



Financial Results for FY2022 (ended May 31, 2023)

Weathernews Inc
July 6, 2023

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1. FY2022 Results

2. Review of Mid-Term Management Plan (2020-2023)

3. New Mid-Term Management Plan (2024-2026)

4. FY2023 Full-year Forecast

Summary of financial results

【 Net sales】21,114 MJPY(+7.4% Y/Y)

Mobile, Sea and Sky businesses drive sales growth.

【Operating profit】3,256 MJPY (+12.1% Y/Y)

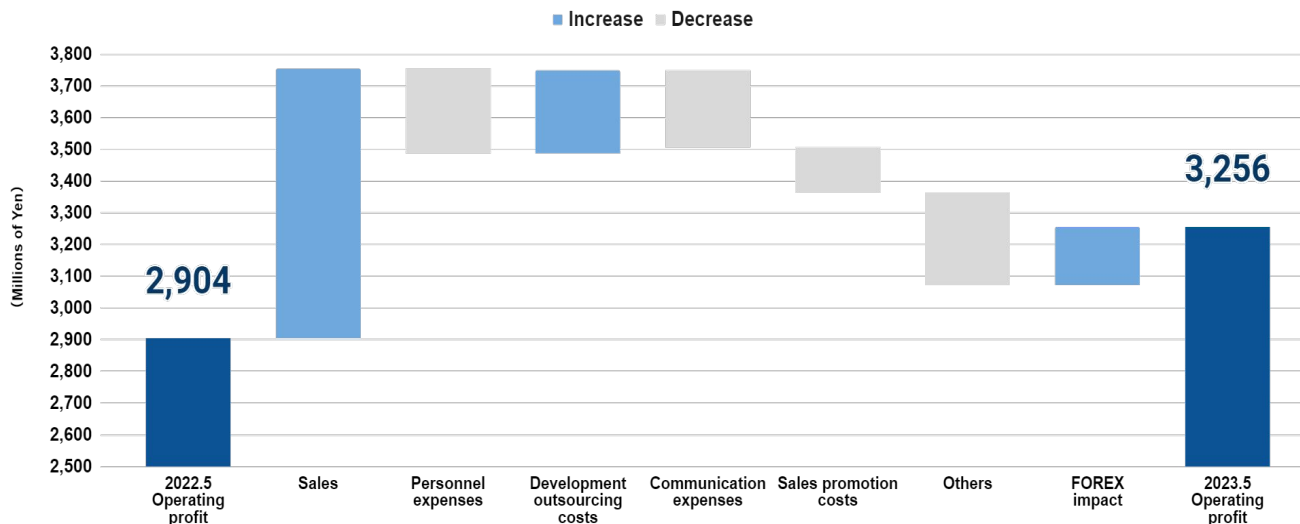
Profit increased due to decrease in development outsourcing costs.

(Millions of Yen)	2022.5 Actual	2023.5 Forecast	2023.5 Actual	Y/Y	vs Fcst
Net sales	19,650	21,000	21,114	+7.4%	+0.5%
Operating profit	2,904	3,200	3,256	+12.1%	+1.8%
Margin(%)	14.8	15.2	15.4	+0.6Pt	+0.2Pt
Ordinary profit	3,063	3,300	3,284	+7.2%	△0.5%
Profit attributable to owners of parent	2,157	2,400	2,398	+11.2%	△0.1%
EPS (JPY)	196.3	217.9	217.7	+21.4JPY	△0.2JPY
ROE (%)	13.4	13.8	13.7	+0.3Pt	△0.1Pt
FOREX Rates (JPY/USD)	115.4	120.0	135.5	+20.1JPY	+15.5JPY

Operating Profit Analysis (Y/Y)

- Personnel expenses increased due to new businesses such as climate tech and investment in human resources related to overseas business promotion.
- Increased communication expenses due to the shift to cloud-based service development.
- Increased sales promotion costs in Mobile business due to airing of television commercials in first half.
- Decreased development outsourcing costs by in-house development
- Sales activities have recovered to pre-COVID-19 levels, and travel expenses have increased.

