

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2016 (Based on Japanese GAAP)

August 3, 2016

Company name: SKY Perfect JSAT Holdings Inc.
 Stock exchange listing: Tokyo
 Stock code: 9412 URL <http://skyperfectjsat.co.jp>
 Representative: Representative Director, President Shinji Takada
 Inquiries: Director Shinji Yokomizu TEL 03-5571-1500
 Scheduled date to file Quarterly Securities Report: August 5, 2016
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for analysts and institutional investors)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 30, 2016 (from April 1, 2016 to June 30, 2016)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Operating revenue		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2016	39,707	(3.4)	6,266	7.0	6,285	8.5	4,284	13.1
Three months ended June 30, 2015	41,122	(2.6)	5,855	(16.5)	5,792	(18.0)	3,788	(42.5)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2016	14.43		–	
Three months ended June 30, 2015	12.29		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2016	320,184	199,331	61.1	658.55
As of March 31, 2016	319,223	200,511	61.6	661.80

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2016	–	7.00	–	7.00	14.00
Year ending March 31, 2017	–	–	–	–	–
Year ending March 31, 2017 (Forecast)	–	8.00	–	8.00	16.00

3. Forecast of consolidated financial results for the year ending March 31, 2017 (from April 1, 2016 to March 31, 2017)

Percentages indicate year-on-year changes

	Operating revenue		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	195,000	19.7	21,000	(13.3)	20,500	(14.6)	13,000	(22.9)	43.77

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2016
 (changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

As of June 30, 2016	344,603,700 shares	As of March 31, 2016	344,603,700 shares
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Number of treasury shares at the end of the period

As of June 30, 2016	47,595,852 shares	As of March 31, 2016	47,595,852 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2016	297,007,848 shares	Three months ended June 30, 2015	308,216,100 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2016	As of June 30, 2016
Assets		
Current assets		
Cash and deposits	27,758	26,054
Accounts receivable - trade	16,882	16,419
Securities	20,799	20,799
Broadcasting rights	4,532	3,173
Merchandise	371	352
Work in process	46,569	50,585
Supplies	388	442
Accounts receivable - other	423	386
Deferred tax assets	2,635	1,847
Other	1,590	2,323
Allowance for doubtful accounts	(473)	(460)
Total current assets	121,478	121,926
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	9,797	9,649
Machinery, equipment and vehicles, net	20,721	19,990
Telecommunications satellites	65,061	82,966
Land	3,041	3,041
Leased assets, net	402	350
Construction in progress	57,013	39,190
Other, net	3,593	3,436
Total property, plant and equipment	159,630	158,625
Intangible assets		
Goodwill	5,335	5,116
Software	7,384	7,496
Other	74	73
Total intangible assets	12,794	12,686
Investments and other assets		
Investment securities	13,665	12,961
Long-term loans receivable	1,193	1,938
Deferred tax assets	8,078	9,673
Other	2,382	2,372
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	25,319	26,946
Total non-current assets	197,744	198,257
Total assets	319,223	320,184

(Millions of yen)

	As of March 31, 2016	As of June 30, 2016
Liabilities		
Current liabilities		
Accounts payable - trade	437	303
Current portion of long-term loans payable	6,903	8,580
Accounts payable - other	13,318	10,274
Income taxes payable	6,254	1,921
Subscription fees received	9,685	10,147
Unearned revenue	2,252	7,562
Provision for bonuses	590	267
Other	7,737	8,272
Total current liabilities	47,180	47,329
Non-current liabilities		
Bonds payable	20,000	20,000
Long-term loans payable	37,233	36,743
Deferred tax liabilities	1,246	1,086
Provision for directors' retirement benefits	6	6
Net defined benefit liability	5,015	5,113
Asset retirement obligations	2,197	2,205
Other	5,832	8,368
Total non-current liabilities	71,531	73,523
Total liabilities	118,711	120,852
Net assets		
Shareholders' equity		
Capital stock	10,000	10,000
Capital surplus	158,069	158,069
Retained earnings	56,817	59,023
Treasury shares	(26,268)	(26,268)
Total shareholders' equity	198,619	200,824
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	356	324
Deferred gains or losses on hedges	(3,387)	(5,989)
Foreign currency translation adjustment	1,239	698
Remeasurements of defined benefit plans	(265)	(264)
Total accumulated other comprehensive income	(2,057)	(5,229)
Non-controlling interests	3,950	3,736
Total net assets	200,511	199,331
Total liabilities and net assets	319,223	320,184

