

Securities Code: 9412

SKY Perfect JSAT Holdings Inc.



1Q 2023 Presentation Material

For the 3-month period ended June 30, 2023

August 2, 2023

Forward-looking Statements

Statements about the SKY Perfect JSAT Group's forecasts, strategies, management policies, and targets contained in this presentation that are not based on historical facts constitute forward-looking statements. These statements are based on management's assumptions, plans, expectations and judgments from information available at the time. These forward-looking statements are subject to a variety of risks and uncertainties. Therefore, actual results may differ materially from forecasts. The primary risks and uncertainties currently assumed by the SKY Perfect JSAT Group include, but are not limited to, the following:

General Management

- Risks concerning business investment
- Risks concerning legal regulations on business
- Risks concerning leaks and handling of personal information and important information, and cyber security
- Risks concerning business continuity due to large-scale disaster and new infectious diseases, etc.

Space Business

- Risks concerning lower competitiveness in the satellite communications Market
- Risks concerning procurement of communications satellites
- Risks concerning operations of communications satellites

Media Business

- Risks concerning lower business competitiveness of Multi channel pay TV business
- Risks concerning illegal viewing
- Risks concerning customer management system

Consolidated Financial Results

First Quarter of FY2023

Consolidated Earning Results for 1Q of FY2023

- Consolidated results increased both revenue and net income YoY
- Space business: Sales in both global & mobile field and domestic satellite business field remained firm
- Media Business: Profits remained at the same level YoY due to cost controls although sales fell due to a decline in subscribers

(in Millions of ¥)

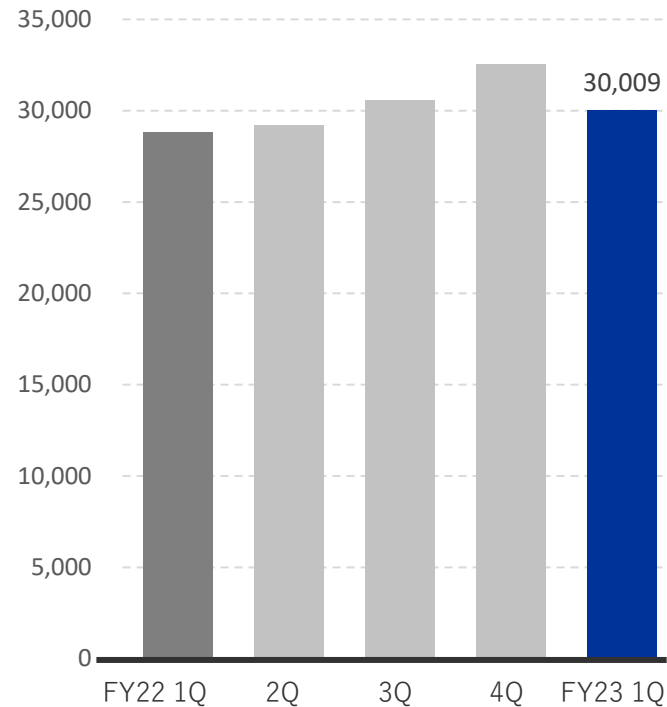
	FY2022 1Q	FY2023 1Q	Change (%)	FY2023 Forecast	Progress (%)
Revenue	28,806	30,009	+ 4.2%	121,000	24.8%
Operating Income	5,551	6,919	+ 24.6%	22,500	30.8%
Operating Income	5,924	7,279	+ 22.9%	22,000	33.1%
Net Income (Profit attributable of owners of the parent)	4,033	4,982	+ 23.5%	15,000	33.2%
EBITDA *	11,509	12,638	+ 9.8%	43,600	29.0%

* EBITDA = Net Income + Tax Expense + Depreciation Expense + Amortization of Goodwill + Interest Expense

Trends of Consolidated Financial Results by Quarter (FY2022 1Q – FY2023 1Q)

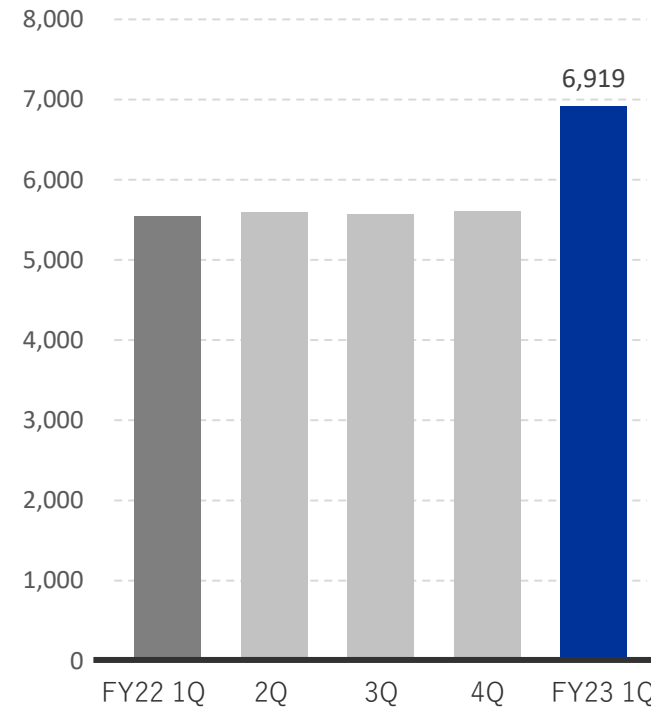
Revenue

(in Millions of ¥)



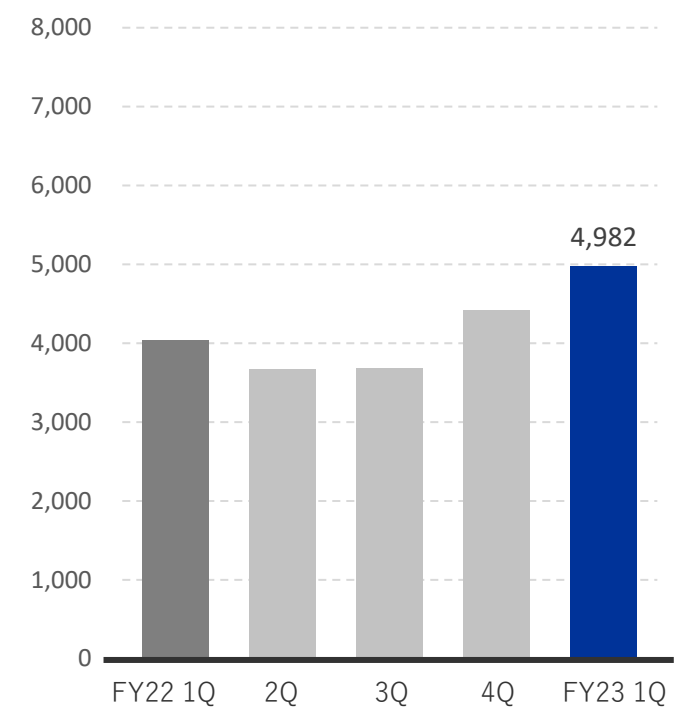
Operating Income

(in Millions of ¥)



Net Income

(in Millions of ¥)



Earnings Overview: Space Business



- Revenue increased due to expanded use of JCSAT-1C and Horizons 3e in Global & Mobile field and equipment sales and expanded of line usage in domestic satellite field.
- Income increased due to an increase in revenue and a decrease in depreciation expenses.

Revenue

(in Millions of ¥)

Operating Income

(in Millions of ¥)

Segment Profit*

(in Millions of ¥)

Major factors of change (YoY)

■ Revenue **¥15.4 billion** [+1.6B] **

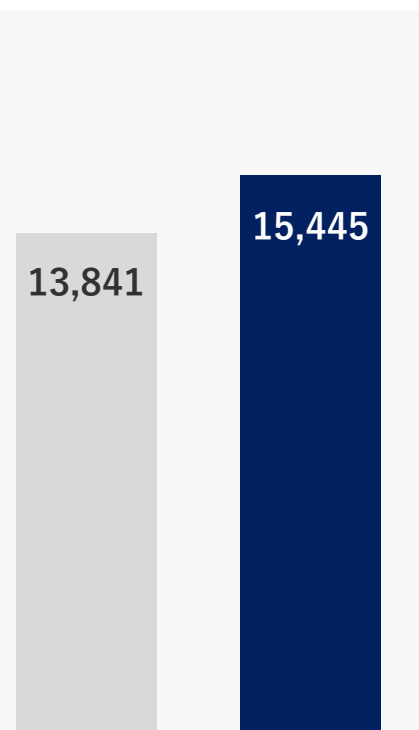
- Increase in sales in Global & Mobile field: +0.9B
- Increase in equipment sales and line usage in the domestic satellite field: +0.8B
- Decrease in Broadcasting transponder-related revenue: (0.1B)

■ Operating Expense **¥9.8 billion** [+0.1B]**

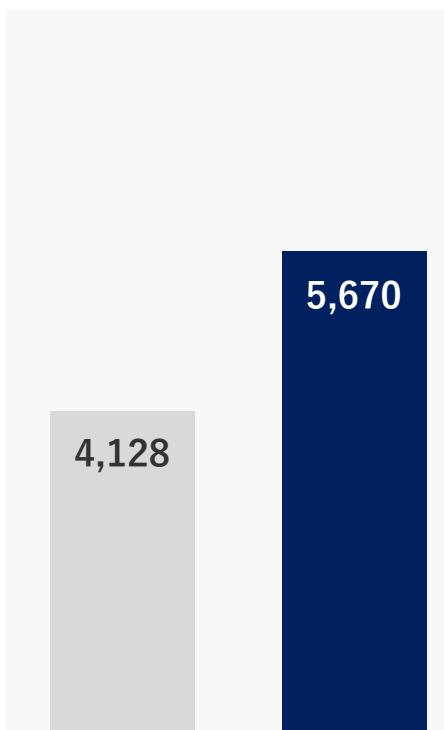
- Decrease in depreciation expenses: (0.3B)
- Increase in satellite business related cost: +0.4B

■ Operating Income **¥5.7 billion** [+1.5B]

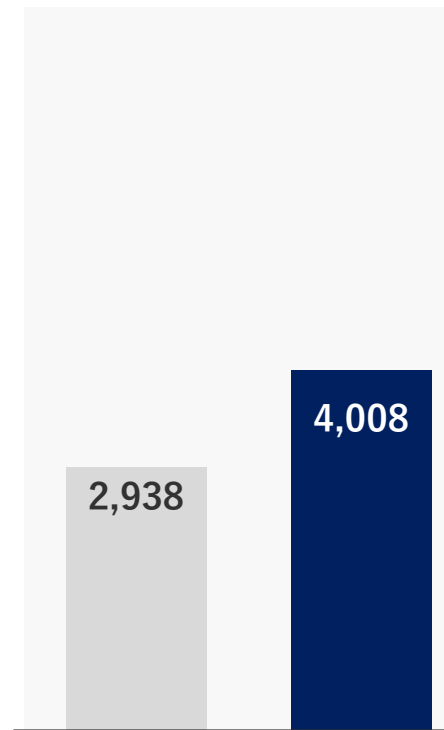
■ Segment Profit **¥4 billion**[+1.1B]



FY2022 1Q FY2023 1Q



FY2022 1Q FY2023 1Q



FY2022 1Q FY2023 1Q

* Segment Profit is calculated based on net income after tax

** Including inter-segment transactions



Earnings Overview: Media Business

- Controlled costs by streamlining advertising expenses and reducing BS SKY PerfectTV! expenses in response to the decline in revenue related to broadcasting.
- Profit remained at the same level as the same period in previous fiscal year due to the contribution of increased revenues from FTTH business.

