

SKY Perfect JSAT Holdings Inc.

News Release



May 13, 2009
SKY Perfect JSAT Holdings Inc.

Summary of Business Results for FY2008

SKY Perfect JSAT Holdings Inc. (Head Office: Minato-ku, Tokyo; President & CEO: Masanori Akiyama) today announced the consolidated financial and operational results for FY2008.

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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 Holdings’ own projections and estimates. The markets where SKY Perfect JSAT Holdings Inc. 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	Year ended March 31	
	2008	2009
(¥ Million)		
Results of operations:		
Revenues	121,402	145,412
Operating income	11,255	16,888
Ordinary income	10,778	15,300
Net income (loss)	9,107	4,047
	(¥)	(¥)
Net income (loss) per share (yen)	2,662.00	1,190.35
Interim Dividends per share(yen)	1,500	1,200
Total assets	322,212	309,811
Total equity	176,499	173,502
Average number of Shares	3,399,970	3,421,246

II. Results Forecast

1. Consolidated Business Result Forecast

	For the year ending March 31, 2010			
	Operating revenues	Operating income	Ordinary income	Net income
Interim	69,000	6,100	5,600	2,400
Full year	140,000	10,000	9,000	4,200

2. Dividends Forecast per Share

	(¥)
	For the year ending March 31, 2010
Interim	600.00
Year-end	600.00
Total	1,200.00

III. Summary of Consolidated Financial Statements

(1) Consolidated Balance Sheets

	(¥ Million)	
	2008	2009
Assets:		
Current assets	82,283	79,544
Fixed assets	239,929	230,267
Total assets	322,212	309,811
Liabilities and equity:		
Current liabilities	56,962	50,602
Long-term liabilities	88,750	85,707
Total liabilities	145,713	136,309
Shareholders' equity	174,647	171,449
Valuation and translation adjustments	(4,265)	(2,023)
Stock acquisition rights	65	71
Minority interests	6,051	4,004
Total equity	176,499	173,502
Total liabilities and equity	322,212	309,811

(2) Consolidated Statements of Income

	(¥ Million)	
	Year ended March 31	
	2008	2009
Revenues	121,402	145,412
Operating expenses	110,146	128,523
Operating income	11,255	16,888
Other income (expenses), net	(5,143)	(5,143)
Ordinary income	10,778	15,300
Extraordinary gain (loss), net	(46,860)	(13,071)
Income (loss) before income taxes and minority interests	6,712	4,437
Income taxes	(3,076)	(1,308)
Minority interests in net income (loss)	(1,162)	(1,332)
Net income (loss)	9,107	4,047

(3) Consolidated Statements of Cash Flows

(¥ Million)

	Year ended March 31	
	2008	2009
Operating activities:		
Income (loss) before income taxes and minority interests	6,712	4,437
Depreciation and amortization	16,126	22,036
Other—net	27,225	4,956
Net cash from operating activities	50,064	31,431
Investing activities:		
Payments for time deposits, net	3,774	1,602
Proceeds from (purchases of) short-term investments, net	2,603	2,216
Proceeds from (purchases of) property and equipment, net	(36,100)	(32,425)
Proceeds from (purchases of) investment securities, net	9,751	2,478
Proceeds from (purchases of) long-term investments, net	(10,493)	910
Other—net	(20,614)	(2,559)
Net cash from investing activities	(51,080)	(27,778)
Financing activities:		
Increase in short-term borrowings, net	(20)	-
Repayments of installment debt	(230)	(42)
Increase in long-term borrowings, net	3,539	(216)
Dividends paid	(4,261)	(5,464)
Dividends paid to minority shareholders	(18)	(18)
Other—net	2,449	(2,024)
Net cash from financing activities	1,457	(7,766)
Foreign currency translation adjustments on cash and cash equivalents	(24)	(466)
Net increase (decrease) in cash and cash equivalents	416	(4,580)
Cash and cash equivalents at beginning of year	44,583	44,999
Cash and cash equivalents at end of year	44,999	40,419

