

Securities Code: 9412

SKY Perfect JSAT Holdings Inc.



3Q 2021 Presentation Material

For the 9-month period ended December 31, 2021

February 2, 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, 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 broadcasting business
- Risks concerning illegal viewing
- Risks concerning customer management system

Consolidated Financial Results

Third Quarter of FY2021



Consolidated Earning Results for 3Q of FY2021



- Revenue decreased due to the adoption of *revenue recognition accounting standards* and a decrease in SKY PerfecTV! Broadcasting subscribers, but progressed in line with Ful-Year forecast
- Operating income is at the same level as the same period of last year. Net income increased by 12%

(in Millions of ¥)

	FY2020-3Q Cumulative Total	FY2021-3Q Cumulative Total	Change (%)	FY2021 Full- Year Forecast	Progress (%)
Revenue *	104,342	88,436	(15.2%)	122,000	72.5%
Operating Income	16,577	16,256	(1.9%)	18,000	90.3%
Ordinary Income	17,351	17,401	+0.3%	18,800	92.6%
Net Income (Profit attributable of owners of the parent)	11,290	12,653	+12.1%	13,000	97.3%
EBITDA **	35,936	35,572	(1.0%)	43,000	82.7%

* Since 1Q/FY2021, "Accounting Standards for Revenue Recognition" has been adopted and the negative impact on revenue for 3Q Cumulative Total is around ¥15.6 billion. It has a minimal impact on profits.

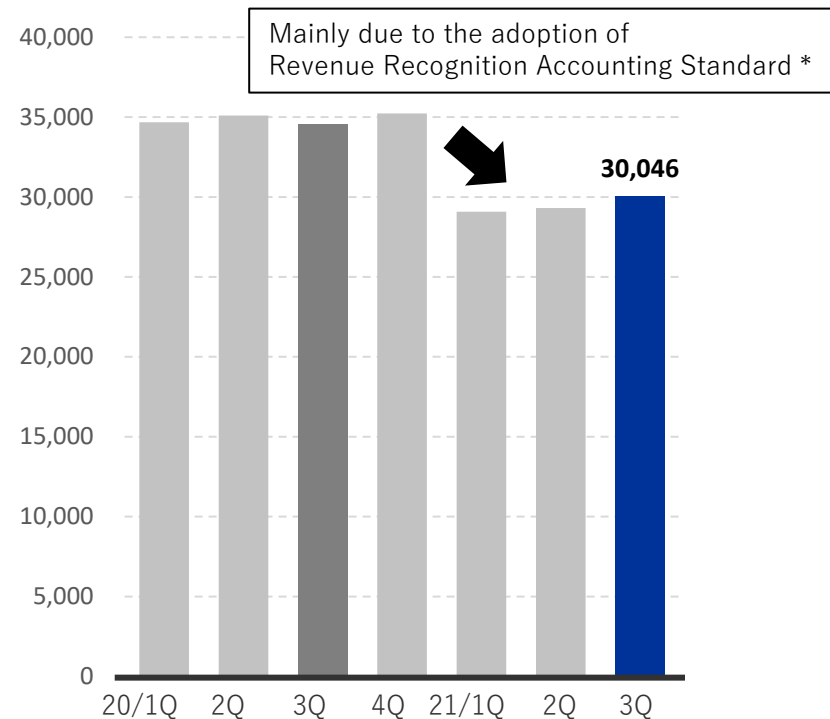
** EBITDA = Net Income + Tax Expense + Depreciation Expense + Amortization of Goodwill + Interest Expense

Trends of Consolidated Financial Results by Quarter



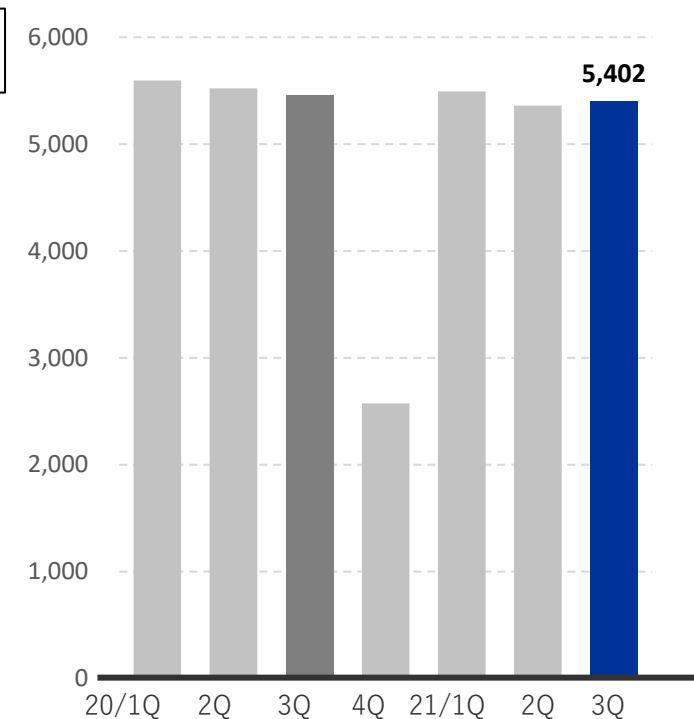
Revenue

(in Millions of ¥)



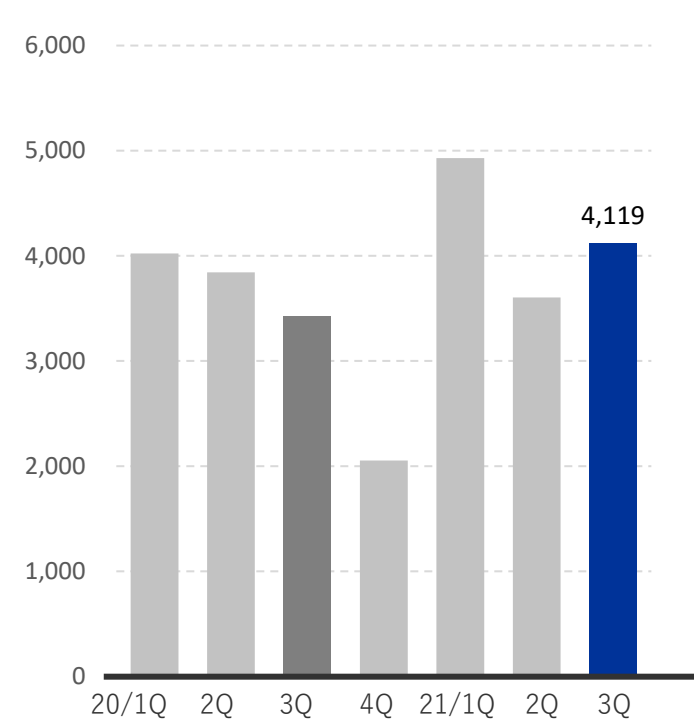
Operating Income

(in Millions of ¥)



Net Income

(in Millions of ¥)



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

Earnings Overview (3Q Cumulative Total): Space Business



- Revenue was ¥43 billion, excluding the impact of the *accounting standards*, increased by ¥1.8 billion
- Moreover, both Operating income and Segment profit continued increasing year-on-year

Revenue

(in Millions of ¥)

43,248

42,995

FY2020-3Q
Cumulative

FY2021-3Q
Cumulative

Operating Income

(in Millions of ¥)

10,041

10,989

FY2020-3Q
Cumulative

FY2021-3Q
Cumulative

Segment Profit*

(in Millions of ¥)

6,614

8,605

FY2020-3Q
Cumulative

FY2021-3Q
Cumulative

Major factors of change (YoY)

