



*SKY Perfect JSAT  
Holdings Inc.*

**SKY Perfect JSAT Holdings Inc.**

# Integrated Report 2023

For the year ended March 31, 2023



*Our Unlimited Vision,  
Your Practical Value.*

## Brand Slogan

# Our Unlimited Vision, Your Practical Value.

The modern world is overflowing with the information.  
Even a simple search can provide us the answers.  
However, our hearts are not stirred by what is known;  
it is the unknown that excites and arouses us.

SKY Perfect JSAT Group works in the space field,  
making its potential for growth as vast as the expanse of outer space.  
We want to be a company that can turn the unknown into infinite possibilities.

These aspirations of SKY Perfect JSAT are encapsulated in  
“Our Unlimited Vision, Your Practical Value.”

## Mission ● Space for your Smile

**Toward a world where uncertainty  
turns to peace of mind,  
difficulty turns to ease,  
and interest turns to passion**

“Space for your Smile” captures our core vision for the future,  
where spaces of all kinds—outer space, land, air, and sea,  
as well as communities, family living rooms, and  
other places people call their own—beam with smiles.  
From the glints of everyday happiness to the happiness that  
awaits in the future, we strive to create a world that leads to  
a brighter tomorrow for everyone.

## Business Vision

### Space Business

By establishing an innovative communications network  
for all of space and a global data collection network,  
we are helping to make a supersmart society a reality.

### Media Business

We are contributing to the realization of a diverse  
and highly creative society as a platform that  
connects people, companies, and society.

## SKY Perfect JSAT Group principles Our Five Key Questions

Are we rising to new challenges and learning from mistakes?

Are we collaborating with others to create new value?

Have we considered whether “pending” is the better choice?

Are we doing enough to surpass all expectations?

Can we talk with pride about our work to those dearest to us?





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### Editorial Policy

This report is intended to be a tool to promote dialogue with a wide range of stakeholders, including shareholders and investors, as well as provide information on the Group's medium- to long-term value creation, including management strategy, financial and performance trends, and sustainability-related information such as environmental, social, and governance (ESG). We used the "Guidance for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation" issued by the Ministry of Economy, Trade and Industry, the "International Integrated Reporting Framework" issued by the Value Reporting Foundation (VRF), the GRI Standards, and other documents as references in editing this report.

### Company Name

- SKY Perfect JSAT Holdings Inc.: "the Company"
- The Company and its domestic and overseas subsidiaries and affiliates: "the SKY Perfect JSAT Group" and "the Group"
- SKY Perfect JSAT Corporation

### Reporting Period

The report covers fiscal year 2022 (April 2022 to March 2023), but includes some information that was current at the time of publication.

### Future Outlook

Forecasts, strategies, management policies, goals, and other statements in this report that are not historical facts are predictions about the future that are based on the management's assumptions, plans, expectations, and judgments in light of the information currently available to it. They are subject to various risks and uncertainties that could cause actual results to differ significantly from expectations.



### Related Websites

**Investor Relations**  
<https://www.skyperfectjsat.space/en/ir/>

### Sustainability

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

Value Creation Story

# Increasing our Corporate Value

## Focusing on our Nine Key Issue Themes (Materiality)

The SKY Perfect JSAT Group intends to focus on its nine key issue themes—or materiality. In order to realize what we are aiming for 2030, we intend to strengthen our earnings power by restructuring our existing businesses, and we intend to improve our growth potential in the medium to long term through proactive investments. At the same time, we intend to reduce our capital costs through sustainability management and increase our corporate value by enhancing both our economic and social value.



## VALUE CREATION STORY



Value Creation Story

# Strengthening our Earnings Power

## Reinforcing a stable earnings base

The SKY Perfect JSAT Group is a pioneer of the Japanese space business. In 1989, we became the first Japanese company to launch a communications satellite and, since then, we have used more than 30 satellites.

Our Space Business provides global coverage, with a particular focus on Japan and the Asia-Pacific region, and we are strengthening our earnings base in the field of mobile communications services, while at the same time making our entry into the data intelligence business.

In our Media Business, which delivers SKY PerfecTV!, we cater to the diverse needs of our viewership through our broadcasting and distribution, and we are also steadily increasing our FTTH customer base.

### Materiality themes

-  **Building resilient broadcasting and communications infrastructure, eliminating information gaps**
-  **Improving richness of life through a diversity of content**
-  **Promoting partnerships**
-  **Developing a strong base for management**
-  **Activities by a diverse array of people**

## Business Fields of the SKY Perfect JSAT Group from people's lives on the ground to space



**SDGs in space: Space debris removal**  
Space debris has become a global issue. For this reason, in collaboration with RIKEN and other research institutes, SKY Perfect JSAT has started developing the world's first satellite capable of eliminating space debris using lasers.

**Communications for mobility: Stay connected even in the sky**  
We offer Internet connection services for aircraft by satellite communications, enabling customers to use their smartphones, tablets, and computers to access the Internet while in the skies.

**Meeting diverse viewership needs through broadcasting and distribution**  
**Broadcasting: SKY PerfecTV! スカパー!**  
Launched in 1996 as PerfecTV!, Japan's first-ever digital broadcasting service, SKY PerfecTV! has become one of Japan's largest multichannel pay TV broadcast services. Subscribers can use the free SKY PerfecTV! distribution service to access broadcasts on their smartphones, tablets, and computers.  
**Distribution: SPOOX SPOOX**  
The SPOOX pay video distribution service makes diverse content available via various purchasing methods, from monthly subscriptions with unlimited access to the purchase of individual content.



**Geostationary orbit**  
36,000 Km

**Geostationary satellites: connect anytime, at all times**  
In 1989, SKY Perfect JSAT succeeded in launching JCSAT-1, Japan's first-ever private communications satellite. Since then, we have provided stable communications from space—in line with our mantra of "connect anytime, at all times"—not only in normal times but also in disaster.

**Low earth orbit**  
~1,000 Km

**Satellite data x AI: utilizing data from low earth orbit satellites**  
Our information services draw on various types of data that can be collected from our low earth orbit satellites, including images and positional information, and are used in the fields of security and disaster prevention. We are also seeking to open up new markets, in the fields of finance, insurance, logistics, and agriculture, forestry, and fisheries.

**Stratosphere**  
20 Km

**HAPS: a relay station in the sky**  
In order to provide communications services with remote islands and other regions where the establishment of terrestrial lines is problematic, we are aiming to position a high-altitude platform station (HAPS) in the stratosphere. We also intend to use HAPS to provide communications services for remote sensing, and for mobilities, including drones, AAM (Advanced Air Mobility), and others.

**Atmosphere**  
10 Km

**Fiber to the home (FTTH) Business: covering 42.8 million households**  
Our FTTH Business uses optical fiber lines to deliver terrestrial, BS and CS, and 4K8K satellite broadcast TV retransmission services. Today, our business has expanded to cover approximately 42.8 million households\* in 37 prefectures.  
\*Due to recent changes in market environments, we now calculate the number of households using data from the National Census. According to our previous calculation methods, which relied on determining the number of fixed-line telephone users, our FTTH coverage currently stands at approximately 34.2 million households. Data is correct as of March 31, 2023.



**Comprehensive support for video relay, production, and distribution**  
Our Media Solutions Business helps companies resolve problems related to video relay, production, and distribution. We leverage the knowledge we have accumulated through our operation of SKY PerfecTV!, and make full use of the broadcasting facilities, studios, and other program production facilities at the SKY PerfecTV! Tokyo Media Center.

**Sea**  
0 Km

**Communications for mobility: Stay connected even at sea**  
We offer Internet connection services via satellite communications over a vast sea area, meeting the demand for Internet access at sea where terrestrial line communications are difficult.



Value Creation Story

# Improving our Growth Potential

## Building a foundation for growth by 2030

The competitive environment in our areas of business is undergoing significant change, with technical innovations in geostationary satellites, the rise of new low-earth satellite operators, and the rapid growth of video distribution services.

But at SKY Perfect JSAT, we see this change as a business opportunity. Indeed, we intend to improve our medium- to long-term growth potential by promoting the development of technologies and services in both our Space Business and our Media Business—in a creative, nonlinear manner—and by contributing to the realization of a supersmart society.

### Materiality themes

-  Contributing to the environment to make a decarbonized society and recycling-based economy a reality
-  Improving the environment in space
-  Promoting innovation which contributes to the environment and society
-  Promoting partnerships
-  Developing a strong base for management
-  Activities by a diverse array of people

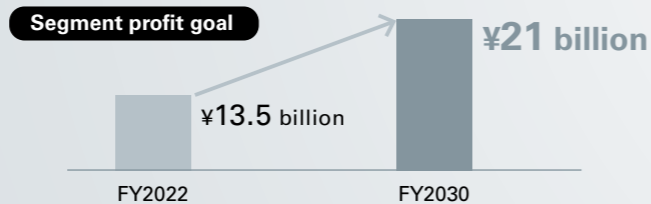
## Space Business →P.36

# Contributing to making a supersmart society a reality

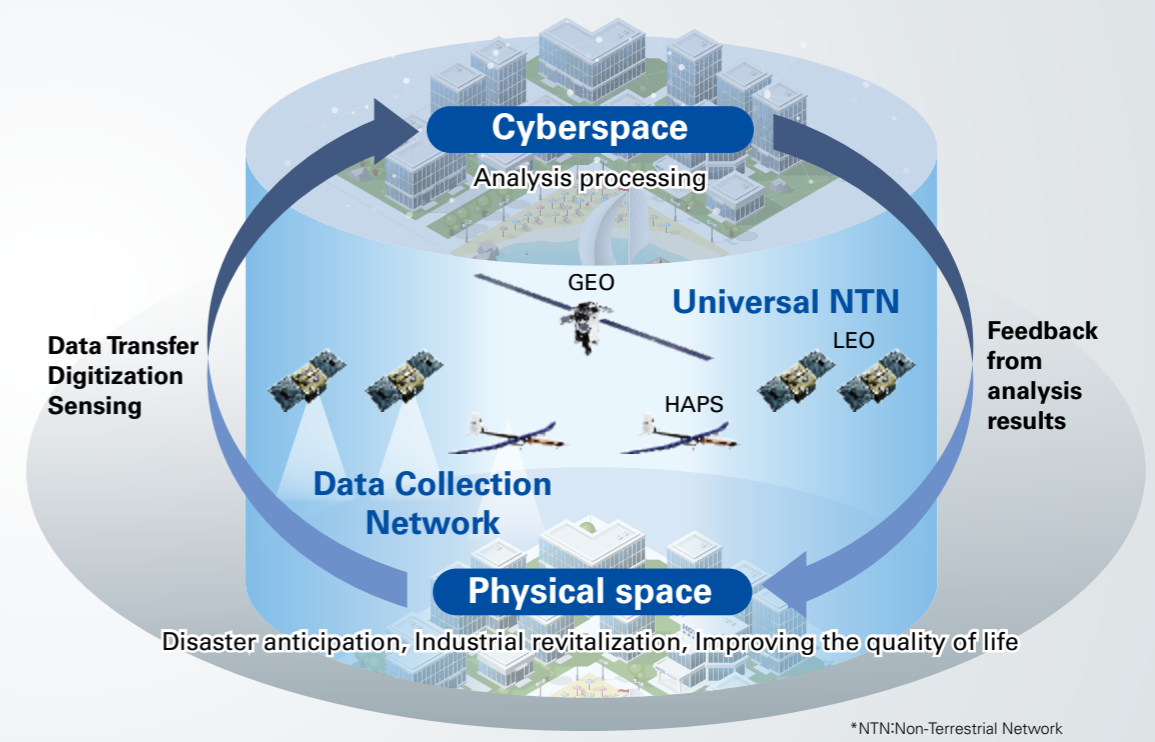
**Building information and communications infrastructure that supports society and people's daily lives.**

The communications infrastructure of our Space Business is currently based on conventional geostationary satellites. However, in 2021, in partnership with Nippon Telegraph and Telephone Corporation (hereinafter "NTT"), we commenced development on a "Space Integrated Computing Network," capable of providing diverse communications infrastructure according to differing needs.

The Space Integrated Computing Network entails building innovative communications networks and earth environment data collection networks that cover all of space, and seeks to contribute to making a supersmart society a reality.



Investment in New Domains by 2030: more than **¥150 billion**



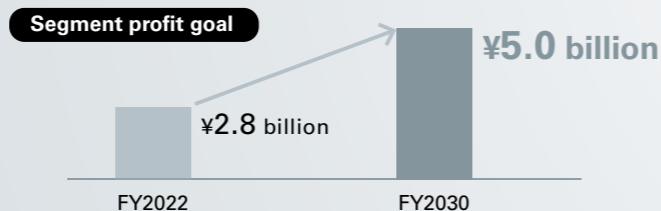
## Media Business →P.44

# Realizing a highly creative society

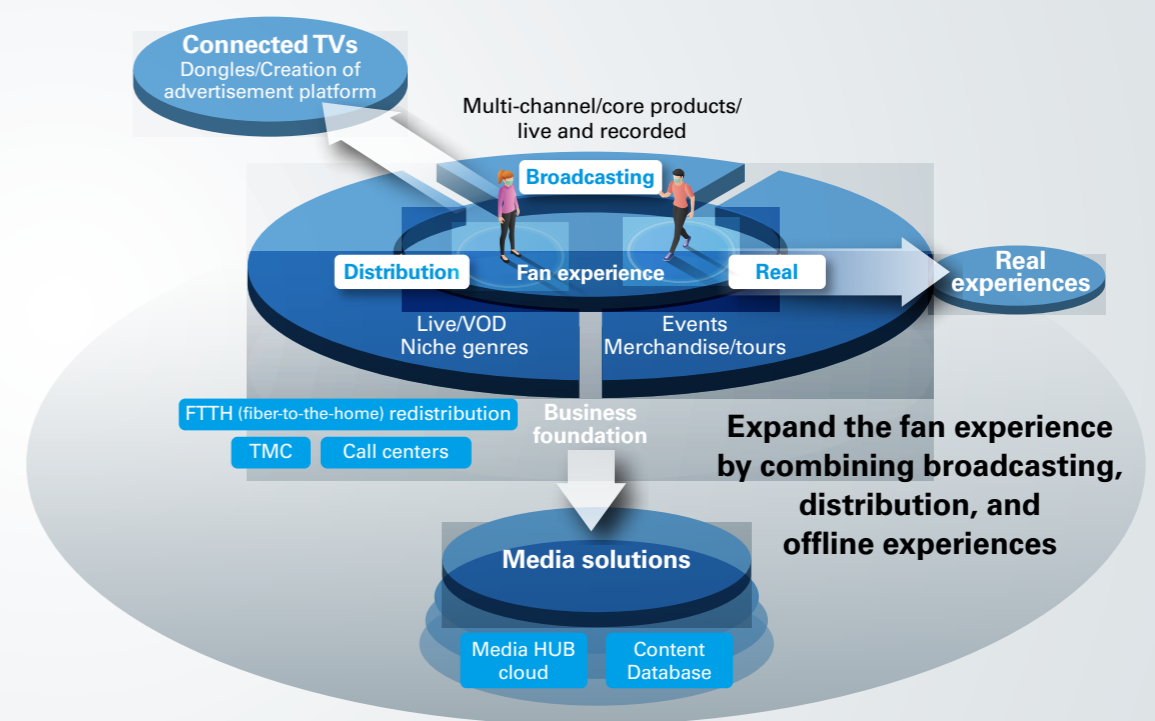
**As a platform that connects people, companies, and society.**

In our Media Business, we are seeking to expand our broadcasting, distribution, and realistic fan experience services and, at the same time, grow our FTTH Business.

Other initiatives include building a media solutions business that includes Media HUB Cloud, a service that utilizes the Group's tangible and intangible assets; entering the field of connectedTVs, and providing environments for viewing diverse video distribution services; and establishing an advertising platform that leverages data on individual preferences and behaviors.



Investment in New Domains by 2030: more than **¥50 billion**





Value Creation Story

# Reducing Capital Costs

## Promotion of Sustainability Management

By strengthening our ESG response, we are dealing with risks related to our business activities, while also working on turning these into business opportunities.

We are particularly focused on addressing climate change and other environmental issues, in addition to enhancing our human capital. Currently, we are in the process of reinforcing our management foundation by establishing a corporate governance system and ensuring risk management, including security. In addition, we are aiming to reduce capital costs by enhancing dialogues with shareholders and investors and the content of disclosures to earn the trust of capital markets over the long term.

### Materiality themes

-  **Contributing to the environment to make a decarbonized society and recycling-based economy a reality**
-  **Promoting innovation which contributes to the environment and society**
-  **Promoting partnerships**
-  **Developing a strong base for management**
-  **Activities by a diverse array of people**
-  **Regional and community development**



# Environment

For more than 30 years, the SKY Perfect JSAT Group has expanded its business with artificial satellites that run on solar power, a clean form of energy that is generated in space.

According to our own research, satellite communications systems use just one-third the energy of ground communication lines.

Environmental measures are seen as a major business opportunity for developing services in the areas of satellite communications, satellite images, and business intelligence. We are therefore working on both aspects of expanding existing businesses and creating new businesses.

- In April 2023, we formulated and announced our **Basic Environmental Policy and Green Procurement Policy**.
- We have formulated and disclosed a transition plan aimed at achieving carbon neutrality.
- We have reviewed risks and opportunities with respect to climate change and disclose relevant countermeasures and other information.
- We have achieved a substantial renewable energy usage rate of 93% at our group sites, including our satellite control and broadcasting centers. We are also contributing to reducing customer CO<sub>2</sub> emissions through the provision of environmentally friendly services.



# Society

We aim to be a company with an appealing organization that Japanese and overseas partners choose to work with. Human resources are a vital asset for creating value from dynamic collaboration; as such, we have established environments and systems that enable all Group employees to work safely and securely, as well as provide support for each individual to develop their skills and achieve their full potential.

- We formulated our **Human Resources Strategy** in April 2023, and we are currently working on transforming our people and organization. In addition to the existing ratio of female managers, labor productivity and engagement indicators were set as long-term KPIs.
- Recognizing the importance of respect for human rights, we have set the formulation of a human rights policy as a target and KPI for fiscal 2023.

Our goal is to implement a highly transparent system of corporate governance that can swiftly deal with changes in the business environment. Further, as a corporate group that provides highly public services in the areas of space and media, we are pursuing rigorous corporate ethics based on compliance and the reinforcement of our risk management system.

- In April 2022, we announced our vision for 2030 and capital allocation over the next five years.
- We have newly provided details on contract backlogs and our satellite fleet in the Space Business in our quarterly financial results.
- At Board of Directors meetings, in addition to management oversight, the composition and operation of the Board of Directors and the promotion of dialogues with shareholders, etc., are particularly under consideration (please see "Evaluating the effectiveness of the Board of Directors" on P.63).



# Governance



## Message from the President

# We will steadily implement growth investments aimed at 2030 and work toward Value Creation by “Change.”

**Eiichi Yonekura**

Representative Director, President

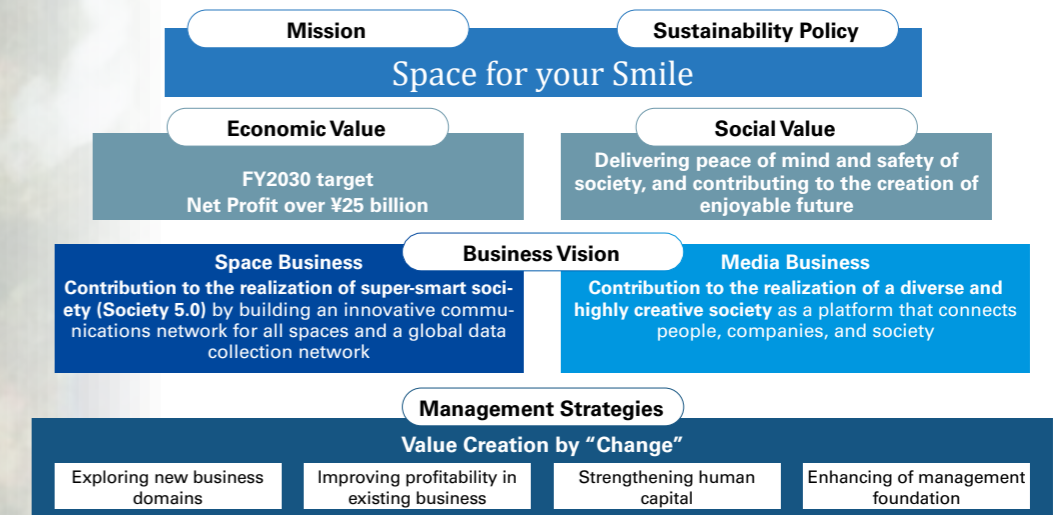
### Rebuilding SKY Perfect JSAT

My biggest mission is to rebuild the SKY Perfect JSAT Group’s business model into a sustainable one. Our founding business model, centered on satellite communications, has been forced to undergo a drastic change due to drastic changes in the external environment. Looking to the future, fortunately, the use of satellite communications has expanded significantly, and I believe the value of the assets we have built up so far is actually increasing.

Unlike in the past, it will be important for our Space Business, as the only private satellite communications operator in Japan, to demonstrate its know-how in the utilization of space by focusing on areas other than satellite communications, such as earth observation. Meanwhile, in the Media Business, while broadcasting services are not a growth driver, I do not believe they will disappear as infrastructure. The number of subscribers is gradually declining due to an influx of competitors, but we are still supported by 2.8 million subscribers, and I believe that stable revenue can be secured through cost control and diversification of revenue sources. Synergies with the Media Business also contribute to satellite communications revenues, and we will promote efforts to transform the business into a broadcasting and distribution platform that can be operated at low cost.

Last year, we announced our vision for 2030 and decided to invest more than ¥200 billion in growth. As part of its long-term vision, SKY Perfect JSAT has established a new management strategy, Value Creation by “Change.” In both the Space Business and the Media Business, we have decided to focus on strengthening human capital and enhancing our management foundation in order to explore new business domains and improve profitability in existing business. We will maximize the value of our physical and human capital and “Change” ourselves into a company that can generate sustainable profits while serving society.

### Sustainable Growth for Society and Our Group





## Progress towards 2030

Net income for fiscal 2022 increased 8% over the previous year, exceeding expectations. The Space Business is driving growth, but the Media Business, despite a continuing decline in the number of subscribers, also achieved an increase in profit on a consolidated basis through cost controls. Against this backdrop, looking towards fiscal 2030, we are gradually implementing growth investments of more than ¥150 billion in the Space Business and more than ¥50 billion in the Media Business in the form of investments in new domains.

In fiscal 2022, the Space Business accelerated the development of information services using data obtained from satellites as an initiative in the field of business intelligence. In addition, Space Compass Co., Ltd. ("Space Compass"), which was established with NTT, initiated activities to realize its "Space Integrated Computing Network" initiative. The Media Business is focusing on B-to-B business development while reviewing its cost structure, and we are starting to see positive results from this activity. In fiscal 2022, I believe we were able to demonstrate, in some small way, that our vision for 2030 is more than just talk.

## Management strategy

### ■ Space Business

The space-based business market, including the fields of communication, positioning, and remote sensing (earth observation), is expected to grow significantly in the future. In such a future society, it will also be important to solve economic development and social issues through systems that tightly integrate physical and cyberspace.

Leveraging our more than 30 years of experience in the space and satellite business, we will invest aggressively in fields such as Universal NTN (nonterrestrial network), optical data relays, and business intelligence, with the goal of achieving segment profit (net profit) of ¥21 billion in 2030.

### Improving profitability in existing business

In our existing satellite communications business, we will continue to respond flexibly to the diverse needs of customers by proactively incorporating new technologies for the launch of successor satellites, such as the use of digital payloads with variable beams and bandwidths. In addition, while proposing value-added services, such as services utilizing ground station equipment, we will encourage the extension of existing contracts to make our customer base more stable.

To handle growing markets such as internet access on aircraft and ships, we will expand the provision of high-speed, large-capacity communications services by using our fully digital satellite (Superbird-9), which is scheduled to go into operation in the first half of 2027, to supplement our two high throughput satellites already in operation (Horizons 3e and JCSAT-1C). In August 2023, we successfully launched Horizons-4 (the successor to Horizons-1), our fifth satellite jointly owned with U.S.-based Intelsat. Through alliances with global players, we will expand satellite coverage and capacity and further strengthen our overseas business development.

### Exploring new business domains

The "Space Integrated Computing Network" initiative has two major objectives. The first is to build a communications network that combines HAPS and geostationary and nongeostationary satellites to meet the communication requirements of the future society. The second is to build a data center in space using optical communications and computing technology to maximize the use of global data collected from space. Space Compass is working toward the launch of the space data center business in fiscal 2024 and the space RAN business service in fiscal 2025. To make the space data center business a reality, Space Compass has already signed a joint venture

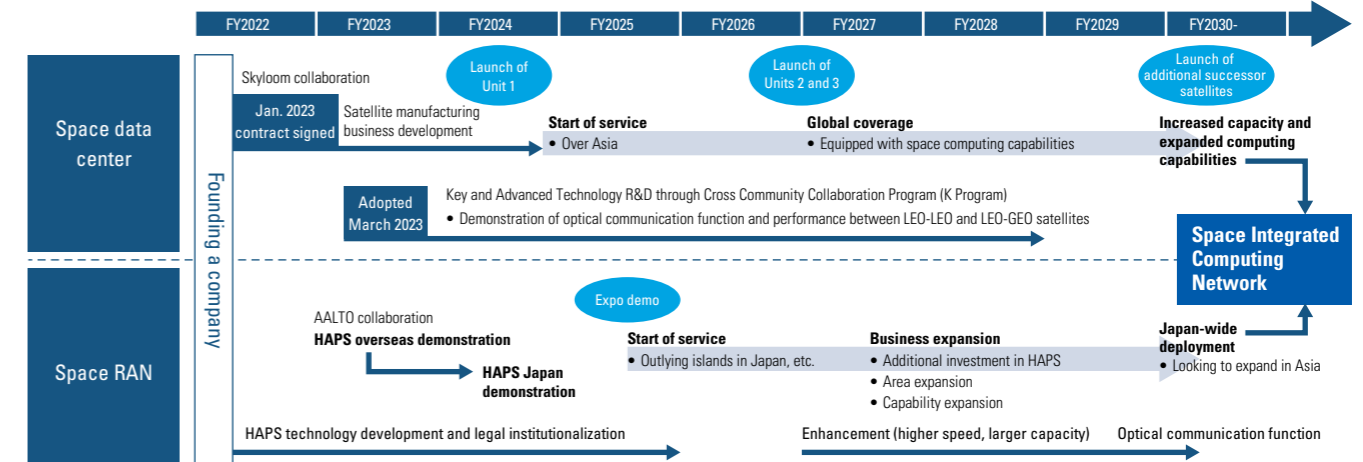
agreement with U.S.-based Skyloom Global Corp. for the launch of an optical data relay satellite. In addition, through investment in and collaboration with the Institute for Q-shu Pioneers of Space, Inc. (iQPS Inc.), we are focusing on business development utilizing a constellation of small SAR\*1 satellites in low earth orbit, and as a unique initiative of SKY Perfect JSAT, we are developing a series of information services using a variety of types of data, such as images and location information obtained from satellites, starting with the LIANA\*2. Through these efforts, we will enhance both economic and social value as a space infrastructure company and, at the same time, greatly expand the potential of business in new domains.

In addition, as the importance of space utilization in the security field increases in response to changes in the international situation, it is important to strengthen our cooperative framework with the public sector and leverage the knowledge and track record we have cultivated in the space business for application to the security field. In addition to satellite communications and business intelligence, we will actively propose services such as Space Situation Awareness (SSA). Together with Space Compass, SKY Perfect JSAT participated in The Japan-U.S. Comprehensive Dialogue on Space held in March 2023. Having built relationships with the U.S. government and U.S. companies, over the years, I believe SKY Perfect JSAT can play a useful role in the security field, for example in the joint utilization of space assets by the U.S. and Japan.

\*1 Synthetic aperture radar (SAR) obtains ground surface information by irradiating the surface of the earth with microwaves and analyzing the reflected signals. It enables observation night and day and is even able to penetrate clouds and smoke.

\*2 Land-deformation and Infrastructure ANALYSIS: a service that uses SAR image analysis to monitor changes in ground sloping and infrastructure

## Toward the realization of the Space Integrated Computing Network



### ■ Media Business

Looking at the environment surrounding the Media Business, the battle for content and customers with well-funded video distribution service companies has become extremely fierce, and the trend toward mergers and acquisitions is gaining momentum. Under these circumstances, it is difficult to foresee when the number of subscribers in the broadcasting business will bottom out. However, what we are aiming for is a platform for broadcasting and distribution, and with that in mind, we will control costs, slim down, and invest in what is essential for business transformation with the goal of segment profit (net profit) of ¥5 billion in 2030.



**Improving profitability in existing business**

In the broadcasting and distribution business, continuing from last year, we hosted the German Bundesliga Japan Tour as a “real” event and combined it with our free distribution service for SKY PerfecTV! subscribers as a way to improve subscriber satisfaction. Our call center has already started accepting outsourced work from B-to-C companies such as mail-order companies. Similarly, our SKY PerfecTV! Tokyo Media Center will not be closed internally, but will open its assets to external parties as a media solutions business to diversify its revenue sources and change its profit structure to one that is commensurate with its costs. In addition, we closely scrutinize which costs are necessary and which are not with an eye to profitability and carefully decide on an individual basis which spigots to shut off.

Meanwhile, the optical fiber-based retransmission service (FTTH) is on the rise, and the number of connected households will continue to increase as the service area is expanded. We have also received many inquiries about the new collaborative service we launched to solve the problems of cable TV operators, and we will continue to expand this service as well.

**Expansion of business in new domains**

A new domain for the media business is the in-house development of dongles that connect to Connected TVs. This will create an advertising distribution platform that can provide a variety of VOD services, from free and ad-supported video distribution to flat-rate and rental services.

In this way, the Media Business, in parallel with drastic cost structure reform, is evolving into a hybrid platform that combines broadcast and distribution. Our investments in it are designed to make it attractive not only to the people who watch the content, but also to those who deliver the content.

**Strengthening human capital**

Today, we find ourselves in the “game change” era, in which AI and other technological innovations are making conventional wisdom obsolete in the blink of an eye. In times like these, what we need most is people who can think flexibly about what will happen in the future and actually take action. Our future depends on cultivating such talent.

SKY Perfect JSAT’s goal is Value Creation by “Change,” but this cannot be achieved without revitalizing the people and organizations that drive “Change.” Therefore, seeking to break away from the way things had been done in the past, we changed the personnel system to recruit more and more young employees. To accelerate change, we will identify high performers who take responsibility for their output and promote them early. At the same time, we raised starting salaries and wages with the expectation that young employees who will create the future of our company will be motivated to lead the change. We are also planning to offer a full range of training programs that can be taken on a voluntary basis. Of course, we also emphasize diversity and promote the participation of women and mid-career hires.

I personally try to spend time talking to employees at the team leader level to learn first-hand what they are thinking and what they envision for the future. In fact, I realized that talented people are often hidden from view. I believe it is very important to elevate such hidden talent to strengthen our human capital.

**Enhancing of management foundation**

To enhance our management foundation, we have newly appointed Ms. Aoki, an expert on space law, and Mr. Toyota, an expert on security strategy from the Ministry of Defense, as outside directors. Just as navigators help keep a ship on course, I am counting on the two of them to guide, supervise, and advise us from an objective standpoint, especially in the Space Business.

In addition, we will focus on cybersecurity measures, digital transformation (DX), and sustainability initiatives. In June 2023, we were included in the ESG index “FTSE Blossom Japan Sector Relative Index” for the first time. We will continue to expand our management foundation with ESG in mind, including, with regard to the environment, in particular, efforts to reduce greenhouse gas emissions.

**To our stakeholders**

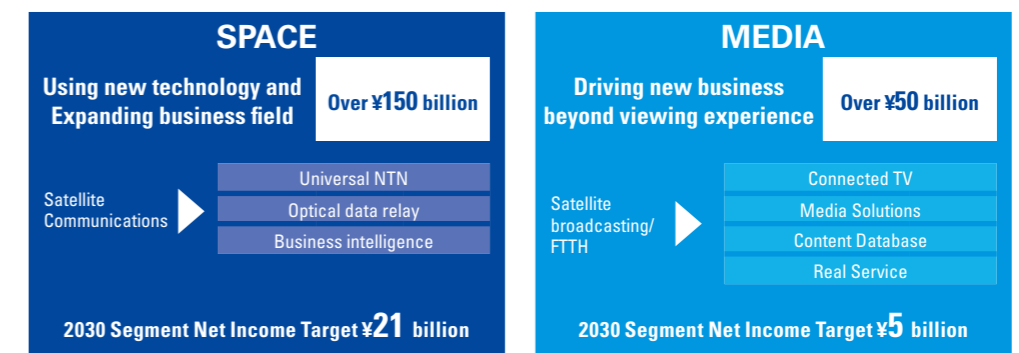
At present, SKY Perfect JSAT’s P/B ratio is below 1x. To break out of this situation and sustainably improve our stock price, my first priority is to deepen constructive dialog with our shareholders and investors to help them understand our growth strategy. To that end, we will tangible form to our 2030 Vision, including the execution status of our planned capital allocation, and explain it to stakeholders.

In line with the policy announced last year of returning ¥40 billion to shareholders over five years, we increased the annual dividend to ¥20 in fiscal 2022 and are maintaining the same dividend level in fiscal 2023. We will also implement share buybacks on a flexible basis.

