

3Q FY2023 Earnings Announcement

Event Summary

Date : January 31, 2024 15:30-16:30

Speakers : Akira Tanaka Representative Director, President & CEO
Hitoshi Yamamoto Board Director, Executive Vice President
Tami Ihara Board Director, Senior Managing Executive Officer
Hideki Tashiro Senior Managing Executive Officer
Junichi Onoue Board Director, Managing Executive Officer
Seiichi Yokoyama Executive Officer

Presentation

Moderator: Now that we are at the appointed time, WOWOW INC. will hold the financial results briefing for Q3 of the fiscal year ending March 31, 2024.

Thank you very much for taking time out of your busy schedule to join us today.

Please note that a full transcript of today's presentation and Q&A session will be posted on our corporate website through an external organization.

Please also refer to the materials used in the presentation, which are available on the Financial Results Presentation Materials page of our IR website. After our presentation, we will be happy to answer any questions you may have.

First, I would like to introduce today's speakers. Akira Tanaka, President and Chief Executive Officer. Hitoshi Yamamoto, Board Director, Executive Vice President. Board Director and Senior Managing Executive Officer, Tami Ihara. Hideki Tashiro, Senior Managing Executive Officer. Board Director and Managing Executive Officer, Junichi Onoue. Seiichi Yokoyama, Executive Officer.

Mr. Tanaka will present the financial highlights for the third quarter of FY2023.

Tanaka: Thank you very much for attending today's financial results briefing.

First of all, we would like to express our deepest sympathies to all those affected by the Noto Peninsula earthquake that occurred on January 1. We are offering exemptions from viewing fees for customers in the affected areas and retroactive cancellation of subscriptions. We also donated JPY5 million in relief funds.

We believe that the role of entertainment will be created in the future as reconstruction

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progresses. We are now preparing to support the affected areas by utilizing WOWOW On-Demand at evacuation centers. In any case, we pray for the earliest possible recovery from the continuing severe environment.

2023年度第3四半期決算 ハイライト①

加入

- サッカーやNBA、音楽ライブなどが好評を得たことなどにより、前年同期と比べ82千件と大幅に増加
- 10月～12月の正味加入件数は、2017年10月～12月以来の純増

	2022年度 3Q	2023年度 3Q	前年同期差	2022年 10月～12月	2023年 10月～12月	前年同期差
新規 加入件数	380	462	82	99	166	68
解約件数	506	543	37	164	163	△1
正味 加入件数	△126	△81	45	△65	3	68
累計正味 加入件数	2,554	2,479	△76			
「UEFAチャンピオンズリーグ UEFAヨーロッパリーグ - 2023-24 シーズンパス -」※		11	—			

(単位:千件)

※シーズンパスの件数は、加入件数には含まれません

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I will now explain the highlights of the Q3 financial results.

First, let us discuss the subscriptions. Gross new subscriptions increased by approximately 80,000 compared to the same period last year, mainly due to the popularity of sports and live music concerts. On the other hand, the number of cancellations increased compared to the same period last year, resulting in a net loss of 81,000 subscriptions. However, this is an improvement of 45,000 cases compared to the same period last year.

In particular, from October to December, the number of net new subscriptions increased by 3,000. This is a significant improvement over the 68,000 cases reported in the same period of the previous year. In particular, the number of cancellations by long-term subscribers of more than one year has decreased significantly compared to H1 of the current fiscal year. We believe that a silver lining is beginning to emerge.

収支（連結）

- 売上高は前年同期と比べ会員収入が減少したこと等により減収
- 経常利益は、広告宣伝費の減少や為替差損益の改善があったものの、売上高の減少による利益減等の影響により、減益に

(単位:百万円)

	2022年度3Q	2023年度3Q	前年同期差	前年同期比
売上高	57,633	55,334	△2,299	96.0%
経常利益	4,181	2,983	△1,197	71.4%

※それぞれ百万円未満は切り捨てております。

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Here are the income and expenditure highlights. Revenue decreased compared to the same period of the previous year, mainly due to lower membership revenues. Ordinary income decreased due to the impact of lower profits from lower sales, despite lower advertising expenses and improved foreign exchange gains and losses.

