



Financial Results for 2024.5 (ended May 31, 2024)

Weathernews Inc
July 8, 2024



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Summary of financial results

【Net sales】 22,242 MJPY(+5.3% Y/Y)

Mobile, Sea and Land businesses drove sales growth.

【Operating profit】 3,270 MJPY (+0.4% Y/Y)

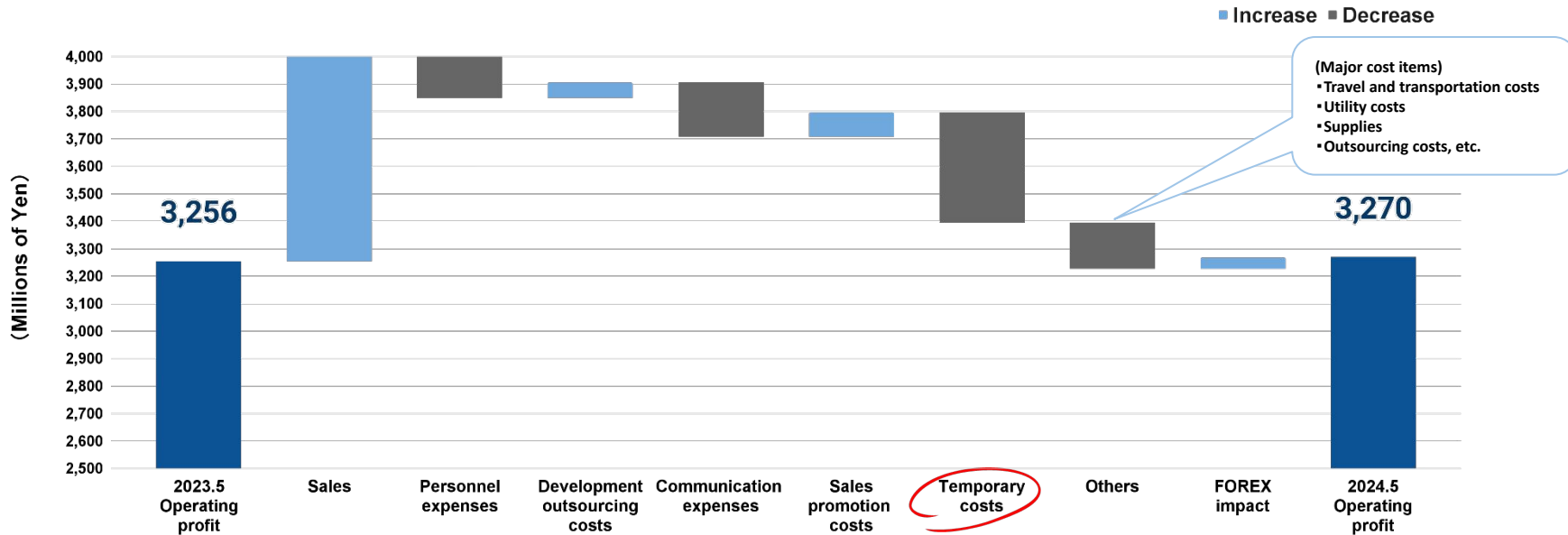
Temporary cost recorded due to business liquidation for medium- to long-term growth, but profits remained flat.

(Millions of Yen)	2023.5 Actual	2024.5 Forecast	2024.5 Actual	Y/Y	vs Fcst
Net sales	21,114	22,500	22,242	+5.3%	△1.1%
Operating profit	3,256	3,500	3,270	+0.4%	△6.6%
Margin(%)	15.4	15.6	14.7	△2.2Pt	△0.9Pt
Ordinary profit	3,284	3,500	3,341	+1.7%	△4.5%
Profit attributable to owners of parent	2,398	2,500	2,437	+1.7%	△2.6%
EPS (JPY)	217.7	226.5	220.9	+5.3JPY	+5.6JPY
ROE (%)	13.7	13.2	12.8	+0.9Pt	△0.4Pt
FOREX Rates (USD/JPY)	135.5	130.0	147.9	+8.7JPY	+17.8JPY

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.
- Temporary costs incurred such as unrecorded liabilities liabilities, disposal costs related to our weather radar.

