

Where We Stand Today

We present the status of our businesses as we work toward our envisioned future, along with initiatives to strengthen our management foundation in areas such as financial strategy, sustainability, human capital, and governance.



Where the Space Business Stands Today

Accelerating Our Transformation into a “Space Solutions Provider,” with Growth in National Security at the Core

Review of FY2025

In FY2025, the Space Business achieved growth in both revenue and profit, with revenue of ¥69.8 billion (up 7.9% year on year) and segment profit of ¥16.1 billion (up 5.6%).

Each field progressed as planned. Domestic satellite communications, including ground station services for JAXA, added ¥3.1 billion to revenue, while the Space Intelligence Business recorded a revenue increase of ¥2.6 billion.

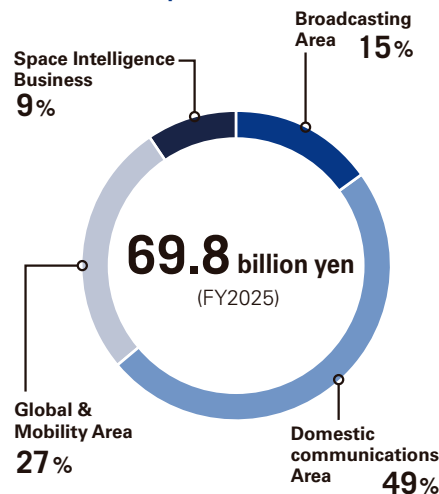
Operating income also rose to ¥24.1 billion, contributing to record consolidated profit.

Outlook for FY2026

In FY2026, we aim to achieve revenue of ¥72.5 billion and segment profit of ¥17.0 billion, with national security driving growth. By expanding the Space Intelligence Business, including the Ministry of Defense (MOD)'s “Satellite constellation project,” and commercializing new business fields, we will increase revenue in the national security field to ¥20.0 billion.

We will make substantial capital expenditures of ¥60.0 billion, exceeding the previous year's level, including investment in next-generation satellites to support these initiatives. This will strengthen our revenue base toward achieving our FY2030 targets.

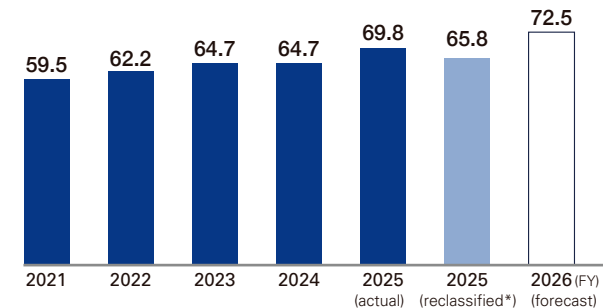
Revenue* Composition Ratio



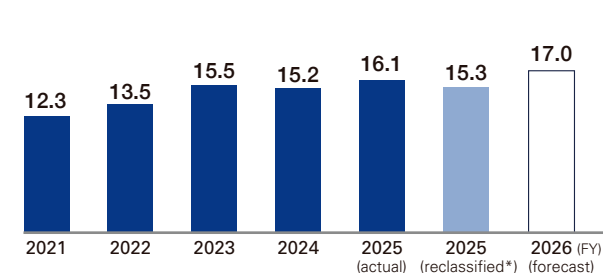
*The breakdown includes inter-segment (internal) transactions.

Financial Highlights

Revenue (Billions of yen)



Segment profit (Billions of yen)

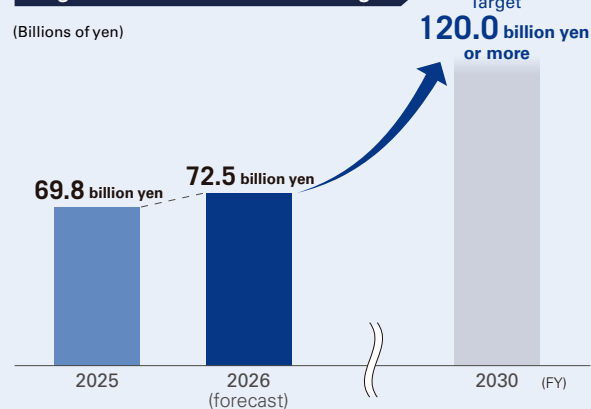


*Video Network-related Service has been transferred from the Space Business to the Media Business starting in FY2026.

Key Performance Indicators for the Space Business

	(Billions of yen)		
	FY2024	FY2025	FY2026 (forecast)
Capital expenditures	19.2	49.0	60.0
Depreciation expenses	12.4	11.1	11.4
Contract backlog (at fiscal year-end)	184.9	197.9	—

Progress Toward Our Revenue Target



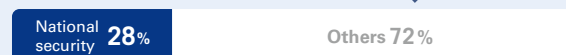
Changes in Revenue Structure

Expecting greater business opportunities in the national security field

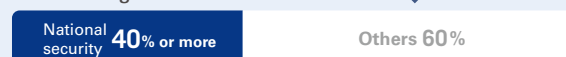
FY2025 results



FY2026 forecast



FY2030 target



Where the Media Business Stands Today

Building a Leaner Business by Leveraging Broadcasting Assets and Expanding Operations

Review of FY2025

The Media Business achieved a substantial increase in profit despite lower revenue, with revenue of ¥64.3 billion (down 1.9% year on year) and segment profit of ¥7.7 billion (up 74.3%). Although broadcasting and streaming revenue declined, strong performance in the Fiber-optic Alliance Business (Optical Fiber Based Re-transmission Service-related revenue) provided support.

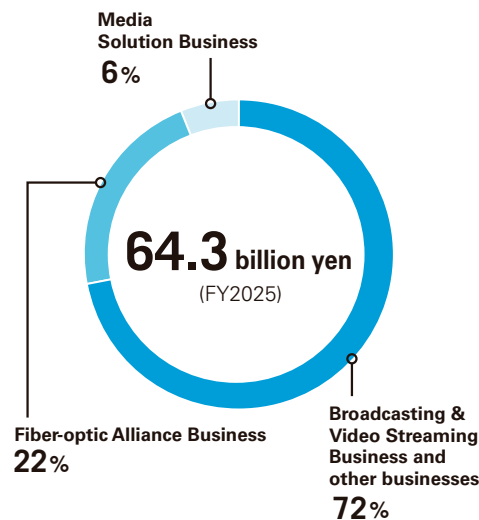
Profit increased significantly as a result of lower costs from one-time factors, including the end of Bundesliga broadcasts, as well as thorough optimization of operations.

Outlook for FY2026

In FY2026, we aim to increase both revenue and profit, targeting revenue of ¥68.0 billion and segment profit of ¥10.5 billion, driven by growth in the Fiber-optic Alliance Business and Media Solution Business. To offset declining revenue in the Broadcasting & Video Streaming Business, we aim to achieve revenue of ¥17.0 billion in the Fiber-optic Alliance Business and ¥7.5 billion in the Media Solution Business.

In the Fiber-optic Alliance Business, in addition to the effect of the increased revenue from the prices revisions implemented last year for the Optical Fiber Based Re-transmission Service, we will work on growing the number of connected households. In the Media Solution Business, we will further expand operations while optimizing operational efficiency.

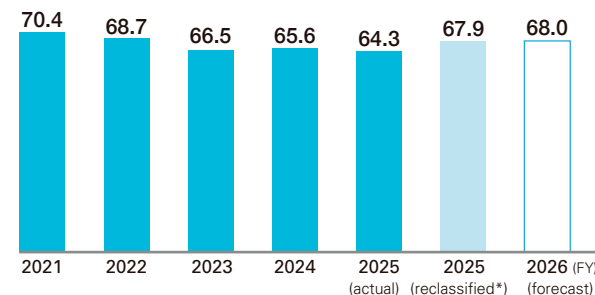
Revenue* Composition Ratio



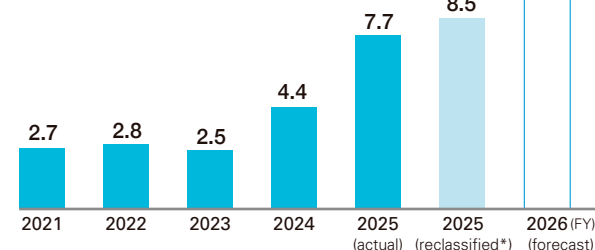
* Includes inter-segment (internal) transactions.

Financial Highlights

Revenue (Billions of yen)



Segment profit (Billions of yen)

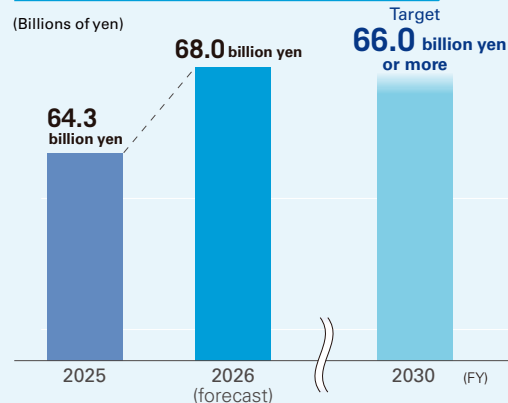


* Video Network-related Service has been transferred from the Space Business from FY2026.

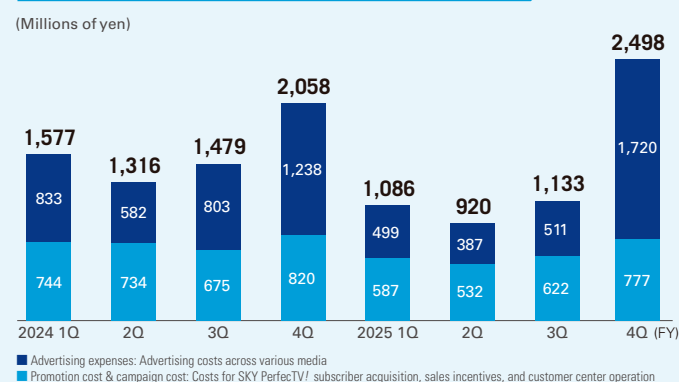
Key Performance Indicators for the Media Business

	FY2024	FY2025	FY2026 (forecast)
New subscribers (IC cards or chips: thousands)	509	511	451
Cumulative number of subscribers (IC cards or chips: thousands)	2,602	2,454	2,368
SKY PerfecTV!	1,958	1,865	1,830
SKY PerfecTV! Premium Service	583	532	485
SKY PerfecTV! Premium Service Hikari	60	57	54
Number of subscribing households of Optical Fiber Based Re-transmission Service (thousands)	2,861	2,970	3,078
Average Monthly Contractor's Payment (yen)			
SKY PerfecTV!	3,380	3,409	—
SKY PerfecTV! Premium Service	3,500	3,486	—
SKY PerfecTV! Premium Service Hikari	4,947	4,898	—

Progress Toward Our Revenue Target



SKY PerfecTV! Total Subscribers Acquisition Cost



Message from the Chief Financial Officer

We will accelerate the next stage of growth, supported by challenges, while carefully maintaining financial discipline.

Isao Kubo

Representative Director,
Vice President & Executive Officer
Chief Financial Officer



From Transformation to Growth Investment: My Role as CFO

We are transitioning into a stage of accelerating investment for growth beyond 2030. As CFO, my primary focus is on how to achieve sustainable growth and returns on invested capital.

When I was appointed CFO in 2024, I strongly felt the need to re-examine and improve how the organization uses time and money. In FY2025, which I designated as the “first year of transformation,” we closely managed budgets and discussed from a more multifaceted perspective how we should use management resources, including the quality of results and the way we conduct our work. As we continued these efforts, the organizational culture has also changed in a positive way, and we are beginning to see gradual changes in the awareness and behavior of employees.

Since last year, based on the belief that “there is no growth without investment,” we have been moving ahead with growth investments. Now that the results of our transformation are becoming apparent, I believe my role as CFO going forward is to thoroughly optimize the allocation of management resources and make disciplined investment decisions, thereby further improving the quality, rather than just increasing the quantity, of our investments. We will further strengthen our management that is conscious of the

cost of capital, and by precisely controlling how we use funds, including not only investments but also selling, general and administrative expenses, we will maximize corporate value. In FY2025, the results began to show up in the numbers. I feel a strong sense of accomplishment that our direction is correct and that our transformation has yielded tangible results.

When changing the company, it is essential that someone takes responsibility for making decisions and sees changes through to the end. As CFO, I will be responsible for capital allocation and investment decisions aimed at growth, and I will strive to balance financial discipline with business growth.

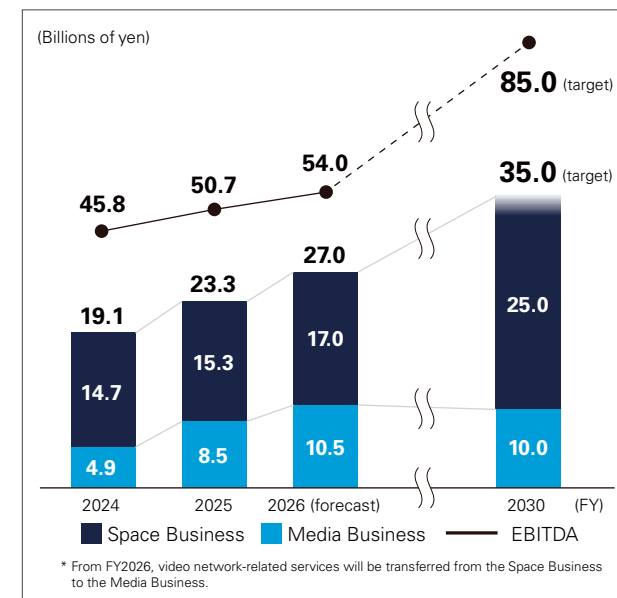
FY2025 in Review: Transformation Manifesting in the Numbers

In FY2025, consolidated revenue rose by 3.1% year on year to ¥127.6 billion, consolidated operating income increased by 28.3% to ¥35.3 billion, and net income was up by 22% to ¥23.3 billion, marking new record highs for both operating income and net income.

This is not solely due to favorable external factors such as the booming global space industry and increased government budgets for space-related activities. We believe it is the result of our transformation, which is

beginning to manifest in improved profitability. In the Space Business, we have steadily increased profits, particularly in the security field, which we have been diligently working on, while in the Media Business, the results of our revenue structure reforms have driven profit growth. In the Space Business, this includes our progress as planned in the Domestic Communications Area, including ground station services, and the Space Intelligence Business. In the Media Business, we have implemented a strategy of “selection and concentration.” We made an early decision to complete the verification process for commercialization of the Connected TV Business, and in our Broadcasting Business, we focused on promoting our flagship products that could secure long-term contracts and high ARPU, while also working to optimize operations to use funds more efficiently. We have made progress in transforming our business structure to one that can secure profits even in the face of declining revenue, and the revenue structure of the Media Business itself has changed. As a result of these initiatives, we have achieved results that far exceeded our initial expectations. Even in a challenging business environment, we want to continue to demonstrate the roles and achievements of each employee

Net Income and EBITDA (After Restatement*)



who supports our business, so that they can be proud of their work—this time through the numbers we produce.

Our EBITDA for FY2025 was ¥50.7 billion, a 10.8% increase compared to the previous fiscal year. To more clearly show the trend of our business profitability over the medium to long term, we have redefined EBITDA from a net income basis to an operating income basis (operating income plus depreciation). This is so that in the upcoming growth investment phase, we can more clearly demonstrate the earning power of the business itself, without being overly influenced by fluctuations in profit and loss due to one-off factors.

FY2026 Marks the Start of the Growth Investment Phase

We position FY2026 as a phase of aggressive investment accompanied by financial discipline, while continuing to make growth investments. Within this, we anticipate continued growth, with consolidated revenue of ¥135 billion and net income of ¥27.0 billion (¥17.0 billion from the Space Business and ¥10.5 billion from the Media Business).

Within the Group’s portfolio, we clearly position the Space Business as a medium- to long-term growth driver and the Media Business as a foundation for stable cash generation. Our management plan for FY2026 is also formulated based on this thinking. However, we do not intend to limit the Media Business to merely a stable revenue base. While it is difficult to stop the decline in the cumulative number of subscribers to our Multi-channel Pay TV service, we anticipate that the expansion of the Fiber-optic Alliance Business will outweigh the decline in revenue from the Broadcasting Business, resulting in increased revenue and profit. Looking at the Space Business, we will steadily translate the progress of our Space Intelligence Business into revenue, with growth in the security field as our main focus.

Review of Growth Scenarios for 2030

We have made upward revisions to our targets for FY2030. This is the result of numerous discussions with both business units regarding future business development and the results of revenue structure reforms, and an examination

of future growth potential. Our new targets project net income of over ¥35.0 billion and EBITDA of approximately ¥85.0 billion. This is not merely a profit target, but a roadmap toward transforming our revenue structure. We will allocate management resources with a focus on the growth area of space, while also transforming the business structure of the Media Business, thereby enhancing the profitability and stability of our entire business portfolio. The year 2030 marks a milestone in this process. Around 2030, we anticipate that revenue contributions from the operation of satellites currently being procured will become more substantial.

In the Space Business, under our Multi-Orbit Strategy, we are transforming into a space solutions provider. We will maintain a stable revenue base in the increasingly competitive Connectivity Business. Furthermore, we will shift our growth focus to the Space Intelligence Business, which utilizes analyzed satellite data and imagery for disaster prevention and national security, aiming for a segment profit of ¥25.0 billion by FY2030.

In the Media Business, which is pursuing a Multi-Alliance Strategy, we aim to maintain segment profit of over ¥10.0 billion, primarily by expanding the Fiber-optic Alliance Business and Media Solution Business.

Taking on Challenges to Unlock Greater Growth

In this upward revision, we closely re-examined the revenue forecasts for each business unit, carefully reviewing the underlying business environment and investment plans. Based on this, we requested that each business unit set goals that incorporated a certain degree of challenge, rather than continuing on the current path. As a result, we were able to confirm further growth in the Space Business and an improvement in the profit level of the Media Business. Rather than settling for conservative and small-scale, I believe in setting ambitious targets and striving to create value.

How can we establish our position and differentiate ourselves? It is essential to establish fields where only SKY Perfect JSAT can succeed. We will make the most of our equipment, technology, and years of experience, and focus on strengthening our competitive advantage with a commitment to earning trust.

From FY2027 onward, due to increased depreciation associated with the operation of new satellites, accounting profits may temporarily appear to grow more slowly. For this reason, we have positioned EBITDA as an important management KPI from this stage to indicate our earning power, and we will demonstrate that our fundamental

Capital Allocation for FY2025 to FY2027

FY2025–FY2027 Forecast			FY2026 Forecast
IN	OUT		OUT
Net Cash from Operating Activities JPY165B	Enhancement of the Revenue Base Approx. JPY140B	JSAT-31/32, Superbird-9 Ground stations, site expansion Broadcast equipment	JPY50.0B
	Innovation in Strategic Businesses Approx. JPY60.0B	LEO (low Earth orbit) satellite constellation Fiber-optic Alliance equipment	JPY10.0B
	Challenge into New Business Fields Approx. JPY20.0B	Space Compass Corporation Startup Investment	JPY10.0B
Increase in Interest-bearing Debt JPY15.0B	Shareholder Returns Approx. JPY37.0B*	Dividend Share buyback	JPY13.3B*
Use of cash on hand JPY80.0B	Total approx. JPY260B		Total approx. JPY83.0B
Total approx. JPY260B	Total approx. JPY260B		Total approx. JPY83.0B

*Amounts are on a payment basis.

profitability will steadily improve. I believe that ensuring that the capital markets properly understand and feel confident about our growth process is a form of honest communication with the market.

Supporting Sustainable Growth while Maintaining Financial Discipline

We are a space infrastructure company characterized by large initial investments and long-term return on investment.

We are currently in the middle of a large-scale investment plan totaling approximately ¥220 billion over the three years from FY2025 to FY2027. This includes CAPEX in areas such as the procurement of next-generation high-capacity communication satellites, the construction of a low Earth orbit observation satellite constellation, ground station facilities, and expansion of satellite control center sites, as well as business investments in startups and business development in pioneering areas. In the initial first year, FY2025, we executed total investments of ¥66.2 billion. For the remaining two years, we plan to invest approximately ¥70.0 billion in FY2026 and approximately ¥85.0 billion in FY2027, mainly in the Space Business.

When executing such large-scale investments, we make investment decisions after carefully evaluating the business plan, market outlook, and risks for each project, taking into account our long-term business strategy and cash flow. This fiscal year, we revised our hurdle rate from 7% to 8% due to a review of our WACC resulting from a higher risk-free rate. On the other hand, it is also important to make comprehensive judgments based on strategic significance and a medium- to long-term perspective, rather than making uniform and mechanical judgments. Investments are accompanied by uncertainty, and based on that premise, our criterion is whether we can generate a return that exceeds the cost of capital. After an investment is made, we monitor the progress of important investments by reporting and confirming the plan in Management Committee meetings and other forums. In the future, we will work even harder as a company to improve capital efficiency.

Our publicly released consolidated balance sheet and consolidated cash flow plan for FY2026 do not include external borrowings, but we intend to pursue flexible financing as needed, taking into account market conditions and our financial situation.

Even as we continue to invest around ¥70 billion annually, we will achieve sustainable growth under disciplined investment standards.

Financial discipline Equity ratio of 50% or more and Net Debt/ EBITDA of 2.0 or less	Long-term Issuer Rating <small>Japan Credit Rating Agency, Ltd. (JCR)</small> Long-term rating A → A+ Rating outlook: Stable
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(as of April 1, 2026)

Corporate Value Enhancement Conscious of the Cost of Capital

Our ROE, which was 6.8% at the end of FY2024, has improved to approximately 8% currently. We aim to raise it to around 10% in the near future through profit expansion via growth investments and the pursuit of investment returns. The key to improving ROE is steadily increasing net income. Meanwhile, our equity ratio remains high at 74%, and we have ample financial resources. Moving forward, I recognize that we must further enhance shareholder returns while comprehensively considering investment opportunities, financial condition, and stock price levels.

By comprehensively advancing initiatives such as proactive growth investment, enhancing shareholder returns, flexible fundraising, raising the hurdle rate, and management based on ROIC, we aim to practice management that is conscious of the cost of capital and stock price and meet the expectations of our shareholders.

Investment in Human Capital

We are currently in an investment phase where we are leveraging each achievement of our transformation to drive growth. The human capital that supports this is the foundation for creating corporate value. It is the responsibility of management to create an environment where officers and employees feel pride and fulfillment, and where they can achieve physical and mental well-being and a sense of accomplishment. On top of this, in the Space Business, advanced expertise in areas such as satellite communications and image analysis is essential, and in the Media Business, new skills are required as our focus areas

change. In these fields, human resources themselves are directly linked to our competitiveness. Spending on human resources is not a cost, but an investment that generates medium- to long-term returns. Just like investment in satellites, investment in human resources is also a long-term one. Based on this idea, in addition to strengthening recruitment of new graduates and experienced professionals, we are also promoting reskilling and enhancing training opportunities.

We place particular emphasis on developing leaders who can drive change. Our selective Change Leader Program, targeting division and department general managers, lasted six months and included a retreat. The goal was to cultivate in participants the ability to forge a path to an uncertain future, driven by strong will and without being bound by the past. Furthermore, we provided training for the executive officers who supervise the participants, allowing them to step away from their daily work and re-examine their life and management perspectives amid Mongolia's magnificent natural environment. This was to help them acquire and strengthen the perspectives and core values necessary for management personnel capable of making decisions even in highly uncertain environments to further develop them as strong change leaders. This year, we also appointed female executive officers, and we hope to increase the number of such role models.

We view the next few years as a critical period of transformation that will shape our future. We will achieve sustainable value creation through proactive investment in human capital.

Balancing Growth Investments and Shareholder Returns

While focusing on investments for growth, we have enhanced our shareholder return policy by setting the dividend payout ratio at 50% or more from FY2025, in order to return profits to our shareholders over the long term. Based on this, the dividend forecast for FY2026 is ¥48 per share annually, an increase of ¥6 from the previous year. As a result, the cumulative shareholder returns for the five years from FY2022 to FY2026 are expected to exceed ¥50 billion, surpassing the ¥40 billion promised at the beginning of FY2022. We will be in the execution phase of large-scale growth investments until FY2027 and continue to return

profits to shareholders in accordance with our dividend policy during that time. Regarding share buybacks, we will make flexible decisions while determining the right timing. We recognize that balancing growth investments and shareholder returns is what will lead to the improvement of corporate value over the medium to long term.

As a measure to align our perspective with that of our shareholders, we have further increased the proportion of restricted stock in officer compensation. This also represents our commitment to thinking long-term from the same perspective as our shareholders to enhance corporate value.

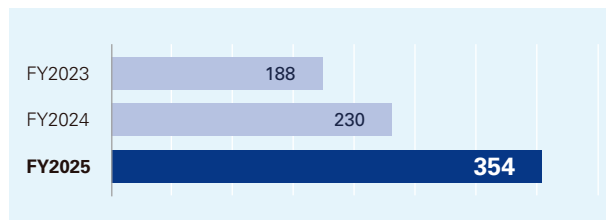
In addition, to foster among employees an awareness of management that is mindful of the Company's stock price, we have introduced a new restricted stock grant system for employees. Granting restricted stock is a very effective way to reinforce the awareness I always convey to our employees that we are conducting business with funds entrusted to us by our shareholders. By strengthening engagement with the organization and fostering an attitude of facing the company's growth from a long-term perspective, we will strive to further enhance corporate value.

Turning Dialogue with the Market into a Management Strength

In FY2025, we had the opportunity to engage in dialogue with many investors both domestically and internationally. The number of one-on-one IR meetings with institutional investors increased 1.5 times compared to the previous year. We feel that we have attracted the interest of more shareholders and investors than before—something we are truly grateful for.

Dialogue with our shareholders and investors is an important opportunity to improve the quality of our management. We sometimes receive critical opinions that are difficult to hear, but we believe that such insights are invaluable. In particular, we have received many opinions on capital allocation, shareholder returns, and the growth potential of the Space Business. We frankly provide these opinions and requests to the Board of Directors and reflect them in improving our management strategy and disclosures.

Number of Interviews with Institutional Investors



With increased stock trading activity and higher liquidity, we are seeing a growing interest in our company among individual investors. I have increasingly heard firsthand about their expectations for the Space Business at company briefings for individual investors. We are encouraged by these voices and will strive to improve our communication and disclosures to make our efforts more accessible and encouraging.

While we venture into the unknown realm of space, we are not a company that only talks about dreams. For 40 years, we have steadily built a solid business and consistently generated profits. We believe that our value lies in this stability and track record. It is this business foundation that makes it possible to execute large-scale investments toward 2030. We will demonstrate the results of these investments as steady growth and returns, and meet the expectations of those who entrust their capital to us. As CFO, I will utilize the capital entrusted to us from our shareholders and investors by executing growth investments based on financial discipline, thereby contributing to the sustainable enhancement of corporate value.

We will continue to engage sincerely with everyone in the market to ensure that SKY Perfect JSAT continues to be a preferred investment destination.

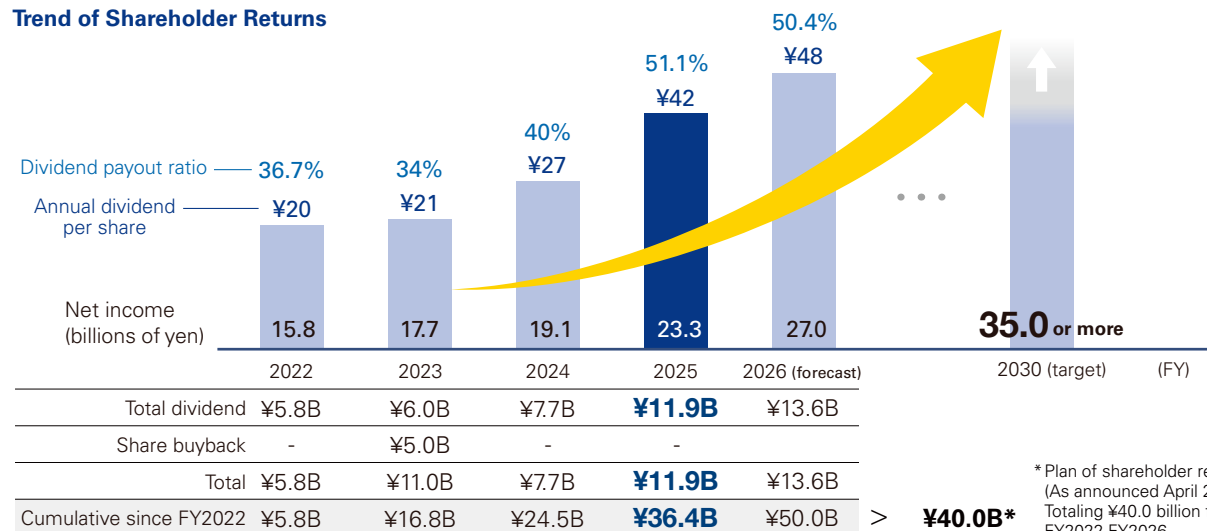
Basic Policy on Shareholder Returns

While pursuing aggressive business development, our basic policy is to return profits to our shareholders over the long term and comprehensively, with a consolidated dividend payout ratio of 50% or more and an annual dividend of ¥38 or more per share.

Changes in Dividend Policy (effective from FY2025)

Dividend payout ratio **50% or more** | Annual dividend per share **At least ¥38**

Trend of Shareholder Returns



* Plan of shareholder returns
(As announced April 28, 2022)
Totaling ¥40.0 billion for
FY2022-FY2026

Sustainability Management

Based on the Group mission “Space for your Smile,” the SKY Perfect JSAT Group is advancing sustainability management with the aim to realize a sustainable society and enhance corporate value over the medium to long term.

Basic Approach

The Group believes that for all spaces to be filled with smiles, it is essential that the Earth, society, and outer space—realms where every individual is involved—become a better world. Through its business activities, the Group addresses materiality topics related to the SDGs and ESG.

The Group acts appropriately by giving full consideration to the impact of its business activities not only on the Group itself but also on stakeholders throughout its supply chain, particularly with regard to climate change, environmental issues, and respect for human rights, while also striving to build trust through dialogue as a company that continues to be chosen.

In these initiatives, each materiality topic has been defined with targets and KPIs that look ahead to the Group’s vision for 2030 and beyond. These serve as a common foundation for the Group in realizing value creation through business development. To achieve the defined materiality topics, an annual activity plan is formulated, and the PDCA cycle is implemented. At the middle and end of the period, performance reviews are conducted across the entire Group to check the progress and challenges of targets and KPIs, thereby improving effectiveness.

Furthermore, the Group reviews and adds to its materiality topics as needed in response to requests from stakeholders and revisions to its business vision and strategy.

Governance Structure

The Group has established a governance structure for sustainability centered on the Sustainability Committee (chaired by a person appointed by the Unit President, Corporate Administration Unit, and committee members selected from each unit, including executive officers). The Sustainability Committee formulates overall policies and targets related to sustainability, assesses and evaluates the implementation status of various measures, and regularly reports to the Management Committee and the Board of Directors. A system is in place whereby the Board of Directors receives reports from the Sustainability Committee and provides appropriate supervision. Important matters, such as the formulation of overall policies and targets, are deliberated by the Management Committee and submitted to the Board of Directors, where they are discussed and resolved.

Regarding sustainability risks and opportunities, relevant organizations, led by the Corporate Planning Division, which is responsible for formulating strategies and action plans to achieve materiality topics, collaborate to perform their respective identifications and evaluations, and to consider and implement measures. The Sustainability Committee is responsible for implementing materiality topics related to the environment, including climate change, and human rights, as well as their associated targets, and works on sustainability governance in collaboration with various divisional organizations and Group companies. In addition, the Risk Management Committee (in principle, semi-annually) identifies, assesses, and appropriately manages the various risks surrounding the business, striving to prevent and reduce them.

Activities in FY2025

The Group positioned the Environment, Human Capital, Human Rights, and Suppliers as focus areas and advanced relevant initiatives, resulting in the Group largely achieving its materiality targets for FY2025.

