

Summary of Business Results for the Six Months Ended September 30, 2013

SKY Perfect JSAT Holdings Inc. (Head Office: Minato-ku, Tokyo; Representative Director, President: Shinji Takada) today announced the consolidated financial and operational results for the six months ended September 30, 2013.

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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.

Supplementary Data

I . Consolidated Financial Highlights

(Unit: Millions of Yen)

	For the year ended March 31, 2013					For the year ending March 31, 2014	
	1Q	2Q	3Q	4Q	Cumulative	1Q	2Q
Revenues	39,086	39,429	39,390	41,703	159,609	41,044	41,759
Operating Income	5,043	3,144	4,623	3,342	16,153	5,210	5,692
Ordinary Income	4,922	3,029	4,766	2,979	15,698	5,246	5,635
Net Income	3,228	1,745	2,856	1,851	9,682	3,140	3,387
Net Income per Share ^{*1}	9.59	5.18	8.50	5.50	28.77	9.33	10.06
Total Equity per Share ^{*1}	553.46	557.70	561.18	571.33	571.33	576.79	588.24
EBITDA ^{*2}	11,127	9,762	11,688	9,870	42,448	11,835	11,961
Simple EBITDA ^{*3}	11,078	9,724	11,410	10,055	42,269	11,580	11,813
Cash Dividend per Share ^{*4}	-	600	-	600	1,200	-	600

*1. Our common shares have been split at a ratio of 1:100 on October 1, 2013. The figures of Net Income per share and Total Equity per share have been calculated on the basis that the split had been effective at the beginning of the year ended March 31, 2013.

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

*3. Simple EBITDA is calculated as Operating Income + Depreciation Expense.

*4. Our common shares have been split at a ratio of 1:100 on October 1, 2013. The figure of cash dividend forecast at the end of the year ending March 31, 2014 will be reflected it.

(Unit: Millions of Yen)

Main Selling and Administrative Expenses	For the year ended March 31, 2013					For the year ending March 31, 2014	
	1Q	2Q	3Q	4Q	Cumulative	1Q	2Q
Advertisement Expenses	1,561	2,169	1,722	2,025	7,480	1,521	1,548
Promotion Expenses	870	1,191	1,311	1,930	5,304	1,422	1,236
Agency Commission	662	534	678	719	2,594	562	516

II . Consolidated Balance Sheets

(Unit: Millions of Yen)

	As of Jun. 30, 2012	As of Sep. 30, 2012	As of Dec. 31, 2012	As of Mar. 31, 2013		As of Jun. 30, 2013	As of Sep. 30, 2013
Assets:							
Current assets	102,099	101,244	93,863	104,431	-	111,068	119,741
Fixed assets	197,522	195,414	190,165	186,055	-	181,404	179,681
Total Assets	299,622	296,658	284,029	290,486	-	292,473	299,422
Liabilities and Equity:							
Current liabilities	54,629	52,064	44,393	51,329	-	53,026	73,149
Long-term liabilities	58,615	56,771	50,262	46,463	-	44,923	27,922
Total Liabilities	113,244	108,836	94,656	97,793	-	97,949	101,072
Shareholders' equity	187,757	189,502	190,339	192,191	-	193,538	196,925
Valuation and translation adjustments	(1,490)	(1,808)	(1,474)	90	-	582	1,050
Stock acquisition rights	22	-	-	-	-	-	-
Minority interests	88	128	507	410	-	402	374
Total Equity	186,377	187,822	189,373	192,693	-	194,523	198,350
Total Liabilities and Equity	299,622	296,658	284,029	290,486	-	292,473	299,422

III. Segment Information

(Unit: Millions of Yen)

	For the year ended March 31, 2013					For the year ending March 31, 2014	
	1Q	2Q	3Q	4Q	Cumulative	1Q	2Q
Revenues	39,086	39,429	39,390	41,703	159,609	41,044	41,759
Multichannel Pay TV Business	28,400	28,465	28,432	29,117	114,415	30,405	30,686
Space & Satellite Business	13,444	13,790	13,853	15,556	56,645	13,818	14,371
Eliminations and Corporate Total	(2,759)	(2,826)	(2,895)	(2,970)	(11,452)	(3,179)	(3,297)
Operating Income (Loss)	5,043	3,144	4,623	3,342	16,153	5,210	5,692
Multichannel Pay TV Business	819	(836)	487	(1,289)	(819)	625	954
Space & Satellite Business	4,376	4,149	4,284	4,788	17,598	4,713	4,880
Eliminations and Corporate Total	(153)	(168)	(149)	(155)	(626)	(128)	(142)
Depreciation Expense	6,035	6,579	6,787	6,713	26,116	6,369	6,120
Multichannel Pay TV Business	—	—	—	—	8,047	—	—
Space & Satellite Business	—	—	—	—	17,614	—	—
Eliminations and Corporate Total	—	—	—	—	454	—	—
Capital Expenditures	3,447	5,890	2,245	2,267	13,851	1,715	5,629
Multichannel Pay TV Business	—	—	—	—	7,354	—	—
Space & Satellite Business	—	—	—	—	6,428	—	—
Eliminations and Corporate Total	—	—	—	—	68	—	—