Operating profit Analysis



Update on the Meteorological Data Strategy

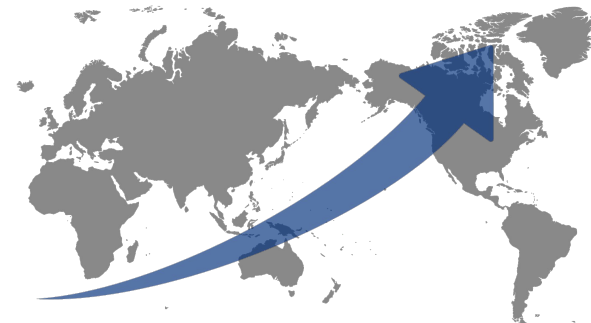
- Reviewed the strategy for enriching data, one of the company’s strengths, from this FY.
- We reduced the production of its weather observation infrastructure (EAGLE Radar) and recorded temporary cost for its disposal cost and valuation losses.
- We will further accelerate our efforts to acquire weather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



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



New compact and lightweight weather IoT sensor ”Soratena Pro”



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

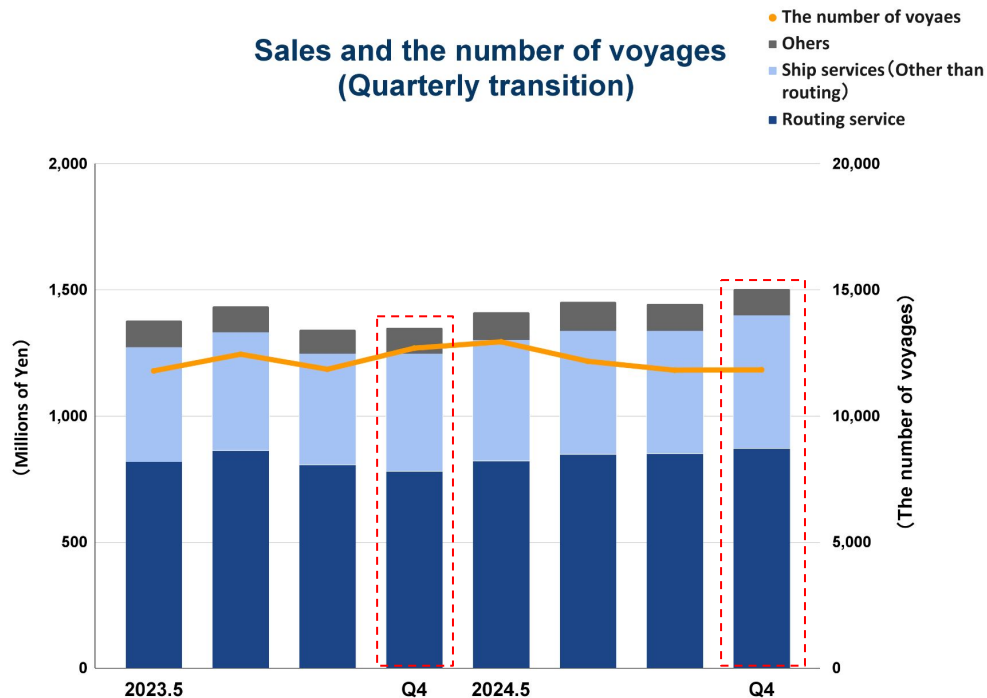
1. 2024.5 Results

Sales by Segment

Business environment and results

Millions of Yen	2023.5 Actual	2024.5 Actual	Y/Y (%)	
Sea	5,503	5,813	+5.6	<ul style="list-style-type: none"> •Decrease in the number of service voyages in existing contracts due to geopolitical risks. •The number of service voyages remained flat due to lost orders from some customers. Overall revenue increased due to new orders for an environmental navigation support service, and the impact of foreign exchange rates.
Sky	1,235	1,261	+2.1	<ul style="list-style-type: none"> •In the airline market, passenger volume on both domestic and international flights continued to recover due to demand for inbound travel to Japan and domestic leisure demand. •Sales to domestic and international airlines market recovered, and sales increased with new services in the domestic helicopter market
Land	3,202	3,495	+9.1	<ul style="list-style-type: none"> •Increased need for weather information for disaster prevention and transportation during extreme weather events. •In the expressway market, sales increased as customers expanded due to the provision of weather information based on regional characteristics.
Environment	1,044	1,184	+13.4	<ul style="list-style-type: none"> •Increased marketability of energy weather in general due to the growing market for renewable energy in Japan and Europe. •In Japan, sales of SaaS products WxTech Data and Weathernews for Business remained strong, resulting in increased revenues.
Other BtoB	50	123	+142.8	<ul style="list-style-type: none"> •In the Climate Tech business, sales increased due to an increase in orders for Climate Impact, a climate change risk analysis service in Japan.
Mobile·Internet	7,829	8,206	+4.8	<ul style="list-style-type: none"> •DAUs continue to increase due to advertising investment in TV commercials and increased attention to domestic weather topics. •Overall sales increased due to an increase in advertising revenue on the back of an improvement in the advertising market and an increase in DAU, despite a decrease in sales to mobile carriers in the subscription sales.
Broadcast	2,247	2,159	Δ3.9	<ul style="list-style-type: none"> •Increased importance of weather information such as heavy rainfall and heat waves associated with extreme weather events in disaster prevention reporting. •Sales declined while efforts to improve service operation efficiency and build new services continued.