When all is said and done, the goal of SKY Perfect JSAT’s “Change” in preparation for 2030 is to ensure that a business that invests about ¥20-40 billion in a single satellite can respond to major changes in competition, technological innovation, and other developments and continue to generate a decent profit. The management team must, therefore, never settle for the status quo, but always look 5 to 10 years into the future and consider what steps to take now. We, the management team, are fully aware of our responsibility for the future of SKY Perfect JSAT and are approaching its “Change” with a sense of urgency and nervous excitement. We have also raised the allocation ratio of the compensation paid in shares to executive officers of the operating companies to align their perspective with that of shareholders and raise their awareness of the need to enhance corporate value.

We are currently in the process of investing in growth, and although our results for fiscal 2023 are expected to remain at the level of fiscal 2022, I would like to achieve a net profit of over ¥25 billion by 2030 by implementing the “Change” I have been discussing here. In fiscal 2023, we will realize this “Change” with an even greater sense of urgency. To our stakeholders, I truly appreciate your valuable opinions, even if they are sometimes tough to hear, and I look forward to your continued support in these endeavors.

**Plan to invest over ¥200 billion in new domains by 2030**



**Sustainable growth  
Target Net income is over ¥25 Billion in 2030**

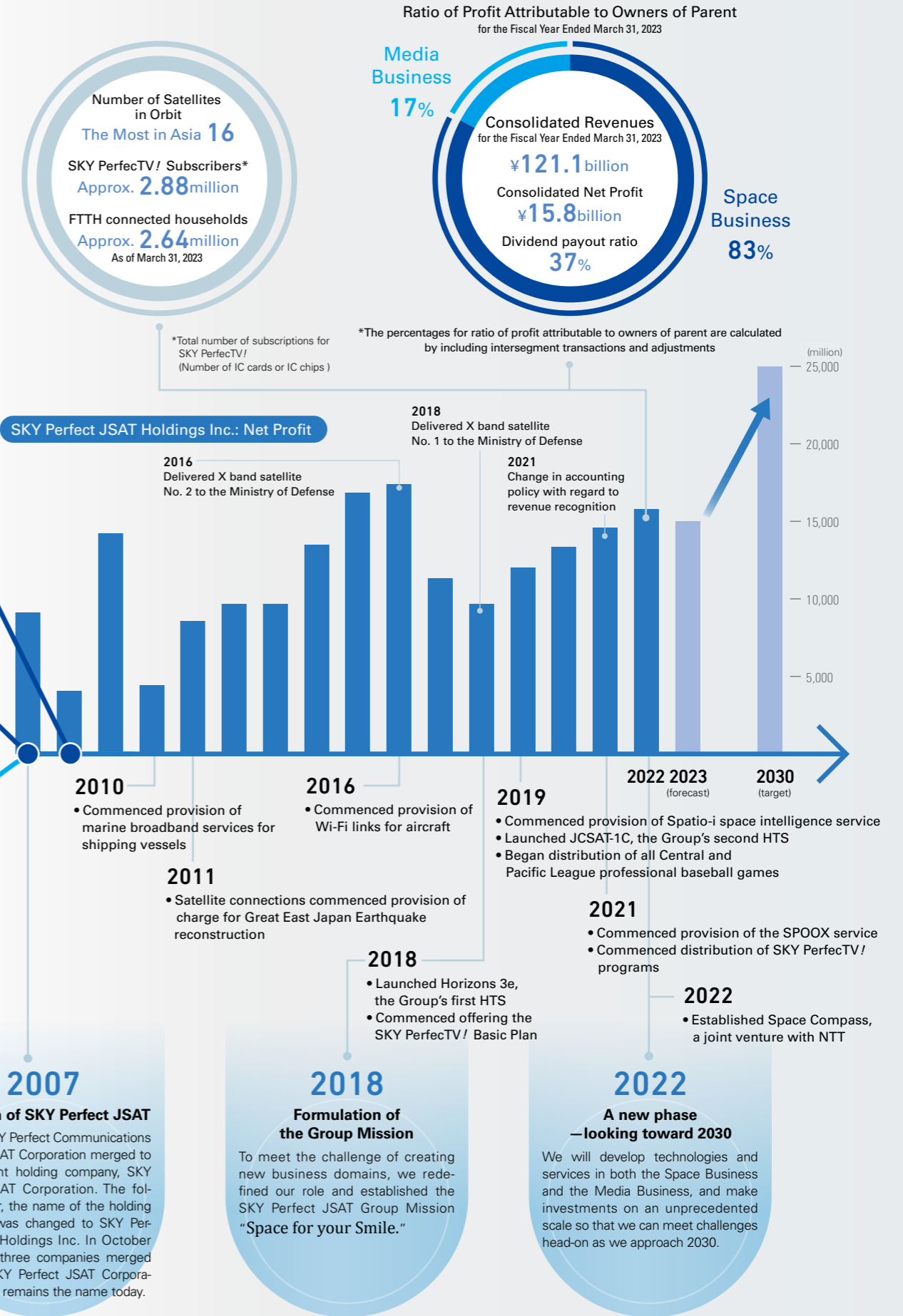
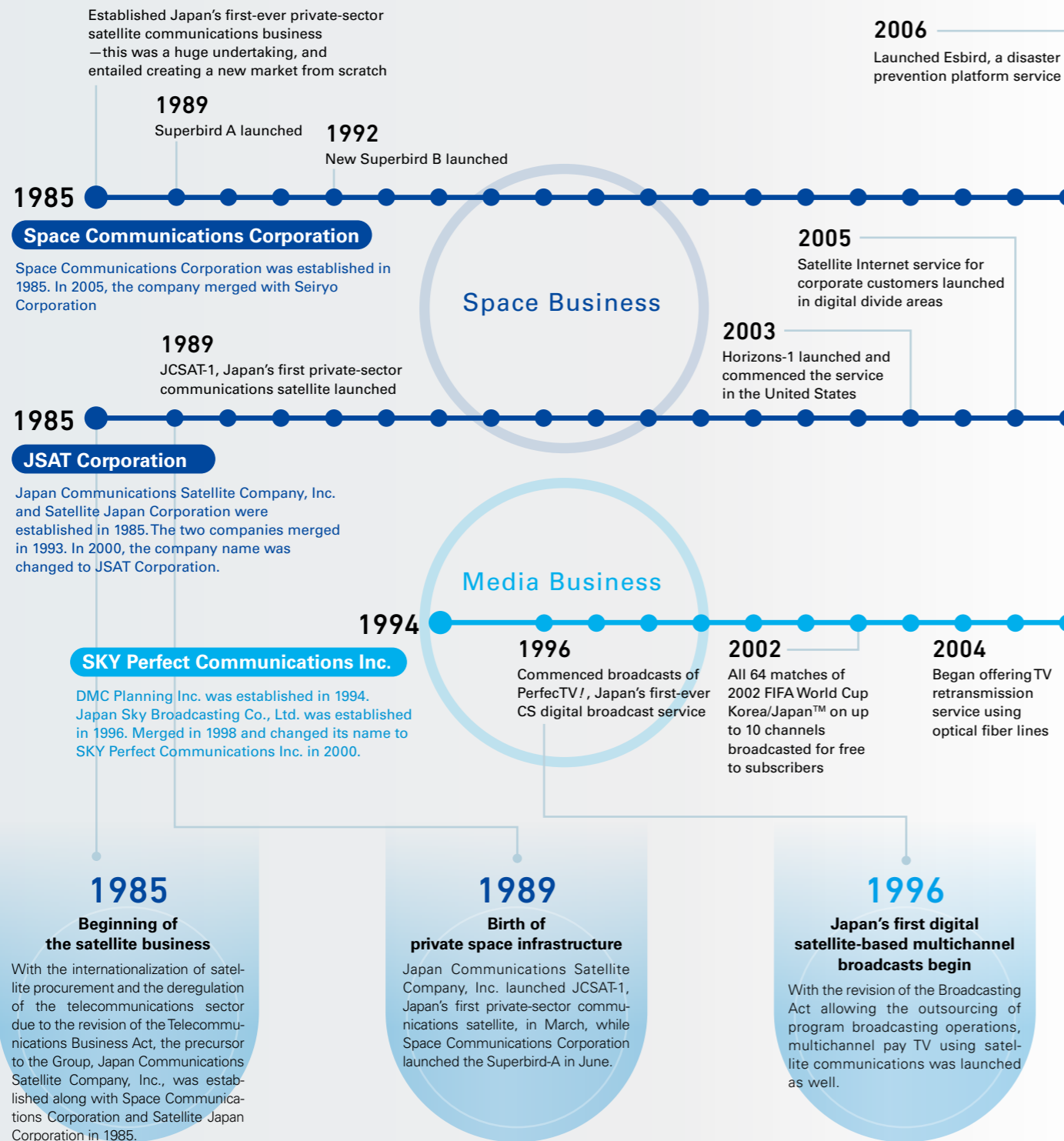


History of Value Creation

The SKY Perfect JSAT Group: A Proven Track Record

The unknown no one had attempted before.

In 1989, SKY Perfect JSAT took its first leap forward by doing the unprecedented—launching Japan’s first private-sector communications satellite. Since then, it has continued to place itself in uncharted territory, establishing entirely new businesses that no one in Japan has tried before.



● Value Creation Story

**High-quality management resources with competitive advantage**

**30 years of experience and trust in space**

- ▶ Global operations in Japan, Asia, North America, Europe, etc.
- ▶ Trusted relationships with government agencies, municipalities, and infrastructure companies
- ▶ Number of SKY PerfectTV! Users: Approximately 2.3 million

**Skilled and knowledgeable diverse human resources**

- ▶ Knowledgeable about satellite communications
- ▶ Knowledgeable about broadcasting and distribution
- ▶ Consolidated number of employees: 848

**Stable financial foundation**

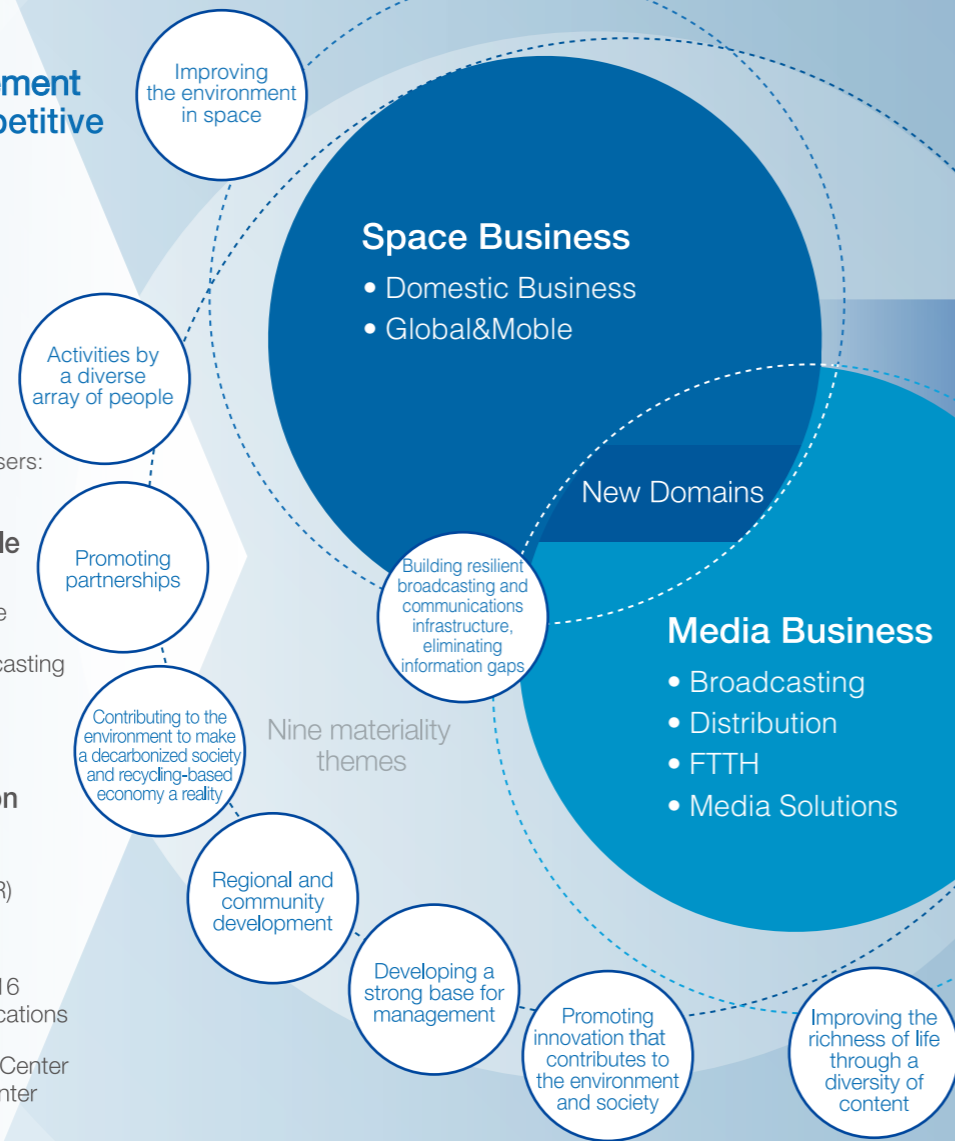
- ▶ Equity: ¥255.4billion
- ▶ Equity ratio: 64%
- ▶ Long-term rating: A (R&I, JCR)

**Main Facilities**

- ▶ Number of satellites in orbit: 16
- ▶ Number of satellite communications related facilities: 7 in Japan
- ▶ SKY PerfectTV! Tokyo Media Center
- ▶ SKY PerfectTV! Customer Center

As of March 31, 2023

**Management Strategy**  
Creating value through “transformation”



**Business Vision**

By establishing an innovative communications network for all of space and a global data collection network, we are helping to make a supersmart society a reality

We are contributing to the realization of a diverse and highly creative society as a platform that connects people, companies, and society

The Future Opened Up by Sustainability Management

# Space for your Smile

Toward a world where uncertainty turns to peace of mind, difficulty turns to ease, and interest turns to passion

Economic value	Social value
FY2030 target Net Profit over ¥25 billion	Contributing to the creation of an exciting future by providing security and safety to society



**Social Changes** (External Environment to focus on)

- Growing environmental awareness
- Advances in technological innovation
- Transformation of consumption orientation
- Increased cyber security risks
- Increased geopolitical risks
- etc.



## Promotion of Sustainability Management



### Message from the Sustainability Committee Chair

In April 2021, we set out our nine key issue themes and key issues—or materiality—that are tied to them. We also drew up a list of long-term goals as part of our Vision for 2030 and short-term goals and KPIs for each fiscal year.

By redefining our Group mission of “Space for your Smile” as a sustainability policy and by incorporating the Story of Value Creation into our management plans, we intend to reinforce our sustainability management.

In order to improve our capacity to achieve our goals, in October 2022, we established the Sustainability Department; together with the Sustainability Committee, which is responsible for sustainability promotion activities across the Group.

We have identified the Environment—including climate change—Human Capital, and Human Rights as three focus areas.

For the Environment, we have formulated a new Basic Environmental Policy and Green Procurement Policy; we are also promoting the use of renewable energy, and, as of March 31, 2023, renewable energy accounted for 93% of the Group’s energy usage in Japan.

In the area of Human Capital, we have drawn up a new human resources strategy, based on which SKY Perfect JSAT Corporation revised its human resources systems in April 2023. As a result of revisions to our Business Vision and Business Strategies, in April 2023, we also made changes to our list of materiality issues.

Through its business activities in the domains of space and the media, the entire Group intends to strengthen its sustainability management, become a company that society depends upon, and achieve sustainable growth.

### Sustainability Management Promotion System

#### Roles of Sustainability Committee

- (1) Formulation of overall policy and targets
- (2) Building of implementation systems and deliberation on the related important matters
- (3) Overall understanding and evaluation of the implementation status of a full range of measures
- (4) Reporting to the Management Committee and the Board of Directors regarding a full range of measures



\*Joint committee for SKY Perfect JSAT Holdings Inc. and SKY Perfect JSAT Corporation

### Activities in Fiscal 2022

We are making a smooth process toward achieving our Vision for 2030. We value dialogue with all our stakeholders and, as such, we are actively disclosing the progress and concrete initiatives of our sustainability management both in this Integrated Report and on our company website.

In January 2023, we expressed our support for the Task Force on Climate-related Financial Disclosures (TCFD); accordingly, we are working to expand the scope and quality of the information we disclose based on the TCFD recommendations; this includes information related to climate change, and information related to investments in human capital and corporate governance.

In fiscal 2022, we were awarded a “B” score in the CDP

Climate Change Questionnaire by CDP, an international non-profit that seeks to set the gold standard for environmental disclosure.

In June 2023, for the first time, we were selected as a constituent of the FTSE Blossom Japan Sector Relative Index, which is an ESG index.

Following our selection to the S&P/JPX Carbon Efficient Index and the Morningstar Japan ex-REIT Gender Diversity Tilt Index, we are thus now a constituent of three of the six indices of Japanese companies adopted by the Government Pension Investment Fund.



### Activity Plan for Fiscal 2023

In fiscal 2023, we intend to execute our plans for each organization to achieve our materiality goals and KPIs.

We will use our various committees to properly understand the social landscape and, while improving our company

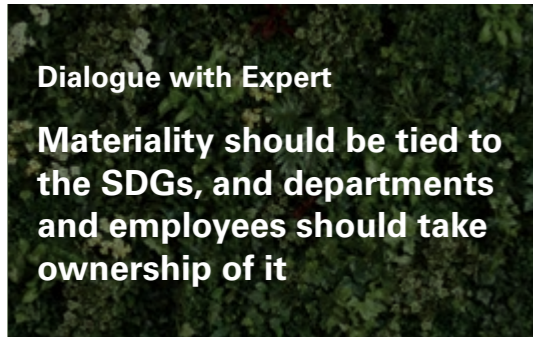
systems, we will work to increase the efficacy of our sustainability management. We will also strive to increase the scope and quality of our disclosures and improve information-sharing across the entire Group.

#### Activity Plan for Fiscal 2023

Themes	Measures
Steady progress of the execution cycle for the achievement of each materiality/the targets and KPIs	<ul style="list-style-type: none"> <li>Revising some materiality long-term goals and KPIs to reflect changes in our Business Vision and Business Strategies</li> <li>Ensuring we achieve our fiscal 2023 goals</li> <li>Strengthening initiatives in our focus areas of the Environment, Human Capital, and Human Rights</li> </ul>
Continuation of external evaluation responses	<ul style="list-style-type: none"> <li>Responding properly to CDP and other surveys</li> <li>Making improvements based on external evaluations from FTSE, etc., and on feedback from various surveys</li> </ul>
Strengthening of external communication	<ul style="list-style-type: none"> <li>Ensuring the sustainability pages on the SKY Perfect JSAT Group website are kept up to date</li> <li>Revising our response to climate change, and enhancing the scope and quality of our information disclosure, based on TCFD recommendations</li> <li>Expanding the range of sustainability-related data we disclose, including data on the Environment and Human Capital</li> </ul>
Improving information-sharing within the company	<ul style="list-style-type: none"> <li>Making full use of company newsletters and other internal communication tools</li> <li>Holding study meetings and lectures both for officers and employees</li> <li>Strengthening coordination between Group companies to improve Group-wide deployment and information-sharing</li> </ul>
Establishing systems for creating new SDGs-focused businesses and for increasing motivation to tackle social issues	<ul style="list-style-type: none"> <li>Hosting workshops to encourage new business creation from a sustainability perspective</li> </ul>

For a list of our fiscal 2023 materiality issues, please see page 80 or visit our company website.  
<https://www.skyperfectjsat.space/en/sustainability/materiality/>

## Promotion of Sustainability Management



### Expert

**Hidemitsu Sasaya**  
ESG/SDGs Consultant, Professor, Chiba University of Commerce

### Attendees

**Eiichi Yonekura**  
Representative Director, President

**Koichi Matsutani**  
Sustainability Committee Chair, Director

**Sasaya** | In this year's review of materiality, the information is organized into an ESG/SDGs Matrix and the SDGs are linked to business activities at the target level. The matrix can appeal to investors and be a powerful tool for improving corporate value. For employees too, motivation increases as they become aware of the need to achieve the SDG targets. How is the situation at SKY Perfect JSAT?

**Yonekura** | I feel that we have created opportunities to report on our SDG targets on a regular basis and that we have been able to bring them down to the departmental level. However, they have not yet reached the level of the team, which is our lowest-level organization. We must think of a mechanism that can be executed as a basic action by each segment, and ultimately each team, without feeling like they are being forced to do it.

**Sasaya** | When the SDGs were first created, I learned from a UN official that "the SDGs are goals, but they are also tools." When you master the SDGs to the target level, the employees take ownership of them, allowing the SDGs to permeate the company. At many of the companies I've helped, the SDGs are tied to departments, making it easier for employees to take ownership of them.



**Matsutani** | In the Space Business, which is primarily a B-to-B business, our users who are focused on decarbonization have high expectations from the perspective of carbon neutrality, including the use of solar power generated by satellites, and we have responded by switching to virtual renewable energy sources at our ground sites. I feel that as customer awareness progresses, it will be easier to utilize the SDGs as a tool.

**Sasaya** | That is why it is important to synchronize the materiality KPIs with the main business. To what extent are they synchronized in this review?

**Matsutani** | Basically, we try to synchronize them. We've been updating the review to reflect the progress of the business.

**Sasaya** | That's important. I emphasize connectivity between financial and non-financial information. Companies are expected to show how non-financial information affects financial information in a synchronized manner.

Recently, I have also begun to hear the term "pre-financial." In contrast to "non-financial" information, "pre-financial" refers to information that will grow into or be developed into financial information in the future. Being aware of and promoting connectivity to pre-financial information leads to a competitive strategy.

At one company I'm familiar with, they had linked many of their KPIs to the core business itself, such as winning more contracts. As a result of linking the characteristics of their services with the SDGs, they highlighted the superior characteristics of their services and won more contracts. In this way, they were able to structure their business to contribute to the SDGs and also to realize the creation of common value for society through their core business. Thus, it is important to take

an approach that understands non-financial activities as a competitive strategy for creating common value and explains this both internally and externally.

**Yonekura** | Your mentioning competitive strategy reminds me that this is what our corporate initiatives must lead to the competitiveness of Japanese companies.

**Sasaya** | As you say, ESG and how we address each material issue is now intertwined with competitive strategy. We must address these issues with a sense of urgency. As standardization of disclosure rules progresses, stakeholders will be able to compare companies' initiatives, which will become competitive strategies themselves.

**Yonekura** | In our sustainability initiatives, I think it is very important to be conscious of how we can explain our work in terms of three keywords: social, environmental, and economic. We, the top management, must carefully explain it to new employees in our own words. Even during the hiring interview, when we talk about the Group's corporate values and corporate mission, we need to be able to include sustainability in our explanations. This is how we hold ourselves accountable.

**Sasaya** | It would be great if not only the top management but also the sections on the operational frontlines could effectively utilize your company's sustainability

system with one voice. That way you could relate it to your value creation story when explaining each person's assigned duties and give employees more confidence to market their products and services.

**Yonekura** | In the space business, the time horizon is five or ten years in the future. In fact, I would be happy if, instead of just looking at sales five years from now, we could focus properly on our "pre-financials."

**Sasaya** | The key to sustainability efforts is to take a medium- to long-term perspective, set ambitious goals for the future, and "backcast" from there. SKY Perfect JSAT's business, including its Space Business, is making progress in just that sort of arrangement, and that is one of your strong points.

The important thing in this case is the appropriate dissemination of information. I believe the time has come to increasingly communicate about SKY Perfect JSAT's SDGs management under the president's initiative.

### Profile

**Hidemitsu Sasaya**  
Graduated from the Faculty of Law at the University of Tokyo and joined the Ministry of Agriculture and Forestry in 1977. Retired in 2008, having held positions at the Ministry of the Environment (Councillor, Minister's Secretariat, 2005), the Ministry of Agriculture, Forestry and Fisheries (Councillor, Minister's Secretariat, 2006), and the Kanto Forestry Administration Bureau (Director-General, 2007). Joined Ito En, Ltd. in 2008 and served as Director and Managing Executive Officer before retiring in 2019. Became Professor at Chiba University of Commerce in 2020 and then Director of the university's Research Center for Sustainability in 2022. Ph.D. (Policy Studies)

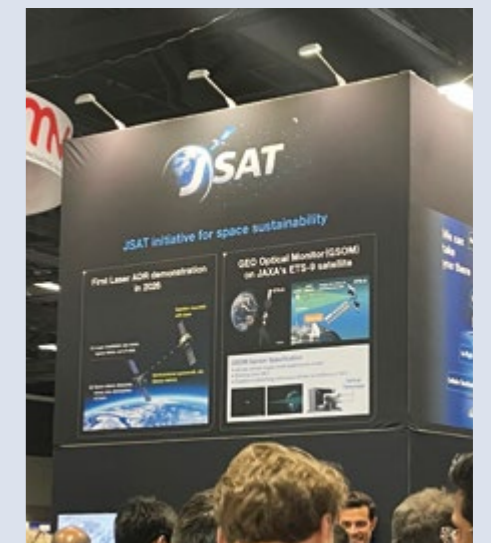
## Space Sustainability

Our Group takes space as its field of business, and consequently, we believe that the space environment is one of the environmental issues we should be engaging with.

When we exhibited at SATELLITE 2023, one of the largest shows in the satellite industry, we not only drew attention to our expanding business fields and to the optical data communications business we are undertaking through Space Compass Corporation, but we also underlined the initiatives we are undertaking in space sustainability—which seeks to conserve the space environment.

The show was an opportunity for us to promote interest in wide-ranging activities that go beyond our existing businesses, including active debris removal (ADR), a method of eliminating space debris using lasers; and space situational awareness (SSA) and geostationary orbit optical monitors (GSOM), which use optical cameras from satellites in geostationary orbits to understand localized conditions.

Going forward, we will continue to promote projects and partnerships aimed at improving the space environment.





# 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.

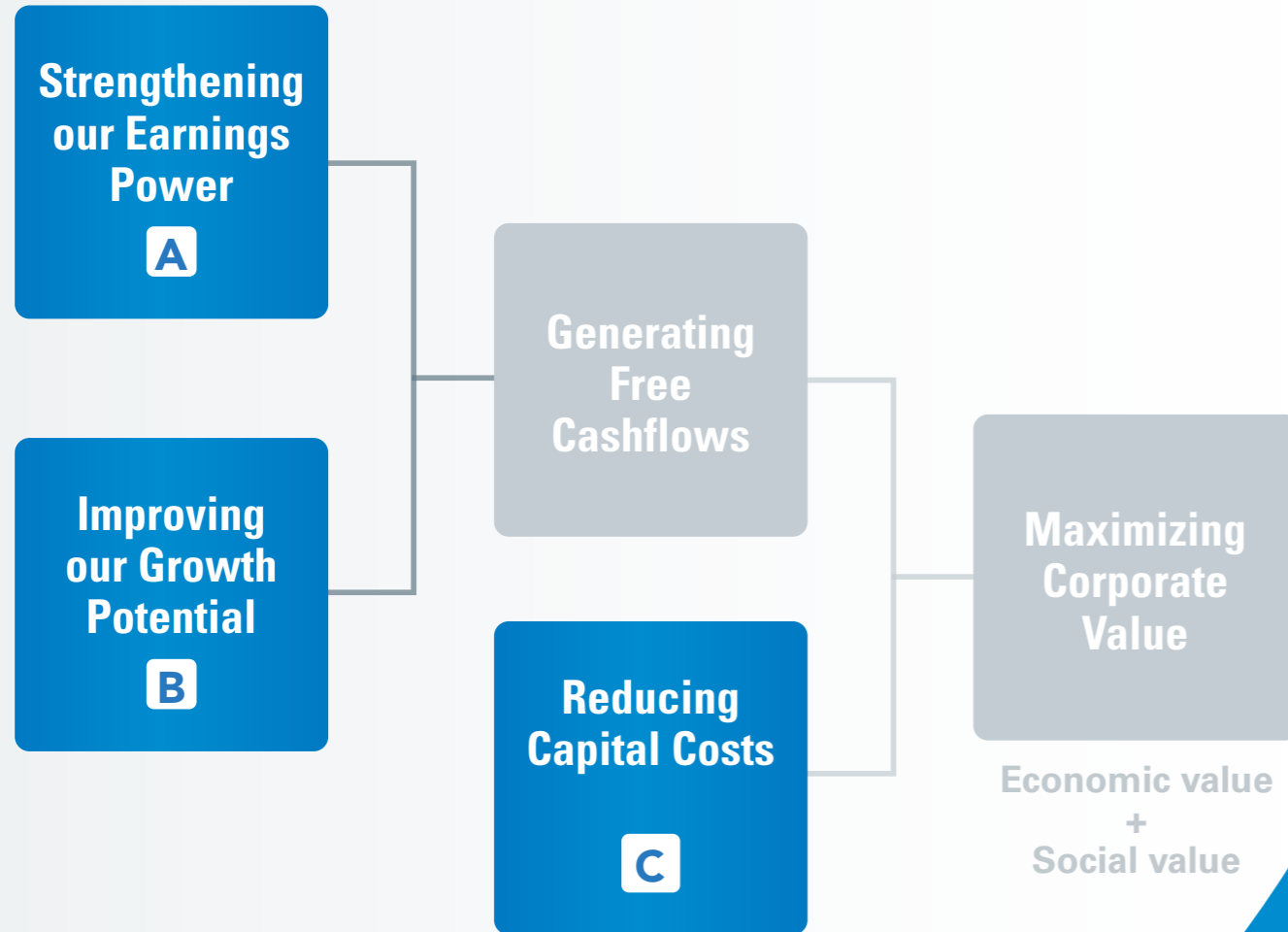
See page 80 for the materiality list

Page	Space Business 36	Media Business 44	Society and Human Resources 56	Environment 52	Governance 61
<b>Opportunities</b>	<ul style="list-style-type: none"> <li>Increase in demand for satellite communication lines</li> <li>Revitalization of the global space industry and use of space</li> </ul>	<ul style="list-style-type: none"> <li>Increased demand for FTTH (FiberToThe Home)</li> <li>Increased demand for multichannel services for cable TV</li> <li>Expansion of video distribution markets, including advertising markets</li> <li>Increased demand for video distribution in the corporate sector</li> <li>Increased adoption of Web3, etc.</li> <li>Alignment of main target generation with largest demographic</li> </ul>	<ul style="list-style-type: none"> <li>Improved employee motivation and productivity, and securing of talented human resources, on the back of work style reforms</li> <li>Invigorated organization due to securing diverse (gender, nationality, age, etc.) human resources</li> <li>Development of communication infrastructure environments</li> <li>Stable growth of regional economies</li> </ul>	<ul style="list-style-type: none"> <li>Increased use of satellite connections as part of BCPs, due to increased frequency of disasters linked to abnormal weather</li> <li>Growth of earth observation, meteorological data usage, and image analysis businesses</li> <li>Creation of business opportunities from an increase in space debris</li> <li>Increased demand for video content due to COVID-19-related restrictions on going out</li> </ul>	<ul style="list-style-type: none"> <li>Sustainable growth through the implementation of management and financial strategies</li> <li>Business expansion through Mergers &amp; Acquisitions (M&amp;As)</li> <li>Improved reputation based on stronger governance</li> <li>Maintenance of and improvement in credit ratings</li> </ul>
<b>Threats and risks</b>	<ul style="list-style-type: none"> <li>Intensifying price competition in overseas markets for satellite communication lines</li> <li>Entry of foreign companies into the Japanese market</li> <li>Reduced use of satellite communications due to expansion of terrestrial communications networks</li> <li>Emergence of country risks</li> <li>Increased cybersecurity risks</li> </ul>	<ul style="list-style-type: none"> <li>Intensifying competition for customers and content with OTT service providers</li> <li>Decreasing populations and reduced interest in television</li> <li>Popularization of terrestrial IP (simultaneous) redistribution</li> <li>Unauthorized viewing</li> <li>Changes in consumer trends due to inflation</li> </ul>	<ul style="list-style-type: none"> <li>Decline in organizational strength due to a shortage of highly skilled human resources and to an imbalanced workforce age composition</li> <li>Decline in governance and organizational strength due to the absence of diversity and inclusion (D&amp;I)</li> <li>Increased geopolitical risks</li> </ul>	<ul style="list-style-type: none"> <li>Damage to business sites and disruption of business due to large-scale natural disasters, pandemics, etc.</li> <li>Damage to and accidents involving communications satellites caused by increased space debris</li> <li>Difficulties in reception due to frequent typhoons and torrential rain</li> <li>Increase in waived subscriptions in disaster areas due to more frequent natural disasters</li> </ul>	<ul style="list-style-type: none"> <li>Information leaks and cyberattacks</li> <li>Decline in reputation</li> </ul>
<b>Materiality themes</b>	<ul style="list-style-type: none"> <li>Building resilient broadcasting and communications infrastructure, eliminating information gaps</li> <li>Contributing to the environment to make a decarbonized society and recycling-based economy a reality</li> <li>Improving the environment in space</li> <li>Promoting innovation which contributes to the environment and society</li> </ul>	<ul style="list-style-type: none"> <li>Building resilient broadcasting and communications infrastructure, eliminating information gaps</li> <li>Improving the richness of life through a diversity of content</li> <li>Promoting innovation which contributes to the environment and society</li> <li>Regional and community development</li> </ul>	<ul style="list-style-type: none"> <li>Activities by a diverse array of people</li> <li>Regional and community development</li> </ul>	<ul style="list-style-type: none"> <li>Contributing to the environment to make a decarbonized society and recycling-based economy a reality</li> <li>Improving the environment in space</li> </ul>	<ul style="list-style-type: none"> <li>Developing a strong base for management</li> </ul>
<b>Relevant SDGs Goals</b>					

Promoting partnerships

# Putting Value Creation into Practice

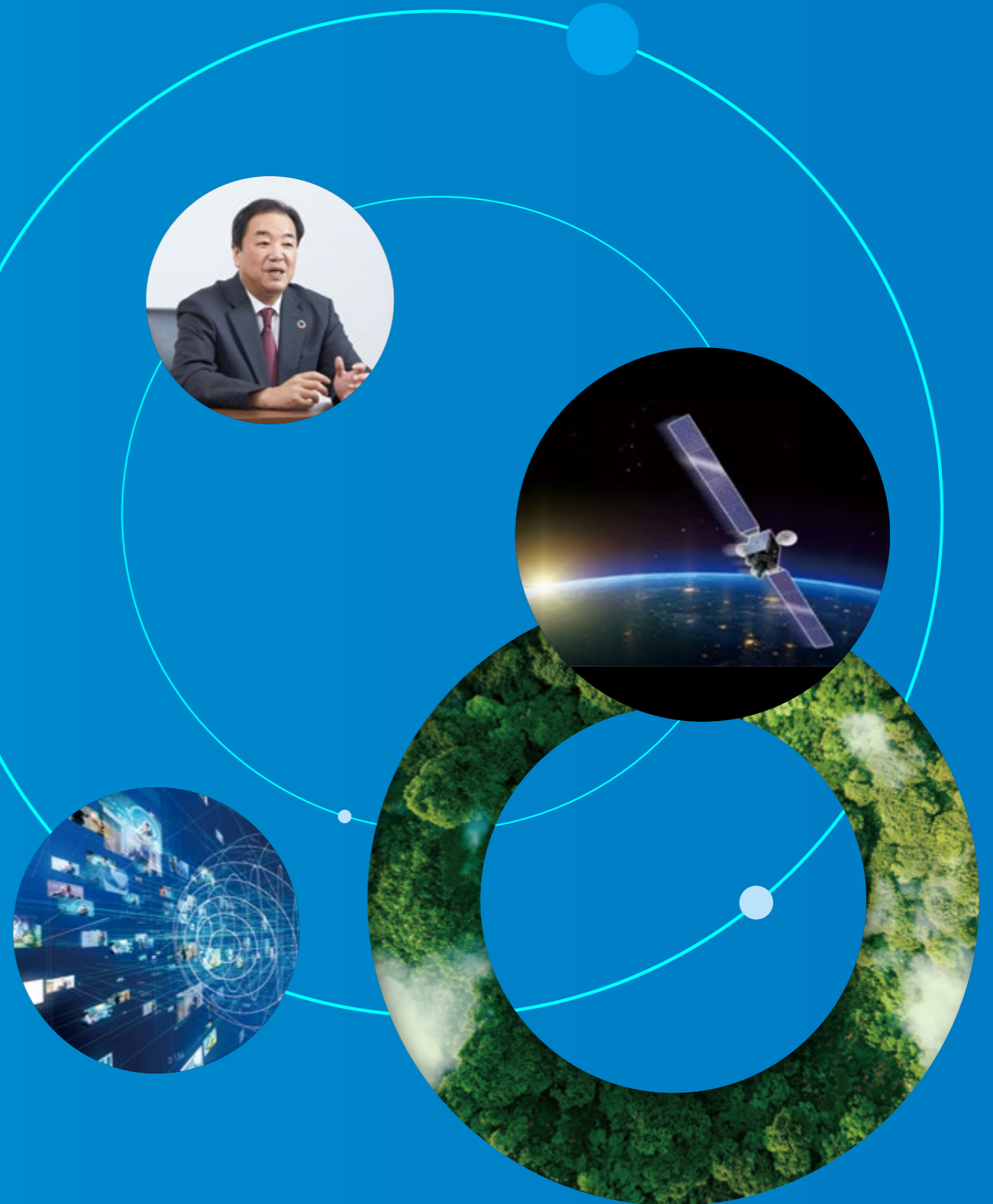
The SKY Perfect JSAT Group will focus on the nine materiality themes to be addressed through its business, and will strengthen earning power through structural reform of existing businesses and raise medium- to long-term growth potential through aggressive investment.



