

These documents have been translated from Japanese originals for reference purposes only. In the event of any discrepancy between these translated documents and the Japanese originals, the originals shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translations.

(Securities Code: 4825)

July 27, 2022

**To Shareholders with Voting Rights:**

Chihito Kusabiraki  
President and Representative Director  
Weathernews Inc.  
Makuhari Techno-Garden  
1-3, Nakase, Mihama-ku, Chiba-city, Chiba  
Prefecture, Japan

**NOTICE OF  
THE 36th ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

You are cordially informed that Weathernews Inc. (the “Company”) will hold the 36th Annual General Meeting of Shareholders. The meeting will be held for the purposes described below.

If you consider participating in the meeting, please consider the option of exercising your voting rights beforehand in writing or via the Internet by making a decision from the perspective of health and safety through checking the trends in COVID-19 infections.

Please also check information in advance to be posted on the Company’s website as any future changes in circumstances surrounding COVID-19 may cause us to change the place of the meeting and our response to COVID-19.

[Exercise of voting rights in writing (via postal mail)]

Please refer to “Information on Exercise of Voting Rights” (available in Japanese only), indicate your vote for or against the proposals on the enclosed Voting Rights Exercise Form, and return the form so that it arrives by 5:30 p.m. on Wednesday, August 10, 2022, Japan time.

[Exercise of voting rights by electromagnetic means (via the Internet)]

Please refer to “Information on Exercise of Voting Rights” (available in Japanese only) and exercise your voting rights by 5:30 p.m. on Wednesday, August 10, 2022, Japan time.

- 1. Date and Time:** Thursday, August 11, 2022, at 10:00 a.m. Japan time  
(venue opens: 9:00 a.m.)
- 2. Place:** 2-1, Nakase, Mihama-ku, Chiba-city, Chiba  
Prefecture, Japan  
Convention Hall, 2F, Makuhari Messe International Conference Hall

### 3. Meeting Agenda:

**Matters to be reported:** The Business Report, the Consolidated Financial Statements and the Non-consolidated Financial Statements for the Company's 36th Fiscal Year (June 1, 2021 - May 31, 2022), as well as the results of audits of Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board

**Proposals to be resolved:**

**Proposal No. 1:** Appropriation of Surplus

**Proposal No. 2:** Partial Amendments to the Articles of Incorporation

**Proposal No. 3:** Election of Five (5) Directors

**Proposal No. 4:** Election of One (1) Audit & Supervisory Board Member

**Proposal No. 5:** Election of Accounting Auditor

### 4. Other Matters Regarding This Notice:

- (1) The following materials, which should be made available to shareholders when sending this notice of convocation, are posted on the Company's website at the following URL (<https://jp.weathernews.com/>), instead of being stated in this notice, in accordance with the provisions of the relevant laws and regulations and Article 16 of the Articles of Incorporation of the Company.

When preparing the Audit Report that is the same as the document appended to this notice of convocation, the Audit & Supervisory Board members audited items "1)" to "4)" below and the Accounting Auditor audited items "3)" and "4)."

- 1) "Matters regarding share acquisition rights, etc." inside the Business Report
  - 2) "Basic Principles regarding the Control of the Company" inside the Business Report
  - 3) "Notes to the Consolidated Financial Statements" of the consolidated financial statements (36th Fiscal Year)
  - 4) "Notes to the Non-consolidated Financial Statements" of the non-consolidated financial statements (36th Fiscal Year)
- (2) Any amendments to the Reference Documents for the General Meeting of Shareholders, the Business Report, the Consolidated Financial Statements, or the Non-consolidated Financial Statements, will be posted on the aforementioned Company's website.

---

### Requests for Attending Shareholders

Shareholders who plan to attend the meeting in person are requested to respect the following items.

- (1) When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk on the day of the meeting for confirmation. If you wish to exercise your voting rights by proxy, designate another shareholder who is entitled to exercise your voting rights as a proxy at the meeting. Such a shareholder acting as a proxy is kindly requested to attend in person and submit your Voting Rights Exercise Form and the power of attorney at the reception desk.
- (2) Note that only shareholders of the Company may enter the venue of the meeting.
- (3) We will open for entry at 9:00 a.m. and start the meeting at 10:00 a.m.
- (4) Note that electricity-saving measures will be taken at the venue for lighting and the adjustment of the air-conditioning temperature. It is recommended that you dress lightly.

## Measures for Prevention of Spread of COVID-19 Infection

We consider the safety and health of our shareholders to be the highest priority to hold the General Meeting of Shareholders. From the perspective of preventing the spread of the COVID-19 infection, we would like to ask you as follows:

### <Requests>

- To prevent the spread of COVID-19 infection, you are kindly requested to exercise your voting rights beforehand in writing or via the Internet and to check the trends in infections and assess your health before making a final judgment as to whether to attend on the day.
- For those of you who are not able to attend the meeting, please feel free to send us questions and opinions. We will answer questions and opinions received in advance that deal with matters of higher interest to shareholders on the meeting day. In addition, the General Meeting of Shareholders will be streamed live on the Internet. Please access our website for more information. (For details, please refer to “Information on Advance Acceptance of Questions and Opinions” and “Information on Live Stream” on page 4.)

### <Measures to be taken at the meeting venue>

- To prevent the spread of the COVID-19 infection and ensure safety of the shareholders, spaces are ensured between the seats in the meeting room. Please be forewarned that entry to the meeting room may be restricted depending on the number of attendees from the perspective of ensuring safety of the shareholders.
- If you fall into either of the following, we may not allow you to enter the meeting room in order to prevent the spread of the COVID-19 infection. You may also be asked to have your body temperature checked from the perspective of ensuring safety of the shareholders.
  - 1) Those of you who have symptoms such as high temperature and persistent cough
  - 2) Those of you who refuse to wear a face mask and to disinfect your hands and fingers by spraying alcohol-based sanitizer
- Officers who will appear on the stage and operational staff will wear a face mask and take other preventive measures against the infection.
- The duration of the meeting may turn out to be shorter than usual in order to prevent the infection.
- We will not hold any shareholder events (i.e., shareholder supporter meeting, service line presentation and company tour) and will not serve refreshments on the day of the meeting. We will hold a shareholder supporter meeting online on some other day.
- Should there be any changes in the place of the meeting and our response to the spread of the COVID-19 infection due to the future development of infection, updates will be posted on the Company’s website, and you are kindly asked to check them.

The Company’s website    <https://jp.weathernews.com/irinfo/event/36th-shareholder-meeting/>

## Information on Advance Acceptance of Questions and Opinions

We will take questions and opinions from shareholders for the 36th Annual General Meeting of Shareholders in advance through our website. Any matters of high interest may be covered at the meeting.

<a href="https://jp.weathernews.com/irinfo/event/36th-shareholder-meeting/">https://jp.weathernews.com/irinfo/event/36th-shareholder-meeting/</a>
---------------------------------------------------------------------------------------------------------------------------------------------------

Submission deadline: 5:00 p.m. Friday, August 5, 2022
-------------------------------------------------------

Note: For those of you who prefer to ask us questions in writing, please send them to the following address so that they arrive before the deadline.

IR Office, Weathernews Inc., Makuhari Techno-Garden, Tower B, 19F,  
1-3, Nakase, Mihama-ku, Chiba-city, Chiba Prefecture, Japan

## Information on Live Stream

The Company will stream the General Meeting of Shareholders live on the Internet so that shareholders can view the meeting at home. To protect the privacy of shareholders, the stream will only show the officers' seating area during the meeting. Also please note that shareholders viewing the stream will be unable to exercise their voting rights or ask questions via the Internet platform.

- |                                |                                                                                                                                                                                                                             |
|--------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Date and streaming schedule | Thursday, August 11, 2022, from 10:00 a.m. Japan time to the conclusion of the meeting                                                                                                                                      |
| 2. Accessing the stream        | Please access the URL given in 3. below and enter your "Shareholder ID" and "Password" from the login screen.                                                                                                               |
| 3. Streaming website           | <a href="https://jp.weathernews.com/irinfo/event/36th-shareholder-meeting/">https://jp.weathernews.com/irinfo/event/36th-shareholder-meeting/</a><br>Please check the notice of convocation for your login ID and password. |

### [Note]

- Please be noted that a communication failure could potentially occur in the form of a temporary disruption or suspension of live streaming video or audio, depending on your device environment (i.e., functions and performance), internet connection environment, or other factors. Please be noted in advance that if this occurs, the meeting might continue only with the shareholders present at the venue, without waiting for the communication failure to be resolved.

# Reference Documents for the General Meeting of Shareholders

## Proposals and References

### Proposal No. 1: Appropriation of Surplus

The Company desires to gain greater support from stakeholders who sympathize with the corporate dream “To Become an Information Exchange Platform for Seven Billion Nine Hundred Million People Around the World” and the projects oriented toward that dream, and intends to expand the number of shareholder supporters in the medium- to long-term.

The Company distributes profit based on its general management principle of “high contribution, high profit, high sharing.” The Company determines a policy for returning profit to shareholder supporters taking into consideration internal reserves for investments in future services, technologies and infrastructure. We recognize growth in sales from tollgate-type business, growth in ordinary profit and growth in net income attributable to owners of parent as important management indicators and determine the amount of dividends while taking into account other factors such as business results, the payout ratio, the dividend yield and capital efficiency.

Regarding the dividends for the fiscal year ended May 31, 2022, we will pay an annual ordinary dividend of ¥100 per share in accordance with the dividend policy under the mid-term management plan. Because we already paid an interim dividend of ¥50 per share in January for the year under review, we will provide ¥50 per share as a year-end dividend as described below.

#### Matters concerning the year-end dividends

(1) Type of property dividends	Cash
(2) Matters concerning the distribution of property dividends to shareholders and the total amount thereof	¥50 per share of common stock of the Company Total amount: ¥550,114,000
(3) Effective date of the dividends from surplus	August 12, 2022

**Proposal No. 2: Partial Amendments to the Articles of Incorporation**

1. Reasons for the Amendments

Since the revised provisions provided for in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) are to be enforced on September 1, 2022, the Company proposes to make the following changes to its Articles of Incorporation in preparation for the introduction of the system for providing informational materials for the general meeting of shareholders in electronic format.

- Article 16, paragraph 1 in “Proposed Amendments” below will stipulate that the Company shall take measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. in electronic format.
- Article 16, paragraph 2 in “Proposed Amendments” below will establish the provision to limit the scope of the items to be stated in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents.
- Since the provisions for Provision of Reference Documents for General Shareholder Meeting via the Internet (Article 16 of the current Articles of Incorporation) will no longer be required, they will be deleted.
- Accompanying the aforementioned establishment and deletion of provisions, supplementary provisions regarding the effective date, etc. will be established.

2. Details of the Amendments

The current Articles of Incorporation and the proposed amendments thereto are as follows:

(Amendments are underlined.)

Current Articles of Incorporation	Proposed Amendments
<p><u>(Provision of Reference Documents for General Shareholder Meeting via the Internet)</u></p> <p><u>Article 16</u></p> <p><u>The Company may, in accordance with the Laws, use the Internet to furnish shareholders with reference documents for general meetings of shareholders, business reports, non-consolidated and consolidated financial statements, or other information that should be presented or described therein, and such information may be deemed to have been furnished to shareholders.</u></p>	<p>(Deleted)</p>

Current Articles of Incorporation	Proposed Amendments
(Newly established)	<p data-bbox="810 219 1316 280"><u>(Measures, etc. for Providing Information in Electronic Format)</u></p> <p data-bbox="810 297 925 331"><u>Article 16</u></p> <p data-bbox="853 331 1404 521"><u>When the Company convenes a general meeting of shareholders, it shall take measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. in electronic format.</u></p> <p data-bbox="810 521 1404 779">2. <u>Among items for which the measures for providing information in electronic format will be taken, the Company may exclude all or some of those items designated by the Ministry of Justice Order from statements in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents by the record date of voting rights.</u></p>
(Newly established)	<p data-bbox="810 795 1125 828"><u>(Supplementary Provisions)</u></p> <p data-bbox="810 846 1396 936"><u>(Transitional Measures for Providing Informational Materials for the General Meeting of Shareholders in Electronic Format)</u></p> <p data-bbox="810 954 909 987"><u>Article 1</u></p> <p data-bbox="853 987 1396 1211"><u>The elimination of Article 16 of the Articles of Incorporation (Provision of Reference Documents for General Shareholder Meeting via the Internet) and the establishment of the new Article 16 of the Articles of Incorporation (Electronic Provision Measures, Etc.) shall come into effect on September 1, 2022.</u></p> <p data-bbox="810 1211 1404 1469">2. <u>Notwithstanding the provision of the preceding paragraph, Article 16 of the Articles of Incorporation (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.) shall remain effective regarding any general meeting of shareholders held on a date within six months from September 1, 2022.</u></p> <p data-bbox="810 1469 1404 1659">3. <u>These Supplementary Provisions shall be deleted on the date when six months have elapsed from September 1, 2022 or three months have elapsed from the date of the general meeting of shareholders in the preceding paragraph, whichever is later.</u></p>

**Proposal No. 3: Election of Five (5) Directors**

The Company's Articles of Incorporation provide that the term of office for Directors be one year. This is intended to clarify the Directors' responsibility for achieving the performance targets of each fiscal year and confirm shareholders' confidence in Directors for each fiscal year. According to the provisions of said Articles of Incorporation, the term of office of five (5) Directors of the Company will expire at the conclusion of this General Meeting of Shareholders. Accordingly, we propose the election of five (5) Directors.

