

## FY2020 Earnings Announcement (Teleconference)

---

### Event Summary

---

Date : May 14, 2021 15:30-16:30

Speakers : Akira Tanaka Representative Director, President & CEO  
Noriaki Kuromizu Representative Director, Executive Vice President  
Junichi Onoue Board Director, Executive Officer

### Presentation

---

**Moderator:** Welcome to the financial results briefing of WOWOW INC. for the fiscal year ending 2020. Thank you very much for taking time out of your busy schedule today. Please note that the contents of today's briefing and the question and answer session will be released in full through an external organization and posted on our corporate website. In addition, the materials used in the telephone conference can be found on the financial results briefing materials page of the Company's IR website.

This telephone conference is attended by Akira Tanaka, Representative Director President and CEO; Noriaki Kuromizu, Representative Director Executive and Vice President; and Junichi Onoue, Board Director and Executive Officer.

Tanaka will now explain the financial results highlights for FY2020. Please go ahead, Mr. Tanaka.

## 2020年度決算 ハイライト①

正味加入件数は前期と比べ純減も、第2四半期以降改善傾向に

### 加入

- 新型コロナウイルス感染症の影響により、スポーツ・音楽イベントの延期・中止が相次いだことにより、第1四半期の正味加入件数は大幅減と苦戦。
- 第2四半期以降、大坂なおみ選手が二度目の優勝を成し遂げた「全米オープンテニス」「全豪オープンテニス」や、「LPGA全米女子オープン」、「UEFAチャンピオンズリーグ」等のスポーツコンテンツのほか、開局30周年記念「連続ドラマW コールドケース3～真実の扉～」等が新規加入を牽引したことなどにより、正味加入件数は改善傾向に転じた。

(単位：千件)

	2019年度実績	2020年度実績	前期比
新規加入件数	564	542	96.2%
解約件数	611	606	99.2%
正味加入件数	△47	△63	—
累計正味加入件数	2,855	2,791	97.8%

Tanaka: This is Tanaka. Thank you very much for attending the telephone conference today.

I will now explain the highlights of the FY2020 financial results.

Please see page 2 of the slide for subscription.

In FY2020, there were 542,000 new subscriptions, 606,000 cancellations, and a net decrease of 63,000 net subscriptions. Due to the impact of the new coronavirus, sports events and live music performances were cancelled, resulting in a significant decline in net subscriptions in Q1, and we struggled.

From Q2 onward, new subscriptions were driven by sports contents such as the US Open Tennis Championships, in which Naomi Osaka won for the second time; the Australian Open; and the UEFA Champions League; as well as commemorative programs for the 30th anniversary of the station such as drama.

As a result, there was a net decrease in subscriptions for the fiscal year, but the number of net subscriptions has been improving since Q2.

## 2020年度決算 ハイライト②

### 前期と比べ減収減益に

#### 収支(連結)

- 売上高は有料放送収入の減少等より、前期と比べ減収
- 経常利益については、番組費が減少しているものの、売上高の減少に加え、WOWOWオンデマンドや4K放送開始に伴う関連コストが増加していること等により、前期と比べ減益に
- 特別損失に減損損失約21億円を計上

(単位：百万円)

	2019年度実績	2020年度実績	前期比
売上高	82,450	79,165	96.0%
営業利益	8,489	6,789	80.0%
経常利益	9,225	6,934	75.2%
親会社株主に帰属する 当期純利益	5,072	2,942	58.0%

#### 配当

- 1株当たり期末配当金：80円

それぞれ、百万円未満は切り捨てております。

Page 3 of the slide shows the consolidated income and expenses.

Net sales decreased mainly due to a decrease in paid broadcasting compared to the previous fiscal year. Despite a decrease in program expenses, ordinary income decreased due to a decrease in sales and increases in costs for WOWOW On-Demand and the start of 4K broadcasting.

In addition, as disclosed on April 30, net income decreased compared to the previous fiscal year due to the recording of an impairment loss of approximately JPY2.1 billion.

For dividends, the year-end dividend per share will be JPY80 as initially forecasted.

Now, Onoue, who is in charge of accounting, will explain the details of the figures.

## 2020年度 加入状況

(単位：千件)

	2019年度	2020年度	前期比較	
			前期差	前期比
新規加入件数	564	542	△22	96.2%
解約件数	611	606	△5	99.2%
正味加入件数	△47	△63	△17	—
累計正味加入件数	2,855	2,791	△63	97.8%
内) 複数契約*1	410	397	△13	96.9%
内) 宿泊施設契約*2	70	75	5	107.0%