## 28 Putting Value Creation into Practice

30 Financial and Non-Financial Highlights

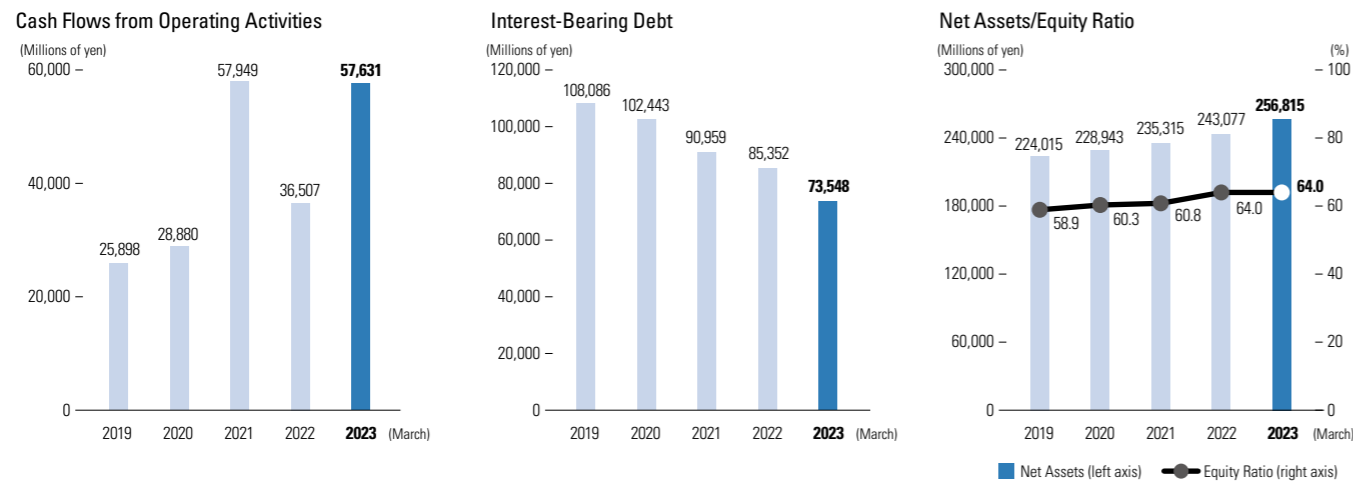
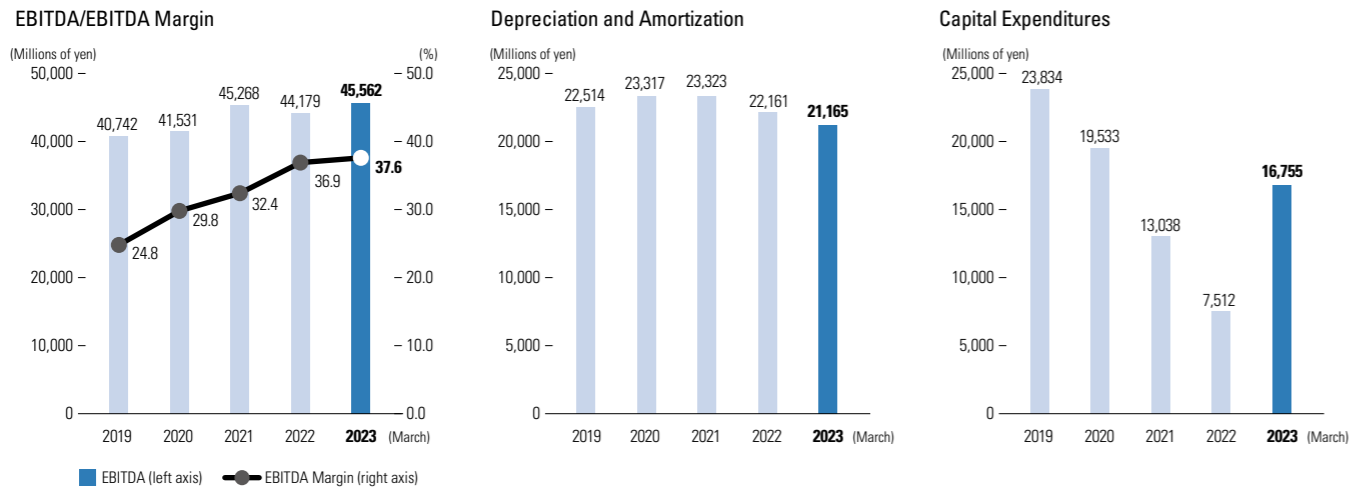
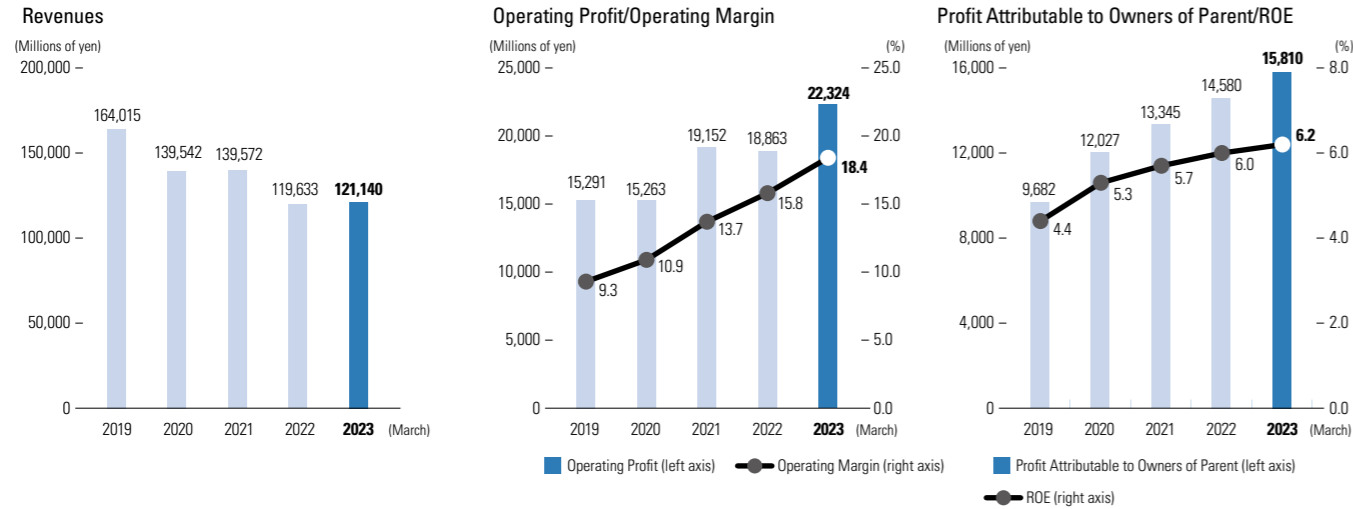
32 Message from the CFO.....	<b>A</b>	<b>C</b>
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44 Review of Operations: Media Business....	<b>A</b>	<b>B</b>
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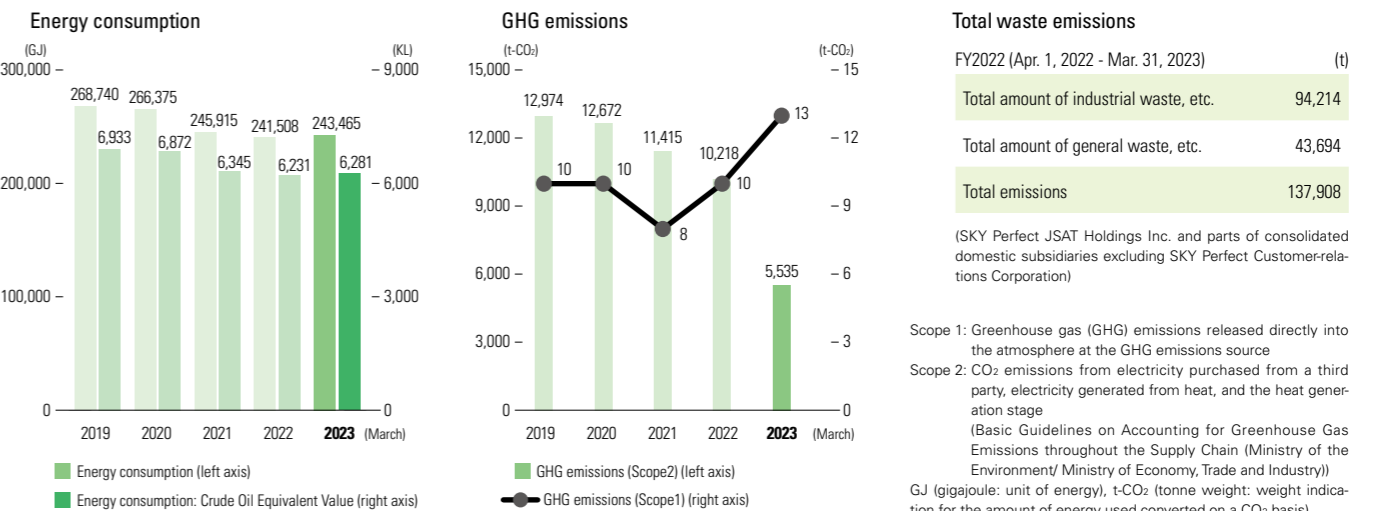
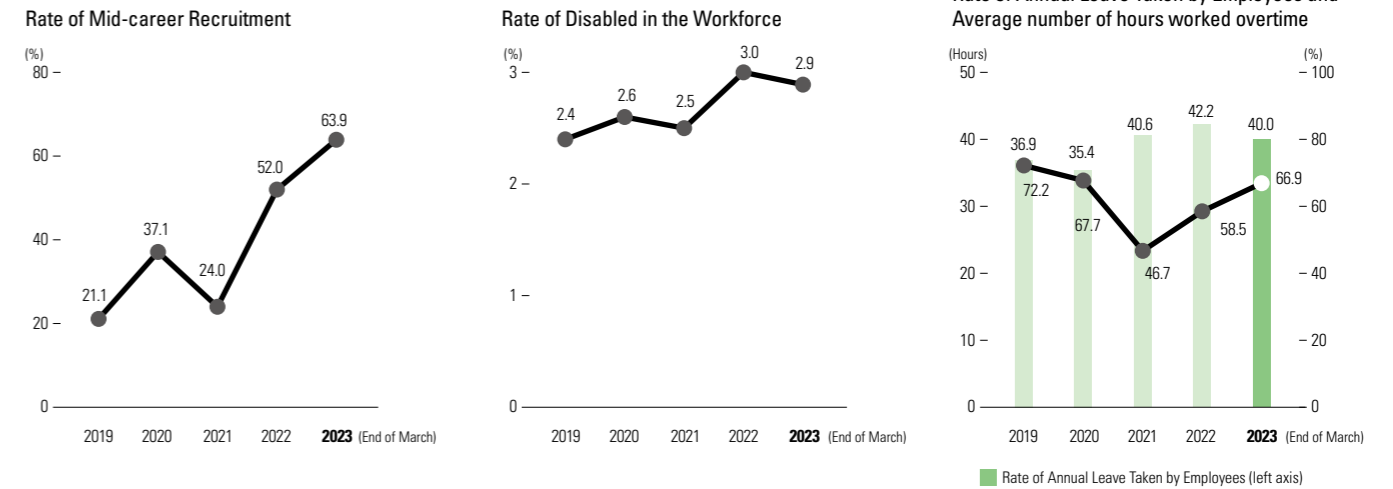
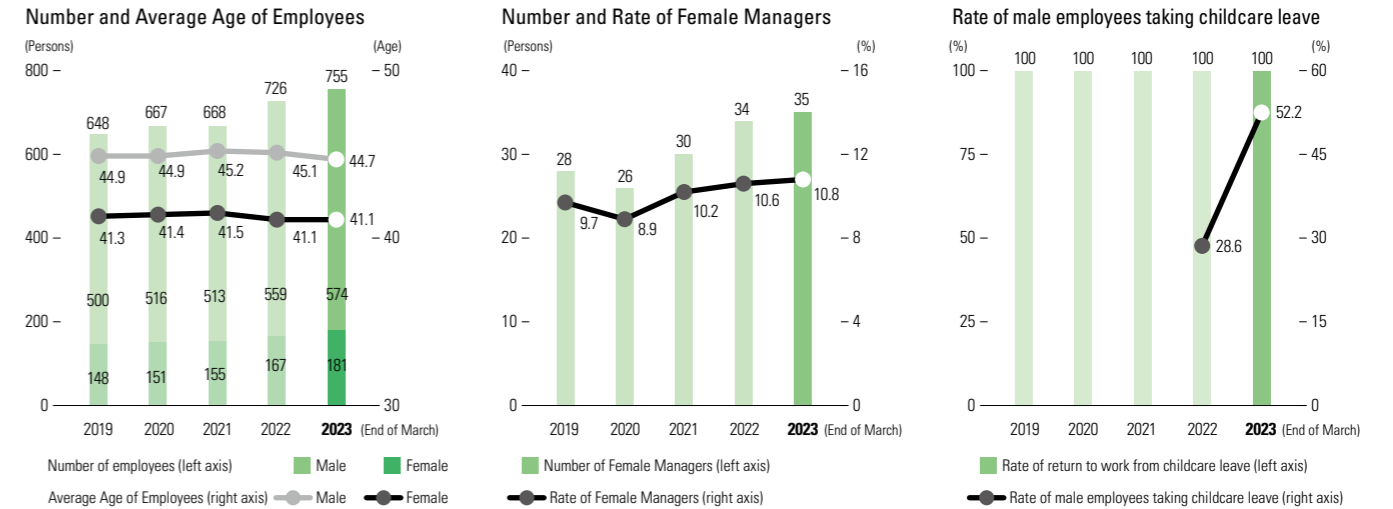
# Financial and Non-Financial Highlights

## Financial Highlights (SKY Perfect JSAT Holdings Inc. and Consolidated Subsidiaries)



\*Performance figures are rounded to the nearest indicated unit and, therefore, differ in some respects from the figures shown in the Annual Securities Report on a Japan GAAP basis (rounded down to the nearest million yen).

## Non-Financial Highlights (SKY Perfect JSAT Corporation only)





## Message from the Chief Financial Officer



**We will accelerate growth investments based on stable cash flow and enhance shareholder returns.**

**Koichi Matsutani**

Director  
Chief Financial Officer

### • Basic Approach to Financial Strategy

The Group has set the group mission, “Space for your Smile,” as the “sustainability policy” for advancing activities toward a sustainable society and is aiming to find solutions to social issues and increase its corporate value. To this end, the basic policy of the Group’s financial strategy is to promote investment in growth areas to improve core profitability, while achieving a balance between maintaining a sound financial standing and increasing capital efficiency.

The major capital needs of the Group include working capital necessary for business activities; funds for procuring

communications satellite equipment in the Space Business; expansion of broadcasting and distribution facilities in the Media Business; and strategic M&A capital. These capital needs are mainly met by operating cash flows, with the Group also raising funds by issuing bonds and borrowing as necessary. In addition, the Group has secured ¥40.0 billion in bond issuance capacity to enable flexible fund procurement. Moreover, the Group is striving to improve capital efficiency by utilizing internal funds through the cash management system.

### • Review of Fiscal 2022

Revenues increased by 1.3% from the previous fiscal year to ¥121.1 billion, operating profit increased 18.3% to ¥22.3 billion, and profit attributable to owners of the parent increased 8.4% to ¥15.8 billion. Both revenues and profits exceeded initial forecasts.

Regarding segment profit, in the Space Business, operating revenues increased mainly due to expanded use of Horizons 3e and other products in the Global Mobile domains and the impact of the yen's depreciation, which together with a decrease in depreciation and amortization

of goodwill resulted in an increase of 9.9% from the previous fiscal year to ¥13.5 billion. In the Media Business, revenue from subscription fees decreased due to a decline in the total number of subscribers to the three SKY PerfecTV! services, but thanks to the increase in the number of households connected to FTTH (fiber to the home) and control over costs such as advertising and promotional expenses, operating revenues increased 1.1% from the previous fiscal year to ¥2.8 billion.

### • Outlook for Fiscal 2023

In the Space Business, operating revenues and operating profit are expected to increase due to higher revenues in new domains and lower depreciation on satellites, but segment profit is expected to be the same as the previous fiscal year due to the inclusion of investment losses under the equity method from Space Compass Corporation. Meanwhile, in the Media Business, although we anticipate revenue growth in the FTTH business, we forecast declines in both revenues and profit due to the expected decline in

the total number of subscribers to the three SKY PerfecTV! services from intensified competition in mature markets and the need to accelerate future-oriented efforts by aggressively investing in new areas.

As a result, in fiscal 2023, revenues are projected to decrease by 0.1% from the previous fiscal year to ¥121.0 billion, operating profit to increase 0.8% to ¥22.5 billion, and profit attributable to owners of the parent to decrease 5.1% to ¥15.0 billion.

### • Cash Flows

In fiscal 2022, cash flows from operating activities totaled ¥57.6 billion (versus ¥36.5 billion in the previous fiscal year), reflecting a total of ¥44.4 billion for profit before income taxes, depreciation and amortization, and amortization of goodwill; a ¥2.6 billion decrease in trade and affiliated companies; and a ¥8.3 billion increase in unearned income.

Cash flows from investing activities amounted to ¥16.9 billion (versus ¥7.7 billion in the previous fiscal year), mainly

due to expenditures of ¥17.4 billion for purchases of fixed assets, income of ¥3.2 billion for collection of loans related to the Horizons 3e business, and expenditures of ¥3 billion for Payments of shares of associated companies.

Free cash flows (revenues from operating activities minus expenditures from investing activities) amounted to ¥40.8 billion in fiscal 2022 (versus ¥28.8 billion in the previous fiscal year).



## Message from the Chief Financial Officer

Cash flows from financing activities amounted to ¥19.4 billion (versus ¥16.4 billion in the previous fiscal year) due to expenditures of ¥9.1 billion for repayments of long-term loans payable, ¥5.0 billion for redemption of corporate

bonds, and ¥5.2 billion for dividends paid.

As a result of the above, cash and cash equivalents balances increased by ¥22 billion year on year to ¥107.9 billion.

	Results (Billions of yen)			
	FY2019	FY2020	FY2021	FY2022
Net cash provided by operating activities	28.9	57.9	36.5	57.6
Net cash used in investing activities	(20.8)	(11.4)	(7.7)	(16.9)
Free Cash Flows	8.1	46.6	28.8	40.8
Net cash used in financing activities	(12.5)	(16.9)	(16.4)	(19.4)

### • Capital Allocation Planning and Progress

Under the Capital Allocation Plan announced in April 2022, we announced that over the five years from fiscal 2022 to fiscal 2026, we will invest ¥100 billion in strengthening the profitability of existing businesses and ¥120 billion in growth

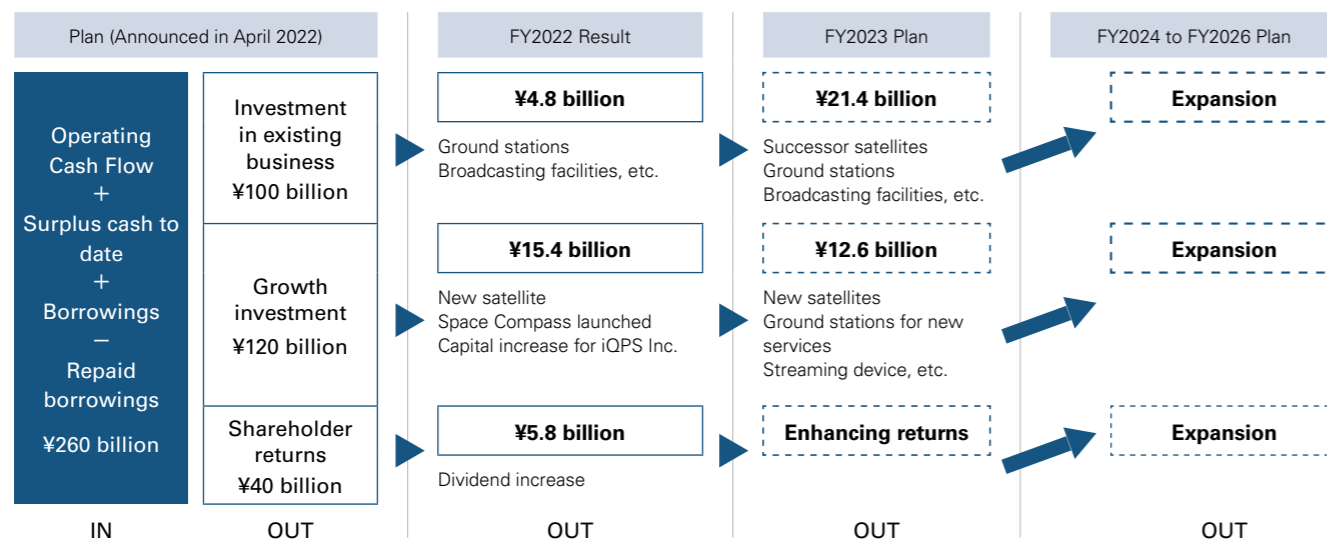
with the goal of achieving consolidated net profit of more than ¥25 billion in fiscal 2030, as well as ¥40 billion for flexible enhancement of shareholder returns, including share buybacks. The progress on the plan is indicated below.

### Investment

Actual investment in fiscal 2022 amounted to ¥20.3 billion, and we plan to invest a total of ¥34 billion in fiscal 2023. Looking specifically at investments in existing areas, in the Space Business, we will continue to steadily invest in Horizons-4 (a satellite jointly owned with INTELSAT), the

successor to Horizons-1, and in the Media Business, we will continue to steadily invest in broadcasting facilities at the SKY PerfectTV! Tokyo Media Center. With regard to growth investment, we will expand investments to launch businesses in new domains, such as Superbird-9, which is

### Progress of Capital Allocation (FY2022 to FY2026)



scheduled to begin operations in the first half of 2027, and investments in the development of facilities related to the near-earth tracking network service for JAXA.

In making investment decisions, the Company uses a hurdle rate determined by the Company to improve the

### Raising investment capital and maintaining a stable financial base

Our policy is to finance these investments through cash on hand, operating cash flows, and interest-bearing debt such as borrowings. Note that in raising funds through interest-bearing debt, our basic policy is to maintain a sound financial base by adhering to financial discipline, using Net Debt/EBITDA and equity ratio as indicators. As of the end of fiscal 2022, our equity ratio is 64.0%, and our long-term bond issuer rating of Rating and Investment Information,

Company's return on capital. ROE for fiscal 2022 was 6.2%, and we will continue to meet the expectations of our shareholders by executing management decisions aimed at improving return on capital.

Inc. (R&I) and Japan Credit Rating Agency, Ltd. (JCR) is maintained at "A".

In addition, our backlog of ¥230.9 billion at the end of fiscal 2022 (primarily the residual performance obligations arising from contracts with customers, plus the amount of future revenues to be determined under finance lease contracts) offers good evidence for future operating cash flow projections as a source of funds for the above investments.

### Rating Information

#### Rating and Investment Information, Inc. (R&I)

Long-term rating **A**  
Definition of rating: **High creditworthiness supported by a few excellent factors**  
(As of October 27, 2022)

#### Japan Credit Rating Agency, Ltd. (JCR)

Long-term rating **A**  
Definition of rating: **A high level of certainty to honor the financial obligations**  
(As of October 28, 2022)

### Shareholder Returns

We consider the long-term and comprehensive return of profits to our shareholders to be an important management goal. With regard to dividends, while we strive to enhance internal reserves to prepare for aggressive business development, we have a basic policy of at least ¥16 per share per year and a dividend payout ratio of 30% or more, after comprehensively taking into consideration our financial position and profit level, among other factors.

In order to implement capital allocation based on this policy, the annual dividend per share in fiscal 2022 was

increased by ¥2 to ¥20 (dividend payout ratio: 36.7%). We hope to continue to pay a dividend of ¥20 yen per share in fiscal 2023.

As we accelerate up-front investments for growth with a view to 2030, we believe it is important for our investors and other stakeholders to understand our growth strategy, and we intend to increase our dialogue with them, including the status of execution of capital allocations. We look forward to your continued support in these endeavors.

	Actual				Forecast
	FY2019	FY2020	FY2021	FY2022	FY2023
Revenue (Billions of yen)	139.5	139.6	119.6	121.1	121.0
Operating Profit (Billions of yen)	15.3	19.2	18.9	22.3	22.5
Profit Attributable to Owners of the Parent (Billions of yen)	12.0	13.3	14.6	15.8	15.0
Dividend Payout Ratio (%)	44.4	40.1	36.3	36.7	38.7
Dividends Per Share (yen)	18	18	18	20	20

Review of Operations

# Business Model for Space Business

For more than 30 years, we have owned and operated geostationary satellites as part of our Space Business. At present, we own 16 satellites—the most of any company in Asia—through which we provide a variety of satellite communications services, including SKY PerfectTV! transmissions, Internet lines for aircraft and shipping vessels, and backup lines during times of disaster.

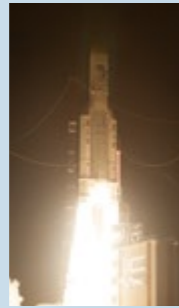
In addition, we are helping to realize a supersmart society by establishing both an innovative communications network available for all spaces and a global data collection network.



## Satellite Communications Services

### Satellite Procurement

Using the expertise we have gained over 30 years of satellite operations, we decide on our own satellite specifications and manage satellite production processes. Our selection of rockets is based on launch capabilities, timing, and other criteria.



©Space X

### Satellite Procurement and Launch Costs

While actual costs vary according to the type of satellite, procurement and launch costs are generally capitalized at about ¥20-¥40 billion per satellite.

After launch, satellites are depreciated according to an expected life span of approximately 15 years, according to the straight-line method. We also insure satellite launches against potential launch failures.

### Satellite Operations

Orbital slots secured via international coordination



As our primary satellite control center, Yokohama Satellite Control Center is chiefly responsible for monitoring and controlling both the satellites themselves and the satellite connections.



Yokohama Satellite Control Center

### Provision of Satellite Communications Services

We provide wide-ranging added-value services, including satellite communications services, technical support services, and solutions services.



## Satellite Data Services

### Procurement of Satellite Data

We procure optical satellite images and measurement data acquired from SAR satellites owned by other satellite operators.

### Satellite Data Analysis

We analyze optical images and SAR images, and convert them into easy-to-use formats.

### Provision of Information Services

We provide information services that combine optical images, SAR images, and positional information with AI analysis.



## Our Assets

### Procurement of satellites

- Design and exploration of satellite specifications
- Communication with satellite manufacturers
- Coordination and negotiation of deals with satellite launching service companies

### Operation of satellites

- Operation and monitoring of satellites
- Operation and monitoring of communication lines

### Provision of services to customers

- Proposition and development of communications solutions
- Collaboration with ground station manufacturers
- Handling of inquiries about operation

### Compliance with laws and regulations

- Wireless license operations
- International coordination of satellite orbits and frequencies

### Other technological development

- Image and data analysis using AI technology, etc.
- Research and development of quantum cryptography technology
- Research and development of space debris removal

## Revenues Composition Ratio

In our Domestic Satellite Communications Business, our long-term contracts with national and local government agencies, as well as with mobile communications providers and other infrastructural companies, provide stable revenues bases.

In our Global and Mobile Business, in recent years demand for internet connection for aircraft and shipping vessels has increased, and is expected to continue growing in the medium to long term.

Revenues **62.2 billion yen** in FY2022

48%



### Domestic Satellite Communications

Communication lines for national and local government agencies and for public infrastructural companies, for disaster contingency planning and security Backhaul lines, etc., for mobile phone base stations in remote islands and mountainous regions

26%



### Global and Mobile

Provision of satellite connections for aircraft and shipping vessels  
Provision of satellite connections for overseas government agencies and mobile communications providers

23%



### Domestic Satellite Broadcasting

Provision of satellite connections for SKY PerfectTV! broadcasters

3%



### New Business Domains

Provision of services using satellite data for national and local government agencies and for public infrastructural companies, in ascertaining the situation in times of disaster and infrastructure monitoring in normal times, and in the field of security

\*For transactions in which the Group's responsibilities are outsourced to an agent, revenues are calculated as the net amount after the fee paid to the image provider, etc., is subtracted from the fee received from the service user.

## Infrastructure and Business License

- 16\* communications satellites
- Satellite Control and Communication Bases in Yokohama, Ibaraki, Yamaguchi, Gunma, Hokkaido, and Okinawa
- Overseas sites in Singapore, Hong Kong, Indonesia, and Washington, D.C.
- Business registrations and radio wave licenses related to satellite communications

\*The number of geostationary satellites in orbit is as of August 31, 2023.

## Features of Satellite Communications

### Flexibility (connect anytime, anywhere)

Satellite communications cover the entire globe, and can provide high-speed communications services to digital divide areas as well as to aircraft and shipping vessels. They can also flexibly handle simultaneous distribution to multiple sites at once and temporary settings for relay lines, etc.



### Resilience (disaster resistance)

Satellite communications enable the establishment of robust communications networks unaffected by earthquakes or other natural disasters; as such, they can be used for diverse applications, including disaster prevention, backup lines for ground communications, and mobile base station backhaul lines.



### Security (highly safe communication lines)

Unauthorized access to satellite communications networks is more difficult than terrestrial networks; consequently, satellite communications are capable of ensuring outstanding security. They play an important role in the field of security, in providing safety and peace of mind, and in transmitting highly confidential information.



### Sustainability (infrastructure for a sustainable society)

Satellites operate using sunlight, which is a clean, renewable energy source. It is also hoped that earth observation data will be used to predict disasters, thereby contributing to the realization of a sustainable society.



## Global Satellite Operator Ranking

	SES Luxembourg	Intelsat Luxembourg	Eutelsat France	Telesat Canada	SKY Perfect JSAT HD <sup>2</sup> Japan
FY2022 Net Sales <sup>1</sup> (Millions of U.S. dollars)	2,121	—	1,234	561	465
No. of satellites held <sup>3</sup> (GEO)	48	53	34	14	16

\*1 Figures for SES and Telesat are for FY ended December 2022, for Intelsat are not disclosed, for Eutelsat are for FY ended June 2023, and for the Company are for FY ended March 2023. The exchange rates were converted using the rates for the end of March 2023 (US\$1 = JPY 133.54, EUR€1 = JPY 145.72, CAD\$1 = JPY 98.75).

