



Financial Results for Q3 2024.5

(ended February 29, 2024)

Weathernews Inc
April 5, 2024



-
1. Q3 2024.5 Results
 2. 2024.5 Full-year Forecast
 3. Q3 2024.5 Analysis by Business Segment
 4. Status of Mid-Term Management Plan Initiatives

Summary of financial results

【Net sales】 16,658 MJPY(+5.4% Y/Y)

Mobile, Land and Sea businesses drove sales growth.

【Operating profit】 2,287 MJPY (Δ8.9% Y/Y)

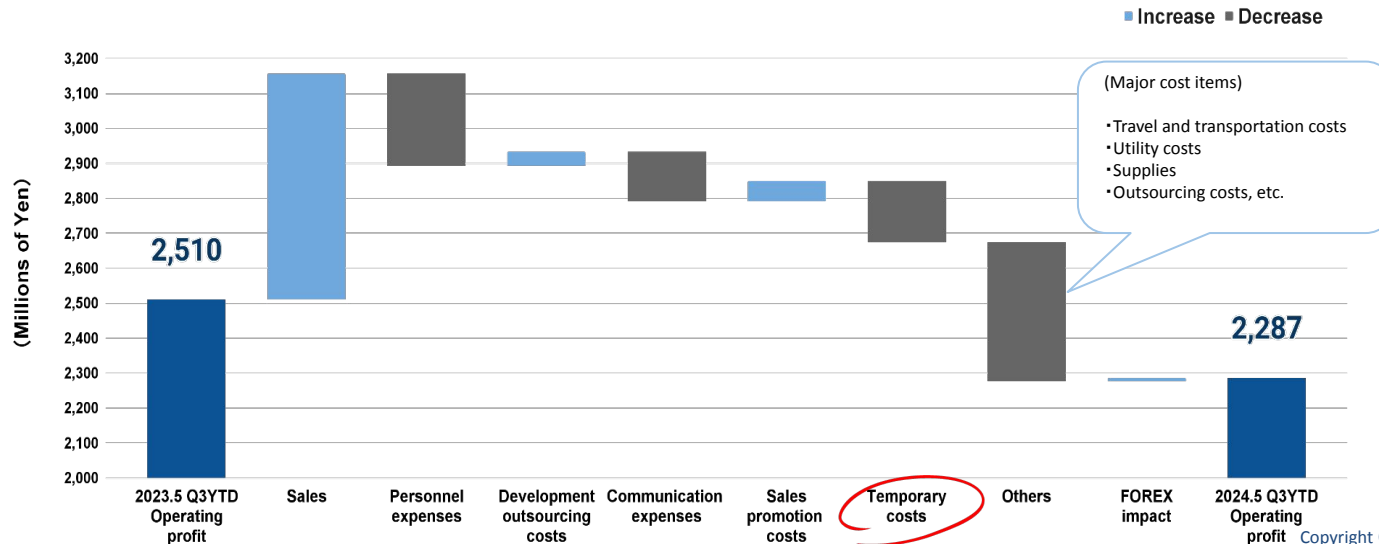
Profits were lower due to temporary costs (outsourcing and radar-related costs).

(Millions of Yen)	2023.5 Q3YTD Actual	2024.5 Q3YTD Actual	Y/Y
Net sales	15,804	16,658	+5.4%
Operating profit	2,510	2,287	Δ8.9%
Margin(%)	15.9	13.7	Δ2.2Pt
Ordinary profit	2,577	2,337	Δ9.3%
Profit attributable to owners of parent	1,803	1,749	Δ3.0%
EPS (JPY)	163.8	158.5	+5.3JPY
FOREX Rates (JPY/USD)	137.4	146.1	+8.7JPY

Operating Profit Analysis (Y/Y)

- Personnel expenses increased due to human resource strengthening for overseas business and IT development (including SaaS product development)
- Communication expenses increased due to expansion of cloud-based service development environment.
- Decreased sales promotion costs due to investment in advertising in light of weather conditions.
- Temporary costs incurred such as outsourcing costs (Q2), disposal costs related to radar (Q3).

