



SKY Perfect JSAT  
Holdings Inc.

# **SKY Perfect JSAT Group Financial Summary of 1Q/FY2009 and Business Strategy**

**August 6, 2009**

**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 Multi-Channel Pay TV Broadcast Platform Services>

- Risks related to subscriber acquisition/retention
- Risks related to broadcasters
- Risks related to IC card security, etc.

\* Please see [FYE March 2009 Annual Securities Report](#) for more details.



SKY Perfect JSAT  
Holdings Inc.

# 1Q/FY2009 Group Financial Summary

# Summary of Consolidated Operating Income Statements of Income



SKY Perfect JSAT Corporation

(Units: ¥ millions)

	1Q/FY08 Group Consolidated (Prior Period Actual)	1Q/FY09 Group Consolidated (Current Period Actual)	Comparison to FY08	Full Year Forecast of FY09 Group Consolidated	vs. Full Year Forecast of FY09
Revenue	34,634	34,990	101.0%	140,000	25.0%
Operating Expenses	30,430	30,959	101.7%	—	—
(Depreciation Expense- included)	5,321	5,560	104.5%	—	—
Operating Income	4,203	4,031	95.9%	10,000	40.3%
Ordinary Income	4,113	3,760	91.4%	9,000	41.8%
Net Income	80	1,900	2,375.0%	4,200	45.2%
Net Income per Share (Yen)	23.55	564.58	2,397.4%	—	—
Net Asset per Share (Yen)	49,977.78	50,613.18	101.3%	—	—
EBITDA*1	6,873	9,667	140.7%	—	—
Simple EBITDA*2	9,525	9,591	100.7%	—	—

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

\*2 Simple EBITDA is calculated as Operating Income + Depreciation Expense.

# Detail of Consolidated Revenue and Operating Income by Segment



(Units: ¥ millions)

	1Q/FY2008	% of total	1Q/FY2009	% of total
<b>Multichannel Pay TV Business</b> Revenue	<b>26,834</b>	<b>76.9%</b>	<b>27,567</b>	<b>78.2%</b>
Operating Income	<b>2,718</b>	<b>64.9%</b>	<b>2,638</b>	<b>62.7%</b>
<b>Satellite Business</b> Revenue	<b>8,053</b>	<b>23.1%</b>	<b>7,669</b>	<b>21.8%</b>
Operating Income	<b>1,467</b>	<b>35.1%</b>	<b>1,570</b>	<b>37.3%</b>
<b>Simple totals</b> Revenue	<b>34,887</b>	<b>100.0%</b>	<b>35,236</b>	<b>100.0%</b>
Operating Income	<b>4,185</b>	<b>100.0%</b>	<b>4,209</b>	<b>100.0%</b>
<b>Eliminations and Company Total</b> Revenue	<b>(253)</b>	-	<b>(245)</b>	-
Operating Income	<b>18</b>	-	<b>(177)</b>	-
<b>Total</b> Revenue	<b>34,634</b>	-	<b>34,990</b>	-
Operating Income	<b>4,203</b>	-	<b>4,031</b>	-
<b>Operating Income Ratio</b>	<b>12.1%</b>	-	<b>11.5%</b>	-

\*1 Since 3Q/FY2008, Group segments consist of “Multichannel Pay TV Business” and “Satellite Business”

\*2 “Multichannel Pay TV Business” includes revenues and income from Broadcasting Platform, Satellite Broadcasting and Wired Broadcasting, and revenues and income from Transponder Fees for Satellite Broadcasting .

\*3 “Satellite Business” includes revenues and income from Transponder Fees for Satellite Communications and other revenues and income related to Satellite Communications.

\*4 Component ratios represent ratios of totals prior to intercompany eliminations.

# Operating Results of Major Subsidiaries

(Millions of Yen)

Company Name		SKY Perfect JSAT	JSAT Int'l	Satellite Network	DNCC	SKY Perfect Broadcasting	OptiCast (Group)	Cable television Adachi	SKY Perfect Well Think	SKY Perfect JSAT HD	Group Consolidated
Major Area of Business		Broadcasting platform, Satellite Operation	Satellite communications	Satellite communications	Customer management	Broadcasting	Content distribution via FTTH	Cable television	Content development and investments	Holding company	
% of Equity Held by Holdings		100.0	100.0	92.0	51.0	100.0	100.0	77.4	100.0	—	—
Revenues	1Q/FY08	-	481	1,062	4,301	3,013	1,503	856	97	400	34,634
	1Q/FY09	30,351	574	983	4,599	3,194	2,771	881	49	0	34,990
Operating Income	1Q/FY08	-	79	92	75	8	(1,030)	152	23	18	4,203
	1Q/FY09	4,404	147	105	24	77	(434)	182	22	(235)	4,031
Ordinary Income	1Q/FY08	-	72	93	75	8	(1,037)	153	(10)	(30)	4,113
	1Q/FY09	4,551	147	105	25	77	(440)	182	35	(209)	3,760

\*1 Top section (blue text) is 1Q/FY08; lower section (black text) is 1Q/FY09.

