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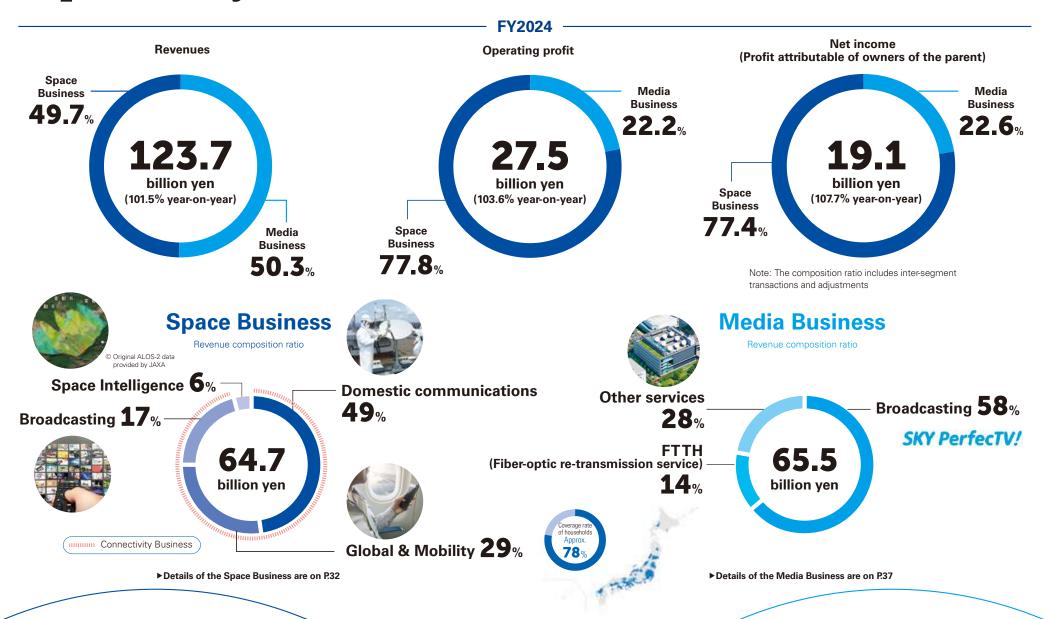


**Glossary for Understanding Our Company** 

https://en.skyperfectjsat.space/ir/glossary

#### **Businesses Overview**

## Realizing economic and social value by pursuing "Space for your Smile"



The Space Business helps eliminate the digital divide for remote islands and mobility by providing satellite communication and broadcasting services. It also supports disaster prevention, disaster mitigation, and crisis management for government agencies, local authorities, and companies that maintain lifelines. Additionally, we contribute to the safety and security of society, including national security, through information services that utilize Earth observation data. We are also working on new technological demonstrations to support the expanded use of outer space, such as satellite optical data relay and Quantum-encrypted satellite communication in space.

• Number of cumulative years in satellite operations (since 1989) (excluding third-party owned satellites)

Over 350 years

• Number of satellites in orbit (GEO, for communications and broadcasting)

Global Satellite Operator Sales Ranking

• Number of subscribers (IC numbers) for the three services of SKY PerfecTV /

2.60 million

 Number of households connected to the Fiber-optic re-transmission service

2.86 million

 Coverage rate of households using the Fiber-optic re-transmission service

Approximately 78%

(As of the end of FY2024)

The Media Business meets users' viewing needs through various transmission lines, including the multichannel pay TV service SKY PerfecTV!; optical re-transmission services for terrestrial, BS, and CS broadcasting via optical lines; and SKY PerfecTV! BANGUMI HAISHIN (online program distribution service). We are also diversifying our revenue by strengthening our B2B operations, providing solutions for CATV operators and offering facilities and technology to broadcasters and distributors.

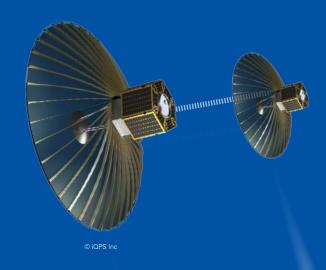
**SKY PerfecTV!** 

(M)

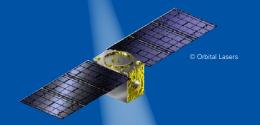
**USINES** 

#### **Business Domains**

# With Earth and space as our business domains, we connect information and emotion together in all forms



#### Pioneering Space with Lasers!



Orbital Lasers Co., Ltd. is developing its own compact, highly efficient space laser payloads. By mounting them on satellites, the Company is taking on the challenges of achieving the world's first space debris removal with lasers and realizing a satellite LiDAR constellation capable of rendering the entire globe in 3D.

Low Earth orbit

 $\sim\!\!1,000\,\mathrm{km}$ 

» Satellite data x AI: utilizing data from LEO satellites

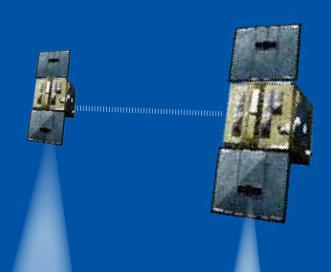
Our information services draw on various types of data that can be collected from the other operator's LEO satellites, including images and positional information, and are used in the fields of national security and disaster prevention. We are also seeking to open up new markets, in the fields of finance, insurance, logistics, agriculture, forestry, and fisheries.

