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The Entertain**media** Company

J:COM

Financial Results for the 1st Quarter ended March 31, 2010

April 28, 2010
Jupiter Telecommunications Co., Ltd.

The financial information in this presentation was prepared in accordance with U.S. GAAP.

This presentation includes forward-looking statements reflecting our plans and expectations, which are based on currently available information and may be influenced by uncertain factors, including but not limited to economic circumstances, competition, and potential new services. Therefore, please be advised that our actual business results may differ substantially from the forward-looking statements in this presentation.

In addition, we expressly disclaim any obligation or intention to disseminate any updates or revisions to these forward-looking statements after this presentation.

1. Summary of 1Q FY2010

2. Major Approaches in and after 2Q FY2010
3. Alliance with Sumitomo and KDDI
4. Review of 1Q FY2010 Financials
5. Appendix

1. Strengthen Sales Force / Diversify Sales Channel

- Reorganize in Sales Force(Adopt a regional block system)
- Broadcast Television Commercials
- Strengthen Strategic Sales Channel

2. Acquire the Demand for Digital Migration

- Acquire Communal Reception Households

3. Expand TV Service

- Initiatives for Video-on-Demand Service

Favorable changes in performance

Unit: billion yen

	FY2009 1Q	FY2010 1Q	YOY Changes	Forecast for FY2010	YTD Progress
Revenue	80.8	88.1	9%	357.0	25%
Operating Income	15.5	17.4	13%	66.5	26%
Income before noncontrolling interests and income taxes	14.7	16.7	13%	62.0	27%
Net income attributable to J:COM shareholders	6.9	8.4	21%	32.5	26%
EBITDA * 1	35.2	38.6	10%	+7-10%	

*1: $EBITDA = (Revenue) - (Operating\ and\ programming\ costs) - (Selling,\ general\ and\ administrative\ expenses)$

Exceed 6million RGUs

Unit: million

Volume	End of Mar 2009	End of Mar 2010	YOY Changes
Homes passed	12.38	12.74	+3%
Cable Television	2.55	2.60	+2%
High-Speed Internet Access	1.50	1.60	+7%
Telephony	1.62	1.80	+12%
Total subscribing households	3.18	3.29	+4%
Total RGU*1	5.67	6.00	+6%
Value	End of Mar 2009 (Ave. Jan-Mar 2009)	End of Mar 2010 (Ave. Jan-Mar 2010)	YOY Changes
Digital migration rate *2	82%	93%	11Pts
Bundle ratio*3	1.78	1.82	+0.04
ARPU *4	7,703 yen	7,688 yen	-15yen

*1: Total RGU (Revenue generating unit) = Total number of services provided

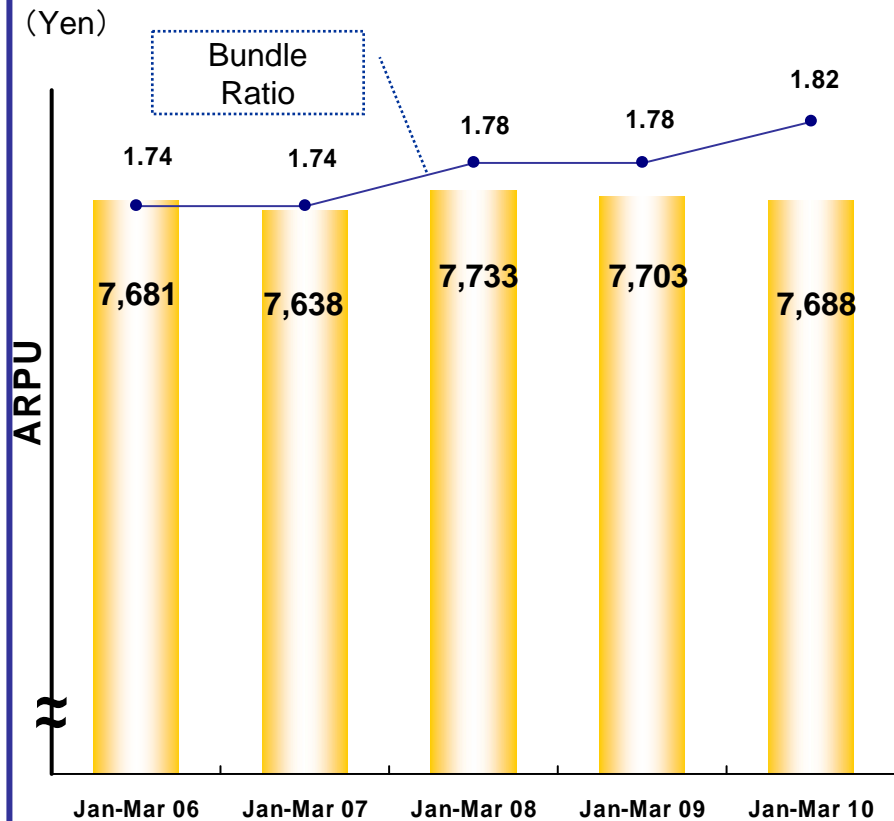
*2: Digital migration rate = Percentage of CATV subscribers who have digital services

*3: Bundle ratio = Average number of services received per subscribing household

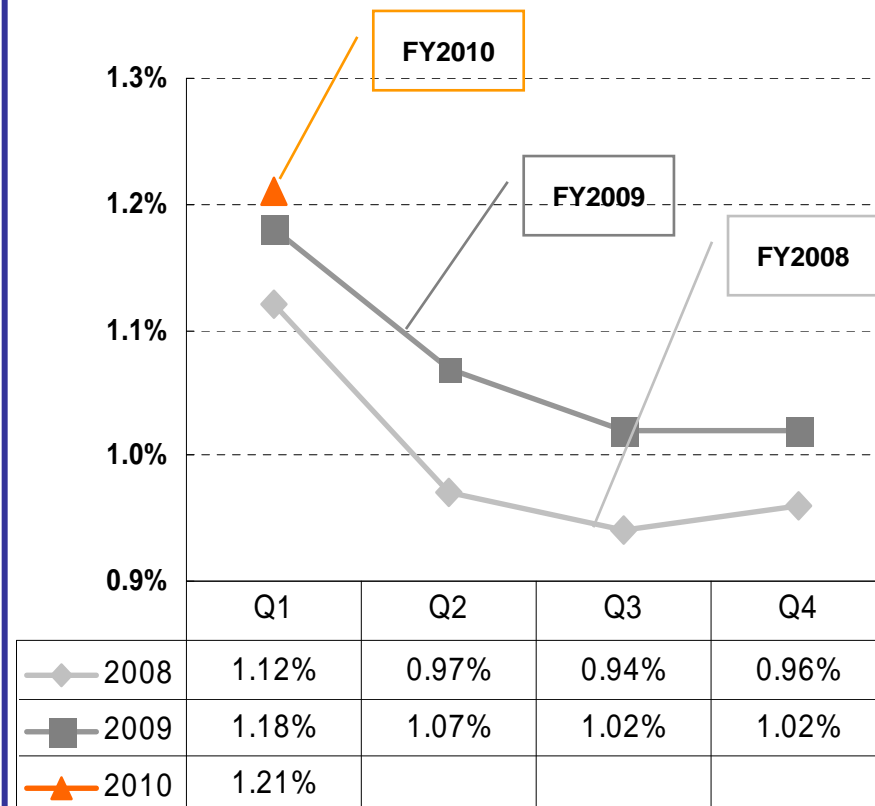
*4: ARPU= Monthly Average Revenue Per Unit