# Overview of Consolidated Cash Flows and Diversification of Funding



SKY Perfect JSAT Corporation

(Millions of Yen)

	1Q/FY08	1Q/FY09
Net Cash From Operating Activities	10,146	15,617
Net Cash From Investing Activities	(6,168)	(10,215)
Net Cash From Financing Activities	(4,130)	(3,122)
Effect of Exchange Rate Changes	(248)	147
Net Increase (Decrease) in Cash and Cash Equivalents	(399)	2,427
Cash and Cash Equivalents at the End of Fiscal Year (A)	44,599	42,847
Marketable Securities at the End of Fiscal Year (B)	21,240	16,255
Total Fund at the End of Fiscal Year (C=B+A)	65,840	59,102

Balance of Debt at the End of Fiscal Year (D)	93,088	92,380
Net Debt at the End of Fiscal Year (D-C)	27,248	33,277



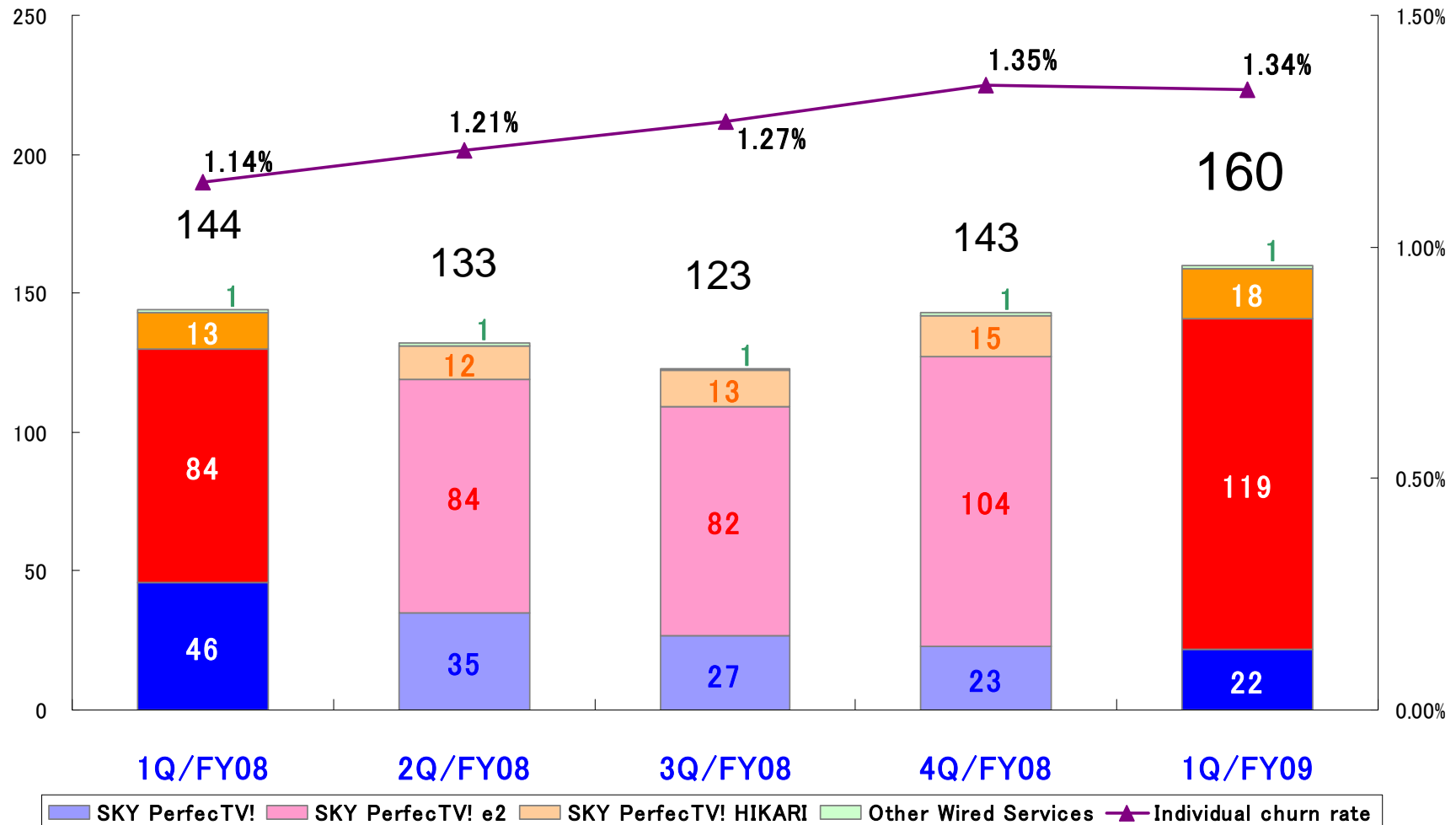
## <Shelf Registration to Issue Corporate Bonds for Future Funds Requirements (July 27, 2009)>

