



weathernews

Mid-Term

Management Plan

Fifth Growth Period

Stage1 (2023-2025)

The Roots of Weathernews Inc.

--January 1970, Iwaki City, Fukushima, Japan

A rapidly developed low pressure system hit Onahama Port, causing a cargo vessel to sink, taking the precious lives of fifteen crew members.

“Could this tragedy have been prevented if weather information was communicated in a way that is truly useful to people?”

This question led Hiro Ishibashi to step into the world of meteorology and establish Weathernews Inc. in 1986.

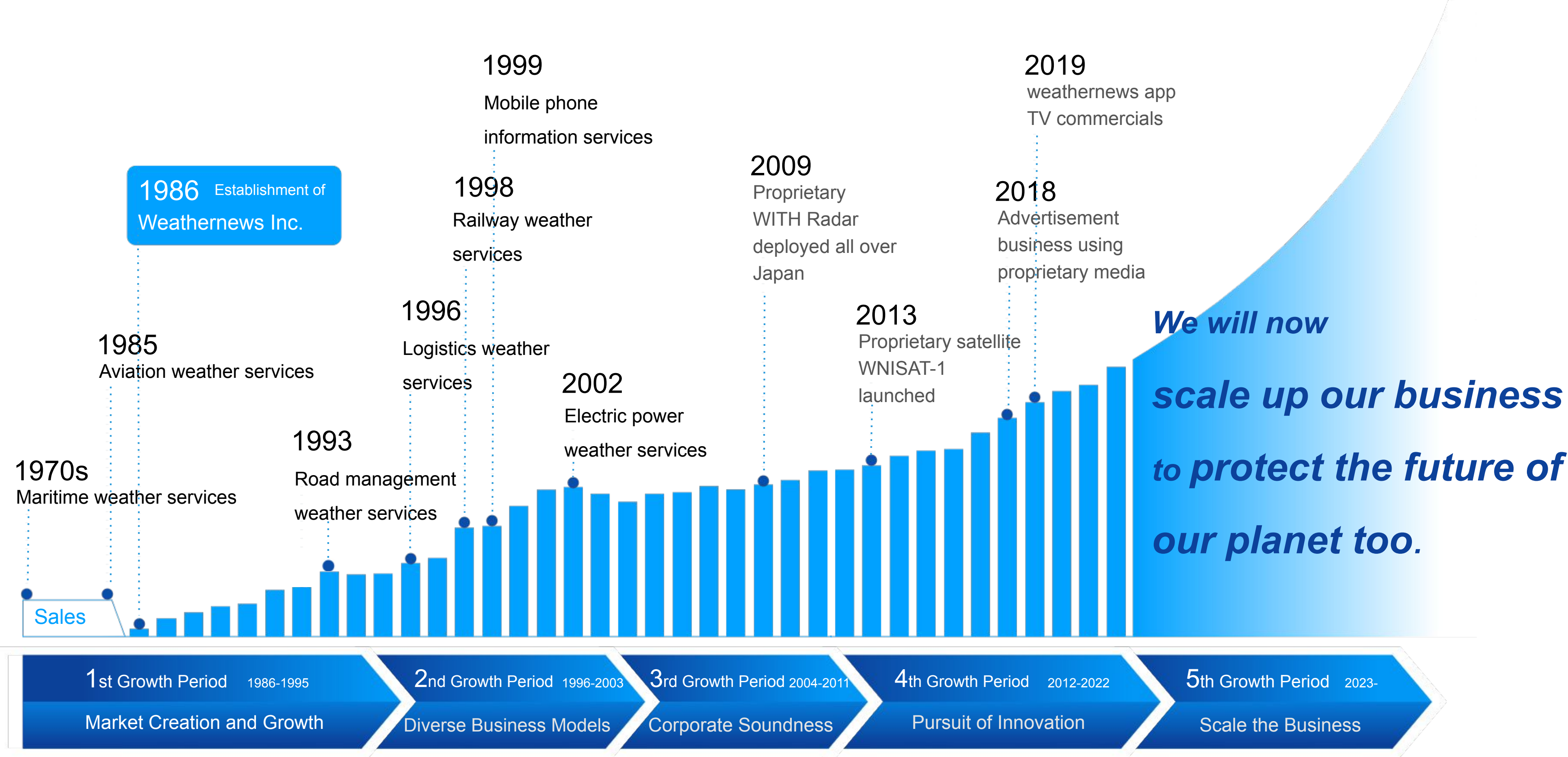


Our Dream

Saving the lives of sailors.
Saving the future of our planet too.



Corporate History



Our Three Values



Our greatest strength is the vast amount of weather data accumulated for forty years.

We will continue to enhance the world's largest weather/environmental database in cooperation with many supporters, including national meteorological and hydrological services, individuals, and companies around the world.

Business data from various industries will also be used to accelerate value creation through data analysis.



We are committed to providing the best accurate forecasts.

We will continue to provide the most accurate forecasts by leveraging our know-how and combining massive amounts of data with the latest AI technology.

Furthermore, we will challenge to providing various content and business forecasting beyond weather and environmental aspects by working with our supporters.