**Geostationary orbit** 

36,000<sub>km</sub>

» GEO 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.



#### Atmosphere

### **10**<sub>km</sub>

» Communications for mobility: Stay connected even in the sky

We offer Internet connection services for aircraft by satellite communications, enabling passengers to use their smartphones, tablets, and computers to access the Internet while in the sky.



#### Stratosphere

## 20<sub>km</sub>

» HAPS: a relay station in the sky

In order to provide communications services to 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 mobilities, including drones, AAM (Advanced Air Mobility), and others.

#### Ground

## 0<sub>km</sub>

» Meeting diverse viewership needs through broadcasting and distribution

#### Broadcasting: **SKY PerfecTV!**

We offer one of Japan's largest multichannel pay TV broadcast services, SKY PerfecTV!.

#### Distribution: SKY PerfecTV! Program Streaming

SKYPerfecTV/ Program Streaming is a service for subscribers that allows them to watch, at no additional charge, selected products and channels they are subscribed to—those eligible for streaming—via SKYPerfecTV/, SKYPerfecTV/ Premium Service, or SKYPerfecTV/ Premium Service Hikari on their smartphones, tablets, or PCs.

» Fiber-optic re-transmission service Available Without Antenna Solving Issues for Cable TV Operators

The coverage of our TV re-transmission service, which allows viewers to watch terrestrial, BS and CS using optical fiber lines, has expanded to approximately 43.6 4million households\* in 37 prefectures, and our services for cable TV operators also have expanded.

\*Calculated based on the number of households from the Nationa Census. (as of end of March, 2025)

» Comprehensive support for video relay, production, and distribution

Our Media Solution Business support various customers, including TV stations, content providers, and video streaming platforms, in solving issues 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

Okm

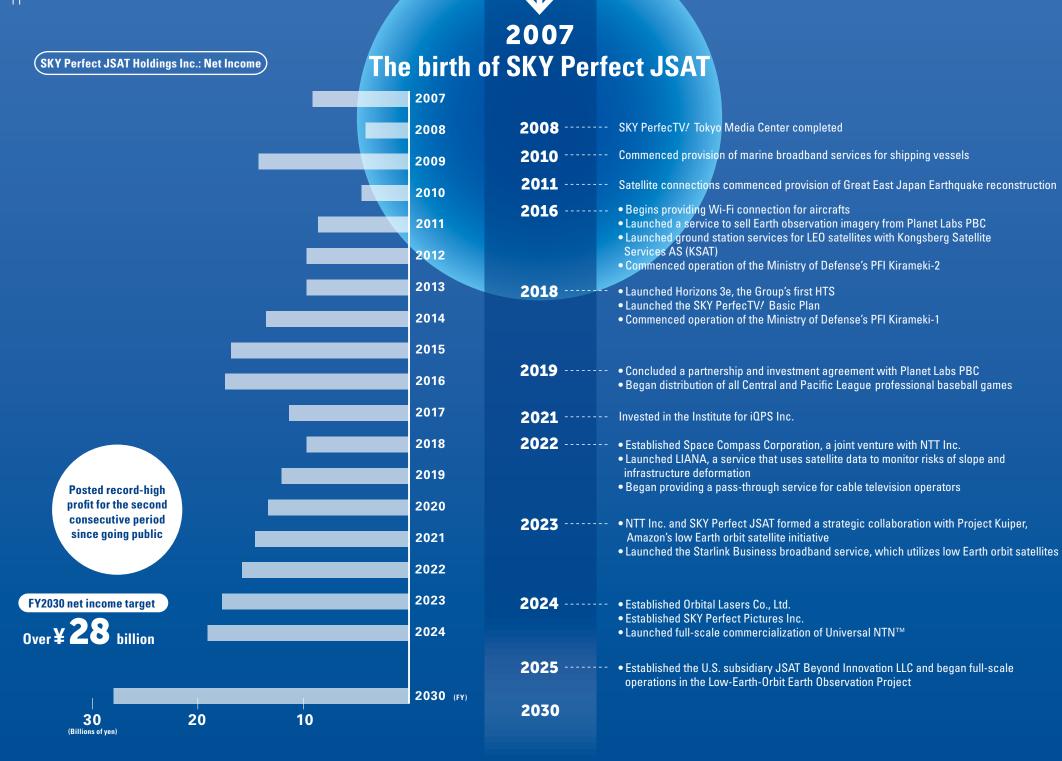
» Communications for mobility: Stay connected even at sea

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.

