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April 7, 2025

Consolidated Financial Results for the Nine Months Ended February 28, 2025 (Under Japanese GAAP)

Company name: Weathernews Inc.
 Listing: Tokyo Stock Exchange
 Securities code: 4825
 URL: <https://global.weathernews.com/>
 Representative: Tomohiro Ishibashi, President and Representative Director
 Inquiries: Shigeru Kawai, IR Manager
 Telephone: +81-43-274-5536
 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the nine months ended February 28, 2025 (from June 1, 2024 to February 28, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
February 28, 2025	17,428	4.6	3,137	37.1	3,094	32.4	2,155	23.2
February 29, 2024	16,658	5.4	2,287	(8.9)	2,337	(9.3)	1,749	(3.0)

Note: Comprehensive income For the nine months ended February 28, 2025: ¥2,205 million [21.6%]
 For the nine months ended February 29, 2024: ¥1,814 million [(2.7) %]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
February 28, 2025	97.43	97.20
February 29, 2024	79.25	79.05

Note: Weathernews Inc. (the “Company”) conducted a stock split on December 1, 2024, whereby one common share was split into two shares. Basic earnings per share and diluted earnings per share have been calculated assuming that the stock split was conducted at the beginning of the previous fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
February 28, 2025	23,494	20,658	87.8
May 31, 2024	23,058	19,788	85.4

Reference: Equity
 As of February 28, 2025: ¥20,619 million
 As of May 31, 2024: ¥19,699 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended May 31, 2024	—	60.00	—	60.00	120.00
Fiscal year ending May 31, 2025	—	70.00	—		
Fiscal year ending May 31, 2025 (Forecast)				35.00	—

Notes: 1. Revisions to the forecast of cash dividends most recently announced: None

2. The Company conducted a stock split on December 1, 2024, whereby one common share was split into two shares. The figures stated for the fiscal year ended May 31, 2024 and the second quarter-end dividend for the fiscal year ending May 31, 2025 are the actual amounts of dividends paid before the stock split, and the figure stated for the fiscal year-end dividend for the fiscal year ending May 31, 2025 (forecast) is the amount after the stock split. For the forecast of the total annual dividends per share, “—” is shown because the stock split makes it impossible to calculate a simple total of the dividend amounts. Based on the basis of shares existing before the stock split, the fiscal year-end dividend for the fiscal year ending May 31, 2025 (forecast) would be 70 yen and the total annual dividends per share would be 140 yen.

3. Consolidated earnings forecasts for the fiscal year ending May 31, 2025 (from June 1, 2024 to May 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending May 31, 2025	23,500	5.7	4,200	28.4	4,200	25.7	2,900	19.0	131.09

Note 1. Revisions to the consolidated earnings forecasts most recently announced: Yes

Concerning consolidated earnings forecasts for the fiscal year ending May 31, 2025, the Company has upwardly revised its forecasts for each profit item from operating profit onward due to better-than-expected progress in initiatives to improve the profit margin using AI operation models as set forth in the mid-term management plan.

2. The Company conducted a stock split with a record date of November 30, 2024 (effective date December 1, 2024), whereby one common share was split into two shares. The figure stated for basic earnings per share in the forecast for the fiscal year ending May 31, 2025 considers the effect of the stock split. Based on the basis of shares existing before the stock split, basic earnings per share for the fiscal year ending May 31, 2025 would be 262.18 yen.

* **Notes**

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None
- (4) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of February 28, 2025	23,688,000 shares
As of May 31, 2024	23,688,000 shares

- (ii) Number of treasury shares at the end of the period

As of February 28, 2025	1,530,352 shares
As of May 31, 2024	1,598,102 shares

- (iii) Average number of shares outstanding during the period

Nine months ended February 28, 2025	22,122,563 shares
Nine months ended February 29, 2024	22,071,778 shares

Note: The Company conducted a stock split on December 1, 2024, whereby one common share was split into two shares. Total number of issued shares at the end of the period, number of treasury shares at the end of the period and average number of shares outstanding during the period have been calculated assuming that the stock split was conducted at the beginning of the previous fiscal year.

- * Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit firm: None

- * Proper use of earnings forecasts, and other special matters

Forward-looking statements in this material, including earnings forecasts, are based on information currently available to the Company and on certain assumptions deemed reasonable. Actual results may differ significantly due to various factors. Please refer to "1. Qualitative Information on Quarterly Financial Results" of the attached materials for the suppositions that form the assumptions for the earnings forecasts and cautions regarding the use of the earnings forecasts.

