

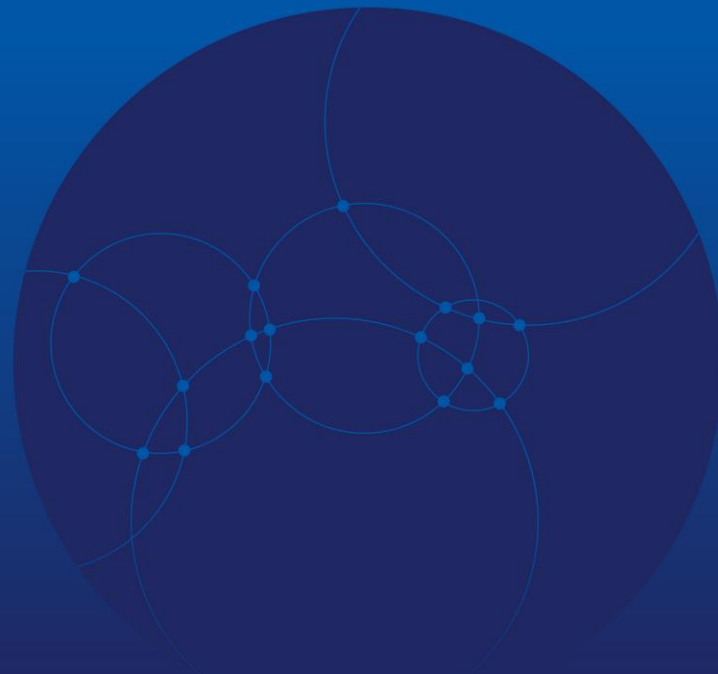
WOWOW

Summary of F Y 2 0 2 1 E a r n i n g s

May 13, 2022

WOWOW INC.

Tokyo Stock Exchange,
Prime Market
Stock code number : 4839



1. FY2021 Earnings Highlights
 2. FY2021 Earnings
 3. Summary of FY2022 Business Plan
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Main Initiatives in January – March 2022

Media service

Sports : Broadcast/transmitted the UEFA Champions League 2021/22 season tournament (soccer), Six Nations Championship (rugby) and 2022 LPGA Women's Golf Tour. Transmitted on live all matches on all courts (629 matches) at the Australian Open (tennis) on WOWOW On-Demand and WOWOW Tennis World for the first time.

Music : Broadcast/transmitted performances by Spitz, YOASOBI, L'Arc-en-Ciel, etc.

Informational/variety : Broadcast (live) the 94th Academy Awards ceremony, where "Drive My Car" won Best International Feature.

Community service

Musicals : Transmitted on live the one-night-only performance of Yuichi Fukuda and Yoshio Inoue's original musical comedy "Green & Blacks" on March 18 (Fri). Broadcast/transmitted on May 7 (Sat).

Entertainment service

Anime & Movies : Broadcast/transmitted "Eien no 831" to mark WOWOW's 30th anniversary before its nationwide theatrical release on March 18 (Fri).

TV & Movies : Broadcast/transmitted "Actors Short Film 2" before its nationwide theatrical release on April 1 (Fri).

New Subscription

- Soccer, tennis, Eikichi Yazawa, Spitz's performance, WOWOW/Tokai Television's co-production drama series "Associate Professor Akira Takatsuki's Inference", Drama Series W: "Karei-naru Ichizoku" and other programs were well-received.
- However, net new subscription fell due to COVID rapidly accelerating diversification of consumer lifestyles, hurting movie and live music lineups and intensifying streaming service competition.

(Thousands)

	FY2020	FY2021	Difference	YoY
Gross New Subscriptions	542	612	70	112.8%
Cancellations	606	723	117	119.4%
Net New Subscriptions	-63	-111	-48	—
Net Cumulative Subscriptions	2,791	2,680	-111	96.0%

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)

	FY2020	FY2021	Difference	YoY
Revenue	79,165	79,657	492	100.6%
Ordinary Income	6,934	5,349	-1,584	77.1%

※Figures rounded down to millions of yen.

Dividends

- The fiscal year-end dividend per share was 60 yen: the planned 50 yen plus 10 yen for WOWOW's 30th anniversary.

