

July 31, 2019

To whom it may concern

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

Establishment of New Company “Nikaho Gas Co., Ltd.”

TOKAI GAS CORPORATION (Fujieda Division: Fujieda City, Shizuoka Prefecture; Head Office: Yaizu City, Shizuoka Prefecture; Representative Director: Shoji Uematsu; hereinafter “TOKAI GAS”), a subsidiary of TOKAI Holdings Corporation, decided to establish a new company for better cooperation with Nikaho City, Akita Prefecture, and collaboration with local companies in taking over the city gas business operated by Nikaho City.

1. Purpose of Establishment of Company

Our Group is currently promoting its medium-term management plan “Innovation Plan 2020 ‘JUMP,’” which will end in FY2020. This plan sets active M&A and service area expansion as growth strategies. In the city gas business, we took over the gas business in Shimonita Town, Gunma Prefecture, in April this year to take the first step toward expansion of the service area and the scope of business.

In Nikaho City, we also plan taking over the business in April next year based on the business transfer agreement concluded in May this year. In order to facilitate the transfer of this business and collaboration with local companies, we decided to establish a new company.

We will strive to enhance customer satisfaction through our Group’s diverse life-related services and customer services under the Group’s TLC (Total Life Concierge) vision, as well as expand the scope of our city gas business, not to mention committing to stable supply as a regional energy company.

2. Outline of New Company

(1) Company name	Nikaho Gas Co., Ltd.
(2) Address	4 Aza Funabashi, Hirasawa, Nikaho City, Akita Prefecture
(3) Title and name of representative	President and Representative Director Tsuyoshi Matsushita
(4) Description of business	City gas business in Nikaho City, Akita Prefecture
(5) Capital	10 million yen
(6) Date of incorporation	August 5, 2019 (scheduled)
(7) Accounting period	Fiscal year ends March 31
(8) Investment ratio	TOKAI GAS CORPORATION: 100%

3. Schedule

(1) Board of Directors resolution date	July 31, 2019
(2) Date of incorporation of company	August 5, 2019 (scheduled)
(3) Application for approval of business transfer	Early September 2019 (scheduled)
(4) Approval of business transfer	Late October 2019 (scheduled)
(5) Business commencement date	April 1, 2020 (scheduled)

4. Future outlook

The establishment of this new company will not have any impact on our consolidated results for the year ending March 2020.

Contact: Yoshihiro Taniguchi
Public Relations and Investor Relations Office
TEL: +81-(0)3-5404-2891
Email: overseas_IR@tokaigroup.co.jp