

Securities Code: 9412

SKY Perfect JSAT Holdings Inc.



3Q 2022 Presentation Material

For the 9-month period ended December 31, 2022

February 1, 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



Investment will be over ¥200 billion for New business field

SPACE
Using new technology
and
Expanding business field

Over
¥150B

Satellite
Communi
cations



Universal NTN

Optical Data Relay

Business Intelligence

2030 Segment Net Income Target ¥21 Billion

MEDIA
Driving new business
beyond viewing
experience

Over
¥50B

Satellite
broad
casting
/FTTH



Connected TV

Media Solutions

Content Database

Real Business

2030 Segment Net Income Target ¥5 Billion

Sustainable Growth

Target Net income is over ¥25 Billion in 2030

Consolidated Financial Results

Third Quarter of FY2022



Consolidated Earning Results for 3Q of FY2022



- Revenue and Income was in line with the plan against the FY2022 Forecast.
- The decrease in Net Income was mainly due to disappearance of a reduction in tax expenses (¥0.9B) incurred in FY2021.

(in Millions of ¥)

	FY2021 3Q Cumulative Total	FY2022 3Q Cumulative Total	Change (%)	FY2022 Forecast	Progress (%)
Revenue	88,436	88,594	+0.2%	120,000	73.8%
Operating Income	16,256	16,714	+2.8%	21,000	79.6%
Ordinary Income	17,401	17,125	(1.6%)	21,500	79.7%
Net Income (Profit attributable of owners of the parent)	12,653	11,386	(10.0%)	15,000	75.9%
EBITDA *	35,572	33,696	(5.3%)	44,400	75.9%

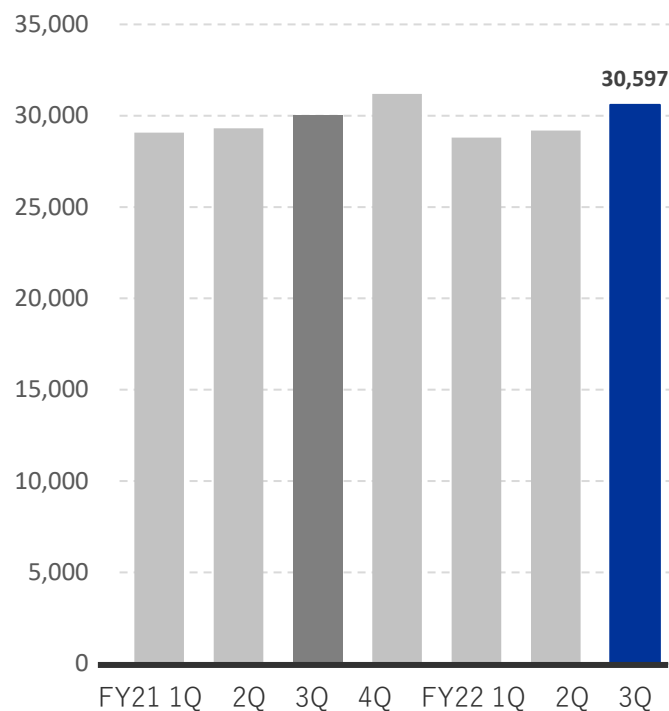
* EBITDA = Net Income + Tax Expense + Depreciation Expense + Amortization of Goodwill + Interest Expense

Trends of Consolidated Financial Results by Quarter (FY2021 1Q – FY2022 3Q)



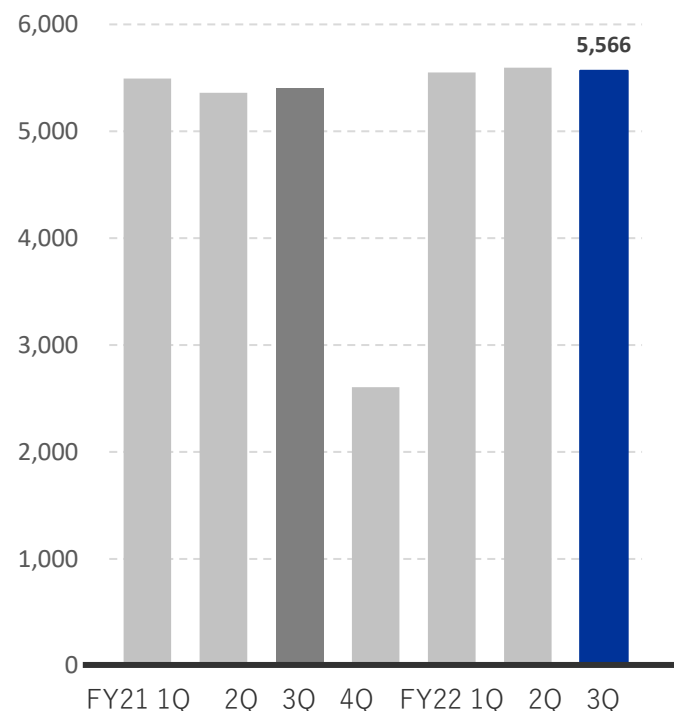
Revenue

(in Millions of ¥)



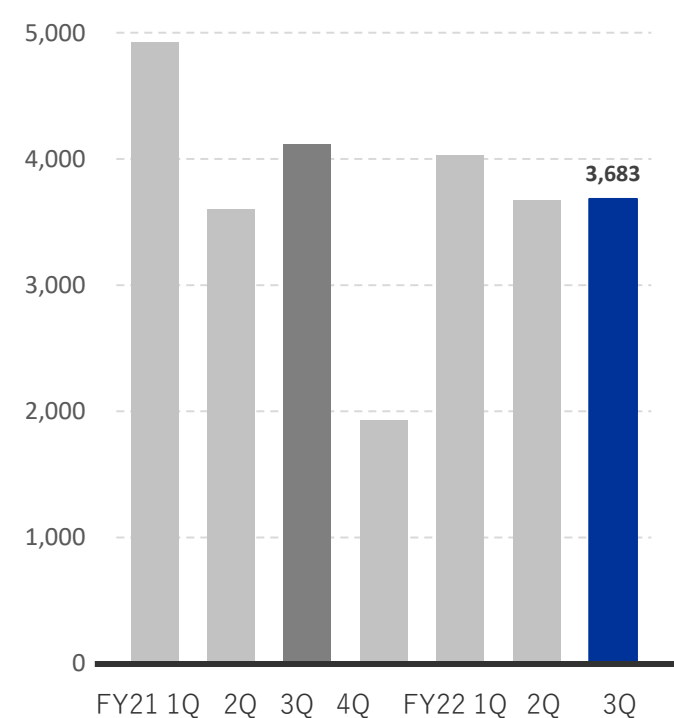
Operating Income

(in Millions of ¥)

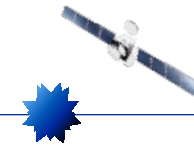


Net Income

(in Millions of ¥)



Earnings Overview: Space Business



- Revenue was increased due to an increase in sales of JCSAT-1C and Horizons 3e despite a decrease in broadcasting transponder-related revenue.
- Profit increased due to a decrease in depreciation expenses and amortization.

Revenue

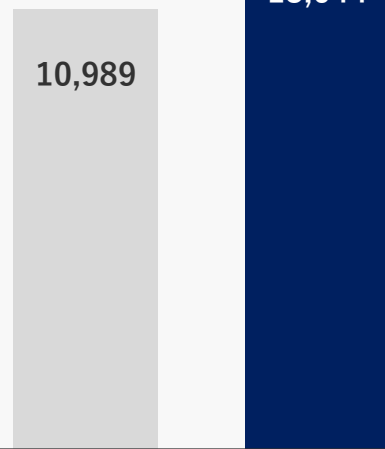
(in Millions of ¥)



FY2021 3Q Cumulative Total FY2022 3Q Cumulative Total

Operating Income

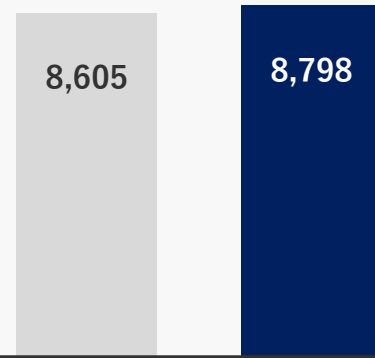
(in Millions of ¥)



FY2021 3Q Cumulative Total FY2022 3Q Cumulative Total

Segment Profit*

(in Millions of ¥)



FY2021 3Q Cumulative Total FY2022 3Q Cumulative Total

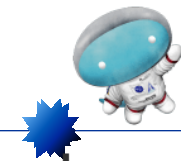
Major factors of change (YoY)

- **Revenue ¥43.8 billion [+0.8B]****
 - Increase in sales in Global & Mobile field: +2.2B
 - Decrease in Broadcasting transponder-related revenue: (0.5B)
 - Others: (0.9B)
- **Operating Expense ¥30.8 billion [(1.2B)]****
 - Decrease in depreciation expenses: (0.5B)
 - Decrease in amortization: (0.6B)
 - Others: (0.1B)
- **Operating Income ¥13 billion [+2.1B]**
- **Segment Profit ¥8.8 billion [+0.2B]**
 - Disappearance of reduction in tax expense due to dissolution of consolidated subsidiary: (0.9B)

