



May 9, 2024

For Immediate Release

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

Financial Results for the Fiscal Year Ending March 31, 2024 ~ Sales increased for 7th consecutive year, sales hit record high ~

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

1. Record Revenue Growth for the 7th Consecutive Period

Regarding our financial results for this term, despite a decrease in household gas sales due to high temperatures, we achieved a sales revenue of 231.5 billion yen (an increase of 1.3 billion yen or 0.6% compared to the previous term) due to an increase in revenue from the increase in the number of customers in energy and CATV, as well as the expansion of our corporate stock business in the information and communication sector. This marks a record high, updating our sales for the seventh consecutive term.

In terms of profit, the steady increase in the number of monthly billing items due to the increase in the number of customers, among other factors, led to an operating profit of 15.5 billion yen (an increase of 600 million yen or 4.0%).

Furthermore, the burden of equity method investment losses incurred in the previous term was reduced, resulting in a significant improvement with a net profit for the term of 8.5 billion yen (an increase of 2.0 billion yen or 31.2%).

(Millions of yen)

| | FY03/24 results (April 1, 2023 to March 31, 2024) | FY03/23 results (April 1, 2022 to March 31, 2023) | YoY | |
|-------------------------|---|---|--------|----------|
| | | | Change | % change |
| Net sales | 231,513 | 230,190 | +1,322 | +0.6% |
| Operating profit | 15,511 | 14,919 | +591 | +4.0% |
| Ordinary profit | 15,531 | 13,289 | +2,241 | +16.9% |
| Net income for the term | 8,481 | 6,465 | +2,015 | +31.2% |
| EPS (yen) | 64.94 | 49.41 | +15.53 | +31.4% |

2. Main Business Steadily Expands Customer Base

In our business operations for the term, we actively engaged in customer acquisition activities towards the achievement of our medium-term management plan. As a result, the number of ongoing transaction customers at the end of the term increased to 335,800, an increase of 58,996 from the 329,900 at the beginning of the term. The number of gas (LP & city gas) customers increased by 32,982, CATV customers by 25,931, Optical Collaboration by 9,936, and LIBMO by 8,934, further expanding our revenue base.

3. Continuing Revenue and Profit Growth in the Fiscal Year Ending March 2025, Updating Record Highs in Sales and All Profit Items

For the fiscal year ending March 2025, we will be in the second year of our "Medium-Term Management Plan 2025". In accordance with our medium-term management plan, which outlines a 'growth tree' strategy based on three key elements: the source of growth, the core, and the fruit, we will ensure the execution of each initiative and strive for further advancements. In fiscal 2024, we will continue to polish our sales strength, which is a strength of our group, and aim to expand our customer base by increasing the number of customers and orders. In addition, we will continue to promote area expansion, M&A, and the creation of new businesses, and aim to continue increasing sales and profits for the full year and aim to achieve record-breaking sales and profits across all categories.

(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% |

4. Revision of Dividend Forecast

Our company positions the return of profits to our shareholders as one of the important issues of management, and our basic policy is to provide continuous and stable dividends.

Regarding the performance of this period, sales have been updated to the highest ever with an increase in sales for seven consecutive period, and all profit items have exceeded the previous year.

The dividend per share for this period, as announced today, will increase the year-end dividend from the initial forecast of 16 yen to 17 yen, and the annual dividend is planned to be 33 yen. In addition, we plan to increase the annual dividend for the fiscal year ending March 2025 from the previous 32 yen (33 yen for the fiscal year ending March 2024 with an increase of 1 yen) to 34 yen.

| | 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 Fiscal Year Ending March 31, 2024."

For the Company's earnings announcement for 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 Fiscal Year Ending March 31, 2024

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(Code: 3167)

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Financial Results for the Fiscal Year Ending March 31, 2024

