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

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[U.S. GAAP]

Consolidated Quarterly Financial Results Release

For the Nine Months Ended September 30, 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 & CEO
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Supplementary material for quarterly financial results: Yes
Briefing meeting for quarterly financial results: None

(Fractional amounts rounded)

1. Consolidated operating results (From January 1, 2012 to September 30, 2012)

(1) Consolidated financial results

	Revenue		Operating income		Income before noncontrolling interests and income taxes	
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
Nine months ended September 30, 2012	281,829	2.0	53,584	(6.4)	52,634	(4.7)
Nine months ended September 30, 2011	276,299	3.2	57,229	16.4	55,232	18.1

	Net income attributable to J:COM shareholders		Net income attributable to J:COM shareholders per share(Basic)	Net income attributable to J:COM shareholders per share(Diluted)
	(Millions of yen)	(%)	(Yen)	(Yen)
Nine months ended September 30, 2012	29,858	0.3	4,338.98	4,337.74
Nine months ended September 30, 2011	29,777	4.0	4,300.57	4,298.63

(Notes)
1. Comprehensive income:
For the nine months ended September 30, 2012: 32,122 million yen (0.4) % For the nine months ended September 30, 2011: 32,258 million yen 4.6%
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)
September 30, 2012	804,893	469,278	442,051	54.9	64,395.25
December 31, 2011	812,373	457,316	431,664	53.1	62,332.55

(Note) Items related to Total J:COM shareholders' equity as of December 31, 2011 were restated. Please refer to (6) Restatements of prior year's Consolidated Financial Statements on page 13.

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	—	1,250.00	—		
Year ending December 31, 2012 (Forecasts)				1,250.00	2,500.00

(Note) Change in forecast of dividends during the nine months ended September 30, 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	5,670.94

(Notes)

1. Change in forecast for the fiscal year ending December 31, 2012 during the nine months ended September 30, 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

(Change 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 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 on page 8.

(4) Outstanding shares

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

As of September 30, 2012:	6,947,813 shares	As of December 31, 2011:	6,947,813 shares

(ii) Number of treasury stock:

As of September 30, 2012:	83,168 shares	As of December 31, 2011:	22,640 shares

(iii) Number of weighted average stock:

Nine months ended September 30, 2012:	6,881,365 shares	Nine months ended September 30, 2011:	6,924,033 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 Nine Months ended September 30, 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, providing Jupiter Telecommunications Co., Ltd. ("J:COM") with increasing opportunities to develop new customer segments. At the same time, some factors such as the emergence of new operators including IPTV and Over-The-Top[1] (OTT) triggered major changes in the business environment, ushering in an era of full-fledged competition.

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. Focused on the CATV business, J:COM is concentrating on six core issues, including expanding its customer base and boosting earnings potential, enhancing the level of customer satisfaction and actively cultivating alliances.

In the nine months (January 1, 2012 to September 30, 2012) of the fiscal year ending December 31, 2012, the Company worked diligently to address these issues by implementing a variety of initiatives, and the resulting key performance indicators in the CATV business are shown below. Effective from the fiscal year ending December 31, 2012, the Company adopted a new definition of subscribing households. As a result, key performance indicators as of September 30, 2011 (the nine months ended September 30, 2011) also changed from previous data.

Key Performance Indicators	As of September 30, 2011 (Nine months ended September 30, 2011)	As of September 30, 2012 (Nine months ended September 30, 2012)	Year-on-Year Change
Subscribing households			
Total Number of Subscribing Households *i	3,544,800	3,714,000	+4.8%
Total RGUs*ii	6,928,100	7,469,300	+7.8%
CATV	3,010,300	3,110,500	+3.3%
High-Speed Internet Access	1,765,900	1,935,700	+9.6%
Telephony	2,151,900	2,423,100	+12.6%
Average Monthly Churn Rate (per RGU)	0.99%	0.95%	-0.04pts
ARPU*iii	¥7,602	¥7,362	¥-240
Bundle Ratio *iv	1.95	2.01	+0.06

