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

April 24, 2012
[U.S. GAAP]

Consolidated Quarterly Financial Results Release

For the Three Months Ended March 31, 2012

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
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Expected date of filing of Quarterly Report: May 11, 2012
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, 2012 to March 31, 2012)

(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, 2012	92,512	0.8	18,476	(10.4)	17,774	(10.8)
Three months ended March 31, 2011	91,764	4.1	20,631	18.3	19,935	19.5

	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, 2012	9,105	(12.1)	1,317.23	1,316.91
Three months ended March 31, 2011	10,363	23.4	1,496.71	1,496.07

(Notes)

1. Comprehensive income:

For the three months ended March 31, 2012: 10,150 million yen (11.1) % For the three months ended March 31, 2011: 11,415 million yen 24.0%

2. 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, 2012	805,288	457,222	435,269	54.1	63,259.69
December 31, 2011	812,373	457,316	435,707	53.6	62,916.36

2. Dividends 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, 2011	—	900.00	—	900.00	1,800.00
Year ending December 31, 2012	—				
Year ending December 31, 2012 (Forecasts)		1,250.00	—	1,250.00	2,500.00

(Note) Change in forecast of dividends during the three months ended March 31, 2012: None

3. Consolidated forecasts for December 2012 term (from January 1, 2012 to December 31, 2012)

	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	378,000	2.4	73,500	3.4	71,000	3.6	39,000	4.6	5,670.92

(Notes)
1. Change in forecast for the fiscal year ending December 31, 2012 during the three months ended March 31, 2012: None
2. 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.

4. Other information

(1) Changes in significant consolidated subsidiaries: None
(Chang in specified subsidiaries accompanying changes in scope of consolidation)

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

(3) Change in significant accounting and reporting policies:
(i) Changes due to revision of accounting standards and other regulations : Yes
(ii)Others : None
(Note) Please refer to (3) Change in Significant Accounting Policies, Procedures and Presentation in Quarterly Consolidated Financial Statements on page6.

(4) Outstanding shares
(i) Number of issued shares at end of term (consolidated, including treasury stock):

As of March 31, 2012:	6,947,813 shares	As of December 31, 2011:	6,947,813 shares

(ii) Number of treasury stock:

As of March 31, 2012:	67,147 shares	As of December 31, 2011:	22,640 shares

(iii) Number of weighted average stock:

Three months ended March 31, 2012:	6,912,355 shares	Three months ended March 31, 2011:	6,923,712 shares

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

*Explanation for forecasts of operations and other notes
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, 2012

(1) Qualitative Information on Consolidated Financial Results

(i) Summary

In the multi-channel broadcasting market, the number of channels through new BS digital broadcasting increased from 24 to 31 from March 1, 2012, following the commencement of the new BS broadcasting in October 2011. Thus the new BS broadcasting provides Jupiter Telecommunications Co., Ltd. ("J:COM") and other market players with increased opportunities to develop new customer segments. At the same time, the emergence of new operators including IPTV and Over-The-Top* (OTT) has triggered an era of full-fledged competition and major changes in the Company's business environment.

Under these circumstances, the J:COM Group (J:COM together with its consolidated subsidiaries or "the Company") has positioned the fiscal year ending December 31, 2012 as the inaugural year for new pay-TV multi-channel broadcasting. Centering on the CATV business, J:COM is concentrating on six core issues, including ways to expand its customer base and to boost earnings potential, to enhance the level of customer satisfaction and to actively cultivate alliances.

In the first quarter (January 1, 2012 to March 31, 2012) of the fiscal year ending December 31, 2012, the Company worked diligently to address these issues by implementing a variety of initiatives. As a result, revenue for the first quarter climbed 0.8% compared with the corresponding period of the previous fiscal year to ¥92,512 million. From a profit perspective, operating income decreased 10.4% year on year to ¥18,476 million. Net income attributable to J:COM shareholders decreased 12.1% to ¥9,105 million.

