

SKY Perfect JSAT Group

Earning Results Briefing for 3Q/2013

February 6, 2014
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 for 3Q/2013

Summary of Income Statements

- Revenues and Profits increased steadily from the same quarter of the previous year

(Units: ¥ millions)

	3Q/FY2012	3Q/FY2013	Comparison to 3Q/FY2012	Vs Full Year Forecast
Revenues	117,906	124,195	+5.3%	164,000
Operating Income	12,810	16,987	+32.6%	17,000
Ordinary Income	12,718	16,970	+33.4%	16,500
Net Income	7,830	10,155	+29.7%	10,000
EBITDA (*1)	32,578	35,916	+10.2%	—
EBITDA Margin	27.6%	28.9%	—	—

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

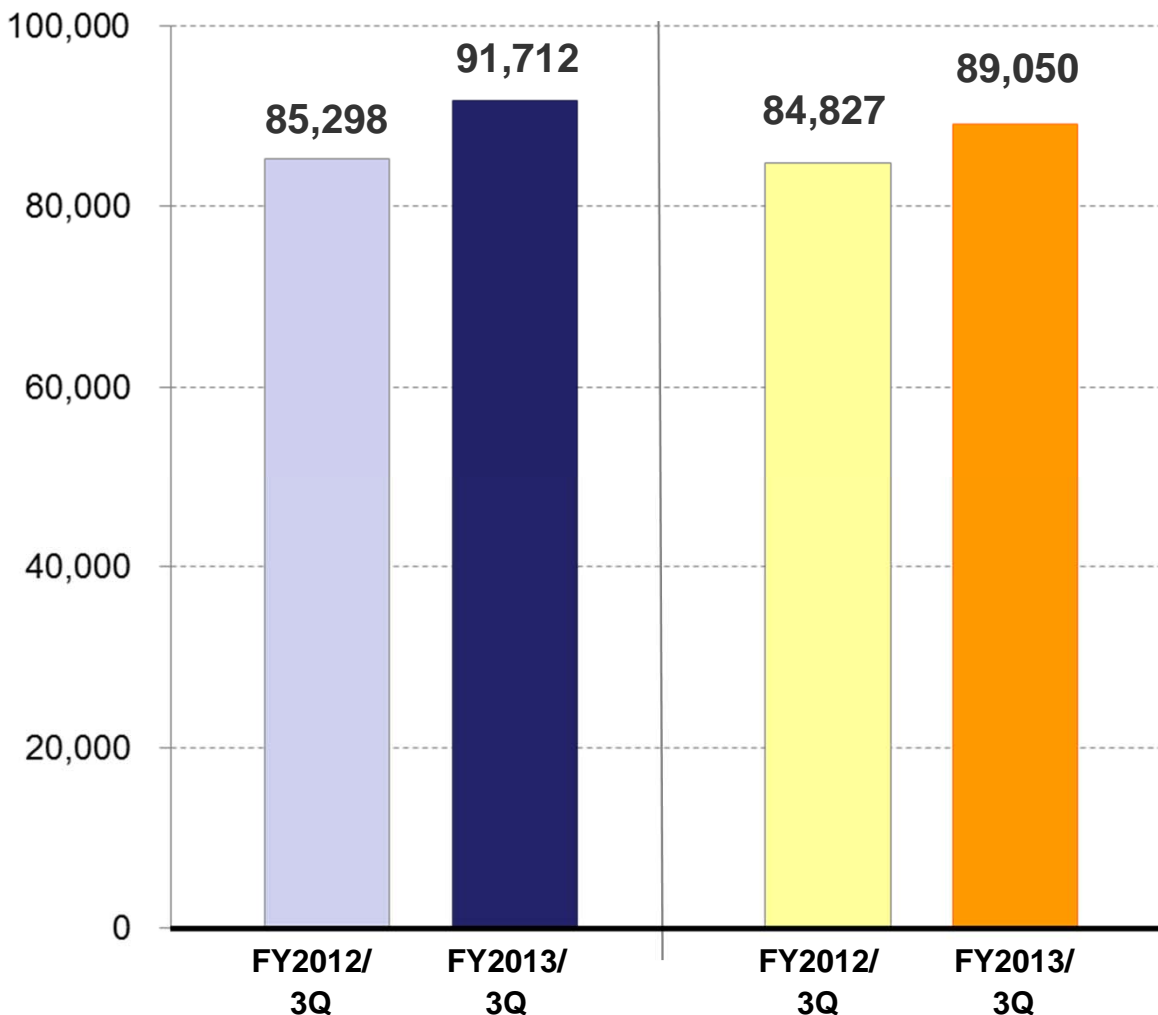
Financial Performance of Multichannel Pay TV Business

Multichannel Pay TV Business

(Units: ¥ millions)

Revenues

Operating Expenses



Revenues +¥6.4B*

- Increase in the income from subscription fees: +10.6B
- Decrease in the income from commission fees: (4B)
 - Commission from SKY PerfectTV! +0.9B
 - Commission from SDTV (4.7B)

* transactions among segments included.

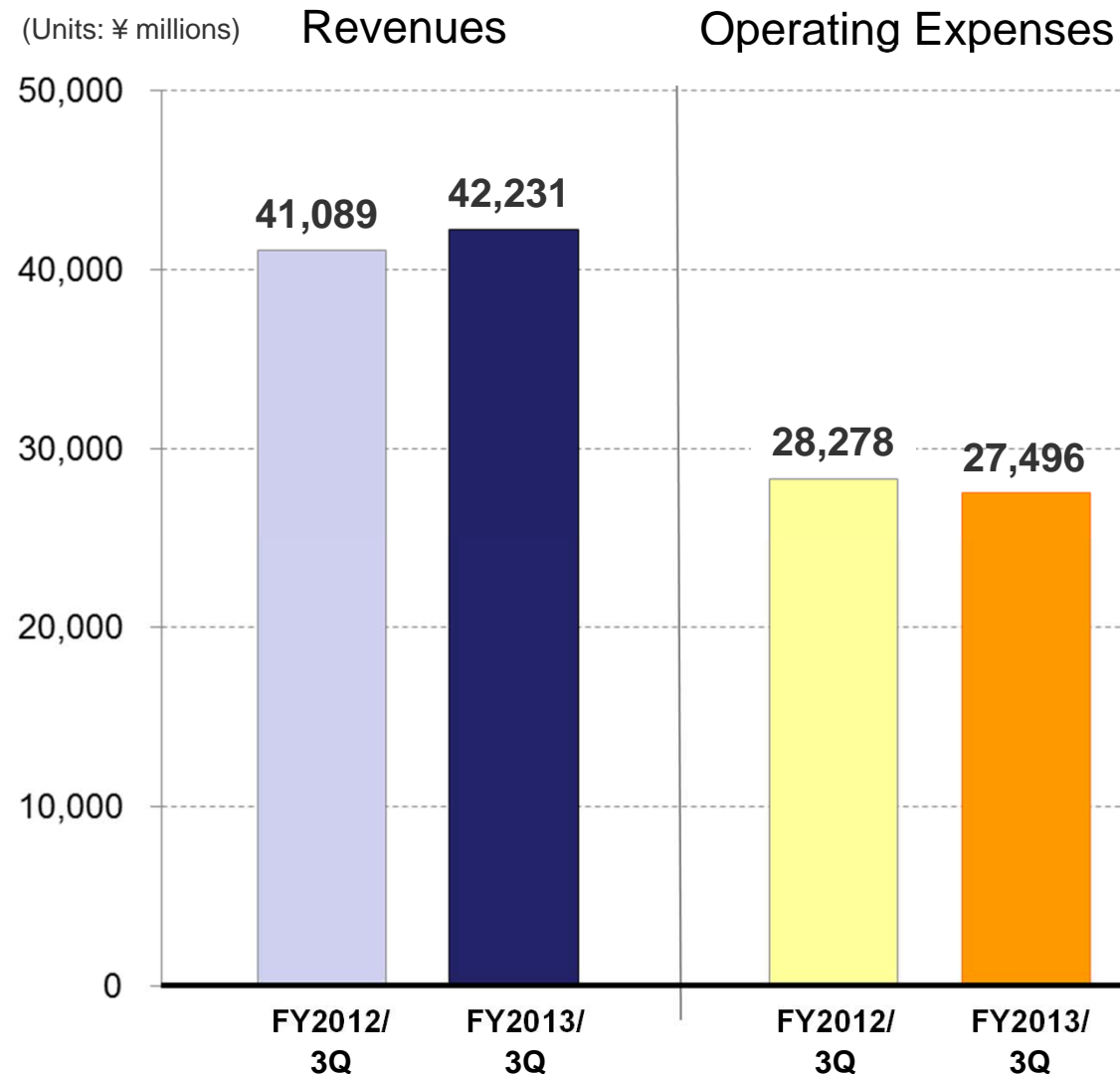
Operating Expenses +¥4.2B*

- Increase of HDTV-related program cost: +5.5B
- Decrease of advertisement cost: (1B)

* transactions among segments included.

Financial Performance of Space and Satellite Business

Space and satellite Business



Revenues +¥1.1B*

■ Increase in the income from overseas business: +1.1B

* transactions among segments included.