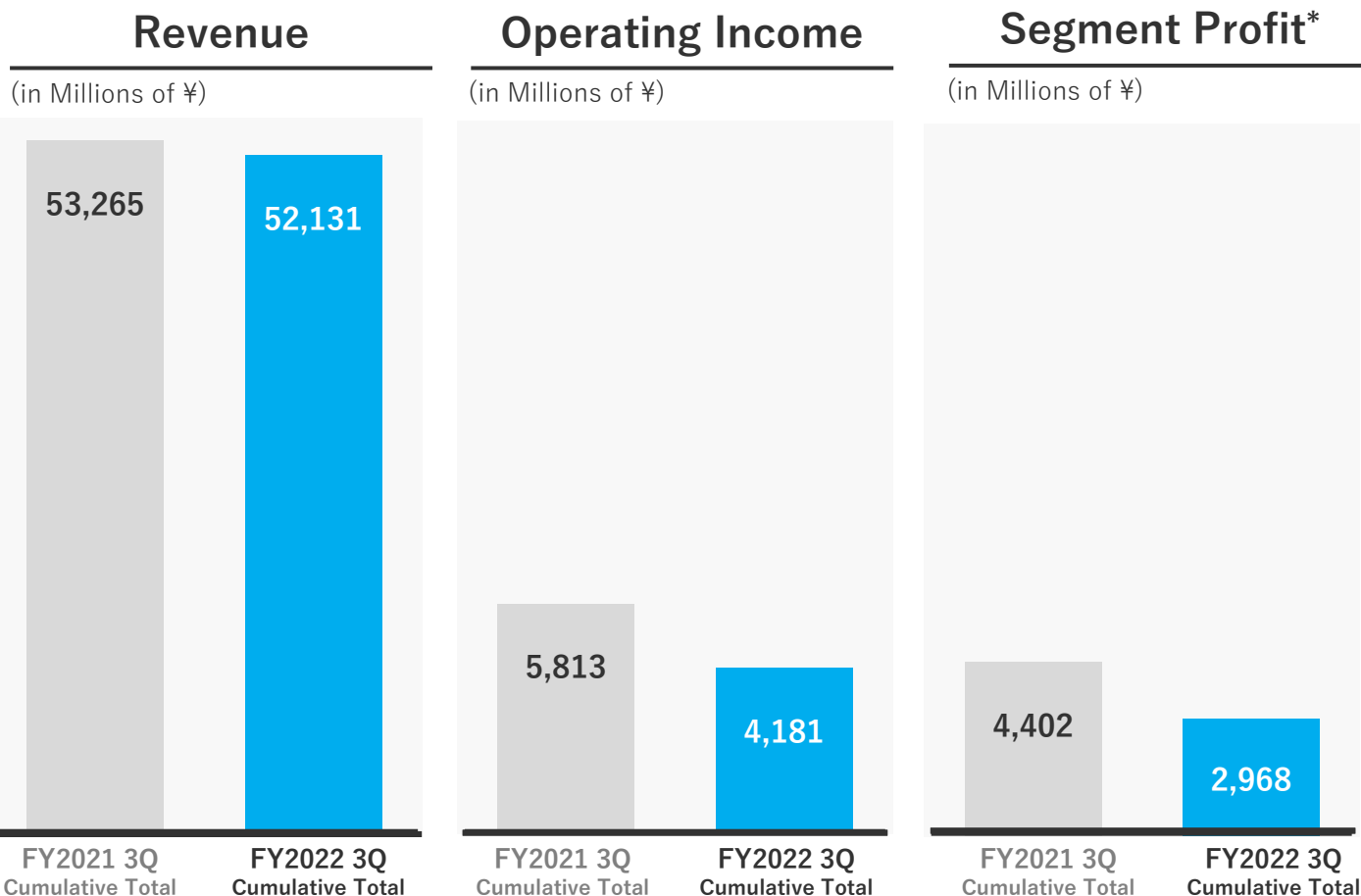
* Segment Profit is calculated based on net income after tax

** Including inter-segment transactions

Earnings Overview: Media Business



- Revenue decreased due to a decline of revenue from decrease in cumulative subscribers though an increase in sales of FTTH business.
- Depreciation expenses decreased but Operating Expense increased due to increase in promotion expenses etc.



Major factors of change (YoY)

- **Revenue ¥52.1 billion [(1.1B)] ****
 - Decrease in viewing fees, business commission fees and basic fees: (2.0B)
 - Increase in sales of FTTH business: +0.2B
 - Others: +0.7B
- **Operating Expense ¥47.9 billion [+0.5B] ****
 - Increase in promotion expenses (Include distribution service, etc.): +0.5B
 - Decrease in depreciation expenses: (0.3B)
 - Decrease in contents expenses: (0.2B)
 - Others: +0.5B
- **Operating Income ¥4.2 billion [(1.6B)]**
- **Segment Profit ¥3.0 billion [(1.4B)]**

* Segment Profit is calculated based on net income after tax

** Including inter-segment transactions

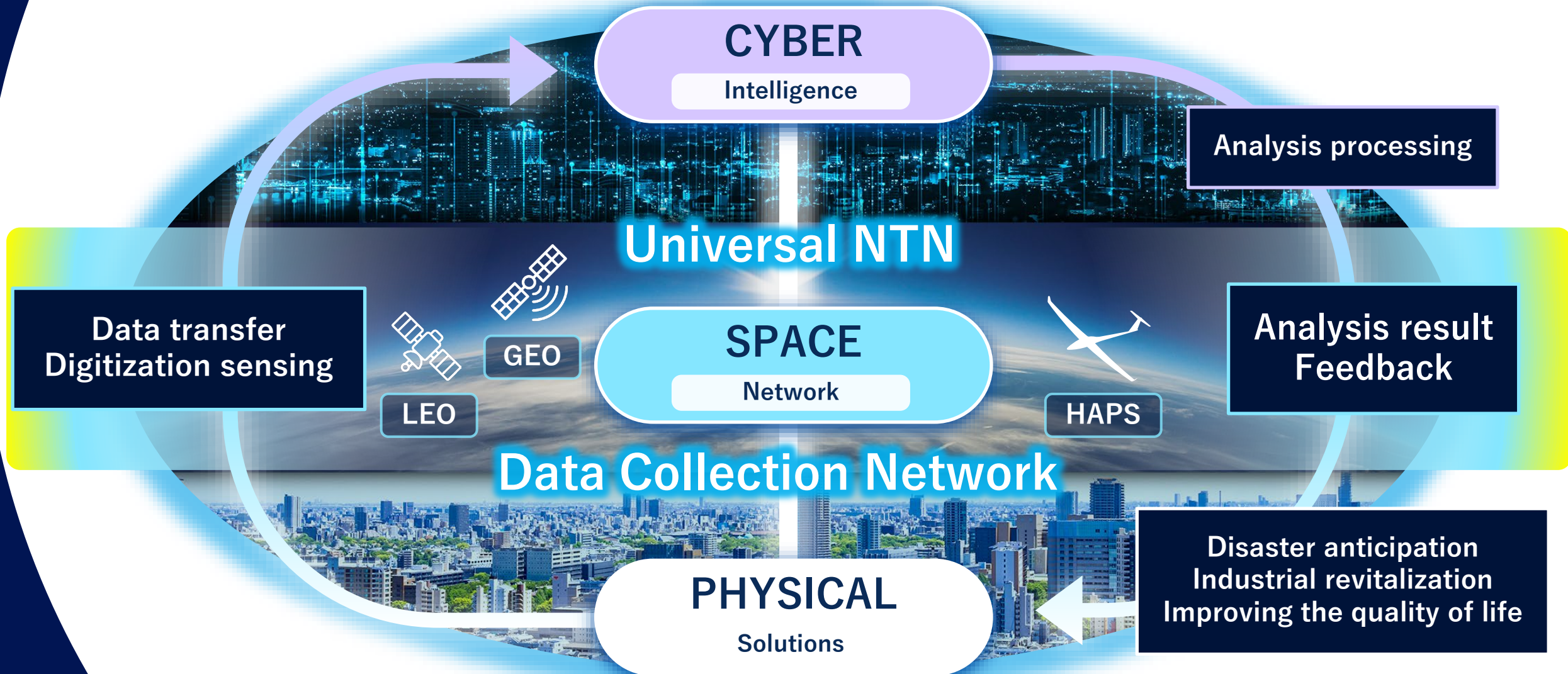
Topics

— Initiatives for Future Growth —



Space Business Vision -Toward Realization of Society 5.0-

SPACE

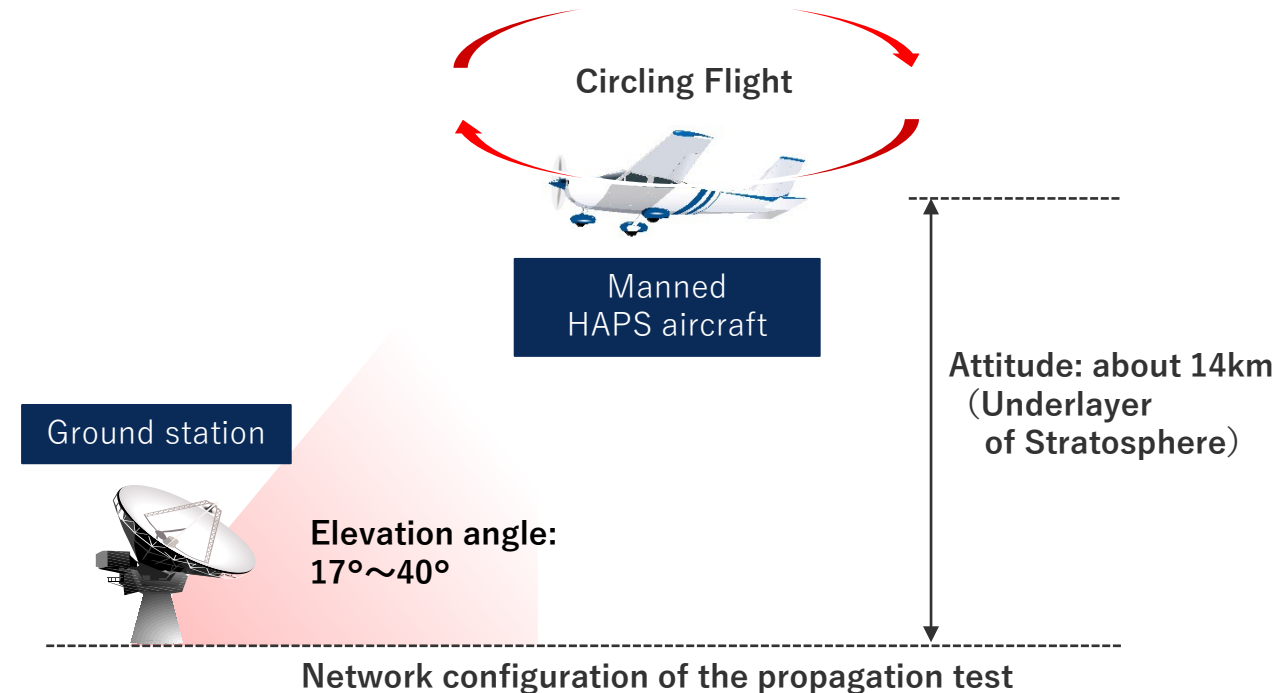


SKY Perfect JSAT and NTT DOCOMO successfully conducted World's first radio wave propagation test using 38GHz from the stratosphere

- Demonstrated the feasibility of providing wireless-connectivity service by testing from underlayer of the stratosphere to the ground station
- Targeting to realize future HAPS-based business in collaboration with Space Compass.

