

Securities Code: 9412

SKY Perfect JSAT Holdings Inc.



2Q 2022 Presentation Material

For the 6-month period ended September 30, 2022

November 2, 2022

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

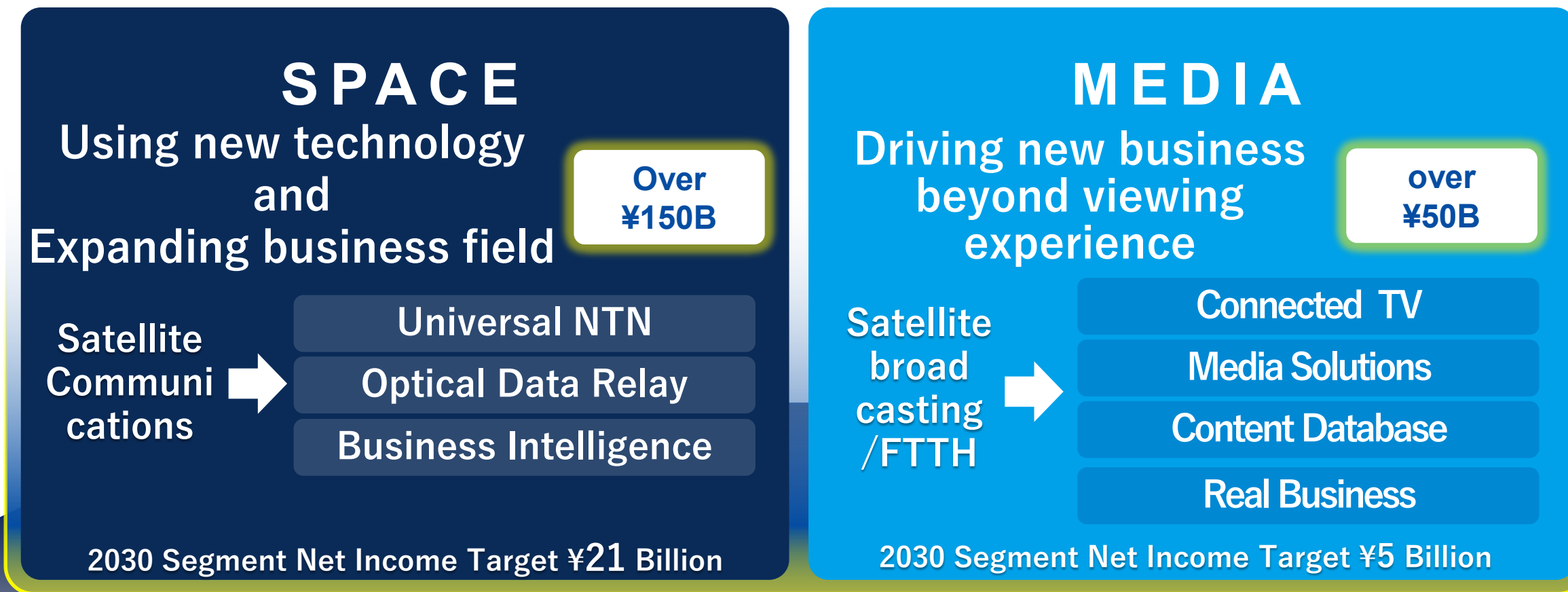
- Risks concerning lower competitiveness in the satellite communications Market
- Risks concerning procurement of communications satellites
- Risks concerning operations of communications satellites

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



Sustainable Growth
Target Net income is over ¥25 Billion in 2030

Consolidated Financial Results

Second Quarter of FY2022



Consolidated Earning Results for 2Q 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 ¥)

	FY2021-2Q Cumulative Total	FY2022-2Q Cumulative Total	Change (%)	FY2022 Forecast	Progress (%)
Revenue	58,389	57,996	(0.7%)	120,000	48.3%
Operating Income	10,853	11,147	+ 2.7%	21,000	53.1%
Ordinary Income	11,431	11,635	+ 1.8%	21,500	54.1%
Net Income (Profit attributable of owners of the parent)	8,533	7,703	(9.7%)	15,000	51.4%
EBITDA *	23,686	22,613	(4.5%)	44,400	50.9%

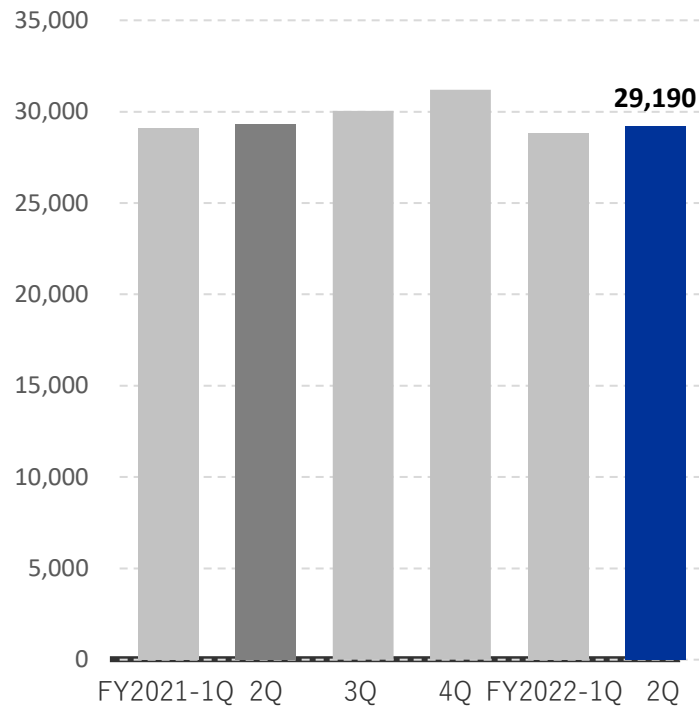
* EBITDA = Net Income + Tax Expense + Depreciation Expense + Amortization of Goodwill + Interest Expense

Trends of Consolidated Financial Results by Quarter (FY2021/1Q – FY2022/2Q)



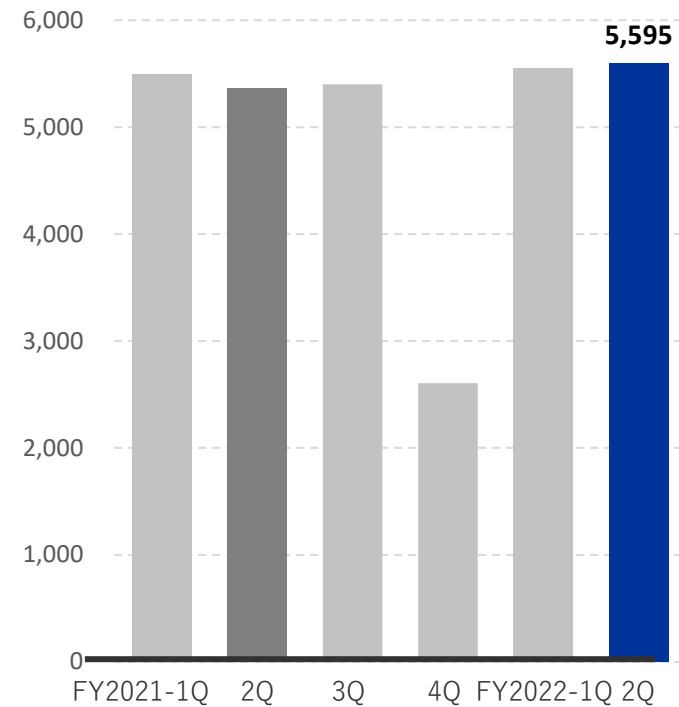
Revenue

(in Millions of ¥)



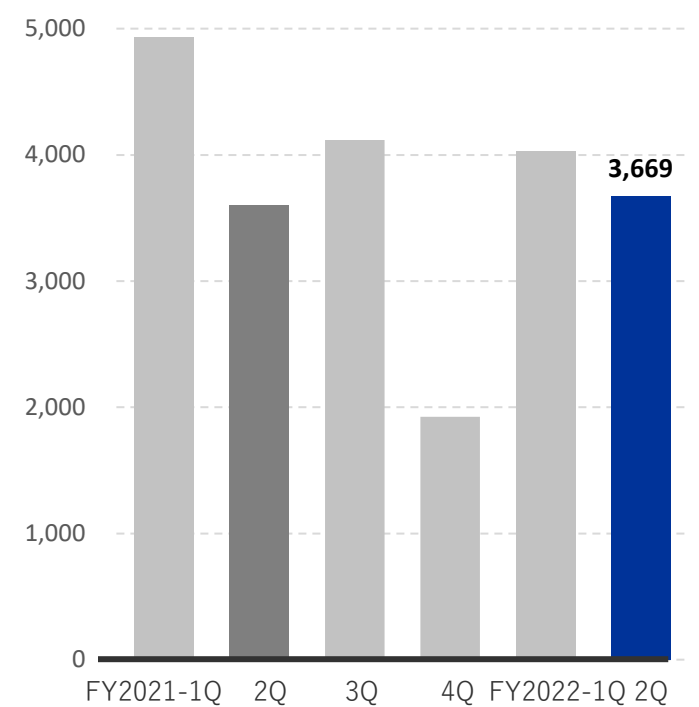
Operating Income

(in Millions of ¥)



Net Income

(in Millions of ¥)