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

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

*iii: Average revenue per unit (subscribing household)

*iv: Average number of services provided per subscribing household

Looking at profit and loss for the nine months ended September 30, 2012, ARPU declined by 240 yen compared with the corresponding period of the previous fiscal year due to an increase in the number of households subscribing to discounted packaged services with long-term contracts, including J:COM TV My style. In contrast, revenue rose by 2.0% compared with the corresponding period of the previous fiscal year to 281,829 million yen owing largely to an increase in the total number of subscribing households and the inclusion of ASMIK ACE ENTERTAINMENT, INC. (ASMIK) in the Company's scope of consolidation as a subsidiary company in March 2012.

[1] Service which distributes images to a terminal directly through broadband Internet

Income related to compensation for poor analog reception[2] is no longer recorded due to the complete changeover to digital terrestrial broadcasting on July 24, 2011. This was the principal reason for the decline in operating income by 6.4% to 53,584 million yen. Net income attributable to J:COM shareholders increased by 0.3% to 29,858 million yen.

(ii) Overview of Business Activities

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

First, as a part of efforts to address the most important issue of expanding its customer base and boosting earnings potential, the Company is taking steps to develop and promote products that match the needs of customers, following the complete changeover to digital terrestrial broadcasting in July 2011. With respect to these efforts, the Company continued to promote increased subscription focusing mainly on packaged services, including "J:COM NET PACK", a key component of its high-speed Internet access services that boast a broad product lineup. Moreover, J:COM revised its performance evaluation system for sales representatives as well as sales stations from February 2012. Shifting away from the previous focus on the number of RGUs acquired, greater emphasis is placed on sales and earnings benchmarks. As a result, the ratio of new subscribers to J:COM's 160Mbps service, which contributes significantly to revenue, to the total number of new subscribers to high-speed Internet access services increased from 35.1% in January 2012 to 58.5% in September 2012. At the same time, the ratio of new subscribers to the J:COM's multi-channel services (CATV services excluding J:COM TV My style and BS retransmission services) to new subscribers to CATV services (excluding BS retransmission services) increased from 67.1% in January 2012 to 78.1% in September 2012. Improvements in the new acquisitions ratios of these services are contributing to an increase in new subscriber ARPU.

On September 21, 2012, the Company launched the new packaged service "J:COM TV My style NEXT". "J:COM TV My style NEXT" is a new packaged service that allows subscribers to enjoy digital terrestrial broadcasting, BS digital broadcasting and one option from the three categories ("movies and documentaries," "dramas" and "animation and music"), each comprising five thematic channels, in combination with high-speed Internet access and/or telephony services. "J:COM TV My style NEXT" helps the Company to meet the needs of smaller households including the young single residents and retired couples that an existing multi-channel service for families, "J:COM TV", couldn't well respond to.

On April 2, 2012, the J:COM Group's new community channel "J:COM Channel HD", a service that had previously been broadcasting only in the Kanto area, was extended to all J:COM service areas. In addition, the J:COM Group commenced HD transmission of its former community channel, "J:COM Channel", in certain areas, including Sapporo area, from August 2012. Plans are in place to extend HD transmission to all areas during November 2012.

Secondly, the Company is pursuing measures aimed at enhancing the level of customer satisfaction. It has been striving to further expand video-on-demand (VOD) services with the aim of providing a service that is tailored to the diversifying needs of customers, whose viewing style is increasingly shifting toward enjoying programs of their choice, as and when desired. During the nine months ended September 30, 2012, the Company launched the "Xvie" service on May 22, 2012. This service allows VOD services to be enjoyed via smartphone, tablet or PC. Xvie is a "TV Everywhere" service tailored to changing customer viewing style by facilitating enjoyment of VOD services anytime, anywhere on any device.

Moreover, the Company launched "J:COM On Demand Megapack," an all-you-can-watch VOD service, on June 1, 2012.