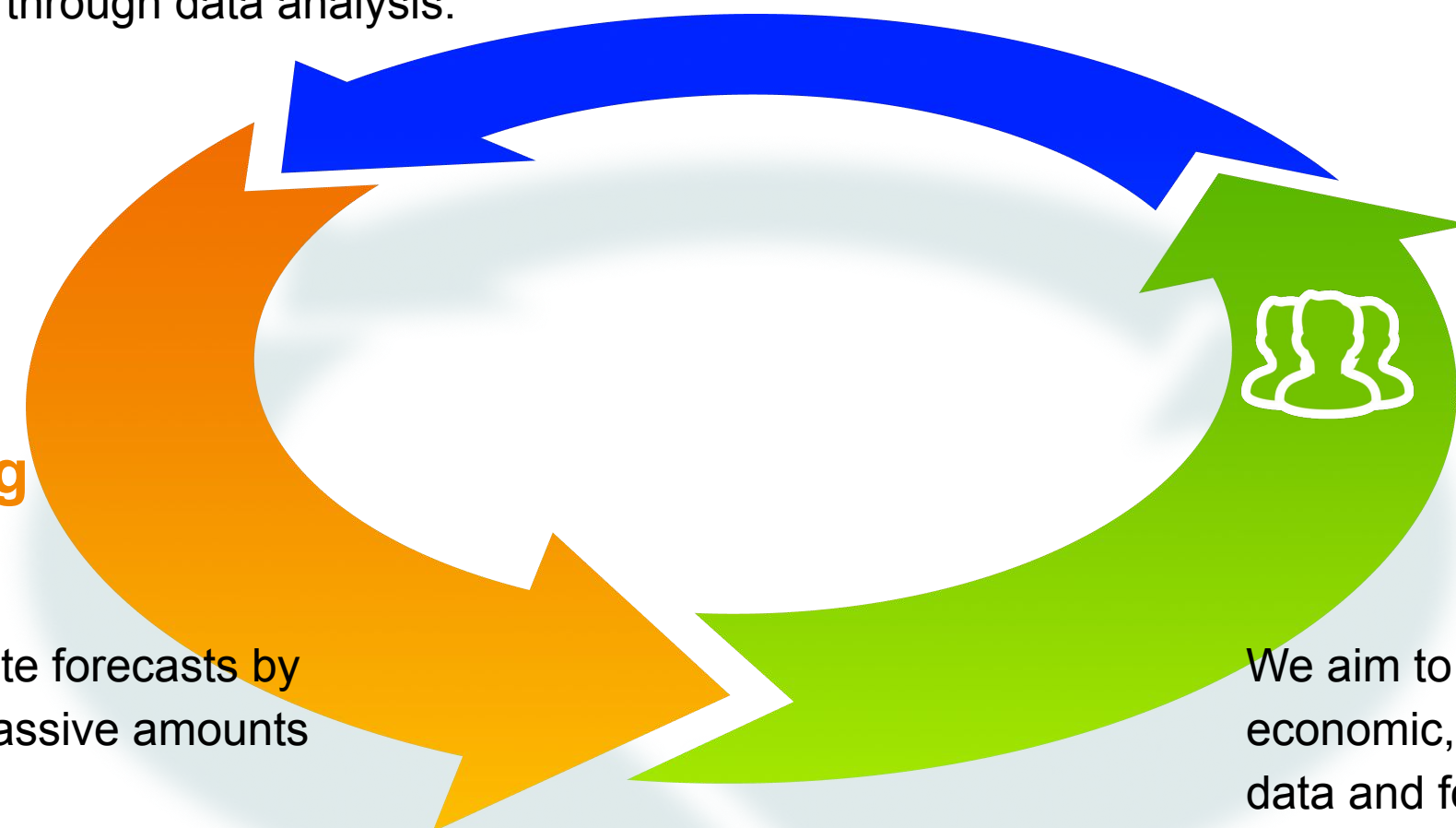


Community

We believe in the power of communities.

We aim to pioneer in optimizing each community's safety, economic, and environmental concerns with extensive data and forecasting technology, while proactively incorporating the input from each community.

By working together with such communities, we will strengthen relationships and contribute to local communities and the industry as a whole.



The Three Stages of the Fifth Growth Period

Stage1 Forming the Loop

A massive amount of **data** collected from various information sources.

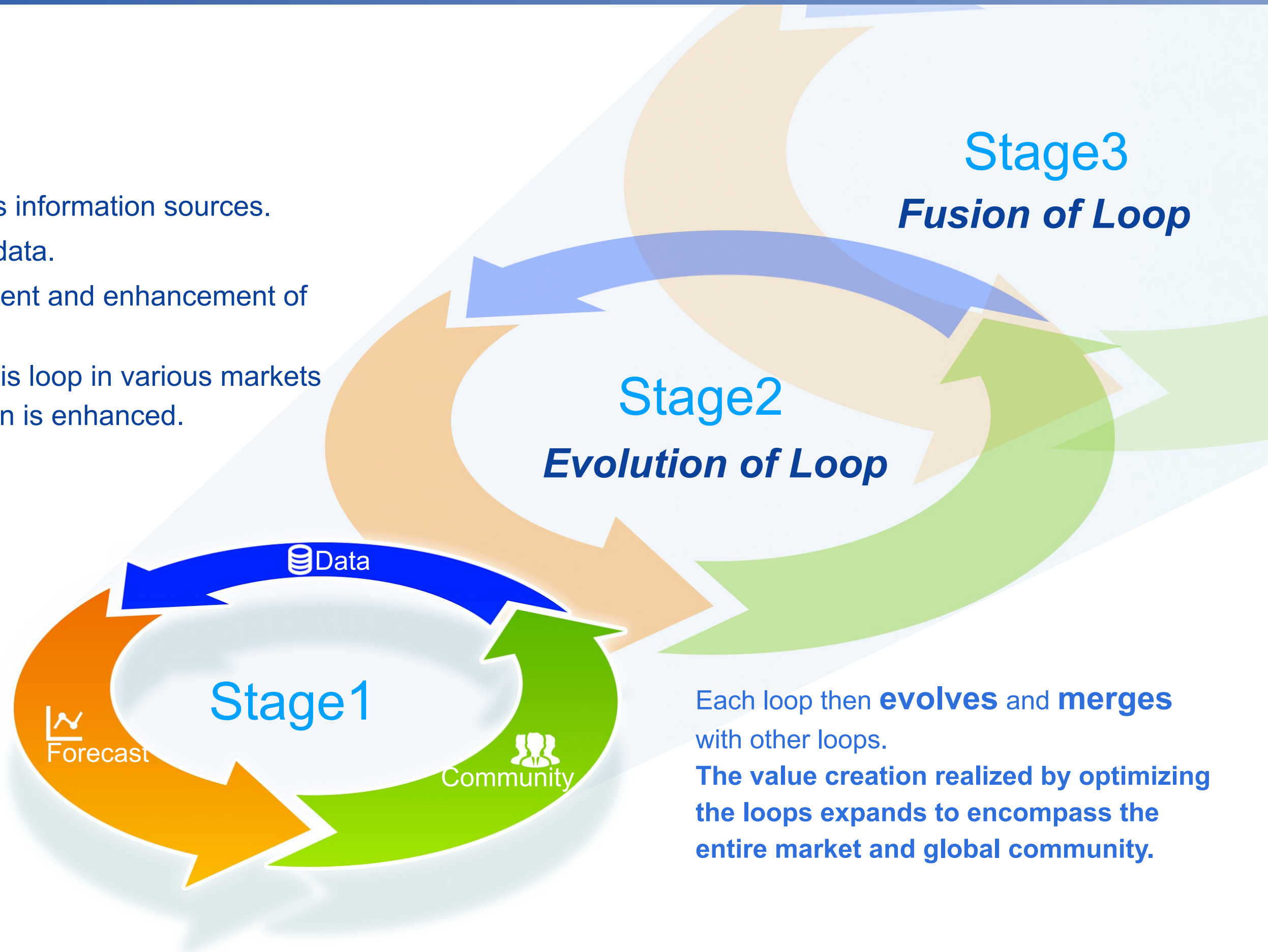
Highly accurate **forecasts** generated from this data.

A **community** that participates in the improvement and enhancement of accuracy.

In the first three years (Stage 1), we will create this loop in various markets where these elements circulate and value creation is enhanced.