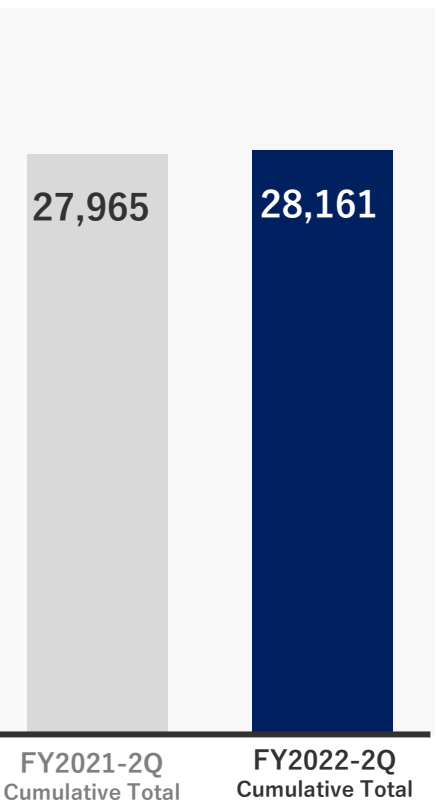


Earnings Overview: Space Business

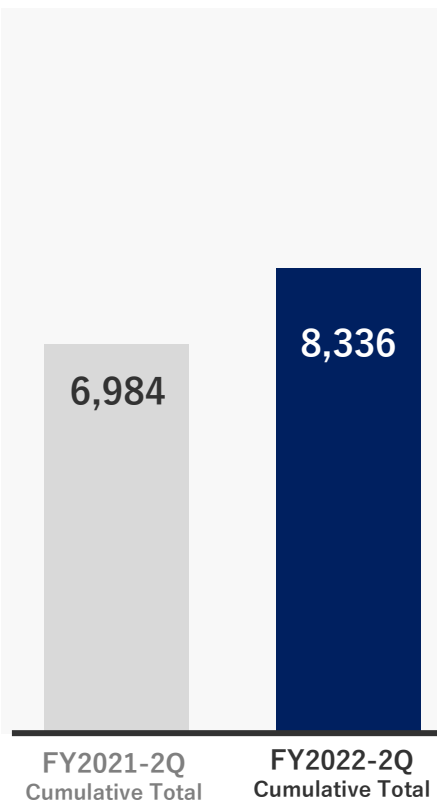


- Revenue was almost the same level as in the same period of the previous year due to an increase in sales of Horizons 3e but a decrease in broadcasting transponder-related revenue.
- Profit increased due to a decrease in depreciation expenses and amortization.

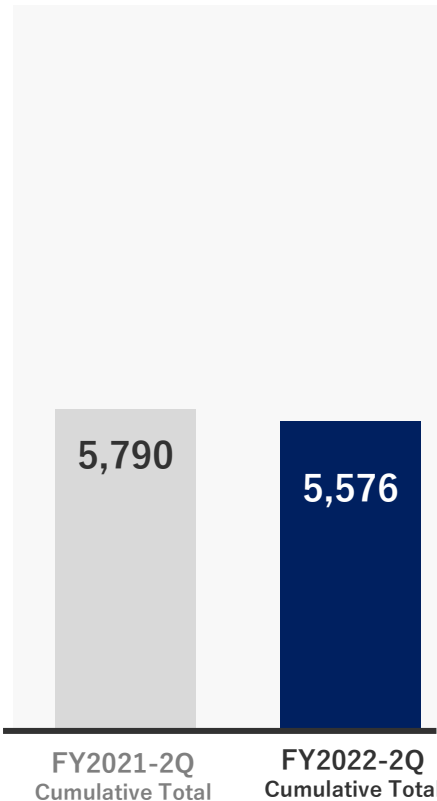
Revenue
(in Millions of ¥)



Operating Income
(in Millions of ¥)



Segment Profit*
(in Millions of ¥)



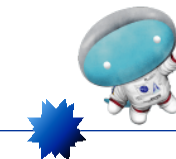
Major factors of change (YoY)

- **Revenue ¥28.2 billion [+0.2B]****
 - Increase in sales in Global & Mobile field: +1.1B
 - Decrease in Broadcasting transponder-related revenue: (0.3B)
- **Operating Expense ¥19.8 billion [(1.2B)]****
 - Decrease in depreciation expenses: (0.5B)
 - Decrease in amortization: (0.4B)
- **Operating Income ¥8.3 billion [+1.4B]**
- **Segment Profit ¥5.6 billion [(0.2B)]**
 - Disappearance of reduction in tax expense due to dissolution of consolidated subsidiary: (0.9B)

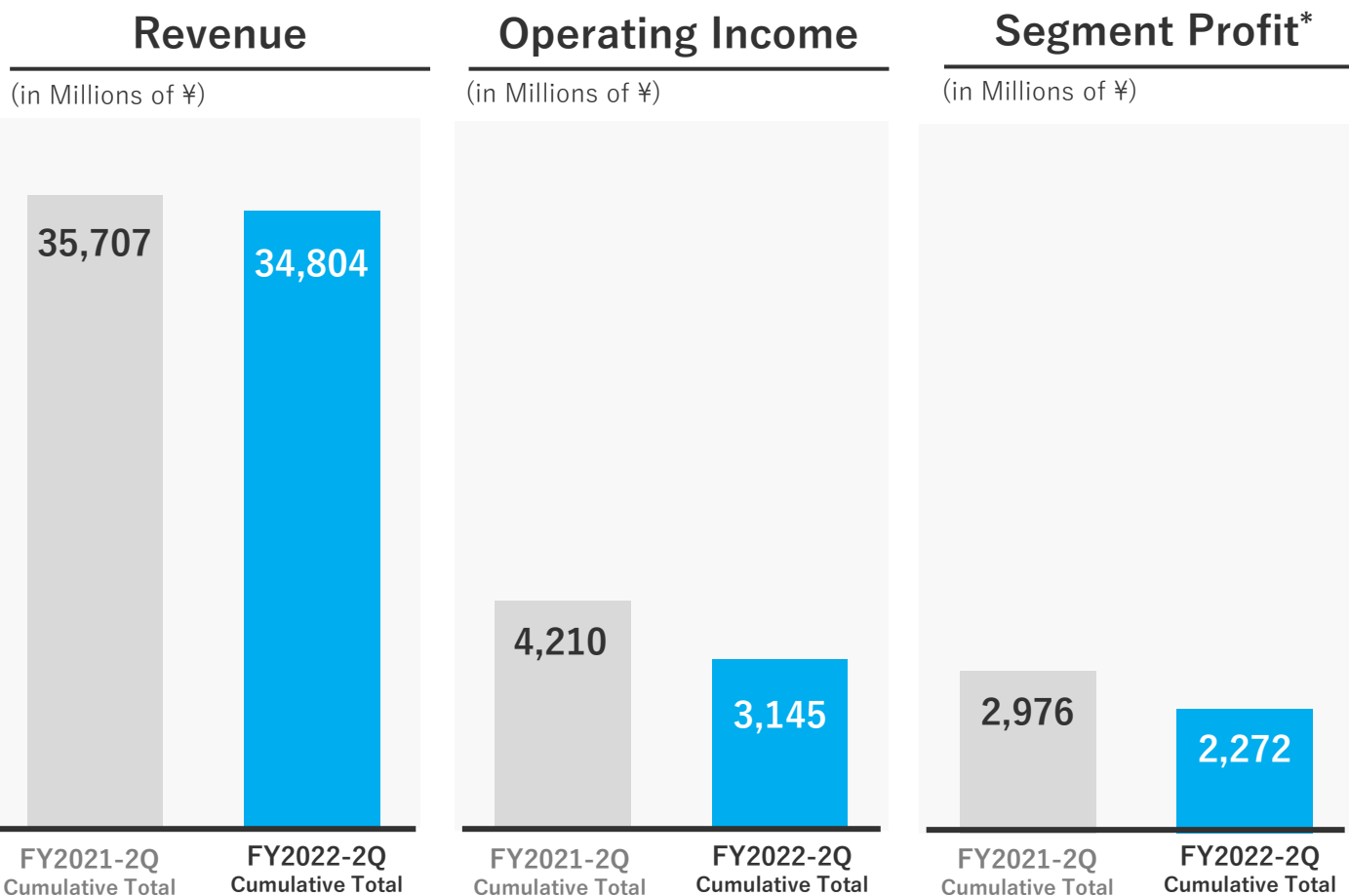
* Segment Profit is calculated based on net income after tax

** Including inter-segment transactions

Earnings Overview: Media Business



- FTTH business has continuously grown and contributed to revenue.
- Profit decreased due to a decline of revenue from decrease in cumulative subscribers, and an increase in promotion expenses, etc.



Major factors of change (YoY)

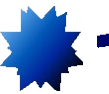
- **Revenue ¥34.8 billion [(0.9B)] ****
 - Decrease in viewing fees, business commission fees and basic fees: (1.1B)
 - Increase in sales of FTTH business: +0.2B
- **Operating Expense ¥31.7 billion [+0.2B] ****
 - Increase in promotion expenses (Include distribution service, etc.): +0.4B
 - Increase in contents expenses: +0.2B
 - Decrease in depreciation expenses: (0.3B)
- **Operating Income ¥3.1 billion [(1.1B)]**
- **Segment Profit ¥2.3 billion [(0.7B)]**

