

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2016 (Based on Japanese GAAP)

November 2, 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: November 4, 2016
 Scheduled date to commence dividend payments: December 2, 2016
 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 six months ended September 30, 2016 (from April 1, 2016 to September 30, 2016)

(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	%
Six months ended September 30, 2016	79,318	(3.0)	11,061	1.8	11,125	2.2	7,012	(0.3)
Six months ended September 30, 2015	81,756	(0.8)	10,871	(15.3)	10,884	(14.7)	7,035	(30.0)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2016	23.61		-	
Six months ended September 30, 2015	22.83		-	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2016	323,657	202,126	61.4	668.58
As of March 31, 2016	319,223	200,511	61.6	661.80

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, 2016	-	7.00	-	7.00	14.00
Year ending March 31, 2017	-	8.00	-	-	-
Year ending March 31, 2017 (Forecast)	-	-	-	8.00	16.00

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	195,000	19.7	21,000	(13.3)	20,500	(14.6)	13,000	(22.9)	43.77

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2016
(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: No
- 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 September 30, 2016	344,603,700 shares	As of March 31, 2016	344,603,700 shares
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Number of treasury shares at the end of the period

As of September 30, 2016	47,595,852 shares	As of March 31, 2016	47,595,852 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2016	297,007,848 shares	Six months ended September 30, 2015	308,216,100 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2016	As of September 30, 2016
Assets		
Current assets		
Cash and deposits	27,758	27,999
Accounts receivable - trade	16,882	16,544
Securities	20,799	16,599
Broadcasting rights	4,532	4,370
Merchandise	371	450
Work in process	46,569	55,629
Supplies	388	641
Accounts receivable - other	423	398
Deferred tax assets	2,635	2,991
Other	1,590	2,151
Allowance for doubtful accounts	(473)	(439)
Total current assets	121,478	127,337
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	9,797	9,478
Machinery, equipment and vehicles, net	20,721	19,455
Telecommunications satellites	65,061	98,011
Land	3,041	3,041
Leased assets, net	402	303
Construction in progress	57,013	23,395
Other, net	3,593	3,535
Total property, plant and equipment	159,630	157,221
Intangible assets		
Goodwill	5,335	4,896
Software	7,384	7,256
Other	74	72
Total intangible assets	12,794	12,225
Investments and other assets		
Investment securities	13,665	12,217
Long-term loans receivable	1,193	3,852
Deferred tax assets	8,078	8,559
Other	2,382	2,244
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	25,319	26,873
Total non-current assets	197,744	196,320
Total assets	319,223	323,657

(Millions of yen)

	As of March 31, 2016	As of September 30, 2016
Liabilities		
Current liabilities		
Accounts payable - trade	437	463
Current portion of long-term loans payable	6,903	6,157
Accounts payable - other	13,318	11,526
Income taxes payable	6,254	4,208
Subscription fees received	9,685	9,976
Unearned revenue	2,252	5,936
Provision for bonuses	590	516
Asset retirement obligations	–	153
Other	7,737	7,910
Total current liabilities	47,180	46,848
Non-current liabilities		
Bonds payable	20,000	20,000
Long-term loans payable	37,233	39,751
Deferred tax liabilities	1,246	1,087
Provision for directors' retirement benefits	6	6
Net defined benefit liability	5,015	5,177
Asset retirement obligations	2,197	2,060
Other	5,832	6,599
Total non-current liabilities	71,531	74,682
Total liabilities	118,711	121,531
Net assets		
Shareholders' equity		
Capital stock	10,000	10,000
Capital surplus	158,069	158,069
Retained earnings	56,817	61,751
Treasury shares	(26,268)	(26,268)
Total shareholders' equity	198,619	203,552
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	356	322
Deferred gains or losses on hedges	(3,387)	(4,950)
Foreign currency translation adjustment	1,239	(87)
Remeasurements of defined benefit plans	(265)	(262)
Total accumulated other comprehensive income	(2,057)	(4,978)
Non-controlling interests	3,950	3,552
Total net assets	200,511	202,126
Total liabilities and net assets	319,223	323,657

