

Securities Code: 9412

SKY Perfect JSAT Holdings Inc.



Full-Year 2022 Presentation Material

For the year ended March 31, 2023

April 28, 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

For Full Year 2022



Consolidated Earning Results for FY2022



- Space Business drove sales growth.
- Income exceeded forecasts for both Space and Media Business.

(in Millions of ¥)

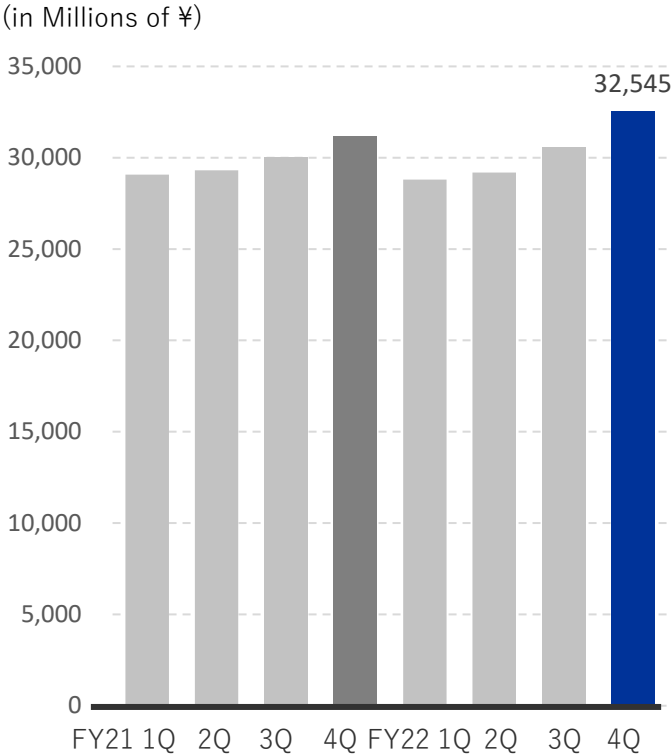
	FY2021	FY2022	Change (%)	FY2022 Forecast	Achievement (%)
Revenue *	119,632	121,139	+1.3%	120,000	100.9%
Operating Income	18,862	22,324	+18.3%	21,000	106.3%
Ordinary Income	20,307	23,194	+14.2%	21,500	107.9%
Net Income (Profit attributable of owners of the parent)	14,579	15,810	+8.4%	15,000	105.4%
EBITDA *	44,179	45,562	+3.1%	44,400	102.6%

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

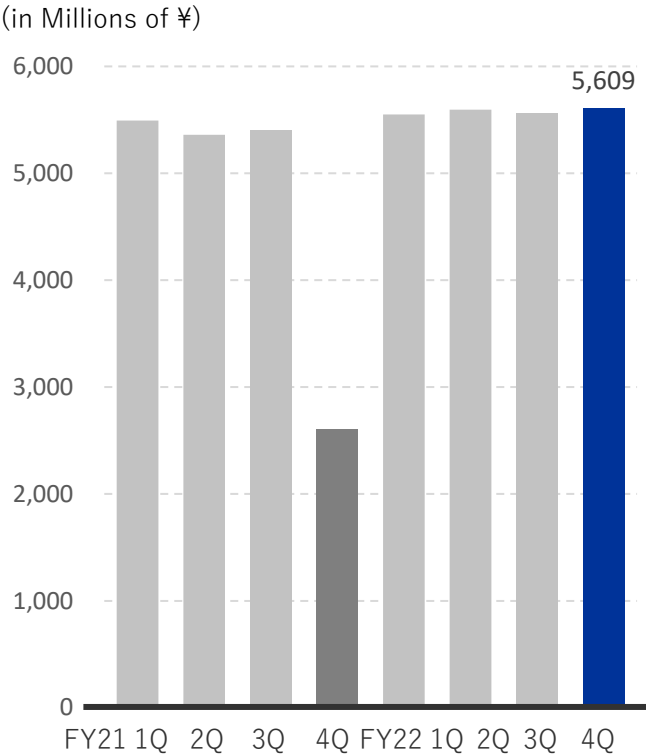
Trends of Consolidated Financial Results by Quarter



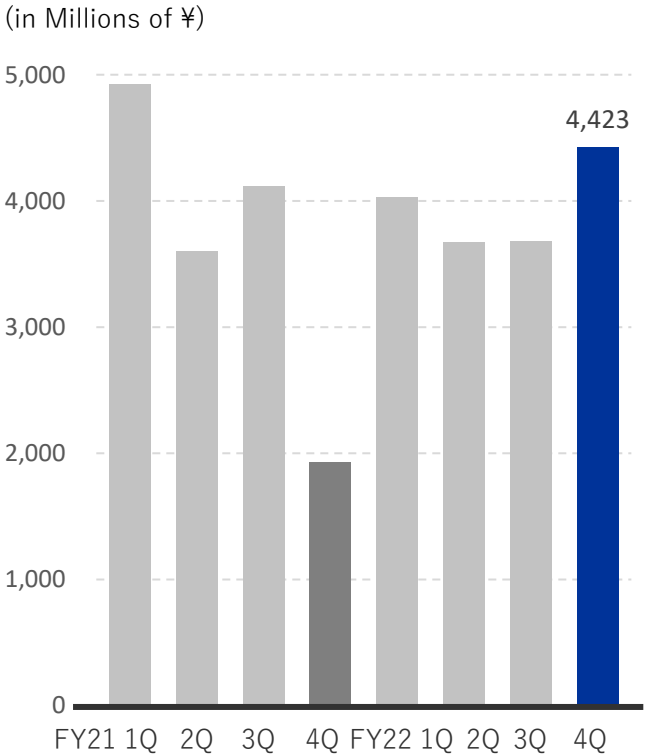
Revenue



Operating Income



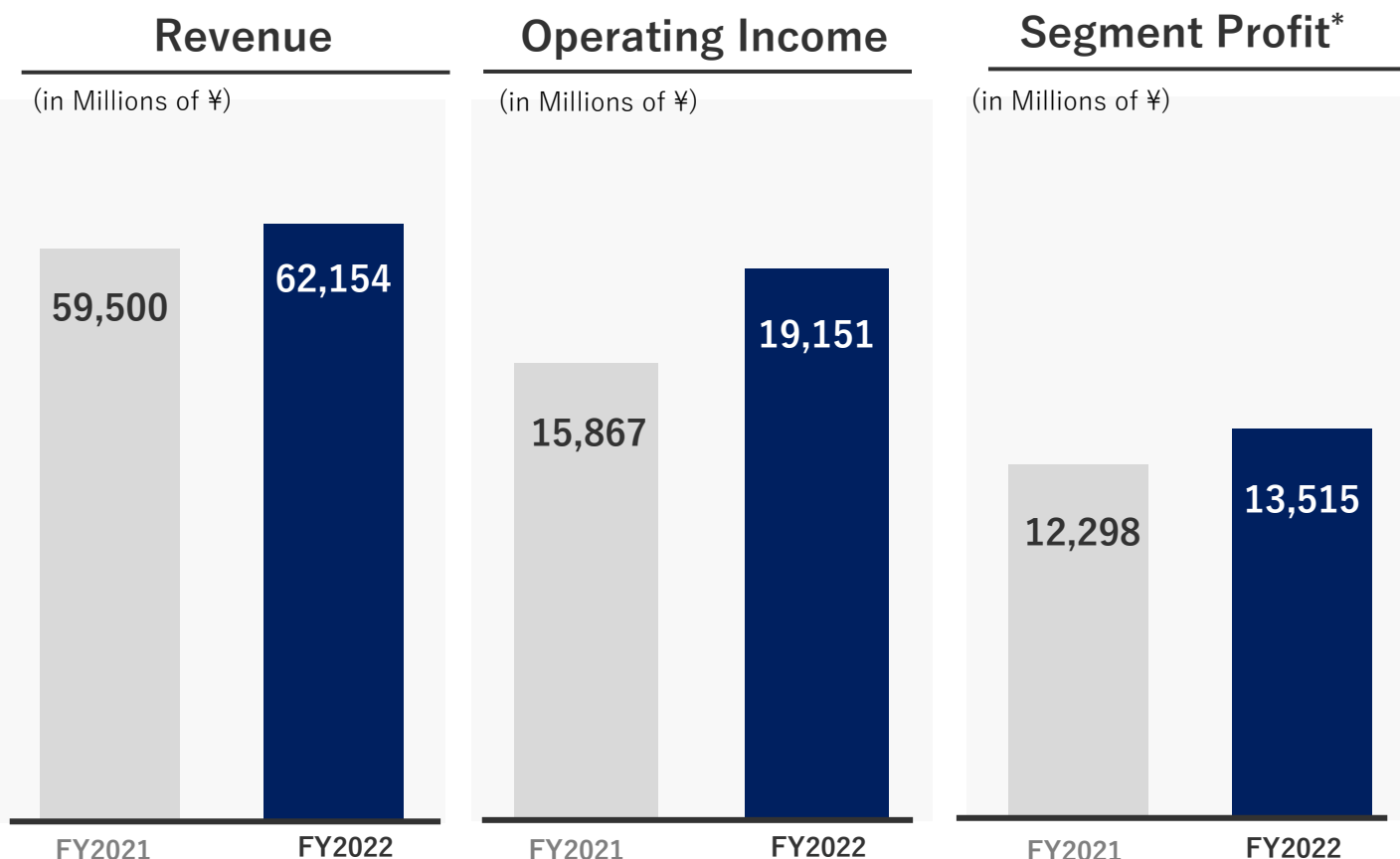
Net Income



Earnings Overview: Space Business



- Revenue increased due to expanded use of JCSAT-1C, Horizons 3e.
- Profit increased due to higher sales and a decrease in depreciation and amortization.



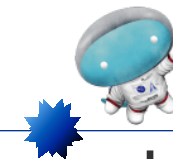
Major factors of change (YoY)

- **Revenue ¥62.2 billion [+2.7B] ****
 - Increase in sales in Global & Mobile field: +3.7B
 - Decrease in Broadcasting transponder-related revenue: (0.6B)
 - Others: (0.4B)
- **Operating Expense ¥43.0 billion [(0.6B)] ****
 - Decrease in depreciation expenses: (0.6B)
 - Decrease in amortization: (0.8B)
 - Others: +0.8B
- **Operating Income ¥19.2 billion [+3.3B]**
- **Segment Profit ¥13.5 billion [+1.2B]**
 - Disappearance of reduction in tax expense due to dissolution of consolidated subsidiary: (0.9B)

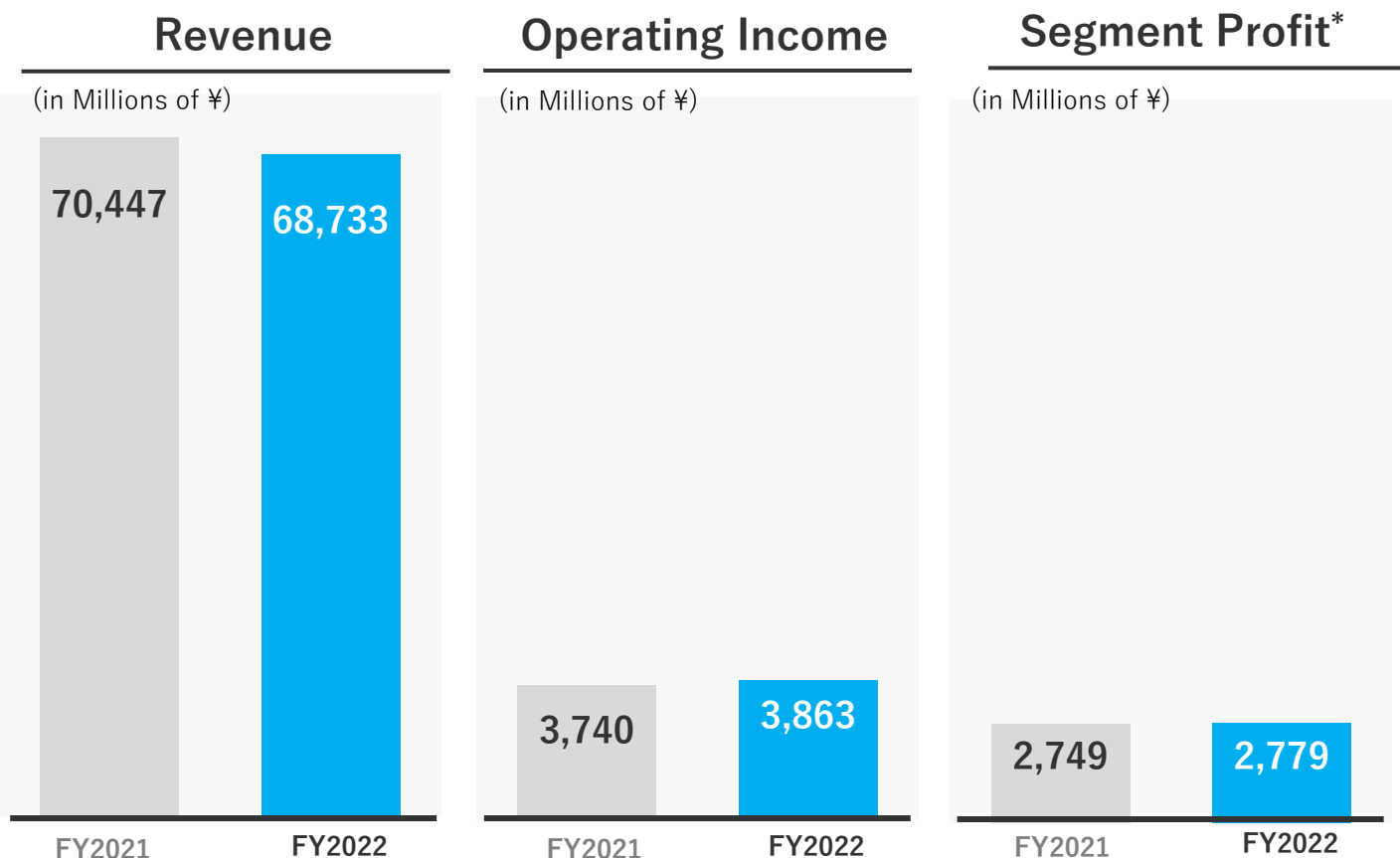
* Segment Profit is calculated based on net income after tax

** Including inter-segment transactions

Earnings Overview: Media Business



- Cost control covered the decline in broadcasting sales by shifting to WEB advertising and reviewing program production costs.
- Profit increased year on year due to higher FTTH business revenue and external usage revenue at SKY PerfecTV! Tokyo Media Center.



