



October 11, 2018

To whom it may concern

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

## **Obtainment of Approval of Transfer of Gas Business in Shimonita-machi**

TOKAI GAS CORPORATION (Headquarters: Yaizu City, Shizuoka Prefecture; Representative Director: Shingo Takahashi; hereinafter “TOKAI GAS”), a wholly-owned subsidiary of TOKAI Holdings Corporation (hereinafter, the “Company”), has obtained today an approval of transfer of gas business operated by Shimonita-machi from Director-General of Kanto Bureau of Economy, Trade and Industry as detailed in the attachment.

TOKAI GAS, the founding company of TOKAI Group, operates city gas business in Shida area (Yaizu City, Fujieda City, and Shimada City), Shizuoka Prefecture.

Based on the idea that “The city gas business is closely related to the daily lives of people living in its service area, and the Company’s growth lies on the development of a trusting relationship with customers,” we conduct the following initiatives: 1) strengthening of customer contact points through activities with themes closely linked with people’s daily lives; 2) proactively promoting advanced energy systems by leveraging high-level technological capabilities; 3) efforts to build trust through various local contribution activities; and 4) developing the business into a “role model” business of TOKAI Group’s TLC Vision.

In the Shimonita-machi area, a new service area, TOKAI GAS will make an effort to provide stable supply of gas as a local energy company. In addition, the Company will aim to improve customer satisfaction and enhance its service levels by offering the TOKAI Group’s array of lifestyle-related services, thus strengthening its businesses.

This project will mark the first step of TOKAI GAS in wide-area service deployment for the city gas business. With this as a springboard, we will work toward further expanding the scope of operations of our city gas business.

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TOKAI GAS CORPORATION

## **Approval of Transfer of Gas Business in Shimonita-machi**

TOKAI GAS CORPORATION (hereinafter “TOKAI GAS”) has received approval today from Director-General of Kanto Bureau of Economy, Trade and Industry in regard to the transfer of gas business operated by Shimonita-machi. Based on this approval, TOKAI GAS plans to operate its gas business in Shimonita-machi with April 1, 2019 as the effective date of transfer.

TOKAI GAS signed a “Provisional Agreement for Transfer of Gas Business in Shimonita-machi” on April 18, 2018 for this project. Following the adoption of resolution on the transfer of gas business at the extraordinary meeting of the Shimonita-machi Council held on April 20, 2018, the agreement was formed. Thereafter, TOKAI GAS applied for approval of business transfer on August 29, 2018 with Shimonita-machi. The application has been approved today.

With this business transfer, Shimonita Branch (tentative) will open in Shimonita-machi, serving as an operational base for safety and marketing activities pertaining to gas. A security structure will be developed where gas may safely be used by customers and latest gas appliance and TOKAI Group’s products and services will be displayed and suggested, respectively.

In preparing for future succeeding business, we will coordinate adequately with Shimonita-machi so as not to cause any inconvenience to customers. After the transfer of business, TOKAI GAS will offer diverse lifestyle support products and services under the TOKAI Group’s TCL (“Total Life Concierge”) concept as a one-stop provider of services for all daily life needs of customers, and will aim to grow into a company operating the city gas business on a nationwide scale.

1. Details on transfer of gas business in Shimonita-machi

Date	Contents
April 18, 2018	Signing of “Provisional Agreement for the Transfer of Gas Business in Shimonita-machi”
April 20, 2018	Formation of agreement following the adoption of resolution on the transfer of gas business at the extraordinary meeting of the Shimonita-machi Council
August 29, 2018	Application for approval of transfer of gas business
October 11, 2018	Approval of transfer of gas business
April 1, 2019	Transfer of business

2. Overview of business (data shown are results of FY2016 for Shimonita-machi and FY2017 for TOKAI GAS)

	Shimonita-machi Gas Business	TOKAI GAS CORPORATION
Established	April 1, 1963	December 12, 1966
Representative	Hideo Hara, Mayor of Shimonita-machi	Shingo Takahashi, President and Representative Director
Address	682 Oaza Shimonita, Shimonita-machi, Kanra-gun, Gunma Prefecture	74-3 Shiotsu, Yaizu City, Shizuoka Prefecture
Number of employees	5	169
Service area	Shimonita-machi	Yaizu City, Fujieda City, Shimada City
Number of customers	City gas: 1,336 contracts	City gas: 54,506 contracts (community gas: 1,311 contracts, LP gas: 17,209 contracts)
Gas sales volume	City gas: 854,000 m <sup>3</sup>	City gas: 138,111,000 m <sup>3</sup> (community gas: 159,000 m <sup>3</sup> , LP gas: 4,913 t)
Net sales of gas	City gas: 143 million yen	City gas: 10,539 million yen
Gas type	13A	13A

**[Inquiries about this press release]**

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