

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2021 (Based on Japanese GAAP)

July 30, 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
 &General Affairs Division Mototaka Yamaguchi TEL 03-4330-8080
 Inquiries: Mototaka Yamaguchi
 Scheduled date to file Quarterly Securities Report: August 13, 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 three months ended June 30, 2021 (from April 1, 2021 to June 30, 2021)

(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, 2021	19,968	1.7	(418)	–	(322)	–	(185)	–
Three months ended June 30, 2020	19,640	(3.1)	4,262	64.9	4,408	59.9	3,065	62.3

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2021	(6.86)		–	
Three months ended June 30, 2020	113.57		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2021	82,629	59,232	71.7
As of March 31, 2021	90,593	61,756	68.2

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, 2021	–	0.00	–	80.00	80.00
Year ending March 31, 2022	–				
Year ending March 31, 2022 (Forecast)		0.00	–	50.00	50.00

3. Forecast of consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

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, 2021	39,600	0.6	500	(93.5)	600	(92.6)	300	(94.7)	11.10
Full year	79,500	0.4	2,900	(57.3)	3,000	(56.7)	2,000	(32.0)	73.97

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2021
(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: Yes
- 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, 2021	28,844,400 shares	As of March 31, 2021	28,844,400 shares
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Number of treasury shares at the end of the period

As of June 30, 2021	1,806,398 shares	As of March 31, 2021	1,806,398 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, 2021	27,038,002 shares	Three months ended June 30, 2020	26,991,082 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2021	As of June 30, 2021
Assets		
Current assets		
Cash and deposits	25,892	21,971
Notes and accounts receivable - trade	5,214	5,513
Merchandise and finished goods	54	51
Broadcasting licenses	23,040	18,708
Work in process	22	22
Supplies	45	52
Other	2,844	3,275
Allowance for doubtful accounts	(80)	(75)
Total current assets	57,033	49,520
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,944	4,855
Machinery and equipment, net	5,546	5,309
Tools, furniture and fixtures, net	1,844	1,784
Construction in progress	369	387
Other, net	28	26
Total property, plant and equipment	12,733	12,363
Intangible assets		
Leasehold interests in land	5,011	5,011
Other	3,325	3,180
Total intangible assets	8,337	8,192
Investments and other assets		
Investment securities	9,136	8,857
Deferred tax assets	2,077	2,440
Other	1,653	1,624
Allowance for doubtful accounts	(378)	(369)
Total investments and other assets	12,489	12,553
Total non-current assets	33,560	33,108
Total assets	90,593	82,629

(Millions of yen)

	As of March 31, 2021	As of June 30, 2021
Liabilities		
Current liabilities		
Accounts payable - trade	18,763	15,265
Income taxes payable	1,114	149
Provision for bonuses	148	119
Other	6,641	5,695
Total current liabilities	26,667	21,229
Non-current liabilities		
Retirement benefit liability	2,043	2,052
Other	126	114
Total non-current liabilities	2,169	2,167
Total liabilities	28,837	23,396
Net assets		
Shareholders' equity		
Share capital	5,000	5,000
Capital surplus	2,777	2,777
Retained earnings	56,461	54,113
Treasury shares	(3,002)	(3,002)
Total shareholders' equity	61,236	58,887
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	467	315
Deferred gains or losses on hedges	44	21
Remeasurements of defined benefit plans	8	8
Total accumulated other comprehensive income	520	345
Total net assets	61,756	59,232
Total liabilities and net assets	90,593	82,629

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, 2020	Three months ended June 30, 2021
Net sales	19,640	19,968
Cost of sales	9,142	14,198
Gross profit	10,497	5,770
Selling, general and administrative expenses	6,235	6,188
Operating profit (loss)	4,262	(418)
Non-operating income		
Interest income	0	12
Dividend income	29	25
Foreign exchange gains	21	20
Share of profit of entities accounted for using equity method	77	34
Subsidy income	15	19
Other	3	12
Total non-operating income	147	125
Non-operating expenses		
Commission expenses	-	29
Other	1	1
Total non-operating expenses	1	30
Ordinary profit (loss)	4,408	(322)
Extraordinary losses		
Loss on retirement of non-current assets	0	0
Total extraordinary losses	0	0
Profit (loss) before income taxes	4,408	(323)
Income taxes - current	1,326	124
Income taxes - deferred	17	(262)
Total income taxes	1,343	(137)
Profit (loss)	3,065	(185)
Profit (loss) attributable to owners of parent	3,065	(185)

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2020	Three months ended June 30, 2021
Profit (loss)	3,065	(185)
Other comprehensive income		
Valuation difference on available-for-sale securities	60	(151)
Deferred gains or losses on hedges	0	(13)
Remeasurements of defined benefit plans, net of tax	0	(0)
Share of other comprehensive income of entities accounted for using equity method	(1)	(9)
Total other comprehensive income	59	(174)
Comprehensive income	3,125	(360)
Comprehensive income attributable to Comprehensive income attributable to owners of parent	3,125	(360)