

Securities Code: 9412

SKY Perfect JSAT Holdings Inc.

Full-Year 2020 Financial Result

For the Year Ended March 31, 2021

April 28, 2021



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 Result For Full Year 2020

Overview of Consolidated Earning Results for FY2020

Achieved increase in both Revenues and Profits on YoY
Under the COVID-19 Pandemic situation

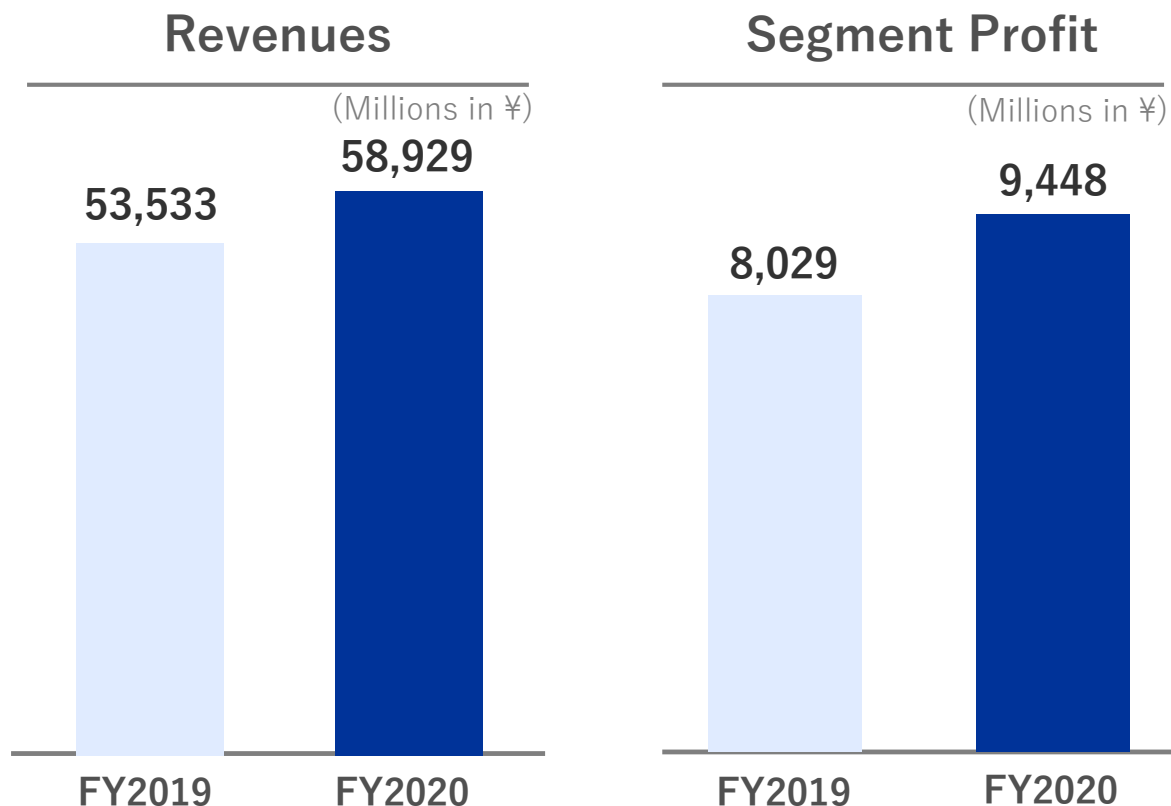
(Millions in ¥)

	FY2019	FY2020	± (%)	FY2020 Forecast	Achievement (%)
Revenue	139,541	139,572	0.0%	139,000	100%
Operating Income	15,263	19,151	25.5%	18,500	104%
Ordinary Income	16,088	20,349	26.5%	19,200	106%
Net Income (Profit attributable to owners of the parent)	12,027	13,345	11.0%	12,500	107%
EBITDA *	41,531	45,268	9.0%	44,700	101%

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



Revenues and Segment Profit increased mainly from new satellites, Minimizing the impact of the COVID-19 situation

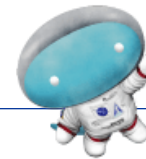


Major Factors of Change in Segment Profit (YoY)

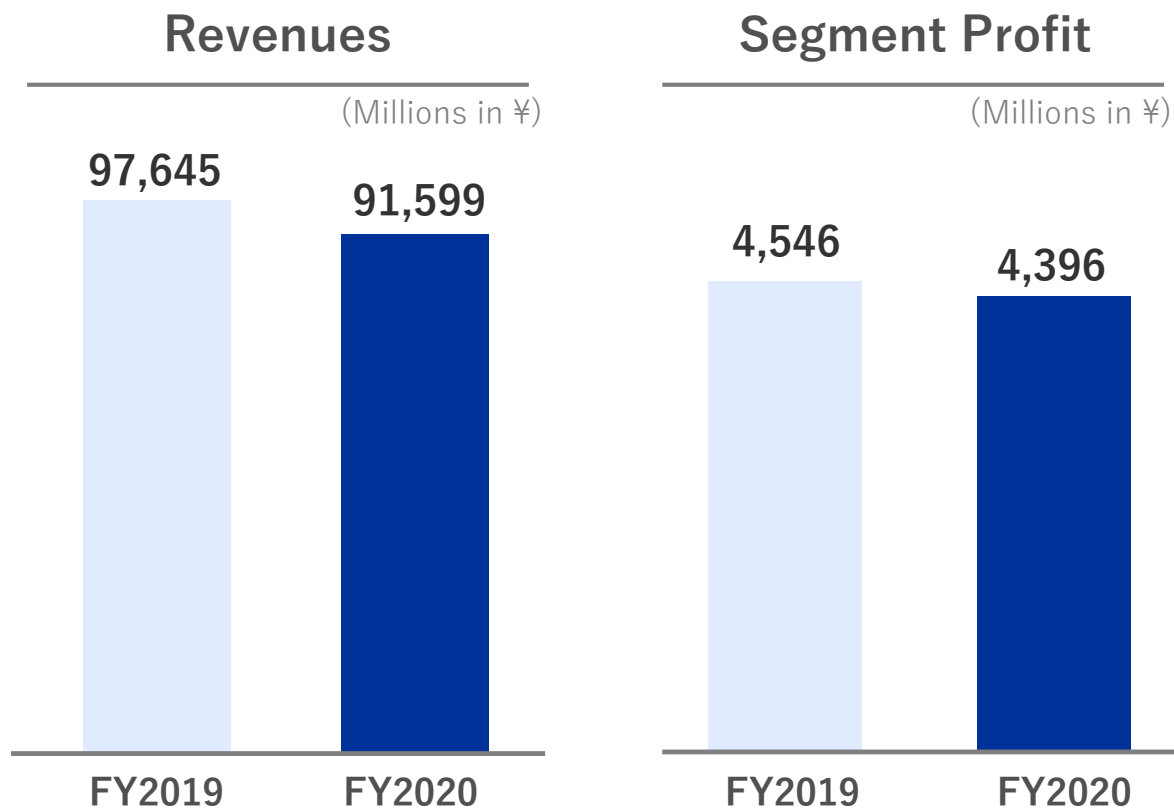
- **Revenues [+¥5.4B]***
 - Increase in revenues from J-17 and H3e: +6.9B
 - Decrease in revenues from in-flight internet services: (1.1B)
- **Operating Expenses [+¥4.5B]***
 - Increase in Depreciation expense: +1.1B
 - Increase in Cost of Service of Satellite business: +3.4B

* Including inter-segment transactions.

Earnings Overview: Media Business



Operating Income increased (+¥2.9B) due to cost containment from COVID-19 and cost structure reforms. However, Segment Profit decreased slightly due to absence of tax effect incurred in the previous year



Major Factors of Change in Segment Profit (YoY)

- **Revenues [(¥6.0B)] ***
 - Decrease in revenue from Viewing fees: (3.9B)
 - Decrease in revenue from Basic fees: (0.7B)
 - Decrease in Commissions: (0.4B)
- **Operating Expenses [(¥9.0B)] ***
 - Decrease in Cost of program provision: (2.1B)
 - Decrease in Content-related cost: (2.6B)
 - Decrease in Depreciation expense: (1.1B)
 - Decrease in Promotion-related costs: (0.6B)
 - Decrease in Transponder cost: (0.8B)
- **Other factors on Segment Profit**
 - The absence of tax effect: (2.2B)

Consolidated Financial Forecast For Full Year 2021

Profits will be almost maintained at the level of FY2020, Despite upfront cost incurs for new business development

(Millions in ¥)

	FY2020 Results Previous Accounting Standard basis	FY2021 Forecast New Accounting Standard basis	(Change)
Revenues	139,572	122,000	(12.6%)
Operating income	19,151	18,000	(6.0%)
Ordinary income	20,349	18,800	(7.6%)
Profit attributable to Owners of Parent	13,345	13,000	(2.6%)
EBITDA*	45,268	43,000	(5.0%)

* 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.