Examples

- Provide optimal route forecasts using our massive navigation database;
- Visualize low visibility areas and routes to avoid collision using real-time aircraft position data;
- Predict green power generation based on wind speed and solar radiation data;
- Provide the most accurate weather forecasts based on weather reports from users



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

Focus Area 1 Develop a New Customer Base Through a SaaS Model

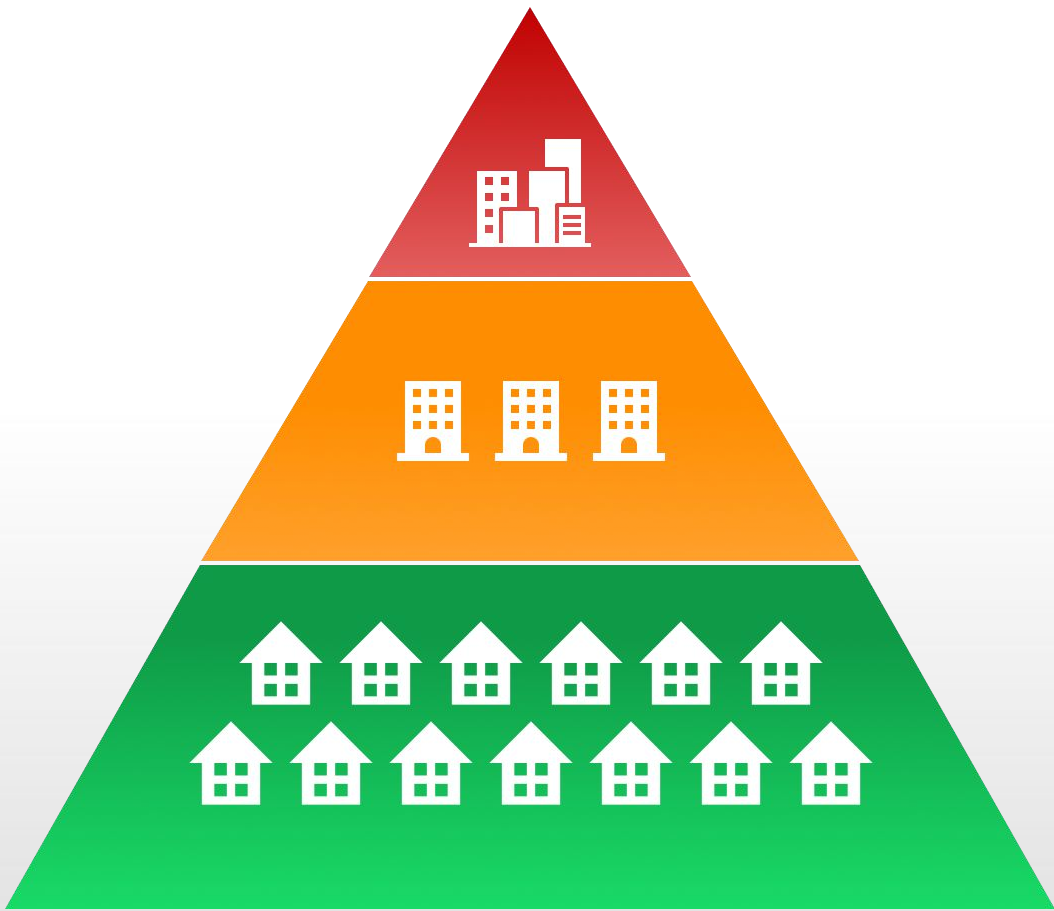
Change how we sell

with simple pricing

for SaaS products to support more companies



| | Basic | Business | Enterprise |
|-----------|-------|----------|------------|
| Service A | ✓ | ✓ | ✓ |
| Service B | | ✓ | ✓ |
| Service C | | ✓ | ✓ |
| Service D | | | ✓ |



Build a global sales force that leverages the strengths of the Internet and our unique media, switching over from the previous focus on field sales.

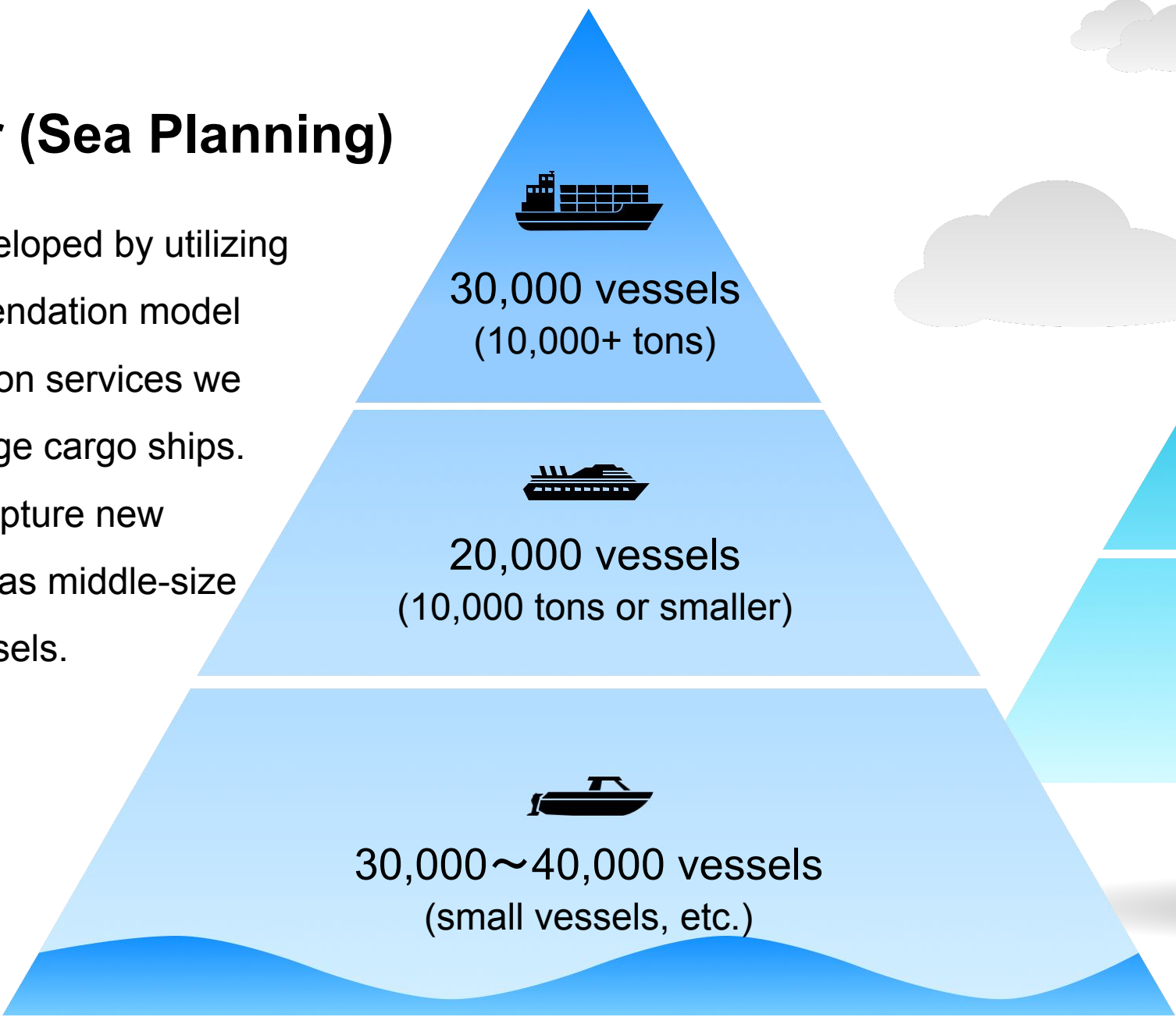
Shift to a simple pricing structure with scalable products instead of different service prices for each contract.

