



Financial Results Explanation Material for the Fiscal Year Ending March 2024

TOKAI Holdings Corporation
(Code No. 3167)

May 24, 2024



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Financial Results for the Fiscal Year Ending March 31, 2024

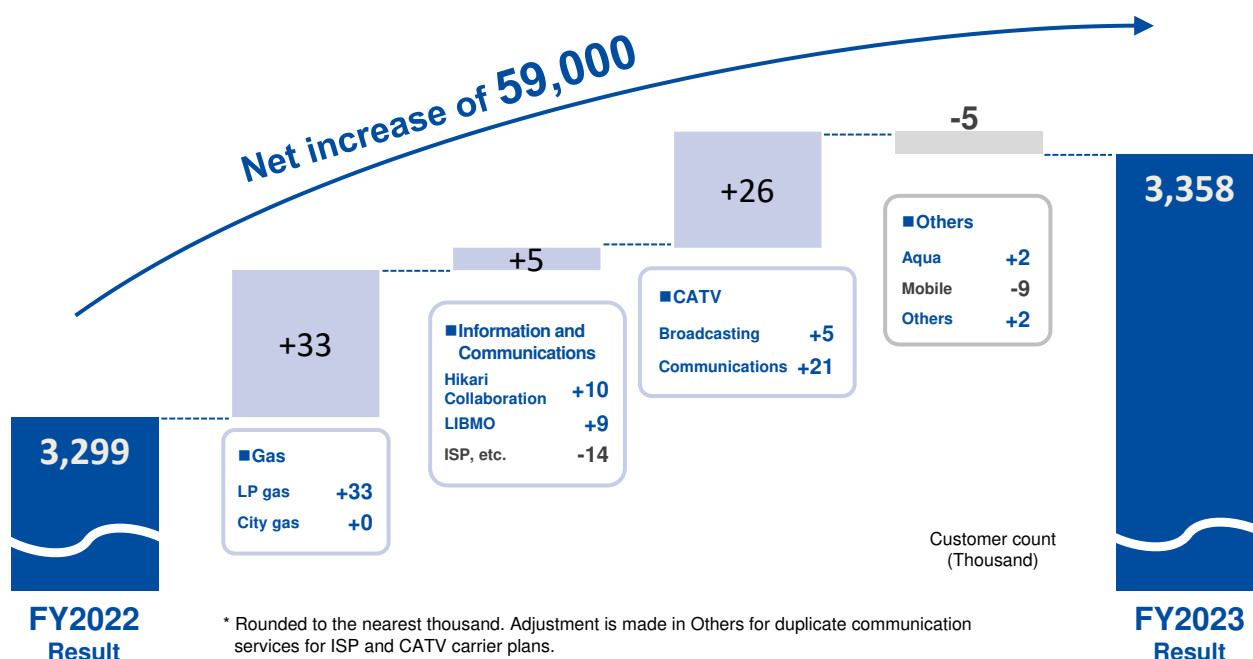
- Sales increased for the seventh consecutive period, reaching a record high, due to an increase in the number of customers in the energy and CATV sectors, as well as the expansion of our corporate information and communication business.
- Despite a decrease in the volume of household gas sales due to high temperatures, operating profit was 15.5 billion yen, an increase of 600 million yen from the previous period, due to an increase in monthly billing due to an increase in the number of customers.
- Ordinary profit and net income for the current period improved significantly as the burden of equity-method investment losses incurred in the previous period was reduced.

	FY03/24 results	FY03/23 results (FY2022)	YoY	
			Change	% change (%)
Net sales	231,513	230,190	+1,322	+0.6
Operating profit	15,511	14,919	+591	+4.0
Ordinary profit	15,531	13,289	+2,241	+16.9
Net income	8,481	6,465	+2,015	+31.2
EPS (yen)	64.94	49.41	+15.53	+31.4

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

Steady Expansion of Customer Base in Core Businesses

- The number of ongoing transaction customers at the end of the current period increased by 59,000 from 3,299,000 at the beginning of the period to 3,358,000.
- 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.

