



August 1, 2024

For Immediate Release

TOKAI Holdings Corporation

Katsuo Oguri, Representative Director, President and CEO

(Code No. 3167, TSE Prime Market)

Financial Results for the First Three Months of the Fiscal Year Ending March 31, 2024

~ Revenue Growth for Four Consecutive Quarters, Record-High Sales ~

Today, we are pleased to announce our financial results for the first quarter of the fiscal year ending March 2025.

1. Record-High Revenue for Four Consecutive Quarters

In May last year, we announced our "Mid-Term Management Plan 2025," which concludes in fiscal year 2025. Over the three years leading up to 2025, we aim to achieve three key strategies: (1) Growth in Business Profitability, (2) Strengthening the Foundation for Sustainable Growth, and (3) Maximizing the Vitality of Human Resources and Organization. Through these strategies, we aim to contribute to a sustainable society while expanding our revenue base.

For the first quarter, our revenue increased due to a rise in the number of customers in sectors such as energy and CATV, as well as the expansion of our corporate stock business in the information and communication sector.

As a result, our sales reached 56.2 billion yen (an increase of 2.2 billion yen or 4.1% year-on-year), marking a record high for the fourth consecutive quarter.

On the profit side, although there was an increase in labor costs due to wage hikes continued from last year, the steady increase in monthly billing numbers due to the rise in customer numbers and strategic cost review and reduction led to an operating profit of 3.3 billion yen (an increase of 0.8 billion yen or 33.6% year-on-year).

(Millions of yen)

| | FY03/25 results (April 1, 2024 to June 30, 2024) | FY03/24 results (April 1, 2023 to June 30, 2023) | YoY | |
|-------------------------|--|--|--------|----------|
| | | | Change | % change |
| Net sales | 56,205 | 53,971 | +2,234 | +4.1% |
| Operating profit | 3,319 | 2,484 | +835 | +33.6% |
| Ordinary profit | 3,441 | 2,617 | +824 | +31.5% |
| Net income for the term | 1,872 | 1,338 | +534 | +39.9% |
| EPS (yen) | 14.33 | 10.25 | +4.08 | +39.8% |

2. Main Business Steadily Expands Customer Base

In our first-quarter business activities, we actively engaged in customer acquisition efforts to achieve our mid-term management plan. **As a result, the number of ongoing customer transactions at the end of the first quarter increased by 25,563 to 3,384,000 from 3,358,000 at the beginning of the period.**

We saw a net increase of 20,547 gas (LP and city gas) customers, 4,642 CATV customers, 5,778 Aqua customers, and 1,804 Hikari Collaboration customers, further expanding our revenue base.

3. Continued Revenue and Profit Growth in FY2025, Record-High Sales and Profit in All Categories

Fiscal year 2025 marks the second year of our "Mid-Term Management Plan 2025." We will continue to execute the initiatives outlined in the plan to achieve further growth. In fiscal year 2024, we will enhance our group's strong sales capabilities to increase the number of customers and orders, thereby expanding our customer base. Additionally, we will continue to promote area expansion, M&A, and the creation of new businesses. We expect to maintain revenue and profit growth throughout the year, achieving record-high sales and profit in all categories. At this point, there are no changes to our consolidated earnings forecast or dividend forecast for the fiscal year ending March 2025.

(Millions of yen)

| | FY03/25 forecast (April 1, 2024 to March 31, 2025) | FY03/24 results (April 1, 2023 to March 31, 2024) | YoY | |
|--|--|---|---------|----------|
| | | | Change | % change |
| Net sales | 244,000 | 231,513 | +12,487 | +5.4% |
| Operating profit | 16,000 | 15,511 | +489 | +3.2% |
| Ordinary profit | 16,000 | 15,531 | +469 | +3.0% |
| Profit attributable to owners of parent | 9,000 | 8,481 | +519 | +6.1% |
| EPS (yen) | 68.90 | 64.94 | +3.96 | +6.1% |
| Customer count at end of fiscal year | 3,452,000 | 3,358,000 | +94,000 | +2.8% |

| | FY03/25 (Forecast) | FY03/24 | FY03/23 |
|---------------------------|-----------------------|------------------|-----------|
| Interim (end of Q2) | <u>17.00</u> yen | 16.00 yen | 16.00 yen |
| Year-end | <u>17.00</u> yen | <u>17.00</u> yen | 16.00 yen |
| Annual dividend per share | <u>34.00</u> yen | <u>33.00</u> yen | 32.00 yen |

