

SKY Perfect JSAT Group  
Earning Results Briefing of 2Q/FY2011

November 4, 2011  
SKY Perfect JSAT Holdings Inc.

# 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 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
- 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 IC card security, etc.

# Consolidated Business Performance Highlights

# Operating Results Summary of 2Q/2011

## Earnings results increased and Full Year Forecast of 2011 revised upward

Consolidated (Units: ¥ millions)

	1-2Q/FY2010	1-2Q/FY2011	Comparison to 1-2Q/FY2010	Full Year Forecast of FY2011 (Previous)	vs. Full Year Forecast of FY2011 (Previous)	Full Year Forecast of FY2011 (Revised)
<b>Revenues</b>	70,518	<b>77,056</b>	<b>+9.3%</b>	151,000	<b>51.0%</b>	<b>152,000</b>
<b>Operating Income</b>	5,198	<b>11,570</b>	<b>+122.6%</b>	14,000	<b>82.7%</b>	<b>15,500</b>
<b>Ordinary Income</b>	4,184	<b>10,984</b>	<b>+162.5%</b>	13,200	<b>83.2%</b>	<b>14,500</b>
<b>Net Income</b>	858	<b>6,461</b>	<b>+652.7%</b>	7,000	<b>92.3%</b>	<b>8,000</b>
<b>EBITDA<sup>*1</sup></b>	15,696	<b>23,987</b>	<b>+52.8%</b>	—	—	—

\*1 EBITDA is calculated as Net Income + Tax Expense + Depreciation Expense + Interest Expense.

# Indicators for Multichannel Pay TV Business

## New subscribers in the first-half exceeded 300 thousands

(Units: thousand)

		1-2Q/FY2010	1-2Q/FY2011	Full Year FY2010	Full year Forecast of FY2011
<b>Number of new subscribers</b>		271	<b>316</b>	580	608
<b>Net increase in subscribers</b>		17	<b>43</b>	38	53
<b>Number of cumulative subscribers</b>		3,705	<b>3,768</b>	3,725	3,778
<b>ARPU *1</b>	<b>Gross ARPU (units: yen)</b>	3,254	<b>3,252</b>	3,236	—
	<b>Net ARPU (units: yen)</b>	1,467	<b>1,623</b>	1,489	—
<b>SAC (units: yen) *1 *2</b>		34,855	<b>29,446</b>	34,839	—
<b>SKY PerfecTV! HD subscribers rate *3</b>		11.3%	<b>25.2%</b>	19.2%	—

\*1. ARPU is calculated while taking into account three SKY PerfecTV! services

Gross ARPU: Conventional subscribers fee-based unit price

Net ARPU: Sales-based unit price (unit price based on the subscription or commission fee, which contribute to sales)

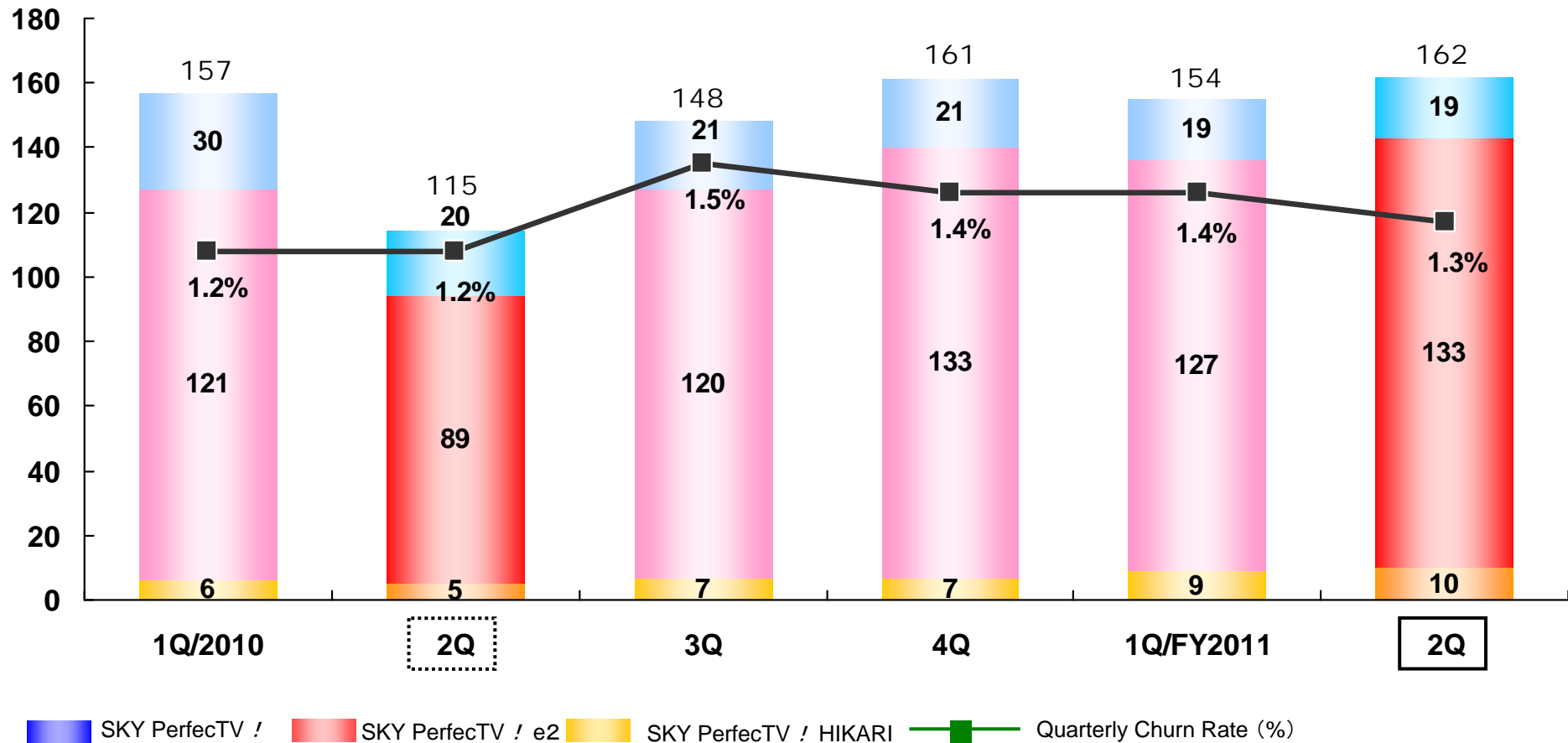
\*2. Since accounting procedures have been revised, part of sales promotion expenses are excluded from SAC from the previous quarter.