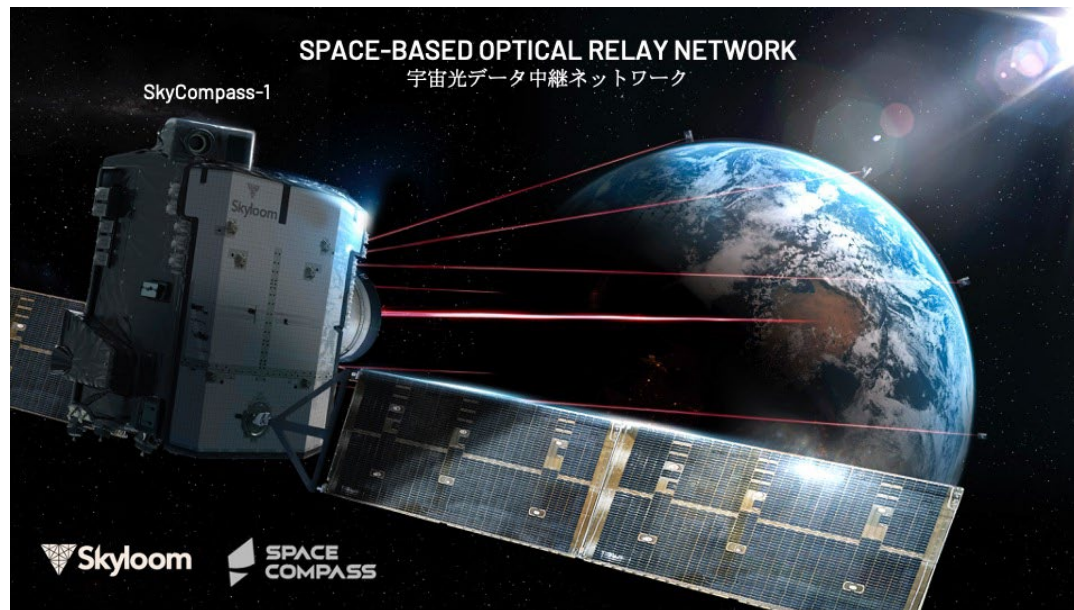


Manned HAPS aircraft used in the test



Space Compass and Skyloom finalized partnership to bring optical data relay services to the earth observation market

- Concluded joint business development agreement in January 2023
- The first GEO satellite “SkyCompass-1” over Asia-Pacific will be launched by 2024
- Promoting examination for construction of GEO satellites constellation for global development



Japan's 3 defense documents

National Security Strategy

National Defense Strategy

Defense Buildup Program

< Policy direction for Japan's security on space >

1. Enhancing utilization of space
2. Response to threats to the stable use of space
3. Support and develop for space industry

Defense spending for 5 years: ¥43T
including space related spending: ¥1T

Contribute to defense of Japan by using Space systems

Data collection
using satellites from space

Space situation awareness

Construction of
satellite constellation

Enhance of Space System
Survivability including satellites

Contribution
area

Media Business Growth Story

“Broadcasting + Distribution + Real”
Enhance the fan experience

Connected TV

Dongle / Ad Platform

Multi-channel / Basic services / Live · VOD

Broadcasting

Distribution

Real

Real Experience

Fan Experience

Live · VOD
Niche content

Event
merchandise / Tour

FTTH
re-transmission

Contact Center

Tokyo Media Center

Business foundation

Media Solutions

Media
HUB Cloud

Content
Database

2030
Segment
Net Income
¥5 billion

Broadcasting Popular Sports Games (1)

MEDIA

Broadcasting/Distribution



To enable subscribers to watch games outside away from home
by providing convenient distribution channel plus TV

Japanese Professional Baseball
(Opening on 30 March, 2023)



Bundesliga



- Broadcasting and distribution of official games of all 12 professional baseball teams
 - Live broadcasting on the net by Free Program Distribution Service for SKY PerfecTV! Subscribers
 - To offer a fulfilling life with professional baseball by the App.
 - Discount campaign for U-30
 - Many professional baseball related programs
- Performances by Japanese players who participated the World Cup in Qatar
 - Maya Yoshida (FC Schalke 04)
 - Wataru Endo (VfB Stuttgart)
 - Takuma Asano (VfL Bochum 1848)
 - Daichi Kamada (Eintracht Frankfurt)
 - Kou Itakura (Borussia MG)
 - Ritsu Doan (SC Freiburg)
 - Hiroki Ito (VfB Stuttgart)

As of January 30, 2023

Broadcasting Popular Sports Games (2)

MEDIA

Broadcasting



2023 WORLD BASEBALL CLASSIC™ (March 8 Start)

Live broadcasting 39 games throughout the first round – quarterfinal on “J SPORTS”
(Recorded broadcast in April for final, semi final and all Japanese games)



Upper

Left : Sandy Alcántara (Dominica)

Centre : Shohei Ohtani (Japan)

Right : José Altuve (Venezuela)

Lower

Left : Vladimir Guerrero Jr. (Dominica)

Centre : Clayton Kershaw (USA)

Right : Edwin Díaz (Puerto Rico)

Holding a Wide Variety of Events

MEDIA

Real



Broadcasting + Distribution + Real (Event and Merchandise sales) Enhance the Fan Experience



Expanding the Service Provision Area of FTTH Redistribution

MEDIA

FTTH



FTTH redistribution service started in Fukui prefecture from February 1, 2023, and continuously expanding more service provision area is planned.

- Number of FTTH available households: 42.65M (in 36 prefectures)
- Household coverage ratio: 76.4% (to total number of households in 47 prefectures)

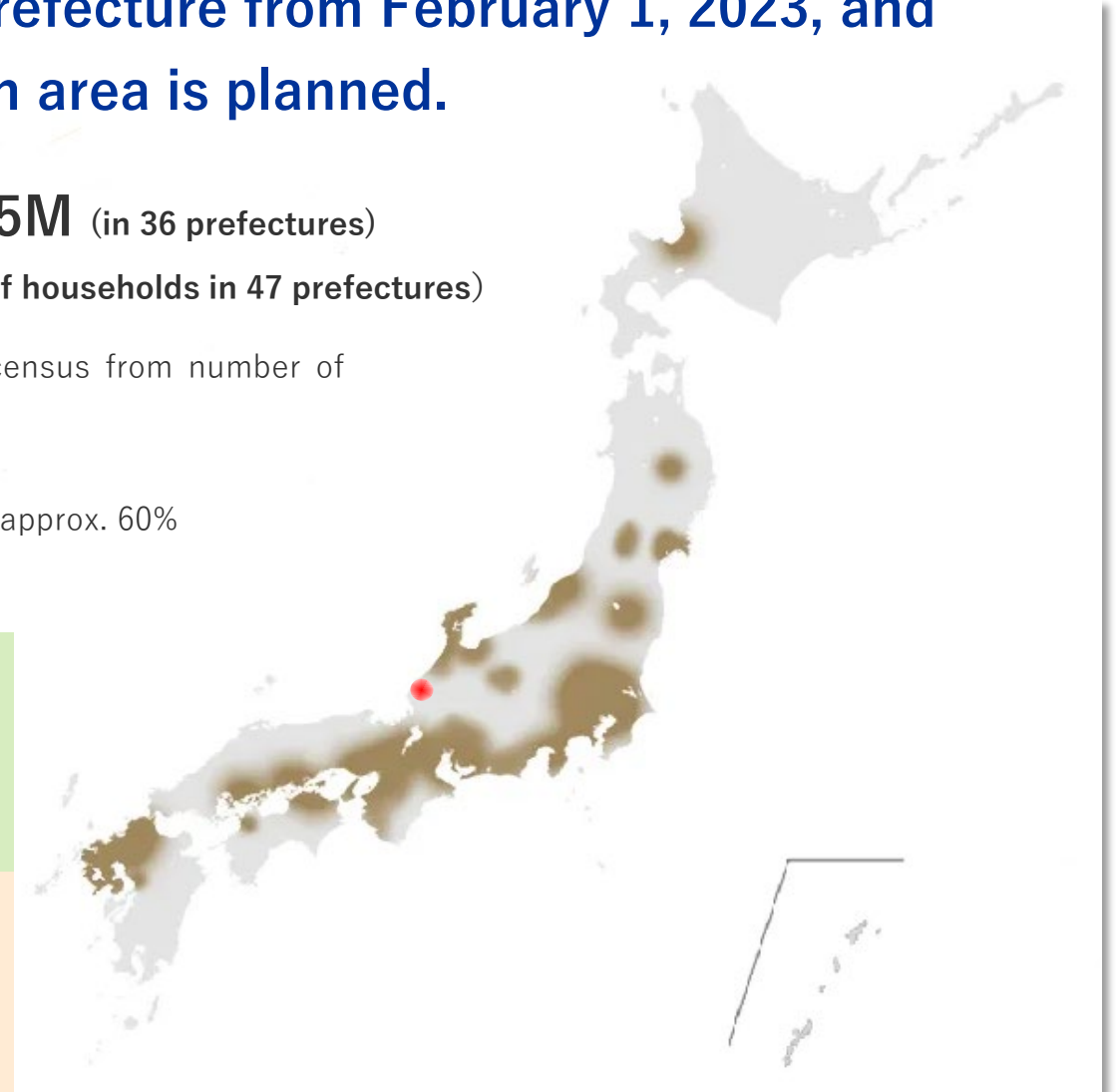
*We changed data for the calculation to number of households in national census from number of subscribers of landline phone considering changes in the market conditions.

