

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2019 (Based on Japanese GAAP)

July 31, 2019

Company name: WOWOW INC.
 Stock exchange listing: Tokyo
 Stock code: 4839 URL <https://www.wowow.co.jp>
 Representative: President Akira Tanaka
 Board Director
 Inquiries: For Investor Relations, Finance & Accounting Junichi Onoue TEL 03-4330-8097
 and Strategy Integration
 Scheduled date to file Quarterly Securities Report: August 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, analysts and the press)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 30, 2019 (from April 1, 2019 to June 30, 2019)

(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, 2019	20,277	1.1	2,585	13.3	2,756	15.4	1,888	16.5
Three months ended June 30, 2018	20,056	1.0	2,281	(34.0)	2,387	(34.6)	1,621	(34.3)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2019	69.98		–	
Three months ended June 30, 2018	60.07		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2019	87,584	57,586	65.7
As of March 31, 2019	92,555	58,030	62.7

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, 2019	–	0.00	–	80.00	80.00
Year ending March 31, 2020	–	–	–	–	–
Year ending March 31, 2020 (Forecast)	–	0.00	–	80.00	80.00

3. Forecast of consolidated financial results for the year ending March 31, 2020 (from April 1, 2019 to March 31, 2020)

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, 2019	41,100	1.0	3,000	(27.8)	3,200	(28.2)	2,200	(28.2)	81.51
Full year	83,500	1.1	7,600	12.1	8,000	6.2	5,600	8.0	207.48

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2019
 (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, 2019	28,844,400 shares	As of March 31, 2019	28,844,400 shares
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Number of treasury shares at the end of the period

As of June 30, 2019	1,853,318 shares	As of March 31, 2019	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, 2019	26,991,082 shares	Three months ended June 30, 2018	26,991,082 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2019	As of June 30, 2019
Assets		
Current assets		
Cash and deposits	25,572	23,108
Notes and accounts receivable - trade	5,585	5,341
Merchandise and finished goods	46	35
Broadcasting licenses	27,948	25,741
Work in process	11	9
Supplies	36	44
Other	2,427	2,771
Allowance for doubtful accounts	(140)	(129)
Total current assets	61,488	56,923
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,804	4,729
Machinery and equipment, net	2,355	2,180
Tools, furniture and fixtures, net	961	883
Construction in progress	13	26
Other, net	44	49
Total property, plant and equipment	8,179	7,870
Intangible assets		
Leasehold interests in land	5,011	5,011
Goodwill	674	657
Other	3,946	3,985
Total intangible assets	9,632	9,653
Investments and other assets		
Investment securities	10,170	10,091
Deferred tax assets	2,054	2,071
Other	1,057	1,002
Allowance for doubtful accounts	(27)	(27)
Total investments and other assets	13,254	13,137
Total non-current assets	31,066	30,661
Total assets	92,555	87,584

(Millions of yen)

	As of March 31, 2019	As of June 30, 2019
Liabilities		
Current liabilities		
Accounts payable - trade	23,858	20,583
Income taxes payable	925	791
Provision for bonuses	146	161
Other	6,681	5,655
Total current liabilities	31,611	27,193
Non-current liabilities		
Retirement benefit liability	2,203	2,123
Other	708	680
Total non-current liabilities	2,912	2,804
Total liabilities	34,524	29,997
Net assets		
Shareholders' equity		
Share capital	5,000	5,000
Capital surplus	2,738	2,738
Retained earnings	52,765	52,495
Treasury shares	(3,081)	(3,081)
Total shareholders' equity	57,421	57,151
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	552	486
Deferred gains or losses on hedges	57	(49)
Remeasurements of defined benefit plans	(0)	(0)
Total accumulated other comprehensive income	609	435
Total net assets	58,030	57,586
Total liabilities and net assets	92,555	87,584

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, 2018	Three months ended June 30, 2019
Net sales	20,056	20,277
Cost of sales	11,323	11,453
Gross profit	8,733	8,824
Selling, general and administrative expenses	6,451	6,239
Operating profit	2,281	2,585
Non-operating income		
Interest income	0	0
Dividend income	26	27
Foreign exchange gains	36	66
Share of profit of entities accounted for using equity method	20	59
Other	23	19
Total non-operating income	107	173
Non-operating expenses		
Other	0	1
Total non-operating expenses	0	1
Ordinary profit	2,387	2,756
Extraordinary income		
Gain on sales of non-current assets	–	0
Total extraordinary income	–	0
Extraordinary losses		
Loss on retirement of non-current assets	3	0
Loss on valuation of golf club membership	–	0
Total extraordinary losses	3	1
Profit before income taxes	2,384	2,755
Income taxes - current	750	814
Income taxes - deferred	12	51
Total income taxes	763	866
Profit	1,621	1,888
Profit attributable to owners of parent	1,621	1,888

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2018	Three months ended June 30, 2019
Profit	1,621	1,888
Other comprehensive income		
Valuation difference on available-for-sale securities	59	(66)
Deferred gains or losses on hedges	206	(87)
Remeasurements of defined benefit plans, net of tax	–	0
Share of other comprehensive income of entities accounted for using equity method	77	(20)
Total other comprehensive income	342	(173)
Comprehensive income	1,964	1,715
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,964	1,715