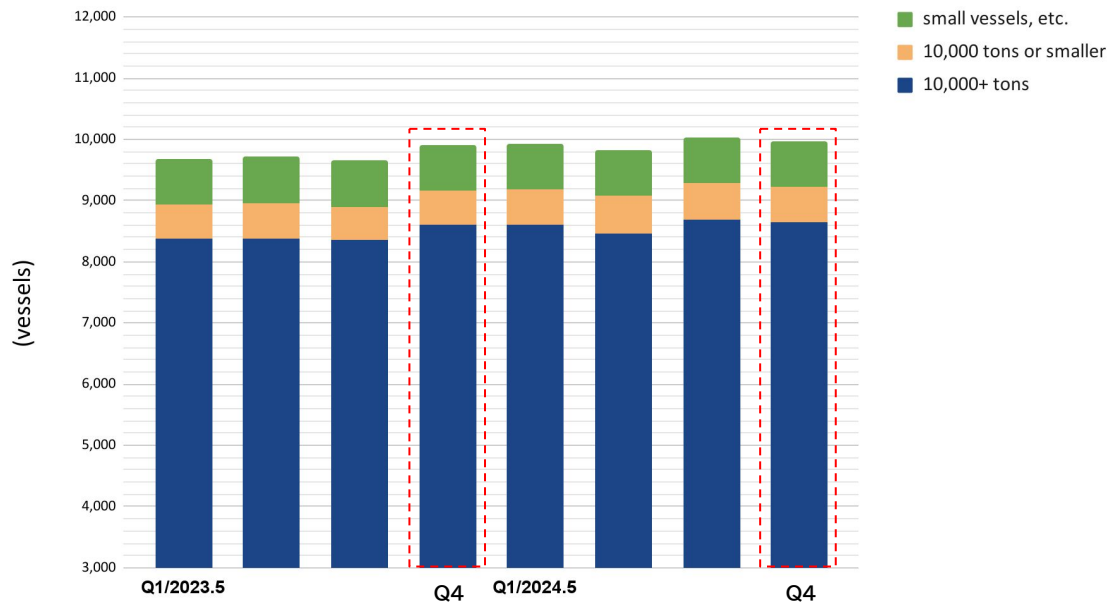
- Cargo movement slowed against a backdrop of heightened geopolitical risks in Europe.
- Number of voyages remained flat due to slowdown in cargo movement caused by market conditions and loss of orders from some customers. Revenues increased due to new orders for environmental navigation support service in the Americas, and the effect of FOREX rates.



1. 2024.5 Results

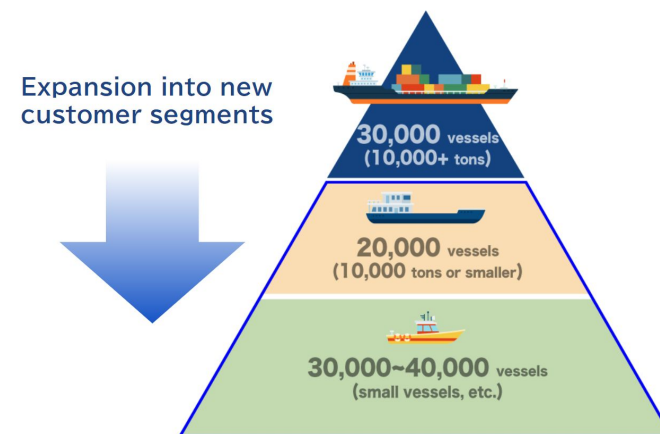
Sea business - 2

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 (shown in Mid-term management plan)



