

# Financial Results for FY2023 (ended August 31, 2023)

Weathernews Inc  
October 6, 2023



# Summary of financial results

**【Net sales】** 5,580 MJPY(+6.8% Y/Y)

Mobile, Sea and Land businesses drive sales growth.

**【Operating profit】** 415 MJPY (Δ12.1% Y/Y)

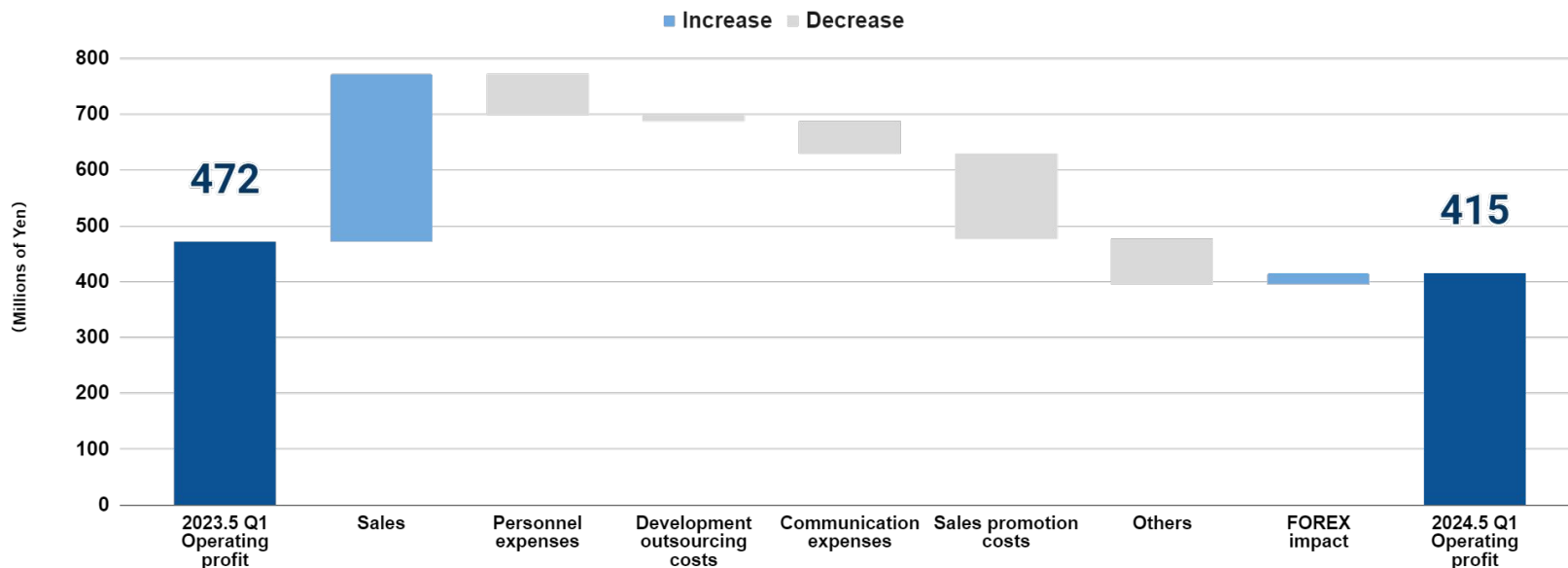
Profit decreased due to increased upfront advertising investment and personnel expenses.

(Millions of Yen)	2023.5 Q1 Actual	2024.5 Q1 Actual	Y/Y
Net sales	5,225	5,580	+6.8%
Operating profit	472	415	Δ12.1%
Margin(%)	9.0	7.4	Δ1.6Pt
Ordinary profit	525	443	Δ15.7%
Profit attributable to owners of parent	369	428	+16.1%
EPS (JPY)	33.5	38.9	+5.4JPY
FOREX Rates (JPY/USD)	133.6	142.5	+8.9JPY

# Operating Profit Analysis (Y/Y)

- Sales promotion expenses increased due to intensive advertising investment due to the occurrence of weather topics such as heavy rain and typhoons.
- Increased personnel expenses regarding overseas business promotion and IT development.
- Communication expenses increased due to cloud-based service development.
- Other expenses such as travel expenses and outsourcing expenses increased.