Provide SaaS services to address a variety of needs for large- to middle-sized companies, and even small businesses.

Main Business Areas and Respective TAM's

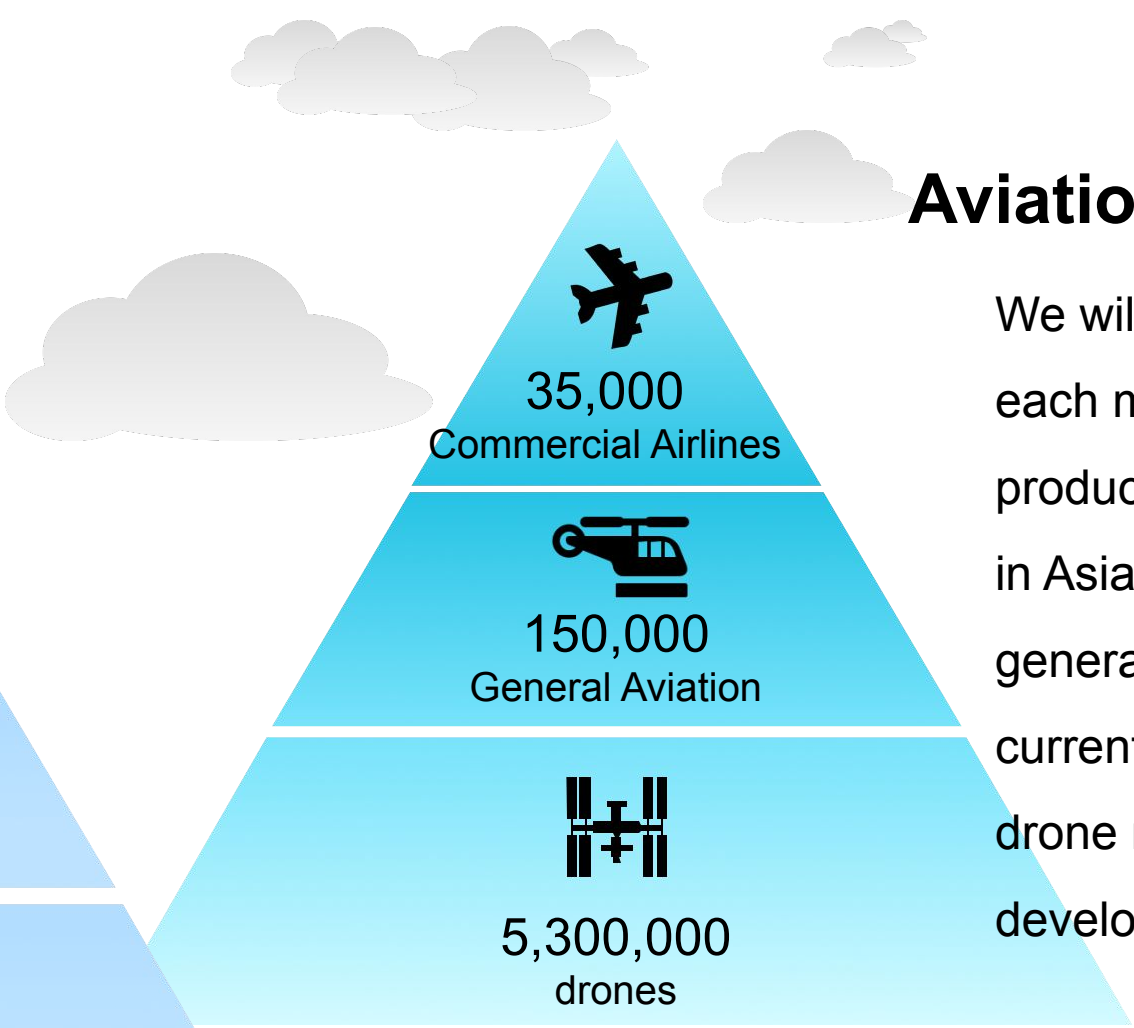
Maritime Weather (Sea Planning)

SaaS products will be developed by utilizing the optimal route recommendation model and environmental operation services we have been providing to large cargo ships. Through this, we aim to capture new customer segments, such as middle-size cargo ships and small vessels.



Aviation Weather (Sky Planning)

We will accelerate our global expansion in each market by developing new scalable products for the commercial aviation (CA) in Asia and the Japanese market for general aviation (GA) to which we currently service, as well as the untapped drone market, which is expected to rapidly develop in the near future.