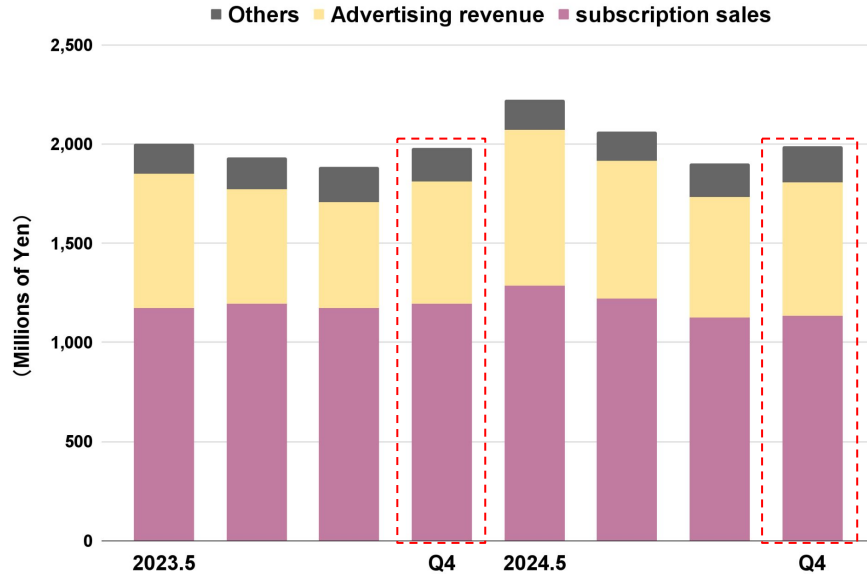
1. 2024.5 Results

Mobile/ Internet business

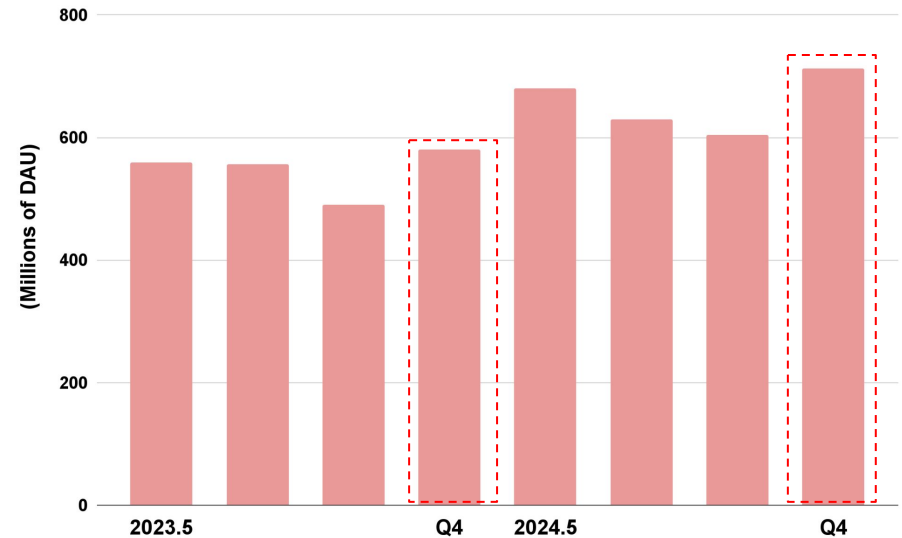
- Increased awareness through investment in advertising and the No. 1 rating in forecast accuracy led to an increase in daily usage and an increase in accumulated DAU. In addition, advertising revenues increased on the back of improved advertising market conditions.
- Subscription sales declined due to lower sales to mobile carrier.

*DAU: Daily Active Users

Sales (Quarterly Transition)



Cumulative DAU (Quarterly Transition)



Summary of Financial plan

【Net sales】 23,500 MJPY(+5.7% Y/Y)

Plan to increase revenues through continued growth in mobile weather business, growth in Europe in nautical weather business, and expansion of SaaS business in Land Domain(*).

【Operating profit】 3,800 MJPY(+16.2% Y/Y)

Steadily promote the transformation to a more profitable structure and aim for record profits at each stage of the profit structure.

