

Japan Credit Rating Agency, Ltd. (JCR) announces the following credit rating.

## SKY Perfect JSAT Holdings Inc. (security code: 9412)

### <Affirmation>

Long-term Issuer Rating: A  
Outlook: Stable  
Bonds: A  
CP: J-1

### Rationale

- (1) SKY Perfect JSAT Holdings Inc. (the “Company”) is the holding company of the SKY Perfect JSAT Group (the “Group”), which offers communications and SKY PerfectTV! multichannel pay TV broadcast services via satellites. In the Space Business, it provides Asia’s largest satellite communications services mainly to major communications companies and public offices. In the Media Business, it has a firm business platform in Japan’s multichannel pay TV broadcasting industry with the cumulative number of subscribers reaching 2.76 million as of October 31, 2023 for the mainstay SKY PerfectTV! services. Given strong management unity in the Group, JCR reflects the Group’s overall creditworthiness in the Company’s ratings.
- (2) JCR assumes that the Company’s performance will remain steady into the future. In the Media Business, despite a constant decline in the cumulative number of SKY PerfectTV! subscribers, the Company secures a certain level of profits by continuously implementing cost control measures such as the revision of advertisement and program production expenses. In the Space Business, the utilization of the three satellites launched in the fiscal year ended March 2019 (FY2018) and FY2019 has been expanding steadily, resulting in greater fundamental earning capacity. This segment is expected to keep supporting overall performance going forward, too, backed by stable demand for satellite-based services. Financial conditions are favorable, and JCR predicts that the current level of a financial structure can be maintained into the future. Based on the above, JCR affirmed the ratings on the Company and retained the Stable outlook.
- (3) The Company projects an operating revenue of 121.0 billion yen for FY2023, down 0.1% from the previous year, and operating income of 22.5 billion yen, up 0.8%. The decline in the cumulative number of subscribers in the Media Business is expected to keep pushing down the earnings in FY2023 as well, which however will likely be offset by the robust Space Business; therefore, the profit level is expected to remain flat from the previous year on the whole. Another factor contributing to income growth in recent years for the Space Business is that goodwill amortization and depreciation expenses are on a downtrend. Moreover, initiatives taken in new domains such as satellite image sales are beginning to make earnings contribution. Existing domains in the Media Business are most likely to keep shrinking going forward, too. JCR is watching whether the Company can improve its performance in the medium run by establishing the space data center and space RAN businesses as new earnings sources, where it is currently working on.
- (4) Financial standing is favorable, as indicated by equity ratio standing at 65.6% as of September 30, 2023, as opposed to 64.0% at March 31, 2023. Recently, with the completion of large-scale investment related to new satellites, the Company is steadily repaying interest-bearing debt. As it plans to spend 220 billion yen in total from FY2022 to FY2025, interest-bearing debt is assumed to increase again. That said, given the investment policy with focus on financial soundness and high cash flow generation capacity, JCR views that financial risk is unlikely to increase.

Hiroyuki Chikusa, Misa Ishizaki

### Rating

Issuer: SKY Perfect JSAT Holdings Inc.

### <Affirmation>

Long-term Issuer Rating: A      Outlook: Stable  
Issue      Amount (bn)      Issue Date      Due Date      Coupon      Rating  
Bonds no. 4      JPY 10      June 18, 2015      June 18, 2025      0.927%      A  
CP: J-1  
Maximum: JPY 10 billion



Rating Assignment Date: November 29, 2023

The assumptions for the credit ratings and the definitions of the rating symbols are published as "Types of Credit Ratings and Definitions of Rating Symbols" (January 6, 2014) in Information about JCR Ratings on JCR's website (<https://www.jcr.co.jp/en/>).

Outline of the rating methodology is shown as "JCR's Rating Methodology" (November 7, 2014), "Rating Viewpoints on Pure Holding Companies (Domestic Industrial Corporations)" (July 1, 2003) and "Rating Methodology for a Holding Company" (January 26, 2015) in Information about JCR Ratings on JCR's website (<https://www.jcr.co.jp/en/>).

The rating stakeholder participated in the rating process of the aforementioned credit ratings.

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JCR publishes its press releases regarding the rating actions both in Japanese and in English on the same day. In case that it takes time to translate rating rationale, JCR may publicize the summary version, which will be replaced by the full translated version within three business days. (Regarding Structured Finance products, JCR only publicize the summary version in English.)

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## INFORMATION DISCLOSURE FORM

Japan Credit Rating Agency, Ltd.

### Disclosure Required by Paragraph (a)(1)(ii) of Rule 17g-7

Issuer:	SKY Perfect JSAT Holdings Inc.
Rating Publication Date:	December 4, 2023

1

The Symbol, Number, or Score in the Rating Scale used to Denote Credit Rating Categories and Notches and, the Identity of the Obligor or the Identity and a Description of the Security or Money Market Instrument as Required by Paragraph (a)(1)(ii)(A) of Rule 17g-7

- Please see the news release. If the credit rating is a private rating, please see the report for private rating.

2

The version of the procedure or methodology used to determine the credit rating; as Required by Paragraph (a)(1)(ii)(B) of Rule 17g-7

- Please see the news release. If the credit rating is a private rating, please see the report for private rating.

3

The Main Assumptions and Principles used in Constructing the Procedures and Methodologies used to Determine the Credit Rating as Required by Paragraph (a)(1)(ii)(C) of Rule 17g-7

- The credit rating methodology assumes, in principle, to be applied to assess the likelihood of a given debt payment in light of its issuer's condition and business environment, etc. in the relevant future. There is certain limitation, however, in the time horizon that the rating foresees.
- The credit rating methodology assumes, in principle, that the factors posted in the below are particularly important for such likelihood to be determined, and that the rating determination is made by evaluating each of them not only quantitatively but also employing qualitative analyses.

#### A) Business Bases

The likelihood of a given debt payment is highly conditional to its issuer's business bases - how they can be maintained/ expanded into the future and thereby secure earnings and cash flows in adequacy and in a sustainable way.

#### B) Financial Grounds and Asset Quality

The likelihood of debt payment is highly dependent on the degree of the issuer's indebtedness and loss absorption capacity in terms of equity capital. Also notable is that a financial institution might see a significant loss of financial grounds as a result of changes in value of the assets under its possession.

#### C) Liquidity Positions

The likelihood of debt payment is highly dependent on the adequacy of the issuer's cash and other sources of repayment (liquidity positions).

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