- **Revenue ¥43 billion [(0.3B)] ****
 - Revenue recognition accounting standards: (2.1B)
 - Increase in Global and Mobile domain: +0.6B
 - Increase in new business fields, etc.: +1.2B
- **Operating Expense ¥32 billion [(1.2B)] ****
 - Revenue recognition accounting standards: (2.1B)
 - Depreciation expenses: (0.8B)
 - Other operating expenses: +1.7B
- **Operating Income ¥11 billion [+0.9B]**
- **Segment Profit ¥8.6 billion [+2.0B]**
 - Decrease in tax expenses: +0.9B

* Segment Profit is calculated based on net income after tax

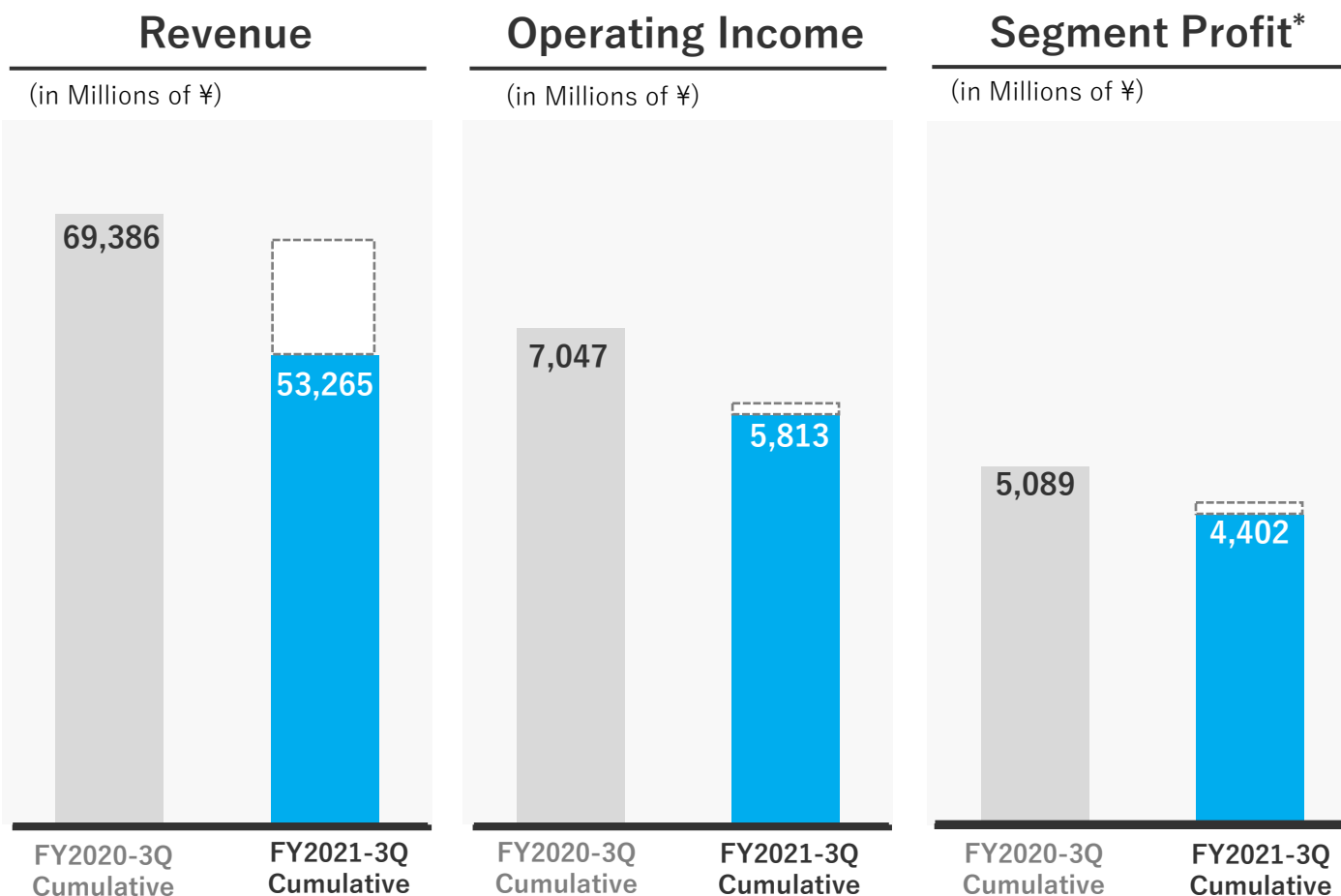
** Including inter-segment transactions

Negative impact of the adoption of Revenue Recognition Accounting Standards

Earnings Overview (3Q Cumulative Total): Media Business



- Revenue decreased by ¥2.6B after excluding the negative impact of accounting standards, mainly because of a decrease in cumulative broadcasting subscribers
- Both Operating income and Segment profit decreased YoY due to a decrease in viewing fees revenue



Negative impact of the adoption of Revenue Recognition Accounting Standards

Major factors of change (YoY)

- Revenue ¥53.3 billion [(16.1B)] **
 - Revenue recognition accounting standards: (13.5B)
 - Decrease in viewing fees: (2.1B) ***
- Operating Expense ¥47.5 billion [(14.9B)] **
 - Revenue recognition accounting standards: (13.3B)
 - Decrease in Cost of program provision: (1.3B) ***
- Operating Income ¥5.8 billion [(1.2B)]
- Segment Profit ¥4.4 billion [(0.7B)]

* Segment Profit is calculated based on net income after tax

** Including inter-segment transactions

*** Excluding the impact of revenue recognition accounting standards



Aiming to further Strengthen Core Profitability in the Mid-Term

Net income (in Billions of ¥)

13.3

FY2020

- Gains from new satellites
- Review of cost structure

13.0

FY2021 (planned)

- Gains from new satellites (continuing)
- Incurring upfront cost due to aggressive development of distribution services

Specific Measures

FY2022 and the following years

- Respond to robust demand for satellite communications in the global market including in-flight Wi-Fi connection
- Expand earnings in the intelligence business domains
- Enter new areas through partnership
- Expand business fields along with “Basic Plan for Space Policy”

- Expand earnings in a variety of transmission methods, such as FTTH, 5G and Beyond 5G
- Promote B2B business and Distribution business

Business Overview

— Initiatives for Sustainable Growth —

.



A satellite is visible in the upper left corner of the image, orbiting the Earth. The Earth's surface is shown in shades of blue and green, with a thin white line representing the atmosphere. The background is a deep black space.

SPACE

Space Business



■ Provision of JCSAT-1C satellite capacity to Intelsat

- Concluded agreement with Intelsat to provide our next-generation JCSAT-1C high-throughput satellite (HTS) for its inflight connectivity service
- We will continue to provide high-speed and reliable Inflight connectivity over Japan and Asia where the demand of satellite capacity is expected to increase.

■ “JSATMarine” introduced to “KIZUNA”

海洋ブロードバンドサービス

JSATMarine
ジェイサットマリン

- Cable-laying vessel “**KIZUNA**” operated by NTT World Engineering Marine will use our new high-speed maritime broadband service, “**JSATMarine**” which launched in January 2022.
- JSATMarine’s 30Mbps (shore-to-ship) and 3Mbps (ship-to-shore) speed plan will be provided. It is expected to be used for acceleration in digital transformation of the ship and improvement in crew welfare via high-speed Internet connection.



