

Corporate Governance Report

* This is an English translation of Corporate Governance Report prepared in Japanese for the purpose of referential use.

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SKY Perfect JSAT Holdings Inc.
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Corporate Governance status of SKY Perfect JSAT Holdings Inc. (the “Company”) is as follows.

I. Basic Approach and Capital Structure, Corporate Attributes and other Basic Information related to Corporate Governance

1. Basic Approach

As a publicly traded corporation, the SKY Perfect JSAT Group believes that the basic objective of corporate governance is to maximize corporate value in the capital markets.

To accomplish this objective, we must establish favorable relations with all of our stakeholders, including our shareholders, our customers, our business partners, our employees and local communities. At the same time, we recognize the importance of corporate ethics based on compliance with laws. We also view the ability to make rapid management decisions in the face of a changing society and economic environment, as well as the improvement of management soundness, as some of the most significant management issues we face as an organization.

In line with this approach, since the Company’s establishment in April 2007, we have worked to ensure and improve transparency and soundness in management. For example, we have appointed several outside directors and voluntarily established the Nomination & Remuneration Committee that acts as an advisory body to the Board of Directors aiming at securing and enhancing management transparency and soundness as a corporate group that provides the Media business and the Space business of a highly public nature. During FY2015, we have established and implemented our original Independence Standards in addition to the criteria for independent directors prescribed by Tokyo Stock Exchange, Inc.

As we endeavor to provide timely and accurate information disclosure to our shareholders and investors, we also strive to enhance management transparency through the disclosure of a wide range of information.

[Disclosure Based on Each Principle of Corporate Governance Code]

Principle 1.4 Cross-Shareholdings

The Group has a policy to hold shares of other companies only if reasonable grounds exist; for instance, as a means to establish a business alliance or to maintain and strengthen relationships with business partners. The Board of Directors review the meanings of each shareholdings semiannually.

If such cross-shareholdings lack strategic objectives and sign of improvement of capital cost, the Board of Directors shall dispose the cross-shareholdings in consideration of market trends. The Board of Directors confirmed the result of the reviewing the meanings of cross-shareholdings for FY2017.

In exercising voting rights, the Group thoroughly considers whether individual matters for resolution will increase the share value, keeping the objectives of such shareholdings in mind. Voting rights are exercised in accordance with established procedures within the Group.

Principle 1.7 Related Party Transactions

Competing transactions, conflict-of-interest transactions and self-dealing transactions conducted by directors are subject to a resolution of, and ex post facto reporting to, the Board of Directors. Transactions with major shareholders should be executed only when a preliminary review has concluded that such transactions are reasonable and do not harm the common interests of all shareholders.

Principle 2.6 Fulfillment of Function as Corporate Pension Asset Owner

Since the management of corporate pension funds impacts stable formation of employee assets and the financial status of the Company, we have adopted the fund-type defined benefit pension managed by Itochu United Pension Fund which manages these funds appropriately. The CFO of the Company has also been delegated as representative for this fund.

Principle 3.1 Full Disclosure

i) Business principles, business strategies and business plans

The Group's Mission and the principles based on said mission with which all officers and employees should comply are posted on our website below.

Group Mission and Principles

<https://www.skyperfectsat.co.jp/en/about/principle.html>

In addition, results and forecasts related to the Mid-Term Business Plan that were announced at the Earning Results Briefing of FY 2015 are reported annually at the Earning Results Briefing for each fiscal year. Presentation materials are available on our website below.

Presentation materials

<https://www.skyperfectsat.co.jp/en/information/presentation.html>

ii) Basic views and guidelines on corporate governance

For basic views and guidelines on corporate governance, please refer to 1. (1) Basic Approach related to Corporate Governance above.

iii) Policies and procedures in determining remuneration of directors

and iv) Policies and procedures in the appointment and the removal of the senior management and the nomination of candidates for directors and corporate auditors

The Company has voluntarily established the Nomination & Remuneration Committee chaired by an outside director, which is an advisory body to the Board of Directors and whose majority is composed of outside directors. The Committee independently considers nominations of officers and determination of remunerations and the Board of Directors resolves matters of appointment of directors and corporate auditors and determines amounts of individual remuneration based on the report of the Committee. For removals of senior management including the representative directors, the Board of Directors shall decide whether to bring such removals to a vote at the General Meeting

of Shareholders. For information about the Nomination & Remuneration Committee, please refer to “Condition of Voluntary Committee, Constitution, Chairperson’s attributes” in this report.

v) Appointment of senior management and appointment and reasons for nomination of candidates for directors and corporate auditors

For appointments of outside directors and outside corporate auditors, please refer to “Corporate Directors-Related Matters” and “Corporate Auditors-Related Matters” in this report. For other directors, please refer to following “Reasons for nomination.” Furthermore appointments of directors are subject to resolution at a general meeting of shareholders. Reasons for appointment of candidates for directors as well as career summaries of directors are provided in the reference materials of notices of convocation of an annual general meeting of shareholders.

Reasons for nomination

Mr. Shinji Takada, Representative Director, President

Mr. Shinji Takada was appointed Representative Director, President of the Company in 2011, and has provided the Group’s management with strong leadership. He is expected to implement strategies for our Group’s improved performance and appropriately supervise the entire Group, based on a wide range of knowledge of the communications and broadcasting industry, as well as extensive experience as a corporate manager; therefore, he is proposed as a candidate for reelection as a Board Director.

Mr. Eiichi Yonekura, Representative Director, Senior Executive Vice President

Mr. Eiichi Yonekura has high level of expertise as a corporate manager, extensive experience and knowledge at a general trading company. He is expected to implement strategies for our Group’s improved performance and appropriately supervise the entire Group; therefore, he is proposed as a candidate for new election as a Board Director.

