

# Summary of Business Results for the Nine Months Ended December 31, 2013

SKY Perfect JSAT Holdings Inc. (Head Office: Minato-ku, Tokyo; Representative Director, President: Shinji Takada) today announced the consolidated financial and operational results for the nine months ended December 31, 2013.

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This material contains forward-looking statements based on SKY Perfect JSAT Holdings' own projections and estimates. The markets where SKY Perfect JSAT Holdings Inc. is active are extremely volatile, subject to rapid changes in technology, customer demands, economic conditions including prices, the potential failures of satellites and many other variables. Due to the risks and uncertainties involved, actual results may differ from the content of these statements. Therefore, these statements should not be interpreted as representations that such objectives will be fulfilled.

## Supplementary Data

### I . Consolidated Financial Highlights

(Unit: Millions of Yen)

	For the year ended March 31, 2013					For the year ending March 31, 2014		
	1Q	2Q	3Q	4Q	Cumulative	1Q	2Q	3Q
Revenues	39,086	39,429	39,390	41,703	159,609	41,044	41,759	41,391
Operating Income	5,043	3,144	4,623	3,342	16,153	5,210	5,692	6,084
Ordinary Income	4,922	3,029	4,766	2,979	15,698	5,246	5,635	6,088
Net Income	3,228	1,745	2,856	1,851	9,682	3,140	3,387	3,628
Net Income per Share <sup>*1</sup>	9.59	5.18	8.50	5.50	28.77	9.33	10.06	11.05
Total Equity per Share <sup>*1</sup>	553.46	557.70	561.18	571.33	571.33	576.79	588.24	600.11
EBITDA <sup>*2</sup>	11,127	9,762	11,688	9,870	42,448	11,835	11,961	12,119
Simple EBITDA <sup>*3</sup>	11,078	9,724	11,410	10,055	42,269	11,580	11,813	11,957
Cash Dividend per Share <sup>*4</sup>	-	600	-	600	1,200	-	600	-

\*1. Our common shares have been split at a ratio of 1:100 on October 1, 2013. The figures of Net Income per share and Total Equity per share have been calculated on the basis that the split had been effective at the beginning of the year ended March 31, 2013.

\*2. EBITDA is calculated as Net Income + Tax Expense+ Depreciation Expense+ Interest Expense.

\*3. Simple EBITDA is calculated as Operating Income + Depreciation Expense.

\*4. Our common shares have been split at a ratio of 1:100 on October 1, 2013. The figure of cash dividend forecast at the end of the year ending March 31, 2014 will be reflected it.

(Unit: Millions of Yen)

Main Selling and Administrative Expenses	For the year ended March 31, 2013					For the year ending March 31, 2014		
	1Q	2Q	3Q	4Q	Cumulative	1Q	2Q	3Q
Advertisement Expenses	1,561	2,169	1,722	2,025	7,480	1,521	1,548	2,126
Promotion Expenses	870	1,191	1,311	1,930	5,304	1,422	1,236	1,379
Agency Commission	662	534	678	719	2,594	562	516	465

### II . Consolidated Balance Sheets

(Unit: Millions of Yen)

	As of Jun. 30, 2012	As of Sep. 30, 2012	As of Dec. 31, 2012	As of Mar. 31, 2013		As of Jun. 30, 2013	As of Sep. 30, 2013	As of Dec. 31, 2013
<b>Assets:</b>								
Current assets	102,099	101,244	93,863	104,431	-	111,068	119,741	96,402
Fixed assets	197,522	195,414	190,165	186,055	-	181,404	179,681	179,303
Total Assets	299,622	296,658	284,029	290,486	-	292,473	299,422	275,705
<b>Liabilities and Equity:</b>								
Current liabilities	54,629	52,064	44,393	51,329	-	53,026	73,149	64,307
Long-term liabilities	58,615	56,771	50,262	46,463	-	44,923	27,922	26,066
Total Liabilities	113,244	108,836	94,656	97,793	-	97,949	101,072	90,374
Shareholders' equity	187,757	189,502	190,339	192,191	-	193,538	196,925	183,289
Valuation and translation adjustments	(1,490)	(1,808)	(1,474)	90	-	582	1,050	1,673
Stock acquisition rights	22	-	-	-	-	-	-	-
Minority interests	88	128	507	410	-	402	374	368
Total Equity	186,377	187,822	189,373	192,693	-	194,523	198,350	185,331
Total Liabilities and Equity	299,622	296,658	284,029	290,486	-	292,473	299,422	275,705