\*2 Sales figures for the Company contain only the figure for the Space Business segment.  
\*3 Based on our own research.

Source: Compiled and edited by the Company from the websites and reports, etc., of each company



● Review of Operations | Space Business



**Our goals are to expand our Global and Mobile, and New Domains businesses, and to realize a space integrated computing network.**

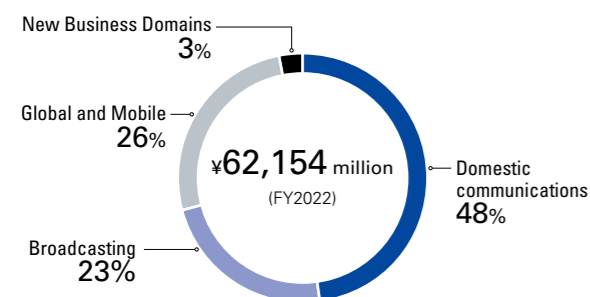
**Toru Fukuoka**  
Representative Director  
(Unit President, Space Business Unit,  
SKY Perfect JSAT Corporation)

<ul style="list-style-type: none"> <li>• <b>A track record of having driven the private space business sector in Japan for more than 30 years</b> <ul style="list-style-type: none"> <li>✓ Technologies and knowledge regarding satellite procurement and operation</li> <li>✓ Capacity to commercialize new technologies and implement them in society</li> <li>✓ Stable customer base in Japan</li> </ul> </li> <li>• <b>Competitiveness in the Asia-Pacific region</b> <ul style="list-style-type: none"> <li>✓ A fleet of 16 satellites capable of meeting communications demand</li> <li>✓ Employment of the latest-model satellites, including two HTSs currently in operation and one fully digital satellite in the process of being procured</li> <li>✓ Partnerships with regional and global satellite operators</li> </ul> </li> </ul>	<p><b>S</b> (Strengths)</p>	<p><b>W</b> (Weaknesses)</p>	<ul style="list-style-type: none"> <li>• <b>Difference in scale to global satellite operators, including number of satellites owned and breadth of areas covered</b></li> <li>• <b>Difference in establishing infrastructure other than geostationary orbit satellites</b> <ul style="list-style-type: none"> <li>✓ The Company has no experience in handling LEO or MEO satellites</li> <li>* However, the Company does have experience in controlling and managing LEO satellites under consignment</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>• <b>Increased demand for satellite communication lines</b> <ul style="list-style-type: none"> <li>✓ Asia-Pacific and North America areas</li> <li>✓ Mobile services for aircraft and shipping vessels</li> <li>✓ Backhaul for mobile phone base stations</li> </ul> </li> <li>• <b>Increased activity in the global space industry and space utilization</b> <ul style="list-style-type: none"> <li>✓ Data business, including earth observation and image analysis</li> <li>✓ Expanded use of space in the fields of security, including revisions to Basic Plan for Space Policy and disaster prevention</li> <li>✓ Moves to form a new communications infrastructure utilizing space in Beyond 5G/6G</li> <li>✓ Growing interest in the space environment, including space debris, etc.</li> </ul> </li> </ul>	<p><b>O</b> (Opportunities)</p>	<p><b>T</b> (Threats)</p>	<ul style="list-style-type: none"> <li>• <b>Intensifying price competition in overseas markets for satellite communication lines</b></li> <li>• <b>Entry of foreign companies into the Japanese market</b></li> <li>• <b>Reduced use of satellite communications due to expansion of terrestrial communications networks</b></li> <li>• <b>Emergence of country risks</b></li> <li>• <b>Increased cybersecurity risks</b></li> </ul>

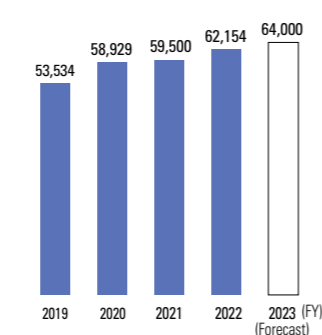
**Key Financial Points**

- Our revenues increased on the back of expanded use of our two HTSs, which are capable of large-capacity communications.
- In addition to increased revenues, both our operating profit and our segment profit increased due to reduced depreciation and amortization of goodwill

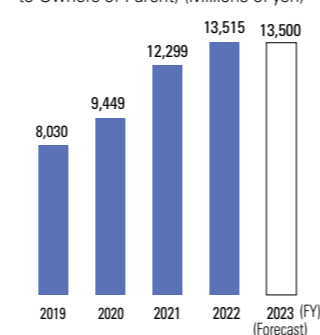
Revenues\* composition ratio



Revenues\* (Millions of yen)



Segment Profit\* (Profit Attributable to Owners of Parent) (Millions of yen)



\* Includes intersegment transactions

● Business Climate

In our Domestic Satellites Business, we are seeing increased demand for backhaul lines for mobile phone base stations. In our Global and Mobile Business, although demand for satellite communications from aircraft has not yet recovered to pre-COVID levels, we expect demand for mobile satellite communications for aircraft and shipping vessels to increase in the medium to long term. In our Space New Domains Business, the earth observation market is growing

rapidly, and there is rising demand for the use of satellite data in wide-ranging fields, including security.

However, we are continuing to engage in intense price competition with overseas satellite operators; in addition, new global space businesses are entering the market and launching communication services with large-scale low earth orbit satellite constellation. As such, the business climate is in the midst of significant change.

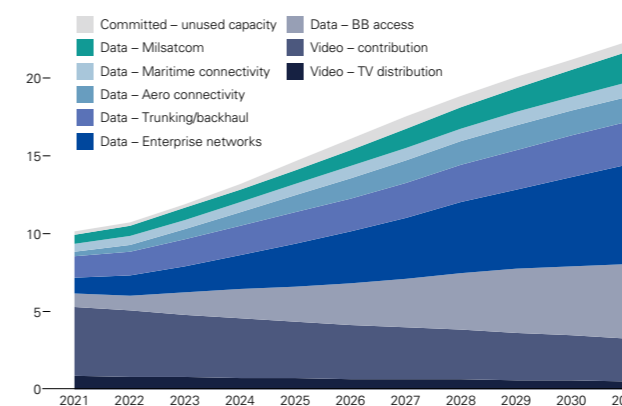
● Review of Fiscal 2022

In fiscal 2022, the Space Business increased revenues by ¥2.7 billion year on year to ¥62.2 billion. Although income from broadcasting transponders fell, use of Horizons 3e and other high-throughput satellites (HTS) grew, and the weak yen also contributed to increased revenues. In addition, due in part to a decrease in depreciation costs of ¥0.5 billion and in amortization of goodwill of ¥0.8 billion, operating profit rose ¥3.3 billion to ¥19.2 billion. Segment profit (profit attributable to owners of the parent) was positively impacted by a reduction in tax expenses of ¥0.9 billion due to the liquidation of consolidated subsidiaries in fiscal 2021; combined

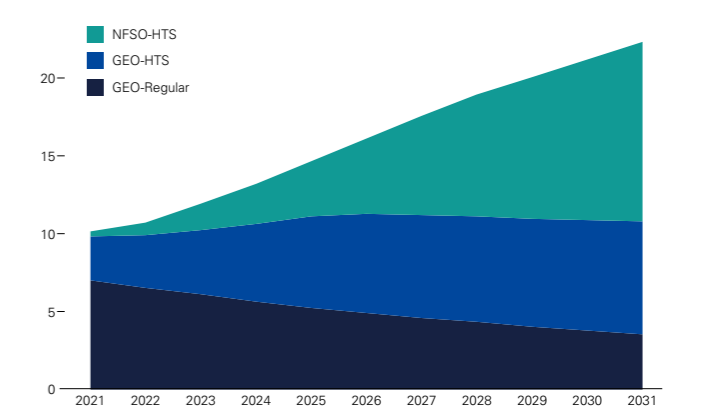
with increased operating profit, segment profit rose ¥1.2 billion to ¥13.5 billion, higher than assumed at the beginning of the period.

As for our satellite communications services, in partnership with PT. INDO PRATAMA TELEGLOBAL, in April 2022, using our JCSAT-1C HTS, we commenced high-speed communications services in digital divide areas in Indonesia. We are also using JCSAT-1C to provide our JSATMarine ultra-high-speed maritime broadband service and, together with Horizons 3e, we expect to expand earnings going forward.

Market scale forecast by use application (in billion USD)



Market scale forecast by satellite type (in billion USD)



Source: Euroconsult, Satellite Connectivity and Video Market, 29th edition, September 2022

Our business fields cover all spaces from outer space to the sea, and we are providing a variety of satellite communications services, such as backup lines for when disasters occur, Internet lines for aircraft and shipping vessels etc.

The detailed information can be viewed below.

<https://www.skyperfectjsat.space/jsat/en/>



## Review of Operations | Space Business

### • Outlook for Fiscal 2023

For fiscal 2023, we aim to increase revenues in the Space Business by ¥1.8 billion year on year to ¥64.0 billion, by expanding our business in new domains. We anticipate operating profit of ¥20.5 billion, a year-on-year increase of ¥1.3 billion, due in part to a decrease in satellite depreciation; however, this will be offset by increased costs from growth investments in Space Compass—our joint venture with NTT—. As such, we expect segment profit of ¥13.5 billion, similar to the previous fiscal year.

In our satellite communications services, we intend to

### • Medium- to Long-Term Business Strategy

In our Domestic Satellites Business, in March 2023, we concluded an agreement with the Japan Aerospace Exploration Agency (JAXA) to provide a near-earth tracking network\* service. In addition to proposing renewals of long-term contracts for communication lines services to existing customers, we also intend to create new revenue opportunities by

use our two HTSs to capture demand for satellite communications in growth markets. In addition, in order to expand our satellite coverage and increase our communications capacity, we will continue promoting partnerships with overseas operators, and strengthen our overseas operations in North America, Asia, and Oceania.

In the field of business intelligence, we aim to grow revenues by strengthening sales of our satellite image services. In addition, we plan to proactively develop and sell information services that utilize satellite data.

developing new services that draw on our knowledge in operating communications satellites and lines.

In our Global and Mobile Business, we are aiming to expand use of our two HTSs, JCSAT-1C, and Horizons 3e. In addition, through Horizons 4—the satellite we jointly own with INTELSAT (USA) —which launched in August 2023,

we will cater to rising demand for communications in North America and the Pacific region.

In the first half of 2027, we are also planning to commence operations of Superbird-9, a fully digital satellite capable of flexibly adjusting its coverage area and transmissions capacity while in orbit. By meeting the diverse needs of our customers and markets, we will further expand our business and strengthen our competitiveness in Japan and the wider East-Asia region.

In our New Domains Business, we are accelerating the expansion of our services in the field of business intelligence. In November 2022, in partnership with Zenrin Co., Ltd. and Nippon Koei, we established LIANA, a service that uses satellite data to monitor slope change risks and infrastructure risks. In addition, we participated in an additional round of fund-raising held by iQPS Inc., which seeks to provide a quasi-real-time ground measurement data service through a constellation of 36 small-scale synthetic aperture radar satellites (SARs). In July 2023, we concluded a contract

to operate these small-scale SARs, thereby strengthening the relationship with this company.

In the field of communications, we are aiming to establish new space infrastructure in partnership with Space Compass and other related companies. In addition to considering the commercialization of services that utilize new technologies, such as satellite quantum key distribution and space debris countermeasures, we intend to actively propose Space Situational Awareness and other services in the field of security.

In our Space Business, our vision is to contribute to the realization of a supersmart society. We are planning to invest ¥150 billion in various fields—including Universal Non-Terrestrial Networks, optical data relays, and business intelligence—in order to establish innovative communications networks and global data collection networks, and our goal is to generate segment profit of ¥21.0 billion by 2030.

\*A "near-earth tracking network" is the collective name for the clusters of ground antennae established in Japan and overseas to facilitate communications between in-orbit artificial satellites and the earth, and for the systems used to manage these antennae clusters and their ancillary facilities.

### Current location of our space integrated computing network



**Shogo Sasao**  
Team Manager, Corporate Planning & Strategy Team  
Planning & Administration Division  
Space Business Unit  
SKY Perfect JSAT Corporation

By creating a new space infrastructure called "space integrated computing network," we aim to help realize a sustainable society. To promote this concept, we established Space Compass as a joint venture with NTT in July 2022.

To meet the communication requirements of future society, we plan to build a multilayered communication network (Universal NTN) that includes geostationary orbit satellites, low-earth orbit satellites, and HAPS to solve

problems from space that cannot be addressed by terrestrial communication networks alone. One such problem is the regional disparity in communication coverage. In Japan, there are still places where data communication is not available, such as mountainous and depopulated areas. While terrestrial base stations have limited geographical reach, Universal NTN enables users to connect to a network anywhere on the planet.

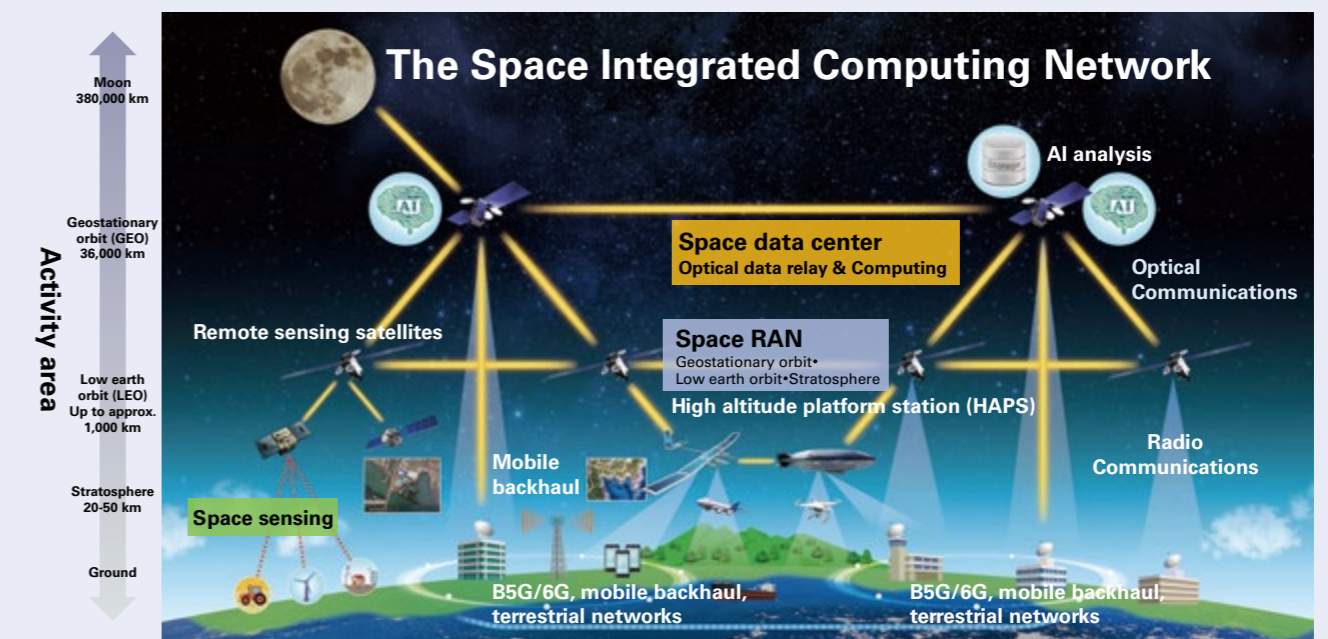
Low-earth orbit satellites are widely used in the field of earth observation, but because they orbit the earth, the timing for transmitting acquired data to the ground is limited and sometimes takes several hours. This is a challenge in times of disaster when situations need to be assessed immediately. Accordingly, we need to take advantage of the characteristics of satellites in each orbit and combine and coordinate them. Space Compass is developing and procuring optical data relay satellites with the aim of launching an optical data relay service in fiscal 2024. This service will use high-speed, high-capacity optical communications to send high-resolution data, collected by low-earth orbit satellites, to geostationary orbit satellites, which are in constant contact with the ground.

Looking further ahead in the next 10 years, we expect the volume of data generated in space to increase dramatically, so it will be difficult to send all data to Earth even with advances in satellite communication technology, including optical communication. For this reason, we believe we should apply edge computing to space using technology that processes data in space and sends only the necessary data to the ground. We are pursuing a worldview in which infrastructure and optimal communication systems connect seamlessly without people being aware of it.

When in an urban center, for example, one would access a nearby ground base station, when in the countryside climbing a mountain one would connect to HAPS, and when on a plane one would access a geostationary orbiting satellite. In the future, data will be analyzed in space

and only the necessary data will be sent to Earth.

Leveraging SKY Perfect JSAT's expertise in the space business, we hope to join forces with numerous partners to develop a new market and form a space integrated computing network in the 2030s.



©Space Compass



## Review of Operations | Space Business

Please view here for the details of the sustainability of the Group.



### Key Issues and KPIs in the Space Business

Key issue themes	Key issues (materiality)	Long term		Short term		KPIs/Results			
		Long term goals (ideal state for 2030)		Short term goals to achieve		Fiscal 2022 Results			
Building resilient broadcasting and communications infrastructure, eliminating information gaps	Provision of broadcasting and communications infrastructure to any areas and in any environment	Give connectivity to everything on the planet seeking connection, and constantly provide reliable services, at any time	By developing disaster-resistant broadcasting and communication infrastructure and expanding our reach, we will provide connectivity to all "people who seek connection" on the planet at any time and, anywhere	Expand the usage bandwidth of our satellite fleet from the previous fiscal year	Expand the usage bandwidth of our satellite fleet from the previous fiscal year	Expanded the bandwidth used by our satellite fleet: Expanded it 113% compared to FY2021			
	Support of BCP and relief recovery through provision of disaster-resilient broadcasting and communications infrastructure					Improve service reliability by building partnerships to share back-up satellites and control stations among satellite operators	Reduce the number of major service breaks to zero each year	Expanded the bandwidth used by our satellite fleet: Expanded it 113% compared to FY2021	
	Initiatives to enhance reliability and sustainability of satellite communication services through technological innovation							No serious service interruptions	
Contributing to the environment to make a decarbonized society and recycling-based economy a reality	Support partner companies for reduction of CO <sub>2</sub> emissions via Satellite services	Expand its contribution to renewable energy power generation and supply		Expand the amount of renewable energy generated by user companies of a solar power generation output prediction service	Expand the supply of renewable energy project with Challenergy Inc., a company known for wind power generation	<ul style="list-style-type: none"> <li>• A system jointly developed with the Central Research Institute of the Electric Power Industry provided solar radiation forecasting data to three solar power plants in the local area; these plants are the site for a demonstration of an intra-regional renewable energy exchange (self-transfer) in the local area</li> <li>• The total output of the solar power plants that received the data is three times that in FY2021</li> <li>• In the Philippines, a satellite Internet system that uses wind-generated electricity for communication has started operation, and local government agencies have begun using it for emergency broadcasts</li> </ul>			
Improving the environment in space	Initiatives to remove space debris	Establish a space debris removal service as a business		Realize commercialization of space debris removal services		We were commissioned by a partner company to study the feasibility of commercial space debris removal services, and we have made progress in technological developments and mission analysis and design			
Promoting innovation which contributes to the environment and society	Development and promotion of remote sensing	Contribute to environmental conservation and social development by evolving businesses that utilize remote sensing		Expand remote sensing projects		<ul style="list-style-type: none"> <li>■ <b>Assessing flood damage</b> <ul style="list-style-type: none"> <li>• Our SAR image analysis services were requested, via a partner company, by the Chubu Regional Development Bureau of the Ministry of Land, Infrastructure, Transport, and Tourism</li> </ul> </li> <li>■ <b>Slope and infrastructure monitoring</b> <ul style="list-style-type: none"> <li>• Launched the LIANA service, which uses SAR data</li> </ul> </li> <li>■ <b>Reservoir monitoring</b> <ul style="list-style-type: none"> <li>• Announced highly accurate results of an InSAR analysis in May 2022</li> </ul> </li> <li>■ <b>Classification of riverbank ground cover</b> <ul style="list-style-type: none"> <li>• Our analysis services were commissioned by the Cabinet Office for the FY2022 Project to Validate a Model Using Advanced Satellite Remote Sensing Data to Solve Problems</li> </ul> </li> </ul>			

### Uninterrupted communication at sea: "JSATMarine Light" installed on NYK Line's "RERA AS" crew transport vessel for offshore wind farm

Satellites enable communications in areas where terrestrial communications infrastructure is difficult to establish, such as remote islands and mountainous areas. It also provides communications for mobility, such as aircrafts and vessels. Currently, we offer two satellite-based maritime broadband services—OceanBB plus and JSATMarine—which enable high-speed, high-capacity communications at sea.

In August 2022, we launched "JSATMarine Light," a flat-rate satellite internet access service with optimized coverage and service plans for domestic commercial vessels. By combining this service with "Maritime Mobile® A-Pro," an LTE-based flatrate data communication service provided by NTT World Engineering Marine Corporation, it realizes an uninterrupted communications at sea.

In May 2023, the service was installed on "RERA AS," a crew transport vessel for offshore wind farm, owned by

NYK Line, and is being used for ship-to-shore communications for business operations and crew welfare.

We will continue striving to improve our services to meet the needs of our customers by providing vital infrastructure that supports vessel operations.



RERA AS, a crew transport vessel for offshore wind farm

### Commencement of SAR Satellite-Based Oil Spill Detection Service in Qatar

In June 2023, SKY Perfect JSAT Corporation and ITOCHU Corporation commenced provision of Synthetic Aperture Radar (SAR) satellite-based oil spill detection service to the Qatari Ministry of Environment & Climate Change (Qatari MECC).

This service is provided in joint partnership with Kongsberg Satellite Services, AS (hereinafter "KSAT"), uses SAR satellite imagery downlinked at KSAT and its partners' ground stations to detect offshore oil leaks. Following such process, analysis is performed in combination with AIS (Automatic Identification System) information transmitted from vessels, and the vessel with the oil leak can be identified.

In addition to continuously providing this service to Qatar, we plan to expand this service to other countries and companies in sea areas where there is similar demand, protecting the marine environment and preventing damage at important facilities such as desalination facilities and power plants in coastal areas from oil leaks.

We will continue to pursue the enhancement of corporate value by contributing to the sustainability of society

and the environment, solving social issues through business activities and aiming for sustainable growth.

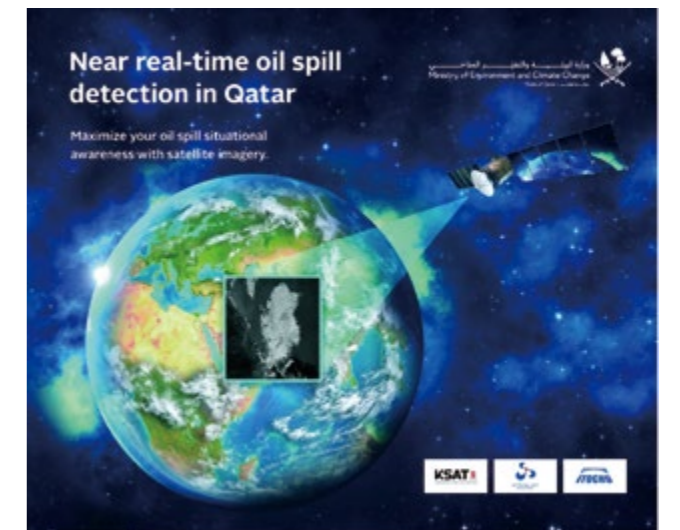
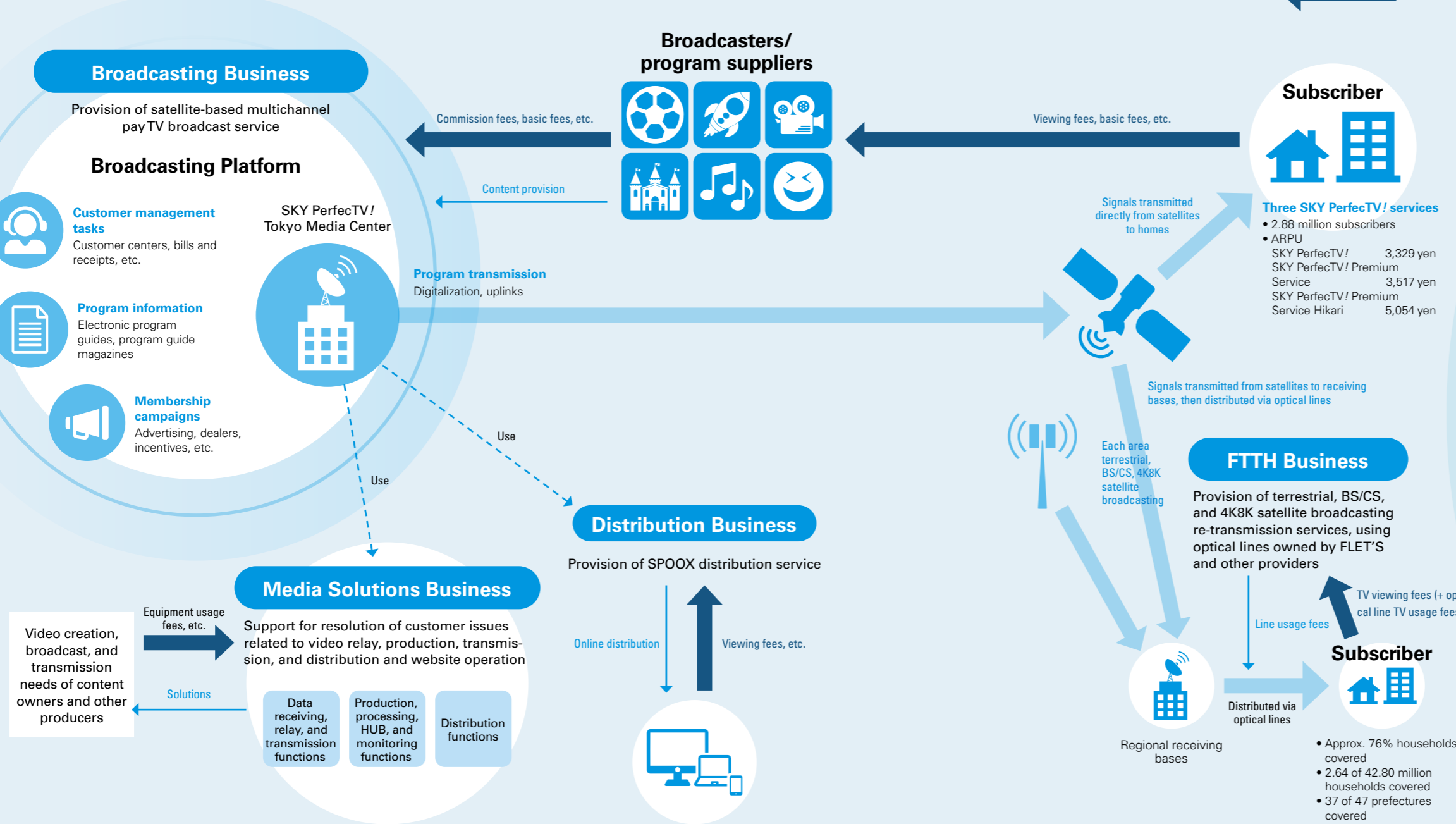


Image of the SAR satellite-based oil spill detection service provided to Qatari MECC

Review of Operations

# Business Model of the Media Business

For 26 years, our Media Business has delivered a variety of content through diverse transmission lines. In addition to our three multichannel services, which provide a total of 140 channels, we also offer a variety of contents through optical TV transmission services and internet transmission services.

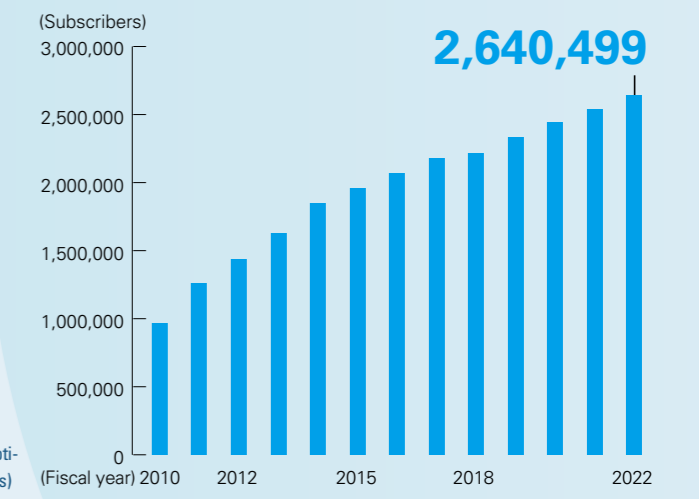


## Number of Subscribers

Service	Subscribers (10 thousands)	Channels	Set top box
SKY PerfecTV!	211	79	Not needed
	70	137*	Needed
	7	136*	Needed

\*Excluding 100 digital radio channels (As of March, 2023)

## Cumulative trends in the number of households connected to the optical re-transmission services



## Revenues Composition (FY2022)

Category	Amount (Millions of yen)
Viewing fees	16,700
Commission fees	15,263
Basic fees	10,839
FTTH Business	8,487
Other	14,429
<b>Total</b>	<b>65,720</b>

\*The above figures are for sales to external customers.

### Our assets

- Production skills and knowledge**
  - Program production skills
  - Production management and broadcast operation
  - Experience developing receivers and reception equipment
- Contents**
  - Content planning, formation, and production capabilities
  - Content promotion and content marketing capabilities
  - Broadcasting rights
- Subscriber database**
  - Subscriber data
  - Data analysis capabilities
  - Digital marketing
- Points of contact with subscribers**
  - Customer Center (Smart Contact Center)
  - Subscriber management system
- Infrastructure**
  - Broadcast and program transmission equipment
  - Distribution equipment
  - Playout equipment
  - Studio facilities
  - Independent broadcast channel (4K, HD)



Review of Operations | Media Business



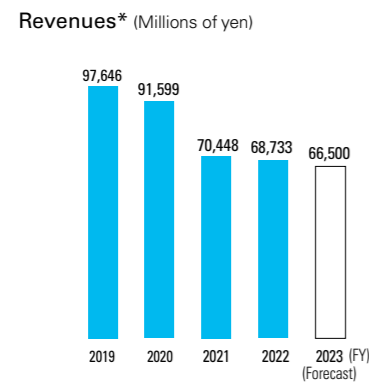
**Our goal is to use our broadcasting and distribution foundations to capture various needs, and evolve into a platform that connects people, companies, and society.**

**Masato Ogawa**  
Director  
(Unit President, Media Business Unit,  
SKY Perfect JSAT Corporation)

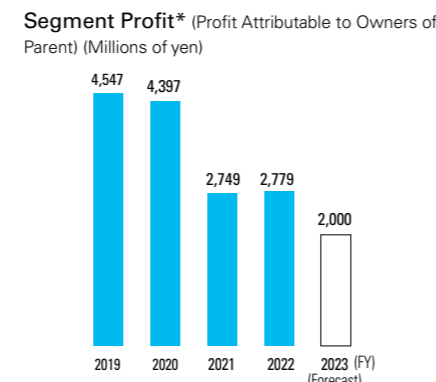
<ul style="list-style-type: none"> <li>• Various specialized channels</li> <li>• Customer base of 2.88 million subscribers for multichannel broadcast services and 2.64 million subscribers for optical re-transmission services; provision of services that utilize this customer base</li> <li>• High sales per customer</li> <li>• Strategy to improve customer satisfaction through the provision of "real" experiences and loyalty programs</li> <li>• Networks with broadcasters and other content providers</li> <li>• Infrastructure and operational know-how in both broadcasting and distribution</li> <li>• Extensive track record of communicating with audiences</li> <li>• Various transmission lines for broadcasting, distribution, and FTTH re-transmission</li> </ul>	<b>S</b> (Strengths)	<ul style="list-style-type: none"> <li>• Heavy reliance on broadcast services</li> <li>• Need to improve viewing environments for satellite broadcasts</li> <li>• Difference in scale compared to global players, both in content and number of countries in which we operate</li> <li>• As a platform provider, difficulty differentiating ourselves with content</li> <li>• No advantages in price competitiveness</li> <li>• Difficulty choosing services for each transmission line</li> </ul>	<b>W</b> (Weaknesses)
<ul style="list-style-type: none"> <li>• Increased demand for FTTH (FiberToThe Home)</li> <li>• Increased demand for multichannel services for cable TV</li> <li>• Expansion of video distribution markets, including advertising markets</li> <li>• Increased demand for video distribution in the corporate sector</li> <li>• Increased adoption of Web3, etc.</li> <li>• Our main subscribers is generation with largest demographic</li> </ul>	<b>O</b> (Opportunities)	<ul style="list-style-type: none"> <li>• Intensifying competition for customers and content with OTT service providers</li> <li>• Decreasing populations and reduced interest in television</li> <li>• Popularization of terrestrial IP (simultaneous) redistribution</li> <li>• Unauthorized viewing</li> <li>• Changes in consumer trends due to inflation</li> </ul>	<b>T</b> (Threats)

**Key Financial Points**

- Fall in revenues due to a net decrease in total subscriptions to the three SKY PerfectTV/ services, caused by increased competition
- Similar operating profit and segment profit to the previous fiscal year due to increased revenues in our FTTH Business; increased revenues from third-party use of the SKY PerfectTV/ Tokyo Media Center; and cost control



\* Includes intersegment transactions



Business Climate

As the video distribution market expands, going forward we can expect to see further growth in both advertising-based SVOD (subscription video on demand) and AVOD (advertising video on demand) services.

Looking at our Media Business as a whole, the pay broadcasting market continues to contract, while operators are starting to create alliances in the video distribution market. Clearly, market environments are undergoing significant change.

