

(Translation from Japanese disclosure to JASDAQ)

April 28, 2010
[U.S. GAAP]**Consolidated Quarterly Financial Results Release**

For the Three Months Ended March 31, 2010

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, President & CEO

Please address all communications to:

Yoshihiro, Aoyama, IR Department Phone: +81-3-6765-8157

E-Mail: AoyamaY@jupiter.jcom.co.jp

Expected date of filing of Quarterly report: May 13, 2010

Expected date of dividend payment: —

(Fractional amounts rounded)

1. Consolidated operating results (From January 1, 2010 to March 31, 2010)**(1) Consolidated financial results**

	Revenue		Operating income		Income before noncontrolling interests and income taxes	
	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%
Three months ended March 31, 2010	88,146	9.1	17,432	12.6	16,678	13.5
Three months ended March 31, 2009	80,808	13.0	15,479	15.6	14,700	17.3

	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)
Three months ended March 31, 2010	8,400	20.9	1,223.45	1,220.64
Three months ended March 31, 2009	6,949	4.3	1,013.18	1,013.07

(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 shareholder's 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)
March 31, 2010	806,451	399,756	384,346	47.7	55,576.73
December 31, 2009	801,657	389,591	374,902	46.8	54,649.54

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, 2009	—	490.00	—	490.00	980.00
Year ending December 31, 2010	—				
Year ending December 31, 2010 (forecasts)		600.00	—	600.00	1,200.00

(Note) Change in forecast of dividends during the three months ended March 31, 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	32,500	6.7	4,707.82

(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 March 31, 2010: 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 7.

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

As of March 31, 2010: 6,947,813 shares	As of December 31, 2009: 6,940,110 shares
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 - (ii) Number of treasury stock:

As of March 31, 2010: 32,214 shares	As of December 31, 2009: 80,000 shares
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 - (iii) Number of weighed average stock:

Three months ended March31, 2010: 6,866,131 shares	Three months ended March31, 2009: 6,858,728 shares
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(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.

【Business Results】

1. Analysis of Business Results

Summary

Throughout the first quarter (January 1, 2010 to March 31, 2010) of the fiscal year ending December 31, 2010, the pay multi-channel broadcast market was stagnant against the backdrop of a weak economy. Under these circumstances, Jupiter Telecommunication Co., Ltd. (“J:COM” or “the Company”) continued to face fierce competition from major telecommunications and other companies.

Taking the aforementioned operating conditions into consideration, the J:COM Group (J:COM together with its consolidated subsidiaries) steadily promoted its Volume plus Value strategies which collectively aim to increase the number of service subscribing households while improving the monthly average revenue per unit (ARPU) along with its Content strategy, which focuses on enhancing its cable television programming quality.

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 March 31, 2010 rose by 112,000(4%) year-on-year to 3,293,200 households. By type of service, cable television subscribers as of March 31, 2010 grew by 44,300(2%) year on year to 2,599,000 households. Of this total, the number of J:COM TV Digital subscribers rose by 334,100(16%) to 2,419,400 households, accounting for 93% of all cable television subscribers as compared to 82% at March 31, 2009. The number of high-speed Internet access and telephony services subscribers increased 99,500(7%)and 186,400 (12%)respectively as compared to March 31, 2009, rising to 1,603, 300 households and 1,801,500 households, respectively as of March 31, 2010.

ARPU for the quarter ended March 31, 2010, slightly declined by ¥15 from ¥7,703 to ¥7,688 compared to the same quarter of the previous fiscal year.

The bundle ratio (number of services subscribed to per subscribing household) increased from 1.78 as of March 31, 2009 to 1.82 as of March 31, 2010.

The average monthly churn rates for our cable television, high-speed Internet access and telephony services averaged 1.3%, 1.4%, and 0.9% for the quarter ended March 31, 2010 compared to 1.2%, 1.5% and 0.9% for the quarter ended March 31, 2009. The average monthly churn rates of total services for the quarter ended March 31, 2010 stood at the same 1.2% as the same quarter of the previous fiscal year.

Total revenue for the quarter ended March 31, 2010 amounted to ¥88,146 million, a year-on-year increase of 9%. Operating income and net income attributable to J:COM shareholders for the quarter ended March 31, 2010 increased 13% and 21% respectively to ¥17,432 million and ¥8,400 million.