**III. Segment Information**

(Unit: Millions of Yen)

	For the year ended March 31, 2013					For the year ending March 31, 2014		
	1Q	2Q	3Q	4Q	Cumulative	1Q	2Q	3Q
Revenues	39,086	39,429	39,390	41,703	159,609	41,044	41,759	41,391
Multichannel Pay TV Business	28,400	28,465	28,432	29,117	114,415	30,405	30,686	30,620
Space & Satellite Business	13,444	13,790	13,853	15,556	56,645	13,818	14,371	14,041
Eliminations and Corporate Total	(2,759)	(2,826)	(2,895)	(2,970)	(11,452)	(3,179)	(3,297)	(3,271)
Operating Income (Loss)	5,043	3,144	4,623	3,342	16,153	5,210	5,692	6,084
Multichannel Pay TV Business	819	(836)	487	(1,289)	(819)	625	954	1,081
Space & Satellite Business	4,376	4,149	4,284	4,788	17,598	4,713	4,880	5,141
Eliminations and Corporate Total	(153)	(168)	(149)	(155)	(626)	(128)	(142)	(138)
Depreciation Expense	6,035	6,579	6,787	6,713	26,116	6,369	6,120	5,873
Multichannel Pay TV Business	—	—	—	—	8,047	—	—	—
Space & Satellite Business	—	—	—	—	17,614	—	—	—
Eliminations and Corporate Total	—	—	—	—	454	—	—	—
Capital Expenditures	3,447	5,890	2,245	2,267	13,851	1,715	5,629	6,444
Multichannel Pay TV Business	—	—	—	—	7,354	—	—	—
Space & Satellite Business	—	—	—	—	6,428	—	—	—
Eliminations and Corporate Total	—	—	—	—	68	—	—	—

**IV. Cash Flows**

(Unit: Millions of Yen)

	For the year ended March 31, 2013					For the year ending March 31, 2014		
	1Q	2Q	3Q	4Q	Cumulative	1Q	2Q	3Q
Net Cash Provided by Operating Activities	13,987	10,848	4,198	9,338	38,372	15,938	4,821	5,852
Net Cash Provided by (Used in) Investing Activities	(4,098)	(4,902)	(2,068)	(49)	(11,119)	(2,456)	(3,764)	(5,245)
Purchases of Property and Equipment- Net	(4,583)	(5,411)	(2,376)	(1,212)	(13,584)	(2,879)	(4,805)	(6,844)
Net Cash Provided by (Used in) Financing Activities	(3,482)	(4,355)	(8,175)	(3,387)	(19,401)	(4,899)	2,027	(23,145)

**V. Reference Data of Multichannel Pay TV Service**

(Unit: Thousand)

