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April 6, 2023

## Consolidated Financial Results for the Nine Months Ended February 28, 2023 (Under Japanese GAAP)

Company name: Weathernews Inc.  
 Listing: Tokyo Stock Exchange  
 Securities code: 4825  
 URL: <https://jp.weathernews.com/>  
 Representative: Chihito Kusabiraki, President and Representative Director  
 Inquiries: Shigeru Kawai, IR Manager  
 Telephone: +81-43-274-5536  
 Scheduled date to file quarterly securities report: April 13, 2023  
 Scheduled date to commence dividend payments: —  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

### 1. Consolidated financial results for the nine months ended February 28, 2023 (from June 1, 2022 to February 28, 2023)

#### (1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

|                   | Net sales       |     | Operating profit |      | Ordinary profit |      | Profit attributable to owners of parent |      |
|-------------------|-----------------|-----|------------------|------|-----------------|------|---|------|
|                   | Millions of yen | %   | Millions of yen  | %    | Millions of yen | %    | Millions of yen                         | %    |
| Nine months ended |                 |     |                  |      |                 |      |   |      |
| February 28, 2023 | 15,804          | 7.4 | 2,510            | 18.5 | 2,577           | 21.7 | 1,803                                   | 22.1 |
| February 28, 2022 | 14,714          | 7.5 | 2,119            | 27.5 | 2,116           | 26.2 | 1,477                                   | 22.2 |

Note: Comprehensive income For the nine months ended February 28, 2023: ¥1,865 million [21.1%]  
 For the nine months ended February 28, 2022: ¥1,540 million [31.0%]

|                   | Basic earnings per share | Diluted earnings per share |
|-------------------|--------------------------|----------------------------|
| Nine months ended | Yen                      | Yen                        |
| February 28, 2023 | 163.77                   | 163.34                     |
| February 28, 2022 | 134.46                   | 134.10                     |

#### (2) Consolidated financial position

|                   | Total assets    | Net assets      | Equity-to-asset ratio |
|-------------------|-----------------|-----------------|-----------------------|
| As of             | Millions of yen | Millions of yen | %                     |
| February 28, 2023 | 19,506          | 17,778          | 90.7                  |
| May 31, 2022      | 19,127          | 16,843          | 87.6                  |

Reference: Equity  
 As of February 28, 2023: ¥17,694 million  
 As of May 31, 2022: ¥16,759 million

## 2. Cash dividends

|   | Annual dividends per share |                    |                   |                 |        |
|---|----------------------------|--------------------|-------------------|-----------------|--------|
|   | First quarter-end          | Second quarter-end | Third quarter-end | Fiscal year-end | Total  |
|   | Yen                        | Yen                | Yen               | Yen             | Yen    |
| Fiscal year ended<br>May 31, 2022             | –                          | 50.00              | –                 | 50.00           | 100.00 |
| Fiscal year ending<br>May 31, 2023            | –                          | 50.00              | –                 |                 |        |
| Fiscal year ending<br>May 31, 2023 (Forecast) |                            |                    |                   | 50.00           | 100.00 |

Note: Revisions to the forecast of cash dividends most recently announced: None

## 3. Consolidated earnings forecasts for the fiscal year ending May 31, 2023 (from June 1, 2022 to May 31, 2023)

(Percentages indicate year-on-year changes.)

|                                    | Net sales       |     | Operating profit |      | Ordinary profit |     | Profit attributable to owners of parent |      | Basic earnings per share |
|------------------------------------|-----------------|-----|------------------|------|-----------------|-----|---|------|--------------------------|
|                                    | Millions of yen | %   | Millions of yen  | %    | Millions of yen | %   | Millions of yen                         | %    | Yen                      |
| Fiscal year ending<br>May 31, 2023 | 21,000          | 6.9 | 3,200            | 10.2 | 3,300           | 7.7 | 2,400                                   | 11.3 | 217.90                   |

Note: Revisions to the consolidated earnings forecasts most recently announced: None

