

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2018 (Based on Japanese GAAP)

July 31, 2018

Company name: WOWOW INC.
 Stock exchange listing: Tokyo
 Stock code: 4839 URL <https://www.wowow.co.jp>
 Representative: President Akira Tanaka
 Inquiries: Executive Officer General Manager Investor Junichi Onoue TEL 03-4330-8097
 Relations, Finance & Accounting Division
 Scheduled date to file Quarterly Securities Report: August 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 three months ended June 30, 2018 (from April 1, 2018 to June 30, 2018)

(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, 2018	20,056	1.0	2,281	(34.0)	2,387	(34.6)	1,621	(34.3)
Three months ended June 30, 2017	19,866	0.6	3,454	74.5	3,649	79.9	2,469	76.5

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2018	60.07	–
Three months ended June 30, 2017	91.48	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2018	83,782	54,799	65.4
As of March 31, 2018	87,083	54,994	63.2

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, 2018	–	0.00	–	80.00	80.00
Year ending March 31, 2019	–	–	–	–	–
Year ending March 31, 2019 (Forecast)	–	0.00	–	80.00	80.00

3. Forecast of consolidated financial results for the year ending March 31, 2019 (from April 1, 2018 to March 31, 2019)

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, 2018	40,700	1.2	3,500	(39.9)	3,800	(38.8)	2,600	(39.3)	96.33
Full year	83,300	2.1	6,600	(33.2)	7,100	(33.6)	5,000	(32.1)	185.25

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2018
 (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, 2018	28,844,400 shares	As of March 31, 2018	28,844,400 shares
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Number of treasury shares at the end of the period

As of June 30, 2018	1,853,318 shares	As of March 31, 2018	1,853,318 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, 2018	26,991,082 shares	Three months ended June 30, 2017	26,991,237 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2018	As of June 30, 2018
Assets		
Current assets		
Cash and deposits	13,371	23,968
Accounts receivable - trade	5,787	5,091
Securities	12,000	–
Merchandise and finished goods	36	50
Broadcasting licenses	23,173	22,072
Work in process	12	15
Supplies	31	34
Other	2,525	2,720
Allowance for doubtful accounts	(175)	(143)
Total current assets	56,761	53,809
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,892	1,848
Machinery and equipment, net	2,706	2,510
Tools, furniture and fixtures, net	644	583
Construction in progress	1,870	1,870
Other, net	67	61
Total property, plant and equipment	7,180	6,874
Intangible assets		
Leasehold right	5,011	5,011
Goodwill	741	724
Other	4,174	4,134
Total intangible assets	9,927	9,870
Investments and other assets		
Investment securities	10,385	10,466
Deferred tax assets	1,859	1,730
Other	1,056	1,057
Allowance for doubtful accounts	(87)	(26)
Total investments and other assets	13,213	13,227
Total non-current assets	30,321	29,973
Total assets	87,083	83,782

(Millions of yen)

	As of March 31, 2018	As of June 30, 2018
Liabilities		
Current liabilities		
Accounts payable - trade	20,465	18,959
Income taxes payable	2,126	770
Provision for bonuses	123	127
Other	6,515	6,148
Total current liabilities	29,231	26,006
Non-current liabilities		
Net defined benefit liability	1,788	2,160
Other	1,068	815
Total non-current liabilities	2,857	2,976
Total liabilities	32,088	28,982
Net assets		
Shareholders' equity		
Capital stock	5,000	5,000
Capital surplus	2,738	2,738
Retained earnings	49,741	49,203
Treasury shares	(3,081)	(3,081)
Total shareholders' equity	54,398	53,860
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	816	876
Deferred gains or losses on hedges	(219)	63
Total accumulated other comprehensive income	596	939
Total net assets	54,994	54,799
Total liabilities and net assets	87,083	83,782

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, 2017	Three months ended June 30, 2018
Net sales	19,866	20,056
Cost of sales	10,115	11,323
Gross profit	9,751	8,733
Selling, general and administrative expenses	6,296	6,451
Operating profit	3,454	2,281
Non-operating income		
Interest income	0	0
Dividend income	27	26
Foreign exchange gains	66	36
Share of profit of entities accounted for using equity method	92	20
Other	7	23
Total non-operating income	194	107
Non-operating expenses		
Other	0	0
Total non-operating expenses	0	0
Ordinary profit	3,649	2,387
Extraordinary income		
Gain on sales of non-current assets	2	–
Total extraordinary income	2	–
Extraordinary losses		
Loss on retirement of non-current assets	30	3
Total extraordinary losses	30	3
Profit before income taxes	3,621	2,384
Income taxes - current	1,171	750
Income taxes - deferred	(18)	12
Total income taxes	1,152	763
Profit	2,469	1,621
Profit attributable to owners of parent	2,469	1,621

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2017	Three months ended June 30, 2018
Profit	2,469	1,621
Other comprehensive income		
Valuation difference on available-for-sale securities	22	59
Deferred gains or losses on hedges	(13)	206
Share of other comprehensive income of entities accounted for using equity method	3	77
Total other comprehensive income	12	342
Comprehensive income	2,481	1,964
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,481	1,964