pursuit and providing its financial business expertise as well as a new function which we will acquire, “New Bonanza” to the customers of “Powerful Partners,” the Group will build relationships that bring benefit both to itself and the Partners. The Group will also focus on DX promotion to apply rapidly advancing digital technologies and achieve dramatic development and sophistication of our financial business.

## Our Ultimate Vision

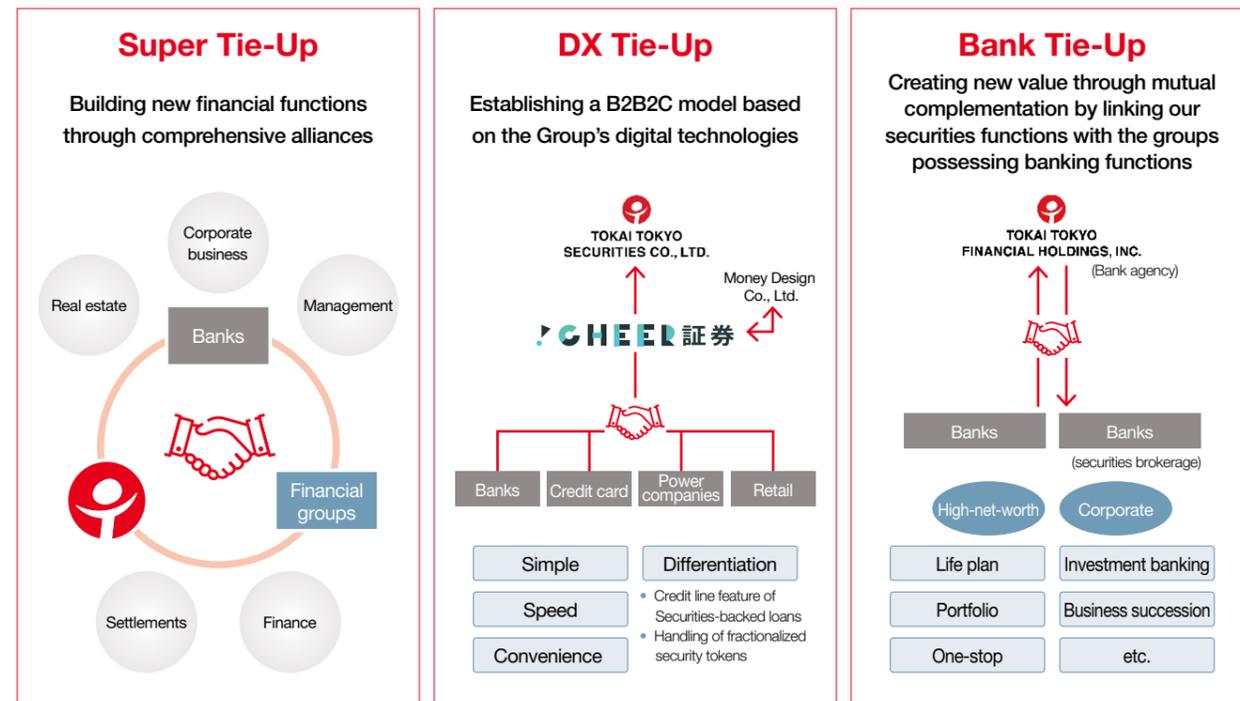
To date, the Group has served as a “Great Platformer” for various financial institutions, including regional banks, by expanding and offering a diverse range of securities-related functions and services.

Furthermore, the Group will create new comprehensive financial services by acquiring “New Bonanza” (new function) as part of “Deploying Key Measures to Reach the New World” and by integrating a wide range of functions, including loans, trusts, and real estate businesses, thereby realizing functional synergies from alliances with “Powerful Partners.”



## Forms of Alliances with Powerful Partners

Based on the premises of “shared vision,” “maximizing synergies,” and “strengthening our operating foundation through the use of human resources and DX,” the Group is making the following three approaches or combinations of these in new tie-ups.

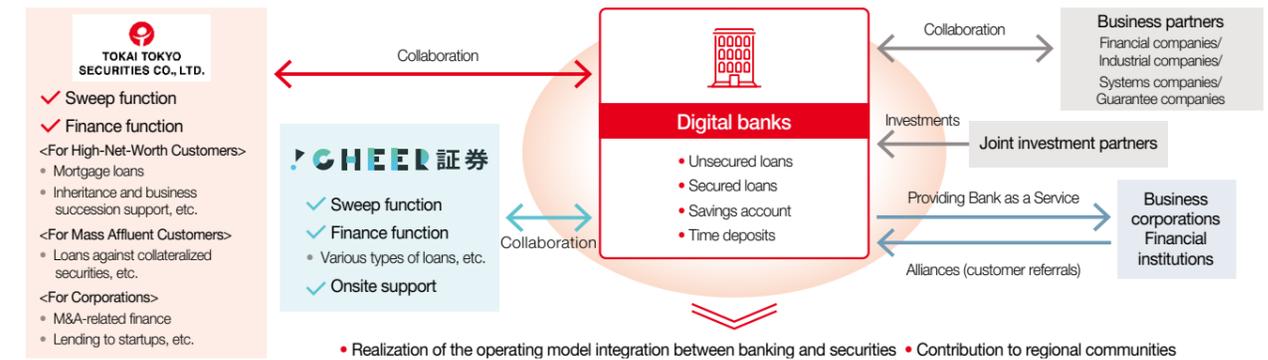


## Acquisition of New Bonanza (New Function)

### Banking Functions

By adding banking functions, the Group will establish a structure to meet comprehensively the diverse needs of its customers. Using this structure, the Group will support sound asset formation over the medium to long term and subsequently needed cash flow management in a more extensive and detailed manner.

Furthermore, by stretching its efforts beyond collaboration within the Group between banking and securities, we will work together with a wide range of partners, and create new finance functions and complement and revitalize regional finance, including in the Tokai region, the Group’s main market.



### Enhancing Asset Management Functions

Money Design and Tokai Tokyo Asset Management, which conduct asset management operations, are working to enhance the Group’s overall asset management services by offering distinctive product lineups that meet a wide range of needs.

Money Design deploys “THEO,” a discretionary investment management service featuring robot-advisors, and also structures

publicly offered investment trusts. It is also working to improve convenience by adding the functions of a NISA coordination and a confirmation of profit distribution. Tokai Tokyo Asset Management handles fund wrap management and the formation and sales of privately placed investment trusts.

## DX Strategy Initiatives

The Group has been introducing rapidly evolving digital technologies to improve dramatically its operational efficiency and advance its financial services.

### Improving Customer Experience and Providing New Financial Services

- Introduction of the simulation system for “inheritance diagnosis”
- Provision of asset management analysis tools
- Development and expansion of new services utilizing digital technologies

### Improving Internal Administrative Work Efficiency and Increasing Productivity

- Utilization of database marketing
- Utilization of AI operators
- Time savings using RPA and electronic workflows
- Further efficiency improvements using generative AI

### CHEER Securities, Smartphone-Based Brokerage Service

In addition to integrating securities functions into conventional regional bank applications, CHEER Securities promoted advertising in collaboration with Japan Post Bank as a measure to expand customer touchpoints. CHEER Securities is also working to enhance services that support wealth formation by offering services and products such as; THEO Fund Wrap’s discretionary investment management service, the “Tsumitate,” an ordinary investment product, the new NISA system, and distributing reports provided by Tokai Tokyo Intelligence Laboratory.



# Human Resources Strategy

## Message

**Our corporate value is underpinned by a virtuous cycle of learning, challenge, and growth. We are building a foundation for sustainable growth through the power of human resources.**

• Aya Kurashita

Head of Human Resources Division,  
General Planning Group, Tokai Tokyo Financial Holdings



## Basic Approach to Human Capital Management

In recent years, the business environment has gone through rapid changes. Due to the improved financial literacy and diversified needs of customers, the securities business has become increasingly sophisticated and complex. Consequently, the level of abilities required of the Group has risen higher than ever before. Responding to these environmental changes, we are advancing “human capital management” and evolving our approach to human resources utilization. Specifically, we will cultivate human resources with higher levels of expertise and humanity to build an organizational framework capable of providing optimal value to customers.

We are the company pioneering in introducing a job-based personnel management practice, encouraging employees with diverse talents to take on challenges while also starting new initiatives in the digital domain. What makes these challenges possible is that we seriously support employees in their continuous learning. We keep offering programs for learning, and our employees on their part actively utilize them to achieve their growth. This virtuous cycle—where employees experience “learning,” “challenge,” and “growth” is a defining characteristic and strength of our human capital development.

Rather than merely acting as instructed, employees feel that they are growing on their own wills, which fosters spontaneous desires to contribute to the Company.

## Evolution of Business Models and Transformation of Human Capital Management

We have evolved our business model in response to the changing business environment, while also flexibly transforming our personnel system and training policies. Currently, as we keep strengthening our businesses with high-net-worth individuals and pursuing partnerships with various groups in finance and non-financial businesses, we are uplifting the core capabilities of our securities business, enhancing our human appeal, and improving our expertise to meet the increasingly diverse and sophisticated needs of customers.

Beginning in 2016, in our efforts to train basic job skills of new employees, we have designated the first two years after hiring as a “training period,” wherein we encourage employees to become able to handle daily work and tasks on their own by their third year. Through sales activities at the call center, for example, employees improve their practical skills to identify what customers need even when they cannot meet them face to face. This comprehensive training system gives a sense of security to trainees who lack confidence in their financial knowledge.

Furthermore, to enhance each employee's appeal as a person, we

launched the Humanity Enhancement Program (HEP) in 2020 to support their personal growth. HEP creates opportunities for employees to broaden their interests and values such as Outside Second-Job Experience programs, In-company Internships at multiple sections or departments. Particularly, for them to fulfill their private lives, we actively encourage employees to take on non-work-related challenges by supporting cultural and artistic activities like kickboxing, music composition, and hula dancing, to name a few. Providing a place and a chance to share these experiences foster a culture where employees inspire challenge-taking each other.

Another priority is to elevate the level of employees' expertise. In 2019, we pioneered in introducing a job-based personnel system ahead of our competitors. At the time, while the reforms including “equal pay for equal work” and “workstyle” are gaining acceptance, we were expanding our business areas. Therefore, we deemed it essential to secure human resources specialized in each field. Against this backdrop, we placed the highest management priority on hiring talent, and introduced a system that helps us to match the value of each job with the corresponding compensation level.

As a result, we now assign some junior employees to management positions and reward employees based on their abilities. On the other hand, six years after its introduction, problems have surfaced, such as the case where some positions being occupied long by specific employees or the evolving speed of expertise required of certain jobs outpacing what we once had estimated. Going forward, we will update the system so that it can flexibly align with our management strategies.

Furthermore, we introduced the “Position Challenges” program in 2024 to support employees' autonomous career development process. The program was developed as an expansion of then existing in-house recruitment. The program covers virtually all positions, allowing employees to freely apply to any department they wish. In fact, the application rate has surpassed that of in-house recruitment in the past, and the program is actively encouraging employees to take charge of their career development independently.

As described above, we view changes as opportunities and are actively developing human resources capable of taking on challenges resolutely in new areas. As part of this effort, we conduct industry-leading educational investment at a level of about 200,000 yen per person annually, strongly supporting employees' growth. Going forward, in addition to providing thorough basic training, we will foster a healthy environment for challenge-taking and competition while paying attention to mitigate employees' psychological pressure. We thereby support the growth of each employee and further accelerate the strengthening of human capital management.

## Basic Policy

The foundation of the Group's human capital management is the employees' commitment to being “ever-learning.” Employees are expected to cultivate both high-level expertise as financial professionals

and rich sense of humanity. The virtuous cycle of “learning,” “challenge,” and “growth” is a notable feature of the Group's human capital development and the root of its competitive advantage.

### ■ Career paths, promotions, and culture

The sense of accomplishment derived from choosing autonomously one's own path of growth fuels next steps forward. People who challenge themselves stand out, and their efforts lead to the next stage and inspire others to take on challenges.



### ■ Honing basic skills, expertise, and humanity

We go beyond merely laying down systems and mechanisms; we seriously support “learning” by employees and set up and maintain an environment where employees can experience their own growth.

### ■ Opportunities to take chances voluntarily

We genuinely support employees by making three requisites available for use by employees, namely, 1) systems that support learning and challenge-taking, 2) occasions to showcase their refined humanity, and 3) environments where they can take on challenges with confidence.

## Evolution of Human Resource Development Aimed at Realizing New Business Models

The Group has continuously renewed its business model in response to changes in the business environment, exemplified by improved financial literacy of customers and their diversifying needs, as well as the rise of neo-finance companies. The “Orque d'or Strategy,” which strengthens businesses for high-net-worth individuals and the Company's various

partnership formations, symbolizes the said response. To realize these transformations, the Company will further enhance the expertise it has cultivated and concurrently focus thoroughly on enhancing the appeal (humanity) and strengthening foundational capabilities of those engaged in securities operations.



We enhance expertise by conducting specialized training designed to varying job roles, and administer fair remuneration based on the ability required of respective assignments. We evaluate employees based on their abilities, not seniority, and actively promote qualifying junior employees to management positions.

Employees can actively shape their careers in any direction they choose. We consistently evolve our workplace environment for them to take on challenges.



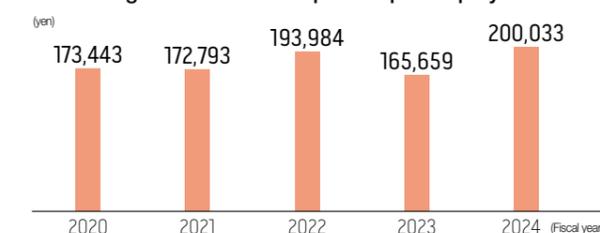
After accepting new entrants, the Company takes ample time to train employees so that they can undertake sales activities smoothly in their third year or earlier. We place them at the call center first with our idea to provide hands-on experience through customer interactions to hone their specialized knowledge and practical skills and develop into individuals capable of adapting to changing environments in the end.

To enhance employees' personal appeal, we offer a comprehensive “Support Program.” Under the program, employees joining this program are expected to hone their own appeal and inspire their sense of taking on challenges, and at the same time, imbue those around them with such a sense. As such, the program is designed to work as a driving force to generate a virtuous cycle of learning, challenge, and experiencing growth across the entire organization.

## Achieving Sustainable Growth Through Strategic Investment in Human Resources

The Group positions human resources as the engine to push forward its process of corporate value enhancement, and we focus on strategic human resources development. As part of this effort, we now strive to enrich its training system. Annual training expenses are approximately 200,000 yen per employee, a high level within the industry. Besides the initial onboarding training, we help individual employees achieve their career development by offering diverse programs tailored to varying levels and purposes, as well as systems that support self-directed learning.

### ▼ Training and education expenses per employee



## Human Resources Strategy

### Specific Initiatives

Among our diverse initiatives to enhance humanity and expertise, the Humanity Enhancement Program (HEP), which broadens perspectives through external challenges and cross-disciplinary experiences, stands out as a distinctive system. It has had a cumulative total of 390 participants since fiscal 2020. We also actively assist employees in self-directed career development by means of supporting challenge-

taking outside the company and revitalizing communication.

We foster the growth of talent by enriching the comprehensive and systematic training program, along with giving ample training opportunities and time (81 hours per person).

We provide new graduate hires with approximately 600 hours of training over two years to accomplish their early growth.

Training/system	Overview/features
Two-year Training After Joining the Company	The first two years after joining the company as a new graduate hire are designated as a training period. We implement a development program combining Off-JT with OJT at the selected departments. Through practical experience at the call center, exposure to trading activity in the Market Division, and chances to learn sales for high-net-worth individuals at the Wealth Management Division, the new hires cultivate the knowledge and practical sense necessary for securities operations.
MBA Scholarships	This program invites and selects MBA candidates for graduate school enrollment at Waseda University and Hitotsubashi University in Japan, as well as business schools in the U.S. and Europe. With a view to uplifting the group to a truly chosen and respected comprehensive financial group, the group has sent 12 individuals overseas and 39 domestically to date.
Overseas Trainees	The solicitation is made company-wide, and we send several employees to overseas subsidiary companies every year. Those employees receive on-site training at local businesses and research companies.
Position Challenges	Starting in April 2024, we continue administering the "Position Challenges" program, expanding our in-house recruitment system, which was previously limited to certain departments and positions, to all posts, including department head roles. This challenge supports each employee's proactive career development. The "Position Challenges" program supports employees' challenges, facilitating the promotion of junior employees and the diversification of career paths.
Leadership Development Training	Since fiscal 2011, we have been conducting leadership development training to foster leaders of the next generation. In fiscal 2024 and after, we regularly organize and implement the open application program to encourage employees to take on new challenges. A total of 300 employees has joined this program to date. Addressing three different classes of candidates, including managerial, executive, and officer, we carry out respective programs to expand participants' perspectives, forge their insights, and raise their awareness as leaders.
Private Life Support	The program provides financial support and allows employees off-duty time during their work hours for them to engage voluntarily in activities related to culture, sports, and academics. Our idea is to help them acquire human qualities and education. A total of 123 employees has joined this program to date.
Second-Job Experience Outside the Company	The program allows employees to acquire hands-on working experience and learn diverse values at startups or other companies for three months. A total of 19 employees has joined and provided their feedback, remarking that the program has broadened their perspectives and helped them recognize what they have to do.
Cafeteria Training	To support employees' autonomous learning, we provide diverse learning opportunities, including optional training programs, e-learning, external seminars, and certification acquisition support. Employees can freely choose from a wide range of courses, not just work-related topics.

⇒Humanity Enhancement Program and in-house systems



### Recruitment

We deem human resources to be foundation that supports the Group. Accordingly, we put a great deal of effort into recruitment, which is a source of the foundation.

When hiring new graduates, we, the Company, prefer to work with individuals who empathize with our philosophy and can act on their own initiative. To secure a diverse range of talent, we hire not only university graduates, but high school and five-year technical college\* graduates as well. We are also actively conducting recruitment by division to hire highly specialized talent in the financial and digital fields. Of the 191 new employees who joined the Group in April 2025, 40 were hired and assigned to respective divisions from day one.

Additionally, starting salaries for fiscal 2026 have risen from 265,000 yen to 300,000 yen (for university graduates), testifying to our continuing efforts to strengthen recruitment capabilities.

We are also stepping up our efforts in mid-career recruitment since we believe that talent with expertise in various fields is necessary more than ever to fulfill the Company's Management Plan.

In April 2024, we introduced Referral Recruitment, which recruits new hires through referrals from employees. This method proved effective in hiring new employees who share our Company's values and appeal.

\* The educational institution that teaches courses of both high school and some portions of the engineering college combined.

### Evaluations and Rewards

The Group has adopted a job-based personnel system, as opposed to a traditional seniority-based system, to ensure that the most suitable individuals are assigned to positions irrespective of personal attributes, length of service, and other immaterial factors. This system is designed to lead us to achieve the management plans and the development of human resources possessing high levels of expertise.

It is also designed so that employees can be treated suitably

according to their level of expertise and humanity, regardless of age. In fact, we now have section heads and department heads in their mid-30s.