## Operating profit Analysis



# 1. Q1 FY2023 Results

## Sales by Segment

Millions of Yen	2022.5 Q1 Actual	2023.5 Q1 Actual	Y/Y (%)	Business environment and results
Sea Planning	1,378	1,411	2.4	<ul style="list-style-type: none"> <li>•While vessel supply has recovered by easing of demurrage, market conditions is still weak due to a decline in cargo demand.</li> <li>•Although the number of services provided in Europe decreased, but the sales increased due to the impact of exchange rates and expansion of OSR-e.</li> </ul>
Sky Planning	334	301	△9.8	<ul style="list-style-type: none"> <li>•Numbers of airline passenger continue to recover on both domestic and international routes by the removal of movement restrictions.</li> <li>•Although our sales in airline markets also recovered, total sales decreased due to the temporary impact that occurred in Q1 of last FY.</li> </ul>
Land Planning	734	802	9.3	The need for extreme weather information increases from the perspective of ensuring safety in logistics. In expressway market, the revenue increased by providing services that takes regional weather characteristics into account.
Environment Planning	225	286	27.1	<ul style="list-style-type: none"> <li>•The need of weather information for energy is increasing globally.</li> <li>•Sales increased by expanding forecasting service regarding renewable energy and electricity demand.</li> </ul>
Other BtoB	7	22	182.6	•In Climate tech business, expand sales of climate change risk analysis service “Climate Impact” mainly to domestic companies.
Mobile·Internet Planning	2,011	2,229	10.8	•The number of app users has increased due to the investment in TV commercials and web advertising. As growing interest in weather, we increased sales by improving user satisfaction and usage through enriching app content.
Broadcast Planning	532	525	△1.3	•Although the need of information about extreme weather is increasing, customers continue to review their costs as business environment changes. We promoted efforts to improve the efficiency of service operations and build new services.

# Sea Planning business

- Although the number of services provided in Europe decreased, sales increased due to sales expansion of OSR-e and the impact of foreign exchange rates.
- The number of voyages offered increased due to the recovery of container market conditions and the impact of typhoons.

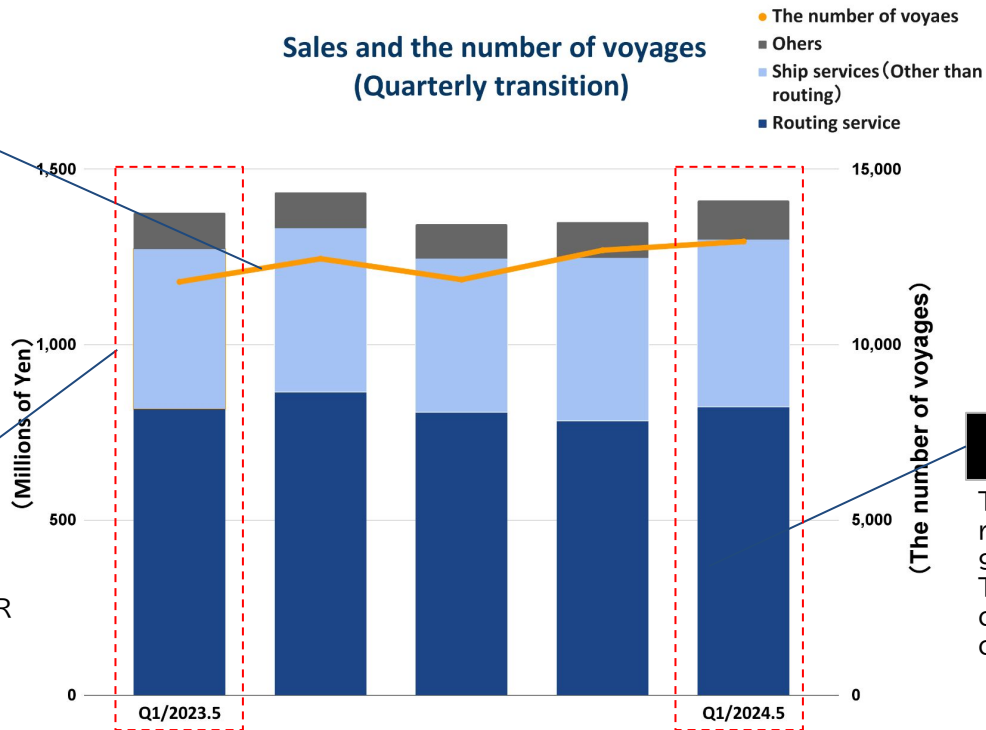
**Number of Voyages provided (line)**

Number of voyages provided for routing services (OSR, OSR-Lite, OSR-e)

**Ship Services (Other than routing)**

Redefined the conventional "ocean-going vessel (Others)" as "Services for marine vessels". NAR sales is included here as this has different billing formats from routing services.