In promoting its Volume strategy, the J:COM Group has positioned efforts to strengthen its sales force as its most important priority in the fiscal year ending December 31, 2010. As a part of these efforts, steps have been taken to implement a variety of measures. Most notably, the Group restructured its organization effective April 1, 2010. Under the direct control of the Company, which is responsible for head office functions across the entire Group, J:COM adopted a regional block system which each block manages certain size of service areas. Under this new organization, regional block managers have been delegated the authority to conduct on-site operations as each system will focus on increasing the number of subscribing households and promoting customer care. Furthermore, in ensuring that each regional block and system work closely together, regional block managers shall swiftly and accurately identify on-site issues that will lead to facilitate efforts to implement effective measures and develop services that corresponds each region.

As a part of efforts to acquire digital migration demand toward the complete changeover to terrestrial digital broadcasting scheduled for July 2011, in January, 2010, the J:COM Group began introducing the “Terrestrial Digital and BS pack”, a packaged services that combines high-speed Internet access and telephony services on either an individual or collective basis with retransmission services of terrestrial digital and BS digital broadcasts. In addition, steps were taken to negotiate contracts with selected firms for cession of communal reception facilities they own and manage. This is aimed at capturing communal reception households* while promoting pay services.

Carrying on with initiatives launched during the fourth quarter of the fiscal year ended December 31, 2009, the J:COM Group continued its nationwide (excluding the Sendai area) terrestrial broadcast television commercial campaign in an effort to further boost the acquisition of new subscribing households and to raise awareness of the J:COM brand and services. As a result, the J:COM Group expects an increase in new subscribing household number through its inbound customer centers and Web site.

* Communal reception households are defined as households that receive terrestrial broadcasts through communal reception facilities, which were set up to solve poor reception in shadow areas created by buildings, transmission lines and related structures.

At the same time, the J:COM Group actively strove to increase subscriber numbers by expanding its service area. As a part of these endeavors, the Company’s consolidated subsidiary, Cablenet Kobe Ashiya Co. Ltd. acquired Suzuran Cable System from Keihanshin Cable Vision Foundation, in Kobe City’s Kita Ward, effective February 1, 2010. Furthermore, the decision was made to progressively provide the Group’s services from summer of 2010 through consolidated subsidiary J:COM Kanto Co., Ltd. to areas in Hadano City and Isehara City in Kanagawa Prefecture, where currently has no access to cable television services.

Turning to the Group’s Value strategy aimed to improve ARPU, J:COM introduced its market-leading “Blu-ray HDR” service during this first quarter, which allows Blu-ray disc format recording and playback. Complementing the Group’s existing “HDR” service, a set-top box which enables the recording of high definition (HD) broadcasts to an internal disk drive, along with “HDR Plus” that features a DVD recording system and increased recording capacity, every effort was made to expand sales of this new service.

With regard to the Video-on-Demand (VOD) services, J:COM implemented a wide spectrum of initiatives to enhance attractiveness and broaden the Group’s user base. Firstly, as a part of initiatives to substantially bring forward the delivery commencement dates for new movies, J:COM made new movies from Warner Bros. Entertainment Inc. available through its “J:COM on Demand” service on the same day as their Blu-ray DVD release. In addition, the Group worked to deliver programs before national terrestrial broadcast (preview service). Along with enhancing the presence of VOD, J:COM broadcasted the first episode of new Japanese animation program “*RAINBOW – Nisha Rokubou no Shichinin –*”, launched by Nippon Television Network Corporation at free-of-charge on April 6, 2010. Furthermore, in April 2010, J:COM was the first Group in Japan to commence delivering 3D (3 dimensional) programming content through its VOD system. This service is compatible with the standard 3D television specification that are manufactured and sold by major electronic appliance makers. Using special eyewear, this service allows families to enjoy high definition images in 3D at home.

In the field of telecommunication services, J:COM worked diligently to promote the 160 Mbps super high-speed Internet access service to households that prefer such speed, in an effort to increase ARPU.

In implementing its Content Strategy, in order to enhance the program production skills of J SPORTS Broadcasting Corporation, the Japan’s largest sports channel consolidated on October 1, 2009, as well as the Group’s other channel companies, J:COM pushed ahead a series of human resource exchange programs between J SPORTS and the Company’s consolidated subsidiary Jupiter Golf Network Co., Ltd., while promoting common use of live-broadcasting facilities.