FY2010 1Q Consolidated Performance Highlights **J:COM**

ARPU and Bundle Ratio



Average Monthly Churn Rate* per RGU



* Average monthly churn rate = (Total no. of churns in a given period) / (Weighted average RGUs over the same period) / (No. of months)

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1. Organize Sales System and Structure

- Implement large-scale sales force reorganization

2. Expand TV Subscriber Base

- Stimulate terrestrial digital demand
- Cultivate new target segments

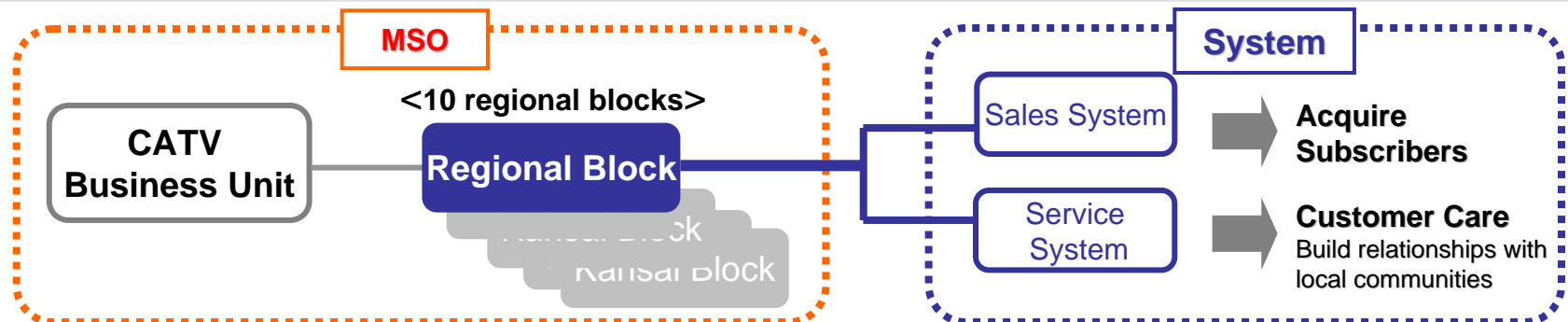
Adopt a Regional Block System

- Establish 10 regional blocks and integrate management at an average scale of five systems
- **Delegate** authority to the frontline
- **Integrate** indirect system operations
- **Separation** of system into sales system and service system

Effects

Strengthen frontline, and regional sales and service capabilities

- Develop structure for frontline to focus on sales and service
- Establish structure to enable swift response tailored for each region



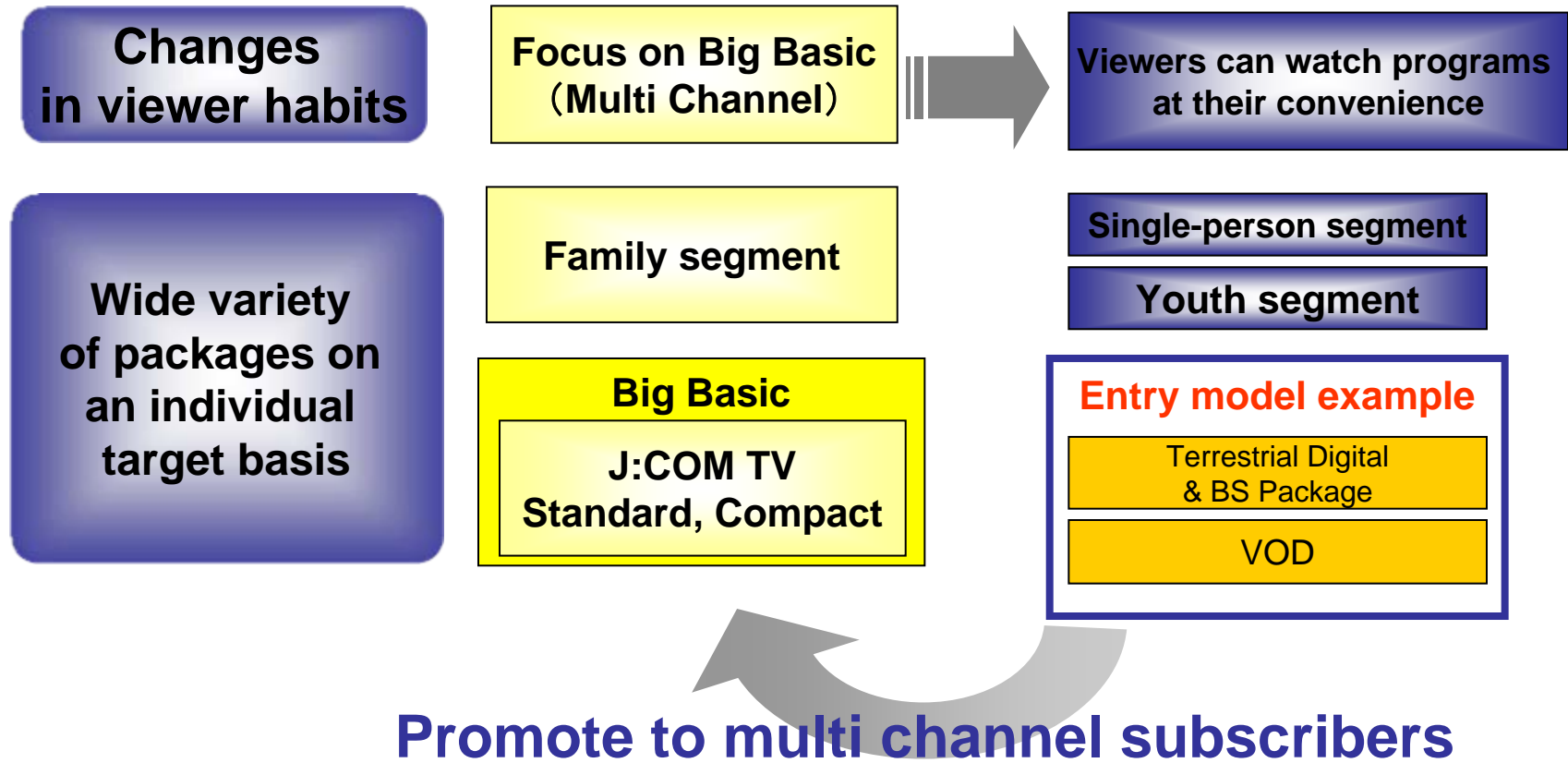
Stimulate Terrestrial Digital Demand

- ① Terrestrial Digital & BS Pack (Retransmission menu)
- ② Acquire Communal Reception Households*
- ③ Promote owners of multiple television sets to become J:COM TV subscribers making use of digital/analog conversion

* Communal Reception Households: Households receiving television broadcasting through communal antennas located in clear receiving areas

