

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2017 (Based on Japanese GAAP)

August 2, 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: August 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 three months ended June 30, 2017 (from April 1, 2017 to June 30, 2017)

(1) Consolidated operating results (cumulative)

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	%
Three months ended June 30, 2017	37,195	(6.3)	4,334	(30.8)	4,535	(27.8)	2,941	(31.3)
Three months ended June 30, 2016	39,707	(3.4)	6,266	7.0	6,285	8.5	4,284	13.1

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2017	9.91		–	
Three months ended June 30, 2016	14.43		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2017	361,968	214,648	58.4	711.74
As of March 31, 2017	359,484	213,908	58.6	709.14

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, 2017	–	8.00	–	10.00	18.00
Year ending March 31, 2018	–				
Year ending March 31, 2018 (Forecast)		9.00	–	9.00	18.00

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 three months ended June 30, 2017
 (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 June 30, 2017	344,603,700 shares	As of March 31, 2017	344,603,700 shares
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Number of treasury shares at the end of the period

As of June 30, 2017	47,595,852 shares	As of March 31, 2017	47,595,852 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2017	297,007,848 shares	Three months ended June 30, 2016	297,007,848 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2017	As of June 30, 2017
Assets		
Current assets		
Cash and deposits	34,251	38,819
Accounts receivable - trade	67,723	59,040
Lease receivables	2,988	2,935
Securities	11,899	18,299
Broadcasting rights	1,850	1,393
Merchandise	592	521
Work in process	37,462	41,011
Supplies	446	438
Accounts receivable - other	644	251
Deferred tax assets	1,681	1,380
Other	1,918	3,225
Allowance for doubtful accounts	(438)	(442)
Total current assets	161,020	166,875
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	9,201	9,047
Machinery, equipment and vehicles, net	21,074	20,151
Telecommunications satellites	110,235	106,916
Land	2,998	2,998
Construction in progress	7,116	7,900
Other, net	3,698	3,619
Total property, plant and equipment	154,325	150,635
Intangible assets		
Goodwill	4,457	4,238
Software	7,059	6,779
Other	70	69
Total intangible assets	11,588	11,087
Investments and other assets		
Investment securities	15,533	15,849
Long-term loans receivable	6,702	6,998
Deferred tax assets	8,008	7,587
Other	2,306	2,933
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	32,550	33,368
Total non-current assets	198,464	195,092
Total assets	359,484	361,968

(Millions of yen)

	As of March 31, 2017	As of June 30, 2017
Liabilities		
Current liabilities		
Accounts payable - trade	397	269
Current portion of long-term loans payable	11,031	5,237
Accounts payable - other	25,950	19,206
Income taxes payable	2,692	1,854
Subscription fees received	8,953	9,324
Unearned revenue	2,622	7,930
Provision for bonuses	548	263
Asset retirement obligations	167	456
Other	8,415	6,836
Total current liabilities	60,780	51,378
Non-current liabilities		
Bonds payable	20,000	20,000
Long-term loans payable	51,722	64,412
Deferred tax liabilities	1,035	920
Provision for directors' retirement benefits	6	6
Net defined benefit liability	5,308	5,384
Asset retirement obligations	2,104	1,835
Other	4,619	3,382
Total non-current liabilities	84,795	95,940
Total liabilities	145,575	147,319
Net assets		
Shareholders' equity		
Capital stock	10,000	10,000
Capital surplus	158,069	158,069
Retained earnings	69,777	69,749
Treasury shares	(26,268)	(26,268)
Total shareholders' equity	211,579	211,551
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	340	318
Deferred gains or losses on hedges	(2,182)	(860)
Foreign currency translation adjustment	1,116	614
Remeasurements of defined benefit plans	(233)	(232)
Total accumulated other comprehensive income	(959)	(160)
Non-controlling interests	3,289	3,257
Total net assets	213,908	214,648
Total liabilities and net assets	359,484	361,968

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2016	Three months ended June 30, 2017
Operating revenue	39,707	37,195
Operating cost	24,681	23,855
Operating gross profit	15,026	13,339
Selling, general and administrative expenses	8,760	9,005
Operating profit	6,266	4,334
Non-operating income		
Interest income	21	296
Dividend income	5	7
Share of profit of entities accounted for using equity method	126	86
Other	66	115
Total non-operating income	219	505
Non-operating expenses		
Interest expenses	79	226
Foreign exchange losses	115	44
Other	4	34
Total non-operating expenses	200	305
Ordinary profit	6,285	4,535
Extraordinary income		
Gain on sales of investment securities	1	–
Total extraordinary income	1	–
Profit before income taxes	6,286	4,535
Income taxes - current	1,896	1,652
Income taxes - deferred	274	31
Total income taxes	2,171	1,684
Profit	4,114	2,851
Loss attributable to non-controlling interests	(169)	(90)
Profit attributable to owners of parent	4,284	2,941

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2016	Three months ended June 30, 2017
Profit	4,114	2,851
Other comprehensive income		
Valuation difference on available-for-sale securities	(31)	(2)
Deferred gains or losses on hedges	(2,595)	1,387
Foreign currency translation adjustment	(540)	(501)
Remeasurements of defined benefit plans, before tax	1	1
Share of other comprehensive income of entities accounted for using equity method	(6)	4
Total other comprehensive income	(3,172)	888
Comprehensive income	942	3,740
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,112	3,741
Comprehensive income attributable to non-controlling interests	(169)	(1)

Consolidated statements of cash flows

(Millions of yen)

	Three months ended June 30, 2016	Three months ended June 30, 2017
Cash flows from operating activities		
Profit before income taxes	6,286	4,535
Depreciation	4,944	5,870
Amortization of goodwill	219	219
Interest and dividend income	(26)	(303)
Interest expenses	79	226
Share of (profit) loss of entities accounted for using equity method	(126)	(86)
Loss (gain) on sales of investment securities	(1)	–
Decrease (increase) in notes and accounts receivable - trade	433	8,666
Decrease (increase) in Broadcasting rights	1,358	456
Decrease (increase) in accounts receivable - other	37	392
Decrease (increase) in inventories	(4,051)	(3,470)
Increase (decrease) in accounts payable - other	(3,042)	(6,742)
Increase (decrease) in unearned revenue	5,312	5,309
Decrease (increase) in lease receivables	–	53
Other, net	(1,029)	(1,018)
Subtotal	10,393	14,109
Interest and dividend income received	24	235
Interest expenses paid	(185)	(322)
Income taxes paid	(6,033)	(2,129)
Net cash provided by (used in) operating activities	4,199	11,892
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,008)	(3,115)
Purchase of intangible assets	(1,055)	(353)
Purchase of investment securities	–	(567)
Proceeds from sales and redemption of investment securities	1	–
Purchase of shares of subsidiaries and associates	–	(275)
Payments of long-term loans receivable	(842)	(550)
Other, net	–	16
Net cash provided by (used in) investing activities	(4,905)	(4,845)
Cash flows from financing activities		
Repayments of finance lease obligations	(160)	(64)
Proceeds from long-term loans payable	1,317	14,967
Repayments of long-term loans payable	–	(8,006)
Cash dividends paid	(2,032)	(2,899)
Dividends paid to non-controlling interests	(43)	(30)
Net cash provided by (used in) financing activities	(919)	3,966
Effect of exchange rate change on cash and cash equivalents	(78)	(44)
Net increase (decrease) in cash and cash equivalents	(1,703)	10,967
Cash and cash equivalents at beginning of period	48,557	46,150
Cash and cash equivalents at end of period	46,854	57,118