

Risks and Opportunities

SKY Perfect JSAT established Japan's first private satellite communications business 36 years ago and, since then, it has continually carved out new business fields in the space and media business. Yet the rapid development of digital technologies in recent years has accelerated changes in our business climate and in that context, after ensuring we accurately understand both the business opportunities and the threats and risks presented by these changes, we have established materiality themes and material issues, and we are implementing various measures to resolve them.

See page 70 for the materiality list

	Space Business	Media Business	Social and Human Resources	Environment	Governance
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Opportunities	<ul style="list-style-type: none"> Increase in demand for satellite communication lines Revitalization of the global space industry and use of space 	<ul style="list-style-type: none"> Increased demand for FTTH (Fiber To The Home) Expansion of video distribution markets (including BtoB demand) Increased use of Web3, etc. Alignment of main target generation with largest demographic 	<ul style="list-style-type: none"> Improved employee motivation and productivity, and securing of talented human resources, on the back of work style reforms Invigorated organization due to securing diverse (gender, nationality, age, etc.) human resources Development of communication infrastructure environments Stable growth of regional economies 	<ul style="list-style-type: none"> Increased use of satellite connections as part of BCPs, due to increased frequency of disasters linked to abnormal weather Growth of earth observation, meteorological data usage, and image analysis businesses Creation of business opportunities from an increase in space debris Increased demand for video content due to COVID-19-related restrictions on going out 	<ul style="list-style-type: none"> Sustainable growth through the implementation of management and financial strategies Business expansion through M&As Improved reputation based on stronger governance Maintenance of and improvement in credit ratings
Threats and risks	<ul style="list-style-type: none"> Intensified competition with overseas companies Reduced use of satellite communications due to expansion of terrestrial communications networks Emergence of country risks Increased cybersecurity risks 	<ul style="list-style-type: none"> Intensified competition for customers and content with OTT businesses Decreasing populations and reduced interest in television Terrestrial IP (simultaneous) redistribution Unauthorized viewing 	<ul style="list-style-type: none"> Decline in organizational strength due to a shortage of highly skilled human resources and to an imbalanced workforce age composition Decline in governance and organizational strength due to the absence of diversity and inclusion (D&I) Increased geopolitical risks 	<ul style="list-style-type: none"> Damage to business sites and disruption of business due to large-scale natural disasters, pandemics, etc. Damage to and accidents involving communications satellites caused by increased space debris Difficulties in reception due to frequent typhoons and torrential rain Increase in waived subscriptions in disaster areas due to more frequent natural disasters 	<ul style="list-style-type: none"> Information leaks and cyberattacks Decline in reputation
Materiality themes	<ul style="list-style-type: none"> Building resilient broadcasting and communications infrastructure, eliminating the digital divide Contributing to the environment to make a decarbonized society and recycling-based economy a reality Improving space environment Promoting innovation which contributes to the environment and society 	<ul style="list-style-type: none"> Building resilient broadcasting and communications infrastructure, eliminating the digital divide Improving richness of life through a diversity of content Promoting innovation which contributes to the environment and society Regional and community development 	<ul style="list-style-type: none"> Promoting diverse human resources Regional and community development 	<ul style="list-style-type: none"> Contributing to the environment to make a decarbonized society and recycling-based economy a reality Improving space environment 	<ul style="list-style-type: none"> Developing a strong base for management
	Promoting partnerships				
Relevant SDGs Goals					