

SKY Perfect JSAT Group
Earning Results Briefing of FY2010 and
Mid-Term Business Plan

May 12, 2011

SKY Perfect JSAT Holdings Inc.

First Section :
Financial Summary of FY2010

Consolidated Business Performance Highlights

Summary of Operating Income Statements

Revenues increased after the decrease for FY2009

Consolidated (Units: ¥ millions)

	FY2009	FY2010	Comparison to FY2009
Revenues	141,068	141,850	100.6%
Operating Income	15,093	13,503	89.5%
Ordinary Income	13,472	12,394	92.0%
Net Income	14,223	4,421	31.1%
EBITDA^{*1}	41,702	35,266	84.6%

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

Indicators for Multichannel Pay TV Business

The number of new subscribers marked a record high of 580,000.

(Units: thousand)

		FY2009	FY2010
Number of new subscribers ^{*1}		547	580
Net Increase in Individual subscribers ^{*1}		22	38
Number of cumulative subscribers ^{*1}		3,688	3,725
ARPU ^{*2}	Gross ARPU (units: yen)	3,247	3,236
	Net ARPU (units: yen)	1,401	1,489
SAC (units: yen)		36,120	34,839
SKY PerfectTV! HD subscribers rate ^{*3}		6.1%	19.2%

*1. The number of subscribers from Cable Television Adachi has been deducted from FY2009 figure.

*2. ARPU is calculated while taking into account three SKY PerfectTV! 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)

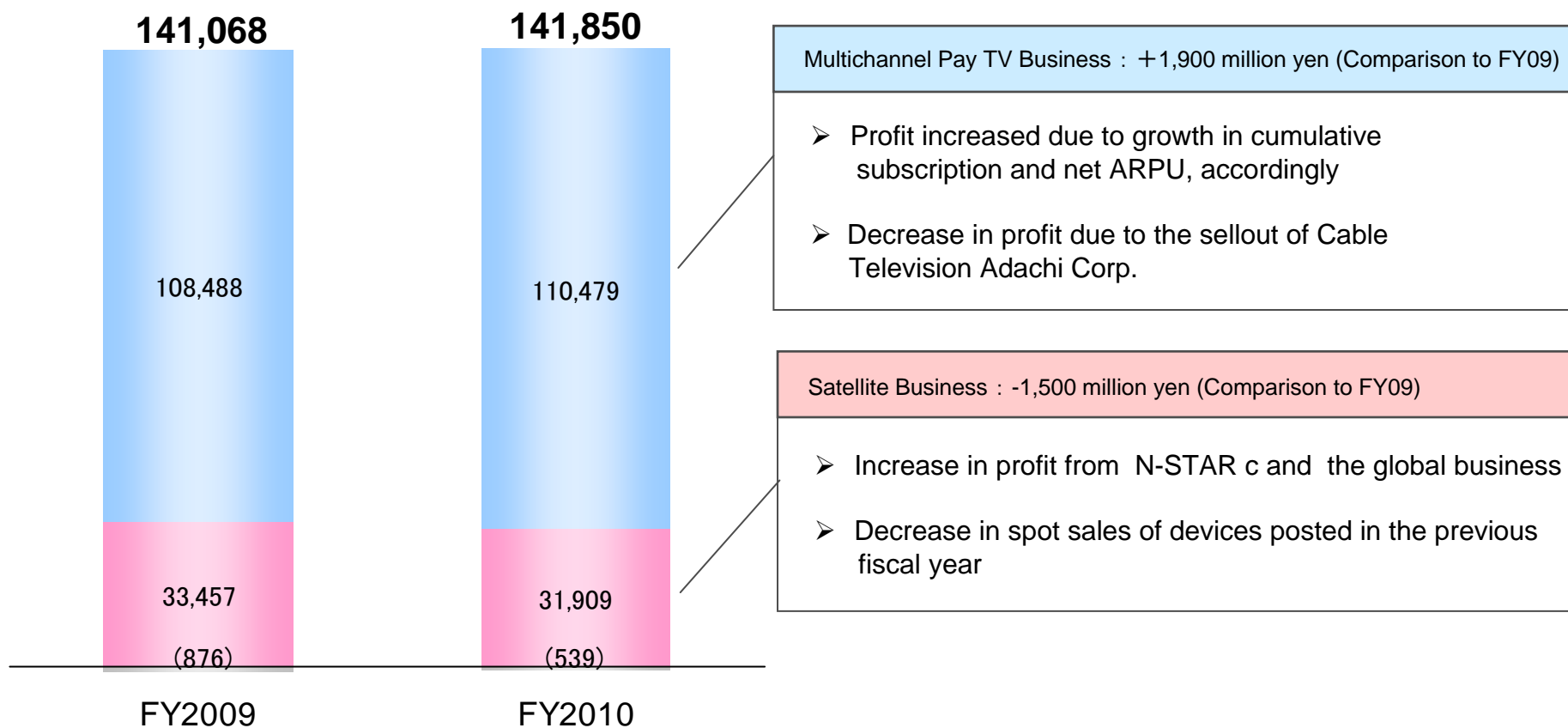
*3. SKY PerfectTV! HD subscribers rate: Cumulative number of subscribers of SKY PerfectTV! HD / (Cumulative number of subscribers of SKY PerfectTV! SD + Cumulative number of subscribers of SKY PerfectTV! HD)

Analysis of Consolidated Business Performance

Revenues

The increases in the cumulative number of subscribers and ARPU contributed.

Consolidated, for each segment (Units: ¥ millions)



