

SKY Perfect JSAT Group
Financial Summary of 1Q/FY2007 and
Our Business Strategy

August 9, 2007
SKY Perfect JSAT Corporation

Forward-looking Statements



Statements about the SKY Perfect JSAT Group's forecasts, strategies, management policies and objectives contained in this presentation that are not based on historical facts constitute forward-looking statements. These statements are strictly based on management's assumptions, plans, expectations and judgments in light of information currently available. These forward-looking statements, facts, and assumptions, are subject to a variety of risks and uncertainties. Therefore, actual results may differ materially from forecasts. The primary risks and uncertainties currently assumed by the SKY Perfect JSAT Group include, but are not limited to, the following:

<Risks Common to Both Companies>

A decline in demand for the SKY Perfect JSAT Group's services;

The constraints imposed on the Group's businesses by new or revised laws and regulations relevant to the SKY Perfect JSAT Group's business and operations;

The inability to develop new businesses as planned or the failure of these businesses to contribute to operating results;

Advances in video and audio compression technologies accompanying the digitalization of telecommunications technologies or by other forms of innovation in communications, broadcasting, satellite and other technologies, all of which may affect the Group's operating results;

The inability to realize or develop future strategic partnerships in relevant fields or relationships with partner companies as envisioned; and

Changes in economic conditions, such as interest rates and currency exchange rates and effect of these change on the group's financial condition

<Risks Mainly Related to Business of JSAT Corporation (JSAT)>

A decline in the usage of various services by major customers and volatility in their operating results;

Damage, malfunctions or breakdowns experienced by the SKY Perfect JSAT Group's communications satellites;

Failure to launch satellites or insert them in their proper orbits, or delays in launches;

The inability to establish an effective backup satellite system;

The inability to conduct business as planned due to failure or delay in coordinating orbital slots and communication frequencies at the international level;

The cost of satellites exceeding budgets due to changes in satellite specifications, currency exchange rates, or insurance market conditions;

The inability to obtain insurance policies that are economically viable or provide coverage for all types of accidents that require insurance;

Failure to realize international business partnerships or failure of such partnerships to generate results as expected;

The inability of businesses run in the U.S. by the significant subsidiary and affiliates to perform as envisioned due to the failure to meet the projected volume of orders in the U.S. market and other factors; and

Intensifying competition in Japan, Asia, Europe and the U.S. and its adverse effect on the JSAT Group's financial position or operating results.

<Risks Mainly Related to Business of SKY Perfect Communications Inc. (SKY Perfect)>

The economic environment surrounding our areas of business, in particular consumer trends;

Changes in legislation such as laws regarding broadcasting and communications, particularly in the case of restriction of our business or proposals to this effect or in case of, for example, new business entry by rival companies; and

Our ability to develop and continue to provide programs and services acceptable to subscribers in a fiercely competitive market characterized by features such as remarkably rapid technical innovation in the digital technology field in particular and remarkably subjective and changeable customer preferences in broadcasting business.

Major Topics

Operations

- Announced the Group's consolidated results for the first time, taking goodwill and tax effect associated with consolidation into account.
- Revised earnings forecasts for the interim period and full-year upward.
- Classified operating revenues into four sectors: satellite broadcasting, satellite communications, wired broadcasting, and others.
- Revised the dividend forecast to implementing an interim dividend.

Our Business Strategies

- Establishment of a Customer Satisfaction Improvement Committee for improved customer service.
- Acquisition of rights to broadcast Serie A soccer matches in the 2007-08 season and soccer set cooperation with WOWOW
- Expansion of the SKY PerfecTV! HIKARI service area focused on major urban areas.
- JCSAT-11 launch planned for early September 2007.

Financial Summary of 1Q/FY2007

1Q/FY2007: Summary of Consolidated Statements of Income



(Millions of Yen)

	SKY Perfect JSAT	JSAT (Consolidated)	SKY PerfectTV (Consolidated)	Group Consolidated
Revenues	400	9,711	22,565	30,162
Operating Income	6	2,470	608	3,022
Ordinary Income	-39	2,862	805	3,313
Net Income	-39	2,028	683	6,170
Dividends per Share (Yen)	-11.64	—	—	1,803.67

* Net income per share is calculated using the number of holding company shares at the beginning of FY2007 less a number corresponding to the amount of treasury stock.

EBITDA	7,897
EBITDA Margin	26.2%

[Indicators Related to SKY Perfect Services]

New Individual Subscribers (Thousands)	128	Churn Rate of Individual Subscribers	11.6%	Net Increase in Individual Subscribers (Thousands)	22
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Goodwill and Tax Effect Accounting

Goodwill

- Goodwill has been provisionary calculated as 14.6 billion yen, based on the estimated market value of the JSAT Group's assets and liabilities and accounting considerations.
- A depreciation period of 15 years determined based on the legal depreciation period of 5 to 20 years and estimated design and fuel life of satellites.
- 970 million yen per year (provisional)
- The Group plans to continue to examine goodwill until the end of the fiscal year and make a final decision.

Our Business Strategies

- Future profit levels have been considered based on a loss carried forward (21.7 billion yen at the end of FY2006) for tax purposes of SKY Perfect Communications and the medium-term management plan.
- For 1Q/FY2007 2.3 billion yen is recorded taking into account the deferred tax of 3.1 billion yen
- As a result of the factors above, the net income forecast will be revised upward.

1Q/FY2007: Breakdown of Revenues by Business Sector



(Millions of Yen)

	1Q/FY2006*5	% of total	1Q/FY2007	% of total
Satellite Broadcasting*1	22,812	79.9%	23,541	78.1%
Satellite Communication	3,880	13.6%	4,226	14.0%
Wired Broadcasting	975	3.4%	1,527	5.1%
Other Operations	855	3.0%	867	2.9%
Total Operating Revenues	28,523	100.0%	30,162	100.0%

*1 Satellite Broadcasting includes JSAT's broadcasting-related operating revenues, operating revenues relating to satellite broadcasting of SKY Perfect (including revenues from proprietary content) and operating revenues of Data Network Center, SKYPerfect Marketing, PPVJ, Samurai TV, eTEN, and Multi Channel Entertainment.

*2 Satellite Communications includes JSAT's communications-related operating revenues and operating revenues of Satellite Network and JAST International.

*3 Wired broadcasting includes wired broadcasting-related revenues of SKY PerfectTV! and operating revenues of OptiCast and Cable television Adachi.

*4 Main factors of Others are advertising revenue of SKY Perfect, JSAT's operating revenue related to controlling services, and operating revenues of SKY Perfect Well Think and SKY Perfect Mobile.

*5 The breakdown for FY2006 is an estimate for comparison and is not audited.

1Q/FY2007: Consolidated Operating Results



(Millions of Yen)

Company Name	JSAT	SKY Perfect	JSAT Int'l	Satellite Network	DNCC	SKY Perfect Marketing	PPVJ	OptiCast	Cable television Adachi	SKY Perfect Well Think	SKY Perfect JSAT	Group Consolidated
Major Area of Business	Satellite communications	Broadcasting platform	Satellite communications	Satellite communications	Customer management	STB rental service	Broadcasting	Content distribution service	Cable television	Content development and investments	Holding company	
% of Equity Held by SKY Perfect JSAT	100.0	100.0	100.0	92.0	51.0	100.0	85.0	100.0	77.3	100.0	—	—
Revenues	8,495	19,687	475	1,167	4,256	1,117	3,232	883	828	110	400	30,162
Ordinary Income	2,481	1,870	249	98	147	203	53	-1,259	159	-32	-39	3,313
Net Income	1,779	1,673	161	56	135	179	30	-865	80	-32	-39	6,170

*1 Others include SKY Perfect Mobile, Inc., Multi Channel Entertainment Inc., eTEN, Inc. and OptiCast's subsidiaries, namely OptiCast Marketing Inc. and Information Network Koriyama Inc. (16 consolidated subsidiaries in total)

*2 There are five equity method companies including System Create Inc., J SPORTS Broadcasting Corporation and Nikkatsu Corporation.

