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Consolidated Financial Results for the Year Ended March 31, 2024 [Japanese GAAP]

April 26, 2024

Company name: SKY Perfect JSAT Holdings Inc.

Stock exchange listing: Tokyo

Code number: 9412

URL: <https://www.skyperfectjsat.space/>

Representative: Eiichi Yonekura

Representative Director, President

Contact: Koichi Matsutani

Director

Phone: +81-3-5571-1500

Scheduled date of Annual General Meeting of Shareholders: June 21, 2024

Scheduled date of commencing dividend payments: June 24, 2024

Scheduled date of filing annual securities report: June 21, 2024

Availability of supplementary briefing material on annual financial results: Yes

Schedule of annual financial results briefing session: Yes

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(1) Consolidated Operating Results

(% indicates changes from the previous corresponding period.)

	Operating revenues		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2024	121,872	0.6	26,545	18.9	27,128	17.0	17,739	12.2
March 31, 2023	121,139	1.3	22,324	18.3	23,194	14.2	15,810	8.4

(Note) Comprehensive income: Fiscal year ended March 31, 2024: ¥ 26,221 million [38.5%]
Fiscal year ended March 31, 2023: ¥ 18,929 million [15.3%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
Fiscal year ended March 31, 2024	Yen 61.69	Yen -	% 6.7	% 6.7	% 21.8
March 31, 2023	54.44	-	6.4	6.0	18.4

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2024: ¥ (310) million
Fiscal year ended March 31, 2023: ¥ (68) million

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of March 31, 2024	Millions of yen 405,411	Millions of yen 271,982	% 66.7	Yen 953.99
March 31, 2023	399,055	256,815	64.0	879.33

(Reference) Equity: As of March 31, 2024: ¥ 270,221 million
As of March 31, 2023: ¥ 255,420 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
Fiscal year ended March 31, 2024	Millions of yen 42,404	Millions of yen (15,385)	Millions of yen (21,098)	Millions of yen 114,321
March 31, 2023	57,630	(16,870)	(19,422)	107,908

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2023	-	9.00	-	11.00	20.00	5,809	36.7	2.3
March 31, 2024	-	10.00	-	11.00	21.00	6,001	34.0	2.3
Fiscal year ending March 31, 2025 (Forecast)	-	11.00	-	11.00	22.00		34.6	

(Note) Breakdown of the year-end dividend for the fiscal year ended March 31, 2024 :

Commemorative dividend	- yen
Special dividend	- yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(% indicates changes from the previous corresponding period.)

	Operating revenues		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	123,300	1.2	25,800	(2.8)	26,200	(3.4)	18,000	1.5	63.55

* Notes:

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No

New	-	(Company name:)
Exclusion:	-	(Company name:)

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement

- 1) Changes in accounting policies due to the revision of accounting standards: No
- 2) Changes in accounting policies other than 1) above: No
- 3) Changes in accounting estimates: No
- 4) Retrospective restatement: No

(3) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

March 31, 2024:	297,578,423 shares
March 31, 2023:	297,404,212 shares

2) Number of treasury shares at the end of the period:

March 31, 2024:	14,323,086 shares
March 31, 2023:	6,933,124 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended March 31, 2024:	287,561,912 shares
Fiscal Year ended March 31, 2023:	290,416,104 shares

(Subsequent events)

(Incorporation-type company split)

On April 1, 2024, the Board of Directors of our consolidated subsidiary, SKY Perfect JSAT Corporation, established SKY Perfect Pictures Inc. through an incorporation-type company split based on the resolution of the Board of Directors of SKY Perfect JSAT Corporation held on March 5, 2024. The Company succeeded to the rights and obligations related to the "Global IP Business" (planning, production, and Sales of audio-visual content with a focus on animation as well as its peripheral businesses).

(About SKY Perfect Pictures Inc.)

Business Outline: Planning, Production investment, and Sales of audio-visual content with a focus on animation as well as its peripheral businesses

Legal method of company split: New incorporation-type company split, with SKY Perfect JSAT Corporation as the spin-off company and SKY Perfect Pictures Inc. as the successor company

Date of company split: April 1, 2024

Capital: 2 billion yen (capital + other capital surplus)

Outline of the accounting treatment to be implemented: In accordance with the "Accounting Standard for Business Combinations" and the "Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures", the transaction is treated as a transaction under common control.