Attachment Contents

Index

1. Qualitative Information on Quarterly Financial Results.....	2
(1) Operating results.....	2
(2) Financial position	5
(3) Explanation on consolidated earnings forecasts and other forward-looking statements	5
2. Quarterly Consolidated Financial Statements and Significant Notes Thereto	6
(1) Quarterly consolidated balance sheet	6
(2) Quarterly consolidated statement of income and quarterly consolidated statement of comprehensive income	8
(3) Notes to quarterly consolidated financial statements	10
(Notes to premise of going concern)	10
(Notes on significant changes in the amount of shareholders' equity).....	10
(Notes on changes in accounting policies)	10
(Notes to segment information, etc.)	10
(Notes to quarterly consolidated statement of income)	10
(Notes to quarterly consolidated statement of cash flows)	10

1. Qualitative Information on Quarterly Financial Results

(1) Operating results

1) Business environment and overview

We provide weather services to corporations and individuals, including infrastructure companies in the land, sea, and air domains for corporations, and to the general public through our apps and media platforms for individuals.

The Sea Domain, which was our business when the Company was founded and targets corporations, has a global presence. Our main service is to support large vessels on long voyages across countries and regions. Freight traffic in the global marine transportation market and the underlying geopolitical risks affect our business performance. The Internet Domain, which is a business targeting individuals, operates mainly in Japan and consists of subscription service sales and advertising revenue from its app “Weathernews.”

In this business environment, for the nine months ended February 28, 2025 (the “period under review”), consolidated net sales increased 4.6% year over year to ¥17,428 million. In the Sea Domain, the marine transportation market slightly softened due to the continued logistics disruptions caused by the situation in the Middle East and the impact of the tariff increases in the U.S. Revenue for the Company increased due to the renewal of contracts accompanying price increases mainly in the European market and the impact of foreign exchange rates. In the Land Domain, revenue increased due to the increased sales in the expressway market and an increase in the number of customers and the sales expansion of SaaS-type products in the energy and retail markets. In the Internet Domain, while subscription sales and advertising revenue increased through investment in advertising, sales to certain mobile carriers within the subscription service revenue continued to decline.

In terms of expenses, personnel expenses increased due to our continued efforts from the previous fiscal year to strengthen human resources for SaaS-type product development and other IT development and human resources in sales. On the other hand, the systemization of operational models based on AI and other technologies helped reduce the number of personnel required for operations, particularly in the BtoB businesses, leading to an improvement in the profit margin. Telecommunication costs increased due to the continued shift to cloud computing for development and operation environments. One-time expenses were lower year on year, mainly due to reduced outsourcing costs following a revision of the development and operation system and the reactionary impact of outsourcing expenses that were recorded in the same period of the previous fiscal year. As a result, operating profit increased 37.1% year over year to ¥3,137 million.

Ordinary profit increased 32.4% year over year to ¥3,094 million and profit attributable to owners of parent increased 23.2% year over year to ¥2,155 million.

2) Business overview by business domain

<Sea Domain>

The marine transportation market slightly softened due to the continued logistics disruptions caused by the situation in the Middle East and the impact of the tariff increases in the U.S. Revenue for the Company increased mainly due to the renewal of contracts accompanying price increases for large customers and the acquisition of new customers in the European market, as well as the impact of foreign exchange rates.

<Sky Domain>

In the airline market, domestic leisure demand and inbound demand were robust. The Company saw an increase in revenue due to the contribution of an increase in sales especially for Asian airline customers.

<Land Domain>

Weather information needs increased from the perspective of disaster prevention at bases, effects on transportation and ensuring safety when extreme weather events occur. The Company saw an increase in revenue as the number of customers increased in the expressway market. In addition, in the energy and retail markets, revenue increased due to expanded sales for the WxTech services (SaaS-type products).

<Internet Domain>

Boosted by advertising investments, including TV commercials, both app subscription sales and advertising revenue increased. However, sales to some mobile carriers continued to stagnate, resulting in overall sales remaining flat.

