(Translation from Japanese disclosure to Osaka Securities Exchange)

October 28, 2010
[U.S. GAAP]

Consolidated Quarterly Financial Results Release

For the Nine Months Ended September 30, 2010

Jupiter Telecommunications Co., Ltd. (Consolidated)

Company code number: 4817 (URL http://www.jcom.co.jp/)
Shares traded: Osaka Securities Exchange
Executive position of legal representative: Tomoyuki Moriizumi, President & CEO
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Expected date of filing of Quarterly report: November 11, 2010
Supplementary material for quarterly financial results: Yes
Briefing meeting for quarterly financial results: Yes (for institutional investors and analysts)

(Fractional amounts rounded)

1. Consolidated operating results (From January 1, 2010 to September 30, 2010)

(1) Consolidated financial results

	Revenue		Operating income		Income before noncontrolling interests and income taxes	
	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%
Nine months ended September 30, 2010	267,750	8.9	49,172	9.3	46,749	11.9
Nine months ended September 30, 2009	245,968	13.0	44,987	14.3	41,773	14.1

	Net income attributable to J:COM shareholders		Net income attributable to J:COM shareholders per share(basic)	Net income attributable to J:COM shareholders per share(diluted)
	(Millions of yen)	%	(Yen)	(Yen)
Nine months ended September 30, 2010	28,642	32.9	4,149.80	4,144.81
Nine months ended September 30, 2009	21,555	5.5	3,142.54	3,141.90

(Note) The percentages shown next to revenue, operating income, income before noncontrolling interests and income taxes and net income attributable to J:COM shareholders represent year-on-year changes.

(2) Consolidated financial position

	Total assets	Total shareholders' equity	J:COM shareholders' equity	Equity capital ratio to total assets	J:COM shareholders' equity per share
	(Millions of yen)	(Millions of yen)	(Millions of yen)	%	(Yen)
September 30, 2010	807,142	417,656	401,037	49.7	57,927.77
December 31, 2009	801,657	389,591	374,902	46.8	54,649.54

2. Dividend information

	Annual cash dividend (Yen)				
	End of the first quarter	End of the second quarter	End of the third quarter	Year- end	Annual cash dividend
Year ended December 31, 2009	—	490.00	—	490.00	980.00
Year ending December 31, 2010	—	600.00	—		
Year ending December 31, 2010 (forecasts)				900.00	1,500.00

(Note) Change in forecast of dividends during the three months ended September 30, 2010: None

3. Consolidated forecasts for December 2010 term (from January 1, 2010 to December 31, 2010)

	Revenue		Operating income		Income before noncontrolling interests and income taxes		Net income attributable to J:COM shareholders		Net income attributable to J:COM shareholders per share
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Yen)
Annual	357,000	7.0	66,500	8.7	62,000	7.2	36,500	19.9	5,284.19

(Note) The percentages shown next to revenue, operating income, income before noncontrolling interests and income taxes and net income attributable to J:COM shareholders represent year-on-year changes.

Change in forecast for the fiscal year ending December 31, 2010 during the three months ended September 30, 2010: None

4. Others

(1) Changes in significant consolidated subsidiaries : None

(2) Adoption of simplified method or specific method to quarterly consolidated financial statements: None

(3) Change in significant accounting policies, procedures and presentation in quarterly consolidated financial statements:

(i) Changes due to revision of accounting standards and other regulations : None

(ii) Others : None

(4) Number of outstanding shares

(i) Number of issued shares at end of term (consolidated):

As of September 30, 2010: 6,947,813 shares   As of December 31, 2009: 6,940,110 shares

(ii) Number of treasury stock:

As of September 30, 2010: 24,774 shares   As of December 31, 2009: 80,000 shares

(iii) Number of weighed average stock:

Nine months ended September 30, 2010: 6,902,094 shares   Nine months ended September 30, 2009: 6,859,261 shares

(Status of quarterly review procedures)

This quarterly financial results release is outside the scope of quarterly review procedures based on Japan's Financial Instruments and Exchange Law.
It is under the review process at the time of disclosure of this report.

