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(Securities Code: 4825)

July 30, 2021

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 35th ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

You are cordially informed that Weathernews Inc. (the “Company”) will hold the 35th Annual General Meeting of Shareholders. The meeting will be held for the purposes described below.

From the perspective of preventing the spread of the novel coronavirus disease (COVID-19) infection, please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights in advance by one of the following methods, and refrain from attending the meeting regardless of your health condition.

Please also check information in advance to be posted on the Company’s website as any future changes in circumstances surrounding COVID-19 may cause us to change the place of the meeting and our response to COVID-19.

[Exercise of voting rights in writing (via postal mail)]

Please refer to “Information on Exercise of Voting Rights” (available in Japanese only), 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 13, 2021, Japan time.

[Exercise of voting rights by electromagnetic means (via the Internet)]

Please refer to “Information on Exercise of Voting Rights” (available in Japanese only) and exercise your voting rights by 5:30 p.m. on Friday, August 13, 2021, Japan time.

- 1. Date and Time:** Saturday, August 14, 2021, at 10:00 a.m. Japan time
(venue opens: 9:00 a.m.)
- 2. Place:** APA Hotel & Resort Tokyo Bay Makuhari, located at 2-3, Hibino,
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 35th Fiscal Year (June 1, 2020 - May 31, 2021), as well as the results of audits of Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board

Proposals to be resolved:

Proposal No. 1: Appropriation of Surplus

Proposal No. 2: Election of Five (5) Directors

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 (<https://jp.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.

When preparing the Audit Report that is the same as the document appended to this notice of convocation, the Audit & Supervisory Board Members audited items "1)" to "4)" below and the Accounting Auditor audited items "3)" and "4)."

- 1) "Matters regarding subscriptions rights to shares, etc." inside the Business Report
 - 2) "Basic Principles regarding the Control of the Company" inside the Business Report
 - 3) "Notes to the Consolidated Financial Statements" of the consolidated financial statements (35th Fiscal Year)
 - 4) "Notes to the Non-consolidated Financial Statements" of the non-consolidated financial statements (35th Fiscal Year)
- (2) Any amendments to the Reference Documents for the General Meeting of Shareholders, the Business Report, the Consolidated Financial Statements, or the Non-consolidated Financial Statements, will be posted on the aforementioned Company's 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) We will open for entry at 9:00 a.m. and start the meeting at 10:00 a.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.

Measures for Prevention of Spread of COVID-19 Infection

We consider the safety and health of our shareholders to be the highest priority to hold the General Meeting of Shareholders. From the perspective of preventing the spread of the COVID-19 infection, we would like to ask you as follows:

<Requests>

- To prevent the spread of the COVID-19 infection, please refrain from attending the meeting as much as possible and exercise your voting rights in writing or via the Internet instead.
- For those of you who are not able to attend the meeting, please feel free to send us questions and opinions. We will answer questions and opinions received in advance that deal with matters of higher interest to shareholders on the meeting day. In addition, the General Meeting of Shareholders will be streamed live on the Internet. Please access our website for more information. (For details, please refer to “Information on Advance Acceptance of Questions and Opinions” and “Information on Live Stream” on page 4.)

<Measures to be taken at the meeting venue>

- To prevent the spread of the COVID-19 infection and ensure safety of the shareholders, the number of seats available in the meeting room will be much smaller than usual as more spaces are ensured between the seats. Please be forewarned that entry to the meeting room may be restricted depending on the number of attendees from the perspective of ensuring safety of the shareholders.
- If you fall into either of the following, we may not allow you to enter the meeting room in order to prevent the spread of the COVID-19 infection. You may also be asked to have your body temperature checked from the perspective of ensuring safety of the shareholders.
 - 1) Those of you who have symptoms such as high temperature and persistent cough
 - 2) Those of you who refuse to wear a face mask and to disinfect your hands and fingers by spraying alcohol-based sanitizer
- Officers who will appear on the stage and operational staff will wear a face mask and take other preventive measures against the infection.
- The duration of the meeting may turn out to be shorter than usual in order to prevent the infection.
- We will not hold any shareholder events (i.e., shareholder supporter meeting, service line presentation and company tour) and will not serve refreshments on the day of the meeting. We will hold a shareholder supporter meeting online on some other day.
- Should there be any changes in the place of the meeting and our response to the spread of the COVID-19 infection due to the future development of infection, updates will be posted on the Company’s website, and you are kindly asked to check them.

The Company’s website <https://jp.weathernews.com/irinfo/event/35th-shareholder-meeting/>

Information on Advance Acceptance of Questions and Opinions

We will take questions and opinions from shareholders for the 35th Annual General Meeting of Shareholders in advance through our website. Any matters of high interest may be covered at the meeting.

https://jp.weathernews.com/irinfo/event/35th-shareholder-meeting/

Submission deadline: 5:00 p.m. Friday, August 6, 2021

Note: For those of you who prefer to ask us questions in writing, please send them to the following address so that they arrive before the deadline.

IR Office, Weathernews Inc., Makuhari Techno-Garden, Tower B, 19F,
1-3, Nakase, Mihama-ku, Chiba-city, Chiba Prefecture, Japan

Information on Live Stream

The Company will stream the General Meeting of Shareholders live on the Internet so that shareholders can view the meeting at home. To protect the privacy of shareholders, the stream will only show the officers' seating area during the meeting. Also please note that shareholders viewing the stream will be unable to exercise their voting rights or ask questions via the Internet platform.

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|--------------------------------|--|
| 1. Date and streaming schedule | Saturday, August 14, 2021, from 10:00 a.m. Japan time to the conclusion of the meeting |
| 2. Accessing the stream | Please access the URL given in 3. below and enter your "Shareholder ID" and "Password" from the login screen. |
| 3. Streaming website | https://jp.weathernews.com/irinfo/event/35th-shareholder-meeting/
Shareholder ID (eight digits): Shareholder number shown on the enclosed Voting Rights Exercise Form
Password (seven digits): wni2021 |

[Notes]

- Please be aware that images and voices may lag or temporarily freeze during the stream, or the stream may be unviewable depending on your device environment (i.e., functions and performance), Internet connection environment, or other factors.
- Our recommended Internet environments are as follows:
 - <Windows>
OS: Windows 8.1 or later
Browsers: Internet Explorer 11, latest versions of Microsoft Edge, Google Chrome and Firefox
 - <Macintosh>
OS: Mac 10.11.4 (El Capitan) or later
Browser: Latest version of Safari
 - <iPhone/iPad>
OS: iOS 9 or later
Browsers: Latest versions of Safari and Google Chrome
 - <Android>
OS: Android 4.4 or later
Browser: Latest version of Google Chrome

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 “To Become an Information Exchange Platform for Seven Billion Eight Hundred Million People Around the World” and the projects oriented toward that dream, and intends to expand the number of shareholder supporters in the medium- to long-term.

The Company distributes profit based on its general management principle of “high contribution, high profit, high sharing.” The Company determines a policy for returning profit to shareholder supporters taking into consideration internal reserves for investments in future services, technologies and infrastructure. We recognize growth in sales from tollgate-type business, growth in ordinary income and growth in net income attributable to owners of parent as important management indicators 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, 2021, we will pay an annual ordinary dividend of ¥100 per share in accordance with the dividend policy under the mid-term management plan. Because we already paid an interim dividend of ¥50 per share in January for the year under review, we will provide ¥50 per share as a year-end dividend as described below.

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	¥50 per share of common stock of the Company Total amount: ¥548,726,600
(3) Effective date of the dividends from surplus	August 16, 2021

Proposal No. 2: Election of Five (5) 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 five (5) Directors of the Company will expire at the conclusion of this General Meeting of Shareholders. Accordingly, we propose the election of five (5) Directors.

The candidates for the position of Director are as follows:

No.	Name	Current positions at the Company	Number of Board of Directors' meetings attended
1	[Reappointed] Chihito Kusabiraki	President and Representative Director	13 out of 13
2	[Reappointed] Masanori Yoshitake	Director	13 out of 13
3	[Reappointed] Tomohiro Ishibashi	Director	11 out of 11
4	[Reappointed] [External] [Independent] Shigeru Muraki	Director (External)	13 out of 13
5	[Newly appointed] [External] [Independent] Yukihiro Akimoto	–	–

Candidate No.		Date of birth	Number of shares of the Company held
1	Chihito Kusabiraki	March 18, 1965	76,898
Reappointed	<p>Past experience, positions and responsibilities (Significant concurrent positions)</p> <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 in Asia, Europe, and the United States)</p> <p>August 2016 President and Representative Director (Chief Executive Officer) (to present)</p> <p>Significant concurrent position</p> <p>Director, Chiba Institute of Technology</p> <p>Reason for nominating the candidate for Director</p> <p>Mr. Chihito Kusabiraki has outstanding insight and achievements in the fields of disaster prevention and aviation business in which he has been engaged since joining the Company. He also has excellent managerial skills developed through his experience, particularly his experience serving as the General Manager of the Disaster Prevention/Aviation Business Division, combined with personal qualities that are suitable for the corporate manager of the Company. Based on the aforementioned, he has assumed office as President and Representative Director since 2006, and we have reelected him as a candidate for Director.</p> <p>The number of years in office as Director (as of the conclusion of this General Meeting of Shareholders): 25 years</p>		
2	Masanori Yoshitake	October 14, 1972	15,825
Reappointed	<p>Past experience, positions and responsibilities (Significant concurrent positions)</p> <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, Station 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)</p> <p>August 2015 Director (in charge of overall accounting, financial, and general affairs)</p> <p>August 2016 Managing Director (Chief Financial Officer)</p> <p>August 2017 Director (Managing Officer, Chief Financial Officer)</p> <p>June 2019 Director (Managing Officer)</p> <p>August 2019 Managing Director</p> <p>July 2021 Director (Managing Officer) (to present)</p> <p>Reason for nominating the candidate for Director</p> <p>Mr. Masanori Yoshitake has outstanding insight and achievements in the field of general affairs in which he has been engaged since joining the Company. He also has excellent managerial skills developed through his experience, particularly his experience serving as the Group Leader of the General Affairs Department and of being in charge of overall accounting, financial, and general affairs, combined with personal qualities that are suitable for taking on a share of the duties of managing the Company. Based on the aforementioned, we have reelected him as a candidate for Director.</p> <p>The number of years in office as Director (as of the conclusion of this General Meeting of Shareholders): 7 years</p>		

Candidate No.
3

Tomohiro Ishibashi

Date of birth
March 28, 1975

Number of shares of the Company held
166,001

Reappointed

Past experience, positions and responsibilities (Significant concurrent positions)

March 1998	Graduated from Department of Information and Systems Engineering, Faculty of Science and Engineering, Chuo University
April 1998	Joined Hewlett-Packard Japan, Ltd.
October 2000	Joined the Company
August 2003	MOBILE Service Group Leader
December 2006	Director, WITH STATION Inc.
November 2007	Representative Director, WITH STATION Inc.
August 2008	Director of the Company (in charge of overall BtoS business)
May 2012	Director (in charge of sales in the United States)
May 2014	Director (in charge of BtoS business sales)
August 2016	Executive Officer (in charge of Mobile/Internet Planning) (to present)
June 2020	Executive Officer (in charge of Public Relations) (to present)
August 2020	Managing Director
July 2021	Director (Managing Officer) (to present)

Reason for nominating the candidate for Director

Mr. Tomohiro Ishibashi has outstanding insight and achievements in the BtoS business, in which he has been engaged since joining the Company. He also has excellent managerial skills developed through his experience in global business, particularly his experience in sales in the United States, combined with personal qualities that are suitable for taking on a share of the duties of managing the Company. Accordingly, we have reelected him as a candidate for Director.

