TOKAI GROUP

TOKAI Holdings Corporation

The 15th Period

Shareholder Newsletter

April 1, 2025 to March 31, 2026

(Code No.3167)

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 15th period (from April 1, 2025, to March 31, 2026).

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.

Katsuo Oguri
President & CEO

We have launched the “Medium-Term Management Plan 2028” starting from fiscal year 2026. By driving both business growth and shareholder returns, we aim to maximize capital efficiency. At the same time, we are actively committed to human capital development and environmental contributions from a long-term perspective, striving to realize a sustainable society and enhance corporate value.

Our business endeavors are only possible with the support of our many stakeholders such as our customers, shareholders, investors, and local communities.
We, the TOKAI Group, hereby ask for your continued understanding and support.

Regarding the Performance for the Current Period:

- Growth in Corporate Information and Communications Business Fueled by Rising Customer Numbers
- Sales and All Profit Categories Reached Record Highs

Our group has worked together as one to achieve the goals of the “Medium-Term Management Plan 2025,” which has now reached its final year.

Regarding this fiscal year’s performance, although we lowered selling prices in response to decreases in energy procurement costs, net sales increased to 244.8 billion yen (up 0.6% year-on-year), marking the ninth consecutive year of revenue growth and reaching a record high. This increase was driven by a rise in the number of group customers as well as expansion of the corporate stock business in the information and communications business.

On the profit side, operating income rose to 18.7 billion yen (up 11.0% year-on-year) thanks to higher profits from the growing customer base, expansion in the corporate information and communications business and the construction, equipment and real estate business, as well as efforts to reduce customer acquisition costs and control various expenses. This marks the third consecutive year of profit increases across all profit categories, setting new records.

As a result, the year-end dividend was increased by 2 yen from the initial forecast of 17 yen to 19 yen, making the total annual dividend 36 yen.

Regarding our customer base, the foundation of our group’s earnings, proactive efforts to attract new customers under the Medium-Term Management Plan raised the number of customers by 48,000 from the previous fiscal year-end, reaching 3,471,000 customers.

Initiatives in Core Business:

- Promoting M&A and Area Expansion
- Growth of Cloud Services in the Information and Communications Business

In our energy business centered on gas, with the domestic market maturing, we are actively expanding our sales areas and pursuing M&A to develop new demand. During this fiscal year, we focused on acquiring new customers while reviewing customer acquisition costs. We will continue to strive to expand our coverage, mainly in the Chukyo and western Japan regions.

In the consumer information and communications business, we promoted customer acquisition through partnerships with major mobile carriers. In the corporate segment, cloud services and network services progressed steadily. Additionally, to support digital transformation (DX) for various industries in the Kyushu area—including cloud and AI services connectivity—in April 2025, we extended the group-owned communications infrastructure to Kyushu, expanding our service area from northern Kanto to Kyushu. We will continue to leverage this network to further grow our corporate information and communications business.

In the CATV business, as a community-based operator, we focused on local information dissemination and program production to enrich our content offerings. We also actively conducted sales activities, resulting in an increase in the number of customers.

In the construction, equipment and real estate business, orders for equipment installation and real estate sales progressed steadily.

In the aqua business, through event sales at large commercial facilities, web-based customer acquisition, and telemarketing, we worked to further expand our customer base. As a result, acquisition of customers for our water dispenser service “Shizuclear” progressed smoothly, increasing the number of customers.

Financial Results for the Fiscal Year Ended March 31, 2026 (Net sales and profit: million yen)

	FY 03/26 results	YoY % change (%)
Net sales	244,838	+0.6%
Operating profit	18,699	+11.0%
Ordinary profit	19,152	+10.3%
Net profit attributable to parent company shareholders	10,749	+16.6%

Regarding “Medium-Term Management Plan 2028”

Reviewing Materiality (Key Issues) and Accelerating Growth under the "Triple Accel" Strategy

Our group provides comprehensive lifestyle services to support customers’ daily lives. While firmly supporting the foundation of their lives, we aim to contribute even more to solving regional and social issues in Japan, as well as global challenges, striving to become a “company that creates social value.”

To this end, we have reviewed our materiality (key issues) and newly established four pillars of our sustainability strategy. These four pillars are: “Contribution to a life filled with smiles,” “Challenge-oriented human capital and organizations,” “Promotion of eco-friendly business activities,” and “Governance enhancement.” For each pillar, we have set our vision for 2030 and are committed to achieving these goals.

In the Medium-Term Management Plan 2028, we place great importance on ROE as a key indicator driving both business growth and shareholder value enhancement. We have set a target of 15% ROE by fiscal year 2030. To achieve this, we aim for accelerated growth through executing our business growth strategy and financial and capital strategy.

As a business growth strategy, we have introduced the “Triple Accel Strategy.” Expanding the business requires simultaneous growth in three areas: “Area expansion” (expanding sales regions), “Account growth” (increasing number of customers and accounts), and “ARPU improvement” (enhancing service menus). We call this approach the “Triple Accel Strategy,” emphasizing accelerated growth across all three directions. Based on this strategy, we will both expand our business foundation and strengthen profitability to achieve sustainable growth.

Regarding financial and capital strategy, we will continue to improve capital efficiency and pursue an optimal capital structure.
For more details, please refer to the special feature starting on page 11.