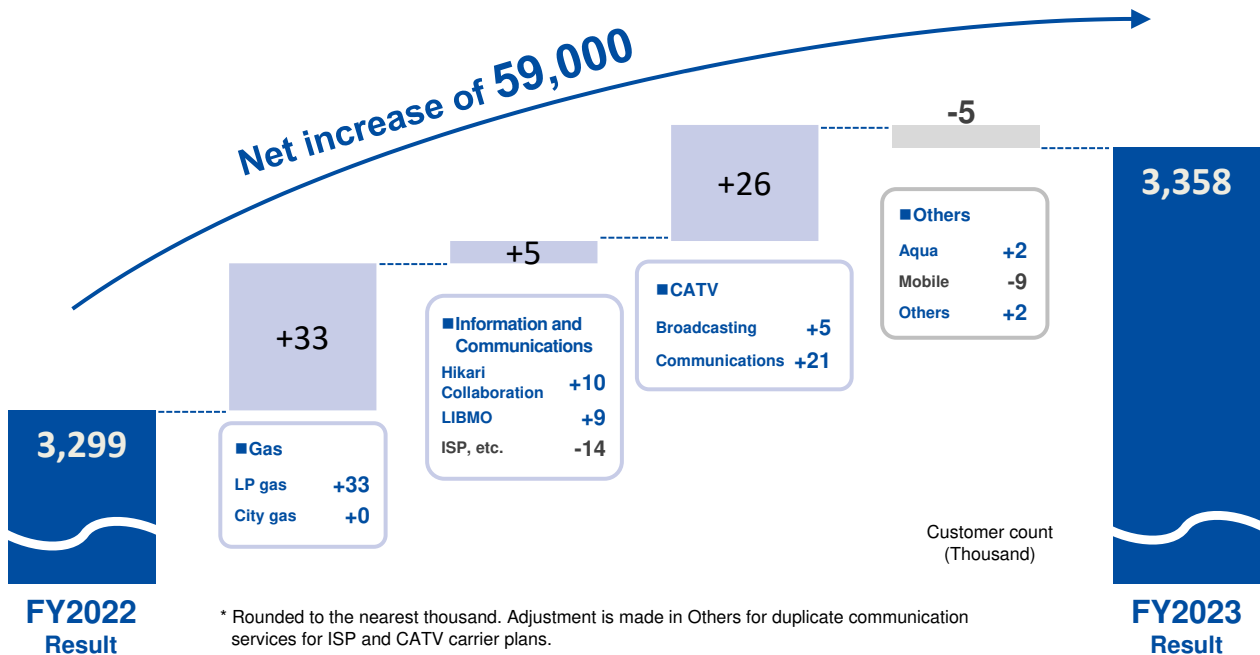
- Sales increased for the seventh consecutive period, reaching a record high, due to an increase in the number of customers in the energy and CATV sectors, as well as the expansion of our corporate information and communication business.
- Despite a decrease in the volume of household gas sales due to high temperatures, operating profit was 15.5 billion yen, an increase of 600 million yen from the previous period, due to an increase in monthly billing due to an increase in the number of customers.
- Ordinary profit and net income for the current period improved significantly as the burden of equity-method investment losses incurred in the previous period was reduced.

| | FY03/24 results | FY03/23 results (FY2022) | YoY | |
|------------------|-----------------|-----------------------------|---------------|-----------------|
| | | | Change | % change (%) |
| Net sales | 231,513 | 230,190 | +1,322 | +0.6 |
| Operating profit | 15,511 | 14,919 | +591 | +4.0 |
| Ordinary profit | 15,531 | 13,289 | +2,241 | +16.9 |
| Net income | 8,481 | 6,465 | +2,015 | +31.2 |
| EPS (yen) | 64.94 | 49.41 | +15.53 | +31.4 |

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

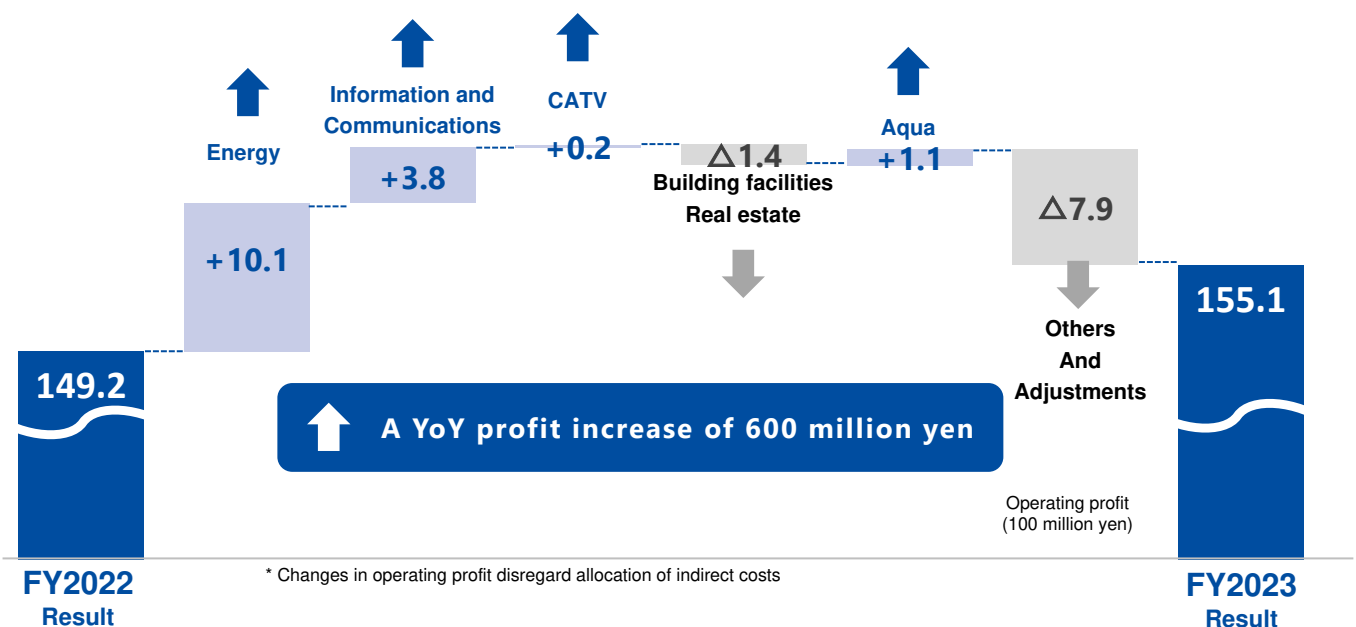
Steady Expansion of Customer Base in Core Businesses

