

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2017 (Based on Japanese GAAP)

May 19, 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 of ordinary general meeting of shareholders: June 23, 2017
 Scheduled date to file Securities Report: June 23, 2017
 Scheduled date to commence dividend payments: June 26, 2017
 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, 2017 (from April 1, 2016 to March 31, 2017)

(1) Consolidated operating results

Percentages indicate year-on-year changes

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2017	192,875	18.4	24,433	0.9	24,875	3.6	17,415	3.2
Year ended March 31, 2016	162,905	(0.2)	24,210	23.3	24,012	22.6	16,867	24.8

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2017	58.64	–	8.6	7.3	12.7
Year ended March 31, 2016	55.39	–	8.6	8.0	14.9

(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, 2017	359,484	213,908	58.6	709.14
As of March 31, 2016	319,223	200,511	61.6	661.80

(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, 2017	7,029	(22,882)	13,469	46,150
Year ended March 31, 2016	24,806	(28,804)	18,586	48,557

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, 2016	–	7.00	–	7.00	14.00	4,236	25.3	2.2
Year ended March 31, 2017	–	8.00	–	10.00	18.00	5,346	30.7	2.6
Year ending March 31, 2018 (Forecast)	–	9.00	–	9.00	18.00		46.5	

3. Forecast of consolidated financial results for the year ending March 31, 2018 (from April 1, 2017 to March 31, 2018)

Percentages indicate year-on-year changes

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	153,500	(20.4)	17,000	(30.4)	17,500	(29.6)	11,500	(34.0)	38.72

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2017

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(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: No

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, 2017	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 March 31, 2017	47,595,852 shares	As of March 31, 2016	47,595,852 shares
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Average number of shares during the period

Year ended March 31, 2017	297,007,848 shares	Year ended March 31, 2016	304,541,274 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2016	As of March 31, 2017
Assets		
Current assets		
Cash and deposits	27,758	34,251
Accounts receivable - trade	16,882	67,723
Lease receivables	–	2,988
Securities	20,799	11,899
Broadcasting rights	4,532	1,850
Merchandise	371	592
Work in process	46,569	37,462
Supplies	388	446
Accounts receivable - other	423	644
Deferred tax assets	2,635	1,681
Other	1,590	1,918
Allowance for doubtful accounts	(473)	(438)
Total current assets	121,478	161,020
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	9,797	9,201
Machinery, equipment and vehicles, net	20,721	21,074
Telecommunications satellites	65,061	110,235
Land	3,041	2,998
Construction in progress	57,013	7,116
Other, net	3,995	3,698
Total property, plant and equipment	159,630	154,325
Intangible assets		
Goodwill	5,335	4,457
Software	7,384	7,059
Other	74	70
Total intangible assets	12,794	11,588
Investments and other assets		
Investment securities	13,665	15,533
Long-term loans receivable	1,193	6,702
Deferred tax assets	8,078	8,008
Other	2,382	2,306
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	25,319	32,550
Total non-current assets	197,744	198,464
Total assets	319,223	359,484

(Millions of yen)

	As of March 31, 2016	As of March 31, 2017
Liabilities		
Current liabilities		
Accounts payable - trade	437	397
Current portion of long-term loans payable	6,903	11,031
Accounts payable - other	13,318	25,950
Income taxes payable	6,254	2,692
Subscription fees received	9,685	8,953
Unearned revenue	2,252	2,622
Provision for bonuses	590	548
Asset retirement obligations	–	167
Other	7,737	8,415
Total current liabilities	47,180	60,780
Non-current liabilities		
Bonds payable	20,000	20,000
Long-term loans payable	37,233	51,722
Deferred tax liabilities	1,246	1,035
Provision for directors' retirement benefits	6	6
Net defined benefit liability	5,015	5,308
Asset retirement obligations	2,197	2,104
Other	5,832	4,619
Total non-current liabilities	71,531	84,795
Total liabilities	118,711	145,575
Net assets		
Shareholders' equity		
Capital stock	10,000	10,000
Capital surplus	158,069	158,069
Retained earnings	56,817	69,777
Treasury shares	(26,268)	(26,268)
Total shareholders' equity	198,619	211,579
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	356	340
Deferred gains or losses on hedges	(3,387)	(2,182)
Foreign currency translation adjustment	1,239	1,116
Remeasurements of defined benefit plans	(265)	(233)
Total accumulated other comprehensive income	(2,057)	(959)
Non-controlling interests	3,950	3,289
Total net assets	200,511	213,908
Total liabilities and net assets	319,223	359,484

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

(Millions of yen)

