

SKY Perfect JSAT Group
Earning Results Briefing of 1Q/FY2011

August 4, 2011
SKY Perfect JSAT Holdings Inc.

Consolidated Business Performance Highlights

Summary of Operating Income Statements

Revenue, Operating Income and EBITDA increased from the previous corresponding period.

Consolidated (Units: ¥ millions)

	1Q/FY2010	1Q/FY2011	Comparison to 1Q/FY2010	Full Year Forecast of FY2011	vs. Full Year Forecast of FY2011
Revenues	35,171	37,911	107.8%	151,000	25.1%
Operating Income	1,045	5,916	566.2%	14,000	42.3%
Ordinary Income	463	5,663	1,222.1%	13,200	42.9%
Net Income	(1,053)	3,420	—	7,000	48.9%
EBITDA^{*1}	5,807	12,226	210.5%	—	—

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

Indicators for Multichannel Pay TV Business

New subscriptions are healthy, and Net ARPU is increasing.

(Units: thousand)

		1Q/ FY2010	1Q/ FY2011	Full Year FY2010	Full year Forecast of FY2011
Number of new subscribers		157	154	580	608
Net increase in individual subscribers		32	16	38	53
Number of cumulative subscribers		3,720	3,742	3,725	3,778
ARPU *1	Gross ARPU (units: yen)	3,251	3,264	3,236	—
	Net ARPU (units: yen)	1,457	1,586	1,489	—
SAC (units: yen) *1 *2		34,676	29,502	34,839	—
SKY PerfecTV! HD subscribers rate *3		8.9%	21.8%	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 this 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)

Segment Change

Major changes

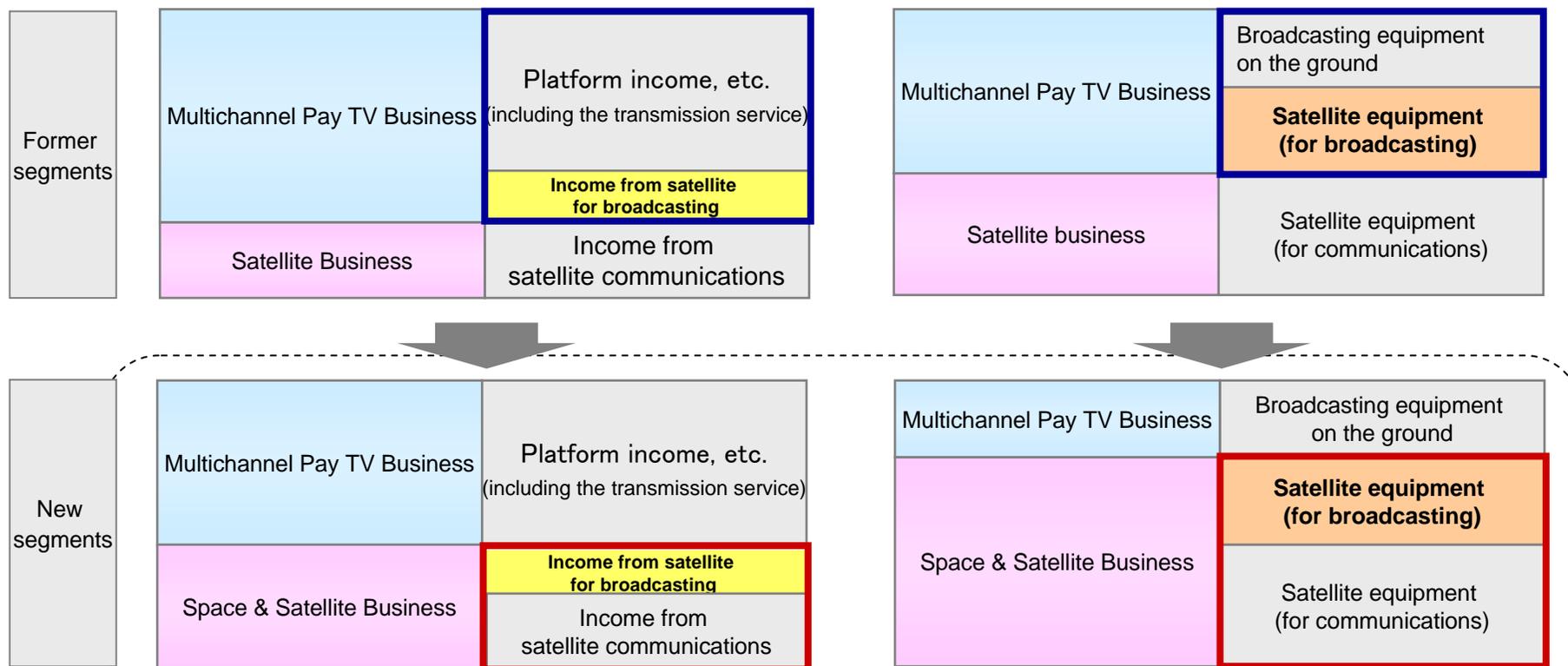
Changes in asset classification and methods for calculating profit and loss

- The profit, loss, and assets related to satellite connections for DTH services are reclassified from the category of the Multichannel Pay TV Business to the Space & Satellite Business*.

* The segment name "Satellite Business" was renamed "Space & Satellite Business."

【Revenue and expenses】

【Assets】



Purpose of changes

To actively reform the profit structure for each business segment

(Environmental changes and new management issues)

- Shift to full-scale HD broadcasting and the H.264 system
- Develop new marketing strategies in line with the new BS broadcasting start
- Streamline the operation of the entire satellite fleet including the effective use of transponders, after the shift to H.264

Necessary investments for growth and continuous increase in profit

New medium-term business plan (fiscal 2011-2015)

Multichannel Pay TV Business

To develop a system that can produce profit in the platform business

Space & Satellite Business

To realize the cost and expand the global business in addition to domestic business

Segment Change

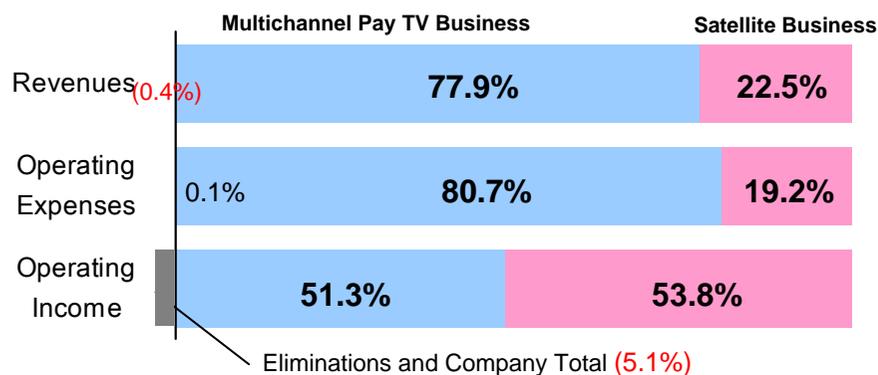
- ① Improve the profit/loss management as a platform service provider of the Multichannel Pay TV Business (⇒ Improvement profit structure)
- ② Integrated management of satellite assets in the Space & Satellite Business (⇒ Improve effective operation in satellite fleet)