Revenue

(in Millions of ¥)



FY2022 1Q

FY2023 1Q

Operating Income

(in Millions of ¥)

1,598

1,453

FY2022 1Q

FY2023 1Q

Segment Profit*

(in Millions of ¥)

1,159

1,081

FY2022 1Q

FY2023 1Q

Major factors of change (YoY)

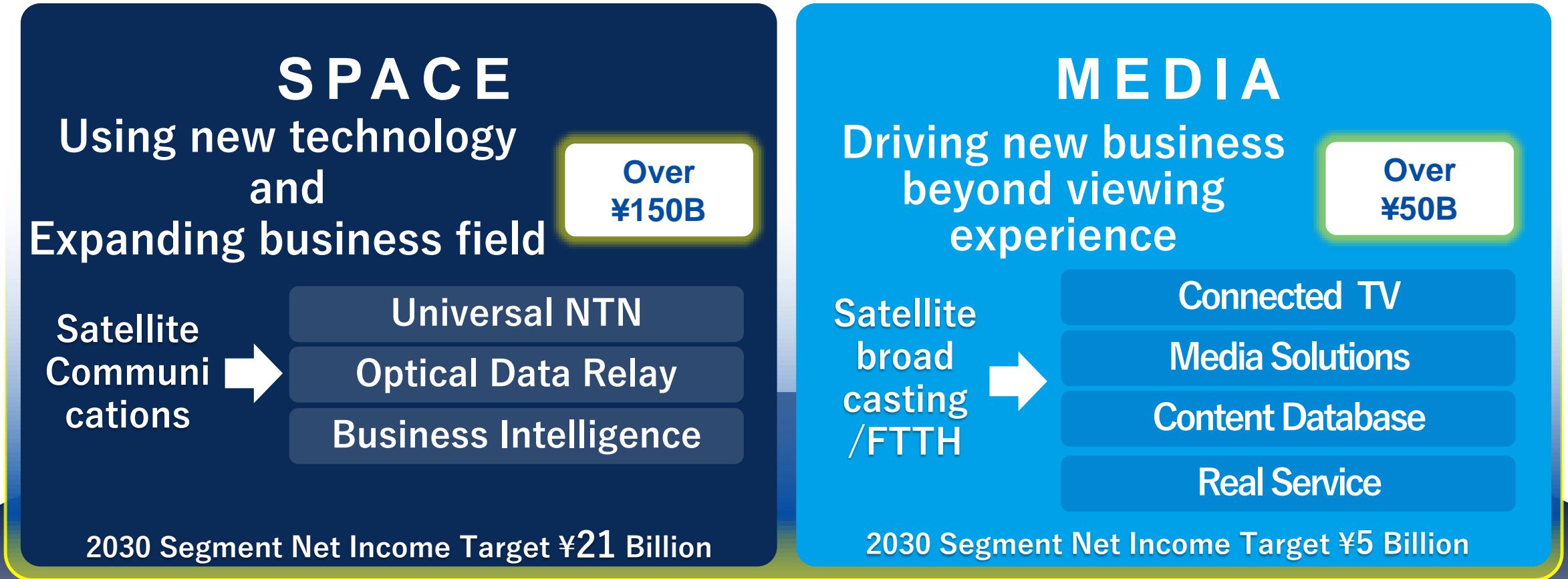
- **Revenue ¥17 billion [(0.5B)] ****
 - Decrease in viewing fees and basic fees: (0.7B)
 - Increase in sales of FTTH business: +0.1B
 - Others: +0.1B
- **Operating Expense ¥15.5 billion [(0.4B)] ****
 - Decrease in advertising expenses: (0.2B)
 - Others: (0.2B)
- **Operating Income ¥1.5 billion [(0.1B)]**
- **Segment Profit ¥1.1 billion [(0.1B)]**

* Segment Profit is calculated based on net income after tax

** Including inter-segment transactions

Toward 2030

Investment will be over ¥200 billion for new domains



Sustainable Growth
Target Net income is over ¥25 Billion in 2030

Sustainable Growth for Society and Our Group

Mission

Sustainability Policy

Space for your Smile

Economic Value

FY2030 target Net Profit over ¥25 billion

Social Value

Delivering peace of mind and safety of society
Contributing to the creation of enjoyable future

Space Business

Contribution to the realization of
super-smart society (Society 5.0)
by building an innovative communications network
for all spaces and a global data collection network

Business Vision

Media Business

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

Management Strategies

Value Creation by “Change”

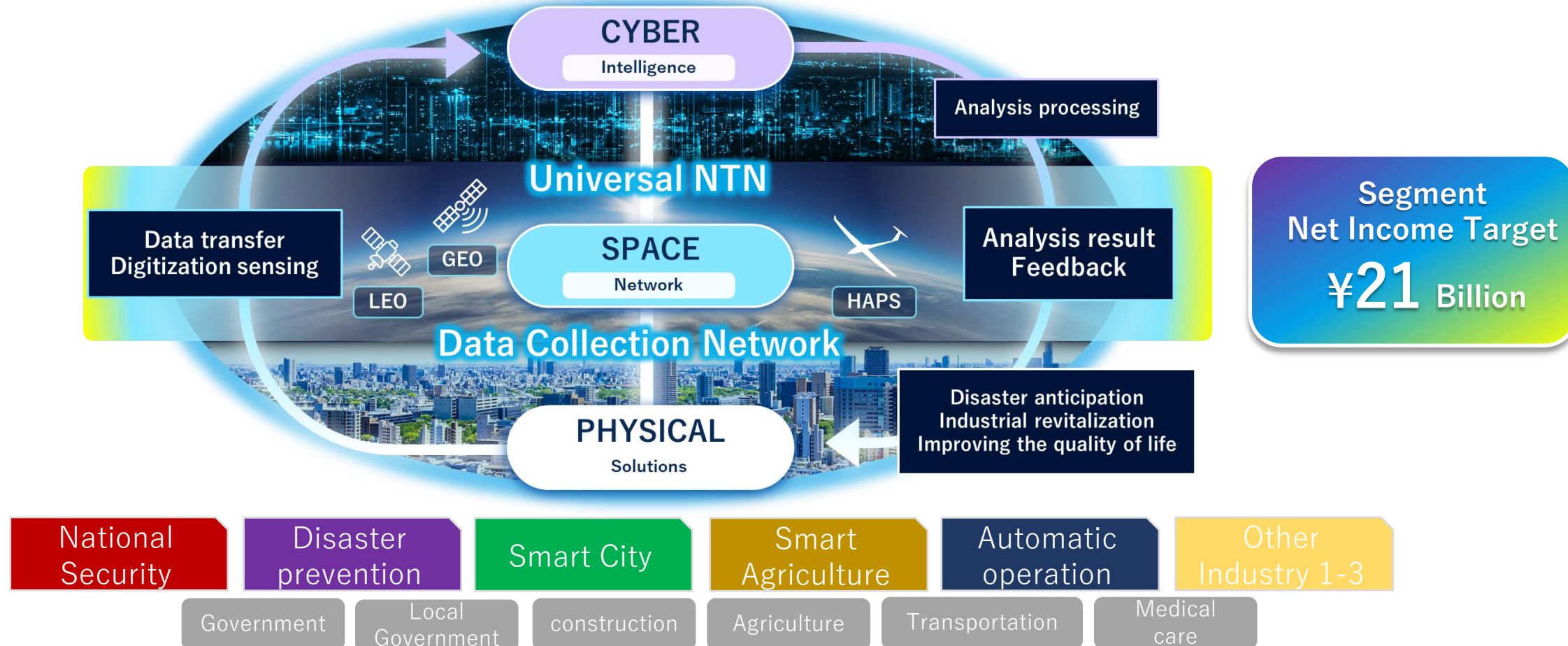
Exploring
new business domains

Improving profitability
in core business

Strengthening
human capital

Enhancing of
management base

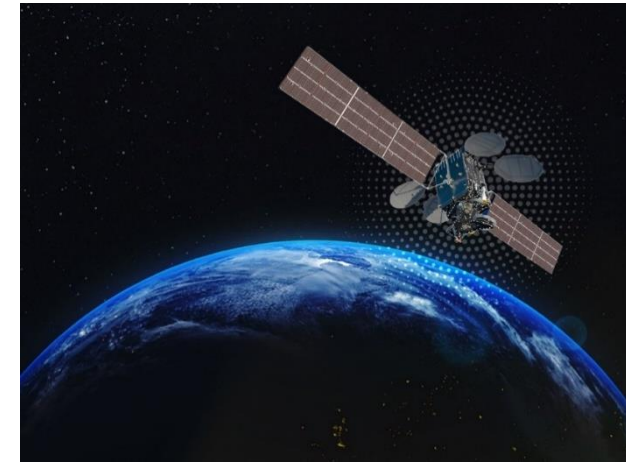
By establishing an innovative communications network for all of space and a global data collection network, we are helping to make a supersmart society a reality



Horizons-4 Launch on August 3, 2023 (Japan Standard Time) Responding to rising telecommunications demand in North America and the Pacific region

- Launch site: Cape Canaveral, Space Force Station, Florida, U.S.A.
- Launcher: SpaceX (Falcon 9)
- Manufacturer: Maxar (Maxar 1300 series bus)
- Satellite specifications:
 - (Frequency band) Ku-band
 - (Primary Coverage) North America and Pacific Ocean region
- Planned orbital slot: 127 degrees West longitude

Artist's depiction of Horizons-4 in space



Credit: Intelsat

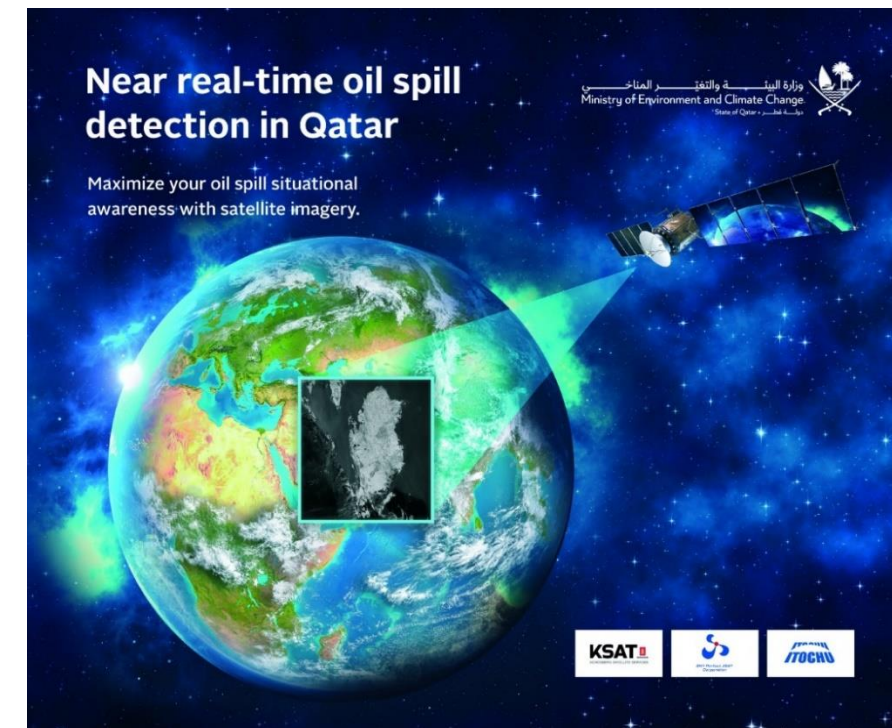
Initiatives in Business Intelligence Area

SKY Perfect JSAT and ITOCHU Announced Commencement of SAR Satellite-Based Oil Spill Monitoring Service to the Qatari Ministry of Environment & Climate Change

- Analysis is performed in combination with AIS information* and SAR** satellite imagery, and the vessel with the oil leak can be identified.
- Expanding this service to countries surrounding tanker routes and petroleum-related companies, and contributing to the prevention of marine pollution and disasters

*AIS information : Information such as vessel's identification code, name, location, speed, course, destination, etc., transmitted from its Automatic Identification System.

**SAR : Synthetic Aperture Radar
Synthetic Aperture Radar. A radar that obtains an image of the earth surface by irradiating the ground surface with microwaves and analyzing the signals that are reflected back.



