

Mid-Term Management Plan Stage 3, 4th Growth Period (2019-2023)

June 30, 2022

Chihito Kusabiraki

Chief Executive Officer

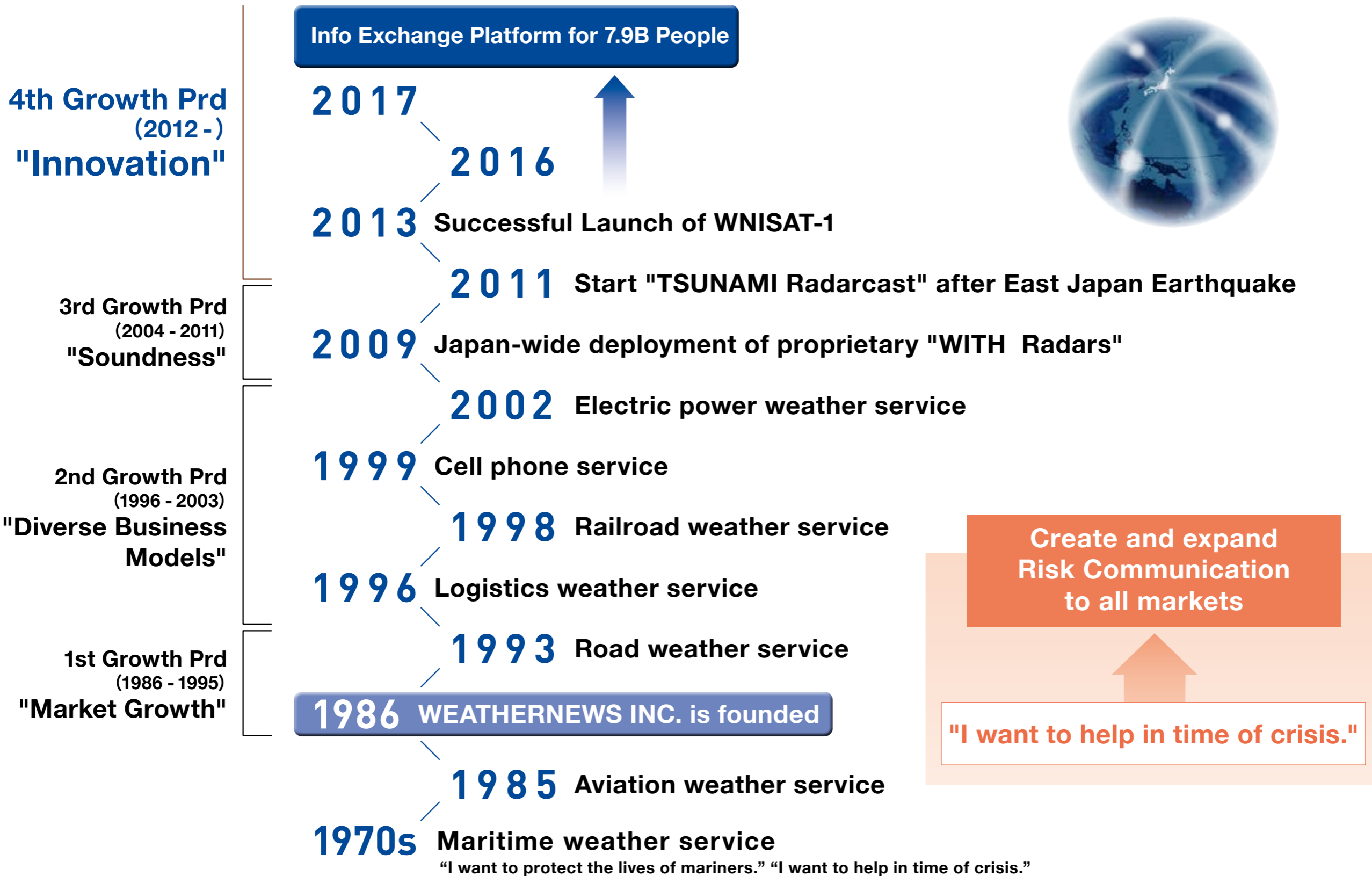
WEATHERNEWS INC.

**January 1970, in Iwaki, Fukushima,
a freighter sank in Onahama Bay, due to a bombic cyclone.
15 crew members lost their lives.**

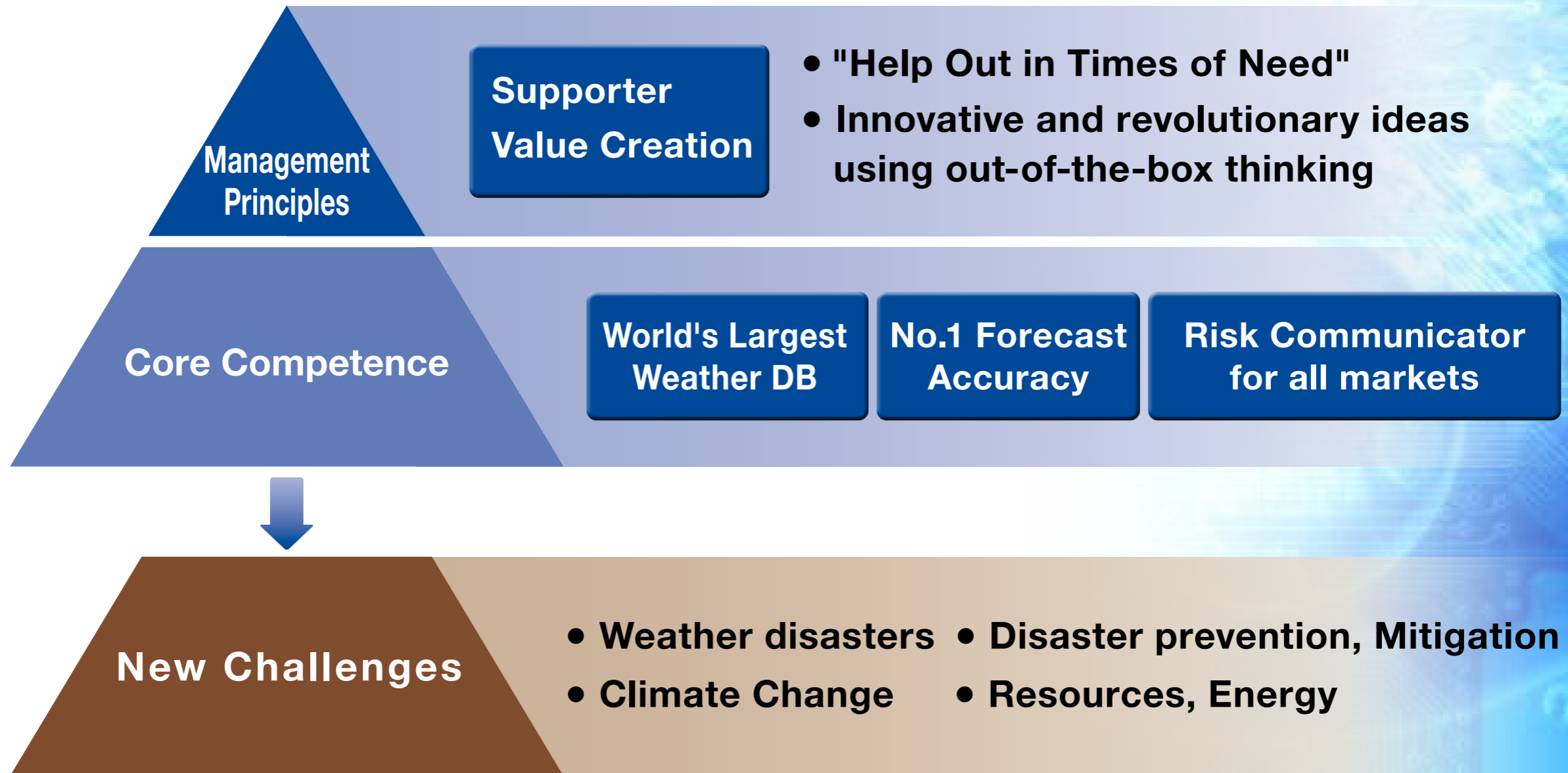
"I want to protect the lives of mariners"

