

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2014 (Based on Japanese GAAP)

July 30, 2014

Company name: SKY Perfect JSAT Holdings Inc.
 Stock exchange listing: Tokyo
 Stock code: 9412 URL <http://skyperfectjsat.co.jp>
 Representative: Representative Director, President Shinji Takada
 Inquiries: Director Masao Nito TEL 03-5571-1500
 Scheduled date to file Quarterly Securities Report: August 1, 2014
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for analysts and institutional investors)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 30, 2014 (from April 1, 2014 to June 30, 2014)

(1) Consolidated financial results (cumulative)

Percentages indicate year-on-year changes

	Operating revenue		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2014	42,239	2.9	7,015	34.6	7,067	34.7	6,587	109.8
Three months ended June 30, 2013	41,044	5.0	5,210	3.3	5,246	6.6	3,140	(2.7)

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended June 30, 2014	21.37	–
Three months ended June 30, 2013	9.33	–

(Note) The Company carried out a 1:100 stock split on October 1, 2013. Net income per share has been calculated on the basis that the split had been effective at the beginning of the year ended March 31, 2014.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2014	281,537	188,547	66.9	610.72
As of March 31, 2014	287,580	184,679	64.1	598.13

(Note) The Company carried out a 1:100 stock split on October 1, 2013. Net assets per share has been calculated on the basis that the split had been effective at the beginning of the year ended March 31, 2014.

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2014	–	600.00	–	6.00	–
Year ending March 31, 2015	–	–	–	–	–
Year ending March 31, 2015 (Forecast)	–	6.00	–	6.00	12.00

(Note) The Company carried out a 1:100 stock split on October 1, 2013. The amount of cash dividend at the 2nd quarter-end of the year ended March 31, 2014 shows the actual dividend before the said stock split.

3. Forecast of consolidated financial results for the year ending March 31, 2015 (from April 1, 2014 to March 31, 2015)

Percentages indicate year-on-year changes

	Operating revenue		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	163,500	(4.8)	18,000	(17.1)	17,500	(18.7)	12,000	24.2	38.93

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2014
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2014	344,603,700 shares	As of March 31, 2014	344,603,700 shares
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Number of treasury shares at the end of the period

As of June 30, 2014	36,387,600 shares	As of March 31, 2014	36,387,600 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2014	308,216,100 shares	Three months ended June 30, 2013	336,551,900 shares
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(Note) The Company carried out a 1:100 stock split on October 1, 2013. Number of issued shares (common shares) has been calculated on the basis that the split had been effective at the beginning of the year ended March 31, 2014.

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2014	As of June 30, 2014
Assets		
Current assets		
Cash and deposits	40,787	41,288
Accounts receivable - trade	24,245	18,193
Securities	22,996	26,996
Broadcasting rights	3,648	2,979
Merchandise	626	487
Work in process	9,821	10,762
Supplies	465	412
Accounts receivable - other	1,357	348
Deferred tax assets	1,432	1,900
Short-term loans receivable	2,574	1,258
Other	2,589	3,035
Allowance for doubtful accounts	(637)	(595)
Total current assets	109,908	107,068
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	11,241	10,956
Machinery, equipment and vehicles, net	22,115	21,571
Telecommunications satellites	87,475	84,397
Land	3,041	3,041
Leased assets, net	1,117	883
Construction in progress	12,205	17,668
Other, net	3,150	3,072
Total property, plant and equipment	140,347	141,591
Intangible assets		
Goodwill	7,092	6,872
Software	3,512	3,315
Other	99	97
Total intangible assets	10,704	10,286
Investments and other assets		
Investment securities	15,830	11,943
Deferred tax assets	8,309	8,261
Other	2,531	2,438
Allowance for doubtful accounts	(51)	(51)
Total investments and other assets	26,620	22,592
Total non-current assets	177,672	174,469
Total assets	287,580	281,537

(Millions of yen)

	As of March 31, 2014	As of June 30, 2014
Liabilities		
Current liabilities		
Accounts payable - trade	710	404
Current portion of bonds	20,000	20,000
Current portion of long-term loans payable	6,708	6,050
Accounts payable - other	21,051	11,201
Income taxes payable	6,048	1,520
Subscription fees received	9,912	10,142
Provision for bonuses	545	237
Asset retirement obligations	332	313
Other	8,927	14,327
Total current liabilities	74,238	64,196
Non-current liabilities		
Long-term loans payable	19,285	19,285
Deferred tax liabilities	1,165	1,160
Provision for directors' retirement benefits	6	6
Net defined benefit liability	3,992	4,059
Asset retirement obligations	2,105	2,113
Other	2,107	2,168
Total non-current liabilities	28,662	28,793
Total liabilities	102,900	92,990
Net assets		
Shareholders' equity		
Capital stock	10,000	10,000
Capital surplus	158,193	158,193
Retained earnings	33,728	38,469
Treasury shares	(19,128)	(19,128)
Total shareholders' equity	182,793	187,534
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	760	373
Deferred gains or losses on hedges	662	366
Foreign currency translation adjustment	137	(37)
Remeasurements of defined benefit plans	(2)	(4)
Total accumulated other comprehensive income	1,558	698
Minority interests	327	314
Total net assets	184,679	188,547
Total liabilities and net assets	287,580	281,537

