

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2015 (Based on Japanese GAAP)

February 3, 2016

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 Shinji Yokomizu TEL 03-5571-1500
 Scheduled date to file Quarterly Securities Report: February 5, 2016
 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, 2015 (from April 1, 2015 to December 31, 2015)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Operating revenue		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2015	123,466	0.7	18,560	5.5	18,554	5.5	12,134	(6.2)
Nine months ended December 31, 2014	122,568	(1.3)	17,592	3.6	17,581	3.6	12,936	27.4

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2015	39.52		–	
Nine months ended December 31, 2014	41.97		–	

(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, 2015	306,540	198,368	63.4	653.98
As of March 31, 2015	282,516	195,640	69.2	634.20

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2015	–	6.00	–	6.00	12.00
Year ending March 31, 2016	–	7.00	–		
Year ending March 31, 2016 (Forecast)				7.00	14.00

3. Forecast of consolidated financial results for the year ending March 31, 2016 (from April 1, 2015 to March 31, 2016)

Percentages indicate year-on-year changes

	Operating revenue		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	168,000	2.9	23,000	17.2	22,500	14.9	14,500	7.3	47.61

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2015
(changes in specified subsidiaries resulting in the change in scope of consolidation): Yes
- (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, 2015	344,603,700 shares	As of March 31, 2015	344,603,700 shares
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Number of treasury shares at the end of the period

As of December 31, 2015	47,595,800 shares	As of March 31, 2015	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, 2015	307,034,145 shares	Nine months ended December 31, 2014	308,216,100 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2015	As of December 31, 2015
Assets		
Current assets		
Cash and deposits	33,963	41,740
Accounts receivable - trade	17,424	17,127
Securities	–	10,999
Broadcasting rights	5,771	2,401
Merchandise	452	367
Work in process	29,404	36,814
Supplies	437	381
Accounts receivable - other	576	396
Deferred tax assets	1,055	1,696
Other	3,775	2,442
Allowance for doubtful accounts	(566)	(495)
Total current assets	92,295	113,873
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	10,510	9,909
Machinery, equipment and vehicles, net	21,474	20,954
Telecommunications satellites	75,335	67,434
Land	3,041	3,041
Leased assets, net	645	464
Construction in progress	39,903	53,517
Other, net	3,519	3,689
Total property, plant and equipment	154,430	159,010
Intangible assets		
Goodwill	6,214	5,555
Software	6,932	7,240
Other	77	75
Total intangible assets	13,223	12,871
Investments and other assets		
Investment securities	13,185	10,921
Deferred tax assets	6,721	7,362
Other	2,660	2,501
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	22,566	20,784
Total non-current assets	190,221	192,666
Total assets	282,516	306,540

(Millions of yen)

	As of March 31, 2015	As of December 31, 2015
Liabilities		
Current liabilities		
Accounts payable - trade	995	446
Current portion of long-term loans payable	2,402	4,103
Accounts payable - other	16,126	7,650
Income taxes payable	514	5,834
Subscription fees received	9,743	9,836
Unearned revenue	2,428	5,049
Provision for bonuses	553	254
Asset retirement obligations	23	–
Other	7,187	5,022
Total current liabilities	39,974	38,198
Non-current liabilities		
Bonds payable	–	20,000
Long-term loans payable	35,964	37,617
Deferred tax liabilities	1,391	1,425
Provision for directors' retirement benefits	6	6
Net defined benefit liability	4,439	4,722
Asset retirement obligations	2,135	2,159
Other	2,964	4,041
Total non-current liabilities	46,901	69,973
Total liabilities	86,876	108,171
Net assets		
Shareholders' equity		
Capital stock	10,000	10,000
Capital surplus	158,193	158,069
Retained earnings	43,548	51,676
Treasury shares	(19,128)	(26,268)
Total shareholders' equity	192,614	193,478
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	618	389
Deferred gains or losses on hedges	1,112	(704)
Foreign currency translation adjustment	1,243	1,199
Remeasurements of defined benefit plans	(119)	(123)
Total accumulated other comprehensive income	2,854	760
Non-controlling interests	171	4,130
Total net assets	195,640	198,368
Total liabilities and net assets	282,516	306,540