FY2007: Revision of Results Forecast






(Millions of Yen)

FY2007 Forecast	SKY Perfect JSAT Consolidated Previous Forecast		SKY Perfect JSAT Consolidated Revised Forecast	
	Interim	Full-Year	Interim	Full-Year
Revenues	60,000	125,000	60,000	125,000
Operating Income	2,000	5,500	4,000	5,500
Ordinary Income	2,000	5,000	4,000	5,000
Net Income	1,500	5,000	7,000	8,500
Dividend per Share	—	1,000 yen	500 yen	Total of 1,000 yen

* There has been no changes made in the non-consolidated results of SKY Perfect Corporation.

<Reference: Forecast for SKY PerfectTV! Subscribers and Churn Rate>

	FY2006	FY2007 Forecast
New Individual Subscribers (Thousands)	457	600
Churn Rate (%)	10.2%	9.2%
Net Increase in Individual Subscribers (Thousands)	93	252
Individual Subscribers: at the End of Year (Thousands)	3,628	3,880
Total Registrations: at the End of Year (Thousands)	4,231	4,483

	SKY PerfectTV! 250,000– 270,000
	e2 by SKY PerfectTV! 280,000– 300,000
	SKY PerfectTV! HIKARI 60,000–80,000 (total wired services 70,000–90,000)

1Q/2007: Summary of Consolidated Balance Sheets



(Millions of Yen)

	JSAT (Consolidated)	SKY Perfect (Consolidated)	SKY Perfect JSAT (Consolidated)
Current Assets	32,455	67,581	79,231
Fixed Assets	136,240	56,580	203,405
Total Assets	168,696	124,161	282,636
Current Liabilities	16,979	29,412	40,808
Fixed Liabilities	64,120	3,218	66,777
Total Liabilities	81,100	32,630	107,585
Common Stock	53,769	50,083	10,000
Capital Surplus	21,278	41,626	177,287
Retained Earnings	11,910	756	5,179
Treasury Stock	—	—	-19,165
Total Shareholders' Equity	86,958	92,467	173,300
Valuation and translation adjustments	437	-4,393	-2,565
Share Warrant	—	—	57
Minority Interests	199	3,457	3,864
Total Net Assets	87,595	91,530	174,657
Total Liabilities and Net Assets	168,696	124,161	282,636

1Q/2007: Summary of Consolidated Cash Flows

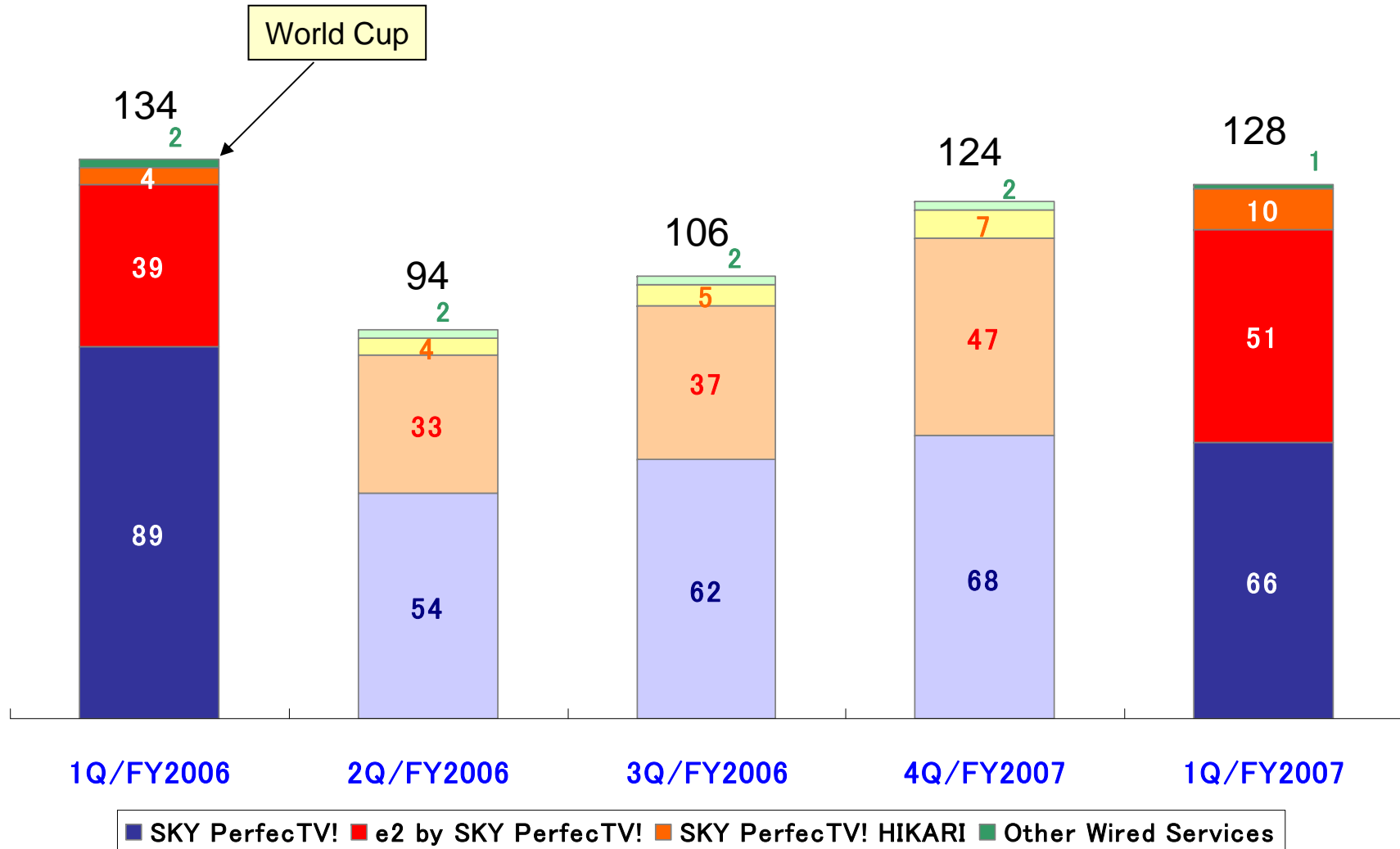


(Millions of Yen)

	SKY Perfect JSAT (Consolidated)
Net Cash From Operating Activities	10,121
Net Cash From Investing Activities	-9,596
Net Cash From Financing Activities	-3,849
Effect of Exchange Rate Changes	-5
Net Increase (Decrease) in Cash and Cash Equivalents	-3,330
Cash and Cash Equivalents at Beginning of Fiscal Year	43,583
Cash and Cash Equivalents at the End of Fiscal Year (A)	40,252
Marketable Securities at the End of Fiscal Year (B)	28,660
Total Fund at the End of Fiscal Year (C=B+A)	68,913
Balance of Debt at the End of Fiscal Year (D)	66,173
Net Debt at the End of Fiscal Year (D-C)	-2,740