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[2] The J:COM Group provided retransmission services of terrestrial broadcasting to areas with poor analog reception resulting from obstacles constructed by third parties by entering into agreements with the parties regarding construction and maintenance of cable facilities. Compensation for poor analog reception was the income received by the Group based on these agreements.

"J:COM On Demand Megapack" is an all-you-can watch package delivering comprehensive programming across a range of genres that include movies, Japanese dramas, foreign dramas, animations, variety shows, and hobby and educational programs to households subscribing to J:COM TV digital services for 980 yen a month (tax included).

In addition, the Company has been involved in the distribution of dramas produced by TOKYO BROADCASTING SYSTEM TELEVISION, INC.(TBS) prior to broadcasting in partnership with TBS, and, for the nine months ended September 30, 2012, it had exclusive distribution of "*Houkago wa Mystery to tomoni*" (distribution started from April 20, 2012) and "*Soumatou Kabushiki Gaisha*" (distribution started from July 13, 2012) through VOD prior to terrestrial broadcasting.
As a result, the number of VOD service titles purchased for the nine months ended September 30, 2012 increased 19.7% compared with the corresponding period of the previous fiscal year to 10,987,600.

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. As a result, for the nine months ended September 30, 2012, the number of RGUs acquired via KDDI rose significantly compared with the corresponding period of the previous fiscal year, from 7,500 to 57,100. Meanwhile, the number of mobile phone lines secured by KDDI through introductions by the Company increased from 5,700 to 31,500 year on year. In addition, the Company strove to make use of "au Smart Value", a packaged service that combines J:COM's high-speed Internet access and telephony services with discounted au smartphone usage fees, from March 1, 2012. In this manner, the Company worked diligently to cultivate a new customer segment while promoting the use of additional services by existing subscribing households. As a result, for the nine months ended September 30, 2012, the number of subscribing households triggered by "au Smart Value" totaled 49,300. Of this total, 32,400 were new subscribers.

Moreover, as a part of efforts to further expand its alliance with KDDI, the Company is setting up Internet access to public wireless LAN facilities or Wi-Fi access points (APs) for au smartphones in places such as commercial facilities, public facilities and the lobbies of large condominium buildings within its service areas and began offering Internet access services in August 2012. The Company is seeking to acquire subscriptions to additional services triggered by the supply of Internet service at establishments where the APs are located as well as obtaining revenue from KDDI through this partnership.

Fourth, the Company is placing considerable emphasis on actively pursuing M&As. In its "Medium-Term Business Plan," the J:COM Group has positioned M&As as a key strategy for the expansion of its CATV Business and Media Business as well as achieving J:COM's aspirations to establish lifestyle support businesses based on the concept of "J:COM Everywhere". In the nine months ended September 30, 2012, J:COM acquired the shares of ASMIK in March, turning it into a consolidated subsidiary with the aim of enhancing original content production capabilities and securing programming content exclusive distribution rights. As a part of its business collaboration with ASMIK, the Company began distribution of an original drama series based on Keigo Higashino's "*Warai*" ("Laugh") stories, which was planned and produced by ASMIK, through the Company's VOD on August 1, 2012. Moreover, the movie "*Helter Skelter*", which was produced by ASMIK, premiered at theaters on July 14, 2012 with its box-office revenues having exceeded 2.1 billion yen as of the end of September 2012. Looking ahead, the Company will leverage its synergy with ASMIK to strengthen and differentiate the CATV Business and the Media 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 utility and valuable asset of the people. For its part, the Company is working tirelessly to enhance the robustness of its network to ensure its reliability as basic social infrastructure in the event of a large-scale natural disaster. Among a number of measures, the Company is incorporating the backbone networks between its five regional service areas nationwide into KDDI's integrated IP core network, which uses MPLS[3] technology with the advantage of outstanding quality control. This changeover began on March 15, 2012, and is occurring on a progressive basis. The plan is to change over approximately 70% of all transmission volumes in the three services of CATV, high-speed Internet access and telephony to the integrated IP core network during the fiscal year ending December 31, 2012, with the switch to be completed during the following fiscal year ending December 31, 2013. The J:COM Group also expects to reduce operating costs as a result of the change.