Operating profit Analysis



2. 2024.5 Full-year Forecast

Summary of Financial plan

【Net sales】 22,500 MJPY(+6.6% Y/Y)

- Plans to increase sales by growth of Mobile and expanding BtoB businesses (mainly Land, Environment)

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

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

【Variable Factors】

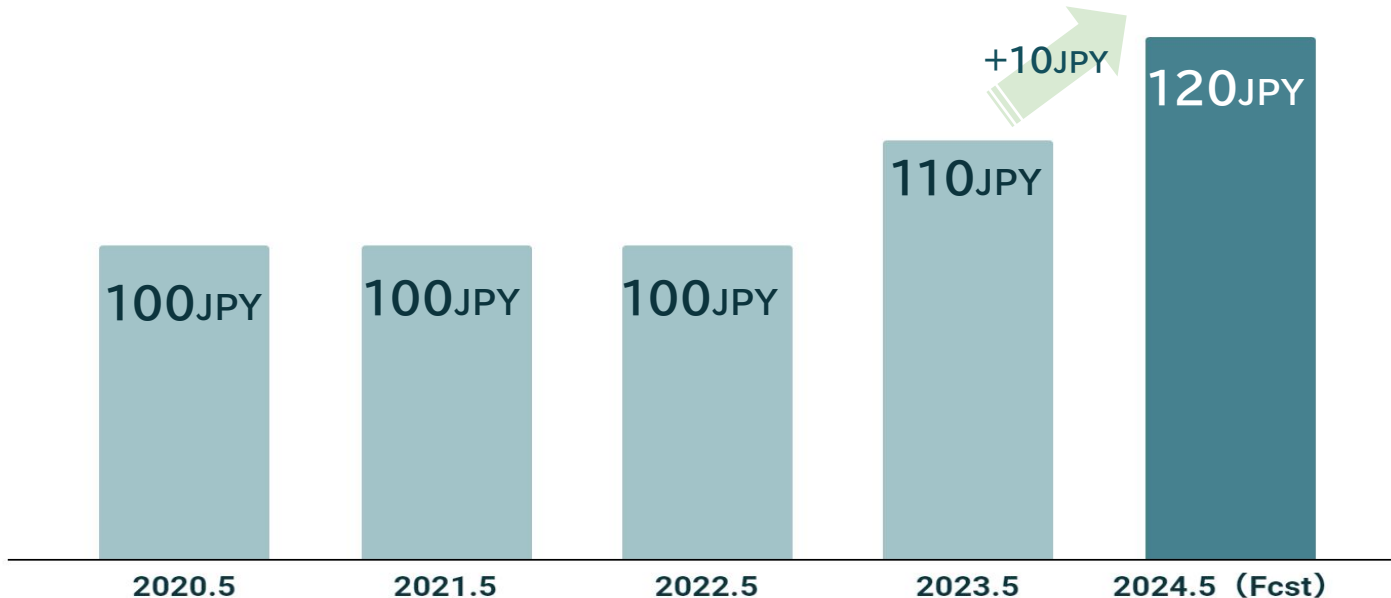
- Growth in mobile business may be slower than assumed at the beginning of the period.
- Temporary costs may be incurred that were not included in the original plan.
- Advertising investments may be less than originally planned.

(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. 2024.5 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.