Furthermore, when we conduct an evaluation that satisfy both the supervisor and subordinate about the result, we go through the procedure including interviews between supervisors and subordinates at the beginning, middle, and end of the fiscal year to facilitate ample communication.

### Initiatives to Enhance Employee Engagement

We have been conducting an Employee Engagement Survey since fiscal 2022. The Employee Engagement Score is an indicator that represents the extent to which employees resonate with the Company's management philosophy and direction, and how motivated they are to willingly contribute to improving the Company's business performance. We use the subject score to identify gaps between management strategies and employees' awareness thereof and to stimulate employees' initiatives and culture that raises motivation to contribute. Under our medium-term management plan, we aim to raise the employee engagement score to 63% by the fiscal year ending in March 2027.

In fiscal 2023, the Group's engagement score was 41%, and in

fiscal 2024, it was 38%. Based on the survey results, we introduced the "Position Challenges" system to solicit employees to apply for transfer to the departments they wish to challenge themselves to support self-directed career development.

Furthermore, we will keep improving the environment to boost employee motivation and foster a sense of accomplishment in their work. We will achieve this by taking measures such as reviewing personnel and compensation systems, implementing coaching training for managers, conducting promotional activities by the staff of the Human Resource Division visiting divisional offices, and utilizing the employee suggestion system. In addition, we will present more opportunities for communication between management and employees.

#### Comments from Personnel System Users

##### Overseas Trainee (August 2023 to August 2024)

#### Learning On-Site and Strengthening Proposal Capabilities

The overseas trainee system was more than just a language study abroad. It turned out to be a valuable opportunity to greatly broaden my horizon through practical work and cross-cultural experiences over there. During my year in New York, I experienced a wide range of activities, including office work, training at partner companies, learning at an university, and company visits. Although I was initially puzzled by the speed and accents of native speakers, I developed a proactive attitude through repeatedly taking on challenges. This experience deepened my understanding of U.S. companies, enabling me to convey the appeal of U.S. stocks to customers more concretely. Going forward, I will leverage the insights gained on site to enhance the accuracy of my stock analysis, and by sharing these insights with my team, I aim to contribute to the growth of the entire organization.

**Jaehee Min**

Group Leader, Promotion Group 1,  
Foreign Equity Promotion Department  
at Tokai Tokyo Securities



##### Position Challenges (April 2025)

#### Expanding Career Possibilities Through New Challenges

Three years after joining the company, as I was reevaluating my career, my former supervisor at the sales office told me about the Position Challenges system, and I decided to apply for it. After progressing through document screening and interviews, I successfully transferred to the Orque d'or Division, as I had hoped. I had no prior experience in the wealth management area, so I initially felt confused at times. However, as I acquired the advanced knowledge and skills unique to businesses with high-net-worth individuals, my sense of fulfillment in doing my work started growing significantly. Plus, my seniors and supervisors always provide solid backing when things did not go smoothly. So, I am really glad that I made use of this system. Going forward, I would like to absorb knowledge actively, hone my proposal organizing capabilities to better support clients, and continue growing as a salesperson.

**Kanta Nogawa**

Advisory Section 1, Orque d'or Department 2  
at Tokai Tokyo Securities



## Employees Roundtable



<p>Tokai Tokyo Securities, Co., Ltd. Branch Manager Oimachi Branch</p> <p><b>Kohei Oikawa</b> Joined 2007</p>	<p>Tokai Tokyo Securities, Co., Ltd. Advisory Section 1, Tokyo Orque d'or Department</p> <p><b>Rina Yamashita</b> Joined 2015</p>	<p>Head Office Sales Department Hamagin Tokai Tokyo Securities Co., Ltd.</p> <p><b>Masako Nakagawa</b> Joined 2001 → Rehired 2014</p>	<p>Tokai Tokyo Securities, Co., Ltd. Government Bond Group, Bond Department</p> <p><b>Tatsuki Morimoto</b> Joined 2018</p>	<p>On-Site Marketing Department, CHEER Securities Inc.</p> <p><b>Azuki Kitamura</b> Joined 2017</p>	<p>New Business Strategy Management Department, Tokai Tokyo Financial Holdings, Inc.</p> <p><b>Satoru Katagiri</b> Joined 2024; mid-career job change</p>
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## The Path to the “New World” Forged by Our DNA of Challenge-Taking

The Group has set the goal of reaching the “New World” in its medium-term management plan.

A culture that does not fear challenges is essential to achieve this goal.

In this roundtable, members at the forefront of their respective fields shared their perspectives on evolving workstyles, the current state of challenges, and their aspirations for the “New World.”

### —First, why don't you introduce yourselves and tell us why you joined Tokai Tokyo Financial Holdings?

**Nakagawa** Since my student days, I have aspired to work in the financial industry and focused my search on careers in the area of securities, banking, and insurance. Among those, I had a particularly strong interest in investment as a subject of study, which made me select a securities firm as my top choice. The deciding factor for me to have chosen this company was the interviewer who so attentively listened to me during the recruitment interview. It made me feel I could work here, feeling at peace. To tell you the truth, about 10 years after joining the Company, I quit the job to care for my family and travel abroad, treasuring time for myself and my family. Sometime later, the branch manager whom I had once worked under reached out to me, and I returned to the Company.

**Oikawa** After joining the Company, I spent 8 years in sales at a branch in Aichi Prefecture. I then left the regular daily work to engage exclusively in union activities and returned to the assignment of sales 3 years later. I am now working as the branch manager of the Oimachi Branch. During my university days, many of my peers had eyes on the civil service field, but I felt that path didn't quite satisfy my own aspirations. It was then that Tokai Tokyo Securities first caught my eye on the university's job listing board. When I joined the Company, I had almost no preliminary knowledge of financial products, but by a stroke of luck and connection, I have been able to continue working here until today.

**Yamashita** After joining the Company, I spent three years handling sales in Tokyo before being seconded to the Research Center (now the Tokai Tokyo Intelligence Laboratory). I am currently assigned to Orque d'or Department. During my job search, I sought

an environment where I could balance my personal life and work easily. President Kitagawa attended the gathering for prospective employees and seeing her there helped me concretely envision a long-term career path for women at a securities company. That was a major reason I decided to join the Company.

**Kitamura** I am currently working at CHEER Securities, after having worked in sales for five years. During my student days, I had a desire to become a registered dietician and even completed hospital internships, but then later, I began to feel I wanted to explore a path that better suited me. A friend of mine suggested applying to financial firms, and following her advice, I decided to make an attempt. Now that I am working here, I have come to truly appreciate the Company, both in terms of employee treatment and work style.

**Morimoto** When I was a college student, I devoted myself almost entirely to competitive dancing. My final competition began in June of my senior year, and I was worrying if that would cause a conflict with my job search. However, the Company understood my situation and accommodated me flexibly throughout their selection process. Thanks to this, I achieved satisfying results in both the competition and my job search. I started feeling interested in the financial industry as I came to realize that I had to acquire a certain level of financial literacy for my well-being.

After joining the Company, I spent two years in sales before moving to the Bond Department of the Market Division, where I am now entering my 5th year.



Tatsuki Morimoto

**Katagiri** My career started at another securities firm that I had joined as a new graduate. After gaining experience in IPO consulting, I came to the Company in 2024. Currently, I work in the New Business Strategy Management Department, where I oversee collaboration with “Powerful Partners.” What strongly attracted me to the Company was its proactive approach to forming collaboration with businesses in other industries, going beyond the boundaries of conventional securities firm operations.

### —Please tell us about “Challenge,” one of the Group's core values.

**Oikawa** It is true that we have started using the word “Challenge” only recently. But I thought that the culture behind

that word had already been deeply rooted in the Company by the time I came here. I have also gained a real sense that active and consistent challenge to move forward leads us to results, and now I am strongly convinced about the value of taking on challenges.

In fact, at the Oimachi Branch, we started taking a new strategic initiative this April as the “Portfolio Consulting Division,” and the entire branch is working together positively as one body. Even when starting something new, there is never any sense of discomfort, and it is accepted naturally. I feel this culture is one of our company's greatest strengths.



Azuki Kitamura

**Kitamura** Transferred from sales to the Digital Strategy Division via an open recruitment process itself was a major “Challenge” for me. Upon the transfer, I was assigned to regional revitalization initiatives, working with regional banks under alliances with a view to reactivating local communities. Currently, I am responsible for on-site sales initiatives, where I am supposed to help our local corporate clients with their efforts to improve employee benefits and streamline human resource management practices. Furthermore, while on-site initiatives are something never touched on before within our Group, our relevant efforts seem to be producing significant appeal both internally and externally. I see this as a new challenge, exploring the way we can collectively enhance our value as a group.

We have been implementing various measures, but some of them failed to accomplish satisfactory results, for instance, the issuance of local currencies and the involvement in hometown tax donations. In those cases, however, management's decision to “do an about face” was made remarkably swift. I feel this is also one of our group's key corporate cultures.

**Katagiri** For me personally, joining the Company was a big test in itself. Also, the open recruitment and “Position Challenges” Kitamura-san mentioned are measures symbolizing our company's commitment to taking on challenges. In fact, I have seen colleagues up close who have utilized these systems to carve out their own career paths. Witnessing their journeys has been a powerful source of inspiration, further fueling my drive to continue taking on challenges.

In addition, the management team possesses rich creativity, consistently generating ideas that transcend the boundaries of a

## Employees Roundtable

securities firm. Remarkably, these ideas are always accepted without any sense of misfit. I believe this proves well that a culture of challenge has taken root in the organization.

**Yamashita** I mentioned about returning to the sales floor after finishing my secondment. While many employees transfer from sales to administrative roles, choosing the opposite path was a tough decision. It had been five years since I started working in sales, and both the systems and customer base had significantly changed. I was completely unfamiliar with everything. Even so, my experience at the Research Center has turned out to be invaluable to me in assuming my current role at Orque d'or. Looking back now, I strongly feel that the secondment was an essential challenge opportunity that broadened the scope of my career.

**Morimoto** I am currently in charge of bond dealing. Although I am an entry-level employee, I am allowed considerable position-taking authority, and this is a major challenge for me. Bonds dealing involve large sums of money, and I was quite anxious at first. However, with generous support given from my department head and seniors, I have grown to the point where I can independently perform market making.

I was entrusted with this authority of position, taking about two years after transferring to the Bond Department. I am grateful that this opportunity came at the exact moment my senior retired, allowing me to fill his shoes.

**Nakagawa** I am at a branch of our affiliated joint venture securities. However, because the risk perceptions and values differ completely between customers of banking and those of securities, every day presents challenges one after another. My primary role is to ask for referrals of the customers from the partner banks.

Additionally, many junior employees at partner banks lack knowledge of the products and services we, Tokai Tokyo Securities, offer. Therefore, besides my daily routines, I take on new challenges, such as organizing product study sessions and creating opportunities for them to share sales pitch knowledge.



Masako Nakagawa

—Why has a culture of challenge taken root, and what is essential to further deepen it?

**Nakagawa** It has been over 20 years since I joined the Company, and I now feel that our culture of challenge has been built by our everyday efforts to defend the spirit, “take on challenge.” Pioneering

initiatives like originating affiliated joint venture securities partnerships and Orque d'or, ahead of our peer securities firms, have proven a success, and those results have led us to the next challenges. I believe this virtuous cycle of challenge has developed into our group's current source of confidence and strength.

**Morimoto** I think another defining feature of our company is the solid psychological safety it provides for employees to take on challenges. Our managers often tell us, “Don't worry before you try, just go ahead and do it.” And when we do take on a challenge and it does not go well, our managers and seniors render solid support. Throughout the entire group, I feel a mindset of challenge is so naturally ingrained in us. So, when we start something new, we are not overly conscious of the gravity of the phrase “taking a challenge” may otherwise impose on us.

**Oikawa** By being a manager who emphasizes taking on challenges, I always ask employees assigned to our branch why they joined our company and what kind of work they want to do. About a year later, they start to see what other departments are doing, and some express a desire to take on challenges in those departments. I fully support subordinates with this kind of positive attitude, and I generally approve all open recruitment applications.

**Kitamura** However, when you are on the sales floor, I often feel that the details of internal systems do not quite reach us. For example, although the job descriptions for positions are shared during internal open recruitment, I came to know about the In-Company Internships system only after I myself had transferred to the Digital Strategy Department. The internship allows you to experience a department before transferring. We have such a wealth of attractive programs, so if we could raise awareness of them and create an environment that makes it easier to access such information, I believe a culture of taking on challenges will take root even more thoroughly in the entire company.

—I believe that we can take on various challenges only if the foundation of an easy-to-work environment is available to us. Please share your thoughts on this work environment and the conditions.

**Nakagawa** I currently work at a branch of an affiliated joint venture securities, and the environment there makes it easy to take time off. When I first joined, work sometimes stretched into late hours, but now time and attendance management is strictly enforced, and that has changed the way we work significantly. While the expectations the company places on us grow more demanding each year, working hours have been reduced. This has naturally instilled a mindset of getting things done within the allotted time, and I feel everyone's awareness has also greatly changed.

**Morimoto** Regarding the vacation days, taking at least five days of paid leave annually is encouraged, and there is a general perception that taking time off is an obligation. So, even when I was a new employee, I have never once felt that it was difficult to take paid leave.

**Yamashita** I have been assigned to sales, dealing with a wide range of clients, ranging from individuals, corporations, to institutional investors. Observing how seniors and colleagues work, I see that for women, for instance, continuing to work on the



Rina Yamashita

sales floor after childbirth maybe be difficult in certain situations, like when attending client meetings are required frequently.

On the other hand, I would say that our Group has a flexible system allowing us to move to other divisions, setting an environment in place where employees can choose their career path, fitting to their respective life stages. I feel it is a very considerate workplace here for employees who are motivated to continue their careers.

**Oikawa** As many of us have mentioned, our Group has been tackling work style reform from a fairly early on. That is precisely why, when the government's Work Style Reform Act was enacted, we felt it at long last caught up with our company's related practices then. For example, we already had a program allowing employees to take five consecutive weekdays off to create a 9-day holiday by the time the government enacted the Reform Act to the same effect. That shows just how far ahead we were already.

—The Group is aiming to reach a “New World,” as outlined in the medium-term management plan. Please share your aspirations and thoughts for reaching this “New World.”

**Katagiri** As the financial industry grows increasingly complex with new entrants from other industries, our Group has never remained complacent. We have consistently challenged



Satoru Katagiri

ourselves, forging our own unique path. Initiatives like affiliated joint venture securities partnerships and Orque d'or are symbolic of this, creating new value that have never existed before. While upholding these values and our distinctive style, we will further accelerate collaboration with Powerful Partners.

**Oikawa** Facing major changes in society head-on, is what I believe constitutes the concept of “New World.” Beyond that lies a future that carves out a world that you cannot visualize merely by holding on to existing businesses. However, what's needed first to reach the New World is foremostly the accumulation of solid perfection of daily basics. Holding a grand ideal in our hearts, we must steadily achieve the first step right before us. This continuous challenge is the path that will lead to the “New World.”

**Nakagawa** To speak frankly, I cannot grasp the concrete



Kohei Oikawa

image of a “New World” yet. However, I believe the crucial thing is to maintain an attitude of taking on new challenges. Especially in dealing with major changes like DX, I will undertake my daily work by constantly asking myself, “What should I be doing?”

**Morimoto** The Market Division I work in is comprised largely of colleagues who joined us as mid-career hires. In this environment filled with many talented individuals, I think I should thoroughly absorb their know-how and wisdom. As an employee who began my career at Tokai Tokyo Securities, I hope I can become someone who can energize not only my division but the entire company.

**Kitamura** The digital area possesses a high affinity with our new initiatives. So, my current assignment allows me to engage in various challenges. However, the reality is that I have yet to yield significant results in the area I work. Even so, no one has given skeptical stares at me. Instead, I receive positive encouragement from the people surrounding me. This environment itself symbolizes a “New World,” and I want to fully meet everyone's expectations, soon.

**Yamashita** The “New World” means implementing innovative initiatives that transcend conventional frameworks and the norm—it is an opportunity to go beyond our limits. Amid the rapidly changing market environment and customer needs, we will pursue our vision with conviction, unbound by existing values and without fear of taking on challenges.

# Practicing Sustainability Management

## <Approach to Sustainability>

The Group deeply recognizes the importance of sustainability and is actively addressing environmental and social issues through its business activities to fulfill its responsibility as a leader in the financial and capital markets. The Group considers contributing to the realization of a sustainable society to be an essential prerequisite for its long-term growth.

Under its current medium-term management plan, "Beyond Our Limits," the Group has adopted "Social Value & Justice comes first" as an action guideline of the plan. This demonstrates a strong commitment that the creation of social value and the fulfillment of social justice must be positioned as the highest priorities if we wish to earn society's trust and operate sustainably. The Group's entire business activities are carried out, guided by asking itself the core questions of whether it will lead to the creation of social value and whether it is on the right course of action acceptable to society.

Having this mindset, the Group will maintain its contribution to the realization of a sustainable society by respecting people, communities, and the global environment through innovative business practices.

## Sustainability Initiatives and Promotion Structure

The Group's sustainability management has evolved into a Group-wide management initiative with the announcement of our SDGs Declaration in 2020, which outlined the key environmental and social issues as "Materiality" that the Group will prioritize and address.

Strategies and policies related to sustainability are discussed regularly at the Social Value and Justice Council (SVJ Council), which is staffed by management members of the Company and Tokai Tokyo Securities. The Social Value & Justice Office, which serves a secretarial role for the council, takes the lead in deploying these strategies and policies across the entire Group. Deliberations of the SVJ Council are reported to and discussed at the Management Meeting and the Board of Directors as appropriate, and are reflected in management-level decision-making.

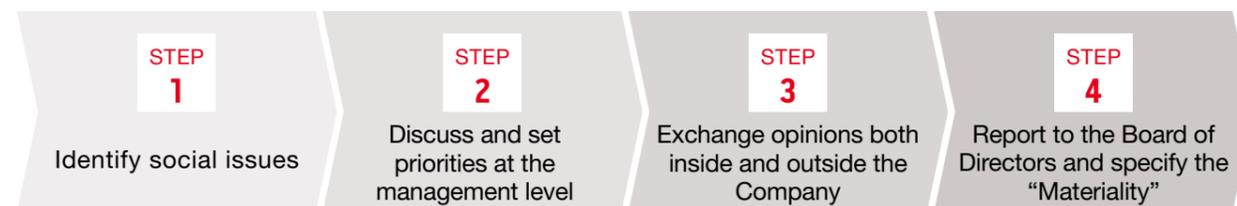
In order to fulfill the expectations of all of our stakeholders and to earn their trust and support for many years to come, we will continue

to proactively address various environmental and social issues and improve our corporate value through the creation of social value.

### Main Topics Discussed by the SVJ Council in Fiscal 2024

- Implementation structure and operation of human rights due diligence
- Sustainability initiatives for fiscal 2024
- "Social Value & Justice" KPI results and future initiatives
- Review of climate change action (disclosure in line with TCFD recommendations)
- ESG evaluation report and future initiatives
- Sustainability events

## Materiality Identification Process



In 2023, the Group reviewed its Materiality based on the "Social Value & Justice comes first" action guideline in its medium-term management plan, and in response to social and environmental changes like the era of 100-year lifespans, demands for human capital management, and the intensifying severity of climate change.

