

These documents have been translated from Japanese originals for reference purposes only. In the event of any discrepancy between these translated documents and the Japanese originals, the originals shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translations.

(Securities Code: 4825)

July 24, 2015

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 29th ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

You are cordially invited to attend the 29th 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 7, 2015, Japan time.

- 1. Date and Time:** Saturday, August 8, 2015, 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 29th Fiscal Year (June 1, 2014–May 31, 2015), 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:** Partial Amendments to the Articles of Incorporation
- Proposal No. 3:** Election of Six (6) Directors
- Proposal No. 4:** Election of Two (2) Corporate Auditors

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) "Basic Principles regarding the Control of the Company"
 - 2) "Notes to the Consolidated Financial Statements" of the consolidated financial statements (29th Fiscal Year)
 - 3) "Notes to the Non-Consolidated Financial Statements" of the non-consolidated financial statements (29th Fiscal Year)
- (2) Any amendments to the Reference Documents for the General Meeting of Shareholders and the Appendix will be posted on the aforementioned Company website.

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.

Business Report

(From June 1, 2014, to May 31, 2015)

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 7.3 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, 2015, the third 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.

a) Market—Focusing on the strategically-focused business

▪ BtoB market (for corporations) —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, Railway and Maritime weather services: Reinforcement of domestic services and marketing activity in Asian markets

▪ BtoS market (for individuals and *Bunshu**: S means supporters. Business supported by the supporters)—Global development of a weather reporters’ network

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

▪ Observation of sea ice on the Arctic Ocean using our original small satellite

▪ Development of a new type of Weather Radar through collaboration with the University of Oklahoma

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

For the fiscal year ended May 31, 2015, consolidated net sales rose 5.7% year-over-year to ¥14,064

million. Net sales in the Transportation Weather segment grew 11.9% year-over-year due to an expanded base of customers for our voyage planning service and favorable progress in cargo movement, resulting in an increase of 10.3% to ¥7,971 million in the overall BtoB market. Meanwhile, net sales increased 0.2% to ¥6,092 million in the overall BtoS market, primarily due to a sales increase of 3.1% in the mobile/Internet media sector caused by an increase in the number of fee-paying members with a rising social interest in weather.

For income during the fiscal year under review, operating income increased 1.1% year-over-year to ¥3,304 million, mainly due to the reinforced service system and infrastructure established enabled by increased sales. Ordinary income increased 6.4% to ¥3,504 million partly due to foreign exchange gains, and net income increased 20.2% to ¥2,252 million on a consolidated basis due to reduced postings of extraordinary loss for the fiscal year ended May 31, 2015.

Net sales by market segment were as follows:

Market segment	Previous Fiscal Year ended May 31, 2014 (from June 1, 2013, to May 31, 2014)			Fiscal Year ended May 31, 2015 (from June 1, 2014, to May 31, 2015)			Rate of change
	(Millions of yen)			(Millions of yen)			(%)
	SRS	Tollgate	Total	SRS	Tollgate	Total	Total
Transportation Weather	190	5,361	5,551	238	5,974	6,212	11.9
Other weather (excluding Transportation Weather)	32	1,644	1,676	41	1,717	1,759	4.9
BtoB market	222	7,006	7,228	279	7,691	7,971	10.3
Mobile/Internet media	120	3,348	3,468	30	3,545	3,575	3.1
Other media	595	2,014	2,609	546	1,970	2,516	(3.6)
BtoS market	715	5,362	6,077	577	5,515	6,092	0.2
Total	937	12,368	13,306	856	13,207	14,064	5.7

Note:

Transportation Weather segment includes voyage planning, sky, road, railway and maritime weather. Starting from the fiscal year ended May 31, 2015, maritime weather was moved from the Other weather segment to the Transportation Weather segment. Net sales for Transportation Weather for the previous fiscal year includes ¥241 million from maritime weather.

(Reference) Net sales by region

	Previous Fiscal Year ended May 31, 2014 (from June 1, 2013, to May 31, 2014)			Fiscal Year ended May 31, 2015 (from June 1, 2014, to May 31, 2015)			Rate of change
	(Millions of yen)			(Millions of yen)			(%)
	SRS	Tollgate	Total	SRS	Tollgate	Total	Total
Japan	889	9,873	10,762	782	10,136	10,919	1.5
Europe	—	1,321	1,321	4	1,605	1,609	21.8
Asia & Australia	47	892	940	69	1,121	1,191	26.7
Americas	—	282	282	—	343	343	21.8
Total	937	12,368	13,306	856	13,207	14,064	5.7

The Company mainly promotes the tollgate-type business model to continuously provide content while seeking opportunities to sell temporary research and system with the potential to lead to tollgate-type sales 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, railway and maritime 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.

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, 2015, cargo movement progressed favorably in the sea transportation market. Shipping companies maintained their efforts to optimize operations, so voyages using the Company's OSR service increased. To provide operation support service more stably, the Company established the Manila Operation Center in October 2014.

In the sky weather service sector, "FOSTER-copilot," a helicopter flight watch system, was adopted on an increased scale and ultimately loaded on 37 out of 45 doctor helicopters nationwide. In the road weather service sector we have increased the number of sites providing safety information to drivers. In the railway weather service we increased the adoption of our "Safety Status Monitoring Service" system for providing railway crews with information on operational regulation. In maritime weather service, we increased deployment of our safety status monitoring service for coastal vessels, expanding from harbor management.

As a result, sales in the Transportation Weather markets grew with an 11.9% year-over-year increase, and net sales of the overall BtoB market increased 10.3% year-over-year to ¥7,971 million. Starting from the 29th fiscal year, the maritime weather service sector is transferred from the Other weather segment to the Transportation Weather segment. The rate of increase in net sales is calculated after the maritime weather service sector for the 28th fiscal year was reclassified as a component of the Transportation Weather segment.

BtoS Market (for individuals and *Bunshu*):

In the BtoS market the number of fee-paying members increased due to the rising social interest in weather stirred by the growing incidence of natural disasters such as typhoons, "guerilla" thunderstorms, and volcanoes. We also activated the use of weather content through collaboration with telecommunication carriers. The Guerilla Thunderstorm Defense Troop, our supporter-participative content platform, gained a firmer foothold in the market. Overseas, in June 2015, we also acquired "Weathermob," a weather application, to expand our markets. Sales in the mobile/Internet media sector for the 29th fiscal year increased 3.1% year-over-year and net sales of the overall BtoS market increased 0.2% year-over-year to ¥6,092 million.

2) Capital investments

For the fiscal year ended May 31, 2015, the Company Group made capital investments (for tangible and intangible assets) of ¥715 million (¥577 million for the previous fiscal year). The main investments were for our second small satellite (WNISAT-1R), the infrastructure to realize 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.

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 7.3 billion people of the world with the most abundant, updated and timely 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 7.3 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 stage (about 10 years starting from June 2012) in order to pursue a full-fledged global evolution.

