J:COM (Translation from Japanese disclosure to Osaka Securities Exchange)

April 26, 2011
[U.S. GAAP]

Consolidated Quarterly Financial Results Release

For the Three Months Ended March 31, 2011

Jupiter Telecommunications Co., Ltd. (Consolidated)

Company code number: 4817 (URL http://www.jcom.co.jp/)
Shares traded: Osaka Securities Exchange 【JASDAQ】
Executive position of legal representative: Shuichi Mori, President & CEO
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Expected date of filing of Quarterly Report: May 12, 2011
Supplementary material for quarterly financial results: Yes
Briefing meeting for quarterly financial results: Yes (for institutional investors, analysts and journalists)

(Fractional amounts rounded)

1. Consolidated operating results (From January 1, 2011 to March 31, 2011)

(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, 2011	91,764	4.1	20,631	18.3	19,935	19.5
Three months ended March 31, 2010	88,146	9.1	17,432	12.6	16,678	13.5

	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, 2011	10,363	23.4	1,496.71	1,496.07
Three months ended March 31, 2010	8,400	20.9	1,223.45	1,220.64

(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	Total J:COM shareholders' equity	J:COM shareholders' equity ratio to total assets	J:COM shareholders' equity per share
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(%)	(Yen)
March 31, 2011	811,279	431,270	414,743	51.1	59,901.17
December 31, 2010	816,763	426,410	410,151	50.2	59,238.63

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, 2010	—	600.00	—	900.00	1,500.00
Year ending December 31, 2011	—				
Year ending December 31, 2011 (Forecasts)		900.00	—	900.00	1,800.00

(Note) Change in forecast of dividends during the three months ended March 31, 2011: None

3. Consolidated forecasts for December 2011 term (from January 1, 2011 to December 31, 2011)

	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	370,000	2.7	73,000	9.4	69,500	10.0	37,500	(0.5)	5,416.12

(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, 2011 during the three months ended March 31, 2011: 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, including treasury stock):

As of March 31, 2011: 6,947,813 shares	As of December 31, 2010: 6,947,813 shares

(ii) Number of treasury stock:

As of March 31, 2011: 24,024 shares	As of December 31, 2010: 24,102 shares

(iii) Number of weighted average stock:

Three months ended March 31, 2011: 6,923,712 shares	Three months ended March 31, 2010: 6,866,131 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 Three Months ended March 31, 2011

(1) Qualitative Information on Consolidated Financial Results

(i) Summary

Throughout the three months (January 1, 2011 to March 31, 2011) of the fiscal year ending December 31, 2011, Jupiter Telecommunications Co., Ltd. ("J:COM" or "the Company") continued to face fierce competition from major telecommunications and other competitors in the lead up to the complete changeover to terrestrial digital broadcasting set for July 24, 2011.

Under these circumstances, the J:COM Group (J:COM together with its consolidated subsidiaries) positioned efforts to capture terrestrial digital demand as its most important challenge. In addition to focusing on the implementation of its Volume strategy, which aims to increase the number of service subscribing households, the J:COM Group continued to promote its Value strategy, which strives to improve the monthly average revenue per unit (ARPU) as well as its Content strategy, which is designed to enhance programming quality.

Moreover, steps were taken to strengthen and expand business tie-up measures mainly in the "Telecom Business and Product Collaboration" fields under the alliance with KDDI Corporation ("KDDI").

Accounting for each of the aforementioned factors, the J:COM Group's principal operating indicators were as follows.

Volume Strategy Indicators	As of March 31, 2011 (Three months ended March 31, 2011)	As of March 31, 2010 (Three months ended March 31, 2010)	Year-on-Year Change
[Subscribing households]			
Total number of subscribing households*i	3,454,200	3,293,200	4.9%
Total RGUs*ii	6,448,800	6,003,800	7.4%
CATV	2,718,100	2,599,000	4.6%
High-Speed Internet Access	1,715,100	1,603,300	7.0%
Telephony	2,015,600	1,801,500	11.9%
[Average Monthly Churn Rate (for the three services)]	1.08%	1.21%	(0.13)

Value Strategy Indicators	As of March 31, 2011 (Three months ended March 31, 2011)	As of March 31, 2010 (Three months ended March 31, 2010)	Year-on-Year Change
ARPU	7,617 yen	7,688 yen	(71 yen)
Bundle Ratio*iii	1.87	1.82	0.05

*i ：Number of households subscribing at least one service

*ii ：Total number of revenue generating units (RGUs) for service supplied

*iii ：Number of services received per subscribing household

Looking at business results, revenue for the three months ended March 31, 2011 increased 4.1% compared with the corresponding period of the previous fiscal year to ¥91,764 million. Operating income also climbed 18.3% year on year to ¥20,631 million. Net income attributable to J:COM shareholders increased 23.4% to ¥10,363 million.

