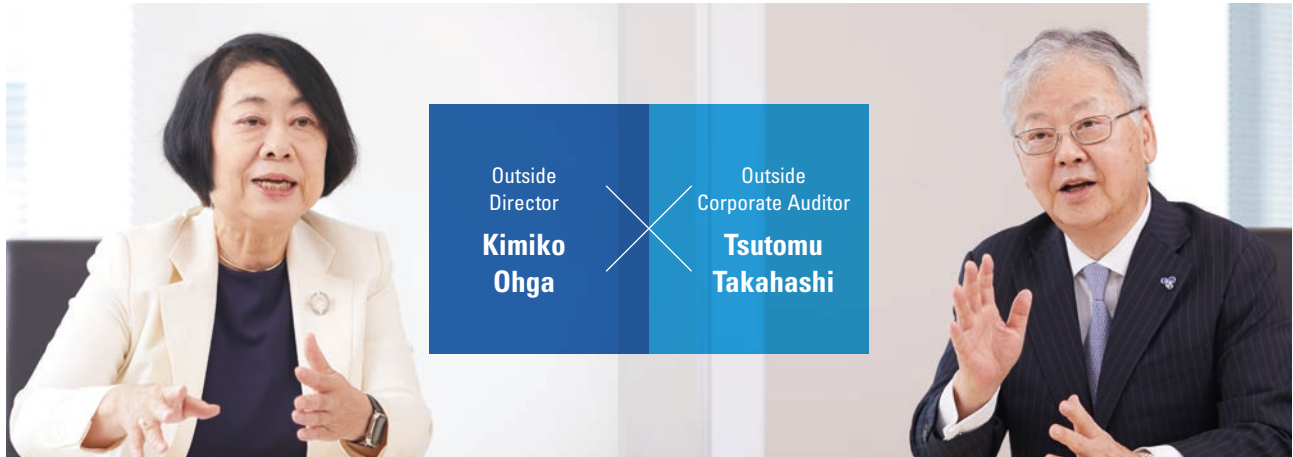


Outside Officers' Dialogue



SKY Perfect JSAT Holdings recently formulated a business strategy targeting the year 2030, which by extension, plots a course of action for the Company. We facilitated a meeting between Outside Director Kimiko Ohga and Outside Corporate Auditor Tsutomu Takahashi in order to hear their views as outside officers regarding the process for discussing medium- to long-term policies and their approach to generating medium- to long-term growth under the Group's mission "Space for your Smile."

The external environment surrounding the Group and the role of outside officers

Ohga | The world is enduring tumultuous times, as seen by the COVID-19 pandemic since 2020 and then Russia's invasion of Ukraine this year. There have also been some significant changes in the external environment affecting the Group's business—most notably, the intensification of competition with new rivals. Given this situation, I recognize that we too must continue to change.

Takahashi | The direction the Group must take going forward with a view to 2030 was recently unveiled in line with the Group's mission of Space for your Smile. During the discussions that took place to settle upon that direction, I got the feeling that there were not enough bold proposals geared towards conveying innovation, perhaps because the Company has a lot of employees, including executive officers, with first-rate capabilities to efficiently execute operations as they now stand. What we currently need are discussions focused on instigating major changes that suitably reflect these turbulent times. I believe our current role, as outside officers, is to do away with the pre-established harmony and assist the Group's transformation.

Ohga | Looking back on the Group's history, it has hitherto made considerable changes to its business mechanisms, mainly by way of corporate mergers and the launch of new business units. More recently, the Company has invested in a few projects and launched some new services, but its business transformation has been inadequate in terms of keeping up with today's changes in the business environment. I'm concerned that maybe the Company has become a bit too conservative. I'm also worried that this will have an impact on the Company's sustainability initiatives, such as diversity and carbon neutrality.

On several occasions at the companies where I previously worked, I experienced several large-scale corporate,

organizational, and business restructuring events aimed at addressing changes in technological innovation and the operating environment. This is why I must continually advocate the importance of implementing bold changes.

Takahashi | The shape of our participation in the Company is mostly in the form of discussions at Board meetings and other official meetings. The agenda items for such meetings are followed properly and the emphasis is always on reaching a conclusion to each proposal.

However, at present, I get the feeling that progressive views from outside the Company, such as ours, are probably needed during times of real debate before agenda items are put in order and during substantive discussions that explore what actions the Company ought to take going forward.

Your impressions as an outside officer in FY2021

Ohga | I participated in discussions about the Company's 2030 vision on numerous occasions, mainly at the meetings of the Board of Directors. Each of the outside officers shared their sense of crisis from an external point of view, but nobody has a greater sense of crisis concerning the current circumstances than President Yonekura himself, which is something I keenly felt during those discussions.

Takahashi | The Group is currently generating profits and is unlikely to fall into the red anytime soon. That might be dampening the willingness of employees to embrace change. Nevertheless, the reality is that the flood of new non-satellite video content services are a threat to the Group's Media Business. The time has come to realize that the kind of business model employed thus far stands no chance against these rival services; therefore, a new approach must be sounded out.

