

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2018 (Based on Japanese GAAP)

August 1, 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: August 3, 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 three months ended June 30, 2018 (from April 1, 2018 to June 30, 2018)

(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, 2018	58,772	58.0	4,646	7.2	5,090	12.2	3,321	12.9
Three months ended June 30, 2017	37,195	(6.3)	4,334	(30.8)	4,535	(27.8)	2,941	(31.3)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2018	11.18		–	
Three months ended June 30, 2017	9.91		–	

(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, 2018	368,929	219,715	58.8	729.78
As of March 31, 2018	359,343	219,634	60.3	729.48

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, 2018	–	9.00	–	9.00	18.00
Year ending March 31, 2019	–	–	–	–	–
Year ending March 31, 2019 (Forecast)	–	9.00	–	9.00	18.00

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 three months ended June 30, 2018
 (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, 2018	344,603,700 shares	As of March 31, 2018	344,603,700 shares
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Number of treasury shares at the end of the period

As of June 30, 2018	47,595,852 shares	As of March 31, 2018	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, 2018	297,007,848 shares	Three months ended June 30, 2017	297,007,848 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2018	As of June 30, 2018
Assets		
Current assets		
Cash and deposits	26,005	31,872
Accounts receivable - trade	57,997	80,049
Lease receivables	2,111	3,169
Securities	20,299	21,199
Broadcasting rights	1,504	262
Merchandise	719	662
Work in process	44,131	24,960
Supplies	355	304
Accounts receivable - other	2,368	640
Other	2,620	3,791
Allowance for doubtful accounts	(529)	(489)
Total current assets	157,585	166,422
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	10,088	10,027
Machinery, equipment and vehicles, net	18,118	16,926
Telecommunications satellites	96,961	93,832
Land	2,950	2,924
Construction in progress	14,674	19,183
Other, net	3,792	3,632
Total property, plant and equipment	146,586	146,527
Intangible assets		
Goodwill	3,579	3,360
Software	6,730	6,480
Other	69	69
Total intangible assets	10,379	9,910
Investments and other assets		
Investment securities	18,522	19,132
Long-term loans receivable	12,950	14,445
Deferred tax assets	10,038	9,272
Other	3,282	3,220
Allowance for doubtful accounts	(1)	(1)
Total investments and other assets	44,792	46,070
Total non-current assets	201,758	202,507
Total assets	359,343	368,929

(Millions of yen)

	As of March 31, 2018	As of June 30, 2018
Liabilities		
Current liabilities		
Accounts payable - trade	340	276
Current portion of long-term loans payable	4,303	5,800
Accounts payable - other	11,826	8,564
Income taxes payable	3,382	1,676
Subscription fees received	8,592	8,924
Unearned revenue	2,462	7,898
Provision for bonuses	567	271
Asset retirement obligations	113	111
Other	7,949	5,535
Total current liabilities	39,539	39,058
Non-current liabilities		
Bonds payable	20,000	20,000
Long-term loans payable	68,463	79,040
Deferred tax liabilities	472	403
Provision for directors' retirement benefits	6	6
Net defined benefit liability	5,636	5,715
Asset retirement obligations	2,168	2,177
Other	3,422	2,812
Total non-current liabilities	100,169	110,155
Total liabilities	139,709	149,214
Net assets		
Shareholders' equity		
Capital stock	10,000	10,000
Capital surplus	158,054	158,054
Retained earnings	75,487	76,136
Treasury shares	(26,268)	(26,268)
Total shareholders' equity	217,274	217,923
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	196	350
Deferred gains or losses on hedges	(1,844)	(869)
Foreign currency translation adjustment	1,294	(394)
Remeasurements of defined benefit plans	(259)	(258)
Total accumulated other comprehensive income	(612)	(1,171)
Non-controlling interests	2,973	2,964
Total net assets	219,634	219,715
Total liabilities and net assets	359,343	368,929

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, 2017	Three months ended June 30, 2018
Operating revenue	37,195	58,772
Operating cost	23,855	44,918
Operating gross profit	13,339	13,854
Selling, general and administrative expenses	9,005	9,208
Operating profit	4,334	4,646
Non-operating income		
Interest income	296	484
Dividend income	7	7
Share of profit of entities accounted for using equity method	86	98
Foreign exchange gains	–	39
Other	115	148
Total non-operating income	505	777
Non-operating expenses		
Interest expenses	226	317
Foreign exchange losses	44	–
Other	34	15
Total non-operating expenses	305	333
Ordinary profit	4,535	5,090
Extraordinary income		
Income from compensation for damage	–	6
Total extraordinary income	–	6
Profit before income taxes	4,535	5,096
Income taxes - current	1,652	1,517
Income taxes - deferred	31	226
Total income taxes	1,684	1,744
Profit	2,851	3,352
Profit (loss) attributable to non-controlling interests	(90)	30
Profit attributable to owners of parent	2,941	3,321

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2017	Three months ended June 30, 2018
Profit	2,851	3,352
Other comprehensive income		
Valuation difference on available-for-sale securities	(2)	138
Deferred gains or losses on hedges	1,387	972
Foreign currency translation adjustment	(501)	(1,689)
Remeasurements of defined benefit plans, before tax	1	1
Share of other comprehensive income of entities accounted for using equity method	4	16
Total other comprehensive income	888	(560)
Comprehensive income	3,740	2,791
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,741	2,763
Comprehensive income attributable to non-controlling interests	(1)	28

Consolidated statements of cash flows

(Millions of yen)

	Three months ended June 30, 2017	Three months ended June 30, 2018
Cash flows from operating activities		
Profit before income taxes	4,535	5,096
Depreciation	5,870	5,742
Amortization of goodwill	219	219
Interest and dividend income	(303)	(491)
Interest expenses	226	317
Share of loss (profit) of entities accounted for using equity method	(86)	(98)
Decrease (increase) in notes and accounts receivable - trade	8,666	(22,075)
Decrease (increase) in Broadcasting rights	456	1,241
Decrease (increase) in accounts receivable - other	392	1,728
Decrease (increase) in inventories	(3,470)	19,280
Increase (decrease) in accounts payable - other	(6,742)	(3,259)
Increase (decrease) in unearned revenue	5,309	5,437
Decrease (increase) in lease receivables	53	(1,057)
Other, net	(1,018)	(1,119)
Subtotal	14,109	10,962
Interest and dividend income received	235	479
Interest expenses paid	(322)	(556)
Income taxes paid	(2,129)	(3,007)
Net cash provided by (used in) operating activities	11,892	7,877
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,115)	(5,324)
Purchase of intangible assets	(353)	(1,342)
Purchase of investment securities	(567)	-
Purchase of shares of subsidiaries and associates	(275)	(1,196)
Payments of long-term loans receivable	(550)	(2,313)
Other, net	16	37
Net cash provided by (used in) investing activities	(4,845)	(10,139)
Cash flows from financing activities		
Repayments of finance lease obligations	(64)	(56)
Proceeds from long-term loans payable	14,967	13,459
Repayments of long-term loans payable	(8,006)	(1,675)
Cash dividends paid	(2,899)	(2,613)
Dividends paid to non-controlling interests	(30)	(38)
Net cash provided by (used in) financing activities	3,966	9,076
Effect of exchange rate change on cash and cash equivalents	(44)	(46)
Net increase (decrease) in cash and cash equivalents	10,967	6,767
Cash and cash equivalents at beginning of period	46,150	46,304
Cash and cash equivalents at end of period	57,118	53,072