Mr. Onoue, who is in charge of business administration, will now explain the details of the figures.

2023年度第3四半期決算 加入状況

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(単位:千件)

	2022年度3Q	2023年度3Q	前年同期比較	
			前年同期差	前年同期比
新規加入件数	380	462	82	121.6%
解約件数	506	543	37	107.3%
正味加入件数	△126	△81	45	—
累計正味加入件数	2,554	2,479	△76	97.0%
内) 複数契約*1	362	341	△22	94.0%
内) 宿泊施設契約*2	81	84	3	104.2%
「UEFAチャンピオンズリーグ UEFAヨーロッパリーグ - 2023-24シーズンパス -」*3		11	—	—

※1 同一契約者による2契約目と3契約目のデジタル契約に割引制度を適用（月額2,530円の視聴料金を990円に割引。金額は税込）

※2 宿泊施設の客室で視聴するための宿泊施設事業者との個別契約

※3 シーズンパスの件数は、加入件数には含まれません

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Ogami: My name is Onoue, and I am in charge of IR accounting. Thank you. I will explain up to page 13 about the dividend plan.

First, the subscription status. The number of gross new subscriptions is 462,000. Sports content such as UEFA Champions League and NBA, as well as live music performances by B'z, were well received, resulting in a significant increase of 82,000 subscribers compared to the same period of the previous year.

The number of cancellations is 543,000. The number of cancellations increased by 37,000 due to increased competition from distribution services, as well as an increase in cancellations due to the termination of programs.

As a result, net new subscriptions decreased by 81,000, for net cumulative subscriptions total of 2,479,000, a decrease of 76,000. Net new subscriptions improved by 45,000 compared to the same period last year, despite a net decrease.

The number of cancellations is on an improving trend, mainly due to the favorable reception of original dramas and the launch of Paramount+ on WOWOW On-Demand in December.

In addition, net new subscriptions increased for three consecutive months from September to November, and as explained earlier, there was a net increase in total net new subscriptions from October to December. This is the first time since 2017 that there are signs of gradual improvement.

2023年度第3四半期決算 収支状況（連結）

(単位:百万円)

	2022年度3Q		2023年度3Q		前年同期比較	
	実績	収入比	実績	収入比	前年同期差	前年同期比
売上高	57,633	100.0%	55,334	100.0%	△2,299	96.0%
営業利益	4,131	7.2%	2,424	4.4%	△1,707	58.7%
経常利益	4,181	7.3%	2,983	5.4%	△1,197	71.4%
親会社株主に帰属する 四半期純利益	2,807	4.9%	1,757	3.2%	△1,049	62.6%

※それぞれ百万円未満は切り捨てております。

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Next page, consolidated income and expenses. Compared with the same period of the previous year, both sales and profits decreased. Revenue decreased JPY2,299 million to JPY55,334 million, and ordinary income decreased JPY1,197 million to JPY2,983 million.

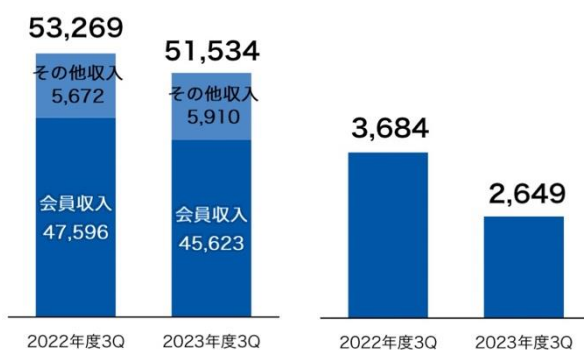
セグメント別連結売上高/営業利益対比

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メディア・コンテンツ

(単位:百万円)

