

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2021 (Based on Japanese GAAP)

January 31, 2022

Company name: WOWOW INC.
 Stock exchange listing: Tokyo
 Stock code: 4839 URL <https://corporate.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: February 14, 2022
 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, 2021 (from April 1, 2021 to December 31, 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	%
Nine months ended December 31, 2021	59,621	0.7	4,690	(54.1)	4,948	(52.4)	3,520	(49.7)
Nine months ended December 31, 2020	59,187	(4.0)	10,220	31.8	10,401	26.6	6,999	22.4

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2021	129.59		–	
Nine months ended December 31, 2020	259.05		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2021	93,456	66,097	70.7
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				
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)	72.64

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 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 December 31, 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 December 31, 2021	187,714 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)

Nine months ended December 31, 2021	27,165,370 shares	Nine months ended December 31, 2020	27,019,328 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2021	As of December 31, 2021
Assets		
Current assets		
Cash and deposits	25,892	28,853
Notes and accounts receivable - trade	5,214	–
Notes and accounts receivable - trade, and contract assets	–	6,195
Merchandise and finished goods	54	14
Broadcasting licenses	23,040	23,188
Work in process	22	22
Supplies	45	47
Other	2,844	2,787
Allowance for doubtful accounts	(80)	(74)
Total current assets	57,033	61,035
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,944	4,707
Machinery and equipment, net	5,546	5,074
Tools, furniture and fixtures, net	1,844	2,423
Construction in progress	369	22
Other, net	28	40
Total property, plant and equipment	12,733	12,267
Intangible assets		
Leasehold interests in land	5,011	5,011
Other	3,325	2,949
Total intangible assets	8,337	7,960
Investments and other assets		
Investment securities	9,136	8,880
Deferred tax assets	2,077	2,096
Other	1,653	1,554
Allowance for doubtful accounts	(378)	(338)
Total investments and other assets	12,489	12,193
Total non-current assets	33,560	32,421
Total assets	90,593	93,456

(Millions of yen)

	As of March 31, 2021	As of December 31, 2021
Liabilities		
Current liabilities		
Accounts payable - trade	18,763	19,212
Income taxes payable	1,114	318
Provision for bonuses	148	29
Other	6,641	5,605
Total current liabilities	26,667	25,165
Non-current liabilities		
Retirement benefit liability	2,043	2,080
Other	126	112
Total non-current liabilities	2,169	2,193
Total liabilities	28,837	27,358
Net assets		
Shareholders' equity		
Share capital	5,000	5,000
Capital surplus	2,777	3,240
Retained earnings	56,461	57,819
Treasury shares	(3,002)	(312)
Total shareholders' equity	61,236	65,747
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	467	280
Deferred gains or losses on hedges	44	61
Remeasurements of defined benefit plans	8	7
Total accumulated other comprehensive income	520	350
Total net assets	61,756	66,097
Total liabilities and net assets	90,593	93,456

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, 2020	Nine months ended December 31, 2021
Net sales	59,187	59,621
Cost of sales	29,923	36,727
Gross profit	29,264	22,894
Selling, general and administrative expenses	19,044	18,203
Operating profit	10,220	4,690
Non-operating income		
Interest income	8	14
Foreign exchange gains	53	76
Share of profit of entities accounted for using equity method	165	86
Subsidy income	83	35
Other	68	103
Total non-operating income	377	316
Non-operating expenses		
Provision of allowance for doubtful accounts	189	–
Commission expenses	–	42
Other	6	15
Total non-operating expenses	196	58
Ordinary profit	10,401	4,948
Extraordinary income		
Gain on sale of non-current assets	0	–
Total extraordinary income	0	–
Extraordinary losses		
Loss on retirement of non-current assets	33	1
Loss on valuation of shares of subsidiaries and associates	177	–
Total extraordinary losses	210	1
Profit before income taxes	10,190	4,947
Income taxes - current	3,043	1,334
Income taxes - deferred	148	92
Total income taxes	3,191	1,427
Profit	6,999	3,520
Profit attributable to owners of parent	6,999	3,520

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Profit	6,999	3,520
Other comprehensive income		
Valuation difference on available-for-sale securities	98	(186)
Deferred gains or losses on hedges	(123)	2
Remeasurements of defined benefit plans, net of tax	0	(0)
Share of other comprehensive income of entities accounted for using equity method	(55)	15
Total other comprehensive income	(80)	(169)
Comprehensive income	6,918	3,350
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,918	3,350