Sixth, the Company is promoting increased business efficiency. As part of its measures aimed at generating the funds required for medium- and long-term development and growth in preparation for an operating environment in which competition is becoming more and more intense, J:COM implemented reforms to its organizational structure on April 1, 2012 for the purpose of consolidating and streamlining the organization of its head office divisions.

Moreover, the Company opened J:COM Wonder Studio, its first concept shop, on May 22, 2012 in the East Yard at Tokyo Solamachi®, the retail center inside TOKYO SKYTREE TOWN® for the purpose of promoting its pioneering services and enhancing the strength of the J:COM brand. At J:COM Wonder Studio, the Company proposes new ways to enjoy TV using projections of the latest images from its thematic channels on four 103-inch plasma displays, which are among the biggest in Japan, and "Xvie" service demonstrations. About four months after opening, J:COM Wonder Studio had received a total of more than 340,000 visitors by the end of September 2012. The Company plans to promote its pioneering services and enhance the strength of the J:COM brand through various events to be held at J:COM Wonder Studio.

In the media business, in the field of 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 channel operator with a market-leading four channels. Through this new BS broadcasting platform, the Company will do its utmost to promote the appeal of J SPORTS' four channels to viewers as it seeks to increase the number of subscribing households for J SPORTS. At the same time, the Company encourages subscription to CATV services by promoting the appeal of multi-channel broadcasting through the new BS broadcasting platform.

In addition, Jupiter Golf Network Co., Ltd., a consolidated subsidiary that operates the dedicated golf channel Golf Network, concluded a licensing and distribution agreement starting from April 2012 with U.S.-based Golf Channel in November 2011. As a result, Golf Network has been Japan's only dedicated golf channel since April 2012, and its program lineup has been substantially strengthened and expanded. Thus, the number of households able to view Golf Network increased from 7.23 million as of March 31, 2012 to 8.02 million as of August 31, 2012.

Furthermore, J:COM invested in Media Create Co., Ltd., a group company of the Korean terrestrial broadcasting company SBS in August 2012. Through this investment, J:COM is working to deepen its relationship with SBS, Korea's comprehensive media group. In addition to strengthening its procurement of popular contents including Korean TV dramas, J:COM plans to conduct various events built mainly around popular Korean music contents. Coupled with reciprocal broadcasting of the aforementioned contents and other initiatives, the Company will strengthen its media business and increase the number of CATV service subscribing households.

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[3] Abbreviation of Multi-Protocol Label Switching, a packet data switching technology that increases the speed of data forwarding and traffic management.

(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 nine months ended September 30, 2012 are YOKOHAMA CABLE VISION Inc., consolidated on October 7, 2011 and ASMIK ACE ENTERTAINMENT, INC., consolidated on March 30, 2012.

Revenue increased by ¥5,530 million, or 2.0%, from ¥276,299 million for the nine months ended September 30, 2011 to ¥281,829 million for the nine months ended September 30, 2012. The increase was mainly attributable to the aggregate impact of acquisitions of ¥5,916 million, which was offset by a decrease in revenue at existing consolidated subsidiaries by ¥386 million, or 0.1%.

Subscription fees increased by ¥4,568 million, or 2.0%, from ¥229,704 million for the nine months ended September 30, 2011 to ¥234,272 million for the nine months ended September 30, 2012. This increase included ¥2,349 million that was attributable to the aggregate impact of acquisitions. Excluding the impact of acquisitions, subscription fees at existing subsidiaries increased by ¥2,219 million, or 1.0%.

