



November 10, 2017

To whom it may concern

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

Market Expansion of Optical Internet Connection Service of TOKAI Holdings through Alliance with Shingakukai -Shingakukai Net with @T COM Launched-

TOKAI Communications Corporation (hereinafter "TOKAI COM"), a wholly owned subsidiary of TOKAI Holdings Corporation, has concluded a service agreement with Educational Foundation Shingakukai (Office: Nagano City, Nagano Prefecture, Chief Director: Masaaki Ichikawa, hereinafter "Shingakukai"), which is engaged in the educational business mainly in Nagano Prefecture, and has launched the optical internet service @T COM Hikari that it operates to members and faculties of Shingakukai as Shingakukai's own brand, Shingakukai Net with @T COM.

Educational Foundation Shingakukai began its educational business in 1953. Its business is conducted in 52 schools in total in the Group, namely in kindergartens, nursery schools, junior high schools, high schools, and preparatory schools. It is one of the largest educational foundations existing in Japan other than the universities.

TOKAI COM is a company ranked fourth in sales in the domestic ISP industry. Cooperation with Shingakukai as an outset, TOKAI COM will start to provide a new alliance model to address market expansion.

Under this model, the actual optical internet service is fully operated by TOKAI COM, allowing partner companies to concentrate on sales to their own customers. The model, therefore, is a service for companies which wish to develop optical internet services, an infrastructure service for everyday life, under their own brand.

As energy operators (city gas, LP gas) are already expressing their interest, TOKAI COM is considering further actively promoting the model in the future.

Under the TLC (Total Life Concierge) vision, the TOKAI Group proposes comprehensive lineup of various lifestyle infrastructure services closely attached to people's lives, including energy, information and communications, and CATV. Currently, 2.83 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.

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To whom it may concern:

TOKAI Communications Corporation

Shingakukai Net with @T COM Service Launched

TOKAI Communications Corporation (Head office: Shizuoka City, Shizuoka Prefecture, President & CEO Katsuhiko Tokita) launched an optical internet connection service, "Shingakukai Net with @T COM", on October 1, 2017 to users of educational institutions operated by Educational Foundation Shingakukai (Office: Nagano City, Nagano Prefecture, Chief Director: Masaaki Ichikawa).

Shingakukai Net with @T COM is an optical internet connection service offered at a special discount to customers applying @T COM Hikari (with TOKAI COM as the service provider) through Educational Foundation Shingakukai.

- *1 Standard monthly usage fee discounted up to a maximum of 300 yen / 60 times
- About Shingakukai Net with @T COM * all prices exclusive of tax
- 1) Monthly Cost

| Category | Service Menu (Type) | Monthly Usage Fee | |
|-------------------|---------------------|---|--|
| Monthly Usage Fee | Family | 4,800 yen / month (60 times) *5,100 yen / month (from and after 61 times) | |
| | Apartment | 3,800 yen / month | |

2) Initial Cost

| Category | Service Menu (Type) | Contract Administration Fee | |
|-----------------------------|---------------------|-----------------------------|--|
| Contract Administration Fee | Family / Apartment | 3,000 yen | |

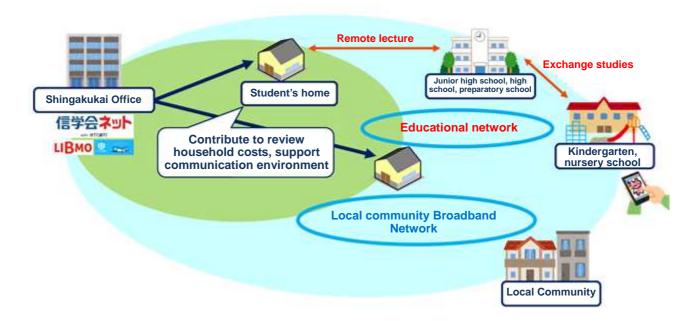
| Category | Service Menu (Type) | Base Construction Fee | |
|---------------------------|---------------------|-----------------------|----------------------------|
| | | Single Payment | Installment Payment |
| Initial construction cost | Family | 18,000 yen | 600 yen / month × 30 times |
| Initial construction cost | Apartment | 15,000 yen | 500 yen / month× 30 times |
| Construction cost due to | Family | 18,000 yen | - |
| change in items | Apartment | 15,000 yen | - |

- * Construction cost presented is a typical example (in case of dispatch construction and set up of indoor wiring) and will depend on the content of construction.
- * If optional services including Hikari Denwa and TV Option are applied, the initial cost for each service shall be separately charged.
- * If service is cancelled or changed to another course or plan during the course of installment payment, the remaining amount of the initial construction cost shall be paid in lump-sum.

Furthermore, the low-cost mobile service (LIBMO) and the internet security service (TOKAI SAFE) offered by TOKAI COM were also launched on July 15, 2017 to educational institutions operated by Shingakukai. Using them with Shingakukai Net with @T COM as a set will enable communications cost in households to be reviewed, thus realizing an efficient environment with better cost performance where internet will be available to all family members in a carefree manner.

In anticipation of the future information-oriented education pursued by Shingakukai, TOKAI COM will link schools, families and communities to contribute to play a part in the development of Shingakukai network where valuable educational opportunities are created.

< Image of Cooperation and Future Prospects >



In the future, TOKAI COM will provide a system that will support partner operators who are considering launching optical internet connection service upon their entrance to the optical collaboration business, and create new product values by providing optical internet service to customers as a unique brand (rebrand) model and by combining products of partner operators to contribute to vitalize their business.

♦ About Educational Foundation Shingakukai

Educational Foundation Shingakukai (Office: Nagano City, Nagano Prefecture, Chief Director: Masaaki Ichikawa) is and educational foundation based in Nagano Prefecture. Shingakukai started its business in 1953, presently with 800 faculty members and 16,000 registered preschool children, pupils and students in total. Shingakukai is one of the largest educational foundations existing in Japan other than the universities. Extensively engaged in the educational business, Shingakukai embraces Saku Chosei Junior High School and Saku Chosei High School, which are related foundations famous for ekiden and high school baseball, 20 kindergartens and nursery schools and three preparatory schools as the whole Group.

◆ About TOKAI Communications Corporation

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Tokai Communications promotes the development and advancement of platform business by utilizing the solid customer base focusing on the Kanto and Shizuoka areas for services toward individuals, and promotes the triune solution business placing its strength on "system integration through advanced technological skills", "data center business concurrently providing solutions to corporates", and "high quality

communication service based on self-owned network infrastructure" for services toward corporates.

[Inquiries About the Service]

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