

Securities Code: 9412

SKY Perfect JSAT Holdings Inc.



1Q 2022 Presentation Material

For the 3-month period ended June 30, 2022

August 3, 2022

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 FY2022



Consolidated Earning Results for 1Q of FY2022



- Performance except for Net Income was equivalent level year-on-year, and almost in line with the plan against the FY2022 Forecast.
- Net Income decreased by disappearance of a reduction in tax expense (¥0.9B) due to dissolution of consolidated subsidiary in FY2021.

(in Millions of ¥)

	FY2021 1Q	FY2022 1Q	Change (%)	FY2022 Forecast	Progress (%)
Revenue	29,078	28,806	(0.9%)	120,000	24.0%
Operating Income	5,493	5,551	+1.1%	21,000	26.4%
Ordinary Income	5,868	5,924	+1.0%	21,500	27.6%
Net Income (Profit attributable of owners of the parent)	4,929	4,033	(18.2%)	15,000	26.9%
EBITDA *	12,056	11,509	(4.5%)	44,400	25.9%

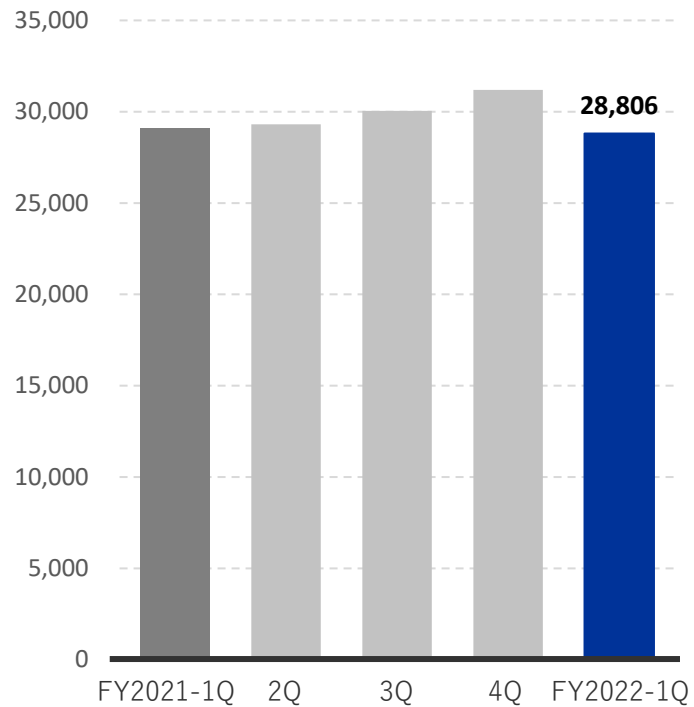
* EBITDA = Net Income + Tax Expense + Depreciation Expense + Amortization of Goodwill + Interest Expense

Trends of Consolidated Financial Results by Quarter (FY2021/1Q – FY2022/1Q)



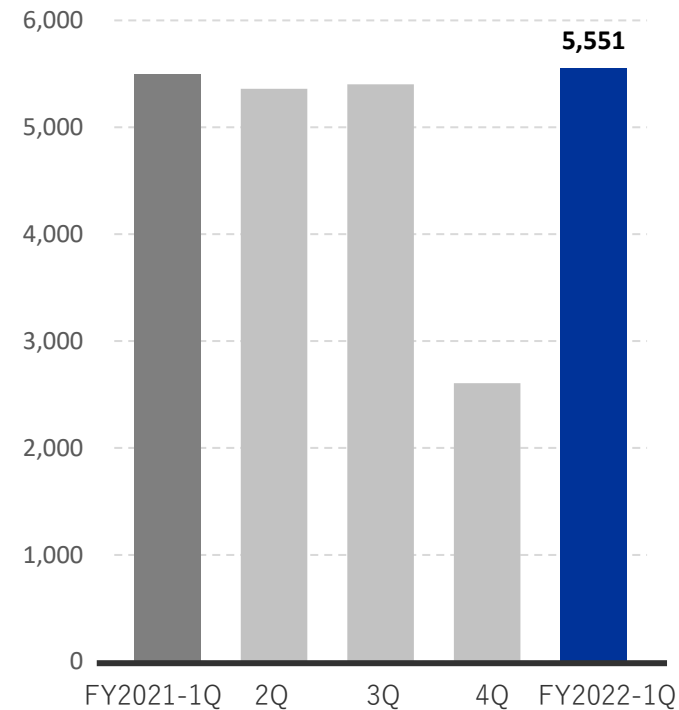
Revenue

(in Millions of ¥)



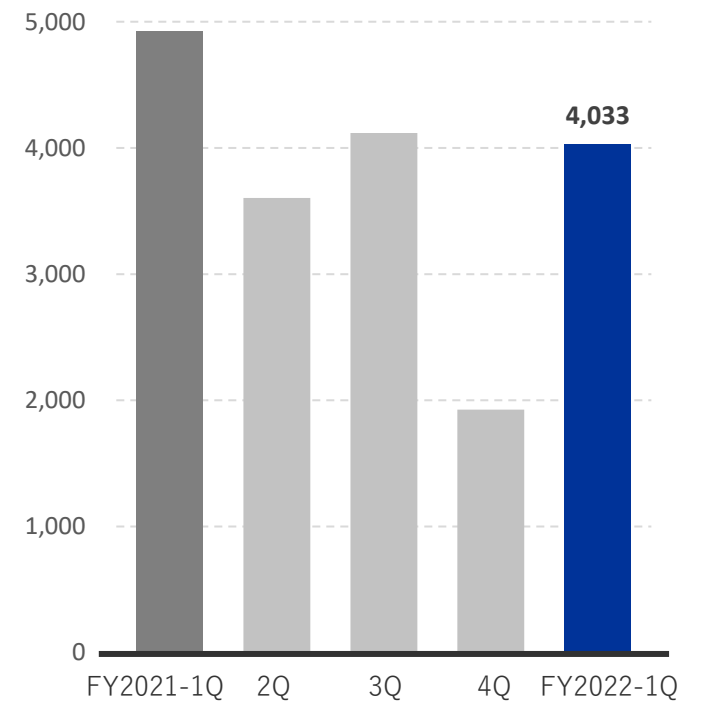
Operating Income

(in Millions of ¥)



Net Income

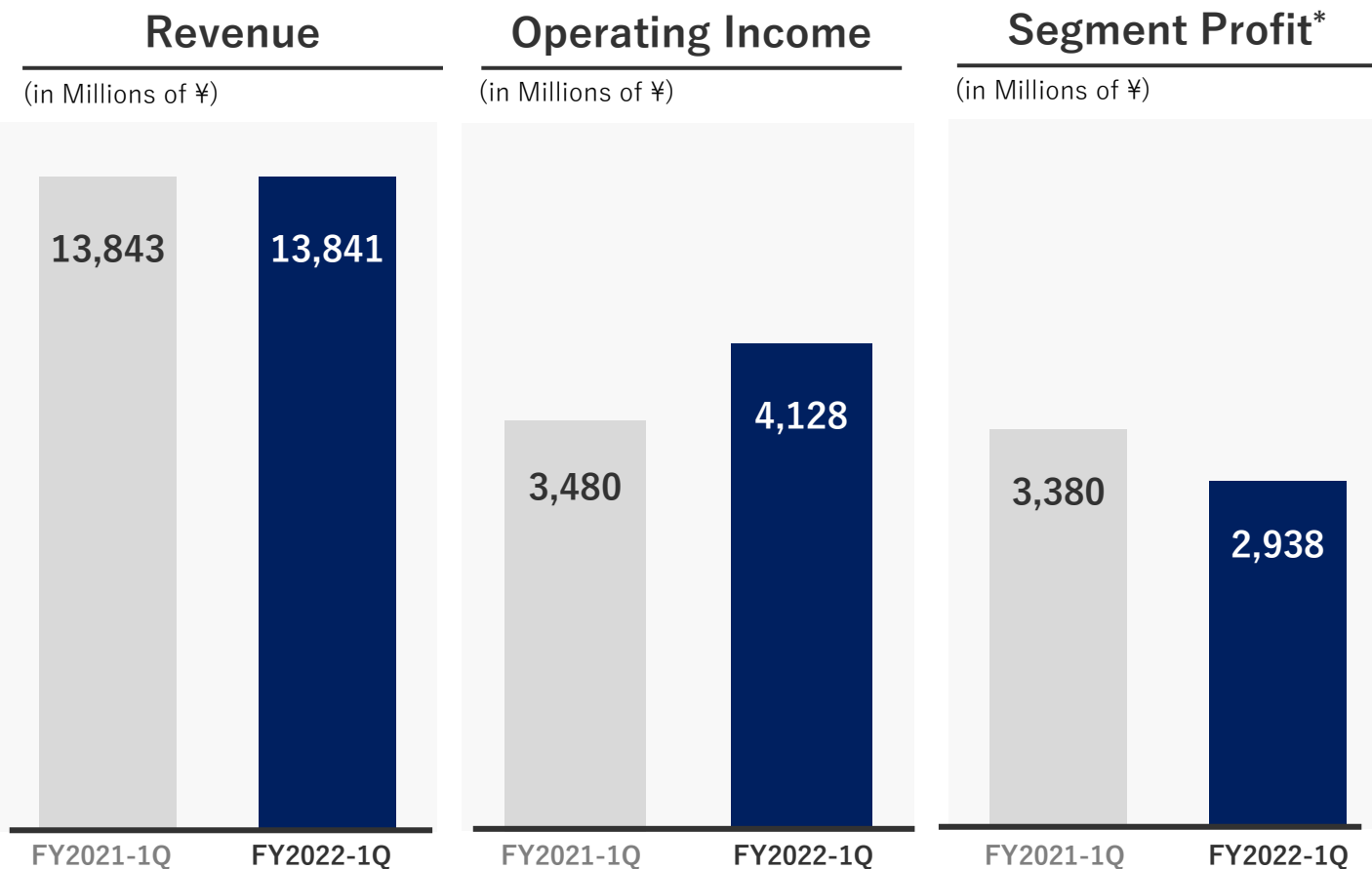
(in Millions of ¥)



