

Summary of Business Results for the Three Months Ended September 30, 2016

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, 2016

Contents:

I . Consolidated Financial Highlights

II . Segment Information

III . Reference Data of Multichannel Pay TV Service

-Number of Subscribers and Churn Rate

-SAC

-ARPU

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, 2016						For the year ending March 31, 2017		
	1Q	2Q	2Q Cumulative	3Q	4Q	Cumulative	1Q	2Q	2Q Cumulative
Revenues	41,122	40,633	81,756	41,710	39,438	162,905	39,707	39,610	79,318
Operating Income	5,855	5,015	10,871	7,689	5,650	24,210	6,266	4,795	11,061
Ordinary Income	5,792	5,091	10,884	7,670	5,457	24,012	6,285	4,839	11,125
Profit attributable to owners of parent	3,788	3,246	7,035	5,099	4,733	16,867	4,284	2,727	7,012
Total Assets	197,331	203,995	203,995	198,368	200,511	200,511	199,331	202,126	202,126
Total Equity	303,605	315,864	315,864	306,540	319,223	319,223	320,184	323,657	323,657
Net Income per Share	12.29	10.53	22.83	16.74	15.94	55.39	14.43	9.18	23.61
Total Equity per Share	639.63	647.52	647.52	653.98	661.80	661.80	658.55	668.58	668.58
EBITDA ^{*1}	11,563	11,003	22,566	13,362	10,741	46,669	11,700	9,935	21,635
Cash Dividend per Unit Share	-	7	7	-	7	14	-	8	8
Net Cash Provided by Operating Activities	10,748	3,320	14,069	9,276	1,460	24,806	4,199	3,478	7,678
Net Cash Provided by (Used in) Investing Activities	(10,066)	(6,404)	(16,470)	(4,266)	(8,066)	(28,804)	(4,905)	(6,102)	(11,007)
Net Cash Provided by (Used in) Financing Activities	17,868	7,673	25,541	(9,347)	2,392	18,586	(919)	463	(455)

*1. EBITDA is calculated as Net Income + Tax Expense + Depreciation Expense+ Goodwill Amortization + Interest Expense.

II. Segment Information

(Unit: Millions of Yen)

	For the year ended March 31, 2016						For the year ending March 31, 2017		
	1Q	2Q	2Q Cumulative	3Q	4Q	Cumulative	1Q	2Q	2Q Cumulative
Revenues	41,122	40,633	81,756	41,710	39,438	162,905	39,707	39,610	79,318
Multichannel Pay TV Business	30,904	30,636	61,541	29,690	29,184	120,415	30,095	29,882	59,978
Space & Satellite Business	13,320	13,098	26,419	14,992	13,187	54,599	12,626	12,718	25,344
Eliminations and Corporate Total	(3,102)	(3,101)	(6,204)	(2,972)	(2,932)	(12,109)	(3,013)	(2,990)	(6,004)
Operating Income (Loss)	5,855	5,015	10,871	7,689	5,650	24,210	6,266	4,795	11,061
Multichannel Pay TV Business	1,307	772	2,079	3,087	1,074	6,241	1,861	1,023	2,884
Space & Satellite Business	4,714	4,407	9,121	4,752	4,738	18,611	4,585	3,937	8,522
Eliminations and Corporate Total	(166)	(164)	(330)	(150)	(162)	(643)	(180)	(165)	(345)
Depreciation Expense	5,458	5,373	10,832	4,992	4,868	20,693	4,944	5,354	10,299
Multichannel Pay TV Business	—	—	—	—	—	7,233	—	—	—
Space & Satellite Business	—	—	—	—	—	13,082	—	—	—
Eliminations and Corporate Total	—	—	—	—	—	378	—	—	—
Capital Expenditures	9,204	7,371	16,576	4,088	5,601	26,266	4,130	3,746	7,877
Multichannel Pay TV Business	—	—	—	—	—	4,434	—	—	—
Space & Satellite Business	—	—	—	—	—	21,549	—	—	—
Eliminations and Corporate Total	—	—	—	—	—	282	—	—	—

III. Reference Data of Multichannel Pay TV Service

(Unit: Thousand)