Cable-Laying Vessel: “KIZUNA” (provided by NTT WE Marine)

Strengthen Global business

- Singapore Branch established to strengthen business in Asia (2022-01-01)
- In addition, the Asia Department, which oversees three Asian bases, was established

Capture of growing Demand in Asia

Information gathering and dissemination and strategic planning of new products

Strengthen global human resource development

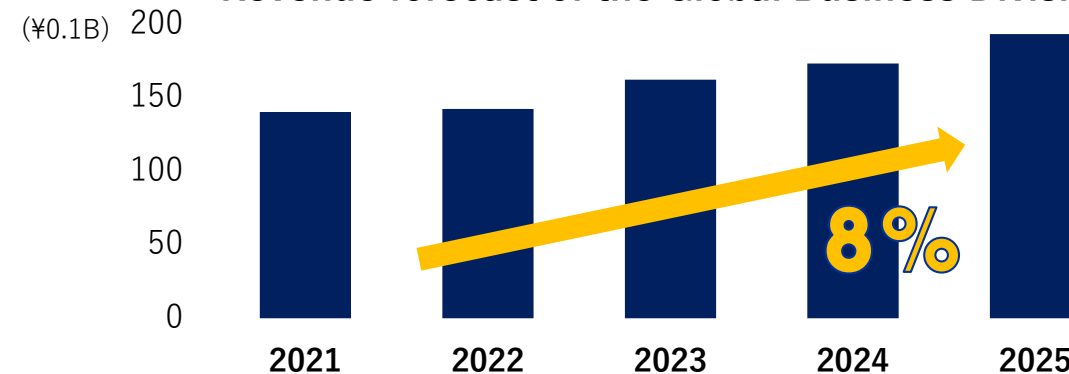
Expanding the overseas bases, we aim to achieve 8% growth rate (CAGR) in the Global Business Division from fiscal 2022 to fiscal 2025

Hong Kong branch

Singapore branch

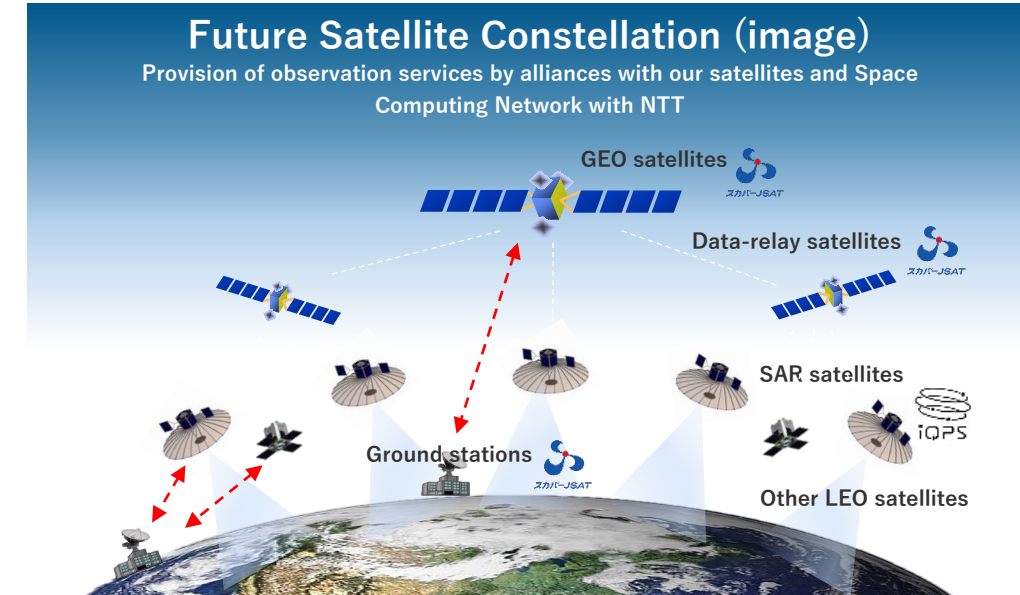
Jakarta office

Revenue forecast of the Global Business Division



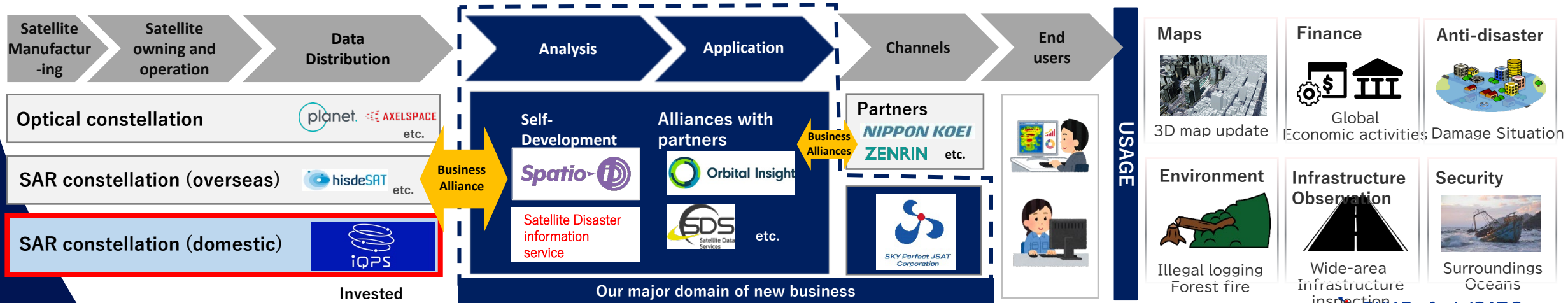
Business Alliance with iQPS Inc.

- Invested in the Series B round of iQPS Inc. as the lead investor
- Concluded the business alliance agreement with them on creating new services linking iQPS's developing small SAR satellite constellation and our assets and know-how
- We will cultivate the satellite data services market, expected to reach \$27.95 Billion by 2030. In this field, we aim to triple revenue by FY2025



Value Chain of Space Intelligence Business:

With this investment, we will strengthen the upstream field, which is extremely important in the space data value chain.



SKY PerfecTV!

MEDIA

Media Business



New initiative for Video Streaming Service, "SPOOX"

■ Launched a new package menu

Unlimited streaming of 30,000 titles such as movies, dramas, animations

Menu: Value Plan Powered by ひかりTV

Start: February 2, 2022

Price: ¥990 (tax included) per month



Content will be updated from time to time

■ Campaigns planned as it is released

90 Days Free Campaign

90日間
無料キャンペーン実施中

初回購入されたお客様に限り、購入日を含め90日間
「バリュープラン Powered by ひかりTV」を無料にてご視聴いただけます。
※通常料金は月額990円です。キャンペーン期間満了後、自動的に課金となります。

Period: Feb 2 to Jul 31 2022

Value Plan Discount for SKY PerfecTV! Broadcasting contractors

さらに [スカパー！契約者限定]
SPOOX バリュープラン割

スカパー！放送サービスの対象商品契約者はSPOOXサービスの
月額商品「バリュープラン Powered by ひかりTV」がお得に。
通常月額990円→月額690円に割引して提供いたします。

※Planned to begin in May 2022

SKY PerfecTV! Basic Plan and Platform measure

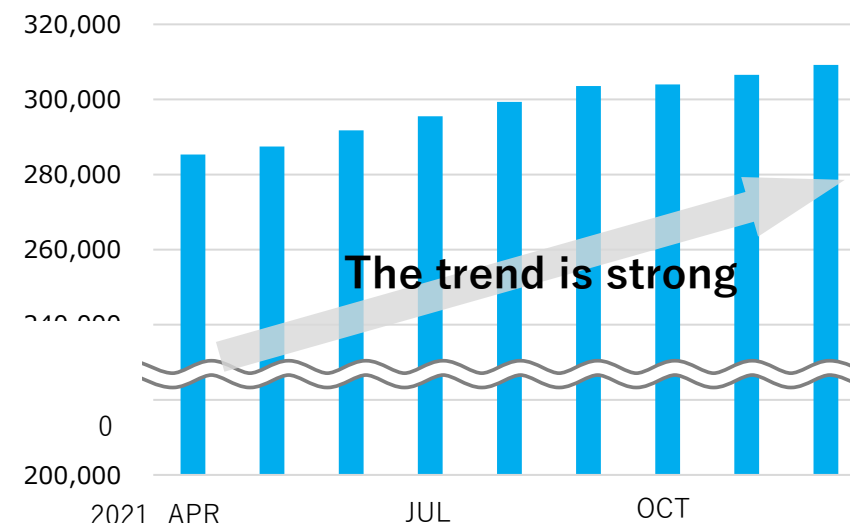
SKY PerfecTV! **RE BUILDING**

MEDIA



■ SKY PerfecTV! Basic Plan is going well

- In September 2021, the number of subscribers for Basic Plan exceeded 300,000, Even in the third quarter, thanks to the development of platform measures, the number has been strong



■ Platform measures

NOV: Natsu-Emo Tengoku TV



Broadcasting programs from Show to Heisei period.
The number of topics about SKY PerfecTV! via SNS also increased

DEC-JAN: Year-end/New Year Campaign



Proposed a way to spend time unique to the Year-end and New Year holidays such as full-time watching, recording, etc.

