

Translation

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## Summary of Consolidated Financial Results for the Year Ended March 31, 2023 (Based on Japanese GAAP)

May 15, 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 Corporate Management  
 Inquiries: Division Mototaka Yamaguchi TEL 03-4330-8080  
 Scheduled date of ordinary general meeting of shareholders: June 21, 2023  
 Scheduled date to file Securities Report: June 22, 2023  
 Scheduled date to commence dividend payments: June 5, 2023  
 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, 2023 (from April 1, 2022 to March 31, 2023)

#### (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, 2023	77,101	(3.2)	3,225	(38.8)	3,547	(33.7)	2,398	(43.4)
Year ended March 31, 2022	79,657	0.6	5,268	(22.4)	5,349	(22.9)	4,239	44.1

	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, 2023	83.75	–	3.6	3.6	4.2
Year ended March 31, 2022	154.00	–	6.6	5.6	6.6

#### (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, 2023	97,046	66,828	68.9	2,377.78
As of March 31, 2022	99,652	66,956	67.2	2,336.50

#### (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, 2023	3,219	(2,303)	(2,515)	25,757
Year ended March 31, 2022	6,422	(2,112)	852	27,333

### 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, 2022	–	0.00	–	60.00	60.00	1,719	39.0	2.6
Year ended March 31, 2023	–	0.00	–	50.00	50.00	1,405	59.7	2.1
Year ending March 31, 2024 (Forecast)	–	0.00	–	30.00	30.00		52.8	

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

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, 2023	37,100	(3.5)	200	(90.6)	500	(75.8)	200	(85.0)	7.10
Full year	75,400	(2.2)	1,800	(44.2)	2,500	(29.5)	1,600	(33.3)	56.83

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2023

(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: No

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, 2023	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 March 31, 2023	739,026 shares	As of March 31, 2022	187,714 shares
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Average number of shares during the period

Year ended March 31, 2023	28,636,780 shares	Year ended March 31, 2022	27,533,092 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	30,742	28,683
Accounts receivable - trade	6,422	6,481
Merchandise and finished goods	8	5
Broadcasting licenses	26,838	25,611
Work in process	16	46
Supplies	50	57
Prepaid expenses	1,174	1,001
Other	1,757	3,159
Allowance for doubtful accounts	(67)	(64)
Total current assets	66,942	64,980
Non-current assets		
Property, plant and equipment		
Buildings and structures	9,368	9,419
Accumulated depreciation	(4,726)	(5,060)
Buildings and structures, net	4,641	4,358
Machinery and equipment	16,812	17,290
Accumulated depreciation	(11,584)	(12,314)
Machinery and equipment, net	5,227	4,976
Tools, furniture and fixtures	5,163	4,948
Accumulated depreciation	(2,937)	(3,223)
Tools, furniture and fixtures, net	2,225	1,724
Construction in progress	91	88
Other, net	34	28
Total property, plant and equipment	12,221	11,176
Intangible assets		
Leasehold interests in land	5,011	5,011
Software	2,934	2,975
Other	159	127
Total intangible assets	8,105	8,115
Investments and other assets		
Investment securities	9,088	10,043
Leasehold and guarantee deposits	885	792
Deferred tax assets	2,213	1,766
Other	547	196
Allowance for doubtful accounts	(351)	(24)
Total investments and other assets	12,383	12,774
Total non-current assets	32,710	32,065
Total assets	99,652	97,046

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - trade	23,538	21,314
Accounts payable - other	1,960	1,704
Accrued expenses	3,901	3,745
Income taxes payable	380	120
Provision for bonuses	56	55
Other	728	1,342
<b>Total current liabilities</b>	<b>30,566</b>	<b>28,282</b>
<b>Non-current liabilities</b>		
Retirement benefit liability	2,026	1,854
Other	103	80
<b>Total non-current liabilities</b>	<b>2,130</b>	<b>1,935</b>
<b>Total liabilities</b>	<b>32,696</b>	<b>30,218</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	5,000	5,000
Capital surplus	3,240	3,230
Retained earnings	58,538	59,217
Treasury shares	(312)	(1,008)
<b>Total shareholders' equity</b>	<b>66,467</b>	<b>66,440</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	345	316
Deferred gains or losses on hedges	111	42
Remeasurements of defined benefit plans	32	29
<b>Total accumulated other comprehensive income</b>	<b>489</b>	<b>387</b>
<b>Total net assets</b>	<b>66,956</b>	<b>66,828</b>
<b>Total liabilities and net assets</b>	<b>99,652</b>	<b>97,046</b>

