



October 25, 2016

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

To whom it may concern

## **Business Alliance with the Isetan Mitsukoshi Group**

### **Enriching TLC Membership Service and improving convenience for the members**

TOKAI Holdings Corporation (Headquarters: Shizuoka City, Shizuoka; President & CEO: Katsuhiko Tokita; hereinafter the “Company”) has concluded a basic agreement with Shizuoka Isetan Co., Ltd. and other Isetan Mitsukoshi group companies to enrich the services of both companies and advance joint operations to contribute to the acquisition of new customers.

As a company that comprehensively supports lifestyles, the TOKAI Group launched the TLC Membership Service<sup>1</sup> in December 2012 for 2.56 million group customers nationwide. As of the end of September 2016, 540 thousand customers joined the membership.

By incorporating the superior products and membership system of the Isetan Mitsukoshi group, the Company will aim to make its membership services more appealing. Additionally, by conducting proposals and sales targeting customers of the respective companies for products and services offered by both the Company and the Isetan Mitsukoshi group, the two companies will work to realize further development.

#### 1. Content of business alliance to be worked toward

##### 1) Measures toward enriching respective membership services

- Renewal of product exchange service menu for TLC points by Shizuoka Isetan
- Enriching returns menu by allowing exchange of TLC points to MI points
- TLC membership referrals and special member benefits at special events held by Shizuoka Isetan

##### 2) Providing beneficial information to member customers through promotion of reciprocal referrals between member customers of both companies

##### 3) Service cooperation including regional cooperation, etc.

#### 2. Renewal of product exchange service menu for TLC points

The Company offers a renewed product lineup for TLC point exchange, starting today.

To respond to the needs of various customers, all products were replaced with choice products selected by Shizuoka Isetan, and the product lineup was significantly expanded to 140 items available for exchange, roughly 1.5 times more than previously offered. Furthermore, the product

menu will be replaced regularly in the future (every three months) in an aim to provide an attractive lineup for customers.

### 3. Future expansion plans for the business alliance

A service to exchange TLC points for MI points is scheduled to begin in December 2016. MI points are loyalty points that can be acquired through shopping at Isetan Mitsukoshi department stores and the online store. Accumulated points can be used to shop at the Isetan Mitsukoshi group. Aside from Shizuoka Isetan, points can be used at 11 stores in the Kanto region and 29 stores nationwide, including the Isetan Shinjuku store and the Mitsukoshi Ginza store.

Additionally, as a benefit to customers attending special events held by Shizuoka Isetan, the Company is considering special benefits to be provided to TLC members.

### 4. Effect on business results

There is no revision to full-year earnings forecasts for the fiscal year ending March 31, 2017.

<sup>1</sup> TLC Membership Service: The TLC Membership Service is a loyalty point service available only to customers that use services provided by the TOKAI Group. TLC points are awarded depending on the amount spent on TOKAI Group services and the number of service subscriptions. Points can be converted to other points such as WAON, Suica, or LuLuCa points, or to TLC Tickets that can be exchanged for various products or used at food and leisure facilities.

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