Key Visual of
SAR Satellite-Based Oil Spill Monitoring Service

Launched small SAR satellite, QPS-SAR-6 “AMATERU-III” in June 2023
Successfully acquired the highest 0.46m resolution image in Japan



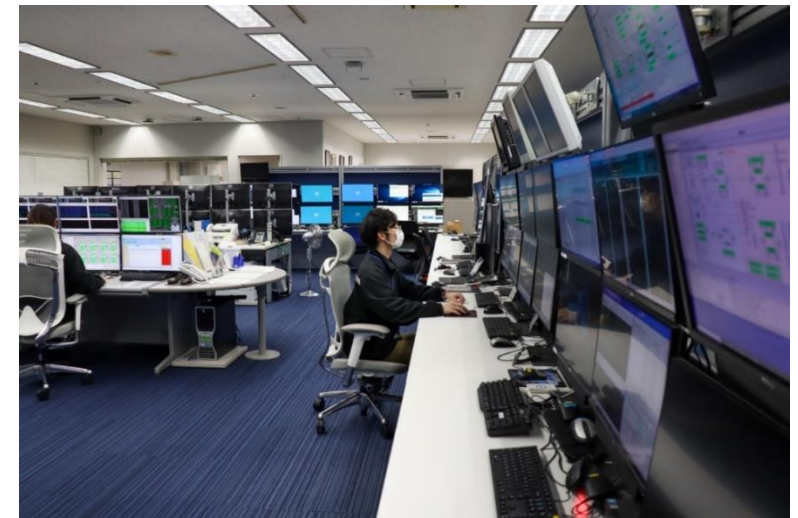
SAR image (Resolution: 0.46m) acquired by small SAR satellite, QPS-SAR-6 “AMATERU-III”
at Yokohama City, Kanagawa, Japan

Started collaboration related to small-scale SAR satellite operations

- Enhance collaboration in technology and operations
In July 2023, signed a contract for the operation of small SAR satellites
- Supporting the early realization of satellite constellation* originating from Japanese companies



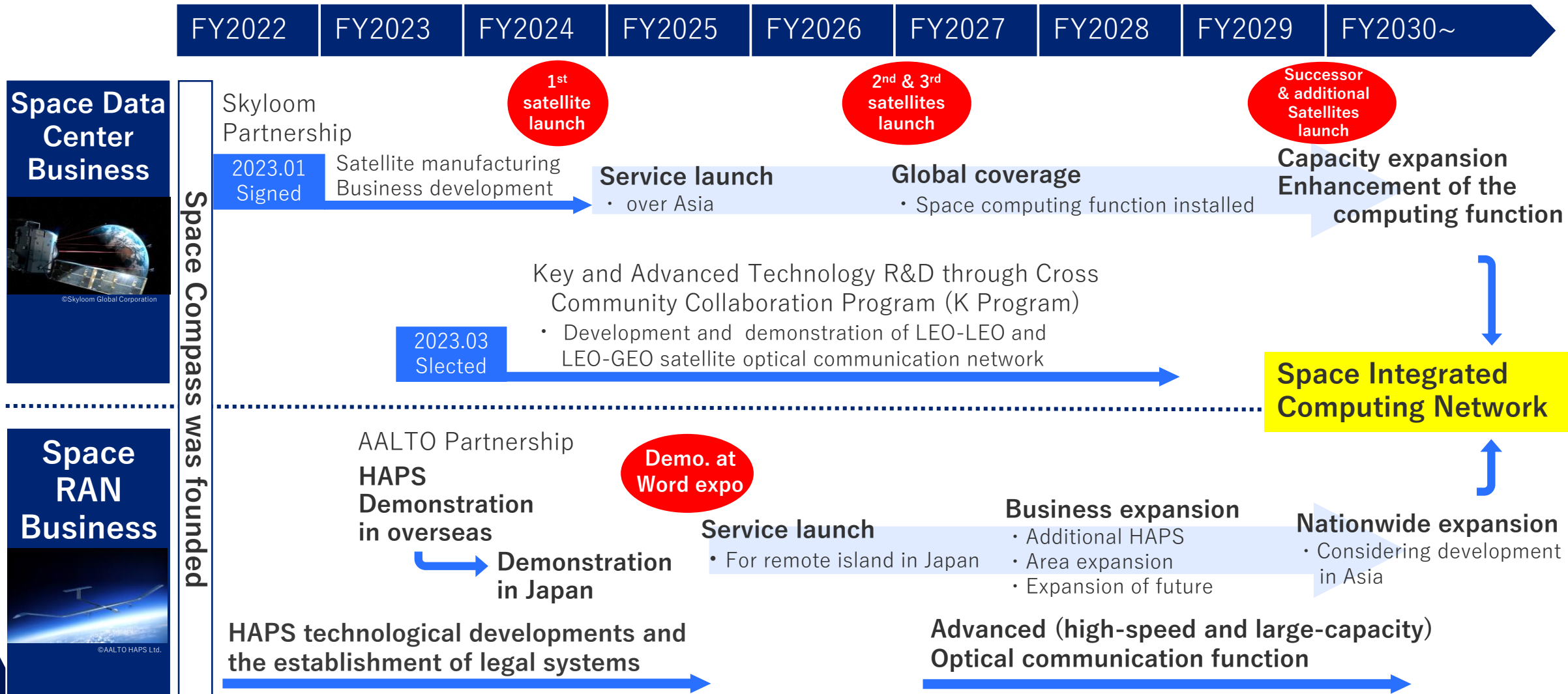
External View of Yokohama Satellite Control Centre (YSCC)



Control room at YSCC

*Satellite constellation: A system that enables high-frequency earth observation by multiple artificial satellites.

Towards Realization of Space Integrated Computing Network



A total of **16** satellites covering from North America to the Indian Ocean

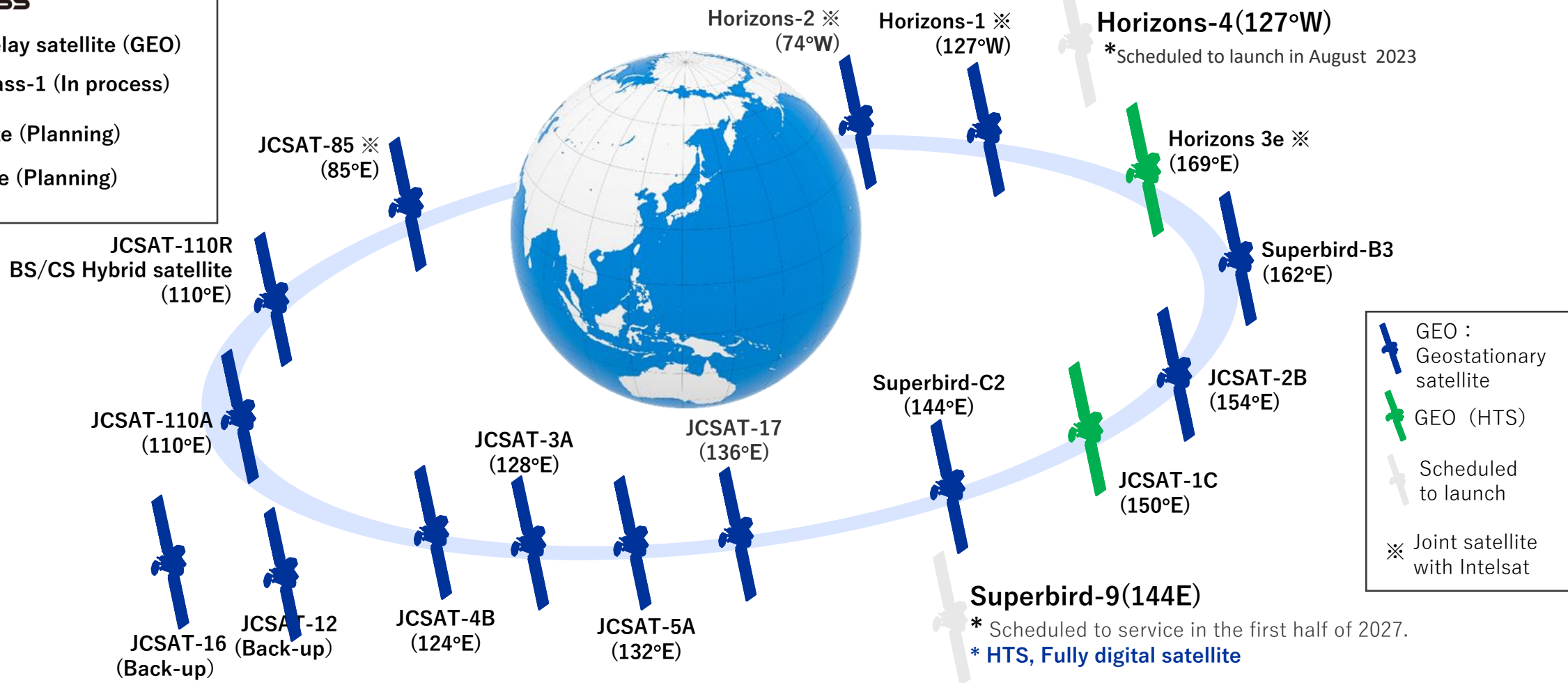


Optical data relay satellite (GEO)

SkyCompass-1 (In process)

2nd satellite (Planning)

3rd satellite (Planning)



The contractual backlog as of March 31, 2023 is ¥230.9 billion.

Media Business Vision

MEDIA

Report

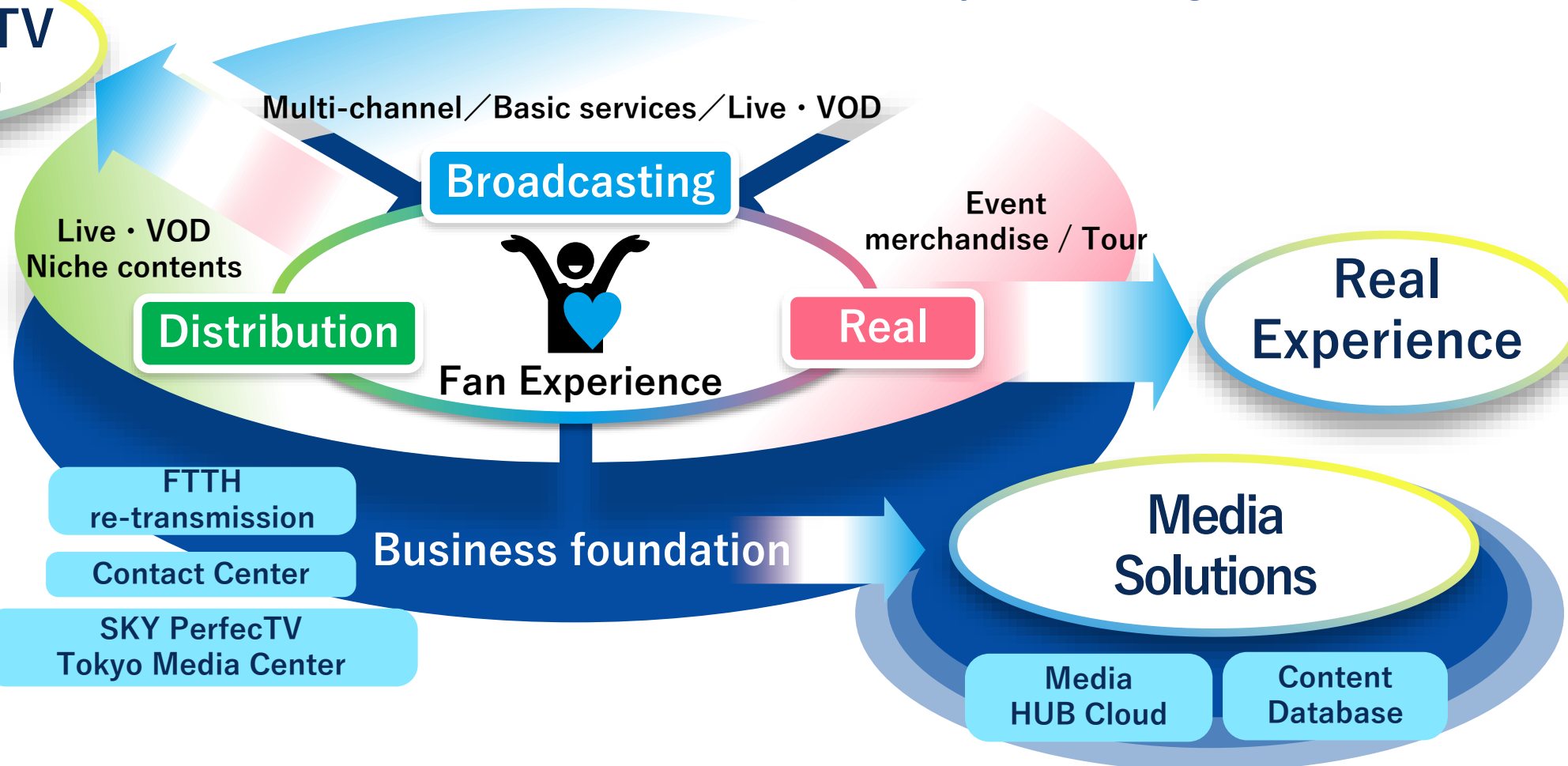


We are contributing to the realization of a diverse and highly creative society as a platform that connects people, companies, and society.