Major factors of change (YoY)

- **Revenue ¥68.7 billion [(1.7B)] ****
 - Decrease in viewing fees, business commission fees and basic fees: (2.7B)
 - Increase in sales of FTTH business: +0.2B
 - Others: +0.8B
- **Operating Expense ¥64.9 billion [(1.8B)]****
 - Decrease in advertising and sales promotion expenses: (0.9B)
 - Decrease in depreciation expenses: (0.4B)
 - Decrease in contents expenses: (0.5B)
- **Operating Income ¥3.9 billion [+0.1]**
- **Segment Profit ¥2.8 billion [+0.03B]**

* Segment Profit is calculated based on net income after tax

** Including inter-segment transactions

Consolidated Financial Forecast For Full Year 2023



Financial Forecast for FY2023



Promote upfront investment in new domains and improve profitability and productivity of core businesses.

(Millions in ¥)

	FY2022 Results	FY2023 Forecast	(Change)
Revenue	121,139	121,000	(0.1%)
Operating income	22,324	22,500	+0.8%
Ordinary income	23,194	22,000	(5.2%)
Profit attributable to Owners of Parent	15,810	15,000	(5.1%)
EBITDA*	45,562	43,600	(4.3%)

* EBITDA: Net income + Tax expenses + Depreciation + Amortization of Goodwill + Interest costs. Cost for JCSAT-17 is included in Lease Receivable as it is subject to finance lease transactions.

Financial Forecast by Segment for FY2023



Space Business

- Operating income will increase by more than ¥20 billion due to higher sales in new areas and lower depreciation expenses, etc.
- Segment profit will remain at the same level as the previous fiscal year due to upfront expenses at an affiliate due to growth investments.

Media Business

- Revenue will decrease due to a decline in subscribers to broadcasting, despite an increase in sales in FTTH business, etc.
- Secure a certain level of profits by controlling costs while investing in new areas.

(Millions in ¥)

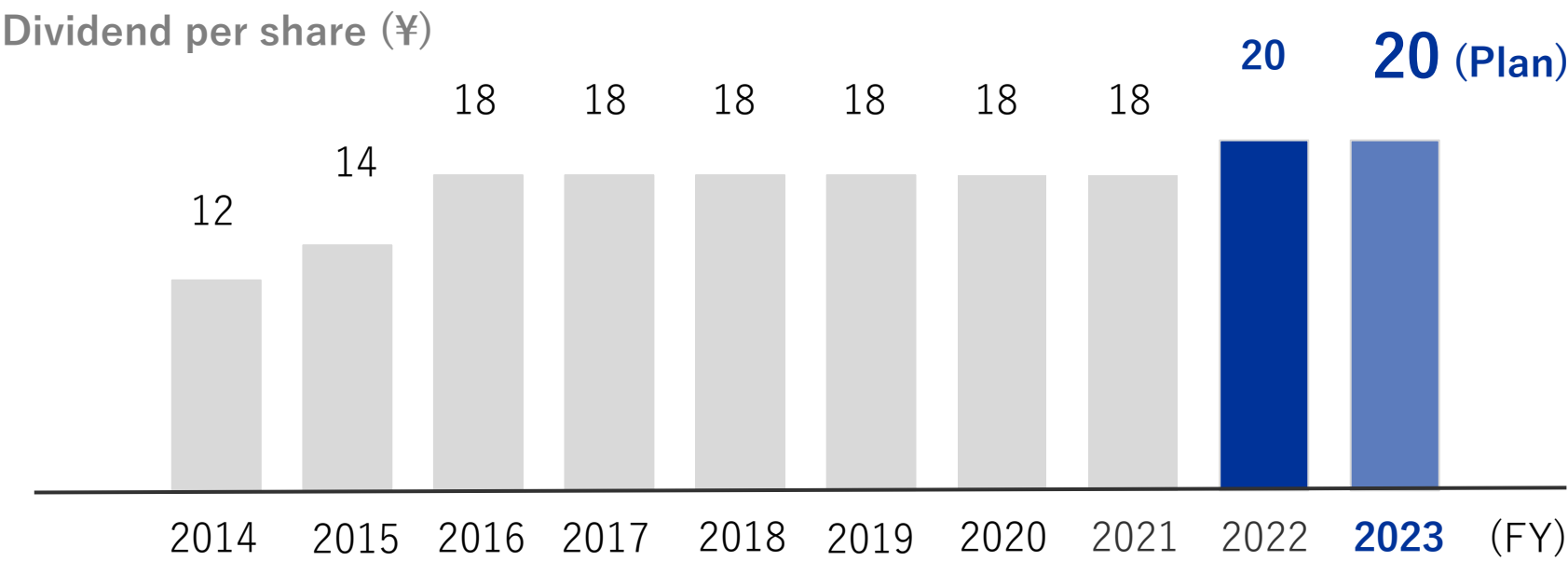
	FY2023 Financial Forecast by Segment			
	Space Business	Media Business	Consolidated Eliminations	Consolidation Total
Revenue	64,000 [+1,845]	66,500 [(2,233)]	(9,500)	121,000 [(139)]
Operating income	20,500 [+1,348]	2,700 [(1,163)]	(700)	22,500 [+175]
Segment Profit * Net profit base	13,500 [(15)]	2,000 [(779)]	(500)	15,000 [(810)]

Note: The number inside of [] is the amount of change from FY2022 results.



Strengthened shareholder returns and increased the annual dividend in fiscal 2022.

Planning to pay an annual dividend of ¥20 per share while improving core profitability in fiscal 2023



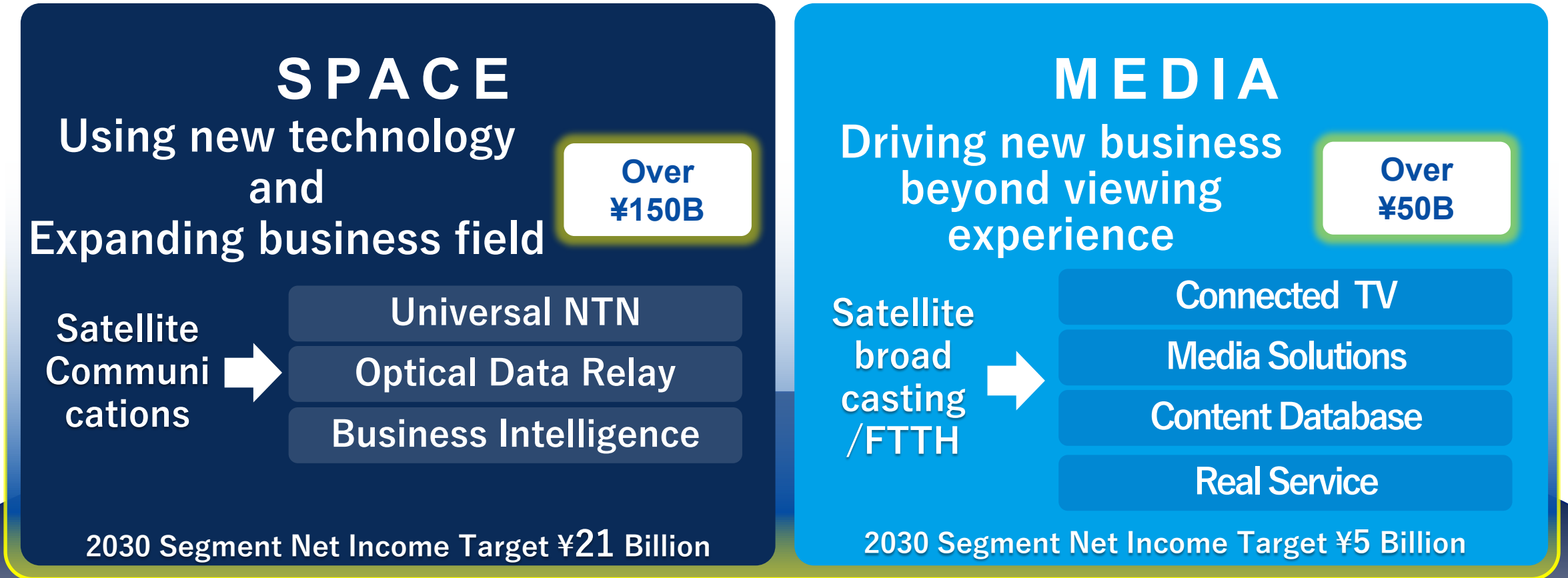
Dividend Policy:
¥16 per share or more and 30% or more of Dividend Payout Ratio

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”

