



August 26, 2019

To whom it may concern

TOKAI Holdings Corporation
Katsuhiko Tokita, President & CEO
(Code No. 3167 Tokyo Stock Exchange First Section)
Isesaki Gas Co., Ltd.
Yoshifumi Tajima, President

Business Partnership Agreement between Isesaki Gas and TOKAI Holdings - New collaboration model of community-based companies -

Isesaki Gas Co., Ltd. (Head Office: Isesaki City, Gunma Prefecture, Japan; "Isesaki Gas") and TOKAI Holdings Corporation (Head Office: Aoi-ku, Shizuoka City, Shizuoka Prefecture, Japan; "TOKAI Holdings") announced today that they have reached an agreement and entered into a business partnership agreement to collaborate and cooperate to further develop their gas businesses and become infrastructure service providers that contribute more to the lives of local communities and their residents.

1. Background and purpose of the business partnership

Isesaki Gas, since its foundation in 1963, has supported the residential and industrial use of energy in Isesaki City through the city gas business as its main business. As an important lifeline provider supporting the local community, Isesaki Gas strives not only to secure a stable supply of energy and ensure security, but also to contribute to the affluent and comfortable lifestyles of the residents of Isesaki City. At the same time, Isesaki Gas plays a major role in promoting local industries by supplying energy to new industrial parks that Isesaki City is actively promoting. As such, Isesaki Gas has built a strong foundation of trust as an indispensable business in Isesaki City.

The city of Isesaki is also blessed with convenient access to Tokyo and other areas within and outside the prefecture because it is connected to the Kan-etsu Expressway and the Tohoku Expressway through the Kita-Kanto Expressway. The city is a home of 17 industrial and distribution complexes. At present, the population of local municipalities in Japan is on a declining trend, but in Isesaki City, the population continues to grow, being supported by the development of industries and the business expansion of blue-chip companies, which are supported by the above-mentioned geographical advantages and the local government's proactive industrial promotion measures. Against the backdrop, Isesaki Gas is a company that can expect further growth and development in the future as Isesaki City develops.

TOKAI Group, on the other hand, has its roots in the city gas business in Yaizu City, Shizuoka Prefecture, and is engaged in a gas business that is closely linked to people's daily lives, mainly in Shizuoka Prefecture and the Kanto region, and now covers the Tohoku and Kyushu regions. Over about 70 years of its history, the Group has diversified its daily-living-related businesses other than gas and provides approximately 3 million customers nationwide with various infrastructure services for daily life, including energy (LP gas and city gas), telecommunications (internet), CATV, and bottled water delivery under its Total Life Concierge (TLC) concept. The TOKAI Group has been engaged in LPG business in Gunma Prefecture for some time. In addition, since April this year, it has taken over the public city gas business in Shimonita Town, Gunma Prefecture, and has been actively developing community-based businesses.

In light of the circumstances, Isesaki Gas and the TOKAI Group entered into a business partnership agreement for expansion of their businesses under the concept of collaboration between community-based companies by sharing their respective management resources and expertise and organically leveraging them.

2. Overview of the business partnership

The Business Partnership Promotion Committee, consisting of members from both Isesaki Gas and the TOKAI Group, will be established to discuss partnerships in the following businesses and to work toward their realization.

In addition, as part of strengthening the relationship to promote this business partnership, it has been decided that TOKAI Holdings will hold a part of the shares (ownership ratio of 20.7%) issued by Isesaki Gas.

<Details of the business partnership>

- Cooperation in the city gas business
- Cooperation in the LPG business
- Promoting the use of mutual services

The partnership between the two companies is expected to serve as a new collaboration model in the liberalized city gas industry where companies in the same industry work together to promote community-based corporate management and service development.

3. Corporate Outlines

(1) Outline of Isesaki Gas Co., Ltd.

Name:	Isesaki Gas Co., Ltd.
Address:	108 Hinodecho, Isesaki City, Gunma Prefecture, Japan
Representative:	Yoshifumi Tajima, President
Business:	City gas business, community gas utility business, electricity supply business, and other businesses incidental or related thereto.
Capital:	75 million yen (as of the end of the fiscal year ended December 2018)
Founded in:	February 15, 1963
Sales:	3,520 million yen (for the fiscal year ended December 2018)

(2) Outline of TOKAI Holdings Corporation

Name:	TOKAI Holdings Corporation
Address:	2-6-8, Tokiwa-cho, Aoi-ku, Shizuoka City, Shizuoka Prefecture, Japan
Representative:	Katsuhiko Tokita, President & CEO
Business:	Business management of subsidiaries and other organizations engaged in energy business, information and communications business, and other businesses, and other businesses incidental or related thereto
Capital:	14,000 million yen (as of the fiscal year ended March 2019)
Founded in:	April 1, 2011
Sales:	191,600 million yen (for the fiscal year ended March 2019)

4. Future Outlook

This business partnership is expected to have a minimal effect on the consolidated financial results of TOKAI Holdings for the fiscal year ended March 2020.

[Inquiries about this press release]

- General Affairs Department, Isesaki Gas Co., Ltd.
108 Hinodecho, Isesaki City, Gunma Prefecture, 372-0022, Japan
Phone: +81-(0)270-25-4520
Website: <http://www.isesakigas.co.jp>
- Investor Relations Office, TOKAI Holdings Corporation
Hamarikyu Intercity 11th Floor, 1-9-1, Kaigan, Minato-ku, Tokyo, 105-0022, Japan
Phone: +81-(0)3-5404-2891
Website: <https://tokaiholdings.co.jp>