■ Multichannel Pay TV Business

■ Satellite Business

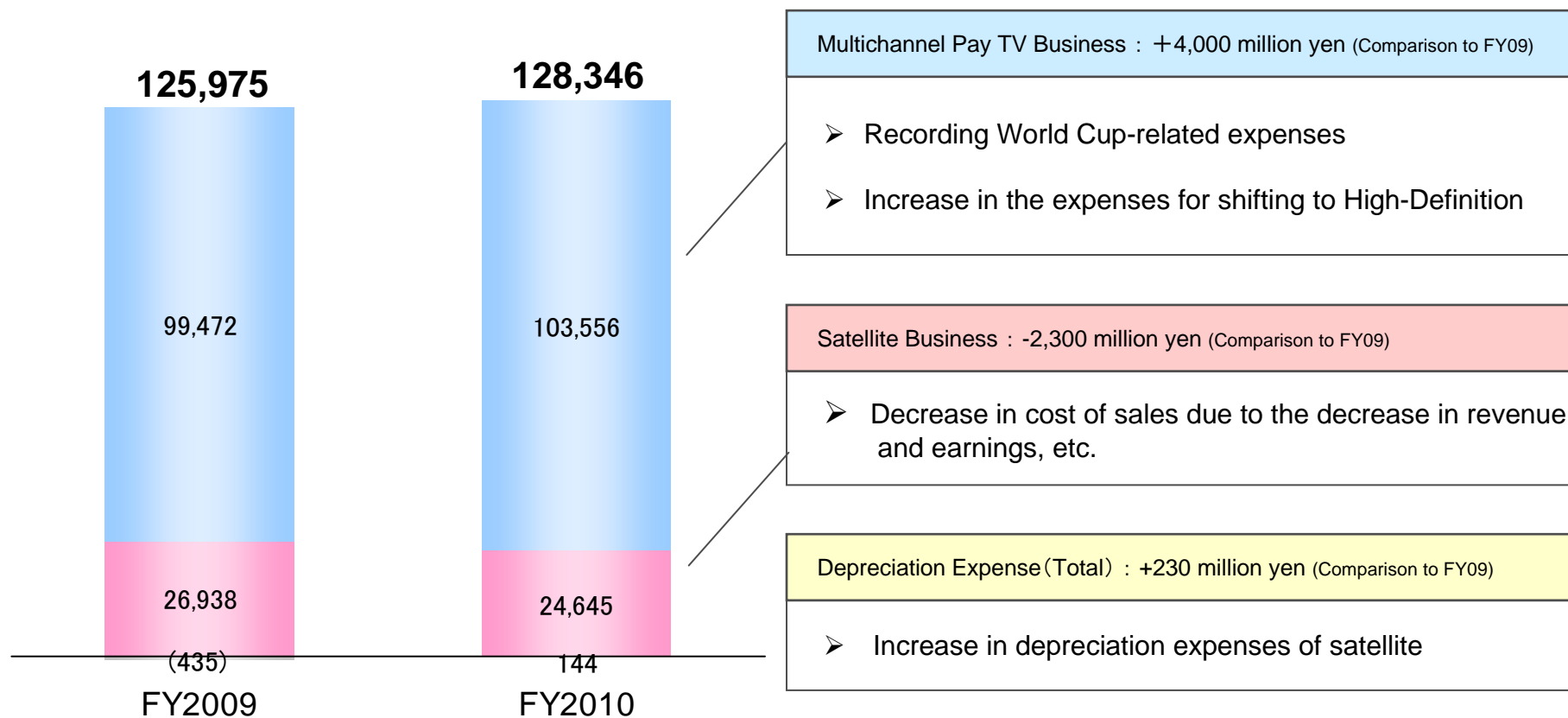
■ Eliminations and Company Total

* Total values are the ones after consolidated elimination and adjustments

Operating Expenses

For fiscal 2010, World Cup-related expenses are posted.

Consolidated, for each segment (Units: ¥ millions)



■ Multichannel Pay TV Business

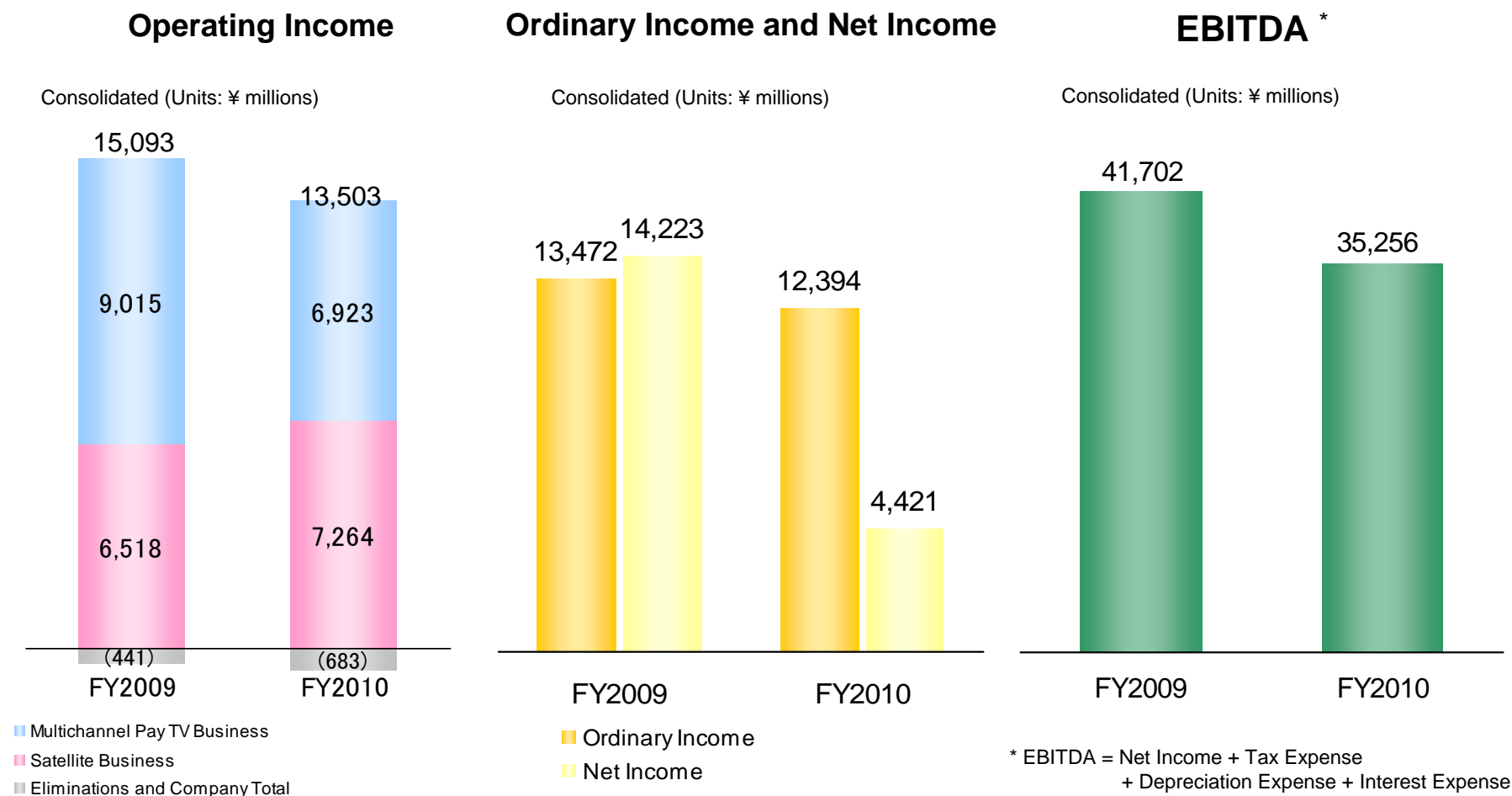
■ Satellite Business

■ Eliminations and Company Total

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Operating Income, Ordinary Income, Net Income and EBITDA