\*3. SKY PerfecTV! HD subscribers rate: Cumulative number of subscribers of SKY PerfecTV! HD / (Cumulative number of subscribers of SKY PerfecTV! SD + Cumulative number of subscribers of SKY PerfecTV! HD)

# Trends in Number of New Subscribers and Churn Rate

New Subscribers in the 2Q recorded at an all-time high  
Pulled by SKY PerfectTV! e2

(Units : thousand)



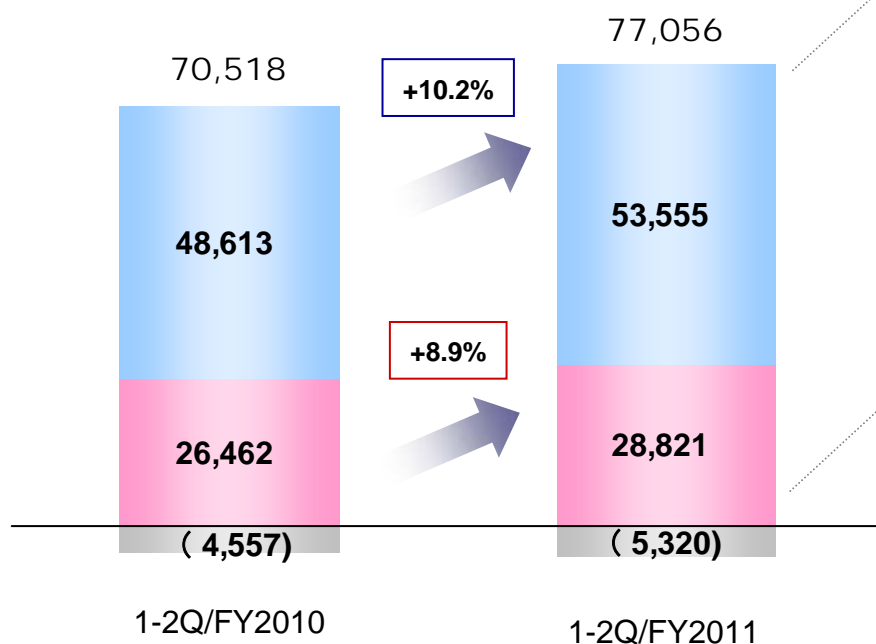
# Analysis of Consolidated Business Performance

# Revenues

Income from the subscription fee and growing satellite usage after the Earthquake contributed to increasing revenues

(Units: ¥ millions)

Consolidated, for each segment (Units: ¥ millions) \* 1



**Multichannel Pay TV Business : +4,900**

(Main causes)

- Increase in the income from subscription fees due to the increase in subscriptions to e2 and HD services [+5,400]
- Increase in the income from STB Rental Fee [+ 600]
- Decrease in the income from SD commission fees [-1,500]

**Space & Satellite Business : +2,400**

(Main causes)

- Increase in the income from the disasters-related satellite connection fees (by SJC, SNET) [+1,600]
- Increase in the income from the transponder usage fee in proportion to SKY PerfectTV! e2 subscribers [+ 600]

\* Eliminations and Company Total [-8 million yen]

- Multichannel Pay TV Business
- Space & Satellite Business
- Eliminations and Company Total

\* 1 The value in each segment was calculated with the new method. (The values for fiscal 2010, too, were revised.)

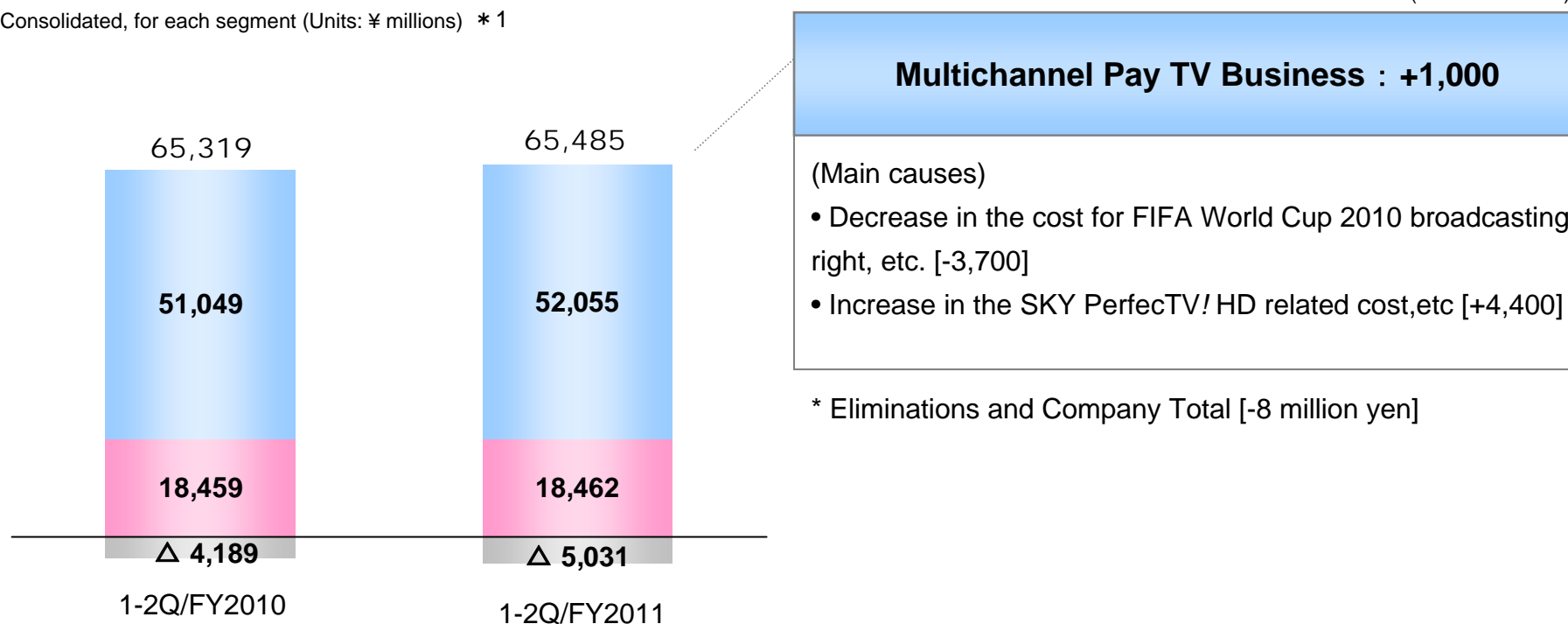


# Operating Expenses

SKY PerfectTV! HD related cost increased according to the increase of HD subscribers

(Units: ¥ millions)