Operating Expenses ¥(0.7B)*

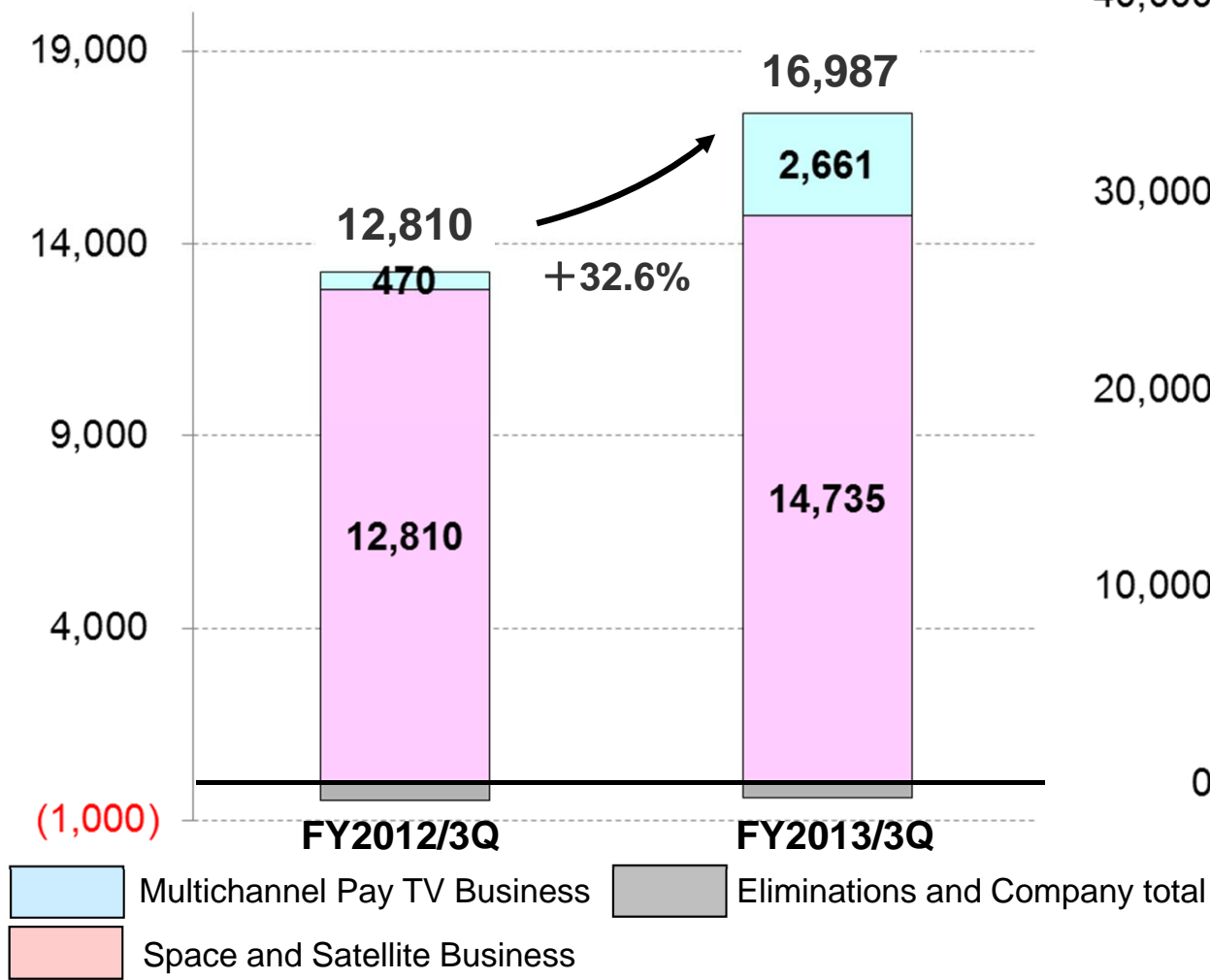
■ Decrease in the depreciation cost : (1.3B)
■ Increase in the cost associated with satellite Business expenses: +0.5B

* transactions among segments included.

Profit Performances

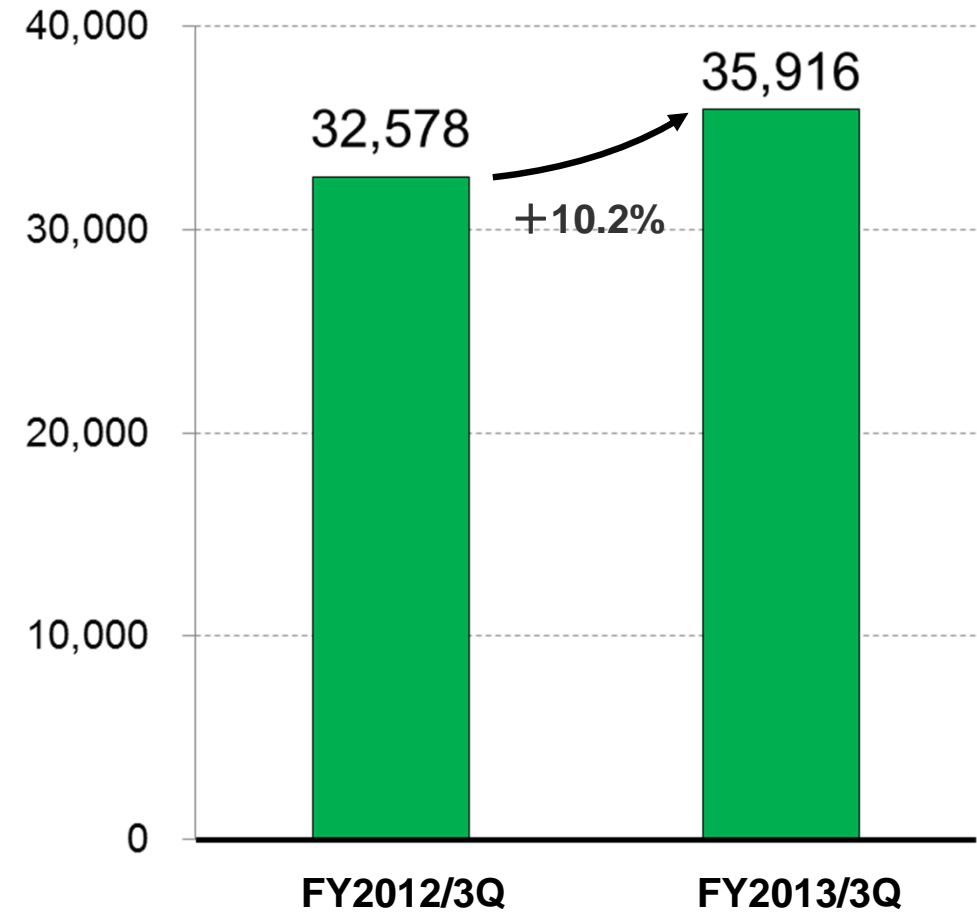
Consolidated OP

(Units: ¥ millions)



EBITDA

(Units: ¥ millions)



Future Initiatives

- Multichannel Pay TV Business -

Indicators for Multichannel Pay TV Business^(*)

(Units: Thousands)

	FY2012/3Q	FY2013/3Q	FY2013 Target
Number of New Subscribers	455	356	640
Net Increase in Subscribers	(13)	(123)	36
Number of Cumulative Subscribers	3,801	3,706	3,865
Number of HD migration	243	252	246
Average Monthly Subscriber's Payment (units: yen)	¥3,218	¥3,187	-
ARPU (units: yen)	¥1,770	¥1,987	-
SAC (units: yen)	¥29,513	¥32,842	-

* Sum of SKY PerfectTV ! , Premium Service and Premium Service HIKARI

Review of Subscriptions in 3Q

- **SKY PerfecTV!:** The number of new subscriptions was slowing down, and net decrease in 3Q.
- **Premium Service:** The number of new subscriptions was still challenging.
The subscribers' shift to HDTV contracts was healthy.
- **Premium Service HIKARI:** The number of subscriptions was net increase in 3Q.

	New Subscribers		Net Increase		Cumulative Total
	3Q	3Q Cumulative	3Q	3Q Cumulative	The end of 3Q
(unit: subscribers)					
SKY PerfecTV !	99,128	311,152	(15,800)	35,057	1,997,767
Premium Service	11,099	35,228	(53,585)	(145,200)	1,617,164
Premium Service HIKARI	2,754	9,329	76	(13,329)	91,006
Total for SKY PerfecTV!	112,981	355,709	(69,309)	(123,472)	3,705,937

Content in February and March 2014

Second half of February

Europe Soccer Champions League
Opening of Final Round



First half of March

Manchester U vs. Manchester C
AC Milan vs. Juventus, Rome vs. Intel



Second half of March

Opening of Formula 1 and Baseball



Professional Baseball: Training camp

Exhibition games

Official Series start

J League Soccer: Pre-season matchs

Official Series start

Academy Awards 160 movies



Paul McCartney

The Sochi 2014 Paralympic Winter Games

Broadcasting: Mar. 8 through Mar. 16

- Launching first Special Paralympic Channels in Japan
- 5 sports / 72 events more than 200-hours broadcasting
- Also available on SKY PerfectTV! On-Demand service