Cultivate New Target Segments

Compile a wide variety of packages on an individual target basis



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J:COM



Sumitomo Corporation

Working groups are examining specific details of joint business

**Telecom business/
Product collaboration**

Media business

CATV business

**Technology and
infrastructure**

**Movie production and
distribution business**

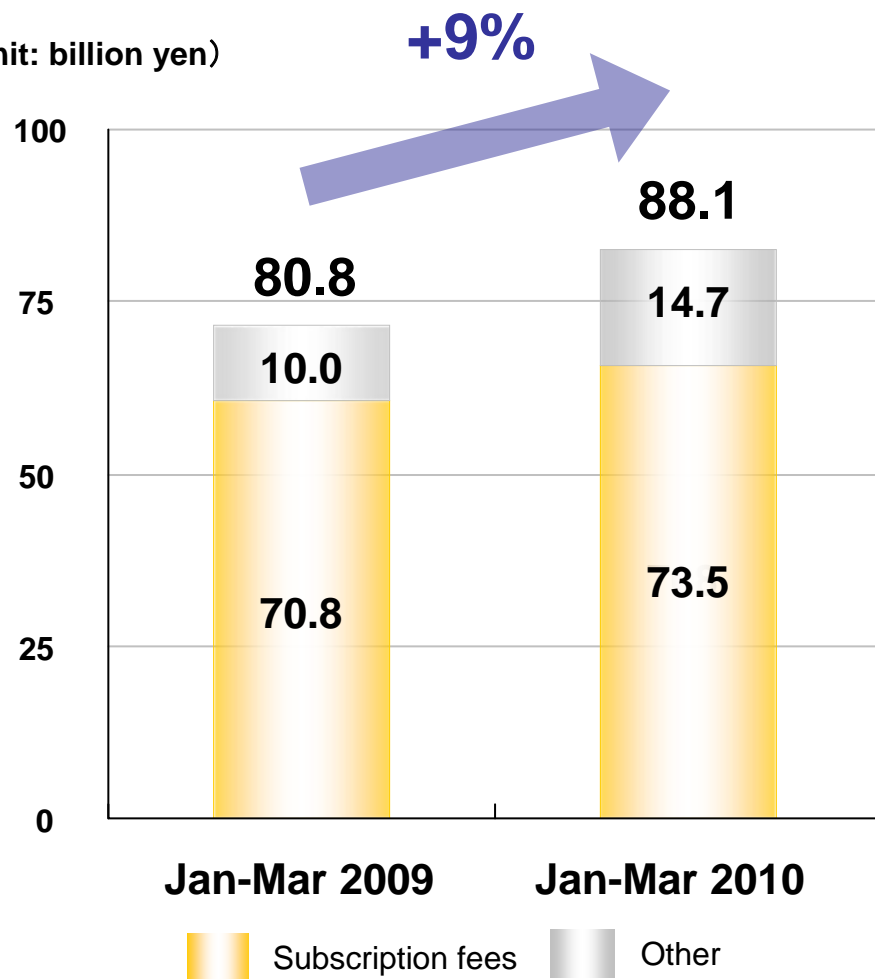
**Cinema complex
business**

Retail business

Pursue Synergies

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(unit: billion yen)



Additional Details

(1) Subscription fees 73.5bn yen

(up 2.7bn yen or 4%)

[Breakdown]

- CATV 39.8bn yen (up 1.3bn yen or 3%)
- High-speed Internet 21.4bn yen (up 0.8bn yen or 4%)
- Telephony 12.3bn yen (up 0.6bn yen or 5%)

[Reasons for growth]

- Increase in subscribing households
- Increase in digital migration rate
- Increase in bundle ratio

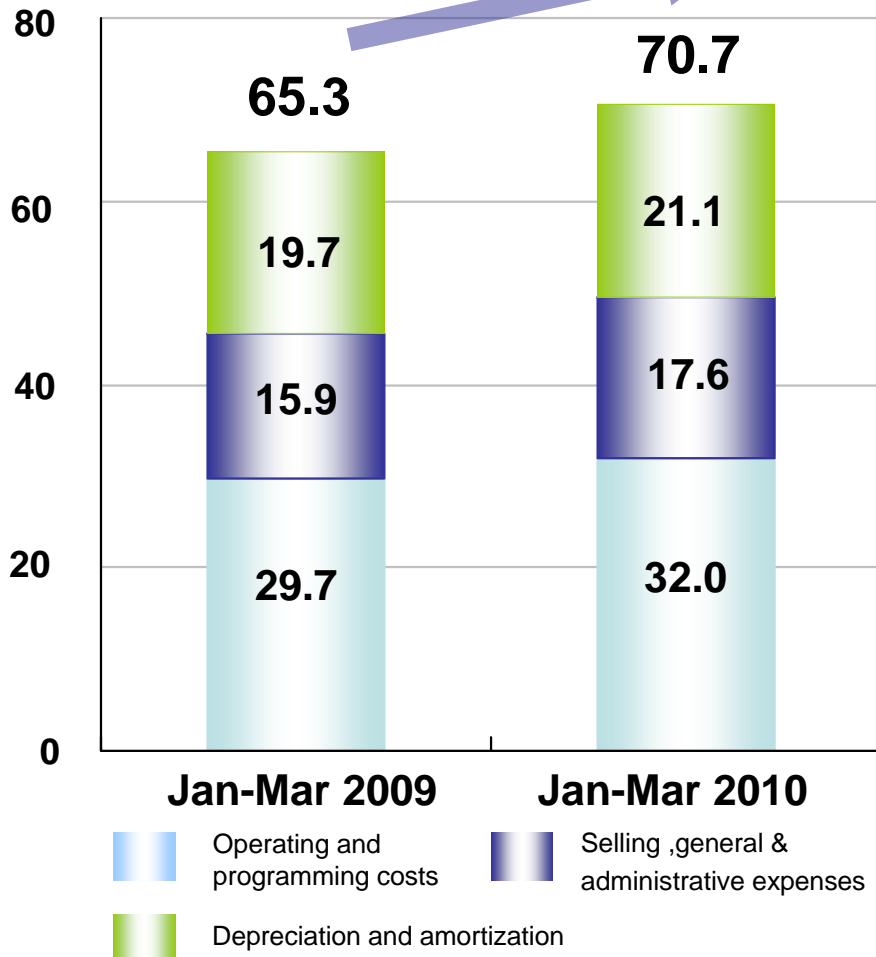
(2) Other 14.7bn yen (4.7bn yen or +47%)

- Increase consolidated subsidiary (J SPORTS)
- Increase in revenue relating to poor reception compensation

Operating Costs and Expenses

(Unit: billion yen)

+8%



Additional Details

(1) Operating & programming costs (up 8%)

- Increase due to additional consolidations
- Increased costs related to growth in newly acquired subscribers

(2) Selling, general & administrative expenses (up 11%)

- Increase in ad expense for large-scale promotion measures
- Increase due to additional consolidations

(3) Depreciation & amortization (up 7%)

- Increase due to additional consolidations
- Increased fixed assets related to newly acquired subscribers