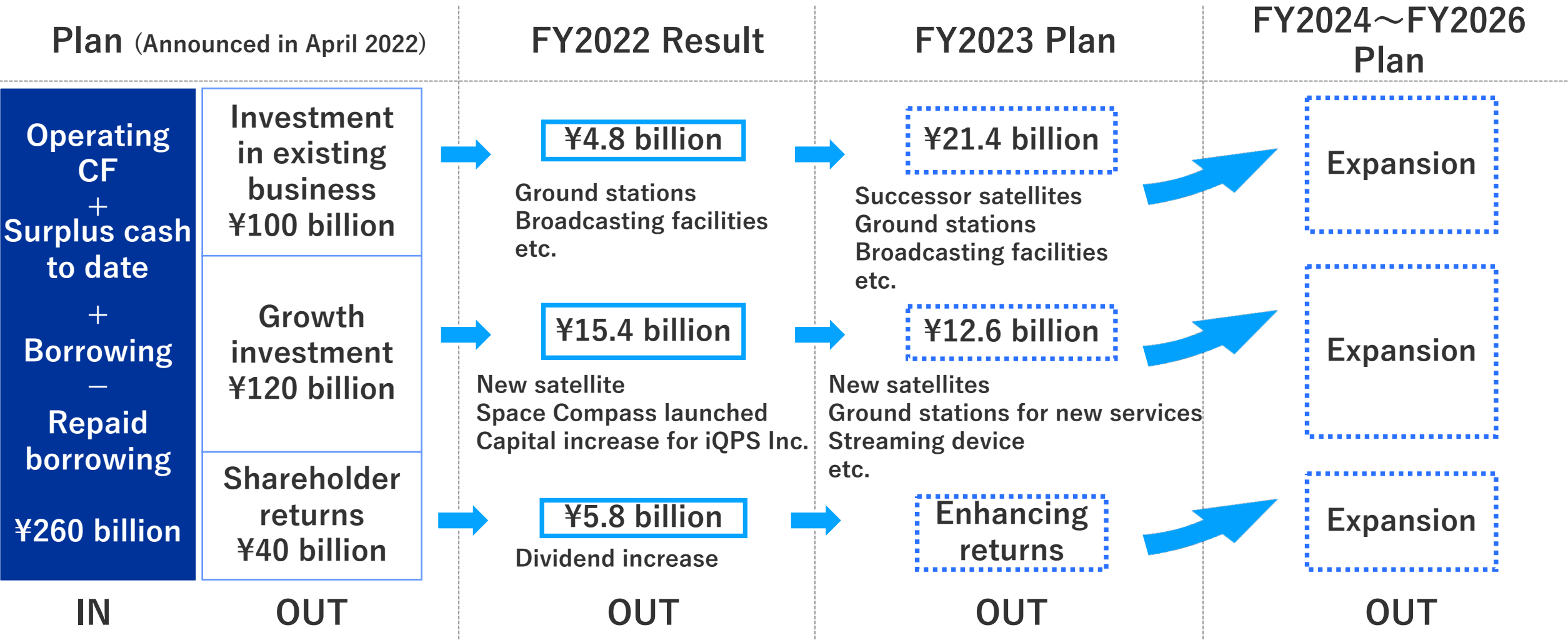
Exploring
new business domains

Improving profitability
in core business

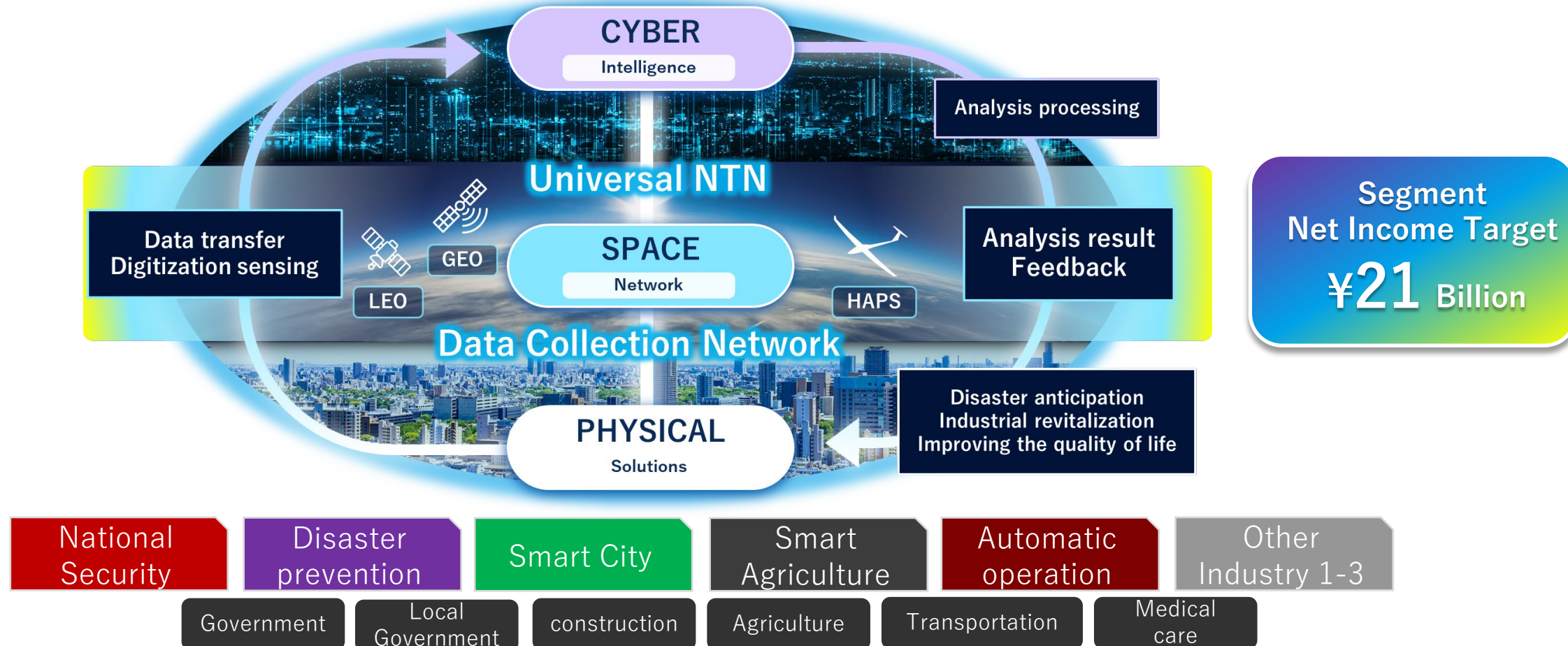
Strengthening
human capital

Enhancing of
management base

Progress of Capital Allocation (FY2022~FY2026)

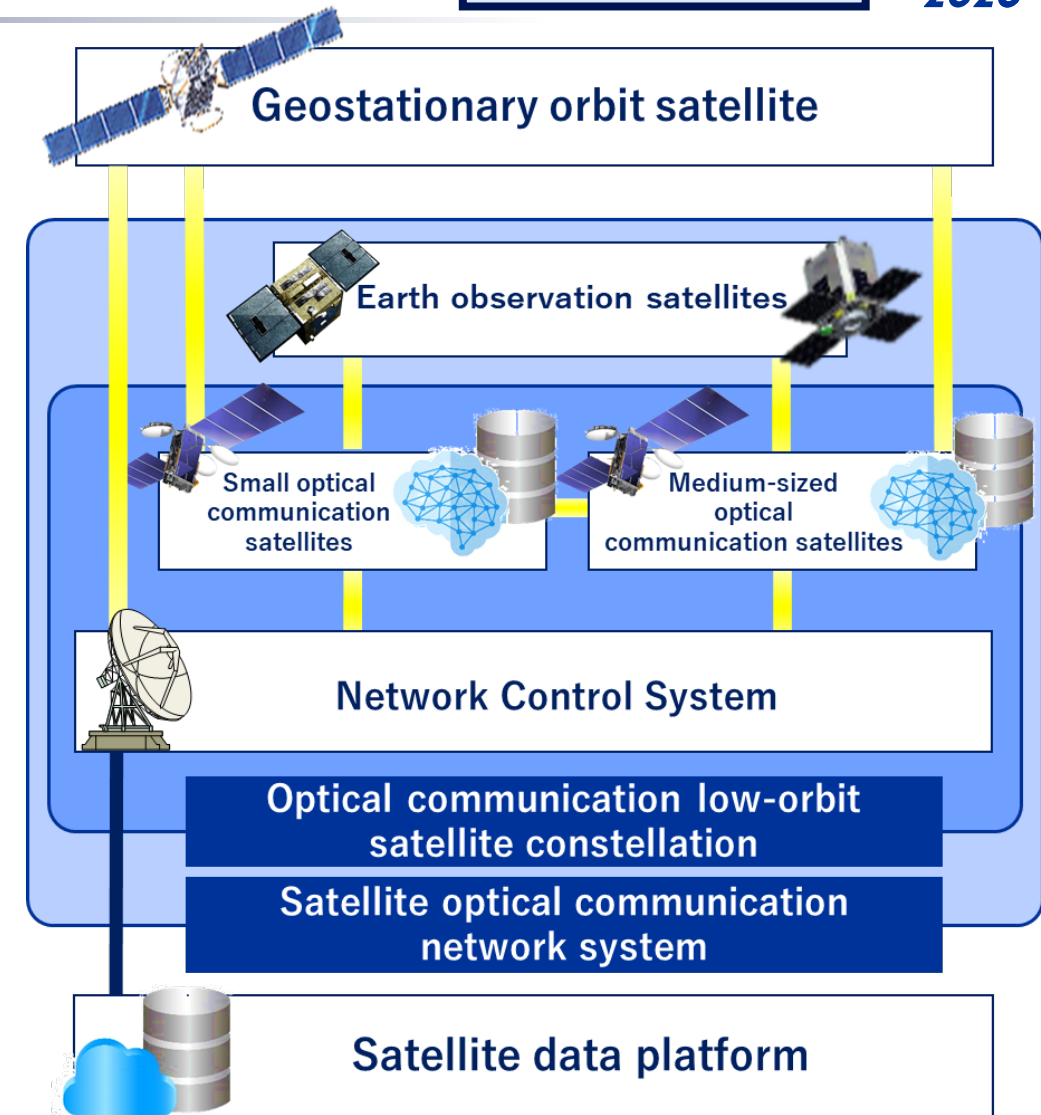


By establishing an innovative communications network for all of space and a global data collection network, we are helping to make a supersmart society a reality



Space Compass and NICT, AXELSPACE, and NEC develop and demonstrate optical communication Low-orbit satellite constellation

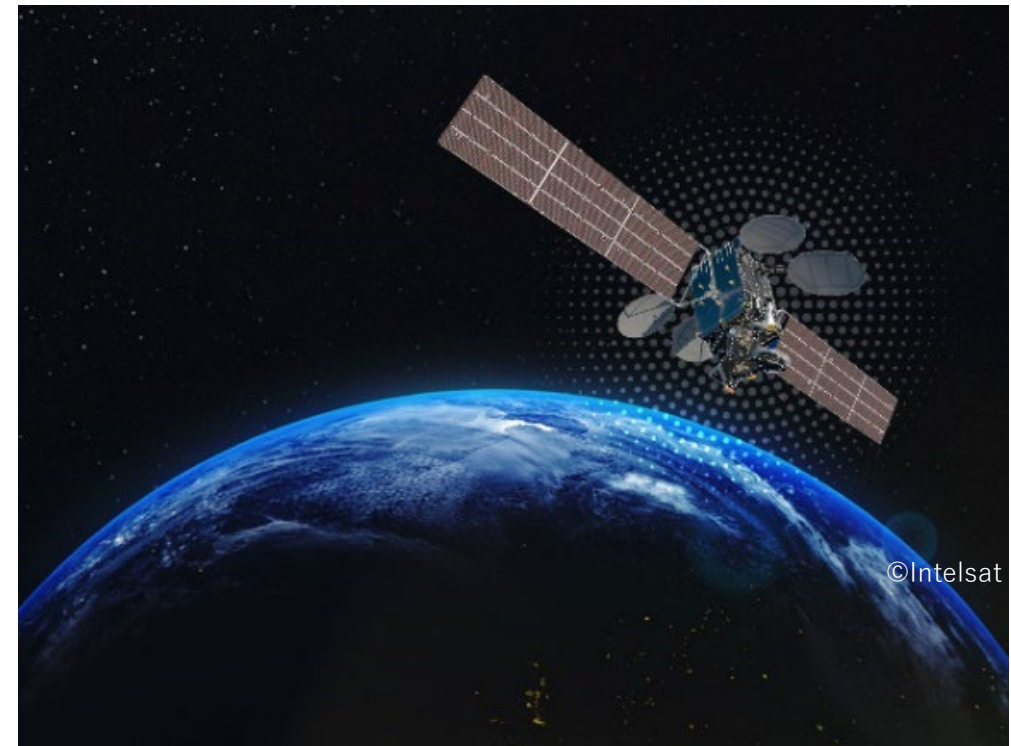
- Accelerating the realization of Space Integrated Computing Network through demonstrations of optical communication and computing technology
- Contributing to strengthening international competitiveness by developing and demonstrating Japanese technologies



Structure of Satellite optical communication network system

Launch a joint Horizons-4 with INTELSAT

- Planned to launch as a successor to Horizons-1 in summer 2023
- Responding to increased telecommunications demand in North America and the Pacific

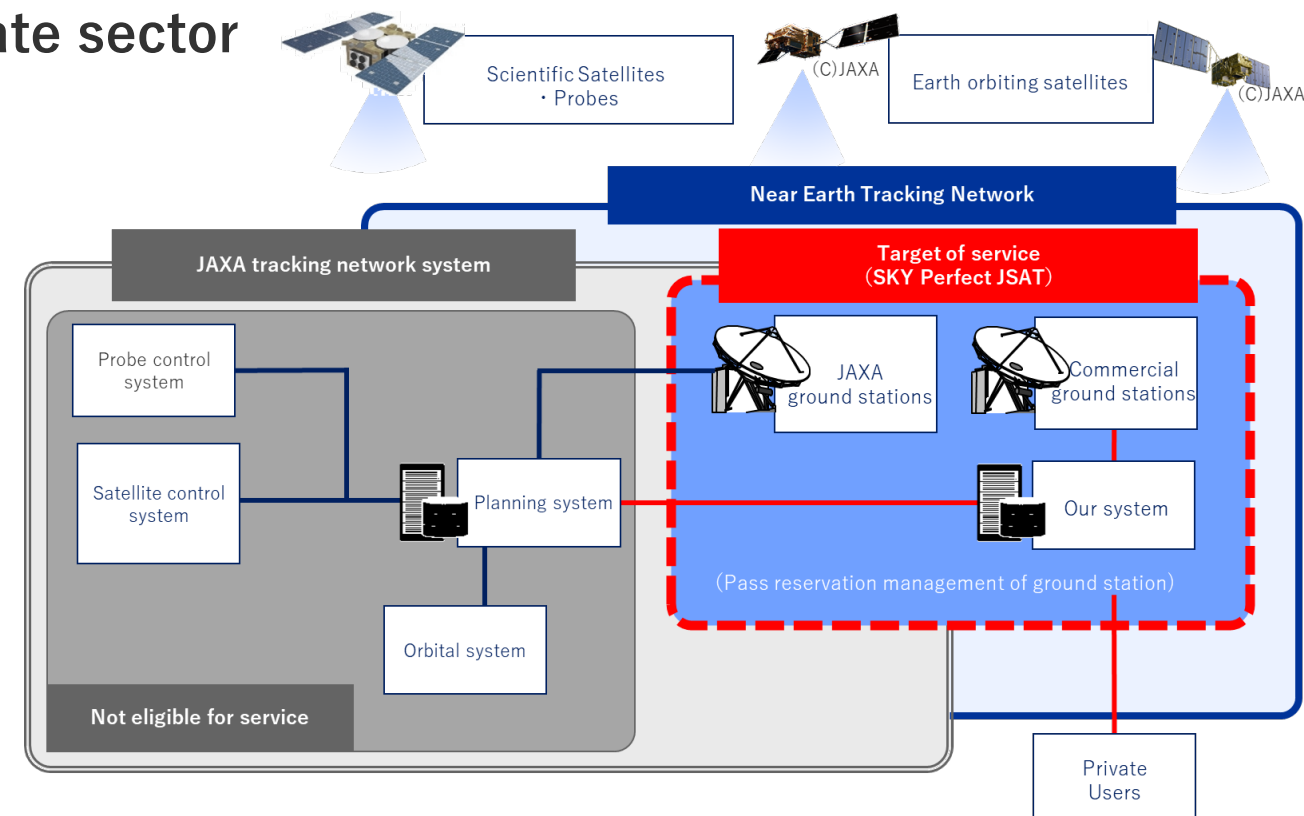


Horizons-4 image

Providing Near Earth Tracking Network Services for JAXA

- Aiming to extend the services to the private sector
- Expand business domains by leveraging our decades of experience to cultivate the new business domain

