

# WOWOW

## Summary of 2Q FY2022 Earnings

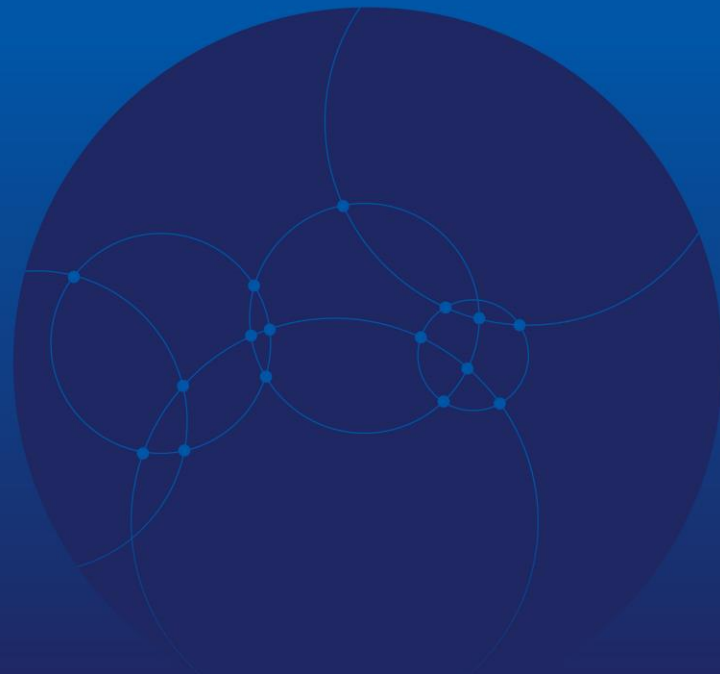
---

Oct 31, 2022

WOWOW INC.

Tokyo Stock Exchange,  
Prime Market

Stock code number : 4839



1. 2Q FY2022 Earnings Highlights

2. 2Q FY2022 and FY2022 Results  
Forecast

Appendix

## New Subscription

- Gross new subscriptions and cancellations both decreased year on year due to factors such as the absence of major sports content, which was broadcast/transmitted in 2Q FY2021.
- The start of a new soccer season and live music performances contributed to gross new subscriptions. Furthermore, the WOWOW On-Demand update and additional movie content increased customer satisfaction and reduced cancellations, resulting in consecutive increase in net new subscriptions in August and September.

	2Q FY2021	2Q FY2022	Difference	YoY
Gross New Subscriptions	335	282	-53	84.1%
Cancellations	400	342	-58	85.6%
Net New Subscriptions	-65	-61	4	—
Net Cumulative Subscriptions	2,727	2,620	-107	96.1%

(Thousands)

## Key Topics for July-September 2022

### WOWOW On-Demand

- WOWOW On-Demand was updated with a new UI and UX on July 27 (Wed.)

### Sports

- Broadcast/transmitted the UEFA Champions League 2022/23 season, La Liga (First Division of the Spanish Football League) and LPGA (Ladies Professional Golf Association) Tour.
- For the U.S. Open Tennis Championships, in addition to broadcasts of all matches and courts and 4K live coverage, we also offered the first-ever "Japanese player camera" broadcasts.

### Music

- Broadcast/transmitted live performances of Hiroji Miyamoto, TWICE, LUNA SEA, GLAY, SUMMER SONIC 2022, etc.

### Dramas

- Broadcast/transmitted Serial Drama-W:"HOTEL -NEXT DOOR-," "The Sunflower Disappeared in the Rain," "Uzukawamura Jiken," etc.

### Movies/Events

- WOWOW FILMS "Akira and Akira" was released in theaters nationwide on August 26 (Fri.)
- The Broadway musical "Janis" and actor concert series "Night Spectacles" were performed.

## Income & Expenditure (Consolidated)

- Revenue decreased year on year due to factors such as a decrease in membership revenue\*1
- Ordinary income increased as a result of absence of investment in strategic spending on major sports programming, which occurred in 2Q 2021.

(Millions of yen)

	2Q FY2021	2Q FY2022	Difference	YoY
Revenue	40,185	<b>38,463</b>	-1,722	95.7%
Ordinary Income	1,780	<b>2,065</b>	284	116.0%

※1 Formerly broadcasting revenue. Change the account title.

※2 Figures rounded down to millions of yen.

