

# WOWOW

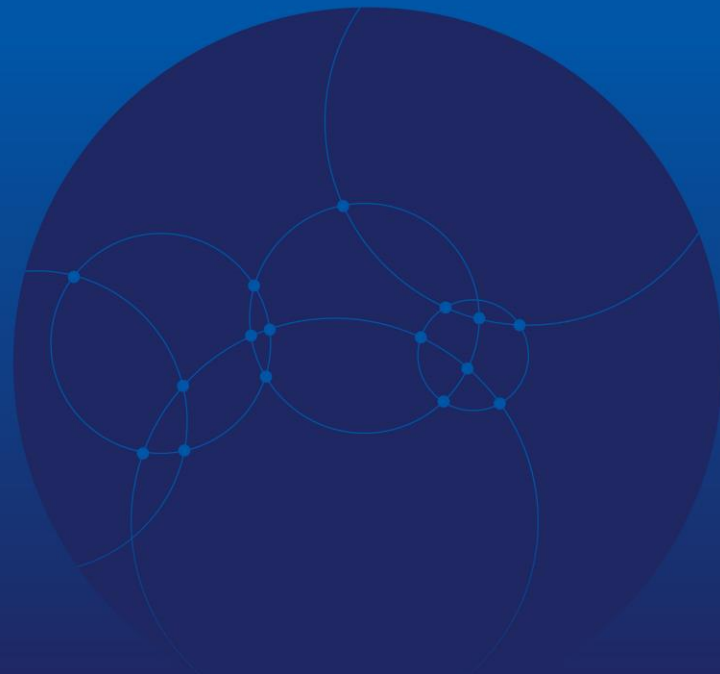
## Summary of F Y 2 0 2 3 E a r n i n g s

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May 15, 2024

WOWOW INC.

Tokyo Stock Exchange,  
Prime Market  
Stock code number : 4839



## 1. FY2023 Earnings Highlights

## 2. FY2023 Earnings

## 3. Actions to Achieve Management Conscious of Cost of Capital and Stock Price

## 4. Summary of FY2024 Business Plan

## Appendix

## New Subscription

- Gross new subscriptions increased year on year, driven by sports, live music performances, etc. The number of cancellations increased mainly due to high-interest programs ending.
- Net new subscriptions in the second half of FY2023 decreased by 9,000, however, a significant improvement year on year.
- Products like “UEFA Champions League/UEFA Europa League Season Pass” were sold on WOWOW On-Demand on a pay-per-view basis.

(Thousands)

	FY2022	FY2023	Difference	FY2022 H2	FY2023 H2	Difference
Gross New Subscriptions	551	626	75	270	330	60
Cancellations	672	718	46	330	338	8
Net New Subscriptions	-121	-92	28	-60	-9	52
Net Cumulative Subscriptions	2,560	2,467	-92			

## Income & Expenditure (Consolidated)

- Revenue decreased year on year due to factors such as a decrease in membership revenue.
- Ordinary income decreased due to the impact of lower income on account of the decrease in revenue despite lower advertisement expenses and program costs.

(Millions of yen)

	FY2022	FY2023	Difference	YoY
Revenue	77,101	74,869	-2,231	97.1%
Ordinary Income	3,547	2,057	-1,489	58.0%

※Figures rounded down to millions of yen.

## Dividends

- Year-end dividend per share is 30 yen\* (planned)

※ The year-end dividend for FY2023 will be proposed at a meeting of the Board of Directors to be held on May 17, 2024.

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(Thousands)

	FY2022	FY2023	Previous Period Comparison	
			Difference	YoY
Gross New Subscriptions	551	626	75	113.5%
Cancellations	672	718	46	106.9%
Net New Subscriptions	-121	-92	28	—
Net Cumulative Subscriptions	2,560	2,467	-92	96.4%
Of these, multi-subscriptions*1	357	337	-19	94.6%
Of these, hotel subscriptions*2	81	85	3	104.1%

\*1 Existing subscribers are granted two additional subscriptions for a discounted price (JPY990/month – the first subscription is JPY2,530/month, tax included).

\*2 Agreements with hotels and other accommodations for viewing in guest rooms.