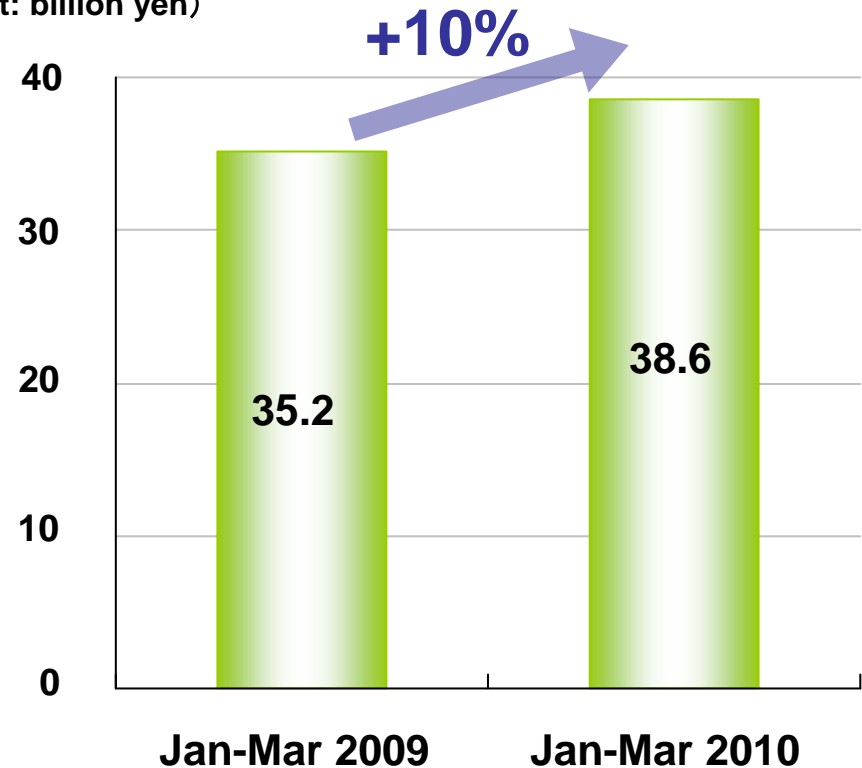
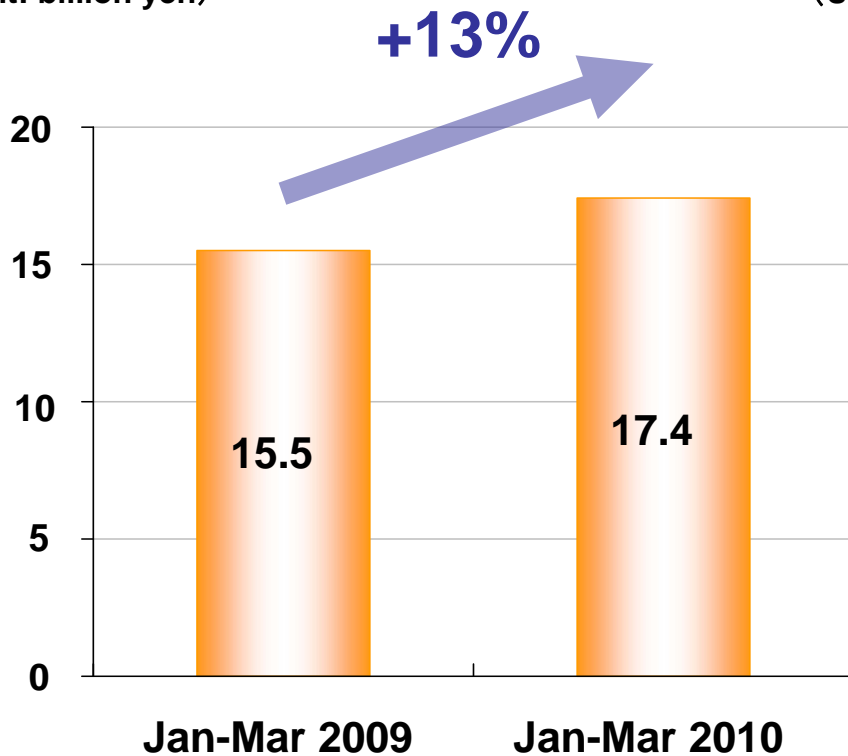
Operating Income, EBITDA*

Operating Income

EBITDA*

(Unit: billion yen)

(Unit: billion yen)



*EBITDA=(Revenue) – (Operating and programming costs) – (Selling, general and administrative expenses)

Income Before Noncontrolling Interests and Income Taxes, Net Income Attributable to J:COM Shareholders

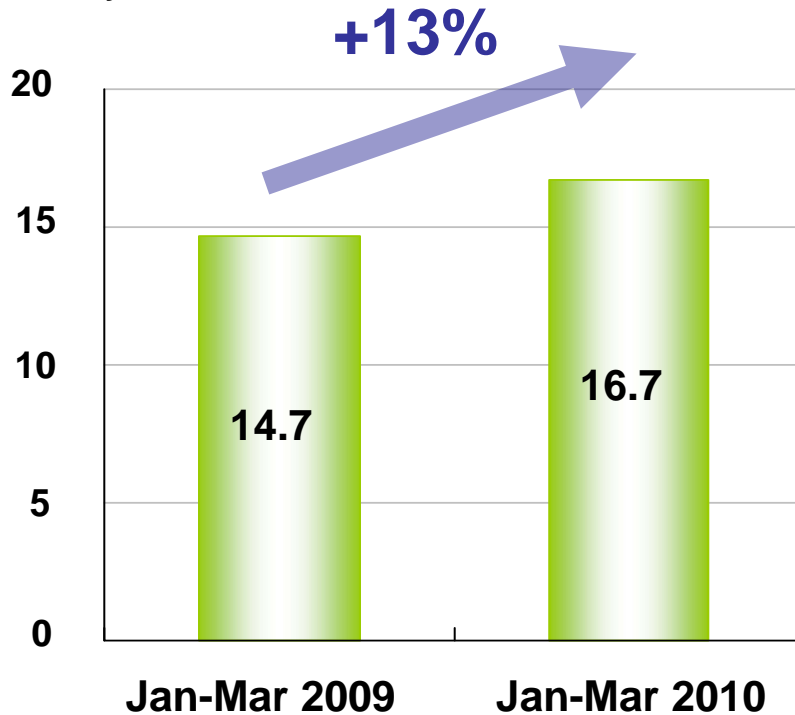
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[US GAAP]

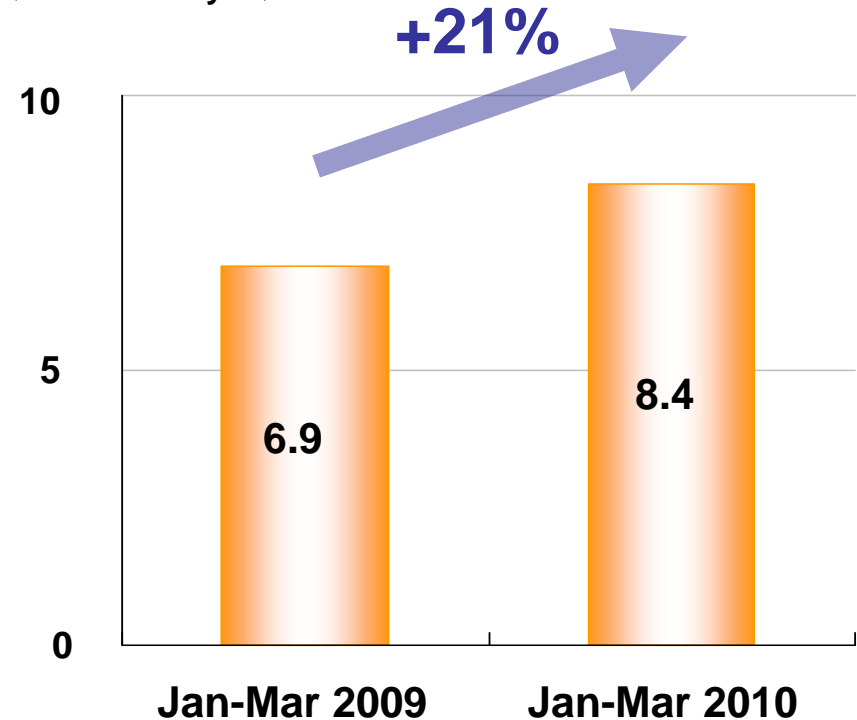
Income Before Noncontrolling Interests and Income Taxes

Net Income Attributable to J:COM Shareholders

(Unit: billion yen)

