

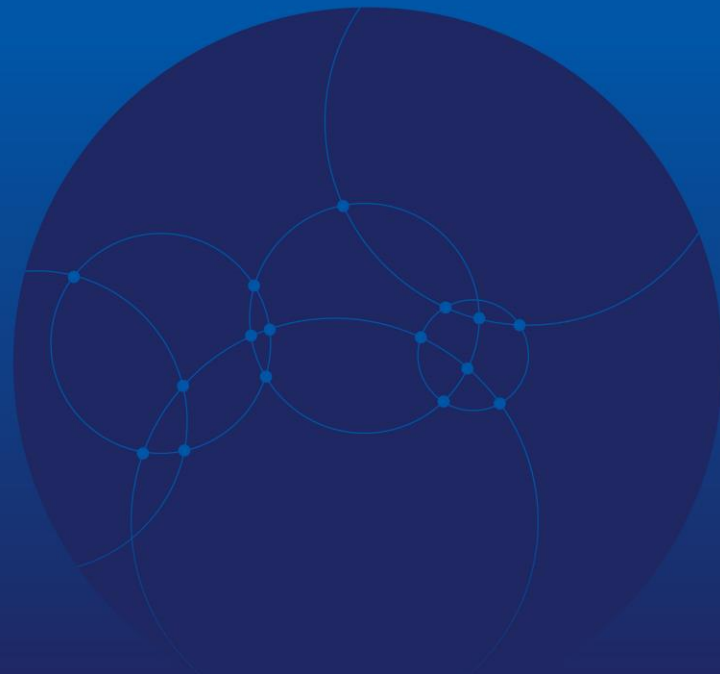
WOWOW

Summary of FY 2022 Earnings

May 15, 2023

WOWOW INC.

Tokyo Stock Exchange,
Prime Market
Stock code number : 4839



1. FY2022 Earnings Highlights
 2. FY2022 Earnings
 3. Summary of FY2023 Business Plan
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WOWOW continues to struggle in the midst of significant changes in markets, customers, and other external environment triggered by the coronavirus disaster.

Markets, Customers & Other External Environment

- The rise of video streaming services intensifying competition for content and subscribers
- Increased merger and acquisition activity in the video streaming industry
- Accelerated change in user demands for content and services

New Subscription

- Content such as the UEFA Champions League, live music concerts by NCT 127, Tohoshinki, etc., and TOKYO VICE, the first drama series co-produced by Japan and Hollywood, attracted new subscribers.
- There was significant renewal of WOWOW On-Demand and expansion of TV-compatible devices.
- However, fiercer competition with other streaming services resulted in a decrease in net new subscriptions for the fourth consecutive fiscal year.

	FY2021	FY2022	Difference	YoY
				(Thousands)
Gross New Subscriptions	612	551	-60	90.1%
Cancellations	723	672	-51	93.0%
Net New Subscriptions	-111	-121	-10	—
Net Cumulative Subscriptions	2,680	2,560	-121	95.5%

FY2022 Earnings Highlights③

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Income & Expenditure (Consolidated)

- Revenue decreased year on year due to factors such as a decrease in membership revenue.
- Ordinary income decreased due to lower income on account of the decrease in revenue, despite program costs decreasing.

(Millions of yen)

	FY2021	FY2022	Difference	YoY
Revenue	79,657	77,101	-2,556	96.8%
Ordinary Income	5,349	3,547	-1,801	66.3%

※Figures rounded down to millions of yen.

Dividends

- Year-end dividend per share is 50 yen* (planned)
- Repurchased treasury stock (600,000 shares of WOWOW's common stock; 2.09% of the total number of shares issued [excluding treasury stock])

※ The year-end dividend for FY2022 will be proposed at a meeting of the Board of Directors to be held on May 19, 2023.

