

Securities Code: 9 4 1 2

SKY Perfect JSAT Holdings Inc.



Presentation Material for the 1Q of FY2021

August 4, 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.

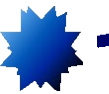
Space Business

- 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 the 1Q of FY2021



Overview of Consolidated Earning Results for 1Q of FY2021



Operating Income and Profits for 1Q of FY2021 remained on Track with Full-Year Forecasts

(Millions in ¥)

	FY2020 1Q	FY2021 1Q	Change (%)	FY2021 Full-Year Forecast	Achievement (%)
Revenue*	34,674	29,078	(16.1%)	122,000	23.8%
Operating Income	5,594	5,493	(1.8%)	18,000	30.5%
Ordinary Income	5,977	5,868	(1.8%)	18,800	31.2%
Net Income (Profit attributable to owners of the parent)	4,022	4,929	22.6%	13,000	37.9%
EBITDA **	12,368	12,056	(2.5%)	43,000	28.0%

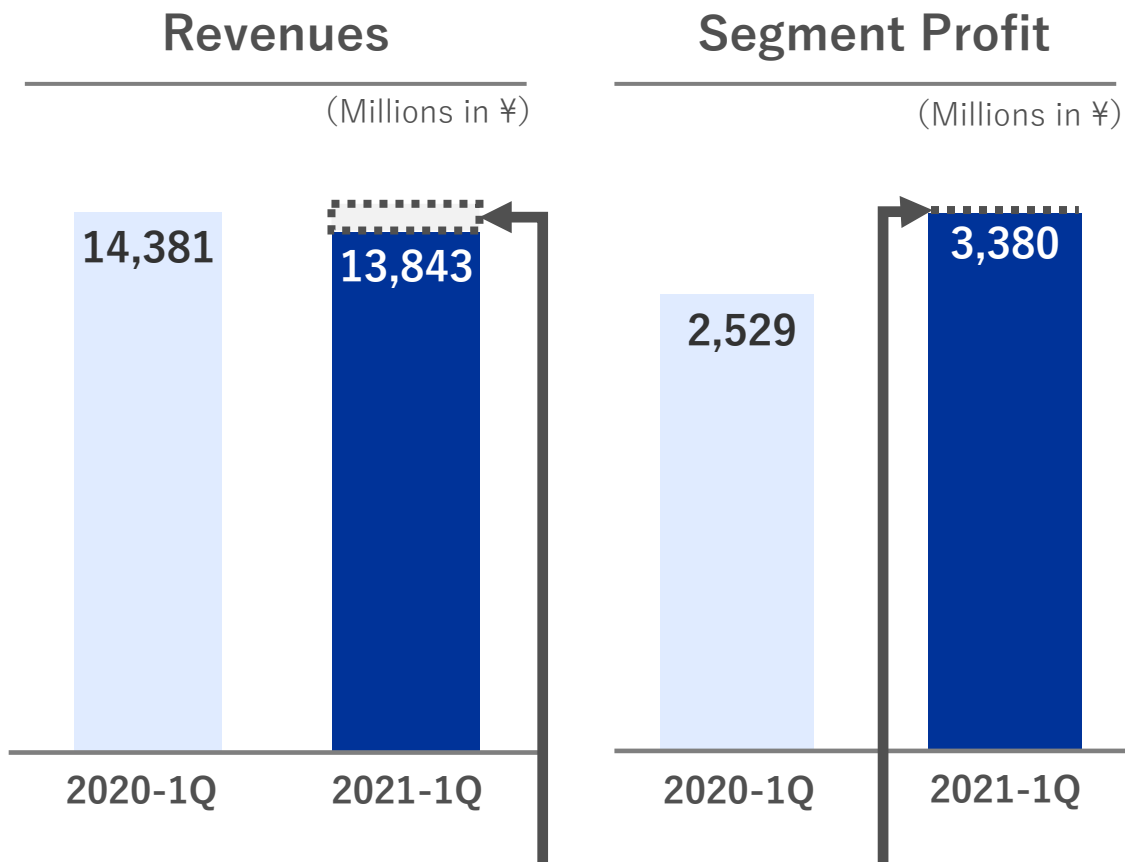
* From FY2021, "Accounting Standards for Revenue Recognition" is adopted and the impact on revenue is around ¥(5,200 Million). It has a minimal impact on profits and earnings.

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

Earnings Overview: Space Business



- Revenues decreased due to the adoption of Accounting Standards.
- Segment Profit increased due to a decrease in tax expenses related to dissolution of a consolidated subsidiary



Negative Impact of the adoption of “Accounting Standards for Revenue Recognition”

The amount of the impact on Revenue is ¥(563 million) and on Segment Profit is ¥(0 million).

(Billions in ¥)

Major Factors of Change in Segment Profit (YoY)