The Company's key performance indicators in the CATV business are as follows. Effective from the fiscal year ending December 31, 2012, the Company has adopted subscribing households based on a new definition. As a result, key performance indicators as of March 31, 2011 (Three months ended March 31, 2011) have also changed from previous data.

Key Performance Indicators	As of March 31, 2011 (Three months ended March 31, 2011)	As of March 31, 2012 (Three months ended March 31, 2012)	Year-on-Year Change
[Subscribing households]			
Total number of subscribing households*i	3,414,700	3,641,200	+6.6%
Total RGUs*ii	6,585,500	7,204,900	+9.4%
CATV	2,876,900	3,070,300	+6.7%
High-Speed Internet Access	1,693,000	1,848,400	+9.2%
Telephony	2,015,600	2,286,200	+13.4%
[Average monthly churn rate (per RGU)]	1.10%	1.08%	-0.02pts
[ARPU]	¥7,695	¥7,429	¥-266
[Bundle ratio*iii]	1.93	1.98	+0.05

*i: Number of households subscribing to at least one service

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

*iii: Average number of services provided per subscribing household

(ii) Overview of Business Activities

Recognizing that changes in its external operating environment offer significant opportunities for growth, the Company proactively implemented initiatives aimed at generating continued and sustained expansion, while at the same time taking steps to reinforce its management foundation as a means of ensuring ongoing medium- and long-term development.

* Service which distributes an image to a terminal directly through broadband Internet

First, and as a part of efforts to address its most important issue of expanding its customer base and boosting earnings potential, the Company continued to promote increased sales focusing mainly on its high-speed Internet access packaged services. This followed the complete changeover to terrestrial digital broadcasting in July 2011 (March 31, 2012 for the three prefectures in the Tohoku area). Moreover, the Company revised its performance evaluation system for sales and marketing representatives as well as sales stations from February 2012. Shifting away from the previous focus on the number of RGUs acquired, greater emphasis has now been placed on the level of sales and earnings. With respect to the Group's high-speed Internet access and cable television services, the ratio of new subscribers to J:COM's 160 Mbps service, which contributes significantly to sales, to the total number of new subscribers to high-speed Internet access service climbed from 33.9% in the fourth quarter of the fiscal year ended December 31, 2011 to 43.0% in the first quarter of the fiscal year under review. At the same time, the ratio of new subscribers to the Group's multi-channel services (cable television services excluding J:COM TV My style and BS retransmission services) gained from 66.3% in the fourth quarter of the fiscal year ended December 31, 2011 to 70.5%. in the first quarter of the fiscal year under review.

Second, the Company is pursuing measures aimed at enhancing the level of customer satisfaction. The Company is working under a basic policy of "Only half complete at the time contracts are executed. The remaining half is directed toward following up on customer needs after contracts have been executed." Guided by this basic policy, appropriate measures were undertaken to strengthen the Group's follow-up structure and systems and to further reinforce operations. Moreover, steps were taken to upgrade and expand the Group's video-on-demand (VOD) services. At the same time, broadcasts of the Group's second community channel, J:COM Channel HD, were extended to all service areas from April 2, 2012.

Third, energies are being channeled toward proactively cultivating alliances. As a component of its alliance with KDDI CORPORATION ("KDDI"), the Company first initiated mutual sales of both companies' services in the Kansai and Sapporo areas from August 2010. This was then extended to the Kanto and Sendai areas in December 2011. In the first quarter of the fiscal year ending December 31, 2012, every effort was made to further concentrate on this mutual sales strategy. As a result, the number of RGUs acquired via KDDI rose significantly compared with the corresponding period of the previous fiscal year from 1,300 to 11,000. Meanwhile, the number of mobile phone lines secured by KDDI through introductions by the Company increased from 1,400 to 13,000 year on year. In addition, the transition by subscribing households from KDDI's Metal-plus Phone to J:COM PHONE Plus progressed in earnest. During the first quarter under review, this transition played an important role in driving up the number of new telephony service subscribers. Complementing the aforementioned endeavors, the Company strove to make use of au Smart Value, a smartphone combined packaged product, from March 1, 2012. In this manner, the Group worked diligently to cultivate a new customer segments while promoting the use of additional services by existing subscribing households. As a result, driving up the number of new telephony service subscribers triggered by au Smart Value got off to a favorable start. In the first quarter of the fiscal year ending December 31, 2012, the number of service subscribers triggered by au Smart Value totaled 8,200 subscribing households. Of this total, 5,100 were new subscribers.