Vision for the Fourth Growth Stage (June 2012–May 2022):

<Basic strategy for the fourth growth stage>

—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 but we still only provide the service to about 30% of the 20,000 vessels now at sea worldwide. In the fourth growth stage, 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 stage 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"> • Globally provide the OSR service and expand the relevant services toward the target of 10,000 vessels in the fourth growth stage. • Create new value-creation services such as the Arctic sailing route.
Sky weather	<ul style="list-style-type: none"> • Expand the relevant services in Asia and other regions globally.
Road weather	<ul style="list-style-type: none"> • Globally expand the relevant services in the expressway field based on our experience in Japan.
Railway weather	<ul style="list-style-type: none"> • Evolve the relevant services in the high-speed railway field into Asia and Europe.
Maritime weather	<ul style="list-style-type: none"> • Evolve new services using “out-of-box thinking” infrastructure into Asia.
Mobile/Internet	<ul style="list-style-type: none"> • Promote trans-media service development around mobile terminals. • Globally evolve supporter-participative and network-type content services.

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 with value to satisfy the needs of corporate and individual supporters. 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.

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, 2016, a period in which we plan to promote full-fledged 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. For bulk carriers and containers we will develop OSR service for each type of vessel to better respond to customer demand. Turning to our sky weather service, road weather service and railway weather services, we will raise our marketing activity in Asia to gain more sales and establish positions in the markets. For maritime weather, we will not just confine our services to harbor management but will expand to coastal vessels.

- BtoS market

We will create a system that allows more supporters to share weather information in seasons when weather risks such as typhoons and heavy snowfalls rise by not only improving supporter-participative content but also by taking advantage of Transportation Weather, and thereby increase the number of fee-paying members. We have also started new services using our “Wx Beacon” system incorporating beacon technology in a bid to expand our network of observatories in order to improve our real situation analysis capabilities and the accuracy of our overall forecasts.

<Evolution of technologies and infrastructure to create new values>

We are endeavoring to streamline the infrastructure without being fettered by in-the-box thinking. In the fiscal year ending May 31, 2016 we plan to launch “WNISAT-1R,” our second small satellite. 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 ¥14,800 million, operating income of ¥3,600 million, ordinary income of ¥3,600 million and net income of ¥2,400 million for the fiscal year ending May 31, 2016.

(2) Trends in Assets and Income

Item	26th fiscal year ended May 31, 2012	27th fiscal year ended May 31, 2013	28th fiscal year ended May 31, 2014	29th fiscal year ended May 31, 2015
Net sales (Millions of yen)	12,911	13,007	13,306	14,064
Operating income (Millions of yen)	2,903	2,696	3,268	3,304
Ordinary income (Millions of yen)	2,788	2,760	3,293	3,504
Net income (Millions of yen)	1,719	1,724	1,873	2,252
Net assets (Millions of yen)	7,336	8,699	10,090	11,868
Total assets (Millions of yen)	8,798	9,889	11,891	13,583
Net assets per share (Yen)	678.01	801.57	928.63	1,081.93
Net income per share (Yen)	159.01	159.16	172.56	207.19
Return on equity (%)	25.9	21.5	19.9	20.6

(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

3) Major Affiliates

Company name	Capital	The Company's percentage of equity participation	Principal business
上海星团信息技术有限公司	CNY 1,000,000	25.0%	Comprehensive weather information services

Note:

Since the Company invested in the above company in May 2015, the above company is included in the scope of affiliates accounted for by the equity method starting from the end of the fiscal year under review.

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 953,900 shares of treasury shares.

3) Number of shareholders 8,666 persons
(an increase of 196 persons from the previous year)

4) Major shareholders

Shareholder name	Number of shares	Shareholding ratio (%)
WNI WxBunka Foundation	1,700,000	15.61
WNI Institute Inc.	1,700,000	15.61
Shareholding Association of Weathernews Employee Supporters	368,300	3.38
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	360,000	3.31
The Chiba Bank, Ltd.	360,000	3.31
Taeko Ishibashi	353,800	3.25
The Master Trust Bank of Japan, Ltd. (trust account for Weathernews Directors)	329,500	3.03
Japan Trustee Services Bank, Ltd. (trust account)	291,200	2.67
CBNY-GOVERNMENT OF NORWAY	242,700	2.23
Nippon Life Insurance Company	200,000	1.84
Sumitomo Mitsui Banking Corporation	180,000	1.65

Notes:

1. The shareholding ratio represents the ratio of shares held to the total number of shares outstanding (excluding treasury shares).
2. All of the shares held by The Master Trust Bank of Japan, Ltd. (trust account for Weathernews Directors), and Japan Trustee Services Bank, Ltd. (trust account), are related to the trust services.
3. The standing proxy for CBNY-GOVERNMENT OF NORWAY is as follows.
Standing proxy: Citibank Japan Ltd.
4. Mitsubishi UFJ Financial Group, Inc. reported the possession of a large volume of the Company's share on April 21, 2014 and informed the Company that the Group held the Company's share 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, 2015.

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	5.46

5) Other important matters related to shares of the Company

Not applicable.

(2) Company Officers

1) Directors and Corporate Auditors

(As of May 31, 2015)

Position	Name	Areas of responsibility	Significant concurrent positions
President and Representative Director	Chihito Kusabiraki	Overall management Sales	
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	
Director	Tomohiro Ishibashi	BtoS service sales Sales in the United States	
Director	Daisuke Abe	Service operation	
Director	Kiyoteru Morita	BtoS service operation	
Director	Masaya Yamamoto	System development and projects	
Director	Osamu Umeda	System development	
Director	Masanori Yoshitake	General affairs	
Director	Norio Murakami	Outside Director	President, Norio Murakami Office Co., Ltd. President and CEO, Eneres Co., Ltd. Outside Director, V-cube, Inc. President, Vegetable Planet Association
Director	Nobuo Seki	Outside Director	Outside Director, Teijin Limited Outside Director, Kameda Seika Co., Ltd. Outside Corporate Auditor, SUGIYO CO., LTD. Representative Director, Tangible Earth Association
Full-Time Corporate Auditor	Tomoo Yukawa		
Corporate Auditor	Hajime Mizuno	Outside Corporate Auditor	President, Chibagin Research Institute Corporation

Position	Name	Areas of responsibility	Significant concurrent positions
Corporate Auditor	Toshio Kinoshita	Outside Corporate Auditor	Representative, Kinoshita Certified Public Accountant Office Outside Director, econext Asia Limited Outside Director, ASATSU-DK INC. Outside Corporate Auditor, Cool Japan Fund Inc. Outside Corporate Auditor, Panasonic Corporation

Notes:

1. The Company pays membership fees, etc. to the Tangible Earth Association, a general incorporated association in which Director Nobuo Seki serves as Representative Director, but the amount is minimal.
2. Corporate Auditor Toshio Kinoshita is a Certified Public Accountant and has considerable knowledge about finance and accounting.
3. The Company has no special interest relationships expected to create problems or hinder the performance of the duties of Outside Directors or Outside Corporate Auditors with any of the Outside Directors, Outside Corporate Auditors, or entities in which the Outside Directors or Outside Corporate Auditors concurrently hold positions.
4. Pursuant to the provision of Tokyo Stock Exchange, Inc., the Company has designated Director Norio Murakami and Director Nobuo Seki as Independent Officers and has so notified the said Exchange.

