

# W O W O W

## Medium-Term Management Plan (FY2017-2020)

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May 15, 2017

WOWOW INC.



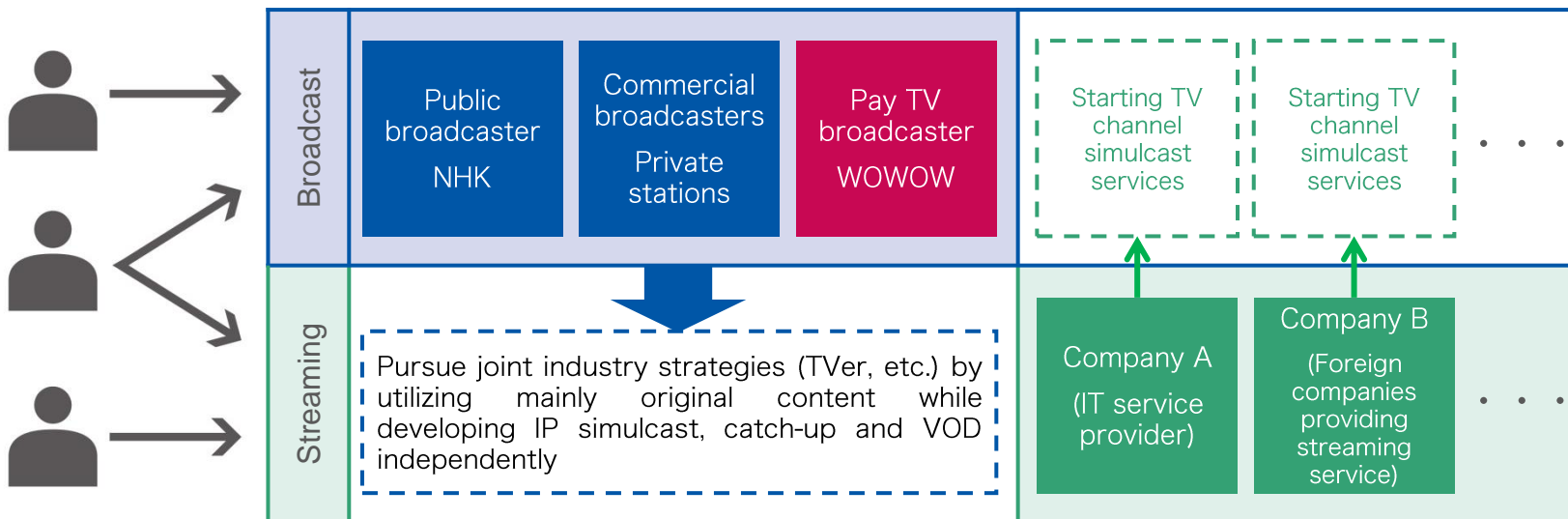
# Environmental Factors

## ■ Society

- The population is aging and the birth rate is low (in 2016, senior citizens (aged 65 or older) accounted for 27.3% of the population and this is expected to exceed 30% in 2025 according to Ministry of Internal Affairs and Communications and Cabinet Office statistics).
- Digital innovation is transforming information circulation and diversifying people's lifestyles.

## ■ Media Industry

- Players are diversifying with the entry of new streaming providers.
- Content circulation is globalizing.
- Companies are implementing measures to adapt to diversifying viewing habits.



TVer: An official TV portal site provided jointly by private stations

VOD: Video On Demand.

## Toward Further Growth

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WOWOW provides high-quality entertainment, bringing customers and content together.

In order to remain appealing to customers despite a rapidly-changing business environment:

### WOWOW, 10 Years from Now

We will evolve into a gathering place for top creators and entertainment, leading Japan in creativity and providing novelty, surprise and emotion to Japan and the world.

Despite the uncertain times, we aim to be a comprehensive entertainment media group that is trusted and needed by society.

# Summary of Medium-Term Management Plan (FY2017-2020)

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## ■ Purpose

While maintaining continuous growth, make every necessary preparation to compete over the next 10 years and thus lay the foundation for further development.