Earnings Overview: Space Business



- Revenue was almost the same level as in the same period of the previous year due to an increase in sales of Horizons 3e but a decrease in broadcasting transponder-related revenue.
- Profit increased due to a decrease in depreciation expenses and amortization.



Major factors of change (YoY)

- **Revenue ¥13.8 billion [(0B)]****
 - Increase in sales in Global & Mobile field: +0.4B
 - Decrease in Broadcasting transponder-related revenue: (0.2B)
- **Operating Expense ¥9.7 billion[(0.6B)]****
 - Decrease in depreciation expenses: (0.3B)
 - Decrease in amortization: (0.2B)
- **Operating Income ¥4.1 billion [+0.6B]**
- **Segment Profit ¥2.9 billion [(0.4B)]**
 - Disappearance of reduction in tax expense due to dissolution of consolidated subsidiary: (0.9B)

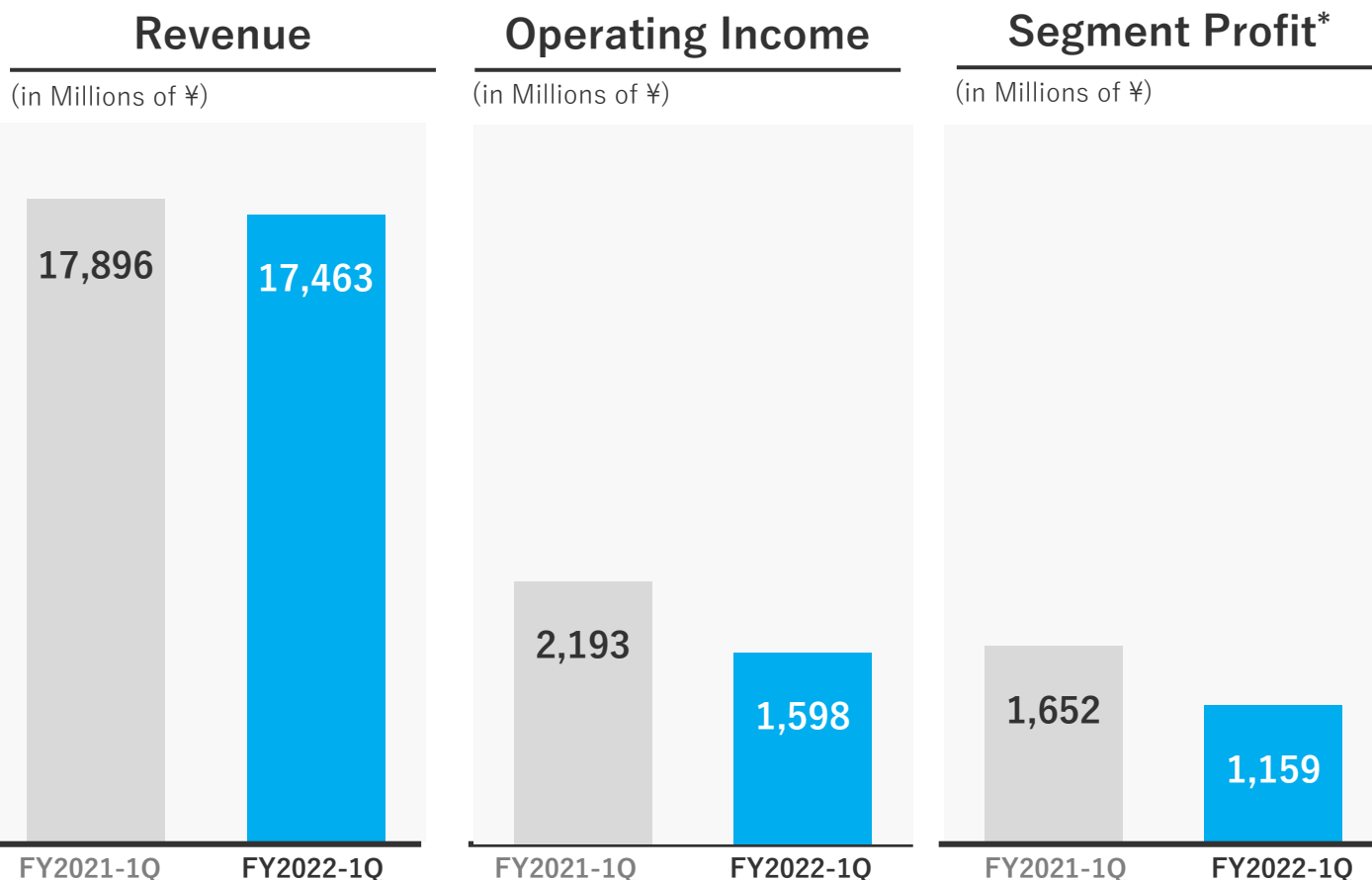
* Segment Profit is calculated based on net income after tax

** Including inter-segment transactions

Earnings Overview: Media Business



- FTTH business has continuously grown and contributed to revenue.
- Profit decreased due to a decline of revenue from decrease in cumulative subscribers, and an increase in advertising expenses.



Major factors of change (YoY)

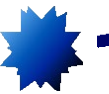
- Revenue **¥17.5 billion [(0.4B)]** **
 - Decrease in viewing fees and basic fees: (0.5B)
 - Increase in sales of FTTH business: +0.1B
- Operating Expense **¥15.9 billion [0.2B]** **
 - Increase in advertising expenses: +0.2B
- Operating Income **¥1.6 billion [(0.6B)]**
- Segment Profit **¥1.2 billion [(0.5B)]**

