

For Immediate Release

TOKAI Holdings Corporation
 Katsuo Oguri, Representative Director, President and CEO
 (Code No. 3167, TSE Prime Market)

Financial Results for the First Six Months of the Fiscal Year Ending March 31, 2024
– Net sales for the first six months grew for the third consecutive fiscal year
to reach a new record high –

TOKAI Holdings Corporation (hereinafter, "the Company") today announced its financial results for the first six months of the fiscal year ending March 31, 2024.

1. H1 net sales grow for the third consecutive year to set new record high

The Company announced the Medium-Term Management Plan 2025 in May. The plan covers the period up to the fiscal year ending March 31, 2025. During the three-year period until FY2025, the Group will execute initiatives in line with a growth story consisting of three elements, namely the root, the trunk and the fruit of growth. In doing so, it will seek to create a sustainable society and achieve continuous growth.

For the first six months of the fiscal year under review, **net sales stood at 105.2 billion yen, up 1.1 billion yen or 1.1% year on year, to hit new high for the third consecutive year.** This resulted mainly from sales growth following an increase in energy, CATV and other customers and from the expansion of the stock business for corporate clients in the Information and Communication business.

Operating profit was 4.3 billion yen, remaining flat year on year. This is explained mainly by a decrease in gas sales volume for households due to high air temperatures, which was offset by a profit hike following growth in the number of monthly fee-paying customers accompanying an increase in the number of customer accounts.

Profit attributable to owners of parent surged 2.1 billion yen or 1,403.4%, to 2.2 billion yen, due mainly to the easing of the burdens arising from the share of profit of entities accounted for using the equity method that occurred in the previous fiscal year.

(Millions of yen)

	H1 FY03/24 results (April 1, 2023 to September 30, 2023)	H1 FY03/23 results (April 1, 2022 to September 30, 2022)	YoY	
			Change	% change
Net sales	105,226	104,110	+1,115	+1.1%
Operating profit	4,254	4,253	+1	+0.0%
Ordinary profit	4,355	2,432	+1,923	+79.1%
Profit attributable to owners of parent	2,219	147	+2,072	+1,403.4%
EPS (yen)	17.00 yen	1.13 yen	+15.87 yen	+1,406.6%

2. Steady expansion of customer base in core businesses

As of the end of the second quarter under review, **the number of continuing customers reached 3,328 thousand, up 28,154 from the count of 3,299 thousand at the beginning of the fiscal year, and up 48,618 year on year.** This resulted from active efforts to win customers with the aim of achieving the Medium-Term Management Plan. **With net increase of 16,246 (LP and city) gas customers (19,094 in the same period of the previous fiscal year), 13,137 CATV customers (15,910), 4,420 Hikari Collaboration customers (11,849) and 4,263 LIMBO customers (6,852),** we further expanded our earnings base.

3. Medium-Term Management Plan 2025 was kicked off

Today, circumstances surrounding business entities and customers' values are changing rapidly, including shifts in society following the COVID-19 pandemic, mounting awareness of sustainability and turbulent global economic changes. Amid these changes, the Company understood that needs for addressing medium- and long-term issues for the continuous growth of society were emerging and so developed and adopted Medium-Term Management Plan 2025, in which the fiscal year ending March 31, 2026 was determined as the final fiscal year.

The TOKAI Group will work to live up to the expectations of its stakeholders as a company which steadily generates earnings despite the changing market environment.

For the fiscal year ending March 31, 2024, the Group will carry out initiatives in line with a growth story consisting of three elements, namely the root, the trunk and the fruit of growth, and will aim to achieve income and profit growth in full-year financial results.

The earnings and dividend forecasts for the fiscal year ending March 31, 2024 remain unchanged.

