

SKY Perfect JSAT Corporation

News Release



February 13, 2008
SKY Perfect JSAT Corporation

Summary of Business Results for 3Q/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 3Q/FY2007.

Contents:

- I. Financial Highlights
- II. Results Forecast for SKY Perfect JSAT Corporation
- III. Summary of Consolidated Financial Statements
- IV. Number of Subscribers
- V. Summary of Consolidated Financial Statements
(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)	
	9 months period	
	From April 1 2007 till December 31 2007	
	2007	2006
Results of operations:		
Revenues	90,418	—
Operating income	9,605	—
Ordinary income	9,492	—
Net income (loss)	10,919	—
Net income (loss) per share (yen)	3,191.80	—
Net cash from operating activities	43,459	—
Net cash from investing activities	(30,904)	—
Net cash from financing activities	584	—
Total assets	281,915	—
Total equity	173,786	—

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	10,000	10,000	9,000

2. Non-Consolidated Forecast

(¥ Million)

	For the year ending March 31, 2008			
	Operating revenues	Operating income	Ordinary income	Net income
Full year	5,200	3,600	3,500	3,500

3. Dividends per Share

(¥)

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

III. Summary of Consolidated Financial Statements

(1) Consolidated Balance Sheets

(¥ Million)

	9 months period		
	From April 1 2007 till December 31 2007		
	2007	2006	
Assets:			
Current assets	92,769		—
Fixed assets	189,145		—
Total assets	281,915		—
Liabilities and equity:			
Current liabilities	40,418		—
Long-term liabilities	67,709		—
Total liabilities	108,128		—
Shareholders' equity	173,265		—
Valuation and translation Adjustments	(3,046)		—
Stock acquisition rights	62		—
Minority interests	3,504		—
Total equity	173,786		—
Total liabilities and equity	281,915		—

(2) Consolidated Statements of Income

(¥ Million)

	9 months period		
	From April 1 2007 till December 31 2007		
	2007	2006	
Revenues	90,418		—
Operating expenses	80,813		—
Operating income	9,605		—
Other income (expenses), net	(112)		—
Ordinary income	9,492		—
Extraordinary gain (loss), net	(1,944)		—
Income (loss) before income taxes and minority interests	7,548		—
Income taxes	(2,869)		—
Minority interests in net income (loss)	(501)		—
Net income (loss)	10,919		—

(3) Consolidated Statements of Cash Flows

(¥ Million)

	9 months period	
	From April 1 2007 till December 31 2007	
	2007	2006
Operating activities:		
Income (loss) before income taxes and minority interests	7,548	—
Depreciation and amortization	11,759	—
Other—net	24,150	—
Net cash from operating activities	43,459	—
Investing activities:		
Payments for time deposits	422	—
Proceeds from (purchases of) short-term investments, net	7,000	—
Proceeds from (purchases of) property and equipment, net	(24,884)	—
Proceeds from (purchases of) investment securities, net	3,989	—
Proceeds from (purchases of) long-term investments, net	(10,044)	—
Other—net	(7,387)	—
Net cash from investing activities	(30,904)	—
Financing activities:		
Decrease in short-term borrowings, net	(20)	—
Repayments of installment debt	(191)	—
Increase in long-term borrowings, net	5,083	—
Dividends paid	(4,268)	—
Dividends paid to minority shareholders	(18)	—
Net cash from financing activities	584	—
Foreign currency translation adjustments on cash and cash equivalents	(11)	—
Net increase (decrease) in cash and cash equivalents	13,127	—
Cash and cash equivalents at beginning of year	44,583	—
Cash and cash equivalents at end of year	57,710	—

IV. Number of Subscribers

(Thousands)

	1-3Q/ FY2007	1-3Q/ FY2006	Difference
Net addition of total subscribers:	(0)	106	(106)
SKY PerfecTV!	(116)	(22)	(94)
e2 by SKY PerfecTV! * ¹	90	113	(24)
SKY PerfecTV! HIKARI * ²	25	13	12
Other Wired Services	1	2	(1)
Total subscribers at the period-end:	4,230	4,208	22
SKY PerfecTV!	3,569	3,711	(141)
e2 by SKY PerfecTV! * ¹	564	434	129
SKY PerfecTV! HIKARI * ²	56	22	34
Other Wired Services	42	41	0
New individual subscribers:	359	333	26
SKY PerfecTV!	158	205	(47)
e2 by SKY PerfecTV! * ¹	168	110	58
SKY PerfecTV! HIKARI * ²	29	14	16
Other Wired Services	4	5	(1)
Number of individual subscribers' churn:	314	263	51
SKY PerfecTV!	272	235	37
e2 by SKY PerfecTV! * ¹	36	24	11
SKY PerfecTV! HIKARI * ²	3	1	3
Other Wired Services	3	4	(1)
Net addition of individual subscribers:	45	70	(25)
SKY PerfecTV!	(114)	(30)	(84)
e2 by SKY PerfecTV! * ¹	132	86	47
SKY PerfecTV! HIKARI * ²	26	13	13
Other Wired Services	1	2	(1)
Individual subscribers at the period-end:	3,673	3,606	67
SKY PerfecTV!	3,088	3,225	(137)
e2 by SKY PerfecTV! * ¹	490	319	170
SKY PerfecTV! HIKARI * ²	54	21	33
Other Wired Services	42	41	1
Annualized Churn rate of individual subscribers:	11.5%	9.8%	1.7%
SKY PerfecTV!	11.5%	9.7%	1.8%
e2 by SKY PerfecTV! * ¹	11.2%	11.6%	(0.4%)
SKY PerfecTV! HIKARI * ²	11.1%	7.7%	3.4%
Other Wired Services	10.5%	12.1%	(1.6%)

*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.

(1) Consolidated Balance Sheets

(¥ Million)

	9 months period From April 1 2007 till December 31 2007	
	JSAT	SKY Perfect Communications
Assets:		
Current assets	45,508	65,742
Fixed assets	122,772	56,675
Total assets	168,280	122,417
Liabilities and shareholders' equity:		
Current liabilities	17,577	28,310
Long-term liabilities	65,334	2,937
Total liabilities	82,912	31,247
Valuation and translation adjustments	(3,060)	(4,238)
Minority interests	209	3,498
Total equity	85,368	91,170
Total liabilities and equity	168,280	122,417

(2) Consolidated Statements of Income

(¥ Million)

	9 months period From April 1 2007 till December 31 2007	
	JSAT	SKY Perfect Communications
Revenues	28,928	67,663
Operating expenses	22,013	64,786
Operating income	6,914	2,876
Other income (expenses), net	2,438	1,696
Ordinary income	7,284	3,020
Extraordinary gain (loss), net	1,198	(2,630)
Income (loss) before income taxes and minority interests	8,483	390
Income taxes	3,753	(2,211)
Minority interests in net income	13	209
Net income (loss)	4,715	2,392