Mr. Masao Nito, Board Director

Mr. Masao Nito is expected to implement strategies for our Group’s improved performance and appropriately supervise the entire Group, based on extensive experience and knowledge across operations as a manager at the Company and Group companies; therefore, he is proposed as a candidate for reelection as a Board Director.

Mr. Koki Koyama, Board Director

Mr. Koki Koyama is expected to implement Space & Satellite Business strategies for the Group’s improved performance and appropriately supervise the entire Group, based on extensive knowledge in the fields of space & satellite business and experience as a Board Director; therefore, he is proposed as a candidate for reelection as a Board Director.

Mr. Shinji Yokomizu, Board Director

Mr. Shinji Yokomizu is expected to implement financial strategies for our Group’s improved performance and appropriately supervise the entire Group, based on extensive knowledge of finance and accounting and experience as a Board Director; therefore, he is proposed as a candidate for reelection as a Board Director.

Mr. Jiro Komaki, Board Director

Mr. Jiro Komaki is expected to implement Media Business strategies for our Group’s improved performance and appropriately supervise the entire Group, based on extensive knowledge of the broadcasting industry and experience as a Board Director; therefore, he is proposed as a candidate for reelection as a Board Director.

Mr. Kazunobu Iijima, Board Director

Mr. Kazunobu Iijima has high level of expertise as a corporate manager, and extensive knowledge and experience in the communications and broadcasting industry. He is expected to provide advice for further strengthening the Company's management system as well as appropriate guidance and supervision; therefore, he is proposed as a candidate for reelection as a Board Director.

Supplementary Principle 4.1.1 Roles and Responsibilities of the Board (Scope of Matters Delegated to Management)

In addition to matters to be resolved by the Board of Directors as prescribed by laws and the articles of incorporation, the Board of Directors resolves mid- and long-term business plans, annual business plans, annual financial plans and other matters prescribed in the Board of Directors Regulations (various plans and matters with significant effects on overall business operations). Other operational decisions are delegated to the management of the Company in accordance with the Administrative Authority Regulations.

Principle 4.9 Independence Standards for Independent Directors

The Company has established Independence Standards applicable to independent directors as described in "Independent Directors-Related Matters" in this report.

Supplementary Principle 4.11.1 View on Balance, Diversity and Size of Board of Directors

The Company specifies in its articles of incorporation that the number of directors be limited to 16. As the Board of Directors is responsible for major operational decision-making and oversight of management and understand the importance of diversity including gender, international business experience, and etc., we consider that it is crucial to appoint directors who will facilitate discussion from various aspects based on their extensive experience and expertise in the Media business, the Space business and other related areas of business management. Appointments of candidates for directors are independently considered by the Nomination & Remuneration Committee, an advisory body to the Board of Directors whose majority is composed of outside directors, and resolved by the Board of Directors. For information on the Nomination & Numeration Committee, please refer to "Condition of Voluntary Committee, Constitution, Chairperson's attribute" in this report.

Supplementary Principle 4.11.2 Directors' and Corporate Auditors' Concurrent Positions as Officers at Other Listed Companies

Concurrent positions at other listed companies held by directors and corporate auditors of the Company are disclosed in the notice of convocation of a general meeting of shareholders.

Supplementary Principle 4.11.3 Evaluation of Effectiveness of Board of Directors

Based on the result of self-evaluations performed by each director in February 2018 with regard to the effectiveness of the Board of Directors for FY 2017, the Board of Directors of the Company conducted an analysis and evaluation during the meetings held in March and April 2018, which were attended by corporate auditors. As a result, the chairman as well as the administrative office of the Board of Directors will take initiatives to improve the operation and meeting agenda of the Board of Directors considering the issues identified in the evaluation.

[Summary of the Results of Evaluation of Effectiveness of Board of Directors]

- The evaluation concluded that each of the six full-time directors and five part-time directors (including two independent outside directors and two outside directors) provided constructive opinions and conducted high quality discussions based on their individual expertise and experiences, and accordingly, the effectiveness of the Board of Directors was sufficiently secured.
- The evaluation concluded that necessary measures have been implemented to resolve issues related to the operation of the Board of Directors and it is appropriate to continue such activities.

Supplementary Principle 4.14.2 Training for Directors and Corporate Auditors

The Company explains overall management and business operations of the Company to new outside directors and outside corporate auditors to ensure their better understanding of the business operations and management issues of the Company. In addition, after being named as directors or corporate auditors, The Company organizes seminars and workshops as necessary when responses to revisions of applicable laws and regulations including the Companies Act as well as new risks are required. Opportunities to participate in outside training are also provided. The status of the training is reported annually to the Board of Directors.

Principle 5.1 Policy for Constructive Dialogue with Shareholders

In pursuing sustainable growth of the Company and raising the corporate value over the mid to long term, generally the Director in charge of Corporate Planning & Strategy, who is responsible for IR, as well as the Representative Director, President and the Director in charge of Finance & Accounting, Chief Financial Officer have constructive dialogues with shareholders within a reasonable scope with the support of the Corporate Communications & Investor Relations Department. The Corporate Communications & Investor Relations Department, which regularly shares information with the management and related departments, prepares presentation materials for quarterly Earnings Results Briefings and releases information about the Company. Presentation materials and online archives of Earning Results Briefings are available at the Company's website. Please refer to "IR Activities" in this report for more information.

On a quarterly basis, the Director in charge of Corporate Planning & Strategy reports to the Board of Directors the opinions and concerns of our shareholders obtained through dialogues in the report concerning investor trends and IR activities. We strive for management that respects the viewpoints of stakeholders including our shareholders.

Furthermore, the Company has established Information Disclosure Regulations, Insider Trading Control Regulations and Disclosure Policy, and endeavors to have dialogues with shareholders and release information without duplicity or prejudice.

