

Corporate Governance Report

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

Updated on July 31, 2020

SKY Perfect JSAT Holdings Inc.

Eiichi Yonekura, Representative Director, President

Contact: Corporate Communications & Investor Relations Department

+81-3-5571-1500

TSE Code: 9412

<https://www.skyperfectjsat.space/en>

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 shareholdings lack strategic objectives and sign of improvement of capital cost, the Board of Directors shall dispose the shareholdings in consideration of market trends. The Board of Directors confirmed the result of the reviewing the meanings of shareholdings for FY2019.

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.

The Group examines the economic rationality of all transactions not only the deals with the shareholders so that we don't harm the common interests of all shareholders. The Group never prevent shareholders' intention to sell their shares

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 company has sent a person who has enough experience related to accounting and finance as delegate of 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.skyperfectjsat.space/en/company/mission/>

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.

Mid-Term Business Plan

https://www.skyperfectjsat.space/en/ir/policy/business_mission/

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 independent 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.

The Company has introduced a restricted stock compensation system for our directors (excluding outside directors) with the aim of providing them with an incentive to continuously improve our corporate value and to further promote value sharing with our shareholders. The Company will allocate restricted shares (hereinafter referred to as "Shares") to the subject party once a year by resolution of the Board of Directors. The amount of annual payment that serves as the basis for the calculation of the number of shares to be allotted is determined by a resolution of the Board of Directors within the remuneration limit resolved at the General Meeting of Shareholders.

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, Chairman

Mr. Shinji Takada 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, President

Mr. Eiichi Yonekura has high level of expertise as a corporate manager, extensive experience and knowledge at a general trading company, driving our Group’s management forward with strong leadership. 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 reelection as a Board Director.

Mr. Masao Nito, Board Director

Mr. Masao Nito is expected to implement financial strategies for our Group’s business growth and 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. Toru Fukuoka, Board Director

Mr. Toru Fukuoka is expected to realize growth and improve performance for our Group’s business and appropriately supervise the entire Group, based on extensive knowledge and experience in the public administration; therefore, he is proposed as a candidate for new election as a Board Director.

Mr. Kiyohiro Omatsuzawa, Board Director

Mr. Kiyohiro Omatsuzawa is expected to realize a space business vision for our Group’s business growth and improved performance as well as appropriately supervise the entire Group, based on his extensive knowledge in the field of communications and high level of expertise as a corporate manager; therefore, he is proposed as a candidate for new election as a Board Director.

Mr. Masato Ogawa, Board Director

Mr. Masato Ogawa is expected to realize media business strategies for our Group’s business growth and improved performance as well as appropriately supervise the entire Group, based on his abundant experience as a corporate manager and extensive knowledge in our Group’s overall businesses; therefore, he is proposed as a candidate for new election 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

The Board of Directors analyzes and evaluates the effectiveness of the Board of Directors based on the annual self-evaluations of each director, and discloses a summary of the results.

The measure of evaluating the effectiveness of the Board for the year ended March 31, 2020 and the outline of the results are as follows.

[Measure of Evaluating the Effectiveness of the Board of Directors]

In January 2020, a questionnaire was conducted for all Directors (11) and all Audit & Supervisory Board Members (4). The questionnaire on the composition, operation status, details of deliberations, management issues, etc. of the Board of Directors, and at the meetings of the Board of Directors held in April and July of the same year, the Board of Directors discussed the report of the results, analysis, evaluation, and measures to deal with issues.

[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 effective opinions and conducted high quality discussions based on their individual expertise and experiences, and accordingly, the effectiveness of the Board of Directors was sufficiently ensured.
- The Chairman of the Board of Directors and the Secretariat of the Board of Directors will play a central role in implementing improvement activities in response to issues such as enhancing discussions on medium-and long-term management with an awareness of ESG and SDGs and strengthening group governance.

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, the Representative Director, President, and the Director, ,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, Chief Financial Officer, 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.skyperfectjsat.space/en/ir/policy/disclosure/>

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)	13,387,900	4.51
Sumitomo Corporation	11,129,200	3.75
Japan Trustee Services Bank, Ltd. (Trust account)	9,693,200	3.26
SSBTC CLIENT OMNIBUS ACCOUNT	4,848,871	1.63
Japan Trustee Services Bank, Ltd. (Trust account 9)	4,522,500	1.52

Supplemental Remarks

The above information about major shareholders is as of March 31, 2020.