(Millions of Yen)	2024.5 Actual	2025.5 Forecast	Y/Y
Net sales	22,242	23,500	+5.7%
Operating profit	3,270	3,800	+16.2%
Margin (%)	14.7	16.2	+1.5Pt
Ordinary profit	3,341	3,800	13.7%
Profit attributable to owners of parent	2,437	2,700	+10.8%
EPS (JPY)	220.9	244.2	+23.3JPY
ROE (%)	12.8	13.3	+0.5Pt
FOREX Rates (USD/JPY)	147.9	150.0	+2.1JPY

2. 2025.5 Full-year Forecast

Sales Forecast by Domain

*See next page for definition of each Domain

(Millions of Yen)	2024.5	2025.5	Y/Y
Domain	Actual	Forecast	
Sea	5,813	6,000	+3.2%
Sky	1,210	1,260	+4.0%
Land	6,301	6,740	+7.0%
Internet	8,082	8,700	+7.6%
Subscription Sales Total	21,407	22,700	+6.0%
Others	835	800	△4.3%
Grand Total	22,242	23,500	+5.7%
(Subscription Sales ratio)	96.2%	96.6%	+0.4Pt

Redefine business areas

To strengthen synergies among businesses and promote SaaS business expansion across businesses, Redefine existing Planning (business divisions) into 4 Domain (business areas).