Start as a maritime information platform

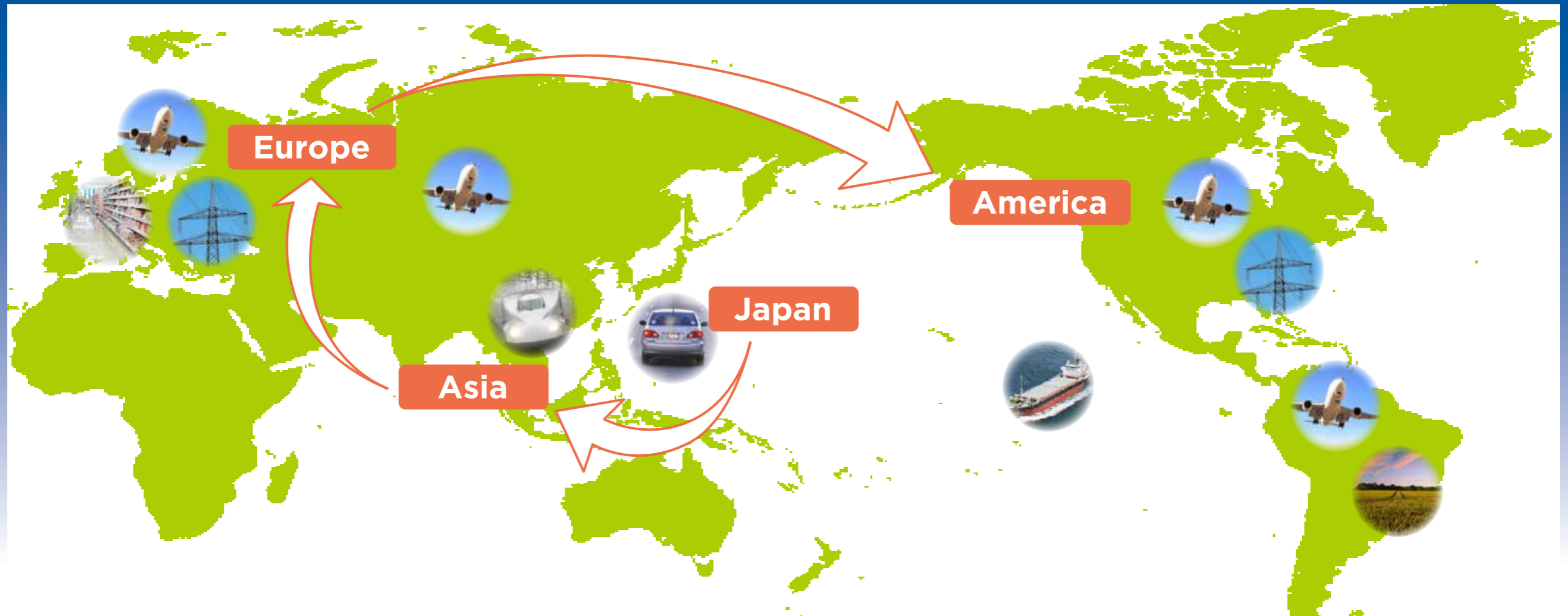
History



Philosophy



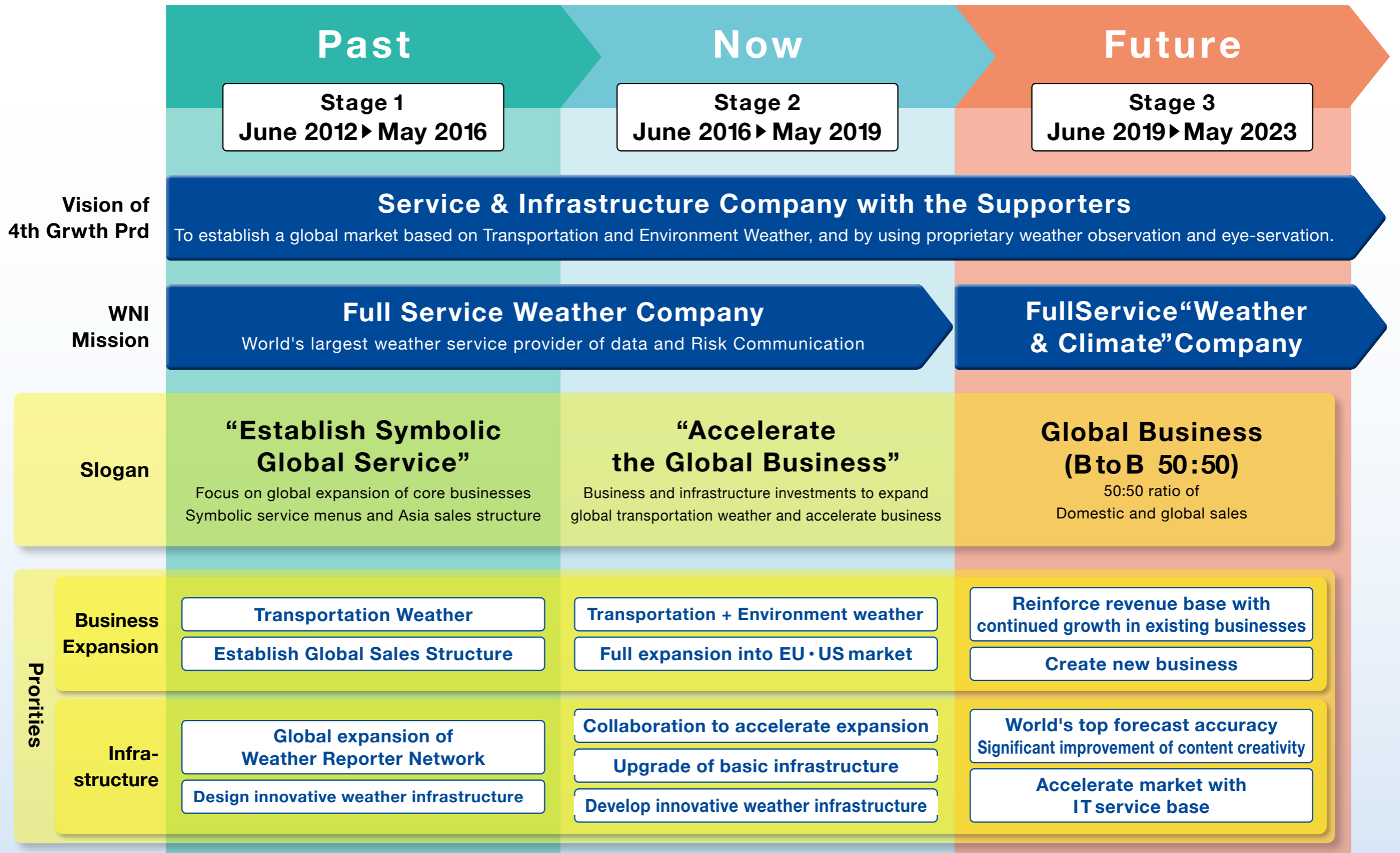
Service & Infrastructure Company with the Supporters