※Near Earth Tracking Network for communication between satellites in outer space and the earth ground antennas installed at home and abroad, and any system that manages a plan for using these antennas



Overview of Near Earth Tracking Network System Structure

With our experience and expertise in space business, we are engaged actively in efforts to contribute in national security

- Strengthening collaboration and cooperation with government officials
- Aiming to participate in Japan-U.S. Joint Space Utilization
- Developing our business areas in response to increasing use-cases in space

Our focus areas

Data collection
using satellites from space

Space situation awareness

Construction of
satellite constellation

Enhance of Space System
Survivability including satellites

Contribution
area

Satellite data service
(optical satellites, SAR satellites,
radio wave gathering satellites)

Satellite communication
service
(multi-orbit and multi-band)

Space situation
awareness service

Satellite constellation

Satellite optical
data relay service

Quantum key
distribution service

Media Business Vision

MEDIA



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

Multi-channel / Basic services / Live · VOD

Broadcasting

Live · VOD
Niche contents

Distribution

Event
merchandise / Tour

Real

Real
Experience



Fan Experience

Business foundation

FTTH
re-transmission

Contact Center

SKY PerfectTV!
Tokyo Media Center

Media
Solutions

Media
HUB Cloud

Content
Database

2030
Segment
Net Income
¥5 billion

"Broadcasting + Distribution" of popular sports & idol live

MEDIA

Broadcasting · Distribution



Convenient distribution service to watch outside besides broadcasting on TV

Professional Baseball League
ALL 12 Teams

All game broadcasting · distribution live broadcasts



Hello Project WEEK & Hina Fes.
broadcasting · distribution



Deutsche Bundesliga
Live distribution for all games



J-League YBC Levain Cup
All game broadcasting · distribution



Holding Events in a Wide Range of Genres

MEDIA

Real services



Enhance real services and expand fan experience

Deutsche Bundesliga Japan Tour 2023



- To invite FC BAYERN MÜNCHEN, the 10th consecutive champion
- Friendship match with Kawasaki Frontale will be held in July

Takarazuka limited event



- Limited event for SKY PerfecTV! original programs
- A one-day premium without broadcasting and distribution
- Limited merchandise sales at venues with purchase benefits

Expanding the Service Provision Area of FTTH Redistribution

MEDIA

FTTH



FTTH redistribution service started in Okinawa prefecture from March 30, 2023.

●Number of FTTH available households: 42.80M (in 37 prefectures)

●Household coverage ratio: 76%* (to total number of households in 47 prefectures)

*calculation based on number of households in national census

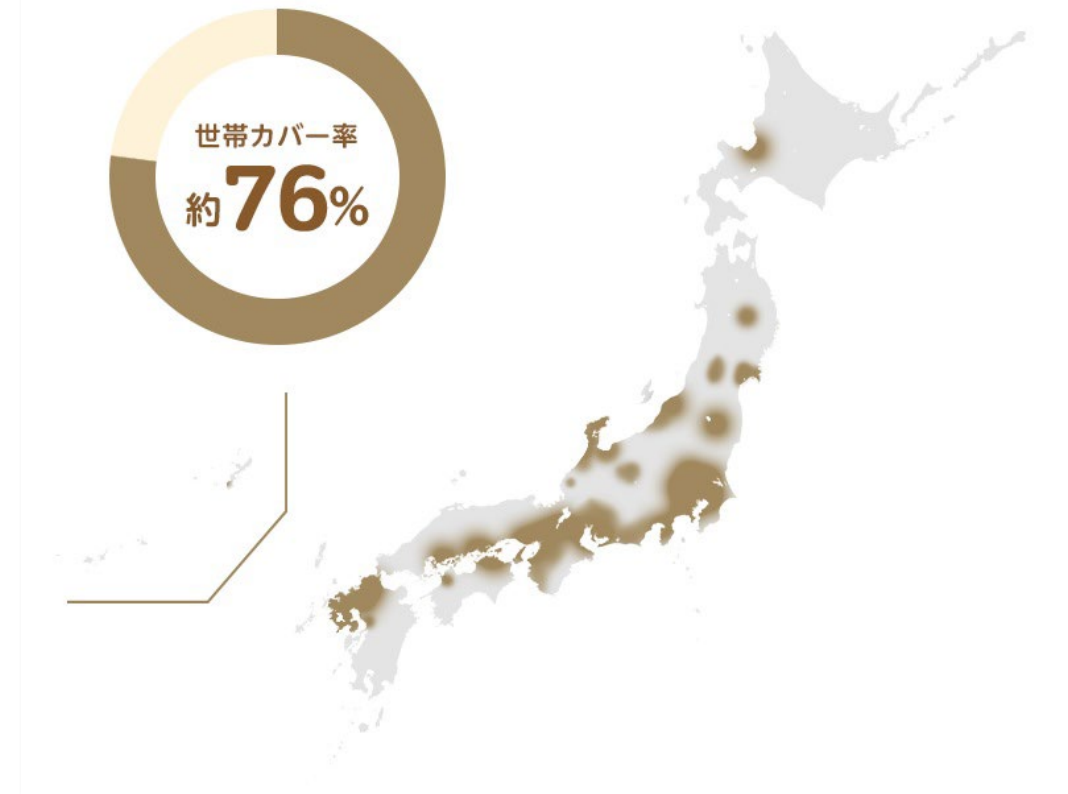
Service provision area: 37/47 prefectures in Japan

East

Hokkaido, Iwate, Yamagata, Miyagi, Fukushima,
Tokyo, Kanagawa, Chiba, Saitama,
Ibaraki, Tochigi, Gunma, Niigata, Nagano

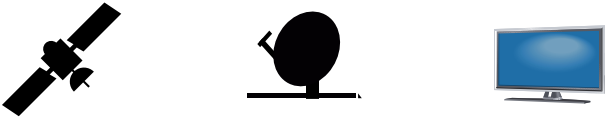
West

Aichi, Shizuoka, Gifu, Mie, Ishikawa, Toyama, Fukui,
Osaka, Hyogo, Kyoto, Shiga, Nara, Wakayama,
Okayama, Hiroshima, Kagawa, Ehime, Tokushima,
Fukuoka, Saga, Nagasaki, Kumamoto, Okinawa



Contribute to solve corporate issues by our Assets and Know-How

Video transmission service for CATV stations



Using satellite communications and viewing control functions to solve CATV Station Challenges

<Major Introduction Benefits>

- Reduction of capital investment costs
- No STB required
- Continue multi-channel broadcasting services

Versatile distribution services

(collection, processing, transmission, analysis, operation, monitoring)



Solving the issues faced by video distribution operators by using video collection and distribution capabilities centered on the SKY PecTV/Tokyo Media Center



Call-center services for consumer facing businesses



Consigned call center operations of mail-order companies, etc., using know-how cultivated in handling paid broadcasting customers

Example:

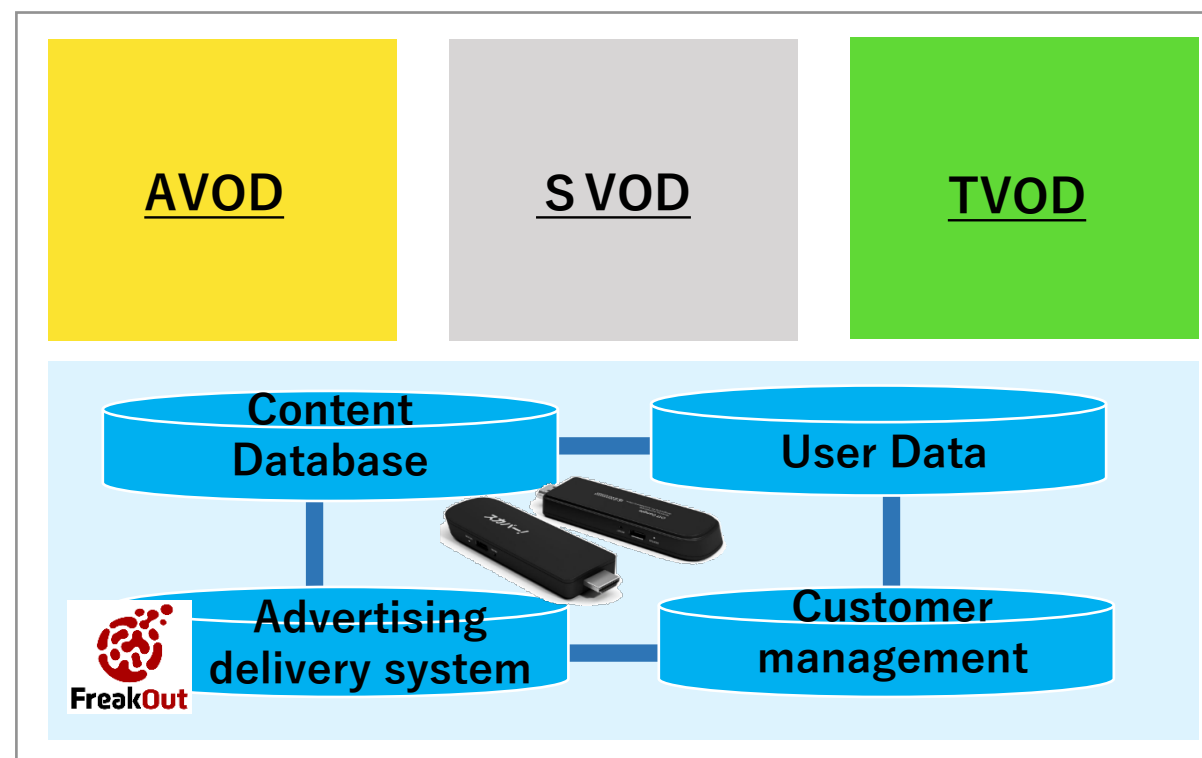
pharmaceutical company, precision equipment manufacturer, confectionery manufacturer, mail order company, etc.

Aiming to Realize a Hybrid Platform for Broadcasting and Distribution

SKY PerfecTV!



Distribution services

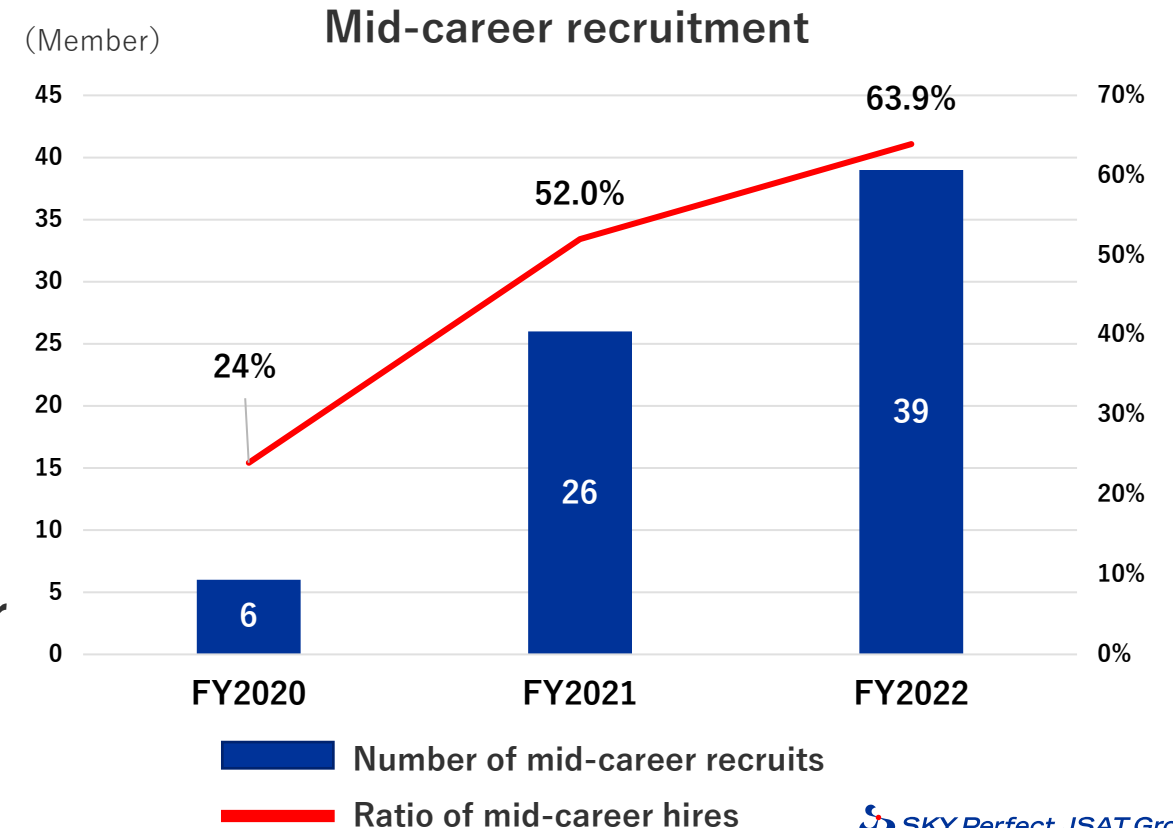


Strengthening Human Capital



Establishment of Human Resource Strategy "Revitalization of Employees and Organizations as Driving Forces for Change" to Realize Management Strategy

- Redefine materiality centered on “Human capital investment” and “Enhancing engagement”
- Initiatives to Develop and Secure Human Resources for Innovation*
 - Launched a new personnel system
 - Early selection of high performers, etc.
 - Strengthen mid-career recruitment of specialist human resources required for growth in space and media businesses
 - Expansion of voluntary training programs
 - Raised starting salaries and raised wages for non-managers (average rate of wage increase +5%)



*All initiatives at SKY Perfect JSAT Co., Ltd.