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FY2022 Subscription

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(Thousands)

	FY2021	FY2022	Previous Period Comparison Difference	YoY
Gross New Subscriptions	612	551	-60	90.1%
Cancellations	723	672	-51	93.0%
Net New Subscriptions	-111	-121	-10	—
Net Cumulative Subscriptions	2,680	2,560	-121	95.5%
Of these, multi-subscriptions*1	379	357	-22	94.1%
Of these, hotel subscriptions*2	77	81	4	105.0%

*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.

FY2022 Income & Expenditure

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(Millions of yen)

	FY2021		FY2022		Previous Period Comparison	
	Result	Percent of Revenue	Result	Percent of Revenue	Difference	YoY
Revenue	79,657	100.0%	77,101	100.0%	-2,556	96.8%
Operating Income	5,268	6.6%	3,225	4.2%	-2,043	61.2%
Ordinary Income	5,349	6.7%	3,547	4.6%	-1,801	66.3%
Profit Attributable to Owners of Parent	4,239	5.3%	2,398	3.1%	-1,841	56.6%

※ Figures rounded down to millions of yen.

Comparison of Consolidated Revenue / Operating Income by Segment

Media and Content

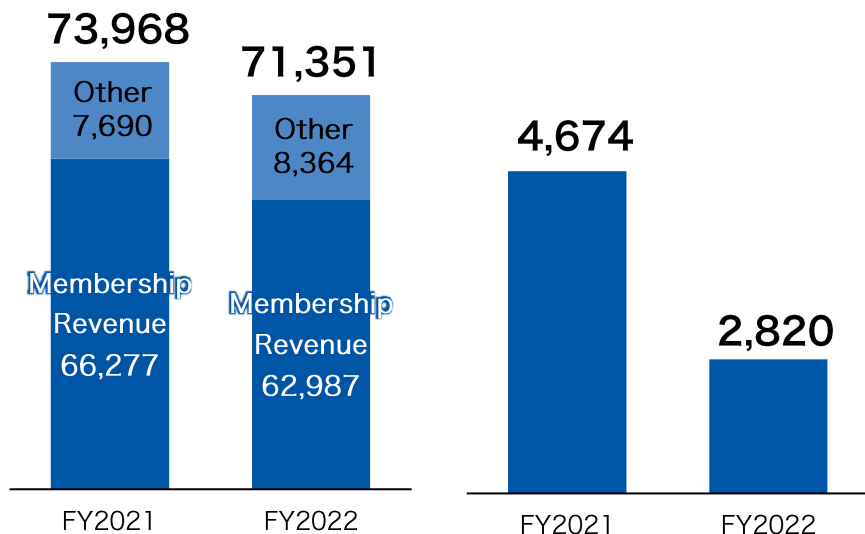
(Millions of yen)

Revenue

YoY **96.5%**

Operating Income

YoY **60.3%**



Telemarketing

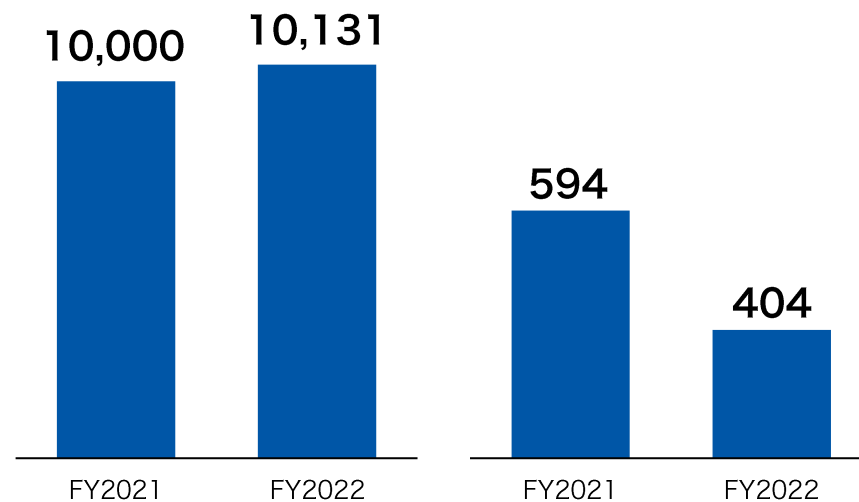
(Millions of yen)