Operating profit Analysis



1. FY2022 Results

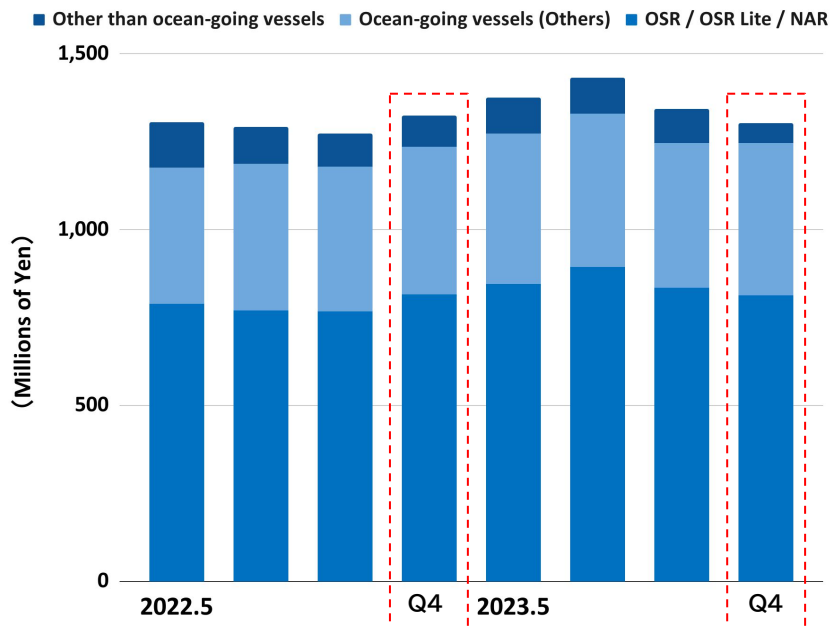
Sales by Segment

(Millions of Yen)	2022.5 Actual	2023.5 Actual	Y/Y (%)	Business environment and results
Sea Planning	5,202	5,503	5.8%	<ul style="list-style-type: none"> •Decrease in the number of service voyages as transport demand decrease as the economic recovery subsides. •According to the enforcement of the Carbon Intensity Indicator (CII) rating system, orders for eco-friendly shipping services increased. Overall sales increased due to the positive impact of exchange rates.
Sky Planning	934	1,235	32.2%	<ul style="list-style-type: none"> •Airline market continues to recover on both international and domestic due to the easing of immigration restrictions and movement restrictions. •Increased sales due to expansion of movement management systems to government agencies in domestic helicopter market.
Land Planning	3,262	3,202	Δ1.8%	<ul style="list-style-type: none"> •In railway and expressway markets, the flow of people is gradually recovering due to the relaxation of movement restrictions and the impact of nationwide travel support in Japan. •Sales decreased due to temporary sales decline.
Environment Planning	894	1,044	16.8%	<ul style="list-style-type: none"> •Increased the needs of weather forecast related to wide-area power transmission co-operation, renewable energy transmission plans, and wind power generation by domestic power companies. •Increased sales in Europe due to improved forecast accuracy and productivity of renewable energy.
Others BtoB	65	50	Δ22.8%	<ul style="list-style-type: none"> •Sports weather business decreased sales in reaction to big sports events in the previous fiscal year. •Climate Tech business launched in June 2022. Sales increased due to expansion of Climate Impact services.
Mobile·Internet Planning	6,821	7,829	14.8%	<ul style="list-style-type: none"> •As interest in the weather grows, the number of app users increases due to the distribution of typhoon information and heavy snowfall information. •Subscription sales and advertising revenue increased due to strategic advertising investment in the first half.
Broadcast Planning	2,470	2,247	Δ9.0%	<ul style="list-style-type: none"> •While demand for disaster prevention information increased, sales decreased in reaction to temporary system sales in the previous fiscal year.