Number of Subscribers and Churn Rate	For the year ended March 31, 2013					For the year ending March 31, 2014		
	1Q	2Q	3Q	4Q	Cumulative	1Q	2Q	3Q
New Subscribers	Total for SKY PerfecTV! <sup>*5</sup>							
	165	131	159	167	622	132	111	113
	SKY PerfecTV! (Former SKY PerfecTV! e2)							
	141	113	142	151	546	116	96	99
	Premium Service							
	0	14	14	14	61	12	12	11
	Premium Service HIKARI							
	5	4	3	3	15	3	3	3
Number of Re-registered Subscribers	Total for SKY PerfecTV! <sup>*5</sup>							
	25	16	15	49	104	24	20	16
	SKY PerfecTV! (Former SKY PerfecTV! e2)							
	21	14	12	43	90	21	17	14
	Premium Service							
	3	2	2	6	14	3	2	2
	Premium Service HIKARI							
	0	0	0	0	0	0	1	0
Churn	Total for SKY PerfecTV! <sup>*5</sup>							
	173	159	191	188	711	188	153	198
	SKY PerfecTV! (Former SKY PerfecTV! e2)							
	88	91	122	110	411	105	94	129
	Premium Service							
	79	63	64	69	275	65	55	67
	Premium Service HIKARI <sup>*6</sup>							
	6	5	5	8	25	18	3	3
Net Increase	Total for SKY PerfecTV! <sup>*5</sup>							
	17	(13)	(18)	28	15	(32)	(22)	(69)
	SKY PerfecTV! (Former SKY PerfecTV! e2)							
	74	35	32	83	225	32	19	(16)
	Premium Service							
	(56)	(47)	(48)	(50)	(201)	(50)	(42)	(54)
	Premium Service HIKARI							
	(1)	(1)	(2)	(5)	(10)	(14)	1	0
Total Subscribers	Total for SKY PerfecTV! <sup>*5</sup>							
	3,831	3,819	3,801	3,829	3,829	3,797	3,775	3,706
	SKY PerfecTV! (Former SKY PerfecTV! e2)							
	1,812	1,847	1,879	1,963	1,963	1,995	2,014	1,998
	Premium Service							
	1,907	1,860	1,812	1,762	1,762	1,712	1,671	1,617
	(High Definition)							
	708	804	878	1,032	1,032	1,128	1,179	1,241
	Premium Service HIKARI							
	113	112	109	104	104	90	91	91
Churn Rate(%) <sup>*7</sup>	Total for SKY PerfecTV! <sup>*5</sup>							
	1.5%	1.4%	1.7%	1.6%	18.6%	1.6%	1.3%	1.8%
	SKY PerfecTV! (Former SKY PerfecTV! e2)							
	1.6%	1.7%	2.2%	1.9%	22.2%	1.8%	1.6%	2.2%
	Premium Service							
	1.4%	1.1%	1.2%	1.3%	14.8%	1.2%	1.1%	1.3%
	Premium Service HIKARI <sup>*6</sup>							
	1.8%	1.6%	1.6%	2.5%	22.8%	5.8%	1.2%	1.0%

\*5. The figures are the total amounts for SKY PerfecTV! (former SKY PerfecTV! e2), Premium Service, and Premium Service HIKARI. SKY PerfecTV! is the service (former SKY PerfecTV!e2) using the satellite at 110 degrees east longitude. Premium Service is the service using the satellites at 124 and 128 degrees east longitude (including standard definition channels). Premium Service HIKARI is the service using optical fibers.

\*6. As the standard definition service in SKY PerfecTV! Premium service HIKARI ended at the end of June, 2013, the number of churn and churn rate of the service increased temporary for the 1st quarter of the year ending March 31,2014.

\*7. Quarterly Churn Rate = Average monthly churn rate for 3 months.

Annualized Churn Rate = Total for 12 months of monthly churn rate: churns during the current month/Total Subscribers at the end of the previous month.

Subscriber Acquisition Cost (Total for SKY PerfecTV!)	For the year ended March 31, 2013					For the year ending March 31, 2014		
	1Q	2Q	3Q	4Q	Cumulative	1Q	2Q	3Q
SAC per Subscriber (¥) <sup>*8</sup>	26,117	35,244	28,319	31,065	29,931	30,121	32,888	35,967
	Advertisement expenses <sup>*9</sup>							
	8,701	15,637	10,008	11,202	11,167	10,525	12,806	17,114
	Promotion expenses							
	2,113	3,627	3,344	4,207	3,309	3,075	3,872	3,870
	Sales incentives							
	3,198	3,111	3,218	3,031	3,140	2,951	3,208	2,401
	User incentives <sup>*10</sup>							
	6,102	6,321	5,480	5,341	5,784	5,837	5,574	5,155
	Others							
	6,003	6,547	6,270	7,285	6,531	7,733	7,427	7,426
SAC Total (¥ million) <sup>*8</sup>	4,603	5,285	5,042	5,764	20,695	4,399	4,173	4,576
	Advertisement expenses <sup>*9</sup>							
	1,435	2,046	1,590	1,875	6,948	1,384	1,423	1,933
	Promotion expenses							
	348	474	531	704	2,059	404	430	437
	Sales incentives							
	527	407	511	507	1,953	388	356	271
	User incentives <sup>*10</sup>							
	1,006	827	870	894	3,599	767	619	582
	Others							
	990	857	996	1,220	4,063	1,017	825	839
	Free content costs <sup>*11</sup>							
	294	672	542	561	2,071	436	517	513

\*8. Advertising expense does not include public relations expenses. Other includes SKY Perfect Customer-relations Corporation costs in addition to outsourcing fees.