The Impact from adoption of “Accounting Standard for Revenue Recognition

The adoption results in a decrease in “Revenues,” however
It has a minimal impact on earnings

(Millions in ¥)

FY2021 Financial Forecast	Previous Standard	New Standard	Change
Revenues	144,000	122,000	(22,000) *
Operating income	18,400	18,000	(400)
Ordinary income	19,200	18,800	(400)
Profit attributable to Owners of Parent	13,300	13,000	(300)

* The major impacts from adoption of new accounting standard are as follows:

Space Business: The impact of recognizing “net” sales by deducting related costs for the portion of sales of other operators’ transponders: (¥2.0B)

Media Business : Mainly, the impact of recognizing “net” sales by deducting “Cost of program provision” paid to broadcasters from Viewing fees revenue: (¥20B). The impact includes the change of “registration fee” revenues for FTTH TV viewing services that was recognized as revenue in a lump at the subscription, to the deferred accounting method, which affects operating income (¥0.4B).

Financial Forecast by Segment for FY2021 (New Accounting Standard)

Space Business: Expected to increase revenues and profits thanks to growing revenues from the new satellites such as Horizons 3e and JCSAT-1C

Media Business: Expected to decrease profits due to aggressive upfront cost on new distribution services for future growth, etc.

(Millions in ¥)

	FY2021 Financial Forecast by Segment (adopting new standard)			
	Space Business	Media Business	Consolidated Eliminations	Consolidation Total
Revenues	60,000 [+1,070]	72,000 [(19,599)]	(10,000)	122,000 (17,572)
Operating income	15,500 [+1,670]	3,200 [(2,795)]	(700)	18,000 (1,151)
Segment Profit	11,000 [+1,551]	2,500 [(1,896)]	(500)	13,000 (345)

Note: The number inside of [] is the amount of change from FY2020 results.

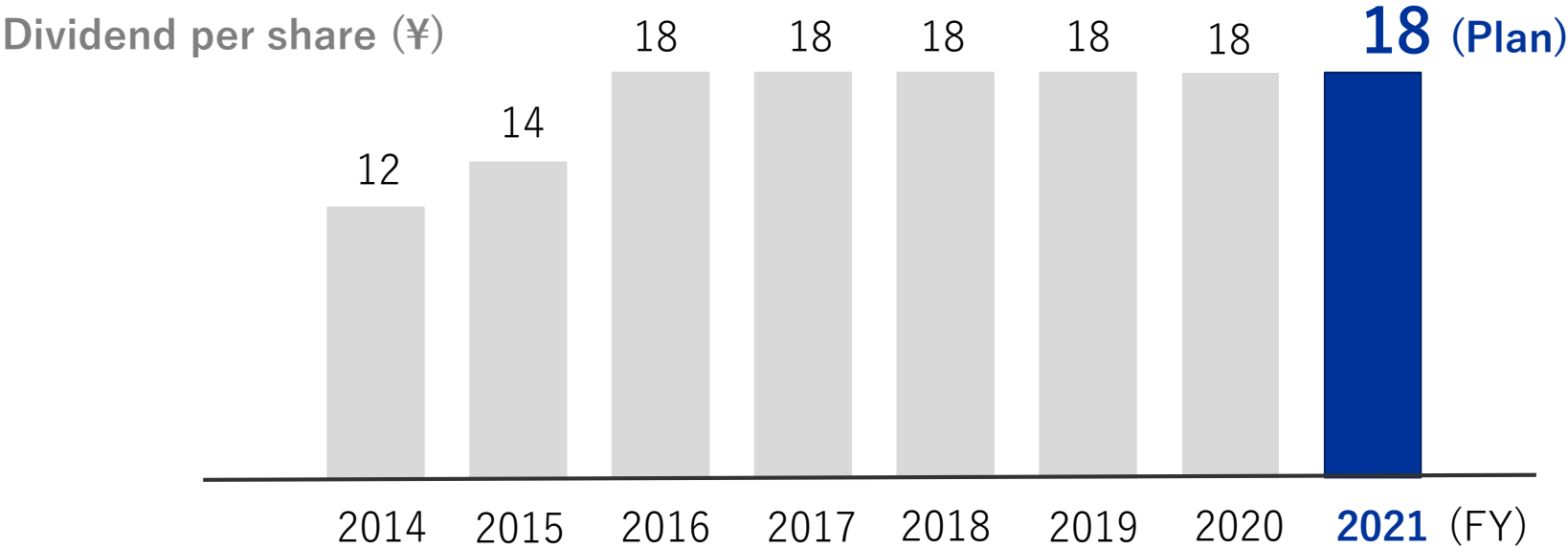
SKY PerfecTV!'s Subscription Target for FY2021

**Maintains the cumulative total of 3 million subscribers,
Although the downward trend continues**

(in Ten thousand)	FY2019	FY2020	FY2021 Target
New (IC cards and chips)	61.5	63.3	56.4
Net Increase (IC cards and chips)	(7.7)	(6.8)	(8.7)
(SKY PerfecTV!)	+2.2	+2.4	+0.8
(SKY PerfecTV!/Premium)	(9.5)	(8.8)	(9.0)
(SKY PerfecTV!/Premium HIKARI)	(0.5)	(0.5)	(0.5)
Cumulative subscription (IC cards and chips)	317.0	310.2	301.5
Cumulative contractors	262.7	251.3	238.3
Average Monthly Subscriber's Payment (¥)			
(SKY PerfecTV!)	3,260	3,294	N/A
(SKY PerfecTV!/Premium)	3,640	3,596	
(SKY PerfecTV!/Premium HIKARI)	5,250	5,183	

Dividend Policy for FY2021

Continues stable Cash Dividends in FY2021,
Planning to pay an annual dividend of **¥18** per share
While improving fundamental profitability of the Company



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

Initiatives for Future Growth

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SKY Perfect JSAT Group's "PLAN 2020+"

スカパーJSATグループ プラン2020+

Human Resources

RE POWERING

Promote a Diverse Range of HR
Enhance Employee Engagement
Realize Self-transformation of
Each Employee

Business

RE BUILDING

Improve Profitability by Selection and
Concentration
Expand into New Businesses and
Global Market through Co-creation
Promote Digital Transformation (DX)

Company

RE BRANDING

Re-create a Corporate Brand
Linkage between SDGs and
Corporate Strategy
Strengthen Corporate Governance

Aiming to further Strengthen Core Profitability in the Mid-Term

Net income
(Billions in ¥)



Gains from new satellites
Review of cost structure

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

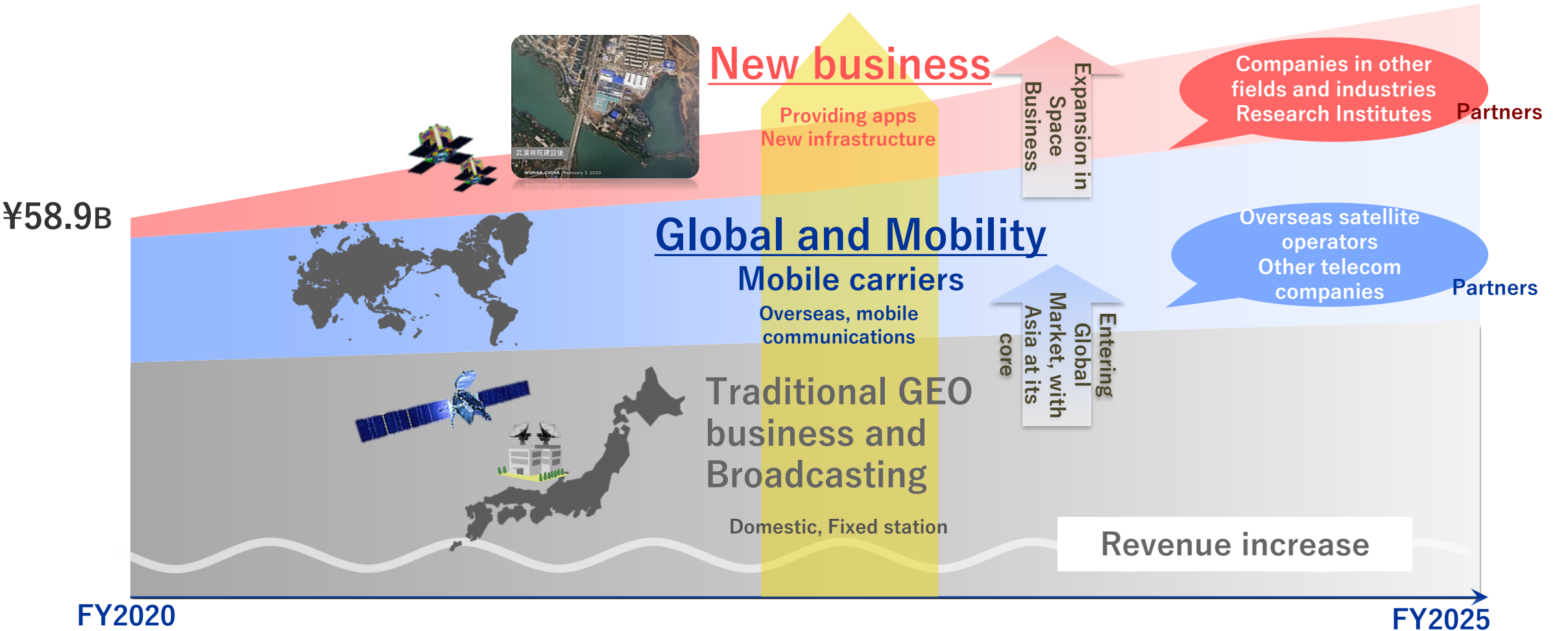
Specific Measures

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 Business Intelligence field and 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