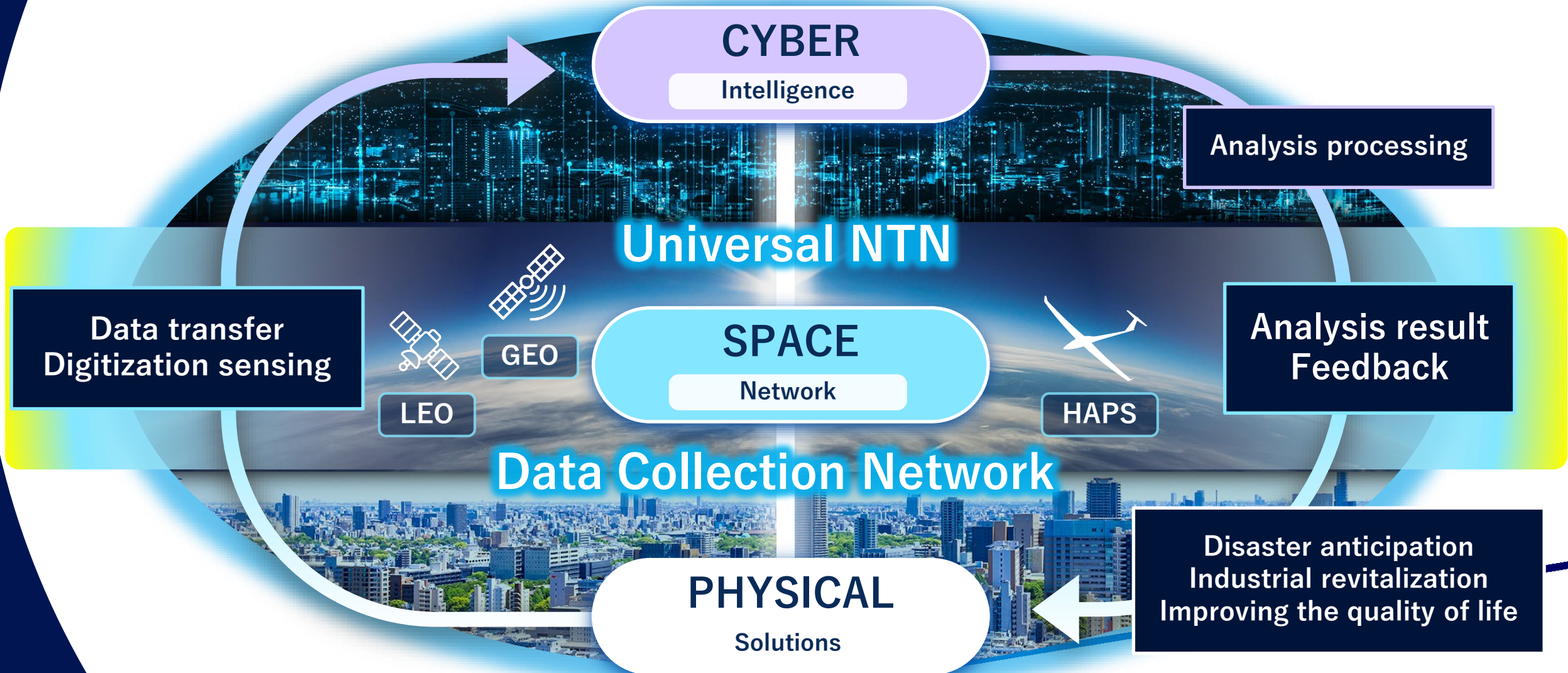
* Segment Profit is calculated based on net income after tax

** Including inter-segment transactions

Topics

— Initiatives for Future Growth —



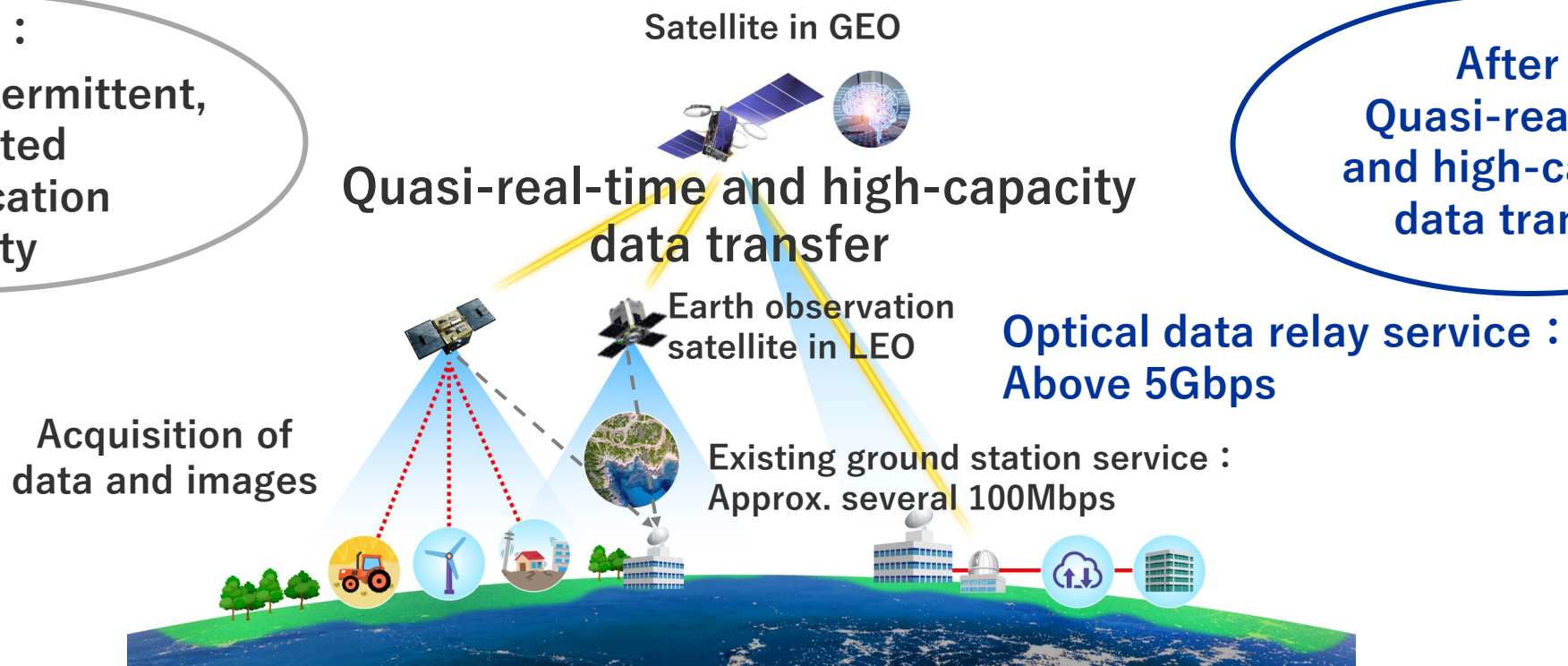


Space Compass and Skyloom agreed to consider collaboration bring optical data relay services to earth observation market

- The first GEO optical data relay satellite over Asia will be launched in 2024
- To provide quasi-real-time and high-capacity data transfer service

Before :
Short time, intermittent,
and limited
communication
capacity

After :
Quasi-real-time
and high-capacity
data transfer



GEO=Geostationary
LEO=Low-earth-orbit

Slope and Infrastructure monitoring service “LIANA”* just launched

Land-deformation and Infrastructure Analysis

- Satellite-based disaster prevention information service utilizing technology and knowledge of SKY Perfect JSAT, ZENRIN, and Nippon Koei
 - Monitoring aging of infrastructure by using data from satellite SAR SAR=synthetic aperture radar
 - To contribute to solve social problems such as heavy rain disasters, aging infrastructure, and labor shortage
- 

Microwave
Observing direction
First time

Microwave
Observing direction
Second time

Distance d

Monitoring variation amount

Phase change due to settlement

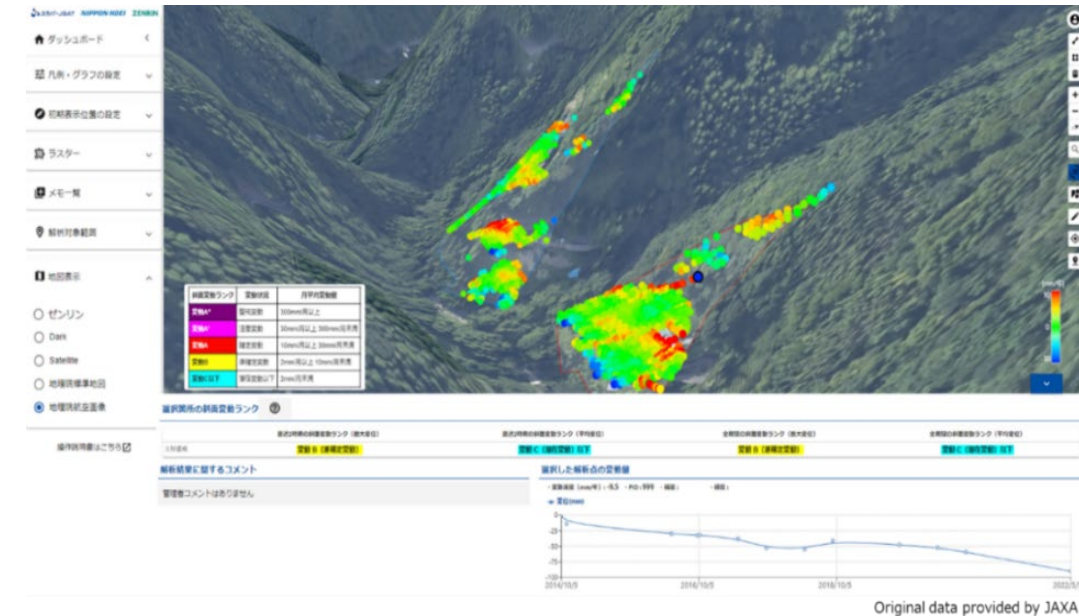


Image of Web UI for “LIANA” (slope)

“JSATMarine Light” service started

- Fixed-price and high-speed satellite communication service for domestic vessels
- Optimization of service coverage areas and plans for “JSATMarine”
- Ship-to-shore suitable communication by combined satellite and LTE network