Measures to Increase Corporate Value

Moving to Prime Market

- We disposed treasury stock and sold shares (announced on Friday, November 26, 2021) to meet the criteria for listing on the Prime market, which is a tradable share ratio of at least 35.0%.
- Our tradable share ratio as of March 31, 2022, is 37.8% and we expect to satisfy all listing criteria.*

*This calculation is based on the distribution of share certificates, etc. as of March 31, 2022, in accordance with the TSE's calculation method as of June 30, 2021.

Strengthening Corporate Governance

- We will transition to a company with an audit committee, subject to approval at the 38th Ordinary General Meeting of Shareholders to be held on June 22 (Wednesday), to improve management transparency and speed up decision-making and business execution.

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FY2021 Subscription

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(Thousands)

	FY2020	FY2021	Previous Period Comparison	
			Difference	YoY
Gross New Subscriptions	542	612	70	112.8%
Cancellations	606	723	117	119.4%
Net New Subscriptions	-63	-111	-48	—
Net Cumulative Subscriptions	2,791	2,680	-111	96.0%
Of these, multi-subscriptions*1	397	379	-18	95.4%
Of these, hotel subscriptions*2	75	77	2	102.6%

*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.

FY2021 Income & Expenditure

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(Millions of yen)

	FY2020		FY2021		Previous Period Comparison	
	Result	Percent of Revenue	Result	Percent of Revenue	Difference	YoY
Revenue	79,165	100.0%	79,657	100.0%	492	100.6%
Operating Income	6,789	8.6%	5,268	6.6%	-1,521	77.6%
Ordinary Income	6,934	8.8%	5,349	6.7%	-1,584	77.1%
Profit Attributable to Owners of Parent	2,942	3.7%	4,239	5.3%	1,297	144.1%

Figures rounded down to millions of yen.

Comparison of Consolidated Revenue / Operating Income by Segment

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Media and Content ((Formerly) Broadcasting)

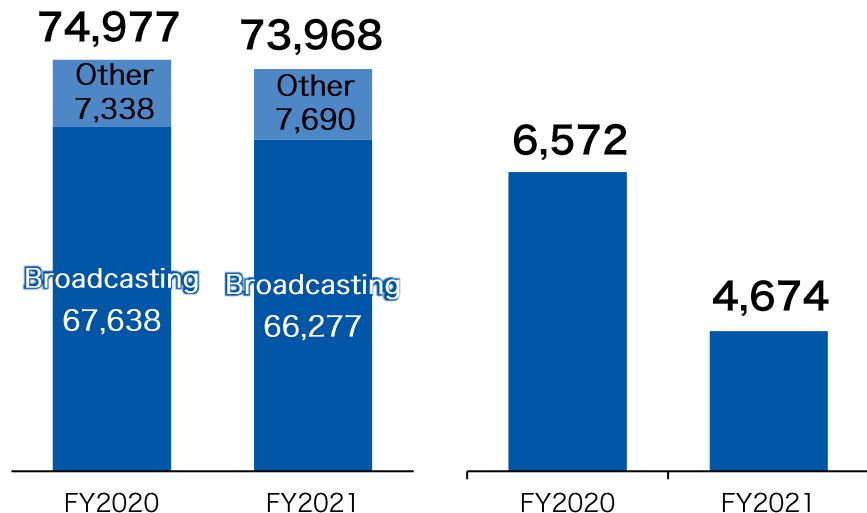
(Millions of yen)

Revenue

Operating Income

YoY **98.7%**

YoY **71.1%**



Telemarketing

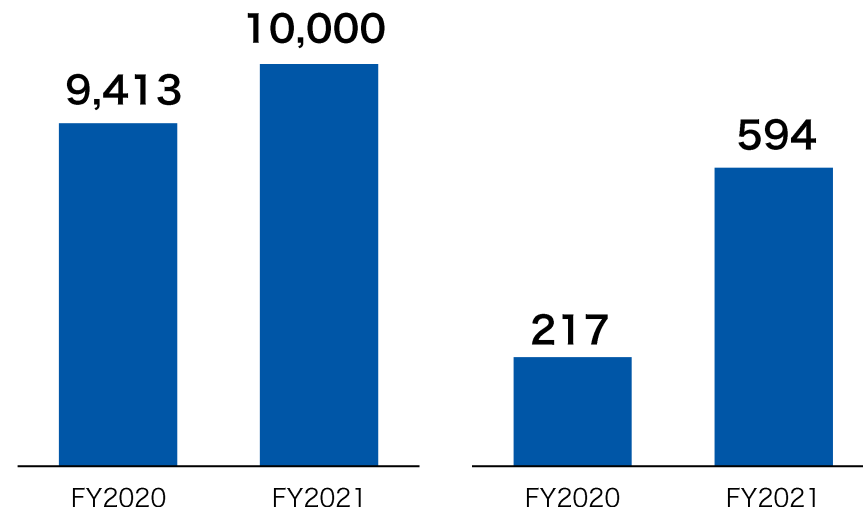
(Millions of yen)

