To whom it may concern

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

Supplement of Redundancy Solution Providing Connections to Cloud Connection Service for Universities and Research Institutions
-Proposal of a Disaster-Resistant Connection Method to Microsoft Azure Connection Service via SINET-

TOKAI Communications Corporation (hereinafter "TOKAI COM"), a wholly owned subsidiary of TOKAI Holdings Corporation, will launch a redundancy solution to customers who use the information and communication network (hereinafter "SINET") used among universities and educational institutions. This solution is designed to provide redundant connections between Microsoft Azure, a cloud computing platform provided by Microsoft Japan Co., Ltd., (hereinafter "Microsoft Japan") and customer premises by using different types of network paths.

Entrusted by Microsoft Japan, TOKAI COM developed a private network connection line between SINET and Microsoft Azure in March 2017 by using its BroadLine Azure Connection Service. Combining with the connection lines, TOKAI COM is now ready to launch a solution designed to provide redundant connection with high level of fault tolerance that responds to the recent increasing needs of BCP (Business Continuity Plan).

(Please refer to the attached materials for specific redundant connection methods and others.)

TOKAI COM will continue to contribute to business development of customers not only by providing cloud connection services, but also by utilizing skills and know-hows nurtured as a system integrator over the years as well as a one-stop total support in all the processes from introduction of cloud computing to its design, development and operation.

*   Microsoft and Microsoft Azure are registered trademarks or trademarks of Microsoft Corporation in the United States and other countries.

*   All other company names, product names, service names or logotypes mentioned are trademarks or registered trademarks of their respective companies.

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Launch of Redundancy Solution Providing Connections to Microsoft Azure via SINET

- Enhancing Cloud Usability and Connectivity for Universities and Research Institutions Using SINET -

TOKAI Communications Corporation (President & CEO: Katsuhiko Tokita; hereinafter "TOKAI COM") will start providing a redundancy solution to universities and research institutions that use the Science Information NETwork (SINET), an academic information network operated by the National Institute of Informatics (NII), beginning on November 10, 2017. The solution is designed to provide redundant connections between their premises and Microsoft Azure, a cloud computing platform operated by Microsoft Japan Co., Ltd. (hereinafter "Microsoft Japan"), via private network connection services that use different network paths.

1. Background

In light of the recent growing trend among universities and research institutions to use cloud services, TOKAI COM, entrusted by Microsoft Japan, developed a private network connection line between SINET and Microsoft Azure on March 18, 2017 by using BroadLine Azure Connection Service. This connection line will enable Microsoft Japan, the providing body of cloud connection service in SINET, to realize the launch of a virtual network service to universities and research institutions, allowing them to connect private networks to Microsoft Azure via SINET. TOKAI COM is also entrusted in the development and operation business of this service. Inquiries have already been received by many customers relating to this service, with the first user, being the national university corporation, starting its use from August 2017.

TOKAI COM has been looking into initiatives designed to help customers enhance their cloud usability and connectivity by leveraging its existing services that allow private network connections to Microsoft Azure. As a result, TOKAI COM is now ready to provide a new solution that enables redundant connections to Microsoft Azure by combining its private network connection services that use different network paths and will start offering the solution today.

2. Outline of the Virtual Network Service for SINET and Microsoft Azure

TOKAI COM, entrusted by Microsoft Japan, has developed a broad-band private network between SINET and Microsoft Azure by using the Azure Connection Service. Under this private network, virtual network is developed independently to each customer including universities and research institutions using SINET, realizing private network connection with Microsoft Azure via SINET.
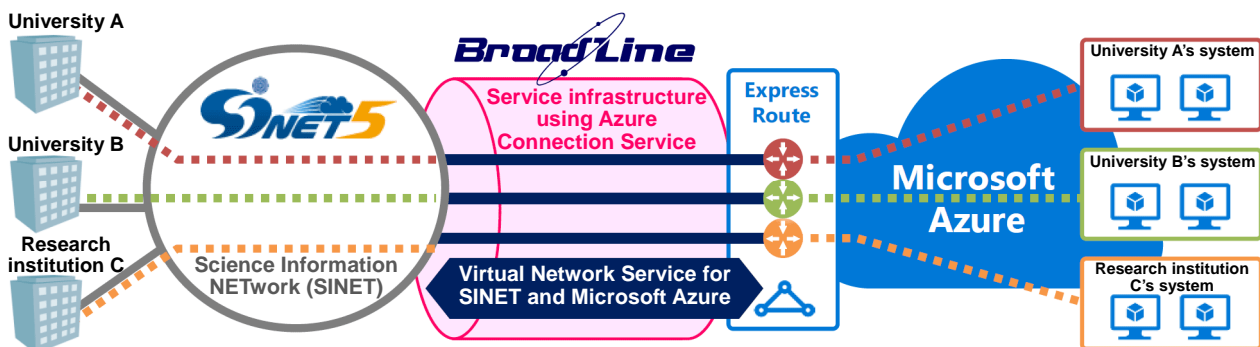
Connection speeds: 50 Mbps, 100 Mbps, 200 Mbps, 500 Mbps, 1 Gbps, 2 Gbps, 5 Gbps, and 10 Gbps
Service area: Nationwide
Price: Please make inquiry to Microsoft Japan (below contact) *1、*2、*3
Service launch: March 18, 2017

