

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2017 (Based on Japanese GAAP)

July 28, 2017

Company name: WOWOW INC.
 Stock exchange listing: Tokyo
 Stock code: 4839 URL <http://www.wowow.co.jp>
 Representative: President Akira Tanaka
 Inquiries: General Manager Investor Relations, Finance Junichi Onoue TEL 03-4330-8097
 & Accounting Division
 Scheduled date to file Quarterly Securities Report: August 14, 2017
 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 and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 30, 2017 (from April 1, 2017 to June 30, 2017)

(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, 2017	19,866	0.6	3,454	74.5	3,649	79.9	2,469	76.5
Three months ended June 30, 2016	19,748	8.1	1,980	(25.4)	2,028	(27.1)	1,399	(24.3)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2017	91.48	–
Three months ended June 30, 2016	51.84	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2017	83,257	50,053	60.1
As of March 31, 2017	81,461	49,731	61.0

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2017	–	0.00	–	80.00	80.00
Year ending March 31, 2018	–	–	–	–	–
Year ending March 31, 2018 (Forecast)	–	0.00	–	80.00	80.00

3. Forecast of consolidated financial results for the year ending March 31, 2018 (from April 1, 2017 to March 31, 2018)

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, 2017	40,600	3.5	5,100	(1.4)	5,300	(4.2)	3,700	(3.3)	137.08
Full year	82,500	5.4	9,000	(11.3)	9,400	(8.6)	6,500	(4.4)	240.82

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2017
 (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, 2017	28,844,400 shares	As of March 31, 2017	28,844,400 shares
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Number of treasury shares at the end of the period

As of June 30, 2017	1,853,163 shares	As of March 31, 2017	1,853,163 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, 2017	26,991,237 shares	Three months ended June 30, 2016	26,991,270 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2017	As of June 30, 2017
Assets		
Current assets		
Cash and deposits	25,503	20,112
Accounts receivable - trade	4,877	5,215
Merchandise and finished goods	141	193
Broadcasting licenses	24,116	26,358
Supplies	54	48
Deferred tax assets	1,142	1,228
Other	2,032	2,479
Allowance for doubtful accounts	(121)	(118)
Total current assets	57,747	55,518
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,042	2,038
Machinery and equipment, net	3,507	3,220
Tools, furniture and fixtures, net	932	846
Other, net	5	110
Total property, plant and equipment	6,488	6,216
Intangible assets		
Leasehold right	5,011	5,011
Goodwill	–	791
Other	2,201	4,260
Total intangible assets	7,212	10,063
Investments and other assets		
Investment securities	8,627	9,856
Deferred tax assets	393	440
Other	1,014	1,191
Allowance for doubtful accounts	(22)	(29)
Total investments and other assets	10,013	11,458
Total non-current assets	23,714	27,738
Total assets	81,461	83,257

(Millions of yen)

	As of March 31, 2017	As of June 30, 2017
Liabilities		
Current liabilities		
Accounts payable - trade	23,298	23,687
Income taxes payable	1,508	1,167
Provision for bonuses	66	115
Provision for loss on order received	–	13
Other	5,074	5,309
Total current liabilities	29,947	30,293
Non-current liabilities		
Net defined benefit liability	1,656	1,733
Other	125	1,176
Total non-current liabilities	1,782	2,910
Total liabilities	31,730	33,203
Net assets		
Shareholders' equity		
Capital stock	5,000	5,000
Capital surplus	2,738	2,738
Retained earnings	44,540	44,850
Treasury shares	(3,081)	(3,081)
Total shareholders' equity	49,197	49,507
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	611	633
Deferred gains or losses on hedges	(78)	(87)
Total accumulated other comprehensive income	533	545
Total net assets	49,731	50,053
Total liabilities and net assets	81,461	83,257

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, 2016	Three months ended June 30, 2017
Net sales	19,748	19,866
Cost of sales	11,367	10,115
Gross profit	8,381	9,751
Selling, general and administrative expenses	6,400	6,296
Operating profit	1,980	3,454
Non-operating income		
Interest income	0	0
Dividend income	24	27
Foreign exchange gains	-	66
Share of profit of entities accounted for using equity method	62	92
Other	4	7
Total non-operating income	92	194
Non-operating expenses		
Foreign exchange losses	44	-
Other	0	0
Total non-operating expenses	44	0
Ordinary profit	2,028	3,649
Extraordinary income		
Gain on sales of non-current assets	-	2
Total extraordinary income	-	2
Extraordinary losses		
Loss on retirement of non-current assets	5	30
Total extraordinary losses	5	30
Profit before income taxes	2,023	3,621
Income taxes - current	567	1,171
Income taxes - deferred	56	(18)
Total income taxes	624	1,152
Profit	1,399	2,469
Profit attributable to owners of parent	1,399	2,469

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2016	Three months ended June 30, 2017
Profit	1,399	2,469
Other comprehensive income		
Valuation difference on available-for-sale securities	(193)	22
Deferred gains or losses on hedges	(344)	(13)
Share of other comprehensive income of entities accounted for using equity method	(11)	3
Total other comprehensive income	(549)	12
Comprehensive income	849	2,481
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	849	2,481