Space for your Smile

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



References

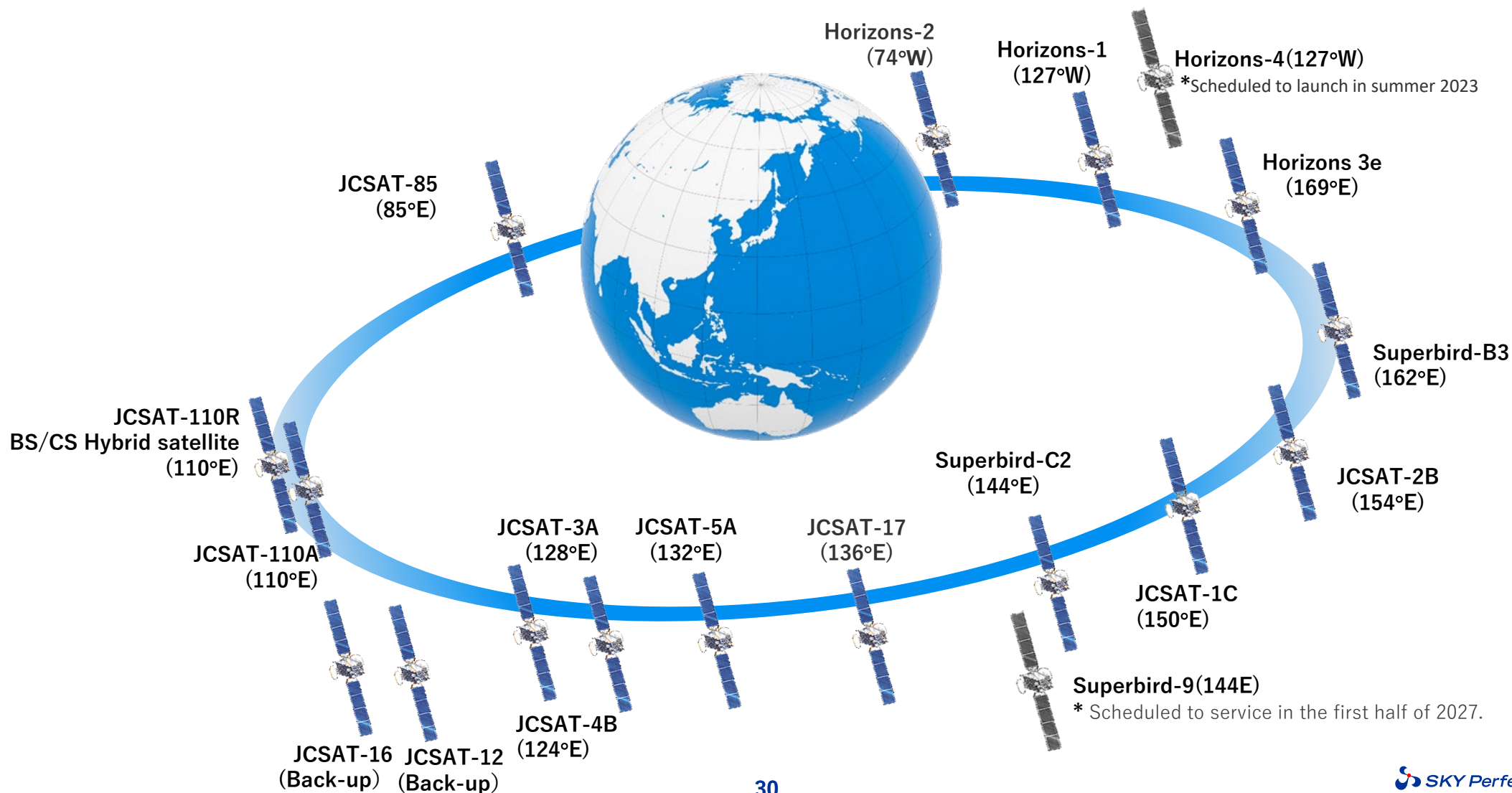


Satellite Fleet Update

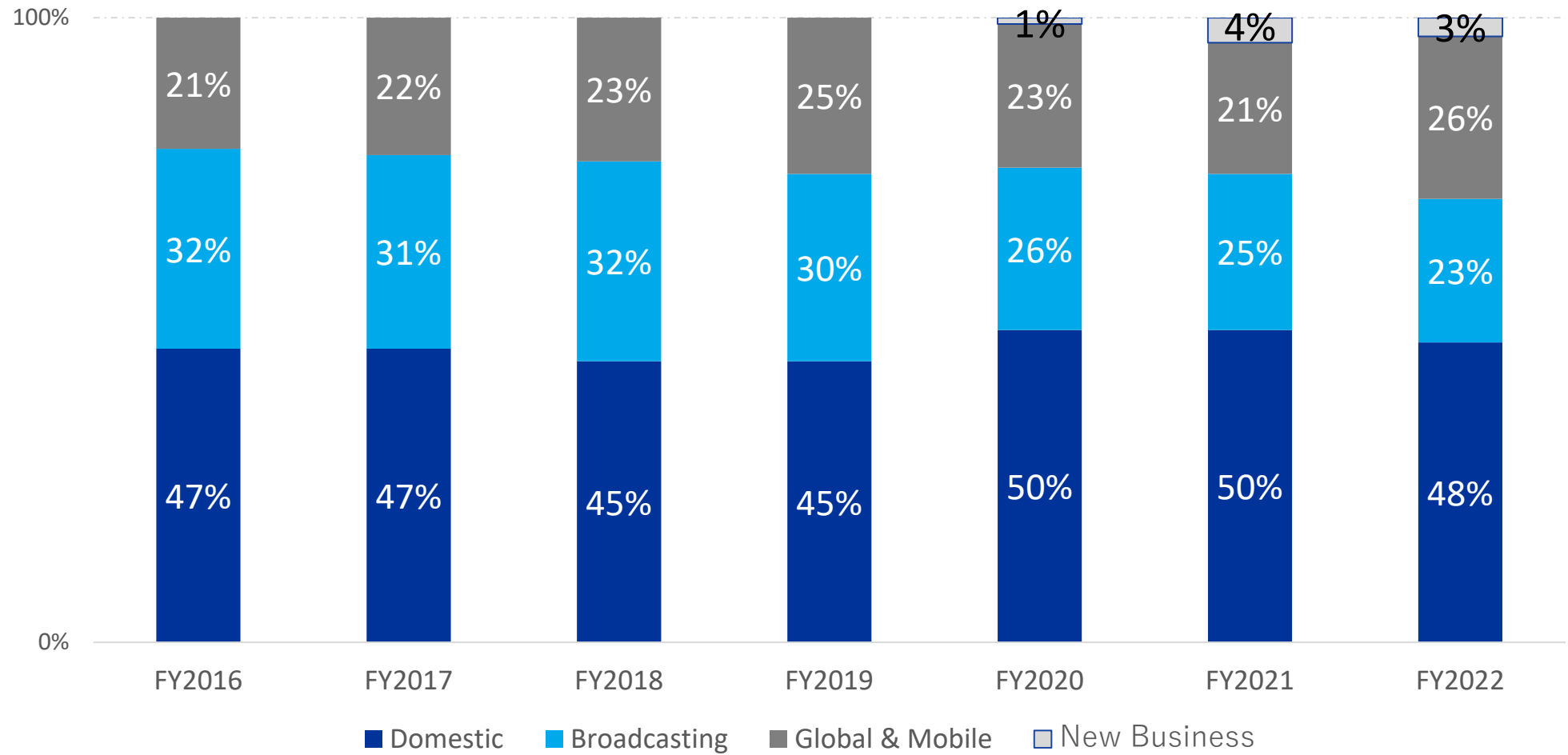


A total of **16** satellites covering from North America to the Indian Ocean

(As of the end of March 2023)



Revenue Composition ratio in Space Business

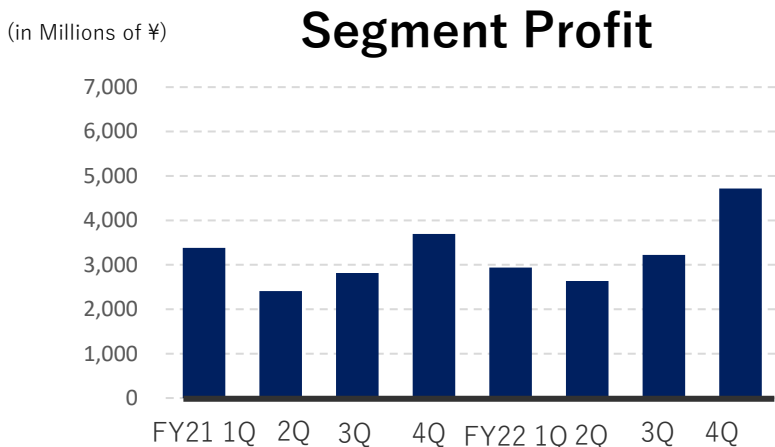
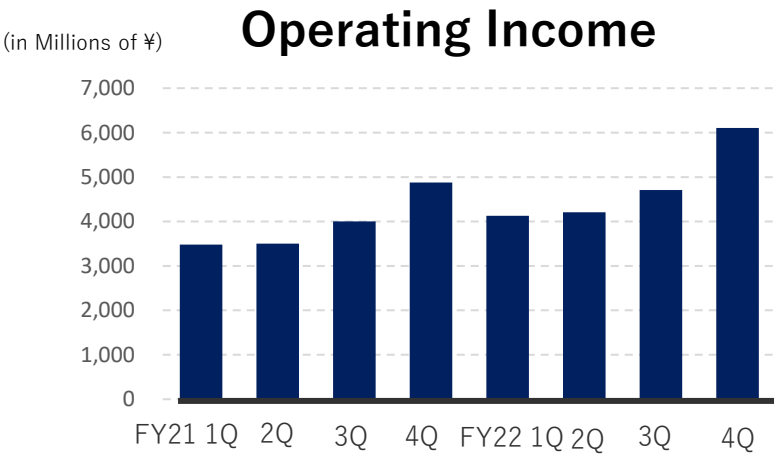
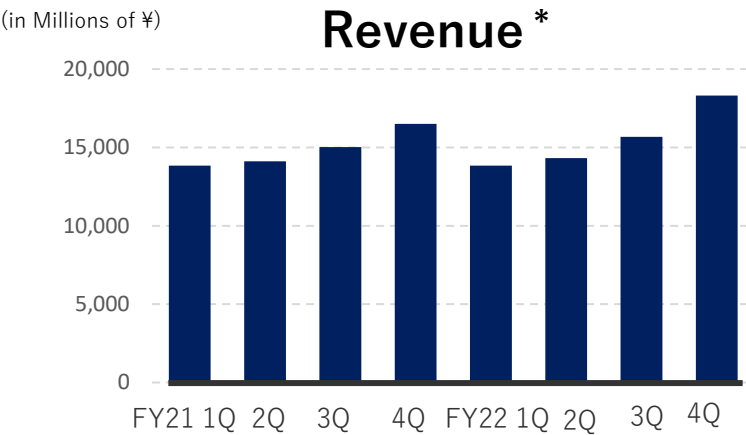


※Excluding the impact of the sale of communications satellites to the Ministry of Defense in FY2016 and FY2018
※Accounting Standard for Revenue Recognition, etc. adopted from FY2021
※Revenue composition ratio of FY2021 was recalculated by replacing a part of earth observation image sales from Domestic into New Business.