(Cautionary note regarding future-related information)
The forecasts contained in this report have been prepared on the basis of information that is currently available. Because such estimates are inherently very uncertain, actual results may differ from the forecasts. The Company does not guarantee that it will achieve these estimated results and advises readers to refrain from depending solely on these forecasts. Readers should also note that the Company is under no obligation to revise this information on a regular basis.

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1. Qualitative Information on the Financial Results for the Nine Months ended September 30, 2010

(1) Qualitative Information on Consolidated Financial Results

(i) Summary

Amid a slump in the pay multi-channel broadcast market, major telecommunications and related companies continued to confront intense competitive conditions throughout the nine months (January 1 to September 30, 2010) of the fiscal year ending December 31, 2010.

Under these circumstances, in addition to its Volume strategy, which aims to increase the number of service subscribing households, and Value strategy, which strives to improve the monthly average revenue per unit (ARPU), Jupiter Telecommunication Co., Ltd. ("J:COM" or "the Company") and the J:COM Group (J:COM together with its consolidated subsidiaries) steadily pursued their Content strategy, which focuses on enhancing programming quality.

In addition, J:COM continued to review areas of cooperation with KDDI Corporation ("KDDI") encompassing (1) the telecom business and product collaboration, (2) the media business, (3) the CATV business, and (4) technology and infrastructure. As the concrete first step toward forming an alliance, cross-sales promotion of the Company's cable television and other services and au mobile services was undertaken in the Kansai area from August 1, 2010 to September 30, 2010.

As a result of the above, the total number of subscribing households (the number of households that subscribe to one or more services) as of September 30, 2010 rose by 129,400 (4%) year-on-year to 3,376,700 households. By type of service, cable television subscribing households as of September 30, 2010 rose by 44,100 (2%) year-on-year to 2,632,000 households. Of this total, the number of J:COM TV Digital subscribing households rose by 351,100 (16%) to 2,614,600 households, accounting for 99% of all cable television subscribing households as compared to 87% at September 30, 2009. The number of high-speed Internet access and telephony services subscribing households increased 106,300 (7%) and 196,800 (11%) respectively as compared to September 30, 2009, rising to 1,665,700 households and 1,911,200 households, respectively as of September 30, 2010.

ARPU for the nine months ended September 30, 2010, slightly declined by ¥34 from ¥7,715 to ¥7,681 compared to the same period of the previous fiscal year. The bundle ratio (number of services subscribed to per subscribing household) increased from 1.81 as of September 30, 2009 to 1.84 as of September 30, 2010. The average monthly churn rates for our cable television, high-speed Internet access and telephony services averaged 1.25%, 1.27%, and 0.86% for the nine months ended September 30, 2010 compared to1.12%, 1.28% and 0.85% for the nine months ended September 30, 2009. The average monthly churn rates of total services for the nine months ended September 30, 2010 rose by 0.05 points compared to the same period of the previous fiscal year to 1.14%.

Revenue for the nine months ended September 30, 2010 amounted to ¥267,750 million, a year-on-year increase of 9%. Operating income and net income attributable to J:COM shareholders for the nine months ended September 30, 2010 increased 9% and 33% respectively to ¥49,172 million and ¥28,642 million.

ii) Overview of Business Results

In its Volume strategy, the Company has positioned efforts to "broaden its CATV subscriber base" as its main priority for the fiscal year under review. To this end, J:COM has implemented a variety of measures.

Firstly, the Company strove to attract and expand a new target markets. Responding to demand in the growing nuclear family and single-person household markets, and recognize the diversified viewing patterns and behavior due to changes in lifestyles, J:COM launched the new package "J:COM TV My style Select[1]" service targeting multi-dwelling units (MDUs) from July 15, 2010. J:COM TV My style Select is a new packaged service that includes retransmissions of terrestrial digital and BS digital broadcasts with access to telecommunication services such as high-speed Internet access and telephony, in addition to a selection

[1] The "J:COM TV My style Select" service name was changed to "J:COM TV My style" from October 1, 2010.

from the "All you can watch package" of the "J:COM on Demand" service. The All you can watch package comprises 12 wide-ranging packages (as of September 30, 2010), and offers unlimited viewing at any time for a fixed monthly fee. The lineup includes "WARNER TV," which includes a host of popular Warner Brothers' TV series, and "All you can watch Discovery 100," a diverse selection of Discovery Channel documentaries. A further five packages were added to the existing selection in October 2010, with plans to bring the total offering to 30 by the end of the year. From a sales and marketing perspective, steps were taken to offer the J:COM TV My style package to single-dwelling units (SDUs) from October 1, 2010. Moving forward, steps will be taken to expand sales of J:COM TV My style, an entry model into the multi-channel service market. In addition to capturing a new viewer base, every effort will be made to promote a shift to the Company's mainstay J:COM TV Digital service, and to increase the number of subscribers.