Cable television subscription fees increased by ¥2,710 million, or 2.2%, from ¥123,223 million for the nine months ended September 30, 2011 to ¥125,933 million for the nine months ended September 30, 2012. High-speed Internet access subscription fees increased by ¥2,433 million, or 3.6%, from ¥67,114 million for the nine months ended September 30, 2011 to ¥69,547 million for the nine months ended September 30, 2012. Telephony subscription fees decreased by ¥575 million, or 1.5%, from ¥39,367 million for the nine months ended September 30, 2011 to ¥38,792 million for the nine months ended September 30, 2012. The increase in cable television subscription fees and high-speed Internet access subscription fees, in spite of a decrease in ARPU caused largely by an increase in subscription rate of economical long term contract plan of J:COM TV My style and Value Plan, etc., was mainly due to an increase in the number of consolidated subsidiary subscribing households. 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 nine months ended September 30, 2012 by type of service, income through subscription fees for cable television and high-speed Internet access service increased by 0.7% and 3.0%, respectively, while that for telephony service decreased by 1.6%.

Other revenue increased by ¥962 million, or 2.1%, from ¥46,595 million for the nine months ended September 30, 2011 to ¥47,557 million for the nine months ended September 30, 2012. The increase was mainly attributable to the aggregate impact of acquisitions of ¥3,567 million, which was partly offset by a decrease in revenue relating to poor reception compensation.

Operating and programming costs increased by ¥8,349 million, or 8.1%, from ¥102,930 million for the nine months ended September 30, 2011 to ¥111,279 million for the nine months ended September 30, 2012. This was mainly due to an increase in costs relating to programming, the aggregate impact of acquisitions of ¥2,758 million, and etc. Selling, general and administrative expenses increased by ¥2,446 million, or 4.6%, from ¥53,374 million for the nine months ended September 30, 2011 to ¥55,820 million for the nine months ended September 30, 2012. This was mainly due to an increase in personnel and the aggregate impact of acquisitions of ¥1,636 million. Depreciation and amortization expenses decreased by ¥1,620 million, or 2.6%, from ¥62,766 million for the nine months ended September 30, 2011 to ¥61,146 million for the nine months ended September 30, 2012. The decrease was largely due to an increase in fully depreciated assets.

Operating income, as a result of the above items, decreased by ¥3,645 million, or 6.4%, from ¥57,229 million for the nine months ended September 30, 2011 to ¥53,584 million for the nine months ended September 30, 2012.

Income before noncontrolling interests and income taxes decreased by ¥2,598 million, or 4.7%, from ¥55,232 million for the nine months ended September 30, 2011 to ¥52,634 million for the nine months ended September 30, 2012. Net income attributable to J:COM shareholders increased by ¥81 million, or 0.3%, from ¥29,777 million for the nine months ended September 30, 2011 to ¥29,858 million for the nine months ended September 30, 2012.

(2) Qualitative Information on Consolidated Financial Position

(i) Assets, Liabilities and Shareholders' Equity

Total assets decreased by ¥7,480 million, from ¥812,373 million as of December 31, 2011 to ¥804,893 million as of September 30, 2012. This was due to a decrease in net book value of property and equipment, and identifiable intangible assets by depreciation, which was partly offset by an increase in cash and cash equivalents.

Total liabilities decreased by ¥19,442 million from ¥355,057 million as of December 31, 2011 to ¥335,615 million as of September 30, 2012. This was primarily due to a decrease in debt and capital lease obligations.

Total J:COM shareholders' equity increased by ¥10,387 million from ¥431,664 million as of December 31, 2011 to ¥442,051 million as of September 30, 2012. The increase was mainly due to the upswing in net income attributable to J:COM shareholders for the nine months ended September 30, 2012, which was partly offset by dividends paid to shareholders and purchases of treasury stock.

Total J:COM shareholders' equity as of December 31, 2011 was restated. Please refer to (6) Restatements of prior year's Consolidated Financial Statements on page 13.

