

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2016 (Based on Japanese GAAP)

May 11, 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 of ordinary general meeting of shareholders: June 24, 2016
 Scheduled date to file Securities Report: June 24, 2016
 Scheduled date to commence dividend payments: June 27, 2016
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for analysts and institutional investors)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2016 (from April 1, 2015 to March 31, 2016)

(1) Consolidated operating results

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	%
Year ended March 31, 2016	162,905	(0.2)	24,210	23.3	24,012	22.6	16,867	24.8
Year ended March 31, 2015	163,294	(4.9)	19,627	(9.6)	19,580	(9.1)	13,515	39.9

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary income/total assets	Operating income/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2016	55.39	–	8.6	8.0	14.9
Year ended March 31, 2015	43.85	–	7.1	6.9	12.0

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2016	319,223	200,511	61.6	661.80
As of March 31, 2015	282,516	195,640	69.2	634.20

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2016	24,806	(28,804)	18,586	48,557
Year ended March 31, 2015	16,633	(34,746)	(12,078)	33,963

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2015	–	6.00	–	6.00	12.00	3,698	27.4	1.9
Year ended March 31, 2016	–	7.00	–	7.00	14.00	4,236	25.3	2.2
Year ending March 31, 2017 (Forecast)	–	8.00	–	8.00	16.00		31.7	

3. Forecast of consolidated financial results for the year ending March 31, 2017 (from April 1, 2016 to March 31, 2017)

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	221,500	36.0	22,500	(7.1)	23,000	(4.2)	15,000	(11.1)	50.50

4. Notes

- (1) Changes in significant subsidiaries during the year ended March 31, 2016
(changes in specified subsidiaries resulting in the change in scope of consolidation): Yes
- (2) 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

(3) Number of issued shares (common shares)

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

As of March 31, 2016	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 March 31, 2016	47,595,852 shares	As of March 31, 2015	36,387,600 shares
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Average number of shares during the period

Year ended March 31, 2016	304,541,274 shares	Year ended March 31, 2015	308,216,100 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2015	As of March 31, 2016
Assets		
Current assets		
Cash and deposits	33,963	27,758
Accounts receivable - trade	17,424	16,882
Securities	–	20,799
Broadcasting rights	5,771	4,532
Merchandise	452	371
Work in process	29,404	46,569
Supplies	437	388
Accounts receivable - other	576	423
Deferred tax assets	1,055	2,635
Other	3,775	1,590
Allowance for doubtful accounts	(566)	(473)
Total current assets	92,295	121,478
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	10,510	9,797
Machinery, equipment and vehicles, net	21,474	20,721
Telecommunications satellites	75,335	65,061
Land	3,041	3,041
Leased assets, net	645	402
Construction in progress	39,903	57,013
Other, net	3,519	3,593
Total property, plant and equipment	154,430	159,630
Intangible assets		
Goodwill	6,214	5,335
Software	6,932	7,384
Other	77	74
Total intangible assets	13,223	12,794
Investments and other assets		
Investment securities	13,185	13,665
Long-term loans receivable	–	1,193
Deferred tax assets	6,721	8,078
Other	2,660	2,382
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	22,566	25,319
Total non-current assets	190,221	197,744
Total assets	282,516	319,223

(Millions of yen)

