

June 25, 2020

SKY Perfect JSAT Holdings Inc.

**SKY Perfect JSAT Group Presentation Material
of Presentation meeting for Release of results for fiscal 2019**

SKY Perfect JSAT Holdings Inc. (Head Office: Minato Ward, Tokyo, Representative Director: Eiichi Yonekura) discloses the results briefing materials to be held on June 26, 2020 as attached.



Earning Results Briefing for FY2019

June 26, 2020

SKY Perfect JSAT Holdings Inc.

Securities code: 9412

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 in light of 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>

- Risks related to constraints imposed on the Group's business due to legal regulations related to Group's business operations
- Risks related to customer information security and trouble of customer information management system
- Risks related to major equipment failures due to large-scale disasters

<Risks related to Satellite Infrastructure>

- Risks related to communications satellite malfunctions and/or impaired operations
- Risks related to communications satellite acquisition
- Risks related to securing satellite insurance

<Risks related to Multichannel Pay TV Broadcast Platform Services>

- Risks related to subscriber acquisition/retention
- Risks related to broadcasters
- Risks related to subscriber management system
- Risks related to IC card security, etc.

Consolidated Business Performance for FY2019

Summary of Income Statements

- Operating revenue decreased year on year due to the divergence of sales of satellite to the Ministry of Defense.
- Profit attributable to owners of parent increased over the previous year due to a decrease in tax expenses resulting from the merger between consolidated subsidiaries.
- The impact of the COVID-19 on Fiscal Year 2019 results was minor in both Media and Space businesses.

(Unit: ¥ millions)

	FY2018	FY2019	Year-On-Year Comparison
Revenue	164,014	139,541	(14.9%)
Operating Income	15,290	15,263	(0.2%)
Ordinary Income	16,640	16,088	(3.3%)
Profit Attributable to Owners of Parent	9,681	12,027	24.2%
EBITDA *	40,742	41,531	1.9%

* EBITDA is calculated as Net Income + Tax Expense + Goodwill Amortization + Depreciation Expense+ Interest Expense

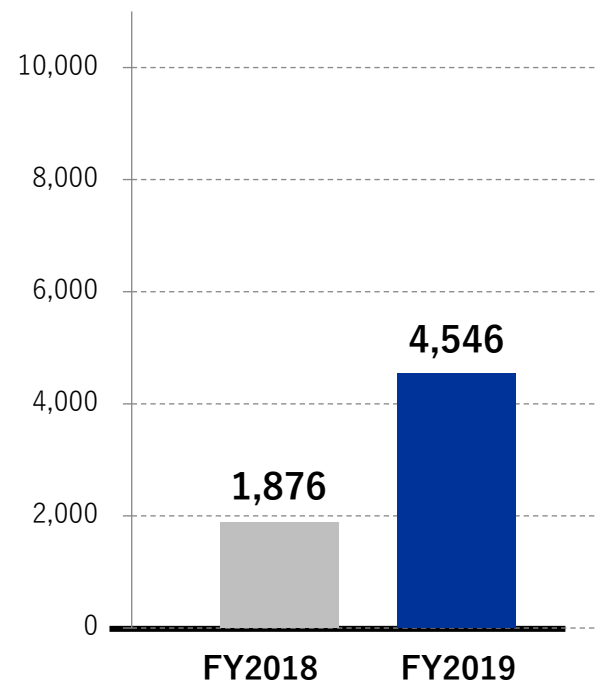
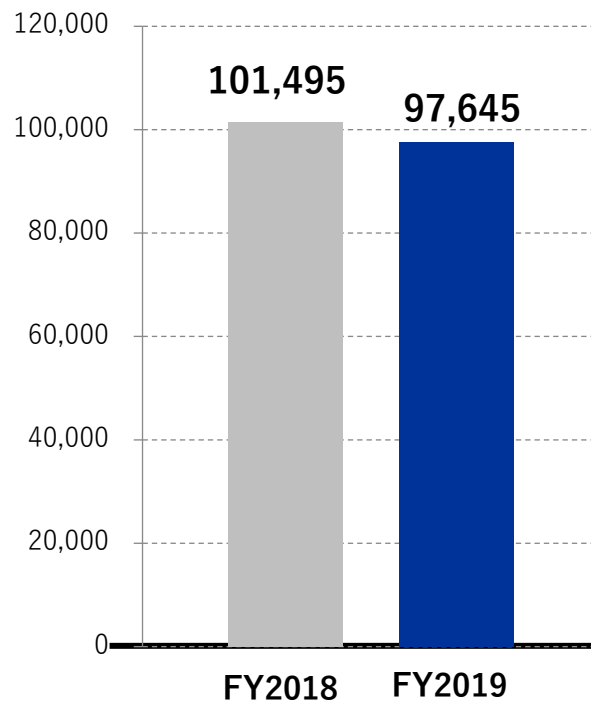
■ Segment profit (net income for the year) was ¥4.5 billion (up ¥2.67 billion from the previous year).

Revenue

Segment profit (net income)

(Unit: ¥ millions)

(Unit: ¥ millions)



Factors causing the changes in segment profit

■ Revenue(¥3.9 billion)*

- Decrease in subscription fees: (¥3.9 B)
- Decrease in basic fees:(¥0.6B)
- Decrease in business commission fees: (¥0.4 B)
- Increased revenue from optical re-transmission service fees: +¥1.4 B

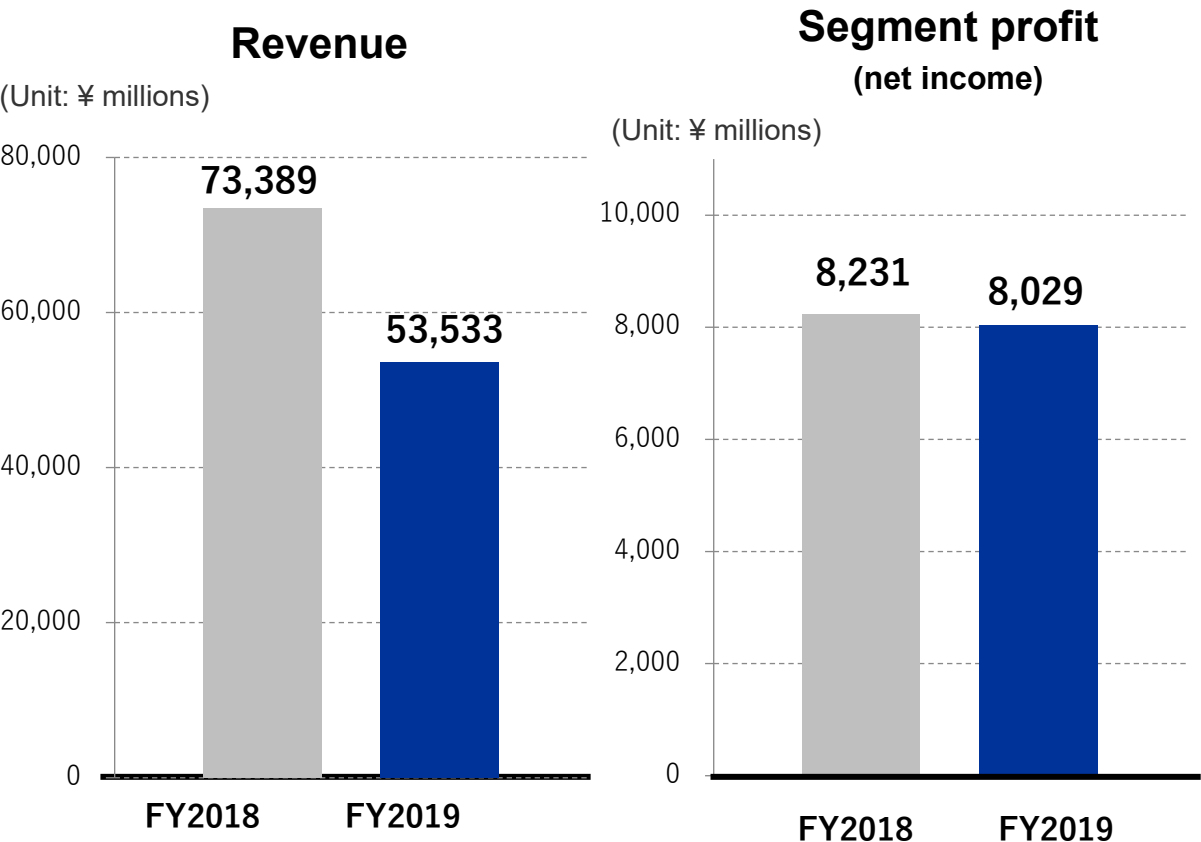
■ Operating expenses (¥4.4 billion)*

- Decrease in program provision expenses: (¥2.0B)
- Decrease in Promotion expenses, etc.: (¥2.2B)
- Increase in usage for transponders: +¥0.6 B
- Increase in depreciation expenses: +¥0.7B

■ Other

- Decrease in tax expenses resulting from the merger between consolidated subsidiaries (¥2.2B)

■ Segment profit (net income for the year) was ¥8.0 billion (down ¥0.2 billion from the previous year).



Factors causing the changes in segment profit

■ Revenue(¥19.9 billion)*

- Increase in North American subsidiary revenue: +¥1.2 B
- Increase in Domestic subsidiary revenue: +¥1.0 B
- Increase in broadcasting transponder-related revenue: +¥0.4B
- Divergence of sales of communication satellite to the Ministry of Defense: (¥23.0 B)

■ Operating expenses: (¥19.3 billion)*

- Increase in North American subsidiary operating expenses: +¥1.9 B
- Increase in depreciation expenses: +¥0.1 B
- Decrease in satellite business related cost, etc.:(¥21.3 B)

■ Other

- Loss on repayment of public funds:+0.3 B

■ **As a corporate group that provides highly public services in the fields of telecommunications and broadcasting, based on the Business Continuity Plan (BCP), we have provided stable services by establishing an operational system.**

- In principle, telecommuting is conducted for all officers and employees.
- Business continuity under reduced operational structure

Yokohama Satellite Control Center/ SKY Perfect Tokyo Media Center/ SKY PerfecTV! Customer Center

■ **Measures for our customers**

Home Standby Support Project

- ✓ Free broadcasting such as anime, movies, music, dramas and public sports
- ✓ Live broadcast of the last performance at Tokyo Takarazuka Theater and Idol-free live performances
- ✓ Special programming of Professional baseball practice games, etc.

Response at Customer Center

- ✓ Extension of payment period for subscription fees, etc.
- ✓ Extension of the deadline for cancellation applications

KUMOLOG(Education support App.)

- ✓ Home standby was getting full-fledged, and the number of app downloads is 10 times or more up. 7

Forecast for FY2020

- Revenue will increase year on year due to the start of JCSAT-17,
but Profit attributable to owners of parent will decrease due to the impact of the COVID-19.

(Unit: ¥ millions)

	FY2019	FY2020	Year-On-Year Comparison
Revenue	139,541	140,000	0.3%
Operating Income	15,263	12,000	(21.4%)
Ordinary Income	16,088	12,500	(22.3%)
Profit Attributable to Owners of Parent	12,027	8,000	(33.5%)
EBITDA *	41,531	38,000	(8.5%)

- EBITDA is calculated as Net Income + Tax Expense + Goodwill Amortization + Depreciation Expense+ Interest Expense
- JCSAT-17 is included in lease receivables as it is subject to finance lease transactions.