**TAM(Total Addressable Market): Overall market size that can be acquired with the business*

Main Business Areas and Respective TAM's

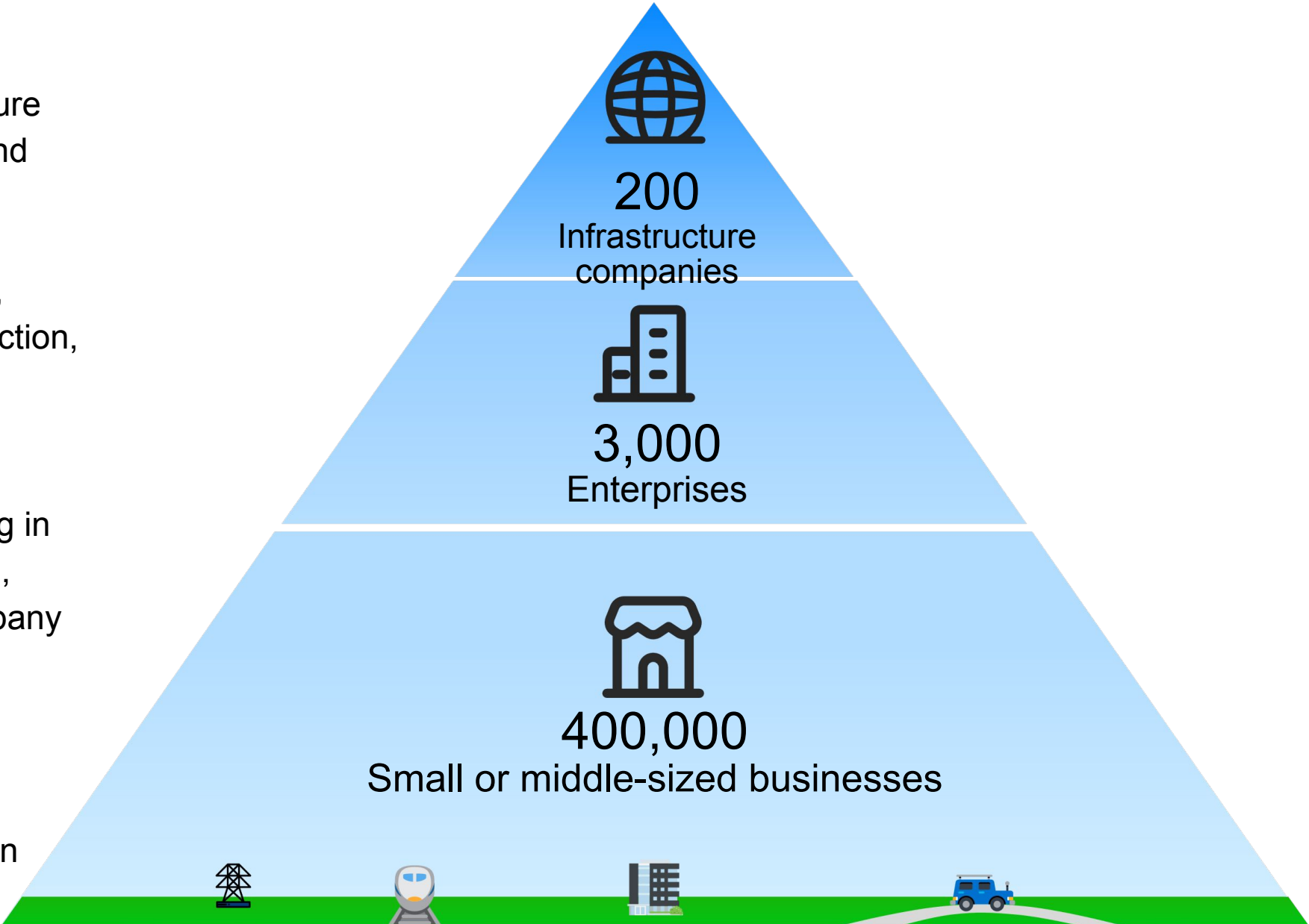
Land Transportation Weather Services

Until now, we mainly provided transportation weather services on land to major infrastructure companies in Japan. Our main focus was on customized highway maintenance support and railroad operations support.

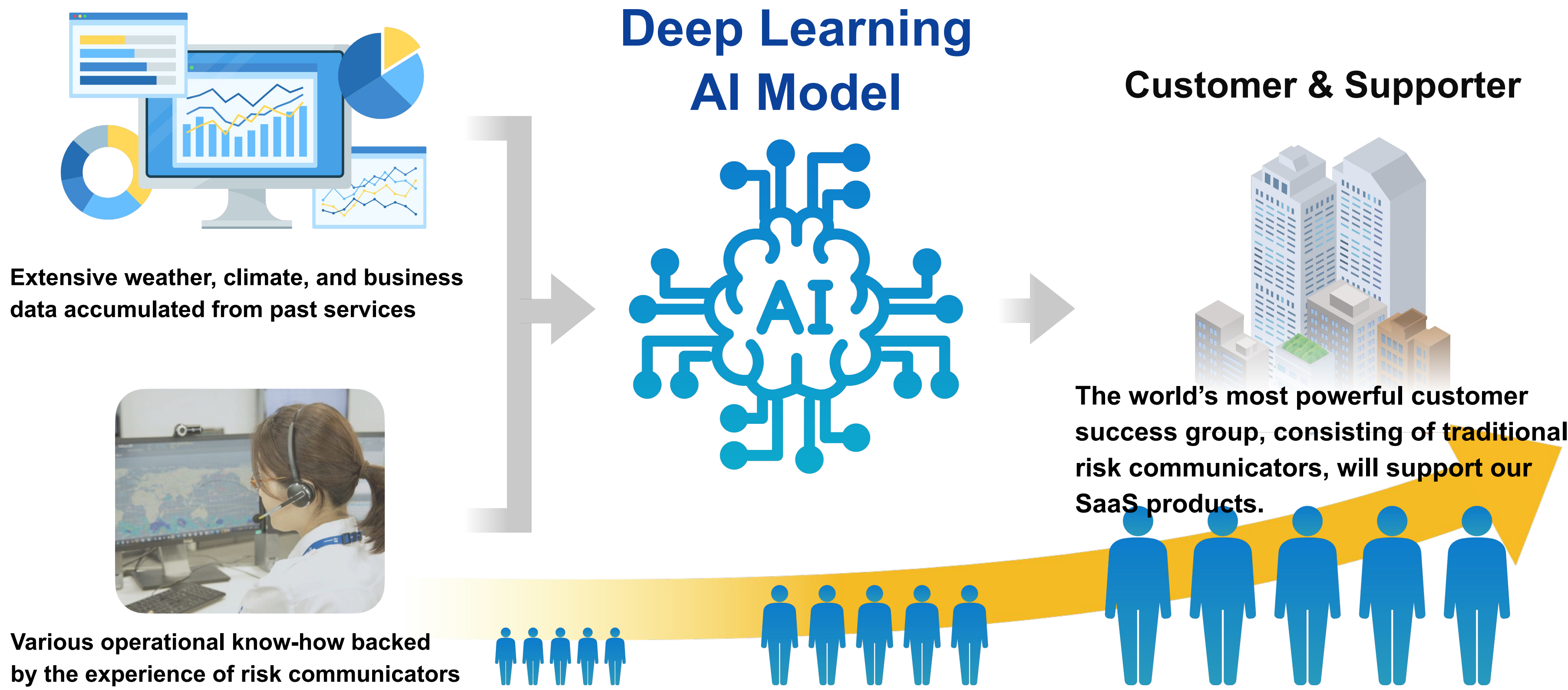
Going forward, we will expand our services to cover all land-based transportation weather, including general roads, private railways, buses, taxis, and logistics. For disaster risk reduction, in addition to support for disaster management operations of prefectural and municipal governments, we will also address needs regarding corporate disaster management.

In recent years, long-term environmental risks due to climate change have been increasing in addition to short-term weather risks, calling for more extensive WNI services. Furthermore, there are also diverse needs regarding event facilities and factories, notwithstanding company size. In particular, supporting the reduction of CO2 emissions through the use of weather information has become an important issue from the perspective of protecting the global environment.

By providing scalable products that can address all of these needs, we can contribute to an extensive customer base. We will continue to develop our business by looking at the Total Addressable Market (TAM) in this blue ocean market.