売上高	営業利益
前年同期比 96.7%	前年同期比 71.9%

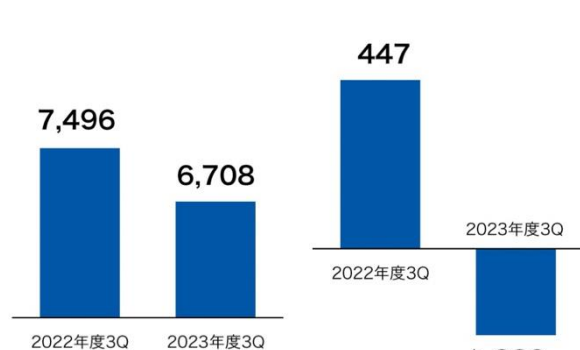


※それぞれ百万円未満は切り捨てております。
 ※各セグメントの金額は、セグメント間取引を含んでおります。

テレマーケティング

(単位:百万円)

売上高	営業利益
前年同期比 89.5%	前年同期比 —



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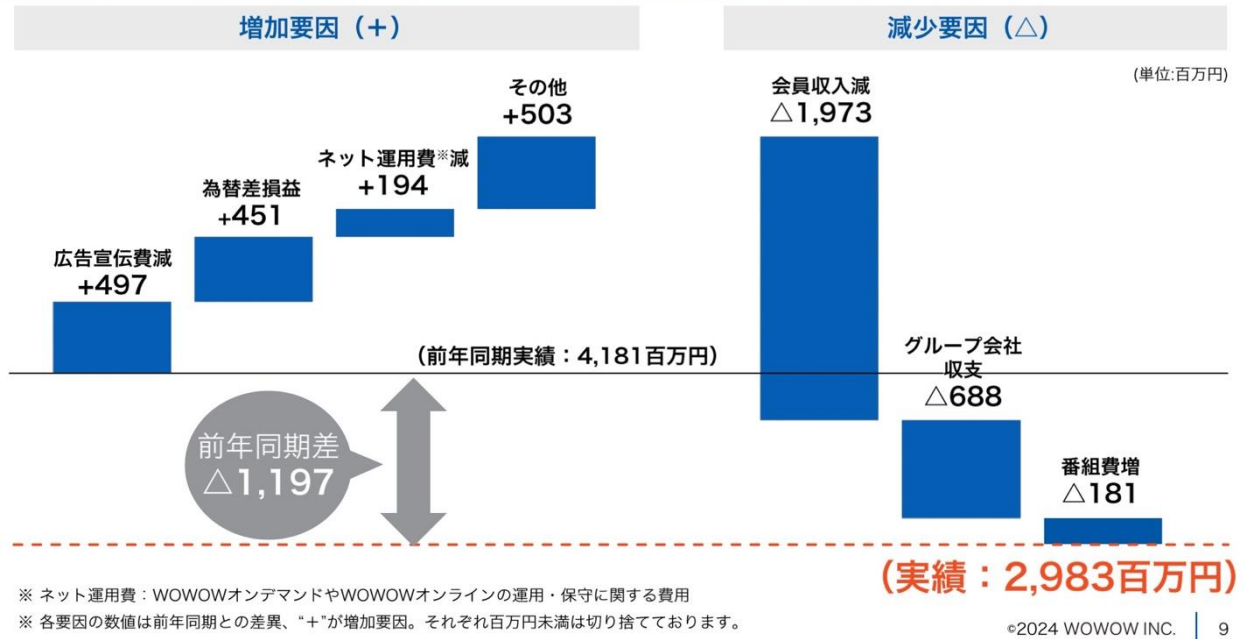
This is the status of each segment. First is the media content segment. Membership revenues, which are viewing fees from customers, account for the majority of sales.

Revenue decreased by JPY1,734 million, mainly due to a JPY1,973 million decrease in membership revenues resulting from a decline in the number of subscriptions, despite a JPY238 million increase in others. Operating income decreased by JPY1,035 million, mainly due to the decrease in sales.