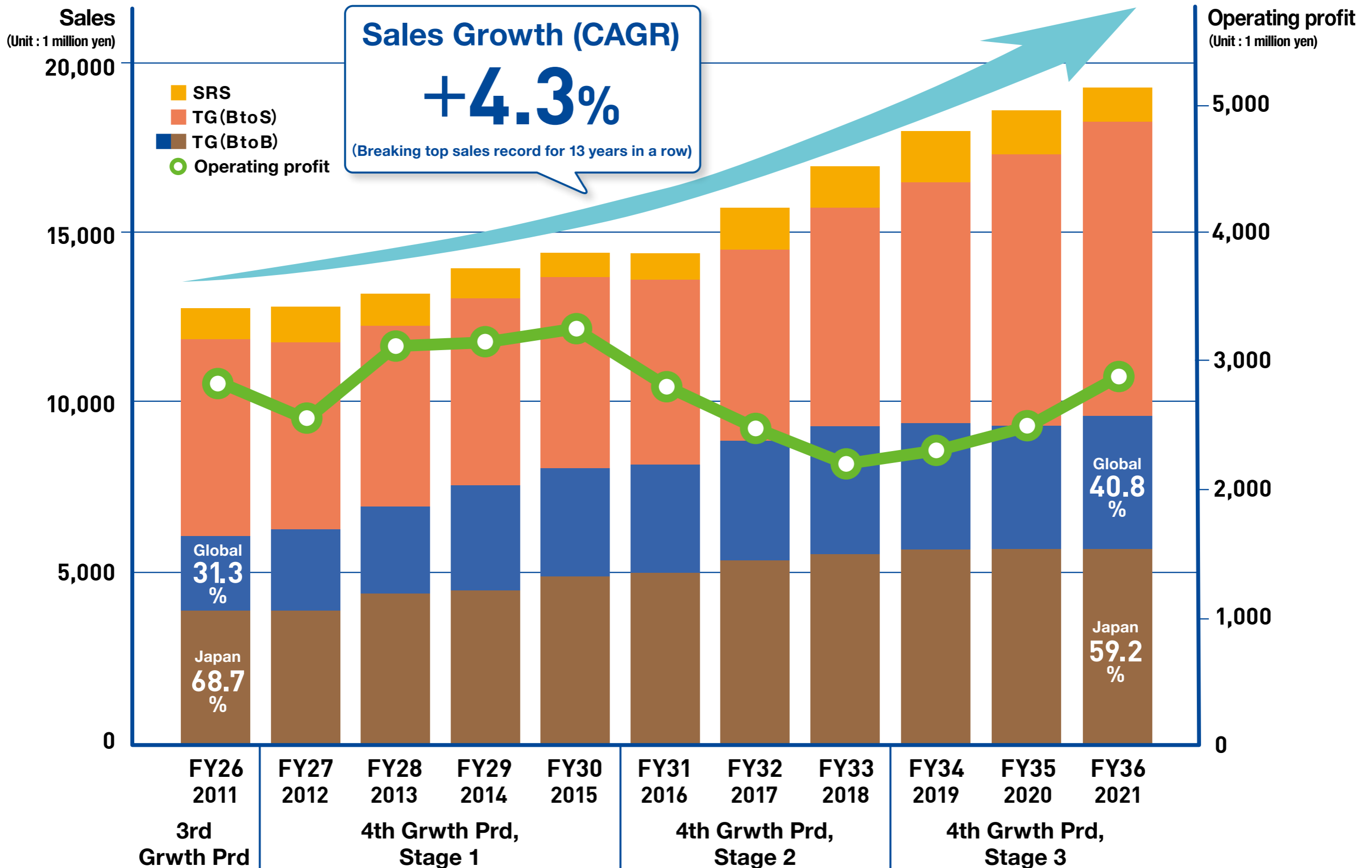
Data

Weather Reports	Proprietary Infrastructure	Observation data for	Business Data
180,000 /day	2 Satellites 30 WNI Tsunami radars 80 WNI weather radars ⋮	38,000 locations	Daily Report from ships 7,000 /day PIREP Report from aircrafts 260,000 /day ⋮

Vision for 4th Growth Period Service & Infrastructure Company with the Supporters



4th Growth Period Performance (FY27 ~ 36)



Review of Previous Mid-term Management Plan (FY31-33)

		May 2016 Goal (End of FY30)	May 2019 Goal (End of FY33)	Results
Business Expansion	OSR Vessels (Vessel)	2,700	6,000	4,500
	SKY Planning Customers in service (Customer)	40	63	56
	Environment Weather Expansion area	Japan	Japan, EU	Japan, EU
	Weathernews Monthly Active users (MAU)	14.5 M	25.0 M	26.1 M
Invested Amount		1,966 M JPY (FY28-30)	4,000 M JPY (FY31-33)	2,573 M JPY (FY31-33)
Total Staff (person)		764	900	1,012

Priorities in Mid-Term Management Plan(FY34-37)

4th Growth Period
Stage3

Global Business (BtoB 50:50)

Achieve 50:50 ratio in Japan and Global Sales

Market Expansion

- 1 Global expansion of Transportation and Environment Weather
- 2 Productivity Improvement with Top Forecast Accuracy and Content
- 3 Cloud Deployment to Boost the Market
- 4 New Business to Address Climate Change

