(Translation from Japanese disclosure to JASDAQ)

July 30, 2009

[U.S. GAAP]

Consolidated Quarterly Financial Results Release

For the Six Months Ended June 30, 2009

Jupiter Telecommunications Co., Ltd. (Consolidated)

Company code number: 4817 (URL http://www.jcom.co.jp/)
Shares traded: JASDAQ
Executive position of legal representative: Tomoyuki Moriizumi, Chief Executive Officer
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Expected date of filing of Quarterly report: August 13, 2009 Expected date of dividend payment: September 8, 2009

(Fractional amounts rounded)

1. Consolidated operating results (From January 1, 2009 to June 30, 2009)

(1) Consolidated financial results

	Revenue		Operating income		Income before noncontrolling interests and income taxes	
	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%
Six months ended June 30, 2009	162,478	13.0	30,398	19.5	28,353	19.6
Six months ended June 30, 2008	143,815	12.3	25,440	25.4	23,708	27.0

	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)
Six months ended June 30, 2009	14,309	9.5	2,086.06	2,085.72
Six months ended June 30, 2008	13,063	13.2	1,906.79	1,903.49

(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	J:COM shareholders' equity	Equity capital ratio to total assets	J:COM shareholders' equity per share
	(Millions of yen)	(Millions of yen)	%	(Yen)
June 30, 2009	763,139	362,153	47.5	52,795.78
December 31, 2008	755,670	349,352	46.2	50,940.10

2. Dividend information

	Cash dividend per share (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, 2008	—	500.00	—	250.00	750.00
Year ending December 31, 2009	—	490.00			
Year ending December 31, 2009 (forecasts)			—	490.00	980.00

(Note) Change in forecast of dividends during the six months ended June 30,2009: None

3. Consolidated forecasts for December 2009 term (from January 1, 2009 to December 31, 2009)

	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	330,000	12.1	60,000	11.8	54,500	9.6	29,000	3.7	4,227.83

(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, 2009 during the six months ended June 30,2009: None

4. Other

(1) Changes of 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 : Yes
- (ii) Others : None

(Note) Please refer to page 6.

(4) Outstanding shares

- (i) Number of issued shares at end of term (consolidated):
  As of June 30, 2009: 6,939,508 shares   As of December 31, 2008: 6,938,107 shares
- (ii) Number of treasury stock:
  As of June 30, 2009: 80,000 shares   As of December 31, 2008: 80,000 shares
- (iii) Number of weighed average stock:
  Six months ended June 30, 2009: 6,859,120 shares   Six months ended June 30, 2008: 6,851,517 shares

(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.

1. Qualitative information regarding consolidated business results

Throughout the first half of the fiscal year ending December 31, 2009, those markets in which Jupiter Telecommunications Co., Ltd. (“J:COM” or “the Company”) and its consolidated group (“the J:COM Group”) operate were characterized by an extremely challenging operating environment. This was particularly evident in the broadcasting and telecommunication service markets where competition with major telecommunications companies further intensified. Despite these circumstances, the J:COM Group made steady progress with its Volume plus Value strategies which targets expansion of the number of subscribing households and improvement of monthly revenue per unit (ARPU), while enhancing management efficiency across the J:COM Group and further strengthening its competitive position.

In the area of new subscriber acquisition, and as a part of J:COM’s efforts to diversify its sales channels, additional steps were taken to further develop the J:COM Shops network. As a result of these endeavors, the number of J:COM Shops as of June 30, 2009 increased to 72, up from 50 as of December 31, 2008. Further, the Company made efforts to increase the number of subscribers utilizing the J:COM Group’s inbound call centers as well as to place partner with large appliance franchises.

Recognizing the complete changeover to terrestrial digital broadcasting by July 2011 as a significant business opportunity, the J:COM Group continued to implement measures throughout the first half of the fiscal year ending December 31, 2009. In particular, the J:COM Group stepped up efforts to increase the number of fee-based retransmission only households across its service area which comprises 800,000 to 1,000,000 communal reception households. As a result, the Company closed contracts with several large communal reception facilities. (J:COM does not count such retransmission only households as RGUs.)

In addition to the above efforts to increase the number of subscribing households, the J:COM Group also established rmeasures aimed at preventing churn, by appointing responsible officers to oversee the implementation of cancellation prevention programs to retain both existing and newly acquired customers.