#### **Corporate History**

# Pioneering the Future of Space and Media through Expertise Gained from Satellite Operations and SkyPerfecTV!

#### **JSAT Corporation Space Communications Corporation** Established in 1985 Japan Communications Satellite Company, 1985 Inc. and Satellite Japan Corporation were In 2005, Space Communications established in 1985, and the two companies Corporation merged with Seiryo In 2000, the company name was changed to JSAT Corporation JCSAT-1, Japan's first private-sector \_\_\_\_\_ Superbird-A (old) MEDIA communications satellite launched Commenced a dedicated satellite communications service **SKY Perfect Communications Inc.** 1992 New Superbird-B launched SPACE 1994 DMC Planning Inc. was established in 1994. Japan Sky Broadcasting Co., Ltd. was established in 1996. Merged in 1998 and changed its name to SKY Perfect Communications Inc. in 2000. 1996 Commenced broadcasts of PerfecTV!, Japan's first-ever CS digital broadcast service (now SKY PerfecTV!) 1998 ---- Launch of "SKY Perfect TV / " Broadcast all 64 matches of the 2002 FIFA World Cup Korea / Japan<sup>™</sup> for free to subscribers Horizons-1 launched and commenced 2003 the service in the United States 2004 Began offering Fiber-optic re-transmission service Satellite Internet service for corporate customers launched in digital divide areas ------2005 Launched Esbird, a disaster prevention platform service -----2006



Stratosphere

Non-Geostationary Orbit (Non-GEO)

Geostationary Orbit (GEO)

Special Feature

Aiming to Become Your Trusted "Space Solutions Provider"

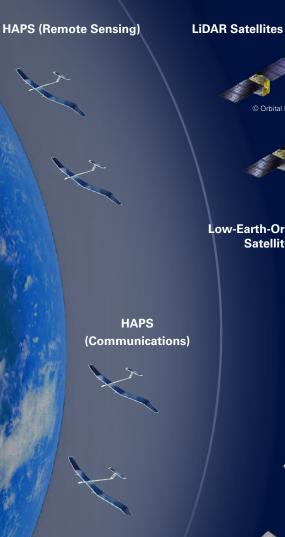
essing Challenges

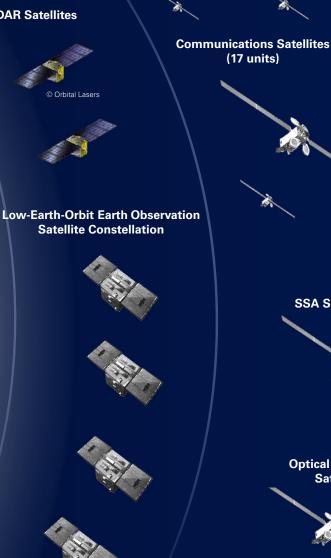
# Addressing Challenges from Space Through a Multi-Orbit Strategy

Sky Perfect JSAT is promoting a Multi-Orbit strategy that encompasses geostationary orbit (GEO), non-geostationary orbit (Non-GEO), and even the stratosphere—positioning space as its comprehensive business field. We are diversifying our owned assets, ranging from communications satellites to Earth observation satellites and space situational awareness (SSA) satellites, while expanding our business domains and enhancing our service lineup.

By strengthening our business foundation—including our accumulated technological capabilities and collaboration with partners in Japan and abroad—we are delivering space solutions that leverage the unique characteristics of each orbit to address societal challenges and meet market needs across a wide range of fields.

Sky Perfect JSAT is evolving beyond the traditional role of a satellite operator to become a "Space Solutions Provider," expanding the possibilities of space.







**Long-term Vision** 

# Space Business

By building an innovative communications network for all spaces and a global data collection network, we help to realize a super-smart society.

#### Toward the realization of the coming super-smart society

Society 5.0, a human-centered future society that balances economic development with the resolution of social issues through a system that features a high level of integration between cyberspace (virtual space) and physical space (actual space), has been proposed. Amid this trend. communications infrastructure built across multiple orbits, including outer space, is merging with Al and big data, giving rise to new industries.



**National** security

Disaster prevention **Smart city** 

**Smart** agriculture **Autonomous** driving

Others Primary, secondary, and tertiary industries

National government Municipality

Construction

Agriculture

Logistics

Healthcare

#### Promotion of the Multi-Orbit Strategy

The Space Business recognizes such innovation as a growth opportunity. We are advancing our Multi-Orbit Strategy, expanding our business field from traditional GEO including non-GEO and the stratosphere. We will also expand our owned assets beyond communication and broadcasting satellites to include Earth observation satellites and space situation awareness (SSA) satellites. Through these initiatives, our Connectivity Business aims to realize a universal communication environment that can "respond to any need, anytime, anywhere," while our Space Intelligence Business

will seek to expand services utilizing satellite data. Furthermore, to broaden the scope of our business, we will focus on new domains such as SSA. In particular, government budgets in the defense sector continue to expand, and we will strive to both contribute to National Security Field and to expand our business.

Through these efforts, the Space Business will evolve from a satellite operator to a space solutions provider, aiming for a segment profit of ¥22.0 billion or more in FY2030.

FY2030 **Segment Profit Target** 

**Long-term Vision** 

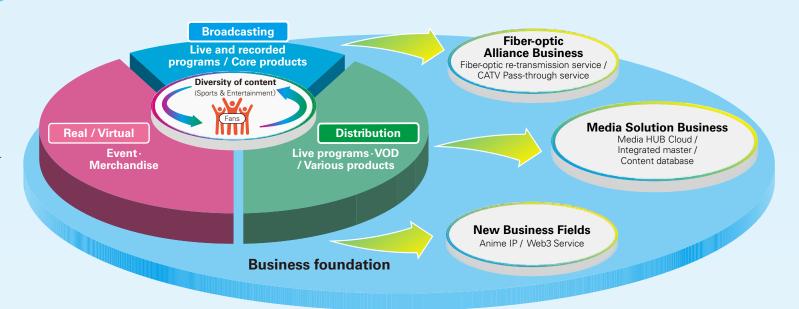
# Media Business

We contribute to realize a diverse and highly creative society as an entertainment platform that connects people, companies, and society.