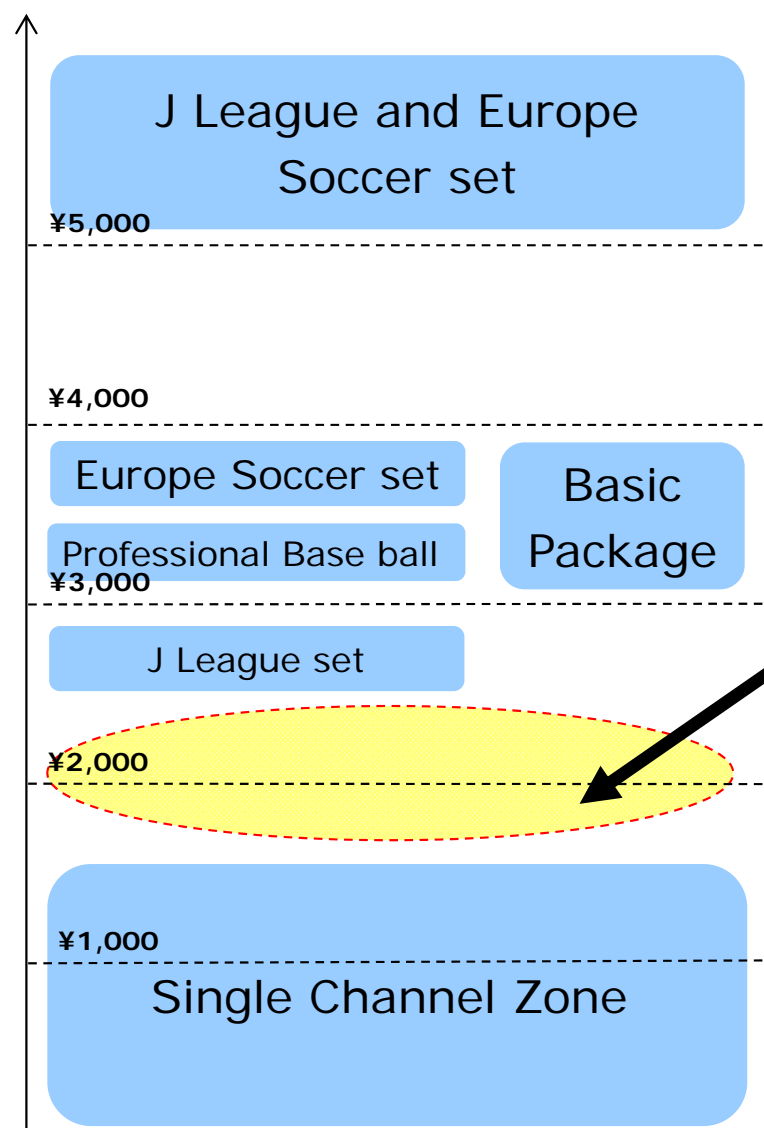
OFFICIAL BROADCASTER

Program image as of January 31, 2014 (To be modified)

	3/ 6 (木)		DAY1 3/8(土)		DAY2 3/9(日)		DAY3 3/10(月)		DAY4 3/11(火)		DAY5 3/12(水)		DAY6 3/13(木)		DAY7 3/14(金)		DAY8 3/15(土)		DAY9 3/16
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New Service Package for SKY PerfecTV!

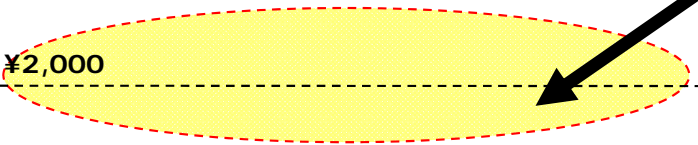
Price range



PURPOSE of the new package

- 1. Responding to subscribers' demand for reasonable pack in ¥2,000 and accelerating new subscriptions
- 2. Raise from single channel subscription and offering an alternative for potential cancellation of Basic Package

New SALE
(March 17)



ALL channels

Channel Options

45ch

Monthly ¥1,980/ 5 channels

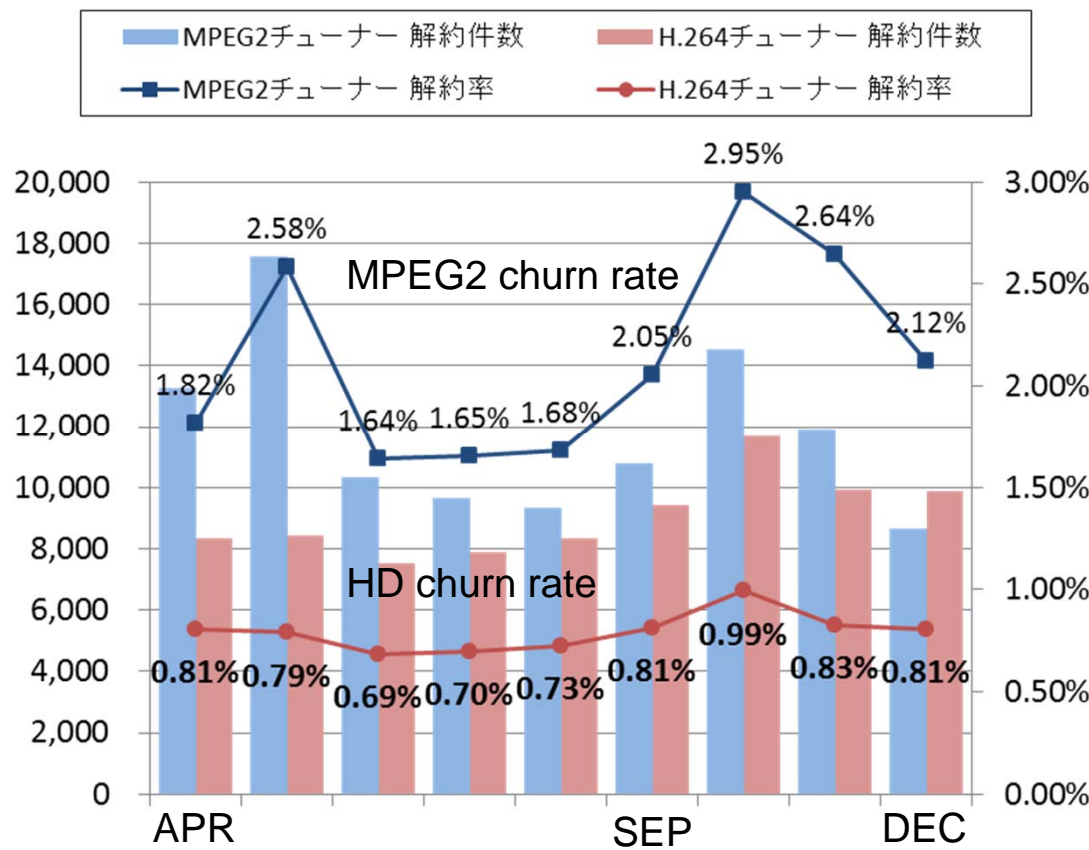
※Subscribers can select 5 channels from 45ch

Current Situation of Premium Service

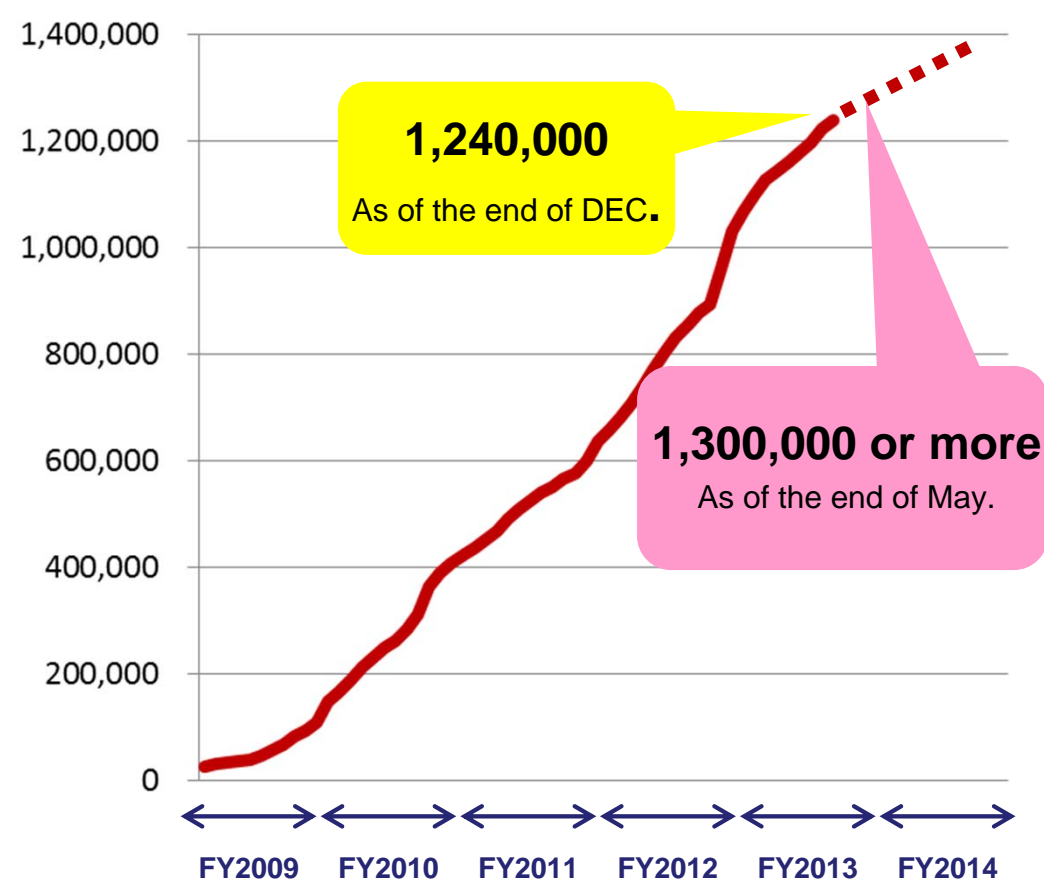
- Cancellation of SD subscribers as accelerating HD migration
- Churn rate of HD service steadily low