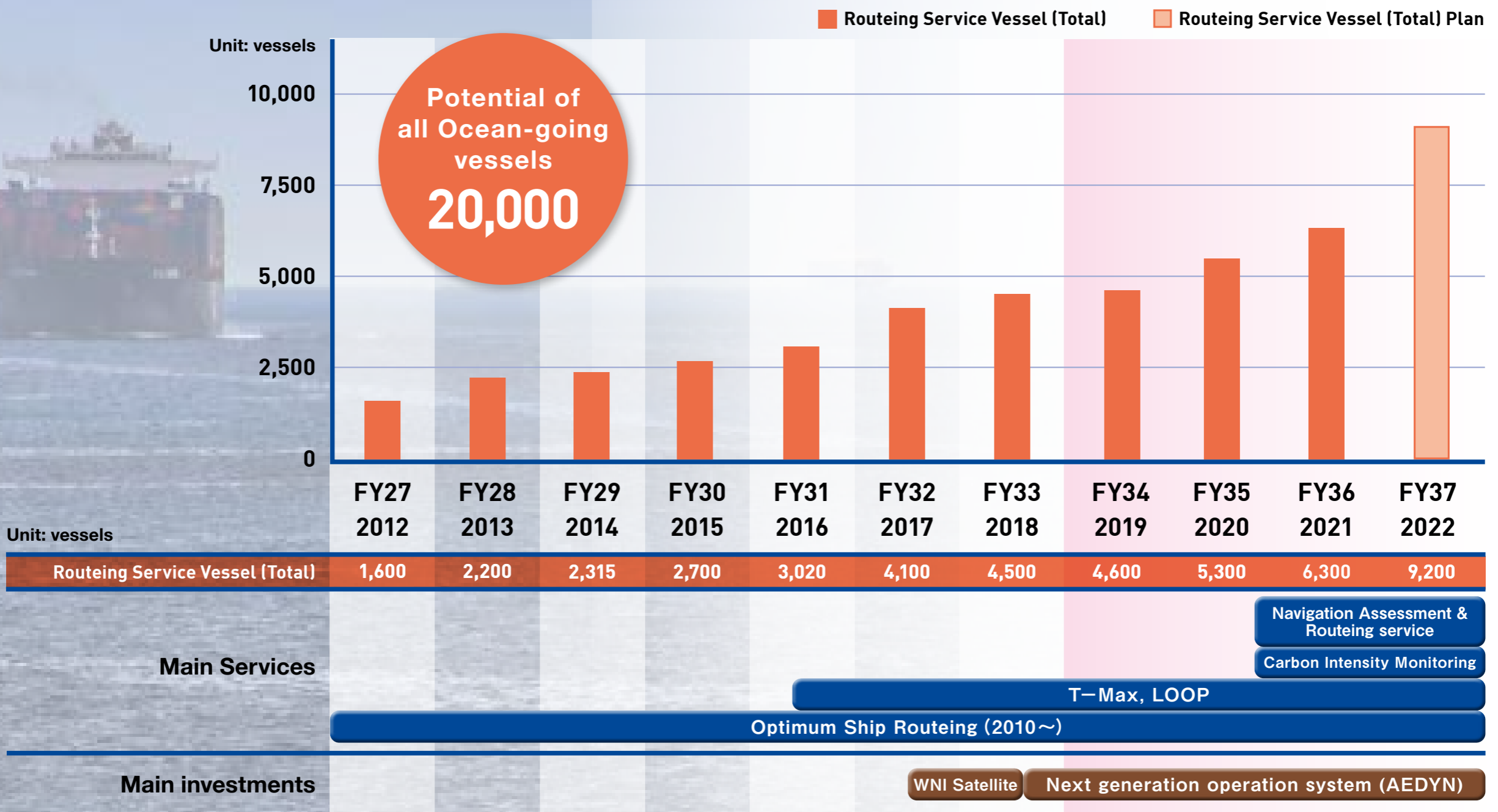
Management Base

- 1 Contribute to Sustainable Society through Our Business (ESG Investment)
- 2 Improve Job Satisfaction (Activate Entrepreneurship)

Priority 1: Global expansion of Transportation and Environment Weather

Weather x Voyage

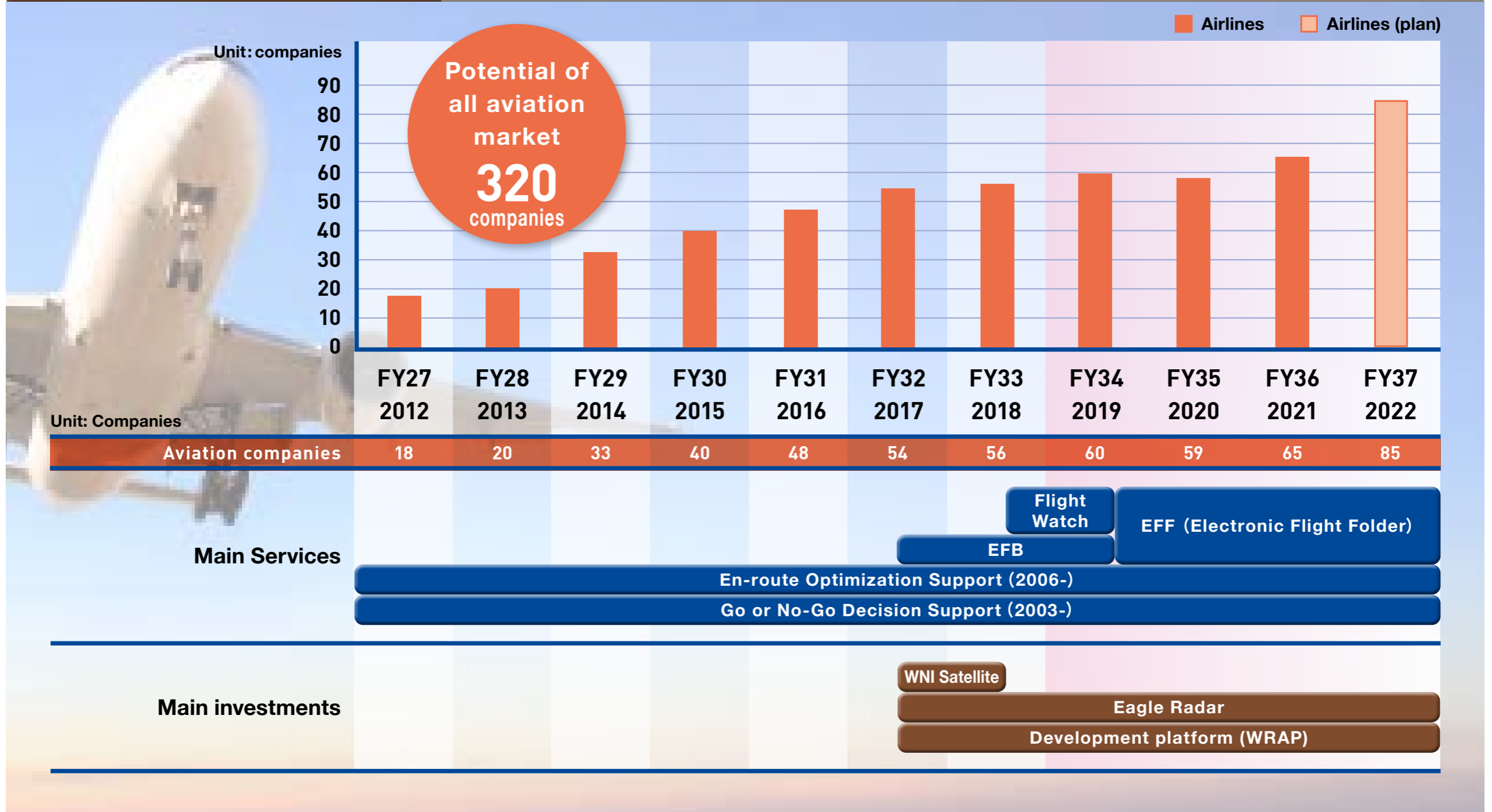
Routeing Service to 10,000 Vessels (50% of all ocean-going ships)



