

WOWOW

Summary of 2Q FY2021 Earnings

October 29, 2021
WOWOW INC.

Stock code number : 4839

1. 2Q FY2021 Earnings Highlights
(April-September)
2. 2Q FY2021 and FY2021 Results
Forecast

Appendix

Main Initiatives in July - September 2021

Media service

Sports: Broadcast/transmitted “UEFA EURO2020™ (UEFA European Football Championship™),” “UEFA Champions League Season 2021/22,” “US Open Tennis Championships” and such.

Original drama series: Broadcast/transmitted “Drama series W: Mikkoku-wa-utau Keishichokansatsu-fairu” and such.

Documentaries: Broadcast/transmitted Paralympic Documentary Series “WHO I AM” Season 5.

Community service

WOWOW SOCCER ARENA: Held “After Party,” a special program to watch again the best goals and memorable scenes from “UEFA EURO2020™ (UEFA European Football Championship™)” with fans, on July 17 (Sat.).

Excite Match FAN CLUB: Naoya Inoue appeared live on a program to look back at the defense match in Las Vegas in June. Held an online event in which fans could interact with him after the program on July 31 (Sat.).

Musical Lounge By WOWOW: A community where one can fully enjoy the charm of Japanese and foreign musicals. Opened on September 26 (Sun.) to coincide with the 74th Tony Awards ceremony.

Entertainment service

Movies: Released “(Movie adaptation) Gambare! TEAM NACS” in September which includes never-before-seen footage from “Gambare! TEAM NACS” broadcast and transmitted for the 30th anniversary of WOWOW as well as some interview footage.

Events: Announced on September 21 (Tue.) the cancellation of “MOON BASE‘21” scheduled for October 23 (Sat.) and 24 (Sun.) in light of the status of COVID-19.

New Subscription

- Due to the increasing popularity of sports content including soccer and boxing up to June, gained the largest number of new subscriptions for 1Q since the start of WOWOW broadcasting services.
- However, the number of net new subscriptions decreased due to an increase in the number of cancellations following the end of “UEFA EURO2020™ (UEFA European Football Championship™)” in July and other factors.

(Thousands)

	2Q FY2020	2Q FY2021	Difference	YoY
Gross New Subscriptions	241	335	94	139.1%
Cancellations	308	400	92	129.8%
Net New Subscriptions	-67	-65	2	—
Net Cumulative Subscriptions	2,788	2,727	-61	97.8%

Income & Expenditure (Consolidated)

- For sales, broadcasting revenue decreased year on year, but revenue increased due to the increase in external sales of subsidiaries
- Ordinary income decreased due to strategic investments in large-scale sports programs, etc.

(Millions of yen)

	2Q FY2020	2Q FY2021	Difference	YoY
Revenue	39,376	40,185	808	102.1%
Ordinary Income	8,104	1,780	△6,323	22.0%

※Figures rounded down to millions of yen.

1. 2Q FY2021 Earnings Highlights
(April-September)
2. 2Q FY2021 and FY2021 Results
Forecast

Appendix

2Q FY2021 Subscription

WOWOW

(Thousands)

	2Q FY2020	2Q FY2021	Previous Period Comparison	
			Difference	YoY
Gross New Subscriptions	241	335	94	139.1%
Cancellations	308	400	92	129.8%
Net New Subscriptions	-67	-65	2	—
Net Cumulative Subscriptions	2,788	2,727	-61	97.8%
Of these, multi-subscriptions*1	403	390	-14	96.6%
Of these, hotel subscriptions*2	74	77	3	104.4%

*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.

2Q FY2021 Income & Expenditure

WOWOW

(Millions of yen)

	2Q FY2020		2Q FY2021		Previous Period Comparison	
	Result	Percent of Revenue	Result	Percent of Revenue	Difference	YoY
Revenue	39,376	100.0%	40,185	100.0%	808	102.1%
Operating Income	7,735	19.6%	1,537	3.8%	-6,197	19.9%
Ordinary Income	8,104	20.6%	1,780	4.4%	-6,323	22.0%
Profit Attributable to Owners of Parent	5,663	14.4%	1,311	3.3%	-4,352	23.1%

Figures rounded down to millions of yen.