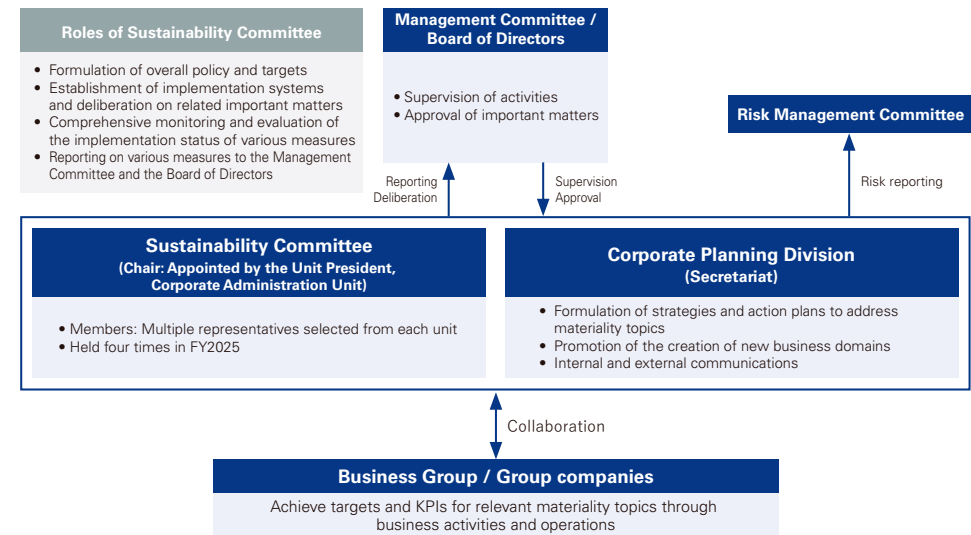
In terms of the environment, the Group has been promoting initiatives to reduce greenhouse gas (GHG) emissions with the goal of achieving net-zero Scope 1 and Scope 2 emissions by FY2025. In

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Governance Structure



addition to promoting the Group-wide transition to electricity derived from effectively renewable energy, the Group used carbon credits and other methods to offset residual Scope 1 and 2 emissions that are difficult to reduce, thereby achieving its target of net-zero Scope 1 and Scope 2 emissions and carbon neutrality.

Regarding human capital, SKY Perfect JSAT Corporation implemented revisions to its personnel system aimed at creating and empowering human resources who can drive change. Furthermore, the Company positioned health and productivity management as one of the foundational measures for strengthening human capital, and developed a health and productivity management strategy map and promoted initiatives to enable each employee to work with a smile, in good physical and mental health. In addition, the Company was certified as an Outstanding Organization of KENKO Investment for Health again in 2026.

Regarding human rights, as part of preventative and mitigation measures for critical human rights risks identified through human rights due diligence, the Group conducted a human rights survey of its business partners to understand the status of human rights compliance within its supply chain. The Group also conducted human rights training for all employees in the Group (100% participation rate).

For suppliers, the Group continuously conducted procurement surveys with key suppliers based on the Supplier Sustainability Guidelines, and the Group worked to assess the status of their sustainability initiatives and encouraged improvements through dialogue.

In recognition of these initiatives, the Company was selected again in FY2025 as a constituent of leading ESG investment indices including FTSE4Good Index Series, FTSE JPX Blossom Japan Index, and FTSE JPX Blossom Japan Sector Relative Index.

Activity Plan for FY2026

In FY2026, the Group intends to continue steadily executing its plans for each organization to achieve its materiality targets and KPIs. Led by the Sustainability Committee and the Corporate Planning Division, the Group will monitor social conditions to further improve the effectiveness of its sustainability management.

Initiatives for the Environment

The Group will continue to pursue carbon neutrality for Scope 1 and 2 emissions and reductions in Scope 3 emissions while advancing both climate change mitigation and adaptation. At the same time, the Group aims to contribute to maintaining and improving the space environment, and to realize a sustainable future both from the ground and in space.

Approach to Environmental Initiatives

The SKY Perfect JSAT Group has identified “Contribute to a Sustainable Environment” as a material topic. Recognizing that responding to environmental issues including climate change and biodiversity is a key management issue, the Group aims to both reduce environmental impact associated with its business activities and contribute to addressing environmental challenges through its business. In addition to analyzing and disclosing information on the financial impact of risks and opportunities posed by climate change in accordance with the TCFD recommendations, the Group is also working to identify its nature-related dependencies, impacts, risks, and opportunities in accordance with the TNFD recommendations. Through these initiatives, the Group will contribute to the realization of a sustainable society and the enhancement of environmental value.

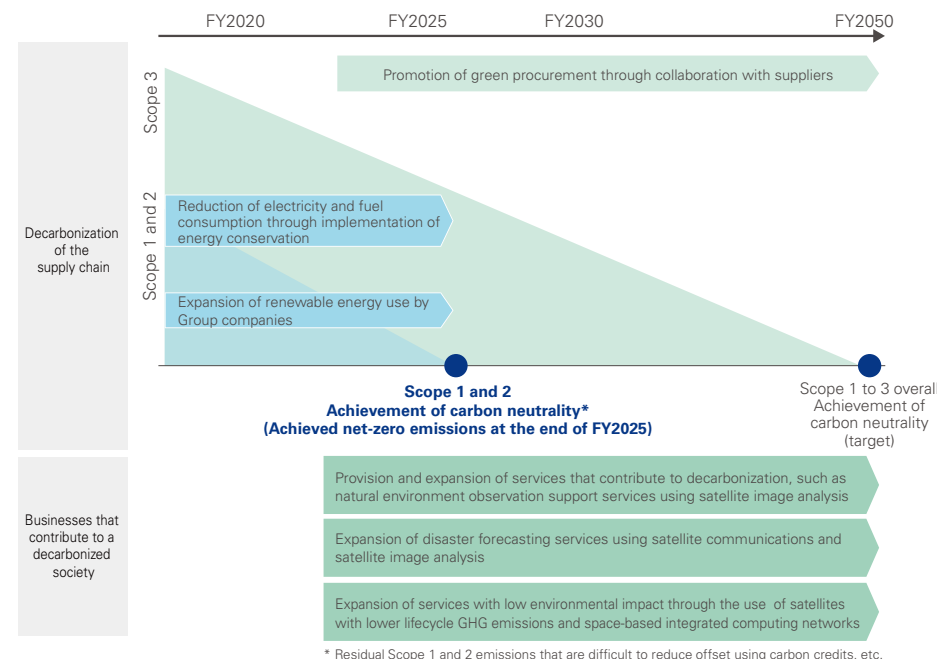
► See [here](#) for more information on TCFD and TNFD

Climate Change Initiatives

The Group has been promoting initiatives to reduce greenhouse gas (GHG) emissions with the goal of achieving net-zero Scope 1 and Scope 2 emissions by FY2025. In addition to promoting the Group-wide transition to electricity derived from effectively renewable energy, we used carbon credits and other methods to offset residual Scope 1 and Scope 2 emissions that are difficult to reduce and achieved carbon neutrality for Scope 1 and Scope 2 in FY2025. Going forward, we will maintain net-zero Scope 1 and Scope 2 emissions while working to reduce GHG emissions throughout the value chain, including through collaboration with suppliers, with the aim of achieving carbon neutrality for Scopes 1 to 3 overall by 2050.

Through these initiatives, we will achieve both a reduction in environmental impact associated with our business activities and the growth of businesses that support the transition to a decarbonized society, thereby contributing to the realization of a sustainable society.

Roadmap to Carbon Neutrality



GHG Emissions Performance Trends (Unit: t-CO₂)

The Company and its consolidated subsidiaries	Indicator	FY2022 ¹	FY2023	FY2024	FY2025
	Scope 1	51	47	31	42
	Scope 2 (Market based ²)	5,720	526	107	78
	Total	5,771	573	138	120

Notes: 1. FY2022 figures for Scope 1 and 2 exclude overseas sites and consolidated subsidiaries outside Japan.

2. Figures are calculated using effectively renewable energy, achieved through the use of non-fossil certificates and renewable energy certificates, in line with the GHG Protocol approach. In FY2025, we achieved carbon neutrality for Scope 1 and Scope 2 emissions by offsetting 120 t-CO₂ of residual emissions using carbon credits and other measures.

Credibility of Carbon Credits Supported by Satellite Data Investment in Green Carbon, Inc.

Earth observation satellites can observe changes on Earth that are difficult to detect from the ground over a wide area from space using consistent standards. One area where this technology is being utilized is the carbon credit market.

Carbon credits quantify how much greenhouse gas is absorbed and reduced through methods such as forest conservation in a system that enables trading. This system is attracting global attention as a means of achieving decarbonization and net-zero emissions.

With its strengths in high-precision Earth observation satellite data and analysis technology, the Company will work to increase the credibility of the carbon credit market, beginning with its investment in Green Carbon, Inc., a company engaged in nature-based carbon credits projects.

Initiatives for Society

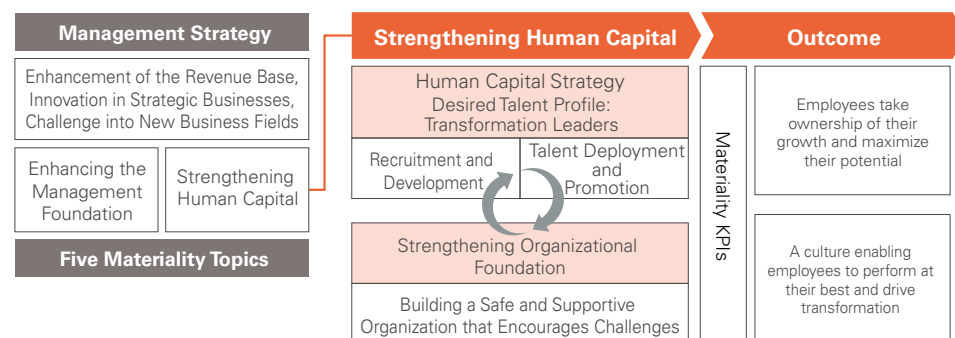
With the aim of realizing both sustainable growth in corporate value and solutions for social issues, the SKY Perfect JSAT Group positions engagement with society, including our human capital, as a key management issue.

The Group aims to be a company that continues to grow together with society by strengthening the human capital that underpins our business activities through the development of an environment that enables each employee to actively participate, promotion of Health and Productivity Management, and advancement of Diversity, Equity, and Inclusion (DE&I).

Basic Approach to Human Capital

The Group regards our human capital as the source of our competitiveness and as the most important management resource underpinning sustainable growth in corporate value. The Company operates the Space Business and the Media Business in an environment that constantly requires continuous transformation due to such factors as acceleration in technological advancements, increasing sophistication of business structures, and diversification in customer needs. In such an environment, we believe it is essential to enhance the capabilities of our human capital and organization to drive transformation over the medium to long term in order to strengthen our ability to execute business strategy and realize sustained growth into the future.

Strengthening the Human Capital that Underpins the Realization of Management Strategy



Human Capital Strategy

With an eye on the changes in our business portfolio and future growth areas, the Group strives to recruit and develop “Transformation Leaders” who proactively drive business and organizational transformation while continuously learning and taking on new challenges in a rapidly changing business environment. The Group encourages behavioral change through development initiatives for each level and role and works to enhance company-wide capabilities to drive transformation, while promoting talent deployment and early promotion aligned with business strategy through the visualization of skills and experience.

Recruitment and Development/Talent Deployment and Promotion

- Revision of the Personnel System and Capability Development Programs to Develop Transformation Leaders and Enable Them to Drive Transformation –

SKY Perfect JSAT Corporation aims to recruit and develop “Transformation Leaders” who view changes in the business environment as opportunities for growth and proactively drive business and organizational transformation with a strong sense of ownership.

As a symbolic initiative, the Company expanded the selective leadership development program introduced

last year. Through the “Change Leader Program” for Group President and General Managers, which was also conducted last year, the Company aims to develop next-generation leaders who grasp the Company's current position and future direction from a management perspective and act with strong conviction and a sense of ownership.

The program is structured so that each participant examines their own core values through dialogue with management leaders from within the Company and external instructors, assignments, introspection, peer coaching, and one-on-one coaching and channels this process into action aimed at transformation.

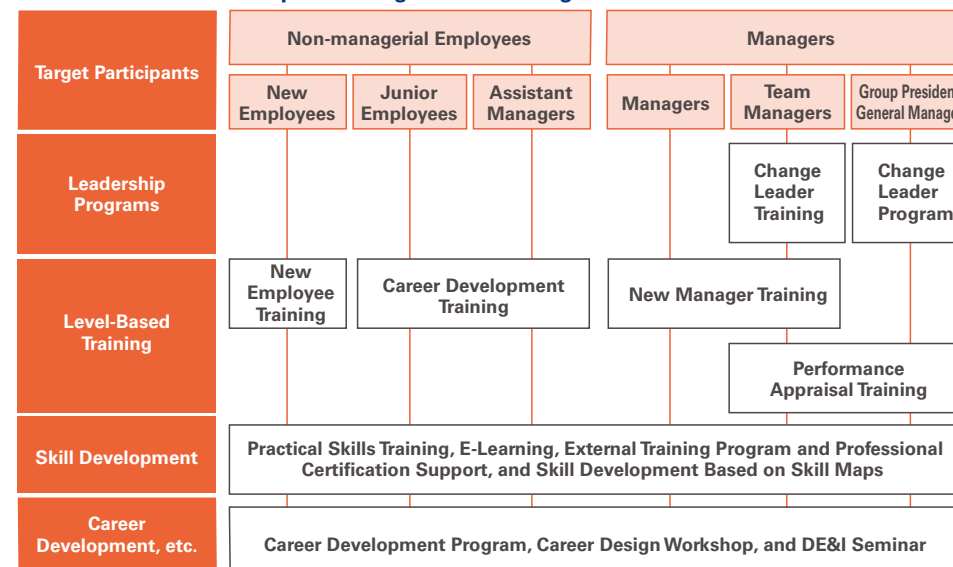
This fiscal year, the Company is expanding the program to include officers and team leaders in addition to division and department general managers to foster a sense of ownership for transformation among the key personnel at each level while also integrating development, talent deployment, and promotion by linking the program to subsequent career planning, assignments, and monitoring.

Moreover, through the revision of our personnel system in April 2026, the Company reviewed the grade, evaluation, and compensation systems to foster and appropriately evaluate employees who take on challenges.

By advancing toward a system that evaluates challenges and results more appropriately and rewards employees based on their role and performance, the Company will use the outcomes of our talent development programs to drive growth and an increase in corporate value.

► Click [here](#) for more details about Recruitment and Development, and Talent Deployment and Promotion initiatives

Level-Based Skill Development Programs for Change Leaders



Building a safe and supportive organization that encourages challenges

The SKY Perfect JSAT Group is working to develop an environment that enables each individual employee to work with confidence, both mentally and physically, and reach their full potential. The Group positions Health and Productivity Management as a key foundation for this, and is establishing an environment that enables employees to concentrate on their work with peace of mind, while promoting the development of an organizational culture that respects diverse values and working styles and encourages new challenges. In FY2025, the Group formulated a Health Management Strategy Map to promote the related measures while visualizing how each one is connected to the intended outcomes of Health and Productivity Management.

The Company aims to create an environment with a high level of psychological safety in which employees respect each other, enabling the human capital developed and secured through its Human Capital Strategy to reach their full potential. The Company will realize this by promoting more active communication through measures such as raising awareness via compliance training, building trust through one-on-one meetings between managers and team members, and implementing improvement activities for individual organizational units based on the results of organizational assessments (engagement surveys).

Promoting Health and Productivity Management

The SKY Perfect JSAT Group positions Health and Productivity Management as one of its key management issues, and is committed to maintaining and improving the health of each and every officer and employee based on the SKY Perfect JSAT Health and Productivity Management Policy.

SKY Perfect JSAT Health and Productivity Management Policy

The SKY Perfect JSAT Group, as a company that brings smiles to all “spaces” and people on Earth, in space, and in the society of future, places great importance on working with a smile and maintaining the physical and mental well-being of its employees.

To this end, we will actively promote Health and Productivity Management and support the health and well-being of each and every officer and employee.

Eiichi Yonekura

Representative Director, President & Chief Executive Officer

In FY2025, the Group formulated a Health Management Strategy Map and implemented initiatives aimed at “developing self-directed individuals” and “creating an environment that enables employees to perform at their best” as set out in its Health and Productivity Management policy. Going forward, the Group aims to realize sustainable enhancement of corporate value by promoting initiatives to address identified health issues, maintaining and improving the health of employees, and fostering a more vibrant organization.

► Click [here](#) for more details on the Health Management Strategy Map

Active Participation by Diverse Human Capital Through Advancement of Diversity, Equity, and Inclusion (DE&I)

SKY Perfect JSAT Corporation is creating an environment that accommodates diverse working styles, promoting the active participation of women and senior employees, and expanding mid-career recruitment. The Company respects diversity in values and experiences in addition to attributes such as nationality, gender, and age, and aims to create an environment where each individual can reach their full potential. The Company is working to promote understanding through human rights and DE&I training, as well as the distribution of a DE&I handbook, while also striving to foster an organizational culture that respects diverse values and experiences through such initiatives as holding a DE&I workshop on the theme of cross-cultural understanding. In addition, the Company is promoting the development of an environment that enables diverse human capital to thrive by supporting employees in balancing work with caregiving responsibilities and promoting the employment of people with disabilities, among other measures.

Engagement Indicator

The Company positions “employee engagement” as a key KPI in order to promote the creation of an organization in which employees can take on challenges while working with confidence, and conducts an anonymous engagement survey of all employees every year. The most recent positive response rate was 68.6% (up 0.2 percentage points from the previous year), showing a steady increase. The Company is using the survey results to take concrete actions aimed at making its organization better, such as holding one-on-one meetings and improving the working environment.

The Company introduced an employee stock ownership plan as part of its employee benefits program and as part of its support for employees in building financial assets. Employees can steadily purchase Company shares through contributions from their salaries and bonuses, and the Company provides an incentive equivalent to 20% of the amount contributed. In addition, the Company introduced an allotment plan for restricted shares through the employee stock ownership plan to encourage employees to adopt a shareholder perspective. As a result of these initiatives, the participation rate in the employee stock ownership plan stood at 91% as of July 31, 2026. In FY2026, 50 restricted shares were allotted per person.

Employee Engagement

		End of FY2021	End of FY2022	End of FY2023	End of FY2024	End of FY2025
Percentage of employees with a high level of engagement	Permanent and contract employees	64.4%	66.4%	67.1%	68.4%	68.6%
Participation rate in the employee stock ownership plan	Permanent employees	47.1%	46.2%	49.2%	51.5%	53.8%

► Click [here](#) for more details on initiatives for society and human capital



Speakers (from left): Hiroko Kamo and Nao Shigenari

Human Capital Strategy Session

Women's Career Session Supports Female Employees in Taking Ownership of Their Careers

SKY Perfect JSAT Corporation is fostering an environment where diverse talent can perform at their best by leveraging their respective strengths. As part of this initiative, we held a Women's Career Session for female employees in August 2026, with approximately 40 participants.

The session was designed to give female employees an opportunity to broaden their perspectives and take ownership of their career development. Executive officers Hiroko Kamo and Nao Shigenari discussed career development, decision-making at work, and work-life balance based on their own experiences. In a dialogue format, they candidly shared their experiences and values, including career challenges and turning points and how they have approached major life events.

Kamo explained that when making decisions, she values considering the background and root causes of an issue, as well as addressing the immediate problem. Shigenari noted that she places importance on building mutually comfortable relationships, and that consistently acting with integrity builds trust.

The speakers also reflected that, although they had felt some anxiety before becoming managers or executive officers, once in those roles they found it rewarding to contribute to greater value creation while taking a view of the organization as a whole. They also highlighted the importance of leading an organization in a

way that enables each team member to make the most of their strengths.

Discussing career turning points, Kamo described an experience that marked a major turning point for her and emphasized the importance of "trusting in the opportunities others entrust to you and taking on the challenge." Shigenari reflected that her setbacks and challenging experiences had led to growth and spoke about the importance of embracing new opportunities without limiting her own potential.

They also shared the view that, in balancing work and personal life, it is important to find one's own ways to switch gears and recharge with the support of family and those around them. Their advice to younger employees included "developing a deep understanding of the work you are responsible for" and "taking on opportunities when they arise rather than worrying excessively about the future."

Participants commented, "Hearing about the challenges they faced in their careers and the principles they value, topics I rarely have the opportunity to hear about, was extremely helpful in thinking about my future work and career" and "Learning about the experiences and thinking that brought these female officers to where they are today motivated me to think about my own future career." The session provided an opportunity for participants to take ownership of thinking about their careers.

Column

Supporting Learning for the Next Generation with Thales Japan

The Company participated in the Space, Earth, and Environment Learning Event, a sustainability activity held on Sunday, November 23, 2025, for children living in a children's home by Thales Japan K.K. and Thales DIS Japan K.K. (collectively, "Thales Japan"), our suppliers of geostationary satellites, as part of the Thales Solidarity program.

We gave a lecture on space and satellites, introducing how satellites work and the possibilities of space through quizzes. The children deepened their understanding while having fun and developed a greater interest in space, science, and technology.



Lecture at the children's home

Supporting Learning Opportunities for the Children Who Will Shape the Future in Ginoza Village

The Company held an antenna tour for fifth- and sixth-grade elementary school students in Ginoza Village, Okinawa Prefecture. Using our newly installed satellite communications antenna in the village, the initiative aimed to deepen local children's understanding of space and satellite communications and broaden their future career options.

On the day, our employees introduced our business and guided students on an antenna tour, using quizzes about space to engage students and deepen their understanding of how satellite communications support society. We also provided an opportunity to experience a real working environment, including watching the antenna move as it was remotely controlled from the Yokohama Satellite Control Center.



Demonstrating remote antenna operation from the Yokohama Satellite Control Center

SKY Perfect JSAT Group

Board of Directors and Corporate Auditors



The Skills Matrix and Reasons for the Nomination of Board Directors and Corporate Auditors

No.	Name	Title	Independent	Nomination & Remuneration Committee	Areas of experience and expertise (skills)					Reasons for Nomination
					Corporate management	Governance	Finance	Marketing / Global	Innovation / Technology	
1	Eiichi Yonekura	Representative Director		●	●	●	●	●	●	He has a high level of expertise as a corporate manager, extensive experience and knowledge at a general trading company, driving our Group's management forward under his strong leadership. He can be expected to achieve business growth and improved performance for the Group, as well as appropriately supervise the entire Group.
2	Isao Kubo	Representative Director			●	●	●	●	●	He has a high level of expertise as a corporate manager and extensive experience and knowledge at a general trading company, etc., and he is driving our Group's management forward. He can be expected to achieve business growth and improved performance for the Group, as well as appropriately supervise the entire Group.
3	Daisuke Nakagawa	Board Director			●	●		●		He has abundant experience and expertise in corporate management, and he can be expected to achieve business growth and improved performance for the Group, as well as appropriately supervise the entire Group.
4	Teruo Yamashita	Board Director			●	●		●	●	He has abundant experience and expertise in corporate management, and he can be expected to achieve business growth and improved performance for the Group, as well as appropriately supervise the entire Group.
5	Kimiko Ohga	Outside Board Director	●	● (chairperson)	●	●		●		She has a high level of expertise as a corporate manager, and extensive experience and knowledge of the telecommunication industry. She can be expected to provide advice with a focus on strengthening the Company's management system as well as appropriate guidance and supervision to the management team from an independent and objective perspective.
6	Setsuko Aoki	Outside Board Director	●	●		●		●	●	She has a high level of expertise in fields such as space law, international law, and security strategy. She can be expected to provide advice with a focus on strengthening the Company's management and governance systems as well as appropriate guidance and supervision to the management team from an independent and objective perspective.
7	Katashi Toyota	Outside Board Director	●	●		●		●	●	He has extensive experience and deep insight in fields such as security strategy, space defense, and international affairs. He can be expected to provide advice with a focus on strengthening the Company's management and governance systems as well as appropriate guidance and supervision to the management team from an independent and objective perspective.
8	Masato Horiuchi	Outside Board Director			●	●		●	●	He has extensive experience and insight in corporate management. He can be expected to provide advice with a focus on strengthening the Company's management system as well as appropriate guidance and supervision to the management team from an independent and objective perspective.
9	Gaku Shibata	Outside Board Director		●	●	●		●		He has a high level of expertise as a corporate manager, and extensive experience and knowledge related to the media business. He can be expected to provide advice with a focus on strengthening the Company's management system as well as appropriate guidance and supervision to the management team from an independent and objective perspective.
10	Makiko Yoshida	Outside Board Director	●	●		●		●	●	She has extensive experience and knowledge in the administrative field. Towards achieving business growth and improved performance for the Group, she can be expected to provide appropriate guidance and supervision to the management team from an independent and objective perspective.
11	Masanori Uchikawa	Corporate Auditor				●	●		●	He has primarily been engaged in legal affairs, internal controls, and information security-related duties, and serves as a Corporate Auditor of a Group company. Given his expertise in corporate administration and his extensive experience and track record with the Group, he can be expected to conduct effective audits that consider the unique nature of the Group's businesses.
12	Koji Taniguchi	Corporate Auditor				●	●		●	He has worked in finance and accounting, compliance promotion, and cybersecurity-related operations, and has served as an Executive Officer at a Group company. In addition to his specialized knowledge in these fields, he possesses extensive experience and a proven track record in the overall management and administration of our Group. Therefore, he can be expected to conduct effective audits that consider the unique nature of the Group's business.
13	Tsutomu Takahashi	Outside Corporate Auditor	●			●	●	●		Based on his advanced expertise in the field of accounting and extensive auditing experience, he can be expected to provide advice and conduct impartial audits regarding the legality of management and executive decisions.
14	Jun Otomo	Outside Corporate Auditor			●	●		●		Based on his broad insight concerning the Media Business, he can be expected to provide advice and conduct impartial audits regarding the legality of management and executive decisions.

Summary of Skills

Judgement criteria: Conformity to the Skills matrix is determined based on whether an individual possesses the following 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

Space Business, Media Business, international business and internationality, sales and business strategies (B2C and B2B)

5. Innovation / Technology

New business, technology development, ICT, DX, cybersecurity, information security, academic research, human capital development

Directors

1 Representative Director, President & Chief Executive Officer

Eiichi Yonekura

Overall management

1981	Joined C. Itoh & Co., Ltd. (currently ITOCHU Corporation)
	Export Power Plant Dept., ITOCHU Corporation
2008	General Manager, Corporate Planning & Administration Division, ITOCHU Corporation
2011	Managing Executive Officer, ITOCHU Corporation
	President & CEO, ITOCHU International Inc.
2014	Representative Director, Managing Executive Officer President, Metals & Minerals Company, ITOCHU Corporation
2018	Representative Director, Senior Executive Vice President, the Company
	Representative Director, Senior Executive Vice President, SKY Perfect JSAT Corporation (at the time) ¹
2019	Representative Director, President, the Company
	Representative Director, President & Chief Executive Officer, SKY Perfect JSAT Corporation (at the time)
2026	Representative Director, President & Chief Executive Officer, the Company (present)

2 Representative Director, Vice President& Executive Officer

Isao Kubo

Chief Financial Officer
In charge of Corporate Administration
In charge of Internal Control

1982	Joined C. Itoh & Co., Ltd. (currently ITOCHU Corporation)
2011	Chief Administrative Officer, ITOCHU International Inc., President, ITOCHU Canada Ltd.
2013	Executive Officer and General Manager, Corporate Planning & Administration Division, ITOCHU Corporation
2016	Managing Executive Officer and General Manager, Internal Audit Division, ITOCHU Corporation
2017	Managing Executive Officer and Assistant General Manager, General Affairs and Human Resources Division, FamilyMart UNY Holdings Co., Ltd. (currently FamilyMart Co., Ltd.)
2018	Senior Managing Executive Officer and General Manager, Corporate Planning Division, FamilyMart Co., Ltd.
2021	Audit & Supervisory Board Member, ITOCHU ENEX CO., LTD.
2024	General Manager, Corporate Planning Division, the Company
	Senior Managing Executive Officer, Unit President, Corporate Administration Unit, SKY Perfect JSAT Corporation (at the time)
2025	Board Director, Senior Managing Executive Officer, Unit President, Corporate Administration Unit, SKY Perfect JSAT Corporation (at the time)
2026	Representative Director, Vice President & Executive Officer, Unit President, Corporate Administration Unit, the Company (present)

3 Board Director

Daisuke Nakagawa

In charge of Media Business

1990	Joined Sumitomo Corporation
2015	Joined SKY Perfect JSAT Corporation (at the time)
2022	General Manager, New Business Development Div., Media Business Group, Media Business Unit, SKY Perfect JSAT Corporation (at the time)
2024	Executive Officer, Group President, FTTH Business Group, (currently Group President, HIKARI Alliance Business Group), Media Business Unit, Deputy Head, Business Strategy Department, SKY Perfect JSAT Corporation(at the time)
2025	Board Director, Managing Executive Officer, Unit President, Media Business Unit, SKY Perfect JSAT Corporation (at the time)
2026	Outside Board Director of NIKKATSU CORPORATION (present)
	Board Director, Managing Executive Officer, Unit President, Media Business Unit, the Company (present)

4 Board Director

Teruo Yamashita

In charge of Space Business
Chief Risk Management Officer

1996	Joined TOMEN Corporation (currently Toyota Tsusho Corporation)
2018	Director, JSAT International Inc.
2020	Group President, Global Business Group, Space Business Unit, SKY Perfect JSAT Corporation (at the time)
2021	Chairman & CEO, JSAT International Inc.
2022	Executive Officer, Group President, Business Innovation Group, Space Business Unit, SKY Perfect JSAT Corporation (at the time)
2025	Executive Officer, Group President, Space Solutions Business Group, Space Business Unit, SKY Perfect JSAT Corporation (at the time)
	Board Director, Managing Executive Officer, Unit President, Space Business Unit, SKY Perfect JSAT Corporation (at the time)
2026	Board Director, Managing Executive Officer, Unit President, Space Business Unit, the Company (present)

Outside Directors

5 Board Director²

Kimiko Ohga

1977	Joined Nippon Telegraph and Telephone Public Corporation
2005	President (CEO), Representative member of the board, NTT EAST-TOKYOCHUO CORPORATION (currently NTT EAST-MINAMIKANTO CORPORATION)
2013	Audit & Supervisory Board Member, NIPPON TELEGRAPH AND TELEPHONE WEST CORPORATION (currently NTT WEST, Inc.)
2019	Outside Board Director, the Company (present)
2020	Outside Member of the Board (Audit & Supervisory Committee Member), Broad Band Tower, Inc. (present)
2022	Outside Director (Audit & Supervisory Committee Member), Electric Power Development Co., Ltd. (present)

6 Board Director²

Setsuko Aoki

1991	Assistant, Faculty of Law, Rikkyo University
2016	Professor of Law, Keio University Law School
2021	Member (Chair), the Expert Committee on the Economic Security Legal System (Cabinet Secretariat) (present)
2023	Outside Board Director, the Company (present)
2024	Member of the Central Council on Defense Facilities, Ministry of Defense (MOD) (present)
	Member of the Committee on the National Space Policy (Cabinet Office) (present)
2025	Professor, Chiba Institute of Technology (present)

7 Board Director²

Katashi Toyota

1982	Joined the Japan Defense Agency (currently the Ministry of Defense (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)

Corporate Auditors

11 Masanori Uchikawa

12 Koji Taniguchi

Outside Corporate Auditor

13 Tsutomu Takahashi²

14 Jun Otomo

Outside Directors

8 Board Director

Masato Horiuchi

1992	Joined ITOCHU Corporation
2024	Chief Operating Officer, ICT Division, ITOCHU Corporation
	Representative Director and President, ITOCHU Fuji Partners, Inc. (present)
	Outside Director, ITOCHU Techno-Solutions Corporation (present)
	Outside Director, BELLSYSTEM24 Holdings, Inc. (present)
2025	Outside Board Director, the Company (present)
	Executive Officer, Chief Operating Officer, ICT Division, ITOCHU Corporation (present)

9 Board Director

Gaku Shibata

1987	Joined The Yomiuri Shimbum, Tokyo
2017	Board Director, Managing Editor, The Yomiuri Shimbum, Tokyo
2019	Managing Board Director, Chairman of the editorial board, The Yomiuri Shimbum, Tokyo
2020	Board Director, Osaka Operations, The Yomiuri Shimbum Holdings President, The Yomiuri Shimbum, Osaka
2026	Outside Board Director, the Company (present)
	Senior Operating Officer (Head of Group Strategy, Corporate Strategy, PR, Compliance), Nippon Television Holdings, Inc. (present)
	Board Director, Executive Vice President (Head of Group Strategy, Corporate Strategy, PR, Compliance), Nippon Television Network Corporation (present)

10 Board Director²

Makiko Yoshida

1984	Joined the Ministry of Posts and Telecommunications (currently Ministry of Internal Affairs and Communications)
2013	Deputy Director-General (IT Policy), Minister's Secretariat, Ministry of Economy, Trade and Industry
2019	Executive Secretary to the Prime Minister
	Vice-Minister for Policy Coordination, Ministry of Internal Affairs and Communications
2020	Cabinet Public Relations Secretary
2022	President, The Association for Promotion of Digitization of Local Information System and Community
2026	Outside Board Director, the Company (present)
	President, The Foundation for MultiMedia Communications (present)

Notes: 1. Effective April 1, 2026, the Company implemented an absorption-type merger in which SKY Perfect JSAT Holdings Inc. was the surviving company and SKY Perfect JSAT Corporation was the absorbed company. The trade name of SKY Perfect JSAT Holdings Inc. was changed to SKY Perfect JSAT Corporation. Hereinafter, SKY Perfect JSAT Corporation, which was absorbed into and merged with the Company on April 1, 2026, will be referred to as "SKY Perfect JSAT Corporation (at the time)"

2. Registered with the Tokyo Stock Exchange as an independent director in accordance with the Company's criteria for determining independence

► Click [here](#) for detailed professional histories of the Company's Board Directors and Corporate Auditors

Roundtable Discussion among Outside Directors

The Board of Directors' Role in Enhancing Corporate Value over the Medium to Long Term

Risk-Taking and Growth Opportunities from the Perspective of Outside Directors

Kimiko Ohga × **Setsuko Aoki** × **Makiko Yoshida**

Outside Director

Outside Director

Outside Director

As the SKY Perfect JSAT Corporation invests in growth in new fields and its business structure evolves, how does the Board of Directors assess expanding growth opportunities and the significant risks they entail, make decisions, and exercise oversight? The Company's outside directors contribute their diverse expertise to discussions on growth investment and business strategy as well as fulfilling their oversight responsibilities. Three outside directors with different areas of expertise and experience discussed how they see the Company from an outside perspective and how the Board should conduct its discussions and exercise oversight.



