



TOKAI Holdings Corporation

The 14th Interim Period Shareholder Newsletter

**April 1, 2024 to September 30, 2024
(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 interim period (from April 1, 2024, to September 30, 2024).

Since our founding in 1950, we have offered a wide variety of services that have been central to people's lives and social infrastructure. The backdrop to offering this wide variety of services is our corporate culture to meet our customers' every need and to do everything we can to increase the joy and satisfaction of our customers. What drives us as a group is our desire to ensure that all our services are supported by our customers and that we carefully meet their needs. 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.

From fiscal 2024, 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 interim period:

Sales have increased for four consecutive periods, setting a new record high.
We have achieved profit growth in all profit categories.

During the interim period, the business environment showed a gradual recovery; however, uncertainties continued due to risks of downward pressure on overseas economies, rising prices, geopolitical situations in the Middle East, and fluctuations in the financial capital markets.

In this context, our group has been promoting three key strategies aimed at achieving the "Medium-Term Management Plan 2025," which we initiated in the previous period: enhancing business profitability, strengthening the foundation for sustainable growth, and maximizing the vitality of our human resources and organization. We have also been working towards contributing to a sustainable society and expanding our revenue base.

Key business highlights include: 1) the consolidation of FujiPro Co., Ltd., which operates an LP gas business in Kanagawa Prefecture, as a subsidiary; 2) the development and launch of cloud-related businesses in the Republic of Indonesia; and 3) the opening of a new LP gas sales location in Kagoshima City, which is the third site in the Kyushu area.

Regarding the performance for the interim period, the increase in the number of customers, the expansion of stock business for corporate clients in the information and communication sector, and the steady progress in orders for the construction and equipment real estate business significantly contributed to our results. Sales reached ¥111.1 billion (a 5.6% increase compared to the same period last year), marking an increase for four consecutive periods and setting a new record high. Additionally, we achieved profit growth in all profit categories. The number of customers, which is the foundation of our group's revenue, expanded steadily due to proactive sales activities, increasing by over 40,000 from the beginning of the period to reach 3.399 million.

Furthermore, we have increased the interim dividend by ¥1 per share from the previous period, bringing it to ¥17.

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3

Results for the 14th Interim Period

(Net sales and profit: million yen)

	the 14th interim period results	YoY % change (%)
Net sales	111,088	+5.6
Operating profit	4,660	+9.5
Ordinary profit	4,882	+12.1
Interim net profit attributable to parent company shareholders	2,390	+7.7

Regarding the full-year outlook:

We plan to set new record highs for sales and profits across all categories.
We will continue to increase the number of customers and the number of orders.

In the current period, our business has generally been performing well. In the second half, we will continue to enhance our sales capabilities, which are a strength of our group, to increase both the number of customers and the number of orders. We will also continue to promote area expansion, M&A, and the creation of new businesses.

Through these efforts, we aim to achieve increased sales and profits for the full year, setting new record highs for sales and all profit categories. Additionally, we plan to distribute an annual dividend of 34 yen per share.

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4

Progress of the "Medium-Term Management Plan 2025"

Efforts aligned with the growth tree of "Roots, Trunk, and Fruits of Growth" are steadily advancing.

This period marks the second year of our medium-term management plan. I would like to explain the status of our initiatives during this interim period.

In the Energy business, we continue to promote geographical expansion, M&A, and alliances to acquire new customers.

In the Information and communication business, we are actively acquiring customers in the consumer sector by strengthening our collaboration with major mobile carriers. On the other hand, in the corporate sector, our cloud services business is steadily expanding. We will also fully develop our business related to Amazon Web Services (AWS) in the Indonesian market.

In the CATV business, we are focusing on community-based information dissemination and program production as a locally rooted service provider, while also working to enhance our content through partnerships with major video streaming companies, thereby steadily expanding our customer base.

In the Construction, equipment, and real estate business, we are expanding our performance across a wide range of areas, including construction orders, land sales, and renovations.

In the Aqua business, we have begun event sales at large commercial facilities and are utilizing various channels such as website advertising and telemarketing. Additionally, the water supply-type water purification server that we started handling in the previous period has contributed to increased sales.

As a group-wide initiative, we are working towards contributing to a decarbonized society by promoting energy conservation and decarbonization in our own facilities, thereby strengthening our foundation for sustainable growth. We are also maximizing the vitality of our human capital and organization by raising salary levels, expanding support systems for childcare and nursing care, and introducing career support programs.

Moving forward, we will continue to unite as a group to meet the expectations of our shareholders, achieve further growth, and strive to enhance our corporate value.