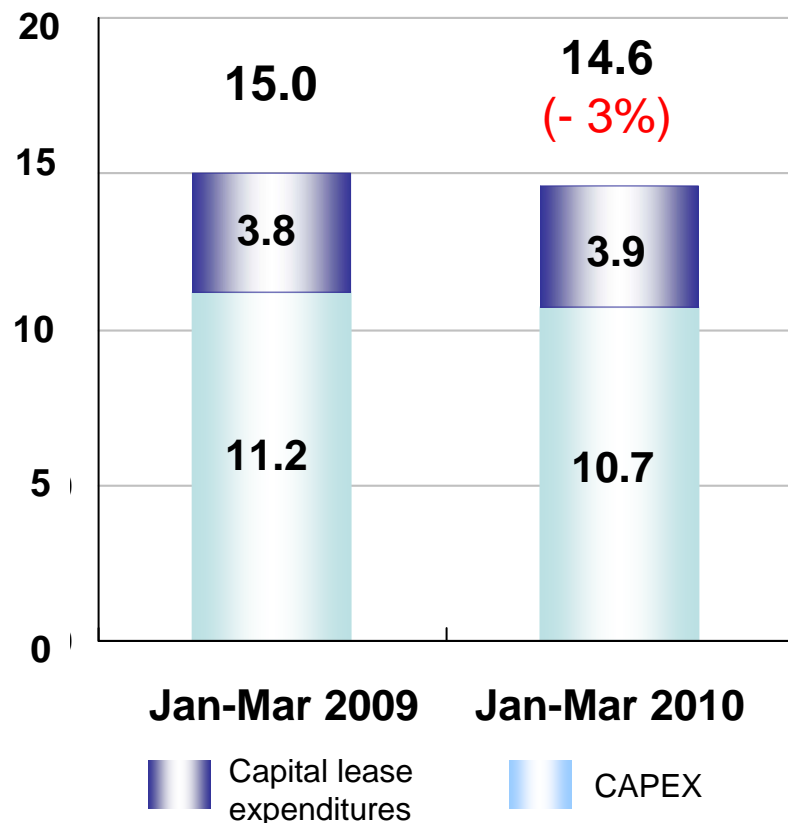


(Unit: billion yen)



Capital Expenditures

(Unit: billion yen)



Additional Details

(1) CAPEX -0.5bn yen

- Increase in installation expenses in line with the rise in subscribing households
- One-time expenses incurred (building purchases etc) in Q1 FY2009

(2) Capital lease expenditures +0.1bn yen

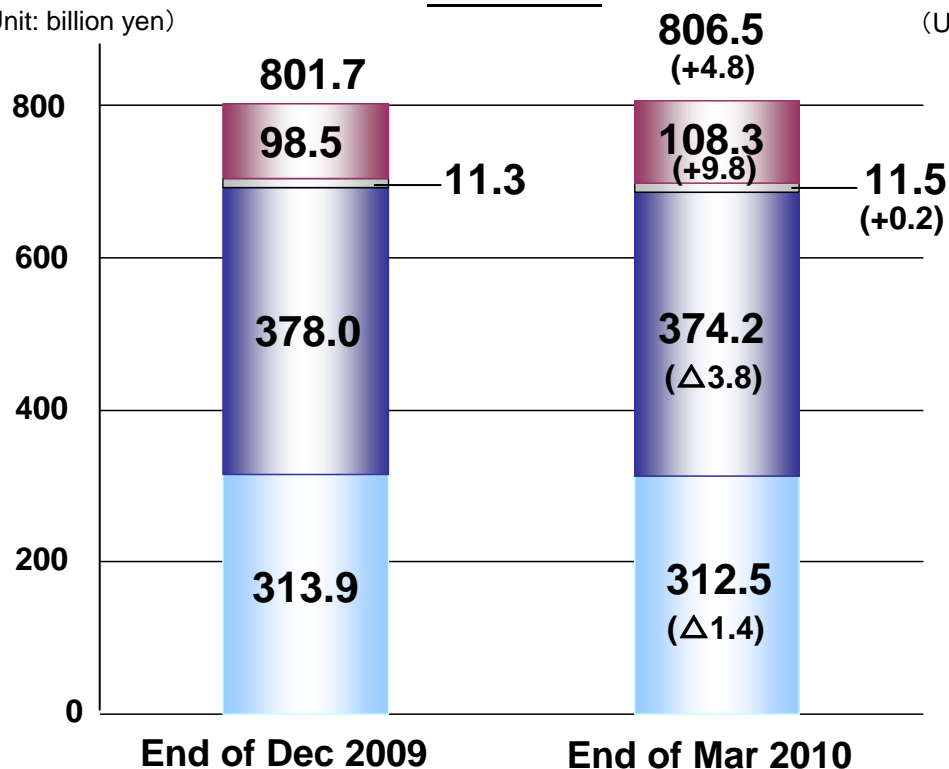
- Increase due to investment related to integration of former Mediatti into J:COM Group

Consolidated Balance Sheets

[US GAAP]

Assets

(Unit: billion yen)

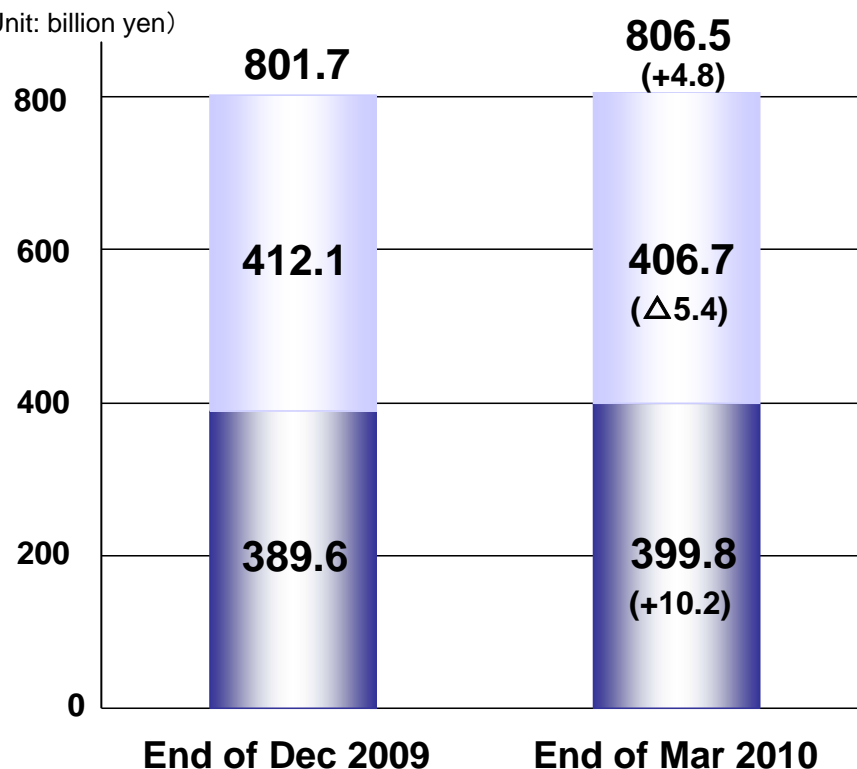


- Total Other Assets
- Total Property and Equipment
- Total Investments
- Total Current Assets

Current Assets : Up 6.6 billion yen mainly due to increase in cash and cash equivalents from operating activities and exercise of stock options

Liabilities & Shareholder's Equity

(Unit: billion yen)



- Total Shareholder's Equity
- Total Liabilities

Liabilities : Down 5.4 billion yen mainly owing to a decrease in income taxes payable

Total J:COM shareholders' equity : Up 10.2 billion yen due to increase in net income attributable to J:COM shareholders

Consolidated Cash Flows

(Unit: billion yen)

