

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2014 (Based on Japanese GAAP)

February 4, 2015

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: February 6, 2015
 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 nine months ended December 31, 2014 (from April 1, 2014 to December 31, 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	%
Nine months ended December 31, 2014	122,568	(1.3)	17,592	3.6	17,581	3.6	12,936	27.4
Nine months ended December 31, 2013	124,195	5.3	16,987	32.6	16,970	33.4	10,155	29.7

	Net income per share		Diluted net income per share	
	Yen		Yen	
Nine months ended December 31, 2014	41.97		–	
Nine months ended December 31, 2013	30.43		–	

(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 December 31, 2014	275,656	194,741	70.6	631.45
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	–	6.00	–		
Year ending March 31, 2015 (Forecast)				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	164,000	(4.5)	19,500	(10.2)	19,500	(9.4)	14,000	44.9	45.42

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 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 December 31, 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 December 31, 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)

Nine months ended December 31, 2014	308,216,100 shares	Nine months ended December 31, 2013	333,769,840 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 December 31, 2014
Assets		
Current assets		
Cash and deposits	40,787	29,584
Accounts receivable - trade	24,245	16,254
Securities	22,996	10,999
Broadcasting rights	3,648	1,984
Merchandise	626	619
Work in process	9,821	23,295
Supplies	465	384
Accounts receivable - other	1,357	629
Deferred tax assets	1,432	183
Short-term loans receivable	2,574	–
Other	2,589	5,217
Allowance for doubtful accounts	(637)	(578)
Total current assets	109,908	88,573
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	11,241	10,616
Machinery, equipment and vehicles, net	22,115	20,881
Telecommunications satellites	87,475	78,327
Land	3,041	3,041
Leased assets, net	1,117	715
Construction in progress	12,205	33,788
Other, net	3,150	2,916
Total property, plant and equipment	140,347	150,287
Intangible assets		
Goodwill	7,092	6,433
Software	3,512	6,810
Other	99	78
Total intangible assets	10,704	13,322
Investments and other assets		
Investment securities	15,830	12,950
Deferred tax assets	8,309	7,844
Other	2,531	2,678
Allowance for doubtful accounts	(51)	(0)
Total investments and other assets	26,620	23,472
Total non-current assets	177,672	187,082
Total assets	287,580	275,656

(Millions of yen)

	As of March 31, 2014	As of December 31, 2014
Liabilities		
Current liabilities		
Accounts payable - trade	710	432
Current portion of bonds	20,000	–
Current portion of long-term loans payable	6,708	2,902
Accounts payable - other	21,051	9,953
Income taxes payable	6,048	1,157
Subscription fees received	9,912	9,780
Provision for bonuses	545	242
Asset retirement obligations	332	–
Other	8,927	14,929
Total current liabilities	74,238	39,398
Non-current liabilities		
Long-term loans payable	19,285	30,807
Deferred tax liabilities	1,165	1,247
Provision for directors' retirement benefits	6	6
Net defined benefit liability	3,992	4,214
Asset retirement obligations	2,105	2,141
Other	2,107	3,099
Total non-current liabilities	28,662	41,516
Total liabilities	102,900	80,914
Net assets		
Shareholders' equity		
Capital stock	10,000	10,000
Capital surplus	158,193	158,193
Retained earnings	33,728	42,969
Treasury shares	(19,128)	(19,128)
Total shareholders' equity	182,793	192,035
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	760	541
Deferred gains or losses on hedges	662	1,629
Foreign currency translation adjustment	137	427
Remeasurements of defined benefit plans	(2)	(9)
Total accumulated other comprehensive income	1,558	2,588
Minority interests	327	118
Total net assets	184,679	194,741
Total liabilities and net assets	287,580	275,656

