

# SKY Perfect JSAT Corporation

## News Release



May 13, 2008  
SKY Perfect JSAT Corporation

### **Summary of Business Results for 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 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)	
	Years ended March 31,	
	2007	2006
Results of operations:		
Revenues	121,402	—
Operating income	11,255	—
Ordinary income	10,778	—
Net income (loss)	9,107	—
Net income (loss) per share (yen)	2,662.00	—
Net cash from operating activities	48,362	—
Net cash from investing activities	(51,080)	—
Net cash from financing activities	3,159	—
Total assets	323,923	—
Total equity	178,210	—

## II. Results Forecast for SKY Perfect JSAT Corporation

### 1. Consolidated Forecast

(¥ Million)

	For the year ending March 31, 2009			
	Operating revenues	Operating income	Ordinary income	Net income
Interim	70,000	6,700	6,000	4,600
Full year	148,000	14,500	13,000	9,400

### 2. Dividends per Share

(¥)

	For the year ending March 31, 2008	For the year ending March 31, 2009
Interim	500.00	600.00
Year-end	1000.00	600.00
Total	1,500.00	1,200.00

\*300.00 yen out of 1,000 yen is a dividend commemorating the first fiscal year of SKY Perfect JSAT.

### III. Summary of Consolidated Financial Statements

#### (1) Consolidated Balance Sheets

(¥ Million)

	Years ended March 31,		
	2007	2006	
Assets:			
Current assets	83,994		-
Fixed assets	239,929		-
Total assets	323,923		-
Liabilities and equity:			
Current liabilities	56,962		-
Long-term liabilities	88,750		-
Total liabilities	145,713		-
Shareholders' equity	176,358		-
Valuation and translation Adjustments	(4,265)		-
Stock acquisition rights	65		-
Minority interests	6,051		-
Total equity	178,210		-
Total liabilities and equity	323,923		-

#### (2) Consolidated Statements of Income

(¥ Million)

	Years ended March 31,		
	2007	2006	
Revenues	121,402		-
Operating expenses	110,146		-
Operating income	11,255		-
Other income (expenses), net	(477)		-
Ordinary income	10,778		-
Extraordinary gain (loss), net	(4,066)		-
Income (loss) before income taxes and minority interests	6,712		-
Income taxes	(1,232)		-
Minority interests in net income (loss)	1,162		-
Net income (loss)	9,107		-

### (3) Consolidated Statements of Cash Flows

	(¥ Million)	
	Years ended March 31,	
	2007	2006
Operating activities:		
Income (loss) before income taxes and minority interests	6,712	—
Depreciation and amortization	17,305	—
Other—net	19,845	—
Net cash from operating activities	48,362	—
Investing activities:		
Payments for time deposits, net	(623)	—
Proceeds from (purchases of) short-term investments, net	7,000	—
Proceeds from (purchases of) property and equipment, net	(36,100)	—
Proceeds from (purchases of) investment securities, net	9,712	—
Proceeds from (purchases of) long-term investments, net	(10,493)	—
Other—net	(20,575)	—
Net cash from investing activities	(51,080)	—
Financing activities:		
Increase in short-term borrowings, net	(25)	—
Repayments of installment debt	(230)	—
Increase in long-term borrowings, net	3,539	—
Dividends paid	(2,559)	—
Dividends paid to minority shareholders	(18)	—
Net cash from financing activities	3,159	—
Foreign currency translation adjustments on cash and cash equivalents	(24)	—
Net increase (decrease) in cash and cash equivalents	416	—
Cash and cash equivalents at beginning of year	44,583	—
Cash and cash equivalents at end of year	44,999	—

## IV. Number of Subscribers

(Thousands)

	FY2007	FY2006	Difference
Net addition of total subscribers:	16	129	(113)
SKY PerfecTV!	(184)	(47)	(137)
e2 by SKY PerfecTV! * <sup>1</sup>	164	153	11
SKY PerfecTV! HIKARI * <sup>2</sup>	35	22	13
Other Wired Services	1	2	(1)
Total subscribers at the period-end:	4,246	4,231	15
SKY PerfecTV!	3,501	3,685	(184)
e2 by SKY PerfecTV! * <sup>1</sup>	638	474	164
SKY PerfecTV! HIKARI * <sup>2</sup>	65	30	35
Other Wired Services	42	41	1
New individual subscribers:	495	457	38
SKY PerfecTV!	202	273	(71)
e2 by SKY PerfecTV! * <sup>1</sup>	248	156	92
SKY PerfecTV! HIKARI * <sup>2</sup>	40	21	19
Other Wired Services	5	7	(2)
Number of individual subscribers' churn:	440	365	75
SKY PerfecTV!	384	326	59
e2 by SKY PerfecTV! * <sup>1</sup>	46	33	13
SKY PerfecTV! HIKARI * <sup>2</sup>	5	1	4
Other Wired Services	4	5	(1)
Net addition of individual subscribers:	55	93	(38)
SKY PerfecTV!	(182)	(53)	(129)
e2 by SKY PerfecTV! * <sup>1</sup>	202	124	78
SKY PerfecTV! HIKARI * <sup>2</sup>	35	20	15
Other Wired Services	1	2	(1)
Individual subscribers at the period-end:	3,683	3,628	55
SKY PerfecTV!	3,020	3,202	(182)
e2 by SKY PerfecTV! * <sup>1</sup>	559	357	202
SKY PerfecTV! HIKARI * <sup>2</sup>	63	28	35
Other Wired Services	42	41	1
Annualized Churn rate of individual subscribers:	12.0%	10.2%	1.8%
SKY PerfecTV!	12.3%	10.1%	1.2%
e2 by SKY PerfecTV! * <sup>1</sup>	10.1%	11.1%	(1.0%)
SKY PerfecTV! HIKARI * <sup>2</sup>	11.6%	7.8%	3.8%
Other Wired Services	10.6%	12.9%	(2.3%)

\*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)		
Years ended March 31, 2008		
	JSAT	SKY Perfect Communications
Assets:		
Current assets	38,821	73,761
Fixed assets	126,075	53,144
<b>Total assets</b>	<b>164,896</b>	<b>126,905</b>
Liabilities and shareholders' equity:		
Current liabilities	20,265	31,865
Long-term liabilities	62,269	2,861
<b>Total liabilities</b>	<b>82,534</b>	<b>34,726</b>
Valuation and translation adjustments	(6,455)	(4,878)
Minority interests	209	5,227
<b>Total equity</b>	<b>82,362</b>	<b>92,178</b>
<b>Total liabilities and equity</b>	<b>164,896</b>	<b>126,905</b>

### (2) Consolidated Statements of Income

(¥ Million)		
9 months period From April 1 2007 till December 31 2007		
	JSAT	SKY Perfect Communications
Revenues	39,266	90,471
Operating expenses	30,138	87,982
Operating income	9,126	2,487
Other income (expenses), net	(161)	83
Ordinary income	9,288	2,571
Extraordinary gain (loss), net	1,314	(4,708)
Income (loss) before income taxes and minority interests	10,602	(2,187)
Income taxes	(4,413)	5,704
Minority interests in net income	13	(451)
<b>Net income (loss)</b>	<b>6,174</b>	<b>4,019</b>