2) Structure on and after August 8, 2015 (scheduled)

In order to clarify governance functions held by the Board of Directors and to enable the Directors to perform and supervise their duties as corporate managers more effectively and efficiently in alignment with the revision of the Companies Act and other changes in the management environment, the Company adopted an executive officer system. Accordingly, the following structure is scheduled to be adopted after the end of the Board of Directors meeting to be held after the conclusion of the 29th Annual General Meeting of Shareholders.

i) Directors and Corporate Auditors

Position	Name	Areas of responsibility
President and Representative Director	Chihito Kusabiraki	Overall management Sales (Asia, Europe, and the United States)
Executive Vice President and Representative Director	Jiro Miyabe	Overall management Service operation and development
Senior Managing Director	Yasushi Shiga	Sales (Japan and emerging countries)
Director	Masanori Yoshitake	Accounting, financial, and general affairs
Director	Norio Murakami	Outside Director
Director	Nobuo Seki	Outside Director
Full-Time Corporate Auditor	Takashi Tomura	
Corporate Auditor	Toshio Kinoshita	Outside Corporate Auditor
Corporate Auditor	Saeko Masumi	Outside Corporate Auditor

Note:

Pursuant to the provision of Tokyo Stock Exchange, Inc., the Company has designated Norio Murakami and Nobuo

Seki as Independent Officers and has so notified the said Exchange. In addition, the Company is scheduled to designate Toshio Kinoshita and Saeko Masumi as Independent Officers and so notify the said Exchange after the determination of this structure.

ii) Executive Officers

Position	Name	Areas of responsibility
* President and Executive Officer	Chihito Kusabiraki	Overall management Sales (Asia, Europe, and the United States)
* Executive Vice President and Executive Officer	Jiro Miyabe	Overall management Service operation and development
* Senior Managing Officer	Yasushi Shiga	Sales (Japan and emerging countries)
* Executive Officer	Masanori Yoshitake	Accounting, financial, and general affairs
Executive Officer	Hidenori Iwasa	Sales of Voyage Planning services
Executive Officer	Tomohiro Ishibashi	BtoS service sales
Executive Officer	Daisuke Abe	Service operation
Executive Officer	Kiyoteru Morita	BtoS service operation
Executive Officer	Masaya Yamamoto	Research and development
Executive Officer	Osamu Umeda	System development

Note:

* indicates a person scheduled to serve concurrently as Director.

(3) System to ensure the appropriateness of business

At the Board of Directors' meeting held on May 18, 2015, the Company reviewed and resolved its "Basic Policy on the Development of an Internal Control System" together with the ongoing measures undertaken to enact the policy, in order to respond to the revision of the Companies Act and the Ordinance for Enforcement of the same enacted on May 1, 2015. The above policy was resolved again at the Board of Directors' meeting held on June 29, 2015 in line with the adoption of the "executive officer system." Following is an outline of the revised policy.

Basic Policy on the Development of an Internal Control System

Introduction

The Company's management philosophy is to realize the Company's purpose of "value creation for supporters" through the efforts of all its employees and the exchange of information among of all of its stakeholders, including shareholders, customers, officers, and employees, with a deep awareness that the Company is a presence which is open to the market.

The Company's corporate culture prescribes that the necessary information should be shared not only with shareholders and customers, but also with officers and employees inhouse under a policy where "even the president must kneel down before the truth," that everything should be discussed openly, and that all processes of discussion should be made clear. The Company has cultivated this corporate culture as an "information democracy." To respond to the ever-changing market circumstances, we aspire to become an AAC (Aggressively Adaptable Company) in our management philosophy, reflect wisdom and deep insights from outside the Company into our management, and promote fair business activities.

Under these two policies, our implementation guideline places most importance on efforts by every officer and employee of the Company to maintain entrepreneurship. The principle of "no autonomy without independence" forms the bedrock of our management and implementation system. With a "culture of mutual trust," we aim to operate as an autonomous, decentralized integrated company. We recognize the importance of "controlling with our own eyes" without depending too much on indirect information.

Our management organization system consists of a SHOP system (service planning, operation and cultivation divisions) as a center, an SSI system (share-use infrastructure operation and development divisions), and an SMS system (direct sales divisions). Each of these divisions performs its respective functions at the highest possible level while sharing information to enlighten the other divisions, in order to realize a check-and-balance relationship vital to providing service operations that create higher value.

For business implementation, we promote decision-making on management issues and the appropriate implementation, rationalization and efficiency of management by sharing our corporate vision and management policy among all of our officers and employees engaged in business operations and unifying their vectors

through SMART (Service Menu Affirmative Review and Tollgating) month activities, AAC (Aggressively Adaptable Company) meetings, and SSM (Speed & Scope Merit) meetings. We emphasize process above procedures in order to avoid falling into formulaic thinking. We understand that corporate culture as implicit knowledge is born anew every day, value an explicit knowledge culture in which corporate culture, wisdom and information that are known and recognized internally are shared with words, illustrations and audio visuals via channels such as internal magazines and the intranet, and thereby endeavor to realize a management system in which all employees are involved and are in compliance with laws, regulations and internal rules. We also grasp the implementation status and progress of our business plans in quantitative and qualitative terms by establishing a scoring committee, while mutually confirming our compliance with laws, regulations and internal rules from the viewpoint of internal control.

To evaluate the performance of the officers and employees who bear the above system, we use an evaluation system whereby each of officer and employee determines his or her objectives, tasks, and specific challenges (small category) according to the Company's business policy (large category) from an MMCL perspective (My & My Colleague Leader: an entrepreneur who leads colleagues by example), declares them to others, and thus shares the themes. Our performance evaluations are managed and confirmed by company-wide eyes based on evaluation by the objective eyes of the market at the MME (Matrix Management Evaluation) meeting of officers and employees held every three months. This evaluation system, whereby the declaration and performance of each officer and employee are valued even if the objectives are not achieved and mere consequentialism is excluded, is thus managed with high transparency and persuasiveness supported by a commitment to "evaluate the process as well."

For the internal control framework from external eyes, we are further reinforcing our management system through the active involvement of Outside Directors (two Outside Directors out of thirteen Directors) with broad management experience and knowledge and through appropriate audits by Outside Corporate Auditors (two Outside Corporate Auditors out of three Corporate Auditors) on business execution.

According to the above, we have established a Basic Policy on the Development of an Internal Control System pursuant to Article 362 of the Companies Act and Article 100 of the Ordinance for Enforcement of the Companies Act, as follows.

1. System to ensure that Directors execute their duties in compliance with relevant laws, regulations and the Articles of Incorporation
(Article 362, Paragraph 4, Item 6 of the Companies Act)
 - 1) The Company shall hold a Board of Directors' meeting once a month in principle according to the "Rules of the Board of Directors."
 - 2) Directors shall supervise the execution of duties by other Directors through the Board of Directors' meetings.