— Growth Investment and Risk-Taking: How Does the Board Assess Growth Opportunities and Risks?

Ohga: The Company is clearly at a turning point. Compared with when I became a director in FY2019, the Space Business has grown substantially over the past five or six years, bringing about changes significant enough to transform the Company's business structure. In the Media Business, I see the improvement in profitability despite the declining cumulative number of subscribers as evidence of management's sustained efforts. Financially, the Company has a solid foundation that can adequately support growth investment. From the perspective of long-term shareholders, missing growth opportunities is itself a risk. The Space Business involves various risks, and the Company is also making progress in establishing systems to recognize and manage them appropriately.

I believe this reflects management's commitment to actively pursuing growth opportunities and taking on challenges, with a firm grasp of changes in the environment surrounding each business and constant awareness of the

perspectives of both customers and shareholders.

Aoki: The space industry is now undergoing a global revolution. The number of rocket launches and satellites has risen dramatically over the past five years, and SpaceX's deployment of satellite constellations has marked a major turning point for the industry. Its scope is expanding beyond communications, broadcasting, and Earth observation to include refueling, space debris removal, and even data centers in orbit. Amid these rapid changes, the Company needs to assess not only the potential of technologies and markets but also where the risks lie. Board members with diverse expertise bring their respective perspectives to discussions, examining from multiple angles which risks the Company should take and where it should exercise caution.

Venturing into growth areas entails a certain degree of risk. That is precisely why we need to discuss in advance how much risk the Company is willing to take and at what stage we should reassess this approach. Part of our oversight role is to support projects worth pursuing while allowing for some failures, and to decide when to withdraw after assessing their prospects. I believe these decisions lead to better risk-taking.

Yoshida: Since joining the Company as an outside director this year, I have been struck by the breadth of its business domains and the diversity of its operations. In the Media Business, the Company offers broadcasting and streaming platforms as well as services that draw on assets such as facilities and technology. The Space Business is also expanding its business domains while addressing diverse customer needs. How to allocate management resources across these businesses to drive growth is an extremely important issue for management. Economic security has also attracted growing attention worldwide in recent years. From my experience in public administration, working on policy and administering regulatory frameworks, I see this as both a risk and a major growth opportunity. In Japan, the focus tends to be on risks first, but I believe the Company needs to see these changes as opportunities for growth and take action ahead of others.

— Ensuring the Quality of Discussions and the Oversight Role of Outside Directors

Ohga: An important part of our oversight role as outside directors is to objectively examine growth investments from an independent standpoint, asking whether they are truly necessary, whether they will generate returns commensurate with the investment, and over what timeframe the costs can be recouped. At the same time, Board discussions go beyond oversight: we actively exchange views on growth opportunities and the direction of the Company's businesses, drawing on our respective experience and expertise. I have shared my views on developing solutions unique to satellite utilization for the issues faced by each industry, without being biased toward any specific area, and on developing private sector demand.

I feel that the addition of outside directors with expertise such as Professor Aoki's has greatly broadened and deepened our discussions on the Space Business. Being able to assess management's explanations and the direction of the Company's businesses from diverse perspectives, including expertise in space, is a major strength of the Board.

Aoki: Bringing together the perspectives of people with different expertise and experience improves the quality of discussions that inform decisions. As a researcher in space policy and the space industry, I participate with an eye to where the global space industry is heading, what companies and industries should do amid these changes, and which risks warrant attention. I believe that experts in areas such as finance, business management, communications, and broadcasting complementing one another's knowledge and



Makiko Yoshida
Outside Director

exchanging views candidly contribute to high-quality decision-making by the Board.

Yoshida: When I joined the Board in June, my first impression was of the high quality of discussions at both the General Meeting of Shareholders and Board meetings. At the General Meeting of Shareholders, shareholders asked questions based on a deep understanding of the Company's businesses and strategies. At Board meetings, members with diverse experience and expertise actively exchange views. I can see how these ongoing discussions, to which everyone contributes their knowledge, support the quality of our decisions.

What matters for outside directors is maintaining an environment in which we can engage in candid discussion from an independent standpoint while preserving an appropriate level of constructive tension with management. I hope to play my part by drawing on my experience in policy planning and implementation and in public relations.

— Changes in the External Environment and Expectations for the Board: The Importance of a Global Perspective

Yoshida: At the Ministry of Internal Affairs and Communications, I spent many years designing regulatory frameworks and developing policies in areas such as communications and broadcasting. Based on that experience, I believe we are at a major turning point in an era dominated by the view that minimal regulation and leaving matters to the market are best, and by social and economic structures premised on globalism. Following the COVID-19 pandemic and geopolitical changes, the economy, security, and public peace of mind can no longer be considered separately, and the role of policies and regulations is changing significantly around the world.

In this environment, the Company needs to accurately understand policy and regulatory trends in Japan and overseas and incorporate them into its business strategies. I hope to contribute my experience to Board discussions by considering what changes in policies and regulatory frameworks are likely and where business opportunities may emerge.



Kimiko Ohga
Outside Director

Aoki: From a space policy perspective, addressing the risk of supply chain disruption has become a major issue for countries since the COVID-19 pandemic. Economic security concerns have also strengthened their desire for self-reliance: securing their own means of accessing space and their own industrial base. The policy environment is changing significantly in Japan as well, with satellites, rockets, and related services being designated as specified critical products. In such times, I believe countries and companies that quickly recognize changes and respond flexibly will gain a competitive advantage.

Meanwhile, developing new rules is becoming an important issue as the use of space expands. Space debris is a particularly significant concern. International rules on space traffic management are still evolving, and very few are legally binding. Against this backdrop, Japan's Space Activities Act has led the world in developing space traffic management guidelines for satellite operators to follow, anticipating the development of international rules. Looking ahead, taking a sustainable approach to using the space environment will become increasingly important, alongside complying with laws and regulations. We are entering an era in which we must consider how to fulfill responsibilities that go beyond legal requirements, such as preventing and removing debris and operating in ways that do not hinder newcomers' activities. I believe anticipating these needs, taking proactive action, and communicating our approach will contribute both to the sustainable use of space and to enhancing corporate value.

Ohga: Building on what you have both said, I would like to emphasize two key words: "risk" and "global." Competition

now extends across industry boundaries. Companies in the internet and information industries are entering the electric power business, and a single company may be involved in automobiles, storage batteries, and even space. The days when a company could succeed by focusing solely on the Japanese domestic market are over. Global players with vastly greater scale and financial resources are now entering our markets from outside the industry as well.

That makes people who understand global trends and can discuss issues in light of changes in overseas regulatory frameworks and markets increasingly important. On the Board, too, the addition of outside directors who bring a global perspective as well as diverse expertise has clearly broadened our discussions. In these rapidly changing times, I feel it is more important than ever to accurately interpret the external environment and assess both opportunities and risks when making decisions.

— Priorities for the Future: Talent Development, Leadership, and Communication

Ohga: I believe developing the next generation of management talent is one of the Company's key priorities. In terms of women's advancement, steady progress is being made beyond what may be apparent from the outside. People who have worked in the United States or been assigned to overseas companies are now taking on strategic roles and important responsibilities. The appointment of women who have built their career within the Company as executive officers is also a significant change over the past few years. At the same time, we need to develop people



Setsuko Aoki
Outside Director

with diverse experience, regardless of gender. Working in different environments, whether through secondments, experience in other industries, or overseas assignments, broadens perspectives and helps people grow considerably. The emergence of AI is also rapidly blurring industry boundaries. We need people who can envision new value by connecting different fields, rather than taking existing frameworks for granted. Above all, I hope to see young people with bold ambitions to take on challenges in space and create a new future play an even greater role in creating new value.

Aoki: In addition to developing talent, I believe the Company needs to clearly communicate its strengths and value. In the space industry, companies that talk about future possibilities and dreams often attract attention. SKY Perfect JSAT Corporation, meanwhile, has operated in the Space Business for many years and steadily built a track record, and yet I feel its strengths and value are not being fully communicated. As the use of space expands, efforts to ensure its sustainability, including measures to address space debris, will also become increasingly important. Actively communicating this responsible approach should help enhance corporate value.

In building organizations, a comfortable working environment is one of the Company's strengths, but I believe it also needs a healthy sense of tension. Leadership develops as people grow not only through taking on challenges and achieving successes, but also through occasional setbacks and difficulties. I hope to see more opportunities for this kind of development.

Yoshida: As your comments also suggest, I believe communication itself will become an important management issue in the years ahead. Clearly explaining what management aims to achieve and what value it seeks to provide to society, both internally and externally, can be considered part of corporate strategy. Central to this is the Company's corporate philosophy: why SKY Perfect JSAT Corporation exists and what value it provides to society. Companies that achieve substantial growth share a clear philosophy and aspirations and connect them to their businesses and strategies. I believe the Company can further strengthen its presence in Japan and overseas by continuing to communicate its philosophy and vision sincerely. This ongoing communication and dialogue should also help enhance corporate value over the long term.



Corporate Governance

The SKY Perfect JSAT Corporation strives to maintain highly transparent corporate governance systems that are able to quickly meet the demands of a changing business environment. One of the SKY Perfect JSAT Group's five materiality topics is "Strengthen a Sound and Resilient Management Foundation." The Company will pursue rigorous corporate ethics based on even more transparent legal compliance and the ongoing reinforcement of its risk management system.

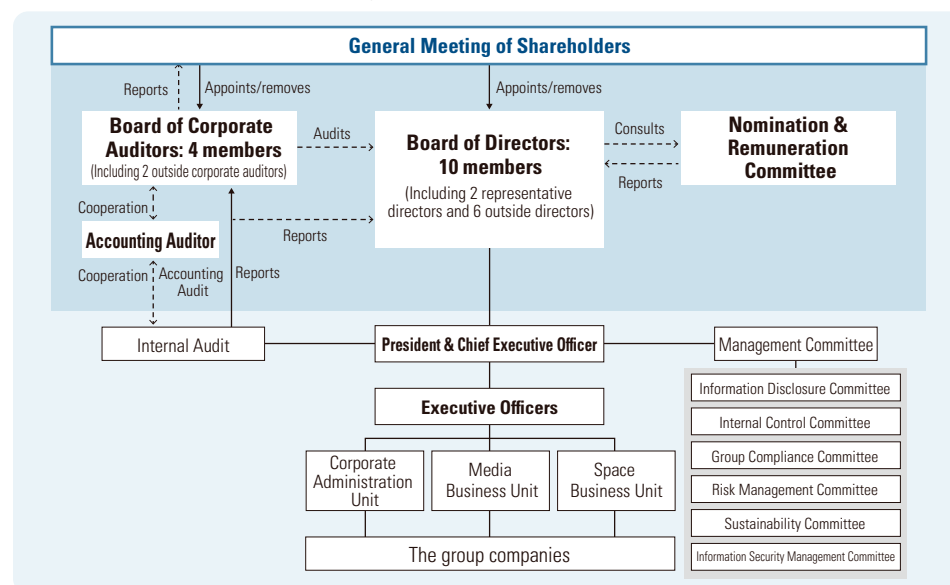
Our Basic Philosophy on Corporate Governance

As a publicly traded company, the Company believes that maximizing its corporate value in the capital market is the fundamental goal of corporate governance.

To this end, the Company considers it one of the most significant management issues to establish a good relationship with the Group's stakeholders, consisting of its shareholders and customers who use the Group's 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 this philosophy, as a company with a Board of Corporate Auditors, the Company ensures that corporate management monitoring by its corporate auditors functions sufficiently, appoints independent outside directors for at least one-third of its directors, and has established a voluntary Nomination & Remuneration Committee as an advisory body to the Board of Directors. As a corporate group that operates highly public businesses in the space and media sectors, the Company is committed to enhancing its monitoring and supervising functions to ensure and improve management transparency and soundness. In addition to the requirements for independent directors/auditors set by the Tokyo Stock Exchange, in FY2015, the Company formulated its own standards with original judgement criteria. Furthermore, the Company is committed to providing shareholders and investors with timely and accurate information as well as enhancing management transparency through broad information disclosure.

The Governance Structure (As of August 1, 2026)



Steps Taken to Strengthen Governance

The Company has worked to strengthen its corporate governance structure by, for example, establishing as an advisory body to the Board of Directors a voluntary Nomination & Remuneration Committee, the majority of whose members are outside directors and which is chaired by an independent outside director, and by introducing a performance-based remuneration 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 by the Tokyo Stock Exchange. 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 that emphasizes a shareholder perspective and a sound system for conducting business by introducing a stock compensation system with restrictions on transfer. Furthermore, with a focus on ensuring diversity in the Board of Directors, the Company appoints female directors/auditors and discloses skill matrices.

On April 1, 2026, the Company conducted an absorption-type merger with its subsidiary SKY Perfect JSAT Corporation and changed its name from SKY Perfect JSAT Holdings Inc. to SKY Perfect JSAT Corporation. By doing this, the Company will integrate the management structure to accelerate decision-making and increase the effectiveness of corporate governance with the aim of ensuring sustainable growth and enhancement of corporate value.

Reasons for Adopting the Current Corporate Governance System

As a company with a 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 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 that is chaired by an independent outside director, provides independent reports concerning the nomination of directors and corporate auditors and determines remuneration. In addition, the Committee considers responses to corporate governance issues related to the matters it deliberates, and it monitors the status of their implementation.

| System Ensuring and Supervising Sound Business Management

Appointment of Independent Directors/Auditors

To establish a highly transparent governance structure, we appoint independent officers who are not at risk of having conflicts of interest with general shareholders. By providing supervision and advice on management strategies and key management issues from an independent perspective, these independent officers support the enhancement of the Board of Directors’ effectiveness and the sustainable growth of corporate value. In addition to the independence standards established by the Tokyo Stock Exchange, we have established our own criteria. Furthermore, we have appointed a total of five independent officers—four Outside Board Directors and one Outside Corporate Auditor—ensuring that the ratio of independent Outside Board Directors meets the requirement of one-third or more set out in Japan’s Corporate Governance Code.

Diversity of Directors/Auditors

To ensure a balance of knowledge, experience, and skills as well as diversity within the Board of Directors as a whole, our Board of Directors has created a Board of Directors Skills Matrix that clarifies the requirements for its officers, derived from the Group’s mission of “Space for your Smile” and management strategy. The Board of Directors is to be composed of individuals deemed suitable to serve as the Company’s directors and corporate auditors, possessing extensive experience, high levels of insight, and advanced expertise and abilities that the Company requires.

► Click [here](#) for more details about the skills matrix for each director and auditor

Supervision Function Led by Outside Board Directors

Outside Board Directors with diverse areas of expertise, including corporate management, communications, space law, national security, and public administration, provide supervision and advice to management from an independent standpoint. At Board of Directors meetings, lively discussions take place regarding management strategy, investment decisions, risk management, and human resources strategy, supporting key decision-making from objective and multifaceted perspectives. Through constructive proposals and supervision by Outside Board Directors, we strive to achieve highly transparent governance and enhance the effectiveness of the Board of Directors.

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FY2025 Major Activities Conducted by Outside Directors

Position	Name	Major Activities
Board Director	Kimiko Ohga	Ohga attended all 16 Board of Directors meetings held in the fiscal year ended March 31, 2026. With regard to business deliberation and other matters, Ohga provided advice as necessary based on a high level of expertise as a corporate manager and extensive experience and knowledge of the telecommunication industry, and appropriately guided and supervised the management team from an independent and objective standpoint mainly regarding the strengthening of the management system. In addition, Ohga chairs the Nomination and Remuneration Committee that provides advice to the Board of Directors on the appointment and dismissal as well as remuneration of Board Directors. Ohga attended all 10 Nomination and Remuneration Committee meetings held in the fiscal year ended March 31, 2026.
Board Director	Hiroyuki Oho	Oho attended all 16 Board of Directors meetings held in the fiscal year ended March 31, 2026. With regard to business deliberation and other matters, Oho provided advice as necessary based on a high level of expertise as a corporate manager and extensive experience and knowledge in the media industry, and appropriately guided and supervised the management team from an independent and objective standpoint mainly regarding the strengthening of the management system. In addition, since June 2025, he has been a member of the Nomination and Remuneration Committee that provides advice to the Board of Directors on the appointment and dismissal as well as remuneration of Board Directors. He attended all of the 6 Nomination and Remuneration Committee meetings held in the fiscal year ended March 31, 2026 since he assumed office.
Board Director	Setsuko Aoki	Aoki attended all 16 Board of Directors meetings held in the fiscal year ended March 31, 2026. With regard to business deliberation and other matters, Aoki provided advice as necessary based on a high level of expertise in fields such as space law, international law, and security strategy, and appropriately guided and supervised the management team from an independent and objective standpoint mainly regarding the strengthening of the management and governance systems. In addition, Aoki is a member of the Nomination and Remuneration Committee that provides advice to the Board of Directors on the appointment and dismissal as well as remuneration of Board Directors. Aoki attended all 10 Nomination and Remuneration Committee meetings held in the fiscal year ended March 31, 2026.
Board Director	Katashi Toyota	Toyota attended all 16 Board of Directors meetings held in the fiscal year ended March 31, 2026. Toyota provided advice as necessary based on extensive experience and deep insight in fields such as security strategy, space defense, and international affairs, and appropriately guided and supervised the management team from an independent and objective standpoint mainly regarding the strengthening of the management and governance systems. In addition, Toyota is a member of the Nomination and Remuneration Committee that provides advice to the Board of Directors on the appointment and dismissal as well as remuneration of Board Directors. Toyota attended all 10 Nomination and Remuneration Committee meetings held in the fiscal year ended March 31, 2026.
Board Director	Masato Horiuchi	Horiuchi attended 11 of the 12 Board of Directors meetings held in the fiscal year ended March 31, 2026 since he assumed office. With regard to business deliberation and other matters, he provided advice as necessary based on his extensive experience and knowledge in corporate management, and appropriately guided and supervised the management team from an independent and objective standpoint mainly regarding the strengthening of the management system.

Evaluating the Effectiveness of the Board of Directors

In February 2026, the Company conducted a survey that targeted all nine Directors and all four Corporate Auditors. This survey 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' meeting held in April 2026, where they were analyzed and assessed, and measures to respond to issues were considered and deliberated upon. As a result, the evaluation concluded once more that the Board of Directors as a whole is functioning effectively overall, across each aspect of composition, operation, discussion, and monitoring function. In particular, the evaluation of initiatives related to clarifying the responsibilities and authority of executive officers and the appropriate delegation of authority improved from the previous year, and the progress made in these initiatives was recognized as a certain achievement. Efforts related to enhancing the preliminary briefings provided before Board of Directors meetings were also evaluated as an improvement. On the other hand, the evaluation identified the following as challenges to be addressed going forward: further invigorating medium- to long-term discussions related to growth strategy taking account of capital costs and market valuation; making greater use of agenda proposals by outside directors; and further enhancement of post-implementation follow-up on important matters resolved by the Board of Directors. Based on these evaluation results, the Company will work to further increase the effectiveness of the Board of Directors by improving the way the Board of Directors holds discussions and operates and enhancing the provision of information, among other measures.

FY2026 Policy for Responding to Challenges

Item	Challenge	Response Policy
Composition of the Board of Directors	<ul style="list-style-type: none"> Strengthening expertise in business development and investment Expanding talent in the AI, DX, and cybersecurity fields Verifying composition of officers aligned with strategy 	<ul style="list-style-type: none"> Continue to examine the optimal size and composition of the Board of Directors
Operation of the Board of Directors	<ul style="list-style-type: none"> Expediting sharing of information on matters for discussion Improving the quality of Board of Directors' materials Improving medium-term plan materials 	<ul style="list-style-type: none"> Share information on important matters at an early stage Improve the quality of materials
Discussions by the Board of Directors	<ul style="list-style-type: none"> Enhancing opportunities for free and open discussion Invigorating discussions outside Board members' areas of expertise Enhancing utilization of proposals from outside directors 	<ul style="list-style-type: none"> Make operational improvements aimed at invigorating discussion
Training	<ul style="list-style-type: none"> Strengthening collection of information on the latest trends Continuing to enrich training opportunities 	<ul style="list-style-type: none"> Enhance training tailored to business characteristics
Others	<ul style="list-style-type: none"> Deepening understanding of key companies related to growth strategy 	<ul style="list-style-type: none"> Enhance opportunities for dialogue with and study tours of key companies

Discussions by the Board of Directors

The Board of Directors actively discusses matters for resolution and reporting, focusing primarily on important matters, as well as agenda items stipulated by laws and regulations. In addition, the Company endeavors to have Directors fully deepen their understandings before attending Board of Directors meetings; means to this end include providing explanations of important matters in advance to outside directors as well as providing opportunities for attending explanations and lectures on major topics and relevant information.

Main Discussions and Content of Discussions

Topic	Content of Discussion
Procurement of launch services for the JSAT-31 and JSAT-32 satellites, and amendment of the launch service contract for the Superbird-9 satellite	The Board received and discussed a report on procurement of launch services for the JSAT-31 and JSAT-32 satellites and the amendment of the launch service contract for the Superbird-9 satellite. Discussion was held on the impact of satellite delivery delays on fleet planning and services to customers, as well as on the selection of launch rockets and the competitive environment. Discussions also covered the allocation of risk across launch services as a whole, including foreign exchange fluctuations and insurance conditions, measures to minimize the impact on fleet planning, and an approach to risk management premised on uncertainty.
The Ministry of Defense (MOD)'s public tender for "Satellite constellation project"	The Board received and discussed an explanation of the revenue plan, risk response, and consortium structure with regard to the Ministry of Defense (MOD)'s public tender for "Satellite constellation project." In addition to evaluating profitability, consideration was given to capital allocation, the risk of cost increases, and execution-level risks such as satellite launch and operation. Discussions also covered the growth potential of the business, including advanced utilization of satellite data and the use of AI, as well as the competitive environment.
Status of measures to counter ransomware in the office automation environment	With regard to measures to counter ransomware in the office automation environment, the Board received and discussed a report on damage trends and the Company's countermeasures policies (intrusion prevention, damage minimization, and rapid recovery). Considering the impact on business continuity in the event of an incident, the Board confirmed the state of preparedness and response systems, and opinions were raised regarding reduction of risk in system configuration and operation. There were also discussions on strengthening responses assuming cyber risk as a given and the business continuity framework.
Proof of Concept (PoC) results for the connectedTV (CTV) business and validity of the decision to withdraw	Despite confirmation that the CTV devices have a certain degree of utility, it was concluded that it is appropriate to postpone commercialization at the current point in time as a result of discussions on the feasibility of commercialization in view of the market environment (the penetration of smart TVs and the size of domestic demand).

Corporate Auditors and Board of Corporate Auditors

The Company's Board of Corporate Auditors consists of four members, of whom two 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 internal organizations 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 follow-up of the status of response to top risks. In addition, 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.

FY2025 Major Activities Conducted by Outside Auditors

Position	Name	Major Activities
Corporate Auditor	Tsutomu Takahashi	Takahashi attended 15 of the 16 Board of Directors meetings and 14 of the 15 Board of Corporate Auditors meetings held in the fiscal year ended March 31, 2026. With regard to business deliberation and other matters, advice was provided as necessary based on a high level of expertise in the accounting field and abundant audit experience.
Corporate Auditor	Jun Otomo	Otomo attended 14 of the 16 Board of Directors meetings and 13 of the 15 Board of Corporate Auditors meetings held in the fiscal year ended March 31, 2026. With regard to business deliberation and other matters, advice was provided as necessary based on an extensive insight into the media business.

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 safeguarding their independence.

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 restrictions 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 decisions regarding remuneration.

In order to raise awareness of improving the Company's performance in each fiscal year, the Company sets consolidated net income 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 income 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 income 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 in July 2020, the Company has introduced a stock compensation system with the aim of providing directors with an incentive to continuously improve the Company's corporate value and further promoting value sharing with its shareholders. The Company will use common stock to allocate shares with restrictions 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 restrictions 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 restrictions 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.

The Company had administered directors' remuneration within this remuneration ceiling. However, in view of the increasingly sophisticated and diverse responsibilities of the directors due to rapid changes in the business environment, and in order to maintain an appropriate level of remuneration commensurate with their duties and to secure outstanding talent, the Company revised the remuneration ceiling for directors and remuneration ceiling relating to the restricted stock compensation system at the Annual General Meeting of Shareholders held in June 2026.

*Revised to not exceed ¥100 million per year through a resolution adopted at the Annual General Meeting of Shareholders held in June 2026

Remuneration of Directors and Auditors

	Total Remuneration (¥ millions)	Total Remuneration by Type (¥ millions)			Number of Eligible Recipients
		Fixed Remuneration	Performance-based Remuneration	Stock Compensation	
Directors (Excluding Outside Directors)	86	25	26	35	4
Corporate Auditors (Excluding Outside Corporate Auditors)	45	45	—	—	3
Outside Directors	45	45	—	—	6
Outside Corporate Auditors	14	14	—	—	2

| Approach to Management Conscious of Capital Costs and the Stock Price

The Company has set forth its vision for 2030, and to achieve this vision, actively invests not only in existing businesses but in the development of new business fields. When making investment decisions, the Company ensures profitability by using a hurdle rate (8%) that exceeds the Company’s assumed WACC (7.5% to 8.0%).

Regarding shareholder returns, the Company will enhance returns based on a policy of maintaining a dividend payout ratio of 50% or more. In addition, the Company will flexibly repurchase its own shares. Additionally, to further promote management from a shareholder perspective, the Company is increasing the proportion of restricted stock compensation in officer remuneration and, starting in FY2026, introducing a restricted stock compensation system for employees, thereby enhancing medium- to long-term engagement while remaining mindful of the stock price. In terms of financing, to address funding needs arising from investments and other activities, the Company will primarily utilize cash on hand supported by stable cash generation from operating activities, while flexibly implementing the most appropriate measures, including external borrowings, in accordance with market conditions and its financial position.

The Company will continue to provide explanations of the progress of our growth strategy, including the status of our business portfolio review and investment progress, at future earnings results briefings and other forums, and will engage in active dialogue with its shareholders.

| Policy on Constructive Dialogue with Stakeholders, Including Shareholders

In pursuing sustainable growth of the Company and raising the corporate value over the medium to long term, the Representative Director, President, and CFO have constructive dialogues with shareholders and investors within a reasonable scope with the support of the Corporate Communications & Investor Relations Division. The Corporate Communications & Investor Relations Division, which regularly shares information with the management and related departments, prepares presentation materials for quarterly Earnings Results Briefings in collaboration with the Corporate Planning Division and the Planning & Administration Divisions and discloses information about the Company.



Space Business IR DAY (March 2026)

Striving to achieve management that is considerate of the positions of all stakeholders, including shareholders, feedback and concerns from shareholders and investors, identified through dialogue with shareholders, are reported by the General Manager of the Corporate Communications & Investor Relations Division to the Board of Directors quarterly as part of updates on shareholder/investor trends and IR activities.

In FY2025, the Representative Director, President, and CFO, and others, engaged in a dialogue with investors in Japan and overseas, including current and potential shareholders. The Company has incorporated the insights gained through these dialogues into its management decisions, and has worked to enhance its disclosures by improving the content of its earnings results briefing materials and other documents.

At the FY2025 financial results briefing, we improved our disclosures in response to investor

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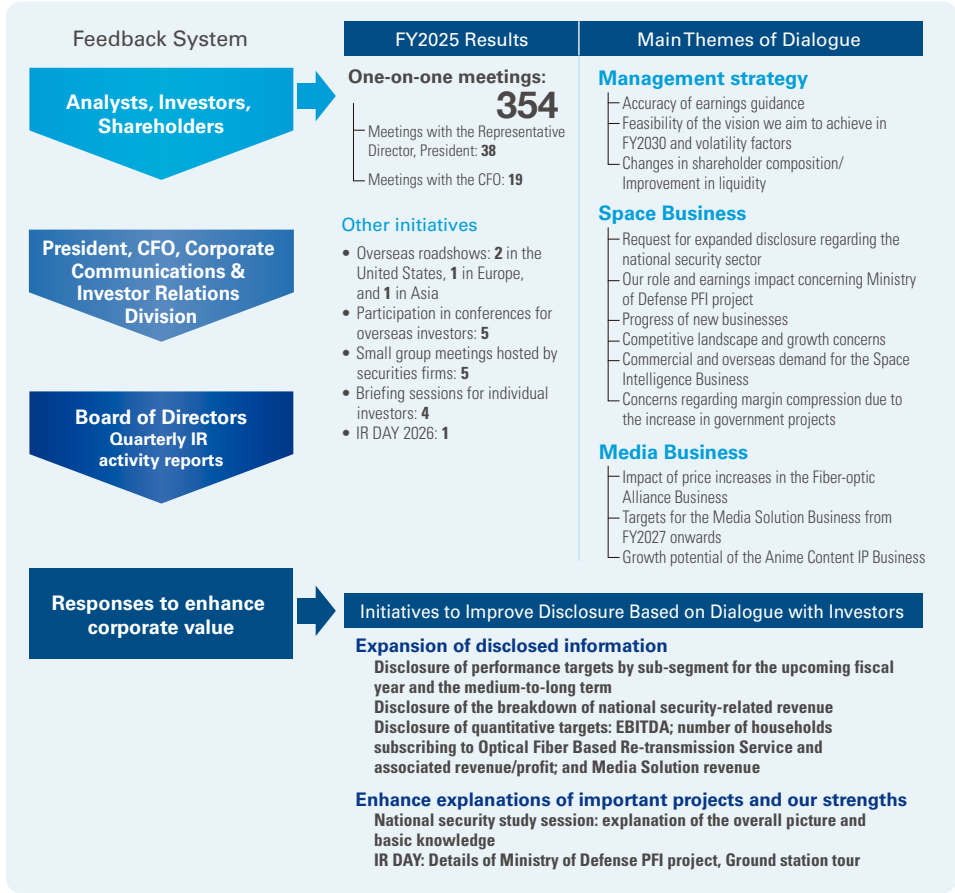
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feedback, including our investment plan through FY2030, our capital allocation through FY2027, and the vision we aim to achieve in FY2030. In addition to net income, we disclosed a breakdown of revenue and EBITDA, among other metrics. Furthermore, we have expanded our disclosures to include information of high interest to shareholders and investors, such as revenue targets in the national security sector.

Furthermore, discussions regarding our medium- to long-term management policies and strategies are actively held not only during Board of Directors meetings but also through intensive officer discussions attended by Outside Board Directors, Outside Corporate Auditors, and officers of Group companies. We monitor and analyze the progress of these discussions and, as necessary, review our plans and policies as appropriate. Going forward, we will continue to engage in constructive dialogue with all stakeholders, including shareholders both in Japan and overseas, and strive to ensure that our corporate value is appropriately recognized in the market.

IR Activities in FY2025



Compliance System, Risk Management System, and Information Management System

The Company ensures management transparency and soundness by enforcing compliance, strengthening risk management, and upgrading its information management systems. To enhance its medium- to long-term corporate value and achieve a management style that earns the trust of its stakeholders, the Company is working as one to reinforce its systems and pursue continuous improvement.