(Millions of yen)

	FY03/24 forecast (April 1, 2023 to March 31, 2024)	FY03/23 results (April 1, 2022 to March 31, 2023)	YoY	
			Change	% change
Net sales	240,000	230,190	+9,810	+4.3%
Operating profit	15,000	14,919	+81	+0.5%
Ordinary profit	15,000	13,289	+1,711	+12.9%
Profit attributable to owners of parent	8,500	6,465	+2,035	+31.5%
EPS (yen)	65.10	49.41	+15.69	+31.8%
Customer count at end of fiscal year	3,384,000	3,299,000	+84,000	+2.6%

	FY03/24 (forecast)	FY03/23	FY03/22
Interim (end of Q2)	16.00 yen	16.00 yen	15.00 yen
Year-end	16.00 yen	16.00 yen	17.00 yen
Annual dividend per share	32.00 yen	32.00 yen	32.00 yen

For details, please see the attached materials, entitled "Financial Results for the First Six Months of the Fiscal Year Ending March 31, 2024."

For the Company's earnings announcement for the first six months of the fiscal year ending March 31, 2024, please see the following

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

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Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2024

TOKAI Holdings Corporation
(Code: 3167)

November 2, 2023

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

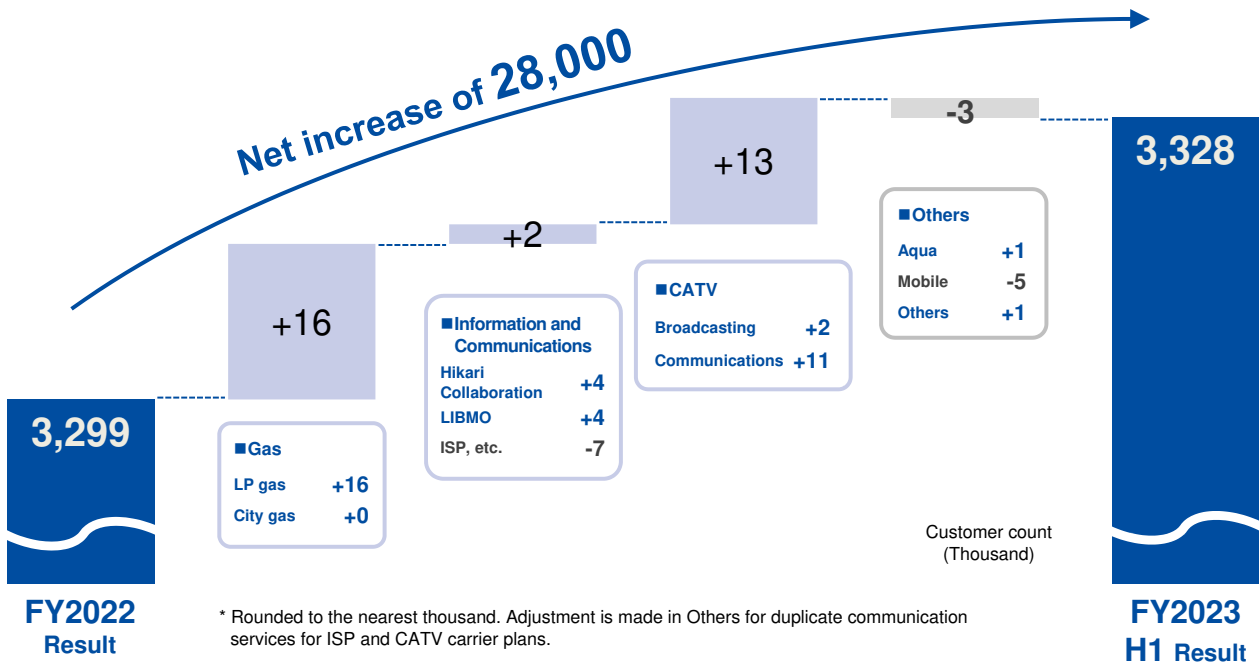
- Net sales for the first six months show year-on-year growth for the third consecutive fiscal year to a new record high, chiefly reflecting an increase in customers in Energy, CATV and other businesses and the expansion of the Information and Communications business for corporate clients.
- Operating profit for the first six months remained flat year on year, explained mainly by a decrease in gas sales volume for households attributable to high air temperatures, which was offset by a profit hike after growth in the number of monthly fee-paying customers accompanying an increase in the number of customer accounts.
- Ordinary profit and profit attributable to owners of parent increased markedly, due mainly to the easing of the burden arising from the share of profit of entities accounted for using the equity method that arose in the previous fiscal year.