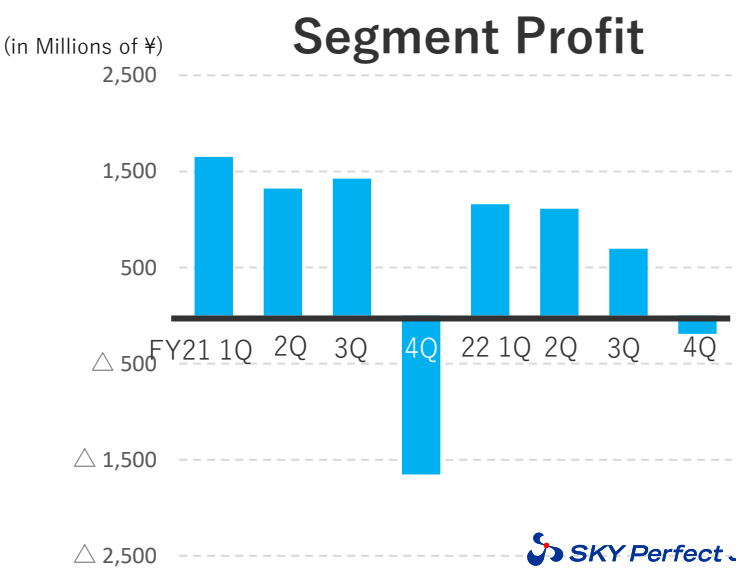
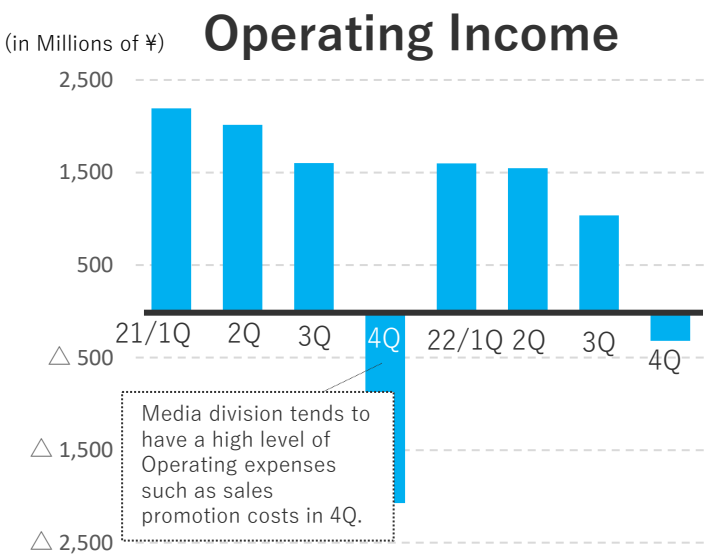
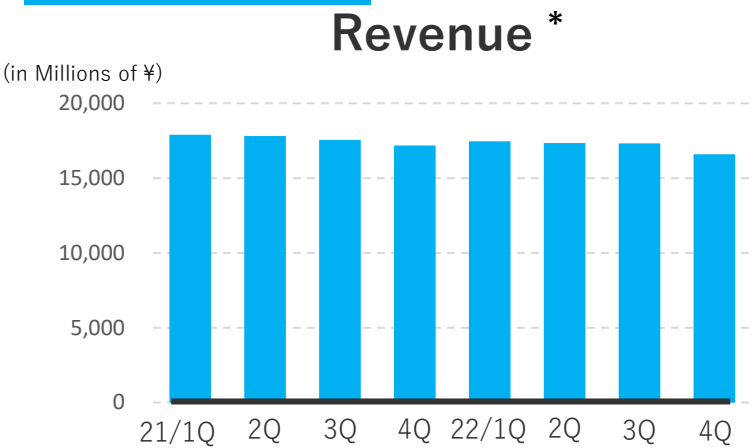
Trends of Quarterly Financial Results by Segment



Space Business



Media Business



* Including inter-segment transactions

Trends of Quarterly Financial Results by Segment



(in Millions of ¥)

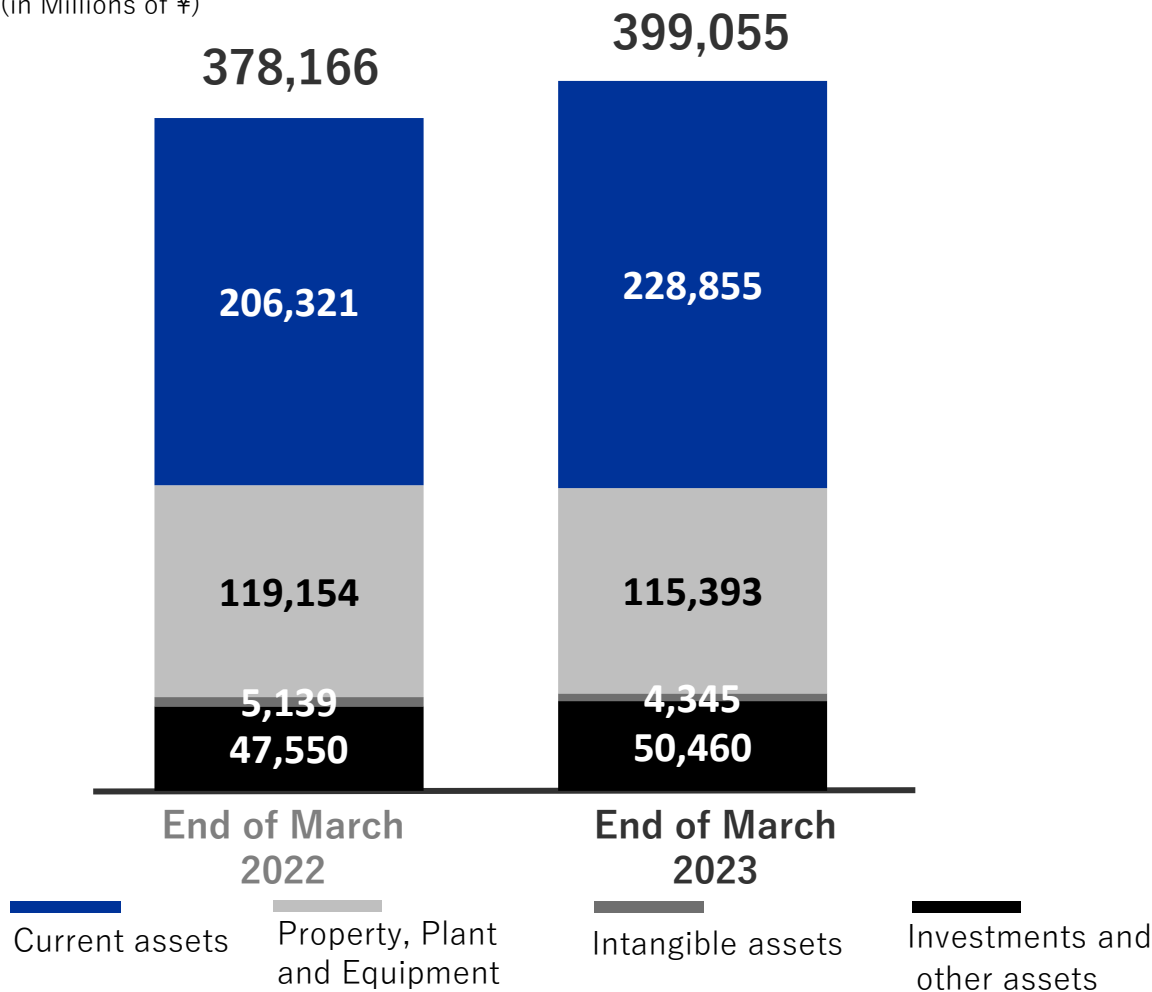
	FY2021					FY2022				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Revenue	29,078	29,311	30,046	31,196	119,632	28,806	29,190	30,597	32,545	121,139
Space	13,843	14,121	15,030	16,504	59,500	13,841	14,319	15,677	18,314	62,154
Media	17,896	17,811	17,557	17,181	70,447	17,463	17,340	17,326	16,601	68,733
Consolidated Elimination	(2,661)	(2,621)	(2,542)	(2,489)	(10,314)	(2,499)	(2,470)	(2,406)	(2,370)	(9,747)
Operating Profit	5,493	5,360	5,402	2,606	18,862	5,551	5,595	5,566	5,609	22,324
Space	3,480	3,503	4,004	4,878	15,867	4,128	4,208	4,708	6,106	19,151
Media	2,193	2,016	1,602	(2,072)	3,740	1,598	1,546	1,036	(318)	3,863
Consolidated Elimination	(181)	(160)	(204)	(200)	(745)	(175)	(158)	(178)	(177)	(690)
Segment Profit (Profit attributable to owners of the Parent)	4,929	3,604	4,119	1,926	14,579	4,033	3,669	3,683	4,423	15,810
Space	3,380	2,409	2,815	3,693	12,298	2,938	2,637	3,221	4,717	13,515
Media	1,652	1,323	1,426	(1,653)	2,749	1,159	1,113	696	(189)	2,779
Consolidated Elimination	(103)	(128)	(121)	(113)	(468)	(64)	(81)	(234)	(104)	(484)

Consolidated Balance Sheet



Assets

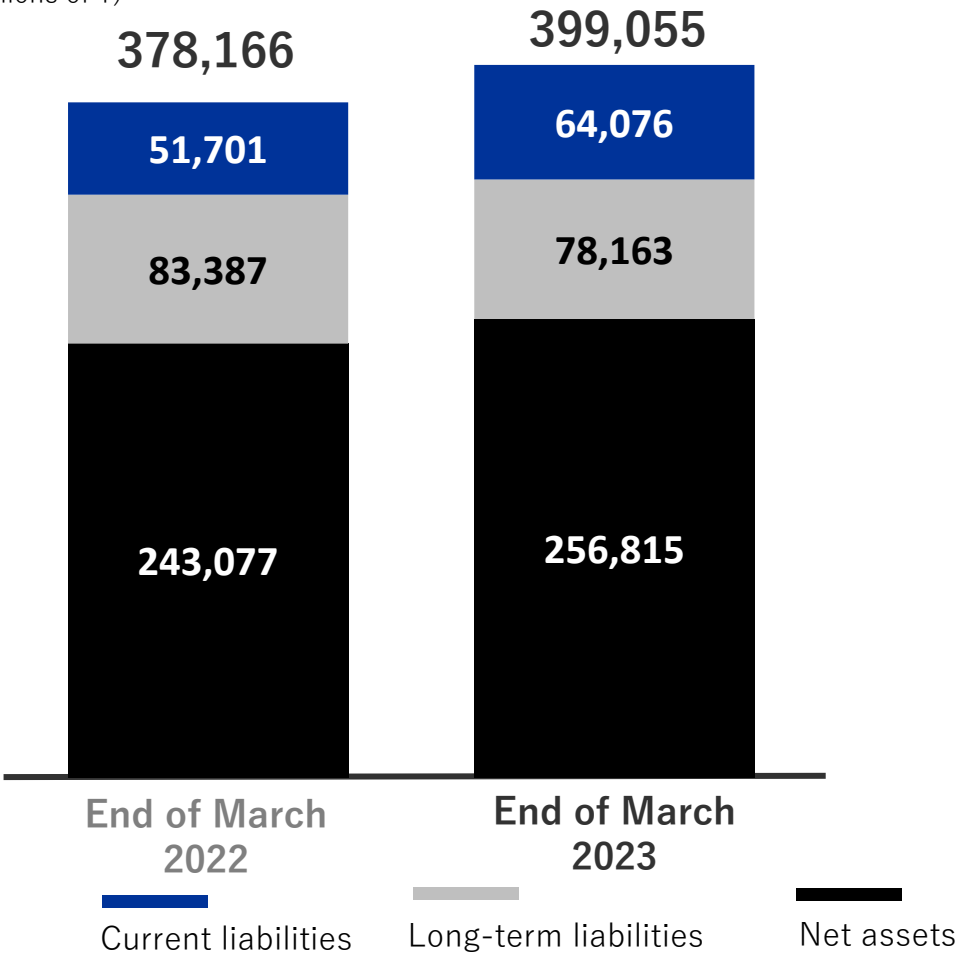
(in Millions of ¥)



Liabilities and Net Assets

Equity Ratio : 64.0% ➡ 64.0%

(in Millions of ¥)



FY2023 Depreciation expense (Plan)



(Billions in ¥)

	FY2022 Result	FY2023 Plan	Change
Depreciation expense	21.2	20.3	(0.9)
Space Business	13.9	13.2	(0.7)
Media Business	7.0	6.8	(0.2)
Others	0.3	0.3	0

FY2023 Investment Plan



(in Billions of ¥)

	FY2022 Result	FY2023 Plan	Change	Notes
① CAPEX	16.8	30.5	13.7	
Space Business	14.7	25.3	10.6	Satellite procurement, etc.
Media Business	1.9	5.0	3.1	Broadcasting facilities, etc.
Others	0.1	0.2	0.1	
② Business investment	3.5	3.5	0	
① + ② Investment Total	20.3	34.0	13.7	

Consolidated Cash Flows



(in Millions of ¥)

	FY2021	FY2022
Net Cash from Operating activities	36,507	57,630
Net Cash from Investing activities	(7,737)	(16,870)
Free Cash Flows ^{*1}	28,770	40,760
Net Cash from Financing activities	(16,405)	(19,422)
Cash and Cash Equivalents at Term-end(a)	85,914	107,908
Interest-bearing Debt at Term-end ^{*2} (b)	85,351	73,547
Net Interest-bearing Debt at Term-end (b) – (a)	(562)	(34,361)

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

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

Earnings Results of Subsidiaries



(Millions in ¥)

		SJC	SPCC	SPET	SPBC	JII	JMC
Business Description		Provision of Broadcasting Platform and satellite communications	Customer Center operations for multichannel Pay TV services, etc.	Licensed broadcaster providing multichannel pay TV services	Planning, production of content, technical support and provider of programs	Sale of satellite connections in North America, Russia, and Asia-Pacific	A provider of mobile satellite communications services
Share (%)		100.0	100.0	100.0	100.0	100.0	53.3
Revenue	FY2021/4Q	112,662	5,854	15,665	2,361	4,344	3,456
	FY2022/4Q	114,452	5,880	14,005	1,269	5,416	4,948
Operating Income	FY2021/4Q	17,944	385	418	309	956	558
	FY2022/4Q	19,817	423	299	257	1,568	921
Ordinary Income	FY2021/4Q	22,569	387	424	309	1,102	603
	FY2022/4Q	21,096	424	365	260	1,731	953

SJC: SKY Perfect JSAT Corporation
 SPCC: SKY Perfect Customer-relations Corporation
 SPET: SKY Perfect Entertainment Corporation
 SPBC: SKY Perfect Broadcasting Corporation

JII: JSAT International Inc.
 JMC: JSAT MOBILE Communications Inc.