Review of Fiscal 2022

In fiscal 2022, income from our FTTH business increased by ¥216 million due to an increase in the number of households with subscriptions. On the other hand, intensifying competition with OTT service providers led to a net decrease in total subscribers of 133,000 year on year to 2.875 million; accordingly, revenues from viewing fees, commission fees, and basic fees fell by ¥2.7 billion. As a result, operating revenues for the Media Business decreased by ¥1.7 billion to ¥68.7 billion.

We are steadily expanding the coverage of our optical fiber-based terrestrial digital and BS digital re-transmission services; we launched services in Fukui Prefecture in February 2023, and in Okinawa Prefecture the following month. Consequently, as of March 31, 2023, we now cover 42.8 million households\* in 37 prefectures, and subscribing households have reached 2.64 million.

While operating revenues decreased, operating profit increased by ¥100 million year on year to ¥3.9 billion; this is due to a drop in advertising and promotional expenses of ¥900 million year on year, a drop in content expenses of ¥500 million year on year, and a drop in depreciation and amortization expenses of ¥400 million. As a result, profit attributable to owners of the parent (segment profit) increased by ¥30 million to ¥2.8 billion.

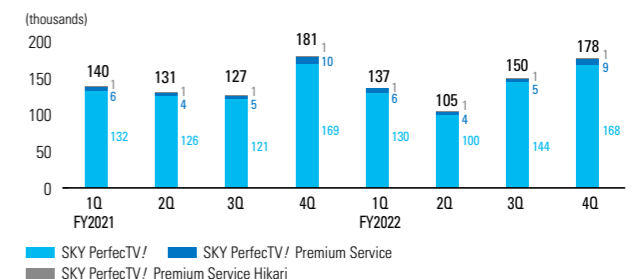
In order to resolve issues faced by the cable TV industry, in November 2022, we launched a multichannel service that combines a new system of BS/CS broadcast pass-through transmissions with viewing control. As of March 2023, it has been implemented by five stations.

\*Due to recent changes in market environments, we now calculate the number of households using data from the National Census. According to our previous calculation methods, which relied on determining the number of fixed-line telephone users, our FTTH coverage currently stands at approximately 34.2 million households.

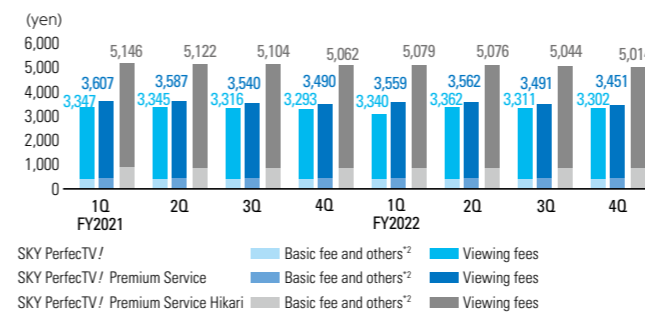
Key Performance Indicators (Total of three services)

	FY2021	FY2022
Number of New Subscribers (10 thousands)	57.9	57.0
Net Increase in Subscribers (10 thousands)	(9.4)	(13.3)
Number of Cumulative Subscribers (10 thousands)	300.8	287.5
Average Monthly Contractor's Payment (JPY)		
SKY PerfectTV/	3,326	3,329
SKY PerfectTV/ Premium Service	3,557	3,517
SKY PerfectTV/ Premium Service Hikari	5,109	5,054
Total Subscribers Acquisition Cost (SAC) (billions of yen)	9.7	7.8

Number of New Subscribers



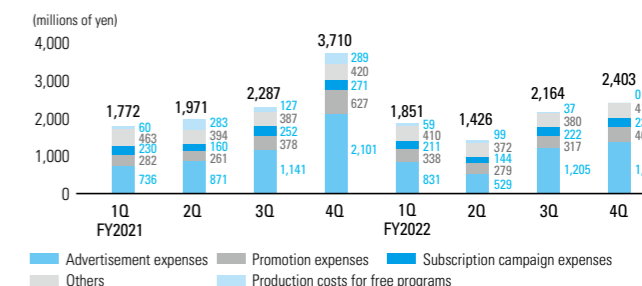
Contractor's Payments\*1



\*1 Average amount paid by Contractors in the form of monthly viewing fees, etc. 30% of subscriber payments for SKY PerfectTV/ are recognized as commission fee revenue. In fiscal 2021, 50% of subscriber payments for SKY PerfectTV/ Premium Service and SKY PerfectTV/ Premium Service Hikari excluding program provision fees are recognized as viewing fee revenue.

\*2 Basic fee and rental fee of set top box.

Total Subscribers Acquisition Cost (SAC)\*



\* Advertisement expenses: Advertising expenses for various media. Promotion expenses: Promotion cost to acquire new subscribers, and sales incentives\*1. Subscription campaign expenses: Cost of campaigns to acquire new subscribers (free of charge antenna installation, etc.). Others: Operation costs of SKY PerfectTV/ customer center, etc. Production costs for free programs: Costs associated with production cost for free programs, such as BS SKY PerfectTV/.

\*1 Since the first quarter of fiscal 2021, items previously listed as "sales incentives" have been combined into the "promotion expenses" category. The promotion expenses for fiscal 2020 have been recalculated in the same manner.

## Review of Operations | Media Business

### • Outlook for Fiscal 2023

As competition both for acquiring customers and for acquiring content—particularly sports—continues to intensify, total subscribers to the three SKY PerfectTV! services are expected to decrease by 95,000 to 2,742,000 in fiscal 2023. As a result, we expect revenues for our Media Business to decrease by ¥2.2 billion year on year to ¥66.5 billion, operating profit to decrease by ¥1.2 billion to ¥2.7 billion, and profit attributable to owners of the parent (segment profit)

### • Medium- to Long-term Business Strategy

As a platform that connects people, companies, and society, our Media Business aims to contribute to the realization of a diverse and highly creative society; to this end, we intend to expand beyond the fan experience and encompass new forms of experience.

In the face of fierce competition, the number of subscribers to our Satellite Broadcasting Business is gradually decreasing; on the other hand, every year our FTTH Business is steadily growing the number of its subscribers.

to decrease by ¥0.8 billion to ¥2.0 billion.

However, in addition to further improving cost efficiency in our Satellite Broadcasting Business, we expect increased revenues in our FTTH Business seeing a steady increase in subscribing households and increased take-up for its cable TV station services and in our Media Solutions Business. In our New Domains Business, we intend to strengthen our forward-looking initiatives through active investments.

Our plan, therefore, is to further expand our FTTH Business and, in order to diversify the composition of and revenue streams for our Media Business, to carry out a concentrated investment in our New Domains Business to the tune of ¥50 billion.

In our Connected TV Business, we are in the process of developing dongles that enable viewers to view various types of video distribution services, both paid and free, on large-screen TVs.

As part of our Connected TV Business, we also aim to create businesses that use new advertising methods based on data on individual preferences and behavior; to this end, we have entered into an alliance with FreakOut Holdings, Inc., in whom we invested in September 2021 to build an advertising platform.

In our Media Solutions Business we have launched a solutions business that leverages our tangible and intangible assets to address issues faced by private-sector companies.

In our Media HUB Cloud video distribution support service, we make it easier for content providers to develop their distribution businesses by acting as a hub.

Taking advantage of the track record we have accumulated in our multichannel broadcasting business, our goal is to secure around ¥1 billion in new revenues across the Media Solutions Business within the next few years; we intend to achieve this by approaching content providers and service providers, as well as non-specialized corporations.

As part of our initiatives to provide “real experiences,” we

will offer real-life excitement to fans of all kinds of content through fan meetups, events, merchandise sales, and tours, allowing them to enjoy themselves through their unique perspective as fans.

With regard to the Bundesliga, the top-tier professional football league in Germany, we hold broadcasting and distribution rights to the end of the 2025 season; we are also engaged in joint marketing under the terms of our partnership agreement. In July 2023, we invited a leading Bundesliga club to Japan to participate in a friendly match with a J1 League club, so fulfilling our pledge to deliver exciting experiences to Japanese soccer fans.

In July 2022, we invested in FRAME00, Inc. with the goal of utilizing the Metaverse for fan marketing, and of using blockchain technologies—which are at the heart of Web3—to open up new markets, including the creator economy.

Through the execution of the above business strategy, we are targeting segment profit—which combines our existing businesses with new domains—of ¥5 billion in fiscal 2030.

### Drawing on our assets and expertise to resolve new media issues



**Takashi Senzawa**  
Executive Officer  
Media Engineering Group,  
Media Business Unit  
SKY Perfect JSAT Corporation

The proliferation of internet environments and devices has led us into an era in which people of all ages use paid and unpaid video distribution services.

The rise of platformers that boldly invest huge amounts of money into acquiring content and promoting their services has had an influence on our satellite broadcasting business, both from the point of view of content and customer acquisition. However, the influence has not been entirely negative.

Since launching Japan’s first digital satellite broadcast in 1996, the Company has broadcast numerous channels with high degrees of precision and reliability for 26 years—and at the heart of this success lies the SKY PerfectTV Tokyo Media Center (TMC).

The numerous videos that we have amassed at TMC

are delivered not only via satellite broadcast, but also via our online video distribution services such as a free distribution service for SKY PerfectTV! and SPOOX.

In order to generate new revenue streams, we are drawing on our capabilities and expertise to support the basis of our existing businesses, and to provide a media solution business that seeks to solve new issues encountered in the age of online streaming.

In our media solution business, we leverage our assets and expertise to solve issues related to content distribution faced by content holders, content providers, and distribution platforms.

Using our TMC facilities and technologies, for example, we not only deliver broadcasts and online streaming—we also create programs and host events, use Japanese and foreign satellites and optical fiber lines to distribute live broadcasts internationally, offer localization services for content according to their target use, and transform content formats so they can be delivered to various platforms; as you can see, we provide a variety of services aimed at creating content, increasing its value, and delivering it to customers at superior quality.

Going forward, we intend to determine the needs of our

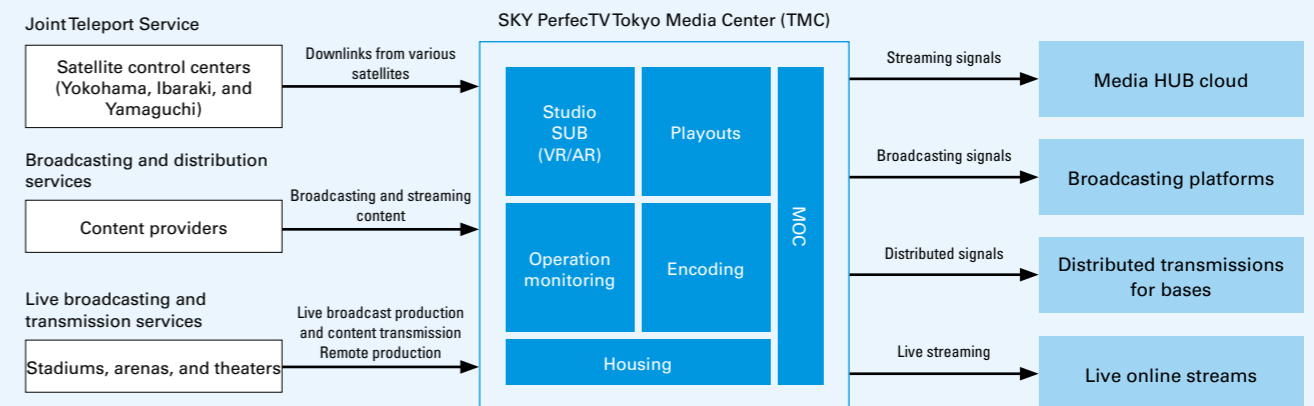
corporate customers and develop our business accordingly.

One of our important themes (materiality) is “improving the richness of life through a diversity of content.” In order to achieve this, we have set ourselves the target of “providing a wide range of content via broadcasting, distribution, and various subscriber interfaces,” and “promoting content distribution by supporting entry of diverse content holders.”

As our distribution business continues to evolve, we

expect further diversification in the types of content holders seeking to distribute content—including private individuals and corporations. And, as these content holders diversify, so we expect the variety of issues they face to expand.

Our goal is to use our facilities, technologies, and expertise to meet the challenge posed by these diverse issues, and provide wide-ranging content that will enrich people’s lives.





Key issues for Media Business and KPIs

Key issue themes	Key issues (materiality)	Long term		Short term	KPIs/Results	
		Long term goals (ideal state for 2030)		Short term goals to achieve	Fiscal 2022 Results	
Building resilient broadcasting and communications infrastructure, eliminating information gaps	Provision of broadcasting and communications infrastructure to any areas and in any environment	Give connectivity to everything on the planet seeking connection, and constantly provide reliable services, at any time	By developing disaster-resistant broadcasting and communication infrastructure and expanding our reach, we will provide connectivity to all "people who seek connection" on the planet at any-time, anywhere	Expand the number of households that can provide broadcast services via optical lines to 35 million by 2023 in addition to satellite broadcasting	Number of households to which broadcasting service can be provided: Approximately 42.8 million households (as of the end of FY2022) *Started service in Fukui Prefecture in February 2023 and in Okinawa Prefecture in March 2023, for a total of 37 prefectures *The number of households that we can serve has been calculated based on a switch in the data from the number of landline phone subscribers to the number of households according to the census	
	Support of BCP and relief recovery through provision of disaster-resilient broadcasting and communications infrastructure					
Improving the richness of life through a diversity of content	Provision of a wide range of content via broadcasting, distribution, and various subscriber interfaces	Realize an integrated media platform that expands people's values with various contents and services	Promote encounters between people and content, and create a world where you can easily see the content you want to see	Increase opportunities for people to enjoy content not only through satellite broadcasting, but also through greater use of distribution services and interactive features	Formulated an action plan for large-scale renovations at the Tokyo Media Center scheduled for FY2023  • Bundesliga Japan Tour 2022 powered by SKY Perfect JSAT was held in November 2022, with live broadcasts and live distribution of those games • Improved the SPOOX user experience and official website to make content easier for customers to enjoy	
	Promotion of content distribution by supporting entry of diverse content holders		Create a world where content holders (individuals / companies) can easily enter the content business			Develop a mechanism to provide content providers with studio functions, content transmission, distribution functions, etc., integrately
	Appropriate action for content involving violence, human rights, discrimination, etc.		Establish ethical guidelines for providing video content and use it as the standard for our services			Develop detailed and appropriate guidelines for our content offerings and revise them as needed in response to changes in the times
Promoting innovation which contributes to the environment and society	Provision of new value through upgrades of broadcasting and communication and technological development	Continue to provide new video services and new customer services, and develop society		Continue to introduce new services that increase customer value every year	Promoted expanded use of the Media Hub Cloud, a media solution service for content providers  • Implemented operations in line with the guidelines for services provided by SKY Perfect JSAT that were formulated in FY2021 • Conducted a workshop on assessment in February 2023 to educate and inform employees	
Regional and community development	Social contribution, taking advantage of characteristics of broadcast slots, programs, commercials, etc.	Realize "Space for your Smile" through social contribution utilizing our own infrastructure		Implement social contribution measures using the assets of SKY PerfectTV!	Initiated efforts to introduce the SKY Perfect Points Program (scheduled to start on May 23, 2023)  Free broadcasting and distribution of live coverage of a middle school baseball tournament in cooperation with the Fukuoka SoftBank Hawks and live coverage of the final of the Kyushu Women's Baseball Tournament in order to promote regional revitalization	

Building resilient broadcasting and communications infrastructure, and eliminating the digital divide

Eliminating the digital divide through our FTTH Business, and delivering new, incredibly real 4K8K satellite broadcasting experiences via optical fiber lines

Our re-transmission services and optical fiber-based TV services leverage SKY Perfect JSAT's optical fiber (FTTH) internet lines to deliver terrestrial digital, BS and CS, and 4K8K satellite broadcasting services to areas where reception is poor or where antennas cannot be installed.

Our coverage is gradually expanding in line with the growth of NTT's "FLET'S TV" coverage; as of March 31, 2023, our services are available to approximately 42.8 million households in 37 prefectures across Japan, which equates to a household coverage rate of approximately 76%.

Our existing services targeted at individual detached houses make use of optical fiber lines owned by FLET'S

and mobile phone operators; however, we have recently completed development of "NiSUMU CONNECT x optical fiber TV," a service that delivers internet connections and TV viewing packages to all detached houses within a single housing lot area. We have launched this service in SMART HEIM CITY Nagareyama Fujimidai, which is administered by SEKISUI CHEMICAL CO., LTD.

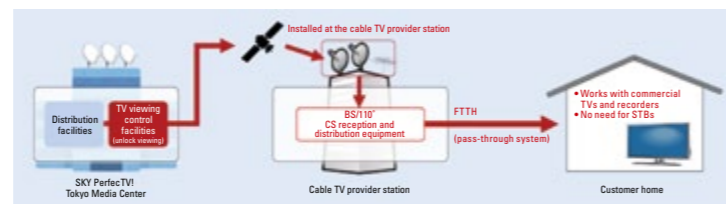
In partnership with TSUNAGU NETWORK COMMUNICATIONS INC., the leader of the condominium Internet Service Provider (ISP) market, we are promoting orders from large-scale condominiums, and focusing on increasing the number of SKY PerfectTV! subscribers via our optical fiber line services.

Launching a pass-through multichannel service to address issues faced by the cable TV industry

SKY Perfect JSAT has launched a viewing control service for cable TV providers which, in addition to distributing broadcasts via our satellites, enables individual channels to be locked or unlocked for individual users. This means that viewers can watch or record broadcasts using remote controllers of their existing TVs or video recorders, even if they do not have set top boxes (STBs) installed.

The service reduces the costs for cable TV providers to install or replace STBs or other equipment in

subscriber households. This pass-through system is a first in the cable TV industry, and we have received numerous inquiries from cable TV providers about using the service.



Improving the richness of life through a diversity of content

Delivering real-life events such as the Bundesliga Japan Tour to enhance fan experiences

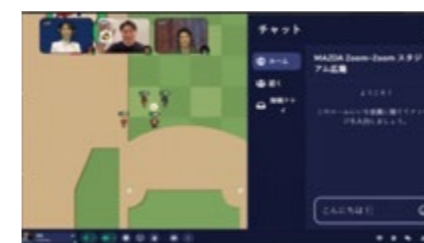
Our SKY PerfectTV! services deliver diverse methods for enjoying content beyond simple broadcasting and distribution, including a range of real-life events and simulated experience content using the latest technology to enhance the fan experience.

Taking the Bundesliga as an example, in addition to owning broadcasting and distribution rights, we have signed a partnership agreement that permits us to engage in joint marketing activities in Japan. As such, in July 2023, we again hosted the SKY PerfectTV! Bundesliga Japan Tour, which comprised a friendly match between FC Bayern Munich of the Bundesliga and Kawasaki Frontale of the J1 League.

In addition to bringing the Bundesliga's exciting play of soccer to Japan, we also sold unique Bundesliga merchandise on the SKY PerfectTV! Merchandise Mall, and thereby combined various types of viewing and real-life experiences.

We have also launched the "Carp Ken" virtual viewing space for home games of the Hiroshima Toyo Carp professional baseball team. This virtual environment enables fans to interact with each other and participate in events while watching live baseball games, and includes additional features such as avatar-based virtual tours of the Mazda Stadium, the home ground of the Hiroshima Toyo Carp, interactive text-based chats with special guests, and content aimed at encouraging friendships between fans.

We are also working to develop a wide range of simulated experience content. This includes R&D into technologies that enable simulated meet-and-greets with athletes and idols, and use of the advanced virtual reality space-sharing technologies of the SWCC Group to create simulated interactive experiences that draw on pre-recorded idol and fan images and video.



"Carp Ken" is a virtual space for fans of Hiroshima Toyo Carp



A virtual meet-and-greet with the former Fukuoka Softbank Hawks professional baseball player Kenji Ashika



A simulated interactive fan experience featuring MeseMoa.

Please view here for the details of the sustainability of the Group.



## The Environment

The SKY Perfect JSAT Group has designated “contributing to the environment to make a decarbonized society and recycling-based economy a reality” as one of its key issue themes. As such, we seek to carry out environmentally friendly initiatives and, through both our existing services and through the development of new businesses, we seek to help improve the global environment and contribute to the resolution of social issues.

Key issue themes	Key issues (materiality)	Long term	Short term	KPI
		Long term goals (ideal state for 2030)	Short term goals to achieve	FY2022 Result
Contributing to the environment to make a decarbonized society and recycling-based economy a reality	Reduction of CO <sub>2</sub> emissions by promoting use of renewables and improving energy efficiency of satellites and terrestrial facilities	Aim for 100% renewable energy use by the Group	Aim for 80% or more of renewable energy use by the Group	<ul style="list-style-type: none"> <li>In FY2022, the Akasaka head office, SKY PerfectTV! Tokyo Media Center, and several other locations fully switched to renewable energy. The percentage of substantial renewable energy use was 93% at the end of FY2022.</li> <li>*The Company and its domestic subsidiaries</li> <li>Established the Environmental Conservation Committee to reconfigure the environmental conservation system for the entire Group.</li> <li>Information disclosure in line with the TCFD's recommendations (updated in July 2023): <a href="https://www.skyperfectjsat.space/en/sustainability/tcfd/">https://www.skyperfectjsat.space/en/sustainability/tcfd/</a></li> </ul>
	Support partner companies for reduction of CO <sub>2</sub> emissions via Satellite services	Expand its contribution to renewable energy power generation and supply	<ul style="list-style-type: none"> <li>Expand the amount of renewable energy generated by user companies of a solar power generation output prediction service</li> <li>Expand the supply of renewable energy project with Challenge Energy Inc., a company known for wind power generation</li> </ul>	<ul style="list-style-type: none"> <li>A system jointly developed with the Central Research Institute of the Electric Power Industry provided solar radiation forecasting data to three solar power plants in the local area; these plants are the site for a demonstration of an intra-regional renewable energy exchange (self-transfer) in the local area</li> <li>The total output of the solar power plants that received the data is three times that in FY2021</li> <li>In the Philippines, a satellite Internet system that uses wind-generated electricity for communication has started operation, and local government agencies have begun using it for emergency broadcasts</li> </ul>
Promoting innovation which contributes to the environment and society	Development and promotion of remote sensing	Contribute to environmental conservation and social development by evolving businesses that utilize remote sensing	Expand remote sensing projects	<ul style="list-style-type: none"> <li><b>Assessing flood damage</b> Our SAR image analysis services were requested, via a partner company, by the Chubu Regional Development Bureau of the Ministry of Land, Infrastructure, Transport, and Tourism</li> <li><b>Slope and infrastructure monitoring</b> Launched the LIANA service, which uses SAR data</li> <li><b>Reservoir monitoring</b> Announced highly accurate results of an InSAR analysis in May 2022</li> <li><b>Classification of riverbank ground cover</b> Our analysis services were commissioned by the Cabinet Office for the FY2022 Project to Validate a Model Using Advanced Satellite Remote Sensing Data to Solve Problems</li> </ul>

See page 80 for other materialities related to the environment.

### • Launching of New Businesses to Improve the Global Environment and Resolve Social Issues

#### The Solar Meilleur solar radiation forecasting system

SKY Perfect JSAT Corporation and the Central Research Institute of Electric Power Industry (CRIEPI) have jointly developed a hybrid solar radiation forecast service called Solar Meilleur, which utilizes the strengths of their respective technologies. The service combines SKY Perfect JSAT Corporation's solar radiation forecasting system, which uses whole-sky images captured by its Solar TAMAGO IoT device, with CRIEPI's SoRaFAS solar radiation forecasting and analysis system, which uses image data from the Himawari weather satellite.

Launched in fiscal 2023, Solar Meilleur provides both “monitoring for the current status of power plants” and “forecasts for solar radiation and power output, for five minutes later to three days later.” SKY Perfect JSAT Corporation has also acquired a license for forecasting services, which is required for providing solar radiation forecasts.



For further details: <https://www.skyperfectjsat.space/jsat/en/service/sorami/>

Solar power generation changes significantly according to prevailing weather conditions and cloud cover; highly accurate forecasts of power generation based on solar radiation are therefore essential to fully utilizing solar power and ensuring a stable supply of electricity.

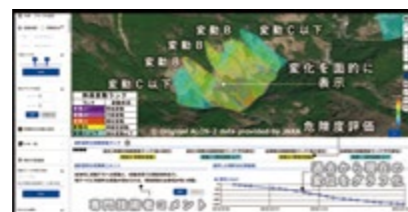
By enabling short-term forecasts to be made for solar power output, the Solar Meilleur service helps resolve the above issues.

In fiscal 2021 and 2022, we provided solar radiation forecasts to a regional renewable energy interchange (self-consignment) demonstration project in Himi City, Toyama, which formed part of the Agency for Natural Resources and Energy's Project called “Energy Structure Upgrading and Conversion Understanding Promotion Project.”

#### Release of LIANA: using satellites to monitor changes over time to slopes and infrastructure

SKY Perfect JSAT Corporation, Zenrin Co., Ltd., and Nippon Koei, have together launched LIANA (which stands for Land deformation and Infrastructure ANalysis), a service that uses satellite data to monitor changes over time to slopes, embankments, and other soil structures, as well as changes to infrastructure, with millimeter-range accuracy.

The effects of heavy rains that fall



concurrently over wide areas, as well as aging infrastructure, are both serious social issues. LIANA enables continual monitoring of wide areas at low costs, helping to reduce fears of disasters and to make households safer.

Going forward, we aim to expand sales, focusing on local governments and infrastructure companies in Japan.

For further information regarding our Group's approach to sustainability, please access the following link:



### • Environmental Initiatives

#### Renewable energy use of the Company and its domestic subsidiaries now stands at 93%

In October 2022, our Group established the Environmental Conservation Committee to promote Group-wide initiatives for environmental conservation.

In April 2023, we then formulated our Basic Environmental Policy and Green Procurement Policy, with the goal of ensuring that all our suppliers engage in green procurement by 2030.

We are also currently working toward our goal of achieving a renewable energy rate of 100% by 2030. To this end, in fiscal 2022 we overhauled our electricity procurement contracts at SKY PerfectTV! Tokyo Media Center, switching entirely to renewably sourced electricity.

Due in part to these initiatives, as of

March 31, 2023, renewable energy use of the Company and its domestic subsidiaries now stands at 93%\*. Yokohama Satellite Control Center, Space Port East in Ibaraki, Akasaka head office, SKY PerfectTV! Tokyo Media Center, Gunma Teleport Center, and JSAT MOBILE Communications Inc. are now entirely powered by renewable electricity.

Continuing our efforts to achieve a renewable energy rate of 100%, both Space Port West in Yamaguchi and Space Port North in Hokkaido have switched to renewable energy in fiscal 2023.

\*The Company-wide rates of renewable energy use are calculated according to the total energy consumed by the Company in fiscal 2022.



SKY PerfectTV! Tokyo Media Center

#### Expert comments

#### It is important for top management to tell a story while balancing the opportunities and risks associated with environmental issues

It is very important to keep ESG investors, who invest from a long-term perspective, in mind when disclosing information on current issues and how to achieve future goals. In terms of efforts to address climate change, it is noteworthy that renewable energy use of the Company and its domestic subsidiaries rose to 93% from 30% the previous year.

Addressing climate change involves both mitigation and adaptation. While reducing CO<sub>2</sub> emissions, it is also necessary to formulate a business strategy to determine what kind of business opportunities there are in climate change countermeasures. For example, the LIANA project, which uses satellites to monitor changes in ground sloping and infrastructure, and the satellite data analysis project to assess flood damage are good examples of adaptation. Increasing resilience, for example, through disaster preparedness, also counts as adaptation to climate change. You need to actively disclose information on adaptation too so that domestic and overseas institutional investors can use it as a keyword when selecting investment stocks.

You could also disclose other efforts to analyze environmental information from satellite data, such as vegetation change and invasive species in rivers and national parks designated by Japan's Ministry of the Environment, under the Task Force on Nature-related Financial Disclosure.

The challenges of climate change and biodiversity are inextricably linked. It is important for top management to be able to tell a story while balancing opportunities and risks.



Mari Yoshitaka

Mitsubishi UFJ Research and Consulting Co., Ltd.  
Fellow (Sustainability)  
Visiting Professor,  
College of Arts and Sciences,  
University of Tokyo



## The Environment

### Disclosing Information Based on TCFD Recommendations

As stipulated in the 2015 Paris Agreement, the world is seeking to limit global warming to well below 2 degrees Celsius compared to preindustrial levels. In order to encourage the disclosure of climate-related financial information and empower investors to make appropriate investment decisions, in 2015 the G20 Financial Stability Board established the TCFD.

We support the Recommendations of the Task Force on Climate-related Financial Disclosure, which were announced

#### Governance

At the SKY Perfect JSAT Group, climate-related risks and opportunities are chiefly the responsibility of the Sustainability Department, an organization that acts as the secretariat for the Sustainability Committee; the Sustainability Committee is chaired by the Director in charge of Corporate Administration. Under the leadership of the Sustainability Department, Group divisions work together to identify, assess, and discuss climate-related risks and opportunities in detail; these results are then reported to and discussed by the Sustainability Committee.

Important matters are referred by the Sustainability Committee to the Board of Directors, who deliberate the matters and, where appropriate, give their approval. The matters discussed by the Sustainability Committee are also regularly raised and reported at the Board of Directors' meetings by its Chairman, the Director in charge of Corporate Administration; these measures ensure the Group's

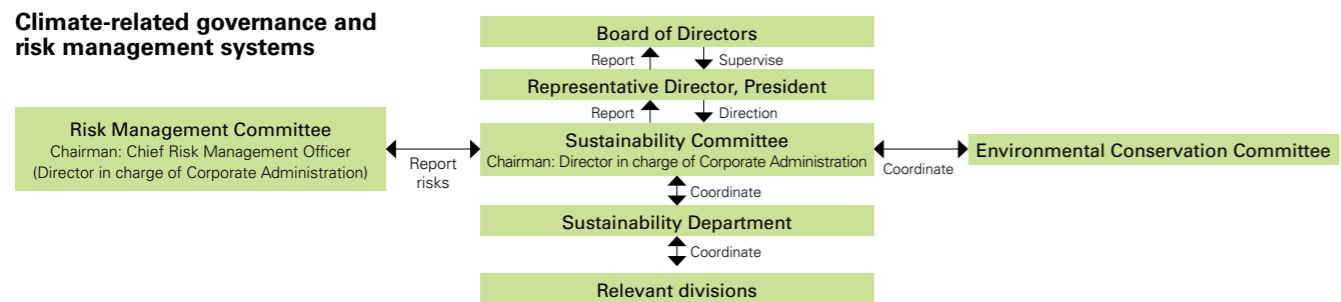
in June 2017; as such, we intend to evaluate risks and opportunities based on scenario analyses of the impacts of climate change on our business, to recognize the importance of such impacts, and to reflect them in our management measures. In so doing, we intend to strengthen the resilience of our strategies, strengthen relationships of trust with our stakeholders, and to disclose information appropriately.

climate-related risks and opportunities are properly supervised by the Board of Directors.

The climate-related risks identified by the Sustainability Department are additionally reported to and discussed by the Risk Management Committee, which is also chaired by the Director in charge of Corporate Administration in his or her role as Chief Risk Management Officer. The Risk Management Committee is tasked with managing all risks facing the entire Group, including climate-related risks.

Our Group has designated some climate-related risks and opportunities as key issue themes (materiality); the Sustainability Committee and the Environmental Conservation Committee, which is responsible for promoting environmental initiatives across the Group, work together to address these issues.

#### Climate-related governance and risk management systems



#### Strategies

Our Group recognizes the enormous impact of a 4°C rise in the global average temperature caused by climate change on society, and believes it is important to contribute to moves aimed at curbing temperature increases to below 1.5 to 2°C.

To strengthen our ability to contribute to the target of less than 1.5 to 2°C, we have carried out assessments regarding

the impacts of climate-related risks and opportunities on our operations, and formulated appropriate strategies.

Specifically, since fiscal 2021, our Group has conducted climate change scenario analyses, selected climate-related risks and opportunities, and assessed financial impacts, in line with the recommendations of the TCFD.

#### Climate-related risks and opportunities based on scenarios of 1.5 to 2°C or less and of 4°C.

Our Group revised its scenario analyses between March and May 2023, with the aim of redefining risks and opportunities, world views, and time frames, and of increasing the scope and quality of our transition plans and disclosures.

According to our scenario analyses, the impact of risks on our business and finances are limited; however, in light of

various business opportunities, we are considering incorporating climate change perspectives into our business strategy.

For the results of our evaluations of the climate-related risks and opportunities under scenarios of 1.5 to 2°C or less, and of 4°C, please see the Sustainability page of the Company website.

For further information regarding our Group's disclosure of information based on TCFD recommendations, please access the following link.



### Risk Management

At the SKY Perfect JSAT Group, climate-related risks and opportunities are chiefly the responsibility of the Sustainability Department, an organization that acts as the secretariat for the Sustainability Committee. Under the leadership of the Sustainability Department, Group divisions work together to identify, assess, and discuss climate-related risks and opportunities in detail, as well as to consider countermeasures for each risk and opportunity.

Individual risks and opportunities are reported to and discussed by the Sustainability Committee, which then assesses their level of importance. Important matters are

then referred by the Sustainability Committee to the Board of Directors, who deliberate the matters and, where appropriate, give their approval.

The climate-related risks identified by the Sustainability Department are additionally reported to and discussed by the Risk Management Committee, which is chaired by the Director in charge of Corporate Administration in his or her role as Chief Risk Management Officer. The Risk Management Committee is tasked with managing all risks facing the entire Group, including climate-related risks.

