



June 13, 2018

To whom it may concern

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

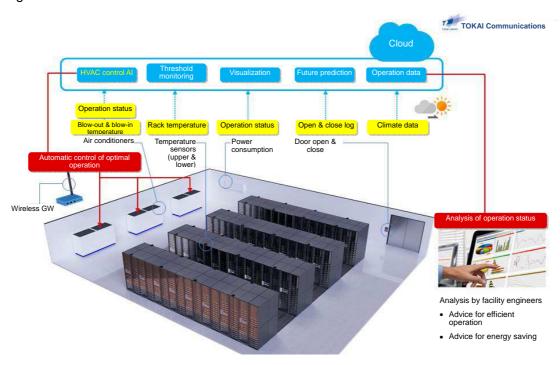
Release of Facility Management Solution Utilizing IoT and AI to Significantly Reduce Data Center Operation Costs

TOKAI Communications Corporation (hereinafter "TOKAI COM"), our 100% subsidiary, has conducted demonstration experiment of a facility management system utilizing an IoT platform to seek energy saving of data center facilities and better efficiency of facility management at our data center, as announced in November 2017.

Following the recent completion and positive result of the demonstration experiment that may lead to solution of issues and better efficiency in data center operation, we are pleased to announce, as shown in the attached document, that TOKAI COM has started selling the facility management solution for data center operators leveraging this know-how.

On the background of technologies and know-how TOKAI COM has fostered for a long time as a data center operator, including this data center operation solution, TOKAI COM will contribute to the development of customers' business through its one-stop and total support for the entire process from introduction of cloud services and other various data center services to design, construction and operation.

Image of service



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TOKAI Communications Corporation

Release of Cloud-Type Facility Management Solution Utilizing IoT/AI

- Realizing AI-based Automatic HVAC Control and More Efficient Facility Operation by Utilizing

Facility Data -

TOKAI Communications Corporation (Headquarters: Aoi-ku, Shizuoka City, Shizuoka Prefecture, President and Representative Director: Yasuhiro Fukuda, hereinafter "we") is pleased to announce that we have started selling "Smart Facility Manager" (hereinafter "this service"), the facility management solution utilizing our proprietary IoT platform.

This service is a solution that collects, accumulates and visualizes temperature, humidity and operation data of various devices in a data center or other facilities by utilizing IoT and realizes AI-based automatic HVAC control and efficiency improvement of operation work through data analysis based on those data to reduce facility operation costs.

Solutions of issues in data center operation

This service solves the following issues in data center operation.

Issue	Solution
 Reduction of increasing power costs Identification of a root cause when a problem occurs Labor shortage Efficiency improvement of facility operation work 	 AI-based automatic HVAC control cuts HVAC power consumption by approximately 30%, and efficiency improvement of operation work by data analysis reduces management costs by 20%. * Results at our data center. Facility operation status data is collected and visualized in real time. Instead of skilled managers' experience or intuition, data-based operation can improve efficiency by reducing operation work time and eliminating dependency on human skills. Threshold values of operation data and future prediction data can be monitored and alerts can be sent out.

Application to various facilities or equipment depending on usage

We have a plan to expand the application of this service to facilities or equipment as below along with large-scale data centers.

Small-scale data centers with 100 or fewer racks

- · Server rooms in a company, hospital or local government, etc.
- Exhibition at the 9th Cloud Computing EXPO [Spring]

This service will be exhibited at the DCXA (Data Center X Alliance) booth in the 9th Cloud Computing EXPO [Spring] of Japan IT Week Spring 2018, which will be held at Tokyo Big Sight from May 9 to 11.

[Inquiries about this press release]

TOKAI Communications Corporation

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