(ii) Overview of Business Results

In the three months ended March 31, 2011 under review, the J:COM Group implemented a variety of measures under its Volume strategy in an effort to increase the number of subscribing households using strategic products.

One of these measures aimed at increasing the number of subscribing households involved expanding sales of "J:COM TV My style."[*1] Launched on July 15, 2010, "J:COM TV My style" is a product that caters to diversified customers' needs such as a variation of viewing patterns and behavior. It allows viewers to enjoy programs of their choice as and when required. At the same time, "J:COM TV My style" is a readily available strategic terrestrial digital countermeasure. In the three months ended March 31, 2011, the Company expanded the video on demand (VOD) "All-you can watch package" lineup from 31 packages as of the end of the previous fiscal year to 42 packages (as of March 31, 2011). In addition, J:COM broadcast television commercials to promote "J:COM TV My style" utilizing terrestrial transmission throughout the Group's entire services area (excluding Sendai) in March 2011 as a part of its overall sales and marketing initiatives. As a result of these endeavors, the number of "J:COM TV My style" subscribing households climbed 38,400 to 107,000 during the three months ended March 31, 2011.

Next, the J:COM Group continued to strive to capture the estimated 1,410,000 potential communal reception households[*2] residing within its service area. Reflecting its success, J:COM reached agreement with facilities management companies to a cumulative total of approximately 1,060,000 households during the three months ended March 31, 2011 under review, up around 60,000 households by promoting the sales of J:COM's services to the above-mentioned potential communal reception households. J:COM also pursued negotiations with agreed households regarding its pay services. As a result, the Company acquired approximately 20,000 revenue generating units (RGUs) during the three months ended March 31, 2011.

A third measure implemented by J:COM was designed to improve the churn rate. J:COM strived to further raise the overall level of customer satisfaction in providing a kind of highly dedicated customer support. In response to customers who contacted the Company's customer center or others, the Company worked to propose products and plans that better meet customers' needs and to dispatch representatives to visit their households directly to provide explanations on such as how to properly use equipment. Moreover, the Company promoted sales of such long-term contract packaged products as "Value Plan" and "J:COM TV My style" in an effort to secure increasingly prolonged service use in particular targeting new subscribers. In addition to an each of the aforementioned measures, the number of analog service subscribing household cancellations have substantially decreased in line with successful efforts to complete the shift to digital cable television services by the end of September 2010. Drawing on these endeavors, average monthly churn rate per RGU for the three months ended March 31, 2011 under review improved 0.13 percentage point year on year from 1.21% to 1.08%.

Consequently, the total number of subscribing households as of March 31, 2011 increased 161,000 households, or 4.9%, compared with March 31, 2010 to 3,454,200 households.

Under the Group's Value strategy, J:COM undertook several measures including efforts to increase the number of households that subscribe to such multiple service packages as "Value Plan" and "J:COM TV My style." As a result, the bundle ratio (number of services received per subscribing household) as of the end of the three months ended March 31, 2011 edged up 0.05 of a point compared with the corresponding period of the previous fiscal year

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[*1] J:COM TV My style is a new package service that includes retransmissions of terrestrial digital and BS digital broadcasts with access to such telecommunication services as high-speed Internet access and telephony, in addition to a selection from the "All you can watch package" of the "J:COM on Demand" video on demand (VOD) service.

[* 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.

from 1.82 to 1.87. In addition, in its cable television services, J:COM worked diligently to increase the number of subscribers to its “Blu-ray hard disc recorder (HDR)” service. This service allows Blu-ray disc format recording and playback on HDRs equipped with set-top boxes that enable the recording of high definition (HD) broadcasts to an internal hard disk drive. As a result, the number of “Blu-ray HDR” subscribing households as of the end of the three months ended March 31, 2011 stood at 54,100 households, up 46,800 households compared with the end of the corresponding period of the previous fiscal year. With regard to the Group’s VOD service, revenue surged 48.2% year on year to ¥1,188 million. This was attributable to a variety of initiatives aimed at promoting continued use including the preview of “High School Debut,” a movie planned and produced by KDDI, on March 27, 2011 prior to its theater release. On the other hand, ARPU for the three months ended March 31, 2011 under review contracted ¥71 compared with the corresponding period of the previous fiscal year to ¥7,617. This largely reflected the decrease in the number of subscription to cable television services per subscribing household (the number of CATV subscribing households / total number of subscribing households), where subscription fees are higher per subscribing household compared with the two other services.