The number of years in office as Director (as of the conclusion of this General Meeting of Shareholders): 9 years in total

Candidate No. 4	Shigeru Muraki	Date of birth August 29, 1949	Number of shares of the Company held 1,000
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Reappointed	Past experience, positions and responsibilities (Significant concurrent positions)	
	June 1972	Graduated from Faculty of Engineering, The University of Tokyo
External	July 1972	Joined Tokyo Gas Co., Ltd.
	June 1996	Manager of Resource Research and Development Group, Gas Resources Dept., Tokyo Gas Co., Ltd.
Independent	June 2000	General Manager of Gas Resources Dept., Tokyo Gas Co., Ltd.
	June 2002	Executive Officer and General Manager of Gas Resources Dept. of Strategic Planning Div., Tokyo Gas Co., Ltd.
	April 2004	Senior Executive Officer and Chief Executive of R&D Div., Tokyo Gas Co., Ltd.
	April 2007	Senior Executive Officer, Chief Executive of Energy Solution Div., Tokyo Gas Co., Ltd.
	June 2007	Director, Senior Executive Officer, Chief Executive of Energy Solution Div., Tokyo Gas Co., Ltd.
	April 2010	Representative Director and Executive Vice President, Tokyo Gas Co., Ltd.
	April 2014	Director and Vice Chairman, Tokyo Gas Co., Ltd.
	June 2015	Executive Adviser, Tokyo Gas Co., Ltd. (to present)
	August 2018	Director (External) of the Company (to present)
	Significant concurrent position	
	Outside Director, WORLD TRADE CENTER BUILDING, INC. Representative Director (part-time), the Green Ammonia Consortium	

Reason for nominating the candidate for Director (External) and overview of expected roles

Mr. Shigeru Muraki possesses deep insight and supervisory capabilities developed over many years as a corporate manager. Since his election as Director at the 32nd Annual General Meeting of Shareholders held on August 11, 2018, he has furnished sound advice regarding management of the Company and performed a supervisory function from a standpoint of independence. Accordingly, we have reelected him as a candidate for Director (External). We expect him to contribute to, among other things, the decision-making of the Board of Directors from diverse points of view, improvement of supervising functions over the management and ensuring managerial transparency by expressing opinions at the Board of Directors' meetings from an independent standpoint based on his deep insight and abundant experience.

The number of years in office as Director (as of the conclusion of this General Meeting of Shareholders): 3 years

Candidate No.	Yukihiro Akimoto		Date of birth	Number of shares of the Company held
5			September 9, 1944	0
Newly appointed	Past experience, positions and responsibilities (Significant concurrent positions)			
	March 1968	Graduated from Faculty of Economics, Sophia University		
External	December 1969	Master of Economics, the University of Sydney		
	April 1970	Joined NSK Ltd.		
Independent	January 1980	Joined Kentucky Fried Chicken Japan, Ltd.		
	February 1987	Director and Vice President, Japan Pepsi-Cola Company		
	December 1988	Managing Director, Kentucky Fried Chicken Japan, Ltd.		
	October 1993	Representative Director and President, Nike Japan, Inc.		
	September 1995	Representative Director and President, Guerlain, Inc.		
	May 2006	Representative Director, YA Partners, Inc. (to present)		
	Significant concurrent position			
	Representative Director, YA Partners, Inc.			
	Outside Director, LENA JAPON Institute, Inc.			
	Outside Director, FiNC Technologies Inc.			
	Outside Director, WHITEPLUS, Inc.			
	Outside Director, e-LogiT co., Ltd.			
	Outside Director, CFS Co., Ltd.			
	Outside Director, Premo Co., Ltd.			
	Reason for nominating the candidate for Director (External) and overview of expected roles			
	<p>We believe Mr. Yukihiro Akimoto will utilize his abundant knowledge and experience in BtoC businesses as well as deep insight and supervisory capabilities developed as a corporate manager of global companies to furnish sound advice regarding management of the Company and play a supervisory role from a standpoint of independence. Accordingly, we have elected him as a new candidate for Director (External). Among other things, we expect him to contribute to the decision-making of the Board of Directors from diverse points of view, improvement of supervising functions over the management and ensuring managerial transparency by expressing opinions at the Board of Directors' meetings from an independent standpoint based on his deep insight and abundant experience.</p>			

Notes:

1. No material conflict of interest exists between the Company and any of the above candidates.
2. Shigeru Muraki and Yukihiro Akimoto are candidates for Director (External). The Company has notified to Tokyo Stock Exchange, Inc. that both of them are Independent Officers pursuant to the provisions of the Exchange.
3. The Company has entered into a limited liability agreement with Shigeru Muraki, which restricts the upper limit of the liability for damages of directors (external) and audit & supervisory board members (external) to an amount specified by laws and regulations, pursuant to Article 427, Paragraph 1 of the Companies Act. If he is reelected, the Company plans to renew the agreement. In addition, if Yukihiro Akimoto is elected, the Company will enter into a limited liability agreement with him, which restricts the upper limit of the liability for damages of directors (external) and audit & supervisory board members (external) to an amount specified by laws and regulations, pursuant to Article 427, Paragraph 1 of the Companies Act.
4. 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.
5. The Company has entered into a directors and officers liability insurance policy as provided for in Article 430-3, Paragraph 1 of the Companies Act with an insurance company, with all of the Company's Directors included as the insureds. This insurance policy covers the insured's losses and such costs as related litigation expenses incurred from claims for damages arising from acts carried out by the insured during the execution of their duties for the Company, and the premiums for the insured are fully borne by the Company. If this proposal is approved and adopted, the candidates will be included as an insured in the policy. The Company plans to renew the said insurance policy with the above details during their terms of office.

(Reference) Standard for Nominating Candidates for Directors and Audit & Supervisory Board Members and Standard for the Independence of Directors (External) and Audit & Supervisory Board Members (External)

1) Standard for Nominating Candidates for Directors and Audit & Supervisory Board Members

The Company nominates candidates for Directors in consideration of the following standards.

1. Legality

- A person who has no reason for disqualification
- A person who can fulfill the duty of care and fiduciary duties as a person entrusted with management responsibilities

2. Eligibility

- A person who has excellent, well-rounded personal qualities (i.e., fair, modest, honest and open-minded, disciplined, helps others achieve their wishes and intentions, and graciously accepts defeat), is talented as a corporate manager, and can appropriately dedicate his/her efforts and contribute to the Company's management
- A person who can understand and sympathize with the Company's businesses and culture
- A person who remains physically and mentally healthy in the performance of his/her duties

3. Area of specialty and originality

- A person who has outstanding capabilities (ability, knowledge, and experience) and achievements in the area of his/her specialty
- A person who is capable of grasping the essence of things without being fettered by conventional concepts and has capabilities and a track record of success in recreating them, sometimes through a process of creative destruction.

4. Independence and diversity

- A person prepared to frankly ask questions and equipped with the mental independence necessary to propose alternatives
- A person who is not a relevant person from the Company who holds a controlling interest in the Company or has any conflict of interest with the Company

2) Standard for the Independence of Directors (External) and Audit & Supervisory Board Members (External)

The Company judges whether or not candidates are independent in consideration of their personal relationships, capital relationships, transactional relationships, or other relationships of interest with the Company in accordance with the independence standard determined by a financial instruments exchange, in addition to judging whether the candidates meet the requirements for director (external) stipulated in the Companies Act.

(Reference) Composition of the attendees at the Board of Directors' meetings of the Company

If Proposal No. 2 is approved as proposed, as shown in the table below, Audit & Supervisory Board Members and Directors (External) (Non-executive Directors and Audit & Supervisory Board Members) who undertake a role of supervising and monitoring Executive Directors will account for six out of the nine attendees at the Board of Directors' meetings of the Company, and Directors (External) and Audit & Supervisory Board Members (External) will account for four out of the nine attendees, after this General Meeting of Shareholders. The Company will thus ensure sufficient consideration from multidirectional perspectives and objective decision-making by the Board of Directors.

Candidate No.		Name		Position	
Attendees at the Board of Directors' meetings	Directors	Proposal No. 2	1	Chihito Kusabiraki	President and Representative Director
			2	Masanori Yoshitake	Director
			3	Tomohiro Ishibashi	Director
			4	Shigeru Muraki [External] [Independent] Non-executive	Director
			5	Yukihiko Akimoto [Newly appointed] [External] [Independent] Non-executive	Director
	Audit & Supervisory Board Members	Proposal No. 2		Yasushi Sugino Non-executive	Audit & Supervisory Board Member
				Takashi Tomura Non-executive	Audit & Supervisory Board Member
				Fumitaka Koyama [External] [Independent] Non-executive	Audit & Supervisory Board Member
				Izumi Hayashi [External] [Independent] Non-executive	Audit & Supervisory Board Member

Note: [Newly appointed]: Newly appointed candidate

[External]: Director (External) or Audit & Supervisory Board Member (External)

[Independent]: Independent Officer

Non-executive: Non-executive Director and Audit & Supervisory Board Member

(Appendix)

Business Report

(From June 1, 2020, to May 31, 2021)

1. Overview of the Company Group

(1) Business Progress and Results

i) Business environment

In the fiscal year ended May 31, 2021, the COVID-19 pandemic resulted in a contraction of economic activity worldwide, especially in the first half of the fiscal year. After that, global economies started to head toward recovery following the intermittent resumption of economic activity according to the situation of the pandemic. However, the pace of recovery differs from country to country. Although there is still the ongoing impact of COVID-19 on economic activity in Japan, the market conditions are expected to improve gradually as the vaccination progresses going forward.

The global pandemic of COVID-19 and its prolonged impact caused substantial changes in the Group's business environment, on which the mid-term management plan was premised at the time of its formulation. As a result, we have failed to make progress on some plans as expected. In particular, sluggish markets involved in cargo and passenger transportation caused delays over the initial sales plans in our sea planning service and sky planning service. In terms of expenses, in order to achieve sustainable profit growth, we planned to systematize operations to optimize the number of service operation staff members and adopt DevOps approach in service menu development. However, delays occurred in the plan of recruiting resources for system development, a prerequisite for these plans, as the rapid shift made by companies to remote work spurred growth in demand for IT talent. In light of such circumstances, we have decided to extend the period covered by the mid-term management plan from three years between fiscal year ended May 31, 2020 and the fiscal year ending May 31, 2022 to four years between the fiscal year ended May 31, 2020 and the fiscal year ending May 31, 2023, in order to put in place systems to adapt to changes in the business environment. We have not made any changes to the basic strategy of the mid-term management plan and the numerical performance targets to be achieved by the final fiscal year of the plan.