* Segment Profit is calculated based on net income after tax

** Including inter-segment transactions

Topics

— Initiatives for Future Growth —



Investment scale will be ¥200 billion for New business field

SPACE

Using new technology
and
Expanding business field

¥150B
scale

Satellite
Communi
cations



Universal NTN

Optical Data Relay

Business Intelligence

MEDIA

Driving new business
beyond viewing
experience

¥50B
scale

Satellite
broad
casting
/FTTH



Connected TV

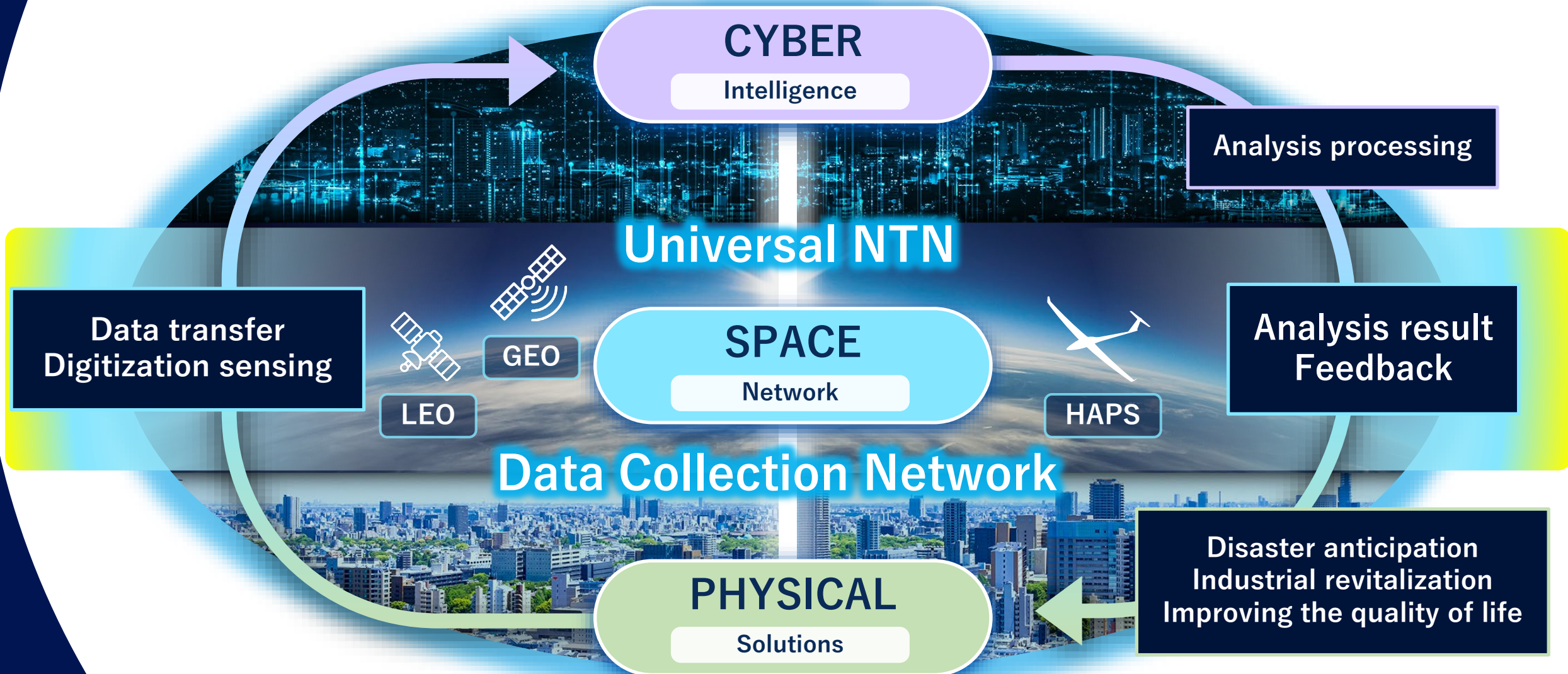
Media Solutions

Content Database

Real Business

Sustainable Growth

Target Net income is over ¥25 billion in 2030



Challenge of building new infrastructures in space with Space Compass

■ Outline of new company

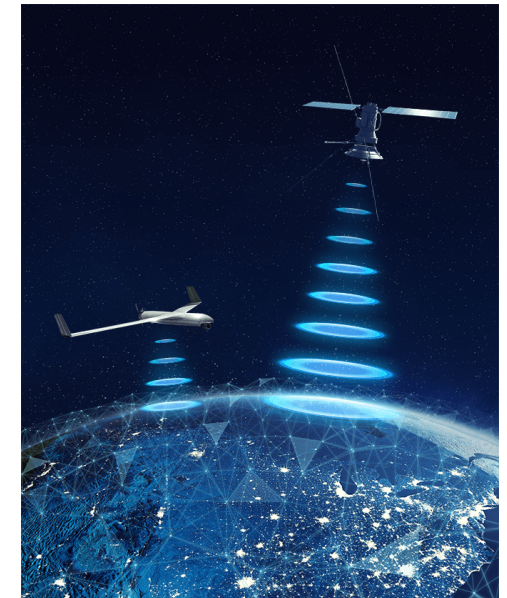
- Company name: Space Compass Corporation
- Establishment date: July 20, 2022
- Location: Chiyoda-ku, Tokyo
- Capital: ¥18 billion*

*The capital at the establishment was ¥6B including capital reserve and will be gradually increased.

- Shareholders: NTT 50%, SKY Perfect JSAT 50%

■ Business

- Space Data Center Business
 - High-capacity and computing infrastructure in space
 - Optical data relay service will start in FY2024 (planned)
- Space RAN Business
 - Communications infrastructure in Beyond 5G/6G era
 - Domestic HAPS service will start in FY2025 (planned)

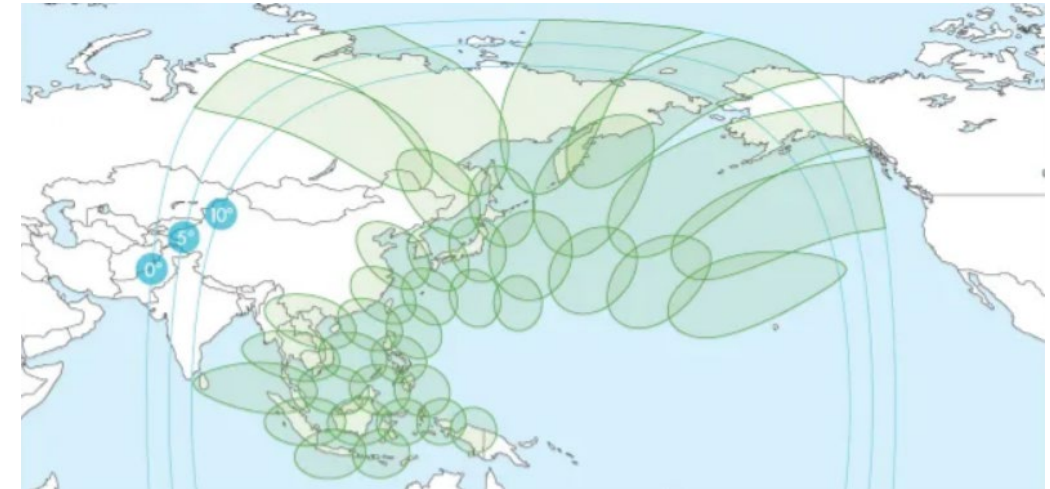


【Image courtesy】 Space Compass Corporation

Global & Mobile

■ JCSAT-1C HTS Services in Indonesia

- We started collaboration with Teleglobal based in Jakarta to provide high-speed connectivity service across Indonesia from April 2022.
- Contributing to curb the digital divide and provide a better quality of life in isolated area of the country.



Ku-band spot beam of JCSAT-1C

Domestic

■ Contract to Build C-band Spectrum Monitoring Facility for Ministry of Internal Affairs and Communications

- Purpose of radio wave monitoring: Achieve and maintain a favorable radio wave usage environment
- Enhancing radio wave monitoring capabilities by taking advantage of our experience in satellite operations and network monitoring.
 - Contributing to assure the spectrum's safe and fair usage.



Port East (SPE)

Network control center located in Ibaraki Prefecture

“Broadcasting + Distribution + Real” Enhance the fan experience

Connected TV

Dongle / Ad Platform

Multi-channel / Basic services / Live · VOD

Broadcasting

Distribution

Real

Real Experience

Fan Experience

Live · VOD
Niche content

Event
merchandise / Tour

Business platform

Media Solutions

FTTH

Contact Center

Tokyo Media Center

Media
HUB Cloud

Content
Database

2030
Segment
Net Income
¥5 billion

Broadcasting + Distribution + Real (Event, Merchandise sales) Enhance the fan experience

■ Bundesliga Japan Tour 2022 powered by SKY Perfect JSAT

Eintracht Frankfurt, where legendary Makoto Hasebe has been playing in the Bundesliga for 16 years, will be invited to play against Urawa Reds Diamonds where Hasebe used to play and Gamba Osaka.

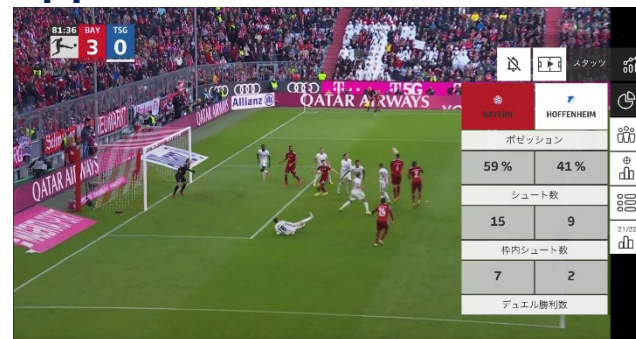
- November 16 vs Urawa Reds Diamonds at Saitama
- November 19 vs Gamba Osaka at Osaka



Broadcasting・Distribution



App.