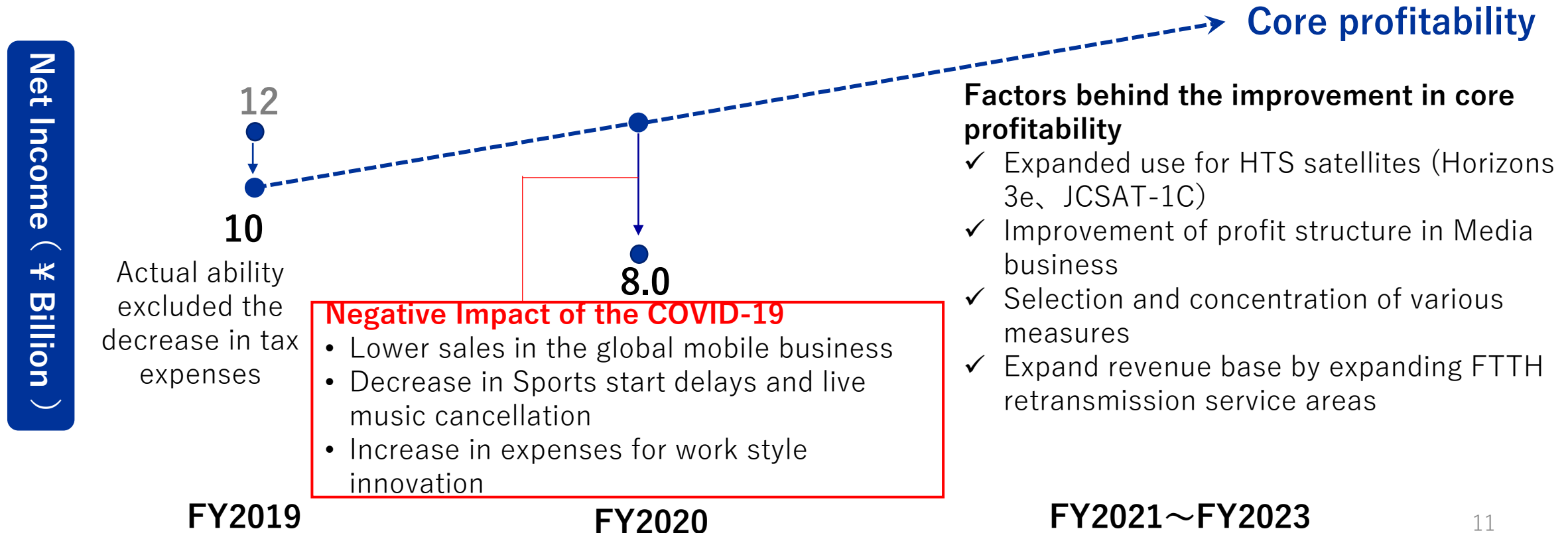
Earning Forecast by business segment for FY2020

(Unit: ¥ millions)

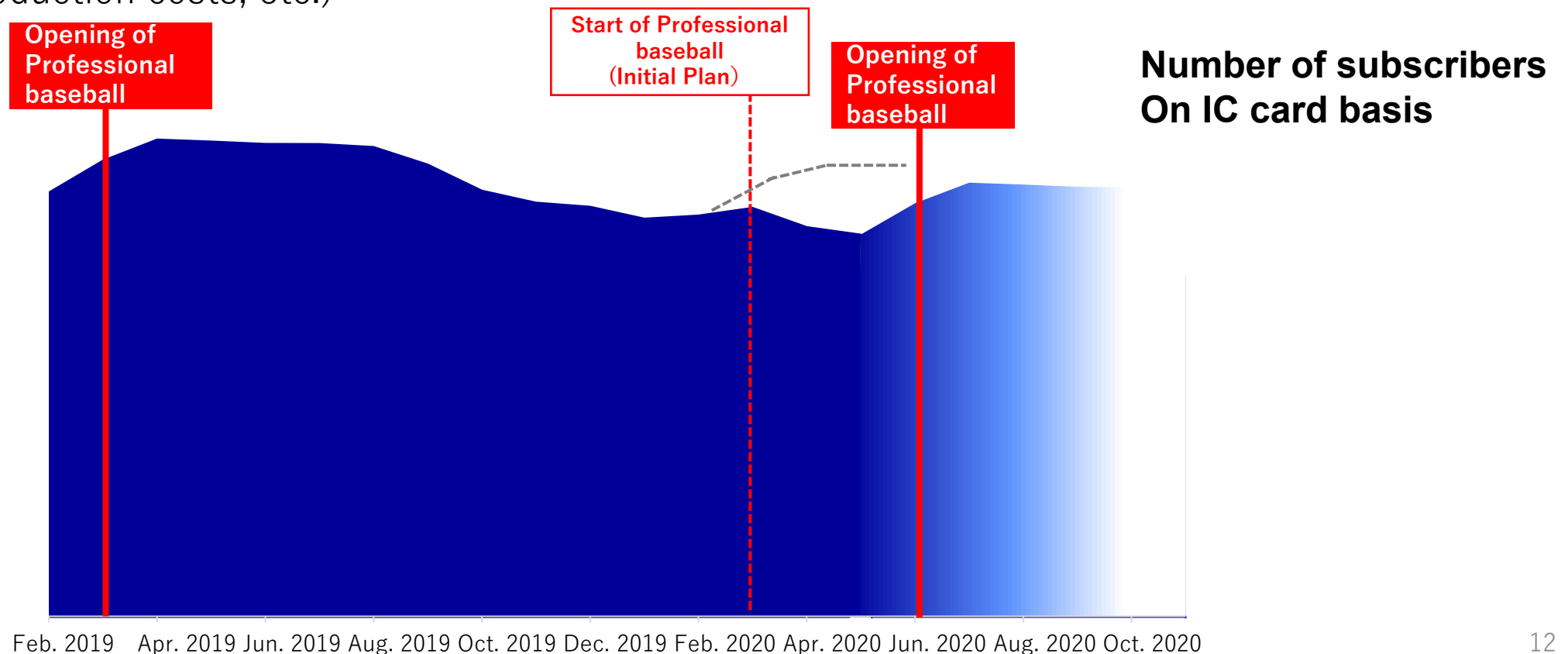
	Forecast for FY2020			
	Media Business	Space Business	Eliminations or Company Total	Consolidated Total
Revenue (Compare to Preceding year)	93,900 (3,745)	57,300 +3,767	(11,200)	140,000 +459
Operating Income (Compare to Preceding year)	2,300 (776)	10,300 (2,601)	(600)	12,000 (3,236)
Segment Profit (Compare to Preceding year)	1,800 (2,746)	6,800 (1,229)	(600)	8,000 (4,027)

■ Net income attributable to parent company shareholders for FY 2020 is expected to be JPY 8 billion.

- Factors behind the year-on-year decline in profits were:
 - ① Special factors in FY2019 included a decrease in tax expenses accompanying the merger of consolidated subsidiaries
 - ② Due to a decline in sales associated with the impact of the COVID-19
- Meanwhile, due to the expanded use of the 3 new satellites introduced in FY2018-2019, core profitability (net income attributable to owners of the parent excluding extraordinary factors) is on an upward trend.



- FY2020**
- ✓ In the first quarter, the opening of sports that can be expected to gain subscribers every year has been delayed. Some music lives were also cancelled. Therefore cumulative number of subscribers is expected to be decreased (delayed). Consequently, commission fee revenue and basic fee revenue are expected to decrease.
 - ✓ Partial postponement of expenses associated with the postponement of the opening of Professional baseball season to the current fiscal year (promotion costs, broadcasting rights, production costs, etc.)



Key Performance Indicators for Media Business (*)

	FY2018 Actual	FY2019 Actual	FY2020 Target
Number of New Subscribers and Re-subscribers (unit : thousands)	643	615	643
Net Increase in Subscribers (unit : thousands)	(15)	(77)	(82)
<i>SKY PerfecTV !</i>	+52	+22	+15
<i>SKY PerfecTV ! Premium Service</i>	(67)	(95)	(92)
<i>SKY PerfecTV ! Premium Service Hikari</i>	0	(5)	(6)
Number of Cumulative Subscribers (unit : thousands) *Number of subscribers who concluded a pay-subscription agreement.	3,248	3,170	3,088
Number of Cumulative Contractors (unit : thousands) *Number of subscribers by contract. Multiple pay-subscription agreements by the same contractor are counted as one.	2,784	2,627	2,492
Average Monthly Subscriber Payment (unit: JPY)			
<i>SKY PerfecTV !</i>	3,267	3,260	—
<i>SKY PerfecTV ! Premium Service</i>	3,686	3,640	
<i>SKY PerfecTV ! Premium Service Hikari</i>	5,258	5,250	

■ SKY PerfecTV! stayhome support Campaign

- ✓ We offer Basic plan with free of charge for 2months (maximum)
- ✓ The campaign is looking good and number of new subscribers in May increased by 64.4% year-on-year



■ Broadcasting Sports content



Professional baseball league started on Jun. 19
Will broadcast all 12 teams official games.



2020 F1 Grand Prix will start on Jul. 2
On FUJITV NEXT/Sukachan 2 4K



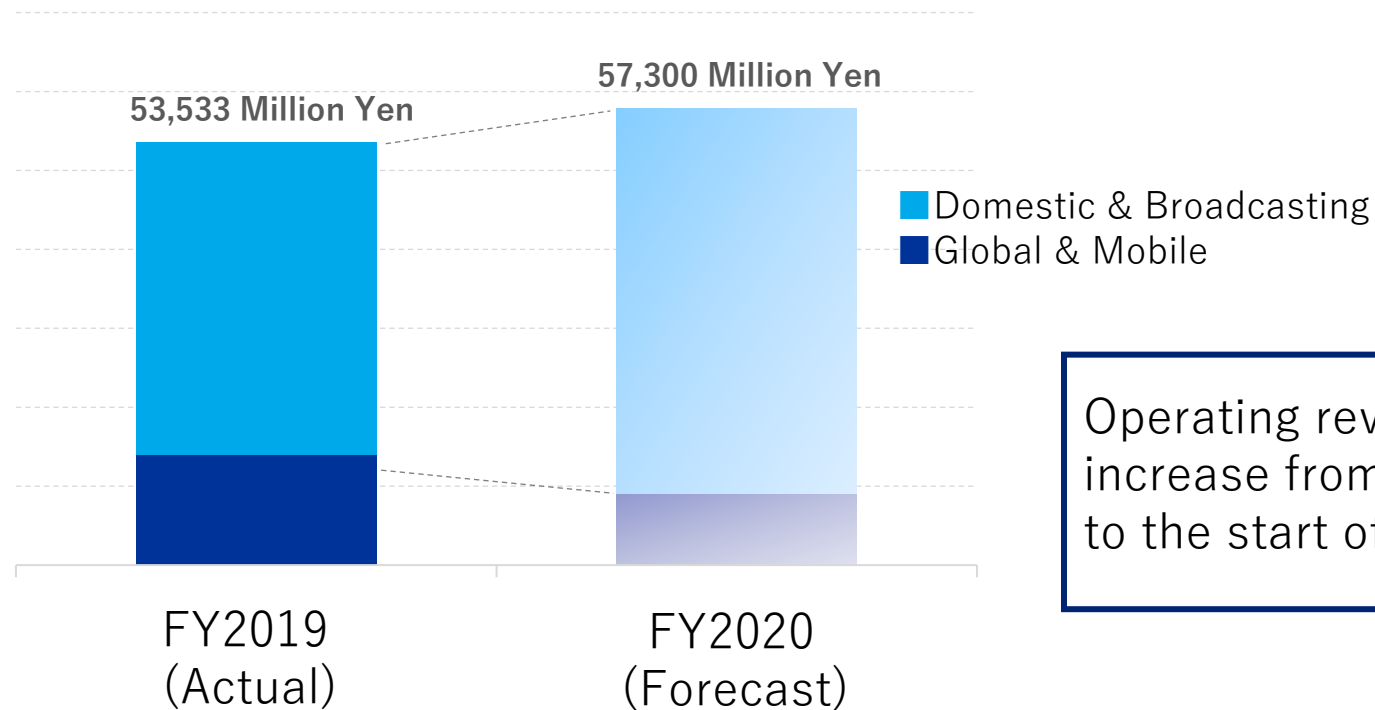
PGA tour restarted on Jun. 12
On GOLF NETWORK



BUNDESLIGA restarted on May 16
We acquired the exclusive rights to broadcast and the distribution rights for 5 seasons from 20/21

FY2020

- ✓ To the transportation industry, particularly demand for in-flight Internet lines fell sharply due to reduced flights and in the global & mobile field, sales are expected to decrease from the previous year due to a partial decline in demand for marine service,
- ✓ Demand for services to domestic government agencies and corporations continues to be firm.



