



September 5, 2018

To whom it may concern

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

Notice of Acquisition of Shares of Cyze Inc. (Transfer to Subsidiary)

TOKAI Holdings Corporation (hereinafter “TOKAI Holdings”) announces that Tokai Communications Corporation (Headquarters: Shizuoka City, Shizuoka Prefecture; President & CEO: Yasuhiro Fukuda; hereinafter “TOKAI COM”), a wholly owned subsidiary of TOKAI Holdings, has decided to acquire shares of Cyze Inc. (Headquarters: Shibuya-ku, Tokyo; President & CEO: Tatsuyuki Nakamura; hereinafter “Cyze”) (hereinafter “Share Acquisition”) as stated below.

1. Purpose of Acquisition of Shares

Under the TLC (Total Life Concierge) vision, TOKAI Group has been offering comprehensive lineup of various lifestyle services closely connected to people’s lives, including LP gas, city gas, information and communications, CATV, and Aqua (bottled water delivery). Business areas centering in Shizuoka Prefecture and whole of Kanto have expanded nation-wide, and services are used by approximately 3,000,000 customers. Services such as energy and information and communications are also being offered to approximately 5,000 corporate customers in Japan.

TOKAI COM carries out TOKAI Group’s information and communications business. With the company-owned fiber-optic network and data center, along with its technological skills and development capabilities as a backbone, TOKAI COM offers multifaceted services in the field of information and communications to customers from individuals to corporates.

Cyze is an information service company which provides in-house developed survey systems mainly for online research and engages in entrusted development of systems as its core business. Services provided range widely from product development to consulting of research systems with Cyze’s made-to-order response centering on highly expandable in-house developed systems serving as its strength.

Execution of Share Acquisition was decided under the judgement that, going forward, such acquisition will strengthen digital marketing strategies of TOKAI Group’s customers through utilization of Cyze’s data collection solution and will create synergies through mutual utilization of customer base, business knowhow and resources, thus leading to medium-to-long term improvement of TOKAI Group’s corporate value.

TOKAI Holdings has been actively working on the medium-term management plan “Innovation Plan 2020 “JUMP”” since 2017. The management plan upholds aggressive advancement of M&A investment in an aggregate amount of 100 billion yen in addition to the growth of established businesses so as to accelerate TOKAI Group’s growth for the four years until 2020.

The Share Acquisition is carried out as part of such M&A investment plan. TOKAI Holdings will continue to conduct active M&A and alliance investments with efforts toward expanding earnings base of TOKAI Group’s core business which include gas, CATV, and information and communications.

2. Overview of Cyze Inc.

(1)	Company Name	Cyze Inc.		
(2)	Location	7th Floor FPG links SHIBUYA, 1-18-1 Dougenzaka, Shibuya-ku, Tokyo		
(3)	Name and position of representative	President & CEO Tatsuyuki Nakamura		
(4)	Business activities	Provision of in-house developed survey system and entrusted development of systems		
(5)	Capital	10 million yen		
(6)	Establishment date	December 1975		
(7)	Major shareholders and shareholding ratio (as of August 27, 2018)	Tatsuyuki Nakamura		97.5%
		Others		2.5%
(8)	Relationship between the listed company and the relevant company	Capital relationship	Not applicable	
		Personal relationship	Not applicable	
		Business relationship	Not applicable	
(9)	Business results and financial condition of the relevant company of the latest three years			
	Accounting period	FYE11/15 (yen)	FYE11/16 (yen)	FYE11/17 (yen)
	Net Assets	84,000,000	128,000,000	157,000,000
	Total Assets	113,000,000	170,000,000	167,000,000
	Net Assets per Share	4,199	6,410	7,832
	Net Sales	182,000,000	212,000,000	179,000,000
	Operating Profit	22,000,000	69,000,000	36,000,000
	Ordinary Profit	23,000,000	70,000,000	36,000,000
	Net income	16,000,000	44,000,000	28,000,000
	Net income per Share	781	2,210	1,422
	Dividend per Share	—	—	—

3. Overview of Counterparty of Share Acquisition

(1)	Name	Tatsuyuki Nakamura, and others
(2)	Address	Chofu City, Tokyo, and others
(3)	Relationship between listed company and relevant individual	There is no significant capital, personal, and business relationships

4. Number of Shares to be Acquired and Number of Shares Held Before and After Transfer

(1)	Number of shares held before transfer	Zero share (Number of voting rights: zero) (Ownership ratio: 0%)
(2)	Number of shares acquired	20,000 shares (Number of voting rights: 20,000) (Ratio to number of shares issued: 100%)
(3)	Number of shares held after transfer	20,000 shares (Number of voting rights: 20,000) (Ownership ratio: 100%)

5. Schedule

(1)	Contract Date	August 27, 2018
(2)	Share subscription execution date	September 13, 2018 (planned)

6. Future Outlook

TOKAI Holdings acknowledges that impact of this matter to the consolidated operating results for the fiscal year ending in March 2019 is insignificant.

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