

Press Release



TOKAI TOKYO FINANCIAL HOLDINGS, INC.

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(8616; PRIME Market, PREMIER Market)

April 28, 2022

A Notice of Correction to the Financial Highlights of Tokai Tokyo Financial Holdings, Inc. due to the Correction made to the Capital Adequacy Ratios of Tokai Tokyo Securities Co., Ltd.

We found that Tokai Tokyo Securities Co., Ltd., one of our subsidiaries, calculated its Capital Adequacy Ratios wrong in the past. Therefore, we make partial corrections to our financial highlights as you see below.

1. Disclosure material subject to correction

Disclosure material subject to corrections	The quarters subject to corrections
The Financial Highlights	the 4 th Qtr. of FYE March 2017: All Qtrs. of FYE March 2018 through FYE March 2021: the 1 st , 2 nd , 3 rd Qtrs. of FYE March 2022

2. The reason for corrections

Tokai Tokyo Securities Co., Ltd. erroneously recognized customer risk amount in calculating its Capital Adequacy Ratios wrong. The investigation of the past records revealed that the customer risk amounts during the periods stated above were incorrect. So, we correct the following items related to the Capital Adequacy Ratios for the said periods; “Customer Risk Amount”, “Risk Amount” and “Capital Adequacy Ratio”

Since we have made corrections to multiple explanatory materials, we summarize below the corrected capital adequacy calculation components and the resulting capital adequacy ratios. Please see the following pages for more details.

As we need more time to conduct a close investigation of the matter, we disclose what we have grasped up to now. If we find the additional error(s), we will inform you without delay.

3. Correction Summary

(Millions of yen)	FYE Mar 2017	FYE Mar 2018	FYE Mar 2019	FYE Mar 2020	FYE Mar 2021				FYE Mar 2022	
	4Q	4Q	4Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Capital Adequacy Ratio (%) (after correction)	<u>432.3</u>	<u>382.5</u>	<u>331.7</u>	<u>400.9</u>	<u>365.4</u>	<u>358.7</u>	<u>324.8</u>	<u>344.3</u>	<u>353.3</u>	<u>333.1</u>
Capital Adequacy Ratio (%) (before correction)	434.3	385.6	335.5	403.2	367.4	362.1	327.1	345.2	354.4	334.4
Net Capital	99,931	100,250	97,493	104,165	103,734	105,500	101,954	101,603	102,033	103,367
Risk amount (after correction)	<u>23,118</u>	<u>26,206</u>	<u>29,395</u>	<u>25,980</u>	<u>28,381</u>	<u>29,408</u>	<u>31,382</u>	<u>29,509</u>	<u>28,877</u>	<u>31,027</u>
Risk amount (before correction)	23,006	25,995	29,056	25,831	28,231	29,131	31,161	29,431	28,788	30,910
Market Risk Amount	8,463	10,292	14,075	10,799	13,201	13,942	14,340	12,270	12,884	14,213
Customer Risk Amount (after correction)	<u>2,015</u>	<u>2,492</u>	<u>1,897</u>	<u>1,817</u>	<u>1,936</u>	<u>2,349</u>	<u>3,928</u>	<u>4,366</u>	<u>2,950</u>	<u>3,652</u>
Customer Risk Amount (before correction)	1,903	2,281	1,558	1,668	1,786	2,073	3,707	4,288	2,861	3,535
Basic Risk Amount	12,639	13,421	13,422	13,363	13,243	13,115	13,113	12,872	13,042	13,161

(end)

[References]



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April 28, 2022

Re: The Corrections to the Capital Adequacy Ratios

We calculated our Capital Adequacy Ratios wrong in the past. Therefore, we make the following corrections to the said ratios as you see below. Please note that the corrected numerical values are underlined on the following pages.

