

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2022 (Based on Japanese GAAP)

January 31, 2023

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
 Inquiries: &General Affairs Division Mototaka Yamaguchi TEL 03-4330-8080
 Scheduled date to file Quarterly Securities Report: February 14, 2023
 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, 2022 (from April 1, 2022 to December 31, 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 | % |
| Nine months ended December 31, 2022 | 57,633 | (3.3) | 4,131 | (11.9) | 4,181 | (15.5) | 2,807 | (20.2) |
| Nine months ended December 31, 2021 | 59,621 | 0.7 | 4,690 | (54.1) | 4,948 | (52.4) | 3,520 | (49.7) |

| | Earnings per share | | Diluted earnings per share | |
|-------------------------------------|--------------------|--|----------------------------|--|
| | Yen | | Yen | |
| Nine months ended December 31, 2022 | 97.88 | | – | |
| Nine months ended December 31, 2021 | 129.59 | | – | |

(2) Consolidated financial position

| | Total assets | Net assets | Equity ratio |
|-------------------------|-----------------|-----------------|--------------|
| | Millions of yen | Millions of yen | % |
| As of December 31, 2022 | 99,727 | 68,005 | 68.2 |
| 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 nine months ended December 31, 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 December 31, 2022 | 28,844,400 shares | As of March 31, 2022 | 28,844,400 shares |
|-------------------------|-------------------|----------------------|-------------------|

Number of treasury shares at the end of the period

| | | | |
|-------------------------|----------------|----------------------|----------------|
| As of December 31, 2022 | 138,363 shares | As of March 31, 2022 | 187,714 shares |
|-------------------------|----------------|----------------------|----------------|

Average number of shares during the period (cumulative from the beginning of the fiscal year)

| | | | |
|-------------------------------------|-------------------|-------------------------------------|-------------------|
| Nine months ended December 31, 2022 | 28,686,117 shares | Nine months ended December 31, 2021 | 27,165,370 shares |
|-------------------------------------|-------------------|-------------------------------------|-------------------|

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

| | As of March 31, 2022 | As of December 31, 2022 |
|-------------------------------------|----------------------|-------------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 30,742 | 31,372 |
| Accounts receivable - trade | 6,422 | 6,034 |
| Merchandise and finished goods | 8 | 3 |
| Broadcasting licenses | 26,838 | 27,613 |
| Work in process | 16 | 19 |
| Supplies | 50 | 59 |
| Other | 2,931 | 3,858 |
| Allowance for doubtful accounts | (67) | (66) |
| Total current assets | 66,942 | 68,896 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 4,641 | 4,418 |
| Machinery and equipment, net | 5,227 | 4,695 |
| Tools, furniture and fixtures, net | 2,225 | 1,856 |
| Construction in progress | 91 | 82 |
| Other, net | 34 | 31 |
| Total property, plant and equipment | 12,221 | 11,083 |
| Intangible assets | | |
| Leasehold interests in land | 5,011 | 5,011 |
| Other | 3,093 | 2,921 |
| Total intangible assets | 8,105 | 7,932 |
| Investments and other assets | | |
| Investment securities | 9,088 | 9,124 |
| Deferred tax assets | 2,213 | 1,763 |
| Other | 1,432 | 952 |
| Allowance for doubtful accounts | (351) | (24) |
| Total investments and other assets | 12,383 | 11,815 |
| Total non-current assets | 32,710 | 30,831 |
| Total assets | 99,652 | 99,727 |

(Millions of yen)

| | As of March 31, 2022 | As of December 31, 2022 |
|---|----------------------|-------------------------|
| Liabilities | | |
| Current liabilities | | |
| Accounts payable - trade | 23,538 | 23,685 |
| Income taxes payable | 380 | 207 |
| Provisions | 56 | 28 |
| Other | 6,590 | 5,611 |
| Total current liabilities | 30,566 | 29,533 |
| Non-current liabilities | | |
| Retirement benefit liability | 2,026 | 2,042 |
| Other | 103 | 145 |
| Total non-current liabilities | 2,130 | 2,188 |
| Total liabilities | 32,696 | 31,721 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 5,000 | 5,000 |
| Capital surplus | 3,240 | 3,230 |
| Retained earnings | 58,538 | 59,627 |
| Treasury shares | (312) | (230) |
| Total shareholders' equity | 66,467 | 67,628 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 345 | 248 |
| Deferred gains or losses on hedges | 111 | 98 |
| Remeasurements of defined benefit plans | 32 | 30 |
| Total accumulated other comprehensive income | 489 | 377 |
| Total net assets | 66,956 | 68,005 |
| Total liabilities and net assets | 99,652 | 99,727 |

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, 2021 | Nine months ended December 31, 2022 |
|---|--|--|
| Net sales | 59,621 | 57,633 |
| Cost of sales | 37,775 | 36,977 |
| Gross profit | 21,846 | 20,656 |
| Selling, general and administrative expenses | 17,155 | 16,525 |
| Operating profit | 4,690 | 4,131 |
| Non-operating income | | |
| Interest income | 14 | 14 |
| Foreign exchange gains | 76 | - |
| Share of profit of entities accounted for using equity method | 86 | 169 |
| Subsidy income | 35 | 27 |
| Other | 103 | 66 |
| Total non-operating income | 316 | 278 |
| Non-operating expenses | | |
| Foreign exchange losses | - | 187 |
| Other | 58 | 41 |
| Total non-operating expenses | 58 | 228 |
| Ordinary profit | 4,948 | 4,181 |
| Extraordinary income | | |
| Gain on sale of non-current assets | - | 0 |
| Total extraordinary income | - | 0 |
| Extraordinary losses | | |
| Loss on retirement of non-current assets | 1 | 8 |
| Total extraordinary losses | 1 | 8 |
| Profit before income taxes | 4,947 | 4,173 |
| Income taxes - current | 1,334 | 828 |
| Income taxes - deferred | 92 | 536 |
| Total income taxes | 1,427 | 1,365 |
| Profit | 3,520 | 2,807 |
| Profit attributable to owners of parent | 3,520 | 2,807 |

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

| | Nine months ended December 31, 2021 | Nine months ended December 31, 2022 |
|--|--|--|
| Profit | 3,520 | 2,807 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | (186) | (96) |
| Deferred gains or losses on hedges | 2 | (62) |
| Remeasurements of defined benefit plans, net of tax | (0) | (2) |
| Share of other comprehensive income of entities accounted for using equity method | 15 | 49 |
| Total other comprehensive income | (169) | (111) |
| Comprehensive income | 3,350 | 2,696 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 3,350 | 2,696 |