

NTT DOCOMO and Space Compass partners with Airbus on HAPS, committing to a USD\$100 million investment in AALTO

- Consortium of leading Japanese businesses and banks commit to invest USD\$100m in Airbus subsidiary AALTO
- Investment accelerates industrial and commercial roadmap for Zephyr, the world-leading High Altitude Platform Station (HAPS), and establishes strategic alliance for HAPS commercialisation in Asia
- Japan taking leading position in HAPS-based non-terrestrial networks (NTN), with NTT DOCOMO to take the lead in the direct-to-device connectivity sector
- NTT DOCOMO's terrestrial mobile connectivity expertise, combined with advanced earth observation solutions from Airbus Defence and Space, to create powerful group of AALTO shareholders

TOKYO / FARNBOROUGH, 3 June 2024 – A consortium of Japanese businesses (“the Japanese Consortium”) led by NTT DOCOMO, Inc. (“NTT DOCOMO”) and Space Compass Corporation (“Space Compass”), together with Mizuho Bank Limited and the Development Bank of Japan Inc., has committed to invest USD\$100m in AALTO HAPS Limited (“AALTO”), which manufactures and operates the stratospheric, solar-powered Zephyr High Altitude Platform Station (HAPS). The investment will be made through the Japanese Consortium’s investment vehicle, HAPS JAPAN Corporation.

This investment marks the beginning of a strategic alliance to commercialise connectivity and earth observation services using HAPS in Japan and across Asia. It will also support the industrial and commercial roadmap for AALTO’s services, targeting launch in Japan and a global entry-into-service in 2026.

Flying for months at a time in the stratosphere, Zephyr offers game-changing capabilities that will be transformative for mobile connectivity and earth observation. As a payload agnostic platform, Zephyr can transform into a multi-functional tower in the sky to provide low latency 5G direct-to-device mobile connectivity services. Leveraging Airbus’s earth observation service, Strat-Observer, Zephyr can also be used to fulfil a range of monitoring, tracking, sensing and detection applications. AALTO is therefore well-positioned for a variety of use cases, such as expanding mobile network operator (MNO) coverage and providing high-capacity connectivity including during Japan’s response to natural disasters.

This investment deepens the long-standing collaboration between AALTO, NTT DOCOMO and Space Compass, a joint venture between NTT and SKY Perfect JSAT focusing on establishing a Space Integrated Computing Network. The roadmap to commercialise HAPS began with an agreement to explore collaboration with AALTO signed in 2022. Alongside this investment, AALTO and Space Compass will also sign commercial agreements that will deepen their engagement in Japan and Asia over the coming years.

Airbus Defence and Space will remain AALTO’s majority shareholder. The investment is subject to closing conditions and regulatory approvals.

Takaaki Sato, Chief Technology Officer of NTT DOCOMO, said: “NTT DOCOMO continues to improve network quality and has been focused on establishing new technology frontiers that enhance access to connectivity services. Working with our partners Space Compass, AALTO and Airbus, we are excited by the potential of HAPS-based NTN solutions. This technology brings together unique cutting-edge engineering with economics that are aligned to expand coverage to rural and remote areas, and support our collective response to natural disasters.

“Alongside our partners in the Consortium, we look forward to working strategically with AALTO to utilise Zephyr to transform customer experiences.”



Shigehiro Hori, Co-Chief Executive Officer of Space Compass Corporation, commented: "Non-terrestrial networks have the potential to transform Japan's communications ecosystem, addressing access to connectivity in hard-to-reach areas while supporting our country's response to emergencies. Japan has many remote islands and mountainous areas, where there are uneconomic connectivity solutions. Our strategic relationship with AALTO, underpinned by technological innovation and the opportunity of the connectivity market, will help us build a new telecommunications infrastructure in these areas and during an era of population decline."

Koichiro Matsufuji, Co-Chief Executive Officer of Space Compass Corporation, added: "As the leading HAPS technology of its kind, Zephyr is a unique capability that we will leverage over the coming years. We want to create a successful use case in Japan and expand it to Asia."

Jean-Brice Dumont, Head of Air Power at Airbus Defence and Space and Chair of the AALTO Board of Directors, commented: "After a decade of stewardship by Airbus Defence and Space, Zephyr has established itself as a leading HAPS platform in the world. Zephyr plays a key role in the space and defence ecosystem, addressing commercial and government sectors from the stratosphere. With the creation of a dedicated HAPS Services Business in 2022, AALTO has been propelled to a global leadership position in the industry."

"Airbus Defence and Space has enhanced its partnership with NTT, NTT DOCOMO and SKY Perfect JSAT, while demonstrating the breadth of its portfolio capabilities in the Asia-Pacific region. AALTO now has an excellent investor to help drive its ambitious growth plans over the coming years."

Samer Halawi, Chief Executive Officer of AALTO, said: "This is a landmark investment for AALTO. It is the natural next step in the roadmap of the Company's targeted entry-into-service in 2026, as we industrialise and commercialise our technology. With world leaders in aviation and connectivity as shareholders, AALTO now has the combination of technological expertise and global reach to capitalise on the growth opportunities in substantial total addressable markets across connectivity and earth observation."

"This investment comes as AALTO moves into its next phase of development. This includes launching several customer missions over the coming year, establishing launch and landing sites for Zephyr, and advancing our certification process. We are excited to forge a new frontier in sustainable connectivity and earth observation from the stratosphere, while generating significant value for all our stakeholders."

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About NTT DOCOMO

NTT DOCOMO, Japan's leading mobile operator with over 89 million subscriptions, is one of the world's foremost contributors to 3G, 4G and 5G mobile network technologies. Beyond core communications services, DOCOMO is challenging new frontiers in collaboration with a growing number of entities ("+d" partners), creating exciting and convenient value-added services that change the way people live and work. Under a medium-term plan toward 2020 and beyond, DOCOMO is pioneering a leading-edge 5G network to facilitate innovative services that will amaze and inspire customers beyond their expectations. <https://www.docomo.ne.jp/english/>

About Space Compass

Space Compass is a joint venture company between NTT, Japanese Information and Communications Technology (ICT) leader, and SKY Perfect JSAT Corporation, Asia's largest satellite operator. We will launch a Space Integrated Computing Network to aid the realization of a sustainable society. For more information, visit our corporate website, <https://space-compass.com/en/>

About AALTO

AALTO, a subsidiary of Airbus, is a global leader in connectivity and earth observation services from the stratosphere. Based in Farnborough, UK, the Company designs, manufactures and offers services using



its record-breaking Zephyr High Altitude Platform Station (HAPS). Powered by solar energy and operating above 60,000+ feet, Zephyr's persistence enables continuous flight for months at a time. Its current flight-time record is over 64 days in the stratosphere. As a payload agnostic platform, Zephyr can deliver several applications, including low-latency 5G direct-to-device (D2D) connectivity and high-quality earth observation services. Those solutions will deliver for several markets including mobile greenfield connectivity, disaster management, border protection, and precision agriculture. For further information, please visit www.aaltohaps.com.

About Airbus

Airbus pioneers sustainable aerospace for a safe and united world. The Company constantly innovates to provide efficient and technologically-advanced solutions in aerospace, defence, and connected services. In commercial aircraft, Airbus designs and manufactures modern and fuel-efficient airliners and associated services. Airbus is also a European leader in space systems, defence and security. In helicopters, Airbus provides efficient civil and military rotorcraft solutions and services worldwide.