Existence of any controlling shareholders (excluding a parent company)	-
Parent Company	No

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

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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	5
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	Member of an Outside Firm											
Kazunobu Iijima	Member of an Outside Firm	△										
Yoshinobu Kosugi	Member of an Outside Firm											
Hiroshi Fujiwara	Member of an Outside Firm											
Kimiko Ohga	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 in 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.
Kazunobu Iijima	Kazunori Iijima was previously an Outside Director since he was an Executive Officer of Japan-Sky Broadcasting Co Ltd. (currently SKY Perfect JSAT Corporation) from June 1997 to June 1999. However, he has been elected as an Outside Director under the "Act for Partial Amendment of the Companies Act" (Act No. 90, 2014) that went into effect on May 1, 2015.	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 extensive experience and knowledge of the broadcasting 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 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.
Kimiko Ohga	-	Expected to provide advice for further strengthening the Company's management system as well as appropriate guidance and supervision, based on her high level of expertise as a corporate manager, and her extensive experience and knowledge of the communication industry

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	Chairperson
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 has a Nomination & Remuneration Committee which is chaired by an outside director, and which is comprised of a majority of outside directors and serves as an advisory body to the Board of Directors. Committee members serve terms one year in length, and as of the end of June 2020 the five committee members are outside director Iwao Nakatani (chairman), director Kazunobu Iijima, outside director Hiroshi Fujiwara, outside director Kimiko Ohga, and Representative Director and President Eiichi Yonekura. An administrative office has been established for the operation of this committee.

This committee deliberates over the nominations of officers, representative directors, and executive directors, and over proposals for the remuneration of officers and how the systems for remuneration should be arranged, as well as any matters related to these. The committee reports its findings autonomously, and also considers actions in response to corporate governance issues related to the subject matter of its own deliberations and monitors the status of these actions.

The Nomination & Remuneration Committee held nine meetings from July 2019 until June 2020, and attendance rate for committee members was 100% during this period.

[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 is the Company's audit corporation. This audit corporation was selected as a result of comprehensive considerations of its expertise, independence, quality management systems, audit implementation system, and other related attributes, through which it was determined that they could be expected to conduct appropriate audits.

The Board of Auditors cooperates with the audit corporation and receives ongoing audit-related reports from them. The main content of these reports is mutual explanations and coordination of audit plans, as well as inquiries and confirmations from corporate auditors pertaining to quarterly financial audits conducted by the audit corporation.

The Internal Audit Department is an organization comprised of nine department staff and one general manager, which is under the direct jurisdiction of the president. Its purpose is to ensure the autonomy and objectivity of internal audits. The Internal Audit Department evaluates the establishment and operation of internal controls and the process execution status of management activities for the Group according to the fiscal year internal audit plan approved by the representative director and president, based on which it provides advice and suggestions. Audit results are reported to the representative director and president, and to corporate auditors on an ongoing basis, and the general manager of the Internal Audit Department meets with the representative director and president and corporate auditors generally once per month to facilitate communication. The department cooperates with the audit corporation and mutually exchanges information with them about audit plans, results, and related matters on an ongoing basis. The department also acts autonomously in assessing the effectiveness of internal controls related to financial reporting based on the Financial Instruments and Exchange Act.

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													
Tsutomu Takahashi	Certified Public Accountant													
Jun Otomo	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 his extensive experience of business management in the field of international finance and to conduct impartial audits on the legality of management operations, etc. 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.
Tsutomu Takahashi	- [Independent director]	Expected to provide advice based on his high level of expertise in the field of accounting and taxation and abundant audit experience, and to conduct impartial audits on the legality of management operations, etc. 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.
Jun Otomo	-	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 remuneration of company officers is comprised of both performance-based and non-performance-based remuneration. Policies for deciding the pay ratios for these are decided by considering the level of responsibilities for improving business performance and increasing medium- to long-term corporate value.

However, outside directors are only paid fixed remuneration amounts in light of their responsibilities and from the perspective of emphasizing autonomy.