Total HD Subscribers increased firmly

Churn rate of Premium Service

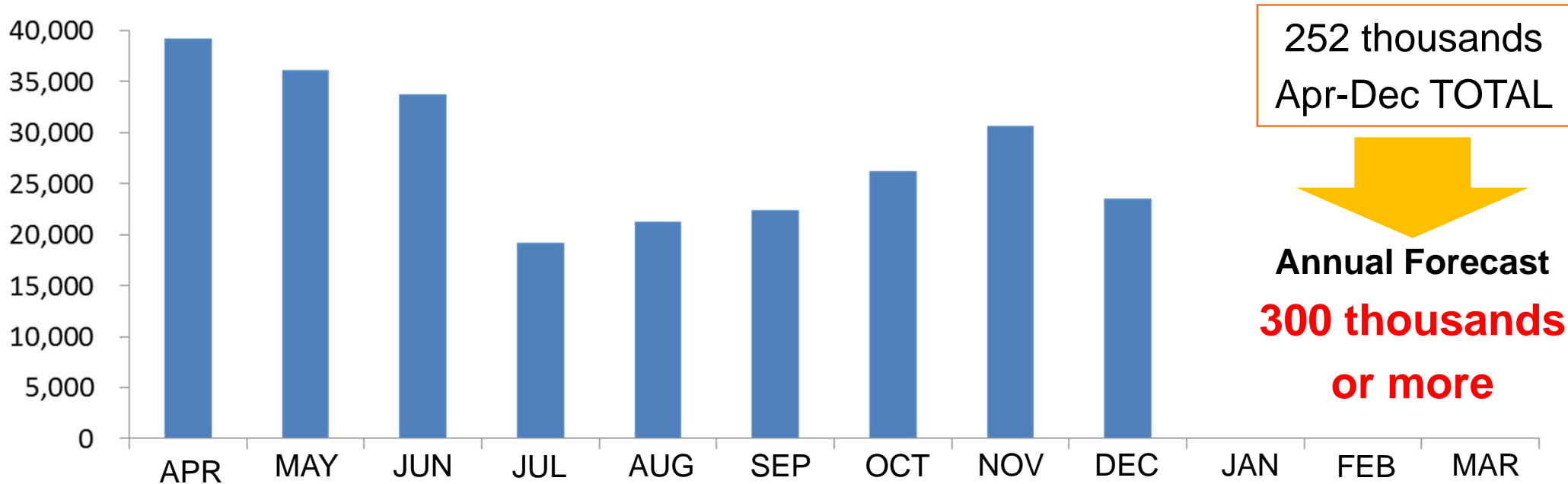


Total HD Subscribers Trend

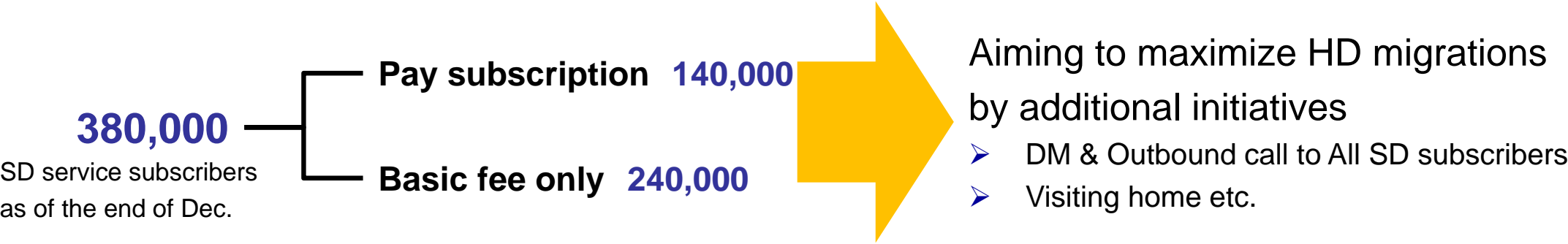


Premium Service: Progress in Shift to HD (H.264)

■ Annual target 246,000 migrations achieved by the end of 3Q



■ The remain of SD Multichannel pay subscribers: 140 thousand



Merger with Opticast, a consolidated subsidiary company

- Purpose of merger:
 - Boosting of sales and increasing efficiency in promotion of SKY PerfectTV! services, including SKY PerfectTV! Premium Service Hikari
 - Enhancement of system towards early development of IP service
- Form of merger: Absorption (short-form) merger with SKY Perfect JSAT as the surviving company
- Date of merger: Scheduled for April 1, 2014

	Surviving Company	Merging Company
Company name	SKY Perfect JSAT Corporation	OptiCast Inc.
Established	November, 1994	June, 2003
Paid-in Capital	¥50,083 Million	¥100 Million
Business Fields	Multichannel Pay TV Business and Space and Satellite Business	Broadcasting Business By way of Optical Fiber Network
Shareholders	SKY Perfect JSAT Holdings Inc. (100.0%)	SKY Perfect JSAT Corporation (100.0%)

SKY PerfecTV! On-Demand (VOD) Service

As one of our main services, we proceed to improve content and functions of SKY PerfecTV! On-Demand

■ Expanding Content:

- **11 categories/ 52 channels (as of February 5)**
- **J League**
 - J1/J2 League All 773 games LIVE
 - J3 League All 198 games High light
 - Nabisco Cup All 55 games
- **Overseas Soccer LIVE/LIVE Plus:**
 - Overseas Soccer LIVE Application (January)

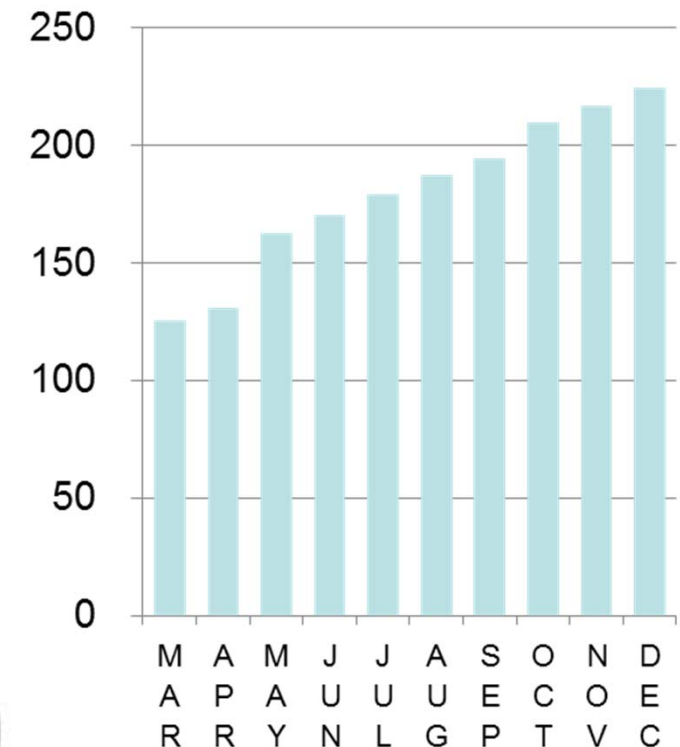
■ New Fields:

- **Distribution for Cable subscribers by way of J.COTT (November)**



COTT-BOX (for experimental)

Subscribers (Unit: thousands)



Subscribers as of the end of Dec. 2013
224 thousands

WakuWaku JAPAN

All-Japanese content in local languages, 24 hours a day!

- Country : Indonesia
- Launch Date/Time : February 22
- Business Partner : MNC Group
- Broadcasting Platform* : Indovision, Okevision

* The number of potential subscribers: 2 Million households
(forecasted by the Company)

Partnership and Business Scheme

■ Collaboration with Broadcasting Partners

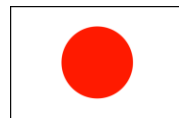
NHK



■ ©1995
GAMBA



■ To realize the potential business models



WAKUWAKU
JAPAN

■ Revenue from live performances related to music programs

■ Revenue from sale of related goods

■ Promotion of J-League-related tourism

■ Revenue from sale of uniforms, etc.