1. 2Q FY2022 Earnings Highlights

2. 2Q FY2022 and FY2022 Results  
Forecast

Appendix

# 2Q FY2022 Subscription

WOWOW

(Thousands)

	2Q FY2021	2Q FY2022	Previous Period Comparison	
			Difference	YoY
Gross New Subscriptions	335	<b>282</b>	-53	84.1%
Cancellations	400	<b>342</b>	-58	85.6%
Net New Subscriptions	-65	<b>-61</b>	4	—
Net Cumulative Subscriptions	2,727	<b>2,620</b>	-107	96.1%
Of these, multi-subscriptions*1	390	<b>368</b>	-21	94.6%
Of these, hotel subscriptions*2	77	<b>80</b>	3	103.4%

\*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 FY2022 Income & Expenditure

WOWOW

(Millions of yen)

	2Q FY2021		2Q FY2022		Previous Period Comparison	
	Result	Percent of Revenue	Result	Percent of Revenue	Difference	YoY
Revenue	40,185	100.0%	<b>38,463</b>	<b>100.0%</b>	-1,722	95.7%
Operating Income	1,537	3.8%	<b>2,131</b>	<b>5.5%</b>	593	138.6%
Ordinary Income	1,780	4.4%	<b>2,065</b>	<b>5.4%</b>	284	116.0%
Profit Attributable to Owners of Parent	1,299	3.2%	<b>1,333</b>	<b>3.5%</b>	33	102.6%

※ Figures rounded down to millions of yen.



# Comparison of Consolidated Revenue / Operating Income by Segment

## Media and Content

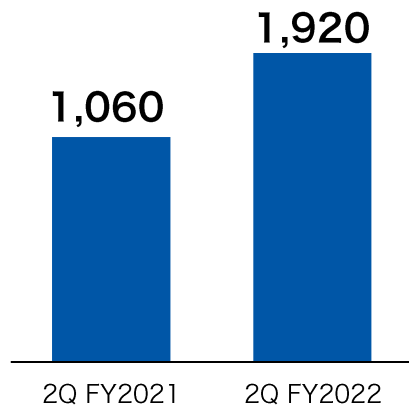
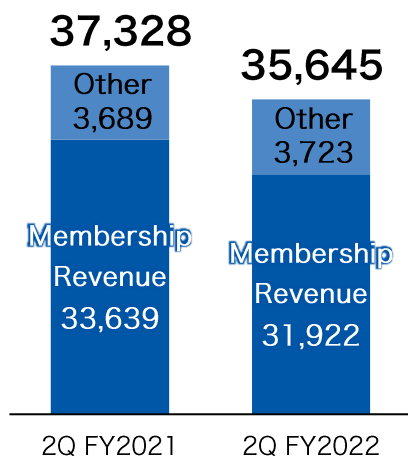
(Millions of yen)

Revenue

YoY **95.5%**

Operating Income

YoY **181.1%**



## Telemarketing

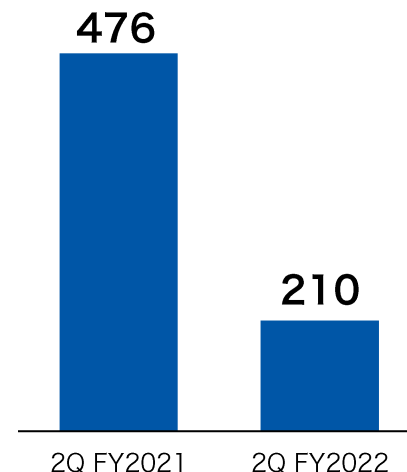
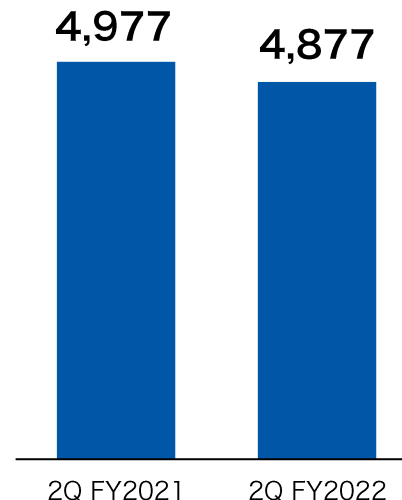
(Millions of yen)

Revenue

YoY **98.0%**

Operating Income

YoY **44.2%**



※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 (+)

