

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2024 (Based on Japanese GAAP)

October 31, 2024

Company name: WOWOW INC.
 Stock exchange listing: Tokyo
 Stock code: 4839 URL <https://corporate.wowow.co.jp>
 Representative: Representative Director, President & CEO Hitoshi Yamamoto
 General Manager Corporate Management
 Inquiries: Division Mototaka Yamaguchi TEL 03-4330-8080
 Scheduled date to file Semi-annual Securities Report: November 14, 2024
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors, analysts and the press)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2024	37,361	2.0	1,212	16.7	1,605	9.4	(179)	–
Six months ended September 30, 2023	36,614	(4.8)	1,039	(51.2)	1,467	(29.0)	720	(46.0)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2024	(6.38)	–
Six months ended September 30, 2023	25.61	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2024	95,765	67,019	70.0
As of March 31, 2024	89,146	68,225	76.5

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2024	–	0.00	–	30.00	30.00
Year ending March 31, 2025	–	0.00			
Year ending March 31, 2025 (Forecast)			–	30.00	30.00

3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	75,600	1.0	700	(51.7)	1,500	(27.1)	0	–	0.00

4. Notes

(1) Significant changes in the scope of consolidation during the six months ended September 30, 2024: No

(2) Application of special accounting methods for preparing semi-annual consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2024	28,844,400 shares	As of March 31, 2024	28,844,400 shares
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Number of treasury shares at the end of the period

As of September 30, 2024	580,118 shares	As of March 31, 2024	659,970 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2024	28,216,721 shares	Six months ended September 30, 2023	28,129,728 shares
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Semi-annual consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	28,334	29,773
Accounts receivable - trade	5,618	5,406
Merchandise and finished goods	17	44
Broadcasting licenses	18,448	24,976
Work in process	38	26
Supplies	46	52
Prepaid expenses	1,531	1,619
Other	1,611	2,121
Allowance for doubtful accounts	(112)	(30)
Total current assets	55,534	63,990
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,144	4,328
Machinery and equipment, net	3,883	2,737
Tools, furniture and fixtures, net	1,568	1,379
Construction in progress	304	192
Other, net	45	72
Total property, plant and equipment	9,947	8,709
Intangible assets		
Leasehold interests in land	5,011	5,011
Software	3,343	2,236
Other	876	830
Total intangible assets	9,231	8,078
Investments and other assets		
Investment securities	3,570	3,524
Shares of subsidiaries and associates	8,815	8,751
Deferred tax assets	942	1,516
Leasehold and guarantee deposits	704	689
Other	424	610
Allowance for doubtful accounts	(24)	(105)
Total investments and other assets	14,433	14,986
Total non-current assets	33,612	31,774
Total assets	89,146	95,765

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	12,255	19,775
Accounts payable - other	1,059	1,536
Accrued expenses	3,705	2,919
Income taxes payable	257	505
Provisions	60	80
Other	1,330	1,615
Total current liabilities	18,669	26,432
Non-current liabilities		
Retirement benefit liability	1,877	1,948
Other	374	364
Total non-current liabilities	2,251	2,312
Total liabilities	20,920	28,745
Net assets		
Shareholders' equity		
Share capital	5,000	5,000
Capital surplus	3,212	3,192
Retained earnings	58,904	57,879
Treasury shares	(897)	(789)
Total shareholders' equity	66,219	65,283
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,842	1,650
Deferred gains or losses on hedges	145	69
Remeasurements of defined benefit plans	17	16
Total accumulated other comprehensive income	2,006	1,736
Total net assets	68,225	67,019
Total liabilities and net assets	89,146	95,765

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Net sales	36,614	37,361
Cost of sales	24,673	25,360
Gross profit	11,940	12,000
Selling, general and administrative expenses	10,901	10,788
Operating profit	1,039	1,212
Non-operating income		
Interest income	35	30
Dividend income	34	40
Foreign exchange gains	222	207
Share of profit of entities accounted for using equity method	121	159
Other	40	73
Total non-operating income	453	512
Non-operating expenses		
Commission expenses	13	40
Business place transfer expenses	—	40
Other	12	38
Total non-operating expenses	26	119
Ordinary profit	1,467	1,605
Extraordinary income		
Gain on sale of non-current assets	0	0
Total extraordinary income	0	0
Extraordinary losses		
Loss on retirement of non-current assets	14	6
Impairment losses	70	1,744
Loss on valuation of investment securities	101	19
Total extraordinary losses	186	1,770
Profit (loss) before income taxes	1,281	(164)
Income taxes - current	386	459
Income taxes - deferred	174	(444)
Total income taxes	560	15
Profit (loss)	720	(179)
Profit (loss) attributable to owners of parent	720	(179)

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Profit (loss)	720	(179)
Other comprehensive income		
Valuation difference on available-for-sale securities	464	(192)
Deferred gains or losses on hedges	(46)	(80)
Remeasurements of defined benefit plans, net of tax	(1)	(1)
Share of other comprehensive income of entities accounted for using equity method	15	4
Total other comprehensive income	431	(269)
Comprehensive income	1,152	(449)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,152	(449)

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Cash flows from operating activities		
Profit (loss) before income taxes	1,281	(164)
Depreciation	1,858	2,146
Amortization of goodwill	—	16
Impairment losses	70	1,744
Increase (decrease) in allowance for doubtful accounts	(15)	(1)
Increase (decrease) in other provisions	13	20
Increase (decrease) in retirement benefit liability	76	69
Interest and dividend income	(69)	(71)
Foreign exchange losses (gains)	(394)	228
Share of loss (profit) of entities accounted for using equity method	(73)	(106)
Loss on retirement of non-current assets	14	6
Loss (gain) on sale of non-current assets	(0)	(0)
Loss (gain) on valuation of investment securities	101	19
Decrease (increase) in trade receivables	665	211
Decrease (increase) in inventories	3,516	(6,548)
Increase (decrease) in trade payables	(4,172)	7,802
Increase (decrease) in accrued consumption taxes	257	603
Decrease (increase) in other assets	(262)	(1,194)
Increase (decrease) in other liabilities	(462)	(947)
Other, net	—	0
Subtotal	2,404	3,836
Interest and dividends received	69	80
Interest paid	—	(0)
Income taxes paid	(74)	(227)
Net cash provided by (used in) operating activities	2,400	3,688
Cash flows from investing activities		
Payments into time deposits	(1,707)	(3,035)
Proceeds from withdrawal of time deposits	2,414	2,340
Purchase of property, plant and equipment	(776)	(592)
Proceeds from sale of property, plant and equipment	0	0
Purchase of intangible assets	(925)	(454)
Purchase of investment securities	(316)	(105)
Proceeds from sale of investment securities	0	—
Payments of leasehold and guarantee deposits	—	(0)
Proceeds from refund of leasehold and guarantee deposits	5	0
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(500)	—
Payments for investments in capital	(33)	—
Loan advances	(0)	—
Proceeds from collection of loans receivable	—	0
Payments for asset retirement obligations	(45)	—
Net cash provided by (used in) investing activities	(1,885)	(1,846)
Cash flows from financing activities		
Repayments of long-term borrowings	—	(16)
Repayments of finance lease liabilities	(8)	(10)
Purchase of treasury shares	—	(0)
Dividends paid	(1,405)	(845)
Net cash provided by (used in) financing activities	(1,413)	(872)
Effect of exchange rate change on cash and cash equivalents	70	(10)
Net increase (decrease) in cash and cash equivalents	(827)	959
Cash and cash equivalents at beginning of period	25,757	25,922
Cash and cash equivalents at end of period	24,929	26,881