- 3) In order to ensure the execution of duties in compliance with relevant laws and regulations, etc., the Executive Directors, Executive Officers and leaders shall make preliminary reports on important information on group-wide business execution to prevent legal violations in advance at the Board of Directors' meetings, EM (Executive Meeting) meetings, SSM meetings and other important meetings of the Company. If any behavior or event likely to constitute a legal violation comes to light, they shall take necessary measures to prevent or remedy the violation.
 - 4) The Company has a Board of Corporate Auditors. Under the audit policy stipulated by the Board of Corporate Auditors, each Corporate Auditor shall audit the execution of duties by Directors by attending the Board of Directors' meetings and examining business execution, etc.
 - 5) The Group shall establish and provide multiple "WNI Help Lines" as compliance reports and consultancy routes for its officers and employees and take necessary measures to protect whistleblowers.
2. System to retain and manage information relating to the execution of duties by Directors
(Article 100, Paragraph 1, Item 1 of the Ordinance for Enforcement of the Companies Act)
- 1) Minutes of the General Meetings of Shareholders and the Board of Directors' meetings shall be prepared according to the relevant laws, regulations and internal rules and appropriately retained and stored.
 - 2) Important information, decisions, internal notices, etc. concerning management and business execution shall be prepared by the divisions in charge and appropriately retained and managed.
3. Rules and systems related to the management of risk of loss
(Article 100, Paragraph 1, Item 2 of the Ordinance for Enforcement of the Companies Act)
- 1) Matters to be approved at the Board of Directors' meetings, EM meetings and SSM meetings of the Company and matters to be approved at the group companies shall be stipulated according to the "WNI Settlement Standard."
 - 2) Executive Directors, Executive Officers and leaders shall make periodical reports on important information on group-wide business execution at the Board of Directors' meetings, EM meetings, SSM meetings and other important meetings of the Company.
 - 3) To respond to risks concerning information security, the environment, disaster prevention, hygiene and health, each division in charge shall establish rules, implement education and enlightenment activities and conduct the necessary monitoring.
 - 4) The Contingency Planning Committee shall convene meetings as an organization in charge of risk management when necessary to clarify the Company's basic policy of group-wide risk management and to develop response measures in the event of the occurrence of any significant risks that may destabilize business continuity.

4. System to ensure that Directors execute their duties efficiently
(Article 100, Paragraph 1, Item 3 of the Ordinance for Enforcement of the Companies Act)
 - 1) The Board of Directors shall resolve the basic policy of management, matters concerning the execution of important business and matters stipulated by laws, regulations and the Articles of Incorporation, receive reports on the execution of important business and supervise the same. An executive officer system shall be adopted to enable the Directors to more effectively and efficiently execute and supervise their duties as managers.
 - 2) Group-wide matters to be resolved by the Board of Directors shall be preliminarily discussed and important matters stipulated by the “WNI Settlement Standard” shall be confirmed at EM meetings.
 - 3) For the decision-making by the Board of Directors, sufficient and appropriate information shall be provided to each Director.
 - 4) The Group holds DEViCo Week (Dream Enthusiasm Vision Concept and Communication) in May and November every year to formulate the most appropriate business plans for the whole Group.

5. System to ensure that employees conduct business in compliance with relevant laws, regulations and the Articles of Incorporation
(Article 100, Paragraph 1, Item 4 of the Ordinance for Enforcement of the Companies Act)
 - 1) “Weather Street Charter,” the policy and standard of behavior for the execution of group-wide business, shall be established and made available for access by all employees through the Company’s intranet, etc., and education, enlightenment, and audit activities concerning compliance with laws, regulations and social norms shall be implemented.
 - 2) The Internal Audit Office, which works as an internal audit division, shall conduct audits on whether the business execution of each division complies with laws, regulations and the Articles of Incorporation.

6. System to ensure the appropriateness of business operations of the Company and the business group consisting of the Company, its parent company, and its subsidiaries
(Article 100, Paragraph 1, Item 5 of the Ordinance for Enforcement of the Companies Act)
 - 1) Under the SHOP system, the Group shall have the Directors and Executive Officers of the Company supervise decision-making on important group-wide matters and the business execution of subsidiaries through the Board of Directors’ meetings and EM meetings.
 - 2) For the management of subsidiaries, the Directors and Executive Officers of the Company who control each business and subsidiary shall make the officers and employees of the subsidiaries under their control fully aware of the Company’s business operation policies, etc. and thereby ensure the effectiveness of business execution and the appropriateness of the business of the whole Group. The President’s office shall request reports, as necessary, in order to precisely grasp the business of the subsidiaries based on the “Rules on the Management of Subsidiaries and Affiliates.”

- 3) The Company holds a Board of Directors' meeting once a month in principle and EM meetings once a week in principle, where important matters concerning group management and the status of business execution are appropriately discussed and reported based on the "WNI Settlement Standard."
7. Matters concerning employees who assist Corporate Auditors when Corporate Auditors request those assistant employees
(Article 100, Paragraph 3, Item 1 of the Ordinance for Enforcement of the Companies Act)
 - 1) An Auditors' Office shall be established as a department to exclusively assist the duties of the Corporate Auditors.
8. Independence of the employees described in the preceding paragraph from Directors and the assurance of the effectiveness of instructions from the Corporate Auditors to those employees
(Article 100, Paragraph 3, Items 2 and 3 of the Ordinance for Enforcement of the Companies Act)
 - 1) The Corporate Auditors shall hold the rights to supervise and instruct the employees who belong to the Auditors' Office in daily business, and such employees will not be subject to supervision or instruction by Directors.
 - 2) The personnel transfer and evaluation of the employees who belong to the Auditors' Office shall be subject to prior approval by the Corporate Auditors.
9. System for Directors and employees and Directors, Corporate Auditors and employees of subsidiaries to report to Corporate Auditors and other matters concerning reporting to Corporate Auditors
(Article 100, Paragraph 3, Items 4 and 5 of the Ordinance for Enforcement of the Companies Act)
 - 1) Matters to be reported by officers and employees of the Group to the Corporate Auditors and the method of reporting shall be stipulated.
 - 2) The Corporate Auditors may request reports from Directors and employees at any time if deemed necessary to conduct their duties.
 - 3) The division in charge of the "WNI Help Line" shall periodically report to the Corporate Auditors on the situation of whistleblowing by the officers and employees of the Group.
 - 4) With regard to those who have reported to the Corporate Auditors through the use of the "WNI Help Line" or other channels, necessary measures shall be taken to protect them against any disadvantage incurred as a result of such reporting.
10. Matters concerning the policy to process expenses arising from the execution of duties of Corporate Auditors
(Article 100, Paragraph 3, Item 6 of the Ordinance for Enforcement of the Companies Act)
 - 1) The Company shall promptly process the expenses, etc. arising from the execution of duties of Corporate Auditors based on the "WNI Settlement Standard," excluding any expenses considered to be unnecessary for the execution of duties by the said Corporate Auditors.

11. Other systems to ensure that Corporate Auditors conduct audits effectively

(Article 100, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act)

- 1) Systems shall be established to enable the Corporate Auditors to hold hearings with Directors and key employees and to exchange opinions periodically or from time to time as necessary with the Representative Director, Internal Audit Office and Accounting Auditor.
- 2) In order to implement a system to audit the Group effectively, the Corporate Auditors shall periodically exchange opinions with the Directors and Corporate Auditors of subsidiaries, and, irrespective of the existence of legal provisions in operating countries, every subsidiary shall conclude an agreement with an accounting auditor who has a global network.