Priority 1: Global expansion of Transportation and Environment Weather

Weather x Aviation

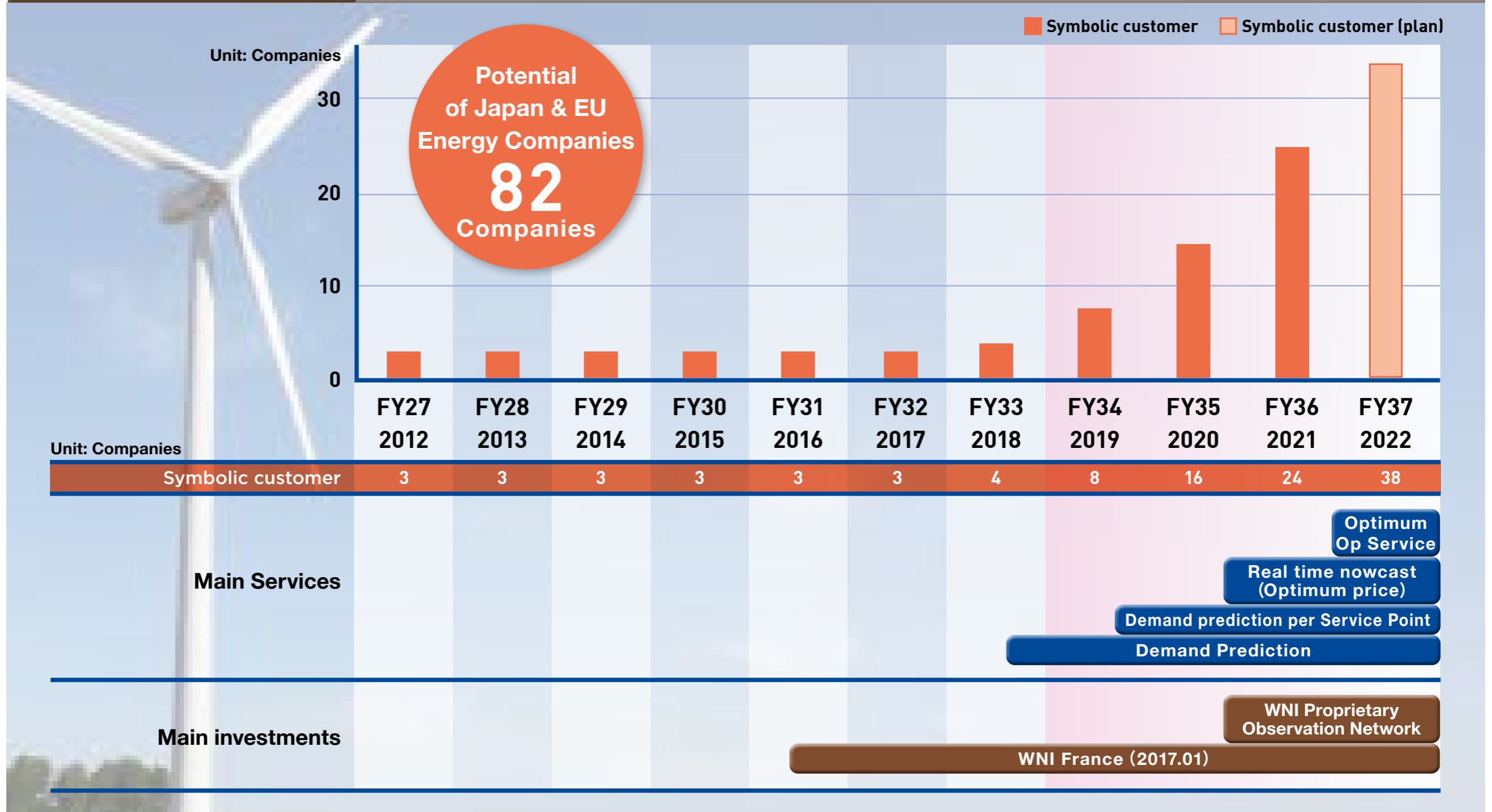
Expand Into EU/US Markets (25% of World Aviation Market)



Priority 1: Global expansion of Transportation and Environment Weather

Weather x Energy

Expand into the Environmental Energy Market with Demand Prediction Services for Energy Companies, etc.