\*1 同一契約者による2契約目と3契約目のデジタル契約に割引制度を適用（月額2,530円の視聴料金を990円に割引。金額は税込）

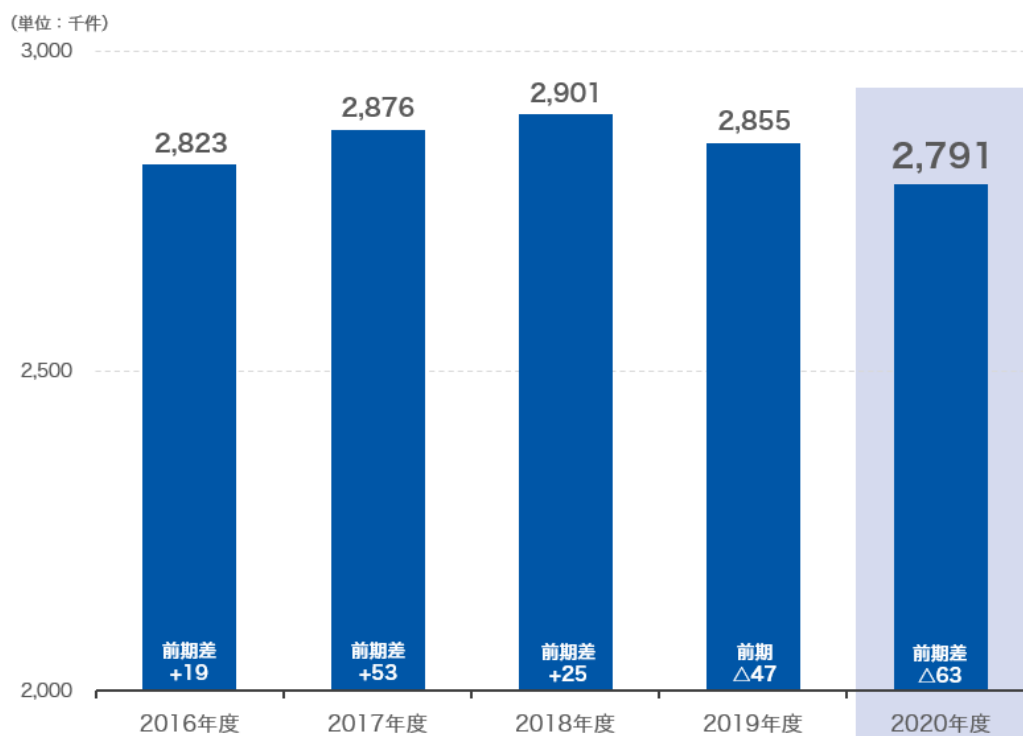
\*2 宿泊施設の客室で視聴するための宿泊施設事業者との個別契約

Onoue: I, Onoue, will now explain up to the major consolidated income and expenses on page 11.

First, page 4 of the slide shows the subscription status for FY2020.

The number of new subscriptions was 542,000, a decrease of 22,000 compared to the previous fiscal year. The number of cancellations was 606,000, a decrease of 5,000 compared to the previous fiscal year; the number of net subscriptions was 63,000, a decrease of 17,000 compared to the previous fiscal year; and the number of cumulative net subscriptions was 2,791,000, a decrease of 63,000 compared to the previous fiscal year.

## 累計正味加入件数の推移



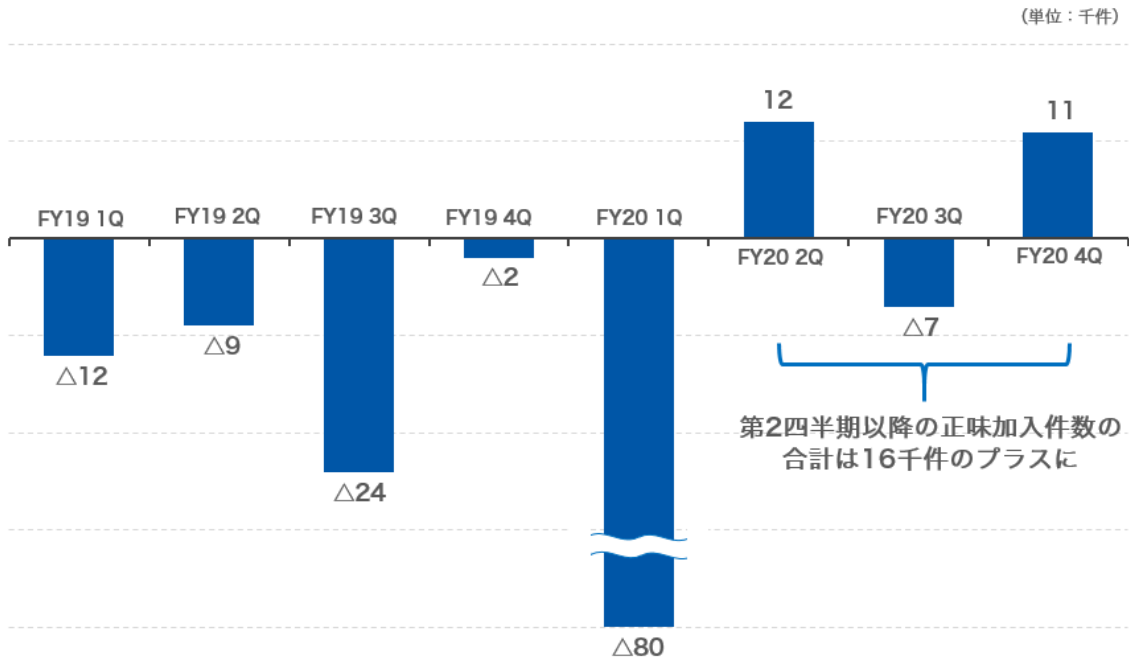
Please see page 5 of the slide.

This shows the transition of cumulative net number subscriptions since FY2016.

As I explained earlier, the number of net subscriptions in FY2020 decreased by 63,000, a net decrease for the second consecutive fiscal year and a severe result.

## 正味加入件数の推移（四半期推移）

第2四半期以降の正味加入件数は前年同期と比べ増加傾向に



Please see page 6 of the slide.

This is the quarterly trend of the number of net subscriptions since the previous fiscal year.

In Q1 of FY2020, net subscriptions were significantly negative, due to the postponement and cancellation of sports events and live music performances caused due to coronavirus, but since Q2, net subscriptions have been on a recovery trend as sports events and live music performances have resumed.

In Q4, the Company launched WOWOW ON-Demand in January, an all-new on-demand service, to improve convenience by enabling users to subscribe and use the distribution service on the web even without a BS viewing environment.

In addition, we have enhanced our distribution content and started broadcasting and distributing a new soccer content, the UEFA Champions League. As a result, although there was a net decrease in the total number of subscriptions for the year, the total number of net subscriptions since Q2 has been positive by 16,000, and compared to the previous quarter, the trend has turned to an increase.