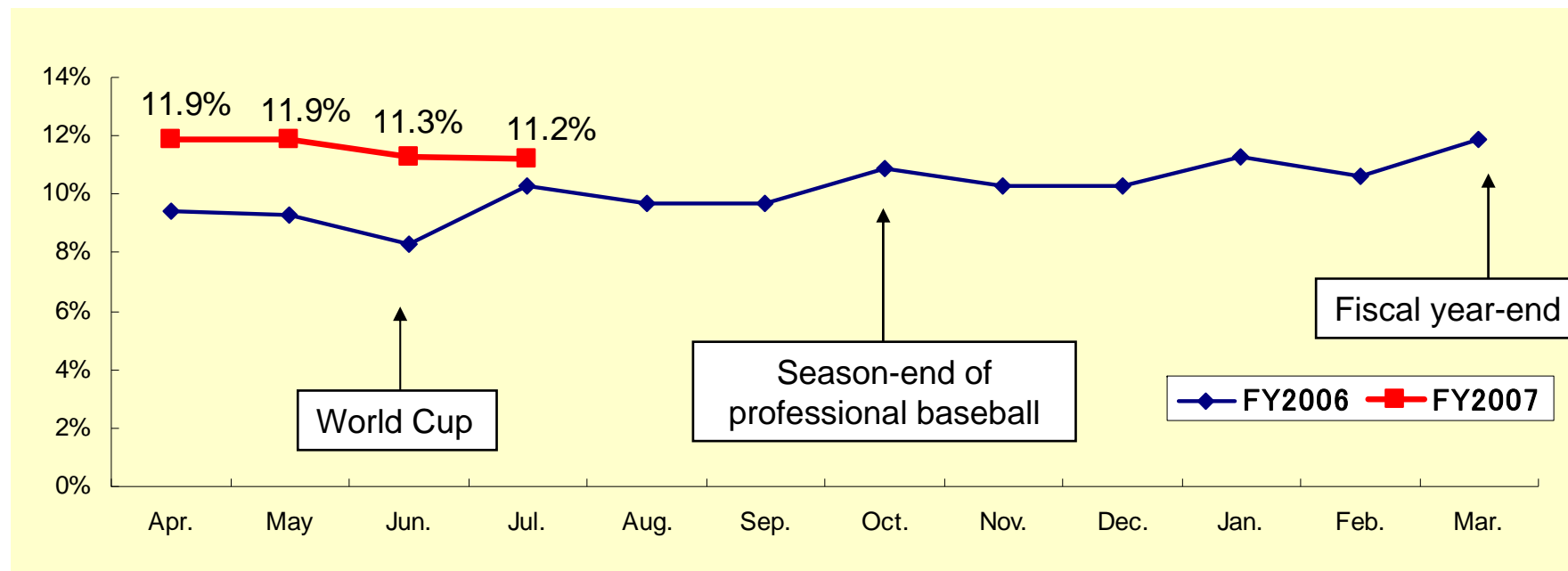
Number of New Subscribers

(Thousands)



1Q/2007: Individual Churn Rate

	1Q	2Q	3Q	4Q	Full-Year
FY2005	8.3%	8.3%	8.8%	9.0%	8.6%
FY2006	9.0%	9.9%	10.5%	11.3%	10.2%
FY2007	11.6%				E9.2%



Average Revenues per User (ARPU) (SKY PerfecTV! and e2 by SKY PerfecTV!)

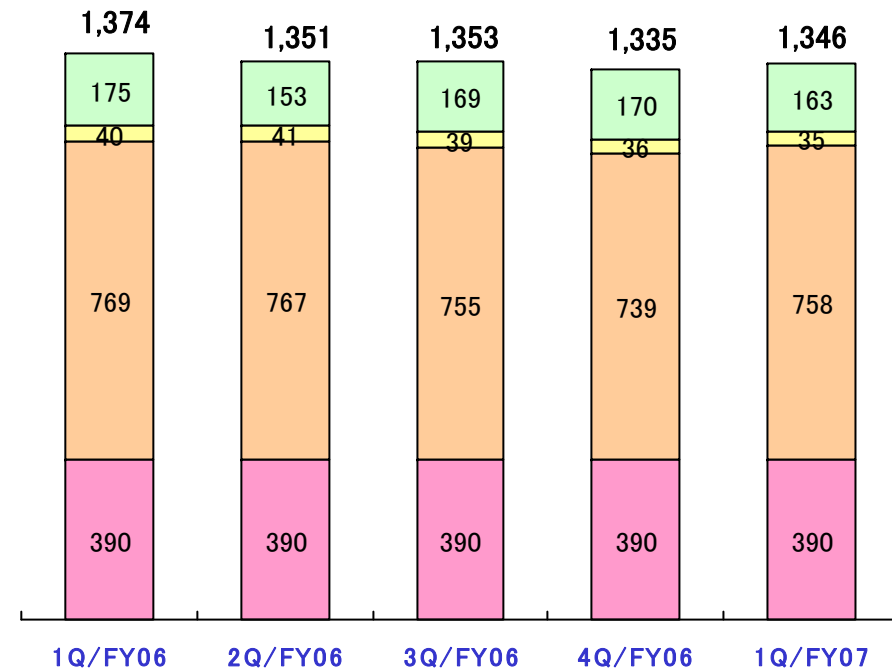
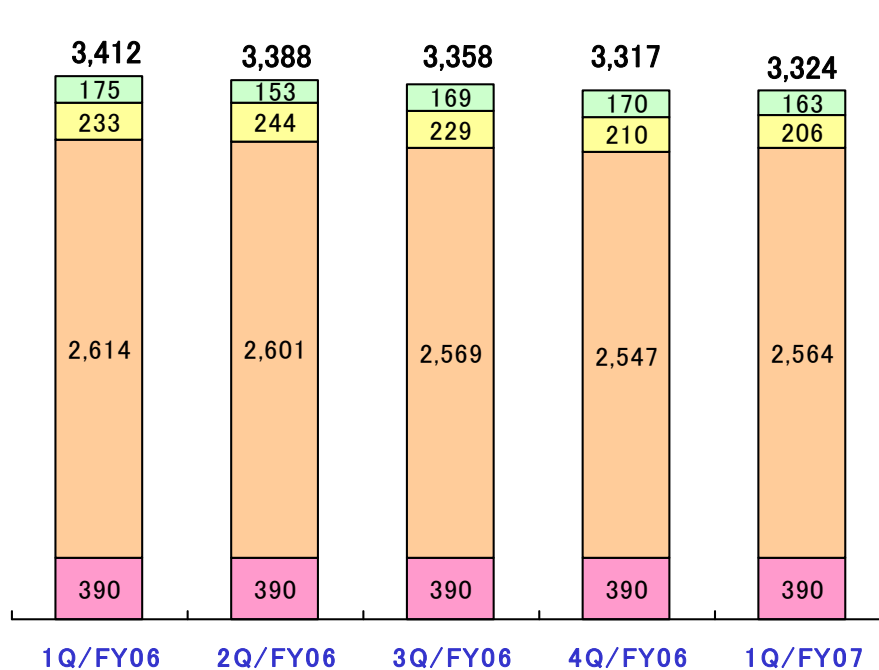