	2009 1Q	2010 1Q
Cash flows from operating activities	25.9	25.4
Cash flows from investing activities	△11.3	△11.5
Cash flows from financing activities	△6.1	△7.3
Free cash flow*	10.9	10.8

【Outline】

Net income of 9.3 billion yen; depreciation and amortization of 21.1 billion yen; and other factors

Capital expenditures of △10.7 billion yen; acquisition business expenditures of △0.8 billion yen; and other factors

Proceeds from sales of treasury stock of 3.8 billion yen; principle payments under capital lease obligations of △5.4 billion yen; △3.2 billion yen principle payments of long-term debt; △3.4 billion yen of dividends paid to shareholders

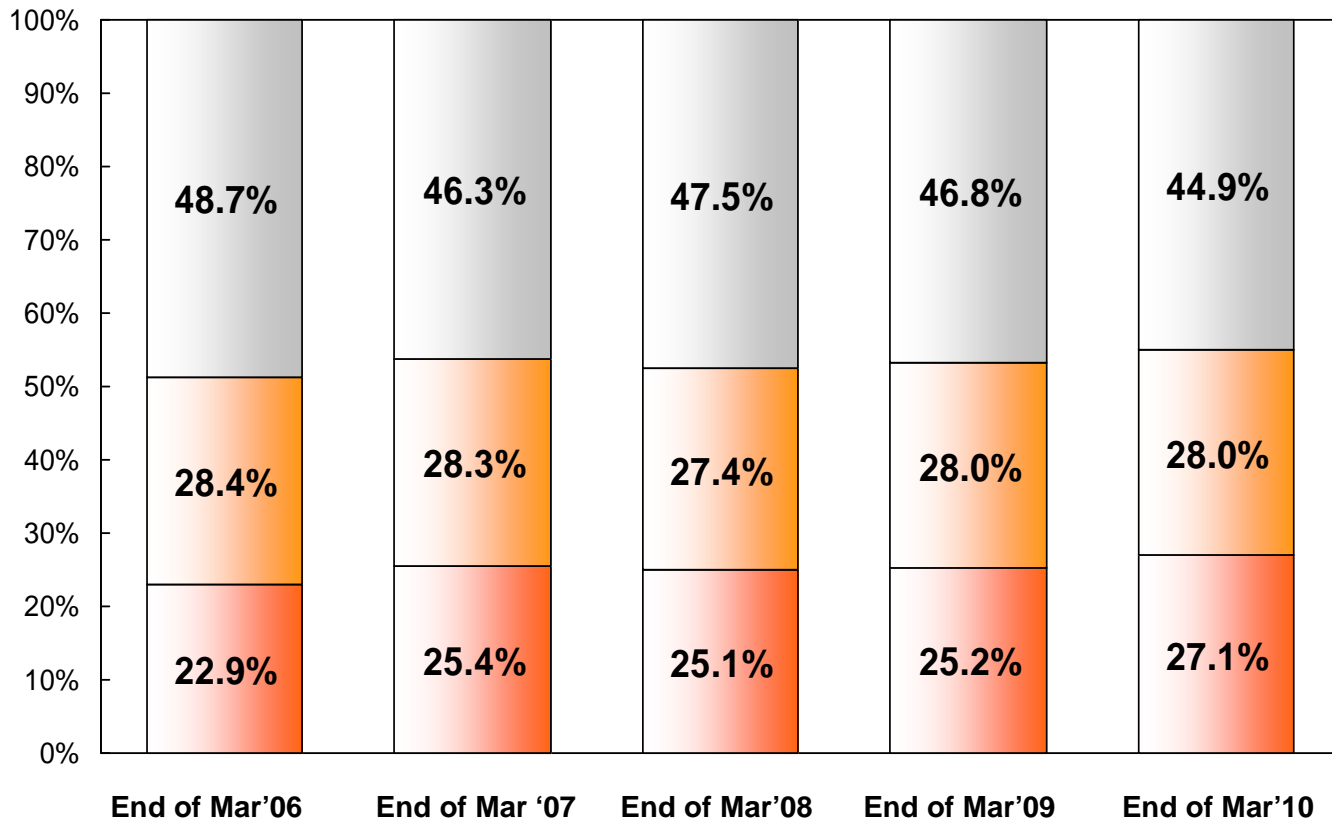
Total amount of 25.4 billion yen in cash flows from operating activities minus 14.6 billion yen in capital expenditures including capital lease expenditures

* Free cash flow = (Cash flows from operating activities) – (Capital expenditures) – (Capital lease expenditures)

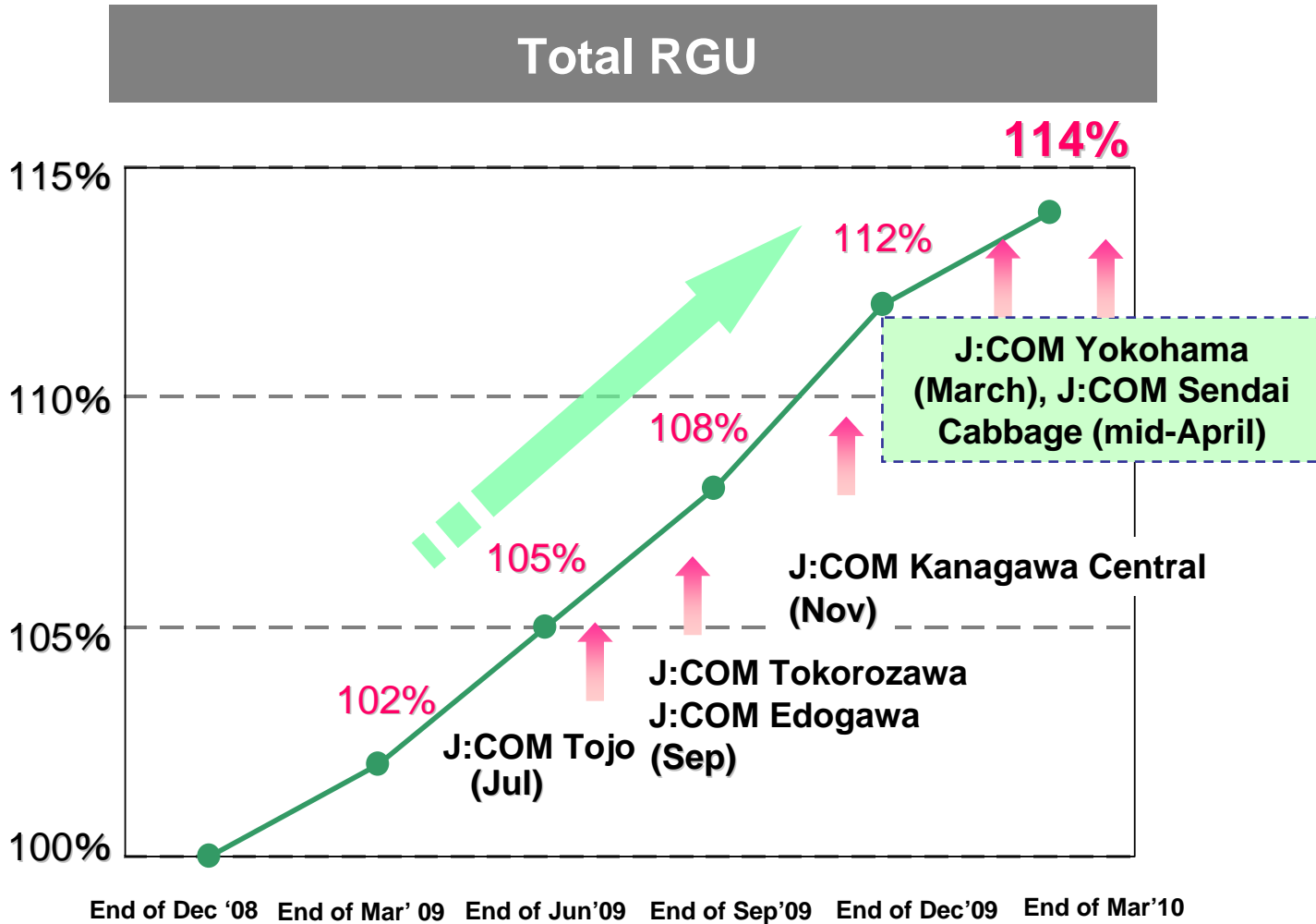
Appendix

Composition of Households by No. of Services Subscribed

■ Households with 3 services
 ■ Households with 2 services
 ■ Households with 1 services



