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Consolidated Financial Results for the Three Months Ended June 30, 2019 [Japanese GAAP]

July 31, 2019

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: Masao Nito

Director

Phone: 03-5571-1500

Scheduled date of filing quarterly securities report: August 02, 2019

Scheduled date of commencing dividend payments: -

Availability of supplementary briefing material on quarterly financial results: Yes

Schedule of quarterly financial results briefing session: Yes

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

1. Consolidated Financial Results for the Three Months Ended June 30, 2019 (April 01, 2019 to June 30, 2019)

(1) Consolidated Operating Results

(% indicates changes from the previous corresponding period.)

	Operating revenues		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended June 30, 2019	34,519	(41.3)	3,694	(20.5)	3,807	(25.2)	2,464	(25.8)
June 30, 2018	58,772	58.0	4,646	7.2	5,090	12.2	3,321	12.9

(Note) Comprehensive income: Three months ended June 30, 2019: ¥ 2,410 million [(13.7)%]
Three months ended June 30, 2018: ¥ 2,791 million [(25.4)%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2019	8.30	-
June 30, 2018	11.18	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of June 30, 2019	374,203	224,054	59.2	745.71
March 31, 2019	376,102	224,014	58.9	745.26

(Reference) Equity: As of June 30, 2019: ¥ 221,482 million
As of March 31, 2019: ¥ 221,349 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2019	-	9.00	-	9.00	18.00
Fiscal year ending March 31, 2020	-				
Fiscal year ending March 31, 2020 (Forecast)		9.00	-	9.00	18.00

(Note) Revision to the forecast for dividends announced most recently: No

(Note) Breakdown of the 1st quarter dividend for the fiscal year ending March 31, 2020 :

Commemorative dividend	- yen
Special dividend	- yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2020(April 01, 2019 to March 31, 2020)

(% indicates changes from the previous corresponding period.)

	Operating revenues		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	143,500	(12.5)	15,000	(1.9)	15,500	(6.9)	10,000	3.3	33.67

(Note) Revision to the financial results forecast announced most recently: No

* Notes:

(1) Changes in significant subsidiaries during the three months ended June 30, 2019

(changes in specified subsidiaries resulting in changes in scope of consolidation): No

New - (Company name:)

Exclusion: - (Company name:)

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No

(3) 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

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

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

June 30, 2019: 297,007,848 shares

March 31, 2019: 344,603,700 shares

2) Total number of treasury shares at the end of the period:

June 30, 2019: - shares

March 31, 2019: 47,595,852 shares

3) Average number of shares during the period:

Three months ended June 30, 2019: 297,007,848 shares

Three months ended June 30, 2018: 297,007,848 shares

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31,2019	As of June 30,2019
Assets		
Current assets		
Cash and deposits	28,590	29,046
Accounts receivable - trade	77,520	74,196
Lease receivables	3,063	2,964
Securities	19,499	20,499
Broadcasting rights	1,407	626
Merchandise	632	600
Work in process	31,602	33,653
Supplies	320	288
Short-term loans receivable	202	202
Accounts receivable - other	343	88
Other	3,228	4,638
Allowance for doubtful accounts	(445)	(447)
Total current assets	165,966	166,357
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	9,667	9,560
Machinery, equipment and vehicles, net	22,337	22,448
Telecommunications satellites, net	93,147	90,264
Land	2,924	2,924
Construction in progress	15,422	16,554
Other, net	3,870	4,219
Total property, plant and equipment	147,370	145,972
Intangible assets		
Goodwill	2,701	2,481
Software	6,726	6,417
Other	62	62
Total intangible assets	9,490	8,962
Investments and other assets		
Investment securities	20,565	20,384
Long-term loans receivable	20,023	20,041
Deferred tax assets	9,502	9,356
Other	3,184	3,129
Total investments and other assets	53,275	52,911
Total non-current assets	210,136	207,846
Total assets	376,102	374,203

(Million yen)