Capture the Growing Communications Market and Pioneer new business fields



Capture the Demand in the Growing Market in Telecom Business

- Strengthen sales and marketing in Indonesia and Russia and so on
- Capture the demand in Airline industry

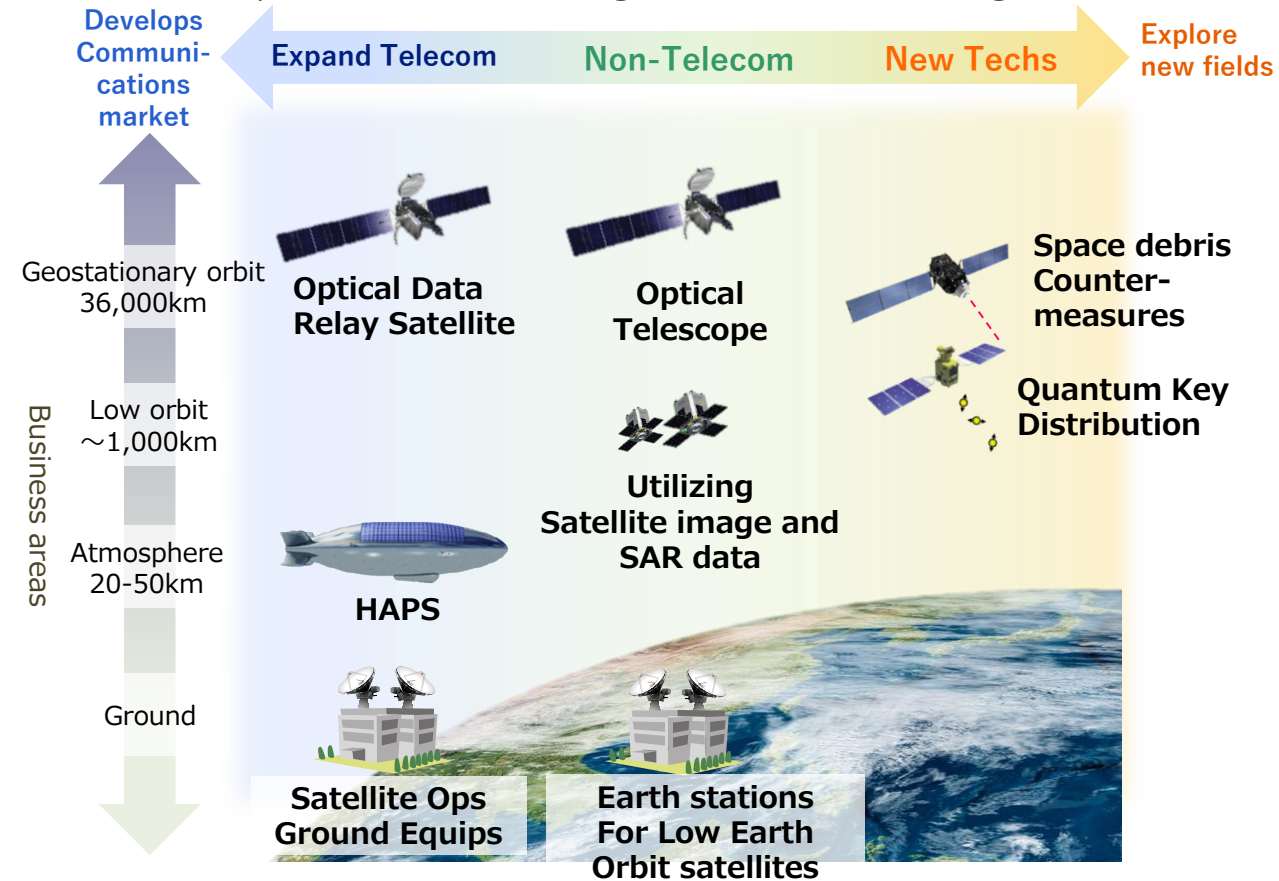


- Respond to needs for the disaster countermeasures and area expansion by mobile carriers



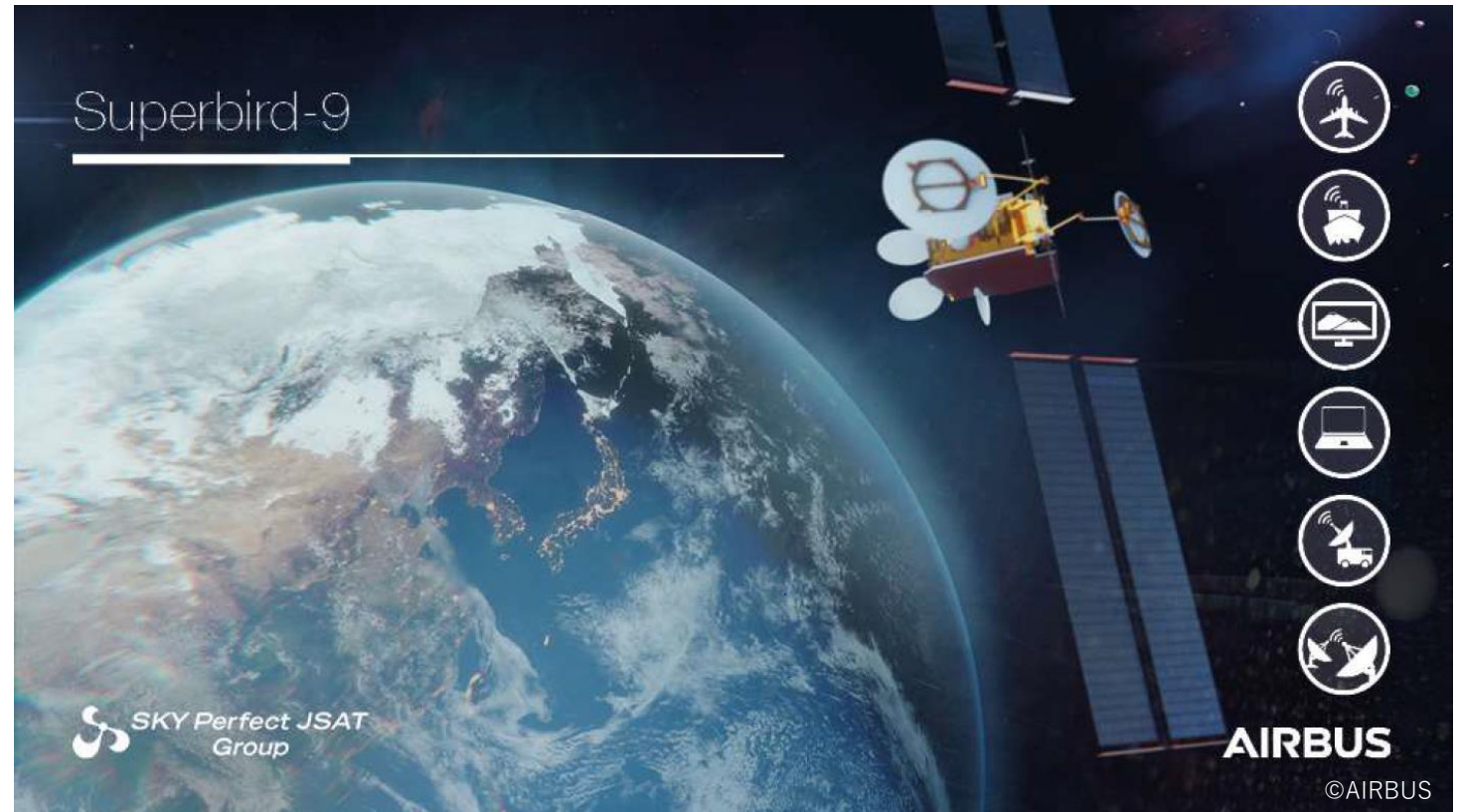
Develop New Business Fields in the Space

- Develop business areas through collaboration with other companies
- Expand business intelligence services utilizing satellite data



Procurement of “Superbird-9” A Satellite equipped with Flexible Payload

- Service areas and coverages can be changed in orbit. Achieve high-throughput, high-flexibility communications
- Succeed the current Superbird-C2 as a successor and capture new demand in the growing market
- **Scheduled to launch in FY2024**



Develop New Business Domains in response to Customer Needs and Changes in business Environment

Broadcast

SKY PerfecTV!