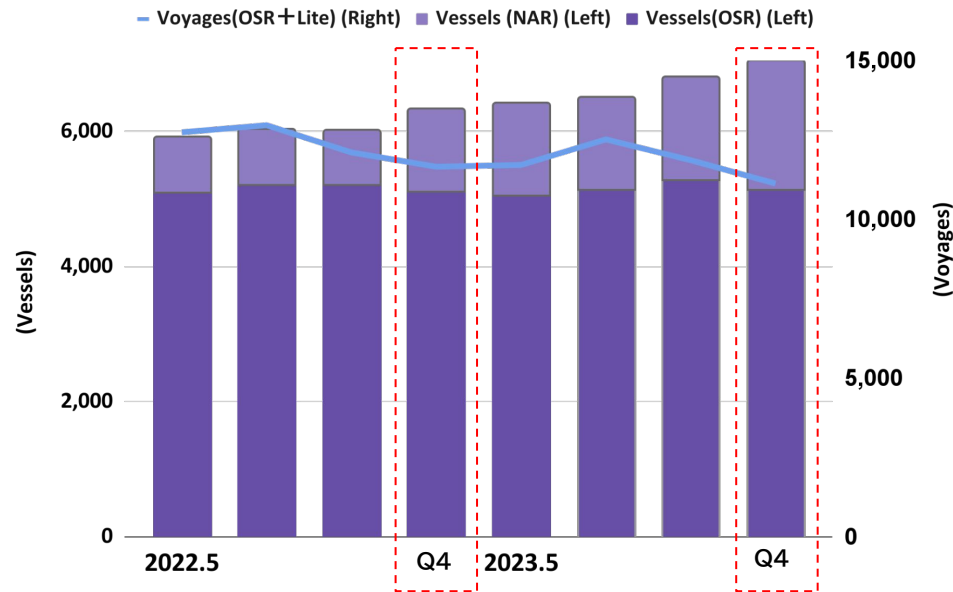
Sea Planning business

- Although the number of voyages decreased due to softening of transportation demand, sales increased due to the impact of exchange rates.
- Increased number of NAR provided vessels mainly in EU and Japan. The number of OSR-e contracts also increased with the implementation of the CII rating system.

Sales (Quarterly transition)



Number of vessels provided the service and the number of voyages (Quarterly transition)