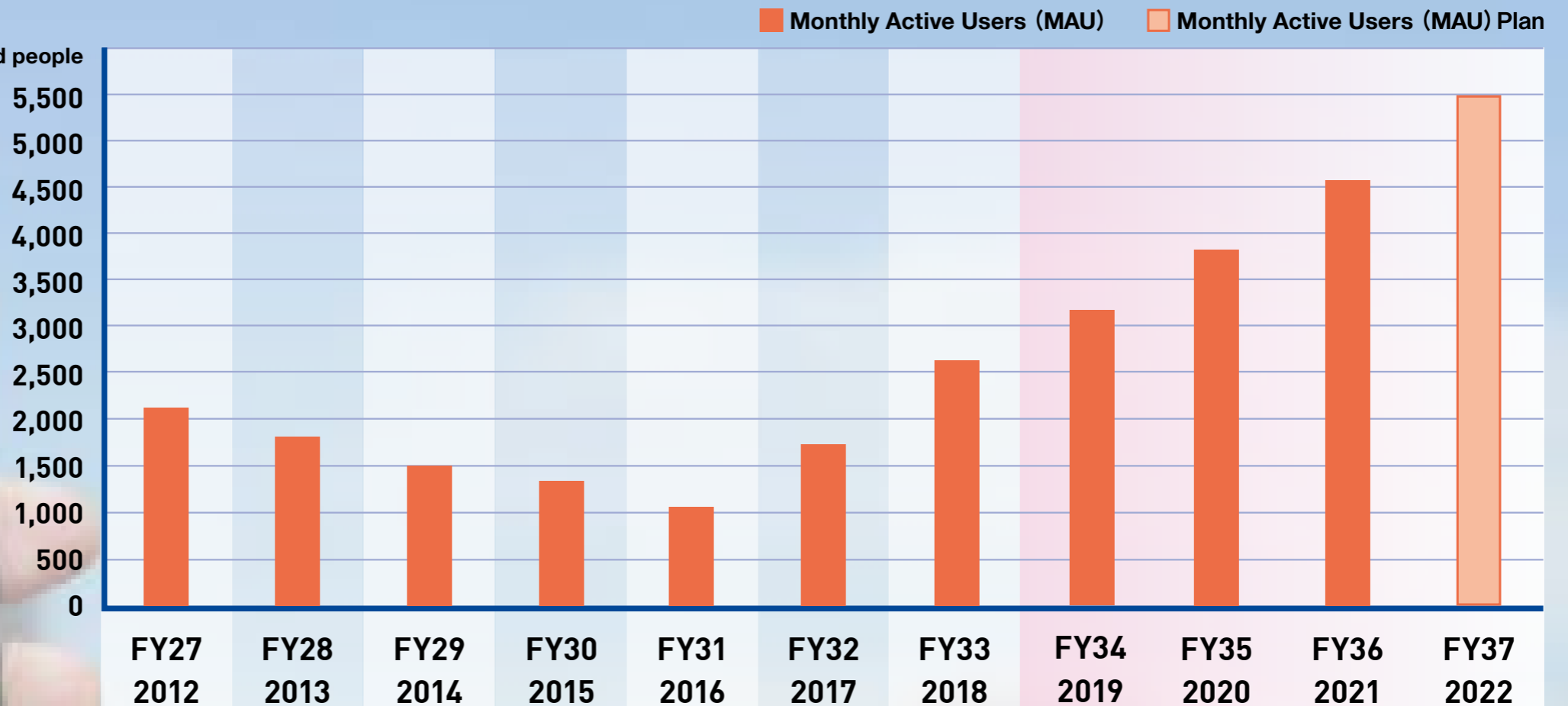


4-Year Plan for Mobile/Internet Weather

Weather x Individ. Supporter

Become No.1 Weather Content Platform

Unit: 10 thousand people



Unit: 10 thousand people

Weathernews Monthly Active Users (MAU)	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35	FY36	FY37
	2,166	1,831	1,510	1,445	1,223	1,756	2,610	3,242	3,849	4,516	5,500

Main Services

Weathernews application*

Advertisement business

Small b

Main investments

Advertisement investment

*Access number collected by Weathernews application, smartphone browsers, PC, feature phone database or per terminal

Priority 2: Pursuit of World's Top Forecast Accuracy



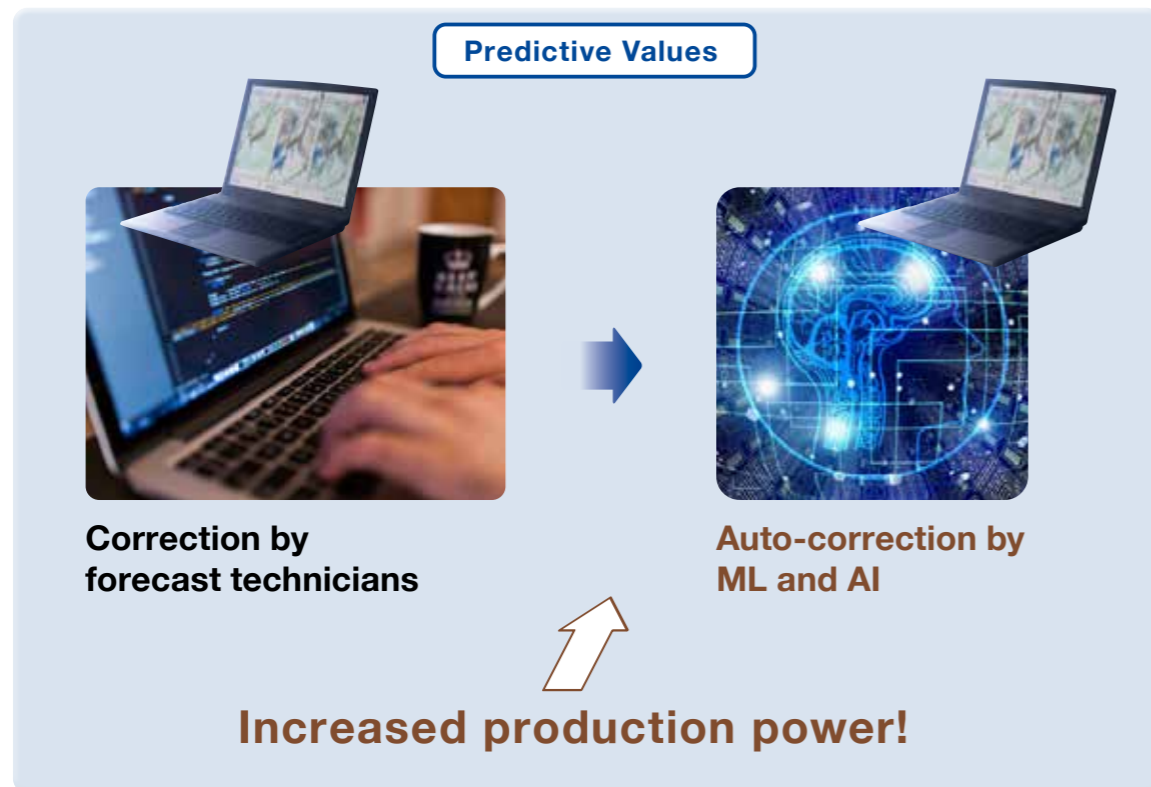
**Achieve the World's Top Forecast Accuracy
with the Largest Weather and Climate Database in the World and AI Technology**