IV. Cash Flows

(Unit: Millions of Yen)

	For the year ended March 31, 2013					For the year ending March 31, 2014	
	1Q	2Q	3Q	4Q	Cumulative	1Q	2Q
Net Cash Provided by Operating Activities	13,987	10,848	4,198	9,338	38,372	15,938	4,821
Net Cash Provided by (Used in) Investing Activities	(4,098)	(4,902)	(2,068)	(49)	(11,119)	(2,456)	(3,764)
Purchases of Property and Equipment- Net	(4,583)	(5,411)	(2,376)	(1,212)	(13,584)	(2,879)	(4,805)
Net Cash Provided by (Used in) Financing Activities	(3,482)	(4,355)	(8,175)	(3,387)	(19,401)	(4,899)	2,027

V. Reference Data of Multichannel Pay TV Service

(Unit: Thousand)

Number of Subscribers and Churn Rate	For the year ended March 31, 2013					For the year ending March 31, 2014	
	1Q	2Q	3Q	4Q	Cumulative	1Q	2Q
New Subscribers							
Total for SKY PerfecTV! ⁵	165	131	159	167	622	132	111
SKY PerfecTV! (Former SKY PerfecTV! e2)	141	113	142	151	546	116	96
Premium Service	0	14	14	14	61	12	12
Premium Service HIKARI ⁶	5	4	3	3	15	3	3
Number of Re-registered Subscribers							
Total for SKY PerfecTV! ⁵	25	16	15	49	104	24	20
SKY PerfecTV! (Former SKY PerfecTV! e2)	21	14	12	43	90	21	17
Premium Service	3	2	2	6	14	3	2
Premium Service HIKARI	0	0	0	0	0	0	1
Churn							
Total for SKY PerfecTV! ⁵	173	159	191	188	711	188	153
SKY PerfecTV! (Former SKY PerfecTV! e2)	88	91	122	110	411	105	94
Premium Service	79	63	64	69	275	65	55
Premium Service HIKARI ⁶	6	5	5	8	25	18	3
Net Increase							
Total for SKY PerfecTV! ⁵	17	(13)	(18)	28	15	(32)	(22)
SKY PerfecTV! (Former SKY PerfecTV! e2)	74	35	32	83	225	32	19
Premium Service	(56)	(47)	(48)	(50)	(201)	(50)	(42)
Premium Service HIKARI	(1)	(1)	(2)	(5)	(10)	(14)	1
Total Subscribers							
Total for SKY PerfecTV! ⁵	3,831	3,819	3,801	3,829	3,829	3,797	3,775
SKY PerfecTV! (Former SKY PerfecTV! e2)	1,812	1,847	1,879	1,963	1,963	1,995	2,014
Premium Service	1,907	1,860	1,812	1,762	1,762	1,712	1,671
(High Definition)	708	804	878	1,032	1,032	1,128	1,179
Premium Service HIKARI	113	112	109	104	104	90	91
Churn Rate(%) ⁷							
Total for SKY PerfecTV! ⁵	1.5%	1.4%	1.7%	1.6%	18.6%	1.6%	1.3%
SKY PerfecTV! (Former SKY PerfecTV! e2)	1.6%	1.7%	2.2%	1.9%	22.2%	1.8%	1.6%
Premium Service	1.4%	1.1%	1.2%	1.3%	14.8%	1.2%	1.1%
Premium Service HIKARI ⁶	1.8%	1.6%	1.6%	2.5%	22.8%	5.8%	1.2%

*5. 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.

*6. As the standard definition service in SKY PerfecTV! Premium service HIKARI ended at the end of June, 2013, the number of churn and churn rate of the service increased temporary for the 1st quarter of the year ending March 31,2014.

*7. 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.