◆The Summary of the corrections regarding the Capital Adequacy Ratios (in %)

	Before correction	After correction	Difference
End of Sep. 2021	334.4	333.1	▲1.3
End of Jun. 2021	354.4	353.3	▲1.1
End of Mar. 2021	345.2	344.3	▲0.9
End of Dec. 2020	327.1	324.8	▲2.3
End of Sep. 2020	362.1	358.7	▲3.4
End of Jun. 2020	367.4	365.4	▲2.0
End of Mar. 2020	403.2	400.9	▲2.3
End of Mar. 2019	335.5	331.7	▲3.8
End of Mar. 2018	385.6	382.5	▲3.1
End of Mar. 2017	434.3	432.3	▲2.0

◆The data subject to correction

“The explanation regarding our current operation and asset for FYE March 2021”

* Page 18

“Capital Adequacy Ratios for the periods of the end of June 2020 through the end of September 2021 posted on our home page

“Financial Highlights” posted on the homepage of Tokai Tokyo Financial Holdings, Inc.
(Correction was made on its 4th quarterly report)

(As of the end of September 2021)

(Unit: Million Yen)

				Previous	Revised	Difference
Basic	Component	(A)		94,481	94,481	-
Supplementary	Component	(B)		20,739	20,739	-
	Valuation difference			—	—	-
	Reserve for financial instruments transaction liabilities			635	635	-
	Allowance for doubtful accounts			104	104	-
	Long Term Subordinated Liability			20,000	20,000	-
	Short Term Subordinated Liability			—	—	-
Deductible	Assets	(C)		11,853	11,853	-
Non-fixed Equity Capital	(A) + (B) - (C)	(D)		103,367	103,367	-
Risk	Amount	(E)		30,910	<u>31,027</u>	<u>117</u>
	Market Risk Amount			14,213	14,213	-
	Customer Risk Amount			3,535	<u>3,652</u>	<u>117</u>
	Basic Risk Amount			13,161	13,161	-
	Risk Amount before Deduction	(F)		30,910	<u>31,027</u>	<u>117</u>
	Deduction for Crypto-Asset and others as per Article 17 of the Act	(G)		—	—	-
Capital Adequacy Ratio	(D) / (E) × 100			334.4 %	<u>333.1</u> %	<u>▲ 1.3</u> %

(As of the end of June 2021)

(Unit: Million Yen)

				Previous	Revised	Difference
Basic	Component	(A)		92,926	92,926	-
Supplementary	Component	(B)		20,733	20,733	-
	Valuation difference			—	—	-
	Reserve for financial instruments transaction liabilities			635	635	-
	Allowance for doubtful accounts			98	98	-
	Long Term Subordinated Liability			20,000	20,000	-
	Short Term Subordinated Liability			—	—	-
Deductible	Assets	(C)		11,626	11,626	-
Non-fixed Equity Capital	(A) + (B) - (C)	(D)		102,033	102,033	-
Risk	Amount	(E)		28,788	<u>28,877</u>	<u>89</u>
	Market Risk Amount			12,884	12,884	-
	Customer Risk Amount			2,861	<u>2,950</u>	<u>89</u>
	Basic Risk Amount			13,042	13,042	-
	Risk Amount before Deduction	(F)		28,788	<u>28,877</u>	<u>89</u>
	Deduction for Crypto-Asset and others as per Article 17 of the Act	(G)		—	—	-
Capital Adequacy Ratio	(D) / (E) × 100			354.4 %	<u>353.3</u> %	<u>▲ 1.1</u> %

(As of the end of March 2021)

(Unit: Million Yen)

				Previous	Revised	Difference
Basic	Component	(A)		91,699	91,699	-
Supplementary Component (B)				20,736	20,736	-
	Valuation difference			—	—	-
	Reserve for financial instruments transaction liabilities			635	635	-
	Allowance for doubtful accounts			100	100	-
	Long Term Subordinated Liability			20,000	20,000	-
	Short Term Subordinated Liability			—	—	-
Deductible	Assets	(C)		10,831	10,831	-
Non-fixed Equity Capital (A) + (B) - (C) (D)				101,603	101,603	-
Risk	Amount	(E)		29,431	<u>29,509</u>	<u>78</u>
	Market Risk Amount			12,270	12,270	-
	Customer Risk Amount			4,288	<u>4,366</u>	<u>78</u>
	Basic Risk Amount			12,872	12,872	-
	Risk Amount before Deduction (F)			29,431	<u>29,509</u>	<u>78</u>
	Deduction for Crypto-Asset and others as per Article 17 of the Act (G)			—	—	-
Capital Adequacy Ratio	(D) / (E) × 100			345.2 %	<u>344.3</u> %	<u>▲ 0.9</u> %

