

August 8, 2017

To whom it may concern

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

Inclusion in “JPX-Nikkei Mid and Small Cap Index”

TOKAI Holdings Corporation (hereinafter “the Company”) has been selected for the JPX-Nikkei Mid and Small Cap Index (hereinafter the “Index”) calculated and published by Tokyo Stock Exchange Inc. and Nikkei Inc.

The Index applies the concept of the JPX-Nikkei Index 400, which is an index comprised of highly attractive listed companies, to mid and small cap equities by selecting 200 companies that focus on capital efficiency and investor-oriented management. The Index aims to meet the needs of investors looking to invest in such companies.

The constituents are selected by scoring based on quantitative indicators such as average return on equity (ROE) and aggregated operating profit in the most recent three years after selecting mid and small cap equities based on market capitalization and liquidity among issues listed on the Tokyo Stock Exchange. In addition, the selection is made by adding qualitative factors such as appointment of at least two independent outside directors.

Since changing to a holding company structure in April 2011, the Company has been working on improving the financial position and strengthening earnings capability for six years under its three-year medium-term management plan “Innovation Plan 2013” and “Innovation Plan 2016 ‘Growing’.” The Company achieved its goals by generating a record high operating profit of 12.8 billion yen in FY03/17, the final year of its current medium-term management plan, and increasing the equity ratio to 34.5%. In addition, the Company successfully increased ROE to 15.2%.

The Company announced its new medium-term management plan “Innovation Plan 2020 ‘JUMP’” in May 2017, aiming to make M&A and alliance investments totaling 100 billion yen over the four years through 2020 and double sales and operating profit from the FY03/17 level.

The Company will strive to further increase its corporate value in order to continue meeting investor expectations.

Reference:

For more details about the JPX-Nikkei Mid and Small Cap Index, please access the following Tokyo Stock Exchange website:

<http://www.jpx.co.jp/english/markets/indices/jpx-nikkei400/01-01.html>

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