



TOKAI Holdings Corporation

The 14th Period Shareholder Newsletter

**April 1, 2024 to March 31, 2025
(Code No.3167)**

Top Message

Message from the President & CEO



Dear Shareholders,

We would like to express our sincere gratitude for your continued support and consideration. We are pleased to present you with this shareholder newsletter for the 14th period (from April 1, 2024, to March 31, 2025).

Since our founding in 1950, we have offered a wide variety of services that have been central to people's lives and social infrastructure. Our corporate culture, which focuses on meeting our customers' every need, services and increasing their joy and satisfaction. We will continue to value this mindset by staying close to our customers and community stakeholders, and by providing increasing safe, reliable, and improved services.

We have adopted the following corporate message as a guide for what we aim to achieve: "We face challenges with open minds to bring more smiles to life and joy in society."
We will continue to push forward on a united front to deliver smiles to more people.



Our business endeavors are only possible with the support of our many stakeholders such as our customers, shareholders, investors, and local communities. We will continue to do our utmost to repay your trust and meet your expectations. We, the TOKAI Group, hereby ask for your continued understanding and support.

Katsuo Oguri
President & CEO

Regarding the Performance for the Current Period

The core business steadily expanded its customer base. Net sales and all profit categories reached record highs.

Our group has energetically engaged in business under the "Medium-Term Management Plan 2025," which has its final year in fiscal year 2025, positioning the growth of business profitability, the strengthening of foundations for sustainable growth, and the maximizing the vitality of human capital and organizations as key strategies.

Regarding the current fiscal performance, the increase in the number of group customers, the expansion of the stock business for corporate clients in the Information and communications business, and the steady progress of construction orders in the Construction, equipment and real estate business have significantly contributed to our results. Sales reached ¥243.5 billion (a 5.2% increase compared to the previous year), marking the highest revenue in eight consecutive periods.

In terms of profit, the increase in profits due to the rise in customer numbers and strategic cost reductions in the Energy business have greatly contributed, resulting in operating profit of ¥16.8 billion (an 8.6% increase compared to the previous year), achieving record highs in all profit categories. Additionally, all profit categories exceeded the forecast figures set at the beginning of the period.

The year-end dividend for the current period was set at ¥17 per share, resulting in an annual dividend of ¥34.

As for the customer base, which is the source of our group's revenue, we actively engaged in customer acquisition activities to achieve the goals of the medium-term management plan, resulting in an increase of 64,000 customers from the end of the previous period, bringing the total to 3,423,000 customers.

Financial Results for the Fiscal Year Ended March 31, 2025 (Net sales and profit: million yen)

| | FY 03/25 results | YoY % change (%) |
|--|------------------|------------------|
| Net sales | 243,482 | +5.2% |
| Operating profit | 16,841 | +8.6% |
| Ordinary profit | 17,370 | +11.8% |
| Net profit attributable to parent company shareholders | 9,216 | +8.7% |

Initiatives in Core Businesses

Strengthening market competitiveness through M&A, area expansion, and the expansion of cloud services.

In the Energy business centered around gas, as the domestic market matures, we have actively expanded our sales areas and pursued M&A to develop new demand. In April 2024, we made FujiPro Co., Ltd., an LP gas company in Kanagawa Prefecture, a consolidated subsidiary, and in August, we established our third LP gas sales office in Kyushu Region, located in Kagoshima Prefecture. We will continue to focus on expanding our areas, particularly in Western Japan and the Chukyo Area.

In the Information and communications business, we concentrated on customer acquisition in the consumer business by strengthening collaboration with major mobile carriers. In the corporate business, we enhanced our market competitiveness by leveraging various Amazon Web Services (AWS) certifications. Additionally, we expanded our cloud services business by making G&F Co., Ltd., which specializes in IT system construction in Tokyo, a consolidated subsidiary in December 2024. Furthermore, we have officially started AWS-related business in Indonesia.