(Based on previous data and calculation)

Number of FTTH available households: approx. 34M, Household coverage ratio: approx. 60%

Service provision area: 36/47 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, <u>Fukui</u> , Osaka, Hyogo, Kyoto, Shiga, Nara, Wakayama, Okayama, Hiroshima, Kagawa, Ehime, Tokushima, Fukuoka, Saga, Nagasaki, Kumamoto



Promotion of Sustainability Management and Activities

- Advancing practice toward achievement to realize our 9 (Nine) important material themes

E : Environment

- **Support for TCFD (January 2023)**
 - Disclosing information based on the disclosure framework accordance with the TCFD recommendations from 2022.
 - Declared our support for TCFD on our Web site.
- **“B” rating in the CDP score 2022 on climate change (December 2022)**
 - “B” rating as environment manager was upgraded steadily from “B-” rating last year.
- **Substantial renewable energy use reached 94%*¹ (January 2023)**
 - “SKY PerfecTV!/Tokyo Media Center” and “Gunma Teleport Center” switched to substantial renewable energy following two satellite control centers and head office.



*¹ (Correction) January 21, December Release ” SKY PerfecTV!/Tokyo Media Center's electricity power converted to substantial renewable energy
~Towards realization of decarbonized society~”

(Correct) SKY Perfect JSAT corporations' ratio of renewable energy consumption (Incorrect) SKY Perfect JSAT Group's ratio of renewable energy consumption

S : Social

- **“Eruboshi” certification under the Act on Promotion of Female Participation and Advancement in the Workplace *² (November 2022)**
 - Received a 3-star “Eruboshi” certification for its outstanding initiatives to empower female.
 - Target proportion of female managers by 2030 is the same ratio of male and female employees.

*² SKY Perfect JSAT Corporation



Space for your Smile

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



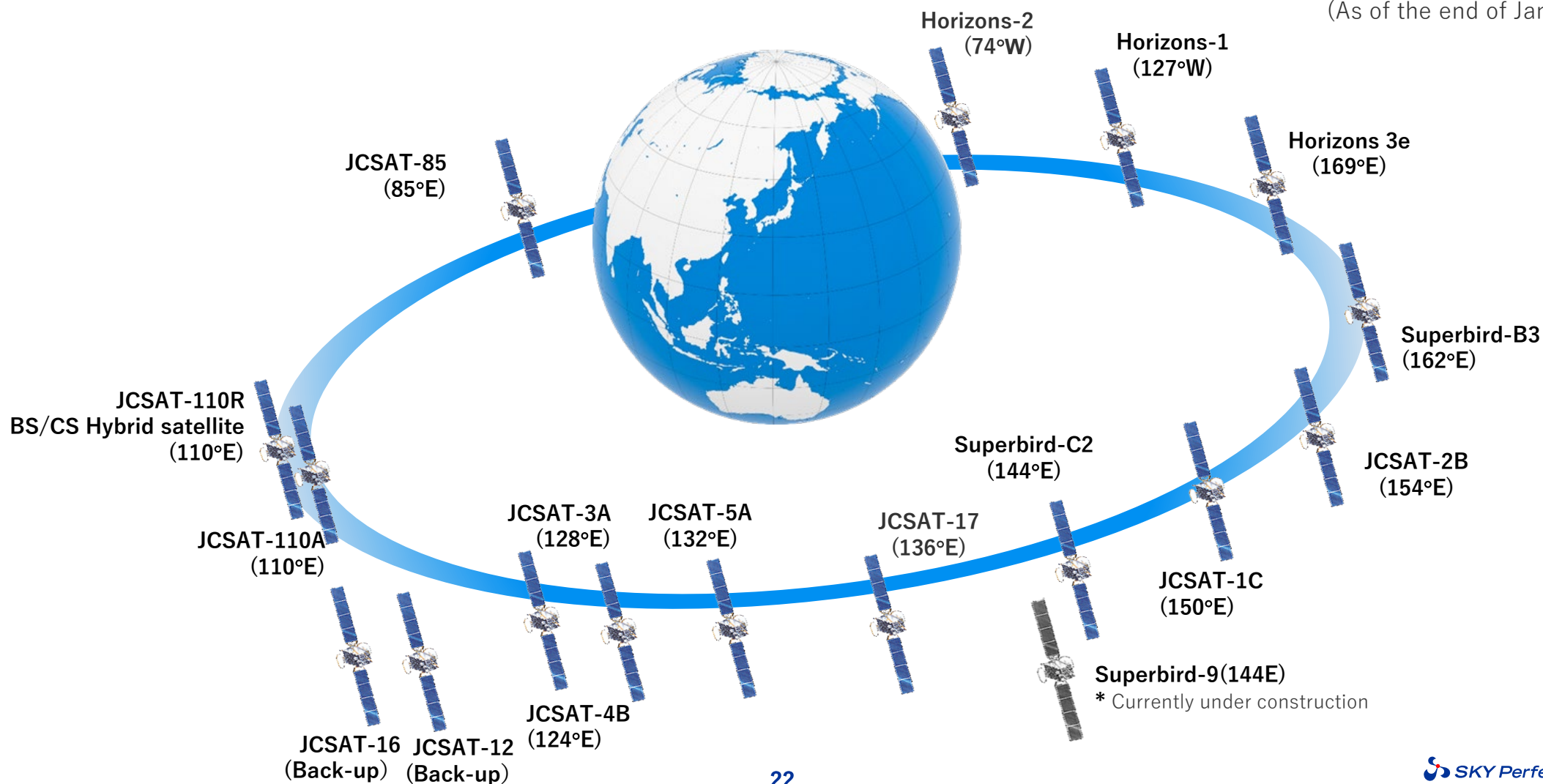
References



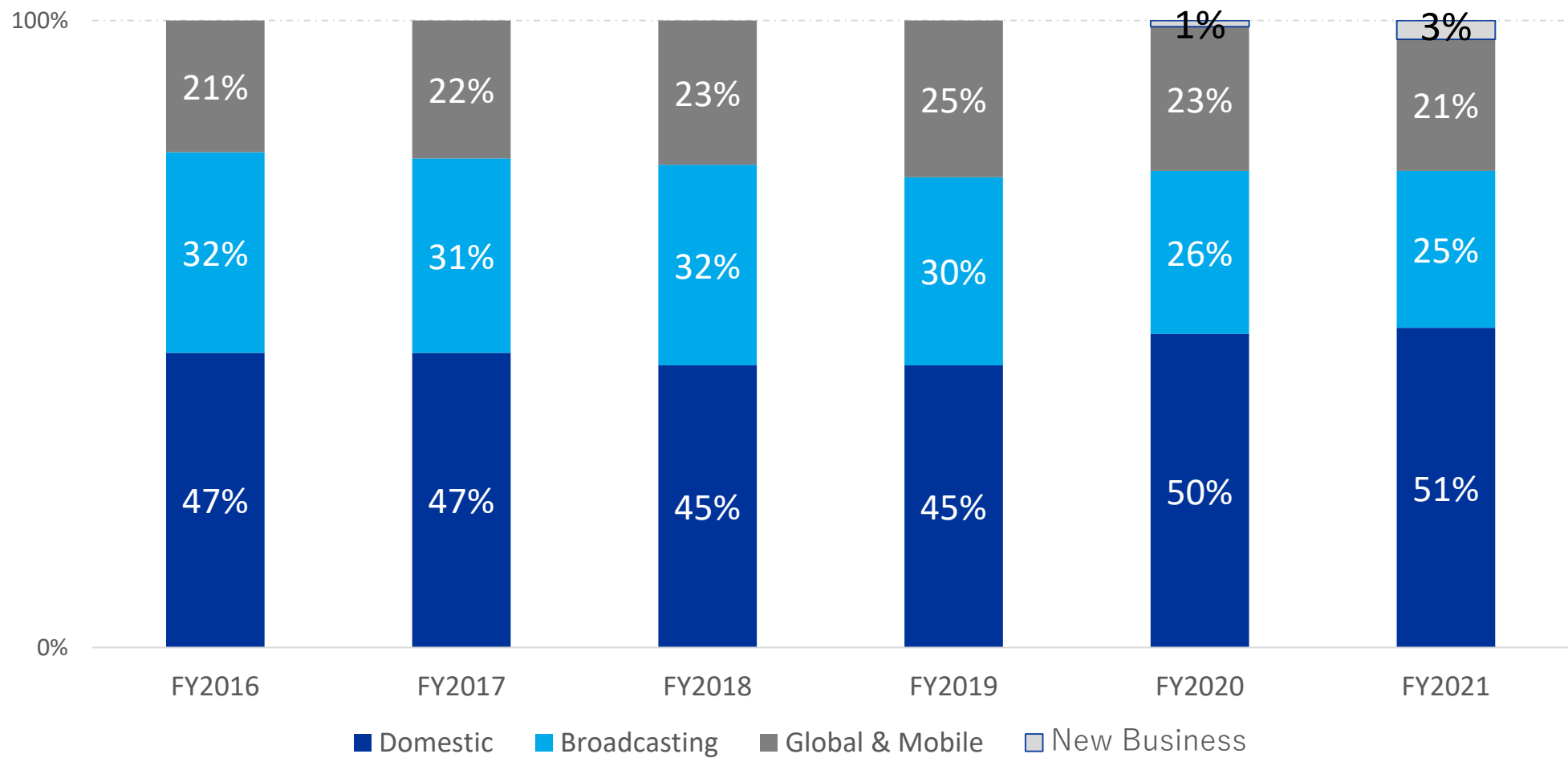


A total of 16 satellites covering from North America to the Indian Ocean

(As of the end of January 2023)