- Planned Issue Period: August 2009 to August 2011
- Planned Amount of Issue: ¥30.0 billion
- Shelf Registration Assigned Preliminary Rating: A (R&I)

# Trend in the Number of New Individual Subscribers\* and the Churn Rate



(Unit: thousand)



\*Subscribers: Number of subscribers who have signed subscription agreements (individual subscriptions) , and for which payments of subscription fees have occurred.

Presented as no. of individual contracts in and prior to Q4/FY08



# FY2009: Results Forecast

No changes to FY 2009 earnings or dividends forecasts

## < SKY Perfect JSAT Group Results Forecast >

	FY 2008		FY 2009 Forecast		1Q/FY09 Results	1Q/FY09 Progress vs. Full-Year Forecast (%)
	Interim	Full-Year	Interim	Full-Year		
Revenues	69,409	145,412	69,000	140,000	34,990	25.0%
Operating Income	8,196	16,888	6,100	10,000	4,031	40.3%
Ordinary Income	7,388	15,300	5,600	9,000	3,760	41.8%
Net Income	309	4,047	2,400	4,200	1,900	45.2%
Dividend per Share (¥)	600	1,200	600	1,200	-	-

## < Reference: Forecast for Multichannel Pay TV Subscribers and Churn Rate >

	FY2008	FY2009 Forecast	1Q/FY09 Results	1Q/FY09 vs. Full-Year Forecast
New Individual Subscribers (Thousands)	543	510	160	31.3%
Annual Churn Rate (%)	14.9%	14.2%	16.1%	-
Net Increase in Individual Subscribers (Thousands)	25	14	24	171.4%
Individual Subscribers: at the End of Year (Thousands)	3,708	3,722	3,731	100.2%

## <FY 2009 Forecast Details>



150 thousand



330 thousand  
(including e2 re-broadcasting through optical fiber networks)



total wired services  
30 thousand



SKY Perfect JSAT  
Holdings Inc.

# Business Development



SKY Perfect JSAT  
Holdings Inc.