Opening promotion of WAKUWAKU JAPAN in Indonesia

- TV Commercial in terrestrial broadcasting in Indonesia
- Opening ceremony and events in Japan and Indonesia



2/15 MUSIC FESTIVAL FESTIVAL



flumpool ©AMUSE

Gests : flumpool/JKT48/
AFGAN/BUNGA
Collaboration : Amuse



 SKY Perfect JSAT Group

2/2 Ultra Man Cosmos on Stage



©2001 TSUBURAYA PRODUCTIONS

Collaboration : 円谷プロダクション



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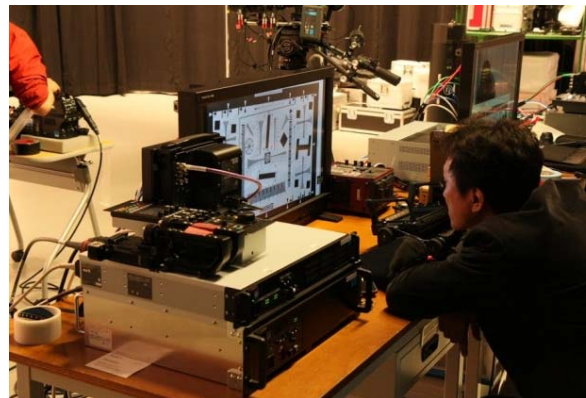
2014: Towards the Commencement of 4K Broadcasting

- Creation of environment enabling 4K test broadcast using 124/128 CS to the Next Generation Television and Broadcasting Promotion Forum (NexTV-F) in summer 2014
- Real-time 4K/60p HEVC encoding
- Constructing world's first 4K broadcast center in SKY PerfectTV! Tokyo Media Center

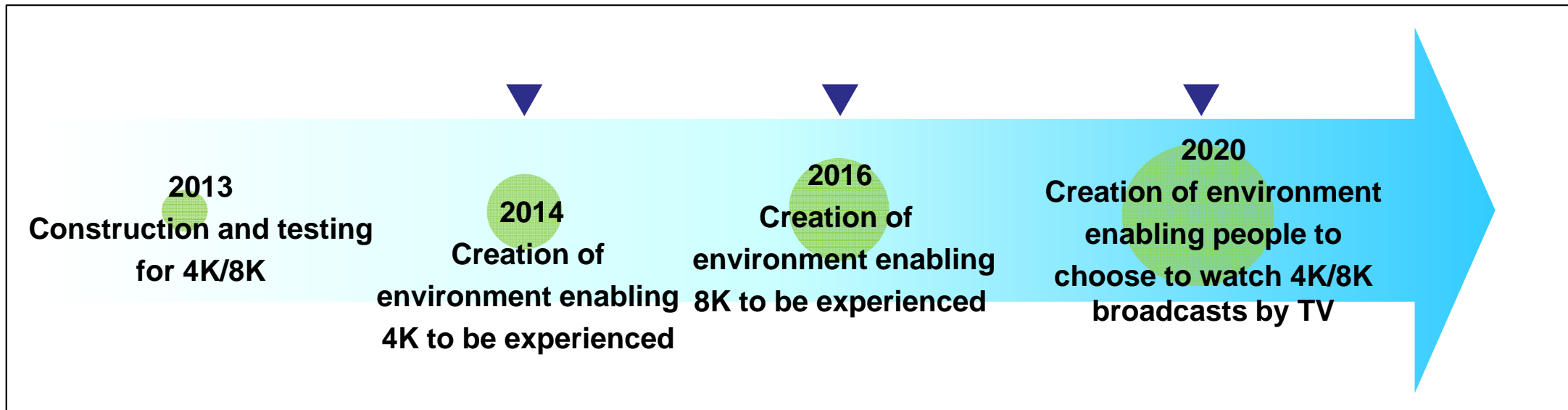
<4K Master Room>



<Preparation for a 4K test broadcast at the NexTV-F>



Roadmap toward 2020



■ Accelerating preparation toward 2020

4K/60P Broadcast Starts
In 2014 (the First in the world)

■ FY2014: 4K Broadcast@124/8 satellites

“Basic Satellite Broadcast”
In 2016

■ FY2016: 110 degrees replacement
satellite to be launched (planned)

Future Initiatives

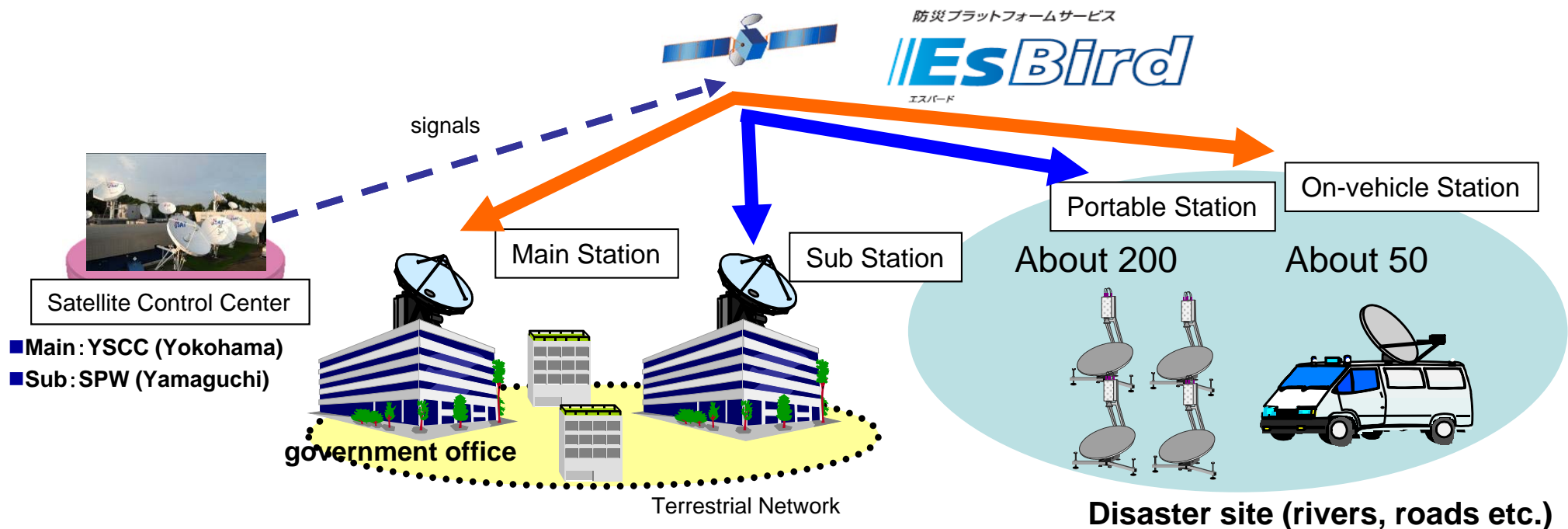
- Space and Satellite Business -

Initiatives in the Japanese Market (1)

■ Government-related initiatives

Order for a next-generation satellite communications system from the Ministry of Land, Infrastructure, Transport and Tourism (EsBird Service)

- Supply of on-vehicle, portable and fixed broadcasting stations (approximately 250) to Regional Development Bureaus throughout the country
- To be used for transmission of images and data and telephone and video conferencing from affected areas in the event of a large-scale disaster
- Scheduled to be delivered in fiscal 2013

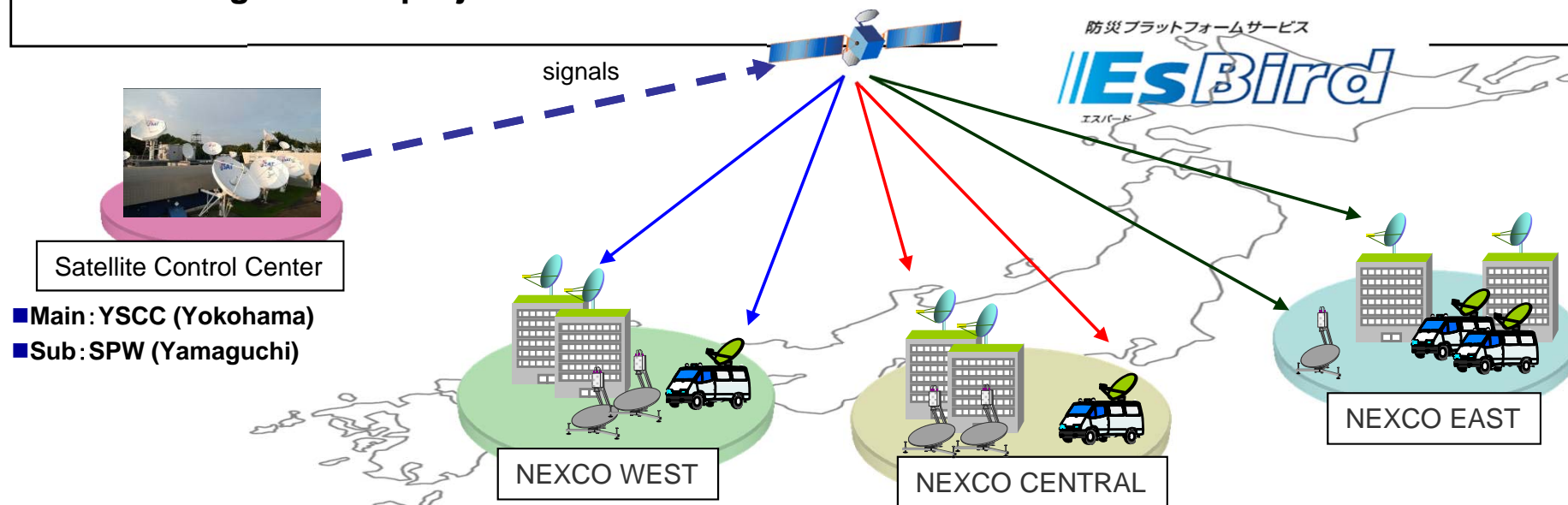


Initiatives in the Japanese Market (2)

■ Company-related initiatives

Orders for a next-generation satellite communications system from three expressway companies (NEXCO East Japan, NEXCO Central Japan, and NEXCO West Japan (EsBird Service)