Sales and Operating Profit by Segment

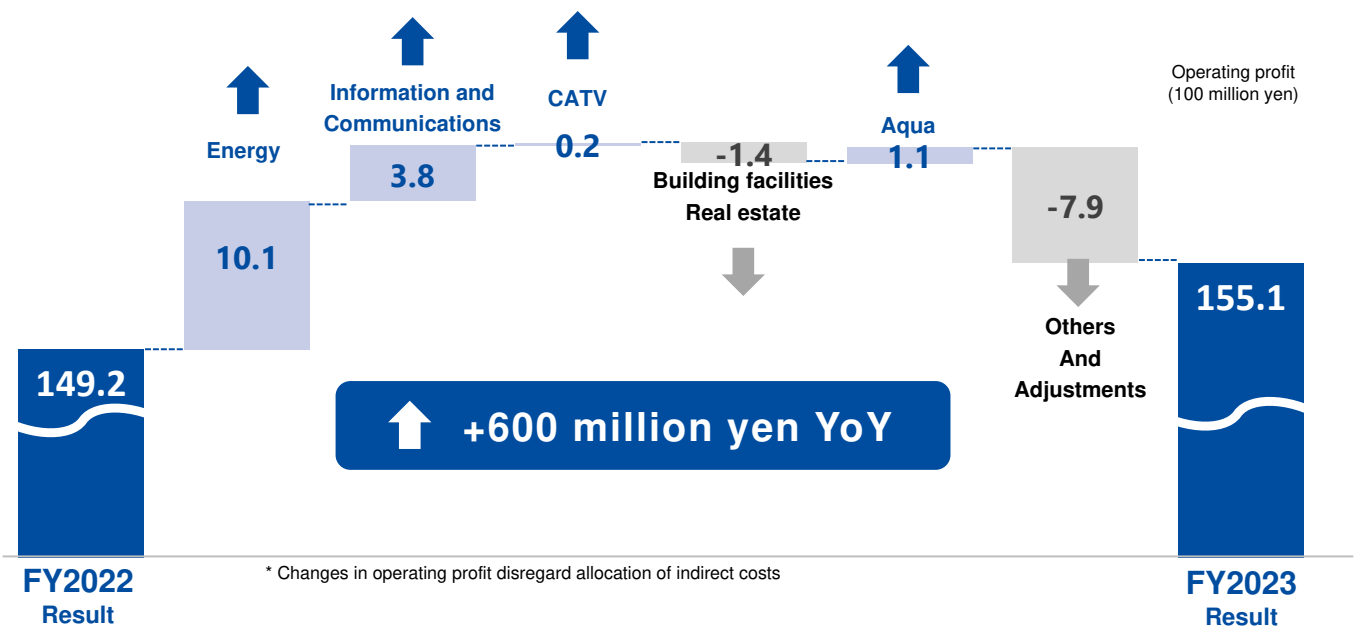
	Current period results	Previous period results	YoY	Rate	
Sales	Energy	100,974	102,528	-1,553	-1.5%
	Information and Communications	56,669	53,945	+2,723	+5.0%
	CATV	35,761	34,500	+1,260	+3.7%
	Construction, Equipment and Real Estate	25,038	26,809	-1,770	-6.6%
	Aqua	7,743	7,529	+213	+2.8%
	Others	5,325	4,876	+448	+9.2%
	Total	231,513	230,190	+1,322	+0.6%
Operating profit	Energy	8,399	7,384	+1,014	+13.7%
	Information and Communications	5,645	5,270	+375	+7.1%
	CATV	6,200	6,184	+16	+0.3%
	Construction, Equipment and Real Estate	1,900	2,043	-142	-7.0%
	Aqua	647	533	+114	+21.6%
	Others · Adjustment	-7,283	-6,497	-785	-
	Total	15,511	14,919	+591	+4.0%

※The figures are based on a pre-allocation of indirect costs.

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Changes in Operating Profit by Segment

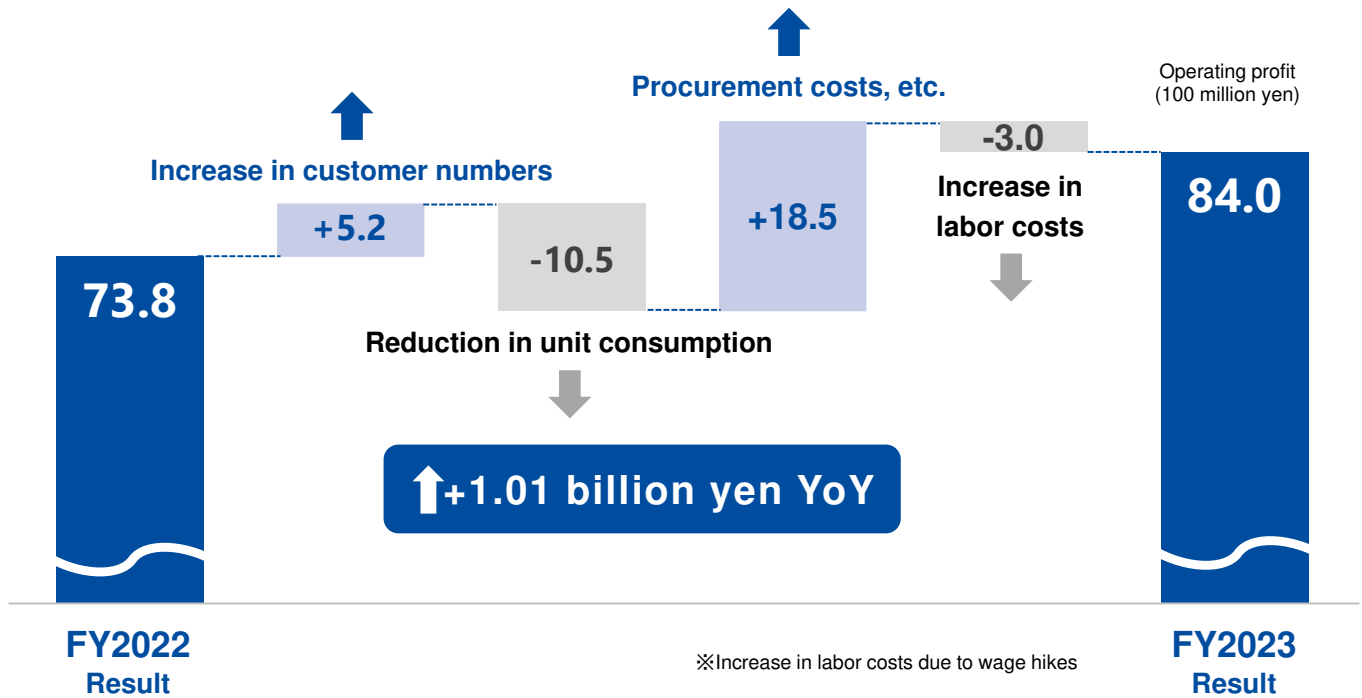
- Despite a decrease in household gas sales due to high temperatures, the energy business saw an increase in profits due to an increase in the number of customers and efforts to reduce procurement costs.
- The information and communication business saw an increase in profits due to the strong performance of the corporate business and efforts to reduce customer acquisition costs in the consumer business.
- The CATV and Aqua business saw an increase in profits due to an increase in the number of customers.