- The number of ongoing transaction customers at the end of the current period increased by 59,000 from 3,299,000 at the beginning of the period to 3,358,000.
- 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

- Despite a decrease in household gas sales due to high temperatures, the energy business saw an increase in profits due to an increase in the number of customers and efforts to reduce procurement costs.
- The information and communication business saw an increase in profits due to the strong performance of the corporate business and efforts to reduce customer acquisition costs in the consumer business.
- The CATV and Aqua business saw an increase in profits due to an increase in the number of customers.



Consolidated full-year financial results forecast

- The fiscal year ending in March 2025 is the second year of our "Medium-Term Management Plan 2025". We will steadfastly carry out each initiative in accordance with the growth tree, which consists of the three elements: "source of growth, core, and fruit" that we have set out in this plan, aiming for further significant advancements.
- We will continue to push for area expansion, M&A, and the creation of new businesses, with the aim of not only continuing to increase revenue and profit in fiscal 2024, but also setting new records in sales and all profit items.

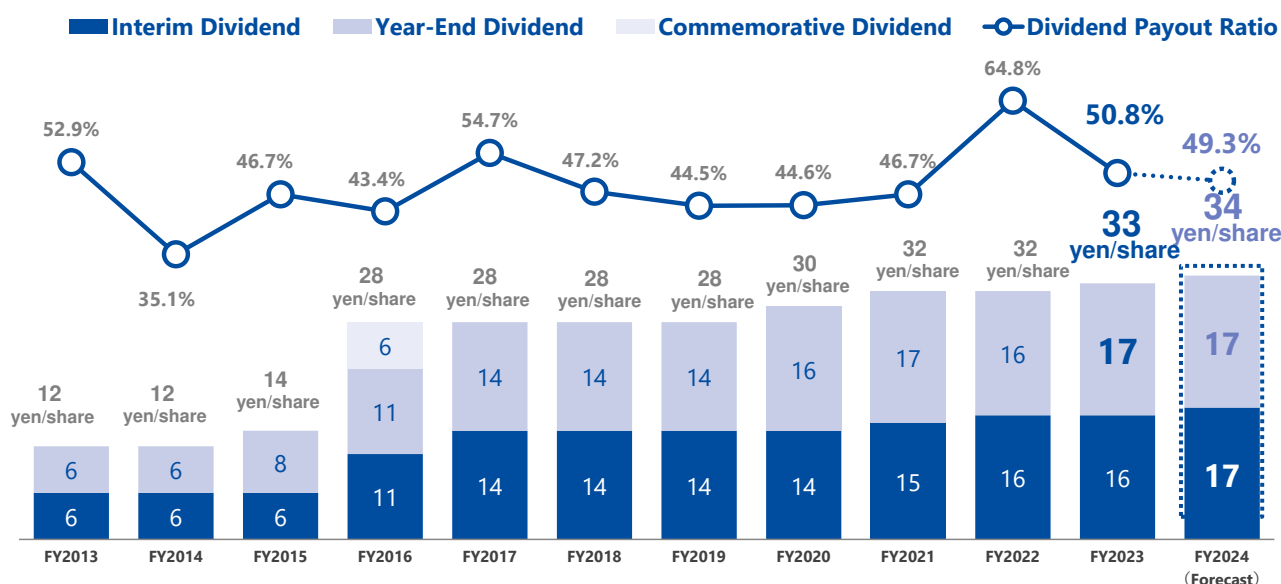
(Millions of yen)

| | FY03/24 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円 | 64.94円 | +3.96円 | +6.1% |
| Customer count at end of fiscal year (Thousand) | 3,452 | 3,358 | +94 | +2.8% |

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Revision of Dividend Forecast