Operating revenues are expected to increase from the previous fiscal year due to the start of JCSAT-17 (April 2020), etc.

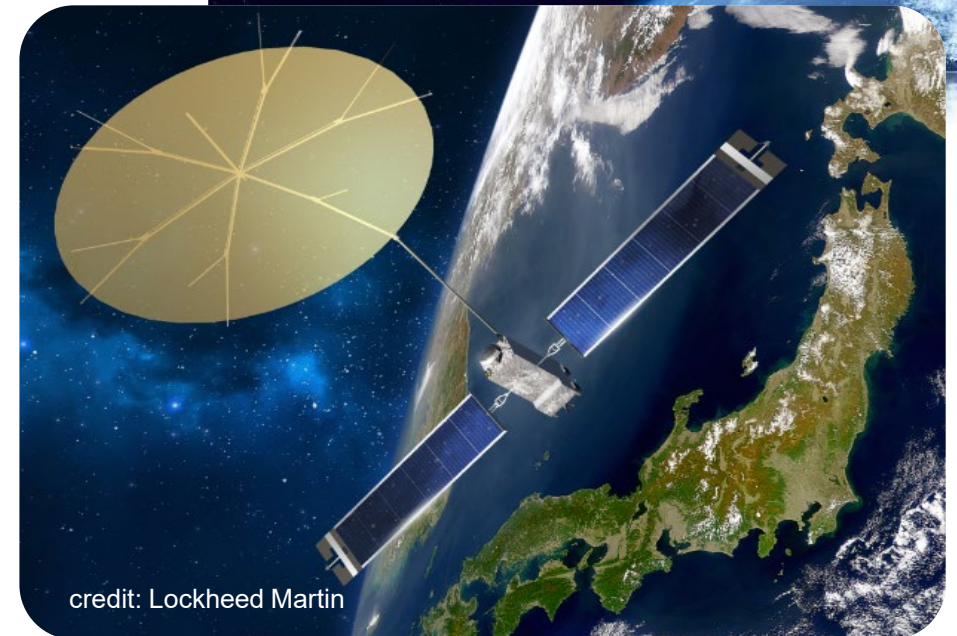
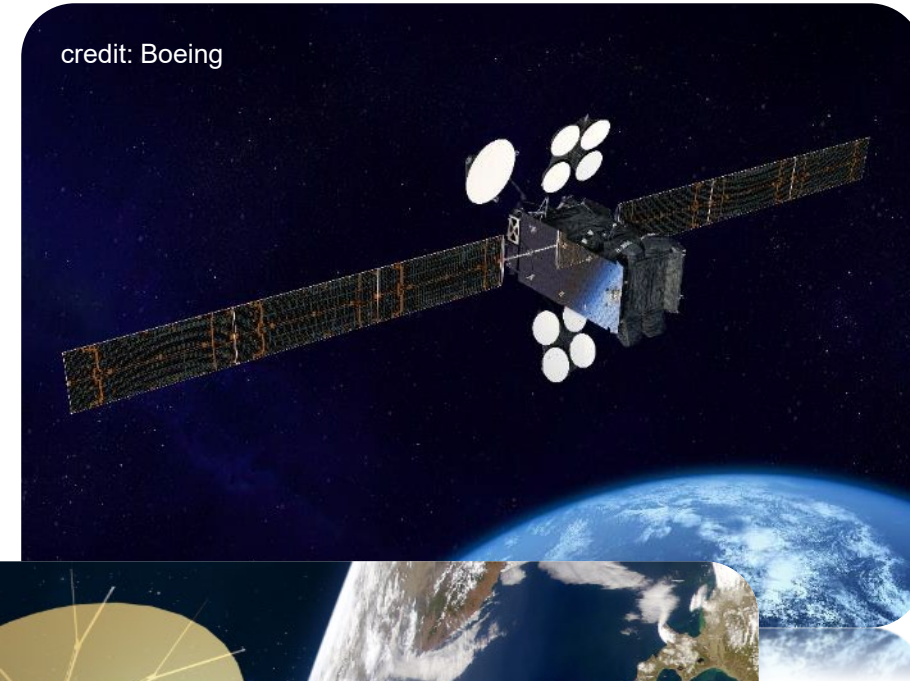
■ New satellites started services

JCSAT-18(JCSAT-1C)

- ✓ Launched on December 17, 2019 from Cape Canaveral Air Force base by Space X's Falcon 9 rocket.
- ✓ The second HTS satellite to follow Horizons 3e launched in Fiscal Year 2018.
- ✓ Covers the Asia-Pacific region to Russia in the Far East.

JCSAT-17

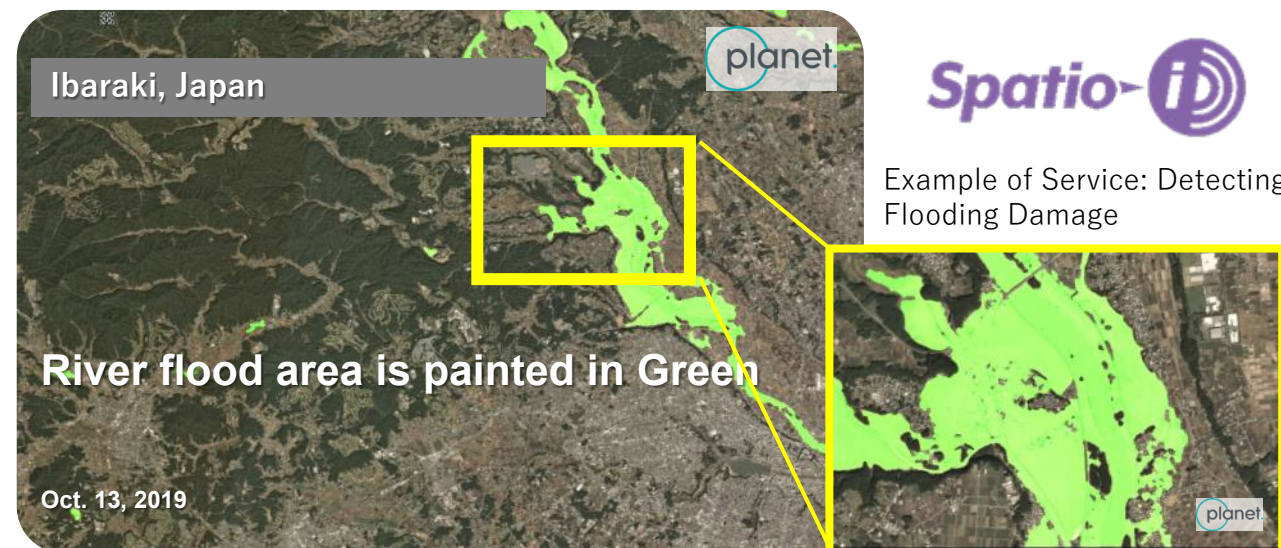
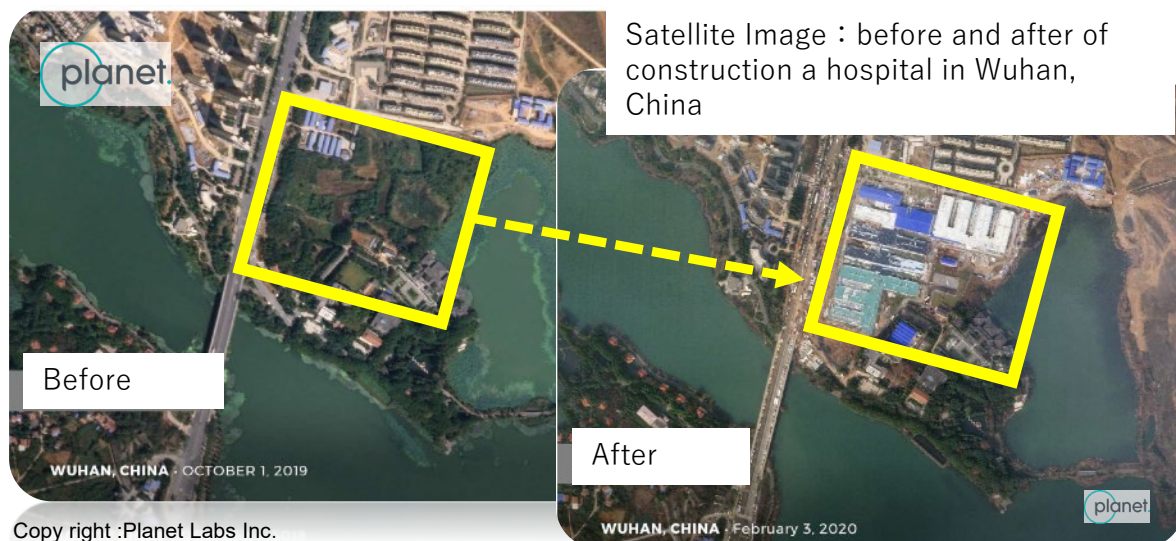
- ✓ Launched on February 19, 2020 by Ariane-5ECA rocket of Arian Space from the Guiana Space Center.
- ✓ S-Band and C-Band for mobility telecommunication are installed and used by NTT DoCoMo as a domestic service.
- ✓ Equipped with an 18-meter large antenna, a service area is constructed by a multi-beam with a small diameter.



Initiatives for new business field

Expansion of Information service business

- ✓ The company analyzes and processes satellite-related images and other data collected from the universe, and provides this data as an information-service Spatio-i.
- ✓ This system is used for a variety of applications, including the assessment of disaster situations.