Become subscriber's "Customer of Choice" by providing services other than broadcasting through the "Fan Marketing" to meet Customers needs

FTTH

Increase the number of households connected to TV re-transmission services via optical lines and expand services

B2B

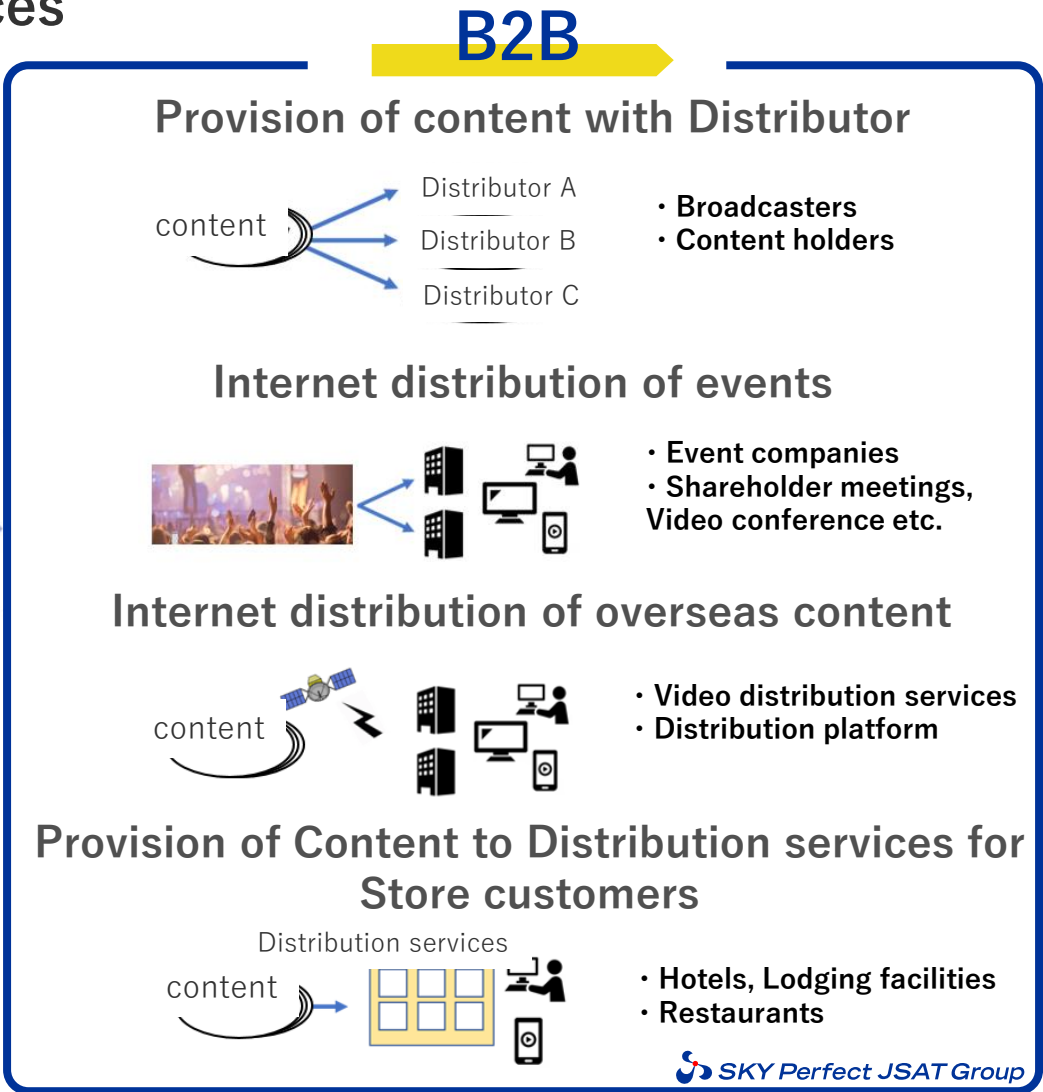
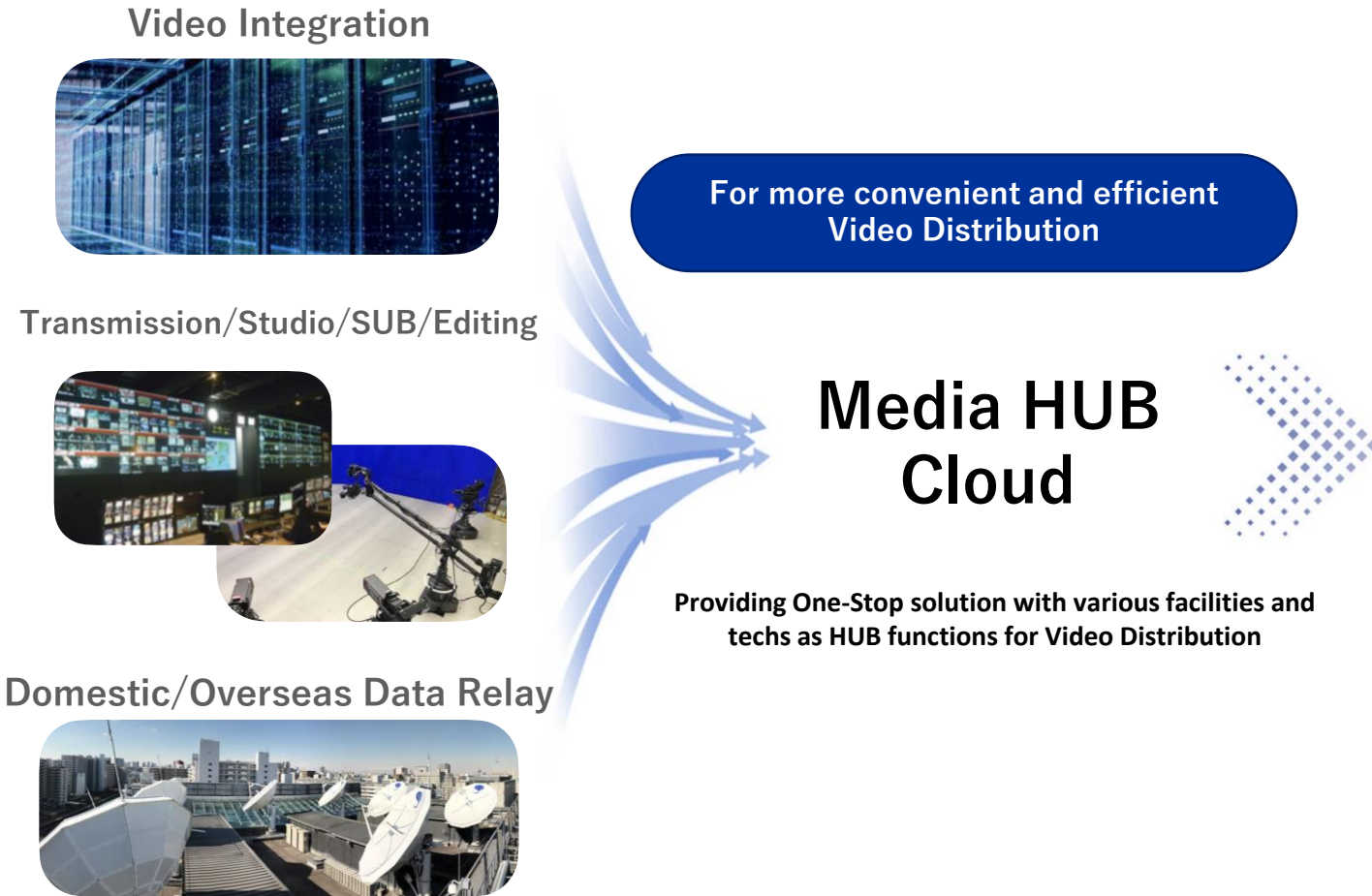
Provide broadcasting equipment and techs not only for existing apps but also for new users, Responding to their demands for diverse distribution services

Distribution

Strengthen competitiveness through renovation of SKY PerfecTV! On-Demand Evolve into a platform integrating broadcasting and distribution