Consolidated, for each segment (Units: ¥ millions) \* 1



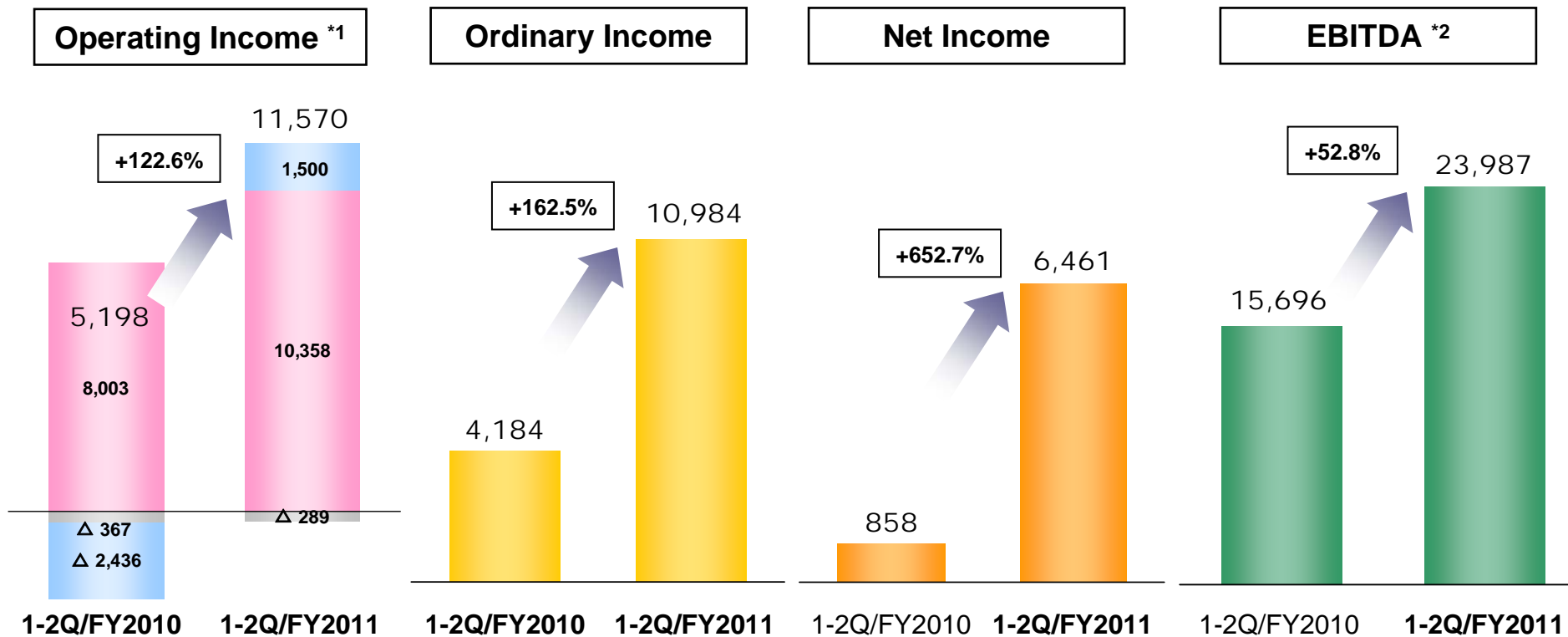
- Multichannel Pay TV Business
- Space & Satellite Business
- Eliminations and Company Total

\* 1 The value in each segment was calculated with the new method. (The values for fiscal 2010, too, were revised.)

# Profit Performances

Growing revenues in both business realized profit increases

Consolidated (Units: ¥ millions)



- Multichannel Pay TV Business
- Space and Satellite Business
- Eliminations and Company Total

\*1 The value in each segment was calculated with the new method. (The values for fiscal 2010, too, were revised.)

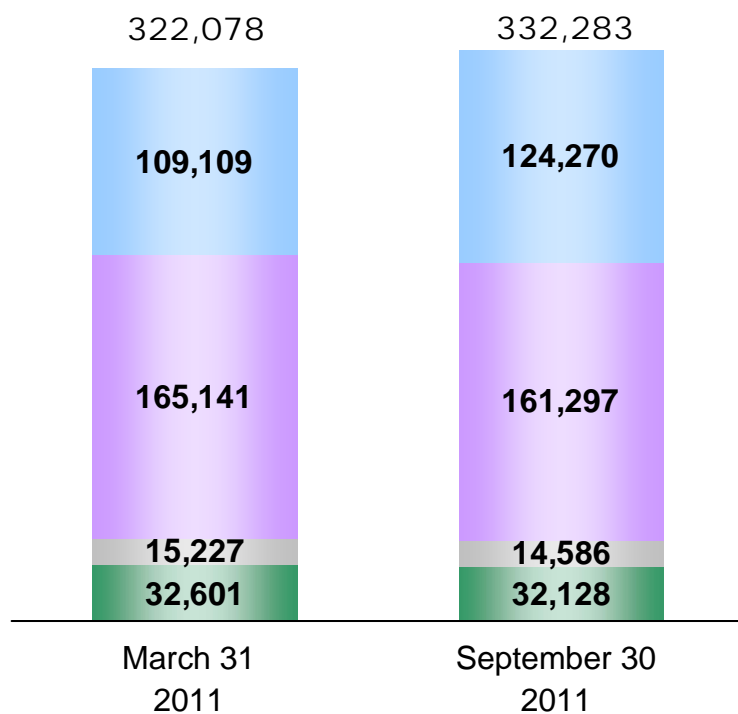
\*2 EBITDA = Net Income + Tax Expense + Depreciation Expense + Interest Expense

# Balance Sheets

Financial stability has been maintained (Equity Ratio: 55.6%)

Consolidated (Units: ¥ millions)

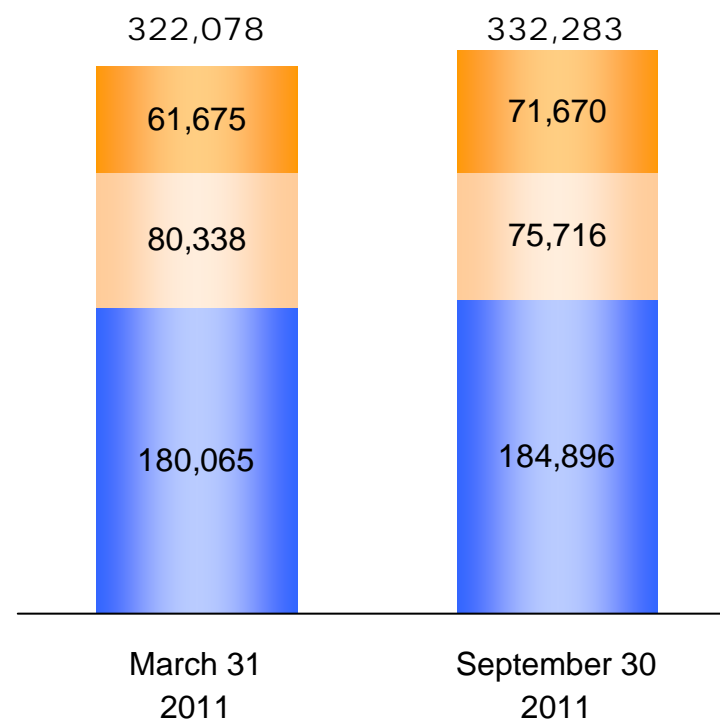
**Assets**



- Current Assets
- Net Property and Equipment
- Intangible Fixed Assets
- Investment and Others

Consolidated (Units: ¥ millions)

**Liabilities and Equity**



- Current Liabilities
- Long-Term Liabilities
- Total Equity

# Cash Flows

The balance in Net Debt decreased

Consolidated (Units: ¥ millions)

	1-2Q/FY2010	FY2010	1-2Q/FY2011
<b>Net Cash from Operating Activities</b>	22,398	38,956	<b>26,231</b>
<b>Net Cash from Investing Activities</b>	(15,091)	(28,595)	<b>7,845</b>
<b>Net Cash from Financing Activities</b>	(9,903)	(17,302)	<b>(5,124)</b>
<b>Cash and Cash Equivalents at the End of Fiscal Year (A)</b>	64,035	59,499	<b>88,443</b>
<b>Term-end balance of interest-bearing debt*1 (B)</b>	99,584	91,692	<b>89,516</b>
<b>Term-end balance of net interest-bearing debt (B) – (A)</b>	35,549	32,192	<b>1,073</b>
<b>Capital Expenditures</b>	9,632	18,757	<b>7,399</b>
<b>Free Cash Flows *2</b>	12,765	20,199	<b>18,832</b>