### Indicators and Targets

#### (a) Indicators and Targets of Climate Change

Indicators	Targets
GHG emissions (Scopes 1 and 2)	2023 target: 70% reduction compared to the previous year The Company and its domestic subsidiaries
Renewable energy use ratio	100% by 2030 The Company and its domestic subsidiaries

#### (b) Changes in GHG Emissions (Unit: t-CO<sub>2</sub>)

Company	Indicator	FY2019	FY2020	FY2021	FY2022
SKY Perfect JSAT Corporation	Scope 1	10	8	10	13
	Scope 2	12,672	11,415	10,218	5,535
	Total	12,682	11,423	10,228	5,548
The Company and its domestic subsidiaries	Scope 1	—	—	—	51
	Scope 2	—	—	—	5,720
	Total	—	—	—	5,771

Reference: We calculate our Scope 1 and Scope 2 GHG emissions using coefficients specified by the Ministry of the Environment for submitting reports in line with the Act on Promotion of Global Warming Countermeasures and the Act on Rationalizing Energy Use.

#### (c) Renewable Energy Use Ratio (Unit: %)

Indicator	FY2019	FY2020	FY2021	FY2022
The Company and its domestic subsidiaries Renewable energy use ratio	—	—	Approx. 30%	93%

Values taken from the final day of each fiscal year

For further details, please click on the following link: <https://www.skyperfectjsat.space/en/sustainability/tcf/>

## Society and Human Resources

### A human resources strategy aimed at realizing our management strategy

At the SKY Perfect JSAT Group, we believe human capital to be extremely important if we wish to realize the sustainable growth of both society and our company.

In order to realize our management strategy of Value Creation by “Change,” in April 2023 we defined our human resources strategy as follows: “energizing the people and organizations that will drive transformation.”

To this end, we have launched a new human resources system at SKY Perfect JSAT Corporation, our core business company, as a first step to establishing a new relationship between the company and its employees.

Since both our Space Business and our Media Business deal primarily with intangible services, we see our human resources—who are the source of our company’s value—as “human assets,” and we are promoting measures to improve our human resources systems and working environments accordingly.

#### Message from the General Manager of the Human Resource Division



**Takenori Mikami**

General Manager  
Human Resource Division  
Corporate Administration Unit  
SKY Perfect JSAT Corporation

The goal of our new human resources system is to transform our human resources, nurturing employees capable of acting with strong intentions and of changing our company with speed and energy.

SKY Perfect JSAT Corporation intends to take a two-pronged approach to improving corporate value through a human resources-centered approach: first, employees should independently map out their own career paths, as experts in their fields; and second, the company should maximize how it uses employees who have achieved independent growth.

In order to achieve this approach, the Human Resource Division believes the following three actions to be of particular importance:

1. To help employees independently map out their own career paths, and to provide equal opportunities for growth to all employees
2. To identify human assets capable of inspiring transformation—regardless of their age or gender—and actively assign them to new posts and jobs
3. To visualize the skills and tasks of our human resources, and to reallocate them within the company in an optimal manner

In order to realize the transformation of our human assets, it is critical they embark on new challenges without fearing failure.

To this end, we prioritize acting with speed and tenacity to enable the growth both of the company and its employees.

By managing human assets in the manner outlined above, we intend to create a corporate culture in which employees who enjoy growth and new challenges provide each other with mutual support, and work together toward achieving results.

### Energizing the people and organizations that will drive transformation

To become a company whose officers and employees can maximize their strengths and work with energy and dynamism, we intend to invest in human capital on the one hand and strengthen engagement on the other.

When it comes to investing in human capital, SKY Perfect JSAT Corporation places the greatest importance on “securing and nurturing human assets capable of dealing with changes in the business environment and promoting transformation” and “achieving DE&I that encourages diverse human assets

to excel.” To this end, we aim to establish growth opportunities tailored to the skills and tasks of individual employees, and to ensure this translates into the talent management and the optimal allocation of our human resources. As part of these efforts, we have revised our human resources systems.

When it comes to strengthening engagement, we believe it is vital to “create a safe and secure organization whose employees respect each other.” To this end, we intend to draw up and execute appropriate short- and long-term plans.

#### The SKY Perfect JSAT Corporation action plan



#### Expert comments

### We need to meet the needs of society in terms of both strengthening human capital and respecting human rights

SKY Perfect JSAT has put forward “strengthening human capital” as one of the four directions of its management strategy, which is a pioneering approach to human capital management.

Even as the external environment changes, SKY Perfect JSAT is at the forefront of the industry in hiring and training the necessary talent, reforming the personnel system, setting the roles and duties of employees, and embarking on a full-fledged human resources strategy to enhance its competencies. Future applications to be considered could include the management of employee-tagged skills and competencies, the use of generative AI, and the creation of a talent database aligned with future strategies. A clear strategy positioning human capital as the pillar of growth has been defined, and I look forward to further growth in the future.

In addition, I think it is commendable that SKY Perfect JSAT has revised its materiality to add “respect for human rights” and has set “promotion of respect for human rights” as a priority activity for fiscal 2023. The ISO 30414 standard clearly states that human rights are to be respected and this is a disclosure item. Japan has begun to disclose the wage gap between men and women, and this too is aimed at respecting human rights. I look forward to SKY Perfect JSAT continuing to be a pioneer in this area, driving further reform and disclosure processes, and serving as a role model for other Japanese companies.



**Masahiro Fukuhara**

Representative Director and CEO,  
Institution for a Global Society  
Corporation  
Adjunct Professor at Hitotsubashi  
University Graduate School  
Co-Chair, Research Consortium on  
Human Capital and Corporate Value

Since joining the company in May 2021, I have used the skills and experience I have accumulated over my career to carry out M&As and alliances, and business development.



**Kengo Uegaki**

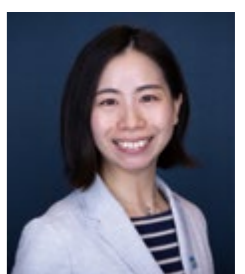
Manager  
New Business Development  
Division  
Media Business Group  
Media Business Unit

I was assigned to the New Domains Division after its establishment in April 2022, and I have continued to question what services and businesses our customers most appreciate. To this end, I place importance on the use of new digital technologies such as Web3 and XR, and on frequent discussions and partnerships with people from wide-ranging industries, including of course the media industry.

My work requires me to simultaneously undertake different approaches: testing proof of concepts and other forms of business development; carrying out M&As and forming alliances with influential businesses and start-ups; and hosting technological research and study groups that comprise both academics and private-sector businesses. Over the course of my work, I have gradually developed stronger and more wide-ranging friendships with external parties, and together we enjoy the process of steadily developing whatever projects we are working on—much in the same way as the “straw millionaire,” Warashibe Choja.

While respecting the connections I have made outside our company and the media industry, I seek to identify new values and services, and deliver a business that will leave its mark on the history of media and entertainment.

I joined the company in 2015, and gained experience in accounting, finance, and corporate planning; I have also taken a year’s maternity leave since joining.



**Rika Matsumoto**

Global Business Group  
Space Business Unit  
Seconded to JSAT  
International Inc.

I experienced satisfaction in providing behind-the-scenes support for corporate planning and other business activities as part of the corporate unit, but I also had a desire to understand more about the front-line work of our company. Around this time, there was a company-wide recruitment drive for JSAT International Inc., where I am currently seconded, and I was able to grab the chance to work overseas.

Since moving to the United States, I have traveled around the whole of the country, although my work is centered on the capital, Washington, D.C. During my stay, my work has focused on gathering information, making new investments, and expanding our partnerships in the space industry, which is growing rapidly. Some of my experiences here would have been unthinkable before my transfer.

It often happens that things do not go as I planned, and I feel down; but my boss tells me that by introducing new perspectives, I have helped improve the organization.

People are often surprised to hear that my family has accompanied me to the United States. I intend to embrace various new challenges so that my experiences will serve as a positive example to my juniors.



## Society and Human Resources

### A human resources strategy aimed at realizing our management strategy

For further information regarding our Group's approach to sustainability, please access the following link:



Key issue themes	Key issues (materiality)	Long term		Short term goals to achieve	KPI	Short term	
		Long term goals (ideal state for 2030)				Fiscal 2021 Results	
Activities by a diverse array of people	Human resources development	Aim to be a company in which all employees are active by making the most of their strengths	Target proportion of female managers as to the ratio of male and female employees	Improve engagement indicators from the previous year	Engagement indicators	<ul style="list-style-type: none"> <li>Conducted an engagement survey</li> <li>A positive response rate of 66% in FY2022 (64% in FY2021) *SKY Perfect JSAT Corporation</li> <li>Implemented training for human resource development, changes in working patterns, and career development</li> <li>Recruited employees to take the DX Business Test and to use the learning content in order to raise the level of DX skills</li> </ul>	
	Diversity & inclusion			<ul style="list-style-type: none"> <li>Advance a comfortable work environment, training for intrinsic motivation, and change in employee awareness to proactively promote diversity and inclusion</li> <li>Accelerate communication to provide information and promote understanding of diverse work styles</li> </ul>	Rate of Female Managers (%) Rate of Disabled in Workforce (%) Rate of Mid-career Recruitment (%) Rate of Return to Work from Childcare Leave (%) Rate of Male Employee taking Childcare Leave (%) Rate of Annual Leave Taken by Employees (%)	<ul style="list-style-type: none"> <li>Received "Eruboshi Certification" as a company with excellent performance in promoting female participation and advancement (November 2022)</li> <li>Provided information to promote diversity</li> <li>Detailed personnel-related data is available at the following link (updated in July 2023) <a href="https://www.skyperfectjsat.space/en/sustainability/esg/social/">https://www.skyperfectjsat.space/en/sustainability/esg/social/</a></li> </ul>	
	Employee health promotion, creation of safe and secure working environment			<ul style="list-style-type: none"> <li>Aim for 100% of employees to get statutory medical checkup in FY2022</li> </ul>	Rate of Employee taking annual medical checkup (%)	<ul style="list-style-type: none"> <li>In FY2022, 98.9% of employees received a legally mandated health check-up</li> <li>"Stress checks" were implemented at a rate of 93.7% in FY2022 (86.7% in FY2021)</li> <li>*All figures are for SKY Perfect JSAT Corporation</li> <li>Initiated efforts to ascertain and optimize working conditions</li> <li>Implemented various measures to promote health</li> </ul>	
Regional and community development	Social contribution, such as next-generation education and development of local communities	Realize "Space for your Smile" through social contribution utilizing our own infrastructure		<ul style="list-style-type: none"> <li>Carry out Social Contribution Programs</li> <li>Drive new social contribution activities that support the development of local communities, in addition to Education Support Project for Southeast Asia, Classes regarding Space, and Satellite Crayon Project</li> </ul>		<ul style="list-style-type: none"> <li>Satellite Crayon Project [Click here for official website. <a href="https://satellite-crayon.skyperfectjsat.space/en/">https://satellite-crayon.skyperfectjsat.space/en/</a>]</li> <li>The "Crayons of the Sea" project is currently underway Winner of the Good Design Award, the Red Dot Design Award, and the 2022 Stationery General Election Grand Prize. Donated a portion of the proceeds to the Republic of Kiribati in September 2022</li> <li>Held several workshops for children</li> <li>Started sales of the second installment, "Crayons of the Mountains," in March 2023</li> <li>Southeast Asian Assistance Project                             <ul style="list-style-type: none"> <li>Showcased our efforts at our booth at the Bundesliga Japan Tour and we conducted a social media charity event (we donated sports equipment to the SKY Perfect JSAT School, raising 50 yen per user action)</li> </ul> </li> </ul>	
				<ul style="list-style-type: none"> <li>Establish a system to contribute to local communities in the event of a disaster at SKY PerfectTV / Media Center and incorporate into BCP procedures</li> </ul>		<ul style="list-style-type: none"> <li>Formulated guidelines for accepting nearby evacuees at the SKY PerfectTV / Tokyo Media Center (Koto Ward, Tokyo) and the Yokohama Satellite Control Center (City of Yokohama, Kanagawa Prefecture) in the event of a disaster and put them into effect. Also incorporated those guidelines in SKY Perfect JSAT's BCP-related documents</li> </ul>	

#### Enabling diverse human assets to excel

### Securing and nurturing human assets capable of dealing with changes in the business environment and promoting transformation

At the SKY Perfect JSAT Corporation, our human resources strategy is focused on recruiting and nurturing human assets that will drive transformation, and allocating and promoting these assets in a way that will maximize individual performance and improve productivity.

We are working on a wide range of recruiting and nurturing initiatives: increasing our recruitment of mid-career employees, in order to maintain our readiness and strengthen our core domains; offering employees opportunities for career development; providing a personal development support system so that they can continuously self-develop skills and develop their career paths independently; building leadership that promotes transformation; and improving the ability of management to draw out individual strengths. Making modifications to our training programs so that our employees enjoy greater autonomy has been a particular area of focus.

In terms of allocating and promoting employees, we are engaging in the following initiatives: visualizing employee skills and tasks, and linking them to our business portfolios; enabling the early selection and promotion of high performers, who form the core of our human

#### Enabling diverse human assets to excel

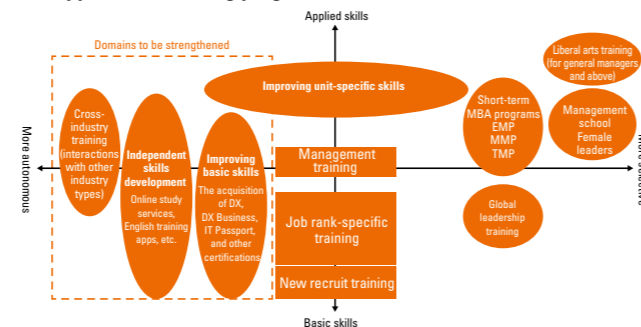
### Achieving DE&I that encourages diverse human assets to excel

The SKY Perfect JSAT Group believes that achieving a diverse environment encourages innovation. As such, we treat and evaluate the skills of all its employees with impartiality, regardless of external factors such as gender, age, or nationality, or of internal factors such as beliefs and values.

In particular, we have established flexible work styles, such as teleworking so that employees who are raising children or caring for family members can maximize their potential. We have also started running child-raising seminars, and providing subsidies for babysitter fees.

At SKY Perfect JSAT Corporation, 100% of female employees have returned to work after taking childcare leave over the last five years; more than half of male employees now also take childcare leave.

#### Our approach to training programs



For further information regarding our training program systems to support career development, please click on the following link: <https://www.skyperfectjsat.space/en/sustainability/esg/social/>

assets; strengthening talent management by ensuring a strong pool of human assets; and expanding the authority and responsibilities of the human affairs in each unit.

In part due to these initiatives, in November 2022, SKY Perfect JSAT Corporation was awarded three-star "Eruboshi Certification," which is based on the Act on Promotion of Women's Participation and Advancement in the Workplace. Three-star is the highest level of certification, and recognizes that we fulfilled the necessary criteria in the five areas of recruitment, continued employment, working hours and work styles, management position ratio, and diverse career paths.

We have also updated our grading and wage systems to help older employees excel, and we are undertaking initiatives to promote greater understanding of LGBTQ+ across our workforce.



#### Enabling diverse human assets to excel

### Creating a safe and secure organization whose employees respect each other

To become a safe and secure organization, the SKY Perfect JSAT Group believes that it must create an environment of emotional wellbeing, and that its employees must respect each other. At SKY Perfect JSAT Corporation, we have developed a number of initiatives to establish an environment that facilitates the work of our employees. These include a full flextime system, a relaxation of residence restrictions, the establishment of remote access environments for teleworking, the use of hot-desking at headquarters, and company-wide training for emotional wellbeing.

In addition, we are focused on communication that promotes mutual respect among our employees. Examples include establishing relationships of trust between superiors and subordinates

See page 80 for other materialities related to society and human resources.

through one-on-one communication; improving the management skills of the management; providing 360-degree feedback; and making improvements to individual organizations based on the "Smile Survey" diagnostic questionnaire.

We have also implemented a wide variety of health management measures: establishing an occupational safety and health management structure; promoting health maintenance activities, both through our Human Resource Division and through our occupational physicians, public health nurses, and other health workers; understanding and improving actual work conditions; carrying out annual stress checks for all employees; and implementing measures to improve the health literacy of all employees.

#### Regional and community development Education Support Project for Southeast Asia

### Social media-based fundraising campaign during the Bundesliga Japan Tour 2022

In 2013, we launched the Education Support Project for Southeast Asia, which aims to improve educational environments for children in Southeast Asia using our satellite links and other resources. As supporters of the World Terakoya Movement, an international program for nonformal education run by the National Federation of UNESCO Association in Japan, we also participate in the building of schools, and in 2021 we opened the SKY Perfect JSAT School in Cambodia.

In Cambodia, soccer has become an extremely popular sport. However, the majority of Cambodian children own

neither balls nor shoes.

SKY Perfect JSAT Corporation therefore worked with its partner, the German Bundesliga, to donate soccer goods, stationery, and other items.

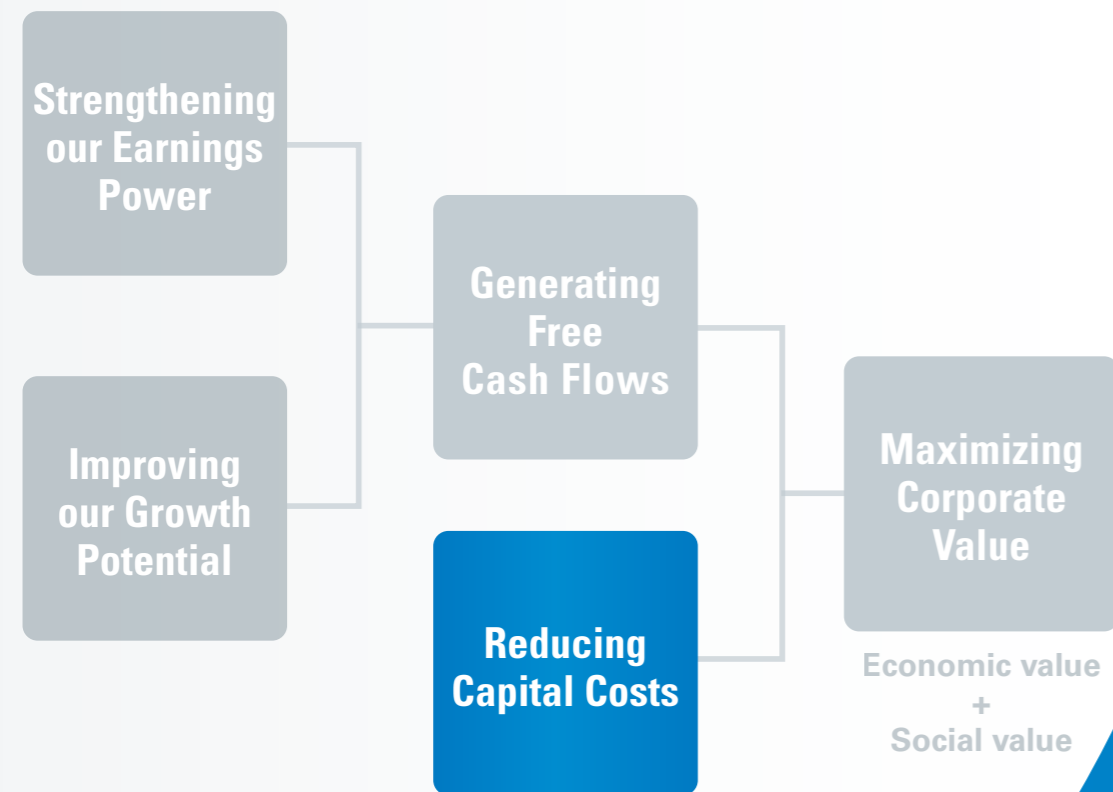


In fiscal 2022 and 2023, on the day of the Bundesliga Tour of Japan match, we displayed panels outlining the project in our booth, and pledged to donate ¥50 for every "like" we received on social media.

We will continue to provide support to Southeast Asian countries, in the hope that as many children as possible can develop healthily in mind and body through soccer.

# The Governance Underpinning Value Creation

The SKY Perfect JSAT Group will focus on the nine materiality themes to be addressed through its business, and will strengthen earning power through structural reform of existing businesses and raise medium- to long-term growth potential through aggressive investment.



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## Corporate Governance

The SKY Perfect JSAT Group strives to maintain highly transparent corporate governance systems that are able to quickly meet the demands of a changing business environment. One of the Company's nine materiality themes established in April 2021 is "Developing a strong base for management." The Company will pursue rigorous corporate ethics based on even more transparent legal compliance and the ongoing reinforcement of our risk management system.

### Materiality and KPIs for Governance

Key issue themes	Key issues (materiality)	Long term	Short term	KPIs/Results
		Long term goals (ideal state for 2030)	Short term goals to achieve	Fiscal 2022 Results
Developing a strong base for management	Enhancement of corporate governance	Strengthen the management and supervisory functions of the Board of Directors and constantly pursue a diversity and effective system	<ul style="list-style-type: none"> <li>Comply with the revised Corporate Governance Code</li> <li>Reduce the number of major compliance violations to zero annually</li> </ul>	<ul style="list-style-type: none"> <li>Initiated efforts to comply with the Corporate Governance Code: Maintaining a stable and effective system based on an internal control system and improving the system of governance to meet the standards required by the Prime Market (see below for details)</li> <li>-Assessing the effectiveness of the Board of Directors on an annual basis</li> <li>-The average rate at which directors attended Board of Directors' meetings was 96.5% in FY2022 (including one director absent for medical reasons)</li> <li>-The Board of Directors consists of 9 directors (8 male and 1 female) (5 outside directors, 3 of whom are independent directors)</li> <li>-The Nomination and Compensation Committee consists of 5 directors. Maintaining a board that mostly consists of outside directors (4 outside directors, including the chairperson)</li> <li>Number of serious violations: 0</li> </ul>
	Proactive and responsible corporate communications and dialogues with stakeholders	Become a company that continues to be properly valued by stakeholders by enhancing its disclosure content	Enhance the content of disclosure and disclose the results of dialogues and details of dialogues by stakeholder each year	<ul style="list-style-type: none"> <li>Endorsed the TCFD's recommendations in January 2023</li> <li>Actively engaged in dialogue with stakeholders, including institutional investors and financial institutions, and increased the number of dialogue sessions from FY2021</li> <li>Planning to enhance communication with stakeholders through tools, such as improved information on our sustainability Web page</li> </ul>
	Information security and protection of personal information	Maintain zero serious violations and information leaks	Maintain Information Security Management System (ISMS) and P-Mark certification annually  Strengthen internal systems by the end of FY2022 based on the Cyber Security Management Guidelines	<ul style="list-style-type: none"> <li>Maintained ISMS and Privacy Mark certification</li> <li>Conducted education and training via e-learning</li> <li>Enhanced the system by thoroughly implementing the guidelines through risk identification and implementation of the PDCA cycle</li> <li>Conducted training for supervisory staff and company-wide educational campaigns via e-mail</li> </ul>

### • Our Basic Philosophy on Corporate Governance

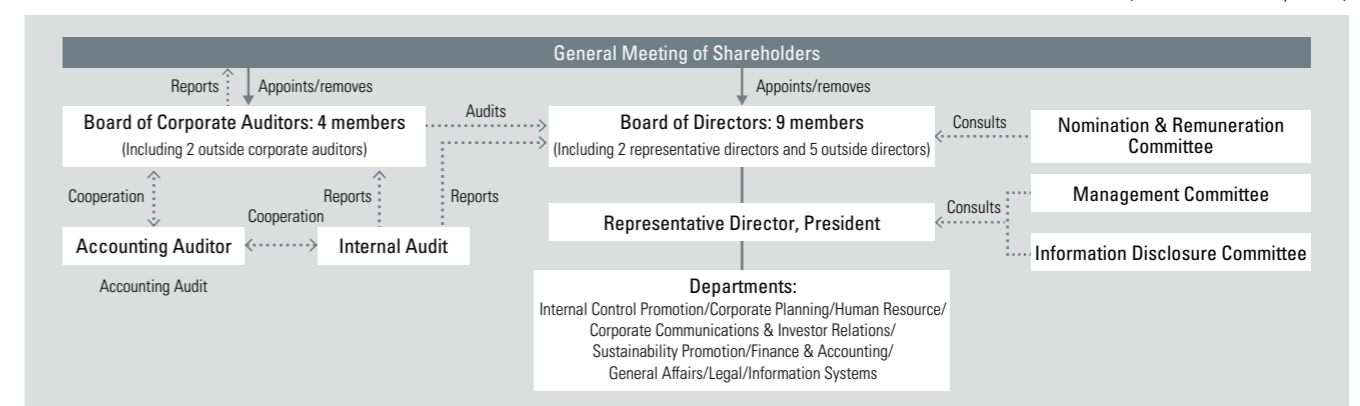
As a publicly traded company, we believe maximizing the Group's corporate value in the capital market is the fundamental goal of corporate governance. To this end, we consider it one of the most significant management issues to establish a good relationship with stakeholders surrounding the Group consisting of our shareholders and customers who use our services, as well as business partners, employees, and communities, along with making prompt management decisions in a changing social and economic environment and further enhancing the soundness of management, while bearing in mind the importance of corporate ethics based on compliance with laws and regulations. Based on such philosophies, as a corporate group that provides highly public services mainly in the media and space.

Based on such philosophies, as a corporate group that provides highly public services mainly in the media and space businesses, we have been making efforts to ensure and enhance the transparency and soundness of management since our establishment in April 2007. Examples of those efforts include the appointment of multiple outside directors and the establishment of the Nomination & Remuneration Committee to act as an optional advisory body to the Board of Directors. In respect of the judgment criteria for the requirements for independent directors/auditors, we have formulated our own standards, effective fiscal 2015, and in fiscal 2020, the Company introduced a stock compensation system with restriction for further promoting value sharing with its shareholders.

Committee to act as an optional advisory body to the Board of Directors. In respect of the judgment criteria for the requirements for independent directors/auditors, we have formulated our own standards, effective fiscal 2015, and in fiscal 2020, the Company introduced a stock compensation system with restriction for further promoting value sharing with its shareholders.

### The Governance Structure

(As of October 1, 2023)





## Corporate Governance

As a foundation of the structure to ensure the efficient performance of the directors' duties, the Company holds Board of Directors meetings regularly, once a month in principle, and holds extraordinary meetings when necessary, to make decisions concerning important business operations for the Company and its Group companies. The directors also share information on material facts that occur in the Group companies to implement risk management in an appropriate and swift manner.

Along with clearly defining the duties of each director, the Company clarifies their roles in business execution by the

### • Steps Taken to Strengthen Governance

Since our establishment in April 2007, the Company has worked on strengthening its corporate governance system, including the establishment of the optional Nomination & Remuneration Committee, the majority of whose members are outside directors and which is chaired by an independent outside director, and the introduction of a performance-based compensation system.

Through these initiatives, the Company has developed systems for the Board of Directors to properly make important management decisions and supervise management, built an internal control system for the Board of Directors to ensure the proper delegation of authority, and operated systems which contribute to enhancing the functions and effectiveness of the Board of Directors.

Since Japan's Corporate Governance Code was released in June 2015, the Company has secured independent directors/auditors based on the criteria for judging independence required

### • Reasons for Adopting the Current Corporate Governance System

As a company with corporate auditors (the Board of Corporate Auditors), the Company ensures the enrichment of its monitoring and supervising functions and the transparency and soundness of its management by means of adequate utilization of the monitoring of corporate management by corporate auditors. In addition to having a corporate governance system centering on the monitoring of corporate management by corporate auditors, with the aim of increasing and enhancing the effectiveness of the supervision of management by the Board of Directors as well as the transparency and soundness of management, the

### • Policy on Constructive Dialog with Stakeholders, Including Shareholders

In pursuing sustainable growth of the Company and raising the corporate value over the medium- to long-term, directors, namely the Representative Director, President, and Chief Financial Officer, have constructive dialogues with shareholders and investors 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 Earning Results Briefings are available at the Company's website.

On a quarterly basis, the Chief Financial Officer (CFO) reports the opinions and concerns of shareholders and investors, which

Organization Regulation and also appoints a responsible leader for each department and function. Through this system, the Company ensures that each duty is carried out in an appropriate and efficient manner. Meanwhile, the appointment of five outside directors who possess a wealth of expertise and experience in corporate management enriches discussions in the Board meetings with diverse viewpoints, and enhances the rationality and appropriateness of decision-making, thereby increasing the effectiveness of the Group's corporate governance system.

by the Tokyo Stock Exchange. In 2016, the Company promoted measures to meet the requirements of the Code, including introduction of an effectiveness evaluation to enhance the functions of the Board of Directors, the commencement of provision of an English language notice of convocation, etc., and in recent years, it has promoted management from the perspective of the shareholders and a sound system for conducting business by introducing a stock compensation system with restriction on transfer. Furthermore, with the focus on ensuring diversity in the Board of Directors, we are appointing female directors/auditors and disclosing their skill matrices.

Going forward, we will continue to aim for sustained growth and to enhance corporate value and shareholder value by developing, further enhancing, and ensuring the effectiveness of the corporate governance system in the Group.

Company has appointed multiple highly independent outside directors and outside corporate auditors and has voluntarily established the Nomination & Remuneration Committee as an advisory body to the Board of Directors. The Nomination & Remuneration Committee, the majority of whose members are independent outside directors and chaired by an independent outside director, conducts independent reports concerning the nomination of directors and corporate auditors and determining remuneration.

have been obtained through dialogues, to the Board of Directors in the form of a report concerning investor trends and IR activities. In this way, we strive for management that respects the viewpoints of our shareholders and other stakeholders.

In fiscal 2022, the Representative Director, President, and the CFO engaged in dialogue with shareholders, potential shareholders, and other Japanese and overseas investors and gained a number of insights. Accordingly, they announced their capital allocations and outlook for the future in April 2022, and have been working to disclose further information regarding the Space Business.

Given the pace at which the management environment is changing, the Company chooses to announce its business forecasts for each fiscal year, rather than for each medium-term

management plan. We believe this is the best way to make optimal management decisions in a quick and flexible manner and to disclose information to ensure that shareholders and investors correctly understand our management strategies and financial conditions.

At the fiscal 2021 full-year financial results briefing, we announced our Vision for 2030 and our investment plans, and we plan to provide regular updates on our progress.

Medium- to long-term management policies and management strategies are discussed at Board of Directors' meetings; they are also actively debated during intensive discussions involving outside directors, outside corporate auditors, and officers of Group companies. This enables us to check and analyze the status of our management policies and management

strategies and, where necessary, revise our plans and policies.

The Company has also established Information Disclosure Regulations, Insider Trading Control Regulations and a Disclosure Policy, and endeavors to engage in dialogue with stakeholders and release information without duplicity or prejudice.

#### Activities in FY2022

One-on-one meetings	112
Small meetings	1
Conferences sponsored by securities firms	1
Overseas roadshows	1

### • Evaluating the effectiveness of the Board of Directors

The Company's Board of Directors used an external organization to conduct a survey in February 2022. The survey targeted all eleven directors and all four corporate auditors, and covered the composition of the Board of Directors, its operational status, deliberative details, and management issues, among other topics. The results of the survey were reported at the Board of Directors' meetings held in April 2022, where they were analyzed and assessed, and measures to respond to issues were considered and deliberated upon.

Regarding the results of the evaluation, it was reported 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. Going forward, the Chairman and the secretariat of the Board of Directors will be proceed with consideration of enhancement of discussion about promoting Sustainability, DX, Dialogue with shareholders and investors and other topics.

#### Identified issues and responses

Item	Issue	Response
Composition and operation of the Board of Directors	<ul style="list-style-type: none"> <li>Appointing outside directors with specialized knowledge of the Space Business</li> <li>Improving the scope and quality of advance explanations regarding important matters and new matters, and ensuring materials are distributed in good time</li> <li>Holding study meetings on industry trends and adjacent domains that pertain to our businesses</li> <li>Discussing disclosure of non-financial information, including management of human capital, and climate change</li> </ul>	<ul style="list-style-type: none"> <li>At the 16th Annual General Meeting of Shareholders, we appointed new directors with high levels of expertise in the field of Space</li> <li>We increased the scope and quality of advance explanations regarding important matters and new matters, regardless of the items being deliberated or reported</li> <li>As part of our officer training, we improved notifications regarding various types of lectures and study meetings run by outside lecturers and Group employees</li> <li>We promoted discussions when considering policies for sustainability activities and materiality</li> </ul>
Discussions and New themes (DX-related)	<ul style="list-style-type: none"> <li>Considering the DX of routine and operational tasks, and sharing various types of data internally and externally</li> <li>Using AI technologies to improve the level of our services</li> </ul>	<ul style="list-style-type: none"> <li>We established a cross-functional team to revise how we intend to transform our company and promote our businesses</li> <li>We discussed the introduction of new technologies aimed at improving the level of our services</li> </ul>
Dialogue with shareholders and investors	<ul style="list-style-type: none"> <li>Actively implementing and strengthening our overseas IR activities</li> <li>Regularly communicating climate-related information</li> </ul>	<ul style="list-style-type: none"> <li>We aim to hold three overseas IR sessions per year—the same number as before COVID—and to use overseas IR support companies to carry out 20 or so in-person meetings per year</li> <li>In addition to our Earnings Results Briefings and Integrated Reports, our Corporate Communications &amp; Investor Relations Department and the Sustainability Department will work together to promote new forms of dialogue and communications with institutional investors</li> </ul>
Others	<ul style="list-style-type: none"> <li>Revising responses to changes in business environments and business strategies</li> <li>Informal discussion outside of board meetings</li> </ul>	<ul style="list-style-type: none"> <li>We are holding intensive discussions through off-site meetings</li> <li>We have recommended holding directors and corporate auditors meetings</li> </ul>

## Corporate Governance

### • System Ensuring and Supervising Sound Business Management

#### Appointment of Independent Directors/Auditors

To protect general shareholders and enhance corporate governance, the Tokyo Stock Exchange, on which the Company is listed, requires that all listed domestic companies appoint at least one independent director/auditor. An independent director/auditor is an outside director or auditor who is unlikely to have any conflict of interest with general shareholders. In other words, an independent director/auditor is a person who participates in management from a neutral and

objective standpoint and who does not have any interests in the Company or the Group.