Disclosure Policy

<https://www.skyperfectsat.co.jp/en/information/disclosure.html>

2. Capital Structure

Foreign Ownership More than 10% and Less than 20%

[Major Shareholders]

Name	No. of shares held	% of shares
ITOCHU FUJI Partners, Inc.	76,568,800	25.78
NTT Communications Corporation	26,057,000	8.77
Nippon Television Network Corporation	20,891,400	7.03
Tokyo Broadcasting System Holdings, Inc.	18,434,000	6.21
Japan Trustee Services Bank, Ltd. (Pension trust account for Mitsui & Co., Ltd.)	13,405,200	4.51
The Master Trust Bank of Japan, Ltd. (Trust account)	13,118,700	4.42
Sumitomo Corporation	11,129,200	3.75
Japan Trustee Services Bank, Ltd. (Trust account)	7,793,200	2.62
SSBTC CLIENT OMNIBUS ACCOUNT	4,252,603	1.43
DENTSU INC.	4,059,400	1.37

Existence of any controlling shareholders (excluding a parent company)	-
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Parent Company	No
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3. Corporate Status

Listed Market	TSE 1 st Section
Financial Year End	March
Industry	Information Technology & Telecommunication
No. of Consolidated Employees	From 500 to 1,000
Consolidated Revenue	From 100 billion to 1,000 billion
No. of Consolidated Subsidiaries	From 10 to 50

4. Guideline regarding the policy for protecting minority shareholders in the case of transactions, etc. with controlling shareholders

N/A

5. Other Matters having a Significant Impact on Corporate Governance

- [Major Shareholders] are based on a record data of September 30, 2018.
- The Company owns 47,595,852 shares of treasury stock.

II. Status of Management Organization and other Corporate Governance Systems for Management Decision-Making, Execution, and Supervision

1. Matters related to Institutional Structure/Organizational Operations

Organization Form Company with corporate auditors

[Corporate Director-Related Matters]

No. of Directors specified in the Articles of Incorporation	16
Term of each Director specified in the Articles of Incorporation	1
Chair of the Board of Directors	President
No. of Board Directors	11
Election of Outside Directors	Yes
No. of Outside Directors	4
No. of Independent Directors among Outside Directors	2

Relationship with the Company (1)

Name	Attribute	Relationship with the Company *											
		a	b	c	d	e	f	g	h	i	j	k	
Iwao Nakatani	Academic												
Kiyoshi Kosaka	Member of an Outside Firm												
Yoshinobu Kosugi	Member of an Outside Firm												
Hiroshi Fujiwara	Member of an Outside Firm												

* Selected the relevant “Relationship with the Company”

* ○ indicates the relevant item that the person himself/herself falls under “currently or recently.” △ indicates the relevant item that the person falls under “previously.”

* ● indicates the relevant item that a close relative of the person falls under “currently or recently.” ▲ indicates the relevant item that a close relative of the person falls under “previously.”

a. A person who executes business of the listed company or its subsidiary

b. A person who executes business or a non-executive director of a parent company of the listed company

c. A person who executes business of a fellow subsidiary of the listed company

d. A person/entity for which the listed company is a major client or a person who executes business for such entity

e. A major client of the listed company or a person who executes business for such client

f. A consultant, accounting expert or legal expert who receives large sums of cash or other assets in addition to remuneration as a director or an audit & supervisory board member of the listed company

g. A major shareholder of the listed company (in cases where the shareholder is a corporation, a person who executes business of the corporation)

h. A person who executes business for a client of the listed company (excluding persons categorized as any of d., e., or f. above)

i. A person who executes business for another company holding cross-directorships/cross-auditorships with the listed company

j. A person who executes business for an entity receiving contributions from the listed company

k. Other

Relationship with the Company (2)

Name	Supplemental Remarks concerning Applicable Categories	Reason for Election as Outside Director
Iwao Nakatani	- [Independent director]	Expected to provide advice for further strengthening the Company's management system as well as appropriate guidance and supervision, based on his high level of expertise related to the economy and business administration Possesses the independency, and does not fall under the conditions specified by the Company and Financial Instruments Exchange, and does not have any conflict of interests related to general shareholders.
Kiyoshi Kosaka	-	Expected to provide advice for further strengthening the Company's management system as well as appropriate guidance and supervision, based on his high level of expertise as a corporate manager, and his extensive experience and knowledge of the communication industry
Yoshinobu Kosugi	-	Expected to provide advice for further strengthening the Company's management system as well as appropriate guidance and supervision, based on his high level of expertise as a corporate manager, and his extensive experience and knowledge of the broadcasting industry
Hiroshi Fujiwara	- [Independent director]	Expected to provide advice for further strengthening the Company's management system as well as appropriate guidance and supervision, based on his extensive experience and knowledge in the fields of information and communications.

Whether any Nominating Committee or Remuneration Committee Yes

Condition of Voluntary Committee, Constitution, Chairperson's attribute

	Name	Total	Full-time	Inside	Outside	Outside experts	others	Chairpersons
Nominating Committee	Nomination & Remuneration Committee	5	0	2	3	0	0	Outside
Remuneration Committee	Nomination & Remuneration Committee	5	0	2	3	0	0	Outside

Our company is not a committee-established company specified in the Companies Act, but our company has the Nomination & Remuneration Committee in which external directors have a majority and was chaired by an outside director, as a discretionary advisory body for the board of directors, so that independent discussions are made for appointing directors and specifying remunerations.

[Corporate Auditors-Related Matters]

Board of Corporate Auditors Established	Yes
No. of Auditors Specified in the Articles of Incorporation	5
No. of Corporate Auditors	4

Coordination between Corporate Auditors, Audit Corporation and the Internal Audit Department

Deloitte Touche Tohmatsu has been engaged as the Company’s audit corporation. The Board of Auditors receives continuing reports related to audits from the audit corporation. The main subject of such reports relates to explanations and coordination of mutual audit plans, as well as inquiries and confirmations related to quarterly financial audits by the audit corporation conducted by the corporate auditors.