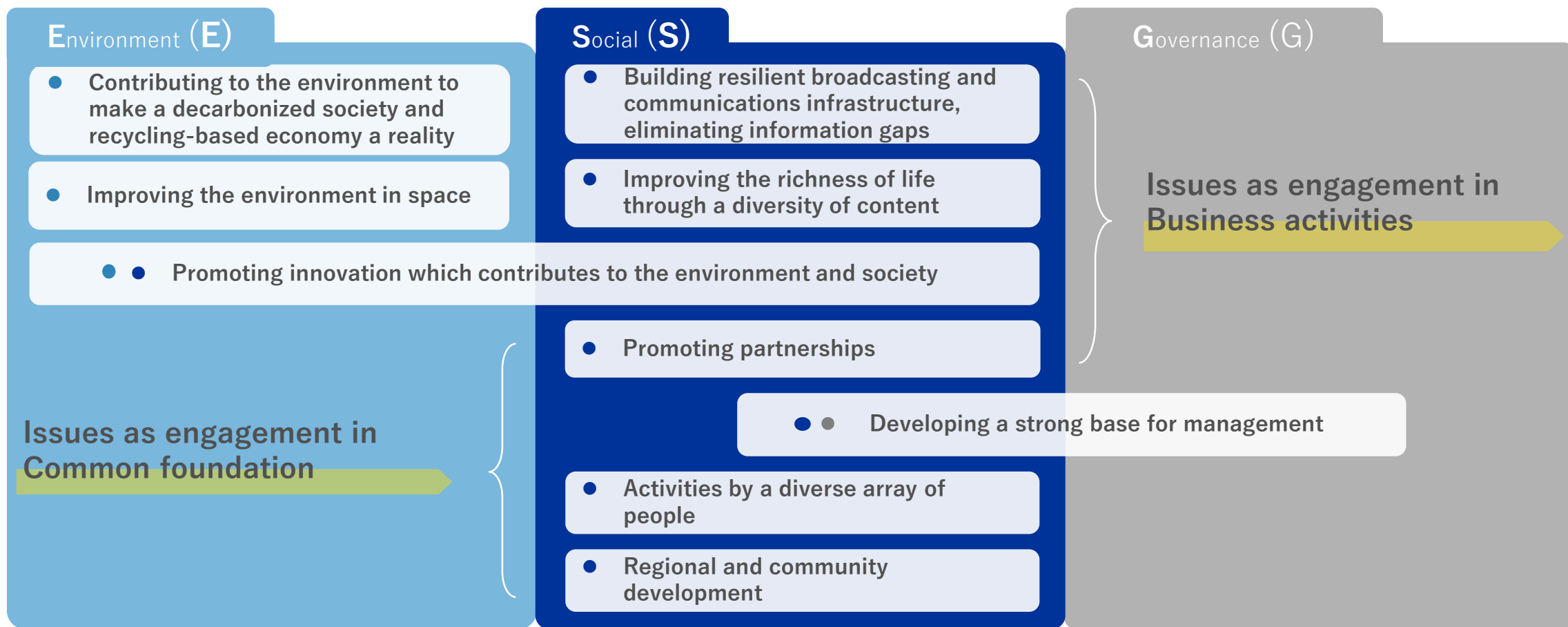
Further Development of B2B business through “Media HUB Clud,” Developing new revenue sources by providing broadcasting facilities as HUB function for Video Distribution services





Becoming a Company that Society needs in line with Sustainable Growth

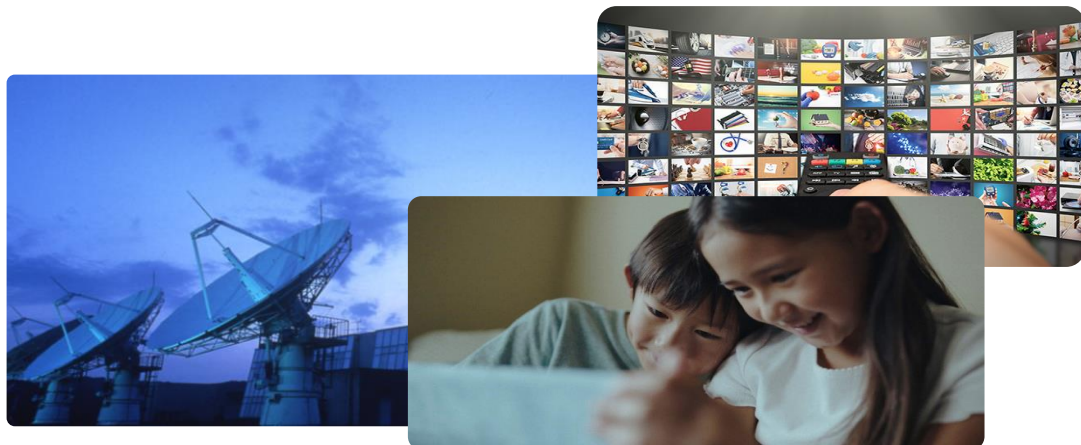
Last September, we established the Sustainability Committee in the company and selected **Nine Materiality**,
Aiming to improving corporate value by realizing our Group Mission, “Space for your Smile”



We will continue to be committed to achieving a resilient and diverse society and addressing environmental issues, including Space environment.

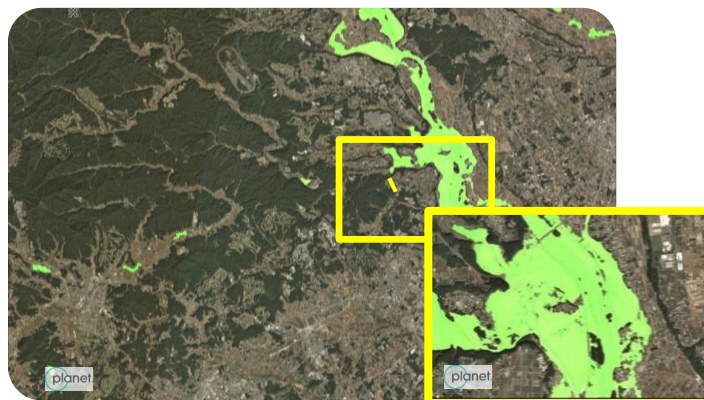
Satellite Communications and Broadcasting

Satellite communications that securely connects even if disasters
Satellite broadcast that can be enjoyed anytime, anywhere



Remote Sensing

Contribute to disaster prevention, disaster mitigation, environmental conservation, etc. through the use of satellite image data