【Reference】 Comparison between the former and new segment classifications (performance for fiscal 2010 *The new segments have not been audited)

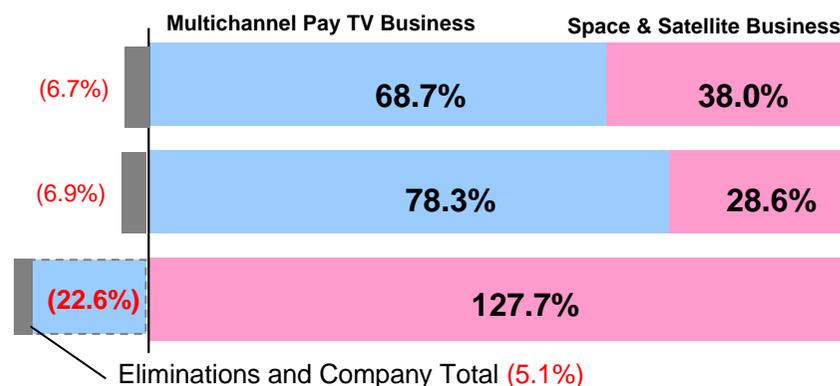
Consolidated (Units: ¥ millions)

	Former classification			New classification ※unaudited			Total
	Multichannel Pay TV Business	Satellite Business	Eliminations and Company Total	Multichannel Pay TV Business	Space & Satellite Business	Eliminations and Company Total	
Revenues	110,479	31,909	(539)	97,434	53,969	(9,554)	141,850
Operating Expenses	103,556	24,645	144	100,488	36,728	(8,870)	128,346
(Depreciation Expense-included)	12,769	10,759	510	7,440	16,088	510	24,038
Operating Income	6,923	7,264	(683)	(3,054)	17,241	(683)	13,503
Segment assets	127,246	104,437	90,395	56,462	176,696	88,920	322,078

(Former classification)



(New classification)



Earnings forecast for fiscal 2011 (new segments)

Promote profitability reformation of Multichannel Pay TV Business

Consolidated (Units: ¥ millions)

	New classification			Total
	Multichannel Pay TV Business	Space & Satellite Business	Eliminations and Company Total	
Revenues	107,300 71.0%	54,300 36.0%	(10,600) (7.0%)	151,000 100.0%
Operating Expenses	108,900 79.5%	37,900 27.7%	(9,900) (7.2%)	137,000 100.0%
Operating Income	(1,600) (11.4%)	16,400 117.1%	(800) (5.7%)	14,000 100.0%

Primary measures:

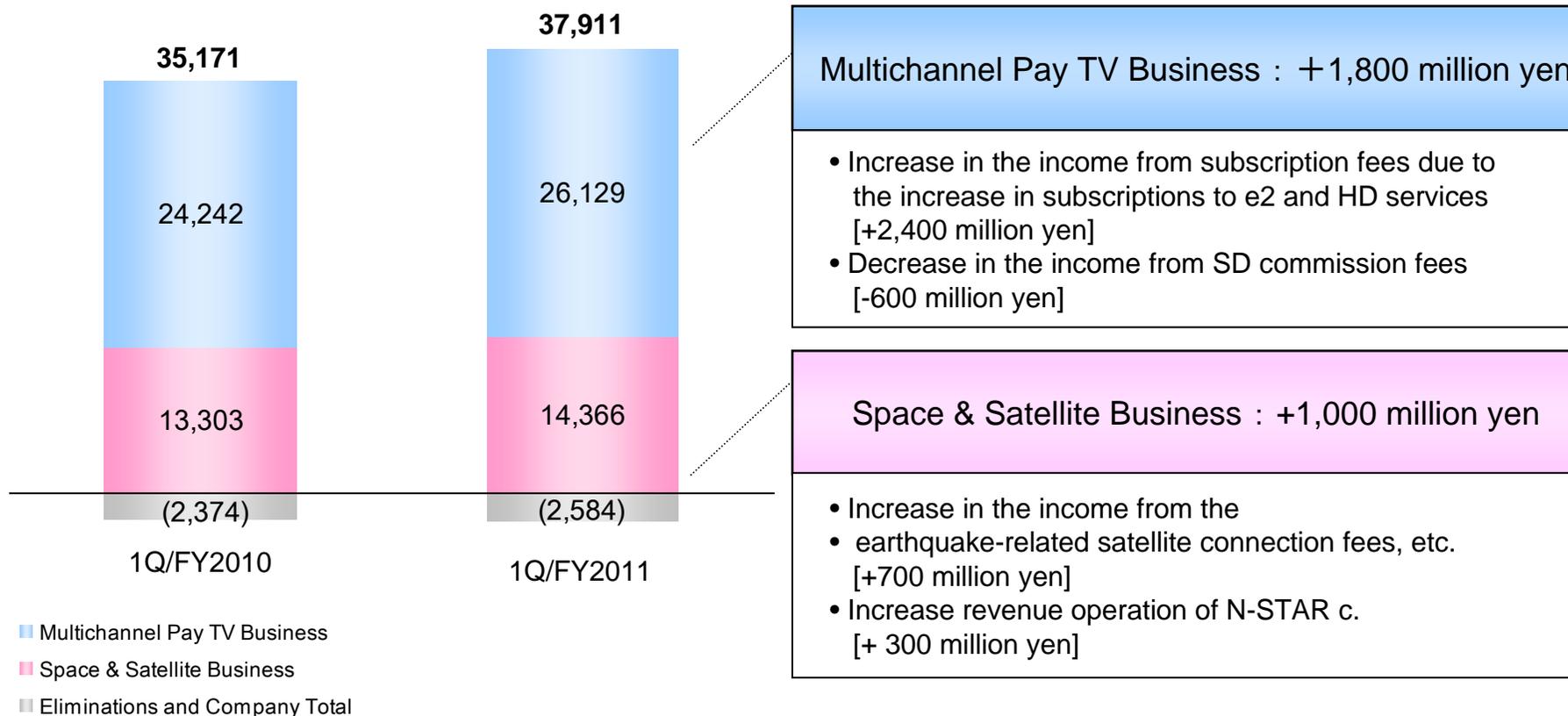
- Active promotion as the new BS broadcasting starts.
- Continuous promotion of the shift to HD
- Development of Internet and mobile services

Analysis of Consolidated Business Performance

Revenues

Contribution from subscribers increase in SKY PerfectTV! e2 and HD
Growing demand for disaster prevention services and BCP
in the Space & Satellite Business

Consolidated, for each segment (Units: ¥ millions)