The Company is engaged in activities designed to strengthen the effectiveness of internal controls and Group management, directed primarily by the “Corporate Planning Department.” The “Internal Audit Department” is charged with monitoring Company business activities, including internal controls and Group management.

The Board of Corporate Auditors receives continual reports regarding the status of internal audits from the Internal Audit Department. The subject of such reports mainly relates to inquiries from corporate auditors concerning the progress and results of audits conducted by the Internal Audit Department, as well as advice and exchange of opinions regarding the state of internal controls at the Company.

Election of Outside Corporate Auditors	Yes
No. of Outside Corporate Auditors	4
No. of Independent Directors among Outside Auditors	2

Relationship with the Company (1)

Name	Attribute	Relationship with the Company *												
		a	b	c	d	e	f	g	h	i	j	k	l	m
Itaru Nishimura	Member of an Outside Firm													
Akira Ogawa	Member of an Outside Firm													
Toshiaki Katsushima	Certified Public Accountant													
Mikio Kokubu	Member of an Outside Firm													

* Selected the relevant “Relationship with the Company”

* ○ indicates the relevant item that the person himself/herself falls under “currently or recently.” △ indicates the relevant item that the person falls under “previously.”

* ● indicates the relevant item that a close relative of the person falls under “currently or recently.” ▲ indicates the relevant item that a close relative of the person falls under “previously.”

a. A person who executes business of the listed company or its subsidiary

- b. A non-executive director or an accounting advisor of the listed company or its subsidiary
- c. A person who executes business or a non-executive director of a parent company of the listed company
- d. An audit & supervisory board member of a parent company of the listed company
- e. A person who executes business of a fellow subsidiary of the listed company
- f. A person/entity for which the listed company is a major client or a person who executes business for such entity
- g. A major client of the listed company or a person who executes business for such client
- h. A consultant, accounting expert or legal expert who receives large sums of cash or other assets in addition to remuneration as a director or an audit & supervisory board member from the listed company
- i. A major shareholder of the listed company (in cases where the shareholder is a corporation, a person who executes business of the corporation)
- j. A person who executes business for a client of the listed company (excluding persons categorized as any of f., g., or h. above)
- k. A person who executes business for another company holding cross-directorships/cross-auditorships with the listed company
- l. A person who executes business for an entity receiving contributions from the listed company
- m. Other

Relationship with the Company (2)

Name	Supplemental Remarks concerning Applicable Categories	Reason for Election as Outside Director
Itaru Nishimura	-	Expected to provide advice based on his extensive experience in business management that he has obtained at a general trading company and impartial audits on the legality of management operations, etc.
Akira Ogawa	- [Independent director]	Expected to provide advice based on business management experience in international finance field and independent audit about legality of business execution Possesses the independency, and does not fall under the conditions specified by the Company and Financial Instruments Exchange, and do not have any interests related to general shareholders.
Toshiaki Katsushima	- [Independent director]	Possesses advanced expertise and depth of audit experience in financial and tax fields Possesses the independency, and does not fall under the conditions specified by the Company and Financial Instruments Exchange, and do not have any interests related to general shareholders.
Mikio Kokubu	-	Expected to provide advice based on his extensive insight into the broadcasting industry and to conduct impartial audits on the legality of management operations etc.,

[Independent Directors-Related Matters]

No. of Independent Directors 4

Other items regarding independent directors

[Independence standards]

The Company objectively determines independence of outside directors and audit & supervisory board members in accordance with the independence standards set forth in the Companies Act and those established by the financial instruments exchange on which the Company is listed. A person who falls under any of the following is determined not to be independent of the Company.

1. A person who executes business of a client if sales to such client by the Company and SKY Perfect JSAT Corporation, a significant operating subsidiary of the Company, represented more than two percent of the consolidated sales of the Company during the most recent fiscal year.
2. A person who executes business of an entity if sales to the Company and SKY Perfect JSAT Corporation, a significant operating subsidiary of the Company, exceeded the higher of two percent of sales of the entity or 100 million yen during the most recent fiscal year.
3. A person who belongs to a law firm, auditing firm, tax accountant firm, or consulting firm that receives cash or other assets exceeding the higher of 10 million yen or two percent of sales of such firm or person in addition to remuneration as a director or an audit & supervisory board member from the Company and SKY Perfect JSAT Corporation, a significant operating subsidiary of the Company, during the most recent fiscal year.
4. A person whose relatives within the second degree belong to the Company or the subsidiary of the Company as a Director of the Board, an Executive officer, a General Manager, or a higher position.
5. A person whose relatives within the second degree are applicable to 1-3 listed above.

[Incentives-Related Matters]

Policy regarding Incentives Granted to Directors

The Company has adopted a Performance-Based Compensation System.

Supplemental Remarks concerning Applicable Categories

The Company has adopted a policy of performance-based compensation (system by which director compensation is based on achievement of standard management indices established at the beginning of the fiscal period) as an incentive to improve corporate performance.

Individuals Eligible for Stock Option

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Supplemental Remarks concerning Applicable Categories

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[Director Compensation-Related Matters]

Situation of disclosure (of the compensation of each director)

The compensation of each director has not been disclosed

Supplemental Remarks concerning Applicable Categories

[Fiscal2017 Results]

Directors (Outside Directors) 14(6) ¥ 140 million (¥ 35million)

The aggregate amount of remuneration above does not include the total amount of remuneration for directors of the Company's subsidiary concurrently serving as a director of 146 million yen.