**\* Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
  - (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
  - (ii) Changes in accounting policies due to other reasons: None
  - (iii) Changes in accounting estimates: None
  - (iv) Restatement: None
- (4) Number of issued shares (common shares)

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

|                         |                   |
|-------------------------|-------------------|
| As of February 28, 2023 | 11,844,000 shares |
| As of May 31, 2022      | 11,844,000 shares |

- (ii) Number of treasury shares at the end of the period

|                         |                |
|-------------------------|----------------|
| As of February 28, 2023 | 820,051 shares |
| As of May 31, 2022      | 841,720 shares |

- (iii) Average number of shares outstanding during the period

|                                     |                   |
|-------------------------------------|-------------------|
| Nine months ended February 28, 2023 | 11,014,108 shares |
| Nine months ended February 28, 2022 | 10,988,700 shares |

\* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

\* Proper use of earnings forecasts, and other special matters

Forward-looking statements in this material, including earnings forecasts, are based on information currently available to the Company and on certain assumptions deemed reasonable. Actual results may differ significantly due to various factors.

## Quarterly Consolidated Financial Statements and Significant Notes Thereto

### (1) Quarterly consolidated balance sheet

(Thousands of yen)

|   | As of May 31, 2022 | As of February 28, 2023 |
|---|--------------------|-------------------------|
| <b>Assets</b>                           |                    |                         |
| Current assets                          |                    |                         |
| Cash and deposits                       | 11,424,969         | 11,169,191              |
| Notes receivable - trade                | -                  | 4,927                   |
| Accounts receivable - trade             | 2,612,174          | 2,963,845               |
| Contract assets                         | 708,461            | 968,333                 |
| Work in process                         | 44,993             | 102,872                 |
| Supplies                                | 130,643            | 203,728                 |
| Other                                   | 407,489            | 541,214                 |
| Allowance for doubtful accounts         | (13,966)           | (21,426)                |
| Total current assets                    | 15,314,765         | 15,932,687              |
| Non-current assets                      |                    |                         |
| Property, plant and equipment           |                    |                         |
| Buildings and structures, net           | 746,917            | 773,877                 |
| Tools, furniture and fixtures, net      | 393,669            | 431,021                 |
| Communication satellite facilities, net | 26,605             | 6,651                   |
| Land                                    | 413,062            | 413,062                 |
| Construction in progress                | 77,026             | 25,403                  |
| Other, net                              | 85,100             | 64,035                  |
| Total property, plant and equipment     | 1,742,381          | 1,714,051               |
| Intangible assets                       |                    |                         |
| Software                                | 757,386            | 556,345                 |
| Software in progress                    | 6,710              | 29,697                  |
| Other                                   | 27,055             | 28,685                  |
| Total intangible assets                 | 791,152            | 614,727                 |
| Investments and other assets            |                    |                         |
| Investment securities                   | 181,299            | 191,973                 |
| Deferred tax assets                     | 662,305            | 567,283                 |
| Other                                   | 466,760            | 517,964                 |
| Allowance for doubtful accounts         | (31,243)           | (32,309)                |
| Total investments and other assets      | 1,279,122          | 1,244,912               |
| Total non-current assets                | 3,812,656          | 3,573,691               |
| Total assets                            | 19,127,421         | 19,506,379              |

(Thousands of yen)

