

WOWOW

Summary of 1Q FY2022 Earnings

July 29, 2022

WOWOW INC.

Tokyo Stock Exchange,
Prime Market
Stock code number : 4839



1. 1Q FY2022 Earnings Highlights

2. 1Q FY2022 and FY2022 Results
Forecast

Appendix

Key Topics for April-June 2022

Sports

- Broadcast/transmitted the Season 2021/2022 UEFA Champions League final, LPGA (Ladies Professional Golf Association) Tour, Roland-Garros International Tennis Championships, etc.
- Participated in “Lipovitan Presents Kimiko Date x Yonex Project: Go for the Grand Slam,” a project to train youth tennis players by Kimiko Date

Music

- Broadcast/transmitted the 64th Annual Grammy Awards, at which BTS made an appearance, and NCT 127’s first performance at Tokyo Dome

Dramas

- Broadcast/transmitted original drama series such as Tokyo Vice, a Japan/US co-production by WOWOW and HBO Max, and the Drama Series W, Seicho Matsumoto’s Me no Kabe (“Wall of Eyes”)

Events/movies

- Holding events including Fuji & Sun and a collaboration between WOWOW’s original program Invitation and Koji Kikkawa. Each event was broadcast/transmitted in July
- Plan 75, a film funded in part by WOWOW, received a Camera d’Or Special Distinction in the Un Certain Regard section of the 75th Cannes Film Festival

New Subscription

- While the Season 2021/2022 UEFA Champions League final, NCT 127, the 64th Annual Grammy Awards, etc. received a favorable response, due to factors such as the lack of major sports content, which was broadcast/transmitted in 1Q FY2021, there was a decrease in gross new subscriptions
- Due to factors such as an increase in cancellations accompanying the end of target programs (e.g., the end of the UEFA Champions League season), there was a decrease in net new subscriptions

	1Q FY2021	1Q FY2022	Difference	YoY
				(Thousands)
Gross New Subscriptions	215	133	-82	62.0%
Cancellations	177	207	29	116.4%
Net New Subscriptions	38	-73	-111	—
Net Cumulative Subscriptions	2,829	2,607	-222	92.2%

Income & Expenditure (Consolidated)

- Revenue decreased year on year due to factors such as a decrease in membership revenue*1
- Ordinary income was in the black due to factors such as the lack of investment in strategic spending on major sports programming, which occurred in 1Q 2021

(Millions of yen)

	1 Q FY2021	1 Q FY2022	Difference	YoY
Revenue	19,968	19,337	-631	96.8%
Ordinary Income	-322	1,111	1,434	—

※1 Formerly broadcasting revenue. Change the account title.

※2 Figures rounded down to millions of yen.

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1 Q FY2022 Subscription

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(Thousands)

	1Q FY2021	1Q FY2022	Previous Period Comparison	
			Difference	YoY
Gross New Subscriptions	215	133	-82	62.0%
Cancellations	177	207	29	116.4%
Net New Subscriptions	38	-73	-111	—
Net Cumulative Subscriptions	2,829	2,607	-222	92.2%
Of these, multi-subscriptions*1	393	372	-21	94.7%
Of these, hotel subscriptions*2	75	78	3	103.8%

*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.

1Q FY2022 Income & Expenditure

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(Millions of yen)