The candidates for the position of Director are as follows:

No.	Name	Current positions at the Company	Number of Board of Directors' meetings attended
1	[Reappointed] Chihito Kusabiraki	President and Representative Director	13 out of 13
2	[Reappointed] Tomohiro Ishibashi	Director	13 out of 13
3	[Reappointed] Masanori Yoshitake	Director	13 out of 13
4	[Reappointed] [External] [Independent] Shigeru Muraki	Director (External)	13 out of 13
5	[Reappointed] [External] [Independent] Yukihiro Akimoto	Director (External)	11 out of 11



## Reference

Shown below are the expertise and experience of the candidates for the position of Director.

	Corporate management	Finance/ Accounting	Legal affairs/ Risk management	Business strategy/ Marketing	Innovation/ DX	Personnel/ Organization	Global business
Chihito Kusabiraki	○			○		○	
Tomohiro Ishibashi				○	○		○
Masanori Yoshitake		○	○			○	
Shigeru Muraki	○			○		○	○
Yukihiro Akimoto	○			○	○	○	○

The information shown above is not intended to represent all of the expertise and knowledge of the candidates for the position of Directors.

Candidate No. <b>1</b>	<b>Chihito Kusabiraki</b>	Date of birth March 18, 1965	Number of shares of the Company held 79,577
Reappointed	<p><b>Past experience, positions and responsibilities (Significant concurrent positions)</b></p> <p>March 1987      Graduated from Department of Physics, College of Science and Engineering, Aoyama Gakuin University</p> <p>April 1987      Joined the Company</p> <p>April 1993      General Manager, CSS Business Department, Marketing Division</p> <p>June 1993      General Manager, Aviation Business Department, Marketing Headquarters</p> <p>June 1996      General Manager, Disaster Prevention/Aviation Business Division</p> <p>August 1996     Director</p> <p>August 1997     Managing Director</p> <p>August 1999     Executive Vice President and Representative Director</p> <p>September 2006   President and Representative Director (in charge of overall management and sales in Asia, Europe, and the United States)</p> <p>August 2016     President and Representative Director (Chief Executive Officer) (to present)</p> <p><b>Significant concurrent position</b></p> <p>Director, Chiba Institute of Technology</p> <p>Council Member of Administrative Council, Chiba University</p> <p><b>Reason for nominating the candidate for Director</b></p> <p>Mr. Chihito Kusabiraki has outstanding insight and achievements in the fields of disaster prevention and aviation business in which he has been engaged since joining the Company. He also has excellent managerial skills developed through his experience, particularly his experience serving as the General Manager of the Disaster Prevention/Aviation Business Division, combined with personal qualities that are suitable for the corporate manager of the Company. Based on the aforementioned, he has assumed office as President and Representative Director since 2006, and we have reelected him as a candidate for Director.</p> <p>The number of years in office as Director (as of the conclusion of this General Meeting of Shareholders): 26 years</p>		

Candidate No. 2	<b>Tomohiro Ishibashi</b>	Date of birth March 28, 1975	Number of shares of the Company held 167,701
Reappointed	<b>Past experience, positions and responsibilities (Significant concurrent positions)</b>		
	March 1998	Graduated from Department of Information and Systems Engineering, Faculty of Science and Engineering, Chuo University	
	April 1998	Joined Hewlett-Packard Japan, Ltd.	
	October 2000	Joined the Company	
	August 2003	MOBILE Service Group Leader	
	December 2006	Director, WITH STATION Inc.	
	November 2007	Representative Director, WITH STATION Inc.	
	August 2008	Director of the Company (in charge of overall BtoS business)	
	May 2012	Director (in charge of sales in the United States)	
	May 2014	Director (in charge of BtoS business sales)	
	August 2016	Executive Officer (in charge of Mobile/Internet Planning)	
	June 2020	Executive Officer (in charge of Public Relations)	
	August 2020	Managing Director	
	July 2021	Director (Managing Officer)	
	July 2022	Director (Senior Managing Officer) (to present)	
	<b>Reason for nominating the candidate for Director</b>		
	Mr. Tomohiro Ishibashi has outstanding insight and achievements in the BtoS business, in which he has been engaged since joining the Company. He also has excellent managerial skills developed through his experience in global business, particularly his experience in sales in the United States, combined with personal qualities that are suitable for taking on a share of the duties of managing the Company. Accordingly, we have reelected him as a candidate for Director.		
	The number of years in office as Director (as of the conclusion of this General Meeting of Shareholders): 10 years in total		

Candidate No. 3	<b>Masanori Yoshitake</b>	Date of birth October 14, 1972	Number of shares of the Company held 17,543
Reappointed	<b>Past experience, positions and responsibilities (Significant concurrent positions)</b>		
	March 1996	Graduated from Agricultural Engineering Division (Civil Engineering), Faculty of Agriculture, Kyushu University	
	July 1996	Joined the Company	
	June 2004	General Manager, Fukuoka Branch	
	December 2006	Leader, Station Sales Division of WITH STATION Inc.	
	June 2011	Group Leader, General Affairs Department of the Company	
	August 2014	Director (in charge of general affairs)	
	August 2015	Director (in charge of overall accounting, financial, and general affairs)	
	August 2016	Managing Director (Chief Financial Officer)	
	August 2017	Director (Managing Officer, Chief Financial Officer)	
	June 2019	Director (Managing Officer)	
	August 2019	Managing Director	
	July 2021	Director (Managing Officer) (to present)	
	<b>Reason for nominating the candidate for Director</b>		
	Mr. Masanori Yoshitake has outstanding insight and achievements in the field of general affairs in which he has been engaged since joining the Company. He also has excellent managerial skills developed through his experience, particularly his experience serving as the Group Leader of the General Affairs Department and of being in charge of overall accounting, financial, and general affairs, combined with personal qualities that are suitable for taking on a share of the duties of managing the Company. Based on the aforementioned, we have reelected him as a candidate for Director.		
	The number of years in office as Director (as of the conclusion of this General Meeting of Shareholders): 8 years		

Candidate No.	Shigeru Muraki		Date of birth	Number of shares of the Company held
4			August 29, 1949	1,000
Reappointed	<b>Past experience, positions and responsibilities (Significant concurrent positions)</b>			
External	June 1972	Graduated from Faculty of Engineering, The University of Tokyo		
Independent	July 1972	Joined Tokyo Gas Co., Ltd.		
	June 1996	Manager of Resource Research and Development Group, Gas Resources Dept., Tokyo Gas Co., Ltd.		
	June 2000	General Manager of Gas Resources Dept., Tokyo Gas Co., Ltd.		
	June 2002	Executive Officer and General Manager of Gas Resources Dept. of Strategic Planning Div., Tokyo Gas Co., Ltd.		
	April 2004	Senior Executive Officer and Chief Executive of R&D Div., Tokyo Gas Co., Ltd.		
	April 2007	Senior Executive Officer, Chief Executive of Energy Solution Div., Tokyo Gas Co., Ltd.		
	June 2007	Director, Senior Executive Officer, Chief Executive of Energy Solution Div., Tokyo Gas Co., Ltd.		
	April 2010	Representative Director and Executive Vice President, Tokyo Gas Co., Ltd.		
	April 2014	Director and Vice Chairman, Tokyo Gas Co., Ltd.		
	June 2015	Executive Adviser, Tokyo Gas Co., Ltd. (to present)		
	August 2018	Director (External) of the Company (to present)		
	<b>Significant concurrent position</b>			
	Outside Director, WORLD TRADE CENTER BUILDING, INC.			
	Representative Director (part-time), Clean Fuel Ammonia Association			
	<b>Reason for nominating the candidate for Director (External) and overview of expected roles</b>			
	<p>Mr. Shigeru Muraki possesses deep insight and supervisory capabilities developed over many years as a corporate manager. Since his election as Director at the 32nd Annual General Meeting of Shareholders held on August 11, 2018, he has furnished sound advice regarding management of the Company and performed a supervisory function from a standpoint of independence. Accordingly, we have reelected him as a candidate for Director (External). We expect him to contribute to, among other things, the decision-making of the Board of Directors from diverse points of view, improvement of supervising functions over the management and ensuring managerial transparency by expressing opinions at the Board of Directors' meetings from an independent standpoint based on his deep insight and abundant experience.</p> <p>The number of years in office as Director (as of the conclusion of this General Meeting of Shareholders): 4 years</p>			

Candidate No.	Yukihiro Akimoto		Date of birth	Number of shares of the Company held
5			September 9, 1944	0
Reappointed	<b>Past experience, positions and responsibilities (Significant concurrent positions)</b>			
External	March 1968	Graduated from Faculty of Economics, Sophia University		
Independent	December 1969	Master of Economics, the University of Sydney		
	April 1970	Joined NSK Ltd.		
	January 1980	Joined Kentucky Fried Chicken Japan, Ltd.		
	February 1987	Director and Vice President, Japan Pepsi-Cola Company		
	December 1988	Managing Director, Kentucky Fried Chicken Japan, Ltd.		
	October 1993	Representative Director and President, Nike Japan, Inc.		
	September 1995	Representative Director and President, Guerlain, Inc.		
	May 2006	Representative Director, YA Partners, Inc. (to present)		
	August 2021	Director (External) of the Company (to present)		
	<b>Significant concurrent position</b>			
	Representative Director, YA Partners, Inc.			
	Outside Director, LENA JAPON Institute, Inc.			
	Outside Director, FiNC Technologies Inc.			
	Outside Director, e-LogiT co., Ltd.			
	Outside Director, CFS Co., Ltd.			
	<b>Reason for nominating the candidate for Director (External) and overview of expected roles</b>			
	Mr. Yukihiro Akimoto possesses abundant knowledge and experience in BtoC businesses as well as deep insight and supervisory capabilities developed as a corporate manager of global companies. Since his election as Director at the 35th Annual General Meeting of Shareholders held on August 14, 2021, he has furnished sound advice regarding management of the Company and performed a supervisory role from a standpoint of independence. Accordingly, we have renominated him as a candidate for Director (External). We expect him to contribute to, among other things, the decision-making of the Board of Directors from diverse points of view, improvement of supervising functions over the management and ensuring managerial transparency by expressing opinions at the Board of Directors' meetings from an independent standpoint based on his deep insight and abundant experience.			
	The number of years in office as Director (as of the conclusion of this General Meeting of Shareholders): 1 year			

Notes:

1. No material conflict of interest exists between the Company and any of the above candidates.
2. Shigeru Muraki and Yukihiro Akimoto are candidates for Director (External). The Company has notified to Tokyo Stock Exchange, Inc. that both of them are Independent Officers pursuant to the provisions of the Exchange.
3. The Company has entered into limited liability agreements with Shigeru Muraki and Yukihiro Akimoto, which restricts the upper limit of the liability for damages of Directors (external) and Audit & Supervisory Board members (external) to an amount specified by laws and regulations, pursuant to Article 427, Paragraph 1 of the Companies Act. If they are reelected, the Company plans to renew the agreements.
4. The number of shares held by each of the above candidates includes the number of those held thereby through the Shareholding Association of Weathernews Directors.
5. The Company has entered into a directors and officers liability insurance policy as provided for in Article 430-3, Paragraph 1 of the Companies Act with an insurance company, with all of the Company's Directors included as the insureds. This insurance policy covers the insured's losses and such costs as related litigation expenses incurred from claims for damages arising from acts carried out by the insured during the execution of their duties for the Company, and the premiums for the insured are fully borne by the Company. If this proposal is approved and adopted, the candidates will be included as insureds in the policy. The Company plans to renew the said insurance policy with the above details during their terms of office.

(Reference) Standard for Nominating Candidates for Directors and Audit & Supervisory Board Members and Standard for the Independence of Directors (External) and Audit & Supervisory Board Members (External)

1) Standard for Nominating Candidates for Directors and Audit & Supervisory Board Members

The Company nominates candidates for Directors in consideration of the following standards.

1. Legality

- A person who has no reason for disqualification
- A person who can fulfill the duty of care and fiduciary duties as a person entrusted with management responsibilities

2. Eligibility

- A person who has excellent, well-rounded personal qualities (i.e., fair, modest, honest and open-minded, disciplined, helps others achieve their wishes and intentions, and graciously accepts defeat), is talented as a corporate manager, and can appropriately dedicate his/her efforts and contribute to the Company's management
- A person who can understand and sympathize with the Company's businesses and culture
- A person who remains physically and mentally healthy in the performance of his/her duties

3. Area of specialty and originality

- A person who has outstanding capabilities (ability, knowledge, and experience) and achievements in the area of his/her specialty
- A person who is capable of grasping the essence of things without being fettered by conventional concepts and has capabilities and a track record of success in recreating them, sometimes through a process of creative destruction.

4. Independence and diversity

- A person prepared to frankly ask questions and equipped with the mental independence necessary to propose alternatives
- A person who is not a relevant person from the Company who holds a controlling interest in the Company or has any conflict of interest with the Company

2) Standard for the Independence of Directors (External) and Audit & Supervisory Board Members (External)

The Company judges whether or not candidates are independent in consideration of their personal relationships, capital relationships, transactional relationships, or other relationships of interest with the Company in accordance with the independence standard determined by a financial instruments exchange, in addition to judging whether the candidates meet the requirements for director (external) stipulated in the Companies Act.

## Proposal No. 4: Election of One (1) Audit & Supervisory Board Member

According to the provisions of the Company's Articles of Incorporation, the term of office of Fumitaka Koyama, Audit & Supervisory Board member, will expire at the conclusion of this General Meeting of Shareholders. Accordingly, we propose the election of one (1) Audit & Supervisory Board member.

The candidate for the position of Audit & Supervisory Board member is as follows: This proposal has been approved by the Audit & Supervisory Board.