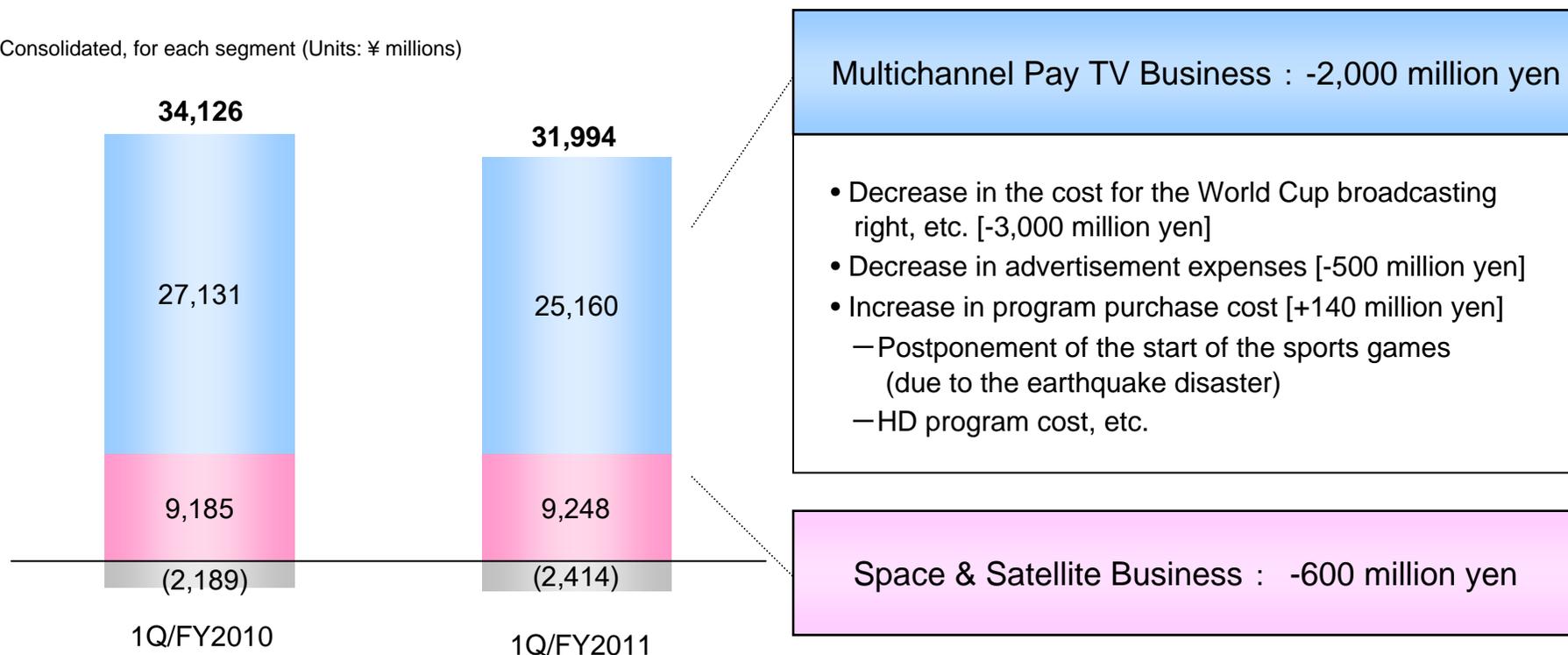


* 1 The value in each segment was calculated with the new method. (The value for fiscal 2010, too, was revised.)

Operating Expenses

Decreased significantly since World Cup-related expenses disappeared.

Consolidated, for each segment (Units: ¥ millions)

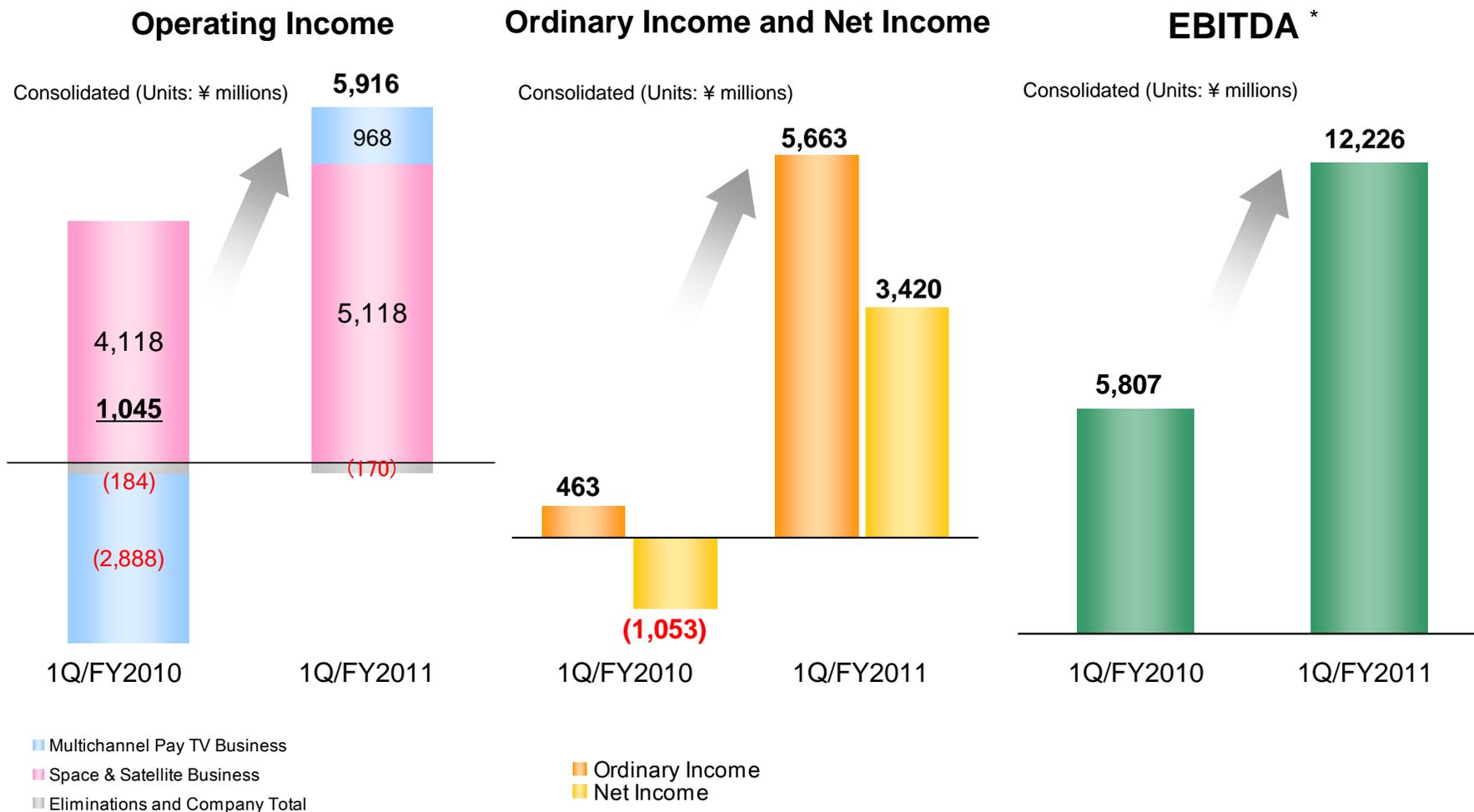


- Multichannel Pay TV Business
- Space & Satellite Business
- Eliminations and Company Total

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

Operating Income, Ordinary Income, Net Income and EBITDA

As cost decreased, profit and EBITDA increased.