## ■ Direction

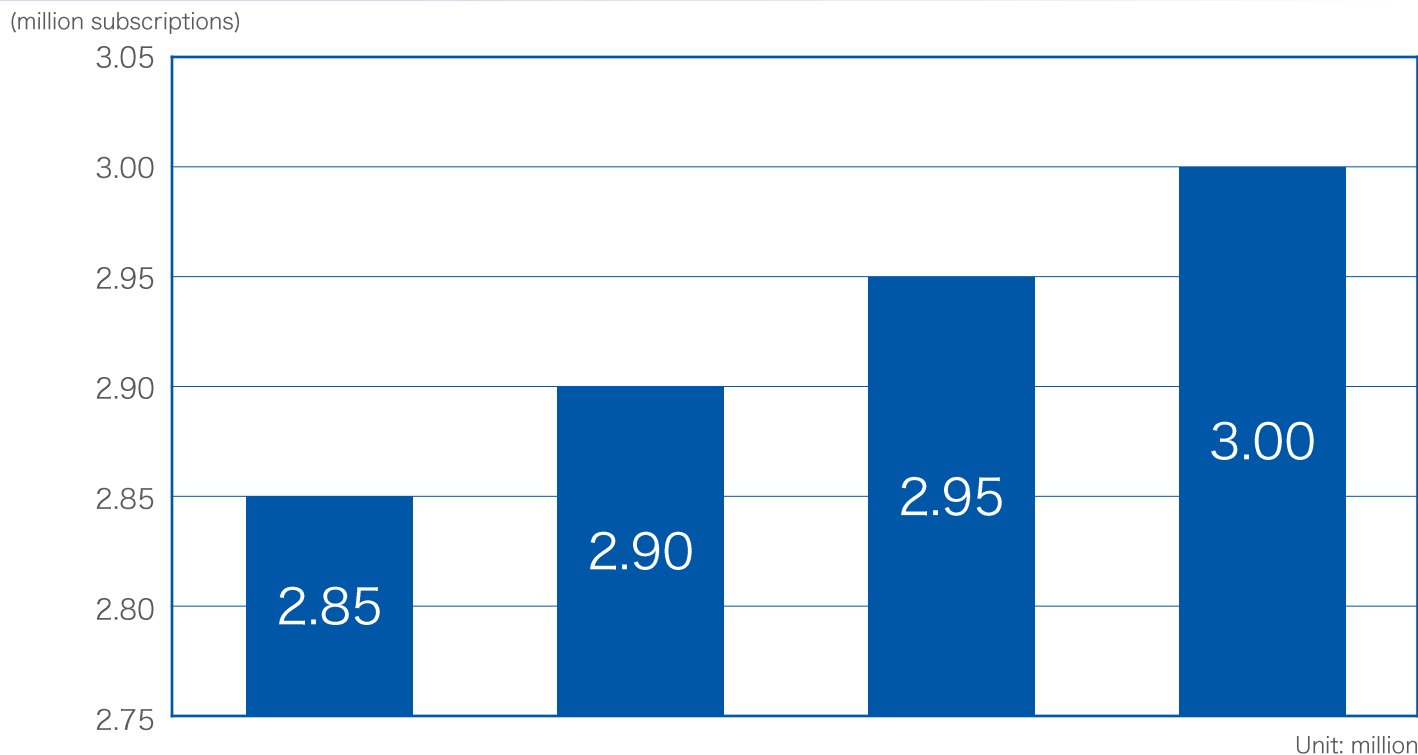
To evolve into a place to connect with each and every creative individual and where top-quality entertainment is co-developed; then, to build a foundation for continuous growth by accumulating and promoting advanced and relatable entertainment.