Furthermore, we enhance fan experience through broadcasting, streaming, and providing physical and virtual spaces.

#### Toward the realization of a diverse and creative society

The environment surrounding multichannel pay TV broadcasting is changing significantly due to the evolution of viewing devices and the diversification of viewer needs, and competition with video streaming platforms is intensifying. On the other hand, as the global expansion of Japanese anime industry accelerates, IP businesses and others are growing rapidly and are expected to see further market expansion.



#### Promotion of the Multi-Alliance Strategy

In this environment, we have evolved our services based on our media platform, providing diverse offerings through satellites, fiber-optic lines, internet distribution, and cable television to adapt to changes in the market and customer needs. By maintaining our paid customer base in the broadcasting business and effectively utilizing our existing broadcasting and distribution assets, such as the SKY PerfecTV! Tokyo Media Center, we will advance our Fiber-optic Alliance Business and Media Solution Business. At the same

time, we will promote Multi-Alliance Strategy with all our partners, including by engaging in the global IP business centered on anime content.

Through these efforts, the Media Business will evolve from a conventional satellite broadcasting platform operator to an entertainment platform that "connects" people, companies, and society, aiming to realize a diverse and creative society as well as segment profit of ¥7.0 billion in FY2030.

FY2030
Segment Profit Target
billion yen

#### SKY Perfect JSAT Group's Value Creation Story

# Connect all information and emotion from space and Earth to deliver value to society



# 2 WHY SUCCEED 2 CAN SUCCEED



Powered by our strengths, we continue to take on future-focused challenges.



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Glossary for Understanding Our Company

https://en.skyperfectjsat.space/ir/glossary



Since my appointment as Representative Director and President in 2019, I have pressed ahead with initiatives that are mindful of shareholder perspectives. Looking ahead to 2030 and beyond, we will diversify our services in line with customer needs. In the Space Business, we will pivot from being a satellite operator to "Space Solutions Provider" through our Multi-Orbit Strategy, while in the Media Business, we will pursue the diversification of revenue sources centered on our Multi-Alliance Strategy.

#### We have just stepped up to the starting line. The real challenge begins now.

We achieved record-high profits for the second consecutive year in FY2024, and the P/B ratio has also exceeded 1.0x, but we have no intention of becoming complacent. When we work backward from the vision we aim to achieve by 2030, we have only just reached the starting line. Since I joined the Company as Senior Executive Vice President in 2018, we have placed greater emphasis on the viewpoint of shareholders and have carefully reviewed inefficient measures and low-margin projects. However, the pace of those reforms slowed due to the COVID-19 pandemic, so to be honest, we have only just arrived at this point.

We have made a major decision to take bold steps toward achieving dramatic growth in the future. Taking the future satellite communications market environment into account, we have determined that it will be difficult to achieve significant growth solely with GEO satellites. That is why we will advance a multi-layered Multi-Orbit Strategy that includes MEO and LEO, as well as the stratosphere, thereby changing tack from being a mere satellite operator to "Space Solutions Provider". Without doubt, the real challenge starts now.

## Targeting dramatic growth by 2030 through Enhancement of Revenue Base, Innovation in Strategic Businesses, and Challenge into New Business Fields

In FY2025, even though we forecast a decline in broadcasting transponder revenue in the Space Business, we will steadily grow the brisk demand for communications services for the mobility network and the Space Intelligence Business. In the Media Business, we will make up for decreased revenue from sources such as subscription fees with greater revenue from the solidly performing Fiber-optic Alliance Business. We also expect profits in both businesses to be boosted by lower depreciation expenses.

Furthermore, with a decision to make significant investments primarily in the Space Business, over the next few years, we have established a clearer forecast for improved profitability. To reflect this, we have raised our FY2030 net income target from more than ¥25 billion to ¥28 billion or more. In each business, we will implement initiatives centered on three pillars: Enhancement of Revenue Base, Innovation in Strategic Businesses, and Challenge into New Business Fields.

In the Connectivity Business in the Space Business and the Broadcasting & Video Streaming Business in the Media Business—all of which are current sources of our profits—we will aim to further enhance our revenue base by expanding the market through the deployment of next-generation satellites and maintaining our excellent customer base. As for the Innovation in Strategic Businesses, we will focus on expanding emerging new revenue stream, such as the Space Intelligence Business, where we expect strong growth due to increased government spending in the National Security Field, and the Fiber-optic Alliance Business, where earnings are steadily increasing. In challenging into new business fields, we will target long-term growth by challenging ourselves with promising new businesses, such as Space Situation Awareness Service, optical data relay, Space Debris Removal Business, and the Anime Content IP Business.