The review process emphasized identifying priority issues for solving social challenges, founded upon the Company's management

philosophy of "we will contribute to the growth of our nation's economy by fulfilling our role as a financial service provider to help customers with their wealth formation and capital enhancement." Subsequently, the issues were discussed at the SVJ Council, and after a further exchange of opinions internally and externally and reporting to the Board of Directors, five Material Issues were identified as priorities to be addressed.

## Materiality Efforts

Material issue	Priority areas	Main Initiatives
 Achieving good life management	<ul style="list-style-type: none"> <li>■ Support household assets formation</li> <li>■ Offer inspiring experiences</li> <li>■ Improve financial literacy</li> </ul>	<ul style="list-style-type: none"> <li>■ Develop and provide diverse financial products</li> <li>■ Provide financial and non-financial services tailored to customers' life plans and needs</li> <li>■ Providing Financial Education Opportunities</li> </ul>
 Innovation	<ul style="list-style-type: none"> <li>■ Respond to diversifying customer needs by deploying advanced financial services such as digital and other innovative technologies</li> <li>■ Support startups and other companies pursuing innovation</li> </ul>	<ul style="list-style-type: none"> <li>■ Develop financial products utilizing blockchain technology</li> <li>■ Conduct human resource analysis using AI and human resource assessment data</li> <li>■ Startup support by Tokai Tokyo Securities</li> </ul>
 Partnerships	<ul style="list-style-type: none"> <li>■ Support the regional economy and revitalize regional communities by expanding cooperation with regional financial institutions</li> <li>■ Respond to diverse customer needs by forming wide-ranging partnerships with those from the non-financial industry</li> </ul>	<ul style="list-style-type: none"> <li>■ Develop affiliated joint venture securities with regional banks</li> <li>■ Collaborate and cooperate with "Powerful Partners"</li> <li>■ Initiatives aimed at realizing the "Establishment of the Regional Startup Ecosystem"</li> <li>■ Regional Contribution through Tokai Tokyo Foundation</li> </ul>
 Well-being	<ul style="list-style-type: none"> <li>■ Respect human rights</li> <li>■ Develop a workplace environment in which diverse human resources can work with peace of mind in diverse environments (DE&amp;I)</li> <li>■ Support employee education</li> <li>■ Elevate the level of engagement</li> <li>■ Promote health management</li> </ul>	<ul style="list-style-type: none"> <li>■ Enhance personnel systems and conduct awareness campaigns to promote their usage</li> <li>■ Conduct engagement surveys</li> <li>■ Implement stress checks</li> <li>■ Offer health consultations with occupational physicians and public health nurses</li> </ul>
 Green	<ul style="list-style-type: none"> <li>■ Support the realization of a green and sustainable society through financial services</li> <li>■ Reduce environmental damage by means of our own decarbonization initiatives and others</li> </ul>	<ul style="list-style-type: none"> <li>■ Underwrite ESG bonds</li> <li>■ Switch to renewable energy and systematically replace company vehicles</li> </ul>

## "Social Value & Justice" KPIs

	Fiscal 2024	Target for fiscal 2026	Fiscal 2024	Target for fiscal 2026
For a better society	CO <sub>2</sub> net emissions <b>1,704 t-CO<sub>2</sub></b>	1,474 t-CO <sub>2</sub> (50% reduction compared with fiscal 2021 level)	Social contribution activity expenses <b>1.7%</b>	1.0% (compared with ordinary profit in previous fiscal year)
Perfection in fulfilling all the mundane basics	Customer-oriented (NPS® of Tokai Tokyo Securities Co., Ltd.) <b>+13.4 pt</b>	+20 pt (compared with fiscal 2021)		
Be exciting	Employee engagement <b>38.0%</b>	63.0%	Investment in education <b>3.4%</b>	3.0% (compared with ordinary profit in the previous fiscal year)

⇒ Scan here for more details on Materiality.





## Achieving Good Life Management



### <Basic Approach>

The Group has continuously expanded the wide range of financial products and services it provides as a securities firm, accurately identifying the needs of customers as they diversify with the changing times. As the era of 100-year lifespans arrives and the shift from savings to investment accelerates, the Group aims to support customers in their life plans and achieve good life management. Furthermore, drawing on its knowledge of economic mechanisms, the Group will also focus on the dissemination of financial information and educational activities, contributing to the support of independent life planning.

## Provision of Services Tailored to Customer Characteristics and Needs

Tokai Tokyo Securities offers services tailored to customer characteristics, such as “Orque d’or” and “CLAIR CIEL.”

In addition, CHEER Securities is a smartphone-based brokerage designed to enable beginners in asset management to start investing by lowering barriers related to funds, knowledge, time, and risk. Its concept is “Investment that’s easy to start and continue.” Japanese stocks, U.S. stocks, and investment trusts can generally be purchased 24 hours a day starting from ¥500. Through its “Leave-it-to-us Management” service, CHEER supports asset building via fund

wrap solutions provided by Money Design.

Through these initiatives, we continuously strive to support asset building that fits customers’ lifestyles and to improve and enhance our services.

Furthermore, we regularly deliver online seminars to address customers’ questions and concerns regarding investments, inheritance, and related topics.

Market commentary by Tokai Tokyo TV analysts (Japanese-only)



Commentary via live streaming on Tokai Tokyo LIVE! Plus (Japanese-only)



## YORISO: Smartphone Application to Help Corporate Employees Use Their Welfare Programs for Financial Wellness

Tokai Tokyo Securities released its corporate welfare smartphone app, YORISO, in February 2025.

Targeted at the employees of corporate clients, YORISO aims to realize financial wellness through support in asset formation and HR-related areas.

The app offers one-stop advice regarding asset formation and insurance, tailored to each employee’s life stage. It delivers a highly convenient user experience closely integrated with daily life, featuring household budget management linked to salary and benefits, organization of pension information, and an online consultation function.

The introduction of YORISO provides corporate client employees with a sense of security regarding financial planning and diverse options for future planning. For the corporate client, it aims to enhance employee satisfaction and talent retention.



### Financial and Economic Education Initiatives for the Next Generation



Tokai Tokyo Securities is actively committed to providing opportunities for financial and economic education.

In August 2025, in co-sponsorship with J-FLEC (Japan Financial Literacy and Education Corporation), Tokai Tokyo Securities held its first financial and economic education event for elementary school students, using an original snakes-and-ladders-like board game. The Group also contributes to local communities through financial literacy education for future leaders, including outreach lessons to elementary and junior high schools in Nagoya City and offering internships for high school students.



## Innovation



### <Basic Approach>

The Group regards innovation as the driving force for creating corporate value for sustainable growth and has been working to promote it. Through utilizing advanced technologies, such as blockchain, collaborating with startup companies, and cooperating with local communities, and by addressing social issues and creating new value, the Group is sharpening its corporate competitiveness. These activities enable the Group to provide flexible services corresponding to increasingly diverse customer needs and also lead to the sophistication of asset formation support.

Going forward, through business development driven by innovation, the Group will aim to achieve both the realization of a sustainable society and the enhancement of Tokai Tokyo Financial Group’s corporate value.

## Development of Diverse Financial Products

The Group is working to strengthen its platform to meet the diverse needs of both individual and corporate customers. In addition to equities, bonds, and investment trusts, it offers a wide range of financial products including security tokens (ST), derivatives, and securities-backed loans.

### Retirement Funds

Tokai Tokyo Securities offers retirement funds that enable asset management aimed at extending the life of assets, reflecting the arrival of the era of 100-year lifespans and the need to prepare for inflation. These decumulation-type funds are designed for the planned drawdown of principal while the assets remain invested according to the customer’s life plan, thereby supporting the balance of long-term asset formation and stable fund security.

### Security Tokens (ST)

The Group is engaged in the development and provision of financial products that utilize advanced technologies such as blockchain. For example, security tokens (STs)—which certify ownership of assets like equities and real estate on a blockchain—enable the fractionalization of financial products, allowing them to be offered widely to individual investors. The Group is currently establishing a framework that allows STs to be purchased through CHEER Securities, thereby creating investment opportunities and expanding financial access for the next generation.

## Startup Support for Innovation Creation

In 2024, Tokai Tokyo Securities opened Orque d’or Salon AOYAMA to support startup entrepreneurs, dubbed “Jeunesse members,” who are passionate about changing Japan through ventures focused on the three key themes of Sustainable, Unique, and Technology.

Tokai Tokyo Securities also operates the Open Innovation College (OIC) program in Chubu and Tokyo, offering a forum for learning and exchange through collaboration with corporate executives and university personnel. The program regularly holds study sessions on the latest innovation trends as well as startup pitch events aimed at discovering promising startups with growth potential and matching them with investors.

Furthermore, the Company has concluded a cooperation agreement with STATION Ai, a startup support center in Aichi Prefecture and is actively deploying initiatives to promote regional innovation.



### Improving Sales Performance through Optimized OJT Based on Individual Psychological Traits

Tokai Tokyo Securities has developed a data-driven on-the-job training (OJT) system that visualizes how individual traits affect sales performance, thereby enabling tailored coaching. The system integrates and analyzes data on psychological traits, behavior, and performance to visualize the characteristics of high performers. By enabling supervisors to guide subordinates based on an understanding of their psychological traits, the system promotes behavioral change, achieving a 30% increase in orders received. In recognition of strengthening sales capabilities and improving the quality of community-based financial services, the system received the Regional Revitalization Award at the 10th HR Technology Awards.





## Partnerships



### <Basic Approach>

Revitalizing local communities is crucial for creating a sustainable society. The Group has actively contributed to the development of local economies through a wide range of activities, such as establishing affiliated joint venture securities with regional banks, providing platforms to industry peers, and running grant/donation activities through the Tokai Tokyo Foundation.

The traditional business domains cultivated over the years as a securities firm, along with the development of platforms leveraging its securities business expertise, form the foundation of the Group's business. Moving forward, the Group aims to deliver even greater value to society by collaborating with operating companies that it calls "Powerful Partners."

## Building Alliances

For over 15 years, our Group has built strong partnerships with prominent regional banks in Japan. By integrating new digital innovations and other forward-thinking features into its existing alliance capabilities, the Group aims to expand the growth and business base through alliances and collaboration with "Powerful Partners," an integral part of the current medium-term management plan.

In 2023, the Group commenced collaboration with Japan Post Bank. Through establishment of the Regional Startup Ecosystem, the Group supports local startup companies, thereby contributing to regional revitalization.

⇒P.36

## Activities of the Tokai Tokyo Foundation Aimed at the Development of Local Communities

The Group established the Tokai Tokyo Foundation on the occasion of its 15th anniversary. The foundation's mission is to support the development of local communities by fostering local leaders capable of shaping the future of the region and playing an active role globally. Additionally, the foundation aims to create opportunities for local

residents to learn about the global economy and society, and to promote arts and culture.

In fiscal 2024, the following initiatives were implemented, totaling approximately ¥16 million in grant projects.

⇒ Tokai Tokyo Foundation (Japanese-only)



### • Grant for the Preservation of Traditional Festivals

5 organizations  
Grants are provided for the preservation and transmission of traditional festivals and folk performing arts in Aichi Prefecture, subsidizing the costs of purchasing, repairing, and maintaining necessary tools and costumes required for passing the traditions down to younger generations

### • Study Abroad Scholarship (AFS Annual Dispatch Program)

5 recipients  
Grants are provided for participation fees for the AFS Japan's annual dispatch program, targeting students residing in or attending school in Aichi Prefecture

### • Grant for High School Students Participating in Overseas Programs

3 recipients  
Grants are provided to subsidize participation by high school students in Aichi Prefecture who voluntarily undertake long-term study abroad or overseas volunteer activities

### • Grant for Nagoya University's Global Education Promotion Program

Grants are provided for the "Academic Exchange with Cambridge University" and the "Student Dispatch to the University of Edinburgh programs," aimed at fostering global talent

### • Grant for Aichi Prefectural University's "Global Practical Education Program"

Grants are provided for the Global Practical Education Program conducted at the "CoToBa Multilingual Learning Center" with the goals of improving language proficiency and promoting cross-cultural understanding

### • Grant for the Aichi Education and Sports Promotion Foundation

Grants are provided for programs aimed at the sound development of children and students, including programs supporting self-reliance among youth and programs related to ICT education

## Donations through the Shareholder Benefit Program

In addition to addressing social issues through its business, the Group undertakes various initiatives to help resolve social and environmental challenges that cannot be covered solely by its business activities. As part of these efforts, the option to make a "Donation to the Shareholder Benefit SDGs Fund" has been added to the Shareholder

Benefit Program (Gift Catalogue). This fund was established by the Japan Securities Dealers Association with the aim of utilizing shareholder benefits to promote the SDGs. When the Company's shareholders select the donation option, the funds support organizations such as the UN World Food Programme (WFP).



## Well-being



### <Basic Approach>

The Group believes that the value it creates stems from "Human Resources." It recognizes that establishing a work environment where employees remain healthy, energetic, and engaged is the foundation for sustainable growth and will lead to enhanced organizational vitality and corporate value.

For this reason, the Group continuously implements various initiatives, adopting a well-being perspective, to ensure that every employee can maintain a good state of physical, mental, and social health.

Moving forward, the Group will continue striving to create a better working environment by listening sincerely to the voices of its employees, aiming to realize a workplace that fosters engagement and fulfillment.

## Internal Systems that Support Employee Well-being

The Group aims for further enhancement of corporate value by building an organization where employees can remain energetic, and engaged as they work. To that end, it is developing systems that support self-directed career development, regardless of gender, age, or life stage.

Aiming to be an "ever-learning company," the Group is committed to developing human resources that possess both high levels of expertise and rich personal qualities. It is actively promoting various programs, specifically Career Design Training and Position Challenge—designed to empower employees in their autonomous

learning and career development, and the Humanity Enhancement Program, which supports employees to take on challenges in different fields.

Furthermore, viewing DE&I as a source for corporate value enhancement, the Group is also focusing on developing a workplace environment where diverse talent can fully demonstrate their abilities. From now onward, we will continue to promote the fostering of an inclusive organizational culture by respecting the diversity of each individual.

⇒P.40

⇒ Diversity Promotion



## Promoting Health Management

To prepare a healthy and vibrant working environment for employees, the Group has announced a Well-being Declaration. It has also established the Health Management Council, whose members include the Chief Health Officer (CHO), a public health nurse, and an industrial physician representative. This council analyzes topics such as mental health and harassment among officers and employees, and incorporates

the findings into measures such as training and personnel systems.

The Ministry of Economy, Trade and the Nippon Kenko Kaigi recognized these efforts in promoting health management and creating a comfortable working environment, and they certified the Group as "an outstanding organization of KENKO Investment for Health." The Group has won this certification for six consecutive years.



Topics

### Creating a Workplace Where Diverse Talent Can Thrive

The Group believes that individuals with diverse backgrounds, including gender, nationality, disability status, and professional experience, bring a positive influence to the organization and society.

The Group strives to create an environment that respects individuality and strengths, where individuals can fully realize their potential. The works of 20 artist employees, who joined the Company through a platform aimed at creating a "circle of social satisfaction" starting with the recruitment of artists with disabilities, are exhibited within the Company. These diverse perspectives and expressions stimulate the sensibilities of employees, bringing new value and awareness to the entire organization.

Artwork by artist employees  
(30F Media Lounge, Nihonbashi TM Building)





<Basic Approach>

The Group regards the early realization of a carbon-neutral society as one of its important goals, and addresses environmental concerns associated with its business activities as part of its corporate social responsibility. To value limited resources and pass on a healthy environment to the next generation, the Group has established an environmental policy and is continuously working to reduce its environmental impact.

Furthermore, aiming to contribute to solving environmental challenges by making use of its financial functions, the Group provides funding to companies and projects that support environmental, social, and economic sustainability.

Initiatives to Reduce GHG Emissions

To achieve net-zero greenhouse gas (GHG) emissions, the Group has introduced renewable energy at 23 locations, including all Orque d'or Salons. The Group is also working to reduce CO<sub>2</sub> emissions associated with its business activities by gradually transitioning company vehicles to low-carbon models.

Scope 1 and 2 CO<sub>2</sub> emissions in fiscal 2024 decreased by approximately 42% compared to fiscal 2021. Furthermore, the Company began calculating Scope 3 Category 6 (Business Travel) and Category 7 (Employee Commuting) starting from fiscal 2024. Please refer to the Company's website for details.



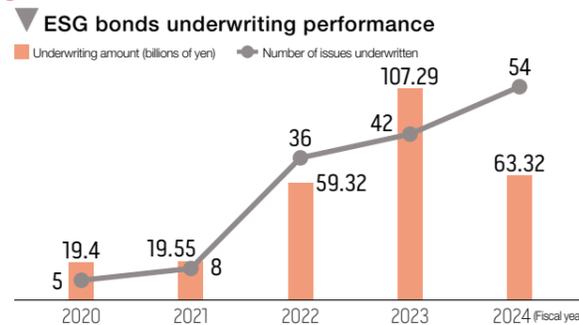
Green

Net Zero GHG Emissions Declaration

- Achieve near net zero GHG emissions from our business by 2030
- Achieve the interim target of halving GHG emissions from our business by March 2027 (compared with the level of fiscal 2021) and disclose the progress on this target as a KPI of the medium-term management plan
- The entire group works as one to help society become decarbonized through our business activities assuming the role of financial services provider

Initiatives to Address Climate Change through Financial Business

Sustainable finance is now a very important financial infrastructure for supporting a sustainable economy and society. To contribute to the sustainable development of our planet and society, Tokai Tokyo Securities is underwriting green bonds, which exclusively fund projects that resolve environmental problems, transition bonds that facilitate the move toward a decarbonized society, and sustainability bonds that are connected to sustainability initiatives.



Topics Sustainability Initiatives by Officers and Employees

The Group organizes an annual sustainability event to provide opportunities for employees to volunteer for sustainability efforts. The fiscal 2024 program spanned roughly the month of November and included activities such as a walking challenge, a sustainability quiz, and donations of unused items from homes and offices to developing countries via a non-profit organization (NPO).

Since 2022, the Group has also run a campaign to collect used contact lens cases, recovering over 70,000 empty cases (a reduction of approximately 200 kg of CO<sub>2</sub>).

Going forward, the Group will continue to review the results of these activities, making improvements while expanding the mechanism to enable each employee to actively think about and tackle sustainability issues.



Addressing Climate Change (Disclosing Information in Line with TCFD Recommendations)

Governance

As a financial instruments business operator, the Tokai Tokyo Financial Group recognizes the gravity of initiatives to address environmental issues such as climate change. It has established an environmental policy as a guiding principle to drive its initiatives.

The Social Value & Justice (SVJ) Office of the Corporate Communications Department plays a central role in promoting sustainability relating to climate change.

Strategies and policies regarding sustainability are reported to and discussed at the management level of the SVJ Council, and the issues about particularly critical initiatives are submitted to the Management Meeting and Board of Directors Meetings for decision-making.