Consolidated Financial Statements

Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	74,913	50,324
Accounts receivable - trade	61,474	56,985
Lease receivables	46,234	43,132
Securities	32,995	63,997
Broadcasting rights	948	855
Merchandise	1,232	1,686
Work in process	349	77
Supplies	228	148
Advance payments to suppliers	1,247	4,786
Short-term loans receivable	3,629	4,396
Accounts receivable - other	706	510
Other	4,982	4,453
Allowance for doubtful accounts	(88)	(84)
Total current assets	228,855	231,269
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,446	8,650
Machinery, equipment and vehicles, net	18,521	18,676
Telecommunications satellites, net	61,640	51,958
Land	2,924	3,102
Construction in progress	20,523	23,954
Other, net	4,337	4,951
Total property, plant and equipment	115,393	111,293
Intangible assets		
Software	4,287	4,546
Other	58	57
Total intangible assets	4,345	4,603
Investments and other assets		
Investment securities	24,856	38,944
Long-term loans receivable	12,946	9,439
Deferred tax assets	10,154	7,541
Other	2,503	2,317
Total investments and other assets	50,460	58,243
Total non-current assets	170,200	174,141
Total assets	399,055	405,411

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	254	162
Current portion of long-term borrowings	10,572	10,793
Accounts payable - other	13,715	9,818
Income taxes payable	5,804	5,099
Subscription fees received	6,754	6,408
Unearned revenue	19,145	21,946
Provision for bonuses	628	698
Other	7,201	5,272
Total current liabilities	64,076	60,198
Non-current liabilities		
Bonds payable	10,000	10,000
Long-term borrowings	52,975	45,016
Deferred tax liabilities	1,102	1,416
Retirement benefit liability	6,545	6,438
Asset retirement obligations	2,273	2,326
Other	5,266	8,032
Total non-current liabilities	78,163	73,229
Total liabilities	142,239	133,428
Net assets		
Shareholders' equity		
Share capital	10,081	10,129
Capital surplus	131,911	131,958
Retained earnings	114,333	126,015
Treasury shares	(2,924)	(7,924)
Total shareholders' equity	253,401	260,178
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(191)	6,963
Deferred gains or losses on hedges	7	516
Foreign currency translation adjustment	2,546	2,761
Remeasurements of defined benefit plans	(343)	(197)
Total accumulated other comprehensive income	2,018	10,043
Non-controlling interests	1,395	1,760
Total net assets	256,815	271,982
Total liabilities and net assets	399,055	405,411

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Operating revenue	121,139	121,872
Operating costs	69,057	66,689
Operating gross profit	52,082	55,182
Selling, general and administrative expenses	29,758	28,637
Operating profit	22,324	26,545
Non-operating income		
Interest income	1,693	2,236
Dividend income	14	19
Foreign exchange gains	57	173
Subsidy income	366	10
Other	336	448
Total non-operating income	2,468	2,888
Non-operating expenses		
Interest expenses	1,497	1,897
Share of loss of entities accounted for using equity method	68	310
Other	31	97
Total non-operating expenses	1,597	2,305
Ordinary profit	23,194	27,128
Extraordinary income		
Gain on sale of investment securities	234	-
Total extraordinary income	234	-
Extraordinary losses		
Impairment losses	73	-
Loss on valuation of investment securities	223	869
Other	9	-
Total extraordinary losses	307	869
Profit before income taxes	23,122	26,259
Income taxes - current	8,142	8,710
Income taxes - deferred	(1,119)	(606)
Total income taxes	7,022	8,103
Profit	16,099	18,155
Profit attributable to non-controlling interests	289	416
Profit attributable to owners of parent	15,810	17,739

Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Profit	16,099	18,155
Other comprehensive income		
Valuation difference on available-for-sale securities	(121)	7,155
Deferred gains or losses on hedges	134	504
Foreign currency translation adjustment	2,687	214
Remeasurements of defined benefit plans, net of tax	138	146
Share of other comprehensive income of entities accounted for using equity method	(8)	44
Total other comprehensive income	2,830	8,066
Comprehensive income	18,929	26,221
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	18,565	25,764
Comprehensive income attributable to non-controlling interests	364	457