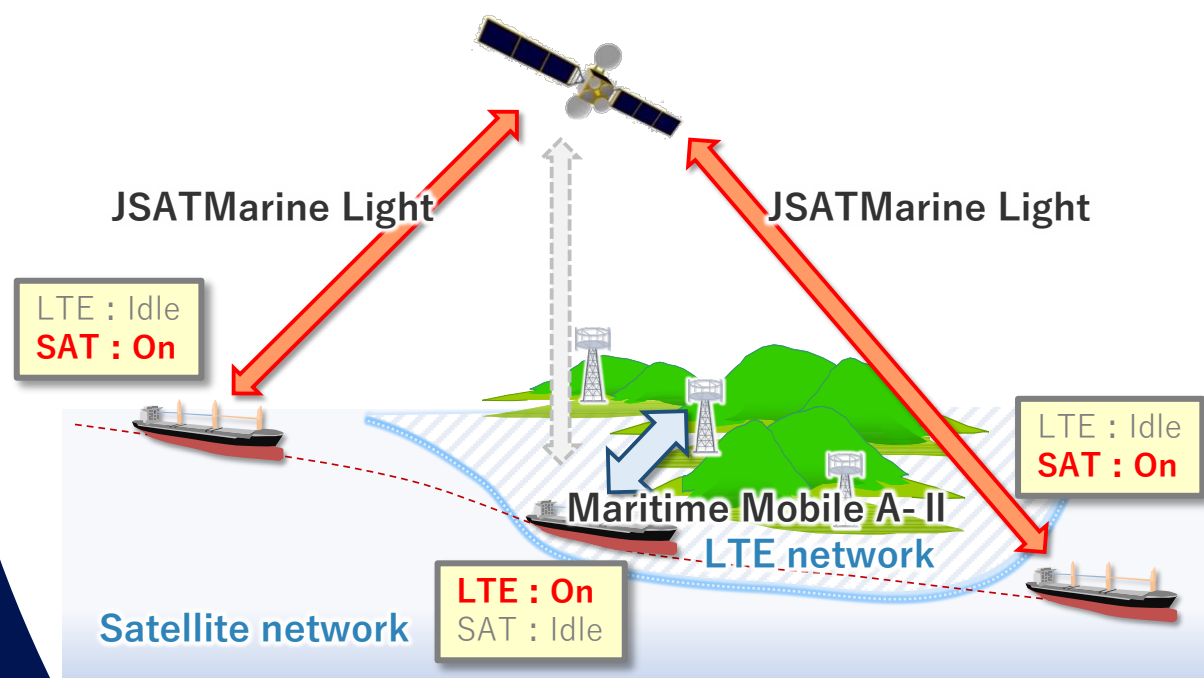
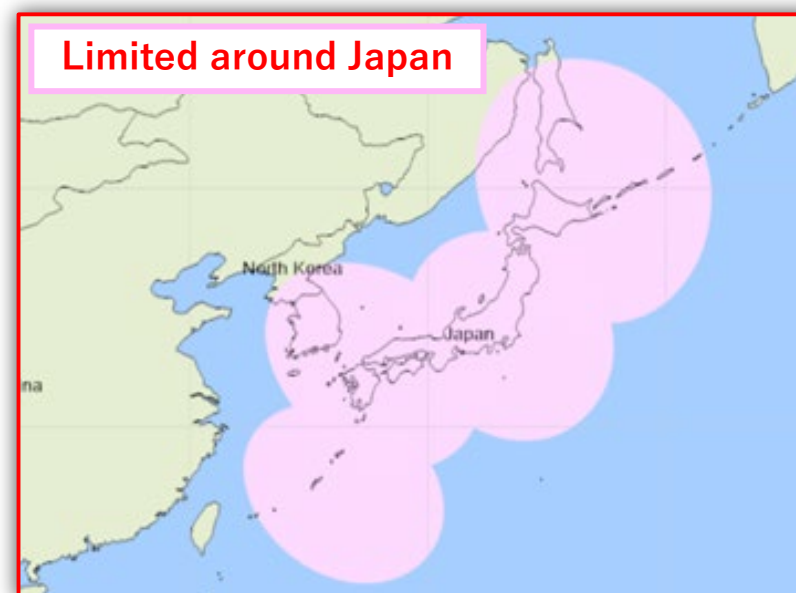


Image of switching between satellite and LTE network



“JSATMarine” service coverage area (Asia-Middle East)

“JSATMarine Light” service coverage area

Media Business Growth Story

MEDIA



“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

Initiatives of Free Program Distribution Service for SKY PerfecTV! Subscribers

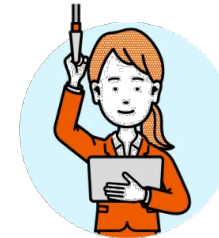
MEDIA

Broadcasting/Distribution



To increase the number of new subscribers, and improve the convenience of existing subscribers by providing "program distribution" in addition to broadcasting

This is a free distribution service for SKY PerfecTV! subscribers that allows viewers to watch programs of SKY PerfecTV! broadcasting on multi devices.



1 account for 3 devices

※同一番組の場合は1端末まで

- Enjoy programs of SKY PerfecTV! on TV, smartphone and PCs!

< Recommended programs in November 2022 >

©2017 プロジェクトラブライブ! サンシャイン!!



©Stream Media Corporation



©松竹



MTV Photo by 上山陽介

¥1,000 gift campaign for new subscribers in November

- Discount ¥1,000 from the total invoice amount for the first month of billing.

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

August :
Original program "Murder mystery"
Distribution, and merchandise
development and sales

September~November :
Bundesliga Japan Tour 2022
Limited items development and sales

November : SPOOX MUSIC
~Subaru Shibutani LIVE~
Event, distribution and Broadcasting

December : Baseball off-season events

December :
Rakugo★ALL STARS
Event, merchandise development
and sales, and distribution



Bundesliga related merch are Now on sale at
SKY PerfectTV! goods mall



Bundesliga Japan Tour 2022 powered by SKY Perfect JSAT

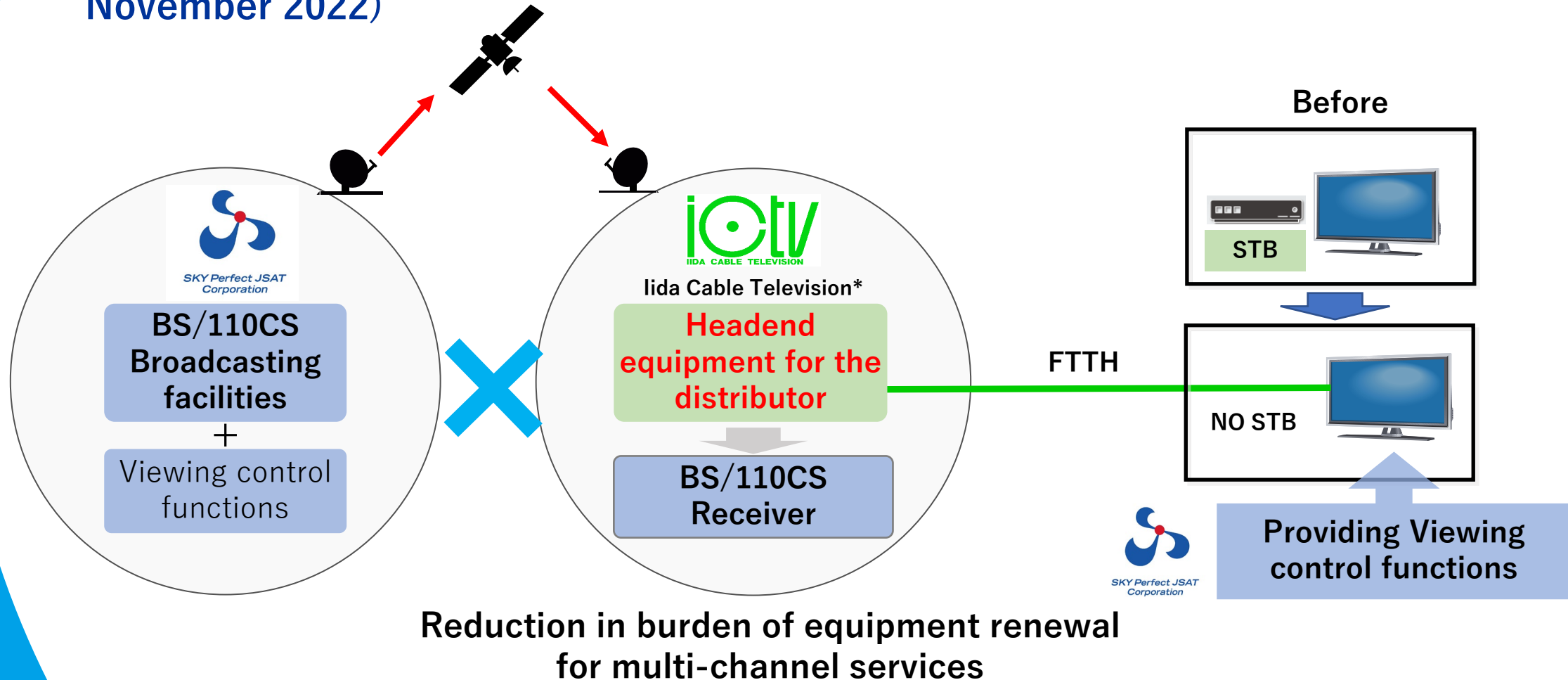
Solution toward Multi-Channel Services for the Cable Television Industry Utilizing the Existing Business Foundation

