

**Financial Results Briefing for the First Half of the Fiscal Year Ending
March 31, 2020 - Summary of Questions and Answers -**

Date and Time	Friday, November 1, 2019 10:30 a.m. - 11:30 a.m.		
Presenter	TOKAI Holdings Corporation	President & CEO	Katsuhiko Tokita
	TOKAI CORPORATION	Representative Director and President	Katsuo Oguri
	TOKAI Communications Corporation	Representative Director and President	Yasuhiro Fukuda
	TOKAI Cable Network Corporation	Representative Director and President	Mitsuhaya Suzuki
	TOKAI GAS Corporation	Representative Director and President	Shoji Uematsu
	TOKAI Holdings Corporation	Director and Managing Executive Officer	Hidetsugu Mizoguchi
	TOKAI Holdings Corporation	Executive Officer and Head of Next Generation Management Strategy Division	Toshikatsu Nakamura
	TOKAI Holdings Corporation	Member of the Board and charge of Corporate Management Division	Toshinori Nakamura
Chairperson	TOKAI Holdings Corporation	Executive Officer and Head of Investor Relations Office	Yoshihiro Taniguchi

Q. How do you intervene in the acquired company and promote TLC?

A. The way of intervention differs between CATV, City gas and LP gas. It will take considerable time for Nissan Tri Star Construction, Inc. acquired this quarter. The chairman will be TOKAI's President Oguri, who will instill the spirit of business and policies. Then, those who have been engaged in housing, construction, and equipment construction for many years will be assigned to senior management and will be given specific guidance. On the other hand, we will learn from civil engineering and public works know-how from Nissan Tri Star Construction, Inc.

In terms of TLC, we can sell electricity because we are affiliated with TEPCO, and we have an Aqua business. It would be difficult to sell all TLC products, but since Nissan Tri Star Construction, Inc. has a regional network, it would be reasonable to just sell various products of our group there.

Shimo-Nita Town started its city gas business in April this year, but until then it was a town-run gas company and specialized in supplying only city gas. Currently, there are about 1,300 city gas customers, but in the first half there were about 100 contracts for aqua and LIBMO, mainly for electricity. In the current fiscal year, we aim to acquire 300 contracts other than city gas, and we will increase the rate of

multiple contracts in the region and actively promote TLC. Until now, there were various regulations concerning town management, and business other than city gas was not possible, but we can sell various products in the future because we have acquired it. It is proceeding smoothly as planned.

Q. CP (Contract Price) has been on a downtrend. How will this affect your company's procurement costs in the second half and next year? Is the competitive environment changing?

A. CP has many uncertainties including the situation in the Middle East. The first half of the year was on a downtrend, but since October it has been rising, and the exchange rate has been rising too.

It is not a situation to cut down on sales prices but a wait-and-see.

Sales prices are not affected because they are based on purchase prices. We will respond while watching the market. For industrial and commercial use, it is linked to the purchase price.

At present, there is no price reduction among other companies, but competition is fierce and sales are continuing to be sold at low prices to acquire customers. In particular, competition in the Kanto region continues to be fierce, and the area is expanding.

Q. Are there any new negative factors in the second half compared to the initial plan?

A. At present, no specific negative factors have been identified in the second half, but due to ongoing M & A, due diligence costs are expected to be incurred. In addition, since the competitive environment is severe, it is necessary to anticipate costs for acquiring customers.

Q. Regarding the potential of new M & A, do you consider the Tohoku region of the city gas business to be a promising area?

Will there still be M & A like Nissan Kogyo?

A. We will continue to work on M & A for city gas. Each case is a case-by-case, so we will carefully research and consider future earnings, including the development of TLC, and apply for public offering. The reasons for the acquisition of Nissan Tri Star Construction, Inc. include the fact that the company has already entered the Chukyo area of Aichi, Gifu and Mie, established T & T Energy, and started the city gas retail business. The biggest reason is that the company is a comprehensive construction company.

The Group also had its construction and real estate businesses in Shizuoka, Aichi, and Kanagawa Prefectures, but this M & A triggered the exchange of human resources with the company, incorporating the know-how of the civil engineering business that the Group lacked. We would like to develop a comprehensive construction business in the area where we are developing.

Currently, we are examining PMI, such as how to manage each other in the future.

Q. What do you think about the potential of the Kyushu area?

A. Since the area has a large number of households, it is currently working to acquire LP gas customers with sales staff. When it reaches a certain scale, we will add other products and services.

Q. Please tell about T & T Energy's main business activities, bases and methods.

A. Sales are conducted by local dealers in the Chukyo area.

Already, ten dealers have raised their hands and are currently holding briefings. These 10 companies will have about 250,000 LP gas customers, and they will lead the business development.