

Corporate Governance Report

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

Updated on June 28, 2022

SKY Perfect JSAT Holdings Inc.

Eiichi Yonekura, Representative Director, President

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TSE Code: 9412

The status of Corporate Governance 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 Holdings Inc. 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.

[Reasons for not Implementing Each Principle of Corporate Governance Code]

Principle 4.1 Roles and Responsibilities of the Board of Directors: Supplementary Principles 4-1(2)

In the midst of rapid changes in the business environment, the Company will make swift and flexible optimal management decisions. The Company will also disclose our forecasts for each fiscal year as a way of disclosing information to shareholders and investors to help them gain a correct understanding of our corporate strategies, financial condition, and other matters. At the financial results briefing for the full year of fiscal 2021, we announced our vision and investment plan for 2030, though we have not announced a medium-term business plan. The Company actively discuss management policies and strategies, including medium-term business plans, through off-site meetings with the participation of outside directors, outside corporate auditors, and executives of Group companies in addition to the Board of Directors. The Company confirms and analyzes the

progress of these plans and revises as necessary.

[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 mean 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 FY2021.

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 2.4 Ensuring Diversity in the Promotion of Women's Participation

The Group has been developing an environment in which employees can balance work and family while raising children and providing nursing care, and can fully demonstrate their abilities. SKY Perfect JSAT Corporation, a key subsidiary of the company, has expanded measures such as holding child-rearing seminars to support people raising children and subsidizing child-rearing hours and baby-sitting usage fees in order to create an environment that makes it easier for employees returning to work to overcome time restrictions and other constraints. As a result of these efforts, the return rate from childcare leave is 100%.

In accordance with the Law for Measures to Support the Development of the Next Generation, we have formulated General Employer Action Plan since 2011 and have implemented various measures. All of them have been certified as "Kurumin Mark" in the first phase from 2011, the second phase from 2014, and the third phase from 2017.

Currently, we have formulated an action plan and are implementing measures in an integrated manner with the Act on Promotion of Women's Participation and Advancement in the Workplace. "General Employer Action Plan"

https://www.skyperfectjsat.space/sustainability/files/pdf/pdf_promote_02.pdf

We have also expanded the teleworking system and introduced it to all employees in order to improve the productivity of each employee and promote the active participation of human resources. Along with enhancing work-life balance, we promote employee autonomy and self-motivation and improve the workplace environment to accommodate diverse work styles.

Supplementary Principle 2.4.1 Ensuring Diversity in the Promotion of Core Human Resources

The Group is implementing a variety of initiatives aimed at becoming a company in which all employees can make the most of their strengths and thrive. SKY Perfect JSAT Corporation, a key operating subsidiary, has adopted a human resource development policy of "contributing to the business by drawing out and maximizing the abilities of each employee." In order to strengthen management capabilities that draw out individual abilities, we are continuing to implement training

in diversity management and communications for management and measures to improve feedback and dialogue capabilities for management. We have established career development opportunities and self-development support systems for individual employees so that they can develop their careers autonomously through sustained skill development. In addition, we believe that organizational management that makes use of diverse attributes and values will lead to innovation creation and competitive advantage. Therefore, we are working to improve our human resources system, such as by relaxing restrictions on full flex systems and residential areas, which support flexible work styles. We are also working to create a remote access environment to promote telework. We are also working to improve our work environment by introducing a seat reservation system that accompanies the adoption of a head office free address that provides prevention of infectious diseases and safety and health measures.

Our health management policy calls for "maintaining the physical and mental health of employees, maximizing performance, and increasing productivity." We have established an occupational health and safety management system, and are promoting health maintenance activities by the Human Resources Department and industrial health (industrial physicians and public health nurses), strengthening line care by grasping the actual state of labor and improving it, and implementing measures to improve the health literacy of each employee. We will continue to strive to maintain and improve mental and physical health. To ensure diversity, we will create an organizational culture that respects not only nationality, gender, and age, but also a variety of lifestyles and working styles. In addition to recruiting new graduates, we also recruit mid-career employees as an immediate workforce, and each of these employees is assigned and paid in accordance with their aptitude. Regardless of gender, nationality, or other external differences, or internal differences in values, we fairly evaluate and treat each employee's abilities, and implement measures to develop female managers. In this way, the ratio of female managers is set to be equivalent to the proportion of employees. In order to actively promote the advancement of women, in addition to creating a comfortable working environment for balancing childcare and nursing care, including for men, we will also encourage female employees to take the initiative in becoming managers and change the mindsets of all executives and employees, including men. Number of female managers: 34/Number of permanent employees: 726/Percentage of male and female permanent employees: Male 77%, female 23% (as of the end of March 2022)

Since we do not recognize that there are any particular differences in the appointment of foreigners or mid-career employees depending on their nationality or time of recruitment, we do not set or disclose targets for appointing them to managerial positions at this point in time. The Human Resources Development Policy is disclosed in the Integrated Report and on our website.

