

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2022 (Based on Japanese GAAP)

May 13, 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 TEL 03-4330-8080
 Scheduled date of ordinary general meeting of shareholders: June 22, 2022
 Scheduled date to file Securities Report: June 23, 2022
 Scheduled date to commence dividend payments: June 6, 2022
 Preparation of supplementary material on financial results: Yes
 Holding of 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 year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(1) Consolidated operating results

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 | % |
| Year ended March 31, 2022 | 79,657 | 0.6 | 5,268 | (22.4) | 5,349 | (22.9) | 4,239 | 44.1 |
| Year ended March 31, 2021 | 79,165 | (4.0) | 6,789 | (20.0) | 6,934 | (24.8) | 2,942 | (42.0) |

| | Earnings per share | Diluted earnings per share | Profit attributable to owners of parent/equity | Ordinary profit/total assets | Operating profit/net sales |
|---------------------------|--------------------|----------------------------|--|------------------------------|----------------------------|
| | Yen | Yen | % | % | % |
| Year ended March 31, 2022 | 154.00 | – | 6.6 | 5.6 | 6.6 |
| Year ended March 31, 2021 | 108.89 | – | 4.8 | 7.7 | 8.6 |

(2) Consolidated financial position

| | Total assets | Net assets | Equity ratio | Net assets per share |
|----------------------|-----------------|-----------------|--------------|----------------------|
| | Millions of yen | Millions of yen | % | Yen |
| As of March 31, 2022 | 99,652 | 66,956 | 67.2 | 2,336.50 |
| As of March 31, 2021 | 90,593 | 61,756 | 68.2 | 2,284.05 |

(3) Consolidated cash flows

| | Cash flows from operating activities | Cash flows from investing activities | Cash flows from financing activities | Cash and cash equivalents at end of period |
|---------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--|
| | Millions of yen | Millions of yen | Millions of yen | Millions of yen |
| Year ended March 31, 2022 | 6,422 | (2,112) | 852 | 27,333 |
| Year ended March 31, 2021 | 5,961 | (9,948) | (2,196) | 22,151 |

2. Cash dividends

| | Annual dividends per share | | | | | Total cash dividends (Total) | Dividend payout ratio (Consolidated) | Ratio of dividends to net assets (Consolidated) |
|---------------------------------------|----------------------------|-----------------|-----------------|-----------------|-------|------------------------------|--------------------------------------|---|
| | 1st quarter-end | 2nd quarter-end | 3rd quarter-end | Fiscal year-end | Total | | | |
| | Yen | Yen | Yen | Yen | Yen | Millions of yen | % | % |
| Year ended March 31, 2021 | – | 0.00 | – | 80.00 | 80.00 | 2,163 | 73.5 | 3.5 |
| Year ended March 31, 2022 | – | 0.00 | – | 60.00 | 60.00 | 1,719 | 39.0 | 2.6 |
| Year ending March 31, 2023 (Forecast) | – | 0.00 | – | 50.00 | 50.00 | | 89.6 | |

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

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, 2022 | 38,300 | (4.7) | 200 | (87.0) | 200 | (88.8) | 30 | (97.7) | 1.05 |
| Full year | 76,500 | (4.0) | 2,300 | (56.3) | 2,500 | (53.3) | 1,600 | (62.3) | 55.83 |

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2022

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) 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

(3) Number of issued shares (common shares)

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

| | | | |
|----------------------|-------------------|----------------------|-------------------|
| As of March 31, 2022 | 28,844,400 shares | As of March 31, 2021 | 28,844,400 shares |
|----------------------|-------------------|----------------------|-------------------|

Number of treasury shares at the end of the period

| | | | |
|----------------------|----------------|----------------------|------------------|
| As of March 31, 2022 | 187,714 shares | As of March 31, 2021 | 1,806,398 shares |
|----------------------|----------------|----------------------|------------------|

Average number of shares during the period

| | | | |
|---------------------------|-------------------|---------------------------|-------------------|
| Year ended March 31, 2022 | 27,533,092 shares | Year ended March 31, 2021 | 27,024,093 shares |
|---------------------------|-------------------|---------------------------|-------------------|

Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

| | As of March 31, 2021 | As of March 31, 2022 |
|--|----------------------|----------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 25,892 | 30,742 |
| Notes and accounts receivable - trade | 5,214 | – |
| Accounts receivable - trade | – | 6,422 |
| Merchandise and finished goods | 54 | 8 |
| Broadcasting licenses | 23,040 | 26,838 |
| Work in process | 22 | 16 |
| Supplies | 45 | 50 |
| Prepaid expenses | 1,305 | 1,174 |
| Other | 1,539 | 1,757 |
| Allowance for doubtful accounts | (80) | (67) |
| Total current assets | 57,033 | 66,942 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures | 9,318 | 9,368 |
| Accumulated depreciation | (4,374) | (4,726) |
| Buildings and structures, net | 4,944 | 4,641 |
| Machinery and equipment | 16,276 | 16,812 |
| Accumulated depreciation | (10,730) | (11,584) |
| Machinery and equipment, net | 5,546 | 5,227 |
| Tools, furniture and fixtures | 4,397 | 5,163 |
| Accumulated depreciation | (2,552) | (2,937) |
| Tools, furniture and fixtures, net | 1,844 | 2,225 |
| Construction in progress | 369 | 91 |
| Other, net | 28 | 34 |
| Total property, plant and equipment | 12,733 | 12,221 |
| Intangible assets | | |
| Leasehold interests in land | 5,011 | 5,011 |
| Software | 3,132 | 2,934 |
| Other | 193 | 159 |
| Total intangible assets | 8,337 | 8,105 |
| Investments and other assets | | |
| Investment securities | 9,136 | 9,088 |
| Leasehold and guarantee deposits | 993 | 885 |
| Deferred tax assets | 2,077 | 2,213 |
| Other | 659 | 547 |
| Allowance for doubtful accounts | (378) | (351) |
| Total investments and other assets | 12,489 | 12,383 |
| Total non-current assets | 33,560 | 32,710 |
| Total assets | 90,593 | 99,652 |

(Millions of yen)

| | As of March 31, 2021 | As of March 31, 2022 |
|---|----------------------|----------------------|
| Liabilities | | |
| Current liabilities | | |
| Accounts payable - trade | 18,763 | 23,538 |
| Accounts payable - other | 1,543 | 1,960 |
| Accrued expenses | 4,534 | 3,901 |
| Income taxes payable | 1,114 | 380 |
| Provision for bonuses | 148 | 56 |
| Other | 564 | 728 |
| Total current liabilities | 26,667 | 30,566 |
| Non-current liabilities | | |
| Retirement benefit liability | 2,043 | 2,026 |
| Other | 126 | 103 |
| Total non-current liabilities | 2,169 | 2,130 |
| Total liabilities | 28,837 | 32,696 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 5,000 | 5,000 |
| Capital surplus | 2,777 | 3,240 |
| Retained earnings | 56,461 | 58,538 |
| Treasury shares | (3,002) | (312) |
| Total shareholders' equity | 61,236 | 66,467 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 467 | 345 |
| Deferred gains or losses on hedges | 44 | 111 |
| Remeasurements of defined benefit plans | 8 | 32 |
| Total accumulated other comprehensive income | 520 | 489 |
| Total net assets | 61,756 | 66,956 |
| Total liabilities and net assets | 90,593 | 99,652 |

