



April 1, 2014

SKY Perfect JSAT Holdings Inc.

SKY Perfect JSAT Corporation

### **Instructions from the President for fiscal 2014 (Summary)**

Following is the text of instructions that Shinji Takada, Representative Director, President of SKY Perfect JSAT Holdings Inc. and Representative Director, President & Chief Executive Officer of SKY Perfect JSAT Corporation, gave to his staff at the start of the new fiscal year.

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#### [Instructions from the President]

MPEG2 broadcasting, a service begun in 1996, will discontinue at the end of next month (May). This will significantly reduce our broadcasting transponder revenue this fiscal year. At the same time, it will free us from the burden of the transition to the H.264 format and cut operating costs at broadcasting centers. So all together, this will be a year of great change in our revenue and cost structure. This year, we will make sure to achieve the targets set out in our medium-term business plan (covering the 2011–2015 fiscal years) and build the basis for a new growth strategy looking ahead to the year 2020.

In our Space & Satellite Business, we will continue stepping up sales of disaster prevention services and business continuity plans (BCP) to enterprises. We plan to take more orders for aircraft and maritime service, for which demand is rising. In addition, we will expand our global business, especially in emerging countries in Asia. These efforts should cover the loss of transponder revenues. Beyond this, we will have to build the foundation for ensuring growth under our next medium-term business plan, and will do so by taking part in joint projects outside Japan and advancing our next-generation satellite business. We are currently working to procure five satellites, each of which will play a key role in our strategy for future business expansion and growth. We are making every effort to make these launches successful and get the satellites into operation.

In our Multichannel Pay TV Business, we are fully aware that the conventional marketing approach is not enough. We want to take the completion of our Premium Services' transition to H.264 format to make this a year of restarting and putting ourselves on a new growth track. Our new subscriber management system starts working in June, which will dramatically enhance communication with our subscribers. We will also become the first business to use viewership trend survey data with satellite multichannel broadcasting. It is essential that we practice marketing that is responsive to customer desires.

This year, the entire broadcasting industry will be establishing new business models at a faster pace. As for SKY Perfect JSAT, we will be undertaking a new business in Internet service. In June, additionally, Next Generation Television & Broadcasting Promotion Forum (NexTV-F) will begin 4K broadcasting, using SKY Perfect JSAT's satellites. At a road map follow-up meeting currently taking place, participants are creating the blueprint for long-term advancement of the technology for the Tokyo 2020 Olympic and Paralympic Games and beyond. SKY Perfect JSAT, which pioneered digital broadcasting in Japan, must work to expand our subscriber base and enhance our service while playing a key part in the innovation of broadcasting technology.

SKY Perfect JSAT is also expanding broadcast content outside Japan. WAKUWAKU JAPAN, a service available in Indonesia, will start expanding more rapidly to other Asian nations. We are forging alliances in Japan and abroad to help build Japan's international competitiveness and quickly establish our business prospects.

I hope our employees will share this sense of urgency and reconsider their day-to-day functions as they confirm our future direction. Let's go forward with the firm belief that our combined strength will lead to a brighter tomorrow.