Fourth, the Company is placing considerable weight on actively pursuing M&As. In addition to its CATV business, M&As are considered an extremely important strategy in expanding the Group's Media Business and in bringing to fruition of J:COM's aspirations to establish lifestyle support businesses, including J:COM Everywhere, outlined in "Direction of the Medium-Term Business Plan". In the first quarter of the fiscal year ending December 31, 2012, J:COM acquired ASMIK ACE ENTERTAINMENT, INC., which was then included in J:COM's scope of consolidation as a wholly owned subsidiary. Through this M&A, the Company plans to expand its existing Media Business activities by enhancing its original content production capabilities, securing programming content exclusive distribution rights, and strengthening its original content distribution business.

Fifth, the Company is endeavoring to further fortify its network to ensure the integrity and stability of its broadcasting and communications network as a public entity and valuable asset of the people. For its part, the Company is working tirelessly to enhance the robustness of its network. These efforts are designed to ensure its reliability as an integral component of society's basic infrastructure in the event of a large-scale natural disaster. Among a number of measures, the Company is incorporating its backbone network into KDDI's integrated IP core network, which is recognized for its outstanding quality control. This changeover, which began on March 15, 2012, is occurring on a progressive basis and encompasses the five service areas nationwide that link the Group's service areas.

Sixth, the Company is promoting increased business efficiency. To better prepare for an operating environment that is increasingly exhibiting signs of intense competition, the Company is advancing measures aimed at generating the necessary funds required for ongoing medium- and long-term development and growth. In this context, J:COM began taking steps to reform its organizational structure from April 1, 2012 for the purpose of consolidating and streamlining the organization of its head office divisions. Through these means, the Company is working to further increase business efficiency.

Turning to new BS digital broadcasting, which commenced in October 2011, J:COM's consolidated subsidiary, J SPORTS Corporation ("J SPORTS"), which operates thematic sports channels, built on its existing J SPORTS 1 and J SPORTS 2 channels to complete the transfer to BS broadcasting through J SPORTS 3 (formerly J sports ESPN) and J SPORTS 4 (formerly J sports Plus) on March 1, 2012. As a result, J SPORTS is the nation's top BS broadcaster with a leading four channels. Looking ahead, the Company will continue to promote to viewers the appeal of J SPORTS through this new BS broadcasting platform. In addition to securing an increase in subscribing households, the Company will also work to expand the multi-channel broadcasting market.

(iii) Profit and Loss

In the following discussion, we quantify the acquisition impact, which represents the effect by consolidating an acquired entity on our results of operations during the first twelve months following the acquisition date. We represent changes that exclude the impact of acquisitions as changes at existing consolidated subsidiaries. Included as acquisition impacts in the below discussion of cumulative consolidated business results for the three months ended March 31, 2012 is YOKOHAMA CABLE VISION Inc., consolidated on October 7, 2011.

Revenue increased by ¥748 million, or 0.8%, from ¥91,764 million for the three months ended March 31, 2011 to ¥92,512 million for the three months ended March 31, 2012. This increase included ¥848 million that was attributable to the aggregate impact of acquisitions. Excluding the impact of acquisitions, revenue at existing consolidated subsidiaries decreased by ¥100 million, or 0.1%.

Subscription fees increased by ¥1,920 million, or 2.5%, from ¥76,132 million for the three months ended March 31, 2011 to ¥78,052 million for the three months ended March 31, 2012. This increase included ¥755 million that was attributable to the aggregate impact of acquisitions. Excluding the impact of acquisitions, subscription fees at existing subsidiaries increased by ¥1,165 million, or 1.5%.

