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(Securities Code: 4825)

July 25, 2014

**To Shareholders with Voting Rights:**

Chihito Kusabiraki  
President and Representative Director  
Weathernews Inc.  
Makuhari Techno-Garden  
1-3, Nakase, Mihama-ku, Chiba-city ,  
Chiba Prefecture, Japan

**NOTICE OF  
THE 28th ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

You are cordially invited to attend the 28th Annual General Meeting of Shareholders of Weathernews Inc. (the “Company”). The meeting will be held for the purposes described below.

If you are unable to attend the meeting, you may exercise your voting rights in writing by submitting the Voting Rights Exercise Form. Please review the Reference Documents for the General Meeting of Shareholders (described hereinafter) and indicate your vote for or against the proposals on the enclosed Voting Rights Exercise Form and return the form so that it arrives by 5:30 p.m. on Friday, August 8, 2014, Japan time.

- 1. Date and Time:** Saturday, August 9, 2014, at 1:30 p.m. Japan time
- 2. Place:** Convention Hall, Makuhari Messe International Convention Complex, located at 2-1, Nakase, Mihama-ku, Chiba-city, Chiba Prefecture, Japan
- 3. Meeting Agenda:**  
**Matters to be reported:** The Business Report, the Consolidated Financial Statements and the Non-Consolidated Financial Statements for the Company’s 28th Fiscal Year (June 1, 2013–May 31, 2014), as well as the results of audits by the Accounting Auditor and the Board of Corporate Auditors of the Consolidated Financial Statements

**Proposals to be resolved:**

- Proposal No. 1:** Appropriation of Surplus
- Proposal No. 2:** Election of Thirteen (13) Directors
- Proposal No. 3:** Election of One (1) Corporate Auditor

**Proposal No. 4:** Revision of Details of Remuneration Payable to Directors (Granting Stock Options)

**Proposal No. 5:** Renewal of Measures to Secure Corporate Value and Enhance the Common Interest of Shareholders against a Large-scale Purchase, etc. of Share Certificates of the Company (Takeover Defense)

#### **4. Other Matters Regarding This Notice:**

(1) The following materials, which should be made available to shareholders when sending this notice of convocation, are posted on the Company's website at the following URL (<http://weathernews.com/>), instead of being stated in this notice, in accordance with the provisions of the relevant laws and regulations and Article 16 of the Articles of Incorporation of the Company.

- 1) "Notes to the Consolidated Financial Statements" of the consolidated financial statements (28th Fiscal Year)
- 2) "Notes to the Non-Consolidated Financial Statements" of the non-consolidated financial statements (28th Fiscal Year)

The Appendix to this notice is a part of the Business Report, the consolidated financial statements and the non-consolidated financial statements, all of which were audited by the Auditors of the Company and the Accounting Auditor in preparing their respective audit reports.

(2) Any amendments to the Reference Documents for the General Meeting of Shareholders and the Appendix will be posted on the aforementioned Company website.

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### **Requests for Attending Shareholders**

Shareholders who plan to attend the meeting in person are requested to respect the following items.

- (1) When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk on the day of the meeting for confirmation. If you wish to exercise your voting rights by proxy, designate another shareholder who is entitled to exercise your voting rights as a proxy at the meeting. Such a shareholder acting as a proxy is kindly requested to attend in person and submit your Voting Rights Exercise Form and the power of attorney at the reception desk.
- (2) Note that only shareholders of the Company may enter the venue of the meeting.
- (3) Your early arrival would be appreciated as the reception desk is expected to be crowded just before the opening of the meeting (we will open for entry at 12:30 p.m.)
- (4) Note that electricity-saving measures will be taken at the venue for lighting and the adjustment of the air-conditioning temperature. It is recommended that you dress lightly.

(Appendix)

## **Business Report**

(From June 1, 2013, to May 31, 2014)

### **1. Overview of the Company Group**

#### **(1) Business Progress and Results**

##### 1) Business overview

The global weather service market is estimated at more than ¥600.0 billion and is expected to continue growing with rising interest in weather risks and the development of Internet technologies.

The Company has conducted business activities under the corporate dream “To Be a Communication Platform for 7.1 Billion Supporters,\*” under the themes of “Growth Potential of Business” in the first growth stage (June 1986–May 1995), “Diversification of Business Models” in the second growth stage (June 1995–May 2004) and “Soundness of Management” in the third growth stage (June 2004–May 2012). In the fiscal year ended May 31, 2014, the second year of the fourth growth stage during which we will pursue a full-fledged global evolution under the theme of “Innovation,” we aggressively addressed the following initiatives.

\*We refer to the entire world’s population as “supporters” with a keen desire that they will become potential customers who enjoy our services.

##### a) Market—Focusing on the strategically-focused business

###### ▪ BtoB market—Transportation Weather

Voyage Planning market: Develop its Optimum Ship Routeing (OSR) service to respective markets for containers, car carriers, bulk carriers and tankers.

Sky, Road and Railway weather services: Reinforcement of domestic services and marketing activity in Asian markets

###### ▪ BtoS market—Global development of a weather reporters’ network

##### b) Development and evolution of an “out-of-box thinking” weather infrastructure and supporting technologies

###### ▪ Observation of sea ice on the Arctic Ocean using our original nano-satellite

###### ▪ TSUNAMI Radar

###### ▪ Strong Wind Radar

For the fiscal year ended May 31, 2014, consolidated net sales rose 2.3% year over year to

¥13,306 million. Net sales in the Transportation Weather segment grew 11.2% year over year due to an expanded base of customers for our voyage planning service and an increase in sales attributable to the weaker yen, resulting in an increase of 10.0% to ¥7,228 million in the overall BtoB market. Meanwhile, net sales decreased 5.6% to ¥6,077 million in the BtoS market, primarily due to a sales decline of 2.7% in the mobile/Internet media sector caused by the ongoing shift to smartphones.

During the fiscal year under review, operating income increased 21.2% year over year to ¥3,268 million, thanks in part to corporate reviews of telecommunication costs and subcontractors, together with a sales increase in the BtoB business overall. Ordinary income increased 19.3% to ¥3,293 million, and net income increased 8.6% to ¥1,873 million on a consolidated basis in spite of an impairment loss incurred by the malfunctioning “WNISAT-1” nano-satellite.

Net sales by market segment were as follows:

Market segment		Previous Fiscal Year ended May 31, 2013 (from June 1, 2012, to May 31, 2013)			Fiscal Year ended May 31, 2014 (from June 1, 2013, to May 31, 2014)			Rate of change
		(Millions of yen)			(Millions of yen)			(%)
		SRS	Tollgate	Total	SRS	Tollgate	Total	Total
	Transportation Weather	200	4,574	4,775	190	5,120	5,310	11.2
	Other weather (excluding Transportation Weather)	22	1,775	1,797	32	1,886	1,918	6.7
	BtoB market	222	6,349	6,572	222	7,006	7,228	10.0
	Mobile/Internet media	6	3,557	3,563	120	3,348	3,468	(2.7)
	Other media	863	2,007	2,870	595	2,014	2,609	(9.1)
	BtoS market	869	5,564	6,434	715	5,362	6,077	(5.6)
	Total	1,092	11,914	13,007	937	12,368	13,306	2.3

(Reference) Net sales by region

	Previous Fiscal Year ended May 31, 2013 (from June 1, 2012, to May 31, 2013)			Fiscal Year ended May 31, 2014 (from June 1, 2013, to May 31, 2014)			Rate of change
	(Millions of yen)			(Millions of yen)			(%)
	SRS	Tollgate	Total	SRS	Tollgate	Total	Total
Japan	1,056	9,847	10,903	889	9,873	10,762	(1.3)
Europe	—	1,067	1,067	—	1,321	1,321	23.8
Asia & Australia	36	741	778	47	892	940	20.9
Americas	—	257	257	—	282	282	9.4
Total	1,092	11,914	13,007	937	12,368	13,306	2.3

The Company mainly promotes the tollgate-type business model to continuously provide content while seeking opportunities to sell customers temporary research and system integration services with the potential to lead to tollgate-type business in the future. The Company refers to these businesses as SRS (Stage Requirement Settings).