FEB: 3 days free campaign of Basic Plan



For three days from Feb 11 to 13, Providing free campaign of Basic Plan
Aim to expand people's recognition
Promote their subscription

Initiatives for Professional Baseball content

■ Scheduled to broadcast professional baseball in 2022



- Professional Baseball Central/Pacific 12 Baseball Teams all the Open game Live broadcast and regular games also thoroughly broadcast, providing plenty of baseball-related programs!
- Moreover, Professional Baseball Set app is full of functions, you can enjoy even on a smartphone

<Initiatives>

Virtual Hawks Camp 2022 (events: total 8 days. You can participate via PC or Smartphone)

- Create a “Ikume-no-Mori Sports Park” in a virtual space, and for Hawks fans who can not visit Miyazaki camp, you can enjoy practice watching and talk events while moving freely around the stadium virtually.

Virtual Space



Main route



Stadium



Bullpen



Space for your Smile ~ Project from the SKY with smile ~

■ Connecting ANA's "SKY" to Entertainment

- Do Special Event in collaboration with ANA (planned)
- Give special experiences to students who have not been able to experience various events due to COVID-19 pandemic situation
- Invite 100 junior high and high school students to the special flight with inflight events (planned)
- Record "Smiles of People connected by this project" as a documentary and broadcasts on SKY PerfecTV! and distributes on "SPOOX"



Space for your Smile

空から笑顔が届けるプロジェクト



×



Broadcasting/Streaming the event

Utilizing our hybrid strongness in the field of both Space and Media business,
New attempt realizing our Group Mission, "Space for your Smile"

Toward the Realization of a Decarbonized Society



■ Introduction of renewable energy at Space business sites

- By introducing renewable energy at the satellite control centers that operate 24 hours a day, 365 days a year, the group's electricity consumption with that clean energy is about 30% ^{*1} compared to the previous year's results. In Fiscal 2022, we expect to reduce CO₂ emissions by more than 3,000 tons ^{*2}.
- Including SKY Perfect Tokyo Media Center, the entire group will proceed with that change.

^{*1}: The ratio of renewable energy used is calculated on the group's actual amount of electricity used in Fiscal 2020

^{*2}: The total of actual CO₂ emissions (t-CO₂/year) for the last 12 months (Jan to Dec 2021) at both sites was 3,434 tons



Main station: Yokohama Satellite Control Center (YSCC) in Yokohama

Who want to be in 2030

Contribution to the environment toward realization of a decarbonized society and a recycling-oriented economy



- Aiming for a 100% of the Group's use of renewable energy
- Expand the contribution to renewable energy power generation and supply by providing satellite communications and data



Sub station: Space Port East (SPE) in Ibaraki

Initiatives in the Capital market



■ New market category in the Tokyo Stock Exchange

- Transferring to “Prime Market” on April 4, 2022

■ Shareholder Returns

- **Dividend** : In Fiscal 2021, annual dividend ¥18 per a share is planned
(**estimated dividend yield* 4.18%**)
 - Interim dividends (recorded date: Sep 30) ¥9 per a share done
 - Year-end dividends (recorded date: Mar 31, 2022) ¥9 per a share (planned)

* Estimated dividend yield based on the close of stock price on January 31, 2022

- **Buyback of treasury stock** : Acquired treasury stock from Aug 5, 2021 through January 31, 2022

(1) Number of shares acquired	7,101,400 shares (completed on January 27, 2022)
(2) Total amount of money delivered in exchange for the acquisition of shares	2,999,984,200 yen (completed on January 27, 2022)

Achieving both growth investments and shareholder returns while strengthening fundamental profitability on the background of a stable financial base