[Inquiries about the service]

Microsoft Japan Co., Ltd., Public Sector Operational Headquarters(E-Mail:mspsmktg@microsoft.com)

*1 Development, operation, and collection of fees relating to the service will be conducted by TOKAI COM entrusted by Microsoft Japan.
*2 Additional fees for Microsoft Azure (including ExpressRoute) will apply (based on a contract directly between the customer and Microsoft Japan).
*3 An application for using SINET must be filed with NII.

3.　　Outline of the redundancy solution

　　TOKAI COM has launched a redundancy solution (as described below) for universities and research institutions that use SINET. The solution uses its Virtual Network Service for SINET and Microsoft Azure in combination with its existing BroadLine Azure Connection Service or VIC-VPN for Microsoft Azure, which is used as a backup line, to provide an optimal connection configuration suited to the customer's use and environment.
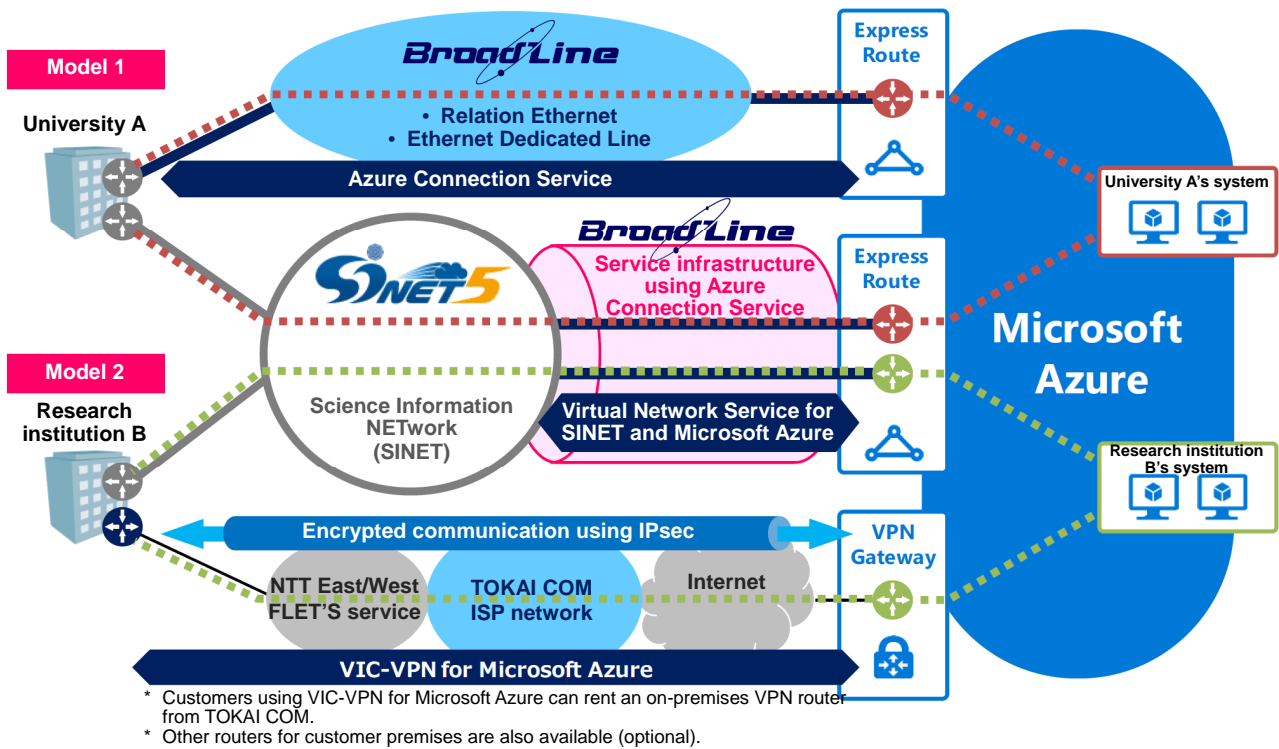
[Model 1] Virtual Network Service for SINET and Microsoft Azure + Azure Connection Service

The combination of the Virtual Network Service for SINET and Microsoft Azure, which provides connections that go through SINET, and the Azure Connection Service, which provides connections that do not go through SINET, enables the customer to set up a highly-available redundancy network.