Sea Domain



Sea Planning

Sky Domain



Sky Planning

Land Domain



Land Planning
Environment Planning
Climate Tech Planning
Broadcast Planning

Internet Domain

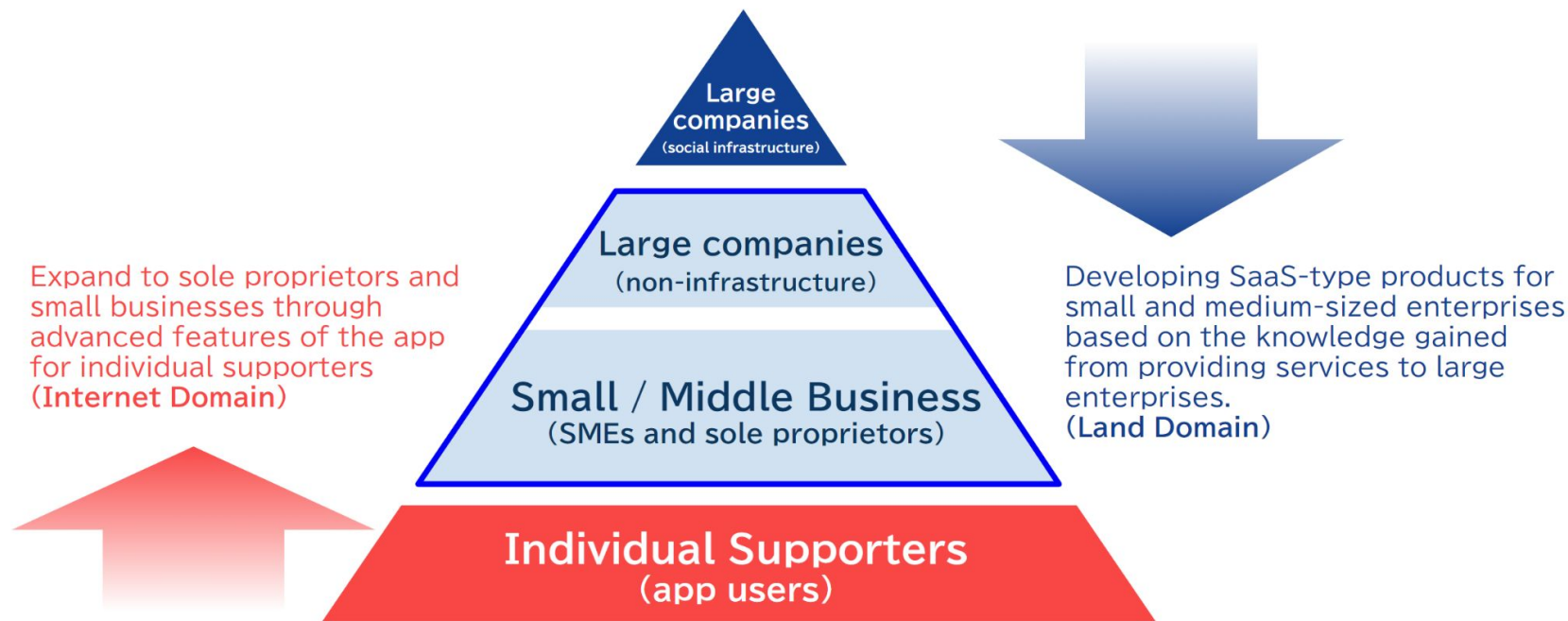


Mobile•Internet
Planning

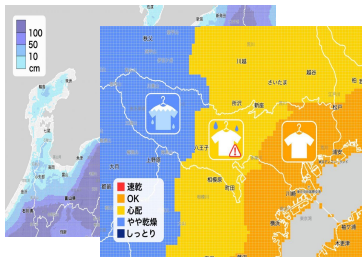
2. 2025.5 Full-year Forecast

Focused Customers

[Medium-term Management Period] Launch new SaaS products and expand to new customers (SMEs).
[Extended period] Shift existing services to SaaS type and aim for further profitable structure.



2. 2025.5 Full-year Forecast Introduction of Wxtech(WeatherTech)



WxTech data

Weather forecasts, past weather data, data with disaster risks such as earthquakes, tsunamis, and volcanoes, as well as data related to human life and health, such as cherry blossom forecasts, pollen amounts, heat stroke, ultraviolet rays, weather pain, and all other data related to natural phenomena.

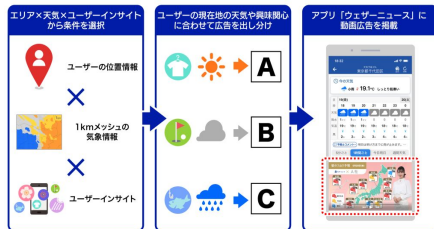
(Price: from 30,000 yen/month)

Weathernews for business

The app "Weathernews" has been updated to include your Add a weather page for your business needs. Receive business-related push notifications by registering facilities, stores, and sales offices as locations.



(Price: from 29,400 yen/month)



WxTech Ads

Deliver weather-related advertisements within the Weathernews app using high-resolution weather data and user location information. Promotes increased interest in products and willingness to purchase among users who come to browse.

(Price: from 500,000 yen)



WxTech IoT (Soratena Pro)

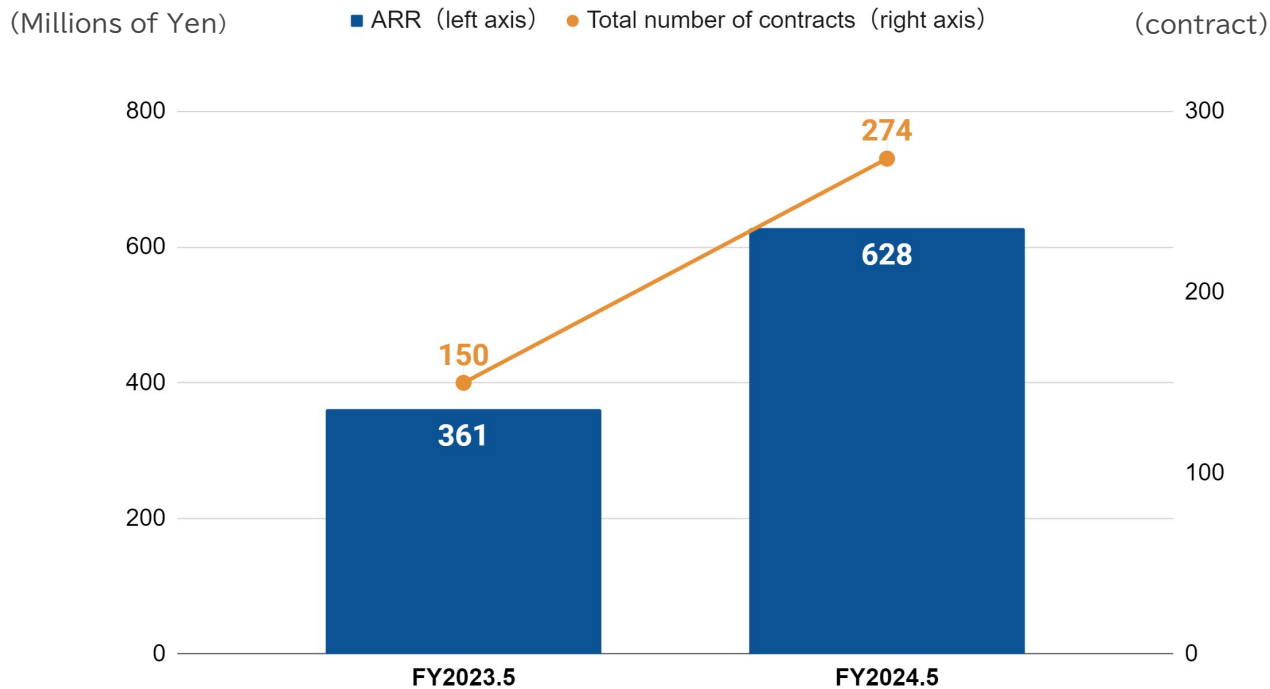
Small, lightweight, power-saving IoT sensors visualize weather conditions on site. It provides powerful support for corporate safety measures, productivity improvement, marketing measures and analysis.