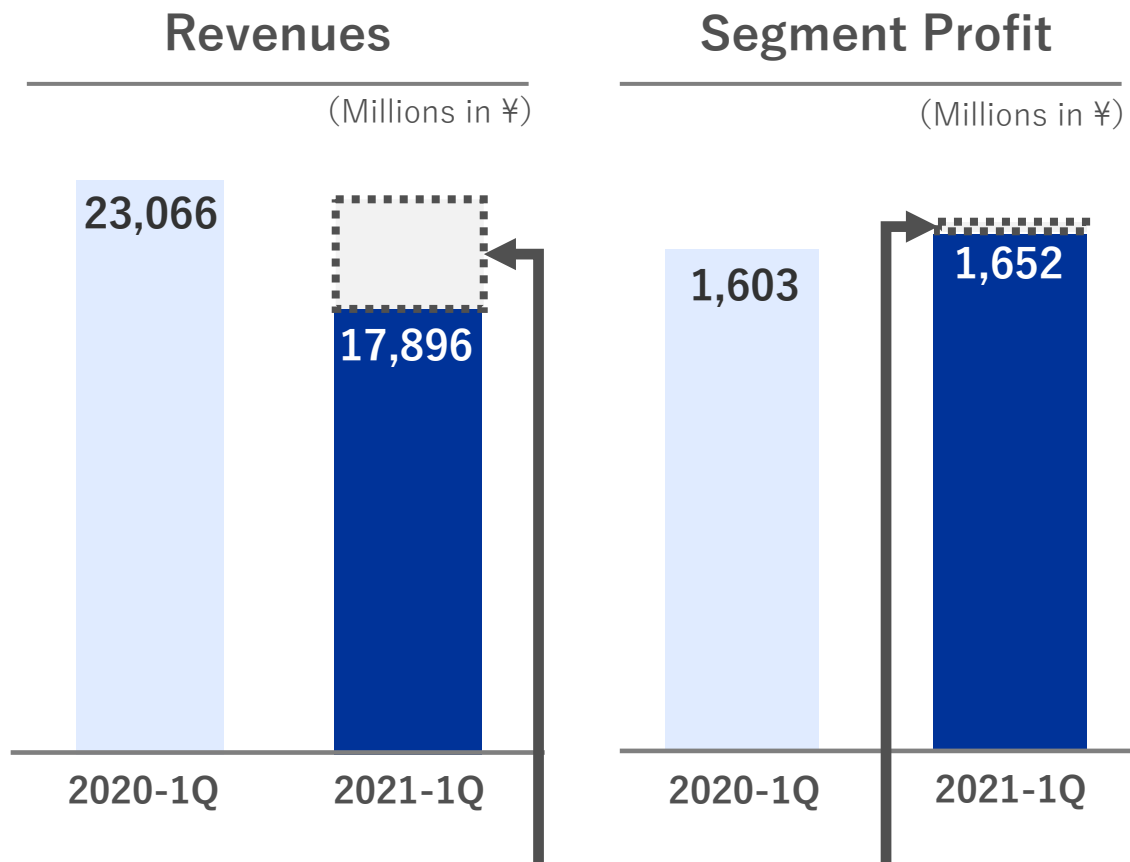
- **Revenues [(0.5)]** *1
 - The impact of the adoption of Accounting Standards for Revenue Recognition: (0.6)
- **Operating Expenses [(0.5)]** *1
 - The impact of the adoption of Accounting Standards for Revenue Recognition: (0.6)
- **Operating Income [(0.1)]**
- **Other factors on Segment Profit**
 - Decrease in tax expenses due to dissolution of consolidated subsidiary: +0.9

*1 Including inter-segment transactions.

Earnings Overview: Media Business



- Revenues decreased mainly due to the impact of the adoption of accounting standards.
- Segment Profit increased year-on-year.



Negative Impact of the adoption of “Accounting Standards for Revenue Recognition”

The amount of the impact on Revenue is ¥(4,670 million) and on Segment Profit is ¥(61 million).

(Billions in ¥)

Major Factors of Change in Segment Profit (YoY)

■ Revenues [(5.2)] *1

- The impact from the adoption of Accounting Standard for Revenue Recognition: (4.7)
- Decrease in revenue from Viewing fees: (0.5) *2

■ Operating Expenses [(5.2)] *1

- The impact from the adoption of Accounting Standard for Revenue Recognition: (4.6)
- Decrease in Cost of program provision: (0.3) *2
- Increase in Content-related cost: +0.6
- Decrease in Promotion-related costs: (0.8)

■ Operating Income [+0.02]

*1 Including inter-segment transactions.

*2 Excluding the impact of the adoption of accounting standards for revenue recognition.

Topics

— Initiatives for Future Growth —

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A small satellite with two long solar panel arms is visible in the upper left corner of the image, set against the black background of space.