# Multichannel Pay TV Business

# Two-Front Strategy - SKY PerfectTV! e2 Steady Expansion

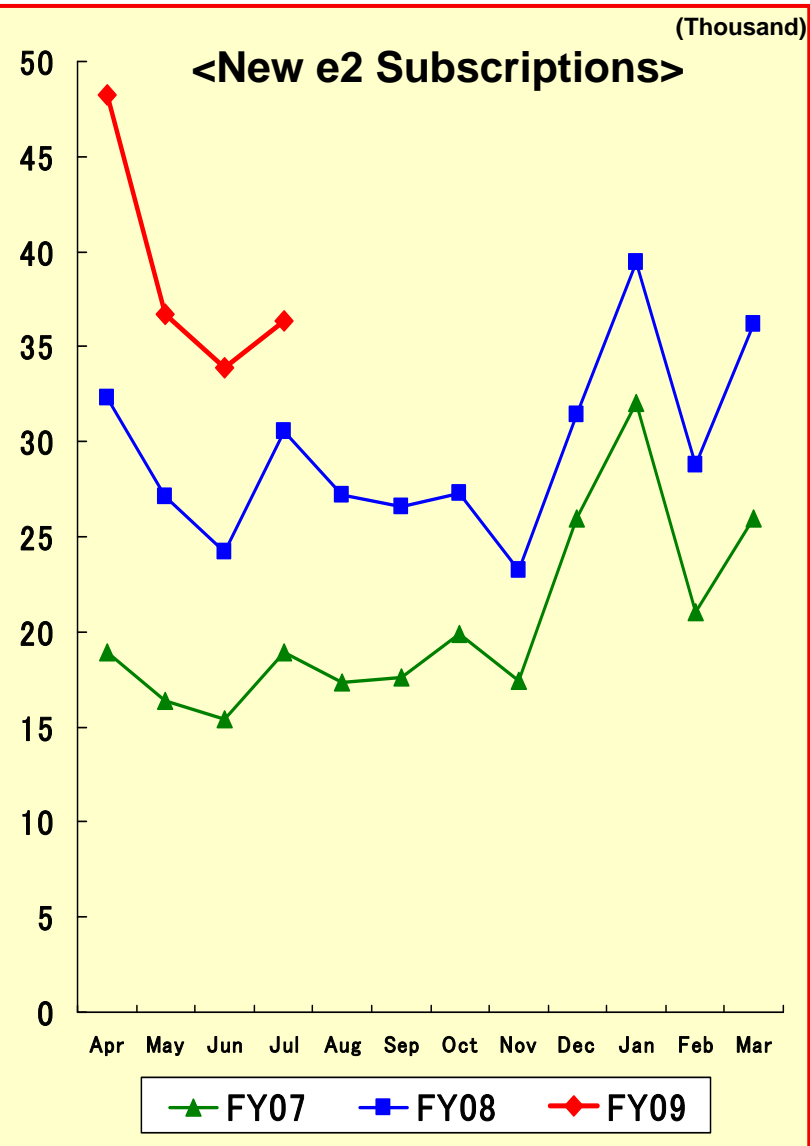


SKY Perfect JSAT Corporation

## First-Half Pillars...



- FY09 Target 330,000 Subscribers (including 40,000 retransmission via optical fiber networks)
- Reached 118,000 new subscribers during Q1/FY09 (more than 40% year-on-year increase; 36% of FY target) .
- Effective use of free trial advertisements and in-store antenna promotions, taking advantage of the momentum behind digital TV adoption.
- Increased pace of subscriptions through the adoption of verbal registrations.
- Continuing increase in e2 retransmission via optical fiber networks.
- Stronger direct marketing going forward.



# Two-Front Strategy - SKY PerfectTV! HD forward 2nd Stage Development



- Toward **more than 70+ HD channels** between October 2009 and the end of FY2009

October 2009 58 channels (Plan)

March 2009 More than 70 channels (Plan)

- Enhance HD recording features

Major manufacturers plan to make their set-top boxes and recording devices compatible with SKY PerfectTV! HD Recording System sequentially after this summer



- SKY PerfectTV! HIKARI comply with HD during FY2010

- June 2010 South Africa World Cup Soccer tournament expected to contribute to growth

Play begins June 11, 2010; Final match July 11, 2010  
All 64 matches broadcast live in HD



\* Available free of charge with some channel/ package subscriptions.

# SKY PerfecTV! HD Marketing



FY09 Target: 260,000 Subscriptions (130,000 new; 130,000 transit from SD)

- Expand content for HD EXILE TV, etc.
- Emphasize SKY PerfecTV! HD in ads/promotions
- Expand HD experience zones in home appliances stores
- Plans for new promotional campaigns
  - Antenna installation campaign
  - TV + recorder set sales campaign
- Planned campaign to transit existing customers to HD packages

<SKY PerfecTV! HD Corner (concept) >



# New BS Broadcaster Operating Licenses

## <Overview of June 2009 Licenses>

Broadcaster	No. of Channels No. of Slots	Transponder	Platform Operation Services (At Time of Application)	Transmission Services (At Time of Application)
<b>WOWOW</b>	HDTV 2ch 48 slots	BS-5ch	(undetermined)	(undetermined)
<b>Star Channel</b>	HDTV 2ch 26 slots	BS-7ch	SKY Perfect JSAT	self
<b>ANIMAX Broadcast Japan</b>	HDTV 1ch 16 slots	BS-7ch	SKY Perfect JSAT	SKY Perfect JSAT
<b>BS FOX</b>	HDTV 1ch 16 slots	BS-11ch	SKY Perfect JSAT	SKY Perfect JSAT
<b>Multi Channel Entertainment</b>	HDTV 1ch 16 slots	BS-11ch	SKY Perfect JSAT	SKY Perfect JSAT
<b>The Open University of Japan</b>	HDTV1ch + radio1ch 16 slots	BS-11ch	(undetermined)	(undetermined)
<b>Satellite Broadcasting Foundation for Horseracing, Agriculture, Forestry and Fisheries</b>	HDTV 1ch 16 slots	BS-19ch	SKY Perfect JSAT	SKY Perfect JSAT
<b>J SPORTS Broadcasting</b>	HDTV 2ch 32 slots	BS-19ch	SKY Perfect JSAT	self



### <Major issues leading up to broadcast commencement (scheduled for October 2011)>

- Detailed consideration of platform services
- Product, marketing strategy consideration
- CS110 unused bandwidth disposition (→HD channel expansion, etc.)