The decrease in net income affects EBITDA

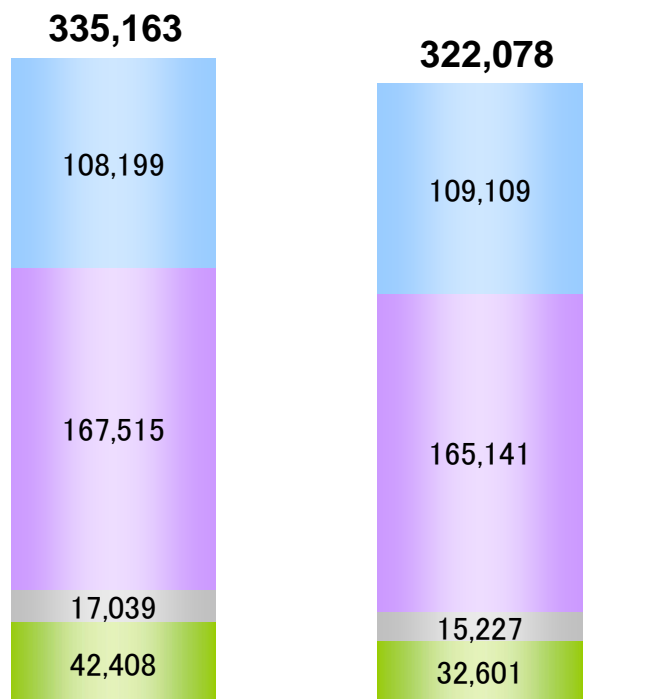


* Total values are the ones after consolidated elimination and adjustments

Balance Sheets

The stable financial ground has been maintained.
Equity Ratio: 55.9%

Consolidated (Units: ¥ millions)



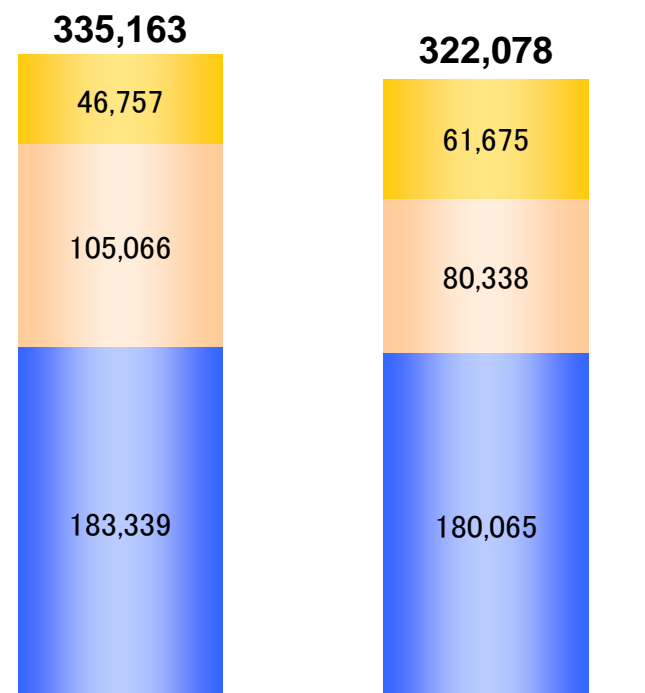
FY2009

FY2010

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



Consolidated (Units: ¥ millions)



FY2009

FY2010

- Current Liabilities
- Long-Term Liabilities
- Total Equity

Cash Flows

Healthy Cash Flows from Operating Activities

Consolidated (Units: ¥ millions)

	FY2009	FY2010
Net Cash From Operating Activities	39,340	38,956
Net Cash From Investing Activities	(23,886)	(28,595)
Net Cash From Financing Activities	10,835	(17,302)
Cash and Cash Equivalents at the End of Fiscal Year (A)	66,727	59,499
Term-end balance of interest-bearing debt*1 (B)	107,510	91,692
Term-end balance of net interest-bearing debt (B) – (A)	40,783	32,192
Capital Expenditures	29,709	18,757
Free Cash Flows *2	9,631	20,199

*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

subsidiaries performed well

(Units: ¥ millions)

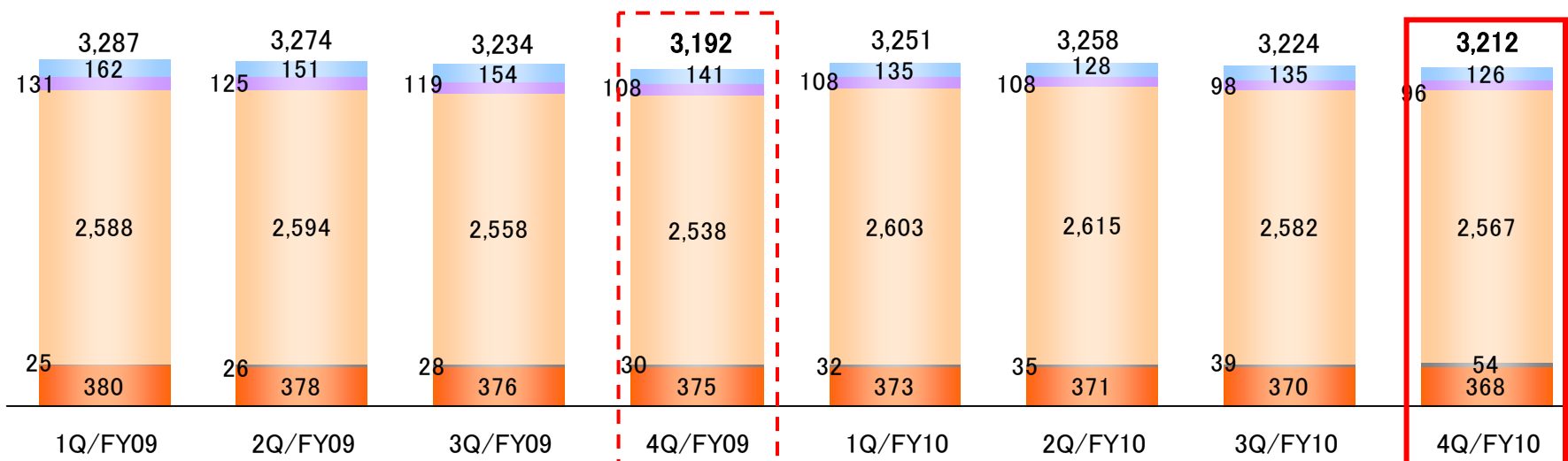
		SKY Perfect JSAT	SKY Perfect Customer-relations	SKY Perfect Broadcasting	OptiCast	Satellite Network	JSAT International Inc.
Major Area of Business		Broad-casting platform, Satellite Operation	Customer management	Broadcasting	Content distribution via FTTH	Satellite communications	Satellite communications
% of Equity Held by Holdings		100	100	100	100	92	100
Revenues	FY2009	122,459	18,012	13,300	10,632	4,061	2,379
	FY2010	121,770	17,596	23,388	9,355	5,019	2,183
Operating Income (Loss)	FY2009	16,224	196	(356)	(734)	309	750
	FY2010	12,617	297	259	819	427	822
Ordinary Income (Loss)	FY2009	16,029	199	(349)	(799)	306	749
	FY2010	12,023	315	260	734	396	825