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, 2014	Nine months ended December 31, 2015
Operating revenue	122,568	123,466
Operating cost	77,980	78,036
Operating gross profit	44,588	45,430
Selling, general and administrative expenses	26,995	26,870
Operating income	17,592	18,560
Non-operating income		
Interest income	101	62
Dividend income	60	62
Share of profit of entities accounted for using equity method	99	110
Other	135	158
Total non-operating income	396	394
Non-operating expenses		
Interest expenses	290	199
Foreign exchange losses	36	3
Bond issuance cost	-	111
Other	81	84
Total non-operating expenses	408	399
Ordinary income	17,581	18,554
Extraordinary income		
Gain on sales of investment securities	988	301
Other	2	-
Total extraordinary income	991	301
Extraordinary losses		
Loss on sales of investment securities	193	17
Other	5	-
Total extraordinary losses	198	17
Income before income taxes and minority interests	18,374	18,839
Income taxes - current	4,223	7,277
Income taxes - deferred	1,238	(166)
Total income taxes	5,462	7,110
Profit	12,912	11,728
Loss attributable to non-controlling interests	(24)	(406)
Profit attributable to owners of parent	12,936	12,134

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2014	Nine months ended December 31, 2015
Profit	12,912	11,728
Other comprehensive income		
Valuation difference on available-for-sale securities	(216)	(228)
Deferred gains or losses on hedges	784	(1,973)
Foreign currency translation adjustment	289	(44)
Remeasurements of defined benefit plans, net of tax	(7)	(4)
Share of other comprehensive income of entities accounted for using equity method	0	(2)
Total other comprehensive income	850	(2,253)
Comprehensive income	13,763	9,474
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	13,966	10,039
Comprehensive income attributable to non-controlling interests	(203)	(565)

Consolidated statements of cash flows

(Millions of yen)

	Nine months ended December 31, 2014	Nine months ended December 31, 2015
Cash flows from operating activities		
Income before income taxes and minority interests	18,374	18,839
Depreciation	17,090	15,824
Amortization of goodwill	658	658
Interest and dividend income	(161)	(125)
Interest expenses	290	199
Share of (profit) loss of entities accounted for using equity method	(99)	(110)
Loss (gain) on sales of investment securities	(795)	(284)
Bond issuance cost	-	111
Decrease (increase) in notes and accounts receivable - trade	8,008	297
Decrease (increase) in Broadcasting rights	1,663	3,369
Decrease (increase) in accounts receivable - other	728	179
Decrease (increase) in inventories	(13,385)	(7,268)
Increase (decrease) in accounts payable - other	(11,099)	(8,475)
Increase (decrease) in accrued consumption taxes	1,299	(142)
Increase (decrease) in unearned revenue	3,128	2,621
Other, net	(21)	(872)
Subtotal	25,680	24,822
Interest and dividend income received	227	119
Interest expenses paid	(298)	(212)
Income taxes paid	(9,986)	(1,383)
Net cash provided by (used in) operating activities	15,622	23,346
Cash flows from investing activities		
Purchase of property, plant and equipment	(26,958)	(19,836)
Purchase of intangible assets	(1,007)	(2,386)
Purchase of investment securities	(109)	(310)
Proceeds from sales and redemption of investment securities	4,786	1,793
Purchase of shares of subsidiaries and associates	(1,256)	-
Collection of long-term loans receivable	2,513	-
Other, net	(261)	2
Net cash provided by (used in) investing activities	(22,293)	(20,737)
Cash flows from financing activities		
Repayments of finance lease obligations	(671)	(307)
Proceeds from long-term loans payable	12,722	4,556
Repayments of long-term loans payable	(4,977)	(1,201)
Proceeds from issuance of bonds	-	19,888
Redemption of bonds	(20,000)	-
Purchase of treasury shares	-	(7,143)
Proceeds from share issuance to non-controlling shareholders	-	4,400
Cash dividends paid	(3,691)	(3,998)
Dividends paid to non-controlling interests	(6)	-
Net cash provided by (used in) financing activities	(16,623)	16,194
Effect of exchange rate change on cash and cash equivalents	94	(26)
Net increase (decrease) in cash and cash equivalents	(23,199)	18,776
Cash and cash equivalents at beginning of period	63,783	33,963
Cash and cash equivalents at end of period	40,583	52,740