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Segment Operating Profit (Energy)

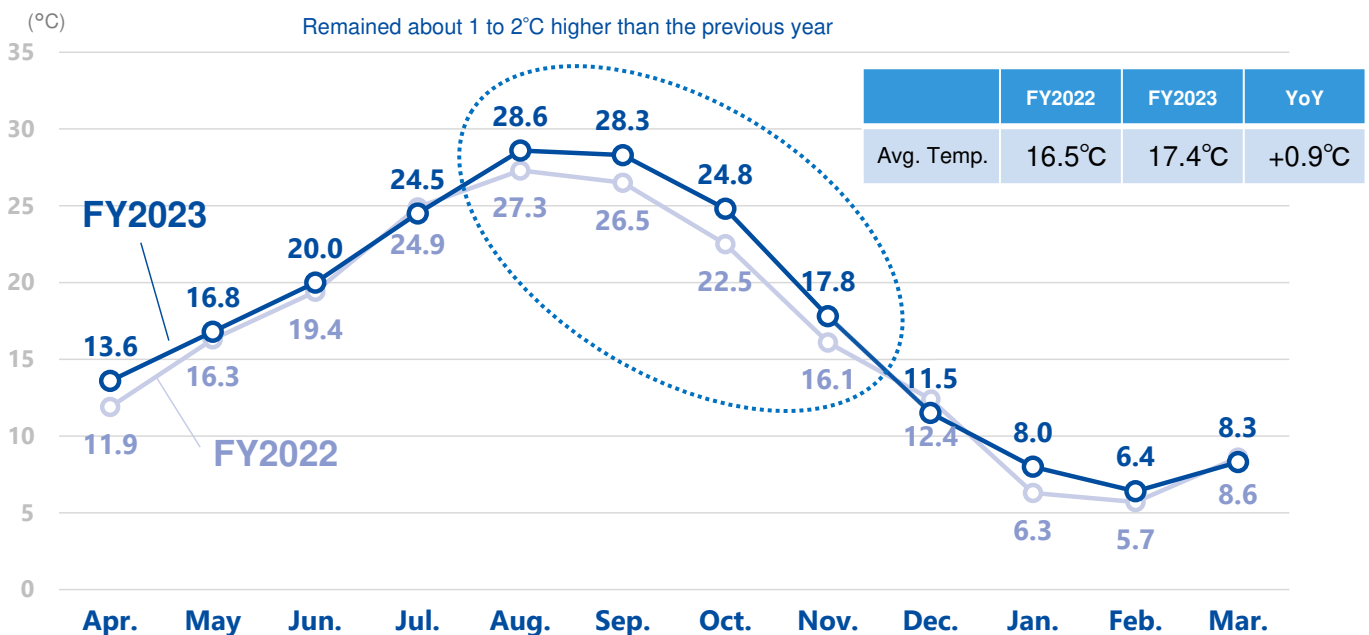
- We continue to actively pursue customer acquisition, resulting in an increase in the number of customers and an increase in profits.
- Despite a decrease in sales volume of household gas due to high temperatures and an increase in labor costs due to wage hikes, we were able to achieve a profit increase of 1.01 billion yen compared to the previous period by implementing measures such as reducing procurement costs.



Changes in Average Temperature

- The temperature in the fiscal year 2023 remained higher than the previous year throughout the year.
- The average temperature in the fiscal year 2023 was 17.4°C, an increase of 0.9°C from the previous year.

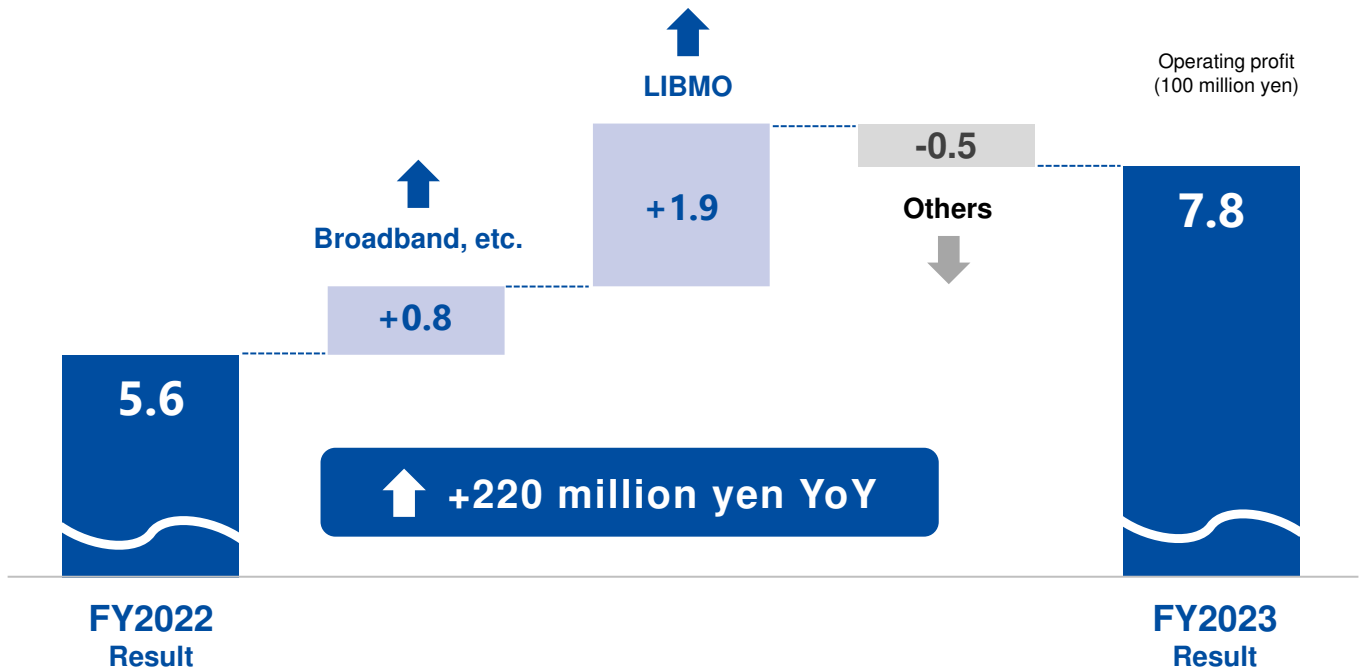
Trend in Monthly Average Air Temperature