12. Basic policies on exclusion of antisocial forces and the development status thereof

- 1) In its management philosophy, the Company aims to “behave with a recognition of its mission to contribute to an affluent human society that coexists with nature” as a “global citizen.” In keeping with this philosophy, the Group will fulfill the social responsibility as a “global citizen” by ensuring that it has no relationships with antisocial forces.
- 2) If the Company faces any coercive pressure to enter into any relationship with antisocial forces, it will take a resolute stance against antisocial forces through cooperation with the Legal Division, corporate lawyers, police forces, etc.

Outline of the implementation of internal control system during the 29th fiscal year

The Company has developed and implemented an internal control system based on the “Basic Policy on the Development of an Internal Control System” resolved at the Board of Directors’ meeting.

During the 29th fiscal year, DEViCo Week was held at the beginning and in the middle of the year, at which the strategy of the Group’s business plan for the current fiscal year was confirmed and the vectors for the management policy were unified.

Nine AAC meetings were held during the year, at which the monthly progress of the business plan and changes of circumstances of each market were confirmed and the appropriate implementation of group-wide business and rational and effective performance were confirmed. Nine Scoring Committee meetings were held during the year, at which the implementation and progress of the business plan were grasped in both quantitative and qualitative terms and the prescribed procedure for confirmation was conducted from the viewpoint of ensuring the objectives of the internal control system, namely, the “effectiveness and efficiency of operations,” “safeguarding of assets,” “reliability of financial reporting,” and “compliance with applicable laws and regulations.”

As of the end of the 29th fiscal year, the Company evaluated “the status of the development and implementation of the internal control system” and confirmed that the internal control system was appropriately developed and implemented based on the basic policy.

Note: With regard to numerical figures stated in this business report, monetary amounts are rounded down to the nearest stated unit, and percentages, etc. are rounded off to one decimal place.

Consolidated Balance Sheet

(As of May 31, 2015)

(Thousands of yen)

Item	Amount	Item	Amount
(Assets)		(Liabilities)	
Current assets	9,946,389	Current liabilities	1,712,563
Cash and deposits	6,728,352	Accounts payable—trade	114,201
Accounts receivable—trade	2,805,456	Lease obligations	10,589
Work in process	46,495	Accounts payable—other	275,759
Supplies	94,984	Income taxes payable	649,315
Deferred tax assets	116,296	Provision for loss on order received	12,826
Other	227,694	Provision for loss on liquidation of subsidiaries and affiliates	4,961
Allowance for doubtful accounts	(72,890)	Other	644,909
Noncurrent assets	3,636,837	Noncurrent liabilities	1,950
Property, plant and equipment	2,145,243	Lease obligations	1,509
Buildings and structures	808,306	Other	440
Tools, furniture and fixtures	598,907		
Land	413,062	Total liabilities	1,714,513
Construction in progress	321,006	(Net assets)	
Other	3,960	Shareholders' equity	11,602,821
Intangible assets	732,623	Capital stock	1,706,500
Software	635,217	Capital surplus	937,386
Software in progress	71,053	Retained earnings	9,994,839
Other	26,352	Treasury stock	(1,035,904)
Investments and other assets	758,970	Accumulated other comprehensive income	179,524
Deferred tax assets	133,303	Foreign currency translation adjustment	179,524
Other	625,709	Subscription rights to shares	86,367
Allowance for doubtful accounts	(42)	Total net assets	11,868,713
Total assets	13,583,226	Total liabilities and net assets	13,583,226

Consolidated Statement of Income

(From June 1, 2014, to May 31, 2015)

(Thousands of yen)

Item	Amount	
Net sales		14,064,128
Cost of sales		7,843,805
Gross profit		6,220,322
Selling, general and administrative expenses		2,915,729
Operating income		3,304,592
Non-operating income		
Interest income	9,251	
Dividends income	936	
Dividends income of insurance	6,552	
Subsidy income	7,939	
Foreign exchange gains	195,182	
Other	6,418	226,280
Non-operating expenses		
Commitment line-related expenses	14,651	
Loss on retirement of noncurrent assets	10,418	
Other	1,360	26,430
Ordinary income		3,504,443
Extraordinary income		
Gain on liquidation of subsidiaries and affiliates	9,317	9,317
Extraordinary loss		
Provision for loss on liquidation of subsidiaries and affiliates	2,000	
Loss on valuation of investments in subsidiaries and affiliates	3,000	
Loss on liquidation of subsidiaries and affiliates	1,406	6,406
Income before income taxes and minority interests		3,507,355
Income taxes—current	1,199,096	
Income taxes—deferred	55,808	1,254,904
Income before minority interests		2,252,450
Net income		2,252,450

Consolidated Statement of Changes in Net Assets

(From June 1, 2014, to May 31, 2015)

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of June 1, 2014	1,706,500	944,682	8,448,685	(1,061,968)	10,037,899
Changes of items during the fiscal year					
Dividends from surplus			(706,296)		(706,296)
Net income			2,252,450		2,252,450
Disposal of treasury stock		(7,296)		26,064	18,768
Net changes of items other than shareholders' equity					
Total changes of items during the fiscal year	—	(7,296)	1,546,153	26,064	1,564,921
Balance as of May 31, 2015	1,706,500	937,386	9,994,839	(1,035,904)	11,602,821

	Accumulated other comprehensive income		Subscription rights to shares	Total net assets
	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance as of June 1, 2014	52,727	52,727	—	10,090,627
Changes of items during the fiscal year				
Dividends from surplus				(706,296)
Net income				2,252,450
Disposal of treasury stock				18,768
Net changes of items other than shareholders' equity	126,796	126,796	86,367	213,164
Total changes of items during the fiscal year	126,796	126,796	86,367	1,778,085
Balance as of May 31, 2015	179,524	179,524	86,367	11,868,713

<Reference>

Consolidated Statement of Cash Flows

(From June 1, 2014, to May 31, 2015)

(Thousands of yen)

Item	Amount
Net cash provided by (used in) operating activities	2,846,515
Net cash provided by (used in) investing activities	(953,547)
Net cash provided by (used in) financing activities	(686,898)
Effect of exchange rate change on cash and cash equivalents	153,257
Net increase (decrease) in cash and cash equivalents	1,359,327
Cash and cash equivalents at beginning of the fiscal year	5,170,550
Cash and cash equivalents at end of the fiscal year	6,529,878

Non-consolidated Balance Sheet

(As of May 31, 2015)

(Thousands of yen)