Next is the telemarketing segment. This business is conducted by WOWOW COMMUNICATIONS INC., a consolidated subsidiary.

Revenue decreased by JPY787 million, mainly due to a decrease in telemarketing services outside the Group. Operating income decreased by JPY676 million, mainly due to the decrease in sales and the acquisition cost of Frost International Corporation, which was implemented last August.

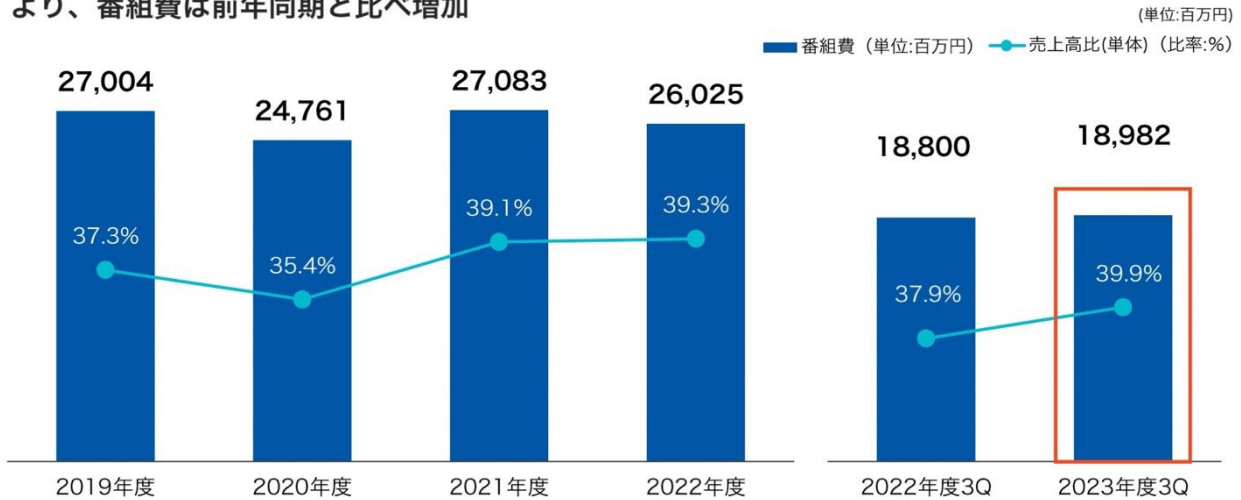
連結経常利益 前年同期との差異要因



This is the difference factor for consolidated ordinary income. The left-hand side shows the factors that increase profits, and the right-hand side shows the factors that decrease profits. First, factors for the increase. Advertising expenses decreased by JPY497 million from the same period last year. This was mainly due to a decrease in TV commercials. Exchange rate income/loss improved by JPY451 million. In the same period of the previous fiscal year, a sharp depreciation of the yen at the beginning of the fiscal year resulted in a valuation loss on foreign currency-denominated accounts payable, which had been recorded at the end of the previous fiscal year, and a foreign exchange loss was recorded; however, a foreign exchange gain was recorded in Q3 of the current fiscal year. Net operation expenses are expenses related to the operation and maintenance of WOWOW On-Demand and other services. The decrease of JPY194 million was due to expenses related to the renewal of the WOWOW On-Demand application in the same period of the previous year. Other sales decreased mainly due to a decrease in commissions paid to cable TV and other companies and sales promotion expenses. Next are factors for the decline. Membership Revenue decreased by JPY1,973 million. Group company income/expenses deteriorated by JPY688 million. In the telemarketing segment, this was due to a decrease in business outside of the Group, as well as the acquisition costs of the corporate acquisitions we discussed earlier. Program cost increased by JPY181 million. We will explain more on the next page.

