



July 31, 2018

To whom it may concern

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

**Promotion of Installation of Fiber Optic Lines for Broadcasting and
Communication Services for TOKAI Group's CATV Business
--Providing New Services Through the Fiber Optic Lines of TV Tsuyama, Inc. --**

TOKAI Holdings Corporation (hereinafter, the "Company") converted TV Tsuyama, Inc. (hereinafter, "TV Tsuyama"), a CATV service provider in Okayama Prefecture, to its consolidated subsidiary in February 2018. TV Tsuyama provides services, centering on multichannel TV service and internet connection service, to approximately 10,000 subscribers in its service areas mainly in Tsuyama City, which is the third largest city in Okayama Prefecture by population, after Okayama City and Kurashiki City. TV Tsuyama will make an investment in fiber optic lines (FTTH, or fiber-to-the-home deployment) in its service areas, and will start providing new services using FTTH networks as detailed in the attachment.

The greatest feature of TOKAI Group's CATV business is our fiber optic networks connecting the master facility and subscribers' homes with optic fiber. TOKAI Group has been promoting FTTH deployment through our proprietary fiber optic networks, enabling provision of large-volume communication and video and voice services since 2006, with an insight into the era of fusion between broadcasting and communications, and we plan to complete FTTH deployment in all our service areas in FY2020. Our fiber optic networks have realized high profitability of the fixed-line broadband communication services of our CATV business. In addition, the networks support the advancement of broadcasting services, including 4K/8K satellite broadcasting, etc. and are driving the Group's competitive edge.

TV Tsuyama started investment in the fiber optic networks, following its conversion to the TOKAI Group's consolidated subsidiary. The company plans to inject approximately 1.2 billion yen over the next five years to expand the coverage of fiber optic networks to about 80% of its service areas by the end of FY2020, with an eye to contributing to realizing an advanced information communications society in the local communities.

Under the TLC (Total Life Concierge) vision, the TOKAI Group has been offering comprehensive lineup of various lifestyle infrastructure services closely connected to people's lives, including energy, information and communications, and CATV, which are currently being used by 2,880,000 customers. 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 enhance corporate value as a business operator supporting comfortable living of people in the local communities.

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July 3, 2018

To whom it may concern

TV Tsuyama, Inc.

Notice Regarding Start of Accepting Advance Applications for “TVT Hikari de TV,” “TVT Hikari de Net” and “TVT Hikari de Talk” Services

TV Tsuyama, Inc. (Headquarters: Tsuyama City, Okayama; President: Naritoshi Kenmotsu; hereinafter, the “Company”) hereby announces that it will start accepting advance applications for “TVT Hikari de TV,” a next generation 4K/8K^{*1}-compatible optical fiber broadcasting service, “TVT Hikari de Net,” an ultrahigh-speed internet service with a maximum upstream and downstream speed of 1Gps^{*2} and “TVT Hikari de Talk,” a fixed-line telephone service, on July 3, 2018.

“TVT Hikari de TV” is a next generation 4K/8K-compatible broadcasting service using optical fiber lines that offers terrestrial/satellite pass-through^{*3} broadcasting service. The number of 4K TV units in operation in Japan is expected to reach a cumulative total of 19,770,000 units^{*4} (household penetration rate: approx. 40%^{*5}) by 2020. In order to respond to the growing demand for 4K/8K broadcasting services in the future, the Company will promote installation of optical fiber lines to each household to accommodate itself to the launch of new 4K/8K broadcasting services scheduled in December 2018. Customers who subscribe to “TVT Hikari de TV” are able to smoothly watch 4K broadcasting when the 4K broadcasting service starts without replacement of antennas with 4K-compatible satellite antennas, etc.

“TVT Hikari de Net” is an ultrahigh-speed Internet service, offering a maximum upstream and downstream speed of 1Gpbs using optical fiber lines for comfortable Internet access. The Company will promote the expansion of data transmission capacity by taking measures, such as changing its master facility to 1G-EPON.

“TVT Hikari de Talk” is a fixed-line telephone service, and subscribers of this service are eligible to choose either “Cable-plus Phone” service or “Hikari de Talk S” service. Subscribers who sign up for “Cable-plus Phone” service, if they use smartphone services of au, are eligible for using “au Smart Value” service, and subscribers who sign up for “Hikari de Talk S” service, if they use smartphone services of SoftBank, are eligible for using “Ouchiwari-hikari set”, which are services that offer discount on smartphone usage charges.

The Company will continue aiming to improve customer satisfaction by actively providing services that will benefit the local communities and hope to receive your continued patronage in the future.

■ Starting date of accepting advance applications

July 3, 2018 (Tue.)

■ Timing of service launch and service areas

From October 2018: Obara, Yamakita, Tsubaki Koge, Kitazono-cho, Kamikawara, Hayashida, Numa, Yayoi-cho, Kitamachi, Soja, Odanaka and Oda (in random order) in Tsuyama City.

* Service areas will be expanded gradually.

* Services will not become available in certain areas.

- *1 4K broadcasting has four times as many pixels as the existing Full HD broadcasting and 8K broadcasting 16 times as many pixels as the existing Full HD broadcasting.
- *2 This service is provided on a best effort basis and the Internet connection speed is the maximum theoretical speed, and the actual speed may decrease due to factors such as the Internet use environment and network congestion.
- *3 Pass-through mode is a method that retransmits broadcast signals received to subscribers without converting or adjusting frequencies. To view BS/CS digital broadcasting by a pass-through mode, devices that support BS/CS broadcasting systems (TV set, recorder, branching filter, etc.) are required.
- *4 Source: “IT Navigator 2018”, published in December 2017 by Nomura Research Institute
- *5 Household penetration rate is calculated based on data in “Household Projection for Japan” (estimates compiled in January 2013)” by National Institute of Population and Social Security Research.
- * “au” is a registered trademark or a trademark of KDDI Corporation.
- * “au Smart Value” is a registered trademark or a trademark of KDDI Corporation.
- * Name of SoftBank is a registered trademark or a trademark of SoftBank Group Corp. in Japan and other countries.
- * “Ouchiwari” is a registered trademark or a trademark of SoftBank Corporation.
- * Names of companies, products and services included in this document are registered trademarks or trademarks of the respective companies.
- * The content of information provided, prices of services/products, specifications, contact for inquiries and other information are the latest information available at the release date of this document, and are subject to change without prior notice. Please note that forward-looking statements made about plans and targets in this document may be different from actual results due to various risks and uncertain factors.

[Inquiries regarding the services]

TV Tsuyama, Inc.

Phone: 0868-24-4000 (operating hours: 9:00 a.m.-6:00 p.m.)

<http://www.tvt-catv.jp/>