Subscription Fee per Subscriber

Subscriber-related Revenues per Subscriber

(Yen)

(Yen)



■ Revenues from SKY Perfect's own content
■ PPV subscription fee
■ Monthly subscription fee
■ Basic fee

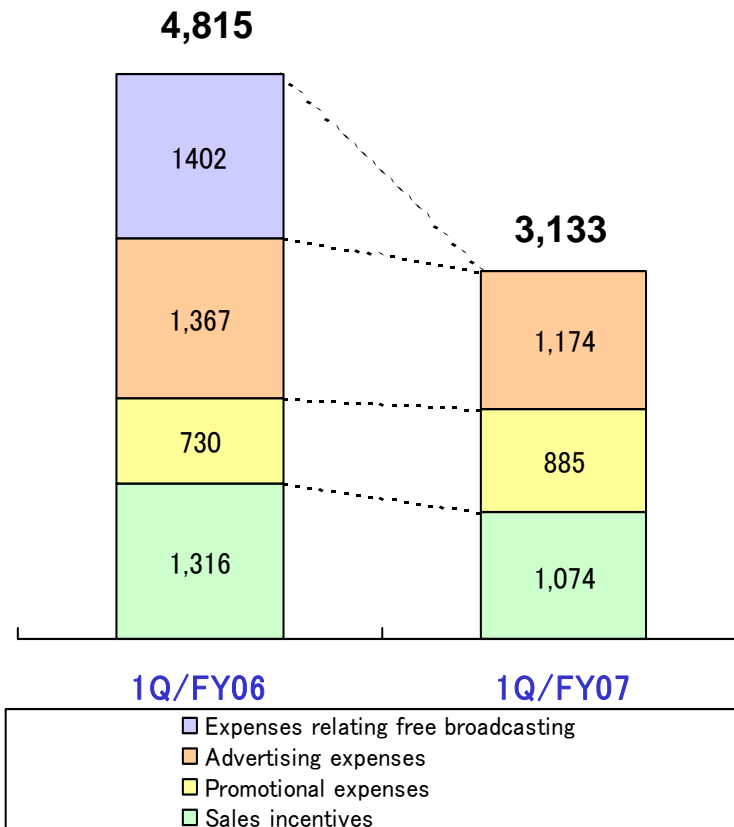
■ Revenues from SKY Perfect's own content
■ PPV subscription fee
■ Monthly subscription fee
■ Basic fee

Subscriber Acquisition Cost (SAC) (SKY PerfecTV! and e2 by SKY PerfecTV!)



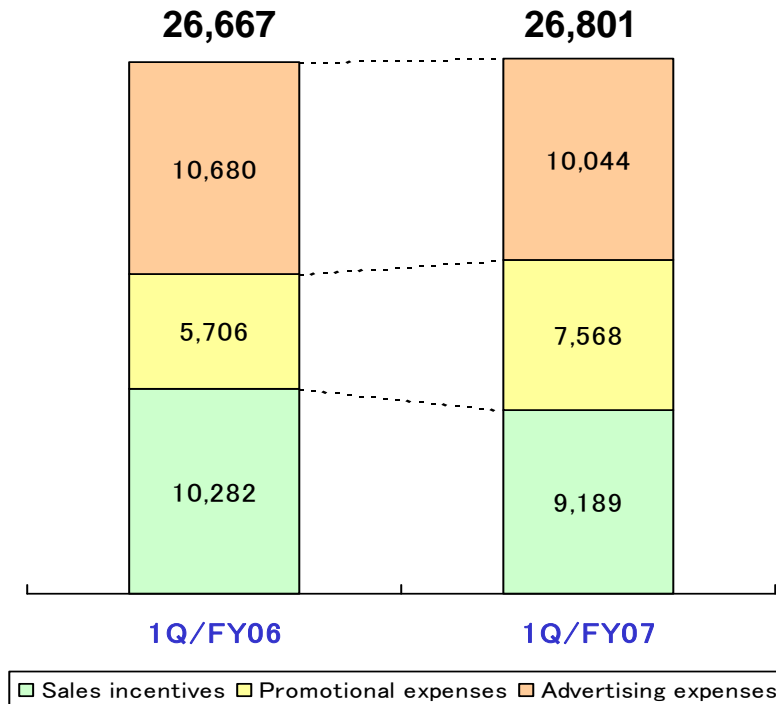
Total SAC

(Millions of Yen)



SAC per Subscriber

(Yen)



*1 Expenses arose at SKY Perfect and SKY Perfect Marketing.

*2 Advertising expenses excluded public relations expenses

*3 Expenses relating free broadcasting is excluded from SAC per subscriber.

Group Business Strategy

Increase the Focus on Subscribers and Bolster Customer Service

Initiatives to increase the focus on subscribers




- **The Subscriber First Project** (from January 2007)
Initiative for the entire Company to improve services based on the opinions of customers.
- **Establishment of Customer Satisfaction Improvement Committee** (from June 2007)
 - (1) Regular quality assessment of the services
 - (2) Reform and improvement of customer service awareness throughout the company

Customer service initiatives

- **Support Your Moving** (SKY PerfectTV!, e2 by SKY PerfectTV!)
Apply a discount to the value of the antenna installation fee (9,450 yen) to subscribers who are relocating (now underway)
- **STB and antenna installation and adjustment support** (SKY PerfectTV!, e2 by SKY PerfectTV!)
An engineer visit service visit planned
- **STB failure support** (SKY PerfectTV!)
Launch of a program to provide a replacement STB at a special price for customers with failed STB planned



Progress in HD Broadcasting

Service	Present status	FY2007 Forecast	Measures in the mid-term management plan
 <p>e2 by SKY PerfectTV!</p>	<p>Three channels available; Star Channel HV (ch.233), SKY PerfectTV! Hi-Vision (ch.800), J sports Plus (ch.253)</p>	<p>Add one or two channels (Japanese Movie Ch. HD launch scheduled in September)</p>	<p>Expand to approximately ten channels</p>
 <p>SKY PerfectTV!</p>	<p>—</p>	<p>STB under development Arrangement with broadcasters being made Transmission facilities under construction</p>	<p>Summer 2008 HD service launch with approximately ten channels Autumn 2009 Expansion to approximately 30 channels (Sales of HD package)</p>
 <p>SKY PerfectTV! HIKARI</p>	<p>Terrestrial digital broadcasting and BS digital broadcasting are available in HD format</p>	<p>Same as SKY PerfectTV!</p>	<p>Supported according to SKY PerfectTV!</p>

Acquire Rights to Broadcast Serie A Soccer Matches and Establish Set Cooperation with WOWOW

- Acquired CS broadcasting rights in Japan for Serie A matches in the 2007-08 season.
 - Released soccer sets incorporated with WOWOW.
- Continue to provide high-quality soccer contents in the future.