Sales and the number of voyages (Quarterly transition)



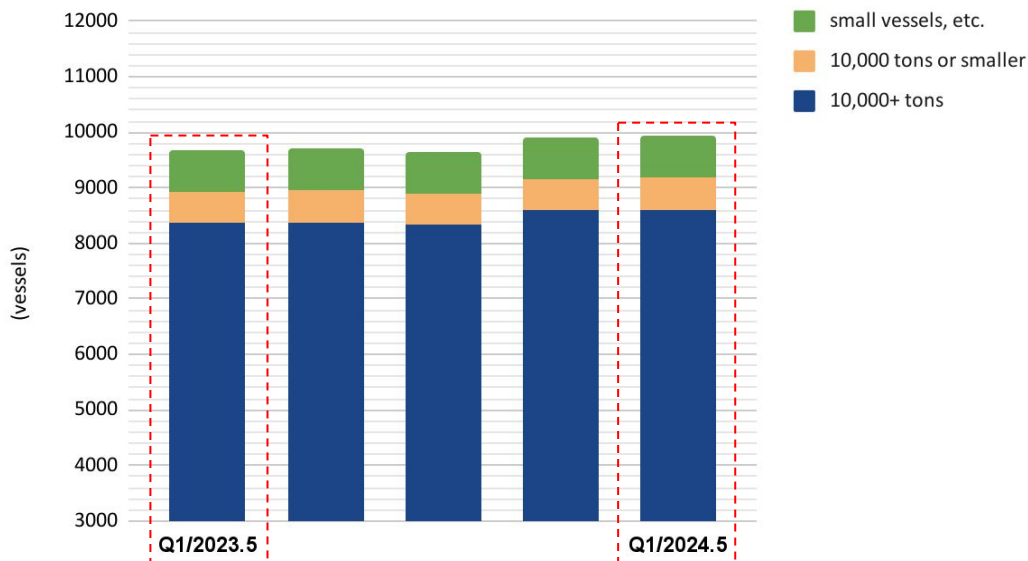
**Routing Service**

This mainly refers to sales of routing services where sales are generated for each voyage. The number of voyages has a correlation with market conditions.

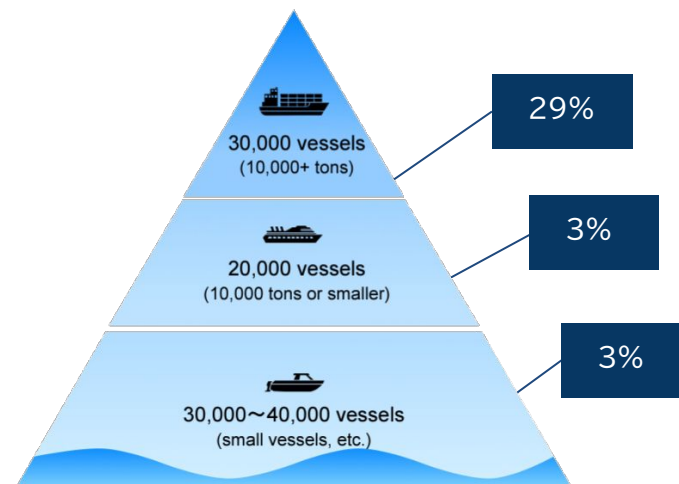
# 1. Q1 FY2023 Results

## Sea Planning business

Number of vessels provided the service (Quarterly transition)



TAM of Sea planning business and Our occupancy rate (as of 2023.5 Q1)



(From the mid-term management plan)

