

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2020 (Based on Japanese GAAP)

January 29, 2021

Company name: WOWOW INC.
 Stock exchange listing: Tokyo
 Stock code: 4839 URL <https://www.wowow.co.jp>
 Representative: Representative Director, President & CEO Akira Tanaka
 General Manager Human Resources
 Inquiries: &General Affairs Division Mototaka Yamaguchi TEL 03-4330-8080
 Scheduled date to file Quarterly Securities Report: February 15, 2021
 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 nine months ended December 31, 2020 (from April 1, 2020 to December 31, 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	%
Nine months ended December 31, 2020	59,187	(4.0)	10,220	31.8	10,401	26.6	6,999	22.4
Nine months ended December 31, 2019	61,640	0.4	7,755	14.7	8,218	12.3	5,719	14.2

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2020	259.05	–
Nine months ended December 31, 2019	211.89	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2020	93,930	65,432	69.7
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	–	0.00	–		
Year ending March 31, 2021 (Forecast)				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
Full year	78,800	(4.4)	4,800	(43.5)	5,000	(45.8)	3,300	(34.9)	122.11

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 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 December 31, 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 December 31, 2020	1,805,742 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)

Nine months ended December 31, 2020	27,019,328 shares	Nine months ended December 31, 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 December 31, 2020
Assets		
Current assets		
Cash and deposits	29,703	28,022
Notes and accounts receivable - trade	5,550	5,071
Merchandise and finished goods	48	61
Broadcasting licenses	21,856	23,906
Work in process	80	14
Supplies	41	48
Other	2,864	2,630
Allowance for doubtful accounts	(100)	(78)
Total current assets	60,045	59,676
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,753	5,028
Machinery and equipment, net	2,215	3,171
Tools, furniture and fixtures, net	1,153	1,482
Construction in progress	37	2,102
Other, net	60	50
Total property, plant and equipment	8,220	11,835
Intangible assets		
Leasehold interests in land	5,011	5,011
Goodwill	606	556
Other	4,246	4,857
Total intangible assets	9,864	10,424
Investments and other assets		
Investment securities	8,758	8,732
Deferred tax assets	2,120	1,912
Other	1,041	1,563
Allowance for doubtful accounts	(27)	(214)
Total investments and other assets	11,894	11,993
Total non-current assets	29,979	34,253
Total assets	90,024	93,930

(Millions of yen)

	As of March 31, 2020	As of December 31, 2020
Liabilities		
Current liabilities		
Accounts payable - trade	18,769	18,100
Income taxes payable	1,578	1,913
Provision for bonuses	153	78
Other	6,116	5,749
Total current liabilities	26,617	25,842
Non-current liabilities		
Retirement benefit liability	2,152	2,020
Other	697	634
Total non-current liabilities	2,850	2,655
Total liabilities	29,468	28,498
Net assets		
Shareholders' equity		
Share capital	5,000	5,000
Capital surplus	2,738	2,777
Retained earnings	55,678	60,518
Treasury shares	(3,081)	(3,002)
Total shareholders' equity	60,334	65,292
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	163	261
Deferred gains or losses on hedges	57	(121)
Remeasurements of defined benefit plans	(0)	(0)
Total accumulated other comprehensive income	220	139
Total net assets	60,555	65,432
Total liabilities and net assets	90,024	93,930

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Net sales	61,640	59,187
Cost of sales	34,501	29,923
Gross profit	27,138	29,264
Selling, general and administrative expenses	19,382	19,044
Operating profit	7,755	10,220
Non-operating income		
Interest income	18	8
Foreign exchange gains	152	53
Share of profit of entities accounted for using equity method	213	165
Subsidy income	14	83
Other	71	68
Total non-operating income	469	377
Non-operating expenses		
Provision of allowance for doubtful accounts	–	189
Other	7	6
Total non-operating expenses	7	196
Ordinary profit	8,218	10,401
Extraordinary income		
Gain on sales of non-current assets	0	0
Total extraordinary income	0	0
Extraordinary losses		
Loss on retirement of non-current assets	8	33
Loss on sales of non-current assets	0	–
Loss on valuation of shares of subsidiaries and associates	–	177
Loss on valuation of golf club membership	0	–
Total extraordinary losses	8	210
Profit before income taxes	8,209	10,190
Income taxes - current	2,411	3,043
Income taxes - deferred	79	148
Total income taxes	2,490	3,191
Profit	5,719	6,999
Profit attributable to owners of parent	5,719	6,999

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Profit	5,719	6,999
Other comprehensive income		
Valuation difference on available-for-sale securities	(54)	98
Deferred gains or losses on hedges	(7)	(123)
Remeasurements of defined benefit plans, net of tax	0	0
Share of other comprehensive income of entities accounted for using equity method	(6)	(55)
Total other comprehensive income	(67)	(80)
Comprehensive income	5,651	6,918
Comprehensive income attributable to Comprehensive income attributable to owners of parent	5,651	6,918