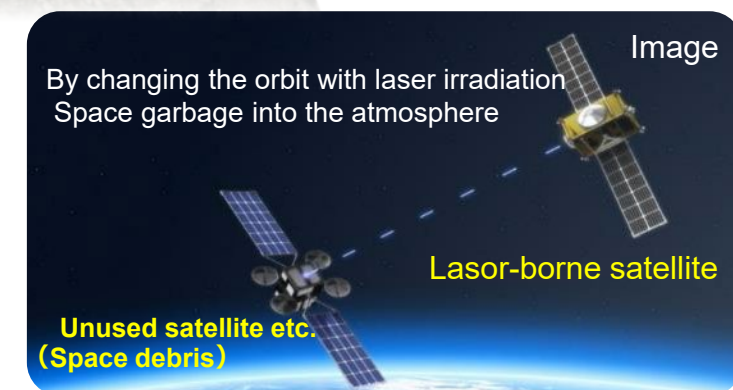
Started development of technology to remove waste from space

~SDGs in Space~ Aiming to maintain a sustainable space environment

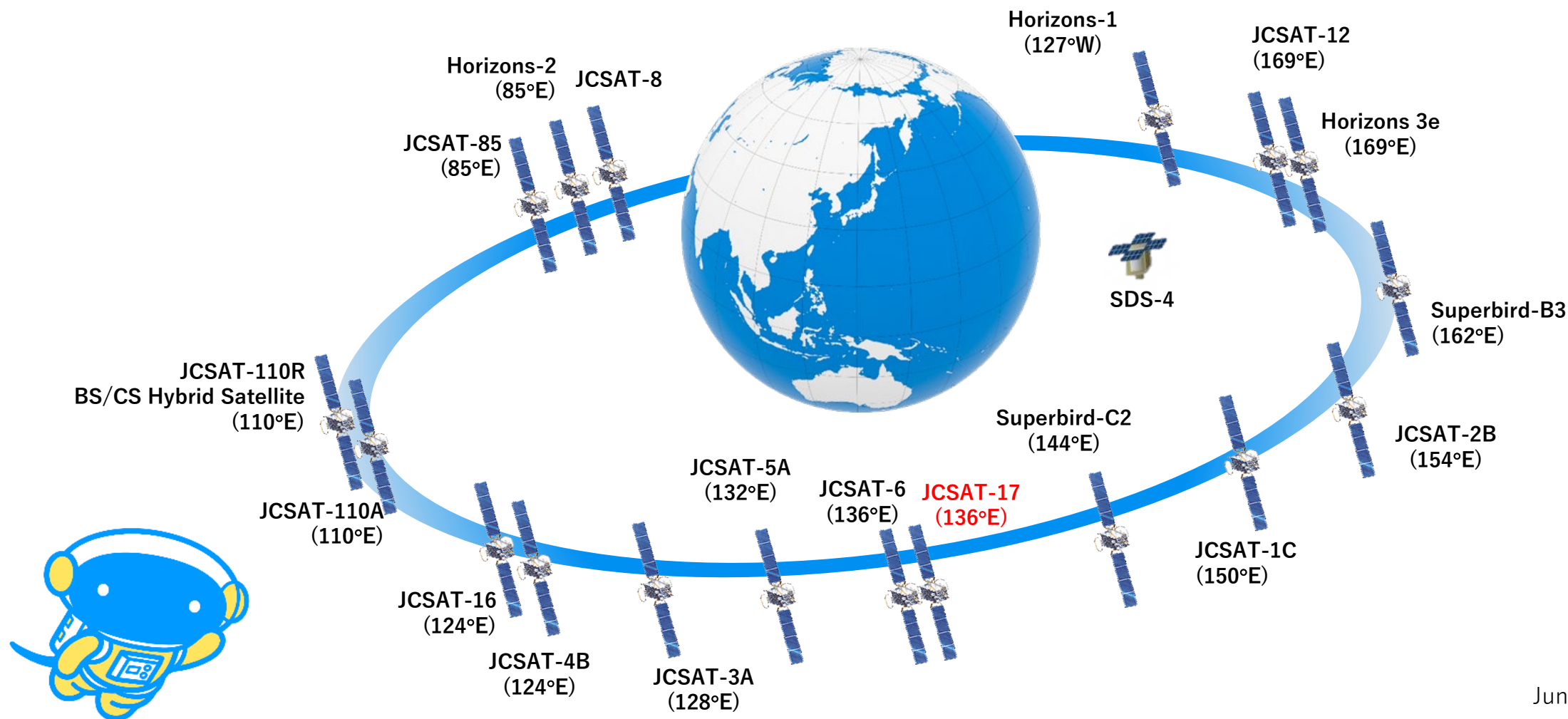
Started design and development of a satellite to remove space debris (space debris from unnecessary satellites, etc.).

The world's first* laser system is adopted.

※ In-house research (patent pending)



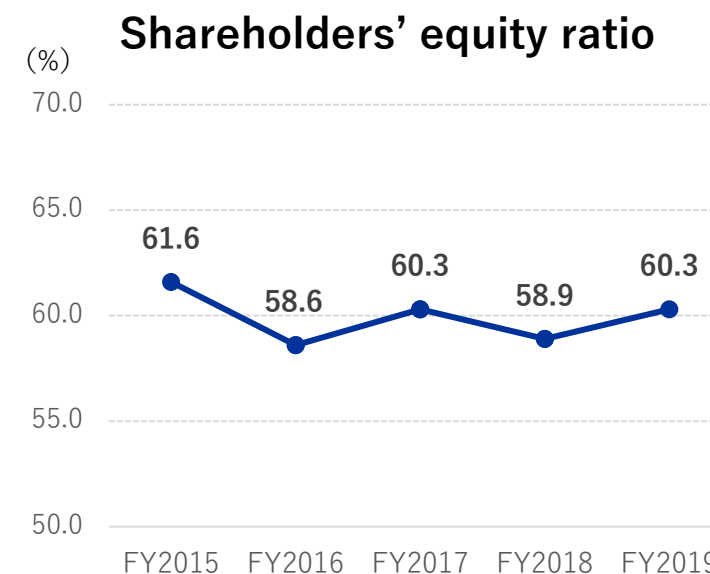
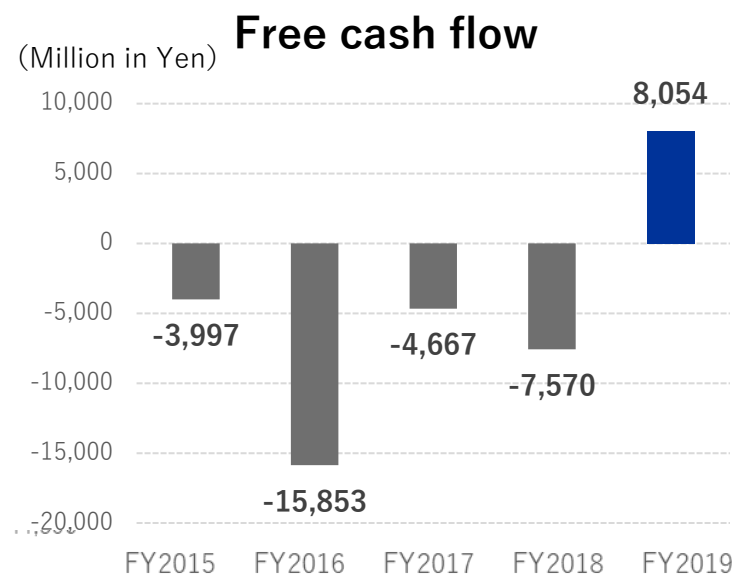
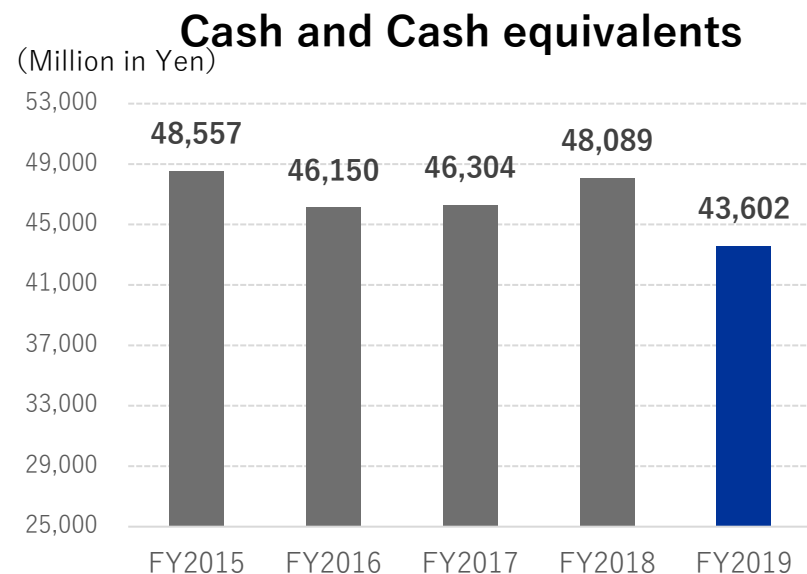
Total of 19 satellites covering from North America to the Indian Ocean
Including JCSAT-17 launched in Feb. and started in Apr. 2020



June 2020

■ Maintaining Financial Soundness through a Stable Customer Base (Space Business and Media Business)

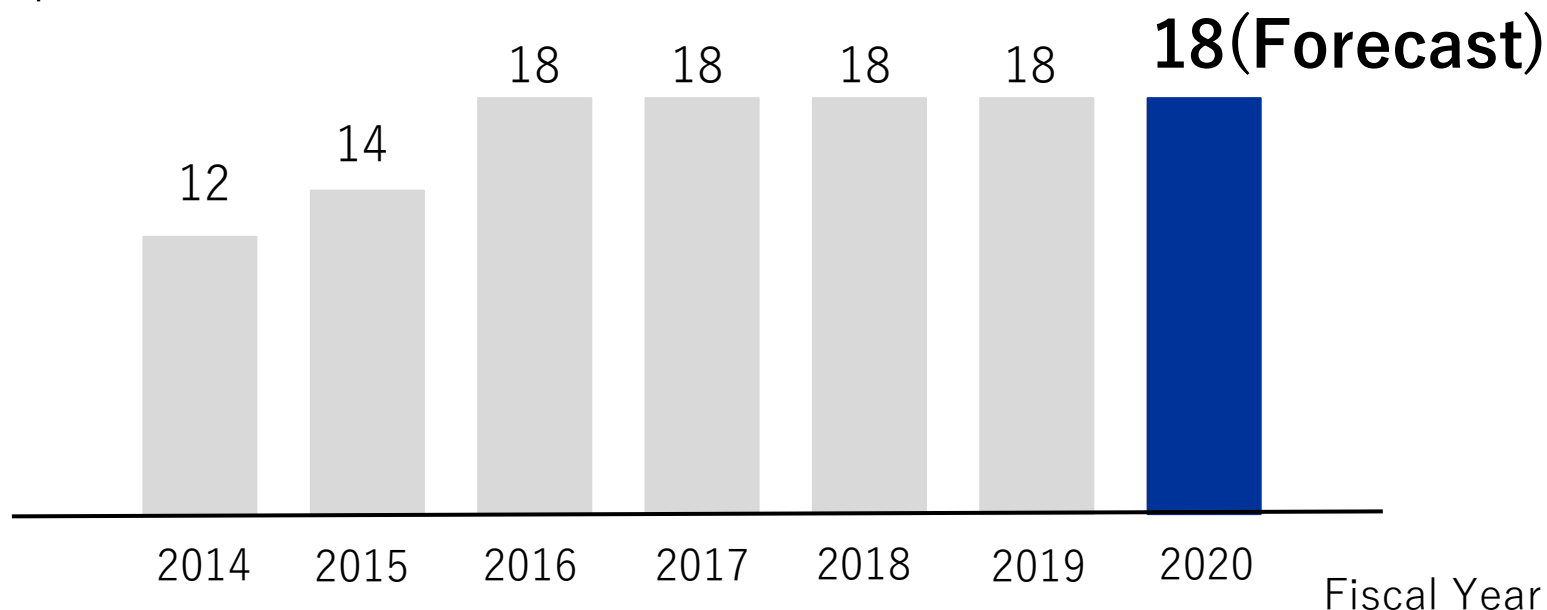
- ✓ Balance of cash and deposits: JPY40 billion or more
- ✓ Commitment line: JPY10 billion signed
- ✓ Free cash flow turned positive in Fiscal Year 2019 due to the completion of capital expenditures at the new 3 satellites and the Tokyo Media Center and is expected to increase further in Fiscal Year 2020.
- ✓ Shareholders' equity ratio: Maintain at least 50% on an ongoing basis