In accordance with this requirement, we have formulated our own judgment criteria for the independence of directors/auditors in addition to those stipulated by the Companies Act and the Tokyo Stock Exchange, and the Company currently has three independent directors and two independent auditors.

#### The Skills matrix of Board Directors and Corporate Auditors

No.	Name	Title	Outside	Independent	Nomination & Remuneration Committee	Corporate management	Governance	Finance	Marketing Global	Innovation Technology
1	Eiichi Yonekura	Representative Director, President			●	●	●	●	●	
2	Toru Fukuoka	Board Director				●	●		●	
3	Masato Ogawa	Board Director				●	●		●	●
4	Koichi Matsutani	Board Director				●	●	●	●	●
5	Kimiko Ohga	Board Director (part time)	●	●	● (Chairperson)	●	●		●	
6	Kenji Shimizu	Board Director (part time)	●		●	●	●	●	●	
7	Hiroyuki Oho	Board Director (part time)	●			●	●		●	●
8	Setsuko Aoki	Board Director (part time)	●	●	●		●		●	●
9	Katashi Toyota	Board Director (part time)	●	●	●		●		●	●
10	Atsuhiko Ohe	Corporate Auditor					●	●		
11	Koji Taniguchi	Corporate Auditor					●	●		●
12	Tsutomu Takahashi	Corporate Auditor (part time)	●	●			●	●	●	
13	Jun Otomo	Corporate Auditor (part time)	●			●	●		●	

#### [Summary of skills]

Judgment criteria: Conformity to the Skills matrix is determined based on whether an individual possesses relevant work experience, expertise, and relevant qualifications, which we set as indicators to improve effectiveness and diversity of the Board of Directors.

1	Corporate management	Management strategies, leadership, corporate ethics, sustainability
2	Governance	Corporate governance, internal control, risk management, compliance, and legal affairs
3	Finance	Finance, accounting, tax affairs, M&A
4	Marketing Global	Media Business, Space Business, international business and internationality, sales and business strategies (BtoC and BtoB)
5	Innovation Technology	New business, technology development, ICT, DX, cybersecurity, information security, academic research, human resources development

#### FY2022 Major Activities Conducted by Outside Directors

Position	Name	Major Activities
Board Director	Iwao Nakatani	Mr. Nakatani attended 14 of the 16 Board of Directors meetings held in the fiscal year ended March 31, 2023. With regard to business deliberation and other matters, he provided advice as necessary based on his high level of expertise in the field of economics and business management.
Board Director	Hiroshi Fujiwara	Mr. Fujiwara attended 13 of the 16 Board of Directors meetings held in the fiscal year ended March 31, 2023. With regard to business deliberation and other matters, he provided advice as necessary based on his deep insight as a corporate manager and his abundance of experience and knowledge in the field of information and communications.
Board Director	Kimiko Ohga	Ms. Ohga attended 16 of the 16 Board of Directors meetings held in the fiscal year ended March 31, 2023. With regard to business deliberation and other matters, she provided advice as necessary based on her deep insight as a corporate manager and her abundance of experience and knowledge in the communications industry.
Board Director	Kenji Shimizu	Mr. Shimizu attended 16 of the 16 Board of Directors meetings held in the fiscal year ended March 31, 2023. With regard to business deliberation and other matters, he provided advice as necessary based on his deep insight as a corporate manager and his abundance of experience and knowledge in the Media Business.
Board Director	Hiroyuki Oho	Mr. Oho attended all of the 11 Board of Directors meetings held since he assumed office. With regard to business deliberation and other matters, he provided advice as necessary based on his high level of expertise as a corporate manager and his abundance of experience and knowledge in the media business.

### • Corporate Auditors and Board of Corporate Auditors

The Company's Board of Corporate Auditors consists of four members (including two full-time), of whom three are outside auditors. Corporate auditors attend meetings of the Board of Directors, Management Committee, and other important meetings where they engage in active exchanges of ideas and opinions. Along with this, they conduct investigations of departments and subsidiaries based on corporate auditors' annual audit plans, and also audit the business execution of directors. The Board of Corporate Auditors generally convenes meetings once a month; exchanges opinions with each director and core employees, as well as corporate

auditors at subsidiaries; shares with non-standing auditors the status of daily audits performed by full-time corporate auditors; and exhaustively conducts audits with a focus on critical audit items, such as the condition of maintenance of the Group's system of internal control based on the Companies Act and the Financial Instruments and Exchange Act, the Group's compliance structure, and the verification and flow of the status of response to top risks. Together with receiving audit reports from the external accounting auditor as necessary, the board receives reports from the Internal Audit Department on the status of internal audits.

#### FY2022 Major Activities Conducted by Outside Auditors

Position	Name	Major Activities
Corporate Auditor	Akira Ogawa	Mr. Ogawa attended 16 of the 16 Board of Directors meetings held in the fiscal year ended March 31, 2023. Likewise, he attended 14 of the 14 Board of Corporate Auditors meetings held in the fiscal year ended March 31, 2023. With regard to business deliberation and other matters, he provided advice as necessary based on his abundance of experience and knowledge of business management in the field of international finance.
Corporate Auditor	Tsutomu Takahashi	Mr. Takahashi attended 14 of the 16 Board of Directors meetings held in the fiscal year ended March 31, 2023. Likewise, he attended 13 of the 14 Board of Corporate Auditors meetings held in the fiscal year ended March 31, 2023. With regard to business deliberation and other matters, he provided advice as necessary based on his high level of expertise in the field of accounting and abundance of audit experience.
Corporate Auditor	Jun Otomo	Mr. Otomo attended 15 of the 16 Board of Directors meetings held in the fiscal year ended March 31, 2023. Likewise, he attended 13 of the 14 Board of Corporate Auditors meetings held in the fiscal year ended March 31, 2023. With regard to business deliberation and other matters, he provided advice as necessary based on his wide range of insight regarding the Media Business.



## Corporate Governance

### • A remuneration system that further promotes the sharing of value with the shareholders

The remuneration of the Company's officers is comprised of fixed remuneration, performance-based remuneration, and stock compensation. The policies for determining their pay ratios are decided by giving consideration to the provision of appropriate incentives for improving business performance for each fiscal year and increasing medium to long-term corporate value after receiving the findings of the Nomination & Remuneration Committee.

Outside directors are paid fixed remuneration only in light of their responsibilities and from the perspective of emphasizing autonomy. The Board of Directors decides on their remuneration policy after receiving the findings of the Nomination & Remuneration Committee in order to ensure the objectivity of the policy and the systems and operations for distributing remuneration. The Nomination & Remuneration Committee then decides on the fixed remuneration and performance-based remuneration amounts to be paid to individual directors. The amount of annual payment that serves as the basis for the number of shares with restriction on transfer to be allotted will be determined by a resolution of the Board of Directors within the remuneration limit. The majority of directors appointed as members of the Nomination & Remuneration Committee are outside directors, and the committee's chairperson is an independent outside director. This is to ensure objectivity and fairness in the decisions regarding remuneration.

In order to raise awareness of improving the Company's performance in each fiscal year, the Company sets consolidated net profit and segment profit as the performance indicator targets for a single fiscal year. An amount calculated in accordance with the degree of achievement of the targets set for each officer is paid as performance-based remuneration at a certain time each year. Consolidated net profit and segment profit were selected as performance indicators as they enable a comprehensive judgment of the degree of

contribution to the short-, medium- and long-term performance of the Company, and are objective and quantitative evaluation indicators that apply to all officers and employees.

The amount of performance-based remuneration is computed each fiscal year by multiplying the quantitative evaluation portion, which is calculated by multiplying the amount of position-specific remuneration by a certain coefficient in accordance with the achievement of business results, by a certain adjustment coefficient determined by the Nomination & Remuneration Committee in order to adjust and take into account variable factors such as special factors and unforeseen matters. The coefficient for the quantitative evaluation portion (a certain coefficient to be multiplied with the amount of performance-based remuneration specific to the position) is determined by the Nomination & Remuneration Committee in accordance with the degree of achievement of the targets set for each officer, where consolidated net profit and segment profit are used as performance indicator targets of a single fiscal year. In addition, in accordance with a resolution adopted at the 13th Annual General Meeting of Shareholders held on July 30, 2020, we have introduced a stock compensation system with the aim of providing directors with an incentive to continuously improve our corporate value and further promoting value sharing with our shareholders.

The Company will use common stock to allocate shares with restriction on transfer to the eligible parties once a year by a resolution of the Board of Directors. The stock compensation to be provided will be shares with restriction on transfer using common stock. The restriction on transfer will be lifted upon the officer's retirement in principle. The monetary remuneration to be paid for the grant of shares with restriction on transfer will not exceed ¥60 million per year, and the total number of shares of the Company's common stock to be issued or disposed of will not exceed 260,000 shares per year.

#### Remuneration of Directors and Auditors

	Total Remuneration (¥ millions)	Total Remuneration by Type (¥ millions)			Number of Eligible Recipients
		Basic salary	Performance-based	Share-based payment	
Directors (Excluding Outside Directors)	75	27	19	29	4
Corporate Auditors (Excluding Outside Corporate Auditors)	22	22	—	—	1
Outside Directors	45	45	—	—	6
Outside Corporate Auditors	37	37	—	—	3

### • Status of Compliance, Risk Management, and Information Management Systems

#### Group Compliance Committee and Group Compliance Helpline

To ensure that the business execution of the Company's directors and employees comply with relevant laws and regulations, the Articles of Incorporation, and various internal regulations, the Company has established a Group Compliance Committee and its Secretariat, the Compliance Promotion Office. The Committee appoints a Chief Group Compliance Officer who acts as the chairperson of the Committee.

The Committee chairperson submits issues on compliance program matters and facts regarding compliance to the Committee for deliberation, as well as reports deliberation results to the Board of Directors as necessary. The Compliance Promotion Office maintains and manages company-wide compliance programs and provides education and training related to compliance programs to directors and employees. The content of education and training includes information on insider trading, embezzlement, breach of trust,

leakage of confidential information, corruption, receipt of subsidies and other public funds, and harassment.

Moreover, the Company has put into place an internal and external Group Compliance Helpline system, under which those who discover that the Company's business activities or practices carried out by employees, executives, or members of the Board of Directors might be illegal can report them immediately or consult with the Helpline staff. Moreover, if there is a consultation or report for which the involvement of full-time Board Directors of the Company or Board Directors or Executive Officers of the Group companies is suspected, it can be forwarded directly over to the Company's full-time Corporate Auditors through the external Group Compliance Helpline, bypassing the Compliance Promotion Office and the Chief Group Compliance Officer.

#### Risk Management Committee

To recognize and evaluate risks related to business execution comprehensively and conduct appropriate risk management, the Company has established risk management regulations. To ensure the effectiveness of the regulations, the Company has established a Risk Management Committee, which is chaired by the Chief Risk Management Officer. The Risk Management Committee is responsible for strengthening company-wide risk management through a variety of means: it determines basic policies and management systems for

risk management; it engages in risk management, risk prevention, and risk reduction initiatives; and it both evaluates risks and formulates risk countermeasures for individual departments. The range of risks to be assessed includes misconduct, fraud, and crime by officers and employees, and corruption, such as entertainment and gift-giving to public officials, etc. The Chief Risk Management Officer reports to the Board of Directors on the status of risk management and other matters as necessary.

#### The Information Security Management Committee, the Personal Information Management Committee, and Information Security System

Alongside the establishment of a Security Policy to maintain information security and a Privacy Policy to protect personal information, the Company has established an Information Security Management Committee and a Personal Information Management Committee, both chaired by the Chief Information Management Officer, to ensure an appropriate and effective management structure in each area. We have also placed a person responsible for information security management at each of the Group companies and implemented thorough information management training for all Group employees, executives, and contractors.

In recent years, there has been an increase in cyberattacks on information systems, such as targeted attacks through the introduction of malware and unauthorized access through the Internet; since the spread of COVID-19, we have also been

promoting work from home. As such, our Group is strengthening security measures for internal systems and for service-provision websites. For our systems, we use encrypted servers for storing personal information and important business information; we prevent infection through the use of unauthorized access prevention systems and anti-virus software, and we identify vulnerabilities through the acquisition of system logs and security diagnoses.

We have also established a Computer Security Incident Response Team (CSIRT) to limit the spread of damage from any attacks. In light of the diversification of cyberattacks and the increase in cybersecurity risks due to the promotion of DX, etc., we have also appointed a Chief Information Security Officer (CISO) to implement and strengthen cybersecurity measures.

## Roundtable Discussion with Outside Directors and a Corporate Auditor



Under the group mission “Space for your Smile,” SKY Perfect JSAT Holdings is working to achieve medium- to long-term growth. On the occasion of the appointment of new outside directors Setsuko Aoki and Katashi Toyota, who have in-depth knowledge related to the Space Business, which holds the key to future growth, a group of four officers of SKY Perfect JSAT Group, including Aoki, Toyota, and Atsuhiko Ohe, a full-time corporate auditor, sat down to discuss the future of the Group, with Kimiko Ohga, also an outside director, serving as facilitator.

### Becoming an outside director

**Ohga |** Director Aoki and Director Toyota, I know you were appointed only a short time ago, but could you give us your impressions of SKY Perfect JSAT?

**Aoki |** I first became interested in SKY Perfect JSAT in the late 1980s, when Europe and the United States were beginning to develop national laws regarding space activities. At that time in Japan, the government’s means of supervising private satellite launches and operations were limited to granting permission to establish satellite stations under the Radio Act. It was also a period of deregulation in the global telecommunications market, and I think it can be said that SKY Perfect JSAT’s challenges during this period marked the dawn of the commercial use of space in Japan and laid the foundation for today’s aspiration to become a space utilization powerhouse.

Since then, the Company has undergone many changes, including corporate consolidation, until it reached its present form. It was Japan’s only satellite operator for a long time and is still the largest satellite communications company in Asia, even today, under intensifying competition in satellite communications in the region. From the outside, I was looking at SKY Perfect JSAT as a company with great potential, even limited to the Space Business alone. That’s why it’s such a pity to see the current position of the Company, which is quite unfortunate in some respects. Fortunately, the Space Business seems to be entering a new stage, so I hope we will not miss this opportunity to grow.

**Toyota |** First and foremost, I’m not yet comfortable at the Company since I’ve only been an outside director for less than a month. This is not necessarily a bad thing—I’m just saying that I’m still searching for the best role in which I can contribute to the Company.

Even as I search for my role, I will say that my impression of SKY Perfect JSAT is that the Media Business and the Space Business have been working well together, like the two wheels of a cart, and as far as I can see from the outside, the company has been growing relatively steadily.

Another impression I have of the Company is that President Yonekura and the rest of the management team, as well as the outside directors and corporate auditors, all have a very strong sense of urgency about the future of the Company. I hope that this sense of urgency will be a contributing factor in uniting us to face the challenges of the future.

### The future of the Space Business

**Ohga |** Thank you. As a follow-up, what are your thoughts on the past and future of the Space Business in Japan?

**Aoki |** I think the biggest lesson about the Space Business is that even if an idea doesn’t work the first time, you shouldn’t immediately give up. Because of the rapid pace of progress in space technology, what was not possible in the past may be achieved with new technology in subsequent years. A good example is the idea of a constellation of low-earth orbit satellites, which failed at the end of the 20th century but revolutionized the use of space two decades later. Don’t throw

away ideas easily; hold on to them. It’s important to seize business opportunities by making the most of them when the time is right.

**Toyota |** Even leaving aside the Space Business, I think we need to keep in mind that it’s extremely difficult to predict the future. The predictions I see and hear from military professionals about the future of military and international affairs are almost always wrong. Similarly, it’s important to try to predict future trends in space issues and media issues, but I think we need to keep in mind how hard this is to do. The Company has drawn up a plan targeting the year 2030, which I have seen. The plan is not rigidly tied down to details, which, in a way, I felt was quite wise. Considering that it has become more difficult than ever to predict the future, I think it’s extremely important to leave room for major revisions to the plan in the event of future business problems.

**Aoki |** In terms of specific Space Businesses, I believe that various low-earth orbit businesses are about to become very active. Whether SKY Perfect JSAT can win in this environment, I think, depends on how aggressively we can advance our innovative data businesses. We can’t do everything on our own, so M&A and headhunting may be necessary. Over the next decade, the location of satellites in low earth orbit may gradually become a vested interest, and I think it will be important to coordinate this with other companies.

**Ohga |** I have been saying for some time now that one of our problems is a lack of space experts among our outside directors who will strengthen the Space Business as a future core business, but now that we have the two of you as outside directors, we will have the benefit of your pertinent observations on specific topics. As we continue to think about the future of SKY Perfect JSAT, I think your insights and observations will become even more important.

**Ohga |** Director Aoki’s remarks reaffirmed for me the importance of securing human resources with extremely advanced specialized skills such as AI analysis and big data analysis. While utilizing people within the company, I think it is also important to appropriately recruit outside talent to fit into our future businesses and for all employees to talk freely about their business dreams.

### Governance

**Ohga |** When the Tokyo Stock Exchange was restructured, we decided to list SKY Perfect JSAT on the Prime Market. I also serve as an Audit and Supervisory Board member at other companies, and I have been keeping a close eye on how the market as a whole is responding. I was very impressed with how quickly and meticulously SKY Perfect JSAT implemented necessary measures, including Corporate Governance. Governance is closely monitored by the Board of Directors, and the structure and activities of the corporate auditors make a significant contribution. Director

Toyota, do you have any comments on the governance of the Company?

**Toyota |** When it comes to governance, I think it is a very difficult issue to find the right balance or equilibrium where you’re neither running amok nor atrophying. Just recently, there was a case of another company whose top management was running amok. Everyone is talking about the organization of governance and the proper meaning of rules, but from what I can see, SKY Perfect JSAT is the furthest thing from top management running amok. In fact, there is even concern that strict application of rules may be limiting our management freedom.

When making a decision, it’s very important not only to avoid making a wrong decision, but to ensure that if it turns out to be a wrong decision, there is a path available to change course immediately. In the case of SKY Perfect JSAT, I’m concerned that governance is too tightly entrenched rather than out of control, and I wonder if the company will be able to change easily when a major course correction is required.

**Ohga |** Regarding ESG, a company-wide compliance system is in place, and various measures are being implemented. Given our size, I think we are well prepared to comply with various rules, such as the Governance Code and the TCFD.

**Ohe |** As Director Toyota pointed out, our governance is too conservative in some areas. I think this is because the Governance Code’s Supplemental Principles and so on, which are quite detailed, were taken too seriously at SKY Perfect JSAT, under the idea that listed companies should comply with them as best practices, as some have advocated. However, the original intention of the Governance Code was to achieve sustainable growth and improve corporate value while taking appropriate risks under a strong autonomous governance function. I believe that governance will need to evolve in the future, striking a balance between defense and offense.

**Aoki |** A company’s role is to make a profit, return profits to shareholders, and provide a living to its employees and their families. That is its basic purpose. It seems to me that devoting resources to complying with excessively detailed ethical codes is not the proper job of a company. Taking on challenges and developing new businesses requires a bold stance, so I think the proper role of governance of SKY Perfect JSAT is to create a place where employees can operate freely and independently, knowing that the company will protect them.

**Ohga |** Thank you for a valuable discussion. I appreciate your valuable insights into future challenges and respect in the Space and Media Businesses, as well as governance, and I look forward to you expressing these same opinions at our Board of Directors meeting.



## Board of Directors (as of June 23, 2023)

### Directors



**Representative Director,  
President**  
**Eiichi Yonekura**

1981 Joined ITOCHU Corporation  
2009 Executive Officer, ITOCHU Corporation  
2011 Managing Executive Officer, ITOCHU Corporation President & CEO, ITOCHU International Inc.  
2014 Managing Executive Officer, President, Metals & Minerals Company, ITOCHU Corporation  
Representative Director, Managing Executive Officer, ITOCHU Corporation  
2016 Representative Director, Senior Managing Executive Officer, ITOCHU Corporation  
2017 Senior Managing Executive Officer, ITOCHU Corporation  
2018 Advisory Member, ITOCHU Corporation  
Representative Director, Senior Executive Vice President, SKY Perfect JSAT Holdings Inc.  
Representative Director, Senior Executive Vice President, SKY Perfect JSAT Corporation  
2019 Representative Director, President, SKY Perfect JSAT Holdings Inc. (present)  
Representative Director, President & Chief Executive Officer, SKY Perfect JSAT Corporation (present)



**Representative Director**  
**Toru Fukuoka**  
In charge of the Space Business

1980 Joined the Ministry of Posts and Telecommunications (currently Ministry of Internal Affairs and Communications)  
2009 Director-General of the Telecommunications Business Department, Telecommunications Bureau, Ministry of Internal Affairs and Communications  
2010 Director-General of Postal Services Policy Department, Information and Communications Bureau, Ministry of Internal Affairs and Communications  
2012 Director-General of Policy Coordination (in charge of Public Relations and Policy Planning), Ministry of Internal Affairs and Communications  
2013 Director-General of Information and Communications Bureau, Ministry of Internal Affairs and Communications  
2014 Director-General of Minister's Secretariat, Ministry of Internal Affairs and Communications  
2015 Director-General of Telecommunications Bureau, Ministry of Internal Affairs and Communications  
2016 Vice-Minister for Policy Coordination (in charge of Postal and Communications), Ministry of Internal Affairs and Communications  
2017 Advisor, Tokio Marine & Nichido Fire Insurance Co., Ltd.  
2018 President, The ITU Association of Japan  
2019 Board Director, SKY Perfect JSAT Holdings Inc.  
Board Director, Senior Executive Vice President, SKY Perfect JSAT Corporation  
2019 Unit President of Corporate Planning & Strategy Unit, SKY Perfect JSAT Corporation  
2021 Unit President of Space Business Unit, SKY Perfect JSAT Corporation (present)  
2022 Representative Director, SKY Perfect JSAT Holdings Inc. (present)  
Representative Director, Senior Executive Vice President, SKY Perfect JSAT Corporation (present)



**Board Director**  
**Masato Ogawa**  
In charge of the Media Business

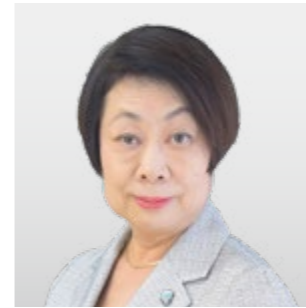
1988 Joined Japan Communications Satellite Company, Inc. (currently SKY Perfect JSAT Corporation)  
2014 Executive Officer, Deputy Group President of Corporate Planning & Strategy Group, SKY Perfect JSAT Corporation  
2015 Executive Officer, Group President of Corporate Planning & Strategy Group, Corporate Planning & Administration Unit, SKY Perfect JSAT Corporation  
2017 Director, Satellite Network Inc. (currently SKY Perfect JSAT Corporation)  
Managing Executive Officer, Group President of Space & Satellite Business Group, Space & Satellite Business Unit, SKY Perfect JSAT Corporation  
2018 Group President of Space & Satellite Business Group, Space Business Unit, SKY Perfect JSAT Corporation  
2019 Board Director, SKY Perfect JSAT Holdings Inc. (present)  
Board Director, Senior Managing Executive Officer, Unit President of Media Business Unit, SKY Perfect JSAT Corporation (present)  
2020 Group President of Media Business Group, Media Business Unit, SKY Perfect JSAT Corporation  
Outside Board Director, NIKKATSU CORPORATION (present)



**Board Director**  
**Koichi Matsutani**  
Chief Financial Officer  
In charge of Corporate Administration  
In charge of Internal Control  
Chief Information Management Officer  
Chief Risk Management Officer  
Chief Group Compliance Officer  
Chief Information Security Officer

1990 Joined Japan Communications Satellite Company, Inc. (currently SKY Perfect JSAT Corporation)  
2008 General Manager, Group Planning, Coordination Dept, Satellite Business Group, SKY Perfect JSAT Corporation  
2010 Managing Director, Data Network Center Corporation (currently SKY Perfect Customer-relations Corporation)  
2015 General Manager, IT Strategy Division, Business Strategy Department, Multichannel Pay TV Business Unit, SKY Perfect JSAT Corporation  
2017 Managing Director, SKY Perfect Customer-relations Corporation  
2018 General Manager, Business Strategy Division & Business Strategy Department, Media Business Unit, SKY Perfect JSAT Corporation  
2019 Executive Officer, SKY Perfect JSAT Corporation  
General Manager, Planning & Administration Division, Media Business Unit, SKY Perfect JSAT Corporation  
2020 General Manager, Corporate Planning Division, Corporate Planning & Strategy Unit, SKY Perfect JSAT Corporation  
2021 Managing Executive Officer, Unit President, Corporate Administration Unit, SKY Perfect JSAT Corporation (present)  
Board Director, the Company (present)  
Board Director, SKY Perfect JSAT Corporation (present)

### Outside Directors



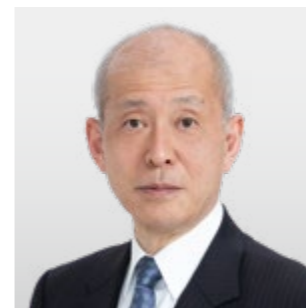
**Board Director (Non-Standing)**  
**Kimiko Ohga**  
Outside Director\*

1977 Joined Nippon Telegraph and Telephone Public Corporation  
1991 Senior Manager, Marketing Division, Service Development Department, NIPPON TELEGRAPH AND TELEPHONE CORPORATION  
2004 Executive Manager, Customer Equipment Department, NIPPON TELEGRAPH AND TELEPHONE EAST CORPORATION  
2005 Deputy General Manager, Tokyo Branch, NIPPON TELEGRAPH AND TELEPHONE EAST CORPORATION  
2006 President (CEO), Representative member of the board, NTT EAST-TOKYOCHUO CORPORATION (currently NTT EAST-MINAMIKANTO CORPORATION)  
2007 Executive Vice President, Representative member of the board, NTT LEARNING SYSTEMS CORPORATION  
2013 Audit & Supervisory Board Member, NIPPON TELEGRAPH AND TELEPHONE WEST CORPORATION  
2019 Outside Board Director, SKY Perfect JSAT Holdings Inc. (present)  
2020 Outside Member of the Board (Audit & Supervisory Committee Member), BroadBand Tower, Inc. (present)  
Outside Director Audit and Supervisory Committee, Tokyo Water Co., Ltd.  
External Audit & Supervisory Board Member (part-time), ALCONIX CORPORATION (present)  
2021 Outside Audit & Supervisory Board Member, Electric Power Development Co., Ltd. (J-POWER)  
2022 Outside Member of the Board (Audit & Supervisory Committee Member), Electric Power Development Co., Ltd. (J-POWER) (present)



**Board Director (Non-Standing)**  
**Hiroyuki Oho**  
Outside Director

1985 Joined Nippon Television Network Corporation (currently Nippon Television Holdings, Inc.)  
2014 President, Cyber Business Strategy, Nippon Television Network Corporation  
Chairman, HJ Holdings LLC (currently HJ Holdings, Inc.)  
2016 President, HJ Holdings LLC  
2017 President, HJ Holdings, Inc.  
2018 Operating Officer, ICT Strategy, Nippon Television Network Corporation  
2019 Operating Officer, Nippon Television Network Corporation  
2021 Senior Operating Officer, Nippon Television Holdings, Inc. (present)  
2022 Outside Board Director, the Company (present)  
Board Director, Managing Officer, Nippon Television Network Corporation  
Director, HJ Holdings, Inc. (present)  
Director, PLAY, inc. (present)  
2023 Board Director, Senior Managing Officer, Nippon Television Network Corporation (present)



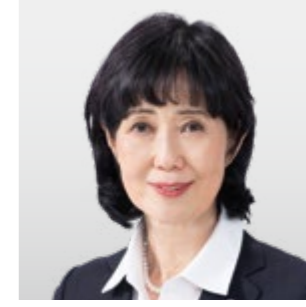
**Board Director (Non-Standing)**  
**Katashi Toyota**  
Outside Director\*

1982 Joined the Japan Defense Agency (currently the Ministry of Defense (MOD))  
1998 Attended the 1999 Course at the British Royal College of Defence Studies, London  
2008 Press Secretary, MOD  
2009 Deputy Director General, Secretariat of the International Peace Cooperation Headquarters, Cabinet Office  
2011 Deputy Director General, Bureau of Local Cooperation, MOD  
2013 Director General, Bureau of Personnel and Education, MOD  
2014 Director General, Minister's Secretariat, MOD  
2017 Administrative Vice Minister of Defense, MOD  
2018 Advisor to the Minister of Defense  
2019 Advisor, Sampo Japan Nipponkoa Insurance Inc. (currently Sampo Japan Insurance Inc.) (present)  
2023 Outside Board Director, the Company (present)



**Board Director (Non-Standing)**  
**Kenji Shimizu**  
Outside Director

1983 Joined Fuji Television Network, Inc. (currently Fuji Media Holdings, Inc.)  
2004 General Manager, Program Development Dept., Program Acquisition & Development Group, SKY Perfect Communications Inc. (currently SKY Perfect JSAT Corporation)  
2012 General Manager, Media Development Department, Fuji Television Network, Inc.  
2013 General Manager, Business Development & Enterprises Department, Fuji Television Network, Inc.  
2014 Executive Managing Officer and General Manager, Business Development & Enterprises Department, Fuji Television Network, Inc.  
Outside Director, Toei Animation Co., Ltd. (present)  
2017 Outside Director, ITOCHU FUJI Partners, Inc. (present)  
Senior Executive Managing Officer and General Manager, Corporate Planning Department, Fuji Television Network, Inc.  
2019 Executive Managing Director, Fuji Media Holdings, Inc.  
Executive Managing Director, Fuji Television Network, Inc.  
2020 Outside Director, Nihon Eiga Broadcasting Corp. (present)  
2021 Outside Board Director, SKY Perfect JSAT Holdings Inc. (present)  
Audit & Supervisory Board Member, Fuji Satellite Broadcasting, Inc. (present)  
Outside Director, Nippon Broadcasting System, Inc. (present)  
2020 Outside Board Director, WOWOW INC. (present)  
Senior Executive Managing Director, Fuji Media Holdings, Inc.  
Senior Executive Managing Director, Fuji Television Network, Inc.  
Outside Board Director, Space Shower Networks Inc. (present)  
2022 Board Director, Senior Managing Executive Officer, Fuji Media Holdings, Inc. (present)



**Board Director (Non-Standing)**  
**Setsuko Aoki**  
Outside Director\*

1991 Assistant, Faculty of Law, Rikkyo University  
1995 Associate Professor, School of Social Science, National Defense Academy of Japan  
1999 Associate Professor of Law, Faculty of Policy Management, Keio University  
2002 Ad hoc member of Council of Science in the Ministry of Health, Labor and Welfare (MHLW)  
2004 Ad hoc member of Council of Economic Structures in the Ministry of Economy, Trade and Industry (METI)  
Professor of Law, Faculty of Policy Management, Keio University  
2007 Member of Telecommunications Council of the Ministry of Internal Affairs and Communications (MIC)  
2008 Member of the Expert Committee of the Space Development Strategy (Cabinet Secretariat)  
2009 Member of the Council on Security and Defense Capability (Cabinet Secretariat)  
2012 Member of the Committee on National Space Policy (Cabinet Office)  
2013 Working Group Chair, International Mechanisms for Cooperation in the Peaceful Exploration and Use of Outer Space, Legal Subcommittee of the United Nations Committee on the Peaceful Uses of Outer Space (UNCOPUOS)  
2016 Professor of Law, Keio University Law School (present)  
2017 Member of the Council for Science and Technology, Ministry of Education, Culture, Sports, Science and Technology (MEXT)  
Member of the United Nations Secretary-General's Advisory Board on Disarmament Matters (ABDM)  
2019 Ad hoc member of Council of Economic Structures in the Ministry of Economy, Trade and Industry (METI)  
2020 Chair, Legal Subcommittee of the United Nations Committee on the Peaceful Uses of Outer Space (UNCOPUOS)  
2021 Chair, the Expert Committee on the Economic Security Legal System (Cabinet Secretariat) (present)  
2022 Ad hoc member of the Committee on the National Space Policy (Cabinet Office) (present)  
2023 Outside Board Director, the Company (present)