Group Compliance System (Committee and Helpline)

To ensure that conduct of the Company's Board Directors and employees complies with laws and regulations, as well as the Articles of Incorporation, internal rules, and norms including corporate ethics, the Company has established the SKY Perfect JSAT Group Compliance Basic Regulations and the Group Code of Conduct for Executives and Employees, based on the SKY Perfect JSAT Group Mission and the SKY Perfect JSAT Group Principles of Conduct. In addition, the Company has appointed a Group Chief Compliance Officer and established a Group Compliance Committee as a system for ensuring that the execution of duties by the Company's Board Directors and employees complies with relevant laws and regulations, as well as the Articles of Incorporation and various internal rules.

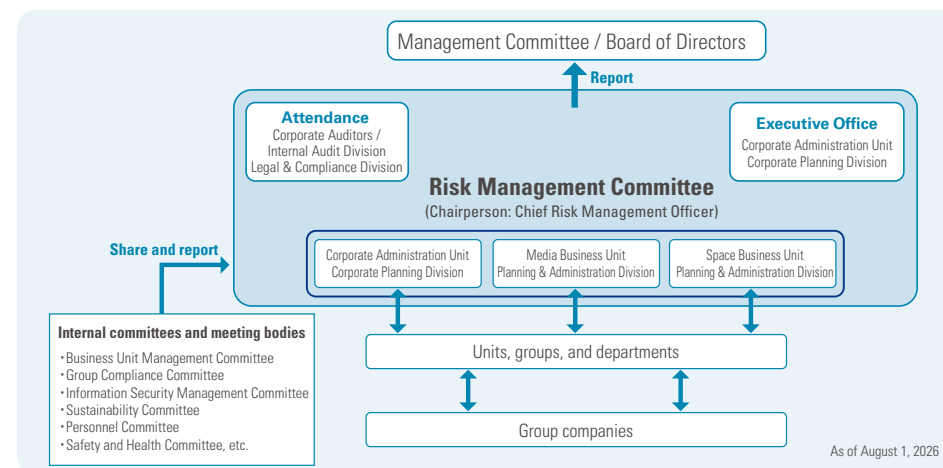
The Group Compliance Committee discusses matters related to compliance, such as matters related to the compliance program, a mechanism for firmly establishing compliance within the company, and compliance problems, and reports the results of its discussions to the Board of Directors as necessary based on rules. The Group Compliance Committee also maintains and manages compliance programs and provides education and training to directors and employees who are involved in the compliance programs, in order to firmly establish compliance within the company. The content of education and training includes information on insider trading, embezzlement, breach of trust, leakage of confidential information, bribery, corruption, human rights, receipt of subsidies and other public funds, and harassment. In addition, the Internal Audit Division audits the status of compliance. The Company has also established the Group Compliance Helpline as a system that enables prompt reporting and consultation to both internal and external contact points when suspected violations of laws are discovered in the Company's business activities or involving Board Directors and employees. Furthermore, for consultations or reports about the suspected involvement of the Company's full-time directors or executive officers and the directors of Group companies, the Company has established a route that allows direct reporting to the Company's full-time Corporate Auditors, bypassing the business executive structure.

Risk Management System

To promote risk management and facilitate the sharing of necessary information across the entire Group, the Company has established a Group-wide basic policy and management structure for risk management. The Risk Management Committee, which is chaired by the Chief Risk Management Officer, appropriately manages the various risks facing the business and works to prevent risks before they occur and reduce existing risks. In principle, risks subject to risk management and risk evaluations are reviewed semi-annually and as needed, and appropriate countermeasures are formulated based on the evaluation results. In evaluating risks, the Company defines the risk level as the product of the frequency and impact of each risk, which the Company scores and analyzes. The Company designates those that result in a risk level that exceeds a certain threshold as major risks requiring priority countermeasures. Risks that are deemed to require urgent countermeasures are also designated as major risks, regardless of their risk level. For these major risks, the responsible departments for each risk formulate key measures, which are reported to the Management Committee and Board of Directors following discussion and review by the Risk Management Committee. The Company has also established a system for regular monitoring of the progress of these measures.

The Company has established and operates various committees related to internal control, and the Risk Management Committee also shares information with these committees as necessary. Climate change-related risks are examined separately in detail by the Sustainability Committee, and, after receiving reports on the results and details of these examinations, the Risk Management

Committee also conducts the necessary discussions. In the event that a risk materializes, the Company responds promptly and appropriately in accordance with manuals tailored for each risk, including Business Continuity Plans (BCPs), information security, and cybersecurity. The Company has established a system to convene the Risk Management Committee as needed, enabling the appropriate control of risks across the entire Group.



Information Security Management Committee and Information Management System

Alongside the establishment of a Security Policy to maintain information security and a Privacy Policy to protect personal information, the Company has established the Information Security Management Committee, chaired by the Chief Information Management Officer, to ensure an appropriate and effective management structure. The Company has 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, working from home has also become more widespread. As such, the Group is strengthening security measures for internal systems and for service-provision websites. In terms of system measures, the Company uses encrypted servers for storing personal information and important business information; the Company prevents infection through the use of unauthorized access prevention systems and anti-virus software, and the Company acquires system logs and identifies vulnerabilities through security assessments. The Company has 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., the Company has also appointed a Chief Information Security Officer (CISO) to implement and strengthen cybersecurity measures.

Respect for Human Rights and the Supply Chain

The SKY Perfect JSAT Group aims to continuously enhance its corporate value by preventing and mitigating adverse impacts on human rights associated with its business activities, while also striving to improve transparency and fairness across its entire supply chain. The Group is committed to pursuing sustainable value creation in collaboration with its business partners.

Basic Approach

The Group has established the SKY Perfect JSAT Group Human Rights Policy. This policy declares its support and respect for international norms on human rights, such as the International Bill of Human Rights and the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work, and states that the Group conducts its business activities in accordance with the United Nations Guiding Principles on Business and Human Rights. The Group respects the human rights of all stakeholders who may be affected by its business activities, including its supply chain.

Initiatives to Respect Human Rights

(1) Initiatives for Human Rights

The Group has long been committed to respecting human rights throughout its business activities. In October 2023, the Group established the Human Rights Policy to fulfill its responsibility to respect the fundamental human rights of all stakeholders, not just within the Group.

► Click [here](#) for the SKY Perfect JSAT Group Human Rights Policy.

In FY2024, the Group began conducting human rights due diligence to fulfill its responsibility to respect human rights, identifying potential human rights risks across its business activities and value chain. Through stakeholder surveys and interviews, as well as a materiality assessment, the Group identified critical human rights risks.

Critical Human Rights Risks

Human Rights Risk	Relevant Business	Potentially Affected Stakeholders
Long working hours	Space and Media	☒ Group employees ☒ Employees of business partners and performers
Occupational safety and health	Space and Media	☒ Employees of business partners and performers
Discrimination and harassment	Space and Media	☒ Group employees ☒ Employees of business partners and performers
Right to privacy	Space and Media	☒ Group employees ☒ Customers
Access to communications infrastructure	Space	☒ Customers
Negative impacts on viewers and society through broadcasting and distribution	Media	☒ Consumers, including viewers

In addition to the risks listed above, the Group recognizes forced labor and child labor as risks that require close monitoring upstream in its value chain. The Group will consider measures for these alongside its critical human rights risks.

(2) Initiatives to Address Critical Human Rights Risks

The Group continuously implements human rights due diligence to prevent and mitigate identified critical human rights risks. In FY2025, as part of this effort, the Group raised awareness among select business partners regarding the importance of respecting human rights and the Group's human rights initiatives. Concurrently, the Group conducted a human rights survey with certain business partners to assess the actual status of human rights practices within its supply chain. Moving forward, the Group will continue to foster understanding and further embed human rights initiatives through educational activities and dialogue with its business partners.

(3) Implementation of Human Rights Training

Since formulating its Human Rights Policy in 2023, the Group has conducted ongoing annual human rights training for all officers and employees to foster a deeper understanding of the policy and ensure it is fully embedded within the organization. The Group achieved a 100% participation rate in FY2025.

Initiatives in the Supply Chain

Initiatives for the Supply Chain

To fulfill its social responsibilities across the entire service-related supply chain, the Group has established the SKY Perfect JSAT Group Supplier Sustainability Guidelines, outlining its policy approach to issues such as respect for human rights, anti-corruption, and environmental considerations. In conjunction with this, the Group has conducted sustainable procurement surveys targeting key business partners since FY2023 to assess and evaluate their sustainability initiatives. In FY2025, the Group expanded the scope of these surveys to include overseas business partners, further deepening its understanding of sustainability practices within its supply chain. Furthermore, in addition to providing feedback on survey results, the Group conducted visits and dialogues with business partners based on the findings to drive improvements.

FY2025 Sustainable Procurement Survey Results



Corporate Governance	84%	Quality and Safety	88%
Human Rights	79%	Information Security	95%
Labor	90%	Supply Chain	66%
Environment	67%	Community	72%
Fair Business Practices	85%	Average Scoring Rate*	81%

*Scoring rate:
The percentage of each company's survey answer score, where the total possible score (100%) is calculated as: (Number of questions answered, excluding those marked "Not applicable") multiplied by the maximum score per question (5 points).

► Click [here](#) for details on our initiatives in the supply chain

Data Section

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P.85	Consolidated Statement of Cash Flows
P.86	Notes to Consolidated Financial Statements
P.111	Independent Auditor's Report



Glossary for Understanding
Our Company

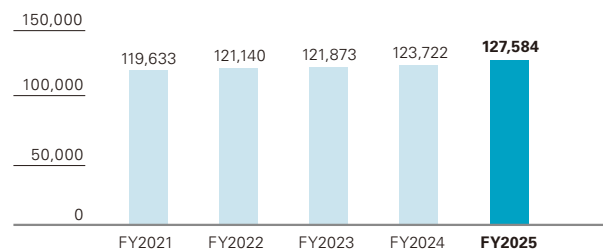
<https://en.skyperfectjsat.space/ir/glossary>

Financial Highlights

SKY Perfect JSAT Corporation and Consolidated Subsidiaries

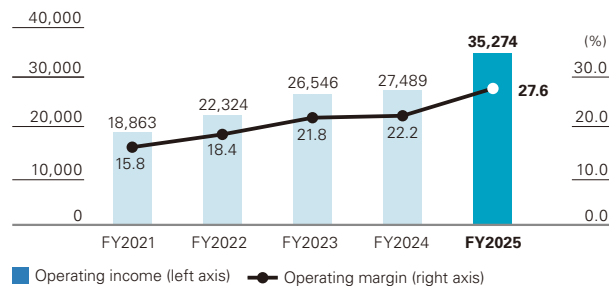
Revenues

(Millions of yen)



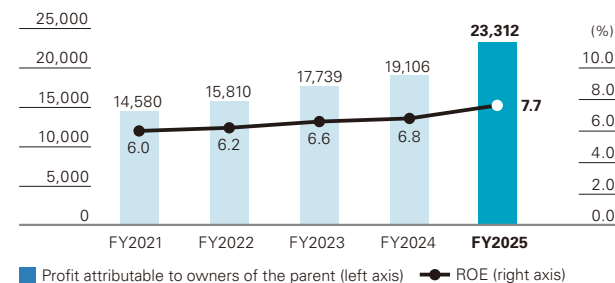
Operating Income / Operating Margin

(Millions of yen)



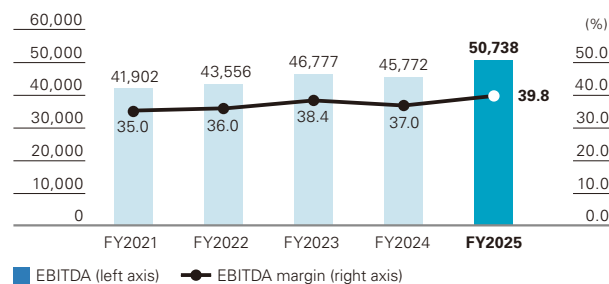
Profit Attributable to Owners of the Parent / ROE

(Millions of yen)



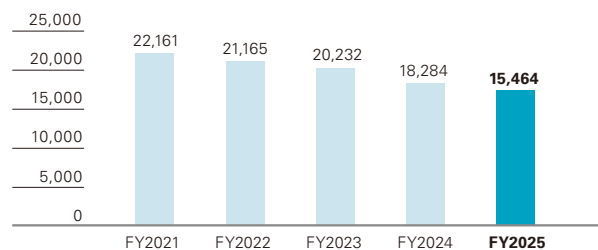
EBITDA / EBITDA Margin

(Millions of yen)



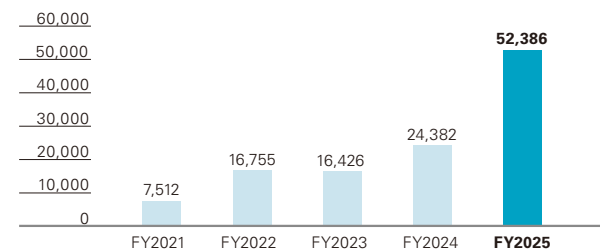
Depreciation and Amortization

(Millions of yen)



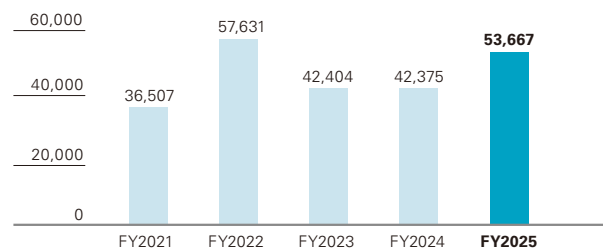
Capital Expenditures

(Millions of yen)



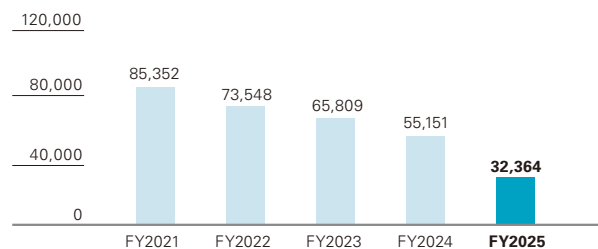
Cash Flows from Operating Activities

(Millions of yen)



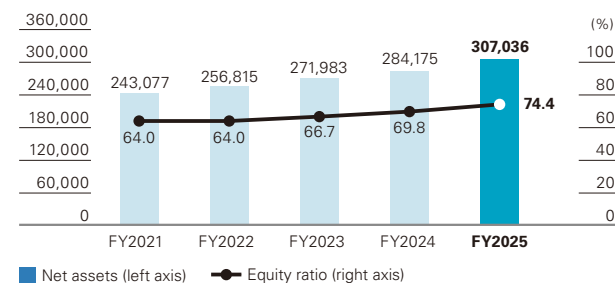
Interest-Bearing Debt

(Millions of yen)



Net Assets / Equity Ratio

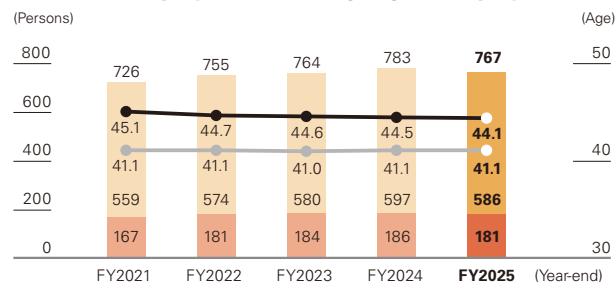
(Millions of yen)



Non-Financial Highlights

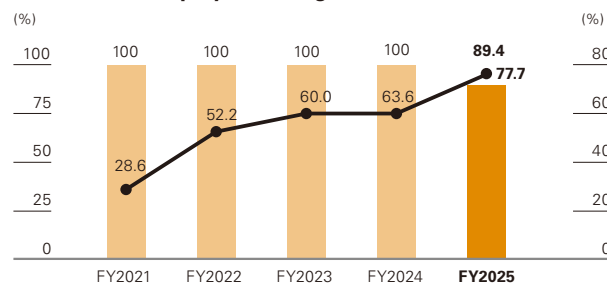
SKY Perfect JSAT Corporation Only

Number of Employees and Average Age of Employees



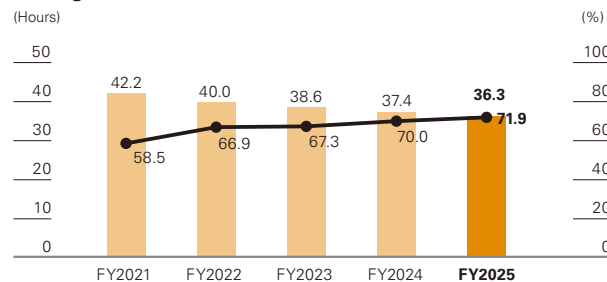
Number of employees (left axis) ■ Male ■ Female
Average age of employees (right axis) ● Male ● Female

Rate of Return to Work from Childcare and Rate of Male Employees Taking Childcare Leave



■ Rate of return to work from childcare leave (left axis)
● Rate of male employees taking childcare leave (right axis)

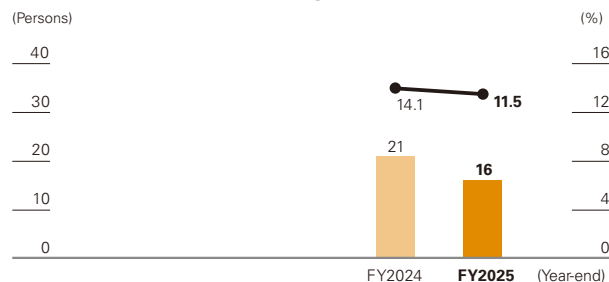
Rate of Annual Leave Taken by Employees and Average Number of Hours Worked overtime



■ Rate of annual leave taken by employees (left axis)
● Average number of hours worked overtime (right axis)

Our scheduled working hours are 7 hours per day. This differs from the statutory working hours (8 hours per day), so please bear this prerequisite in mind when comparing our company to others.

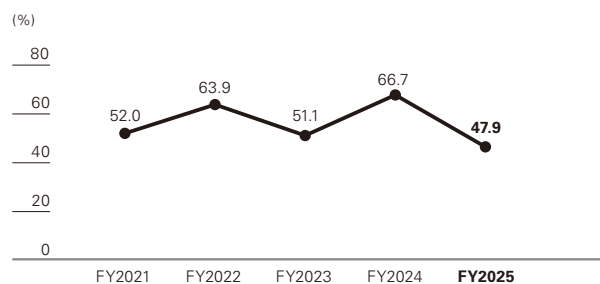
Number of Female Line Managers



■ Number of Female Managers (left axis) ● Rate of Female Managers (right axis)

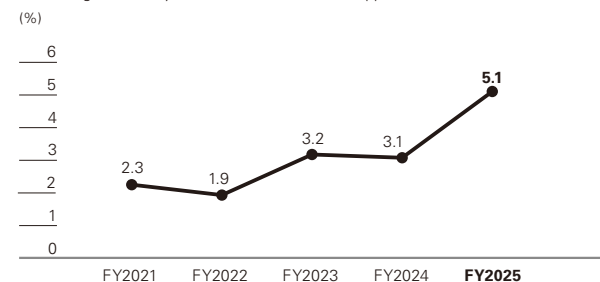
The percentage of female workers in management positions is calculated based on the provisions of the Act on the Promotion of Female Participation and Career Advancement in the Workplace (Act No. 64 of 2015).

Rate of Mid-Career Recruitment

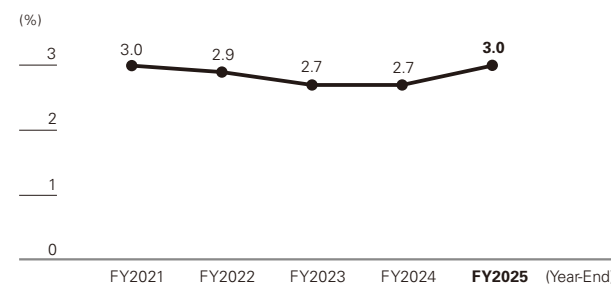


Turnover Rate Trends

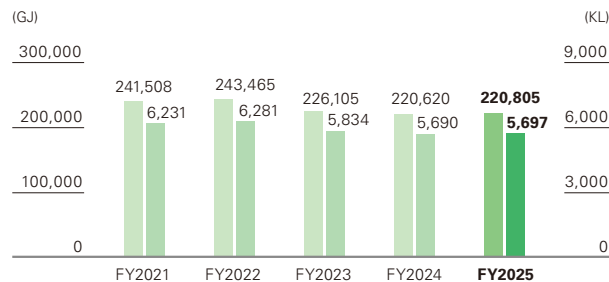
(Excluding mandatory retirement and executive appointment)



Rate of Disabled in the Workforce

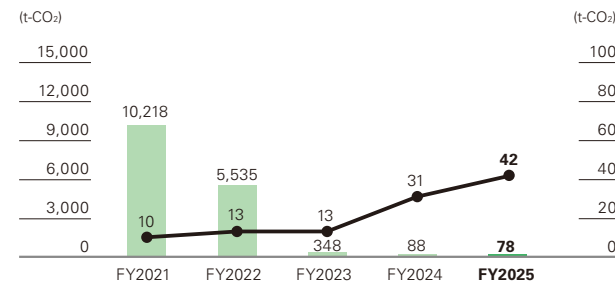


Energy Consumption



■ Energy consumption (left axis)
■ Energy consumption: crude oil equivalent value (right axis)

GHG Emissions



■ GHG emissions (Scope 2) (left axis)
● GHG emissions (Scope 1) (right axis)

Consolidated Financial Highlights

SKY Perfect JSAT Corporation and Consolidated Subsidiaries
Years ended March 31

Thousands of U.S.
dollars, except Per
Share Data (Note 1)

Millions of yen, except Per Share Data and Selected Financial Indicators

	2017	2018	2019	2020	2021	2022 (Note 6)	2023	2024	2025	2026	2026
For the Year:											
Revenues	¥ 192,876	¥ 145,502	¥ 164,015	¥ 139,542	¥ 139,572	¥ 119,633	¥ 121,140	¥ 121,873	¥ 123,722	¥ 127,584	\$ 797,752
Cost of Services	130,594	92,202	111,316	90,188	87,047	68,303	69,058	66,690	66,395	64,701	404,566
Selling, General, and Administrative Expenses	37,848	37,648	37,408	34,090	33,373	32,467	29,758	28,637	29,838	27,609	172,629
Operating Income	24,434	15,652	15,291	15,263	19,152	18,863	22,324	26,546	27,489	35,274	220,557
Profit before Income Taxes	24,297	17,244	15,515	15,493	19,888	20,276	23,123	26,259	27,938	34,909	218,274
Profit Attributable to Owners of the Parent	17,415	11,353	9,682	12,027	13,345	14,580	15,810	17,739	19,106	23,312	145,763
Comprehensive Income	17,870	11,415	9,764	11,832	11,686	16,424	18,930	26,222	17,872	32,257	201,693
EBITDA (Note 2)	46,853	40,024	38,683	39,458	43,353	41,902	43,556	46,777	45,772	50,738	317,249
Depreciation and Amortization	21,541	23,494	22,514	23,317	23,323	22,161	21,165	20,232	18,284	15,464	96,692
Amortization of Goodwill	878	878	878	878	878	878	67	—	—	—	—
Capital Expenditures	16,177	15,940	23,834	19,533	13,038	7,512	16,755	16,426	24,382	52,853	
Cash Flows from Operating Activities	7,030	22,546	25,898	28,880	57,949	36,507	57,631	42,404	42,375	53,667	335,567
Cash Flows from Investing Activities	(22,883)	(27,213)	(33,469)	(20,826)	(11,358)	(7,737)	(16,870)	(15,385)	(25,776)	(76,459)	(478,075)
Free Cash Flows (Note 3)	(15,853)	(4,667)	(7,571)	8,054	46,591	28,770	40,761	27,019	16,599	(22,792)	(142,508)
Cash Flows from Financing Activities	13,469	4,866	9,362	(12,516)	(16,879)	(16,405)	(19,423)	(21,099)	(16,743)	(32,281)	(201,847)
At Year-End:											
Cash and Cash Equivalents	¥ 46,151	¥ 46,305	¥ 48,090	¥ 43,603	¥ 73,194	¥ 85,914	¥ 107,909	¥ 114,322	¥ 114,516	¥ 77,801	\$ 486,472
Total Assets	359,485	359,344	376,102	378,367	385,568	378,167	399,055	405,411	403,414	407,759	2,549,610
Interest-Bearing Debt	82,753	92,767	108,086	102,443	90,959	85,352	73,548	65,809	55,151	32,364	202,362
Net Assets	213,909	219,635	224,015	228,943	235,315	243,077	256,815	271,983	284,175	307,036	1,919,814
										Yen	Yen U.S. dollars
Per Share Data (Yen and U.S. dollars)											
Earnings Per Share	¥ 58.64	¥ 38.22	¥ 32.60	¥ 40.49	¥ 44.92	¥ 49.52	¥ 54.44	¥ 61.69	¥ 67.44	¥ 82.25	\$ 0.51
Total Equity Per Share	709.14	729.48	745.26	767.69	788.27	833.58	879.33	953.99	993.48	1070.96	6.70
Dividends Per Share	18.00	18.00	18.00	18.00	18.00	18.00	20.00	21.00	27.00	42.00	0.26
										%	%
Selected Financial Indicators (%)											
Operating Margin	12.7	10.8	9.3	10.9	13.7	15.8	18.4	21.8	22.2	27.6	
EBITDA Margin	24.3	27.5	23.6	28.3	31.1	35.0	36.0	38.4	37.0	39.8	
Equity Ratio (Note 4)	58.6	60.3	58.9	60.3	60.8	64.0	64.0	66.7	69.8	74.4	
ROE (Note 5)	8.3	5.2	4.4	5.3	5.7	6.0	6.2	6.6	6.8	7.7	
Dividend Payout Ratio	30.7	47.1	55.2	44.4	40.1	36.3	36.7	34.0	40.0	51.1	

Notes: 1. For convenience, U.S. dollar amounts have been set at the exchange rate of \$1 = ¥159.93 as of March 31, 2026.

2. EBITDA is calculated using the following formula: Operating Income + Depreciation and Amortization.

The calculation formula has been changed from the previous formula: Profit Attributable to Owners of the Parent + Income Taxes + Depreciation and Amortization + Amortization of Goodwill + Interest Expense.

3. Free Cash Flows are calculated using the following formula: Cash Flows from Operating Activities + Cash Flows from Investing Activities.

4. Non-controlling interests are excluded from equity in calculating Equity Ratio.

5. Non-controlling interests are excluded from equity in calculating ROE.

6. The Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020) and other standards are applied from the fiscal year ended March 31, 2022. Financial position and results of operation for the fiscal year ended March 31, 2022, onwards are presented in figures after applying the said Accounting Standard, etc.

Materiality (Targets and KPIs)

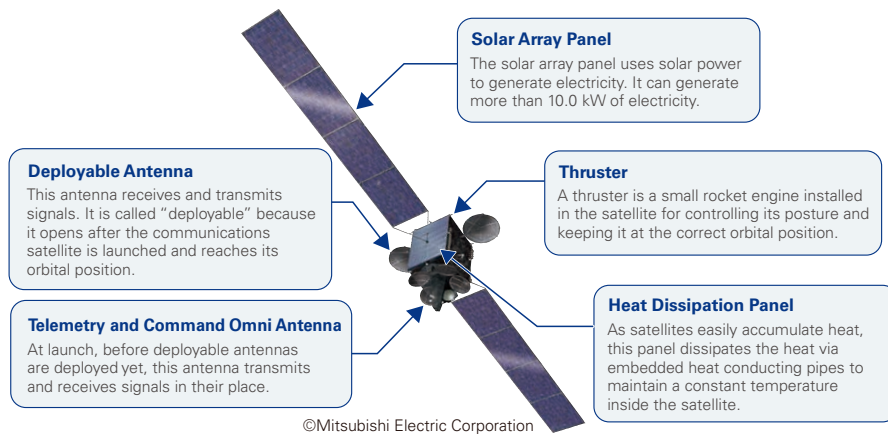
The SKY Perfect JSAT Group has identified five materiality topics based on changes in the business environment and stakeholder expectations.

The Group has set targets that represent its vision for 2030 and beyond, together with KPIs, for each materiality topic and is advancing initiatives to achieve them.

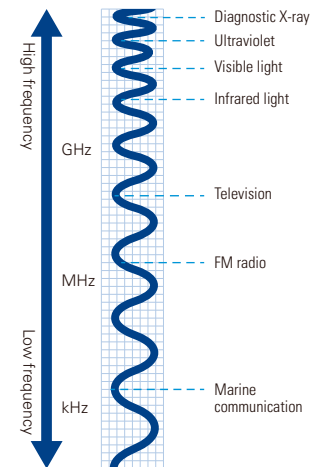
Materiality	Vision for 2030 and Beyond	KPI
Build Resilient Infrastructure through Satellite Technology 	Ensure resilient and inclusive connectivity that supports lives and livelihoods, even during disasters.	(1) Bandwidth utilized by owned geostationary satellites (2) Number of major service interruptions (in accordance with Article 58 of the Regulations for Enforcement of the Telecommunications Business Act)
Drive a More Enriched Society through Technology and Content 	Lead environmental improvement and the advancement of a safe and secure society through new value creation in the space business domain.	(1) Progress in initiatives toward building Universal NTN™ (2) Progress in Space Intelligence initiatives related to improving the global environment and disaster prevention/mitigation
	Continue pursuing innovative services and deliver new value to people's lives through media.	(1) Progress in initiatives such as new businesses and alliances that go beyond existing domains
	Create opportunities for new connections between people and content, and inspire broader perspectives through a diverse content platform.	(1) Reduction of churn toward transformation into sustainable services (2) Progress of the Media Solution Business (3) Cumulative number of contracts for the Optical Fiber Based Re-transmission Service
Contribute to a Sustainable Environment 	Maintain carbon neutrality for Scope 1 and 2 emissions, continue reducing Scope 3 emissions, and advance climate change mitigation and adaptation.	(1) GHG emissions (2) Renewable energy usage ratio
	Contribute to the preservation and enhancement of a sustainable space environment.	(1) Technological research progress
Empower Diverse Talent to Thrive 	Foster talent that drives transformation in support of the Group's business strategy by providing an environment where every employee can take ownership of their professional development.	(1) Implementation status of human resource development measures that contribute to management strategy and business transformation (2) Education and training expenses per employee (3) Average score of basic skills (non-managers only)
	Promote DE&I and create an organization where diverse identities are respected and everyone can perform at their full potential.	(1) Proportion of female managers relative to the proportion of female employees (2) Average age of team leaders (3) Examples of internal awareness-raising and system utilization initiatives for DE&I
	Advance Health and Productivity Management to support the well-being of every executive and employee and enable high performance.	(1) Continuous certification as an Outstanding Organization of KENKO Investment for Health and improvement in evaluations under the Survey on KENKO Investment for Health (2) Percentage of highly engaged employees (3) Maintaining a 100% rate of employees taking legally required medical checkups
Strengthen a Sound and Resilient Management Foundation 	Continuously pursue a corporate governance system that combines diversity and effectiveness.	(1) Fulfillment of the skills matrix for directors and corporate auditors (2) Implementation rate of improvements addressing issues identified in the effectiveness evaluation (3) Number of serious legal violations
	Build lasting trust through proactive and responsible disclosure and ongoing dialogue with stakeholders.	(1) Number of investor meetings (2) Examples of initiatives for proactive information dissemination and enhancement of information disclosure
	Maintain zero major incidents or information leaks related to information security and personal data protection.	(1) Number of major incidents (2) Maintaining ISMS and PrivacyMark certifications (3) Examples of initiatives to strengthen cybersecurity
	Embed respect for human rights throughout the organization and ensure appropriate decisions and actions are taken across all business activities.	(1) Examples of human rights due diligence initiatives (2) Human rights training attendance rate

Satellite Basics

Satellite Structure for a GEO (Geostationary Orbit) Satellite



Types of radio frequencies used by communications satellites



Radio wave characteristics are determined by frequency and wavelength. The higher the frequency, the better suited to high-capacity communications, but the more susceptible to the effects of rain and other factors.