Source: Japan Meteorological Agency

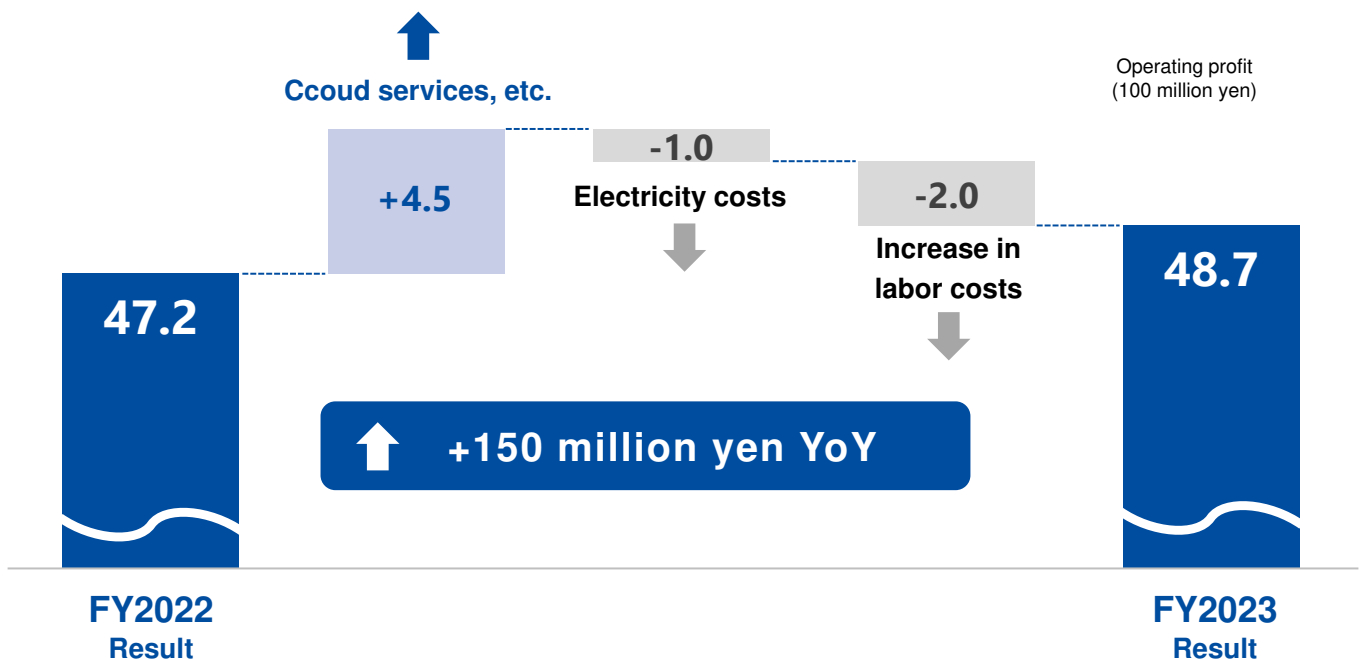
Segment Operating Profit (Information and Communication for Consumer)

- The broadband business and LIBMO achieved higher profits due to an increase in customer numbers.
- Increased efforts in customer acquisition have led to an increase in customer acquisition costs, but there has been a profit increase of 220 million yen compared to the previous period.



Segment Operating Profit (Information and Communication for Business)