(c) FAR EAST PRESS/AFLO

European league soccer set + WOWOW -> ¥5,280/month
(3,600 yen/month) (2,100 yen/month)

Dream soccer set + WOWOW -> ¥7,660/month
(5,980 yen/month) (2,100 yen/month)

SKY PerfecTV! - Core Satellite Service



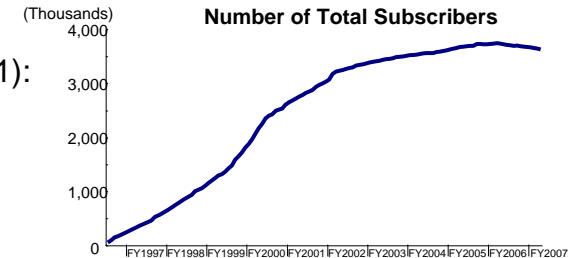
Present Subscribers (FY2006)

3.2 million



Target in Mid-term
Management Plan (FY2011):

3.6 million



Initiatives for FY2007

- Assume a net decrease in subscriber numbers for FY07
- Promote marketing mainly focusing on J.LEAGUE
- Cooperation with WOWOW in the soccer set
- Develop advertising, centering on content (such as a project for the “XX Festival”)
- Launch discounts for subscription in multiple rooms (from May 2007)
- Launch direct sales of STBs such as DVRs (from May 2007)

Initiatives in the mid-term management plan

- HD channels
 - Summer 2008
Launch with approximately ten channels
 - Autumn 2009
Increase to approximately 30 channels and sell the HD package
- Introduction of new STBs
 - 2008 Introduce STBs compatible with HD broadcasting
 - 2009 Introduce high-performance STBs
- Improve the profitability of own contents
 - Select content that is effective in obtaining new subscribers and invest intensively

e2 by SKY PerfecTV! -Service through Digital TVs with Built-in Tuners



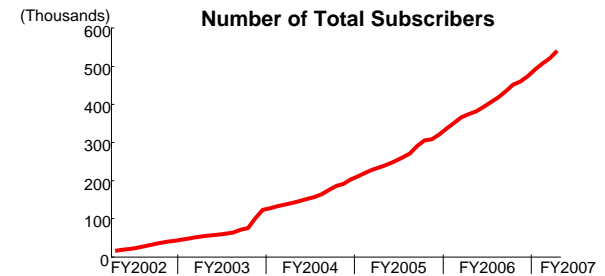
Present Subscribers (FY2006)

0.4 million



Target in Mid-term
Management Plan (FY2011):

1.8 million



Initiatives for FY2007

- Drive the net increase in the number of subscribers

■ Easy Entry & Easy Entertainment

To respond to the termination of analog broadcasting, tuners are built into digital television sets, which are rapidly achieving market penetration. The channel lineups can accommodate a family audience and the baby boomer generation.

■ Launch of antenna support in May

■ HD channel

Three channels as of the end of July. This will increase to four channels in September.

Initiatives in the mid-term management plan

- Develop SKY PerfecTV! HD channels

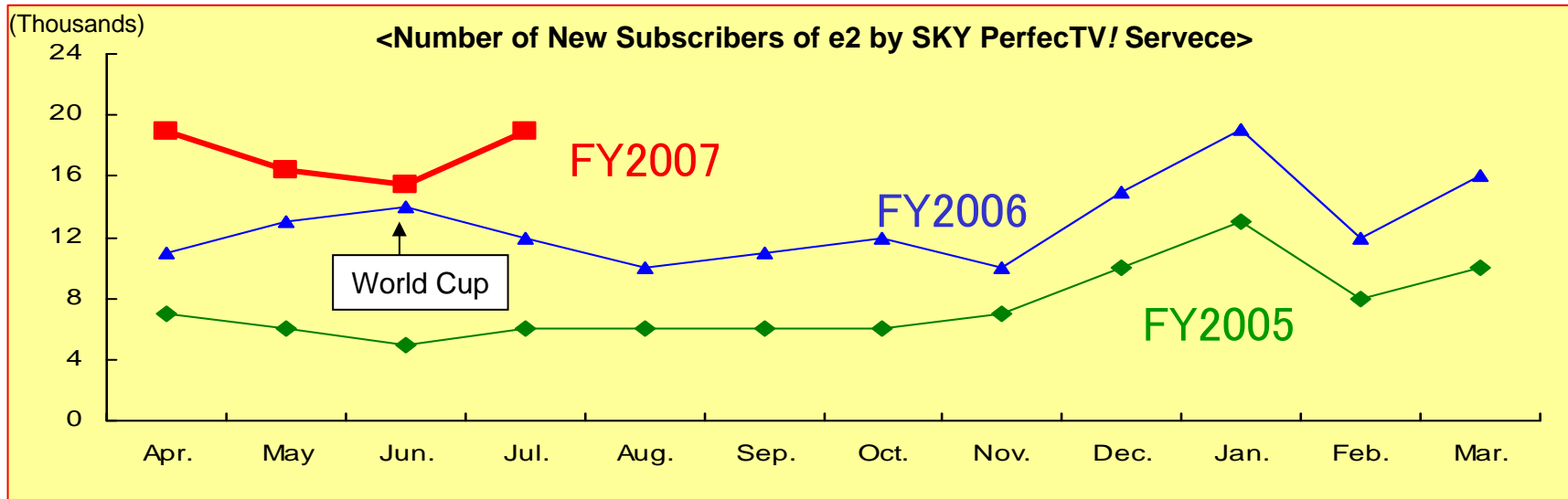
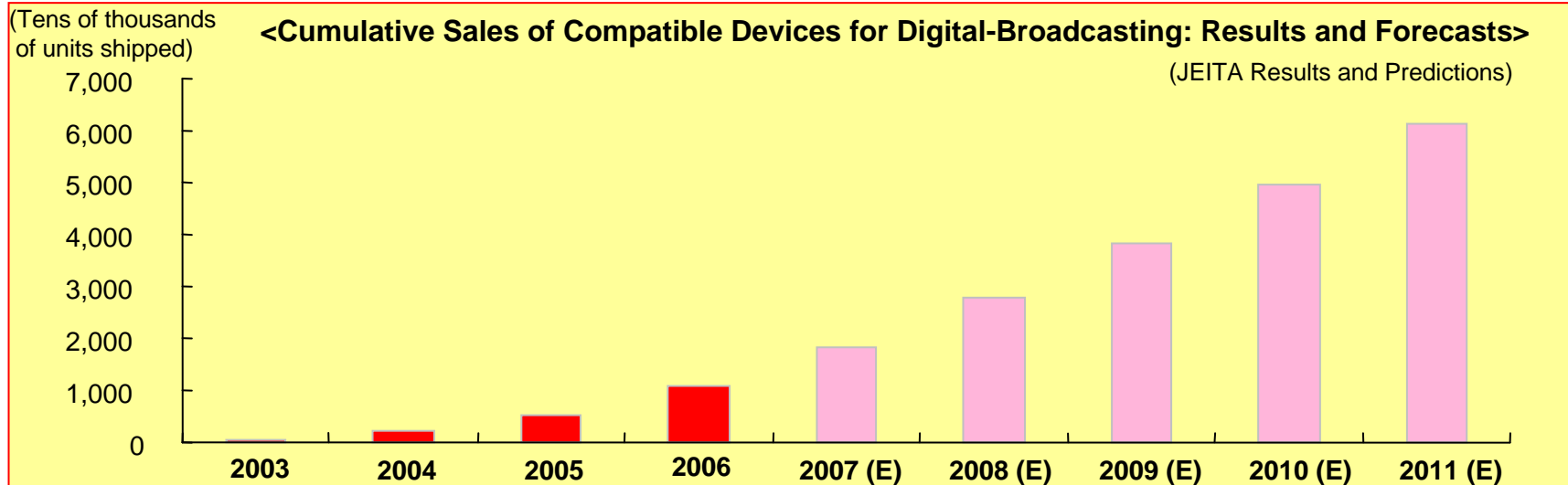
FY2008	Approximately five channels
FY2009	Approximately ten channels

■ Accelerate subscriptions among people with digital televisions

An initiative to improve recognition of the service. This initiative targets a sign-up rate of approximately 3.5 to 4.0% of households with digital televisions



Take-up of e2 by SKY PerfectTV!



