

Oct. 31, 2012

SKY Perfect JSAT Holdings Inc.

Summary of Business Results for 2Q/FY2012

SKY Perfect JSAT Holdings Inc. (Head Office: Minato-ku, Tokyo; Representative Director, President: Shinji Takada) today announced the consolidated financial and operational results for 2Q of FY2012(From Apr. 1, 2012 to Sep. 30, 2012).

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This material 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 changes in technology, customer demands, economic conditions including prices, the potential failures of satellites 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.

Summary of Business Results

I . Consolidated Financial Highlights

(Unit: Millions of Yen)

	For the year ended March 31, 2012					For the year ending March 31, 2013	
	1Q	2Q	3Q	4Q	Cumulative	1Q	2Q
Revenues	37,911	39,144	38,848	39,337	155,242	39,086	39,429
Operating Income	5,916	5,653	3,193	2,722	17,486	5,043	3,144
Ordinary Income	5,663	5,321	2,999	2,718	16,702	4,922	3,029
Net Income	3,420	3,041	550	1,557	8,569	3,228	1,745
Net Income per Share	1,016.32	903.59	163.66	462.69	2,546.26	959.34	518.62
Total Equity per Share	53,921.48	54,896.07	54,357.48	54,952.96	54,952.96	55,345.65	55,769.74
EBITDA ¹	12,226	11,761	9,259	8,758	42,005	11,127	9,762
Simple EBITDA ²	11,954	11,864	9,513	9,046	42,378	11,078	9,724
Cash Dividend per Share	-	600	-	600	1,200	-	600

¹1.EBITDA is calculated as Net Income + Tax Expense+ Depreciation Expense+ Interest Expense

²2.Simple EBITDA is calculated as Operating Income + Depreciation Expense

(Unit: Millions of Yen)

Main Cost of Sales Administrative Expense	For the year ended March 31, 2012					For the year ending March 31, 2013	
	1Q	2Q	3Q	4Q	Cumulative	1Q	2Q
Advertisement Expenses	1,707	1,729	2,337	2,305	8,080	1,561	2,169
Promotion Expenses	1,530	452	1,009	1,711	4,704	870	1,191
Agency Commission	1,000	1,033	757	716	3,507	662	534

II . Consolidated Balance Sheets

(Unit: Millions of Yen)

	As of Jun. 30, 2011	As of Sep. 30, 2011	As of Dec. 31, 2011	As of Mar. 31, 2012		As of Jun. 30, 2012	As of Sep. 30, 2011
Assets:							
Current assets	119,210	124,270	113,316	99,606	-	102,099	101,244
Fixed assets	210,950	208,012	203,552	200,526	-	197,522	195,414
Total Assets	330,161	332,283	316,869	300,133	-	299,622	296,658
Liabilities and Equity:							
Current liabilities	68,361	71,670	66,547	55,384	-	54,629	52,064
Long-term liabilities	80,185	75,716	67,239	59,696	-	58,615	56,771
Total Liabilities	148,547	147,387	133,786	115,080	-	113,244	108,836
Shareholders' equity	183,418	186,459	184,990	186,547	-	187,757	189,502
Valuation and translation adjustments	(1,944)	(1,705)	(2,049)	(1,602)	-	(1,490)	(1,808)
Stock acquisition rights	22	22	22	22	-	22	-
Minority interests	117	120	119	84	-	88	128
Total Equity	181,613	184,896	183,082	185,052	-	186,377	187,822
Total Liabilities and Equity	330,161	332,283	316,869	300,133	-	299,622	296,658

III. Segment Information

(Unit: Millions of Yen)

	For the year ended March 31, 2012					For the year ending March 31, 2013	
	1Q	2Q	3Q	4Q	Cumulative	1Q	2Q
Revenues	37,911	39,144	38,848	39,337	155,242	39,086	39,429
Multichannel Pay TV Business	26,129	27,426	27,468	27,479	108,503	28,400	28,465
Space & Satellite Business	14,366	14,454	14,261	14,625	57,707	13,444	13,790
Eliminations and Corporate Total	(2,584)	(2,736)	(2,881)	(2,766)	(10,968)	(2,759)	(2,826)
Operating Income (Loss)	5,916	5,653	3,193	2,722	17,486	5,043	3,144
Multichannel Pay TV Business	968	532	(1,322)	(1,815)	(1,636)	819	(836)
Space & Satellite Business	5,118	5,240	4,746	4,706	19,812	4,376	4,149
Eliminations and Corporate Total	(170)	(119)	(230)	(168)	(688)	(153)	(168)
Depreciation Expense	6,037	6,210	6,320	6,323	24,891	6,035	6,579
Multichannel Pay TV Business	—	—	—	—	7,716	—	—
Space & Satellite Business	—	—	—	—	16,669	—	—
Eliminations and Corporate Total	—	—	—	—	506	—	—
Capital Expenditures	3,479	3,919	1,462	5,111	13,972	3,447	5,890
Multichannel Pay TV Business	—	—	—	—	6,243	—	—
Space & Satellite Business	—	—	—	—	7,443	—	—
Eliminations and Corporate Total	—	—	—	—	285	—	—