Overview of business results

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. The difference between the operating results of the periods under comparison excluding the acquisition impact is considered to be organic changes. Included as acquisition impacts in the below discussion are (i) the October 2009 acquisition of J SPORTS and its subsidiary (ii) the February 2010 business transfer from the Keihanshin Cable Vision Foundation (Suzuran Cable System mentioned above).

Revenue

Total revenue increased by ¥7,338 million, or 9% from ¥80,808 million for the quarter ended March 31, 2009 to ¥88,146 million for the quarter ended March 31, 2010. This increase includes ¥3,213 million that is attributable to the aggregate impact of acquisitions. Excluding the impact of acquisitions, total revenue increased by ¥4,125 million, or 5%. Subscription fees increased by ¥2,672 million, or 4% from ¥70,787 for the quarter ended March 31, 2009 to ¥73,459 million for the quarter ended March 31, 2010. This increase includes ¥109 million that is attributable to the aggregate impact of acquisitions. Excluding the impact of acquisitions, subscription fees increased by ¥2,563 million, or 4%.

Cable television subscription fees increased by ¥1,315 million, or 3%, from ¥38,488 million for the quarter ended March 31, 2009 to ¥39,803 million for the quarter ended March 31, 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 93% of cable television subscribers receiving digital service as of March 31, 2010, compared to 82% as of March 31, 2009.

High-speed Internet access subscription fees increased by ¥789 million, or 4%, from ¥20,614 million for the quarter ended March 31, 2009 to ¥21,403 million for the quarter ended March 31, 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 to product bundling discounts.

Telephony subscription fees increased by ¥568 million, or 5%, from ¥11,685 million for the quarter ended March 31, 2009 to ¥12,253 million for the quarter ended March 31, 2010. The increase in telephony subscription fees is primarily the result of an increase in the number of consolidated subsidiary subscribing households and lower ARPU due to a decrease in call volumes and an increased product bundling discounts.

Turning to existing consolidated subsidiary subscription fees by type of service, the rates of increase for the quarter ended March 31, 2010 were 3%, 4% and 5%, for cable television, high-speed Internet access and telephone, respectively.

Other revenue increased by ¥4,666 million, or 47%, from ¥10,021 million for the quarter ended March 31, 2009 to ¥14,687 million for the quarter ended March 31, 2010. The principal factor for this increase is attributable to the aggregate impact of acquisitions totaling ¥3,104 million.

Operating and programming costs increased by ¥2,253 million, or 8%, from ¥29,701 million for the quarter ended March 31, 2009 to ¥31,954 million for the quarter ended March 31, 2010. This increase is largely due to the aggregate impact of acquisitions of ¥2,059 million. Selling, general and administrative expenses increased by ¥1,693 million, or 11%, from ¥15,931 million for the quarter ended March 31, 2009 to ¥17,624 million for the quarter ended March 31, 2010. This mainly reflects increases in advertising costs in connection with large-scale sales promotion and other initiatives, higher personnel costs and the aggregate impact of acquisitions.

Depreciation and amortization expenses increased ¥1,439 million, or 7%, from ¥19,697 million for the quarter ended March 31, 2009 to ¥21,136 million for the quarter ended March 31, 2010. This increase is attributable to additions to fixed assets related to the installation of services to new customers.

Operating income, as a result of the above items, increased by ¥1,953 million, or 13% from ¥15,479 million for the quarter ended March 31, 2009 to ¥17,432 million for the quarter ended March 31, 2010.

Interest expense, net decreased by ¥57 million, or 4%, from ¥1,354 million for the quarter ended March 31, 2009 to ¥1,297

million for the quarter ended March 31, 2010.

Income before noncontrolling interests and income taxes increased by ¥1,978 million, or 13% from ¥14,700 million for the quarter ended March 31, 2009 to ¥16,678 million for the quarter ended March 31, 2010. Net income attributable to J:COM shareholders increased by ¥1,451 million, or 21%, from ¥6,949 million for the quarter ended March 31, 2009 to ¥8,400 million for the quarter ended March 31, 2010 for the reasons discussed above.

2. Financial Position

(1) Assets, Liabilities and Shareholders' Equity

Total assets increased by ¥4,794 million, from ¥801,657 million as of December 31, 2009 to ¥806,451 million as of March 31, 2010. The increase is primarily due to higher cash and cash equivalents on the back of cash provided from operations and the exercise of stock options.

