

For Immediate Release

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

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

– Net sales for the first nine months grew for the third consecutive fiscal year to reach a new record high –

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

1. Q3 net sales grow for the third consecutive year to set new record high

For the first nine months of the fiscal year under review, net sales stood at **164.7 billion yen, up 0.4 billion yen or 0.3% year on year, to achieve year-on-year growth for the third consecutive fiscal year and a new record high**. This result was mainly attributable to an increase in the number of customers in energy, CATV and other businesses and expansion of the stock business for corporate clients in the information and communications business, which offset a decrease in gas sales volume for households due to high air temperatures and other factors. Operating profit rose 0.3 billion yen or 3.9% year on year, to 8.8 billion yen, mainly following a steady hike in the number of monthly fee-paying customers accompanying an increase in the number of customer accounts. Profit attributable to owners of parent surged 2.1 billion yen or 75.2%, to 4.9 billion yen, due mainly to the easing of the burdens arising from the share of profit of entities accounted for using the equity method that occurred in the previous fiscal year.

(Millions of yen)

	Q3 FY2023 results (April 1, 2023 to December 31, 2023)	Q3 FY2022 results (April 1, 2022 to December 31, 2022)	YoY	
			Change	% change
Net sales	164,676	164,249	+426	+0.3%
Operating profit	8,797	8,466	+331	+3.9%
Ordinary profit	8,968	6,705	+2,263	+33.8%
Profit attributable to owners of parent	4,934	2,816	+2,118	+75.2%
EPS (yen)	37.78	21.52	+16.27	+75.6%

2. Steady expansion of customer base in core businesses

As of the end of the third quarter under review, **the number of continuing customers reached 3,341 thousand, up 41,486 from the count of 3,299 thousand at the beginning of the fiscal year (63,996 increased in the same period of the previous year)**. This resulted from active efforts to win customers with the aim of achieving the Medium-Term Management Plan.

With net increase of 21,905 (LP and city) gas customers (25,943 in the same period of the previous fiscal year), 19,797 CATV customers (23,267), 8,129 Hikari Collaboration customers (15,697) and 6,028 LIMBO customers (9,301), we further expanded our earnings base.

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)

	FY2023 forecast (April 1, 2023 to March 31, 2024)	FY2022 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	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%

	FY2023 (forecast)	FY2022	FY2021
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 Nine Months of the Fiscal Year Ending March 31, 2024."

For the Company's earnings announcement for the first nine 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 Nine Months of the Fiscal Year Ending March 31, 2024

TOKAI Holdings Corporation
(Code: 3167)

February 1, 2024

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

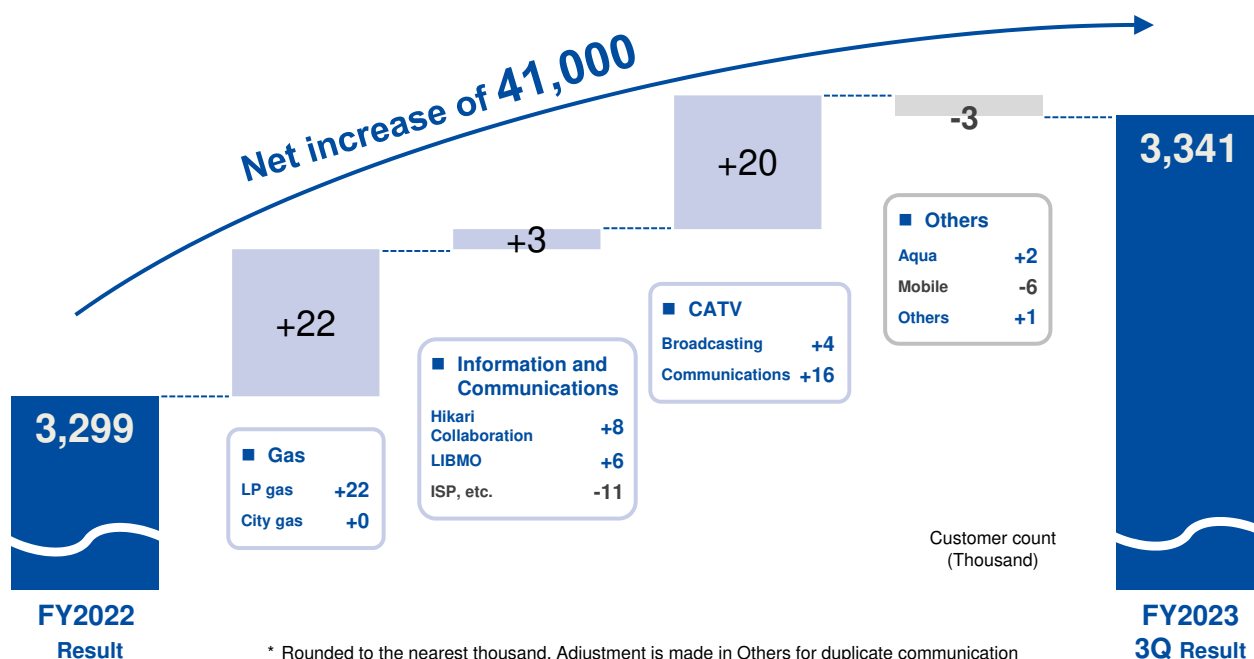
- Net sales for the first nine months showed year-on-year growth for the third consecutive fiscal year, rising to a new record high, chiefly reflecting an increase in the number of customers in Energy, CATV and other businesses and the expansion of the Information and Communications business for corporate clients, which offset a decrease in gas sales volume for households due to high air temperatures and other factors.
- Operating profit for the first nine months was up 300 million yen year on year, mainly following a rise in the number of monthly fee-paying customers accompanying an increase in the number of customer accounts.
- Ordinary profit and profit attributable to owners of parent increased markedly, due mainly to the easing of the burden arising from the share of profit of entities accounted for using the equity method that arose in the previous fiscal year.