Revenue Composition ratio in Space Business



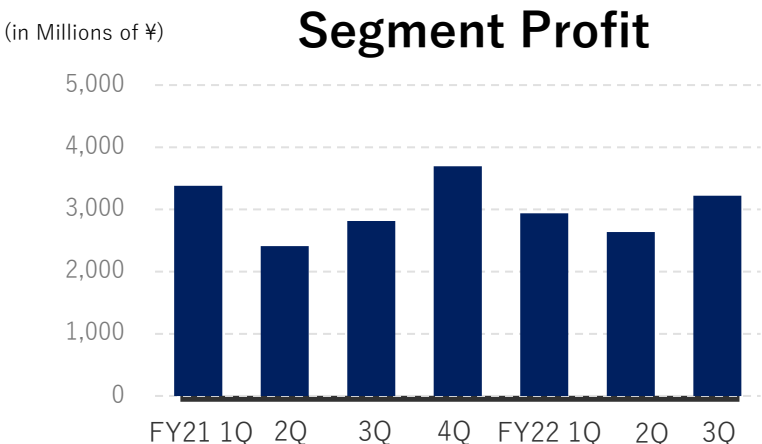
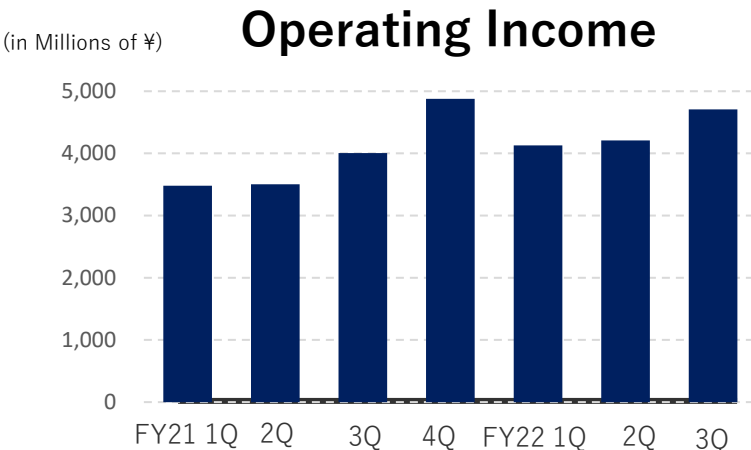
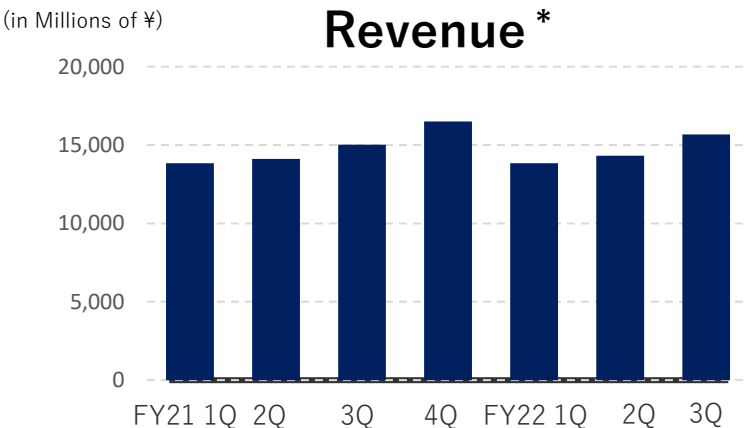
※Excluding the impact of the sale of communications satellites to the Ministry of Defense in FY2016 and FY2018

※Accounting Standard for Revenue Recognition, etc. adopted from FY2021

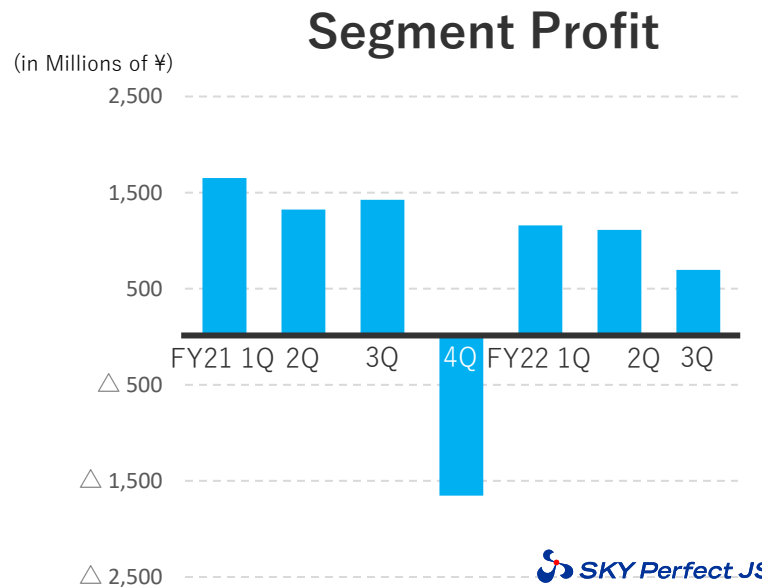
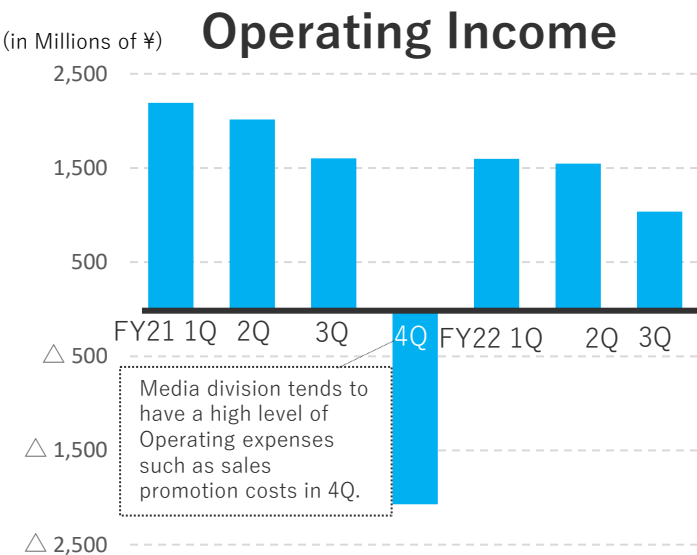
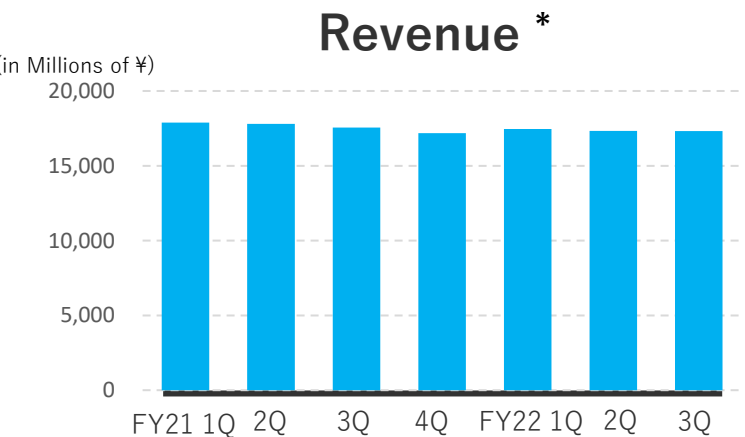
Trends of Quarterly Financial Results by Segment



Space Business



Media Business



* Including inter-segment transactions

Trends of Quarterly Financial Results by Segment



(in Millions of ¥)

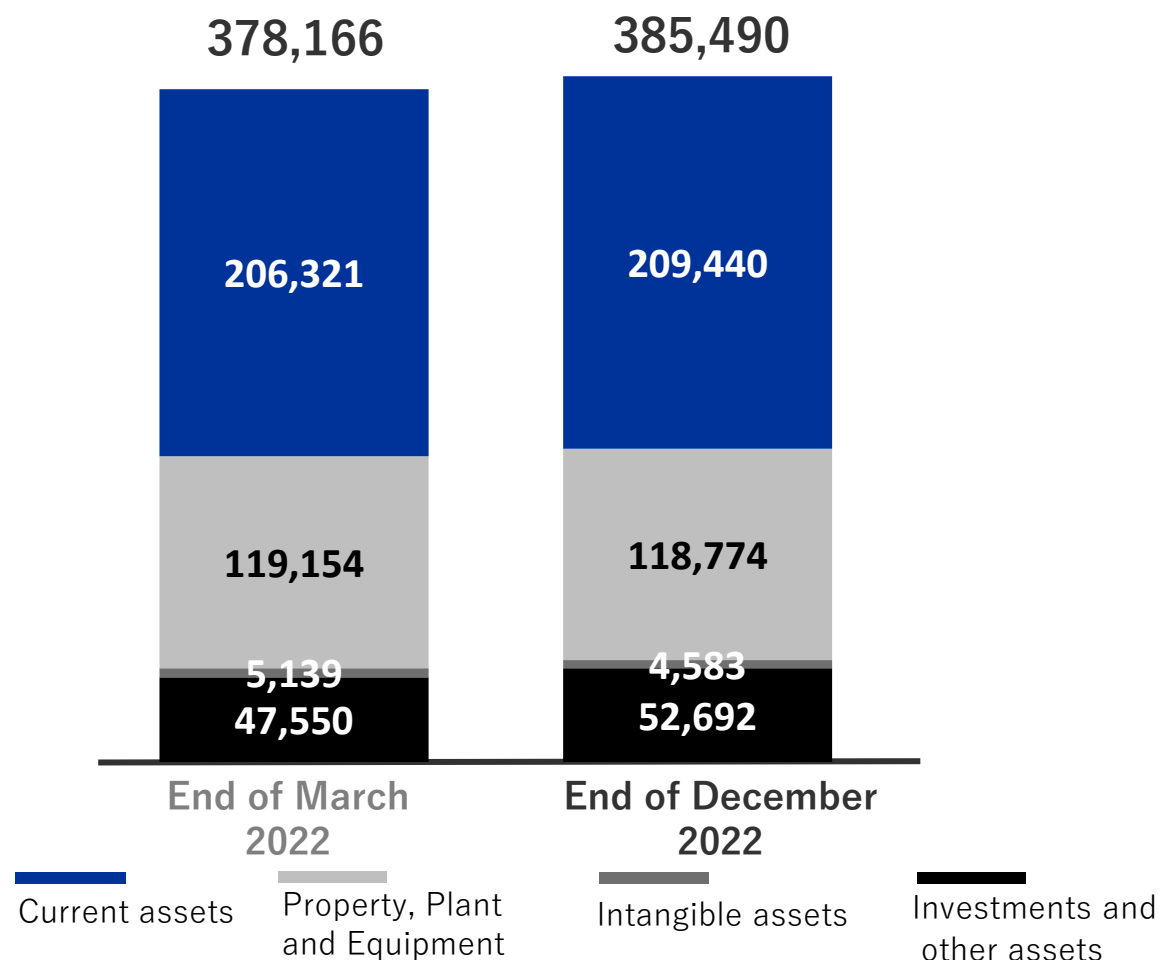
	FY2021					FY2022		
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q
Revenue	29,078	29,311	30,046	31,196	119,632	28,806	29,190	30,597
Space	13,843	14,121	15,030	16,504	59,500	13,841	14,319	15,677
Media	17,896	17,811	17,557	17,181	70,447	17,463	17,340	17,326
Consolidated Elimination	(2,661)	(2,621)	(2,542)	(2,489)	(10,314)	(2,499)	(2,470)	(2,406)
Operating Profit	5,493	5,360	5,402	2,606	18,862	5,551	5,595	5,566
Space	3,480	3,503	4,004	4,878	15,867	4,128	4,208	4,708
Media	2,193	2,016	1,602	(2,072)	3,740	1,598	1,546	1,036
Consolidated Elimination	(181)	(160)	(204)	(200)	(745)	(175)	(158)	(178)
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
Space	3,380	2,409	2,815	3,693	12,298	2,938	2,637	3,221
Media	1,652	1,323	1,426	(1,653)	2,749	1,159	1,113	696
Consolidated Elimination	(103)	(128)	(121)	(113)	(468)	(64)	(81)	(234)