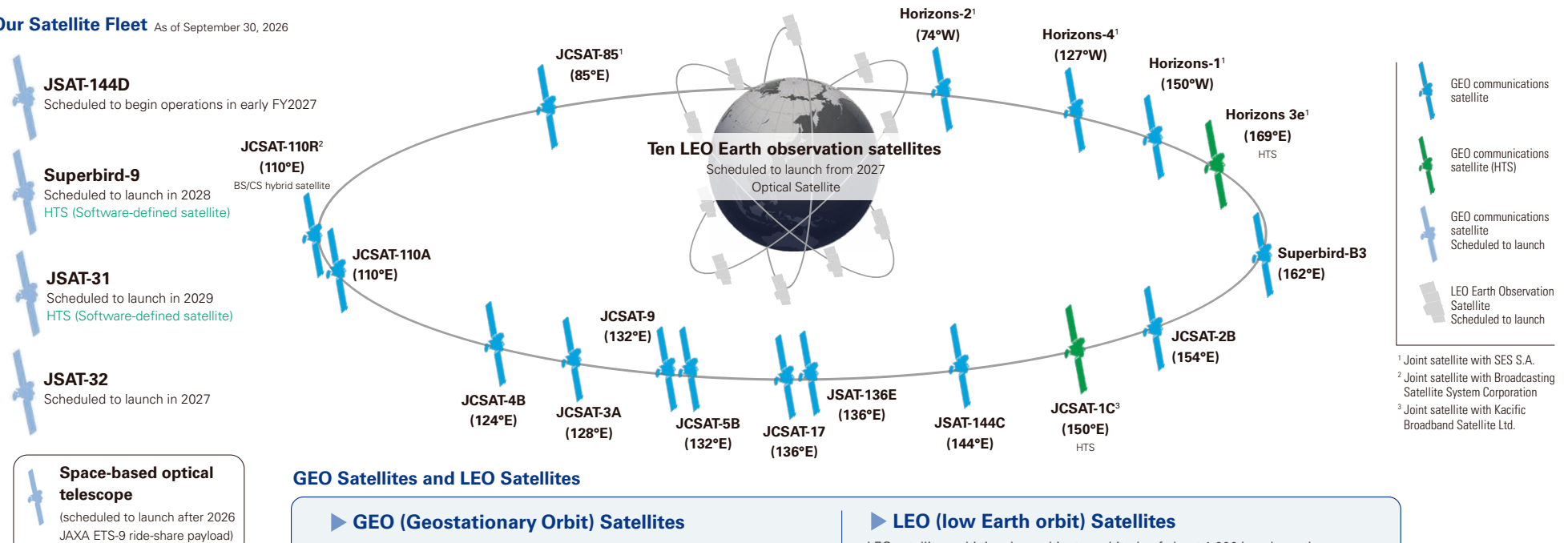
In satellite communications, multiple frequency bands are used depending on the application. SKY PerfectTV¹ uses Ku-band, which can be received with a small antenna. In recent years, the use of Ka-band has become more widespread for high-capacity communications.

Frequencies commonly used for satellite communications	
Ka	17.3–31
Ku	10.6–15.7
X	7.075–8.5
C	3.4–7.075
S	1.71–2.7
L	1.215–1.71

(GHz)

Band	Characteristics and main applications
Ka	Suited to high-capacity communications, used for moving objects such as vessels and aircrafts
Ku	Can be received with a small antenna. Used for broadcasting and communications
X	Used for military communications, weather, and Earth observation satellites
C	Resistant to rain, long used for wide-area communications

Our Satellite Fleet As of September 30, 2026



¹ Joint satellite with SES S.A.

² Joint satellite with Broadcasting Satellite System Corporation

³ Joint satellite with Kacific Broadband Satellite Ltd.

GEO Satellites and LEO Satellites

► GEO (Geostationary Orbit) Satellites

GEO satellites orbit at an altitude of 36,000 km above the equator. Their orbital period is about 24 hours, the same period as the Earth's rotation, so they always appear to stay in the same position when viewed from the ground, hence why it is called geostationary orbit. A single satellite can provide continuous coverage of a wide area. They are well suited to communications and broadcasting, and are larger with longer lifespans than LEO satellites.

► LEO (low Earth orbit) Satellites

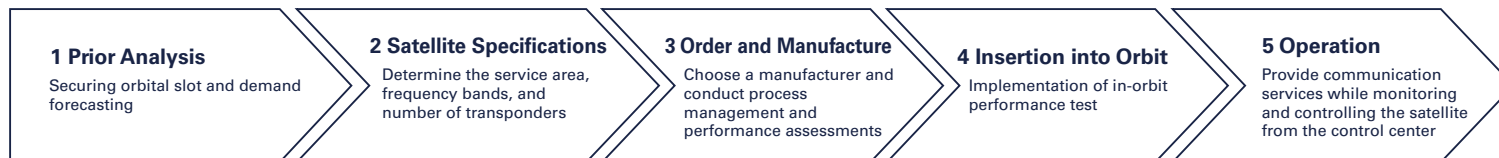
LEO satellites orbit in a low orbit at an altitude of about 1,000 km above the surface. There is little delay in communication, and they are used for a wide variety of applications, including Earth observation, positioning, and communications. Because each LEO satellite has a narrow area of coverage, coordinated operation of multiple satellites is common, and there were more than 10,000 in operation as of 2025. Compared to GEO satellites, LEO satellites are smaller with shorter lifespans.

Business Basics

Space Business

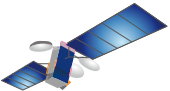
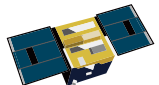
| Satellite Procurement Process

A satellite is launched after thorough preparation in a process that begins with discussion of satellite specifications based on demand forecasts and mission requirements, followed by placing an order with a manufacturer, having satellite manufactured, and selecting a launch service.



| Satellite-Related Timeframes and Costs

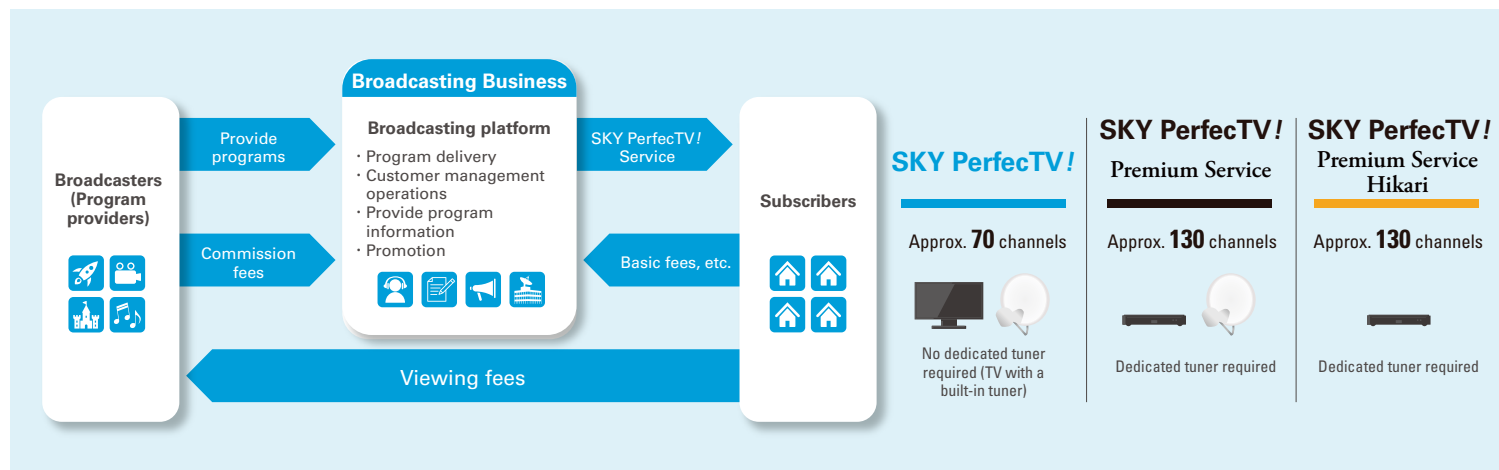
The development and procurement of a satellite require a large investment, and the costs and time needed for development vary significantly depending on satellite specifications and mode of operation.

		Cost of procurement and launch	Design lifetime	Period from order to launch
	GEO satellites	20.0–50.0 billion yen	Approx. 15 years	2–3 years
	LEO satellites	Several hundred million to several billion yen	Approx. 5–10 years	1–3 years

Media Business

| Service Structure of SKY PerfecTV!

SKY PerfecTV! is a multi-channel payTV broadcasting service provided by SKY PerfecTV! JSAT. As a platform provider, we provide channels in a wide variety of content genres from individual broadcasters and handle program transmission, customer management, and acquisition of subscribers.



Stock Information/External Evaluations

Basic Information (As of March 31, 2026)

Total number of shares authorized to be issued	1,450,000,000 shares*
Number of shares issued	297,681,264 shares
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)

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

Major Shareholders (As of March 31, 2026)

	Number of shares held	Shareholding ratio
ITOCHU Fuji Partners, Inc.	76,568,800	27.01 %
NTT DOCOMO BUSINESS, Inc.	26,057,000	9.19 %
The Master Trust Bank of Japan, Ltd. (Trust account)	22,619,800	7.98 %
Nippon Television Network Corporation	20,891,400	7.37 %
TBS HOLDINGS, INC.	18,434,000	6.50 %
Custody Bank of Japan, Ltd. (Trust account)	12,683,400	4.47 %
STATE STREET BANK AND TRUST COMPANY 505019	3,018,701	1.07 %
Takahiro Yamaguchi	2,804,400	0.99 %
DFA INTL SMALL CAP VALUE PORTFOLIO	2,703,000	0.95 %
STATE STREET BANK AND TRUST COMPANY 505223	2,496,234	0.88 %

Notes: 1. As of March 31, 2026, we own 14,241,474 shares of treasury stock, which is excluded from the above list of major shareholders. The shareholding ratio is calculated after deducting treasury stock.
2. On July 17, 2026, we disposed of 49,128 shares of treasury stock as restricted stock compensation. On August 3, 2026, we disposed of 33,850 shares of treasury stock as a restricted stock allocation for the employee stock ownership plan.

Breakdown by Shareholder Category (As of March 31, 2026)

	Number of shareholders	% of total		Number of shares held	% of total
Financial institutions	38	0.08 %	Financial institutions	41,230,700	13.85 %
Securities firms	44	0.10 %	Securities firms	3,673,751	1.23 %
Other Japanese corporations	296	0.65 %	Other Japanese corporations	151,970,177	51.05 %
Foreigners	528	1.16 %	Foreigners	60,646,687	20.37 %
Individuals and others	44,662	98.01 %	Individuals and others	25,918,475	8.71 %
Treasury stock	1	0.00 %	Treasury stock	14,241,474	4.78 %

External Evaluations (As of August 31, 2026)



FTSE4Good



FTSE JPX Blossom
Japan Index



FTSE JPX Blossom
Japan Sector
Relative Index



2026 CONSTITUENT MSCI NIHONKABU
ESG SELECT LEADERS INDEX



Gomez
IR Site Ranking
Silver Award in overall
ranking 2025



Nikko Investor
Relations Co., Ltd.,
All Markets Ranking
AAA Website



Daiwa Investor
Relations Co., Ltd.
Internet IR Commendation
Award 2025



Initiatives We Support



External Certification



Corporate Information

Corporate Information

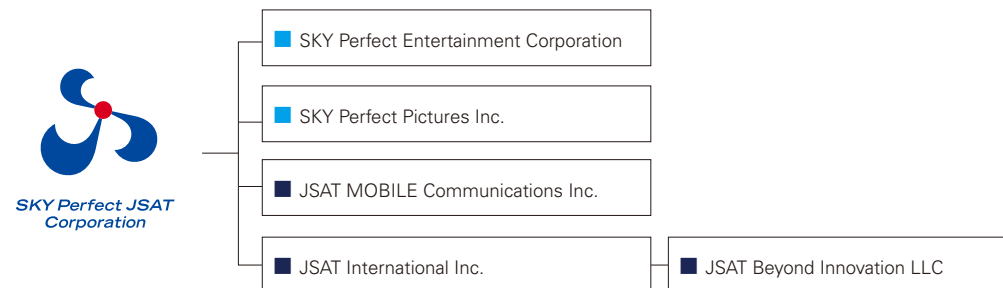
Corporate Name	SKY Perfect JSAT Corporation
Headquarters	8-1, Akasaka 1-chome, Minato-ku, Tokyo 107-0052, Japan
Telephone	+81-3-5571-7800
URL	https://en.skyperfectjsat.space/
Established	April 2, 2007
Number of Employees (Consolidated)	769 (As of March 31, 2026)
Capital	¥10,172 million (As of March 31, 2026)
Stock Listing	Prime Market, Tokyo Stock Exchange (Code 9412)
Number of Shares Issued	297,681,264
Number of Shareholders	45,569
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.

List of Major Group Companies (As of April 1, 2026)

■ Space Business

■ Media Business

SKY Perfect JSAT Corporation



List of Major Consolidated Subsidiaries

	Corporate Name	Capital	Principal Activities	Ownership Ratio
	SKY Perfect Entertainment Corporation ■	¥10 million	Licensed broadcaster providing multichannel pay TV services via CS-110/124/128 degrees platform	100.0%
	SKY Perfect Pictures Inc. ■	¥100 million	Anime content planning, production investment, distribution, and related businesses	51.0%
	JSAT MOBILE Communications Inc. ■	¥200 million	A provider of mobile Satellite Communications Services	53.3%
	JSAT International Inc. ■	US\$255 million	Sales of satellite capacity in North America and Asia-Pacific	100.0%
	JSAT Beyond Innovation LLC ■	US\$103 million	Ownership and operation of an Earth observation satellite constellation	100.0%

Management's Discussion and Analysis

Operating Environment

The Japanese economy gradually recovered during the fiscal year ended March 31, 2026 due to improvements in employment and income conditions, despite some effects from U.S. trade policies.

As for the operating environment for SKY Perfect JSAT Group (the "Group"; consists of the Company and its subsidiaries and affiliated companies), the space-related market witnessed the full-scale launch of a communications service using large low Earth orbit satellite constellations, and despite intensification in the competitive environment, demand for satellite communications for aircraft and vessels, as well as satellite data in the area of national security, is expanding.

In the media-related market, the market environment continues to be difficult, with continued competition with video streaming services to acquire content and customers. On the other hand, market opportunities are expanding due to strong demand for live content such as sports and music.

Performance Overview

Given these conditions, the consolidated financial results of the Group for the fiscal year ended March 31, 2026 were as follows.

Category	Previous fiscal year (millions of yen)	Fiscal year ended March 31, 2026 (millions of yen)	Change (millions of yen)	Change (%)
Revenues	123,722	127,584	3,863	3.1
Operating income	27,489	35,274	7,785	28.3
Ordinary profit	27,291	35,420	8,129	29.8
Profit before income taxes	27,938	34,909	6,971	25.0
Profit attributable to owners of the parent	19,106	23,312	4,206	22.0

While revenues from subscription fees, service charges, and basic fees in the Media Business decreased by ¥2.3 billion, revenue grew due to an increase of ¥3.1 billion in revenue in the Space Business from the domestic satellite communications domain, as well as an increase of ¥2.6 billion in revenue from the Space Intelligence Business.

In addition, while the cost of services increased due to higher revenue in the Space Business, operating expenses decreased by ¥3.9 billion due to the successful optimization of broadcasting business operations in the Media Business.

As a result, operating income, ordinary profit, profit before income taxes, and profit attributable to owners of the parent all increased.

Financial Position

Total assets amounted to ¥407.8 billion, an increase of ¥4.3 billion compared to the end of the previous fiscal year.

Current assets decreased by ¥41.9 billion compared to the end of the previous fiscal year, due to factors such as a ¥36.7 billion decrease in the combined total of cash and deposits and securities (with redemption periods of three months or less), and a ¥4.1 billion decrease in trade accounts receivable from the collection of receivables related to the X-band Business.

Property, plant and equipment and intangible assets increased by ¥36.3 billion compared to the end of the previous fiscal year, mainly as a result of a ¥52.9 billion increase from capital expenditures, which was partially offset by a ¥16.2 billion decrease from depreciation and amortization and impairment losses.

Investments and other assets increased by ¥10.3 billion compared to the end of the previous fiscal year. Although loans receivable decreased by ¥3.9 billion due to factors such as the collection of loans related to the Horizons 3e Business, investment securities increased by ¥15.4 billion as a result of factors including the subscription to a third-party allotment of shares by QPS Holdings Inc. and the mark-to-market valuation of listed shares held by the Group.

Total liabilities amounted to ¥100.7 billion, a decrease of ¥18.5 billion compared to the end of the previous fiscal year. The main increase was a ¥3.9 billion rise in income taxes payable, and the main decrease was a ¥22.8 billion drop in interest-bearing debt due to the redemption of bonds and the repayment of borrowings related to the X-band and Horizons 3e Businesses.

Net assets, including non-controlling interests, amounted to ¥307.0 billion, an increase of ¥22.9 billion compared to the end of the previous fiscal year. The main components were increases of ¥13.4 billion in retained earnings, due to factors such as the recording of profit attributable to owners of the parent, and ¥4.3 billion in deferred gain on derivatives under hedge accounting.

Liquidity and Capital Resources

Cash Flows

Cash flows from operating activities amounted to net cash provided of ¥53.7 billion (compared to net cash provided of ¥42.4 billion in the previous fiscal year). This was mainly due to profit before income taxes and depreciation and amortization totaling ¥50.4 billion, a ¥4.1 billion decrease in notes and accounts receivable-trade, and a ¥2.6 billion decrease in lease receivables, which were partially offset by income taxes paid of ¥7.4 billion.

Cash flows from investing activities amounted to net cash used of ¥76.5 billion (compared to net cash used of ¥25.8 billion in the previous fiscal year). This was mainly due to the purchase of property, plant and equipment and intangible assets of ¥50.1 billion, the purchase of investment securities of ¥9.9 billion, and payments into time deposits with deposit periods of more than three months of ¥20.9 billion.

Cash flows from financing activities amounted to net cash used of ¥32.3 billion (compared to net cash used of ¥16.7 billion in the previous fiscal year). This was mainly due to the repayment of long-term loans payable of ¥13.0 billion, the redemption of bonds of ¥10.0 billion, and cash dividends paid of ¥9.9 billion.

Management's Discussion and Analysis

As a result of the above, the balance of cash and cash equivalents at the end of the fiscal year decreased by ¥56.9 billion compared to the end of the previous fiscal year, amounting to ¥57.6 billion. This ¥57.6 billion in cash and cash equivalents consists of the ¥72.8 billion cash and deposits account on the consolidated balance sheet, less ¥20.2 billion in time deposits with deposit periods of more than three months, plus ¥5.0 billion in securities with redemption periods of three months or less.

Capital Expenditures

In the fiscal year ended March 31, 2026, the Group made capital expenditures totaling ¥52.9 billion. The spending was allocated mainly to procuring facilities for satellite communications, etc. in the Space Business and upgrading broadcasting and distribution facilities in the Media Business.

By segment, investment in the Space Business was directed mainly to communications satellite equipment (book value of ¥35.6 billion as of March 31, 2026) and to satellite control and communications facilities at the Yokohama Satellite Control Center and the Ibaraki, Yamaguchi and Hokkaido Network Control Centers. In the Media Business, investment was directed mainly to broadcasting and transmission facilities at the SKY PerfecTV/Tokyo Media Center and to headend receiving and monitoring equipment.

As of March 31, 2026, the principal facilities under construction or procurement and their total planned investment amounts were a space-based optical telescope (¥8.0 billion), the communications satellites Superbird-9 (¥22.0 billion), JSAT-31 (¥49.0 billion) and JSAT-32 (¥33.0 billion), and the Pelican optical observation satellites of JSAT Beyond Innovation LLC (¥37.0 billion). All of these investments are to be funded by the Group's own funds, with completion scheduled between the second half of 2027 and the second half of 2029.

Company	Category (Location)	Segment	Description of facility	Planned investment amount (in billions of ¥) ^{1,2}		Funding method	Commencement month	Scheduled completion
				Total	Amount paid			
SKY Perfect JSAT Corporation	Space-based optical telescope (Geostationary orbit)	Space Business	Optical telescope	8.0	6.2	Internal funds	July 2020	1H FY2027 or later
SKY Perfect JSAT Corporation	Superbird-9 (Geostationary orbit)	Space Business	Communications satellite	22.0	15.8	Internal funds	March 2021	1H FY2028
SKY Perfect JSAT Corporation	JSAT-31 (Geostationary orbit)	Space Business	Communications satellite	49.0	13.9	Internal funds	May 2024	2H FY2029
SKY Perfect JSAT Corporation	JSAT-32 (Geostationary orbit)	Space Business	Communications satellite	33.0	21.3	Internal funds	February 2025	2H FY2027
JSAT Beyond Innovation LLC	Pelican (low Earth orbit)	Space Business	Optical observation satellites	37.0	16.2	Internal funds	April 2025	1H FY2027 or later

Notes: 1. Of the total planned investment amount, foreign-currency-denominated planned investments for which exchange rates had not been fixed as of the end of the consolidated fiscal year ended March 31, 2026 were calculated using the exchange rate as of the end of March 2026 (€1 = ¥183.44).

2. The planned investment amount for JSAT Beyond Innovation LLC was calculated using the exchange rate as of the fiscal year-end date of the overseas subsidiary (\$1 = ¥156.54).

Finance

Basic Approach to Financial Strategy

The Group has adopted its Group Mission, "Space for your Smile," also as its sustainability policy under which it advances activities toward a sustainable society, and it aims to enhance corporate value while helping to resolve social issues. To realize this mission, the Group maintains a sound financial position underpinned by a solid ability to generate cash through operating activities and rigorously ensures that investment decisions deliver returns exceeding a hurdle rate that reflects its cost of capital. Through these efforts, the basic policy of the Group's financial strategy is to promote investment in growth areas that will improve its underlying earning power, while raising capital efficiency.

Principal Funding Requirements and Financing

The Group's principal funding requirements are working capital needed for business activities, capital expenditure funds for the procurement of communications satellite facilities and the like in the Space Business and for the expansion of broadcasting and distribution facilities in the Media Business, and funds for strategic M&A. These funding requirements are covered mainly by operating cash flow, supplemented as necessary by the issuance of bonds or by borrowings. There was no new financing during the fiscal year ended March 31, 2026. In order to enable agile fundraising, the Company maintains a ¥40.0 billion shelf registration for bond issuance.

The Group also prepares and executes funding plans designed to maintain a certain level of liquidity on hand and has entered into commitment line agreements and overdraft agreements with its correspondent financial institutions (totaling ¥13.2 billion) to guard against liquidity risk. In addition, the Group works to improve capital efficiency by making use of intra-group funds through a cash management system.

Status of Borrowings and Repayment Policy

Borrowings outstanding at the end of the fiscal year ended March 31, 2026 amounted to ¥32.4 billion. Of this amount, ¥27.2 billion in borrowings from financial institutions related to the X-band Business is scheduled to be repaid through the collection of receivables from the Ministry of Defense arising from that business, and ¥3.7 billion in borrowings from financial institutions related to the Horizons 3e Business is scheduled to be repaid using operating cash flow from that business.

Performance Forecasts

In the Space Business, the business environment is changing significantly as the space industry market expands on a global scale, with new operators entering the Space Business and communication services using large-scale low Earth orbit satellite constellations beginning full-scale operation. Furthermore, in light of the recent international situation, the importance of outer space is increasing.

In this environment, in our telecommunications-related business, we will proactively broaden our range of activities, including through participation in government-led projects in areas such as national

Management's Discussion and Analysis

security. We will also aim to strengthen our competitiveness in growth markets and expand earnings by providing high-speed, high-capacity communication services for aircraft and through similar initiatives. In the Space Intelligence Business, we will aim to increase earnings by building and owning a low Earth orbit satellite constellation, promoting business alliances with Earth observation satellite operators, and strengthening our satellite imagery sales. Furthermore, in collaboration with partner companies, we will promote the development of solutions that make use of such data. In new business fields, in collaboration with Space Compass Corporation and other partner companies, we will aim to build a communications network using HAPS (high-altitude communications platform) and an information and communications technology (ICT) infrastructure in space that incorporates optical communication and space computing technologies.

By promoting these initiatives, we will evolve into a space solutions provider that combines communications, space data, and operations, and aim for sustainable growth.

In the Media Business, the diversification of media consumption and intensified competition with domestic and international video streaming services for content and customer acquisition continue, and we are in a situation where it is difficult to maintain and expand our business base through measures that are merely an extension of conventional approaches.

In this environment, in our Broadcasting & Video Streaming Business, we will focus on our mainstay products centered on key genres such as professional baseball, motorsports, and Korean pop culture, assembling attractive and differentiated content and working to improve customer acquisition and subscription retention rates. We will also strive for sustainable business operations by reducing costs and increasing productivity. In the Fiber-optic Alliance Business, we will continue to expand sales of our retransmission services for terrestrial digital, BS digital, and other broadcasts provided via optical fiber lines while further expanding the service area. In addition, to maintain and develop the pay TV broadcasting market, we will continue to provide cable television operators with viewing key management functions using the pass-through method. In new business fields, we will pursue our globally developed Anime Content IP Business through the planning, production investment, and sales of video content centered on anime, as well as the promotion of related businesses.

By promoting these initiatives, we will strengthen our business foundation and acquire new revenue, aiming to evolve into an entertainment platform provider.

The total number of subscribers for the three SKY PerfecTV! services in FY2026 is expected to be as shown in the table below.

	Net increase in number		Total subscribers	
	IC card	Number of subscribers	IC card	Number of subscribers
FY2026 (target)*	(83)	(119)	2,372	1,761
FY2025	(148)	(129)	2,454	1,880

*As of March 2027

The number of households served by Optical Fiber Based Re-transmission Service is projected to be 3,078,000 (2,970,000 in FY2025).

In terms of consolidated financial results for FY2026, we project revenues of ¥135.0 billion (up 5.8% year on year), operating income of ¥39.0 billion (up 10.6% year on year), ordinary profit of ¥39.0 billion (up 10.1% year on year), and profit attributable to owners of parent of ¥27.0 billion (up 15.8% year on year). For FY2026, we project the annual dividend per share to be ¥48.

(Note) The future performance and projections contained within the aforementioned future forecast are based on the Company management's determinations in light of the currently available information. Actual results may differ from the forecast figures due to a number of factors. If a change in circumstances necessitates revisions to the earnings forecast, we will promptly disclose these revisions.

Dividend Policy and Return to Shareholders

Our Articles of Incorporation include the provision that the Board of Directors can resolve to pay dividends from surpluses, etc., as provided in Article 459, Paragraph 1 of the Companies Act.

While actively pursuing business expansion, the Company views the realization of long-term and comprehensive shareholder returns as a crucial management target. Our policy is to determine cash dividend amounts for the interim dividend and the year-end dividend twice a year, and to maintain a payout ratio of at least 50% and an annual dividend of not less than ¥38 per share.

For the year-end dividend for the 19th term, in addition to the interim dividend of ¥19 per share issued with an effective date of December 5, 2025, the Board of Directors resolved at a meeting on April 28, 2026 to pay a dividend of ¥23 per share as a year-end dividend. As a result, the annual dividend for the 19th term will be ¥42 per share.

Dividends of surplus with a record date falling within the current fiscal year are as follows.

Date of resolution	Total amount of dividends (millions of yen)	Dividend per share (yen)
Resolved at the Board of Directors meeting held on November 5, 2025	5,385	19
Resolved at the Board of Directors meeting held on April 28, 2026	6,519	23

Business and Other Risks

Significant Risks Recognized by the Group

The risks listed below are the items that the Group has identified as significant risks based on deliberations by the Risk Management Committee during the fiscal year ended March 31, 2026, along with countermeasures to address them. The risks discussed here do not cover all of the risks faced by the Group. In addition, there may arise unknown risks that the Group is not aware of, or risks that may grow more significant in the future and have a serious impact on the Group's business, financial position, and operating results. Forward-looking statements in this document are based on the judgment of the Group as of the end of fiscal year.

Management's Discussion and Analysis

Space Business

Risks Related to Satellite Infrastructure

[1] Risks Concerning Lower Competitiveness in the Satellite Communications Market

Risk Owner:

Unit President of Space Business Unit, SKY Perfect JSAT Corporation

Risk Overview:

The risk that advances in technology and changes in the competitive environment reduce the competitiveness of the Group's mainstay products and services, thereby affecting profitability.

Risk Status:

While the space industry market is expanding on a global scale, competition in the satellite communications business is intensifying as new operators enter the Space Business and communication services using large-scale low Earth orbit satellite constellations begin full-scale operation. Furthermore, in response to changes in the international situation, and especially in the environment surrounding Japan, the importance of outer space is increasing.

In this competitive environment, one challenge is to expand our business domains and aim for the sustainable growth of the Space Business.

Countermeasures Against Risk:

We will promote measures tailored to the characteristics of each business portfolio.

(1) Connectivity Business

In the Domestic Communications Area, we will strengthen our business foundation by proposing long-term contracts to existing customers and providing services that leverage satellite equipment and our Group's ground station facilities. For our successor satellite, we will flexibly respond to our customers' diverse needs by providing variable beams and bandwidth.

In addition, we will participate in government-led projects, including in the security domain, and will advance the provision of new services that leverage our experience and expertise, such as the operation of government-related satellites and observation and monitoring services.

In Global & Mobility Area, we will aim to expand the provision of communication services for growth markets such as aircraft and ships by leveraging the high-throughput satellites currently in operation and the fully digital satellites planned for future deployment. We will also strengthen our overseas business development, focusing on the Asia-Oceania region.

Furthermore, in collaboration with partner companies, we will aim to build a multi-layered communication network that combines geostationary satellites with non-geostationary satellites and others.

(2) Space Intelligence Business

We will aim to expand earnings by building and owning a low Earth orbit satellite constellation, promoting business alliances with Earth observation satellite operators and others, and strengthening our satellite imagery sales.

(3) New Business Fields

In collaboration with Space Compass Corporation and other partner companies, we will aim to build a communications network using a high-altitude communications platform (HAPS) and an information and communications technology (ICT) infrastructure in space that incorporates optical communication and space computing technologies. We will aim to further expand our business domains into areas such as satellite quantum key distribution and space situational awareness.

Residual Risks:

However, even if the currently envisioned measures are implemented, the market environment may change rapidly with the emergence of new satellite service providers using low Earth orbit satellites and the like, and the Group may not be able to maintain the competitiveness of the telecommunication services it provides in the market.

New business initiatives are carefully researched and analyzed in advance. The selection of business partners and the decision on the amount of capital investment will also be made through the necessary decision-making process after the business plan has been developed. However, the occurrence of circumstances that differ from those originally planned, such as delays in technological development, changes in the business conditions of business partners or changes in the market conditions assumed for the new business in question, may affect the Group's business and management indicators.

[2] Risks Concerning Communications Satellite Procurement

Risk Owner:

Unit President of Space Business Unit, SKY Perfect JSAT Corporation

Risk Overview:

The risk that uncertainties as to delivery timing, performance or cost materialize in the procurement of satellites, ground facilities and the like, affecting business plans.

Risk Status:

When procuring communications satellites, there is a risk of manufacturing delays at the suppliers and launch delays, failures, and so on. If the scheduled start of operations for a communications satellite is delayed for any of these reasons, which results in continuous services unable to be provided for a certain period, there is a chance that earnings may decline and users may leave during that period.

Furthermore, we may incur unplanned expenditures due to design or other factors during the communications satellite manufacturing period.

Countermeasures Against Risk:

To mitigate the aforementioned risks, when creating procurement schedules, we take measures to prepare for potential launch failures, including fleet backup measures using backup satellites and existing satellites, as well as placing advance orders for long lead items for replacement satellites, to ensure

Management's Discussion and Analysis

the early delivery of replacement satellites.

Regarding payments to the suppliers, we make milestone payments based on progress made for both satellite manufacturing and launch services. For satellite manufacture, we strive to reduce risk by securing the right to claim a certain amount of compensation in the event of delivery delays. With respect to launch services, we will set the scheduled launch date in accordance with the expected delivery date of the satellite so that it can be launched as soon as possible after its completion, and we will make every possible effort to adjust the contract during the manufacturing period. However, there may be cases where we are unable to launch the satellite on the terms and at the time we desire, such as when there is a significant delay in satellite manufacture.

With regard to insurance policies, we have insurance policies in place for both launch and in-orbit operations. The launch risk insurance covers the cost of procurement and repair of communications satellites in the event of complete or partial damage during the initial phase of operations, and it is generally valid for one year from the time of launch.

Residual Risks:

However, even if the currently envisioned measures are implemented, there are potential risks, including the risk that the manufacture and launch of successor satellites may be delayed due to the progress of technological development, supply chain issues, unforeseen accidents, or geopolitical situations. With regard to monetary compensation for satellite launch failures or in-orbit damage, other potential risks include the risk that the degree and cause of damage to a satellite or other factors may prevent the launch risk insurance from covering the full cost of the launch; the risk of increased premiums due to fluctuations in the space insurance market environment; and the risk of not being covered by property insurance in the event of war or other absolute exemptions from coverage obligations.