## 2020年度 収支状況

(単位：百万円)

		2019年度		2020年度		前期比較	
		実績	収入比	実績	収入比	前期差	前期比
連 結	売上高	82,450	100.0%	79,165	100.0%	△3,285	96.0%
	営業利益	8,489	10.3%	6,789	8.6%	△1,699	80.0%
	経常利益	9,225	11.2%	6,934	8.8%	△2,291	75.2%
	親会社株主に帰属する 当期純利益	5,072	6.2%	2,942	3.7%	△2,129	58.0%

単 体	売上高	72,489	100.0%	69,888	100.0%	△2,601	96.4%
	営業利益	7,932	10.9%	6,475	9.3%	△1,457	81.6%
	経常利益	8,580	11.8%	6,611	9.5%	△1,968	77.1%
	当期純利益	4,613	6.4%	2,783	4.0%	△1,830	60.3%

それぞれ、百万円未満は切り捨てております。

年間配当	80円/株	80円/株	—	100.0%
------	-------	-------	---	--------

Next is page 7 of the slide.

This section explains the consolidated income and expenditure situation.

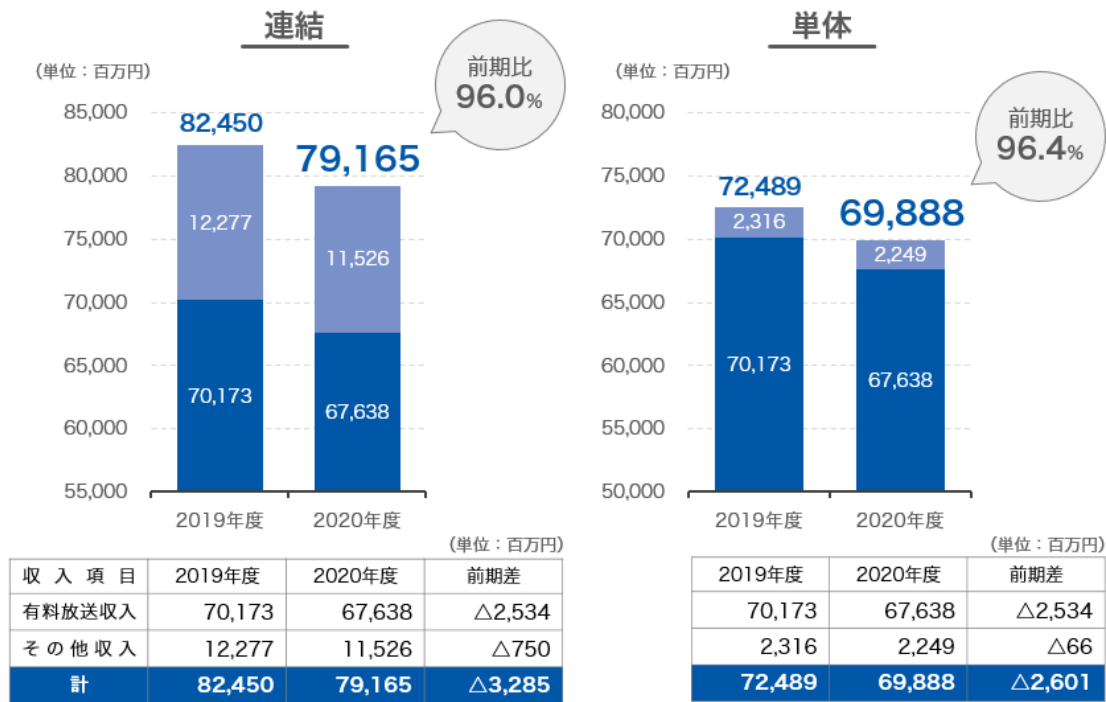
In the current fiscal year, sales and profits decreased compared to the previous fiscal year. Net sales were JPY79.165 billion, a decrease of JPY3.285 billion from the previous fiscal year; ordinary income was JPY6.934 billion, a decrease of JPY2.291 billion from the previous fiscal year; and net income was JPY2.942 billion, a decrease of JPY2.129 billion from the previous fiscal year.

For the non-consolidated subsidiary, Actvila Corporation, the Company posted JPY353 million in the provision of allowance for doubtful accounts under non-operating losses and JPY177 million in the loss on valuation of shares of subsidiaries and associates under extraordinary losses.

In addition, the Company recorded an impairment loss of JPY2.131 billion in the extraordinary losses due to the impairment of intangible assets and goodwill, et cetera, in some businesses of WOWOW PLUS INC., a consolidated subsidiary, because the Company could no longer expect the initially expected earnings.

The factors behind the differences in net sales and ordinary income from the previous fiscal year will be explained on page 8 onward.

## 売上高 前期対比



それぞれ、百万円未満は切り捨てております。

Please see page 8 of the slide.