Secondly, the Company worked to cultivate demand in tune with migration toward the complete changeover to terrestrial digital broadcasting scheduled on July 24, 2011. During the period under review, the J:COM Group continued to focus its energies on acquiring communal reception households.[2] As a result, the Company has successfully reached agreements to provide terrestrial retransmission services with facilities management companies within its current service area to a cumulative total of approximately 910,000 households, from a potential market total of 1,380,000 households. J:COM also pursued negotiations with agreed households regarding its pay services. Thanks to these endeavors, the Company acquired approximately 62,000 revenue generating units (RGUs) for the nine months ended September 30, 2010. Additionally, J:COM TV My style was positioned as a strategic service designed to capture terrestrial digital demand. Throughout the period under review, J:COM placed considerable emphasis on expanding its sales. Moreover, the J:COM Group terminated nationwide analog broadcasts of its cable television services, completing the shift to digital broadcasting, excluding certain areas,[3] as of the end of the third quarter of the fiscal year under review.

Thirdly, the J:COM Group strove to increase subscribing households by expanding its service area. The Company began providing services through the newly opened J:COM Hadano-Isehara system from August 1, 2010. Plans are underway for the system to provide services to an approximate combined total of 81,000 households in the Hadano and Isehara municipal areas of Kanagawa Prefecture. Services are scheduled to commence to all areas from spring 2011.

In implementing its Value strategy, J:COM augmented and promoted its lineup of high-definition (HD) cable television service channels. Taking into consideration the termination of cable television service analog broadcasting as of the end of the third quarter of the fiscal year under review, the Company's menu was extended on October 8, 2010, to encompass a total of 10 HD channels, including J sports 1, J sports 2 and SAMURAI DRAMA CHANNEL. Plans are also in place to add a further six channels on November 1, 2010. As a result, viewers will be able to enjoy a total of 49 HD channels within the current fiscal year, representing approximately 60% of the Company's complete channel lineup across wide-ranging genre including sports, movies and entertainment. Moving forward, the J:COM Group will continue to actively expand its lineup of HD channels, and deliver more attractive and appealing cable television services.

With regard to its VOD service, the Company implemented a series of initiatives to enhance attractiveness and broaden the group's user base. As a prime example, the Group launched the catch-up playback service from October 1, 2010 that enables subscribers to view, free of charge through VOD, programs from 19 thematic channels such as Golf Network and Movie Plus even while they are being broadcast. A program can be viewed after it has commenced or concluded. In instances where one has forgotten to prerecord a program, there is now no need to wait for it to be rebroadcast. Looking ahead, J:COM will promote the use of VOD by enhancing high service of conveniences.

As a key feature of its Content strategy, J:COM's consolidated subsidiary J SPORTS Broadcasting Corporation ("J SPORTS") previously received accreditation from the Ministry of Internal Affairs and Communications for two channels with respect to

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[2] Communal reception households are defined as households that receive terrestrial broadcasts through communal reception facilities, installed to solve poor reception in shadow areas created by buildings, transmission lines and related structures.
[3] Group companies of the former Mediatti Communications, Inc. , Johoku New Media Co., Ltd. and certain areas of Cablenet KOBE ASHIYA Co., Ltd.

new BS digital broadcasting commencing from October 2011. The Group received accreditation for additional two channels on October 19, 2010. As a result, J SPORTS will become Japan's leading BS broadcaster, with four channels. Looking ahead, the J:COM Group will endeavor to maximize J SPORTS viewer appeal through the new BS Broadcasting platform. In addition to increase the number of J SPORTS subscribers, every effort will be made to expand the multi-channel market.