Annual Target of Subscribers (FY2023)

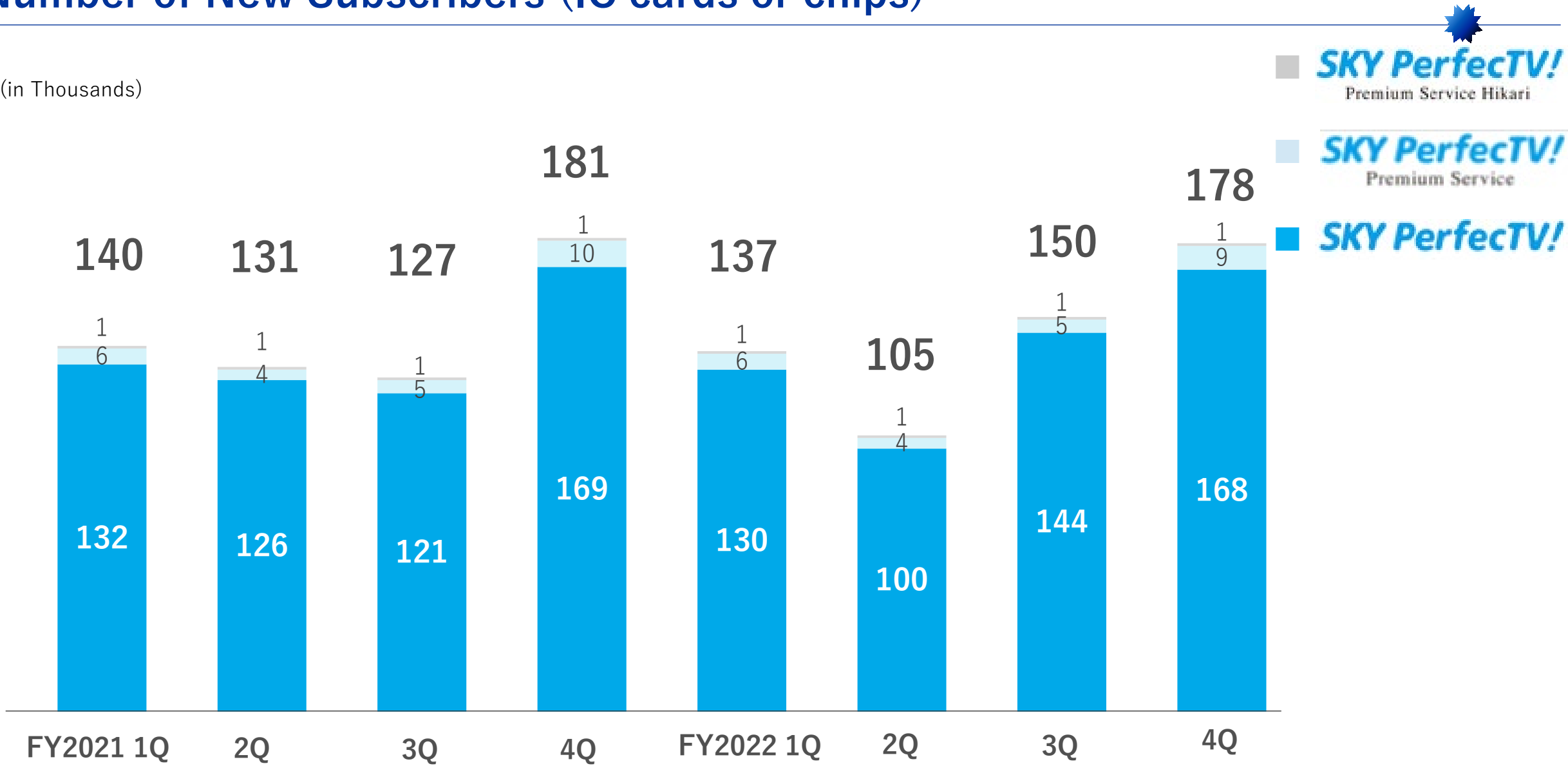
SKY PerfecTV!



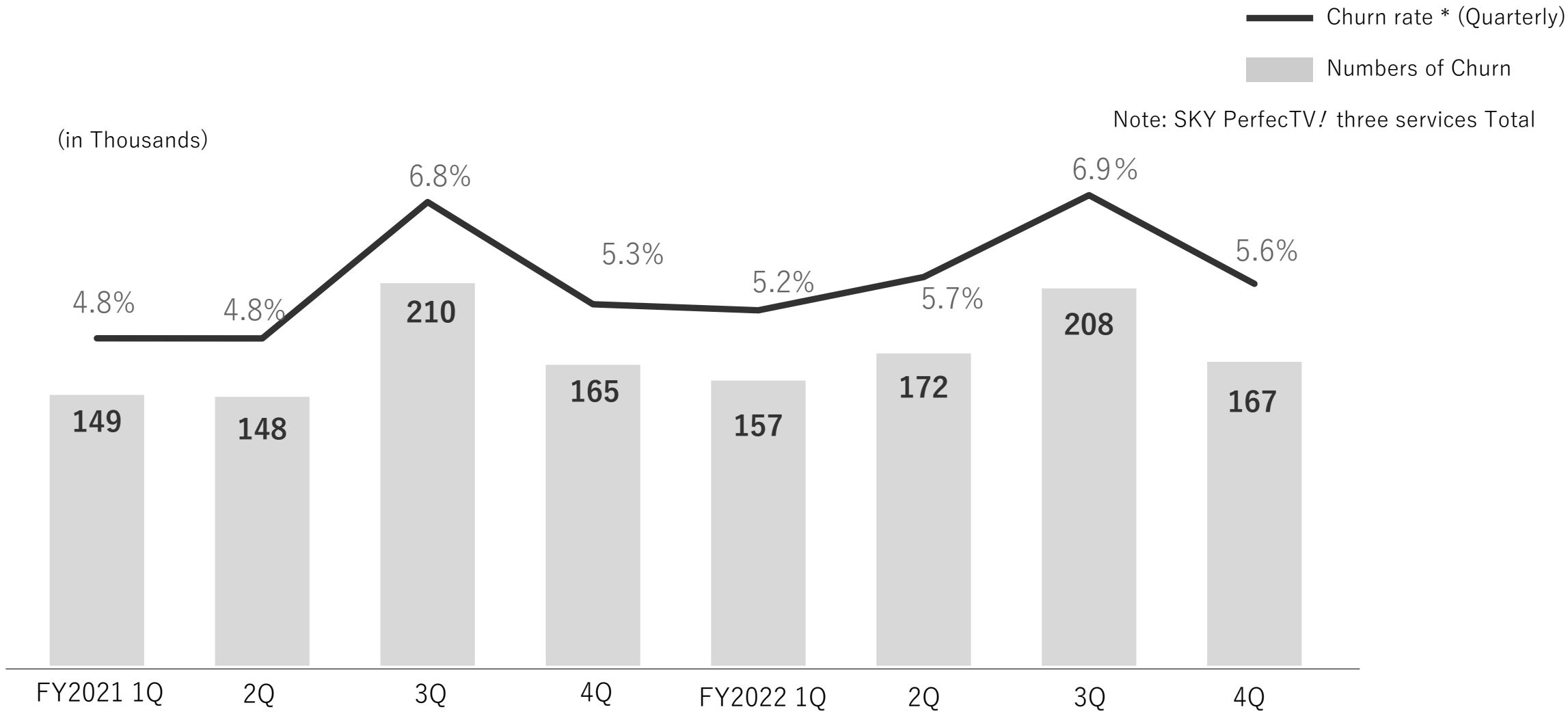
(in 10 Thousands)	FY2021	FY2022	Annual Target For FY2023
New Subscribers (IC cards or chips)	57.9	57.0	56.4
Net Increase (IC cards or chips)	(9.4)	(13.3)	(13.3)
- SKY PerfecTV!	(1.2)	(6.3)	(5.4)
- SKY PerfecTV! Premium Service	(7.8)	(6.6)	(7.5)
- SKY PerfecTV! Premium Service Hikari	(0.4)	(0.4)	(0.4)
Cumulative number of subscribers (IC cards or chips)	300.8	287.5	274.2
Cumulative number of contractors (contracts)	239.5	226.1	212.6
Number of subscribing households of Optical Fiber Based Re-transmission service (million)	254.2	264.0	273.5
Average Monthly Contractor's Payment (Yen)			
- SKY PerfecTV!	3,326	3,329	—
- SKY PerfecTV! Premium Service	3,557	3,517	
- SKY PerfecTV! Premium Service Hikari	5,109	5,054	

Number of New Subscribers (IC cards or chips)

(in Thousands)



Churn Rate (IC cards or chips)

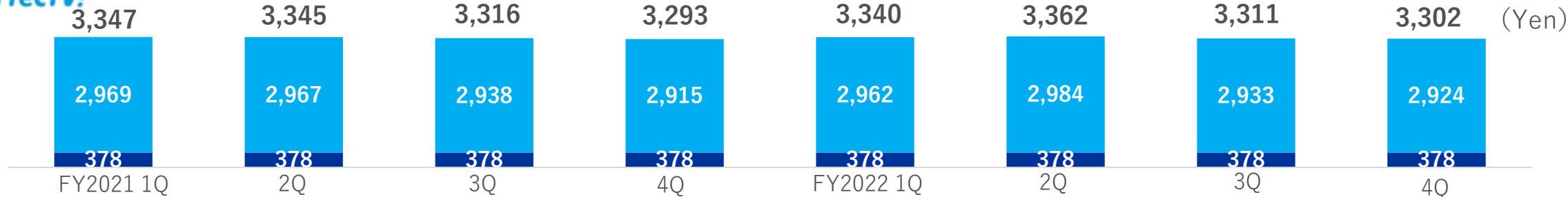


* The churn rate is calculated by dividing the total number of cancellations for each quarter by the cumulative number of subscribers at the end of the previous fiscal year.

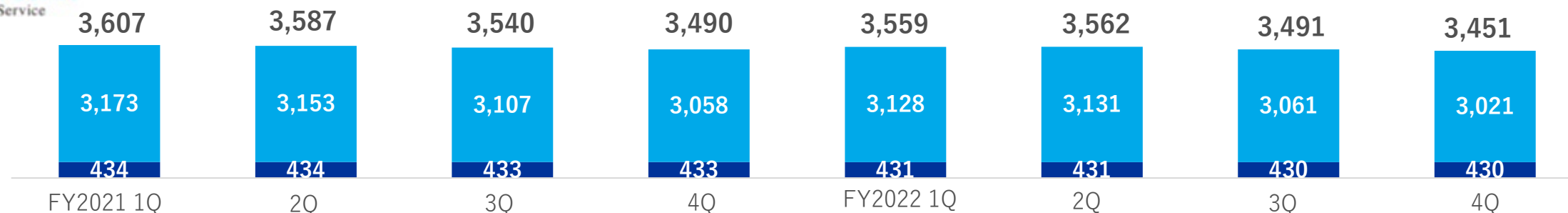
Average Monthly Contractor's Payment ^{*1}



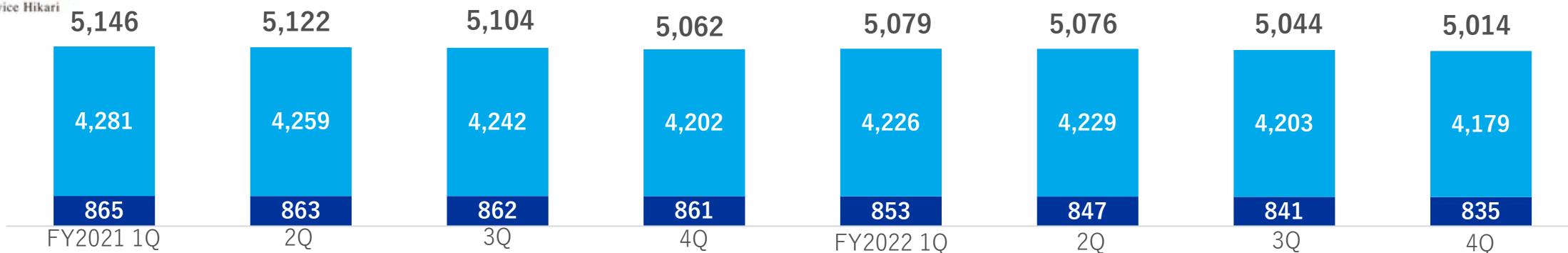
SKY PerfectTV!