Revenue

YoY **101.3%**

Operating Income

YoY **68.1%**



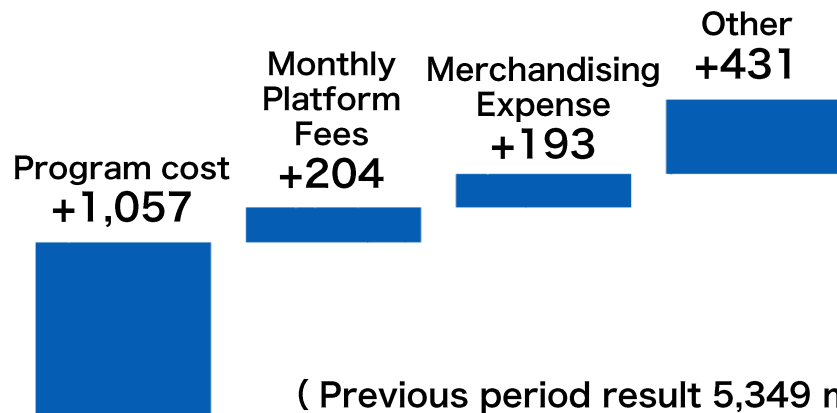
※Figures rounded down to millions of yen.

※The amounts for each segment include transactions between segments.

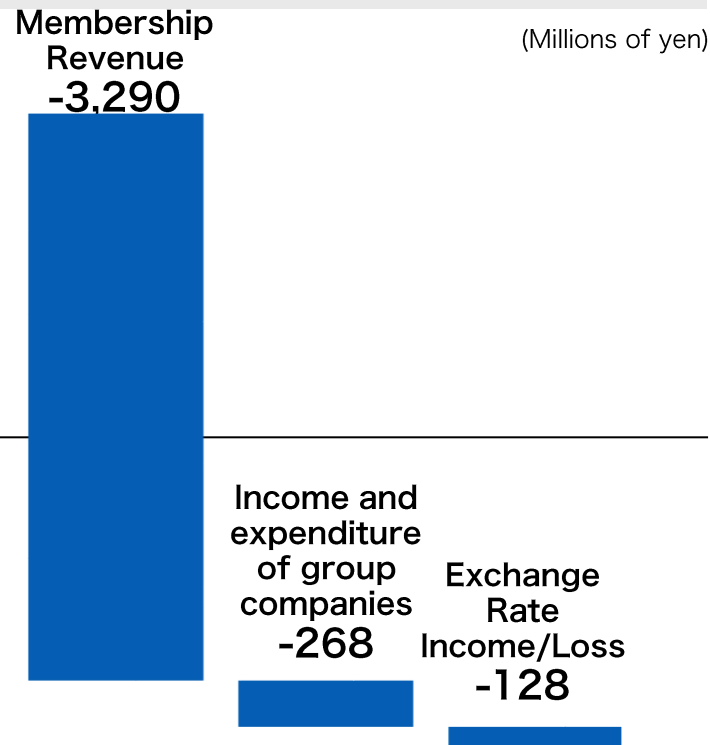
Consolidated Ordinary Income Factors in Difference from Previous Period

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Increase Factors (+)



Decrease Factors (-)