In the meteorological environment, we have been aware of a further growing need for countermeasures for weather risks as extreme weather events and serious disasters are continuing to increase worldwide due to climate change. As a company specialized in solutions to climate change within its business domain, and in alignment of its philosophy to "help out in times of need," the Company has contributed to minimizing weather risks and mitigating climate change and its impact through day-to-day provision of services.

ii) Business overview

The global weather service market is estimated at more than ¥600.0 billion. The global weather service market is expected to continue to grow with rising interest in weather risks, growing needs for measures to adapt to and mitigate climate change, which is a global theme to be addressed, and the development of ICT.

In the fiscal year under review, the ninth year of the fourth growth period, during which we pursued a full-fledged global evolution under the theme of “Innovation,” we conducted our service planning, operation, development, and marketing to promote our business under the planning system, which is comprised of seven business fields, with specific focus on each business field by clarifying the management responsibilities of each business field. We also addressed the following initiatives, aiming to establish a tollgate sales ratio of 50:50 between Japan and overseas in the BtoB business.

<BtoB (for corporations)>

Sea Planning:

- Launch the Navigation Assessment & Routeing (NAR) service, a countermeasure against the risk of ship damage from getting involved in accidents in coastal areas, such as being stranded and collided
- Develop various Environmental Operation Support Services to support environmental contributions for shipping, such as the reduction of greenhouse gas emissions

Sky Planning:

- Expand services mainly for airline companies in Asia and for government offices in the domestic helicopters market
- Promote marketing in Europe and the Americas
- Participate in demonstration experiments in anticipation of the use of drones in times of disaster

Land Planning:

- Enhance services mainly for the domestic road and railway markets taking into account responses to extreme weather events caused by climate change
- Build an AI-based disaster prevention system for local governments to prepare for natural disasters and develop BtoB disaster prevention weather services
- Expand services targeted at expressways and high-speed railway markets in Asia

Environment Planning:

- Expand into the energy market and the distribution and retail market in Japan, Asia and Europe, mainly offering a demand forecasting service
- Enhance the development of a renewable power generation forecast service

Sports Planning:

- Support sport event operation, both domestic and overseas, and support national teams
- Consider a new service targeted at athletes

<BtoS (for individuals)>

Mobile/Internet Planning:

- Initiatives aimed at enhancing content by DevOps approach and increasing traffic by boosting advertising investment
- Develop an original Internet advertising service including weather-based advertising service
- Provide a weather data API and promote a service of analyzing the correlation with customers' business data

Broadcast Planning:

- Maintain the existing markets in Japan
- Consider a new revenue model to respond to structural changes in the broadcast planning market

For the fiscal year ended May 31, 2021, consolidated net sales rose 5.0% year over year to ¥18,843 million. In the BtoB business, tollgate sales increased due to the success in attracting new customers in the sea planning service, especially in the bulker and tanker market in Asia, as well as the rollout of a new service that addresses extreme climate events in the land planning service. On the other hand, sales fell for Stage Requirement Settings (SRS), and net sales of the overall BtoB market decreased 0.1% year over year to ¥10,259 million. In the BtoS business, sales of the mobile/Internet planning services grew steadily for services for smartphones and advertising service due to the success in attracting more daily active users (DAU) that have flowed from increased traffic owing to enhanced contents and TV commercial and other types of advertisements. Accordingly, net sales in the overall BtoS business increased 11.6% year over year to ¥8,583 million.

For expenses during the fiscal year under review, advertising investments, including TV commercials and Internet advertising, increased. Meanwhile, we worked on cost optimization through efforts, such as promoting remote sales activities. As a result, operating income increased 7.2% year over year to ¥2,444 million. In addition, ordinary income increased 16.7% year over year to ¥2,554 million and net income attributable to owners of parent increased 14.3% year over year to ¥1,861 million due to a subsidy received for our initiatives to commercialize autonomous vessels.

Net sales by business segment were as follows:

Business segment (Planning)	Previous Fiscal Year ended May 31, 2020 (from June 1, 2019, to May 31, 2020)			Fiscal Year ended May 31, 2021 (from June 1, 2020, to May 31, 2021)			Rate of change
	(Millions of yen)			(Millions of yen)			(%)
	SRS	Tollgate	Total	SRS	Tollgate	Total	Total
Sea Planning	24	4,742	4,766	18	4,779	4,798	0.7
Sky Planning	161	868	1,029	119	807	927	(10.0)
Land Planning	481	3,058	3,539	470	3,180	3,651	3.2
Environment Planning	174	700	874	149	719	869	(0.7)
Other BtoB business	37	17	54	7	6	13	(75.4)
Total BtoB business	878	9,386	10,264	765	9,493	10,259	(0.1)
Mobile/Internet Planning	23	5,074	5,098	18	6,087	6,106	19.8
Broadcast Planning	595	1,993	2,589	513	1,963	2,477	(4.3)
Total BtoS business	619	7,068	7,688	532	8,051	8,583	11.6
Total	1,497	16,455	17,953	1,297	17,545	18,843	5.0

(Reference) Net sales by region

Regional segment	Previous Fiscal Year ended May 31, 2020 (from June 1, 2019, to May 31, 2020)			Fiscal Year ended May 31, 2021 (from June 1, 2020, to May 31, 2021)			Rate of change
	(Millions of yen)			(Millions of yen)			(%)
	SRS	Tollgate	Total	SRS	Tollgate	Total	Total
Japan	838	5,696	6,534	723	5,817	6,540	0.1
Asia	11	1,691	1,703	3	1,718	1,722	1.1
Europe	27	1,688	1,716	38	1,652	1,691	(1.4)
Americas	–	309	309	–	304	304	(1.8)
Total BtoB business	878	9,386	10,264	765	9,493	10,259	(0.1)
Japan	616	6,635	7,251	532	7,238	7,771	7.2
Asia	2	362	364	–	719	719	97.2
Europe	–	60	60	–	52	52	(12.8)
Americas	1	10	11	–	40	40	252.2
Total BtoS business	619	7,068	7,688	532	8,051	8,583	11.6
Total	1,497	16,455	17,953	1,297	17,545	18,843	5.0

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

In the BtoB business, tollgate sales of the sea planning service increased due to the success in attracting new customers in the bulker and tanker market in Asia and the bulker market in the Americas, despite a continued downturn in the vessel utilization rate. Although sales of SRS pertaining to a temporary research service entrusted in the previous year decreased in land planning service, tollgate sales for a service that addresses extreme weather caused by climate change in the Japanese road and railway markets. In addition, we made progress in the market development of our BtoB disaster prevention weather service and facility management support service. On the other hand, tollgate sales of the sky planning service decreased due to a drop in services provided mainly among customers in Asia resulting from continued stagnant airline market conditions affected by the COVID-19 pandemic, despite promoting sales expansion of services in the Japanese helicopters market.

In the BtoS business, sales of initial-type SRS in the broadcast planning service decreased, affected by the cycle of system updates for broadcasting stations. Meanwhile, tollgate sales of the mobile/Internet planning service for services for smartphones and advertising service increased. This was due to the success in attracting more DAU that have flowed from intermittently increased traffic owing to an increase in the number of news articles delivered and enhancement of new original contents, such as a heatstroke radar, by adopting DevOps approach as well as greater brand awareness through TV commercial broadcasting.

iii) Capital investments

For the fiscal year ended May 31, 2021, the Company Group made capital investments (for property, plant and equipment and intangible assets) of ¥612 million (versus ¥795 million for the previous fiscal year).

The main investments were for the infrastructure to realize value-creation services, IT development, and renewals for business continuation.

iv) Financing

The necessary funds of the Group for the fiscal year under review were furnished by its own resources.

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

Not applicable

vi) Business taken over from other companies

Not applicable

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

Not applicable

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

Not applicable

ix) Medium- to long-term company management strategies and issues to be addressed

1. Medium- to long-term company management strategies

<The Company's mission>

Toward the corporate dream “To Become an Information Exchange Platform for Seven Billion Eight Hundred Million People Around the World,” the Group has made being the world’s largest “weather content maker,” providing the most abundant, updated and speediest content services along with supporters and addressing social risks related to weather and environment as its basic concept, and while originally developing new markets as a global leader in the weather content market, it aims to achieve “value creation for supporters” and maximize corporate value.

In addition, in order to realize this concept, we believe that our mission is to become a Full Service “Weather & Climate” Company, treating “the largest database in the world, the most accurate forecasting in the world, and Risk Communicator in every market” as our core competence.

<Vision for the fourth growth period>

The Company has plotted out its business development in accordance with the themes of “Growth Potential of Business” in its first growth period (June 1986–May 1995), “Diversification of Business Models” in its second growth period (June 1995–May 2004) and “Soundness of Management” in its third growth period (June 2004–May 2012). The Company has selected “Innovation” as its theme for the fourth growth period (June 2012–May 2023) in order to pursue a full-fledged global evolution.

<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 and environment 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.

As from the fiscal year ended May 31, 2020, in order to clarify the responsibilities of each business unit for its sales and profits in respective markets, the Company has designated its major business as Planning (Sea Planning, Sky Planning, Land Planning, Environment Planning, Mobile/Internet Planning, Broadcast Planning, and Sports Planning). Each Planning business unit has conducted its service planning, operation, development, and marketing with specific focus on each market to promote business. In the BtoB market, we aim to establish a tollgate sales ratio of 50:50 between Japan and overseas.

The divisions providing shared service infrastructures to all Planning business units (share-use infrastructure operation, development and management divisions) are called SSI. SSI will support each Planning business unit from a professional point of view and will establish overall improvement in quality and productivity of the entire Company. In addition, Directors will be responsible for supervision of the

overall business and realize a check-and-balance relationship in the system for the execution.

Strategies by business field:

Business field	Business strategy
Sea Planning	<ul style="list-style-type: none"> Expand our routing service to 10,000 vessels
Sky Planning	<ul style="list-style-type: none"> Expand into the markets in Europe and the Americas
Land Planning	<ul style="list-style-type: none"> Develop a service in relation to extreme weather events mainly for the domestic market, and enhance the service development Expand the road and railway fields into the Asian market
Environment Planning	<ul style="list-style-type: none"> Expand into the environment and energy markets of energy companies, etc. through demand forecasting Expand into the distribution and retail market on the basis of sales volume forecasting Expand into the markets in Japan, Asia and Europe
Mobile/Internet Planning	<ul style="list-style-type: none"> Overwhelming No. 1 weather content platform in Japan
Broadcast Planning	<ul style="list-style-type: none"> Maintain our market and consider new services for broadcasting stations
Sports Planning	<ul style="list-style-type: none"> Support sport event operation, both domestic and overseas, and support national teams Consider a new service targeted at athletes

2. Overview and progress of the mid-term management plan

In formulating our mid-term management plan, we have positioned the four years (June 2019–May 2023) from the fiscal year ended May 31, 2020 as the 3rd stage of the fourth growth period during which we pursue a full-fledged global evolution of Transportation Weather under the theme of “Innovation.” During this stage we will accelerate our business in the following four priority subjects, and by so doing, further stabilize the foundation of our business, and seek to create new growing business with an eye to the fifth growth period. On July 1, 2021, we changed the period covered by the mid-term management plan by extending for another year from three years between the fiscal year ended May 31, 2020 and the fiscal year ending May 31, 2022 to four years between the fiscal year ended May 31, 2020 and the fiscal year ending May 31, 2023.