(ii) Cash Flows

For the nine months ended September 30, 2012, the net cash was provided by operating activities of ¥87,255 million, used in investing activities of ¥33,856 million and financing activities of ¥44,654 million, respectively. Resulting from the aforementioned activities, cash and cash equivalents increased by ¥8,745 million from ¥89,879 million as of December 31, 2011 to ¥98,624 million as of September 30, 2012.

Cash Provided by Operating Activities.

Net cash provided by operating activities increased by ¥2,398 million, from ¥84,857 million for the nine months ended September 30, 2011 to ¥87,255 million for the nine months ended September 30, 2012. The increase was mainly attributable to decrease in income taxes payment, which was partly offset by a decrease in operating income, deferred revenue, and depreciation and amortization.

Cash Used in Investing Activities.

Net cash used in investing activities decreased by ¥7,505 million, from ¥41,361 million for the nine months ended September 30, 2011 to ¥33,856 million for the nine months ended September 30, 2012. This was due to a decrease in capital expenditures.

Cash Used in Financing Activities.

Net cash used in financing activities increased by ¥8,571 million, from ¥36,083 million for the nine months ended September 30, 2011 to ¥44,654 million for the nine months ended September 30, 2012. This was mainly due to an increase in purchases of treasury stock and dividends paid to shareholders.

(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 Nine months Term

None

(2) Adoption of Specific Accounting Method to Quarterly Consolidated Financial Statements

None

(3) Change in Significant Accounting Policies

(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	Nine months ended September 30, 2011	**Nine months ended September 30, 2012**	Change	
	Amount	**Amount**	Amount	(%)
Revenue:				
Subscription fees	229,704	234,272	4,568	2.0
Others	46,595	47,557	962	2.1
	276,299	281,829	5,530	2.0
Operating costs and expenses:				
Operating and programming costs	(102,930)	(111,279)	(8,349)	(8.1)
Selling, general and administrative expenses	(53,374)	(55,820)	(2,446)	(4.6)
Depreciation and amortization	(62,766)	(61,146)	1,620	2.6
	(219,070)	(228,245)	(9,175)	(4.2)
Operating income	57,229	53,584	(3,645)	(6.4)
Other income (expenses):				
Interest expense, net:				
Related parties	(1,089)	(882)	207	19.0
Others	(2,182)	(1,945)	237	10.9
Equity in earnings of affiliates	1,167	800	(367)	(31.5)
Other, net	107	1,077	970	903.9
Income before noncontrolling interests and income taxes	55,232	52,634	(2,598)	(4.7)
Income taxes expense	(23,016)	(20,748)	2,268	9.9
Net income	32,216	31,886	(330)	(1.0)
Net income attributable to noncontrolling interests	(2,439)	(2,028)	411	16.9
Net income attributable to J:COM shareholders	29,777	29,858	81	0.3
Net Income attributable to J:COM shareholders per share:				
Basic	¥4,300.57	¥4,338.98	¥38.41	0.9
Diluted	¥4,298.63	¥4,337.74	¥39.11	0.9
Weighted average number of common stock outstanding:				
Basic	6,924,033	6,881,365	(42,668)	(0.6)
Diluted	6,927,157	6,883,337	(43,820)	(0.6)
Net income	32,216	31,886	(330)	(1.0)
Other comprehensive income/(loss),net of taxes				
Unrealized gain/(loss) on cash flow hedge	(325)	(55)	270	83.0
Foreign currency translation adjustments	—	(2)	(2)	—
Reclassification adjustment for gain/(loss) on cash flow hedge included in net income	367	293	(74)	(20.1)
Other comprehensive income/(loss), net of taxes	42	236	194	461.2
Comprehensive income	32,258	32,122	(136)	(0.4)
Comprehensive income attributable to noncontrolling interests	(2,420)	(2,045)	375	15.5
Comprehensive income attributable to J:COM shareholders	29,838	30,077	239	0.8