Enhance the fan experience by Broadcasting + Distribution + Real

Connected TV

Dongle / Ad Platform



2030
Segment
Net Income
¥5 billion

Bundesliga Japan Tour 2023

Real services

Broadcasting · Distribution



- 45,000 people mobilized to the Japan National Stadium on July 29, 2023
- Broadcasting: “Sports Live+” on SKY PerfecTV! and BS11
- Distribution: SPOOX, SKY PerfecTV / SOCCER app., Program free distribution service, ABEMA TV and BS11+
- Official tour merchandise sales on the venue, SKY PerfecTV! EC website and at limited FC Bayern Munich Official POPUP Store

Distribution: Live streaming for all games on SKY PerfecTV / SOCCER app.
Broadcasting: All games provided by SKY PerfecTV / SOCCER set



Who stands in the way of Bayern's unprecedented 11th consecutive title!?
Focus on Japanese players such as
Wataru Endo, Ritsu Doan and Makoto Hasebe!

PICK UP “LIVE” programs in September

Broadcasting · Distribution

**Rugby World Cup 2023 France (Opening of September 8)
Live broadcast (Broadcast · Program distribution) of all 48 games
on our platform**



Photo by Yuuri Tanimoto

**Subscribers can enjoy fulfilling live sports and entertainment programs
such as professional baseball, football, F1, musical concerts, etc.
on TV or smartphone**

SKY PerfecTV! Autumn Promotion in October and November

MEDIA

Real services

Broadcasting · Distribution

スカパー!
熱狂7
エアー

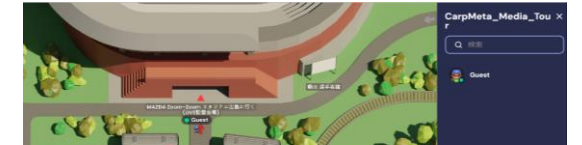


■ Variety of artist
music live programs
available on multi
devices



■ Photography sessions using AR techniques

*Image for illustration purposes only



■ Fan events in virtual space

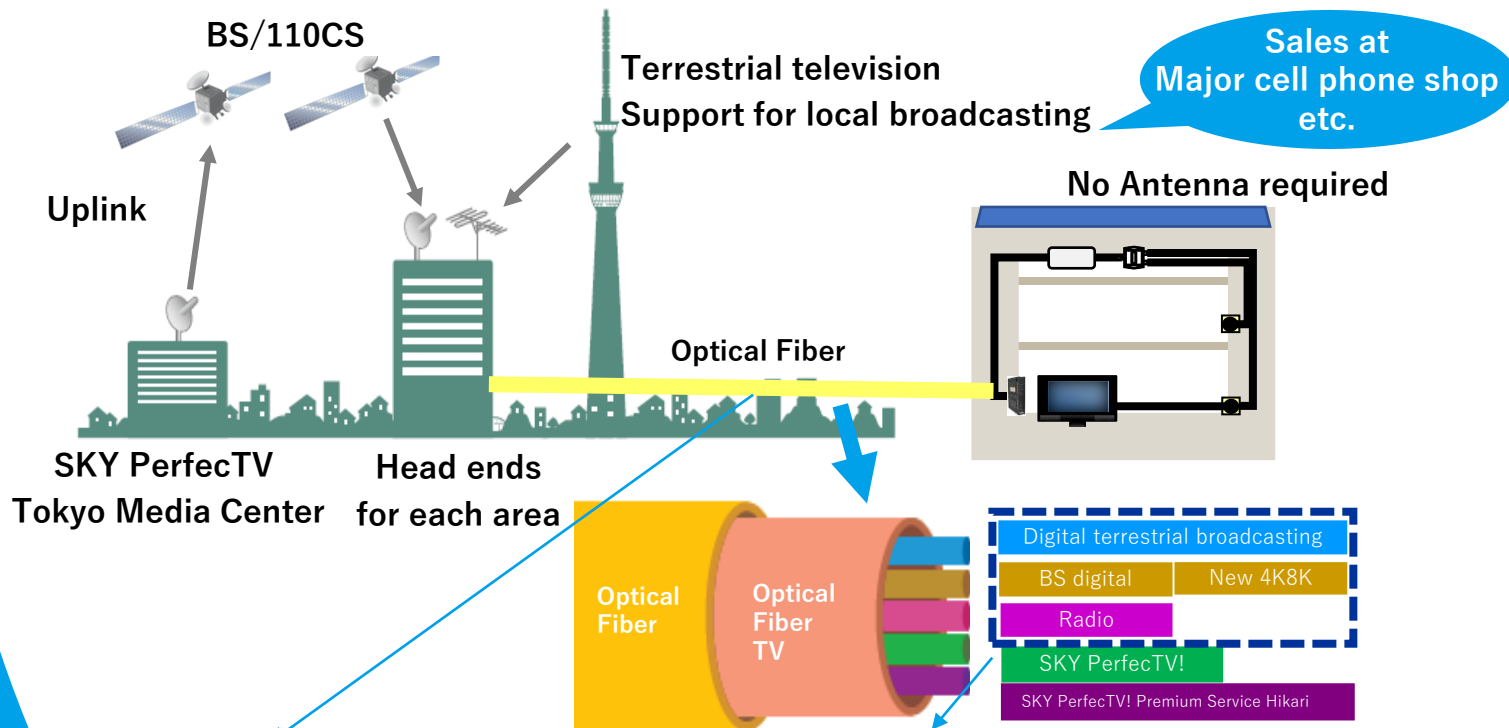
- Expand number of programs that subscribers can enjoy on TV or smartphones through program free distribution service and SPOOX in addition to broadcasting.
- In addition to real world events, we plan to hold fan events that use AR techniques and enjoy in virtual spaces.
- SKY PerfecTV! EC website sells original merchandise
- Planning Gift campaign

About FTTH (Fiber-To-The-Home) Business

MEDIA

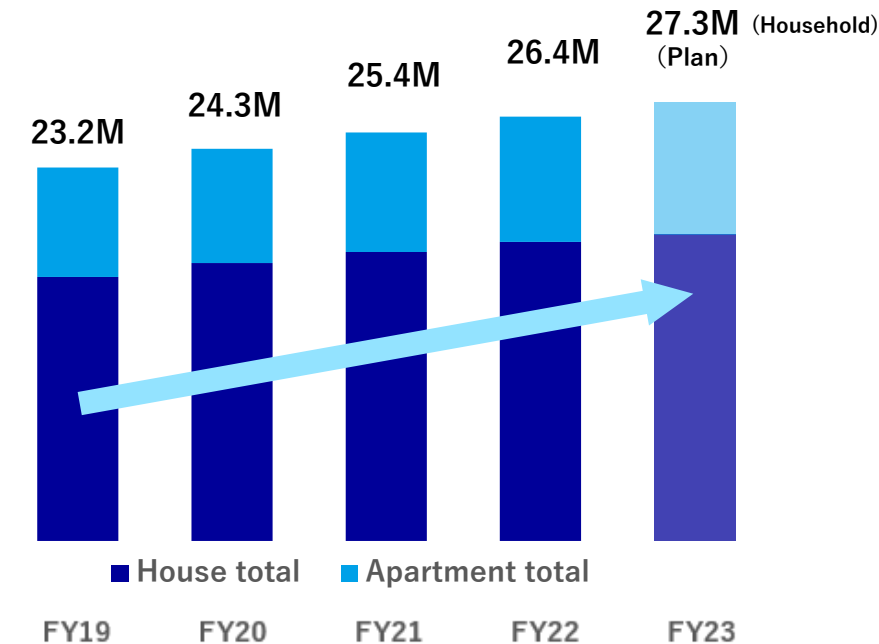
FTTH

- Retransmission of terrestrial and BS・CS broadcasting, etc. on fiber-optic lines for detached houses and apartments
- FTTH business revenues steadily increase due to expansion of service areas and growth in the number of subscribing households



Number of FTTH available households : 42.8M

Household coverage Trend



Cost: Access charge to telecommunications carriers etc.

Monthly usage fee: ¥825* *for house (tax included)
 TV viewing service ¥330/month (provided by SKY Perfect JSAT)
 + fiber-optic television transmission services ¥495/month (provided by collaboration providers)

FTTH Pass-through method Video Transmission Service Increasing Affiliated Cable Television Stations

MEDIA

FTTH

Using Satellite Communications and Viewer Key Signal Management Technologies to Solve Challenges for Cable Television Businesses

Nine CATV stations decided to adopt the service as of July 2023

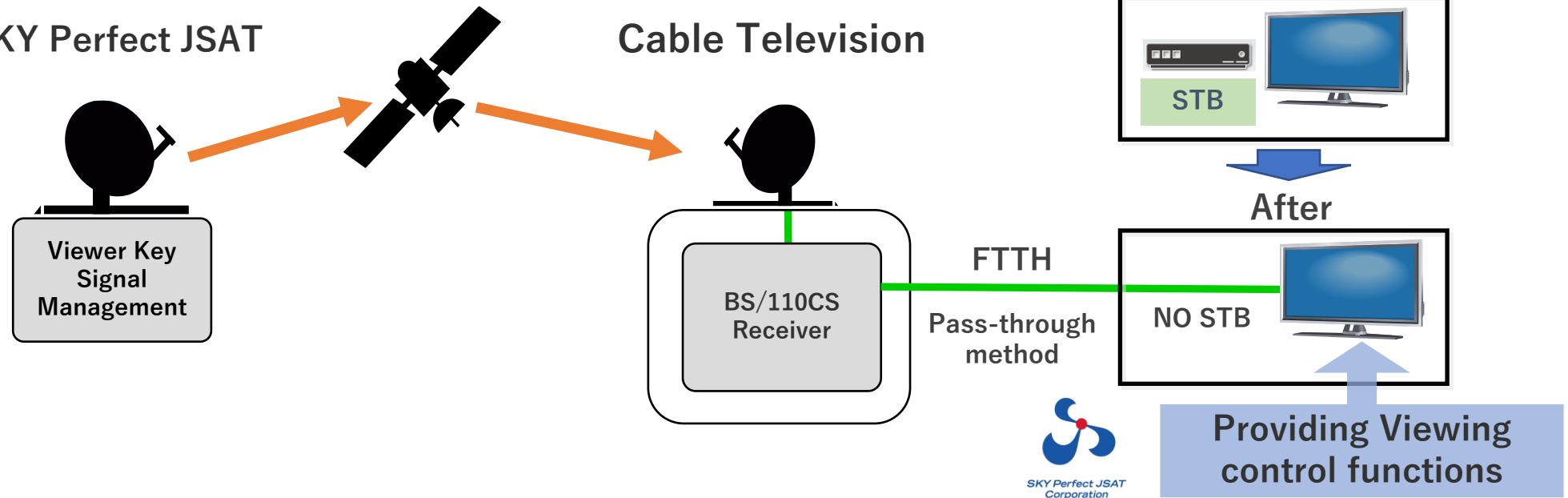
<Major Introduction Benefits>

- To reduce capital expenditures in response to ACAS
- To Continue multi-channel broadcasting services
- No STB required for customer homes, etc.