IV. Cash Flows

(Unit: Millions of Yen)

	For the year ended March 31, 2012					For the year ending March 31, 2013	
	1Q	2Q	3Q	4Q	Cumulative	1Q	2Q
Net Cash Provided by Operating Activities	17,909	8,321	6,068	7,677	39,976	13,987	10,848
Net Cash Provided by (Used in) Investing Activities	5,280	2,565	(5,912)	61	1,995	(4,098)	(4,902)
Purchases of Property and Equipment- Net	(4,555)	(1,502)	(3,626)	(3,183)	(12,867)	(4,583)	(5,411)
Net Cash Provided by (Used in) Financing Activities	(3,481)	(1,642)	(7,422)	(22,445)	(34,993)	(3,482)	(4,355)

V. Reference Data of Multichannel Pay TV Service

(Unit: Thousand)

Number of Subscribers and Churn Rate	For the year ended March 31, 2012					For the year ending March 31, 2013	
	1Q	2Q	3Q	4Q	Cumulative	1Q	2Q
New Subscribers	Total for SKY PerfecTV! ^{*3}						
	154	162	187	174	678	165	131
	SKY PerfecTV! (Former SKY PerfecTV! e2)						
	127	133	163	149	571	141	113
	Premium Service						
	19	19	18	20	75	0	14
	Premium Service HIKARI						
	9	10	7	5	31	5	4
Number of Re-registered Subscribers	Total for SKY PerfecTV! ^{*3}						
	22	13	12	39	86	25	16
	SKY PerfecTV! (Former SKY PerfecTV! e2)						
	18	10	9	34	71	21	14
	Premium Service						
	4	3	2	5	15	3	2
	Premium Service HIKARI						
	0	0	0	0	0	0	0
Churn	Total for SKY PerfecTV! ^{*3}						
	160	148	193	174	674	173	159
	SKY PerfecTV! (Former SKY PerfecTV! e2)						
	62	60	102	85	309	88	91
	Premium Service						
	92	82	83	81	338	79	63
	Premium Service HIKARI						
	6	7	7	7	27	6	5
Net Increase	Total for SKY PerfecTV! ^{*3}						
	16	26	7	39	89	17	(13)
	SKY PerfecTV! (Former SKY PerfecTV! e2)						
	83	83	70	98	333	74	35
	Premium Service						
	(69)	(60)	(63)	(56)	(248)	(56)	(47)
	Premium Service HIKARI						
	2	4	0	(2)	4	(1)	(1)
Total Subscribers	Total for SKY PerfecTV! ^{*3}						
	3,742	3,768	3,775	3,814	3,814	3,831	3,819
	SKY PerfecTV! (Former SKY PerfecTV! e2)						
	1,487	1,570	1,640	1,737	1,737	1,812	1,847
	Premium Service						
	2,142	2,082	2,020	1,963	1,963	1,907	1,860
	(High Definition)						
	468	525	567	638	638	708	804
	Premium Service HIKARI						
	112	116	116	114	114	113	112
Churn Rate(%)* ⁴	Total for SKY PerfecTV! ^{*3}						
	1.4%	1.3%	1.7%	1.5%	17.9%	1.5%	1.4%
	SKY PerfecTV! (Former SKY PerfecTV! e2)						
	1.4%	1.3%	2.1%	1.7%	19.7%	1.6%	1.7%
	Premium Service						
	1.4%	1.3%	1.4%	1.0%	16.2%	1.4%	1.1%
	Premium Service HIKARI						
	1.8%	2.0%	2.0%	2.1%	24.3%	1.8%	1.6%

*3. The figures are the total amounts for SKY PerfecTV! (former SKY PerfecTV! e2), Premium Service, and Premium Service HIKARI. SKY PerfecTV! is the service (former SKY PerfecTV!e2) using the satellite at 110 degrees east longitude. Premium Service is the service using the satellites at 124 and 128 degrees east longitude (including standard definition channels). Premium Service HIKARI is the service using optical fibers.

*4. Quarterly Churn Rate = Average monthly churn rate for 3 months.

Annualized Churn Rate = Total for 12 months of monthly churn rate: churns during the current month/Total Subscribers at the end of the previous month.