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

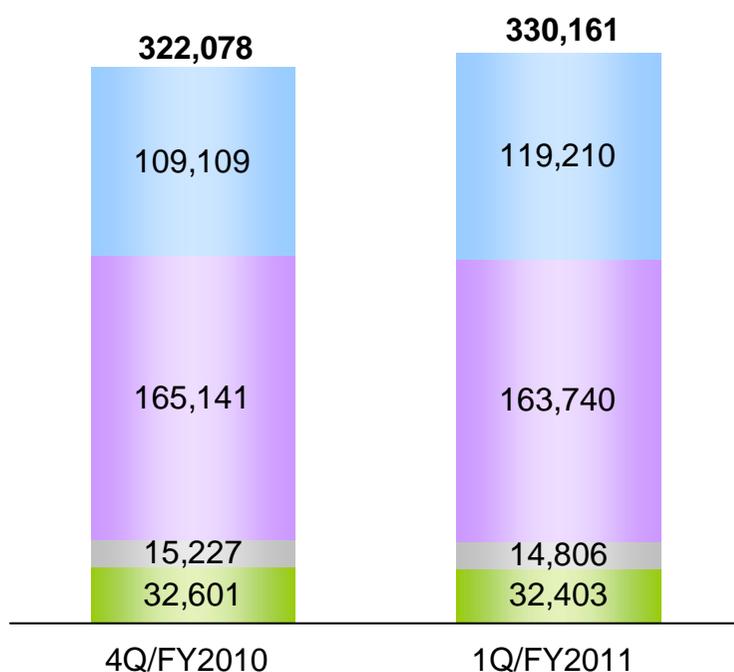
*2 EBITDA = Net Income + Tax Expense + Depreciation Expense + Interest Expense

Balance Sheets

The stable financial ground has been maintained.
Equity Ratio: 55.0%

Assets

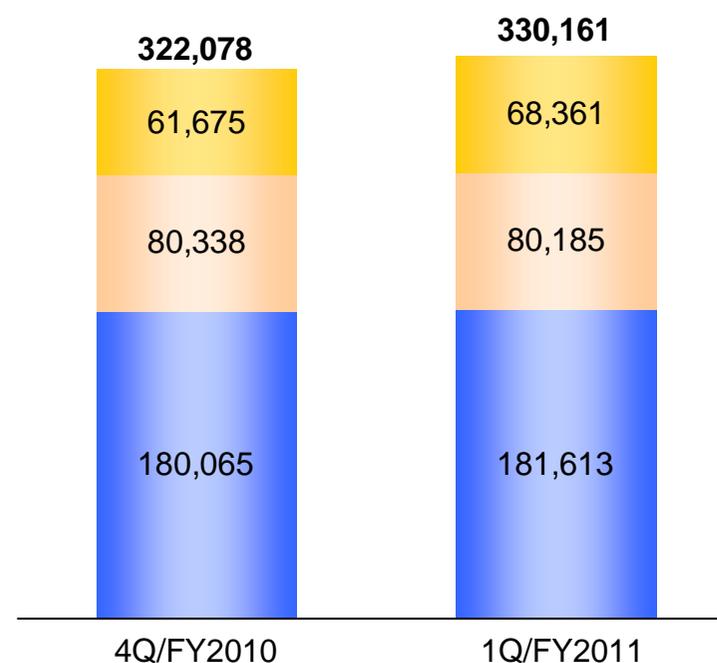
Consolidated (Units: ¥ millions)



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

Liabilities and Equity

Consolidated (Units: ¥ millions)



- Current Liabilities
- Long-Term Liabilities
- Total Equity

Cash Flows

Based on the healthy operating cash flows
stable cash position is maintained

Consolidated (Units: ¥ millions)

	1Q/FY2010	FY2010	1Q/FY2011
Net Cash from Operating Activities	15,669	38,956	17,909
Net Cash from Investing Activities	(8,249)	(28,595)	5,280
Net Cash from Financing Activities	(3,184)	(17,302)	(3,481)
Cash and Cash Equivalents at the End of Fiscal Year (A)	70,980	59,499	79,254
Term-end balance of interest-bearing debt*¹ (B)	106,493	91,692	90,844
Term-end balance of net interest-bearing debt (B) – (A)	35,512	32,192	11,589
Capital Expenditures	4,252	18,757	3,479
Free Cash Flows *²	11,417	20,199	14,430

*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

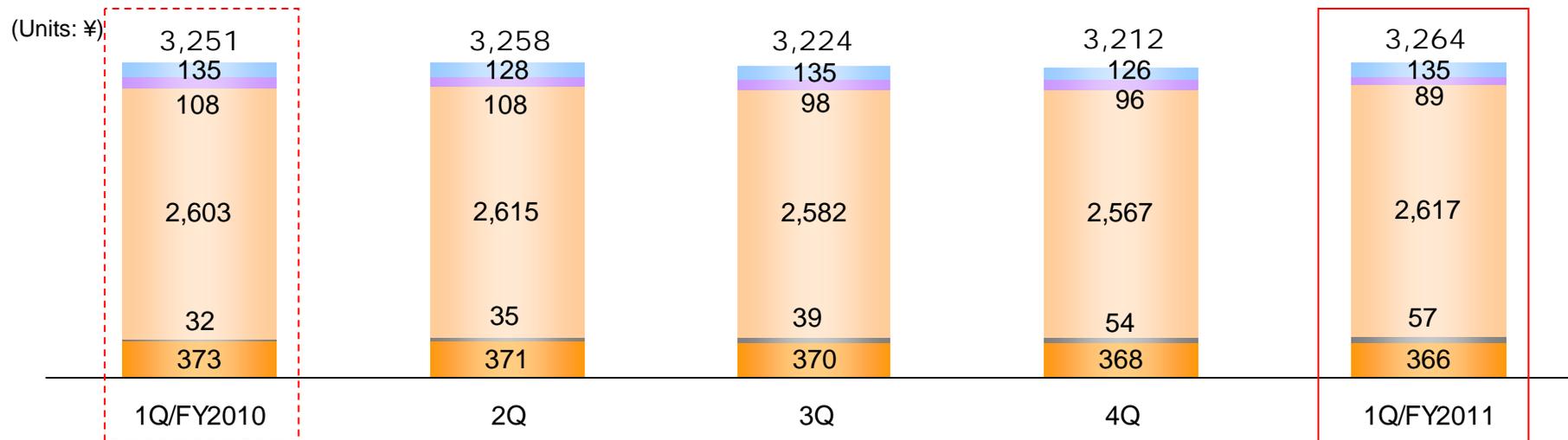
(Units: ¥ millions)