# Customer Retention Program

## FY08 ~ Launch of Water's Edge Measures

- **Reliable Support Service**
  - Moving, equipment trouble consulting service
  - Direct prevention of cancellations
- **Strengthen Cancellation Prevention Team**
  - Strengthen dedicated team staff; improve response scripts
  - Add cancellation prevention tools; implement request calls

## Customer Analysis

## FY09 ~ Implement customer retention program

Many cancellations within  
one year of subscribing

High ARPU subscribers  
cancellation rate is low

Provide multichannel viewing opportunities to  
customers who have subscribed within the past  
12 months. (16-day free pass, etc.)

Call customers to recommend adding channels  
Adding subscription to even 1ch  
⇒ High-ARPU inducement

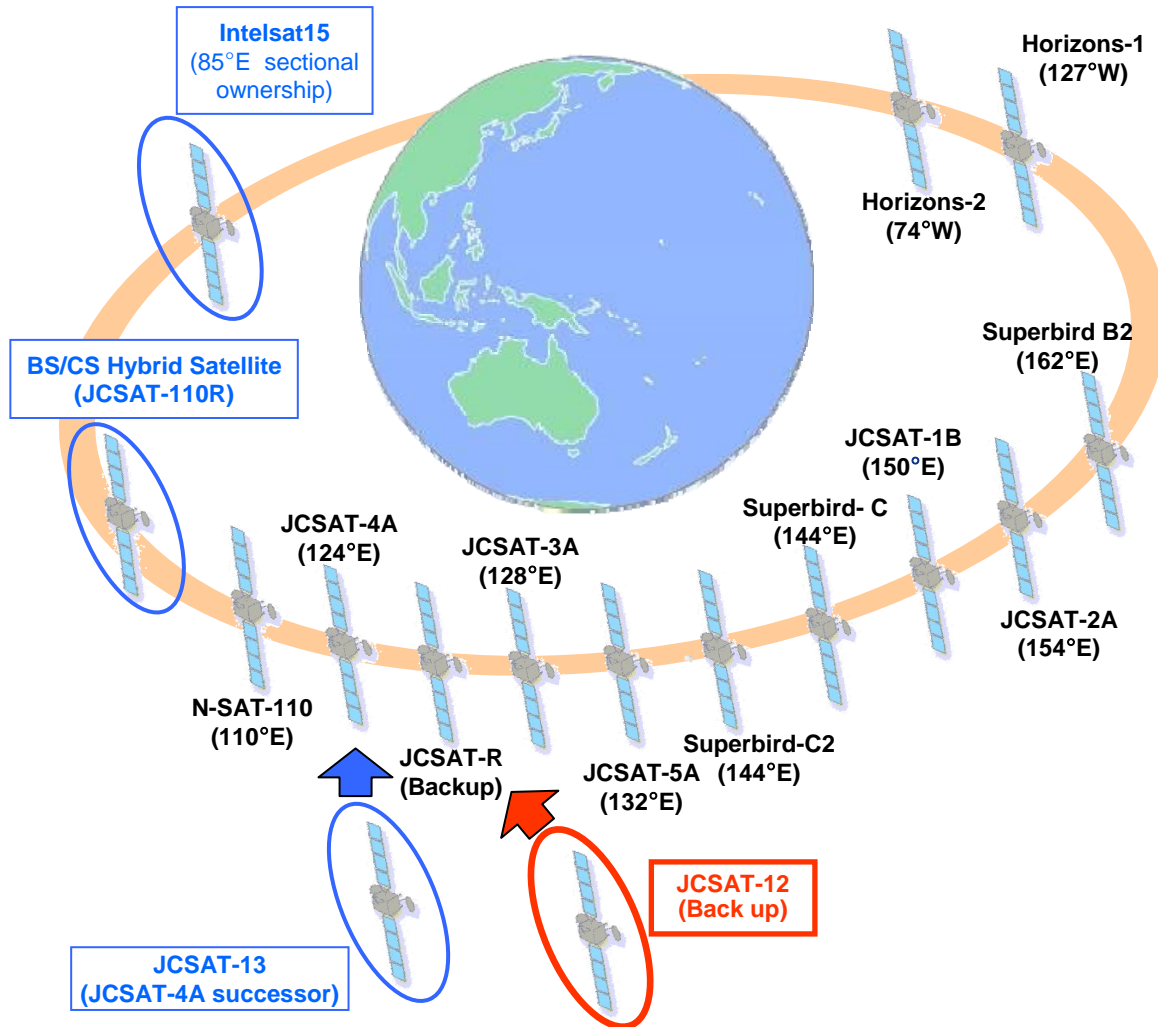




SKY Perfect JSAT  
Holdings Inc.

# Satellite Business

# JCSAT-12 Launch and Satellite Fleet



## ■ JCSAT-12 (Back up Satellite)

- <Launch Timing>  
Late August 2009 (planned)
- <Coverage Area>  
Japan, Asia, Oceania, Hawaii
- <No. of Transponder>  
Ku-band x 30; C-band x 12

## ■ Intelsat15

- <Launch Timing>  
Second Half 2009
- <Coverage Area>  
Asia, Indian Ocean, Middle East  
(extending close to Red Sea)
- <No. of Transponder>  
Ku-band x 5 via sectional ownership  
(of 22 on board)

## ■ BS/CS hybrid satellite

- \*JCSAT-110R (CS110° backup satellite)
- <Launch Timing>  
First Half 2011
- <Coverage Area>  
Japan
- <No. of Transponder >  
Ku-band x 12 + spare

## ■ JCSAT-13 (JCSAT-4A successor)

- <Launch Timing>  
2013
- <Coverage Area>  
Japan, Asia, Middle East, Oceania
- <No. of Transponder >  
Ku-band x 44

