

# SKY Perfect JSAT Corporation

## News Release



November 14, 2007  
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### **Summary of Business Results for 1H/FY2007**

SKY Perfect JSAT Corporation (Headquarters: Minato-ku, Tokyo; President and Representative Director: Masao Nito; “SKY Perfect JSAT”) today announced the financial and operational results of SKY Perfect JSAT Corporation for 1H/FY2007.

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(JSAT Corporation & SKY Perfect Communications Inc.)

#### Notes:

1. These financial results have been extracted and translated from the Japanese “Kessan Tanshin” prepared under accounting principles generally accepted in Japan (Japanese GAAP). Though the Kessan Tanshin is an audited document, this news release is unaudited.
2. This news release contains forward-looking statements based on SKY Perfect JSAT’s own projections and estimates. The markets where SKY Perfect JSAT is active are extremely volatile, subject to rapid shifts in technology, customer demands, and prices, changes in economic conditions, the potential of satellite failures 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.

## I. Financial Highlights

### 1. Consolidated Financial Highlights

Consolidated	(¥ Million)	
	Six-Month periods ended	
	September 30	
	2007	2006
Results of operations:		
Revenues	60,128	—
Operating income	6,854	—
Ordinary income	6,629	—
Net income (loss)	8,201	—
Net income (loss) per share (yen)	2,397.16	—
Dividends per share (yen)	500.00	—
EBITDA	12.894	
EBITDA margin	21.4%	
Net cash from operating activities	17,507	—
Net cash from investing activities	(17,380)	—
Net cash from financing activities	2,210	—
Total assets	290.381	—
Total equity	174,410	—
Weighted average number of shares outstanding	3,421,246	—

Notes:

1. EBITDA represents the total of net income, interest, tax, and depreciation and amortization.
2. The EBITDA margin is the ratio of EBITDA to revenues.

### 2. Non-Consolidated Financial Highlights

Non-Consolidated	Six-Month periods ended	
	September 30	
	2007	2006
Results of operations:		
Revenues	801	—
Operating income	72	—
Ordinary income	16	—
Net income (loss)	(26)	—
Net income (loss) per share (yen)	(7.05)	—
Total assets	195,335	—
Total equity	189,939	—

## II. Results Forecast for SKY Perfect JSAT Corporation

### 1. Consolidated Forecast

(¥ Million)

	For the year ending March 31, 2008			
	Operating revenues	Operating income	Ordinary income	Net income
Full year	121,000	7,000	7,000	9,000

### 2. Non-Consolidated Forecast

(¥ Million)

	For the year ending March 31, 2008			
	Operating revenues	Operating income	Ordinary income	Net income
Full year	5,500	3,900	3,800	3,800

### 3. Projected Dividends per Share

(¥)

	For the year ending March 31, 2008
Interim	500.00
Year-end	500.00
Total	1,000.00

### III. Summary of Consolidated Financial Statements

#### (1) Consolidated Balance Sheets

	(¥ Million)	
	Six-Month periods ended September 30	
	2007	2006
Assets:		
Current assets	102,868	—
Fixed assets	187,512	—
<b>Total assets</b>	<b>290,381</b>	<b>—</b>
Liabilities and equity:		
Current liabilities	47,035	—
Long-term liabilities	68,935	—
<b>Total liabilities</b>	<b>115,970</b>	<b>—</b>
Shareholders' equity	172,233	—
Valuation and translation Adjustments	(1,338)	—
Stock acquisition rights	60	—
Minority interests	3,455	—
<b>Total equity</b>	<b>174,410</b>	<b>—</b>
<b>Total liabilities and equity</b>	<b>290,381</b>	<b>—</b>

#### (2) Consolidated Statements of Income

	(¥ Million)	
	Six-Month periods ended September 30	
	2007	2006
Revenues	60,128	—
Operating expenses	53,273	—
Operating income	6,854	—
Other income (expenses)	(225)	—
Ordinary income	6,629	—
Extraordinary gain (loss)	(2,522)	—
Income (loss) before income taxes and minority interests	4,108	—
Income taxes	(3,541)	—
Minority interests in net income	(550)	—
<b>Net income (loss)</b>	<b>8,201</b>	<b>—</b>

### (3) Consolidated Statements of Cash Flows

	(¥ Million)	
	Six-Month periods ended September 30	
	2007	2006
Operating activities:		
Income (loss) before income taxes and minority interests	4,108	—
Depreciation and amortization	7,840	—
Other—net	5,559	—
Net cash from operating activities	17,507	—
Investing activities:		
Payments for time deposits	422	—
Proceeds from (purchases of) short-term investments, net	(2,900)	—
Proceeds from (purchases of) property and equipment, net	(14,969)	—
Proceeds from (purchases of) investment securities, net	8,017	—
Proceeds from (purchases of) long-term investments, net	(7,812)	—
Other—net	(138)	—
Net cash from investing activities	(17,380)	—
Financing activities:		
Decrease in short-term borrowings, net	(20)	—
Repayments of installment debt	(156)	—
Increase in long-term borrowings, net	4,963	—
Dividends paid	(2,556)	—
Dividends paid to minority shareholders	(18)	—
Net cash from financing activities	2,210	—
Foreign currency translation adjustments on cash and cash equivalents	38	—
Net increase (decrease) in cash and cash equivalents	2,375	—
Cash and cash equivalents at beginning of year	44,583	—
Cash and cash equivalents at end of year	46,958	—

### (4) Breakdown of Revenues by Service

	(¥ Million)	
	Six-Month periods ended September 30	
	2007	2006*5
Satellite Broadcasting*1	47,702	46,152
Satellite Communication*2	7,557	7,628
Wired Broadcasting*3	3,209	2,079
Other Operations*4	1,659	1,738
Total	60,128	57,599

\*1Satellite Broadcasting includes JSAT's broadcasting-related operating revenues, operating revenues relating to satellite broadcasting of SKY Perfect (including revenues from proprietary content) and operating revenues of Data Network Center, PPVJ, Samurai TV, eTEN, and Multi Channel Entertainment.