1) Strengthen our revenue base by continuing growth in the existing business

We believe that our existing business (Sea Planning, Sky Planning, Environment Planning, and Mobile/Internet Planning) is our core business and has potential for global business growth. Therefore, we will continue to make growth in our existing business and seek to strengthen our revenue base in order to increase tollgate sales and establish a tollgate sales ratio of 50:50 between Japan and overseas in the BtoB business.

<Sea Planning>

It can be said that sea planning service is an “authorized private market” where no government service exists. Although the Company already offers sea planning services to a global market, we still only provide the service 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, which accounts for 50% of these vessels.

As we charge fees for sea planning service per sail to which the service is provided, we set the number of vessels that receive our service as one of KPIs (key performance indicators), and show both our sales and market positioning including market share.

<Sky Planning>

We provide sky planning services centered in Japan and other Asian markets, and increase our brand awareness in each of these markets. We also drive business development to expand our market share and raise our brand awareness in Europe and the Americas.

We enter into a contract with each airline company and provide sky planning services. As service prices are determined based on the number of destination airports, the contract amount varies depending on customer flight routes. In order to clarify our progress and market positioning including market share, one of our KPIs is to provide our sky planning services to 85 airline companies, which accounts for about 25% of the 320 airline companies worldwide.

<Environment Planning>

Guided by global structural changes toward the use of natural energy, we are aware of new customer needs, and will aim to newly launch environment planning services mainly providing demand forecasting to energy companies in Japan, Asia and Europe, and seek to acquire new customers there.

In new markets, we develop our services with symbolic customers and turn this into the development of services that enable more sales. We therefore set the number of symbolic customers as one of KPIs, which indicates the progress of market development, and aim to increase the number of customers to 38.

<Mobile/Internet Planning>

We will analyze not only observation data provided by meteorological agencies around the world, but also data obtained from our proprietary satellites, radars, small observation instruments, and live cameras, and Eye-servation* data such as large amounts of photographs and sensory data sent from supporters by using the updated technologies such as AI/Deep Learning. By so doing, we will create content that is difficult for our competitors to imitate. By expanding these contents on a variety of diverse platforms in addition to ours, we will boost traffic and increase the number of paying members, while growing our advertising service.

We analyzed and found that traffic to our Weathernews app helped increase the number of paying members and brand awareness in our advertising service. We therefore set the number of monthly active users (MAU), which indicates the number of continuing service users, as one of our KPIs, and aim to reach 56 million MAU.

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

2) Pursue world’s highest level of forecasting accuracy and drastically improve content productivity

We will aim to achieve the most accurate forecasting in the world by utilizing our world’s largest database of weather and climate and our original AI analysis, as well as to improve content productivity by utilizing new core databases, development platforms, and our proprietary AI technologies.

We have the advantage of a world’s largest-class database of weather and climate containing the weather data observed by proprietary weather observation infrastructures such as WNI Satellite and WITH Radar that we have improved, various business data gathered through communication with

customers in each market, and the Eye-servation data provided by supporters. We will maintain over 90% forecasting accuracy and increase our brand value in terms of weather forecasting by making full use of IT technologies that utilize AI to implement analysis and forecast, in addition to the aforementioned database. We also aim to realize “the most accurate forecasting in the world” that accommodates the needs of each market instead of making a standardized forecast. In the provision of its Risk Communication (RC) service, we will replace part of predicted value corrections and communication that used to be done manually with latest IT technologies for enhanced quality and productivity as well as improved profit margin.

3) Establishment of IT service base to accelerate market growth

We aim to establish an infrastructure environment that makes weather information available to 7.8 billion people around the world as fast as possible on the global scale regardless of their devices and other environment, and to realize business continuity based on a BCP (Business Continuity Plan). Looking ahead to improvements in the system development speed as required for a development platform and strengthening the resilience of the business against system failure risk during times of emergency from excessive concentration of servers, we will promote transitioning from physical servers to cloud servers. In addition, with the aim of encouraging markets to engage in the value creation cycle by linking weather information with external platforms, we will enable speedy service development and the fast provision of services to customers by migrating IT infrastructures to the cloud and accelerate market development as well as collaborations with other industries and global-scale collaborations.

4) Create new growing business that addresses climate change

We will aim to develop and provide full range services to cover various weather risks, including a research and the detailed analysis on business risks in the market as well as creation of services in adapting to business risks due to extreme weather events and climate change. Through business alliances with local governments and other symbolic customers, we will also achieve long-term growth by expanding business areas to address business structural risks that may cause economic damage continuously, not just helping address conventional business operational risks due to the meteorological environment.

x) Outlook

Although we acknowledge that the level of economic activity is on a gradual recovery path, we expect that the impact of COVID-19 will continue for the fiscal year ending May 31, 2022 as when the outbreak will end remains uncertain.

In terms of sales, we expect further profit growth in the BtoS market due to the continued enhancement of original contents and optimization of our advertising service by adopting DevOps approach in the mobile/internet planning service. In the BtoB market, we expect the full-scale rollout of a new service that addresses the risk of stranding in coastal areas in the sea planning service. At the same time, we are working on the development of new services in the context of environmental operation support. On the other hand, sales progress is expected to be delayed, especially for the sky planning service, compared to the initial plan at the time of the formulation of the mid-term management plan in the BtoB market as the impact of COVID-19 is expected to continue.

In terms of profitability, we will continue to work on improving the productivity of software development and optimizing the number of service operation staff members by acquiring talent for system development and improving our mission critical system. We are also planning to reduce the level of operating expenses,

such as travel and transport costs pertaining to the changes in work style to adapt to the era of the new normal, and work on cost optimization by optimizing our offices due to the increase in remote work. At the same time, we will continue to make advertisement investments that help make our business grow, as was the case in the previous fiscal year.

As a result of the above, the Group expects to achieve consolidated net sales of ¥19,300 million, operating income of ¥2,600 million, ordinary income of ¥2,600 million, and net income attributable to owners of parent of ¥1,900 million for the fiscal year ending May 31, 2022. The forecasts of business results were calculated in accordance with the “Accounting Standard for Revenue Recognition,” which will be applicable from the beginning of the fiscal year ending May 31, 2022.

(Progress during the fiscal year under review)

Business field	KPI		Progress
	Targets as of May 31, 2023	Results as of May 31, 2021	
TG sales ratio in the overall BtoB business between Japan and overseas	50:50	61:39	<ul style="list-style-type: none"> Although the TG (tollgate) sales from the overall BtoB business increased, overseas sales struggled due to the impact on the sea planning and sky planning businesses, which are driving overseas sales, of the spread of COVID-19.
1) Strengthen our revenue base by continuing growth in the existing business			
Sea Planning (Number of vessels)	9,200	5,300	<ul style="list-style-type: none"> Although the market has bottomed out, the number of vessels to which our services were provided fell short of the original plan due to a slow recovery of the vessel utilization rate. The number of vessels is expected to increase, backed by NAR, a new service launched in May 2021.
Sky Planning (Number of customers)	85	59	<ul style="list-style-type: none"> Number of new accounts fell short of the original plan mainly among airline companies in Southeast Asia due to the continued impact of the COVID-19 pandemic. The customer acquisition plan has been delayed in the markets in Europe and the Americas.
Environment Planning (Number of customers)	38	16	<ul style="list-style-type: none"> The number of customers increased largely as planned. We will continue striving to jointly create service menus in new markets.
Mobile/Internet Planning (Number of MAU: tens of thousands of users)	5,600	3,849	<ul style="list-style-type: none"> Sales far exceeded the original plan of the fiscal year under review owing to content enhancement by DevOps and effects of advertising investment. In the following fiscal year, we plan to continue with advertising investment.
2) Pursue world's highest level of forecasting accuracy and drastically improve contents productivity			
Forecasting accuracy (%)	90.0 or higher	91.2	<ul style="list-style-type: none"> Nowcasting and the forecasting accuracy in Europe were improved. We will work on improving global forecasting accuracy, while continuing to aim to maintain the forecast accuracy in Japan at 90%.

(2) Trends in Assets and Income

Item	32nd fiscal year ended May 31, 2018	33rd fiscal year ended May 31, 2019	34th fiscal year ended May 31, 2020	35th fiscal year ended May 31, 2021
Net sales (Millions of yen)	15,874	17,052	17,953	18,843
Operating income (Millions of yen)	2,490	2,045	2,280	2,444
Ordinary income (Millions of yen)	2,495	1,930	2,188	2,554
Net income attributable to owners of parent (Millions of yen)	1,138	1,370	1,629	1,861
Net assets (Millions of yen)	13,618	13,860	14,468	15,439
Total assets (Millions of yen)	15,106	15,746	16,894	17,692
Net assets per share (Yen)	¥1,241.38	¥1,261.16	¥1,314.65	¥1,399.19
Basic net income per share (Yen)	¥104.49	¥125.63	¥149.01	¥169.81
Return on equity (%)	8.4	10.0	11.6	12.5

(3) Material Parent Company and Subsidiaries

i) Relationship with a Parent Company

Not applicable

ii) Material Subsidiaries and Affiliates

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 France SAS	EUR 3,607,059	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	100.0%	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 45,000,000	100.0%	Comprehensive weather information services
Weathernews India Pvt. Ltd.	INR 45,000,000	100.0%	Comprehensive weather information services
WEATHERNEWS SINGAPORE PTE. LTD.	SGD 620,002	100.0%	Comprehensive weather information services

Notes:

1. AXANTEM SAS was dissolved through a merger with Weathernews France SAS as the surviving company as of March 4, 2021.
2. Liquidation of WEATHERNEWS RUS LLC. was completed as of September 16, 2020.
3. Weathernews India Pvt. Ltd. is under liquidation process.
4. Weathernews Nepal Pvt. Ltd. is under liquidation process.
5. Effective on August 31, 2020, maruFreight, Inc. was excluded from the scope of consolidation due to the commencement of its liquidation process.