	3Q FY2023 results	3Q FY2022 results	YoY	
			Change	% change (%)
Net sales	164,676	164,249	+426	+0.3
Operating profit	8,797	8,466	+331	+3.9
Ordinary profit	8,968	6,705	+2,263	+33.8
Profit attributable to owners of parent	4,934	2,816	+2,118	+75.2
EPS (yen)	37.78	21.52	+16.27	+75.6

(Net sales and profit: million yen; EPS: yen)

Steady Expansion of Customer Base in Core Businesses

- The number of continuing customers as of December 31, 2023 stood at 3,341 thousand, an increase of 41 thousand from 3,299 thousand at the beginning of the fiscal year.
- The earnings base continued to expand in the gas business, the CATV business, the Hikari Collaboration business and the LIBMO business.



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

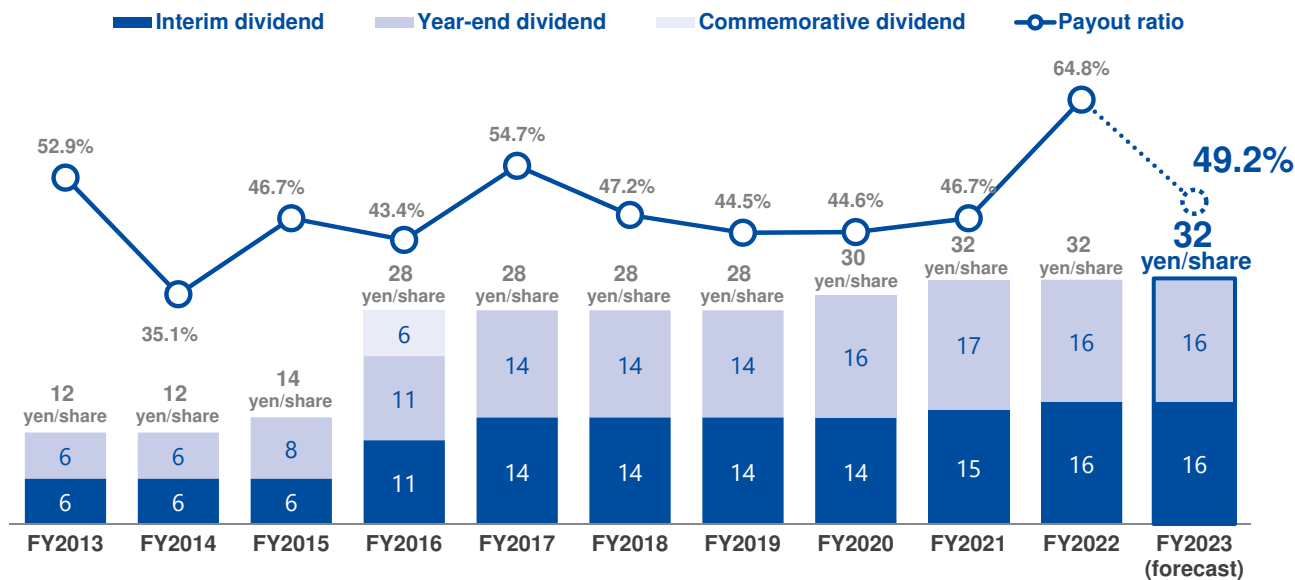
Consolidated Full-year Financial Results Forecast

- 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 surge, after the easing of the burdens arising from the share of profit of entities accounted for using the equity method that arose in the previous fiscal year.