References

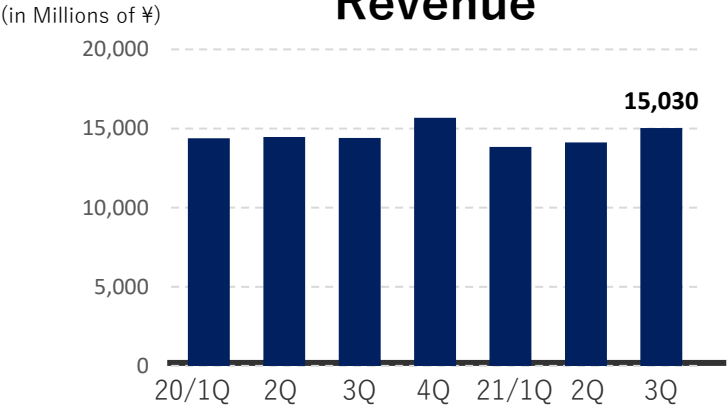


Trends of Quarterly Financial Results by Segment

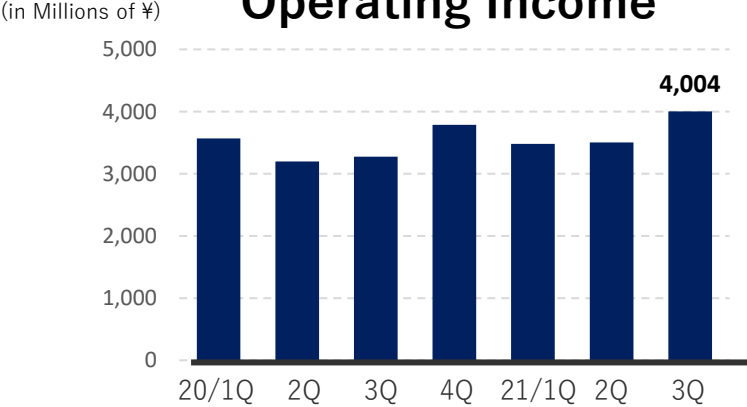


Space Business

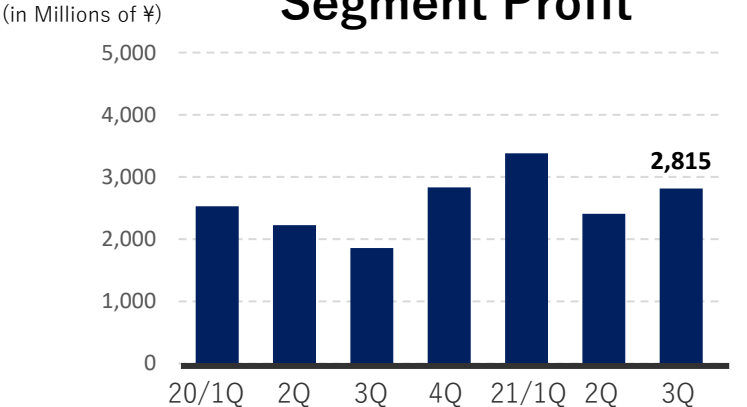
Revenue



Operating Income

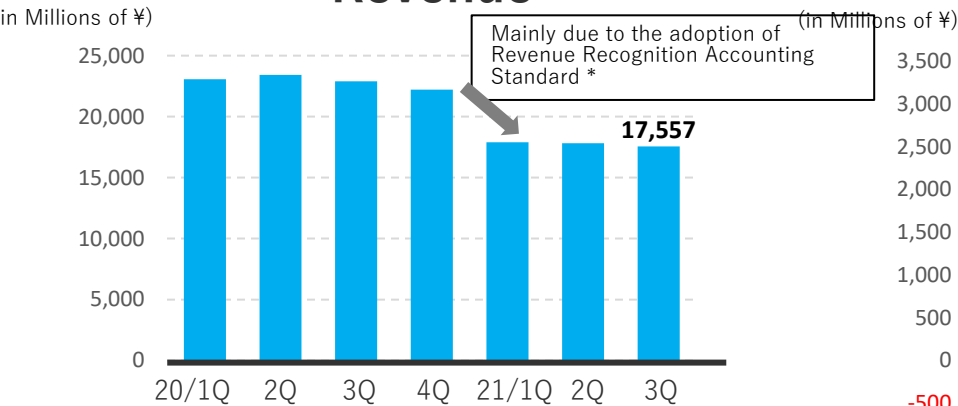


Segment Profit *

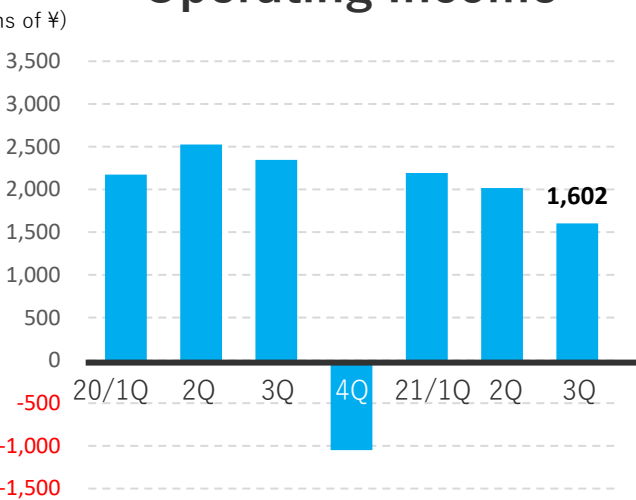


Media Business

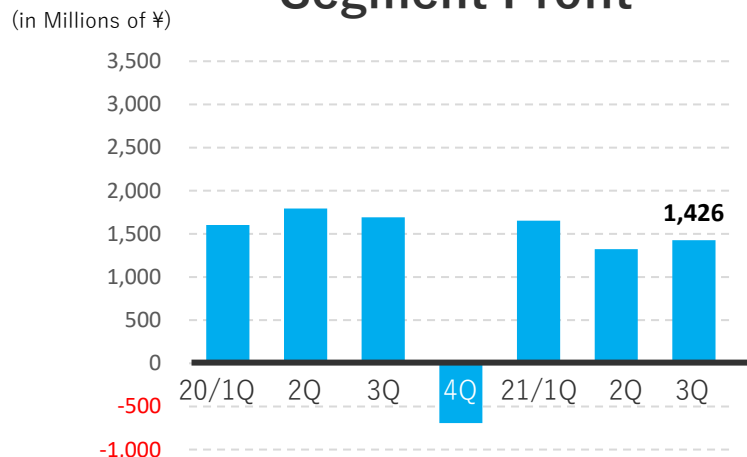
Revenue



Operating Income



Segment Profit *



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

Trends of Quarterly Financial Results by Segment



(in Millions of ¥)

	FY2020					FY2021		
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q
Revenue	34,674	35,099	34,568	35,230	139,572	29,078	29,311	30,046
Media	23,066	23,422	22,896	22,213	91,599	17,896	17,811	17,557
Space	14,381	14,465	14,400	15,681	58,929	13,843	14,121	15,030
Consolidated Elimination	(2,773)	(2,789)	(2,728)	(2,664)	(10,956)	(2,661)	(2,621)	(2,542)
Operating Income	5,594	5,521	5,461	2,574	19,151	5,493	5,360	5,402
Media	2,174	2,525	2,347	△1,051	5,995	2,193	2,016	1,602
Space	3,568	3,197	3,275	3,788	13,829	3,480	3,503	4,004
Consolidated Elimination	(148)	(201)	(161)	(162)	(673)	(181)	(160)	(204)
Segment Profit (Profit attributable to owners of the parent)	4,022	3,843	3,424	2,054	13,345	4,929	3,604	4,119
Media	1,603	1,794	1,691	△692	4,396	1,652	1,323	1,426
Space	2,529	2,226	1,857	2,833	9,448	3,380	2,409	2,815
Consolidated Elimination	(111)	(178)	(124)	(86)	(500)	(103)	(128)	(121)

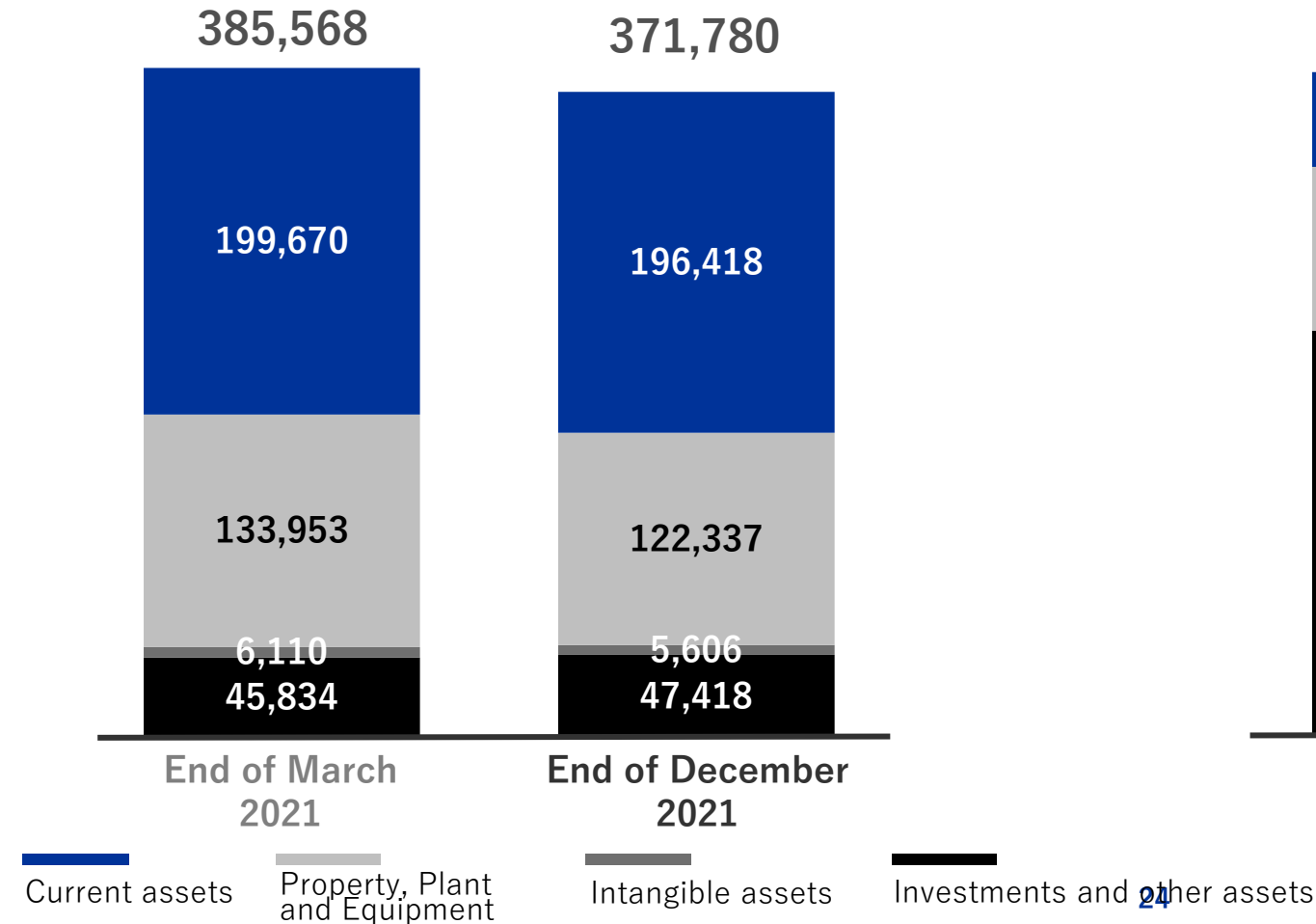
* We adopt "Accounting Standard for Revenue Recognition" from the beginning of the First Quarter of FY2021. Each figure from the First Quarter of FY2021 is stated after the adoption of that Accounting Standard.