Category change of number of vessels provided services

(Old) The number of OSR and NAR vessels

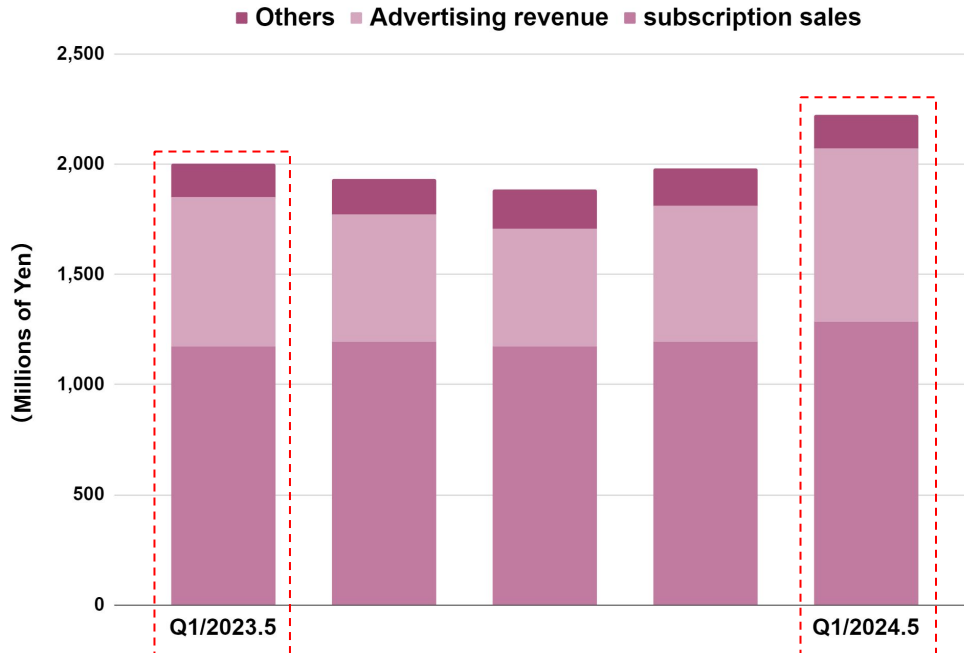
(New) The number of vessels by TAM shown in Mid-term management plan

- Changed the disclosing category of the number of vessels to make it easier to understand progress toward TAM and market share listed in the mid-term management plan. In the future, it is assumed that the service menu will be integrated and the pricing system will become simpler.
- Number of vessels provided services: Number of vessels using some of our services (counts as one vessel even when using multiple services)

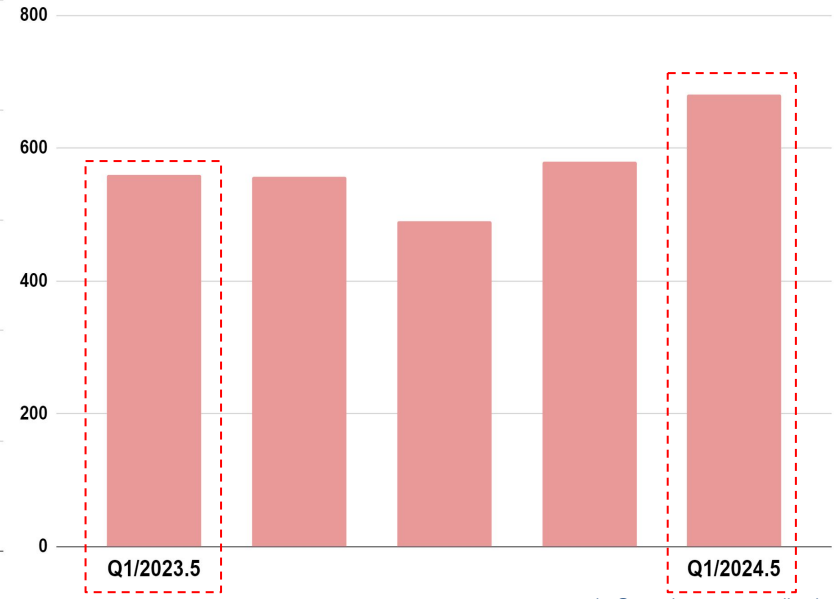
# Mobile/ Internet Planning business

- Subscription sales and advertising revenue increased due to raised awareness and high forecast accuracy through advertising investment.
- App usage and cumulative DAU increased on the background of expanded in-app content and weather conditions such as heavy rain and extreme heat.