Reference

ARPU

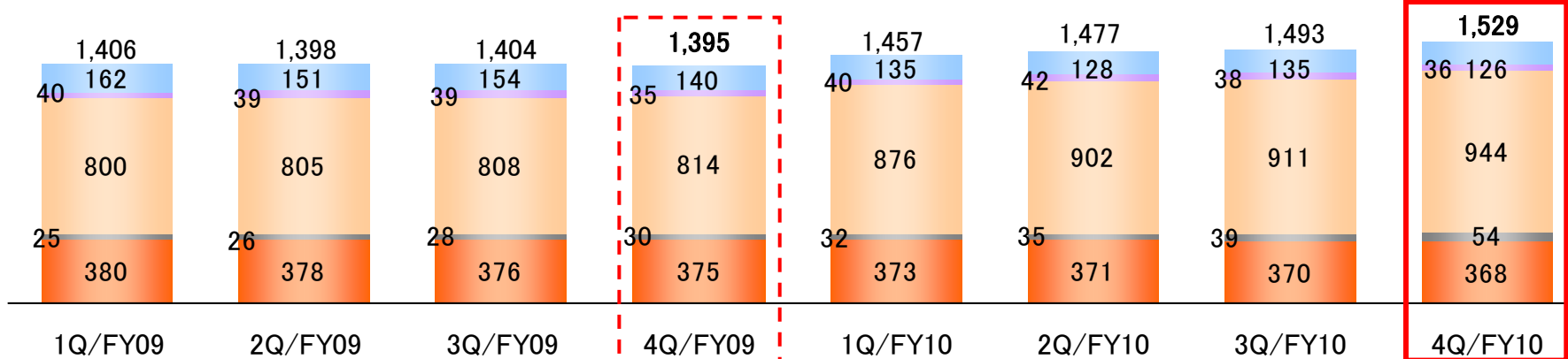
Gross ARPU

(Units: ¥)



Net ARPU

(Units: ¥)



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

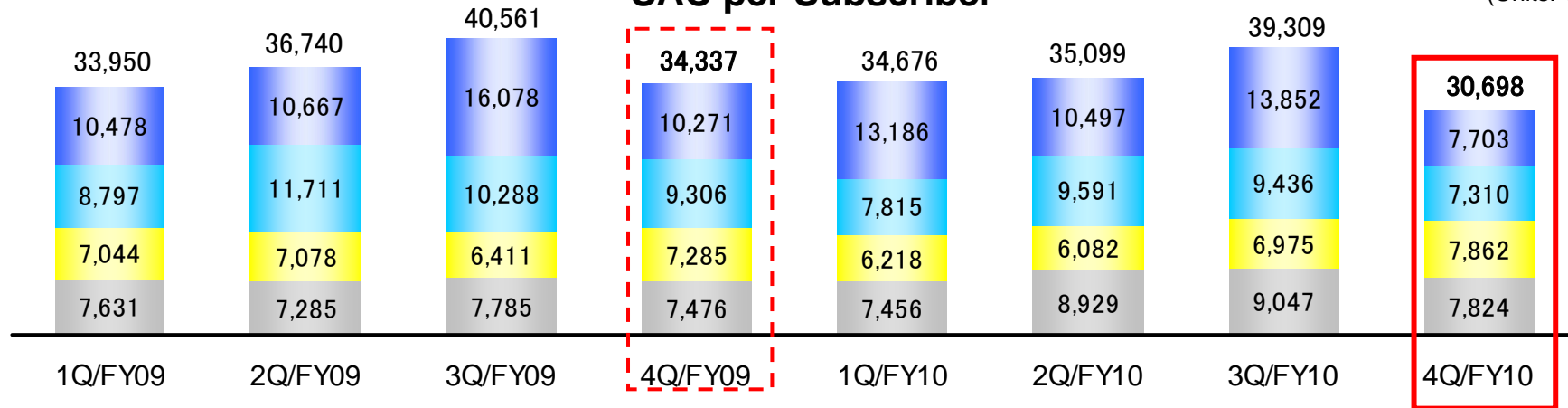
* ARPU is calculated while taking into account three SKY PerfectTV! services

