

For Immediate Release

TOKAI Holdings Corporation
 Katsuo Oguri, Representative Director, President and CEO
 (Code No. 3167, TSE Prime Market)

Financial Results for the First Three Months of the Fiscal Year Ending March 31, 2024

– Medium-Term Management Plan 2025 Gets Underway –

TOKAI Holdings Corporation (hereinafter, “the Company”) today announced its financial results for the first three months of the fiscal year ending March 31, 2024.

1. Q1 net sales grow for the third consecutive year to set new record high

The Company announced the Medium-Term Management Plan 2025 in May. The plan covers the period up to the fiscal year ending March 31, 2025. During the three-year period until FY2025, the Group will execute initiatives in line with a growth story consisting of three elements, namely the root, the trunk and the fruit of growth. In doing so, it will seek to create a sustainable society and achieve continuous growth.

For the first three months of the fiscal year under review, **net sales stood at 54.0 billion yen, up 2.2 billion yen or 4.2% year on year, to hit new high for the third consecutive year.** This resulted mainly from sales growth following an increase in energy, CATV and other customers and from the expansion of the stock business for corporate clients in the Information and Communication business.

Operating profit was 2.5 billion yen, down 0.9 billion yen or 26.0% year on year. This is explained mainly by a decrease in gas sales volume for households due to high air temperatures, by an increase in expenses for acquiring LP gas customers following efforts to win customers at a higher pace than in the same period a year earlier and by pay increases that resulted in a rise in personnel expenses. These factors more than offset earnings growth after an increase in the number of monthly fee-paying customers accompanying an increase in the number of customer accounts.

(Millions of yen)

	Q1 FY03/24 results <small>(April 1, 2023 to June 30, 2023)</small>	Q1 FY03/23 results <small>(April 1, 2022 to June 30, 2022)</small>	YoY	
			Change	% change
Net sales	53,971	51,803	+2,167	+4.2%
Operating profit	2,484	3,355	- 871	- 26.0%
Ordinary profit	2,617	3,389	- 771	- 22.8%
Profit attributable to owners of parent	1,338	1,795	- 456	- 25.4%
EPS (yen)	10.25	13.72	- 3.47	- 25.3%

2. Steady expansion of customer base in core businesses

As of the end of the first quarter under review, **the number of continuing customers reached 3,312 thousand, up 12,584 from the count of 3,299 thousand at the beginning of the fiscal year, and up 19,227 year on year.** This resulted from active efforts to win customers with the aim of achieving the Medium-Term Management Plan. The Company made continued progress in expanding its earnings base, **with net increase of 9,528 (LP and city) gas customers (6,635 in the same period of the previous fiscal year), 5,896 CATV customers (8,161), 1,331 Hikari Collaboration customers (4,552) and 778 Aqua customers (1,211).**

3. Medium-Term Management Plan 2025 was kicked off

Today, circumstances surrounding business entities and customers' values are changing rapidly, including shifts in society following the COVID-19 pandemic, mounting awareness of sustainability and turbulent global economic changes. Amid these changes, the Company understood that needs for addressing medium- and long-term issues for the continuous growth of society were emerging and so developed and adopted Medium-Term Management Plan 2025, in which the fiscal year ending March 31, 2026 was determined as the final fiscal year. The TOKAI Group will work to live up to the expectations of its stakeholders as a company which steadily generates earnings despite the changing market environment.

For the fiscal year ending March 31, 2024, the Group will carry out initiatives in line with a growth story consisting of three elements, namely the root, the trunk and the fruit of growth, and will aim to achieve income and profit growth in full-year financial results.

The earnings and dividend forecasts for the fiscal year ending March 31, 2024 remain unchanged.

(Millions of yen)

	FY03/24 forecast (April 1, 2023 to March 31, 2024)	FY03/23 results (April 1, 2022 to March 31, 2023)	YoY	
			Change	% change
Net sales	240,000	230,190	+9,810	+4.3%
Operating profit	15,000	14,919	+81	+0.5%
Ordinary profit	15,000	13,289	+1,711	+12.9%
Profit attributable to owners of parent	8,500	6,465	+2,035	+31.5%
EPS (yen)	65.10	49.41	+15.69	+31.8%
Customer count at end of fiscal year	3,384,000	3,299,000	+84,000	+2.6%

	FY03/24 (forecast)	FY03/23	FY03/22
Interim (end of Q2)	16.00 yen	16.00 yen	15.00 yen
Year-end	16.00 yen	16.00 yen	17.00 yen
Annual dividend per share	32.00 yen	32.00 yen	32.00 yen

For details, please see the attached materials, entitled "Financial Results for the First Three Months of the Fiscal Year Ending March 31, 2024."