|   | As of May 31, 2022 | As of February 28, 2023 |
|---|--------------------|-------------------------|
| <b>Liabilities</b>                                    |                    |                         |
| Current liabilities                                   |                    |                         |
| Accounts payable - trade                              | 91,426             | 82,286                  |
| Accounts payable - other                              | 293,087            | 388,569                 |
| Income taxes payable                                  | 398,679            | 308,601                 |
| Contract liabilities                                  | 163,128            | 61,038                  |
| Other   | 1,217,621          | 792,190                 |
| Total current liabilities                             | 2,163,943          | 1,632,685               |
| Non-current liabilities                               |                    |                         |
| Asset retirement obligations                          | 70,756             | 71,095                  |
| Other   | 48,790             | 23,786                  |
| Total non-current liabilities                         | 119,547            | 94,882                  |
| Total liabilities                                     | 2,283,490          | 1,727,567               |
| Net assets  |                    |                         |
| Shareholders' equity                                  |                    |                         |
| Share capital   | 1,706,500          | 1,706,500               |
| Capital surplus                                       | 1,302,857          | 1,450,677               |
| Retained earnings                                     | 14,527,595         | 15,230,100              |
| Treasury shares                                       | (907,062)          | (883,924)               |
| Total shareholders' equity                            | 16,629,890         | 17,503,353              |
| Accumulated other comprehensive income                |                    |                         |
| Valuation difference on available-for-sale securities | 10,707             | 18,117                  |
| Foreign currency translation adjustment               | 119,001            | 173,008                 |
| Total accumulated other comprehensive income          | 129,708            | 191,126                 |
| Share acquisition rights                              | 84,332             | 84,332                  |
| Total net assets                                      | 16,843,930         | 17,778,811              |
| Total liabilities and net assets                      | 19,127,421         | 19,506,379              |

**(2) Quarterly consolidated statement of income and quarterly consolidated statement of comprehensive income****Quarterly consolidated statement of income (cumulative)**

(Thousands of yen)

|  | Nine months ended<br>February 28, 2022 | Nine months ended<br>February 28, 2023 |
|--|--|--|
| Net sales  | 14,714,276                             | 15,804,459                             |
| Cost of sales                                      | 8,435,269                              | 8,824,037                              |
| Gross profit                                       | 6,279,007                              | 6,980,421                              |
| Selling, general and administrative expenses       | 4,159,631                              | 4,469,968                              |
| Operating profit                                   | 2,119,376                              | 2,510,452                              |
| Non-operating income                               |  |  |
| Interest income                                    | 449                                    | 821                                    |
| Dividend income                                    | 500                                    | 500                                    |
| Dividend income of insurance                       | 11,113                                 | 6,812                                  |
| Rental income from buildings                       | 11,926                                 | -                                      |
| Foreign exchange gains                             | -                                      | 50,944                                 |
| Gain on forfeiture of unclaimed dividends          | 940                                    | 2,042                                  |
| Insurance claim income                             | -                                      | 10,723                                 |
| Other  | 6,307                                  | 12,652                                 |
| Total non-operating income                         | 31,236                                 | 84,497                                 |
| Non-operating expenses                             |  |  |
| Commitment line expenses                           | 10,987                                 | 8,836                                  |
| Foreign exchange losses                            | 18,711                                 | -                                      |
| Loss on cancellation of insurance policies         | -                                      | 7,599                                  |
| Other  | 3,941                                  | 1,113                                  |
| Total non-operating expenses                       | 33,640                                 | 17,550                                 |
| Ordinary profit                                    | 2,116,972                              | 2,577,400                              |
| Extraordinary losses                               |  |  |
| Loss on valuation of investment securities         | 49,975                                 | -                                      |
| Impairment losses                                  | 78,800                                 | -                                      |
| Loss on liquidation of subsidiaries and associates | 3,278                                  | -                                      |
| Total extraordinary losses                         | 132,054                                | -                                      |
| Profit before income taxes                         | 1,984,918                              | 2,577,400                              |
| Income taxes - current                             | 505,126                                | 681,378                                |
| Income taxes - deferred                            | 2,225                                  | 92,204                                 |
| Total income taxes                                 | 507,351                                | 773,583                                |
| Profit   | 1,477,566                              | 1,803,816                              |
| Profit attributable to owners of parent            | 1,477,566                              | 1,803,816                              |