\*1 Term-end balance of debts and unsecured corporate bonds

\*2 Free Cash Flows = (Cash Flows from Operating Activities) – (Capital Expenditures)

# Operating Results of Major Subsidiaries

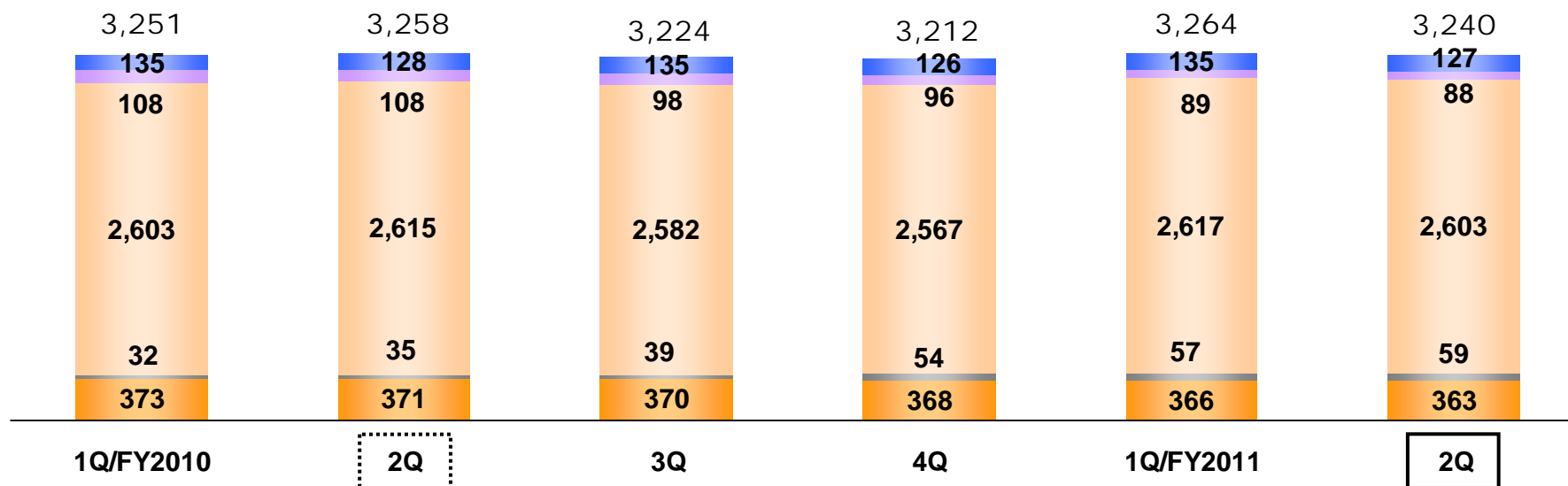
## Stable performance of subsidiaries continues

(Units: ¥ millions)

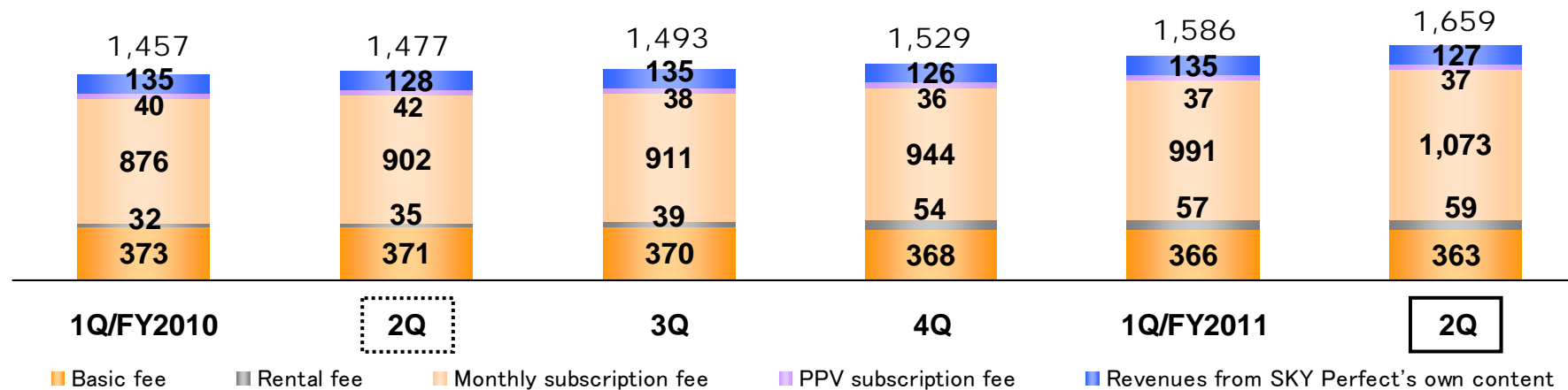
		SKY Perfect JSAT	SKY Perfect Customer-relations	SKY Perfect Broadcasting	OptiCast	Satellite Network	JSAT International Inc.
Major Area of Business		Broad-casting platform, Satellite Operation	Customer management	Broadcasting	Content distribution via FTTH	Satellite communications	Satellite communications
% of Equity held by Holdings		100	100	100	100	92	100
Revenues	1-2Q/FY10	61,286	8,574	11,253	4,543	1,933	1,118
	1-2Q/FY11	62,720	8,079	15,318	5,249	3,621	1,084
Operating Income	1-2Q/FY10	5,392	(223)	178	344	130	407
	1-2Q/FY11	10,778	65	119	556	342	471
Ordinary Income	1-2Q/FY10	4,964	(217)	179	304	124	411
	1-2Q/FY11	10,759	69	121	519	303	471

# ARPU

【Gross ARPU (Units: ¥)】



【Net ARPU (Units: ¥)】



■ Basic fee   
 ■ Rental fee   
 ■ Monthly subscription fee   
 ■ PPV subscription fee   
 ■ Revenues from SKY Perfect's own content

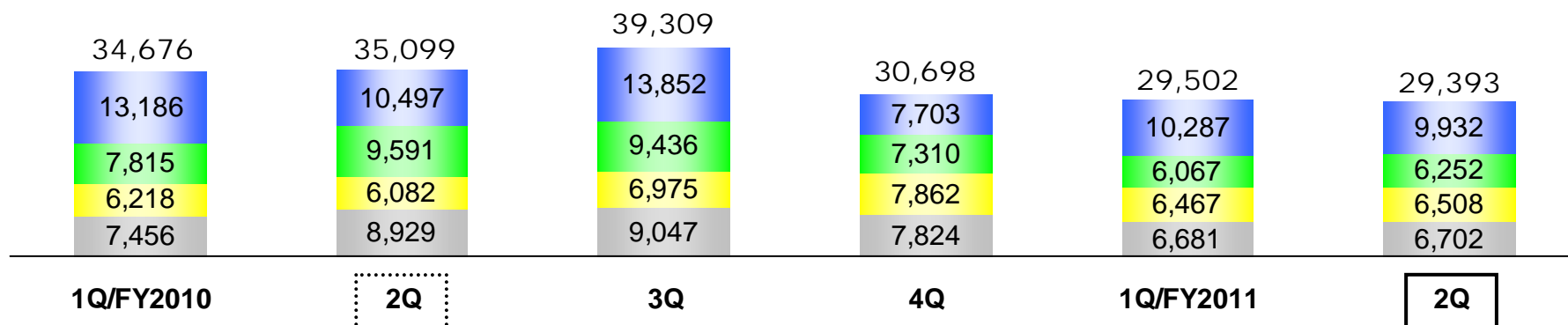
\*1 ARPU is calculated while taking into account three SKY PerfectTV! services