### Corporate Auditors

**Atsuhiko Ohe**  
**Koji Taniguchi**

### Corporate Auditors (Non-Standing)

**Tsutomu Takahashi** (Outside Corporate Auditor)\*  
**Jun Otomo** (Outside Corporate Auditor)

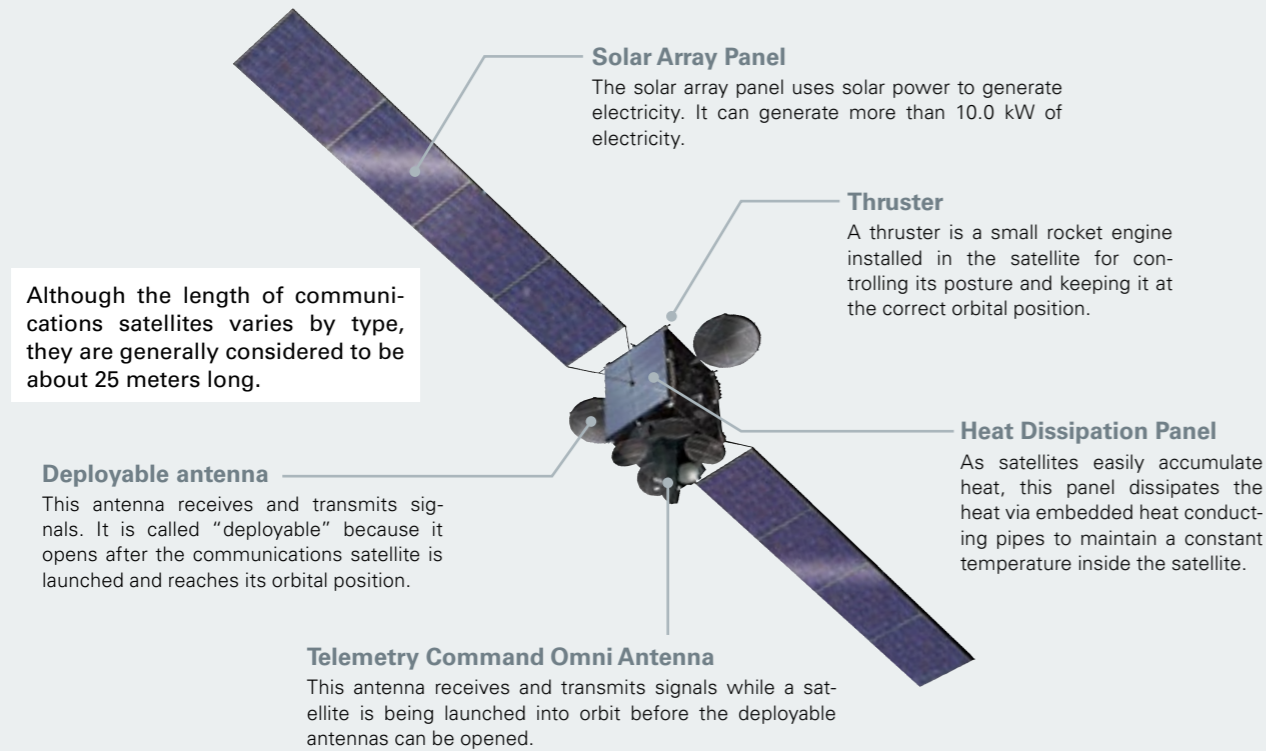
\*Registered with the Tokyo Stock Exchange as Independent Directors based on the Company's criteria for judging independence

See also our Directors and Corporate Auditors

<https://www.skyperfectjsat.space/en/company/resume/sjh/officer/>

# Satellite Basics

## Communications satellite's main components

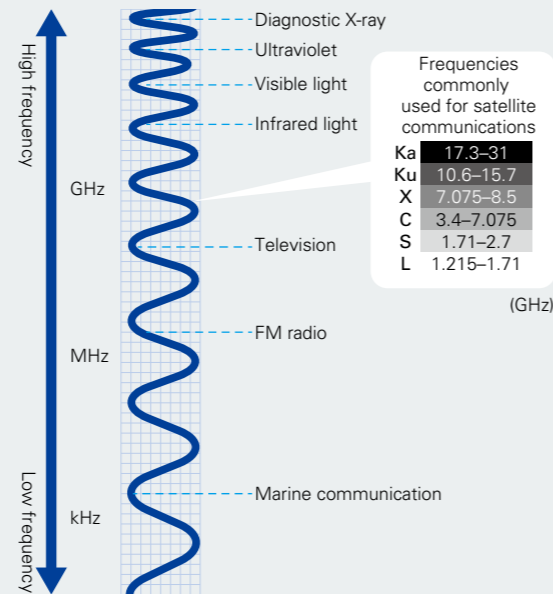


## Types of radio frequencies used by communications satellites

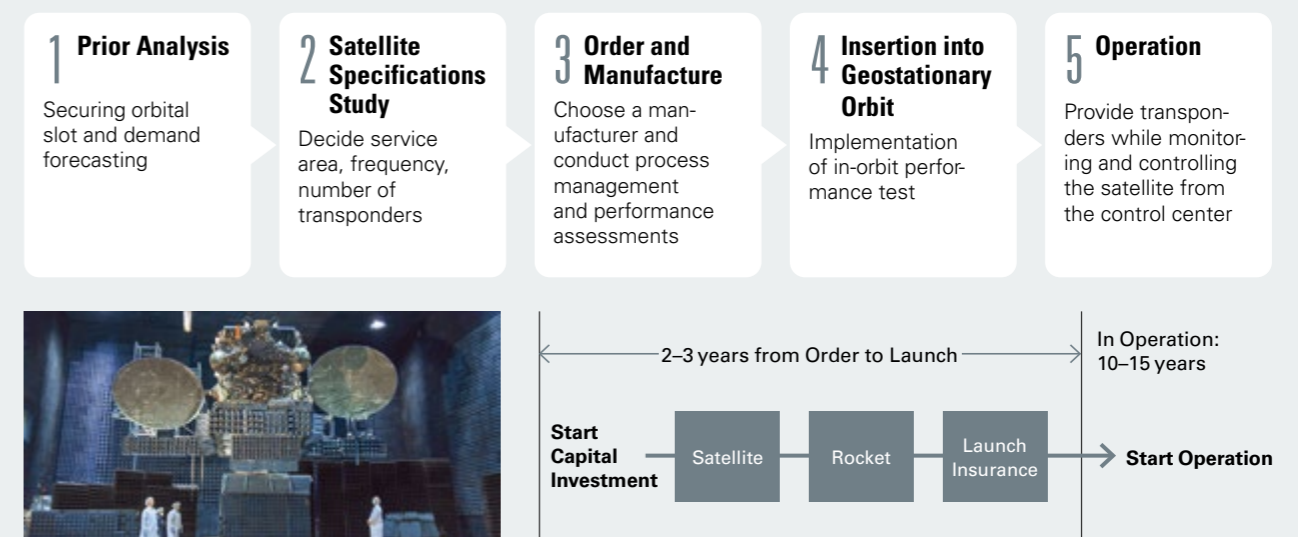
The signals used generally in Japan for satellite communications are called Ku band and the C band.

C band (frequency range 3.4-7.075GHz: uses a frequency range of 3.4-4.2GHz for downlink and 5.8-6.7GHz for uplink) has been widely used ever since satellite communications started because it is less affected by rain. However, it requires a large antenna to catch the signals because the frequencies are low. On the other hand, since Ku band (frequency range 10.6- 15.7GHz: uses a frequency range of 12.25-12.75GHz for downlink and 14.0-14.5 GHz for uplink) can be received even with a small antenna, it suits SKY PerfectTV's broadcasts and domestic communications. The signals can certainly be received with a small antenna, but they are weakened when they collide with waterdrops in the air and are sometimes adversely affected during heavy rains and other weather conditions. In recent years, the use of Ka band (frequency range: 17.3-31GHz) has started to spread for large-capacity communications because this band is widely allocated for satellite communications.

Apart from these, the X band (frequency range 7.075-8.5GHz) is used mainly for military communications and weather and earth observation satellites.



## From Satellite Procurement to Operation



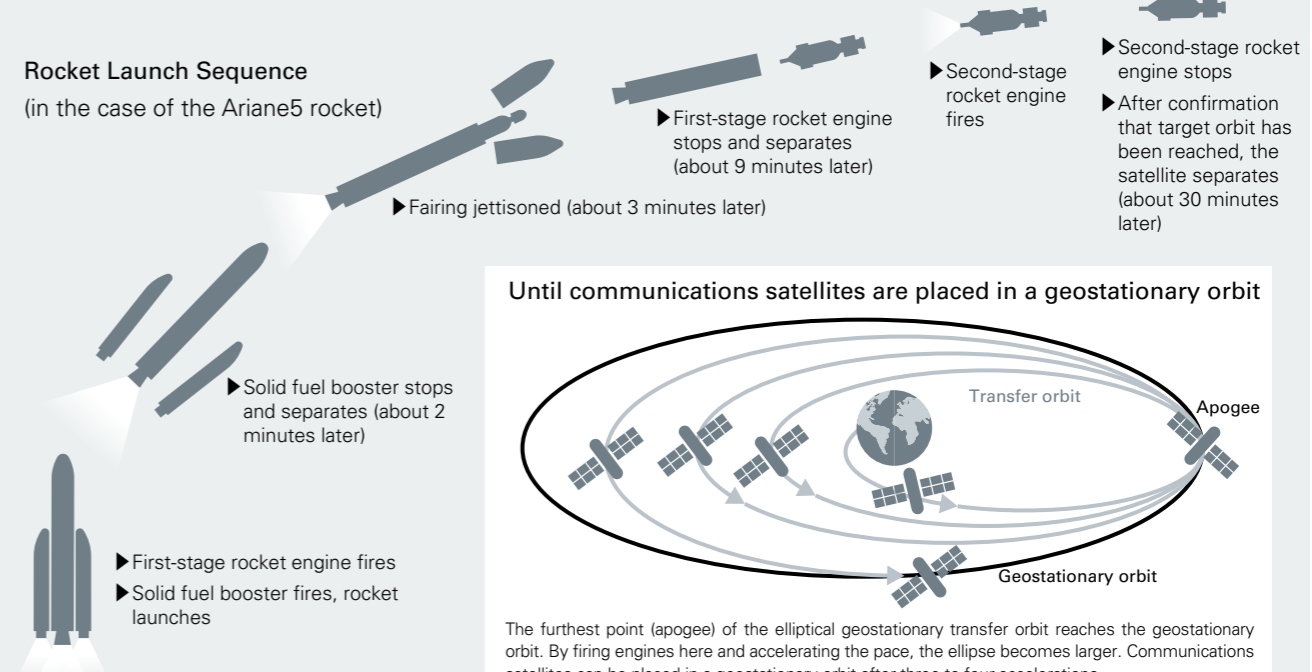
JCSAT-110A Satellite Test ©Space Systems Loral

## The Cost of Procuring and Launching a Satellite is Between about ¥20.0 billion to ¥40.0 billion and the Depreciation Period is generally 15 years.

The process of launching a communications satellite begins with forecasting demand in the coverage area and acquiring an orbital position. Satellite specifications are then discussed, an order is placed with the manufacturer, and the satellite is manufactured. After that, a launch service is selected, and the satellite is launched into a geostationary orbit about 36,000 km above the equator after a preparation stage lasting two to three years. The procurement and launch costs are capitalized at about 20-40 billion yen per satellite. Then, depreciation is calculated for its life period of about 15 years. SKY Perfect JSAT Corporation also covers the satellite launches with insurance in preparation of launch failures.

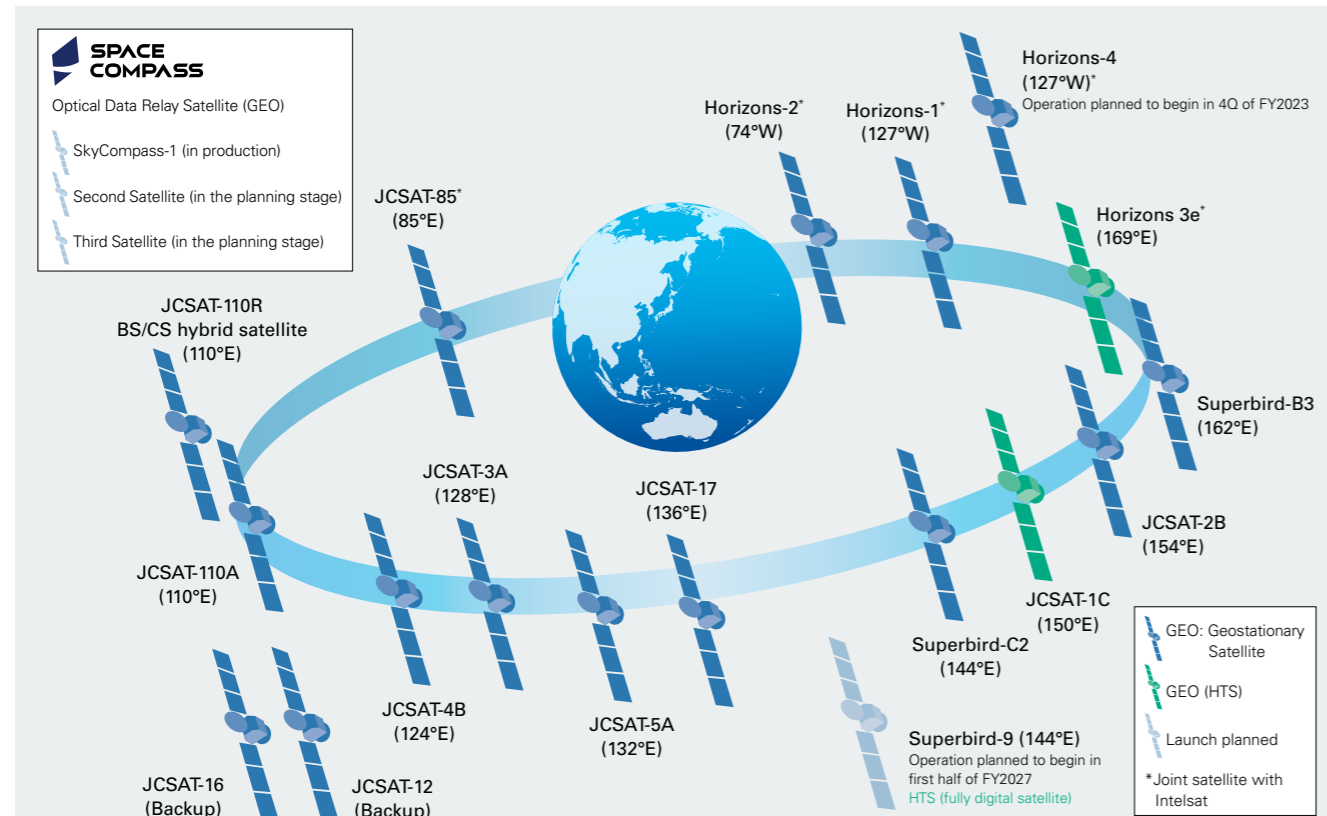
### Rocket Launch Sequence

(in the case of the Ariane5 rocket)





# Satellite Fleet



Our Satellite Fleet

	Used primarily for Broadcasting Service					Used primarily for Communications Service		
	JCSAT-110A	JCSAT-110R	JCSAT-4B	JCSAT-3A	JCSAT-5A	JCSAT-17	Superbird-C2	JCSAT-1C
Orbital position	110°E	110°E	124°E	128°E	132°E	136°E	144°E	150°E
Launch date (Japan time)	Dec. 22, 2016	Aug. 7, 2011	May 16, 2012	Aug. 12, 2006	Apr. 13, 2006	Feb. 19, 2020	Aug. 15, 2008	Dec. 17, 2019
Launch vehicle	Ariane 5	Ariane 5	Ariane 5	Ariane 5	Zenit-3SL	Ariane 5 ECA	Ariane 5	Falcon 9
Satellite bus	SSL1300	A2100A	A2100AX	A2100AX	A2100AX	LM2100	DS2000	Boeing702[HTS]
Design life	15 years	15 years	15 years	15 years	12 years	15 years	Over 15 years	15 years

	Used primarily for Communications Service					Backup satellite		
	JCSAT-2B	Superbird-B3	Horizons 3e	Horizons-1	Horizons-2	JCSAT-85	JCSAT-12	JCSAT-16
Orbital position	154°E	162°E	169°E	127°W	74°W	85°E	—	—
Launch date (Japan time)	May 6, 2016	Apr. 6, 2018	Sep. 26, 2018	Oct. 1, 2003	Dec. 22, 2007	Dec. 1, 2009	Aug. 22, 2009	Aug. 14, 2016
Launch vehicle	Falcon 9	Ariane 5	Ariane 5	Zenit-3SL	Ariane 5	Zenit-3SLB	Ariane 5	Falcon 9
Satellite bus	SSL1300	DS2000	Boeing702MP [HTS]	Boeing601HP	STAR-2	STAR-2	A2100AX	SSL1300
Design life	15 years	Over 15 years	15 years	Over 15 years	15 years	15 years	15 years	15 years

As of August 31, 2023

# Glossary

## Average Monthly Contractor's Payment

This is the average monthly subscription fee and other fees paid by each contractor.

## Backhaul

Backhaul refers to a relay line or network of communication carriers that connects access lines at the end with the central core communications network (backbone line).

## BCP (Business Continuity Plan)

A business continuity plan refers to a plan that companies and other organizations follow in the face of an emergency, such as a natural disaster, major fire, or terrorist attack, in order to minimize damage to business assets and enable the continuation or early recovery of core business operations. It sets out the activities to be carried out under normal circumstances as well as the methods and procedures for continuing business operations in an emergency.

## BS (Broadcasting Satellite)

Broadcasting satellite is an artificial satellite in the geostationary orbit designed and built for broadcast services, providing BS broadcasts.

## Beyond 5G/6G

Beyond 5G/6G refers to the next generation of wireless and wired networks after 5G to be developed by the 2030s. In 2020, Japan launched a study of this generation of networks beyond 5G, known as "Beyond 5G," under the leadership of the Ministry of Internal Affairs and Communications.

## CS (Communications Satellite)

Communications satellite is an artificial satellite in the geostationary orbit designed and built mainly for communications services. In Japan, these satellites, like broadcasting satellites, have been in use for broadcast services since 1992. The Group uses communications satellites, JCSAT-3A (128 degrees east), JCSAT-4B (124 degrees east), and JCSAT-110A/JCSAT-110R (110 degrees east), for broadcast services.

## CTV (Connected TV)

A television device linked to an internet connection via a streaming stick, game console, or other device.

## DTH (Direct To Home)

"Direct to home" refers to direct distribution of programs to households via satellite.

## FSS (Fixed Satellite Services)

Fixed satellite services is a term for satellite communications services that provide communications services mainly to fixed earth stations. On the other hand, satellite communications services that provide communications services mainly to mobile earth stations are called MSS (Mobile Satellite Services).

## Flexible Payload

Flexible payload refers to a next-generation digital satellite communications technology that enables in-orbit reconfiguration, such as flexible setting of the irradiation area by changing the beam shape, power control and redistribution, and bandwidth variations using a digital channelizer. The Group plans to begin the operation of Asia's first satellite equipped with flexible payload technology in the first half of 2027.

## FTTH (Fiber To The Home)

An access optical communications service that uses optical fiber as a transmission line to provide videos and Internet lines directly to homes.

## Geostationary Earth Orbit (GEO)

### Low Earth Orbit (LEO)

GEO is an orbital position of artificial satellites about 36,000 km above the equator. Since these satellites are synchronized with the Earth's rotation, artificial satellites in the GEO appear to be stationary when they are seen from the Earth. LEO is a low orbital position at an altitude of 1,000 km or less from the Earth's surface. Because satellites are constantly moving above the Earth compared to geostationary satellites, a satellite constellation consisting of multiple satellites must be built to provide continuous communications services.

## HAPS (High Altitude Platform Station)

A high-altitude platform station refers to a drone (unmanned communications base station) that enables the deployment of ultralow latency, large-capacity communications platform services from the stratosphere 20 km above the ground. Winds are calm in the stratosphere throughout the year, making stable flight control possible. Research and development on the stratosphere are underway as a next-generation communications platform that allows for replacement and repair of equipment as well as relocation of service areas even after operations begin.

## HTS (High Throughput Satellite)

An HTS refers to a communications satellite that allows for high-speed, large-capacity services. It can provide around 10 times the throughput of a standard conventional communications satellite by using different frequencies for adjacent spot beams and reusing the same frequency for nonadjacent spot beams.

## Glossary

### LIANA (Land-deformation and Infrastructure ANALysis)

A service for monitoring slopes on the ground and fluctuations in infrastructure by SAR image analysis.

### NTN (Non-Terrestrial Network)

A network in which the communication area is not limited to the ground, but is extended to any location in the air, sea, or space via non-terrestrial solutions such as satellites or HAPS.

### OTT (Over The Top)

OTT is a collective term for services that distribute large-volume content such as video over the Internet. Operators that provide video services directly to viewers by bypassing conventional communications infrastructure are called OTT service providers.

### Quantum Cryptography Technology

Quantum cryptography technology applies quantum mechanics, a science that illustrates the movement and behavior of minuscule substances such as light grains (photons), the smallest unit of light. This technology splits the encryption key, which is key to deciphering ciphers, encodes the bits of the key on individual photons, and sends them. This data is separate from the information that is encrypted and exchanged. It is a next-generation cryptography communication technology that ensures secure data communication.

### Right-handed circular polarization / Left-handed circular Polarization

Polarization refers to the direction in which a signal is oscillating. Right-handed circular polarization refers to a signal that oscillates in clockwise rotation, and left-handed circular polarization refers to a signal that oscillates in counterclockwise rotation. By separating the polarization into right and left, a single frequency can be used as if there were two.

### SAC (Subscriber Acquisition Cost)

Subscriber acquisition cost is the cost to acquire new subscribers. It includes advertising costs, promotion and campaign costs, and the customer center operating costs.

### SAR (Synthetic Aperture Radar)

This radar obtains information on the earth's surface by irradiating microwaves on the surface and analyzing the signals that are reflected back. As the radar can pass through clouds and volcanic smoke, it is possible to make observations both day and night.

### Satellite constellation

A satellite constellation is to link together and integrally operate multiple small-size nongeostationary satellites launched into a medium or low earth orbit. By doing so, it is possible to offer a diverse range of services to all regions across the world. Various global satellite constellations are currently being planned.

### Space-integrated computing network

Space integrated computing network refers to an independent, carbon-free, autonomous space communications network infrastructure, unaffected by disasters on Earth, which SKY Perfect JSAT Corporation and NTT are developing to realize a sustainable society. The network aims to build an ultralow power consumption, ultrahigh-speed communication, and highly secure network based on the three features of space sensing, space data center, and space RAN (Radio Access Network).

### Space Intelligence

A term coined by the Company. It refers to a new initiative to connect spaces and utilize various data acquired and collected from the spaces for the use, analysis, and provision of intelligence that people want to see and access.

### Space Debris

Space debris refers to unnecessary artificial objects orbiting the Earth's satellite orbit, such as artificial satellites that have stopped functioning after their service life or have become uncontrollable due to malfunctions, rocket components used for launches, fragments, and fine debris generated by collisions between debris. The space debris count has continued to rise every year as development and use of space enter into full swing, making remediation measures necessary. The Group is developing an approach that uses a laser to remotely irradiate space debris drifting in space and change its trajectory to enter the Earth's atmosphere.

### Spatio-i

An information service that combines data obtained from satellites, such as optical and SAR images, location information, and other geospatial information, and AI analysis customized for each area.

### Transponder

The term transponder combines the words "transmitter" and "responder." In satellite communications, it is a general term referring to communications equipment that amplifies, converts, and transmits radio waves (electrical signals) received from the ground.

### Universal NTN

A non-terrestrial network service that meets all needs, covering a broad area and boasting high capacity, low latency, safety, high reliability, and low power consumption.

### Uplink/Downlink

An uplink refers to a transmission from ground stations to communications satellites, and a downlink refers to a transmission from communications satellites to ground stations.

## Stock Information

### Basic Information

(As of March 31, 2023)

Total number of shares authorized to be issued	1,450,000,000 shares <sup>*1</sup>
Number of shares issued	297,404,212 shares <sup>*2</sup>
Fiscal year-end	March 31
Annual General Meeting of Shareholders	June
Transfer Agent of Common Stock	Mizuho Trust & Banking Co., Ltd., 1-3-3, Marunouchi, Chiyoda-ku, Tokyo 100-8241, Japan
Stock Listing	Prime Market, Tokyo Stock Exchange (Code 9412)

\*1 The Company conducted a 100-for-1 common stock split effected on October 1, 2013

\*2 On July 21, 2023, the Company issued 174,211 common shares as restricted stock compensation, reaching a total number of 297,578,423 shares.

### Major Shareholders

(As of March 31, 2023)

	Number of shares held	Shareholding ratio
ITOCHU FUJI Partners, Inc.	76,568,800	26.36%
The Master Trust Bank of Japan, Ltd. (Trust account)	27,636,200	9.51%
NTT Communications Corporation	26,057,000	8.97%
Nippon Television Network Corporation	20,891,400	7.19%
Tokyo Broadcasting System Holdings, Inc.	18,434,000	6.35%
Custody Bank of Japan, Ltd. (Trust account)	15,112,400	5.20%
BNYM AS AGT/CLTS NON TREATY JASDEC	6,943,629	2.39%
Dentsu Group Inc.	4,000,000	1.38%
THE BANK OF NEW YORK MELLON 140044	3,258,323	1.12%
DFA INTL SMALL CAP VALUE PORTFOLIO	3,084,600	1.06%

\*We own 6,933,124 shares of treasury stock, which is excluded from the above list of major shareholders. The shareholding ratio is calculated after deducting treasury stock.

### Breakdown by Shareholder Category

(As of March 31, 2023)

	Number of shareholders	% of total		Number of shares held	% of total
Financial institutions	21	0.06%	Financial institutions	46,956,500	15.79%
Securities firms	37	0.10%	Securities firms	5,058,630	1.70%
Other Japanese corporations	261	0.69%	Other Japanese corporations	155,071,497	52.15%
Foreigners	338	0.89%	Foreigners	57,361,708	19.29%
Individuals and others	37,171	98.26%	Individuals and others	26,022,753	8.73%
Treasury stock	1	0.00%	Treasury stock	6,933,124	2.33%



## Corporate Information

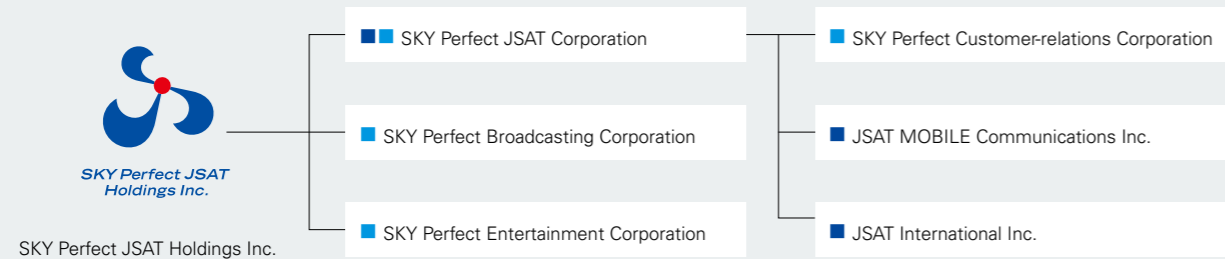
### Corporate Information

Corporate Name	SKY Perfect JSAT Holdings Inc.
Headquarters	8-1, Akasaka 1-chome, Minato-ku, Tokyo 107-0052, Japan
Telephone	+81-3-5571-1500
URL	https://www.skyperfectjsat.space/en/
Established	April 2, 2007
Number of Employees (Consolidated)	848 (As of March 31, 2023)
Capital	¥10,081 million (As of March 31, 2023)*
Stock Listing	Prime Market, Tokyo Stock Exchange (Code 9412)
Number of Shares Issued	297,404,212*
Total Number of Shareholders	37,829
Fiscal Year-End	March 31
Annual General Meeting of Shareholders	June
Payment of Dividends (Dividend Record Date)	March 31 (and September 30 for interim dividends)
Transfer Agent of Common Stock	Mizuho Trust & Banking Co., Ltd.

\*On July 21, 2023, the Company issued 174,211 common shares as restricted stock compensation, bringing the capital amount to 10,129 million yen and the total number of shares issued to 297,578,423.

### List of Major Group Companies (As of March 31, 2023)





■ Media Business ■ Space Business



### List of Major Group Companies (As of March 31, 2023)

■ Media Business ■ Space Business

Ownership includes indirect holdings.

			
Corporate Name	■ ■ SKY Perfect JSAT Corporation		
Capital	¥50,083 million		
Principal Activities	Space Business and Media Business		
Ownership	100.0%		
			
Corporate Name	■ SKY Perfect Broadcasting Corporation	■ SKY Perfect Entertainment Corporation	■ SKY Perfect Customerrelations Corporation
Capital	¥2,500 million	¥10 million	¥100 million
Principal Activities	Plans and produces content, provides technical support, and programs	Licensed broadcaster providing multichannel pay TV services via CS-110/124/128 degrees platform	Customer Center operations for multichannel pay TV broadcasting and other services
Ownership	100.0%	100.0%	100.0%*
			
Corporate Name	■ JSAT MOBILE Communications Inc	■ JSAT International Inc.	
Capital	¥375 million(Including legal capital surplus)	US\$25 million	
Principal Activities	A provider of mobile satellite communications services	Sale of satellite connections in North America, Russia, and Asia-Pacific	
Ownership	53.3%*	100.0%*	

\*The percentage of voting rights held is based on indirect ownership.

# Materiality and efforts to address ESG issues

Classification	ISO26000 Core subjects	Important themes	Important issues (materiality)	1 NO POVERTY	2 ZERO HUNGER
●	Consumer issues Community involvement and development	Building resilient broadcasting and communications infrastructure, eliminating information gaps	Provision of broadcasting and communications infrastructure to any areas and in any environment	1.5	
			Support of BCP and relief and recovery through provision of disaster-resilient broadcasting and communications infrastructure	1.5	
			Initiatives to enhance reliability and sustainability of satellite communication services through technological innovation	1.5	
●	Consumer issues	Improving the richness of life through a diversity of content	Provision of a wide range of content via broadcasting, distribution, and various subscriber interfaces		
			Promotion of content distribution by supporting entry of diverse content holders		
●	Human rights Consumer issues		Appropriate action for content involving violence, human rights, discrimination, etc.		
			Reduction of CO <sub>2</sub> emissions by promoting use of renewables and improving energy efficiency of satellites and terrestrial facilities		
●	The environment	Contributing to the environment to make a decarbonized society and recycling-based economy a reality	Support partner companies for reduction of CO <sub>2</sub> emissions		
			Appropriate disposal of industrial waste and promotion of 3Rs (reduce, reuse, recycle) <span style="background-color: #0070C0; color: white; padding: 2px;">Update</span>		
			Environmentally friendly procurement		
●	The environment	Improving the environment in space	Initiatives to remove space debris		
			Development and promotion of remote sensing	1.5	2.4
●	Community involvement and development The environment	Promoting innovation which contributes to the environment and society	Development and promotion of our non-terrestrial network (NTN) business <span style="background-color: #0070C0; color: white; padding: 2px;">Newly created</span>	1.5	
			Provision of new value through upgrades of broadcasting and communication and technological development		
●	Community involvement and development	Promoting partnerships	Exchange of human resources and technology transfer with partner companies and participation in collaborative projects and initiatives		
			Enhancement of corporate governance	1.5	
●	Consumer issues Organizational governance	Developing a strong base for management	Proactive and responsible corporate communications and dialogues with stakeholders		
			Information security and protection of personal information		
●	Human rights Labor practices Fair operating practices		Respect for human rights <span style="background-color: #0070C0; color: white; padding: 2px;">Newly created</span>		
			Acquiring and training personnel who can respond to changes in conditions and who can promote change <span style="background-color: #0070C0; color: white; padding: 2px;">Update</span>		
●	Labor practices	Activities by a diverse array of people	Achieving DE&I that encourages diverse personnel to play an active role <span style="background-color: #0070C0; color: white; padding: 2px;">Update</span>		
			Creating a comfortable and safe organization where employees mutually respect one another <span style="background-color: #0070C0; color: white; padding: 2px;">Update</span>		
●	Community involvement and development	Regional and community development	Social contribution, such as next-generation education and development of local communities		

Related 17 Goals and 169 Targets for SDGs																
3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	5 GENDER EQUALITY	6 CLEAN WATER AND SANITATION	7 AFFORDABLE AND CLEAN ENERGY	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	10 REDUCED INEQUALITIES	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	14 LIFE BELOW WATER	15 LIFE ON LAND	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	17 PARTNERSHIPS FOR THE GOALS		
	4.7				8.1, 8.2 8.5, 8.8	9.1, 9.5 9.a, 9.c		11.1, 11.2 11.3, 11.5	12.8	13.1	14.4		16.3 16.4			
				7.2 7.b		9.1, 9.a 9.c		11.5 11.b		13.1 13.2						
					8.4	9.1, 9.4 9.5		11.5	12.2 12.5	13.1						
3.3	4.2, 4.7 4.a	5.1			8.5	9.1 9.2	10.2	11.1, 11.3 11.5	12.5 12.8				16.10	17.17		
						9.2			12.8					17.17		
	4.7	5.1 5.2					10.2 10.3		12.8				16.1 16.3			
				7.2 7.3		9.4			12.5	13.1 13.2		15.1				
				7.2		9.1 9.4				13.1 13.2				17.17		
3.9			6.3		8.4	9.4			12.4 12.5	13.1	14.1	15.1				
			6.3		8.4	9.4			12.1, 12.2 12.4, 12.5	13.1 13.2	14.1	15.1				
						9.1, 9.4 9.5			12.1, 12.2 12.4, 12.5							
			6.5			9.1, 9.5 9.b		11.5 11.b		13.1	14.4 14.5	15.2	16.3 16.4			
					8.1, 8.2 8.5, 8.8	9.1, 9.4 9.5, 9.a 9.c		11.1, 11.2 11.3, 11.5 11.b		13.1 13.2	14.4			17.16		
						9.1, 9.2 9.5	10.2							17.17		
	4.7					9.2								17.16 17.17		
		5.1 5.2				9.1	10.2	11.5		13.1			16.1, 16.3 16.4, 16.5 16.7, 16.10			
					8.2				12.6 12.8				16.7			
													16.10			
		5.1, 5.5 5.c			8.5, 8.7 8.8		10.2 10.3						16.2			
	4.3 4.4					9.5										
3.4		5.1, 5.4 5.5			8.2, 8.5 8.8		10.2						16.7			
3.3, 3.4 3.8					8.5 8.8											
3.2 3.3	4.1, 4.2 4.3, 4.4 4.5, 4.6 4.7, 4.a 4.c				8.9	9.1 9.5	10.1	11.5 11.7	12.8					17.17		

\* The Group's materiality table is organized based on the ESG/SDGs matrix under the supervision of Mr. Hidemitsu Sasaya.





## **SKY Perfect JSAT Holdings Inc.**

8-1, Akasaka 1-chome, Minato-ku, Tokyo 107-0052, Japan  
<https://www.skyperfectjsat.space/en/>  
Code 9412