SKY PerfecTV! HIKARI - FTTH (RF) Service



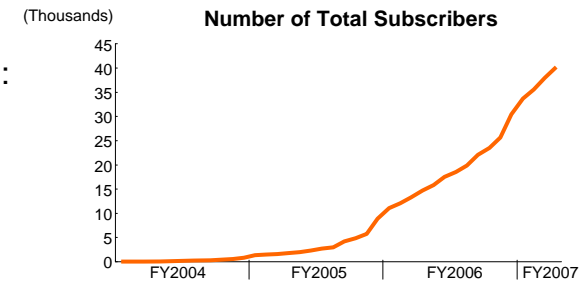
Present Subscribers (FY2006)

0.03 million



Target in Mid-term
Management Plan (FY2011):

0.8 million



Initiatives for FY2007

- Drive the net increase in the number of subscribers
Achieve growth in line with the increase in NTT's FTTH subscribers.
- Maintain an edge in condominium installations and improve the subscription rate
- Full-scale promotion of sales to detached homes
Target expansion of the service area focused on major urban areas and promotion of sales through NTT or home appliance stores.
- Conduct CM activities to promote the service in cooperation with NTT

Initiatives in the mid-term management plan

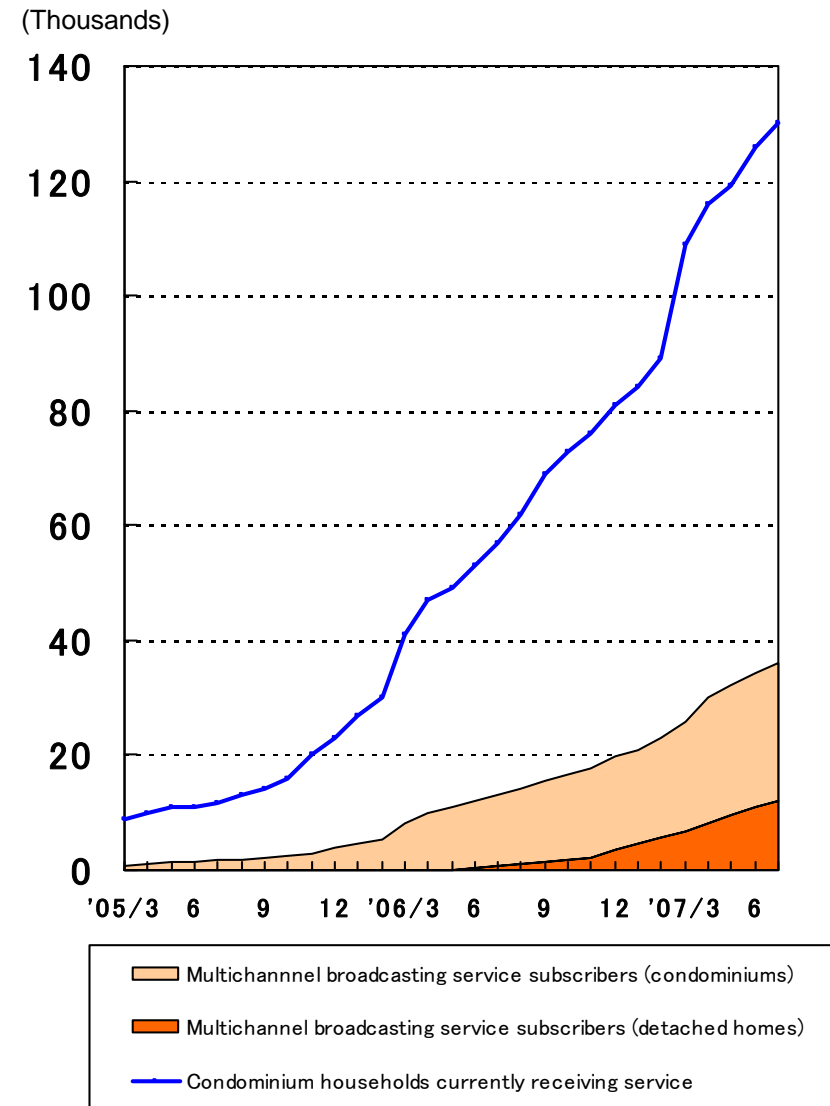
- Promote marketing activities in cooperation with NTT
- Increase bandwidth and switch to HD broadcasting
2009 Approximately 30 HD channels
- Also bring the use of NGN promoted by NTT into view
Develop IP broadcasting (Differentiation from the RF type in the urban areas)

Number of Individual Subscribers (SKY PerfecTV! HIKARI)



10 thousand new subscribers in FY07/1Q (cumulative total of 37 thousand subscribers)

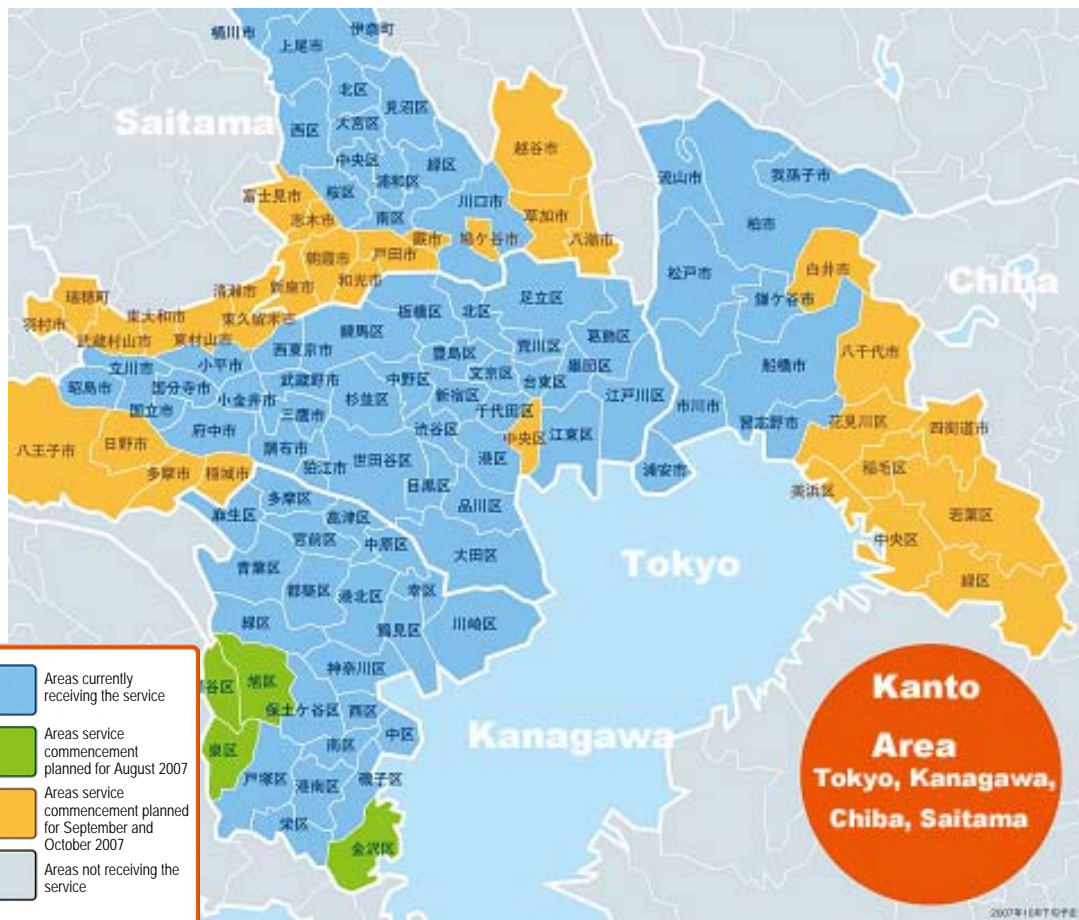
- Expand market in line with increased number of subscribers to NTT's FLETS optical service
- Increased at end of the last fiscal year, March and April, mainly in new condominiums
- For detached homes, a full marketing effort, centering on sales promotion through NTT and home appliance stores