Revenue

Operating Income

YoY **106.2%**

YoY **273.9%**



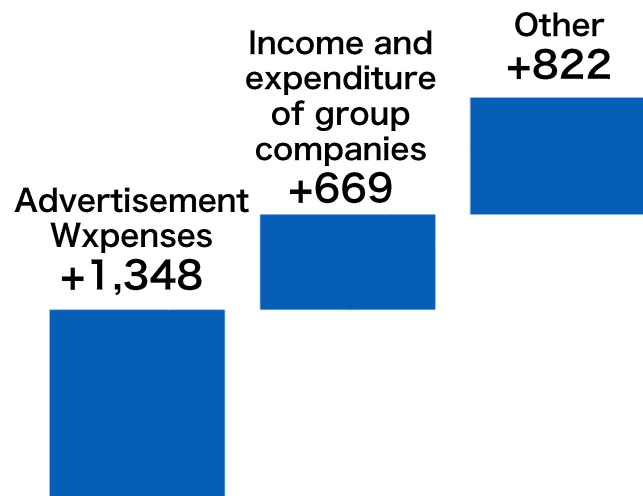
※Figures rounded down to millions of yen.

※The amounts for each segment include transactions between segments.

Consolidated Ordinary Income Factors in Difference from Previous Period

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Increase Factors (+)



Decrease Factors (-)

Program cost
-2,322

Viewing Fee
Revenue
-1,360

(Previous period result
6,934 million yen)

Depreciation
Expense
-419

Technical
Expense
-322

Difference
-1,584

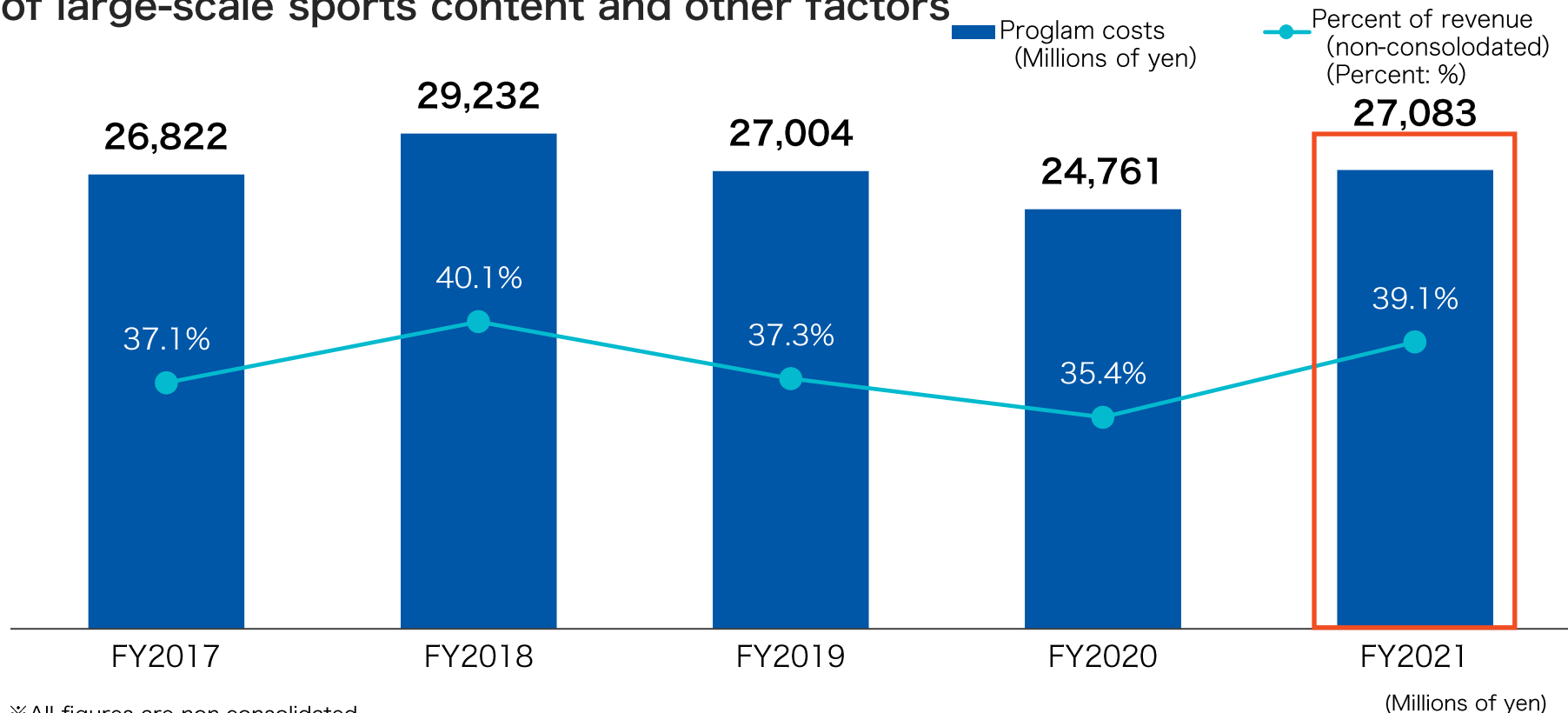
(Result : 5,349million yen)