Turning to the Group’s Content strategy, the Company endeavored to enhance quality of its programming content by organizing its programming in consideration of comments from viewers in response to a recent survey. In specific terms, J:COM’s consolidated subsidiary Jupiter Entertainment Co., Ltd., which operates LaLa TV, an entertainment channel that targets women, substantially reorganized its programming content, which had to date focused mainly on highly popular Korean dramas, from April 2011. In selecting an appropriate programming lineup, Jupiter Entertainment conducted a viewer survey. Based on the results of this survey, the company established “Korean Legend,” a special program that broadcasts programs according to their survey ranking. Furthermore, as a part of the Group’s overall HD programming endeavors, Jupiter Entertainment placed considerable weight on lifting the proportion of HD programming content broadcast on its LaLa TV and Movie Plus channels.

In the context of its business alliance with KDDI, J:COM moved from what was effectively the deliberation period throughout the previous fiscal year to enter the implementation phase focusing on specific alliance measures at current fiscal year. After introducing “J:COM WiMAX,” a high-speed mobile Internet service provided by UQ Communications Inc., an equity-method affiliate of KDDI, as a part of the “Telecom Business and Product Collaboration” component of the alliance in December 2010, the Company commenced in earnest the sale of this service to J:COM NET subscribing households during the three months ended March 31, 2011 under review. In addition, to further promote “Sales and Marketing Collaboration,” which began in August 2010, both companies extended cross-sales promotion of the J:COM Group’s services and the au Mobile services of KDDI to Sapporo and Sendai in February 2011.

In the “Telecom Business and Product Collaboration” fields, the J:COM Group launched “J:COM PHONE Plus” from April 2011. “J:COM PHONE Plus” is a telephony service that uses the KDDI platform. It is mainly designed to capture new contracts and prevent contract cancellation by offering substantially improved telephony service convenience. “J:COM PHONE Plus” subscribers can now call free of charge not only to existing “J:COM PHONE” subscribers but also to subscribers to KDDI telephony services and all au Mobile service users. In maximizing the merits of this service, the J:COM Group is well positioned to further expand its new subscriber base. Moreover, for existing legacy-type telephone subscribers, efforts will be made to promote the gradual shift to “J:COM PHONE Plus.” In this manner, the Group is striving to enhance the level of customer satisfaction and to prevent future cancellation.

(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 Suzuran Cable System transferred from the KEIHANSHIN Cable Vision Foundation to J:COM consolidated subsidiary Cable Net Kobe Ashiya Co.,Ltd. on February 1, 2010, Kobe Cable Vision, transferred from Kobe City Development and Management Foundation to Cable Net Kobe Ashiya Co., Ltd. on April 1, 2010, and Cablevision Kasai transferred from Tokyo Cable Vision Foundation to J:COM consolidated subsidiary Edogawa Cable Television Inc. on June 1, 2010.

Revenue increased by ¥3,618 million, or 4.1%, from ¥88,146 million for the three months ended March 31, 2010 to ¥91,764 million for the three months ended March 31, 2011. This increase included ¥204 million that was attributable to the aggregate impact of acquisitions. Excluding the impact of acquisitions, revenue at existing consolidated subsidiaries increased by ¥3,414 million, or 3.9%.

Subscription fees increased by ¥2,673 million, or 3.6%, from ¥73,459 million for the three months ended March 31, 2010 to ¥76,132 million for the three months ended March 31, 2011. This increase included ¥188 million that was attributable to the aggregate impact of acquisitions. Excluding the impact of acquisitions, subscription fees at existing subsidiaries increased by ¥2,485 million, or 3.4%.

Cable television subscription fees increased by ¥940 million, or 2.4%, from ¥39,803 million for the three months ended March 31, 2010 to ¥40,743 million for the three months ended March 31, 2011. The increase in cable television subscription fees was mainly due to an increase in the number of consolidated subsidiary subscribing households and an increase in the number of users of digital additional services such as HDR mainly on the Blu-ray and VOD in spite of a decrease in ARPU.