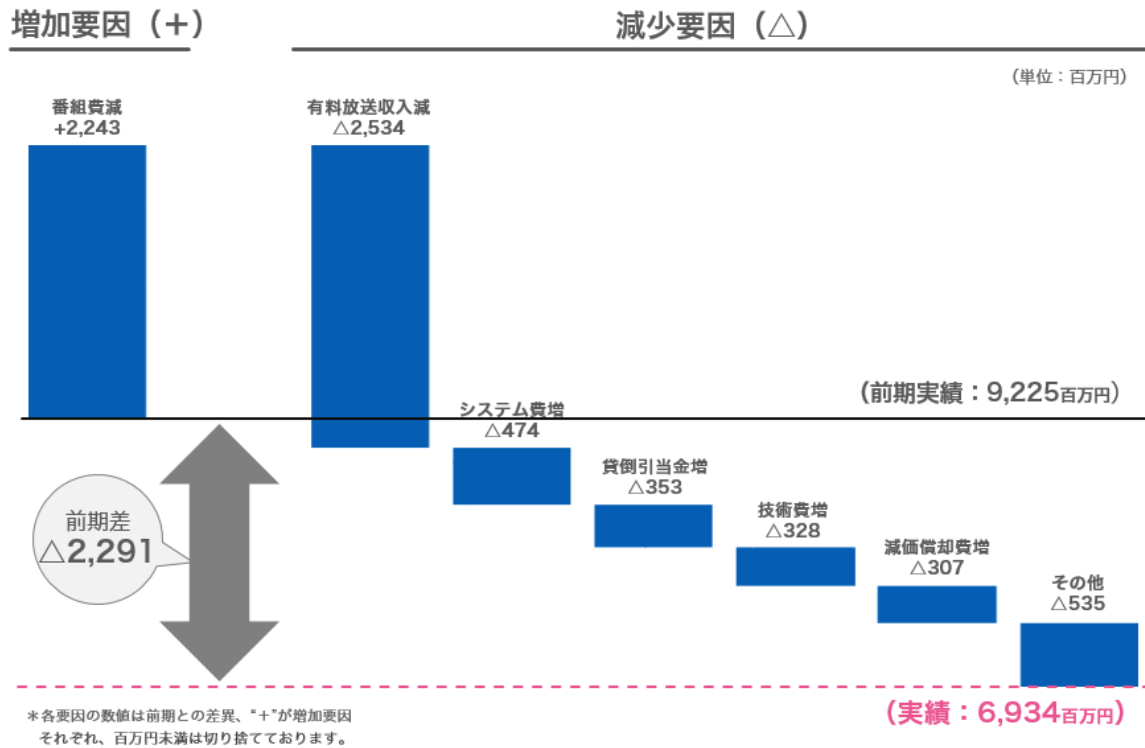
This is a comparison of consolidated and non-consolidated net sales from the previous fiscal year.

I'll explain the consolidated net sales on the left. Consolidated net sales decreased by JPY3.285 billion compared to the previous fiscal year. As a breakdown, revenue of paid broadcasting decreased by JPY2.534 billion due to a decrease in the number of cumulative net subscriptions compared to the previous fiscal year. Other income includes income from WOWOW stand-alone events and sales to non-Group companies by consolidated subsidiaries.

During the fiscal year under review, revenue decreased by JPY750 million due to a decrease in event revenue compared to the previous fiscal year as a result of the impact of coronavirus and a decrease in sales to non-Group companies in telemarketing operations.



## 連結経常利益 前期との差異要因



Please see page 9 of the slide.

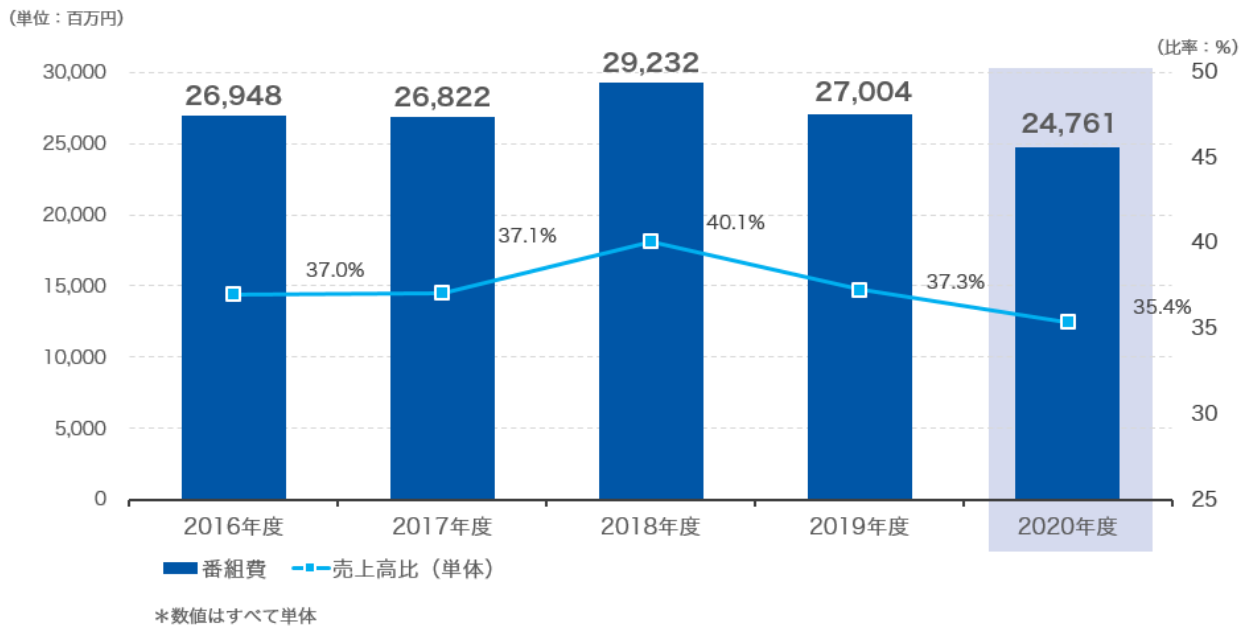
This page describes the factors behind the differences in consolidated ordinary income. In the left part are the factors behind the increase in profits, and in the right part are the factors behind the decrease in profits.

First, I will explain the factors behind the increase. Program expenses decreased by JPY2.243 billion compared to the previous fiscal year. Details will be provided on the next page. The next factors are for the decrease. Paid broadcasting revenue decreased by JPY2.534 billion. This was due to a decrease in the number of cumulative net subscriptions compared to the previous fiscal year. System expenses increased by JPY474 million due to the launch of WOWOW On-Demand and other factors.

In addition, the Company posted JPY353 million as a provision of allowance for doubtful accounts for loans to non-consolidated subsidiary, Actvila Corporation. Due to the start of 4K broadcasting and other factors, technology expenses increased by JPY328 million and depreciation expenses increased by JPY307 million. Others are due to deterioration in income and expenses at consolidated companies and a decrease in equity in earnings of affiliates. As a result, consolidated ordinary income decreased by JPY2.291 billion.