**BtoB Market (for corporations):**

In the BtoB market, Transportation Weather (voyage planning, sky, road, and railway weather services), for which there is high demand among corporations as to the social infrastructure and future global growth is anticipated, is positioned as the strategically-focused business. Above all, in the voyage planning service, which was the first service of the Company, we focus on providing the OSR service to improve efficiency with safety and good fuel consumption for containers, car carriers, bulk carriers and tankers.

For the fiscal year ended May 31, 2014, cargo movement recovered somewhat in the sea transportation market and solutions for economizing fuel consumption remained in high demand. These factors heightened the reputation of the Company's OSR service. The number of customers adopting the OSR service increased in and around Europe, partly thanks to a new sales office established in Copenhagen in November 2012. Consequently, overall sales in the voyage planning service sector increased.

The provision of our sky weather service smoothly started for new customers: middle-tier Chinese airline companies and several low-cost carriers (LCCs) in Japan and South Korea. In September, "FOSTER-copilot," a flight watch system, was adopted for the Cabinet Office's wide-area medical transportation training and became widely known to doctors and emergency medical service paramedics throughout Japan. Partly thanks to the publicity effects of this adoption, "FOSTER-copilot" was ultimately loaded on 31 out of 43 doctor helicopters nationwide and gained recognition in the field.

In the road weather service sector, services for road management operators increased. Our system has been well established for providing a full scale service to help operators judge whether or not to take measures against snow and ice or whether or not to set traffic regulations. In the railway weather service, a leading railway company adopted our "Safety Status Monitoring Support Service" system for providing railway crews with information on operational regulation, and our traffic management services such as analyzed rainfall is expanded.

As a result, sales in the Transportation Weather markets grew with a 11.2% year over year increase, and net sales of the overall BtoB market increased 10.0% year over year to ¥7,228 million.

**BtoS Market (for individuals and *Bunshu*\*):**

In the BtoS market we accelerated weather- and *Bunshu*-focused content services. The Guerilla Thunderstorm Defense Troop project, in which the status and moves of "guerilla" thunderstorms are forecast based on data obtained from the Company's own radar and information gathered from supporters and the resulting weather data are transmitted to other supporters, is generally recognized as a multiparty content-creation service provided jointly by the company and supporters. In the fiscal year ended May 31, 2014, a succession of typhoons ran their course. Moreover, record-breaking heavy snowfalls were observed in February. As the number of weather reporters increased, the number of fee-paying members steadily increased, as well. On the other hand, the number of users using content via conventional-type mobile phones decreased as a consequence of the ongoing shift to smartphones. Sales in the mobile/Internet media sector fell 2.7% year over year and net sales of the overall BtoS market fell 5.6% year over year to ¥6,077 million, partly due to diversifying billing systems.

\*A concept devised in comparison with mass (the public), meaning “differentiated consumers having diverse values.”

## 2) Capital investments

For the fiscal year ended May 31, 2014, the Company Group made capital investments (for property, plant and equipment and intangible assets) of ¥577 million (¥587 million for the previous fiscal year). The main investments were for the infrastructure to realize innovative value-creation services, IT development, and renewals for business continuation.

## 3) Financing

The necessary funds of the Group for the fiscal year under review were furnished by its own resources. The Company Group paid ¥60 million as repayment of long-term loans payable and redemption of bonds to financial institutions.

## 4) Transfer of business, absorption-type company split or incorporation-type company split

Not applicable

## 5) Business taken over from other companies

Not applicable

## 6) Succession of rights and obligations with respect to business of other companies through absorption-type company merger or split

Not applicable

## 7) Acquisition and disposal of shares and other equity interests or subscription rights to shares of other companies

Not applicable

## 8) Issues to be addressed

The basic concept of the Company is to be a “Full-Service Weather Company” that encompasses and autonomously provides all content relating to weather, climate change and the environment—collection and delivery of meteorological data—without relying on government services. In addition, the Group aims to cultivate new markets and services as “Full Services,” which would enable the provision of innovative services in all fields where weather can be a significant content. In this context, the mission of the Company is summarized in the five items described below:

- a) To be the world’s largest “weather content maker,” creating and supplying the 7.1 billion people of the world with the most abundant, updated and speediest content services;

- b) To realize “value creation for supporters” and maximize corporate value while developing new markets as the global leader in the weather content market;
- c) To implement a quantum shift from conventional meteorology by putting in orbit the world’s first interactive weather information communications network, through which supporters (individuals and corporations) can participate in the Eye-servation\* forecasting and delivery processes;
- d) To realize *Kotozukuri* (new value creation) together with supporters (individuals and corporations) by extending our business fields to include climate change and environmental issues based on meteorology; and
- e) To provide supporters unprecedented content by proactively developing and using revolutionary infrastructure without being fettered by in-the-box thinking.

\*A coined term that literally means “observation with the participants’ own eyes.”

#### 9) Mid-term vision

Toward the corporate dream “To Be a Communication Platform for 7.1 Billion Supporters,” the Company has plotted out its business development in accordance with the themes of “Growth Potential of Business” in its first growth stage (June 1986–May 1995), “Diversification of Business Models” in its second growth stage (June 1995–May 2004) and “Soundness of Management” in its third growth stage (June 2004–May 2012). The Company has selected “Innovation” as its theme for the fourth growth period (about 10 years starting from June 2012) in order to pursue a full-fledged global evolution.

#### **Vision for the Fourth Growth Period:**

<Basic strategy for the fourth growth period>

—From a Service Company to a “Service & Infrastructure Company with the Supporters”—

The Company is experienced in starting businesses centering on Transportation Weather via the systematic operation of the Risk Communication (RC) service while developing innovative infrastructures jointly with customers. Based on the experience, we intend to develop new global businesses in Asia, Europe and the Americas.

#### a) Areas of focus (Marketing)

<Transportation Weather>

It can be said that Transportation Weather on the sea (voyage planning service) is an “authorized private market” where no government service exists. Our Company already develops voyage planning services in a global market and provides the services to about 30% of the 20,000 vessels now at sea worldwide. In the fourth growth period, we intend to improve the quality of existing services and start new services to cover almost 10,000 vessels.



Next, although we already provide Transportation Weather in the sky mainly for several airline companies in Japan and Asia, we intend to extend the service area to Asia, Europe and the Americas in the fourth growth period to raise our global market share.

Moreover, for Transportation Weather on land (road weather and railway weather services), we will globally expand our services, starting from Asia to other areas, for targeted expressways and high-speed railway markets by standardizing the services currently offered in Japan.

<Mobile/Internet>

We will globally evolve and extend not only observation infrastructures such as the WNI Satellite and the WITH Radar but also the Eye-servation infrastructure while involving supporters' participation. Drawing on the trans-media service development technology that has been cultivated in Japan based on mobile phones and smartphones, we will create interactive, network-type weather- and *Bunshu*-focused content services, in which supporters can participate, and globally reinforce our fee-based services.