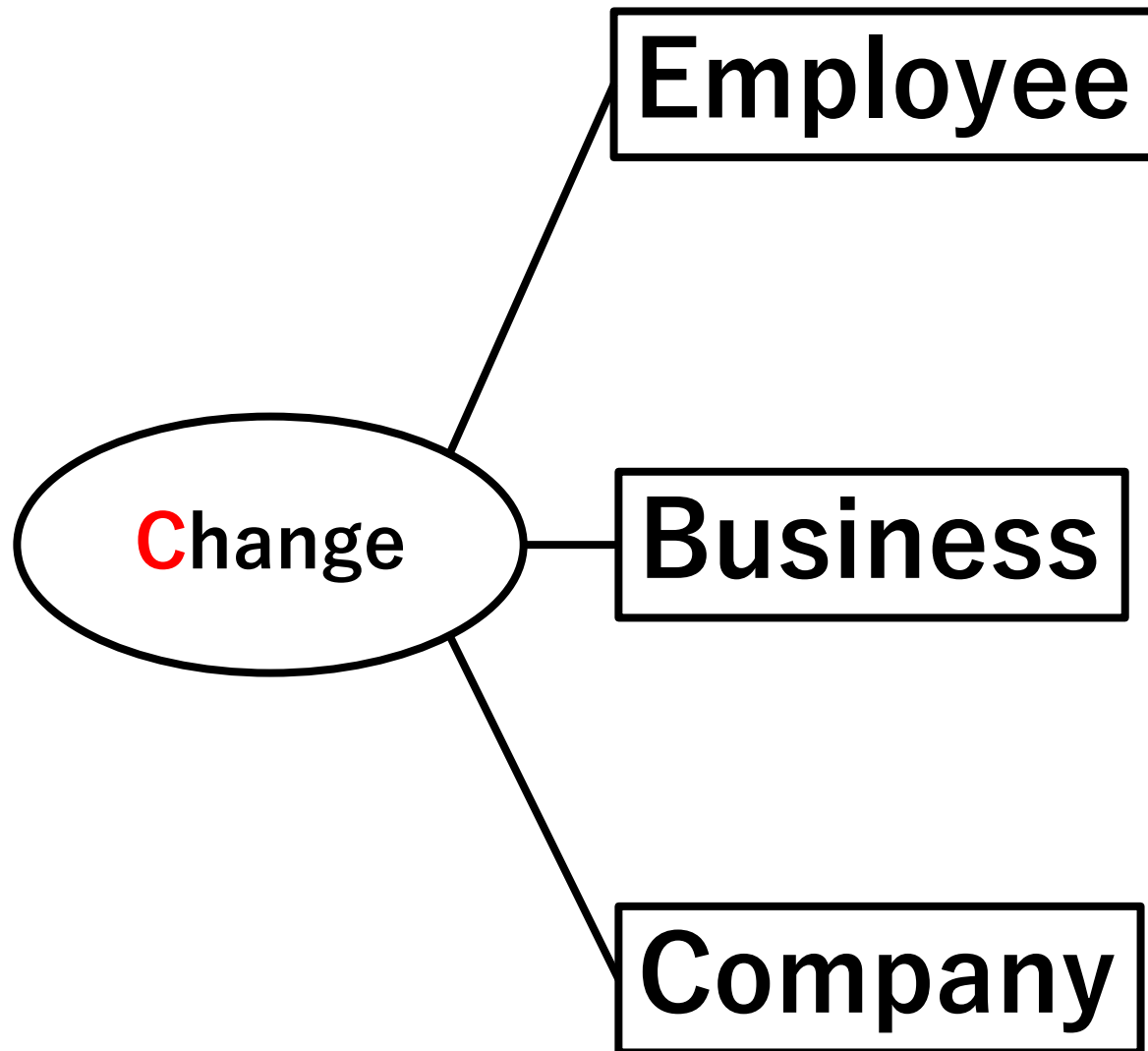
Dividend Policy : Pay dividends that meet the following conditions
Annual dividends of JPY 16 per share or more, Payout ratio of 30% or more

While improving core profitability,
Annual dividend of JPY 18 per share is scheduled for FY2020.

Annual dividend per share (in JPY)



SKY Perfect JSAT Group Plan 2020 +



REPOWERING

- ❑ Promoting Diverse Human Resources
- ❑ Increase Employee Satisfaction Level

REBUILDING

- ❑ Selection, concentration and profitability improvement
- ❑ New business model and global expansion
- ❑ Digital shift

REBRANDING

- ❑ Re-creation of corporate brand
- ❑ Strengthen Corporate Governance

Desired situation

① **Aggressive perspective**

Improve the company's performance by enhancing employee motivation, the productivity and creativity of operations

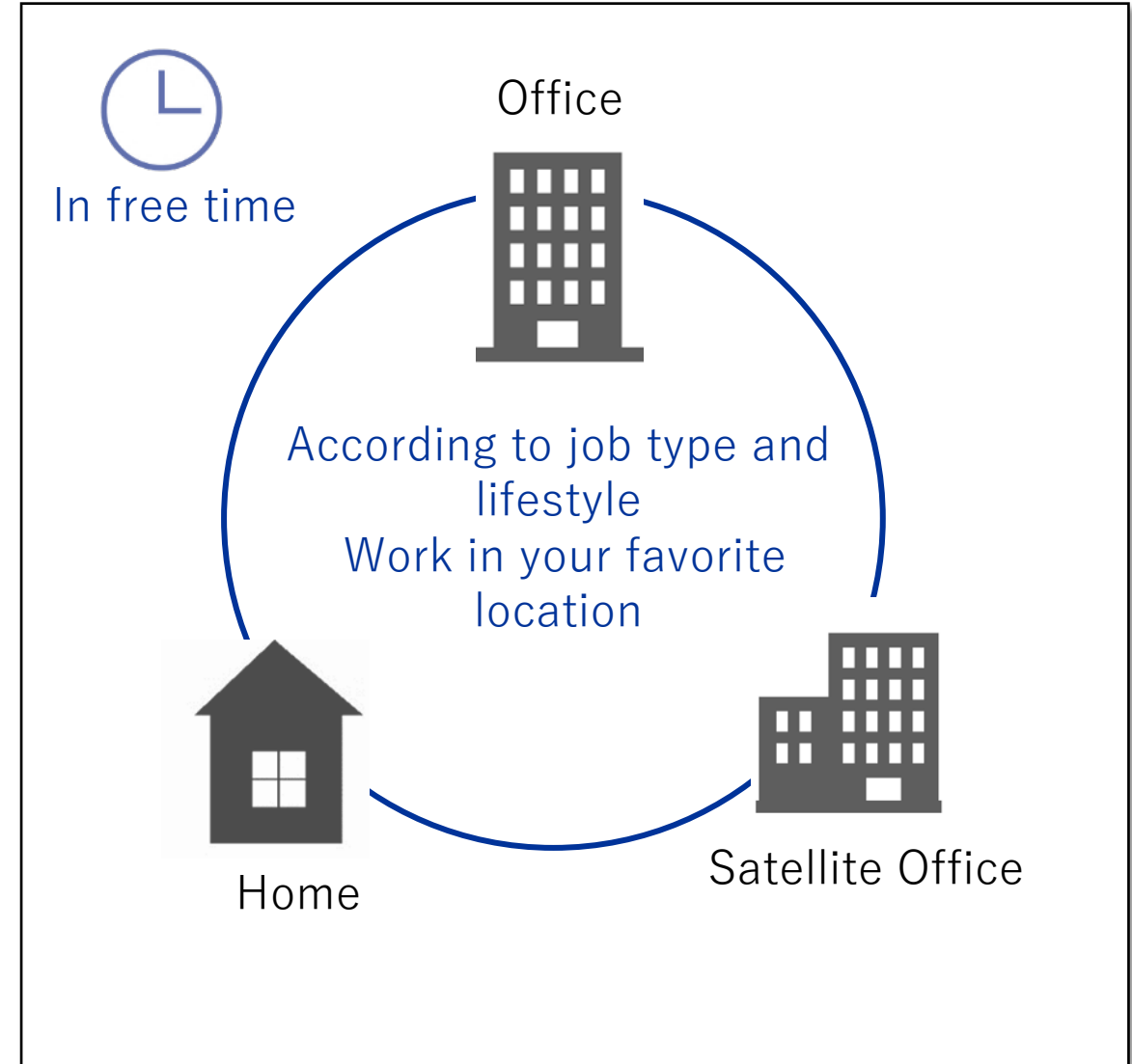
② **Defensive perspective**

Continue business without hindrance even if it becomes unable to go to the office

Promise not only employees but also their families are healthy



Realization image

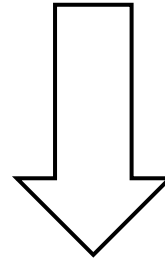


Basic
Package

Soccer Package

Japanese Content
Channel overseasWakuWaku
JAPAN

Media Business
Conventional
measures and
business



BSスカパー!
Our original channel

Baseball
Package

Our OTT service

Focus on measures and businesses that are yielding
results

Identify cases where results are not achieved

Selection and Concentration

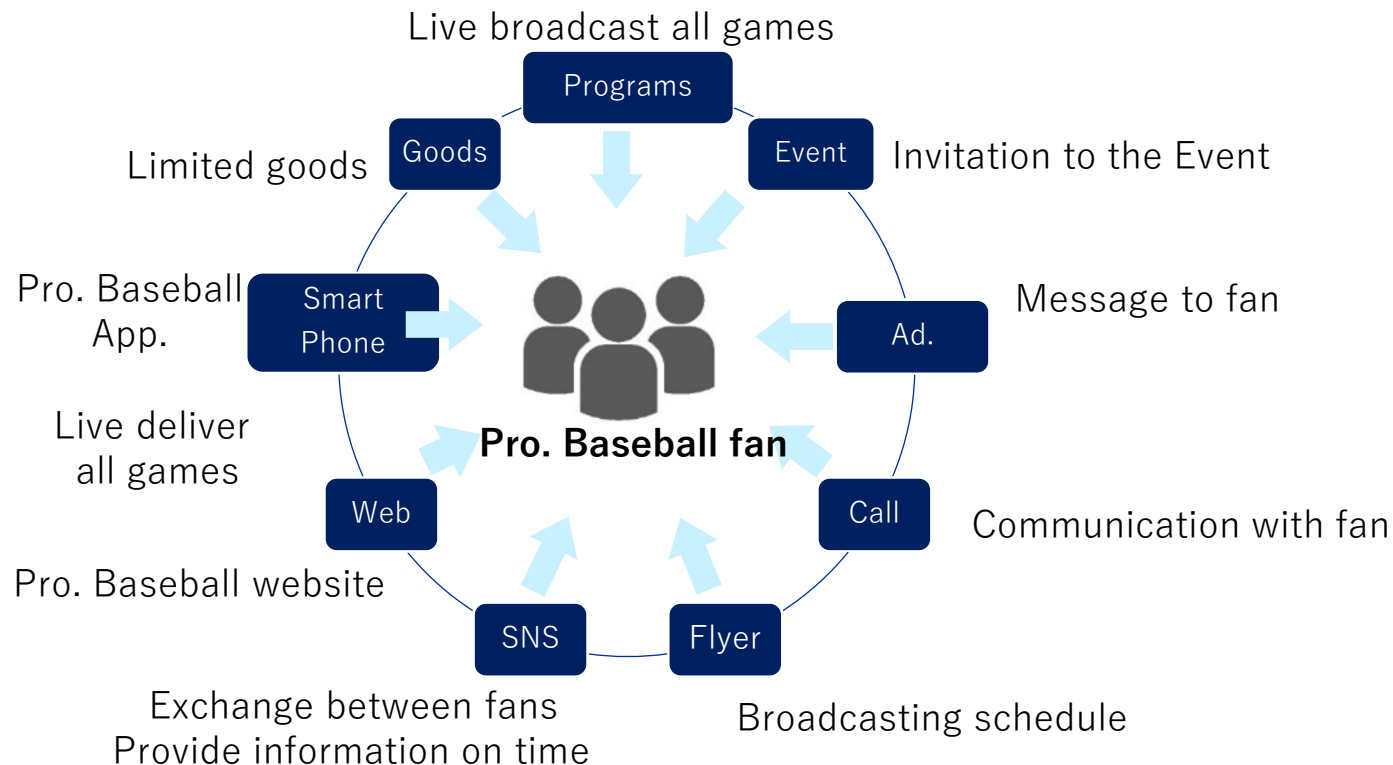
Customer center



Providing value "Content + α " by Realizing "Fan Marketing"

< Case of Professional Baseball >

- ✓ In addition to traditional live games and promotions, We will pursue deliver to our customers the measures and services closely linked to our professional baseball fans.