MEDIA

Business foundation

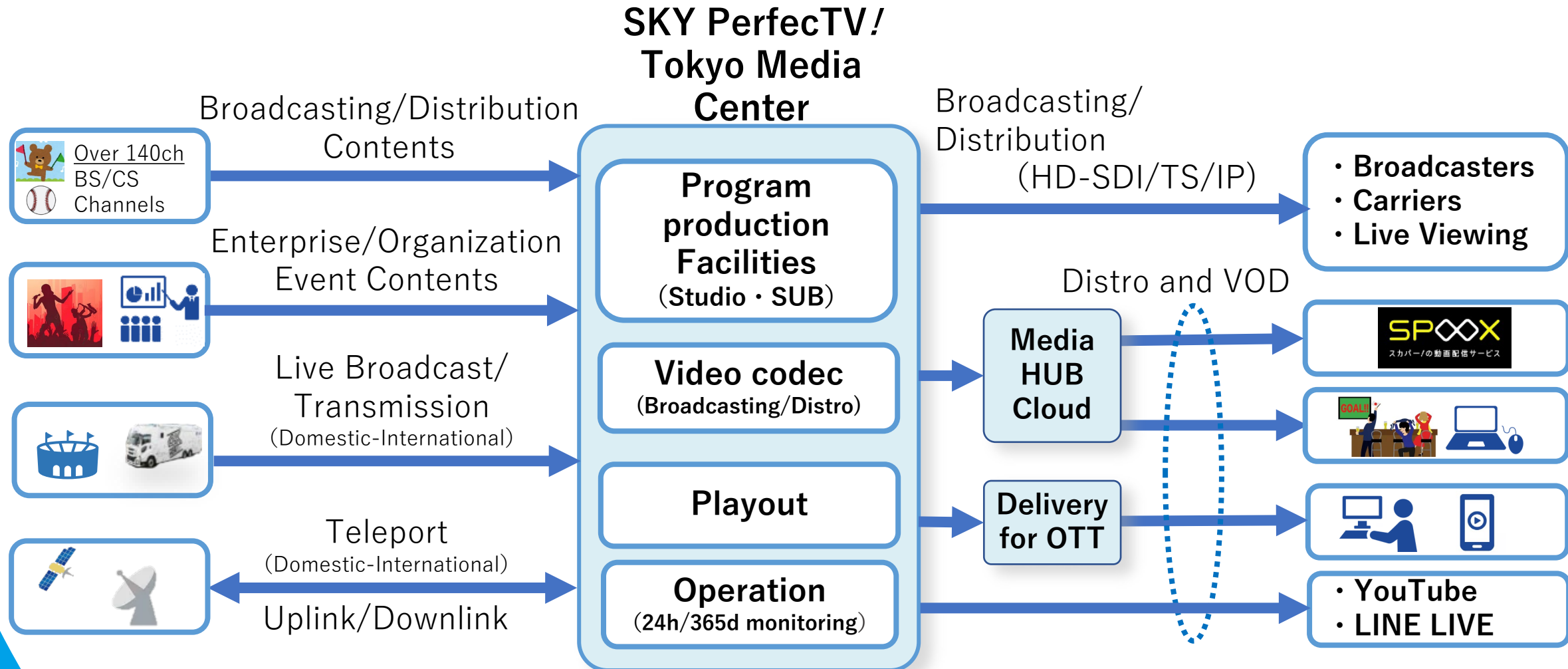


Started as the **FIRST** initiative in the industry from Iida Cable Television (scheduled for November 2022)



*Iida Cable Television : Head Office: Iida-shi, Nagano

Received orders for TV program production from major distribution platforms, and broadcast transmission and etc. from sports and music concert venues



Promotion of Sustainability Management



- Sustainability Department established in October 2022. We will enhance promotion system to realize our sustainability policy "Space for your Smile".
- Integrated report 2022 including ESG information was issued.
- Materiality for the creation of economic and social value targeted for 2030 is linked to the goals and KPIs of each business, and risks/opportunities.



https://www.skyperfectjsat.space/en/ir/library/jsat_report/

E : Environment

- Disclosing information based on TCFD recommendations
- Two satellite control centers shifted to renewable electricity and Group will continue to convert 100% by the year 2030



S : Social

- Human capital-related policies and indicators, and diverse human resource activities
- "Satellite Crayon Project" for environmental education leading to the next generation



G : Governance

- The skills matrix of board directors and corporate auditors
- Outside Officers' Dialogue "Toward Medium-to long-term Growth"

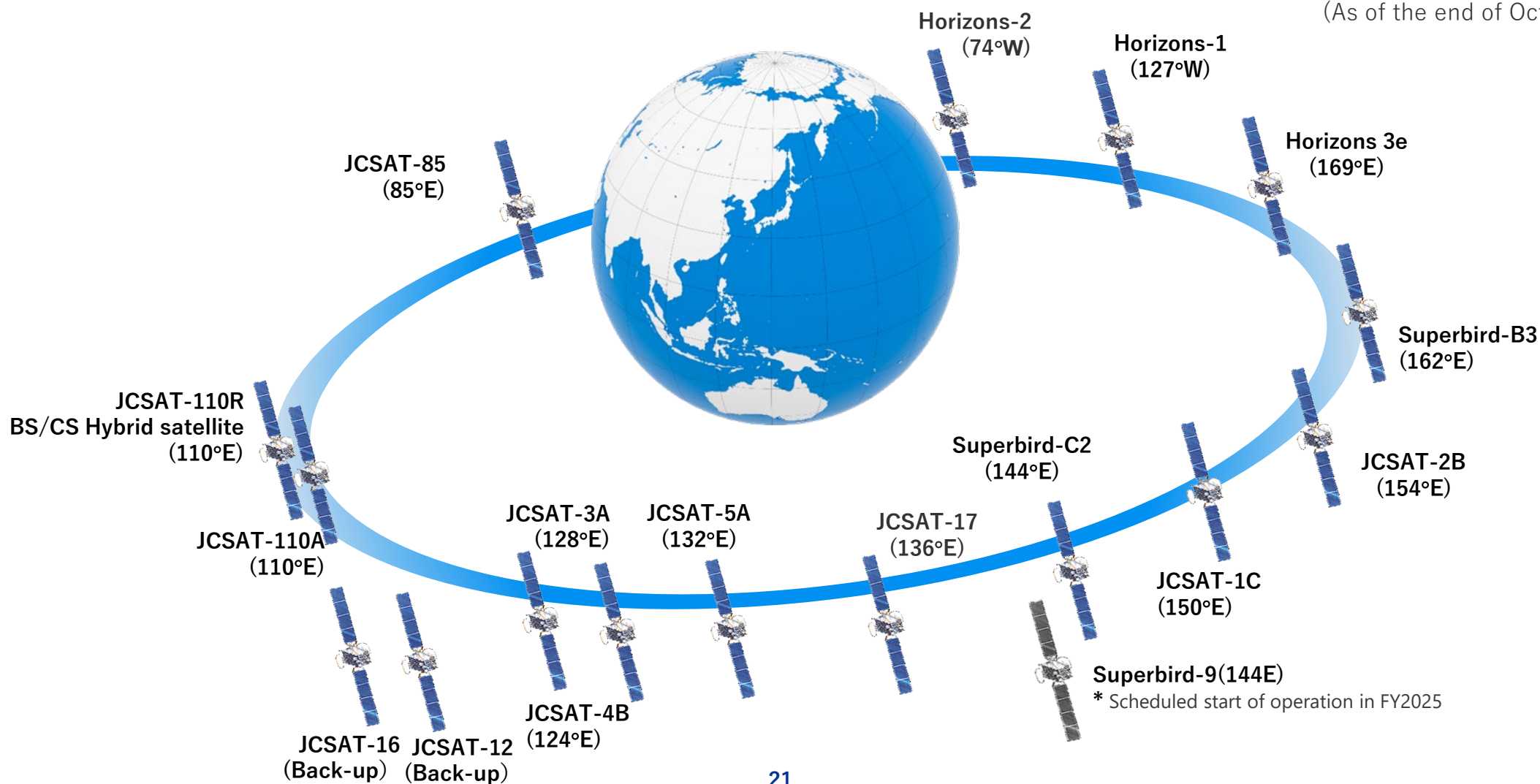
References



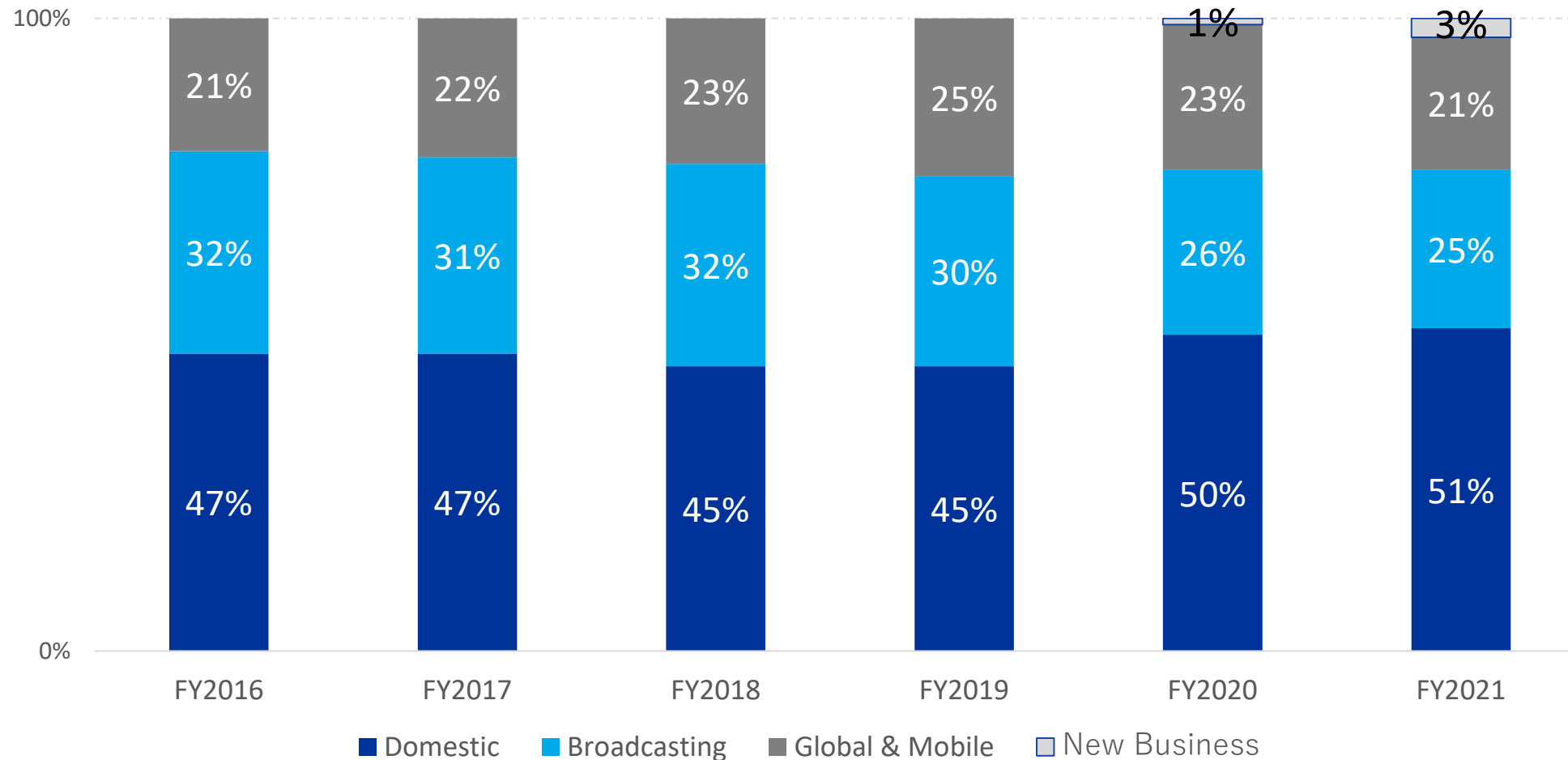


A total of 16 satellites covering from North America to the Indian Ocean

(As of the end of October 2022)