Integrated Report: https://ssl4.eir-parts.net/doc/9412/ir_material_for_fiscal_ym4/106778/00.pdf

Website: <https://www.skyperfectjsat.space/sustainability/>

Principle 2.6 Fulfillment of Function as Corporate Pension Asset Owner

SKY Perfect JSAT Corporation, a key subsidiary of the company, has introduced a fund-type defined benefit corporate pension plan operated by the ITOCHU Union Corporate Pension Fund, which has established an Asset Management Committee and conducts appropriate management, considering the fact that the management of corporate pension reserves affects the stable asset building of employees as well as our financial position. In June 2021, we introduced the ITOCHU Union Corporate Pension Fund's Defined Contribution Pension Plan for full-time employees and contract employees under the age of 60 as of June 1, 2021. In addition, we have dispatched personnel with sufficient knowledge of finance and accounting from the Company to representatives of the 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/>

<Briefing Materials>

<https://www.skyperfectjsat.space/ir/library/presentation/>

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 executive officers by the Board of Directors

Our executive remuneration consists of fixed remuneration, performance-based remuneration and stock-based remuneration. The percentage of remuneration is determined after receiving a report from the Nominating and Remuneration Committee, considering that it functions as an appropriate incentive for improving performance in each fiscal year and increasing corporate value over the medium to long term. Remuneration for outside directors is limited to fixed remuneration from the viewpoint of emphasizing their independence based on their responsibilities.

When making decisions, the Nomination and Remuneration Committee reports to the Board of Directors in order to ensure objectivity in the compensation policy, allocation system, and operations, and the Board of Directors determines the principles. Then the Nomination and Remuneration Committee determines the amount of fixed remuneration and performance-based remuneration to each individual director.

The amount to be paid as the basis for the number of allotments of Shares with Restriction on Transfer (per year) shall be determined by a resolution of the Board of Directors within the limit of the amount of remuneration. The majority of members of the Nomination and Remuneration Committee is selected from outside directors and the chairperson (chair) is an independent outside director. This ensures the objectivity and fairness of remuneration decisions.

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

The Company has voluntarily established the Nomination and Remuneration Committee chaired by an independent outside director, which is an advisory organ to the Board of Directors and whose majority is composed of outside directors.

The Committee independently considers nominations of Directors and officers and the Board of Directors resolves matters of appointment of directors and corporate auditors. For appointments and removals of executive officers including the representative directors, the Board of Directors shall decide whether to bring such appointments and removals to a vote at the General Meeting of Shareholders. For information about the Nomination and Remuneration Committee, please refer to "Condition of Voluntary Committee, Constitution, Chairperson's attributes" in this report.

v) Appointment and removal of executive officers 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 the following "Reasons for nomination." 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 also provided in the reference materials of notices of convocation of a general meeting of shareholders.

< Convocation notice >

<https://www.skyperfectjsat.space/ir/stockinfo/meeting/>

[Reasons for nomination]

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 continue 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. Toru Fukuoka, Representative Director

Mr. Toru Fukuoka is expected to realize a growth of our business 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. Masato Ogawa, Board Director

Mr. Masato Ogawa is expected to realize media business strategies for our Group's business growth and improve 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.

Mr. Koichi Matsutani, Board Director

Mr. Koichi Matsutani is expected to realize financial strategies for our Group's business growth and improve 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.

Supplementary Principle 3.1.3 Disclosure on Management Strategy and Sustainability

(1) Sustainability

Our Group is advancing activities toward a sustainable society, based on the Group's mission of "Space for your Smile" as well as our sustainability policy.

This initiative is disclosed in the Integrated Report and on our website.

Integrated Report: https://www.skyperfectjsat.space/ir/library/jsat_report/

Website: <https://www.skyperfectjsat.space/sustainability/>

(2) Human capital investment

Aiming to maximize corporate value through the active participation of all employees, the Group is implementing a variety of initiatives under the following policies: "Contribute to business by drawing out and maximizing the abilities of each employee." Human resource development policy and "Maintain the mental and physical health of employees, maximize performance, and increase productivity."

In addition, we will allocate personnel, recruit and train employees optimally suited to our business vision, and work to allocate human resources to priority investment areas over the medium to long term.