(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	**September 30, 2012**	Change
	Amount	**Amount**	Amount
Current assets:			
Cash and cash equivalents	89,879	98,624	8,745
Accounts receivable	18,270	16,413	(1,857)
Allowance for doubtful accounts	(480)	(468)	12
Deferred tax assets – current	7,941	7,156	(785)
Prepaid expenses and other current assets	8,070	9,767	1,697
Total current assets	123,680	131,492	7,812
Investments:			
Investments in affiliates	10,381	10,009	(372)
Investments in other securities, at cost	2,150	2,152	2
Total investments	12,531	12,161	(370)
Property and equipment, at cost:			
Land	4,158	4,158	—
Distribution system and equipment	733,669	735,494	1,825
Support equipment and buildings	69,477	71,274	1,797
	807,304	810,926	3,622
Less accumulated depreciation	(445,113)	(462,755)	(17,642)
Total property and equipment	362,191	348,171	(14,020)
Other assets:			
Goodwill	253,079	253,079	—
Identifiable intangible assets, net	38,413	34,819	(3,594)
Deferred tax assets – non current	5,436	6,722	1,286
Others	17,043	18,449	1,406
Total other assets	313,971	313,069	(902)
Total assets	812,373	804,893	(7,480)

(YEN IN MILLIONS)

Account	December 31, 2011	**September 30, 2012**	Change
	Amount	**Amount**	Amount
Current liabilities:			
Short-term loans	5,521	5,123	(398)
Long-term debt – current portion	10,681	49,957	39,276
Capital lease obligations – current portion:			
Related parties	15,960	14,529	(1,431)
Others	1,184	939	(245)
Accounts payable	28,324	29,975	1,651
Income taxes payable	9,853	9,220	(633)
Deposit from related parties	268	268	—
Deferred revenue – current portion	8,108	8,305	197
Accrued expenses and other liabilities	11,068	13,445	2,377
Total current liabilities	90,967	131,761	40,794
Long-term debt, less current portion	118,302	68,650	(49,652)
Corporate bond, less current portion	10,000	10,000	—
Capital lease obligations, less current portion:			
Related parties	33,590	28,115	(5,475)
Others	4,259	3,811	(448)
Deferred revenue	58,996	54,285	(4,711)
Deferred tax liabilities – non current	11,615	10,895	(720)
Other liabilities	27,328	28,098	770
Total liabilities	355,057	335,615	(19,442)
Shareholders' equity:			
Common stock no par value	117,550	117,550	—
Additional paid-in capital	226,293	226,378	85
Retained earnings	90,782	105,826	15,044
Accumulated other comprehensive income/(loss)	(833)	(613)	220
Treasury stock, at cost	(2,128)	(7,090)	(4,962)
Total J:COM shareholders' equity	431,664	442,051	10,387
Noncontrolling interests in subsidiaries	25,652	27,227	1,575
Total shareholders' equity	457,316	469,278	11,962
Total liabilities and shareholders' equity	812,373	804,893	(7,480)

(Note) Retained earnings, Total J:COM shareholders' equity and Noncontrolling interests in subsidiaries as of December 31, 2011 were restated. Please refer to (6) Restatements of prior year's Consolidated Financial Statements on page 13.

JUPITER TELECOMMUNICATIONS CO., LTD.
AND SUBSIDIARIES

(3) CONSOLIDATED QUARTERLY STATEMENTS OF CASH FLOWS

(YEN IN MILLIONS)