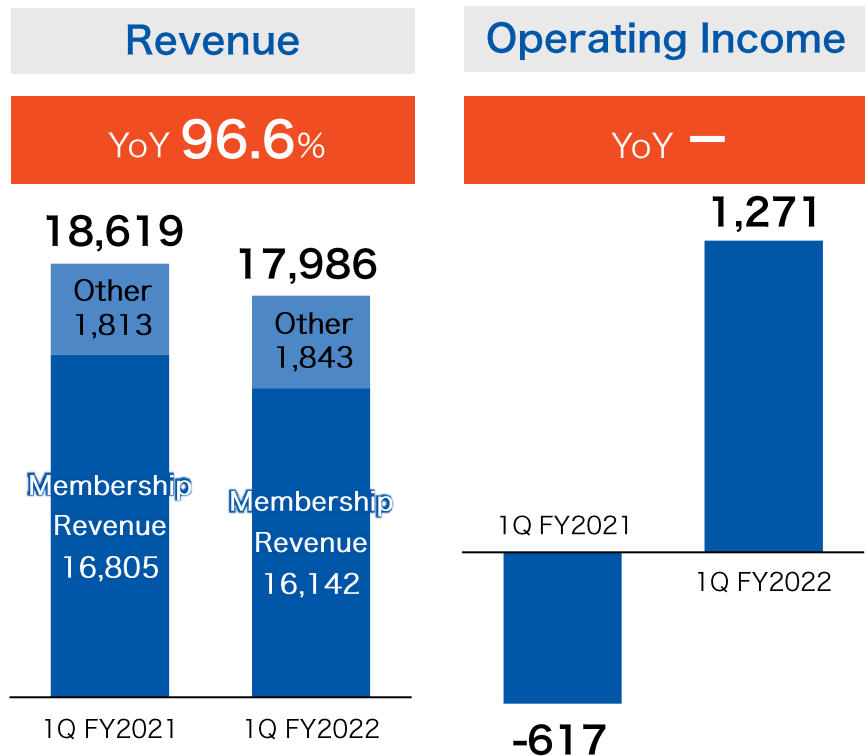
	1Q FY2021		1Q FY2022		Previous Period Comparison	
	Result	Percent of Revenue	Result	Percent of Revenue	Difference	YoY
Revenue	19,968	100.0%	19,337	100.0%	-631	96.8%
Operating Income	-418	-2.1%	1,297	6.7%	1,715	—
Ordinary Income	-322	-1.6%	1,111	5.8%	1,434	—
Profit Attributable to Owners of Parent	-185	-0.9%	773	4.0%	958	—

Figures rounded down to millions of yen.

Comparison of Consolidated Revenue / Operating Income by Segment

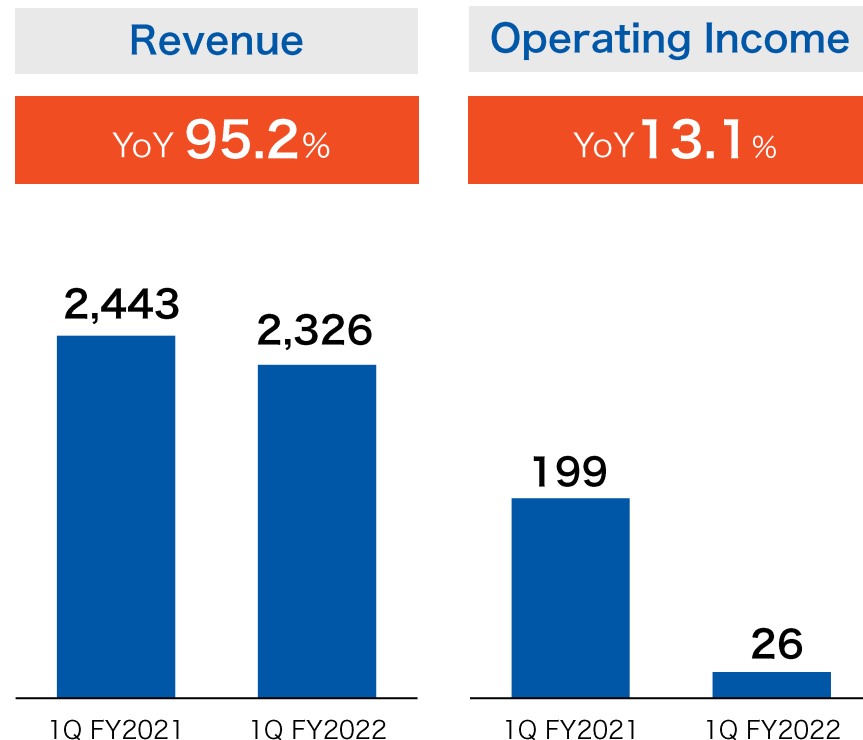
Media and Content

(Millions of yen)



Telemarketing

(Millions of yen)



※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 (+)

Program cost
+2,406

Other
+375

Decrease Factors (-)

Membership Revenue
-663

Income and expenditure of group companies
-403

Exchange Rate Income/Loss
-281

(Millions of yen)

Difference
+1,434

(Result : 1,111 million yen)