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2013	Nine months ended December 31, 2014
Operating revenue	124,195	122,568
Operating cost	80,081	77,980
Operating gross profit	44,114	44,588
Selling, general and administrative expenses	27,127	26,995
Operating income	16,987	17,592
Non-operating income		
Interest income	298	101
Dividend income	57	60
Share of profit of entities accounted for using equity method	-	99
Foreign exchange gains	103	-
Other	89	135
Total non-operating income	549	396
Non-operating expenses		
Interest expenses	484	290
Share of loss of entities accounted for using equity method	64	-
Foreign exchange losses	-	36
Other	17	81
Total non-operating expenses	566	408
Ordinary income	16,970	17,581
Extraordinary income		
Gain on sales of investment securities	74	988
Other	1	2
Total extraordinary income	75	991
Extraordinary losses		
Loss on sales of investment securities	-	193
Other	10	5
Total extraordinary losses	10	198
Income before income taxes and minority interests	17,034	18,374
Income taxes - current	7,353	4,223
Income taxes - deferred	(440)	1,238
Total income taxes	6,912	5,462
Income before minority interests	10,122	12,912
Minority interests in loss	(33)	(24)
Net income	10,155	12,936

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2013	Nine months ended December 31, 2014
Income before minority interests	10,122	12,912
Other comprehensive income		
Valuation difference on available-for-sale securities	192	(216)
Deferred gains or losses on hedges	706	784
Foreign currency translation adjustment	665	289
Remeasurements of defined benefit plans, net of tax	–	(7)
Share of other comprehensive income of entities accounted for using equity method	18	0
Total other comprehensive income	1,582	850
Comprehensive income	11,704	13,763
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	11,737	13,966
Comprehensive income attributable to minority interests	(33)	(203)

Consolidated statements of cash flows

(Millions of yen)

	Nine months ended December 31, 2013	Nine months ended December 31, 2014
Cash flows from operating activities		
Income before income taxes and minority interests	17,034	18,374
Depreciation	18,364	17,090
Amortization of goodwill	658	658
Interest and dividend income	(356)	(161)
Interest expenses	484	290
Share of (profit) loss of entities accounted for using equity method	64	(99)
Loss (gain) on sales of investment securities	(74)	(795)
Decrease (increase) in notes and accounts receivable - trade	1,729	8,008
Decrease (increase) in Broadcasting rights	1,934	1,663
Decrease (increase) in accounts receivable - other	235	728
Decrease (increase) in inventories	(5,668)	(13,385)
Increase (decrease) in accounts payable - other	(6,057)	(11,099)
Increase (decrease) in accrued consumption taxes	110	1,299
Increase (decrease) in unearned revenue	3,466	3,128
Other, net	(224)	(21)
Subtotal	31,701	25,680
Interest and dividend income received	303	227
Interest expenses paid	(460)	(298)
Income taxes paid	(4,931)	(9,986)
Net cash provided by (used in) operating activities	26,612	15,622
Cash flows from investing activities		
Purchase of property, plant and equipment	(13,490)	(26,958)
Purchase of intangible assets	(1,038)	(1,007)
Purchase of investment securities	(69)	(109)
Proceeds from sales and redemption of investment securities	2,278	4,786
Purchase of shares of subsidiaries and associates	(1,510)	(1,256)
Collection of long-term loans receivable	2,364	2,513
Other, net	(0)	(261)
Net cash provided by (used in) investing activities	(11,466)	(22,293)
Cash flows from financing activities		
Repayments of finance lease obligations	(1,844)	(671)
Proceeds from long-term loans payable	5,483	12,722
Repayments of long-term loans payable	(10,367)	(4,977)
Redemption of bonds	–	(20,000)
Purchase of treasury shares	(15,252)	–
Cash dividends paid	(4,026)	(3,691)
Cash dividends paid to minority shareholders	(9)	(6)
Net cash provided by (used in) financing activities	(26,017)	(16,623)
Effect of exchange rate change on cash and cash equivalents	249	94
Net increase (decrease) in cash and cash equivalents	(10,622)	(23,199)
Cash and cash equivalents at beginning of period	74,472	63,783
Cash and cash equivalents at end of period	63,850	40,583