【Service image】

SKY Perfect JSAT

Cable Television



Participation in KOBE Arena Project.

Concluded a collaborative innovation partnership contract with One Bright KOBE Co., Ltd., the operator of the KOBE Arena (tentative name), scheduled to open in 2025.



- KOBE Arena is Multi-purpose arena for use for sports events, music concerts, international conferences, etc.
- Collaborative development of attractive contents
- Initiative for providing backup communication lines under disasters though satellite

Progress of ESG

Selected for the first time as constituents for FTSE Blossom Japan Sector Relative Index (June 2023)

Besides “S&P/JPX Carbon Efficient Index” and “Morningstar Japan ex-REIT Gender Diversity Tilt Index” of the ESG investment indices adopted by the Government Pension Investment Fund (GPIF)



**FTSE Blossom
Japan Sector
Relative Index**

E : Environment

- Reducing GHG emissions
 - Started information disclose as Group
 - Enhancing efforts (Scope1, 2)
 - *by 70% from FY2022
 - Collecting Scope3 data in FY2023*
- * SKY Perfect JSAT Corporation only
- Transition plan for decarbonization to achieve carbon neutrality
- Basic Environmental Policy and Green Procurement Policy newly formulated and opened to public in web

S : Social

- Strengthening Human Capital
 - Operating a new personnel system to realize our strategy “Revitalization of Employees and Organizations as Driving Forces for Chang”
- New materiality related human rights

G : Governance

- Strengthen the effectiveness of the Board of Directors
- Promoting management considering capital costs and stock prices

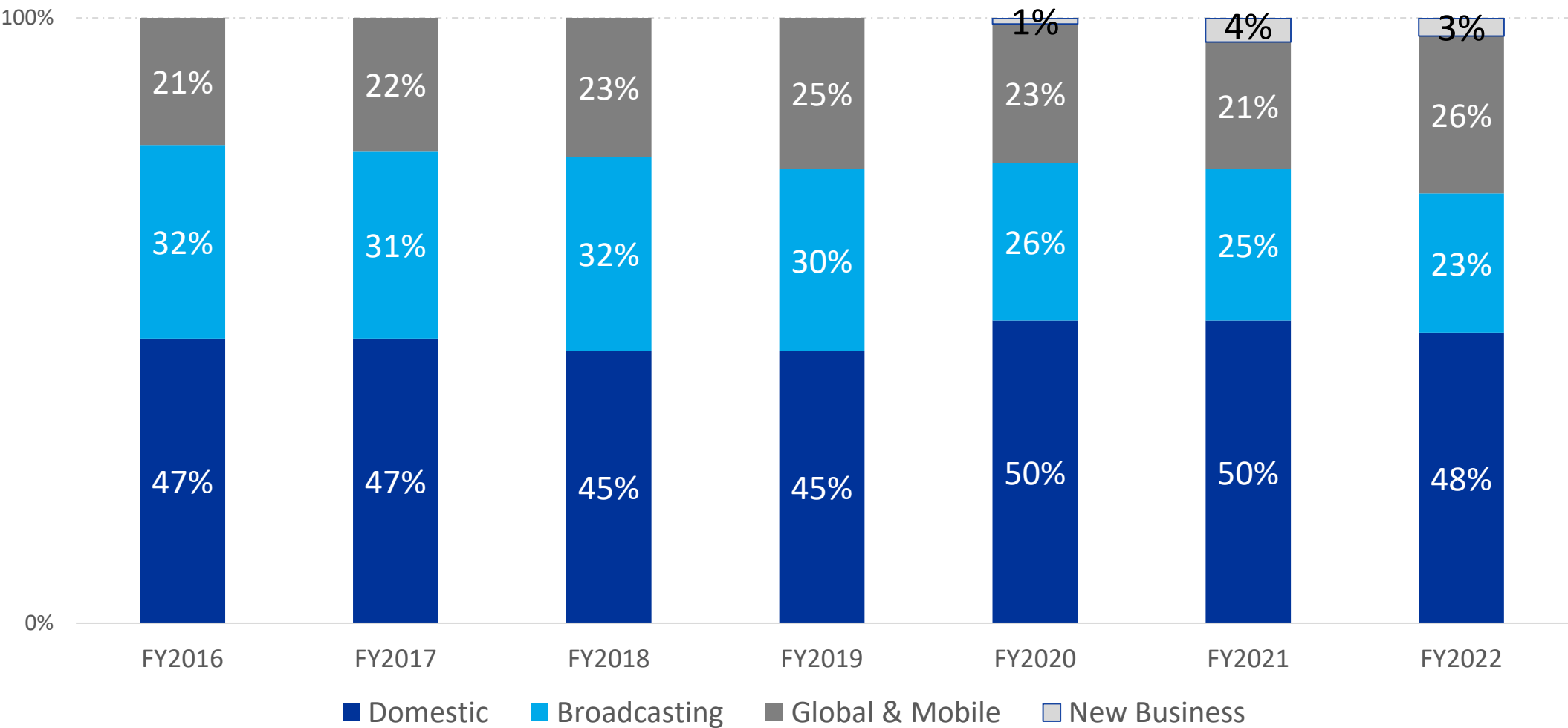
Space for your Smile

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



References

Revenue Composition ratio in Space Business



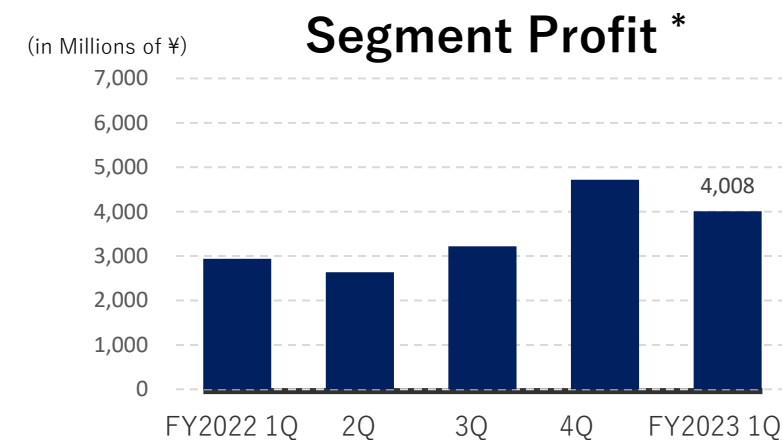
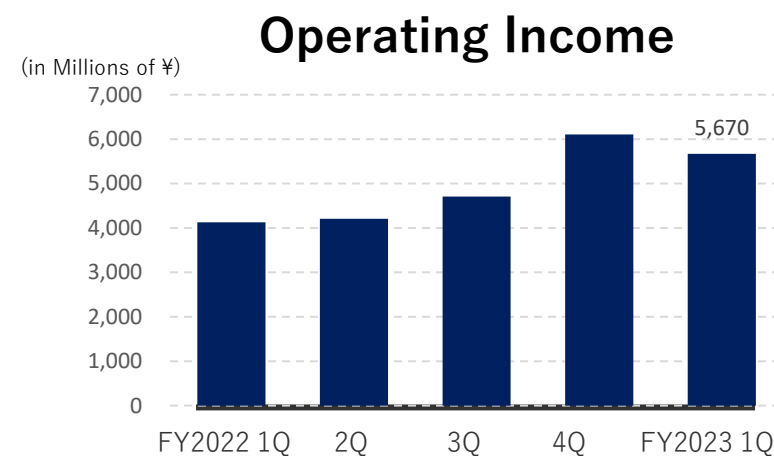
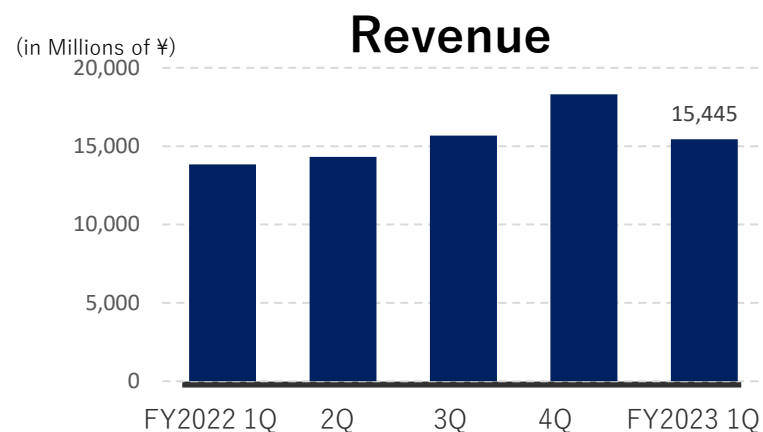
※Excluding the impact of the sale of communications satellites to the Ministry of Defense in FY2016 and FY2018

※Accounting Standard for Revenue Recognition, etc. adopted from FY2021

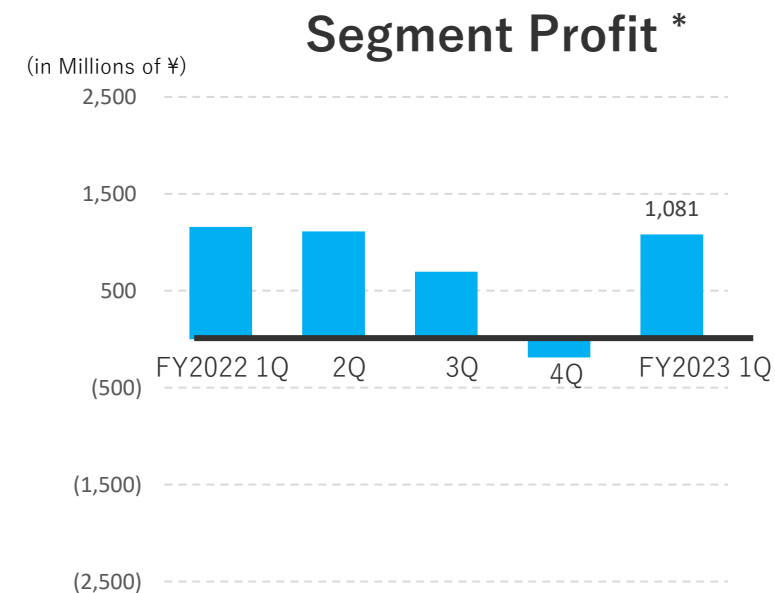
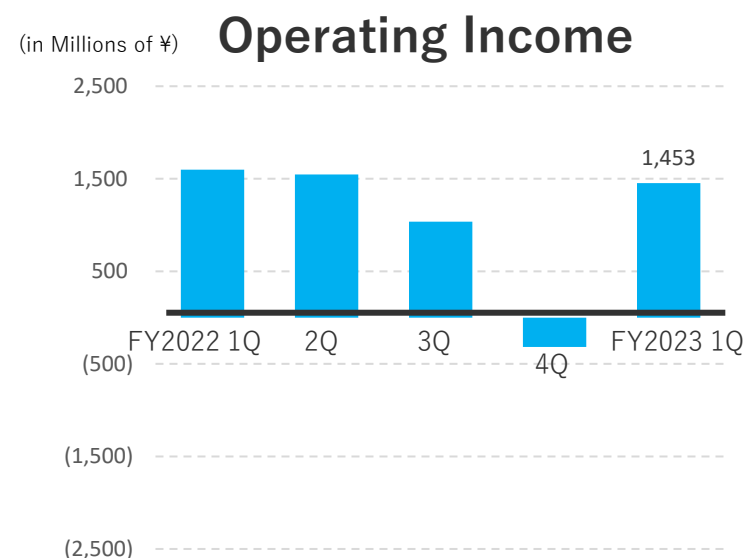
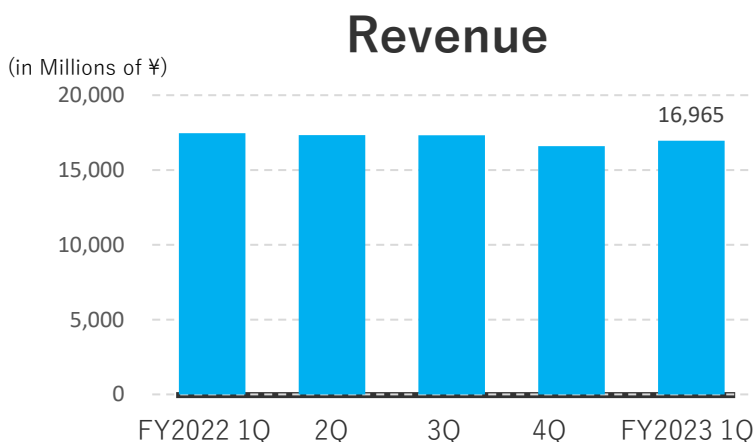
Trends of Quarterly Financial Results by Segment

Space Business

* Including inter-segment transactions



Media Business



* Since FY2021 1Q, "Accounting Standards for Revenue Recognition" has been adopted. The numbers has from FY2021 are calculated according to the accounting standard.