Comparison of Consolidated Revenue /Operating Income by Segment

WOWOW

Media and Content ((Formerly) Broadcasting)

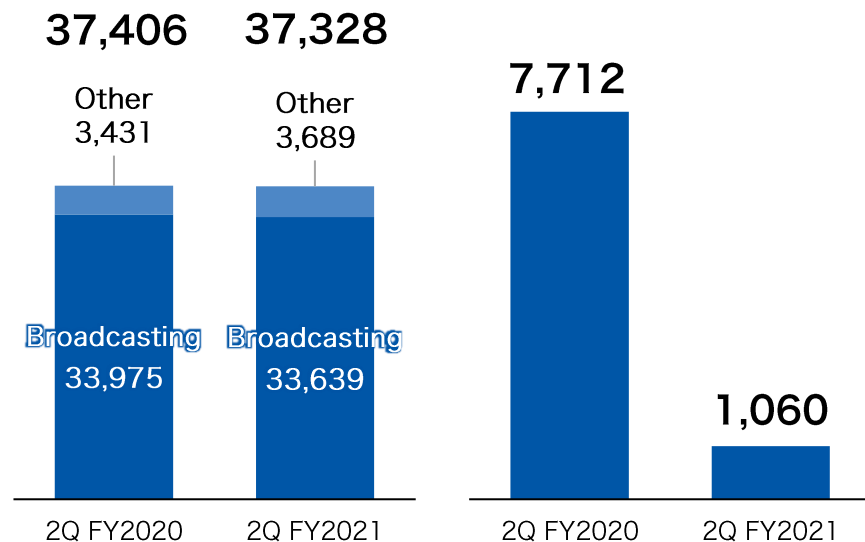
(Millions of yen)

Revenue

YoY **99.8%**

Operating Income

YoY **13.8%**



Telemarketing

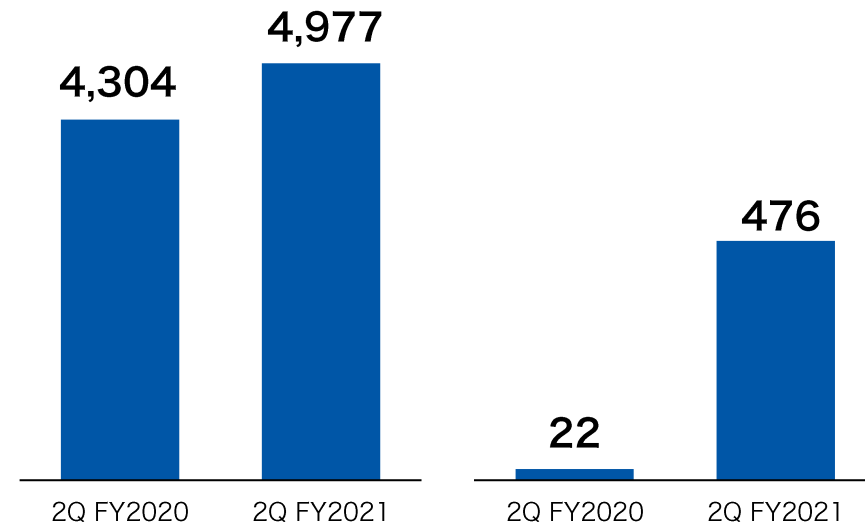
(Millions of yen)

Revenue

YoY **115.7%**

Operating Income

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

WOWOW

Increase Factors (+)

Income and expenditure of
group companies
+650

Decrease Factors (-)

Program cost
-6,042

(Millions of yen)

(Previous period result 8,104 million yen)