In the CATV business, we focused on local information dissemination and program production, while also enhancing our content through collaboration with major video streaming service providers. We actively engaged in sales activities in new areas to expand our customer base.

In the Construction, equipment and real estate business, we achieved results exceeding the previous period in both construction, real estate and equipment/civil engineering due to steady progress in receiving construction orders.

In the Aqua business, the water supply-type purification server "Shizuclear," which started service in April 2024, has received very high praise in the market, leading to an expansion of our customer base.

Outlook for the Next Fiscal Year

To achieve the goals of the medium-term management plan, we plan to reach record high sales and profits across all categories.

As mentioned earlier, fiscal year 2025 marks the final year of our "Medium-Term Management Plan 2025," and we position it as an important year for finalizing the plan and connecting it to the next medium-term management plan.

Regarding the progress of the "Medium-Term Management Plan 2025," the strategic initiatives of each business have steadily borne fruit, with operating profit for fiscal year 2024 exceeding the plan at ¥16.8 billion. In fiscal year 2025, we will continue to strengthen competitiveness in each business while actively pursuing M&A and area expansion, aiming to increase the number of customers by 39,000 from the end of the current period, reaching a total of 3,462,000 customers by the end of the period. We will strive to further expand our revenue base and aim for record high sales and profits across all categories.

Our group considers ROE and ROIC as important management indicators and is committed to strengthening management. This period's ROE was 10.1%, and ROIC was 8.4%, showing steady progress toward the targets set in the medium-term management plan. We will continue to optimize capital allocation to enhance capital profitability and growth. We sincerely ask for your continued support and encouragement.

Full-year Forecast for Fiscal Year Ending March 31, 2026

(Net sales and profit: million yen)

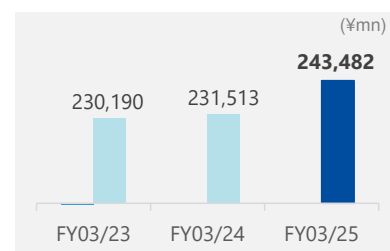
| | FY03/25 results (April 1, 2024 to March 31, 2025) | FY03/26 forecast (April 1, 2025 to March 31, 2026) |
|---|--|---|
| Net sales | 243,482 | 253,000 |
| Operating profit | 16,841 | 17,500 |
| Customer count at end of fiscal year | 3,423,000 | 3,462,000 |

The Customer Base Has Further Expanded. Both Net Sales and Profits Have Reached Record Highs.

■ Net sales: 243,482 million yen

Increased sales for eight consecutive periods, setting a record high.

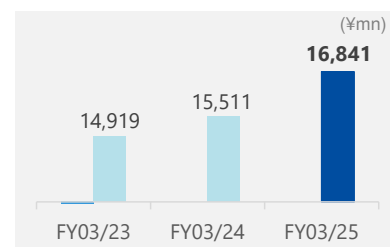
The increase in the number of group customers, the expansion of the stock business for corporate clients in the Information and communications business, and the steady receipt of construction orders in the Construction, equipment and real estate business have contributed to our sales increase of ¥12 billion (5.2% YoY), setting a record high in eight consecutive periods.



■ Operating profit: 16,841 million yen

The increase in the number of customers and strategic cost reductions contributed to the results.

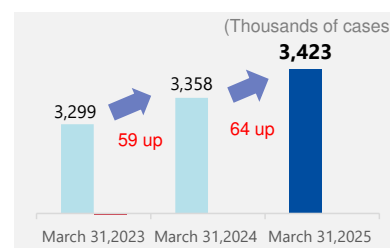
In addition to the significant contribution from the increase in the number of customers, strategic cost reductions in the Energy business were effective, resulting in a profit increase of ¥1.3 billion (8.6% YoY), setting a record high.



■ Customer count: 3,423,000

Customer base increased due to area expansion and proactive sales efforts.

Due to the expansion of areas and proactive customer acquisition activities in our core businesses, the number of customers, which forms the revenue base of the group, increased by 64,000 compared to the end of the previous period. This period, the gas, Hikari optical collaboration service, CATV, and Aqua businesses contributed to this increase.

