



May 25, 2016

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

To whom it may concern

## Conclusion of Joint Venture Agreement for LP Gas Business in Myanmar

**Full-scale overseas expansion of gas business know-how cultivated for over 60 years since founding**

With the intent of joint operation in the LP gas business in the Republic of the Union of Myanmar, TOKAI MYANMAR COMPANY LIMITED (hereinafter “TOKAI Myanmar”), a wholly owned subsidiary of TOKAI Holdings Corporation (hereinafter “the Company”), and ITO Corporation (Headquarters: Higashiosaka City, Osaka; President: Niro Utsumi; hereinafter “ITO”) concluded a joint venture agreement today, as shown in the attached documents.

The LP gas business of the Company provides LP gas to 580 thousand customers in Japan, primarily in Shizuoka Prefecture and eight prefectures in the Kanto region, and is the number three\* direct-to-consumer retailer in the industry.

Overseas, local company TOKAI Myanmar was established in April 2014 and has been advancing the LP gas business in Myanmar.

Through the joint venture agreement with ITO, the Company will aim to promote further spread of LP gas in Myanmar, which is undergoing rapid economic growth, and implement full-scale overseas expansion of the Company’s LP gas business.

\*Source: “LP Gas Annual Report 2016” by Sekiyu Kagaku Shinbun Sha

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## **Joint Venture of the Company's Subsidiary with ITO Corporation**

TOKAI Holdings (Headquarters: Shizuoka City, Shizuoka; President & CEO: Katsuhiko Tokita; hereinafter the "Company") has resolved to transfer 40% of shares held in TOKAI MYANMAR COMPANY LIMITED (hereinafter "TOKAI Myanmar"), a subsidiary of the Company, to ITO Corporation (Headquarters: Higashiosaka City, Osaka; President: Niro Utsumi; hereinafter "ITO") and convert the subsidiary into a joint venture as follows.

### 1. Objective of joint venture

TOKAI Myanmar was established in 2014 and conducts an LP gas pipeline provision business and a business related to sales of equipment for LP gas in the Republic of the Union of Myanmar (hereinafter "Myanmar").

Meanwhile, ITO was founded in 1929 as Ito Manufacturing, and has been conducting manufacturing of regulators for LP gas, large-scale bulk storage tanks, and other equipment related to LP gas. Additionally, with local companies stationed in the United Kingdom, China, South Korea, and Vietnam, ITO conducts businesses such as construction of gas provision systems for industrial, manufacturing, and consumer use, and import and sales of gas-related equipment.

Until this point, TOKAI Myanmar has handled construction work for orders received through cooperation with ITO, but as the number of project orders received is forecast to increase in line with the economic development of Myanmar, the Company has resolved to transition to a joint venture with the intent of strengthening the technological and organizational structure of TOKAI Myanmar, and to further increase competitiveness.

## 2. Summary of joint venture

(1) Name	TOKAI MYANMAR COMPANY LIMITED
(2) Address	419 YUZANA HOTEL, 130, Shwe Gon Taing Road, Bahan Township, Yangon
(3) Position and name of representative	Masanari Nagai, Managing Director
(4) Business description	Business related to LP gas pipelines and the sale of LP gas equipment in Myanmar, and other incidental businesses
(5) Capital	550 thousand US dollars
(6) Date of establishment	April 2014
(7) Fiscal year-end	March
(8) Shareholding ratio	TOKAI Holdings: 60%
	ITO Corporation: 40%

## 3. Summary of joint venture counterparty

(1) Name	ITO Corporation
(2) Address	10-4, Hakodono-cho, Higashiosaka, Osaka
(3) Position and name of representative	Niro Utsumi, President
(4) Business description	Manufacture and sale of gas pressure regulators (adjustors), governors, valves, pressure regulating valves for gas and water, etc., and solenoid valves; import and sale of bulk storage tanks
(5) Capital	90.00 million yen
(6) Date of establishment	November 1953 (Founded: May 1929)
(7) URL	<a href="http://www.itokoki.co.jp">http://www.itokoki.co.jp</a>

## 4. Schedule

(1) Date of resolution by Board of Directors	May 10, 2016
(2) Date of conclusion of agreement	May 25, 2016
(3) Date of completion of registration	July 2016 (Scheduled)

## 5. Future outlook

This joint venture agreement will not have a significant effect on the Company's consolidated business results for the fiscal year ending March 31, 2017.