As a part of its efforts to improve ARPU, the J:COM Group continues to promote and enhance value-added TV services. The J:COM Group strengthened and expanded its high-definition (HD) channels provided through the J:COM TV Digital service while reinforcing and augmenting its Video-on-Demand (VOD) and other service capabilities.

Complementing its existing lineup of HD channels, the J:COM Group added one premium channel in April 2009 and an additional four channels in movies and dramas from 1st of July. The J:COM Group also plans to add an additional five channels, for an aggregate total of 10, by the end of 2009, bringing the ratio of HD channels to total J:COM TV Digital service channels including terrestrial and BS broadcasting to approximately 40%.

Turning to the J:COM Group’s VOD services, J:COM worked diligently to increase usage by enhancing the attractiveness and usability to subscribers so as to increase utilization. As one example, the Company included in its lineup of VOD services the latest dramas broadcasted by FOX channel from July 2009. In this manner, J:COM is providing a platform for viewers to catch up on programs that they were unable to watch when initially broadcast. Looking ahead, the J:COM Group will promote a host of initiatives aimed at bolstering customer viewing of its VOD services.

In addition to the previously identified initiatives, J:COM placed considerable emphasis on efforts to streamline the integration of newly acquired cable television companies and businesses into the Company’s network. This entailed vigorous steps to ensure consistency with regard to customer management systems, its product and service content as well as marketing skills. Buoyed by the merger with Mediatti Communications, Inc. on April 1, 2009, the Company worked diligently to reduce costs as a part of its comprehensive efforts to promote increased efficiency in management and business operations. In general terms, the service subscription penetration rate, bundle ratios (the number of services offered per subscribing household) and ARPU of newly acquired subsidiaries are low when compared with those of the existing J:COM Group. This is attributable to differences in the number of services provided and marketing techniques among relevant parties. J:COM services will be gradually incorporated into the former Mediatti group from July 2009. By introducing those services in which J:COM has a competitive advantage, a benefit to the aforementioned operating indicators is anticipated.

During the first half of the fiscal year ending December 31, 2009, J:COM actively strengthened collaboration with outside parties by marketing its competitive services beyond the confines of the J:COM Group. In May 2009, the Company decided to provide VOD services to its communications, Inc. (iTSCOM), the cable television company of the Tokyu Group. Utilizing the J:COM Group's platform, VOD services is expected to commence across iTSCOM's service area within the year. Looking ahead, the J:COM Group will attempt to improve its VOD content procurement capabilities and anticipates further benefits to be realized through increased collaboration.

As a result of the above, the total number of subscribing households (the number of households that subscribe to one or more services) of consolidated managed system operators as of June 30, 2009 rose to 3,219,200 households, an increase of 459,600 households (17%) from June 30, 2008. By type of service, cable television subscribers grew by 329,100 households (15%) from June 30, 2008 to 2,574,600 households as of June 30, 2009. Of this total, the number of J:COM TV Digital subscribers rose by 538,100 households (33%) to 2,178,400 households as of June 30, 2009, accounting for 85% of all cable television subscribers. The number of high-speed Internet access and telephony services subscribers increased by 255,800 households (20%) and 261,300 households (19%), respectively as compared to June 30, 2008, rising to 1,536,400 households and 1,666,200 households, respectively as of June 30, 2009.

The number of services offered per subscribing household (bundle ratio) was unchanged at 1.79 as of June 30, 2009 from June 30, 2008. However, excluding the impact of Jyohoku New Media Co., Ltd. and former Mediatti group companies, the bundle ratio increased to 1.83. The average monthly revenue per subscribing household (ARPU) decreased from ¥7,754 for the six months ended June 30, 2008 to ¥7,717 for the six months ended June 30, 2009. However, excluding the impact of Jyohoku New Media Co., Ltd. and former Mediatti group companies, ARPU increased to ¥7,801.