Difference
-6,323

Viewing Fee
Revenue
-336

Technical
Expense
-217

Depreciation
Expense
-209

Other
-169

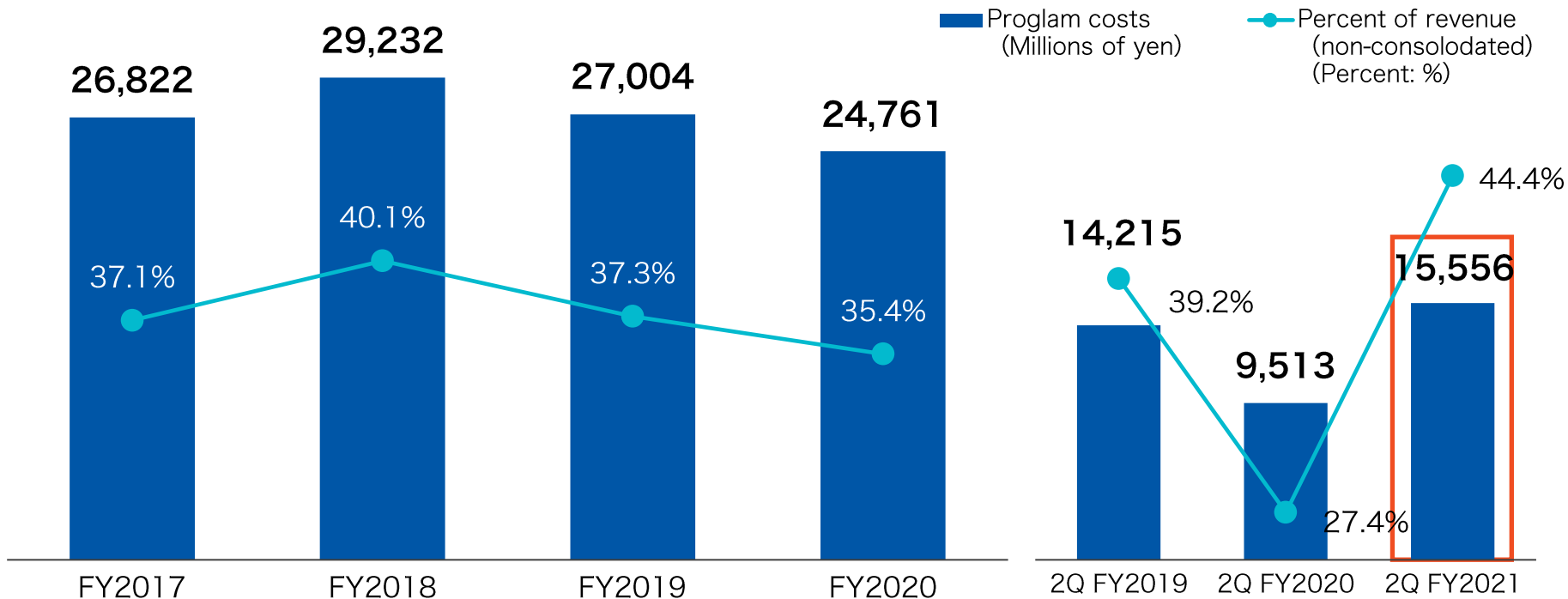
(Result : 1,780million yen)

※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.

Change in Program Costs

WOWOW

Program costs increased year on year due to broadcasting and transmission of large-scale sports content and other factors



※All figures are non-consolidated.

※Figures rounded down to millions of yen.

(Thousands)

	Initial FY2021 Plan	Revised FY2021	Comparison	
			Difference	YoY
Gross New Subscriptions	730	730	—	100.0%
Cancellations	710	720	10	101.4%
Net New Subscriptions	20	10	-10	50.0%
Net Cumulative Subscriptions	2,811	2,801	-10	99.6%

FY2021 Income & Expenditure Plan (announced Oct 28, 2021)

WOWOW

(Millions of yen)

	Initial FY2021		Revised FY2021		Comparison	
	Plan	Percent of Revenue	Plan	Percent of Revenue	Difference	YoY
Revenue	79,500	100.0%	79,400	100.0%	-100	99.9%
Operating Income	2,900	3.6%	2,800	3.5%	-100	96.6%
Ordinary Income	3,000	3.8%	3,000	3.8%	—	100.0%
Profit Attributable to Owners of Parent	2,000	2.5%	2,000	2.5%	—	100.0%

※Program costs forecast to be approximately 41.0% of non-consolidated revenue. (Non-consolidated revenue forecast for FY2021: 69,700 million yen)

※Estimated foreign exchange rate: 1 USD = 110yen ※Figures rounded down to millions of yen.