[Model 2] Virtual Network Service for SINET and Microsoft Azure + VIC-VPN for Microsoft Azure

The combination of the Virtual Network Service for SINET and Microsoft Azure, which provides connections that go through SINET, and the VIC-VPN for Microsoft Azure, which provides connections that do not go through SINET, enables the customer to set up a highly-available redundancy network. Unlike Model 1, Model 2 uses an Internet VPN service as a backup line to minimize cost.

4. Solution models (a redundancy configuration combining a connection that goes through SINET and a connection that does not go through SINET)

* Customers using VIC-VPN for Microsoft Azure can rent an on-premises VPN router from TOKAI COM.
* Other routers for customer premises are also available (optional).

5. Future activities

TOKAI COM will continue to work with Microsoft Japan to help universities and research institutions enhance their cloud usability and connectivity through the provision of this redundancy solution with an eye to bolstering their educational and research activities.

6. Endorsement

Microsoft Japan issued the following endorsement for this announcement.

Microsoft Japan extends a warm welcome to the launching of a solution designed to provide redundant connection with Microsoft Azure by TOKAI Communications Corporation (hereinafter "TOKAI Communications").

TOKAI Communications has been long providing private network connection service by way other than of SINET. Provision of the redundancy configuration combined with such service is expected to respond to the needs which customers using Microsoft Azure have on various network switch performance.

Microsoft Japan, cooperating with TOKAI Communications as a partner company, will proactively make joint proposals including the solution designed to provide redundant connections to over 800 universities and research institutions across the nation which are subscribing in SINET, and by doing so, will contribute to business development of customers with the latest technology.

Microsoft Japan Co., Ltd.
Executive Officer, Public Sector Business Deputy General Manager
Yuji Mitsunobu

[For reference]

■ About the existing services that provide private network connections to Microsoft Azure

(1) BroadLine Azure Connection Service

The service uses ExpressRoute, Microsoft Azure's private connection service, to provide connections between Azure and customer premises via a secure, high quality dedicated line or broadband Ethernet.

Connection speeds:	A wide range of speeds are available from below 1 Gbps (10 Mbps, 100 Mbps, etc.) to 10 Gbps.
Service area:	Nationwide
Price:	Varies per customer requirements (Please contact a TOKAI COM sales representative for a price quote)*4, *5
Service launch:	January 15, 2015

(2) VIC-VPN for Microsoft Azure

This low-cost service uses a TOKAI COM-leased VPN router and the TOKAI COM network in combination with the NTT East or NTT West FLET'S subscription service to realize connections to Microsoft Azure via an internet VPN.

Connection speeds:	On a best-effort basis (Connection speed depends on the speed of the FLET'S service at the customer's end.)
Service area:	Nationwide
Price:	Initial payment of 50,000 yen (excluding tax) and a monthly fee of 9,800 yen (excluding tax) per location *5, *6
Service launch:	April 1, 2016

*4　A router for customer premises is also available (optional).

*5　Additional fees for Microsoft Azure (including ExpressRoute for service 1 and VPN gateway for service 2) will apply (based on a contract between the customer and Microsoft Japan).

*6　Additional FLET'S service fee will apply (based on a contract directly between the customer and NTT East/West).

■ About the redundancy solution for all corporate customers

TOKAI COM makes a redundancy solution that provides connections between Microsoft Azure and customer premises available to all corporate customers, including private companies, government agencies, and educational institutions. The company offers the following solution models combining the above-mentioned services to provide an optimal connection configuration suited to the customer's use and environment.

[Model A] (1) Azure Connection Service + (1) Azure Connection Service

This model uses a redundancy configuration for both the ExpressRoute ports and the access network to customer premises for enhanced connection reliability. Access networks may be contained in different stations to create redundant connections via different paths.

[Model B] (1) Azure Connection Service + (2) VIC-VPN for Microsoft Azure

Unlike Model A, an internet VPN service is used as a backup line. This enables customers to minimize the cost required for the backup line.

* Microsoft, Microsoft Azure, and ExpressRoute are trademarks or registered trademarks of Microsoft Corporation in the United States and/or other countries.

* All other company, product and service names, logos, etc. mentioned herein are trademarks or registered trademarks of their respective owners.

[Inquiries about the service]
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