Strategy

Awareness of Risks and Opportunities

The Group specifies "Green" as one of the established tasks of "Materiality," and it takes on climate change as an urgent issue to be resolved.

There are two types of risks related to climate change: transition risks arising from moving to a low-carbon economy and physical risks where climate change has a direct impact on wealth, etc. The transition risks are classified into 1) policy and legal risks as a consequence of tightened regulations, 2) technology risks to be affected by new technologies, 3) market risks, and 4) reputation risks. The physical risks are classified into acute risks exemplified by typhoons or floods, and chronic risks which may have a mid- and long-term impact, like rising temperature or sea level rise. On the other hand, initiatives on climate change could present

us opportunities for increasing revenue through sales of new products.

The Group is aware that when such risks and opportunities actually emerge, they may affect its financial standing and performance, depending on their nature. Therefore, the Group identifies specific risks and opportunities that climate change may bring about and may affect the Group's business by sometime around 2050. For the said purpose, we are evaluating the Group's resilience through a scenario analysis, etc.

The Group has therefore determined response policies based on the identification of risks and opportunities in which climate change may have an impact on the Group's business, and is implementing initiatives to enhance resilience against climate change.

Examples of climate-related risks

	Risks	Expected impact	Time frame	Category
Risk to Be Triggered by Transitions	Policy/Regulatory Changes	The Group may suffer increased operating costs if the government tightens CO <sub>2</sub> emission reduction requirements or increases the related regulatory constraints.	Mid- to long-term	Policy and regulatory risk
	Technology	The Group's revenue may decrease if it cannot offer products and services that align with the changing industrial structure and customer needs as decarbonization technology advances.	Mid- to long-term	Operational risk
	Impact on Market	The Group's trading assets may suffer a loss due to sudden market fluctuations triggered by policy changes or the tightening of regulations associated with the transition to a decarbonized society.	Short- mid- to long-term	Market risk
	Reputation	The Group's reputation may be damaged if it fails to meet the stakeholders' expectations on its climate change actions and related disclosures.	Short- mid- to long-term	Reputation risk
Physical Risk to Be Triggered by Natural Disaster	Acute/chronic	The Group's business performance may be adversely affected by the damage to the Group's assets due to abnormal weather such as massive typhoons and heavy rainfalls, the increased costs from the interrupted operations, the absence of employees from work affected by the disaster, and other natural causes.	Short- mid- to long-term	Operational risk
		The Group may lose earning opportunities if abnormal weather such as massive typhoons and heavy rainfalls causes casualty or property damage to the Group's clients.	Short- mid- to long-term	Credit risk
		Collateral value in the loan business may decline, and the collectability of receivables may be impaired due to abnormal weather such as massive typhoons and heavy rainfalls.	Short- mid- to long-term	Market risk

\* Short-term: 3 to 5 years; Mid-term: 5 to 10 years; and Long-term: 10 to 30 years  
TCFD: Task Force on Climate-Related Financial Disclosures

## Addressing Climate Change (Disclosing Information in Line with TCFD Recommendations)

## ▼ Examples of climate-related opportunities

Opportunities	Time frame
Cut energy costs by implementing energy-saving initiatives	Short- mid- to long-term
Increase underwriting of funding for initiatives toward the transition to a decarbonized society	Short- mid- to long-term
Increase investment opportunities in new industries and corporations that contribute to the transition to a decarbonized society	Short- mid- to long-term
Expand business opportunities by improving reputation through initiatives to address climate change	Short- mid- to long-term

## ■ Scenario Analysis

Under the scenarios published by the Network for Greening the Financial System (NGFS), the Group conducted quantitative and qualitative analyses and assessments of the impact on the Group's finances (costs and revenues) based on the following three scenarios: Net Zero 2050, which may minimize both transition and physical risks; Delayed Transition, which may cause maximum transition risk; and Current Policies, which may cause maximum physical risk.

As a result, it was found that costs may increase by approximately 100 million yen annually if we use renewable energy and adopt mitigation measures such as the introduction of zero-emission cars, mostly associated with Tokai Tokyo Securities' company cars. It was also revealed that heavy rains and flood disasters due to abnormal

weather may cause physical damage to some of the Group's sales offices.

As a result of a comprehensive evaluation of the impact on the Group's entire business, it concluded that the impact on its finances is limited in scope, although with a certain level of risks remaining.

Nevertheless, the Group reaffirmed the possibility of expanding business opportunities, anticipating the growth of future investment needs in the green sector. Going forward, the Group will continue upgrading the level of its analyses and implement its initiatives to cope with different regulatory moves, one relaxed and the other rigorous, which incur high costs.

## ▼ Scenario Analysis Overview

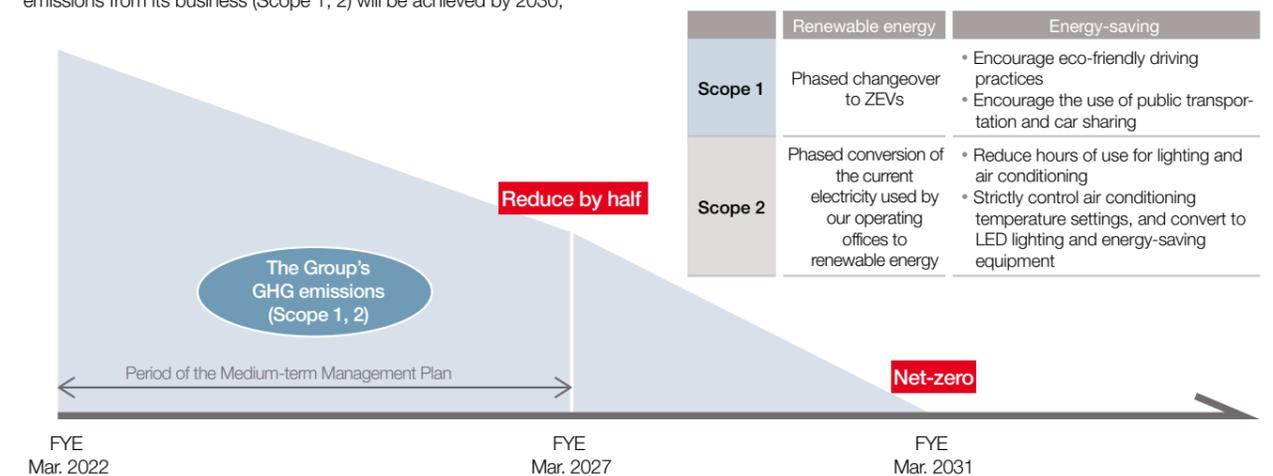
Climate change scenario (NGFS version 4)	Net Zero 2050	Delayed Transition	Current Policies
Scenario overview	<ul style="list-style-type: none"> <li>Limit the world's temperature rise to 1.5°C by strict emission reduction measures and innovations</li> <li>Aim to bring CO<sub>2</sub> emissions in the world, including Japan, to net zero by 2050</li> </ul>	<ul style="list-style-type: none"> <li>CO<sub>2</sub> emissions will not decrease until 2030, and the transition to a decarbonized society will be delayed</li> <li>Stringent measures will be necessary to curb global warming, and the transition risk will become higher</li> </ul>	<ul style="list-style-type: none"> <li>Only the measures currently being implemented will be maintained</li> <li>Temperature will continue to rise, and the physical risk will become the highest</li> </ul>
Analysis period	As of 2050		
Method	Quantitative and qualitative analyses and assessment of impact		
Result	Limited impact on the Group's finances		

## ■ Transition Plan (Roadmap for the Early Realization of a Decarbonized Society)

The Group endorsed the "Paris Agreement" adopted in December 2015 and the "2050 Carbon Neutral Declaration" announced by the Japanese government in October 2020. Further, in order to tackle the transition to and realization of a decarbonized society, it specified "Green" as one of its "Materialities" and is making various efforts in business activities. Specifically, the Group announced the Net Zero GHG Emissions Declaration, under which near net-zero GHG emissions from its business (Scope 1, 2) will be achieved by 2030,

and at the same time set an interim target (KPI of the medium-term management plan) where GHG emissions will be halved compared to actual emissions in fiscal 2021 by March 2027.

In addition, the Group is promoting sustainable finance. For example, it actively underwrites and places green bonds, transition bonds, and ESG bonds as a financial institution that wishes to facilitate society's transition toward decarbonization.

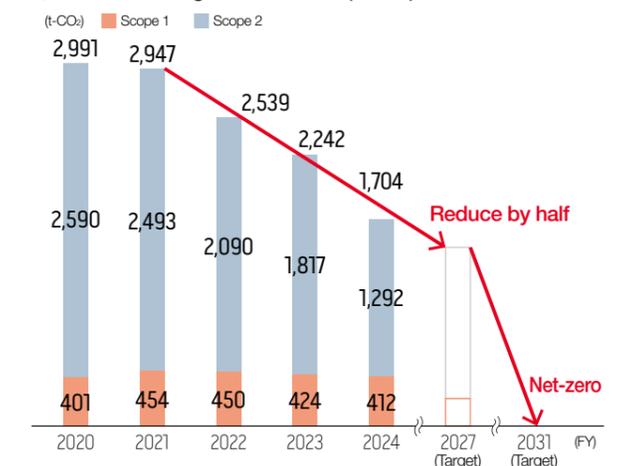


## ■ Risk Management

Regarding the specific climate change risks and opportunities which are expected to emerge in the Group, the Social Value & Justice Office, which drives forward the sustainability, and the Comprehensive Risk Management Department are sorting out and evaluating the expected risks, taking into account the Group's business characteristics. These risks are reported to and discussed at the SVJ Council, which comprises the Chairman and Representative Director, as well as the President and Representative Director of both Tokai Tokyo Financial Holdings and Tokai Tokyo Securities, along with their officers from the related departments. Then, the SVJ council reports to the management committee and the Board of Directors for discussions so that such matters can be managed on a company-wide basis.

## ■ Metrics and Targets

The Group has continuously reduced greenhouse gas (GHG) emissions from its business operations. To achieve net-zero emissions by 2030, it will further reduce its emissions by using more renewable energy and stepping up energy-saving efforts.

▼ Greenhouse gas emissions (t-CO<sub>2</sub>)

\* GHG emissions (CO<sub>2</sub> emissions) are the total of the emissions from the companies listed below.

Tokai Tokyo Financial Holdings, Tokai Tokyo Securities, CHEER Securities, Tokai Tokyo Intelligence Laboratory, Tokai Tokyo Investment, Tokai Tokyo Services (the facility where Tokai Tokyo Securities is located), Tokai Tokyo Business Service (The former ACE Securities was added in FY2021.)

The current range of the group's operation subject to the GHG emission data collection earns approximately 90% of consolidated operating revenue of the Group. Going forward, it will continue to make an effort to expand the scope of aggregation.

# Respect for Human Rights Initiatives

## Human Rights Policy and Promotion Structure

The Group considers respect for human rights a critical management requirement. So, it has been tackling the issue company-wide involving active engagement by management personnel. In conjunction with this, in March 2024, it formulated human policies in accordance with the United Nations Guiding Principles on Business and Human Rights. Therefore, it is now implementing the related initiatives more systematically based on the

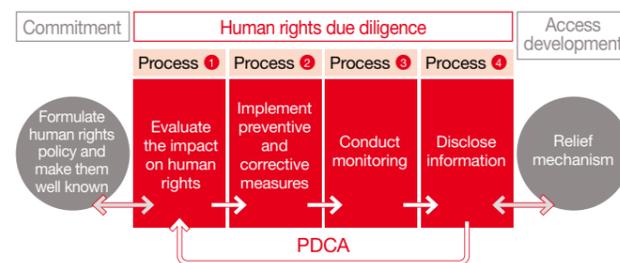
forementioned policies. The Group now conducts human rights due diligence and strives to improve the relief practice for the neglected victims. The overall ongoing initiatives associated with the human rights respect are discussed at the SVJ Council and reported to the Management Meeting and the Board of Directors.

⇒ Tokai Tokyo Financial Group's Human Rights Policy



## Initiatives for Human Rights Due Diligence

The Group performs each process of human rights due diligence and implements the PDCA cycle throughout the year. For the human rights issues identified as requiring priority attention, it administers preventive and corrective measures such as holding regular seminars and workshops, and monitoring the issues through questionnaires, etc. Regarding human rights issues with particularly high priority, it sets up project teams to address them on an individual basis.



## Initiatives for Officers and Employees

The Group considers respect for human rights of all officers and employees as a critical management issue, and it is therefore promoting DE&I and making efforts to develop a safe and comfortable working environment. In 2023, the Group conducted company-wide position-specific training on labor management and harassment prevention for all officers and employees to help them fully understand problems and subsequent problem-solving. Furthermore, in 2024, it introduced a self-check tool to increase self-awareness about unconscious biases and adopted an approach designed to encourage each officer and employee to become fully aware of those biases. In addition, in order to enhance awareness of the need to

eliminate harassment, the Group collected over 1,200 catchphrases and senryu (a Japanese short poem) internally. Prize-winning catchphrases and senryu are displayed on posters to disseminate and enhance such awareness throughout the Group. Going forward, the Group will continue to hold seminars on respect for human rights and strive to create corporate culture where anyone can work with peace of mind.

■ For the details regarding the Group's initiatives on DE&I, refer to ⇒P.53



## Initiatives for Customers-Related Human Rights

As an example of its commitment to respecting the human rights of its customers, the Group has established and publicized a Privacy Policy to protect and respect the privacy of our customers. In addition, the Group has established its "Policies for Customer-Oriented Business Conduct" and carries out business operations thoroughly respecting the customer's vantage point. Regarding its business locations, the Group has been practicing the customer-oriented policies by introducing barrier-free accessibility at large-scale offices that house its head office functions as well as Orque d'or Salons. At the General Meeting of

Shareholders for fiscal 2025, a real-time speech displaying system was installed on the monitor for the convenience of vision-challenged shareholders in the venue for the first time. Moreover, the Group has established a consultation service (through the dedicated phone number) that receives a wide range of feedback from its customers.

⇒ Privacy Policy



⇒Tokai Tokyo Securities Policies for Customer-Oriented Business Conduct (Japanese-only)



## Initiatives shared with Partner Companies and Clients

The Group shares the concept of its commitment to respecting human rights with partner companies and business partners. It is striving to prevent and mitigate any negative impacts on human rights.

# A Message from the Chairperson of the Board of Directors

## Message

## Enhancing Governance Effectiveness by means of Independent Supervision and Rigorous Discussion

• Tsunehiro Nakayama  
Outside Director, Chairperson of the Board of Directors  
Tokai Tokyo Financial Holdings



## Mission and Evolution of the Board of Directors

The most critical mission of the Board of Directors is to supervise the decision-making of management to ensure its fairness without undermining the interests of shareholders and other stakeholders. To achieve this, I think it is essential for the Board to maintain a certain distance from the executive side and adopt a stance of verifying the appropriateness of decisions from an independent perspective.

Our Board of Directors does not work as a perfunctory approval organ. It serves as a forum for delving deeply into issues fundamental to management and for elevating the quality of their decision-making. To ensure its effectiveness, we enhance the quality of preliminary briefings and the materials distributed in advance, simplify routine reportings, and allocate limited time to substantive discussions on strategy and business risks. We also strive to improve both supervisory and advisory functions of the Board in an attempt to boost its flexibility, for instance, by holding additional sessions when necessary.

These efforts extend beyond redesigning the board system, and they took root in the Board's culture. We believe that the key to effective corporate governance resides not only in the systems and mechanisms, but in the quality of day-to-day discussions.

## Role of the Chairperson, and "Governance with Heart and Soul"

The Chairperson of the Board of Directors is expected to foster an environment where Directors can exchange opinions freely and openly to reach the best possible decisions. I make a point of assessing the priority of agenda items, clarifying the key points of discussion, and ensuring that discussions are exhaustive, even if it means extending the scheduled time. I recognize that the essential role of the Chairperson is not merely to be a coordinator, but to be the architect of a forum that deepens deliberation.

At Tokai Tokyo Financial Holdings, outside Directors have consistently assumed the role of Chairperson since 2007. This practice is extremely important for securing independence from management and ensuring transparency and neutrality of the Board. Furthermore, since 2013, Outside Directors have comprised a majority of the Board, and the Nomination and Remuneration Committee is also composed primarily of Outside Directors. This structure could not have been realized without strong commitment from management. It is this pursuit of "Governance with a Heart and Soul," rather than merely perfunctory governance, that truly characterizes our Company.

Moreover, the diversity and expertise of our Outside Directors

provide the Company's source for the quality enhancement of its decision-making. By having Directors with varying backgrounds like in finance, legal affairs, and management, exchange opinions frankly, we are able to check the balance of business risks and returns from various perspectives. As Chairperson, I place great importance on drawing out these diverse viewpoints and ensuring that our conclusions are both rational and acceptable.

## Progress of the Medium-term Management Plan and Beyond Our Limits

Launched in 2022, our five-year medium-term management plan is built on two core pillars: "Enhancement of Financial Services Capabilities" and "Deploying Key Measures to Reach the New World." Under the first pillar, measures to enhance our Group's business model centered on securities and measures to improve profitability are steadily producing results. The second pillar, however, represents a challenge that is not a mere extension of our past endeavors. It is premised on the collaboration with "Powerful Partners" who possess extensive customer bases and specialized know-how, and its realization requires us to clear a high bar. This is precisely why the Board of Directors prioritizes this second pillar, rigorously debating the appropriateness of strategies and the acceptable level of risk. Even in this process, I am keenly aware of the degree of importance for the Board of Directors to enhance the quality of its decision-making by engaging in thorough, constructive discussions.

## Toward Sustainable Enhancement of Corporate Value

Increasing the effectiveness of corporate governance demands our never-ending dedication. Beyond refining systems and processes, each Director must continuously update and sharpen their expertise to improve their ability to adapt to change. I, too, remain committed to bringing fresh perspectives to our Company's discussions, drawing upon my professional experience at other companies and through continuous learning.

Through independent supervision and in-depth discussion, our Board of Directors will robustly support the challenges undertaken by the management team. Even in this era of rapid change, we will further deepen our approach to "Governance with Heart and a Soul," and reinforce the trust of our stakeholders, thereby contributing to the sustainable enhancement of corporate value.

# Members of the Board

(As of June 26, 2025)

Our Directors must possess diverse experience and knowledge to expand and grow our business further as the leaders of our financial operations and more broadly in our industry as well.

We expect them to achieve the goals of our current medium-term management plan, “Beyond Our Limits,” as well as to assume the governance role of the Board of Directors. Thus, we have selected the members of the Board who have the skills (expertise and background) necessary to implement the aforementioned key strategies and measures.