SPACE

Space Business



Initiatives with Partner Companies

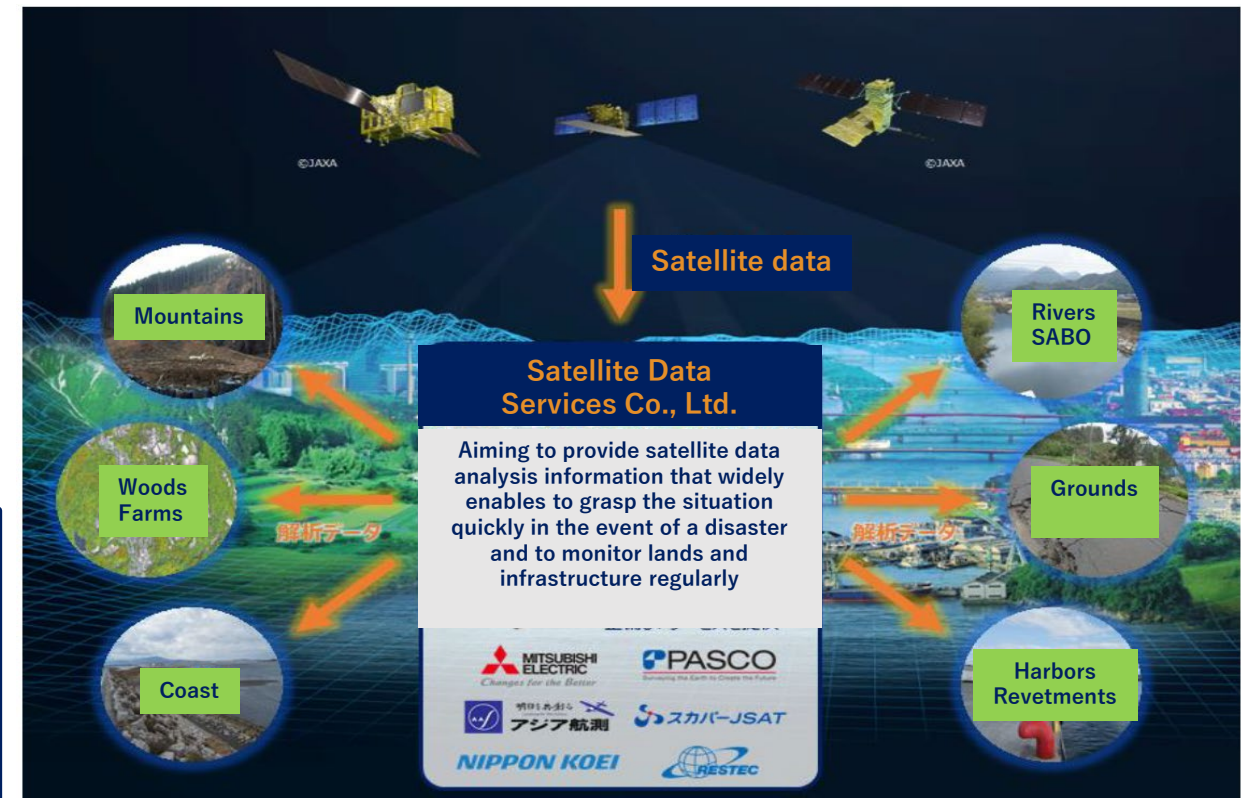
Business Alliance with NTT

- In May 2021, we signed a business alliance agreement with NTT for the purpose of business collaboration. We aim to create a new space business to realize a sustainable society
- Technical demonstration is scheduled to begin in 2022 for effective use as an ICT infrastructure in outer space

Satellite Data Services Co., Ltd.

- Six companies including Mitsubishi electric, Pasco, Asia Air Survey, Nippon Koei, and RESTEC established Satellite Data Services Co., Ltd. in June of 2021

Aiming to provide satellite data analysis information that widely enables to grasp the situation quickly in the event of a disaster and to monitor lands and infrastructure regularly



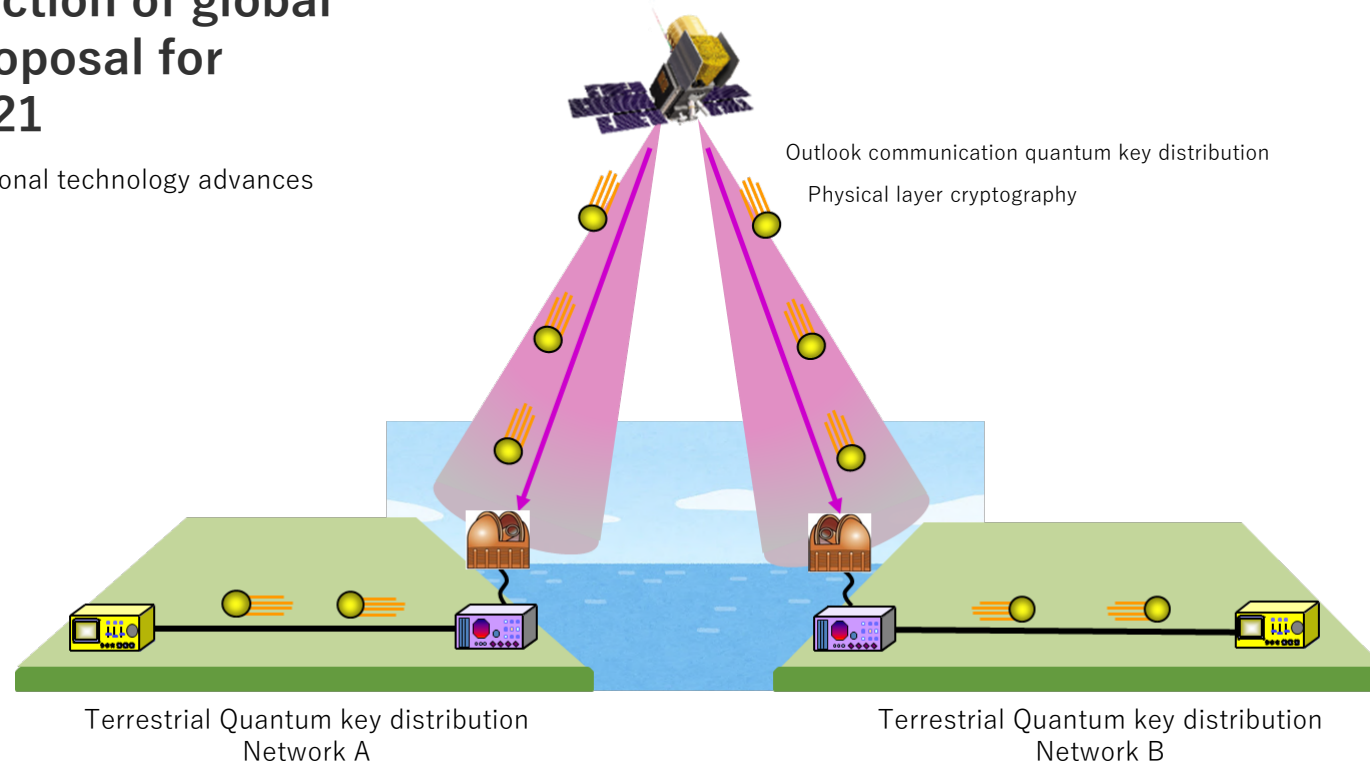
Contracted public offering business by MIC

