

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2018 (Based on Japanese GAAP)

January 31, 2019

Company name: WOWOW INC.
 Stock exchange listing: Tokyo
 Stock code: 4839 URL <https://www.wowow.co.jp>
 Representative: President Akira Tanaka
 Executive Officer General Manager Investor
 Inquiries: Relations, Finance & Accounting Division Junichi Onoue TEL 03-4330-8097
 Scheduled date to file Quarterly Securities Report: February 14, 2019
 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, 2018 (from April 1, 2018 to December 31, 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	%
Nine months ended December 31, 2018	61,378	1.2	6,764	(28.0)	7,315	(26.2)	5,006	(27.1)
Nine months ended December 31, 2017	60,635	3.7	9,396	6.1	9,912	13.6	6,870	13.6

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2018	185.48	–
Nine months ended December 31, 2017	254.54	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2018	91,366	57,752	63.2
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	–	0.00	–	–	–
Year ending March 31, 2019 (Forecast)	–	–	–	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
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 nine months ended December 31, 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 December 31, 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 December 31, 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)

Nine months ended December 31, 2018	26,991,082 shares	Nine months ended December 31, 2017	26,991,205 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2018	As of December 31, 2018
Assets		
Current assets		
Cash and deposits	13,371	24,511
Accounts receivable - trade	5,787	5,342
Securities	12,000	–
Merchandise and finished goods	36	96
Broadcasting licenses	23,173	28,969
Work in process	12	12
Supplies	31	46
Other	2,525	2,453
Allowance for doubtful accounts	(175)	(142)
Total current assets	56,761	61,290
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,892	4,665
Machinery and equipment, net	2,706	2,184
Tools, furniture and fixtures, net	644	696
Construction in progress	1,870	1
Other, net	67	50
Total property, plant and equipment	7,180	7,599
Intangible assets		
Leasehold right	5,011	5,011
Goodwill	741	690
Other	4,174	4,003
Total intangible assets	9,927	9,705
Investments and other assets		
Investment securities	10,385	9,948
Deferred tax assets	1,859	1,805
Other	1,056	1,044
Allowance for doubtful accounts	(87)	(27)
Total investments and other assets	13,213	12,770
Total non-current assets	30,321	30,076
Total assets	87,083	91,366

(Millions of yen)

	As of March 31, 2018	As of December 31, 2018
Liabilities		
Current liabilities		
Accounts payable - trade	20,465	24,633
Income taxes payable	2,126	550
Provision for bonuses	123	65
Other	6,515	5,425
Total current liabilities	29,231	30,674
Non-current liabilities		
Net defined benefit liability	1,788	2,228
Other	1,068	712
Total non-current liabilities	2,857	2,940
Total liabilities	32,088	33,614
Net assets		
Shareholders' equity		
Capital stock	5,000	5,000
Capital surplus	2,738	2,738
Retained earnings	49,741	52,588
Treasury shares	(3,081)	(3,081)
Total shareholders' equity	54,398	57,245
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	816	457
Deferred gains or losses on hedges	(219)	49
Total accumulated other comprehensive income	596	506
Total net assets	54,994	57,752
Total liabilities and net assets	87,083	91,366

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, 2017	Nine months ended December 31, 2018
Net sales	60,635	61,378
Cost of sales	31,806	35,724
Gross profit	28,828	25,653
Selling, general and administrative expenses	19,431	18,889
Operating profit	9,396	6,764
Non-operating income		
Interest income	10	17
Foreign exchange gains	135	399
Share of profit of entities accounted for using equity method	310	57
Other	59	77
Total non-operating income	516	552
Non-operating expenses		
Other	0	1
Total non-operating expenses	0	1
Ordinary profit	9,912	7,315
Extraordinary income		
Gain on sales of non-current assets	2	-
Total extraordinary income	2	-
Extraordinary losses		
Loss on retirement of non-current assets	31	47
Loss on valuation of golf club membership	-	7
Total extraordinary losses	31	54
Profit before income taxes	9,883	7,261
Income taxes - current	2,951	2,268
Income taxes - deferred	62	(13)
Total income taxes	3,013	2,255
Profit	6,870	5,006
Profit attributable to owners of parent	6,870	5,006

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Profit	6,870	5,006
Other comprehensive income		
Valuation difference on available-for-sale securities	365	(359)
Deferred gains or losses on hedges	81	197
Share of other comprehensive income of entities accounted for using equity method	24	71
Total other comprehensive income	471	(89)
Comprehensive income	7,341	4,916
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,341	4,916