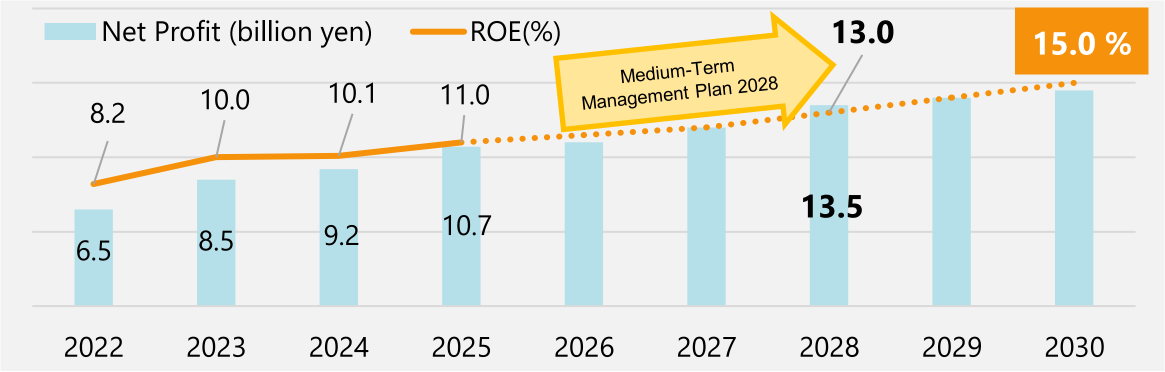
We sincerely ask for our shareholders’ continued and even greater support going forward.

Full-year Forecast for Fiscal Year Ending March 31, 2027

	FY 03/26 results	FY03/27 forecast
Net sales	**244,838**	**260,000**
Operating profit	**18,699**	**19,000**
Customer count at end of fiscal year	**3,471,000**	**3,500,000**

(Net sales and profit: million yen)

Long-term Vision for Year 2030



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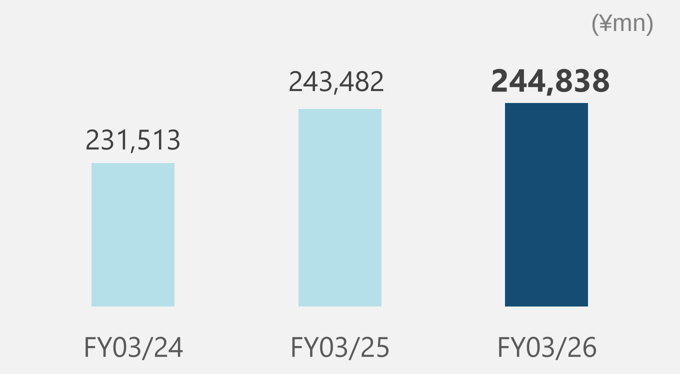
Continuing from the Previous Fiscal Year, Both Sales and Profits Reach Record Highs

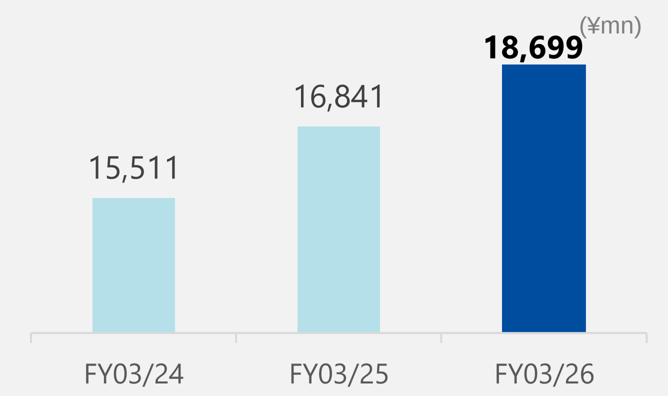
■Net sales: **244,838 million yen**
Record Sales Achieved with Nine Consecutive Years of Growth

An increase in the number of group customers and the expansion of the corporate stock business in the information and communications business contributed to a 1.4 billion yen (0.6%) increase compared to the previous fiscal year, marking the ninth consecutive year of revenue growth and setting a new record high.



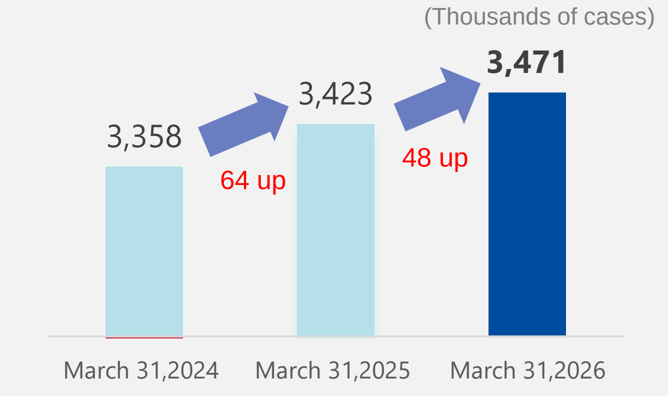
■Operating profit: **18,699 million yen**
Record High Profits Achieved with Three Consecutive Years of Increase

n addition to higher profits driven by an increase in the number of customers, profit growth in the corporate information and communications business and the construction, equipment and real estate business, as well as a review of customer acquisition costs, contributed to an increase of 1.9 billion yen (11.0%) compared to the previous fiscal year. This marks the third consecutive year of profit growth, setting a new record high.



