



July 30, 2020

SKY Perfect JSAT Holdings Inc.

**Notice on the New Shares Issued as Remuneration for Company Directors and  
Subsidiary Executive Officers and Directors**

At the Board of Directors meeting held today, SKY Perfect JSAT Holdings Inc. (hereinafter "the Company") decided on the issuing of new shares (hereinafter "this issuing of new shares") as remuneration.

1. Overview of Issuing Shares

(1) Date of issuing shares	August 28, 2020
(2) Type and number of shares issued	163,127 shares of common stock for the Company
(3) Share price	410yen per share
(4) Total price issued	66,882,070 yen
(5) Allocation target	66,845 shares to 6 Directors(*) of the Company *Excluding Outside Directors or Auditors 71,365 shares to 14 Executive Officers of subsidiary 24,917 shares to 5 Directors of subsidiary
(6) Other	We have submitted a securities notice according to the Financial Instruments and Exchange Act regarding this issuing of new shares.

2. Goal and Reason of Issuing Shares

At the Board of Directors meeting held on June 25, 2020, the Company decided to adopt a restricted stock-based remuneration system (hereinafter "the System") as a new remuneration system for Company Directors (excluding outside directors or auditors, hereinafter the same applies) for the goal of promoting further sharing of value with shareholders, while providing an incentive for continuously improving our corporate value and shareholder value in the medium to long-term. At the 13th Annual General Meeting of Shareholders held on July 30, 2020, we had approval that the monetary receivables paid to the recipients as the properties contributed in kind for the granting of restricted stock as remuneration shall be within 60 million yen of the current annual monetary receivables limit and that the restriction on stock transfer shall remain in place from the date of issuing shares until the retirement or resignation of the recipients from their position as Company Directors and Subsidiary Executive Officers and Directors or other position defined by the Board of Directors.

An overview of the System is indicated below.

<Overview of the System>

The Company Directors pay the monetary receivables provided by the Company or a Subsidiary based on the System in full as properties contributed in kind, and receive the issuing or disposal of common stock for the Company.

The total number of common stock shares issued or disposed due to this System shall be within 260,000 shares annually, and the amount paid per share shall be based on the closing price of the Company common stock at the Tokyo Stock Exchange on the business day before the Resolution of the Board of Directors (if trading is not performed on that day, then the closing price of the most recent day of trading), and will be determined at the Board of Directors meeting within a range that will not be particularly advantageous to the

recipients.

In regard to the issuing and disposing of the Company common stock due to the System, a restricted stock allocation agreement shall be entered between the Company and the Target Directors and include the following items.

- ① That the recipients must not transfer, set security interests, or otherwise dispose of the Company common stock received via the allocation agreement during the defined period
- ② That the Company retrieves the corresponding common stock free of charge when certain circumstances arise

At the Board meeting held today, we also decided to provide the same restricted stock-based remuneration system to Subsidiary Executive Officers and Directors, as indicated below.

In consideration of the purpose of the System, the performance of the Company, the range of responsibilities of the target recipients, and other circumstances, the Company (1) decided at the Board meeting held today to grant a monetary receivables total of 27,406,450 yen to six Company Directors (hereinafter "Target Directors") and (2) subsidiary SKY Perfect JSAT Corporation decided to grant a monetary receivables total of 39,475,620 yen to 14 Executive Officers and 5 Directors of that company based on that resolution of its Board of Directors. Therefore, the Company resolved to issue 163,127 shares of common stock (hereinafter "the allocated shares") for the goal of contribution in kind for the monetary receivables total of 66,882,070 yen (where 410 yen is the amount of the monetary receivables contributed per share for subscription).

#### <Overview of restricted stock allocation agreement>

The Company and Target Directors will enter an individual restricted stock allocation agreement (hereinafter "this stock allocation agreement") for this issuing of new shares, and an overview of that agreement is indicated below. The Company also plans to enter an equivalent stock allocation agreement with the Subsidiary Executive Officers and Directors to grant the newly issued shares to.

##### (1) Period for restriction on stock transfer

The restriction on stock transfer shall remain in place from August 28, 2020 (the date of issuing shares) until the retirement or resignation of the recipients from their position as Company Directors and Subsidiary Executive Officers and Directors or other position defined by the Board of Directors, and the recipients must not transfer, set security interests, or otherwise dispose of the shares.

##### (2) Criteria for lifting restriction on stock transfer

The restriction on all the allocated shares shall be lifted on the date that the restriction on stock transfer expires, provided that the recipients continue to retain their position as Company Directors and Subsidiary Executive Officers and Directors or other position defined by the Board of Directors from the date of issuing shares to the day that the General Meeting of Shareholders conclude for the fiscal year ending March 2021 (hereinafter "period of service"). However, if a Target Director loses their position during the period of service due to death or another reason deemed legitimate by the Board of Directors, the restriction on the allocated shares shall be lifted for a number of shares equal to the number of months from August 2020 to the month including the day that the position was lost, divided by eleven (rounded to one if higher than one) and then multiplied by the number of allocated shares (rounded down).

##### (3) Company buy-back

When the period for restriction on stock transfer expires or at other times stipulated in the agreement, the Company acquires the allocated shares that are still restricted free of charge.

##### (4) Share management

To ensure that the recipients do not transfer, set security interests, or otherwise dispose of the allocated

shares, the shares shall be managed during the period for restriction on stock transfer in a dedicated account for restricted stock opened by the Directors at Daiwa Securities Co. Ltd.

(5) Handling in the case of restructuring, etc.

If during the period for restriction on stock transfer, the General Meeting of Shareholders of the Company (or the Board meeting of the Company when authorization of the General Meeting of Shareholders is not required for the corresponding restructuring) authorizes a merger where the Company will be absorbed, a share exchange agreement or share transfer plan where the Company will become a fully-owned subsidiary, or another type of restructuring, a resolution at the Board meeting of the company can be made to lift the restriction on the allocated shares immediately before the business day before the restructuring goes into effect, for a number of shares equal to the number of months from August 2020 to the month including the corresponding day, divided by eleven (rounded to one if higher than one) and then multiplied by the number of allocated shares held at the time (rounded down).

3. Basis for calculating amount to pay and details

This issuing of new shares will be conducted with monetary receivables paid to the Target Directors of the System as properties contributed in kind, and the amount to pay shall be 410 yen, which is based on the closing price of the Company common stock at the Tokyo Stock Exchange on July 29, 2020 (the business day before the Resolution of the Board of Directors), in order to ensure a price that eliminates arbitrariness. This is the market share price immediately before the Resolution of the Board of Directors, and we believe that the price is not particularly advantageous to the recipients as it reasonably reflects the appropriate corporate value of the company in a situation where there are no special circumstances that indicate that the latest share price cannot be relied upon.