## ■ Key Strategies

1. Distinguish WOWOW from competitors with wide-ranging content that is thoroughly unique to WOWOW
2. Revise marketing tools to acquire customers
3. Achieve more service sophistication
4. Enhance WOWOW Group synergy

# Plan for Net Cumulative WOWOW Pay TV Broadcast Subscriptions

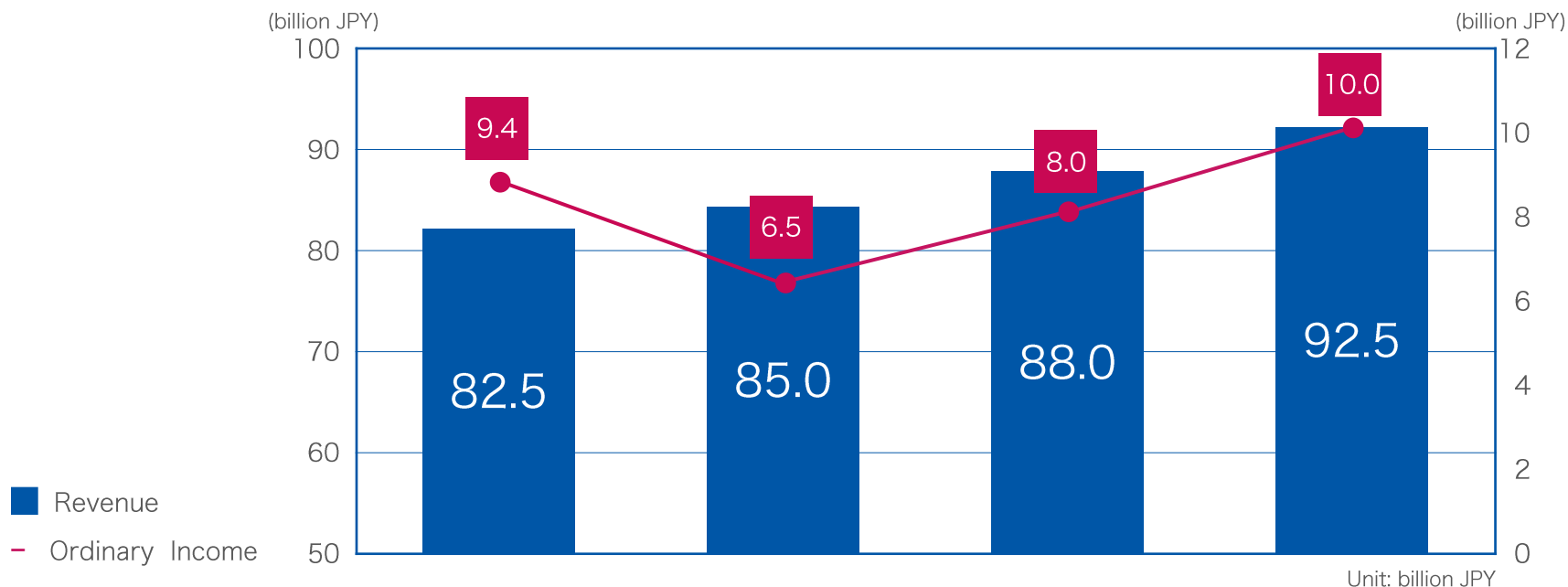
Aim for 3 million net cumulative WOWOW pay TV broadcast subscriptions by the end of FY2020



	FY2017	FY2018	FY2019	FY2020
Number of Net Cumulative WOWOW Pay TV Broadcast Subscriptions	2.85	2.90	2.95	3.00

# Income and Expenditure Plan (Consolidated)

Aim to launch IP simulcast service in 2018 and 4K broadcasting in 2020



	FY2017	FY2018	FY2019	FY2020
Revenue	82.5	85.0	88.0	92.5
Ordinary Income	9.4	6.5	8.0	10.0
Notes	Content enhancement costs: 2 to 4 billion JPY-worth of enhancement (from FY2018 onward) Marketing revision costs: 500 million to 1 billion JPY per year expected Capital investment: Around 16 billion JPY over 4 years expected			

# Key Strategies (1/2)

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## 1. Distinguish WOWOW from competitors with wide-ranging content that is thoroughly unique to WOWOW

- Develop original content based on analysis of customer preferences
- Switch to content production based on the premise of extensive use within WOWOW Group
- Enrich original content and promote multi-use
- Link broadcasting and streaming, and create real events which may mutually add value.