(4) Segment Information

Year ended March 31 2008

	Broadcast-related Business (¥ Million)	Satellite Operation Business (¥ Million)	Total (¥ Million)	Eliminations and Company Total (¥ Million)	Consolidated Amount (¥ Million)
(1) Revenue	86,559	34,842	121,402	-	121,402
(2) Internal Transfer	3,911	4,424	8,335	(8,335)	-
Total	90,471	39,266	129,737	(8,335)	121,402
Operating Income	2,487	9,126	11,614	(359)	11,255
Total Asset	113,393	211,544	324,937	(2,724)	322,212
Depreciation	4,676	11,432	16,109	17	16,126
Cap Ex.	10,059	26,004	36,063	129	36,193

Year ended March 31 2009

	Multi-channel Pay TV Business (¥ Million)	Satellite Business (¥ Million)	Total (¥ Million)	Eliminations and Company Total (¥ Million)	Consolidated Amount (¥ Million)
(1) Revenue	107,948	37,464	145,415	-	145,412
(2) Internal Transfer	323	1,331	1,654	(1,654)	-
Total	108,271	38,796	147,067	(1,654)	145,412
Operating Income	10,225	7,223	17,448	(559)	16,888
Total Asset	114,980	127,929	242,909	66,902	309,811
Depreciation	10,707	11,072	21,779	257	22,036
Cap Ex.	22,968	11,965	34,934	286	35,220

*From 3Q/FY 2008, segment changed “Broadcast-related Business” and “Satellite Operation Business” to “Multi-channel Pay TV Business” and “Satellite Business”.

IV. Number of Subscribers

	(Thousands)	
	2008	2009
Net addition of total subscribers:	16	45
SKY PerfecTV!	(184)	(290)
SKY PerfecTV! e2* ⁴	164	299
SKY PerfecTV! HIKARI	35	36
Other Wired Services* ⁵	1	0
Total subscribers at the period-end:	4,246	4,291
SKY PerfecTV!	3,501	3,211
SKY PerfecTV! e2* ⁴	638	937
SKY PerfecTV! HIKARI	65	101
Other Wired Services* ⁵	42	42
New individual subscribers:	495	543
SKY PerfecTV!	202	131
SKY PerfecTV! e2* ⁴	248	354
SKY PerfecTV! HIKARI	40	53
Other Wired Services* ⁵	5	4
Number of re-registered subscribers:* ²	-	34
SKY PerfecTV!	-	15
SKY PerfecTV! e2* ⁴	-	19
SKY PerfecTV! HIKARI	-	0
Other Wired Services* ⁵	-	0
Number of individual subscribers' churn:	440	552
SKY PerfecTV!	384	429
SKY PerfecTV! e2* ⁴	46	102
SKY PerfecTV! HIKARI	5	17
Other Wired Services* ⁵	4	4
Net addition of individual subscribers:	55	25
SKY PerfecTV!	(182)	(283)
SKY PerfecTV! e2* ⁴	202	271
SKY PerfecTV! HIKARI	35	36
Other Wired Services* ⁵	1	0
Individual subscribers at the period-end:	3,683	3,708
SKY PerfecTV!	3,020	2,737
SKY PerfecTV! e2* ⁴	559	830
SKY PerfecTV! HIKARI	63	99
Other Wired Services* ⁵	42	42
Annualized Churn rate of individual* ³ subscribers:	12.0%	14.9%
SKY PerfecTV!	12.3%	14.9%
SKY PerfecTV! e2* ⁴	10.1%	14.7%
SKY PerfecTV! HIKARI	11.6%	20.8%
Other Wired Services* ⁵	10.6%	9.6%

- *1 Rounded to the nearest 1,000. Annual churn rate rounded to the first decimal place.
- *2 The number of re-registered subscribers is the number of individuals who agreed with pay-subscription agreement within one of cancellation and have already paid for the viewing.
- *3 "Churn rate of individual subscribers" is calculated by dividing the number of individual cancellations for the fiscal period in question by the period-beginning and period-end average number of individual cancellations for the same period in order to convert to a monthly rate.
- *4 On October 1, 2008, e2 by SKY PerfecTV! changed its broadcasting service name to SKY PerfecTV! e2. The new name is used in this document.
- *5 "Other Wired Services" are multi-channel paid broadcast contracts utilizing the SKY PerfecTV! digital format through cable television and other wired transmission routes other than SKY PerfecTV! HIKARI. This includes multi-channel broadcast service subscriptions for consolidated subsidiary Cabletelevision Adachi Corporation services.