\*9. The amount of advertising expenses of the 1Q for the year ending March 31, 2014 was revised.

\*10. User incentives are the costs such as antenna installation, incentives for new subscription and etc.

\*11. Free content costs are broadcast rights fees and production costs, etc. related to the BS SKY PerfecTV! since the year ended March 31, 2012.

(Unit: Yen)

ARPU (Total for SKY PerfecTV!)	For the year ended March 31, 2013					For the year ending March 31, 2014		
	1Q	2Q	3Q	4Q	Cumulative	1Q	2Q	3Q
Average Monthly Subscriber's Payment <sup>*12</sup>	3,223	3,238	3,194	3,143	3,200	3,190	3,198	3,174
Revenues from own content	132	129	137	126	131	152	147	151
PPV Subscription fee	69	67	62	61	65	53	52	46
Monthly subscription fee	2,603	2,623	2,577	2,540	2,586	2,573	2,588	2,566
Rental fee	61	61	61	61	61	58	56	56
Basic fee	359	358	357	356	357	354	355	354
ARPU <sup>*12</sup>	1,738	1,765	1,808	1,828	1,784	1,938	1,991	2,032
Revenues from own content	132	129	137	126	131	152	147	151
PPV Subscription fee	30	29	37	36	33	35	38	38
Monthly subscription fee	1,157	1,188	1,216	1,251	1,203	1,338	1,396	1,433
Rental fee	61	61	61	61	61	58	56	56
Basic fee	359	358	357	356	357	354	355	354

\*12. Average Monthly Subscriber's Payment: Conventional subscription fee-based unit price

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

**VI. Operating Results of Major Subsidiaries**

(Unit: Millions of Yen)

		For the year ended March 31, 2013					For the year ending March 31, 2014		
		1Q	2Q	3Q	4Q	Cumulative	1Q	2Q	3Q
SKY Perfec JSAT Corporation	Revenue	30,904	30,803	30,500	31,925	124,135	31,244	31,154	30,627
	Operating Income	4,996	3,238	4,098	2,704	15,037	5,044	5,405	5,524
	Ordinary Income	5,152	3,354	4,272	3,195	15,974	5,246	5,404	5,927
SKY Perfec Customer-relations Corporation	Revenue	2,429	2,294	2,351	2,631	9,707	2,107	1,814	1,808
	Operating Income(loss)	(247)	(378)	104	270	(250)	58	(326)	(94)
	Ordinary Income(loss)	(244)	(376)	115	271	(234)	60	(326)	(94)
SKY Perfec Broadcasting Corporation	Revenue	10,005	10,481	11,238	11,880	43,605	13,714	14,587	14,898
	Operating Income	55	71	142	170	439	254	248	290
	Ordinary Income	56	72	143	171	443	255	249	291
OptiCast Inc.	Revenue	2,852	2,851	2,815	2,791	11,310	2,800	2,752	2,831
	Operating Income(loss)	352	233	254	266	1,106	(163)	359	413
	Ordinary Income(loss)	339	220	248	258	1,067	(166)	351	403
Satellite Network, Inc.	Revenue	1,489	1,498	1,526	1,769	6,284	963	1,117	954
	Operating Income	113	144	136	209	604	119	122	53
	Ordinary Income	100	131	125	199	557	116	116	49
JSAT International Inc.	Revenue	417	443	457	511	1,829	606	689	644
	Operating Income	132	159	180	230	702	280	344	304
	Ordinary Income	134	159	180	233	708	281	351	309
SKY Perfec JSAT Holdings Inc.	Revenue	-	-	-	4,994	4,994	-	-	-
	Operating Income(loss)	(205)	(196)	(179)	4,811	4,229	(191)	(184)	(182)
	Ordinary Income(loss)	(201)	(196)	(174)	4,810	4,237	(187)	(183)	(188)

**VII. Performance Forecasts**

(Unit: Millions of Yen)

Consolidated Performance Forecast	For the year ending March 31, 2014			
	Revenues	Operating Income	Ordinary Income	Net Income
Full Year	164,000	17,000	16,500	10,000

(Unit: Yen)

Dividends Forecast per Unit Share <sup>*4</sup>	For the year ending March 31, 2014
Interim	600.00
Year-End	600.00
Total	1,200.00