

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2022 (Based on Japanese GAAP)

October 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: November 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 six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)

(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, 2022	38,463	(4.3)	2,131	38.6	2,065	16.0	1,333	2.6
Six months ended September 30, 2021	40,185	2.1	1,537	(80.1)	1,780	(78.0)	1,299	(77.0)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2022	46.50		–	
Six months ended September 30, 2021	48.04		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2022	92,942	66,684	71.7
As of March 31, 2022	99,652	66,956	67.2

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, 2022	–	0.00	–	60.00	60.00
Year ending March 31, 2023	–	0.00	–	–	–
Year ending March 31, 2023 (Forecast)	–	–	–	50.00	50.00

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
Full year	76,500	(4.0)	2,300	(56.3)	2,500	(53.3)	1,600	(62.3)	55.77

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2022
(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 September 30, 2022	28,844,400 shares	As of March 31, 2022	28,844,400 shares
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Number of treasury shares at the end of the period

As of September 30, 2022	138,363 shares	As of March 31, 2022	187,714 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, 2022	28,676,103 shares	Six months ended September 30, 2021	27,057,825 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	30,742	29,911
Accounts receivable - trade	6,422	6,203
Merchandise and finished goods	8	3
Broadcasting licenses	26,838	21,985
Work in process	16	25
Supplies	50	55
Other	2,931	3,363
Allowance for doubtful accounts	(67)	(63)
Total current assets	66,942	61,484
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,641	4,491
Machinery and equipment, net	5,227	4,768
Tools, furniture and fixtures, net	2,225	2,007
Construction in progress	91	25
Other, net	34	34
Total property, plant and equipment	12,221	11,327
Intangible assets		
Leasehold interests in land	5,011	5,011
Other	3,093	2,953
Total intangible assets	8,105	7,964
Investments and other assets		
Investment securities	9,088	9,163
Deferred tax assets	2,213	2,047
Other	1,432	979
Allowance for doubtful accounts	(351)	(24)
Total investments and other assets	12,383	12,165
Total non-current assets	32,710	31,457
Total assets	99,652	92,942

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Liabilities		
Current liabilities		
Accounts payable - trade	23,538	18,285
Income taxes payable	380	538
Provisions	56	71
Other	6,590	5,232
Total current liabilities	30,566	24,127
Non-current liabilities		
Retirement benefit liability	2,026	2,042
Other	103	87
Total non-current liabilities	2,130	2,130
Total liabilities	32,696	26,257
Net assets		
Shareholders' equity		
Share capital	5,000	5,000
Capital surplus	3,240	3,230
Retained earnings	58,538	58,152
Treasury shares	(312)	(230)
Total shareholders' equity	66,467	66,153
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	345	334
Deferred gains or losses on hedges	111	164
Remeasurements of defined benefit plans	32	31
Total accumulated other comprehensive income	489	530
Total net assets	66,956	66,684
Total liabilities and net assets	99,652	92,942

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, 2021	Six months ended September 30, 2022
Net sales	40,185	38,463
Cost of sales	27,019	25,376
Gross profit	13,166	13,086
Selling, general and administrative expenses	11,628	10,955
Operating profit	1,537	2,131
Non-operating income		
Interest income	14	14
Foreign exchange gains	52	–
Share of profit of entities accounted for using equity method	98	120
Subsidy income	28	25
Other	90	37
Total non-operating income	283	198
Non-operating expenses		
Foreign exchange losses	–	228
Other	40	36
Total non-operating expenses	40	264
Ordinary profit	1,780	2,065
Extraordinary income		
Gain on sale of non-current assets	–	0
Total extraordinary income	–	0
Extraordinary losses		
Loss on retirement of non-current assets	0	1
Total extraordinary losses	0	1
Profit before income taxes	1,780	2,063
Income taxes - current	369	551
Income taxes - deferred	110	179
Total income taxes	480	730
Profit	1,299	1,333
Profit attributable to owners of parent	1,299	1,333

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Profit	1,299	1,333
Other comprehensive income		
Valuation difference on available-for-sale securities	(123)	(10)
Deferred gains or losses on hedges	(4)	33
Remeasurements of defined benefit plans, net of tax	(0)	(1)
Share of other comprehensive income of entities accounted for using equity method	7	20
Total other comprehensive income	(120)	41
Comprehensive income	1,179	1,375
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,179	1,375

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Cash flows from operating activities		
Profit before income taxes	1,780	2,063
Depreciation	1,642	1,805
Increase (decrease) in allowance for doubtful accounts	(59)	(4)
Increase (decrease) in other provisions	(88)	14
Increase (decrease) in retirement benefit liability	(0)	13
Interest and dividend income	(40)	(41)
Foreign exchange losses (gains)	(39)	(611)
Share of loss (profit) of entities accounted for using equity method	(39)	(91)
Loss on retirement of non-current assets	0	1
Loss (gain) on sale of property, plant and equipment	–	(0)
Decrease (increase) in trade receivables	(1,021)	218
Increase (decrease) in unearned revenue	(16)	14
Decrease (increase) in inventories	(1,480)	4,843
Increase (decrease) in trade payables	2,323	(4,834)
Increase (decrease) in accrued consumption taxes	820	(198)
Decrease (increase) in other assets	161	(572)
Increase (decrease) in other liabilities	(1,194)	(980)
Other, net	–	13
Subtotal	2,748	1,654
Interest and dividends received	40	41
Income taxes paid	(1,106)	(129)
Net cash provided by (used in) operating activities	1,681	1,566
Cash flows from investing activities		
Payments into time deposits	(3,384)	(3,325)
Proceeds from withdrawal of time deposits	3,710	3,706
Purchase of property, plant and equipment	(1,422)	(810)
Proceeds from sale of property, plant and equipment	–	0
Purchase of intangible assets	(342)	(508)
Purchase of shares of subsidiaries and associates	(0)	–
Loan advances	(0)	–
Proceeds from collection of loans receivable	1	30
Payments of leasehold and guarantee deposits	(4)	(0)
Proceeds from refund of leasehold and guarantee deposits	7	8
Net cash provided by (used in) investing activities	(1,435)	(899)
Cash flows from financing activities		
Repayments of finance lease liabilities	(19)	(9)
Dividends paid	(2,163)	(1,719)
Net cash provided by (used in) financing activities	(2,182)	(1,728)
Effect of exchange rate change on cash and cash equivalents	3	36
Net increase (decrease) in cash and cash equivalents	(1,932)	(1,024)
Cash and cash equivalents at beginning of period	22,151	27,333
Cash and cash equivalents at end of period	20,219	26,308