# FY2023 Income & Expenditure

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(Millions of yen)

	FY2022		FY2023		Previous Period Comparison	
	Result	Percent of Revenue	Result	Percent of Revenue	Difference	YoY
Revenue	77,101	100.0%	<b>74,869</b>	<b>100.0%</b>	-2,231	97.1%
Operating Income	3,225	4.2%	<b>1,450</b>	<b>1.9%</b>	-1,775	45.0%
Ordinary Income	3,547	4.6%	<b>2,057</b>	<b>2.7%</b>	-1,489	58.0%
Profit Attributable to Owners of Parent	2,398	3.1%	<b>1,092</b>	<b>1.5%</b>	-1,306	45.5%

※ Figures rounded down to millions of yen.

# Comparison of Consolidated Revenue / Operating Income by Segment

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## Media and Content

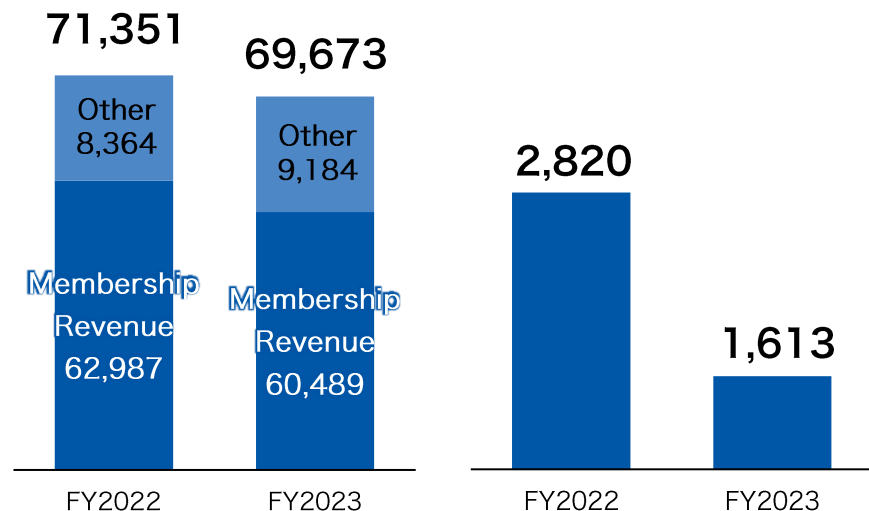
(Millions of yen)

Revenue

Operating Income

YoY **97.6%**

YoY **57.2%**



## Telemarketing

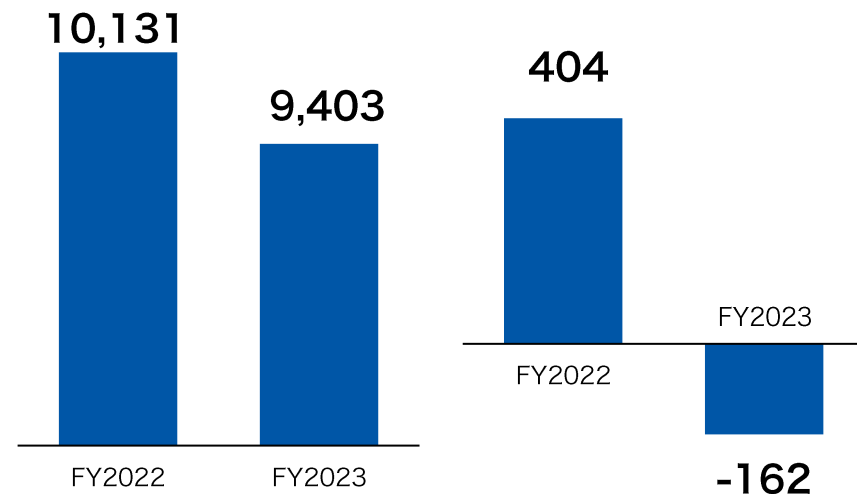
(Millions of yen)

Revenue

Operating Income

YoY **92.8%**

YoY **—**



※Figures rounded down to millions of yen.

