

Translation

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**Summary of Consolidated Financial Results
for the Year Ended March 31, 2018
(Based on Japanese GAAP)**

May 9, 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 of ordinary general meeting of shareholders: June 22, 2018
 Scheduled date to file Securities Report: June 22, 2018
 Scheduled date to commence dividend payments: June 25, 2018
 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, 2018 (from April 1, 2017 to March 31, 2018)

(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, 2018	145,501	(24.6)	15,652	(35.9)	16,712	(32.8)	11,353	(34.8)
Year ended March 31, 2017	192,875	18.4	24,433	0.9	24,875	3.6	17,415	3.2

	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, 2018	38.22	–	5.3	4.6	10.8
Year ended March 31, 2017	58.64	–	8.6	7.3	12.7

(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, 2018	359,343	219,634	60.3	729.48
As of March 31, 2017	359,484	213,908	58.6	709.14

(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, 2018	22,546	(27,213)	4,866	46,304
Year ended March 31, 2017	7,029	(22,882)	13,469	46,150

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, 2017	–	8.00	–	10.00	18.00	5,346	30.7	2.6
Year ended March 31, 2018	–	9.00	–	9.00	18.00	5,346	47.1	2.5
Year ending March 31, 2019 (Forecast)	–	9.00	–	9.00	18.00		46.5	

3. Forecast of consolidated financial results for the year ending March 31, 2019 (from April 1, 2018 to March 31, 2019)

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	168,500	15.8	16,500	5.4	17,000	1.7	11,500	1.3	38.72

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2018

(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, 2018	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 March 31, 2018	47,595,852 shares	As of March 31, 2017	47,595,852 shares
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Average number of shares during the period

Year ended March 31, 2018	297,007,848 shares	Year ended March 31, 2017	297,007,848 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2017	As of March 31, 2018
Assets		
Current assets		
Cash and deposits	34,251	26,005
Accounts receivable - trade	67,723	57,997
Lease receivables	2,988	2,111
Securities	11,899	20,299
Broadcasting rights	1,850	1,504
Merchandise	592	719
Work in process	37,462	44,131
Supplies	446	355
Accounts receivable - other	644	2,368
Deferred tax assets	1,681	1,894
Other	1,918	2,620
Allowance for doubtful accounts	(438)	(529)
Total current assets	161,020	159,479
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	9,201	10,088
Machinery, equipment and vehicles, net	21,074	18,118
Telecommunications satellites	110,235	96,961
Land	2,998	2,950
Construction in progress	7,116	14,674
Other, net	3,698	3,792
Total property, plant and equipment	154,325	146,586
Intangible assets		
Goodwill	4,457	3,579
Software	7,059	6,730
Other	70	69
Total intangible assets	11,588	10,379
Investments and other assets		
Investment securities	15,533	18,522
Long-term loans receivable	6,702	12,950
Deferred tax assets	8,008	8,143
Other	2,306	3,282
Allowance for doubtful accounts	(0)	(1)
Total investments and other assets	32,550	42,897
Total non-current assets	198,464	199,863
Total assets	359,484	359,343

(Millions of yen)

	As of March 31, 2017	As of March 31, 2018
Liabilities		
Current liabilities		
Accounts payable - trade	397	340
Current portion of long-term loans payable	11,031	4,303
Accounts payable - other	25,950	11,826
Income taxes payable	2,692	3,382
Subscription fees received	8,953	8,592
Unearned revenue	2,622	2,462
Provision for bonuses	548	567
Asset retirement obligations	167	113
Other	8,415	7,963
Total current liabilities	60,780	39,553
Non-current liabilities		
Bonds payable	20,000	20,000
Long-term loans payable	51,722	68,463
Deferred tax liabilities	1,035	458
Provision for directors' retirement benefits	6	6
Net defined benefit liability	5,308	5,636
Asset retirement obligations	2,104	2,168
Other	4,619	3,422
Total non-current liabilities	84,795	100,155
Total liabilities	145,575	139,709
Net assets		
Shareholders' equity		
Capital stock	10,000	10,000
Capital surplus	158,069	158,054
Retained earnings	69,777	75,487
Treasury shares	(26,268)	(26,268)
Total shareholders' equity	211,579	217,274
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	340	196
Deferred gains or losses on hedges	(2,182)	(1,844)
Foreign currency translation adjustment	1,116	1,294
Remeasurements of defined benefit plans	(233)	(259)
Total accumulated other comprehensive income	(959)	(612)
Non-controlling interests	3,289	2,973
Total net assets	213,908	219,634
Total liabilities and net assets	359,484	359,343