Strategies by business field:

Business field	Business strategy
Voyage Planning weather	<ul style="list-style-type: none"> <li>• Globally provide the OSR service and expand the relevant services toward the target of 10,000 vessels in the fourth growth period.</li> <li>• Create new value-creation services such as the Arctic sailing route.</li> </ul>
Sky weather	<ul style="list-style-type: none"> <li>• Expand the relevant services globally from Asia.</li> </ul>
Road weather	<ul style="list-style-type: none"> <li>• Globally expand the relevant services in the expressway field based on our experience in Japan.</li> </ul>
Railway weather	<ul style="list-style-type: none"> <li>• Evolve the relevant services in the high-speed railway field especially in Asia and Europe.</li> </ul>
Mobile/Internet	<ul style="list-style-type: none"> <li>• Promote trans-media service development around mobile terminals.</li> <li>• Globally evolve network-type content services, in which supporters can participate.</li> </ul>
Marine Construction weather	<ul style="list-style-type: none"> <li>• Evolve new services using “out-of-box thinking” infrastructure into Asia.</li> </ul>

b) Operation of services (Service Marketing and Infrastructure Marketing)

<Innovative technology and the development and operation of the “out-of-box thinking” infrastructure>

To globally evolve our weather information service, it is important to create content services that meet needs. To that end, we believe that the *Kotozukuri* approach, creating content together with customers, is more effective than the conventional approach starting from capital investment. *Kotozukuri*, that is, commercialization while gaining the trust of society, is essential, which requires a process of commercialization to conceive, design, establish and operate an infrastructure together with the parties that actually require countermeasures against risks.

To create more opportunities for *Kotozukuri*, we collaborate with the U.S.-based Oklahoma Innovation Center and various research organizations, corporations and supporters worldwide and aggressively invest in innovative infrastructures and technologies, including the WNI Satellite and

the WITH Radar. In the coming days we will accelerate the creation of content that meets needs by operating such infrastructures 24 hours a day year-round.

<Area deployment>

We will promote market cultivation and the establishment of infrastructures over 3–5 years for each region in the order of Asia, Europe and the Americas.

#### 10) Outlook for the next period

In the fiscal year ending May 31, 2015, a period in which we plan to accelerate evolution in Asia, the Company will promote global evolution of Transportation Weather, as summarized below.

<Focusing on our strategically-focused business centering on Transportation Weather and global evolution>

- BtoB market

In the voyage planning service, we will evolve the OSR service globally. In particular, we expect bulk carriers and tankers to adopt the OSR service for voyages on an increasing scale and existing customers for containers to adopt the CSR service at full swing. Turning to our sky weather service, road weather service, and railway weather services, we will promote marketing activity primarily in Asia and evolve our business in South Korea, China and Taiwan on a full scale while accelerating the growth of marine construction weather.

- BtoS market

Following the Guerilla Thunderstorm Defense Troop project, we will improve supporter-participative content in seasons when weather risks such as typhoons and heavy snowfalls rise, curb damage by transmitting weather information to other supporters, and thereby increase in the number of fee-paying members. We also aim to increase the number of supporters by functionally enhancing our globally available applications and providing application program interfaces (APIs) which are compliant with smartphones, devices now ubiquitous globally.

<Evolution of technologies and infrastructure to create new values>

To accelerate the evolution of our strategically-focused business, we will continuously streamline the infrastructure. Our mission had to be adjusted when WNISAT-1, the satellite we launched successfully in November 2013, malfunctioned. The mission initially assigned to WNISAT-1 will now be performed by the WNISAT-1R satellite slated for launch in 2015. We will also start the development of the next satellites to be deployed after WNISAT-1 and WNISAT-1R.

As a result of the ongoing initiatives described above, the Group expects to achieve consolidated net sales of ¥13,700 million, operating income of ¥3,500 million, ordinary income of ¥3,500 million and net income of ¥2,100 million for the fiscal year ending May 31, 2015.

## (2) Trends in Assets and Income

Item	25th fiscal year ended May 31, 2011	26th fiscal year ended May 31, 2012	27th fiscal year ended May 31, 2013	28th fiscal year ended May 31, 2014
Net sales (Millions of yen)	12,200	12,911	13,007	13,306
Operating income (Millions of yen)	2,647	2,903	2,696	3,268
Ordinary income (Millions of yen)	2,591	2,788	2,760	3,293
Net income (Millions of yen)	1,602	1,719	1,724	1,873
Net assets (Millions of yen)	5,941	7,336	8,699	10,090
Total assets (Millions of yen)	7,901	8,798	9,889	11,891
Net assets per share (Yen)	¥551.21	¥678.01	¥801.57	¥928.63
Net income per share (Yen)	¥145.73	¥159.01	¥159.16	¥172.56
Return on equity (%)	28.2	25.9	21.5	19.9

### (3) Material Parent Company and Subsidiaries

#### 1) Relationship with a Parent Company

Not applicable.

#### 2) Material Subsidiaries

Company name	Capital	The Company's percentage of equity participation	Principal business
WEATHERNEWS AMERICA INC.	USD 81,644	100.0%	Comprehensive weather information services
WEATHERNEWS U.K. LTD.	GBP 272	100.0%	Comprehensive weather information services
Weathernews Benelux B.V.	EUR 180,000	100.0%	Comprehensive weather information services
WEATHERNEWS AUSTRALIA PTY. LTD.	AUD 30,000	100.0%	Comprehensive weather information services
WEATHERNEWS HONG KONG LIMITED	HKD 1,594,000	100.0%	Comprehensive weather information services
Weathernews Korea Inc.	KRW 653,000,000	97.7%	Comprehensive weather information services
Weathernews Shanghai Co., Ltd.	USD 140,000	100.0%	Comprehensive weather information services
WEATHERNEWS TAIWAN LTD.	TWD 10,000,000	100.0%	Comprehensive weather information services
Weathernews Nepal Pvt. Ltd.	NPR 3,200,000	100.0%	Comprehensive weather information services
Weathernews India Pvt. Ltd.	INR 14,300,000	100.0%	Comprehensive weather information services
WEATHERNEWS SINGAPORE PTE. LTD.	SGD 620,002	100.0%	Comprehensive weather information services

## 2. Status of the Company

### (1) Matters Related to Shares of the Company

1) Total number of shares authorized to be issued: 47,000,000 shares

2) Total number of shares outstanding: 11,844,000 shares  
(no change compared with the previous year)

Note: This number includes 977,900 shares of treasury stock.

3) Number of shareholders 8,470 persons  
(a decrease of 2,854 persons from the previous year)

#### 4) Major shareholders

Shareholder name	Number of shares	Shareholding ratio (%)
WNI WxBunka Foundation	1,700,000	15.64
WNI Institute Inc.	1,700,000	15.64
Japan Trustee Services Bank, Ltd. (trust account)	414,100	3.81
Shareholding Association of Weathernews Employee Supporters	412,400	3.80
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	360,000	3.31
The Chiba Bank, Ltd.	360,000	3.31
Taeko Ishibashi	353,800	3.26
The Master Trust Bank of Japan, Ltd. (trust account for Weathernews Directors)	307,800	2.83
The Chase Manhattan Bank, N.A. London S.L. Omnibus Account	205,700	1.89
Nippon Life Insurance Company	200,000	1.84
Sumitomo Mitsui Banking Corporation	180,000	1.66

Notes:

1. The shareholding ratio represents the ratio of shares held to the total number of shares outstanding (excluding treasury stock).
2. All of the shares held by Japan Trustee Services Bank, Ltd. (trust account), and The Master Trust Bank of Japan, Ltd. (trust account for Weathernews Directors), are related to the trust services.
3. The standing proxy for The Chase Manhattan Bank, N.A. London S.L. Omnibus Account is as follows.  
Standing proxy: Settlement & Clearing Services Division, Mizuho Bank, Ltd.
4. Mitsubishi UFJ Financial Group, Inc. reported the possession of a large volume of the Company's stock on April 21, 2014 and informed the Company that the Group held shares of the Company's stock as of April 14, 2014, as follows. We did not, however, include the Group among the major shareholders above because we could not confirm the number of shares substantially held in the name of the relevant companies listed below at the end of the fiscal year ended May 31, 2014.