Consolidated Balance Sheet



Assets

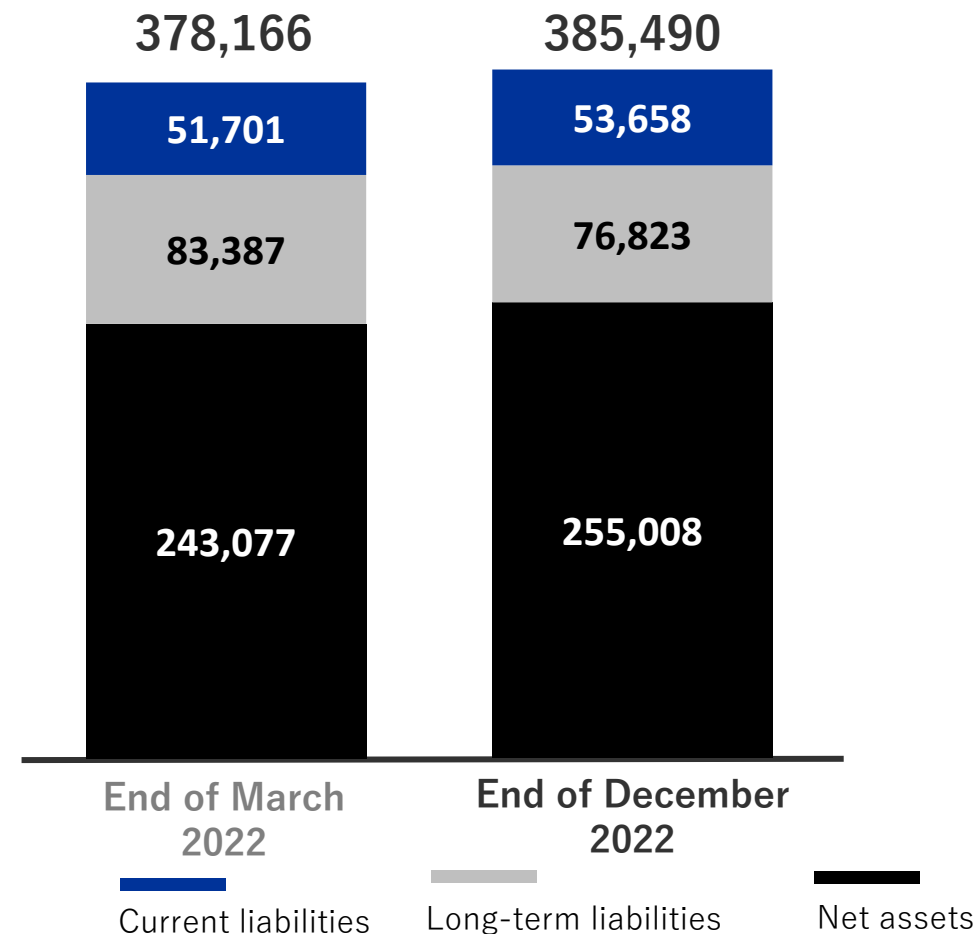
(in Millions of ¥)



Liabilities and Net Assets

Equity Ratio : 64.0% → 65.8%

(in Millions of ¥)



Consolidated Cash Flows



(in Millions of ¥)

	FY2021 3Q	FY2022 3Q
Net Cash from Operating activities	26,902	42,962
Net Cash from Investing activities	(7,659)	(16,923)
Free Cash Flows ^{*1}	19,243	26,039
Net Cash from Financing activities	(15,523)	(18,773)
Cash and Cash Equivalents at Term-end(a)	77,158	94,311
Interest-bearing Debt at Term-end ^{*2} (b)	84,631	74,575
Net Interest-bearing Debt at Term-end (b) – (a)	7,473	(19,735)

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

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

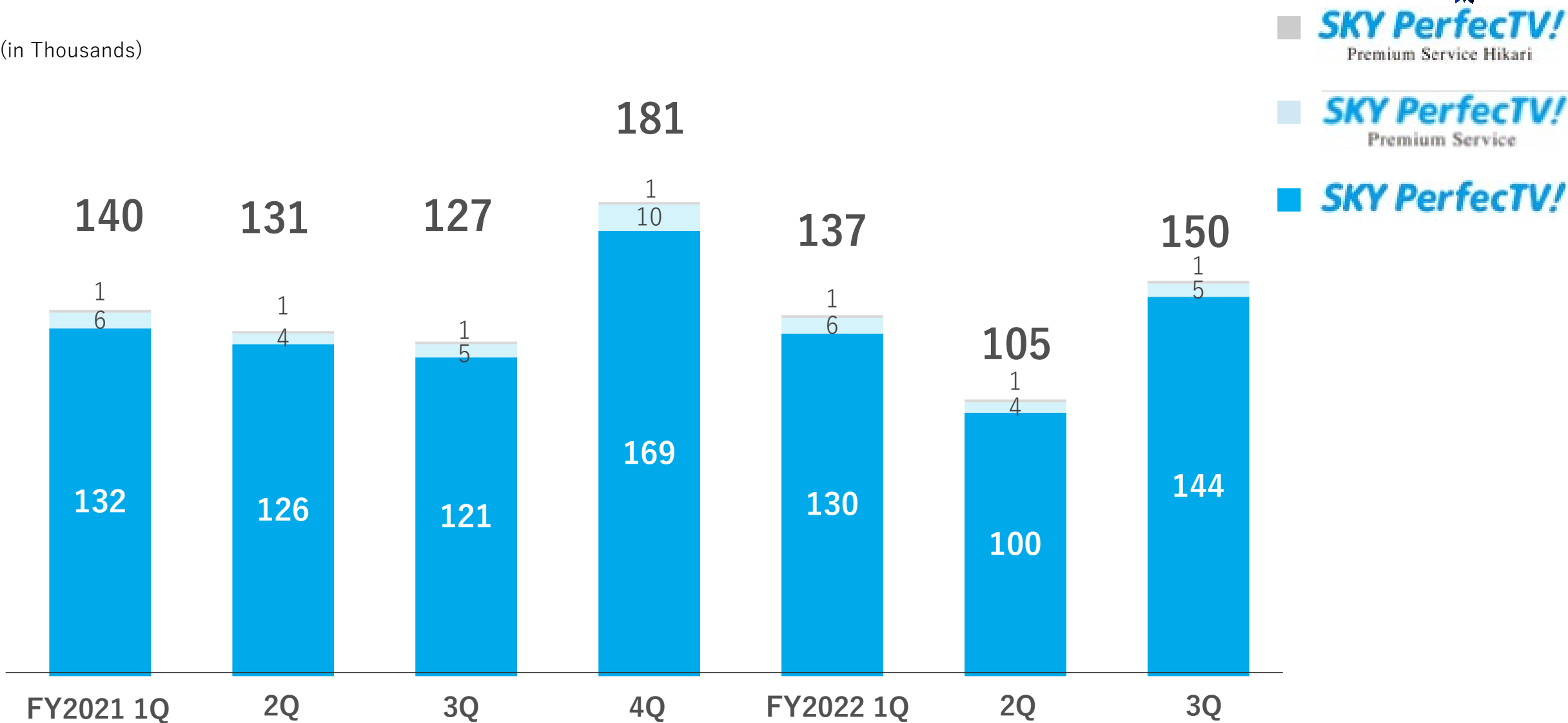
Key Indicators of Media Business (FY2022 3Q) *SKY PerfecTV!*