Gross ARPU: Conventional subscription fee-based unit price

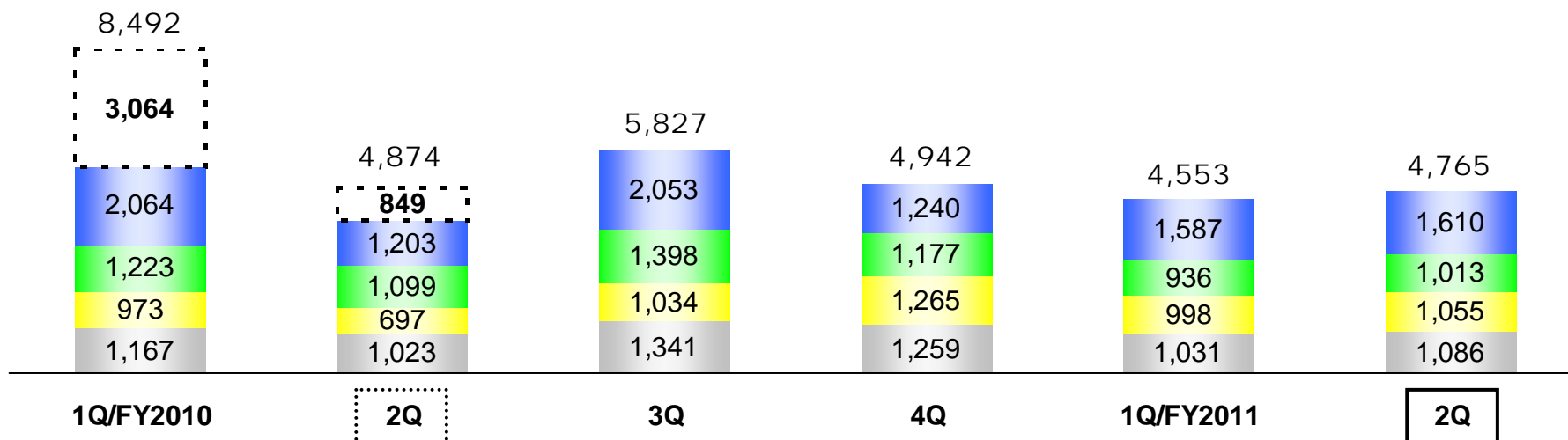
Net ARPU: Revenue-based unit price (unit price based on the subscription fee or commission fee, which contribute to sales)

# SAC

【SAC unit (Units: ¥)】



【SAC total (Units: ¥ millions)】



■ Others

■ Sales incentives

■ Promotional expenses

■ Advertising expenses

■ Free content costs

\*1 Total of 3 services of SKY PerfectTV!

\*2 The cost for charge-free contents include the cost for the broadcasting right related to World Cup, production and sales promotion expenses.

\*3 Since accounting procedures were revised, part of sales promotion cost was excluded from SAC from the first quarter of this year.

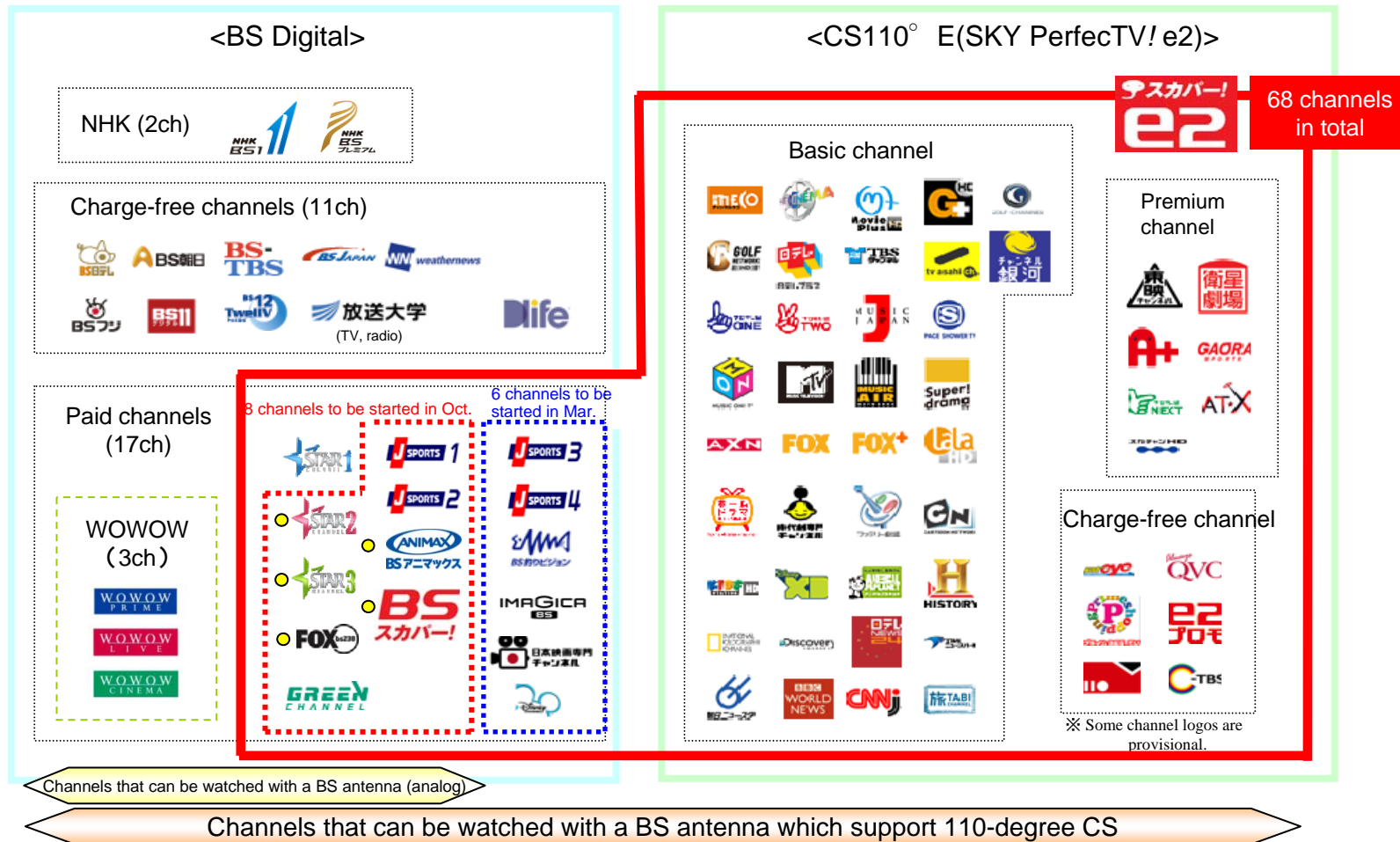
(Difference from the previous values: Unit price: -775 yen; Total: -119 million yen)

Measures To Be Addressed  
~ Multichannel Pay TV Business ~



# Coming of the new era of SKY PerfectTV!

## Expansion of SKY PerfectTV!e2 as the new BS channels start



All of the pay-TV channels other than WOWOW are aired by SKY PerfectTV!e2.