<b>Fumitaka Koyama</b>		Date of birth September 22, 1951	Number of shares of the Company held 0
Reappointed	<b>Past experience and positions (Significant concurrent positions)</b>		
	March 1975	Graduated from Department of Economics, Faculty of Economics, Kyoto University	
External	April 1975	Joined Mitsui & Co., Ltd.	
	April 2002	General Manager of HR Planning Office, Human Resources Division of Head Office, Mitsui & Co., Ltd.	
Independent	March 2005	Director & Executive Managing Officer, Vice General Manager of Burberry Business Department, Business Headquarters, and General Manager of Burberry Business Management Office, SANYO SHOKAI LTD.	
	January 2006	Managing Director & Executive Managing Officer, Vice Director-General of Business Headquarters, Burberry Business Management Office Control, Corporate Management Headquarters Control, SANYO SHOKAI LTD.	
	March 2007	Representative Director, Vice President & Chief Operating Officer, Director-General of Corporate Management Headquarters, and Vice Director-General of Business Headquarters, SANYO SHOKAI LTD., and President of Shanghai Sanyo Fashion Trading Co., Ltd.	
	July 2013	Representative Director, Vice President & Chief Operating Officer, and Vice Director-General of Business Headquarters, SANYO SHOKAI LTD.	
	March 2015	Senior Counsellor, SANYO SHOKAI LTD.	
	March 2018	Retired as Senior Counsellor, SANYO SHOKAI LTD.	
	August 2018	Director (External) of the Company (to present)	
<b>Reason for nominating the candidate for Audit &amp; Supervisory Board member</b>			
<p>We have renominated Mr. Fumitaka Koyama as a candidate for Audit &amp; Supervisory Board member (External) given his abundant knowledge and experience as a corporate manager and in light of the fact that, since being appointed as Audit &amp; Supervisory Board member at the 32nd Annual General Meeting of Shareholders held on August 11, 2018, he has furnished opinions and advice useful to the Company's management from a neutral and objective viewpoint as an Audit &amp; Supervisory Board member (External) of the Company.</p> <p>The number of years in office as Audit &amp; Supervisory Board member (as of the conclusion of this General Meeting of Shareholders): 4 years</p>			

### Notes:

1. No material conflict of interest exists between the Company and Fumitaka Koyama.
2. Fumitaka Koyama is a candidate for Audit & Supervisory Board member (External). The Company has notified to Tokyo Stock Exchange, Inc. that he is an Independent Officer pursuant to the provisions of the Exchange.
3. The Company has entered into a limited liability agreement with Fumitaka Koyama, which restricts the upper limit of the liability for damages of Audit & Supervisory Board members to an amount specified by laws and regulations, pursuant to Article 427, Paragraph 1 of the Companies Act. If he is reelected, the Company plans to renew the agreement.
4. The Company has entered into a directors and officers liability insurance policy as provided for in Article 430-3, Paragraph 1 of the Companies Act with an insurance company, with all of the Company's Audit & Supervisory Board members included as the insureds. This insurance policy covers the insured's losses and such costs as related litigation expenses incurred from claims for damages arising from acts carried out by the insured during the execution of their duties for the Company, and the premiums for the insured are fully borne by the Company. If this proposal is approved and adopted, the candidate will be included as an insured in the policy. The Company plans to renew the said insurance policy with the above details during their terms of office.

(Reference) Composition of the attendees at the Board of Directors' meetings of the Company

If Proposal No. 3 and Proposal No. 4 are approved as proposed, as shown in the table below, Audit & Supervisory Board members and Directors (External) (Non-executive Directors and Audit & Supervisory Board members) who undertake a role of supervising and monitoring Executive Directors will account for six out of the nine attendees at the Board of Directors' meetings of the Company, and Directors (External) and Audit & Supervisory Board members (External) will account for four out of the nine attendees, after this General Meeting of Shareholders. The Company will thus ensure sufficient consideration from multidirectional perspectives and objective decision-making by the Board of Directors.

Candidate No.		Name		Position		
Attendees at the Board of Directors' meetings	Directors	Proposal No. 3	1	Chihito Kusabiraki	President and Representative Director	
			2	Tomohiro Ishibashi	Director	
			3	Masanori Yoshitake	Director	
			4	Shigeru Muraki [External] [Independent]	<b>Non-executive</b>	Director
			5	Yukihiro Akimoto [External] [Independent]	<b>Non-executive</b>	Director
	Audit & Supervisory Board members	Proposal No. 3		Yasushi Sugino	<b>Non-executive</b>	Audit & Supervisory Board member
				Takashi Tomura	<b>Non-executive</b>	Audit & Supervisory Board member
		Proposal No. 4:		Fumitaka Koyama [External] [Independent]	<b>Non-executive</b>	Audit & Supervisory Board member
				Izumi Hayashi [External] [Independent]	<b>Non-executive</b>	Audit & Supervisory Board member

Note: [External]: Director (External) or Audit & Supervisory Board member (External)

[Independent]: Independent Officer

**Non-executive:** Non-executive Director and Audit & Supervisory Board member



## Proposal No. 5: Election of Accounting Auditor

The term of office for the accounting auditor of the Company, Deloitte Touche Tohmatsu LLC, will expire at the conclusion of this General Meeting of Shareholders. In this regard, we propose the election of PricewaterhouseCoopers Aarata LLC as Accounting Auditor in accordance with the decision by the Audit & Supervisory Board.

### 1. Reason for nominating PricewaterhouseCoopers Aarata LLC as a candidate for Accounting Auditor

The Company believes that the relationship between corporate accounting and accounting audits is a relationship of co-creation in the realm of financial reporting undertaken to appropriately represent the actual status of business and secure objectivity. At the same time, the Company is to periodically review its engaged audit corporation or engaged partners for the purpose of mutually maintaining the appropriateness of operations.

The Audit & Supervisory Board considered multiple audit corporations, including Deloitte Touche Tohmatsu LLC, in accordance with the Company's Accounting Auditor Election Standard given that the Company had been electing it as Accounting Auditor over a long period of time. As a result, we concluded that PricewaterhouseCoopers Aarata LLC is suitable to serve as Accounting Auditor as: i) it has the expertise, independence and audit quality management required for an Accounting Auditor of the Company as well as a system to centrally audit the Group's global business activities; and ii) changing Accounting Auditors is likely to further improve the reliability of the Company's financial information through audits performed from a new perspective and with a fresh method.

### 2. Outline of the candidate for Accounting Auditor

(As of May 31, 2022)

Name	PricewaterhouseCoopers Aarata LLC		
Office	Otemachi Park Building, 1-1-1 Otemachi, Chiyoda-ku, Tokyo		
Firm History	June 2006	Established PricewaterhouseCoopers Aarata	
	July 2015	Changed name to PricewaterhouseCoopers Aarata (Change in Japanese only; English unchanged)	
	July 2016	Converted to a limited liability audit corporation and changed name to PricewaterhouseCoopers Aarata LLC	
Overview	Share capital	1,000 million yen	
	Partners	187 persons	
	CPAs	878 persons	
	Assistant CPAs who passed all applicable subjects	645 persons	
	U.S. CPAs and other professionals	1,084 persons	
	Clerks	98 persons	
	Total	2,892 persons	
	Involved companies	2,363 companies (As of June 30, 2022)	

Note: The candidate received advisory service fees from the Company in the last five years.

(Appendix)

## **Business Report**

(From June 1, 2021, to May 31, 2022)

### **1. Overview of the Company Group**

#### **(1) Business Progress and Results**

##### i) Business environment

In the fiscal year ended May 31, 2022 (the “fiscal year under review”), the recovery of the global economy slowed down under downward pressure resulting from the effects of the spread of COVID-19 and supply constraints such as supply chain disruptions, coupled with the Russia-Ukraine crisis, which was an additional aggravating factor. However, the world economy as a whole gained momentum in a run-up to a further rebound, as seen in the resumption of economic activities in the second half of the fiscal year due to the progress of vaccinations. The Japanese economy also continued to recover, albeit moderately, led mainly by a revival in consumer spending.

The net sales of the Company were strong as the sea planning service gradually moved closer to normalization toward and into the second half of the fiscal year despite a slowdown in vessel utilization rates due to port congestion. Subscription service sales and advertising revenue were strong as app downloads grew due to improved forecast accuracy and the enhancement of new content in the mobile/internet planning service. In the meteorological environment, there is a further growing need for countermeasures for weather risks as extreme weather events and serious disasters are continuing to occur in regions across the world. As a company whose philosophy is to “help out in times of need,” we now strive to reduce our environmental load such as decreasing CO2 emissions in order to reduce weather risks and mitigate the increasingly serious climate change through the day-to-day provision of services that tap into our meteorological technologies.

##### ii) Business overview

The global weather service market is expected to continue to grow with rising interest in weather risks, growing needs for measures to adapt to and mitigate climate change, which is a global theme to be addressed, and the development of information and communication technology.

With regard to the mobile/internet planning service, subscription service sales and advertising revenue remained strong as app users grew in number due to raised public profile of the service through aggressive investment in advertising, improved forecast accuracy and enhanced unique content. Sales of the sea planning service increased as the number of services provided to existing customers grew, supported by recovering conditions in the marine transportation market resulting from soaring freight costs, and the Japanese yen weakened, despite the fact that freight traffic kept slowing down due to port congestion caused by COVID-19. As a result, for the fiscal year ended May 31, 2022, consolidated net sales rose 4.3% year over year to ¥19,650 million.

In terms of profitability, the Company increased its aggressive advertising investments, such as TV commercials and internet advertising, as well as its investment in human resources associated with the

continued enhancement of software development capabilities. We continued to streamline our development platform by bringing software development in-house and making it agile, and promoting remote work as one of the various working styles. At the same time, we sought to achieve optimization by ending the tenancy of some of our office spaces. As a result, operating profit increased 18.8% year over year to ¥2,904 million, ordinary profit increased 19.9% year over year to ¥3,063 million, and profit attributable to owners of parent increased 15.9% year over year to ¥2,157 million, recording extraordinary losses such as impairment losses caused by the revision of the software development plan and loss on valuation of investment securities.

#### Business overview by business field

##### <Sea Planning>

The overall conditions of the marine transportation market recovered, aided by soaring freight costs for container vessels, although there was no improvement in the state of demurrage caused by port staff shortages. The Company posted higher sales mainly to existing customers operating Asian and European container vessels, Asian bulkers, and Japanese vehicle vessels due to a moderate recovery in vessel utilization rates related to the numbers of service provision.

##### <Sky Planning>

With regard to the Sky Planning service as a whole, sales were flat year over year as we kept opening new customer accounts in expanding sales of movement management systems in the Japanese helicopter market, despite the fact that sales mainly to Asian customers declined as airline market conditions remained sluggish, affected by COVID-19.

##### <Land Planning>

Despite a trend of recovery being observed for railways and expressways in Japan, the major customers of the Land Planning service, those market conditions have still not returned to pre-COVID-19 levels, and the situation continues to be harsh. In addition, sales to a portion of our customers, and a temporary research service entrusted has decreased.

##### <Environment Planning>

Energy prices are continuing to rise due to instabilities in the supply chain, and inquiries for our renewable power generation forecast service have increased in Japan and Europe. Moreover, we continued to strengthen marketing for the manufacturing and retail sectors, and achieved an overall increase in revenues.

##### Other BtoB Planning

Sales of the sports planning service grew as we were entrusted with the service of providing weather information for the Tokyo Olympic and Paralympic Games.

##### <Mobile/Internet Planning>

App users grew steadily as we achieved a higher public profile due to aggressive advertising investments in such as TV commercials and internet advertising. Subscription sales and advertising revenue increased as a result of conducting various initiatives to enhance user satisfaction and utilization of the apps through upgrading content to be distributed by the Company and improving app UI/UX continually while the weather in Japan was relatively stable.

Regarding the method of aggregating sales by region in advertising revenue, we began to use a method of aggregating advertising sales in regions where services were provided both in the fiscal year ended May 31, 2021 and the fiscal year under review in order to reflect developments in areas of business engagement, instead of aggregating sales by corporate customer headquarters as done previously. For the fiscal year under review, as we began to apply the Accounting Standard for Revenue Recognition, sales and expenses of the advertising business of the mobile/internet planning service each declined by 159 million yen compared to those based on our previous accounting method.

<Broadcast Planning>

The broadcasting industry, one of our major customers, showed a recovery from the impact of COVID-19 last year, and system sales increased due to the renewal cycle of systems for broadcasting stations, but sales remained flat due to the impact of cost review due to structural changes at broadcasting stations.