Gross ARPU: Conventional subscription fee-based unit price

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

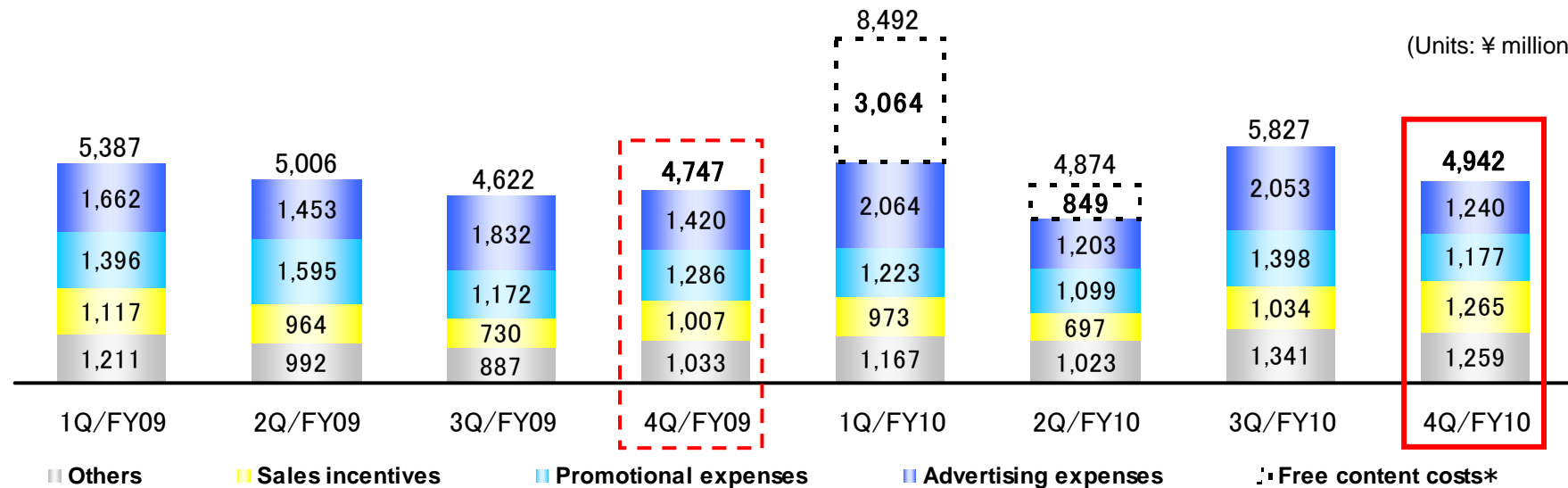
SAC per Subscriber

(Units: ¥)



Total SAC

(Units: ¥ millions)



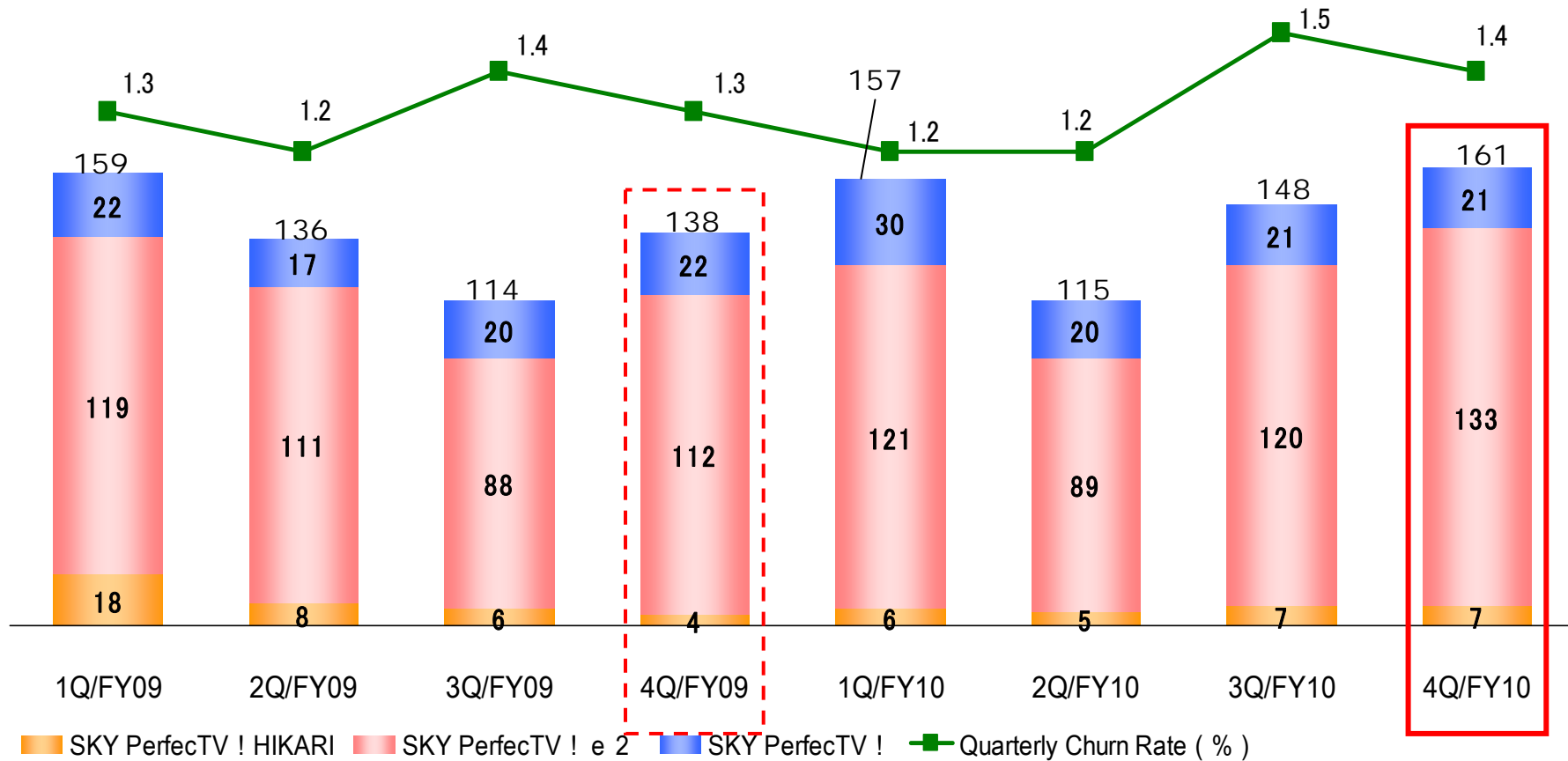
■ Others ■ Sales incentives ■ Promotional expenses ■ Advertising expenses ■ Free content costs*

* broadcast rights fees, production costs, and promotional cost, etc. related to the World Cup.

Trends in Number of New Subscribers and Churn Rate

New Subscribers (Units : thousand)

Quarterly Churn Rate* (Units :%)



* Quarterly churn rate is the average of monthly churn rates in the quarter.