		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	1Q/FY10	30,988	4,353	5,466	2,273	939	581
	1Q/FY11	31,448	3,983	6,950	2,543	1,821	541
Operating Income	1Q/FY10	1,573	(219)	(238)	119	61	222
	1Q/FY11	5,722	(61)	(16)	222	208	230
Ordinary Income	1Q/FY10	1,370	(218)	(236)	102	58	224
	1Q/FY11	5,675	(60)	(15)	203	188	230

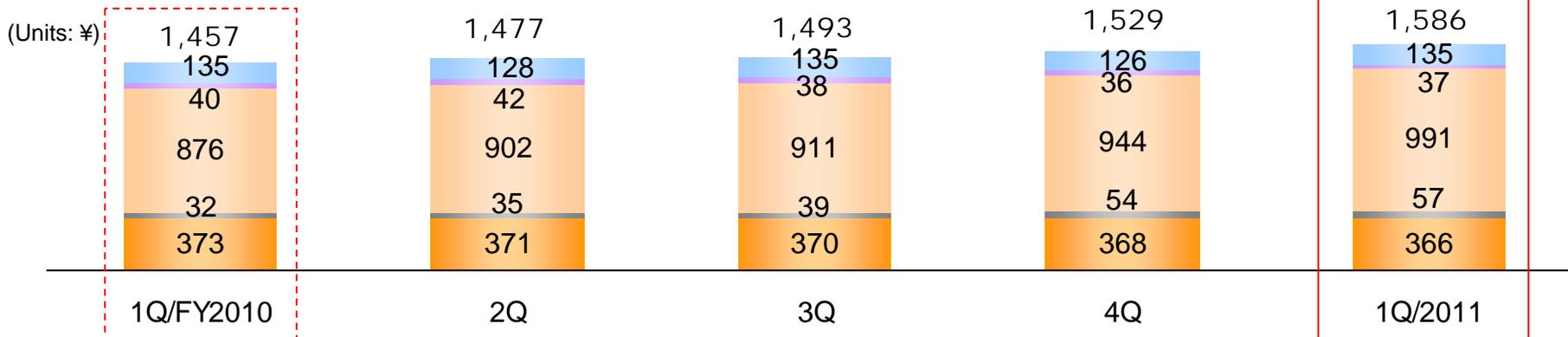
ARPU

Net ARPU increased as HD subscription rate increased.

【Gross ARPU】 * 1



【Net ARPU】 * 1



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

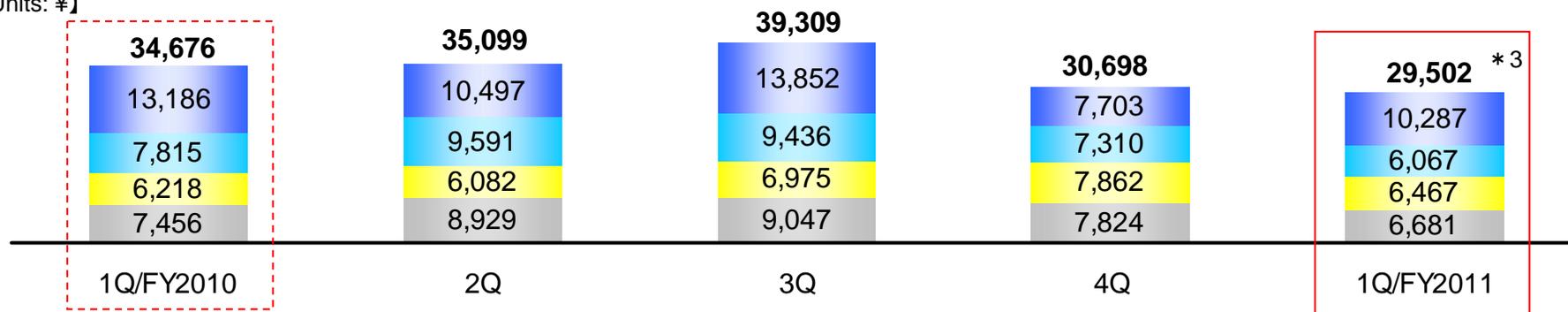
*1 ARPU is calculated while taking into account three SKY PerfectTV! services

Gross ARPU: Conventional subscription fee-based unit price

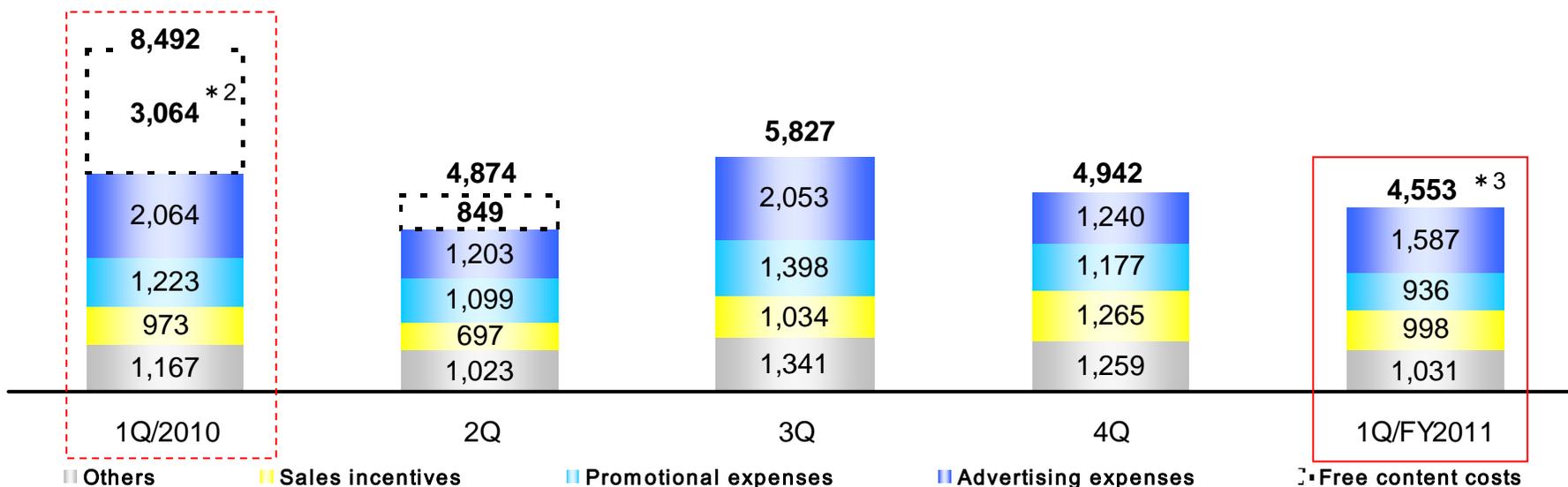
Net ARPU: Revenue-based unit price (unit price based on the subscription fee or commission fee, which contribute to sales)

Decrease due to decline in advertising expenses, etc.