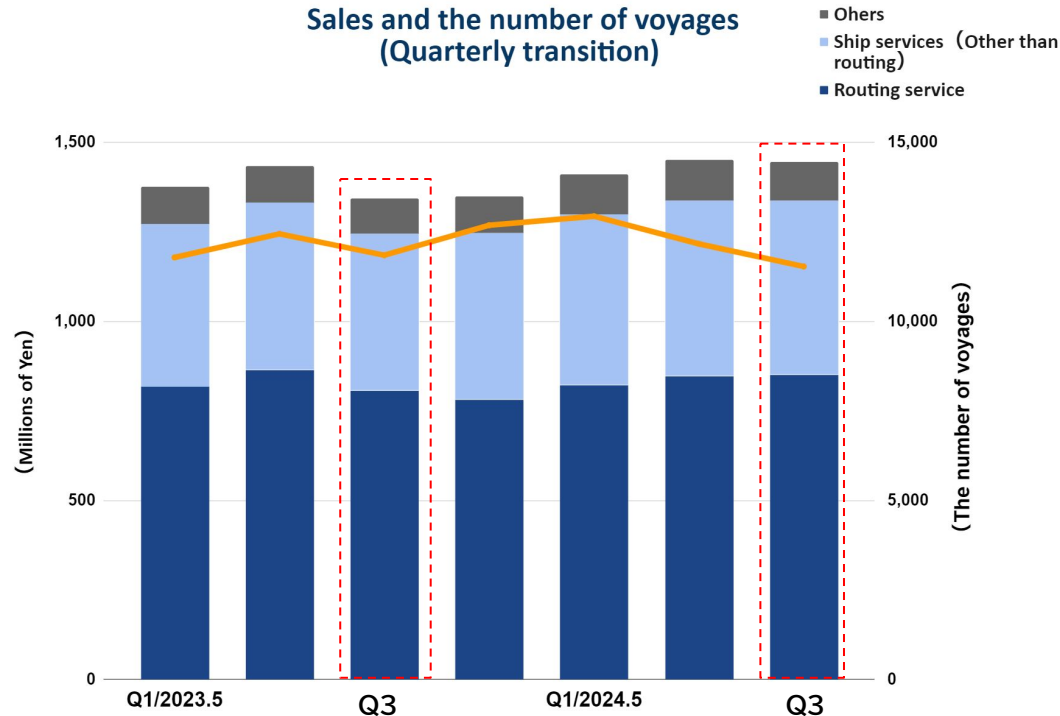
3. Q3 2024.5 Analysis by Business Segment

Sales by Segment

Millions of Yen	2023.5 Q3 YTD Actual	2024.5 Q3 YTD Actual	Y/Y (%)	Business environment and results
Sea	4,153	4,308	+3.7	<ul style="list-style-type: none"> While the supply of vessels recovered with the construction of new containerships, demand remained sluggish in the bulk carrier market, resulting in soft overall cargo movement. Overall number of services provided decreased due to the logistics disruption in the Red Sea, but increased in the Americas. Overall revenue increased partly due to the impact of foreign exchange rates.
Sky	946	939	△0.7	In the airline market, recovery continued on both domestic and international due to the relaxation and removal of various restrictions on COVID-19. Although our sales in airline markets also recovered, total sales decreased due to the temporary impact that occurred in Q1 of last FY.
Land	2,407	2,572	+6.9	The need for extreme weather information increases from the perspective of ensuring safety in logistics. Especially in expressway market, the revenue increased in the number of customers that takes regional weather characteristics into account.
Environment	774	886	+14.5	Continued increase in the marketability of energy weather due to the expansion of the renewable energy market in Japan and Europe. Increased revenue due to strong sales of SaaS-type product "Weathernews for business" in Japan.
Other BtoB	28	90	+214.4	In Climate tech business, sales increased due to an increase in the number of companies adopting "Climate Impact", a climate change risk analysis service, mainly from domestic companies.
Mobile·Internet	5,842	6,211	+6.3	DAU continued to increase due to continued advertising investment such as TV commercials and increased attention to weather topics in Japan. Overall sales increased as advertising revenue increased due to DAU growth and recovery in advertising market, despite a decrease in sales to mobile carriers in the subscription sales.
Broadcast	1,650	1,648	△0.1	While our major customers, such as television stations, are increasingly demanding information on extreme weather events, our sales declined as they continue to review their costs in response to structural changes in their business environment.