**Quarterly consolidated statement of comprehensive income (cumulative)**

(Thousands of yen)

|   | Nine months ended<br>February 28, 2022 | Nine months ended<br>February 28, 2023 |
|---|--|--|
| Profit  | 1,477,566                              | 1,803,816                              |
| Other comprehensive income                            |  |  |
| Valuation difference on available-for-sale securities | 2,333                                  | 7,410                                  |
| Foreign currency translation adjustment               | 60,778                                 | 54,007                                 |
| Total other comprehensive income                      | 63,112                                 | 61,417                                 |
| Comprehensive income                                  | 1,540,679                              | 1,865,233                              |
| Comprehensive income attributable to                  |  |  |
| Comprehensive income attributable to owners of parent | 1,540,679                              | 1,865,233                              |

**Quarterly consolidated statement of income**

(Thousands of yen)

|  | 3rd quarter ended<br>February 28, 2022 | 3rd quarter ended<br>February 28, 2023 |
|--|--|--|
| Net sales                                    | 4,837,347                              | 5,318,288                              |
| Cost of sales                                | 2,900,036                              | 2,973,486                              |
| Gross profit                                 | 1,937,310                              | 2,344,802                              |
| Selling, general and administrative expenses | 967,857                                | 1,105,892                              |
| Operating profit                             | 969,453                                | 1,238,909                              |
| Non-operating income                         |  |  |
| Interest income                              | 202                                    | 314                                    |
| Dividend income of insurance                 | 11,113                                 | 3,872                                  |
| Rental income from buildings                 | 3,688                                  | –                                      |
| Foreign exchange gains                       | 8,227                                  | 24,724                                 |
| Gain on forfeiture of unclaimed dividends    | 493                                    | 1,012                                  |
| Other  | 1,926                                  | 1,644                                  |
| Total non-operating income                   | 25,652                                 | 31,568                                 |
| Non-operating expenses                       |  |  |
| Commitment line expenses                     | 3,623                                  | 2,381                                  |
| Other  | 2,764                                  | 796                                    |
| Total non-operating expenses                 | 6,388                                  | 3,178                                  |
| Ordinary profit                              | 988,717                                | 1,267,300                              |
| Extraordinary losses                         |  |  |
| Loss on valuation of investment securities   | 49,975                                 | –                                      |
| Total extraordinary losses                   | 49,975                                 | –                                      |
| Profit before income taxes                   | 938,741                                | 1,267,300                              |
| Income taxes - current                       | 224,478                                | 374,978                                |
| Income taxes - deferred                      | (31,877)                               | 10,398                                 |
| Total income taxes                           | 192,600                                | 385,377                                |
| Profit                                       | 746,140                                | 881,923                                |
| Profit attributable to owners of parent      | 746,140                                | 881,923                                |



**Quarterly consolidated statement of comprehensive income**

(Thousands of yen)

|   | 3rd quarter ended<br>February 28, 2022 | 3rd quarter ended<br>February 28, 2023 |
|---|--|--|
| Profit  | 746,140                                | 881,923                                |
| Other comprehensive income                            |  |  |
| Valuation difference on available-for-sale securities | 2,042                                  | 155                                    |
| Foreign currency translation adjustment               | 26,473                                 | (79,350)                               |
| Total other comprehensive income                      | 28,515                                 | (79,195)                               |
| Comprehensive income                                  | 774,655                                | 802,728                                |
| Comprehensive income attributable to                  |  |  |
| Comprehensive income attributable to owners of parent | 774,655                                | 802,728                                |

**(3) Quarterly consolidated statement of cash flows**

(Thousands of yen)