	H1 FY03/24 results	H1 FY03/23 results (FY2022_2Q)	YoY	
			Change	% change (%)
Net sales	105,226	104,110	+1,115	+1.1
Operating profit	4,254	4,253	+1	+0.0
Ordinary profit	4,355	2,432	+1,923	+79.1
Profit attributable to owners of parent	2,219	147	+2,072	+1,403.4
EPS (yen)	17.00	1.13	+15.87	+1,406.6

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

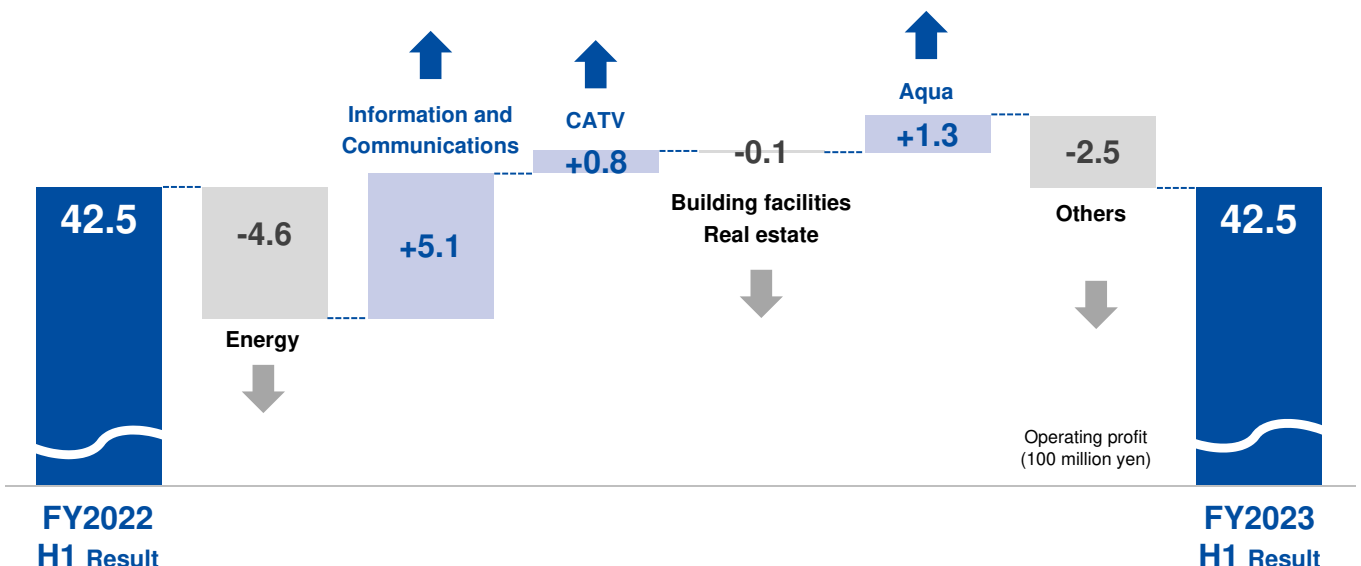
Steady Expansion of Customer Base in Core Businesses

- The number of continuing customers as of September 30, 2023 stood at 3,328 thousand, an increase of 28 thousand from 3,299 thousand at the beginning of the fiscal year.
- The earnings base continued to expand in the gas business, the CATV business, the Hikari Collaboration business and the LIBMO business.