For the Company's earnings announcement for the first three months of the fiscal year ending March 31, 2024, please see the

following URL:

<https://www.tokaiholdings.co.jp/english/ir/library/earnings.html>

Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2024

TOKAI Holdings Corporation
(Code: 3167)

August 3, 2023

Q1 net sales grow for the third consecutive year to set new record high

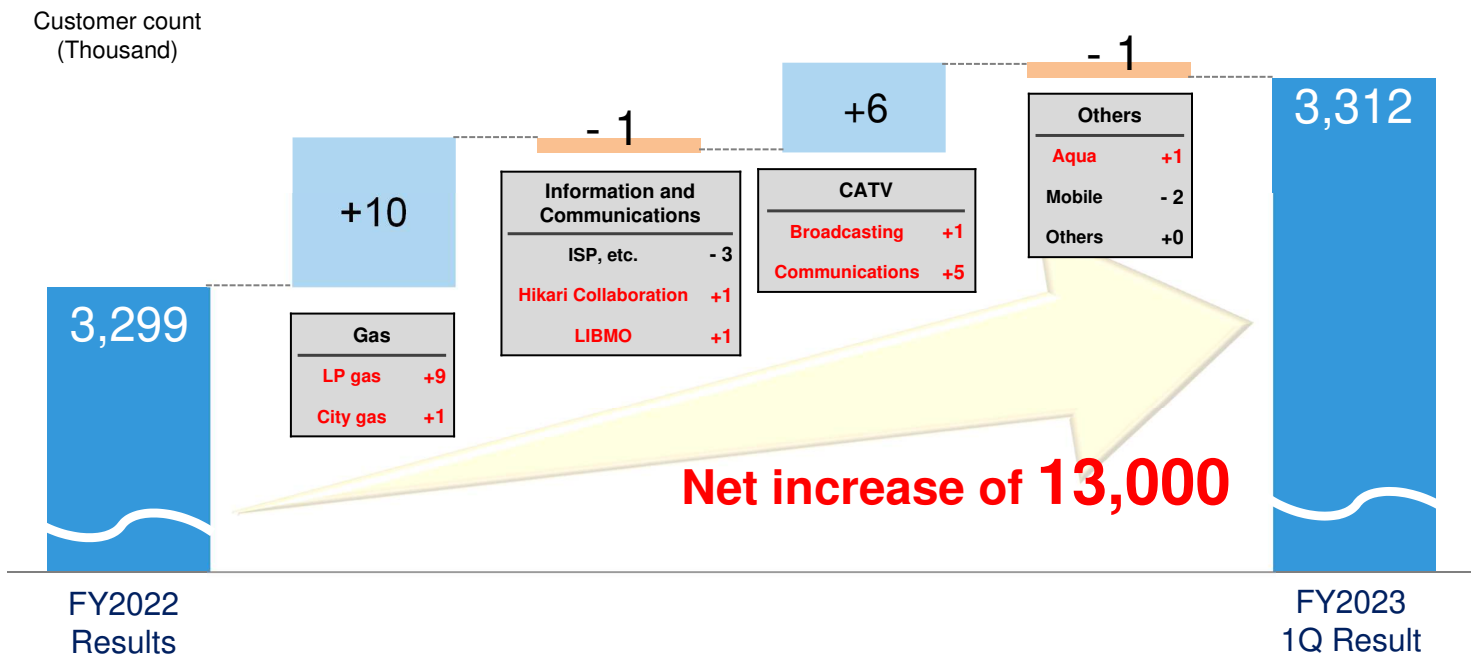
- Q1 net sales achieved year-on-year growth for the third consecutive fiscal year and set a new record high, chiefly reflecting an increase in customers in Energy, CATV and other businesses and the expansion of the Information and Communications business for corporate clients.
- Q1 operating profit was down 0.9 billion yen year on year, due mainly to a decrease in gas sales volume for households associated with high air temperatures and other factors, an increase in expenses for acquiring LP gas customers and pay increases that resulted in a rise in personnel expenses. These factors offset earnings growth posted after an increase in the number of monthly fee-paying customers accompanying an increase in the number of customer accounts.

(Millions of yen)

	Q3 FY03/23 results (April 1, 2023 – June 30, 2023)	Q3 FY03/22 results (April 1, 2022 – June 30, 2022)	YoY	
			Change	% change
Net sales	53,971	51,803	+2,167	+4.2%
Operating profit	2,484	3,355	-871	-26.0%
Ordinary profit	2,617	3,389	-771	-22.8%
Profit attributable to owners of parent	1,338	1,795	-456	-25.4%
EPS (yen)	10.25	13.72	-3.47	-25.3%

Steady Expansion of Customer Base in Core Businesses

- ⦿ The number of continuing customers as of June 30, 2023 stood at 3,312 thousand, an increase of 13 thousand from 3,299 thousand at the beginning of the fiscal year.
- ⦿ We further expanded our earnings base in the gas business, CATV business, Hikari Collaboration and Aqua business.