Net sales by business segment were as follows:

Business segment		Previous Fiscal Year ended May 31, 2021 (from June 1, 2020, to May 31, 2021)			Fiscal Year ended May 31, 2022 (from June 1, 2021, to May 31, 2022)			Rate of change
		(Millions of yen)			(Millions of yen)			(%)
		SRS	Tollgate	Total	SRS	Tollgate	Total	Total
	Sea Planning	18	4,779	4,798	3	5,198	5,202	8.4
	Sky Planning	119	807	927	55	878	934	0.8
	Land Planning	470	3,180	3,651	243	3,019	3,262	(10.6)
	Environment Planning	149	719	869	114	780	894	2.9
	Other BtoB business	7	6	13	16	48	65	388.2
	Total BtoB business	765	9,493	10,259	433	9,925	10,359	1.0
	Mobile/Internet Planning	18	6,087	6,106	15	6,806	6,821	11.7
	Broadcast Planning	513	1,963	2,477	561	1,908	2,470	(0.3)
	Total BtoS business	532	8,051	8,583	576	8,714	9,291	8.2
	Total	1,297	17,545	18,843	1,010	18,640	19,650	4.3

(Reference) Net sales by region

Regional segment		Previous Fiscal Year ended May 31, 2021 (from June 1, 2020, to May 31, 2021)			Fiscal Year ended May 31, 2022 (from June 1, 2021, to May 31, 2022)			Rate of change
		(Millions of yen)			(Millions of yen)			(%)
		SRS	Tollgate	Total	SRS	Tollgate	Total	Total
	Japan	723	5,817	6,540	401	5,873	6,275	(4.1)
	Asia	3	1,718	1,722	–	1,927	1,927	11.9
	Europe	38	1,652	1,691	32	1,833	1,865	10.3
	Americas	–	304	304	–	290	290	(4.6)
	Total BtoB business	765	9,493	10,259	433	9,925	10,359	1.0
	Japan	532	7,562	8,094	576	8,041	8,618	6.5
	Asia	–	485	485	–	672	672	38.4
	Europe	–	2	2	–	1	1	(63.8)
	Americas	–	0	0	–	–	–	–
	Total BtoS business	532	8,051	8,583	576	8,714	9,291	8.2
	Total	1,297	17,545	18,843	1,010	18,640	19,650	4.3

Note:

Tollgate refers to the Company's original business format. A typical example are the tollgates of expressways. Sales continually generated in the form of consideration for provision of services.

Stage requirement setting (SRS) refers to one-time examination and system sales that lead to future tollgate sales. BtoS business refers to business targeting individuals (“S” stands for supporters).

iii) Capital investments

For the fiscal year ended May 31, 2022, the Company Group made capital investments (for property, plant and equipment and intangible assets) of ¥480 million (versus ¥612 million for the previous fiscal year).

The main investments were for the infrastructure to realize value-creation services, IT development, and renewals for business continuation.

iv) Financing

The necessary funds of the Group for the fiscal year under review were furnished by its own resources.

v) Transfer of business, absorption-type company split or incorporation-type company split

Not applicable

vi) Business taken over from other companies

Not applicable

vii) Succession of rights and obligations with respect to business of other companies through absorption-type company merger or split

Not applicable

viii) Acquisition and disposal of shares and other equity interests or share acquisition rights of other companies

Not applicable

ix) Medium- to long-term company management strategies and issues to be addressed

1. Basic principles of management strategies

Toward the corporate dream “To Become an Information Exchange Platform for Seven Billion Nine Hundred Million People Around the World,” the Group has made being the world’s largest “weather content maker,” providing the most abundant, updated and speediest content services along with supporters and addressing social risks related to weather and environment as its basic concept, and while originally developing new markets as a global leader in the weather content market, it aims to achieve “value creation for supporters” and maximize corporate value.

In addition, in order to realize this concept, we believe that our mission is to become a Full Service “Weather & Climate” Company, treating “the largest database in the world, the most accurate forecasting in the world, and Risk Communicator in every market” as our core competence.

Strategies by business field:

Business field	Business strategy
Sea Planning	<ul style="list-style-type: none"> <li>Expand our routing service to 10,000 vessels</li> </ul>
Sky Planning	<ul style="list-style-type: none"> <li>Expand into the markets in Europe and the Americas</li> </ul>
Land Planning	<ul style="list-style-type: none"> <li>Develop a service in relation to extreme weather events mainly for the domestic market, and enhance the service development</li> <li>Expand the road and railway fields into the Asian market</li> </ul>
Environment Planning	<ul style="list-style-type: none"> <li>Expand a demand forecasting service for the environmental and energy markets</li> <li>Expand a sales volume forecasting service for the distribution and retail market</li> <li>Expand into the markets in Japan, Asia and Europe</li> </ul>
Mobile/Internet Planning	<ul style="list-style-type: none"> <li>Overwhelming No. 1 weather content platform in Japan</li> </ul>
Broadcast Planning	<ul style="list-style-type: none"> <li>Maintain our market and consider new services for broadcasting stations</li> </ul>
Sports Planning	<ul style="list-style-type: none"> <li>Support sport event operation, both domestic and overseas, and support national teams</li> <li>Consider a new service targeted at athletes</li> </ul>

2. Issues to be addressed (overview and progress of the mid-term management plan)

In formulating our mid-term management plan, we have positioned the four years (June 2019–May 2023) from the fiscal year ended May 31, 2020 as the 3rd stage of the fourth growth period during which we pursue a full-fledged global evolution of Transportation Weather under the theme of “Innovation.” During this stage we will accelerate our business in the following four priority subjects, and by so doing, further stabilize the foundation of our business, and seek to create new growing business with an eye to the fifth growth period.

1) Strengthen our revenue base by continuing growth in the existing business

We believe that our existing businesses (Sea Planning, Sky Planning, Environment Planning, and Mobile/Internet Planning) are our core businesses and have the potential for global business growth. To strengthen the profitability of these existing businesses, we will work on not only further increasing tollgate sales, but also aim to achieve a tollgate sales ratio of 50:50 between Japan and overseas in the BtoB business.

<Sea Planning>

Although the Company globally offers sea planning services mainly to marine transportation companies, we still only provide the service to about 30% of the 20,000 vessels now at sea worldwide. In the fourth growth period, we intend to improve the quality of existing services and start new services to cover almost 10,000 vessels, which accounts for 50% of these vessels.

As we charge fees for sea planning service per sail to which the service is provided, we set the number of vessels that receive our service as one of KPIs (key performance indicators), and show both our sales and market positioning including market share.

### <Sky Planning>

We provide sky planning services centered in Japan and other Asian markets, and increase our brand awareness in each of these markets. We aim to expand our market share and raise our brand awareness by engaging in marketing in Europe and the Americas.

We enter into a contract with each airline company and provide sky planning services. As service prices are determined based on the number of destination airports, the contract amount varies depending on customer flight routes. In order to clarify our progress and market positioning including market share, one of our KPIs is to provide our sky planning services to 85 airline companies, which accounts for about 25% of the 320 airline companies worldwide.

### <Environment Planning>

Guided by global structural changes toward the use of natural energy, we are aware of the new needs of customers. We aim to newly launch an environment planning market centered on the provision of a demand forecasting service to energy companies in Japan, Asia, and Europe and look to acquire new customers there.

In new markets, we develop our services with symbolic customers and turn this into the development of services that enable more sales. We therefore set the number of symbolic customers as one of KPIs, which indicates the progress of market development, and aim to increase the number of customers to 38.

### <Mobile/Internet Planning>

We will analyze not only observation data provided by meteorological agencies, but also data obtained from our proprietary satellites, radars, small observation instruments, and live cameras, and Eye-servation\* data such as large amounts of photographs and sensory data sent from supporters by using the updated technologies such as AI/Deep Learning. By so doing, we will create content that is difficult for our competitors to imitate. By expanding these contents on a variety of diverse platforms in addition to ours, we will increase the number of app users while growing our app subscription service sales and advertising revenue.

We analyzed and found that an increase in users of our Weathernews app helped grow the number of paying members and enhance brand awareness in our advertising service. We therefore set the number of monthly active users (MAU), which indicates the number of continuing service users, as one of our KPIs, and aim to reach 55 million MAU.

\*A coined term that literally means “observation with the participants’ own eyes.”

## 2) Pursue world’s highest level of forecasting accuracy and drastically improve content productivity

We have the advantage of having the world’s largest-class database of weather and climate containing the weather data observed by proprietary infrastructures such as WNI Satellite and Radar that we have improved, various business data gathered through communication with customers in each market, and the Eye-servation data sent by supporters. We will maintain over 90% forecasting accuracy and increase our brand value in terms of weather forecasting by making full use of IT technologies that utilize our unique AI to implement analysis and forecast, in addition to the aforementioned database. We also aim to realize “the most accurate forecasting in the world,” rather than standardized forecast, that accommodates the needs of each market. In the provision of Risk Communication (RC) service, we will replace part of



predicted value corrections and communication that used to be done manually with the latest IT technologies for enhanced quality and content productivity as well as improved profit margin.

### 3) Establishment of IT service base to accelerate market development

We aim to establish an infrastructure that makes weather information available to 7.9 billion people around the world as fast as possible on a global scale regardless of their devices and other environments. At the same time, we will strengthen the resilience of the business against system failure risk during times of emergency from excessive concentration of servers by promoting the transition from physical servers to cloud servers with the aim of realizing business continuity based on a business continuity plan (BCP). In addition, we will enable speedy service development and the fast provision of services to customers and linking weather information with external platforms by migrating IT infrastructures to the cloud while speeding up the value creation cycle for markets such as market development as well as collaborations with other industries and global-scale collaborations.

### 4) Create new growing business that addresses climate change

We will aim to develop and provide a full range of services to cover various weather risks, including research and a detailed analysis of business risks in the market, as well as the creation of services corresponding to business risks due to extreme weather events and climate change. We will achieve long-term growth by expanding business areas to address business structural risks that may cause economic damage continuously, in addition to providing conventional support for business operational risks due to the meteorological environment.

### x) Outlook

For the next fiscal year ending May 31, 2023, economic activities will likely move closer to normalization as the spread of infection will subside due to the spread of COVID-19 vaccinations, but there is growing uncertainty resulting from the Russia-Ukraine crisis and so forth in addition to rising inflation.

In this operating environment, we expect to grow sales further due to the continued enhancement of original content and expansion of our advertising service in the mobile/internet planning service. We expect the full-scale rollout of NAR (Navigation Assessment & Routeing), a service that addresses the risk of stranding in coastal areas in the sea planning service. At the same time, we are working on the development of new services intended for environmental operation support. Uncertainty over the sky planning service will likely continue despite signs of demand recovery in the airline market. On the other hand, we expect the domestic helicopter market will remain strong. In terms of profitability, we continue to invest aggressively for advertising of the mobile/internet planning service and to invest for overseas promotion of our existing businesses while further streamlining software development on a company-wide basis.

As a result of the above, the Group expects to achieve consolidated net sales of ¥21,000 million, operating profit of ¥3,200 million, ordinary profit of ¥3,300 million, and profit attributable to owners of parent of ¥2,400 million for the fiscal year ending May 31, 2023.

(Progress during the fiscal year under review)

Business field	KPI		Progress
	Targets as of May 31, 2023	Results as of May 31, 2022	
TG sales ratio in the overall BtoB business between Japan and overseas	50:50	59:41	<ul style="list-style-type: none"> <li>Despite the continued impact from the COVID-19 pandemic in Sky Planning, the overseas sales share increased due to increased sales for Sea Planning, which has driven strong overseas sales.</li> </ul>
1) Strengthen our revenue base by continuing growth in the existing business			
Sea Planning (Number of vessels)	9,200	6,300	<ul style="list-style-type: none"> <li>There was high activity in the shipping market because of high freight rates. The NAR service that supports countermeasures against the risk of stranding was a key driver for an increase in the number of vessels, but the number of new vessels fell short of the original plan due to delays in acquiring customers in Europe.</li> </ul>
Sky Planning (Number of customers)	85	65	<ul style="list-style-type: none"> <li>Number of new accounts fell short of the original plan mainly among airline companies in Southeast Asia due to the continued impact of the COVID-19 pandemic.</li> </ul>
Environment Planning (Number of customers)	38	24	<ul style="list-style-type: none"> <li>The number of new Japanese customers grew, but the number of new European customers fell short of the original plan.</li> </ul>
Mobile/Internet Planning (Number of MAU: tens of thousands of users)	5,500	4,516	<ul style="list-style-type: none"> <li>The number of MAU grew steadily as a result of enhanced content achieved through improved development efficiency and more effective returns from advertising investment.</li> </ul>
2) Pursue world's highest level of forecasting accuracy and drastically improve contents productivity			
Forecasting accuracy (%)	90.0 or higher	90.7	<ul style="list-style-type: none"> <li>We achieved sustained forecasting accuracy of 90% for Japan.</li> </ul>

Reference: Performance targets of the mid-term management plan and the results for the fiscal year under review

(Millions of yen)	Stage3				
	FY34 (Results)	FY35 (Results)	FY36 (Results)	FY37 (Plan)	
	Fiscal year ended May 31, 2020	Fiscal year ended May 31, 2021	Fiscal year ended May 31, 2022	Fiscal year ending May 31, 2023	
Exchange rate [JPY/USD]	108	106	114	120	
Net sales	17,953	18,843	19,650	21,000	
Tollgate	BtoB	9,386	9,493	9,925	10,460
	BtoS	7,068	8,051	8,714	9,740
SRS	1,497	1,297	1,010	800	
Operating profit	2,280	2,444	2,904	3,200	
Operating profit ratio	12.7%	13.0%	14.8%	15.2%	
Ordinary profit	2,188	2,554	3,063	3,300	
Profit attributable to owners of parent	1,629	1,861	2,157	2,400	
ROE	11.6%	12.5%	13.4%	13.8%	
Dividend payout ratio	67.1%	58.9%	51.0%	45.9%	
Capital investments	795	612	480	600	
Research and development expense	595	599	534	600	

## (2) Trends in Assets and Income

Item	33rd fiscal year ended May 31, 2019	34th fiscal year ended May 31, 2020	35th fiscal year ended May 31, 2021	36th fiscal year ended May 31, 2022
Net sales (Millions of yen)	17,052	17,953	18,843	19,650
Operating profit (Millions of yen)	2,045	2,280	2,444	2,904
Ordinary profit (Millions of yen)	1,930	2,188	2,554	3,063
Profit attributable to owners of parent (Millions of yen)	1,370	1,629	1,861	2,157
Net assets (Millions of yen)	13,860	14,468	15,439	16,843
Total assets (Millions of yen)	15,746	16,894	17,692	19,127
Net assets per share (Yen)	¥1,261.16	¥1,314.65	¥1,399.19	¥1,523.28
Basic profit per share (Yen)	¥125.63	¥149.01	¥169.81	¥196.25
Return on equity (%)	10.0	11.6	12.5	13.4

Note:

The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations from the beginning of the current fiscal year, and each of the figures for the current fiscal year are the figures after applying the accounting standard and relevant ASBJ regulations.

