

June 1, 2020

To whom it may concern

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

Establishment of "OTS Consortium for Home Co-existing with Rain and Sun" for Nationwide Development of OTS House

Tokai Corporation ("TOKAI" hereinafter), a wholly owned subsidiary of the Company, today announced that it establishes the "On The Spot (OTS) Consortium for Home Co-existing with Rain and Sun" on June 1, with a view to developing the "OTS House," a near-future home that will be completely self-sufficient in water and electricity and that will enable people to live as they would in normal times, even in the event of power outages or water cuts caused by natural disasters and other events.

1. About OTS House

With the basic concept of "On The Spot", a house that can be protected just by being there, TOKAI's "OTS House" offers home that is self-sufficient in water by purifying rainwater to create domestic water as well as in electricity by combining solar power generation with large storage batteries.

In recent years, due to frequent events of large-scale natural disasters that threaten daily life, awareness on lifelines such as water and electricity has drastically changed. The OTS House, where a normal life is ensured even in the event of disasters, prepares for such times to come.



Image of OTS House

2. Overview of “On The Spot Consortium for Home Co-existing with Rain and Sun”

Since the launch of “OTS House”, TOKAI has been promoting sales in Shizuoka Prefecture, including the OTS Anniversary Campaign, and has now established the "On The Spot Consortium for Home Co-existing with Rain and Sun" to raise nationwide awareness and promote sales. The Consortium will be established in collaboration with Hideo Shimizu Office Company Limited (Headquarters: Kita-ku, Tokyo; Representative: Hideo Shimizu), which has a proven track record as a housing consultant, to recruit Business Partners (agents) and Sales Partners (members) throughout the country. For the start of Consortium, it has also been decided to invite HIRAI HOLDINGS Co.,Ltd. (Headquarters: Ichihara City, Chiba Prefecture; CEO: Koichiro Natsui), a building materials distributor as our Business Partner.

Participating Business and Sales Partners will be able to handle standardized housing products such as "OTS House" and equipment necessary for water and electricity self-sufficiency, as well as new products to be announced every year.

In addition, regular housing seminars and workshops will be held by Hideo Shimizu Office Company Limited exclusively for Partners, as well as the support for interior coordination.

■ Roles of each company

Company	Role
TOKAI CORPORATION	Providing OTS products and technical support as a development manufacturer
Hideo Shimizu Office Company Limited	Consortium secretariat: Recruitment and sales support for Business and Sales Partners
HIRAI HOLDINGS Co.,Ltd.	Sales promotion of OTS products as a Business Partner, acquisition of Sales Partners, and Consortium promotion activities
Business Partners (agents)	Sales promotion activities such as sales and marketing of OTS housing and packaged products; Responsible for proposing housing and equipment products handled by Consortium to the Sales Partners (members) managed by the company, working with Secretariat to promote activities aimed at acquiring Sales Partners, and holding events for consumers in each region.
Sales Partners (members)	Sales and promotional activities for OTS housing and packaged products to consumers with the support of Business Partners

3. Basic concept of Consortium

Upholding the Code of Conduct to "Making Japanese life safer and more wonderful", unlike franchises and voluntary chains, the Consortium does not set quotas on the number of houses, and aim to spread self-sufficient and environmentally friendly housing centering on "OTS House".

Direct sales from trading companies and manufacturers have led to price competition, and there is also a succession of competition from mass retailers of home appliances and other industries. Under the circumstances, we will differentiate from competitors, expand new sales channels and strengthen support for existing customers by introducing the "OTS House" and "OTS Self-Sufficiency Package" products, which enable people to live safely in the event of a disaster. The aim is to expand sales of "OTS House" and to grow and expand the business of our Business Partners and Sales Partners.

4. Business plan

A dedicated website (<https://ots.amehiconso.jp/>) will be launched in June 2020 to provide more information about the Consortium and to recruit Business Partners and Sales Partners. Business briefings will also be held throughout the country.

In the first year, with the aim of securing seven to eight Business Partners and 70 to 80 Sales Partners as members, we will promote full-scale business development and hold training sessions, workshops and consumer events to respond to changes in the environment and consumer awareness.

Under the vision of Total Life Concierge (TLC), our Group will provide a wide range of lifestyle infrastructure services such as gas, the Internet, CATV, Aqua (bottled water delivery), and electric power that are closely tied to the lives of our customers. In the housing environment area, we will also develop and propose housing and remodeling businesses, and continue to further improve customer satisfaction by proactively providing products and services that contribute to solving community and social issues.

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