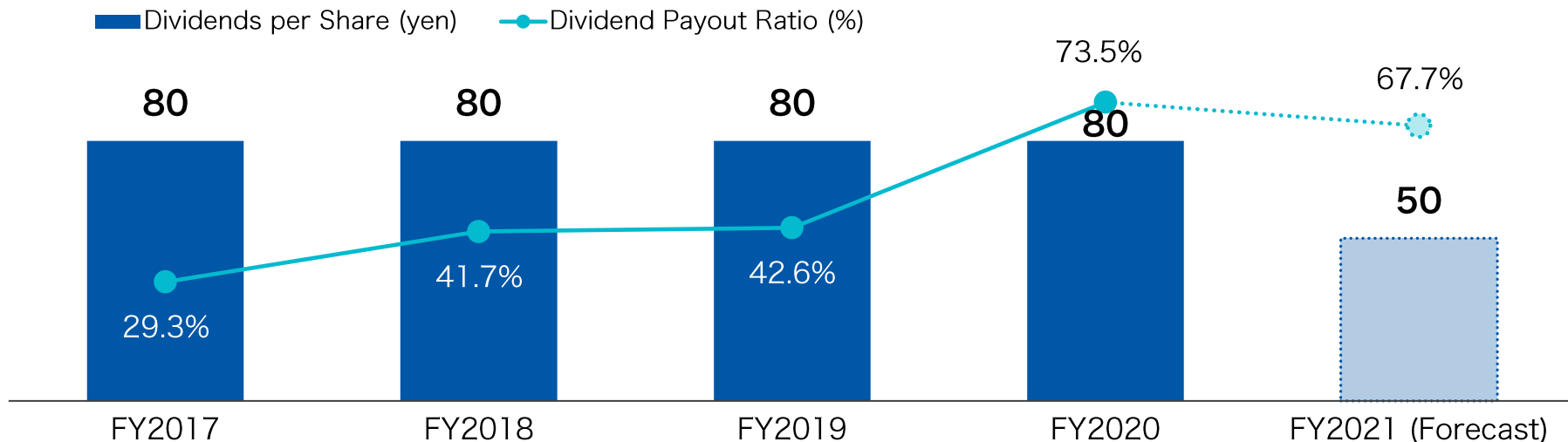
©2021 WOWOW INC.

13

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. 2Q FY2021 Earnings Highlights
(April-September)
2. 2Q FY2021 and FY2021 Results
Forecast

Appendix



Numerical data disclosed as supplementary materials in the previous briefing materials are now available in “DATABOOK” in the IR section of the website.

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

Basic Policy:

Achieve sustainable growth by providing extraordinary value to society

10-Year Strategy:

Content → Community → Culture

Content produces community and community creates culture.

WOWOW will involve itself in every aspect of this cycle with intentionality in order to powerfully drive it forward over the next 10 years.

This cycle is what makes WOWOW unique,
and its advancement is WOWOW's raison d'être,
because the future that WOWOW will create
is the product of this cycle: a rich entertainment culture.

WOWOW's 10-year strategy is this cycle.