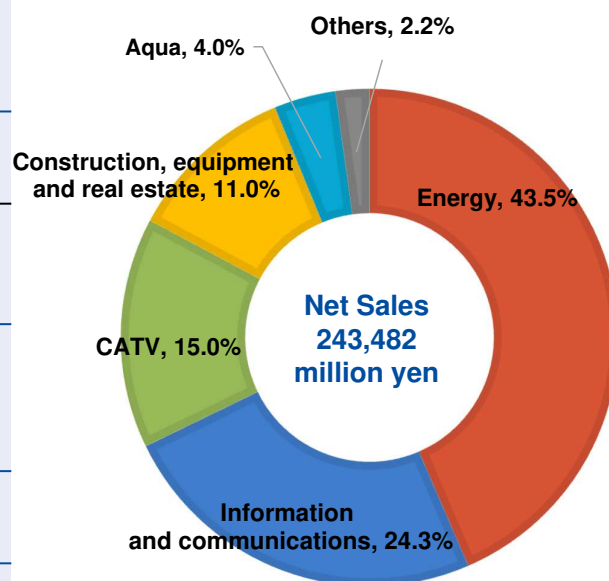


Business Overview

We Support Our Customers' Comfortable Lives Comprehensively and Meticulously by Providing a Variety of Lifestyle Infrastructure Services.

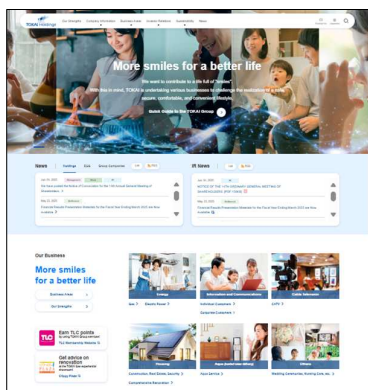
| | Net sales Results (¥mn) | Main Business Activities |
|---|----------------------------|---|
| Energy | 105,871 | We provide essential energy infrastructure, primarily focusing on gas and electricity, in a stable and safe manner while being environmentally conscious. |
| Information and communications | 59,049 | We provide individuals and corporate clients with safe and convenient infrastructure and solutions. |
| CATV | 36,488 | We are creating communities through the provision of locally rooted broadcasting and communication services. |
| Construction, equipment and real estate | 26,863 | The TOKAI Group, with its deep connection to people and energy, is engaged in urban development and housing construction that only we can provide. |
| Aqua | 9,764 | We provide safe water and reliable services to households. |
| Others | 5,444 | We offer a diverse range of services, including wedding events, ship repairs, nursing care, and insurance. |
| Total | 243,482 | |

Composition ratio of each business



Topics 1 Renewal of the Corporate Website

On March 31, 2025, we fully renewed our corporate website. Our goal is to create a site that is more user-friendly and allows users to smoothly access the information they seek, while also expanding the content available.



■ Main Improvements to the Corporate Website

Usability

Enhanced intuitive navigation and search functionality allow users to quickly access the information they seek.

Information Enrichment

We provide valuable information for investors and stakeholders through the expansion of sustainability information and the addition of new content such as owned media.

Design Refresh

The design incorporates the latest web trends and is themed around our brand image and the corporate slogan of our group: "More smiles for a better life"

Topics 2

Certified as a "Health Management Outstanding Corporation 2025 (Large Enterprise Category - White 500)" for Nine Consecutive Years.

We have been certified as a 'Health Management Outstanding Corporation 2025 (Large enterprise category - White 500),' under the 2025 KENKO Investment for Health Outstanding Organizations Recognition Program jointly conducted by the Ministry of Economy, Trade and Industry and the Japan Health Conference, for nine consecutive years since 2017.

Additionally, seven group companies have also been continuously certified. Furthermore, one company has newly been certified as a "Health Management Outstanding Corporation 2025 (Small and medium-sized enterprise category)," bringing the total number of certified companies in our group to 31.