	As of March 31, 2015	As of March 31, 2016
Liabilities		
Current liabilities		
Accounts payable - trade	995	437
Current portion of long-term loans payable	2,402	6,903
Accounts payable - other	16,126	13,318
Income taxes payable	514	6,254
Subscription fees received	9,743	9,685
Unearned revenue	2,428	2,252
Provision for bonuses	553	590
Asset retirement obligations	23	–
Other	7,187	7,737
Total current liabilities	39,974	47,180
Non-current liabilities		
Bonds payable	–	20,000
Long-term loans payable	35,964	37,233
Deferred tax liabilities	1,391	1,246
Provision for directors' retirement benefits	6	6
Net defined benefit liability	4,439	5,015
Asset retirement obligations	2,135	2,197
Other	2,964	5,832
Total non-current liabilities	46,901	71,531
Total liabilities	86,876	118,711
Net assets		
Shareholders' equity		
Capital stock	10,000	10,000
Capital surplus	158,193	158,069
Retained earnings	43,548	56,817
Treasury shares	(19,128)	(26,268)
Total shareholders' equity	192,614	198,619
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	618	356
Deferred gains or losses on hedges	1,112	(3,387)
Foreign currency translation adjustment	1,243	1,239
Remeasurements of defined benefit plans	(119)	(265)
Total accumulated other comprehensive income	2,854	(2,057)
Non-controlling interests	171	3,950
Total net assets	195,640	200,511
Total liabilities and net assets	282,516	319,223

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Operating revenue	163,294	162,905
Operating cost	104,175	101,639
Operating gross profit	59,119	61,266
Selling, general and administrative expenses	39,491	37,055
Operating income	19,627	24,210
Non-operating income		
Interest income	117	93
Dividend income	63	65
Share of profit of entities accounted for using equity method	75	125
Other	148	211
Total non-operating income	405	495
Non-operating expenses		
Interest expenses	339	282
Foreign exchange losses	18	107
Bond issuance cost	–	111
Commission fee	–	169
Other	94	23
Total non-operating expenses	452	693
Ordinary income	19,580	24,012
Extraordinary income		
Gain on sales of investment securities	988	301
Other	3	–
Total extraordinary income	991	301
Extraordinary losses		
Loss on sales of investment securities	201	17
Loss on valuation of investment securities	2	4
Other	5	–
Total extraordinary losses	209	21
Profit before income taxes	20,362	24,292
Income taxes - current	5,091	8,686
Income taxes - deferred	1,809	(738)
Total income taxes	6,901	7,948
Profit	13,461	16,344
Loss attributable to non-controlling interests	(54)	(523)
Profit attributable to owners of parent	13,515	16,867

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Profit	13,461	16,344
Other comprehensive income		
Valuation difference on available-for-sale securities	(139)	(256)
Deferred gains or losses on hedges	373	(4,715)
Foreign currency translation adjustment	1,105	(4)
Remeasurements of defined benefit plans, net of tax	(117)	(147)
Share of other comprehensive income of entities accounted for using equity method	(21)	(10)
Total other comprehensive income	1,200	(5,134)
Comprehensive income	14,662	11,209
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	14,812	11,954
Comprehensive income attributable to non-controlling interests	(150)	(745)

Consolidated statements of changes in equity

Fiscal year ended March 31, 2015

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	10,000	158,193	33,728	(19,128)	182,793
Cumulative effects of changes in accounting policies			3		3
Restated balance	10,000	158,193	33,731	(19,128)	182,796
Changes of items during period					
Dividends of surplus			(3,698)		(3,698)
Profit attributable to owners of parent			13,515		13,515
Purchase of treasury shares					–
Change in treasury shares of parent arising from transactions with non-controlling shareholders					–
Change of scope of equity method					–
Net changes of items other than shareholders' equity					
Total changes of items during period	–	–	9,817	–	9,817
Balance at end of current period	10,000	158,193	43,548	(19,128)	192,614

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	760	662	137	(2)	1,558	327	184,679
Cumulative effects of changes in accounting policies						0	3
Restated balance	760	662	137	(2)	1,558	327	184,683
Changes of items during period							
Dividends of surplus							(3,698)
Profit attributable to owners of parent							13,515
Purchase of treasury shares							–
Change in treasury shares of parent arising from transactions with non-controlling shareholders							–
Change of scope of equity method							–
Net changes of items other than shareholders' equity	(142)	450	1,105	(116)	1,296	(156)	1,140
Total changes of items during period	(142)	450	1,105	(116)	1,296	(156)	10,957
Balance at end of current period	618	1,112	1,243	(119)	2,854	171	195,640