### (3) Material Parent Company and Subsidiaries

#### i) Relationship with a Parent Company

Not applicable

#### ii) Material Subsidiaries and Affiliates

Company name	Share capital	The Company's percentage of equity participation	Principal business
WEATHERNEWS AMERICA INC.	USD 81,644	100.0%	Comprehensive weather information services
WEATHERNEWS U.K. LTD.	GBP 272	100.0%	Comprehensive weather information services
Weathernews Benelux B.V.	EUR 180,000	100.0%	Comprehensive weather information services
Weathernews France SAS	EUR 3,607,059	100.0%	Comprehensive weather information services
WEATHERNEWS HONG KONG LIMITED	HKD 1,594,000	100.0%	Comprehensive weather information services
Weathernews Korea Inc.	KRW 653,000,000	100.0%	Comprehensive weather information services
Weathernews Shanghai Co, Ltd.	USD 140,000	100.0%	Comprehensive weather information services
WEATHERNEWS TAIWAN LTD.	TWD 10,000,000	100.0%	Comprehensive weather information services
Weathernews India Pvt. Ltd.	INR 45,000,000	100.0%	Comprehensive weather information services
WEATHERNEWS SINGAPORE PTE. LTD.	SGD 620,002	100.0%	Comprehensive weather information services

Notes:

1. Liquidation of Weathernews Nepal Pvt. Ltd. was completed as of August 18, 2021.
2. Weathernews India Pvt. Ltd. is under liquidation process.

#### (4) Major Business Locations

Headquarters: Makuhari Techno-Garden, 1-3 Nakase, Mihama-ku, Chiba-city, Chiba Prefecture, Japan

Major Sales Offices: 10 domestic offices, 12 overseas offices

Sapporo SSB	New York SSB	(USA)
Sendai SSB	London SSB	(UK)
Tokyo SSB	Copenhagen SSB	(Denmark)
Niigata SSB	Athens SSB	(Greece)
Kanazawa SSB	Paris SSB	(France)
Nagoya SSB	Hong Kong SSB	(Hong Kong)
Osaka SSB	Seoul SSB	(South Korea)
Hiroshima SSB	Shanghai SSB	(China)
Takamatsu SSB	Taipei SSB	(Taiwan)
Fukuoka SSB	New Delhi SSB	(India)
	Singapore SSB	(Singapore)
	Manila SSB	(Philippines)

Major Service & Operation Centers: 8 centers

Global Center	(Japan, Headquarters)
Oklahoma	(USA)
Amsterdam	(Netherlands)
Copenhagen	(Denmark)
Paris	(France)
Athens	(Greece)
Manila	(Philippines)
Yangon	(Myanmar)

Other Overseas Offices: 1 office

Hanoi SSB	(Vietnam)
-----------	-----------

Other Overseas Agencies: 6 offices

Milan	(Italy)
Kuala Lumpur	(Malaysia)
Bangkok	(Thailand)
Jakarta	(Indonesia)
Kathmandu	(Nepal)
Yangon	(Myanmar)

Notes:

1. "SSB" refers to offices that are strategic sales bases or representative offices in the preliminary phase of operations.
2. The Company has set up agencies in order to strengthen sales and marketing activities in line with its global business development.

## 2. Status of the Company

### (1) Matters Related to Shares of the Company (As of May 31, 2022)

- i) Total number of shares authorized to be issued: 47,000,000 shares
- ii) Total number of shares outstanding: 11,844,000 shares  
(no change compared with the previous year)

Note: This number includes 841,720 shares of treasury shares.

- iii) Number of shareholders 11,003 persons  
(includes 9,651 shareholders of shares constituting one unit)

#### iv) Major shareholders

Shareholder name	Number of shares	Shareholding ratio (%)
WNI WxBunka Foundation	1,700,000	15.45
WNI Institute Inc.	1,700,000	15.45
The Master Trust Bank of Japan, Ltd. (trust account)	974,900	8.86
Weathernews Employee Supporter Shareholding Association	454,805	4.13
Custody Bank of Japan, Ltd. (trust account)	410,300	3.73
MUFG Bank, Ltd.	360,000	3.27
The Chiba Bank, Ltd.	360,000	3.27
Taeko Ishibashi	353,800	3.22
Nippon Life Insurance Company	200,000	1.82
THE BANK OF NEW YORK 133652	186,200	1.69

Notes:

- Although the Company owns 841,720 shares of treasury shares, it is excluded from the major shareholders above.
- The shareholding ratio has been calculated excluding treasury shares.
- All of the shares held by The Master Trust Bank of Japan, Ltd. (trust account) and Custody Bank of Japan, Ltd. (trust account) are related to the trust services.
- On June 21, 2021, Mitsubishi UFJ Financial Group, Inc. submitted a Statement of Changes to a Statement of Large-Volume Holdings pertaining to the Company's stock to the Director-General of the Kanto Finance Bureau. Whereas the Statement of Large-Volume Holdings states that Mitsubishi UFJ Financial Group's holdings amount to 596,900 shares as of June 14, 2021, we did not include Mitsubishi UFJ Financial Group among the major shareholders of the Company listed above because we could not confirm the number of shares substantially held at the end of the fiscal year ended May 31, 2022.

#### v) Status of shares delivered to officers of the Company as consideration for execution of duties during the fiscal year under review

	Number of shares	Number of recipients
Directors excluding Directors (External)	5,900	3

Note:

The details of share-based payments of the Company are stated in "2. (2) (v) Amount of remuneration for Directors and

Audit & Supervisory Board members” (available in Japanese only) of the Business Report.

## (2) Company Officers

### i) Directors and Audit & Supervisory Board members

(As of May 31, 2022)

Position	Name	Areas of responsibility	Significant concurrent position
President and Representative Director	Chihito Kusabiraki	Chief Executive Officer	Director, Chiba Institute of Technology Council Member of Administrative Council, Chiba University
Director	Masanori Yoshitake		
Director	Tomohiro Ishibashi		
Director	Shigeru Muraki	Director (External)	Outside Director, WORLD TRADE CENTER BUILDING, INC. Representative Director (part-time), Clean Fuel Ammonia Association
Director	Yukihiro Akimoto	Director (External)	Representative Director, YA Partners, Inc. Outside Director, LENA JAPON Institute, Inc. Outside Director, FiNC Technologies Inc. Outside Director, e-LogiT co., Ltd. Outside Director, CFS Co., Ltd.

Audit & Supervisory Board member	Yasushi Sugino		
Audit & Supervisory Board member	Takashi Tomura		
Audit & Supervisory Board member	Fumitaka Koyama	Audit & Supervisory Board member (External)	
Audit & Supervisory Board member	Izumi Hayashi	Audit & Supervisory Board member (External)	Lawyer / Partner, Sakurazaka Law Offices Director (outside), NOF CORPORATION Board Member of Hitotsubashi University

Notes:

- Audit & Supervisory Board member Takashi Tomura has gained extensive experience and knowledge about accounting at a leading steel company, was responsible for preparations for the Company’s stock listing and overall management of the accounting and financial affairs of the Company as an officer, and thereby has considerable knowledge about finance and accounting.  
Audit & Supervisory Board member Fumitaka Koyama possesses considerable insight regarding finance and accounting through his involvement in corporate management operations at a leading trading company and a leading apparel company.
- The Company has no special interest relationships expected to create problems or hinder the performance of the duties of Directors (External) or Audit & Supervisory Board members (External) with any of the Directors (External), Audit & Supervisory Board members (External), or entities in which the Directors (External) or Audit & Supervisory Board



members (External) concurrently hold positions.

3. Pursuant to the provision of Tokyo Stock Exchange, Inc., the Company has designated Directors Shigeru Muraki and Yukihiro Akimoto and Audit & Supervisory Board members Fumitaka Koyama and Izumi Hayashi as Independent Officers, and has so notified the said Exchange.

ii) Overview of liability limitation agreement

Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered into an agreement with each of the Directors (External), Audit & Supervisory Board members (External), and Audit & Supervisory Board members to limit his/her liability for compensation to the amount provided by laws and regulations.

iii) Overview of directors and officers liability insurance policy

The Company has entered into a directors and officers liability insurance policy as provided for in Article 430-3, Paragraph 1 of the Companies Act with an insurance company, with all of the Company's Directors and Audit & Supervisory Board members included as the insureds. Overview of the policy is as follows:

1) Scope of insureds

Directors and Audit & Supervisory Board members of the Company

2) Summary of the policy

- Actual portion of insurance premiums borne by the insureds

The insurance premiums, including those for special clauses, are borne by the Company, and there are no insurance premiums actually borne by the insureds (other than the Company).

- Summary of insurance incidents covered

The policy covers a legally mandated amount of indemnification and losses arising from the insured bearing the litigation expenses.

- Measures to ensure that the proper performance of duties of officers, etc., is not impaired

There are certain exclusions under the insurance policy, such as incidents attributable to acts of disloyalty, criminal acts, fraud or acts in violation of laws or regulations carried out by the insured with full knowledge of their illegality.

iv) Executive Officers and Technical Director (Treated as Executive Officer)

1) Executive Officers

Name and area of responsibility of each Executive Officer as of July 1, 2022 are as follows.

	Name	Areas of responsibility
* President and Executive Officer	Chihito Kusabiraki	Chief Executive Officer
* Senior Managing Officer	Tomohiro Ishibashi	Mobile/Internet Planning Climate Tech Planning Public Relations Administrative and Business Planning
Senior Managing Officer	Sawato Hayashi	Global Business Development
* Managing Officer	Masanori Yoshitake	Chief Financial Officer
Managing Officer	Hidenori Iwasa	Transportation Weather (Sea/Sky/Land Planning)
Managing Officer	Daisuke Abe	Service Operation and Development Risk Management Sports Planning
Executive Officer	Mitsuhiro Ogata	Environment Planning
Executive Officer	Shoko Isogai	Broadcast Planning
Executive Officer	Tetsuo Aruga	Service Operations
Executive Officer	Masaki Fukuda	IT System Development
Executive Officer	Masaya Yamamoto	Innovation and Development
Executive Officer	Koki Kato	Finance and Accounting
Executive Officer	Hajime Harada	Internal Audit

Notes:

- \* indicates a person scheduled to serve concurrently as Director.
- Kiyoteru Morita resigned from his post as Executive Officer on June 30, 2022.

2) Technical Director (Treated as Executive Officer)

Name of the Technical Director as of July 1, 2022 is as follows.

	Name
Technical Director	Yuichiro Nishi

### (3) Accounting Auditor

i) Name

Deloitte Touche Tohmatsu LLC

ii) Amount of remuneration

(Thousands of yen)	
Category	Amount
Amount of remuneration for services provided in Article 2, Paragraph 1 of the Certified Public Accountants Act (Act No. 103 of 1948)	56,634
Amount of remuneration for services other than those provided in Article 2, Paragraph 1 of the Certified Public Accountants Act	450
Total	57,084

  

Total amount of remuneration paid or payable to the Accounting Auditor by the Company and its subsidiaries	57,084
------------------------------------------------------------------------------------------------------------	--------

Note: Given that the audit engagement agreement between the Company and the Accounting Auditor does not clearly differentiate the amount of audit fees payable under the Companies Act from the amount of audit fees payable under the Financial Instruments and Exchange Act, and given that such differentiation is practically impossible, the above amount of remuneration is stated as an aggregate of both amounts.

The Audit & Supervisory Board confirmed that the amount of remuneration had been determined after sufficient consultation with the Company's Accounting Auditor on the details of the auditing plans, the performance of duties in the past, the number of days required for auditing, the number of personnel required, etc., in order to realize fair and efficient audits. The Audit & Supervisory Board thereupon consented to the Accounting Auditor's remuneration pursuant to Article 399, Paragraph 1 of the Companies Act.

iii) Details of non-audit services

The Company pays Deloitte Touche Tohmatsu LLC compensation for its advisory service for training for members of the Accounting Department.

iv) Audits of subsidiaries

From the viewpoint of internal control, the following consolidated subsidiaries were audited by Certified Public Accountants or audit corporations (including those who have a foreign qualification equivalent to said certificates) other than the Company's Accounting Auditor, irrespective of the existence of legal provisions in operating countries.

Statutory audits	Voluntary audits, etc.
WEATHERNEWS U.K. LTD. Weathernews France SAS WEATHERNEWS HONG KONG LIMITED Weathernews Shanghai Co, Ltd. Weathernews India Pvt. Ltd. WEATHERNEWS SINGAPORE PTE. LTD.	WEATHERNEWS AMERICA INC. Weathernews Benelux B.V. Weathernews Korea Inc. WEATHERNEWS TAIWAN LTD.

Note: Statutory audits are limited to those conducted pursuant to the provisions of the Companies Act or the Financial Instruments and Exchange Act (including foreign laws and regulations equivalent to the said Acts).

v) Policy on decisions to appoint or dismiss the Accounting Auditor

1) Policy on decisions to appoint or reappoint the Accounting Auditor

The Company believes that the relationship between corporate accounting and accounting audits is a relationship of co-creation in the realm of financial reporting undertaken to appropriately represent the actual status of business and secure objectivity. At the same time, the Company is to periodically review its engaged audit corporation or engaged partners for the purpose of mutually maintaining the appropriateness of operations.