Cable television subscription fees increased by ¥1,267 million, or 3.1%, from ¥40,743 million for the three months ended March 31, 2011 to ¥42,010 million for the three months ended March 31, 2012. The increase in cable television subscription fees, in spite of a decrease in ARPU caused largely by launching J:COM TV My style, 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 VOD.

High-speed Internet access subscription fees increased by ¥907 million, or 4.1%, from ¥22,206 million for the three months ended March 31, 2011 to ¥23,113 million for the three months ended March 31, 2012. 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 decreased by ¥254 million, or 1.9%, from ¥13,183 million for the three months ended March 31, 2011 to ¥12,929 million for the three months ended March 31, 2012. The decrease in telephony subscription fees in comparison with that of the previous year was primarily the result of a temporary increase brought by the Great East Japan Earthquake in March 2011.

Turning to existing consolidated subsidiary subscription fees for the three months ended March 31, 2012 by type of service, income through subscription fees for cable television and high-speed Internet access service increased by 1.6% and 3.4%, respectively, while that for telephony service decreased by 2.0%.

Other revenue decreased by ¥1,172 million, or 7.5%, from ¥15,632 million for the three months ended March 31, 2011 to ¥14,460 million for the three months ended March 31, 2012. The decrease was mainly attributable to revenue relating to poor reception compensation.

Operating and programming costs increased by ¥2,553 million, or 7.7%, from ¥33,162 million for the three months ended March 31, 2011 to ¥35,715 million for the three months ended March 31, 2012. This increase was mainly due to an increase in costs relating to programming and telephony. Selling, general and administrative expenses increased by ¥513 million, or 2.9%, from ¥17,426 million for the three months ended March 31, 2011 to ¥17,939 million for the three months ended March 31, 2012. This was mainly due to a increase in expenses relating to advertisement and personnel . Depreciation and amortization expenses decreased by ¥163 million, or 0.8%, from ¥20,545 million for the three months ended March 31, 2011 to ¥20,382 million for the three months ended March 31, 2012. The decrease was largely due to certain fully depreciated assets before March 31, 2012.

Operating income, as a result of the above items, decreased by ¥2,155 million, or 10.4%, from ¥20,631 million for the three months ended March 31, 2011 to ¥18,476 million for the three months ended March 31, 2012.

Income before noncontrolling interests and income taxes decreased by ¥2,161 million, or 10.8%, from ¥19,935 million for the three months ended March 31, 2011 to ¥17,774 million for the three months ended March 31, 2012. Net income attributable to J:COM shareholders decreased by ¥1,258 million, or 12.1%, from ¥10,363 million for the three months ended March 31, 2011 to ¥9,105 million for the three months ended March 31, 2012.

(2) Qualitative Information on Consolidated Financial Position

(i) Assets, Liabilities and Shareholders' Equity

Total assets decreased by ¥7,085 million, from ¥812,373 million as of December 31, 2011 to ¥805,288 million as of March 31, 2012. This was due to a decrease in net book value of property and equipment, and identifiable intangible assets by depreciation.

Total liabilities decreased by ¥6,991 million from ¥355,057 million as of December 31, 2011 to ¥348,066 million as of March 31, 2012. This was primarily due to a decrease in debt, income taxes payable and deferred revenue, which was partly offset by an increase accrued expenses and other liabilities.

Total J:COM shareholders' equity decreased by ¥438 million from ¥435,707 million as of December 31, 2011 to ¥435,269 million as of March 31, 2012. The decrease was mainly due to dividends paid to shareholders and purchases of treasury stock, which was partly offset by the upswing in net income attributable to J:COM shareholders for the three months ended March 31, 2012.

(ii) Cash Flows

For the three months ended March 31, 2012, the net cash was provided by operating activities of ¥29,162 million, used in investing activities of ¥8,849 million and financing activities of ¥20,483 million, respectively. Accounting for the aforementioned activities, cash and cash equivalents decreased by ¥170 million from ¥89,879 million as of December 31, 2011 to ¥89,709 million as of March 31, 2012.