In the following discussion, J:COM quantifies the impact of acquisitions on its results of operations. The acquisition impact represents the Company's estimate of the difference between the operating results of the period under comparison that is attributable to the timing of an acquisition. In general, we base our estimate of the acquisition impact on an acquired entity's operating results during the first three months following the acquisition date such that changes from those operating results in subsequent periods are considered to be organic changes. Included as acquisitions are (i) the January 2008 acquisition of Kyoto Cable Communications Co., Ltd., (ii) the February 2008 business transfer from the Kobe City Development & Management Foundation (arrangement for Cablenet Kobe-Ashiya Co., Ltd., to take over a portion of the service area of Kobe Cable Vision), (iii) the August 2008 consolidation of Fukuoka Cable Network Co., Ltd., and (iv) the December 2008 acquisition of Jyohoku New Media Co., Ltd. (Taito Cable Television), and (v) the December 2008 acquisition of Mediatti Communications, Inc. and its subsidiaries.

Revenue

Total revenue increased by ¥18,663 million, or 13% from ¥143,815 million for the six months ended June 30, 2008 to ¥162,478 million for the six months ended June 30, 2009. This increase includes ¥11,566 million that is attributable to the aggregate impact of acquisitions. Excluding the effects of these acquisitions, total revenue increased by ¥7,097 million, or 5%.
Subscription fees increased by ¥20,255 million, or 17%, from ¥122,103 million for the six months ended June 30, 2008 to ¥142,358 million for the six months ended June 30, 2009. This increase includes ¥12,497 million that is attributable to the aggregate impact of acquisitions. Excluding the impact of acquisitions, subscription fees increased by ¥7,758 million, or 6%.

Cable television subscription fees increased by ¥11,942 million, or 18%, from ¥65,380 million for the six months ended June 30, 2008 to ¥77,322 million for the six months ended June 30, 2009. The increase in cable television subscription revenue includes an organic increase in subscription fees that is attributable to an increase in the average number of digital cable subscribers, for which we charge a higher fee compared to our analog cable service, and the associated increase in ARPU. As of June 30, 2009, 85% of cable television subscribers were receiving our digital service, compared to 73% as of June 30, 2008.

High-speed Internet subscription fees increased by ¥5,903 million, or 17% from ¥35,523 million for the six months ended June 30, 2008 to ¥41,426 million for the six months ended June 30, 2009. The increase in high-speed Internet subscription revenue includes a ¥3,436 million, or 10% organic increase in subscription fees that is attributable to the net effect of (i) an increase in the average number of high-speed Internet subscribers, and (ii) lower ARPU due to product bundling discounts.

Telephony subscription fees increased by ¥2,410 million, or 11%, from ¥21,200 million for the six months ended June 30, 2008 to ¥23,610 million for the six months ended June 30, 2009. The increase in telephony subscription revenue includes a ¥1,402 million, or 7% organic increase in subscription fees that is attributable to (i) an increase in the average number of telephony subscribers and (ii) lower ARPU due to a decrease in call volumes.

Other revenue decreased by ¥1,592 million, or 7%, from ¥21,712 million for the six months ended June 30, 2008 to ¥20,120 million for the six months ended June 30, 2009. This decrease is primarily attributable to lower construction revenue.

Operating Costs and Expenses

Operating and programming costs increased by ¥3,839 million, or 7%, from ¥55,803 million for the six months ended June 30, 2008 to ¥59,642 million for the six months ended June 30, 2009. This increase includes ¥3,036 million that is attributable to the aggregate impact of acquisitions. The remaining increase is due primarily to an increase in subscriber related cost and personnel cost.

Selling, general and administrative expenses increased by ¥3,684 million, or 13%, from ¥29,333 million for the six months ended June 30, 2008 to ¥33,017 million for the six months ended June 30, 2009. This increase includes ¥3,559 million that is attributable to the aggregate impact of acquisitions. The remaining increase is primarily attributable to increases in personnel costs partially offset by lower advertising and sales promotion costs. .

Depreciation and amortization expenses increased by ¥6,182 million, or 19%, from ¥33,239 million for the six months ended June 30, 2008 to ¥39,421 million for the six months ended June 30, 2009. This increase is attributable to the aggregate impact of acquisitions and additions to fixed assets related to the installation of services to new customers.

Operating income, as a result of the above items, increased by ¥4,958 million, or 19% from ¥25,440 million for the six months ended June 30, 2008 to ¥30,398 million for the six months ended June 30, 2009.

Interest expense, net increased by ¥195 million, or 8%, from ¥2,329 million for the six months ended June 30, 2008 to ¥2,524 million for the six months ended June 30, 2009.