#### Key initiatives for growth

#### **Space Business**



#### Media Business



#### **Space Business strategy**

#### Shifting from reliance on GEO satellites to a Multi-Orbit approach to secure growth potential

As the competitive environment in the global communications sector grows increasingly fierce, we will break away from a model that relies solely on GEO satellites and pivot sharply towards a multi-layered Multi-Orbit Strategy. One layer of this strategy is the construction of a communications network that includes LEO satellites and HAPS, in addition to GEO satellites. This does not necessarily mean that we will build and own each of the infrastructures ourselves. Instead, we will achieve this through alliances with other companies. Another layer is to own LEO Earth observation satellites. This will allow us to meet the needs of existing customers who want high-quality, high-frequency images while expanding our information services using image data. We will evolve into "Space Solutions Provider" that offers various solution services related to space while leveraging our business foundation. We are targeting segment profit of ¥22 billion or more by FY2030.

#### Proactive and defensive satellite investments

The Space Business is an infrastructure business and a capex-intensive industry. In this line of business, we forecast the market, design satellite specifications, order satellites, and launch and operate them to create value. Our Connectivity Business for the domestic



market is the very foundation of this, providing communication services in the form of emergency backup lines for infrastructure companies like power companies, in addition to mobile phone backhaul connections. While sharp growth may not be expected in this field, it serves the public interest and steadily generates cash flow from government agencies and other organizations, as well as those customers with a stable management base, which is why we have positioned it as a business that we need to protect. On the other hand, price competition is intensifying in the Asia region and in the aircraft Wi-Fi market owing to fervent satellite communication demand, but we aim to further expand our market share by being the first to introduce competitively priced new satellites. Moreover, our investment in LEO Earth observation satellites is a proactive investment that takes on the challenge and risks of owning assets while capitalizing on the growing demand for security. We will need to secure funds for satellite replacement in the event of launch failures or on-orbit malfunctions. In order to maintain our stable revenue base and keep generating growth, we will carefully conduct demand forecasting while appropriately taking on risks to

#### I Growth driven by the Space Intelligence Business

realize the Multi-Orbit Strategy, thereby steadily expanding profits.

It is the Space Intelligence Business which will drive earnings growth through FY2030. We have been operating an agency business for about 10 years, purchasing and selling satellite image data from partner companies. However, due to the nature of this agency business model, we considered the low entry barrier to be a risk. Therefore, in February 2025, we decided to take ownership of 10 LEO satellites for Earth observation. Of course, owning assets also comes with risks. For example, the risk of launch failures. In the past, satellite launches carried significant risks. Now, however, rockets from US-based SpaceX are launched multiple times a week, and the risks have been greatly reduced, with the success rate improving to 99% or higher. Also, through years of business experience and communication with customers, we have a clear understanding of the ample demand for images. In light of the advantages of holding priority imaging rights and controlling and securing the imaging data ourselves, we have determined that it is well worth taking on the risks to pursue this challenge.

In fact, the barriers to owning LEO satellites are not high. In our case, however, we own seven ground stations capable of operating and monitoring satellites from Hokkaido to Honshu and Okinawa, which leaves no room for competitors to follow. In imagery analysis, it is also essential to have data analysts and other personnel with specialized knowledge. Considering these factors, I believe that the entry barriers are by no means low.

#### **Media Business strategy**

#### Beefing up operations and expanding into BtoB business

As our readers are probably aware, the Media Business is facing competition from video distribution services both in Japan and overseas. We are therefore further beefing up our operations to ensure profitability even as subscriber numbers decline. In addition to focusing on business fields where stable revenue can be expected, we will strategically utilize our existing management resources to strengthen our earnings structure, aiming to generate segment profit of ¥7 billion by FY2030.

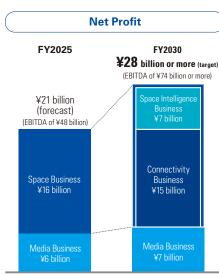
#### Switching to a revenue model that can cope with market changes

The number of SKY PerfecTV / subscribers has continued to decline since peaking in 2014–2015. However, I believe that satellite broadcasting will not disappear, as there are a certain number of regions in Japan—an island nation—that lack terrestrial channels and require satellite broadcasting. Even if the number of subscribers decreases further in the future, we will, of course, try to avoid posting losses. We also have no plans to make up for losses in the Media Business with Space Business profits. We will continue to beef up the Media Business to ensure it can generate profits on its own.

I believe that the Media Business can stably generate profits of ¥7 to ¥8 billion by recording segment profit of at least ¥5 to ¥6 billion and driving up revenue through the promotion of the Multi-Alliance Strategy with various partners, thereby expanding the Fiber-optic Alliance Business, and through the effective utilization of existing assets, such as the SKY

PerfecTV! Tokyo Media Center.

In addition to that, SKY Perfect Pictures Inc., a company that creates and produces anime that we established in April 2024, is also part of the Multi-Alliance Strategy. As the achievements of the contents business are shrouded in uncertainty, we adopted a cautious approach by minimizing risks as much as possible, and as a result, this business posted a profit in its very first year. While this is due in part to the increasing global popularity of Japanese anime, we intend to steadily build up profits, even on a small scale. We will look to diversify the sources of revenue in the Media Business by leveraging partnerships and capital tie-ups with other companies to achieve what we cannot accomplish alone.