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2013	Three months ended June 30, 2014
Operating revenue	41,044	42,239
Operating cost	27,142	26,852
Operating gross profit	13,902	15,386
Selling, general and administrative expenses	8,691	8,370
Operating income	5,210	7,015
Non-operating income		
Interest income	107	44
Dividend income	31	34
Share of profit of entities accounted for using equity method	-	78
Foreign exchange gains	27	-
Other	61	47
Total non-operating income	227	205
Non-operating expenses		
Interest expenses	156	124
Share of loss of entities accounted for using equity method	24	-
Foreign exchange losses	-	17
Other	10	11
Total non-operating expenses	192	153
Ordinary income	5,246	7,067
Extraordinary income		
Gain on sales of investment securities	74	988
Other	0	0
Total extraordinary income	74	988
Extraordinary losses		
Loss on sales of investment securities	-	193
Other	10	-
Total extraordinary losses	10	193
Income before income taxes and minority interests	5,310	7,863
Income taxes - current	2,105	1,518
Income taxes - deferred	63	(234)
Total income taxes	2,169	1,283
Income before minority interests	3,141	6,579
Minority interests in income	1	(7)
Net income	3,140	6,587

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2013	Three months ended June 30, 2014
Income before minority interests	3,141	6,579
Other comprehensive income		
Valuation difference on available-for-sale securities	(234)	(383)
Deferred gains or losses on hedges	261	(294)
Foreign currency translation adjustment	468	(175)
Remeasurements of defined benefit plans, before tax	-	(1)
Share of other comprehensive income of entities accounted for using equity method	(4)	(5)
Total other comprehensive income	491	(860)
Comprehensive income	3,632	5,719
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,631	5,727
Comprehensive income attributable to minority interests	1	(7)

Consolidated statements of cash flows

(Millions of yen)

	Three months ended June 30, 2013	Three months ended June 30, 2014
Cash flows from operating activities		
Income before income taxes and minority interests	5,310	7,863
Depreciation	6,369	5,702
Amortization of goodwill	219	219
Interest and dividend income	(138)	(79)
Interest expenses	156	124
Share of (profit) loss of entities accounted for using equity method	24	(78)
Loss (gain) on sales of investment securities	(74)	(795)
Decrease (increase) in notes and accounts receivable - trade	2,112	6,031
Decrease (increase) in Broadcasting rights	652	669
Decrease (increase) in accounts receivable - other	233	1,009
Decrease (increase) in inventories	(632)	(749)
Increase (decrease) in accounts payable - other	(4,127)	(9,849)
Increase (decrease) in unearned revenue	8,933	5,911
Other, net	(688)	(970)
Subtotal	18,351	15,008
Interest and dividend income received	102	143
Interest expenses paid	(126)	(58)
Income taxes paid	(2,389)	(6,166)
Net cash provided by (used in) operating activities	15,938	8,927
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,495)	(6,586)
Purchase of intangible assets	(383)	(375)
Purchase of investment securities	-	(78)
Proceeds from sales and redemption of investment securities	187	4,786
Purchase of shares of subsidiaries and associates	(893)	(627)
Collection of long-term loans receivable	1,128	1,254
Other, net	(0)	(16)
Net cash provided by (used in) investing activities	(2,456)	(1,642)
Cash flows from financing activities		
Repayments of finance lease obligations	(1,031)	(325)
Proceeds from long-term loans payable	336	-
Repayments of long-term loans payable	(2,257)	(627)
Cash dividends paid	(1,937)	(1,800)
Cash dividends paid to minority shareholders	(9)	(6)
Net cash provided by (used in) financing activities	(4,899)	(2,759)
Effect of exchange rate change on cash and cash equivalents	153	(23)
Net increase (decrease) in cash and cash equivalents	8,735	4,501
Cash and cash equivalents at beginning of period	74,472	63,783
Cash and cash equivalents at end of period	83,208	68,284