When the Audit & Supervisory Board appoints an Accounting Auditor, the Audit & Supervisory Board shall confirm its qualification, its attitude toward co-creation with the Company, and other factors, and thereupon decide on the contents of its proposal for the appointment of the Accounting Auditor to be submitted to the General Meeting of Shareholders. When the Audit & Supervisory Board reappoints the Accounting Auditor, the Audit & Supervisory Board shall, in addition to the above, confirm the appropriateness of the auditing plans, the status of audit implementation, and other factors, and thereupon conclude that there is no need to dismiss or to not reappoint the Accounting Auditor.

2) Policy on decisions to dismiss or to not reappoint the Accounting Auditor

In addition to the dismissal of Accounting Auditor by the Audit & Supervisory Board as stipulated in Article 340 of the Companies Act, the Audit & Supervisory Board shall decide and submit the proposal on the dismissal or non-reappointment of the Accounting Auditor to the General Meeting of Shareholders if it is deemed difficult for the Accounting Auditor to appropriately perform duties.

#### **(4) System to ensure the appropriateness of business**

##### **i) Basic approach to corporate governance**

The Company's general management principle is to realize the Company's purpose of "value creation for supporters" through the efforts of all its employees and the exchange of information among all of its stakeholders, including shareholders, customers, officers, and employees, with a deep awareness that the Company is a presence open to the market. Based on this principle, the Company makes efforts to maximize medium- to long-term corporate value and shareholder value. In addition, as a company in alignment with its philosophy to "help out in times of need," we consider it to be our mission to realize a society that is sustainable not only in terms of human society and corporate activities, but also in terms of co-existence with the global environment.

Under its corporate commitment to "Transparency," the Company proactively discloses information far beyond the scope of statutory information disclosure, including its corporate philosophy, corporate culture, management strategies, business models, visions toward future value creation, to enunciate the fundamental approaches underlying its corporate value. Through these efforts, the Company will cultivate mutual reliance with supporters and thereby aim for medium- to long-term improvement of its corporate value through a co-creative approach.

The Company's corporate culture prescribes that the necessary information should be shared with not only shareholders and customers, but also officers and employees in house, that everything should be discussed openly, and that all processes of discussion should be made clear. The Company has cultivated this corporate culture as an "information democracy." To respond to the ever-changing market circumstances, we aspire to become an AAC (Aggressively Adaptable Company) in our management philosophy, reflect wisdom and deep insights from outside the Company into our management, and promote fair business activities.

Under these two policies, our implementation guideline places most importance on efforts by every officer and employee of the Company to maintain entrepreneurship. The principle of "no autonomy without independence" forms the bedrock of our management and implementation system. With a "culture of mutual trust," we aim to operate as an independently dependent company. We recognize the importance of "monitoring with our own eyes" without depending too much on indirect information.

In order to clarify the responsibilities of each business unit for its sales and profits in respective markets, the Company has designated its major business as Planning (Sea Planning, Sky Planning, Land Planning, Environment Planning, Mobile/Internet Planning, Broadcast Planning, and Sports Planning). Each Planning business unit will conduct its service planning, operation, development, and marketing with specific focus on each market to promote business. The divisions providing shared service infrastructures to all Planning business units (share-use infrastructure operation, development and management divisions) will be called SSI. SSI will support each Planning business unit from a professional point of view and will establish overall improvement in quality and productivity of the entire Company. In addition, Directors will be responsible for supervision of the overall business and realize a check-and-balance relationship in the system for the execution.

For business implementation, we promote decision-making on management issues and the appropriate implementation, rationalization, and efficiency of management by sharing our corporate vision and management policy among all of our officers and employees engaged in business operations and unifying their vectors

through SMART (Service Menu Affirmative Review and Toll gating) month activities, AAC meetings, and SSM (Speed & Scope Merit) meetings. We emphasize the process above procedures in order to avoid falling into formulaic thinking. We understand that corporate culture as implicit knowledge is born anew every day, value an explicit knowledge culture in which corporate culture, wisdom, and information that are known and recognized internally are shared with words, illustrations and audio visuals via channels such as internal magazines and the intranet, and thereby endeavor to realize a management system in which all employees are involved and compliance with laws, regulations, and internal rules. We also grasp the implementation status and progress of our business plans in quantitative and qualitative terms by establishing a scoring committee and evaluate the proposals for new businesses and infrastructure investment from the standpoints of business strategy and economic rationalism at the investment committee (How Wonderful Committee), while mutually confirming our compliance with laws, regulations, and internal rules from the viewpoint of internal control.

To evaluate the performance of the officers and employees who bear the above system, we use an evaluation system whereby each officer and employee determines his or her objectives, tasks, and specific challenges (small category) according to the Company's business policy (large category) from an MMCL perspective (My & My Colleague Leader: an entrepreneur who leads colleagues by example), declares them to others, and thus shares the themes. Our performance evaluations are managed and confirmed by company-wide eyes based on evaluation by the objective eyes of the market at the MMM (Matrix Management Meeting) of officers and employees held every three months. This evaluation system, whereby the declaration and performance of each officer and employee are valued even if the objectives are not achieved and a mere consequentialism is excluded, is thus managed with high transparency and persuasiveness supported by a commitment to "evaluate the process as well."

#### 1) Reason for selecting the current corporate governance system

In developing a corporate governance system, the Company emphasizes "Managerial effectiveness, fairness and transparency." The Board of Directors, a body consisting of Directors well versed in the Company's business and Directors (External) taking part in the management of the Company from independent standpoints, decides upon the important business execution in an appropriate and swift manner and supervises the performance of duties by Directors. The Audit & Supervisory Board members, who are endowed with the legal right to audit, audit the performance of duties by Directors and improve supervising functions over the management from a standpoint of fairness and independence. The Company believes that the above-mentioned system is effective in ensuring managerial effectiveness, fairness, and transparency and in achieving sound and sustainable growth for the Company. Accordingly, the Company adopted a "company with an Audit & Supervisory Board" system.

#### 2) The Board of Directors and executive officer system

Under the "company with an Audit & Supervisory Board" system, the Company adopted an executive officer system to ensure that its Directors may perform their duties and supervise as corporate managers in an effective and efficient manner. The Directors or the Board of Directors delegate authority over business execution to the Executive Officers and then supervise the execution of duties by the Executive Officers. In order to better clarify the Directors' managerial responsibilities for the performance objectives for each fiscal year, the term of office of every Director is stipulated to be one year.

The Company considers it important to reflect into its management excellent wisdom and deep insight from outside parties, with a view to quickly grasping changes in social environments and business

conditions and promoting socially fair corporate activities. To that end, we are further reinforcing our corporate governance through the active involvement of Directors (External) with broad management experience and knowledge and through neutral and objective audits by Audit & Supervisory Board members (External) with excellent expertise (two Directors [External] and two Audit & Supervisory Board members [External] out of five Directors and four Audit & Supervisory Board members).

In recognition of the managerial importance of the optimal selection of and fair remuneration for the members of management, the Board of Directors decides these issues by adopting resolutions with reference to reports from the Nominating Committee and Remuneration Committee, advisory organs of the Board of Directors that include Directors (External) and Audit & Supervisory Board members (External).

ii) Basic policy on the establishment of an internal control system

At the Board of Directors' meeting held on June 30, 2022, the Company resolved its "Basic Policy on the Establishment of an Internal Control System" pursuant to Article 362 of the Companies Act and Article 100 of the Regulation for Enforcement of the Companies Act, as follows.

a. System to ensure that Directors execute their duties in compliance with relevant laws, regulations, and the Articles of Incorporation

(Article 362, Paragraph 4, Item 6 of the Companies Act)

- The Company shall hold a Board of Directors' meeting once a month in principle according to the "Board of Directors Regulations."
- Directors shall supervise the execution of duties by other Directors through the Board of Directors' meetings.
- In order to ensure the execution of duties in compliance with relevant laws and regulations, etc., the Directors, Executive Officers and leaders shall make preliminary reports on important information concerning group-wide business execution to prevent legal violations in advance at the Board of Directors' meetings, EM meetings, SSM meetings and other important meetings of the Company. If any behavior or event likely to constitute a legal violation comes to light, they shall take necessary measures to prevent or remedy the violation.

The Company has an Audit & Supervisory Board. Under the audit policy stipulated by the Audit & Supervisory Board, each Audit & Supervisory Board member shall audit the execution of duties by Directors by attending the Board of Directors' meetings and examining business execution, etc.

- The Group shall establish and provide multiple "WNI Help Lines" as compliance reports and consultancy routes for its officers and employees and take necessary measures to protect whistleblowers.

b. System to retain and manage information relating to the execution of duties by Directors

(Article 100, Paragraph 1, Item 1 of the Regulation for Enforcement of the Companies Act)

- Minutes of the General Meetings of Shareholders and the Board of Directors' meetings shall be prepared according to the relevant laws, regulations and internal rules, and appropriately retained and managed.
- Important information, decisions, internal notices, etc. concerning management and business execution shall be prepared by the divisions in charge and appropriately retained and managed.

c. Rules and systems related to the management of risk of loss

(Article 100, Paragraph 1, Item 2 of the Regulation for Enforcement of the Companies Act)

- Matters to be approved at the Board of Directors' meetings, EM meetings and SSM meetings of the Company and matters to be approved at the group companies shall be stipulated according to the "WNI Approval Standard."
- Executive Officers and leaders shall make periodical reports on important information concerning group-wide business execution at the Board of Directors' meetings, EM meetings, SSM meetings, and other important meetings of the Company. All Directors shall monitor the judgments and content of such reports.
- To respond to risks concerning information security, the environment, disaster prevention, hygiene and health, each division in charge shall establish rules, implement education and enlightenment activities, and conduct the necessary monitoring.
- The Risk Management Committee shall convene meetings periodically as an organization in charge of risk management when necessary to clarify the Company's basic policy of group-wide risk management and to develop response measures in the event of the occurrence of any significant risks that may destabilize business continuity.

d. System to ensure that Directors execute their duties efficiently

(Article 100, Paragraph 1, Item 3 of the Regulation for Enforcement of the Companies Act)

- The Board of Directors shall resolve the basic policy of management, matters concerning the execution of important business and matters stipulated by laws, regulations and the Articles of Incorporation, receive reports on the execution of important business, and supervise the same. An executive officer system shall be adopted to enable the Directors to more effectively and efficiently execute and supervise their duties as managers.
- Group-wide matters to be resolved by the Board of Directors shall be preliminarily discussed and important matters stipulated by the "WNI Approval Standard" shall be confirmed at EM meetings.
- For the decision-making by the Board of Directors, sufficient and appropriate information shall be provided to each Director.
- The Group holds DEViCo (Dream Enthusiasm Vision Concept and Commitment) Week in May and November every year to formulate the most appropriate business plans for the whole Group.

e. System to ensure that employees conduct business in compliance with relevant laws, regulations and the Articles of Incorporation

(Article 100, Paragraph 1, Item 4 of the Regulation for Enforcement of the Companies Act)

- "Weather Street Charter," the policy and standard of behavior for the execution of group-wide business, and "Weathernews Group Code of Conduct" that clarifies the Group's corporate social responsibilities, shall be established and made available for access by all employees through the Company's intranet, etc. and made public through the Company's website. The Group shall work to increase employees' awareness of their responsibilities as staff members of a social infrastructure company actively pursuing SDG contributions, as well as carrying out education, enlightenment, and audit activities concerning compliance with laws, regulations and social norms.
- The Internal Audit Office, which works as an internal audit division, shall conduct audits on whether the business execution of each division complies with laws, regulations and the Articles of Incorporation.



f. System to ensure the appropriateness of business operations of the Company and the business group consisting of the Company, its parent company, and its subsidiaries

(Article 100, Paragraph 1, Item 5 of the Regulation for Enforcement of the Companies Act)

- The Group shall have the Directors and Executive Officers of the Company supervise decision-making on important group-wide matters and the business execution of subsidiaries through the Board of Directors' meetings and EM meetings.
- For the management of subsidiaries, the Directors and Executive Officers of the Company who control each business and subsidiary shall make the officers and employees of the subsidiaries under their control fully aware of the Company's business operation policies, etc. and thereby ensure the effectiveness of business execution and the appropriateness of the business of the whole Group. The management divisions shall request reports, as necessary, in order to precisely grasp the business of the subsidiaries based on the "Affiliated Company Management Regulations."
- The Company holds a Board of Directors' meeting once a month in principle and EM meetings once a week in principle, where important matters concerning group management and the status of business execution are appropriately discussed and reported based on the "WNI Approval Standard."

g. Matters concerning employees who assist Audit & Supervisory Board members when Audit & Supervisory Board members request those assistant employees

(Article 100, Paragraph 3, Item 1 of the Regulation for Enforcement of the Companies Act)

- An Auditors' Office shall be established as a department to exclusively assist the duties of the Audit & Supervisory Board members.

h. Independence of the employees described in the preceding paragraph from Directors and the assurance of the effectiveness of instructions from the Audit & Supervisory Board members to those employees

(Article 100, Paragraph 3, Items 2 and 3 of the Regulation for Enforcement of the Companies Act)

- The Audit & Supervisory Board members shall hold the rights to supervise and instruct the employees who belong to the Auditors' Office in daily business, and such employees will not be subject to supervision or instruction by Directors.
- The personnel transfer and evaluation of the employees who belong to the Auditors' Office shall be subject to prior approval by the Audit & Supervisory Board members.

i. System for Directors and employees and Directors, Audit & Supervisory Board members and employees of subsidiaries to report to Audit & Supervisory Board members and other matters concerning reporting to Audit & Supervisory Board members

(Article 100, Paragraph 3, Items 4 and 5 of the Regulation for Enforcement of the Companies Act)

- Matters to be reported by officers and employees of the Group to the Audit & Supervisory Board members and the method of reporting shall be stipulated.
- The Audit & Supervisory Board members may request reports from Directors and employees at any time if deemed necessary to conduct their duties.
- The division in charge of the "WNI Help Line" shall periodically report to the Audit & Supervisory Board members on the situation of whistleblowing by the officers and employees of the Group.