Create, Connect, Cultivate

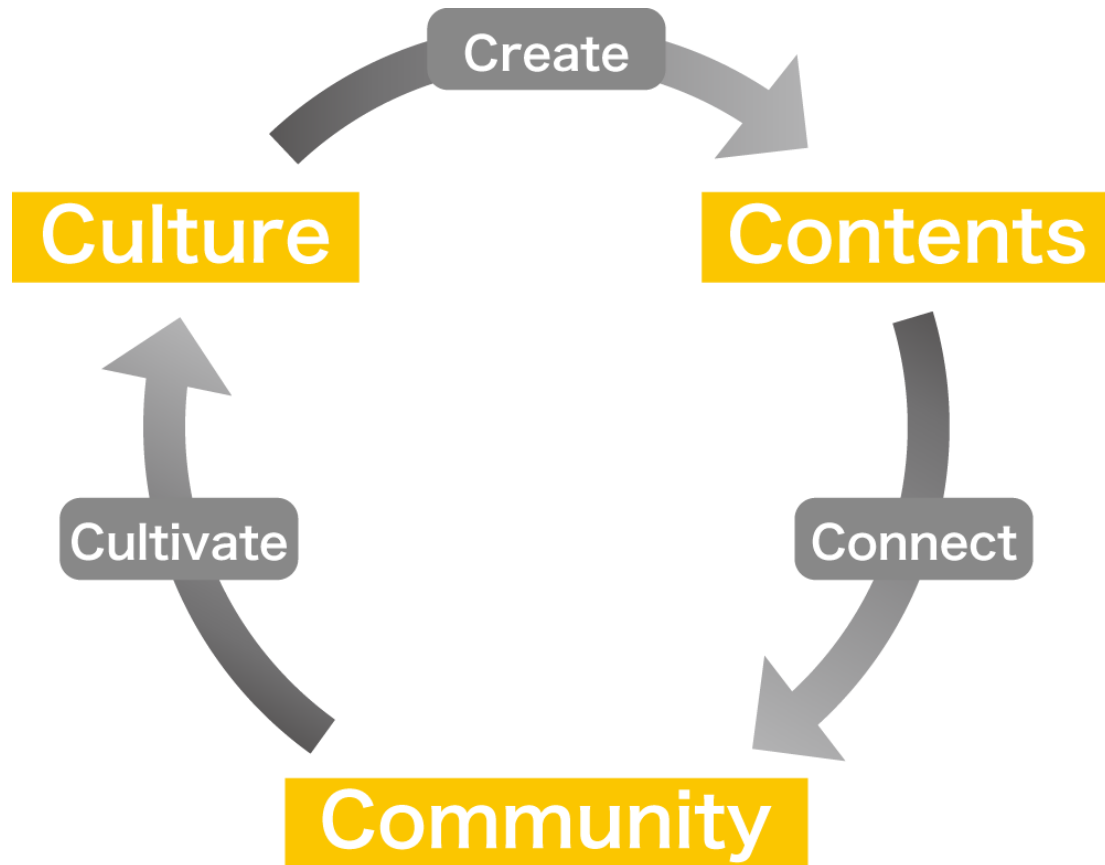
Excellent content creates devoted fans.

Connecting this devotion forms a community.

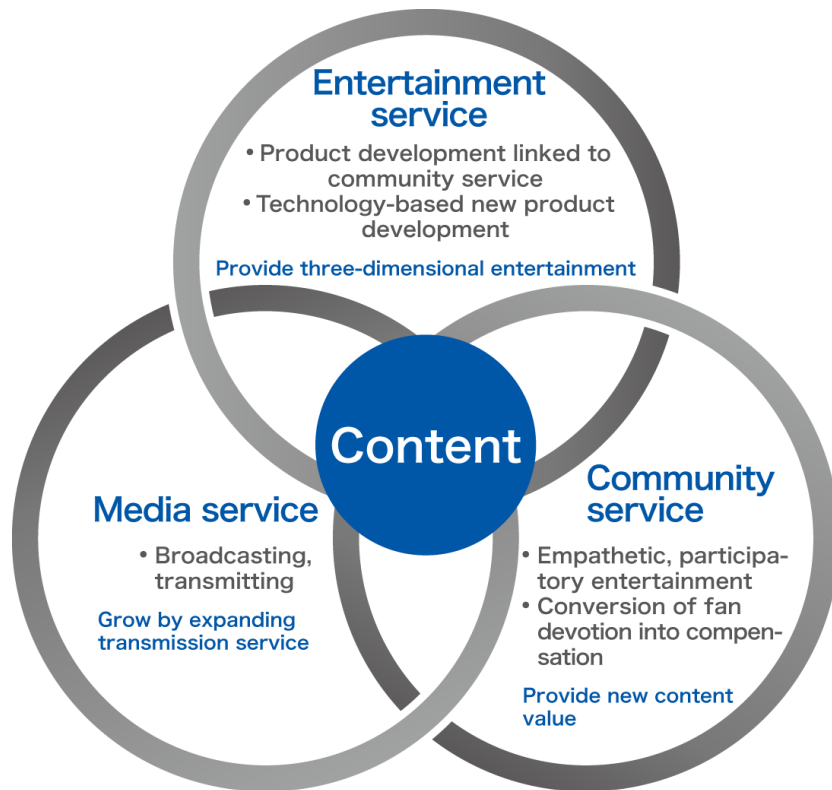
These talented people inspire each other, produce new creativity,
and by doing so, cultivate culture.