(As of the end of December 2020)

(Unit: Million Yen)

				Previous	Revised	Difference
Basic	Component	(A)		92,576	92,576	-
Supplementary Component (B)				20,605	20,605	-
	Valuation difference			51	51	-
	Reserve for financial instruments transaction liabilities			495	495	-
	Allowance for doubtful accounts			58	58	-
	Long Term Subordinated Liability			20,000	20,000	-
	Short Term Subordinated Liability			-	-	-
Deductible	Assets	(C)		11,228	11,228	-
Non-fixed Equity Capital (A) + (B) - (C) (D)				101,954	101,954	-
Risk	Amount	(E)		31,161	<u>31,382</u>	<u>221</u>
	Market Risk Amount			14,340	14,340	-
	Customer Risk Amount			3,707	<u>3,928</u>	<u>221</u>
	Basic Risk Amount			13,113	13,113	-
	Risk Amount before Deduction (F)			31,161	<u>31,382</u>	<u>221</u>
	Deduction for Crypto-Asset and others as per Article 17 of the Act (G)			-	-	-
Capital Adequacy Ratio	(D) / (E) × 100			327.1 %	<u>324.8</u> %	<u>▲ 2.3</u> %

(As of the end of September 2020)

(Unit: Million Yen)

				Previous	Revised	Difference
Basic	Component	(A)		96,428	96,428	-
Supplementary Component (B)				20,578	20,578	-
	Valuation difference			51	51	-
	Reserve for financial instruments transaction liabilities			495	495	-
	Allowance for doubtful accounts			31	31	-
	Long Term Subordinated Liability			20,000	20,000	-
	Short Term Subordinated Liability			-	-	-
Deductible	Assets	(C)		11,505	11,505	-
Non-fixed Equity Capital	(A) + (B) - (C)	(D)		105,500	105,500	-
Risk	Amount	(E)		29,131	29,408	277
	Market Risk Amount			13,942	13,942	-
	Customer Risk Amount			2,073	2,349	276
	Basic Risk Amount			13,115	13,115	-
	Risk Amount before Deduction (F)			29,131	29,408	277
	Deduction for Crypto-Asset and others as per Article 17 of the Act (G)			-	-	-
Capital Adequacy Ratio	(D) / (E) × 100			362.1 %	358.7 %	▲ 3.4 %

(As of the end of June 2020)

(Unit: Million Yen)

				Previous	Revised	Difference
Basic	Component	(A)		95,391	95,391	-
Supplementary Component (B)				20,576	20,576	-
	Valuation difference			51	51	-
	Reserve for financial instruments transaction liabilities			495	495	-
	Allowance for doubtful accounts			29	29	-
	Long Term Subordinated Liability			20,000	20,000	-
	Short Term Subordinated Liability			-	-	-
Deductible	Assets	(C)		12,232	12,232	-
Non-fixed Equity Capital	(A) + (B) - (C)	(D)		103,734	103,734	-
Risk	Amount	(E)		28,231	28,381	150
	Market Risk Amount			13,201	13,201	-
	Customer Risk Amount			1,786	1,936	150
	Basic Risk Amount			13,243	13,243	-
	Risk Amount before Deduction (F)			-	-	-
	Deduction for Crypto-Asset and others as per Article 17 of the Act (G)			-	-	-
Capital Adequacy Ratio	(D) / (E) × 100			367.4 %	365.4 %	▲ 2.0 %

(As of the end of March 2020)

(Unit: Million Yen)

