

Translation

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## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2021 (Based on Japanese GAAP)

October 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  
 &General Affairs Division Mototaka Yamaguchi TEL 03-4330-8080  
 Inquiries: Mototaka Yamaguchi  
 Scheduled date to file Quarterly Securities Report: November 12, 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 six months ended September 30, 2021 (from April 1, 2021 to September 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	%
Six months ended September 30, 2021	40,185	2.1	1,537	(80.1)	1,780	(78.0)	1,299	(77.0)
Six months ended September 30, 2020	39,376	(4.1)	7,735	68.5	8,104	63.5	5,663	63.7

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2021	48.04		–	
Six months ended September 30, 2020	209.70		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2021	89,820	60,890	67.8
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				
Year ended March 31, 2021	–	0.00	–	80.00	80.00
Year ending March 31, 2022	–	0.00	–	–	–
Year ending March 31, 2022 (Forecast)	–	–	–	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
Full year	79,400	0.3	2,800	(58.8)	3,000	(56.7)	2,000	(32.0)	73.87

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 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 September 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 September 30, 2021	1,756,014 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)

Six months ended September 30, 2021	27,057,825 shares	Six months ended September 30, 2020	27,009,578 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2021	As of September 30, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	25,892	23,669
Notes and accounts receivable - trade	5,214	6,236
Merchandise and finished goods	54	47
Broadcasting licenses	23,040	24,526
Work in process	22	22
Supplies	45	45
Other	2,844	2,625
Allowance for doubtful accounts	(80)	(74)
Total current assets	57,033	57,099
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,944	4,802
Machinery and equipment, net	5,546	5,187
Tools, furniture and fixtures, net	1,844	1,784
Construction in progress	369	502
Other, net	28	37
Total property, plant and equipment	12,733	12,315
Intangible assets		
Leasehold interests in land	5,011	5,011
Other	3,325	3,103
Total intangible assets	8,337	8,114
Investments and other assets		
Investment securities	9,136	8,973
Deferred tax assets	2,077	2,056
Other	1,653	1,586
Allowance for doubtful accounts	(378)	(324)
Total investments and other assets	12,489	12,291
Total non-current assets	33,560	32,721
Total assets	90,593	89,820

(Millions of yen)

	As of March 31, 2021	As of September 30, 2021
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	18,763	21,100
Income taxes payable	1,114	387
Provision for bonuses	148	59
Other	6,641	5,220
Total current liabilities	26,667	26,768
Non-current liabilities		
Retirement benefit liability	2,043	2,043
Other	126	117
Total non-current liabilities	2,169	2,161
Total liabilities	28,837	28,930
<b>Net assets</b>		
Shareholders' equity		
Share capital	5,000	5,000
Capital surplus	2,777	2,811
Retained earnings	56,461	55,598
Treasury shares	(3,002)	(2,919)
Total shareholders' equity	61,236	60,491
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	467	343
Deferred gains or losses on hedges	44	47
Remeasurements of defined benefit plans	8	8
Total accumulated other comprehensive income	520	399
Total net assets	61,756	60,890
<b>Total liabilities and net assets</b>	<b>90,593</b>	<b>89,820</b>

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

**Consolidated statements of income (cumulative)**

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Net sales	39,376	40,185
Cost of sales	18,855	26,260
Gross profit	20,521	13,924
Selling, general and administrative expenses	12,786	12,387
Operating profit	7,735	1,537
Non-operating income		
Interest income	7	14
Foreign exchange gains	41	52
Share of profit of entities accounted for using equity method	211	98
Subsidy income	71	28
Other	40	90
Total non-operating income	373	283
Non-operating expenses		
Commission expenses	–	36
Other	4	4
Total non-operating expenses	4	40
Ordinary profit	8,104	1,780
Extraordinary losses		
Loss on retirement of non-current assets	14	0
Total extraordinary losses	14	0
Profit before income taxes	8,089	1,780
Income taxes - current	2,413	369
Income taxes - deferred	12	110
Total income taxes	2,425	480
Profit	5,663	1,299
Profit attributable to owners of parent	5,663	1,299

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Profit	5,663	1,299
Other comprehensive income		
Valuation difference on available-for-sale securities	81	(123)
Deferred gains or losses on hedges	(58)	(4)
Remeasurements of defined benefit plans, net of tax	0	(0)
Share of other comprehensive income of entities accounted for using equity method	4	7
Total other comprehensive income	27	(120)
Comprehensive income	5,691	1,179
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,691	1,179

## Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Cash flows from operating activities		
Profit before income taxes	8,089	1,780
Depreciation	1,369	1,642
Amortization of goodwill	33	–
Increase (decrease) in allowance for doubtful accounts	(17)	(59)
Increase (decrease) in provision for bonuses	(9)	(88)
Increase (decrease) in retirement benefit liability	(117)	(0)
Interest and dividend income	(36)	(40)
Foreign exchange losses (gains)	78	(39)
Share of loss (profit) of entities accounted for using equity method	(111)	(39)
Loss on retirement of non-current assets	14	0
Decrease (increase) in trade receivables	567	(1,021)
Increase (decrease) in unearned revenue	(12)	(16)
Decrease (increase) in inventories	(2,267)	(1,480)
Increase (decrease) in trade payables	1,484	2,323
Increase (decrease) in accrued consumption taxes	(783)	820
Decrease (increase) in other assets	(6)	161
Increase (decrease) in other liabilities	(765)	(1,194)
Subtotal	7,510	2,748
Interest and dividends received	36	40
Income taxes paid	(1,454)	(1,106)
Net cash provided by (used in) operating activities	6,093	1,681
Cash flows from investing activities		
Payments into time deposits	(3,931)	(3,384)
Proceeds from withdrawal of time deposits	1,369	3,710
Purchase of property, plant and equipment	(2,074)	(1,422)
Purchase of intangible assets	(373)	(342)
Purchase of shares of subsidiaries and associates	–	(0)
Loan advances	(0)	(0)
Proceeds from collection of loans receivable	–	1
Payments of leasehold and guarantee deposits	(248)	(4)
Proceeds from refund of leasehold and guarantee deposits	0	7
Net cash provided by (used in) investing activities	(5,257)	(1,435)
Cash flows from financing activities		
Repayments of finance lease obligations	(19)	(19)
Dividends paid	(2,159)	(2,163)
Net cash provided by (used in) financing activities	(2,178)	(2,182)
Effect of exchange rate change on cash and cash equivalents	9	3
Net increase (decrease) in cash and cash equivalents	(1,332)	(1,932)
Cash and cash equivalents at beginning of period	28,288	22,151
Cash and cash equivalents at end of period	26,955	20,219