

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, 2025 – Net sales grew for the 4th 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, 2025.

1. H1 net sales grow for the 4th consecutive year to set new record high

The Company announced the Medium-Term Management Plan 2025 in May of last year. 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.

Regarding the business performance for the interim period under review, sales increased due to an increase in the number of group customers, the expansion of the corporate stock business in the information and communications business, and steady orders for building equipment and real estate. As a result, **sales reached a record high of 111.1 billion yen (up 5.6%, or 5.9 billion yen, from the same period last year), marking the fourth consecutive period of sales increase.**

In terms of profits, while there was an increase in personnel expenses due to wage increases implemented following the previous year, there was a steady increase in the number of monthly billings accompanying an increase in the number of customers, as well as increased profits from building equipment real estate, resulting in operating profit of 4.7 billion yen (up 400 million yen, or 9.5%, year-on-year).

(Millions of yen)

	H1 FY03/25 results (April 1, 2024 to September 30, 2024)	H1 FY03/24 results (April 1, 2023 to September 30, 2023)	YoY	
			Change	% change
Net sales	111,088	105,226	+5,862	+5.6%
Operating profit	4,660	4,254	+405	+9.5%
Ordinary profit	4,882	4,355	+526	+12.1%
Interim net profit	2,390	2,219	+170	+7.7%
EPS (yen)	18.30 yen	17.00 yen	+1.3 yen	+7.7%

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 3,399 thousand, up 40,768 from the count of 3,358 thousand at the beginning of the fiscal year.** This resulted from active efforts to win customers with the aim of achieving the Medium-Term Management Plan.

With net increase of 24,785 (LP and city) gas customers, 10,540 CATV customers, 13,323 Aqua customers, and 4,492 Hikari Collaboration customers, we further expanded our earnings base.

3. Continued Growth in Revenue and Profit for FY2025, Setting New Record Highs in Sales and all Profits category

The fiscal year ending March 2025 is the second year of the "Mid-term Management Plan 2025." We will steadily implement each initiative set out in the mid-term management plan and make further leaps forward. In fiscal 2024, we will continue to hone our sales capabilities, one of the Group's strengths, to increase the number of customers and orders, and expand our customer base. In addition, we will continue to promote area expansion, M&A, and the creation of new businesses, and will continue to increase revenue and profits for the full year, reaching record highs in sales and all profit items.

At this time, there are no changes to the consolidated earnings forecast and 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)	17.00 yen	16.00 yen	16.00 yen
Year-end	17.00 yen	17.00 yen	16.00 yen
Annual dividend per share	34.00 yen	33.00 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, 2025."

For the Company's earnings announcement for the first six months of the fiscal year ending March 31, 2025, please see the following URL: <https://www.tokaiholdings.co.jp/english/ir/library/earnings.html>

Contact: Sotohiro Horaguchi
Public Relations and Investor Relations Office
TEL: +81-(0)54-273-4878
Email: overseas_IR@tokaigroup.co.jp

Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2025

TOKAI Holdings Corporation
(Code: 3167)

November 1, 2024

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Financial Highlights for the Second Quarter (Interim Period) of the Fiscal Year ending March 2025.

