



May 31, 2016

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

To whom it may concern

Celebrating TLC Membership Reaching 500 Thousand Members! Implementing Promotions to Win Additional Members

Enriching the reward point menu and implementing a commemorative thank-you campaign

The number of members of the TLC (Total Life Concierge) Membership System targeting the Company's customers exceeded 500 thousand as of May 31, 2016. To commemorate the achievement of 500 thousand members, and to further enrich the reward point menu, the Company will implement promotions from June 5 to July 31, positioning it as a "strengthening period" toward achieving one million members.

I. Characteristics of the TLC Membership System

The number of members of the membership system, which began in December 2012, exceeded 500 thousand as of May 31, 2016 (508 thousand as of May 31, 2016).

The Company provides its own lifestyle infrastructure services necessary for daily life. If customers use the Company's services for everyday life, such as gas, internet, CATV, security, and Aqua, they can use the base points received in proportion to monthly usage as TLC points. If a customer uses multiple services of the Company, bonus points in proportion to the number of services used are provided as TLC points on a monthly basis.

For customers of the Company, there is no annual fee for the membership. The system allows the Company to cultivate stronger relationships with its customers, as is evidenced by a halving of the contract cancellation rate.

II. New service to begin in June 2016

TLC points can be 1) exchanged for partner points (WAON, Suica, LuLuCa), 2) exchanged for "TLC Tickets" that can be used in place of payment at partner stores, or 3) exchanged for select products at well-known department stores.

As outlined below, the Company will add new point exchange partners, and conduct sales of "TLC Tickets" at special prices.

1) Expand new TLC point exchange selection from three to 20¹

Previously, TLC points could be exchanged for WAON (Aeon Group), Suica (East Japan Railway Group), and LuLuCa (Shizuoka Railway Group) points, but the Company will add popular point exchange options such as T-POINT, JAL Mileage, Rakuten Edy, Amazon gift certificates, nanaco, and cash², expanding the selection to 20 (including cash). As a result, opportunities for customers to use points will significantly expand.

(1: Excluding exchange for TLC select products and exchange for TLC Tickets)

(2: Exchanged via .money)

2) Launch of discount sales for TLC Tickets; 7% discount (for members) during the commemorative thank-you campaign

TLC Tickets can be used like gift certificates at approximately 400 stores, including food, leisure, and shopping venues. Until this point, TLC Tickets were provided only via exchange of TLC Points, but it will now become possible to purchase them via credit card as well. Members may purchase at a discount, adding further appeal to membership benefits.

Furthermore, during the commemorative thank-you campaign, members will receive a 7% discount. To allow non-members to experience some of the benefits of the TLC Membership System, non-members will also receive a 2% discount on purchases.

III. About the 500 thousand member commemorative thank-you campaign

From June 5 to July 31, the Company will provide benefits to TLC members in partnership with the Aeon Group and the Shizuoka Railway Group (including a 10% bonus in the point transfer rate from TLC Points to WAON Points, and a 5% bonus in the point transfer rate to LuLuCa points). Furthermore, the Company will also implement measures to demonstrate the appeal of the TLC Membership System to non-members and those who do not use TOKAI services, including the chance to win prizes via online games, with an aim to increase awareness of the TLC Membership System.

For details regarding the TLC Membership System and the campaign, please see the following.