Fiscal year ended March 31, 2016

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	10,000	158,193	43,548	(19,128)	192,614
Cumulative effects of changes in accounting policies					–
Restated balance	10,000	158,193	43,548	(19,128)	192,614
Changes of items during period					
Dividends of surplus			(4,006)		(4,006)
Profit attributable to owners of parent			16,867		16,867
Purchase of treasury shares				(7,139)	(7,139)
Change in treasury shares of parent arising from transactions with non-controlling shareholders		(124)			(124)
Change of scope of equity method			407		407
Net changes of items other than shareholders' equity					
Total changes of items during period	–	(124)	13,268	(7,139)	6,004
Balance at end of current period	10,000	158,069	56,817	(26,268)	198,619

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	618	1,112	1,243	(119)	2,854	171	195,640
Cumulative effects of changes in accounting policies							–
Restated balance	618	1,112	1,243	(119)	2,854	171	195,640
Changes of items during period							
Dividends of surplus							(4,006)
Profit attributable to owners of parent							16,867
Purchase of treasury shares							(7,139)
Change in treasury shares of parent arising from transactions with non-controlling shareholders							(124)
Change of scope of equity method							407
Net changes of items other than shareholders' equity	(262)	(4,500)	(4)	(146)	(4,912)	3,779	(1,133)
Total changes of items during period	(262)	(4,500)	(4)	(146)	(4,912)	3,779	4,871
Balance at end of current period	356	(3,387)	1,239	(265)	(2,057)	3,950	200,511

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Cash flows from operating activities		
Profit before income taxes	20,362	24,292
Depreciation	22,867	20,693
Amortization of goodwill	878	878
Interest and dividend income	(180)	(158)
Interest expenses	339	282
Share of (profit) loss of entities accounted for using equity method	(75)	(125)
Loss (gain) on sales of investment securities	(786)	(284)
Loss (gain) on valuation of investment securities	2	4
Bond issuance cost	–	111
Decrease (increase) in notes and accounts receivable - trade	6,916	543
Increase (decrease) in broadcasting rights	(2,122)	1,239
Decrease (increase) in accounts receivable - other	781	152
Decrease (increase) in inventories	(19,381)	(17,034)
Increase (decrease) in accounts payable - other	(4,931)	(2,808)
Increase (decrease) in accrued consumption taxes	926	(301)
Increase (decrease) in unearned revenue	232	(175)
Other, net	2,144	103
Subtotal	27,973	27,412
Interest and dividend income received	246	157
Interest expenses paid	(320)	(198)
Income taxes paid	(11,266)	(2,564)
Net cash provided by (used in) operating activities	16,633	24,806
Cash flows from investing activities		
Purchase of property, plant and equipment	(35,398)	(23,922)
Purchase of intangible assets	(5,070)	(2,613)
Purchase of investment securities	(109)	(310)
Proceeds from sales and redemption of investment securities	4,809	1,793
Payments of long-term loans receivable	–	(1,198)
Collection of long-term loans receivable	2,583	–
Purchase of shares of subsidiaries and associates	(1,291)	(2,565)
Other, net	(269)	13
Net cash provided by (used in) investing activities	(34,746)	(28,804)
Cash flows from financing activities		
Repayments of finance lease obligations	(743)	(336)
Proceeds from long-term loans payable	19,080	8,183
Repayments of long-term loans payable	(6,713)	(2,402)
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	(3,696)	(4,003)
Dividends paid to non-controlling interests	(6)	–
Net cash provided by (used in) financing activities	(12,078)	18,586
Effect of exchange rate change on cash and cash equivalents	372	5
Net increase (decrease) in cash and cash equivalents	(29,820)	14,594
Cash and cash equivalents at beginning of period	63,783	33,963
Cash and cash equivalents at end of period	33,963	48,557