

Translation

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## Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2017 (Based on Japanese GAAP)

February 7, 2018

Company name: SKY Perfect JSAT Holdings Inc.  
 Stock exchange listing: Tokyo  
 Stock code: 9412 URL: <https://www.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 9, 2018  
 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, 2017 (from April 1, 2017 to December 31, 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                         | %      |
| Nine months ended December 31, 2017 | 109,483           | (7.3) | 12,115           | (22.0) | 12,849          | (19.0) | 8,621                                   | (16.2) |
| Nine months ended December 31, 2016 | 118,124           | (4.3) | 15,530           | (16.3) | 15,870          | (14.5) | 10,283                                  | (15.3) |

|                                     | Earnings per share |  | Diluted earnings per share |  |
|-------------------------------------|--------------------|--|----------------------------|--|
|                                     | Yen                |  | Yen                        |  |
| Nine months ended December 31, 2017 | 29.03              |  | –                          |  |
| Nine months ended December 31, 2016 | 34.62              |  | –                          |  |

#### (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, 2017 | 354,881         | 217,508         | 60.5         | 722.38               |
| 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 nine months ended December 31, 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 December 31, 2017 | 344,603,700 shares | As of March 31, 2017 | 344,603,700 shares |
|-------------------------|--------------------|----------------------|--------------------|

Number of treasury shares at the end of the period

|                         |                   |                      |                   |
|-------------------------|-------------------|----------------------|-------------------|
| As of December 31, 2017 | 47,595,852 shares | As of March 31, 2017 | 47,595,852 shares |
|-------------------------|-------------------|----------------------|-------------------|

Average number of shares during the period (cumulative from the beginning of the fiscal year)

|                                     |                   |                                     |                    |
|-------------------------------------|-------------------|-------------------------------------|--------------------|
| Nine months ended December 31, 2017 | 29,007,848 shares | Nine months ended December 31, 2016 | 297,007,848 shares |
|-------------------------------------|-------------------|-------------------------------------|--------------------|

**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

|  | As of March 31, 2017 | As of December 31, 2017 |
|--|----------------------|-------------------------|
| Assets                                 |                      |                         |
| Current assets                         |                      |                         |
| Cash and deposits                      | 34,251               | 24,131                  |
| Accounts receivable - trade            | 67,723               | 56,892                  |
| Lease receivables                      | 2,988                | 2,828                   |
| Securities                             | 11,899               | 20,299                  |
| Broadcasting rights                    | 1,850                | 2,578                   |
| Merchandise                            | 592                  | 637                     |
| Work in process                        | 37,462               | 43,514                  |
| Supplies                               | 446                  | 373                     |
| Accounts receivable - other            | 644                  | 596                     |
| Deferred tax assets                    | 1,681                | 1,138                   |
| Other                                  | 1,918                | 2,927                   |
| Allowance for doubtful accounts        | (438)                | (426)                   |
| Total current assets                   | 161,020              | 155,492                 |
| Non-current assets                     |                      |                         |
| Property, plant and equipment          |                      |                         |
| Buildings and structures, net          | 9,201                | 9,919                   |
| Machinery, equipment and vehicles, net | 21,074               | 19,356                  |
| Telecommunications satellites          | 110,235              | 100,280                 |
| Land                                   | 2,998                | 2,998                   |
| Construction in progress               | 7,116                | 12,428                  |
| Other, net                             | 3,698                | 3,819                   |
| Total property, plant and equipment    | 154,325              | 148,803                 |
| Intangible assets                      |                      |                         |
| Goodwill                               | 4,457                | 3,799                   |
| Software                               | 7,059                | 6,373                   |
| Other                                  | 70                   | 70                      |
| Total intangible assets                | 11,588               | 10,242                  |
| Investments and other assets           |                      |                         |
| Investment securities                  | 15,533               | 17,666                  |
| Long-term loans receivable             | 6,702                | 11,407                  |
| Deferred tax assets                    | 8,008                | 7,681                   |
| Other                                  | 2,306                | 3,586                   |
| Allowance for doubtful accounts        | (0)                  | (0)                     |
| Total investments and other assets     | 32,550               | 40,342                  |
| Total non-current assets               | 198,464              | 199,388                 |
| Total assets                           | 359,484              | 354,881                 |