- MIC entrusted to SKY Perfect JSAT Corporation “Research and Development of Satellite Quantum Cryptography technology” * for construction of global quantum cryptography networks” in Proposal for research and development of ICT in 2021

* Cryptographic technology without risk of decoding even if computational technology advances

Through the R&D, we aim to realize quantum cryptographic communication network at global scale from the ground to low Earth orbit, medium and geostationary orbits

Conceptual image of
Satellite Quantum
Cryptographic Communication Network

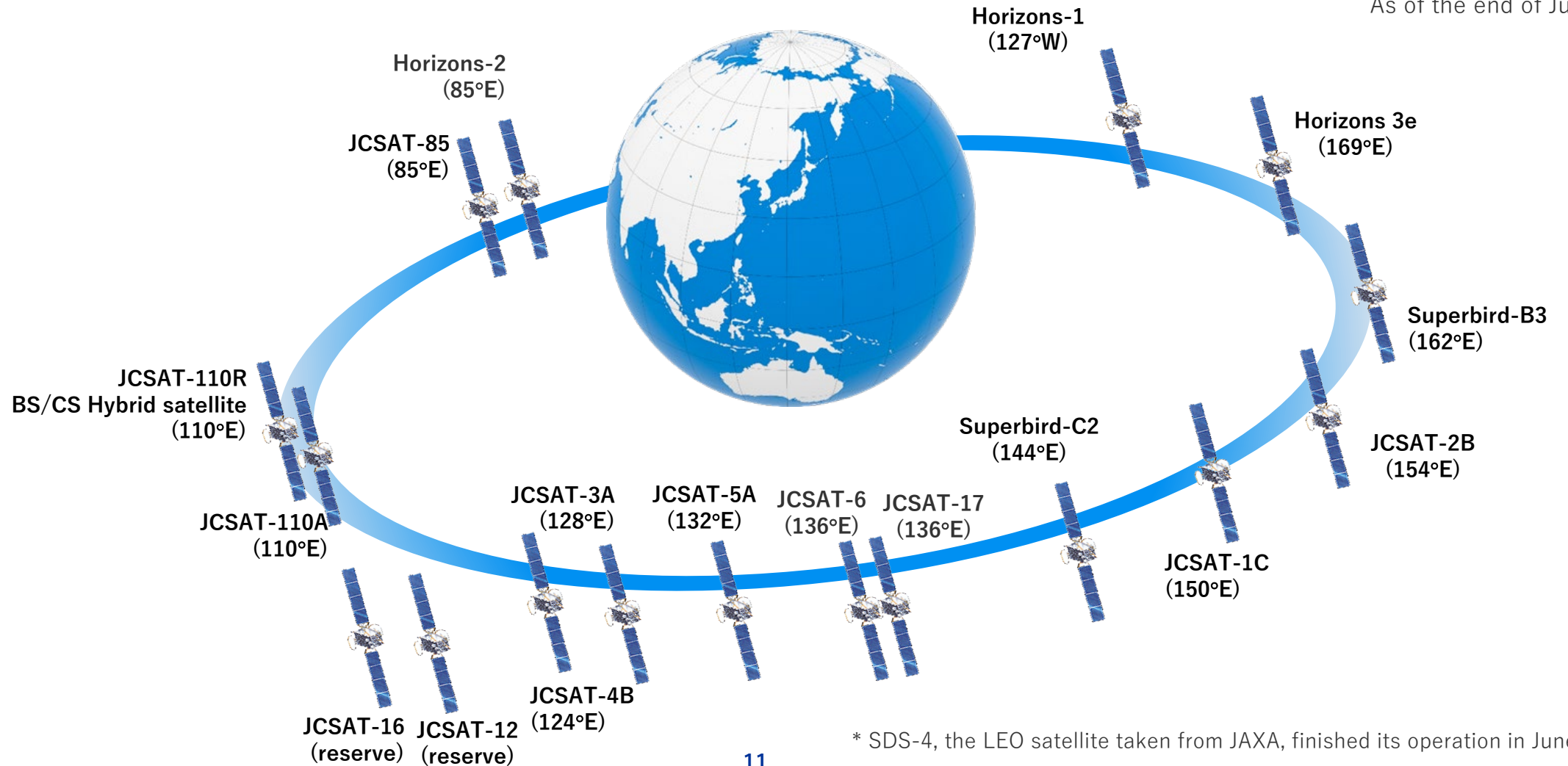


Satellite Fleet Update



A total of 17 satellites covering from North America to the Indian Ocean

As of the end of July, 2021



SKY PerfecTV!

MEDIA

Media Business



Bundesliga 21/22 Season



■ New Season starts on August 13

- Broadcast/distribute all games of this season as well
- EC site for goods related to Bundesliga is planned to open (after September)
- Many Japanese players such as Hasebe, Endo (U-24 Japan National team member), Kamata and Haraguchi belong to Bundesliga

■ Plan to Launch dedicated app for next-generation broadcast

- Implement Asia's first interactive feed
- Customize Timeline view and match stats, etc.
- Provide soccer fans with a new "next generation" viewing experience

On August 11, 21/22 German Bundesliga Opening PR Event (Online event) is planned
Players in the League will appear remotely from Germany



We decided to acquire treasury stock of **¥3,000 million** (upper limit)

**Expanding shareholder returns by acquiring treasury stock
In addition to conventional stable dividends**

(Reference: Dividends)

We plan to implement the annual dividends of ¥18 per share in Fiscal Year 2021, too.