Consolidated Balance Sheet

■ Equity ratio is 65% and stable financial position remains. Issuer credit rating maintains single A

Assets

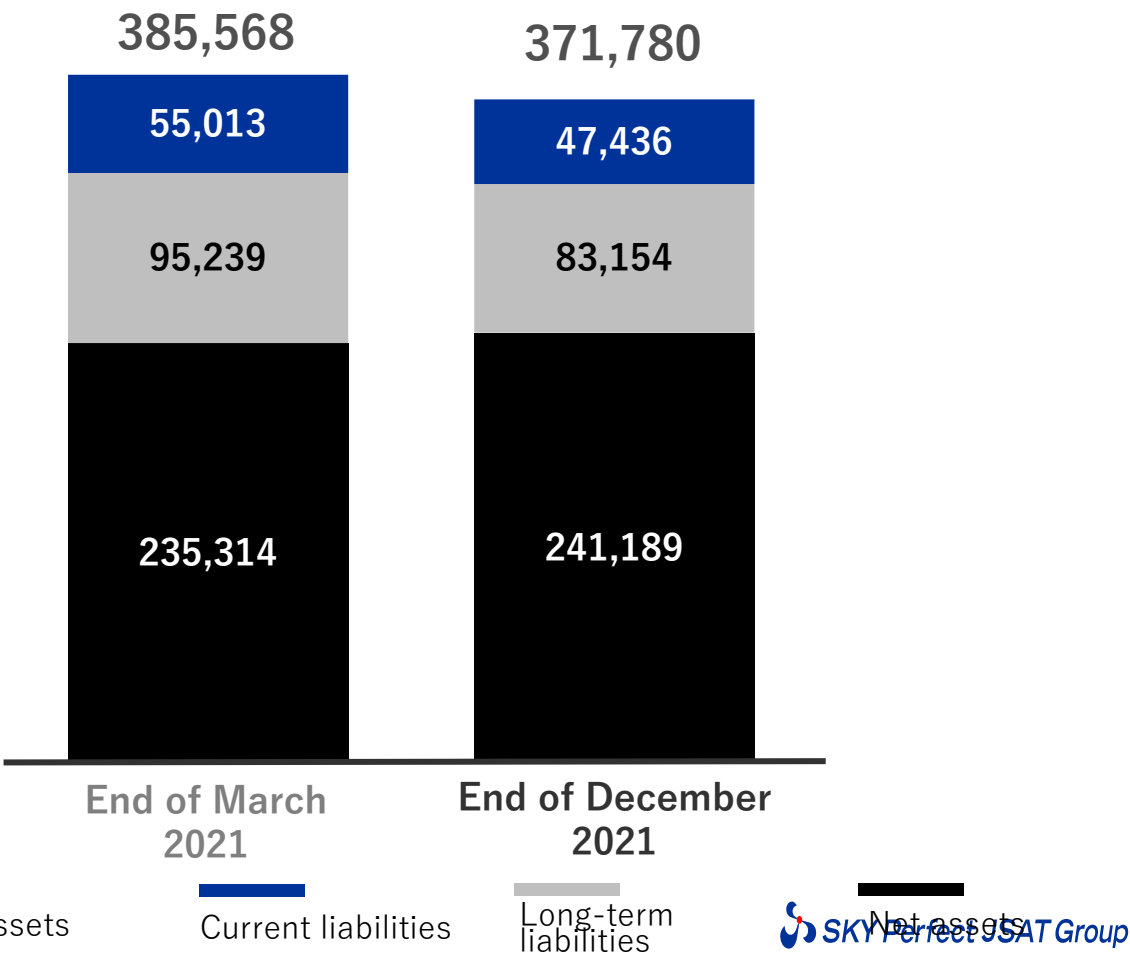
(in Millions of ¥)



Liabilities and Net Assets

Equity Ratio : 60.8% ➡ 64.6%

(in Millions of ¥)



Consolidated Cash Flows



(in Millions of ¥)

	FY2020-3Q Cumulative total	FY2021-3Q Cumulative total
Net Cash from Operating activities	47,106	26,902
Net Cash from Investing activities	(7,612)	(7,659)
Free Cash Flows ^{*1}	39,494	19,243
Net Cash from Financing activities	(16,530)	(15,523)
Cash and Cash Equivalents at Term-end(a)	66,501	77,158
Interest-bearing Debt at Term-end ^{*2} (b)	90,295	84,631
Net Interest-bearing Debt at Term-end (b) – (a)	23,794	7,473