Sea business

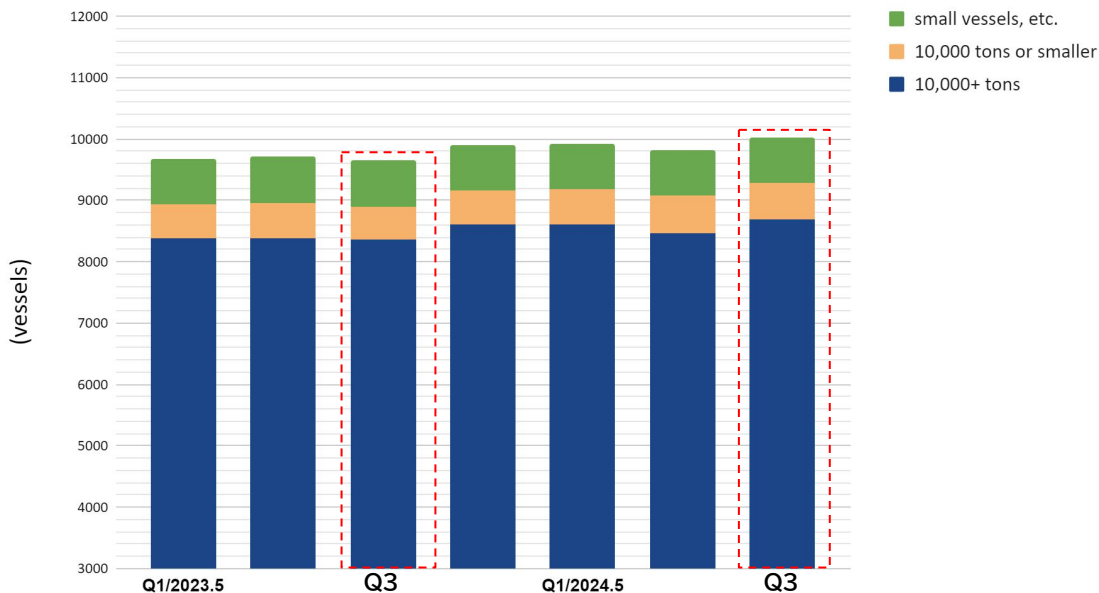
- While vessel supply recovered, cargo movements remain weak due to sluggish demand.
- The number of voyages served decreased due to logistics disruptions in the Red Sea, but that in the Americas increased. Overall revenue increased due to the impact of FOREX rates.



3. Q3 2024.5 Analysis by Business Segment

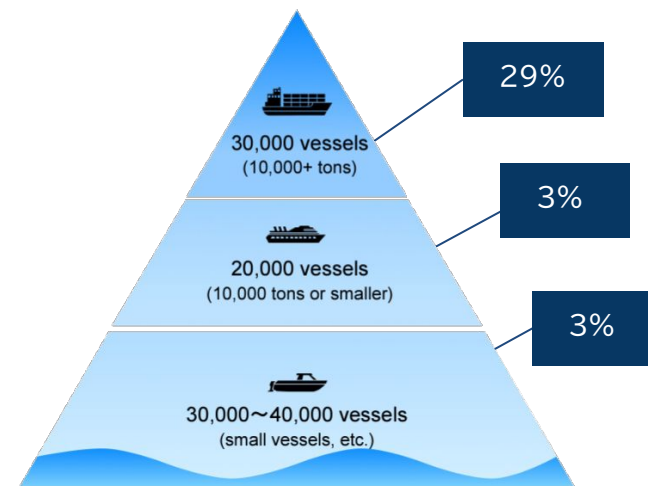
Sea business

Number of vessels provided the service (Quarterly transition)



Number of vessels using our services
(counts as one vessel even when using multiple services)

TAM of Sea planning business and Our occupancy rate (as of 2024.5 Q3)