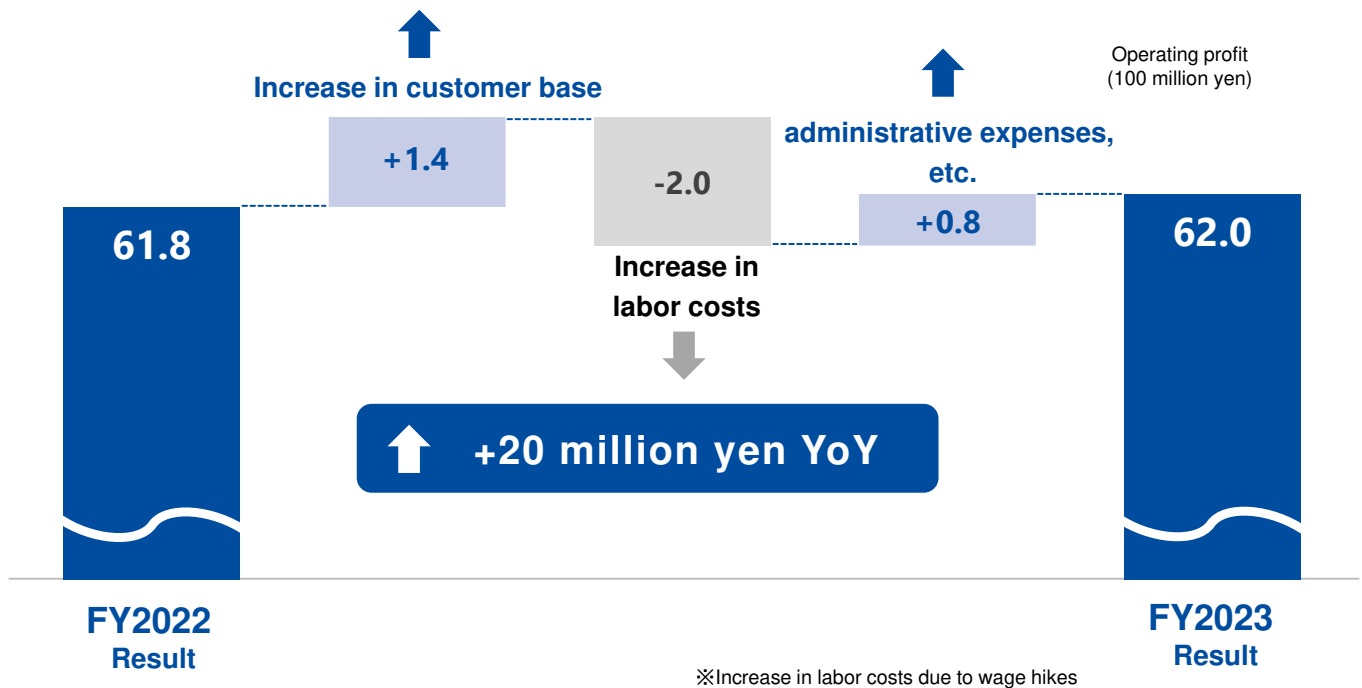
- The network services and cloud services have been progressing smoothly, resulting in increased profits.
- Despite the impact of rising electricity costs and increased labor costs, we achieved a profit increase of 150 million yen YoY.



※Increase in labor costs due to wage hikes

Segment Operating Profit (CATV)

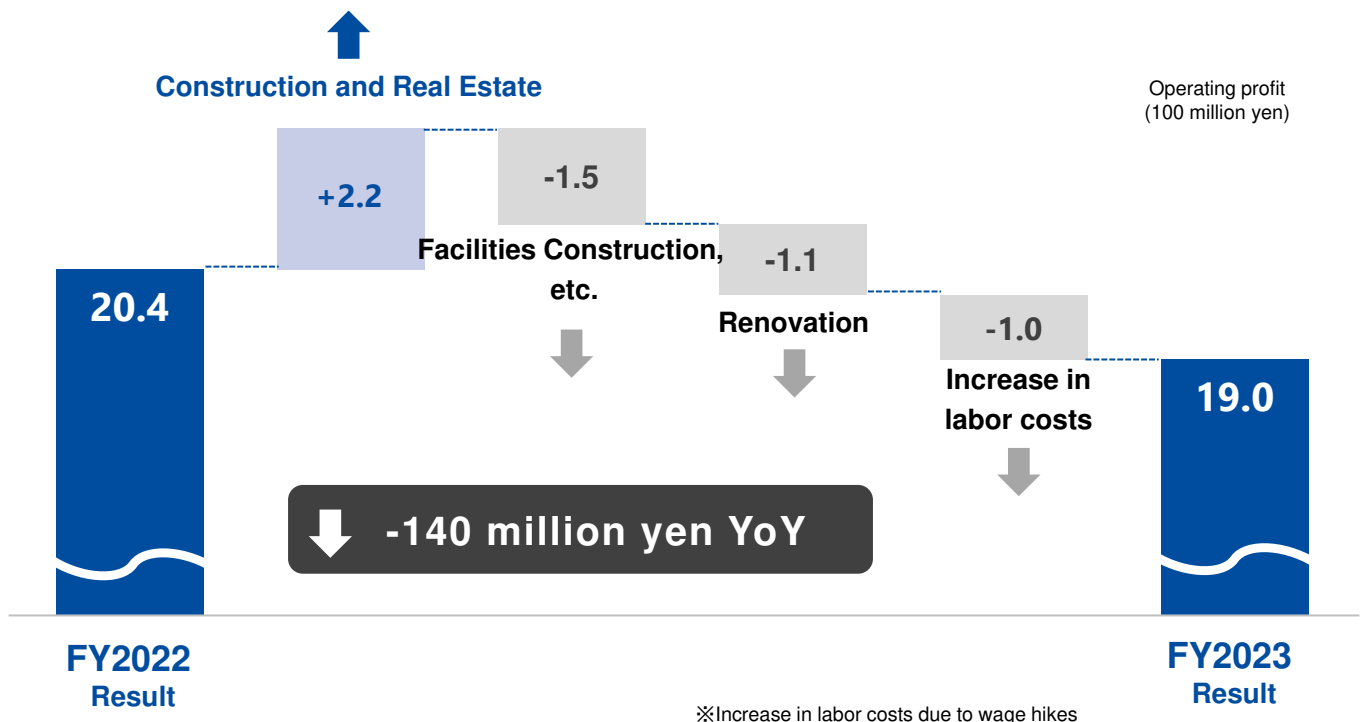
- Increased profits due to an expanded customer base through proactive sales activities.
- Despite the negative impact of increased labor costs due to wage hikes, achieved a profit increase of 20 million yen YoY by controlling selling and administrative expenses, etc..