## 番組費の推移

スポーツイベントや音楽ライブの中止等により、番組費は前期と比べ減少



それぞれ、百万円未満は切り捨てております。

Please turn to page 10.

This is a change in program expenses.

Due to a decrease in the number of new movie titles to be broadcast as a result of the new coronavirus and cancellations of sports events and live music performances, program expenses decreased by JPY2.243 billion compared to the previous fiscal year.

## 主要な連結決算会社の収支状況

### ■WOWOWコミュニケーションズ (テレマーケティング)

(単位：百万円)

	2019年度		2020年度		前期比較	
	実績	収入比	実績	収入比	前期差	前期比
売上高	9,067	100.0%	9,413	100.0%	346	103.8%
営業利益	266	2.9%	243	2.6%	△23	91.2%
経常利益	271	3.0%	319	3.4%	48	117.7%
当期純利益	177	2.0%	196	2.1%	19	111.0%

\*WOWOWコミュニケーションズ単体の数値です。

### ■WOWOWプラス (放送)

売上高	5,233	100.0%	5,067	100.0%	△165	96.8%
営業利益	220	4.2%	206	4.1%	△13	93.9%
経常利益	220	4.2%	208	4.1%	△12	94.5%
当期純利益	156	3.0%	162	3.2%	6	104.0%

\*WOWOWプラス単体の数値です。

それぞれ、百万円未満は切り捨てております。

Page 11 shows the status of revenues and expenditures for major consolidated subsidiaries.

WOWOW COMMUNICATIONS INC. is a telemarketing company. Net sales were JPY9.413 billion, an increase of JPY346 million from the previous fiscal year, due to an increase in business for WOWOW, despite a decrease in businesses to non-Group caused by the impact of coronavirus.

On the other hand, ordinary income was JPY319 million, an increase of JPY48 million over the previous fiscal year, due to the recording of employment adjustment subsidies as non-operating income, despite the incurrence of expenses related to countermeasures against infectious diseases.

WOWOW PLUS INC. is a company engaged in the broadcasting business. WOWOW PLUS channel and the basic music channel of pops music are available on CS110 degree and cable TV. Net sales totaled JPY5.067 billion, and ordinary income was JPY208 million.

In December last year, Cinéphile WOWOW, which delivered movies and dramas, changed to WOWOW PLUS, and the channel was rebranded to include such genres as music, sports, and theaters in addition to movies and dramas.

Also, the BS broadcasting business of WOWOW PLUS channel has been transferred to

# WOWOW

WOWOW with the aim of efficient operation of content procurement and organization. As a result, sales and profits decreased compared to the previous fiscal year due to a decrease in sales resulting from business succession and an increase in program expenses and sales promotion costs associated with the rebranding of the channel.

This is all from me.

**Moderator:** Next, Tanaka will explain the long-term vision, 10-year strategy, and the medium-term management plan.

Please go ahead, Mr. Tanaka.

## 長期ビジョン「10年戦略」

---

### 【基本方針】

社会に特別な価値を提供する存在となり、持続的な成長を実現する

### 【10年戦略】

「コンテンツ → コミュニティ → カルチャー」

コンテンツがコミュニティを生み、コミュニティが文化を創る。  
WOWOWは、このすべてに自覚的に取り組む企業となる。  
次の10年WOWOWは、このループを力強く回す。

WOWOWらしさとは、このループそのものであり、  
WOWOWの存在意義は、このループの発展であり、  
WOWOWが実現する未来は、  
このループが生み出す豊かなエンターテインメント文化である。

WOWOWの10年戦略とは、このループそのものである。

Tanaka: Please turn to page 13 of the material.

Currently, the business environment surrounding our company is becoming more competitive every year, due to the emergence of new services focusing on video distribution and the accompanying diversification of people's way of accessing the contents.

In addition, the entertainment industry has been severely hit by the impact of coronavirus, including the postponement, cancellation, and scaling back of events in Japan and overseas. At the same time, it can be said that the value of entertainment is being reaffirmed and the need for it is growing even more.

In light of these changes in the business environment, in order to achieve medium-to-long-term growth, we have formulated a long-term vision, a 10-year strategy, and a medium-term management plan for fiscal years 2021-2025.

The basic policy of that is "to become an entity that provides exceptional value to society and to achieve sustainable growth."

Content creates community and community creates culture. WOWOW will be a company that consciously addresses all of these. For the next decade, WOWOW will turn this loop powerfully.

# WOWOW

WOWOW's way of being is this loop itself, WOWOW's raison d'etre is the development of this loop, and the future that WOWOW will realize is a rich entertainment culture created by this loop.

WOWOW's 10-year strategy is this loop itself.

## 10年戦略ステートメント

---

### つくる、つなげる、はぐくむ

すばらしいコンテンツは、熱いファンをつくる。  
その熱量がつながることで、コミュニティが生まれる。  
そこに集う才能が刺激し合い、また新たな表現が生まれ、  
やがて文化が育まれる。

企業が作ったコンテンツを一方向的に届けるだけの時代は終わった。  
共に参加し、共に応援し、共に楽しむ。

WOWOWは、ファンとクリエイターが集う最高のステージを提供し、  
エンターテインメント文化を加速させるエンジンとなります。

Please see page 14 of the slide.

Here is the 10-year strategy statement.