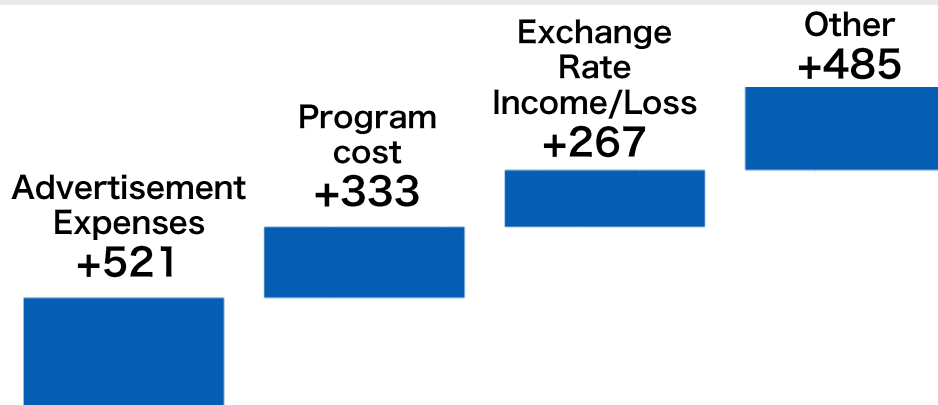
※The amounts for each segment include transactions between segments.



# Consolidated Ordinary Income Factors in Difference from Previous Period

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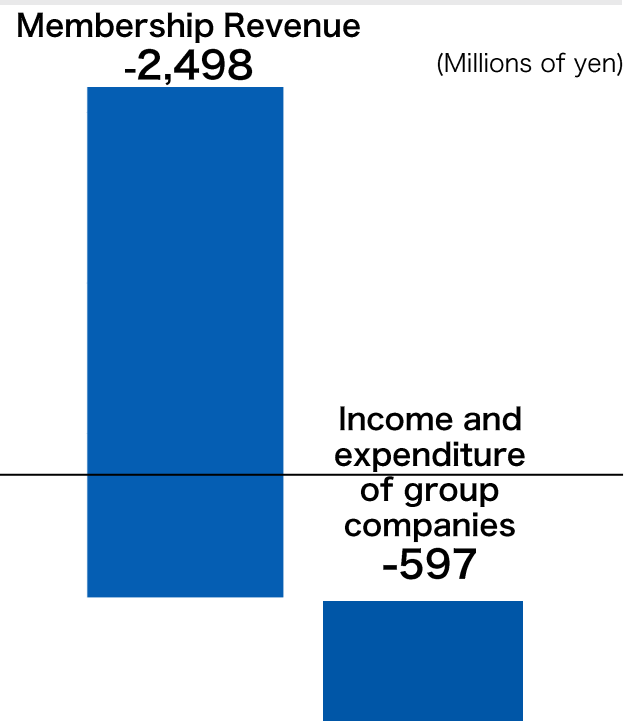
## Increase Factors (+)



( Previous period result 3,547 million yen )