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2015	Three months ended June 30, 2016
Operating revenue	41,122	39,707
Operating cost	26,799	24,681
Operating gross profit	14,323	15,026
Selling, general and administrative expenses	8,467	8,760
Operating income	5,855	6,266
Non-operating income		
Interest income	12	21
Dividend income	33	5
Share of profit of entities accounted for using equity method	16	126
Foreign exchange gains	15	-
Other	45	66
Total non-operating income	123	219
Non-operating expenses		
Interest expenses	47	79
Foreign exchange losses	-	115
Bond issuance cost	111	-
Other	27	4
Total non-operating expenses	187	200
Ordinary income	5,792	6,285
Extraordinary income		
Gain on sales of investment securities	55	1
Total extraordinary income	55	1
Profit before income taxes	5,847	6,286
Income taxes - current	2,063	1,896
Income taxes - deferred	(14)	274
Total income taxes	2,048	2,171
Profit	3,799	4,114
Profit (loss) attributable to non-controlling interests	10	(169)
Profit attributable to owners of parent	3,788	4,284

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2015	Three months ended June 30, 2016
Profit	3,799	4,114
Other comprehensive income		
Valuation difference on available-for-sale securities	(0)	(31)
Deferred gains or losses on hedges	(239)	(2,595)
Foreign currency translation adjustment	(17)	(540)
Remeasurements of defined benefit plans, before tax	(3)	1
Share of other comprehensive income of entities accounted for using equity method	1	(6)
Total other comprehensive income	(259)	(3,172)
Comprehensive income	3,540	942
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,524	1,112
Comprehensive income attributable to non-controlling interests	15	(169)

Consolidated statements of cash flows

(Millions of yen)

	Three months ended June 30, 2015	Three months ended June 30, 2016
Cash flows from operating activities		
Profit before income taxes	5,847	6,286
Depreciation	5,458	4,944
Amortization of goodwill	219	219
Interest and dividend income	(45)	(26)
Interest expenses	47	79
Share of (profit) loss of entities accounted for using equity method	(16)	(126)
Loss (gain) on sales of investment securities	(55)	(1)
Bond issuance cost	111	-
Decrease (increase) in notes and accounts receivable - trade	530	433
Decrease (increase) in Broadcasting rights	2,185	1,358
Decrease (increase) in accounts receivable - other	91	37
Decrease (increase) in inventories	(1,577)	(4,051)
Increase (decrease) in accounts payable - other	(4,643)	(3,042)
Increase (decrease) in unearned revenue	5,809	5,312
Other, net	(2,445)	(1,029)
Subtotal	11,518	10,393
Interest and dividend income received	45	24
Interest expenses paid	(77)	(185)
Income taxes paid	(737)	(6,033)
Net cash provided by (used in) operating activities	10,748	4,199
Cash flows from investing activities		
Purchase of property, plant and equipment	(9,804)	(3,008)
Purchase of intangible assets	(695)	(1,055)
Purchase of investment securities	(5)	-
Proceeds from sales and redemption of investment securities	438	1
Payments of long-term loans receivable	-	(842)
Other, net	0	-
Net cash provided by (used in) investing activities	(10,066)	(4,905)
Cash flows from financing activities		
Repayments of finance lease obligations	(212)	(160)
Proceeds from long-term loans payable	-	1,317
Proceeds from issuance of bonds	19,888	-
Cash dividends paid	(1,806)	(2,032)
Dividends paid to non-controlling interests	-	(43)
Net cash provided by (used in) financing activities	17,868	(919)
Effect of exchange rate change on cash and cash equivalents	1	(78)
Net increase (decrease) in cash and cash equivalents	18,551	(1,703)
Cash and cash equivalents at beginning of period	33,963	48,557
Cash and cash equivalents at end of period	52,515	46,854