(Millions of yen)

	FY2023 forecast (April 1, 2023 to March 31, 2024)	FY2022 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%

- In accordance with the Company's policy of paying constant and stable dividends, an interim dividend of 16 yen per share and a year-end dividend of 16 yen per share are planned, for an annual dividend of 32 yen per share.
- The dividend forecast (announced on May 9, 2023) remains unchanged.



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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)

	Q3 FY03/20 Results	Q3 FY03/21 Results	Q3 FY03/22 Results	Q3 FY03/23 Results	Q3 FY03/24 Results
Sales	141,557	139,792	149,420	164,249	164,676
Operating profit	9,278	9,901	9,248	8,466	8,797
Recurring profit	9,478	9,929	9,324	6,705	8,968
Net income	5,103	5,936	4,634	2,816	4,934
EPS (Yen)	38.97	45.33	35.38	21.52	37.78

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(2) Sales by segment

(Millions of yen)

	Q3 FY03/20 Results	Q3 FY03/21 Results	Q3 FY03/22 Results	Q3 FY03/23 Results	Q3 FY03/24 Results
Energy	55,191	53,437	58,717	71,069	69,271
Information and Communications	38,834	37,831	38,206	39,662	41,822
For individuals					18,220
For corporations					23,601
C A T V	23,433	24,994	24,265	25,510	26,673
Construction, Equipment and Real Estate	14,919	14,815	19,025	18,840	17,585
Aqua	5,603	5,778	5,811	5,720	5,796
Others	3,575	2,934	3,395	3,446	3,526
Total	141,557	139,792	149,420	164,249	164,676

※For information and communications, starting from the second quarter of 2023, figures for individuals and corporations are also displayed.

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(3) Operating profit by segment

(Millions of yen)

	Q3 FY03/20 Results	Q3 FY03/21 Results	Q3 FY03/22 Results	Q3 FY03/23 Results	Q3 FY03/24 Results
Energy	3,964	5,034	4,317	3,552	3,754
Information and Communications	3,366	3,081	3,492	3,563	4,025
For individuals					719
For corporations					3,306
C A T V	3,790	4,102	4,539	4,706	4,655
Construction, Equipment and Real Estate	1,242	1,094	1,126	1,195	1,057
Aqua	597	578	287	394	514
Others	- 3,682	- 3,988	- 4,514	- 4,947	- 5,211
Total	9,278	9,901	9,248	8,466	8,797

※For information and communications, starting from the second quarter of 2023, figures for individuals and corporations are also displayed.

(4) Consolidated financial indicators

(Millions of yen)

	Q3 FY03/20 Results	Q3 FY03/21 Results	Q3 FY03/22 Results	Q3 FY03/23 Results	Q3 FY03/24 Results
Total assets	168,697	172,946	181,450	192,091	196,419
Total liabilities	102,972	102,104	105,652	113,325	111,519
Total net assets	65,724	70,841	75,797	78,765	84,899
Balance of interest-bearing debt	52,615	51,344	49,060	53,173	51,281
Equity ratio	38.2 %	40.1 %	40.9 %	39.9 %	42.1 %

(5) Consolidated cash flows

(Millions of yen)

	Q3 FY03/20 Results	Q3 FY03/21 Results	Q3 FY03/22 Results	Q3 FY03/23 Results	Q3 FY03/24 Results
Operating cash flow	15,476	19,402	12,305	10,638	17,873
Investment cash flow	- 9,683	- 14,672	- 11,667	- 10,852	- 13,567
Free cash flow	5,793	4,730	638	- 213	4,305
Financing cash flow	- 4,779	- 3,863	- 945	594	- 3,400

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(6) Group customer count

(Thousand)

	Q3 FY03/20 Results	Q3 FY03/21 Results	Q3 FY03/22 Results	Q3 FY03/23 Results	Q3 FY03/24 Results	
Energy	703	737	774	811	842	
Information and Communications	Conventional ISP etc.	396	375	382	411	396
	Hikari Collaboration	324	335	342	362	372
	LIBMO	45	52	55	65	77
	Subtotal	766	763	779	838	844
CATV	1,088	1,188	1,224	1,255	1,307	
Aqua	160	162	166	166	166	
Mobile	214	209	195	182	172	
Security	16	16	16	16	16	
合計	2,933	3,063	3,142	3,258	3,341	

*Rounded to the nearest thousand. Communication services overlap between information and communication services and CATV, and are excluded from the total value.

*Information and communications (conventional ISP, etc.) includes ISP additional service (PC visit support service) contracts from 2Q 2021, and contracts for the same (PC remote support service) from 2Q 2022.

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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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