

Summary of Business Results for the Six Months Ended September 30, 2014

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 six months ended September 30, 2014.

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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, 2014					For the year ending March 31, 2015	
	1Q	2Q	3Q	4Q	Cumulative	1Q	2Q
Revenues	41,044	41,759	41,391	47,487	171,683	42,239	40,141
Operating Income	5,210	5,692	6,084	4,725	21,713	7,015	5,814
Ordinary Income	5,246	5,635	6,088	4,559	21,529	7,067	5,694
Net Income	3,140	3,387	3,628	(496)	9,659	6,587	3,469
Net Income per Share ^{*1}	9.33	10.06	11.05	(0.93)	29.50	21.37	11.26
Total Equity per Share ^{*1}	576.79	588.24	600.11	598.13	598.13	610.72	623.53
EBITDA ^{*2}	11,835	11,961	12,119	7,756	43,673	13,698	11,514
Simple EBITDA ^{*3}	11,580	11,813	11,957	10,794	46,146	12,718	11,490
Cash Dividend per Unit Share ^{*4}	-	600	-	6	-	-	6

*1. Our common shares were split at a ratio of 1:100 on October 1, 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 were split at a ratio of 1:100 on October 1, 2013. The figure of cash dividend at the end of the 2nd Quarter of the year ended March 31, 2014 is the actual paid amount.

(Unit: Millions of Yen)

Main Selling and Administrative Expenses	For the year ended March 31, 2014					For the year ending March 31, 2015	
	1Q	2Q	3Q	4Q	Cumulative	1Q	2Q
Advertisement Expenses	1,521	1,548	2,126	3,119	8,316	1,429	1,717
Promotion Expenses	1,422	1,236	1,379	1,752	5,791	1,289	1,359
Agency Commission	562	516	465	595	2,140	399	231

II . Consolidated Balance Sheets

(Unit: Millions of Yen)

	As of Jun. 30, 2013	As of Sep. 30, 2013	As of Dec. 31, 2013	As of Mar. 31, 2014		As of Jun. 30, 2014	As of Sep. 30, 2014
Assets:							
Current assets	111,068	119,741	96,402	109,908	-	107,068	96,646
Fixed assets	181,404	179,681	179,303	177,672	-	174,469	182,027
Total Assets	292,473	299,422	275,705	287,580	-	281,537	278,674
Liabilities and Equity:							
Current liabilities	53,026	73,149	64,307	74,238	-	64,196	45,841
Long-term liabilities	44,923	27,922	26,066	28,662	-	28,793	40,370
Total Liabilities	97,949	101,072	90,374	102,900	-	92,990	86,212
Shareholders' equity	193,538	196,925	183,289	182,793	-	187,534	191,004
Valuation and translation adjustments	582	1,050	1,673	1,558	-	698	1,178
Minority interests	402	374	368	327	-	314	279
Total Equity	194,523	198,350	185,331	184,679	-	188,547	192,462
Total Liabilities and Equity	292,473	299,422	275,705	287,580	-	281,537	278,674

III. Segment Information

(Unit: Millions of Yen)

	For the year ended March 31, 2014					For the year ending March 31, 2015	
	1Q	2Q	3Q	4Q	Cumulative	1Q	2Q
Revenues	41,044	41,759	41,391	47,487	171,683	42,239	40,141
Multichannel Pay TV Business	30,405	30,686	30,620	30,443	122,155	31,675	30,456
Space & Satellite Business	13,818	14,371	14,041	20,355	62,586	13,954	12,681
Eliminations and Corporate Total	(3,179)	(3,297)	(3,271)	(3,311)	(13,059)	(3,390)	(2,996)
Operating Income (Loss)	5,210	5,692	6,084	4,725	21,713	7,015	5,814
Multichannel Pay TV Business	625	954	1,081	(1,477)	1,184	1,881	1,930
Space & Satellite Business	4,713	4,880	5,141	6,347	21,083	5,274	4,029
Eliminations and Corporate Total	(128)	(142)	(138)	(144)	(554)	(139)	(144)
Depreciation Expense	6,369	6,120	5,873	6,068	24,433	5,702	5,675
Multichannel Pay TV Business	—	—	—	—	8,563	—	—
Space & Satellite Business	—	—	—	—	15,449	—	—
Eliminations and Corporate Total	—	—	—	—	420	—	—
Capital Expenditures	1,715	5,629	6,444	9,212	23,001	6,775	14,150
Multichannel Pay TV Business	—	—	—	—	7,569	—	—
Space & Satellite Business	—	—	—	—	15,131	—	—
Eliminations and Corporate Total	—	—	—	—	300	—	—