Changes in Operating Profit by Segment

- Profit fell in the Energy business, mainly following a decline in gas sales volume for households partly due to high air temperatures.
- Profit grew in the Information and Communications business, chiefly as a result of cutting expenses for gaining customers in the Information and Communication business for consumers.
- The CATV and Aqua businesses increased profits mainly following a rise in customers.



Consolidated full-year financial results forecast

- Net sales are forecasted to rise, attributable to a continued increase in customer accounts mainly in principal businesses and to earnings increase following expansion of areas served.
- Operating profit is forecasted to remain unchanged year on year, chiefly reflecting expenses for acquiring customers and personnel revitalization.
- Ordinary profit and profit attributable to owners of parent are expected to surge, after the easing of the burdens arising from the share of profit of entities accounted for using the equity method that arose in the previous fiscal year.

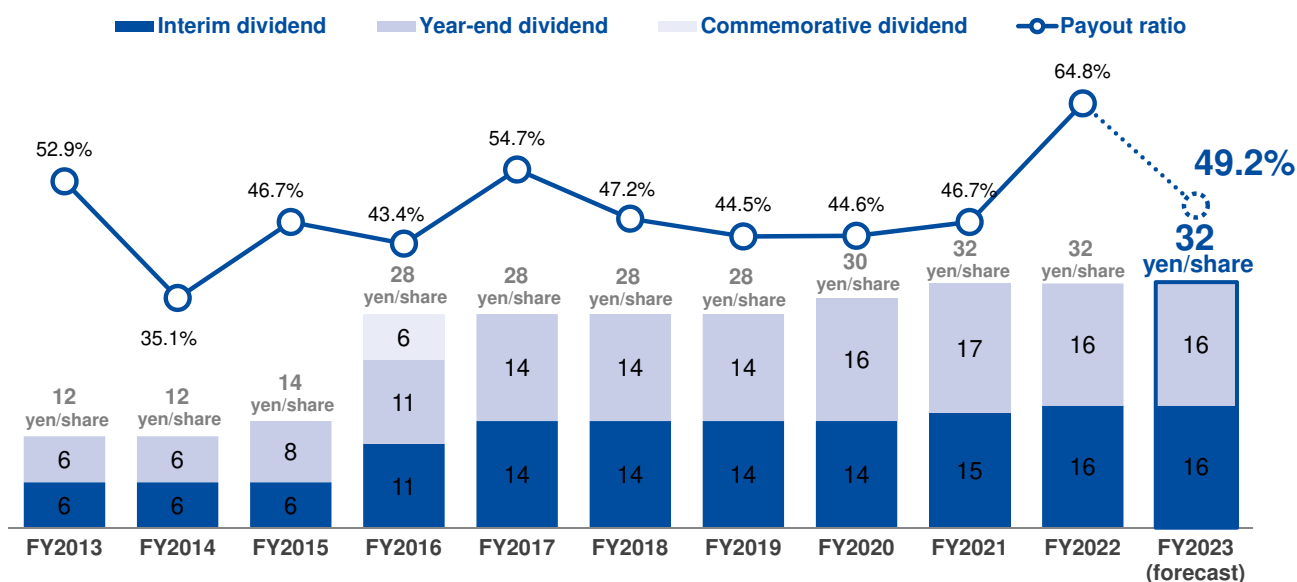
(Millions of yen)

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Net sales	240,000	230,190	+9,810	+4.3%
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EPS (yen)	65.10	49.41	+15.69	+31.8%
Customer count at end of fiscal year	3,384,000	3,299,000	+84,000	+2.6%

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Dividend forecast

- In accordance with the Company's policy of paying constant and stable dividends, an interim dividend of 16 yen per share and a year-end dividend of 16 yen per share are planned, for an annual dividend of 32 yen per share.
- The dividend forecast (announced on May 9, 2023) remains unchanged.