	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2017
Operating revenue	162,905	192,875
Operating cost	101,639	130,593
Operating gross profit	61,266	62,282
Selling, general and administrative expenses	37,055	37,848
Operating profit	24,210	24,433
Non-operating income		
Interest income	93	326
Dividend income	65	23
Share of profit of entities accounted for using equity method	125	533
Other	211	238
Total non-operating income	495	1,122
Non-operating expenses		
Interest expenses	282	458
Foreign exchange losses	107	51
Bond issuance cost	111	–
Commission fee	169	154
Other	23	16
Total non-operating expenses	693	681
Ordinary profit	24,012	24,875
Extraordinary income		
Gain on sales of non-current assets	–	12
Gain on sales of investment securities	301	59
Income from compensation for damage	–	972
Total extraordinary income	301	1,044
Extraordinary losses		
Impairment loss	–	179
Loss on sales of investment securities	17	–
Loss on valuation of investment securities	4	–
Loss on valuation of derivatives	–	773
Other	–	669
Total extraordinary losses	21	1,622
Profit before income taxes	24,292	24,296
Income taxes - current	8,686	7,071
Income taxes - deferred	(738)	360
Total income taxes	7,948	7,431
Profit	16,344	16,865
Loss attributable to non-controlling interests	(523)	(549)
Profit attributable to owners of parent	16,867	17,415

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2017
Profit	16,344	16,865
Other comprehensive income		
Valuation difference on available-for-sale securities	(256)	0
Deferred gains or losses on hedges	(4,715)	1,082
Foreign currency translation adjustment	(4)	(121)
Remeasurements of defined benefit plans, net of tax	(147)	32
Share of other comprehensive income of entities accounted for using equity method	(10)	9
Total other comprehensive income	(5,134)	1,003
Comprehensive income	11,209	17,869
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	11,954	18,513
Comprehensive income attributable to non-controlling interests	(745)	(644)

Consolidated statements of changes in equity

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
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 ownership interest of parent due to transactions with non-controlling interests		(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
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 ownership interest of parent due to transactions with non-controlling interests							(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

Fiscal year ended March 31, 2017

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	10,000	158,069	56,817	(26,268)	198,619
Changes of items during period					
Dividends of surplus			(4,455)		(4,455)
Profit attributable to owners of parent			17,415		17,415
Purchase of treasury shares					-
Change in ownership interest of parent due to transactions with non-controlling interests					-
Change of scope of equity method					-
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	12,960	-	12,960
Balance at end of current period	10,000	158,069	69,777	(26,268)	211,579

	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	356	(3,387)	1,239	(265)	(2,057)	3,950	200,511
Changes of items during period							
Dividends of surplus							(4,455)
Profit attributable to owners of parent							17,415
Purchase of treasury shares							-
Change in ownership interest of parent due to transactions with non-controlling interests							-
Change of scope of equity method							-
Net changes of items other than shareholders' equity	(15)	1,204	(123)	32	1,098	(661)	437
Total changes of items during period	(15)	1,204	(123)	32	1,098	(661)	13,397
Balance at end of current period	340	(2,182)	1,116	(233)	(959)	3,289	213,908

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2017
Cash flows from operating activities		
Profit before income taxes	24,292	24,296
Depreciation	20,693	21,541
Impairment loss	–	179
Amortization of goodwill	878	878
Interest and dividend income	(158)	(350)
Interest expenses	282	458
Share of (profit) loss of entities accounted for using equity method	(125)	(533)
Loss (gain) on sales of investment securities	(284)	(59)
Loss (gain) on valuation of investment securities	4	–
Bond issuance cost	111	–
Decrease (increase) in notes and accounts receivable - trade	543	(50,774)
Increase (decrease) in broadcasting rights	1,239	2,681
Decrease (increase) in accounts receivable - other	152	(196)
Decrease (increase) in inventories	(17,034)	8,867
Increase (decrease) in accounts payable - other	(2,808)	12,618
Increase (decrease) in unearned revenue	(175)	370
Decrease (increase) in lease receivables	–	(2,988)
Other, net	(197)	1,228
Subtotal	27,412	18,218
Interest and dividend income received	157	126
Interest expenses paid	(198)	(416)
Income taxes paid	(2,564)	(10,897)
Net cash provided by (used in) operating activities	24,806	7,029
Cash flows from investing activities		
Purchase of property, plant and equipment	(23,922)	(13,216)
Purchase of intangible assets	(2,613)	(2,237)
Purchase of investment securities	(310)	(569)
Proceeds from sales and redemption of investment securities	1,793	70
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	–	119
Purchase of shares of subsidiaries and associates	(2,565)	(1,998)
Payments of long-term loans receivable	(1,198)	(5,128)
Other, net	13	77
Net cash provided by (used in) investing activities	(28,804)	(22,882)

(Millions of yen)

	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2017
Cash flows from financing activities		
Repayments of finance lease obligations	(336)	(239)
Proceeds from long-term loans payable	8,183	23,568
Repayments of long-term loans payable	(2,402)	(5,364)
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	(4,003)	(4,451)
Dividends paid to non-controlling interests	–	(43)
Net cash provided by (used in) financing activities	18,586	13,469
Effect of exchange rate change on cash and cash equivalents	5	(23)
Net increase (decrease) in cash and cash equivalents	14,594	(2,407)
Cash and cash equivalents at beginning of period	33,963	48,557
Cash and cash equivalents at end of period	48,557	46,150