These decisions are made by the Board of Directors after receiving the findings of the Nomination & Remuneration Committee in order to ensure the objectivity of remuneration policy and the systems and operations for distributing remuneration.

Performance-based remuneration indexes are set for each officer, involving a combination of quantitative indexes such as Net Income Attributable to Owners of Parent (Consolidated Net Income) and segment profit for the year. These indexes are selected because they can be used to comprehensively determine the level of contribution to short-term and medium- to long-term business performance for the Company, and because they are thought to be evaluation indexes that can be common to all executives and employees, allowing for objective quantitative evaluation. Similar to the policies for deciding pay ratios, amounts of performance-based remuneration are decided by the Board of Directors after receiving the findings of the Nomination & Remuneration Committee.

The targets and actual results for main quantitative indexes in FY 2019 were segment profit of 2.4 billion yen (actual performance was 4.5 billion yen) in the Media business segment, and segment profit of 8.4 billion yen (actual performance was 8.0 billion yen) in the Space business segment, and overall consolidated Net Income of 10.2 billion yen (actual performance was 12.0 billion yen).

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

[Fiscal2019 Results]

Directors (Outside Directors) 15(5) ¥ 143 million (¥ 36million)

* The above figures include the four directors (of whom one was outside director) who resigned as of the closing of the 12th General Meeting of Shareholders held on June 21, 2019.

* Total amount of remuneration includes amounts scheduled to be paid as performance-based remuneration for that business year.

* The total amounts of remuneration shown above do not include the total officer remuneration of 158 million yen for subsidiaries at which directors also served.

* The upper limit for total remuneration payments is 300 million yen/year (of which 60 million applies to outside directors), as determined by resolution of the General Meeting of Shareholders (at the General Meeting of Shareholders held June 27, 2008).

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)]

The Corporate Planning Department assists outside directors and outside corporate auditors and, with certain exceptions for highly urgent matters, sends them advance materials related to the Board of Directors and Board of Auditors, and also provides prior explanations when necessary. 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 (one of them is woman and the others are men and six of which are serve full time), five 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. For FY 2019, attendance to board meetings was 98.8%.

(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

The Company has the Board of Corporate Auditors composed of 4 corporate auditors (including 2 full-time members), and all 4 of them are outside corporate auditors. Corporate auditors attend important meetings such as the Board of Directors and the Management Committee to actively express their opinions. At the same time, they conduct surveys of each department and subsidiaries in accordance with the annual audit plan of Corporate Auditors, and audit the business execution of directors.

The Board of Corporate Auditors meets once a month and shares with the part-time corporate auditors the status of day-to-day audits conducted by full-time corporate auditors, such as exchanges of opinions with each director and other core employees and corporate auditors of subsidiaries. the Board of Corporate Auditors also conducts comprehensive audits focusing on priority audit items, such as the status of the establishment of the Group's internal control system in accordance with the Companies Act and the Financial Instruments and Exchange Act, the Group's compliance system, and verification and follow-up of responses to upper-level risks.

In addition, the Board of Corporate Auditors receives reports on internal audits from accounting auditors as needed, and also receives reports on the status of internal audits from the Internal Audit Department.

The rate of attendance at the Board of Corporate Auditors meetings in Fiscal Year 2019 was 100%.

(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.

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

- a. Name of audit corporation: Deloitte Touche Tohmatsu LLC
- b. Period of continuous audit activities: 24 years
- c. Certified public accountants who conducted operations: Mitsuyasu Nakagiri, Eriko Otokozawa, Takeshi Sase
- d. Composition of the team supporting the audit activities: 6 certified public accountants, 6 accountants who have passed the certified public accountant examination, and 16 others
- e. How and why the audit corporation was selected
Through comprehensive considerations of its expertise, independence, quality management systems, audit implementation system, and other related attributes, it was determined that they could be expected to conduct appropriate audits.
When the Board of Auditors determines that the audit corporation has done any of the actions specified in Article 340 (1) of the Companies Act, policy dictates that this audit corporation shall be dismissed from its duties by unanimous agreement of the Board of Auditors. If the audit corporation is found to be unable to properly carry out its tasks, its removal or non-reappointment shall be decided through motions presented at the General Meeting of Shareholders.