Difference
-1,801

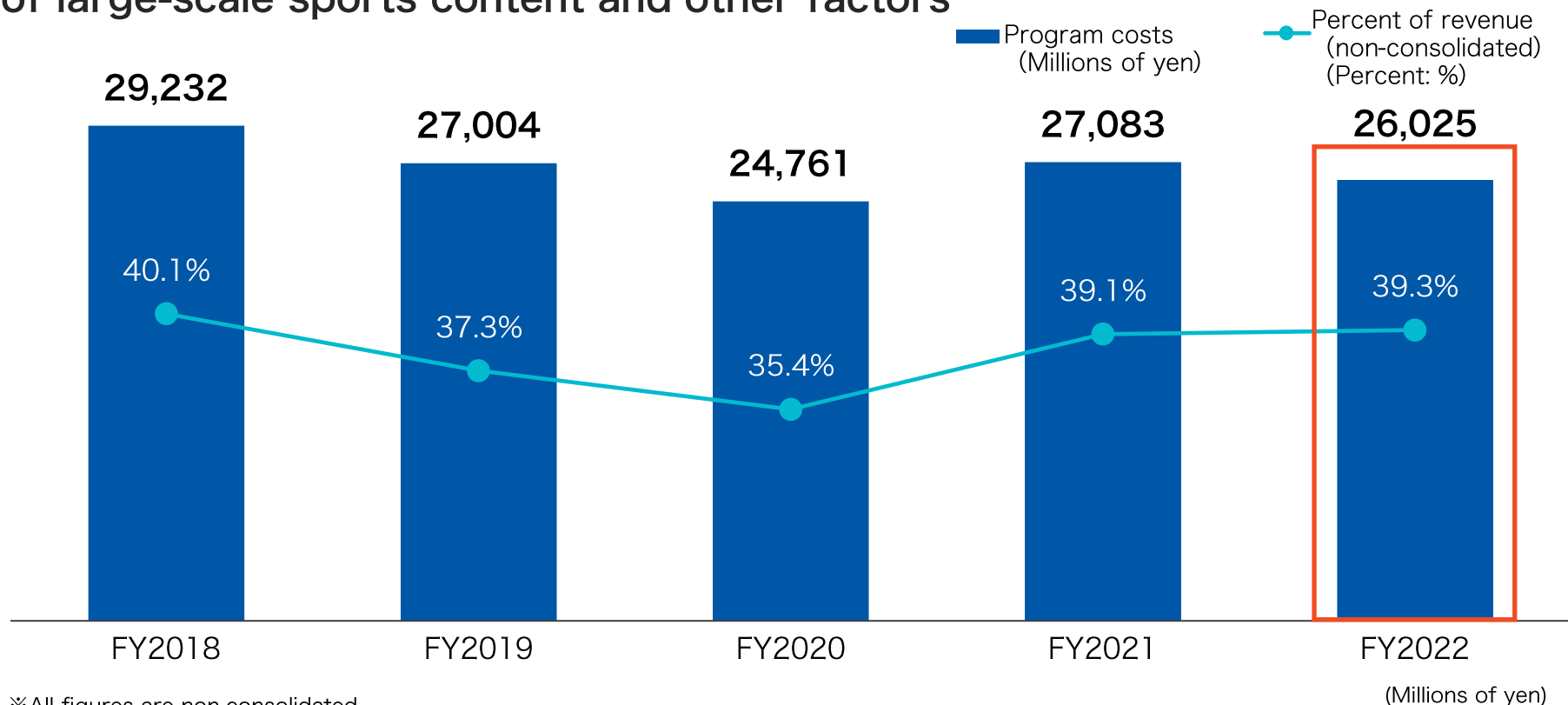
(Result : 3,547million yen)

※1 Monthly Platform Fees: Cost of retransmission by cable TV stations, etc.

※2 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

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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FY2023 Subscription Plan

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(Thousands)

	Result FY2022	Initial FY2023 Plan	Comparison	
			Difference	YoY
Gross New Subscriptions	551	650	99	117.9%
Cancellations	672	650	-22	96.7%
Net New Subscriptions	-121	—	121	—
Net Cumulative Subscriptions	2,560	2,560	—	100.0%

FY2023 Income & Expenditure Plan

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(Millions of yen)

	Initial FY2022		Revised FY2023		Comparison	
	Result	Percent of Revenue	Plan	Percent of Revenue	Difference	YoY
Revenue	77,101	100.0%	75,400	100.0%	-1,701	97.8%
Operating Income	3,225	4.2%	1,800	2.4%	-1,425	55.8%
Ordinary Income	3,547	4.6%	2,500	3.3%	-1,047	70.5%
Profit Attributable to Owners of Parent	2,398	3.1%	1,600	2.1%	-798	66.7%

※Program costs forecast to be approximately 39.0% of non-consolidated revenue. (Non-consolidated revenue forecast for FY2023: 65,200 million yen)

※Estimated foreign exchange rate: 1 USD = 135yen ※Figures rounded down to millions of yen.