For details, please see the attached materials, entitled "Financial Results for the First Three Months of the Fiscal Year Ending March 31, 2025."

For the Company's earnings announcement for the first three months fiscal year ending March 31, 2025, please see the following URL:

<https://www.tokaiholdings.co.jp/english/ir/library/earnings.html>

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Financial Results for the First Three Months of the Fiscal Year Ending March 31, 2025

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August 1, 2024

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Highlights of the First Quarter Financial Results for the Fiscal Year Ending March 2025

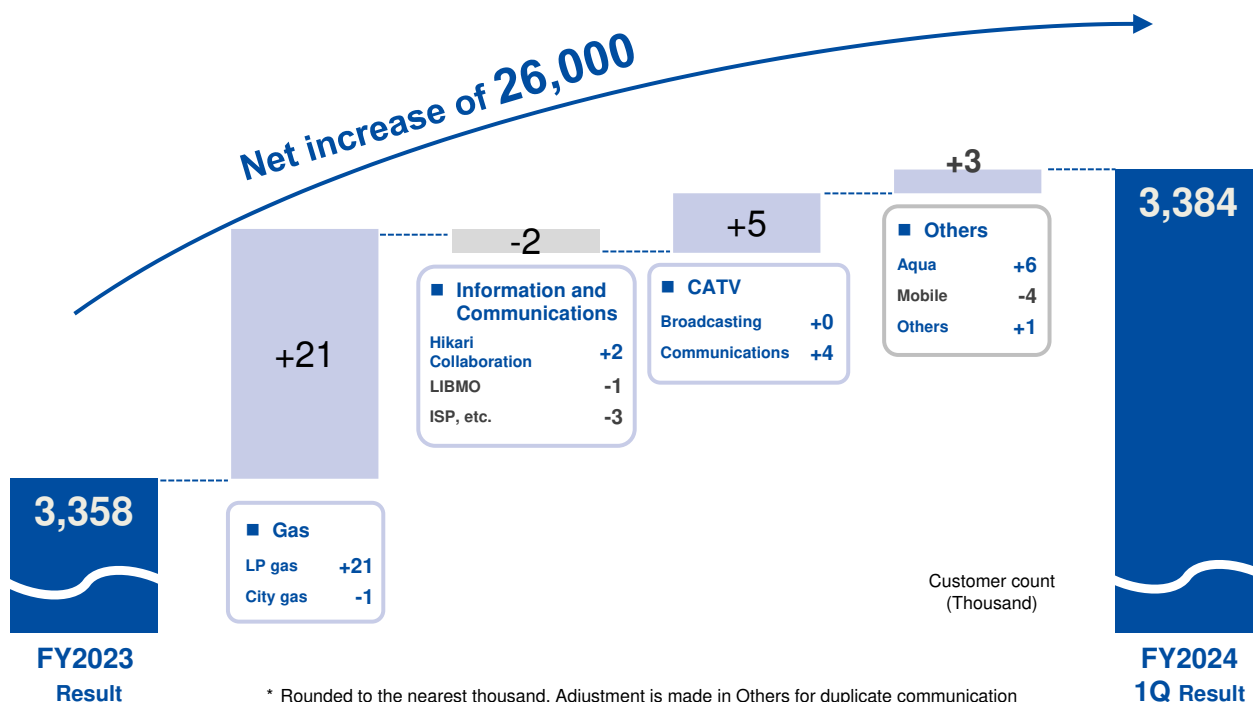
- Revenue increased for the fourth consecutive period, reaching a record high, driven by growth in customer numbers in sectors such as energy and CATV, as well as the expansion of corporate information and communication services.
- Operating profit increased by 800 million yen year-on-year, despite higher personnel costs due to wage increases continued from last year. This was supported by an increase in monthly subscription numbers due to the rise in customer numbers and improved profit margins in LP gas.