For more detailed information, please refer to the Integrated Report "Active Participation of Diverse Human Resources" and our website.

Integrated Report: https://ssl4.eir-parts.net/doc/9412/ir_material_for_fiscal_ym4/106778/00.pdf

Our website: <https://www.skyperfectjsat.space/sustainability/>

(3) Investment in intellectual property

Due to the nature of our business, the Group does not hold a large number of patents and other intellectual property rights, but we are working to build business know-how through service and R&D activities in both the media and space businesses.

As for research and development in fiscal 2021, in addition to the development of removal services of space debris, such as nonfunctional satellites using laser, we are also actively investing in new

areas, such as NTN and CTV projects, which are priority investment fields, through partnerships with the central government, companies and others which will contribute to the promotion of future projects.

(4) TCFD

Our group analyzes the impact of climate change risks and opportunities on our business and posts disclosures based on TCFD framework on our website.

<https://www.skyperfectsat.space/sustainability/tcfd/>

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.

Supplementary Principle 4.1.2 Formulation and Supervision of Sustainability Policy

We established the Sustainability Committee, chaired by a director, in September 2020 and are moving forward with initiatives. Board of Directors decides on sustainability policies, materiality, and goals and KPIs after discussion. Going forward, the Board of Directors will supervise the progress of initiatives for targets and KPIs.

Principle 4.9 Independence Standards and Credentials 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 4.10.1 Establishment of voluntary independent advisory committees (nominating committees, compensation committees, etc.)

We have established the Nomination & Remuneration Committee, which is composed of a majority of independent outside directors and chaired by an independent outside director, as an advisory body to the Board of Directors.

The term of commission members is one year. The five members at the time of submission of this report were Iwao Nakatani, an independent outside director (chairman), Hiroshi Fujiwara, an independent outside director, Kimiko Ohga, an outside director of Kenji Shimizu, and Eiichi Yonekura, Representative Director, President. A secretariat has been established to manage the committee.

The Committee discusses recommendations of candidates for executive positions, recommendations of representative directors and executive directors, proposals for remuneration for executives, and remuneration systems for executives, as well as related matters, and provides independent reports. The committee also examines responses to corporate governance issues related to the deliberated matters handled by the committee and monitors the status of operations.

The committee met nine times between July 2021 and June 2022, and the attendance rate of committee members was 100% during the same period.

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. In order to ensure the balance and diversity of knowledge, experience and abilities of the Board of Directors as a whole, which are necessary for sustainable growth and the enhancement of corporate value over the medium to long term, our Board of Directors shall consist of persons suitable for our directors and corporate auditors who possess the wealth of experience, insight, and advanced expertise and abilities required by us in light of the Board of Directors' Skill Matrix, which clarifies the requirements for directors derived from the Group Mission "Space for your Smile" and management strategies.

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.

The Board of Directors Skills Matrix is disclosed in the Convocation notice.

<Convocation notice>

<https://www.skyperfectjsat.space/ir/stockinfo/meeting/>

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.

<Convocation notice>

<https://www.skyperfectjsat.space/ir/stockinfo/meeting/>

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, 2022 and the outline of the results are as follows.

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

In February 2022, a questionnaire was conducted for all Directors (11) and all Audit Directors (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 June 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 three 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, promoting DX, and strengthening group governance.

Supplementary Principle 4.13.3 Cooperation between the Internal Audit Division and Directors and Audit & Supervisory Board Members

In order to ensure cooperation between the Internal Audit Division and directors and corporate auditors, Internal Audit Department Manager report directly to the Internal Audit Committee and the Board of Directors in April of each year on the internal audit plan for the relevant fiscal year and the results of internal audits for the previous fiscal year.

In addition, the General Manager of the Internal Audit Department will be appointed as a person to communicate and coordinate with outside officers in order to provide appropriate information necessary for outside directors and outside Audit & Supervisory Board members.

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 Earnings 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 20% and Less than 30%

[Major Shareholders]

Name	No. of shares held	% of shares
ITOCHU FUJI Partners, Inc.	76,568,800	26.38
NTT Communications Corporation	26,057,000	8.98
The Master Trust Bank of Japan, Ltd. (Trust account)	25,506,000	8.79
Nippon Television Network Corporation	20,891,400	7.20
TBS Holdings, Inc.	18,434,000	6.35
Custody Bank of Japan, Ltd. (Trust account)	8,994,600	3.10
BNYM AS AGT/CLTS NON TREATY JASDEC	6,629,184	2.28
Dentsu Group Inc.	4,000,000	1.38
The BANK OF NEW YORK MELLON 140044	3,363,423	1.16
DFA INTL SMALL CAP VALUE PORTFOLIO	2,966,800	1.02

Supplemental Remarks

The above information about major shareholders is as of March 31, 2022.