(iii) Profit and Loss

In the following discussion, we quantify the acquisition impact, which represents the effect by consolidating an acquired entity on our results of operations during the first twelve months following the acquisition date. We represent changes that exclude the impact of acquisitions as changes at existing consolidated subsidiaries. Included as acquisition impacts in the below discussion of cumulative consolidated business results are J SPORTS Broadcasting Corporation and its subsidiary, consolidated on October 1, 2009, Suzuran Cable System transferred from the Keihanshin Cable Vision Foundation to J:COM consolidated subsidiary CableNet KOBE ASHIYA Co., Ltd. on February 1, 2010, Kobe Cable Vision, transferred from Kobe City Development & Management Foundation to CableNet KOBE ASHIYA Co., Ltd. on April 1, 2010, and Cablevision Kasai transferred from Tokyo Cablevision to J:COM consolidated subsidiary Edogawa Cable TV Co., Ltd. on June 1, 2010.

Revenue increased by ¥21,782 million, or 9%, from ¥245,968 million for the nine months ended September 30, 2009 to ¥267,750 million for the nine months ended September 30, 2010. This increase includes ¥10,887 million that is attributable to the aggregate impact of acquisitions. Excluding the impact of acquisitions, revenue at existing consolidated subsidiaries increased by ¥10,895 million, or 4%. Subscription fees increased by ¥7,903 million, or 4%, from ¥214,750 million for the nine months ended September 30, 2009 to ¥222,653 million for the nine months ended September 30, 2010. This increase includes ¥528 million that is attributable to the aggregate impact of acquisitions. Excluding the impact of acquisitions, subscription fees at existing subsidiaries increased by ¥7,375 million, or 3%.

Cable television subscription fees increased by ¥3,711 million, or 3%, from ¥116,518 million for the nine months ended September 30, 2009 to ¥120,229 million for the nine months ended September 30, 2010. The increase in cable television subscription fees is mainly attributable to an increase in the number of consolidated subsidiary subscribing households as well as having 99% of cable television subscribers receiving digital service as of September 30, 2010, compared to 87% as of September 30, 2009, and increasing digital additional service using of HDR mainly on the Blu-ray.

High-speed Internet access subscription fees increased by ¥2,539 million, or 4%, from ¥62,368 million for the nine months ended September 30, 2009 to ¥64,907 million for the nine months ended September 30, 2010. The increase in high-speed Internet access subscription fees is due largely to an increase in the number of consolidated subsidiary subscribing households, which is partly offset by increased product bundling discounts.

Telephony subscription fees increased by ¥1,653 million, or 5%, from ¥35,864 million for the nine months ended September 30, 2009 to ¥37,517 million for the nine months ended September 30, 2010. The increase in telephony subscription fees is primarily the result of an increase in the number of consolidated subsidiary subscribing households, which is partly offset by increased product bundling discounts and lower call volumes.

Turning to existing consolidated subsidiary subscription fees by type of service, the rates of increase for the nine months ended September 30, 2010 were 3%, 4% and 5% for cable television, high-speed Internet access and telephony service, respectively.

Other revenue increased by ¥13,879 million, or 44%, from ¥31,218 million for the nine months ended September 30, 2009 to ¥45,097 million for the nine months ended September 30, 2010. The increase is mainly attributable to the aggregate impact of acquisitions totaling ¥10,359 million.

Operating and programming costs increased by ¥10,045 million, or 11%, from ¥90,311 million for the nine months ended September 30, 2009 to ¥100,356 million for the nine months ended September 30, 2010. This increase is largely due to the aggregate impact of acquisitions of ¥7,973 million. Selling, general and administrative expenses increased by ¥5,319 million, or 11%, from ¥49,082 million for the nine months ended September 30, 2009 to ¥54,401 million for the nine months ended September 30, 2010. This mainly reflects increases in advertising costs in connection with sales promotions and higher personnel costs, and the aggregate impact of acquisitions totaling ¥1,202 million.

Depreciation and amortization expenses increased ¥2,233 million, or 4%, from ¥61,588 million for the nine months ended September 30, 2009 to ¥63,821 million for the nine months ended September 30, 2010. This increase is largely attributable to additions to fixed assets related to the installation of services to new customers and the aggregate impact of acquisitions totaling ¥980 million.