High-speed Internet access subscription fees increased by ¥803 million, or 3.8%, from ¥21,403 million for the three months ended March 31, 2010 to ¥22,206 million for the three months ended March 31, 2011. The increase in high-speed Internet access subscription fees was due to an increase in the number of consolidated subsidiary subscribing households, which was partly offset by increased product bundling discounts.

Telephony subscription fees increased by ¥930 million, or 7.6%, from ¥12,253 million for the three months ended March 31, 2010 to ¥13,183 million for the three months ended March 31, 2011. The increase in telephony subscription fees was primarily the result of an increase in the number of consolidated subsidiary subscribing households, which was partly offset by increased product bundling discounts.

Turning to existing consolidated subsidiary subscription fees by type of service, the rates of increase for the three months ended March 31, 2011 were 2.0%, 3.6% and 7.6% for cable television, high-speed Internet access and telephony service, respectively.

Other revenue increased by ¥945 million, or 6.4%, from ¥14,687 million for the three months ended March 31, 2010 to ¥15,632 million for the three months ended March 31, 2011. The increase was mainly attributable to revenue relating to poor reception compensation.

Operating and programming costs increased by ¥1,208 million, or 3.8%, from ¥31,954 million for the three months ended March 31, 2010 to ¥33,162 million for the three months ended March 31, 2011. This increase was mainly due to an increase in costs relating to programming and outsourcing. Selling, general and administrative expenses decreased by ¥198 million, or 1.1%, from ¥17,624 million for the three months ended March 31, 2010 to ¥17,426 million for the three months ended March 31, 2011. This was mainly due to a decrease in advertising expenses, which was partly offset by increase in personnel expenses.

Depreciation and amortization expenses decreased by ¥591 million, or 2.8%, from ¥21,136 million for the three months ended March 31, 2010 to ¥20,545 million for the three months ended March 31, 2011. The decrease was largely due to certain fully depreciated assets before March 31, 2011.

Operating income, as a result of the above items, increased by ¥3,199 million, or 18.3%, from ¥17,432 million for the three months ended March 31, 2010 to ¥20,631 million for the three months ended March 31, 2011.

Income before noncontrolling interests and income taxes increased by ¥3,257 million, or 19.5%, from ¥16,678 million for the three months ended March 31, 2010 to ¥19,935 million for the three months ended March 31, 2011. Net income attributable to J:COM shareholders increased by ¥1,963 million, or 23.4%, from ¥8,400 million for the three months ended March 31, 2010 to ¥10,363 million for the three months ended March 31, 2011.

Owing to the Great East Japan Earthquake, decrease in operating profit due to reduction and exemption of subscription fees and repair costs of certain fixed assets were booked for the three months ended March 31, 2011. This did not have a material impact on the J:COM Group's results of operations. No material damage has been found in the J:COM Group's network systems and facilities.

(2) Qualitative Information on Consolidated Financial Position

(i) Assets, Liabilities and Shareholders' Equity

Total assets decreased by ¥5,484 million, from ¥816,763 million as of December 31, 2010 to ¥811,279 million as of March 31, 2011. This was primarily due to a decrease in net book value of property and equipment by depreciated.

Total liabilities decreased by ¥10,344 million from ¥390,353 million as of December 31, 2010 to ¥380,009 million as of March 31, 2011. This was primarily due to a decrease in income taxes payable with income taxes payment.

Total J:COM shareholders' equity increased by ¥4,592 million from ¥410,151 million as of December 31, 2010 to ¥414,743 million as of March 31, 2011. The increase was mainly due to the upswing in net income attributable to J:COM shareholders for the three months ended March 31, 2011, which was partly offset by dividend paid to shareholders.

(ii) Cash Flows

For the three months ended March 31, 2011, the net cash was provided by operating activities of ¥23,622 million, used in investing activities of ¥11,576 million and financing activities of ¥12,695 million, respectively. Accounting for the aforementioned activities, cash and cash equivalents decreased by ¥649 million from ¥78,212 million as of December 31, 2010 to ¥77,563 million as of March 31, 2011.

Cash Provided by Operating Activities.
Net cash provided by operating activities decreased by ¥1,809 million, from ¥25,431million for the three months ended March 31, 2010 to ¥23,622 million for the three months ended March 31, 2011. The decrease was mainly attributable to increase in income taxes payment, which was partly offset by increase in net income.

Cash Used in Investing Activities.
Net cash used in investing activities increased by ¥46 million, from ¥11,530 million for the three months ended March 31, 2010 to ¥11,576 million for the three months ended March 31, 2011. The net cash used for the three months ended March 31, 2011 primarily consisted of ¥11,698 million for capital expenditures.
Cash Used in Financing Activities.