We own 7,104,178 shares of treasury stock, which is excluded from the above list of major shareholders. The shareholding ratio is calculated after deducting treasury stock.

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

3. Corporate Status

Listed Market	TSE Prime Market
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	Less than 10

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	9
Election of Outside Directors	Yes
No. of Outside Directors	5
No. of Independent Directors among Outside Directors	3

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												
Hiroshi Fujiwara	Member of an Outside Firm												
Kimiko Ohga	Member of an Outside Firm												
Kenji Shimizu	Member of an Outside Firm	△											
Hiroyuki Oho	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.
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 high level of expertise as a corporate management, extensive experience and knowledge in the fields of information and communications, and does not have any conflict of interests related to general shareholders.
Kimiko Ohga	- [Independent director]	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, and does not have any conflict of interests related to general shareholders.
Kenji Shimizu	-	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 management, and extensive experience and knowledge of the Media industry
Hiroyuki Oho		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 management, and extensive experience and knowledge of the Media 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	Chairpersons
Nominating Committee	Nomination & Remuneration Committee	5	0	1	4	0	0	Outside
Remuneration Committee	Nomination & Remuneration Committee	5	0	1	4	0	0	Outside

[Complementary explanation]

Our company has a Nomination and Remuneration Committee which is chaired by an independent outside director, and which is comprised of a majority of independent outside directors and serves as an advisory organ to the Board of Directors. Committee members serve terms one year in length, and at the time of submission the five committee members are independent outside director Iwao Nakatani (chairman), independent outside director Hiroshi Fujiwara, independent outside director Kimiko Ohga, outside director Kenji Shimizu 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 and Remuneration Committee held 9 meetings from July 2021 until June 2022, and attendance rate for the 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 external accounting auditor. This auditor 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 external auditor 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 confirmation from corporate auditors pertaining to quarterly financial audits conducted by the external auditor.

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 annual 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 a month to facilitate communication. The department cooperates with the external accounting auditor 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	3
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
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
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 5

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 and others.

Supplemental Remarks concerning Applicable Categories

In order to raise awareness of the improvement in the Company's performance in each fiscal year, the Company has set consolidated net income and segment profit as targets for performance indicators for a single fiscal year, and the compensations are made at a fixed time each year as performance-based remuneration in an amount calculated based on the degree of achievement of the target values set for each officer.

The Company selected consolidated net income and segment profit as performance indicators because the Company believes that these indicators comprehensively determine the degree of contribution to the Company's short-term and medium-to long-term performance and are objective and quantitative evaluation indicators that can be shared by all officers and employees.

The calculation method for the amount of performance-based remuneration is determined by multiplying the quantitative evaluation portion, which is calculated by multiplying the amount of remuneration by position for each fiscal year by a certain coefficient based on the status of achievement of performance, by a certain adjustment coefficient established by the Nomination and Remuneration Committee to adjust and consider factors of fluctuation, such as special factors and sudden matters.

The coefficients of the quantitative evaluation portion (a certain coefficient that is multiplied by the amount of performance-based compensation for each position) are set as consolidated net income and segment profit as targets for single-year performance indicators, and are determined by the Nomination and Remuneration Committee based on the degree of achievement of the targets set for each executive. In the fiscal year 2021, The targets and achievements of the main quantitative indicators are as follows: The Media Business Segment profit was 2.5 billion yen (actual result: 2.7 billion yen), the Space Business Segment profit was 11 billion yen (actual result: 12.3 billion yen), and the consolidated net profit was 13 billion yen (actual result: 14.6 billion yen).

The Company has introduced a stock-based compensation system in accordance with a resolution of the 13th General Meeting of Shareholders held on July 30, 2020, with the aim of providing incentives for directors to continuously improve the corporate value of the Company and further promoting the sharing of value with shareholders. The Company will allocate restricted stock to eligible persons using common stock once a year following a resolution of the Board of Directors.

The applicable share compensation shall consist of the delivery of the Shares with Restriction on Transfer using the Common Shares, and the termination of the restriction on transfer shall be made upon the resignation of the officer in principle. In addition, monetary compensation to be paid for the grant of restricted stock shall not exceed 60 million yen per annum, and the total number of shares of the Company's common stock to be issued or disposed of with respect to the Company's common stock shall not exceed 260 thousand per annum.