Full-year Forecast for Fiscal Year Ending March 31, 2025

(Net sales and profit: million yen)

	FY03/24 results (April 1, 2023 to March 31, 2024)	FY03/24 forecast (April 1, 2024 to March 31, 2025)
Net sales	251,513	244,000
Operating profit	15,511	16,000
Customer count at end of fiscal year	3,358,000	3,452,000

■ Net sales

We anticipate increased sales through continued growth in the number of customers and geographical expansion, focusing on our core businesses.

■ Operating profit

We expect to continue increasing profits while incorporating sales strategy costs and other factors, setting new record highs.

■ Customer count at end of fiscal year

We will fully leverage our group's strength in sales and continue to actively promote customer acquisition, aiming for an increase of 94,000, bringing the total to an estimated 3,452,000 customers.

Sales have increased for four consecutive periods, setting a new record high, and our customer base is also expanding steadily.

■ Net sales: 111,088 million yen

Increased sales for four consecutive periods, setting a new record high.

The increase in the number of customers, the expansion of stock business for corporate clients in the Information and communications business, and strong orders in the Construction, equipment and real estate business have significantly contributed to our results, leading to increased sales for four consecutive periods and setting a new record high.

■ Operating profit: 4,660 million yen

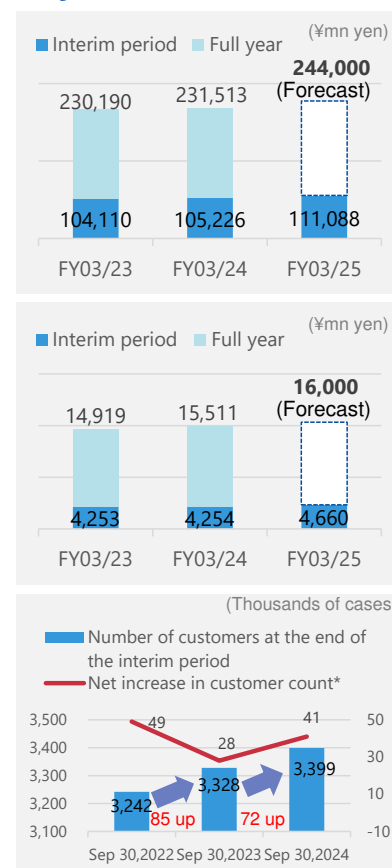
Increased profits due to steady growth in business revenue.

Although the increase in personnel costs from employee wage hikes and upfront investments for expanding the customer base and strengthening the organizational structure put pressure on profits, the solid performance of business revenue and effective strategic cost reduction measures contributed positively.

■ Customer count: 3,399,000

Core businesses are steadily expanding their customer base.

We have been actively working on customer acquisition, and as a result, particularly in gas (LP gas and city gas), CATV, Aqua, and Hikari optical collaboration, we have seen solid growth, increasing by 41,000 customers since the beginning of the period.



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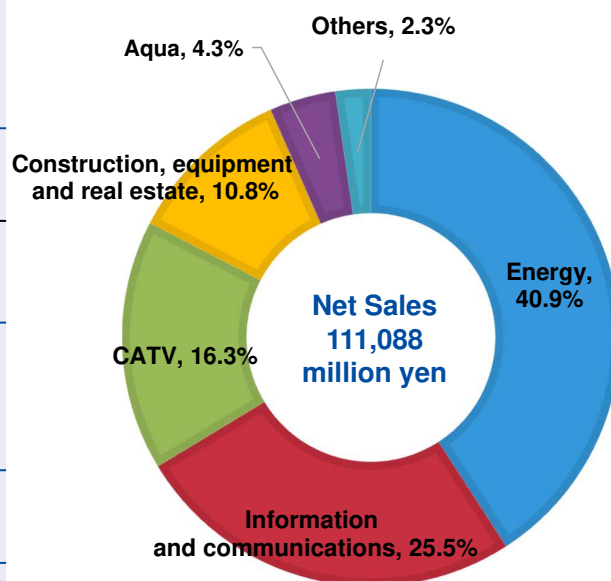
7

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	45,406	We provide essential energy infrastructure, primarily focusing on gas and electricity, in a stable and safe manner while being environmentally conscious.
Information and communications	28,361	We provide individuals and corporate clients with safe and convenient infrastructure and solutions.
CATV	18,058	We are building communities by providing locally rooted broadcasting and communication services.
Construction, equipment and real estate	11,944	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	4,784	We provide safe water and reliable services to households.
Others	2,532	We offer a diverse range of services, including wedding events, ship repairs, nursing care, and insurance.
Total	111,088	

■ Composition ratio of each business



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8

Topics 1

Efforts to Expand Sales Areas in the LP Gas Business: Regarding the Opening of a Sales Office in Kagoshima City, Kagoshima

TOKAI Corporation has opened a new sales office in Kagoshima City, Kagoshima Prefecture, on August 1, 2024, marking the third location in the Kyushu area as part of our LP gas sales area expansion. Kagoshima City is considered an important area for expanding our business base due to its high number of households and a high penetration rate of LP gas within the region. We aim to create opportunities for customers to utilize our group's products and services.