Net cash used in financing activities increased by ¥5,423 million, from ¥7,272 million for the three months ended March 31, 2010 to ¥12,695 million for the three months ended March 31, 2011. The net cash used for the three months ended March 31, 2011 primarily consisted of ¥6,231 million of dividend paid to shareholders, ¥5,265 million of principal payments under capital lease obligations and ¥1,255 million of debt repayments(net).

(3) Qualitative Information on Consolidated Business Results Forecasts

There are no changes from consolidated business results forecasts announced on January 27, 2011, included in the Company's Consolidated Annual Financial Results Release for the fiscal year ending December 31, 2011. Now Jupiter Telecommunications Co., Ltd is investigating the damage situation affected by the Great East Japan Earthquake occurred on March 11th, 2011. Though our company recognizes that the influence on the results is negligible, we will disclose the information swiftly in case the damaged situation could impose crucial influence against our business performance of the current period.

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

(4) Assumptions of Significant Event for Going Concern

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	Three months ended March 31, 2011	Three months ended March 31, 2010	Change		Year ended December 31, 2010
	Amount	Amount	Amount	(%)	Amount
Revenue:					
Subscription fees	76,132	73,459	2,673	3.6	298,197
Others	15,632	14,687	945	6.4	61,915
	91,764	88,146	3,618	4.1	360,112
Operating costs and expenses:					
Operating and programming costs	(33,162)	(31,954)	(1,208)	(3.8)	(135,272)
Selling, general and administrative expenses	(17,426)	(17,624)	198	1.1	(72,242)
Depreciation and amortization	(20,545)	(21,136)	591	2.8	(85,843)
	(71,133)	(70,714)	(419)	(0.6)	(293,357)
Operating income	20,631	17,432	3,199	18.3	66,755
Other income (expenses):					
Interest expense, net:					
Related parties	(375)	(421)	46	10.9	(1,644)
Others	(784)	(876)	92	10.5	(3,447)
Equity in earnings of affiliates	321	220	101	45.8	1,032
Other income, net	142	323	(181)	(55.8)	471
Income before noncontrolling interests and income taxes	19,935	16,678	3,257	19.5	63,167
Income taxes expense	(8,607)	(7,422)	(1,185)	(16.0)	(22,248)
Net income	11,328	9,256	2,072	22.4	40,919
Net income attributable to noncontrolling interests	(965)	(856)	(109)	(12.8)	(3,229)
Net income attributable to J:COM shareholders	10,363	8,400	1,963	23.4	37,690
Net income attributable to J:COM shareholders per share:					
Basic	¥1,496.71	¥1,223.45	¥273.26	22.3	¥5,456.41
Diluted	¥1,496.07	¥1,220.64	¥275.43	22.6	¥5,450.89
Weighted average number of ordinary shares outstanding:					
Basic	6,923,712	6,866,131	57,581	0.8	6,907,446
Diluted	6,926,655	6,881,908	44,747	0.7	6,914,436

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

JUPITER TELECOMMUNICATIONS CO., LTD.
AND SUBSIDIARIES

⑵ CONSOLIDATED QUARTERLY BALANCE SHEETS

(YEN IN MILLIONS)

Account	March 31, 2011	December 31, 2010	Change
	Amount	Amount	Amount
Current assets:			
Cash and cash equivalents	77,563	78,212	(649)
Accounts receivable	20,546	22,211	(1,665)
Allowance for doubtful accounts	(577)	(530)	(47)
Deferred tax assets – current	11,241	11,611	(370)
Prepaid expenses and other current assets	10,966	7,833	3,133
Total current assets	119,739	119,337	402
Investments:			
Investments in affiliates	10,143	9,938	205
Investments in other securities, at cost	2,152	2,152	—
Total investments	12,295	12,090	205
Property and equipment, at cost:			
Land	3,966	3,966	—
Distribution system and equipment	724,301	719,018	5,283
Support equipment and buildings	63,339	61,063	2,276
	791,606	784,047	7,559
Less accumulated depreciation	(422,636)	(410,394)	(12,242)
Total property and equipment	368,970	373,653	(4,683)
Other assets:			
Goodwill	248,323	248,323	—
Identifiable intangible assets, net	40,454	41,615	(1,161)
Deferred tax assets – non current	5,046	5,392	(346)
Others	16,452	16,353	99
Total other assets	310,275	311,683	(1,408)
Total assets	811,279	816,763	(5,484)