	As of March 31,2019	As of June 30,2019
Liabilities		
Current liabilities		
Accounts payable - trade	358	256
Current portion of bonds	-	5,000
Current portion of long-term borrowings	5,208	5,388
Accounts payable - other	10,340	9,649
Income taxes payable	2,393	1,370
Subscription fees received	8,222	8,593
Unearned revenue	2,881	9,522
Provision for bonuses	605	278
Other	7,837	4,121
Total current liabilities	37,846	44,179
Non-current liabilities		
Bonds payable	20,000	15,000
Long-term borrowings	82,878	79,682
Deferred tax liabilities	427	398
Provision for retirement benefits for directors (and other officers)	6	6
Retirement benefit liability	6,002	6,030
Asset retirement obligations	2,203	2,211
Other	2,723	2,639
Total non-current liabilities	114,240	105,969
Total liabilities	152,087	150,148
Net assets		
Shareholders' equity		
Share capital	10,000	10,000
Capital surplus	158,054	132,128
Retained earnings	79,823	79,614
Treasury shares	(26,268)	-
Total shareholders' equity	221,609	221,743
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	293	(44)
Deferred gains or losses on hedges	(736)	(992)
Foreign currency translation adjustment	482	1,073
Remeasurements of defined benefit plans	(299)	(297)
Total accumulated other comprehensive income	(260)	(260)
Non-controlling interests	2,665	2,572
Total net assets	224,014	224,054
Total liabilities and net assets	376,102	374,203

Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income (For the three months)

(Million yen)

	For the three months ended June 30,2018	For the three months ended June 30,2019
Operating revenue	58,772	34,519
Operating cost	44,918	22,727
Operating gross profit	13,854	11,791
Selling, general and administrative expenses	9,208	8,096
Operating profit	4,646	3,694
Non-operating income		
Interest income	484	576
Dividend income	7	5
Share of profit of entities accounted for using equity method	98	26
Foreign exchange gains	39	-
Other	148	49
Total non-operating income	777	658
Non-operating expenses		
Interest expenses	317	477
Foreign exchange losses	-	55
Other	15	12
Total non-operating expenses	333	545
Ordinary profit	5,090	3,807
Extraordinary income		
Income from compensation for damage	6	-
Total extraordinary income	6	-
Profit before income taxes	5,096	3,807
Income taxes - current	1,517	1,168
Income taxes - deferred	226	228
Total income taxes	1,744	1,396
Profit	3,352	2,410
Profit (loss) attributable to non-controlling interests	30	(53)
Profit attributable to owners of parent	3,321	2,464

Quarterly Consolidated Statements of Comprehensive Income (For the three months)

(Million yen)

	For the three months ended June 30,2018	For the three months ended June 30,2019
Profit	3,352	2,410
Other comprehensive income		
Valuation difference on available-for-sale securities	138	(341)
Deferred gains or losses on hedges	972	(251)
Foreign currency translation adjustment	(1,689)	591
Remeasurements of defined benefit plans, net of tax	1	2
Share of other comprehensive income of entities accounted for using equity method	16	(1)
Total other comprehensive income	(560)	(0)
Comprehensive income	2,791	2,410
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,763	2,463
Comprehensive income attributable to non-controlling interests	28	(53)

Quarterly Consolidated Statements of Cash Flows

(Million yen)

	For the three months ended June 30,2018	For the three months ended June 30,2019
Cash flows from operating activities		
Profit before income taxes	5,096	3,807
Depreciation	5,742	6,263
Amortization of goodwill	219	219
Interest and dividend income	(491)	(581)
Interest expenses	317	477
Share of loss (profit) of entities accounted for using equity method	(98)	(26)
Decrease (increase) in trade receivables	(22,075)	3,326
Decrease in broadcasting rights	1,241	781
Decrease (increase) in accounts receivable - other	1,728	255
Decrease (increase) in inventories	19,280	(1,987)
Increase (decrease) in accounts payable - other	(3,259)	(691)
Increase (decrease) in unearned revenue	5,437	6,641
Decrease (increase) in lease receivables	(1,057)	99
Other, net	(1,119)	(3,260)
Subtotal	10,962	15,324
Interest and dividends received	479	716
Interest paid	(556)	(522)
Income taxes paid	(3,007)	(1,993)
Net cash provided by (used in) operating activities	7,877	13,524
Cash flows from investing activities		
Purchase of property, plant and equipment	(5,324)	(5,878)
Purchase of intangible assets	(1,342)	(917)
Purchase of shares of subsidiaries and associates	(1,196)	-
Long-term loan advances	(2,313)	-
Other, net	37	(71)
Net cash provided by (used in) investing activities	(10,139)	(6,868)
Cash flows from financing activities		
Repayments of finance lease obligations	(56)	(57)
Proceeds from long-term borrowings	13,459	-
Repayments of long-term borrowings	(1,675)	(2,476)
Dividends paid	(2,613)	(2,624)
Dividends paid to non-controlling interests	(38)	(39)
Net cash provided by (used in) financing activities	9,076	(5,197)
Effect of exchange rate change on cash and cash equivalents	(46)	(3)
Net increase (decrease) in cash and cash equivalents	6,767	1,456
Cash and cash equivalents at beginning of period	46,304	48,089
Cash and cash equivalents at end of period	53,072	49,545