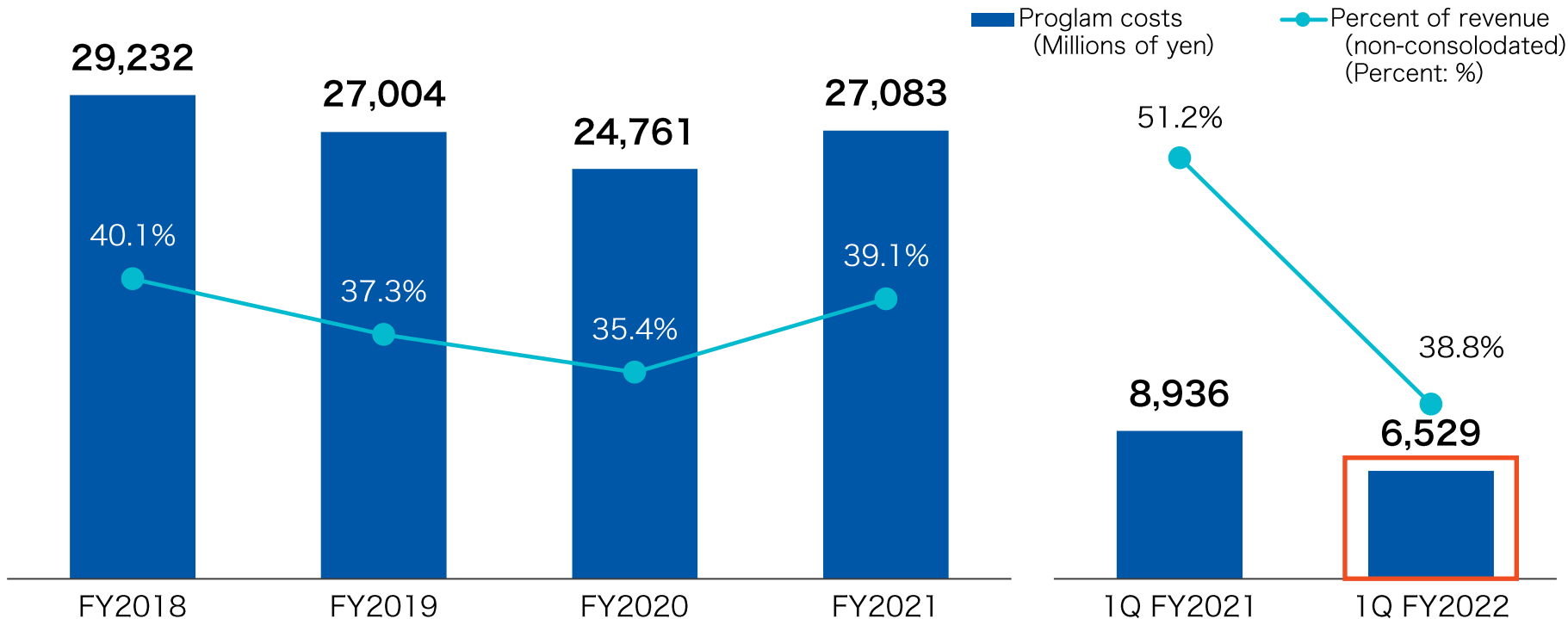
(Previous period result -322 million yen)

※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.

Change in Program Costs

Major sports content was broadcast/transmitted in 1Q 2021

(Millions of yen)



※All figures are non-consolidated.
※Figures rounded down to millions of yen.

FY2022 and FY2023 Subscription Plan (announced May 13, 2022)

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(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 (announced May 13, 2022)

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(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.

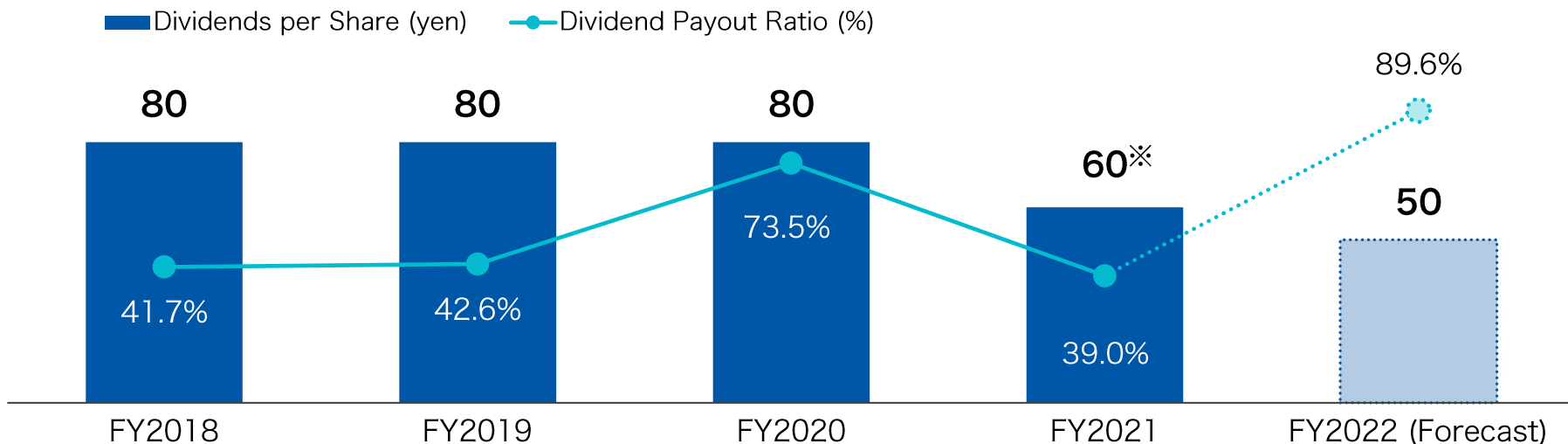
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Dividend Policy