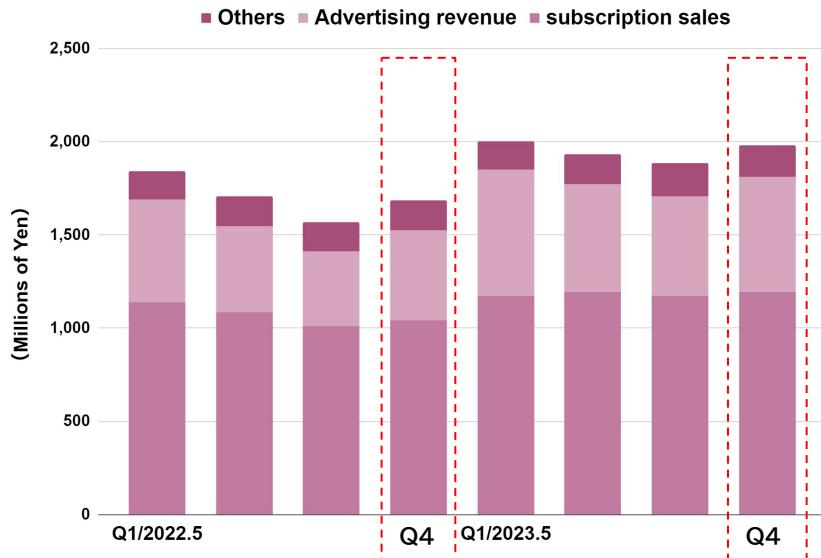


1. FY2022 Results

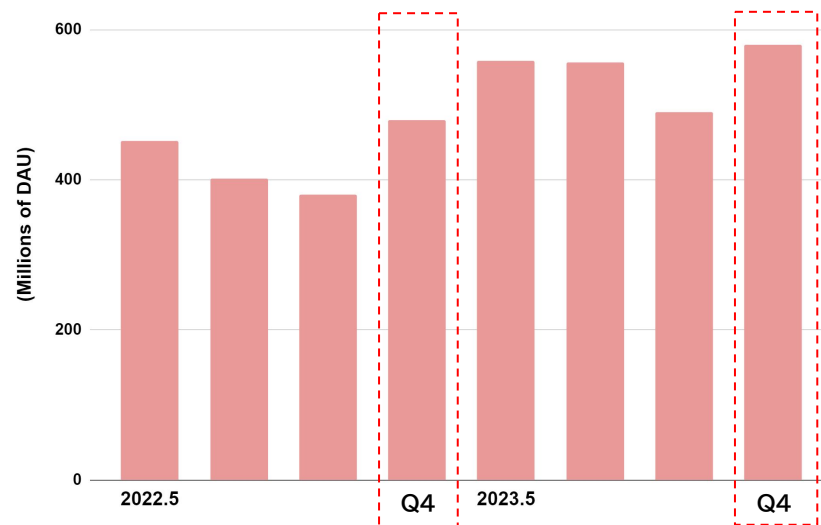
Mobile/ Internet Planning business

- Increased subscription sales and advertising revenue due to raised awareness and high forecast accuracy through advertising investment.
- Increased opportunities for use due to heavy rain and snowfall, etc., and increased application usage frequency and cumulative DAU due to content expansion.

Sales (Quarterly Transition)



Cumulative DAU (Quarterly Transition)



[CAPEX] Decreased in software capitalization due to shift to agile development.

[R & D] The expense level was almost the same, and mainly costed for new radar development.

(Millions of Yen)	2022.5 Actual	2023.5 Actual
Capital expenditure	480	413
Depreciation	871	860
R&D Expenses	534	560
Number of employees	1,120	1,138

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[4th growth period Stage 3 (20.5-23.5)]