Total liabilities decreased by ¥5,371 million, from ¥412,066 million as of December 31, 2009 to ¥406,695 million as of March 31, 2010. The decrease is largely the result of lower income taxes payable.

Total J:COM shareholders' equity increased ¥9,444 million, from ¥374,902 million as of December 31, 2009 to ¥384,346 million as of March 31, 2010. The increase is mainly due to the upswing in net income attributable to J:COM shareholders for the quarter ended March 31, 2010, as well as the decrease in treasury stock allocated as a result of the exercise of stock options.

(2) Cash Flows

For the quarter ended March 31, 2010, the net cash provided by our operating activities of ¥25,431 million was used to fund net cash used in our investing and financing activities of ¥11,530 million and ¥7,272 million, respectively. Accounting for the aforementioned activities, cash and cash equivalents at the end of the quarter increased by ¥6,629 million, from ¥64,426 million as of December 31, 2009 to ¥71,055 million as of March 31, 2010.

Cash Provided by Operating Activities. Net cash provided by operating activities decreased by ¥475 million, from ¥25,906 million for the quarter ended March 31, 2009 to ¥25,431 million for the quarter ended March 31, 2010. Despite the increase in revenue, the decrease is primarily attributable to the increase in cash paid for income taxes and the net effect of movements in accounts payable, including an increase in prepaid expenses and other current assets.

Cash Used in Investing Activities. Net cash used in investing activities increased by ¥241 million, from ¥11,289 million for the quarter ended March 31, 2009 to ¥11,530 million for the quarter ended March 31, 2010. The net cash used for the quarter ended March 31, 2010 primarily consisted of ¥10,698 million for capital expenditures.

Cash Used in Financing Activities. Net cash used in financing activities increased by ¥1,204 million, from ¥6,068 million for the quarter ended March 31, 2009 to ¥7,272 million for the quarter ended March 31, 2010. The net cash increase consisted largely of ¥5,416 million principle payments under capital lease obligations, ¥3,361 million of dividends paid to shareholders and ¥3,242 million principle payments of long-term debt. This was partially offset by ¥4,387 million of proceeds from the issuance of common stock and allocation of treasury stock relating to the exercise of stock options.

3. Qualitative Information regarding Consolidated Business Results Forecasts

There are no changes from consolidated business results forecasts announced on January 28, 2010, included in the Company's Consolidated Annual Financial Results Release for the fiscal year ended December 31, 2009.

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

In August 2009, the Financial Accounting Standard Board (FASB) issued Accounting Standards Update (ASU) No. 2009-05, *Fair Value Measurements and Disclosures : Measuring Liabilities at Fair Value* (ASU2009-05). ASU 2009-05 provides clarification in measuring the fair value of liabilities in circumstances in which a quoted price in an active market for the identical liability is not available and in circumstances in which a liability is restricted from being transferred. ASU 2009-05 also clarifies that both a quoted price in an active market for the identical liability at the measurement date and the quoted price for the identical liability when traded as an asset in an active market when no adjustments to the quoted price of the asset are required are Level 1 fair value measurements. We adopted ASU 2009-05 effective January 1, 2010 and such adoption has no impact on our consolidated financial statements.

In October 2009, the FASB issued ASU No. 2009-13, *Revenue Recognition : Multiple-Deliverable Revenue Arrangements — a consensus of the FASB Emerging Issues Task Force* (ASU2009-13). ASU 2009-13 provides amendments to the criteria for separating consideration in multiple-deliverable arrangements by establishing an expanded selling price hierarchy for determining the selling price of a deliverable. ASU 2009-13 is effective for revenue arrangements entered into or materially modified in fiscal years beginning on or after June 15, 2010, with early adoption permitted. We adopted ASU 2009-13 effective January 1, 2010 and such adoption did not have a material impact on our consolidated financial statements.

In December 2009, the FASB issued ASU No. 2009-16, *Transfers and Servicing : Accounting for Transfers of Financial Assets*(ASU2009-16). ASU 2009-16, among other matters, (i) eliminates the concept of a qualifying special-purpose entity, (ii) creates more stringent conditions for reporting a transfer of a portion of a financial asset as a sale, (iii) clarifies other sale-accounting criteria and (iv) changes the initial measurement of a transferor's interest in transferred financial assets. We adopted ASU 2009-16 effective January 1, 2010 and such adoption has no impact on our consolidated financial statements.

