

SKY Perfect JSAT Group The New Mid-Term Management Plan (FY 2007 – FY 2011)

JSAT Corporation (Headquarters: Chiyoda-ku, Tokyo; President & CEO: Kiyoshi Isozaki; “JSAT”) and SKY Perfect Communications Inc. (Headquarters: Shibuya-ku, Tokyo; President and Representative Director: Masao Nito; “SKY Perfect”) will conduct a business combination (the “Business Combination”) by establishing a joint holding company, SKY Perfect JSAT Corporation (Headquarters: Chiyoda-ku, Tokyo; President and Representative Director (tentative): Masao Nito; “SKY Perfect JSAT”) through a joint share transfer on April 2, 2007. In accordance with the Business Combination, JSAT and SKY Perfect have formulated the Mid-Term Management Plan for SKY Perfect JSAT for the fiscal years 2007 to 2011.

The foundations for the SKY Perfect JSAT Group are as follows:
As the leading provider of the multichannel pay TV in Japan, we will drive an expansion of the multichannel pay TV market, and through our multichannel broadcasts contribute to a richer lifestyle for subscribers.
With the aim of allowing all people to enjoy a wide range of video content, we will maintain a pioneering spirit as we incorporate new technologies, and provide easy-to-use, enriched broadcasting and telecommunications services.

JSAT and SKY Perfect, since the launch of PerfectTV! in 1996, have worked together for over a decade in the field of the multichannel pay TV in Japan to expand the market through the use of direct-to-home satellite services, building a subscriber base that now exceeds 4.2 million (total registrations). The business environment facing both companies is currently in the midst of a rapid transformation. The broadcasting and telecommunications industry in Japan is bracing for the start of nationwide terrestrial digital broadcasts and the termination of analog broadcasts in 2011, while at the same time adapting to the spread of fiber optic networks, the appearance of NGN (next generation network) infrastructure, and the broadbandization of the mobile environment through the use of wireless LANs and other technologies. Video content is increasingly being distributed over the Internet, and large-scale telecommunications and broadcasting business groups are being formed centered around triple-play, quattro-play and FMC (fixed mobile convergence) services.

With competition between media outlets growing increasingly fierce, JSAT and SKY Perfect have decided to integrate their business operations through a holding company structure with the aim of expanding and enhancing the cross-sectional, lateral development of the multichannel pay TV market, and as the SKY Perfect JSAT Group have formulated the Mid-Term Management Plan. Through the Plan SKY Perfect JSAT will seek to provide families with a diverse range of enjoyable, high-quality video content, and offer individuals a wide variety of programming that they can easily enjoy anytime, anywhere.

A general outline of the measures for each service in the Mid-Term Management Plan is as follows.

1. SKY PerfecTV! (CS124/128 service)

For the core SKY PerfecTV! service, we plan to launch the hi-definition (HD) multichannel pay TV service SKY PerfecTV! HD, starting with about 10 channels, mainly pay-per-view (PPV) and premium channels, from some time around the summer of 2008, and begin offering an HD pack from around the autumn of 2009, at the same time increasing the number of HD broadcast channels around 30 channels. We are also planning such high-value-added services as the introduction of the SKY PerfecTV! HD tuner, a highly sophisticated tuner able to handle the next-generation encoding format H.264, and which will incorporate a tuner for terrestrial digital broadcasts that is also compatible with home networks. We expect the growth in number of individual subscribers to reach 3.6 million by the end of fiscal 2011.

2. e2 by SKY PerfecTV!

For the e2 by SKY PerfecTV!, 110-degree CS digital broadcasting service that allows viewers to easily enjoy the multichannel pay TV, we plan to expand the number of HD broadcast channels to about five from the current two during fiscal 2007, and to increase this to around 10 by fiscal 2011. With the further spread of digital televisions equipped with three-wavelength tuners capable of receiving terrestrial digital, BS digital and 110-degree CS digital broadcasts, along with new marketing strategies, we are targeting 1.8 million individual subscribers by fiscal 2011.

3. SKY PerfecTV! HIKARI

For our mainstay in wired broadcasting services SKY PerfecTV! HIKARI, in line with the full-scale development of the service to detached homes, during 2007 we will link an IP-based content distribution service with the RF (radio frequency) format the multichannel pay TV service currently offered. Further, we will provide an enhanced menu of broadcasting services by incorporating the HD channel to be started by SKY PerfecTV!, and combining it with terrestrial digital broadcasts and BS digital broadcasts.

. The service area for SKY PerfecTV! HIKARI will be expanded to reach over 10 million households, focused on Tokyo, Nagoya and Osaka. We are targeting 800 thousand individual subscribers by fiscal 2011.

4. IP, Mobile and other services

For IP broadcasting, we are planning to enter the business in fiscal 2007 utilizing our content aggregation and customer management. In tandem with our SKY PerfecTV! HIKARI service, our future plan calls for establishing a nationwide content-distributing system capable of functioning with NTT's B FLETS service and next-generation networks (NGN). Also, we are targeting the development of the personal user market by developing a "light" version of SKY PerfecTV! to broadcast multichannel content to small monitors (personal television, mobile devices, computers, game consoles, PDAs, car navigation systems, etc.) using wireless LAN and other recent technologies. We are further considering individual level broadcasts and communications services, exploiting the possible development of mobile multimedia broadcasts and utilizing grid computing to realize a wide array of segmented content development and distribution over IP. Taking into account flexibility in obtaining copyrights and greater sophistication of mobile terminals, we are targeting 1.3 million subscribers for IP and mobile services by fiscal 2011.

5. Enhancing our subscriber-oriented focus and further enrichment of content that we provide

As part of our commitment to providing a more subscriber-oriented service across all services, we plan to offer discounts for multiple televisions in one household, as well as introduce a range of discount services for existing subscribers, expand the "friendly call" service to increase the number of opportunities to interact with subscribers, and set up a new telephone consultation service. To expand the multichannel pay TV market we will expand the amount of programming

in HD format, offer a greater range of content including live broadcasts of all 620 J.LEAGUE J1/J2 soccer games, as well as appeal to and attract subscribers through a wide range of sales channels centering on home appliance stores. We will also make an effort to improve customer satisfaction, raise the average revenue per user, prevent service cancellations, and encourage previous customers to conclude new contracts.

6. Satellite communications business

For the satellite communications business, we will pursue efficient procurement of satellites and stable operations, as well as expansion of service areas through collaboration with other operators. We will also focus on the broadcast, communal, global, and mobile aspects where satellites have an advantage, striking a balance between our mission as an infrastructure operator to provide a reliable service, while generating stable earnings and cash flow.

As a result of these measures the SKY Perfect JSAT Group is forecasting 8 million subscribers (total registrations) for all services by the end of fiscal 2011. The forecast for SKY Perfect JSAT's business results are ¥240 billion for operating revenue, with EBITDA of ¥50 billion, and ordinary profit of ¥38 billion.

The SKY Perfect JSAT Group, in establishing the Mid-Term Management Plan, seeks to utilize its position as a base to accumulate and transmit multichannel content to become a media group that delivers a personal, rich video life to all people.

Note: The forecasts and projections about future business results contained in this announcement are the judgments of the management of JSAT and SKY Perfect based on information currently available. Investors are therefore cautioned not to make investment decisions solely on the basis of these business forecasts. Actual business results may differ materially from these business forecasts due to a variety of significant factors.