

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2023 (Based on Japanese GAAP)

July 28, 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 to file Quarterly Securities Report: August 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 three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)

(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	%
Three months ended June 30, 2023	18,314	(5.3)	531	(59.0)	732	(34.2)	451	(41.6)
Three months ended June 30, 2022	19,337	(3.2)	1,297	–	1,111	–	773	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2023	16.08		–	
Three months ended June 30, 2022	27.00		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2023	93,956	66,218	70.5
As of March 31, 2023	97,046	66,828	68.9

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, 2023	–	0.00	–	50.00	50.00
Year ending March 31, 2024	–	–	–	–	–
Year ending March 31, 2024 (Forecast)	–	0.00	–	30.00	30.00

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)	7.11
Full year	75,400	(2.2)	1,800	(44.2)	2,500	(29.5)	1,600	(33.3)	56.82

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2023
 (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 June 30, 2023	28,844,400 shares	As of March 31, 2023	28,844,400 shares
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Number of treasury shares at the end of the period

As of June 30, 2023	739,026 shares	As of March 31, 2023	739,026 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2023	28,105,374 shares	Three months ended June 30, 2022	28,656,686 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	28,683	28,540
Accounts receivable - trade	6,481	5,229
Merchandise and finished goods	5	2
Broadcasting licenses	25,611	24,017
Work in process	46	55
Supplies	57	50
Prepaid expenses	1,001	1,291
Other	3,159	2,790
Allowance for doubtful accounts	(64)	(51)
Total current assets	64,980	61,926
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,358	4,274
Machinery and equipment, net	4,976	4,638
Tools, furniture and fixtures, net	1,724	1,596
Construction in progress	88	77
Other, net	28	25
Total property, plant and equipment	11,176	10,612
Intangible assets		
Leasehold interests in land	5,011	5,011
Software	2,975	3,070
Other	127	120
Total intangible assets	8,115	8,202
Investments and other assets		
Investment securities	2,262	2,544
Shares of subsidiaries and associates	7,780	8,047
Deferred tax assets	1,766	1,654
Leasehold and guarantee deposits	792	762
Other	196	230
Allowance for doubtful accounts	(24)	(24)
Total investments and other assets	12,774	13,215
Total non-current assets	32,065	32,029
Total assets	97,046	93,956

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	21,314	20,181
Accounts payable - other	1,704	1,035
Accrued expenses	3,745	2,744
Income taxes payable	120	184
Provision for bonuses	55	28
Other	1,342	1,539
Total current liabilities	28,282	25,715
Non-current liabilities		
Retirement benefit liability	1,854	1,893
Other	80	129
Total non-current liabilities	1,935	2,022
Total liabilities	30,218	27,738
Net assets		
Shareholders' equity		
Share capital	5,000	5,000
Capital surplus	3,230	3,230
Retained earnings	59,217	58,264
Treasury shares	(1,008)	(1,008)
Total shareholders' equity	66,440	65,487
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	316	698
Deferred gains or losses on hedges	42	5
Remeasurements of defined benefit plans	29	28
Total accumulated other comprehensive income	387	731
Total net assets	66,828	66,218
Total liabilities and net assets	97,046	93,956

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Net sales	19,337	18,314
Cost of sales	12,583	12,388
Gross profit	6,753	5,925
Selling, general and administrative expenses	5,456	5,393
Operating profit	1,297	531
Non-operating income		
Interest income	4	23
Dividend income	27	34
Foreign exchange gains	–	68
Share of profit of entities accounted for using equity method	38	59
Subsidy income	24	24
Other	3	1
Total non-operating income	97	212
Non-operating expenses		
Foreign exchange losses	260	–
Other	22	11
Total non-operating expenses	282	11
Ordinary profit	1,111	732
Extraordinary income		
Gain on sale of non-current assets	0	0
Total extraordinary income	0	0
Extraordinary losses		
Loss on retirement of non-current assets	0	0
Impairment losses	–	70
Total extraordinary losses	0	70
Profit before income taxes	1,111	661
Income taxes - current	445	238
Income taxes - deferred	(107)	(29)
Total income taxes	338	209
Profit	773	451
Profit attributable to owners of parent	773	451

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Profit	773	451
Other comprehensive income		
Valuation difference on available-for-sale securities	27	381
Deferred gains or losses on hedges	39	(29)
Remeasurements of defined benefit plans, net of tax	(0)	(0)
Share of other comprehensive income of entities accounted for using equity method	12	(8)
Total other comprehensive income	78	343
Comprehensive income	851	795
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	851	795