Expansion of Service Areas (SKY PerfecTV! HIKARI)

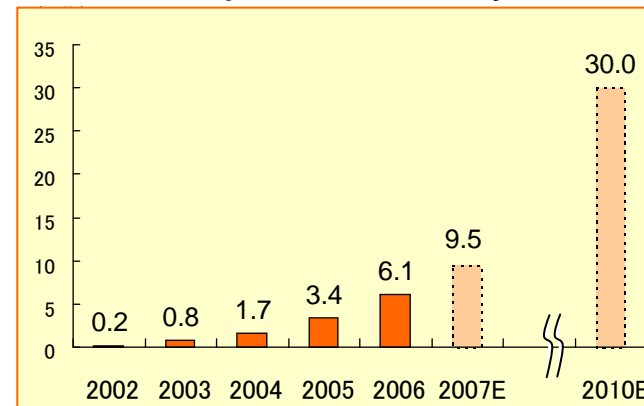


**Increase of 27% in households with expansion
in major urban areas (8.74 million → 11.09 million households)**



Increase of 35% in number of household in Tokyo metropolitan area (6.79 million -> 9.14 million households)

Subscriptions for FTTH by NTT



* NTT's goal in the Mid-Term Management plan

Mobile, IPTV and Other Services

Mobile, IPTV and Other Services

Target in Mid-term Management
Plan (FY2011):

1.3 million

[Mobile]

- Contents distribution service offering soccer coverage is available.
- SKY PerfectTV! can transmit the programs that they subscribe to a PDA terminal.

Future developments :

- A planning company was set up to launch a service using some frequencies currently allocated to analog TV services. Commercialization is currently being studied.

[IPTV]

- Started IPTV services in cooperation with On Demand TV and I-Cast in Spring 2007 (72 thousand subscribers as of June 2007)
- In June 2007, a partner page for promotional purposes was launched on YouTube when it started its Japanese-language service.
- In June 2007, content distribution began on Windows Media Center.
- July 2007 Opened a video posting section, developed and operated by Ask.jp, in SKY PerfectTV! Dog.



Future developments:

- Video distribution services on the NGN promoted by NTT will be studied and commenced.



Launch of the JCSAT-11 (Replacement for Backup Satellite)

Outline of JCSAT-11 launch

The launch of the JCSAT-11 is scheduled to replace the JCSAT-R currently in operation. The JCSAT-R is being operated as backup equipment for other JCSAT satellites.

Launch date:

Early September

Launch site:

Baikonur Space Center, Kazakhstan

Launcher:

Proton M (ILS)

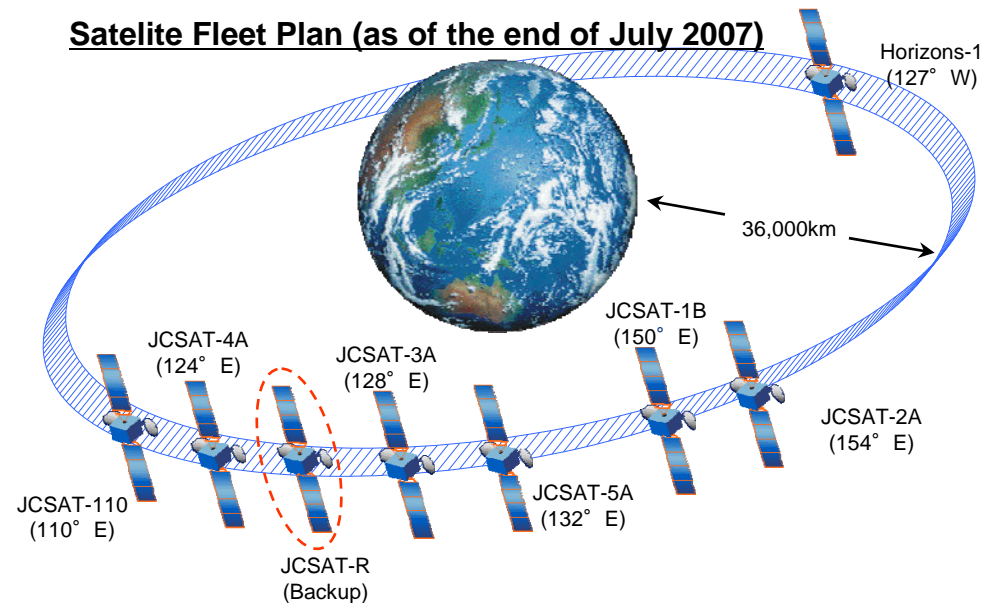
Primary data for the satellite:

- (1) Model: A2100AX (Lockheed Martin Corporation)
- (2) Number of repeaters:
30 Ku-bands for satellite transmission services
12 C-bands for satellite transmission services
- (3) Coverage area
Japan, Asia, Hawaii, and Oceania

Image of JCSAT-11



Satellite Fleet Plan (as of the end of July 2007)



Progress in Global Business Development



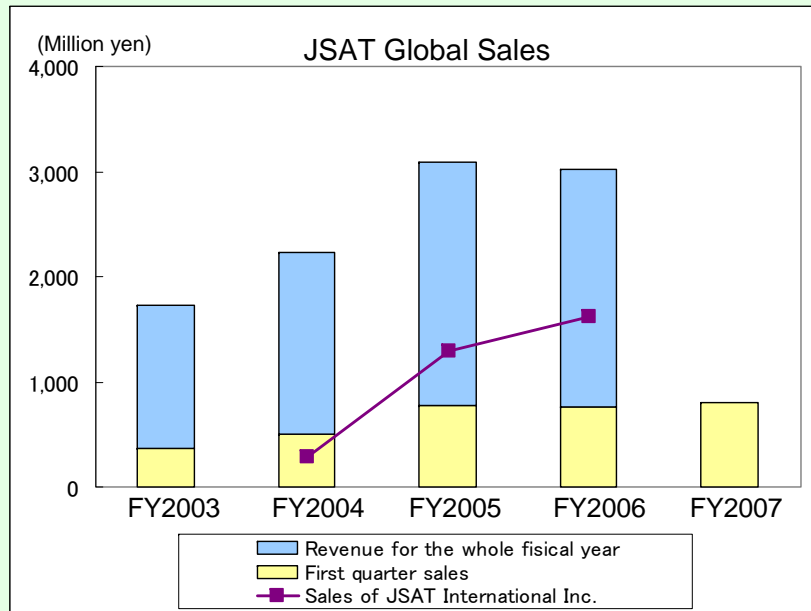
Focus on global business

January 2007

Made the Hong Kong Representative Office a branch office

July 2007

Transferred JSAT International Inc. head office to Washington D.C. to bolster incorporation with our partner Intelsat, Ltd.