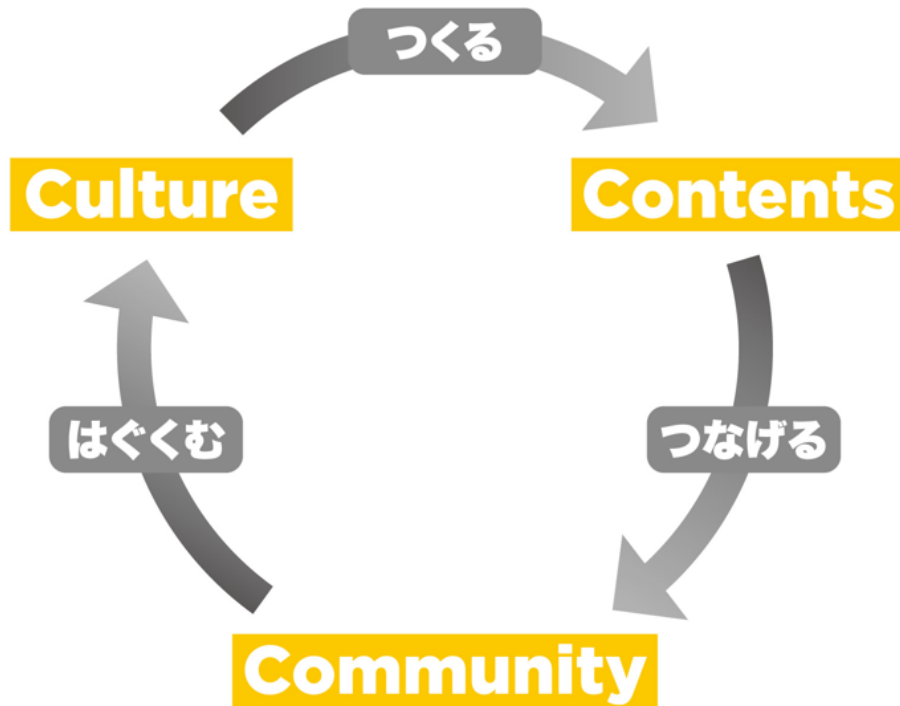
Create, connect, and nurture.

Great contents generate passionate fans. When that enthusiasm is connected, a community is born. The talents that gathers there inspire each other, new expressions are born, and eventually, a culture is nurtured.

The days of just delivering contents created by companies in a one-way fashion are over. Participate together, support together, and enjoy together.

WOWOW will provide the best stage for fans and creators to gather and will be the engine that accelerates the entertainment culture.

## 10年戦略WOWOWループ



Please turn to page 15.

Here is a diagram of the concept of the 10-year strategy. We named this the 10-year strategic WOWOW loop. By running this loop, we aim to become an entity that provides special value to society and to grow sustainably.



## 中期経営計画(2021-2025年度)

### 会員事業構造の再設計 「映像メディア業」から「コンテンツ・コミュニティ業」へ



Please turn to page 16.

Based on this 10-year strategy, the medium-term management plan aims to redesign the membership business structure and transform it from a traditional visual media business to a content community business. We will change our relationship with our users from a one-way delivery from WOWOW to a two-way communication and develop and provide various services in dialogue with our fans.

A media service that provides a viewing experience through broadcasting and distribution with contents at its core, a community service that provides new contents values such as participation and support, and an entertainment service that expands the range of contents experiences. We would like to improve the value of user experience in these three business areas and build long-term relationships with our users.

## 重点取り組み

顧客体験価値の向上を実現するために、徹底した顧客視点でサービス改革を行なう

<b>1.コンテンツ</b>	<ul style="list-style-type: none"> <li>■ フラグシップとなる大型オリジナルコンテンツの開発</li> <li>■ スポーツ、音楽などのライブエンターテインメントの独占性の強化</li> <li>■ 優れたクリエイター、外部パートナーと協業し、ファンを生むコンテンツの開発</li> </ul>
<b>2.メディア・サービスの 変革</b>	<ul style="list-style-type: none"> <li>■ 加入継続率向上のための施策の拡充</li> <li>■ 配信サービスの強化（UI/UXの改良、コンテンツの充実等）</li> <li>■ フィードバックループによるサービス改善</li> </ul>
<b>3.コミュニティ・サービスの 拡充</b>	<ul style="list-style-type: none"> <li>■ 視聴だけでなく、参加・応援を促すコミュニティの拡充</li> <li>■ ファン同士、ファンとクリエイター、パートナーをつなぎ、一緒につくり、一緒に楽しめる場の開発</li> </ul>
<b>4.エンターテインメント・ サービスの進化</b>	<ul style="list-style-type: none"> <li>■ オリジナルコンテンツのイベント展開や、映画、ドラマ連動型のコンテンツ開発</li> <li>■ 地方創生事業など新規事業開発</li> </ul>

Please turn to page 17.

We have designated the first three years of our five-year medium-term management plan as a period that requires dramatic changes and we will focus on thorough service reforms from a user perspective. There are four key initiatives.

First, contents. We will develop flagship large-scale original contents and strengthen the exclusivity of live entertainment such as sports and music. We will collaborate with excellent creators and external partners to develop contents that will generate fans. Instead of staying in the broadcasting and distribution business, we will expand across the three business areas.

For media and service reform, in addition to acquiring new subscriptions, we will take proactive measures to improve the subscription retention rate. We will continue to improve convenience and satisfaction of users by constantly reflecting user feedback in service improvements, such as improving the UI/UX of WOWOW On-Demand and enriching the distribution contents.