# Focus on Satellite Dominant Regions: Expansion of Mobile Satellite Business

## ◆ Focus on Marine-/Land-Based Mobile Satellite Business

### 1) Marine Broadband Services for Ships

Installation on the “Nippon Maru” (Mitsui OSK Passenger Line) ocean-going cruise ship next spring

⇒ Promote adoption on major commercial, passenger ships

### 2) JSAT MOBILE’s Inmarsat Service

BGAN: Broadband for terrestrial mobile applications

FleetBroadband: Broadband for marine mobile applications

⇒ Launched in the Japanese market in February 2009.

Currently offering services to media, communications, and maritime companies.



Nippon Maru/Mitsui OSK Passenger Line Ltd.

## ◆ Future Expansion

◆ Provide two-way broadband communications for ships in Asia, the Indian Ocean, and Middle-East oceans

⇒ Operations scheduled to commence with 2009 winter launch, sectional ownership of Intelsat-15

# Summary

## <Earnings/Finance>

- Consolidated results for Q1/FY2009 progressing nearly in line with expectations. No change in full-year consolidated result forecasts.
- Registered to issue ¥30 billion in corporate bonds in July to diversify funding.

## <Business Expansion>

- SKY PerfecTV! e2 expanding in good order. Emphasis on direct marketing during the second half of the fiscal year.
- Preparations progressing to expand SKY PerfecTV! HD to 70+ channels until March 2010.
- Considering future expansion based on June licenses for new BS broadcasters.
- Major expansion of customer retention programs.
- JCSAT-12 launch scheduled for mid-August (Satellite Business).
- Expand Broad Band and other mobile business for ships.



SKY Perfect JSAT  
Holdings Inc.