Item	Amount	Item	Amount
(Assets)		(Liabilities)	
Current assets	9,375,658	Current liabilities	2,359,532
Cash and deposits	4,985,092	Accounts payable—trade	734,984
Accounts receivable—trade	4,007,696	Short-term loans payable	296,952
Work in process	46,495	Lease obligations	10,589
Supplies	94,984	Accounts payable—other	253,394
Prepaid expenses	95,582	Accrued consumption taxes	212,396
Deferred tax assets	121,664	Accrued expenses	142,354
Other	81,247	Income taxes payable	643,125
Allowance for doubtful accounts	(57,106)	Advances received	11,548
Noncurrent assets	4,249,654	Deposits received	31,315
Property, plant and equipment	2,090,614	Provision for loss on order received	12,826
Buildings	808,306	Provision for loss on liquidation of subsidiaries and affiliates	4,961
Vehicles	1,680	Other	5,084
Tools, furniture and fixtures	546,559	Noncurrent liabilities	1,509
Land	413,062	Lease obligations	1,509
Construction in progress	321,006		
Intangible assets	732,443		
Software	635,217		
Software in progress	71,053	Total liabilities	2,361,041
Telephone subscription right	25,634	(Net assets)	
Right of using telecommunication facilities	538	Shareholders' equity	11,177,903
Investments and other assets	1,426,595	Capital stock	1,706,500
Investment securities	38,740	Capital surplus	937,386
Shares of subsidiaries and affiliates	675,218	Other capital surplus	937,386
Investments in capital of subsidiaries and affiliates	30,754	Retained earnings	9,569,921
Claims provable in bankruptcy, claims provable in rehabilitation and other	42	Legal retained earnings	297,376
Long-term prepaid expenses	15,811	Other retained earnings	9,272,544
Deferred tax assets	127,745	General reserve	6,500,000
Insurance funds	299,691	Retained earnings brought forward	2,772,544
Lease and guarantee deposits	237,124	Treasury stock	(1,035,904)
Other	1,509	Subscription rights to shares	86,367
Allowance for doubtful accounts	(42)	Total net assets	11,264,270
Total assets	13,625,312	Total liabilities and net assets	13,625,312

Non-consolidated Statement of Income

(From June 1, 2014, to May 31, 2015)

(Thousands of yen)

Item	Amount	
Net sales		13,859,129
Cost of sales		8,040,726
Gross profit		5,818,402
Selling, general and administrative expenses		2,517,959
Operating income		3,300,443
Non-operating income		
Interest income	904	
Dividends income	936	
Dividends income of insurance	6,552	
Subsidy income	7,939	
Foreign exchange gains	171,140	
Other	2,989	190,462
Non-operating expenses		
Interest expenses	1,630	
Commitment line-related expenses	14,651	
Loss on retirement of noncurrent assets	10,366	
Other	1,322	27,971
Ordinary income		3,462,934
Extraordinary income		
Gain on liquidation of subsidiaries and affiliates	9,317	9,317
Extraordinary loss		
Provision for loss on liquidation of subsidiaries and affiliates	2,000	
Loss on valuation of investments in subsidiaries and affiliates	8,000	
Loss on liquidation of subsidiaries and affiliates	1,406	11,406
Income before income taxes		3,460,845
Income taxes—current	1,183,300	
Income taxes—deferred	52,331	1,235,631
Net income		2,225,214

Non-consolidated Statement of Changes in Net Assets

(From June 1, 2014, to May 31, 2015)

(Thousands of yen)

	Shareholders' equity						
	Capital stock	Capital surplus		Legal retained earnings	Retained earnings		Total retained earnings
		Other capital surplus	Total capital surplus		General reserve	Retained earnings brought forward	
Balance as of June 1, 2014	1,706,500	944,682	944,682	226,747	5,500,000	2,324,256	8,051,003
Changes of items during the fiscal year							
Provision of legal retained earnings				70,629		(70,629)	—
Dividends from surplus						(706,296)	(706,296)
Net income						2,225,214	2,225,214
Disposal of treasury stock		(7,296)	(7,296)				
Provision of general reserve					1,000,000	(1,000,000)	—
Net changes of items other than shareholders' equity							
Total changes of items during the fiscal year	—	(7,296)	(7,296)	70,629	1,000,000	448,288	1,518,917
Balance as of May 31, 2015	1,706,500	937,386	937,386	297,376	6,500,000	2,772,544	9,569,921

	Shareholders' equity		Subscription rights to shares	Total net assets
	Treasury stock	Total shareholders' equity		
Balance as of June 1, 2014	(1,061,968)	9,640,217	—	9,640,217
Changes of items during the fiscal year				
Provision of legal retained earnings		—		—
Dividends from surplus		(706,296)		(706,296)
Net income		2,225,214		2,225,214
Disposal of treasury stock	26,064	18,768		18,768
Provision of general reserve		—		—
Net changes of items other than shareholders' equity			86,367	86,367
Total changes of items during the fiscal year	26,064	1,537,685	86,367	1,624,053
Balance as of May 31, 2015	(1,035,904)	11,177,903	86,367	11,264,270

Certified Copy of Accounting Auditor's Audit Report on the Consolidated Financial Statements

Accounting Auditor's Report on Financial Statement Audit

July 8, 2015

To the Board of Directors of Weathernews Inc.

Deloitte Touche Tohmatsu LLC

Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant
Hironobu Sasada (Seal)

Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant
Hajime Seishi (Seal)

Pursuant to Article 444, Paragraph 4 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise a consolidated balance sheet, consolidated statement of income, consolidated statement of changes in net assets, and notes to the consolidated financial statements of Weathernews Inc. (the "Company") for the consolidated fiscal year from June 1, 2014 through May 31, 2015.

Management's responsibility for the consolidated financial statements

It is the responsibility of the Company's management to prepare and present fairly these consolidated financial statements in accordance with accounting principles generally accepted in Japan. The above responsibility includes the design and operation of internal control as considered necessary by the management for the preparation and fair presentation of these consolidated financial statements with no material misstatements resulting from fraud or errors.

Auditors' responsibility

Our responsibility is to independently express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. These standards require that we plan and perform an audit to obtain reasonable assurance as to whether the consolidated financial statements are free of material misstatements.

When auditing, we perform audit procedures to obtain audit evidence supporting the amounts and disclosures in the consolidated financial statements. We decide to select and apply audit procedures based on our assessment of the risks of material misstatements in the consolidated financial statements resulting from fraud or errors. Though an audit does not aim to express an opinion on the effectiveness of internal control, we, when assessing risks, examine internal control associated with the preparation and fair presentation of the consolidated financial statements, in order to plan appropriate audit procedures according to the situation at hand. In addition, an audit includes an assessment of the accounting principles used and estimates made by management, and an evaluation of the overall presentation of the consolidated financial statements.

We believe we have obtained sufficient and appropriate audit evidence to form a basis for our opinion.

Audit opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and results of operations of Weathernews Inc. and its consolidated subsidiaries for the period covered by the consolidated financial statements in accordance with accounting principles generally accepted in Japan.

Conflict of interest

Our firm and engagement partners have no interests in the Company requiring disclosure pursuant to the provisions of the Act on Certified Public Accountants of Japan.

Certified Copy of Accounting Auditor's Report

Accounting Auditor's Report on Financial Statement Audit

July 8, 2015

To the Board of Directors of Weathernews Inc.

Deloitte Touche Tohmatsu LLC

Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant
Hironobu Sasada (Seal)

Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant
Hajime Seishi (Seal)

Pursuant to Article 436, Paragraph 2, Item 1 of the Companies Act, we have audited the accompanying non-consolidated financial statements, which comprise a non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement of changes in net assets, notes to the non-consolidated financial statements, and related supplementary schedules of Weathernews Inc. (the "Company") for the 29th fiscal year from June 1, 2014 through May 31, 2015.