Shareholder name	Address	Number of shares	Shareholding ratio (%)
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	7-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo	360,000	3.31
Mitsubishi UFJ Trust and Banking Corporation	4-5, Marunouchi 1-chome, Chiyoda-ku, Tokyo	133,600	1.23
kabu.com Securities Co., Ltd.	3-2, Otemachi 1-chome, Chiyoda-ku, Tokyo	14,345	0.13
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	5-2, Marunouchi 2-chome, Chiyoda-ku, Tokyo	86,900	0.80
Total	—	594,845	5.47

5) Other important matters related to shares of the company

Not applicable.

## (2) Company Officers

### 1) Directors and Corporate Auditors

(As of May 31, 2014)

Position	Name	Areas of responsibility	Significant concurrent positions
President and Representative Director	Chihito Kusabiraki	Overall management Sales Sales in Asia	
Executive Vice President and Representative Director	Jiro Miyabe	Overall management Service operation and development	Chairman, WNI WxBunka Foundation
Executive Vice President and Director	Takashi Tomura	Accounting and financial affairs	
Senior Managing Director	Yasushi Shiga	Sales in Japan Sales in emerging countries	
Director	Hidenori Iwasa	Sales of Voyage Planning services Sales in Europe Sales in the United States	
Director	Antonio Brizzo	Sales in Europe	
Director	Tomohiro Ishibashi	BtoS service sales	
Director	Daisuke Abe	Service operation	
Director	Kiyoteru Morita	BtoS service operation	
Director	Masaya Yamamoto	System development and projects	
Director	Shugo Matsuo	Outside Director	President, Office Matsuo, Inc. Outside Director, Oricon Inc. COO, Takasago Inc.
Director	Norio Murakami	Outside Director	President, Norio Murakami Office Co., Ltd. Outside Director, V-cube, Inc. Outside Director, ENERES Co., Ltd.
Full-Time Corporate Auditor	Tomoo Yukawa		
Corporate Auditor	Yoshiyuki Tateno	Outside Corporate Auditor	
Corporate Auditor	Hajime Mizuno	Outside Corporate Auditor	President, Chibagin Research Institute Corporation

#### Notes:

1. There is no material relationship between the Company and the aforementioned entities where Director Shugo Matsuo concurrently holds positions.
2. There is no material relationship between the Company and the aforementioned entities where Director Norio Murakami concurrently holds positions.
3. There is no material relationship between the Company and the aforementioned entity where Corporate Auditor Hajime Mizuno concurrently holds a position.
4. Pursuant to the provision of Tokyo Stock Exchange, Inc., the Company has designated Director Shugo Matsuo and



Corporate Auditor Yoshiyuki Tateno as Independent Officers and has so notified the said Exchange.

5. The eldest son of Corporate Auditor Yoshiyuki Tateno is an employee of the Company.

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The numbers in this Business Report are presented in the following form:

1. Amounts are rounded off to the unit used for presentation.
2. Percentages and other values are rounded off to the first decimal place.

## Consolidated Balance Sheet

(As of May 31, 2014)

(Thousands of yen)

Item	Amount	Item	Amount
<b>(Assets)</b>		<b>(Liabilities)</b>	
<b>Current assets</b>	<b>8,317,835</b>	<b>Current liabilities</b>	<b>1,788,869</b>
Cash and deposits	5,172,484	Accounts payable—trade	163,660
Notes receivable—trade	31,814	Lease obligations	10,895
Accounts receivable—trade	2,817,668	Accounts payable—other	339,638
Merchandise	1,347	Income taxes payable	816,990
Work in process	21,675	Provision for loss on liquidation of subsidiaries and affiliates	9,566
Supplies	96,985	Other	448,119
Deferred tax assets	98,498	<b>Noncurrent liabilities</b>	<b>12,490</b>
Other	165,279	Lease obligations	12,099
Allowance for doubtful accounts	(87,917)	Other	391
<b>Noncurrent assets</b>	<b>3,574,153</b>		
<b>Property, plant and equipment</b>	<b>1,941,047</b>		
Buildings and structures	852,405		
Tools, furniture and fixtures	563,029		
Land	413,062		
Construction in progress	106,258		
Other	6,291		
<b>Intangible assets</b>	<b>817,931</b>		
Software	692,713		
Software in progress	98,686		
Other	26,532		
<b>Investments and other assets</b>	<b>815,173</b>		
Deferred tax assets	209,797		
Other	605,500		
Allowance for doubtful accounts	(124)		
<b>Total assets</b>	<b>11,891,988</b>	<b>Total liabilities</b>	<b>1,801,360</b>
		<b>(Net assets)</b>	
		<b>Shareholders' equity</b>	<b>10,037,899</b>
		Capital stock	1,706,500
		Capital surplus	944,682
		Retained earnings	8,448,685
		Treasury stock	(1,061,968)
		<b>Accumulated other comprehensive income</b>	<b>52,727</b>
		Foreign currency translation adjustment	52,727
		<b>Total net assets</b>	<b>10,090,627</b>
		<b>Total liabilities and net assets</b>	<b>11,891,988</b>

## Consolidated Statement of Income

(From June 1, 2013, to May 31, 2014)

(Thousands of yen)

Item	Amount	
Net sales		13,306,376
Cost of sales		7,436,987
<b>Gross profit</b>		<b>5,869,389</b>
Selling, general and administrative expenses		2,600,882
<b>Operating income</b>		<b>3,268,507</b>
Non-operating income		
Interest income	5,677	
Dividends income	756	
Dividends income of insurance	4,140	
Subsidy income	14,300	
Foreign exchange gains	24,392	
Other	5,825	55,092
Non-operating expenses		
Interest expenses	375	
Commitment line-related expenses	14,819	
Loss on retirement of noncurrent assets	13,855	
Other	1,070	30,120
<b>Ordinary income</b>		<b>3,293,479</b>
Extraordinary loss		
Provision for loss on liquidation of subsidiaries and affiliates	1,000	
Loss on valuation of investments in subsidiaries and affiliates	59,000	
Impairment loss	94,549	154,549
<b>Income before income taxes and minority interests</b>		<b>3,138,929</b>
Income taxes—current	1,300,307	
Income taxes—deferred	(35,020)	1,265,287
<b>Income before minority interests</b>		<b>1,873,642</b>
<b>Net income</b>		<b>1,873,642</b>

## Consolidated Statement of Changes in Net Assets

(From June 1, 2013, to May 31, 2014)

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of June 1, 2013	1,706,500	948,482	7,172,066	(1,075,543)	8,751,505
Changes of items during the fiscal year					
Dividends from surplus			(597,023)		(597,023)
Net income			1,873,642		1,873,642
Disposal of treasury stock		(3,800)		13,575	9,775
Net changes of items other than shareholders' equity					
Total changes of items during the fiscal year	—	(3,800)	1,276,619	13,575	1,286,394
Balance as of May 31, 2014	1,706,500	944,682	8,448,685	(1,061,968)	10,037,899

	Accumulated other comprehensive income		Total net assets
	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance as of June 1, 2013	(51,511)	(51,511)	8,699,994
Changes of items during the fiscal year			
Dividends from surplus			(597,023)
Net income			1,873,642
Disposal of treasury stock			9,775
Net changes of items other than shareholders' equity	104,239	104,239	104,239
Total changes of items during the fiscal year	104,239	104,239	1,390,633
Balance as of May 31, 2014	52,727	52,727	10,090,627

# Reference Documents for the General Meeting of Shareholders

## Proposals and References

### Proposal No. 1: Appropriation of Surplus

The Company desires to gain greater support from stakeholders who sympathize with the corporate dream of “To Be a Communication Platform for 7.1 Billion Supporters” and the projects oriented toward that dream, and intends to expand the number of shareholders in the medium to long term.