(4) Major Business Locations

Headquarters: Makuhari Techno-Garden, 1-3 Nakase, Mihama-ku, Chiba-city, Chiba Prefecture, Japan

Major Sales Offices: 10 domestic offices, 12 overseas offices

Sapporo SSB	New York SSB	(USA)
Sendai SSB	London SSB	(UK)
Tokyo SSB	Copenhagen SSB	(Denmark)
Niigata SSB	Athens SSB	(Greece)
Kanazawa SSB	Paris SSB	(France)
Nagoya SSB	Hong Kong SSB	(Hong Kong)
Osaka SSB	Seoul SSB	(South Korea)
Hiroshima SSB	Shanghai SSB	(China)
Takamatsu SSB	Taipei SSB	(Taiwan)
Fukuoka SSB	New Delhi SSB	(India)
	Singapore SSB	(Singapore)
	Manila SSB	(Philippines)

Major Service & Operation Centers: 8 centers

Global Center	(Japan, Headquarters)
Oklahoma	(USA)
Amsterdam	(Netherlands)
Copenhagen	(Denmark)
Paris	(France)
Athens	(Greece)
Manila	(Philippines)
Yangon	(Myanmar)

Other Overseas Offices: 1 office

Hanoi SSB	(Vietnam)
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Other Overseas Agencies: 7 offices

Milan	(Italy)
Moscow	(Russia)
Yangon	(Myanmar)
Kuala Lumpur	(Malaysia)
Bangkok	(Thailand)
Kathmandu	(Nepal)
Jakarta	(Indonesia)

Notes:

1. "SSB" refers to offices that are strategic sales bases or representative offices in the preliminary phase of operations.
2. The Company has set up agencies in order to strengthen sales and marketing activities in line with its global business development.

2. Status of the Company

(1) Matters Related to Shares of the Company (As of May 31, 2021)

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

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

Note: This number includes 869,468 shares of treasury shares.

iii) Number of shareholders 10,428 persons
(includes 9,694 shareholders of shares constituting one unit)

iv) Major shareholders

Shareholder name	Number of shares	Shareholding ratio (%)
WNI WxBunka Foundation	1,700,000	15.49
WNI Institute Inc.	1,700,000	15.49
The Master Trust Bank of Japan, Ltd. (trust account)	553,600	5.04
Weathernews Employee Supporter Shareholding Association	472,520	4.31
MUFG Bank, Ltd.	360,000	3.28
The Chiba Bank, Ltd.	360,000	3.28
Taeko Ishibashi	353,800	3.22
THE BANK OF NEW YORK MELLON 140051	202,600	1.85
Nippon Life Insurance Company	200,000	1.82
Sumitomo Mitsui Banking Corporation	180,000	1.64

Notes:

1. Although the Company owns 869,468 shares of treasury shares, it is excluded from the major shareholders above.
2. The shareholding ratio has been calculated excluding treasury shares.
3. All of the shares held by The Master Trust Bank of Japan, Ltd. (trust account) are related to the trust services.
4. On April 16, 2018, Mitsubishi UFJ Financial Group, Inc. submitted a Statement of Changes to a Statement of Large-Volume Holdings pertaining to the Company's stock to the Director-General of the Kanto Finance Bureau. Whereas the Statement of Large-Volume Holdings states that Mitsubishi UFJ Financial Group's holdings amount to 716,395 shares as of April 9, 2018, we did not include Mitsubishi UFJ Financial Group among the major shareholders of the Company listed above because we could not confirm the number of shares substantially held at the end of the fiscal year ended May 31, 2021.

v) Status of shares delivered to officers of the Company as consideration for execution of duties during the fiscal year under review

	Number of shares	Number of recipients
Directors excluding Directors (External)	7,800	4

Notes:

1. The details of share-based payments of the Company are stated in "2. (2) (iv) Amount of remuneration for Directors and Audit & Supervisory Board Members" (available in Japanese only) of the Business Report.
2. The above number of shares includes shares delivered to officers who have already retired.

(2) Company Officers

i) Directors and Audit & Supervisory Board Members

(As of May 31, 2021)

Position	Name	Areas of responsibility	Significant concurrent position
President and Representative Director	Chihito Kusabiraki	Chief Executive Officer	Director, Chiba Institute of Technology
Managing Director	Masanori Yoshitake		
Managing Director	Tomohiro Ishibashi		
Director	Koichiro Tsujino	Director (External)	Founder & CEO, ALEX Corporation President, Green Spire Corporation
Director	Shigeru Muraki	Director (External)	Outside Director, WORLD TRADE CENTER BUILDING, INC. Representative Director (part-time), the Green Ammonia Consortium

Audit & Supervisory Board Member	Yasushi Sugino		
Audit & Supervisory Board Member	Takashi Tomura		
Audit & Supervisory Board Member	Fumitaka Koyama	Audit & Supervisory Board Member (External)	
Audit & Supervisory Board Member	Izumi Hayashi	Audit & Supervisory Board Member (External)	Lawyer / Partner, Sakurazaka Law Offices Expert Member of the Council for Promotion of Regulatory Reform, Cabinet Office, Government of Japan Member of the Intellectual Property Strategy Headquarters, Cabinet Secretariat, Government of Japan Board Member of Hitotsubashi University Outside Director, NOF CORPORATION Executive Board Member, The Tokyo Organising Committee of the Olympic and Paralympic Games

Notes:

1. Audit & Supervisory Board Member Takashi Tomura has gained extensive experience and knowledge about accounting at a leading steel company, was responsible for preparations for the Company's stock listing and overall management of the accounting and financial affairs of the Company as an officer, and thereby has considerable knowledge about finance and accounting.
2. The Company has no special interest relationships expected to create problems or hinder the performance of the duties of Directors (External) or Audit & Supervisory Board Members (External) with any of the Directors (External), Audit & Supervisory Board Members (External), or entities in which the Directors (External) or Audit & Supervisory Board Members (External) concurrently hold positions.

3. Pursuant to the provision of Tokyo Stock Exchange, Inc., the Company has designated Directors Koichiro Tsujino and Shigeru Muraki and Audit & Supervisory Board Members Fumitaka Koyama and Izumi Hayashi as Independent Officers, and has so notified the said Exchange.

ii) Overview of liability limitation agreement

Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered into an agreement with each of the Directors (External), Audit & Supervisory Board Members (External), and Audit & Supervisory Board Members to limit his/her liability for compensation to the amount provided by laws and regulations.

iii) Overview of directors and officers liability insurance policy

The Company has entered into a directors and officers liability insurance policy as provided for in Article 430-3, Paragraph 1 of the Companies Act with an insurance company, with all of the Company's Directors and Audit & Supervisory Board Members included as the insureds. Overview of the policy is as follows:

1) Scope of insureds

Directors and Audit & Supervisory Board Members of the Company

2) Summary of the policy

- Actual portion of insurance premiums borne by the insureds

The insurance premiums, including those for special clauses, are borne by the Company, and there are no insurance premiums actually borne by the insureds (other than the Company).

- Summary of insurance incidents covered

The policy covers legally mandated amount of indemnification and losses arising from the insured bearing the litigation expenses.

- Measures to ensure that the proper performance of duties of officers, etc., is not impaired

There are certain exclusions under the insurance policy, such as incidents attributable to acts of disloyalty, criminal acts, fraud or acts in violation of laws or regulations carried out by the insured with full knowledge of their illegality.

iv) Executive Officers

Name and area of responsibility of each Executive Officer as of July 1, 2021 are as follows.

		Name	Areas of responsibility
*	President and Executive Officer	Chihito Kusabiraki	Chief Executive Officer
*	Managing Officer	Masanori Yoshitake	Accounting and Finance
*	Managing Officer	Tomohiro Ishibashi	Mobile/Internet Planning Public Relations Administrative and Business Planning
	Managing Officer	Hidenori Iwasa	Transportation Weather (Sea/Sky/Land Planning)
	Managing Officer	Daisuke Abe	Service Operation and Development Risk Management Sports Planning
	Executive Officer	Mitsuhiro Ogata	Environment Planning
	Executive Officer	Shoko Isogai	Broadcast Planning
	Executive Officer	Tetsuo Aruga	Service Operations
	Executive Officer	Kiyoteru Morita	Forecast Center
	Executive Officer	Masaki Fukuda	IT System Development
	Executive Officer	Masaya Yamamoto	Innovation and Development
	Executive Officer	Hajime Harada	Internal Audit

Notes:

1. * indicates a person scheduled to serve concurrently as Director.
2. Thomas Skov resigned from his post as Executive Officer on July 1, 2021.

(3) Accounting Auditor

i) Name

Deloitte Touche Tohmatsu LLC

ii) Amount of remuneration

(Thousands of yen)	
Category	Amount
Amount of remuneration for services provided in Article 2, Paragraph 1 of the Certified Public Accountants Act (Act No. 103 of 1948)	51,225
Amount of remuneration for services other than those provided in Article 2, Paragraph 1 of the Certified Public Accountants Act	17,580
Total	68,805

Total amount of remuneration paid or payable to the Accounting Auditor by the Company and its subsidiaries	68,805
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Note: Given that the audit engagement agreement between the Company and the Accounting Auditor does not clearly differentiate the amount of audit fees payable under the Companies Act from the amount of audit fees payable under the Financial Instruments and Exchange Act, and given that such differentiation is practically impossible, the above amount of remuneration is stated as an aggregate of both amounts.

The Audit & Supervisory Board confirmed that the amount of remuneration had been determined after sufficient consultation with the Company's Accounting Auditor on the details of the auditing plans, the performance of duties in the past, the number of days required for auditing, the number of personnel required, etc., in order to realize fair and efficient audits. The Audit & Supervisory Board thereupon consented to the Accounting Auditor's remuneration pursuant to Article 399, Paragraph 1 of the Companies Act.

iii) Details of non-audit services

The Company pays Deloitte Touche Tohmatsu LLC compensation for advice and guidance services provided for the consideration of accounting policies for the adoption of Accounting Standards Board of Japan (ASBJ) Statement No. 29 "Accounting Standard for Revenue Recognition."

iv) Audits of subsidiaries

From the viewpoint of internal control, the following consolidated subsidiaries were audited by Certified Public Accountants or audit corporations (including those who have a foreign qualification equivalent to said certificates) other than the Company's Accounting Auditor, irrespective of the existence of legal provisions in operating countries.

Statutory audits	Voluntary audits, etc.
WEATHERNEWS U.K. LTD. Weathernews France SAS WEATHERNEWS HONG KONG LIMITED Weathernews Shanghai Co, Ltd. Weathernews Nepal Pvt. Ltd. Weathernews India Pvt. Ltd. WEATHERNEWS SINGAPORE PTE. LTD.	WEATHERNEWS AMERICA INC. Weathernews Benelux B.V. Weathernews Korea Inc. WEATHERNEWS TAIWAN LTD.

Note: Statutory audits are limited to those conducted pursuant to the provisions of the Companies Act or the Financial Instruments and Exchange Act (including foreign laws and regulations equivalent to the said Acts).

v) Policy on decisions to appoint or dismiss the Accounting Auditor

1) Policy on decisions to appoint or reappoint the Accounting Auditor

The Company believes that the relationship between corporate accounting and accounting audits is a relationship of co-creation in the realm of financial accounting undertaken to appropriately represent the actual status of business and secure objectivity. At the same time, the Company is to periodically review its engagement audit corporation or engagement partners for the purpose of mutually maintaining the appropriateness of operations.