Continuous launch of new satellites

Cooperation with Intelsat, Ltd. has developed

Horizons-2 launch

Scheduled launch date: Late 2007

Coverage area:

Mainland United States and coastal Caribbean

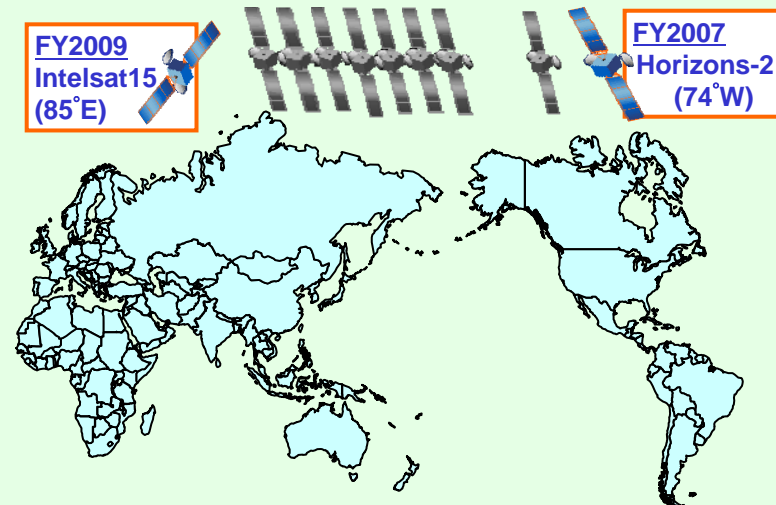
Scheduled Intelsat-15 launch

Scheduled launch date: Early 2009

Coverage area:

Asia, Indian Ocean, Middle East (near the Red Sea)

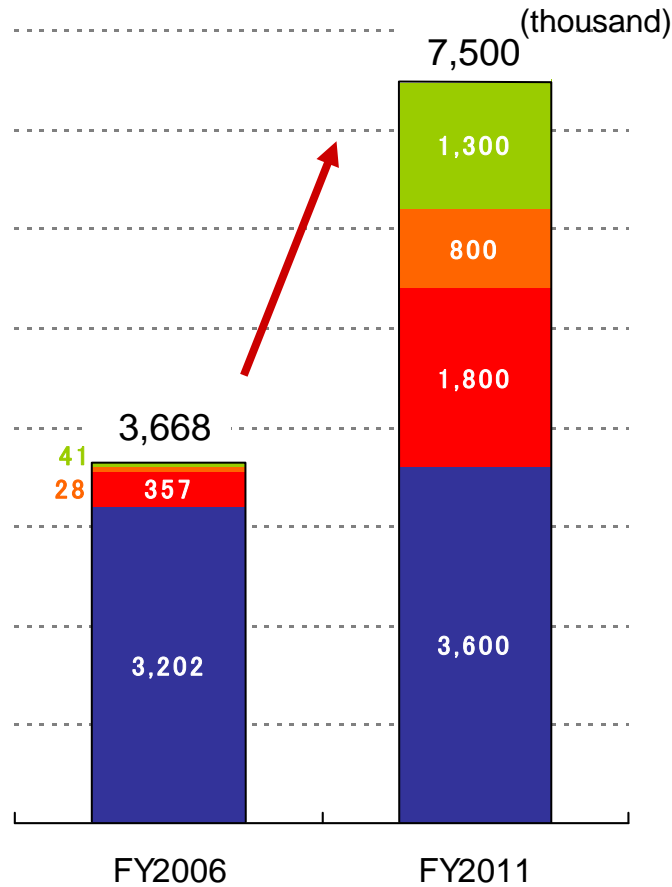
* The Intelsat 15 satellite is equipped with 22 Ku band transponders, five of which are owned and operated by JSAT.



References

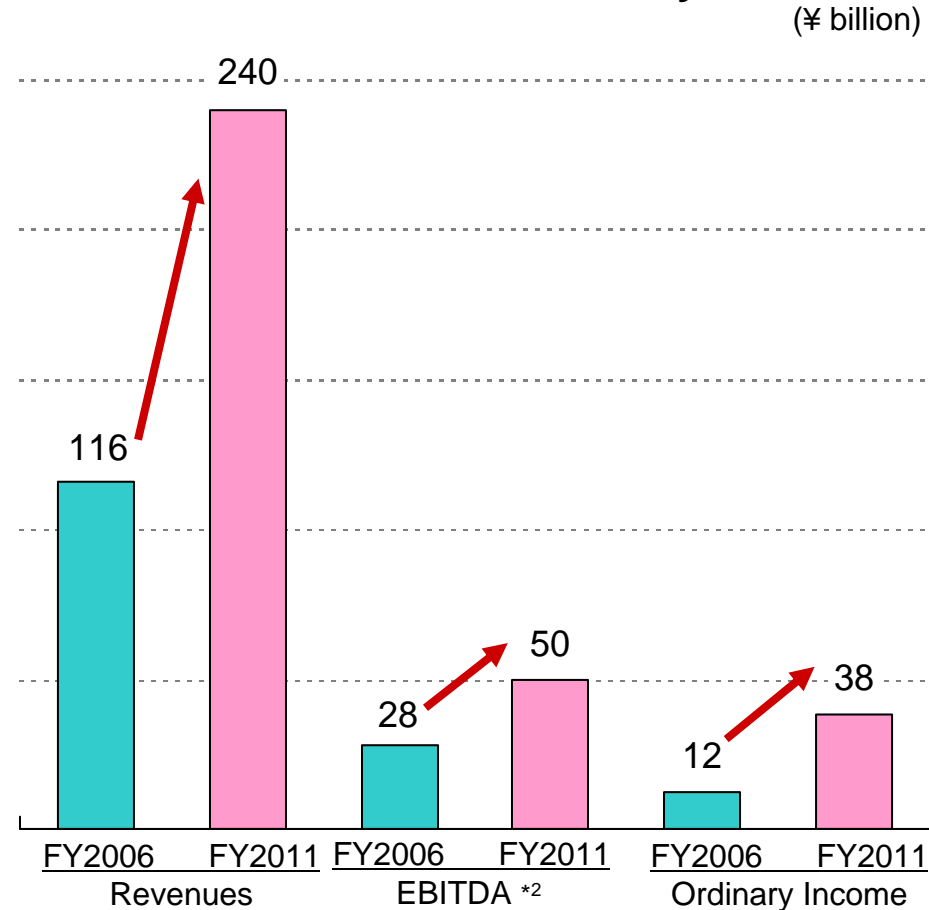
Mid-Term Projections

Number of Individual Subscribers



■ SKY PerfectTV!
■ e2 by SKY PerfectTV!
■ SKY PerfectTV! HIKARI ■ IP & Mobile etc.

Revenues / EBITDA / Ordinary Income*1



*1 Revenues, EBITDA and ordinary income from IP & mobile services are not included in the projection as the business model is yet to be fixed.

*2 EBITDA for FY2006 is the simple sum of the EBITDA for the two companies.

Business Projections (FY2007-2011)