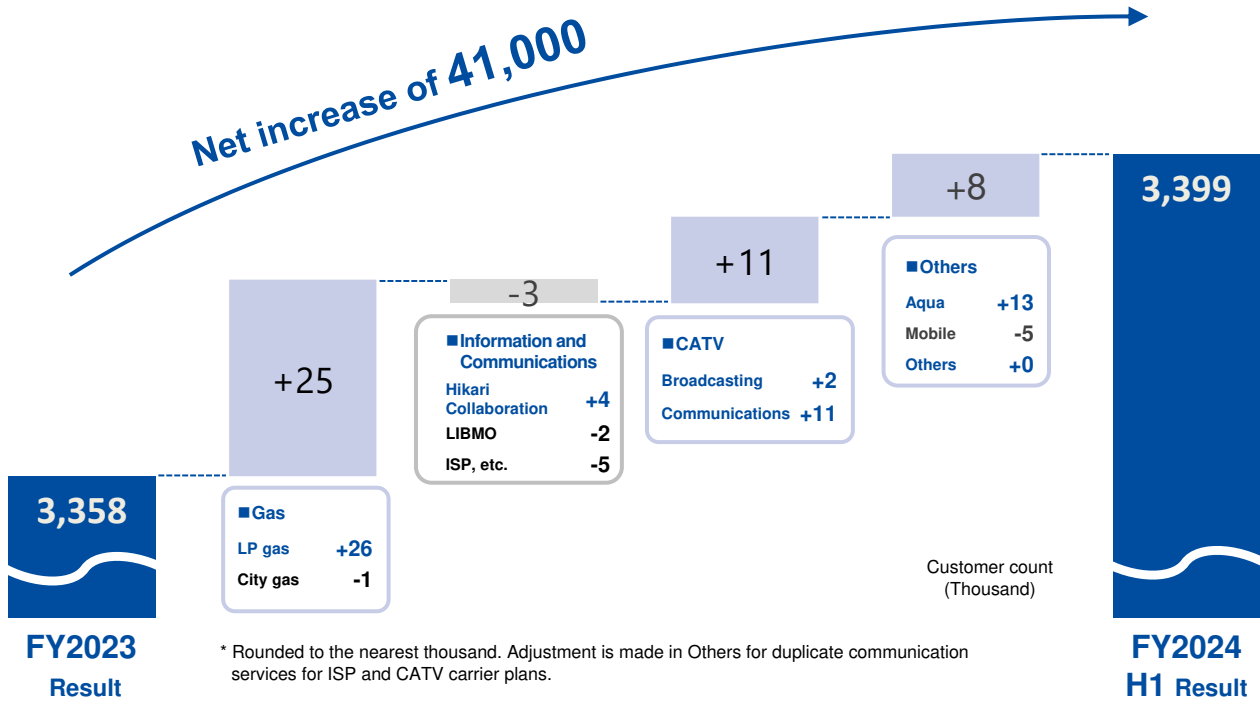
- Sales has been updated to a record high for the fourth consecutive quarter, due to factors such as an increase in the number of group customers, expansion of corporate information and communication business, and steady progress in orders for Construction, Equipment and Real Estate.
- Operating profit increased by 400 million yen compared to the same period last year, despite an increase in personnel costs due to wage increases continued from last year. This was due to an increase in the number of monthly billing items accompanying the increase in the number of customers and an increase in profits from Construction, Equipment and Real Estate.

	H1 FYE03/25 results	H1 FYE03/24 results (FY2023_2Q)	YoY	
			Change	% change (%)
Net sales	111,088	105,226	+5,862	+5.6
Operating profit	4,660	4,254	+405	+9.5
Ordinary profit	4,882	4,355	+526	+12.1
Profit attributable to owners of parent	2,390	2,219	+170	+7.7
EPS (yen)	18.30	17.00	+1.30	+7.7

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

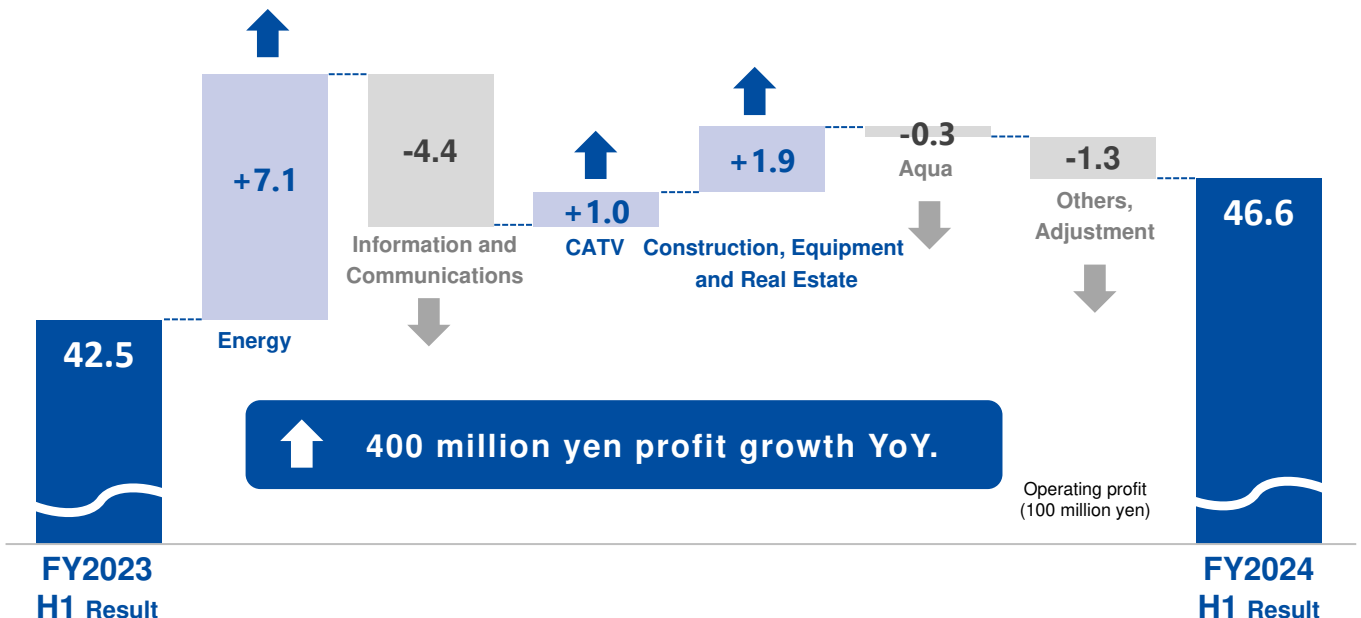
Steady Expansion of Customer Base in Core Businesses