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Segment Operating Profit (Construction, Equipment and Real Estate)

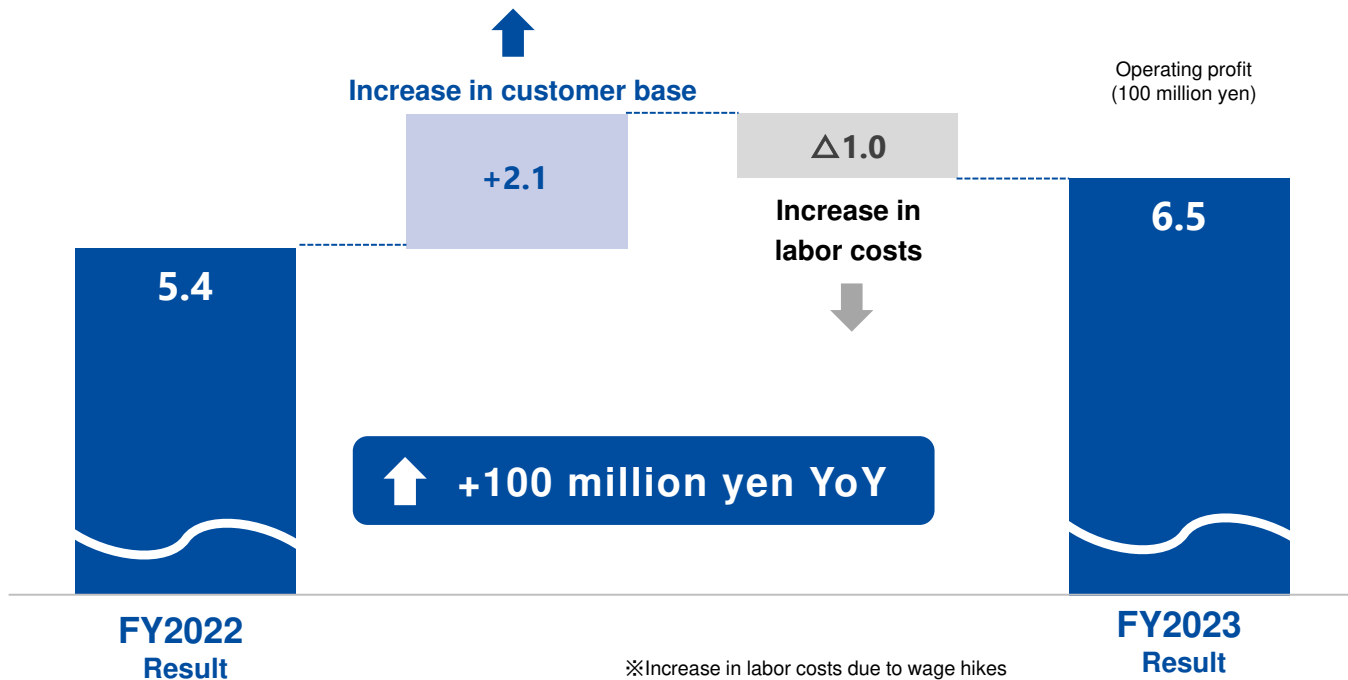
- Increased profits in construction and real estate, driven by smooth sales of developed land.
- Due to a decrease in large-scale civil engineering and facility construction projects, there has been an overall decrease in profits of 140 million yen.



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Segment Operating Profit (Aqua)

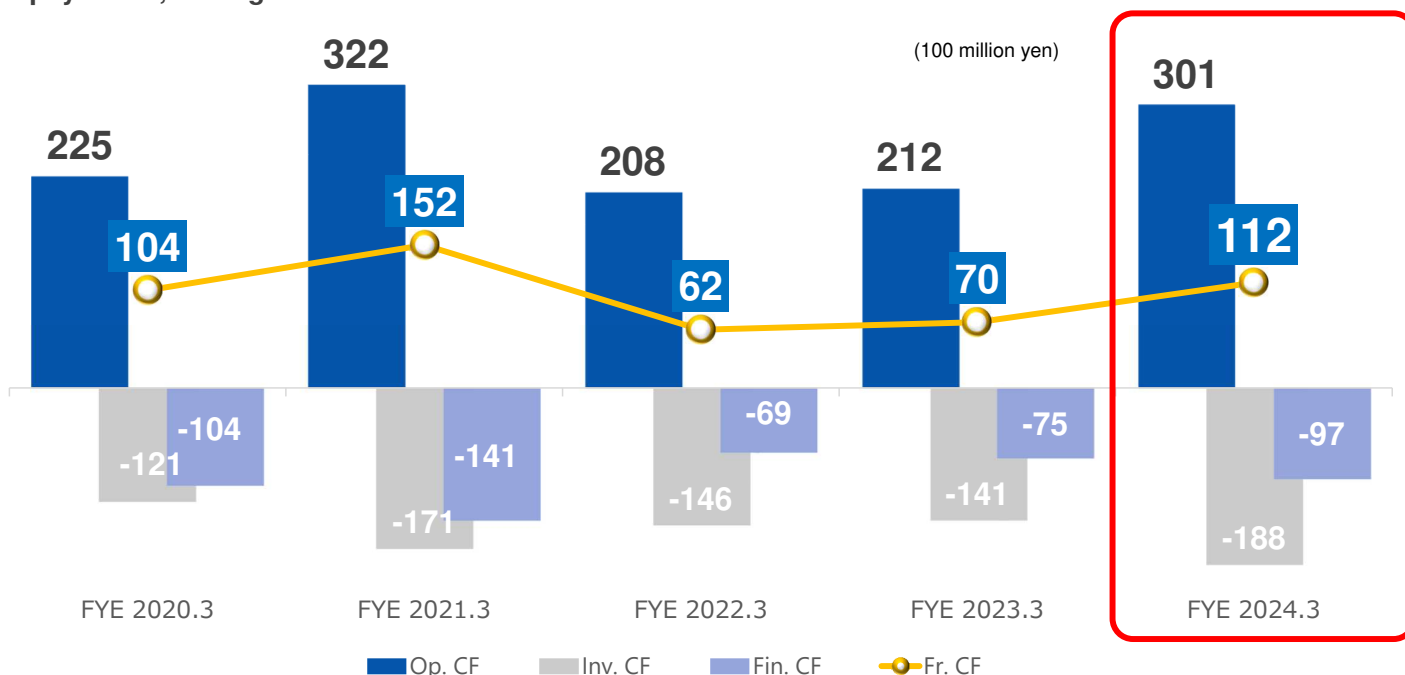
- Increased profits due to customer acquisition through various channels, including event sales at large commercial facilities and non-face-to-face sales such as web acquisition and telemarketing.
- Despite the negative impact of increased labor costs due to wage hikes, achieved profit growth driven by an increase in customer numbers.