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Special Feature

GX Initiatives of TOKAI Group

The TOKAI Group has established "Strengthening the Foundation for Sustainable Growth" as one of the key strategies in the "Medium-Term Management Plan 2025," and is working together as a group to promote low-carbon and decarbonization efforts. As part of our Green Transformation (GX) strategy, we are advancing our initiatives along two axes: "Promoting GX in our own business activities" and "Promoting GX in our customers' energy usage."

Promoting GX in Our Own Business Activities

- Installation of Solar Power Generation Systems at Our Facilities

Our group is actively promoting the installation of solar power generation systems at facilities owned by the company (such as offices and factories), and to date, we have installed systems at 39 facilities.

- Utilization of Environmental Value from Company-Owned Solar Power Plants

Our group owns six large-scale solar power plants (mega-solar) both within and outside Shizuoka Prefecture. Since the fiscal year 2024, we have been procuring tracking-type 'non-fossil certificates' from these company-owned mega-solar plants and have been beginning efforts to achieve net-zero greenhouse gas (GHG) emissions for the electricity used in our headquarters building and other facilities.

- Progress in Energy Savings through the Promotion of Optical Technology in the CATV Business

In our group's CATV business, we are transitioning the backbone infrastructure from coaxial cables to fiber optic cables. This transition not only aims to improve customer service but also contributes to the reduction of electricity consumption and GHG emissions, as it eliminates the need for equipment required for amplifying electrical signals.

Promoting GX in Our Customers' Energy Usage

- Promotion of Energy-Saving Gas Appliances

We are proposing the latest gas appliances with excellent energy-saving performance to our customers. These energy-saving gas appliances significantly improve energy consumption efficiency and contribute to reducing customers' utility costs and environmental impact.

- Sales of Carbon Offset City Gas

We can effectively consider GHG emissions to be zero by offsetting the CO₂ emissions from the LP gas and city gas used by our customers with credits generated through a reliable program. Since fiscal year 2021, we have started supplying this service to municipalities and corporations, and from October 2024, we have been selling carbon offset city gas for households.



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We will continue to actively work on reducing GHG emissions in our business activities and our customers' energy usage, contributing to the realization of a sustainable society.

Enhancement of Climate Change Related Information Disclosure

- Obtained Third-Party Verification of GHG Emissions

Our group has expressed its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) since fiscal year 2022 and is committed to disclosing information related to the risks and opportunities associated with climate change.

We have recently received third-party verification in accordance with ISAE 3410* from the Japan Quality Assurance Organization (JQA) for our GHG emissions data for fiscal year 2023 (including Scope 1, 2, and part of Scope 3) and obtained a verification report. This allows us to provide our stakeholders with data that is both accurate and reliable.



- Achieved a "B" Score in the CDP 2024 Climate Change Category

We have achieved a "B" score in the "Climate Change" field of the 2024 assessment by the international environmental non-profit organization Carbon Disclosure Projects (CDP) for the second consecutive year.

CDP's assessment scores are rated on an eight-point scale (A, A-, B, B-, C, C-, D, D-), and the "B" score we received is classified as "Management Level," which indicates that we are aware of and actively addressing our environmental risks and impacts.



ISAE 3410 is a standard for assurance engagements related to the reporting of GHG emissions established by the International Auditing and Assurance Standards Board (IAASB).