- Transformed to a profitable structure with sales growth.

<Sales growth>

[BtoS business]

- Mobile business implemented advertising strategy under the No.1 forecast accuracy brand, and that led to a significant sales increase.

[BtoB business]

- Achieved sales growth despite the impact of COVID-19.
- Developing a business platform to accelerate global expansion.
- Launched Climate Tech business and started providing climate change risk analysis service.

<Profitable structure>

- Enhancing transformation to DevOps and in-house development system that can respond to the business speed required by customers.
- Contributed to improving operational productivity and the reduction in outsourcing costs and led to the profit growth.

1. FY2022 Results

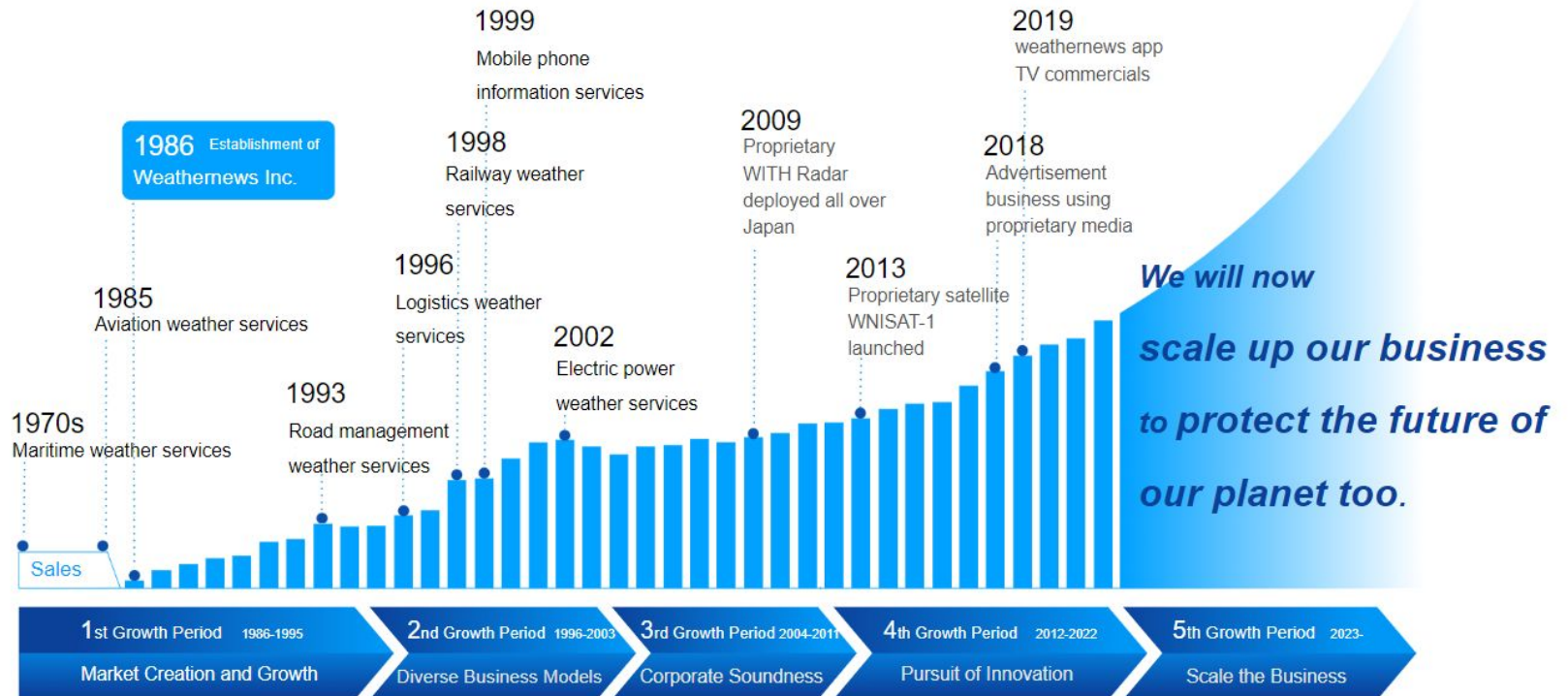
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3. New Mid-Term Management Plan (2024-2026)