Priority 2: Significant Increase of Content Production Capacity

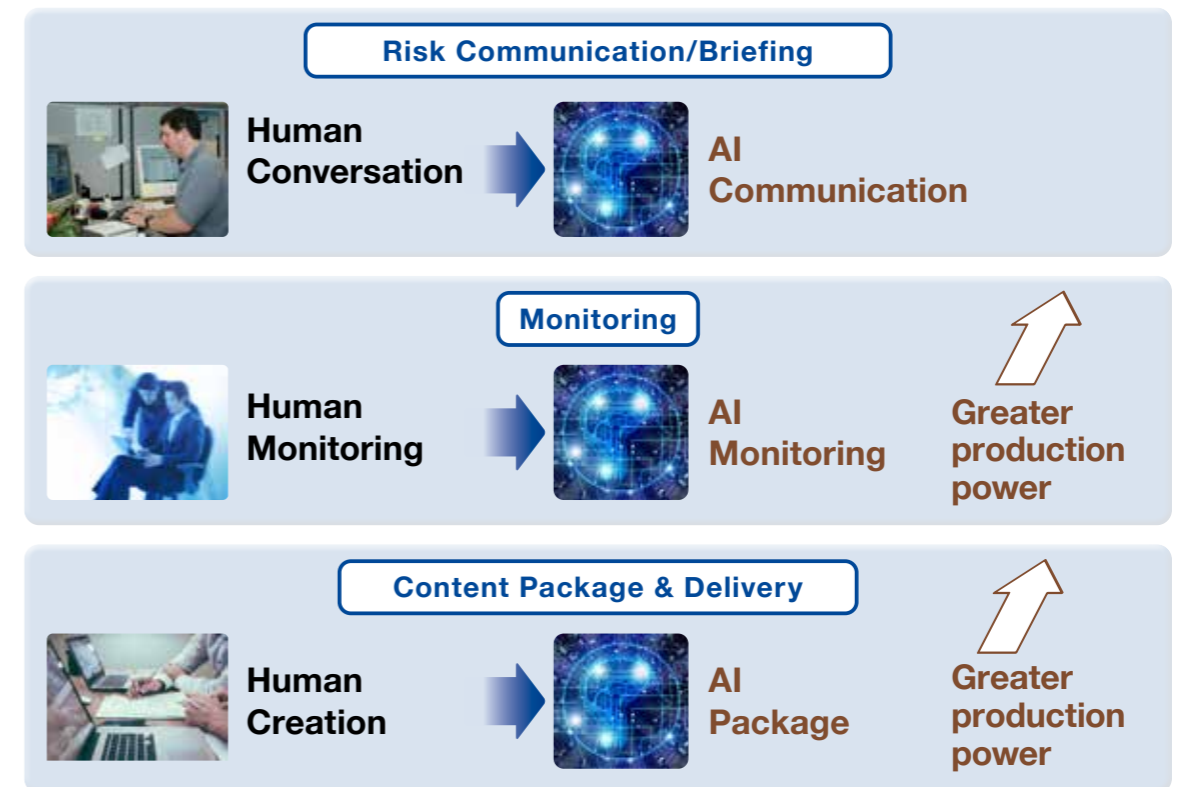
Increased Content Production Capacity Using New Basic Database and Development Platform

Forecasting



Increased Production Power and Capacity to Make Predictive Values for the Market

Risk Communication



Increased Risk Communication Production Power and Capacity

Priority 3: IT Service Infrastructure to Accelerate the Market

Build a Cloud-based IT Service Infrastructure to Build and Develop Service Utilizing the World's Largest Weather Database and by Weather Risk Analysis



Cloud Solution (Weather as a Service)