Difference  
-1,489

## Decrease Factors (-)



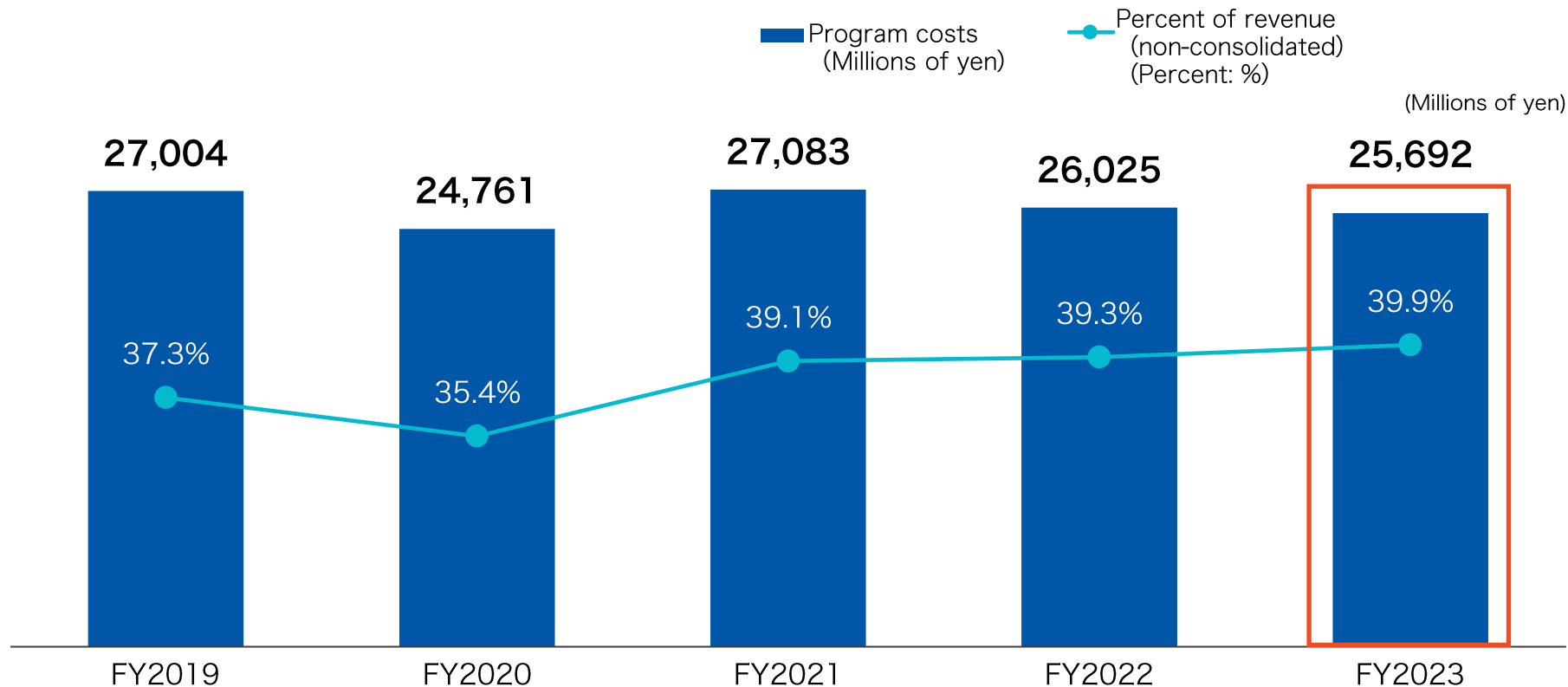
**( Result : 2,057 million yen )**

※ The figure for each factor is the difference from the same period the previous year, with + representing an increase factor.  
Figures rounded down to millions of yen.

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# Change in Program Cost

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※All figures are non-consolidated.

※Figures rounded down to millions of yen.

# Investments in Domestic and Foreign Companies, Etc.

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In March 2023, WOWOW began investing in domestic and foreign companies, venture funds, etc., to strengthen existing businesses and create new businesses.

Major investments since launch	Outline
Frost International Corporation	• Business: Call center business, direct marketing business
PLAY, inc.	• Business: Video solutions business
Alpha Code Inc.	• Business: VR/MR live video distribution business etc
ZAICO PTE. LTD.	• Business: Operation of e-ticket sales platform “ZAICO,” etc.
“DIMENSION2nd Investment Limited Partnership” fund	• Fund size: 10,150 million yen • Investment sectors: Digital, digital transformation, healthcare (excluding bio), deep tech
Samurai Incubate Fund No. 7 Investment Limited Partnership	• Fund size: 6,070 million yen • Investment sectors: Numerous; from entertainment to IT, materials/chemicals and healthcare

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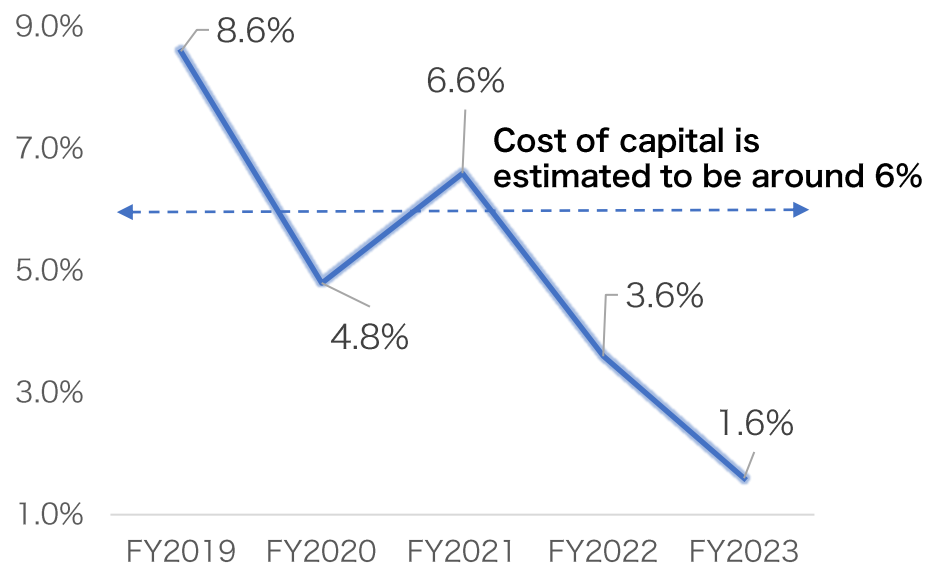
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# Current Status Analysis: Return on Capital and Market Valuation

