



May 24, 2019

To whom it may concern

TOKAI Holdings Corporation
Katsuhiko Tokita, President & CEO
(Code No. 3167 Tokyo Stock Exchange First Section)

Notice Regarding Transfer of the Gas Business of Nikaho-shi

TOKAI GAS CORPORATION (Headquarters: Yaizu City, Shizuoka Prefecture; Representative Director: Shoji Uematsu; hereinafter, "TOKAI GAS"), a wholly-owned subsidiary of TOKAI Holdings Corporation, will receive a transfer of the gas business operated by Nikaho-shi Akita Prefecture as detailed in the attachment.

TOKAI GAS, the founding company of the TOKAI Group, operates the city gas business in the Shida area (Yaizu City, Fujieda City, and Shimada City) in Shizuoka Prefecture. In April this year, we took over the city gas business in Shimonita-machi, Gunma Prefecture. As the first step in expanding the city gas business over a wide area to realize the Group's medium-term management plan, we began operations outside Shizuoka Prefecture for the first time.

Based on the idea that "The city gas business is closely related to the daily lives of people living in its service area, and the Company's growth lies on the development of a trusting relationship with customers," we conduct the following initiatives: 1) strengthening customer contact points through activities with themes closely linked with people's daily lives; 2) proactively promoting advanced energy systems by leveraging high-level technological capabilities; 3) efforts to build trust through various local contribution activities; and 4) developing the business into a "role model" business of the TOKAI Group's TLC Vision.

In the Nikaho-shi area, a new service area, TOKAI GAS will make an effort to provide stable supply of gas as a local energy company. In addition, the Company will aim to improve customer satisfaction and enhance its service levels by offering the TOKAI Group's array of lifestyle-related services, thus strengthening its businesses.

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To whom it may concern

TOKAI GAS CORPORATION

Notice Regarding Signing of an Agreement for the Transfer of the Gas Business of Nikaho-shi

TOKAI GAS CORPORATION (hereinafter, “TOKAI GAS”) signed a “Provisional Agreement for the Transfer of the Gas Business of Nikaho-shi” on March 28, 2019. Following the adoption of the resolution on the transfer of the gas business at the extraordinary meeting of the Nikaho-shi Council held on May 16, the agreement was formed. After going through various procedures based on the Gas Business Act, such as obtaining the approval of business transfer from Director-General of the Kanto Bureau of Economy, Trade and Industry, we are slated to receive a transfer of the gas business with April 1, 2020 as the effective date of business transfer. In preparing for succeeding business, we will coordinate adequately with Nikaho-shi so as not to cause any inconvenience to customers. After the transfer of business, TOKAI GAS will offer diverse lifestyle support products and services under the TOKAI Group’s TLC (“Total Life Concierge”) concept as a one-stop provider of services for all daily life needs of customers, and will aim to grow into a company operating the city gas business on a nationwide scale.

1. Details of the agreement

Assets to be transferred	(1) Land (premises of gas decompression facilities in each region) (2) Buildings (buildings of gas supply facilities), (3) Structures, (4) Machinery and equipment, (5) Gas conduit pipes, (6) Gas meters, (7) Tools, furniture and fixtures, (8) A set of data, such as electronic account books used in this gas business, and (9) Other assets used for this gas business
Scheduled date of business transfer	April 1, 2020

2. Future Schedule

Date	Details
July to August 2019	Filing of an application for approval of business transfer with the Kanto Bureau of Economy, Trade and Industry, which is the supervisory authorities
April 2020	Transfer of business

3. Overview of business (data shown are the results for FY2016)

	Nikaho-shi Gas and Water Bureau	TOKAI GAS CORPORATION
Established	October 1, 2005 (Municipal merger)	December 12, 1966
Representative	Mayor Yuji Ichikawa of Nikaho	Syoji Uematsu, Representative Director
Address	Funabashi 4, Hirasawa, Nikaho, Akita Prefecture	74-3 Shiotsu, Yaizu City, Shizuoka Prefecture
Number of employees	7 (Gas staff) (15 whole staffs including water supply accounting)	179
Service area	Nikaho-shi	Yaizu City, Fujieda City, Shimada City
Number of customers	City gas: 5,172 contracts	City gas: 56,054 contracts (community gas: 1,296 contracts, LP gas: 17,702 contracts)
Gas sales volume	City gas: 854,000m ³	City gas: 134,506,000m ³ (community gas: 146,000m ³ , LP gas: 6,094t)
Net sales of gas	City gas: 417 million yen	City gas: 11,520 million yen
Gas type	13A	13A

[Inquiries about this press release]

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