- With regard to those who have reported to the Audit & Supervisory Board members through the use of the “WNI Help Line” or other channels, necessary measures shall be taken to protect them against any disadvantage incurred as a result of such reporting.
- j. Matters concerning the policy to process expenses arising from the execution of duties of Audit & Supervisory Board members  
(Article 100, Paragraph 3, Item 6 of the Regulation for Enforcement of the Companies Act)
- The Company shall promptly process the expenses, etc. arising from the execution of duties of Audit & Supervisory Board members based on the “WNI Approval Standard,” excluding any expenses considered to be unnecessary for the execution of duties by the said Audit & Supervisory Board members.
- k. Other systems to ensure that Audit & Supervisory Board members conduct audits effectively  
(Article 100, Paragraph 3, Item 7 of the Regulation for Enforcement of the Companies Act)
- Systems shall be established to enable the Audit & Supervisory Board members to hold hearings with Directors and key employees and to exchange opinions periodically or from time to time as necessary with the President and Representative Director, Internal Audit Office and Accounting Auditor.
  - In order to implement a system to audit the group effectively, the Audit & Supervisory Board members shall periodically exchange opinions with the Directors and Audit & Supervisory Board members of subsidiaries, and, irrespective of the existence of legal provisions in operating countries, every subsidiary shall conclude an agreement with an accounting auditor who has a global network.
- l. Basic policies on exclusion of antisocial forces and the development status thereof
- In its general management principle, the Company aims to “behave with a recognition of its mission to contribute to an affluent human society that coexists with nature” as a “global people committed to contributing to society.” In keeping with this philosophy, the Group will fulfill the social responsibility as a “global people” by ensuring that it has no relationships with antisocial forces.
  - If circumstances arise where the Company faces coercive pressure to enter into any relationship with antisocial forces, the Legal Division will engage the cooperation of corporate lawyers, police forces, etc., and play a leading role in taking a resolute stance against antisocial forces.

iii) Outline of the implementation of internal control system during the 36th fiscal year

The Company has established and implemented an internal control system based on the “Basic Policy on the Establishment of an Internal Control System” resolved at the Board of Directors’ meeting. Outline of the implementation of the internal control system during the 36th fiscal year is as follows.

a. Internal control system in general

- DEViCo Week was held at the beginning and in the middle of the fiscal year, at which the strategy of the Group’s business plan for the current fiscal year was confirmed and the vectors for the management policy were unified.
- Seven AAC meetings were held during the year, at which the monthly progress of the business plan and changes of circumstances of each market were confirmed and the appropriate implementation of group-wide business and rational and effective performance were confirmed. Eleven Scoring Committee meetings were held, at which the implementation and progress of the business plan were

grasped in both quantitative and qualitative terms, and four investment committee meetings were held, at which the proposals for new businesses and infrastructure investment were evaluated from the standpoints of business strategy and economic rationalism, and the prescribed procedure for confirmation was conducted from the viewpoint of ensuring the objectives of the internal control system, namely, the “effectiveness and efficiency of operations,” “safeguarding of assets,” “reliability of financial reporting,” and “compliance with applicable laws and regulations.”

- The Internal Audit Office appropriately reports the status of evaluation during the year regarding status of the establishment and implementation of the internal control system to the EM meetings and the Board of Directors. The Internal Audit Office also reports the results of its evaluations of the effectiveness of the internal control system to the EM meetings, and the Board of Directors at the end of the year, based on the evaluation on status of implementation of internal control activities, the results of internal auditing during the year, etc. Information on the results of the evaluations of the internal control system is disseminated through the EM meetings companywide at the Scoring Committee or the SF meetings (Staff Forum) as needed.
- For issues that come forth due to the results of the aforesaid evaluation as well as changes to the management environment, business and operations, the Company formulates measures conducive to the improved effectiveness of the internal control system and reflects them in its internal control implementation plan for the next year.

b. Implementation of a system to ensure compliance with relevant laws and regulations, etc.

- In addition to completing the process of appropriately reviewing the corporate motto, the general management principle, the Staff Charter, and the Weather Street Charter, the Company established the “Weathernews Group Code of Conduct” that clarifies its corporate social responsibilities, and makes its officers and employees fully aware of the code of conduct in order to enhance their awareness of compliance and encourage them to commit to undertaking specific compliance activities. In addition, at the SSM meeting, a plenary session held every week, meeting participants share issues related to business operations and administration and multi directionally discuss them from legal, ethical, and other viewpoints.

In the 36th fiscal year, the Company enhanced the structure of the accounting and finance division in order to further improve the reliability of financial reporting. Also, by clarifying the authority and responsibilities of business divisions and the accounting and finance division, the Company has established and put into operation a system that ensures the quality of reports from business divisions.

- The Company held 13 meetings of the Board of Directors during the year, whereby the Board of Directors deliberated and resolved agenda based on active opinion exchanges on matters regarding important business execution and matters stipulated by laws, regulations and the Articles of Incorporation. In addition, the Board of Directors received reports on matters provided in laws and regulations and matters regarding important business execution, and supervised the performance of duties by Directors and Executive Officers. The Company also held two meetings during the year, whereby officers voluntarily attended and exchanged opinions.
- The Scoring Committee grasped the issues of the Company Group’s compliance and formulated and implemented measures therefor.
- The Company has established management divisions, Audit & Supervisory Board members, Audit & Supervisory Board members (External), and an outside entity as compliance reports and consultancy routes “WNI Help Lines.” The Company specifies the handling of personal information and measures

to protect whistleblowers in the guideline for action of WNI Help Lines, and continuously makes them well known to the officers and staff of the Company Group.

c. Implementation of measures to manage the risk of loss

- Directors and Executive Officers periodically report on the progress of the business execution of the Company Group as a whole to the Board of Directors and EM meetings.
- If a risk in business execution becomes apparent, the Company copes with the risk by establishing an appropriate system, implementing countermeasures, and duly disclosing the relevant information according to the level assigned to the risk under the Company's contingency planning regime.
- The Company is taking stricter security measures and making improvements in implementing those measures in the area of information management and goods inventory management, for example by introducing a personnel access control system at warehouses.

d. Implementation of measures to ensure efficiency

- An EM meeting attended by Executive Officers (including those concurrently serving as Directors) is held once a week to deliberate in advance on matters to be discussed for the Company Group as a whole at the Board of Directors' meetings and SSM meetings.
- The Company strives to deliver in advance agenda items and related materials for the Board of Directors' meetings and EM meetings, and thereby strives to ensure time to review before attending the meetings.
- The AAC meetings are held to share the changes in the market environment and numerical changes in performance and plans relating to the monthly progress of business plans. If any change is made in business/sales plans, the development management will be revised so that the vectors between manufacturing and sales are unified.

e. Implementation of the internal control system in the Group

- In order to clarify the responsibilities of each business unit for its sales and profits and aim to further increase profits, each business unit leader responsible for major business in local areas manages overseas subsidiaries. Each Director and Executive Officer in charge of each business unit supervises its leader, shares issues on the business operations and administration of subsidiaries by appropriately taking up the issues for discussion and reporting on them to the Board of Directors and EM meetings according to the division of his/her duties, and thereupon clarifies procedures therefor.
- The Company has overseas subsidiaries directly participate in SSM meetings via a videoconferencing platform in addition to translating parts of the Company's internal newsletter (President message at SSM meeting, etc.) into English and creating illustrations, and thereby makes the officers and employees of its subsidiaries fully aware of its policies on business operations and compliance issues. In addition, the Executive Officers in charge of business and operation and the business unit leaders visit subsidiaries appropriately. Through these efforts, the Company strives to facilitate direct communications.

f. Implementation of measures to ensure the effectiveness of audits by the Audit & Supervisory Board members

- The Audit & Supervisory Board members attend the Board of Directors' meetings and the Audit & Supervisory Board member attends EM meetings, SSM meetings, the Scoring Committee and other

important meetings and participates in meetings for financial analysis at the monthly closing. Through these initiatives, the Audit & Supervisory Board members strive to ensure the appropriateness of the establishment and implementation of its internal control system.

- Fourteen meetings of the Audit & Supervisory Board were held during the year, at which agenda at the Board of Directors' meetings and other important matters on management were shared in advance among Audit & Supervisory Board members. Each Audit & Supervisory Board member examined the execution of duties by the Directors and Executive Officers, audited the performance of duties by the Directors in cooperation with the Internal Audit Office and the Accounting Auditor, and put together their opinions as the opinions of the Audit & Supervisory Board each quarter to report them to the Board of Directors. In addition, the Audit & Supervisory Board members appropriately held the (extensive) meetings of the Audit & Supervisory Board where the Directors (External) also attended so that the Directors (External) and Audit & Supervisory Board members (External) could mutually understand and share important managerial matters.
- The Company has established an Auditors' Office in which one staff member is assigned to assist the duties of the Audit & Supervisory Board members. The said staff member engages in operations based on instructions from the Audit & Supervisory Board members, and any personnel transfer, evaluation, etc. of the said staff member requires the approval of the Audit & Supervisory Board members.

---

Note: With regard to numerical figures stated in this business report, monetary amounts are rounded down to the nearest stated unit, and percentages, etc. are rounded off to one decimal place.

## Consolidated Balance Sheet

(As of May 31, 2022)

(Thousands of yen)

Item	Amount	Item	Amount
<b>(Assets)</b>		<b>(Liabilities)</b>	
<b>Current assets</b>	<b>15,314,765</b>	<b>Current liabilities</b>	<b>2,163,943</b>
Cash and deposits	11,424,969	Accounts payable - trade	91,426
Accounts receivable - trade	2,612,174	Accounts payable - other	293,087
Contract assets	708,461	Income taxes payable	398,679
Work in process	44,993	Contract liabilities	163,128
Supplies	130,643	Other	1,217,621
Other	407,489	<b>Non-current liabilities</b>	<b>119,547</b>
Allowance for doubtful accounts	(13,966)	Asset retirement obligations	70,756
<b>Non-current assets</b>	<b>3,812,656</b>	Other	48,790
<b>Property, plant and equipment</b>	<b>1,742,381</b>	<b>Total liabilities</b>	<b>2,283,490</b>
Buildings and structures, net	746,917	<b>(Net assets)</b>	
Tools, furniture and fixtures, net	393,669	<b>Shareholders' equity</b>	<b>16,629,890</b>
Communication satellite facilities, net	26,605	Share capital	1,706,500
Land	413,062	Capital surplus	1,302,857
Construction in progress	77,026	Retained earnings	14,527,595
Other	85,100	Treasury shares	(907,062)
<b>Intangible assets</b>	<b>791,152</b>	<b>Accumulated other comprehensive income</b>	<b>129,708</b>
Software	757,386	Valuation difference on available-for-sale securities	10,707
Software in progress	6,710	Foreign currency translation adjustment	119,001
Other	27,055	<b>Share acquisition rights</b>	<b>84,332</b>
<b>Investments and other assets</b>	<b>1,279,122</b>	<b>Total net assets</b>	<b>16,843,930</b>
Investment securities	181,299	<b>Total liabilities and net assets</b>	<b>19,127,421</b>
Deferred tax assets	662,305		
Other	466,760		
Allowance for doubtful accounts	(31,243)		
<b>Total assets</b>	<b>19,127,421</b>		

## Consolidated Statement of Income

(From June 1, 2021, to May 31, 2022)

(Thousands of yen)

Item	Amount	
Net sales		19,650,943
Cost of sales		11,471,702
<b>Gross profit</b>		<b>8,179,240</b>
Selling, general and administrative expenses		5,274,902
<b>Operating profit</b>		<b>2,904,338</b>
Non-operating income		
Interest income	697	
Dividends income	500	
Dividends income of insurance	11,113	
Rental income from buildings	14,907	
Subsidy income	84,916	
Foreign exchange gains	56,266	
Gain on forfeiture of unclaimed dividends	940	
Other	9,424	178,765
Non-operating expenses		
Commitment line expenses	14,691	
Other	4,565	19,257
<b>Ordinary profit</b>		<b>3,063,847</b>
Extraordinary losses		
Loss on valuation of investment securities	49,975	
Impairment losses	78,800	
Loss on liquidation of subsidiaries and affiliates	3,278	132,054
<b>Profit before income taxes</b>		<b>2,931,793</b>
Income taxes - current	769,733	
Income taxes - deferred	4,888	774,621
<b>Profit</b>		<b>2,157,171</b>
<b>Profit attributable to owners of parent</b>		<b>2,157,171</b>

## Consolidated statement of changes in equity

(From June 1, 2021, to May 31, 2022)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance as of June 1, 2021	1,706,500	1,169,566	13,400,570	(935,863)	15,340,772
Cumulative effects of changes in accounting policies			68,605		68,605
Restated balance	1,706,500	1,169,566	13,469,175	(935,863)	15,409,378
Changes of items during the fiscal year					
Dividends from surplus			(1,098,751)		(1,098,751)
Profit attributable to owners of parent			2,157,171		2,157,171
Acquisition of treasury shares				(1,331)	(1,331)
Disposal of treasury shares		133,291		30,132	163,423
Net changes of items other than shareholders' equity					
Total changes of items during the fiscal year	-	133,291	1,058,420	28,800	1,220,511
Balance as of May 31, 2022	1,706,500	1,302,857	14,527,595	(907,062)	16,629,890