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

| | Fiscal year ended March 31, 2021 | Fiscal year ended March 31, 2022 |
|---|-------------------------------------|-------------------------------------|
| Net sales | 79,165 | 79,657 |
| Cost of sales | 44,803 | 48,909 |
| Gross profit | 34,362 | 30,748 |
| Selling, general and administrative expenses | 27,572 | 25,479 |
| Operating profit | 6,789 | 5,268 |
| Non-operating income | | |
| Interest income | 11 | 16 |
| Dividend income | 45 | 41 |
| Foreign exchange gains | 90 | – |
| Share of profit of entities accounted for using equity method | 236 | 139 |
| Subsidy income | 93 | 35 |
| Other | 27 | 55 |
| Total non-operating income | 505 | 288 |
| Non-operating expenses | | |
| Provision of allowance for doubtful accounts | 353 | – |
| Commission expenses | – | 49 |
| Foreign exchange losses | – | 138 |
| Other | 7 | 20 |
| Total non-operating expenses | 360 | 207 |
| Ordinary profit | 6,934 | 5,349 |
| Extraordinary income | | |
| Gain on sale of non-current assets | 0 | 0 |
| Gain on sale of investment securities | – | 56 |
| Total extraordinary income | 0 | 56 |
| Extraordinary losses | | |
| Loss on retirement of non-current assets | 72 | 13 |
| Impairment losses | 2,131 | – |
| Loss on valuation of shares of subsidiaries and associates | 177 | – |
| Total extraordinary losses | 2,381 | 13 |
| Profit before income taxes | 4,553 | 5,392 |
| Income taxes - current | 2,287 | 1,229 |
| Income taxes - deferred | (677) | (76) |
| Total income taxes | 1,610 | 1,152 |
| Profit | 2,942 | 4,239 |
| Profit attributable to owners of parent | 2,942 | 4,239 |

Consolidated statements of comprehensive income

(Millions of yen)

| | Fiscal year ended March 31, 2021 | Fiscal year ended March 31, 2022 |
|--|-------------------------------------|-------------------------------------|
| Profit | 2,942 | 4,239 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 303 | (122) |
| Deferred gains or losses on hedges | 5 | 28 |
| Remeasurements of defined benefit plans, net of tax | 9 | 24 |
| Share of other comprehensive income of entities accounted for using equity method | (18) | 38 |
| Total other comprehensive income | 299 | (30) |
| Comprehensive income | 3,241 | 4,209 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 3,241 | 4,209 |

Consolidated statements of changes in equity

Fiscal year ended March 31, 2021

(Millions of yen)

| | Shareholders' equity | | | | |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
| | Share capital | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period | 5,000 | 2,738 | 55,678 | (3,081) | 60,334 |
| Changes during period | | | | | |
| Dividends of surplus | | | (2,159) | | (2,159) |
| Profit attributable to owners of parent | | | 2,942 | | 2,942 |
| Purchase of treasury shares | | | | (0) | (0) |
| Disposal of treasury shares | | 38 | | 79 | 118 |
| Net changes in items other than shareholders' equity | | | | | |
| Total changes during period | – | 38 | 783 | 78 | 901 |
| Balance at end of period | 5,000 | 2,777 | 56,461 | (3,002) | 61,236 |

| | Accumulated other comprehensive income | | | | Total net assets |
|--|---|------------------------------------|---|--|------------------|
| | Valuation difference on available-for-sale securities | Deferred gains or losses on hedges | Remeasurements of defined benefit plans | Total accumulated other comprehensive income | |
| Balance at beginning of period | 163 | 57 | (0) | 220 | 60,555 |
| Changes during period | | | | | |
| Dividends of surplus | | | | | (2,159) |
| Profit attributable to owners of parent | | | | | 2,942 |
| Purchase of treasury shares | | | | | (0) |
| Disposal of treasury shares | | | | | 118 |
| Net changes in items other than shareholders' equity | 303 | (13) | 9 | 299 | 299 |
| Total changes during period | 303 | (13) | 9 | 299 | 1,200 |
| Balance at end of period | 467 | 44 | 8 | 520 | 61,756 |

Fiscal year ended March 31, 2022

(Millions of yen)

| | Shareholders' equity | | | | |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
| | Share capital | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period | 5,000 | 2,777 | 56,461 | (3,002) | 61,236 |
| Changes during period | | | | | |
| Dividends of surplus | | | (2,163) | | (2,163) |
| Profit attributable to owners of parent | | | 4,239 | | 4,239 |
| Disposal of treasury shares | | 463 | | 2,690 | 3,153 |
| Net changes in items other than shareholders' equity | | | | | |
| Total changes during period | – | 463 | 2,076 | 2,690 | 5,230 |
| Balance at end of period | 5,000 | 3,240 | 58,538 | (312) | 66,467 |