■Customer count: **3,471,000**
Steady Expansion of Customer Base

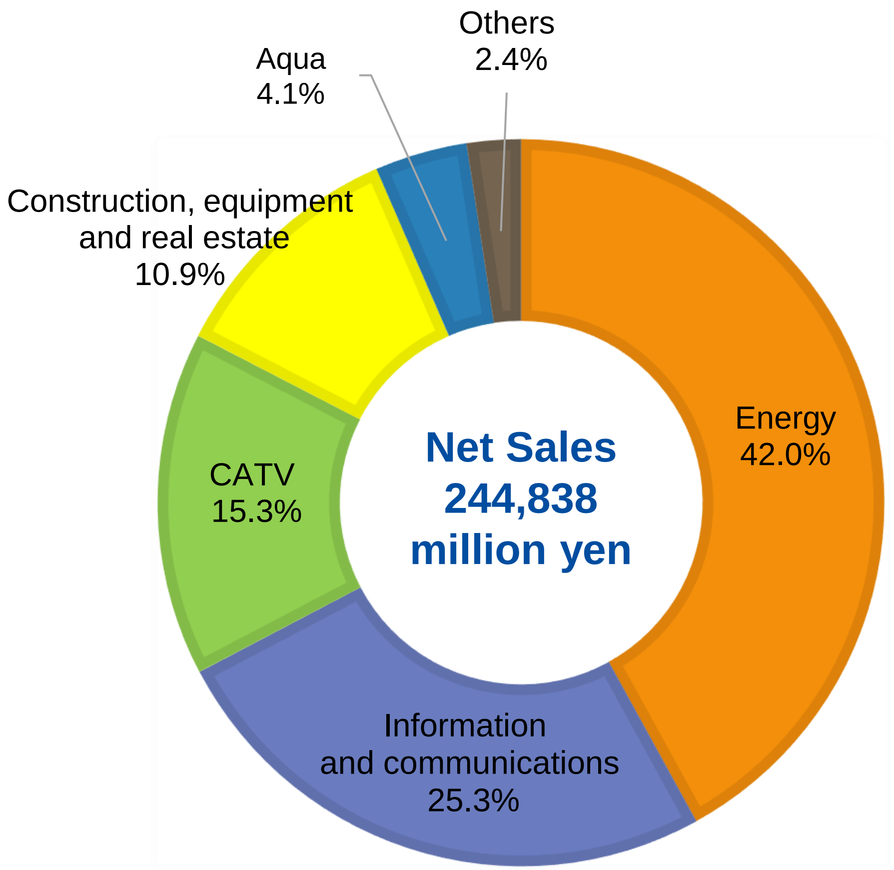
By actively promoting customer acquisition to achieve the goals of the Medium-Term Management Plan, the number of customers in the gas, CATV, and aqua businesses grew significantly. The number of continuing customers at the end of the fiscal year increased by 48,000 compared to the beginning of the year.



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	102,937	We provide essential energy infrastructure, primarily focusing on gas and electricity, in a stable and safe manner while being environmentally conscious.
Information and communications	61,823	We provide individuals and corporate clients with safe and convenient infrastructure and solutions.
CATV	37,389	We are building communities by providing locally rooted broadcasting and communication services.
Construction, equipment and real estate	26,724	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	10,087	We provide safe water and reliable services to households.
Others	5,876	We offer a diverse range of services, including wedding events, ship repairs, nursing care, and insurance.
Total	**244,838**	

■Composition ratio of each business



Topic 1 Reviewing TOKAI Group Materiality（Key Issues）

The TOKAI Group established its basic sustainability policy in December 2021 and identified materiality (key issues) to guide sustainability activities aimed at solving social challenges while enhancing corporate value. In recent years, the external environment surrounding our group has changed significantly. To respond flexibly to these changes, we reviewed our materiality with the launch of the Medium-Term Management Plan 2028.

We have redefined the roles our group should play in society and the environment and newly identified four material issues that embody the unique characteristics of the TOKAI Group.

Topic 2 Certified as a “Health Management Outstanding Corporation 2026 (Large Enterprise Category - White 500)” for Ten Consecutive Years

We have been certified as a ‘Health Management Outstanding Corporation 2026 (Large enterprise category – White 500),’ under the 2026 KENKO Investment for Health Outstanding Organizations Recognition Program jointly conducted by the Ministry of Economy, Trade and Industry and the Japan Health Conference, for ten consecutive years since 2017. Additionally, seven group companies have also been continuously certified.

Furthermore, two companies have newly been certified as a “Health Management Outstanding Corporation 2026 (Small and medium-sized enterprise category),“ bringing the total number of certified companies in our group to 33.