The age of companies creating and delivering content unidirectionally is over.
We want to work together, support each other, and enjoy it together.

WOWOW will provide the best platform for fans and creators to gather,
and serve as an engine accelerating entertainment culture.



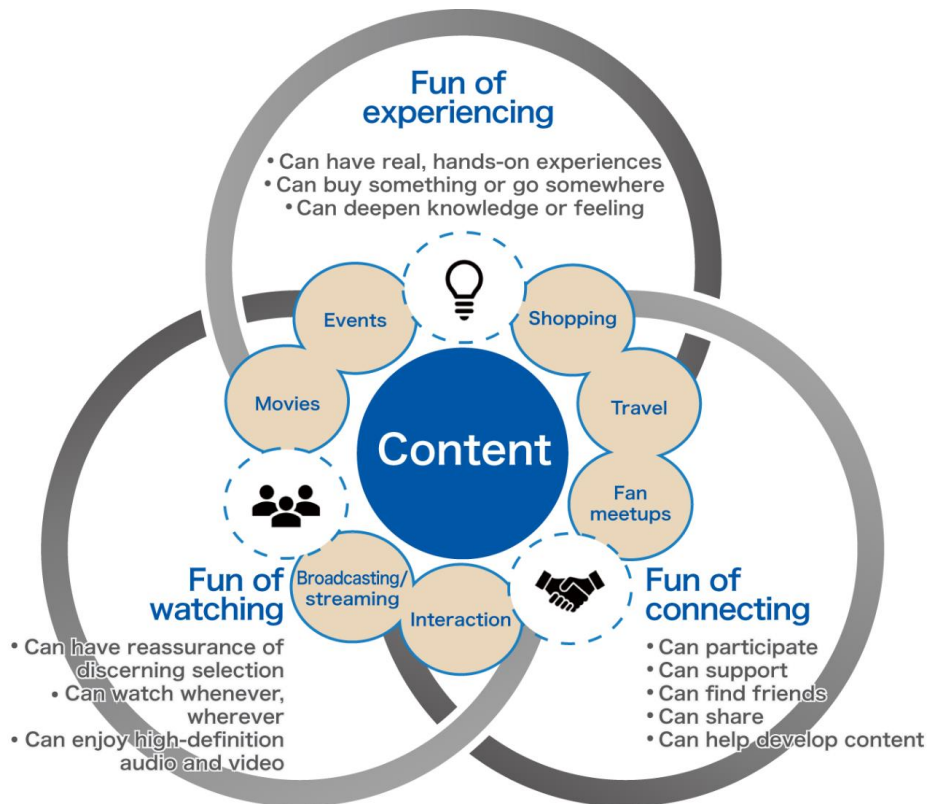
Redesign our subscription business model from visual media business to content and community business



Thorough customer-centric reform of services to improve customer experience

1. Content	<ul style="list-style-type: none">■ Develop major original content as flagships■ Strengthen exclusivity on sports, music and other live entertainment■ Work with excellent creators and outside partners to develop content that produces fans
2. Reformation of media service	<ul style="list-style-type: none">■ Expand measures to improve subscription continuation rate■ Enhance transmission service (improve UI/UX, expand content, etc.)■ Improve service with feedback loop
3. Expansion of community service	<ul style="list-style-type: none">■ Grow communities that not only watch but participate/support■ Connect fans with each other, creators and partners to foster joint creation and enjoyment
4. Evolution of entertainment service	<ul style="list-style-type: none">■ Hold original content events and develop content linked to movies and TV shows■ Develop new projects such as regional revitalization projects

Liking the content even more, enjoying every day even more,
living an even richer life





©WOWOW • aki kondo/dwarf

Cautionary Statement:

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