



April 21, 2016

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

To whom it may concern

**Agreement with TEPCO Power Grid,
Incorporated regarding Joint Verification Testing
Using smart-meter system to improve security operations**

TOKAI Holdings (Headquarters: Shizuoka City, Shizuoka; President & CEO: Katsuhiko Tokita) on April 21 reached an agreement with TEPCO Power Grid, Incorporated (Headquarters: Chiyoda-ku, Tokyo; President & CEO: Toshiro Takebe) regarding joint verification testing as set out in the attached document.

TOKAI Corporation, a 100% subsidiary of TOKAI Holdings, is Japan's number 3 retailer of LP gas, with 570 thousand customers, primarily in Shizuoka prefecture, and Tokyo and the seven prefectures of the Kanto region.* These efforts are aimed at further enhancing security operations and increasing efficiency.

* Source: "LP-Gas Annual Report Facts & Figures 2016 Edition," SEKIYU KAGAKU SHINBUN SHA.

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TOKAI Holdings Corporation
TEPCO Power Grid, Incorporated

Commencement of Joint Verification Testing Using Smart-Meter System for Remote Monitoring of LP Gas Security Information and Automation of Meter-Reading Work

TOKAI Holdings (Headquarters: Shizuoka City, Shizuoka; President & CEO: Katsuhiko Tokita; “TOKAI”) and TEPCO Power Grid, Incorporated (Headquarters: Chiyoda-ku, Tokyo; President & CEO: Toshiro Takebe; “TEPCO Power Grid”) reached an agreement today regarding joint verification testing of the use of TEPCO Power Grid’s smart-meter system for remote monitoring of LP gas security information and automation of meter-reading work (“Testing”).

Specifically, the companies plan to develop gateways and other equipment that make it possible to connect to smart-meter systems owned by TEPCO Power Grid, and by March 2017 to conduct communication testing of the transmission of security and test information from TOKAI’s LP gas meters at testing facilities.

TOKAI is currently working on remote monitoring of LP gas security information and automation of meter-reading work using both telephone lines and wireless communications, but keeping up with the changes in the communications environment going forward is an important issue. TEPCO Power Grid, meanwhile, is installing a smart-meter system, and is looking to promote use of this system. The companies plan to jointly test the operation of developed equipment, and extract the technical issues faced when implementing a smart-meter system for LP Gas security and meter-reading work.

By resolving issues and gaining knowledge through the testing, TOKAI hopes to enhance security and increase efficiency of its LP gas business, and TEPCO Power Grid is considering developing new businesses using smart-meters. In doing so, both companies hope to make major contributions to society.

Outline of the Joint Verification Testing

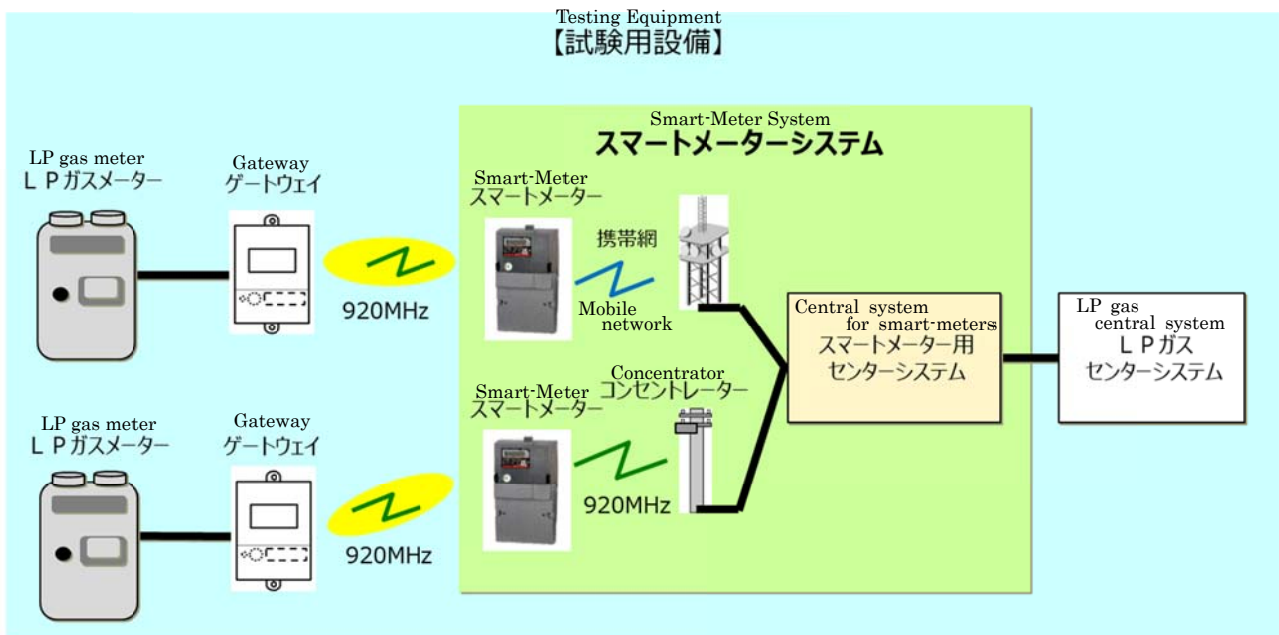
1. Purpose

To conduct technical verification of the possibility of using TEPCO Power Grid's smart-meter system for remote monitoring of LP gas security information and automation of meter-reading work.

2. Timing of Testing

To be commenced by March 2017 (testing period: about three months)

Diagram of the Joint Verification Testing



<Reference>

Summary of TOKAI Holdings Corporation

Name:	TOKAI Holdings Corporation
Established:	April 1, 2011
Location	2-6-8, Tokiwa-cho, Aoi-ku, Shizuoka City, Shizuoka Prefecture 420-0034
Capital	14.0 billion yen
Businesses:	Management and administration of subsidiaries, etc. involved in businesses such as energy, and information and communications, and other incidental and related businesses. (1) Energy (2) Information and communications (3) CATV (4) Building and real estate (5) Aqua (bottled water delivery) (6) Others

Summary of TEPCO Power Grid, Incorporated

Name:	TEPCO Power Grid, Incorporated (TEPCO Power Grid)
Established:	April 1, 2015
Location	1-1-3 Uchisaiwaicho, Chiyoda-ku, Tokyo 100-8560
Capital	80.0 billion yen
Businesses:	General electricity transmissions, real estate leasing, and power generation on remote islands