< Case of BUNDESLIGA >

- ✓ Exclusive broadcasting rights for the 5 seasons, including the acquisition of distribution rights concluded partnerships.
- ✓ Beyond the concepts of broadcasting rights and distribution rights, Carry out aggressive fan marketing for connecting Bundesliga with Japanese fans



× SKY PerfecTV!

Entering new fields

In-space Business



On-track
service

Manned stay

Earth
observation



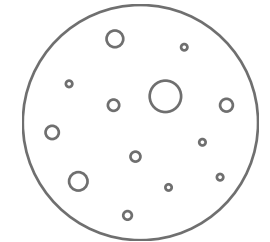
Satellite
Communication
/Broadcasting



Ground station
service

Deep space Business

Exploration and
resource development



Partnership

Collaboration

Transportation Business

Sub-orbital

Rocket
Manufacturing/launching



Low-orbit

Geostationary orbit

Creating Innovative Space Businesses with Partners, Including Other Industries

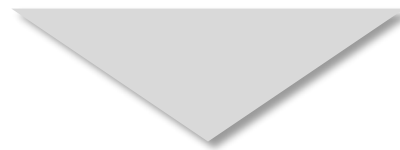
Future SKY Perfect JSAT Group



SKY PerfecTV!



Unique presence combining media and space businesses
-our uniqueness



Aiming to Develop Our Own Businesses with "SKY Perfect JSAT"

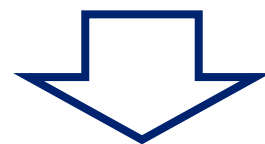
Revitalization of space business



Strengthen JSAT brand



In-house startup system
To give shape to ideas



To gain the understanding of our business and
increase our corporate value
Strengthening corporate branding activities

■ Reinforce governance by reforming the executive compensation system

As part of our efforts to strengthen corporate governance, we plan to introduce a restricted stock compensation system to our directors etc. by issuing new shares within the existing monetary compensation framework.

(Purpose)

Provide incentives to continuously increase corporate value, promote further sharing of corporate value with shareholders, and heighten awareness of contributing to sustainable corporate growth and enhancement of corporate value over the medium-to long-term

(Object)

SKY Perfect JSAT Holdings Inc. : Board of Directors (except Non-standing Directors)

SKY Perfect JSAT Corporation : Board of Directors、 Executive Officers and Directors

※ The introduction of this system is subject to the approval of the proposal at the 13th Ordinary General Meeting of Shareholders to be held on July 30, 2020.

A high-resolution image of Earth from space, showing the Western Hemisphere. The Americas are visible, with North and South America clearly defined against the blue oceans and white cloud cover. The Earth is set against a deep black background filled with numerous small, bright stars. Overlaid on the center of the image is the text "Space for your Smile" in a white, elegant serif font. The text is large and spans across the middle of the frame, partially obscuring the view of the planet.

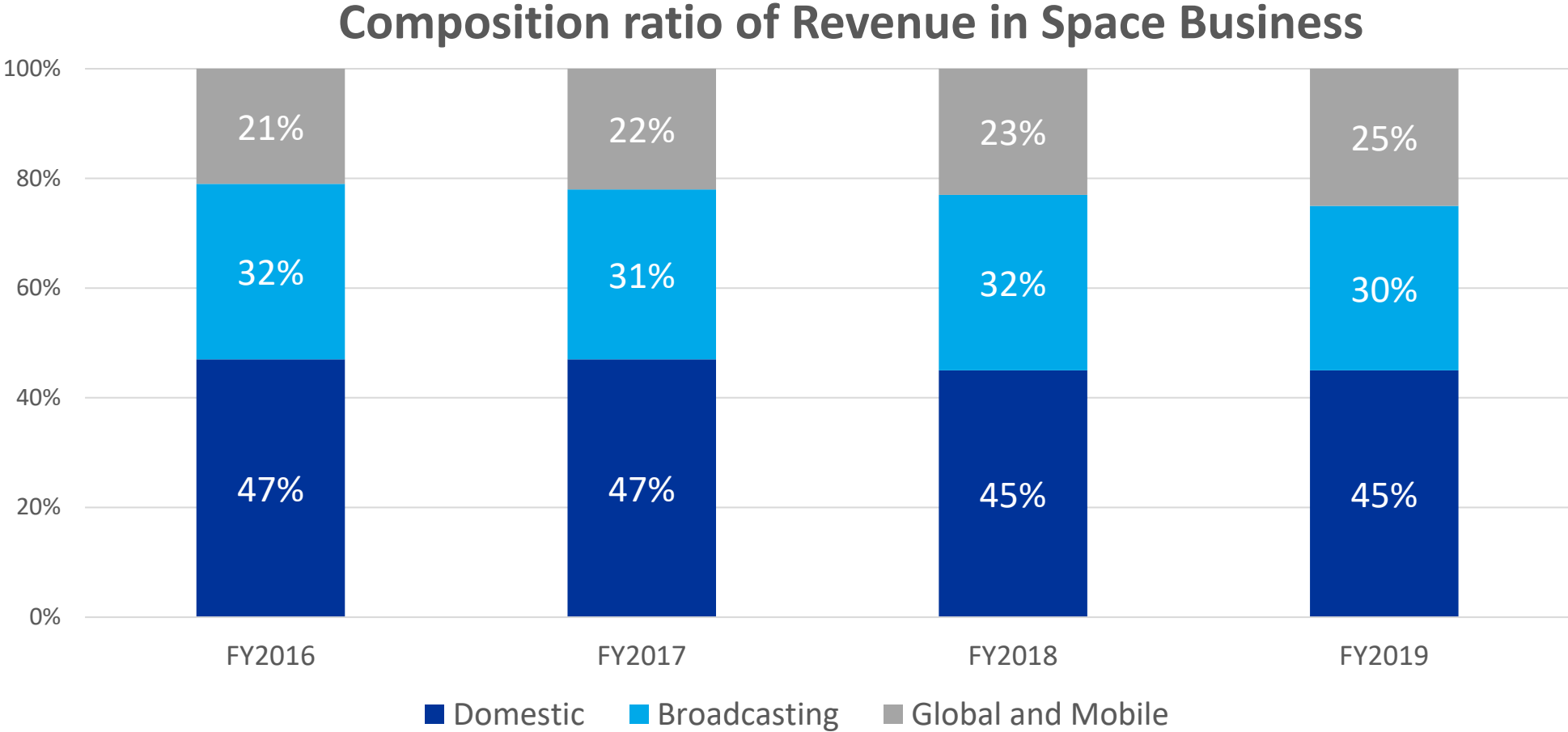
Space for your Smile

References

Summary of Income Statements by Business Segment(FY2018/1Q~FY2019/4Q)

	FY2018					FY2019				
	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	4Q	Full Year
Revenue	58,772	35,066	34,716	35,458	164,014	34,519	34,752	34,552	35,717	139,541
Media Business	25,857	25,368	25,160	25,109	101,495	24,985	24,822	24,213	23,623	97,645
Space Business	35,541	12,266	12,221	13,359	73,389	12,570	12,893	13,180	14,889	53,533
Consolidated Eliminations	(2,626)	(2,569)	(2,665)	(3,009)	(10,870)	(3,037)	(2,963)	(2,842)	(2,794)	(11,637)
Operating Income	4,646	4,969	3,033	2,642	15,290	3,694	4,636	3,971	2,960	15,263
Media Business	797	2,055	19	(343)	2,528	654	1,932	1,284	(795)	3,076
Space Business	4,034	3,082	3,170	3,142	13,430	3,225	2,875	2,855	3,945	12,901
Consolidated Eliminations	(185)	(168)	(156)	(157)	(668)	(185)	(171)	(168)	(189)	(714)

(Unit: ¥ millions)

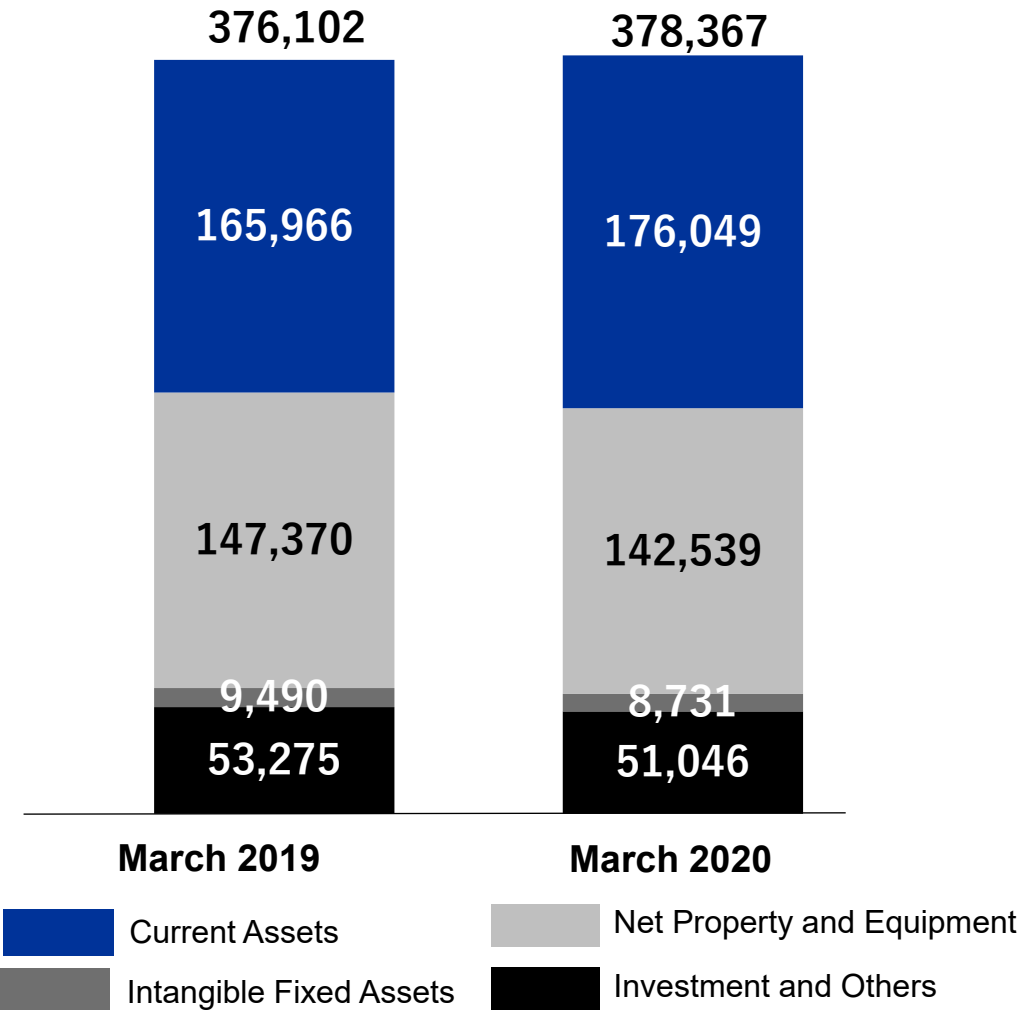


※ Excluding the impact of the sale of a communication satellite to the Ministry of Defense in Fiscal Year 2016 and Fiscal Year