\*2Satellite Communications includes JSAT's communications-related operating revenues and operating revenues of Satellite Network and JSAT International.

\*3Wired broadcasting includes wired broadcasting-related revenues of SKY PerfecTV! and operating revenues of OptiCast and Cable television Adachi.

\*4Main elements of Other consists of advertising revenue for SKY Perfect, operating revenue related to JSAT's controlling services, and operating revenues of SKY Perfect Well Think and SKY Perfect Mobile.

\*5The details for FY2006 are estimates for comparative purposes, and have not been audited.

## IV. Number of Subscribers

	(Thousands)		
	1H/ FY2007	1H/ FY2006	Difference
Net addition of total subscribers:	50	76	(26)
SKY PerfecTV!	(68)	(6)	(62)
e2 by SKY PerfecTV!/* <sup>1</sup>	102	73	29
SKY PerfecTV! HIKARI/* <sup>2</sup>	16	9	7
Other Wired Services	1	1	0
Total subscribers at the period-end:	4,231	4,178	103
SKY PerfecTV!	3,685	3,727	(109)
e2 by SKY PerfecTV!/* <sup>1</sup>	575	393	182
SKY PerfecTV! HIKARI/* <sup>2</sup>	46	18	28
Other Wired Services	41	41	0
New individual subscribers:	241	228	13
SKY PerfecTV!	115	143	(28)
e2 by SKY PerfecTV!/* <sup>1</sup>	104	73	31
SKY PerfecTV! HIKARI/* <sup>2</sup>	19	9	10
Other Wired Services	3	3	0
Number of individual subscribers' churn:	204	169	35
SKY PerfecTV!	181	153	28
e2 by SKY PerfecTV!/* <sup>1</sup>	19	13	6
SKY PerfecTV! HIKARI/* <sup>2</sup>	2	0	2
Other Wired Services	2	2	0
Net addition of individual subscribers:	37	59	(22)
SKY PerfecTV!	(66)	(10)	(56)
e2 by SKY PerfecTV!/* <sup>1</sup>	85	59	26
SKY PerfecTV! HIKARI/* <sup>2</sup>	16	8	8
Other Wired Services	1	1	0
Individual subscribers at the period-end:	3,665	3,595	70
SKY PerfecTV!	3,136	3,245	(109)
e2 by SKY PerfecTV!/* <sup>1</sup>	443	293	150
SKY PerfecTV! HIKARI/* <sup>2</sup>	45	17	28
Other Wired Services	41	40	1
Annualized Churn rate of individual subscribers:	11.2%	9.5%	1.7%
SKY PerfecTV!	11.4%	9.4%	2.0%
e2 by SKY PerfecTV!/* <sup>1</sup>	9.5%	10.0%	(0.5%)
SKY PerfecTV! HIKARI/* <sup>2</sup>	11.6%	7.4%	4.2%
Other Wired Services	10.8%	11.6%	0.8%

\*1 In February 2007, SKY Perfect Communications Inc. changed the name of its CS110 digital broadcasting service from SKY PerfecTV! 110 to e2 by SKY PerfecTV!

\*2 In April 2006, SKY Perfect Communications Inc. changed the name of its broadcasting service via FTTH from HIKARI PerfecTV! to SKY PerfecTV! HIKARI. (The multichannel broadcasting service in Fukuyama-shi, Hiroshima, jointly operated with Energia Communications, Inc. and the channel lease service in Achi-mura, Nagano remain under the name of HIKARI PerfecTV! However, HIKARI PerfecTV! subscriber are counted as SKY PerfecTV! HIKARI subscriber.)

## V. Summary of Consolidated Financial Statements JSAT Corporation & SKY Perfect Communications Inc.

### (3) Consolidated Balance Sheets

	(¥ Million)	
	Six-Month periods ended September 30, 2007	
	JSAT	SKY Perfect Communications
Assets:		
Current assets	50,221	70,269
Fixed assets	122,017	56,723
Total assets	172,238	126,992
Liabilities and shareholders' equity:		
Current liabilities	18,896	30,872
Long-term liabilities	66,546	2,951
Total liabilities	85,442	33,823
Shareholders' equity	87,702	93,065
Valuation and translation Adjustments	(1,111)	(3,349)
Minority interests	204	3,453
Total equity	86,796	93,169
Total liabilities and equity	172,238	126,992

### (4) Consolidated Statements of Income

	(¥ Million)	
	Six-Month periods ended September 30, 2007	
	JSAT	SKY Perfect Communications
Revenues	19,342	44,972
Operating expenses	14,708	42,626
Operating income	4,632	2,345
Other income (expenses)	292	(49)
Ordinary income	4,924	2,297
Extraordinary gain (loss)	268	(2,290)
Income (loss) before income taxes and minority interests	5,192	6
Income taxes	2,409	(1,434)
Minority interests in net income	9	164
Net income (loss)	2,773	1,276

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