



March 15, 2017

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

To whom it may concern

**Notice of Business Alliance with Izukyu Cable Network Co., Ltd.  
- Development of TLC through provision of our group delivery water service -**

TOKAI Corporation, a wholly owned subsidiary of the Company, concluded a wholesale basic agreement on the sale of home delivery water with Izukyu Cable Network Co, Ltd. ("IKC") on March 13, as shown in the attached document.

The Company has begun offering natural water pumped up at Asagiri Plateau of foot of Mt Fuji (Fujinomiya City, Shizuoka prefecture) since 2007, and the number of domestic customers directly sold by our company reached 135 thousand at the end of December 2016.

IKC is a CATV operator that provides services such as broadcasting, telecommunication, and telephone to approximately 26 thousand households in Atami City, Ito City and Kamogun Higashiizucho Shizuoka prefecture and Yugawara district Kanagawa prefecture.

The CATV business operated by IKC is a business highly compatible with life related services such as internet and energy as well as Aqua (home delivery water) service, from the business characteristics that the close contact with the area is strong as infrastructure service.

We believe that there is great significance in contributing to the expansion of the lineup of living services offered by IKC through this alliance.

The Group will strive to realize TLC (Total Life Concierge) which comprehensively provides services related to people's lives. In addition, we will aim for the realization of TLC by proceeding alliance with business operator providing comprehensive living service like our group by offering products or services handled by the Group.

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## **Conclusion of a contract concerning sales of "Tasty Water Delivered to your Door" with Izukyu Cable Network Co, Ltd in the Aqua business**

As described below, on March 13, 2017, TOKAI Corporation (Headquarters: Shizuoka City, Shizuoka; President & CEO: Katsuo Oguri) and Izukyu Cable Network Co, Ltd. (Headquarters: Atami City, Shizuoka; President & CEO: Riki Okumura) signed a sales contract for "Oishii Mizu no Takuhaibin" (Tasty Water Delivered to your Door).

### 1. About our Aqua business

In the Aqua business which started in November 2007, provide services as a main product of natural water "rich in mineral ingredients" which is the grace of Mt Fuji for Shizuoka Prefecture as "Asagiri no Shizuku" (Returnable bottle system) and for whole country as "Ulunom"(One way bottle system). As of the end of December 2016, 135 thousand domestic customers have used our service; this is ranked sixth in terms of the number of customers of nationwide delivery water operators.

In Shizuoka prefecture, we have 70 thousand customers with top share (51%)\*2 under the brand name "Oishii Mizu no Takuhaibin" (Tasty Water Delivered to your Door)".

### 2. About Conclusion of sales contract for "Oishii Mizu no Takuhaibin" with Izukyu Cable Network Co, Ltd

Izukyu Cable Network Co, Ltd. is an operator mainly based on Cable Television Broadcasting (CATV) business which is the target for Atami City, Ito City, Kamo-gun Higashi Izu Town in Shizuoka prefecture and Yugawara District in Kanagawa Prefecture.

By concluding this sales contract, we will provide high added value natural water to their customers.

In addition, we believe that by utilizing the sales network and sales force of Izukyu Cable Network Co, Ltd., we could deliver our safe and high quality natural water to more customers.

We will continue to make sales channel diversify and expand by working with business operators that have customer base, and will aim for further growth of the Aqua business.

\*1 "Current and future of mineral water market: 2016 Edition" by Yano Reserch Institute Ltd.

\*2 As of February 2017, according to our own research

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