- Due to the steady performance, the year-end dividend for this period has been increased by 1 yen from the initial forecast of 16 yen to 17 yen, and the annual dividend is planned to be 33 yen per share.
- The annual dividend for the fiscal year 2024 is planned to be increased from the previous 32 yen (33 yen in 2023 with a 1 yen increase) to 34 yen.
- The dividend payout ratio continues to be maintained 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) | | | | |
|-------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | FY03/20 Results | FY03/21 Results | FY03/22 Results | FY03/23 Results | FY03/24 Results |
| Sales | 195,952 | 196,726 | 210,691 | 230,190 | 231,513 |
| Operating profit | 14,224 | 15,226 | 15,794 | 14,919 | 15,511 |
| Recurring profit | 14,479 | 15,312 | 15,907 | 13,289 | 15,531 |
| Net income | 8,241 | 8,815 | 8,969 | 6,465 | 8,481 |
| EPS (Yen) | 62.93 | 67.32 | 68.49 | 49.41 | 64.94 |

(2) Sales by segment

(Millions of yen)

| | FY03/20 Results | FY03/21 Results | FY03/22 Results | FY03/23 Results | FY03/24 Results |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| Energy | 78,154 | 77,380 | 86,770 | 102,528 | 100,974 |
| Information and Communications | 51,753 | 50,735 | 51,398 | 53,945 | 56,669 |
| For individuals | | | | | 24,226 |
| For corporations | | | | | 32,442 |
| C A T V | 31,385 | 33,745 | 32,572 | 34,500 | 35,761 |
| Construction, Equipment and Real Estate | 22,383 | 23,177 | 27,780 | 26,809 | 25,038 |
| Aqua | 7,416 | 7,622 | 7,629 | 7,529 | 7,743 |
| Others | 4,858 | 4,065 | 4,540 | 4,876 | 5,325 |
| Total | 195,952 | 196,726 | 210,691 | 230,190 | 231,513 |

※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)

| | FY03/20 Results | FY03/21 Results | FY03/22 Results | FY03/23 Results | FY03/24 Results |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| Energy | 7,452 | 8,988 | 8,933 | 7,384 | 8,399 |
| Information and Communications | 4,226 | 4,344 | 4,721 | 5,270 | 5,645 |
| For individuals | | | | | 778 |
| For corporations | | | | | 4,867 |
| C A T V | 5,024 | 5,205 | 5,852 | 6,184 | 6,200 |
| Construction, Equipment and Real Estate | 2,116 | 2,065 | 2,480 | 2,043 | 1,900 |
| Aqua | 674 | 573 | 325 | 533 | 647 |
| Others | -5,271 | -5,949 | -6,518 | -6,497 | -7,283 |
| Total | 14,224 | 15,226 | 15,794 | 14,919 | 15,511 |

※The figures are based on a pre-allocation of indirect costs.

※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)

| | FY03/20 Results | FY03/21 Results | FY03/22 Results | FY03/23 Results | FY03/24 Results |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|
| Total assets | 169,972 | 178,974 | 184,473 | 193,339 | 205,301 |
| Total liabilities | 103,989 | 102,917 | 105,527 | 111,034 | 114,000 |
| Total net assets | 65,982 | 76,056 | 78,946 | 82,304 | 91,300 |
| Balance of interest-bearing debt | 48,273 | 42,128 | 44,148 | 46,608 | 46,295 |
| Equity ratio | 38.0 % | 41.6 % | 41.9 % | 41.5 % | 43.4 % |

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(5) Consolidated cash flows

(Millions of yen)

| | FY03/20 Results | FY03/21 Results | FY03/22 Results | FY03/23 Results | FY03/24 Results |
|-----------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Operating cash flow | 22,535 | 32,223 | 20,808 | 21,193 | 30,066 |
| Investment cash flow | -12,131 | -17,068 | -14,592 | -14,152 | -18,831 |
| Free cash flow | 10,403 | 15,155 | 6,216 | 7,040 | 11,234 |
| Financing cash flow | -10,375 | -14,064 | -6,905 | -7,459 | -9,669 |

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(6) Group customer count

| | | | | | | (Thousand) |
|---|--------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | | FY03/20 Results | FY03/21 Results | FY03/22 Results | FY03/23 Results | FY03/24 Results |
| Energy | | 713 | 744 | 785 | 821 | 853 |
| Information and Communications | Conventional ISP etc. | 389 | 395 | 415 | 407 | 393 |
| | Hikari Collaboration | 324 | 337 | 346 | 363 | 373 |
| | LIBMO | 48 | 53 | 55 | 71 | 80 |
| | Subtotal | 761 | 785 | 816 | 841 | 846 |
| CATV | | 1,154 | 1,198 | 1,231 | 1,287 | 1,313 |
| Aqua | | 161 | 162 | 165 | 165 | 167 |
| Mobile | | 212 | 206 | 191 | 179 | 170 |
| Security | | 16 | 16 | 16 | 16 | 16 |
| Total | | 3,003 | 3,099 | 3,194 | 3,299 | 3,358 |

*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 2020, and contracts for the same (PC remote support service) from 2021.

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