(Price: from 25,000 yen/month)
*For rental

Wxtech(WeatherTech) KPI Progress

ARR continues to increase due to product enrichment and reaching new markets.
Churn rate has remained low and is expected to continue growing in FY2025.5



*Excluding spot contracts

Introduction of Weathernews Pro (coming soon)

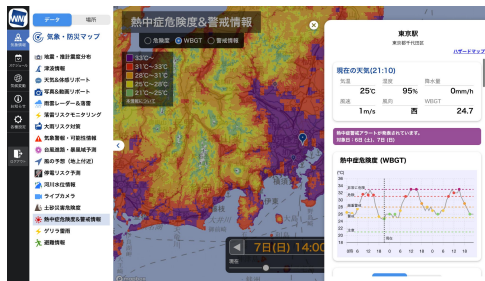
- Plans to launch "Weathernews Pro," a new service for PCs based on "Weathernews," the weather application with 42 million downloads and the No. 1 forecast accuracy for two consecutive years.
- Aiming to reach the individual business segment that wants to use advanced and specialized weather information for their business.
- Increase in monthly subscription fees is expected to contribute to future sales growth of Internet Domain.



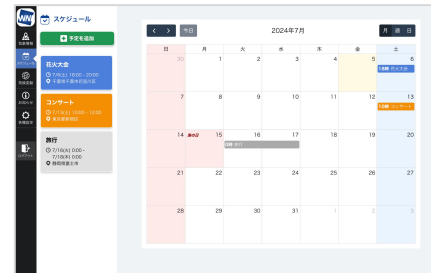
▲ Live camera images from 1,500 locations nationwide



▲ Rain cloud radar & lightning strike crossed with typhoon information



▲ Heatstroke risk and warning information



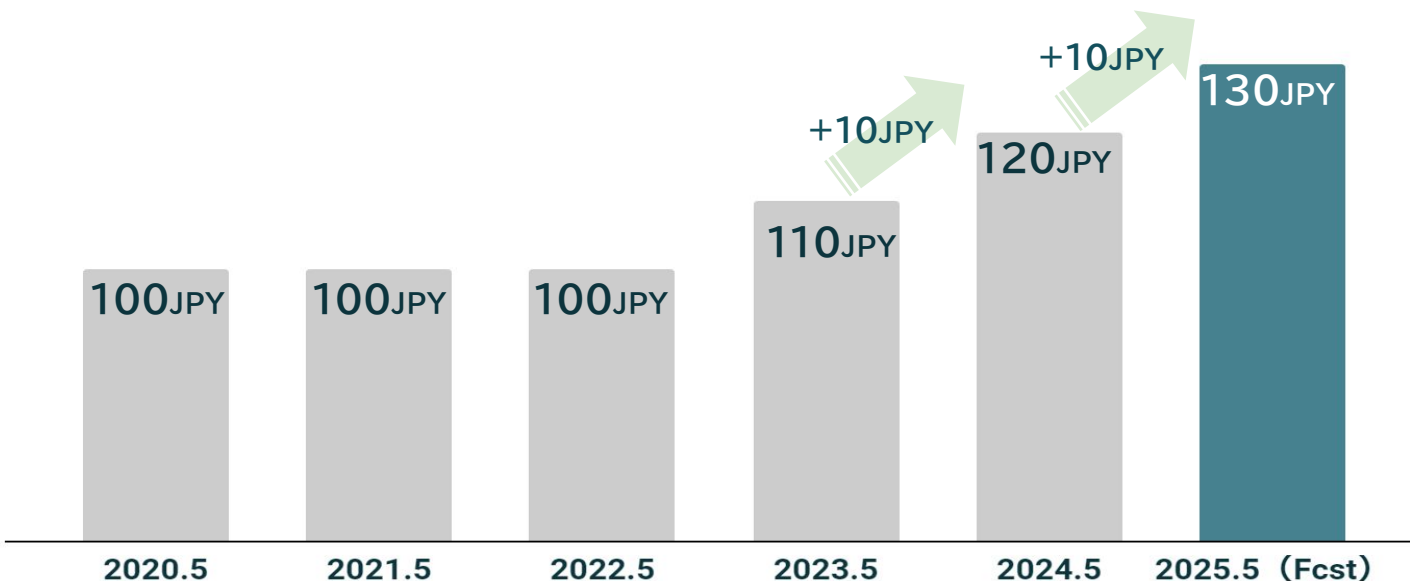
▲ Multiple location registration and scheduling functions