Decision policy of remuneration and calculation method Yes

Disclosure of the decision policy of remuneration and calculation method

Our company is not a committee-established company specified in the Companies Act, but our company has the Nomination & Remuneration Committee in which outside directors have a majority

and was chaired by an outside director, as a discretionary advisory body for the board of directors, so that independent discussions are made for appointing directors and specifying remunerations.

[Support Structure for Outside Directors (Outside Corporate Auditors)]

With certain exceptions for highly urgent matters, outside directors and outside corporate auditors are provided with materials related to the board of directors and explanations, when necessary, before matters are undertaken. In addition, matters related to news releases, etc. are subject to board resolution when such matters are deemed to be sufficiently important. Other materials are provided individually to outside directors and outside corporate auditors by e-mail at the same time as public disclosure.

2. Matters related to execution of duties, audits/supervision, designations, and compensation determination functions

(1) Directors, Board of Directors

The Company's board of directors is comprised of 11 individuals (all of which are men and six of which are serve full time), four of which are outside directors. As a rule, the board of directors convenes once per month and as otherwise deemed necessary, discussing and determining important matters related to the execution of duties, including issues related to the Company and Company subsidiaries, as well as receiving reports from each company within the Group related to important events, etc. We believe that the election of four outside directors having a depth of experience as corporate executives allows for broad, multifaceted discussions within Company board meetings, enhancing the effectiveness of governance within the SKY Perfect JSAT Group.

(2) Management Committee

The Company has established a Management Committee as an advisory organ with respect to the execution of duties for the purpose of supporting the execution of the decision-making process of the Representative Director, President. The Management Committee will convene as necessary to discuss important matters related to the execution of duties of the Company and/or subsidiaries. At the same time, the Management Committee shall act as a means of disseminating information and supporting corporate governance, managing the progress, etc. of business operations at subsidiary companies.

(3) Corporate Auditors and the Board of Corporate Auditors

The Company has established the Board of Corporate Auditors consisting of four corporate auditors (all of which are men and two of which serve full time), all of which are outside corporate auditors. Corporate auditors attend major meetings of the board of directors and the Management Committee, actively offering opinions. At the same time, corporate auditors conduct audits of departments and subsidiaries based on an annual plan, auditing the execution of duties of board directors. The Board of Corporate Auditors continually receives reports related to audits from the Audit Corporation, as well as receiving reports from the Internal Audit Department regarding the state of internal audits.

(4) Other Committees

The Company has established the "Nomination and Remuneration Committee" as an advisory organ to the board of directors. This Nomination and Remuneration Committee is responsible for providing independent input with respect to the designation of officers and determination of compensation. In addition, an "Information Disclosure Committee" has been established as an advisory organ to the Representative Director President, providing opinions to the Representative Director, President from the perspective of timely and accurate disclosure.

(5) Internal Control Promotion Department

It was established as a section for promoting internal control, with the purpose of strengthening and effectively promoting internal control, which is becoming more important, so as to secure the

appropriateness of SKY Perfect JSAT Group with respect to the Companies Act, the Ordinance for Enforcement of the Companies Act, and the Financial Instruments and Exchange Act.

(6) [Provisions regarding outside directors]

These are written in the above sections (1).

(7) [Status of activities for improving the functions of auditors]

Please refer to the sections titled “Coordination between Corporate Auditors, Audit Corporation and Internal Audit Department,” “Support Structure for Outside Corporate Auditors,” and “Election of Outside Corporate Auditors,” etc.

3. Reason for the selection of present governance system

[Reason for the selection of the governance system]

As a company with corporate auditors (the board of corporate auditors), the Company enhances the monitoring and supervisory functions and secures transparency and soundness of its management by having the corporate auditors fulfill management supervisory duties. In addition to the corporate governance system primarily based on the management supervision by the corporate auditors, the Company has appointed more than one highly independent outside director and auditor aiming at strengthening and enhancing the effectiveness of management supervision by the Board of Directors and transparency and soundness of the management. Furthermore, the Company has voluntarily established the “Nomination & Remuneration Committee,” which is an advisory body for the board of directors. The “Nomination & Remuneration Committee,” the majority of whose members are outside directors and that is chaired by an outside director, conducts independent discussions for appointing directors and determining remunerations.

III. Implementation of Policies related to Shareholders and other Stakeholders

1. Initiatives for the Activation of the General Meeting of Shareholders and Facilitation of the Exercise of Voting Rights

Supplemental Remarks

Early Dispatch of General Meeting of Shareholders Announcement

As a rule, the Company plans for the early announcement of convocations of general meetings of shareholders.

Planning for General Meeting of Shareholders

In order to have the participation of as many shareholders as possible, the Company will as a rule implement policy to avoid congested dates (meetings, earnings announcements, etc.) when holding general meetings of shareholders. However, a general meeting of shareholders may be convened on a congested date due to unavoidable circumstances.

Exercise of Voting Rights via Electronic Means

Shareholders can exercise their voting rights with an electromagnetic method (the Internet).

Participate in Electronic voting platform and any other initiatives for improving the proxy voting process of institutional investors

For improving convenience of proxy voting for institutional investors, the Company participates in the ICJ platform, the electronic voting platform.

Provide Notice of Convocation of the General Meeting of Shareholders in English

For improving convenience of proxy voting for institutional investors overseas, the Company provides the translation of Notice of Convocation of the General Meeting of Shareholders in English on the Company's website as well as the websites provided by Tokyo Stock Exchange Inc. (TSE) and the ICJ platform.

Other

The Company provides a visual format for explanatory materials at general meetings of shareholders, as well as business strategy explanations given by the Representative Director based on investor briefings.