Operating income, as a result of the above items, increased by ¥4,185 million, or 9%, from ¥44,987 million for the nine months ended September 30, 2009 to ¥49,172 million for the nine months ended September 30, 2010.

Interest expense, net decreased by ¥85 million, or 2%, from ¥3,861 million for the nine months ended September 30, 2009 to ¥3,776 million for the nine months ended September 30, 2010.

Income before noncontrolling interests and income taxes increased by ¥4,976 million, or 12%, from ¥41,773 million for the nine months ended September 30, 2009 to ¥46,749 million for the nine months ended September 30, 2010. Net income attributable to J:COM shareholders increased by ¥7,087 million, or 33%, from ¥21,555 million for the nine months ended September 30, 2009 to ¥28,642 million for the nine months ended September 30, 2010. This is due to such factors as a decrease in tax expenses resulting from the decision to liquidate subsidiaries that were intermediary holding companies.

(2) Qualitative Information on Consolidated Financial Position

(i) Assets, Liabilities and Shareholders' Equity

Total assets increased by ¥5,485 million, from ¥801,657 million as of December 31, 2009 to ¥807,142 million as of September 30, 2010. The increase is primarily due to higher cash and cash equivalents provided from operations, exercise of stock options, and partly offset by debt repayment.

Total liabilities decreased by ¥22,580 million from ¥412,066 million as of December 31, 2009 to ¥389,486 million as of September 30, 2010. The decrease is largely the result of debt repayments.

Total J:COM shareholders' equity increased by ¥26,135 million from ¥374,902 million as of December 31, 2009 to ¥401,037 million as of September 30, 2010. The increase is mainly due to the upswing in net income attributable to J:COM shareholders for the nine months ended September 30, 2010, as well as the decrease in treasury stock allocated as a result of the exercise of stock options, which is partly offset by payment of dividend.

(ii) Cash Flows

For the nine months ended September 30, 2010, the net cash provided by operating activities of ¥88,172 million was used to fund net cash used in our investing and financing activities of ¥40,866 million and ¥39,344 million, respectively. Accounting for the aforementioned activities, cash and cash equivalents increased by ¥7,962 million from ¥64,426 million as of December 31, 2009 to ¥72,388 million as of September 30, 2010.

Cash Provided by Operating Activities.

Net cash provided by operating activities decreased by ¥1,113 million, from ¥89,285 million for the nine months ended September 30, 2009 to ¥88,172 million for the nine months ended September 30, 2010. This is due to revenue increase, deferred taxes decrease and change of operating credit and debt.

Cash Used in Investing Activities.

Net cash used in investing activities increased by ¥6,398 million, from ¥34,468 million for the nine months ended September 30, 2009 to ¥40,866 million for the nine months ended September 30, 2010. The net cash used for the nine months ended September 30, 2010 primarily consisted of ¥40,044 million for capital expenditures.

Cash Used in Financing Activities.

Net cash used in financing activities increased by ¥22,357 million, from ¥16,987 million for the nine months ended September 30, 2009 to ¥39,344 million for the nine months ended September 30, 2010. The net cash used for the nine months ended September 30, 2010 primarily consisted of ¥21,659 million principal payments of long-term debt, ¥16,216 million principal payments under capital lease obligations and ¥7,513 million of dividends paid to shareholders. This is partially offset by ¥616 million of proceeds from the issuance of common stock and ¥4,366 million of allocation of treasury stock relating to the exercise of stock options.

(3) Qualitative Information on Consolidated Business Results Forecasts

There are no changes from consolidated business results forecasts announced on July 27, 2010, included in the Company's Consolidated Annual Financial Results Release for the fiscal year ending December 31, 2010.

2. Other Information

(1) Changes in significant consolidated subsidiaries

None

(2) Adoption of simplified method or specific method to quarterly consolidated financial statements

None

(3) Change in significant accounting policies, procedures and presentation in quarterly consolidated financial statements

(i) Changes due to revision of accounting standards and other regulations: None

(ii) Others: None

3. Consolidated Quarterly Financial Statements

JUPITER TELECOMMUNICATIONS CO., LTD.
AND SUBSIDIARIES
(1) CONSOLIDATED QUARTERLY STATEMENTS OF INCOME

(YEN IN MILLIONS, EXCEPT SHARE AND PER SHARE AMOUNTS)