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



*Regular 50-yen dividend + 10-yen 30th anniversary dividend

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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.

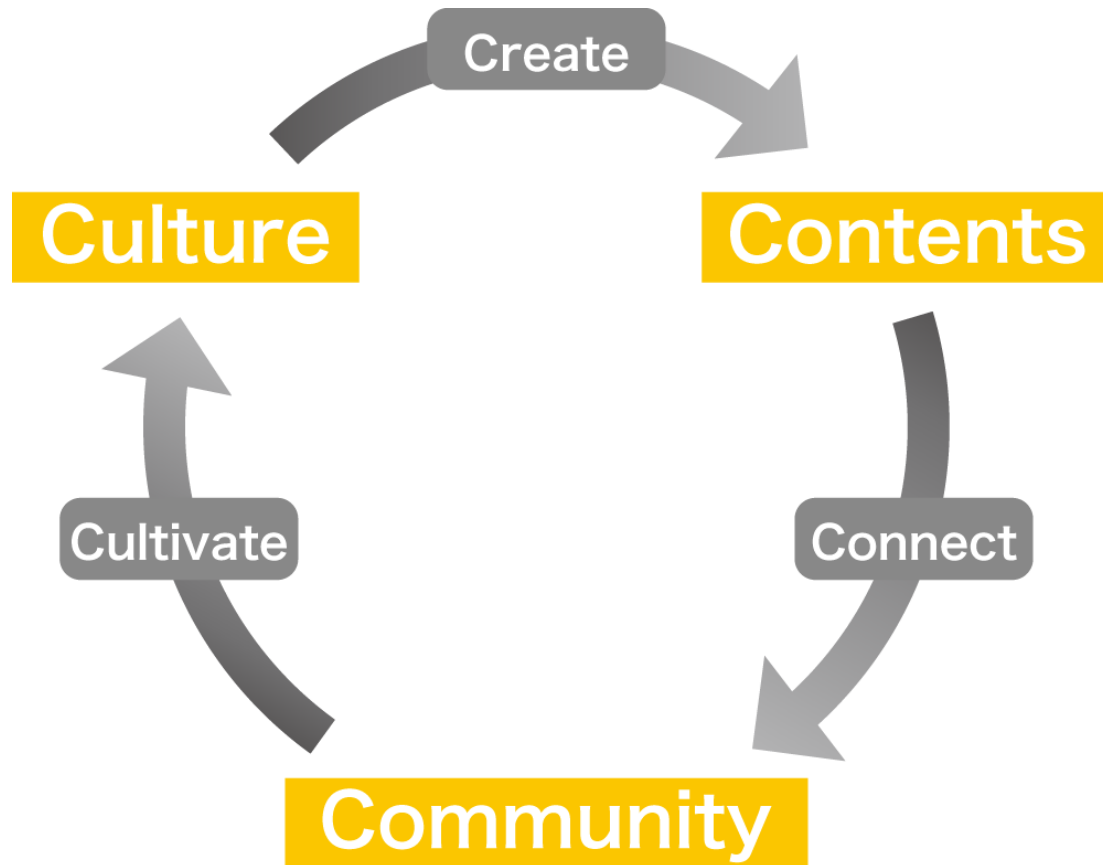
Connecting this devotion forms a community.

