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To whom it may concern

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

Expansion of LPG business into Tajimi Area in Gifu Prefecture

TOKAI CORPORATION (Headquarters: Shizuoka City, Shizuoka Pref.; President & CEO: Katsuo Oguri), a wholly-owned subsidiary of TOKAI Holdings Corporation, which conducts energy-related business such as the sale of liquefied petroleum gas (LPG) opened Tajimi Office in November 2017. It is the second office in the prefecture following Gifu Office established in October 2016 and aims to promote LPG retail business in Gifu further and enhance profitability.

Environment surrounding LPG business is challenging. The market is inevitably becoming more mature as the household and commercial uses of the gas which accounts for 40% of the domestic demand of LPG is expected to decrease by 1.8% annually in coming four years^{*1} and gas consumption volume per household consumer has been declining by approximately 2% every year^{*2} due to fewer members in a household and energy-saving efforts.

In such environment, the Group announced the new mid-term management plan called Innovation Plan 2020 “JUMP” on May 9, 2017. In it, the Company plans to take the LPG business into new geographical areas and boost the share within these markets and to invest aggressively in this business over the four years until the end of FY2020.

We continue to vigorously expand the customer base and increase the number of customers of the LP gas business to 760,000 by the end of FY2020, a 30% increase from 590,000 at the end of FY 2016.

With the vision of TLC (Total Life Concierge), the TOKAI Group offers a comprehensive range of lifestyle infrastructure services closely connected to people’s lives, including energy, information and communications, and CATV, which are currently being used by 2.82 million customers. By maintaining proactive efforts to provide products and services that can contribute to solving regional and social issues, the Group will strive to improve customer satisfaction.

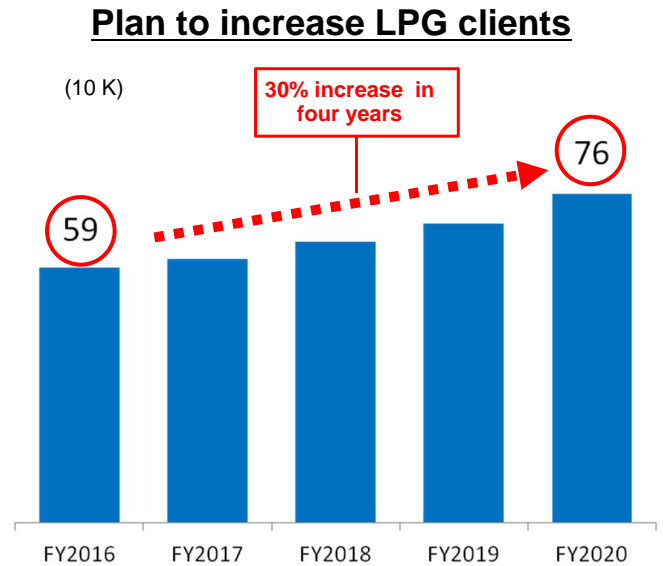
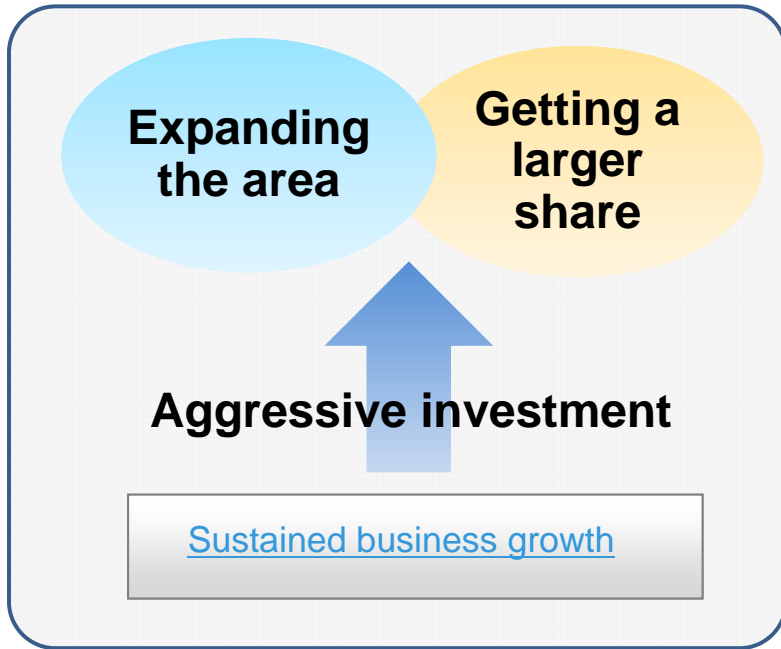
*1 Cited from the WG material of Oil Market Trends Survey by Ministry of Economy, Trade and Industry (April 3, 2017)

*2 Based on the Company’s original research.

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Mid-term plan for LPG business - its policy and plan to expand customer base

- ⊙ LPG market has matured, and both household and commercial users are decreasing.
- ⊙ Aggressive investment to expand service area and boost market share in order to sustain the business growth.
- ⊙ Plan to increase the number of customers by 30% to 760,000 in four years



Vigorously introducing the LPG business into new geographic areas

- Focusing on the location close to the areas where the LPG business (shown in blue) and other Group businesses (such as CATV, insurance, bottled water delivery, and commercial use) have penetrated