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Trend in Cash Flow

- We generated over 30 billion yen in operating cash flow this period. Investment cash flow was 18.8 billion yen due to factors such as area expansion and the acquisition of shares in REDC, a company that operates a hydropower business overseas. As a result, free cash flow was 11.2 billion yen.
- Financial cash flow was 9.7 billion yen due to repayment of interest-bearing debt and dividend payments, among other factors.



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Balance Sheet

- Total assets increased to 205.3 billion yen (up 12 billion yen from the previous period) due to the expansion of our customer base and the acquisition of shares in REDC, a company that operates a hydropower business overseas, which led to an increase in fixed assets.
- The equity ratio improved by 1.9 percentage points from the end of the previous period to 43.4%, maintaining a sound financial position.

FYE 2023.3

Total Assets
193.3 billion yen

(billion yen)

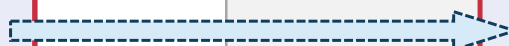
Current Assets 51.8	Current Liabilities 61.0
Fixed Assets 141.5 (Investment Securities 98)	Fixed Liabilities 50.0
	Net Assets 82.3 Equity Ratio 41.5%

FYE 2024.3

Total Assets
205.3 billion yen

(billion yen)

Current Assets 54.7	Current Liabilities 61.8
Fixed Assets 150.6 (Investment Securities 148)	Fixed Liabilities 52.2
	Net Assets 91.3 Equity Ratio 43.4%



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Full-Year Financial Results Forecast for FY03/25



Consolidated full-year financial results forecast for FY03/25

- The fiscal year ending in March 2025 is the second year of our "Medium-Term Management Plan 2025". We will steadfastly carry out each initiative in accordance with the growth tree, which consists of the three elements: "source of growth, core, and fruit" that we have set out in this plan, aiming for further significant advancements.
- We will continue to push for area expansion, M&A, and the creation of new businesses, with the aim of not only continuing to increase revenue and profit in fiscal 2024, but also setting new records in sales and all profit items.

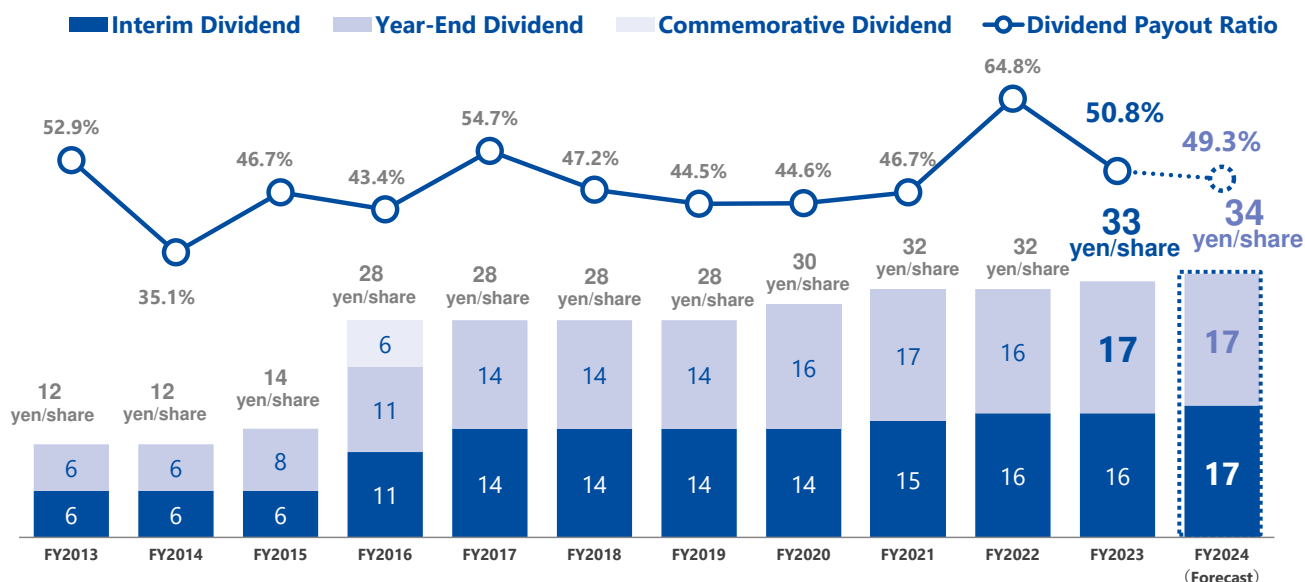
(Millions of yen)

