

SKY Perfect JSAT Corporation

News Release



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Corporation

March 6, 2008

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Capital Increase and Business Development Plan of the OptiCast Group

SKY Perfect Communications Inc. (Head Office: Minato-ku, Tokyo; President and Representative Director: Masao Nito “SKY Perfect”), a wholly-owned subsidiary of SKY Perfect JSAT Corporation (Head Office: Minato-ku, Tokyo; President and Representative Director: Masao Nito “SKY Perfect JSAT”) , has announced a capital increase and business development plan for OptiCast Inc. (Minato-ku, Tokyo; President and CEO: Tatsuro Saito) and OptiCast Marketing Inc. (Minato-ku, Tokyo; President and CEO: Yoichi Ohe), subsidiaries of SKY Perfect Communications Inc.

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OptiCast Inc. (Minato-ku, Tokyo; President and CEO: Tatsuro Saito; “OptiCast”) and OptiCast Marketing Inc. (Minato-ku, Tokyo; President and CEO: Yoichi Ohe, “OptiCast Marketing”), both subsidiaries of SKY Perfect Communications Inc. (Minato-ku, Tokyo; President and Representative Director: Masao Nito; “SKY Perfect”), have decided on an increase in capital at the end of March.

Through capital increase and service expansion, OptiCast and OptiCast Marketing will continue their efforts to increase new subscribers in order to develop SKY PerfecTV! HIKARI, a multi-channel broadcasting service delivered via fiber-optic cable.

1. Background of the OptiCast Group capital increase

Through OptiCast Marketing, a joint marketing corporation established by OptiCast, NTT East Corporation (“NTT East”) and NTT West Corporation (“NTT West”) in December, 2005, OptiCast, a telecommunication-aided broadcasting (cablecast) corporation, sells SKY PerfecTV! HIKARI, which is a Radio Frequency multi-channel broadcasting service based on B FLET’S / FLET’S HIKARI Premium. Centering on large cities such as Tokyo, Nagoya, and Osaka, SKY PerfecTV! HIKARI has acquired approximately 60,000 subscribers as of the end of February, 2008.

In the context of broadband market expansion resulting from FTTH development and the complete digitalization of broadcasting, which is scheduled to complete in 2011, integration of broadcasting and communication is progressing with increasing speed, producing changes in the environment surrounding media. Preparing for future strengthening of inter-media competition, OptiCast and OptiCast Marketing are aiming at the further development of SKY PerfecTV! HIKARI, the core business employed in the multi-platform strategy of the SKY Perfect JSAT Group. By improving service through a capital increase by SKY Perfect and NTT East and West with the expansion of network broadband, the OptiCast Group will be able to strengthen its competitive power against increasingly powerful cablecast media.

2. Outline of the OptiCast Group capital increase

(1) Details of the OptiCast Group stock transfer

	OptiCast	OptiCast Marketing
Number of shares owned prior to the stock transfer	125,600 shares Ownership ratio: ▪ SKY Perfect (100.0%)	74,000 shares Ownership ratio: ▪OptiCast: 37,740 shares (51.0%) ▪NTT East: 25,160 shares (34.0%) ▪NTT West: 11,100 shares (15.0%)
Number of acquired shares	104,800 shares	151,561 shares
Number of shares owned after the stock transfer	230,400 shares Number of shares and ownership ratio: ▪SKY Perfect (100.0%)	225,561 shares Number of shares and ownership ratio: ▪OptiCast: 115,037 shares (51.0%) ▪NTT East: 90,404 shares (40.1%) ▪NTT West: 20,120 shares (8.9%)
Amount of capital (prior to the issuance of new stocks)	6.28 billion yen (Capital: 3.38 billion yen; Capital reserve: 2.90 billion yen)	3.70 billion yen (Capital: 1.86 billion yen; Capital reserve: 1.84 billion yen)
Amount of capital (after the issuance of new stocks)	11.52 billion yen (Capital: 6.00 billion yen; Capital reserve: 5.52 billion yen)	8.70 billion yen (Capital: 4.36 billion yen; Capital reserve: 4.34 billion yen)

Note 1: Stock ownership ratio is rounded off to one decimal place.

Note 2: Capital and capital reserve are rounded off to one decimal place.

(2) Future proceedings

OptiCast plans to issue new shares on March 25, 2008, which are to be taken up by SKY Perfect. OptiCast Marketing plans to issue new shares on March 25, 2008, which are to be taken up by OptiCast, NTT East and NTT West.

3. Expansion of broadband network and improvement of the commercial menu

With the aim of strengthening the commercial potential of SKY PerfecTV! HIKARI, the existing network transmission band (70MHz – 770MHz) will be expanded in order to increase transmission capacity. This expansion of the network transmission band, the first wide-scale attempt in Japan, is scheduled to be sequentially implemented from the Tokyo metropolitan area, starting in June, 2008. This will enable the service to transmit all 12 existing BS digital broadcasting channels and the new BS digital broadcasting channels, which are to be established with the reorganization of frequency in July, 2011 or later, via the BS pass through* method, alleviating the need for up-converter. This will also enable the service to cope with the start of high definition broadcast of 50 SKY PerfecTV! channels in the autumn of 2009.

4. Future plans

With an increase in stable capital and cooperation with NTT East and West, OptiCast and OptiCast Marketing will actively promote the expansion of commercial potential and service subscription, and accelerate further development of optical multi-channel broadcasting service via optical fiber.

*BS pass through transmission is a method of delivering the received broadcast signals to the CATV system by the same signal method and in the same frequency range or through frequency conversion. With the use of the terrestrial digital broadcasting-compatible tuner, users will be able to view broadcasts as they are.

OptiCast Group profile (as of March 6, 2008)

1. OptiCast profile

- (1) Company Name: OptiCast Inc.
- (2) President and CEO: Tatsuro Saito
- (3) Address: 1-14-14, Akasaka, Minato-ku, Tokyo
- (4) Date Established: June 2, 2003
- (5) Main business: optical fiber-based video delivery business
- (6) Capital: 3.38 billion
- (7) Major Shareholders: SKY Perfect Communications Inc., (100%)

2. OptiCast Marketing profile

- (1) Company Name: OptiCast Marketing Inc.
- (2) President and CEO: Yoichi Ohe
- (3) Address: 1-14-14, Akasaka, Minato-ku, Tokyo
- (4) Date Established: December 19, 2005
- (5) Main business: acquisition of subscribers for the optical fiber-based video delivery service
- (6) Capital: 1.86 billion
- (7) Major Shareholders: OptiCast Inc., (51%), NTT East Corporation (34%), NTT West Corporation (15%)