IV. Cash Flows

(Unit: Millions of Yen)

	For the year ended March 31, 2014					For the year ending March 31, 2015	
	1Q	2Q	3Q	4Q	Cumulative	1Q	2Q
Net Cash Provided by Operating Activities	15,938	4,821	5,852	6,733	33,345	8,927	2,438
Net Cash Provided by (Used in) Investing Activities	(2,456)	(3,764)	(5,245)	(7,503)	(18,969)	(1,642)	(11,569)
Purchases of Property and Equipment- Net	(2,879)	(4,805)	(6,844)	(7,793)	(22,322)	(6,962)	(11,424)
Net Cash Provided by (Used in) Financing Activities	(4,899)	2,027	(23,145)	572	(25,444)	(2,759)	(8,785)

V. Reference Data of Multichannel Pay TV Service

(Unit: Thousand)

Number of Subscribers and Churn Rate	For the year ended March 31, 2014					For the year ending March 31, 2015	
	1Q	2Q	3Q	4Q	Cumulative	1Q	2Q
New Subscribers							
Total for SKY PerfectTV! ⁵	132	111	113	124	480	105	86
SKY PerfectTV! (Former SKY PerfectTV! e2)	116	96	99	109	420	90	76
Premium Service	12	12	11	13	48	13	8
Premium Service HIKARI	3	3	3	3	12	3	2
Number of Re-registered Subscribers							
Total for SKY PerfectTV! ⁵	24	20	16	56	117	26	26
SKY PerfectTV! (Former SKY PerfectTV! e2)	21	17	14	50	103	21	22
Premium Service	3	2	2	6	13	5	4
Premium Service HIKARI	0	1	0	0	1	0	0
Churn							
Total for SKY PerfectTV! ⁵	188	153	198	170	710	380	138
SKY PerfectTV! (Former SKY PerfectTV! e2)	105	94	129	102	430	88	101
Premium Service	65	55	67	65	253	288	33
Premium Service HIKARI ⁶	18	3	3	3	27	3	3
Net Increase							
Total for SKY PerfectTV! ⁵	(32)	(22)	(69)	11	(113)	(248)	(26)
SKY PerfectTV! (Former SKY PerfectTV! e2)	32	19	(16)	58	93	23	(4)
Premium Service	(50)	(42)	(54)	(46)	(191)	(271)	(21)
Premium Service HIKARI	(14)	1	0	(1)	(14)	0	(1)
Total Subscribers							
Total for SKY PerfectTV! ⁵	3,797	3,775	3,706	3,717	3,717	3,468	3,442
SKY PerfectTV! (Former SKY PerfectTV! e2)	1,995	2,014	1,998	2,056	2,056	2,079	2,075
Premium Service	1,712	1,671	1,617	1,571	1,571	1,300	1,279
Premium Service HIKARI	90	91	91	90	90	90	89
Churn Rate(%)⁷							
Total for SKY PerfectTV! ⁵	1.6%	1.3%	1.8%	1.5%	18.5%	3.4%	1.3%
SKY PerfectTV! (Former SKY PerfectTV! e2)	1.8%	1.6%	2.2%	1.7%	21.9%	1.4%	1.6%
Premium Service ⁶	1.2%	1.1%	1.3%	1.3%	14.3%	6.1%	0.9%
Premium Service HIKARI ⁶	5.8%	1.2%	1.0%	1.2%	25.9%	1.1%	1.1%

*5. The figures are the total amounts for SKY PerfectTV! (former SKY PerfectTV! e2), Premium Service, and Premium Service HIKARI. SKY PerfectTV! is the service (former SKY PerfectTV! 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 PerfectTV! Premium service ended at the end of May, 2014, the number of churn and churn rate of the service increased temporarily for the 1st quarter of the year ending March 31, 2015. In the same way, as SKY PerfectTV! Premium service HIKARI ended the standard definition service at the end of June, 2013, the number of churn and churn rate of the service increased temporarily for the 1st quarter of the year ended 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.

Quarterly Churn Rate of the 4Q for the year ended March 31, 2014 was revised.

