



September 10, 2020

To whom it may concern

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

Reconstruction of LP Gas Core System and Promotion of LPWA Automatic Meter Reading

TOKAI CORPORATION (Headquarters: Shizuoka City, Shizuoka Prefecture; Representative Director & President: Katsuo Oguri; hereinafter referred to as "TOKAI"), our wholly owned subsidiary that operates energy business, will rebuild its LP gas core system and begin the operation in October, while promoting automatic LP gas meter reading.

Through these efforts, the company will achieve paperless operations and more efficient gas distribution, while contributing to the reduction of CO₂ emissions.

1. Reconstruction of LP gas core system

To enhance customer service and acquire new customers, in addition to the realization of our Total Life Concierge (TLC)^{*1} vision, our Group prioritizes the creation of a new marketing method centered on "ABCIR+S"^{*2}, which utilizes the latest ICT to connect to the next generation. In the LP gas business, we renewed our core system, which has customer management as its main function, and reconstructed a new LP gas core system which utilizes AI, big data, and the IoT. Making effective use of this system in the future and improving business efficiency, we will expand our customer base and enhance profitability.

2. Automatic meter reading by LPWA

A full-scale promotion of automated meter reading will be implemented using the Low Power Wide Area (LPWA) terminals, replacing the manual meter reading once a month by a meter reader with automated meter reading using LPWA terminals. By this, in addition to reducing the cost of meter reading, providing meter reading data on My Page, a web page for each customer, will cut the cost of mailing and promote paperless services.

Furthermore, meter reading using LPWA terminals will significantly improve the accuracy of the remaining quantity of LP gas in customers' homes, enabling to optimize the timing and routes of deliveries using AI and improve the efficiency of delivery operations.

Acquired data will be linked to the TOKAI Group's Data Management Platform (DMP), "D-sapiens" (abbreviated as "D-sa"), as big data to predict the lifestyles and behavioral patterns of each customer, which could not be grasped until now, leading to the creation of new services and business development.

3. Reduction of CO₂ emissions

As an LP gas operator handling clean energy with a lower carbon emission coefficient than oil and coal, TOKAI is reducing CO₂ emissions by restructuring its LP gas core system and improving the efficiency of its delivery operations through automated meter reading.

Our Group aims to realize its Total Life Concierge (TLC) vision, which provides comprehensive and attentive support for the lifestyles of various customers. Providing all kinds of lifestyle products and services one-stop in a single contract via single call center, we will contribute to the enrichment of people's lives, the development of local communities, and protection of the global environment while deepening ties with our customers, local communities, and the global environment.

- *1 The TLC vision: A concept for improving customer satisfaction by providing comprehensive and attentive support for the comfort and convenience of customers' lives through various services provided by the Group.
- *2 ABCIR+S: The Group's strategy for technological innovation. ABCIR+S is a term coined from the acronyms of AI, Big Data, Cloud, IoT, Robotics and Smart Phone.

[Inquiries about the system and automated meter reading]
Satoshi Sugimoto, Process Innovation Department, Business Strategy Division, TOKAI CORPORATION
TEL: +81-(0)54-273-4900