Trends of Quarterly Financial Results by Segment

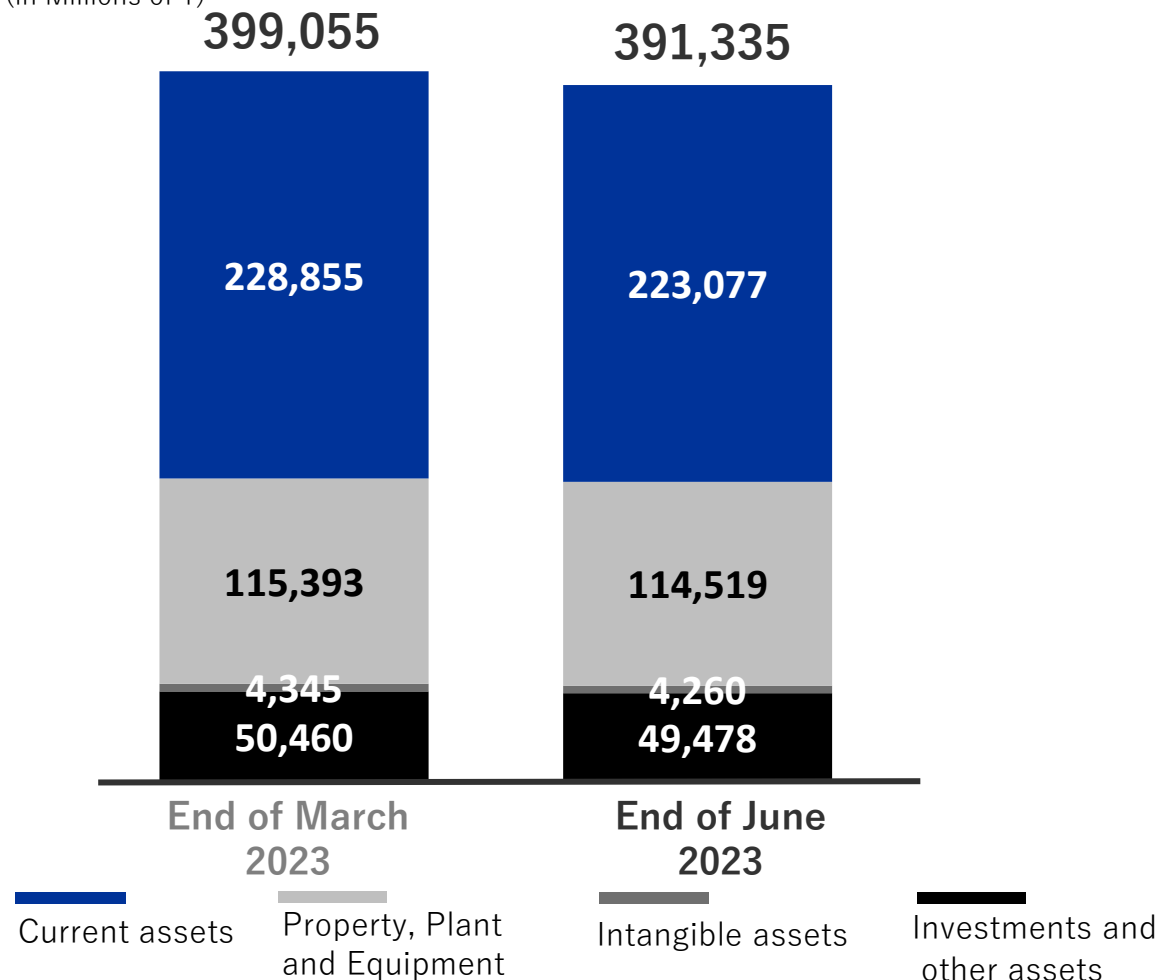
(in Millions of ¥)

	FY2022					FY2023
	1Q	2Q	3Q	4Q	Total	1Q
Revenue	28,806	29,190	30,597	32,545	121,139	30,009
Space	13,841	14,319	15,677	18,314	62,154	15,445
Media	17,463	17,340	17,326	16,601	68,733	16,965
Consolidated Elimination	(2,499)	(2,470)	(2,406)	(2,370)	(9,747)	(2,401)
Operating Income	5,551	5,595	5,566	5,609	22,324	6,919
Space	4,128	4,208	4,708	6,106	19,151	5,670
Media	1,598	1,546	1,036	(318)	3,863	1,453
Consolidated Elimination	(175)	(158)	(178)	(177)	(690)	(203)
Segment Profit (Profit attributable to owners of the parent)	4,033	3,669	3,683	4,423	15,810	4,982
Space	2,938	2,637	3,221	4,717	13,515	4,008
Media	1,159	1,113	696	(189)	2,779	1,081
Consolidated Elimination	(64)	(81)	(234)	(104)	(484)	(107)

Consolidated Balance Sheet

Assets

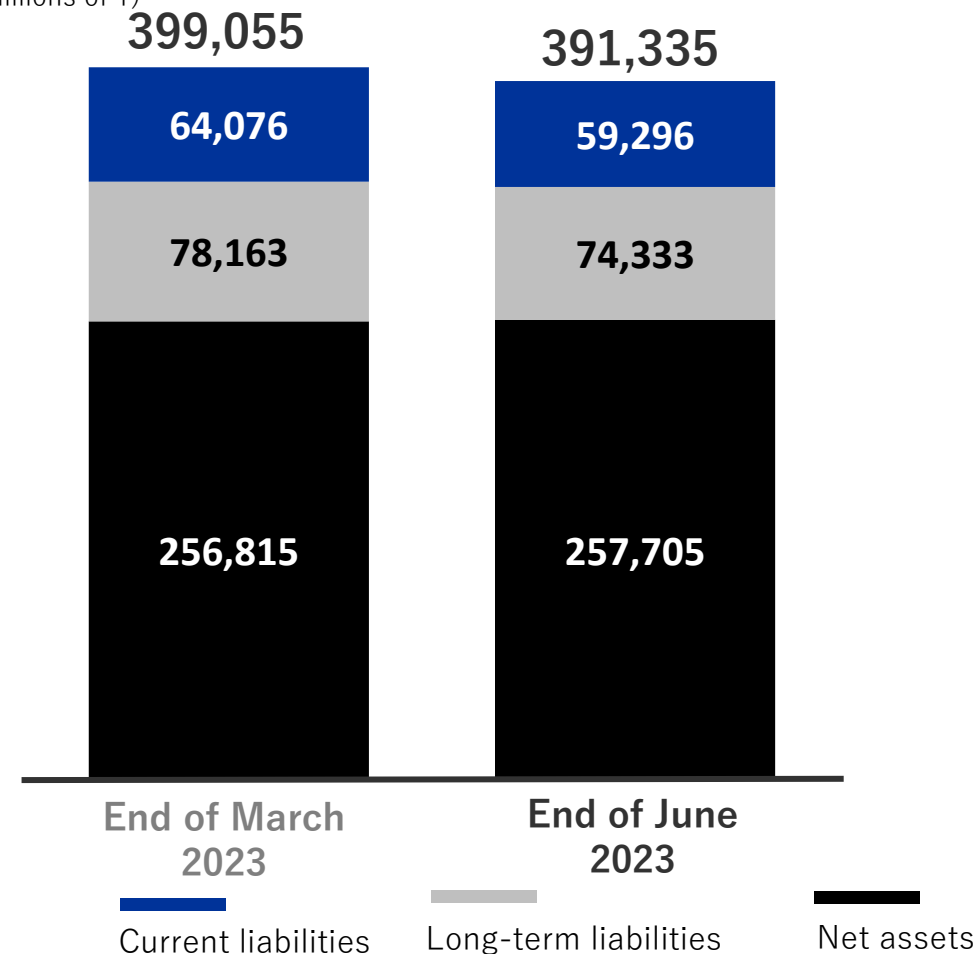
(in Millions of ¥)



Liabilities and Net Assets

Equity Ratio : 64.0% → 65.5%

(in Millions of ¥)



Consolidated Cash Flows

(in Millions of ¥)

	FY2022 1Q	FY2023 1Q
Net Cash from Operating activities	23,130	3,013
Net Cash from Investing activities	(1,812)	(3,402)
Free Cash Flows ^{*1}	21,318	(389)
Net Cash from Financing activities	(11,403)	(7,407)
Cash and Cash Equivalents at Term-end(a)	96,094	100,228
Interest-bearing Debt at Term-end ^{*2} (b)	78,784	70,590
Net Interest-bearing Debt at Term-end (b) – (a)	(17,310)	(29,637)

*1 Net Cash from Operating activities + Net Cash from Investing activities

*2 Term-end balance of Debts and unsecured corporate bonds

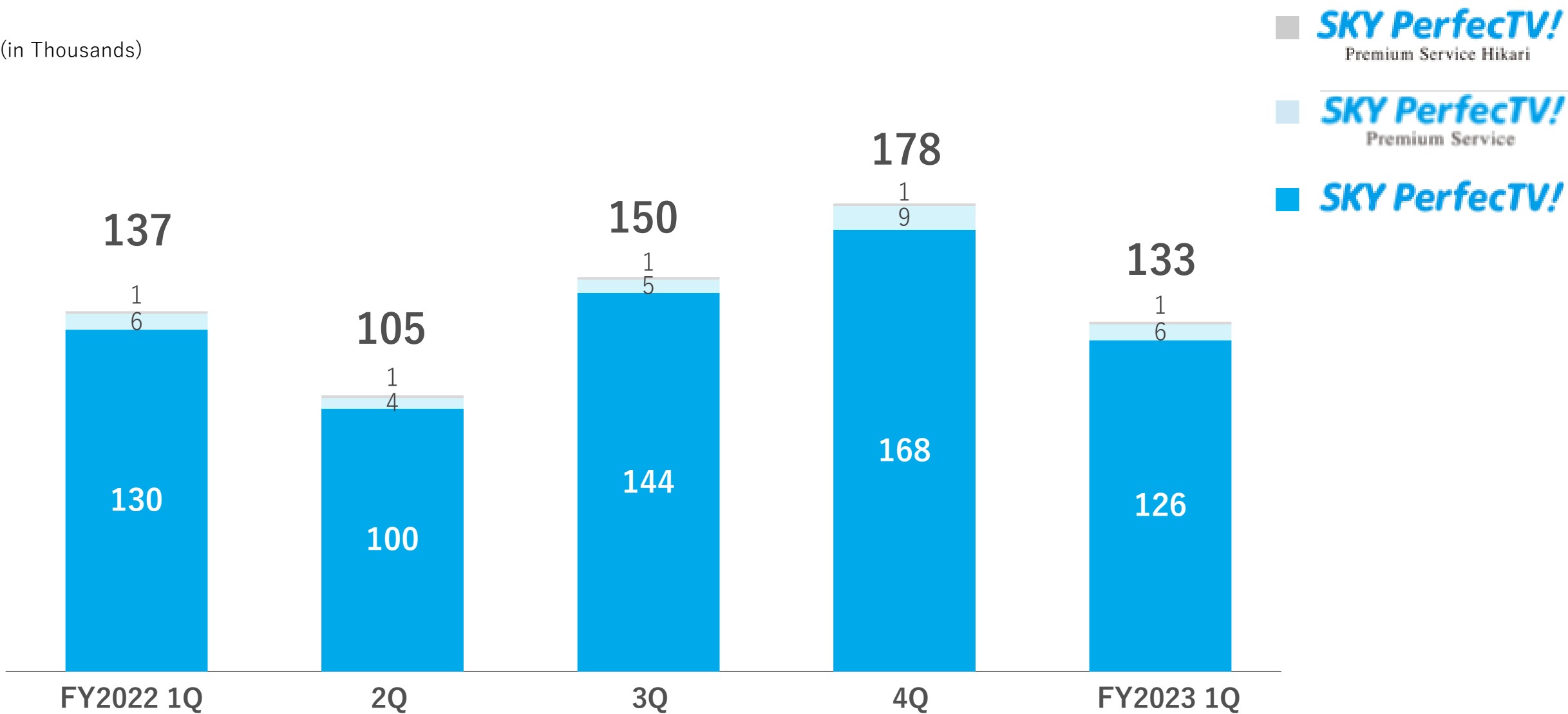
Annual Target of Subscribers (FY2023)

SKY PerfectTV!

