

August 6, 2008  
SKY Perfect JSAT Holdings Inc.

## **Notice of an Absorption Demerger Agreement Signed with a Consolidated Subsidiary**

SKY Perfect JSAT Holdings Inc. (Head Office: Minato-ku, Tokyo; President and Representative Director: Masanori Akiyama; “SKY Perfect JSAT Holdings”) passed a resolution on receiving the subsidiary’s shares owned by SKY Perfect Communications Inc. (Head Office: Minato-ku, Tokyo; President and Representative Director: Masao Nito; “SKY Perfect”), which is a consolidated subsidiary of SKY Perfect JSAT Holdings, as of October 1, 2008 through an absorption demerger at the Board of Directors meeting held on August 6, 2008, and entered into an absorption demerger agreement effective today.

### **1. Purpose of the demerger**

This absorption demerger is carried out for the purpose of consolidating shares of SKY Perfect Broadcasting Corporation, Multi Channel Entertainment Inc. and eTEN, INC. (“the three relevant companies”) owned by SKY Perfect to SKY Perfect JSAT Holdings the group to reorganize SKY Perfect JSAT Holdings group companies. Along with this absorption demerger, SKY Perfect discontinues its broadcast license and transfers the relevant license function to the three relevant companies.

### **2. Summary of the demerger**

(1) Schedule of the demerger

Resolution of the absorption demerger agreement approval at the Board of Directors meeting:	August 6, 2008
Conclusion of the absorption demerger agreement:	August 6, 2008
Effective date of the demerger:	October 1, 2008

(Approval for this demerger from the general meeting of shareholders shall be waived because it meets the requirements for the informal demerger of SKY Perfect, the company to be demerge, based on the provisions in Paragraph 1, Article 784 of the Corporate Law, and the requirements for the simplified demerger of SKY Perfect JSAT Holdings, the acquiring company of this demerger, based on the provisions in Paragraph 3, Article 796 of the Corporate Law.

(2) Method of the demerger

This is an absorption demerger in which SKY Perfect JSAT Holdings shall be the acquiring company of this demerger and SKY Perfect, a wholly owned subsidiary, shall be the company to be demerge.

(3) Share allotment

SKY Perfect will not receive share allotment because it is the wholly owned subsidiary of SKY Perfect JSAT Holdings.

(4) Capital to be increased through the acquisition

The amount of the capital of the acquiring company through this demerger will not change.

(5) Share warrant and corporate bond with share warrant of the company to be demerge.

There are no relevant matters.

(6) Prospect for the fulfillment of obligation

We understand that SKY Perfect JSAT Holdings, the acquiring company, and SKY Perfect, the company to be demerge, can fulfill their obligations which become due after the demerger.

### 3. Profile of the relevant companies of this demerger

(1) Corporate name	SKY Perfect Communications Inc. (Surviving company) (Company to be demerge)	SKY Perfect JSAT Holdings Inc.* (Acquiring company)
(2) Business description	Platform business for CS digital broadcasting	Broadcasting business, telecommunication business
(3) Establishment	November 10, 1994	April 2, 2007
(4) Head office	Minato-ku, Tokyo	Minato-ku, Tokyo*
(5) Representative	Masao Nito, President and Representative Director	Masanori Akiyama, President and Representative Director*
(6) Capital	¥50,083 million	¥10,000 million
(7) Number of shares issued	2,270,365 shares	3,696,037 shares
(8) Total assets	¥115,93 million	¥227,048 million*
(9) Net assets	¥89,208 million	¥194,539 million *
(10) End of fiscal year	March 31	March 31
(11) Major shareholders and their shareholding ratio	SKY Perfect JSAT Holdings Inc. 100%	Trust & Custody Services Bank, Ltd. as trustee for ITOCHU Corporation Retirement Benefit Trust Account re-entrusted by Mizuho Trust and Banking Co., Ltd. 9.4% Sony Broadcast Media Co., Ltd. 7.7% Fuji Television Network, Inc. 7.7% NTT Communications Corporation 7.0% Japan Trustee Services Bank, Ltd. 5.9% (Sumitomo Corporation Retirement Benefits Trust Account re-entrusted by The Sumitomo Trust and Banking Co., Ltd.) Nippon Television Network Corporation 5.7% Tokyo Broadcasting System, Inc. 5.0%

(Figures above are as of March 31, 2008, except that figures with \* are as of June 27, 2008)

### 4. Outline of assets to be transferred

(1) Assets to be transferred

The three relevant companies' shares owned by SKY Perfect.

(2) Items and amount of assets transferred to SKY Perfect JSAT Holdings

SKY Perfect JSAT Holdings shall acquire the three relevant companies' total shares owned by SKY Perfect based on the absorption demerger agreement entered into between SKY Perfect JSAT Holdings and SKY Perfect on August 6, 2008.

Assets			
Item		Number of shares	Book value (million )
SKY Perfect	Shares of SKY Perfect Broadcasting Corporation	50,000 shares	¥1.158
SKY Perfect	Shares of Multi Channel Entertainment Inc.	200 shares	¥13
SKY Perfect	Shares of eTEN, INC.	2,300 shares	¥417

### 5. Conditions of SKY Perfect JSAT Holdings after the demerger

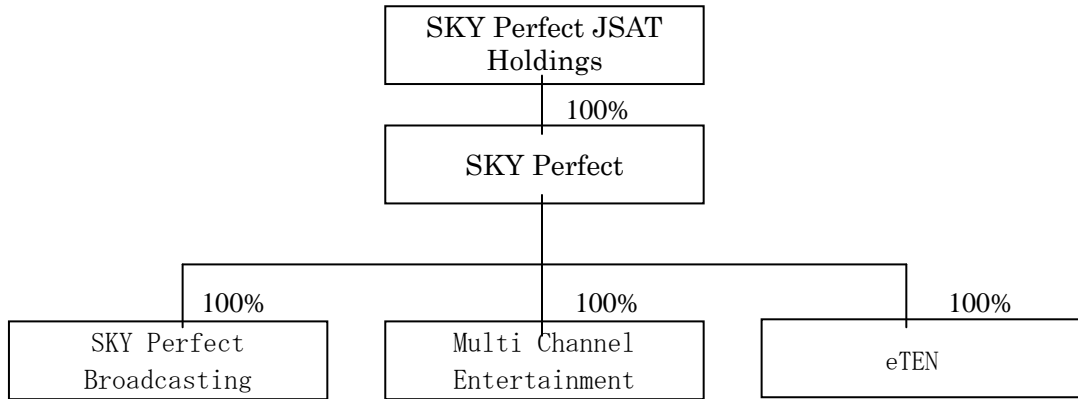
The corporate name, business description, head office, representative director, capital, and end of fiscal year will not be changed through this absorption demerger.

## **6. Forecasts of the effect on performance by this demerger**

This transaction will have a minor impact on the consolidated result of SKY Perfect JSAT Holdings.

(Reference)

Before the merger



After the merger