Company Overview

■ Company Overview (as of March 31, 2025)

| | |
|-----------------------------------|--|
| Company Name: | TOKAI Holdings Corporation |
| Established: | April 1, 2011 |
| Capital: | 14 billion yen |
| Number of Consolidated Employees: | 4,952 |
| Business Overview: | Business management of subsidiaries, etc. engaged in energy business, information and communication business, etc. and related or incidental business. |

■ Top Management (as of June 26, 2025)

| | |
|---|--------------------|
| Representative Director, President and CEO | Katsuo Oguri |
| Representative Director and Senior Executive Director (Non-Executive) | Junichi Yamada |
| Director (Non-Executive) | Mitsugu Hamazaki |
| Director (Non-Executive) | Tsuyoshi Takahashi |
| Director (Non-Executive) | Koji Iwamoto |
| Director (Outside) | Nobuko Kawashima |
| Director (Outside) | Ryoko Ueda |
| Director (Outside) | Hiroshi Tsunemine |
| Director (Outside) | Tomohisa Imada |
| Standing Audit and Supervisory Board Member | Hisao Ishima |
| Audit and Supervisory Board Member (Outside) | Masayuki Atsumi |
| Audit and Supervisory Board Member (Outside) | Toshiro Matsubuchi |
| Audit and Supervisory Board Member (Outside) | Yoichi Obuchi |

■ Overview of Shares (as of March 31, 2025)

| | |
|-------------------------|-------------|
| Authorized Shares: | 300,000,000 |
| Shares Issued: | 139,679,977 |
| One unit of Shares: | 100 |
| Number of Shareholders: | 141,625 |

■ Major Shareholders Top 10 (as of March 31, 2025)

| Shareholders | Number of shares held | Percentage of total shares issued(%) |
|--|-----------------------|--------------------------------------|
| The Master Trust Bank of Japan, Ltd.(Trust shares) | 13,673,600 | 10.41 |
| Aioi Nissay Dowa Insurance Co., Ltd. | 7,559,820 | 5.76 |
| Suzuyo Shoji Co., Ltd. | 5,799,700 | 4.42 |
| The Shizuoka Bank, Ltd. | 4,065,527 | 3.09 |
| Tokyo Marine & Nichido Fire Insurance Co., Ltd. | 3,986,887 | 3.04 |
| TOKAI Group Employee Shareholders Association | 3,907,901 | 2.97 |
| Custody Bank of Japan, Ltd.(Trust shares) | 3,674,700 | 2.80 |
| Astomos Energy Corporation | 2,724,848 | 2.07 |
| Sumitomo Mitsui Trust Bank, Ltd. | 2,671,000 | 2.03 |
| Meiji Yasuda Life Insurance Company | 2,599,389 | 1.98 |

*The Company owns 8,320,187 treasury shares.

■ Memo for Shareholders

| | |
|---|--|
| Fiscal Year End: | March 31 |
| Regular General Shareholders' Meeting | June of each year |
| Shareholder Record Date: | March 31 (The record date for interim dividends, when applicable, is September 30.) |
| One unit of Shares: | 100 |
| Stock Exchange: | Tokyo Stock Exchange, Prime Market |
| Code: | 3167 |
| Shareholder Register Administrator: | Sumitomo Mitsui Trust Bank, Limited (1-4-1 Marunouchi, Chiyoda-ku, Tokyo, Japan) |
| Special Account Management Institution: | Sumitomo Mitsui Trust Bank, Limited (1-4-1 Marunouchi, Chiyoda-ku, Tokyo, Japan) |
| Mailing Address: | Sumitomo Mitsui Trust Bank Stock Transfer Agency Department 2-8-4 Izumi, Suginami-ku, Tokyo168-0063 |
| Inquiries: | 0120-782-031 (Toll free in Japan) |
| Method of Announcement: | Announcements will be posted on our company's website. |

[Electronic public notice | TOKAI Holdings Corporation](#)

However, in the event of an incident or other unavoidable circumstances that prevent electronic announcements, they will be published in the Nikkei.

- Regarding Address Changes and Requests for the Purchase of Less Than One Unit of Shares

Please contact the securities company where you hold your account. If you do not have an account with a securities company and have a special account established, please contact Sumitomo Mitsui Trust Bank, Limited, which is the account management institution for the special account.

- Regarding Payment of Unpaid Dividends

Please contact Sumitomo Mitsui Trust Bank, Limited, which is the shareholder register administrator.

If you have any questions regarding these materials, please feel free to contact us.

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