番組費の推移

人気アーティストのライブやハリウッドメジャー映画のヒット作を放送・配信したことなどにより、番組費は前年同期と比べ増加



※数値はすべて単体
※それぞれ百万円未満は切り捨てております。

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Next, program cost. Program cost totaled JPY18,982 million, up JPY181 million from the same period last year, mainly due to the broadcast and distribution of live performances by popular artists and major Hollywood movie hits.

2023年度 加入計画 (2023年10月31日公表値)

(単位:千件)

	2022年度 実績	2023年度 計画	内訳		前期差
			2023年度2Q 実績	2023年度 下期計画	
新規加入件数	551	640	296	344	89
解約件数	672	720	380	340	48
正味加入件数	△121	△80	△84	4	41
累計正味加入件数	2,560	2,480	2,476	2,480	△80

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Here is the 2023 subscription plan. There is no change from the figures announced last October. The Company aims to achieve a net increase in net subscriptions in H2 of the fiscal year through an increase in strong content and other measures.

2023年度 収支計画(連結) (2023年10月31日公表値)

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(単位:百万円)

	2022年度 実績	2023年度計画		前期差	前期比
		計画	収入比		
売上高	77,101	75,500	100.0%	△1,601	97.9%
営業利益	3,225	900	1.2%	△2,325	27.9%
経常利益	3,547	1,600	2.1%	△1,947	45.1%
親会社株主に帰属する 当期純利益	2,398	700	0.9%	△1,698	29.2%

※番組費：単体の売上高比として約40%を見込む（2023年度 単体売上高予想：64,400百万円）
 ※想定為替レート：1ドル150円 ※それぞれ百万円未満は切り捨てております。

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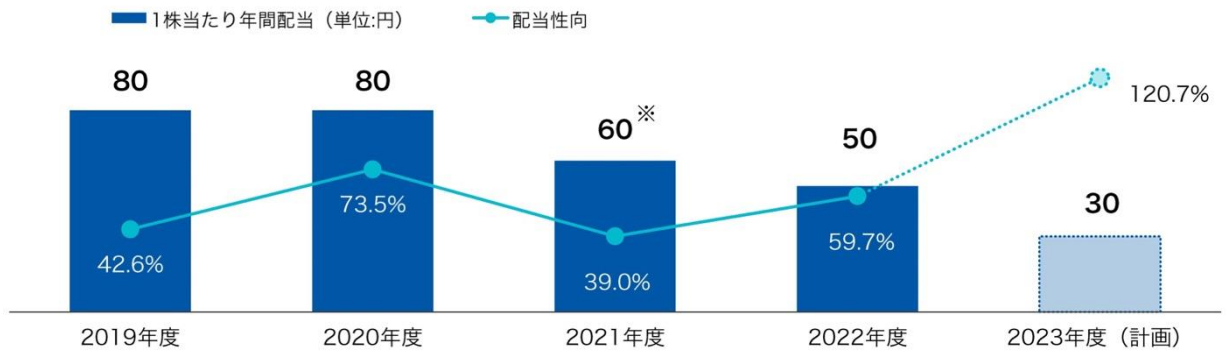
Next, the income and expenditure plan. There is no change in the income and expenditure plan from the revised October figures. We aim to achieve a consolidated ordinary income of JPY1.6 billion.

2023年度 配当計画 (2023年10月31日公表値)

配当方針

各事業年度の業績、財務体質の強化、中長期事業戦略などを総合的に勘案して、内部留保の充実を図りつつ、継続的に安定的な配当を目指しております。

5カ年配当推移/配当性向



※ 普通配当50円+開局30周年記念配当10円

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Next is the dividend plan. There is no change from the published value here either. We plan to pay a dividend of JPY30 per share.

That's all from me.

	<p>生中継! 第96回 アカデミー賞授賞式</p> <hr/> <p>3月11日(月)</p>		<p>YOASOBI ZEPP TOUR 2024 "POP OUT"</p> <hr/> <p>3月10日(日)</p>
	<p>生中継! 第66回 グラミー賞授賞式®</p> <hr/> <p>2月5日(月)</p>		<p>連続ドラマW 坂の上の赤い屋根</p> <hr/> <p>3月3日(日)放送・配信スタート</p>

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Tashiro: My name is Tashiro and I am in charge of contents and creative management. I will explain about the upcoming programs.