Government, Business, small b, Consumer ... etc

Service to 7.9 Billion People Around the World

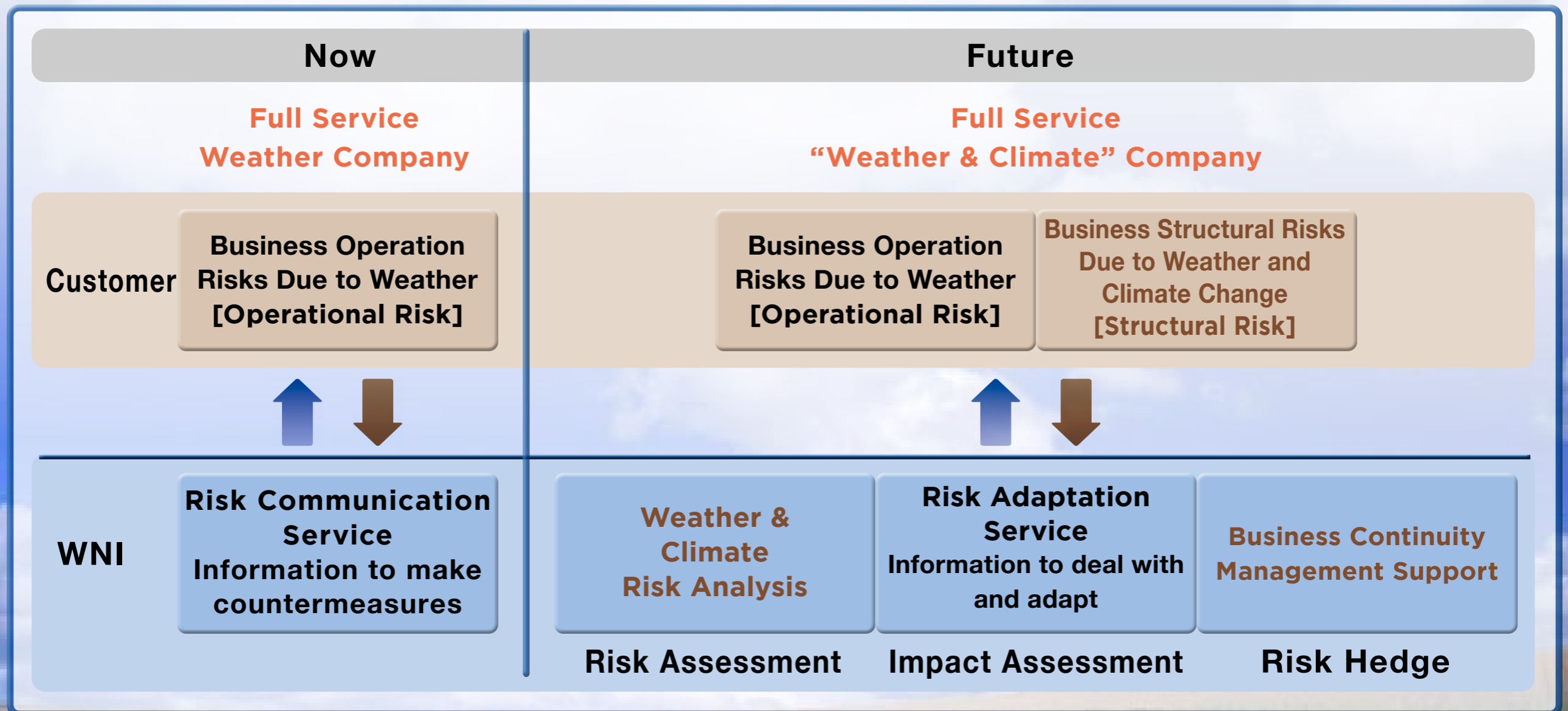
Social Environment

More weather-related economic loss

Higher awareness of ESG

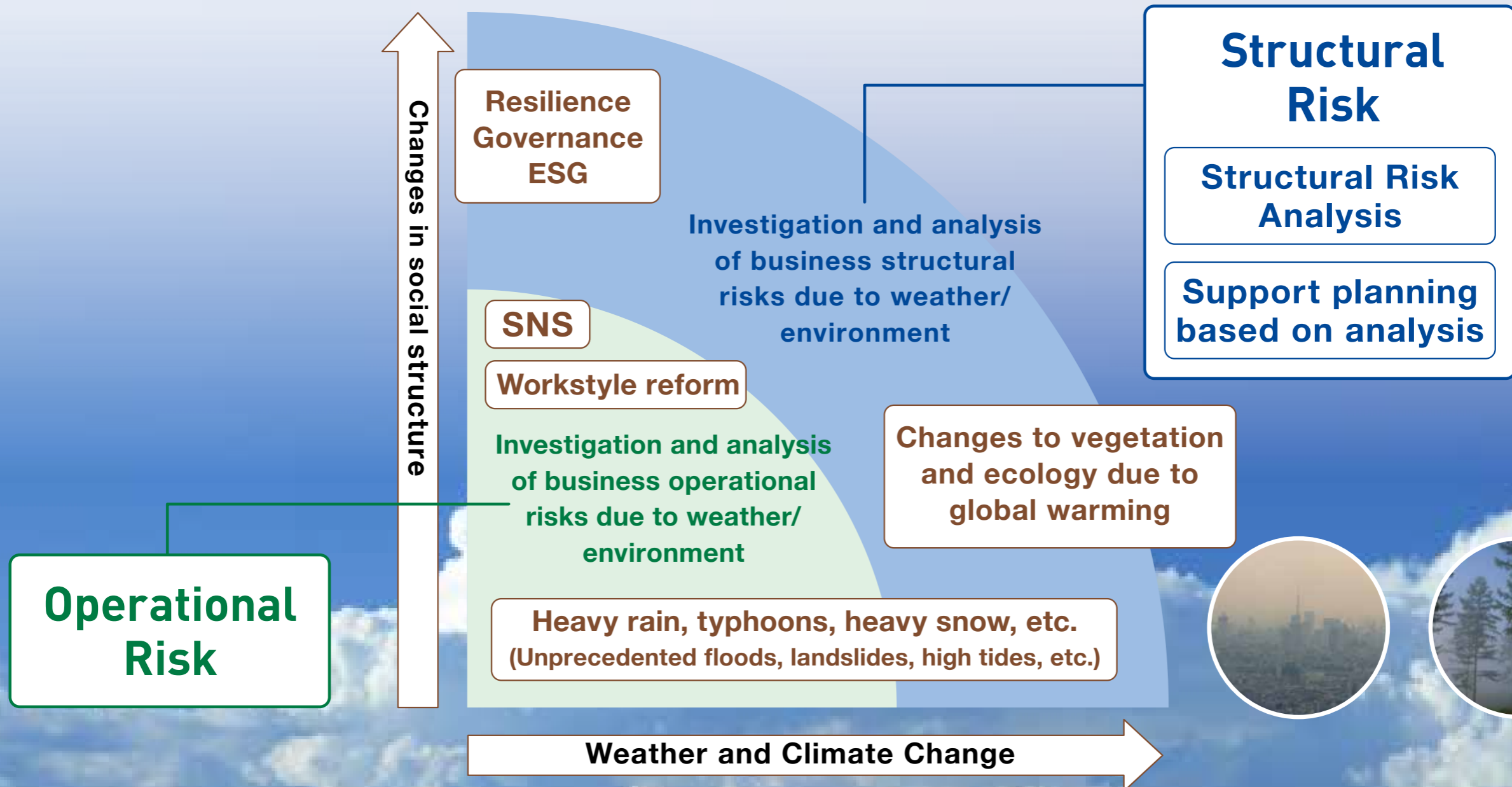


In addition to weather risks, countermeasures against extreme weather and climate change are also important



Priority 4: Create New Expansion Business

- 1) Weather & Climate Risk Analysis: Investigate and analyze business risks in the market
- 2) Structural Risk: Create service to deal with business risks due to severe weather and climate change



Business Targets

Unit: 1M JPY		Stage 2			Stage 3			
		FY31	FY32	FY33	FY34	FY35	FY36	FY37(Plan)
		2017.5	2018.5	2019.5	2020.5	2021.5	2022.5	2023.5
Exchange rate(JPY/USD)(Yen)		108	110	110	108	106	114	120
Sales		14,542	15,874	17,052	17,953	18,843	19,650	21,000
TG	B to B	8,288	8,947	9,366	9,386	9,493	9,925	10,460
	B to S	5,462	5,737	6,454	7,068	8,051	8,714	9,740
SRS		790	1,188	1,231	1,497	1,297	1,010	800
Operating Income		2,824	2,490	2,045	2,280	2,444	2,904	3,200
Operating Income ratio		19.4%	15.7%	12.0%	12.7%	13.0%	14.8%	15.2%
Ordinary Income		2,825	2,495	1,930	2,188	2,554	3,063	3,300
Net Income		1,965	1,138	1,370	1,629	1,861	2,157	2,400
ROE		15.0%	8.4%	10.0%	11.6%	12.5%	13.4%	13.8%
Payout ratio		55.4%	95.7%	79.6%	67.1%	58.9%	51.0%	45.9%
Capital investment		684	1,029	859	795	612	479	600
Research and Development Cost		354	477	608	595	599	534	600



E

Environment

- Endeavors with customers in relation to climate change (environment-friendly ship operation)
- Disclose weather and environment information that will affect climate change (Solar radiation, etc.)

S

Social

- Design workstyle to activate entrepreneurship (Satellite office, side business, etc.)

G

Governance

- Reinforce governance structure
- Enhance information disclosure

Dividend Policy

Basic
Policy

Determine dividend policy based on the concept of High-contribution, High-profit and High-Dividend, by monitoring dividend yield and under consideration of 100 yen base and 50% payout ratio.

General Principle

High-Contribution, High-Profit, High-Dividend

Payout Ratio

Annual Dividend: 100yen

Interim: 50yen

Term-end: 50yen



Caution: Using This Material

The plans and outlook contained in this material--with the exception of past facts--are outlooks for the future and thus include indefinite factors. Actual results may differ from these due to various reasons, and the Company cannot guarantee that these targets, estimations and future achievements will inevitably be fulfilled.

Therefore, we suggest you use this information and material by comparing with additional information obtained by other methods and at your own discretion. The Company will not be held liable for any damage caused by use of this material.

Update History

First version published on June 28, 2019
Updated on July 7, 2020 based on FY34 performance.
Updated on December 25, 2020 based on FY35 revised earnings forecast.
Updated on July 1, 2021 based on FY35 performance.
Updated on June 30, 2022 based on FY36 performance