Portal channel for sending direct messages to 22 million households

<Households that can receive BS digital signals>

SKY PerfectTV!e2 tuner is installed in every household.

Total number of households: about 50 million

Number of BS signal-receiving households: about 22 million

Number of households receiving 110-degree CS signals: about 9 million



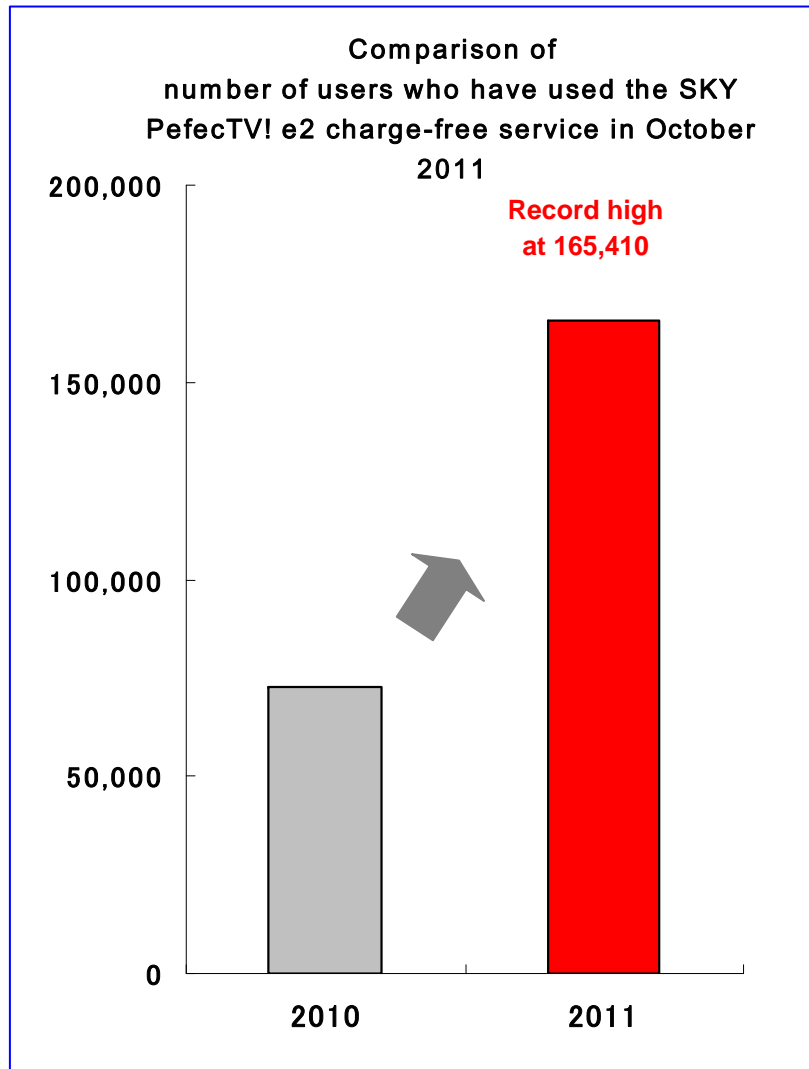
\* Surveyed by SKY Perfect JSAT

To convey the pleasure in SKY PerfectTV! to more people



- To promote BS signal-receiving households to become subscribers
- To maximize charge-free experiences, and promote the subscription to SKY PerfectTV!e2
- To air exclusive programs and highly demanded contents, stirring customers' interests

# Situation 1 month after the start of BS SKY PerfecTV!



## Record high since the start of SKY PerfecTV!e2

- In October, the number of those who have used the charge-free service marked a record high at 165,410.
- The number of such people per day was the largest on October 1 (about 15,000) and the second largest on October 10 (about 11,000).
- The number of subscriptions to SKY PerfecTV!e2 in Oct. 2011 was 66,777, which is 215% of the value in the previous year (31,134).

# Launch of new campaigns

## Campaigns according to each customer's watching environment

Campaign outline	Privileges
 <p>“Antenna presenting and installing campaign”</p>	 <p>= 0 yen</p>
 <p>“One-time discount”</p>	<p>We will give 3,000 yen to each customer who owns the antenna and has subscribed at the time of purchase of some products at an electronics retail store. * including the shift from SKY PerfectTV! SD to SKY PerfectTV! HD</p>
 <p>“SKY PerfectTV! HIKARI on Flets TV campaign”</p>	<p>We will give 3,000 yen to each customer who has subscribed via Flets.</p>



# Eye-catching contents of BS SKY PerfectTV!

Original programs will be aired one after another toward the end of the year

## 【November】

SKY PerfectTV! Samurai Drama Channel  
presents “Onihei-gaiden Kumagoro-no-kaō”



(C)2011 Nihon Eiga Satellite Broadcasting Corp./Shochiku Co., Ltd.

## 【December】

Live broadcasting for 3 days around X'mas  
LAWSON presents  
『MUSIC FOR ALL, ALL FOR ONE』 supported by  
SKY PerfectTV!

Performed by first-class artists,  
including JUJU, Kumi Kouda  
and KARA



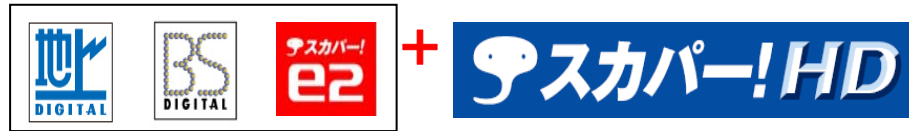
## 【Year end and new year】

Exclusive broadcasting of the dreamy special  
match and big dialogue

“Rory McIlroy × Ryo Ishikawa--New World Order”  
SP match for 2 consecutive nights

Rory McIlroy × Ryo Ishikawa;  
“Dreamy big dialogue”

# SKY PerfecTV! HD tuner was installed in blu-ray disk recorders



2011年秋 新製品

AQUOS には AQUOS ブルーレイ

業界初 4波7チューナー搭載

スカパー! HDも、これ1台で見る・録る・残す!

HDDに録画した番組を AQUOSへ ワイヤレス送信

Wi-Fiコネク機能内蔵

BD-W1000

HDD容量	1000GB
デジタルハイビジョン編成	
11.1ch (地上波) 11.1ch (衛星)	地上127チャンネル (全131チャンネル)
11.1ch (地上波) 11.1ch (衛星)	地上107チャンネル (全111チャンネル)

Released on September 23

長時間録画 + 長時間録画 + 長時間録画

Released on October 22

To promote the sale of the tuner-installed models in stores in cooperation with SHARP and SONY.

- Customers can watch the programs of any of the 4 TV services.
- Without any other devices, it is possible to watch and record SKY PerfecTV! HD.