2. IR Activities

	Briefing Provided by Representative in Person	Supplemental Remarks
Production and Announcement of Disclosure Policy	—	Disclosure policy is written in the homepage.
Periodic Briefings for Individual Investors	No	The Company gives presentations for individual investors at seminars sponsored by securities firms, newspaper publishers and so on.
Periodic Briefings for Analysts/Institutional Investors	Yes	The Company holds quarterly briefings for analysts and institutional investors, striving to reflect the opinions of investors in corporate management where appropriate.
Periodic Briefings for Overseas Investors	No	The Company makes at least one visit to Europe, the United States and Asia each year. The Company also makes presentations and holds individual meetings

		for foreign investors at seminars sponsored by securities firms in Tokyo.
IR Materials Posted to Corporate Website	—	The Company posts news release information, financial reports, briefing materials and other various materials in Japanese and English to its corporate website as investor information
Department in charge of IR	—	Corporate Communications & Investor Relations Dept. in charge of IR activities

3. Status of Initiatives related to Stakeholders

	Supplemental Remarks
In-Company Regulations, etc. include the Provisions Regarding the Respect for the Standpoint of Stakeholders.	The Company has established “the code of conduct for executives and employees of the corporate group,” and is disseminating and promoting the code of conduct for living up to the expectations of stakeholders.
Implementation of Environmental Preservation Activities, CSR Activities, etc.	<p>The Company has worked to reduce the effect of business activities on the environment. At the same time, the Company is engaged in means to facilitate a society that is aware of environmental preservation and convenience issues.</p> <p>As for CSR Activities, the Company has worked to promote sports for the disabled by broadcasting of wheel chair basketball and wheel chair tennis. And the Company provides broadband services to the educational institutions via satellite communication to improve children’s education environment in Indonesian islands and Myanmar. And the Company recruited donation via facebook and magazines of SKY PerfectTV! to build a school in Cambodia with “World TERAKOYA Movement” provided by National Federation of UNESCO Associations in JAPAN.</p> <p>In Japan, the Company receives the field trip of students from primary schools and Junior high schools to its broadcasting center and satellite control center, dispatches employees to elementary and junior high school to offer lessons that support career development, and becomes a co-operative partner of the Science Koshien Junior National Tournament held by the Japan Science and Technology Agency etc., to support the education of the next generation human resources for space utilization and development. .</p>
Policies for Information Disclosure to Stakeholders	In connection with policies for providing information to our stakeholders, the Company has established the “Information Disclosure Committee” as an advisory organ to the Representative Director, President. This Information Disclosure Committee is responsible for offering opinions to the Representative Director, President from the standpoint of timely and accurate information disclosure.
Other	<p>(Regarding policies for promotion of women)</p> <p>The core business operation of the Company, SKY Perfect JSAT Corporation, establishes an environment that enable its employees to fully exercise their capabilities while balancing a family with work despite engaging in child care or family care. By providing childcare seminars to support employees involve in raising children, by developing a working environment where the employees who return to work after parental leave can overcome their time</p>

	<p>constraints by improving system of shortened working hours for childcare, by providing subsidies for hiring babysitters and by establishing a family-friendly leave. As a result of these initiatives, the rate of return to work from parental leaves has achieved 100%. On March 31, 2016, SKY Perfect JSAT Corporation formulated the following action plan for promotion of women.</p> <p>1. Plan Period From April 1, 2016 to March 31, 2020</p> <p>2. Goal Support to carrier development of employees who return to work from maternity leaves or childcare leaves 1</p> <p>3. Target (1)Enrich carrier development environment for employees who return to work from maternity leaves or childcare leaves (2)Maintain the percentage of women who returned to work from maternity leaves or childcare leaves more than 90%</p> <p>4. Initiatives (1) Support to carrier development of employees who returned to work from maternity leaves or childcare leaves (2) Support to early returning to work for employees who take maternity leaves or childcare leaves</p>
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IV. Internal Control Systems

1. Basic Approach and Status of Internal Control Systems

[1] Systems to ensure that directors and employees fulfill their duties in accordance with laws, ordinances, and the Articles of Association

- (1) In addition to creating the “SKY Perfect JSAT Group Mission” and the “SKY Perfect JSAT Group Principles,” in order to ensure that directors and employees comply with laws and ordinances, etc. (including the Articles of Association, internal regulations, and corporate ethics) (hereinafter referred to as “Compliance”), the Company shall create the SKY Perfect JSAT Group Compliance Basic Regulations and the Group Officer and Employee Code of Conduct.
- (2) The Company shall appoint a Chief Compliance Officer, and establish a Compliance Committee, chaired by the Chief Compliance Officer, as well as a Compliance Office, which shall serve as the office for the Compliance Committee. The Chairman shall refer to the Committee matters relating to frameworks for the purpose of ensuring Compliance within the Company (hereinafter referred to as “Compliance Programs”), issues, etc. relating to Compliance, and any other matters relating to Compliance, and report the results of any deliberations to the board of directors.
- (3) The Company shall maintain and manage Compliance Programs throughout the Company, and conduct education and training, etc. of directors and employees in order to ensure internal Compliance.
- (4) The Company shall audit Compliance through a department in charge of auditing department.
- (5) The Company shall establish a “Compliance Help Line” as a system to enable prompt reporting or consultation by either internal or external parties if deliberate acts that are in breach of laws or ordinances are discovered to have been committed, either in the course of the Company’s business activities or otherwise committed by directors or employees.
- (6) The Company shall not maintain any relations with antisocial groups or individuals that threaten the order and safety of the community, and shall establish a system to prevent the provision of any benefits to said groups or individuals, irrespective of the pretext.

[2] Systems to retain and manage information pertaining to the performance of duties by directors

- (1) The Company shall create regulations concerning the retention and management of information, and shall retain and manage information pertaining to the performance of duties by directors in accordance with said regulations, in a safe yet easily retrievable manner that is appropriate to the storage medium.
- (2) If a director or auditor requests to review information, the Company shall promptly transfer information to a location at the Company in which it may be reviewed and retain it in said location.
- (3) In accordance with the Information Security Basic Policy and other policies pertaining to information security, the Company shall internally disseminate information concerning information security, and establish systems as appropriate to ensure that threats to the Company’s information assets do not arise.

