

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2016 (Based on Japanese GAAP)

February 1, 2017

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 3, 2017
 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, 2016 (from April 1, 2016 to December 31, 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	%
Nine months ended December 31, 2016	118,124	(4.3)	15,530	(16.3)	15,870	(14.5)	10,283	(15.3)
Nine months ended December 31, 2015	123,466	0.7	18,560	5.5	18,554	5.5	12,134	(6.2)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2016	34.62		–	
Nine months ended December 31, 2015	39.52		–	

(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, 2016	317,152	205,409	63.7	680.45
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 nine months ended December 31, 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 December 31, 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 December 31, 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)

Nine months ended December 31, 2016	297,007,848 shares	Nine months ended December 31, 2015	307,034,145 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2016	As of December 31, 2016
Assets		
Current assets		
Cash and deposits	27,758	26,319
Accounts receivable - trade	16,882	16,379
Securities	20,799	10,999
Broadcasting rights	4,532	2,915
Merchandise	371	532
Work in process	46,569	60,269
Supplies	388	513
Accounts receivable - other	423	418
Deferred tax assets	2,635	1,810
Other	1,590	2,283
Allowance for doubtful accounts	(473)	(438)
Total current assets	121,478	122,003
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	9,797	9,283
Machinery, equipment and vehicles, net	20,721	19,097
Telecommunications satellites	65,061	95,000
Land	3,041	3,041
Leased assets, net	402	257
Construction in progress	57,013	24,301
Other, net	3,593	3,312
Total property, plant and equipment	159,630	154,293
Intangible assets		
Goodwill	5,335	4,677
Software	7,384	7,211
Other	74	71
Total intangible assets	12,794	11,959
Investments and other assets		
Investment securities	13,665	13,763
Long-term loans receivable	1,193	4,800
Deferred tax assets	8,078	7,795
Other	2,382	2,537
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	25,319	28,896
Total non-current assets	197,744	195,149
Total assets	319,223	317,152

(Millions of yen)

	As of March 31, 2016	As of December 31, 2016
Liabilities		
Current liabilities		
Accounts payable - trade	437	291
Current portion of long-term loans payable	6,903	6,711
Accounts payable - other	13,318	9,892
Income taxes payable	6,254	1,689
Subscription fees received	9,685	9,501
Unearned revenue	2,252	5,138
Provision for bonuses	590	252
Asset retirement obligations	–	153
Other	7,737	4,393
Total current liabilities	47,180	38,024
Non-current liabilities		
Bonds payable	20,000	20,000
Long-term loans payable	37,233	40,903
Deferred tax liabilities	1,246	997
Provision for directors' retirement benefits	6	6
Net defined benefit liability	5,015	5,300
Asset retirement obligations	2,197	2,082
Other	5,832	4,428
Total non-current liabilities	71,531	73,718
Total liabilities	118,711	111,743
Net assets		
Shareholders' equity		
Capital stock	10,000	10,000
Capital surplus	158,069	158,069
Retained earnings	56,817	62,645
Treasury shares	(26,268)	(26,268)
Total shareholders' equity	198,619	204,447
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	356	387
Deferred gains or losses on hedges	(3,387)	(1,768)
Foreign currency translation adjustment	1,239	(705)
Remeasurements of defined benefit plans	(265)	(261)
Total accumulated other comprehensive income	(2,057)	(2,346)
Non-controlling interests	3,950	3,308
Total net assets	200,511	205,409
Total liabilities and net assets	319,223	317,152