- The number of continuing transaction customers at the end of this interim period increased by 41,000 from 3,358,000 at the beginning of the period to 3,399,000.
- The earnings base continued to expand in the gas business, the CATV business, the Aqua business, and the Hikari Collaboration business.



Changes in Operating Profit by Segment

- Energy profits increased due to an increase in the number of customers and strategic cost reviews and reductions.
- Information and communication saw a decrease in profits due to upfront investments in organizational structure strengthening, despite the steady progress of cloud services.
- CATV profits increased due to an increase in the number of customers, and Construction, Equipment and Real Estate profits increased due to the steady progress of construction orders.
- Aqua saw a decrease in profits due to an increase in upfront costs for customer acquisition.



* Changes in operating profit disregard allocation of indirect costs

Consolidated full-year financial results forecast

- FYE 03/25 is the second year of our 'Medium-Term Management Plan 2025'. We're executing initiatives based on our growth tree model, aiming for further progress.
- We will continue to expand our area, pursue M&A, and create new businesses, aiming to increase revenue and profits in 2024 and set new records in sales and all profit categories.

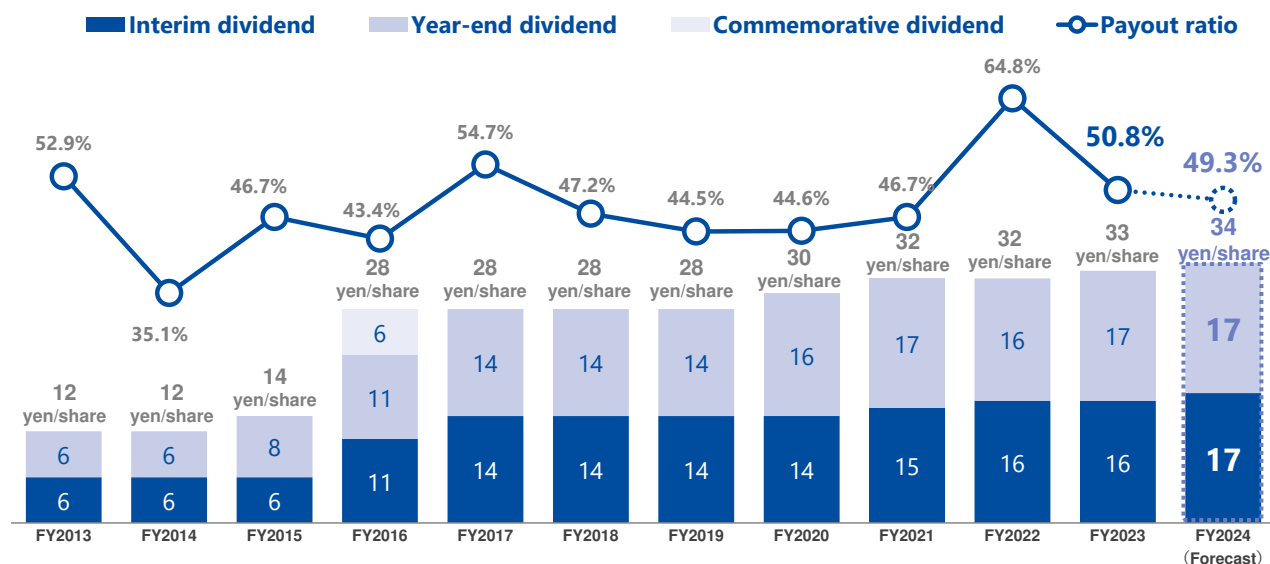
(Millions of yen)

	FY03/24 forecast (April 1, 2024 to March 31, 2025)	FY03/24 results (April 1, 2023 to March 31, 2024)	YoY	
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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%

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Dividend forecast

- The annual dividend per share is set to increase by 1 yen to 34 yen.
- Maintain a high dividend payout ratio.