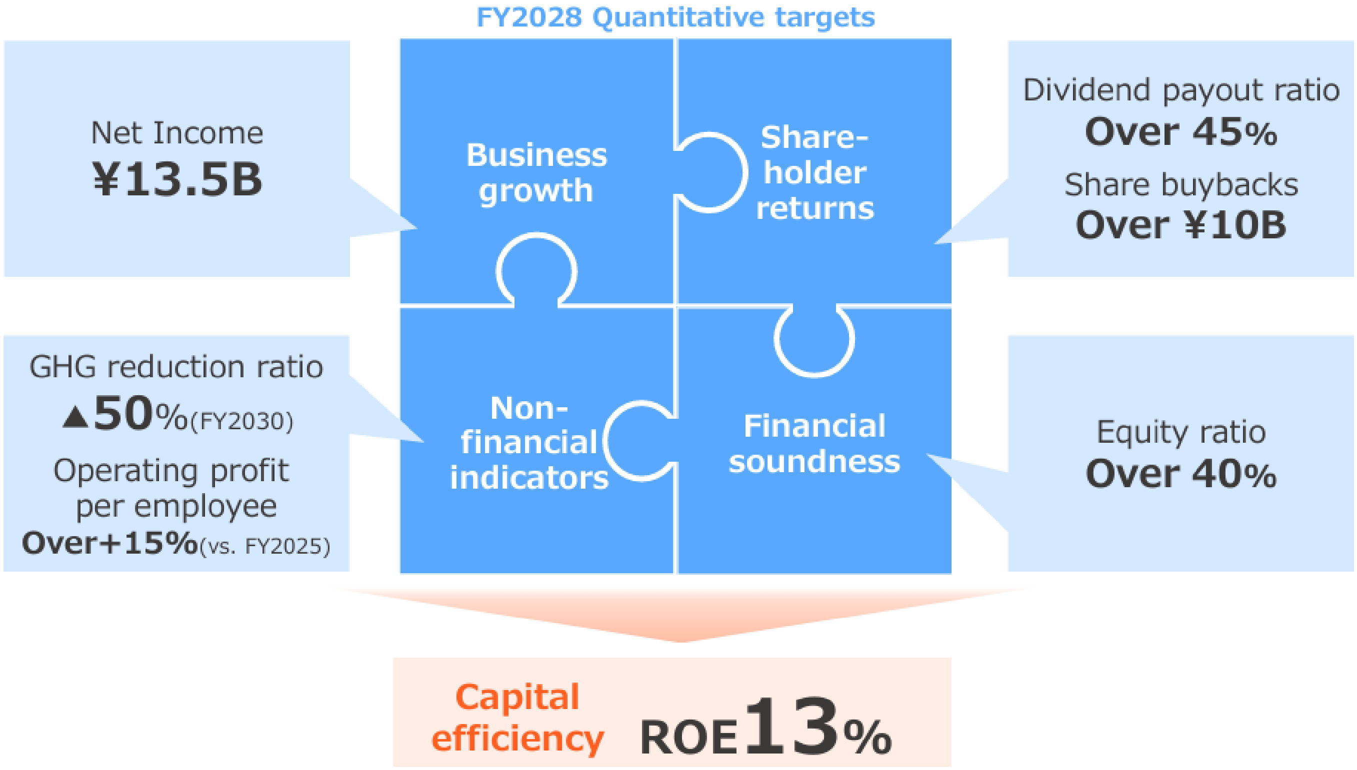
Key Points of the Medium-Term Management Plan 2028

For more smiles. A leap toward becoming a “Social Value Creation Company”

On May 8 of this year, we announced the Medium-Term Management Plan 2028. This plan focuses on achieving significant business growth and strengthening capital profitability through improving ROE.
We will continue to meet the expectations of all our stakeholders and strive for the sustained enhancement of corporate value.