# Reference

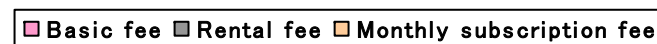
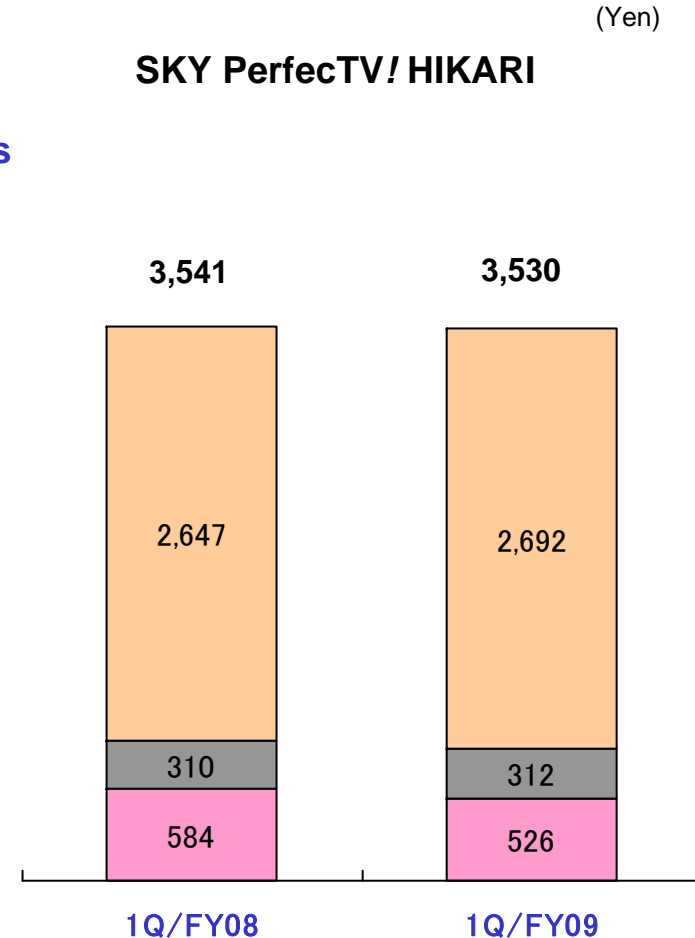
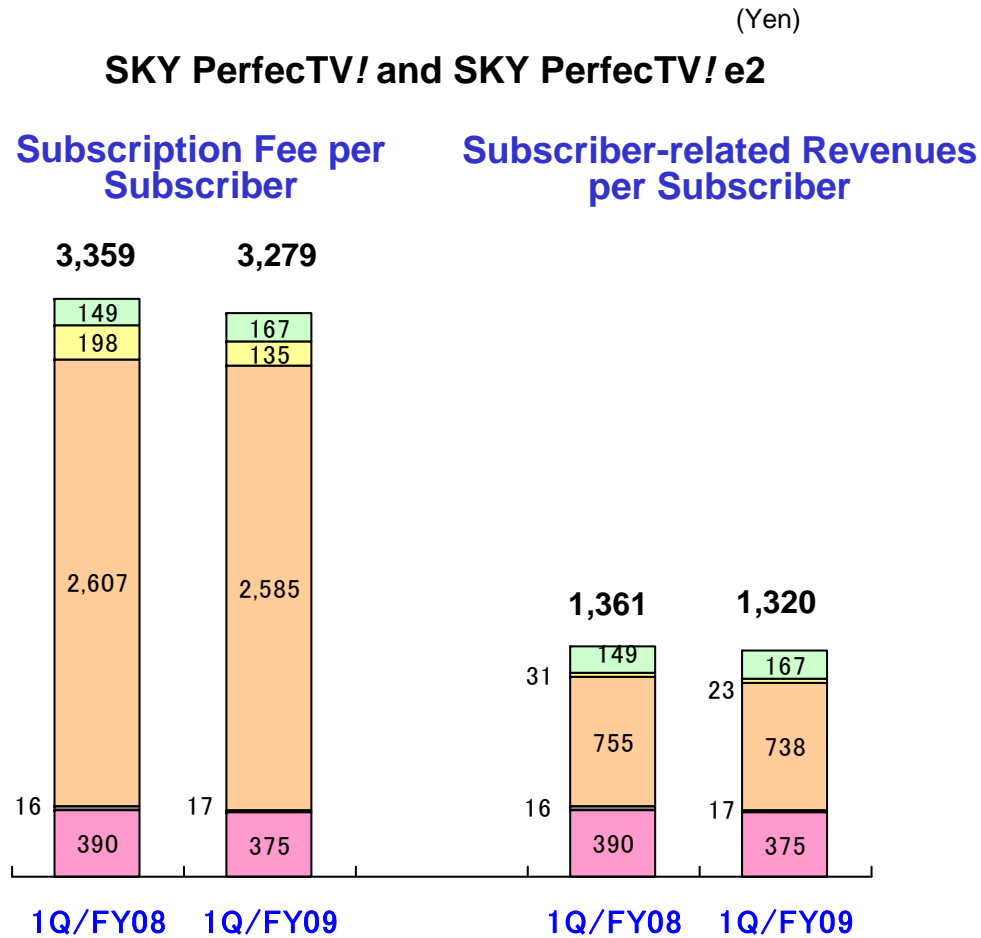
# Summary of Consolidated Balance Sheets



(Unit: Millions of yen)