Cash Provided by Operating Activities.

Net cash provided by operating activities increased by ¥5,540 million, from ¥23,622 million for the three months ended March 31, 2011 to ¥29,162 million for the three months ended March 31, 2012. The increase was mainly attributable to decrease in income taxes payment, which was partly offset by a decrease in net income.

Cash Used in Investing Activities.

Net cash used in investing activities decreased by ¥2,727 million, from ¥11,576 million for the three months ended March 31, 2011 to ¥8,849 million for the three months ended March 31, 2012. This was due to a decrease in payment for capital expenditures.

Cash Used in Financing Activities.

Net cash used in financing activities increased by ¥7,788 million, from ¥12,695 million for the three months ended March 31, 2011 to ¥20,483 million for the three months ended March 31, 2012. This was mainly due to a increase in debt payments and purchases of treasury stock, which was partly offset by a decrease in principal payments of capital lease obligations.

(3) Qualitative Information on Consolidated Business Results Forecasts

There are no changes from consolidated business results forecasts announced on January 25, 2012, included in the Company’s consolidated annual financial results release for the fiscal year ending December 31, 2012.

2. Notes Regarding Summary Information (Other Information)

(1) Changes in Significant Consolidated Subsidiaries During the Three Months Term

None

(2) Adoption of Specific Accounting 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

In June 2011, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2011-05, *Comprehensive Income (Accounting Standards Codification (ASC) Topic 220)*: *Presentation of Comprehensive Income*. ASU2011-05 eliminates the option to present components of other comprehensive income as part of the statement of changes in stockholders’ equity and requires an entity to report comprehensive income either in a single continuous financial statement or in two separate but consecutive financial statements. The Company adopted ASU2011-05 in the first quarter of 2012. ASU2011-05 being a disclosure regulation, such adoption did not have an impact on the Company’s financial position and results of operations.

Also, it requires to present on the face of the financial statements the effects of reclassifications out of accumulated other comprehensive income on the components of net income and other comprehensive income. In December 2011, the FASB issued ASU2011-12, *Comprehensive Income (ASC Topic 220)*: *Deferral of the Effective Date for Amendments to the Presentation of Reclassifications of Items Out of Accumulated Other Comprehensive Income in ASU2011-05*. By adopting ASU2011-12 in the first quarter of 2012, the Company did not present on this regulation.

(ii) Others: None

3. Assumptions of Significant Event for Going Concern

None

4. Consolidated Quarterly Financial Statements

JUPITER TELECOMMUNICATIONS CO., LTD.
AND SUBSIDIARIES

(1) CONSOLIDATED QUARTERLY STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

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

Account	Three months ended March 31, 2011	**Three months ended March 31, 2012**	Change	
	Amount	**Amount**	Amount	(%)
Revenue:				
Subscription fees	76,132	78,052	1,920	2.5
Others	15,632	14,460	(1,172)	(7.5)
	91,764	92,512	748	0.8
Operating costs and expenses:				
Operating and programming costs	(33,162)	(35,715)	(2,553)	(7.7)
Selling, general and administrative expenses	(17,426)	(17,939)	(513)	(2.9)
Depreciation and amortization	(20,545)	(20,382)	163	0.8
	(71,133)	(74,036)	(2,903)	(4.1)
Operating income	20,631	18,476	(2,155)	(10.4)
Other income (expenses):				
Interest expense, net:				
Related parties	(375)	(316)	59	15.7
Others	(784)	(670)	114	14.5
Equity in earnings of affiliates	321	243	(78)	(24.3)
Other, net	142	41	(101)	(71.0)
Income before noncontrolling interests and income taxes	19,935	17,774	(2,161)	(10.8)
Income taxes expense	(8,607)	(7,891)	716	8.3
Net income	11,328	9,883	(1,445)	(12.8)
Net income attributable to noncontrolling interests	(965)	(778)	187	19.4
Net income attributable to J:COM shareholders	10,363	9,105	(1,258)	(12.1)
Net Income attributable to J:COM shareholders per share:				
Basic	¥1,496.71	¥1,317.23	¥(179.48)	(12.0)
Diluted	¥1,496.07	¥1,316.91	¥(179.16)	(12.0)
Weighted average number of common stock outstanding:				
Basic	6,923,712	6,912,355	(11,357)	(0.2)
Diluted	6,926,655	6,913,997	(12,658)	(0.2)
Net income	11,328	9,883	(1,445)	(12.8)
Other comprehensive income/(loss),net of taxes				
Unrealized gain/(loss) on cash flow hedge	(41)	164	205	—
Reclassification adjustment for gain/(loss) on cash flow hedge included in net income	128	103	(25)	(19.8)
Other comprehensive income/(loss), net of taxes	87	267	180	208.1
Comprehensive income	11,415	10,150	(1,265)	(11.1)
Comprehensive income attributable to noncontrolling interests	(977)	(815)	162	16.6
Comprehensive income attributable to J:COM shareholders	10,438	9,335	(1,103)	(10.6)