SAC (Total for SKY PerfecTV!)* ⁶	For the year ended March 31, 2012					For the year ending March 31, 2013	
	1Q	2Q	3Q	4Q	Cumulative	1Q	2Q
SAC per Subscriber (¥)	29,502	29,393	29,614	32,294	30,223	26,117	35,244
	Advertisement expenses ^{*5}						
	10,287	9,932	11,761	12,210	11,103	8,701	15,637
	Promotion expenses						
	3,159	3,316	2,683	4,261	3,348	2,113	3,627
	Sales incentives						
	4,258	4,328	3,008	3,107	3,634	3,198	3,111
	User incentives ^{*6}						
	5,117	5,116	5,440	6,675	5,606	6,102	
	Others						
	6,681	6,702	6,721	6,041	6,533	6,003	6,547
SAC Total (¥ million)	4,553	4,765	6,233	6,175	21,727	4,603	5,285
	Advertisement expenses ^{*5}						
	1,587	1,610	2,203	2,121	7,522	1,435	2,046
	Promotion expenses						
	487	537	502	740	2,267	348	474
	Sales incentives						
	657	701	563	539	2,461	527	407
	User incentives ^{*6}						
	789	829	1,019	1,159	3,797	1,006	
	Others						
	1,031	1,086	1,258	1,049	4,426	990	857
	Free content costs ^{*7}						
	-	-	686	564	1,251	294	672

*5. Advertising expense does not include public relations expenses. Other includes SKY Perfect Customer-relations Corporation costs in addition to outsourcing fee

*6. User incentives include antenna installation cost, and incentives for new subscription, which are paid to new subscribers. They are indicated separately from conventional promotion expenses a sales incentives since the year ending March 31, 2013. The figures for the year ended March 31, 2012 were re-calculated based on the current standard

*7. Free content costs are broadcast rights fees and production costs, etc. related to the BS SKY PerfecTV! since the year ended March 31, 2012.

(Unit: Yen)

ARPU (Total for SKY PerfectTV!) ⁸	For the year ended March 31, 2012					For the year ending March 31, 2013	
	1Q	2Q	3Q	4Q	Cumulative	1Q	2Q
Average Monthly Subscriber's Payment ⁸	3,264	3,240	3,227	3,175	3,226	3,223	3,238
(Former Gross ARPU)							
Revenues from own content	135	127	132	116	127	132	129
PPV Subscription fee	89	88	80	78	84	69	67
Monthly subscription fee	2,617	2,603	2,593	2,560	2,593	2,603	2,623
Rental fee	57	59	61	61	60	61	61
Basic fee	366	363	362	360	362	359	358
ARPU ⁸	1,586	1,659	1,687	1,677	1,652	1,738	1,765
(Former Net ARPU)							
Revenues from own content	135	127	132	116	127	132	129
PPV Subscription fee	37	37	34	31	35	30	29
Monthly subscription fee	991	1,073	1,099	1,109	1,068	1,157	1,188
Rental fee	57	59	61	61	60	61	61
Basic fee	366	363	362	360	362	359	358

⁸8. Average Monthly Subscriber's Payment: Conventional subscription fee-based unit price

ARPU: Sales-based unit price (unit price based on the subscription or commission fee, which contribute to sale)

VI. Operating Results of Major Subsidiaries

(Unit: Millions of Yen)

		For the year ended March 31, 2012					For the year ending March 31, 2013	
		1Q	2Q	3Q	4Q	Cumulative	1Q	2Q
SKY Perfect JSAT Corporation	Revenue	31,448	31,271	30,934	31,276	124,930	30,904	30,803
	Operating Income	5,722	5,055	2,521	2,586	15,886	4,996	3,238
	Ordinary Income	5,675	5,083	2,574	2,648	15,982	5,152	3,354
SKY Perfect Customer-relations Corporation	Revenue	3,983	4,095	4,219	4,094	16,393	2,429	2,294
	Operating Income(loss)	(61)	126	262	(76)	250	(247)	(378)
	Ordinary Income(loss)	(60)	129	263	(65)	267	(244)	(376)
SKY Perfect Broadcasting Corporation	Revenue	6,950	8,368	9,190	8,862	33,372	10,005	10,481
	Operating Income(loss)	(16)	136	143	108	370	55	71
	Ordinary Income(loss)	(15)	137	144	108	375	56	72
OptiCast Inc.	Revenue	2,543	2,705	2,763	2,784	10,797	2,852	2,851
	Operating Income	222	334	344	302	1,203	352	233
	Ordinary Income	203	316	330	290	1,140	339	220
Satellite Network, Inc.	Revenue	1,821	1,800	1,683	1,857	7,162	1,489	1,498
	Operating Income	208	133	108	122	572	113	144
	Ordinary Income	188	115	91	110	506	100	131
JSAT International Inc.	Revenue	541	543	488	458	2,032	417	443
	Operating Income	230	240	198	167	837	132	159
	Ordinary Income	230	240	198	168	838	134	159
SKY Perfect JSAT Holdings Inc.	Revenue	-	-	-	4,994	4,994	-	-
	Operating Income(loss)	(229)	(200)	(192)	4,817	4,195	(205)	(196)
	Ordinary Income(loss)	(220)	(199)	(188)	4,818	4,209	(201)	(196)

VII. Performance Forecasts

(Unit: Millions of Yen)

Consolidated Performance Forecast	For the year ending March 31, 2013			
	Revenues	Operating Income	Ordinary Income	Net Income
Full Year	164,000	16,000	15,500	9,000

(Unit: Yen)

Dividends Forecast per Share	For the year ending March 31, 2013
Interim	600.00
Year-End	600.00
Total	1,200.00