Management's responsibility for the non-consolidated financial statements and related supplementary schedules

It is the responsibility of the Company's management to prepare and present fairly the non-consolidated financial statements and related supplementary schedules in accordance with accounting principles generally accepted in Japan. The above responsibility includes the design and operation of internal control as considered necessary by the management for the preparation and fair presentation of the non-consolidated financial statements and related supplementary schedules with no material misstatements resulting from fraud or errors.

Auditors' responsibility

Our responsibility is to independently express an opinion on the non-consolidated financial statements and related supplementary schedules based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. These standards require that we plan and perform an audit to obtain reasonable assurance as to whether non-consolidated financial statements and related supplementary schedules are free of material misstatements.

When auditing, we perform audit procedures to obtain audit evidence supporting the amounts and disclosures in the non-consolidated financial statements and related supplementary schedules. We decide to select and apply audit procedures based on our assessment of the risks of material misstatements in the non-consolidated financial statements and related supplementary schedules resulting from fraud or errors. Though an audit does not aim to express an opinion on the effectiveness of internal control, we, when assessing risks, examine internal control associated with the preparation and fair presentation of the non-consolidated financial statements and related supplementary schedules, in order to plan appropriate audit procedures according to the situation at hand. In addition, an audit includes an assessment of the accounting principles used and significant estimates made by management, and an evaluation of the overall presentation of the non-consolidated financial statements and related supplementary schedules.

We believe we have obtained sufficient and appropriate audit evidence to form a basis for our opinion.

Audit opinion

In our opinion, the non-consolidated financial statements and related supplementary schedules referred to above present fairly, in all material respects, the financial position and results of operations of Weathernews Inc. for the period covered by the non-consolidated financial statements and related supplementary schedules in accordance with accounting principles generally accepted in Japan.

Conflict of interest

Our firm and engagement partners have no interests in the Company requiring disclosure pursuant to the provisions of the Act on Certified Public Accountants of Japan.

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 7.3 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 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 growth in sales from tollgate-type business from among net sales as an important management indicator and determine the amount of dividends while taking into account other factors such as business results, the payout ratio, the dividend yield and capital efficiency.

Regarding the dividends for the fiscal year ended May 31, 2015, we will increase the annual ordinary dividend to ¥70 per share from ¥60 a year earlier. Further, to commemorate the 30th anniversary of our foundation on June 11, 2015, we have decided to distribute an annual dividend of ¥100 per share by adding a commemorative dividend of ¥30 per share. Because we already paid an interim dividend of ¥30 per share in January for the year under review, we will provide ¥70 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	¥70 per share of common stock of the Company Total amount: ¥762,307,000
(3) Effective date of the dividends from surplus	August 10, 2015

2. Matters concerning the appropriation of surplus

In order to strengthen the management base for future business development, we propose that our internal reserves be set at the following levels.

	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: Partial Amendments to the Articles of Incorporation

1. Reason for the amendments

- (1) The Company is approved as a basic broadcaster and engages in broadcasting business conducive to disaster prevention and damage mitigation by instantly passing on crucial information when emergencies occur, in keeping with its purpose as a business founded to “Be of service to everyone at critical moments.” To continue meeting the requirements for approval and engaging in the broadcasting business, we propose to clarify procedure for the handling of shares of the Company acquired by foreign persons or entities pursuant to the provisions of Article 116 of the Broadcast Act.

- (2) The enforcement of the Act on Partial Revision of the Companies Act (Act No. 90 of 2014) effective as of May 1, 2015 enables the Company to enter into a limited liability agreement with each of its Directors (excluding Executive Directors, etc.) and Corporate Auditors. Accordingly, in light of the intent and content of the revision, we propose partial amendments to the Articles of Incorporation of the Company relating to the limited liability agreement (Article 30 and Article 41 of the current Articles of Incorporation). Amendments to Article 30 of the Articles of Incorporation have been approved by each Corporate Auditor in advance.

2. Details of the amendments

The current Articles of Incorporation and the proposed amendments thereto are as follows:

(Amendments are underlined)

Current Article	Proposed Amendments
<p><u>Share Handling Rules</u> Article 12: (New establishment)</p>	<p><u>Rules on the Handling of Shares</u> Article 12: <u>When the ratio obtained by adding the ratio of the voting rights directly held by any person given in items (1) through (3) below from among persons given in the following items (hereinafter referred to as “Foreigners, etc.”) and the ratio provided for in the Ordinance of the Ministry of Internal Affairs and Communications as the ratio of the voting rights indirectly held by such persons through the person given in item (4) accounts for one-fifth (1/5) or more of total voting rights of the Company, the Company may refuse to list or record shares acquired by Foreigners, etc. in the register of shareholders pursuant to the provisions of the Broadcast Act:</u> (1) <u>A person who does not have Japanese nationality;</u> (2) <u>A foreign government or its representative;</u> (3) <u>A foreign juridical person or organization; or</u> (4) <u>A juridical person or organization whose voting rights are held directly by any person given in the preceding three items at a ratio equal to or greater than the ratio stipulated in the Ordinance of the Ministry of Internal Affairs and Communications.</u></p>

Current Article	Proposed Amendments
<p>(New establishment)</p> <p>The business pertaining to shares of the Company shall be governed by, in addition to these Articles of Incorporation, the Share Handling Rules adopted or amended by resolution of the Board of Directors of the Company.</p>	<p><u>2. The Company may, with respect to shares held by persons given in the items of the preceding paragraph, impose a limitation on the listing or recording of such shares in the register of shareholders or voting rights of such shares pursuant to the provisions of laws and regulations.</u></p> <p><u>3. (Unchanged)</u></p>
<p>Exemption of the Liabilities of Directors</p> <p>Article 30: The Company may, by resolution of the Board of Directors, exempt Directors (including former Directors) from liability for damages to the extent permitted by laws and regulations.</p> <p>The Company may enter into an agreement with each of the <u>Outside</u> Directors to limit the liability for damages of such <u>Outside</u> Director to an amount specified by laws and regulations.</p>	<p>Exemption of the Liabilities of Directors</p> <p>Article 30: The Company may, by resolution of the Board of Directors, exempt Directors (including former Directors) from liability for damages to the extent permitted by laws and regulations.</p> <p>The Company may enter into an agreement with each of the Directors (<u>excluding executive Directors, etc.</u>) to limit the liability for damages of such Director to an amount specified by laws and regulations.</p>
<p>Exemption of the Liabilities of Corporate Auditors</p> <p>Article 41: The Company may, by resolution of the Board of Directors, exempt Corporate Auditors (including former Corporate Auditors) from liability for damages to the extent permitted by laws and regulations.</p> <p>The Company may enter into an agreement with each of the <u>Outside</u> Corporate Auditors to limit the liability for damages of such <u>Outside</u> Corporate Auditor to an amount specified by laws and regulations.</p>	<p>Exemption of the Liabilities of Corporate Auditors</p> <p>Article 41: The Company may, by resolution of the Board of Directors, exempt Corporate Auditors (including former Corporate Auditors) from liability for damages to the extent permitted by laws and regulations.</p> <p>The Company may enter into an agreement with each of the Corporate Auditors to limit the liability for damages of such Corporate Auditor to an amount specified by laws and regulations.</p>

Proposal No. 3: Election of Six (6) 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 thirteen (13) Directors of the Company will expire at the conclusion of this General Meeting of Shareholders.