(Millions of yen)

|   | As of March 31, 2017 | As of December 31, 2017 |
|---|----------------------|-------------------------|
| <b>Liabilities</b>                                    |                      |                         |
| Current liabilities                                   |                      |                         |
| Accounts payable - trade                              | 397                  | 325                     |
| Current portion of long-term loans payable            | 11,031               | 5,261                   |
| Accounts payable - other                              | 25,950               | 11,248                  |
| Income taxes payable                                  | 2,692                | 2,250                   |
| Subscription fees received                            | 8,953                | 8,802                   |
| Unearned revenue                                      | 2,622                | 5,238                   |
| Provision for bonuses                                 | 548                  | 279                     |
| Asset retirement obligations                          | 167                  | –                       |
| Other   | 8,415                | 6,110                   |
| Total current liabilities                             | 60,780               | 39,516                  |
| Non-current liabilities                               |                      |                         |
| Bonds payable   | 20,000               | 20,000                  |
| Long-term loans payable                               | 51,722               | 66,076                  |
| Deferred tax liabilities                              | 1,035                | 795                     |
| Provision for directors' retirement benefits          | 6                    | 6                       |
| Net defined benefit liability                         | 5,308                | 5,530                   |
| Asset retirement obligations                          | 2,104                | 2,259                   |
| Other   | 4,619                | 3,187                   |
| Total non-current liabilities                         | 84,795               | 97,855                  |
| Total liabilities                                     | 145,575              | 137,372                 |
| <b>Net assets</b>                                     |                      |                         |
| Shareholders' equity                                  |                      |                         |
| Capital stock   | 10,000               | 10,000                  |
| Capital surplus                                       | 158,069              | 158,054                 |
| Retained earnings                                     | 69,777               | 72,755                  |
| Treasury shares                                       | (26,268)             | (26,268)                |
| Total shareholders' equity                            | 211,579              | 214,542                 |
| Accumulated other comprehensive income                |                      |                         |
| Valuation difference on available-for-sale securities | 340                  | 316                     |
| Deferred gains or losses on hedges                    | (2,182)              | (704)                   |
| Foreign currency translation adjustment               | 1,116                | 628                     |
| Remeasurements of defined benefit plans               | (233)                | (229)                   |
| Total accumulated other comprehensive income          | (959)                | 10                      |
| Non-controlling interests                             | 3,289                | 2,956                   |
| Total net assets                                      | 213,908              | 217,508                 |
| Total liabilities and net assets                      | 359,484              | 354,881                 |

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

**Consolidated statements of income (cumulative)**

(Millions of yen)

|   | Nine months ended<br>December 31, 2016 | Nine months ended<br>December 31, 2017 |
|---|--|--|
| Operating revenue   | 118,124                                | 109,483                                |
| Operating cost  | 74,904                                 | 69,576                                 |
| Operating gross profit  | 43,220                                 | 39,906                                 |
| Selling, general and administrative expenses                  | 27,690                                 | 27,791                                 |
| Operating profit  | 15,530                                 | 12,115                                 |
| Non-operating income  |  |  |
| Interest income   | 99                                     | 934                                    |
| Dividend income   | 21                                     | 23                                     |
| Share of profit of entities accounted for using equity method | 552                                    | 175                                    |
| Gain on valuation of securities                               | 13                                     | 199                                    |
| Other   | 167                                    | 289                                    |
| Total non-operating income                                    | 854                                    | 1,623                                  |
| Non-operating expenses  |  |  |
| Interest expenses   | 318                                    | 764                                    |
| Foreign exchange losses                                       | 23                                     | 77                                     |
| Commission fee  | 154                                    | -                                      |
| Other   | 16                                     | 47                                     |
| Total non-operating expenses                                  | 513                                    | 889                                    |
| Ordinary profit   | 15,870                                 | 12,849                                 |
| Extraordinary income  |  |  |
| Gain on sales of investment securities                        | 1                                      | -                                      |
| Income from compensation for damage                           | -                                      | 140                                    |
| Other   | 4                                      | 0                                      |
| Total extraordinary income                                    | 5                                      | 141                                    |
| Extraordinary losses  |  |  |
| Loss on valuation of derivatives                              | 773                                    | -                                      |
| Total extraordinary losses                                    | 773                                    | -                                      |
| Profit before income taxes                                    | 15,103                                 | 12,990                                 |
| Income taxes - current  | 5,097                                  | 4,962                                  |
| Income taxes - deferred                                       | 347                                    | (75)                                   |
| Total income taxes  | 5,444                                  | 4,887                                  |
| Profit  | 9,658                                  | 8,103                                  |
| Loss attributable to non-controlling interests                | (624)                                  | (517)                                  |
| Profit attributable to owners of parent                       | 10,283                                 | 8,621                                  |