|  | Nine months ended<br>February 28, 2022 | Nine months ended<br>February 28, 2023 |
|--|--|--|
| <b>Cash flows from operating activities</b>                  |  |  |
| Profit before income taxes                                   | 1,984,918                              | 2,577,400                              |
| Depreciation   | 670,771                                | 507,943                                |
| Share-based payment expenses                                 | 57,126                                 | 86,138                                 |
| Increase (decrease) in allowance for doubtful accounts       | 195                                    | 7,315                                  |
| Increase (decrease) in provision for loss on orders received | (959)                                  | -                                      |
| Interest and dividend income                                 | (949)                                  | (1,321)                                |
| Insurance claim income                                       | -                                      | (10,723)                               |
| Dividend income of insurance                                 | (11,113)                               | (6,812)                                |
| Loss (gain) on cancellation of insurance policies            | -                                      | 7,599                                  |
| Subsidy income   | (1,261)                                | (2,850)                                |
| Commitment line expenses                                     | 10,987                                 | 8,836                                  |
| Loss (gain) on valuation of investment securities            | 49,975                                 | -                                      |
| Loss (gain) on liquidation of subsidiaries and associates    | 3,278                                  | -                                      |
| Impairment losses  | 78,800                                 | -                                      |
| Decrease (increase) in trade receivables                     | 505,497                                | (346,972)                              |
| Decrease (increase) in contract assets                       | (625,342)                              | (259,872)                              |
| Decrease (increase) in inventories                           | (55,062)                               | (130,953)                              |
| Increase (decrease) in trade payables                        | (36,335)                               | (9,606)                                |
| Increase (decrease) in accounts payable - other              | 80,320                                 | 108,362                                |
| Increase (decrease) in accrued consumption taxes             | (113,248)                              | 20,203                                 |
| Increase (decrease) in accrued expenses                      | (135,917)                              | (319,601)                              |
| Increase (decrease) in advances received                     | 141,249                                | 78,653                                 |
| Increase (decrease) in contract liabilities                  | (61,495)                               | (103,746)                              |
| Increase (decrease) in deposits received                     | 46,998                                 | (107,551)                              |
| Other, net   | 93,966                                 | (363,424)                              |
| Subtotal   | 2,682,399                              | 1,739,014                              |
| Interest and dividends received                              | 934                                    | 1,278                                  |
| Dividend income of insurance                                 | 11,113                                 | 6,812                                  |
| Proceeds from insurance income                               | -                                      | 10,723                                 |
| Subsidies received   | 1,261                                  | 2,850                                  |
| Payments for commitment line expenses                        | (3,105)                                | (25,072)                               |
| Income taxes paid  | (882,294)                              | (755,456)                              |
| Net cash provided by (used in) operating activities          | 1,810,308                              | 980,150                                |
| <b>Cash flows from investing activities</b>                  |  |  |
| Proceeds from redemption of securities                       | 573                                    | 72                                     |
| Purchase of property, plant and equipment                    | (201,040)                              | (282,522)                              |
| Purchase of intangible assets                                | (166,354)                              | (56,060)                               |
| Payments for asset retirement obligations                    | (322)                                  | -                                      |
| Purchase of investment securities                            | (2,876)                                | -                                      |
| Proceeds from sale of investment securities                  | -                                      | 13                                     |
| Payments of leasehold and guarantee deposits                 | (4,994)                                | (976)                                  |
| Proceeds from refund of leasehold and guarantee deposits     | 81,947                                 | 37,132                                 |
| Purchase of insurance funds                                  | -                                      | (10,401)                               |
| Proceeds from cancellation of insurance funds                | -                                      | 125,040                                |
| Net cash provided by (used in) investing activities          | (293,067)                              | (187,703)                              |

(Thousands of yen)

|   | Nine months ended<br>February 28, 2022 | Nine months ended<br>February 28, 2023 |
|---|--|--|
| <b>Cash flows from financing activities</b>                 |  |  |
| Dividends paid  | (1,094,101)                            | (1,097,369)                            |
| Purchase of treasury shares                                 | (1,331)                                | (254)                                  |
| Net cash provided by (used in) financing activities         | (1,095,432)                            | (1,097,624)                            |
| Effect of exchange rate change on cash and cash equivalents | 42,965                                 | 49,314                                 |
| Net increase (decrease) in cash and cash equivalents        | 464,774                                | (255,862)                              |
| Cash and cash equivalents at beginning of period            | 9,249,147                              | 11,422,943                             |
| Cash and cash equivalents at end of period                  | 9,713,921                              | 11,167,081                             |