



March 1, 2017

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

To whom it may concern

Consignment Contract with Shizuoka Prefecture for Construction “Shizuoka Prefecture Local Government Information Security Cloud”

In preparation for information linkage between administrative organizations for the My Number system scheduled for July 2017, local governments across the country collaborate with the Ministry of Internal Affairs and Communications to promote drastic measures to strengthen information security.

TOKAI Communications Corporation (hereinafter “TOKAI COM”), a wholly owned subsidiary of TOKAI Holdings Corporation, was selected as a subcontractor for construction of "Shizuoka Prefecture Local Government Information Security Cloud" from Shizuoka Prefecture, as described in the attachment.

TOKAI COM (<http://www.tokai-com.co.jp>) has provided a wide range of IT services for individuals and corporations as a core company of our group. This time competition (proposal method) by Shizuoka prefecture, we are proud that the company's technology and know-how as a telecommunications carrier, data center operator, cloud service business operator, and system integrator cultivated by abundant ICT solution was highly appreciated.

We will continue to provide comprehensive ICT solutions to society through TOKAI COM, making full use of the group's data center, wide area optical fiber network and system development capabilities.

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TOKAI Communications Corporation

To whom it may concern

Contract Agreement Entered with Shizuoka Prefecture for Construction of "Shizuoka Prefecture Local Government Information Security Cloud"

Realizing advanced information security measures by integrating Internet access points of Shizuoka prefecture and its local governments

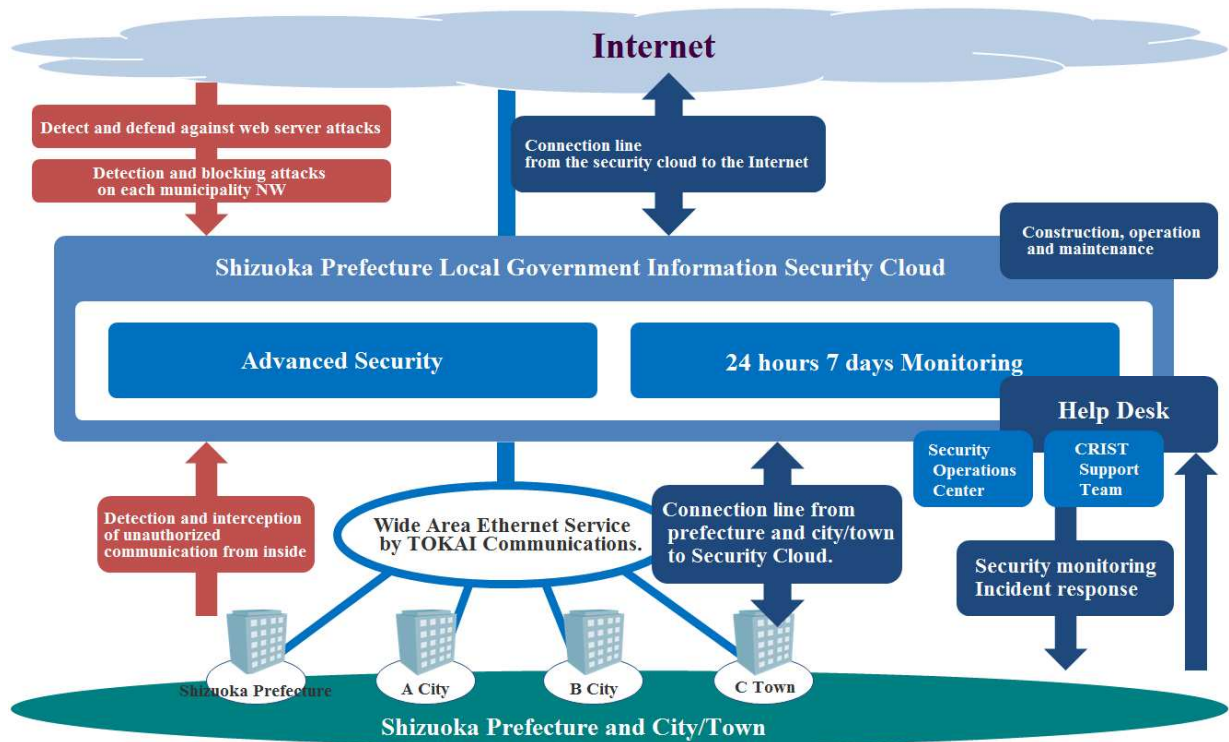
TOKAI Communications Corporation (Headquarters: Shizuoka City, Shizuoka; President & CEO: Katsuhiko Tokita; hereinafter the "Company") announces that the Company was entrusted the construction of "Shizuoka Prefecture Local Government Information Security Cloud" that Shizuoka prefecture and each local government in Shizuoka start to use in FY2017.