* Rounded to the nearest thousand. Adjustment is made in Others for duplicate communication services for ISP and CATV carrier plans.

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Consolidated full-year financial results forecast

- ⦿ Net sales are forecasted to rise, attributable to a continued increase in customer accounts mainly in principal businesses and to earnings increase following expansion of areas served.
- ⦿ Operating profit is forecasted to remain unchanged year on year, chiefly reflecting expenses for acquiring customers and personnel revitalization.
- ⦿ Ordinary profit and profit attributable to owners of parent are expected to jump hugely, after reduction of burdens of impairment losses that occurred in the previous fiscal year.

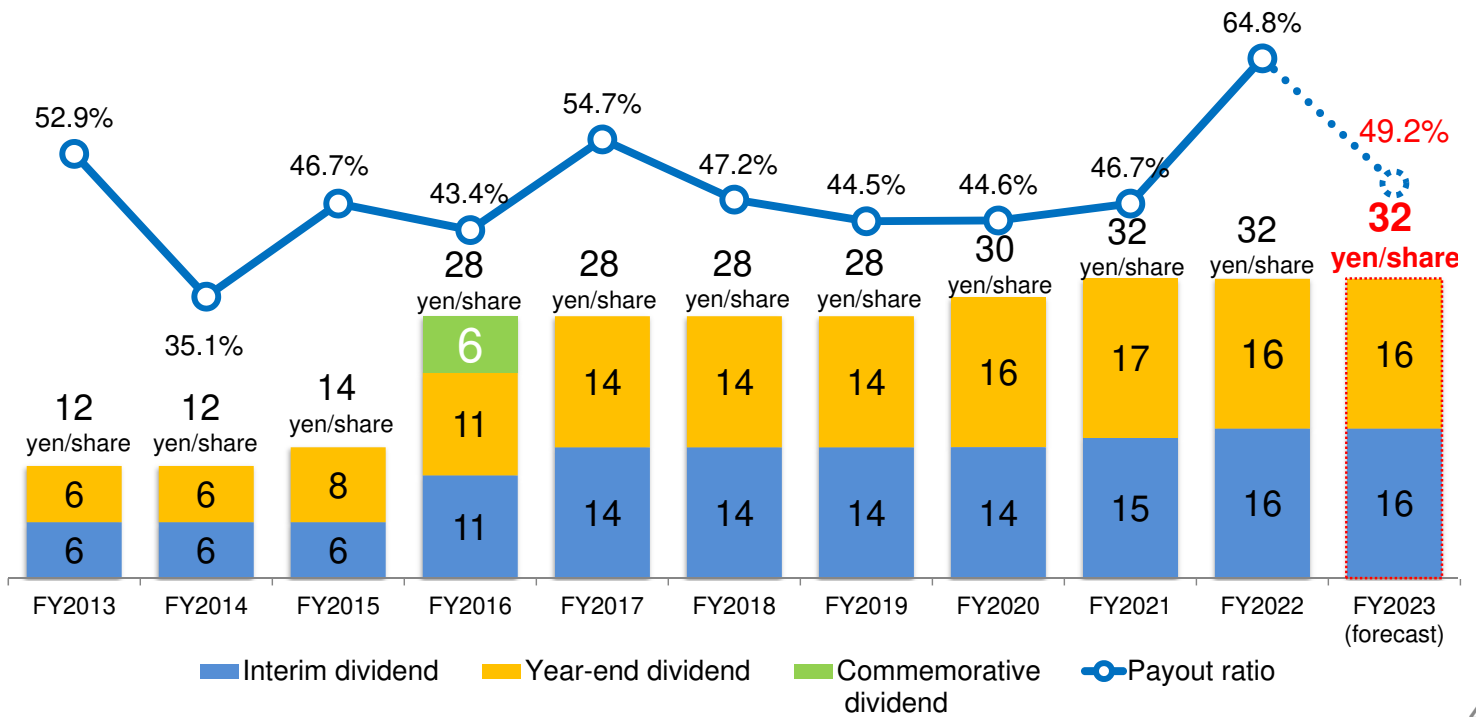
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EPS (yen)	65.10	49.41	+15.69	+31.8%
Customer count at end of fiscal year	3,384,000	3,299,000	+84,000	+2.6%

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Dividend forecast

- ⦿ In accordance with the Company's policy of paying constant and stable dividends, the annual dividend per share will be 32 yen, the same as the year before.
- ⦿ The dividend forecast (announced on May 9, 2023) remains unchanged.