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.

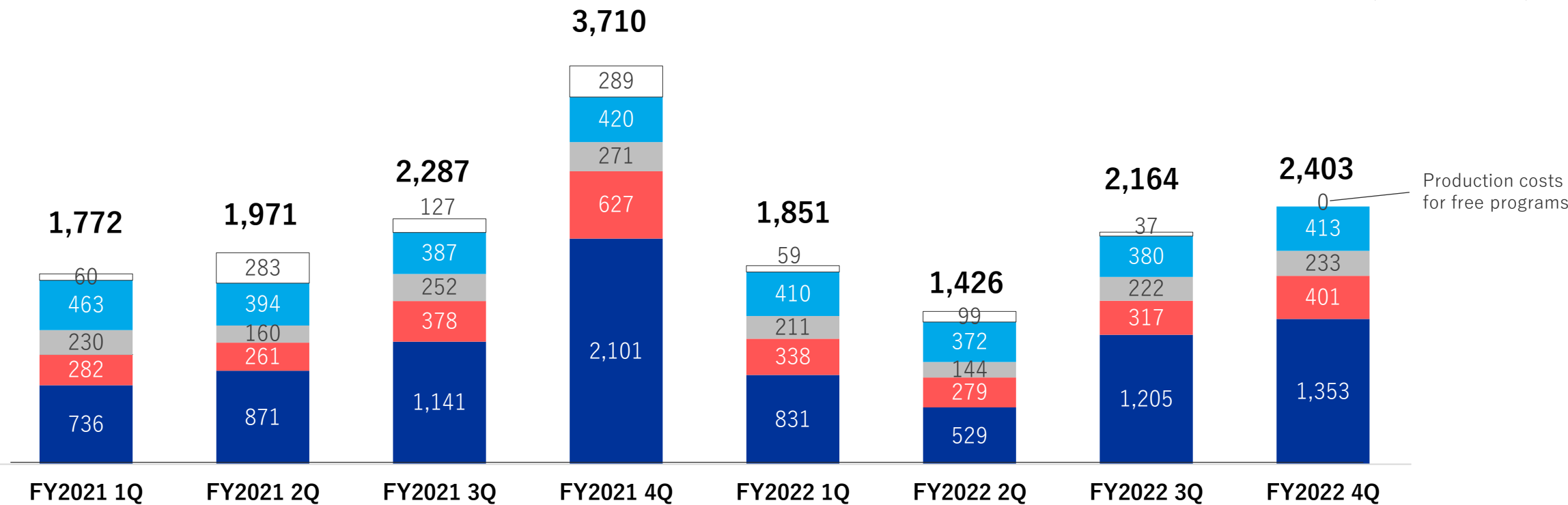
■ Basic fees and other^{*2}

■ Viewing fees

Total Subscribers Acquisition Cost (SAC)

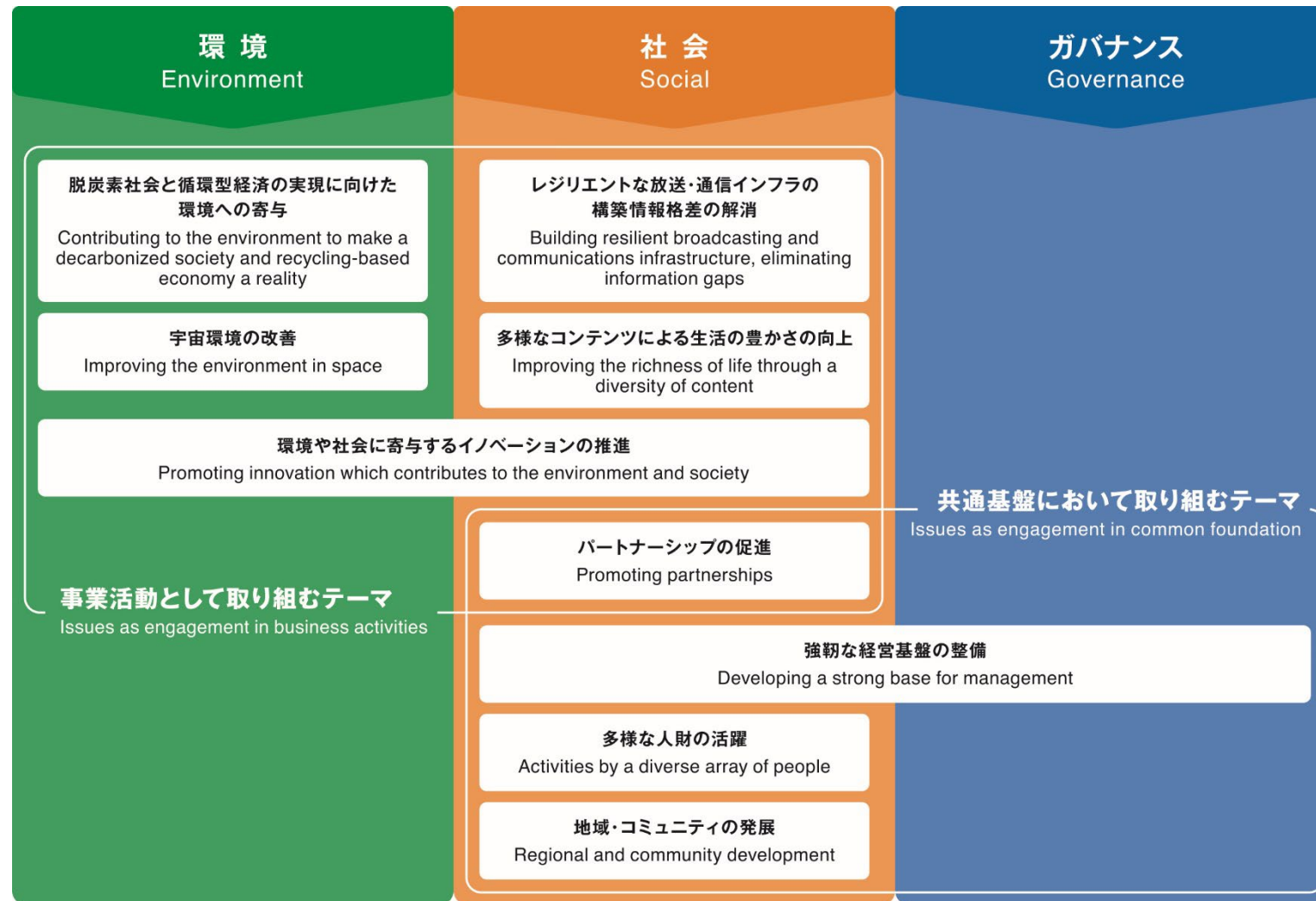
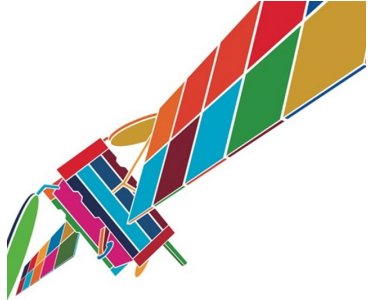


(in Millions of ¥)



- 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 PerfecTV! Customer service center, etc.
- Production costs for free programs: Costs associated with production cost for free programs such as BS SKY PerfecTV!

9 (Nine) Important Materiality Themes

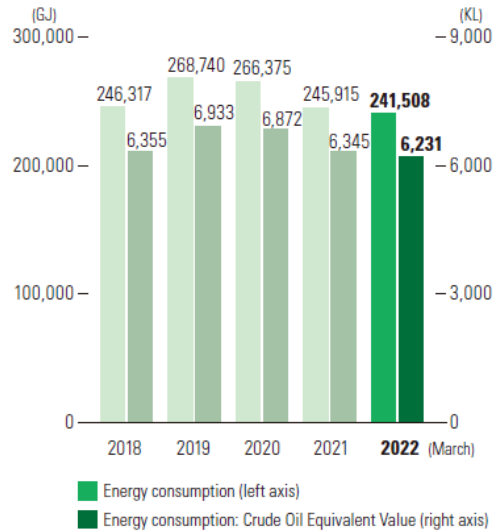


Please view here for the details of the sustainability of the Group
<https://www.skyperfectjsat.space/en/sustainability/>

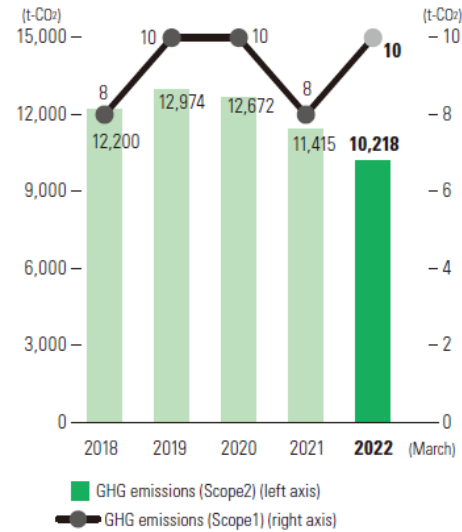
ESG Data



Energy consumption



GHG emissions



Total waste emissions

FY2021 (Apr. 1, 2021 - Mar. 31, 2022)	(t)
Total amount of industrial waste, etc.	95.917
Total amount of general waste, etc.	54.594
Total emissions	150.511

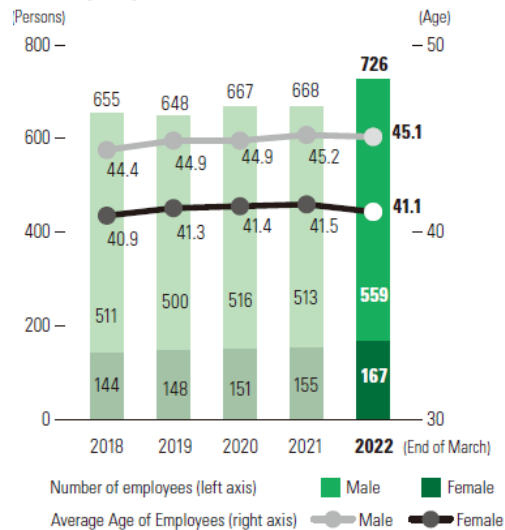
Scope 1: Greenhouse gas (GHG) emissions released directly into the atmosphere at the GHG emissions source

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))

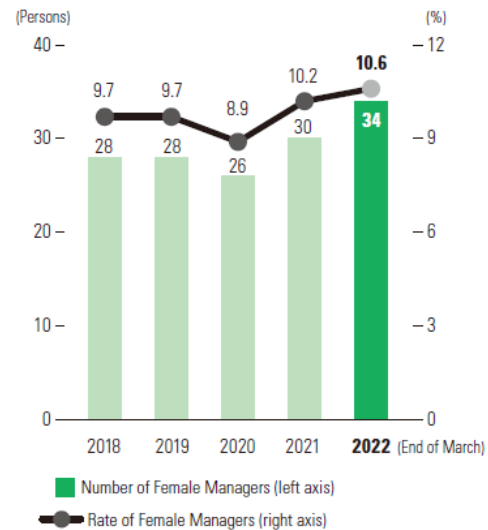
GJ (gigajoule: unit of energy), t-CO₂ (tonne weight: weight indication for the amount of energy used converted on a CO₂ basis)

We will disclose the data of FY2022 on our web site at the end of June.
<https://www.skyperfectjsat.space/en/sustainability/>

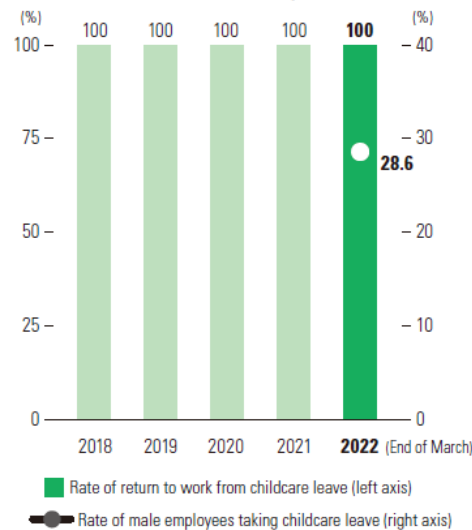
Number of employees and Average Age of Employees



Number and Rate of Female Managers



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



Rate of Disabled in the Workforce