(YEN IN MILLIONS)

Account	March 31, 2011	December 31, 2010	Change
	Amount	Amount	Amount
Current liabilities:			
Short-term loans	5,297	5,581	(284)
Long-term debt – current portion	23,177	19,247	3,930
Capital lease obligations – current portion:			
Related parties	16,727	16,905	(178)
Others	1,431	1,719	(288)
Accounts payable	25,627	27,995	(2,368)
Income taxes payable	6,293	16,448	(10,155)
Deposit from related parties	453	268	185
Deferred revenue – current portion	9,605	9,774	(169)
Accrued expenses and other liabilities	16,866	10,481	6,385
Total current liabilities	105,476	108,418	(2,942)
Long-term debt, less current portion	123,986	128,887	(4,901)
Corporate bond, less current portion	10,000	10,000	—
Capital lease obligations, less current portion:			
Related parties	37,177	38,373	(1,196)
Others	4,180	4,432	(252)
Deferred revenue	59,964	60,478	(514)
Deferred tax liabilities – non current	12,798	13,392	(594)
Other liabilities	26,428	26,373	55
Total liabilities	380,009	390,353	(10,344)
Shareholders' equity:			
Ordinary shares no par value	117,550	117,550	—
Additional paid-in capital	226,396	226,017	379
Retained earnings	74,141	70,010	4,131
Accumulated other comprehensive income/(loss)	(1,085)	(1,160)	75
Treasury stock, at cost	(2,259)	(2,266)	7
Total J:COM shareholders' equity	414,743	410,151	4,592
Noncontrolling interests in subsidiaries	16,527	16,259	268
Total shareholders' equity	431,270	426,410	4,860
Total liabilities and shareholders' equity	811,279	816,763	(5,484)

JUPITER TELECOMMUNICATIONS CO., LTD.
AND SUBSIDIARIES

⑶ CONSOLIDATED QUARTERLY STATEMENTS OF CASH FLOWS

(YEN IN MILLIONS)

	Three months ended March 31, 2011	Three months ended March 31, 2010	Year ended December 31, 2010
Classification	**Amount**	**Amount**	**Amount**
Cash flows from operating activities:			
Net income	11,328	9,256	40,919
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	20,545	21,136	85,843
Equity in earnings of affiliates	(321)	(220)	(1,032)
Stock-based compensation expenses	47	68	102
Deferred income taxes expense/(benefit)	35	(876)	(3,675)
Gain on Bargain Purchase in acquisition	—	(238)	(368)
Changes in operating assets and liabilities, excluding effects of business combinations:			
Decrease/(increase) in accounts receivable, net	1,711	(904)	(5,811)
Increase in prepaid expenses	(3,133)	(2,309)	(496)
Decrease/(increase) in other assets	(98)	566	(1,334)
Increase/(decrease) in accounts payable	(2,410)	(93)	686
Increase/(decrease) in accrued expenses and other liabilities	(3,400)	(134)	7,939
Increase/(decrease) in deferred revenue	(682)	(821)	1,603
Net cash provided by operating activities	23,622	25,431	124,376
Cash flows from investing activities:			
Capital expenditures	(11,698)	(10,698)	(56,247)
Acquisitions of business operations	—	(840)	(1,075)
Other investing activities	122	8	274
Net cash used in investing activities	(11,576)	(11,530)	(57,048)
Cash flows from financing activities:			
Proceeds from issuance of common stock	—	616	616
Proceeds from reissuance of treasury stock	0	3,771	4,420
Acquisition of noncontrolling interests in consolidated subsidiaries	(258)	—	(1,608)
Net decrease in short-term loans	(284)	(145)	(2,037)
Principal payments of long-term debt	(971)	(3,242)	(22,353)
Principal payments of capital lease obligations	(5,265)	(5,416)	(21,594)
Cash dividend paid to shareholders	(6,231)	(3,361)	(7,514)
Other financing activities	314	505	(3,472)
Net cash used in financing activities	(12,695)	(7,272)	(53,542)
Net increase/(decrease) in cash and cash equivalents	(649)	6,629	13,786
Cash and cash equivalents at beginning of year	78,212	64,426	64,426
Cash and cash equivalents at end of year	77,563	71,055	78,212

⑷ Assumptions for Going Concern

None

⑸ 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.

⑹ Significant Changes in Shareholders' Equity

None

⑺ Subsequent Events

None