【Units: ¥】



【Units: ¥ millions】 * 1



*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.

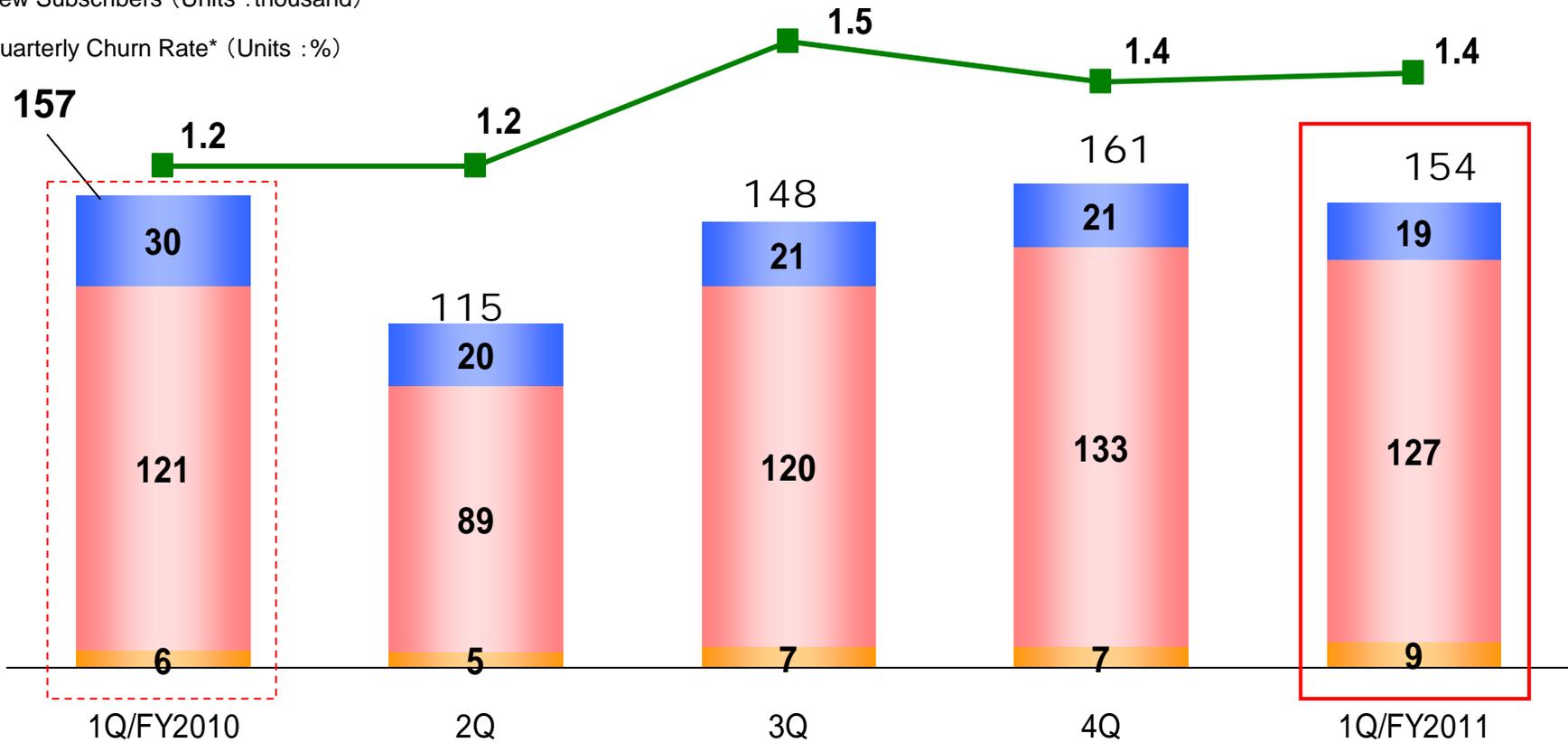
(Difference from the previous values: Unit price: -775 yen; Total: -119 million yen)

Trends in Number of New Subscribers and Churn Rate

New subscriptions mainly to SKY PerfectTV! e2 are remained healthy.

New Subscribers (Units : thousand)

Quarterly Churn Rate* (Units : %)



■ SKY PerfectTV!
 ■ SKY PerfectTV! e2
 ■ SKY PerfectTV! HIKARI
 ■ Quarterly Churn Rate (%)

* 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)

Number of New Subscribers	580	608
SKY PerfecTV!	93	115
SKY PerfecTV! e2	463	473
SKY PerfecTV! HIKARI	25	20
Net Increase	38	53
Annual Churn Rate (%)	16.3%	16.4%
Number of cumulative Subscribers	3,725	3,778

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

Measures To Be Addressed
~ Multichannel Pay TV Business ~

The new BS broadcasting to be started in October 2011

New strategies for maximizing the subscriptions to SKY PerfectTV! e2 after the release of the new BS broadcasting

Promotion according to the type of viewers

• Approach for the three types of viewers

▫ Households that watch BS and CS (9 million)

▫ Households that watch BS only (13 million)

▫ Households that watch terrestrial channels only

22 million households can
watch SKY PerfectTV! e2
including new BS

Active promotion with the mass media
(CM and newspapers) and websites, etc.

Expand the subscriber base utilizing BS SKY PerfectTV!

• Airing exclusive programs and highly-demanded contents

• Differentiation from other media, and promotion of SKY PerfectTV! e2

BS
スカパー!

Increasing subscribers of SKY PerfectTV! e2 as the new BS broadcasting is to be started.

Synergetic effects of the starting of new BS broadcasting

BS Digital

Total
22 millions households

BS channel

- NHK BS
- BSNTV
- BSTBS
- BSFUJI
- BS Asahi
- BS Japan
- BS11
- TwellV
- BSWOWOW

New BS channel

—To be started in October 2011 (A plan) —

- STAR CHANNEL 1 *
- STAR CHANNEL 2 *
- STAR CHANNEL 3 *
- GREEN CHANNEL
- BS ANIMAX *
- FOX bs238 *
- BS SKY PerfectTV! *

SKY PerfectTV!
e2 subscribers
can watch these
BS channels.