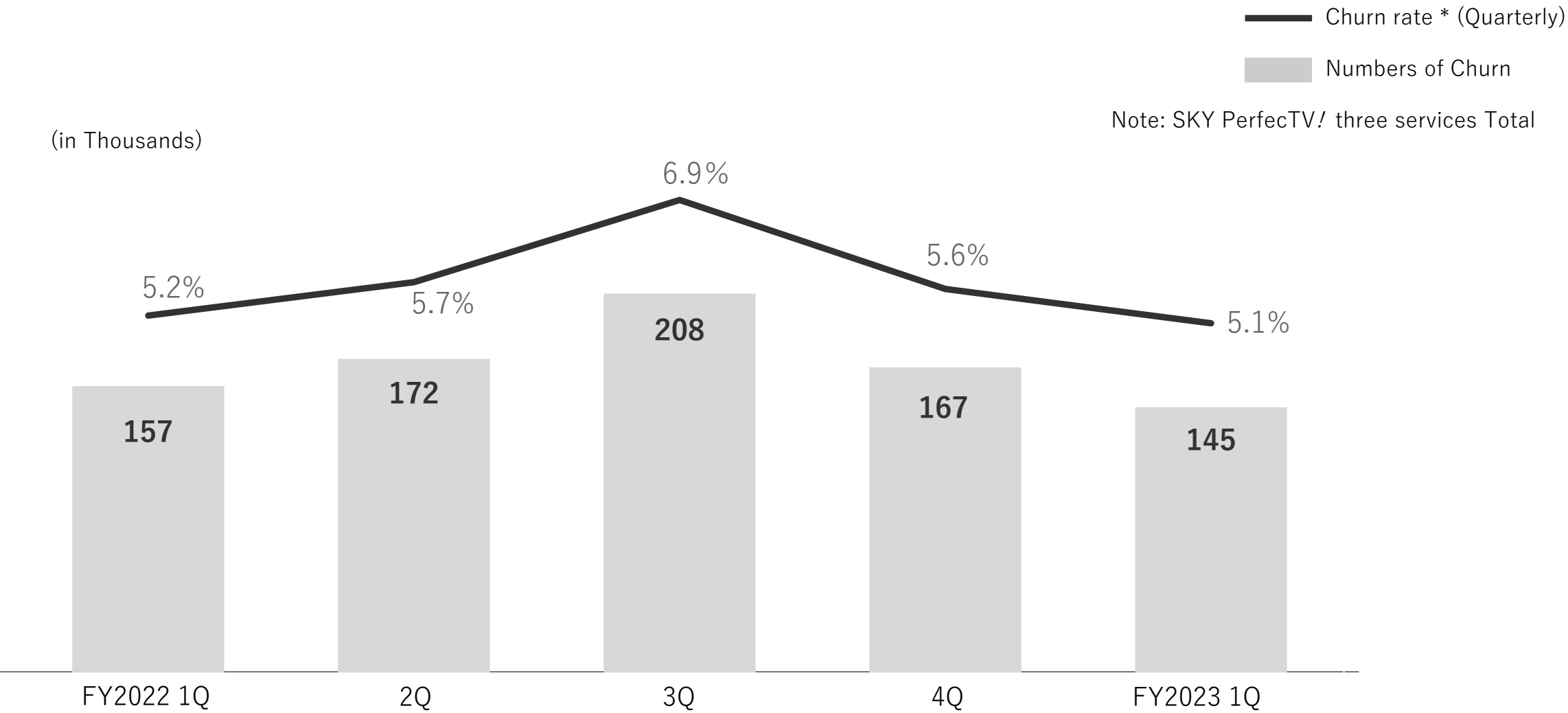
(in 10 Thousands)	FY2022 1Q	FY2023 1Q	Annual Target For FY2023
New Subscribers (IC cards or chips)	13.7	13.3	56.4
Net Increase (IC cards or chips)	(2.0)	(1.2)	(13.3)
- SKY PerfectTV!	(0.3)	0.1	(5.4)
- SKY PerfectTV!Premium Service	(1.5)	(1.2)	(7.5)
- SKY PerfectTV!Premium Service Hikari	(0.1)	(0.1)	(0.4)
Cumulative number of subscribers (IC cards or chips)	298.9	286.3	274.2
Cumulative number of contractors (contracts)	237.2	225.0	212.6
Number of subscribing households of Optical Fiber Based Re-transmission service (million)	256.1	266.1	273.5
Average Monthly Contractor's Payment (Yen)			
- SKY PerfectTV!	3,340	3,352	—
- SKY PerfectTV!Premium Service	3,559	3,528	
- SKY PerfectTV!Premium Service Hikari	5,079	5,016	

Number of New Subscribers (IC cards or chips)

(in Thousands)



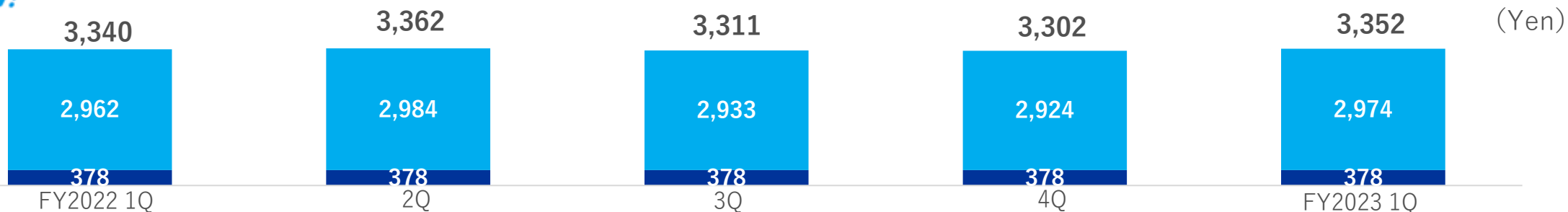
Churn Rate (IC cards or chips)



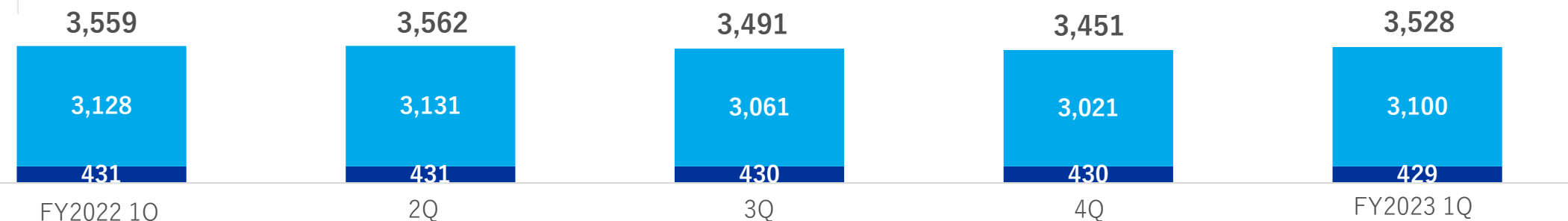
* The churn rate is calculated by dividing the total number of cancellations for each quarter by the cumulative number of subscribers at the end of the previous fiscal year.

Average Monthly Contractor's Payment ^{*1}

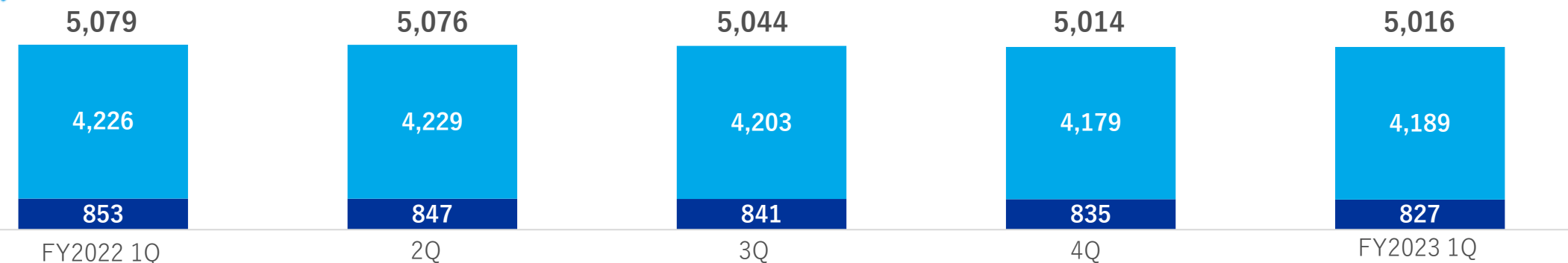
SKY PerfectTV!



SKY PerfectTV!
Premium Service



SKY PerfectTV!
Premium Service Hikari



*1 Average monthly Contractor's payments made by contractors such as Basic fees and Viewing fees. The monthly unit price is on a basis of Contractor, Of Viewing fees paid by contractors, SKY PerfectTV! service recognizes around 30% as commission revenues and SKY PerfectTV! Premium service and SKY PerfectTV! Premium service HIKARI recognize around 50% deducting Cost of Program provision as Viewing fees revenues.