| | 1Q FY2024 results | 1Q FY2023 results | YoY | |
|---|-------------------|-------------------|---------------|--------------|
| | | | Change | % change (%) |
| Net sales | 56,205 | 53,971 | +2,234 | +4.1 |
| Operating profit | 3,319 | 2,484 | +835 | +33.6 |
| Ordinary profit | 3,441 | 2,617 | +824 | +31.5 |
| Profit attributable to owners of parent | 1,872 | 1,338 | +534 | +39.9 |
| EPS (yen) | 14.33 | 10.25 | +4.08 | +39.8 |

(Net sales and profit: million yen; EPS: yen)

Steady Expansion of Customer Base in Core Businesses

- The number of continuing customers as of June 30, 2023 stood at 3,384 thousand, an increase of 26 thousand from 3,358 thousand at the beginning of the fiscal year.
- The earnings base continued to expand in the gas, CATV, aqua, and Hikari Collaboration business.



* Rounded to the nearest thousand. Adjustment is made in Others for duplicate communication services for ISP and CATV carrier plans.

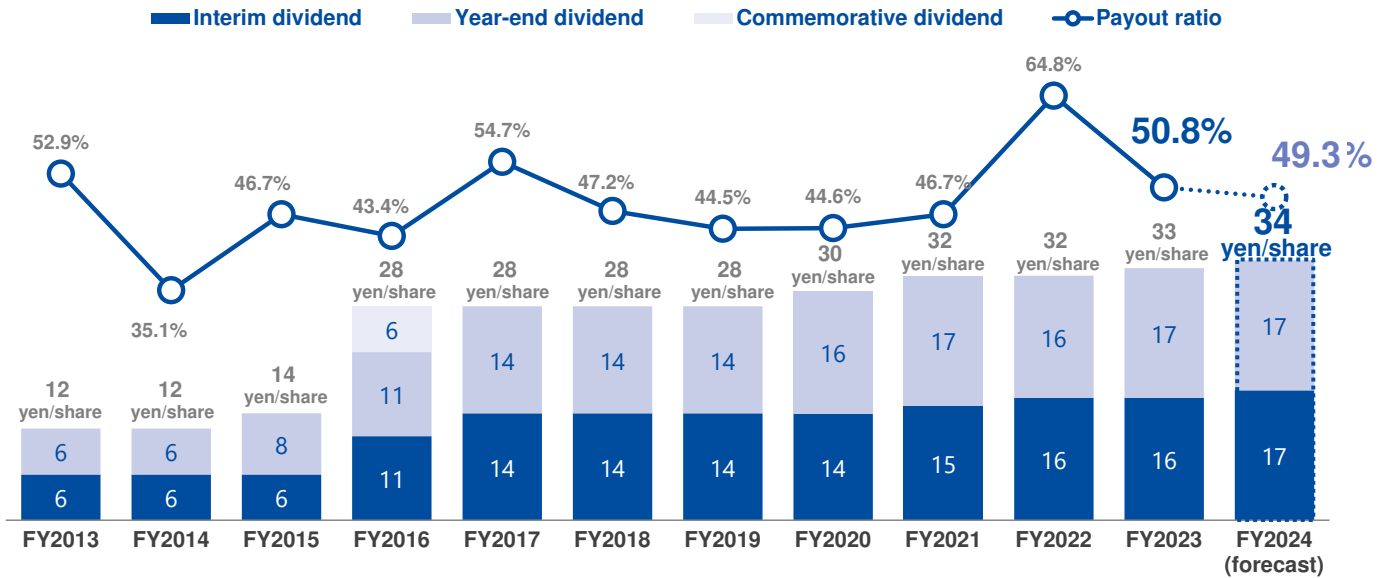
Consolidated Full-year Financial Results Forecast