References

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Earnings Trend by Segment (2020-1Q to 2021-1Q)



(Millions in ¥)

	FY2020					FY2021
	1Q	2Q	3Q	4Q	Total	1Q
Revenues	34,674	35,099	34,568	35,230	139,572	29,078
Media	23,066	23,422	22,896	22,213	91,599	17,896
Space	14,381	14,465	14,400	15,681	58,929	13,843
Consolidated Elimination	(2,773)	(2,789)	(2,728)	(2,664)	(10,956)	(2,661)
Operating income	5,594	5,521	5,461	2,574	19,151	5,493
Media	2,174	2,525	2,347	(1,051)	5,995	2,193
Space	3,568	3,197	3,275	3,788	13,829	3,480
Consolidated Elimination	(148)	(201)	(161)	(162)	(673)	(181)
Segment Profit (Net income attributable to Owners of Parent)	4,022	3,843	3,424	2,054	13,345	4,929
Media	1,603	1,794	1,691	(692)	4,396	1,652
Space	2,529	2,226	1,857	2,833	9,448	3,380
Consolidated Elimination	(111)	(178)	(124)	(86)	(500)	(103)

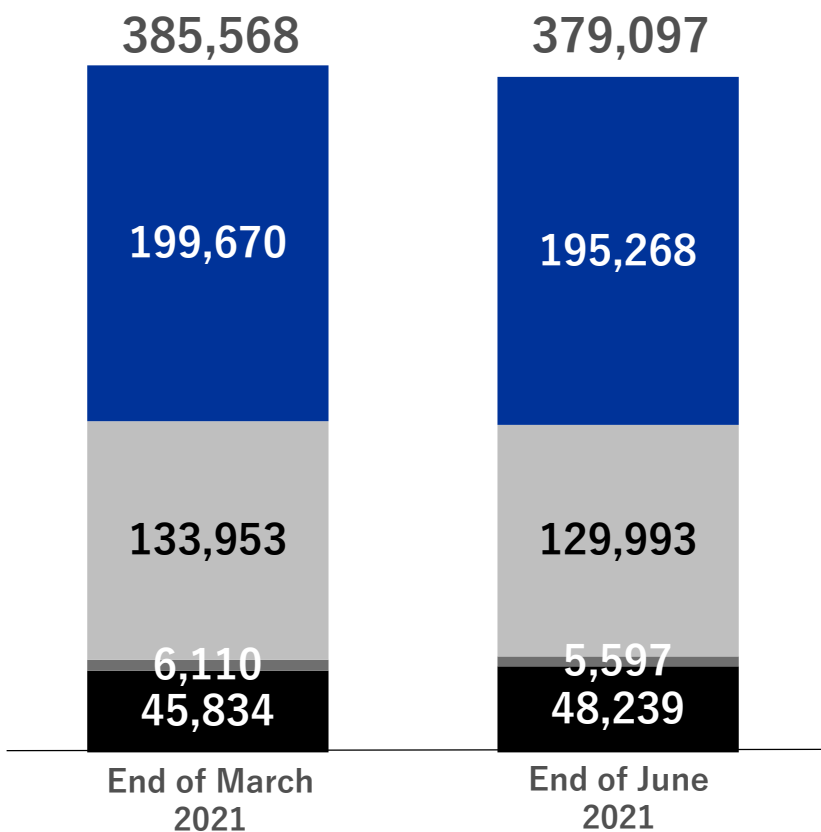
We adopt "Accounting Standard for Revenue Recognition", etc. from the beginning of First Quarter of FY2021.
Each figure from First Quarter of FY2021 is after adoption of "Accounting Standard for Revenue Recognition". ¥

Consolidated Balance Sheet



Assets

(Millions in ¥)



Current assets

Property, Plant
and Equipment

Intangible assets

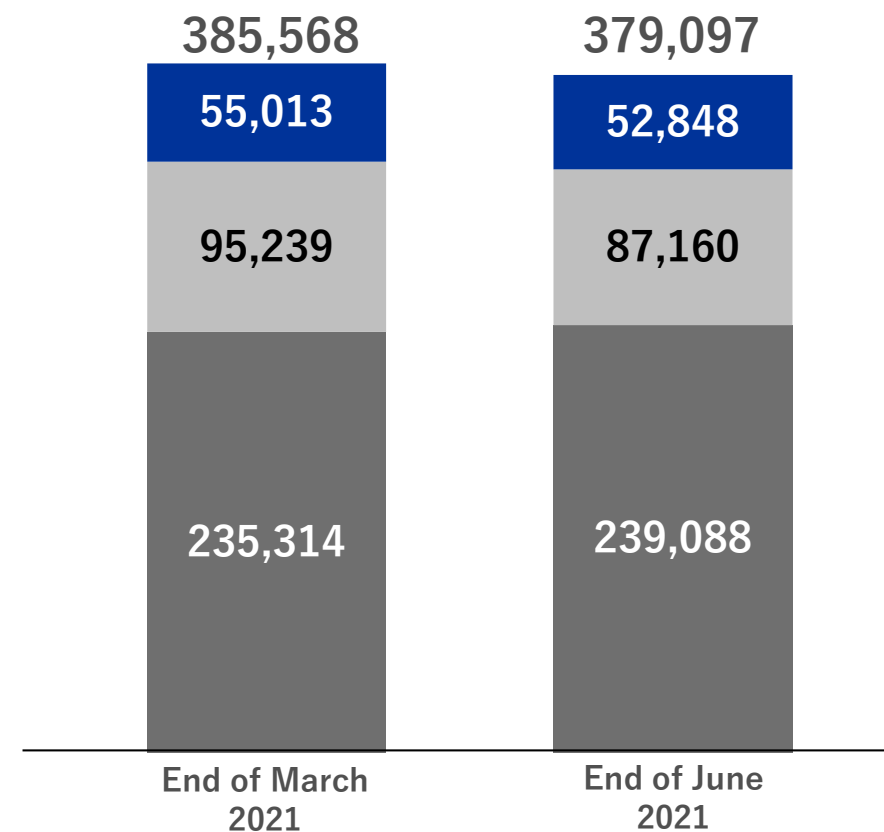
Investments and other assets

Liabilities and Net Assets

(Millions in ¥)