# Promotion of a new way of enjoying TV programs and SKY PerfectTV! Everywhere

## New measures in the Internet and mobile fields

### Start of “Teleco!,” the Japan’s largest program information service beyond the borders of “TV and media” in October

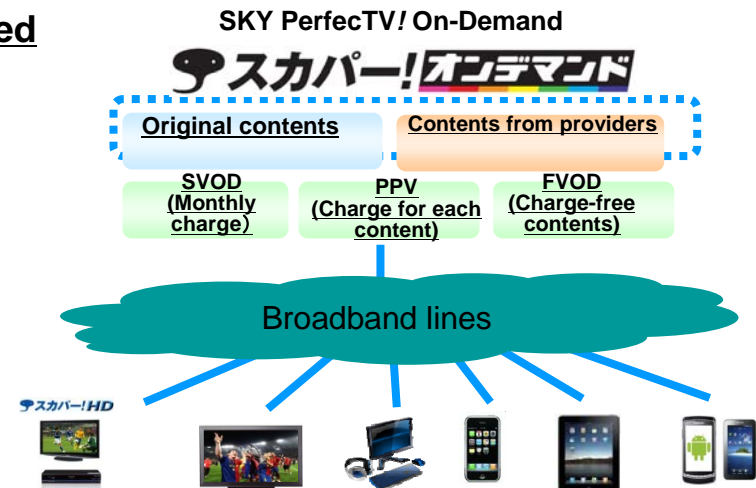
You can find × seek = TV ∞ retrieving!

- To provide a plenty of program information as the platform of program information / Program information service including terrestrial channels, BS and CS
- To offer new opportunities for customers to know the various programs provided by SKY PerfectTV!



### Start of “SKY PerfectTV! On-Demand,” the broadcast-linked VOD service for multi-devices in October

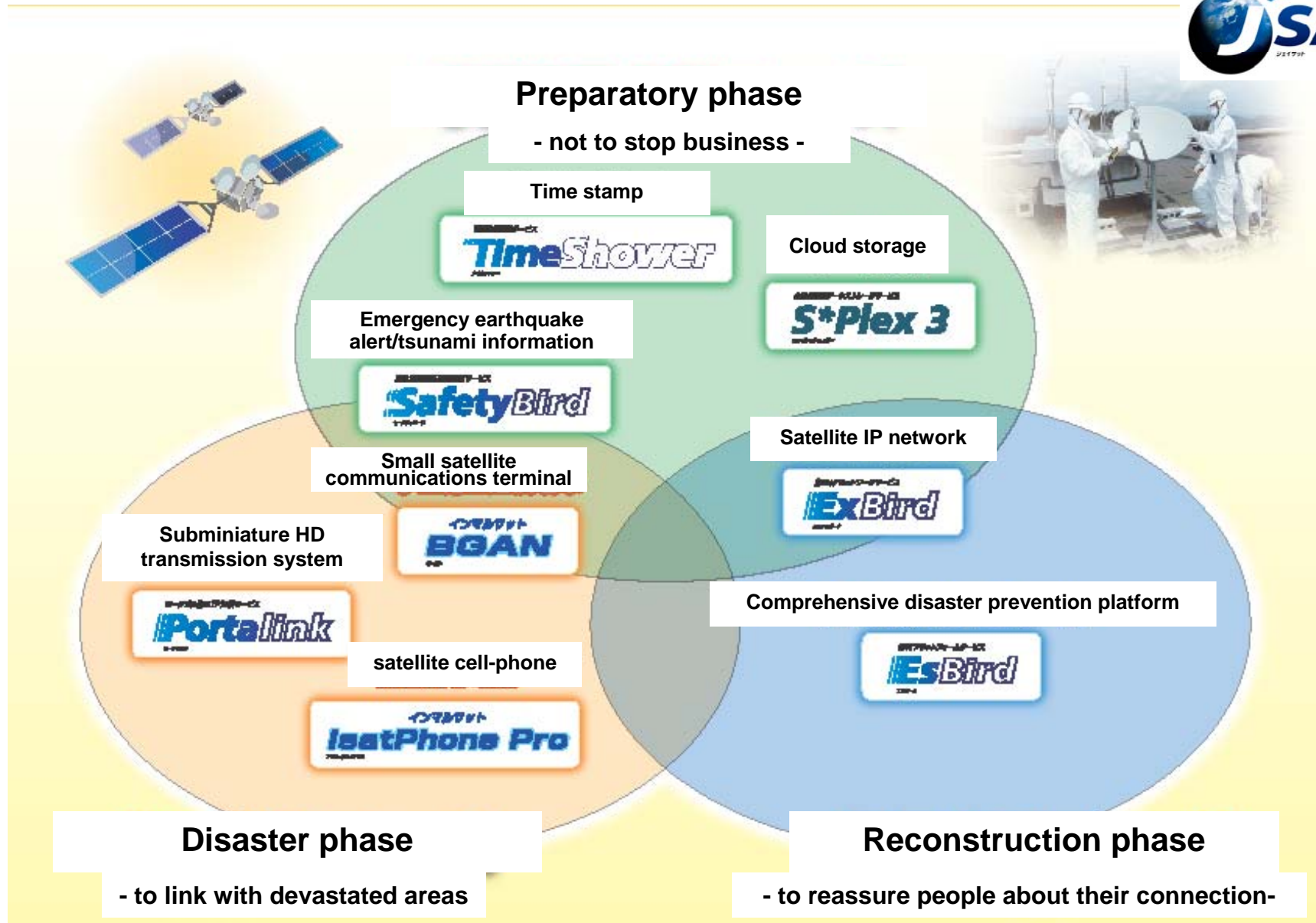
- SKY PerfectTV! programs are distributed via broadband lines on an on-demand basis.
- Its concept is “Buy Once Watch Anywhere”
- Broadcast-linked/complementary service targeted at subscribers
- Enrich our services step by step before starting it on a full-scale basis in December 2011.



Measures to be Addressed  
~Space & Satellite Business~



# Roles of the satellite business in crisis management



To respond to the reviews of business continuity plans (BCPs) by governmental offices and firms

## Vigorous reviews of anti-disaster BCPs began.

- Mobile carriers
- Financial institutions
- Manufacturers
- Electricity and gas suppliers
- Municipalities

## Inquiry about the disaster-resistant data storage service

- “S\*Plex3 cloud storage service”

<Companies adopting it>  
Itochu Techno-Solutions Corporation  
Intec Inc.

## Inquiry about the service for securing the authenticity of electronic books, etc.

- “Time Shower service”

<Company adopting it>  
Hokkaido Telecommunication Network Co., Inc.

## Setting of additional very small aperture terminals (VSATs)\*

\* Earth station for two-way communications with an about 75 cm antenna aperture

To secure communication means in devastated areas

→ To set VSATs at about 180 spots mainly at temporary houses

# Enrichment of the global business

## To increase the ratio of overseas sales further

### ① To change the orbit of Horizons-2

To be changed in 4Q/ FY2011 (January- March)

74° W ⇒ 85° E

New coverage area: Russia



Horizons-2

#### Background

- Diffusion of DTH in Russia, and the growth of demand for satellite services in Russia and surrounding regions

### ② To launch JCSAT-13

To be launched in 1Q/ FY2012 (April- June)

124° E

Coverage area: Japan, Asia,  
Oceania,  
Middle East



JCSAT-13

#### Background

- Demand for satellite services in Southeast Asia, etc.