First, the 96th Academy Awards will be held on March 11, Japan time. Three Japanese films were also nominated.

Takashi Yamazaki's *GODZILLA MINUS ONE* was the first Japanese film to be nominated for Best Visual Effects, while Hayao Miyazaki's *The Boy and the Heron*, his first new animated feature in 10 years, was nominated for Best Animated Feature Film and *Perfect Days*, starring Koji Yakusho, was nominated for Best International Feature Film. Miyazaki won the Best Animated Feature Film Award in 2003 for *Spirited Away*. Expectations are high for the film to become the first Oscar winner in 21 years.

Also in April, *TOKYO VICE Season 2*, co-produced by WOWOW and Max (formerly HBO Max), will finally begin. In Season 2, Jake, played by Ansel Elgort, delves deeper into Tokyo's criminal underworld. In addition, new additions such as Yosuke Kubozuka and Miki Maya will be joining the show, making it full of highlights.

	<p>欧州サッカー UEFA チャンピオンズリーグ 決勝トーナメント 開幕</p> <p>ベスト16 1st leg <2月14日(水)、15日(木)、 21日(水)、22日(木)></p>		<p>生中継! NBA オールスターゲーム 2024</p> <p>2月19日(月)</p>
	<p>欧州サッカー UEFA ヨーロッパリーグ 決勝トーナメント プレーオフ開幕</p> <p>1st leg <2月16日(金)> 2nd leg <2月23日(金・祝)></p>		<p>LPGA 女子ゴルフツアー</p> <p>1月19日(金)スタート</p>

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The final tournament of the UEFA Champions League, which decides the strongest club in Europe, will finally begin in February.

The highlight will be Real Sociedad, with Takefusa Kubo's team, playing against Paris Saint-Germain, with Kylian Mbappé's team. If Real Sociedad wins, it will be the first time in the club's history that they have reached the last eight. In addition, Takehiro Tomiyasu's Arsenal will take on Porto of Portugal, and Daichi Kamada's Lazio will play Bayern Munich, a German powerhouse.

In addition, we are looking forward to the success of Japanese players in the UEFA Europa League, with the teams of Kaoru Mitoma, Ritsu Doan, and Wataru Endo also participating. Regarding the LPGA Tour, in addition to six players, including Nasa Hataoka and Hinako Shibuno, we will have three new Japanese players this season. This year's LPGA will feature a total of nine Japanese players on the world's most prestigious stage.

In addition, WOWOW On-Demand will provide live streaming of the popular camera dedicated to Japanese players for all matches. Please stay tuned.

That's all from me.

新たに「UEFAチャンピオンズリーグ UEFAヨーロッパリーグ -2023-2024決勝トーナメントパス -」を発売



※「UEFAチャンピオンズリーグ UEFAヨーロッパリーグ - 2023-24決勝トーナメントパス -」（金額：7,480円（税込）、販売期間：2024年1月22日（月）～2月13日（火）、視聴可能期間：2024年6月30日（日）午後11:59まで）©2024 WOWOW INC. | 17

Yokoyama: I am Yokoyama, Media Business Supervisor. I will explain to you how we are strengthening our marketing initiatives.

Following the release of the *UEFA Champions League UEFA Europa League - Season Pass*, which sold out last September, the new *UEFA Champions League UEFA Europa League - 2023-2024 Final Tournament Pass* went on sale on January 22.

Upon its release, the product received a very strong response on social networking sites. Purchases are progressing well despite the fact that January is a month with no Champions League or Europa League games at all. In past years, subscriptions have tended to increase toward the start of the final tournament, and we expect that tournament passes will also be purchased in the future.

There is still time before the sales end on February 13, and we hope to continue to strengthen our promotions and expand awareness of the program so that more soccer fans can enjoy great value for their money.