Equity Ratio: 60.3%

Equity Ratio: 62.8%



Current
liabilities

Long-term
liabilities

Net assets

Consolidated Cash Flows



(Millions in ¥)

	FY2020 1Q	FY2021 1Q
Net Cash from Operating activities	20,611	8,169
Net Cash from Investing activities	(2,349)	(3,192)
Free Cash Flows ^(*1)	18,262	4,977
Net Cash from Financing activities	(10,380)	(6,295)
Cash and Cash Equivalents at Term-end(a)	51,474	72,069
Interest-bearing Debt at Term-end ^(*2) (b)	94,560	87,906
Net Interest-bearing Debt at Term-end (b) – (a)	43,086	15,836

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

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

SKY PerfecTV! Key Indicators of Media Business 2021-1Q

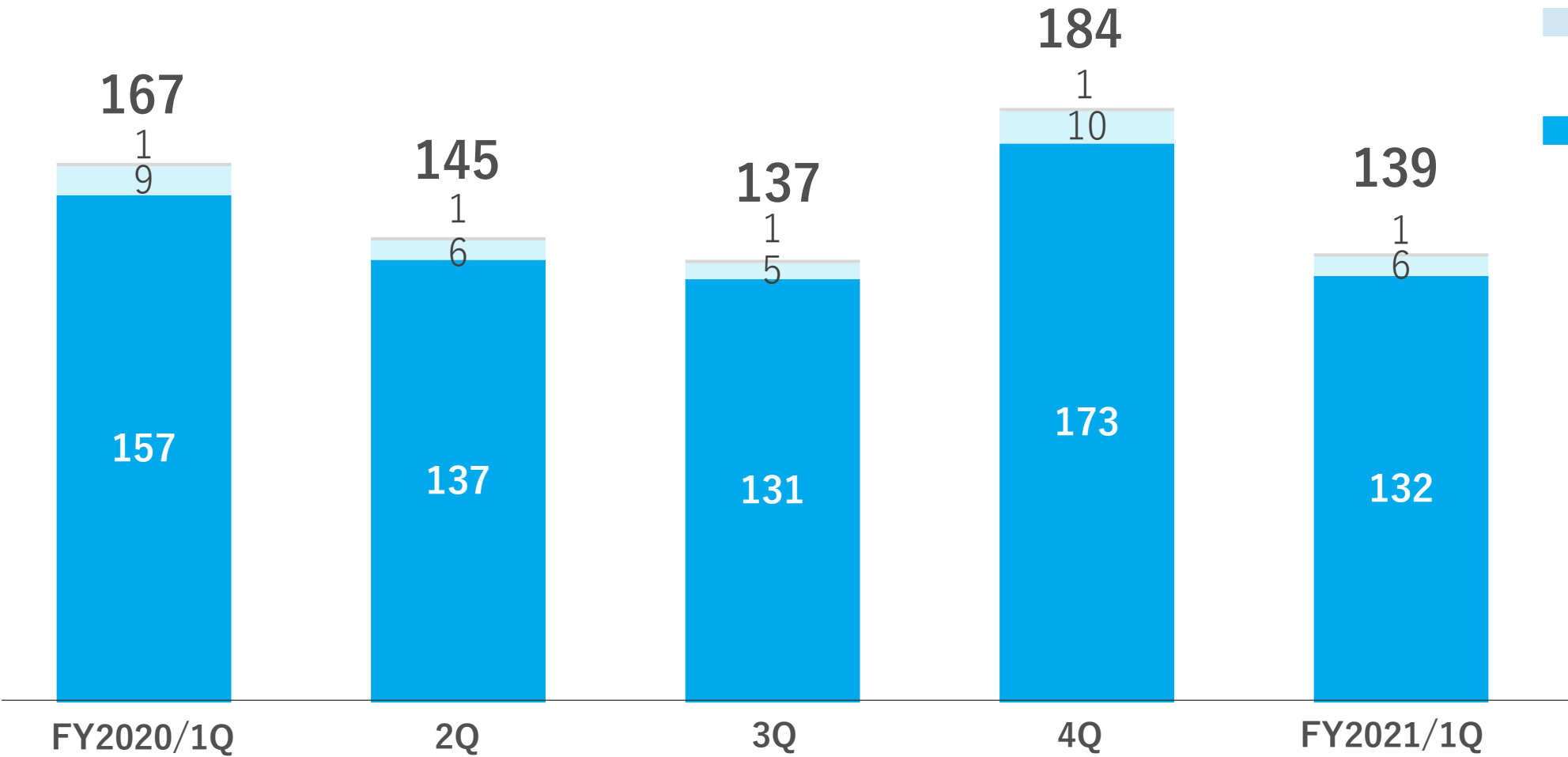


	FY2020 1Q	FY2021 1Q	Annual Target for 2020
New* (IC cards or chips)	16.7	13.9	56.4
Net Increase (IC cards or chips)	(1.8)	(0.9)	(8.7)
- SKY PerfecTV!	+0.5	+1.0	+0.8
- SKY PerfecTV!Premium Service	(2.2)	(1.9)	(9.0)
- SKY PerfecTV!Premium Service Hikari	(0.1)	(0.1)	(0.5)
Cumulative number of subscribers (IC cards or chips)	315.2	309.2	301.5
Cumulative number of contractors (contracts)	259.3	249.4	238.3
Monthly Unit Price paid by Contractor (Yen)			
- SKY PerfecTV!	3,262	3,347	—
- SKY PerfecTV!Premium Service	3,590	3,607	
- SKY PerfecTV!Premium Service Hikari	5,194	5,146	

