

April 9, 2021

To whom it may concern

TOKAI Holdings Corporation
Katsuhiko Tokita, President & CEO
(Code No. 3167 Tokyo Stock Exchange First Section)

Notice of Acquisition of Shares of Marco Polo Co., Ltd. (for a consolidation as a subsidiary)

TOKAI CORPORATION (Head Office: Shizuoka City, Shizuoka Prefecture; Representative Director and President: Katsuo Oguri; hereinafter referred to as "TOKAI"), a 100% subsidiary of TOKAI Holdings Corporation, today made Marco Polo Co., Ltd. (Head Office: Toyota City, Aichi Prefecture; Representative Director: Koji Kuroda; hereinafter referred to as "Marco Polo") a subsidiary of TOKAI, after entering into a share transfer agreement to acquire its shares. Details are as follows.

1. Reasons for the acquisition of shares

The market for large-scale repair work is expected to continue to expand in the future due to an increase in the number of buildings that reach the age required for large-scale repair work due to deterioration over time, against the background of an increase in the number of new condominiums and other buildings in stock.

Centering around the LPG and bottled water delivery business, which has a nationwide customer base of approximately 900,000 customers, TOKAI is also engaged in the construction, facility construction and real estate trading businesses in Shizuoka, Aichi and Kanagawa prefectures. In particular, the facility construction business, centered on construction, water supply, drainage, and air conditioning, is operated both in the public and private sectors. Especially in Shizuoka Prefecture, the company is involved in renovation work (repair work) not limited to new construction.

Based in Toyota City, Aichi Prefecture, Marco Polo is engaged in large-scale repair work and undertakes construction work from government offices such as Toyota City and Nagoya City as well as from condominium management associations, construction companies, and condominium management companies. The company has operated its business while building up a track record and trust through meticulous work since its establishment.

In the Chukyo region, or one of the three major metropolitan areas in the country centering on the city of Nagoya in Aichi prefecture, TOKAI opened Chubu Sales Office in Nagoya for its facility business in May 2020 in addition to its existing LPG bases, and is focusing on establishing a new trading area in the construction and facilities businesses in the region. TOKAI is also actively involved in mergers and acquisitions in this region, making Nissan Tri Star Construction, Inc. in Gifu Prefecture its subsidiary in 2019 and Chuo Denki Construction Co., Ltd. in Aichi Prefecture in 2020. In consequence, by adding civil engineering and electrical work to TOKAI's new business, the company has built a structure to receive orders for major works in the construction industry as a comprehensive construction operator.

From now on, TOKAI will absorb Marco Polo's sales and technical know-how in its large-scale repair business, which will lead to the expansion of the service area of TOKAI's facility construction business in the Chukyo region and further growth of renovation work. Marco Polo also plans to expand its sales area and develop business in Shizuoka Prefecture, where TOKAI has its sales base, and in other areas. These synergies are expected to generate further growth in the businesses of both companies.

2. Outline of Marco Polo Co., Ltd.

(1)	Company Name	Marco Polo Co., Ltd.	
(2)	Location	Toyota City, Aichi Prefecture	
(3)	The title and name of the representative	Koji Kuroda, Representative Director	
(4)	Business Profile:	Large-scale repair work	
(5)	Capital	80,000 thousand yen (As of December 2019)	
(6)	Establishment	May 1992 (Founded: March 1975)	
(7)	Relationship between the listed company and the said company	Capital Relationship	No applicable items
		Personal Relationship	No applicable items
		Business Relationship	No applicable items

3. Outline of the counterparty to the share acquisition

(1)	Name	Koji Kuroda
(2)	Relationship between the listed company and the said individual	There are no particular capital, personal, or business relationships.

4. Number of shares acquired and shares held before and after the acquisition

(1)	Number of shares held before the change	0 shares (Number of voting rights: 0) (Ownership: 0%)
(2)	Number of shares acquired	8,000 shares (Number of voting rights: 7,500) (Percentage of shares outstanding: 100%)
(3)	Number of shares held after the change	8,000 shares (Number of voting rights: 7,500) (Ownership: 100%)

5. Timeline

(1)	Contract signing date	February 11, 2021
(2)	Date of share acquisition	April 9, 2021

6. Outlook for the future

TOKAI Holdings Corporation expects that the impact of this transaction on its consolidated results for the year ending March 2022 will be immaterial.

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