## 1 Tateaki Ishida

Chairman and Representative Director

15/15

Apr. 1968 Joined The Tokai Bank, Ltd.  
Apr. 1992 President & CEO, Tokai Bank Europe plc  
Jun. 1994 Director, The Tokai Bank, Ltd.  
Jun. 1996 Managing Director, The Tokai Bank, Ltd.  
Jun. 1998 President, Tokai Asset Management Co., Ltd.  
Apr. 2001 Chairman, Tokai Bank Europe plc  
Apr. 2002 Chairman, UFJ International plc  
Apr. 2003 CEO, UFJ International plc  
May 2004 Advisor of the Company  
Jun. 2004 Representative Director and Deputy President of the Company  
Mar. 2005 Representative Director and President of the Company  
Jun. 2006 Representative Director, President & CEO of the Company  
Apr. 2009 Representative Director, Chairman & CEO of Tokai Tokyo Securities Co., Ltd.  
Jun. 2014 Member of the Board, Nagoya Stock Exchange, Inc. (current position)  
Aug. 2016 Chairman of Tokai Tokyo Foundation (current position)  
Apr. 2019 Director of Tokai Tokyo Securities Co., Ltd. (current position)  
Jun. 2021 Chairman and Representative Director of the Company (current position)

## 2 Hiroshi Kasugai

President and Representative Director \*Newly appointed

Apr. 1987 Joined The Tokai Bank, Ltd.  
Jul. 2010 General Manager Specially Assigned to Global Market Planning Division, Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. & Business Strategy Planning Division, Mitsubishi UFJ Securities Holdings Co., Ltd.  
Jul. 2012 Managing Director/Head of Administration Unit, Head of Global Liaison, Mitsubishi UFJ Securities International plc. (London)  
Apr. 2015 General Manager, Global Market Planning Division, Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. & General Manager Specially Assigned to Global Business Strategy Department, Mitsubishi UFJ Securities Holdings Co., Ltd.  
Jun. 2017 Executive Officer, General Manager of Compliance Control Division, Mitsubishi UFJ Securities Holdings Co., Ltd. & Executive Officer, General Manager of Compliance Control Division, Mitsubishi UFJ Securities Holdings Co., Ltd.  
Jun. 2018 Executive Officer, General Manager of Compliance Control Division, Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. & Executive Officer, General Manager of Compliance Control Division, Mitsubishi UFJ Securities Holdings Co., Ltd. & Director, MUS Business Service Co., Ltd. & Executive Officer, General Manager of Compliance Control Division, Mitsubishi UFJ Financial Group, Inc. (specially assigned)  
Jan. 2019 Executive Officer, General Manager of Compliance Control Division, Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. & Executive Officer and General Manager of Compliance Control Division, Executive Officer and General Manager of Global Regulatory Affairs Strategy Office, Mitsubishi UFJ Securities Holdings Co., Ltd. & Director, MUS Business Service Co., Ltd. & Executive Officer, General Manager of Compliance Control Division, Mitsubishi UFJ Financial Group, Inc. (specially assigned)  
Jun. 2019 Full-time Outside Audit & Supervisory Board Member, Mitsubishi UFJ Kokusai Asset Management Co., Ltd.  
Jun. 2020 Advisory of the Company  
Jul. 2020 Managing Executive Officer, Deputy Head of Global Market Company, Tokai Tokyo Securities Co., Ltd.  
Apr. 2021 Managing Executive Officer, Head of Corporate Planning, Tokai Tokyo Securities Co., Ltd.  
Apr. 2023 Senior Managing Executive Officer, Head of Risk Management, Tokai Tokyo Securities Co., Ltd.  
Aug. 2024 Deputy President, Head of Strategy Planning Group, and Head of Digital Strategy Planning, the Company  
Apr. 2025 Deputy President, Head of Strategy Planning Group, the Company (current position)  
Jun. 2025 President and Representative Director of the Company, and Director of Tokai Tokyo Securities Co., Ltd. (current position)

## 3 Naoko Kitagawa

Director

11/11

Apr. 1990 Joined Maruman Securities Co., Ltd.  
Sep. 2005 General Manager of Komaki Branch, the Company  
Apr. 2008 General Manager of Toyota Branch, the Company  
May 2011 General Manager of Sales Department II, Nagoya Branch, Tokai Tokyo Securities Co., Ltd.  
Apr. 2013 Executive Officer, Deputy Head of Wealth Management Headquarters, Tokai Tokyo Securities Co., Ltd.  
Apr. 2014 Executive Officer, Head of Wealth Management Headquarters, Tokai Tokyo Securities Co., Ltd.  
Apr. 2015 Managing Executive Officer, Head of Wealth Management Headquarters, Tokai Tokyo Securities Co., Ltd.  
Apr. 2017 Senior Managing Executive Officer, assuming special assignment, the Company  
May 2017 Deputy President and Executive Officer in charge of Planning, Takagi Securities Co., Ltd.  
Jun. 2017 Representative Director and Deputy President, Head of Planning & Administration Unit, Takagi Securities Co., Ltd.  
Sep. 2019 Senior Managing Executive Officer in charge of the General Planning Group, the Company  
Apr. 2021 Senior Managing Executive Officer, Deputy Head of Global Market Company, Tokai Tokyo Securities Co., Ltd.  
Apr. 2022 Deputy President, Head of Global Market Company, Tokai Tokyo Securities Co., Ltd.  
Apr. 2023 Representative Director and President, Tokai Tokyo Securities Co., Ltd. (current position)  
Jun. 2024 Director of the Company (current position)

## 4 Tsunehiro Nakayama

Outside Director

15/15

**Chairperson of the Board of Directors**  
Apr. 1971 Joined The Industrial Bank of Japan, Limited  
Jun. 1999 Executive Officer and General Manager of Corporate Banking Dept. No. 1 of The Industrial Bank of Japan, Limited  
Sep. 2000 Managing Executive Officer of Mizuho Holdings Inc.  
Apr. 2002 Managing Executive Officer of Mizuho Corporate Bank, Ltd.  
Apr. 2004 Deputy President of Mizuho Corporate Bank, Ltd.  
Apr. 2007 Adviser of Merrill Lynch Japan Securities Co., Ltd.  
May 2007 Representative Director and Chairman of Merrill Lynch Japan Securities Co., Ltd.  
Nov. 2008 Representative Director, Chairman and President of Merrill Lynch Japan Securities Co., Ltd.  
Mar. 2009 Representative Director, Chairman and President of Merrill Lynch Japan Securities Co., Ltd. Country Executive for Japan of the Bank of America Group  
Jul. 2010 Representative Director and Chairman of Merrill Lynch Japan Securities Co., Ltd.  
Jun. 2017 Director of Merrill Lynch Japan Securities Co., Ltd.  
Jul. 2017 Special Adviser of Merrill Lynch Japan Securities Co., Ltd.  
Jun. 2018 Director of the Company  
Jun. 2019 Director, Mitsui Fudoso Co., Ltd. (current position)  
Jun. 2020 Director (Audit & Supervisory Committee Member) of the Company  
Jun. 2021 Director of the Company (current position)  
May 2024 Director of Showa Nishikawa Co., Ltd. (current position)

## 5 Kazumasa Miyazawa

Outside Director

15/15

Apr. 1980 Joined Sony Corporation  
Apr. 1997 General Manager of Planning Department, IT Business Division, Sony America  
Apr. 1999 General Manager of Corporate Planning Department, IC Card Business Division, Sony Corporation  
Jan. 2001 Executive Officer and Managing Chief Strategy Officer, bitWallet, Inc.  
Oct. 2006 Lecturer, Management System Engineering, Institute of Science Tokyo (current position)  
Jan. 2010 Executive Officer and General Manager of Planning Department, Rakuten Edy, Inc.  
Jan. 2017 Chief Operating Officer of Soramitsu Co., Ltd.  
Apr. 2020 President and Representative Director of Soramitsu Co., Ltd. (current position)  
Apr. 2020 Director of Digital Platformer Corporation  
Oct. 2021 Director of ReNet Soramitsu Financial Technology Co., Ltd. (current position)  
Jun. 2023 Director of the Company (current position)  
May 2025 Chairman of the Board of Soramitsu CBDC Co., Ltd. (current position)

## 6 Tetsuji Oono

Director

Audit & Supervisory Committee Member

15/15

Apr. 1983 Joined Maruman Securities Co., Ltd.  
Dec. 1992 Joined Maruman Finance Co., Ltd.  
Aug. 1996 Joined Central Capital Co., Ltd.  
Jul. 2000 Joined the Company  
Jul. 2003 General Manager of Investment Banking Department, Nagoya, the Company  
Apr. 2007 General Manager of Corporate Solution Department of the Company  
Apr. 2009 General Manager of Corporate Finance Department, Nagoya, Tokai Tokyo Securities Co., Ltd.  
Apr. 2010 General Manager of Headquarters Sales Promotion Department; Head of Headquarters Sales Promotion Section, Tokai Tokyo Securities Co., Ltd.  
Apr. 2012 General Manager of General Planning Department of the Company  
Apr. 2013 General Manager of Corporate Sales Department (First), Tokai Tokyo Securities Co., Ltd.  
Apr. 2014 General Manager of Corporate Sales Department, Tokai Tokyo Securities Co., Ltd.  
Apr. 2015 General Manager of Financial Planning Department of the Company  
General Manager of Finance Department, Tokai Tokyo Securities Co., Ltd.  
Apr. 2017 Executive Officer, General Manager of Financial Planning Department of the Company  
Executive Officer, General Manager of Finance Department, Tokai Tokyo Securities Co., Ltd.  
Apr. 2019 Managing Executive Officer, Deputy Head of General Planning Group, General Manager of General Planning Department of the Company  
May 2020 Advisor of the Company  
Jun. 2020 Director of the Company (full-time Audit & Supervisory Committee member) (current position)  
Auditor, Tokai Tokyo Foundation (current position)

(Note 1) Attendance at Board of Directors meetings indicates those during the fiscal year under review (April 1, 2024, to March 31, 2025).

(Note 2) For dates up to March 2009, “the Company” describes Tokai Tokyo Securities Co., Ltd., the Company’s trade name at the time. For April 2009 and later dates, “the Company” indicates Tokai Tokyo Financial Holdings, Inc., the current trade name.

Attendance at Board meetings in fiscal 2024

## 7 Joichi Yamazaki

Outside Director

15/15

**Chairperson of the Audit & Supervisory Committee**  
Apr. 1978 Joined Ministry of Finance (MOF)  
May 1985 Deputy Director of the Government Debt Division, Financial Bureau, MOF  
Jan. 1995 Counselor at the Embassy of Japan in Korea  
Jul. 1997 Director of the Bond Market Office, Securities Market Division, Securities Bureau, MOF  
Dec. 1998 Director of the Financial Crisis Management Division, Executive Bureau, Financial Reconstruction Commission  
Jul. 2000 Director, Budget Bureau (in charge of budgets for the Ministry of Land, Infrastructure, Transport and Tourism, and the Ministry of the Environment), MOF  
Dec. 2005 Deputy Director-General of the Planning and Coordination Bureau (in charge of the Supervision Bureau), Financial Services Agency  
Jul. 2009 Director-General of the Tokai Local Finance Bureau  
Jul. 2010 Director-General of the Kinki Local Finance Bureau  
Jul. 2011 Vice President, the National Printing Bureau  
Jul. 2012 Principal of the National Tax College  
Feb. 2013 Retired from MOF  
Mar. 2013 Audit & Supervisory Board Member of the Norinchukin Bank  
Dec. 2018 Advisor of Sampo Japan Insurance Inc.  
May 2019 Full-time Audit & Supervisory Board Member of Sampo Japan DC Securities Inc.  
Jun. 2020 Director of the Company (Audit & Supervisory Committee member) (current position)

## 8 Ayako Ikeda

Outside Director

Audit & Supervisory Committee Member

15/15

Apr. 1984 Admitted to the Daihi Tokyo Bar Association, joined Harago Law Office (now Harago & Partners Law Office)  
Jan. 1990 Joined Steptoe & Johnson LLP, USA  
Apr. 1991 Joined practice in New York State  
Sep. 1992 Joined Hamada & Matsumoto (now Mori Hamada & Matsumoto)  
Apr. 2002 Professor (civil disputes) at The Legal Training and Research Institute of Japan  
Apr. 2006 Deputy Secretary General of the Japan Federation of Bar Associations  
Apr. 2015 Executive Director of the Japan Federation of Bar Associations  
Vice President of the Daihi Tokyo Bar Association  
Jun. 2021 Director of the Company (Audit & Supervisory Committee member) (current position)  
Mar. 2024 Director of Tokyo Otka Kogyo Co., Ltd. (current position)  
May 2025 Chairman of Harago Law Office (now Harago & Partners Law Office)

## 9 Katsuhiko Ota

Outside Director

Audit & Supervisory Committee Member

11/11

Apr. 1977 Joined Nippon Steel Corporation  
Jul. 1993 General Manager of Fund No. 2 Office, Fund Department, Nippon Steel Corporation  
Jul. 1994 General Manager of Fund No. 1 Office, Finance Department, Nippon Steel Corporation  
Jul. 1998 Leader of Financial Management Group, Finance Department, Nippon Steel Corporation  
Apr. 2007 Executive Officer and General Manager of Corporate Planning Department, Nippon Steel Corporation  
Jun. 2011 Managing Director, Nippon Steel Corporation  
Apr. 2013 Representative Director and Executive Vice President and Head of Global Business Development, Nippon Steel & Sumitomo Metal Corporation  
Jun. 2016 Representative Director and President, Nippon Steel & Sumikin Chemical Co., Ltd.  
Apr. 2019 Director and Senior Advisor, NIPPON STEEL Chemical & Material Co., Ltd.  
Apr. 2021 Counselor, Seikei Gakuen (current position)  
Jun. 2021 Senior Advisor, NIPPON STEEL Chemical & Material Co., Ltd.  
Jun. 2022 Advisor, NIPPON STEEL Chemical & Material Co., Ltd.  
Dec. 2023 Resigned from NIPPON STEEL Chemical & Material Co., Ltd.  
Jun. 2024 Director of the Company (Audit & Supervisory Committee member) (current position)

## Conversation with Outside Directors



Joichi Yamazaki

Outside Director, Chairperson of the Audit & Supervisory Committee



Katsuhiko Ota

Outside Director, Member of the Audit & Supervisory Committee

Tokai Tokyo Financial Holdings is continuing to complete its medium-term management plan, “Beyond Our Limits.” The perspective of the Outside Directors, who are focused on achieving sound governance, is the very factor supporting the realization of this management plan. In this conversation, Outside Directors Joichi Yamazaki and Katsuhiko Ota discuss the unique characteristics of the Company, the evolution of its governance, and the outlook for the future.

### —First, could you share with me your frank impressions of the Company?

**Yamazaki** Over my five years as an Outside Director, I feel that the Company’s fundamental strength lies in its corporate culture of stepping boldly into new areas of business without hesitation. It has continuously and actively taken on initiatives with few precedents in the industry, such as the affiliated joint venture securities companies with regional banks. At Board meetings, discussions are more open and candid than I had imagined. Even on strategic issues such as alliances, there are frank, in-depth exchanges of opinion.

**Ota** Even before I was appointed to my position in 2024, I saw Tokai Tokyo as a company making its way on paths untrodden. Its progressive initiatives, such as the alliances with regional banks that Yamazaki-san mentioned and the Orque d’or Strategy for high-net-worth individuals, plainly explains about this stance. Now that I am actually involved as an Outside Director, what strikes me most is that its strategy and tactics are extremely clear. I am deeply impressed by the fact that the action guideline for employees, “Enhancement of Financial Services Capabilities,” and the vision of “Beyond Our Limits” are clearly articulated to the entire organization, giving the Company an unwavering sense of direction.

### —A new management structure was launched following the General Meeting of Shareholders in June. What are your expectations for this new structure under the Chairman and the new President?

**Yamazaki** I have high expectations for the new management structure. President Kasugai, in particular, is the central figure

who has been leading the alliances with external partners to achieve the Company’s “Beyond our Limits” plan. His experience overseeing strategic areas and spearheading numerous negotiations since his time as Deputy President will undoubtedly be a reliable driving force for future alliances.

**Ota** Another factor that heightens the management’s agility is the clear division of roles between the Chairman and the President. The Chairman oversees management from the broad perspective of strategy and vision, while President Kasugai is responsible for steadily translating those concepts into execution. I expect this clear separation of duties will build stronger momentum in the Company’s drive to achieve its stated goals.

### —How do you evaluate the effectiveness of the Company’s governance and its evolution over time? Please also tell me your thoughts on the challenges you see ahead.

**Yamazaki** One of the key factors underpinning the Board’s lively discussions, I feel, is the fact that an Outside Director serves as Chairperson. The management team also demonstrates a strong awareness of governance, having transitioned the position of Chairperson to an Outside Director in 2007 and shifting to a structure where Outside Directors make up the majority of the Board in 2013. I believe the Company deserves to be commended for steadily advancing the development of an effective structure, rather than staying complacent at a mere perfunctory framework.

**Ota** In recent years, a major step forward in the governance area was the clarification of the independence of audit departments as per the standards of the Institute of Internal

Auditors (IIA). In addition to these improvements in organizational structure, an attitude of actively embracing the insights of Outside Directors has become deeply rooted in the management team. Whenever we offer input, we see a genuine willingness to listen earnestly to us and reflect our opinions in the discussion. This attitude has become a vital element supporting the effectiveness of our governance.

**Yamazaki** I truly feel that the quality and efficiency of our discussions are steadily improving through such operational improvements, such as changing the meeting format to combine sessions of preliminary briefings and written report submissions. The Board is now able to allocate more time to make more important decisions. Having said that, however, I still feel that time constraints at Board meetings still pose a challenge.

Regular meetings are also held to exchange opinions with the President and the Chairman. The dialogue that takes place is free and open, but the frequency of these meetings could be further enhanced. In addition, I recognize that strengthening governance over our subsidiaries, a key responsibility for a holding company, is an important task to be addressed soon.

**Ota** Yamazaki-san’s point is “spot on.” Our Group comprises diverse subsidiaries ranging from securities and insurance to research and digital fields, each with its own history of establishment and ownership structure. The Company does not send executives to all subsidiaries, and the key challenge in such cases is how to construct an effective risk management framework.

In this regard, the management concept of *Sangen Shugi* (the three “reality”



principle: the real front line of workplace, real hands-on experience, real circumstance), which is often used in the manufacturing industry, offers valuable insights. In the securities industry, it is often difficult to see the “real circumstances” and

“real thing.” So, it is not easy to grasp tangibly the real situation physically away from day-to-day operation. Precisely for this reason, in order to prevent harmful incidents before they occur, I believe, we must focus on enhancing the readiness of the people working at the real frontline suitable to the actual conditions there.

### —We passed the halfway point of the medium-term management plan. With less than two years remaining, what are your thoughts on the progress to date and the key areas of focus moving forward?

**Yamazaki** I view the remaining two years as a phase for steadily executing the initiatives undertaken so far and translating them into results. Measures for “Enhancement of Financial Services Capabilities,” improvements in ROE and capital efficiency, in particular, have progressed steadily, with some distance remaining to our targets, though. On the other hand, “Deploying Key Measures to Reach the New World” presents an extremely high

hurdle, and achieving that will require sustained effort.

While the medium-term management plan is formulated on a five-year basis, in reality, many of the challenges must be approached with a longer-term perspective. The progress of alliances, in particular, is a critical factor that will determine the success or failure of the strategy. In my view, when pursuing such partnerships, we must consider how our Company is perceived by the other party, the potential partner candidate. Accordingly, I recommend reviewing our own value and risks from the due diligence standpoint. Such efforts, I believe, contribute to building relationships with valuable key partners in the future.