Our group is adopting a strategy to expand our sales areas from the solid business bases in Shizuoka Prefecture and the Kanto region to nationwide coverage. Currently, our LP gas business serves approximately 800,000 customers across 1 metropolitan area and 19 prefectures, primarily in the Tokai and Kanto regions.

Moving forward, we will actively work on providing products and services that contribute to solving regional and societal issues, while striving to enhance customer satisfaction.

Topics 2

Opening of the Fitness Gym "RETIO BODY DESIGN" in Fuji City, Shizuoka

TOKAI Cable Network Co., Ltd. has opened the "RETIO BODY DESIGN" in Fuji City, as the second location in Shizuoka Prefecture, operated by KEIAI Link Co., Ltd. (headquartered in Okayama City, Okayama Prefecture), which franchises the 24-hour, year-round fitness gym "RETIO BODY DESIGN." The gym opened on June 30, 2024. In an era where awareness of health promotion is increasing in the "100-Year Life Era," we will continue to operate the fitness gym as a place for residents to enhance their health.

■ Concept of RETIO BODY DESIGN

Body design is the process of designing your body into "the body you want to become." By combining proper training with an appropriate balance of nutrition, women can transform into beautiful figures, and men can achieve strong body lines. This is the philosophy of RETIO.

Special Feature

Full-scale development of AWS-related business in the Indonesian market.

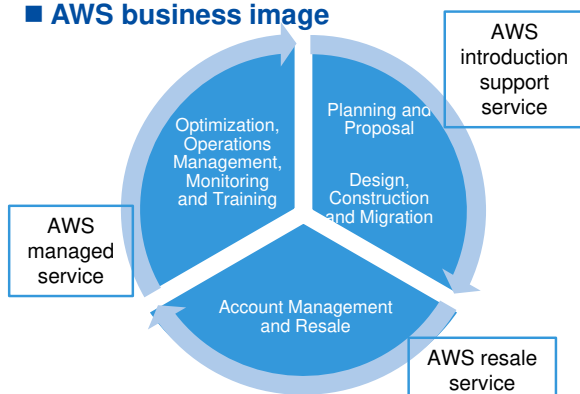
TOKAI Communications Corporation, which operates in the information and communication business, will fully develop its Amazon Web Services (AWS) related business through its joint venture, PT TOKAICOM Mitra Indonesia (headquartered in South Jakarta, Indonesia), established in April 2024.

Indonesia, with the fourth largest population in the world, is expected to continue experiencing a demographic bonus until around 2040, leading to significant growth in the IT market. Additionally, digital transformation (DX) is being actively promoted, increasing the demand for optimization in safety, performance, and cost in cloud utilization. As a group, we will expand our business centered around TOKAICOM Mitra, focusing on the Jakarta area.

■ Overview of TOKAICOM Mitra

Company Name: PT TOKAICOM Mitra Indonesia
 Location: South Jakarta, Republic of Indonesia
 Established: April 2024
 Capital: 18 billion IDR
 Equity Ratio: TOKAI Communications 60%
 PT Sisnet Mitra Sejahtera 40%
 Business Overview: AWS-related business

■ AWS business image



■ Business Development Image



■ Company Overview (as of September 30, 2024)

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 November 1, 2024)

Representative Director, President and CEO	Katsuo Oguri
Representative Director and Senior Executive	Junichi Yamada
Director (Non-Executive)	Mitsuhaya Suzuki
Director (Non-Executive)	Mitsugu Hamazaki
Director (Non-Executive)	Tsuyoshi Takahashi
Director (Outside)	Masahiro Sone
Director (Outside)	Nobuko Kawashima
Director (Outside)	Ryoko Ueda
Director (Outside)	Hiroshi Tsumemine
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

*Audit and Supervisory Board Member (Outside) Jiro Amagai has resigned as of October 31, 2024.

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11

Share Information

■ Overview of Shares (as of September 30, 2024)

Authorized Shares:	300,000,000
Shares Issued:	139,679,977
One unit of shares:	100
Number of shareholders:	140,054

■ Major Shareholders Top 10 (as of September 30, 2024)

Shareholders	Number of shares held	Percentage of total shares issued (%)
The Master Trust Bank of Japan, Ltd.(Trust shares)	13,595,600	10.35
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	3,892,501	2.96
Custody Bank of Japan, Ltd.(Trust shares)	3,491,400	2.66
Sumitomo Mitsui Trust Bank, Ltd.	3,043,000	2.32
Astomos Energy Corporation	2,724,848	2.07
Meiji Yasuda Life Insurance Company	2,599,389	1.98

*The Company owns 8,319,945 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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