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

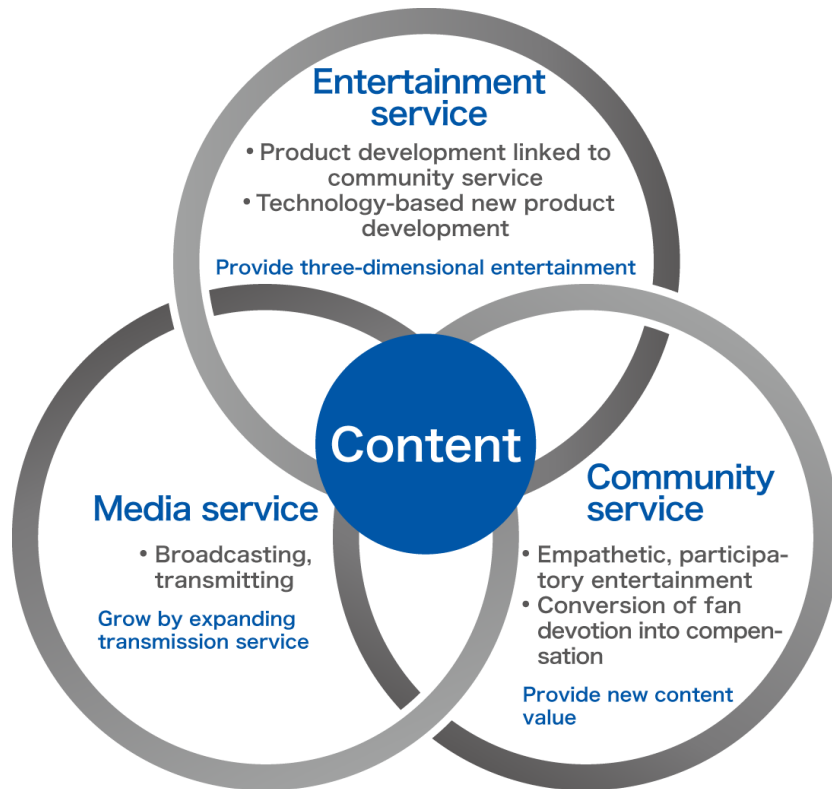
The age of companies creating and delivering content unidirectionally is over.

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.



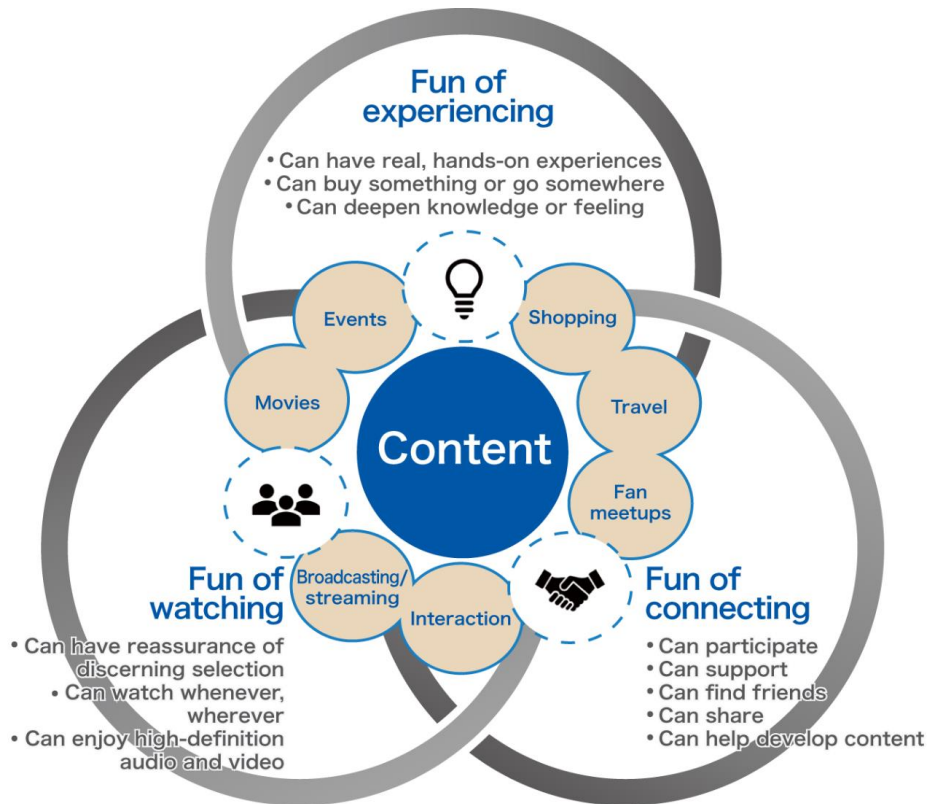
Redesign our subscription business model from visual media business to content and community business



Thorough customer-centric reform of services to improve customer experience

1. Content	<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



※Dotted line circles indicate potential services



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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.

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