### Future expansion

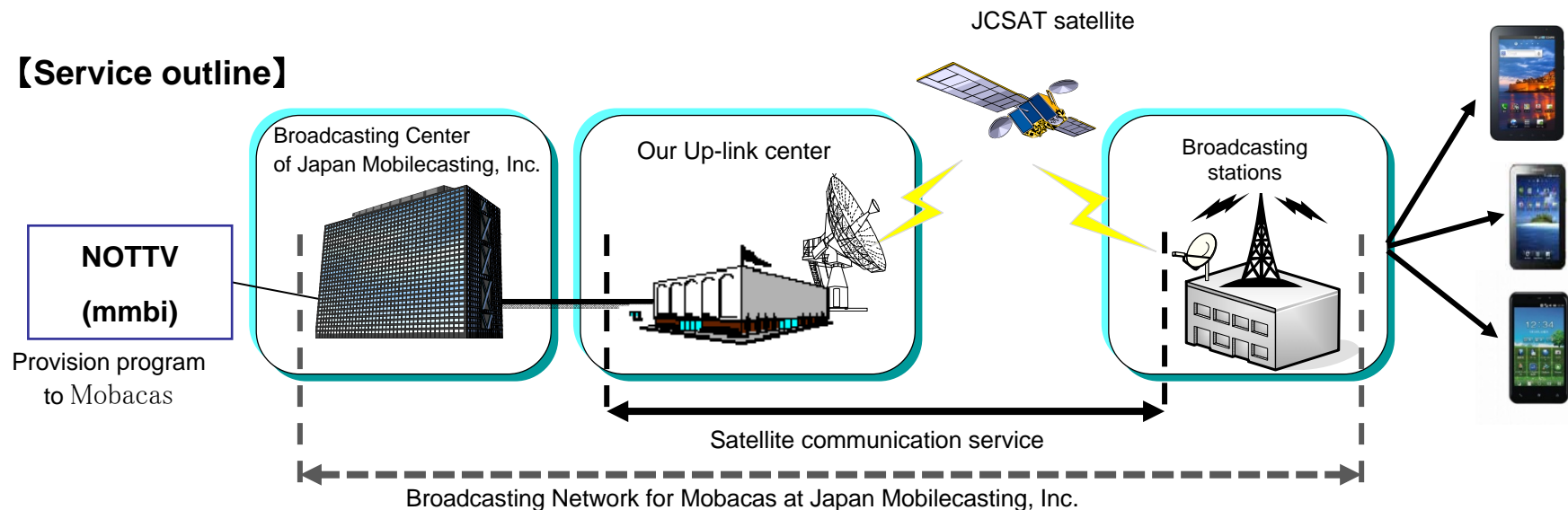
- We will meet the strong demand in the promising markets in Asia and Russia.
- We will invest managerial resources in the new growing markets where the demand for satellite services is expected to grow, and promote the global business of our company.

To offer the satellite communication service to the multimedia broadcasters for mobile terminals

mmbi-based V-High multimedia broadcasting  
Provision of the backbone line to “Mobacas” stations via satellites

## Satellite service for Japan Mobilecasting, Inc.

### 【Service outline】



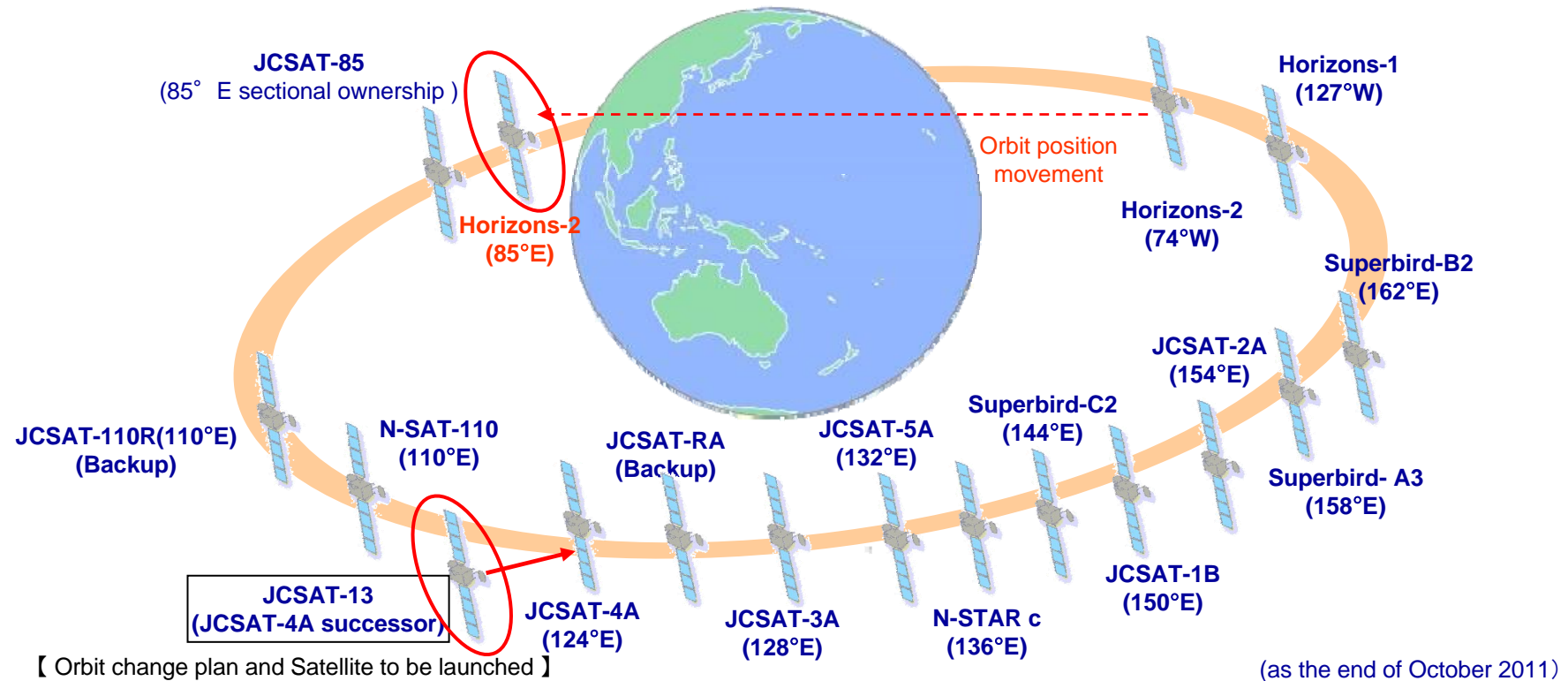
- ① Provision of satellite communication service for High multimedia broadcasting stations covering all over Japan
- ② Provision of stable service based on site diversity technique with main and secondary stations of satellite uplink equipment

### 【Merits of satellite use】

By transmitting signals to the stations nationwide at the same time, it is possible to minimize time lag and single frequency network (SFN) interference.

# (Reference) Satellite Fleet

Since 110R was successfully launched, we now have 15 satellites in operation cover Middle East, Asia, Oceania, and North America broadly



**■ Horizons-2 ( 74° W → 85° E )**  
 <Launch Timing>  
**4Q/FY2012 (January-March)**  
 <Coverage Area>  
 Russia  
 <No. of Transponder >  
 Ku-band 20

**■ JCSAT-13 (JCSAT-4A successor)**  
 <Launch Timing>  
**1Q/FY2012 (April - June)**  
 <Coverage Area>  
 Japan, Asia, Oceania, Middle East  
 <No. of Transponder >  
 Ku-band 44

Please direct any inquiries regarding this material to the division in charge.

SKY Perfect JSAT Holdings Inc.  
Corporate Communications & Investor Relations Div.