Focus Area **2** A New AI Operation Model Starting with Data Analysis



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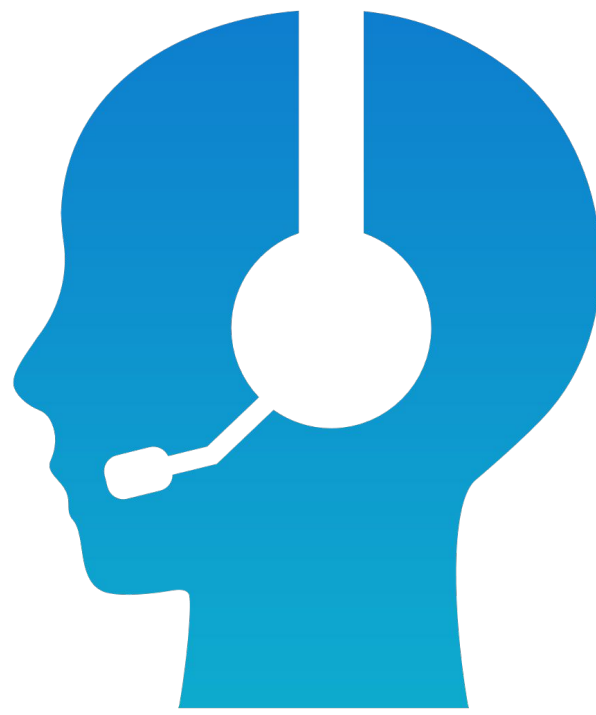
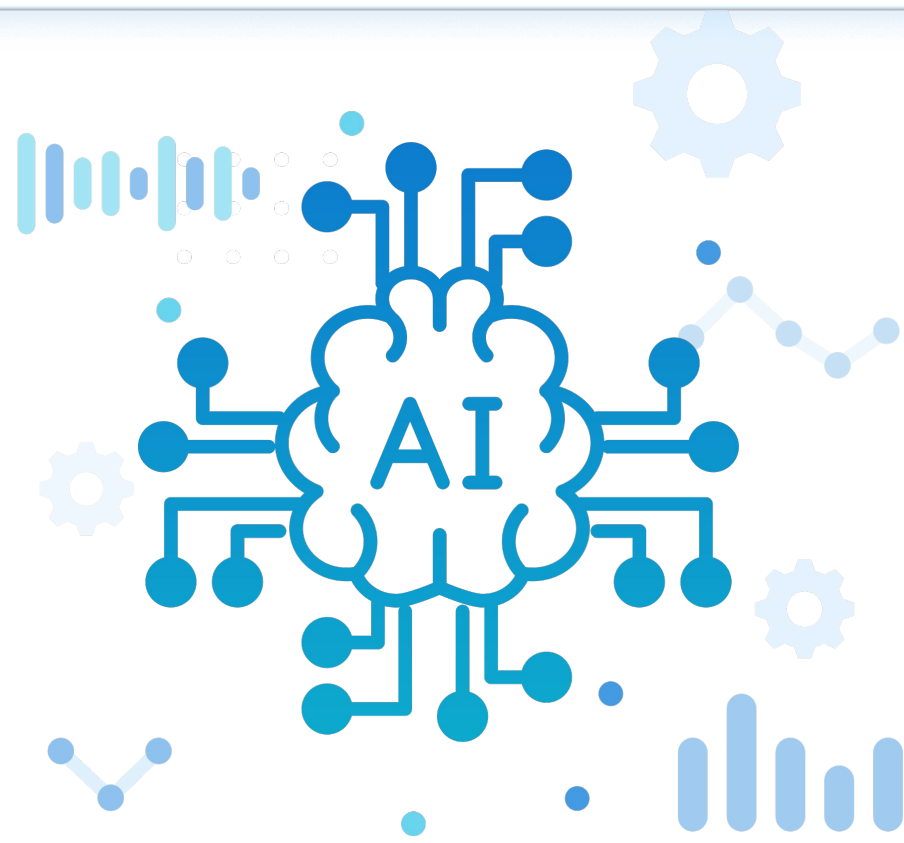
New Product

Onboarding

Adaptation

Renewal
& Upselling

Customer
& Supporter



menu A
menu B **✕** Account = Price
menu C
menu D

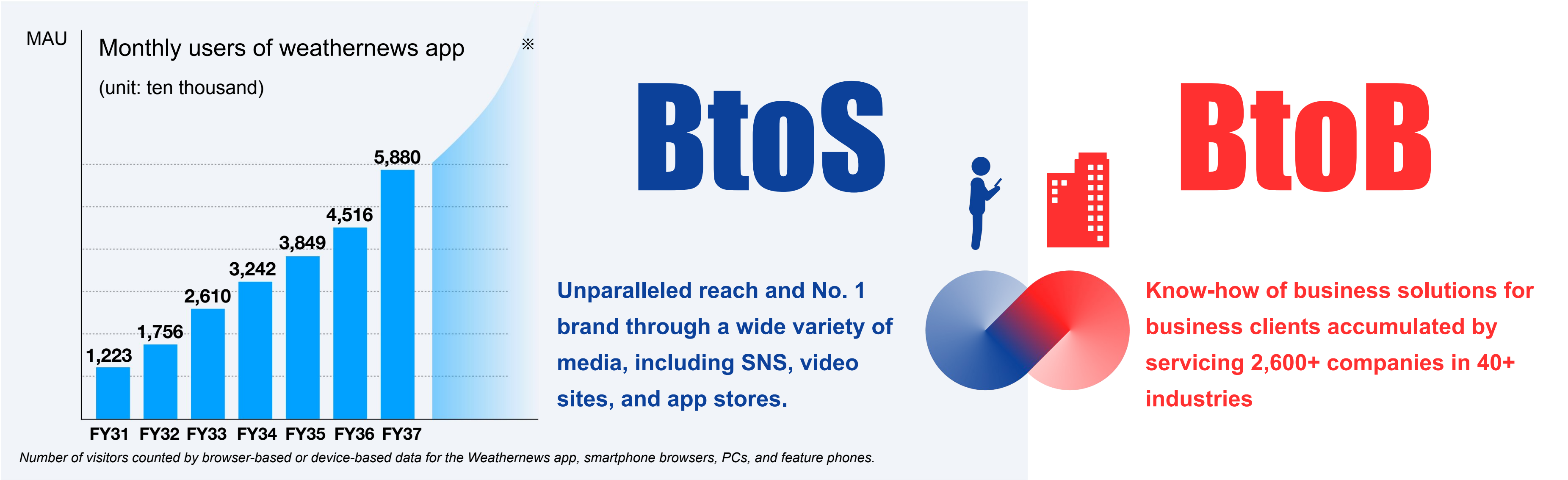
Customer Success

Transform service operations while maintaining high quality, professional service and low cancellation rate

Build an AI operation model to significantly improve profit margins

Focus Area 3 Value by the Synergy of Connected Individuals and Corporations

We will increase individual supporters by active investment.
This will help us create synergy between the assets of both BtoS and BtoB.



A new stage of value creation by connecting S (individual supporters) and B (corporations)

Focus Area 3 Value by the Synergy of Connected Individuals and Corporations

example using *weathernews for business*

Your daily-used app easily converted into a business solution!



Customized smartphone display for each business customer

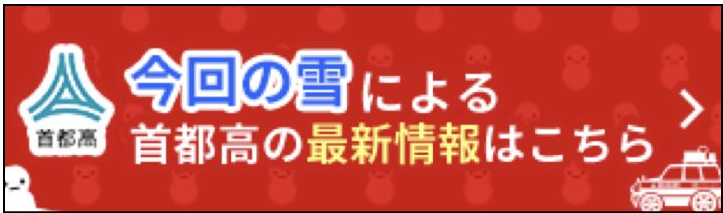
- Customized PC and mobile solutions for each business customer.
- Decision-making support by consistent information for both headquarters and in the field.
- Cutting-edge technology, including push notifications and maps.