(9) [Outline of the limited liability agreement]

The Company specifies terms pertaining to limited liability agreements of directors (excluding those who are executive directors) and corporate auditors in Article 26 Paragraph 2 and Article 35 Paragraph 2 of the articles of incorporation, based on Article 427 (1) of the Companies Act. The terms of the limited liability agreements entered into with directors (excluding those who are executive directors) and corporate auditors are summarized as follows.

The upper limit for compensation of damages based on this agreement is either 10 million yen or the amount specified by law, whichever is higher.

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 to issue convocation announcements for general meetings of shareholders earlier than the legally specified deadlines.

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

To facilitate exercising of voting rights, the Company displays convocation announcements of general meetings of shareholders on its website, as well as internet-based disclosures at the time these announcements are issued. After the general meetings of shareholders, announcements of resolutions and final vote totals are also displayed on the website.

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 holds periodic briefings for individual investors, where Board Director Masao Nito (in charge of IR) and executive officer at the core subsidiary, SKY Perfect JSAT Corporation explain our strategies in the Media business and the Space business. [Briefings in FY 2019] Ishikawa (Held in November 2019, 90 attendees.) Saitama (Held in November 2019, 20 attendees.) Tokyo (Held in December 2019, 300 attendees) Osaka (Held in December 2019, 350 attendees) Fukuoka (Held in February 2020, 80 attendees) Kagoshima (Held in February 2020, 30 attendees)

Periodic Briefings for Analysts/Institutional Investors	Yes	The Company holds quarterly briefings for analysts and institutional investors, where Representative Director and President Eiichi Yonekura and others explain matters including the Company's financial position and business strategies. Video of these proceedings also begins streaming on the same day, and it can be viewed on the Company's website.
Periodic Briefings for Overseas Investors	No	The Company makes at least one visit each year to Europe, the United States and Asia. [Visits in FY 2019] United States (July 2019, Representative director, President Eiichi Yonekura) United Kingdom (September 2019, Representative director, President Eiichi Yonekura) In FY2019, the Company discontinued visits to Asia in view of the spread of the new type of coronavirus infections.
IR Materials Posted to Corporate Website	—	The URL for IR information: https://www.skyperfectjsat.space/ir/ The Company posts financial reports information and other timely disclosure data and materials, securities reports, quarterly reports, company briefing information, corporate governance information, convocation announcements for general meetings of shareholders, ESG-related information and other various materials to its corporate website in Japanese and English (some not available in English). The SKY Perfect JSAT Report, optional disclosure materials such as shareholder communications, ESG-related information, and other information can also be viewed here.
Department in charge of IR	—	Corporate Communications & Investor Relations Department is in charge of IR activities. IR Contact: Hiroko Kamo, General Manager of Corporate Communications & Investor Relations Dept.

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.	The Company issues the SKY Perfect JSAT Report (in Japanese and English) containing both financial and non-financial information once per year, which shares the environmental preservation and social contribution activities that the Company pursues through its business. These are also displayed on the Company's website and are widely available for viewing. <ul style="list-style-type: none"> • Social contributions through business Educational support and emergency medical assistance in Southeast Asia <ul style="list-style-type: none"> • Environmental preservation through business Commercializing services that combine next-generation wind power generation with satellite communications

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>(Status pertaining to the advancement of women)</p> <p>Female director...1 (out of 11 directors)</p> <p>Ratio of female managers...8.9% (as of March 31, 2020: SKY Perfect JSAT Corp.)</p> <p>(Policies and initiatives for promoting the advancement of women)</p> <p>The Group’s key subsidiary SKY Perfect JSAT Corporation has been working for some time to establish an environment in which employees can balance their work and homes lives while raising children and/or caring for a relative, and still exercise their full potential. Parenting seminars are being held for those raising children, and other measures have also been put in place for those returning to work to overcome time constraints and have a good work environment, such as reduced work hours and full flex time for childcare, subsidies for babysitter services, and family-friendly leave from work. These efforts have resulted in a 100% return-to-work rate for those who take childcare leave. The following action plan was also formulated on March 31, 2020 and is currently in place. The Company is also establishing an environment that facilitates the advancement of females who are raising children, including company-wide implementation of a work-from-home system.</p> <p>1. Plan Period</p> <p>From April 1, 2020 to March 31, 2025</p> <p>2. Target</p> <p>(1) Increase the rate of working from home and teleworking from the current 42% to 80%, thereby establishing a flexible work style</p> <p>(2) Maintain return rate of 100% from maternity leave and childcare leave</p> <p>(3) Implement education and training to support women's career development at least 3 times during the planning period</p> <p>3 Initiatives</p> <p>(1) Develop and provide environments and systems that make it easier for employees to work from home or telework</p> <p>(2) Conduct career interviews with career consultants for those who have returned to work after childcare leave</p>