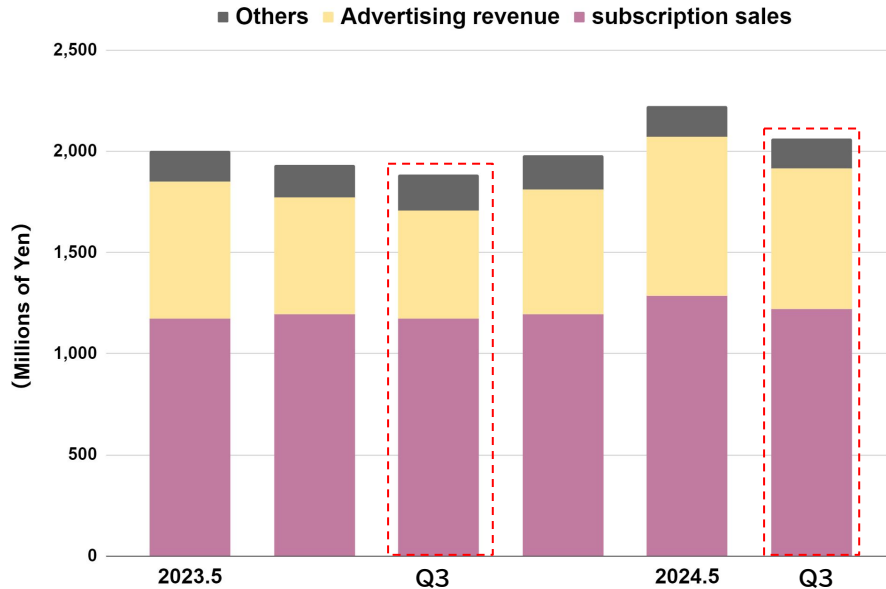
The number of vessels by TAM shown in Mid-term management plan

3. Q3 2024.5 Analysis by Business Segment

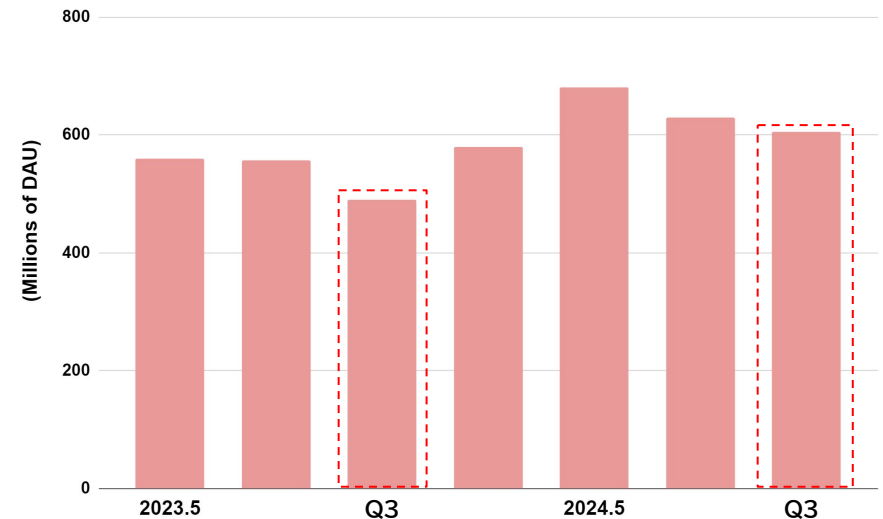
Mobile/ Internet business

- Cumulative DAU increased due to increased awareness and interest in weather from advertising investments
- App user base increased, but subscription sales declined due to lower sales to mobile carrier
- Advertising revenue increased due to improved advertising market conditions, resulting in an increase in overall mobile business revenue

Sales (Quarterly Transition)



Cumulative DAU (Quarterly Transition)



Update on the Meteorological Data Strategy

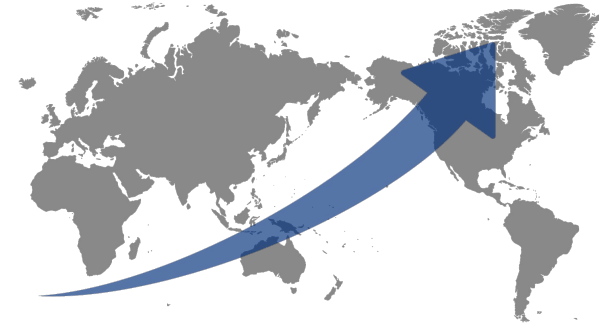
- Reviewed the strategy for enriching data, one of the company's strengths, from this FY
- We reduced the production of its weather observation infrastructure (EAGLE Radar) and recorded temporary cost for its disposal in this Q3.
- We will further accelerate our efforts to acquire weather data that can be obtained globally.