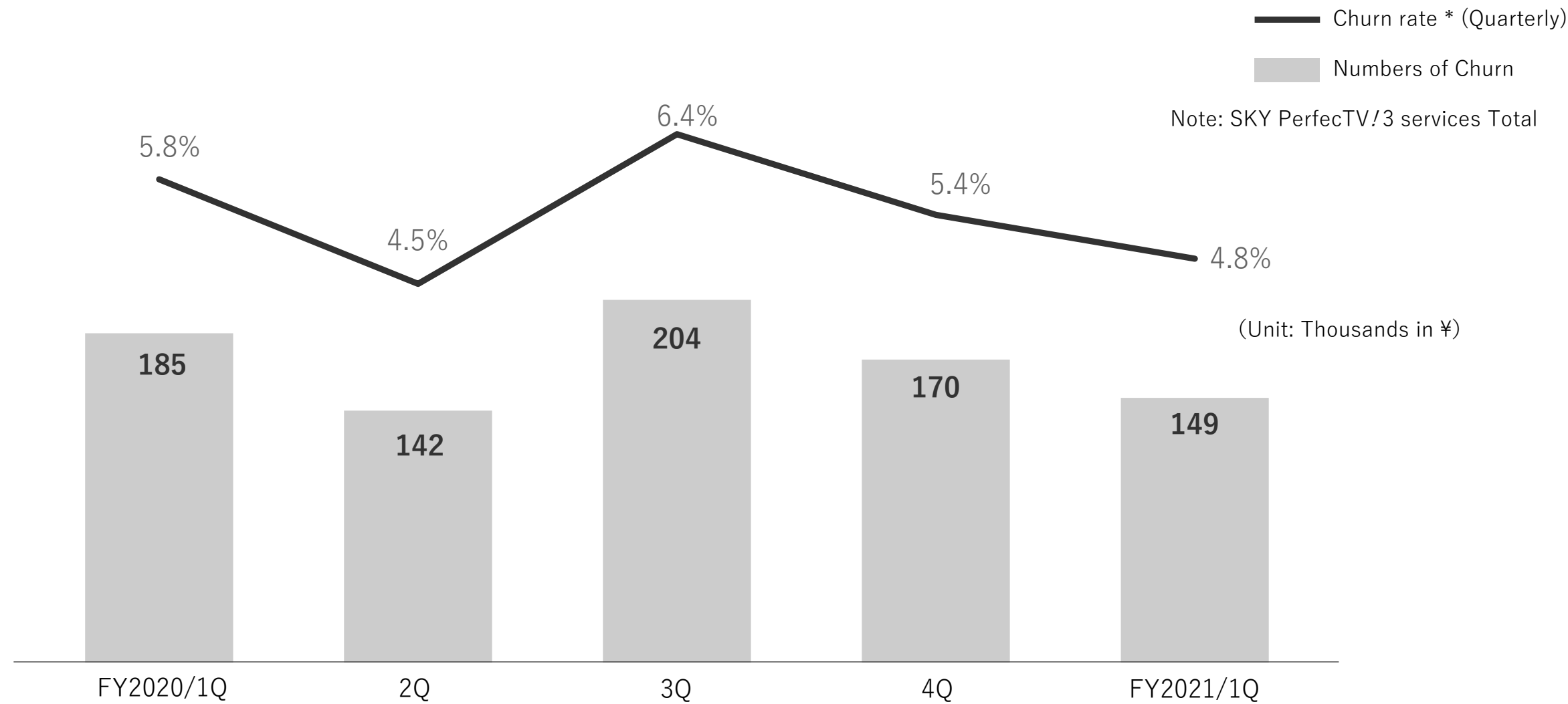
Number of New Subscribers (IC cards and ships)



(Unit: Thousands in ¥)



Churn Rate (IC cards and chips)