### Sales (Quarterly Transition)



### Cumulative DAU (Quarterly Transition)



## 2. 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.

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

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

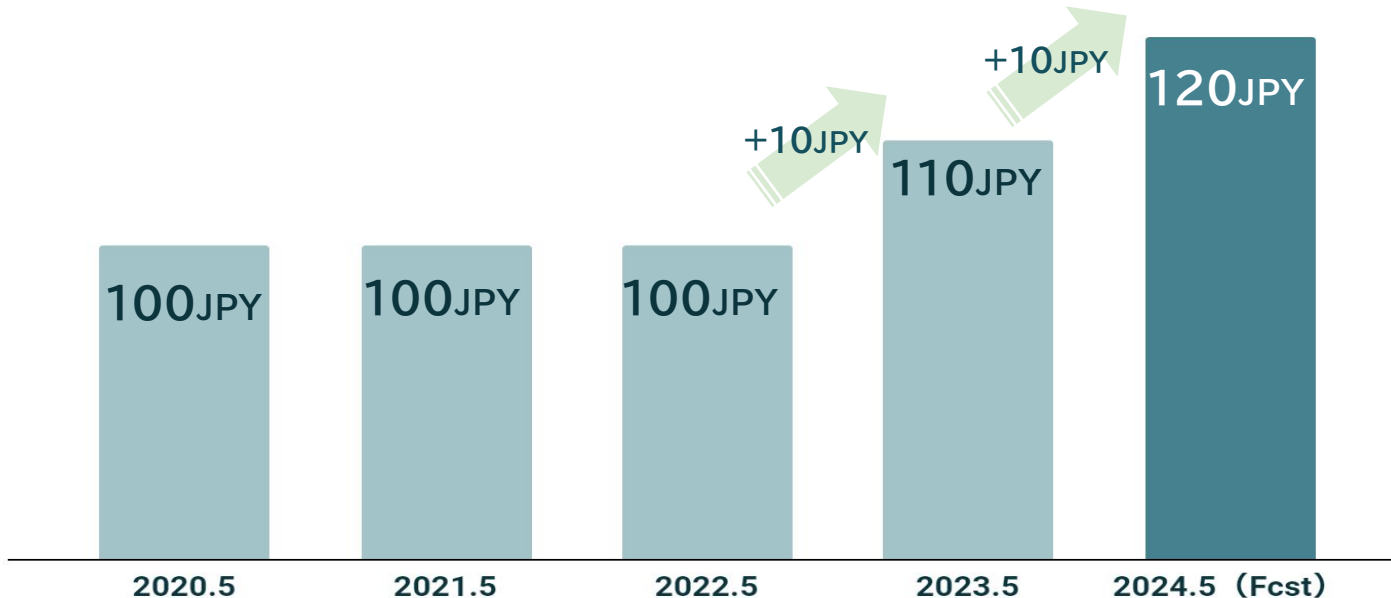
(Millions of Yen)	2023.5 Actual	2024.5 Forecast	Y/Y
Net sales	21,114	22,500	+6.6%
Operating profit	3,256	3,500	+7.5%
Margin (%)	15.4	15.6	+0.2Pt
Ordinary profit	3,284	3,500	+6.6%
Profit attributable to owners of parent	2,398	2,500	+4.3%
EPS (JPY)	217.7	226.5	+8.8JPY
ROE (%)	13.7	13.2	△0.5Pt
FOREX Rates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



## 2. 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 120 yen for 2024.5.



# APPENDIX

# Consolidated Balance Sheet

(Millions of Yen)	2023.5 Q1 Actual	2023.5 Actual	2024.5 Q1 Actual
Current assets	15,333	17,377	16,994
Non-current assets	3,669	3,602	3,635
Total assets	19,003	20,979	20,630
Current Liabilities	2,118	2,300	2,128
Non-current liabilities	115	278	258
Total Liabilities	2,234	2,579	2,387
Total net assets	16,768	18,400	18,242
Equity-to-asset ratio (%)	87.8	87.3	88.0
Net assets per share (JPY)	1,516.4	1,661.3	1,647.0

## Sales by Segment (Quarterly transition)

(Millions of Yen)	2023.5 Actual				2024.5 Actual
	Q1	Q2	Q3	Q4	Q1
Sea Planning	1,378	1,432	1,342	1,351	1,411
Sky Planning	334	311	301	289	301
Land Planning	734	765	908	795	802
Environment Planning	225	249	300	270	286
Others BtoB	7	10	11	22	22
Mobile•Internet Planning	2,011	1,940	1,891	1,987	2,229
Broadcast Planning	532	554	564	597	525



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