Number of Subscribers and Churn Rate		For the year ended March 31, 2016					For the year ending March 31, 2017	
		1Q	2Q	3Q	4Q	Cumulative	1Q	2Q
New Subscribers	Total for SKY PerfecTV! ^{*2}	120	106	96	122	443	86	88
	SKY PerfecTV! (Former SKY PerfecTV! e2)	104	92	84	106	387	69	71
	Premium Service	13	12	9	14	48	15	16
	Premium Service Hikari	2	2	2	2	8	2	2
Number of Re-registered Subscriber	Total for SKY PerfecTV! ^{*2}	32	26	25	69	153	35	29
	SKY PerfecTV! (Former SKY PerfecTV! e2)	28	23	22	61	135	31	26
	Premium Service	4	3	3	8	18	4	3
	Premium Service Hikari	0	0	0	0	0	0	0
Churn	Total for SKY PerfecTV! ^{*2}	129	135	173	139	575	129	145
	SKY PerfecTV! (Former SKY PerfecTV! e2)	97	105	138	107	447	100	114
	Premium Service	30	27	32	29	118	28	28
	Premium Service Hikari	3	3	2	3	10	2	2
Net Increase	Total for SKY PerfecTV! ^{*2}	23	(3)	(52)	53	21	(9)	(28)
	SKY PerfecTV! (Former SKY PerfecTV! e2)	36	10	(32)	61	75	0	(17)
	Premium Service	(13)	(12)	(19)	(7)	(52)	(9)	(10)
	Premium Service Hikari	(0)	(1)	(1)	(1)	(3)	(0)	(0)
Total Subscribers	Total for SKY PerfecTV! ^{*2}	3,484	3,482	3,430	3,482	3,482	3,473	3,446
	SKY PerfecTV! (Former SKY PerfecTV! e2)	2,156	2,166	2,134	2,195	2,195	2,195	2,178
	Premium Service	1,242	1,229	1,210	1,203	1,203	1,194	1,184
	Premium Service Hikari	87	86	86	85	85	85	84
Churn Rate(%) ^{*3}	Total for SKY PerfecTV! ^{*2}	3.7%	3.9%	5.0%	4.0%	16.6%	3.7%	4.2%
	SKY PerfecTV! (Former SKY PerfecTV! e2)	4.6%	4.9%	6.5%	5.0%	21.1%	4.5%	5.2%
	Premium Service	2.4%	2.2%	2.5%	2.3%	9.4%	2.3%	2.4%
	Premium Service Hikari	3.2%	2.9%	2.8%	3.0%	12.0%	2.8%	2.7%

*2. 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.

*3. Quarterly Churn Rate is calculated by dividing Each quarterly churn subscribers and Total Subscribers at the end of the previous fiscal year.

Subscriber Acquisition Cost (Total for SKY PerfectTV!)	For the year ended March 31, 2016					For the year ending March 31, 2017	
	1Q	2Q	3Q	4Q	Cumulative	1Q	2Q
SAC per Subscriber (Yen) ^{*4}	32,051	38,868	29,056	31,981	33,018	37,790	37,971
Advertisement expenses	13,631	18,247	10,301	16,142	14,707	14,019	16,164
Promotion expenses	3,779	4,401	3,636	3,611	3,851	3,722	3,915
Sales incentives	1,465	1,366	1,399	1,150	1,340	2,051	1,980
User incentives ^{*5}	5,656	6,235	5,113	4,659	5,404	9,106	7,339
Others	7,521	8,619	8,608	6,419	7,716	8,893	8,572
SAC Total (Millions of Yen) ^{*4}	4,847	5,681	3,867	5,385	19,783	4,308	5,202
Advertisement expenses	1,630	1,936	984	1,963	6,514	1,205	1,427
Promotion expenses	452	466	347	439	1,705	320	345
Sales incentives	175	144	133	139	593	176	174
User incentives ^{*5}	676	661	488	566	2,393	783	648
Others	899	914	822	780	3,417	764	756
Free content costs ^{*6}	1,013	1,557	1,090	1,495	5,157	1,057	1,849

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

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

*6. Free content costs are broadcast rights fees and production costs, etc. related to the BS SKY PerfectTV!.

(Unit: Yen)

ARPU (Total for SKY PerfectTV!)	For the year ended March 31, 2016					For the year ending March 31, 2017	
	1Q	2Q	3Q	4Q	Cumulative	1Q	2Q
Average Monthly Subscriber's Payment ^{*7}	3,378	3,369	3,321	3,270	3,335	3,331	3,323
Revenues from own content	181	180	180	165	177	182	178
PPV Subscription fee	38	37	35	33	36	32	31
Monthly subscription fee	2,756	2,752	2,707	2,681	2,724	2,728	2,726
Rental fee	52	50	49	40	48	39	38
Basic fee	351	351	350	350	351	350	350
ARPU ^{*7}	2,232	2,215	2,181	2,136	2,191	2,164	2,154
Revenues from own content	181	180	180	165	177	182	178
PPV Subscription fee	36	36	34	32	34	31	31
Monthly subscription fee	1,612	1,599	1,567	1,548	1,582	1,561	1,556
Rental fee	52	50	49	40	48	39	38
Basic fee	351	351	350	350	351	350	350

*7. 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)