



July 6, 2017

To whom it may concern

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

Launch of Vacant House Patrol and Report Services
—Resolving Various Vacant House-related Issues with Our Unique One-stop Services—

TOKAI CORPORATION (Headquarters: Shizuoka-shi, Shizuoka; President & CEO: Katsuo Oguri; hereinafter “TOKAI”), a wholly-owned subsidiary of TOKAI Holdings Corporation (hereinafter “the Company”), will start offering “IERIPO,” vacant house^{*1} patrol and report services, starting at monthly payment of 3,000 yen throughout Shizuoka Prefecture.

The rate of vacant houses in Japan as of 2013 was record high at 13.5%^{*2}. If no effective measures are taken, this upward trend is expected to continue and reach 30.4%^{*3} in 2033. In order to address the social issue of vacant houses, the Japanese government has started to promote measures for vacant houses by enacting the Act on Special Measures Concerning Vacant Houses in February 2015.

The number of vacant houses in Shizuoka Prefecture as of 2013 was approx. 270,000^{*2}, of which vacant houses categorized under other houses^{*4} account for over 30% at approx. 83,000^{*3} (detached houses: approx. 60,000; tenement houses: approx. 23,000).

The TOKAI Group provides a wide range of products and services vital for people’s daily lifestyles, including energy, information and communications services, CATV, Aqua (bottled water delivery), household equipment, comprehensive renovations, security, and insurance. In Shizuoka Prefecture, our main operating area, two in three households are using the Company’s services.

The Company sees “IERIPO,^{*5}” which will be launched throughout Shizuoka Prefecture, as a key tool to address the social issue of vacant houses and to turn customer inquiries on vacant houses into sales of the Company’s products and services, including comprehensive renovations, security, and resale by its real estate section, by making the most of its customer contacts.

Under the TLC (Total Life Concierge) vision, TOKAI Group proposes comprehensive lineup of various lifestyle infrastructure services, including energy, information and communications, and CATV. Currently, 2.56 million customers are using the Group services. Going forward, by continuing to actively work toward providing products and services that can contribute to solving regional and social issues, the Group will aim to improve customer satisfaction.

*1. Dwellings that are unoccupied for one year or longer

*2. Results of FY2013 Housing and Land Survey (Statistics Bureau, Ministry of Internal Affairs and Communications)

*3. Announced by Nomura Research Institute, Ltd. on June 7, 2016 “Japan’s Existing Home Sales to Increase to 340,000 in 2030 ~ Vacant Homes Will Double to Over 20 Million in 2033 ~”

*4. Houses other than those that are vacant as villas or for rent, sale, or other purposes and are unoccupied for a long period of time or will be demolished for reconstruction or other purposes.

*5. Check buildings from the outside and situations on the premises (garden), check and collect mail, open windows for ventilation, run water and check water leakage, and develop and submit reports



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Launch of “TOKAI WiLL Vacant House Patrol Service ‘IERIPO’”

TOKAI CORPORATION (Headquarters: Shizuoka-shi, Shizuoka; President & CEO: Katsuo Oguri; hereinafter “TOKAI”) will start offering “TOKAI WiLL Vacant House Patrol Service ‘IERIPO’” designed to patrol vacant houses regularly and report the results to customers. Through IERIPO, TOKAI aims to address the social issue of vacant houses.

1. Overview

According to the FY2013 Housing and Land Survey, the number of vacant houses in Shizuoka Prefecture was approx. 270,000 and the rate of vacant houses was 16.3%, exceeding the national rate of vacant houses of 13.5%. Vacant houses come in many forms. In the case of Shizuoka Prefecture, there are approx. 43,000 so-called second dwellings including villas, approx. 137,000 dwellings that are vacant as rental properties, and approx. 7,500 dwellings that are in the secondary market. The remaining approx. 83,000 other vacant houses are believed to consist of approx. 60,000 detached houses and 23,000 tenement houses.

TOKAI will start offering “TOKAI WiLL Vacant House Patrol Service ‘IERIPO’” to owners of vacant houses whose number is expected to increase in the future in order to propose effective ways to utilize vacant houses by leveraging the TOKAI Group’s life-related services and extensive networks.

2. Characteristics of “TOKAI WiLL Vacant House Patrol Service ‘IERIPO’”

TOKAI aims to resolve various concerns and burdensome tasks related to vacant houses, including management and maintenance of vacant houses, fire insurance (earthquake insurance), inheritance, and consultation related to legal matters, real estate rental, sale and demolition of buildings, renovation, and reconstruction, through the one-stop service system unique to TOKAI.

TOKAI will reduce customer burdens by centralizing the consultation hotline related to vacant houses while proposing the best revitalization and usage methods suited to conditions of each vacant house having different background and situations.

IERIPO goes beyond simply providing vacant house patrol services and proposes optimal revitalization of vacant houses by fully assessing real estate value (asset value) of vacant houses.

3. Overview of services

3-1. Details of standard patrol services

- Checking buildings from the outside: Making sure that there is no damage to the applicable facilities and illegal waste dumping from inside and outside the premises
- Checking situations on the premises (garden): Checking situations such as plants in the garden by entering the applicable premises
- Checking and collecting mail and other documents: Checking mailbox at the applicable facilities, collecting mail addressed to customers, and sending them to designated addresses. Ads and leaflets without address will be disposed.
- Ventilation: Opening all openable windows in the applicable facilities for ventilation. Windows are generally opened for 30 minutes.

- Running water and checking water leakage: Turning on the faucet in the applicable facilities such as in the bathroom, kitchen, and restroom to run water for generally three minutes.
- Developing and submitting reports: Developing a report on the results after implementation of patrols and mailing or delivering it to the address designated by customers.

3-2. Fee structure

Vacant houses need to be patrolled and inspected every month or every other month. In order to meet customer needs to minimize costs for management of vacant houses, IERIPO offers the following fee structure:

- Monthly standard patrol service: 4,800 yen (excl. tax)/time (annual fees: 57,600 yen (excl. tax))
- **Standard patrol service every other month: 6,000 yen (excl. tax)/time (annual fees: 36,000 yen (excl. tax))**

3-3. Service areas

All areas throughout Shizuoka Prefecture (excl. the mountain area in the prefecture and some areas of the Izu Peninsula)

For more details, please contact the telephone number listed below.

4. Future goals

With the goal of achieving 5,000 contracts by 2020, TOKAI strives to establish the vacant house patrol service while contributing to facilitating the effective use of vacant houses.

* IERIPO is the nickname of TOKAI WiLL's vacant house patrol services. The name including its logo mark is currently in the process of trademark registration.

[Inquiries regarding this matter]

Living Division, Life Solution Department,

TOKAI CORPORATION

Representative Takeuchi

Tel: 054-273-4836