Ohga | A shakeup is urgently needed in the Media Business, which is why I want to see even deeper collaboration with the

internet business. On the other hand, technological advancements and the needs of the times present a favorable opportunity to expand the Space Business, but I feel that the Company's market approach is not progressing fast enough. Despite being one of only a handful of companies with a track record in operating satellites in not just Japan but worldwide, I think there is room for improvement regarding the Company's market messaging and concrete plans on how it intends to utilize such capabilities in actual business.

Also, from the perspective of business characteristics, I think the various discussions about diversity need to go much deeper. I'd like to see the Company more thoroughly discuss the creation of environments in which both men and women can play active roles, whether it be in the Company when working or at home when doing housework or raising children.

Takahashi | There are many outstanding issues around diversity for the Company to tackle, but at the same time, in corporate governance topics, which were appropriately addressed, no particular issue has been raised. The fact that the Company is taking action earnestly and appropriately with regard to matters of governance is, in my opinion, highly commendable.

Discussions required in FY2022

Takahashi | I think in fiscal 2022, the Company will require a more specific road map in order to achieve its mission.

Ohga | If anything, the Group's mission of Space for your Smile has been put together based on an approach of responding to trends in society. While that approach too is certainly important, the Group must make doubly sure of where its true strengths lie. It is concerning that during the various meetings I have attended, discussion topics concerning the frontlines and where things are happening have been few and far between. Information about the Company's genuine strengths might be found in places where employees are engaged in business on a daily basis and have plenty of opportunities to take onboard feedback directly from customers. I'm hoping the Company can incorporate this kind of viewpoint and delve deeper into detailed discussions with the aim of achieving its mission.

Takahashi | For that to happen, working discussions are needed. Considering that the discussions of the Board of Directors—which revolve around agenda item reporting—tend not to go into a lot of detail, I think the management team ought to engage in more clamorous and outspoken discussions in informal settings, which we as outside officers should also be a part of.

Ohga | The environment is a topic of discussion that will become increasingly important in fiscal 2022. The Group's Scope 1 (direct emissions from fuel combustion, etc.) greenhouse gas emissions are not as high as the energy or steel industries, but together with Scope 2 emissions (indirect emissions from electricity consumption, etc.), we need to draw up tangible steps for reducing them.

At the same time, in the Space Business, there are numerous contributions we can make to minimize our impact on the environment; for instance, various earth observation satellites, cleaning up space debris, and utilizing space data centers. The market has high expectations on us to further examine where

we can make a difference at the earliest possible time.

Makeup of directors and executive officers

Ohga | In recent years, companies have been urged to use a skills matrix to demonstrate what kind of qualifications each member brings to their Board of Directors. In most cases, the matrix shows that the desired skills are corporate management, finance, and legal affairs. From the perspective of these desired skills, the Company faces the challenge of having few experts in the Space Business, even though it has plenty of experts and persons with experience in the Media Business. If the Company is to pursue both the Media and Space businesses in equal measure, I think there is an urgent need for it to consider reinforcing its director ranks, including those from outside the Company, by appointing candidates with space industry knowledge.

Takahashi | If the Group is to undertake reforms on the issues discussed thus far, it is obvious from that perspective that it must hire people with entirely new ideas and from different industries and backgrounds. Not all can be appointed to the Board or hired as a corporate auditor because those numbers are limited, but personnel with wide-ranging skills and perspectives, including women and foreigners, should be recruited and a mechanism set up so that their opinions can be heard. I would also add that in taking the Company's future into consideration, I think our generation is getting too long in the tooth. I think more effort is probably needed to incorporate the younger generation into our discussions.

Expectations for SKY Perfect JSAT's future

Takahashi | The harsh opinions I have given thus far are premised on the fact that the Group has the potential to be an extremely appealing company that is instrumental to society in the future. From that point of view and at the risk of repeating myself, I certainly want to see the Company further strengthen its commitment to the Space Business. When doing so, how it creates businesses that are not simply extensions of what it is doing now will be key. I expect there will be a wide array of possibilities that are yet to take shape, for example, in the areas of earthquake-related disaster prevention or environmental monitoring.

Ohga | In light of the geopolitical situation of late, I would like to see the Company be more aware of global developments mainly in Southeast Asia and Oceania. This goes for both the Space and Media businesses. Rather than not doing anything at all because we are in no position to do so, we should be challenging ourselves by identifying what requirements need to be satisfied in order to be in a position of readiness.

Takahashi | In that sense, the wording of the Group's mission, Space for your Smile, is a wonderful expression of the future. I hope the Company can live up to this mission and we will gladly support to help make that happen.

Ohga | As I already mentioned, the Group will struggle to make rapid progress by rolling out improved versions of its existing services. I believe it needs to undertake a major transformation. As an outside director, I will do my utmost to help the Group realize the Space for your Smile mission in a future beyond that transformation.