Focus Area 3 Value by the Synergy of Connected Individuals and Corporations

Examples of PR and marketing support by leveraging our network



Energy saving campaigns by electric power companies



Alerts of traffic restrictions by road companies



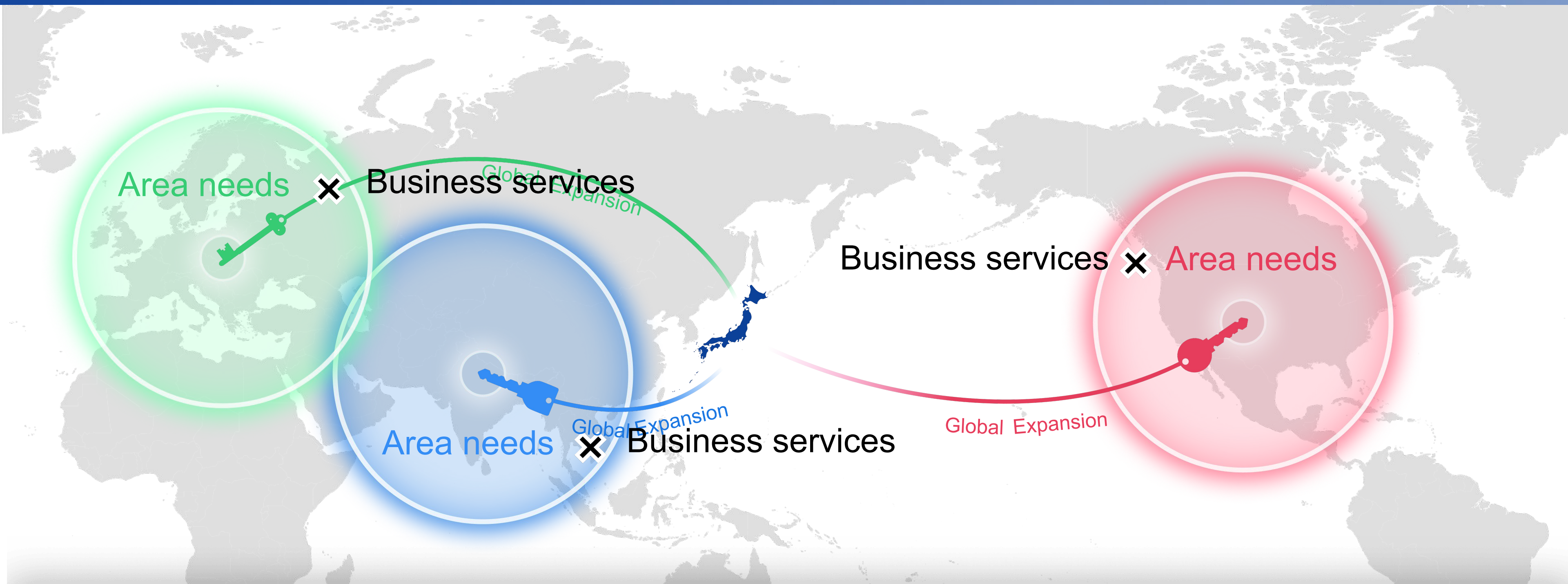
PR support for local government campaigns



Promote public heat stroke awareness initiative

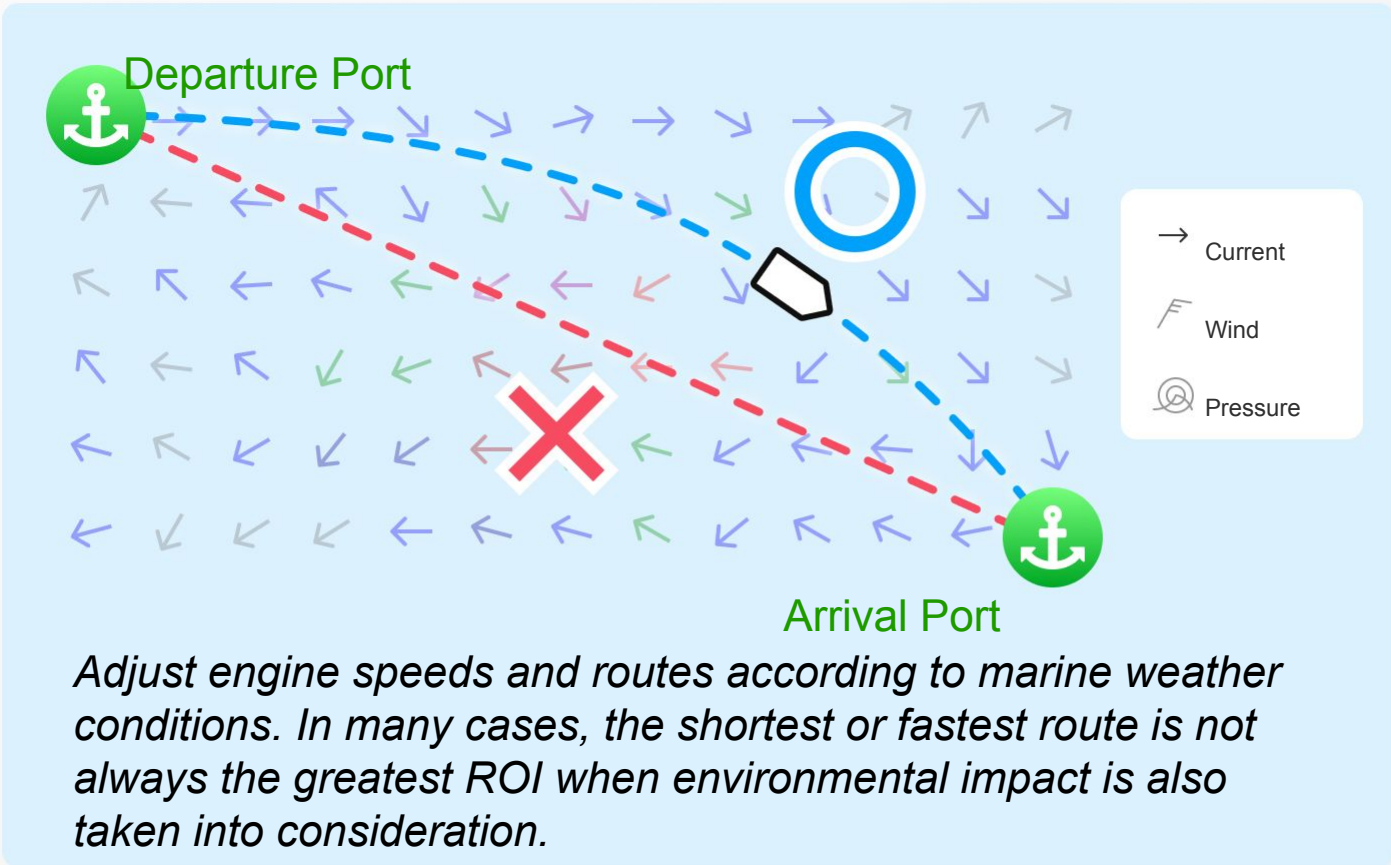
SOURCE: JAPAN MOE, CLIMATE CHANGE INFORMATION WEBSITE

Focus Area 4 Global Business Structure for Continued Growth in the Future



To accelerate the service development for each business to meet the needs of each region,
we will establish a global structure (regional sales HQ) to turn the key to success.