※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 Cost

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



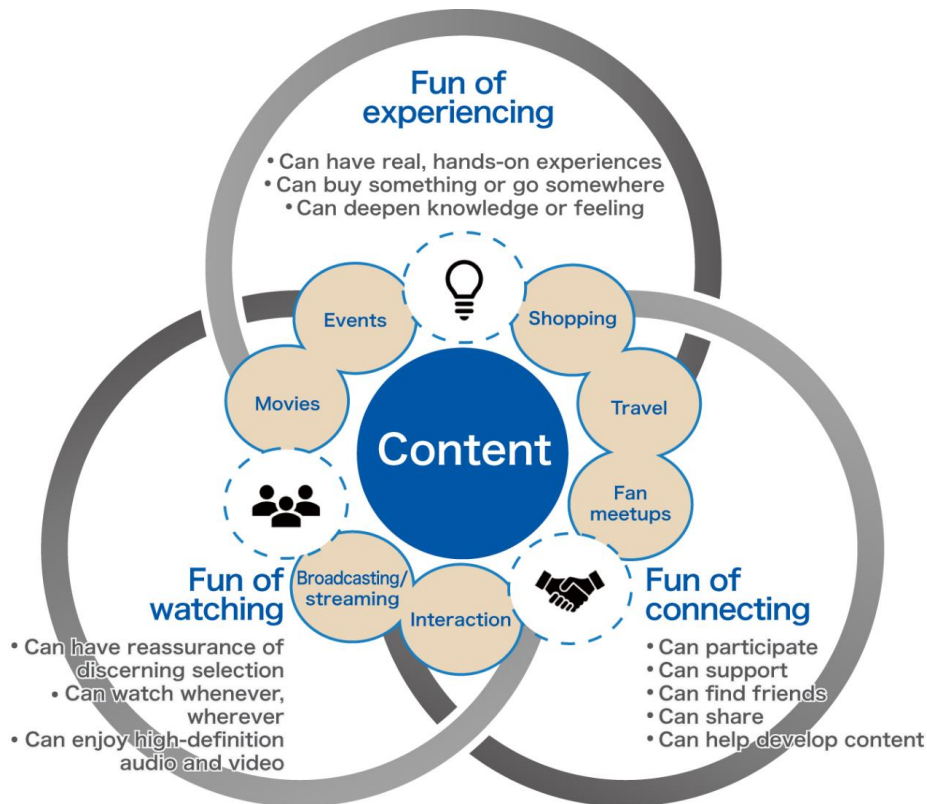
※All figures are non-consolidated.

※Figures rounded down to millions of yen.