	Accumulated other comprehensive income			Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance as of June 1, 2021	330	14,376	14,707	84,332	15,439,812
Cumulative effects of changes in accounting policies					68,605
Restated balance	330	14,376	14,707	84,332	15,508,417
Changes of items during the fiscal year					
Dividends from surplus					(1,098,751)
Profit attributable to owners of parent					2,157,171
Acquisition of treasury shares					(1,331)
Disposal of treasury shares					163,423
Net changes of items other than shareholders' equity	10,376	104,625	115,001		115,001
Total changes of items during the fiscal year	10,376	104,625	115,001	-	1,335,513
Balance as of June 1, 2022	10,707	119,001	129,708	84,332	16,843,930



(Reference)

## Consolidated Statement of Cash Flows

(From June 1, 2021, to May 31, 2022)

(Thousands of yen)

Item	Amount
Net cash provided by (used in) operating activities	3,573,909
Net cash provided by (used in) investing activities	(395,144)
Net cash provided by (used in) financing activities	(1,098,524)
Effect of exchange rate change on cash and cash equivalents	93,556
Net increase (decrease) in cash and cash equivalents	2,173,796
Cash and cash equivalents at beginning of the fiscal year	9,249,147
Cash and cash equivalents at end of the fiscal year	11,422,943

## Non-consolidated Balance Sheet

(As of May 31, 2022)

(Thousands of yen)

Item	Amount	Item	Amount
<b>(Assets)</b>		<b>(Liabilities)</b>	
<b>Current assets</b>	<b>13,941,336</b>	<b>Current liabilities</b>	<b>1,876,344</b>
Cash and deposits	10,141,055	Accounts payable - trade	185,434
Accounts receivable - trade	2,554,198	Accounts payable - other	260,223
Contract assets	708,461	Accrued consumption taxes	124,361
Work in process	44,993	Accrued expenses	492,009
Supplies	130,252	Income taxes payable	380,899
Advance payments to suppliers	201	Contract liabilities	110,038
Prepaid expenses	286,717	Advances received	63,149
Short-term loans receivable	36,000	Deposits received	216,461
Other	89,203	Provision for loss on business of subsidiaries and affiliates	36,000
Allowance for doubtful accounts	(49,746)	Other	7,765
<b>Non-current assets</b>	<b>4,176,015</b>	<b>Non-current liabilities</b>	<b>61,550</b>
<b>Property, plant and equipment</b>	<b>1,616,184</b>	Asset retirement obligations	61,550
Buildings, net	744,398		
Vehicles, net	0		
Tools, furniture and fixtures, net	355,091		
Communication satellite facilities, net	26,605		
Land	413,062		
Construction in progress	77,026		
<b>Intangible assets</b>	<b>790,980</b>		
Patent right	486		
Software	757,386		
Software in progress	6,710		
Telephone subscription right	25,634		
Other	763		
<b>Investments and other assets</b>	<b>1,768,850</b>		
Investment securities	168,105		
Shares of subsidiaries and affiliates	421,403		
Investments in capital of subsidiaries and affiliates	25,841		
Long-term loans receivable from subsidiaries and affiliates	185,976		
Claims provable in bankruptcy, claims provable in rehabilitation and other	4,117		
Long-term prepaid expenses	26,171		
Deferred tax assets	693,658		
Insurance funds	296,369		
Lease and guarantee deposits	89,995		
Allowance for doubtful accounts	(142,791)		
<b>Total assets</b>	<b>18,117,351</b>	<b>Total liabilities</b>	<b>1,937,894</b>
		<b>(Net assets)</b>	
		<b>Shareholders' equity</b>	<b>16,084,418</b>
		Share capital	<b>1,706,500</b>
		<b>Capital surplus</b>	<b>1,305,432</b>
		Other capital surplus	1,305,432
		<b>Retained earnings</b>	<b>13,979,548</b>
		Legal retained earnings	426,625
		Other retained earnings	13,552,923
		General reserve	9,500,000
		Retained earnings brought forward	4,052,923
		<b>Treasury shares</b>	<b>(907,062)</b>
		<b>Valuation and translation adjustments</b>	<b>10,707</b>
		Valuation difference on available for-sale securities	10,707
		<b>Share acquisition rights</b>	<b>84,332</b>
		<b>Total net assets</b>	<b>16,179,457</b>
		<b>Total liabilities and net assets</b>	<b>18,117,351</b>

## Non-consolidated Statement of Income

(From June 1, 2021, to May 31, 2022)

(Thousands of yen)

Item	Amount	
Net sales		19,467,270
Cost of sales		11,766,008
<b>Gross profit</b>		<b>7,701,261</b>
Selling, general and administrative expenses		4,972,063
<b>Operating profit</b>		<b>2,729,198</b>
Non-operating income		
Interest income	412	
Dividend income	341,180	
Dividend income of insurance	11,113	
Rental income from buildings	14,907	
Subsidy income	84,284	
Foreign exchange gains	32,489	
Gain on forfeiture of unclaimed dividends	940	
Reversal of allowance for doubtful accounts	8,903	
Other	5,810	500,040
Non-operating expenses		
Commitment line expenses	14,691	
Other	1,552	16,243
<b>Ordinary profit</b>		<b>3,212,995</b>
Extraordinary income		
Reversal of provision for loss on business of subsidiaries and affiliates	6,000	6,000
Extraordinary losses		
Loss on valuation of investment securities	49,975	
Impairment losses	78,800	
Loss on liquidation of subsidiaries and affiliates	173	128,949
<b>Profit before income taxes</b>		<b>3,090,045</b>
Income taxes - current	744,945	
Income taxes - deferred	5,385	750,331
<b>Profit</b>		<b>2,339,714</b>

## Non-consolidated Statement of Changes in Net Assets

(From June 1, 2021, to May 31, 2022)

(Thousands of yen)

	Shareholders' equity						
	Share capital	Capital surplus		Legal retained earnings	Retained earnings		Total retained earnings
		Other capital surplus	Total capital surplus		Other retained earnings		
					General reserve	Retained earnings brought forward	
Balance as of June 1, 2021	1,706,500	1,172,141	1,172,141	426,625	9,500,000	2,743,354	12,669,979
Cumulative effects of changes in accounting policies						68,605	68,605
Restated balance	1,706,500	1,172,141	1,172,141	426,625	9,500,000	2,811,959	12,738,584
Changes of items during the fiscal year							
Dividends from surplus						(1,098,751)	(1,098,751)
Profit						2,339,714	2,339,714
Acquisition of treasury shares							
Disposal of treasury shares		133,291	133,291				
Net changes of items other than shareholders' equity							
Total changes of items during the fiscal year	-	133,291	133,291	-	-	1,240,963	1,240,963
Balance as of May 31, 2022	1,706,500	1,305,432	1,305,432	426,625	9,500,000	4,052,923	13,979,548

	Shareholders' equity		Valuation and translation adjustments		Share acquisition rights	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance as of June 1, 2021	(935,863)	14,612,757	330	330	84,332	14,697,419
Cumulative effects of changes in accounting policies		68,605				68,605
Restated balance	(935,863)	14,681,362	330	330	84,332	14,766,025
Changes of items during the fiscal year						
Dividends from surplus		(1,098,751)				(1,098,751)
Profit		2,339,714				2,339,714
Acquisition of treasury shares	(1,331)	(1,331)				(1,331)
Disposal of treasury shares	30,132	163,423				163,423
Net changes of items other than shareholders' equity			10,376	10,376		10,376
Total changes of items during the fiscal year	28,800	1,403,055	10,376	10,376	–	1,413,432
Balance as of May 31, 2022	(907,062)	16,084,418	10,707	10,707	84,332	16,179,457

## Audit & Supervisory Board's Report

### Audit Report

The Audit & Supervisory Board, upon deliberations based on the reports made by each Audit & Supervisory Board member concerning the results of the audit on the execution of duties by the Directors for the 36th fiscal year from June 1, 2021 through May 31, 2022, have prepared this Audit Report and hereby submits it as follows:

#### 1. Auditing Methods by the Audit & Supervisory Board members and Audit & Supervisory Board and the Content thereof

- (1) The Audit & Supervisory Board established the auditing policies, division of duties, etc., received reports on the implementation status and results of the audits from each Audit & Supervisory Board member, as well as reports regarding the status of the execution of duties from the Directors and Accounting Auditor, and requested explanations as necessary.
- (2) In accordance with the auditing standards for Audit & Supervisory Board members determined by the Audit & Supervisory Board and the auditing policies and division of duties, etc. each Audit & Supervisory Board member made efforts to collect information and establish an auditing environment through communication with Directors, the internal audit division, and other employees, and conducted the audits in accordance with the following procedures.
  - (i) Each Audit & Supervisory Board member attended the Board of Directors' meeting and other important meetings to receive reports regarding the execution of duties from Directors and employees and requested explanations as necessary. Each Audit & Supervisory Board member also inspected the approved documents and examined the status of operations and conditions of assets at its head office and principal offices. With respect to subsidiaries, each Audit & Supervisory Board member communicated and exchanged information with the Directors and Audit & Supervisory Board members of subsidiaries and received reports on business from the subsidiaries as necessary.
  - (ii) With respect to the resolutions adopted by the Board of Directors regarding the establishment of the system to ensure that Directors execute their duties in compliance with relevant laws, regulations, and the Articles of Incorporation of the Company as specified in the business report and the establishment of a system to ensure the appropriateness of business operations of the Company and the business group consisting of the Company, its parent company, and its subsidiaries, as set forth in Article 100, Paragraphs 1 and 3 of the Regulation for Enforcement of the Companies Act, as well as the systems (Internal Control System) established in accordance with the resolution of the Board of Directors, each Audit & Supervisory Board member regularly received reports from the Directors and employees on the status of the establishment and operations thereof, requested explanations as necessary, and expressed his/her opinion.
  - (iii) With respect to the basic policy set forth in Article 118, Item 3 (a) of the Regulation for Enforcement of the Companies Act as specified in the business report and each approach set forth in Item 3 (b) of the same article, the Audit & Supervisory Board members reviewed the details based on discussion at the Board of Directors' meeting and on other occasions.
  - (iv) Each Audit & Supervisory Board member monitored and verified that the Accounting Auditor maintained independence and conducted the audits appropriately. Each Audit & Supervisory Board member also received reports on the status of the execution of duties from the Accounting Auditor and requested explanation as necessary. In addition, the Audit & Supervisory Board members were informed of the arrangement of the "System for ensuring that the duties are performed appropriately" (matters stipulated in the items of Article 131 of the Regulation on Accounting of Companies in accordance with "Quality Control Standard for Audit" [Business Accounting Council, October 28, 2005]), etc. by the Accounting Auditor and requested explanations as necessary.

In accordance with the procedures mentioned above, the Audit & Supervisory Board reviewed the business report and supplementary schedules, the non-consolidated financial statements (non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement of changes in net assets, and notes to the non-consolidated financial statements), the supplementary schedules thereto, and the consolidated financial statements (consolidated balance sheet, consolidated statement of income, consolidated statement of changes in net assets, and notes to the consolidated financial statements) for the fiscal year ended May 31, 2022.

## 2. Results of Audit

### (1) Results of the audit of Business Report, etc.

- (i) The business report and supplementary schedules present fairly the financial condition of the Company in conformity with related laws, regulations, and the Articles of Incorporation of the Company;
- (ii) Regarding the execution of duties by Directors, there were no instances of misconduct or material matters in violation of laws, regulations, or the Articles of Incorporation of the Company;
- (iii) The resolutions of the Board of Directors regarding the internal control system are fair and reasonable. Furthermore, over the 36 years since its foundation, the Company has been working to deepen an awareness of issues arising from changes in the business environment and the Company's business and operations, to take measures in response, and to put in place a framework for improvement. There are no significant matters that require pointing out regarding the content of the business report relating to the aforementioned internal control and the Director's execution of duties.
- (iv) There are no matters requiring additional mention regarding the Basic Policy on the Composition of Persons to Control Decision-Making over the Financial and Business Policies of the Company specified in the business report. The Audit & Supervisory Board acknowledges that the approaches set forth in Article 118, Item 3 (b) of the Regulation for Enforcement of the Companies Act as specified in the business report conform with the basic policy, do not harm any common interests of shareholders, and were not adopted with the intention of maintaining the positions of Directors and Audit & Supervisory Board members.

### (2) Results of the audit of the non-consolidated financial statements and supplementary schedules

The auditing methods and results of the Accounting Auditor, Deloitte Touche Tohmatsu LLC, are fair and reasonable.

### (3) Results of the audit of the consolidated financial statements

The auditing methods and results of the Accounting Auditor, Deloitte Touche Tohmatsu LLC, are fair and reasonable.

July 12, 2022

The Audit & Supervisory Board of Weathernews Inc.

Yasushi Sugino (Seal)  
Audit & Supervisory Board member

Takashi Tomura (Seal)  
Audit & Supervisory Board member

Fumitaka Koyama (Seal)  
Audit & Supervisory Board member

Izumi Hayashi (Seal)  
Audit & Supervisory Board member

Note: The Audit & Supervisory Board members Mr. Fumitaka Koyama and Ms. Izumi Hayashi are Audit & Supervisory Board members (External) as stipulated in Article 2, Item 16 and Article 335, Paragraph 3 of the Companies Act.