The Company distributes profits based on its management principle of “high contribution, high profits and high distribution.” The Company determines a policy for returning profits to shareholders/supporters upon comprehensive consideration of the business results for the year and the intentions to make aggressive investments in services, technologies and infrastructure that enable the creation of new value through weather forecasting and internal reserves to enhance financial standing. We recognize sales growth as an important management indicator and determine the amount of dividends while taking into account other factors such as business results, the payout ratio and the dividend yield.

Regarding the dividends for the fiscal year ended May 31, 2014, we will increase the annual dividend to ¥60 per share from ¥50 a year earlier. Because we already paid an interim dividend of ¥25 per share during the year under review, we will provide ¥35 per share as a year-end dividend as described below.

#### 1. Matters concerning the year-end dividends

(1) Type of property dividends	Cash
(2) Matters concerning the distribution of property dividends to shareholders and the total amount thereof	¥35 per share of common stock of the Company Total amount: ¥380,313,500
(3) Effective date of the dividends from surplus	August 11, 2014

#### 2. Matters concerning the appropriation of surplus

	Account item	Amount
(1) Surplus to be increased	General reserve	¥1,000,000,000
(2) Surplus to be decreased	Retained earnings brought forward	¥1,000,000,000

**Proposal No. 2: Election of Thirteen (13) Directors**

The Company’s Articles of Incorporation provide that the term of office for Directors be one year. This is intended to clarify the Directors’ responsibility for achieving the performance targets of each fiscal year and confirm shareholders’ confidence in Directors for each fiscal year.

According to the provisions of said Articles of Incorporation, the term of office of twelve (12) Directors of the Company will expire at the conclusion of this General Meeting of Shareholders. Accordingly, we propose the election of thirteen (13) Directors, the number of which is increased by one in order to reinforce the management structure for the future.

The candidates for the position of Director are as follows:

Thirteen (13) Candidates for Director

No.	Name (Date of birth)	Past experience, positions and responsibilities (Significant concurrent positions)	Number of shares of the Company held
1	Chihito Kusabiraki (March 18, 1965)  [Reappointed]	<p>March 1987 Graduated from Department of Physics, College of Science and Engineering, Aoyama Gakuin University</p> <p>April 1987 Joined the Company</p> <p>April 1993 General Manager, CSS Business Department, Marketing Division</p> <p>June 1993 General Manager, Aviation Business Department, Marketing Headquarters</p> <p>June 1996 General Manager, Disaster Prevention/Aviation Business Division</p> <p>August 1996 Director</p> <p>August 1997 Managing Director</p> <p>August 1999 Executive Vice President and Representative Director</p> <p>September 2006 President and Representative Director (in charge of overall management and sales) (to present)</p>	64,692 shares
2	Jiro Miyabe (August 31, 1951)  [Reappointed]	<p>March 1974 Graduated from Department of Marine Engineering, School of Marine Science and Technology, Tokai University</p> <p>April 1974 Joined Nichiro Gyogyo Kaisha Ltd.</p> <p>June 1976 Joined Ocean Routes Japan Inc.</p> <p>June 1986 Joined the Company</p> <p>June 1996 General Manager, RC Operation Business Division</p> <p>August 1996 Director</p> <p>August 1999 Managing Director</p> <p>April 2004 Managing Director (in charge of service operation and development)</p> <p>February 2008 Executive Vice President and Representative Director (in charge of overall management) (to present)</p> <p>May 2013 Executive Vice President and Representative Director (in charge of overall service operation and development) (to present)</p> <p>Significant concurrent position: Chairman, WNI WxBunka Foundation</p>	60,692 shares

No.	Name (Date of birth)	Past experience, positions and responsibilities (Significant concurrent positions)	Number of shares of the Company held
3	Takashi Tomura (October 14, 1954)  [Reappointed]	<p>March 1978 Graduated from Faculty of Economics, Hitotsubashi University</p> <p>April 1978 Joined NKK Corporation</p> <p>July 1991 Manager of General Accounting Section, Comptrollers Department, NKK Corporation</p> <p>July 1995 Manager of Administration Section, Comptrollers Department, NKK Corporation</p> <p>March 1999 Completed a master's course at Graduate School of Law, Hitotsubashi University</p> <p>April 1999 Joined the Company</p> <p>August 2000 Director</p> <p>August 2001 Managing Director</p> <p>August 2005 Managing Director (in charge of accounting and financial affairs)</p> <p>August 2010 Executive Vice President and Director (in charge of overall accounting and financial affairs) (to present)</p>	16,120 shares
4	Yasushi Shiga (July 14, 1963)  [Reappointed]	<p>March 1986 Graduated from Department of Commerce, Takachiho College of Commerce</p> <p>April 1986 Joined Tokyo Ricoh Co., Ltd.</p> <p>March 1992 Joined the Company</p> <p>July 1999 General Manager, Fukuoka Branch</p> <p>June 2003 Marketing Group Leader</p> <p>August 2005 Director (in charge of the overall Japanese market)</p> <p>August 2008 Director (in charge of overall business in Asia)</p> <p>June 2012 Director (in charge of sales in Japan)</p> <p>August 2012 Managing Director (in charge of sales in Japan)</p> <p>August 2013 Senior Managing Director (in charge of sales in Japan) (to present)</p> <p>May 2014 Senior Managing Director (in charge of sales in emerging countries) (to present)</p>	22,119 shares
5	Hidenori Iwasa (October 26, 1967)  [Reappointed]	<p>September 1988 Graduated from the Nautical Department, Toba National College of Maritime Technology</p> <p>October 1988 Joined Ocean Routes Japan Inc.</p> <p>January 1994 Joined the Company</p> <p>June 2002 General Manager, Tokyo Branch</p> <p>May 2012 In charge of sales of Voyage Planning services and sales in Europe</p> <p>August 2012 Director in charge of sales of Voyage Planning services and sales in Europe (to present)</p> <p>May 2014 Director in charge of sales in the United States (to present)</p>	9,152 shares
6	Tomohiro Ishibashi (March 28, 1975)  [Reappointed]	<p>March 1998 Graduated from Department of Information and Systems Engineering, Faculty of Science and Engineering, Chuo University</p> <p>April 1998 Joined Hewlett-Packard Japan, Ltd.</p> <p>October 2000 Joined the Company</p> <p>August 2003 MOBILE Service Group Leader</p> <p>December 2006 Director, WITH STATION Inc.</p> <p>November 2007 Representative Director, WITH STATION Inc.</p> <p>August 2008 Director of the Company (in charge of overall BtoS market services)</p> <p>May 2012 Director of the Company (in charge of sales in the United States)</p> <p>May 2014 Director of the Company (in charge of BtoS service sales) (to present)</p>	160,535 shares