Corporate History

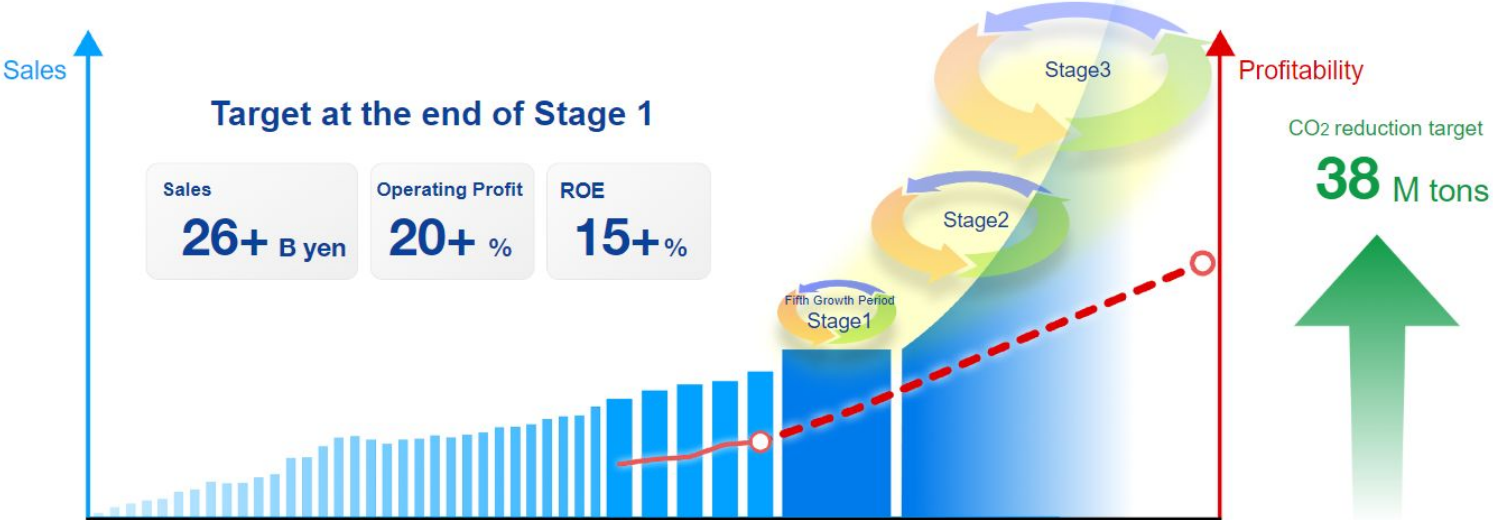


Focus Areas for Mid-Term Management Plan Stage 1

- 1 Develop a New Customer Base Through a SaaS Model**
.....
- 2 A New AI Operation Model Starting with Data Analysis**
.....
- 3 Value by the Synergy of Connected Individuals and Corporations**
.....
- 4 Global Business Structure for Continued Growth in the Future**
.....
- 5 Contribute to the Global Environment by CO2 Reduction Services**
.....

Long-term Vision Regarding Business Performance

During the Fifth Growth Period, we will scale our business and rapidly increase sales. We will also build a profitable structure and significantly contribute to the global environment.



Shareholder Return Policy

Basic Policy

High Contribution, High Profit, High Distribution

- Priority will be given to strategic business investments that promote medium- to long-term businesses. Resources are based on retained earnings and operating cash flow.
- To ensure stable dividends over the long term, we will determine dividends based on a dividend on equity ratio (DOE) of approximately 3%, taking into account the optimal level of shareholders' equity, investment environment, profits, and other factors.
- In addition to stable long-term dividends, we will consider flexible shareholder returns, based on business environment, capital efficiency, stock price levels, etc.

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4. FY2023 Full-year Forecast

Summary of Financial plan

【Net sales】22,500 MJPY(+6.6% Y/Y)

- Plans to increase sales by continuous growth of Mobile business, expanding existing BtoB businesses, and shifting to the SaaS-type businesses.

【Operating profit】3,500 MJPY(+7.5% Y/Y)

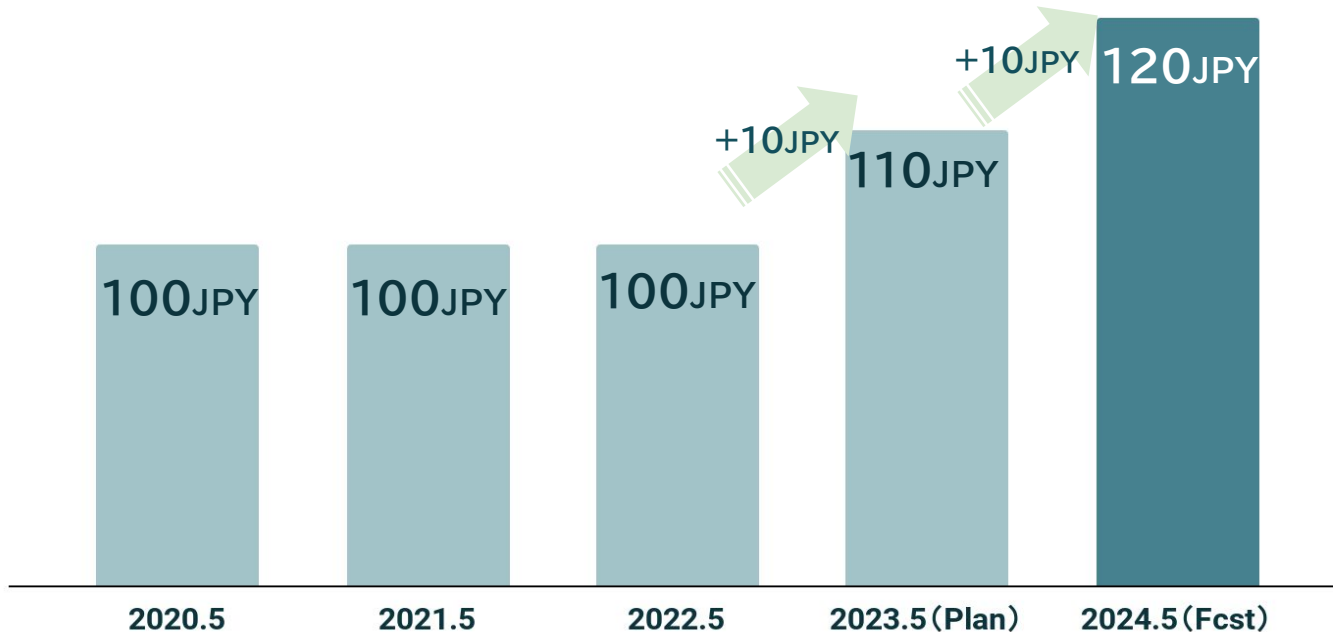
- Continue to invest in advertising, human resources for overseas expansion, and data/cloud.