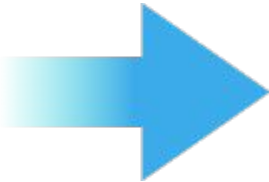
Example of CO2 Reduction Service for Maritime Weather



Current reduction: 3.87M tons per year

Examples include:

- Shipping: Optimal route support to reduce environmental impact
- Electric Power: Optimize reserve power sources through demand forecasting
- Logistics: Reduce waste loss through order optimization



KPI for the Fifth Growth Period

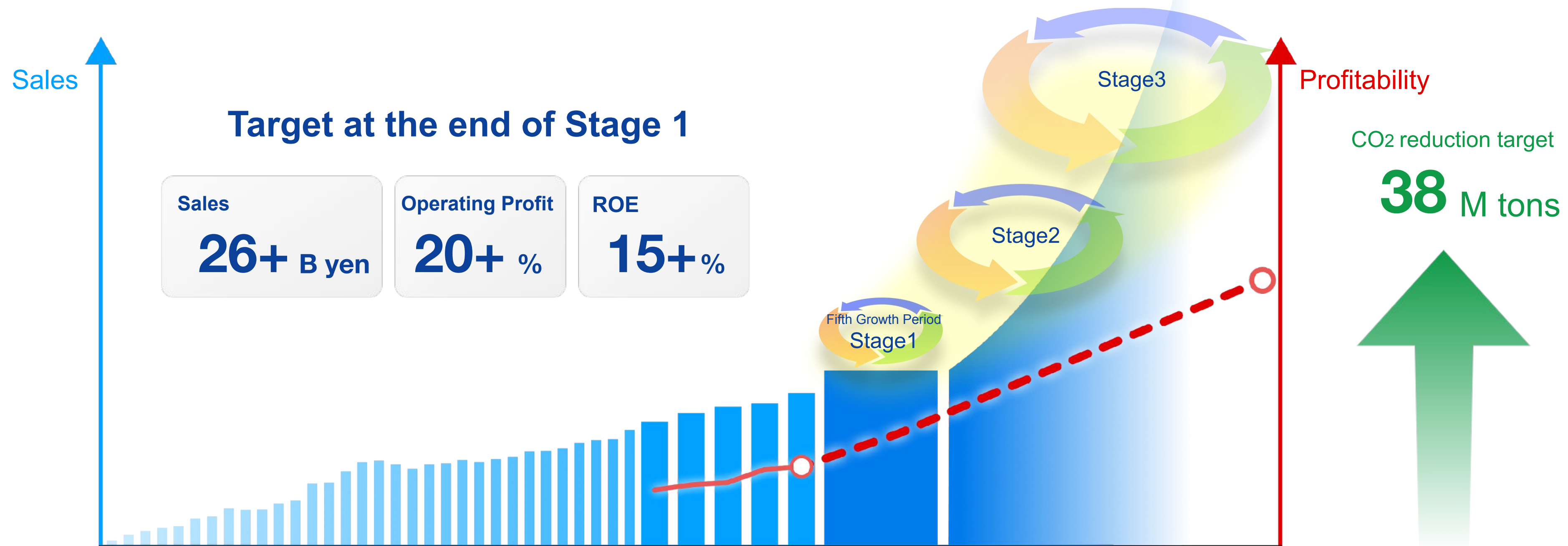
38M tons per year globally

**6% of Japan's CO2 emission reduction target in 2030*

In addition to the shipping sector, we aim to contribute to the global environment by all 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.



Our Vision for the Fifth Growth Period



The weather and environmental data cloud relied on by all sectors



Japan as a global benchmark for disaster risk reduction



Support decarbonization and set the standard for environmental operations



Vessels
50,000



Aircrafts
90,000
(+ 5M Drones)



BtoB Supporters
500K companies



MAU
500M



CO₂ Reduction
38M tons

* Approx. 6% of Japan's required emission reductions in 2030



Environment

Contribute to a Sustainable Global Environment

- ◉ Promote climate change adaptation and mitigation through services
- ◉ Accelerate efforts to decarbonize and reduce environmental impacts
- ◉ Contribute to biodiversity conservation and a recycle-based society through our business



Social

Diversity & Inclusion to Accelerate the Business

- ◉ Promote the success of a diverse and global workforce
- ◉ Strong corporate structure to enforce the HR strategy



Governance

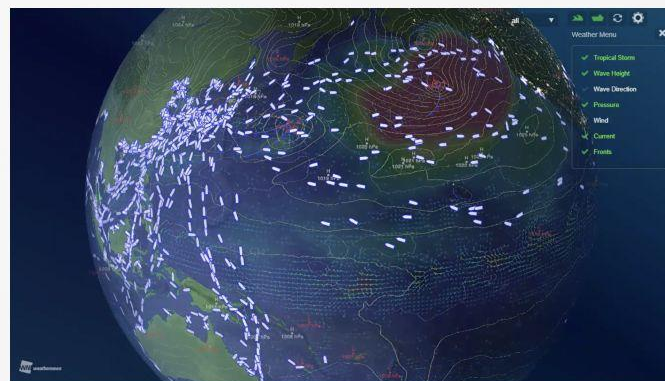
Corporate Governance for ESG Management

- ◉ Reinforce the effectiveness of the Board of Directors
- ◉ Strengthen the independence and supervision of the Board of Directors



1. Promote Climate Change Adaptation and Mitigation through Services

Adaptation to climate change and reduction of CO2 emissions and other environmental impacts through weather and climate services



2. Initiatives to Reduce Our Carbon Footprint

GHG emissions reduction and introduction of renewable energy.

Net zero for Scopes 1 and 2* by 2030

Scope 1: CO2 emissions from the operator's own fuel consumption

Scope 2: CO2 emissions from the use of electricity supplied by other companies

3. Contribute to Biodiversity and a Recycle-based Society Through Our Business

◉Corporate and individual supporters and their commitment to biodiversity conservation

◉Contribute to a recycle-based society by reducing food loss through our services



4. Increase Internal and External Awareness of the Environment

Participate in environmental events, constitute BCP measures, organize climate change awareness activities, etc.





Human Resources Strategy

Promote the Success of a Diverse and Global Workforce

- ◉ Develop professional human resources that promote value creation
- ◉ Develop diverse next-generation leaders
- ◉ Leverage talents that can achieve success globally



Organizational Strategy

Strong Corporate Structure to Enforce the HR Strategy

- ◉ Improve productivity per staff through digital transformation
- ◉ Diverse options for career development and workstyle



Reinforce the Effectiveness of the Board of Directors

Increase the effectiveness of the Board of Directors, focusing on medium- to long-term management strategies, allocation of resources, business portfolio, sustainability, and risk management.

Strengthen the Independence and Supervision of the Board of Directors

Continue to review of the number and diversity of directors, ratios, and institutional design

[Current]

◉ *Independent Outside Directors—At least one-third*

◉ *Voluntary Nomination and Compensation Committee*

◉ *Independent Outside Directors serve as Chairman of the Board of Directors regarding business investments*

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.

Disclaimer

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