

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2017 (Based on Japanese GAAP)

January 31, 2018

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: February 14, 2018
 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 nine months ended December 31, 2017 (from April 1, 2017 to December 31, 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	%
Nine months ended December 31, 2017	60,635	3.7	9,396	6.1	9,912	13.6	6,870	13.6
Nine months ended December 31, 2016	58,459	4.3	8,858	24.5	8,728	17.7	6,048	22.1

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2017	254.54	–
Nine months ended December 31, 2016	224.08	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2017	85,600	54,913	64.2
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	–	0.00	–		
Year ending March 31, 2018 (Forecast)				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
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 nine months ended December 31, 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 December 31, 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 December 31, 2017	1,853,254 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)

Nine months ended December 31, 2017	26,991,205 shares	Nine months ended December 31, 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 December 31, 2017
Assets		
Current assets		
Cash and deposits	25,503	23,666
Accounts receivable - trade	4,877	5,503
Merchandise and finished goods	141	188
Broadcasting licenses	24,116	24,054
Supplies	54	30
Deferred tax assets	1,142	1,084
Other	2,032	2,799
Allowance for doubtful accounts	(121)	(189)
Total current assets	57,747	57,138
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,042	1,929
Machinery and equipment, net	3,507	2,704
Tools, furniture and fixtures, net	932	673
Other, net	5	1,094
Total property, plant and equipment	6,488	6,401
Intangible assets		
Leasehold right	5,011	5,011
Goodwill	–	758
Other	2,201	4,208
Total intangible assets	7,212	9,977
Investments and other assets		
Investment securities	8,627	10,547
Deferred tax assets	393	296
Other	1,014	1,268
Allowance for doubtful accounts	(22)	(29)
Total investments and other assets	10,013	12,083
Total non-current assets	23,714	28,462
Total assets	81,461	85,600

(Millions of yen)

	As of March 31, 2017	As of December 31, 2017
Liabilities		
Current liabilities		
Accounts payable - trade	23,298	21,403
Income taxes payable	1,508	1,525
Provision for bonuses	66	59
Other	5,074	4,847
Total current liabilities	29,947	27,836
Non-current liabilities		
Net defined benefit liability	1,656	1,799
Other	125	1,050
Total non-current liabilities	1,782	2,850
Total liabilities	31,730	30,687
Net assets		
Shareholders' equity		
Capital stock	5,000	5,000
Capital surplus	2,738	2,738
Retained earnings	44,540	49,251
Treasury shares	(3,081)	(3,081)
Total shareholders' equity	49,197	53,908
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	611	976
Deferred gains or losses on hedges	(78)	28
Total accumulated other comprehensive income	533	1,005
Total net assets	49,731	54,913
Total liabilities and net assets	81,461	85,600

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, 2016	Nine months ended December 31, 2017
Net sales	58,459	60,635
Cost of sales	30,759	31,806
Gross profit	27,699	28,828
Selling, general and administrative expenses	18,841	19,431
Operating profit	8,858	9,396
Non-operating income		
Interest income	6	10
Foreign exchange gains	–	135
Share of profit of entities accounted for using equity method	229	310
Other	65	59
Total non-operating income	301	516
Non-operating expenses		
Foreign exchange losses	430	–
Other	0	0
Total non-operating expenses	430	0
Ordinary profit	8,728	9,912
Extraordinary income		
Gain on sales of non-current assets	–	2
Total extraordinary income	–	2
Extraordinary losses		
Loss on retirement of non-current assets	24	31
Total extraordinary losses	24	31
Profit before income taxes	8,704	9,883
Income taxes - current	2,530	2,951
Income taxes - deferred	125	62
Total income taxes	2,655	3,013
Profit	6,048	6,870
Profit attributable to owners of parent	6,048	6,870

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017
Profit	6,048	6,870
Other comprehensive income		
Valuation difference on available-for-sale securities	153	365
Deferred gains or losses on hedges	221	81
Share of other comprehensive income of entities accounted for using equity method	29	24
Total other comprehensive income	405	471
Comprehensive income	6,453	7,341
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,453	7,341