Account	**Nine months ended September 30, 2010**	Nine months ended September 30, 2009	Change		Year ended December 31, 2009
	Amount	Amount	Amount	(%)	Amount
Revenue:					
Subscription fees	222,653	214,750	7,903	3.7	287,736
Others	45,097	31,218	13,879	44.5	45,988
	267,750	245,968	21,782	8.9	333,724
Operating costs and expenses :					
Operating and programming costs	(100,356)	(90,311)	(10,045)	(11.1)	(123,050)
Selling, general and administrative expenses	(54,401)	(49,082)	(5,319)	(10.8)	(66,341)
Depreciation and amortization	(63,821)	(61,588)	(2,233)	(3.6)	(83,174)
	(218,578)	(200,981)	(17,597)	(8.8)	(272,565)
Operating income	49,172	44,987	4,185	9.3	61,159
Other income (expenses) :					
Interest expense, net:					
Related parties	(1,237)	(1,260)	23	1.8	(1,693)
Others	(2,539)	(2,601)	62	2.4	(3,479)
Equity in earnings of affiliates	838	383	455	118.9	599
Other income, net	515	264	251	94.8	1,248
Income before noncontrolling interests and income taxes	46,749	41,773	4,976	11.9	57,834
Income taxes expense	(15,730)	(17,996)	2,266	12.6	(24,579)
Net income	31,019	23,777	7,242	30.5	33,255
Less: Net income attributable to noncontrolling interests	(2,377)	(2,222)	(155)	(7.0)	(2,802)
Net income attributable to J:COM shareholders	28,642	21,555	7,087	32.9	30,453
Per share data					
Net income attributable to J:COM shareholders per share					
– basic	¥4,149.80	¥3,142.54	¥1,007.26	32.1	¥4,439.56
– diluted	¥4,144.81	¥3,141.90	¥1,002.91	31.9	¥4,438.57
Weighted average number of ordinary shares outstanding (share)					
– basic	6,902,094	6,859,261	42,833	0.6	6,859,388
– diluted	6,910,409	6,860,647	49,762	0.7	6,860,910

(Note) Percentages are calculated based on amounts before rounded in Change column.

JUPITER TELECOMMUNICATIONS CO., LTD.
AND SUBSIDIARIES

(2) CONSOLIDATED QUARTERLY BALANCE SHEETS

(YEN IN MILLIONS)

Account	September 30, 2010	December 31, 2009	Change
	Amount	Amount	Amount
Current assets:			
Cash and cash equivalents	72,388	64,426	7,962
Accounts receivable	18,071	16,507	1,564
Allowance for doubtful accounts	(501)	(475)	(26)
Deferred tax assets - current	10,422	10,577	(155)
Prepaid expenses and other current assets	9,511	7,480	2,031
Total current assets	109,891	98,515	11,376
Investments:			
Investments in affiliates	9,744	9,122	622
Investments in other securities, at cost	2,143	2,143	—
Total investments	11,887	11,265	622
Property and equipment, at cost:			
Land	3,966	3,924	42
Distribution system and equipment	710,562	676,853	33,709
Support equipment and buildings	58,684	54,389	4,295
	773,212	735,166	38,046
Less accumulated depreciation	(400,421)	(357,161)	(43,260)
Total property and equipment	372,791	378,005	(5,214)
Other assets:			
Goodwill	248,323	248,094	229
Identifiable intangible assets, net	42,794	46,029	(3,235)
Deferred tax assets – non current	5,773	4,566	1,207
Others	15,683	15,183	500
Total other assets	312,573	313,872	(1,299)
Total assets	807,142	801,657	5,485

(YEN IN MILLIONS)