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, 2015	Nine months ended December 31, 2016
Operating revenue	123,466	118,124
Operating cost	78,036	74,904
Operating gross profit	45,430	43,220
Selling, general and administrative expenses	26,870	27,690
Operating income	18,560	15,530
Non-operating income		
Interest income	62	99
Dividend income	62	21
Share of profit of entities accounted for using equity method	110	552
Other	158	181
Total non-operating income	394	854
Non-operating expenses		
Interest expenses	199	318
Foreign exchange losses	3	23
Bond issuance cost	111	-
Commission fee	-	154
Other	84	16
Total non-operating expenses	399	513
Ordinary income	18,554	15,870
Extraordinary income		
Gain on sales of non-current assets	-	4
Gain on sales of investment securities	301	1
Total extraordinary income	301	5
Extraordinary losses		
Loss on sales of investment securities	17	-
Loss on valuation of derivatives	-	773
Total extraordinary losses	17	773
Profit before income taxes	18,839	15,103
Income taxes - current	7,277	5,097
Income taxes - deferred	(166)	347
Total income taxes	7,110	5,444
Profit	11,728	9,658
Loss attributable to non-controlling interests	(406)	(624)
Profit attributable to owners of parent	12,134	10,283

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2015	Nine months ended December 31, 2016
Profit	11,728	9,658
Other comprehensive income		
Valuation difference on available-for-sale securities	(228)	16
Deferred gains or losses on hedges	(1,973)	1,574
Foreign currency translation adjustment	(44)	(1,944)
Remeasurements of defined benefit plans, net of tax	(4)	4
Share of other comprehensive income of entities accounted for using equity method	(2)	60
Total other comprehensive income	(2,253)	(288)
Comprehensive income	9,474	9,369
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	10,039	9,994
Comprehensive income attributable to non-controlling interests	(565)	(624)

Consolidated statements of cash flows

(Millions of yen)

	Nine months ended December 31, 2015	Nine months ended December 31, 2016
Cash flows from operating activities		
Profit before income taxes	18,839	15,103
Depreciation	15,824	15,802
Amortization of goodwill	658	658
Interest and dividend income	(125)	(120)
Interest expenses	199	318
Share of (profit) loss of entities accounted for using equity method	(110)	(552)
Loss (gain) on sales of investment securities	(284)	(1)
Bond issuance cost	111	-
Decrease (increase) in notes and accounts receivable - trade	297	513
Decrease (increase) in Broadcasting rights	3,369	1,616
Decrease (increase) in accounts receivable - other	179	28
Decrease (increase) in inventories	(7,268)	(13,951)
Increase (decrease) in accounts payable - other	(8,475)	(3,433)
Increase (decrease) in unearned revenue	2,621	2,890
Other, net	(1,015)	(1,293)
Subtotal	24,822	17,578
Interest and dividend income received	119	88
Interest expenses paid	(212)	(409)
Income taxes paid	(1,383)	(9,692)
Net cash provided by (used in) operating activities	23,346	7,564
Cash flows from investing activities		
Purchase of property, plant and equipment	(19,836)	(9,587)
Purchase of intangible assets	(2,386)	(2,003)
Purchase of investment securities	(310)	-
Proceeds from sales and redemption of investment securities	1,793	28
Purchase of shares of subsidiaries and associates	-	(1,469)
Payments of long-term loans receivable	-	(4,065)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	-	119
Other, net	2	12
Net cash provided by (used in) investing activities	(20,737)	(16,965)
Cash flows from financing activities		
Repayments of finance lease obligations	(307)	(227)
Proceeds from long-term loans payable	4,556	4,286
Repayments of long-term loans payable	(1,201)	(1,224)
Proceeds from issuance of bonds	19,888	-
Purchase of treasury shares	(7,143)	-
Proceeds from share issuance to non-controlling shareholders	4,400	-
Cash dividends paid	(3,998)	(4,445)
Dividends paid to non-controlling interests	-	(43)
Net cash provided by (used in) financing activities	16,194	(1,655)
Effect of exchange rate change on cash and cash equivalents	(26)	(182)
Net increase (decrease) in cash and cash equivalents	18,776	(11,238)
Cash and cash equivalents at beginning of period	33,963	48,557
Cash and cash equivalents at end of period	52,740	37,318