

WOWOW

FY2017 Earnings Summary Q&A (Twelve Months Ended March 31, 2018)

Q

What have been the outcomes of making Actvila Corporation a subsidiary in 2017 and what are the future prospects?

A

We acquired ownership of Actvila Corporation for the purpose of “developing new services for TV devices linking broadcasting and streaming” under one of our key strategies (“Achieve more service sophistication”) set forth in the Medium-Term Management Plan (FY2017-2020) (hereinafter, “Medium-Term Plan”).

Last fiscal year, we conducted demonstration experiments such as using Hybridcast* for a Rugby IP Simulcast in 4K and Tennis Pickup Court 2K livestreaming for television. We’re looking into efforts for rolling out full IP simulcast in 4K and 2K livestreaming services for television to “develop new services for TV devices linking broadcasting and streaming.”

*Technology linking broadcasting and streaming, which enables the display of enriched information on TV screens via the internet.

Q

Competition among audio-visual internet transmission (or SVOD) service market is intensifying. Do you think the competitive environment has intensified since the Medium-Term Plan was formulated?

A

We recognize that companies offering audio-visual transmission (or SVOD) services are more actively enhancing their content.

Q

Why did you decide to launch IP simulcast of the full high-definition television broadcasting on three channels in the second half of FY2018?

A

Considering the current competitive environment, we would like to launch the IP simulcast service as soon as possible, but the second half of FY2018 is the earliest timing, since we need time to prepare content and equipment.

Q

What kind of platform do you plan to launch IP simulcast service on?

A

We are considering to launch IP simulcast service on WOWOW Members On Demand, and also through Actvila as well as on Paravi, an audio-visual internet transmission (or SVOD) service began in April,2018.

Q

Please explain why the consolidated revenue Income and Expenditure Plan in FY2018 is 1.7 billion yen less than in the Medium-Term Plan.

A

We anticipated in the Medium-Term Plan forecast that the revenue will increase due to synergistic effects accompanying the acquisition of WOWOW Plus and Actvila. However, because progress in the FY2018 Income and Expenditure Plan fell below what was first envisioned when formulating the Medium-Term Plan, we forecasted that revenue will be less compared to the Medium-Term Plan. We plan to achieve the

Q

You acknowledged that “increasing online members**” is one of your key strategies in the Medium-Term Plan. How will you utilize the online members?

A

We strongly believe that the customers’ lifestyles and their pattern of viewing content are diversified. In order to respond to this change, we are working to use digital technology to evolve communication with customers and increase online members. We intend to increase new subscriptions by effectively promoting the programs to these members.

**Customers that have agreed to the online member terms and conditions and been given an ID (registration is free)