In December 2009, the FASB issued ASU No.2009-17, *Consolidations: Improvements to Financial Reporting by Enterprises Involved with Variable Interest Entities* (ASU2009-17). ASU2009-17, among other matters, (i) eliminates the exceptions of FASB Interpretation 46(R) with respect to the consolidation of qualifying special-purpose entities, (ii) contains new criteria for determining the primary beneficiary and (iii) increases the frequency of required reassessments to determine whether a company is the primary beneficiary of a variable interest entity. We adopted ASU 2009-17 effective January 1, 2010 and such adoption has no impact on our consolidated financial statements.

5. Consolidated Financial Statements

JUPITER TELECOMMUNICATIONS CO., LTD. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF INCOME

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

Account	Three months ended March 31, 2010	Three months ended March 31, 2009	Change		Year ended December 31, 2009
	Amount	Amount	Amount	(%)	Amount
Revenue:					
Subscription fees	73,459	70,787	2,672	3.8	287,736
Other	14,687	10,021	4,666	46.6	45,988
	88,146	80,808	7,338	9.1	333,724
Operating costs and expenses :					
Operating and programming costs	(31,954)	(29,701)	(2,253)	(7.6)	(123,050)
Selling, general and administrative	(17,624)	(15,931)	(1,693)	(10.6)	(66,341)
Depreciation and amortization	(21,136)	(19,697)	(1,439)	(7.3)	(83,174)
	(70,714)	(65,329)	(5,385)	(8.2)	(272,565)
Operating income	17,432	15,479	1,953	12.6	61,159
Other income (expenses) :					
Interest expense, net:					
Related parties	(421)	(518)	97	18.8	(1,693)
Other	(876)	(836)	(40)	(4.8)	(3,479)
Equity in earnings of affiliates	220	322	(102)	(31.8)	599
Other income, net	323	253	70	27.7	1,248
Income before noncontrolling interests and income taxes	16,678	14,700	1,978	13.5	57,834
Income tax expense	(7,422)	(7,046)	(376)	(5.3)	(24,579)
Net income	9,256	7,654	1,602	20.9	33,255
Less: Net income attributable to noncontrolling interests	(856)	(705)	(151)	(21.4)	(2,802)
Net income attributable to J:COM Shareholders	8,400	6,949	1,451	20.9	30,453
Per share data					
Net income attributable to J:COM shareholders per share					
– basic	¥1,223.45	¥1,013.18	¥210.27	20.8	¥4,439.56
– diluted	¥1,220.64	¥1,013.07	¥207.57	20.5	¥4,438.57
Weighted average number of ordinary shares outstanding (share)					
– basic	6,866,131	6,858,728	7,403	0.1	6,859,388
– diluted	6,881,908	6,859,487	22,421	0.3	6,860,910

(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	March 31, 2010	December 31, 2009	Change
	Amount	Amount	Amount
Current assets:			
Cash and cash equivalents	71,055	64,426	6,629
Accounts receivable	17,453	16,507	946
Allowance for doubtful accounts	(517)	(475)	(42)
Deferred tax assets - current	10,537	10,577	(40)
Prepaid expenses and other current assets	9,770	7,480	2,290
Total current assets	108,298	98,515	9,783
Investments:			
Investments in affiliates	9,341	9,122	219
Investments in other securities, at cost	2,143	2,143	—
Total investments	11,484	11,265	219
Property and equipment, at cost:			
Land	3,966	3,924	42
Distribution system and equipment	686,377	676,853	9,524
Support equipment and buildings	54,569	54,389	180
	744,912	735,166	9,746
Less accumulated depreciation	(370,757)	(357,161)	(13,596)
Total property and equipment	374,155	378,005	(3,850)
Other assets:			
Goodwill	248,094	248,094	—
Identifiable intangible assets, net	45,105	46,029	(924)
Deferred tax assets – non current	4,742	4,566	176
Other	14,573	15,183	(610)
Total other assets	312,514	313,872	(1,358)
Total assets	806,451	801,657	4,794

(YEN IN MILLIONS)