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

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales	79,657	77,101
Cost of sales	50,305	51,201
Gross profit	29,352	25,899
Selling, general and administrative expenses	24,083	22,674
Operating profit	5,268	3,225
Non-operating income		
Interest income	16	34
Dividend income	41	44
Foreign exchange gains	–	9
Share of profit of entities accounted for using equity method	139	234
Subsidy income	35	28
Other	55	24
Total non-operating income	288	376
Non-operating expenses		
Commission expenses	49	26
Foreign exchange losses	138	–
Guarantee commission	13	18
Loss on liquidation of subsidiaries and associates	–	7
Other	6	1
Total non-operating expenses	207	53
Ordinary profit	5,349	3,547
Extraordinary income		
Gain on sale of non-current assets	0	0
Gain on sale of investment securities	56	–
Total extraordinary income	56	0
Extraordinary losses		
Loss on retirement of non-current assets	13	32
Loss on valuation of investment securities	–	36
Total extraordinary losses	13	68
Profit before income taxes	5,392	3,479
Income taxes - current	1,229	554
Income taxes - deferred	(76)	527
Total income taxes	1,152	1,081
Profit	4,239	2,398
Profit attributable to owners of parent	4,239	2,398

## Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit	4,239	2,398
Other comprehensive income		
Valuation difference on available-for-sale securities	(122)	(28)
Deferred gains or losses on hedges	28	(99)
Remeasurements of defined benefit plans, net of tax	24	(3)
Share of other comprehensive income of entities accounted for using equity method	38	30
Total other comprehensive income	(30)	(101)
Comprehensive income	4,209	2,297
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,209	2,297

## Consolidated statements of changes in equity

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

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,000	3,240	58,538	(312)	66,467
Changes during period					
Dividends of surplus			(1,719)		(1,719)
Profit attributable to owners of parent			2,398		2,398
Purchase of treasury shares				(778)	(778)
Disposal of treasury shares		(9)		82	72
Net changes in items other than shareholders' equity					
Total changes during period	–	(9)	679	(696)	(26)
Balance at end of period	5,000	3,230	59,217	(1,008)	66,440

	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	345	111	32	489	66,956
Changes during period					
Dividends of surplus					(1,719)
Profit attributable to owners of parent					2,398
Purchase of treasury shares					(778)
Disposal of treasury shares					72
Net changes in items other than shareholders' equity	(28)	(68)	(3)	(101)	(101)
Total changes during period	(28)	(68)	(3)	(101)	(127)
Balance at end of period	316	42	29	387	66,828



## Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	5,392	3,479
Depreciation	3,500	3,722
Increase (decrease) in allowance for doubtful accounts	(39)	(3)
Increase (decrease) in provision for bonuses	(91)	(1)
Increase (decrease) in retirement benefit liability	18	(177)
Interest and dividend income	(58)	(79)
Foreign exchange losses (gains)	(373)	(326)
Share of loss (profit) of entities accounted for using equity method	(80)	(205)
Loss on retirement of non-current assets	13	32
Loss (gain) on sale of non-current assets	(0)	(0)
Loss (gain) on sale of investment securities	(56)	–
Loss (gain) on valuation of investment securities	–	36
Decrease (increase) in trade receivables	(1,208)	(58)
Decrease (increase) in inventories	(3,750)	1,193
Increase (decrease) in trade payables	4,765	(1,642)
Increase (decrease) in accrued consumption taxes	862	(564)
Decrease (increase) in other assets	88	(1,569)
Increase (decrease) in other liabilities	(391)	63
Other, net	1	13
Subtotal	8,593	3,912
Interest and dividends received	58	79
Income taxes paid	(2,228)	(771)
Net cash provided by (used in) operating activities	6,422	3,219
Cash flows from investing activities		
Payments into time deposits	(4,963)	(5,098)
Proceeds from withdrawal of time deposits	5,649	5,884
Purchase of property, plant and equipment	(2,319)	(1,307)
Proceeds from sale of property, plant and equipment	0	0
Purchase of intangible assets	(581)	(972)
Purchase of investment securities	(39)	(818)
Proceeds from sale of investment securities	56	–
Payments of leasehold and guarantee deposits	(14)	(3)
Proceeds from refund of leasehold and guarantee deposits	17	15
Payments for investments in capital	–	(33)
Loan advances	–	(0)
Proceeds from collection of loans receivable	81	30
Other, net	(0)	–
Net cash provided by (used in) investing activities	(2,112)	(2,303)

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from financing activities		
Repayments of finance lease liabilities	(20)	(18)
Purchase of treasury shares	–	(778)
Proceeds from sale of treasury shares	3,035	–
Dividends paid	(2,163)	(1,719)
Net cash provided by (used in) financing activities	852	(2,515)
Effect of exchange rate change on cash and cash equivalents	18	23
Net increase (decrease) in cash and cash equivalents	5,181	(1,575)
Cash and cash equivalents at beginning of period	22,151	27,333
Cash and cash equivalents at end of period	27,333	25,757