

## Acquisition of Nikkatsu Corporation Shares

SKY Perfect Communications Inc. (Head Office: Shibuya-ku, Tokyo; President and Representative Director: Hajime Shigemura; "SKY Perfect") announces that at a meeting of the Board of Director held today, it resolved to acquire shares in Nikkatsu Corporation (Head Office: Bunkyo-ku, Tokyo; President and Representative Director: Naoki Sato; "Nikkatsu") from Index Corporation (Head Office: Setagaku-ku, Tokyo; President and Representative Director: Yoshimi Ogawa; "Index").

### 1. Reason for the acquisition of shares

This decision by SKY Perfect to accept a transfer of part of the total number of shares already issued in Nikkatsu, a subsidiary of Index, is a specific part of SKY Perfect's business partnership with Index, a company with which SKY Perfect formed a capital tie-up in June 2005.

Under the Mid-Term Vision announced in January 2005, SKY Perfect is aiming to strengthen its investments in and relationships with broadcasters as part of efforts to bolster its DTH business expansion and to also strengthen content applications by investing in content production. Not only is Nikkatsu a powerful broadcaster that operates three channels on SKY Perfect's platform (channel NECO, CINEMA-R, and RAINBOW CHANNEL), but it is also one of Japan's oldest and most established motion picture companies that has a track record and know-how in movie production, as well as an extensive library. Through this investment in Nikkatsu, SKY Perfect will further bolster its content-aggregation power, and is also anticipating a multilateral expansion in business centered on movie content, through partnerships in production and investment projects being undertaken by the content investment subsidiary SKY Perfect Well Think Co., Ltd, for example.

Moreover, through multi-layered business partnerships with Index, with whom SKY Perfect has already formed a capital tie-up, SKY Perfect also expects to further promote its Multi-Platform Strategy that involves satellite broadcasting and distribution of content for mobile phones.

### 2. Corporate profile of Nikkatsu

- (1) Company name: NIKKATSU CORPORATION
- (2) Representative: President & Representative Director, Naoki Sato
- (3) Address: 3-28-12 Hongo, Bunkyo-ku, Tokyo
- (4) Established: September 10, 1912
- (5) Principle business: Motion picture planning, production, distribution and promotion, sale and export of movie copyrights, etc.
- (6) End of fiscal year: February each year
- (7) No. of employees: 245 (As of February 28, 2005)
- (8) Locations:
  - Nikkatsu Studio; 2-8-12 Somechi, Chofu-shi, Tokyo
  - Nikkatsu Visual Arts Academy; 2-8-12 Somechi, Chofu-shi, Tokyo
  - Chubu Office for Satellite Business; #304 Garden Bldg., 1-4-12 Meiekiminami, Nakamura-ku, Nagoya
  - Kansai Office; 3F ORIX Doujima Bldg. 2-1-31 Doujima, Kita-ku, Osaka
  - Kyushu Office; Hananoseki Bldg. 4-6-12 Nakasu, Hakata-ku, Fukuoka
  - Transmission Center; Ropponika Bldg. 9-6-24 Akasaka, Minato-ku, Tokyo
- (9) Capital: 3,534,750,000 yen
- (10) Total number of shares issued: 70,695,000 shares

(11) Major shareholders: Index Corporation, 74.1%

(12) Operating results:

(Million yen)

	Year Ended Feb. 2004	Year Ended Feb. 2005
Sales	10,769	10,532
Gross Profit on Sales	3,661	3,760
Operating Income	191	192
Recurring Income	204	205
Net Income	68	82
Total Assets	10,177	10,434
Shareholders' Equity	7,896	8,030

### 3. Corporate profile of Index

(1) Company name: Index Corporation (JASDAQ:4835)

(2) Representative: President & Representative Director, Yoshimi Ogawa

(3) Head office: Carrot Tower, 4-1-1 Taishido, Setagaya-ku, Tokyo

(4) Principle business: Planning, production and distribution of content for mobile phones and development and sale of video technologies and video software.

(5) Relationship with SKY Perfect: SKY Perfect holds 4.69% of the total number of issued shares of Index, and discussions are underway between Index and SKY Perfect in relation to forming concrete business partnerships.

### 4. No. of shares to be acquired, acquisition price, and stake before and after acquisition

(1) No. of Nikkatsu shares held by SKY Perfect before the transfer: 0 shares (Shareholding: 0%)

(2) No. of Nikkatsu shares to be acquired: 10,605,000 shares (Acquisition price: 1,591 million yen)

(3) No. of Nikkatsu shares held by SKY Perfect after the transfer: 10,605,000 shares (Shareholding: 15.0%)

### 5. Schedule

November 30, 2005 Resolution on share acquisition

Early December 2005 Conclusion of a share transfer agreement (to be confirmed)

Early December 2005 Date of hand-over of share certificates (to be confirmed)

### 6. Future outlook

With this share acquisition conducted as a part of specific progress under its Mid-Term Vision, SKY Perfect plans to make Nikkatsu an equity method affiliate. However, the impact of the share acquisition on the consolidated results for the current fiscal year is expected to be minor.