(Millions of Yen)	2023.5 Actual	2024.5 Forecast	Y/Y
Net sales	21,114	22,500	+6.6%
Operating profit	3,256	3,500	+7.5%
Margin (%)	15.4	15.6	+0.2Pt
Ordinary profit	3,284	3,500	+6.6%
Profit attributable to owners of parent	2,398	2,500	+4.3%
EPS (JPY)	217.7	226.5	+8.8JPY
ROE (%)	13.7	13.2	△0.5Pt
FOREX Rates (JPY/USD)	135.5	130.0	△5.5JPY

4. FY2023 Full-year Forecast

Dividend Guidance

- Based on the concept of *high contribution, high profit, and high distribution*; we prioritize strategic business investments that promote mid-long business, and set a dividend on equity ratio of around 3% as a standard for long-term stable dividends.
- Dividends are determined by comprehensively considering the optimal level of equity capital, the investment environment, profits, etc.
- We plan to pay an annual dividend per share of 110 yen for 2023.5 and 120 yen for 2024.5.



APPENDIX

Consolidated Balance Sheet

(Millions of Yen)	2022.5 Actual	2023.5 Actual	Y/Y
Current assets	15,314	17,377	2,063
Non-current assets	3,812	3,602	△210
Total assets	19,127	20,979	1,852
Current Liabilities	2,163	2,300	137
Non-current liabilities	119	278	159
Total Liabilities	2,283	2,579	296
Total net assets	16,843	18,400	1,557
Equity-to-asset ratio (%)	87.6	87.3	△0.3 Pt
Net assets per share (JPY)	1,523.3	1,661.3	+138.0 JPY

Consolidated Profit and loss Statement (Q4 2022.5 vs Q4 2023.5)

(Millions of Yen)	2022.5 Q4 Actual	2023.5 Q4 Actual	Y/Y
Net sales	4,936	5,310	+7.6%
Operating profit	784	745	Δ5.0%
Margin (%)	15.9	14.0	Δ1.9Pt
Ordinary profit	946	707	Δ25.3%
Profit attributable to owners of parent	679	594	Δ12.6%
EPS (JPY)	61.7	53.9	+7.8JPY
ROE (%)	-	-	-
FOREX Rates (JPY/USD)	117.3	134.9	+17.6JPY

Sales by Segment (Q4 2022.5 vs Q4 2023.5)

(Millions of Yen)	2022.5 Q4 Actual	2023.5 Q4 Actual	Y / Y
Sea Planning	1,330	1,351	+1.6%
Sky Planning	248	289	+16.5%
Land Planning	773	795	+2.8%
Environment Planning	233	270	+15.9%
Others BtoB	4	22	+450.0%
Mobile•Internet Planning	1,692	1,987	+17.4%
Broadcast Planning	665	597	△10.2%

Sales by Segment (Quarterly transition)

(Millions of Yen)	2022.5 Actual				2023.5 Actual			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Sea Planning	1,306	1,293	1,273	1,330	1,378	1,432	1,342	1,351
Sky Planning	221	224	241	248	334	311	301	289
Land Planning	790	802	897	773	734	765	908	795
Environment Planning	202	219	240	233	225	249	300	270
Others BtoB	34	25	2	4	7	10	11	22
Mobile•Internet Planning	1,845	1,712	1,572	1,692	2,011	1,940	1,891	1,987
Broadcast Planning	586	611	608	665	532	554	564	597



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In addition, future statements such as business forecasts are based on certain assumptions that the Company deems reasonable at this time. Actual performance may vary due to factors such as various risks and uncertainties.