Subscriber Acquisition Cost (Total for SKY PerfectTV!)	For the year ended March 31, 2014					For the year ending March 31, 2015	
	1Q ⁹	2Q	3Q ¹²	4Q	Cumulative	1Q	2Q
SAC per Subscriber (¥)⁸	30,121	32,888	36,524	44,558	36,007	31,045	38,390
Advertisement expenses	10,525	12,806	17,443	23,433	16,024	11,851	18,144
Promotion expenses	3,075	3,872	3,969	4,852	3,930	4,441	5,898
Sales incentives	2,951	3,208	2,401	3,103	2,920	2,024	1,823
User incentives ¹⁰	5,837	5,574	5,237	5,894	5,649	5,008	2,784
Others	7,733	7,427	7,475	7,275	7,483	7,720	9,741
SAC Total (¥ million)⁸	4,399	4,173	4,639	6,266	19,478	3,699	3,805
Advertisement expenses	1,384	1,423	1,970	2,912	7,691	1,248	1,560
Promotion expenses	404	430	448	602	1,886	468	507
Sales incentives	388	356	271	385	1,401	213	156
User incentives ¹⁰	767	619	591	732	2,711	527	239
Others	1,017	825	844	904	3,591	813	837
Free content costs ¹¹	436	517	513	728	2,196	428	502

*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 ended 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 PerfectTV!.

*12. The amount of advertising expenses, Promotion expenses, User incentives and Others of the 3Q for the year ended March 31, 2014 was revised.

ARPU (Total for SKY PerfectTV!)	For the year ended March 31, 2014					For the year ending March 31, 2015	
	1Q	2Q	3Q	4Q	Cumulative	1Q	2Q
Average Monthly Subscriber's Payment ^{*13}	3,190	3,198	3,174	3,153	3,179	3,253	3,372
Revenues from own content	152	147	151	136	147	153	152
PPV Subscription fee	53	52	46	45	49	43	44
Monthly subscription fee	2,573	2,588	2,566	2,563	2,573	2,652	2,769
Rental fee	58	56	56	56	57	54	55
Basic fee	354	355	354	354	354	352	353
ARPU ^{*13}	1,938	1,991	2,032	2,059	2,004	2,173	2,258
Revenues from own content	152	147	151	136	147	153	152
PPV Subscription fee	35	38	38	39	37	41	42
Monthly subscription fee	1,338	1,396	1,433	1,475	1,410	1,574	1,656
Rental fee	58	56	56	56	57	54	55
Basic fee	354	355	354	354	354	352	353

*13. 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, 2014					For the year ending March 31, 2015	
		1Q	2Q	3Q	4Q	Cumulative	1Q	2Q
SKY Perfect JSAT Corporation	Revenue	31,244	31,154	30,627	36,191	129,218	33,201	31,131
	Operating Income	5,044	5,405	5,524	4,194	20,168	6,546	5,337
	Ordinary Income	5,246	5,404	5,927	4,555	21,133	6,641	5,313
SKY Perfect Customer-relations Corporation	Revenue	2,107	1,814	1,808	1,795	7,526	1,930	1,811
	Operating Income(loss)	58	(326)	(94)	(1)	(364)	122	190
	Ordinary Income(loss)	60	(326)	(94)	(1)	(362)	123	190
SKY Perfect Broadcasting Corporation	Revenue	13,714	14,587	14,898	15,445	58,647	16,652	17,110
	Operating Income	254	248	290	250	1,044	330	457
	Ordinary Income	255	249	291	256	1,052	330	459
OptiCast Inc. ^{*14}	Revenue	2,800	2,752	2,831	2,888	11,273		0
	Operating Income(loss)	(163)	359	413	425	1,034		0
	Ordinary Income(loss)	(166)	351	403	419	1,008		0
Satellite Network, Inc.	Revenue	963	1,117	954	1,049	4,085	992	884
	Operating Income	119	122	53	57	353	87	48
	Ordinary Income	116	116	49	50	332	83	45
JSAT International Inc.	Revenue	606	689	644	684	2,624	663	630
	Operating Income	280	344	304	347	1,276	312	287
	Ordinary Income	281	351	309	350	1,292	314	290
SKY Perfect JSAT Holdings Inc.	Revenue	-	-	-	4,994	4,994	-	-
	Operating Income(loss)	(191)	(184)	(182)	4,830	4,271	(203)	(204)
	Ordinary Income(loss)	(187)	(183)	(188)	4,829	4,270	(199)	(208)

*14. OptiCast Inc. was merged by SKY Perfect JSAT Corporation on 1 April, 2014.

VII. Performance Forecasts

(Unit: Millions of Yen)

Consolidated Performance Forecast	For the year ending March 31, 2015			
	Revenues	Operating Income	Ordinary Income	Net Income
Full Year	163,500	18,000	17,500	12,000

(Unit: Yen)

Dividends Forecast per Share	For the year ending March 31, 2015
Interim	6.00
Year-End	6.00
Total	12.00