

Translation

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**Summary of Consolidated Financial Results
for the Three Months Ended June 30, 2020
(Based on Japanese GAAP)**

July 31, 2020

Company name: WOWOW INC.
 Stock exchange listing: Tokyo
 Stock code: 4839 URL <https://www.wowow.co.jp>
 Representative: Representative Director, President & CEO Akira Tanaka
 Board Director, Executive Officer
 Inquiries: responsible for Investor Relations, Finance & Junichi Onoue TEL 03-4330-8097
 Accounting and Strategy Integration
 Scheduled date to file Quarterly Securities Report: August 14, 2020
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for institutional investors, analysts and the press)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 30, 2020 (from April 1, 2020 to June 30, 2020)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2020	19,640	(3.1)	4,262	64.9	4,408	59.9	3,065	62.3
Three months ended June 30, 2019	20,277	1.1	2,585	13.3	2,756	15.4	1,888	16.5

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2020	113.57		–	
Three months ended June 30, 2019	69.98		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2020	90,906	61,521	67.7
As of March 31, 2020	90,024	60,555	67.3

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2020	–	0.00	–	80.00	80.00
Year ending March 31, 2021	–	–	–	–	–
Year ending March 31, 2021 (Forecast)	–	0.00	–	80.00	80.00

3. Forecast of consolidated financial results for the year ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2020	39,700	(3.3)	4,500	(2.0)	4,700	(5.2)	3,000	(13.3)	111.15
Full year	80,700	(2.1)	4,800	(43.5)	5,000	(45.8)	3,300	(34.9)	122.26

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2020
 (changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2020	28,844,400 shares	As of March 31, 2020	28,844,400 shares
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Number of treasury shares at the end of the period

As of June 30, 2020	1,853,318 shares	As of March 31, 2020	1,853,318 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2020	26,991,082 shares	Three months ended June 30, 2019	26,991,082 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2020	As of June 30, 2020
Assets		
Current assets		
Cash and deposits	29,703	28,996
Notes and accounts receivable - trade	5,550	4,858
Merchandise and finished goods	48	46
Broadcasting licenses	21,856	22,653
Work in process	80	47
Supplies	41	46
Other	2,864	2,895
Allowance for doubtful accounts	(100)	(86)
Total current assets	60,045	59,456
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,753	4,856
Machinery and equipment, net	2,215	2,312
Tools, furniture and fixtures, net	1,153	1,417
Construction in progress	37	895
Other, net	60	57
Total property, plant and equipment	8,220	9,539
Intangible assets		
Leasehold interests in land	5,011	5,011
Goodwill	606	589
Other	4,246	4,161
Total intangible assets	9,864	9,762
Investments and other assets		
Investment securities	8,758	8,822
Deferred tax assets	2,120	2,073
Other	1,041	1,279
Allowance for doubtful accounts	(27)	(27)
Total investments and other assets	11,894	12,148
Total non-current assets	29,979	31,450
Total assets	90,024	90,906

(Millions of yen)

	As of March 31, 2020	As of June 30, 2020
Liabilities		
Current liabilities		
Accounts payable - trade	18,769	19,654
Income taxes payable	1,578	1,337
Provision for bonuses	153	173
Other	6,116	5,499
Total current liabilities	26,617	26,664
Non-current liabilities		
Retirement benefit liability	2,152	2,021
Other	697	698
Total non-current liabilities	2,850	2,720
Total liabilities	29,468	29,385
Net assets		
Shareholders' equity		
Share capital	5,000	5,000
Capital surplus	2,738	2,738
Retained earnings	55,678	56,584
Treasury shares	(3,081)	(3,081)
Total shareholders' equity	60,334	61,240
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	163	224
Deferred gains or losses on hedges	57	57
Remeasurements of defined benefit plans	(0)	(0)
Total accumulated other comprehensive income	220	280
Total net assets	60,555	61,521
Total liabilities and net assets	90,024	90,906

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2019	Three months ended June 30, 2020
Net sales	20,277	19,640
Cost of sales	11,453	9,142
Gross profit	8,824	10,497
Selling, general and administrative expenses	6,239	6,235
Operating profit	2,585	4,262
Non-operating income		
Interest income	0	0
Dividend income	27	29
Foreign exchange gains	66	21
Share of profit of entities accounted for using equity method	59	77
Other	19	18
Total non-operating income	173	147
Non-operating expenses		
Other	1	1
Total non-operating expenses	1	1
Ordinary profit	2,756	4,408
Extraordinary income		
Gain on sales of non-current assets	0	-
Total extraordinary income	0	-
Extraordinary losses		
Loss on retirement of non-current assets	0	0
Loss on valuation of golf club membership	0	-
Total extraordinary losses	1	0
Profit before income taxes	2,755	4,408
Income taxes - current	814	1,326
Income taxes - deferred	51	17
Total income taxes	866	1,343
Profit	1,888	3,065
Profit attributable to owners of parent	1,888	3,065

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2019	Three months ended June 30, 2020
Profit	1,888	3,065
Other comprehensive income		
Valuation difference on available-for-sale securities	(66)	60
Deferred gains or losses on hedges	(87)	0
Remeasurements of defined benefit plans, net of tax	0	0
Share of other comprehensive income of entities accounted for using equity method	(20)	(1)
Total other comprehensive income	(173)	59
Comprehensive income	1,715	3,125
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,715	3,125