Integration of former Mediatti Group

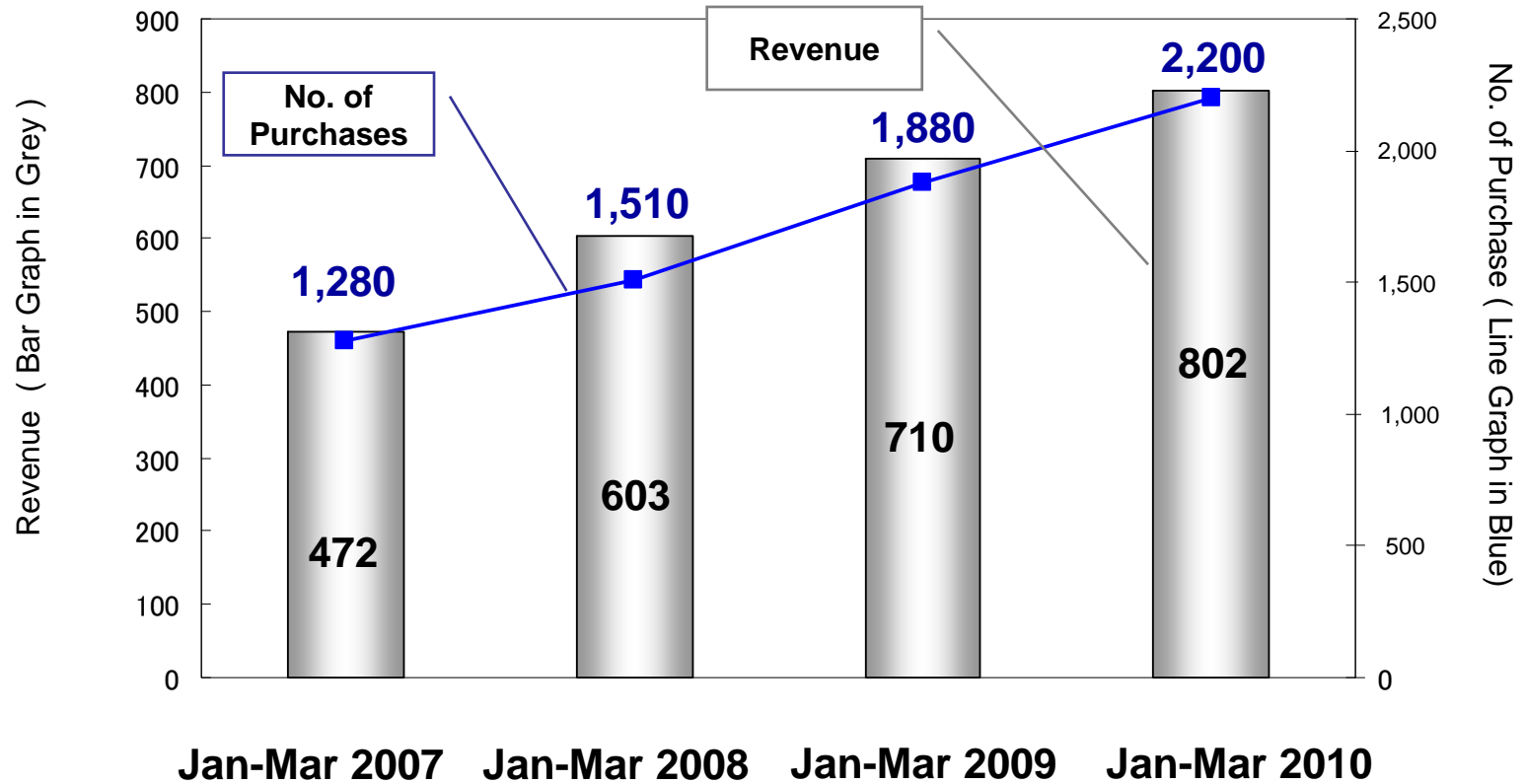


(Growth based on end of Dec,2008)

Number of Purchases and Revenue

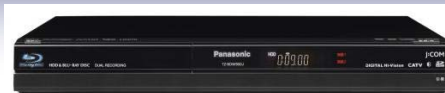
(Unit: million yen)

(Unit: thousand)