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



Three keys to transforming into a "content and community business" as set forth in our medium-term management plan (FY2021-2025)

1. Significantly enhancing content

- Develop original content such as "Tokyo Vice", an original drama co-produced with Hollywood media/entertainment companies, and enhance exclusivity of live entertainment such as sports and music to achieve a new scale and number of titles.
- Develop content that enhances customer experience through participation, support and experiences.

2.Improving/ bolstering media and services

- Expand WOWOW On-Demand content, improve UI/UX and launch TVOD* service by end of FY2022.
- Deepen understanding of subscribers and reflect opinions in service/content improvements, increasing usage time for broadcasting/transmitting services and subscriber satisfaction/subscription retention.

3. Increasing revenue

- Strengthen our revenue-generating structure by promoting digitalization, generating resources through a thorough review of operations and reforming our cost structure.
- Develop content-centric community and entertainment services to improve subscriber satisfaction and secure new revenue sources.

Measures to Increase Subscription/Retention Rates

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We will refine the value we provide and build long-term relationships with Subscribers.

Subscriber Usage Categories

1. Broadcasting
(age: 40s+)

2. Broadcasting and
transmitting

3. Transmitting
(age: 20s-30s)

● High-Retention Subscriber Characteristics

- They use both broadcast and transmitting, watch multiple genres, register multiple devices and have long watch times.

Value we provide

- Original content available only on WOWOW through co-creation with top creators
- Discerning content procurement in multiple genres such as sports, music and dramas
- Services that leverage both broadcasting and transmitting (e.g., dedicated streaming of Japanese LPGA players, extra tennis courts, etc.)
- Content-based value-added experiences other than viewing

We will significantly enhance WOWOW On-Demand content and improve UI/UX to provide enjoyment tailored to customer desires and lifestyles.

1. Significantly increase number of titles

We expect to have around 60% more titles transmitting in June 2022 than when it started in January 2021.

2. Enhance original and overseas dramas

We will progressively transmit over 200 original dramas, all 15 seasons and the final season of “CSI: Crime Scene Investigation” (336 episodes) and all Viaplay dramas (260 episodes) over one year.

3. Enhance latest anime content

We will transmit nine new anime titles including “Ya Boy Kongming!” and “Kaguyasama ha Kokurasetai – Ultra Romantic”.

4. Offering latest movies

We will transmit the latest movies including a “007” feature and the six Oscar-winning “Dune”.

We will improve UI/UX in FY2022 and launch a TVOD¹ service.



WOWOW On-Demand screen²

1. Transactional Video On Demand (rental pay-per-view streaming)
2. The service depicted is in development and may vary from the image.

FY2022 and FY2023 Subscription Plan

WOWOW

(Thousands)

	Result FY2021	Initial FY2022 Plan	Comparison		Initial FY2023 Plan
			Difference	YoY	
Gross New Subscriptions	612	580	-32	94.8%	
Cancellations	723	630	-93	87.1%	
Net New Subscriptions	-111	-50	61	—	—
Net Cumulative Subscriptions	2,680	2,630	-50	98.1%	2,630

FY2022 Income & Expenditure Plan

WOWOW

(Millions of yen)

	Initial FY2021		Revised FY2022		Comparison	
	Result	Percent of Revenue	Plan	Percent of Revenue	Difference	YoY
Revenue	79,657	100.0%	76,500	100.0%	-3,157	96.0%
Operating Income	5,268	6.6%	2,300	3.0%	-2,968	43.7%
Ordinary Income	5,349	6.7%	2,500	3.3%	-2,849	46.7%
Profit Attributable to Owners of Parent	4,239	5.3%	1,600	2.1%	-2,639	37.7%

※Program costs forecast to be approximately 38.0% of non-consolidated revenue. (Non-consolidated revenue forecast for FY2022: 66,700 million yen)

※Estimated foreign exchange rate: 1 USD = 125yen ※Figures rounded down to millions of yen.