Business domain		Nine months ended February 29, 2024 (Millions of yen)	Nine months ended February 28, 2025 (Millions of yen)	Rate of change (%)
	Sea	4,308	4,656	8.1
	Sky	896	982	9.6
	Land	4,655	5,005	7.5
	Internet	6,109	6,163	0.9
	Total recurring sales	15,970	16,807	5.2
	Non-recurring sales	688	620	(9.8)
	Total	16,658	17,428	4.6

Note: Recurring sales: Sales continually generated in the form of consideration for the provision of services

Non-recurring sales: Sales from one-time investigations and system sales

(Reference) Net sales by region

Regional segment		Nine months ended February 29, 2024 (Millions of yen)	Nine months ended February 28, 2025 (Millions of yen)	Rate of change (%)
	Japan	12,604	13,015	3.3
	Asia	2,302	2,392	3.9
	Europe	1,471	1,705	15.9
	Americas	279	315	12.9
	Total	16,658	17,428	4.6

(2) Financial position

Assets, liabilities and net assets

As of February 28, 2025, total assets increased by ¥436 million compared with the end of the previous fiscal year to ¥23,494 million, reflecting increases in contract assets and other items. Total liabilities decreased by ¥433 million compared with the end of the previous fiscal year to ¥2,836 million, reflecting decreases in contract liabilities and other items. Net assets increased by ¥869 million compared with the end of the previous fiscal year to ¥20,658 million, as a result of recording profit attributable to owners of parent of ¥2,155 million, while distributing dividends of the end of the previous fiscal year and interim dividends of the current fiscal year of ¥1,437 million.

As a result of these factors, equity-to-asset ratio was 87.8%.

(3) Explanation on consolidated earnings forecasts and other forward-looking statements

The Company has made revisions to its consolidated earnings forecasts for the fiscal year ending May 31, 2025, released on July 8, 2024.

Net sales overall are expected to progress as initially forecasted. In the Internet Domain, we anticipate an increase in subscription service sales and advertising revenue due in part to the effects of advertising investments, while sales to mobile carriers are expected to continue declining. In the Sea Domain, we expect growth through increased revenue from the expansion of services in the European region.

In terms of profits, while we are strengthening human resources for SaaS-type product development as well as for sales, the systemization of operational models based on AI and other technologies has progressed more smoothly than initially expected. This has helped limit the increase in the number of personnel required to maintain operational quality, particularly in the BtoB businesses, leading to an improved profit margin. As a result, operating profit, ordinary profit, and profit attributable to the owners of parent are expected to exceed the previous forecast.

The exchange rate is assumed to be ¥150 per U.S. dollar.

Revisions to full-year consolidated earnings forecasts (from June 1, 2024 to May 31, 2025)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share
Previous forecast (A)	Millions of yen 23,500	Millions of yen 3,800	Millions of yen 3,800	Millions of yen 2,700	Yen 122.12
Revised forecast (B)	23,500	4,200	4,200	2,900	131.09
Change (B-A)	0	400	400	200	
Rate of change (%)	0	10.5	10.5	7.4	
(Reference) Actual results for the previous period (Fiscal year ended May 31, 2024)	22,242	3,270	3,341	2,437	110.42

Note: The Company conducted a stock split with a record date of November 30, 2024 (effective date December 1, 2024), whereby one common share is split into two shares. The figures stated for basic earnings per share in the forecast consider the effect of the stock split. Based on the basis of shares existing before the stock split, basic earnings per share in the revised forecast (B) would be ¥262.18, and the actual basic earnings per share for the fiscal year ended May 31, 2024 was ¥220.85.

2. Quarterly Consolidated Financial Statements and Significant Notes Thereto

(1) Quarterly consolidated balance sheet

(Thousands of yen)

	As of May 31, 2024	As of February 28, 2025
Assets		
Current assets		
Cash and deposits	14,313,310	14,552,773
Notes receivable - trade	—	6,380
Accounts receivable - trade	3,428,022	3,349,198
Contract assets	724,552	1,229,945
Work in process	28,447	109,761
Supplies	209,876	200,821
Other	704,703	659,728
Allowance for doubtful accounts	(16,132)	(20,602)
Total current assets	19,392,781	20,088,005
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,006,442	882,118
Tools, furniture and fixtures, net	360,409	300,643
Land	413,062	413,062
Construction in progress	61,046	99,181
Other, net	18,461	179,024
Total property, plant and equipment	1,859,422	1,874,029
Intangible assets		
Software	396,389	264,668
Software in progress	3,574	3,799
Other	26,244	26,093
Total intangible assets	426,208	294,561
Investments and other assets		
Investment securities	199,960	189,374
Deferred tax assets	770,537	745,165
Other	432,384	325,487
Allowance for doubtful accounts	(22,915)	(21,912)
Total investments and other assets	1,379,967	1,238,115
Total non-current assets	3,665,597	3,406,707
Total assets	23,058,378	23,494,713

(Thousands of yen)