TLC Membership Services website: <https://tlc.tokai.jp/>

Special campaign website (From June 5): <https://tlc-event.tokai.jp/50cam/>

Contact: Yoshihiro Taniguchi

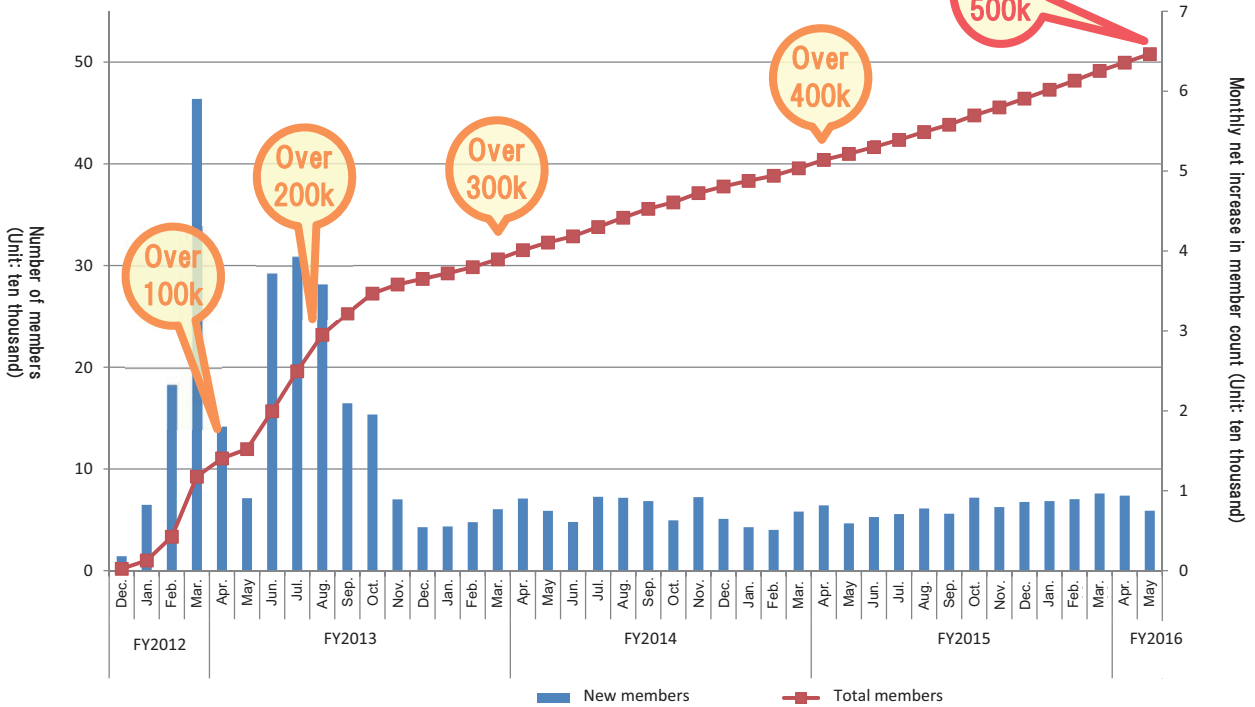
Public Relations and Investor Relations Office

TEL: +81-(0)54-669-7676

Email: overseas_IR@tokaigroup.co.jp

1. TLC (Total Life Concierge) Memberships

- TOKAI Holdings first began advertising TLC memberships in December 2012, and by May 2016, there were over 500 thousand members. (508 thousand members as of May 31, 2016)



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2. Features of the TOKAI Holdings TLC Point System

1. Target Members

- Target: Individual customers (excludes companies and other organizations)

2. Services to which the Point System Applies

① Base Points

For five services, customers receive one TLC point for every ¥200 in monthly usage fees.

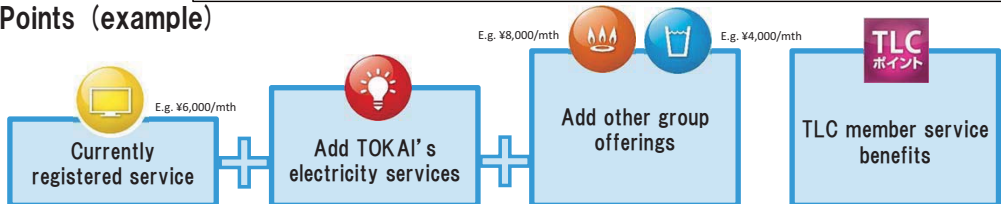
② Bonus Points

For seven services, customers receive TLC points when using two or more services

	Electricity	LP gas	City gas	Internet	CATV	Aqua	Security
① Base Points							
② Bonus Points							

2 contracts⇒50TLC pts/mth 3 contracts⇒150TLC pts/mth
 4 contracts⇒300TLC pts/mth 5 or more contracts⇒500TLC pts/mth

Granting of TLC Points (example)