Performance Forecast for FY2011

Consolidated (Units: ¥ millions)

	FY2010	FY2011 Forecast
Revenues	141,850	151,000
Operating Income	13,503	14,000
Ordinary Income	12,394	13,200
Net Income	4,421	7,000
Dividends per Share (¥)	1,200	1,200

(Units: thousand)

New Individual Subscribers	580	608
SKY PerfecTV!	93	115
SKY PerfecTV! e2	463	473
SKY PerfecTV! HIKARI	25	20
Net Increase	38	53
Churn Rate (%)	16.3%	16.4%
Individual Subscribers: at the End of Year	3,725	3,778

* Annualized Churn Rate = Total for 12 month of monthly churn rate

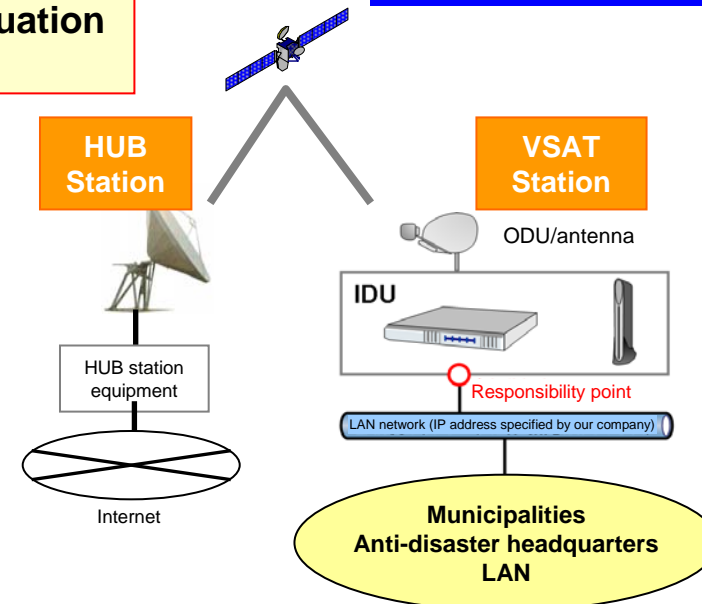
Second Section:
Measures against the Great East
Japan Earthquake

Assistance in recovery/restoration

To help anti-disaster headquarters and evacuation centers

- Provide them with VSAT terminals, automatic acquisition antennas, fixed antennas, and satellite lines for our ExBird service.
- Help anti-disaster headquarters communicate and victims gather information and contact someone

Operation started on March 26



ODU/antenna (about 74 cm)

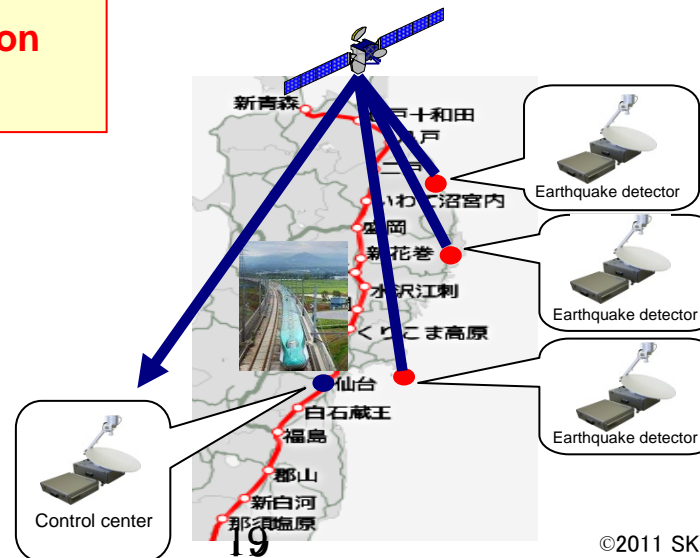


Anti-disaster headquarters (office)

Assistance in recovery/restoration

Use of railroad companies

- Used for anti-earthquake measures for restored trains



➤ Assistance in recovery/restoration
Provision of satellite cell phones

Service started on March 16

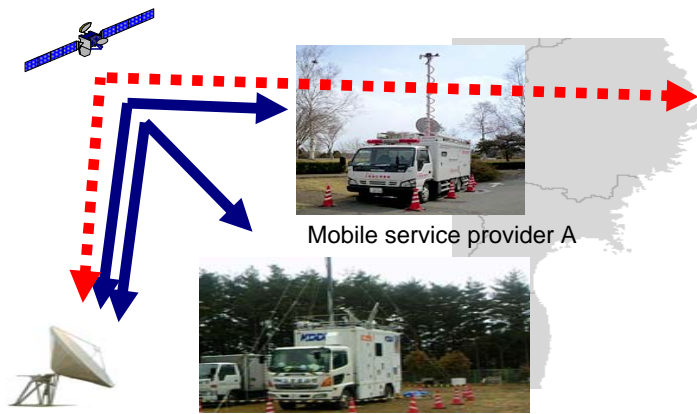
Isat Phone Pro Terminal

※Offered by JSAT Mobile, an affiliate of our company



➤ Assistance in recovery/restoration
Use of mobile and fixed telephone communication providers

•Emergency installation of portable base stations

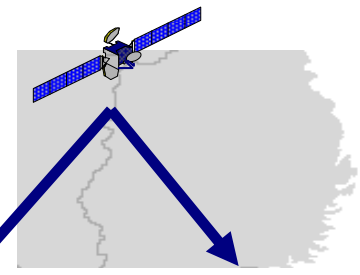


Satellite entrance station Mobile service provider B (Esbird-mounted station)

•Used for charge-free public phone lines



ExBird-using station (image)
To be installed in late April



Entrance Station



Rikuzentakada City

➤ Multichannel pay TV service

- Charge-free live broadcasting of the charity games of J League
- Public viewing of the games of VEGALTA SENDAI in J League
- Assistance in the public viewing of professional baseballs at emergency centers



©VEGALTA SENDAI

➤ Donation and exemption from viewing fees

- Donation of 50 million yen
- Exemption from viewing fees (from March)
- Utilization of the right to broadcast the charity games of J League for donation
- PPV/PPS charges and the equal amount of money (borne by our company) will be donated (June to August)

Third Section:
Mid-Term Business Plan
(FY2011 to FY2015)

Gist of the mid-term plan

《Multichannel Pay TV Business》

- 📖 Taking full advantage of the popularization of digital TV is effective for increasing subscribers and improving our competitiveness in the Multichannel Pay TV Business. We aim to increase subscribers by promoting mainly SKY PerfectTV! e2, including the new BS broadcast.
- 📖 Reform our cost structure thoroughly, realize a stably profitable system regardless of the decrease in ARPU, and polish our competitiveness in the new business environment, including the Internet.

《Space & Satellite Business》

- 📖 As for the Space & Satellite Business, we will offer helpful services for anti-disaster measures and BCP, strengthen our business base by diversifying our business field, and cooperate with overseas operators mainly in Asia and Oceania, where markets are growing, increasing the ratio of overseas business considerably.
- 📖 In addition, we will achieve a cost structure comparable to world-class operators by streamlining satellite fleet and reducing operation costs, and fortify a system for global competition.

- 📖 Furthermore, we will fortify our entire organization, and pursue the profitability of each business.