#### **Human Resources**

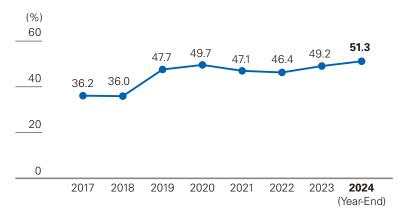
#### Providing an environment where employees can feel proud, motivated, and happy

As SKY Perfect JSAT undergoes significant transformation, priority is being placed on the recruitment and development of human capital as a driving force behind this change. In fields that require a high level of expertise, we are actively recruiting not only new graduates, but also mid-career hires. In particular, the competition for acquiring technicians has heated up, so we are reviewing salary levels to ensure they remain competitive while also aiming to improve profitability. On the other hand, to boost the motivation of young employees, we are working on fostering a culture and introducing a human resources system in which we select and promote individuals regardless of their years of service.

Most importantly, as part of our responsibilities as managers, we must provide an environment where employees can take pride in their work, feel motivated, maintain both physical and mental health, and enjoy a sense of fulfilment. While that will not happen overnight, I believe that creating an environment where employees can work with peace of mind and ensuring that the Company is perceived to be financially stable are some of the key roles of managers.

As a result of increasing the employee stock ownership plan's incentive to up to 20% of contributions in 2019, approximately half of our employees are now enrolled in the plan. Moreover, we are working to establish clear systems, such as providing employees with incentives in the form of company shares.

#### **Employee Shareholding Participation Rate Trends**



#### Governance

#### Integration of the holding company and the operating company

We have employed a holding company structure since the business integration in 2007, but from April 2026, we will merge the holding company with the operating company SKY Perfect JSAT Corporation and change the trade name from SKY Perfect JSAT Holdings Inc. to Sky Perfect JSAT Corporation. At the time of the business integration, it might have been meaningful to bring together opinions and discuss matters at the meetings of the holding company's Board of Directors, however, with 18 years having passed since the merger, we believe that rapid decision-making will be essential for the Company's future transformation. We also believe that streamlining management through faster decision-making will contribute to stronger corporate governance.

#### **Environment**

#### Bringing about a sustainable society

For over 35 years, we have been developing our business using artificial satellites powered by clean energy from solar power. Fighting climate change presents an enormous business opportunity in the development of services for our Connectivity Business and Space Intelligence Business. Our satellite communication systems utilize solar power, so they can communicate with approximately one-fifth the power consumption compared to terrestrial channels, thanks to efficient power usage, including ground equipment. We aim to achieve carbon neutrality by reducing the greenhouse gas emissions from the Group's business activities to net zero by the end of FY2025, and we are promoting the transition to renewable energy at Group companies. In FY2024, one location switched to using electricity derived from essentially renewable energy sources. We will continue to promote the transition to renewable energy and also utilize carbon credits, with the expectation of achieving carbon neutrality by the end of FY2025. Up ahead, we will continue to work on reducing our carbon footprint and minimizing environmental impacts to help bring about a sustainable society through climate change action, including initiatives in our supply chain.

#### Management conscious of the share price

#### Having the same perspective as shareholders

I personally have opportunities to engage in one-on-one dialogue with domestic and international shareholders and investors, in addition to the General Meeting of Shareholders

and quarterly earnings results briefings. I find these interactions to be enlightening and consider them a valuable opportunity to hear feedback from the stock market directly. While the feedback is harsh sometimes, I have continued to engage in dialogue since my appointment in order to demonstrate my accountability. I feel it is important to maintain the same perspective as our shareholders to ensure that we do not operate solely from a corporate logic.



Not only do I want to have this awareness myself, but I also want other executives to share the same mindset, which is why we have increased the ratio of restricted stock compensation in the remuneration system for the Company's officers. Much like the employee stock ownership plan, I think that having each officer and employee act as a shareholder and being conscious of the share price lays the groundwork for enhancing capital efficiency.

As to the share price, when I assumed office as President, it was in the ¥400 range, but it has now gone past ¥1,000, and the P/B ratio is also above 1.0x. From a shareholder's perspective, however, I realize that this can only be seen as a return to a normal state. Even though we are reporting record-high profits, our ROE is still around 7%. This is certainly not sufficient, and simply increasing ROE through technical means is not substantive either. As a capital-intensive industry, we need to maintain a certain level of cash on hand because when the lifespan of our satellites, which are public infrastructure, comes to an end, we will need to launch successors. In this regard, it is one reason why our ROE and ROA may appear inferior compared to other companies. As we turn our attention to future growth, we will carefully consider how to allocate funds and enhance our competitiveness while assessing acceptable risks, with the aim of achieving long-term stability and growth.

#### In conclusion

Of all the space-related companies in Japan, we are the Space Business Pioneers that has concretely developed and built a track record in the space industry. Nevertheless, we are still on a growth trajectory.

Going forward, we will continue to create new value under the slogan, "Our Unlimited Vision, Your Practical Value." I look forward to your continued support.