Consolidated Statements of Changes in Equity

For the fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	10,081	131,892	103,749	(3,000)	242,724
Changes during period					
Issuance of new shares					-
Dividends of surplus			(5,226)		(5,226)
Profit attributable to owners of parent			15,810		15,810
Purchase of treasury shares					-
Disposal of treasury shares		18		75	93
Change in scope of equity method					-
Net changes in items other than shareholders' equity					
Total changes during period	-	18	10,583	75	10,677
Balance at end of period	10,081	131,911	114,333	(2,924)	253,401

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	(67)	(45)	(140)	(482)	(736)	1,088	243,077
Changes during period							
Issuance of new shares							-
Dividends of surplus							(5,226)
Profit attributable to owners of parent							15,810
Purchase of treasury shares							-
Disposal of treasury shares							93
Change in scope of equity method							-
Net changes in items other than shareholders' equity	(124)	53	2,687	138	2,754	306	3,061
Total changes during period	(124)	53	2,687	138	2,754	306	13,738
Balance at end of period	(191)	7	2,546	(343)	2,018	1,395	256,815

For the fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	10,081	131,911	114,333	(2,924)	253,401
Changes during period					
Issuance of new shares	47	47			94
Dividends of surplus			(6,081)		(6,081)
Profit attributable to owners of parent			17,739		17,739
Purchase of treasury shares				(4,999)	(4,999)
Disposal of treasury shares					-
Change in scope of equity method			24		24
Net changes in items other than shareholders' equity					
Total changes during period	47	47	11,681	(4,999)	6,776
Balance at end of period	10,129	131,958	126,015	(7,924)	260,178

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	(191)	7	2,546	(343)	2,018	1,395	256,815
Changes during period							
Issuance of new shares							94
Dividends of surplus							(6,081)
Profit attributable to owners of parent							17,739
Purchase of treasury shares							(4,999)
Disposal of treasury shares							-
Change in scope of equity method							24
Net changes in items other than shareholders' equity	7,155	508	214	146	8,025	365	8,391
Total changes during period	7,155	508	214	146	8,025	365	15,167
Balance at end of period	6,963	516	2,761	(197)	10,043	1,760	271,982

Consolidated Statements of Cash Flows

(Millions of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	23,122	26,259
Depreciation	21,165	20,231
Impairment losses	73	-
Amortization of goodwill	67	-
Interest and dividend income	(1,708)	(2,255)
Interest expenses	1,497	1,897
Share of loss (profit) of entities accounted for using equity method	68	310
Loss (gain) on valuation of investment securities	223	869
Decrease (increase) in trade receivables	2,601	4,621
Increase (decrease) in broadcasting rights	(552)	92
Decrease (increase) in inventories	(429)	(101)
Decrease (increase) in advance payments to suppliers	313	(3,538)
Increase (decrease) in accounts payable - other	665	(3,898)
Increase (decrease) in unearned revenue	8,285	2,797
Decrease (increase) in lease receivables	199	3,102
Other, net	6,120	37
Subtotal	61,714	50,424
Interest and dividends received	1,660	2,263
Interest paid	(1,207)	(1,908)
Income taxes paid	(4,536)	(8,375)
Net cash provided by (used in) operating activities	57,630	42,404
Cash flows from investing activities		
Purchase of property, plant and equipment	(15,974)	(13,473)
Purchase of intangible assets	(1,441)	(1,902)
Purchase of investment securities	(584)	(234)
Proceeds from sale and redemption of investment securities	969	-
Proceeds from collection of loans receivable	3,240	3,847
Purchase of shares of subsidiaries and associates	(3,000)	(3,623)
Other, net	(79)	1
Net cash provided by (used in) investing activities	(16,870)	(15,385)
Cash flows from financing activities		
Repayments of finance lease liabilities	(0)	-
Proceeds from long-term borrowings	-	1,000
Repayments of long-term borrowings	(9,140)	(10,886)
Redemption of bonds	(5,000)	-
Purchase of treasury shares	-	(5,044)
Dividends paid	(5,223)	(6,076)
Dividends paid to non-controlling interests	(58)	(92)
Other, net	-	0
Net cash provided by (used in) financing activities	(19,422)	(21,098)
Effect of exchange rate change on cash and cash equivalents	656	492
Net increase (decrease) in cash and cash equivalents	21,994	6,413
Cash and cash equivalents at beginning of period	85,914	107,908
Cash and cash equivalents at end of period	107,908	114,321