

Translation

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

November 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: November 2, 2017
 Scheduled date to commence dividend payments: December 4, 2017
 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, 2017 (from April 1, 2017 to September 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	%
Six months ended September 30, 2017	73,720	(7.1)	8,881	(19.7)	9,453	(15.0)	6,407	(8.6)
Six months ended September 30, 2016	79,318	(3.0)	11,061	1.8	11,125	2.2	7,012	(0.3)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2017	21.57		-	
Six months ended September 30, 2016	23.61		-	

(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, 2017	357,021	217,931	60.2	723.36
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	-	9.00			
Year ending March 31, 2018 (Forecast)			-	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	171,500	(11.1)	17,000	(30.4)	17,500	(29.6)	11,500	(34.0)	38.72

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 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 September 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 September 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)

Six months ended September 30, 2017	297,007,848 shares	Six months ended September 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 September 30, 2017
Assets		
Current assets		
Cash and deposits	34,251	29,739
Accounts receivable - trade	67,723	59,023
Lease receivables	2,988	2,881
Securities	11,899	17,699
Broadcasting rights	1,850	3,863
Merchandise	592	481
Work in process	37,462	42,596
Supplies	446	426
Accounts receivable - other	644	244
Deferred tax assets	1,681	1,445
Other	1,918	2,840
Allowance for doubtful accounts	(438)	(429)
Total current assets	161,020	160,814
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	9,201	8,918
Machinery, equipment and vehicles, net	21,074	18,995
Telecommunications satellites	110,235	103,598
Land	2,998	2,998
Construction in progress	7,116	9,555
Other, net	3,698	3,565
Total property, plant and equipment	154,325	147,632
Intangible assets		
Goodwill	4,457	4,018
Software	7,059	6,453
Other	70	69
Total intangible assets	11,588	10,541
Investments and other assets		
Investment securities	15,533	17,061
Long-term loans receivable	6,702	9,941
Deferred tax assets	8,008	7,647
Other	2,306	3,382
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	32,550	38,032
Total non-current assets	198,464	196,206
Total assets	359,484	357,021

(Millions of yen)

	As of March 31, 2017	As of September 30, 2017
Liabilities		
Current liabilities		
Accounts payable - trade	397	303
Current portion of long-term loans payable	11,031	4,226
Accounts payable - other	25,950	10,915
Income taxes payable	2,692	4,083
Subscription fees received	8,953	9,198
Unearned revenue	2,622	6,019
Provision for bonuses	548	515
Asset retirement obligations	167	297
Other	8,415	5,441
Total current liabilities	60,780	41,000
Non-current liabilities		
Bonds payable	20,000	20,000
Long-term loans payable	51,722	66,675
Deferred tax liabilities	1,035	843
Provision for directors' retirement benefits	6	6
Net defined benefit liability	5,308	5,412
Asset retirement obligations	2,104	1,841
Other	4,619	3,310
Total non-current liabilities	84,795	98,089
Total liabilities	145,575	139,089
Net assets		
Shareholders' equity		
Capital stock	10,000	10,000
Capital surplus	158,069	158,069
Retained earnings	69,777	73,215
Treasury shares	(26,268)	(26,268)
Total shareholders' equity	211,579	215,017
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	340	315
Deferred gains or losses on hedges	(2,182)	(801)
Foreign currency translation adjustment	1,116	542
Remeasurements of defined benefit plans	(233)	(231)
Total accumulated other comprehensive income	(959)	(174)
Non-controlling interests	3,289	3,088
Total net assets	213,908	217,931
Total liabilities and net assets	359,484	357,021

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, 2016	Six months ended September 30, 2017
Operating revenue	79,318	73,720
Operating cost	49,928	46,820
Operating gross profit	29,389	26,900
Selling, general and administrative expenses	18,328	18,018
Operating profit	11,061	8,881
Non-operating income		
Interest income	54	605
Dividend income	18	21
Share of profit of entities accounted for using equity method	235	158
Gain on valuation of securities	–	199
Other	117	179
Total non-operating income	426	1,165
Non-operating expenses		
Interest expenses	194	489
Foreign exchange losses	155	66
Other	13	37
Total non-operating expenses	362	594
Ordinary profit	11,125	9,453
Extraordinary income		
Gain on sales of investment securities	1	–
Income from compensation for damage	–	79
Other	2	0
Total extraordinary income	3	80
Extraordinary losses		
Loss on valuation of derivatives	807	–
Total extraordinary losses	807	–
Profit before income taxes	10,321	9,533
Income taxes - current	3,802	3,767
Income taxes - deferred	(112)	(254)
Total income taxes	3,690	3,513
Profit	6,631	6,020
Loss attributable to non-controlling interests	(381)	(387)
Profit attributable to owners of parent	7,012	6,407

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2016	Six months ended September 30, 2017
Profit	6,631	6,020
Other comprehensive income		
Valuation difference on available-for-sale securities	(34)	6
Deferred gains or losses on hedges	(1,552)	1,572
Foreign currency translation adjustment	(1,326)	(573)
Remeasurements of defined benefit plans, net of tax	2	2
Share of other comprehensive income of entities accounted for using equity method	(10)	(4)
Total other comprehensive income	(2,920)	1,002
Comprehensive income	3,710	7,023
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,091	7,193
Comprehensive income attributable to non-controlling interests	(381)	(170)

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2016	Six months ended September 30, 2017
Cash flows from operating activities		
Profit before income taxes	10,321	9,533
Depreciation	10,299	11,682
Amortization of goodwill	439	439
Interest and dividend income	(73)	(627)
Interest expenses	194	489
Share of (profit) loss of entities accounted for using equity method	(235)	(158)
Loss (gain) on valuation of securities	2	(199)
Loss (gain) on sales of investment securities	(1)	–
Decrease (increase) in notes and accounts receivable - trade	353	8,682
Decrease in Broadcasting rights	161	(2,012)
Decrease (increase) in accounts receivable - other	48	400
Decrease (increase) in inventories	(9,357)	(5,004)
Increase (decrease) in accounts payable - other	(1,800)	(15,164)
Increase (decrease) in unearned revenue	3,688	3,398
Decrease (increase) in lease receivables	–	106
Other, net	(226)	(1,326)
Subtotal	13,814	10,238
Interest and dividend income received	76	322
Interest expenses paid	(198)	(342)
Income taxes paid	(6,015)	(2,208)
Net cash provided by (used in) operating activities	7,678	8,010
Cash flows from investing activities		
Purchase of property, plant and equipment	(6,683)	(5,545)
Purchase of intangible assets	(1,388)	(737)
Purchase of investment securities	–	(567)
Proceeds from sales and redemption of investment securities	1	–
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	119	–
Purchase of shares of subsidiaries and associates	–	(1,670)
Proceeds from share of profits on investments in capital	1	214
Payments of long-term loans receivable	(3,060)	(3,448)
Other, net	3	(11)
Net cash provided by (used in) investing activities	(11,007)	(11,766)
Cash flows from financing activities		
Repayments of finance lease obligations	(177)	(72)
Proceeds from long-term loans payable	3,057	17,175
Repayments of long-term loans payable	(1,213)	(9,013)
Cash dividends paid	(2,077)	(2,967)
Dividends paid to non-controlling interests	(43)	(30)
Net cash provided by (used in) financing activities	(455)	5,091
Effect of exchange rate change on cash and cash equivalents	(174)	(46)
Net increase (decrease) in cash and cash equivalents	(3,958)	1,288
Cash and cash equivalents at beginning of period	48,557	46,150
Cash and cash equivalents at end of period	44,598	47,438