In recent years, cyber-attacks including Targeted Attacks aimed at public institutions and companies have increased, and the method is also complicated and sophisticated. Under such circumstances, the Ministry of Internal Affairs and Communications is fundamentally strengthens the information security measures to anticipate information linkage between administrative agencies including local governments for the My Number system scheduled for July 2017. As one of measures to strengthen it, prefectures and municipalities cooperate to promote the construction of "Local Government Information Security Cloud" that concentrates Internet connection points and performs advanced security monitoring.

In Shizuoka prefecture, based on such social situation and the municipality's information security approach indicated by the Ministry of Internal Affairs and Communications, decided to establish "Shizuoka Prefecture Local Government Information Security Cloud" that aim to consolidate the Internet connection of each local government in Shizuoka prefecture and strengthen monitoring and countermeasures such as unauthorized communication, and decided to outsource construction of this system to the Company in November, 2016.

In selection of outsourcers, judged by proposal competition (proposal method) in order to obtain excellent proposals utilizing advanced expert knowledge and know-how etc. and our proposal was highly appreciated in terms of technology and its price.

■ Outline drawing of “Shizuoka Prefecture Local Government Information Security Cloud”



By constructing this "Shizuoka Prefecture Local Government Information Security Cloud" Shizuoka prefecture will realize advanced security measures that include monitor communication, logs analysis through consolidating and optimizing the Internet access environment that each local government had individually built.

And it also aims to realize "keeping the high level of information security and suppressing the cost of such countermeasures", "reducing the workload of operation for information security", and "minimizing the damage caused by security incidents" for Shizuoka prefecture and local government.

Since establishing in Shizuoka prefecture in 1977, the Company have been responsible for the information communication business for individuals and corporations of the TOKAI Group*1, and as a one-stop service company that networks, data center and system development in a trinity, and have been providing a wide range of services in the information communication field.

Through this "Shizuoka Prefecture Local Government Information Security Cloud" construction, the Company aggregate and utilize technologies and know-how which acquired over many years as information communication companies, data center operators, cloud service providers, and system integrators, committed to improving information security of all the municipalities in Shizuoka prefecture by local community-based service unique to local companies.

In addition, the Company will aggressively expand sales of new services (security equipment installation support, security operation center, CSIRT*2 support, security guidance, etc.) that make use of the know-how gained through this construction and operation of "Shizuoka Prefecture Local Government Information Security Cloud" and high-quality, low-cost connecting with each

municipality, that was particularly highly appreciated from Shizuoka prefecture, to other municipalities and general corporations.

*1 TOKAI Group

TOKAI Group is a group of companies with 22 consolidated subsidiaries and 4 equity-method affiliates under the umbrella of TOKAI Holdings Corporation. Since the beginning of the city gas business in Shizuoka prefecture in 1950, promoting the diversification of the business, LP gas, Internet, CATV, Aqua (home delivery bottled water), and be offering these wide variety of products and services that are close contact with the customer's life.

*2 CSIRT (Computer Security Incident Response Team)

CSIRT is an organization that monitors problems (principally security problems) on computers and networks, and in the event of a problem, analyzes the cause and investigates the scope of the problem .

* The company name, product name, service name, logo, etc. as listed are trademarks or registered trademarks of each company.

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