## 2. Revise marketing tools to acquire customers

- Create new sales/marketing conduits by increasing online members\*
- Form a creative community in which customers and creators connect

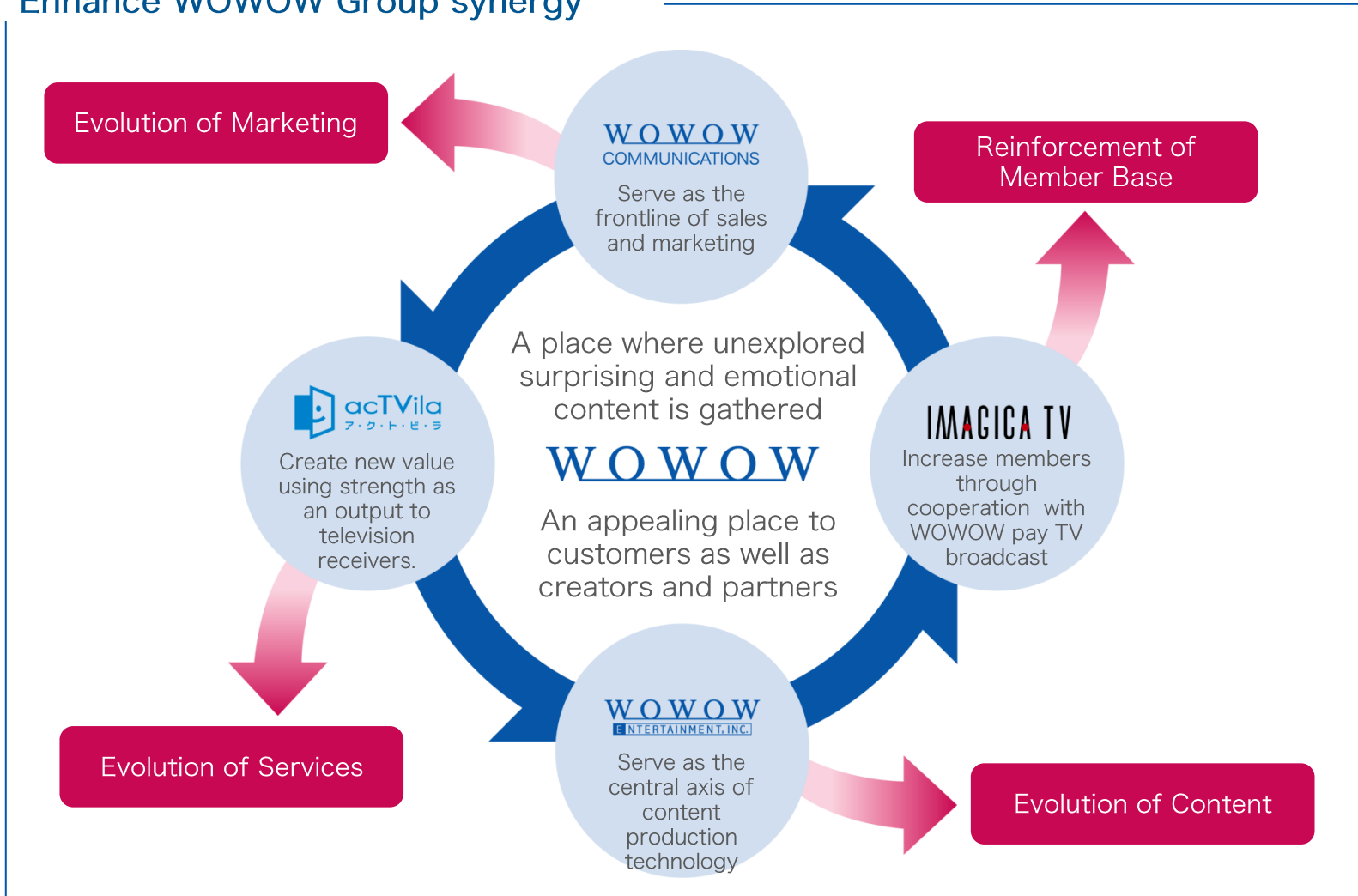
## 3. Achieve more service sophistication

- Launch IP simulcast service in FY2018
- Launch 4K broadcasting at the end of 2020
- Develop new services for TV devices linking broadcasting and streaming