				Previous	Revised	Difference
Basic	Component	(A)		95,540	95,540	-
Supplementary	Component	(B)		20,697	20,697	-
	Valuation difference			51	51	-
	Reserve for financial instruments transaction liabilities			619	619	-
	Allowance for doubtful accounts			27	27	-
	Long Term Subordinated Liability			20,000	20,000	-
	Short Term Subordinated Liability			—	—	-
Deductible	Assets	(C)		12,072	12,072	-
Non-fixed Equity Capital	(A) + (B) - (C)	(D)		104,165	104,165	-
Risk	Amount	(E)		25,831	25,980	149
	Market Risk Amount			10,799	10,799	-
	Customer Risk Amount			1,668	1,817	149
	Basic Risk Amount			13,363	13,363	-
	Risk Amount before Deduction	(F)		—	—	—
	Deduction for Crypto-Asset and others as per Article 17 of the Act	(G)		—	—	-
Capital Adequacy Ratio	(D) / (E) × 100			403.2 %	400.9 %	▲ 2.3 %

(As of the end of March 2019)

(Unit: Million Yen)

				Previous	Revised	Difference
Basic	Component	(A)		88,686	88,686	-
Supplementary	Component	(B)		20,617	20,617	-
	Valuation difference			—	—	-
	Reserve for financial instruments transaction liabilities			589	589	-
	Allowance for doubtful accounts			28	28	-
	Long Term Subordinated Liability			20,000	20,000	-
	Short Term Subordinated Liability			—	—	-
Deductible	Assets	(C)		11,811	11,811	-
Non-fixed Equity Capital	(A) + (B) - (C)	(D)		97,493	97,493	-
Risk	Amount	(E)		29,056	29,395	339
	Market Risk Amount			14,075	14,075	-
	Customer Risk Amount			1,558	1,897	339
	Basic Risk Amount			13,422	13,422	-
	Risk Amount before Deduction	(F)		—	—	—
	Deduction for Crypto-Asset and others as per Article 17 of the Act	(G)		—	—	-
Capital Adequacy Ratio	(D) / (E) × 100			335.5 %	331.7 %	▲ 3.8 %

(As of the end of March 2018)

(Unit: Million Yen)

				Previous	Revised	Difference
Basic	Component	(A)		90,387	90,387	-
Supplementary Component		(B)		20,627	20,627	-
	Valuation difference			—	—	-
	Reserve for financial instruments transaction liabilities			582	582	-
	Allowance for doubtful accounts			45	45	-
	Long Term Subordinated Liability			20,000	20,000	-
	Short Term Subordinated Liability			—	—	-
Deductible	Assets	(C)		10,765	10,765	-
Non-fixed Equity Capital	(A) + (B) - (C)	(D)		100,250	100,250	-
Risk	Amount	(E)		25,995	26,206	211
	Market Risk Amount			10,292	10,292	-
	Customer Risk Amount			2,281	2,492	211
	Basic Risk Amount			13,421	13,421	-
	Risk Amount before Deduction	(F)		—	—	—
	Deduction for Crypto-Asset and others as per Article 17 of the Act	(G)		—	—	-
Capital Adequacy Ratio	(D) / (E) × 100			385.6 %	382.5 %	▲ 3.1 %

(As of the end of March 2017)

(Unit: Million Yen)

				Previous	Revised	Difference
Basic	Component	(A)		85,754	85,754	-
Supplementary Component		(B)		25,476	25,476	-
	Valuation difference			—	—	-
	Reserve for financial instruments transaction liabilities			442	442	-
	Allowance for doubtful accounts			33	33	-
	Long Term Subordinated Liability			25,000	25,000	-
	Short Term Subordinated Liability			—	—	-
Deductible	Assets	(C)		11,299	11,299	-
Non-fixed Equity Capital	(A) + (B) - (C)	(D)		99,931	99,931	-
Risk	Amount	(E)		23,006	23,118	112
	Market Risk Amount			8,463	8,463	-
	Customer Risk Amount			1,903	2,015	112
	Basic Risk Amount			12,639	12,639	-
	Risk Amount before Deduction	(F)		—	—	—
	Deduction for Crypto-Asset and others as per Article 17 of the Act	(G)		—	—	-
Capital Adequacy Ratio	(D) / (E) × 100			434.3 %	432.3 %	▲ 2.0 %

(end)

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