BMWの車載ビデオサービスにWOWOWオンデマンドが搭載予定

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早ければ今年以降順次、WOWOWオンデマンドが視聴可能となる車両モデルが登場する予定。自動運転社会の到来を見据え、クルマが走るエンターテインメント空間に進化

※画像はドイツ連邦共和国におけるサービス

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WOWOW On-Demand will now be included in the new in-car video service of German car manufacturer BMW. BMW announced a new generation of in-car entertainment enhancements at CES, the world's largest technology trade show, this month.

In anticipation of the full-fledged advent of the age of automated driving, companies are increasingly redefining the car as a driving entertainment space. Although still in the development stage, vehicle models that will be able to view WOWOW On-Demand will be available as early as this year or later.

In the future, we would like to contribute to the evolution of the mobile space into a new entertainment space in the field of mobility.

This concludes my explanations.



xikersに続き、韓国8人組ボーイズグループ、ATEEZの日本での単独公演について、放送・配信権の取得に加え、興行、物販、協賛の利用許諾も取得。

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Ihara: My name is Ihara, and I am in charge of business management. Let me explain the off-the-air revenues.

First of all, *GOLDEN KAMUY*, a film we were the lead producer of, which opened in theaters on January 19, got off to a very successful start, ranking number one in its first appearance. This one is off to a start that will bring in more than JPY3 billion at the box office.

Incidentally, of the nearly 1,000 films released in 2023, only 14 exceeded JPY3 billion. It is a great pleasure to have worked on a blockbuster film in such a way. I hope you will watch it too.

As a new initiative to expand revenues and earnings, we are strengthening our IP-based business. Following the first phase of xikers, the second phase of this project was the acquisition of the rights to broadcast and distribute the solo performance in Japan of ATEEZ, a Korean eight-member boys' group, as well as licensing for box office, merchandise sales, and sponsorship.

ATEEZ has been gaining popularity around the world, with its album released last December selling more than 1.7 million copies in its initial release and topping various charts in Japan and abroad.

The latest world tour, organized by our company, will finally be held in Japan this Saturday and Sunday at Saitama Super Arena. Tickets went on sale to the general public on January 20 and sold out immediately, and all seats, including those sold in advance, were sold out, indicating the popularity of the event.

We believe that they have the greatest potential for future growth, although we

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understand that their reputation in Japan is not yet as high as it is in the rest of the world. We have high expectations for ATEEZ, and we would like to make it more and more exciting.

That's all from me. Thank you.

Question & Answer

Moderator [M]: We will now move on to the question-and-answer session. We are now ready to accept your questions.

Questioner A [Q]: Thank you for the opportunity.

May I ask you two questions about *GOLDEN KAMUY*? You explained earlier that the Company has made a very good start. Compared to your internal expectations, have the reactions after the public offering been better than expected? Also, can you tell us about your expectations for future performance?

Ihara [A]: Thank you for your question.

As for the start, we are off to a good start as we had hoped. What is most gratifying is that fans of the original comic have also been very supportive of the film, and the content of the film itself has been highly acclaimed. We think that we can expect a long box office in the future.

We are confident that we can expect a large return on our investment, both in terms of sales and box-office performance, which is unprecedented for a film in which we are the lead manager.

Questioner A [M]: Thank you very much. That's all from me.

Moderator [M]: Thank you very much.

Since there seem to be no other questions, we will close here.

Finally, President Tanaka has a few words.

Tanaka [M]: Once again, thank you very much for attending today's financial results meeting. It is already the last day of January. As we enter a new year, the business environment remains challenging, but as I explained today, there are positive signs everywhere regarding the net new increase in membership.

The film and event businesses are also healthy, including *GOLDEN KAMUY* and ATEEZ. We look forward to your continued support this year. Thank you very much for your time today.

This concludes the financial results briefing for Q3 of FY2023

Thank you very much for your participation today.

[END]