



January 15, 2016

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

To whom it may concern,

## **Set Discounts for Electricity and TOKAI Group Services**

TOKAI Holdings Corporation (Headquartered in Shizuoka City, Shizuoka; Katsuhiko Tokita President & CEO), announced it had reached a business partnership agreement in October 2015 with Tokyo Electric Power Company, Incorporated (“TEPCO”; headquartered in Chiyoda-ku, Tokyo; Naomi Hirose, President). Four subsidiaries of TOKAI Holdings Corporation: TOKAI CORPORATION, TOKAI GAS CORPORATION, TOKAI Communications Corporation and TOKAI Cable Network Corporation (the “TOKAI Group Companies”) also executed agency agreements for the sale of electricity to households in December 2015, and will begin accepting subscriptions in January for new TEPCO electricity fee plans (premium and standard). These new electricity fee plans were announced publicly by TEPCO on January 7, 2016.

In connection with this announcement, the TOKAI Group Companies have created the TOKAI Smart Plus set menu that offers various benefits to customers in combination with electricity payments, and began accepting applications for this service from January 15, 2016.

### **1. Set Discount for LP Gas**

The company has a new set menu offering attractive new electricity fee plans with TEPCO for new customers of LP gas supplied by TOKAI CORPORATION and TOKAI GAS CORPORATION. Discounts are applied on an individual basis depending on the specific terms of use for each customer. Additional benefits are available for new customers of LP gas supplied by TOKAI CORPORATION who also use the Aqua home water delivery service.

## 2. Set Discount for Fiber-optic Internet Service

Customers who apply for TEPCO's new electricity fee plan as a set with the @T COM Hikari or TNC Hikari fiber-optic Internet services provided by TOKAI Communications Corporation will receive a discount (excluding tax) of JPY300 per month on their fiber-optic Internet service fee.<sup>※1</sup> As an early-bird campaign, customers who apply for the standard plan within the current TEPCO service area by March 31, 2016 will also receive 3,000 TLC points<sup>※2</sup> from TOKAI Communications Corporation.<sup>※3</sup>

※1 For customers who sign up for family type, and use the Hikari Denwa fiber-optic telephone service (both new and existing customers). Applicable to customers in the current TEPCO and Chubu Electric service areas.

※2 Points earned under the TOKAI Group TLC Membership Service can be exchanged for WAON, Suica or LuLuCa points.

※3 Customers who apply for the premium plan in this service area under a two-year contract by March 31, 2016 will receive 12,000 points (either T-points or Ponta points) or a JPY10,000 gift certificate from TEPCO in connection with this campaign. The TEPCO campaign is applicable to the TOKAI Group's set discounts for LP Gas and CATV services also.

## 3. Set Discount for CATV Service

Customers who apply for the CATV service (broadcast and Internet) provided by TOKAI Cable Network Corporation together with TEPCO's new electricity fee plan will receive a JPY200 (excluding tax) discount each month on their CATV service fee.<sup>※4</sup> To launch the campaign, customers who sign a new contract combining electricity and the CATV broadcast and Internet service by March 31, 2016 can earn up to 2,000 TLC points from TOKAI Cable Network Corporation.

※4 For detached house customers, this applies to families who have a Digi-Pack Small or higher CATV broadcast course, and a 50Mbps Internet course (both new and existing customers)

## 4. Point Benefits

### (1) Group-wide points

TOKAI group already has a bonus point system that provides monthly points depending on the number of times the TLC Membership Service is used, and these benefits will be available to applications for TEPCO's free fee plan. Points that are earned can be converted to WAON, Suica or LuLuCa points, or to TLC Tickets that can be exchanged for various products, food and leisure facilities.

These membership services also have base points that are earned based on monthly usage<sup>※5</sup>, but points for electricity fees are granted pursuant to (2) below.

### (2) Accumulation of points through electricity fees

Points accumulated based on monthly electricity fees<sup>※6</sup> are granted via the TEPCO Kurashi TEPCO members' site.<sup>※7</sup>

※5 One point per JPY200 (tax included)

※6 Five points per JPY1,000 (points awarded based on the invoice amount minus the amount of consumption tax, the renewable energy power promotion surcharge and late fees, etc)

※7 Via Kurashi TEPCO, customers can choose whether to earn T-Points or Ponta points.

## **5. Impact on Earnings**

No changes have been made to the most recent consolidated earnings forecasts for FY03/2016.

As of January 15, 2016, TOKAI group have set up an electricity fee simulator on its website (<http://denki.tokai.jp/>), that allows customers to simulate estimated fees based on a number of lifestyle variables.

In preparation for the full liberalization of Japan's retail electricity market in April 2016, the TOKAI group is expanding its TLC (Total Life Concierge) concept to provide additional services and improve customer satisfaction.

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## 1. Set Discount

TOKAI Group		TEPCO	Benefits	Aqua benefits
	LP gas	New electricity fee plan <ul style="list-style-type: none"> <li>• premium plan</li> <li>• standard plan</li> </ul>	Set menu with attractive benefits for new LP gas users. Applicable discount depends on the individual terms of use for each customer.	○
				—
	Fiber optic internet connection <ul style="list-style-type: none"> <li>• @T COM Hikari</li> <li>• TNC Hikari</li> </ul>		Discount of JPY300 per month (excluding tax) <sup>※1</sup> . <ul style="list-style-type: none"> <li>◆ 3000 TLC points provided to customers who sign up for a standard plan within the TEPCO service area by March 31, 2016.</li> </ul>	—
	CATV (broadcast/internet)		Discount of JPY200 per month (excluding tax) <sup>※2</sup> . <ul style="list-style-type: none"> <li>◆ Up to 2000 TLC points provided to new customers who sign up for CATV broadcast and internet services with electricity by March 31, 2016.</li> </ul>	—

## 2. Point Benefits

※1 For customers who sign up for family type, and use the Hikari Denwa fiber-optic telephone service (both new and existing customers) Applicable to customers in the current TEPCO and Chubu Electric service areas.

※2 For detached house customers, this applies to families who have a Digi-Pack Small or higher CATV broadcast course, and a 50Mbps Internet course (both new and existing customers)

### (1) Group-wide points

- TEPCO new fee plan also eligible for bonus points under the TLC Membership Service<sup>※3</sup>. (earn points each month based on how many times TOKAI Group Service is used.)

※3 Does not apply to electricity in relation to TLC Membership Service base points (1 point per JPY200 used, including tax).

No. of contracts	Two contracts	Three contracts	Four contracts	Five contracts or more
Bonus points	Monthly: 50 points	Monthly: 150 points	Monthly: 300 points	Monthly: 500 points

### (2) Earn points by paying electricity fees

- Points earned on the Kurashi TEPCO member site<sup>※5</sup> depending on the electricity fee paid<sup>※4</sup>.

※4 Five points per JPY1,000 (points awarded based on the invoice amount minus the amount of consumption tax, the renewable energy power promotion surcharge and late fees, etc.).

※5 Customers can choose whether to earn T-Points or Ponta points via Kurashi TEPCO.