In the expansion of community services, we will develop a community that encourages not only viewing but also participation and support, connecting fans with each other, connecting fans with creators and partners, and providing a place where they can create

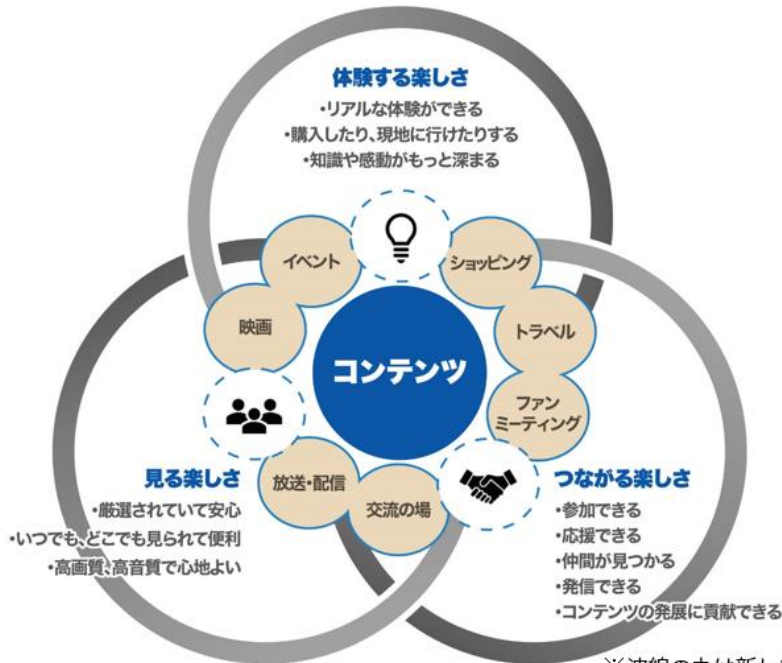
# WOWOW

and enjoy together.

And, for evolution of entertainment services, we will focus on the event and movie business as key genres, aiming to expand the scale of the business by developing events from original contents and developing contents linking to movies and dramas. In addition, we will actively work on developing new businesses, such as regional development projects in collaboration with local governments, by utilizing our contents procurement and planning capabilities that we have cultivated.

## 中期経営計画(2021-2025年度)で実現するWOWOWの世界観

コンテンツのことがもっと好きになる。毎日の生活がもっと楽しくなる。  
人生がもっと豊かになる。



Please turn to page 18.

This is the world view of WOWOW that will be realized in the medium-term management plan. We will provide our users with joy of watching through media services, joy of connecting through community services, and joy of experiencing through entertainment, and we will continue to expand.

By having our users lost in the world of entertainment provided by WOWOW, we hope to provide our users with the kind of value that will make them love the contents more, make their daily lives more enjoyable, and enrich their lives.

I explained the medium-term plan as our strategic targets. We will examine and announce the numerical management targets every single year because there are various uncertain factors in the corporate environment, such as the impact of coronavirus pandemic.

**Moderator:** Next, Mr. Tanaka will explain the business plan for FY2021. Please.

## 2021年度 加入計画

(単位：千件)

	2020年度 実績	2021年度 計画	前期比較	
			前期差	前期比
新規加入件数	542	730	188	134.6%
解約件数	606	710	104	117.3%
正味加入件数	△63	20	83	—
累計正味加入件数	2,791	2,811	20	100.7%

Tanaka: I will now explain the business plan for FY2021.

Please turn to page 20.

The subscription plan for FY2021 is 730,000 new subscriptions, 710,000 cancellations, 20,000 net subscriptions, and 2,811,000 cumulative net subscriptions.

This year, the sports contents that we exclusively broadcast and distribute are strong. This will be introduced later. In addition to sports contents, WOWOW On-Demand, which was launched on January 13, will be expanded in earnest.

By enriching contents and improving service, we believe that we will be able to attract new users along with those who subscribe through broadcasting. In addition, we are aiming to increase the number of net subscriptions by 20,000 by expanding community services to keep subscriptions and discourage churn.

## 2021年度 収支計画

(単位：百万円)

		2020年度		2021年度		前期比較	
		実績	収入比	計画	収入比	前期差	前期比
連 結	売上高	79,165	100.0%	79,500	100.0%	334	100.4%
	営業利益	6,789	8.6%	2,900	3.6%	△3,889	42.7%
	経常利益	6,934	8.8%	3,000	3.8%	△3,934	43.3%
	親会社株主に帰属する 当期純利益	2,942	3.7%	2,000	2.5%	△942	68.0%
単 体	売上高	69,888	100.0%	70,600	100.0%	711	101.0%
	営業利益	6,475	9.3%	2,300	3.3%	△4,175	35.5%
	経常利益	6,611	9.5%	2,700	3.8%	△3,911	40.8%
	当期純利益	2,783	4.0%	1,800	2.6%	△983	64.7%
<b>期末配当</b>		80円/株		50円/株		△30	62.5%

(注) 番組費：単体の売上高比として約41.0%を見込む。 それぞれ、百万円未満は切り捨てております。  
 想定為替レート：1ドル110円

Please turn to page 21.

Income and expenditure plan for FY2021 is expected to increase in revenue and decrease in profit. Consolidated net sales are expected to increase compared to the previous fiscal year, mainly due to an increase in subscription fees and other revenues. Ordinary income is expected to decrease compared to the previous fiscal year due to an increase in program expenses as a result of broadcasting and distribution of major sporting events such as the EURO.

We also plan to pay a year-end dividend of JPY50 per share, a decrease of JPY30 compared to the previous fiscal year.

## 2021年度 投資計画（単体）



それぞれ、百万円未満は切り捨てております。

Please turn to page 22.

In FY2020, the amount of capital investment was higher than usual due to investment in 4K broadcasting related equipment, but the planned investment amount for FY2021 is JPY3.2 billion. In the current fiscal year, we plan to invest mainly in broadcasting equipment and user management systems.

