

# WOWOW

## 1Q FY2018 Earnings Summary Q&A

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**Q** Income decreased year-on-year in the first quarter of fiscal year 2018 due to investment in major content. How should we think about the decrease in income?

**A** We announced revenue increase and income decrease in our income and expenditure plan for fiscal year 2018; the main reason for the income decrease being content enhancement. Program cost increased year-on-year in the first quarter of fiscal year 2018 due in part to the broadcasting of major content. Competition with audiovisual streaming service providers intensifying so we are strategically investing in content to come out ahead.

**Q** Did income and expenditure in the first quarter of fiscal year 2018 proceed as planned?

**A** Initially-planned program cost and some other costs were deferred to the second quarter onward, resulting in higher income than expected, but there is no change to our fiscal year 2018 financial forecasts at this point in time.

**Q** How is progress on the launch of IP simulcast service, scheduled for the second half of 2018?

**A** We may not be able to transmit 100 percent of the programs on broadcast, but we are currently preparing for launch in the second half of the fiscal year.