Removal of Space Debris

Conserve the Space environment as a company working in the space industry



Space × Entertainment

Generate global citizenship through messages from Space



Provided by Bascule Inc, SKY Perfect JSAT Corporation, and JAXA

SKY PerfecTV! Group Mission

Space for your Smile

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



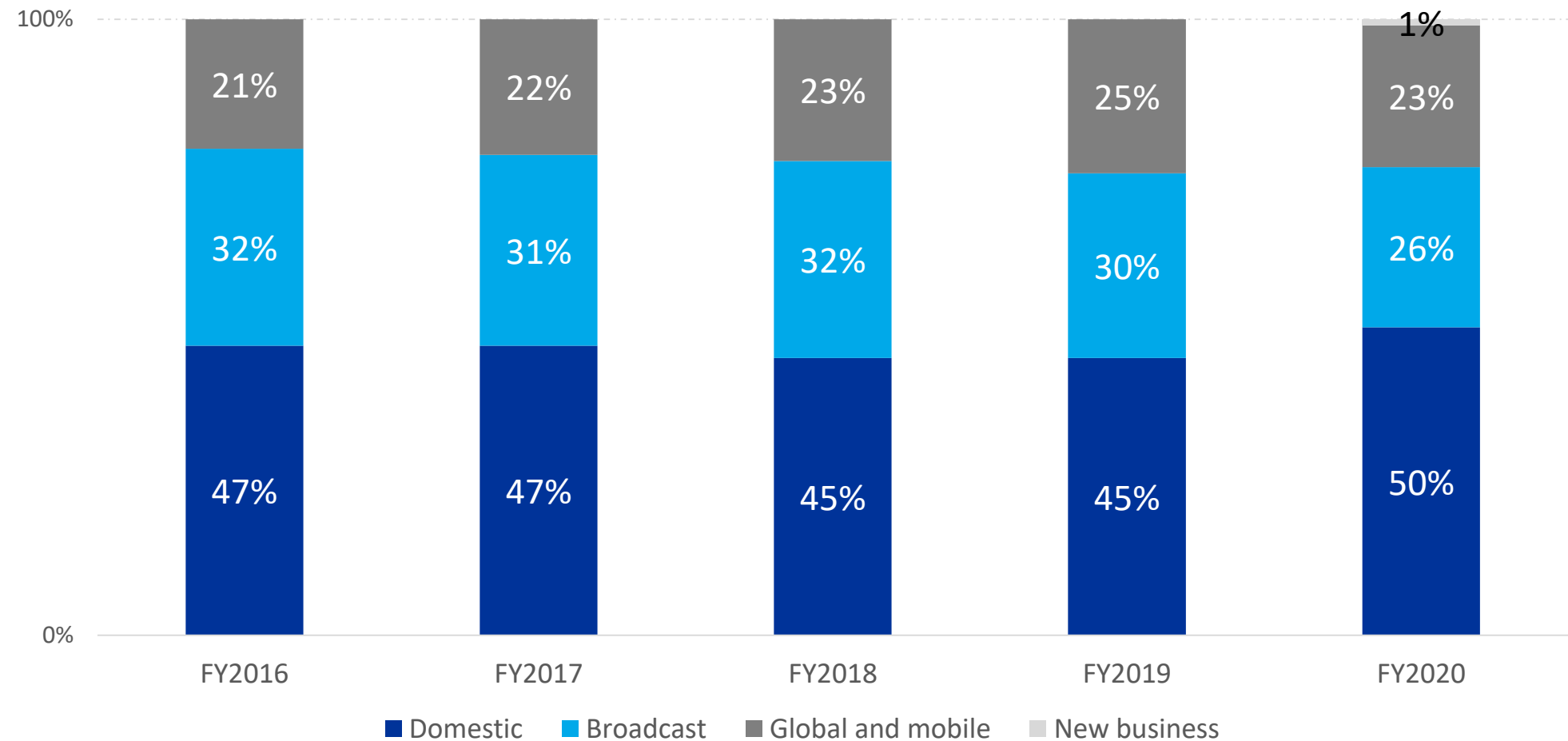
References

Earnings Trend by Segment (Q1/FY2019 to Q4/FY2020)

(Millions in ¥)

	FY2019					FY2020				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
Revenues	34,519	34,752	34,552	35,717	139,541	34,674	35,099	34,568	35,230	139,572
Media	24,985	24,822	24,213	23,623	97,645	23,066	23,422	22,896	22,213	91,599
Space	12,570	12,893	13,180	14,889	53,533	14,381	14,465	14,400	15,681	58,929
Consolidated Elimination	(3,037)	(2,963)	(2,842)	(2,794)	(11,637)	(2,773)	(2,789)	(2,728)	(2,664)	(10,956)
Operating income	3,694	4,636	3,971	2,960	15,263	5,594	5,521	5,461	2,574	19,151
Media	654	1,932	1,284	(795)	3,076	2,174	2,525	2,347	(1,051)	5,995
Space	3,225	2,875	2,855	3,945	12,901	3,568	3,197	3,275	3,788	13,829
Consolidated Elimination	(185)	(171)	(168)	(189)	(714)	(148)	(201)	(161)	(162)	(673)
Segment Profit (Net income attributable to Owners of Parent)	2,464	3,479	2,582	3,500	12,027	4,022	3,843	3,424	2,054	13,345
Media	474	1,416	909	1,746	4,546	1,603	1,794	1,691	(692)	4,396
Space	2,146	2,197	1,800	1,884	8,029	2,529	2,226	1,857	2,833	9,448
Consolidated Elimination	(156)	(134)	(128)	(130)	(549)	(111)	(178)	(124)	(86)	(500)

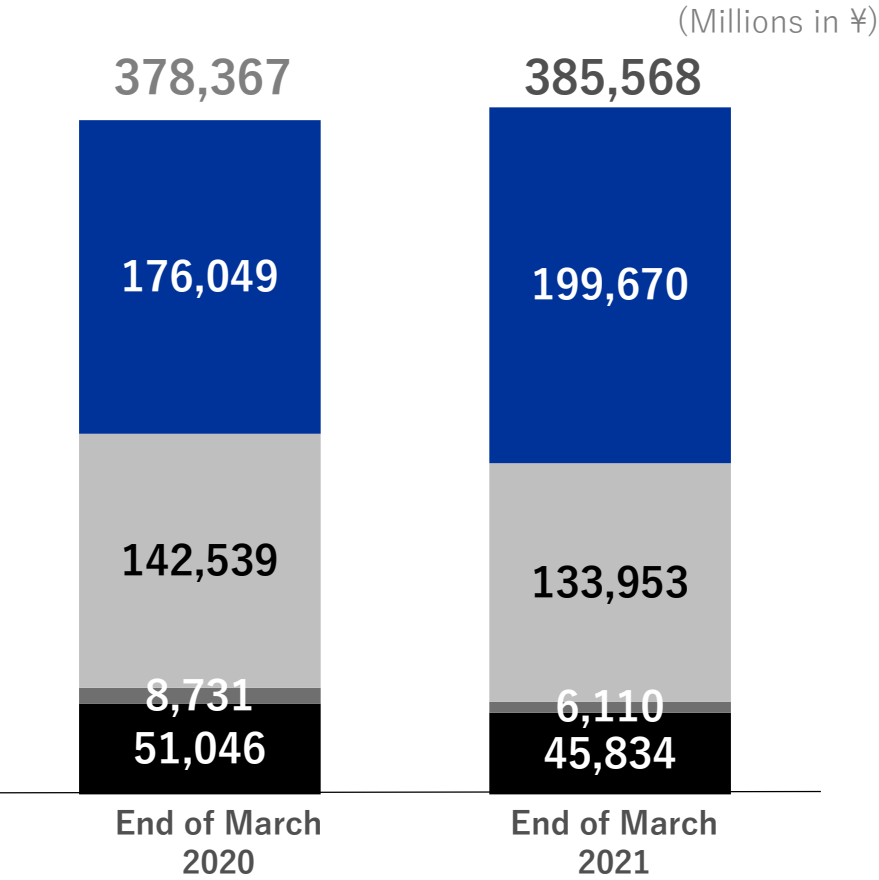
Revenue Composition ratio in Space Business



Note: Excluding the impact of the sale of communication satellites to the Ministry of Defense in FY2016 and FY2018

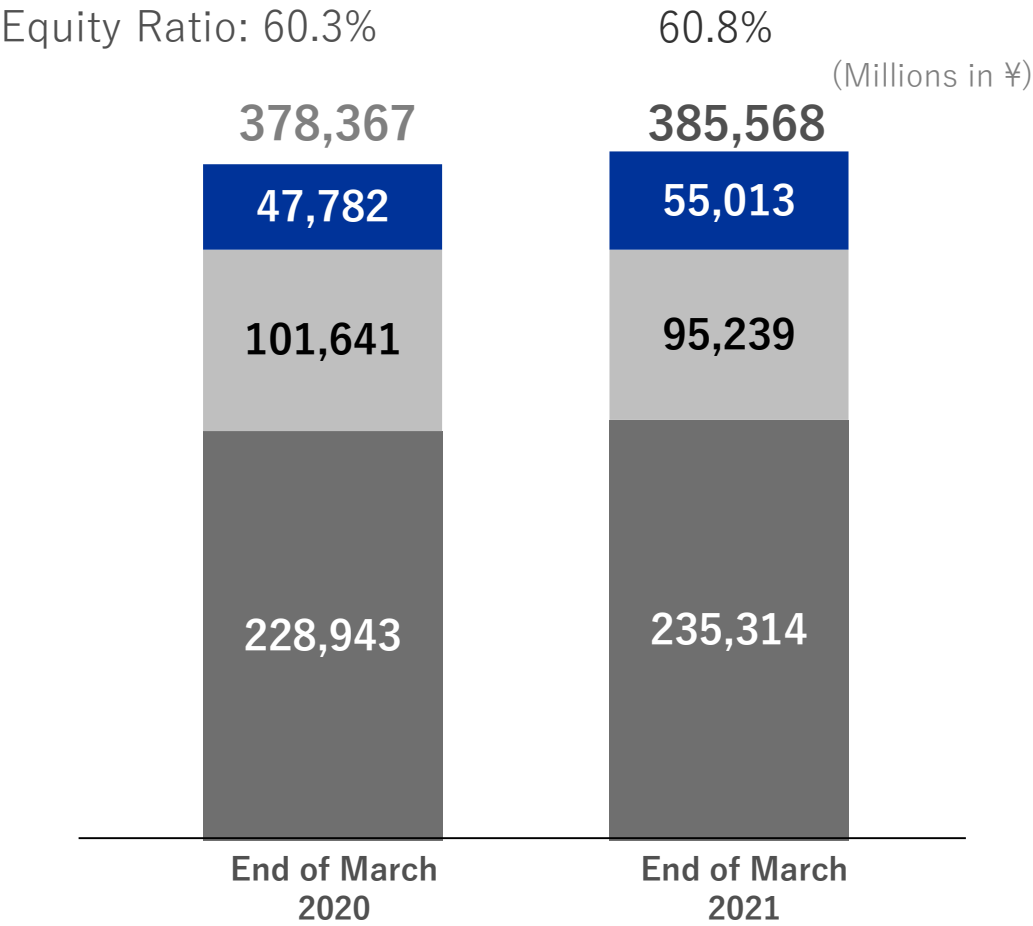
Consolidated Balance Sheet

Assets



Current assets Property, Plant and Equipment Intangible assets Investments and other assets