When the Audit & Supervisory Board appoints an Accounting Auditor, the Audit & Supervisory Board shall confirm its qualification, its attitude toward co-creation with the Company, and other factors, and thereupon decide on the contents of its proposal for the appointment of the Accounting Auditor to be submitted to the General Meeting of Shareholders. When the Audit & Supervisory Board reappoints the Accounting Auditor, the Audit & Supervisory Board shall, in addition to the above, confirm the appropriateness of the auditing plans, the status of audit implementation, and other factors, and thereupon conclude that there is no need to dismiss or to not reappoint the Accounting Auditor.

2) Policy on decisions to dismiss or to not reappoint the Accounting Auditor

In addition to the dismissal of Accounting Auditor by the Audit & Supervisory Board as stipulated in Article 340 of the Companies Act, the Audit & Supervisory Board shall decide and submit the proposal on the dismissal or non-reappointment of the Accounting Auditor to the General Meeting of Shareholders if it is deemed difficult for the Accounting Auditor to appropriately perform duties.

(4) System to ensure the appropriateness of business

i) Basic approach to corporate governance

The Company's general management principle 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 all of its stakeholders, including shareholders, customers, officers, and employees, with a deep awareness that the Company is a presence open to the market. The Company considers it important to make efforts to maximize medium- to long-term corporate value and shareholder value, and concurrently to fulfill social responsibility and achieve sustainable growth and development.

Under its corporate commitment to "Transparency," the Company proactively discloses information far beyond the scope of statutory information disclosure, including its corporate philosophy, corporate culture, management strategies, business models, visions toward future value creation, to enunciate the fundamental approaches underlying its corporate value. Through these efforts, the Company will cultivate mutual reliance with supporters and thereby aim for medium- to long-term improvement of its corporate value through a co-creative approach.

The Company's corporate culture prescribes that the necessary information should be shared with not only shareholders and customers, but also officers and employees in house, 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 independently dependent company. We recognize the importance of "monitoring with our own eyes" without depending too much on indirect information.

In order to clarify the responsibilities of each business unit for its sales and profits in respective markets, the Company has designated its major business as Planning (Sea Planning, Sky Planning, Land Planning, Environment Planning, Mobile/Internet Planning, Broadcast Planning, and Sports Planning). Each Planning business unit will conduct its service planning, operation, development, and marketing with specific focus on each market to promote business. The divisions providing shared service infrastructures to all Planning business units (share-use infrastructure operation, development and management divisions) will be called SSI. SSI will support each Planning business unit from a professional point of view and will establish overall improvement in quality and productivity of the entire Company. In addition, Directors will be responsible for supervision of the overall business and realize a check-and-balance relationship in the system for the execution.

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 Toll gating) month activities, AAC meetings, and

SSM (Speed & Scope Merit) meetings. We emphasize the 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 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 and evaluate the proposals for new businesses and infrastructure investment from the standpoints of business strategy and economic rationalism at the investment committee (How Wonderful 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 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 MMM (Matrix Management 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 a mere consequentialism is excluded, is thus managed with high transparency and persuasiveness supported by a commitment to "evaluate the process as well."

1) Reason for selecting the current corporate governance system

In developing a corporate governance system, the Company emphasizes "Managerial effectiveness, fairness and transparency." The Board of Directors, a body consisting of Directors well versed in the Company's business and Directors (External) taking part in the management of the Company from independent standpoints, decides upon the important business execution in an appropriate and swift manner and supervises the performance of duties by Directors. The Audit & Supervisory Board Members, who are endowed with the legal right to audit, audit the performance of duties by Directors and improve supervising functions over the management from a standpoint of fairness and independence. The Company believes that the above-mentioned system is effective in ensuring managerial effectiveness, fairness, and transparency and in achieving sound and sustainable growth for the Company. Accordingly, the Company adopted a "company with an Audit & Supervisory Board" system.

2) The Board of Directors and executive officer system

Under the "company with an Audit & Supervisory Board" system, the Company adopted an executive officer system to ensure that its Directors may perform their duties and supervise as corporate managers in an effective and efficient manner. The Directors (the Board of Directors) delegate authority over business execution to the Executive Officers and then supervise the execution of duties by the Executive Officers. In order to better clarify the Directors' managerial responsibilities for the performance objectives for each fiscal year, the term of office of every Director is stipulated to be one year.

The Company considers it important to reflect into its management excellent wisdom and deep insight from outside parties, with a view to quickly grasping changes in social environments and business conditions and promoting socially fair corporate activities. To that end, we are further reinforcing our

corporate governance through the active involvement of Directors (External) with broad management experience and knowledge and through neutral and objective audits by Audit & Supervisory Board Members (External) with excellent expertise (two Directors [External] and two Audit & Supervisory Board Members [External] out of five Directors and four Audit & Supervisory Board Members).

In recognition of the managerial importance of the optimal selection of and fair remuneration for the members of management, the Board of Directors decides these issues by adopting resolutions with reference to reports from the Nominating Committee and Remuneration Committee, advisory organs of the Board of Directors that include Directors (External) and Audit & Supervisory Board Members (External).

ii) Basic policy on the establishment of an internal control system

At the Board of Directors' meeting held on July 1, 2021, the Company resolved its "Basic Policy on the Establishment of an Internal Control System" pursuant to Article 362 of the Companies Act and Article 100 of the Regulation 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)

- a. The Company shall hold a Board of Directors' meeting once a month in principle according to the "Board of Directors Regulations."
- b. Directors shall supervise the execution of duties by other Directors through the Board of Directors' meetings.
- c. In order to ensure the execution of duties in compliance with relevant laws and regulations, etc., the Directors, Executive Officers and leaders shall make preliminary reports on important information concerning 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.
- d. The Company has an Audit & Supervisory Board. Under the audit policy stipulated by the Audit & Supervisory Board, each Audit & Supervisory Board Member shall audit the execution of duties by Directors by attending the Board of Directors' meetings and examining business execution, etc.
- e. 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 Regulation for Enforcement of the Companies Act)

- a. 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 managed.
- b. 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 Regulation for Enforcement of the Companies Act)

- a. 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 Approval Standard."
- b. Executive Officers and leaders shall make periodical reports on important information concerning group-wide business execution at the Board of Directors' meetings, EM meetings, SSM meetings, and other important meetings of the Company. All Directors shall monitor the judgments and content of such reports.
- c. 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.
- d. The Risk Management 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 Regulation for Enforcement of the Companies Act)

- a. 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.
- b. Group-wide matters to be resolved by the Board of Directors shall be preliminarily discussed and important matters stipulated by the "WNI Approval Standard" shall be confirmed at EM meetings.
- c. For the decision-making by the Board of Directors, sufficient and appropriate information shall be provided to each Director.
- d. The Group holds DEViCo (Dream Enthusiasm Vision Concept and Commitment) Week 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 Regulation for Enforcement of the Companies Act)

- a. "Weather Street Charter," the policy and standard of behavior for the execution of group-wide business, and "Weathernews Group Code of Conduct" that clarifies the Group's corporate social responsibilities, shall be established and made available for access by all employees through the Company's intranet, etc. and made public through the Company's website. The Group shall work to increase employees' awareness of their responsibilities as staff members of a social infrastructure company actively pursuing SDG contributions, as well as carrying out education, enlightenment, and audit activities concerning compliance with laws, regulations and social norms.
- b. 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 Regulation for Enforcement of the Companies Act)

- a. 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.
- b. 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 management divisions shall request reports, as necessary, in order to precisely grasp the business of the subsidiaries based on the "Affiliated Company Management Regulations."
- c. 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 Approval Standard."

7) Matters concerning employees who assist Audit & Supervisory Board Members when Audit & Supervisory Board Members request those assistant employees

(Article 100, Paragraph 3, Item 1 of the Regulation for Enforcement of the Companies Act)

An Auditors' Office shall be established as a department to exclusively assist the duties of the Audit & Supervisory Board Members.

8) Independence of the employees described in the preceding paragraph from Directors and the assurance of the effectiveness of instructions from the Audit & Supervisory Board Members to those employees

(Article 100, Paragraph 3, Items 2 and 3 of the Regulation for Enforcement of the Companies Act)

- a. The Audit & Supervisory Board Members 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.
- b. The personnel transfer and evaluation of the employees who belong to the Auditors' Office shall be subject to prior approval by the Audit & Supervisory Board Members.

9) System for Directors and employees, as well as Directors, Audit & Supervisory Board Members and employees of subsidiaries to report to Audit & Supervisory Board Members and other matters concerning reporting to Audit & Supervisory Board Members

(Article 100, Paragraph 3, Items 4 and 5 of the Regulation for Enforcement of the Companies Act)

- a. Matters to be reported by officers and employees of the Group to the Audit & Supervisory Board Members and the method of reporting shall be stipulated.
- b. The Audit & Supervisory Board Members may request reports from Directors and employees at any time if deemed necessary to conduct their duties.
- c. The division in charge of the "WNI Help Line" shall periodically report to the Audit & Supervisory Board Members on the situation of whistleblowing by the officers and employees of the Group.

- d. With regard to those who have reported to the Audit & Supervisory Board Members 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 Audit & Supervisory Board Members

(Article 100, Paragraph 3, Item 6 of the Regulation for Enforcement of the Companies Act)

The Company shall promptly process the expenses, etc. arising from the execution of duties of Audit & Supervisory Board Members based on the “WNI Approval Standard,” excluding any expenses considered to be unnecessary for the execution of duties by the said Audit & Supervisory Board Members.

11) Other systems to ensure that Audit & Supervisory Board Members conduct audits effectively

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

- a. Systems shall be established to enable the Audit & Supervisory Board Members to hold hearings with Directors and key employees and to exchange opinions periodically or from time to time as necessary with the President and Representative Director, Internal Audit Office and Accounting Auditor.
- b. In order to implement a system to audit the group effectively, the Audit & Supervisory Board Members shall periodically exchange opinions with the Directors and Audit & Supervisory Board Members 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

- a. In its general management principle, 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 people committed to contributing to society.” In keeping with this philosophy, the Group will fulfill the social responsibility as a “global people” by ensuring that it has no relationships with antisocial forces.
- b. If circumstances arise where the Company faces coercive pressure to enter into any relationship with antisocial forces, the Legal Division will engage the cooperation of corporate lawyers, police forces, etc., and play a leading role in taking a resolute stance against antisocial forces.

iii) Outline of the implementation of internal control system during the 35th fiscal year

The Company has established and implemented an internal control system based on the “Basic Policy on the Establishment of an Internal Control System” resolved at the Board of Directors’ meeting. Outline of the implementation of the internal control system during the 35th fiscal year is as follows.

