

June 25, 2020

SKY Perfect JSAT Holdings Inc.

Notice on the Adoption of a Restricted Stock-Based Remuneration System

At the Board of Directors meeting held on June 25, 2020, SKY Perfect JSAT Holdings Inc. (hereinafter "the Company") reviewed its officer remuneration system and decided to adopt a restricted stock-based remuneration system (hereinafter "the System"). The System is to be submitted to the 13th Annual General Meeting of Shareholders (hereinafter "the General Meeting of Shareholders") scheduled to be held on July 30, 2020, as notified below.

1. Goal and Conditions of Adopting the System

(1) Goal of Adoption

The System will be adopted for the goal of granting directors (excluding outside directors or auditors; hereinafter "Target Officers") with an incentive for continuously improving the corporate value of the Company, as well as promoting the further sharing of value with shareholders.

(2) Conditions of Adoption

Because the System is for paying monetary receivables for granting restricted stock as remuneration to Target Officers, the adoption of the System must be approved by shareholders at the General Meeting of Shareholders.

The amount of director remuneration at the Company was approved to be within 300 million yen annually (within 60 million yen for outside directors or auditors) at the 1st Annual General Meeting of Shareholders held on June 27, 2008. At this General Meeting of Shareholders, we will ask shareholders for their approval regarding the setting of the remuneration limit of the System for the Target Officers of the Company, upon newly adopting the System within the corresponding remuneration limit.

2. Overview of the System

The Target Officers pay the monetary receivables provided by the Company 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 amount of remuneration for the monetary receivables paid to the Target Officers shall be within 60 million yen of the current annual monetary receivables limit, and the total number of common stock shares issued or disposed due to this System shall be within 260,000 shares annually (furthermore, when circumstances arise that make it necessary to perform a stock split or stock merge of the common stock, the number of shares issued or disposed shall be able to be adjusted reasonably).

In order to achieve the medium to long-term sharing of value with shareholders, which is one of the goals of adopting the System, the restriction on stock transfer shall remain in place until the retirement or resignation of the Target Officer from their position as Director or other position defined by the Board of Directors. The specific payment period and distribution to each Target Officer shall be decided by the Board of Directors.

The amount paid per share of common stock issued or disposed due to the System 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 Target Officers.

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

That the Target Officers must not transfer, set security interests, or otherwise dispose of the Company common stock received via the allocation agreement during the defined period

That the Company retrieves the corresponding common stock free of charge when certain circumstances arise

3. Application to Company Directors and Subsidiary Directors and Executive Officers, etc.

If the adoption of this System is approved at the General Meeting of Shareholders, we plan to adopt an equivalent restricted stock-based granting system for Executive Officers and Directors at SKY Perfect JSAT Corporation, which is a subsidiary of the Company.