

To whom it may concern

TOKAI Holdings Corporation
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(Code No. 3167 Tokyo Stock Exchange First Section)

Launch of Next Generation 4K/8K-compatible Broadcasting Services Using Fiber-optic Lines of TOKAI Holdings Corporation

TOKAI Cable Network Corporation (Headquarters: Numazu-shi, Shizuoka; President & CEO: Yasuhiro Fukuda), a wholly-owned subsidiary of TOKAI Holdings Corporation (hereinafter “the Company”) engaging in the Group’s CATV business, has started offering “Hikari de TV,” next generation 4K/8K-compatible broadcasting services using fiber-optic lines as described in the attachment.

The Company engages in the CATV business in five prefectures across Japan (Shizuoka, Kanagawa, Chiba, Nagano, and Okayama Prefectures), providing services to a total of 740,000 customers including broadcasting services to 510,000 customers and communication services to 230,000 customers.

According to the Ministry of Internal Affairs and Communications (hereinafter “MIC”), the domestic market for 4K TV is expected to reach a cumulative total of 26,340,000 units (household penetration rate: approx. 50%) by 2020 and 55,310,000 units (household penetration rate: 100%) by 2025^{*1}. Since cable TVs are options to watch 4K broadcasting along with satellite broadcasting, the importance of CATV business as social infrastructure is expected to increase in the future.

By regarding a future increase in the demand for 4K/8K broadcasting services as great opportunities to expand its CATV business, the Company is working to develop an environment to expand the data transmission capacity by changing its head-end equipment^{*2} from GE-PON to 10G-EPON.

“Hikari de TV” provides broadcasting services via fiber-optic lines installed by the Company up to the last one mile. Therefore, customers are able to smoothly watch 4K broadcasting when practical 4K broadcasting starts in the future (MIC announcement: December 1, 2018) without going through time-consuming procedures such as replacement of antennas with 4K-compatible satellite antennas and installation of 4K-compatible tuners.

As a pioneer of CATV business operators, the Company will enhance services for the existing customers ahead of widespread use of 4K tuner TV and 4K-compatible satellite antenna in the near future. In addition, the Company will promote sales expansion by positioning “Hikari de TV” as a strategic product to acquire new customers.

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 Press release issued by MIC on July 30, 2015 “Second Interim Report of Follow-up Meeting on 4K/8K Roadmap”

*² Equipment to transmit voice, video, data, and others to users

July 6, 2017

To whom it may concern

TOKAI Cable Network Corporation

Launch of “Hikari de TV,” Next Generation 4K/8K-compatible Broadcasting Services Using Optical Fiber

TOKAI Cable Network Corporation (Headquarters: Numazu-shi, Shizuoka; President & CEO: Yasuhiro Fukuda; hereinafter “the Company”) has started providing “Hikari de TV,” next generation 4K/8K-compatible broadcasting services using optic lines.

“Hikari de TV” is a brand-new terrestrial/BS/CS pass-through broadcasting service using fiber-optic lines.

According to the roadmap for next generation broadcasting^{*1} issued by the Ministry of Internal Affairs and Communications (hereinafter “MIC”), the demand for 4K/8K broadcasting is projected to increase in the future. In order to provide 4K/8K broadcasting services smoothly, the Company has changed its head-end equipment^{*2} from GE-PON to 10G-EPON.

Through the change, the Company has corresponded to a total of 19 practical 4K/8K broadcasting channels^{*3} which will start from December 1, 2018 in addition to 4K broadcasting (the Company’s self-broadcasting: Cable 4K) which is now on air.

The TOKAI Group’s CATV business will mark 30th anniversary in September 2017. As a way to show our gratitude to our customers, the Company will launch a new 30th anniversary campaign for customers who sign up for “Hikari de TV” during the designated period.

The Company will strive to increase customer satisfaction by proactively promoting services contributing to local communities.

■Service logo



■Product overview

Name	Hikari de TV
Service areas (excl. certain areas)	Mishima-shi, Numazu-shi, Gotemba-shi, Oyama-cho, Susono-shi, Izu-shi, Izunokuni-shi, Shimizu-cho, Nagaizumi-cho, Kannami-cho, Fuji-shi, Fujinomiya-shi, Yaizu-shi, Fujieda-shi, Shimada-shi, Shizuoka-shi (Shimizu-ku)

Service details	Broadcasting service (4K/8K-compatible)		} Total 22ch
	Digital terrestrial	6ch	
	BS digital	11ch	
	CS digital	3ch	
	Self-production broadcasting	2ch	
	<ul style="list-style-type: none"> • Separate specialized channel package^{*4} • Compatible with “au Smart Value”^{*5} • Compatible with SoftBank “Ouchiwari”^{*6} 		
Initial cost (excl. tax)	15,000 yen ^{*7}		
Monthly fee (excl. tax)	2,500 yen		

■Overview of TOKAI Group CATV business 30th anniversary campaign

Period	Applying for “Hikari de TV” by the end of September 2017
Terms	(1) Customers who commit to using the service for two years (2) Starting the service within three months of application
Benefits	10,000 yen cash back ^{*8}
Points	Granting of 300 TLC Points/month (equivalent to 300 yen) ^{*9}

The Company will launch “Hikari de TV Plus” payment options offering a set discount for customers combining “Hikari de TV” with applicable services provided by TOKAI Group companies, including the Company’s Internet service “Hikari-de-net” and optical primary telephone service “Hikari de Talk.”

■Service logo



*1. Press release issued by MIC on July 30, 2015 “Second Interim Report of Follow-up Meeting on 4K/8K Roadmap”

*2. Equipment to transmit voice, video, data, and others to users

*3. Press release issued by MIC on January 24, 2017 “Authorization of practical 4K/8K broadcasting business through BS/east longitude 110 degree CS” (total of 19ch including BS clockwise 4K 6ch, BS counter-clockwise 4K 4ch, BS counter-clockwise 8K 1ch, CS counter-clockwise 4K 8ch)

*4. Special set menu is available for CS broadcasting package (42–57 channels).

*5. Subscription to communication services or optical primary telephone services will be necessary.

*6. Subscription to optical primary telephone services will be necessary.

*7. In addition to the above, an additional administrative fee of 800 yen is charged as the initial cost.

*8. Payment will be made based on application after the completion of construction.

*9. Up to 24 months after the start of service

[Inquiries regarding the service]

TOKAI Cable Network Corporation

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<http://www.thn.ne.jp>