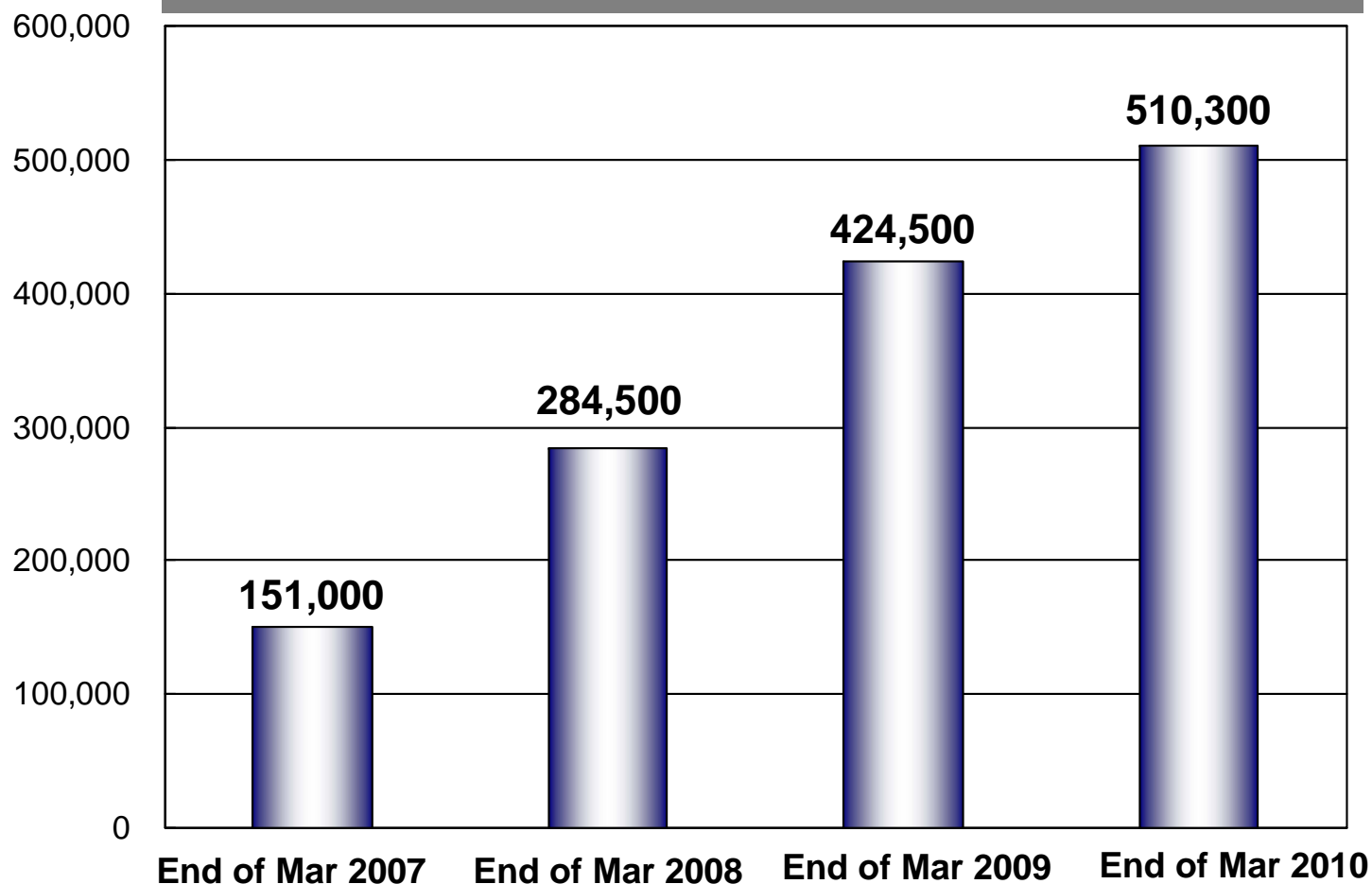


“HDR” STB with Internal Hard Disk Drive

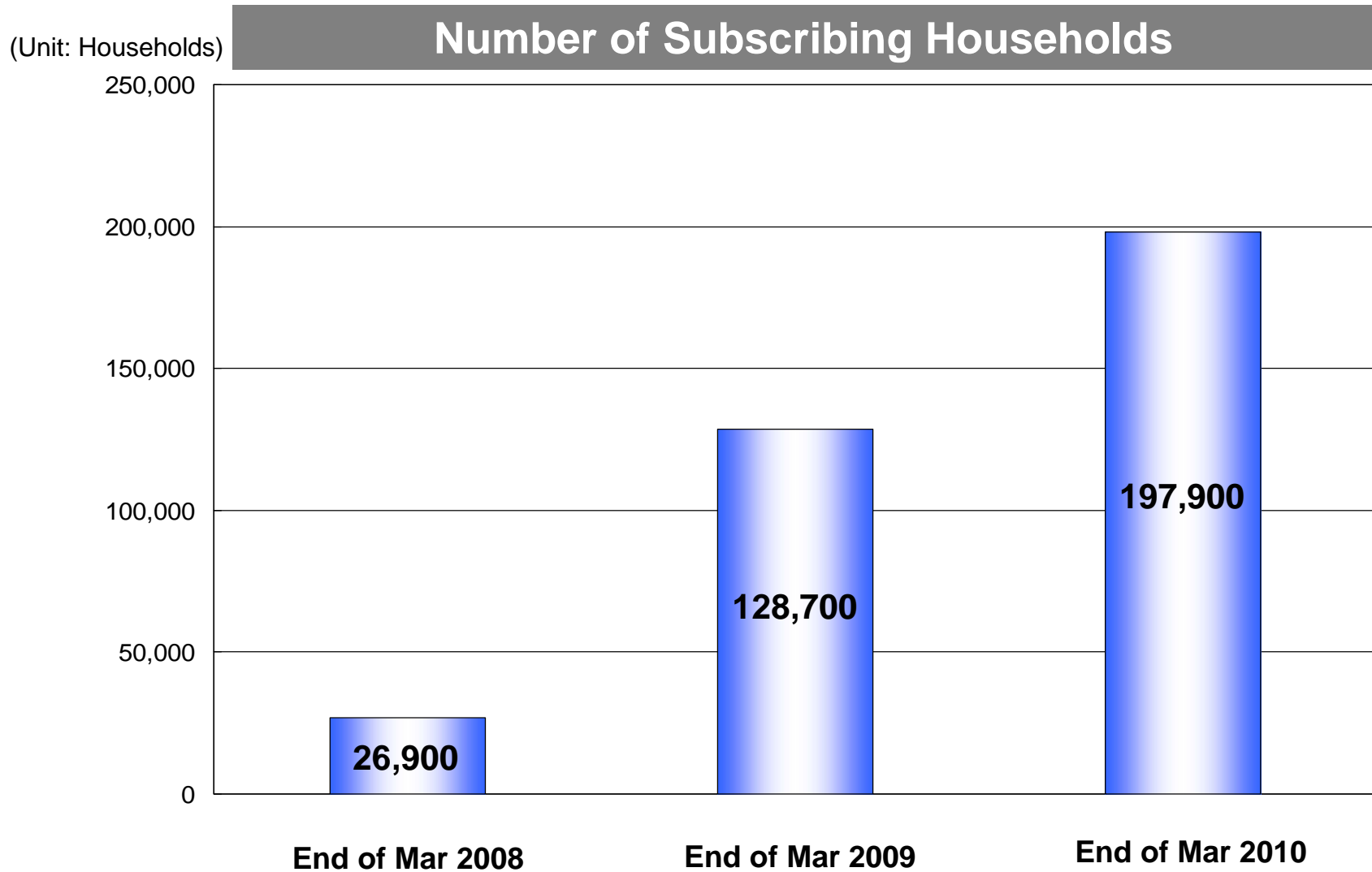
Launch of 『Blue-Ray HDR』 service from end of Jan 2010



Total HDR STB Distribution



J:COM NET 160Mbps Service



Number of Households with Service Available by Channel

(As of February 28, 2010)

Name of channel/company	Classification Equity stake	No. of households	Name of channel/company	Classification Equity stake	No. of households
Basic channels					
Movie Plus Jupiter Entertainment Co., Ltd.	Consoli dated	7,900K (7,830K)	AXN AXN Japan Co., Ltd.	Equity method 35%	6,700K (6,560K)
LaLa TV Jupiter Entertainment Co., Ltd.	100%	6,640K (6,510K)	Kids Station Kids Station Co., Ltd.	Other 15%	8,120K (8,050K)
Act On TV Entertainment and lifestyle information for adults Jupiter Visual Communications Co., Ltd.	Consoli dated 90.00%	3,970K (3,880K)	Japan Movie Channel Nihon Eiga Satellite Broadcasting Corp.	Other 9.99%	6,620K (6,470K)
GOLF NETWORK Jupiter Golf Network Co., Ltd.	Consoli dated 89.41%	7,310K (7,190K)	Jidaigeki Channel Nihon Eiga Satellite Broadcasting Corp.		6,840K (6,730K)
J sports ESPN, J sports 1, J sports 2, J sports Plus * * J Sports Broadcasting Co., Ltd.	Consoli dated 80.5%*	7,960K (7,890K)	Nikkei CNBC Nikkei CNBC Japan Co., Ltd.	Other 9.75%	7,480K (7,430K)
Channel Ginga Channel Ginga Co., Ltd.	Consoli dated 76%	3,190K (3,080K)	Optional channels		
Discovery Channel Discovery Japan Co., Ltd.	Equity method 50%	7,070K (6,970K)	Anime Theater X (AT-X) AT-X Co., Ltd.	Other 12.28%	110K (100K)
Animal Planet Animal Planet Japan Co., Ltd.	Equity method 33.3%	5,880K (5,730K)			

Source: Companies involved

Number of households with service available as of Nov 30, 2009, are shown in parentheses.

* Includes indirect ownership by way of wholly-owned subsidiary Jupiter Sports.

** J sports Plus is an optional channel at J:COM systems.

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