Income before non controlling interests and income taxes increased by ¥4,645 million, or 20% from ¥23,708 million for the six months ended June 30, 2008 to ¥28,353 million for the six months ended June 30, 2009.

Net income attributable to J:COM shareholders increased by ¥1,246 million, or 10%, from ¥13,063 million for the six months ended June 30, 2008 to ¥14,309 million for the six months ended June 30, 2009 for the reasons set forth above.

2. Financial position

Asset, Liability and Shareholders' equity

Total assets increased by ¥7,469 million, from ¥755,670 million as of December 31, 2008 to ¥763,139 million as of June 30, 2009. The increase is primarily due to cash provided from operations for the six months ended June 30, 2009.

Total liabilities decreased by ¥6,395 million, from ¥397,383 million as of December 31, 2008 to ¥390,988 million as of June 30, 2009. The decrease is primarily due to a decrease in long-term debt, and capital lease obligations.

Total J:COM shareholders' equity increased by ¥12,801 million, from ¥349,352 million as of December 31, 2008 to ¥362,153 million as of June 30, 2009. The increase is primarily due to net income attributable to J:COM shareholders for the six months ended June 30, 2009.

Cash flows

For the six months ended June 30, 2009, the net cash provided by our operating activities of ¥57,502 million, and existing cash and cash equivalent was used to fund net cash used in our investing and financing activities of ¥23,253 million and ¥16,057 million, respectively.

Cash Provided by Operating Activities. Net cash flows provided by operating activities increased ¥12,677 million, or 28% from ¥44,825 million for the six months ended June 30, 2008 to ¥57,502 million for the six months ended June 30, 2009. The increase is primarily attributable to the net effect of an increase in cash generated from our revenues, an increase in cash paid for income taxes and changes in working capital accounts.

Cash Used in Investing Activities. Net cash used in investing activities increased ¥3,189 million from ¥20,064 million for the six months ended June 30, 2008 to ¥23,253 million for the six months ended June 30, 2009. The net cash used for the six month ended June 30, 2009 primarily consisted of ¥23,536 million for capital expenditures.

Cash Used in Financing Activities. Net cash used in financing activities increased ¥674 million from ¥15,383 million for the six months ended June 30, 2008 to ¥16,057 million for the six months ended June 30, 2009. The ¥16,057 net cash used in financing activities for the six months ended June 30, 2009 consisted of ¥36,255 million principle payments of long-term debt, ¥9,932 million of principle payments under capital lease obligations and ¥1,715 million of dividends paid to shareholders offset by ¥30,000 million of proceeds from long-term debt.

3. Outlook for the coming fiscal year

The Company made no changes in the forecasts since last disclosed on April 28, 2009.

(In millions in yen)

	Revenue	Operating Income	Income before noncontrolling interests and income taxes	Net income attributable to J:COM shareholders
Year ending December 31, 2009 (Forecast)	330,000	60,000	54,500	29,000
Year-on-year-Change (%)	12.1	11.8	9.6	3.7

4. Others

(1) Changes of 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 : Yes

(ii) Others : None

Accounting Change Note

SFAS 160

In December 2007, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No.160 (SFAS160). SFAS 160 establishes accounting and reporting standards for the noncontrolling interest in a subsidiary and for the deconsolidation of a subsidiary. It also states that a noncontrolling interest in a subsidiary is an ownership interest in a consolidated entity that should be reported as equity in the consolidated financial statements. In addition, SFAS 160 requires (i) that consolidated net income include the amounts attributable to both the parent and noncontrolling interest, (ii) that a parent recognize a gain or loss in net income when a subsidiary is deconsolidated and (iii) expanded disclosures that clearly identify and distinguish between the interests of the parent owners and the interests of the noncontrolling owners of a subsidiary. SFAS 160 is effective for fiscal periods, and interim periods within those fiscal years, beginning on or after December 15, 2008. The Company adopted SFAS 160 effective January 1, 2009 and such adoption resulted in (i) a change in the presentation of minority interests in subsidiaries, which was reclassified to “noncontrolling interests” within equity as of January 1, 2009.