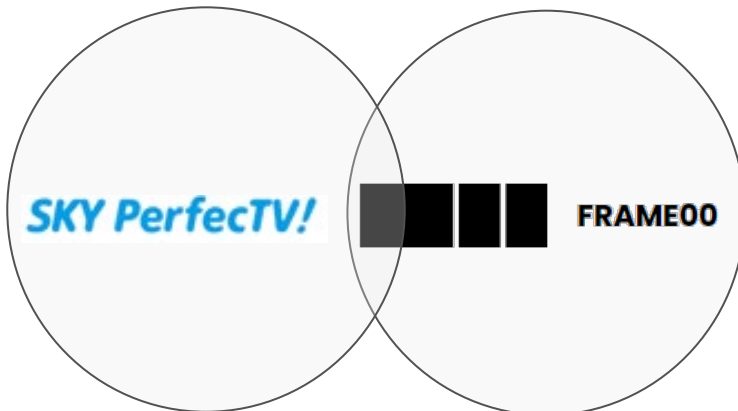
Real (Limited items sales)



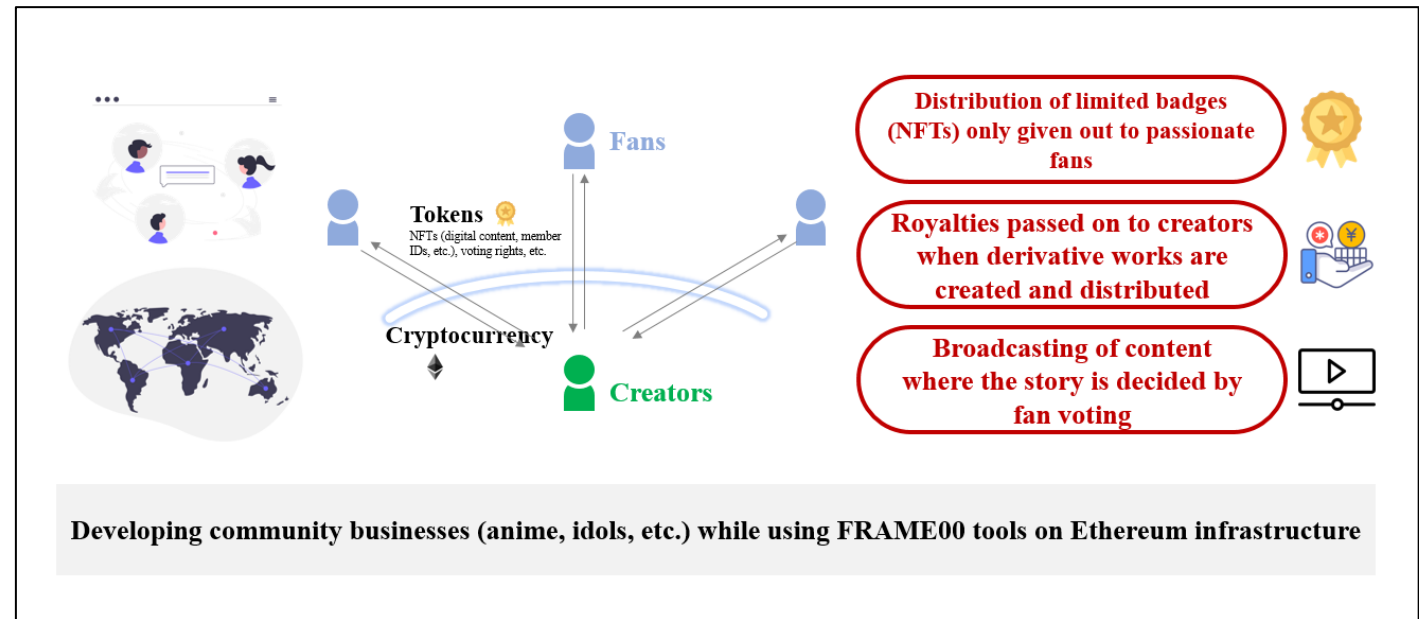
Aims to Open Up the Creator Economy Market through a Capital and Business Alliance with FRAME00.

Wide range of assets in the entertainment business

Various products and services in the Web 3 field



- Business Development and Management
- Customer Reach
- Knowledge
- Technical capabilities
- Network of connection



FRAME00, Inc

Establishment: August 2015

Names of Representatives: CEO Mayumi Hara

Products: Dev Protocol (open source middleware for a creator economy)

<https://corp.frame00.com/>

A diverse lineup of package menu to meet the various needs of fans

■ Channels for fans of a specific genres



2.5D musical/stage



SPORTS



Hobby & Entertainment

New Channel release from July 14, 2022
¥550/month

■ Reasonable plan for wide range of target



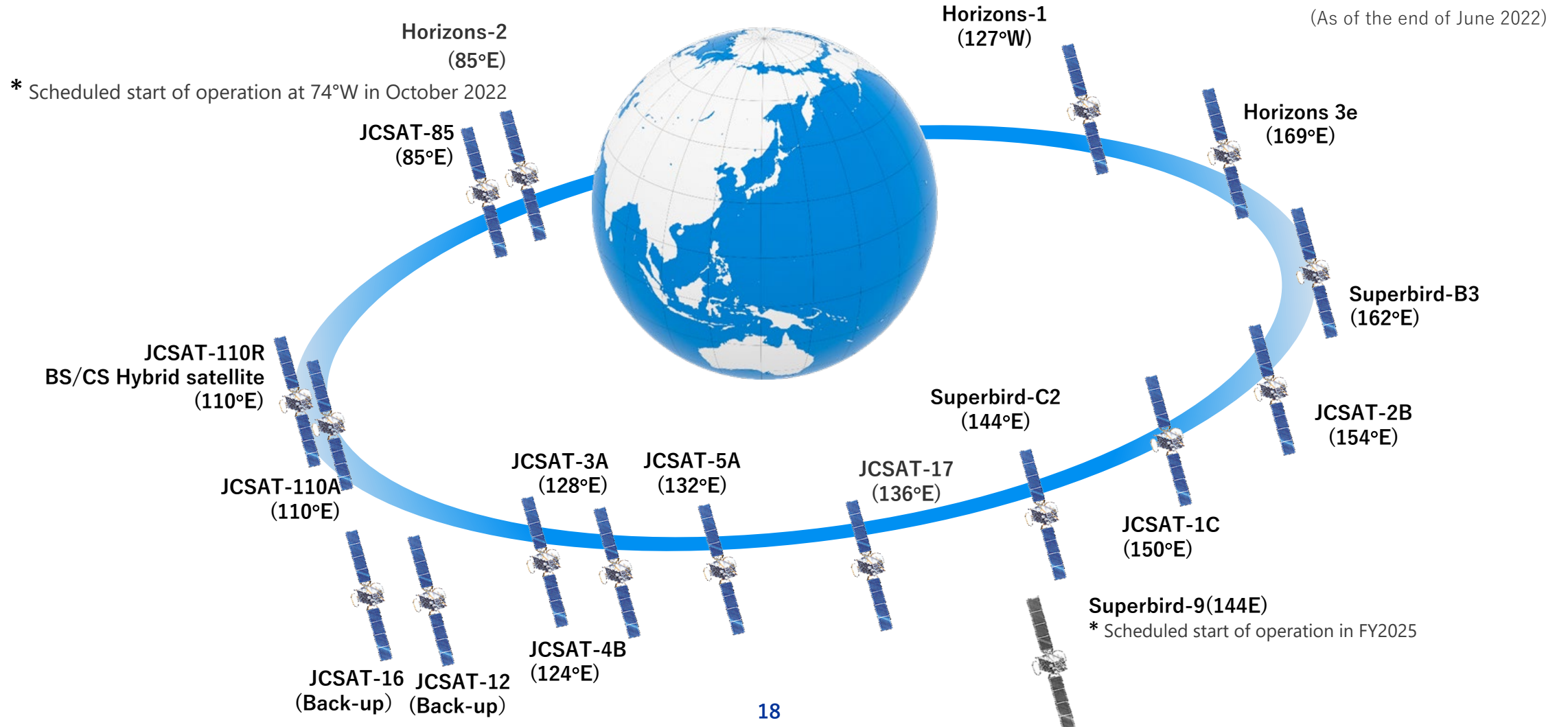
Unlimited viewing plan with 30,000 titles of MOVIES, DRAMA, ANIMATION, VARIETY etc.