- The fiscal year ending March 2025 marks the second year of the "Mid-Term Management Plan 2025." We will continue to execute various initiatives in line with the growth tree, which consists of the three elements: "Roots of Growth," "Core," and "Fruits," to achieve further progress.
- We will continue to promote area expansion, M&A, and the creation of new businesses, aiming to sustain revenue and profit growth in FY2024, achieving record highs in sales and all profit categories.

(Millions of yen)

| | FY2024 forecast (April 1, 2024 to March 31, 2025) | FY2023 results (April 1, 2023 to March 31, 2024) | YoY | |
|---|---|--|---------|----------|
| | | | Change | % change |
| Net sales | 244,000 | 231,513 | +12,487 | +5.4% |
| Operating profit | 16,000 | 15,511 | +489 | +3.2% |
| Ordinary profit | 16,000 | 15,531 | +469 | +3.0% |
| Profit attributable to owners of parent | 9,000 | 8,481 | +519 | +6.1% |
| EPS (yen) | 68.90 | 64.94 | +3.96 | +6.1% |
| Customer count at end of fiscal year | 3,452,000 | 3,358,000 | +94,000 | +2.8% |

- The annual dividend per share is planned to increase by 1 yen from the previous fiscal year, reaching 34 yen per share.
- The dividend payout ratio will continue to remain at a high level.



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Appendix

- (1) Consolidated results
- (2) Sales by segment
- (3) Operating profit by segment
- (4) Consolidated financial indicators
- (5) Consolidated cash flows
- (6) Group customer count

(1) Consolidated results

(Millions of yen)

| | Q1 FY03/21 Results | Q1 FY03/22 Results | Q1 FY03/23 Results | Q1 FY03/24 Results | Q1 FY03/25 Results |
|-------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Sales | 45,113 | 48,396 | 51,803 | 53,971 | 56,205 |
| Operating profit | 3,783 | 3,226 | 3,355 | 2,484 | 3,319 |
| Recurring profit | 3,830 | 3,353 | 3,389 | 2,617 | 3,441 |
| Net income | 2,445 | 1,870 | 1,795 | 1,338 | 1,872 |
| EPS (Yen) | 18.68 | 14.28 | 13.72 | 10.25 | 14.33 |

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(2) Sales by segment

(Millions of yen)

| | Q1 FY03/21 Results | Q1 FY03/22 Results | Q1 FY03/23 Results | Q1 FY03/24 Results | Q1 FY03/25 Results |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Energy | 17,634 | 18,998 | 23,274 | 23,966 | 24,669 |
| Information and Communications | 12,650 | 12,619 | 12,873 | 13,468 | 13,994 |
| For individuals | | | | 6,035 | 5,845 |
| For corporations | | | | 7,433 | 8,149 |
| C A T V | 8,226 | 7,996 | 8,239 | 8,820 | 8,978 |
| Construction, Equipment and Real Estate | 3,819 | 5,542 | 4,641 | 4,852 | 5,080 |
| Aqua | 1,896 | 1,921 | 1,860 | 1,871 | 2,285 |
| Others | 1,885 | 1,319 | 915 | 992 | 1,197 |
| Total | 45,113 | 48,396 | 51,803 | 53,971 | 56,205 |

※For information and communications, starting from the second quarter of 2023, figures for individuals and corporations are also displayed.