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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

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(1) Consolidated results

	1H FY03/21 Results	1H FY03/22 Results	1H FY03/23 Results	1H FY03/24 Results	(Millions of yen) 1H FY03/25 Results
Sales	89,836	96,060	104,110	105,226	111,088
Operating profit	5,452	5,223	4,253	4,254	4,660
Recurring profit	5,499	5,284	2,432	4,355	4,882
Net income	3,279	2,281	147	2,219	2,390
EPS (Yen)	25.04	17.42	1.13	17.00	18.30

(2) Sales by segment

(Millions of yen)

	1H FY03/21 Results	1H FY03/22 Results	1H FY03/23 Results	1H FY03/24 Results	1H FY03/25 Results
Energy	33,430	36,153	44,053	42,952	45,406
Information and Communications	25,131	25,302	26,078	27,457	28,361
For individuals				12,100	11,710
For corporations				15,356	16,651
C A T V	16,490	16,081	16,574	17,732	18,058
Construction, Equipment and Real Estate	9,074	12,361	11,486	10,943	11,944
Aqua	3,880	3,913	3,838	3,883	4,784
Others	1,828	2,248	2,077	2,257	2,532
Total	89,836	96,060	104,110	105,226	111,088

※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 FY03/21 Results	1H FY03/22 Results	1H FY03/23 Results	1H FY03/24 Results	1H FY03/25 Results
Energy	2,382	1,963	1,330	869	1,579
Information and Communications	2,036	2,405	2,320	2,828	2,391
For individuals				512	427
For corporations				2,316	1,964
C A T V	2,633	2,957	3,052	3,135	3,233
Construction, Equipment and Real Estate	621	738	589	578	771
Aqua	446	186	234	364	332
Others	-2,667	-3,027	-3,274	-3,520	-3,647
Total	5,452	5,223	4,253	4,254	4,660

※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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(4) Consolidated financial indicators

(Millions of yen)

	1H FY03/21 Results	1H FY03/22 Results	1H FY03/23 Results	1H FY03/24 Results	1H FY03/25 Results
Total assets	167,687	177,855	180,807	190,820	200,043
Total liabilities	98,288	100,713	102,948	106,020	108,685
Total net assets	69,398	77,142	77,859	84,800	91,358
Balance of interest-bearing debt	48,259	45,212	47,109	48,267	50,556
Equity ratio	40.5 %	42.5 %	42.1 %	43.3 %	44.5 %

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(5) Consolidated cash flows

(Millions of yen)

	1H FY03/21 Results	1H FY03/22 Results	1H FY03/23 Results	1H FY03/24 Results	1H FY03/25 Results
Operating cash flow	14,805	11,382	7,956	13,765	9,783
Investment cash flow	-10,696	-8,997	-6,861	-9,704	-9,247
Free cash flow	4,109	2,384	1,095	4,060	536
Financing cash flow	-4,048	-1,680	-1,709	-3,018	-1,032

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(6) Group customer count

(Thousand)

	1H FY03/21 Results	1H FY03/22 Results	1H FY03/23 Results	1H FY03/24 Results	1H FY03/25 Results	
Energy	728	764	804	837	878	
Information and Communications	Conventional ISP etc.	379	386	414	400	387
	Hikari Collaboration	332	339	358	368	378
	LIBMO	51	54	62	75	78
	Subtotal	762	779	834	843	843
CATV	1,179	1,214	1,247	1,300	1,324	
Aqua	161	165	167	166	180	
Mobile	209	198	185	174	165	
Security	16	16	16	16	16	
Total	3,042	3,125	3,242	3,328	3,399	

*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 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.

Public / Investor Relations Office
 TOKAI Holdings Corporation
 2-6-8 Tokiwacho, Aoi Ward, Shizuoka City, Shizuoka Prefecture
 Phone: +81- (0)54-273-4878
<http://tokaiholdings.co.jp/english/>
 e-mail : overseas_IR@tokaigroup.co.jp

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

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