Revenue Composition ratio in Space Business



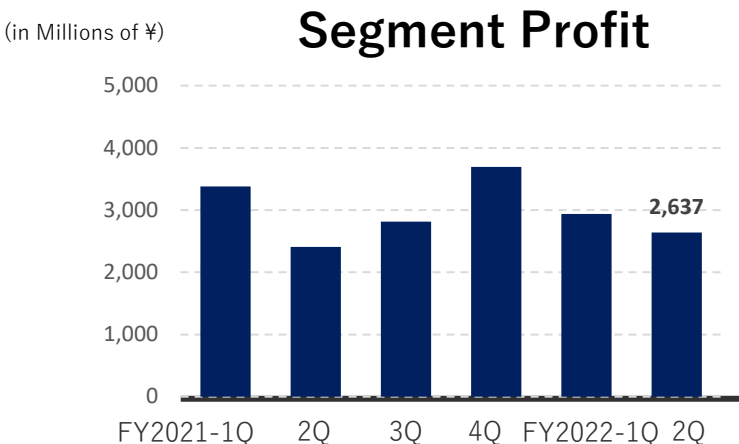
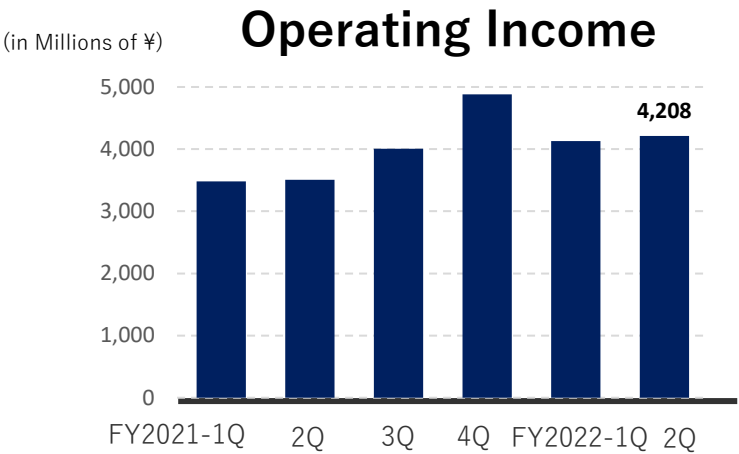
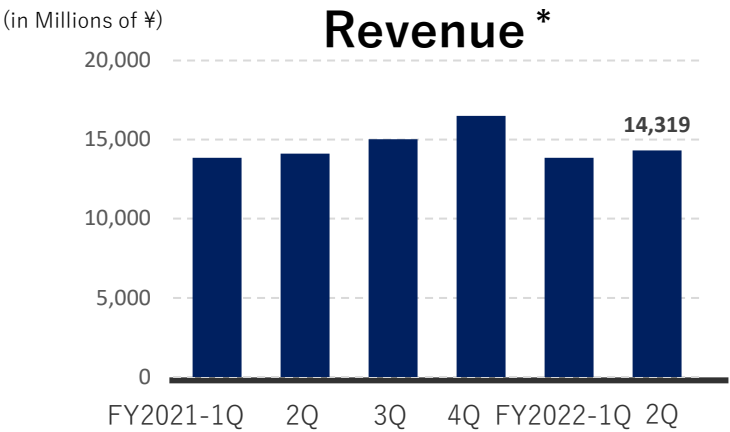
※Excluding the impact of the sale of communications satellites to the Ministry of Defense in FY2016 and FY2018

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

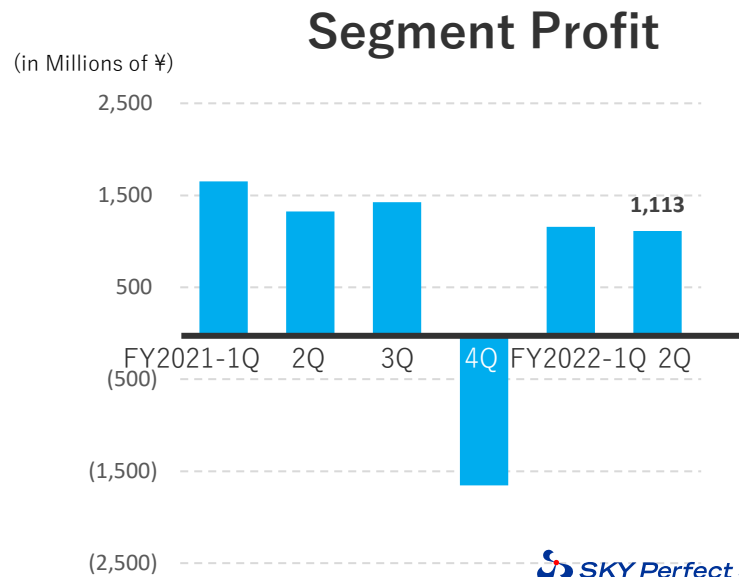
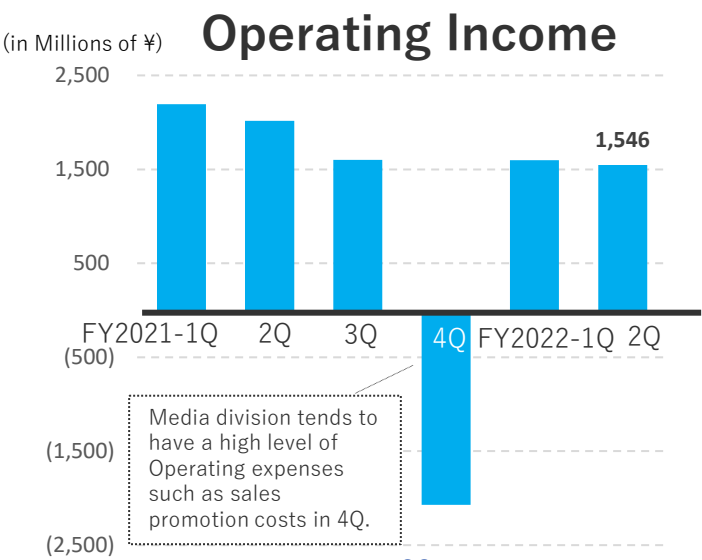
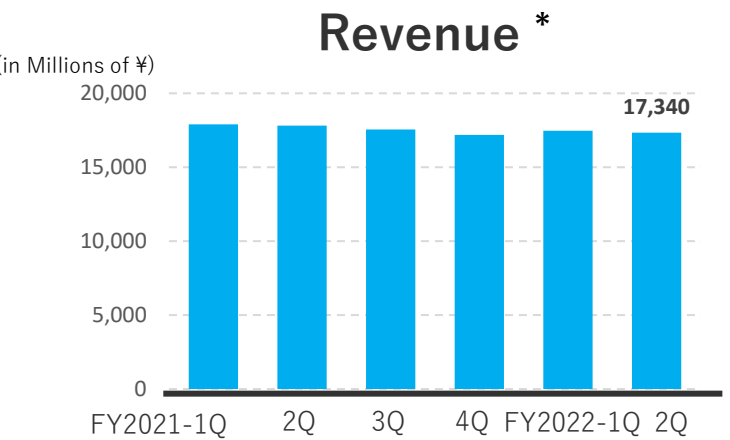
Trends of Quarterly Financial Results by Segment



Space Business



Media Business



* Including inter-segment transactions

Trends of Quarterly Financial Results by Segment



(in Millions of ¥)