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(3) Operating profit by segment

(Millions of yen)

| | Q1 FY03/21 Results | Q1 FY03/22 Results | Q1 FY03/23 Results | Q1 FY03/24 Results | Q1 FY03/25 Results |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Energy | 1,972 | 1,578 | 1,936 | 924 | 1,862 |
| Information and Communications | 1,110 | 1,224 | 1,236 | 1,456 | 1,177 |
| For individuals | | | | 272 | 177 |
| For corporations | | | | 1,184 | 1,000 |
| C A T V | 1,367 | 1,459 | 1,559 | 1,618 | 1,652 |
| Construction, Equipment and Real Estate | 233 | 263 | 53 | 126 | 226 |
| Aqua | 271 | 37 | 62 | 98 | 136 |
| Others | -1,171 | -1,337 | -1,494 | -1,739 | -1,734 |
| Total | 3,783 | 3,226 | 3,355 | 2,484 | 3,319 |

※Figures are before the allocation of indirect costs, etc.

※For information and communications, starting from the first quarter of 2023, figures for individuals and corporations are also displayed.

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(4) Consolidated financial indicators

(Millions of yen)

| | Q1 FY03/21 Results | Q1 FY03/22 Results | Q1 FY03/23 Results | Q1 FY03/24 Results | Q1 FY03/25 Results |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Total assets | 168,253 | 176,837 | 183,065 | 188,637 | 206,246 |
| Total liabilities | 100,025 | 101,165 | 103,809 | 106,520 | 114,171 |
| Total net assets | 68,228 | 75,672 | 79,256 | 82,117 | 92,074 |
| Balance of interest-bearing debt | 48,127 | 43,428 | 45,452 | 46,246 | 52,133 |
| Equity ratio | 39.7 % | 41.9 % | 42.3 % | 42.4 % | 43.5 % |

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(5) Consolidated cash flows

(Millions of yen)

| | Q1 FY03/21 Results | Q1 FY03/22 Results | Q1 FY03/23 Results | Q1 FY03/24 Results | Q1 FY03/25 Results |
|-----------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Operating cash flow | 10,837 | 8,339 | 6,049 | 8,414 | 5,507 |
| Investment cash flow | -7,579 | -5,716 | -4,262 | -4,252 | -6,701 |
| Free cash flow | 3,257 | 2,623 | 1,786 | 4,161 | -1,193 |
| Financing cash flow | -3,022 | -2,282 | -2,067 | -3,678 | 2,032 |

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(6) Group customer count

(Thousand)

| | Q1 FY03/21 Results | Q1 FY03/22 Results | Q1 FY03/23 Results | Q1 FY03/24 Results | Q1 FY03/25 Results | |
|---|--------------------------|-----------------------|-----------------------|-----------------------|-----------------------|------------|
| Energy | 718 | 752 | 791 | 830 | 874 | |
| Information and Communications | Conventional ISP etc. | 383 | 391 | 413 | 403 | 390 |
| | Hikari Collaboration | 328 | 337 | 351 | 365 | 375 |
| | LIBMO | 50 | 53 | 58 | 72 | 79 |
| | Subtotal | 760 | 781 | 823 | 840 | 844 |
| CATV | 1,161 | 1,206 | 1,240 | 1,293 | 1,318 | |
| Aqua | 159 | 164 | 166 | 165 | 173 | |
| Mobile | 211 | 201 | 187 | 176 | 166 | |
| Security | 16 | 16 | 16 | 16 | 16 | |
| 合計 | 3,012 | 3,108 | 3,213 | 3,312 | 3,384 | |

*Rounded to the nearest thousand. Communication services overlap between information and communication services and CATV, and are excluded from the total value.

*Information and communications (conventional ISP, etc.) includes ISP additional service (PC visit support service) contracts from 2Q 2021, and contracts for the same (PC remote support service) from 2Q 2022.

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The performance forecasts and future projections described in this document are based on information available at the time of writing and represent the company's judgment. These forecasts include potential risks and uncertainties. Therefore, please be aware that actual performance may differ significantly from the future outlook described due to various factors.

Amounts are rounded down to the nearest million yen, and other figures are rounded to the nearest whole number.

Please contact us with any questions regarding these materials.

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暮らしに社会にもっと笑顔を。
More smiles for a better life