**Ota** During the last year, there were many moments where we felt significant market fluctuations firsthand. What has been particularly striking to me is the trend in our assets under custody. Despite the wild



fluctuations in the market, our assets under custody did not decrease significantly, which, as I believe, is evidence proving the devotion of our frontline staff to providing proposals consistently from customers’ long-term perspectives.

Looking ahead, we are entering a phase where alliances with Powerful Partners will increasingly become the strategic focus. In this context, the role of Outside Directors in offering advice from the perspective of stakeholders will become even more important. The second half of the medium-term management plan is the phase when our execution capabilities will be truly tested. I believe that how we translate the concepts developed so far into concrete outcomes will determine our future fate.

### —Finally, please share your aspirations as Outside Directors.

**Yamazaki** The most important mission of an Outside Director, I believe, is to prevent misconduct and serious risks before they materialize. I assume my role with the determination to prevent such cases by all means, and I am constantly conscious of the weight of this responsibility. On the other hand, the culture of challenge, the spirit of “let’s give it a try,” that our Company cherishes is an essential element for growth. While respecting that spirit, I will fulfill my role of applying the brakes with a cool head when circumstances require it.

**Ota** Although I have no direct experience in the financial industry, I have been involved with securities and financial markets through my work in finance, corporate planning, and global expansion within the manufacturing sector. I hope to contribute to the Company using the insights gained from this experience. My experience in M&A negotiations may also prove useful in future management decisions. By learning from the expertise of fellow Outside Directors while adding my own perspective, I am determined to contribute to the sustainable growth of the Company.

# Corporate Governance

## <Basic Approach>

The Tokai Tokyo Financial Group regards enhancing corporate governance as one of its most important management priorities. To this end, we endeavor to establish an organizational structure that enables prompt decision-making and business execution. At the same time, we strengthen corporate governance to raise management fairness and transparency, earn the trust of all stakeholders, and continuously improve corporate value. We also consider it essential to collaborate with all stakeholders, including shareholders and other investors, to achieve continuous improvement in corporate value.

## Corporate Governance System

A notable feature of our corporate governance is that it has clearly distinguished the functions of business execution and management supervision. Effective June 29, 2016, we transitioned from a "Company with an Audit & Supervisory Board" to a "Company with an Audit & Supervisory Committee" to strengthen the functions of both

the Board of Directors and the Audit & Supervisory Committee. The Company's management and administrative structure for decision-making, execution, and supervision is shown in the corporate governance framework below.

⇒ Corporate Governance Guideline (Japanese only)



## Key Features of Corporate Governance

### Organizational Framework

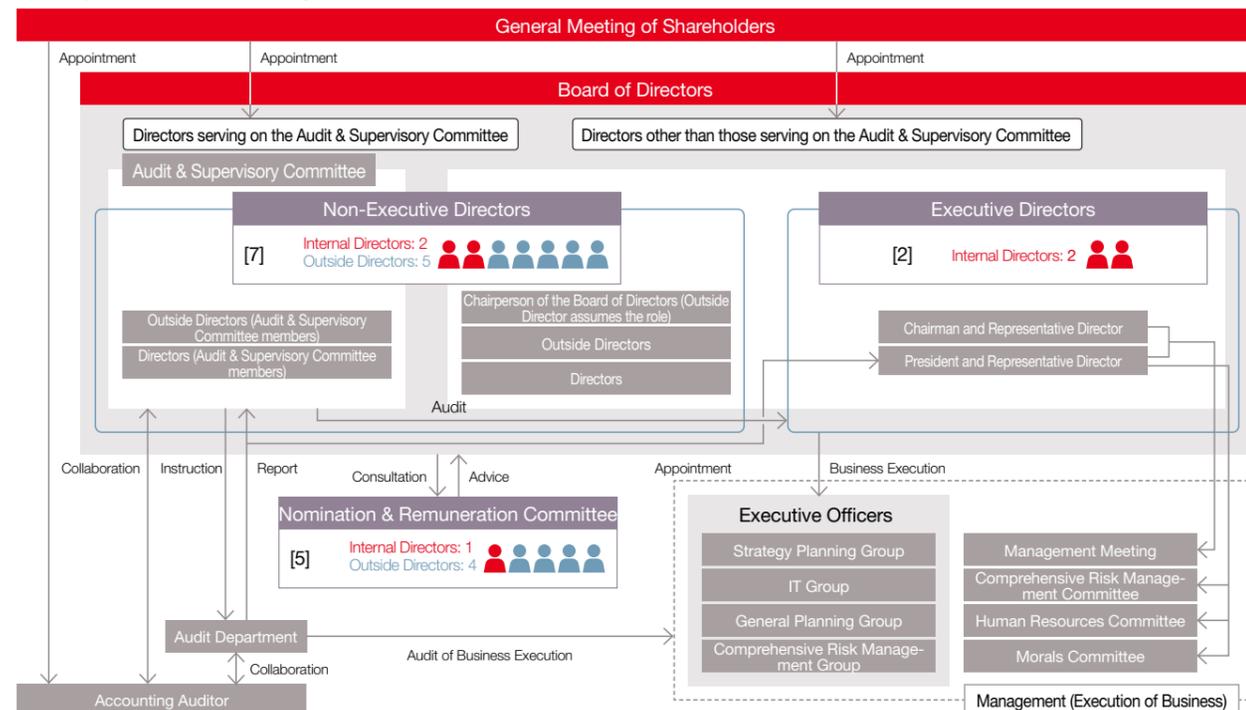
As per the Companies Act, we established the Audit & Supervisory Committee. The idea is to delegate important business decisions from the Board of Directors to the Executive Directors, enabling the board's prompt decision-making. This organizational change allows for more strategic and in-depth discussions at the Board Meetings, besides

strengthening the supervision of management by the Board of Directors. In addition, we established the Nomination & Remuneration Committee to ensure objectivity and transparency in the process of nominating candidates for the Board of Directors, as well as dismissing Directors and determining their remuneration.

⇒ Corporate Governance Report



### Corporate Governance System (as of June 26, 2025)



## Strengthening the Functions of the Board of Directors and Audit & Supervisory Committee

The Company enhances the transparency and fairness of deliberations and ensures the effectiveness of the Board of Directors by having Outside Directors represent the majority of the Board and, in principle, appointing an Outside Director as Chairperson of the Board. We currently have five Outside Directors, three of whom are members of the Audit & Supervisory Committee. As a result, the majority of both the Board of Directors and Audit & Supervisory Committee consist of Outside Directors, which ensures the checks-and-balances function.

### Board Composition Ratio (as of June 26, 2025)



## Clear Separation of the "Execution Function" and the "Supervisory Function" of Management

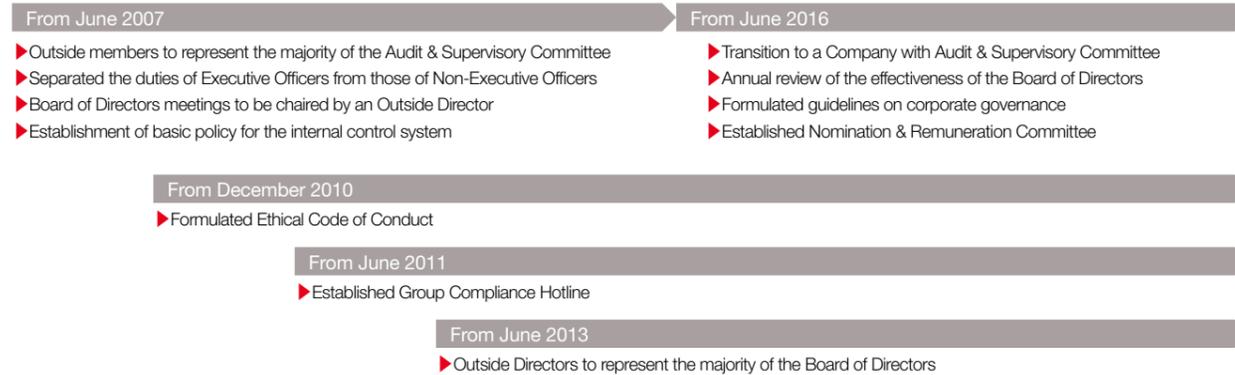
The Board of Directors consists of Executive Directors who are primarily responsible for business execution and Non-Executive Directors who are mainly responsible for supervising business execution. Thus, the roles of each are clearly defined.

## Skills Matrix

Name	Title/role	Committees				Main expertise and background							
		Audit & Supervisory Committee	Nomination & Remuneration Committee	Comprehensive Risk Management Committee	Human Resources Committee	Business Administration	Global Professional Perspective	Legal	Finance and Accounting	Finance/Economics	Administration	Information and Communication Technology	Sustainability
Tateaki Ishida	Chairman and Representative Director Business Execution	●	●	●	●	●	●	●	●	●	●	●	●
Hiroshi Kasugai	President and Representative Director Business Execution		●	●	●	●	●	●	●	●	●	●	●
Naoko Kitagawa	Director Non-Business Execution					●			●		●	●	●
Tsunehiro Nakayama	Outside Director Chairperson of the Board of Directors Independent Director / Non-Business Execution	●				●	●	●	●		●	●	●
Kazumasa Miyazawa	Outside Director Independent Director / Non-Business Execution	●				●	●	●	●		●	●	●
Tetsuji Oono	Director Non-Business Execution	●						●	●				
Joichi Yamazaki	Outside Director Chairperson of the Audit & Supervisory Committee Independent Director / Non-Business Execution	●						●	●		●	●	●
Ayako Ikeda	Outside Director Independent Director / Non-Business Execution	●	●					●	●				
Katsuhiko Ota	Outside Director Independent Director / Non-Business Execution	●	●					●	●				

Item	Description of skills and reasons for selection
Business Administration	Amid significant changes in the business environment surrounding the Group, in order to achieve the current medium-term management plan and improve corporate value, it is necessary to have extensive knowledge, experience, and achievements in overall business administration.
Global Professional Perspective	In the financial instruments business, which is the core business in the Group, the market is fluctuating on a global basis, and developments at foreign financial institutions, which are ahead of us in terms of various measures and strategies, are important. In addition, governance also requires a global perspective.
Legal	Knowledge and experience in legal observance, risk management, and corporate governance are important for the Group, which advocates "Social Value & Justice comes first" as a principle in the medium-term management plan.
Financial Accounting	Knowledge and experience in the financial accounting field are important for the execution of financial and capital strategies, including the construction of a strong financial foundation, the realization of appropriate shareholder returns, and growth investments.
Finance/Economics	In order to realize "Enhancement of Financial Services Capabilities" and "Deploying Key Measures to Reach the New World" which are important elements of the medium-term management plan, and achieve further growth, practical or management knowledge and experience in the field of finance and economics, which is related to our core business, are important.
Administration	It is essential to understand the way how various government bodies think as well as to communicate with them for running our core financial instruments business. No less importantly, the same holds true for us to take on the tasks proclaimed under the medium-term management plan, which includes 1) advancing cooperation with Powerful Partners, 2) adding a new operating function called "New Bonanza," 3) realizing "Digital New World," and 4) helping regional revitalization. Therefore, knowledge and experience in the public administration sector are important.
Information and Communication Technology	In order to realize the "Digital New World" in the medium-term management plan, IT has become indispensable for the creation of new businesses using digital technologies, the development of alliances, the improvement of customer services, and the improvement of business efficiency. For the Group to achieve innovative development, knowledge and experience of ICT are important.
Sustainability	The Group advocates "Social Value & Justice comes first" as the principle in the medium-term management plan and it is implementing activities to realize a sustainable and better society while valuing local communities, people, and the global environment. For us to realize such sustainability management, knowledge and experience related to the SDGs and ESG are important.

## History of Our Corporate Governance



## Board of Directors

The Board of Directors has nine members and five of them are not Audit & Supervisory Committee members (including two Outside Directors), and four of them are Audit & Supervisory Committee members (including three Outside Directors). Meetings of the Board of Directors are chaired by an Outside Director. The Board of Directors meets once a month in principle to make decisions on important matters stipulated by laws and regulations and basic management policies, discusses agenda proposals, mainly to ensure appropriateness, and supervises the execution of business by each Director. Taking advantage of the transition to a “Company with an Audit & Supervisory Committee,” the Board of Directors has taken steps to create an internal environment that supports appropriate

risk-taking by Executive Directors, delegates important business execution decisions to Executive Directors, and ensures prompt decision-making and business execution.

### Main agenda items in fiscal 2024 Number of meetings held: 15

- Interim dividend for FYE March 2025
- Organizational reform involving the maintenance of the audit framework
- Progress of “measures for us to reach the new world” in the medium-term management plan
- IR activity policy and schedule for fiscal 2024
- Verification of the rationale for keeping strategic equity holdings

## Board Effectiveness Review

### ■ Review Process

To make sure that the Board of Directors maintains its diverse composition, remains appropriately structured, and keeps its atmosphere in which Directors can fulfill their roles, we conducted a

self-assessment survey of all Directors using anonymous questionnaires. The results of the survey were reviewed by the Board of Directors.

### ■ Findings

As a result of our review, we concluded that the Board of Directors is performing effectively with respect to 1) each questionnaire item subject to analysis and appraisal, as well as 2) its overall execution.

Since 2007, we have emphasized the role of Outside Directors in the composition of the Board of Directors. For example, we have appointed an Outside Director as Chairperson of the Board of Directors, and five of the nine Directors are currently serving as Outside Directors (all meeting our independence criteria). In addition, many respondents expressed the opinion that the expertise and experience of each Director ensured proper diversity of the Board from the governance perspective. Regarding the operation of the Board of Directors, continuous discussions were held in fiscal 2024 regarding the definition of the execution of important business matters delegated to Executive Directors, and the scope was revised to an

appropriate level, considering the current scale of the Company. In addition, starting mid-fiscal 2024, preliminary briefings for Outside Directors on routine reporting matters were made more comprehensive and formalized as written reports for Board meetings. It was evaluated that this operational change has secured more time at Board meetings for deliberating on important agenda items and has contributed to improving the effectiveness of the Board.

With regard to the Board’s supervisory function over management, it was found that the management supervision function is sufficiently fulfilled through the diverse comments and advice offered by each Outside Director based on their specialized expertise.

While an environment for open and vigorous debate has been established, ensuring the Board’s effectiveness, challenges remain for the Board in seeking further improvement. These issues have been raised

consistently since the fiscal 2023 review. First is the creation of opportunities to understand more about what the entire Group does, including subsidiaries, and the allocation of more time than before for in-depth discussions. Second is the establishment of opportunities for the free exchange of opinions among Directors outside of Board meetings.

### ■ Initiatives in fiscal 2024

In fiscal 2024, following on from the previous fiscal year, the Company received recommendations from external experts and conducted extensive internal discussions regarding measures aimed at further enhancing its corporate governance. With respect to the effectiveness of the Board of Directors, three points were designated as key items for consideration: (1) Restructuring the roles of the Board and individual Directors, (2) Enhancing the sophistication of Board operations, and (3) Further strengthening relationships of trust through information sharing. As noted in the preceding section, “Findings,” many initiatives related specifically to (2) came to fruition in fiscal 2024.

In fiscal 2025, the Company will achieve further strengthening of governance by continuing discussions regarding (1) while tackling measures related to (3)—which remains an ongoing challenge.

To maintain and further develop the superior governance system that the Company has established to date, the Board of Directors will use the results of this review to continue making improvements as necessary to reinforce its functions and further enhance its effectiveness.

### Themes for fiscal 2025 initiatives aimed at improving Board effectiveness

- Increased opportunities for discussion of key matters related to the progress of the management plan and the promotion of management strategies
- Increased opportunities for communication and dialogue among Directors
- Increased opportunities for training for Directors and provision of information on the Group’s businesses
- Development of the audit framework between the Board of Directors and the internal audit department

■ Analysis and assessment of the effectiveness of the Board of Directors in fiscal 2024 (Japanese only)



## Audit & Supervisory Committee

The Audit & Supervisory Committee has four members (including three outside members) and is chaired by an Outside Director. The Committee assumes that there exists a functioning internal control system that is subject to constant monitoring and verification of its proper working. Audit & Supervisory Committee members then attend meetings of the Board of Directors and other important meetings and hear reports from Directors. They also audit the status of Directors’ execution of duties by inspecting important documents, giving instructions to and receiving reports from the Audit Department, and receiving reports from the Accounting Auditor.

### Main agenda items in fiscal 2024 Number of meetings held: 13

- Formulation of audit plan by the Audit & Supervisory Committee
- Periodic exchange of opinions with the Accounting Auditor
- Confirmation of the status of responses to internal control issues
- Briefing sessions for the results of auditing conducted by the Audit Department
- Revision of various regulations, etc., following the establishment of global internal auditing standards

## Nomination & Remuneration Committee

The Company established the Nomination & Remuneration Committee to ensure objectivity and transparency in the process of nominating candidates for Directors, as well as dismissing Directors and determining their remuneration. The Committee deliberates candidates for Directors, the remuneration system for Directors, remuneration levels, details of individual remuneration, and so forth. These deliberations are conducted with reference to industry-comparable remuneration data obtained from an external remuneration database. The Committee also reports the results of its deliberations to the Chairman and Representative Director, the Board of Directors, and the Audit & Supervisory Committee. The Nomination & Remuneration Committee shall have at least four members, one of whom shall be the Chairman and Representative Director and a majority of whom shall be Outside Directors. In principle,

the chair of the Committee shall be an Outside Director. Currently, the Committee consists of one Internal Director (Chairman and Representative Director) and four Outside Directors.

### Main agenda items in fiscal 2024 Number of meetings held: 6

- Approval of Director remuneration amounts (by written resolution)
- Payment of Director bonuses for FYE March 2024
- Monthly remuneration for Directors and Directors serving as Audit & Supervisory Committee members for FYE March 2025
- Number of the 16th stock options granted to Executive Directors of the Company and its subsidiaries

## Reasons for Appointment of Outside Directors

### Tsunehiro Nakayama

Mr. Nakayama has served for many years as a corporate executive at financial institutions and is highly regarded for his achievements and insights. He has a wealth of experience and insights as an executive at major banks and securities companies and has deep knowledge and expertise about the financial industry. We are confident that he will play a full role as an Outside Director in making decisions on important management matters and supervising the execution of the Company's business operations.

### Ayako Ikeda

Ms. Ikeda has served for many years as an attorney and has a wealth of experience, insights, and expertise. Although she does not have direct experience in corporate business execution, she has served on numerous committees in the public sector. As a legal expert, she has played a full role in strengthening the effectiveness of the decision-making and supervisory functions of the Board of Directors from a standpoint independent of the management. We are confident that she will continue providing us with proactive opinions on overall management from an objective perspective and also play a role in supervising and auditing management.

### Kazumasa Miyazawa

Mr. Miyazawa has served for many years as a corporate executive in a digital-related industry and is highly regarded for his achievements and insights. He has extensive experience and expertise in companies offering digital-related services. We are confident that he will continue using these attributes to play a full role as an Outside Director in making decisions on important management matters and supervising the execution of the Company's business operations.