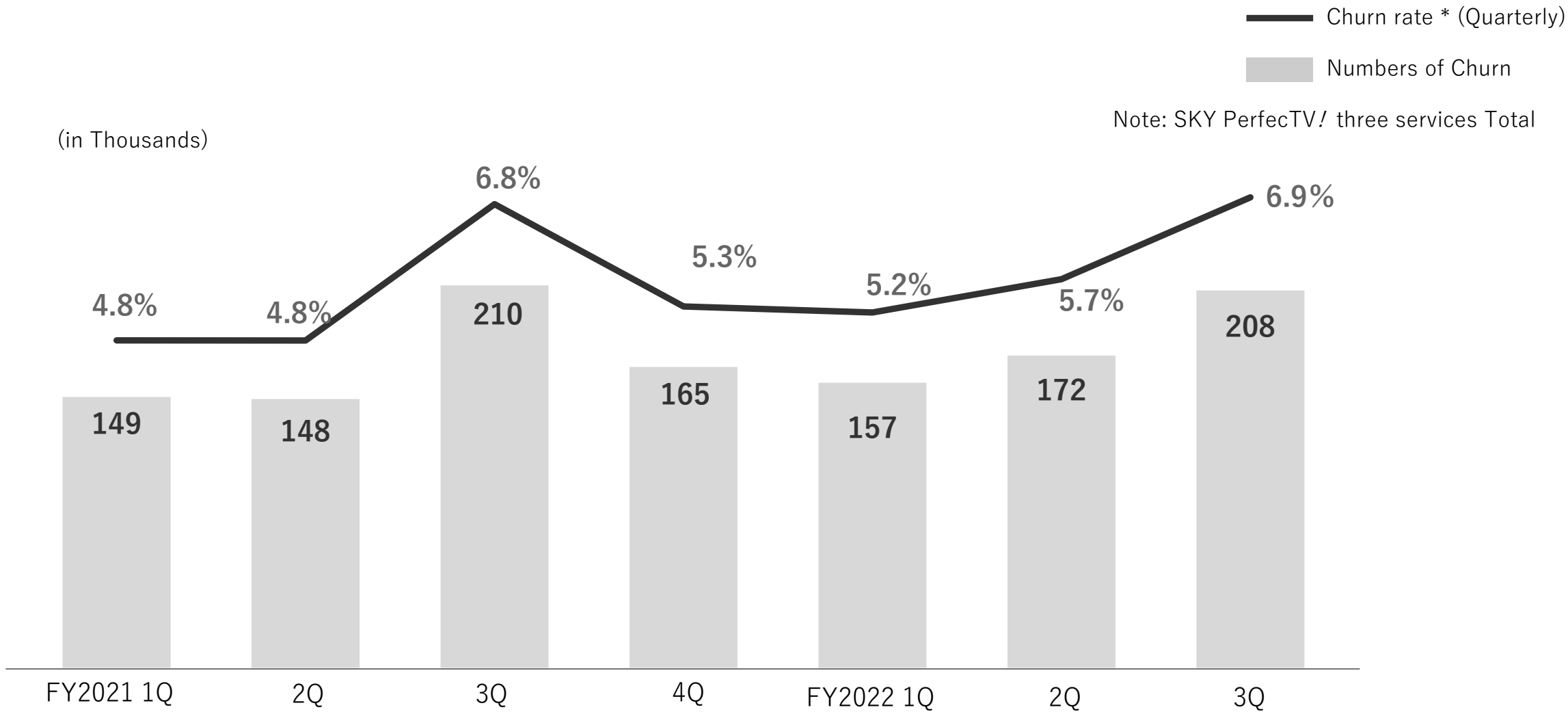
(in 10 Thousands)	FY2021 3Q	FY2022 3Q	Annual Target For FY2022
New Subscribers (IC cards or chips)	39.8	39.2	57.2
Net Increase (IC cards or chips)	(10.9)	(14.5)	(9.5)
- <i>SKY PerfecTV!</i>	(4.3)	(8.7)	(0.5)
- <i>SKY PerfecTV! Premium Service</i>	(6.3)	(5.3)	(8.4)
- <i>SKY PerfecTV! Premium Service Hikari</i>	(0.3)	(0.3)	(0.6)
Cumulative number of subscribers (IC cards or chips)	299.3	286.4	291.3
Cumulative number of contractors (contracts)	238.5	225.0	227.1
Number of subscribing households of Optical Fiber Based Re-transmission service (million)	251.0	260.6	264.2
Average Monthly Contractor's Payment (Yen)			
- SKY PerfecTV!	3,336	3,338	—
- SKY PerfecTV! Premium Service	3,579	3,538	
- SKY PerfecTV! Premium Service Hikari	5,124	5,067	

Number of New Subscribers (IC cards or chips)

(in Thousands)



Churn Rate (IC cards or chips)

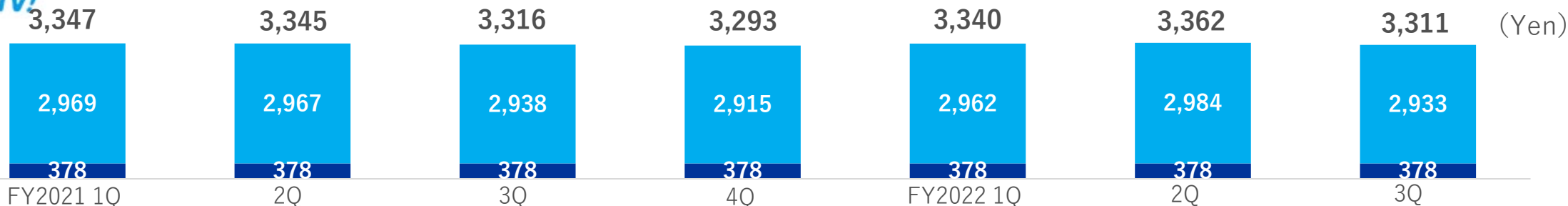


* The churn rate is calculated by dividing the total number of cancellations for each quarter by the cumulative number of subscribers at the end of the previous fiscal year.

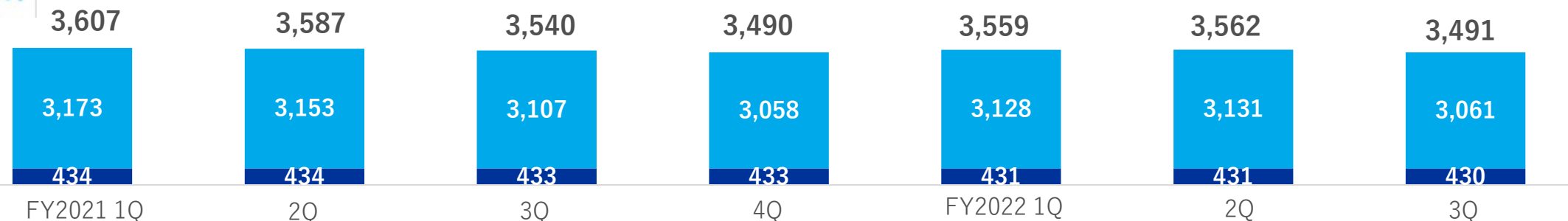
Average Monthly Contractor's Payment ^{*1}



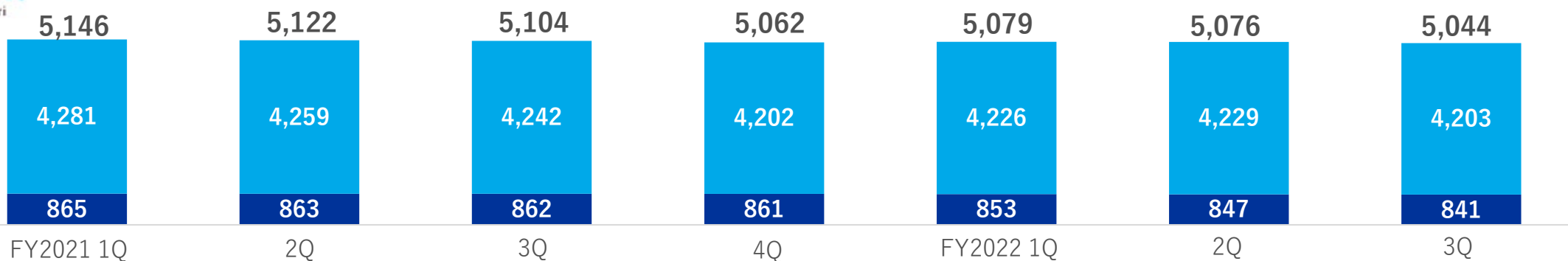
SKY PerfectTV!



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.

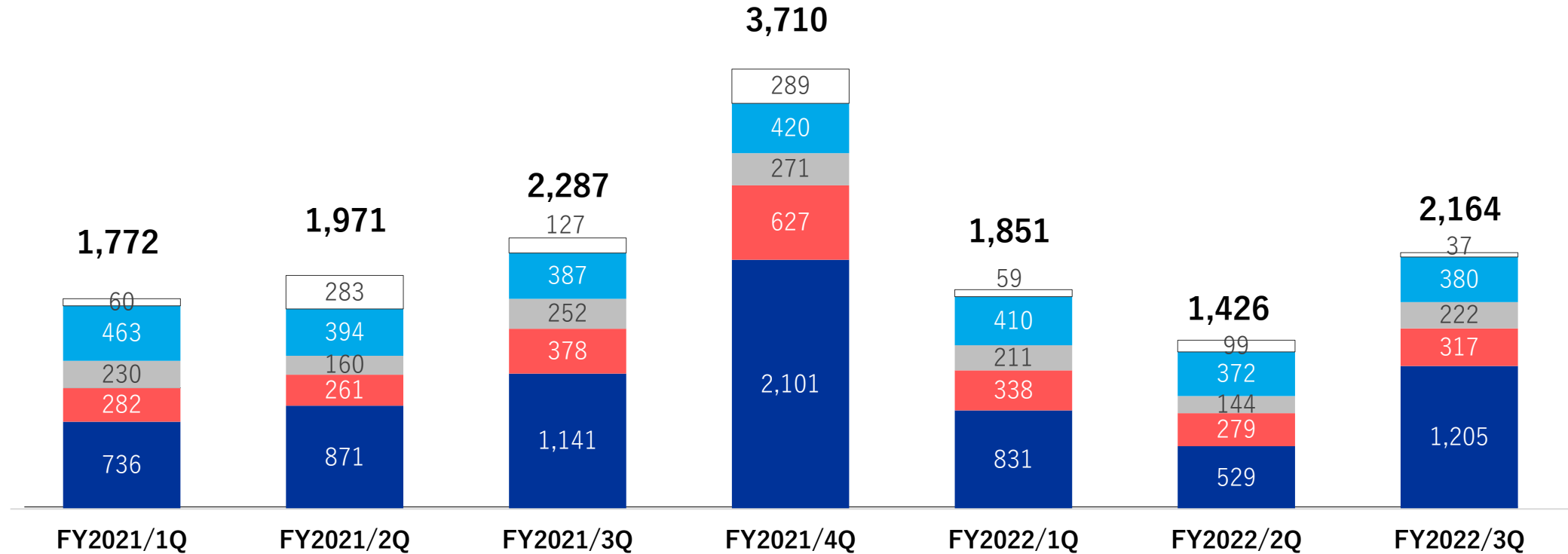
■ Basic fees and other^{*2}

■ Viewing fees

Total Subscribers Acquisition Cost (SAC)