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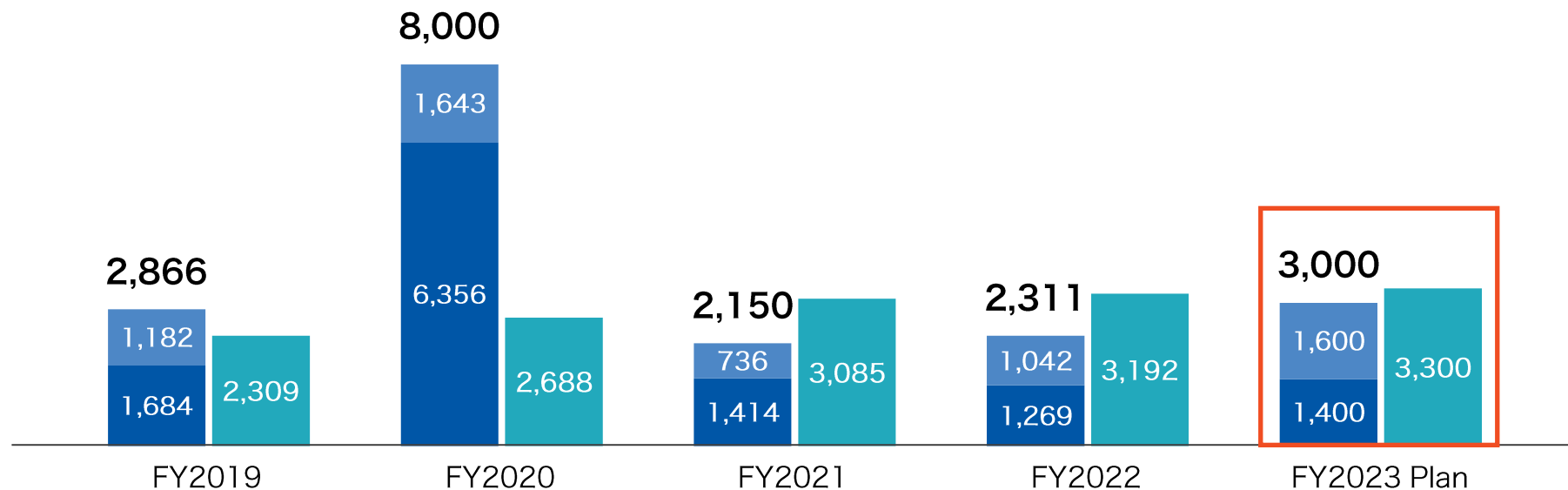
FY2023 Investment Plan (Non-Consolidated)

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In FY2022, WOWOW invested mainly in broadcasting and transmission equipment, customer management system upgrades, etc. In FY2023, WOWOW it will invest mainly in broadcasting and transmission equipment, content management systems, etc.

■ Equipment-related ■ Software Development ■ Depreciation Expense

(Millions of yen)