—To be started in March 2012 (A plan) —

- J sports 1
- J sports 2
- J sports 3
- J sports 4
- BS Fishing Vision
- Cinefil IMAGICA (tentative channel name)
- Japanese Movie Channel
- Disney Channel *

*The channel which can be watched only in BS

SKY PerfectTV! e2 (CS110° E)



HD: 11ch
SD: 56ch

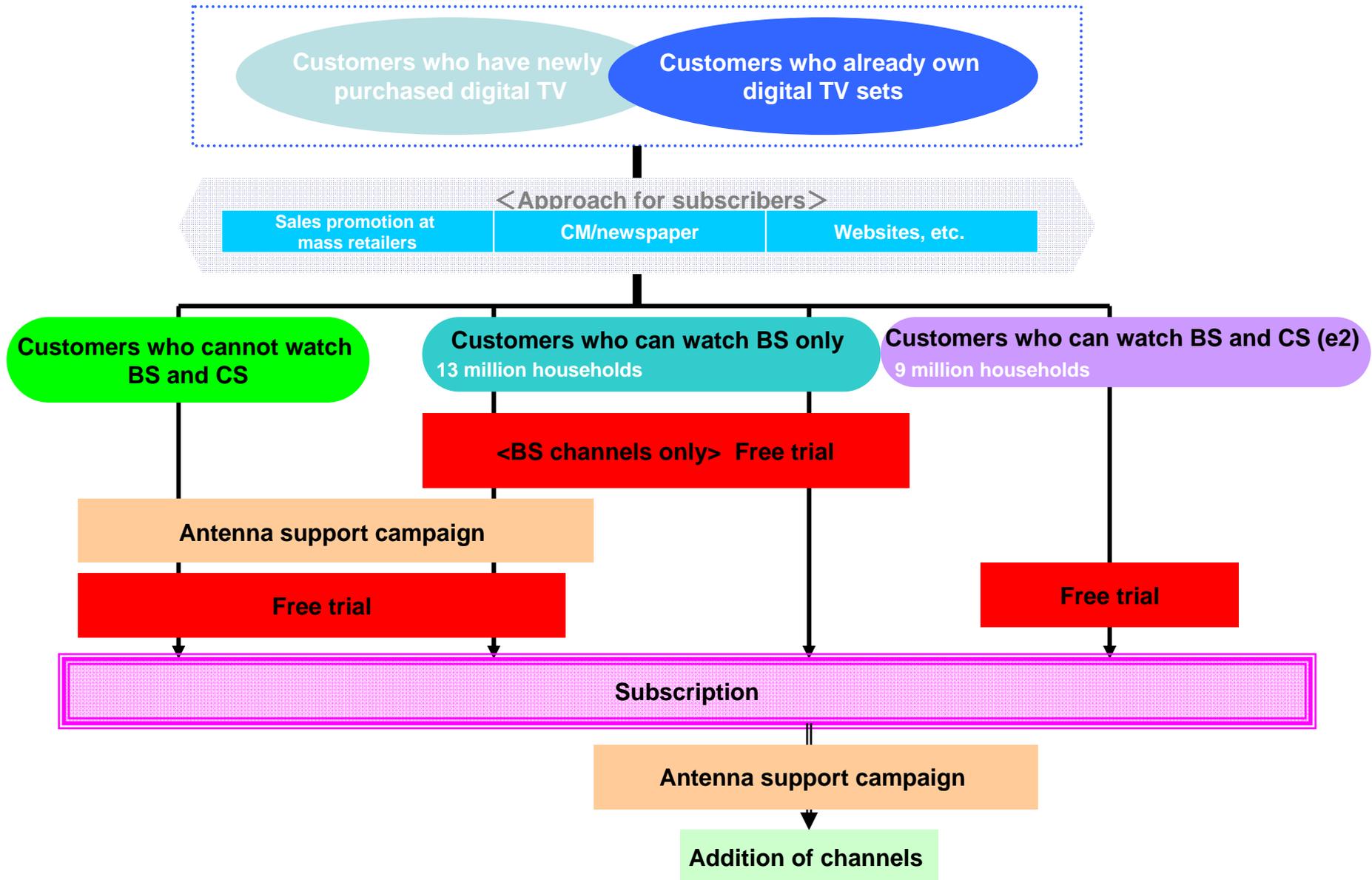


3,570円/月で
42chが見放題



3,570円/月で
全12球団徹底放送

New flow of subscription to SKY PerfectTV! e2 after the start of the new BS



To curb the net decrease by promoting shift to the HD services

To keep the cumulative subscribers to SKY PerfectTV! and SKY PerfectTV! HIKARI services

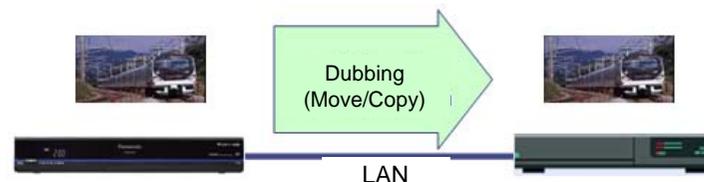
Measures for promoting HD services

- To discount the fees for “Valuable Pack” and “Select 15” (from July 1)
- Rental fee is free for 6 months (from April 1)
- Money-saving campaign for SKY PerfectTV! package (from April 1)
- HD channel will increase to 120ch level



Addition of the dubbing function

- Move/Copy setting with SKY PerfectTV! HD DVR Tuner
- Programs can be saved in disks with a DVD/blu-ray recorder.



Continuous provision of 3D contents

- To increase attractive contents by ourselves and in cooperation with broadcasters
- To start the VOD service in acTVila (from June 30)



「T-ARA First Show Case 3D」

Enhance services from the viewpoint of customers

Services for enabling customers to enjoy SKY PerfecTV! more

Program information service “beyond TV media categories”

- The largest TV information service in Japan
- Program information service including terrestrial channels, BS and CS
- To offer new opportunities for customers to know the various programs provided by SKY PerfecTV!

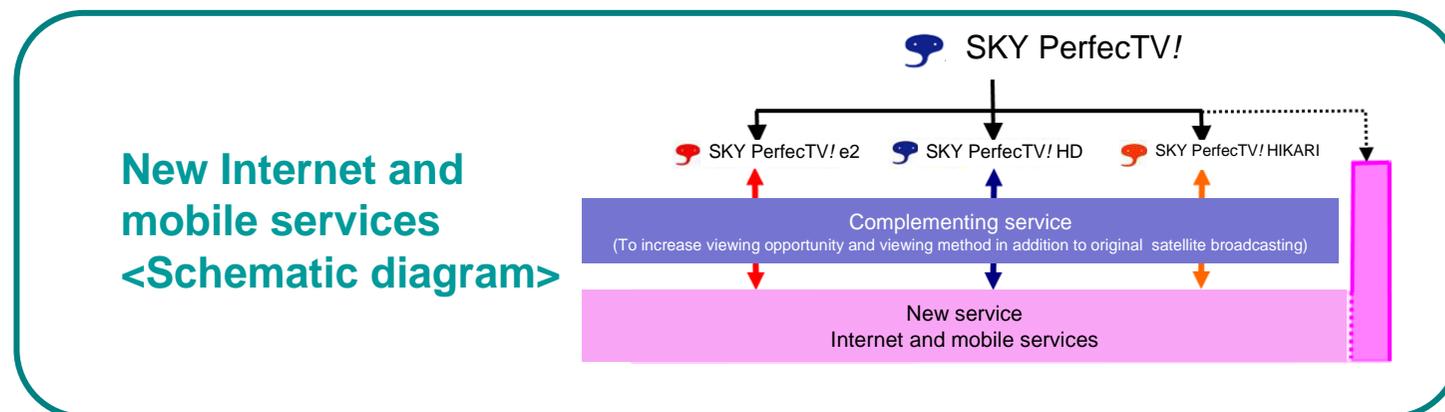


Integration of communication services

- To enrich proposal-based customer services according to viewing tendencies
- Satisfy new customers with new BS programs and the VOD service, etc.
- To minimize the cancellation of the subscription to SKY PerfecTV!