References

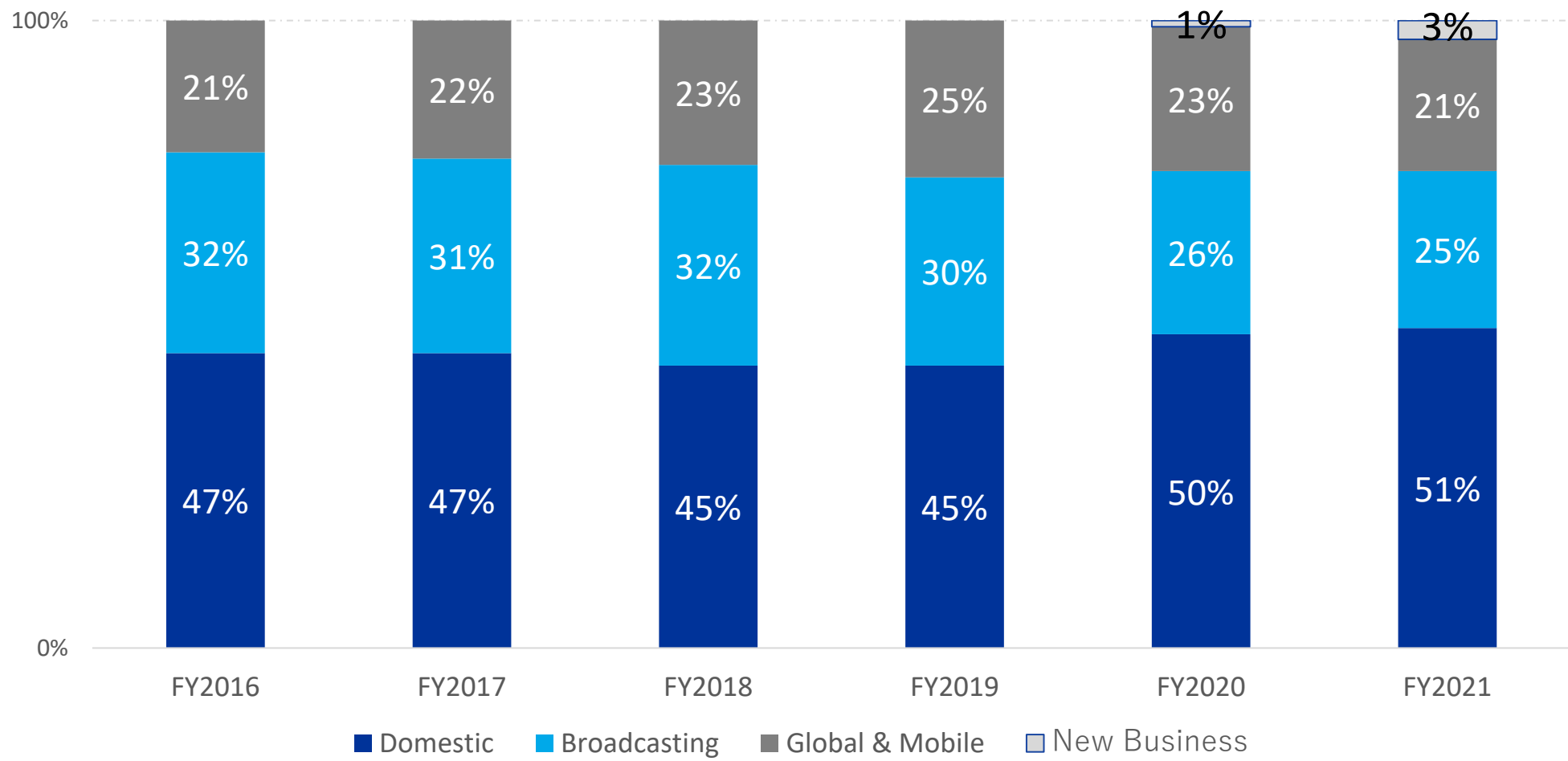




A total of 16 satellites covering from North America to the Indian Ocean



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

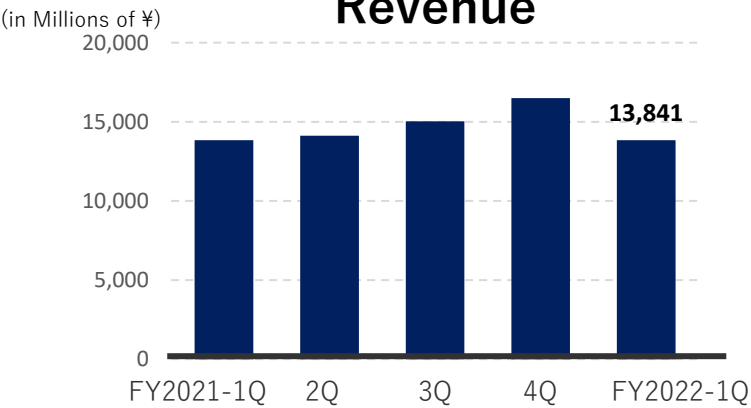
Trends of Quarterly Financial Results by Segment