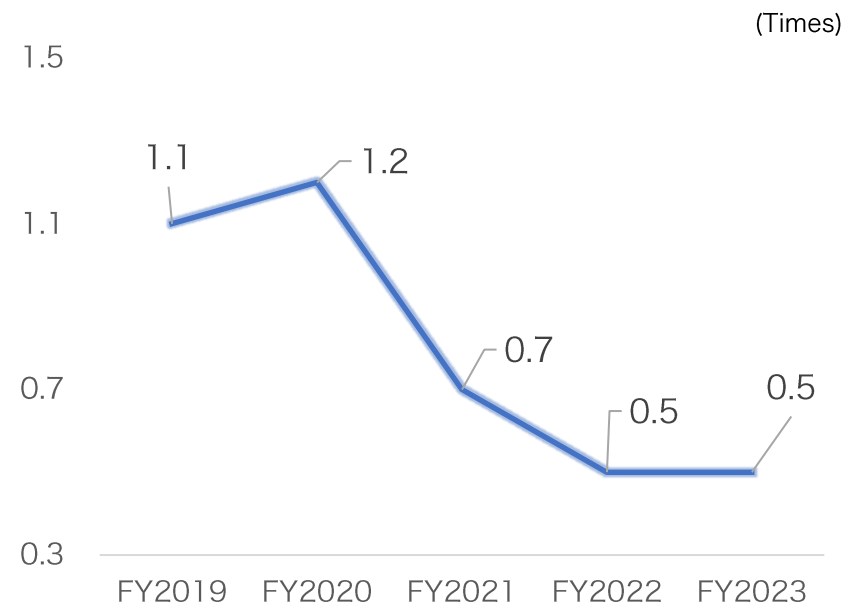
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For 13 consecutive fiscal years through FY2018, the number of subscribers grew and the Company achieved steady profit growth and return on equity (ROE) of 8% or higher. However, it is not currently achieving ROE that exceeds the cost of capital\* or a price-to-book ratio (PBR) of 1x.

## Change in ROE (FY2019-2023)



## Change in PBR (FY2019-2023)



※ The Company uses the cost of equity (CAPM: Capital Asset Pricing Model).

Improve ROE and PBR by implementing a growth strategy, financial strategy, etc.

<b>Growth Strategy</b>	<ul style="list-style-type: none"><li>● Enact structural reform of media services (broadcasting and transmission services)</li><li>● Generate new revenue by developing new services</li><li>● Increase productivity by promoting digital transformation and reviewing cost structure</li></ul>
<b>Financial Strategy</b>	<ul style="list-style-type: none"><li>● Promote investment with an eye to utilize interest-bearing debt</li><li>● Reduce cross-shareholdings</li><li>● Continue to pay stable dividends</li></ul>
<b>Non-Financial Strategy</b>	<ul style="list-style-type: none"><li>● Increase human capital investment to support sustainable growth</li><li>● Enhance sustainability management conscious of the SDGs and DEI*</li></ul>
<b>IR Enhancements</b>	<ul style="list-style-type: none"><li>● Expand opportunities for dialogue with shareholders and investors through investor briefings, IR meetings, etc.</li><li>● Enhance English-language disclosure</li></ul>