New expansion of the Internet and mobile services

To phase our SKY PerfecTV! services in the new fields



VOD distribution of SKY PerfecTV! Contents

SKY PerfecTV! On-Demand

- On-demand distribution of the programs of SKY PerfecTV! through broadband lines
- Program connecting and complementing services for subscribers



IP-based Multicast broadcasting service with simultaneous retransmission

- To enable subscribers to watch the contents of SKY PerfecTV! HD with PCs.
- To expand the range of the services of SKY PerfecTV! for non-subscribers

Measures to be Addressed
~Space & Satellite Business~

Domestic stable profit grows as demand for the BCP measures increases

Demand increase with the anti-earthquake disaster measure reinforcement of Government Agencies/corporation

Communication service

- Central government
- Fire-fighting
- Medical institutions, etc.

Revisions to anti-disaster plans
→ Increase in the demand for satellite-based communication system



An increasing number of organizations revise anti-disaster BCP plans.

- Mobile communication carriers
 - Financial institutions
 - Manufacturers
 - Electric power and gas companies
 - Local governments
- (Strengthening of radioactivity monitoring)

BCP



Cloud storage service

- Local governments
 - Data center, etc.
- The demand for cloud services emerges



Improvement of our global businesses and new businesses

Active expansion of satellite services

【Global businesses】

To increase overseas sales ratio

- Launching of JCSAT-13



Launching Image
(Arian 5)

Internet access service for vessels

- Ocean BB service
- This service is offered to LNG carrier “Energy Navigator”



Energy Navigator

【New businesses】

Disaster-resistant data storage service

- S*Plex 3 Cloud Storage Service



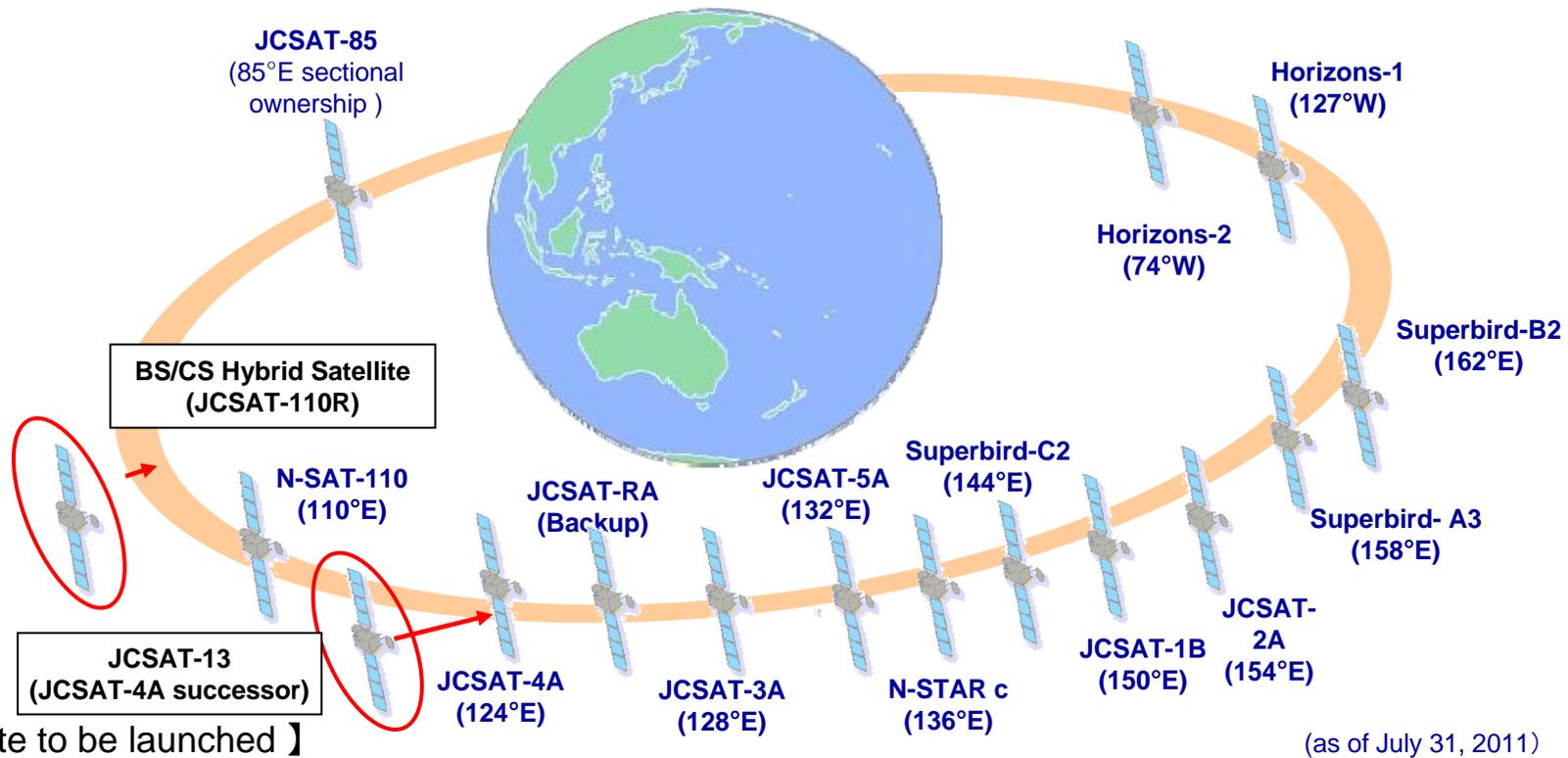
To secure the authenticity of e-documents, etc.

- Time Shower service



Satellite Fleet

14 satellites cover Middle East, Asia, Oceania, and North America broadly



【 Satellite to be launched 】

■ BS/CS Hybrid Satellite

(JCSAT-110R CS110 Back Up Satellite)

<Launch Timing>

August 6, 2011 (planned)

<Coverage Area>

Japan

<No. of Transponder >

Ku-band 12 + spare

■ JCSAT-13 (JCSAT-4A successor)

<Launch Timing>

1Q/FY2012 (April - June)

<Coverage Area>

Japan, Asia, Oceania, Middle East

<No. of Transponder >

Ku-band 44

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.