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

|  | Nine months ended<br>December 31, 2016 | Nine months ended<br>December 31, 2017 |
|--|--|--|
| Profit   | 9,658                                  | 8,103                                  |
| Other comprehensive income   |  |  |
| Valuation difference on available-for-sale securities                                | 16                                     | 10                                     |
| Deferred gains or losses on hedges   | 1,574                                  | 1,661                                  |
| Foreign currency translation adjustment  | (1,944)                                | (487)                                  |
| Remeasurements of defined benefit plans, net of tax                                  | 4                                      | 3                                      |
| Share of other comprehensive income of entities accounted<br>for using equity method | 60                                     | (2)                                    |
| Total other comprehensive income   | (288)                                  | 1,184                                  |
| Comprehensive income   | 9,369                                  | 9,288                                  |
| Comprehensive income attributable to   |  |  |
| Comprehensive income attributable to owners of parent                                | 9,994                                  | 9,591                                  |
| Comprehensive income attributable to non-controlling<br>interests                    | (624)                                  | (302)                                  |

## Consolidated statements of cash flows

(Millions of yen)

|  | Nine months ended<br>December 31, 2016 | Nine months ended<br>December 31, 2017 |
|--|--|--|
| Cash flows from operating activities   |  |  |
| Profit before income taxes   | 15,103                                 | 12,990                                 |
| Depreciation   | 15,802                                 | 17,513                                 |
| Amortization of goodwill   | 658                                    | 658                                    |
| Interest and dividend income   | (120)                                  | (958)                                  |
| Interest expenses  | 318                                    | 764                                    |
| Share of (profit) loss of entities accounted for using equity method                           | (552)                                  | (175)                                  |
| Loss (gain) on valuation of securities   | (12)                                   | (199)                                  |
| Loss (gain) on sales of investment securities  | (1)                                    | -                                      |
| Decrease (increase) in notes and accounts receivable - trade                                   | 513                                    | 10,815                                 |
| Decrease (increase) in Broadcasting rights   | 1,616                                  | (727)                                  |
| Decrease (increase) in accounts receivable - other   | 28                                     | 47                                     |
| Decrease (increase) in inventories   | (13,951)                               | (6,024)                                |
| Increase (decrease) in accounts payable - other  | (3,433)                                | (14,700)                               |
| Increase (decrease) in unearned revenue  | 2,890                                  | 2,617                                  |
| Decrease (increase) in lease receivables   | -                                      | 160                                    |
| Other, net   | (1,281)                                | (2,157)                                |
| Subtotal   | 17,578                                 | 20,623                                 |
| Interest and dividend income received  | 88                                     | 802                                    |
| Interest expenses paid   | (409)                                  | (849)                                  |
| Income taxes paid  | (9,692)                                | (5,050)                                |
| Net cash provided by (used in) operating activities  | 7,564                                  | 15,525                                 |
| Cash flows from investing activities   |  |  |
| Purchase of property, plant and equipment  | (9,587)                                | (10,952)                               |
| Purchase of intangible assets  | (2,003)                                | (1,318)                                |
| Purchase of investment securities  | -                                      | (587)                                  |
| Proceeds from sales and redemption of investment securities                                    | 28                                     | -                                      |
| Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation | 119                                    | -                                      |
| Purchase of shares of subsidiaries and associates  | (1,469)                                | (2,359)                                |
| Proceeds from share of profits on investments in capital                                       | 1                                      | 214                                    |
| Payments of long-term loans receivable   | (4,065)                                | (4,824)                                |
| Other, net   | 10                                     | (143)                                  |
| Net cash provided by (used in) investing activities  | (16,965)                               | (19,971)                               |
| Cash flows from financing activities   |  |  |
| Repayments of finance lease obligations  | (227)                                  | (103)                                  |
| Proceeds from long-term loans payable  | 4,286                                  | 19,168                                 |
| Repayments of long-term loans payable  | (1,224)                                | (10,616)                               |
| Cash dividends paid  | (4,445)                                | (5,631)                                |
| Dividends paid to non-controlling interests  | (43)                                   | (30)                                   |
| Other, net   | -                                      | (15)                                   |
| Net cash provided by (used in) financing activities  | (1,655)                                | 2,771                                  |
| Effect of exchange rate change on cash and cash equivalents                                    | (182)                                  | (45)                                   |
| Net increase (decrease) in cash and cash equivalents   | (11,238)                               | (1,719)                                |
| Cash and cash equivalents at beginning of period   | 48,557                                 | 46,150                                 |
| Cash and cash equivalents at end of period   | 37,318                                 | 44,431                                 |