	As of May 31, 2024	As of February 28, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	65,758	100,723
Accounts payable - other	342,297	289,403
Income taxes payable	620,463	424,374
Contract liabilities	576,088	148,761
Provision for loss on litigation	38,866	39,266
Other	1,074,758	1,177,829
Total current liabilities	2,718,233	2,180,357
Non-current liabilities		
Asset retirement obligations	551,268	510,742
Other	568	145,488
Total non-current liabilities	551,837	656,231
Total liabilities	3,270,070	2,836,588
Net assets		
Shareholders' equity		
Share capital	1,706,500	1,706,500
Capital surplus	1,570,590	1,684,570
Retained earnings	16,937,920	17,655,853
Treasury shares	(858,808)	(820,161)
Total shareholders' equity	19,356,202	20,226,762
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	32,627	27,686
Foreign currency translation adjustment	311,040	364,879
Total accumulated other comprehensive income	343,668	392,566
Share acquisition rights	81,304	30,400
Non-controlling interests	7,134	8,394
Total net assets	19,788,308	20,658,124
Total liabilities and net assets	23,058,378	23,494,713

(2) Quarterly consolidated statement of income and quarterly consolidated statement of comprehensive income

Quarterly consolidated statement of income (cumulative)

(Thousands of yen)

	Nine months ended February 29, 2024	Nine months ended February 28, 2025
Net sales	16,658,226	17,428,389
Cost of sales	9,537,180	9,280,045
Gross profit	7,121,045	8,148,343
Selling, general and administrative expenses	4,833,495	5,011,315
Operating profit	2,287,550	3,137,028
Non-operating income		
Interest income	1,675	2,168
Dividend income	500	500
Dividend income of insurance	12,182	12,789
Subsidy income	1,750	26,808
Foreign exchange gains	31,064	–
Gain on forfeiture of unclaimed dividends	1,828	1,661
Other	8,375	3,584
Total non-operating income	57,376	47,512
Non-operating expenses		
Commitment line expenses	7,256	7,240
Foreign exchange losses	–	79,009
Other	31	3,716
Total non-operating expenses	7,288	89,966
Ordinary profit	2,337,638	3,094,573
Extraordinary losses		
Loss on liquidation of subsidiaries and associates	4,249	–
Total extraordinary losses	4,249	–
Profit before income taxes	2,333,389	3,094,573
Income taxes - current	612,931	909,709
Income taxes - deferred	(28,908)	28,846
Total income taxes	584,023	938,555
Profit	1,749,366	2,156,017
Profit attributable to non-controlling interests	–	409
Profit attributable to owners of parent	1,749,366	2,155,608

Quarterly consolidated statement of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended February 29, 2024	Nine months ended February 28, 2025
Profit	1,749,366	2,156,017
Other comprehensive income		
Valuation difference on available-for-sale securities	8,227	(4,940)
Foreign currency translation adjustment	56,906	54,690
Total other comprehensive income	65,134	49,749
Comprehensive income	1,814,500	2,205,767
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,814,622	2,204,507
Comprehensive income attributable to non-controlling interests	(122)	1,260

(3) Notes to quarterly consolidated financial statements**(Notes to premise of going concern)**

Not applicable

(Notes on significant changes in the amount of shareholders' equity)

Not applicable

(Notes on changes in accounting policies)Application of the Accounting Standard for Current Income Taxes, etc.

The Company has applied the "Accounting Standard for Current Income Taxes" (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022; the "Revised Accounting Standard of 2022"), etc. from the beginning of the first quarter of the fiscal year ending May 31, 2025.

Revisions to categories for recording current income taxes (taxation on other comprehensive income) conform to the transitional treatment in the proviso of paragraph 20-3 of the Revised Accounting Standard of 2022 and to the transitional treatment in the proviso of paragraph 65-2 (2) of the "Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022). The Company does not expect that this change will have a material impact on its quarterly consolidated results.

(Notes to segment information, etc.)

The Company and its consolidated subsidiaries engage in the provision of comprehensive content centered on weather information as referred to as the description of the business thereof, which constitutes a single business segment. Therefore, segment information is omitted.

(Notes to quarterly consolidated statement of income)*** Loss on liquidation of subsidiaries and associates**

Nine months ended February 29, 2024

The loss on liquidation of subsidiaries and associates recognized in the quarterly consolidated statement of income is the loss resulting from the liquidation of Weathernews India Pvt. Ltd., the Company's consolidated subsidiary.

Nine months ended February 28, 2025

Not applicable

(Notes to quarterly consolidated statement of cash flows)

Quarterly consolidated statement of cash flows is not prepared for the period under review. The amounts of depreciation (including amortization related to intangible assets) for the nine months ended February 29, 2024 and February 28, 2025 are as follows.

	(Thousands of yen)	
	Nine months ended February 29, 2024	Nine months ended February 28, 2025
Depreciation	422,378	443,812