- Provision of a network connecting approximately 150 sites nationwide (head office, branch offices, offices, expressway management centers, etc.)
- Mainly to be used as contact lines, to provide backup for terrestrial lines in the event of a large-scale disaster
- Also to be used for collection of information by means of transmission of images from disaster areas using on-vehicle and portable stations
- Working towards projected commencement of service in the first half of fiscal 2015



Launch Agreement for JCSAT-14 (Latter Half of 2015)

- Executing the Launch Agreement for JCSAT-14 (planned on latter half of 2015) with Space Exploration Technologies Corp
- Using a Falcon 9 Rocket

SpaceX

(Founded) 2002

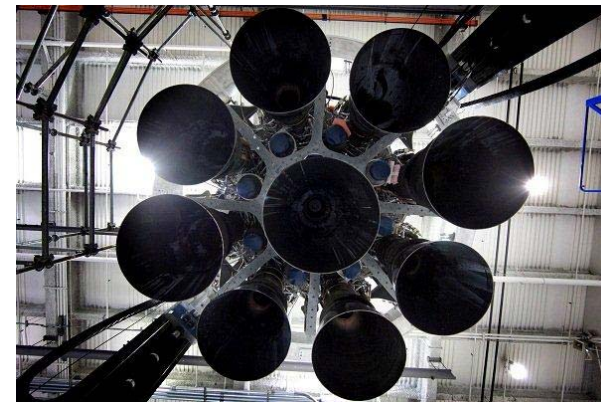
(Head Office) Hawthorne, CA, USA

(Overview)

- With budget support from NASA, the company develops and realizes technologies in order to reduce the cost of U.S. government satellite launches, and to conduct manned transportation flights and deliver goods to the International Space Station (ISS).
- In May 2012, SpaceX became the first-ever private company to deliver goods to the ISS.
- From 2015 to 2016, the company plans to launch 20 rockets or more a year.



A Falcon 9 and its launch pad

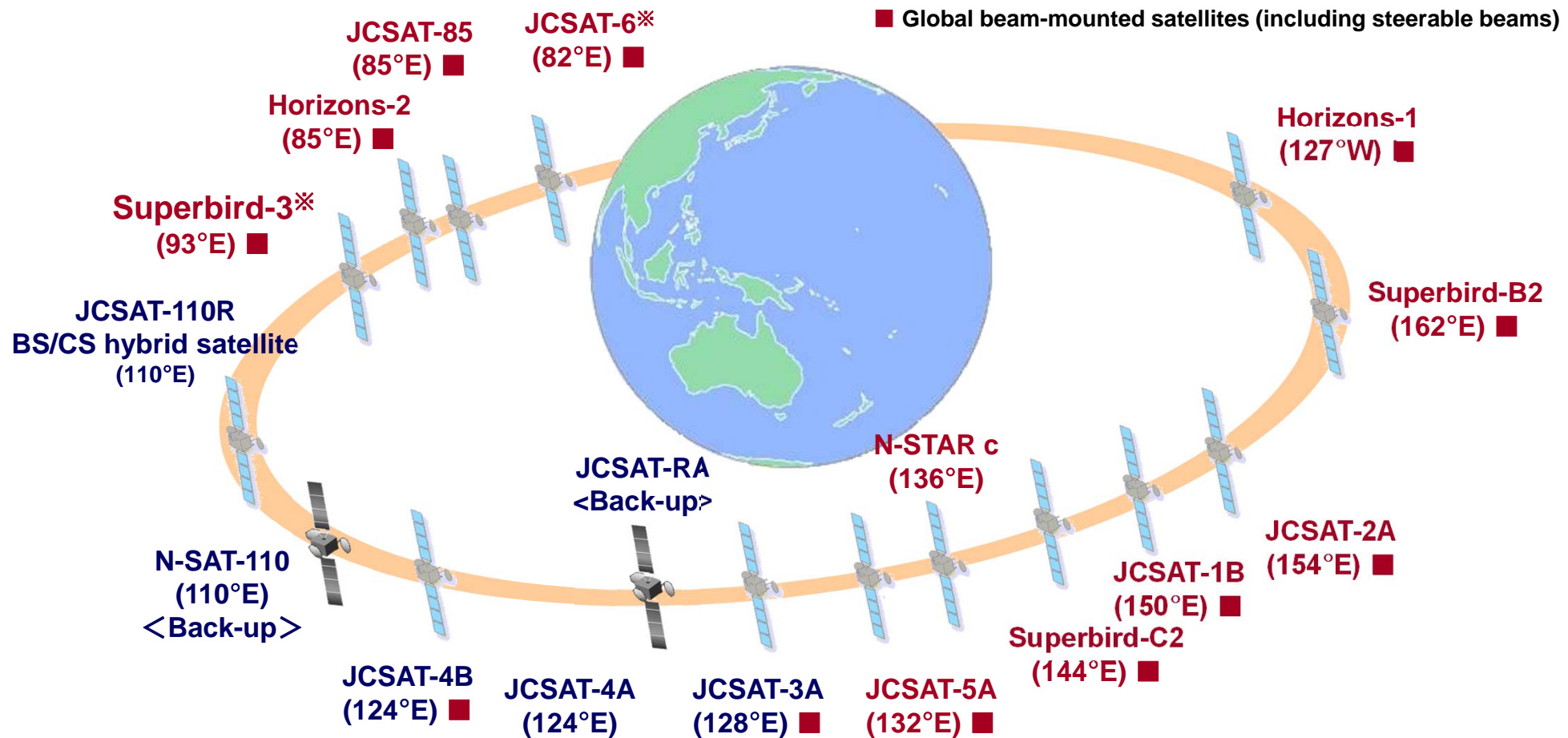


Falcon 9 rocket engine

Photo Credit - SPACEX

Satellite Fleet

16 satellites in total covering North America to the Indian Ocean



Used for mainly the broadcasting service

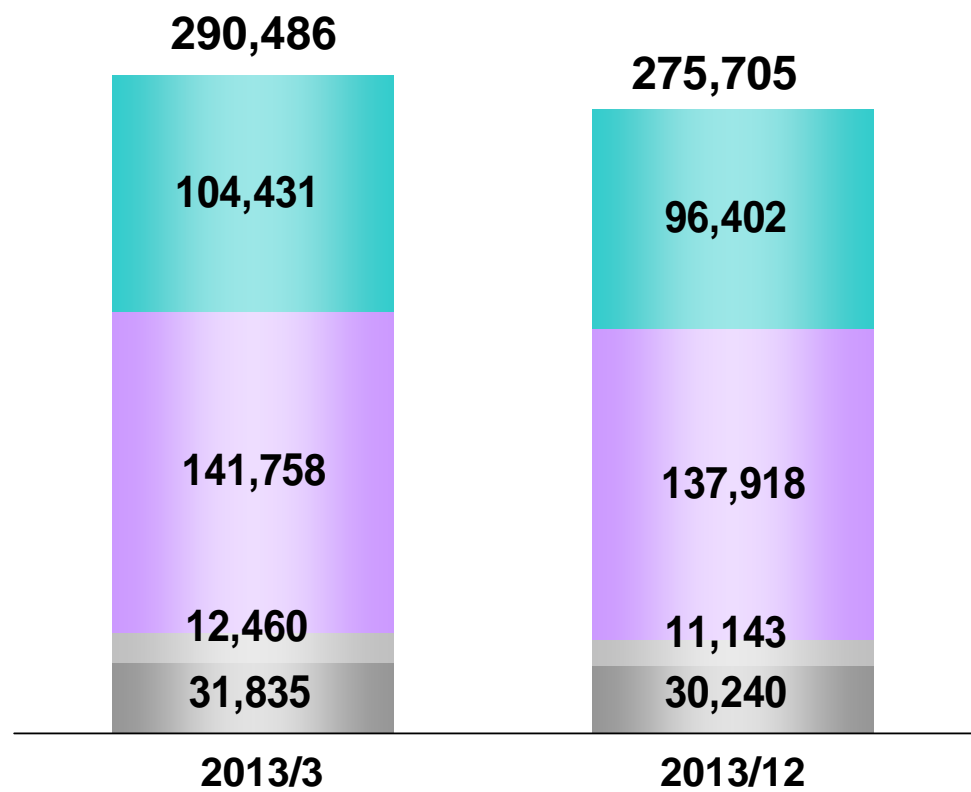
Used for mainly the communication service

(References)

Consolidated Balance Sheets

Assets

(Units: ¥ millions)