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

# Key Strategies (2/2)

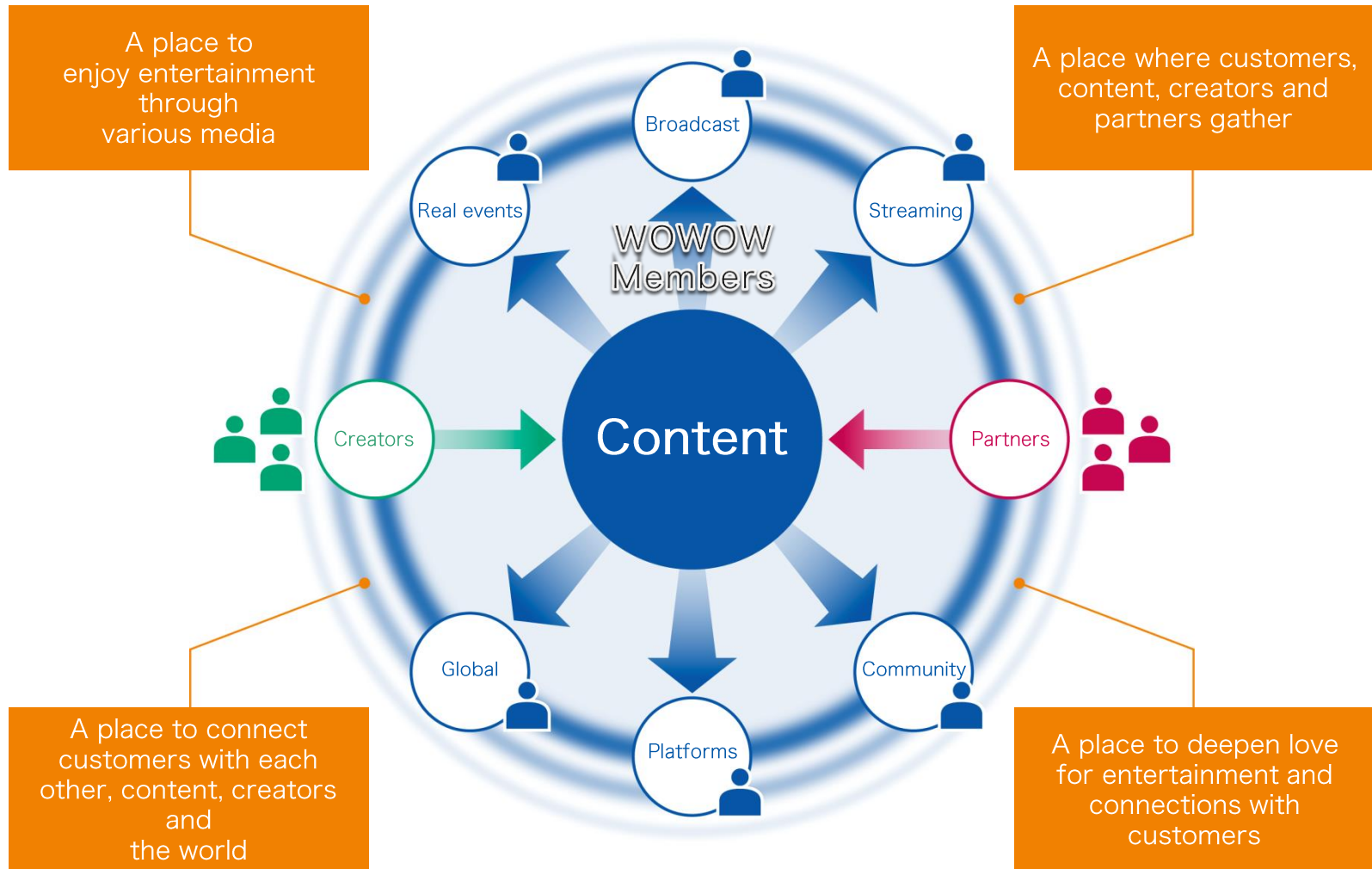
## 4. Enhance WOWOW Group synergy





# Becoming a Comprehensive Entertainment Media Group

Objective: Creative media that is both advanced and trusted by society



# WOWOW

## 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.

WOWOW INC.



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