## Decrease Factors (-)

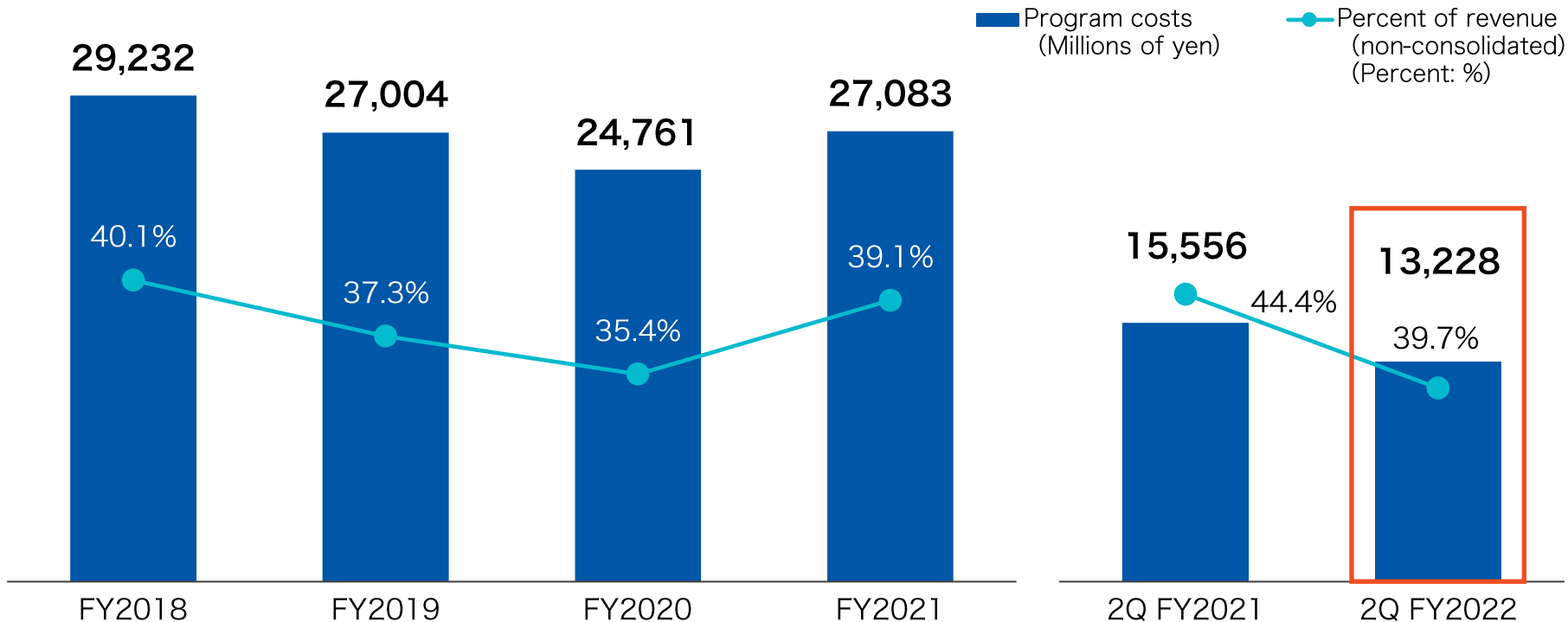


※The figure for each factor is the difference from the same period the previous year, with + representing an increase factor.  
 Figures rounded down to millions of yen.

# 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)

WOWOW

(Thousands)

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

# FY2022 Income & Expenditure Plan(announced October 31,2022)

WOWOW

(Millions of yen)

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

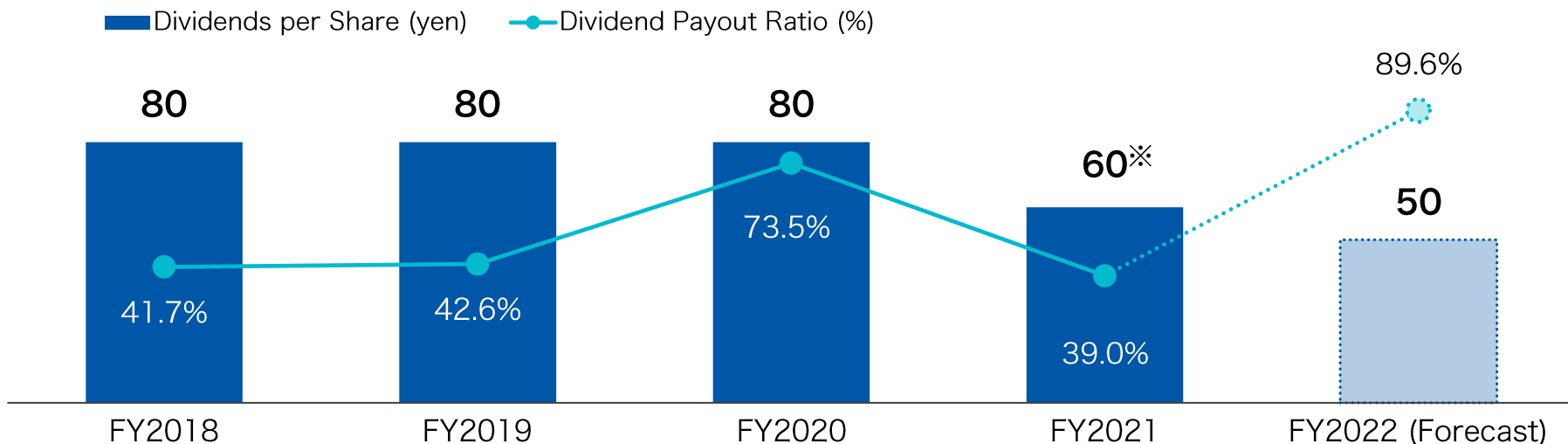
※Estimated foreign exchange rate: 1 USD = 145yen ※Figures rounded down to millions of yen.