Liabilities and Net Assets



Current liabilities Long-term liabilities Net assets

Consolidated Cash Flows

(Millions in ¥)

	FY2019 Cumulative	FY2020 Cumulative
Net Cash from Operating activities	28,879	57,948
Net Cash from Investing activities	(20,825)	(11,357)
Free Cash Flows ^{*1}	8,054	46,590
Net Cash from Financing activities	(12,515)	(16,878)
Cash and Cash Equivalents at Term-end (a)	43,602	73,193
Interest-bearing Debt at Term-end ^{*2} (b)	102,442	90,959
Net Interest-bearing Debt at Term-end (b) – (a)	58,839	17,765

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

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

FY2021 Investment Plan

(Billions in ¥)

	FY2020 Result	FY2021 Plan	Change	notes
① CAPEX	13.0	15.3	2.2	
Media Business	4.6	4.4	(0.2)	
Space Business	8.3	10.7	+2.4	Satellite procurement, etc.
Others	0.2	0.1	(0.1)	
② Business investment	0.1	0.5	+0.4	
③ Investment including Operating CF	1.7	—	(1.7)	Investment in JCSAT-17 ended
① + ② + ③ Investment Total	14.8	15.7	+0.9	

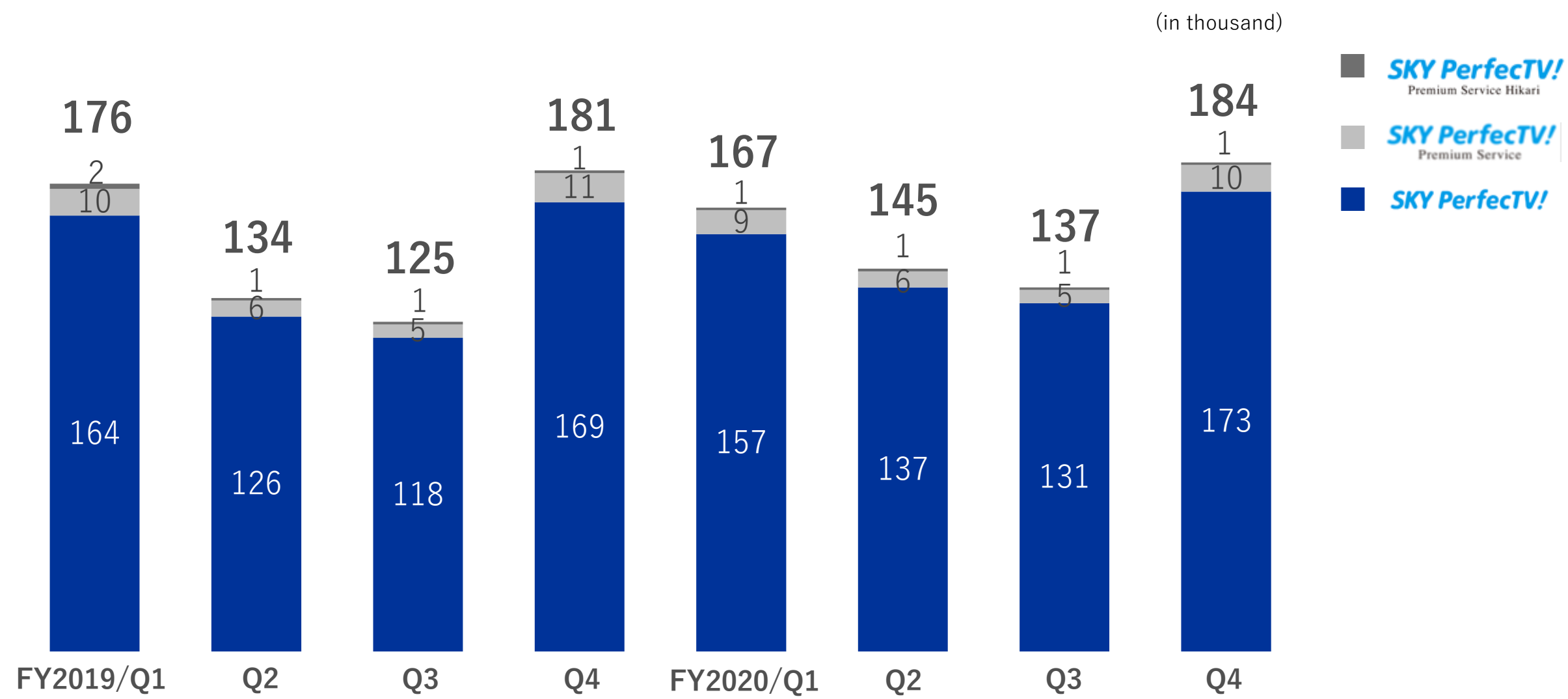
Expected Ex Rate: \$1=¥102, 1 Euro=¥125

FY2021 Depreciation expense (Plan)

(Billions in ¥)

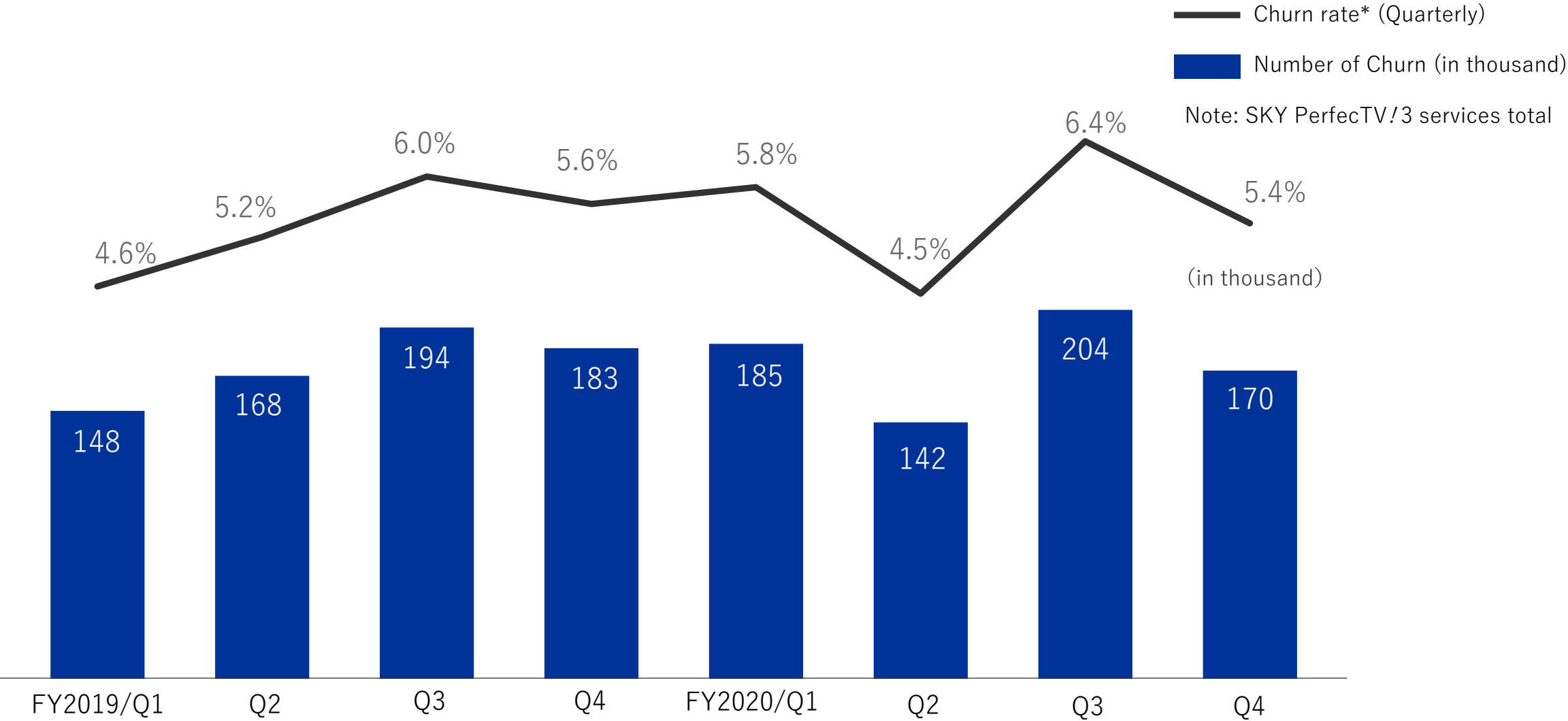
	FY2020 Result	FY2021 Plan	Change
Depreciation expense	23.3	22.4	(0.9)
Media Business	7.4	7.5	+0.1
Space Business	15.5	14.8	(0.7)
Others	0.4	0.1	(0.3)