1) Internal control system in general

- a. DEViCo Week was held at the beginning and in the middle of the fiscal 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.
- b. Eight 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. 14 Scoring Committee meetings were held, at which the implementation and progress of the business plan were grasped in both

quantitative and qualitative terms, and five investment committee meetings were held, at which the proposals for new businesses and infrastructure investment were evaluated from the standpoints of business strategy and economic rationalism, 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.”

- c. The Internal Audit Office appropriately reports the status of evaluation during the year regarding status of the establishment and implementation of the internal control system to the EM meetings and the Board of Directors. The Internal Audit Office also reports the results of its evaluations of the effectiveness of the internal control system to the EM meetings, and the Board of Directors at the end of the year, based on the evaluation on status of implementation of internal control activities, the results of internal auditing during the year, etc. Information on the results of the evaluations of the internal control system is disseminated through the EM meetings companywide at the Scoring Committee or the SF meetings (Staff Forum) as needed.
- d. Based on the results of the aforesaid evaluation, the Company formulates measures conducive to the improved effectiveness of the internal control system and reflects them in its internal control implementation plan for the next year.

2) Implementation of a system to ensure compliance with relevant laws and regulations, etc.

- a. In addition to completing the process of appropriately reviewing the corporate motto, the general management principle, the Staff Charter, and the Weather Street Charter, the Company established a code of conduct that clarifies its corporate social responsibilities, and makes its officers and employees fully aware of the code of conduct in order to enhance their awareness of compliance and encourage them to commit to undertaking specific compliance activities. In addition, at the SSM meeting, a plenary session held every week, meeting participants share issues related to business operations and administration and multi directionally discuss them from legal, ethical, and other viewpoints. In the 35th fiscal year, in order to further improve the reliability of financial reporting, the Company enhanced the structure of the accounting and finance division and improved the mechanism to ensure the quality of reports provided by business divisions by clarifying the authority and responsibilities of business divisions and the accounting and finance division.
- b. The Company held 13 meetings of the Board of Directors during the year, whereby the Board of Directors deliberated and resolved agenda based on active opinion exchanges on matters regarding important business execution and matters stipulated by laws, regulations and the Articles of Incorporation. In addition, the Board of Directors received reports on matters provided in laws and regulations and matters regarding important business execution, and supervised the performance of duties by Directors and Executive Officers. The Company also held two meetings during the year, whereby officers voluntarily attended and exchanged opinions.
- c. The Scoring Committee grasped the issues of the Company Group’s compliance and formulated and implemented measures therefor.
- d. The Company has established management divisions, Audit & Supervisory Board Members, Audit & Supervisory Board Members (External), and an outside entity as compliance reports and consultancy routes “WNI Help Lines.” The Company specifies the handling of personal information and measures to protect whistleblowers in the guideline for action of WNI Help Lines, and continuously makes them well known to the officers and staff of the Company Group.

- 3) Implementation of measures to manage the risk of loss
 - a. Executive Directors and Executive Officers periodically report on the progress of the business execution of the Company Group as a whole to the Board of Directors and EM meetings.
 - b. If a risk in business execution becomes apparent, the Company will cope with the risk by establishing an appropriate system, implementing countermeasures, and duly disclosing the relevant information according to the level assigned to the risk under the Company's contingency planning regime.
 - c. The Company is taking stricter security measures and making improvements in implementing those measures in the area of information management and goods inventory management, for example by introducing a personnel access control system at warehouses.

- 4) Implementation of measures to ensure efficiency
 - a. An EM meeting attended by Executive Officers (including those concurrently serving as Directors) is held once a week to deliberate in advance on matters to be discussed for the Company Group as a whole at the Board of Directors' meetings and SSM meetings.
 - b. The Company strives to deliver in advance agenda items and related materials for the Board of Directors' meetings and EM meetings, and thereby strives to ensure time to review before attending the meetings.
 - c. The AAC meetings are held to share the changes in the market environment and numerical changes in performance and plans relating to the monthly progress of business plans. If any change is made in business/sales plans, the development management will be revised so that the vectors between manufacturing and sales are unified.

- 5) Implementation of the internal control system in the Group
 - a. In order to clarify the responsibilities of each business unit for its sales and profits and aim to further increase profits, each business unit leader responsible for major business in local areas manages overseas subsidiaries. Each Director and Executive Officer in charge of each business unit supervises its leader, shares issues on the business operations and administration of subsidiaries by appropriately taking up the issues for discussion and reporting on them to the Board of Directors and EM meetings according to the division of his/her duties, and thereupon clarifies procedures therefor.
 - b. The Company has overseas subsidiaries directly participate in SSM meetings via a videoconferencing platform and translate parts of the Company's internal newsletter (President message at SSM meeting, etc.) into *Businglish* (materials translated into English, illustrations, etc.), and thereby makes the officers and employees of its subsidiaries fully aware of its policies on business operations and compliance issues. In addition, the Executive Officers in charge of business and operation and the business unit leaders visit subsidiaries appropriately. Through these efforts, the Company strives to facilitate direct communications.

- 6) Implementation of measures to ensure the effectiveness of audits by the Audit & Supervisory Board Members
 - a. The Audit & Supervisory Board Members attend the Board of Directors' meetings and the Audit & Supervisory Board Member attends EM meetings, SSM meetings, the Scoring Committee and other important meetings and participates in meetings for financial analysis at the monthly closing. Through these initiatives, the Audit & Supervisory Board Members strive to ensure the appropriateness of the establishment and implementation of its internal control system.

- b. Seventeen meetings of the Audit & Supervisory Board were held during the year, at which agenda at the Board of Directors' meetings and other important matters on management were shared in advance among Audit & Supervisory Board Members. Each Audit & Supervisory Board Member examined the execution of duties by the Directors and Executive Officers, audited the performance of duties by the Directors in cooperation with the Internal Audit Office and the Accounting Auditor, and put together their opinions as the opinions of the Audit & Supervisory Board each quarter to report them to the Board of Directors. In addition, the Audit & Supervisory Board Members appropriately held the (extensive) meetings of the Audit & Supervisory Board where the Directors (External) also attended so that the Directors (External) and Audit & Supervisory Board Members (External) could mutually understand and share important managerial matters.
- c. The Company has established an Auditors' Office in which one staff member is assigned to assist the duties of the Audit & Supervisory Board Members. The said staff member engages in operations based on instructions from the Audit & Supervisory Board Members, and any personnel transfer, evaluation, etc. of the said staff member requires the approval of the Audit & Supervisory Board Members.

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, 2021)

(Thousands of yen)

Item	Amount	Item	Amount
(Assets)		(Liabilities)	
Current assets	13,349,464	Current liabilities	2,185,650
Cash and deposits	9,251,103	Accounts payable - trade	157,566
Accounts receivable - trade	3,346,728	Accounts payable - other	360,036
Accounts receivable - completed operation	72,722	Income taxes payable	519,539
Work in process	131,985	Provision for loss on order received	959
Supplies	131,659	Other	1,147,548
Other	449,681		
Allowance for doubtful accounts	(34,416)	Noncurrent liabilities	67,362
Noncurrent assets	4,343,360	Asset retirement obligations	63,604
Property, plant and equipment	1,747,315	Other	3,757
Buildings and structures	821,253	Total liabilities	2,253,013
Tools, furniture and fixtures	414,934	(Net assets)	
Communication satellite facilities	60,977	Shareholders' equity	15,340,772
Land	413,062	Capital stock	1,706,500
Construction in progress	37,088	Capital surplus	1,169,566
Other	0	Retained earnings	13,400,570
Intangible assets	1,166,146	Treasury stock	(935,863)
Software	977,835	Accumulated other comprehensive income	14,707
Software in progress	162,322	Valuation difference on available-for-sale securities	330
Other	25,988	Foreign currency translation adjustment	14,376
Investments and other assets	1,429,898	Subscription rights to shares	84,332
Investment securities	213,769		
Deferred tax assets	703,538	Total net assets	15,439,812
Other	530,421		
Allowance for doubtful accounts	(17,831)	Total liabilities and net assets	17,692,825
Total assets	17,692,825		

Consolidated Statement of Income

(From June 1, 2020, to May 31, 2021)

(Thousands of yen)

Item	Amount	
Net sales		18,843,115
Cost of sales		11,409,481
Gross profit		7,433,633
Selling, general and administrative expenses		4,988,800
Operating income		2,444,832
Non-operating income		
Interest income	951	
Dividends income	500	
Dividends income of insurance	8,357	
Subsidy income	110,175	
Foreign exchange gains	8,578	
Gain on forfeiture of unclaimed dividends	1,333	
Other	11,639	141,536
Non-operating expenses		
Commitment line-related expenses	14,682	
Cancellation penalty	10,568	
Other	6,709	31,960
Ordinary income		2,554,408
Extraordinary loss		
Impairment loss	25,252	
Loss on valuation of investments in subsidiaries and affiliates	22,000	
Loss on liquidation of subsidiaries and affiliates	2,264	49,516
Income before income taxes		2,504,891
Income taxes - current	774,741	
Income taxes - deferred	(131,660)	643,080
Net income		1,861,810
Net income attributable to owners of parent		1,861,810

Consolidated Statement of Changes in Net Assets

(From June 1, 2020, to May 31, 2021)

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of June 1, 2020	1,706,500	1,055,681	12,621,155	(972,254)	14,411,082
Changes of items during the fiscal year					
Dividends from surplus			(1,095,852)		(1,095,852)
Net income attributable to owners of parent			1,861,810		1,861,810
Acquisition of treasury stock				(247)	(247)
Disposal of treasury stock		113,884		36,638	150,523
Decrease in retained earnings due to exclusion of equity method companies			13,456		13,456
Net changes of items other than shareholders' equity					
Total changes of items during the fiscal year	-	113,884	779,414	36,391	929,690
Balance as of May 31, 2021	1,706,500	1,169,566	13,400,570	(935,863)	15,340,772

	Accumulated other comprehensive income			Subscription rights to shares	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance as of June 1, 2020	(6,496)	(19,960)	(26,456)	84,332	14,468,957
Changes of items during the fiscal year					
Dividends from surplus					(1,095,852)
Net income attributable to owners of parent					1,861,810
Acquisition of treasury stock					(247)
Disposal of treasury stock					150,523
Decrease in retained earnings due to exclusion of equity method companies					13,456
Net changes of items other than shareholders' equity	6,826	34,336	41,163		41,163
Total changes of items during the fiscal year	6,826	34,336	41,163	-	970,854
Balance as of May 31, 2021	330	14,376	14,707	84,332	15,439,812

(Reference)

Consolidated Statement of Cash Flows

(From June 1, 2020, to May 31, 2021)

(Thousands of yen)

Item	Amount
Net cash provided by (used in) operating activities	2,479,054
Net cash provided by (used in) investing activities	(615,992)
Net cash provided by (used in) financing activities	(1,094,403)
Effect of exchange rate change on cash and cash equivalents	46,863
Net increase (decrease) in cash and cash equivalents	815,522
Cash and cash equivalents at beginning of the fiscal year	8,433,624
Cash and cash equivalents at end of the fiscal year	9,249,147

