

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2023 (Based on Japanese GAAP)

October 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 Corporate Management  
 Inquiries: Division Mototaka Yamaguchi TEL 03-4330-8080  
 Scheduled date to file Quarterly Securities Report: November 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 six months ended September 30, 2023 (from April 1, 2023 to September 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	%
Six months ended September 30, 2023	36,614	(4.8)	1,039	(51.2)	1,467	(29.0)	720	(46.0)
Six months ended September 30, 2022	38,463	(4.3)	2,131	38.6	2,065	16.0	1,333	2.6

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2023	25.61		–	
Six months ended September 30, 2022	46.50		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2023	92,251	66,667	72.3
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	–	0.00	–	–	–
Year ending March 31, 2024 (Forecast)	–	–	–	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
Full year	75,500	(2.1)	900	(72.1)	1,600	(54.9)	700	(70.8)	24.86

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 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 September 30, 2023	28,844,400 shares	As of March 31, 2023	28,844,400 shares
--------------------------	-------------------	----------------------	-------------------

Number of treasury shares at the end of the period

As of September 30, 2023	657,992 shares	As of March 31, 2023	739,026 shares
--------------------------	----------------	----------------------	----------------

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

Six months ended September 30, 2023	28,129,728 shares	Six months ended September 30, 2022	28,676,103 shares
-------------------------------------	-------------------	-------------------------------------	-------------------

**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	28,683	27,463
Accounts receivable - trade	6,481	5,907
Merchandise and finished goods	5	15
Broadcasting licenses	25,611	22,066
Work in process	46	71
Supplies	57	50
Prepaid expenses	1,001	1,291
Other	3,159	2,781
Allowance for doubtful accounts	(64)	(48)
<b>Total current assets</b>	<b>64,980</b>	<b>59,598</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures, net	4,358	4,189
Machinery and equipment, net	4,976	4,279
Tools, furniture and fixtures, net	1,724	1,648
Construction in progress	88	123
Other, net	28	24
<b>Total property, plant and equipment</b>	<b>11,176</b>	<b>10,265</b>
<b>Intangible assets</b>		
Leasehold interests in land	5,011	5,011
Software	2,975	3,033
Other	127	764
<b>Total intangible assets</b>	<b>8,115</b>	<b>8,808</b>
<b>Investments and other assets</b>		
Investment securities	2,262	2,847
Shares of subsidiaries and associates	7,780	8,128
Deferred tax assets	1,766	1,465
Leasehold and guarantee deposits	792	815
Other	196	346
Allowance for doubtful accounts	(24)	(24)
<b>Total investments and other assets</b>	<b>12,774</b>	<b>13,578</b>
<b>Total non-current assets</b>	<b>32,065</b>	<b>32,653</b>
<b>Total assets</b>	<b>97,046</b>	<b>92,251</b>

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	21,314	17,314
Accounts payable - other	1,704	1,090
Accrued expenses	3,745	2,967
Income taxes payable	120	397
Provisions	55	88
Other	1,342	1,556
Total current liabilities	28,282	23,416
Non-current liabilities		
Retirement benefit liability	1,854	1,933
Other	80	233
Total non-current liabilities	1,935	2,167
<b>Total liabilities</b>	<b>30,218</b>	<b>25,583</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	5,000	5,000
Capital surplus	3,230	3,212
Retained earnings	59,217	58,533
Treasury shares	(1,008)	(897)
Total shareholders' equity	66,440	65,847
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	316	780
Deferred gains or losses on hedges	42	12
Remeasurements of defined benefit plans	29	27
Total accumulated other comprehensive income	387	819
<b>Total net assets</b>	<b>66,828</b>	<b>66,667</b>
<b>Total liabilities and net assets</b>	<b>97,046</b>	<b>92,251</b>

## 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, 2022	Six months ended September 30, 2023
Net sales	38,463	36,614
Cost of sales	25,376	24,673
Gross profit	13,086	11,940
Selling, general and administrative expenses	10,955	10,901
Operating profit	2,131	1,039
Non-operating income		
Interest income	14	35
Dividend income	27	34
Foreign exchange gains	–	222
Share of profit of entities accounted for using equity method	120	121
Subsidy income	25	24
Other	10	15
Total non-operating income	198	453
Non-operating expenses		
Interest expenses	–	0
Commission expenses	13	13
Foreign exchange losses	228	–
Other	22	12
Total non-operating expenses	264	26
Ordinary profit	2,065	1,467
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	1	14
Impairment losses	–	70
Loss on valuation of investment securities	–	101
Total extraordinary losses	1	186
Profit before income taxes	2,063	1,281
Income taxes - current	551	386
Income taxes - deferred	179	174
Total income taxes	730	560
Profit	1,333	720
Profit attributable to owners of parent	1,333	720

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit	1,333	720
Other comprehensive income		
Valuation difference on available-for-sale securities	(10)	464
Deferred gains or losses on hedges	33	(46)
Remeasurements of defined benefit plans, net of tax	(1)	(1)
Share of other comprehensive income of entities accounted for using equity method	20	15
Total other comprehensive income	41	431
Comprehensive income	1,375	1,152
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,375	1,152

## Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from operating activities		
Profit before income taxes	2,063	1,281
Depreciation	1,805	1,858
Impairment losses	–	70
Increase (decrease) in allowance for doubtful accounts	(4)	(15)
Increase (decrease) in other provisions	14	13
Increase (decrease) in retirement benefit liability	13	76
Interest and dividend income	(41)	(69)
Foreign exchange losses (gains)	(611)	(394)
Share of loss (profit) of entities accounted for using equity method	(91)	(73)
Loss on retirement of non-current assets	1	14
Loss (gain) on sale of non-current assets	(0)	(0)
Loss (gain) on valuation of investment securities	–	101
Decrease (increase) in trade receivables	218	665
Increase (decrease) in unearned revenue	14	159
Decrease (increase) in inventories	4,843	3,516
Increase (decrease) in trade payables	(4,834)	(4,172)
Increase (decrease) in accrued consumption taxes	(198)	257
Decrease (increase) in other assets	(572)	(262)
Increase (decrease) in other liabilities	(980)	(622)
Other, net	13	–
Subtotal	1,654	2,404
Interest and dividends received	41	69
Income taxes paid	(129)	(74)
Net cash provided by (used in) operating activities	1,566	2,400
Cash flows from investing activities		
Payments into time deposits	(3,325)	(1,707)
Proceeds from withdrawal of time deposits	3,706	2,414
Purchase of property, plant and equipment	(810)	(776)
Proceeds from sale of property, plant and equipment	0	0
Purchase of intangible assets	(508)	(925)
Purchase of investment securities	–	(316)
Proceeds from sale of investment securities	–	0
Payments of leasehold and guarantee deposits	(0)	–
Proceeds from refund of leasehold and guarantee deposits	8	5
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(500)
Payments for investments in capital	–	(33)
Loan advances	–	(0)
Proceeds from collection of loans receivable	30	–
Payments for asset retirement obligations	–	(45)
Net cash provided by (used in) investing activities	(899)	(1,885)

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from financing activities		
Repayments of finance lease liabilities	(9)	(8)
Dividends paid	(1,719)	(1,405)
Net cash provided by (used in) financing activities	(1,728)	(1,413)
Effect of exchange rate change on cash and cash equivalents	36	70
Net increase (decrease) in cash and cash equivalents	(1,024)	(827)
Cash and cash equivalents at beginning of period	27,333	25,757
Cash and cash equivalents at end of period	26,308	24,929