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

(Millions of yen)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Operating revenue	192,875	145,501
Operating cost	130,593	92,202
Operating gross profit	62,282	53,299
Selling, general and administrative expenses	37,848	37,647
Operating profit	24,433	15,652
Non-operating income		
Interest income	326	1,280
Dividend income	23	25
Share of profit of entities accounted for using equity method	533	248
Gain on valuation of securities	13	200
Subsidy income	60	257
Other	164	247
Total non-operating income	1,122	2,259
Non-operating expenses		
Interest expenses	458	1,052
Foreign exchange losses	51	71
Commission fee	154	–
Other	16	74
Total non-operating expenses	681	1,198
Ordinary profit	24,875	16,712
Extraordinary income		
Gain on sales of investment securities	59	–
Income from compensation for damage	972	1,762
Other	12	2
Total extraordinary income	1,044	1,765
Extraordinary losses		
Impairment loss	179	1,233
Loss on valuation of derivatives	773	–
Other	669	–
Total extraordinary losses	1,622	1,233
Profit before income taxes	24,296	17,244
Income taxes - current	7,071	7,247
Income taxes - deferred	360	(992)
Total income taxes	7,431	6,255
Profit	16,865	10,988
Loss attributable to non-controlling interests	(549)	(364)
Profit attributable to owners of parent	17,415	11,353

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Profit	16,865	10,988
Other comprehensive income		
Valuation difference on available-for-sale securities	0	(113)
Deferred gains or losses on hedges	1,082	404
Foreign currency translation adjustment	(121)	180
Remeasurements of defined benefit plans, net of tax	32	(26)
Share of other comprehensive income of entities accounted for using equity method	9	(19)
Total other comprehensive income	1,003	425
Comprehensive income	17,869	11,414
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	18,513	11,700
Comprehensive income attributable to non-controlling interests	(644)	(285)

Consolidated statements of changes in equity

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
Other					–
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
Other							–
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

Fiscal year ended March 31, 2018

(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	69,777	(26,268)	211,579
Changes of items during period					
Dividends of surplus			(5,643)		(5,643)
Profit attributable to owners of parent			11,353		11,353
Other		(15)			(15)
Net changes of items other than shareholders' equity					
Total changes of items during period	–	(15)	5,709	–	5,694
Balance at end of current period	10,000	158,054	75,487	(26,268)	217,274

	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	340	(2,182)	1,116	(233)	(959)	3,289	213,908
Changes of items during period							
Dividends of surplus							(5,643)
Profit attributable to owners of parent							11,353
Other							(15)
Net changes of items other than shareholders' equity	(143)	338	178	(26)	347	(316)	30
Total changes of items during period	(143)	338	178	(26)	347	(316)	5,725
Balance at end of current period	196	(1,844)	1,294	(259)	(612)	2,973	219,634

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Cash flows from operating activities		
Profit before income taxes	24,296	17,244
Depreciation	21,541	23,493
Impairment loss	179	1,233
Amortization of goodwill	878	878
Interest and dividend income	(350)	(1,306)
Interest expenses	458	1,052
Share of loss (profit) of entities accounted for using equity method	(533)	(248)
Loss (gain) on valuation of securities	(10)	(200)
Loss (gain) on sales of investment securities	(59)	–
Decrease (increase) in notes and accounts receivable - trade	(50,774)	9,712
Increase (decrease) in broadcasting rights	2,681	345
Decrease (increase) in accounts receivable - other	(196)	(1,723)
Decrease (increase) in inventories	8,867	(6,705)
Increase (decrease) in accounts payable - other	12,618	(14,123)
Increase (decrease) in unearned revenue	370	(158)
Decrease (increase) in lease receivables	(2,988)	876
Other, net	1,238	(1,388)
Subtotal	18,218	28,982
Interest and dividend income received	126	909
Interest expenses paid	(416)	(877)
Income taxes paid	(10,897)	(6,467)
Net cash provided by (used in) operating activities	7,029	22,546
Cash flows from investing activities		
Purchase of property, plant and equipment	(13,216)	(15,062)
Purchase of intangible assets	(2,237)	(1,564)
Purchase of investment securities	(569)	(1,070)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	119	–
Purchase of shares of subsidiaries and associates	(1,998)	(3,068)
Proceeds from share of profits on investments in capital	60	220
Payments of long-term loans receivable	(5,128)	(6,243)
Other, net	87	(424)
Net cash provided by (used in) investing activities	(22,882)	(27,213)
Cash flows from financing activities		
Repayments of finance lease obligations	(239)	(104)
Proceeds from long-term loans payable	23,568	22,281
Repayments of long-term loans payable	(5,364)	(11,627)
Cash dividends paid	(4,451)	(5,637)
Dividends paid to non-controlling interests	(43)	(30)
Other, net	–	(15)
Net cash provided by (used in) financing activities	13,469	4,866
Effect of exchange rate change on cash and cash equivalents	(23)	(45)
Net increase (decrease) in cash and cash equivalents	(2,407)	154
Cash and cash equivalents at beginning of period	48,557	46,150
Cash and cash equivalents at end of period	46,150	46,304