### Katsuhiko Ota

Mr. Ota has served for many years as a corporate executive at a major steel manufacturer and is highly regarded for his achievements and insights. We are confident that he will utilize his wealth of experience and insights as an executive in the industry in the supervising and auditing of the Company's management.

### Joichi Yamazaki

Mr. Yamazaki served in various high capacities at the Ministry of Finance (including as Deputy Director-General of the Planning and Coordination Bureau, Financial Services Agency) and Director-General of the Tokai Local Finance Bureau. He is highly regarded for his achievements and insights. We are confident that he will continue utilizing his experience in supervising and auditing of the Company's management.

## Succession Plan

We have established a succession plan for the purpose of continued growth while demonstrating the uniqueness of the Group. Our succession plan defines the requisite qualities for leaders of the subsequent management structure, and implements an operational process of selection, development, evaluation, and nomination of

candidates for future management. The Nomination & Remuneration Committee participates in selecting successors based on this succession plan and continuously monitors whether the operational process is implemented appropriately.

## Remuneration System for Directors

The Company has established the Nomination & Remuneration Committee to ensure the objectivity and transparency of the process for determining the remuneration for Directors. The Committee reports to the Chairman and Representative Director, the Board of Directors, and the Audit & Supervisory Committee on the policy, calculation method, and remuneration levels for Directors by referencing to industry-comparable remuneration data obtained from external remuneration database. Remuneration for Directors consists of fixed remuneration and performance-linked

remuneration. Furthermore, performance-linked remuneration consists of bonuses, which provide short-term incentives based on recent Company performance, and stock options, which reflect performance over the medium to long term.

For Executive Directors, the ratio of fixed to performance-linked remuneration is roughly seven to three. Outside Directors and Directors who serve on the Audit & Supervisory Committee receive only fixed remuneration.

## Calculation Method of Performance-linked Remuneration

### Bonuses

Bonuses are designed to reflect consolidated performance in the short term, as measured by return on equity, and take into account divisional and individual performance evaluations.

### Stock options

The purpose of granting stock options is to align the interests of Directors with those of shareholders while providing an incentive to all the Directors to improve Groupwide performance over the medium to long term, with an ultimate view to uplifting consolidated performance.

### Total Remuneration by Category, Type of Remuneration, and the Number of Recipient Directors

Category	Total remuneration, etc. (millions of yen)	Total amount by type of remuneration (millions of yen)			Number of eligible Directors (persons)	
		Fixed remuneration	Performance-linked remuneration			
			Bonuses	Stock options	Of which, non-monetary remuneration, etc.	
Directors (excluding Audit & Supervisory Committee members and Outside Directors)	190	134	53	2	2 (—)	4
Directors (Audit & Supervisory Committee members) (excluding Outside Directors)	20	20	—	—	—	1
Outside Directors	72	72	—	—	—	6

(Note) Total non-monetary remuneration, etc. for Directors (excluding those for Audit & Supervisory Committee members and Outside Directors) is accounted for by ¥2 million in stock options only.

## Policies and Procedures for Appointing Directors

### Policy

The Board of Directors selects candidates for Directors (excluding those serving as Audit & Supervisory Committee members) who have the knowledge, experience, and social credibility necessary to practice business management properly, fairly, and efficiently, and who can help improve the Company's supervisory function, in accordance with established criteria for selecting and dismissing Director candidates. With respect to candidates for Directors who are Audit & Supervisory Committee members, the Company appoints persons who have the knowledge, experience, and social credibility necessary

to properly, fairly, and efficiently audit the execution of duties by Directors who are not Audit & Supervisory Committee members.

Before nominating an Outside Director candidate, the Board considers, in addition to the above criteria, whether the person fulfills the Company's independence criteria.

Although Outside Directors constitute a majority of all Directors, the Company established the Nomination & Remuneration Committee to ensure objectivity and transparency in the decision-making process for nominating Director candidates.

### Procedures

As per the above policy, the Board of Directors makes decisions on the nomination of Directors (excluding those serving as Audit & Supervisory Committee members) following deliberation based on a recommendation from the Nomination & Remuneration Committee.

The Board of Directors makes decisions on the nomination of Directors who are members of the Audit & Supervisory Committee following deliberation based on a recommendation from the Nomination & Remuneration Committee and after obtaining the

approval of the Audit & Supervisory Committee.

Furthermore, the Chairman and Representative Director makes decisions on the nomination of Executive Officers, etc., following deliberation by the Executive Personnel Committee, and the Board of Directors makes decisions on the nomination of Counselors following a recommendation from the Executive Personnel Committee and after obtaining the consent of the Audit & Supervisory Committee.

## Policies and Procedures for Dismissing Directors

### Policy

The Board of Directors will start proceedings to dismiss any Director who displays a lack of ability to perform his or her directorial duties or who the Board deems has failed to meet the standards for selecting and dismissing Director candidates.

### Procedures

As per the above policy, the Board of Directors makes decisions on proposals to dismiss Directors (excluding those serving as Audit & Supervisory Committee members) following deliberation based on a recommendation from the Nomination & Remuneration Committee.

In addition, the Board of Directors makes decisions on proposals to

dismiss Directors who are members of the Audit & Supervisory Committee following a recommendation from the Nomination & Remuneration Committee and after obtaining the approval of the Audit & Supervisory Committee.

## Strategic Equity Holdings

The Company's policy on strategic equity holdings and the exercise of voting rights by the parties that such holdings allow to represent is set forth in the "Policy on Strategic Equity Holdings" section of its Corporate Governance Guideline. The rationale for holding its

strategic shareholdings is examined on a regular basis in light of its holding purpose and the cost of capital. The Company is now reducing any stocks that fail to justify the rationale for holding, and it intends to reduce the stock holdings so recognized by half.

### Number of shareholding issues and Their Carrying Value

Category	As of March 31, 2024		As of March 31, 2025	
	Number of issues	Recorded value on the balance sheet (millions of yen)	Number of issues	Recorded value on the balance sheet (millions of yen)
Unlisted stocks	45	3,157	39	2,925
Stocks other than Unlisted Stocks	75	7,385	71	8,512

## Basic Policy regarding the Control of the Company

The Company abolished its "Countermeasures against the Large-Scale Purchase of the Company Shares (Anti-Takeover Policy)" in June 2022. In conjunction with this, the Company formulated and disclosed its "Basic Policy on Control of the Company" (basic policy on parties who control decisions on the Company's financial and business policies).

→ Corporate Governance Guideline P.16-17 (Japanese only): Basic Policy on Control of the Company



## Compliance

### <Basic Approach>

The Tokai Tokyo Financial Group considers compliance to be its most important management issue, and it has established a system to ensure the appropriateness of its operations.

We also established fundamental standards, such as the Basic Compliance Policy, the Ethical Code of Conduct, and the Code of Ethics, and we are working to implement them properly.

## Compliance Framework

The Group has built a framework to ensure effective compliance with laws and regulations.

We set up the Comprehensive Risk Management Committee to offer opinions about measures to be taken, as well as a specialized department for supervising, monitoring, and providing guidance on compliance and legal matters. Furthermore, we operate other functions to maintain and improve the effectiveness, expertise, and suitability of anti-money laundering measures to block money inflow to terrorists, thus making the group efforts in the area of compliance-related activities.

Our Ethical Code of Conduct stipulates that all corrupt acts, such as receiving and giving bribes, will not be tolerated. We are reinforcing management systems to prevent bribery and other corrupt acts consistently throughout the Group.

In addition, we have set up a contact point to receive any whistleblowing from anyone from any Group company to enhance our "self-purification" faculty to remove corruption by ourselves.



## Compliance Program

Each company in the Group formulates a Compliance Program to practice compliance.

We set up a common theme for the entire Group for the period of the FYE March 2026, in accordance with the medium-term management plan.

### “Social Value & Justice comes first”

As a comprehensive financial group, we will continue to strive for Social Justice and take on the challenge of reaching the New World beyond our limits.

### “Social Value & Justice comes first”

As a comprehensive financial group, we aim to create Social Value not only through compliance on a rule basis but also by adhering to Social Justice and responding to the ever-changing demands of our stakeholders, including customers, local communities, and shareholders.

The Group has set its own four common themes and is working daily to implement compliance.

- ① Enhancing expertise and humanity to be a company that inspires admiration and respect
- ② Understanding and acting on true needs through dialogue with customers
- ③ Acting to protect the interests of customers, stakeholders, and the public, as well as to secure the market's soundness.
- ④ Moving toward forward-looking, positive compliance

## Compliance

## Internal Reporting System (Whistleblowing System)

The Group has established an Internal Reporting System (Whistleblowing System) based on the Whistleblower Protection Act to prevent and correct business misconduct by officers and employees and to earn the trust of customers and society by cultivating a corporate culture of transparency, honesty, and fairness throughout the Group.

We have established a contact point ensuring independence from related parties to receive any whistleblowing from anyone from any Group company, and the system also allows such made directly to an external lawyer.

If any suspected misconduct is reported, we will investigate the matter in strict confidence, and if any misconduct is discovered, we will strictly handle such a case.

Whistleblowers are protected by laws and regulations, and the utmost consideration is given to confidentiality and privacy. Thorough precautions are also taken so that whistleblowers do not suffer any disadvantage as a result of reporting.

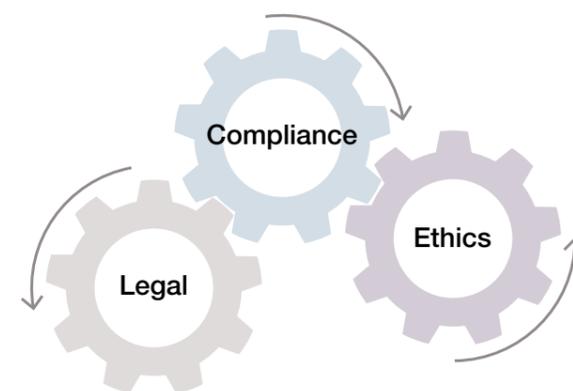
In addition, the Group strives to raise awareness of the Internal Reporting System (Whistleblowing System) through regular study sessions for all officers and employees.

## Establishment of Compliance

The Company regularly conducts compliance training to plant compliance awareness firmly in the minds of officers and employees.

The curriculum covers not only laws and regulations but also the field of ethics to pursue Social Value and achieve Social Justice.

In addition to supporting compliance training at each Group company, we hold a Group Compliance Meeting twice a year, attended by compliance officers and managers from all Group companies, so that an awareness of compliance takes root all across the Group.



## Anti-Money Laundering and Counter-Terrorist Financing (CFT)

The Group will establish a risk management system for anti-money laundering and counter-terrorist financing based on the Financial Services Agency's "Guidelines for Anti-Money Laundering and Combating the Financing of Terrorism," and other related laws and regulations, as required of a financial group.

Tokai Tokyo Securities, the Group's core subsidiary, has established the "Regulations on Anti-Money Laundering and Counter-Terrorist Financing" to build a system for managing money laundering and terrorist financing risks, and it has clarified the necessary actions to take in its daily operations to prevent money laundering and terrorist financing.

## Cutting Off Relations with Anti-Social Forces

The Group's "Ethical Code of Conduct" stipulates that our Group shall resolutely take a firm stand against anti-social forces that threaten the order and safety of civil society.

In addition, the "Rules on Cutting Off Relations with Anti-social Forces" set forth specific procedures for blocking relationships with

anti-social forces, for instance, about the verification of whether a person who enters into a contract with the Company for the first time or existing contractors and business partners, etc., fall under anti-social forces.

## Customer-Oriented Business Conduct

## &lt;Basic Approach&gt;

At Tokai Tokyo Securities, we review and announce the content of our "Policies for Customer-oriented Business Conduct." Based on the Tokai Tokyo Financial Group's management philosophy, the published policy defines "deeply understanding customers' respective objectives (life plans) while striving to improve their assets and capital to achieve their goals (what they want to accomplish)" as "pursuing customers' best interests." In accordance with this approach, our salespeople conduct thorough interviews with customers about their life plans and goals and propose solutions attainable by the Company.

## Framework to Promote Customer-Oriented Business Conduct

Tokai Tokyo Securities was the first in the industry to establish specialist organizations (see the figure below, "Fiduciary Duties Committee" and "FD Promotion Division") in order to promote our initiatives for customer-oriented business conduct to spread and take root. In addition, we have formulated basic principles of conduct for salespeople, taking into account our "Policies for Customer-Oriented Business Conduct," and we thoroughly follow up on the products held by customers. We built a framework keeping in mind that each employee maintains a high level of expertise and professional ethics to

pursue satisfying customers' best interests, and to encourage the enhancement of knowledge and skills through continuing in-house education and training in order to perform duties to customers honestly and fairly.

To confirm that these promotion frameworks function effectively, we conduct customer surveys twice a year and receive the R&I Fiduciary Duty Ratings from a neutral third-party standpoint.

Going forward, the Group will continue its endeavors to make customer-oriented business an integral part of its corporate culture.



## Third-party evaluation R&amp;I Fiduciary Duty Ratings

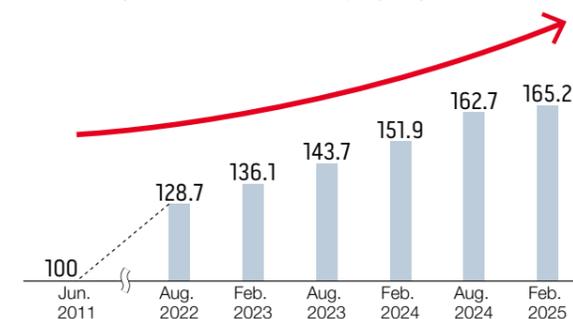


## Customer Surveys

Tokai Tokyo Securities currently sends surveys to a total of 64,000 customers twice a year to hear their opinions and use them to improve our customer satisfaction.

## NPS® (Net Promoter Score)

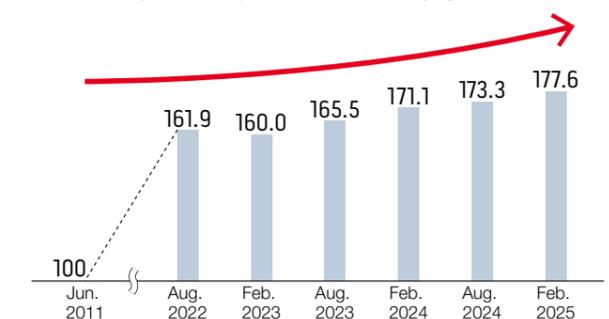
Q Do you recommend Tokai Tokyo Securities if your close friend asks you, "Which securities company do you think is best?"



This question was answered on an 11-point scale from "10 (Extremely likely)" to "0 (Extremely unlikely)," and NPS was calculated by subtracting the number of responses belonging to zones of "6" to "0" from the total responses in the zones from "10" to "9." The graph shows NPS comparatively by setting its level indicated in the June 2011 survey as base value of 100.

## Customer satisfaction trend compiled from answers about the customer service

Q My sales representative updates me on my financial assets under your custody with respect to changing market value.



This question was answered on a 5-point scale from "5 (Agree)" to "1 (Disagree)," and the ratio of responses from "5" to "4" against the total was shown as the degree of satisfaction. The graph describes the satisfaction survey result comparatively with the degree of satisfaction shown in June 2011 survey result as a base value of 100.

# Risk Management Framework

## <Basic Approach>

In accordance with the Basic Risk Management Policy and the Risk Management Rules, the Group comprehensively manages risks that the Company and its Group members face. We also established the Comprehensive Risk Management Committee that engages in deliberations and planning on matters concerning risk management policy, risk management methods, and others deemed necessary for risk management practices. The committee reports the results of the deliberations and submits proposals based on the findings to the Board of Directors.

To cope with disasters and other emergencies, we develop and implement the action plan by clarifying the sections and departments responsible for respective actions in accordance with the Basic Crisis Management Policy and the Rules for Managing Disasters and Other Crises. As such, we systematically heighten the readiness to deal with disaster prevention, emergency solutions, and take recovery measures systematically and comprehensively.

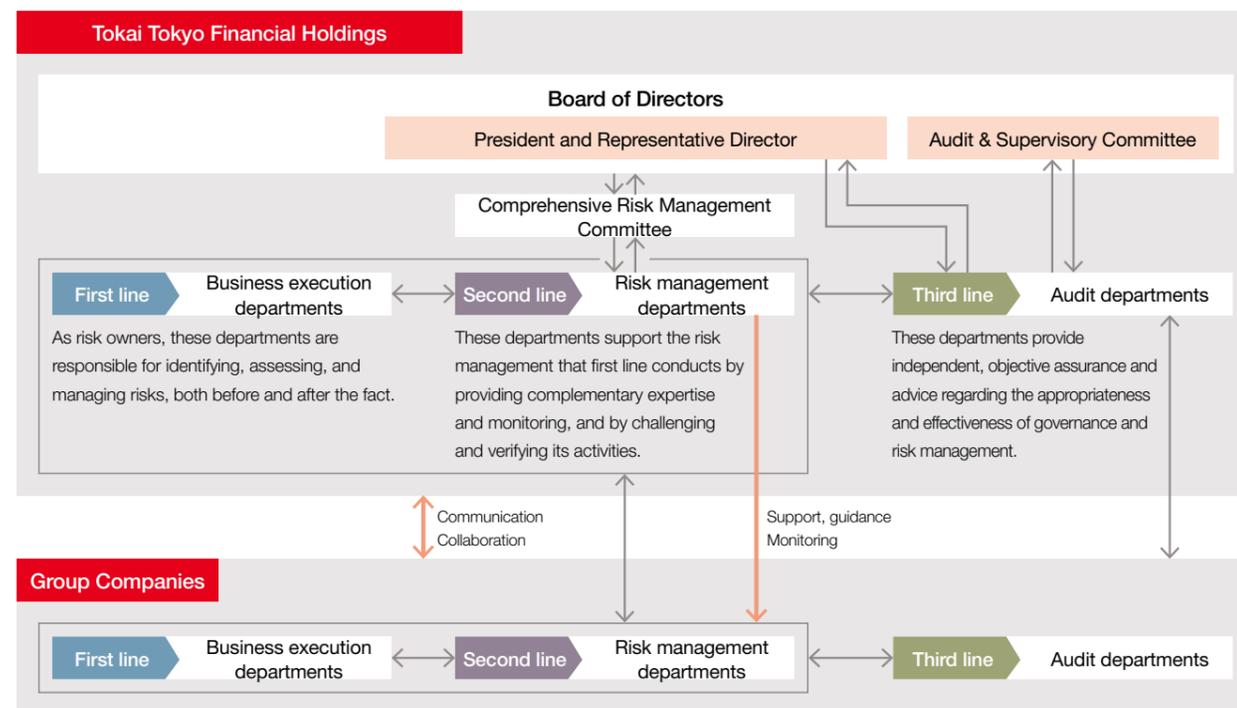
We also established the Comprehensive Risk Management Department, which specializes in supervising, monitoring, and providing guidance on these various risks.