\*Diversity, Equity, and Inclusion

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<b>1. Enact structural reform of media services (broadcasting and transmission services)</b>	<ul style="list-style-type: none"><li>● Offer content with an awareness of profitability and multi-layered use</li><li>● Collaborate with external companies to promote WOWOW's new packaged services</li><li>● Optimize advertising expenditure by stepping up repeat customer marketing</li></ul>
<b>2. Generate new revenue</b>	<ul style="list-style-type: none"><li>● Expand overseas business based on original content</li><li>● Develop and provide multi-layered services around music and sports content</li><li>● Promote group-wide collaboration with external companies that contribute to building new businesses</li></ul>
<b>3. Promote digital transformation/ investment</b>	<ul style="list-style-type: none"><li>● Increase productivity by promoting digital transformation and reviewing cost structure</li><li>● Continue investing to enhance membership business, create new businesses, etc.</li></ul>



# FY2024 Subscription Plan

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(Thousands)

	Result FY2023	Initial FY2024 Plan	Comparison	
			Difference	YoY
Net New Subscriptions	-92	—	92	—
Net Cumulative Subscriptions	2,467	2,467	—	100.0%

# FY2024 Income & Expenditure Plan

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(Millions of yen)

	FY2023		Initial FY2024		Comparison	
	Result	Percent of Revenue	Plan	Percent of Revenue	Difference	YoY
Revenue	74,869	100.0%	74,700	100.0%	-169	99.8%
Operating Income	1,450	1.9%	700	0.9%	-750	48.3%
Ordinary Income	2,057	2.7%	1,500	2.0%	-557	72.9%
Profit Attributable to Owners of Parent	1,092	1.5%	1,000	1.3%	-92	91.5%

※Program costs forecast to be approximately 40.0% of non-consolidated revenue. (Non-consolidated revenue forecast for FY2024: 63,600 million yen)

※Estimated foreign exchange rate: 1 USD = 155yen ※Figures rounded down to millions of yen.

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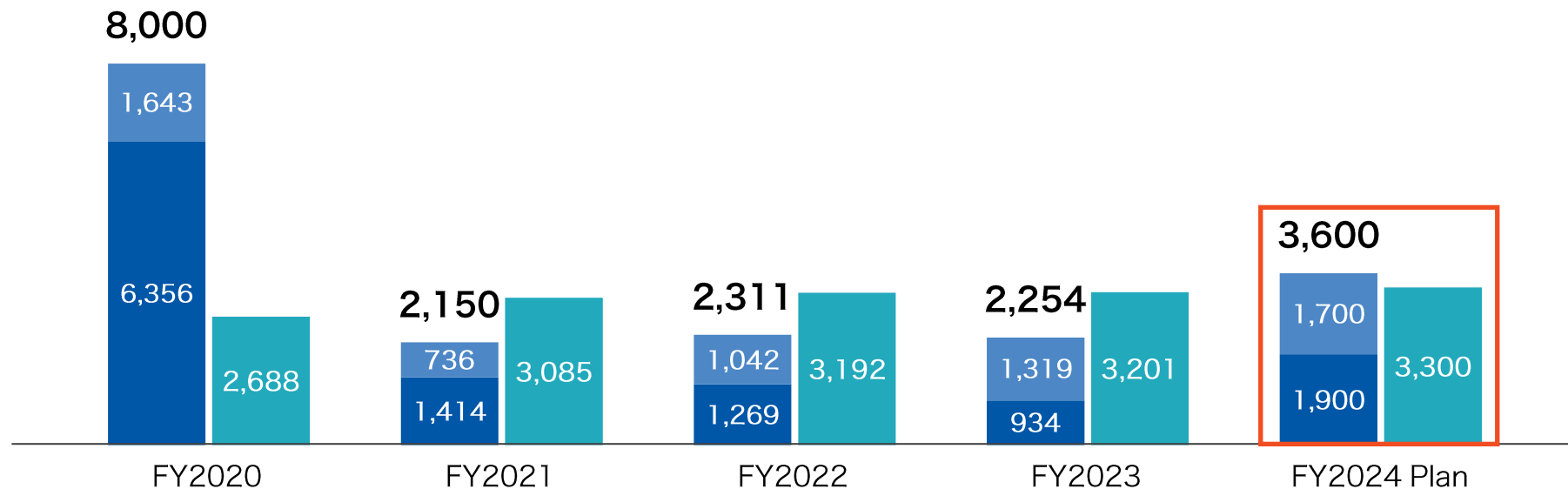
# FY2024 Investment Plan (Non-Consolidated)

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In FY2023, WOWOW invested mainly in broadcasting and transmission equipment, customer management system upgrades, etc. In FY2024, WOWOW will invest mainly in broadcasting and transmission equipment and in strengthening the digital infrastructure essential to membership business and digitalization.