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

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

Key Indicators of Media Business (2021-3Q) *SKY PerfectTV!*

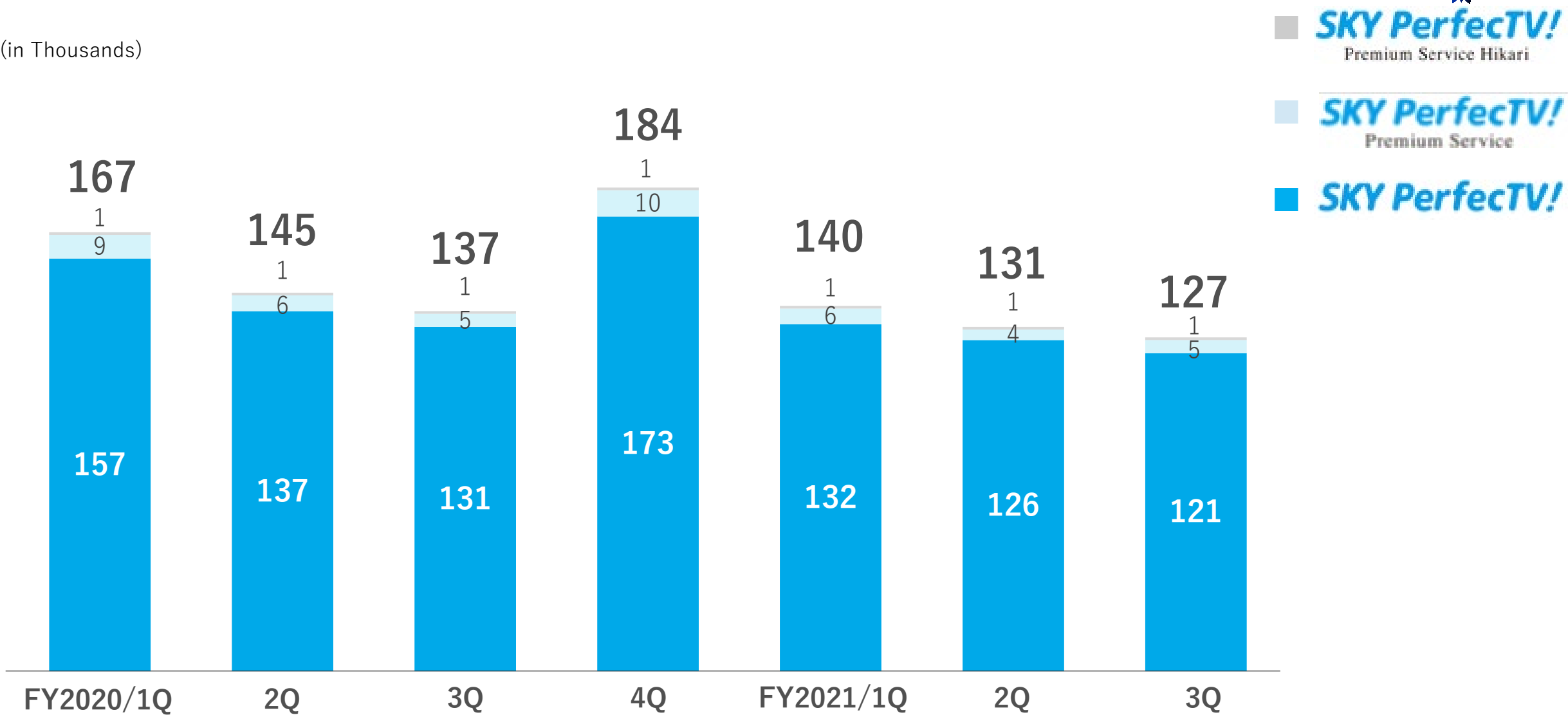


(in 10 Thousands)

	FY2020-3Q Cumulative total	FY2021-3Q Cumulative total	Annual Target For FY2021
New (IC cards or chips)	44.9	39.8	56.4
Net Increase (IC cards or chips)	(8.2)	(10.9)	(8.7)
- SKY PerfectTV!	(1.0)	(4.3)	+0.8
- SKY PerfectTV! Premium Service	(6.9)	(6.3)	(9.0)
- SKY PerfectTV! Premium Service Hikari	(0.3)	(0.3)	(0.5)
Cumulative number of subscribers (IC cards or chips)	308.8	299.3	301.5
Cumulative number of contractors (contracts)	251.2	238.5	238.3
Monthly Unit Price paid by Contractor (Yen)			
- SKY PerfectTV!	3,298	3,336	—
- SKY PerfectTV! Premium Service	3,613	3,579	
- SKY PerfectTV! Premium Service Hikari	5,193	5,124	

Number of New Subscribers (IC cards and chips)

(in Thousands)



Churn Rate (IC cards and chips)

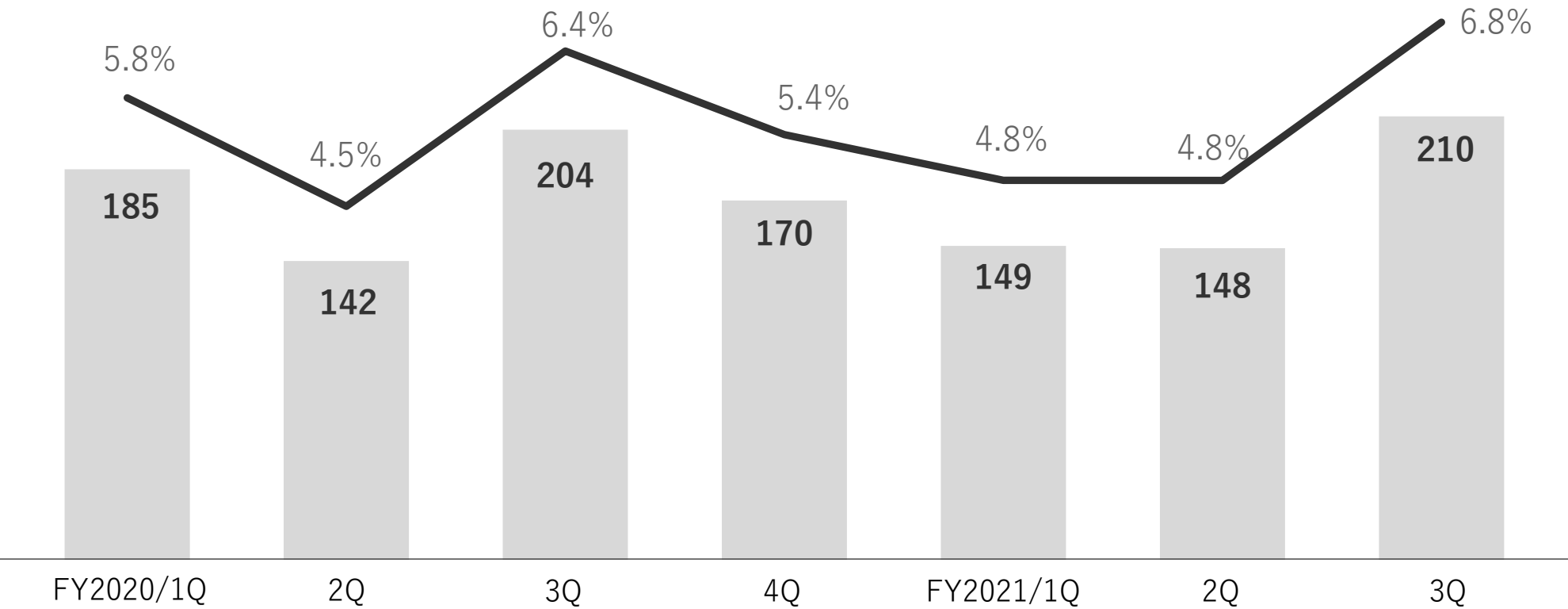


Churn rate * (Quarterly)

Numbers of Churn

Note: SKY PerfectTV/ three services Total

(in Thousands)



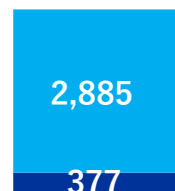
* The churn rate is calculated by dividing the total number of cancellations for each quarter by the cumulative number of subscribers at the end of the previous fiscal year.

Average Monthly Contractor's Payment ^{*1}



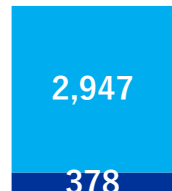
SKY PerfectTV!

3,262



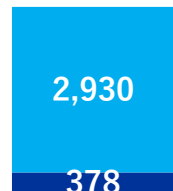
FY2020/1Q

3,325



2Q

3,307



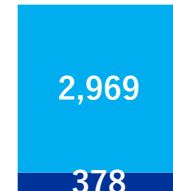
3Q

3,282



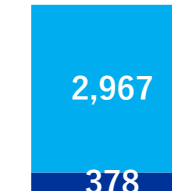
4Q

3,347



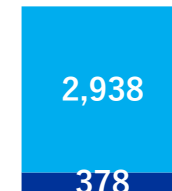
FY2021/1Q

3,345



2Q

3,316



3Q

(Yen)