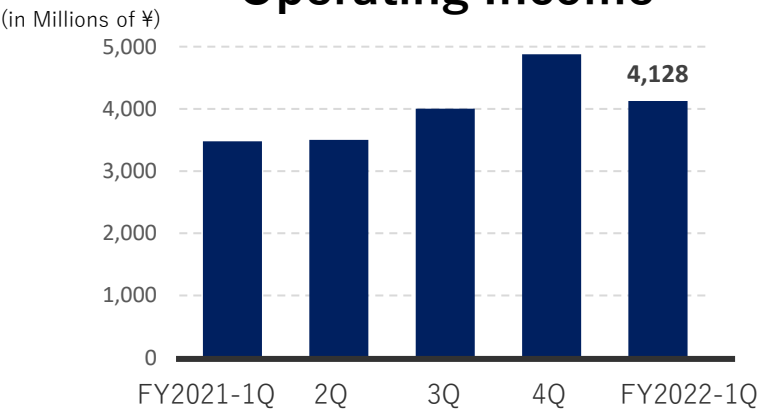
Space Business

* Including inter-segment transactions

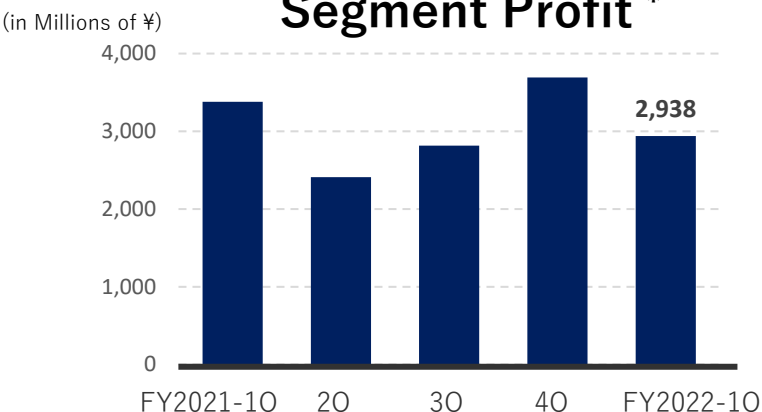
Revenue



Operating Income

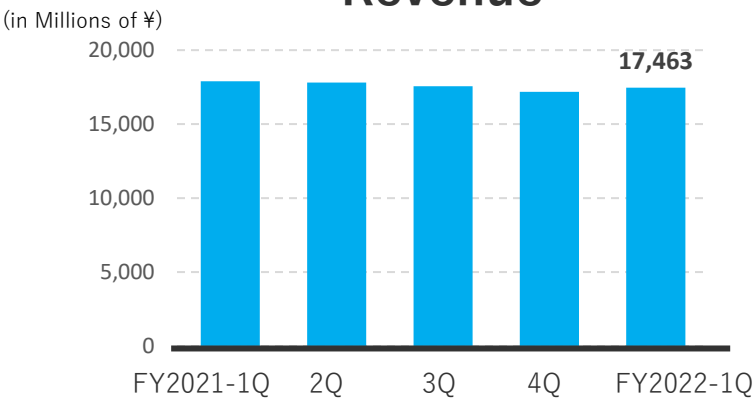


Segment Profit *

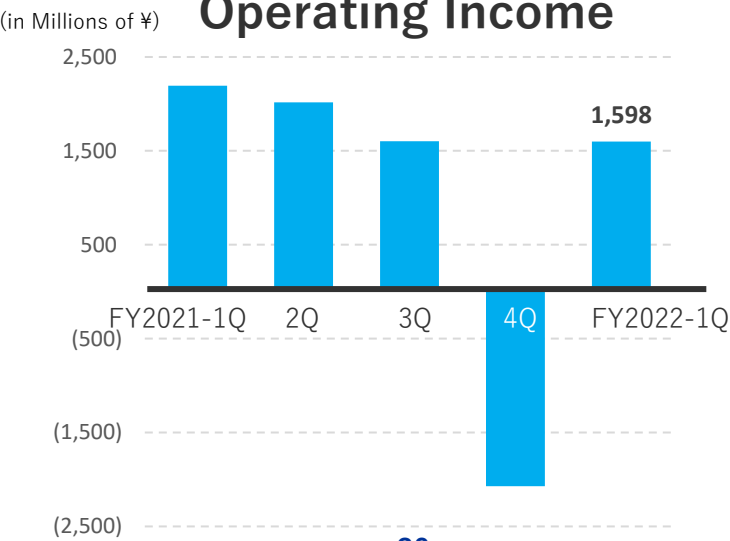


Media Business

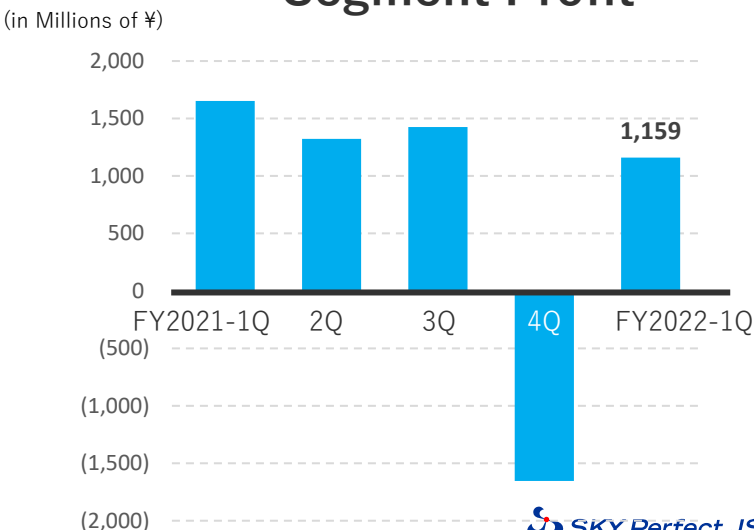
Revenue



Operating Income



Segment Profit *



* Since 1Q/FY2021, “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 ¥)

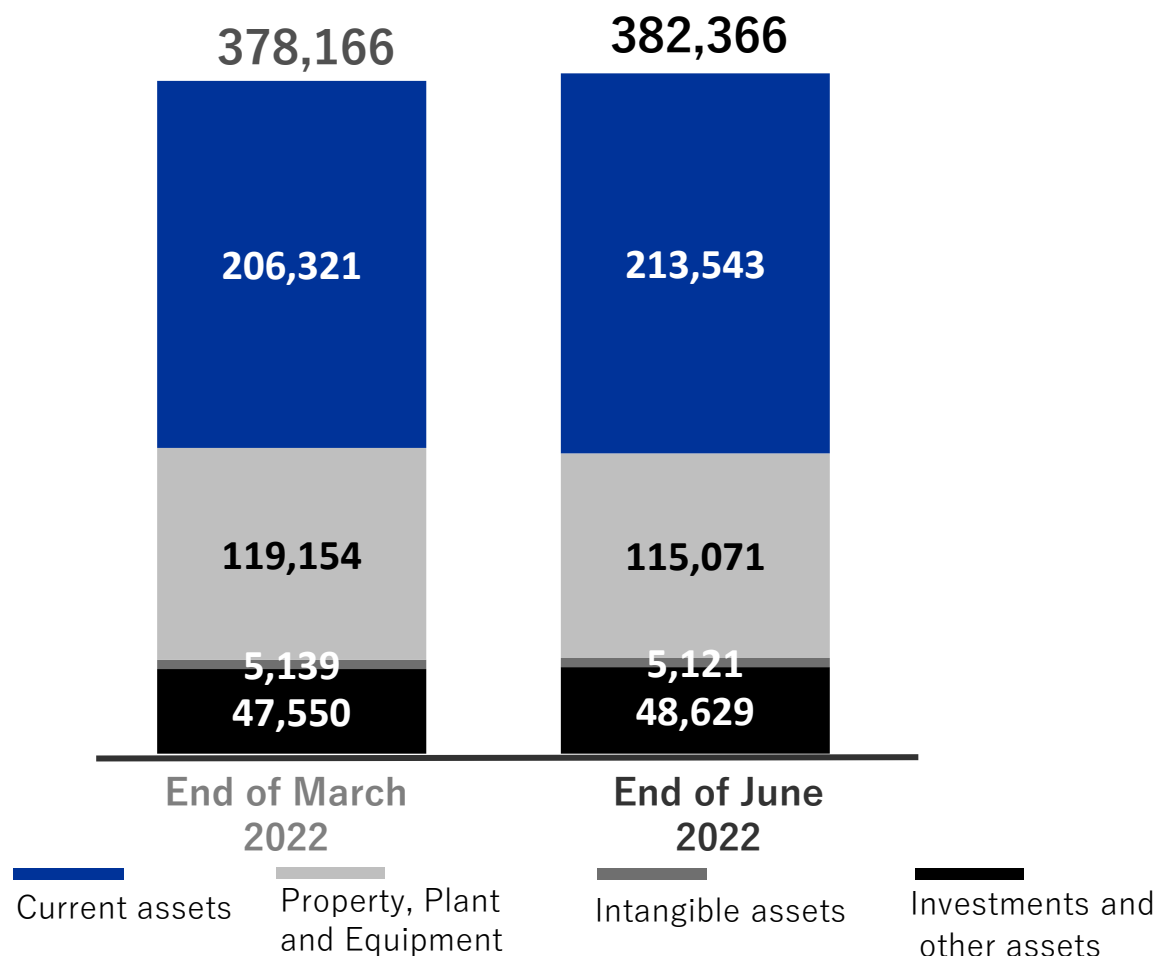
	FY2021					FY2022
	1Q	2Q	3Q	4Q	Total	1Q
Revenue	29,078	29,311	30,046	31,196	119,632	28,806
Space	13,843	14,121	15,030	16,504	59,500	13,841
Media	17,896	17,811	17,557	17,181	70,447	17,463
Consolidated Elimination	(2,661)	(2,621)	(2,542)	(2,489)	(10,314)	(2,499)
Operating Income	5,493	5,360	5,402	2,606	18,862	5,551
Space	3,480	3,503	4,004	4,878	15,867	4,128
Media	2,193	2,016	1,602	(2,072)	3,740	1,598
Consolidated Elimination	(181)	(160)	(204)	(200)	(745)	(175)
Segment Profit (Profit attributable to owners of the parent)	4,929	3,604	4,119	1,926	14,579	4,033
Space	3,380	2,409	2,815	3,693	12,298	2,938
Media	1,652	1,323	1,426	(1,653)	2,749	1,159
Consolidated Elimination	(103)	(128)	(121)	(113)	(468)	(64)