Equipment-related   Software Development   Depreciation Expense

(Millions of yen)

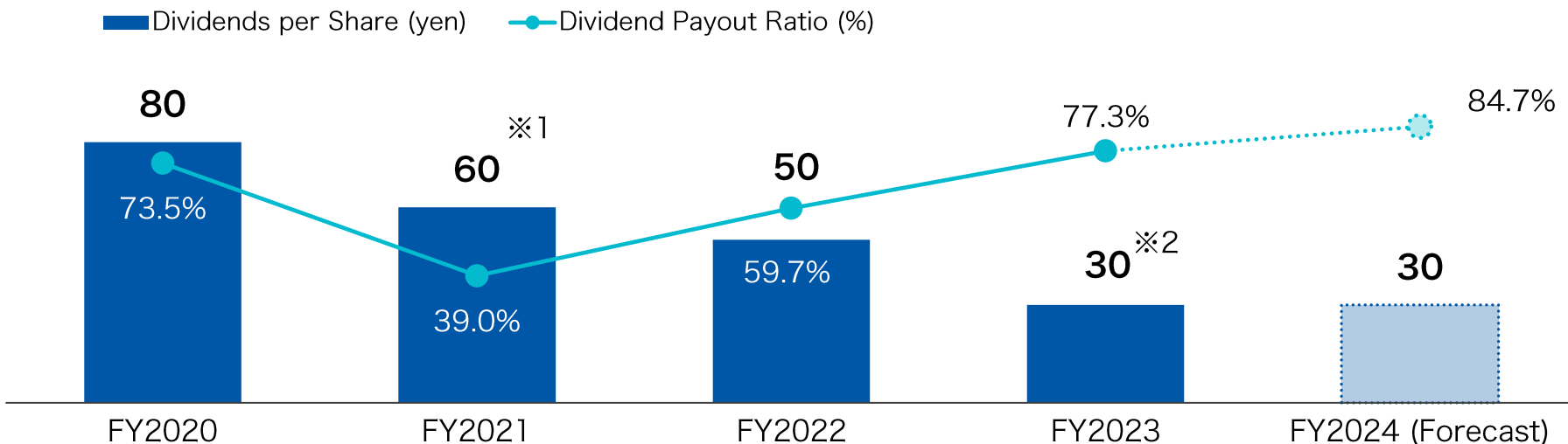


※Figures rounded down to millions of yen.

## Dividend Policy

The Company aims for uninterrupted and stable dividends while retaining sufficient earnings by taking into consideration each fiscal year's business performance, strengthening of financial structure, medium- to long-term business strategy and other factors in a comprehensive manner.

### Change in Dividends over the Past Five Years/Dividend Payout Ratio



※1 Regular 50-yen dividend + 10-yen 30th anniversary dividend

※2 The year-end dividend for FY2023 will be proposed at a meeting of the Board of Directors to be held on May 17, 2024. ©2024 WOWOW INC.

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Numerical data details are now available in “DATABOOK” in the IR section of the website.

<https://corporate.wowow.co.jp/en/ir/finance/databook/>

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WOWOW INC.’s official Corporate Communications & Investor Relations Department account on X: [https://twitter.com/WOWOW\\_Inc](https://twitter.com/WOWOW_Inc)



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### Cautionary Statement:

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The earnings forecasts described in this document are made based on decisions and assumptions relying on information currently available to WOWOW INC. as of the date hereof and thus include risks and uncertainties.

The actual financial results may substantially differ due to various factors.

The factors that may influence actual financial results include, but are not limited to, economic conditions and market trends surrounding business sectors of WOWOW INC. and its group companies.

**Inquiries concerning this document:**  
**Corporate Communications & Investor Relations Department**  
**TEL: 03 (4330) 8080**