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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

	1H FY03/20 Results	1H FY03/21 Results	1H FY03/22 Results	1H FY03/23 Results	(Millions of yen) 1H FY03/24 Results
Sales	93,015	89,836	96,060	104,110	105,226
Operating profit	5,500	5,452	5,223	4,253	4,254
Recurring profit	5,608	5,499	5,284	2,432	4,355
Net income	3,492	3,279	2,281	147	2,219
EPS (Yen)	26.67	25.04	17.42	1.13	17.00

(2) Sales by segment

(Millions of yen)

	1H FY03/20 Results	1H FY03/21 Results	1H FY03/22 Results	1H FY03/23 Results	1H FY03/24 Results
Energy	35,766	33,430	36,153	44,053	42,952
Information and Communications	25,911	25,131	25,302	26,078	27,457
For individuals					12,100
For corporations					15,356
C A T V	15,593	16,490	16,081	16,574	17,732
Construction, Equipment and Real Estate	9,736	9,074	12,361	11,486	10,943
Aqua	3,752	3,880	3,913	3,838	3,883
Others	2,255	1,828	2,248	2,077	2,257
Total	93,015	89,836	96,060	104,110	105,226

※Prior to elimination of indirect expenses

※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)

	1H FY03/20 Results	1H FY03/21 Results	1H FY03/22 Results	1H FY03/23 Results	1H FY03/24 Results
Energy	1,966	2,382	1,963	1,330	869
Information and Communications	2,269	2,036	2,405	2,320	2,828
For individuals					512
For corporations					2,316
C A T V	2,539	2,633	2,957	3,052	3,135
Construction, Equipment and Real Estate	843	621	738	589	578
Aqua	400	446	186	234	364
Others	-2,519	-2,667	-3,027	-3,274	-3,520
Total	5,500	5,452	5,223	4,253	4,254

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

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(4) Consolidated financial indicators

(Millions of yen)

	1H FY03/20 Results	1H FY03/21 Results	1H FY03/22 Results	1H FY03/23 Results	1H FY03/24 Results
Total assets	165,616	167,687	177,855	180,807	190,820
Total liabilities	100,633	98,288	100,713	102,948	106,020
Total net assets	64,982	69,398	77,142	77,859	84,800
Balance of interest-bearing debt	50,927	48,259	45,212	47,109	48,267
Equity ratio	38.4 %	40.5 %	42.5 %	42.1 %	43.3 %

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(5) Consolidated cash flows

(Millions of yen)

	1H FY03/20 Results	1H FY03/21 Results	1H FY03/22 Results	1H FY03/23 Results	1H FY03/24 Results
Operating cash flow	10,706	14,805	11,382	7,956	13,765
Investment cash flow	- 6,859	- 10,696	- 8,997	- 6,861	- 9,704
Free cash flow	3,846	4,109	2,384	1,095	4,060
Financing cash flow	- 3,659	- 4,048	- 1,680	- 1,709	- 3,018

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(6) Group customer count

		(Thousand)				
		1H FY03/20 Results	1H FY03/21 Results	1H FY03/22 Results	1H FY03/23 Results	1H FY03/24 Results
Energy		696	728	764	804	837
Information and Communications	Conventional ISP etc.	403	379	386	414	400
	Hikari Collaboration	324	332	339	358	368
	LIBMO	43	51	54	62	75
	Subtotal	770	762	779	834	843
CATV		1,076	1,179	1,214	1,247	1,300
Aqua		159	161	165	167	166
Mobile		215	209	198	185	174
Security		16	16	16	16	16
Total		2,918	3,042	3,125	3,242	3,328

*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.

The performance forecasts and forward-looking statements in these materials are based on information currently available to the company, and include potential risks and uncertainties. Please be aware that due to changes in a variety of factors, actual results may differ materially from the projections and other forward-looking statements in these materials.

Please contact us with any questions regarding these materials.

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