No.	Name (Date of birth)	Past experience, positions and responsibilities (Significant concurrent positions)	Number of shares of the Company held
7	Daisuke Abe (December 29, 1970)  [Reappointed]	March 1995 Completed master's course at Graduate School of Science, Hokkaido University April 1995 Joined the Company October 2008 Group Leader, Forecasting Center September 2011 In charge of overall service operation August 2012 Director (in charge of service operation) (to present)	9,831 shares
8	Kiyoteru Morita (April 6, 1956)  [Reappointed]	March 1979 Graduated from Department of Marine Science, School of Marine Science and Technology, Tokai University July 1984 Joined Ocean Routes Japan Inc. June 1986 Joined the Company December 1994 General Manager, Forecasting Department, Forecasting Division June 1998 Deputy General Manager, RC Operation Business Division August 1998 Director August 2004 Retired as Director December 2006 Director, WITH STATION Inc. August 2008 Director of the Company (in charge of BtoS service operation) (to present)	53,304 shares
9	Masaya Yamamoto (January 15, 1955)  [Reappointed]	March 1981 Graduated from Department of Aeronautics, Faculty of Engineering, The University of Tokyo March 1986 Completed the doctoral course for aeronautics at Graduate School of Engineering, The University of Tokyo, and obtained a Ph.D. from the said university April 1986 Joined Hitachi, Ltd., Space Technology Promotion Division January 1994 Joined the Company September 1994 R&D Group Manager June 1996 SERVVE Group Manager August 1998 Director August 2004 Retired as Director Manager, Project Preparation Office September 2007 In charge of the Company's WNI satellite project August 2012 Director (in charge of the Company's WNI satellite project) (to present) May 2013 Director (in charge of system development) (to present)	12,952 shares
10	Osamu Umeda (July 1, 1965)  [Newly appointed]	March 1989 Graduated from Department of Geography, Faculty of Science, Tokyo Metropolitan University April 1989 Joined the Company June 1993 Leader, CSS Business Department, Marketing Division June 1997 General Manager, Nagoya Branch August 2004 Leader, Project Preparation Office November 2008 Road Weather Leader, Forecasting Center June 2012 Group Leader, System Development Department (to present)	10,695 shares
11	Masanori Yoshitake (October 14, 1972)  [Newly appointed]	March 1996 Graduated from Agricultural Engineering Division (Civil Engineering), Faculty of Agriculture, Kyushu University July 1996 Joined the Company June 2004 General Manager, Fukuoka Branch December 2006 Leader, Sales Division of WITH STATION Inc. June 2011 Group Leader, General Affairs Department of the Company (to present)	8,008 shares



No.	Name (Date of birth)	Past experience, positions and responsibilities (Significant concurrent positions)	Number of shares of the Company held
12	Norio Murakami (March 31, 1947)  [Reappointed]	<p>March 1970      Graduated from the Faculty of Resource Engineering, Faculty of Engineering, Kyoto University</p> <p>June 1992      Director and General Manager, Corporate Planning Division, Digital Equipment Corporation Japan</p> <p>July 1994      Executive Vice President, Informix, and President, Informix K.K.</p> <p>August 1997    President and CEO, Northern Telecom Japan Inc.</p> <p>June 1999      President and CEO, Nortel Networks Corporation</p> <p>December 2001 President, Docent Japan</p> <p>April 2003      Executive Vice President, Google Inc., and President, Google Japan Inc.</p> <p>January 2009    Honorary Chairman, Google Japan Inc.</p> <p>August 2013    Director of the Company (to present)</p> <p>Significant concurrent positions: President, Norio Murakami Office Co., Ltd. Outside Director, V-cube, Inc. Outside Director, ENERES Co., Ltd.</p>	—
13	Nobuo Seki (September 21, 1944)  [Newly appointed]	<p>March 1970      Completed master's course at Graduate School, Tokyo Institute of Technology</p> <p>April 1970      Joined Chiyoda Corporation</p> <p>April 1992      Executive Vice President of Chiyoda International Corporation in USA</p> <p>June 1997      Director of Chiyoda Corporation</p> <p>June 1998      Managing Director of Chiyoda Corporation</p> <p>August 2000    Senior Managing Director of Chiyoda Corporation</p> <p>April 2001      President and Representative Director of Chiyoda Corporation</p> <p>April 2007      Chairman of Chiyoda Corporation</p> <p>April 2009      General Corporate Adviser of Chiyoda Corporation</p> <p>July 2012      Corporate Adviser of Chiyoda Corporation</p> <p>June 2013      Retired as Corporate Adviser of Chiyoda Corporation</p> <p>Significant concurrent positions: Outside Director of Teijin Limited Outside Director of Kameda Seika Co., Ltd. Outside Corporate Auditor of SUGIYO CO., LTD.</p>	1,000 shares

Notes:

1. Norio Murakami and Nobuo Seki are candidates for Outside Director. The Company has notified to Tokyo Stock Exchange, Inc. that both of them are Independent Officers pursuant to the provisions of the Exchange.
2. Norio Murakami is nominated for Outside Director because he has provided useful comments on the management of the Company from a neutral and objective standpoint as an Outside Director based on his knowledge and experience as a corporate manager since he was appointed as Director at the 27th Annual General Meeting of Shareholders held on August 11, 2013, and it is therefore judged that he is qualified for the position. He will have served as an Outside Director of the Company for one year at the conclusion of this General Meeting of Shareholders.
3. Nobuo Seki is nominated for Outside Director because his abundant experience in business development in the energy area, the Company's mid-term theme, and global business development is expected to contribute to reinforcing the Company's management structure, with added support from his knowledge and experience as a corporate manager, and it is therefore judged that he is qualified for the position.

4. The Company has entered into a limited liability agreement with Norio Murakami, which restricts the upper limit of the liability for damages of outside directors/corporate auditors to an amount specified by law, pursuant to Article 427, Paragraph 1, of the Companies Act. Meanwhile, if Nobuo Seki is elected as an Outside Director, the Company plans to similarly enter into a limited liability agreement with him, which restricts the upper limit of the liability for damages of outside directors/corporate auditors to an amount specified by law, pursuant to Article 427, Paragraph 1, of the Companies Act.
5. No material conflict of interest exists between the Company and any of the above candidates.
6. The number of shares held by each of the above candidates includes the number of those held thereby through the Shareholding Association of Weathernews Directors (or the Shareholding Association of Weathernews Employee Supporters in case of newly appointed candidates for Directors).

**Proposal No. 3: Election of One (1) Corporate Auditor**

According to the provisions of the Company's Articles of Incorporation, the term of office of Yoshiyuki Tateno, Corporate Auditor, will expire at the conclusion of this General Meeting of Shareholders. Accordingly, we propose the election of one (1) Corporate Auditor.

This proposal has been approved by the Board of Corporate Auditors.

The candidate for the position of Corporate Auditor is as follows:

One (1) Candidate for Corporate Auditor

Name (Date of birth)	Past experience and positions (Significant concurrent positions)	Number of shares of the Company held
Toshio Kinoshita (April 12, 1949)  [Newly appointed]	March 1973    Graduated from Department of Chemistry, Faculty of Science , Tohoku University January 1980    Joined Coopers and Lybrand, Japan (currently, PricewaterhouseCoopers Arata) June 1995    Managing partner of the Japanese Business Network of US PricewaterhouseCoopers L.L.P. July 2005    Management Board Member for International Business of ChuoAoyama PricewaterhouseCoopers July 2007    Chief Executive of The Japanese Institute of Certified Public Accountants (JICPA) July 2013    Council Member of JICPA (to present) July 2013    Established Kinoshita CPA Firm, Owner and Managing Partner (to present)  Significant concurrent positions: Owner and Managing Partner of Kinoshita CPA Firm Independent Non-executive Director of econtext Asia Limited Audit and Supervisory Board Member of Cool Japan Fund Inc. Audit and Supervisory Board Member of Panasonic Corporation	—

Notes:

1. Toshio Kinoshita is a candidate for an Outside Corporate Auditor.
2. No material conflict of interest exists between the Company and Toshio Kinoshita.
3. Toshio Kinoshita has been nominated for Outside Corporate Auditor because his rich experience as a certified public accountant and wide-ranging knowledge about global accounting and auditing are expected to enable him to provide useful opinions and advice on the Company's management and are judged to qualify him to be appropriate for the position of Outside Corporate Auditor. With the deep insight about management he has acquired through the above-mentioned experience in organizational management, he is expected to be fully capable of performing his duties properly as an Outside Corporate Auditor.
4. If he is elected as an Outside Corporate Auditor, the Company plans to enter into a limited liability agreement with him, which restricts the upper limit of the liability for damages of outside directors/corporate auditors to an amount specified by law, pursuant to Article 427, Paragraph 1, of the Companies Act.