[3] Regulations and other systems pertaining to management of risk of loss

- (1) In order to raise awareness of, and evaluate risks in the course of the execution of duties and respond appropriately to the said risks, the Company shall create risk management regulations, and implement company-wide risk management systems.
- (2) In order to ensure effective risk management, the Company shall appoint a Chief Risk Management Officer and establish a Risk Management Committee to be chaired by the Chief Risk Management Officer.
- (3) The Risk Management Committee shall determine risk management policies, and also evaluate risks and consider risk prevention measures from a risk management perspective,

while planning the implementation of company-wide risk management systems through consideration of individual proposals.

- (4)The Company shall implement risk management systems, which include contingency procedures, and respond quickly and appropriately to prevent the loss from increasing and limit damage to the minimum amount.
- (5)The Company shall audit risk management through a department in charge of auditing department.
- (6)The Chief Risk Management Officer shall report to the Board of Directors as necessary concerning risk management, etc.

[4] Systems to ensure that directors fulfill their duties efficiently

- (1)Apart from holding meetings of the Board of Directors on a monthly basis (regular meetings), special meetings may also be held as necessary. Furthermore, the decision-making process shall be stipulated in the regulation including the President’s decision-making, etc., and matters that require the President’s decision shall be discussed and implemented through meetings of the management committee, which functions as a consultative body of the President, as necessary.
- (2)Department of responsibilities among directors shall be made clear, and with regard to implementation, regulations concerning organizations and business departments shall not only make clear the allocation of duties between each department, but also designate responsible officers and ensure there are systems in place to facilitate proper and effective implementation.

[5] Systems to ensure the appropriateness of the Group’s consolidated financial reporting

In order to ensure the appropriateness of the Group’s consolidated financial reporting, the Company shall implement and operate a system to ensure the reliability of itself and each subsidiary and conduct continuous monitoring (internal control pertaining to financial reports).

[6] Systems to ensure appropriate business conduct by the group comprising the Company as well as its subsidiaries

- (1)While respecting the operational policies of subsidiaries, and based on the management regulations of the company in question, the Company shall engage in operational management of subsidiaries, requiring subsidiaries to report, establish various liaison committees and joint committees, etc., and engage in proactive sharing of information with regard to certain matters relating to the implementation of directors’ duties, (including but not limited to those related to internal control). Furthermore, the Company shall ensure efficient operation through the introduction of efficient group finance (cash management system).
- (2)Based on the “SKY Perfect JSAT Group Mission” and the “SKY Perfect JSAT Group Principles,” as well as the SKY Perfect JSAT Group Compliance Basic Regulations and the Group Officer and Employee Code of Conduct, the Company shall implement uniform Compliance promotion at each subsidiary. Furthermore, each subsidiary shall implement Compliance Programs based on those of the Company, and disseminate information and support education and training to promote Compliance.
- (3)The Group shall implement a “Compliance Help Line” as a system to handle reports and queries from subsidiaries.
- (4)When implementing systems relating to the retention and management of information pertaining to performance of directors’ duties, as well as regulations and other systems, etc. pertaining to risk of loss, the Risk Management Committee shall determine subsidiaries’ Risk Management Policies and consider and implement each subsidiary’s individual proposals, etc. to ensure that subsidiaries’ risk management systems are in accordance with those of the Company, and support subsidiaries’ own systems as appropriate for each subsidiary’s scale and business conditions.
- (5)A department in charge of auditing department shall conduct internal audits of subsidiaries, and report the results of said audits to the directors of the Company and the subsidiary in question.

[7] Systems for employees to support auditors, and ensuring that employees who support auditors retain their independence while directions to said employees retain their effectiveness

- (1) A department in charge of auditing department may define job responsibilities as necessary, for the purpose of assisting audits conducted by auditors.
- (2) Employees who support auditors from a department in charge of auditing department may not be given directions or commands by directors or their superiors, etc. concerning the auditor's requests. Furthermore, reassignment, evaluation, and disciplinary action against said employees may only occur with the consent of the auditor.

[8] Systems for directors and employees to report to auditors, and other systems pertaining to reporting to auditors

- (1) The Company shall clearly stipulate matters that ought to be reported to auditors by directors or employees, meetings to be attended by auditors, and documents to be examined by auditors, etc., and educate all directors and employees with regard to such.
- (2) Irrespective of the above, auditors may require reports from auditors or employees, attend meetings deemed important, or require production of documents at any time that they deem necessary.
- (3) The Company shall implement a system to allow periodic exchange of information between the Company's auditors and subsidiaries' auditors. Furthermore, a department in charge of auditing department shall report the results of audits of subsidiaries to auditors.
- (4) The internal reporting status of the Group's "Compliance Help Line" shall be reported to the auditors without delay.
- (5) Regulations concerning internal reporting shall ensure that directors and employees of the Group shall not be dealt with to their disadvantage as a result of the content of reports made to the Group's "Compliance Help Line" being reported to auditors.

[9] Other systems to ensure that audits are conducted effectively

- (1) The President and CEO shall hold periodic meetings with auditors to facilitate mutual understanding.
- (2) A department in charge of auditing department shall inform internal auditors of plans and report to them the results of audits, both periodically and at any other time, as necessary, in order to facilitate a close working relationship.
- (3) The Company shall implement a system to ensure that auditors may consult with lawyers and other external specialists, and ensure that there is a sufficient budget for auditors to make such consultations and to cover all other auditing expenses.