5. Consolidated Financial Statements

**JUPITER TELECOMMUNICATIONS CO., LTD.
AND SUBSIDIARIES**

CONSOLIDATED STATEMENTS OF INCOME

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

Account	**Six months ended June 30, 2009**	Six months ended June 30, 2008	Change		Year ended December 31, 2008
	Amount	Amount	Amount	(%)	Amount
Revenue:					
Subscription fees	142,358	122,103	20,255	16.6	251,849
Other	20,120	21,712	(1,592)	(7.3)	42,459
	162,478	143,815	18,663	13.0	294,308
Operating costs and expenses：					
Operating and programming costs	(59,642)	(55,803)	(3,839)	(6.9)	(112,099)
Selling, general and administrative expenses	(33,017)	(29,333)	(3,684)	(12.6)	(59,514)
Depreciation and amortization	(39,421)	(33,239)	(6,182)	(18.6)	(69,020)
	(132,080)	(118,375)	(13,705)	(11.6)	(240,633)
Operating income	30,398	25,440	4,958	19.5	53,675
Other income (expenses) :					
Interest expense, net:					
Related parties	(835)	(717)	(118)	(16.6)	(1,479)
Other	(1,689)	(1,612)	(77)	(4.7)	(3,240)
Equity in earnings of affiliates	207	284	(77)	(26.9)	600
Other income, net	272	313	(41)	(13.6)	177
Income before noncontrolling interests and income taxes	28,353	23,708	4,645	19.6	49,733
Income tax expense	(12,662)	(9,659)	(3,003)	(31.1)	(19,476)
Net income	15,691	14,049	1,642	11.7	30,257
Less: Net income attributable to noncontrolling interests	(1,382)	(986)	(396)	(40.2)	(2,293)
Net income attributable to J:COM Shareholders	14,309	13,063	1,246	9.5	27,964
Per share data					
Net income attributable to J:COM shareholders per share					
– basic	2,086.06	1,906.79	179.27	9.4	4,079.61
– diluted	2,085.72	1,903.49	182.23	9.6	4,076.17
Weighted average number of ordinary shares outstanding					
– basic	6,859,120	6,851,517	7,603	0.1	6,854,535
– diluted	6,860,230	6,863,393	(3,163)	(0.0)	6,860,334

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

**JUPITER TELECOMMUNICATIONS CO., LTD.
AND SUBSIDIARIES**

CONSOLIDATED BALANCE SHEETS

(YEN IN MILLIONS)

Account	June 30, 2009	December 31, 2008	Change
	Amount	Amount	Amount
Current assets:			
Cash and cash equivalents	39,695	21,503	18,192
Accounts receivable	13,511	14,838	(1,327)
Allowance for doubtful accounts	(415)	(396)	(19)
Deferred tax assets - current	11,126	11,429	(303)
Prepaid expenses and other current assets	7,194	7,250	(56)
Total current assets	71,111	54,624	16,487
Investments:			
Investments in affiliates	13,606	13,363	243
Investments in other securities, at cost	2,143	2,141	2
Total investments	15,749	15,504	245
Property and equipment, at cost:			
Land	3,918	3,056	862
Distribution system and equipment	647,053	620,017	27,036
Support equipment and buildings	48,369	45,580	2,789
	699,340	668,653	30,687
Less accumulated depreciation	(320,587)	(284,919)	(35,668)
Total property and equipment	378,753	383,734	(4,981)
Other assets:			
Goodwill	245,848	246,196	(348)
Identifiable intangible assets, net	35,840	38,159	(2,319)
Deferred tax assets – non current	2,221	4,137	(1,916)
Other	13,617	13,316	301
Total other assets	297,526	301,808	(4,282)
Total assets	763,139	755,670	7,469

(YEN IN MILLIONS)