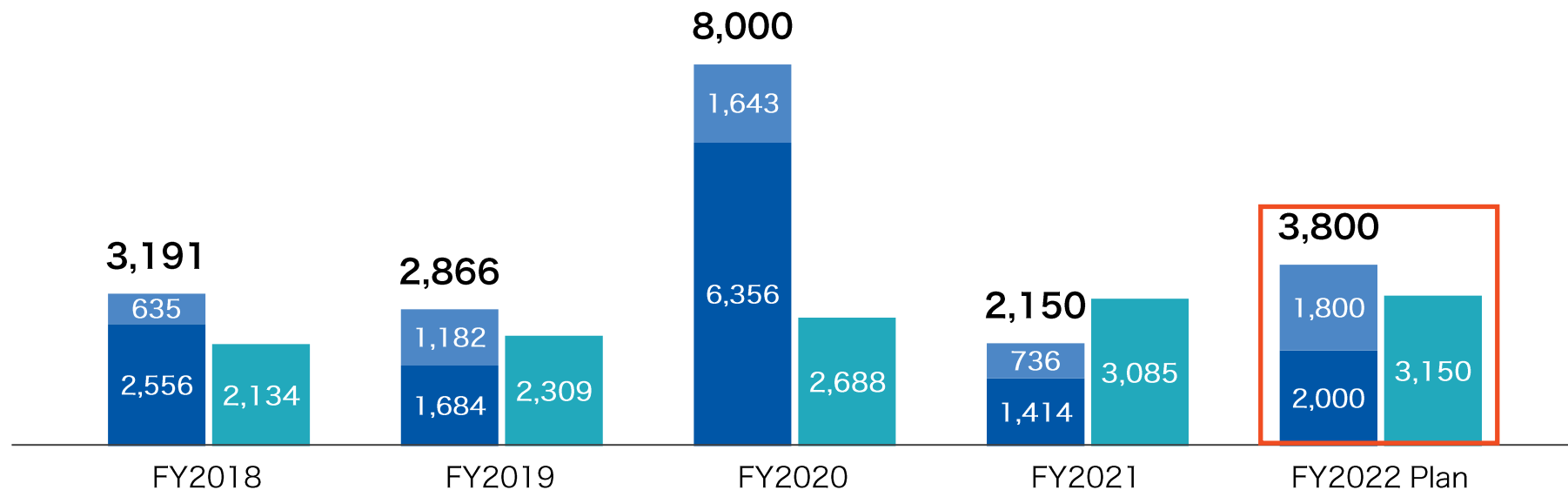
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FY2021 capital expenditure decreased significantly year-on-year as we completed capex for 4K broadcasting in FY2020. In FY2022, we plan to invest in broadcasting equipment, content management systems, etc.

■ Equipment-related ■ Software Development ■ Depreciation Expense

(Millions of yen)

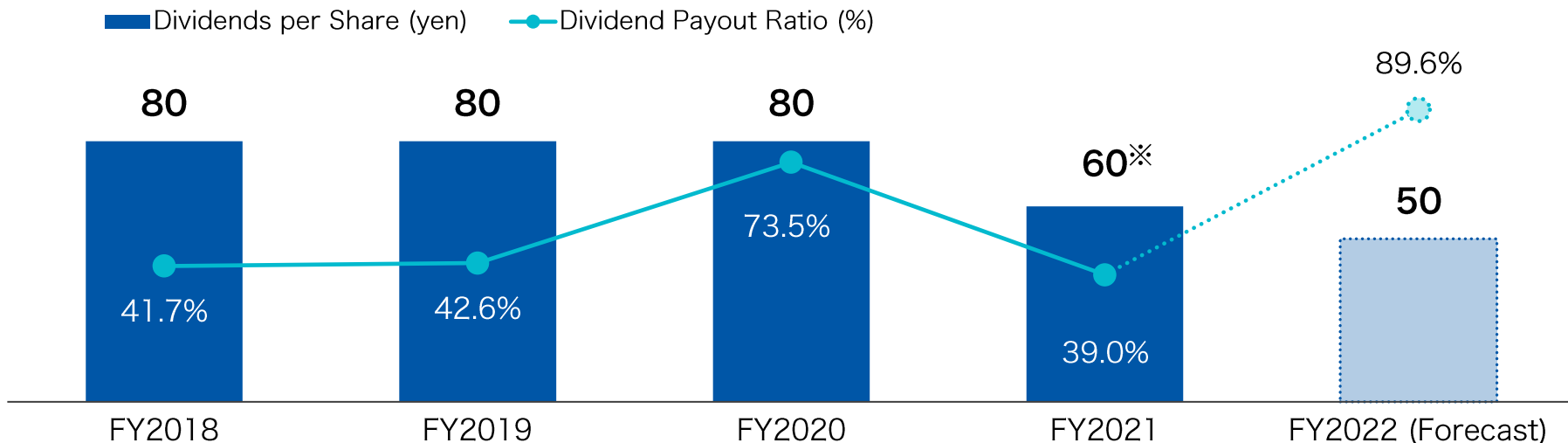


※Figures rounded down to millions of yen.