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2015	Six months ended September 30, 2016
Operating revenue	81,756	79,318
Operating cost	52,276	49,928
Operating gross profit	29,480	29,389
Selling, general and administrative expenses	18,608	18,328
Operating income	10,871	11,061
Non-operating income		
Interest income	28	54
Dividend income	54	18
Share of profit of entities accounted for using equity method	45	235
Other	155	117
Total non-operating income	284	426
Non-operating expenses		
Interest expenses	124	194
Foreign exchange losses	1	155
Bond issuance cost	111	–
Other	32	13
Total non-operating expenses	271	362
Ordinary income	10,884	11,125
Extraordinary income		
Gain on sales of non-current assets	–	2
Gain on sales of investment securities	55	1
Total extraordinary income	55	3
Extraordinary losses		
Loss on valuation of derivatives	–	807
Total extraordinary losses	–	807
Profit before income taxes	10,939	10,321
Income taxes - current	4,330	3,802
Income taxes - deferred	(195)	(112)
Total income taxes	4,135	3,690
Profit	6,804	6,631
Loss attributable to non-controlling interests	(230)	(381)
Profit attributable to owners of parent	7,035	7,012

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2015	Six months ended September 30, 2016
Profit	6,804	6,631
Other comprehensive income		
Valuation difference on available-for-sale securities	(65)	(34)
Deferred gains or losses on hedges	(1,078)	(1,552)
Foreign currency translation adjustment	149	(1,326)
Remeasurements of defined benefit plans, net of tax	(4)	2
Share of other comprehensive income of entities accounted for using equity method	(1)	(10)
Total other comprehensive income	(1,000)	(2,920)
Comprehensive income	5,804	3,710
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,080	4,091
Comprehensive income attributable to non-controlling interests	(276)	(381)

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2015	Six months ended September 30, 2016
Cash flows from operating activities		
Profit before income taxes	10,939	10,321
Depreciation	10,832	10,299
Amortization of goodwill	439	439
Interest and dividend income	(83)	(73)
Interest expenses	124	194
Share of (profit) loss of entities accounted for using equity method	(45)	(235)
Loss (gain) on sales of investment securities	(55)	(1)
Bond issuance cost	111	–
Decrease (increase) in notes and accounts receivable - trade	349	353
Decrease in Broadcasting rights	1,645	161
Decrease (increase) in accounts receivable - other	(10)	48
Decrease (increase) in inventories	(7,866)	(9,357)
Increase (decrease) in accounts payable - other	(4,743)	(1,800)
Increase (decrease) in unearned revenue	3,944	3,688
Other, net	(1,742)	(223)
Subtotal	13,840	13,814
Interest and dividend income received	83	76
Interest expenses paid	(71)	(198)
Income taxes (paid) refund	217	(6,015)
Net cash provided by (used in) operating activities	14,069	7,678
Cash flows from investing activities		
Purchase of property, plant and equipment	(15,382)	(6,683)
Purchase of intangible assets	(1,218)	(1,388)
Purchase of investment securities	(304)	–
Proceeds from sales and redemption of investment securities	438	1
Payments of long-term loans receivable	–	(3,060)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	–	119
Other, net	(3)	4
Net cash provided by (used in) investing activities	(16,470)	(11,007)
Cash flows from financing activities		
Repayments of finance lease obligations	(253)	(177)
Proceeds from long-term loans payable	4,556	3,057
Repayments of long-term loans payable	(1,201)	(1,213)
Proceeds from issuance of bonds	19,888	–
Proceeds from share issuance to non-controlling shareholders	4,400	–
Cash dividends paid	(1,847)	(2,077)
Dividends paid to non-controlling interests	–	(43)
Net cash provided by (used in) financing activities	25,541	(455)
Effect of exchange rate change on cash and cash equivalents	70	(174)
Net increase (decrease) in cash and cash equivalents	23,211	(3,958)
Cash and cash equivalents at beginning of period	33,963	48,557
Cash and cash equivalents at end of period	57,174	44,598