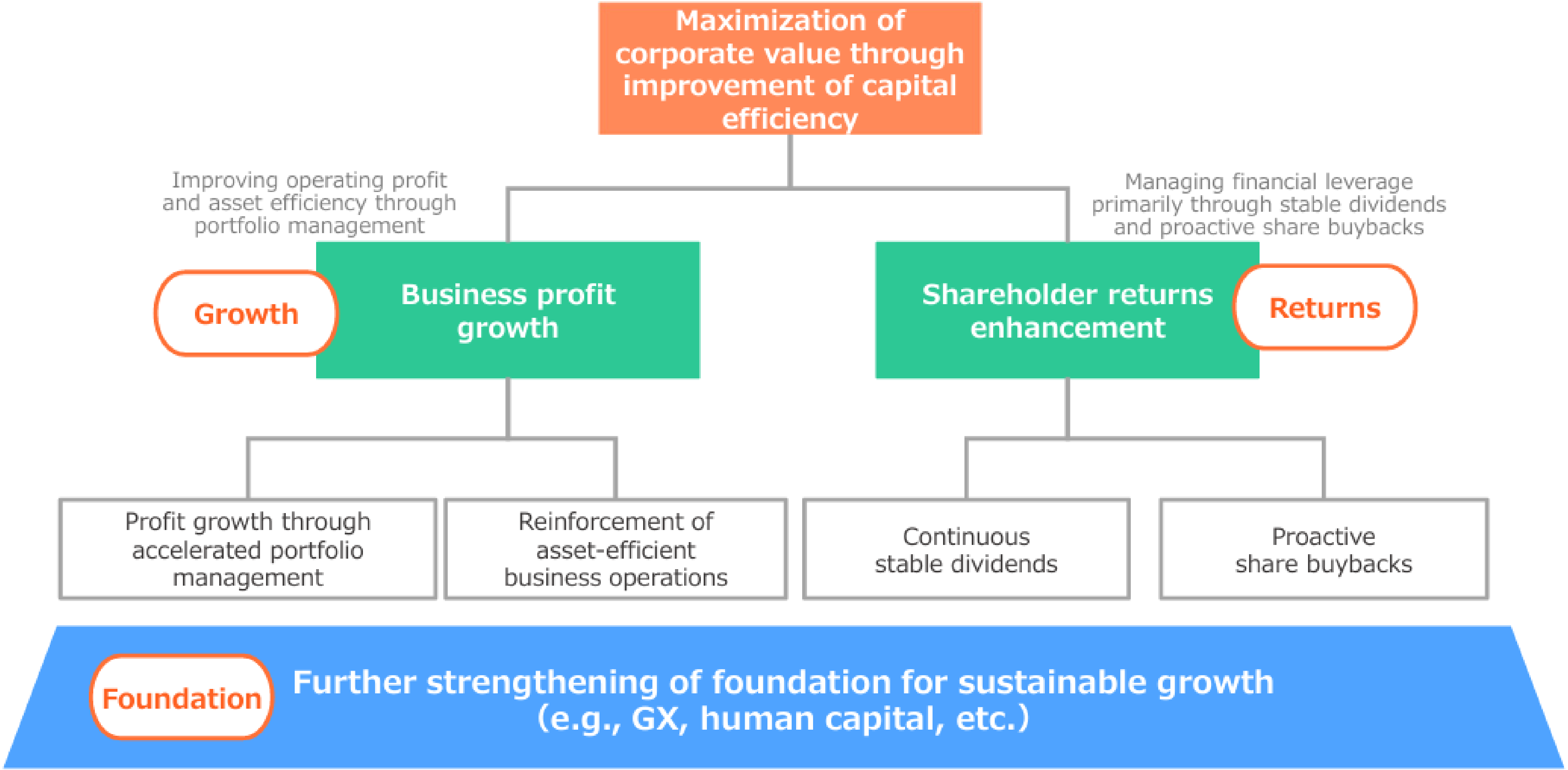
Quantitative targets of the medium-term management plan

Aiming for record-high ROE of 13% in FY2028 through the attainment of linked targets



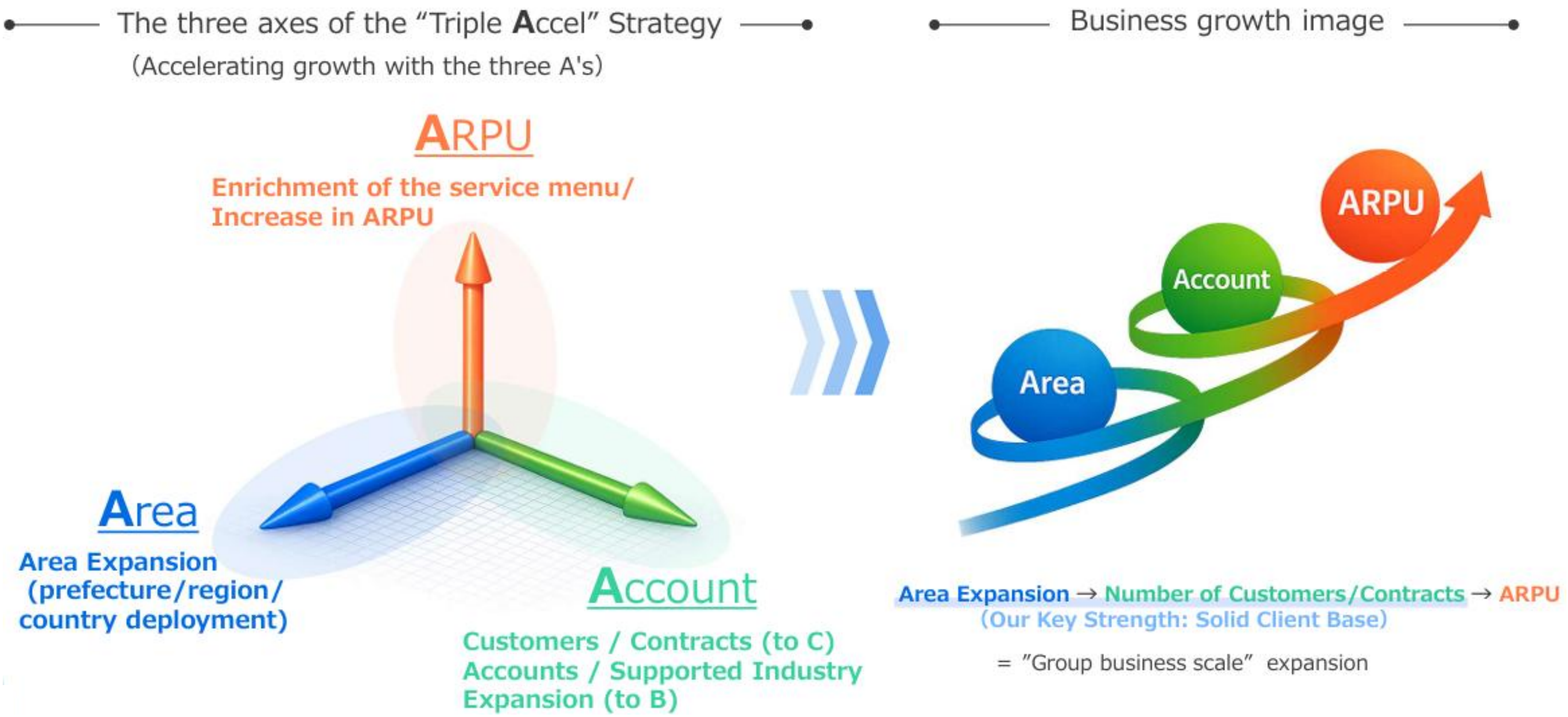
Overview of the medium-term management plan