Individuals Eligible for Stock Option

—

Supplemental Remarks concerning Applicable Categories

—

[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

[Fiscal2021 Results]

Directors (Outside Directors) 11(5) ¥ 141 million (¥ 45million)

* 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 156 million yen (which consists of fixed remuneration of 114 million yen and performance-based remuneration of 42 million yen) for subsidiaries at which directors also served.

* The upper limit for total remuneration payments is 300 million yen per year (of which 60 million yen applies to outside directors), as determined by resolution of the General Meeting of Shareholders (at the General Meeting of Shareholders held on 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 independent outside directors have a majority and was chaired by an independent 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 (Summary of the current Corporate Governance System)

(1) Directors, Board of Directors

The Company's Board of Directors is comprised of 9 individuals (one of them is woman and the others are men) and four of which are serve full time, five outside directors serve part time. As a rule, the Board of Directors convenes once a 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 five outside directors having a depth of experience as corporate management and executives allows for broad, multifaceted discussions within the Company's board meetings, enhancing the effectiveness of governance within the Group. For Fiscal Year 2021, 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 established the Board of Corporate Auditors composed of 4 corporate auditors (including 2 full-time members), and three 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 basically meets once a month to exchange opinions with Directors and other core employees, as well as with the corporate auditors of subsidiaries. While sharing with the part-time corporate auditors the status of daily audits conducted by the full-time corporate auditors, the Board of Corporate Auditors conducts comprehensive audits focusing on priority audit items, such as the status of the development of the Group's internal control system in accordance with the Companies Act and the Financial Instruments and Exchange Act, the Group compliance system, and the verification and follow-up of the status of responses to high-level risks.

In addition, the Company receives reports on audits from the accounting auditor from time to time, and also receives reports from the Internal Audit Department on the status of internal audits. The rate of attendance at meetings of the Board of Corporate Auditors in Fiscal Year 2020 was 100%.

(4) Other Committees

The Company has established the "Nomination and Remuneration Committee" as an advisory organ to the board of directors. This Committee is responsible for providing independent opinions 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 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: 25 years
- c. Certified public accountants who conducted operations: Hideki Ono, Eriko Otokozaawa, Takeshi Sase
- d. Composition of the team supporting the audit activities: 7 certified public accountants, 3 accountants who have passed the certified public accountant examination, and 20 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 independent outside directors and that is chaired by an independent 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 stated on the Corporate website.
Periodic Briefings for Individual Investors	No	<p>The Company holds periodic briefings for individual investors, and Director, who is in charge of IR, explains business strategies in Media business and Space business.</p> <p>Since fiscal 2020, we have been holding face-to-face meetings for briefings for individual investors, taking into account the risk of COVID-19. [Online Video Live Briefings in FY2020]</p> <p>[Online Video Live Briefings in FY2021] (1) December 2021: approximately 200 viewers watched on Live. (2) March 2022: approximately 1200 viewers watched on Live.</p>

Periodic Briefings for Analysts/Institutional Investors	Yes	The Company holds quarterly financial briefings for analysts and institutional investors, where Representative Director and President, Eiichi Yonekura, and Director who is in charge of IR activities, explain the Company's business performance, financial position and business strategies. Video archives and voice records of the briefings also can be available on the Company's corporate website on the same day of the announcement.
Periodic Briefings for Overseas Investors	No	The Company implements at least one visit each year to Europe, the United States and Asia, respectively. We held several on-line interviews and meetings with overseas investors using the DX environment from 2020. [What we did for overseas investors in FY2021] - Participation in an Online International Investors Conference organized by a Securities company (March 2022:Mr. Yonekura, Representative Director, President, Mr. Matsutani, Director and CFO*)
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 both Japanese and English (some are not available in English). In addition, Integrated Report, optional disclosure materials such as shareholder communications report, ESG-related information, and others can also be viewed on the website.
Department (person) in charge of IR	—	Corporate Communications & Investor Relations Department. IR Contact person: Megumi Asakura

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 Integrated Report (in both 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 corporate website and are widely available for viewing. <ul style="list-style-type: none"> • Social contribution through business Educational support and emergency medical assistance in Southeast Asia

	<ul style="list-style-type: none"> • Environmental preservation through business <p>Commercializing services that combine next-generation wind power generation with satellite communications</p>
Policies for Information Disclosure to Stakeholders	<p>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. The Information Disclosure Committee is responsible for offering opinions to the Representative Director, President from the standpoint of timely and accurate information disclosure.</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, Integrated Report, 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