## 2021年度上期の注目スポーツコンテンツ

### スポーツの独占性強化やコミュニティの拡充

	<p><b>UEFA EURO 2020™</b> サッカー欧州選手権</p> <p>6月11日(金)～7月11日(日)</p> <p><b>コミュニティ</b> 「WOWOWサッカーアリーナ」 6月にスタート</p>		<p>生中継!エキサイトマッチSP 「井上尚弥」ラスベガス防衛戦! WBA・IBF世界バンタム級タイトルマッチ 井上尚弥vsマイケル・ダスマリナス</p> <p>6月20日(日)</p> <p><b>コミュニティ</b> 「エキサイトマッチファンクラブ」 6月にスタート</p>
	<p><b>全仏オープンテニス</b></p> <p>5月30日(日)～6月13日(日)</p> <p><b>コミュニティ</b> 「WOWOWテニスワールド」</p>		<p><b>LPGA女子ゴルフツアー</b> 畑岡・渋野 出場!</p> <p><b>全米女子オープン</b></p> <p>6月4日(金)～6日(日)</p> <p><b>KPMG全米女子プロゴルフ選手権</b></p> <p>6月24日(木)～28日(月)</p>

Please turn to page 23.

As I mentioned earlier, I would like to introduce some of the most notable sports contents for the first half of this fiscal year.

After being postponed for a year, the UEFA EURO 2020, a soccer festival to determine the strongest in Europe, will be broadcast live exclusively every day. We will broadcast it live, on air, and on demand. In addition, we plan to broadcast a lot of noteworthy game live performances on 4K.

For boxing, the match of WBA/IBF World Bantamweight Champion, Naoya Inoue against the IBF World Bantamweight No. 1, Michael Dasmarinas, will be broadcast live and live-streamed exclusively.

For tennis, the Championships, Wimbledon, which was cancelled last year, will be back, and the four major tournaments will be back all together. In addition, the LPGA will be challenged by a number of notable Japanese players.

In the soccer and boxing genres, we will also launch a community similar to WOWOW Tennis World, which was very popular during the Australian Open. For example, to coincide with the start of the EURO, we will launch the WOWOW Soccer Arena, a community site with a theme of overseas soccer. We will provide special streaming videos and exclusive



# WOWOW

contents every day that will allow our users to enjoy soccer broadcasts from a new and deeper perspective.

In addition, the Excite Match Fan Club, a boxing community site, will have a renewed SNS and fan club site, as well as online events where fans can have fun with the live commentators.

This is all from me.

**Moderator:** With that, we will conclude the presentation.

## Question & Answer

---

**Moderator:** We will now move on to the question and answer session.

Does anyone have any questions?

**Questioner A:** Thank you for your presentation.

The long-term management plan, including this 10-year strategy and the WOWOW loop, was mentioned, and I understand that the time of just delivering contents created by companies in a one-way fashion was over and that the 10-year strategy is to participate, support, and enjoy together. I also saw the diagram of loop that combines Content, Culture, and then Community for the WOWOW fee.

Basically, I think the Company has had communities, or events for fans. Basically, the Company is going to shift from the business model where they create content to provide to the other business model that is interactive or incorporates communities. I think this is a big change. If you have any more specific information on the purpose of the shift to a new service model that incorporates communities at this timing and what exactly can be achieved by this change, could you explain?

That is all from me. Thank you.

**Tanaka:** Tanaka will answer.

First of all, as for your question about the timing, I don't have to explain here again the recent changes in the business environment. The great spread of video streaming services has made packaged contents, mainly movies and foreign dramas, very accessible, and users' viewing environments at home have changed dramatically. This is the main reason why we need to provide new value to our users at this time, and show the value of subscribing WOWOW and enjoying its contents at this timing, and this is the reason for this timing.

As for your question about what we can gain from this, I would like you to take a look at the map of WOWOW's worldview that we will provide to our users through the medium-term management plan. In this entirety, I hope to realize the world that WOWOW offers to its members.

Of course, not everything will be launched uniformly, and our services that we provide to our users, or members, who communicate with WOWOW, will not only allow them to watch this kind of world, but also to participate in it, to experience it, to work together to create some kind of entertainment, or even to do some kind of crowdfunding to support a young Japanese player following Nishikori, or support a theater company.

There is a blank circle in the middle, but we would like to work together with our users to start services that they want.

Maybe it's a school; maybe it's some kind of social contribution activity. I think creating

# WOWOW

services in an interactive relationship with our users would be a major change and I believe that this will lead to an increase in the retention rate of WOWOW members in terms of numbers. Does this make sense?

**Questioner A:** Thank you very much.

I'm sorry, can I ask one additional question about the WOWOW worldview? In this new world view, I think you will be able to add shopping and travel services other than what your company has provided in the past. Is this something that you plan to realize on your own, or do you plan to actively collaborate with other companies to realize this? Is this something that you want to achieve on your own or do you want to collaborate and cooperate with other companies? Which is it, the former or the latter?

**Tanaka:** There may be cases where we go for it on our own, but the most important thing is to be able to create the happiest lives and the happiest entertainment lives of our users. Thus, we hope to expand the convenience and joy of our users by collaborating with external parties.

**Questioner A:** I see. Thank you very much.

**Moderator:** Thank you. Do you have any other questions? Are there anyone else?

It seems that there are no other questions. With that, we would like to conclude here.

Lastly, President Tanaka will say a few words.

**Tanaka:** Thank you very much for your attention and your questions.

The 10-year strategy as a long-term vision and the medium-term management plan that I have introduced today were formulated after more than a year of discussions and debates led by directors and general managers in the field. It is not a top-down plan, and it is not a plan formulated only by a few planning departments. In this sense, I would like to conclude by saying that the plan is matched by the front-line employees fighting on the front lines. In the midst of a drastically changing business environment, we all shared a sense of crisis, and at the same time, we shared WOWOW's raison d'etre and goals. We decided to redesign our membership business from the video media business through broadcasting and distribution, which we had been doing for the past 30 years, to a content community business that goes beyond just viewing.

It is, after all, a new experiment. Most of the measures have only just begun to be implemented. We would like to ask for your understanding and continued support.

Thank you very much for joining us today.

**Moderator:** This concludes the presentation of FY2020 financial results.

Thank you very much for joining us today.

[END]