Maximization of corporate value through the dual engines: business profit growth and shareholder returns enhancement, underpinned by a strengthened management foundation



Business growth strategy

"Triple Accel" Strategy–driven accelerated business growth



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Core drivers of group growth: Three growth segments

Group growth driven by Energy, Information and Communications (For corporate customers), and CATV businesses

Energy

	FY2025 result		FY2028 target
Operating profit	¥10.6 B	+14%	¥12.1 B

Information and Communications (For corporate customers)

	FY2025 result		FY2028 target
Operating profit	¥4.9 B	+40%	¥6.8 B

CATV

	FY2025 result		FY2028 target
Operating profit	¥6.8 B	+22%	¥8.3 B

Growth direction

- Energy: **Expansion into new areas** and acceleration of M&A
- Information and Communications: Cloud market share growth and **new deal expansion**
- CATV: **ARPU growth** through expanded related options and promotion of high value-added plans

Major investments

- Energy: M&A（Establishing an investment and implementation framework）
- Information and Communications: Recruitment of engineers, Network infrastructure investment
- CATV: Promotion of cross-selling and M&A

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Overall picture of GX initiatives

Achievement of both “environmental value creation” across the entire supply chain and our company’s “business growth”

Procurement of raw materials and products Promoting open innovation

- Suppliers
- Startups and others

Promoting development

Our own business activities

- Decarbonizing business sites and facilities
- Implementing renewable energy

FY2030 Goal
Reduce Scope 1 and 2 Emissions by △50% compared to FY2021

Promoting adoption

Service provision and cooperation with local communities

- Customers (residential and industrial)
- Local communities

【Carbon neutrality roadmap for the Energy business】

	Initiatives to date	2030	2040	2050
Gas raw materials	■Supply of gas with carbon credits (R&D cooperation～) →	■Adoption of green LPG and e-methane → (～Complete adoption)		
Equipment sales	■Expansion of high-efficiency gas appliance sales ■Expansion of solar power system sales and promotion of bundled sales with storage batteries			
Local partnerships	■Decarbonized community development (Local production and consumption of J-Credits/Low-carbon and decarbonized local mobility, etc.)			
Open innovation	■Enhancement of collaboration with startups and others ■Support for low-carbon and decarbonization overseas	■Early adoption of innovative technologies and support for social implementation		

Achievement of carbon neutrality

Human capital and development policy

Enhancement of corporate value through productivity improvement driven by human resource strategies and human capital investment

Fostering a highly skilled, engaged, and motivated organization

Policy for implementing talent strategy and human capital investment

ideal individual × **ideal organization**

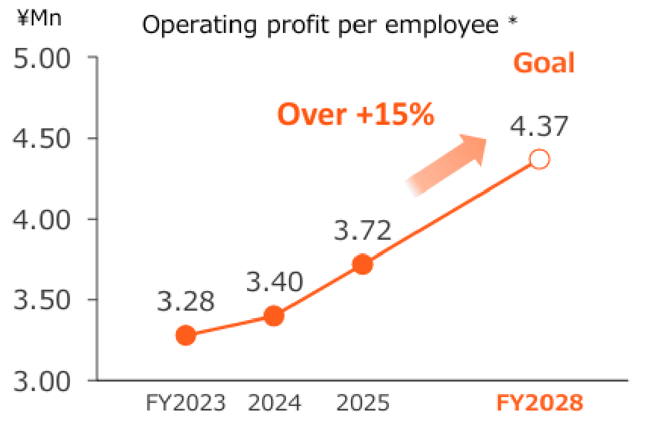
"Self-motivated, energetic, and passionate talent" / "Empowering and strength-based organization"

Each employee at the customer Interface contributes to expanding the customer count and our services— driving the "Triple Accel Strategy."

Integrate human capital with business strategy

Setting **"Operating profit per employee"** as the human capital KGI for productivity.