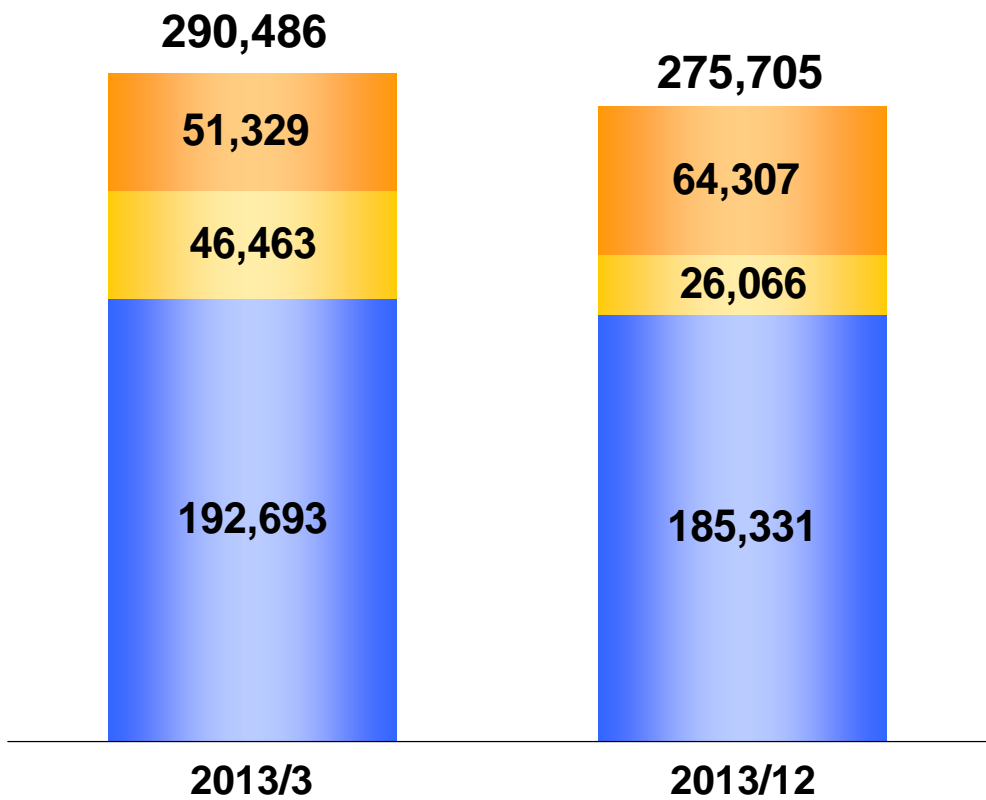


Liabilities and Equity

(Units: ¥ millions)

Equity Ratio: 66.2%

Equity Ratio: 67.1%



Consolidated Cash Flows

(Units: ¥ millions)

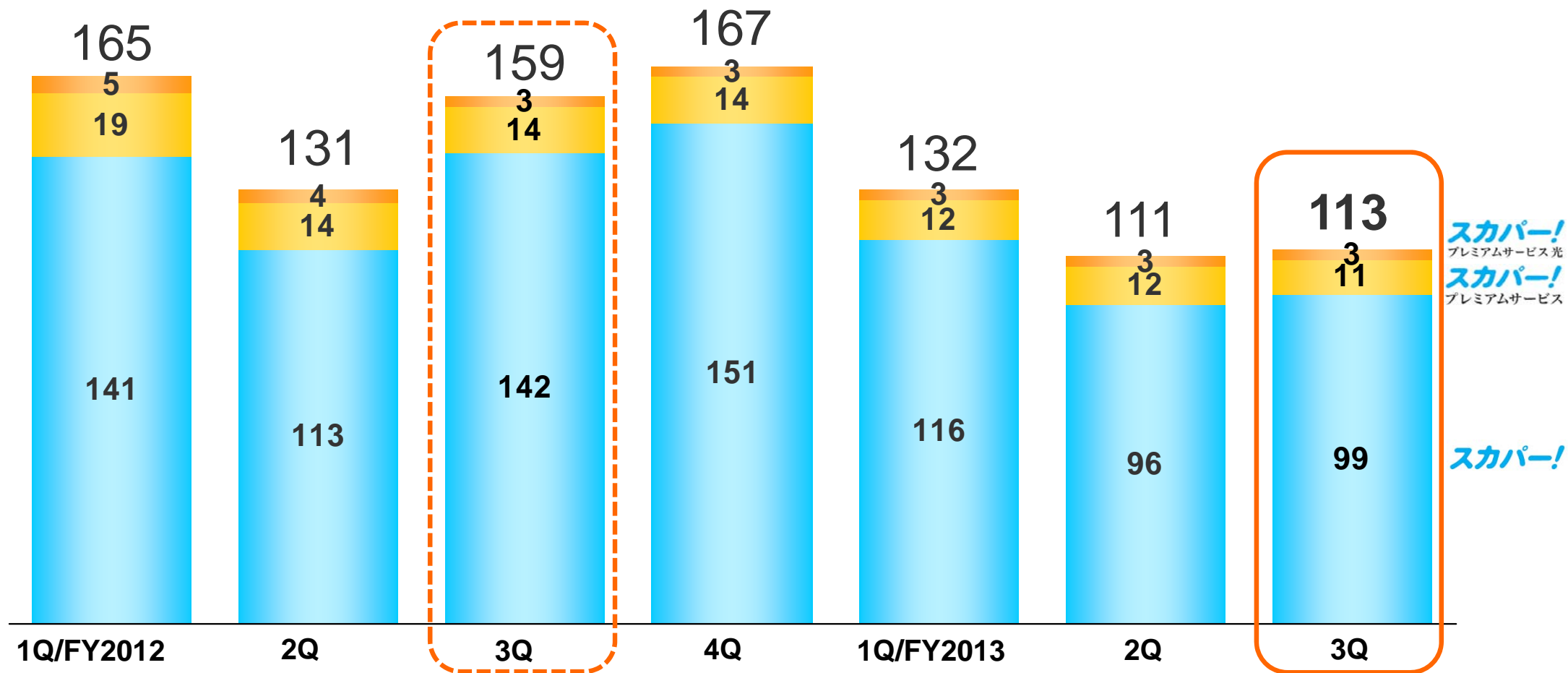
	FY2012 3Q	FY2013 3Q
Net Cash from Operating Activities	29,034	26,612
Net Cash from Investing Activities	(11,069)	(11,466)
Free Cash Flows^{*1}	17,965	15,145
Net Cash from Financing Activities	(16,014)	(26,017)
Cash and Cash Equivalents at Term-End (a)	68,366	63,850
Term-end balance of interest-bearing debt^{*2} (b)	51,781	45,026
Term-end balance of net interest-bearing debt (b) – (a)	(16,585)	(18,824)

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

*2 The acquisition and reimbursement, etc. of short-term securities for fund management are excluded from the cash flow from investing activities.

Number of New Subscribers

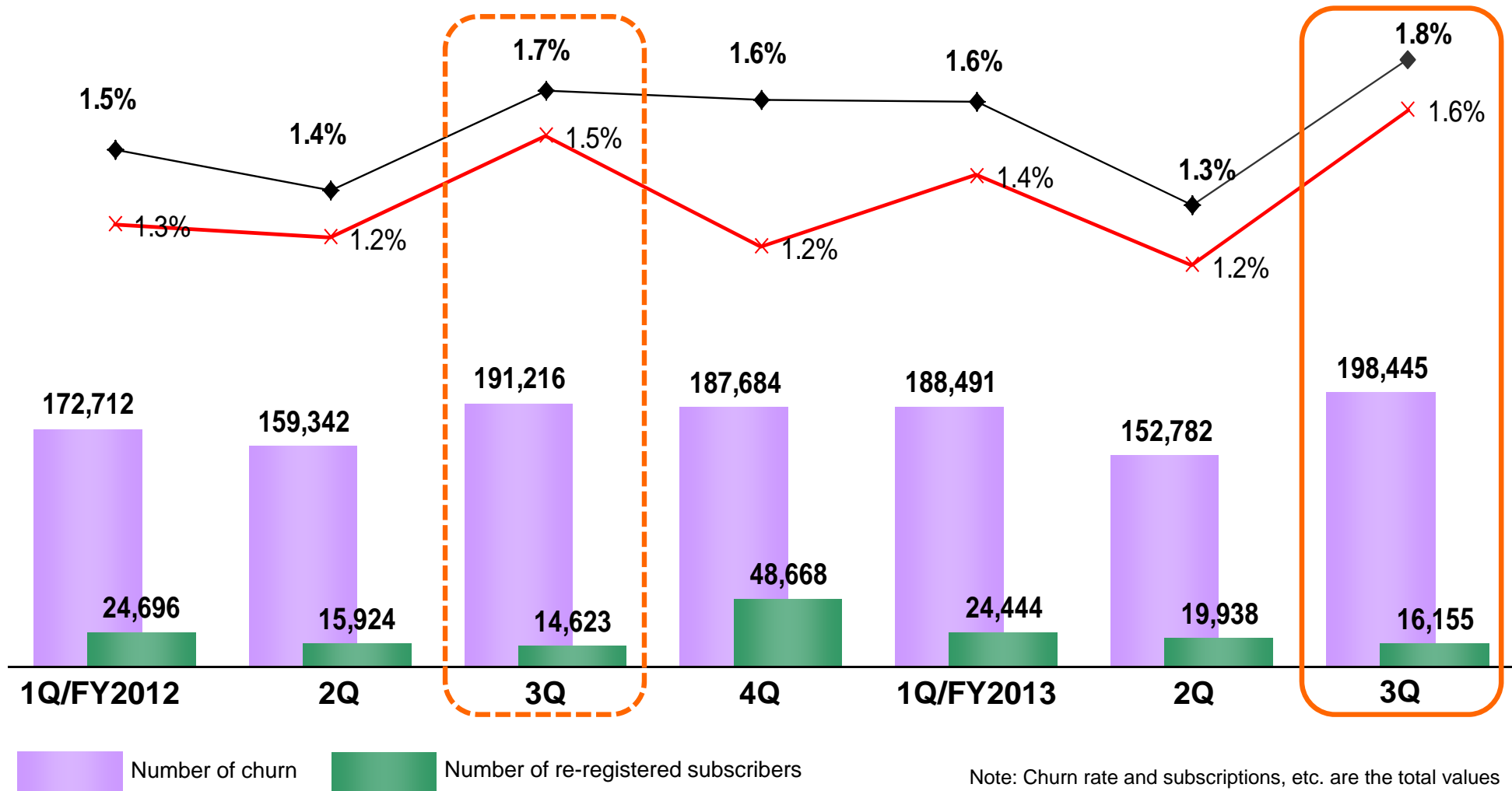
(Units: ¥ thousands)



* The number of new subscription to Premium Service includes the subscribers with SDTV tuners.