2. Basic Approach and Status for Rejection of Antisocial Influences

[Rejection of Antisocial Influences]

The Company's preparations regarding the rejection of antisocial influences are as follows:

- (1) The General Affairs Department has been designated as the managing department, and the General Manager of General Affairs Department has been charged as the individual responsible for preventing unlawful claims from outside entities.
- (2) The Company has become a member of the Special Federation for the Prevention of Organized Violence ("Special Federation"), establishing close relations with outside specialized organizations, and strengthening coordination through networks managed by full-time personnel.
- (3) The Company receives information related to antisocial influences from the Special Federation; such information is received and managed by the appropriate manager.
- (4) The Company strives to ensure employee safety, referencing Videos, DVDs and other materials produced by the Special Federation.

V. Other

1. Whether any Measures against Acquisition have been Adopted

Whether any Measures against Acquisition have been Adopted No

2. Other Matters related to Corporate Governance Systems

For the timely disclosure of corporate information, the SKY Perfect JSAT Group has arranged the internal systems as follows.

SKY Perfect JSAT Holdings Inc. is a holding company that started up on April 2, 2007, upon the business merger of two listed companies, JSAT Corporation and SKY Perfect Communications Inc., through equity transfer. The Company is listed on the first section of the Tokyo Stock Exchange from the same day onwards. As a publicly traded corporation, the Company believes that the basic objective of corporate governance is to maximize corporate value in the capital markets. To accomplish this objective, we strive to establish the system whereby the management executive function, which finalizes and implements management decision-making promptly and effectively, and the management auditory function work organically, through the separation of executive and auditory bodies. Also, we consider that the timely and accurate disclosure of corporate information is prerequisite for the maximization of corporate value in the capital markets. The corporate governance organizational structure of the SKY Perfect JSAT Group is as shown in Note 3.

For the disclosure of corporate information, the Company observes the following three goals: a) As a listed company, the Company shall timely and accurately disclose management information in compliance with applicable laws and regulations, including the Financial Instruments and Exchange Act and TSE's Securities Listing Regulations. b) As a business group built on the Media business and the Space business, the Company shall promptly and rightly disclose information to relevant parties, represented by subscribers and business partners. c) As a socially responsible company, the Company shall promptly and rightly disclose information to the public. With these three goals, the Company has introduced and managed the Information Disclosure Committee (IDC), an advisory organ to the Representative Director, President, since the startup of the holding company, on the premise that we are required to establish the highly reliable information disclosure system. The IDC, which is chaired by the Representative Director, President, comprises the board of director in charge of information disclosure (a director who is registered in the TSE as a manager in charge of information handling), the board of directors related to the information to be disclosed, etc. In addition, corporate auditors act as observers, and the general manager of the Corporate Communication & Investor Relations Department acts as a secretary-general, which functions as an entity to discuss and check the timely information disclosure by the Company and its consolidated subsidiaries, such as SKY Perfect JSAT Corporation, an operating company.

At management committees (in principle, convened once a month, but additionally convened, if needed) and boards of directors (in principle, convened once a month) of the Company, a holding company, agendas set in executive board meetings and board meetings of operating companies are motioned according to the significance of topics. Therefore, almost all the topics pertaining to timely information disclosure based on TSE's Securities Listing Regulations are finalized through resolutions passed by the Company. In addition, the IDC regularly examines information that may be disclosed within about one month and confirms its schedule. Also, the disclosure of topics with urgent priority is discussed by a provisional committee, which is convened by the IDC or the head office. It is also acknowledged that depending on the degree of emergency, information disclosure

may be discussed via phone, email, etc., not necessarily limited to discussion at corresponding meetings.

Base on TSE's Securities Listing Regulations, the content of information to be disclosed is grouped to the following three categories:

1. Information to be disclosed in compliance with TSE's Securities Listing Regulations
2. Information to be disclosed beyond the scope of TSE's Securities Listing Regulations
3. Information to be disclosed at Company's own discretion, although it is not specified by TSE's Securities Listing Regulations

The information above will be disclosed after the IDC examines the necessity of disclosure and the content of information. Information considered to fall under Category 2 includes change in personnel and organizations, formation of a business alliance, financial loss resulting from disasters or incurred through business operations, the start of new services, and revision of earnings forecast. Information considered to fall under Category 3 includes the number of subscribers, communication failure or broadcast failure caused by reasons other than disasters, the launch of satellites or their defection, and the misconduct of executive/regular employees or their awards.

After the IDC decides to disclose information, it is, in principle, executed by the board of director in charge of information disclosure or delegated persons, and the Corporate Communication & IR Department registers the information on the TDnet and announces the information through as-needed methods (holding a press conference, delivering documents, etc.). The disclosed information is also updated on Company's websites (IR information pages).

Incidentally, as for mandatory financial statements and other mandatory documents, the director of the Accounting Department shall report schedules of and plans for the creation of documents at the management committees of the Company or at the IDC. Documents will be submitted through the appropriate creation processes.

Furthermore, the Company makes best effort to manage information disclosure in a constant and uniform manner by drawing up a setting of rules on the introduction of the IDC and on procedures pertaining to information disclosure (Information Disclosure Regulations).

*1 Roles of the relevant departments and documents created by the department departments

Corporate Communication & Investor Relations Department

(Roles) PRs for investors, contact with the TSE, the mass media relations

(Documents) Press releases, newsletters for shareholders, annual reports, other IR documents, etc.

Accounting Department

(Roles) Creation of mandatory documents, contact with financial bureaus of the Ministry of Finance

(Documents) Business reports, brief notes on the settlement of accounts, financial statements, extraordinary reports, etc.

*2 Internal rules pertaining to the timely disclosure of corporate information

1. Board of Directors Regulations
2. Administrative Authority Regulations
3. Insider Trading Control Regulations
4. Information Disclosure Regulations, etc.

*3 Corporate governance organizational structure