Number of New Subscribers (IC cards and chips)*



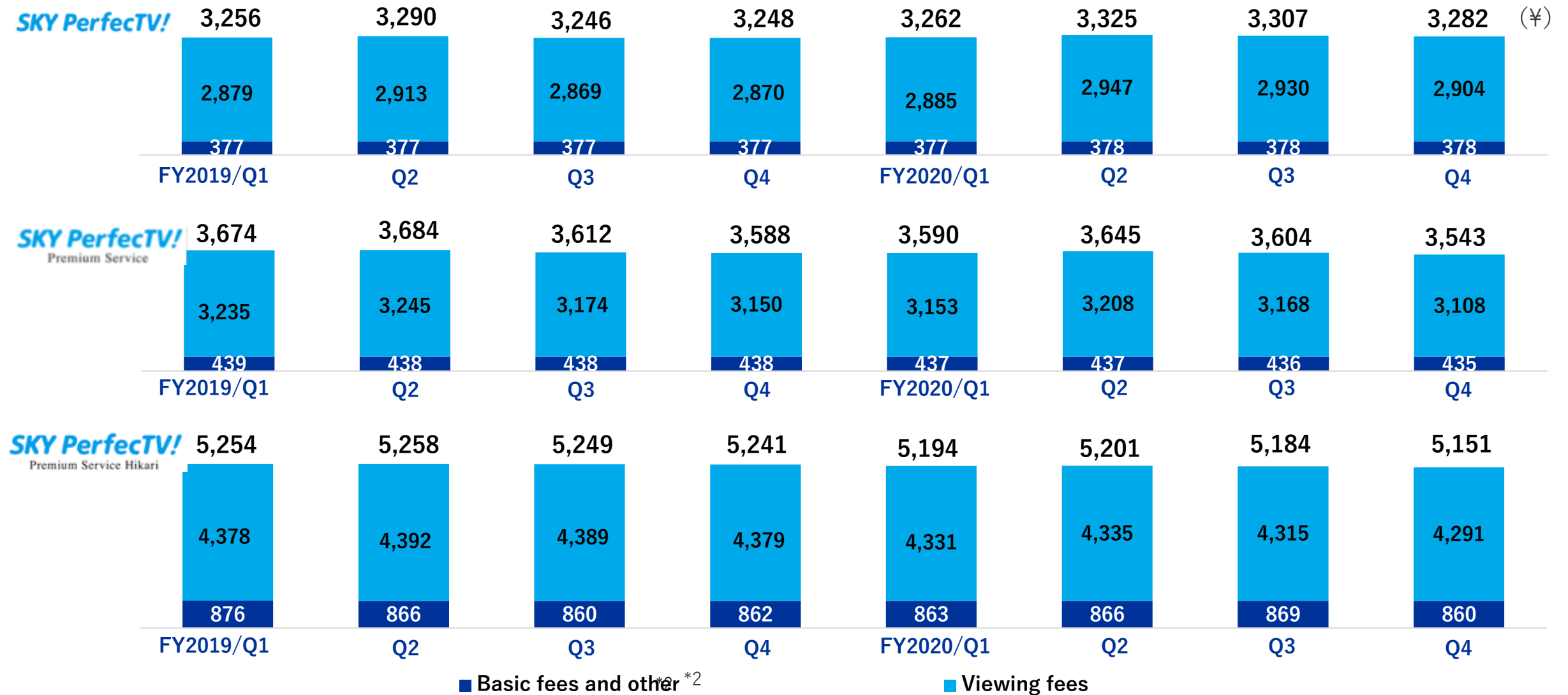
* “New” is the sum of the number of subscribers, which had been counted separately as “New” and “Re-subscription” until September 2019. The numbers of “New” subscribers in 2019 are re-calculated.

Churn Rate (IC cards and 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.

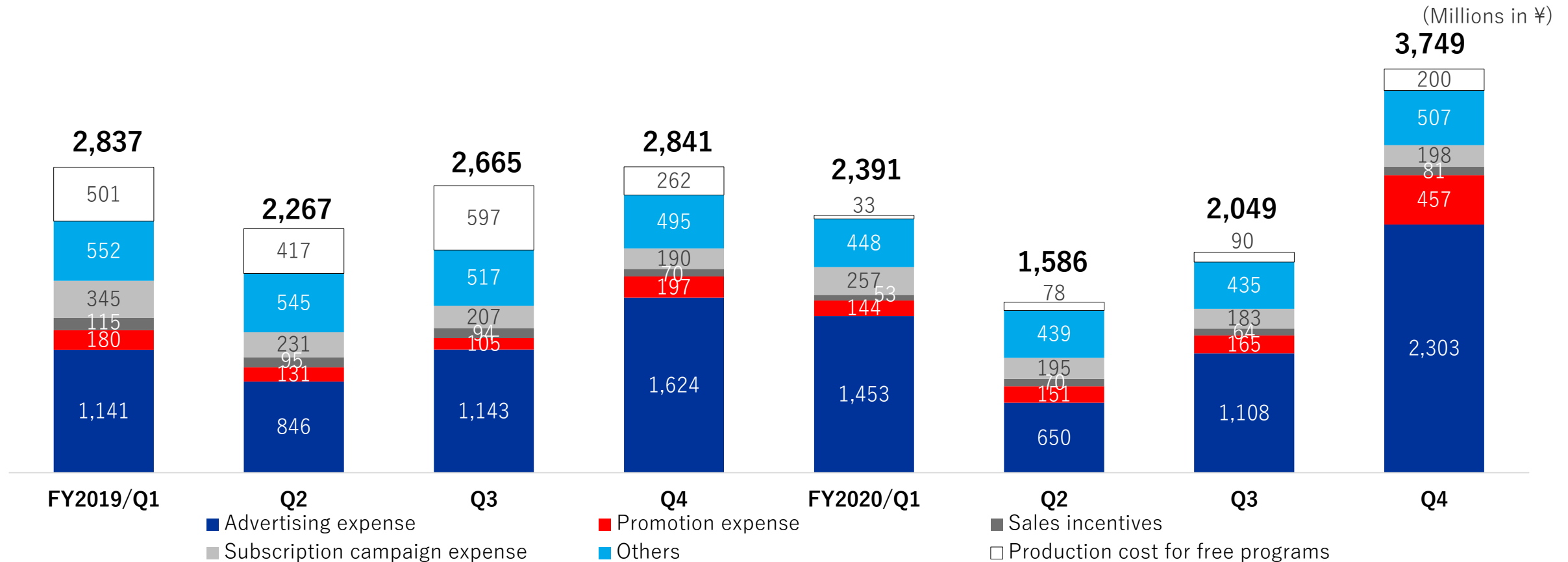
Average Monthly Contractor's Payment *1



*1 Average Monthly Payments made by contractors such as Basic fees and Viewing fees. The monthly unit price, which was previously disclosed on a “subscribers” basis, has been changed to “contractors” basis since the first quarter of FY2019.

*2 Basic fees and STB Rental fees

Total Subscribers Acquisition Cost (SAC)



■ 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: 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!

Earnings Results of Subsidiaries

(Millions in ¥)

		SJC	SPCC	SPET	SPBC	SNET	JII	JMC	ENR
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	Earth Observation image data, Network services and 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
Share (%)		100.0	100.0	100.0	100.0	92.0	100.0	53.3	100.0
Revenues	FY2019/Q4	111,806	6,378	49,909	3,857	4,365	3,025	2,746	304
	FY2020/Q4	113,897	6,074	45,349	2,645	3,970	3,860	2,966	163
Operating Income	FY2019/Q4	16,357	381	457	459	448	(355)	369	(617)
	FY2020/Q4	19,340	365	307	139	454	73	421	(446)
Ordinary Income	FY2019/Q4	16,968	387	464	459	466	(384)	365	(918)
	FY2020/Q4	20,005	428	314	145	471	138	428	(484)

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.

ENR: Enroute Co., Ltd.

未知の大陸、生物、物質。
進化の歴史とは、未知との遭遇の歴史だ。
未知へひとたび飛びこめば、
想像をこえた景色が広がっている。
好奇心にあふれた仲間が集まる。
努力を、努力と忘れてしまう場所。
私たちが魅入られた未知は、宇宙。
誰かを笑顔にする、誰かの安全を守る、
新たな価値を見出してきた。
そしてまだ1%も探れていない。
残りの99%、
この地上から宇宙へ広がる空間で、
世界が驚くビジネスを。
見たこともないエンターテインメントを。
人工衛星たちと共に。

未知を、 価値に。

宇宙実業社
スカパーJSAT