Non-consolidated Balance Sheet

(As of May 31, 2021)

(Thousands of yen)

Item	Amount	Item	Amount
(Assets)		(Liabilities)	
Current assets	12,225,799	Current liabilities	2,515,682
Cash and deposits	8,200,085	Accounts payable - trade	750,024
Accounts receivable - trade	3,281,556	Accounts payable - other	329,966
Accounts receivable - completed operation	72,722	Accrued consumption taxes	168,903
Work in process	131,329	Accrued expenses	369,255
Supplies	131,287	Income taxes payable	508,446
Advance payments to suppliers	9,179	Advances received	150,241
Prepaid expenses	307,241	Deposits received	194,814
Short-term loans receivable	36,000	Provision for loss on order received	959
Other	113,140	Provision for loss on business of subsidiaries and affiliates	42,000
Allowance for doubtful accounts	(56,743)	Other	1,071
Noncurrent assets	5,041,342	Noncurrent liabilities	54,039
Property, plant and equipment	1,723,279	Asset retirement obligations	54,039
Buildings	816,793		
Vehicles	0		
Tools, furniture and fixtures	395,358		
Communication satellite facilities	60,977		
Land	413,062		
Construction in progress	37,088		
Intangible assets	1,165,980		
Software	977,835		
Software in progress	162,322		
Telephone subscription right	25,634		
Other	188		
Investments and other assets	2,152,082		
Investment securities	200,575		
Shares of subsidiaries and affiliates	669,369		
Investments in capital of subsidiaries and affiliates	25,841		
Long-term loans receivable from subsidiaries and affiliates	180,549		
Claims provable in bankruptcy, claims provable in rehabilitation and other	3,363		
Long-term prepaid expenses	40,302		
Deferred tax assets	733,705		
Insurance funds	296,369		
Lease and guarantee deposits	152,944		
Allowance for doubtful accounts	(150,939)		
Total assets	17,267,142		
		Total liabilities	2,569,722
		(Net assets)	
		Shareholders' equity	14,612,757
		Capital stock	1,706,500
		Capital surplus	1,172,141
		Other capital surplus	1,172,141
		Retained earnings	12,669,979
		Legal retained earnings	426,625
		Other retained earnings	12,243,354
		General reserve	9,500,000
		Retained earnings brought forward	2,743,354
		Treasury stock	(935,863)
		Valuation and translation adjustments	330
		Valuation difference on available-for-sale securities	330
		Subscription rights to shares	84,332
		Total net assets	14,697,419
		Total liabilities and net assets	17,267,142

Non-consolidated Statement of Income

(From June 1, 2020, to May 31, 2021)

(Thousands of yen)

Item	Amount	
Net sales		18,630,301
Cost of sales		11,646,506
Gross profit		6,983,795
Selling, general and administrative expenses		4,683,174
Operating income		2,300,621
Non-operating income		
Interest income	369	
Dividends income	500	
Dividends income of insurance	8,357	
Subsidy income	108,999	
Gain on forfeiture of unclaimed dividends	1,333	
Reversal of allowance for loan losses	1,989	
Other	14,865	136,415
Non-operating expenses		
Commitment line-related expenses	14,682	
Cancellation penalty	10,568	
Other	5,756	31,007
Ordinary income		2,406,028
Extraordinary loss		
Impairment loss	25,252	
Provision for loss on business of subsidiaries and associates	42,000	
Loss on valuation of investments in subsidiaries and affiliates	22,000	
Loss on liquidation of subsidiaries and affiliates	11,958	101,211
Income before income taxes		2,304,817
Income taxes - current	752,405	
Income taxes - deferred	(137,364)	615,041
Net income		1,689,775

Non-consolidated Statement of Changes in Net Assets

(From June 1, 2020, to May 31, 2021)

(Thousands of yen)

	Shareholders' equity						
	Capital stock	Capital surplus		Legal retained earnings	Retained earnings		Total retained earnings
		Other capital surplus	Total capital surplus		Other retained earnings		
					General reserve	Retained earnings brought forward	
Balance as of June 1, 2020	1,706,500	1,058,256	1,058,256	426,625	9,500,000	2,149,431	12,076,056
Changes of items during the fiscal year							
Dividends from surplus						(1,095,852)	(1,095,852)
Net income						1,689,775	1,689,775
Acquisition of treasury stock							
Disposal of treasury stock		113,884	113,884				
Net changes of items other than shareholders' equity							
Total changes of items during the fiscal year	-	113,884	113,884	-	-	593,922	593,922
Balance as of May 31, 2021	1,706,500	1,172,141	1,172,141	426,625	9,500,000	2,743,354	12,669,979

	Shareholders' equity		Valuation and translation adjustments		Subscription rights to shares	Total net assets
	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance as of June 1, 2020	(972,254)	13,868,558	(6,496)	(6,496)	84,332	13,946,394
Changes of items during the fiscal year						
Dividends from surplus		(1,095,852)				(1,095,852)
Net income		1,689,775				1,689,775
Acquisition of treasury stock	(247)	(247)				(247)
Disposal of treasury stock	36,638	150,523				150,523
Net changes of items other than shareholders' equity			6,826	6,826		6,826
Total changes of items during the fiscal year	36,391	744,198	6,826	6,826	-	751,025
Balance as of May 31, 2021	(935,863)	14,612,757	330	330	84,332	14,697,419

Audit & Supervisory Board's Report

Audit Report

The Audit & Supervisory Board, upon deliberations based on the reports made by each Audit & Supervisory Board Member concerning the results of the audit on the execution of duties by the Directors for the 35th fiscal year from June 1, 2020 through May 31, 2021, have prepared this Audit Report and hereby submits it as follows:

1. Auditing Methods by the Audit & Supervisory Board Members and Audit & Supervisory Board and the Content thereof

- (1) The Audit & Supervisory Board established the auditing policies, division of duties, etc., received reports on the implementation status and results of the audits from each Audit & Supervisory Board Member, as well as reports regarding the status of the execution of duties from the Directors and Accounting Auditor, and requested explanations as necessary.
- (2) In accordance with the auditing standards for Audit & Supervisory Board Members determined by the Audit & Supervisory Board and the auditing policies and division of duties, etc. each Audit & Supervisory Board Member made efforts to collect information and establish an auditing environment through communication with Directors, the internal audit division, and other employees, and conducted the audits in accordance with the following procedures.
 - (i) Each Audit & Supervisory Board Member attended the Board of Directors' meeting and other important meetings to receive reports regarding the execution of duties from Directors and employees and requested explanations as necessary. Each Audit & Supervisory Board Member also inspected the approved documents and examined the status of operations and conditions of assets at its head office and principal offices. With respect to subsidiaries, each Audit & Supervisory Board Member communicated and exchanged information with the Directors and Audit & Supervisory Board Members of subsidiaries and received reports on business from the subsidiaries as necessary.
 - (ii) With respect to the resolutions adopted by the Board of Directors regarding the establishment of the system to ensure that Directors execute their duties in compliance with relevant laws, regulations, and the Articles of Incorporation of the Company as specified in the business report and the establishment of a 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, as set forth in Article 100, Paragraphs 1 and 3 of the Regulation for Enforcement of the Companies Act, as well as the systems (Internal Control System) established in accordance with the resolution of the Board of Directors, each Audit & Supervisory Board Member regularly received reports from the Directors and employees on the status of the establishment and operations thereof, requested explanations as necessary, and expressed his/her opinion.
 - (iii) With respect to the basic policy set forth in Article 118, Item 3 (a) of the Regulation for Enforcement of the Companies Act as specified in the business report and each approach set forth in Item 3 (b) of the same article, the Audit & Supervisory Board Members reviewed the details based on discussion at the Board of Directors' meeting and on other occasions.
 - (iv) Each Audit & Supervisory Board Member monitored and verified that the Accounting Auditor maintained independence and conducted the audits appropriately. Each Audit & Supervisory Board Member also received reports on the status of the execution of duties from the Accounting Auditor and requested explanation as necessary. In addition, the Audit & Supervisory Board Members were informed of the arrangement of the "System for ensuring that the duties are performed appropriately" (matters stipulated in the items of Article 131 of the Regulation on Accounting of Companies in accordance with "Quality Control Standard for Audit" [Business Accounting Council, October 28, 2005]), etc. by the Accounting Auditor and requested explanations as necessary.

In accordance with the procedures mentioned above, the Audit & Supervisory Board reviewed the business report and supplementary schedules, the non-consolidated financial statements (non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement of changes in net assets, and notes to the non-consolidated financial statements), the supplementary schedules thereto, and the consolidated financial statements (consolidated balance sheet, consolidated statement of income, consolidated statement of changes in net assets, and notes to the consolidated financial statements) for the fiscal year ended May 31, 2021.

2. Results of Audit

(1) Results of the audit of business report, etc.

- (i) The business report and supplementary schedules present fairly the financial condition of the Company in conformity with related laws, regulations, and the Articles of Incorporation of the Company;
- (ii) Regarding the execution of duties by Directors, there were no instances of misconduct or material matters in violation of laws, regulations, or the Articles of Incorporation of the Company;
- (iii) The resolutions of the Board of Directors regarding the internal control system are fair and reasonable. Furthermore, over the 35 years since its foundation, the Company has been working to deepen an awareness of issues arising from changes in the business environment and the Company's business and operations, to take measures in response, and to put in place a framework for improvement. There are no significant matters that require pointing out regarding the content of the business report relating to the aforementioned internal control and the Director's execution of duties.
- (iv) There are no matters requiring additional mention regarding the Basic Policy on the Composition of Persons to Control Decision-Making over the Financial and Business Policies of the Company specified in the business report. The Audit & Supervisory Board acknowledges that the approaches set forth in Article 118, Item 3 (b) of the Regulation for Enforcement of the Companies Act as specified in the business report conform with the basic policy, do not harm any common interests of shareholders, and were not adopted with the intention of maintaining the positions of Directors and Audit & Supervisory Board Members.

(2) Results of the audit of the non-consolidated financial statements and supplementary schedules

The auditing methods and results of the Accounting Auditor, Deloitte Touche Tohmatsu LLC, are fair and reasonable.

(3) Results of the audit of the consolidated financial statements

The auditing methods and results of the Accounting Auditor, Deloitte Touche Tohmatsu LLC, are fair and reasonable.

July 14, 2021

The Audit & Supervisory Board of Weathernews Inc.

Yasushi Sugino (Seal)
Audit & Supervisory Board Member

Takashi Tomura (Seal)
Audit & Supervisory Board Member

Fumitaka Koyama (Seal)
Audit & Supervisory Board Member

Izumi Hayashi (Seal)
Audit & Supervisory Board Member

Note: The Audit & Supervisory Board Members Mr. Fumitaka Koyama and Ms. Izumi Hayashi are Audit & Supervisory Board Members (External) as stipulated in Article 2, Item 16 and Article 335, Paragraph 3 of the Companies Act.