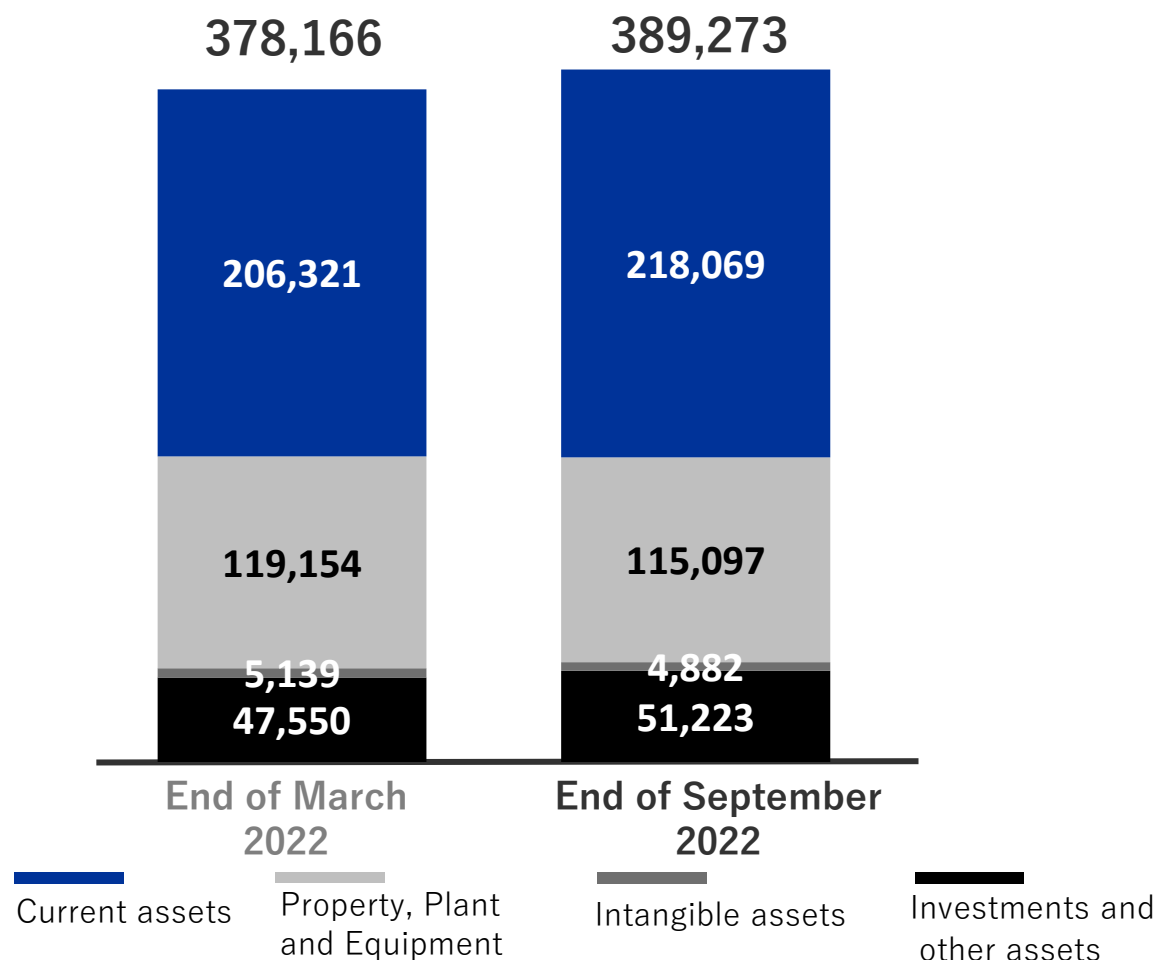
	FY2021					FY2022	
	1Q	2Q	3Q	4Q	Total	1Q	2Q
Revenue	29,078	29,311	30,046	31,196	119,632	28,806	29,190
Space	13,843	14,121	15,030	16,504	59,500	13,841	14,319
Media	17,896	17,811	17,557	17,181	70,447	17,463	17,340
Consolidated Elimination	(2,661)	(2,621)	(2,542)	(2,489)	(10,314)	(2,499)	(2,470)
Operating Profit	5,493	5,360	5,402	2,606	18,862	5,551	5,595
Space	3,480	3,503	4,004	4,878	15,867	4,128	4,208
Media	2,193	2,016	1,602	(2,072)	3,740	1,598	1,546
Consolidated Elimination	(181)	(160)	(204)	(200)	(745)	(175)	(158)
Segment Profit (Profit attributable to owners of the parent)	4,929	3,604	4,119	1,926	14,579	4,033	3,669
Space	3,380	2,409	2,815	3,693	12,298	2,938	2,637
Media	1,652	1,323	1,426	(1,653)	2,749	1,159	1,113
Consolidated Elimination	(103)	(128)	(121)	(113)	(468)	(64)	(81)

Consolidated Balance Sheet



Assets

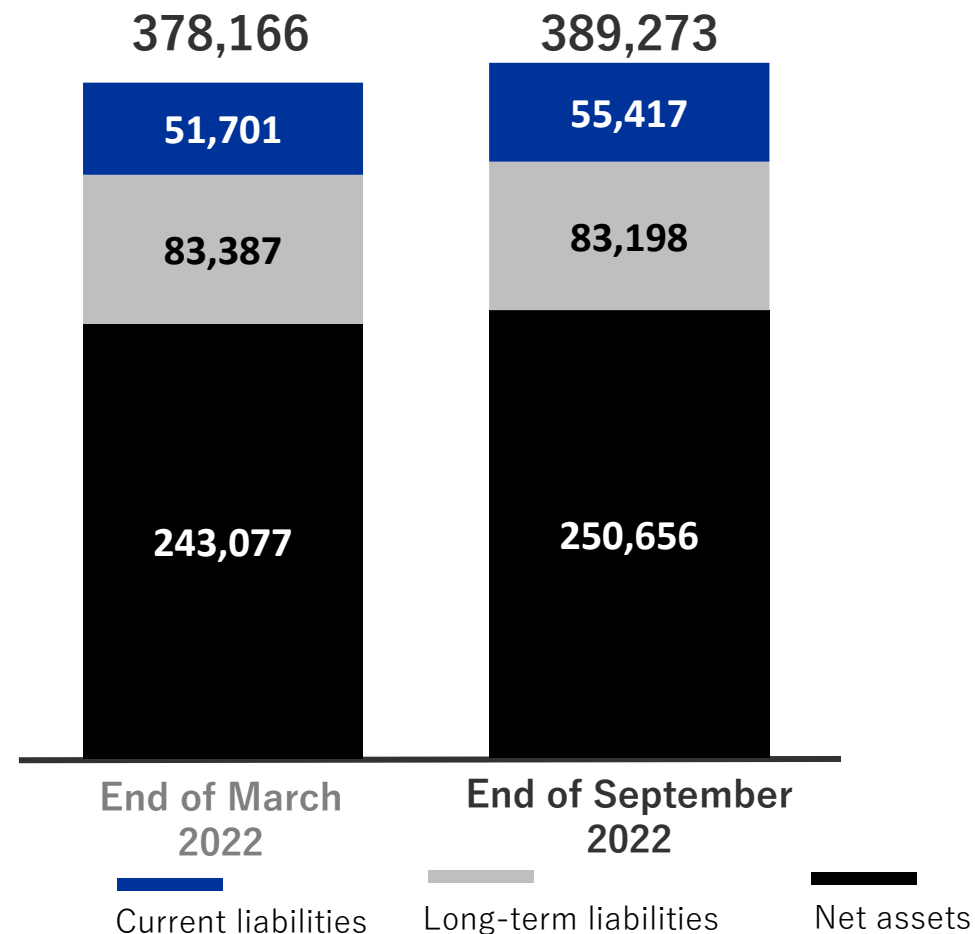
(in Millions of ¥)



Liabilities and Net Assets

Equity Ratio : 64.0% → 64.1%

(in Millions of ¥)



Consolidated Cash Flows



(in Millions of ¥)

	2Q FY2021	2Q
Net Cash from Operating activities	16,540	32,290
Net Cash from Investing activities	(3,348)	(8,018)
Free Cash Flows ^{*1}	13,192	24,272
Net Cash from Financing activities	(7,574)	(11,921)
Cash and Cash Equivalents at Term-end(a)	79,004	99,187
Interest-bearing Debt at Term-end ^{*2} (b)	87,744	79,924
Net Interest-bearing Debt at Term-end (b) – (a)	8,740	(19,263)

*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	FY2021-2Q	55,127	2,880	8,112	1,143	2,099	1,555
	FY2022-2Q	55,195	2,901	7,260	675	2,455	2,125
Operating Income	FY2021-2Q	10,572	170	229	113	397	238
	FY2022-2Q	10,211	186	199	120	527	383
Ordinary Income	FY2021-2Q	14,529	170	232	113	449	245
	FY2022-2Q	10,948	185	202	124	668	460

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.

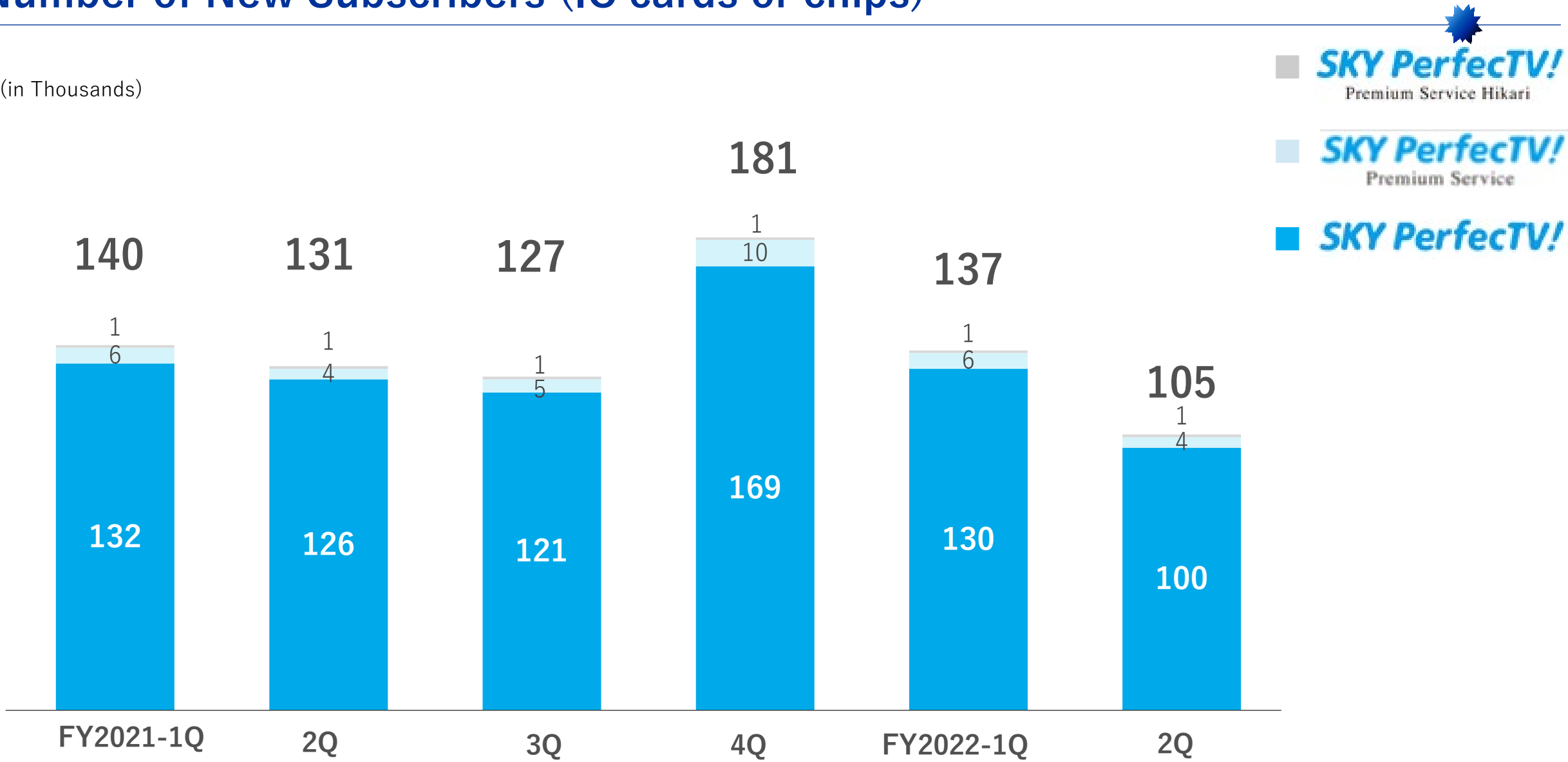
Key Indicators of Media Business (FY2022-2Q) *SKY PerfecTV!*