| | Accumulated other comprehensive income | | | | Total net assets |
|--|---|------------------------------------|---|--|------------------|
| | Valuation difference on available-for-sale securities | Deferred gains or losses on hedges | Remeasurements of defined benefit plans | Total accumulated other comprehensive income | |
| Balance at beginning of period | 467 | 44 | 8 | 520 | 61,756 |
| Changes during period | | | | | |
| Dividends of surplus | | | | | (2,163) |
| Profit attributable to owners of parent | | | | | 4,239 |
| Disposal of treasury shares | | | | | 3,153 |
| Net changes in items other than shareholders' equity | (122) | 67 | 24 | (30) | (30) |
| Total changes during period | (122) | 67 | 24 | (30) | 5,200 |
| Balance at end of period | 345 | 111 | 32 | 489 | 66,956 |

Consolidated statements of cash flows

(Millions of yen)

| | Fiscal year ended March 31, 2021 | Fiscal year ended March 31, 2022 |
|--|-------------------------------------|-------------------------------------|
| Cash flows from operating activities | | |
| Profit before income taxes | 4,553 | 5,392 |
| Depreciation | 3,314 | 3,500 |
| Amortization of goodwill | 67 | – |
| Increase (decrease) in allowance for doubtful accounts | 330 | (39) |
| Increase (decrease) in provision for bonuses | (4) | (91) |
| Increase (decrease) in retirement benefit liability | (95) | 18 |
| Interest and dividend income | (56) | (58) |
| Foreign exchange losses (gains) | (126) | (373) |
| Share of loss (profit) of entities accounted for using equity method | (136) | (80) |
| Loss on retirement of non-current assets | 72 | 13 |
| Loss (gain) on sale of non-current assets | (0) | (0) |
| Loss (gain) on sale of investment securities | – | (56) |
| Impairment losses | 2,131 | – |
| Loss on valuation of shares of subsidiaries and associates | 177 | – |
| Decrease (increase) in trade receivables | 336 | (1,208) |
| Decrease (increase) in inventories | (1,134) | (3,750) |
| Increase (decrease) in trade payables | (111) | 4,765 |
| Increase (decrease) in accrued consumption taxes | (876) | 862 |
| Decrease (increase) in other assets | (336) | 88 |
| Increase (decrease) in other liabilities | 580 | (391) |
| Other, net | (0) | 1 |
| Subtotal | 8,686 | 8,593 |
| Interest and dividends received | 56 | 58 |
| Income taxes paid | (2,780) | (2,228) |
| Net cash provided by (used in) operating activities | 5,961 | 6,422 |
| Cash flows from investing activities | | |
| Payments into time deposits | (5,313) | (4,963) |
| Proceeds from withdrawal of time deposits | 3,066 | 5,649 |
| Purchase of property, plant and equipment | (5,660) | (2,319) |
| Proceeds from sale of property, plant and equipment | 0 | 0 |
| Purchase of intangible assets | (1,706) | (581) |
| Purchase of investment securities | – | (39) |
| Proceeds from sale of investment securities | – | 56 |
| Payments of leasehold and guarantee deposits | (270) | (14) |
| Proceeds from refund of leasehold and guarantee deposits | 95 | 17 |
| Proceeds from collection of loans receivable | – | 81 |
| Other, net | (160) | (0) |
| Net cash provided by (used in) investing activities | (9,948) | (2,112) |

(Millions of yen)

| | Fiscal year ended March 31, 2021 | Fiscal year ended March 31, 2022 |
|---|-------------------------------------|-------------------------------------|
| Cash flows from financing activities | | |
| Repayments of finance lease liabilities | (36) | (20) |
| Purchase of treasury shares | (0) | – |
| Proceeds from sale of treasury shares | – | 3,035 |
| Dividends paid | (2,159) | (2,163) |
| Net cash provided by (used in) financing activities | (2,196) | 852 |
| Effect of exchange rate change on cash and cash equivalents | 46 | 18 |
| Net increase (decrease) in cash and cash equivalents | (6,136) | 5,181 |
| Cash and cash equivalents at beginning of period | 28,288 | 22,151 |
| Cash and cash equivalents at end of period | 22,151 | 27,333 |