Business environment

《Multichannel Pay TV Business》

- Digital TV sets will be owned by most households
- Start of the new BS broadcast
- TV makers are seeking new added values
- Further development of movie distribution in the Internet and mobile fields
- Fierce competition and unstable subscribers associated with above items
- Rapid advance of devices, and the shortening of the lifecycles of mobile terminals, etc.

《Space & Satellite Business》

- Terrestrial communications are dominant in Japan
- The awareness of anti-disaster measures was enhanced
- Introduction of PFI through the use of satellites by the government
- Overseas operators became more active in promising areas
- Growing demand for the development of the broadband environment for mobile devices
- Steep improvement in satellite capacity due to technological innovation, the advent of new applications through the launching of a large-capacity satellite, fierce competition

Challenges for Multichannel Pay TV Business

■ Increase new subscribers to mainly SKY PerfectTV! e2

- ☞ Implement new marketing measures as digital TV becomes popular and the new BS starts.
- ☞ Enhance e2 re-transmission by strengthening the cooperation with NTT.
- ☞ Brush up the contents of BS SKY PerfectTV!, differentiate our services, and take advantage of the change in the viewing environment.

■ To promote the shift to SKY PerfectTV! HD and maintain the number of subscribers

- ☞ Promote the shift to HD service and the diversification of contents and services by the end of fiscal 2014.
- ☞ Develop and enrich the set top box lineup.

■ To develop the Internet and mobile services

- ☞ Improve added values with the VOD and movie distribution services for Internet TV, PCs, and tablet PCs; and strengthen the user base.
- ☞ Make it easy for viewers to select contents, utilizing the meta data of programs, etc.

■ Marketing from the viewpoint of subscribers

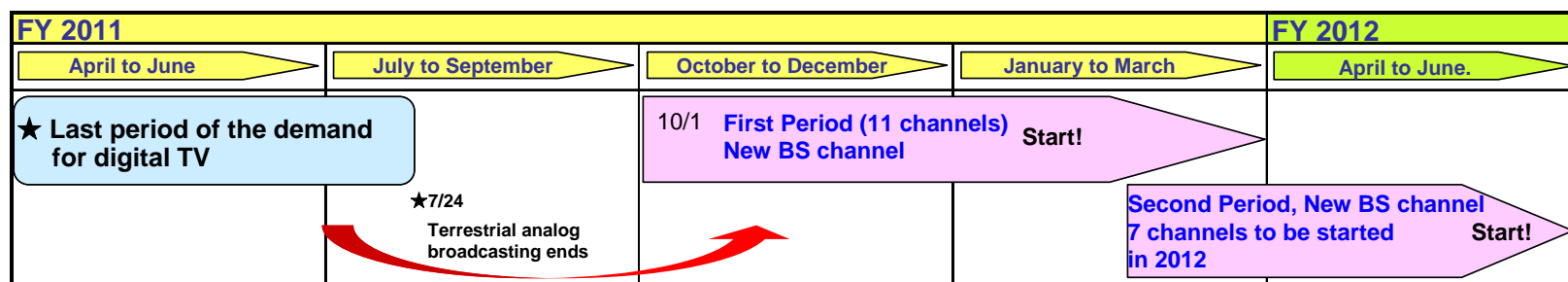
- ☞ Promote database marketing
- ☞ Continue and promote the customer satisfaction program.

■ Drastic reform of the cost structure

- ☞ Reform the structure of operation cost, by streamlining the subscribers management task and integrating broadcasting equipments, etc.
- ☞ Streamline the use of satellites

Multichannel Pay TV Business-1

Dawn of the new age of SKY PerfectTV! e2



Uncultivated market

As the new BS begins,
SKY PerfectTV! e2 enters the new stage

➤ Acquire new subscribers as terrestrial analog broadcasting will end

•Implement each campaign

➤ Design new marketing strategies as the new BS will start

•Do various approaches

Multichannel Pay TV Business-2

Curb the net decrease in subscribers to SKY PerfecTV! services

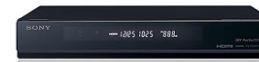
➤ Enriched promotion measures

Further enrich the product lineup

- Release of products for promoting subscribers to shift to HD service in July

Easy installation of the high definition environment

- Campaign for leasing the HD tuner free of charge for 6 months



SKY PerfecTV! HD tuner



SKY PerfecTV! HD DVR

Thorough development of the environment for shifting to H.264

➤ Further sales promotion of SKY PerfecTV! HD in cooperation with each TV manufacturer



➤ Make 3D broadcasts more attractive with dedicated 3D channel

- Produce a variety of attractive contents originally and in cooperation with broadcasters
- Start the 3D program archive and VOD services



Multichannel Pay TV Business-3

Create the firm bond with subscribers

➤ Improve the services for new and long-term subscribers

	← Important development period →		← Period for keeping and increasing promising and good subscribers →
Service period	First month of subscription	6 th to 12 th months	From the 2 nd year
Service title	◆ Welcome Service	◆ First Year Service	◆ Anniversary Service
Contents	Solve troubles	Suggest viewings	Build bond
Target	New subscribers to SKY PerfectTV! (Platform)		Existing subscribers from the month concerned