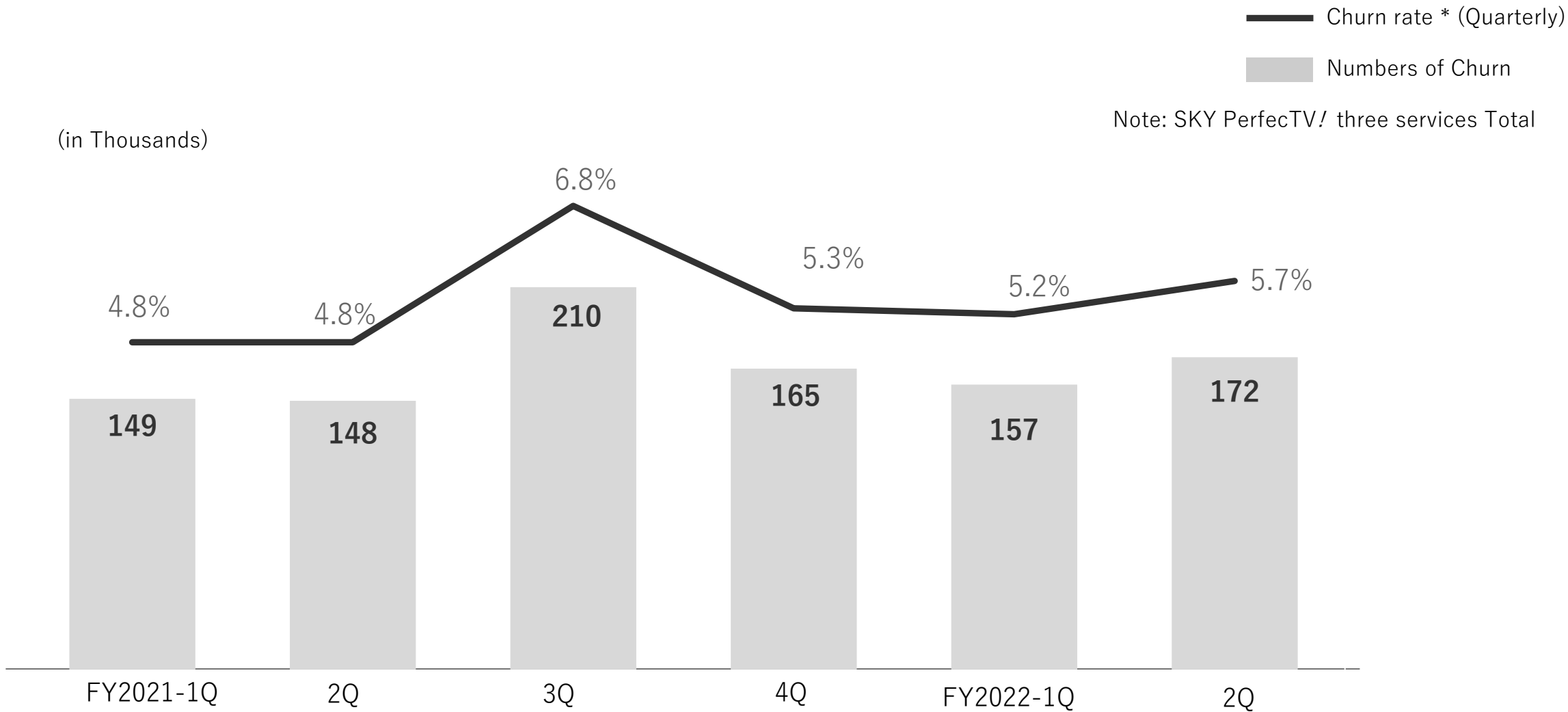
(in 10 Thousands)	FY2021-2Q	FY2022-2Q	Annual Target For FY2022
New Subscribers (IC cards or chips)	27.1	24.2	57.2
Net Increase (IC cards or chips)	(2.6)	(8.7)	(9.5)
- <i>SKY PerfecTV!</i>	<i>+1.5</i>	<i>(5.0)</i>	<i>(0.5)</i>
- <i>SKY PerfecTV! Premium Service</i>	<i>(3.9)</i>	<i>(3.4)</i>	<i>(8.4)</i>
- <i>SKY PerfecTV! Premium Service Hikari</i>	<i>(0.2)</i>	<i>(0.2)</i>	<i>(0.6)</i>
Cumulative number of subscribers (IC cards or chips)	307.6	292.2	291.3
Cumulative number of contractors (contracts)	246.9	230.8	227.1
Number of subscribing households of Optical Fiber Based Re-transmission service (million)	248.4	258.3	264.2
Average Monthly Contractor's Payment (Yen)			
- SKY PerfecTV!	3,346	3,351	—
- SKY PerfecTV! Premium Service	3,597	3,561	
- SKY PerfecTV! Premium Service Hikari	5,134	5,078	

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!

3,347

3,345

3,316

3,293

3,340

3,362

(Yen)

2,969

2,967

2,938

2,915

2,962

2,984

378

378

378

378

378

378

FY2021-1Q

2Q

3Q

4Q

FY2022-1Q

2Q

SKY PerfectTV!
Premium Service

3,607

3,587

3,540

3,490

3,559

3,562

3,173

3,153

3,107

3,058

3,128

3,131

434

434

433

433

431

431

FY2021-1Q

2Q

3Q

4Q

FY2022-1Q

2Q

SKY PerfectTV!
Premium Service Hikari

5,146

5,122

5,104

5,062

5,079

5,076

4,281

4,259

4,242

4,202

4,226

4,229

865

863

862

861

853

847

FY2021-1Q

2Q

3Q

4Q

FY2022-1Q

2Q

*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

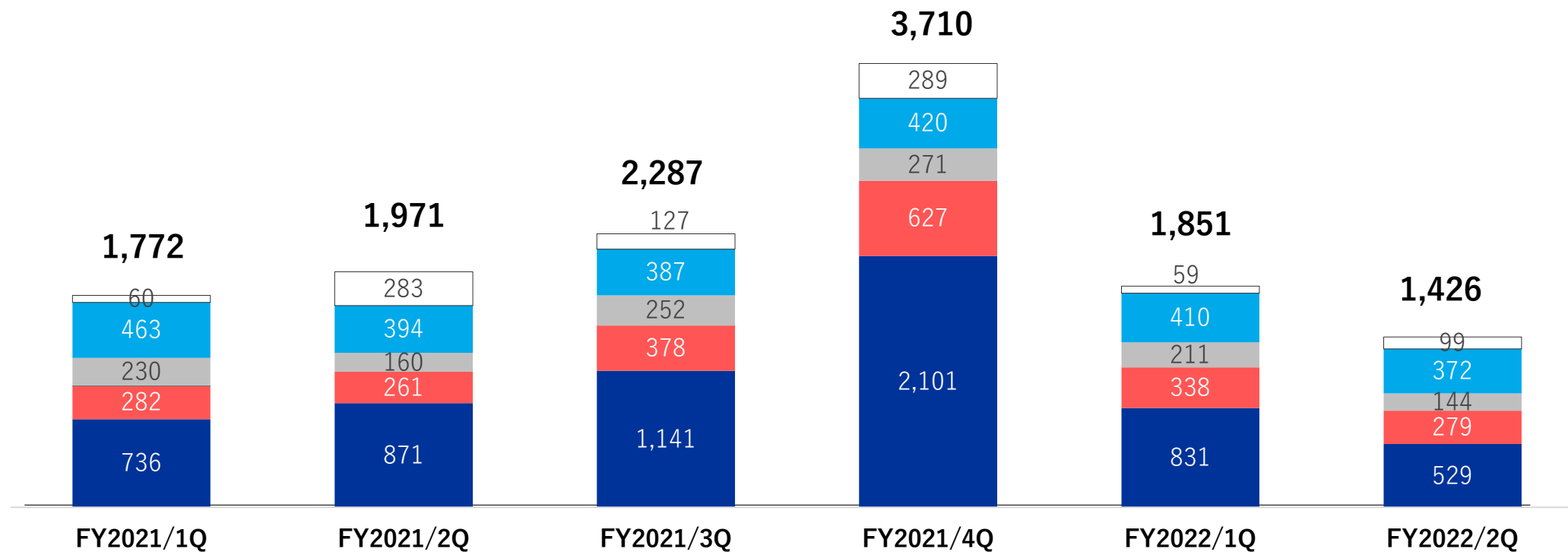
■ Viewing fees

SKY Perfect JSAT Group

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!

Space for your Smile

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