Group Consolidated	June 30, 2008	March 31, 2009	June 30, 2009
<b>Current Assets</b>	76,486	79,544	81,292
<b>Fixed Assets</b>	235,122	230,267	231,886
<b>Total Assets</b>	311,608	309,811	313,179
<b>Current Liabilities</b>	53,568	50,602	53,008
<b>Long-Term Liabilities</b>	84,659	85,707	86,065
<b>Total Liabilities</b>	138,227	136,309	139,073
<b>Common Stock</b>	10,000	10,000	10,000
<b>Capital Surplus</b>	158,193	158,193	158,193
<b>Retained Earnings</b>	4,848	7,139	7,020
<b>Treasury Stock</b>	(1,782)	(3,883)	(3,883)
<b>Total Shareholders' Equity</b>	171,259	171,449	171,330
<b>Total Equity</b>	173,380	173,502	174,105
<b>Total Liabilities and Equity</b>	311,608	309,811	313,179

# ARPU



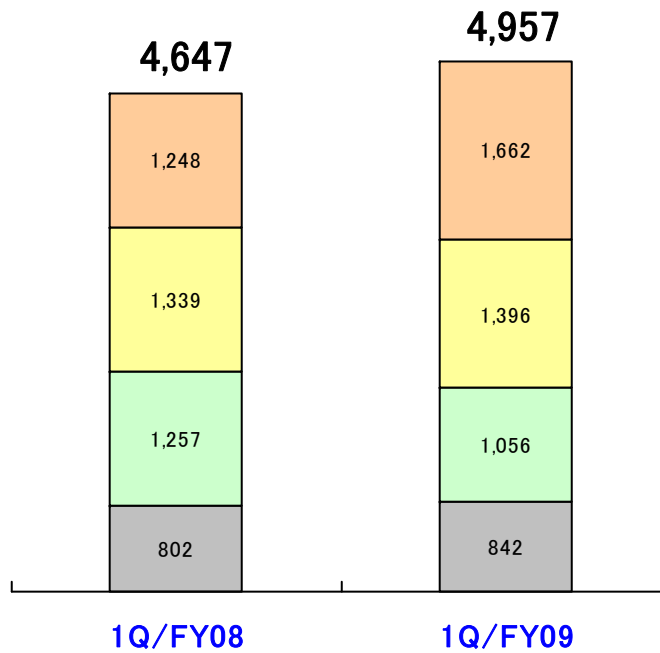
\*Optical fiber communication system usage fees for each home pass are not included.

# Subscriber Acquisition Cost (SAC) (3 services total)



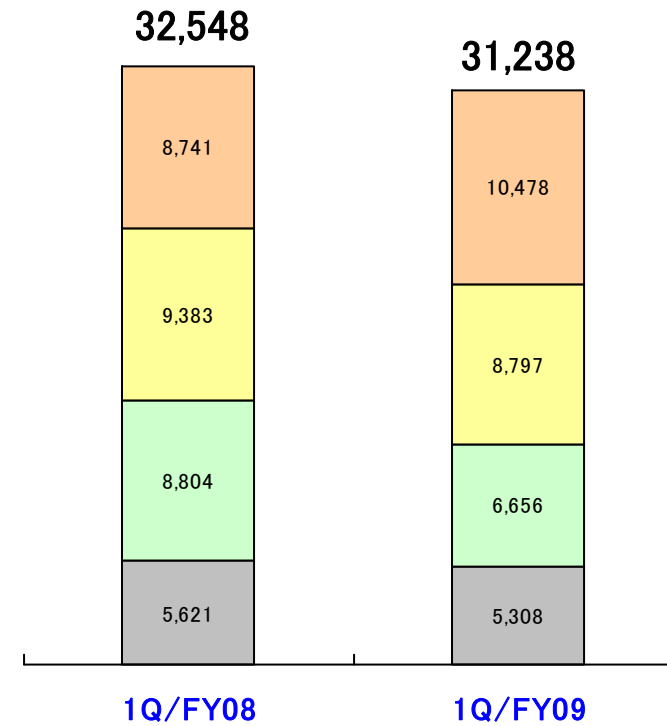
**Total SAC**

(Millions of Yen)



**SAC per Subscriber**

(Yen)



\*1 On the basis of the total 3 services.

\*2 Advertising expenses excluded public relations expenses

\*3 "Others" includes outsourcing service fees, and subscription discounts and deductions for the sales commission profits, etc. for OptiCast.





SKY Perfect JSAT  
Holdings Inc.

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

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

Note: This presentation may not be copied or distributed, in whole or in part, without the permission of SKY Perfect JSAT Holdings Inc.