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

JUPITER TELECOMMUNICATIONS CO., LTD.
AND SUBSIDIARIES

(2) CONSOLIDATED QUARTERLY BALANCE SHEETS

(YEN IN MILLIONS)

Account	December 31, 2011	**March 31, 2012**	Change
	Amount	**Amount**	Amount
Current assets:			
Cash and cash equivalents	89,879	89,709	(170)
Accounts receivable	18,270	16,730	(1,540)
Allowance for doubtful accounts	(480)	(486)	(6)
Deferred tax assets – current	7,941	7,405	(536)
Prepaid expenses and other current assets	8,070	10,173	2,103
Total current assets	123,680	123,531	(149)
Investments:			
Investments in affiliates	10,381	10,698	317
Investments in other securities, at cost	2,150	2,152	2
Total investments	12,531	12,850	319
Property and equipment, at cost:			
Land	4,158	4,158	—
Distribution system and equipment	733,669	731,623	(2,046)
Support equipment and buildings	69,477	69,558	81
	807,304	805,339	(1,965)
Less accumulated depreciation	(445,113)	(450,137)	(5,024)
Total property and equipment	362,191	355,202	(6,989)
Other assets:			
Goodwill	253,079	253,079	—
Identifiable intangible assets, net	38,413	37,215	(1,198)
Deferred tax assets – non current	5,436	5,666	230
Others	17,043	17,745	702
Total other assets	313,971	313,705	(266)
Total assets	812,373	805,288	(7,085)

(YEN IN MILLIONS)

Account	December 31, 2011	**March 31, 2012**	Change
	Amount	**Amount**	Amount
Current liabilities:			
Short-term loans	5,521	5,057	(464)
Long-term debt – current portion	10,681	20,354	9,673
Capital lease obligations – current portion:			
Related parties	15,960	15,904	(56)
Others	1,184	812	(372)
Accounts payable	28,324	28,856	532
Income taxes payable	9,853	6,276	(3,577)
Deposit from related parties	268	268	—
Deferred revenue – current portion	8,108	8,134	26
Accrued expenses and other liabilities	11,068	15,837	4,769
Total current liabilities	90,967	101,498	10,531
Long-term debt, less current portion	118,302	103,709	(14,593)
Corporate bond, less current portion	10,000	10,000	—
Capital lease obligations, less current portion:			
Related parties	33,590	32,618	(972)
Others	4,259	3,543	(716)
Deferred revenue	58,996	57,672	(1,324)
Deferred tax liabilities – non current	11,615	11,149	(466)
Other liabilities	27,328	27,877	549
Total liabilities	355,057	348,066	(6,991)
Shareholders' equity:			
Common stock no par value	117,550	117,550	—
Additional paid-in capital	226,293	226,384	91
Retained earnings	94,825	97,697	2,872
Accumulated other comprehensive income/(loss)	(833)	(603)	230
Treasury stock, at cost	(2,128)	(5,759)	(3,631)
Total J:COM shareholders' equity	435,707	435,269	(438)
Noncontrolling interests in subsidiaries	21,609	21,953	344
Total shareholders' equity	457,316	457,222	(94)
Total liabilities and shareholders' equity	812,373	805,288	(7,085)