Communication from the viewpoint of subscribers

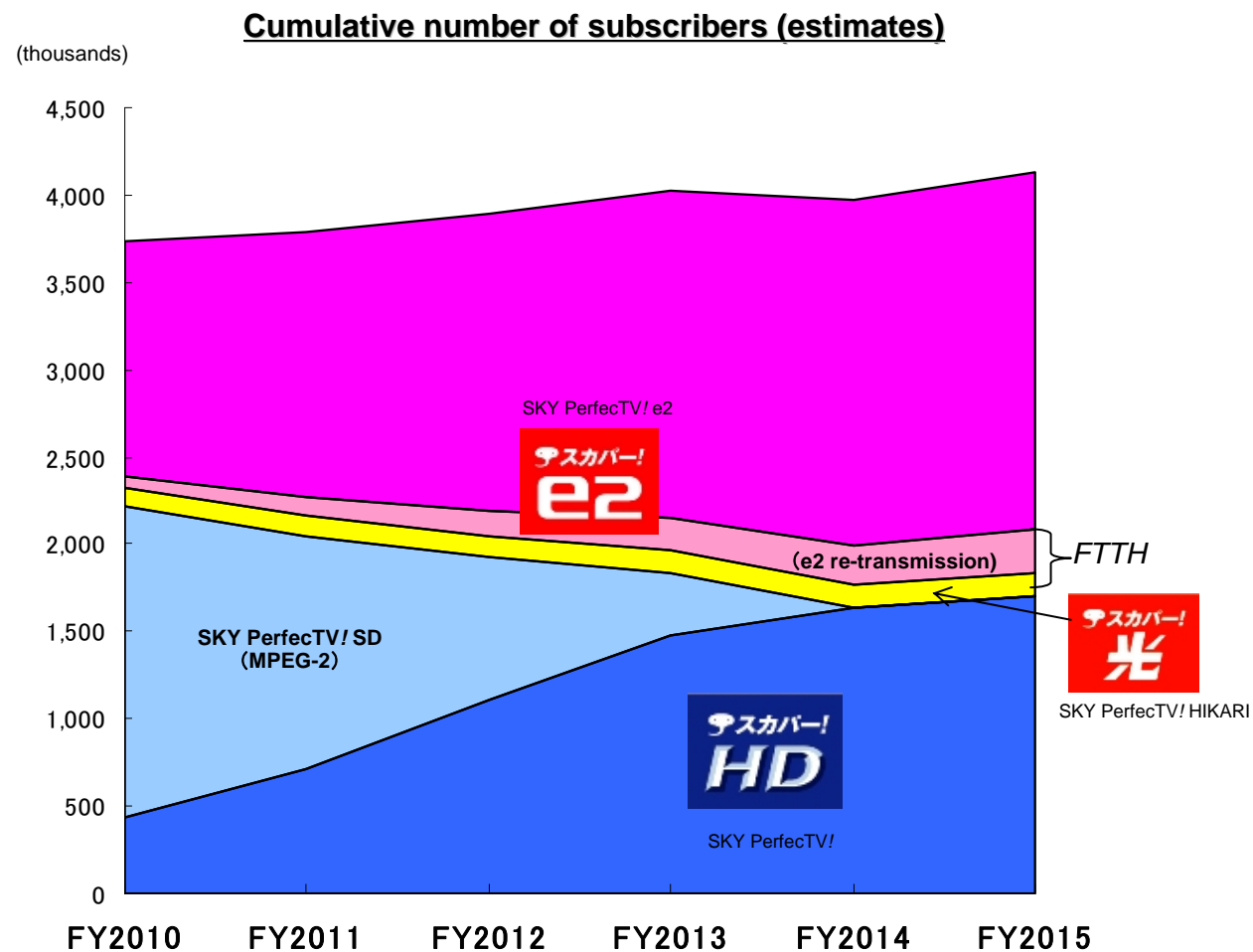
➤ Polish the functions of call centers

➤ Continue the discounts for multiple TV sets and re-subscription

Multichannel Pay TV Business-4

Project for promoting the 3 SKY PerfectTV! services

We aim to further diffuse pay TV services (over 4 million subscriptions by the end of fiscal 2015)



Important items of Space & Satellite Business

■ Strengthening of the base for the domestic satellite communication business

- ☞ Further cultivate customers related to anti-disaster measures and BCP
- ☞ Continue the X-band mission and respond to a new scheme.

■ Promotion of the space business

- ☞ Satellite operation in the new space utilization field in the private sector after the enactment of the Basic Law for Space

■ Active efforts in the new business fields

- ☞ Enhance our cloud service and time informing service.
- ☞ Conduct the network-related business for satellite business

■ Enhancement of the overseas satellite communication business

- ☞ Strengthen sales activities mainly in Asia and Oceania and cooperate with overseas satellite operators
- ☞ Utilize orbit satellites, and increase the resources of new satellites for international services
- ☞ Increase mobile communication services for ships and aircrafts, etc.
- ☞ Lead the development of anti-disaster applications for developing countries using space

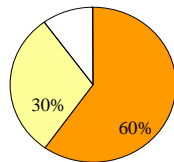
■ Drastic reform of cost structure

- ☞ Achieve operation cost comparable to leading operators outside Japan.
- ☞ Improve satellite fleet according to demand

Space & Satellite Business

To enhance the stable revenue base utilizing the strengths of satellites

➤ Customers who demand publicness and stability



■ Sales to domestic corporations
■ Sales to governmental offices

➤ The only satellite communication service provider in Japan

Wide-area

Simultaneous

Anti-disaster

Improve the services of the information infrastructure business, and start new businesses actively

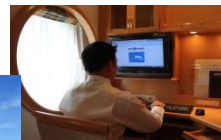
➤ Promotion of global business

Increase in the ratio of overseas business

➤ Maritime OceanBB service

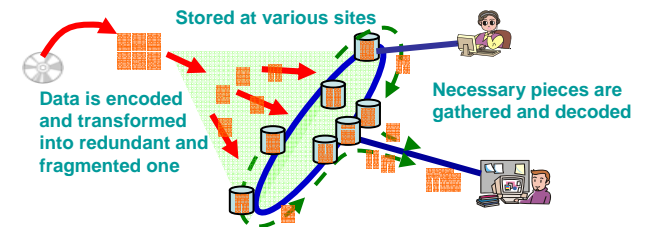
Full-scale introduction targeted at three Japanese leading merchant vessels

Realization of the global service area, including major channels around the world



Nippon-maru

➤ Active promotion of S*Plex 3 Cloud Storage Service



Group goals for fiscal 2015

□ Consolidated performance for fiscal 2015

Revenues	200 billion yen or more
Operating Income	20 billion yen or more
	(⇒ Secure 10% or more of operating margin)
EBITDA	50 billion yen or more

□ Keep the sustainable growth of both revenues and earnings

Multichannel pay TV Business, we aim to have over 4 million subscribers, and secure the position as the leading company in the pay TV business.

Space and Satellite Business, we aim to strengthen the domestic business base, increase the ratio of overseas business considerably, and secure the No.1 position in Asia and Oceania in reality and name.

Regarding future outlook

The items other than past ones among the forecasts, strategies, management policies, and goals, etc. written in this reference material are based on the assumptions, plans, expectations, and judgments, etc. of executives with reference to currently available information. Such items regarding future outlook are influenced by various risks and uncertainties, and so they may be significantly different from actual results. The major risks and uncertainties that can be assumed as of now are as mentioned below. Please note that risks and uncertainties are not limited to them.

«Risks related to business administration»

- Risk of restrictions on businesses due to legal regulations, etc. related to the businesses of our corporate group
- Risk related to the security of customer information
- Risk related to serious damage to equipment due to large-scale disaster

«Risks related to satellite infrastructure»

- Risk related to the functional failure and degraded performance of communication satellites
- Risk related to the procurement of communication satellites
- Risk related to the insurance for satellites

«Risks related to the paid multi-channel broadcasting platform»

- Risk related to the activities for increasing and keeping subscribers
- Risk related to broadcasters
- Risk related to the security of IC cards, etc.

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

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