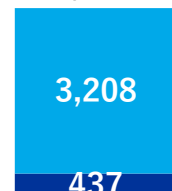
SKY PerfectTV!
Premium Service

3,590



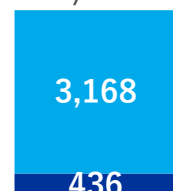
FY2020/1Q

3,645



2Q

3,604



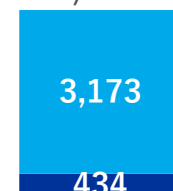
3Q

3,543



4Q

3,607



FY2021/1Q

3,587



2Q

3,540



3Q

SKY PerfectTV!
Premium Service Hikari

5,194



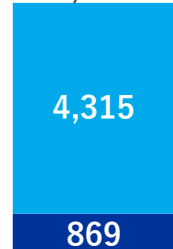
FY2020/1Q

5,201



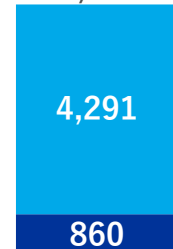
2Q

5,184



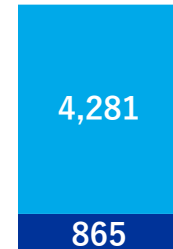
3Q

5,151



4Q

5,146



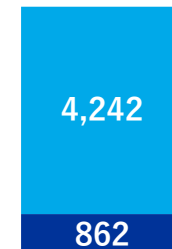
FY2021/1Q

5,122



2Q

5,104



3Q

*2

■ Basic fees and other^{*2} ■ Viewing fees

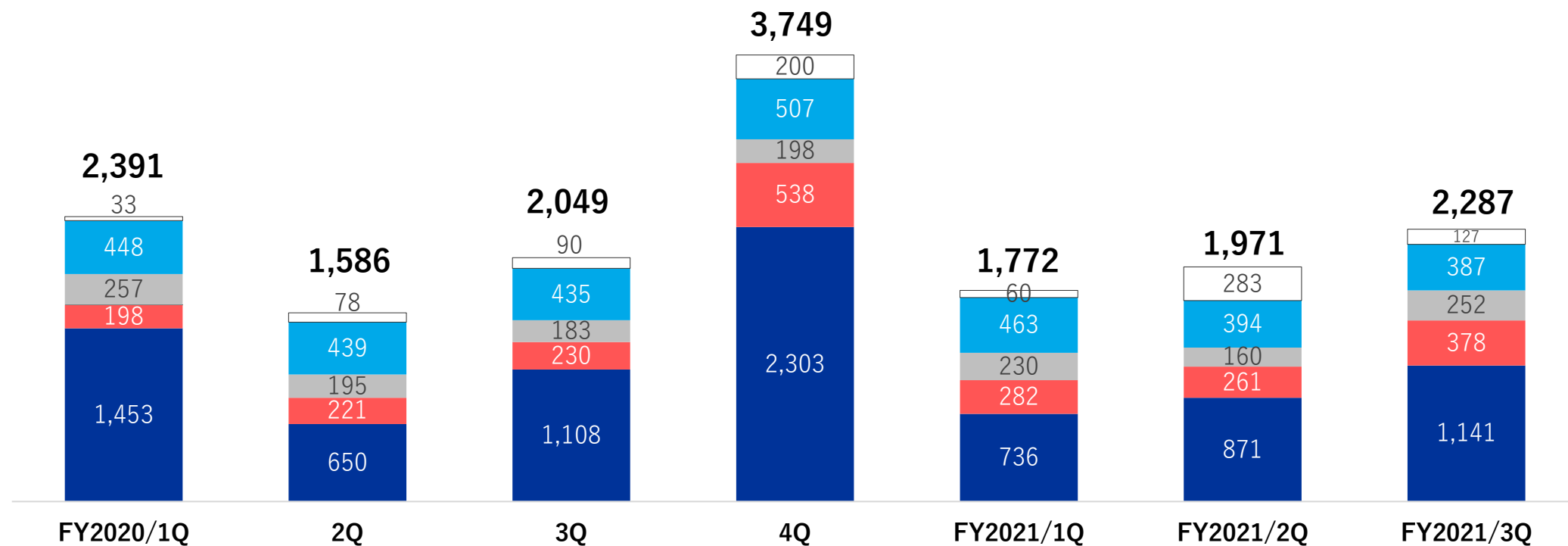
^{*1} Average monthly Contractor's payments made by contractors such as Basic fees and Viewing fees. The monthly unit price is on a basis of Contractor, Of Viewing fees paid by contractors, SKY PerfectTV!/service recognizes around 30% as commission revenues and SKY PerfectTV!/Premium service and SKY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

^{*2} Basic fees, other basic fees, and set-top box rental 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.

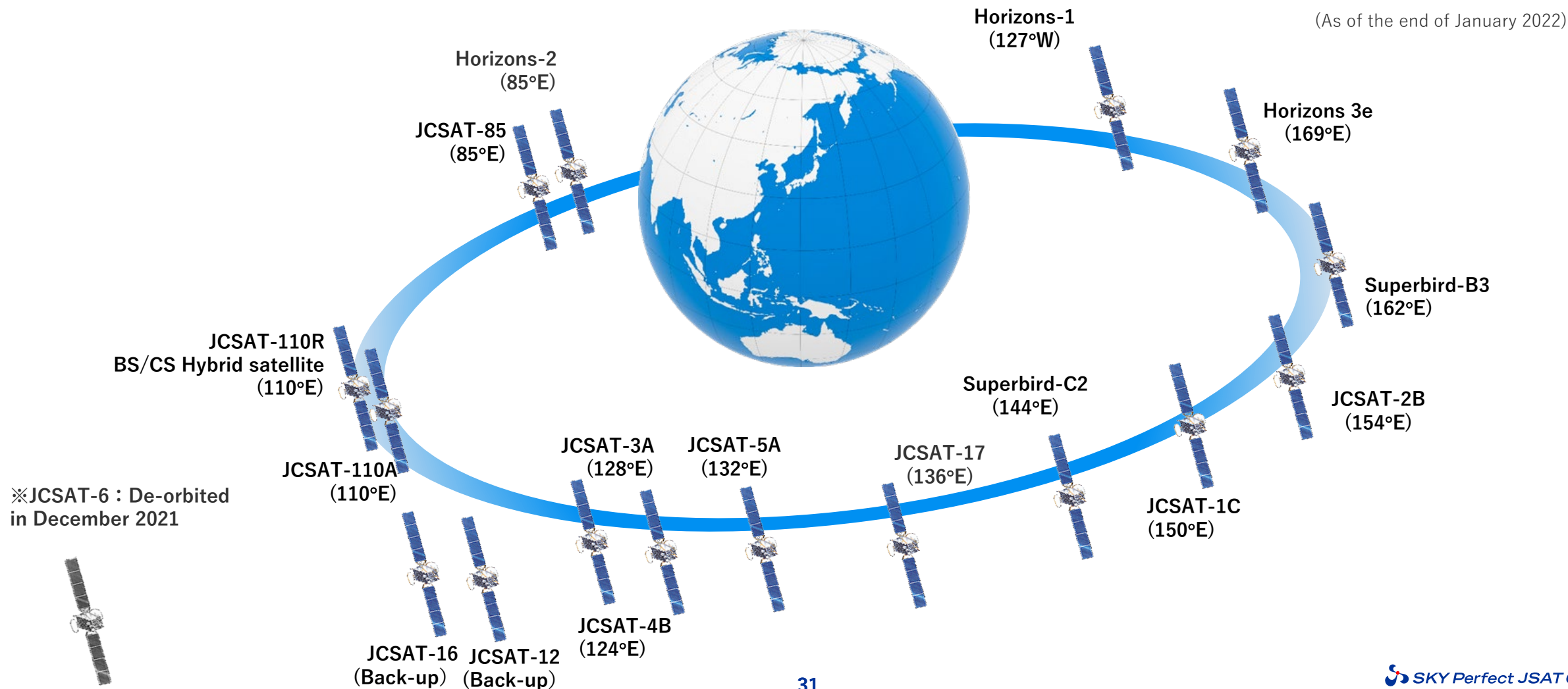
■ Others: Operation costs of SKY PerfecTV! Customer service center, etc.

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

* Sales incentive is merged with Promotion expenses from the first quarter of FY2021. The numbers of Promotion expenses in FY2020 were re-calculated.



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



Space for your Smile

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