"EAGLE Radar" a compact weather radar for high-frequency observation



New compact and lightweight weather IoT sensor "Solatena Pro"

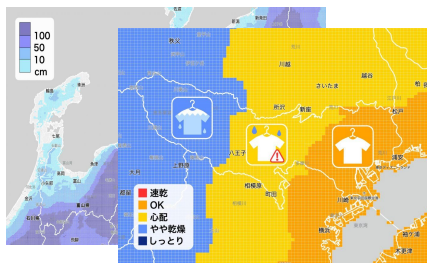


Accelerate data acquisition to develop local data on weather and climate worldwide

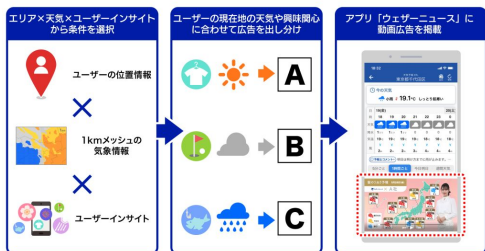
4. Status of Mid-Term Management Plan Initiatives

SaaS Business Development Status

- The number of customers and sales increased steadily in line with one of the strategies of the mid-Term Management Plan, "Develop a New Customer Base Through a SaaS Model" Continue to expand the number of customers and enhance products.
- SaaS business growth centered on 3 businesses: Mobile Internet, Environment, and Land Major SaaS services are : WxTech data / WxTech Ads / WxTech IoT / Weathernews for business



▲WxTech data (API・CSV)



▲WxTech Ads (Weather-linked ads)



▲Weathernews for business



▲WxTech IoT(Soratena Pro)

APPENDIX

Consolidated Balance Sheet

(Millions of Yen)	2023.5 Q3 Actual	2023.5 Actual	2024.5 Q3 Actual
Current assets	15,932	17,377	17,322
Non-current assets	3,573	3,602	3,463
Total assets	19,506	20,979	20,786
Current Liabilities	1,632	2,300	1,505
Non-current liabilities	94	278	249
Total Liabilities	1,727	2,579	1,754
Total net assets	17,778	18,400	19,031
Equity-to-asset ratio (%)	90.7	87.3	91.1
Net assets per share (JPY)	1,605.0	1,661.2	1,714.7

Appendix Consolidated Profit and Loss Statement (Q3 2023.5 vs Q3 2024.5)

(Millions of Yen)	2023.5 Q3 Actual	2024.5 Q3 Actual	Y/Y
Net sales	5,318	5,507	+3.6%
Operating profit	1,238	1,024	△17.3%
Margin (%)	23.3	18.6	△4.7Pt
Ordinary profit	1,267	1,053	△16.9%
Profit attributable to owners of parent	881	731	△17.1%
EPS (JPY)	80.0	66.2	+13.8JPY
FOREX Rates (JPY/USD)	132.7	146.8	+14.1JPY

Appendix

Sales by Segment (Q3 2023.5 vs Q3 2024.5)

(Millions of Yen)	2023.5 Q3 Actual	2024.5 Q3 Actual	Y / Y
Sea	1,343	1,445	+7.6%
Sky	301	322	+7.3%
Land	908	947	+4.4%
Environment	300	304	+1.7%
Others BtoB	11	32	+194.3%
Mobile•Internet	1,891	1,910	+1.0%
Broadcast	564	547	△2.9%

Sales by Segment (Quarterly transition)

(Millions of Yen)	2023.5 Actual				2024.5 Actual		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Sea	1,378	1,432	1,343	1,350	1,411	1,452	1,445
Sky	334	311	301	289	301	316	322
Land	734	765	908	795	802	823	947
Environment	225	249	300	270	286	296	304
Others BtoB	7	10	11	22	22	36	32
Mobile·Internet	2,011	1,940	1,891	1,987	2,229	2,072	1,910
Broadcast	532	554	564	597	525	576	547



We have created this material based on the information we currently have and certain assumptions that we deem reasonable. We make no representations or warranties with respect to the accuracy or completeness of this material.

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.