#### **Growth Market**

#### SKY Perfect JSAT's business domains are projected to continue to experience long-term market expansion.

#### Space Business

# Space Intelligence Business

In the domestic market, the Earth observation market is expected to grow to approximately ¥1 trillion by 2040.

**Domestic Market (Related to Data Utilization)** 



Social Changes and the Growing Importance of Satellite Earth Observation

#### National Security (Including Economic Security)

- Autonomous observation to counter information warfare. including in the cognitive domain
- Maritime governance and FOIP (Free and Open Indo-Pacific)
- Deepening of the Japan-U.S. alliance
- Economic and food security
- Climate security

#### **Disaster Prevention & National Resilience**

- Intensification of wind and flood damage (e.g., linear precipitation bands, localized downpours, typhoons)
- Nankai Trough countermeasures
- Aging of infrastructure

#### **Industry & DX**

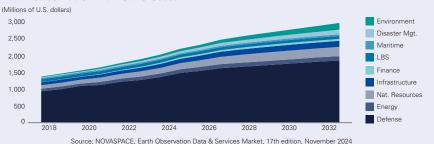
- Advancement of sensing technologies
- Utilization in the insurance and financial sectors
- Automation and unmanned operations
- Trends in digital transformation (DX)
- Al utilization

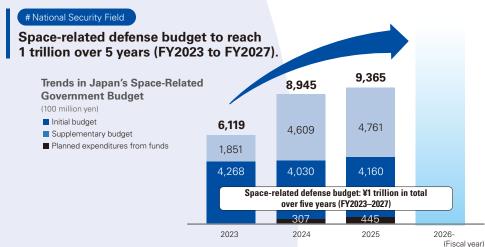
#### **Climate Crisis**

- Renewable energy
- Trends in ESG/GX (green transformation)
- Carbon credits
- Task Force on Climate-related Financial Disclosures

Source: Ministry of Economy, Trade and Industry, "METI's Initiatives and Future Direction Based on Trends in the Domestic and International Space Industry'

#### **Earth Observation Market Forecast**





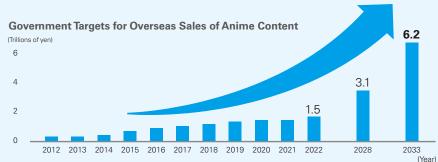
Source: Cabinet Office, "Space-related Budget in the Draft Initial Budget for FY2025 and the Supplementary Budget for FY2024"

#### Media Business

# Overseas Markets # Content Industry The Expanding Anime Content Industry

#### The overseas market for anime content is expanding, and the

government's target for overseas sales is expected to reach ¥3.1 trillion in 2028 and ¥6.2 trillion in 2033.



Source: Created by SKY Perfect JSAT based on The Japan Research Institute Limited's "JRI Review" 2025 Vol. 4, No. 122, "Supply-side Issues in Japan's Anime Industry."

#### **Management Resources**

# Our five strengths, cultivated through both the Space and Media Businesses, empower us to respond flexibly to the changing market environment.

1 Accumulated experiences and know-how

We have over 35 years of experience in global satellite procurement and operations within the space field, combined with long-standing expertise and refined operational capabilities developed through the management of the SKY PerfecTV! platform.

Number of cumulative years in satellite operations (Excluding third-party owned satellites) (since 1989):

Over 350 years

2 Human resources with diverse expertise and values

We have human resources who are experts in various fields and who have advanced specializations, identify with our Group mission of "Space for your Smile," and implement our slogan, "Our Unlimited Vision, Your Practical Value."

First-class technical radio operators for on-the-ground services:

139 / 783 employees
Chief telecommunications engineers

123 / 783 employees
\*SKY Perfect JSAT Corporation

Long-term relationships built ontrust with customers and business partners

We have established long-term, trust-based relationships with business partners across various sectors, and B2C customers through our broadcasting and distribution services.

Customer base (B2C service):

5 million

4 Facility that drives business

We own facilities that support both the improvement of profitability in existing businesses and the exploration of new business domains, along with Asia's largest number of geostationary satellites, and several communications and operations bases.

Communication and Operation bases:

7 in Japan

32 overseas

\*Including assets of other companies

5 Stable financial foundation

We are supported by a stable financial base and strong creditworthiness, which enable the capital investments necessary to achieve a net income of over 28 billion yen in FY2030.

**Equity ratio** 

69.8%

Long-term rating (JCR)

A

#### **Risks and Opportunities**

#### Risks, opportunities, and the challenges ahead

#### Awareness of the business environment

40 years since the launch of Japan's first private-sector satellite communications business, we are facing a major turning point due to rapid technological innovation and the diversification of consumer behavior.

In the Space Business, while the emergence of LEO satellites is transforming the competitive environment in the telecommunication area, the diversification and utilization of Earth observation data are also progressing.

In the Media Business, as competition with video distribution services continues, the diversification of viewing styles is opening up new business opportunities.

By recognizing these changes from both risks and opportunities, our company will respond flexibly and strategically to aim for sustainable growth in corporate value.