Account	September 30, 2010	December 31, 2009	Change
	Amount	Amount	Amount
Current liabilities:			
Short-term loans	6,967	7,618	(651)
Long-term debt–current portion	9,280	12,353	(3,073)
Capital lease obligations–current portion:			
Related parties	16,978	16,620	358
Others	2,073	2,939	(866)
Accounts payable	26,828	25,616	1,212
Income taxes payable	8,960	11,323	(2,363)
Deposit from related parties	5,920	5,133	787
Deferred revenue – current portion	8,303	8,383	(80)
Accrued expenses and other liabilities	13,426	11,384	2,042
Total current liabilities	98,735	101,369	(2,634)
Long-term debt, less current portion	139,549	158,135	(18,586)
Corporate Bond, less current portion	10,000	10,000	—
Capital lease obligations, less current portion:			
Related parties	38,629	38,520	109
Others	4,537	5,709	(1,172)
Deferred revenue	58,937	60,048	(1,111)
Deferred tax liabilities – non current	12,343	15,034	(2,691)
Other liabilities	26,756	23,251	3,505
Total liabilities	389,486	412,066	(22,580)
Shareholders' equity:			
Ordinary shares no par value	117,550	117,242	308
Additional paid-in capital	226,211	226,553	(342)
Retained earnings	60,963	39,834	21,129
Treasury stock	(2,329)	(7,520)	5,191
Accumulated other comprehensive loss	(1,358)	(1,207)	(151)
Total J:COM shareholders' equity	401,037	374,902	26,135
Noncontrolling interests in subsidiaries	16,619	14,689	1,930
Total shareholders' equity	417,656	389,591	28,065
Total liabilities and shareholders' equity	807,142	801,657	5,485

JUPITER TELECOMMUNICATIONS CO., LTD.
AND SUBSIDIARIES

(3) CONSOLIDATED QUARTERLY STATEMENTS OF CASH FLOWS

(YEN IN MILLIONS)

Classification	Nine months ended September 30, 2010 Amount	Nine months ended September 30, 2009 Amount	Year ended December 31, 2009 Amount
Cash flows from operating activities:			
Net income	31,019	23,777	33,255
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	63,821	61,588	83,174
Equity in earnings of affiliates	(838)	(383)	(599)
Stock compensation expenses	87	62	67
Deferred income taxes	(3,795)	379	588
Gain on Bargain purchase in acquisition	(369)	—	—
Non-cash gain from previously held investment	—	—	(798)
Changes in operating assets and liabilities, excluding effects of business combinations:			
Decrease/(increase) in accounts receivable, net	(1,700)	608	(120)
Decrease/(increase) in prepaid expenses	(1,740)	(106)	2,368
Increase in other assets	(879)	(477)	(2,054)
Increase/(decrease) in accounts payable	837	(241)	383
Increase in accrued expenses and other liabilities	3,299	4,613	9,493
Decrease in deferred revenue	(1,570)	(535)	(2,131)
Net cash provided by operating activities	88,172	89,285	123,626
Cash flows from investing activities:			
Capital expenditures	(40,044)	(34,814)	(51,774)
Acquisitions of new subsidiaries, net of cash acquired	—	—	(5,286)
Acquisition of business operation	(1,075)	—	—
Other investing activities	253	346	502
Net cash used in investing activities	(40,866)	(34,468)	(56,558)
Cash flows from financing activities:			
Proceeds from issuance of common stock	616	125	160
Proceeds from sales of treasury stock	4,366	—	—
Acquisition of noncontrolling interests in consolidated subsidiaries	(209)	(242)	(242)
Net increase/(decrease) in short-term loans	(651)	1,322	1,526
Proceeds from long-term debt	—	30,000	30,000
Proceeds from corporate bond	—	10,000	10,000
Principal payments of long-term debt	(21,659)	(39,504)	(42,453)
Principal payments under capital lease obligations	(16,216)	(15,078)	(20,413)
Cash dividend paid to shareholders	(7,513)	(5,076)	(5,076)
Other financing activities	1,922	1,466	2,353
Net cash used in financing activities	(39,344)	(16,987)	(24,145)
Net increase in cash and cash equivalents	7,962	37,830	42,923
Cash and cash equivalents at beginning of year	64,426	21,503	21,503
Cash and cash equivalents at end of period	72,388	59,333	64,426

(4) Assumptions for Going Concern

None

(5) Segment Information

(i) Operating segments

The Company's channel services are considered a separate operating segment, however, due to the insignificant size of these channel service operations, management has determined it has one reportable segment "Broadband communications services". Therefore, information on operating segments is not applicable in this section.

(ii) Segment information by region

Since the Company does not have any overseas subsidiaries or branches, this section is not applicable.

(6) Significant Changes in Shareholders' Equity

None

(7) Subsequent Events

None