#### **Proposal No. 4: Revision of Details of Remuneration Payable to Directors (Granting Stock Options)**

Regarding the amount of remuneration for Directors of the Company, the annual remuneration shall be within ¥500 million as resolved at the 23rd Annual General Meeting of Shareholders of the Company held on August 16, 2009. Meanwhile, in connection with the reconsideration of the remuneration plan for Directors, the Company proposes to set remuneration for Directors (excluding Outside Directors) in the form of stock acquisition rights as stock options within an annual amount of up to ¥200 million, in addition to the existing amount of remuneration for Directors.

Up to the present, the remuneration system for Directors (excluding Outside Directors) of the Company consists of fixed remuneration and performance-based remuneration, and the Company has a system whereby Directors may purchase shares of the Company through the Shareholding Association of Weathernews Directors out of their remuneration. Effective from the 29th fiscal year, the Company will adopt the slogan “Innovation & Collaboration with Entrepreneurship” and practice a form of organized Entrepreneurship by aggressively anticipating the needs and wants of supporters based on the AAC (Aggressively Adaptable Company) management principle.

In order to share the merits and risks of stock price fluctuation with shareholders by linking the Directors’ remuneration with the Company’s performance and stock prices, and to raise the Directors’ willingness to work towards enhanced corporate value and higher-than-ever stock prices, the Company will revise the current remuneration system and newly introduce the stock compensation-type stock option system.

The stock option plan is a stock compensation-type stock option with an exercise price of one yen per share to be granted upon the exercise of each stock acquisition right, and is determined by comprehensively considering various factors such as the degree to which the Directors contribute to the Company. We therefore believe the details of the plan are appropriate.

In addition, the amount of the stock acquisition rights granted as stock options will be paid in by offsetting the amount of remuneration of the stock acquisition rights as stock options for Directors (excluding Outside Directors) against the amount to be paid in, in lieu of payment of the amount to be paid in determined based on the fair value upon allocation thereof.

The current number of Directors is twelve (12, including two (2) Outside Directors). If Proposal No. 2 is approved, the number of Directors will be thirteen (13, including two (2) Outside Directors).

Specific details and the maximum number of stock acquisition rights to be granted as stock options to Directors (excluding Outside Directors) of the Company

##### 1) Class and number of shares to be issued upon the exercise of stock acquisition rights

The class of shares to be issued upon the exercise of stock acquisition rights shall be common stock of the Company, and the number of shares to be issued upon the exercise of stock acquisition rights (hereinafter, the “Number of Issued Shares”) shall be 100 per stock acquisition right. If, however, the Company carries out a share split (including allotment of shares of common stock of the Company without contribution) or consolidation of shares after the date of resolution of this proposal (hereinafter, the “Date of Resolution”),

the Number of Issued Shares shall be adjusted according to the following formula, with fractions of less than one share resulting from the adjustment rounded down.

$$\text{Number of Issued Shares after adjustment} = \text{Number of Issued Shares before adjustment} \times \text{Ratio of share split or consolidation of shares}$$

In addition, if the Company merges, engages in a company split, or otherwise requires an adjustment of the Number of Issued Shares according to these cases on or after the Date of Resolution, the Company may appropriately adjust the Number of Issued Shares to the extent reasonable. If the Company changes the share unit number of common stock of the Company (excluding cases linked to share splits or share consolidations) on or after the Date of Resolution, the Company may reasonably adjust the Number of Issued Shares according to the ratio of the change in the share unit number for stock acquisition rights whose issuance is resolved by a Board of Directors meeting held on or after the effective date of the change in the share unit number.

#### 2) Total number of stock acquisition rights

The maximum number of stock acquisition rights to be allocated to Directors (excluding Outside Directors) shall be 2,000 on a date set within one year from the date of the Annual General Meeting of Shareholders for each fiscal year. If, however, the Number of Issued Shares is adjusted in association with a change in the share unit number of common stock of the Company, the Company may appropriately adjust the total number of stock acquisition rights according to the ratio of the adjustment.

#### 3) Amount to be paid in upon allotment of stock acquisition rights

The amount to be paid in upon the allotment of one stock acquisition right will be determined at the Board of Directors meeting, based on the fair value of the stock acquisition rights to be calculated upon the allotment of the stock acquisition rights using the Black-Scholes model or another reasonable calculation method.

#### 4) Value of assets to be contributed upon the exercise of stock acquisition rights

The value of assets to be contributed upon exercise of each stock acquisition right will be an amount obtained by multiplying “A” by “B”; where “A” means one yen, which is the per share value of assets corresponding to each share to be issued upon the exercise of the respective stock acquisition right, and “B” means the Number of Issued Shares.

#### 5) Period in which stock acquisition rights may be exercised

The period in which stock acquisition rights may be exercised will be determined by the Board of Directors meeting and will fall within a possible range of up to 11 years from the day immediately following the date of allotment of the stock acquisition rights.

#### 6) Restriction on acquisition of stock acquisition rights by assignment

The acquisition of stock acquisition rights by way of assignment will require the approval of the Board of Directors meeting.

7) Conditions for the exercise of stock acquisition rights

Conditions for the exercise of stock acquisition rights by those who are allotted the rights will be determined by the Board of Directors meeting.

8) Other details of stock acquisition rights

Other details of stock acquisition rights will be determined by the Board of Directors meeting.

(Reference: Outline of the Performance-based Remuneration System of the Company)

1) The persons covered will be Directors (excluding Outside Directors) of the Company who play important roles in the success or failure of the performance of the Company.

2) A portion of the performance-based remuneration payable to the persons covered will be changed from payment in money to the allotment of stock acquisition rights as stock-based remuneration.

3) When calculating stock acquisition rights to be allocated to the persons covered, the Company will allocate the persons covered the minimum number of shares exercisable (the number of shares changed from payment in money to stock-based remuneration) as stock acquisition rights if the consolidated net sales match the level of the previous fiscal year, given that consolidated operating income increases from the previous fiscal year. In addition, the Company will allocate the persons covered the number of shares proportionally according to the growth rate of consolidated net sales (5%, if 5% or higher), up to twice the number of the minimum shares exercisable as described above. The net sales mean tollgate net sales (net sales from businesses that continuously provide content), and among them net sales denominated in foreign currencies will be translated using the same foreign exchange rate as in the previous fiscal year.

4) The Company will temporarily allocate the maximum stock acquisition rights as described in 3) to the persons covered, but all the stock acquisition rights other than those exercisable by the persons covered will expire according to their actual achievement rates.

## **Proposal No. 5: Renewal of Measures to Secure Corporate Value and Enhance the Common Interest of Shareholders against a Large-scale Purchase, etc. of Share Certificates of the Company (Takeover Defense)**

Note: In light of the great length of the text of the actual proposal, we replace it here with a condensed version for reference purposes.

### **Basic Principles regarding the Control of the Company**

#### 1. Outline of the Basic Principles regarding persons who control decisions on the Company's financial and business policies

In pursuit of its corporate dream as a private weather information company, "To Be a Communication Platform for 7.1 Billion Supporters," the Company Group aims to provide weather services that mitigate risks to the lives and assets of all persons and firms in the world, and further, to increase the opportunities available for all persons and firms of the world, in recognition that the weather constitutes a fifth public asset (= public infrastructure) following water, electricity, transportation, and communication. The Company Group will contribute to society and the global environment by pursuing a new weather service in which supporters join in on the observation (measurement by feeling), analysis, forecasting, information delivery, and sharing of weather in a responsible way and create value together with the Company. The Company believes that those who control decisions on the Company's financial and business policies must understand the source of the Company's corporate value and make it possible to continuously and sustainably secure and enhance the corporate value of the Company Group and the common interests of the shareholders. Needless to say, shareholders and investors are allowed to freely trade share certificates and other securities of the Company listed on the stock market (hereinafter, the "Share Certificates"). The Board of Directors of the Company believes that those who control decisions on the Company's financial and business policies shall be decided finally by all of the shareholders of the Company, and that in the case of a proposal for a large-scale acquisition of the Share Certificates of the Company or any other similar activity, the decision as to whether or not to sell the Company's shares shall be entrusted with the shareholders who own the Company's shares. In the Japanese capital market of recent years, however, moves to enforce proposals for large-scale acquisitions of Share Certificates in a unilateral or similar manner without obtaining agreement from the managements of the target companies have come to light. Some of these large-scale acquisitions of Share Certificates do not contribute to the corporate value or common interests of the shareholders of the companies targeted for acquisition; for example, those executed with an apparent intent to harm the corporate value or common interests of the shareholders; those with the potential to practically coerce the shareholders to sell shares; those that allow too little time or provide too little information to allow the Board of Directors and shareholders of the target company to review the contents of the proposed acquisition or to allow the Board of Directors of the target company to make alternative proposals; or those in which consultation and negotiation with the purchaser is required to allow the target company to produce terms more favorable than those proposed by the purchaser. The Company believes that a person who proposes a large-scale acquisition or equivalent undertaking that would not contribute to the corporate value of the