Subscriber Acquisition Cost (Total for SKY PerfecTV!)	For the year ended March 31, 2013					For the year ending March 31, 2014	
	1Q	2Q	3Q	4Q	Cumulative	1Q	2Q
SAC per Subscriber (¥) ⁸	26,117	35,244	28,319	31,065	29,931	30,121	32,888
Advertisement expenses ⁹	8,701	15,637	10,008	11,202	11,167	10,525	12,806
Promotion expenses	2,113	3,627	3,344	4,207	3,309	3,075	3,872
Sales incentives	3,198	3,111	3,218	3,031	3,140	2,951	3,208
User incentives ¹⁰	6,102	6,321	5,480	5,341	5,784	5,837	5,574
Others	6,003	6,547	6,270	7,285	6,531	7,733	7,427
SAC Total (¥ million) ⁸	4,603	5,285	5,042	5,764	20,695	4,399	4,173
Advertisement expenses ⁹	1,435	2,046	1,590	1,875	6,948	1,384	1,423
Promotion expenses	348	474	531	704	2,059	404	430
Sales incentives	527	407	511	507	1,953	388	356
User incentives ¹⁰	1,006	827	870	894	3,599	767	619
Others	990	857	996	1,220	4,063	1,017	825
Free content costs ¹¹	294	672	542	561	2,071	436	517

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

*9. The amount of advertising expenses of the 1Q for the year ending March 31, 2014 was revised.

*10. User incentives are the costs such as antenna installation, incentives for new subscription and etc.

*11. 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 PerfecTV!)	For the year ended March 31, 2013					For the year ending March 31, 2014	
	1Q	2Q	3Q	4Q	Cumulative	1Q	2Q
Average Monthly Subscriber's Payment ^{*12}	3,223	3,238	3,194	3,143	3,200	3,190	3,198
Revenues from own content	132	129	137	126	131	152	147
PPV Subscription fee	69	67	62	61	65	53	52
Monthly subscription fee	2,603	2,623	2,577	2,540	2,586	2,573	2,588
Rental fee	61	61	61	61	61	58	56
Basic fee	359	358	357	356	357	354	355
ARPU ^{*12}	1,738	1,765	1,808	1,828	1,784	1,938	1,991
Revenues from own content	132	129	137	126	131	152	147
PPV Subscription fee	30	29	37	36	33	35	38
Monthly subscription fee	1,157	1,188	1,216	1,251	1,203	1,338	1,396
Rental fee	61	61	61	61	61	58	56
Basic fee	359	358	357	356	357	354	355

*12. 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 sales)

VI. Operating Results of Major Subsidiaries

(Unit: Millions of Yen)

		For the year ended March 31, 2013					For the year ending March 31, 2014	
		1Q	2Q	3Q	4Q	Cumulative	1Q	2Q
SKY Perfect JSAT Corporation	Revenue	30,904	30,803	30,500	31,925	124,135	31,244	31,154
	Operating Income	4,996	3,238	4,098	2,704	15,037	5,044	5,405
	Ordinary Income	5,152	3,354	4,272	3,195	15,974	5,246	5,404
SKY Perfect Customer-relations Corporation	Revenue	2,429	2,294	2,351	2,631	9,707	2,107	1,814
	Operating Income(loss)	(247)	(378)	104	270	(250)	58	(326)
	Ordinary Income(loss)	(244)	(376)	115	271	(234)	60	(326)
SKY Perfect Broadcasting Corporation	Revenue	10,005	10,481	11,238	11,880	43,605	13,714	14,587
	Operating Income(loss)	55	71	142	170	439	254	248
	Ordinary Income(loss)	56	72	143	171	443	255	249
OptiCast Inc.	Revenue	2,852	2,851	2,815	2,791	11,310	2,800	2,752
	Operating Income	352	233	254	266	1,106	(163)	359
	Ordinary Income	339	220	248	258	1,067	(166)	351
Satellite Network, Inc.	Revenue	1,489	1,498	1,526	1,769	6,284	963	1,117
	Operating Income	113	144	136	209	604	119	122
	Ordinary Income	100	131	125	199	557	116	116
JSAT International Inc.	Revenue	417	443	457	511	1,829	606	689
	Operating Income	132	159	180	230	702	280	344
	Ordinary Income	134	159	180	233	708	281	351
SKY Perfect JSAT Holdings Inc.	Revenue	-	-	-	4,994	4,994	-	-
	Operating Income(loss)	(205)	(196)	(179)	4,811	4,229	(191)	(184)
	Ordinary Income(loss)	(201)	(196)	(174)	4,810	4,237	(187)	(183)

VI. Performance Forecasts

(Unit: Millions of Yen)

Consolidated Performance Forecast	For the year ending March 31, 2014			
	Revenues	Operating Income	Ordinary Income	Net Income
Full Year	164,000	17,000	16,500	10,000

(Unit: Yen)

Dividends Forecast per Unit Share ^{*4}	For the year ending March 31, 2014
Interim	600.00
Year-End	600.00
Total	1,200.00