[3] Risks Concerning Communications Satellite Operations

Risk Owner:

Unit President of Space Business Unit, SKY Perfect JSAT Corporation

Risk Overview:

The risk that errors in the composition of the satellite fleet or in the timing of satellite deployment give rise to service interruptions or to costs of responding to customers.

Risk Status:

Communication satellites owned by the Group are used for a relatively long period of more than 15 years. During this operational period, there is the possibility that the satellite may malfunction or that its operational capabilities may be degraded due to manufacturing defects, defective parts, magnetic storms caused by solar activity, collisions with debris or meteorites, excessive fuel consumption, satellite control-related or operation-related failures, or other factors. If such events were to occur, we might experience a decline in revenue due to the inability to provide services, an outflow of customers, or

costs associated with shifting customers to another satellite owned by the Group, any of which could have a negative impact on our earnings.

Countermeasures Against Risk:

To address the above risks, the Group has until now maintained a dedicated backup-only spare satellite in orbit and has been prepared to provide backup as quickly as possible in the event that satellite malfunction. However, the expected delay in the scheduled in-service date of the satellite procured as the successor means that the dedicated backup-only spare communications satellite is planned to temporarily serve as the successor until the successor satellite is in service.

Therefore, in the event of a malfunction of a satellite in operation, we will switch to the dedicated backup satellite in orbital positions where we maintain a dedicated backup satellite, and in other orbital positions, we will take measures such as continuing service using other satellites owned by the Group in accordance with the satellite fleet plan. However, there is a possibility that we may not be able to completely replace the capability of the communications satellite that has experienced a malfunction.

We have an in-orbit insurance policy in place for each launched communications satellite that takes effect after the launch insurance period has elapsed. However, this insurance does not cover third-party liability, loss of revenue, or other business damages that the Group may incur due to technical malfunctions of the communications satellite. Furthermore, for the risk of increased premiums due to fluctuations in the space insurance market environment, we review the scope of coverage and compensation amounts as appropriate.

Residual Risks:

Keeping this in mind, even if the currently envisioned measures are implemented, there is still the risk of earnings decreasing due to the inability to provide replacement functions via a backup satellite owned by the Group owing to unforeseen circumstances. In addition, in the event of damage to a satellite in operation, depending on the established scope of coverage in the insurance policy or the factors causing the malfunction, we anticipate the risk of not being covered by property insurance and the risk that a portion of the damages incurred by the Company will not be compensated.

Media Business

Risks Related to Multi-channel PayTV Broadcasting Platform Services

[4] Risks Concerning the Lower Feasibility of the Broadcasting & Video Streaming Business Risk Owner:

Unit President of Media Business Unit, SKY Perfect JSAT Corporation

Risk Overview:

The risk that changes in the viewing environment and in subscribers' behavior reduce the profitability of the Broadcasting & Video Streaming Business.

Management's Discussion and Analysis

Risk Status:

The acquisition and retention of subscribers is an important factor in the Group's earnings growth. As of March 31, 2026, we had 2,454,000 subscribers, but there is no guarantee that the number of subscribers will grow according to the Group's plans going forward. In addition, despite our efforts to differentiate our content, enhance promotions, and implement various marketing measures such as campaigns, if the number of subscriptions continues to decline or sharply decreases in the future due to intensified competition with competing services or changes in user viewing habits due to developments such as the penetration of video distribution services offering similar content online, the Group's business and operating results may be adversely affected. Moreover, if the appeal of the Group's services declines due to the Group's inability to acquire leading content as a result of intensified competition or other factors, thus resulting in a greater than expected number of cancellations by existing subscribers, this will lead to a decrease in the cumulative number of subscribers, which could have a negative impact on the Group's business and operating results.

Countermeasures Against Risk:

We will promote measures tailored to the characteristics of each business portfolio.

(1) Broadcasting & Video Streaming Business

By focusing on our mainstay products centered on key genres such as professional baseball, motor-sports, and Korean pop culture, we are working to improve customer acquisition and subscription retention rates.

We will also carefully examine various measures from the perspectives of profitability and future prospects and strive for sustainable business operations by reducing costs and increasing productivity.

(2) Media Solution Business

By leveraging the existing assets and broadcasting technologies of our Broadcasting & Video Streaming Business, we will work to further expand orders for solution services that resolve challenges in areas such as video relay, production, transmission, and streaming.

(3) Fiber-optic Alliance Business

In our retransmission service, we will expand the number of connected households through stronger collaboration with our alliance partners. In our CATV pass-through service, we will enhance our ability to provide solutions to the challenges faced by cable television operators and thereby expand usage.

(4) New Business Fields

By promoting the planning, production investment, and sales of audio-visual content centered on animation as broadcasting, as well as its peripheral businesses, we will drive the growth of our globally scalable Anime Content IP Business. We will also work to capture new revenue opportunities through the creation of new businesses and through partner collaborations including M&A.

Residual Risks:

We recognize that the risk level has risen compared to before, owing to factors such as the further advance of online video streaming services. Even if the currently envisioned measures are

implemented, if the decline in subscribers due to increasingly fierce competition is greater than expected, the Group's business and operating results may be adversely affected.

Business Risks

[5] Risks Concerning Business Investments, etc.

Risk Owner:

Unit President of Corporate Administration Unit, SKY Perfect JSAT Corporation

Risk Overview:

The risk that delays in reviewing or in deciding to withdraw from unprofitable or new businesses, or inadequate management of equity investments, impede the optimal allocation of management resources and result in the erosion or impairment of invested capital.

Risk Status:

To expand its business, the Group may consider mergers and acquisitions, investments in other companies, alliances with other companies, and the establishment of cooperative frameworks. If the Group determines that such actions will contribute to its future business strategies and operating results, it may execute said actions.

However, if we are unable to integrate the target businesses of an acquisition in line with the Group's management strategy, or if we are unable to achieve the synergy we expect, apply the Group's internal control system to the target businesses of an acquisition, or if we discover significant problems after making the acquisition, including problems in technological fields in which the Group is not guaranteed to possess knowledge or expertise, the Group's financial situation and operating results may be adversely affected.

Moreover, acquisitions may result in large amounts of goodwill and intangible assets being recorded, which may be impaired if the profitability of the target businesses declines. Also, losses on the sale or liquidation of a business or other losses associated with business restructuring may adversely affect the Group's operating results and financial position.

Countermeasures Against Risk:

To address these risks, the Company has established rules and regulations pertaining to investments, and it holds discussions and makes decisions on financing and investments after taking into consideration business plans, the internal rate of return, withdrawal criteria, and other risks. Furthermore, when it comes to major investment proposals, the Company has a system of multiple checks and careful examinations from multiple perspectives. This includes departmental meetings; discussions at meetings of the Management Committee, an advisory body to the Representative Director, President; and resolutions at meetings of the Board of Directors.

To establish and execute appropriate internal control, we also dispatch personnel to the companies in

Management's Discussion and Analysis

which we invest and require them to comply with the rules and regulations established by the Group for proper management. When making investment decisions, we establish milestones and conduct reviews as appropriate. In addition, after deciding to invest, we review the financial condition, policies, profitability, capital cost, ownership significance, investment appropriateness, and other factors for each investment target, and report the results to the Board of Directors.

Residual Risks:

That being said, even if the currently envisioned measures are implemented, it is impossible to completely prevent losses in the businesses we acquire or impairment of investment securities or goodwill that result from changes in the market and competitive environment or inadequate business management after investments or acquisitions have been made. Thus, there is no guarantee that we can secure profits that are commensurate with our investments.

Also, the occurrence of compliance-related issues at the companies in which we have invested could damage the Group's social credibility.

[6] Risks Concerning Leaks and the Handling of Personal Information and Important Information, and Cyber Security

Risk Owner:

Unit President of Corporate Administration Unit, SKY Perfect JSAT Corporation

Risk Overview:

The risk that cyberattacks, human error or similar events cause leaks of important information or personal information, or system outages, leading to disruption of business operations, damage to the Group's social credibility, and the incurrence of response costs.

Risk Status:

The Group retains customer information, including subscriber information for the services it provides, in its Media Business, and important information, including technical information, in its Space Business. If this information is leaked due to a system failure resulting from a hardware/ software malfunction, human error, or unauthorized access by a third party, or if personal information is improperly handled, the Group's business and operating results may be adversely affected due to loss of public trust, compensation for damages, or other costs incurred while handling the situation. In the event of a large-scale cyberattack, not only could this information be leaked, but the operation of broadcasting/ distribution services as well as Satellite Communications Services could also be disrupted.

Countermeasures Against Risk:

To address the above risks, the Group has obtained ISMS (Information Security Management System) certification and the Privacy Mark and has established an information security and personal information protection management system to ensure strict information management.

As part of these activities, the Personal Information Management Committee and Information Security Management Committee have been established to monitor the status of information security management within the Group.

Further, the CSIRT has been established as an organization responsible for responding to security incidents, and training has been conducted as well. In terms of system measures, we utilize encrypted servers when storing personal information and important business information; intrusion prevention systems and anti-virus software to prevent infections; system logging; and the detection of vulnerabilities through security diagnostics, among other measures.

Additionally, in response to the diversification of cyberattack methods and the increase in cybersecurity risks due to the promotion of DX (Digital Transformation) and other factors, we have appointed a CISO and are working on the implementation and enhancement of cybersecurity measures. We are also strengthening our ability to detect malware and unauthorized communications and reviewing our internal network construction standards.

Residual Risks:

However, even if all of these measures are implemented, information leaks or service disruptions could occur due to unforeseen situations that overwhelm these measures, such as advanced cyberattacks utilizing new technologies.

Consolidated Balance Sheet

SKY Perfect JSAT Holdings Inc. and Consolidated Subsidiaries
March 31, 2026

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2025	2026	2026
ASSETS			
Current Assets:			
Cash and cash equivalents (Notes 6 and 16)	¥ 114,516	¥ 77,801	\$ 486,472
Accounts receivable (Notes 6 and 16):			
Trade	52,509	48,392	302,585
Affiliated companies	474	557	3,484
Allowance for doubtful accounts	(74)	(103)	(643)
Lease receivables (Notes 6, 12 and 16)	39,838	37,241	232,857
Inventories:			
Broadcasting rights	929	285	1,785
Work in process	884	170	1,065
Other	1,176	1,296	8,095
Advance payments to suppliers	6,962	7,118	44,508
Investment in and advances to affiliated companies (Notes 16 and 19)	6,634	3,854	24,096
Other (Notes 6 and 19)	4,707	9,995	62,492
Total current assets	228,555	186,606	1,166,796
Property and Equipment:			
Buildings and structures	25,157	25,506	159,484
Machinery, equipment and vehicles	70,173	71,442	446,708
Telecommunications satellites	213,704	213,704	1,336,237
Land	3,878	4,697	29,371
Construction in progress	37,642	78,906	493,378
Other	18,674	21,614	135,144
Total property and equipment	369,228	415,869	2,600,322
Accumulated depreciation	(254,044)	(264,657)	(1,654,832)
Net property and equipment	115,184	151,212	945,490
Investments and Other Assets:			
Software	5,354	5,594	34,980
Investment securities (Notes 5 and 16)	4,849	20,295	126,896
Investment in and advances to affiliated companies (Notes 16 and 19)	36,814	33,458	209,203
Deferred tax assets (Notes 2.p and 10)	9,160	5,811	36,333
Other	3,498	4,783	29,912
Total investments and other assets	59,675	69,941	437,324
Total	¥ 403,414	¥ 407,759	\$ 2,549,610

See notes to consolidated financial statements.

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2025	2026	2026
LIABILITIES AND EQUITY			
Current Liabilities:			
Current portion of long-term debt (Notes 6 and 16)	¥ 23,021	¥ 8,650	\$ 54,083
Accounts payable:			
Trade	10,323	9,526	59,566
Affiliated companies	784	861	5,383
Income taxes payable	3,737	7,615	47,615
Subscription fees received	5,970	5,630	35,202
Unearned revenues	21,148	20,755	129,773
Accrued bonus	643	611	3,818
Other	4,212	6,771	42,345
Total current liabilities	69,838	60,419	377,785
Non-Current Liabilities:			
Long-term debt (Notes 6 and 16)	32,130	23,714	148,279
Liabilities for retirement benefits (Note 7)	5,682	5,001	31,270
Deferred tax liabilities (Notes 2.p and 10)	2,020	2,355	14,723
Asset retirement obligations (Note 8)	2,265	2,300	14,381
Other	7,304	6,934	43,358
Total non-current liabilities	49,401	40,304	252,011
Commitments and Contingent Liabilities (Note 12):			
Equity (Note 9):			
Common stock			
Authorized, 1,450,000,000 shares;			
Issued, 297,681,264 shares in 2025 and 2026	10,173	10,173	63,609
Capital surplus	132,040	132,110	826,050
Stock acquisition rights	200	—	—
Retained earnings	138,889	152,281	952,176
Treasury stock—at cost, 14,323,086 shares in 2025 and 14,241,474 shares in 2026	(7,924)	(7,878)	(49,257)
Accumulated other comprehensive income			
Unrealized gain on available-for-sale securities	311	3,622	22,647
Deferred gain on derivatives under hedge accounting	1,694	6,008	37,562
Foreign currency translation adjustments	6,260	6,792	42,465
Remeasurements of defined retirement benefit plans	66	446	2,790
Total	281,709	303,554	1,898,042
Non-controlling interests	2,466	3,482	21,772
Total equity	284,175	307,036	1,919,814
Total	¥ 403,414	¥ 407,759	\$ 2,549,610

Consolidated Statement of Income

SKY Perfect JSAT Holdings Inc. and Consolidated Subsidiaries
Year Ended March 31, 2026

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2025	2026	2026
Revenues (Notes 2.o, 11 and 20)	¥ 123,722	¥ 127,584	\$ 797,752
Operating Expenses:			
Cost of services (Notes 13 and 20)	66,395	64,701	404,566
Selling, general, and administrative expenses (Notes 14 and 20)	29,838	27,609	172,629
Operating Income (Note 20)	27,489	35,274	220,557
Other Income (Expenses):			
Interest and dividend income	2,129	2,580	16,135
Interest expense (Note 6)	(1,537)	(876)	(5,479)
Foreign exchange gains —net	(43)	24	151
Share of loss of investments accounted for using the equity method	(1,147)	(2,146)	(13,419)
Subsidy income	—	—	—
Gain on sales of investment securities (Note 5)	367	—	—
Gain on sales of shares of subsidiaries and associates	280	—	—
Compensation income for damage	341	341	2,129
Gain on change in equity	—	415	2,595
Impairment loss (Notes 15 and 20)	—	(853)	(5,331)
Write-down of investment securities (Note 5)	—	(74)	(462)
Other—net	59	224	1,398
Other Income—Net	449	(365)	(2,283)
Profit before Income Taxes	27,938	34,909	218,274
Income Taxes (Note 10):			
Current	7,510	11,157	69,757
Deferred	925	97	607
Total Income Taxes	8,435	11,254	70,364
Profit	19,503	23,655	147,910
Profit attributable to non-controlling interests	397	343	2,147
Profit attributable to owners of the parent	¥ 19,106	¥ 23,312	\$ 145,763
	Yen		U.S. dollars (Note 1)
	2025	2026	2026
Per Share of Common Stock (Note 2.t):			
Earnings Per Share	¥ 67.44	¥ 82.25	\$ 0.51
Diluted Earnings Per Share	—	—	—
Cash Dividends Applicable to the Year	27.00	42.00	0.26

See notes to consolidated financial statements.

Consolidated Statement of Comprehensive Income

SKY Perfect JSAT Holdings Inc. and Consolidated Subsidiaries
Year Ended March 31, 2026

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2025	2026	2026
Profit	¥ 19,503	¥ 23,655	\$ 147,910
Other comprehensive income (Note 18):			
Unrealized gain (loss) on available-for-sale securities	(6,652)	3,269	20,440
Deferred gain on derivatives under hedge accounting	1,272	4,355	27,236
Foreign currency translation adjustments	3,500	532	3,317
Remeasurement of defined retirement benefit plans	263	380	2,378
Share of other comprehensive income in affiliated companies accounted for using the equity method	(14)	66	412
Total other comprehensive income	(1,631)	8,602	53,783
Comprehensive income	17,872	32,257	201,693
Total comprehensive income attributable to:			
Owners of the parent	17,394	31,847	199,131
Non-controlling interests	¥ 478	¥ 410	\$ 2,562

See notes to consolidated financial statements.

Consolidated Statement of Changes in Equity

SKY Perfect JSAT Holdings Inc. and Consolidated Subsidiaries
Year Ended March 31, 2026

	Millions of yen												
	Outstanding number of shares of common stock	Common stock	Capital surplus	Stock acquisition rights	Retained earnings	Treasury stock	Accumulated other comprehensive income				Total	Non-controlling interests	Total equity
							Unrealized gain (loss) on available-for-sale securities	Deferred gain (loss) on derivatives under hedge accounting	Foreign currency translation adjustments	Remeasurement of defined retirement benefit plans			
Balance, April 1, 2024	283,255,337	¥10,129	¥131,958		¥126,015	¥(7,924)	¥6,964	¥516	¥2,761	¥(197)	¥270,222	¥1,761	¥271,983
Issuance of new shares	102841	44	44								88		88
Cash dividends, ¥27.00 per share					(6,232)						(6,232)		(6,232)
Profit attributable to owners of parent					19,106						19,106		19,106
Disposal of treasury shares											0		0
Changes in the parent's ownership interest due to transactions with non-controlling interests			38								38		38
Adjustment to retained earnings for change in the number of equity method affiliates											0		0
Net change in items other than shareholders' equity				200			(6,653)	1,178	3,499	263	(1,513)	705	(808)
Balance, March 31, 2025	283,358,178	¥10,173	¥132,040	¥200	¥138,889	¥(7,924)	¥311	¥1,694	¥6,260	¥66	¥281,709	¥2,466	¥284,175
Issuance of new shares											0		0
Cash dividends, ¥42.00 per share					(9,920)						(9,920)		(9,920)
Profit attributable to owners of parent					23,312						23,312		23,312
Disposal of treasury shares	81,612		69			46					115		115
Changes in the parent's ownership interest due to transactions with non-controlling interests			1								1		1
Net change in items other than shareholders' equity				(200)			3,311	4,314	532	380	8,337	1,016	9,353
Balance, March 31, 2026	283,439,790	¥10,173	¥132,110	¥0	¥152,281	¥(7,878)	¥3,622	¥6,008	¥6,792	¥446	¥303,554	¥3,482	¥307,036

	Thousands of U.S. dollars (Note 1)												
	Outstanding number of shares of common stock	Common stock	Capital surplus	Stock acquisition rights	Retained earnings	Treasury stock	Accumulated other comprehensive income				Total	Non- controlling interests	Total equity
							Unrealized gain (loss) on available- for-sale securities	Deferred gain (loss) on derivatives under hedge accounting	Foreign currency translation adjustments	Remeasure- ment of defined retirement benefit plans			
Balance, March 31, 2025	283,358,178	\$63,609	\$825,613	\$1,251	\$868,434	\$(49,549)	\$1,943	\$10,596	\$39,148	\$412	\$1,761,457	\$15,417	\$1,776,874
Issuance of new shares													
Cash dividends, ¥42.00 per share					(62,021)						(62,021)		(62,021)
Profit attributable to owners of parent					145,763						145,763		145,763
Disposal of treasury shares	81,612		433			292					725		725
Changes in the parent’s ownership interest due to transactions with non-controlling interests			4								4		4
Adjustment to retained earnings for change in the number of equity method affiliates											0		0
Net change in items other than shareholders' equity				(1,251)			20,704	26,966	3,317	2,378	52,114	6,355	58,469
Balance, March 31, 2026	283,439,790	\$63,609	\$826,050	\$0	\$952,176	\$(49,257)	\$22,647	\$37,562	\$42,465	\$2,790	\$1,898,042	\$21,772	\$1,919,814

See notes to consolidated financial statements.

Consolidated Statement of Cash Flows

SKY Perfect JSAT Holdings Inc. and Consolidated Subsidiaries
Year Ended March 31, 2026

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2025	2026	2026
Operating Activities:			
Profit before income taxes	27,938	34,909	218,274
Adjustments for:			
Depreciation and amortization (Note 20)	18,284	15,464	96,692
Impairment loss	—	853	5,331
Interest and dividend income	(2,129)	(2,580)	(16,135)
Interest expense	1,537	876	5,479
Equity in net losses of affiliated companies	1,147	2,146	13,419
Gain on change in equity	—	(415)	(2,595)
Decrease in receivables—trade and affiliated companies	4,141	4,116	25,738
Write-down of investment securities	—	74	462
Decrease (increase) in broadcasting rights	(74)	644	4,025
Decrease (increase) in inventories	(148)	463	2,893
Increase in advance payments to suppliers	(2,176)	(220)	(1,377)
Decrease (increase) in payables—trade and affiliated companies	1,015	(681)	(4,255)
Decrease in deferred revenues	(803)	(393)	(2,455)
Decrease in lease receivables	3,294	2,598	16,242
Other—net	(1,437)	1,384	8,660
Subtotal	50,589	59,238	370,398
Interest and dividends received	2,280	2,928	18,305
Interest paid	(1,736)	(1,059)	(6,623)
Income taxes paid	(8,758)	(7,440)	(46,513)
Net cash provided by operating activities	42,375	53,667	335,567

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2025	2026	2026
Investing Activities:			
Payments for time deposits	—	(20,862)	(130,446)
Refund of time deposits	—	1,601	10,010
Purchases of property and equipment	(21,577)	(47,001)	(293,886)
Purchases of intangible assets	(2,377)	(3,109)	(19,441)
Purchases of investment securities	(334)	(9,923)	(62,045)
Proceeds from collection of loans receivable	4,702	6,275	39,236
Proceeds from sale and redemption of investment securities	511	0	2
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	417	—	—
Payments for additional acquisition of shares of affiliated companies	(7,300)	(3,447)	(21,555)
Other—net	182	7	50
Net cash used in investing activities	(25,776)	(76,459)	(478,075)
Financing Activities:			
Repayments of long-term loans payable	(10,995)	(12,977)	(81,145)
Redemption of bonds	—	(10,000)	(62,527)
Dividends paid	(6,229)	(9,911)	(61,974)
Dividends paid to non-controlling interests	(114)	(103)	(643)
Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation	395	710	4,442
Proceeds from issuance of share acquisition rights	200	—	—
Net cash used in financing activities	(16,743)	(32,281)	(201,847)
Foreign currency translation adjustments on cash and cash equivalents	338	(355)	(2,223)
Net increase in cash and cash equivalents	194	(55,428)	(346,578)
Cash and cash equivalents, beginning of year	114,322	114,516	716,039
Decrease in cash and cash equivalents resulting from change in scope of consolidation	—	(1,440)	(9,004)
Cash and cash equivalents, end of year	114,516	57,648	360,457

See notes to consolidated financial statements.

Notes to Consolidated Financial Statements

SKY Perfect JSAT Holdings Inc. and Consolidated Subsidiaries
Year Ended March 31, 2026

1. Basis of Presentation of Consolidated Financial Statements

The accompanying consolidated financial statements have been prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Act, and its related accounting regulations, and in accordance with generally accepted accounting principles in Japan ("Japanese GAAP"), which are different in certain respects as to application and disclosure requirements of generally accepted accounting principles in the United States of America and International Financial Reporting Standards.

In preparing these consolidated financial statements, certain reclassifications and rearrangements have been made to the consolidated financial statements issued domestically in order to present them in a form that is more familiar to readers outside Japan. In addition, certain reclassifications have been made in the 2025 consolidated financial statements to conform to the classifications used in 2026.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which SKY Perfect JSAT Holdings Inc. (the "Company") is incorporated and operates. The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥159.93 to \$1, the approximate rate of exchange at March 31, 2026. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

2. Summary of Significant Accounting Policies

a. Consolidation

The consolidated financial statements as of March 31, 2026, include the accounts of the Company and its significant subsidiaries (together, the "Companies"). The remaining subsidiaries are excluded from the scope of consolidation because those unconsolidated subsidiaries do not have material effects on the accompanying consolidated financial statements.

The numbers of consolidated subsidiaries and affiliated companies, in which investments are accounted for under the equity method, as of March 31, 2025 and 2026, are summarized below.

	2025	2026
Consolidated subsidiaries	9	9
Affiliated companies:		
Unconsolidated subsidiaries	9	11
Associated companies	27	28

Under the control and influence concepts, those companies in which the Company, directly or indirectly, is able to exercise control over operations are consolidated, and those companies over which the Companies have the ability to exercise significant influence are accounted for by the equity method.

Investments in unconsolidated subsidiaries and associated companies are accounted for by the equity method.

All significant intercompany balances and transactions have been eliminated in consolidation. All material unrealized profit included in assets resulting from transactions within the Companies is also eliminated.

b. Unification of Accounting Policies Applied to Foreign Subsidiaries for the Consolidated Financial Statements

The accounting standard for unification of accounting policies applied to foreign subsidiaries for the consolidated financial statements: (1) requires the accounting policies and procedures applied to a parent company and its subsidiaries for similar transactions and events under similar circumstances to be, in principle, unified for the preparation of the consolidated financial statements and (2) allows for financial statements prepared by foreign subsidiaries in accordance with either International Financial Reporting Standards or generally accepted accounting principles in the United States of America to be tentatively used for the consolidation process. However, the following items should be adjusted in the consolidation process so that net income is accounted for in accordance with Japanese GAAP, unless they are not material: 1) amortization of goodwill; 2) scheduled amortization of actuarial gain or loss of pensions that has been directly recorded in equity through other comprehensive income; 3) expensing capitalized development costs of research and development ("R&D"); 4) cancellation of the fair value model accounting for property, plant and equipment and investment properties and incorporation of the cost model of accounting; and 5) recording a gain or loss through profit or loss on the sale of an investment in an equity instrument for the difference between the acquisition cost and selling price, and recording impairment loss through profit or loss for other-than-temporary declines in the fair value of an investment in an equity instrument, where a foreign subsidiary elects to present in other comprehensive income subsequent changes in the fair value of an investment in an equity instrument.

c. Unification of Accounting Policies Applied to Foreign Associated Companies for the Equity Method

The accounting standard requires adjustments to be made to conform to the affiliate's accounting policies for similar transactions and events under similar circumstances to those of the parent company when the associate's financial statements are used in applying the equity method, unless it is impracticable to determine adjustments. In addition, financial statements prepared by foreign associated companies in accordance with either International Financial Reporting Standards or generally accepted accounting principles in the United States of America tentatively may be used in applying the equity method if the following items are adjusted so that net income is accounted for in accordance with Japanese GAAP, unless they are not material: 1) amortization of goodwill; 2) scheduled amortization of actuarial gain or loss of pensions that has been directly recorded in equity through other comprehensive income; 3) expensing capitalized development costs of R&D; 4) cancellation of the fair value model accounting for property, plant and equipment and investment properties and incorporation of the cost model of accounting; and 5) recording a gain or loss through profit or loss on the sale of an investment in an equity instrument for the difference between the acquisition cost and selling price, and recording

Notes to Consolidated Financial Statements

impairment loss through profit or loss for other-than-temporary declines in the fair value of an investment in an equity instrument, where a foreign associate elects to present in other comprehensive income subsequent changes in the fair value of an investment in an equity instrument.

d. Cash and Cash Equivalents

Cash equivalents are short-term investments that are readily convertible into cash and that are exposed to insignificant risk of changes in value.

Cash equivalents include time deposits, commercial paper, and mutual funds investing in bonds, all of which mature or become due within three months of the date of acquisition.

Cash and cash equivalents in the consolidated balance sheet as of March 31, 2026 includes time deposits with original maturities of more than three months in amount of ¥20,153 million (\$126,015 thousand). This amount is excluded from cash and cash equivalents at the end of the year in the consolidated statement of cash flows.

e. Inventories

Inventories consist primarily of broadcasting rights and work in process. The Companies purchase rights relating to the broadcasting of programs, which are capitalized and then amortized based on the number of showings.

Inventories are stated at the lower of cost, or net selling value. The cost is determined by the specific identification method for broadcasting rights and work in process, and by the first-in, first-out method for merchandise and supplies.

f. Securities

Securities are presented as investment securities in the consolidated balance sheet.

Securities are classified as held-to-maturity debt securities or available-for-sale securities, depending on management's intent.

Held-to-maturity debt securities, for which there is a positive intent and ability to hold to maturity, are stated at amortized cost.

Securities other than equity instruments that do not have a quoted market price in an active market are stated at fair value with unrealized gains and losses, net of applicable taxes, reported in a separate component of equity. The cost of securities sold is determined based on the moving-average method.

Equity instruments that do not have a quoted market price in an active market are stated at cost determined by the moving-average method. For other-than-temporary declines in fair value, securities are reduced to net realizable value by a charge to income.

When the value of securities, investment securities and capital contributions declines significantly, the Group recognizes an impairment loss unless such decline is considered recoverable. Accordingly, if market conditions deteriorate or the operating performance of investees declines in the future, losses not currently reflected in the carrying amount of investments may arise, or the carrying amount of investments may become unrecoverable, resulting in the recognition of valuation losses.

g. Allowance for Doubtful Accounts

An allowance for doubtful accounts is provided for the estimated amount of uncollectible receivables, such as accounts receivable—trade and loans receivable, based on the past credit loss experience of bad debts for general receivables, and on the individually evaluated collectability for specific doubtful accounts.

h. Property and Equipment

Property and equipment are stated at cost. Depreciation is computed by the straight-line method over the estimated useful lives of the assets. The estimated useful lives for property and equipment are principally as follows:

Buildings and structures	3–50 years
Machinery, equipment, and vehicles	2–17 years
Telecommunications satellites	12–15 years
Other	2–15 years

i. Software

Software is stated at cost less accumulated amortization and is amortized by the straight-line method over its estimated internal useful life (mainly five years).

j. Impairment of Long-Lived Assets

The Companies review their long-lived assets for impairment whenever events or changes in circumstance indicate the carrying amount of an asset or asset group may not be recoverable. An impairment loss is recognized if the carrying amount of an asset or asset group exceeds the sum of the undiscounted future cash flows expected to result from the continued use and eventual disposition of the asset or asset group. The impairment loss would be measured as the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the discounted cash flows from the continued use and eventual disposition of the asset or the net selling price at disposition. Accordingly, if the future profitability of business asset groups declines or other factors cause their carrying amounts to become unrecoverable, impairment losses may be recognized.

k. Accrued Bonuses

Accrued bonuses for employees are recorded for the estimated bonuses attributable to the current fiscal year within the period eligible for bonus payment set by the Companies.

l. Retirement and Pension Plans

Certain consolidated subsidiaries of the Company have unfunded defined benefit severance indemnity plans covering substantially all of their employees other than directors, executive officers, and Audit & Supervisory Board Members.

Notes to Consolidated Financial Statements

Certain subsidiaries of the Company also participate in a contributory multi-employer pension plan covering all of their employees. The costs of the multi-employer plan are accrued based on the contribution amounts.

The Companies record liabilities for retirement benefits based on the projected benefit obligations required at the consolidated balance sheet date to provide for future payments.

The projected benefit obligations are attributed to periods on a benefit formula basis. Unrecognized actuarial differences are amortized by the straight-line method over the average remaining service years of the employees or a shorter period (10–17 years), starting from the year following the year in which the differences occur. Unrecognized prior service cost is amortized by the straight-line method over the average remaining service years of the employees (12 years), starting from the year in which it occurs.

m. Asset Retirement Obligations

Under the accounting standard for asset retirement obligations, an asset retirement obligation is defined as a legal obligation imposed either by law or contract that results from the acquisition, construction, development and normal operation of a tangible fixed asset and is associated with the retirement of such tangible fixed asset. The asset retirement obligation is recognized as the sum of the discounted cash flows required for future asset retirement and is recorded in the period in which the obligation is incurred if a reasonable estimate can be made. If a reasonable estimate of the asset retirement obligation cannot be made in the period the asset retirement obligation is incurred, the liability should be recognized when a reasonable estimate of the asset retirement obligation can be made. Upon initial recognition of a liability for an asset retirement obligation, an asset retirement cost is capitalized by increasing the carrying amount of the related fixed asset by the amount of the liability. The asset retirement cost is subsequently allocated to expense through depreciation over the remaining useful life of the asset. Over time, the liability is accreted to its present value each period. Any subsequent revisions to the timing or the amount of the original estimate of undiscounted cash flows are reflected as an adjustment to the carrying amount of the liability and the capitalized amount of the related asset retirement cost.

n. Leases

Lessee

Finance lease transactions are capitalized by recognizing lease assets and lease obligations in the consolidated balance sheet.