Consolidated Balance Sheets

Assets

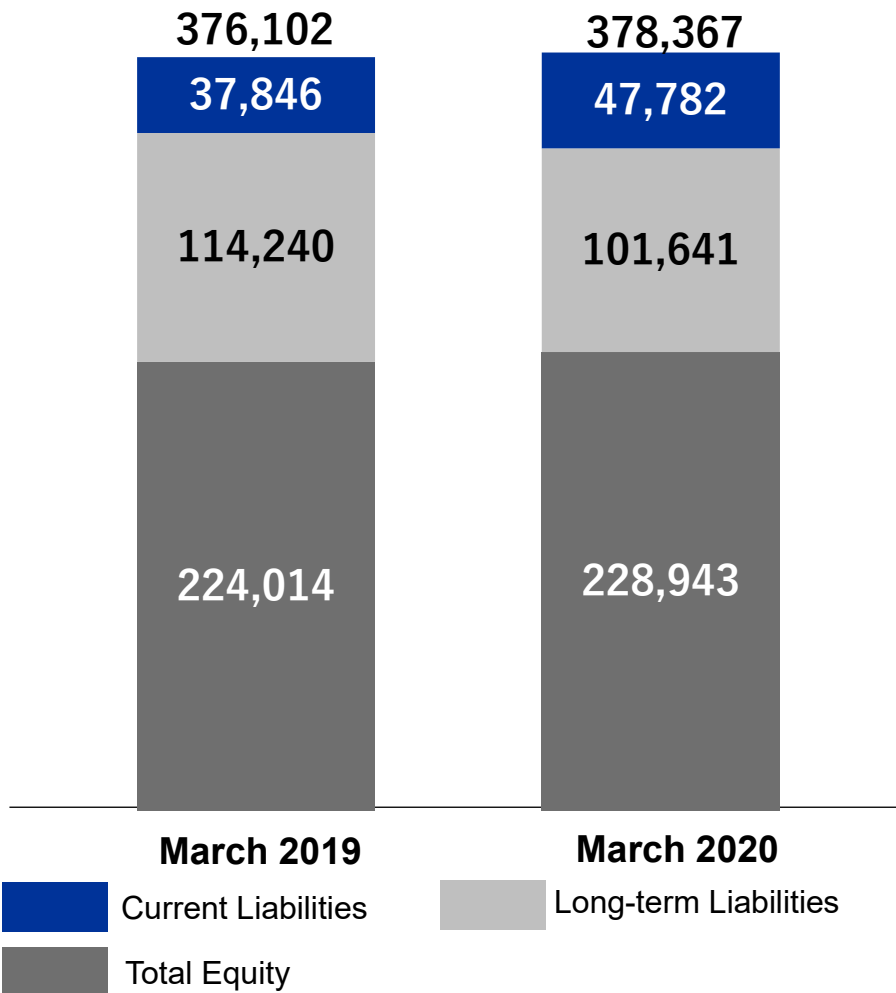
(Unit: ¥ million)



Liabilities and Equity

Equity Ratio : 58.9 %

60.3% (Unit: ¥ million)



(Unit: ¥ million)

	FY2018	FY2019
Net Cash from Operating Activities	25,898	28,879
Net Cash from Investing Activities	(33,469)	(20,825)
Free Cash Flows ^{*1}	(7,570)	8,054
Net Cash from Financing Activities	9,362	(12,515)
Cash and Cash Equivalents at Term-End(a)	48,089	43,602
Term-end Balance of Interest-bearing Debt ^{*2} (b)	108,086	102,442
Term-end Balance of Net Interest-bearing Debt (b)-(a)	59,996	58,839

*1. Sum of Net Cash Flows from Operating and Investing Activities

*2. Term end balance of debts and unsecured corporate bonds

Investment Forecast for FY2020

(Unit: ¥ Billion)

	FY2019 Actual	FY2020 Projection	Difference	Description
① Total of capital Investment	19.5	24.5	+5.0	
(Media Business)	10.7	6.2	(4.5)	Decreased investment for Facilities Renewal for Tokyo Media Center
(Space Business)	8.7	18.0	+9.3	Procurement of satellites, etc.
(Other)	0.2	0.3	+0.1	
② Investment in Business Project	0.7	0.6	(0.1)	
③ Investment included in Operating Cash Flow	14.7	1.7	(13.0)	JCSAT-17
Total Investment Combine of ① + ② + ③	34.9	26.8	(8.1)	

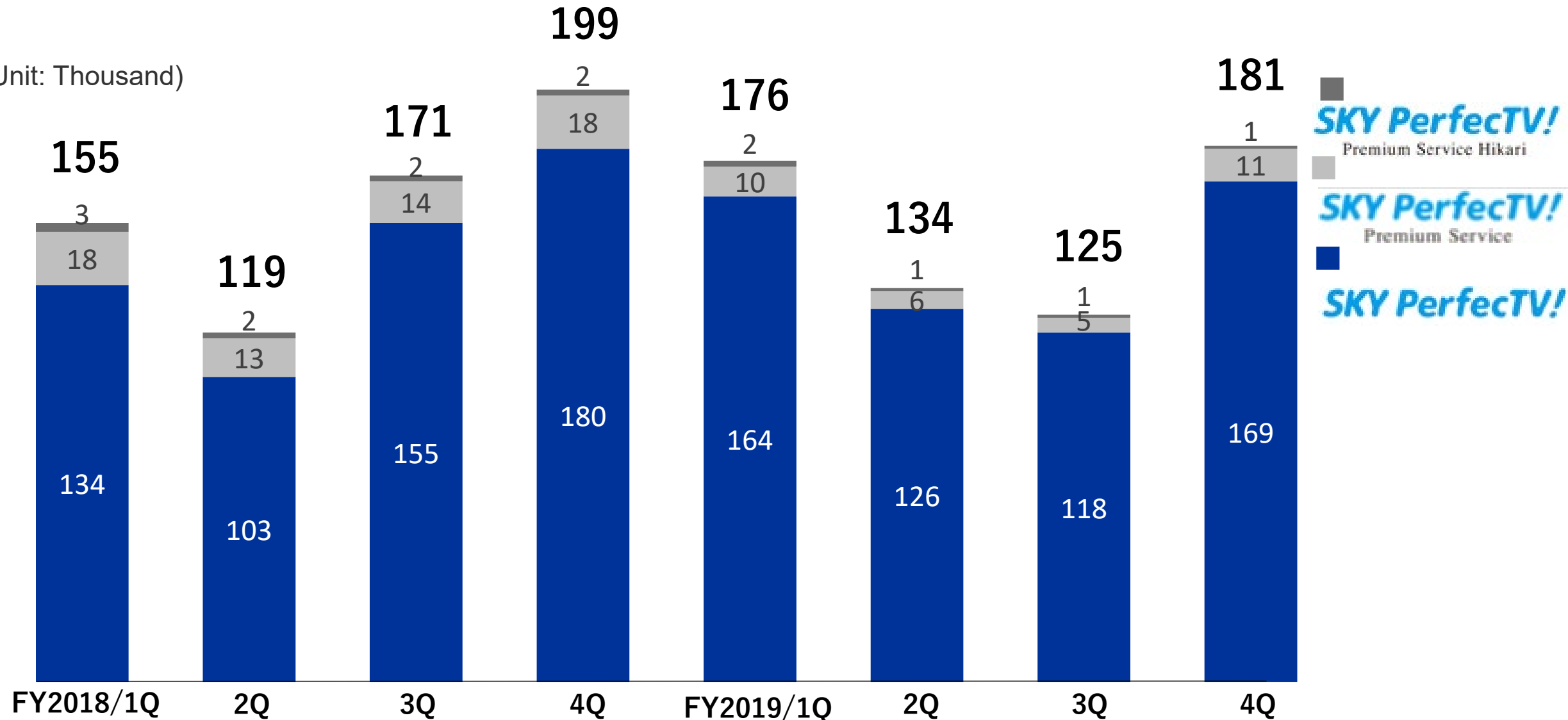
Depreciation Cost projection for FY2020

(Unit: ¥ Billion)

	FY2019 Actual	FY2020 Projection	Difference
Depreciation Cost	23.3	22.8	(0.5)
Break Down: (Media Business)	8.5	7.4	(1.1)
(Space Business)	14.5	15.4	+0.9
(Other)	0.3	0.1	(0.3)

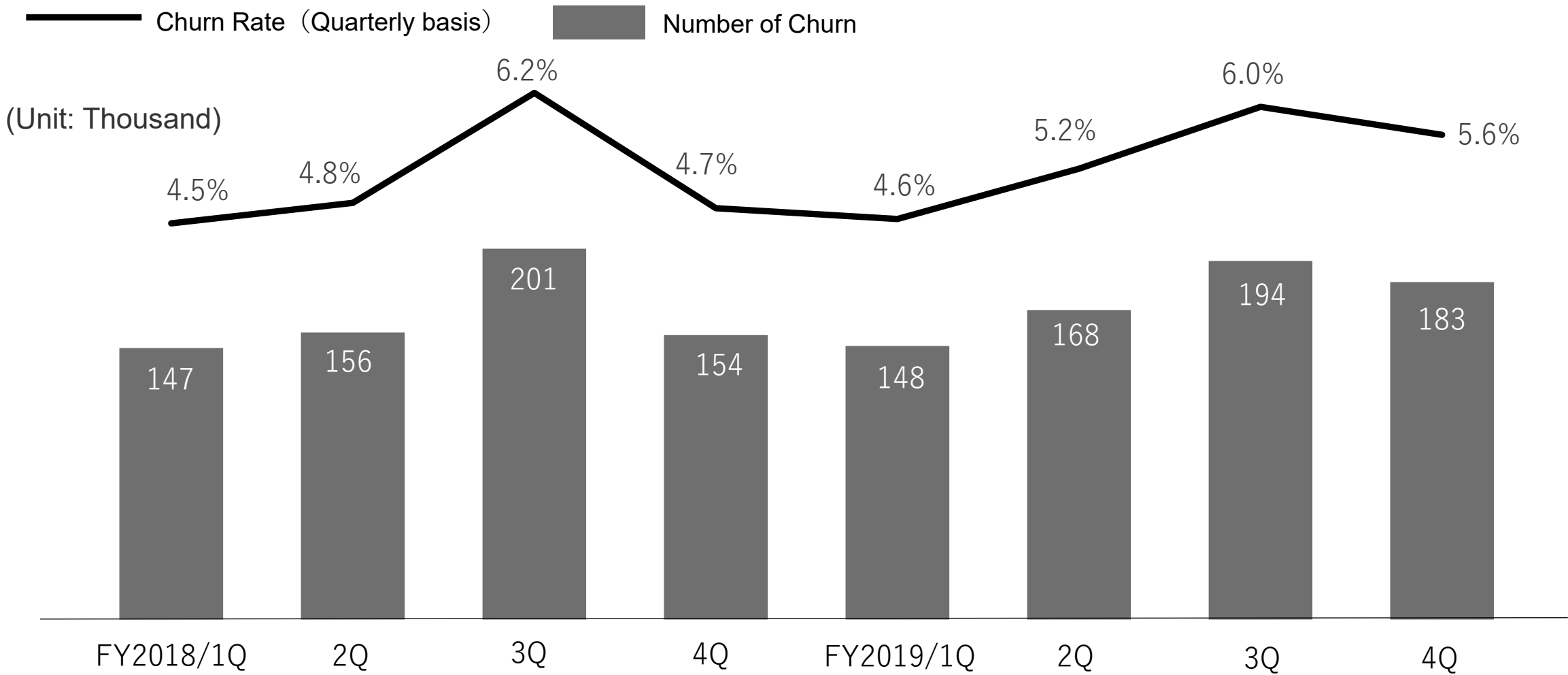
Number of New Subscribers

(Unit: Thousand)