Appendix

- (1) Consolidated results
- (2) Sales by segment
- (3) Operating profit by segment
- (4) Consolidated financial indicators
- (5) Consolidated cash flows
- (6) Group customer count

(1) Consolidated results

(Millions of yen)

	Q1 FY2019 Results	Q1 FY2020 Results	Q1 FY2021 Results	Q1 FY2022 Results	Q1 FY2023 Results
Sales	45,804	45,113	48,396	51,803	53,971
Operating profit	3,231	3,783	3,226	3,355	2,484
Recurring profit	3,351	3,830	3,353	3,389	2,617
Quarterly net income	2,239	2,445	1,870	1,795	1,338
EPS (Yen)	17.10	18.68	14.28	13.72	10.25

(2) Sales by segment

(Millions of yen)

		Q1 FY2019 Results	Q1 FY2020 Results	Q1 FY2021 Results	Q1 FY2022 Results	Q1 FY2023 Results
Energy		18,577	17,634	18,998	23,274	23,966
Information and Communicati ons	For Individual Customers	12,795	12,650	12,619	12,873	6,035
	For Corporate Customers					7,433
CATV		7,738	8,226	7,996	8,239	8,820
Construction, Equipment, and Real Estate		3,777	3,819	5,542	4,641	4,852
Aqua		1,798	1,896	1,921	1,860	1,871
Others		1,116	885	1,319	915	992
Total		45,804	45,113	48,396	51,803	53,971

*From 1Q 2023, information communication will be divided into individual and corporate. Prior to that, figures for the entire information and communications sector were shown.

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(3) Operating profit by segment

(Millions of yen)

		Q1 FY2019 Results	Q1 FY2020 Results	Q1 FY2021 Results	Q1 FY2022 Results	Q1 FY2023 Results
Energy		1,489	1,972	1,578	1,936	924
Information and Communicati ons	For Individual Customers	1,217	1,110	1,224	1,236	272
	For Corporate Customers					1,184
CATV		1,286	1,367	1,459	1,559	1,618
Construction, Equipment, and Real Estate		213	233	263	53	126
Aqua		169	271	37	62	98
Others		-1,145	-1,171	-1,337	-1,494	-1,739
Total		3,231	3,783	3,226	3,355	2,484

*Prior to elimination of indirect expenses

*From 1Q 2023, information communication will be divided into individual and corporate. Prior to that, figures for the entire information and communications sector were shown.

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(4) Consolidated financial indicators

(Millions of yen)

	Q1 FY2019 Results	Q1 FY2020 Results	Q1 FY2021 Results	Q1 FY2022 Results	Q1 FY2023 Results
Total assets	163,992	168,253	176,837	183,065	188,637
Total liabilities	99,884	100,025	101,165	103,809	106,520
Total net assets	64,107	68,228	75,672	79,256	82,117
Balance of interest-bearing debt	50,207	48,127	43,428	45,452	46,246
Equity ratio	38.3 %	39.7 %	41.9 %	42.3 %	42.4 %

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(5) Consolidated cash flows

(Millions of yen)

	Q1 FY2019 Results	Q1 FY2020 Results	Q1 FY2021 Results	Q1 FY2022 Results	Q1 FY2023 Results
Operating cash flow	6,245	10,837	8,339	6,049	8,414
Investment cash flow	-3,227	-7,579	-5,716	-4,262	-4,252
Free cash flow	3,017	3,257	2,623	1,786	4,161
Financing cash flow	-3,210	-3,022	-2,282	-2,067	-3,678

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(6) Group customer count

(Millions of yen)

		Q1 FY2019 Results	Q1 FY2020 Results	Q1 FY2021 Results	Q1 FY2022 Results	Q1 FY2023 Results
Gas (LP and City Gas)		687	718	752	791	830
Information and Communications	Previous ISP model, etc.	411	383	391	413	403
	Hikari Collaboration	326	328	337	351	365
	LIBMO	42	50	53	58	72
	Subtotal	778	760	781	823	840
CATV		1,069	1,161	1,206	1,240	1,293
Aqua		157	159	164	166	165
Mobile		214	211	201	187	176
Security		17	16	16	16	16
Total		2,907	3,012	3,108	3,213	3,312

*The number of customers under a thousand are rounded to the nearest thousand. Information and Communications and CATV both offer communications services, and so their numbers are excluded from total figures.

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The performance forecasts and forward-looking statements in these materials are based on information currently available to the company, and include potential risks and uncertainties. Please be aware that due to changes in a variety of factors, actual results may differ materially from the projections and other forward-looking statements in these materials.

Please contact us with any questions regarding these materials.

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