Base Points

30 points / month

0 points / month

60 points / month

Bonus Points

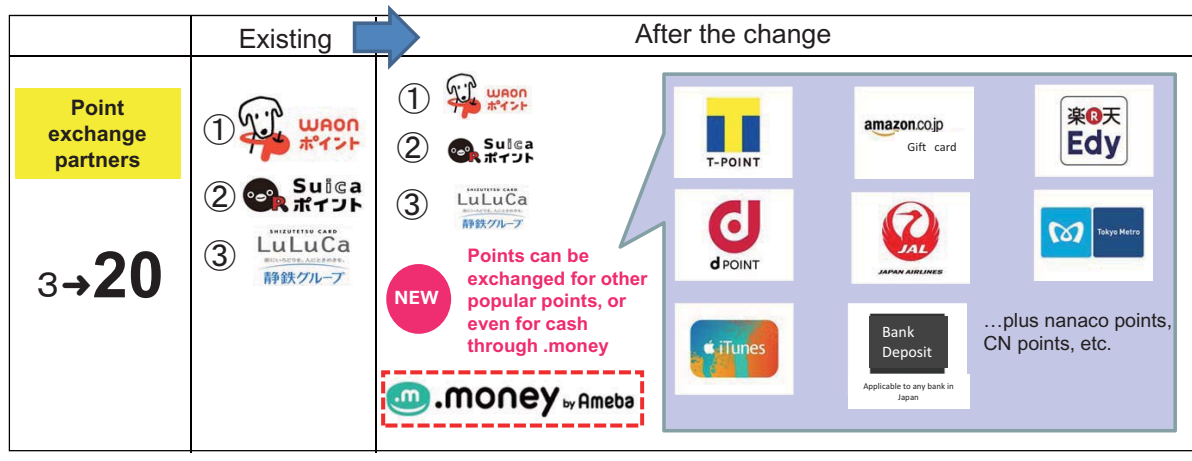
300 points / month (with 4 contracts)

390 points/month

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3. Increasing TLC Point Exchange Partners

- In addition to existing point exchange partners WAON, Suica, and LuLuCa, TOKAI Holdings has partnered with .money so that TLC points can now be exchanged for 20 different points, including T-Points, JAL mileage points, Amazon gift cards, as well as cash.
- Point exchanges are done online.



4. Sales Launched of TLC Tickets

- TLC Tickets are now available for sale, as well as exchange with TLC points, at participating stores (about 400 stores).
- Available at a 7% discount to TLC members, and at a 2% discount to non-members. (Campaign period: June 5-July 31)



Discount sales

TLC Members

7% off!

Non-Members

2% off

Example:

1 ticket ¥1,000 → ¥930

10 tickets ¥10,000 → ¥9,300

(One free ticket worth ¥1,000 for every 10 tickets purchased during the campaign period!)

Example:

1 ticket ¥1,000 → ¥980

10 tickets ¥10,000 → ¥9,800

(One free ticket worth ¥1,000 for every 10 tickets purchased during the campaign period!)

Available at these kinds of stores (as of April 30, 2016)

Food	Leisure	Life	400 stores in total!
14 stores	24 stores	226 stores	

400 Participating Stores









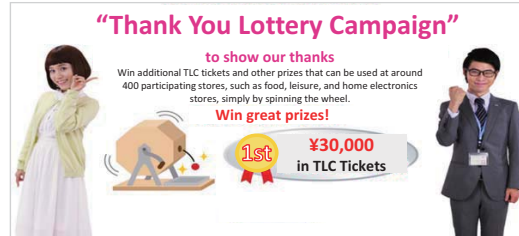

Members Only

Simply showing your TLC WAON Card will entitle you to discount services or special gifts at some stores.

5. Commemorative Thank-You Campaign

Commemorative thank-you campaign open to anyone online

Both TLC members and non-members



TLC members-only campaigns

Round 1

Daily challenge Quiz and Roll

Win stamps by correctly answering a daily quiz question.

500 TLC Points

Round 2

New TLC Member Referral Campaign

Introduce a friend and receive TLC Points!

The new member receives points also, so everyone is happy.

500 TLC Points for both you and your friend

Round 3

TLC Ticket Point Exchange Discount Campaign

Exchange 1000 TLC Points for TLC Tickets worth ¥2,000! (This item 100 points less than usual, so get your money's worth!)

500 TLC Point discount

Round 4

500,000 TLC Points Giveaway

Guess which of three types of TLC card images will appear. Guess correctly three times, or more to claim some of the 500,000 TLC points given away!

Total of 500,000 TLC Points to give away

Extra point exchange campaigns

- TLC Point to WAON Point exchange rate increased by 10%!**
- Total of 500,000 WAON Points to give away**
June 5 (Sunday) to July 31 (Sunday)

TLC Point to LuLuCa Point exchange rate increased by 5%!
June 5 (Sunday) to July 31 (Sunday)

TLC Point to money exchange rate increased by 5%!
June 5 (Sunday) to June 30 (Thursday)