(in Millions of ¥)



■ Advertising expenses: advertising expenses for various media

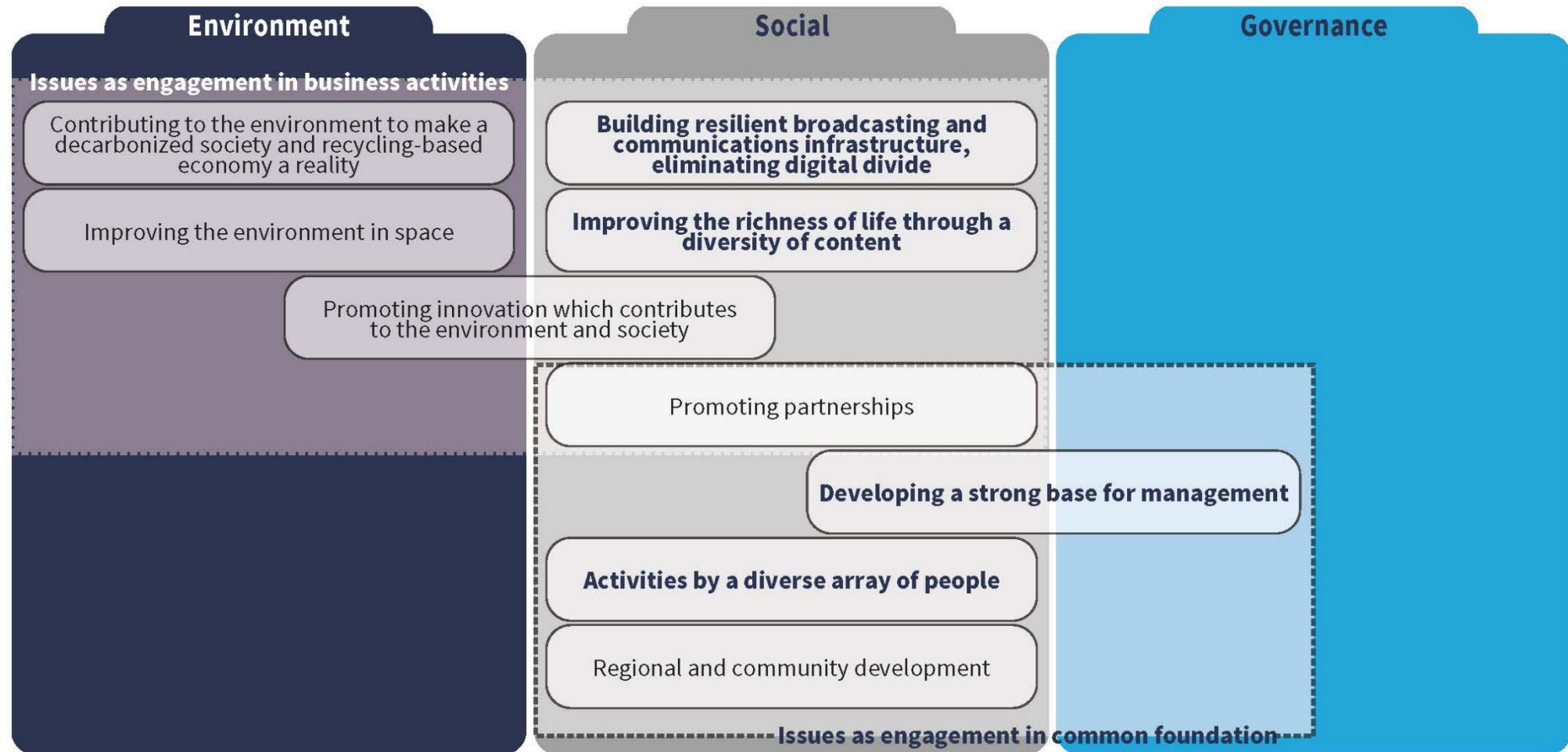
■ Promotion expenses*: promotion cost to acquire new subscribers, sales incentives.

■ 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



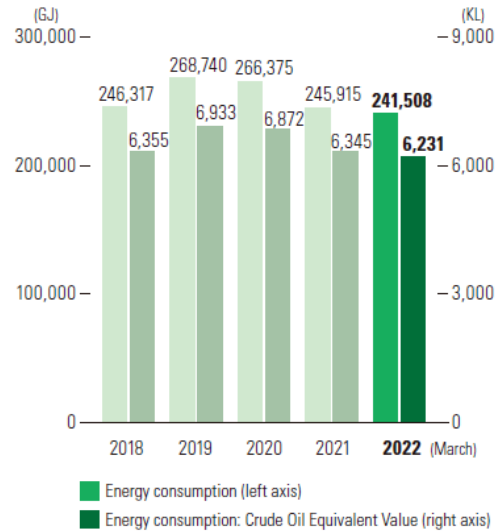
Please view here for the details of the sustainability of the Group
<https://www.skyperfectjsat.space/en/sustainability/>



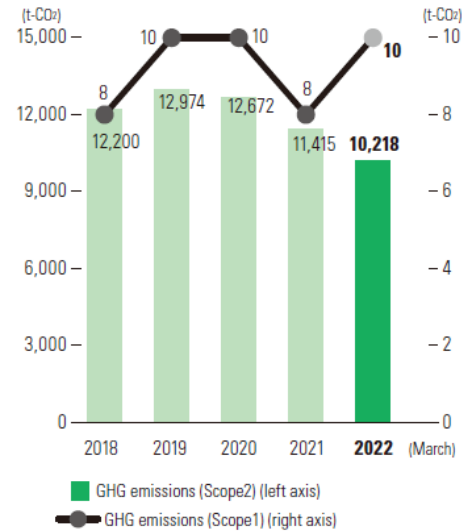
ESG Data



Energy consumption



GHG emissions



Total waste emissions

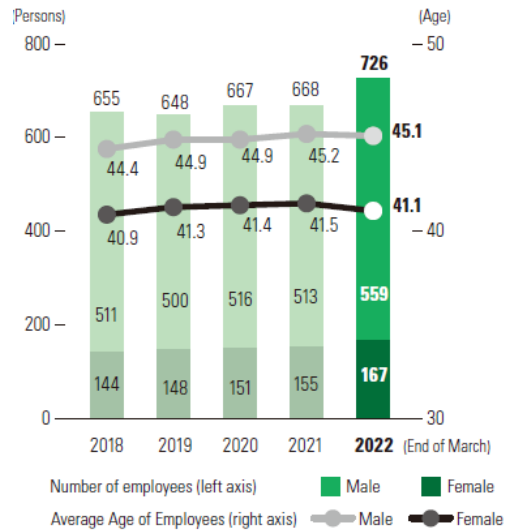
FY2021 (Apr. 1, 2021 - Mar. 31, 2022)	(t)
Total amount of industrial waste, etc.	95.917
Total amount of general waste, etc.	54.594
Total emissions	150.511

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

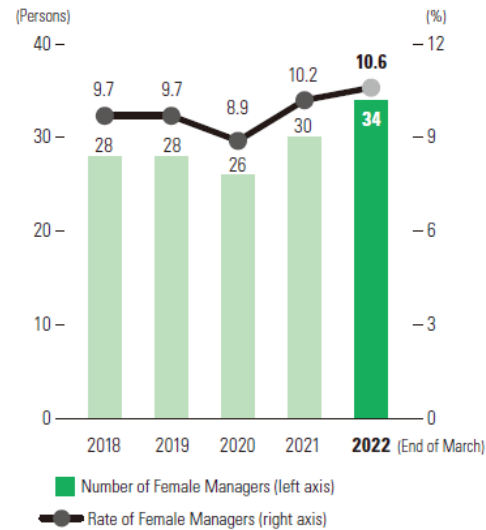
Scope 2: CO₂ emissions from electricity purchased from a third party, electricity generated from heat, and the heat generation stage (Basic Guidelines on Accounting for Greenhouse Gas Emissions throughout the Supply Chain (Ministry of the Environment/Ministry of Economy, Trade and Industry))

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

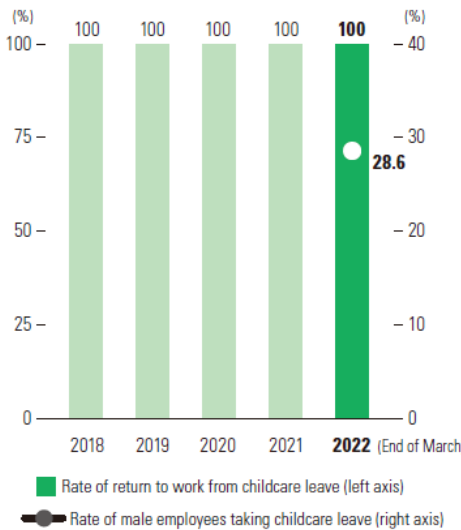
Number of employees and Average Age of Employees



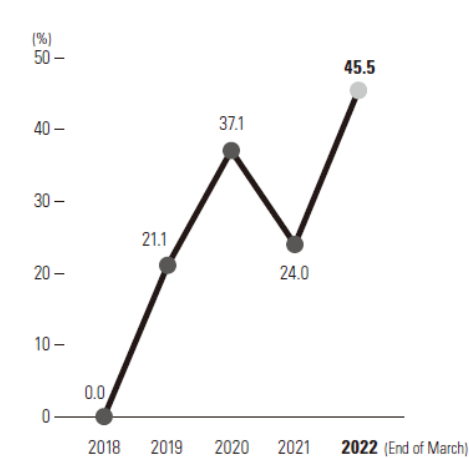
Number and Rate of Female Managers



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



Rate of Mid-career Recruitment



Rate of Disabled in the Workforce