In order to enable the Directors to perform and supervise their duties as corporate managers more effectively and efficiently in alignment with the clarification of governance functions held by the Board of Directors based on the revision of the Companies Act and other changes in the management environment, the Company has decided to adopt an executive officer system. Accordingly, we propose the election of six (6) Directors.

The candidates for the position of Director are as follows:

Six (6) 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>	66,579 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)</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>	61,592 shares

No.	Name (Date of birth)	Past experience, positions and responsibilities (Significant concurrent positions)	Number of shares of the Company held
3	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)</p> <p>May 2014 Senior Managing Director (in charge of sales in emerging countries) (to present)</p>	22,496 shares
4	Masanori Yoshitake (October 14, 1972) [Reappointed]	<p>March 1996 Graduated from Agricultural Engineering Division (Civil Engineering), Faculty of Agriculture, Kyushu University</p> <p>July 1996 Joined the Company</p> <p>June 2004 General Manager, Fukuoka Branch</p> <p>December 2006 Leader, Sales Division of WITH STATION Inc.</p> <p>June 2011 Group Leader, General Affairs Department of the Company</p> <p>August 2014 Director (in charge of general affairs) (to present)</p>	8,024 shares
5	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. President and CEO, Eneres Co., Ltd. Outside Director, V-cube, Inc. President, Vegetable Planet Association</p>	—

No.	Name (Date of birth)	Past experience, positions and responsibilities (Significant concurrent positions)	Number of shares of the Company held
6	Nobuo Seki (September 21, 1944) [Reappointed]	March 1970 Completed master's course at Graduate School, Tokyo Institute of Technology April 1970 Joined Chiyoda Corporation April 1992 Executive Vice President of U.S. Chiyoda International Corporation June 1997 Director of Chiyoda Corporation June 1998 Managing Director of Chiyoda Corporation August 2000 Senior Managing Director of Chiyoda Corporation April 2001 President and Representative Director of Chiyoda Corporation April 2007 Chairman of Chiyoda Corporation April 2009 Advisor of Chiyoda Corporation July 2012 Counsellor of Chiyoda Corporation June 2013 Retired as Counsellor of Chiyoda Corporation August 2014 Director of the Company (to present) Significant concurrent positions: Outside Director, Teijin Limited Outside Director, Kameda Seika Co., Ltd. Outside Director, Yokogawa Electric Corporation Outside Corporate Auditor, SUGIYO CO., LTD. Representative Director, Tangible Earth Association	1,000 shares

Notes:

- No material conflict of interest exists between the Company and any of the above candidates.
- Norio Murakami and Nobuo Seki are candidates for Outside Director. The Company has notified Tokyo Stock Exchange, Inc. that both of them are Independent Officers pursuant to the provisions of the Exchange.
- 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 two years at the conclusion of this General Meeting of Shareholders.
- Eneres Co., Ltd., a company at which Norio Murakami assumed the office of Outside Director, was subject to an investigation conducted by a third-party committee after suspicion on accounting procedures were discovered in November 2014. The company corrected the accounting after the issuance of a report on the investigation. Norio Murakami assumed the office of President and CEO of Eneres Co., Ltd. in December 2014, succeeding the former President and CEO, who had taken responsibility for inappropriate accounting by resigning. He has since been working to take thorough measures to prevent the recurrence of inappropriate accounting and establish improved corporate governance. In addition, in May 2015 the Securities and Exchange Surveillance Commission (SESC) confirmed that an officer of Eneres Co., Ltd. at that time (now retired) violated the regulation on insider trading by leaking insider information to a friend in February 2014. The recipient of the information (the friend) was issued an advisory notice calling for the payment of surcharges to the SESC. Since the publication of the notice, Norio Murakami has implemented thorough employee training on compliance in an effort to prevent the recurrence of insider trading.
- Nobuo Seki 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 and his abundant experience in global business development since he was appointed as Director at the 28th Annual General Meeting of Shareholders held on August 9, 2014, 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.

6. The Company has entered into limited liability agreements with Norio Murakami and Nobuo Seki, which restrict 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.
7. 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.

Proposal No. 4: Election of Two (2) Corporate Auditors

According to the provisions of the Company's Articles of Incorporation, the term of office of Tomoo Yukawa, Corporate Auditor, and Hajime Mizuno, Corporate Auditor, will expire at the conclusion of this General Meeting of Shareholders. Accordingly, we propose the election of two (2) Corporate Auditors.

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

The candidates for the position of Corporate Auditor are as follows:

Two (2) Candidates for Corporate Auditor

No.	Name (Date of birth)	Past experience and positions (Significant concurrent positions)	Number of shares of the Company held
1	Takashi Tomura (October 14, 1954) [Newly appointed]	<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>	16,375 shares
2	Saeko Masumi (April 25, 1956) [Newly appointed]	<p>March 1979 Graduated from School of Law, Waseda University</p> <p>April 1986 Registered attorney-at-law (Daini Tokyo Bar Association)</p> <p>April 1986 Joined Harago & Partners Law Offices</p> <p>March 1992 Established Sengokuyama Law Office (to present)</p> <p>April 1994 Part-time lecturer, Showa Women's University, Japan Women's University, Tokyo Jogakkan College, etc.</p> <p>April 2009 Practicing-Attorney-Professor for Criminal Defense, The Legal Training and Research Institute of Japan, the Supreme Court of Japan</p> <p>April 2013 Member, the Committee for the Investigation of Broadcasting Ethics, Broadcasting Ethics & Program Improvement Organization (to present)</p> <p>April 2014 Guest Professor, Dokkyo Law School, Dokkyo University (to present)</p> <p>Significant concurrent positions: Trustee, The Japanese Association on Intellectual and Developmental Disorders Representative Director, Japan Civil Liberties Union</p>	—

Notes:

1. No material conflict of interest exists between the Company and any of the above candidates.
2. Takashi Tomura currently serves as a Director of the Company but is scheduled to retire from his position as a Director at the conclusion of this General Meeting of Shareholders.
3. Saeko Masumi's name on the Family Register is Saeko Saito.

4. Saeko Masumi is nominated for Outside Corporate Auditor because she has rich hands-on experience and knowledge in wide spheres of civil life as an attorney-at-law, is expected to provide useful opinions and advice on corporate management in consideration of the diversified values held by employees of the Company, and is therefore judged to be qualified for the position of Outside Corporate Auditor. Although Saeko Masumi has never been involved in corporate management in the past, she is expected to be fully capable of performing her duties properly as an Outside Corporate Auditor because of her management experience in public interest corporations, in addition to the above-mentioned reasons.
5. If this proposal is approved, the Company plans to enter into limited liability agreements with Takashi Tomura and Saeko Masumi, which restrict 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. The conclusion of the agreement with Takashi Tomura is subject to the approval of Proposal No. 2 as proposed.