All other leases are accounted for as operating leases.

Lessor

Finance leases that are deemed to transfer ownership of the leased property to the lessee are recognized as lease receivables.

o. Recognition of Revenue and Expenses

The Company and its consolidated subsidiaries (the “Group”) recognize revenue when control of promised goods or services is transferred to a customer in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods and services. The Group provides the following goods and services in each reportable segment of Space Business and Media Business.

(1) Space Business

The major service under the Space Business is a satellite telecommunications service.

The Group provides the satellite telecommunications service based on data transmission and reception between ground station facilities via communications satellites in geostationary orbit. The revenue from this service primarily consists of that from a communication-related service and a broadcasting-related service.

The communication-related service primarily consists of sale of telecommunication lines and periphery services. As the sale of telecommunication lines, etc. is deemed as a transaction in which performance obligations are satisfied over time, revenue is recognized as the Group provides telecommunication lines. Revenue from the periphery services is recognized either at the time when the delivery of services is completed or as the Group provides services, depending on the details of each contract. The Group receives consideration for these transactions generally within the following month after the billing date.

The broadcasting-related service is primarily the provision of satellite links to broadcasters who operate each channel for multichannel pay TV operations. As this service is deemed as a transaction in which performance obligations are satisfied over time, the Group recognizes revenue as it provides satellite links. The Group charges consideration for these transactions in one lump sum of six to 12 months or in a monthly fee every month, depending on the details of each contract. The consideration is received generally within the following month after the billing date.

Additionally, certain sale of lines and sale of equipment are deemed as transactions in which the Group acts as an agent in the provision of goods and services to the users of these services. The revenue is therefore recognized on a net basis at an amount of consideration to be received from the users of these services less the amount payable to the line providers, etc.

The registration fee to be received at the start of the line contracts is recognized over the estimated average contract period.

(2) Media Business

The major service under the Media Business is the provision of platforms pertaining to broadcasting and distribution.

The Group develops broadcasting platforms through optical lines, Internet and other various transmission lines centering on SKY PerfecTV! satellite broadcasting. While providing subscribers with broadcasting and distribution, the Group provides platform services, such as customer management service, to

Notes to Consolidated Financial Statements

broadcasters who operate channels on these platforms. Revenue from these services mainly consists of subscription fee revenue, basic fee revenue, service charge revenue and FTTH revenue.

As subscription fee revenue and basic fee revenue are transactions of which performance obligations are satisfied over time, the Group recognizes revenue as it provides broadcasting services based on terms and conditions of the broadcasting agreements concluded with subscribers. The consideration for these transactions is received generally within the following month after the billing date. As subscription fee revenue is a transaction in which the Group acts as an agent in the provision of goods and services to subscribers, revenue is recognized on a net basis at an amount of consideration to be received from subscribers less the amount payable to program supply business operators.

As service charge revenue is a transaction in which performance obligations are satisfied over time, the Group recognizes revenue as it provides platform services based on contracts with broadcasters. The Group receives consideration for these transactions generally within the following month after the billing date.

As FTTH revenue is a transaction in which performance obligations are satisfied over time, the Group recognizes revenue as it provides TV viewing service. The Group receives consideration for these transactions generally within eight months after the provision of the service, mainly via collecting agents. The registration fee to be received at the start of the FLET's service contract is recognized over the estimated average contract period.

p. Income Taxes

The provision for income taxes is computed based on the pretax income included in the consolidated statement of income. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. Deferred taxes are measured by applying currently enacted tax rates to the temporary differences.

The group tax sharing system has been adopted from the beginning of the fiscal year ended March 31, 2025. Further details are provided in 10. Income Taxes chapter.

q. Foreign Currency Transactions

All monetary receivables and payables denominated in foreign currencies are translated into yen at the exchange rates at the consolidated balance sheet date. The foreign exchange gains and losses from transactions are recognized in the consolidated statement of income to the extent that they are not hedged by forward exchange contracts.

r. Foreign Currency Financial Statements

The balance sheet accounts of the consolidated foreign subsidiaries are translated into yen at the current exchange rate as of the consolidated balance sheet date except for equity, which is translated at the historical rate. Differences arising from such translation are shown as "Foreign currency translation

adjustments" under accumulated other comprehensive income in a separate component of equity. Revenue and expense accounts of the consolidated foreign subsidiaries are translated into yen at the average exchange rate.

s. Derivative Financial Instruments

The Companies use derivative financial instruments to manage their exposures to fluctuations in foreign currency exchange rates. Foreign exchange forward contracts are utilized by the Companies to reduce foreign currency exchange rate risk. The Companies do not enter into derivatives for trading or speculative purposes.

Derivative financial instruments and foreign currency transactions are classified and accounted for as follows:

a) All derivatives are recognized as either assets or liabilities and measured at fair value, and gains or losses on derivative transactions are recognized in the consolidated statement of income. b) For derivatives used for hedging purposes, if such derivatives qualify for hedge accounting because of high correlation and effectiveness between the hedging instruments and the hedged items, gains or losses on derivatives are deferred until maturity of the hedged transactions. c) Regarding the interest rate swaps that satisfy the requirements for special treatment, such special treatment is applied.

Certain assets and liabilities hedged by foreign exchange forward contracts are translated at the forward exchange contract rates.

Interest rate swaps are utilized to hedge interest rate exposures of loans payable. These swaps that qualify for hedge accounting are measured at fair value at the consolidated balance sheet date and the unrealized gains or losses are deferred until maturity as deferred gain (loss) under hedge accounting in a separate component of equity.

t. Per Share Information

Earnings per share are computed by dividing profit attributable to owners of the parent available to common shareholders by the weighted-average number of common shares outstanding for the period. The weighted-average number of shares of common stock for the years ended March 31, 2025 and 2026, were 283,327,466 and 283,415,528, respectively.

Diluted earnings per share of common stock are not presented because the Companies had no securities outstanding that might dilute earnings per share for the years ended March 31, 2025 and 2026.

Cash dividends per share presented in the accompanying consolidated statement of income refer to dividends applicable to the respective years, including dividends to be paid after the end of the year.

Notes to Consolidated Financial Statements

3. Significant Accounting Estimate

Collectability of deferred tax assets

(1) Amounts recorded on the consolidated financial statements

Deferred tax assets as of March 31, 2025 and 2026, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2025	2026	2026
Deferred tax assets	¥9,160	¥5,811	\$36,333

(2) Information concerning significant accounting estimates for identified items

The Group recorded deferred tax assets taking into consideration the sufficiency of taxable income before temporary differences based on earning power and tax planning.

As the collectability of deferred tax assets depends on estimates of future taxable income, changes to the pre-existing conditions or assumptions may affect the amounts of deferred tax assets and income taxes- deferred in the following fiscal year.

4. Unapplied Accounting Standards

Accounting Standard for Leases

The “Accounting Standard for Leases” (ASBJ Statement No. 34, September 13, 2024) and the “Guideline on Accounting Standard for Leases” (ASBJ Guidance No. 33, September 13, 2024), which require lessees to account all leases as assets and liabilities in line with international accounting standards, are scheduled to be applied from the beginning of the fiscal year ending March 2028. The impact of the application of these accounting standards on the consolidated financial statements is currently being evaluated.

Accounting Standard for Subsequent Events

The “Accounting Standard for Subsequent Events” (ASBJ Statement No. 41, January 9, 2026) and the “Guidance on Accounting Standard for Subsequent Events” (ASBJ Guidance No. 35, January 9, 2026), which establish comprehensive accounting and disclosure requirements for subsequent events, are scheduled to be applied from the beginning of the fiscal year ending March 2028.

5. Investment Securities

Investment securities as of March 31, 2025 and 2026, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2025	2026	2026
Investment securities:			
Equity securities	¥4,043	¥18,008	\$ 112,599
Debt	—	160	1,000
Other	806	2,127	13,297
Total	¥4,849	¥ 20,295	\$ 126,896

The costs and aggregate fair values of certain investment securities as of March 31, 2025 and 2026, were as follows:

	Millions of yen			
	2025			
	Cost	Unrealized gain	Unrealized loss	Fair value
Securities classified as:				
Available-for-sale				
Equity securities	¥2,672	¥668	¥254	¥3,086
Total	¥2,672	¥668	¥254	¥3,086

	Millions of yen			
	2026			
	Cost	Unrealized gain	Unrealized loss	Fair value
Securities classified as:				
Available-for-sale				
Equity securities	¥12,067	¥5,171	¥176	¥17,062
Debt	156	4	—	160
Other	1,000	—	—	1,000
Total	¥13,223	¥5,175	¥176	¥18,222

Notes to Consolidated Financial Statements

	Thousands of U.S. dollars			
	2026			
	Cost	Unrealized gain	Unrealized loss	Fair value
Securities classified as:				
Available-for-sale				
Equity securities	\$75,457	\$32,332	\$1,102	\$106,687
Debt	974	26	—	1,000
Other	6,253	—	—	6,253
Total	\$82,684	\$32,358	\$1,102	\$113,940

The breakdown of available-for-sale securities, which were sold in the fiscal years that ended on March 31, 2025 and 2026, were as follows:

	Millions of yen		
	2025		
	Proceeds	Realized gain	Realized loss
Available-for-sale:			
Equity securities	¥511	¥367	¥1
Total	¥511	¥367	¥1

	Millions of yen		
	2026		
	Proceeds	Realized gain	Realized loss
Available-for-sale:			
Equity securities	¥0	¥0	—
Total	¥0	¥0	—

	Thousands of U.S. dollars		
	2026		
	Proceeds	Realized gain	Realized loss
Available-for-sale:			
Equity securities	\$2	\$2	—
Total	\$2	\$2	—

There were no available-for-sale securities which were written down in the fiscal year ended March 31, 2025.

Write-downs of available-for-sale securities for the fiscal year ended March 31, 2026, were ¥74 million (\$462 thousand).

6. Long-Term Debt

Long-term debt as of March 31, 2025 and 2026, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2025	2026	2026
Long-term debt:			
0.927% yen bonds, due 2025	¥10,000	¥0	\$0
Government-owned banks, maturing serially through 2031, annual interest rates of 1.34%–5.15% at March 31, 2025, and 1.34%–4.49% at March 31, 2026	7,598	4,480	28,010
Banks and insurance companies, maturing serially through 2033, annual interest rates of 0.95%–5.69% at March 31, 2025, and 1.32%–5.03% at March 31, 2026	37,553	27,884	174,352
Total	55,151	32,364	202,362
Less current portion	23,021	8,650	54,083
Long-term debt, less current portion	¥32,130	¥23,714	\$148,279

Annual maturities of long-term debt as of March 31, 2026, were as follows:

	Millions of yen	Thousands of U.S. dollars
	2026	2026
Years ending March 31:		
2027	¥8,650	\$54,083
2028	4,954	30,977
2029	4,954	30,974
2030	4,953	30,971
2031	4,953	30,968
Thereafter	3,900	24,389
Total	¥32,364	\$202,362

Notes to Consolidated Financial Statements

Certain domestic subsidiaries of the Company have concluded lines of credit agreements with nine financial institutions to efficiently manage their working capital. The status of these lines of credit as of March 31, 2025 and 2026, is as follows:

	Millions of yen		Thousands of U.S. dollars
	2025	2026	2026
Lines of credit	¥13,200	¥13,200	\$82,536
Credit utilized	—	—	—
Available credit	¥13,200	¥13,200	\$82,536

Assets pledged as collateral as of March 31, 2025 and 2026, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2025	2026	2026
Cash and cash equivalents	¥3,133	¥3,334	\$20,848
Accounts receivable—trade	33,517	28,639	179,075
Lease receivables	3,961	3,605	22,539
“Other” under current assets	461	390	2,439
Total	¥41,072	¥35,968	\$224,901

(Note) The assets above are pledged as collateral to secure the borrowings under the lines of credit agreements in relation to the maintenance and operations of the X-band satellite relay communications business.

Secured obligations as of March 31, 2025 and 2026, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2025	2026	2026
Current portion of long-term loans payable	¥4,952	¥4,952	\$30,961
Long-term loans payable	27,233	22,282	139,325
Total	¥32,185	¥27,234	\$170,286

7. Employees' Benefit Plans and Directors' Severance Indemnities

Certain consolidated subsidiaries of the Company have unfunded defined benefit severance indemnity plans, under which substantially all of their employees, other than directors, executive officers, and Audit & Supervisory Board Members, are entitled, under most circumstances, to lump-sum severance indemnities. Severance indemnities are determined based on the level of compensation at retirement or earlier termination of employment, the length of service, and other factors upon mandatory retirement at the normal retirement age or earlier termination of employment.

The benefits for the multi-employer defined benefit corporate pension plan are determined based on a standard remuneration schedule corresponding to the length of participation and other factors. However, assets contributed by an employer are not segregated into a separate account or restricted to provide benefits only to employees of that employer. Therefore, the contributions to the multi-employer defined benefit corporate pension plan are recognized as paid and accounted for as a component of net periodic retirement benefit costs.

Changes in defined benefit obligations for the years ended March 31, 2025 and 2026, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2025	2026	2026
Balance at the beginning of the year	¥5,959	¥5,574	\$34,855
Current service cost	431	387	2,418
Interest cost	76	104	647
Actuarial gains	(330)	(238)	(1,488)
Benefits paid	(562)	(630)	(3,939)
Decrease due to the partial termination of the retirement benefit plan	—	(243)	(1,517)
Balance at the end of the year	¥5,574	¥4,954	\$30,976

Notes to Consolidated Financial Statements

Changes in defined benefit liabilities calculated using the simplified method for the years ended March 31, 2025 and 2026, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2025	2026	2026
Balance at the beginning of the year	¥479	¥108	\$674
Periodic benefit cost	39	29	182
Benefit paid	(160)	(70)	(436)
Reduction associated with change of scope of consolidation	(250)	—	—
Other	—	(20)	(126)
Balance at the end of the year	¥108	¥47	\$294

A reconciliation between the liability recorded in the consolidated balance sheet and the balances of defined benefit obligation as of March 31, 2025 and 2026, was as follows:

	Millions of yen		Thousands of U.S. dollars
	2025	2026	2026
Unfunded defined benefit obligation	¥5,682	¥5,001	\$31,270
Net liability for defined benefit obligation	¥5,682	¥5,001	\$31,270

	Millions of yen		Thousands of U.S. dollars
	2025	2026	2026
Liabilities for retirement benefits	¥5,682	¥5,001	\$31,270
Net liability for defined benefit obligation	¥5,682	¥5,001	\$31,270

Components of net periodic benefit costs for the years ended March 31, 2025 and 2026, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2025	2026	2026
Service cost	¥431	¥387	\$2,418
Interest cost	76	104	647
Recognized actuarial losses	8	(15)	(92)
Amortization of prior service cost	44	1	11
Periodic benefit cost under the simplified method	39	29	182
Net periodic benefit costs	¥598	¥506	\$3,166

Amounts recognized in other comprehensive income (before income tax effect) in respect of remeasurement of defined retirement benefit plans as of March 31, 2025 and 2026, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2025	2026	2026
Actuarial losses	¥ 337	¥ 223	\$1,396
Prior service cost	44	332	2,077
Total	¥ 381	¥ 555	\$ 3,473

Amounts recognized in accumulated other comprehensive income (before income tax effect) in respect of remeasurement of defined retirement benefit plans as of March 31, 2025 and 2026, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2025	2026	2026
Unrecognized actuarial losses	¥ 442	¥ 666	\$4,162
Unrecognized prior service cost	(346)	(14)	(87)
Total	¥ 96	¥ 652	\$ 4,075

Assumptions used for the years ended March 31, 2025 and 2026, were set forth as follows:

	Millions of yen	
	2025	2026
Discount rate	1.9%	2.8%

The funded status of the multi-employer defined benefit corporate pension plan as of March 31, 2024 (available information as of March 31, 2025) and 2025 (available information as of March 31, 2026), to which contributions were recorded as net periodic retirement benefit costs, was as follows:

	Millions of yen	
	2024	2025
Fair value of plan assets	¥ 42,202	¥ 44,664
Pension benefit obligation recorded	48,300	49,936
Difference	¥ (6,098)	¥ (5,272)

The amounts of contributions to the multi-employer defined benefit corporate pension plan were ¥226 million for the year ended March 31, 2024, and ¥197 million for the year ended March 31, 2025.

Notes to Consolidated Financial Statements

The Companies' contribution percentages for the multi-employer defined benefit corporate pension plan as of March 31, 2024 and 2025, were 6.1% and 4.6%, respectively.

The difference for the year ended March 31, 2024, mainly resulted from prior service costs of ¥9,030 million and surplus of ¥2,932 million. Prior service cost is amortized over 9 years. The Companies recorded special contributions of ¥63 million as expenses in the consolidated financial statements in the fiscal year ended March 31, 2024.

The difference for the year ended March 31, 2025, mainly resulted from prior service costs of ¥8,630 million and surplus of ¥3,358 million. Prior service cost is amortized over 8 years. The Companies recorded special contributions of ¥55 million as expenses in the consolidated financial statements in the fiscal year ended March 31, 2025.

The above contribution percentages do not conform to the actual percentages applied to the Companies.

8. Asset Retirement Obligations

Asset retirement obligations are mainly recognized on restitution obligations associated with real estate rental agreements and leasehold establishment contracts.

The amount of asset retirement obligations is computed using discount rates of 0.1% to 2.4% and estimated useful lives of 10 to 50 years after acquisition.

Changes in asset retirement obligations for the years ended March 31, 2025 and 2026, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2025	2026	2026
Balance at the beginning of the year	¥2,326	¥2,265	\$14,162
Additional provisions associated with the acquisition of property and equipment	37	—	—
Reconciliation associated with passage of time	35	35	219
Reduction associated with change of scope of consolidation	(133)	—	—
Balance at the end of the year	¥2,265	¥2,300	\$14,381

9. Equity

Japanese companies are subject to the Companies Act of Japan (the "Companies Act"). The significant provisions in the Companies Act that affect financial and accounting matters are summarized below:

a. Dividends

Under the Companies Act, companies can pay dividends at any time during the fiscal year in addition to the year-end dividend upon resolution at the shareholders' meeting. For companies that meet certain criteria including (1) having a board of directors, (2) having independent auditors, (3) having an Audit & Supervisory Board, and (4) the term of service of the directors being prescribed as one year rather than the normal two-year term by its Articles of Incorporation, the Board of Directors may declare dividends (except for dividends-in-kind) at any time during the fiscal year if the company has prescribed so in its Articles of Incorporation. The Company meets all the above criteria and, accordingly, the Board of Directors may declare dividends (except for dividends-in-kind) at any time during the fiscal year.

The Companies Act permits companies to distribute dividends-in-kind (noncash assets) to shareholders subject to a certain limitation and additional requirements.

Semiannual interim dividends may also be paid once a year upon resolution by the Board of Directors if the articles of incorporation of the Company so stipulate. The Companies Act provides certain limitations on the amounts available for dividends or the purchase of treasury stock. The limitation is defined as the amount available for distribution to the shareholders, but the amount of net assets after dividends must be maintained at no less than ¥3 million.

b. Increases/Decreases and Transfer of Common Stock, Reserve and Surplus

The Companies Act requires that an amount equal to 10% of dividends must be appropriated as a legal reserve (a component of retained earnings) or as legal capital surplus (a component of capital surplus), depending on the equity account charged upon the payment of such dividends, until the total aggregate amount of the legal reserve and legal capital surplus equals 25% of the common stock. Under the Companies Act, the total amount of legal capital surplus and the legal reserve may be reversed without limitation. The Companies Act also provides that common stock, the legal reserve, legal capital surplus, other capital surplus and retained earnings can be transferred among the accounts within equity under certain conditions upon resolution of the shareholders.

c. Treasury Stock and Treasury Stock Acquisition Rights

The Companies Act also provides for companies to purchase treasury stock and dispose of such treasury stock by resolution of the Board of Directors. The amount of treasury stock purchased cannot exceed the amount available for distribution to the shareholders, which is determined by a specific formula.

Under the Companies Act, stock acquisition rights, which were previously presented as liabilities, are now presented as a separate component of equity.

Notes to Consolidated Financial Statements

The Companies Act also provides that companies can purchase both treasury stock acquisition rights and treasury stock. Such treasury stock acquisition rights are presented as a separate component of equity or deducted directly from stock acquisition rights.

With the issuance of shares under the restricted stock compensation plan, common stock increased by ¥44 million and capital surplus increased by ¥44 million for the year ended March 31, 2025.

10. Income Taxes

The Companies are subject to a number of different income taxes, which, in the aggregate, resulted in a normal effective statutory tax rate of approximately 30.6% for the years ended March 31, 2025 and 2026.

The tax effects of significant temporary differences and tax loss carryforwards that resulted in deferred tax assets and liabilities as of March 31, 2025 and 2026, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2025	2026	2026
Deferred tax assets:			
Unearned revenues	¥4,420	¥4,342	\$27,149
Liabilities for retirement benefits	1,787	1,576	9,856
Depreciation	1,322	1,290	8,069
Asset retirement obligations	716	727	4,549
Tax loss carryforwards (Note)	631	566	3,540
Leases	418	535	3,342
Enterprise tax payable	305	487	3,042
Deferred loss on derivatives under hedge accounting	59	23	144
Other	2,408	2,414	15,094
Total of tax loss carryforwards and temporary differences	12,066	11,960	74,785
Less valuation allowance for tax loss carryforwards	(574)	(519)	(3,246)
Less valuation allowance for temporary differences	(1,050)	(1,058)	(6,618)
Total valuation allowance	(1,624)	(1,577)	(9,864)
Deferred tax assets	10,442	10,383	64,921
Deferred tax liabilities:			
Deferred gain on derivatives under hedge accounting	(772)	(2,765)	(17,289)
Depreciation in foreign subsidiaries	(2,131)	(2,412)	(15,080)
Valuation difference on available-for-sale securities	(199)	(1,571)	(9,821)
Asset retirement obligations	(172)	(150)	(936)
Other	(28)	(29)	(185)
Deferred tax liabilities	(3,302)	(6,927)	(43,311)
Net deferred tax assets	¥7,140	¥3,456	\$21,610

(Note) The expiration of tax loss carryforwards, the related valuation allowances and the resulting net deferred tax assets as of March 31, 2025 and 2026, were as follows:

	Millions of yen						Total
	2025						
	1 year or less	After 1 year through 2 years	After 2 years through 3 years	After 3 years through 4 years	After 4 years through 5 years	After 5 years	
Deferred tax assets relating to tax loss carryforwards (*)	¥ 46	¥ 92	—	¥ 28	¥ 29	¥ 436	¥ 631
Less valuation allowances for tax loss carryforwards	(46)	(92)	—	(28)	(29)	(379)	(574)
Net deferred tax assets relating to tax loss carryforwards	—	—	—	—	—	57	57

	Millions of yen						Total
	2026						
	1 Year or Less	After 1 Year through 2 Years	After 2 Years through 3 Years	After 3 Years through 4 Years	After 4 Years through 5 Years	After 5 Years	
Deferred tax assets relating to tax loss carryforwards (*)	¥ 92	—	¥ 28	¥ 29	¥ 64	¥ 353	¥ 566
Less valuation allowances for tax loss carryforwards	(92)	—	(28)	(29)	(51)	(319)	(519)
Net deferred tax assets relating to tax loss carryforwards	—	—	—	—	14	33	47

	Thousands of U.S. Dollars						
	2026						
	1 Year or Less	After 1 Year through 2 Years	After 2 Years through 3 Years	After 3 Years through 4 Years	After 4 Years through 5 Years	After 5 Years	Total
Deferred tax assets relating to tax loss carryforwards (*)	\$ 578	—	\$ 175	\$ 183	\$ 403	\$ 2,200	\$ 3,539
Less valuation allowances for tax loss carryforwards	(578)	—	(175)	(183)	(317)	(1,993)	(3,246)
Net deferred tax assets relating to tax loss carryforwards	—	—	—	—	85	208	293

* Tax loss carryforward was calculated using the statutory tax rate.

Notes to Consolidated Financial Statements

A reconciliation between the normal effective statutory tax rates and the actual effective tax rates reflected in the accompanying consolidated statement of income for the years ended March 31, 2025 and 2026, is as follows:

	2025	2026
Normal effective statutory tax rate	30.6%	30.6%
Expenses not deductible for income tax purposes (e.g., entertainment expenses)	0.3	0.2
Change in valuation allowance	(0.3)	0.7
Share of profit or loss of investments accounted for using the equity method	1.3	1.9
Increase in year-end deferred tax assets resulting from a change in effective statutory tax rate	(0.8)	—
Gain on change in equity	—	(0.4)
Other	(0.9)	(0.8)
Actual effective tax rate	30.2%	32.2%

The group tax sharing system has been adopted and accounting and disclosure of income taxes and local income taxes, as well as related tax effect accounting, is in accordance with the “Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System” (Practical Solution No. 42, August 12, 2021).

11. Revenue

(1) Information on disaggregation of revenue from contracts with customers.

The Group disaggregates revenue from contracts with customers by type of service, based on the contracts with customers.

Relations between the disaggregated revenue and segment revenue for the years ended March 31, 2025 and 2026, were as follows:

Segment	Type of major goods or services	Amount Millions of yen		Thousands of U.S. dollars
		2025	2026	2026
Space Business	Communications	¥53,717	¥59,156	\$369,887
	Broadcasting	6,884	6,884	43,042
	Total	60,601	66,040	412,929
Media Business	Subscription fees (Note 1)	14,077	12,996	81,260
	Service charge	14,330	13,682	85,553
	Basic fees	9,648	9,052	56,600
	FTTH business	9,091	10,599	66,274
	Other	15,975	15,215	95,136
	Total	63,121	61,544	384,823
Sales to external customers (Note 2)		¥123,722	¥127,584	\$797,752

Notes: 1. The amount of total consideration received from subscribers less the amount payable to program supply business operators is recognized as revenue.

2. Sales to external customers includes net sales of ¥5,534 million for the year ended March 31, 2025, and ¥5,732 million (\$35,842 thousand) for the year ended March 31, 2026 arising from sources other than “Revenues from contracts with customers.”

(2) Basic information to understand revenues from contracts with customers

The information is as described in Note 2.

(3) Basic information to understand revenues from contracts with customers in the current fiscal year and the next fiscal year onward

Notes to Consolidated Financial Statements

i) Contract balances

Receivables from contracts with customers and contract liabilities at the beginning and end of the previous fiscal year are as follows:

	Millions of yen
	2025
Receivables from contracts with customers:	
Balance at beginning of year	¥56,556
Balance at end of year	52,503
Contract liabilities:	
Balance at beginning of year	21,938
Balance at end of year	21,202

Contract liabilities primarily consist of advance consideration received from customers of communications service in the Space business. These contract liabilities are transferred to revenue at the time when the Group satisfies obligations based on relevant contracts. Contract liabilities are included in “unearned revenues” and “other” under current liabilities and “other” under non-current liabilities on the consolidated balance sheet.

Of the amount of revenue recognized during the current fiscal year, the amount that was included in contract liabilities as of the beginning of the consolidated fiscal year was ¥5,082 million.

Major factors for the changes in contract liabilities during the current fiscal year are an increase due to the receipt of consideration and a decrease due to recognition of revenue. In the current fiscal year, there was no revenue recognized from performance obligations that were satisfied in previous fiscal years.

Receivables from contracts with customers and contract liabilities at the beginning and end of the current fiscal year are as follows:

	Millions of yen	Thousands of U.S. dollars
	2026	2026
Receivables from contracts with customers:		
Balance at beginning of year	¥52,503	\$ 328,290
Balance at end of year	48,361	302,389
Contract liabilities:		
Balance at beginning of year	21,202	132,571
Balance at end of year	21,029	131,488

Contract liabilities primarily consist of advance consideration received from customers of communications service in the Space business. These contract liabilities are transferred to revenue at the time when the Group satisfies obligations based on relevant contracts. Contract liabilities are included in “unearned revenues” and “other” under current liabilities and “other” under non-current liabilities on the consolidated balance sheet.

Of the amount of revenue recognized during the current fiscal year, an amount that was included in contract liabilities as of the beginning of the consolidated fiscal year was ¥5,307 million (\$33,180 thousand).

Major factors for the changes in contract liabilities during the current fiscal year are an increase due to the receipt of consideration and a decrease due to recognition of revenue. In the current fiscal year, there was no revenue recognized from performance obligations that were satisfied in previous fiscal years.

ii) Transaction prices allocated to remaining performance obligations

Transaction prices allocated to the remaining performance obligations amounted to ¥133,358 million at the end of the previous fiscal year. These obligations mainly pertain to significant long-term contracts in the Space business, and are expected to be recognized for the next one to 19 years. For the previous fiscal year, the Group has applied the practical expedient to the notes on transaction prices allocated to the remaining performance obligations, and does not disclose contracts with an original expected duration of one year or less.

Transaction prices allocated to the remaining performance obligations amounted to ¥150,967 million (\$943,958 thousand) at the end of the current fiscal year. These obligations mainly pertain to long-term contracts in the Space business, and are expected to be recognized for the next one to 18 years.

Notes to Consolidated Financial Statements

12. Leases

a. Finance Lease

As lessor:

Annual maturities of lease receivables are as follows:

	Millions of yen	Thousands of U.S. dollars
	2026	2026
Years ending March 31:		
2027	¥3,512	\$21,958
2028	3,678	23,000
2029	3,862	24,146
2030	3,790	23,697
2031	4,001	25,016
Thereafter	18,398	115,040
Total	¥37,241	\$232,857

b. Operating Lease

As lessee:

The minimum rental commitments under noncancelable operating leases as of March 31, 2025 and 2026, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2025	2026	2026
Due within one year	¥754	¥728	\$4,549
Due after one year	1,151	423	2,646
Total	¥1,904	¥1,151	\$7,195

13. Cost of Services

Write-down of inventories and other assets, which were charged to cost of services for the years ended March 31, 2025 and 2026, amounted to ¥166 million and ¥47 million (\$291 thousand), respectively.

14. Selling, General, and Administrative Expenses

Major components of selling, general, and administrative expenses for the years ended March 31, 2025 and 2026, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2025	2026	2026
Salaries and wages	¥5,403	¥5,406	\$33,800
Provision for accrued bonuses	429	374	2,339
Net periodic benefit costs	362	321	2,005
Advertising expenses	3,983	3,576	22,358
Sales promotion expenses	2,627	1,689	10,563
Sales incentives	303	386	2,412
Subcontracting fees	7,794	7,552	47,218
Research and development expenses	104	112	702
Other	8,833	8,193	51,232
Total	¥29,838	¥27,609	\$172,629

15. Impairment Loss

The asset groups for which the Company and its subsidiaries recognized impairment loss for the years ended March 31, 2025 and 2026, were as follows:

Use	Location	Type of assets	Millions of yen		Thousands of U.S. dollars
			2025	2026	2026
Idle assets	Minato-ku, Tokyo	Software	—	¥649	\$4,051
		Other	—	102	640
	Kitagumma-gun, Gumma	Buildings and structures	—	102	640

Notes to Consolidated Financial Statements

16. Financial Instruments and Related Disclosures

a. Policy for Financial Instruments

The Companies procure funds through bank loans and issuance of bonds. Temporary cash surpluses, if any, are invested in low-risk financial assets. Derivatives are not used for speculative purposes, but for managing exposure to financial risks as described in Note 17.

b. Nature of, Risks Arising from, and Risk Management for Financial Instruments

Accounts receivable and lease receivables are exposed to customer credit risk. The Companies manage their credit risk from receivables in accordance with internal credit control rules, which include monitoring payment due dates and balances of customers, and periodic assessment of the credit standing of major customers.

Cash equivalents are mainly bonds, which are exposed to credit risk, held for the purpose of investing temporary cash surpluses. To mitigate these risks, the Companies invest in only highly rated bonds.

Available-for-sale securities mainly consist of listed stocks and are exposed to market risk. To mitigate the risk, the Companies assess fair values and financial conditions of the issuer periodically and review status of ownership on an on-going basis.

Payment terms of the majority of trade payables, such as accounts payable—trade and accounts payable other, are less than one year. These trade payables are exposed to liquidity risk related to funding. The Companies manage such risk by preparing and executing financing plans that maintain a certain amount of liquidity in hand and concluding lines of credit agreements with respective financial institutions.

Bank loans and bonds are used to fund Private Finance Initiative (PFI) projects, business investment, and capital investment. Of these financial instruments, floating-interest-rate loans are exposed to interest rate risk. Some of such loans are hedged using interest rate swaps to fix interest on loans.