Integration of human and financial capital organizations aimed at achieving both talent development and financial KPI targets



*Contract and part-time employees are not included in the employee count

Fostering a highly skilled, engaged, and motivated organization

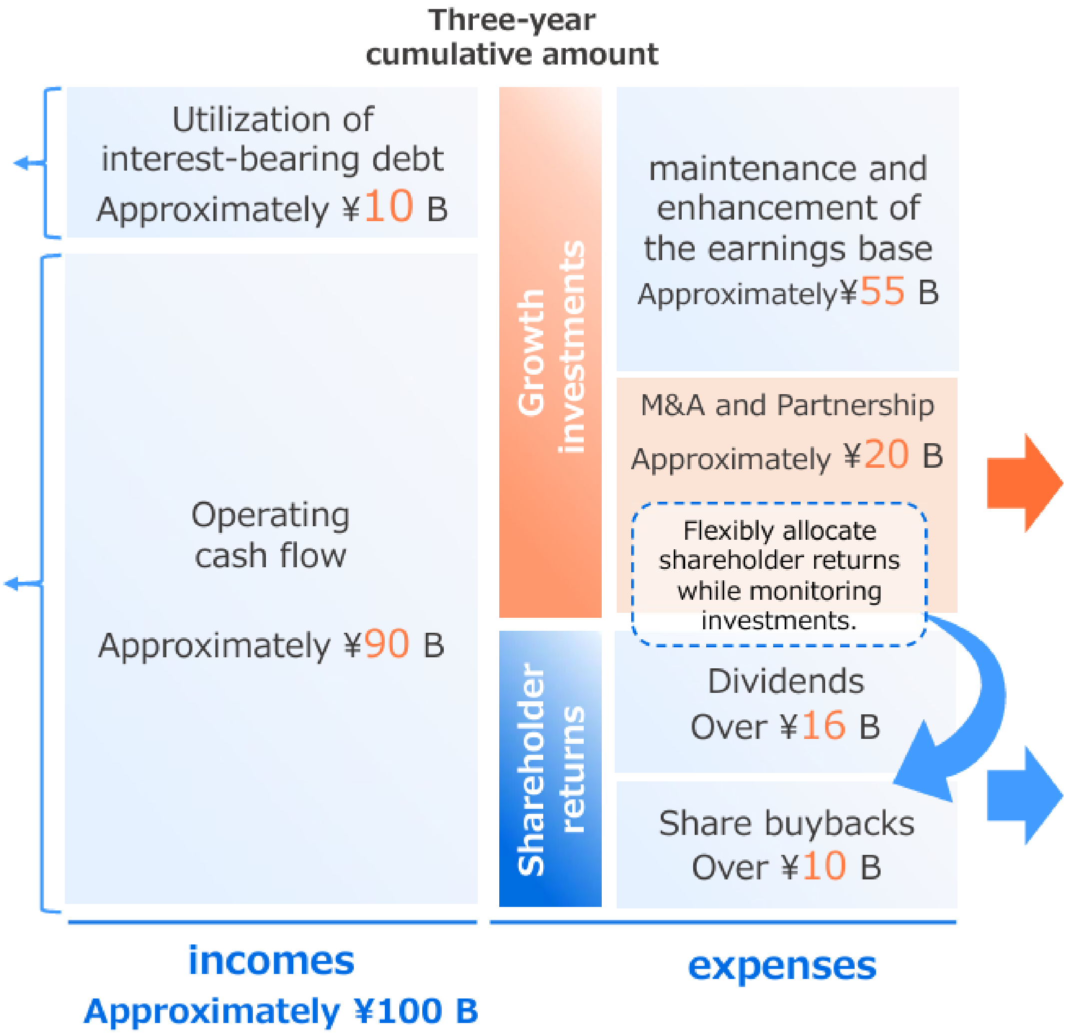
Realization of management strategy and enhancement of corporate value

Capital allocation

Stable profit growth and strategic allocation for ROE improvement

Effectively utilized for growth while maintaining financial soundness

Maximized by sustainable business growth and cost control



-Accelerating growth through active inorganic investments centered on the Energy business

・Energy business → Approximately ¥15 B
・Information and Communications/CATV business → Approximately ¥5 B

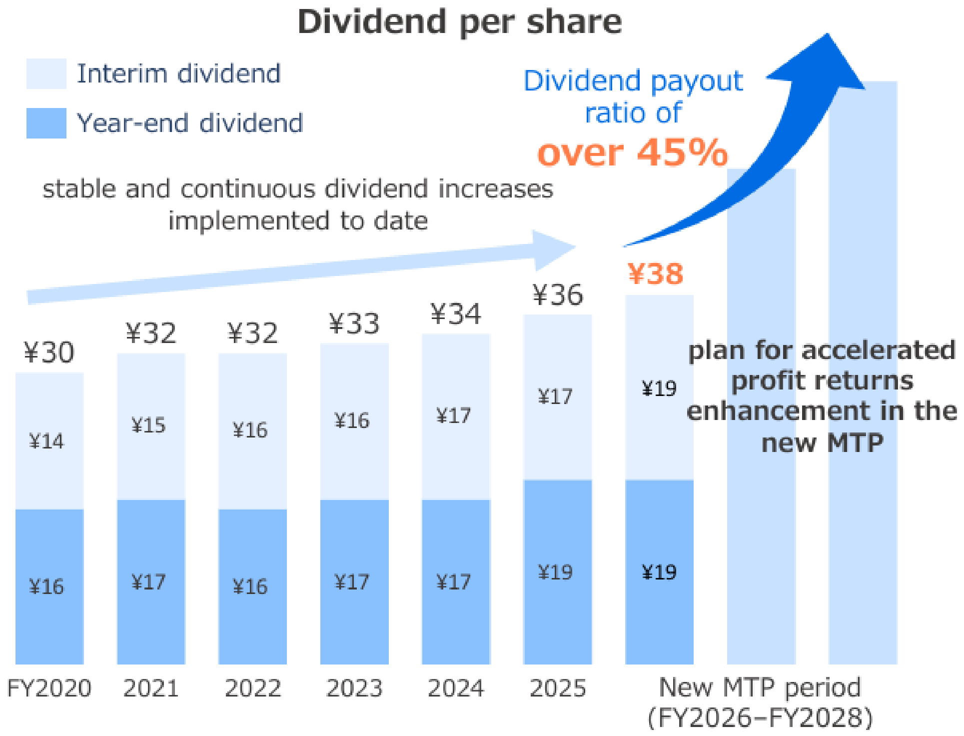
-Dividend payout ratio targeted at over 45%
-Flexible share buybacks while seeking M&A opportunities for growth