Classification	Nine months ended September 30, 2011	**Nine months ended September 30, 2012**	Change
	Amount	**Amount**	Amount
Cash flows from operating activities:			
Net income	32,216	31,886	(330)
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	62,766	61,146	(1,620)
Equity in earnings of affiliates	(1,167)	(800)	367
Dividends from affiliates	—	473	473
Stock-based compensation expenses	47	50	3
Deferred income taxes expense/(benefit)	202	(1,399)	(1,601)
Changes in operating assets and liabilities, excluding effects of business combinations:			
Decrease/(increase) in accounts receivable, net	3,137	3,821	684
Decrease/(increase) in prepaid expenses	(3,469)	(1,500)	1,969
Decrease/(increase) in other assets	(155)	270	425
Increase/(decrease) in accounts payable	(1,904)	(2,779)	(875)
Increase/(decrease) in income taxes payable	(9,871)	(644)	9,227
Increase/(decrease) in accrued expenses and other liabilities	5,789	2,164	(3,625)
Increase/(decrease) in deferred revenue	(2,734)	(4,516)	(1,782)
Others	—	(917)	(917)
Net cash provided by operating activities	84,857	87,255	2,398
Cash flows from investing activities:			
Capital expenditures	(41,522)	(35,152)	6,370
Acquisition of new subsidiaries, net of cash acquired	—	564	564
Other investing activities	161	732	571
Net cash used in investing activities	(41,361)	(33,856)	7,505
Cash flows from financing activities:			
Purchases of treasury stock	—	(5,000)	(5,000)
Acquisition of noncontrolling interests in consolidated subsidiaries	(318)	(280)	38
Net increase/(decrease) in short-term loans	84	(748)	(832)
Proceeds from long-term debt	—	5,000	5,000
Principal payments of long-term debt	(8,585)	(15,375)	(6,790)
Principal payments of capital lease obligations	(15,539)	(13,835)	1,704
Cash dividends paid to shareholders	(12,463)	(14,813)	(2,350)
Other financing activities	738	397	(341)
Net cash used in financing activities	(36,083)	(44,654)	(8,571)
Net increase/(decrease) in cash and cash equivalents	7,413	8,745	1,332
Cash and cash equivalents at beginning of year	78,212	89,879	11,667
Cash and cash equivalents at end of year	85,625	98,624	12,999

(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 September 30, 2012, management has determined that the Company has one reportable segment, cable television business.

(6) Restatements of Prior Year's Consolidated Financial Statements

The Company recorded a portion of Net income attributable to noncontrolling interests as Net income attributable to J:COM shareholders up to 2008. In accordance with ASC Topic 250, *Accounting Changes and Error Corrections*, consolidated financial statements as of December 31, 2011 were restated during the third quarter of 2012.

This restatement resulted in changes to Retained earnings, Total J:COM shareholders' equity, Noncontrolling interests in subsidiaries and J:COM shareholders' equity per share. Consequently, Retained earnings and Total J:COM shareholders' equity decreased by ¥4,043 million and Noncontrolling interests in subsidiaries increased by ¥4,043 million as of January 1, 2011.

The restatement did not have a material impact on the prior year's consolidated financial statements.

The impact of restatement on consolidated balance sheet as of December 31, 2011 was as follows:

(YEN IN MILLIONS, EXCEPT PER SHARE AMOUNTS)

	As of December 31, 2011		
	Before restatement	Adjustments	After restatement
Shareholders' equity:			
Common stock no par value	117,550	—	117,550
Additional paid-in capital	226,293	—	226,293
Retained earnings	94,825	(4,043)	90,782
Accumulated other comprehensive income/(loss)	(833)	—	(833)
Treasury stock, at cost	(2,128)	—	(2,128)
Total J:COM shareholders' equity	435,707	(4,043)	431,664
Noncontrolling interests in subsidiaries	21,609	4,043	25,652
Total shareholders' equity	457,316	—	457,316
Per share information:			
J:COM shareholders' equity per share	¥62,916.36	¥ (583.81)	¥62,332.55

The restatement had no impact on the consolidated statement of income and the statement of cash flows for the year ended December 31, 2011.

(7) Significant Changes in Shareholders' Equity

None

(8) Subsequent Events

None

(9) 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.

On additional information obtained about 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. Also, the Company adjusted the provisional amounts recognized in the consolidated quarterly financial statements as of March 31, 2012 on additional information obtained about ASMIK ACE ENTERTAINMENT, INC., which became consolidated subsidiary in March, 2012. Neither case was material.