Derivatives include forward exchange contracts used to hedge against the market risk resulting from fluctuations in foreign currency exchange rates related to financing capital expenditures of telecommunications satellites, etc. and interest rate swaps used to hedge against changes in interest rates on bank loans.

The Companies execute and manage derivative transactions in accordance with the internal policies that define transaction authority. The Companies enter into derivative transactions only with financial institutions with a high credit rating to minimize credit risk exposure.

c. Fair Values of Financial Instruments

Fair values of financial instruments are based on quoted prices in active markets. If a quoted price is not available, other rational valuation techniques are used instead. The results of valuations may differ based on assumptions used because rational valuation techniques include variable factors. The nominal amounts disclosed in Note 17 do not reflect market risks regarding derivative transactions.

The fair values of “Cash and cash equivalents,” “Accounts payable,” “Income taxes payable” and “Subscription fees received” are not disclosed because they are in cash and are to be settled in a short period of time, so their fair values approximate their carrying values.

Fair value of financial instruments:

	Millions of yen		
	2025		
	Carrying amount	Fair value	Unrealized gain/loss
Accounts receivable	¥53,156		
Allowance for doubtful accounts	(74)		
Net	¥53,082	¥52,732	(¥349)
Lease receivables	39,838	38,179	(1,660)
Investment in and advances to affiliated companies:			
Current portion of advances	6,634	6,634	—
Investment securities:			
Available-for-sale securities	3,087	3,087	—
Investment in and advances to affiliated companies:			
Advances	3,894	3,894	—
Total	106,535	104,526	(2,009)
Current portion of long-term debt:			
Current portion of bonds payable	10,000	9,997	(3)
Current portion of long-term loans payable	13,021	13,024	3
Long-term debt:			
Long-term loans payable	32,130	31,992	(138)
Total	55,151	55,013	(138)
Derivative transactions	¥2,437	¥2,437	¥—

Notes to Consolidated Financial Statements

	Millions of yen		
	2026		
	Carrying amount	Fair value	Unrealized gain/loss
Accounts receivable	¥49,292		
Allowance for doubtful accounts	(103)		
Net	¥49,189	¥48,593	(¥596)
Lease receivables	37,241	34,935	(2,306)
Investment in and advances to affiliated companies:			
Current portion of advances	3,854	3,854	—
Investment securities:			
Available-for-sale securities	18,222	18,222	—
Total	108,506	105,604	(2,902)
Current portion of long-term debt:			
Current portion of long-term loans payable	8,650	8,648	(2)
Long-term debt:			
Long-term loans payable	23,714	23,362	(352)
Total	32,364	32,010	(354)
Derivative transactions	¥8,567	¥8,567	¥—

	Thousands of U.S. dollars		
	2026		
	Carrying amount	Fair value	Unrealized gain/loss
Accounts receivable	\$308,208		
Allowance for doubtful accounts	(643)		
Net	\$307,565	\$303,837	(\$3,729)
Lease receivables	232,857	218,443	(14,414)
Investment in and advances to affiliated companies:			
Current portion of advances	24,096	24,096	—
Investment securities:			
Available-for-sale securities	113,940	113,940	—
Total	678,458	660,316	(18,143)
Current portion of long-term debt:			
Current portion of long-term loans payable	54,083	54,071	(12)
Long-term debt:			
Long-term loans payable	148,279	146,079	(2,200)
Total	202,362	200,150	(2,212)
Derivative transactions	\$53,565	\$53,565	\$—

Notes to Consolidated Financial Statements

Carrying amounts of equity instruments that do not have a quoted market price in an active market as of March 31, 2025 and 2026:

	Carrying amount		
	Millions of yen		Thousands of U.S. dollars
	2025	2026	2026
Investment in affiliated companies	¥32,921	¥33,458	\$ 209,203
Investment in equity instruments that do not have a quoted market price in an active market	956	945	5,912
Investments in partnerships	806	1,127	7,045
Total	¥34,683	¥35,530	\$ 222,160

Maturity analysis for financial assets and securities with contractual maturities:

	Millions of yen			
	2026			
	Due in one year or less	Due after one year through five years	Due after five years through ten years	Due after ten years
Cash equivalents	¥4,997	¥—	¥—	¥—
Accounts receivable	26,682	19,652	2,457	—
Lease receivables	3,512	15,331	17,785	613
Investment in and advances to affiliated companies:				
Current portion of advances	3,854	—	—	—
Advances	—	—	—	—
Total	¥39,045	¥34,983	¥20,242	¥613

	Thousands of U.S. dollars			
	2026			
	Due in one year or less	Due after one year through five years	Due after five years through ten years	Due after ten years
Cash equivalents	\$31,245	\$—	\$—	\$—
Accounts receivable	166,837	122,880	15,360	—
Lease receivables	21,958	95,859	111,209	3,831
Investment in and advances to affiliated companies:				
Current portion of advances	24,096	—	—	—
Advances	—	—	—	—
Total	\$244,136	\$218,739	\$126,569	\$3,831

Financial instruments categorized by fair value hierarchy:

The fair value of financial instruments is categorized into the following three levels, depending on the observability and significance of the inputs used in making fair value measurements:

Level 1: Fair values measured by using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair values measured by using inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly or indirectly.

Level 3: Fair values measured by using unobservable inputs for the assets or liabilities.

(1) The financial assets and liabilities measured at the fair values in the consolidated balance sheet

	Millions of yen			
	2026			
	Fair value			
	Level 1	Level 2	Level 3	Total
Investment securities				
Available-for-sale securities				
Stock	¥17,062	¥—	¥—	¥17,062
Stock acquisition rights	—	—	1,000	1,000
Other	—	—	160	160
Derivative transactions				
Currency-related	—	8,252	—	8,252
Interest rate-related	—	315	—	315
Total assets	17,062	8,567	1,160	26,789
Derivative transactions				
Interest rate-related	—	1	—	1
Total liabilities	¥—	¥1	¥—	¥1

Notes to Consolidated Financial Statements

	Thousands of U.S. dollars			
	2026			
	Fair value			
	Level 1	Level 2	Level 3	Total
Investment securities				
Available-for-sale securities				
Stock	\$106,687	\$—	\$—	\$106,687
Stock acquisition rights	—	—	6,253	6,253
Other	—	—	1,000	1,000
Derivative transactions				
Currency-related	—	51,601	—	51,601
Interest rate-related	—	1,968	—	1,968
Total assets	106,687	53,569	7,253	167,509
Derivative transactions				
Interest rate-related	—	4	—	4
Total liabilities	\$—	\$4	\$—	\$4

(2) The financial assets and liabilities not measured at the fair values in the consolidated balance sheet

	Millions of yen			
	2026			
	Fair value			
	Level 1	Level 2	Level 3	Total
Accounts receivable—trade	¥—	¥48,592	¥—	¥48,592
Lease receivables	—	34,936	—	34,936
Short-term loans receivable	—	3,854	—	3,854
Total assets	—	87,382	—	87,382
Current portion of long-term loans payable	—	8,648	—	8,648
Long-term loans payable	—	23,362	—	23,362
Total liabilities	¥—	¥32,010	¥—	¥32,010

	Thousands of U.S. dollars			
	2026			
	Fair value			
	Level 1	Level 2	Level 3	Total
Accounts receivable—trade	\$—	\$303,837	\$—	\$303,837
Lease receivables	—	218,443	—	218,443
Short-term loans receivable	—	24,096	—	24,096
Total assets	—	546,376	—	546,376
Current portion of long-term loans payable	—	54,071	—	54,071
Long-term loans payable	—	146,079	—	146,079
Total liabilities	\$—	\$200,150	\$—	\$200,150

The following is a description of valuation methodologies and inputs used for measurement of the fair value of assets and liabilities:

Investment securities

Among available-for-sale securities, listed equity securities are measured using quoted market prices. As these securities are traded in active markets, their fair values are categorized within Level 1. For unlisted stock acquisition rights and convertible bonds with stock acquisition rights, when information on recent orderly transactions between independent third parties or financing prices is available, fair value is determined based on such recent transaction prices or financing prices. As unobservable inputs are used in the valuation, these fair values are categorized within Level 3. Recent transaction prices are assumed to be valid for a certain period after the transactions occur and are used as the basis for determining fair value.

Derivative transactions

Derivative transactions are interest rate swaps and forward exchange contracts. As the fair value of derivatives is determined based on the prices provided by the financial institutions, their fair value is classified as Level 2. Since derivatives to which special treatment for interest rate swaps is applied are treated together with long-term loans payable that are deemed as hedged items, their fair value is included in the fair value of long-term loans payable.

Accounts receivable – trade and lease receivables

As the fair values of receivables with a longer collection period are stated at present value, which is determined by categorizing receivables by a certain period and discounting them at the rate that incorporates the period to maturity and credit risk, their fair values are classified as Level 2. The carrying amounts of these receivables with a short collection period approximate their fair values.

Notes to Consolidated Financial Statements

Short-term loans receivable and long-term loans receivable

The fair value of short-term loans receivable and long-term loans receivable is determined based on the present value as calculated by categorizing the loans by a certain period and discounting the aggregate value of the principal and interest using an interest rate equal to an appropriate index such as the yield of government bonds plus the credit spread. Their fair value is therefore classified as Level 2. These receivables are extended at floating interest rates that reflect market interest rates within a short period, and accordingly, their fair values approximate the carrying amounts, as the credit standing of borrowers has not changed significantly from the time they were extended those loans.

Bonds payable

As the fair value of bonds payable is determined based on the present value as calculated by discounting the aggregate value of the principal and interest using an interest rate for the remaining period and reflecting credit risk of the applicable bond, its fair value is classified as Level 2.

Current portion of long-term loans payable and long-term loans payable

Fair values of the current portion of long-term loans payable and long-term loans payable with fixed interest rates are determined based on the present value as calculated by categorizing the loans by a certain period and discounting the aggregate value of the principal and interest (for long-term loans payable that are subject to special treatment for interest rate swaps, the aggregate value of the principal and interest using the rate of the interest swaps) using an interest rate for similar new loans. Their fair values are therefore classified as Level 2. The carrying amounts of the current portion of long-term loans payable and long-term loans payable with floating interest rates approximate their fair values because the interest rates of the loans are variable and reflect market interest rates, and the loans are of short duration. In addition, the credit standing of the Company has not varied greatly from the time it executed the financing transactions.

The following is information about the fair values of financial instruments that are measured at fair value on the consolidated balance sheet and categorized within Level 3 of the fair value hierarchy:

(1) Reconciliation from the beginning balance to the ending balance of investment securities, and valuation gains or losses recognized in profit or loss for the period

	Millions of yen	Thousands of U.S. dollars
	2026	
Balance at the beginning of the period	—	—
Gains or losses for the period	4	26
Recognized in profit or loss	—	—
Recognized in other comprehensive income*	4	26
Purchases, sales, issuances and settlements (net)	1,156	7,227
Transfers into Level 3	—	—
Transfers out of Level 3	—	—
Balance at the end of the period	1,160	7,253
Valuation gains or losses recognized in profit or loss for the period on financial assets and financial liabilities held at the consolidated balance sheet date	—	—

* Included in “Net unrealized gains (losses) on available-for-sale securities” under “Other comprehensive income” in the consolidated statement of comprehensive income.

(2) Description of the process for measuring fair value

The Group measures fair value in accordance with its policies for the calculation of fair value. The fair values so measured are verified as to the appropriateness of the valuation techniques and inputs used in the measurement of fair value, as well as the appropriateness of the classification of the levels of fair value. The measurement results are approved by the responsible officer.

In measuring fair value, the Group uses valuation models that most appropriately reflect the nature, characteristics and risks of each individual asset. In addition, when using quoted prices obtained from third parties, the Group verifies the reasonableness of such prices by appropriate methods, including confirmation of the valuation techniques and inputs used and comparison with the fair values of similar financial instruments.

Notes to Consolidated Financial Statements

17. Derivative Instruments

Certain consolidated subsidiaries of the Company use derivative financial instruments, which include foreign exchange forward contracts and interest rate swap contracts. Foreign exchange forward contracts are used for the purpose of reducing the risk arising from changes in anticipated cash flows associated with transactions, including forecast transactions related to certain payments for telecommunications satellites. Interest rate swap contracts are used to reduce the risk of increasing interest payments on loans due to increases in market rates.

The notional amounts of derivatives that are shown in the table below do not represent the amounts exchanged by the parties and do not measure exposure to credit or market risks of certain consolidated subsidiaries of the Company.

There were no derivative transactions to which hedge accounting was not applied as of March 31, 2025.

Derivative transactions to which hedge accounting was not applied as of March 31, 2026, were as follows:

Millions of yen				
2026				
	Contract amount	Contract amount due after one year	Fair value	Unrealized gain/loss
Foreign exchange forward contracts				
Selling U.S. dollars	¥22	¥ —	(¥1)	(¥1)

Thousands of U.S. dollars				
2026				
	Contract amount	Contract amount due after one year	Fair value	Unrealized gain/loss
Foreign exchange forward contracts				
Selling U.S. dollars	\$135	\$ —	(\$4)	(\$4)

Derivative transactions to which hedge accounting was applied as of March 31, 2025 and 2026, were as follows:

Millions of yen				
2025				
	Hedged item	Contract amount	Contract amount due after one year	Fair value
Foreign exchange forward contracts				
Buying U.S. dollars	Forecasted foreign currency transactions	¥5,150	¥ —	(¥9)
Buying euro	Forecasted foreign currency transactions	57,219	28,982	2,395
Interest rate swap				
(Fixed rate payment, floating rate receipt)	Long-term debt	¥14,351	¥12,143	¥51
Method of hedge accounting: Special treatment (Note 2. s)				
Interest rate swap				
(Fixed rate payment, floating rate receipt)	Long-term debt	¥17,767	¥15,033	¥ —

Notes to Consolidated Financial Statements

		Millions of yen		
		2026		
	Hedged item	Contract amount	Contract amount due after one year	Fair value
Foreign exchange forward contracts				
Buying U.S. dollars	Forecasted foreign currency transactions	¥4,331	¥ —	¥185
Buying euro	Forecasted foreign currency transactions	43,236	9,646	8,067
Interest rate swap				
(Fixed rate payment, floating rate receipt)	Long-term debt	¥12,143	¥9,935	¥315
Method of hedge accounting: Special treatment (Note 2. s)				
Interest rate swap				
(Fixed rate payment, floating rate receipt)	Long-term debt	¥15,033	¥12,300	¥ —

		Thousands of U.S. dollars		
		2026		
	Hedged item	Contract amount	Contract amount due after one year	Fair value
Foreign exchange forward contracts				
Buying U.S. dollars	Forecasted foreign currency transactions	\$27,080	\$ —	\$1,160
Buying euro	Forecasted foreign currency transactions	270,346	60,317	50,442
Interest rate swap				
(Fixed rate payment, floating rate receipt)	Long-term debt	\$75,928	\$62,123	\$1,968
Method of hedge accounting: Special treatment (Note 2. s)				
Interest rate swap				
(Fixed rate payment, floating rate receipt)	Long-term debt	\$93,999	\$76,909	\$ —

Fair values of derivative transactions are measured at the quoted price obtained from financial institutions.

18. Comprehensive Income

Other comprehensive income for the years ended March 31, 2025 and 2026, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2025	2026	2026
Other comprehensive income:			
Unrealized gain (loss) on available-for-sale securities			
Gains (losses) arising during the year	(¥9,592)	¥4,665	\$29,168
Reclassification adjustments to profit or loss	-	-	-
Amount before income tax effect	(9,592)	4,665	29,168
Income tax effect	2,941	(1,396)	(8,728)
Total	(6,652)	3,269	20,440
Deferred gain on derivatives under hedge accounting			
Gains arising during the year	2,747	8,381	52,407
Reclassification adjustments to profit or loss	15	14	87
Amounts transferred to the initial carrying amounts of hedged items	(914)	(2,018)	(12,617)
Amount before income tax effect	1,848	6,377	39,877
Income tax effect	(576)	(2,022)	(12,641)
Total	1,272	4,355	27,236
Foreign currency translation adjustments	3,500	532	3,317
Remeasurement of defined retirement benefit plans			
Gains arising during the year	329	568	3,555
Reclassification adjustments to profit or loss	52	(13)	(81)
Amount before income tax effect	381	555	3,474
Income tax effect	(117)	(175)	(1,096)
Total	263	380	2,378
Share of other comprehensive income in affiliated companies accounted for using the equity method			
Gains arising during the year	1	79	495
Reclassification adjustments to profit or loss	-	-	-
Amounts transferred to the initial carrying amounts of hedged items	(15)	(13)	(83)
Total	(14)	66	412
Total other comprehensive income	(¥1,631)	¥8,602	\$53,783

Notes to Consolidated Financial Statements

19. Related-Party Disclosures

Year Ended March 31, 2025

Transactions of the Companies with affiliated companies for the year ended March 31, 2025, were as follows:

	Millions of yen
Correction of loans receivable	¥ 4,702
Receipt of interest	¥ 1,013

The balances due to or from the Companies with affiliated companies at March 31, 2025, were as follows:

	Millions of yen
Current portion of long-term loans receivable	¥ 6,634
Long-term loans receivable	¥ 3,894
Current assets—other	¥ 113

Year Ended March 31, 2026

Transactions of the Companies with affiliated companies for the year ended March 31, 2026, were as follows:

	Millions of yen	Thousands of U.S. dollars
Correction of loans receivable	¥ 6,275	\$ 39,236
Receipt of interest	¥ 519	\$ 3,246

The balances due to or from the Companies with affiliated companies at March 31, 2026, were as follows:

	Millions of yen	Thousands of U.S. dollars
Current portion of long-term loans receivable	¥ 3,854	\$ 24,096
Current assets—other	¥ 38	\$ 237

20. Segment Information

The Companies are required to report financial and descriptive information about their reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components of an entity about which separate financial information is available, and for which such information is evaluated regularly by the chief operating decision-maker in deciding how to allocate resources and in assessing performance. Generally, segment information is required to be reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments.

1. Description of reportable segments

The Company’s reportable segments are those for which separate financial information is available and regular evaluation by the Company’s management is being performed in order to decide how resources are allocated among the Companies. The Companies have established service divisions in SKY Perfect JSAT Corporation, which is a core operating consolidated subsidiary of the Company, and such service divisions design the strategies for their services and deploy operating activities. The Company consists of service segments based on the operating divisions of SKY Perfect JSAT Corporation, which include the Space Business and the Media Business as reportable segments. The Space Business offers satellite circuits to the broadcasting businesses, and Satellite Communications Services, such as data communication and mobile communication, to the government, public entities, and corporations. The Media Business offers platform services, such as customer management activities, to the broadcasting businesses, and delivers broadcasting and streaming services via communication satellites and fiber-optic networks.

2. Methods of measurement for the amounts of sales, profit (loss), assets, liabilities, and other items for each reportable segment

The accounting policies of each reportable segment are consistent with those disclosed in Note 2, “Summary of Significant Accounting Policies.”
Intersegment sales or transfers are determined based on market prices.

Notes to Consolidated Financial Statements

3. Information about sales, profit, assets, liabilities, and other items was as follows:

	Millions of yen			
	2025			
	Space Business	Media Business	Reconciliations (Note 1)	Consolidated (Note 2)
Sales to external customers	¥60,601	¥63,121	¥—	¥123,722
Intersegment sales or transfers	4,101	2,394	(6,495)	—
Total	64,702	65,515	(6,495)	123,722
Operating income	¥21,979	¥6,266	¥(756)	¥27,489
Segment profit (profit attributable to owners of the parent)	15,218	4,434	(546)	19,106
Segment assets	248,635	37,498	117,281	403,414
Other:				
Depreciation and amortization	12,405	5,670	209	18,284
Amortization of goodwill	—	—	—	—
Investment in affiliated companies accounted for using the equity method	28,568	4,353	—	32,921
Increase in property and equipment and intangible assets	19,234	4,987	161	24,382

Notes: 1. Reconciliation is as follows:

- (1) Segment profit of ¥(546) million (\$ (3,648) thousand) consists of ¥(78) million (\$ (518) thousand) of intersegment sales and ¥(468) million (\$ (3,130) thousand) of corporate profit (loss) not allocated to each reportable segment. Corporate profit (loss) mainly consists of general and administrative expenses, non-operating income (loss) and tax expenses that are not attributable to any segment.
 - (2) Segment assets of ¥117,281 million (\$784,333 thousand) consist of ¥(229) million (\$ (1,540) thousand) of intersegment assets and ¥117,512 million (\$785,873 thousand) of corporate assets not allocated to each reportable segment. Corporate assets mainly consist of cash and cash equivalents and assets related to administrative divisions.
 - (3) Depreciation and amortization of ¥209 million (\$1,399 thousand) represents depreciation of corporate assets not allocated to each reportable segment.
 - (4) An increase in property and equipment and intangible assets of ¥161 million (\$1,078 thousand) represents increases in property and equipment and intangible assets not allocated to each reportable segment.
2. Segment profit is reconciled with profit attributable to owners of the parent in the consolidated statement of income.

	Millions of yen			
	2026			
	Space Business	Media Business	Reconciliations (Note 1)	Consolidated (Note 2)
Sales to external customers	¥66,040	¥61,544	¥—	¥127,584
Intersegment sales or transfers	3,800	2,750	(6,550)	—
Total	69,840	64,294	(6,550)	127,584
Operating income	¥24,145	¥11,909	¥(780)	¥35,274
Segment profit (profit attributable to owners of the parent)	16,066	7,729	(483)	23,312
Segment assets	290,728	36,127	80,904	407,759
Other:				
Depreciation and amortization	11,122	4,122	220	15,464
Amortization of goodwill	—	—	—	—
Investment in affiliated companies accounted for using the equity method	29,614	3,844	—	33,458
Increase in property and equipment and intangible assets	49,009	3,757	87	52,853

Notes to Consolidated Financial Statements

	Thousands of U.S. dollars			
	2026			
	Space Business	Media Business	Reconciliations (Note 1)	Consolidated (Note 2)
Sales to external customers	\$412,929	\$384,823	\$—	\$797,752
Intersegment sales or transfers	23,759	17,194	(40,953)	—
Total	436,688	402,017	(40,953)	797,752
Operating income	\$150,970	\$74,461	\$(4,874)	\$220,557
Segment profit (profit attributable to owners of the parent)	100,455	48,329	(3,021)	145,763
Segment assets	1,817,845	225,892	505,873	2,549,610
Other:				
Depreciation and amortization	69,537	25,777	1,378	96,692
Amortization of goodwill	—	—	—	—
Investment in affiliated companies accounted for using the equity method	185,169	24,034	—	209,203
Increase in property and equipment and intangible assets	306,437	23,492	546	330,475

Notes: 1. Reconciliation is as follows:

- (1) Segment profit of ¥(483) million (\$ (3,021) thousand) consists of ¥(1) million (\$ (5) thousand) of intersegment sales and ¥(482) million (\$ (3,016) thousand) of corporate profit (loss) not allocated to each reportable segment. Corporate profit (loss) mainly consists of general and administrative expenses, non-operating income (loss) and tax expenses that are not attributable to any segment.
 - (2) Segment assets of ¥80,904 million (\$505,873 thousand) consist of ¥(211) million (\$ (1,322) thousand) of intersegment assets and ¥81,116 million (\$507,195 thousand) of corporate assets not allocated to each reportable segment. Corporate assets mainly consist of cash and cash equivalents and assets related to administrative divisions.
 - (3) Depreciation and amortization of ¥220 million (\$1,378 thousand) represents depreciation of corporate assets not allocated to each reportable segment.
 - (4) An increase in property and equipment and intangible assets of ¥87 million (\$546 thousand) represents increases in property and equipment and intangible assets not allocated to each reportable segment.
2. Segment profit is reconciled with profit attributable to owners of the parent in the consolidated statement of income.
3. Major interest income arising from corporate assets is allocated to the non-operating results of each reportable segment on a reasonable basis.

Related information:

1. Information about products and services

Information about products and services is omitted as the same information is disclosed in “Information about sales, profit, assets, liabilities and other items” above.

2. Information about geographical areas

(1) Sales

Information about geographical areas as of March 31, 2025 and 2026, was as follows:

	Millions of yen		
	2025		
	In Japan	External	Consolidated
Sales	¥109,390	¥14,332	¥123,722

	Millions of yen		
	2026		
	In Japan	External	Consolidated
Sales	¥114,902	¥12,682	¥127,584

	Thousands of U.S. dollars		
	2026		
	In Japan	External	Consolidated
Sales	\$718,452	\$79,300	\$797,752

(2) Property and equipment

Under Japanese accounting standards, the Companies are not required to disclose geographical segment information about property and equipment because property and equipment located in Japan represented more than 90% of that of the Companies for the fiscal years ended March 31, 2025 and 2026..

3. Information about major customers

Under Japanese accounting standards, the Companies are not required to disclose major customer information because sales to any one external customer do not represent more than 10% of that of the Companies for the fiscal years ended March 31, 2025 and 2026.

Notes to Consolidated Financial Statements

Information about impairment losses on long-lived assets by reportable segment:

No impairment losses were recognized for the fiscal year ended March 31, 2025.

	Millions of yen			
	2026			
	Media Business	Space Business	Reconciliations	Consolidated
Impairment losses	¥751	¥102	¥—	¥853

	Thousands of U.S. dollars			
	2026			
	Media Business	Space Business	Reconciliations	Consolidated
Impairment losses	\$4,691	\$640	\$—	\$5,331

Information about goodwill and its amortization:

No amortization of goodwill was recognized for the fiscal years ended March 31, 2025 and 2026.

Information about recognized bargain purchase gain (negative goodwill) by reportable segment :

In the Space Business segment, negative goodwill of ¥74 million (\$ 492 thousand) was recorded due to the additional acquisition of shares in MCC Co., Ltd., an equity-method affiliate. The recorded amount of profit on negative goodwill was included in the “Share of profit of investments accounted for using the equity method ” in the consolidated statement of income for the fiscal year ended March 31, 2025.

No negative goodwill was recognized for the fiscal year ended March 31, 2026.

21. Subsequent Events

a. Absorption-type merger with a consolidated subsidiary

Effective April 1, 2026, the Company implemented an absorption-type merger in which the Company was the surviving company and its specified subsidiary, SKY Perfect JSAT Corporation, was the absorbed company. In addition, on the same date, the Company changed its trade name to “SKY Perfect JSAT Corporation.”

(1) Name and business activities of the absorbed company

Name of absorbed company	SKY Perfect JSAT Corporation
Business	Space Business and Media Business

(2) Date of business combination

April 1, 2026

(3) Method for absorption-type merger

Absorption-type merger in which the Company is the surviving company and SKY Perfect JSAT Corporation is the absorbed company.

(4) Name of merged company

SKY Perfect JSAT Holdings Inc.

(Trade name changed to SKY Perfect JSAT Corporation on April 1, 2026)

(5) Purpose

Since establishing a holding company through a business integration in April 2007, the Group has worked to improve corporate value, primarily through its core operating company, SKY Perfect JSAT Corporation. Subsequently, amidst rapid changes in the business environment surrounding the Company, such as the spread of video streaming services, increased government budgets for space-related industries, and industrial development in line with technological innovation, the Company announced that it will make growth investments totaling over ¥300.0 billion in order to achieve the profit targets set for fiscal year 2030. We will need even greater speed, transparency, and efficiency than ever before to implement our growth strategy, which includes becoming a space solutions provider utilizing low Earth orbit satellites in addition to geostationary satellites. By eliminating the dual structure of a holding company and an operating company, we aim to further enhance corporate value by accelerating decision-making in management, improving the efficiency of our organizational management structure, and strengthening corporate governance.

Notes to Consolidated Financial Statements

(6) Details of the allocation related to the absorption-type merger
Not applicable.

(7) Financial condition and financial results of the company to be merged with (fiscal year ended March 31, 2026)

(Millions of yen)	
Total assets	354,516
Net assets	274,827
Revenue	118,076
Profit	23,148

(8) Overview of the accounting treatment to be implemented
The transaction will be treated as one under common control, based on the “Accounting Standard for Business Combinations” and the “Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures.”

b. Appropriation of Retained Earnings

The following appropriation of retained earnings at March 31, 2026, was approved at the Company’s Board of Directors’ meeting held on April 28, 2026:

	Millions of yen	Thousands of U.S. dollars
Year-end cash dividends, ¥23.00 (\$0.14) per share	¥ 6,519	\$ 40,762

Independent Auditor’s Report



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of SKY Perfect JSAT Corporation:

<Audit of Consolidated Financial Statements>

Opinion

We have audited the consolidated financial statements of SKY Perfect JSAT Corporation (formerly, SKY Perfect JSAT Holdings Inc.) and its consolidated subsidiaries (the "Group"), which comprise the consolidated balance sheet as of March 31, 2026, and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, all expressed in Japanese yen.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2026, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Convenience Translation

Our audit also comprehended the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made in accordance with the basis stated in Note 1 to the consolidated financial statements. Such U.S. dollar amounts are presented solely for the convenience of readers outside Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the provisions of the Code of Professional Ethics in Japan, including the ethical requirements that are relevant to audits of the financial statements of public interest entities, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

A key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements of the current period. The matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the matter.

Recognition of the revenue from the media business, which is recorded based on a Customer Relationship Management system	
Key Audit Matter Description	How the Key Audit Matter Was Addressed in the Audit
<p>Of the revenue from the media business, the basic fees and viewing fees from SKY PerfecTV! subscribers and the handling fees from the subcontracted broadcasters who operate the channels (hereinafter "Subscription-based Revenue") amounted to ¥61.5 billion in total. The Subscription-based Revenue is recognized based on an internally developed large-scale Client Management (hereinafter, "CM") system, and accounts for 48% of the total operating revenue of the Group.</p> <p>A large amount of transaction data with customers is calculated automatically based on a program defined in advance using customer and product information registered on the CM system. These transaction data are interfaced to the accounting system, meaning that the CM system handles all of the data that is the basis for recording Subscription-based Revenue.</p> <p>The transactions rely heavily on the CM system, which limits the availability of supporting evidence. As a result, there is a risk that the reliability of revenue recognition may be impaired if access privileges, data corrections, program changes, and interface to the accounting system are not appropriately managed and controlled for the CM system.</p> <p>Given the quantitative significance of Subscription-based Revenue to the total consolidated operating revenue and the highly automated nature of the transactions, we determined that this matter was a key audit matter.</p>	<p>We performed the following analyses to investigate if there was any unusual fluctuation:</p> <ul style="list-style-type: none">• Monthly trend analysis of subscriber count, amounts received from subscribers and Subscription-based Revenue and such.• Monthly trend analysis of the actual rate of losses from bad debts related to receivables from subscribers. <p>We performed a combination of the following procedures, including the test of IT systems, for a set of processes to recognize operating revenue.</p> <ul style="list-style-type: none">• We tested the effectiveness of internal controls over provisioning, removing and periodic reviewing of access privileges.• We tested the effectiveness of internal controls over requests and approvals for data correction and program changes.• We tested the effectiveness of internal controls over monitoring database access and automatic detection of program changes.• We tested the effectiveness of internal controls over registration of IC card IDs and other information into the CM system, which is mandatory, such as checking for errors to prevent duplicate registration of IC card IDs and other information.• We tested the effectiveness of internal controls over addressing the accuracy and completeness of registration of product information into the product master file.• We tested the effectiveness of internal controls over the generation of invoice data for both subscribers and subcontracted broadcasters based on contract information registered into the CM system and the automatic calculation of Subscription-based Revenue based on the predefined program.• We tested the accuracy and completeness of the ledgers related to Subscription-based Revenue generated from the CM system. We also tested that Subscription-based Revenue on the ledgers matched the corresponding revenue recorded in the accounting system.• We inspected subscriber payment evidence obtained from credit card companies and payment agents.

Independent Auditor’s Report

Other Information

Management is responsible for the other information. Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the other information. The other information comprises the information included in Integrated Report 2026, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate whether the overall presentation and disclosures of the consolidated financial statements are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with Audit & Supervisory Board members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with Audit & Supervisory Board members and the Audit & Supervisory Board, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

<Fee-Related Information>

Fees for audit and other services for the year ended March 31, 2026, which were charged by us and our network firms to SKY Perfect JSAT Corporation and its subsidiaries were ¥158 million and ¥46 million, respectively.

Independent Auditor’s Report

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Takahiro Ikeda
Designated Engagement Partner
Certified Public Accountant

Hisashi Okuda
Designated Engagement Partner
Certified Public Accountant

Deloitte Touche Tohmatsu LLC
October 28, 2026



SKY Perfect JSAT Corporation

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