## Business Risk

- Economic and market risk
- Regulatory risk
- Competition risk
- Counterparty risk caused by credit deterioration of customer or debt issuer
- Funding risk due to worsening financial environment
- System risk
- Operational risk
- Information security risk
- Disaster risk
- Litigation risk
- Human resources shortage risk
- Overseas business risk
- Reputational risk
- Risk arising from policies and systems related to risk management
- Business expansion risk
- Climate change risk

## Three-Line Model for Risk Management

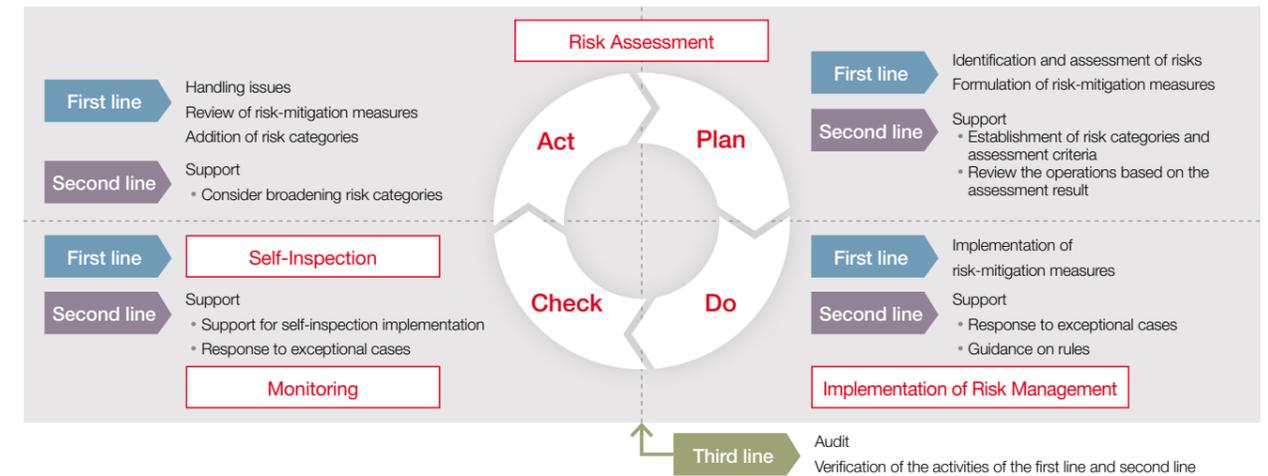
Based on the concept of Three-Line Model, the Group is working to strengthen its risk management system by identifying, assessing, and monitoring risks.



Explanatory note: ↔ Coordination, communication, cooperation, collaboration ↓ Delegation, instruction, resources, supervision ↑ Accountability, reporting

## PDCA Cycle in Risk Management

The Group practices risk management through a PDCA cycle based on risk assessment, self-inspection, and monitoring. The operating status of this PDCA cycle is reported to the Comprehensive Risk Management Committee and Board of Directors.



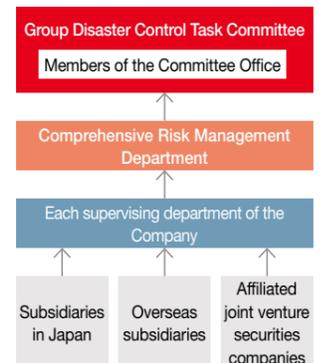
## Crisis Management for Disasters and Other Crises

As a holding company embracing under its umbrella financial instruments business operators that are highly public in nature and founded on social trust, we must respond to society's demands for crisis management.

Therefore, we have formulated a BCP (Business Continuity Plan) to continue operations as long as we can and minimize the damage we sustain, and recover the operation early even in an emergency situation such as a disaster while securing the safety of officers and employees as a top priority.

If an emergency occurs, we will establish the Company's own Disaster Control Task Committee or a Group Disaster Control Task Committee with Group companies as needed to take appropriate action based on this BCP.

We organize disaster-prevention study sessions and drills. On top of those, we conduct simulated drills every six months, gathering the Disaster Control Task Committee members and its secretariat (including officers and department heads) to prepare for any emergency situation.



## Tokai Tokyo Securities' Risk Management Framework

Tokai Tokyo Securities established the Market & Credit Risk Committee from a daily operational perspective and a Finance & Accounting Committee to cover overall management. It also formulated related rules and established a system to manage, analyze, and report market risk, credit risk, and liquidity risk.

In addition, as a company operating a financial instruments business that is highly public in nature, it recognizes that preparations for responding to crises such as disasters are an important management issue and a crucial matter that must be completed urgently. It is therefore diligently advancing preparations for crises.



# Eleven-Year Financial and Non-Financial Summary

	Mar. 2015	Mar. 2016	Mar. 2017	Mar. 2018	Mar. 2019	Mar. 2020	Mar. 2021	Mar. 2022	Mar. 2023	Mar. 2024	Mar. 2025
<b>Consolidated statement of income</b> (millions of yen)											
Commission received	44,082	34,267	26,934	35,907	28,954	29,172	31,173	37,575	32,929	42,239	41,178
Brokerage commission	19,016	16,538	12,930	17,415	10,729	12,239	13,936	13,929	11,758	17,783	15,114
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	779	883	738	811	1,247	702	1,076	1,333	1,112	1,146	1,501
Fee for offering, secondary distribution and solicitation for selling and others for professional investors	18,105	10,481	6,916	7,844	6,951	6,519	6,461	9,939	6,900	8,182	7,976
Other fees received	6,180	6,363	6,349	9,836	10,025	9,710	9,700	12,372	13,157	15,126	16,586
Net trading income*1	35,427	30,329	35,737	45,095	32,179	29,510	34,008	33,998	31,287	40,439	36,905
Stocks	16,732	11,691	13,779	22,227	15,401	14,010	22,369	16,185	13,630	25,497	21,729
Bonds and Forex	18,695	18,638	21,957	22,867	16,778	15,499	11,639	17,813	17,656	14,941	15,175
Financial revenue*1	3,190	2,987	2,741	4,258	3,638	3,011	4,180	9,401	9,165	6,523	8,244
Total operating revenue	82,700	67,584	65,412	85,261	64,772	61,694	69,362	80,975	73,383	89,201	86,328
Financial expenses	1,325	1,306	1,684	2,342	2,219	1,926	2,321	2,726	3,784	2,509	3,146
Net operating revenue	81,374	66,277	63,728	82,919	62,553	59,767	67,041	78,249	69,598	86,692	83,182
Selling, general and administrative expenses*2	56,303	53,634	54,230	65,472	62,945	60,591	57,355	68,368	66,438	71,387	71,442
Personnel expenses	28,002	24,888	25,336	31,110	29,544	27,827	27,501	32,320	30,836	33,928	32,855
Operating profit	25,071	12,643	9,497	17,446	-391	-823	9,685	9,881	3,159	15,304	11,739
Non-operating income*2	3,522	2,765	3,935	3,693	1,712	1,971	3,234	3,341	4,219	3,435	3,650
Share of profit of entities accounted for using equity method	1,669	948	2,058	1,963	—	—	1,591	1,179	—	506	177
Non-operating expenses	69	111	163	200	388	446	371	243	1,033	341	268
Share of loss of entities accounted for using equity method	—	—	—	—	61	94	—	—	749	—	—
Ordinary profit	28,524	15,297	13,269	20,939	932	700	12,548	12,979	6,346	18,397	15,120
Profit before income taxes	28,896	17,925	16,195	31,742	1,528	3,049	12,827	17,828	6,099	18,330	17,047
Profit attributable to owners of parent	18,499	12,423	11,990	25,397	1,079	2,763	9,094	13,150	1,953	10,189	11,048
<b>Consolidated balance sheets</b> (millions of yen)											
Total current assets	415,327	525,258	688,551	902,103	1,323,532	1,043,541	1,342,676	1,505,707	979,880	1,312,677	1,322,176
Trading products	198,053	259,234	292,495	388,099	657,524	422,351	588,098	529,440	272,917	328,216	342,958
Total non-current assets	42,778	43,290	53,884	62,429	67,544	69,772	73,893	75,523	76,139	87,682	87,252
Total assets	458,106	568,548	742,435	964,533	1,391,076	1,113,313	1,416,569	1,581,231	1,056,020	1,400,360	1,409,429
Total current liabilities	282,986	388,658	510,399	704,507	1,137,726	853,507	1,143,073	1,254,845	754,508	1,058,720	1,041,128
Trading products	70,125	137,111	192,454	281,709	546,499	341,416	379,293	444,613	235,926	422,974	396,275
Total non-current liabilities	17,379	24,245	74,357	84,564	88,431	98,781	100,176	140,114	119,474	147,919	172,688
Total liabilities	300,755	413,344	585,206	789,683	1,226,776	952,908	1,243,884	1,395,663	874,672	1,207,425	1,214,600
Total net assets	157,351	155,204	157,229	174,849	164,300	160,404	172,684	185,568	181,348	192,935	194,828
<b>ROE, per share data, and assets under custody</b>											
Net income per share (EPS) (yen)	69.51	46.92	45.73	97.27	4.18	11.04	36.62	52.94	7.85	40.86	44.08
Net assets per share (BPS) (yen)	579.91	580.16	593.47	668.18	625.05	630.24	666.65	694.86	679.99	718.21	723.29
Return on equity (ROE) (%)	12.6	8.1	7.8	15.5	0.6	1.7	5.6	7.8	1.1	5.8	6.1
Dividend per share (yen)	34.00	28.00	26.00	38.00	16.00	8.00	22.00	24.00	16.00	28.00	28.00
Assets under custody (Tokai Tokyo Financial Group) (in 100 million yen)	59,955	51,784	56,105	64,777	62,486	57,419	71,709	82,990	86,646	109,590	109,227
<b>Non-financial information</b>											
Number of employees (Year-end) (Consolidated)	2,353	2,391	2,483	2,753	2,861	2,534	2,442	2,847	2,747	2,655	2,658
Men	1,565	1,591	1,599	1,753	1,789	1,518	1,465	1,701	1,618	1,556	1,558
Women	788	800	884	1,000	1,072	1,016	977	1,146	1,129	1,099	1,100
Percentage of women in management positions (Tokai Tokyo Financial Holdings, Tokai Tokyo Securities)*3 (%)	15.2	17.6	21.0	22.2	23.9	13.3	13.4	14.5	16.8	17.5	19.1
Training expenses (including commissions to Tokai Tokyo Intelligence Laboratory) (millions of yen)	479	493	547	622	727	604	534	527	589	534	632
Energy usage intensity (Tokai Tokyo Securities) (Comparison to previous fiscal year) (%)	96.4	96.9	99.3	97.0	97.3	100.9	100.9	101.6	93.9	93.2	104.4
CO <sub>2</sub> emissions (Tokai Tokyo Securities) (t-CO <sub>2</sub> )	3,938	3,671	3,499	3,243	3,009	2,851	2,699	2,642	2,811	2,760	1,362

\*1 Net trading income, Financial revenue: Effective from FYE March 31, 2020, the method of presenting these items has been changed from that used in previous fiscal years. The new method has been applied retroactively to these items for FYE March 31, 2019.

\*2 Selling, general and administrative expenses, Non-operating income: Effective from FYE March 31, 2022, the method of presenting these items has been changed from that used in previous fiscal years. The new method has been applied retroactively to these items for FYE March 31, 2021.

\*3 As of April 1. The formula was changed in April 2020 following the revision of the personnel system.

(Note 1) The provisional accounting treatment for business combinations was made in FYE March 31, 2018. Subsequently, each figure for FYE March 31, 2017 reflects such provisional accounting treatment.

(Note 2) On February 16, 2018, the Accounting Standards Board of Japan (ASBJ) amended the Accounting Standard for Tax Effect Accounting (ASBJ Statement No. 28). We adopted the amended standard at the start of FYE March 31, 2019. The amended standard has been applied retroactively to the key financial metrics for FYE March 31, 2018.

# Share Information

## Share Information (As of March 31, 2025)

Stock code	8616
Stock exchange listings	Tokyo Stock Exchange (Prime) and Nagoya Stock Exchange (Premier)
Shareholder registry administrator	Sumitomo Mitsui Trust Bank, Limited, 4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo
Number of shares authorized	972,730,000
Number of shares issued	260,582,115
Number of shareholders	71,791
Trading unit of shares	100

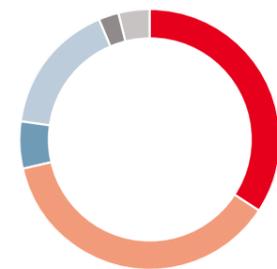
## Major Shareholders (Top 10) (As of March 31, 2025)

Shareholder Name	Number of Shares Held	Ownership Ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	36,927,800	14.71
MUFG Bank, Ltd.	10,306,853	4.11
Custody Bank of Japan, Ltd. (Trust Account)	9,842,300	3.92
The Bank of Yokohama, Ltd.	7,014,553	2.79
Nippon Life Insurance Company	5,611,890	2.24
Sumitomo Mitsui Trust Bank, Limited	4,845,540	1.93
Meiji Yasuda Life Insurance Company	4,406,000	1.76
Mitsui Sumitomo Insurance Co., Ltd.	3,913,798	1.56
Aichi Bank, Ltd.	3,566,671	1.42
STATE STREET BANK WEST CLIENT-TREATY 505234	3,507,500	1.40

(Note) 1. The ownership ratio above is calculated by deducting the number of treasury stocks from the total number of shares issued.  
2. Besides the companies listed above, Tokai Tokyo Financial Holdings holds 9,576,620 shares of treasury stock.

## Shareholder Breakdown

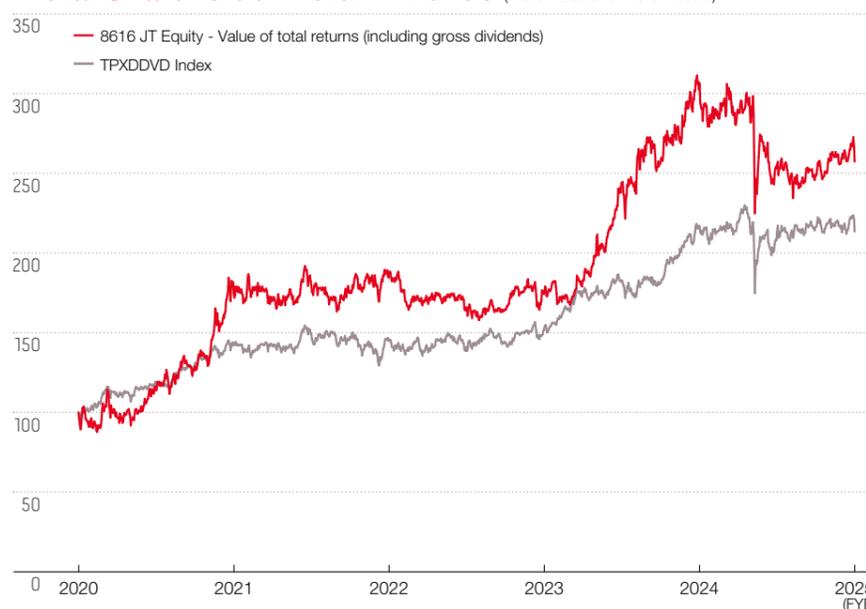
(As of March 31, 2025)



Individuals and others	32.24%
Financial institutions	37.18%
Other domestic corporations	5.97%
Foreign investors	16.29%
Securities firms	2.65%
Treasury stock	3.68%

(Note) The composition ratios are rounded off to the second decimal place. Consequently, the sum of aggregate values may not add up to 100%.

## Total Shareholder Return\* trends (March 2020 to March 2025)



\* TSR (Total Shareholders' Return) factors in the capital gains and dividends from the stock.  
(Note) Indicated in the form of indices based on the fair closing value on March 31, 2020 as 100%

# Company Information

## Company Information (As of March 31, 2025)

Company name	Tokai Tokyo Financial Holdings, Inc.
Date of incorporation	June 19, 1929
Paid-in capital	36 billion yen
Number of employees	143 (Does not include 74 temporary employees and 4 dispatched workers)
Number of employees (consolidated)	2,658 (Does not include 8 investment advisors and asset advisors as combined, 631 temporary employees, and 67 dispatched workers)
Address of the head office	5-1, Nihonbashi 2-chome, Chuo-ku, Tokyo 103-6130

## Principal Subsidiaries

Company Name	Head Office	Main Business
Tokai Tokyo Securities Co., Ltd.*1	7-1, Meieki 4-chome, Nakamura-ku, Nagoya-shi, Aichi	Financial instruments business
CHEER Securities Inc.*2	17-21, Shinkawa 1-chome, Chuo-Ku, Tokyo	Financial instruments business
Maruhachi Securities Co., Ltd.	4 Shinsakae-machi 2-chome, Naka-ku, Nagoya-shi, Aichi	Financial instruments business
Tokai Tokyo Intelligence Laboratory Co., Ltd.	19-30, Aoi 1-chome, Higashi-ku, Nagoya-shi, Aichi	Information services, financial instruments business, and education and training
Tokai Tokyo Investment Co., Ltd.	17-21, Shinkawa 1-chome, Chuo-Ku, Tokyo	Management of venture capital business and securities management
Tokai Tokyo Wealth Consulting Co., Ltd.	5-28, Meieki 4-chome, Nakamura-ku, Nagoya-shi, Aichi	Consulting, House Agent
Tokai Tokyo Services Co., Ltd.	13-8, Aoi 1-chome, Higashi-ku, Nagoya-shi, Aichi	Transfer agent, merchandising, printing, and real-estate rental management
Tokai Tokyo Business Service Co., Ltd.	17-21, Shinkawa 1-chome, Chuo-Ku, Tokyo	Serving as agents for the back-office operations of securities companies and others
ETERNAL Co., Ltd.	2-17, Isobe-dori 3-chome, Chuo-ku, Kobe-shi, Hyogo	Insurance agency
Mebius Co., Ltd.	1-8, Minamihonmachi 2-chome, Chuo-ku, Osaka-shi, Osaka	Insurance agency
Tokai Tokyo Securities (Asia) Limited	15/F, 33 Des Voeux Road Central, Hong Kong	Securities business
Tokai Tokyo Securities Europe Limited	4th Floor, Salisbury House, London Wall, London, EC2M 5QQ, United Kingdom	Securities business
Tokai Tokyo Securities (USA), Inc.	3 Columbus Circle, Suite 1715, New York, NY 10019, USA	Researching U.S. companies and collecting information on the overall U.S. market
Tokai Tokyo Investment Management Singapore Pte. Ltd.	20 Anson Road #09-02 Twenty Anson, Singapore 079912	Information services, asset management
Tokai Tokyo Global Investments Pte. Ltd.	20 Anson Road #09-02 Twenty Anson, Singapore 079912	Securities Management

\*1 Effective April 8, 2024, Pinnacle TT Solution Inc. changed its trade name to TT Solution Inc. Effective June 13, 2024, it was absorbed into Tokai Tokyo Securities Co., Ltd., which is the surviving company.

\*2 Effective April 1, 2025, TT Digital Platform Co., Ltd. was absorbed into CHEER Securities Inc., which is the surviving company.

\*3 Effective October 2, 2024, MAfolova Inc. was dissolved (liquidation concluded effective December 26, 2024).



<https://www.tokaitokyo-fh.jp/en/>