Company or the common interests of the shareholders would not be suitable as a person controlling decisions on the Company's financial and business policies, and that necessary and appropriate countermeasures should be taken against the actions of any such person in order to secure the corporate value of the Company and the common interests of the shareholders.

2. Outline of special activities to contribute to the effective use of the Company's assets, the appropriate formation of the corporate group, and the realization of other Basic Principles

The Company believes that the task of sustaining and developing the mid- and long-term corporate value must be given the first priority in order to enhance the common interests of the shareholders. With the purpose of enhancing the corporate value of the Company Group and the common interests of the shareholders, we will move forward with developing and implementing the new mid-term management plan, reinforcing corporate governance, and returning to our shareholders profits commensurate with our performance, as special activities to contribute to the effective use of the Company's assets, the appropriate formation of the corporate group, and the realization of other Basic Principles as mentioned in item 1 above.

3. Outline of activities to prevent an inappropriate person from controlling decisions on the Company's financial and business policies in view of the Basic Principles

As an activity to prevent an inappropriate person from controlling decisions on the Company's financial and business policies in view of the Basic Principles, the Company implemented measures against a large-scale acquisition of the Share Certificates of the Company (Takeover Defense) (hereinafter, the "Plan") at the 22nd Annual General Meeting of Shareholders held on August 10, 2008. The Plan was renewed by approval of the shareholders at the 25th Annual General Meeting of Shareholders held on August 7, 2011. The Plan stipulates the procedures to be observed in the case of a purchase or other acquisition that would result in an ownership ratio of a shareholder of 20% or more of the Share Certificates issued by the Company or an activity corresponding to or similar to a tender offer that would result in an ownership ratio of a holder or persons in special relationships totaling 20% or more of the Share Certificates issued by the Company or a proposal to conduct such an activity (hereinafter, the "Purchase"): e.g., procedures for requesting a person who plans to conduct the Purchase (hereinafter, the "Purchaser") to provide information regarding the purchase in advance, for securing time to collect information and deliberate the relevant purchase, and for thereupon submitting to the shareholders a plan or an alternative proposal of the Company's management and conducting negotiations with the Purchaser. More specifically, the Purchaser shall submit necessary information to the Board of Directors of the Company in advance, and may not commence the Purchase after the procedures regarding the Plan have been initiated, until (i) the termination of the period in which the Board of Directors of the Company performs evaluation, deliberation, negotiation, and opinion-forming, or (ii) the termination of the period in which the Board of Directors goes through the procedures to confirm the shareholders' intent, if such procedures are taken. If it is recognized that the corporate value of the Company and the common interests of the shareholders may be infringed by a Purchase, including any infringement due to a failure of the purchaser to follow the procedures stipulated in the Plan, the Company may implement a countermeasure (implementation of gratis allotment of stock acquisition rights (hereinafter, the "Stock



Acquisition Rights”) with the attachment of conditions for exercise that prohibit the Purchaser from exercising the rights or the attachment of acquisition terms whereby the Company will acquire the stock acquisition rights from persons other than the Purchaser in exchange for the shares of the Company). In order to eliminate arbitrary decisions on whether or not to implement the gratis allotment of the Stock Acquisition Rights by the Board of Directors, the Plan stipulates that procedures either (i) to confirm the intent of the shareholders by the relevant procedures or (ii) to obtain a judgment from the Independent Committee consisting solely of persons independent from the management of the Company shall be conducted, and that the Board of Directors of the Company shall respect the results of the confirmation of the intent of the shareholders or the recommendation by the Independent Committee to a maximum extent and decide promptly whether or not to implement the gratis allotment of the Stock Acquisition Rights as a body stipulated by the Companies Act.

The Company publicly announced the contents of the Basic Principles mentioned in item 1, the activities mentioned in item 2, and the Plan itself in a press release on the “Renewal of measures against a large-scale acquisition of the Share Certificates of the Company (Takeover Defense)” dated July 8, 2011. For details of the Basic Principles mentioned in item 1, the activities mentioned in item 2, and the Plan itself, please refer to the press release of the Company published on July 8, 2011 (now posted on the following website):

<http://weathernews.com/ja/nc/>

#### 4. Decisions of the Board of Directors on the activities mentioned in items 2 and 3, and the reasoning behind them

The Company believes that the task of sustaining and developing the mid- and long-term corporate value must be given the first priority in order to enhance the common interests of the shareholders. With the purpose of enhancing the corporate value of the Company Group and the common interests of the shareholders, we will perform the activities mentioned in item 2. By enhancing the corporate value of the Company Group and the common interests of the shareholders through the activities mentioned in item 2 and fairly reflecting the enhanced corporate value in the evaluation of the Company’s shares by the shareholders and investors, a large-scale acquisition of the Share Certificates of the Company that threatens to remarkably impair the corporate value of the Company Group and the common interests of the shareholders, as mentioned above, should become difficult to perform. Therefore, we believe that these activities contribute to the Basic Principles mentioned in item 1, do not impair the common interests of the shareholders, and do not aim at the preservation of the positions of the Company’s officers.

The Plan mentioned in item 3 is a framework to secure the corporate value of the Company and the common interests of the shareholders by securing necessary information and time to ensure that the shareholders are able to decide whether or not to accept any Purchase of the Share Certificates of the Company or to ensure that the Board of Directors of the Company is able to make alternative proposals, and by enabling the Board of Directors to consult and negotiate with the Purchaser on behalf of the shareholders. Therefore, the Board of Directors of the Company believes that the Plan is in conformity with the Basic Principles mentioned in item 1. The Board of Directors of the Company also believes that the Plan does not impair the common interests of the shareholders and does not aim at the preservation of the positions of the

Company's officers, for the following reasons: the plan fulfills the requirements of the guideline regarding the Takeover Defense; the plan attaches great importance to the intent of the shareholders; the Independent Committee is established as a body to conduct an actual judgment objectively on the management of the Plan, including the triggering and abolishment of the Plan, in order to eliminate arbitrary decisions by the directors; the Plan will not be triggered unless the reasonable and objective requirements are fulfilled; the opinions of external specialists will be obtained; the term of office for the Directors of the Company is one year; and the Plan may be abolished at any time before the expiry of the effective period by the General Meeting of Shareholders or the Board of Directors.

The effective period of the Plan continues up to the conclusion of the 28th Annual General Meeting of Shareholders to be held on August 9, 2014 (hereinafter, the "Annual General Meeting of Shareholders"). Hence, as a result of a deliberation on the renewal of the Plan based on the trend of practical operations regarding Takeover Defense after the implementation of the Plan, the Board of Directors meeting held on July 14, 2014 has decided to renew the Plan with partial amendments, subject to the approval of the shareholders at the Annual General Meeting of Shareholders, and to propose the renewal at the Annual General Meeting of Shareholders.