©2022 WOWOW INC.

## 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

1. 2Q FY2022 Earnings Highlights
2. 2Q FY2022 and FY2022 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.

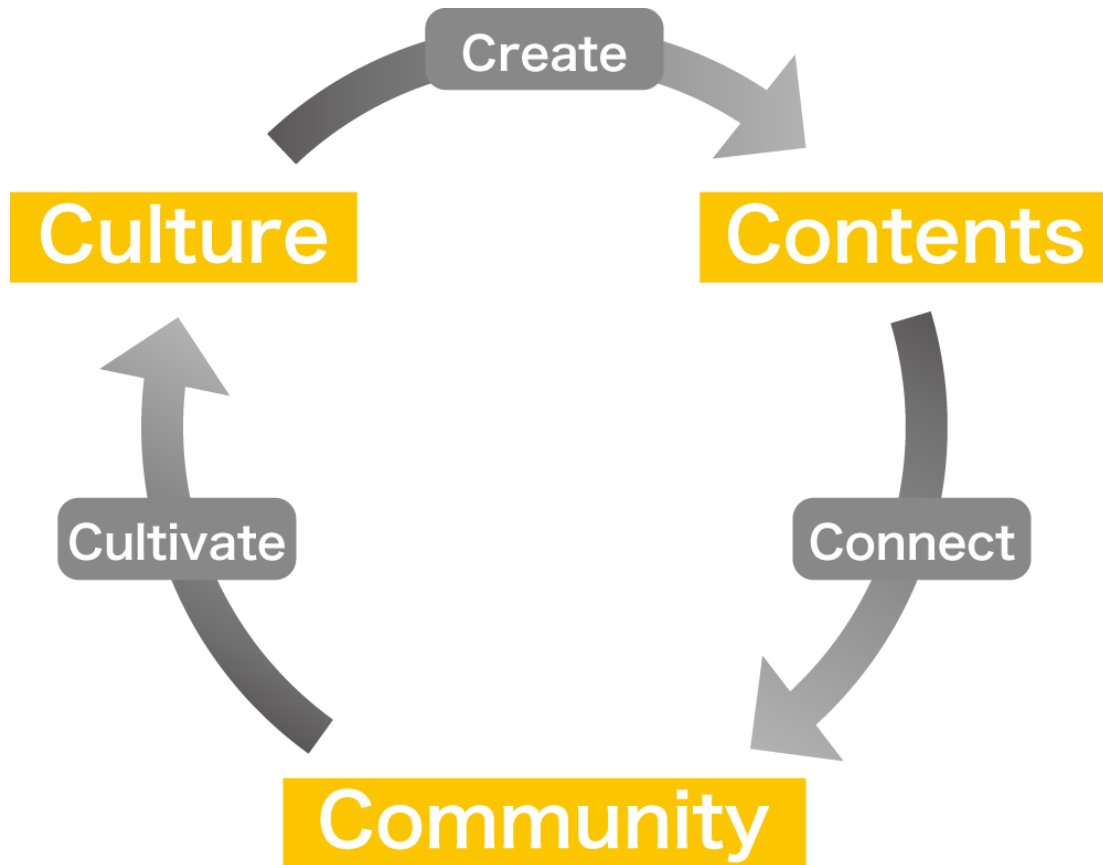
Connecting this devotion forms a community.