Consolidated Balance Sheet



Assets

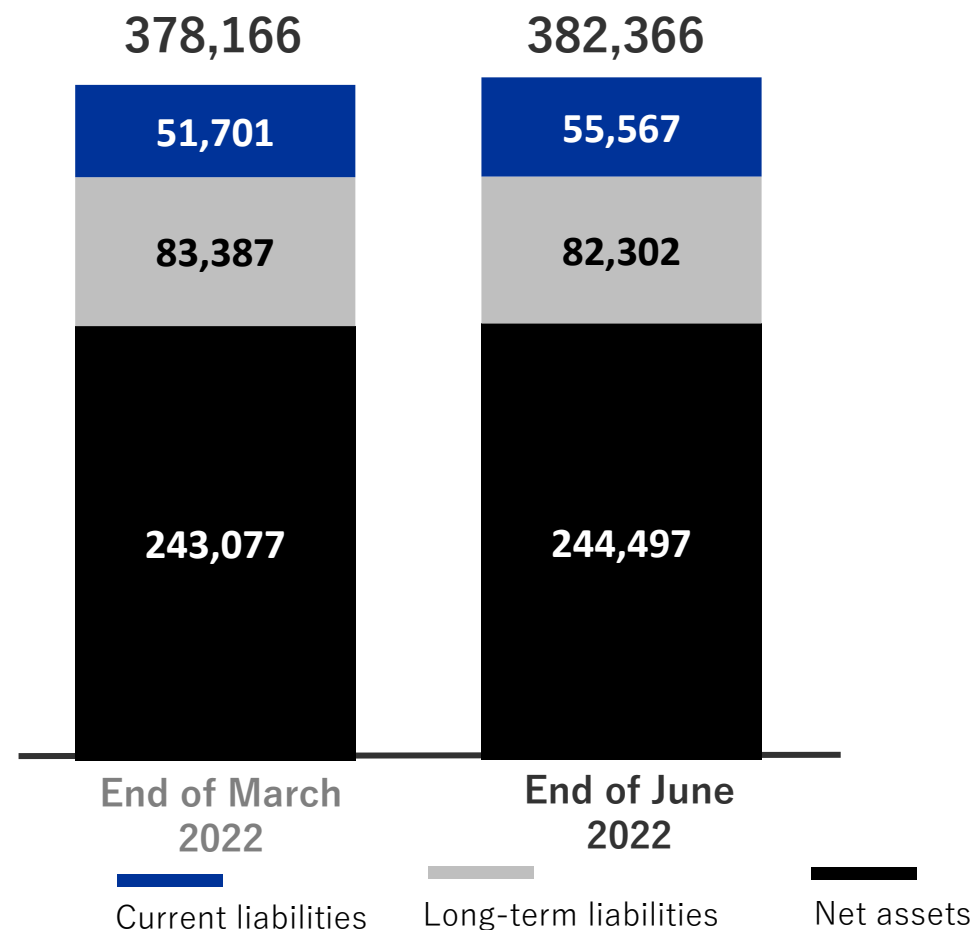
(in Millions of ¥)



Liabilities and Net Assets

Equity Ratio : 64.0% → 63.6%

(in Millions of ¥)



Consolidated Cash Flows



(in Millions of ¥)

	1Q FY2021	1Q FY2022
Net Cash from Operating activities	8,169	23,130
Net Cash from Investing activities	(3,192)	(1,812)
Free Cash Flows ^{*1}	4,977	21,318
Net Cash from Financing activities	(6,295)	(11,403)
Cash and Cash Equivalents at Term-end(a)	72,069	96,094
Interest-bearing Debt at Term-end ^{*2} (b)	87,906	78,784
Net Interest-bearing Debt at Term-end (b) – (a)	15,836	(17,310)

*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 (FY2022)

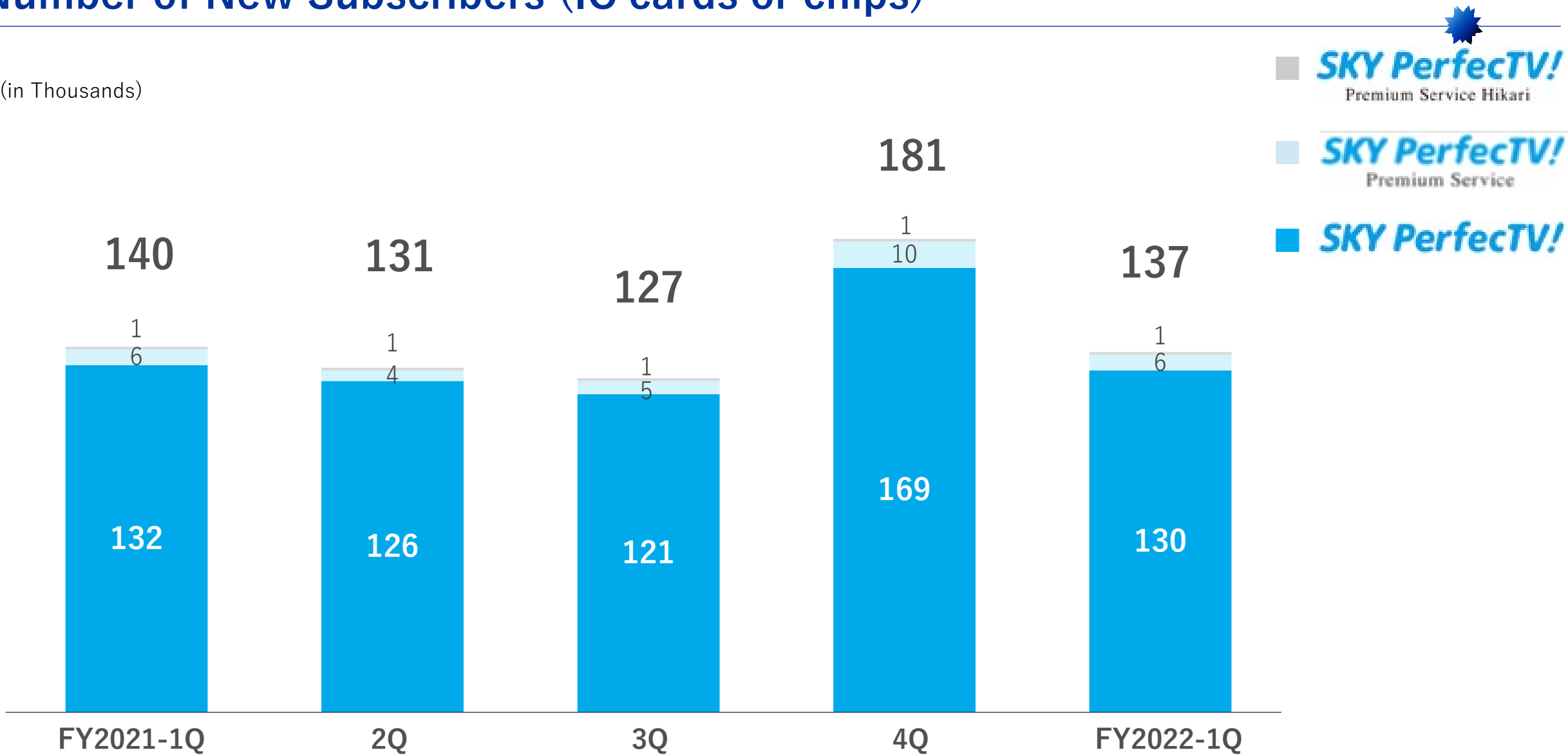
SKY PerfecTV!