IV. Internal Control Systems

1. Basic Approach and Status of Internal Control Systems

The company resolves the basic policy about the systems to ensure that the directors fulfill their duties in accordance with laws, ordinances, and the Article of Association, and to ensure that the directors appropriately conduct business as follows:

[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 Forces

[Rejection of Antisocial Forces]

[Basic Policy]

The Company advocates breaking off all relations with antisocial forces in the "Group Officer and Employee Code of Conduct," which all officers and employees of the Group endeavor to observe.

[Status]

- (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 unreasonable demands 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 bolstering cooperation through networks managed by full-time personnel.
- (3) The Company receives information related to antisocial forces from the Special Federation. The information is received and managed by the appropriate staff member.
- (4) The Company strives to ensure employee safety at all times, 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

(1) Status of timely disclosures

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 seek to separate the executive and supervisory aspects of management and establish a system whereby the executive function, which finalizes and implements management decision-making promptly and effectively, and the supervisory function work organically. The corporate governance organizational structure of the SKY Perfect JSAT Group is as shown in *3. Based on the idea that timely and proper disclosure of corporate information is a major prerequisite for maximizing corporate value in capital markets we also disclose management information fairly, in compliance with fair disclosure rules specified in the Financial Instruments and Exchange Act.

(2) Role and function of the Information Disclosure Committee (IDC)

As a listed company, the Company shall disclose management information appropriately and in a timely manner, in compliance with applicable laws and regulations including the Financial Instruments and Exchange Act and the Securities Listing Regulations of the Tokyo Stock Exchange (TSE). As a business group built on the Media and the Space businesses, the Company shall promptly and fairly disclose information to relevant parties such as clients, subscribers, and business partners. As a company with a social presence, the Company shall disclose information to the public promptly and fairly. With these three objectives, the Company established the Information Disclosure Committee (IDC) at the time that the holding company was established, on the premise that it is necessary to establish a highly reliable information disclosure system. The IDC is an advisory organ to the Representative Director and President, and in principle it meets on a weekly basis. Chaired by the director in charge of information disclosure (a director who is registered in the TSE as a manager in charge of information handling), the IDC is comprised of the Representative Director & President and full-time directors. With full-time corporate auditors acting as observers and the Corporate Communications & Investor Relations Department serving as the administrative office, the IDC serves the function of reviewing and confirming timely information disclosures by the Company and its consolidated subsidiaries, including key operating company SKY Perfect JSAT Corporation.

(3) Operational status of the IDC

For matters in which information is to be disclosed, the IDC reviews and confirms the necessity for disclosure and what information is to be disclosed, taking into consideration the business details involved and the importance in terms of the development and operation of the business, based on the Securities Listing Regulations of the TSE. Information disclosures are generally made by the Corporate Communications & Investor Relations Department logging information onto TDnet, as well as through press conferences and materials postings as needed. Information that is made public is also displayed on the Company's website. The establishment of the IDC and procedures related to information disclosures are set forth in the Rules for Information Disclosure, and attention goes into ensuring that these are put into practice consistently and uniformly.

(4) Status of the system for resolutions according to importance and urgency

At Management Committee meetings (in principle convened once a month, more often if needed) and Board of Directors meetings (in principle convened once a month) of the Company, which is a holding company, matters discussed in management committee and board meetings of operating companies are discussed according to the significance of topics. Resolutions on nearly all matters pertaining to timely information disclosure based on the Securities Listing Regulations of the TSE are therefore finalized through resolutions passed by the Company. Provisional committee meetings are also convened outside of regular meetings to review and confirm disclosures of highly urgent matters.

*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