Account	March 31, 2010	December 31, 2009	Change
	Amount	Amount	Amount
Current liabilities:			
Short-term loans	7,473	7,618	(145)
Long-term debt—current portion	10,082	12,353	(2,271)
Capital lease obligations—current portion			
Related parties	16,709	16,620	89
Other	2,654	2,939	(285)
Accounts payable	25,937	25,616	321
Income taxes payable	6,434	11,323	(4,889)
Deposit from related parties	5,407	5,133	274
Deferred revenue – current portion	7,641	8,383	(742)
Accrued expenses and other liabilities	13,928	11,384	2,544
Total current liabilities	96,265	101,369	(5,104)
Long-term debt, less current portion	157,163	158,135	(972)
Corporate Bond, less current portion	10,000	10,000	—
Capital lease obligations, less current portion:			
Related parties	38,116	38,520	(404)
Other	5,206	5,709	(503)
Deferred revenue	59,992	60,048	(56)
Deferred tax liabilities – non current	14,409	15,034	(625)
Other liabilities	25,544	23,251	2,293
Total liabilities	406,695	412,066	(5,371)
Shareholders' equity:			
Ordinary shares no par value	117,550	117,242	308
Additional paid-in capital	226,208	226,553	(345)
Retained earnings	44,873	39,834	5,039
Treasury stock	(3,028)	(7,520)	4,492
Accumulated other comprehensive loss	(1,257)	(1,207)	(50)
Total J:COM shareholders' equity	384,346	374,902	9,444
Noncontrolling interests in subsidiaries	15,410	14,689	721
Total shareholders' equity	399,756	389,591	10,165
Total liabilities and shareholders' equity	806,451	801,657	4,794

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

(YEN IN MILLIONS)

	Three months ended March 31, 2010	Three months ended March 31, 2009	Year ended December 31, 2009
Classification	Amount	Amount	Amount
Cash flows from operating activities:			
Net income	9,256	7,654	33,255
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	21,136	19,697	83,174
Equity in earnings of affiliates	(220)	(322)	(599)
Stock compensation expenses	68	—	67
Deferred income taxes	(876)	(350)	588
Gain on Bargain purchase in acquisition	(238)	—	—
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	(904)	878	(120)
Decrease/(increase) in prepaid expenses and other current assets	(2,309)	159	2,368
Decrease/(increase) in other assets	566	203	(2,054)
Increase/(decrease) in accounts payable	(93)	(928)	383
Increase/(decrease) in accrued expenses and other liabilities	(134)	(248)	9,493
Decrease in deferred revenue	(821)	(837)	(2,131)
Net cash provided by operating activities	25,431	25,906	123,626
Cash flows from investing activities:			
Capital expenditures	(10,698)	(11,247)	(51,774)
Acquisitions of new subsidiaries, net of cash acquired	—	—	(5,286)
Acquisition of business operation	(840)	—	—
Other investing activities	8	(42)	502
Net cash used in investing activities	(11,530)	(11,289)	(56,558)
Cash flows from financing activities:			
Proceeds from issuance of common stock	616	111	160
Proceeds from sales of treasury stock	3,771	—	—
Acquisition of noncontrolling interests in consolidated subsidiaries	—	(176)	(242)
Net increase/(decrease) in short-term loans	(145)	453	1,526
Proceeds from long-term debt	—	30,000	30,000
Proceeds from corporate bond	—	—	10,000
Principal payments of long-term debt	(3,242)	(30,288)	(42,453)
Principal payments under capital lease obligations	(5,416)	(4,840)	(20,413)
Cash dividend paid to shareholders	(3,361)	(1,715)	(5,076)
Other financing activities	505	387	2,353
Net cash used in financing activities	(7,272)	(6,068)	(24,145)
Net increase/(decrease) in cash and cash equivalents	6,629	8,549	42,923
Cash and cash equivalents at beginning of year	64,426	21,503	21,503
Cash and cash equivalents at end of period	71,055	30,052	64,426

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

The tender offer (the "Tender Offer") for the common shares of the Company that had been conducted by Sumitomo Corporation (the "Offeror") since March 3, 2010 was completed on April 14, 2010.

Results of the Tender Offer

- (1) Acquired Shares of common stock : 875,834 shares
- (2) The Price of Acquired Shares : 139,500 yen per share
- (3) Total amount of Acquired Shares : 122,179 million yen
- (4) Percentage to the number of voting rights of all shareholders:
 - Before change 27.5%
 - After change 40.2%

The percentage to the number of voting rights of all shareholders both before and after change is calculated based on the total number of issued shares less treasury shares set out below and rounded to one decimal place.

As of March 31, 2010

- Total number of issued shares : 6,947,813 shares
- Total number of issued shares less treasury shares : 6,915,599 shares