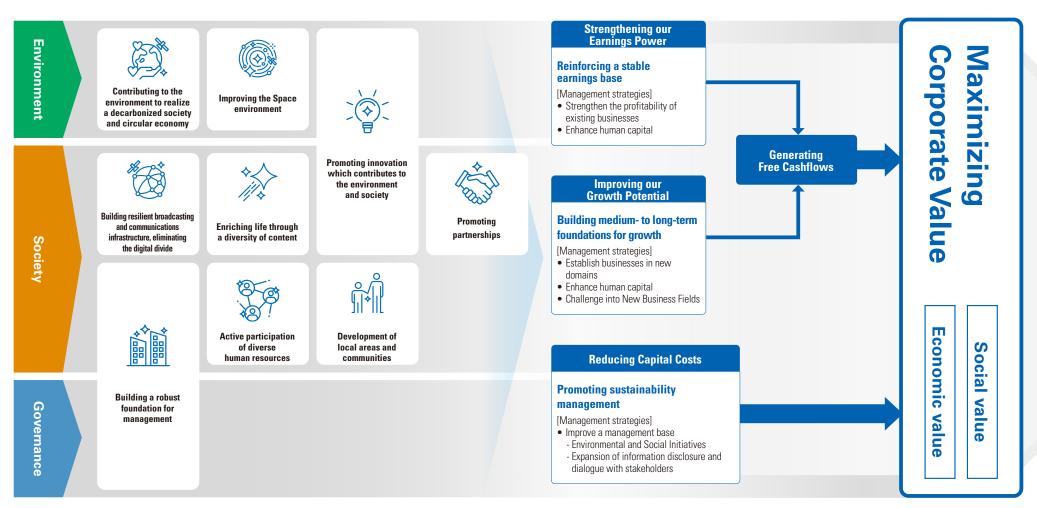
Space Business <b>♦</b> P.32	Media Business <b>♦</b> P.37	Environment <b>§</b> P.46	Social and Human Resources • P.47	Governance <b>♦</b> P.58
Increase in demand for satellite communication lines     Asia-Pacific and North American regions     In-flight connectivity     Revitalization of the global space industry and use of space     Earth observation, image analysis, and other data businesses     Expansion of space-related budgets (e.g., national security)     Development of space-based communications infrastructure for the Beyond 5G/6G era     Growing interest in the space environment (e.g., space debris)	<ul> <li>Alignment of the main target generation with the largest demographic cohort</li> <li>Thriving live entertainment market</li> <li>Increased demand for FTTH (Fiber To The Home; high-speed optical fibers)</li> <li>Increased demand for multichannel services for cable TV</li> <li>Increased demand for video distribution in the corporate sector</li> <li>Expansion of the global IP business market, such as manga and anime</li> <li>Increased adoption of Web3, etc.</li> </ul>	Increased opportunities for orders that address environmental impact with services provided by satellites with lower GHG emissions     Expansion of Earth observation satellite data and analysis information services businesses related to environmental changes associated with natural disasters and climate change     Creation of business opportunities from an increase in space debris     Improved evaluation of our satellite services due to the growing focus on a decarbonized and recycling-oriented society	Maximization of individual and organization performance with the implementation of human resources strategy     Organization revitalization and growth through stronger engagement	Medium- to long-term value creation through the implementation of management strategies     Business expansion through Mergers & Acquisitions (M&As)     Improved reputation based on stronger governance     Maintenance of and improvement in credit ratings
Intensifying price competition for satellite communication services in overseas markets     Full-scale launch of telecommunication services by LEO satellite constellation operators     Reduced use of satellite communications due to expansion of terrestrial communications networks     Emergence of country risks in overseas business     Intensifying competition in the Earth observation business	<ul> <li>Intensifying competition for subscribers and content with OTT service providers</li> <li>Diversification of free streaming content</li> <li>Popularization of terrestrial IP (simultaneous) redistribution</li> <li>Decreasing populations and reduced interest in television</li> <li>Unauthorized viewing</li> <li>Changes in consumer trends due to inflation</li> </ul>	Reception failure due to frequent typhoons and heavy rainfall     Increase in the amount of viewing fee exemptions in disaster-affected areas with the frequent occurrences of natural disasters	<ul> <li>Decreased organizational safety and security due to insufficient labor management</li> <li>Difficulty in assigning employees to appropriate positions due to elements, such as an imbalance in age composition</li> <li>Lack of future leaders due to factors, such as the decline in population</li> </ul>	<ul> <li>Increased cyber security risks</li> <li>Occurrences of losses or impairments in areas, such as business investments</li> <li>Restrictions or loss of trust due to legal violations</li> <li>Damage to sites and business interrup- tions, etc., due to large-scale disasters, new infectious diseases, and other events</li> </ul>

#### **Materiality and Corporate Value**

#### Initiatives on materiality enhance corporate value

#### I Focusing on Nine Materiality Themes

The SKY Perfect JSAT Group has identified nine materiality themes and 20 related materialities that should be addressed through its business activities. These represent our mission and purpose. To realize our vision for in 2030, we intend to strengthen our earnings power by enhancing the profitability of existing businesses while improving growth potential in the medium to long term through proactive investments in new business fields. 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.



► Click here for more details about Materiality Identification Process and ESG/SDGs Matrix Table https://en.skyperfectjsat.space/sustainability/materiality/