* New subscribers that, in the past, had been counted separately depending on whether they were new subscribers or re-registered subscribers are currently counted as “New Subscribers.” (From FY2019 3rd quarter disclosure materials)

Churn Rate

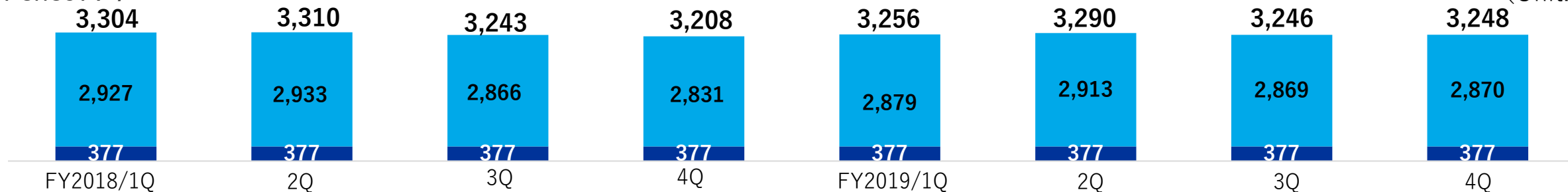


*1 The churn rate is calculated by dividing the total number of churns for each quarter with the cumulative number of subscriptions at the end of the preceding fiscal year.

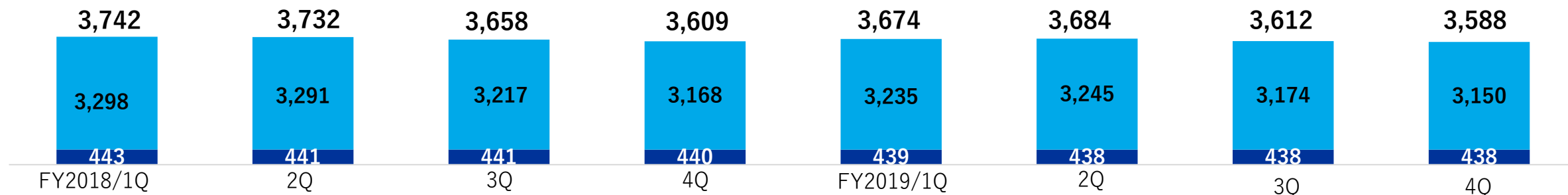
*2 New subscribers that, in the past, had been counted separately depending on whether they were new subscribers or returning subscribers are currently counted as “New Subscribers,” so the churn rate after exclusion of re-registered subscribers has not been calculated. (From FY2019 3rd quarter disclosure materials)

Subscriber Payments*1

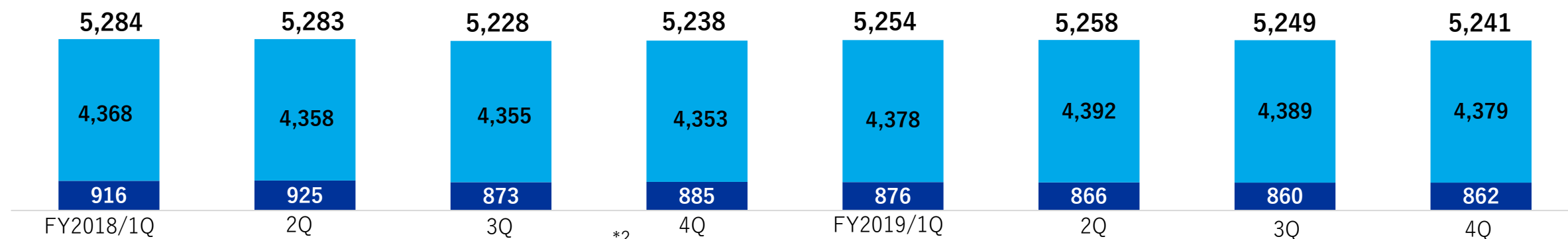
SKY PerfectTV / (Unit: Yen)



SKY PerfectTV / Premium Service



SKY PerfectTV / Premium Service Hikari



■ Basic fee and others*2
■ Viewing fees

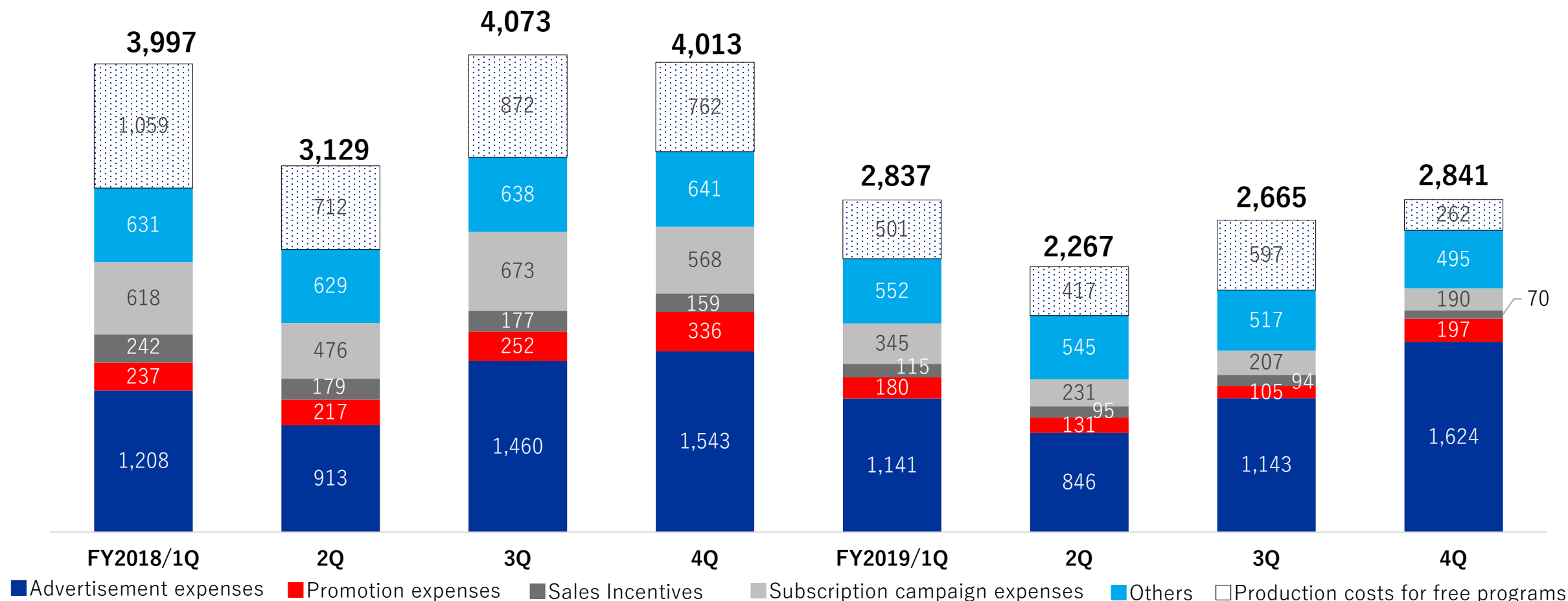
*1. Average amount paid by subscribers in the form of monthly viewing fees, etc. These figures are calculated based on number of cumulative contractors.
30% of subscriber payments for SKY PerfectTV! is recognized as commission fee revenue.

100% of subscriber payments for SKY PerfectTV! Premium Service and SKY PerfectTV! Premium Service Hikari is recognized as viewing fee revenue.

*2. Basic fee and others : Basic fee and rental fee of set top box

Total Subscribers Acquisition Cost (SAC)

(Unit: ¥ million)



Advertising expenses : Advertising expenses for various media.

Promotion expenses : Promotion cost to acquire new subscribers.

Sales incentives : Incentives and agency fees for electronics retail stores and mobile carriers.

Subscription campaign expenses : Cost of campaigns to acquire new subscribers (free of charge antenna installation, etc.).

Production costs for free programs : Costs associated with production cost for free programs, such as BS SKY PerfectTV!.

Others : Operation costs of SKY PerfectTV! customer center etc.

Results for Subsidiaries

(Unit: ¥ million)		SJC	SPCC	SPET	SPBC	SNET	JII	JMC	ENR	WWJ※
Nature of Business		Provision of satellite communications and Media Business	Involved in Customer Center operations for multichannel pay TV broadcast and other services	Licensed broadcaster providing multichannel pay TV services via CS-110/124/128 degrees platform	Production of content, a provider of programs	Network services, systems Integration	Sale of satellite connections in North America, Russia, and Asia-Pacific	A provider of mobile satellite communications services	Design, manufacturing and sales of industrial drones	Operation of overseas channels related business activities
Ownership Ratio (%)		100.0	100.0	100.0	100.0	92.0	100.0	53.3	100.0	
Revenue	FY2018	135,094	6,613	52,927	4,422	3,819	1,810	2,462	428	204
	FY2019	111,806	6,378	49,909	3,857	4,365	3,025	2,746	304	210
Operating Income	FY2018	14,587	543	1,451	529	337	390	393	(950)	(1,005)
	FY2019	16,357	381	457	459	448	(355)	369	(617)	(613)
Ordinary Income	FY2018	15,736	542	1,458	529	340	435	411	(848)	(1,008)
	FY2019	16,968	387	464	459	466	(384)	365	(918)	(613)

SJC: SKY Perfect JSAT Corporation

SPCC: SKY Perfect Customer-relations Corporation

SPET: SKY Perfect Entertainment Corporation

SPBC: SKY Perfect Broadcasting Corporation

SNET: Satellite Network, Inc.

JII: JSAT International Inc.

JMC: JSAT MOBILE Communications Inc.

WWJ: WAKUWAKU JAPAN Corporation

ENR: enRoute Co., Ltd.

※As WAKUWAKU JAPAN Corporation was absorbed into SKY Perfect JSAT Corporation on March 1, 2020,

Fiscal Year 2019's WAKUWAKU JAPAN Corporation's performance figures are for the period up to February 2020.

Space for your Smile

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