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



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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

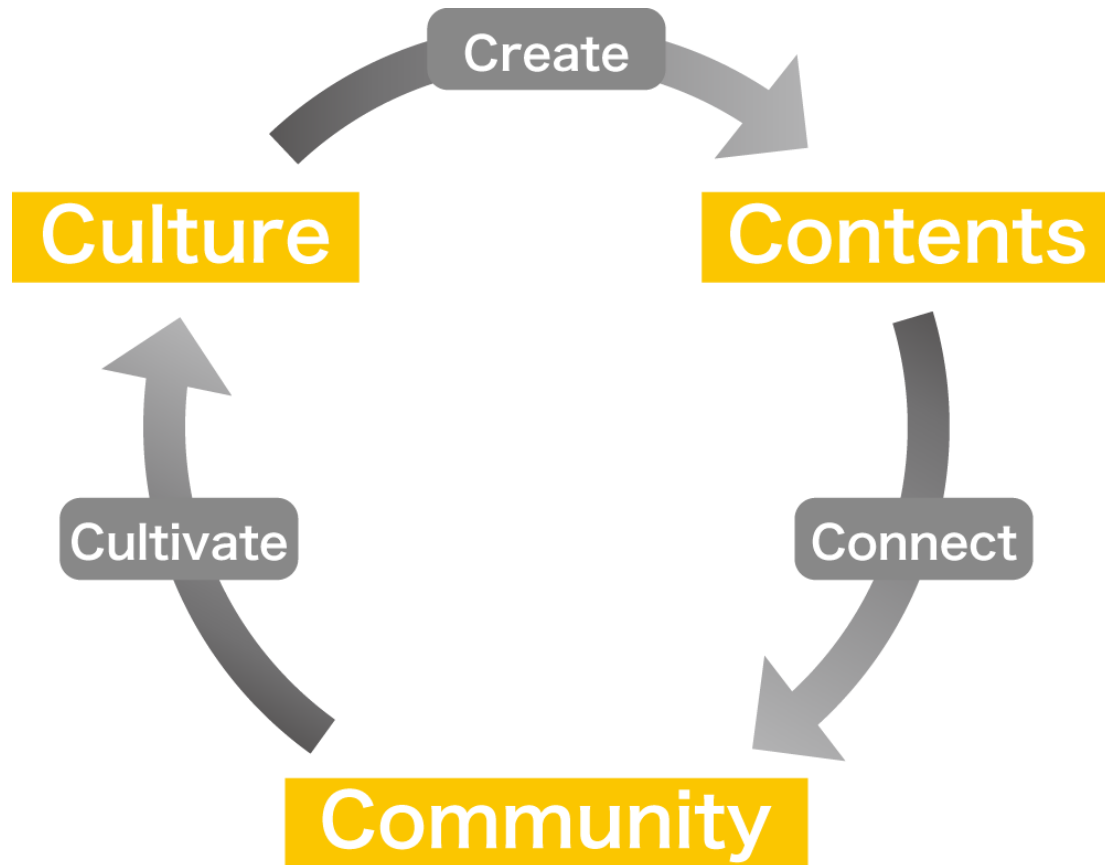
Excellent content creates devoted fans.

Connecting this devotion forms a community.