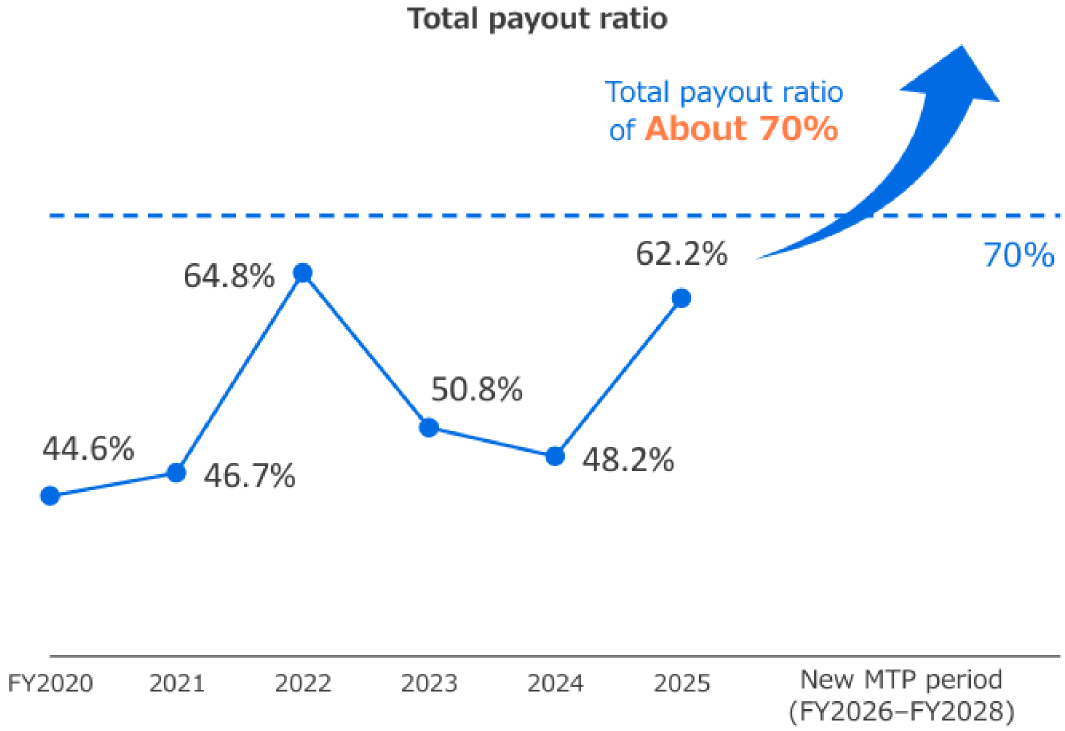
Shareholder Return Policy

- Further strengthening shareholder returns on our track record of increasing dividends
- Setting a dividend payout ratio of 45% or more in the new Medium-Term Management Plan, with the goal of "achievement of 15% ROE in FY2030"

Previous records
- Dividend payout ratio targeted at 40-50%
- We have reviewed the possibility of share buybacks depending on the situation.

New MTP period
- ✓ **Dividend payout ratio of over 45%**
- ✓ Flexible share buybacks while seeking M&A opportunities for growth
- ✓ Share buybacks of **over 10 billion yen**





Company Overview (as of March 31, 2026)

Company Name:	TOKAI Holdings Corporation
Established:	April 1, 2011
Capital:	14 billion yen
Number of Consolidated Employees:	5,033
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 25, 2026)

Representative Director, President and CEO	Katsuo Oguri
Director	Toshinori Nakamura
Director (Non-Executive)	Mitsugu Hamazaki
Director (Non-Executive)	Junichi Yamada
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, 2026)

Authorized Shares:	300,000,000
Shares Issued:	139,679,977
Number of Shareholders:	142,069

Major Shareholders Top 10 (as of March 31, 2026)

Shareholders	Number of shares held	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust shares)	12,915,200	9.97
Suzuyo Shoji Co., Ltd.	5,799,700	4.48
The Shizuoka Bank, Ltd.	4,065,527	3.14
TOKAI Group Employee Shareholders Association	4,006,101	3.09
Tokyo Marine & Nichido Fire Insurance Co., Ltd.	3,986,887	3.08
Custody Bank of Japan, Ltd.(Trust shares)	3,394,800	2.62
Hikari Tsushin K.K. Investment Limited Partnerships	3,178,600	2.45
Astomos Energy Corporation	2,724,848	2.10
STATE STREET BANK AND TRUST COMPANY 505223	2,697,582	2.08
Meiji Yasuda Life Insurance Company	2,599,389	2.01

*The Company owns 10,146,752 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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