2. 2025.5 Full-year Forecast

Dividend Guidance

•Based on the concept of high contribution, high profit, and high distribution, the Company prioritizes strategic business investments that promote medium- and long-term business and determines dividends by taking into consideration the optimal level of equity capital, investment environment, and profits as a long-term stable dividend.

•Plans to pay an annual dividend of 130 yen per share for the current fiscal year (FY2025.5), the third consecutive year of dividend increases.





APPENDIX

Consolidated Balance Sheet

(Millions of Yen)	2023.5 Actual	2024.5 Actual	Y/Y
Current assets	17,377	19,392	+2,015
Non-current assets	3,602	3,665	+63
Total assets	20,979	23,058	+2,079
Current Liabilities	2,300	2,718	+418
Non-current liabilities	278	551	+273
Total Liabilities	2,579	3,270	+691
Total net assets	18,400	19,788	+1,388
Equity-to-asset ratio (%)	87.3	85.4	Δ1.9 Pt
Net assets per share (JPY)	1,661.2	1,783.6	+122.4 JPY

Appendix Consolidated Profit and Loss Statement (Q4 2023.5 vs Q4 2024.5)

(Millions of Yen)	2023.5 Q4 Actual	2024.5 Q4 Actual	Y/Y
Net sales	5,310	5,584	+5.2%
Operating profit	745	983	+31.8%
Margin (%)	14.0	17.6	+3.6Pt
Ordinary profit	707	1,003	+41.9%
Profit attributable to owners of parent	594	688	+15.9%
EPS (JPY)	53.9	62.3	+8.4JPY
FOREX Rates (USD/JPY)	134.9	153.1	+18.2JPY

Appendix Investments (Y/Y)

- [Depreciation] Decrease due to the absence of asset retirement obligations recorded in the previous period.
- [R&D Expenses] Decrease due to promotion of business use of technology in the research sector.
- [Number of employees] Shift resources from operations to strengthening development and sales (overseas business) by streamlining service operations.

(Millions of Yen)	2023.5 Actual	2024.5 Actual
Capital expenditure	413	375
Depreciation	860	600
R&D Expenses	560	402
Number of employees	1,138	1,152

Appendix Sales by Segment (Q4 2023.5 vs Q4 2024.5)

(Millions of Yen)	2023.5 Q4 Actual	2024.5 Q4 Actual	Y / Y
Sea	1,350	1,505	+11.5%
Sky	289	322	+11.4%
Land	795	923	+16.1%
Environment	270	298	+10.4%
Others BtoB	22	33	+50.0%
Mobile·Internet	1,987	1,995	+0.4%
Broadcast	597	511	△14.4%

Sales by Segment (Quarterly transition)

(Millions of Yen)	2023.5 Actual				2024.5 Actual			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Sea	1,378	1,432	1,343	1,350	1,411	1,452	1,445	1,505
Sky	334	311	301	289	301	316	322	322
Land	734	765	908	795	802	823	947	923
Environment	225	249	300	270	286	296	304	298
Others BtoB	7	10	11	22	22	36	32	33
Mobile•Internet	2,011	1,940	1,891	1,987	2,229	2,072	1,910	1,995
Broadcast	532	554	564	597	525	576	547	511



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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.