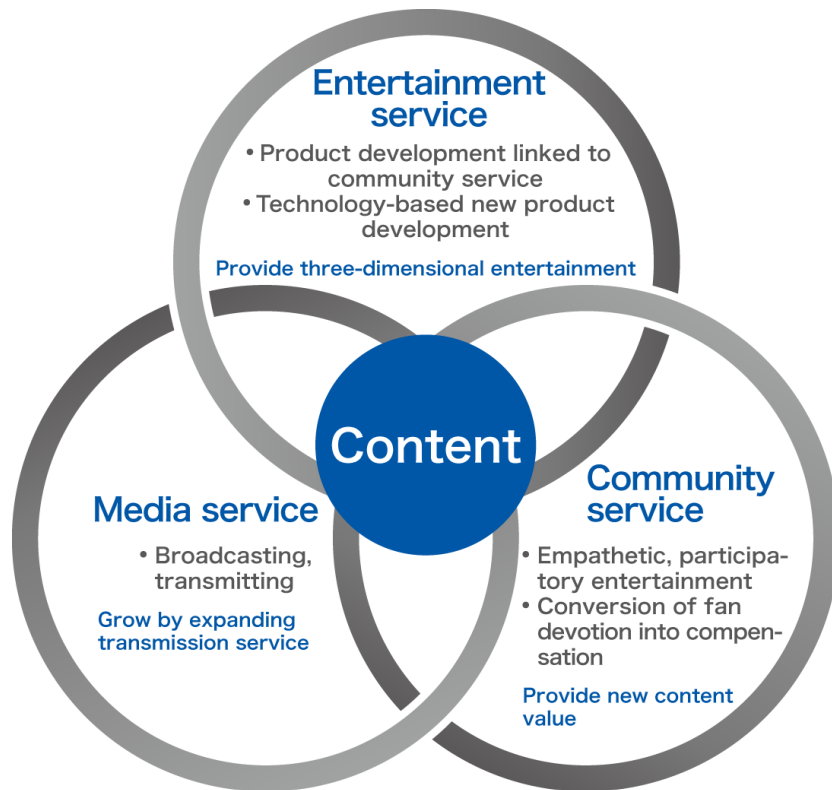
These talented people inspire each other, produce new creativity,
and by doing so, cultivate culture.

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.



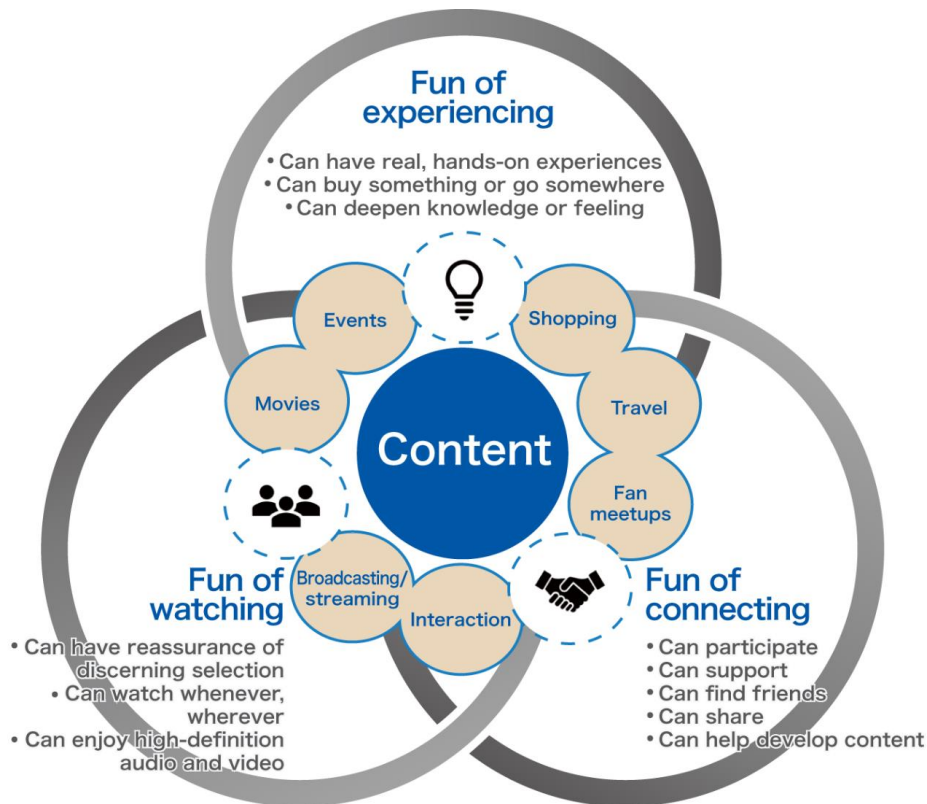
Redesign our subscription business model from visual media business to content and community business



Thorough customer-centric reform of services to improve customer experience

1. Content	■ 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	■ 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	■ 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	■ 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





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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.

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