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

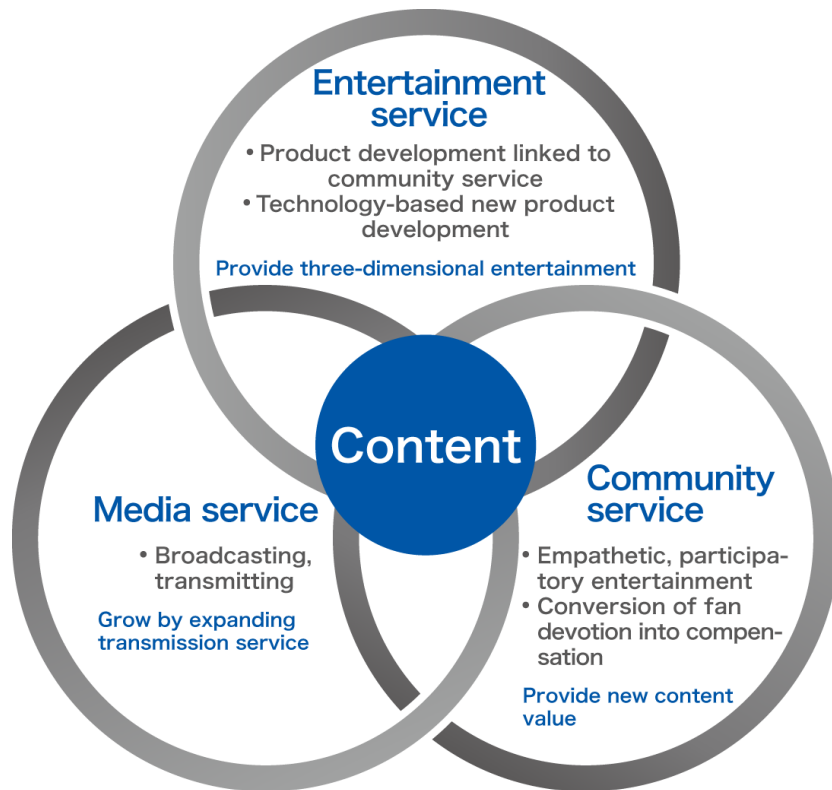
The age of companies creating and delivering content unidirectionally is over.

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.



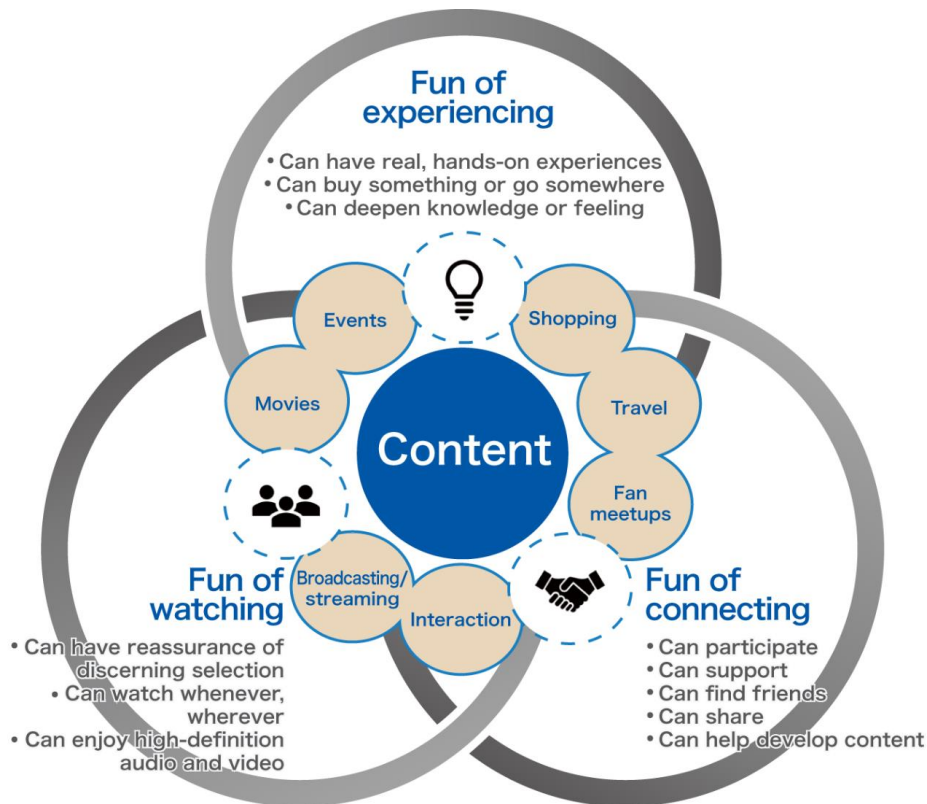
## Redesign our subscription business model from visual media business to content and community business



## Thorough customer-centric reform of services to improve customer experience

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

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





# WOWOW

©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**