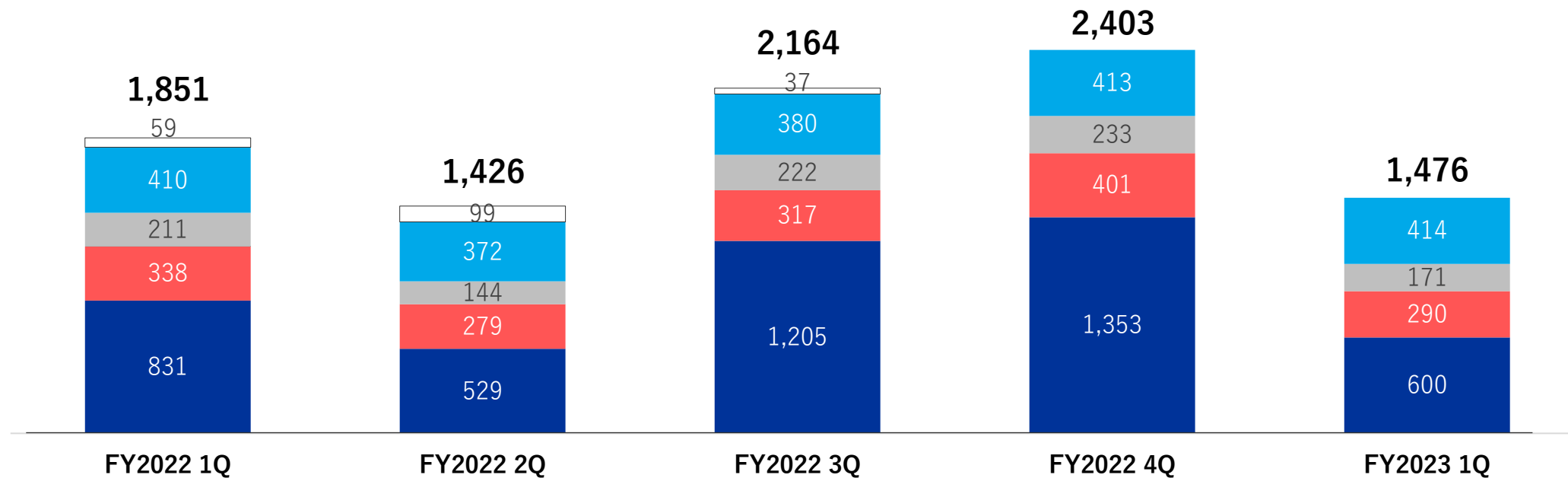
*2 Basic fees and set-top box rental fees.

■ Basic fees and other*2

■ Viewing fees

Total Subscribers Acquisition Cost (SAC)

(in Millions of ¥)



■ Advertising expenses: advertising expenses for various media

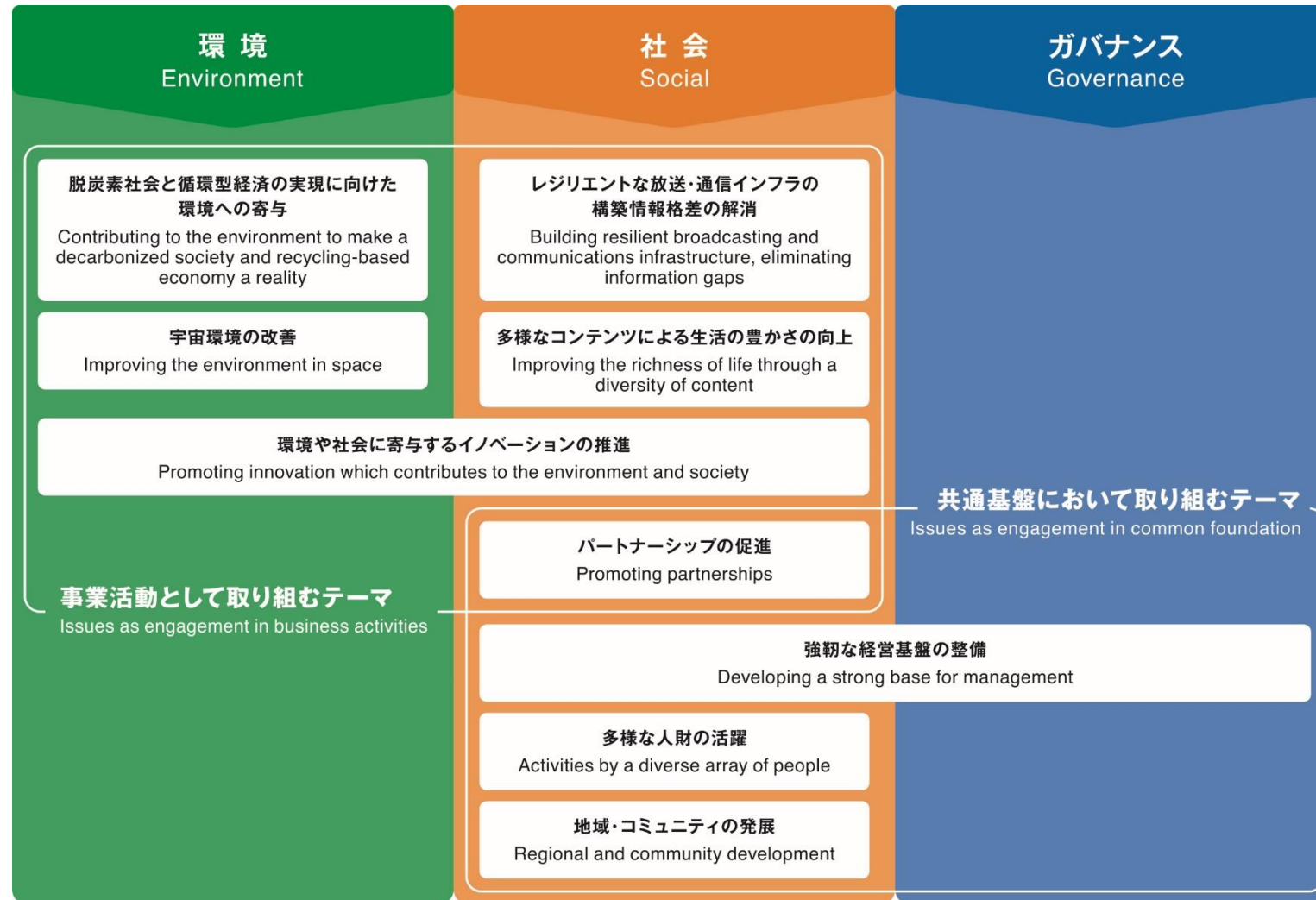
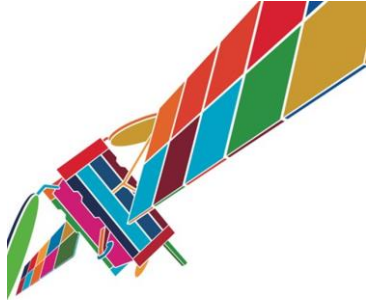
■ Promotion expenses*: promotion cost to acquire new subscribers, sales incentives. *

■ Subscription campaign expenses: campaign costs to acquire new subscribers such as free of charge antenna installation, etc.

■ Others: Operation costs of SKY PerfectTV! Customer service center, etc.

□ Production costs for free programs : Costs associated with production cost for free programs. (No occurrence since November, 2022 because BS SKY PerfectTV! was closed.)

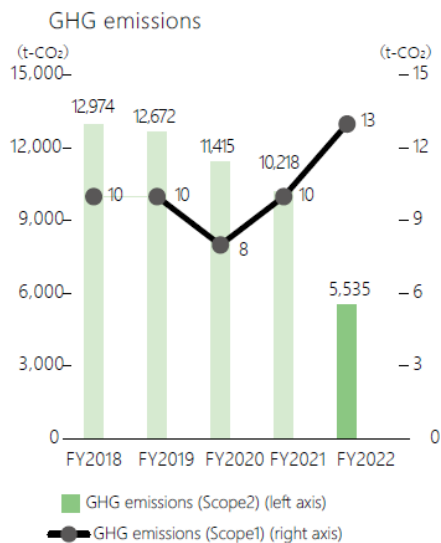
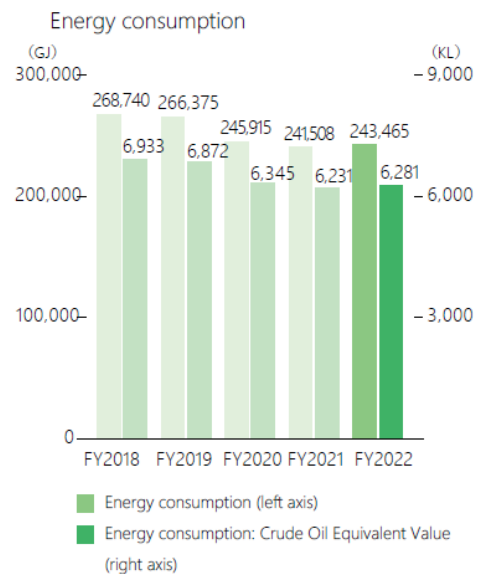
9 (Nine) Important Materiality Themes



Please view here for the details of the sustainability of the Group
<https://www.skyperfectjsat.space/en/sustainability/>

ESG Data

*SKY Perfect JSAT Corporation only (Excluding Total waste emissions)



Total waste emissions

FY2022 (2022/4/1~2023/3/31) (t)

Total amount of industrial waste, etc. 94,214

Total amount of general waste, etc. 43,694

Total emissions 137,908

(SKY Perfect JSAT Holdings Inc. and parts of consolidated domestic subsidiaries excluding SKY Perfect Customer-relations Corporation)

Scope 1: Greenhouse gas (GHG) emissions released directly into the atmosphere at the GHG emissions source

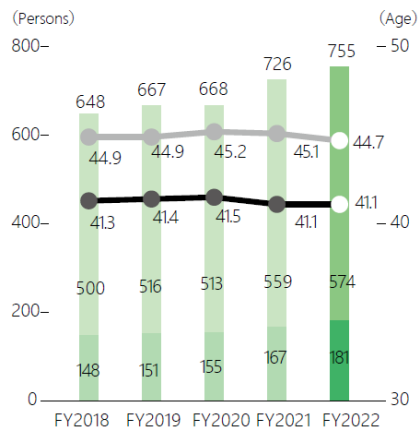
Scope 2: CO₂ emissions from electricity purchased from a third party, electricity generated from heat, and the heat generation stage (Basic Guidelines on Accounting for Greenhouse Gas Emissions throughout the Supply Chain (Ministry of the Environment/Ministry of Economy, Trade and Industry))

GJ (gigajoule: unit of energy), t-CO₂ (tonne weight: weight indication for the amount of energy used converted on a CO₂ basis)

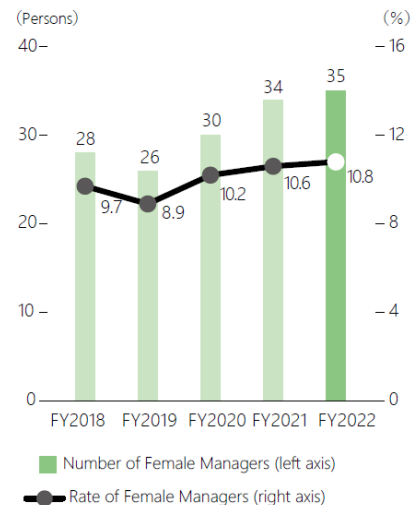
ESG data of FY 2022 results are updated on our web site.

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

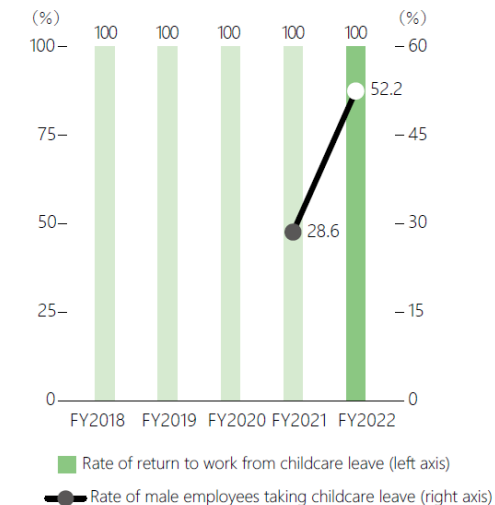
Number of employees and Average Age of Employees



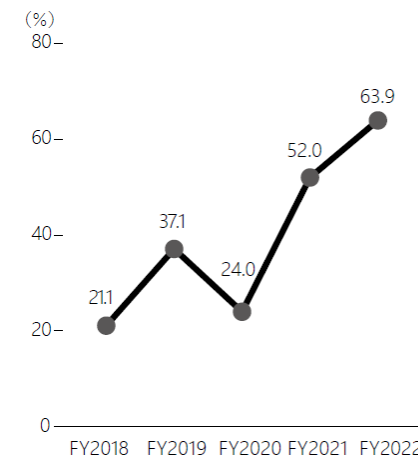
Number and Rate of Female Managers



Rate of return to work from childcare leave and Rate of male employees taking childcare leave



Rate of Mid-career Recruitment



Rate of Disabled in the Workforce