Average Monthly Churn Rate

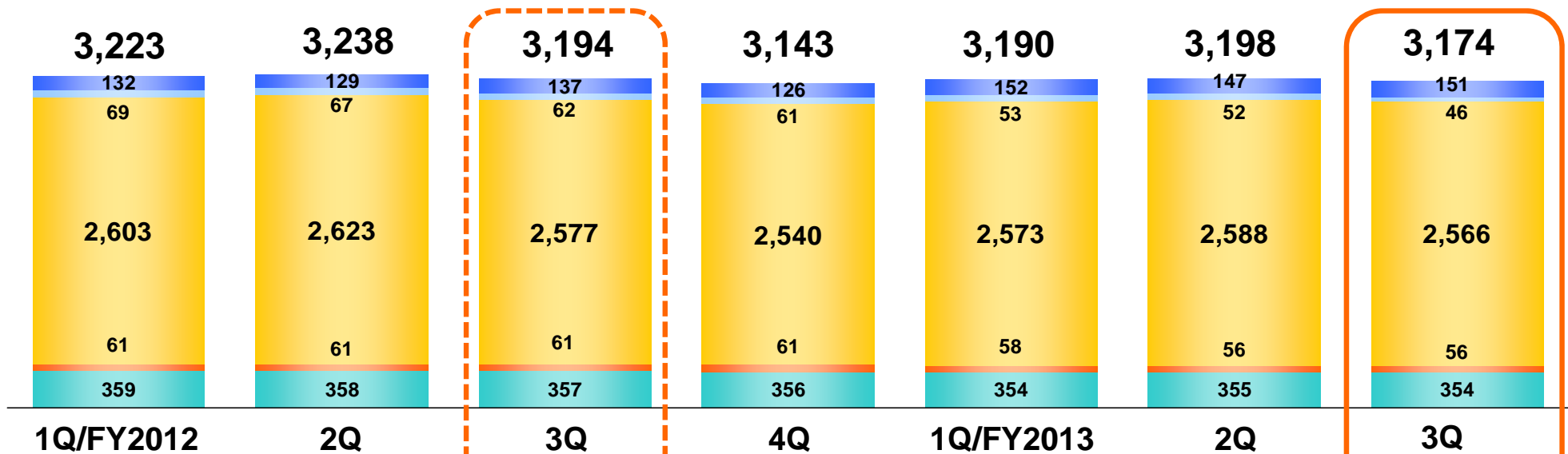
— Average Monthly Churn Rate
 — Substantial churn rate after the exclusion of re-subscriptions



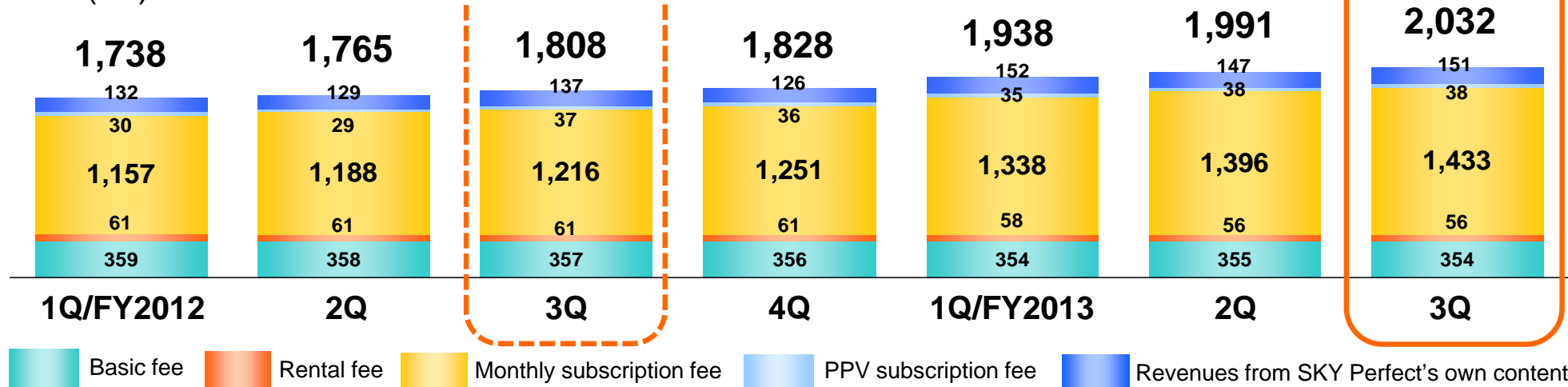
Note: Churn rate and subscriptions, etc. are the total values for SKY PerfectTV!

ARPU

■ Average Monthly Subscriber's Payment (¥) *1



■ ARPU (¥) *2

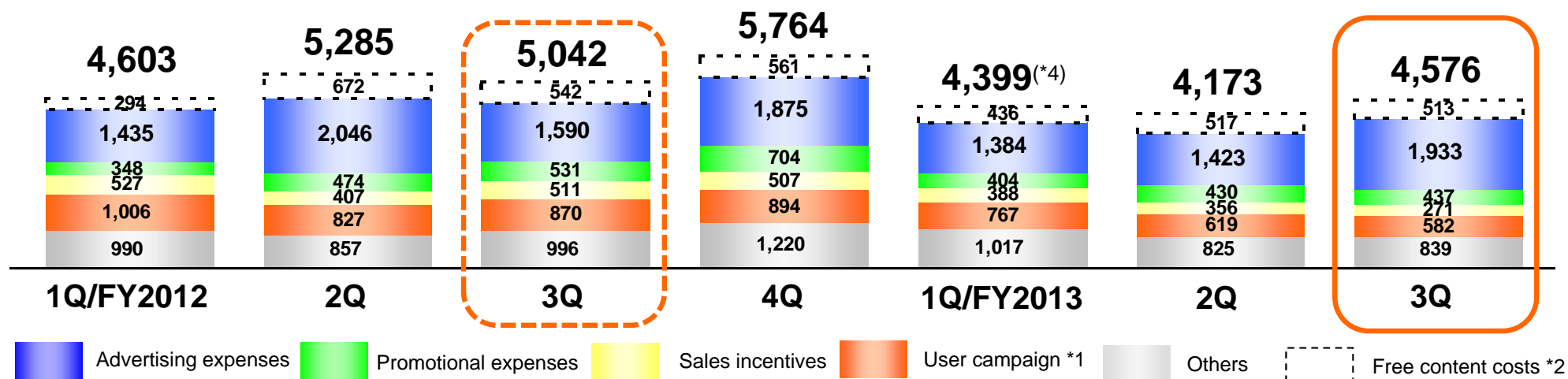


*1 Average unit price of monthly viewing fees, etc. paid by subscribers

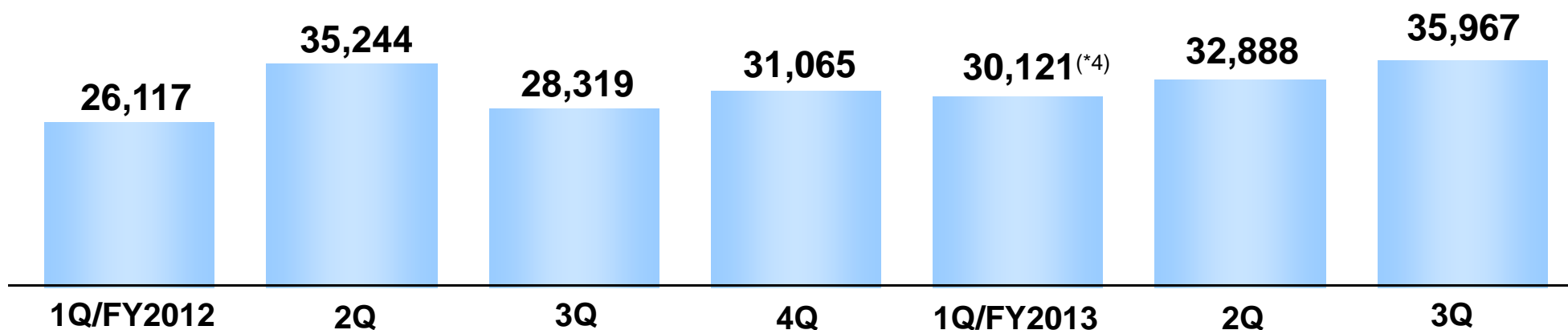
*2 Revenue of our corporate group in the unit price of monthly viewing fees, etc. paid by subscribers

Subscribers Acquisition Cost (SAC)

■ SAC total (¥ millions)



■ SAC unit (¥)^{*3}



*1 Expenses for campaigns, including "Campaign of providing and installing antennas" and "Limited-time discount." Indicated separately from sales promotion cost and sale incentives.

*2 "Charge-free content cost" in the total amount of SAC includes the cost for program production.

*3 Unit cost figures are obtained by dividing the total SAC value (excluding "free content costs") by the number of new subscribers in each period.

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