JUPITER TELECOMMUNICATIONS CO., LTD.
AND SUBSIDIARIES

（3）CONSOLIDATED QUARTERLY STATEMENTS OF CASH FLOWS

(YEN IN MILLIONS)

Classification	Three months ended March 31, 2011	**Three months ended March 31, 2012**	Change
	Amount	**Amount**	Amount
Cash flows from operating activities:			
Net income	11,328	9,883	(1,445)
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	20,545	20,382	(163)
Equity in earnings of affiliates	(321)	(243)	78
Dividends from affiliates	—	384	384
Stock-based compensation expenses	47	50	3
Deferred income taxes expense/(benefit)	35	(317)	(352)
Changes in operating assets and liabilities, excluding effects of business combinations:			
Decrease/(increase) in accounts receivable, net	1,711	3,522	1,811
Decrease/(increase) in prepaid expenses	(3,133)	(1,898)	1,235
Decrease/(increase) in other assets	(98)	(167)	(69)
Increase/(decrease) in accounts payable	(2,410)	(2,024)	386
Increase/(decrease) in income taxes payable	(10,156)	(3,590)	6,566
Increase/(decrease) in accrued expenses and other liabilities	6,756	4,479	(2,277)
Increase/(decrease) in deferred revenue	(682)	(1,299)	(617)
Net cash provided by operating activities	23,622	29,162	5,540
Cash flows from investing activities:			
Capital expenditures	(11,698)	(9,195)	2,503
Acquisition of new subsidiaries, net of cash acquired	—	794	794
Other investing activities	122	(448)	(570)
Net cash used in investing activities	(11,576)	(8,849)	2,727
Cash flows from financing activities:			
Purchases of treasury stock	—	(3,642)	(3,642)
Acquisition of noncontrolling interests in consolidated subsidiaries	(258)	(268)	(10)
Net increase/(decrease) in short-term loans	(284)	(814)	(530)
Principal payments of long-term debt	(971)	(4,919)	(3,948)
Principal payments of capital lease obligations	(5,265)	(4,677)	588
Cash dividends paid to shareholders	(6,231)	(6,233)	(2)
Other financing activities	314	70	(244)
Net cash used in financing activities	(12,695)	(20,483)	(7,788)
Net increase/(decrease) in cash and cash equivalents	(649)	(170)	479
Cash and cash equivalents at beginning of year	78,212	89,879	11,667
Cash and cash equivalents at end of year	77,563	89,709	12,146

(4) Assumptions for Going Concern

None

(5) Segment Information

The Company's media business is considered a separate operating segment, however, due to the insignificant size of this operation as of March 31, 2012, management has determined that the Company has one reportable segment, cable television business.

(6) Significant Changes in Shareholders' Equity

None

(7) Subsequent Events

None

(8) Business Combinations

In accordance with ASC Topic 805, *Business Combinations*, if the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the acquirer shall report in its financial statements provisional amounts for the items for which the accounting is incomplete. During the measurement period, the acquirer shall retrospectively adjust the provisional amounts recognized at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the measurement of the amounts recognized as of that date. The measurement period shall not exceed one year from the acquisition date.

As a result of reallocation based on additional information obtained in the first quarter of 2012 for YOKOHAMA CALBE VISION Inc., which became consolidated subsidiary in October 2011, the Company adjusted the provisional amounts recognized in the consolidated balance sheets as of December 31, 2011. The impact by this reallocation was not material.

The allocation of ASMIK ACE ENTERTAINMENT, INC., which became consolidated subsidiary in March 2012, is considered preliminary and subject to adjustment based on the final assessment of the fair value of the assets acquired and liabilities assumed.