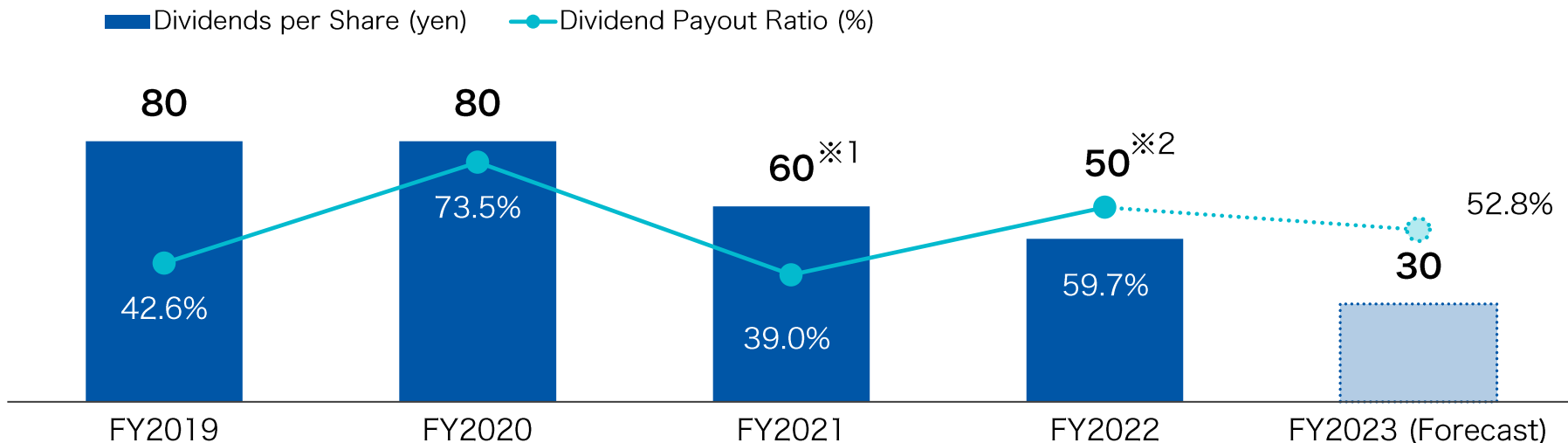


※Figures rounded down to millions of yen.

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.

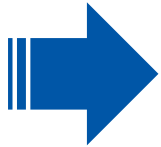
Change in Dividends over the Past Five Years/Dividend Payout Ratio



※1 Regular 50-yen dividend + 10-yen 30th anniversary dividend

※2 The year-end dividend for FY2022 will be proposed at a meeting of the Board of Directors to be held on May 19, 2023. ©2023 WOWOW INC.

Changes in External Environment



FY2023 Business Plan

1. Put members first

2. Pursue originality

Simplify the subscription process online and use member IDs to enhance communication with customers



1 Enhance WOWOW On-Demand content

- Offer a full lineup of new and old content such as movies and anime as well as sports and music content that customers will use on a daily basis. Especially for anime, have over 50 select new and old titles transmitting at all times
- Enhance sports, music and original dramas to differentiate WOWOW from other streaming services (e.g., the LPGA Tour with cameras dedicated to the Japanese players)

2 Offer an new, attractive lineup of original content each quarter

- Drama Series W: "Fixer" is a major series that will run for three seasons by the end of in FY2023
- Long-term music projects with artists
- Major multi-year projects that link film and drama

Expand member-centric business and create new earning opportunities

WOWOW Group

Expand member-centric business



Create new earning opportunities

- Launch TVOD* (scheduled for FY2023)
- Invest in strengthening existing businesses and creating new businesses
- Cultivate new external sales partners in group companies

2. Increase Earnings: Invest in Many Areas Revolving Around Entertainment

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In March 2023, WOWOW began investing in domestic and foreign companies, venture funds, etc., to strengthen existing businesses and create new businesses.

1.Targets

- Companies with video streaming-related businesses
- Companies with fan community businesses
- Next-generation digital entertainment companies going beyond video
- Companies providing products and services that support senior health and lifestyles

2.Types

- Direct investment from WOWOW
- Investment in venture funds

2. Increase Earnings: Investment Results

Investment Results	Investment Type	Outline
1.PLAY, inc.	Capital partnership	<ul style="list-style-type: none">• Business: Video solutions business (supports many major video streaming services in Japan, including the renewal of WOWOW On-Demand in July 2022)
2.“DIMENSION2nd Investment Limited Partnership” fund	LP investment*	<ul style="list-style-type: none">• Fund size: 10,150 million yen• Investment sectors: Digital, digital transformation, healthcare (excluding bio), deep tech

※ Investment in an investment limited partnership in the capacity of a limited partner



Numerical data details are now available in “DATABOOK” in the IR section of the website.

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



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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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