	FY03/24 forecast (April 1, 2024 to March 31, 2025)	FY03/24 results (April 1, 2023 to March 31, 2024)	YoY	
			Change	% change
Net sales	244,000	231,513	+12,487	+5.4%
Operating profit	16,000	15,511	+489	+3.2%
Ordinary profit	16,000	15,531	+469	+3.0%
Profit attributable to owners of parent	9,000	8,481	+519	+6.1%
EPS (yen)	68.90	64.94	+3.96	+6.1%
Customer count at end of fiscal year (Thousand)	3,452	3,358	+94	+2.8%

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Revision of Dividend Forecast

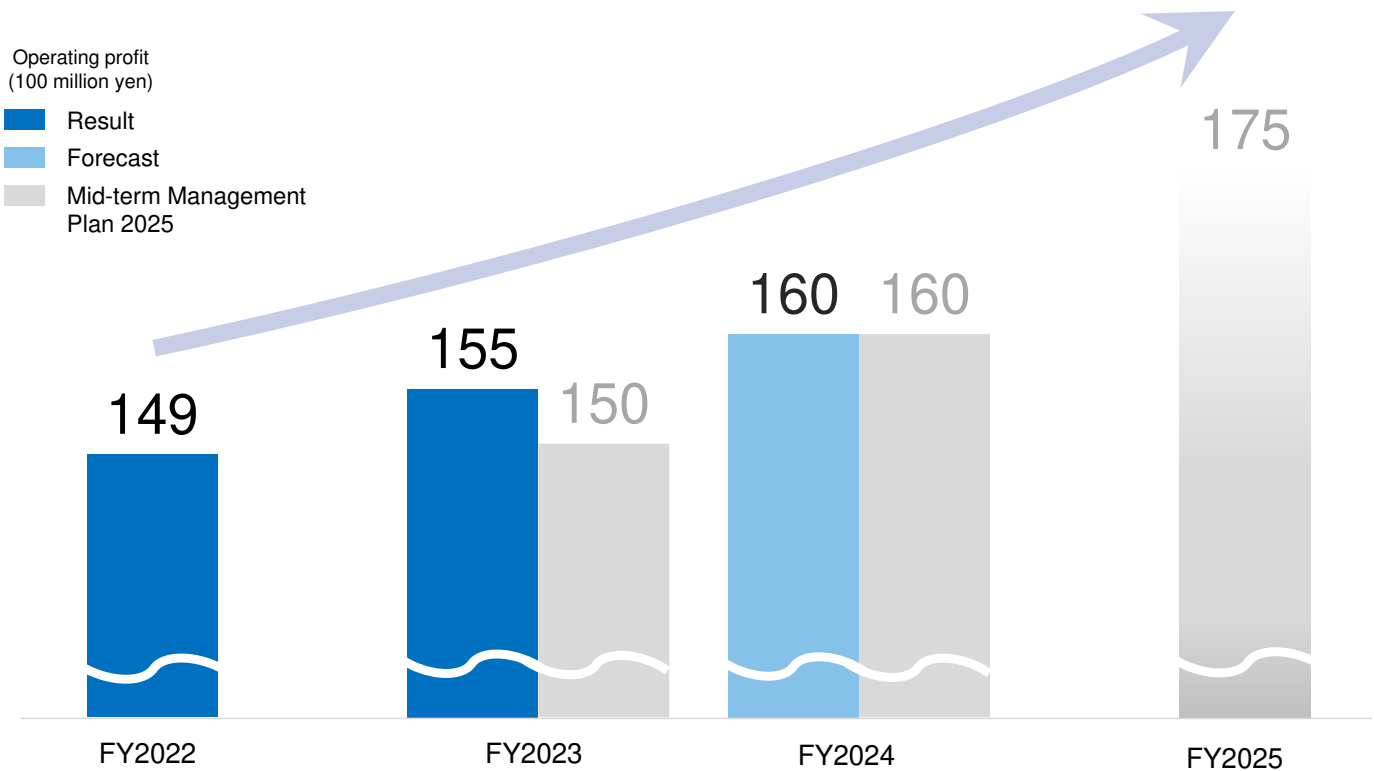
- Due to the steady performance, the year-end dividend for this period has been increased by 1 yen from the initial forecast of 16 yen to 17 yen, and the annual dividend is planned to be 33 yen per share.
- The annual dividend for the fiscal year 2024 is planned to be increased from the previous 32 yen (33 yen in 2023 with a 1 yen increase) to 34 yen.
- The dividend payout ratio continues to be maintained at a high level.



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Progress of Medium-term Management Plan 2025

- The Mid-Term Management Plan 2025 is progressing smoothly.
- We will continue to increase revenue and profits by expanding our customer base mainly in our core businesses and maintain a level of capital efficiency that meets market expectations.



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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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 More smiles for a better life

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