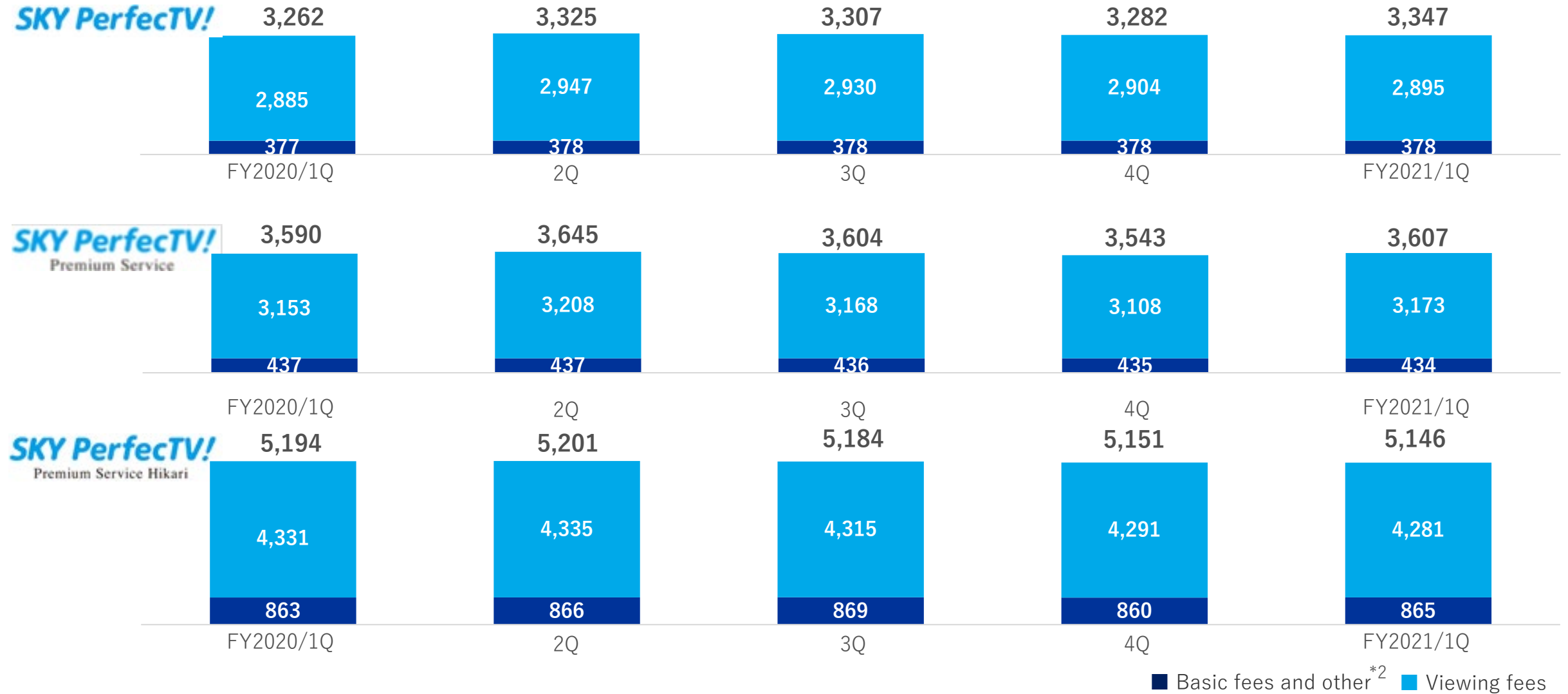


* The churn rate is calculated by dividing the total number of cancellations for each quarter by the cumulative number of subscribers at the end of the previous fiscal year.

Average Monthly Contractor's Payment *1



(¥)

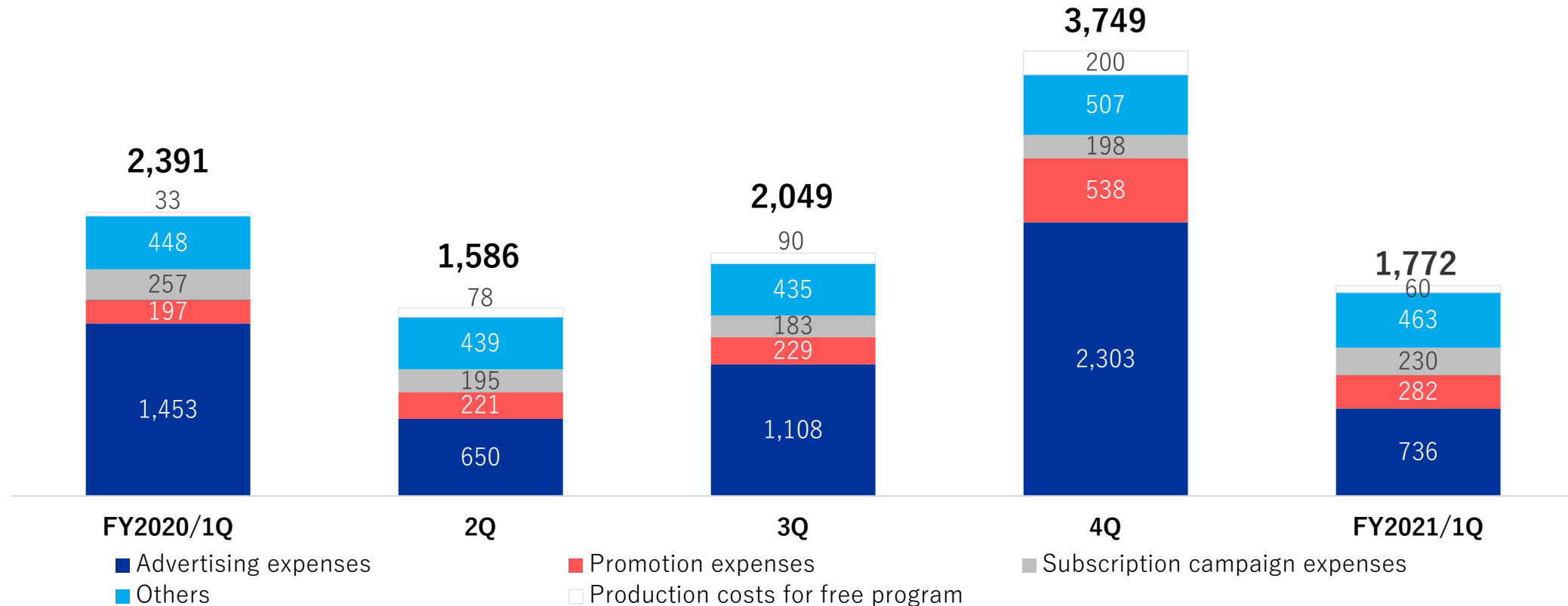


*1 Average monthly Contractor's payments made by contractors such as Basic fees and Viewing fees. The monthly unit price is on a basis of Contractor, Of Viewing fees paid by contractors, SKY PerfectTV! service recognizes around 30% as commission revenues and SKY PerfectTV! Premium service and SKY PerfectTV! 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)

(百万円)



■ 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!

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



Space for your Smile

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





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