

June 27, 2017

To whom it may concern

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

Low-cost SIM Service “LIBMO” Launches Industry’s First^{*1} iPhone Rental Services with Minimum Rental Period of Six Months

—Offering New Smartphone Usage Style to Meet Users’ Diverse Needs—

The “LIBMO” low-cost SIM service provided by TOKAI Communications Corporation (hereinafter “TOKAI Communications”), a wholly owned subsidiary of TOKAI Holdings Corporation, has started offering “KARISUMA,” a monthly smartphone rental service provided by Over The Air Corporation (Headquarters: Minato-ku, Tokyo; President & CEO: Kiyohisa Ota).

KARISUMA has adopted a monthly rental scheme for smartphones, a first in the Mobile Virtual Network Operator (“MVNO”) business. By setting the minimum rental period at six months, KARISUMA aims to meet customers’ diverse needs and reduce financial burdens while contributing to reducing environmental burdens. In commemoration of the start of the service, we will launch a limited-time discount campaign. For example, the combination of “LIBMO” 3GB + voice function plan with iPhone6 will be available at a monthly fee of 1,980 yen (excluding tax). For more details about KARISUMA and the campaign, please see Attachment.

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. iPhone rental service offered by MVNO excluding sub-brands of major telecommunications companies with the minimum rental period of six months



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Over The Air Corporation
TOKAI Communications Corporation

Rental Smartphone Service KARISUMA Makes Debuts Using iPhone Economically and Ecologically

Over The Air Corporation (Headquarters: Minato-ku, Tokyo; President & CEO: Kiyohisa Ota) launched “KARISUMA,” a new smartphone rental service, on June 15, 2017 for users of low-cost mobile service “LIBMO” provided by TOKAI Communications Corporation (Headquarters: Shizuoka-shi, Shizuoka; President & CEO: Katsuhiko Tokita).

There are currently only two options to purchase smartphones from major telecommunications companies—pay by lump sum or by installments. As a result, users are exposed to various restrictions from service providers for a long period of time until the full payment of installments. It has caused inconvenience to users as they are unable to easily change their smartphones to new models during that period due to various restrictions. Meanwhile, there are estimates^{*1} that over 200 million smartphones that are no longer in use due to replacement are stowed away at home.

KARISUMA is a groundbreaking service that proposes a brand-new use of smartphones. KARISUMA enables users to rent their choice of smartphones for a chosen period of time and exchange models freely after the lapse of the minimum rental period^{*2}, contributing to changing the existing extremely uneconomical use of smartphones where devices are no longer used after the full repayment of loans.

For iPhone6^{*3}, KARISUMA rental fees are set at a bargain price of 1,500 yen^{*4} (excluding tax) a month for LIBMO users. With the use of a debut campaign celebrating the launch of KARISUMA, the combination of LIBMO 3GB plan (with voice function) with iPhone6 will be available at a total of 1,980 yen (excluding tax)^{*5} a month for half a year.

We will make our best efforts to be environmentally friendly such as by reusing smartphones that have fulfilled their roles as KARISUMA as rental smartphones and a part of IoT^{*6} components after strict quality check.

^{*1} 2015; Kansai University emeritus professor Katsuhiko Miyamoto “Value of buried mobile phones in Japan”

^{*2} The standard minimum rental period for KARISUMA is six months excluding the month when a contract is signed. In the case of cancelling KARISUMA service during the minimum rental period, a cancellation penalty will be incurred. Different minimum rental period may be set depending on the campaign being applied.

^{*3} Used and refurbished devices

^{*4} In addition to the above, an initial cost (shipping fees) of 1,000 yen (excluding tax) will be required when starting KARISUMA rental services.

^{*5} Monthly fees for the period of six months starting from the month following the month when users start using the service for the combination of KARISUMA iPhone6 16GB with LIBMO 3GB plan (with voice function)

^{*6} IoT (Internet of Things): A system where various things including sensors are interconnected via the Internet, enabling them to exchange information and control each other

- About KARISUMA

Service launch: June 15, 2017

KARISUMA fees (excluding tax): Special price for LIBMO users

- Initial cost (shipping fees): 1,000 yen (excluding tax)
- iPhone6 16GB: Monthly fee of 1,500 yen (excluding tax)
- iPhone6 64GB: Monthly fee of 1,700 yen (excluding tax) (scheduled service launch: August 2017 or later^{*7})
- iPhone6 128GB: Monthly fee of 1,900 yen (excluding tax) (scheduled service launch: August 2017 or later^{*7})

^{*7} Only iPhone6 16GB (Space Gray) will be available at the launch of KARISUMA

- About LIBMO

A safe, inexpensive, and well-supported smartphone service provided by TOKAI Communications

LIBMO basic fees (excluding tax)

- Initial cost: Administrative fee of 3,000 yen
- Monthly fees

Plans	Data communication only	Data communication + SMS	Data communication + Voice communication ^{*9}
Light Plan ^{*8}	480 yen	620 yen	1,180 yen
3GB Plan	880 yen	1,020 yen	1,580 yen
6GB Plan	1,480 yen	1,620 yen	2,180 yen
10GB Plan	2,280 yen	2,420 yen	2,980 yen

^{*8} Data communication volume is unlimited, with a maximum transfer rate of 200kbps.

^{*9} SMS use is also enabled for voice communication subscriptions.

- KARISUMA debut campaign

Period: June 15, 2017 to August 31, 2017

Contents: A monthly discount of 1,100 yen will be applied for the rental of iPhone6 for the period of six months starting from the month following the month when the rental service is started.

* In applying the campaign, the minimum rental period will be set at one year.

- Over The Air Corporation

Headquarters: 9th floor Palazzo Astec 2-8-1, Higashi-shimbashi, Minato-ku, Tokyo; President & CEO: Kiyohisa Ota

Over The Air was founded on September 9, 2016 as a venture supporting environmentally-friendly IoT.

Over The Air engages in system design, sales, and rental in broad IoT fields in addition to selling and renting settlement devices by leveraging its extensive experience in rental services, including radio communication equipment such as smartphones and LTE routers, system integration to build IoT at low cost by reusing these equipment, development of software and applications, provision of camera systems using AI, and provision of image recognition, data analysis, and cloud services, and using the latest technologies.

- About TOKAI Communications Corporation

Headquarters: 2-6-8, Tokiwa-cho, Aoi-ku, Shizuoka-shi, Shizuoka; President & CEO: Katsuhiko Tokita

For individual customers, TOKAI Communications is working to establish and expand its platform business by leveraging its solid customer bases mainly in Kanto and Shizuoka. For corporate services, TOKAI Communications will engage in the solution business by leveraging its three strengths: advanced system integration technologies, data center business capable of providing solutions to corporate customers, and high-quality communications services based on its network infrastructure.

[For enquiries regarding the service]

Business Planning Department

Over The Air Corporation

Email: info@overtheair.co.jp

[For enquiries regarding LIBMO]

Business Development Department, Mobile Communication Business Department,

Consumer Sales Division

TOKAI Communications Corporation

Email: LIBMO-SALES@tokai-grp.co.jp