Account	June 30, 2009 Amount	December 31, 2008 Amount	Change Amount
Current liabilities:			
Short-term loans	7,255	6,092	1,163
Long-term debt–current portion	12,388	12,453	(65)
Capital lease obligations–current portion			
Related parties	16,014	15,355	659
Other	3,625	3,108	517
Accounts payable	21,933	21,298	635
Income taxes payable	9,968	9,907	61
Deposit from related parties	4,381	4,124	257
Deferred revenue – current portion	7,564	7,314	250
Accrued expenses and other liabilities	9,236	10,059	(823)
Total current liabilities	92,364	89,710	2,654
Long-term debt, less current portion	164,298	170,488	(6,190)
Capital lease obligations, less current portion:			
Related parties	38,176	38,705	(529)
Other	5,466	6,763	(1,297)
Deferred revenue	63,726	66,537	(2,811)
Deferred tax liabilities – non current	11,819	11,827	(8)
Other liabilities	15,139	13,353	1,786
Total liabilities	390,988	397,383	(6,395)
Shareholders' equity:			
Ordinary shares no par value	117,218	117,162	56
Additional paid-in capital	226,523	226,388	135
Retained earnings	27,050	14,457	12,593
Treasury stock	(7,520)	(7,520)	—
Accumulated other comprehensive loss	(1,118)	(1,135)	17
Total J:COM shareholders' equity	362,153	349,352	12,801
Noncontrolling interests in subsidiaries	9,998	8,935	1,063
Total shareholders' equity	372,151	358,287	13,864
Total liabilities and shareholders' equity	763,139	755,670	7,469

JUPITER TELECOMMUNICATIONS CO., LTD.
AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(YEN IN MILLIONS)

	Six months ended June 30, 2009	Six months ended June 30, 2008	Year ended December 31, 2008
Classification	**Amount**	**Amount**	**Amount**
Cash flows from operating activities:			
Net income	15,691	14,049	30,257
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	39,421	33,239	69,020
Equity in earnings of affiliates	(207)	(284)	(600)
Stock compensation expenses	57	25	55
Deferred income taxes	1,803	1,973	2,772
Non-cash gain from forgiveness of debt	—	(135)	(135)
Changes in operating assets and liabilities, excluding effects of business combinations:			
Decrease in accounts receivable, net	1,338	1,131	96
Increase in prepaid expenses and other current assets	(433)	(1,549)	(1,273)
Increase in other assets	(290)	(47)	(2,339)
Decrease in accounts payable	(246)	(4,626)	(3,418)
Increase in accrued expenses and other liabilities	1,515	1,384	7,247
Decrease in deferred revenue	(1,147)	(335)	(990)
Net cash provided by operating activities	57,502	44,825	100,692
Cash flows from investing activities:			
Capital expenditures	(23,536)	(17,254)	(46,972)
Acquisitions of new subsidiaries, net of cash acquired	—	(1,131)	(27,700)
Acquisition of business operation	—	(1,710)	(1,710)
Other investing activities	283	31	25
Net cash used in investing activities	(23,253)	(20,064)	(76,357)
Cash flows from financing activities:			
Proceeds from issuance of common stock	111	727	856
Acquisition of noncontrolling interests in consolidated subsidiaries	(176)	—	—
Net increase/(decrease) in short-term loans	1,163	(200)	(294)
Proceeds from long-term debt	30,000	25,284	55,284
Principal payments of long-term debt	(36,255)	(33,451)	(62,438)
Principal payments under capital lease obligations	(9,932)	(8,499)	(17,105)
Cash dividend paid to shareholders	(1,715)	—	(3,428)
Other financing activities	747	756	1,403
Net cash used in financing activities	(16,057)	(15,383)	(25,722)
Net increase/(decrease) in cash and cash equivalents	18,192	9,378	(1,387)
Cash and cash equivalents at beginning of year	21,503	22,890	22,890
Cash and cash equivalents at end of period	39,695	32,268	21,503

Assumptions for Going Concern

None

Segment Information

(1) 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.

(2) Segment information by region

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

Significant Changes in Shareholders' Equity

None

Subsequent Events

New Issue of Straight Bond

Based on the resolution of the Board of Directors on January 27, 2009, the Company issued Unsecured Straight Corporate Bond under the terms and conditions mentioned below.

Type of issue:	The First Unsecured Straight Corporate Bond (with pari passu clause)
Total amount of issue:	10 Billion Yen
Denomination per bond:	0.1 Billion yen
Issue price:	100 Yen par value of 100 Yen
Payment date:	July 2, 2009
Coupon rate:	1.51% per annum
Maturity date:	The bond principal will be redeemed in full on June 30, 2014
Collateral and guarantee:	The bonds are not secured by any property or guarantee, nor have assets been specially pledged as collateral for these bonds.
Use of proceeds:	Repayment of borrowings