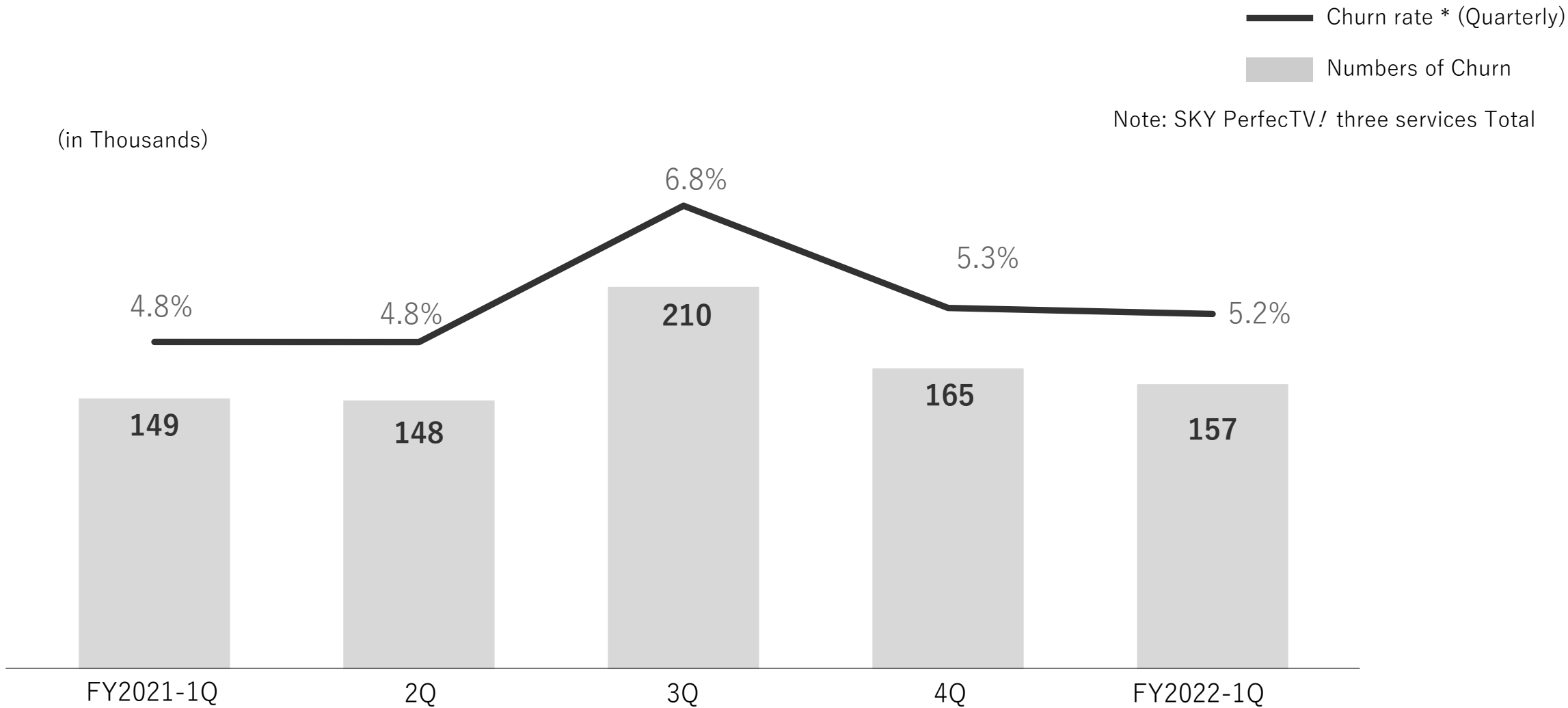
(in 10 Thousands)	1Q FY2021	1Q FY2022	Annual Target For FY2022
New Subscribers (IC cards or chips)	14.0	13.7	57.2
Net Increase (IC cards or chips)	(0.9)	(2.0)	(9.5)
- SKY PerfecTV!	+1.0	(0.3)	(0.5)
- SKY PerfecTV!Premium Service	(1.9)	(1.5)	(8.4)
- SKY PerfecTV!Premium Service Hikari	(0.1)	(0.1)	(0.6)
Cumulative number of subscribers (IC cards or chips)	309.3	298.9	291.3
Cumulative number of contractors (contracts)	249.5	237.2	227.1
Number of subscribing households of Optical Fiber Based Re-transmission service (million)	246.0	256.1	264.2
Average Monthly Contractor's Payment (Yen)			
- SKY PerfecTV!	3,347	3,340	—
- SKY PerfecTV!Premium Service	3,607	3,559	
- SKY PerfecTV!Premium Service Hikari	5,146	5,079	

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}



(Yen)

SKY PerfectTV!

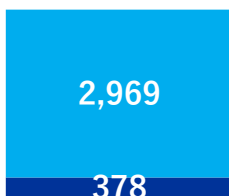
3,347

3,345

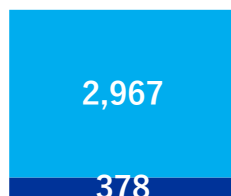
3,316

3,293

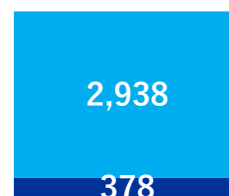
3,340



FY2021-1Q



2Q



3Q



4Q



FY2022-1Q

SKY PerfectTV!
Premium Service

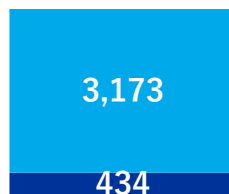
3,607

3,587

3,540

3,490

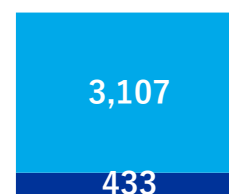
3,559



FY2021-1Q



2Q



3Q



4Q



FY2022-1Q

SKY PerfectTV!
Premium Service Hikari

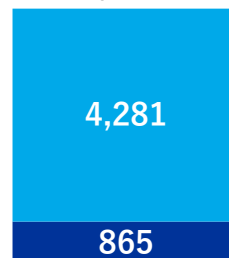
5,146

5,122

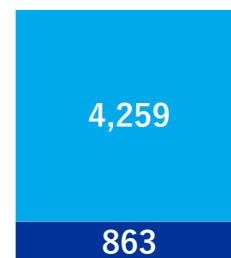
5,104

5,062

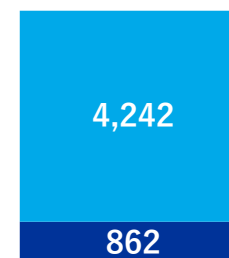
5,079



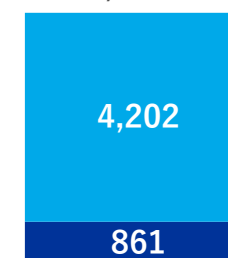
FY2021-1Q



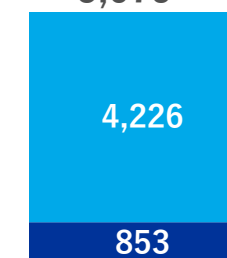
2Q



3Q



4Q



FY2022-1Q

^{*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.

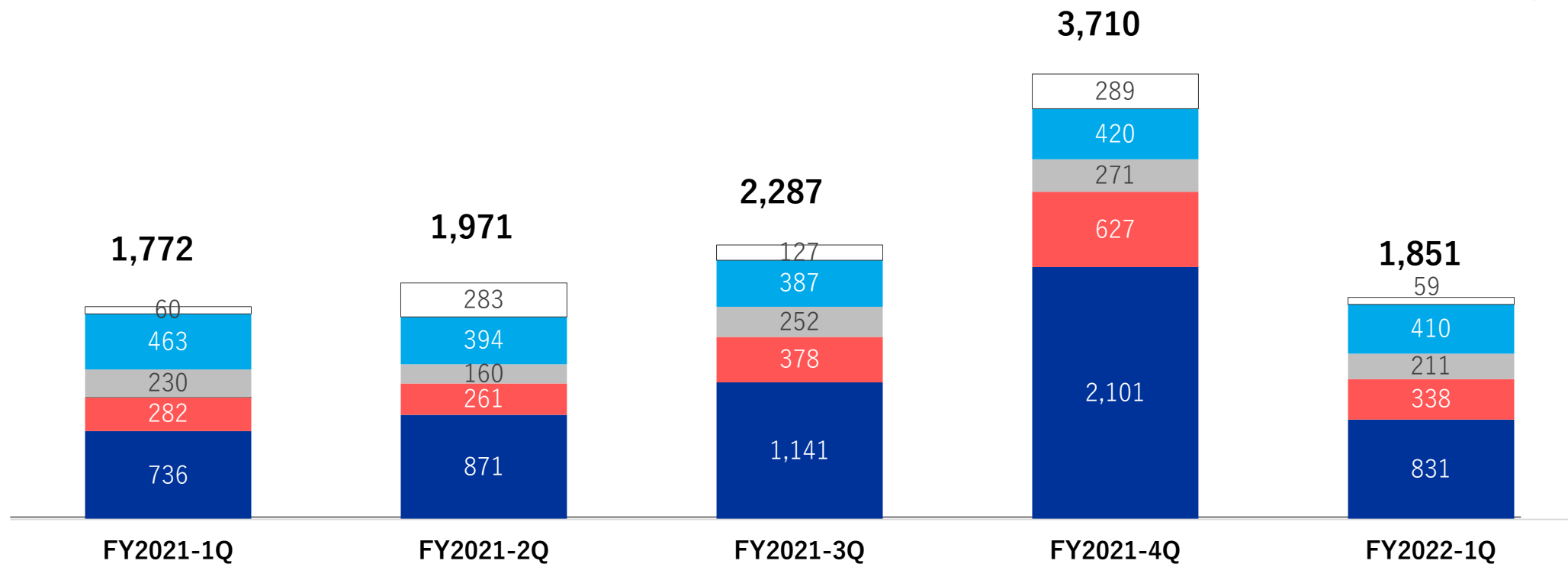
■ Basic fees and other^{*2}

■ 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 PerfecTV! Customer service center, etc.

□ Production costs for free programs: Costs associated with production cost for free programs such as BS SKY PerfecTV!

Space for your Smile

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



