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(Securities Code: 4825)

August 4, 2023

Start date of measures for electronic provision: July 25, 2023

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 37th ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

You are cordially informed that Weathernews Inc. (the “Company”) will hold the 37th Annual General Meeting of Shareholders. The meeting will be held for the purposes described below.

In convening this General Meeting of Shareholders, the Company has taken measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. (matters for which measures for providing information in electronic format are to be taken) in electronic format, and has posted the information on the following websites. Please access either of the websites to view the information.

The Company’s website:

<https://jp.weathernews.com/irinfo/event/> (in Japanese)

Website for posted informational materials for the general meeting of shareholders:

<https://d.sokai.jp/4825/teiji/> (in Japanese)

Voting rights may be exercised electromagnetically via the Internet, etc., or in writing, in addition to attending the meeting in person. If you are unable to attend the meeting, please review the Reference Documents for the General Meeting of Shareholders and exercise your voting rights by 5:30 p.m. on Friday, August 18, 2023.

1. **Date and Time:** Saturday, August 19, 2023, at 12:00 p.m. Japan time
(Reception starts at 11:00 a.m.)
2. **Place:** 2-3, Hibino, Mihama-ku, Chiba-city, Chiba
Banquet Hall 2F, APA HOTELS&RESORTS <TOKYO BAY
MAKUHARI>
3. **Meeting Agenda:**
Matters to be reported: The Business Report, the Consolidated Financial Statements and the Non-consolidated Financial Statements for the Company's 37th Fiscal Year (June 1, 2022 - May 31, 2023), 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 Seven (7) Directors
- Proposal No. 3:** Election of Two (2) Audit & Supervisory Board Members
- Proposal No. 4:** Election of One (1) Alternate Audit & Supervisory Board Member
- Proposal No. 5:** Renewal of Countermeasures Against Large-Scale Purchases of Share Certificates of the Company (Takeover Defense)

4. Other Matters Regarding This Notice:

- (1) In principle, shareholders shall access the respective websites to review the matters for which measures for providing information in electronic format are to be taken, in accordance with the amendment to the Companies Act. However, for this General Meeting of Shareholders, the Company is sending paper-based documents stating the matters subject to the electronic provision measures to all shareholders, regardless of whether or not a request for paper-based documents has been made. Among the matters subject to measures for electronic provision, the following matters are not provided in the paper-based documents delivered to shareholders.

With regard to these matters, the Audit & Supervisory Board members audited items "1)" to "4)" below and the Accounting Auditor audited items "3)" and "4)" when preparing the Audit Report.

- 1) "Matters regarding share acquisition rights, 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 (37th Fiscal Year)
 - 4) "Notes to the Non-consolidated Financial Statements" of the non-consolidated financial statements (37th Fiscal Year)
- (2) If revisions to the matters subject to measures for electronic provision arise, a notice of the revisions and the details of the matters before and after the revisions will be posted on the Company's website on the previous page and the website for posted informational materials for the general meeting of shareholders.

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

- (1) When attending the meeting, please submit the Voting Rights Exercise Form at the reception desk on the day of the meeting for confirmation. In case of attending the meeting by proxy, designate another shareholder who has 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) When attending the meeting in person, you are kindly requested to consider the COVID-19 situation and assess your health before making a final judgment as to whether to attend, and ensure that you take measures to prevent infection at the venue. Updates for the day of the meeting will also be posted on the Company's website, so please check them.

The Company's website: <https://jp.weathernews.com/irinfo/> (in Japanese)

## Information on Advance Acceptance of Questions and Opinions

We will take questions and opinions from shareholders for the 37th Annual General Meeting of Shareholders in advance through our website. Any matters of high interest may be covered at the meeting.

|                                                                                                                                                                 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <a href="https://jp.weathernews.com/irinfo/event/37th-shareholder-meeting/">https://jp.weathernews.com/irinfo/event/37th-shareholder-meeting/</a> (in Japanese) |
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|                                                          |
|----------------------------------------------------------|
| Submission deadline: 5:00 p.m. Thursday, August 10, 2023 |
|----------------------------------------------------------|

## 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.

- |                                |                                                                                                                                                                                                                     |
|--------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Date and streaming schedule | Saturday, August 19, 2023, from 12:00 p.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           | <a href="https://www.virtual-sr.jp/users/weathernews/login.aspx">https://www.virtual-sr.jp/users/weathernews/login.aspx</a> (in Japanese)<br>Please check the notice of convocation for your login ID and password. |

### [Note]

- Please be noted that a communication failure could potentially occur in the form of a temporary disruption or suspension of live streaming video or audio, depending on your device environment (i.e., functions and performance), internet connection environment, or other factors. Please be noted in advance that if this occurs, the meeting might continue only with the shareholders present at the venue, without waiting for the communication failure to be resolved.

# 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 “Saving the lives of sailors. Saving the future of our planet too.” and the projects oriented toward that dream, and intends to expand the number of shareholder supporters in the mid- to long-term.

The Company distributes profit based on one of its general management principles of “high contribution, high profit, high sharing.” While prioritizing strategic business investments that promote mid- to long-term business, the Company determines dividends by comprehensively taking into consideration the optimal level of shareholders’ equity, the investing environment, and profits, with a dividend on equity ratio (DOE) of approximately 3% as a standard for long-term stable dividends. Furthermore, the Company will additionally consider matters such as flexible shareholder returns by taking into consideration long-term, stable dividends in addition to the business environment, capital efficiency, stock price levels, and other factors.

Regarding the dividends for the fiscal year ended May 31, 2023, we will pay an annual ordinary dividend of ¥110 per share. Because we already paid an interim dividend of ¥50 per share in January for the year under review, we will provide ¥60 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 | ¥60 per share of common stock of the Company<br>Total amount: ¥661,514,940 |
| (3) Effective date of the dividends from surplus                                                           | August 21, 2023                                                            |

**Proposal No. 2: Election of Seven (7) 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, in light of the Company's global development, the Company proposes the election of seven (7) Directors, increasing the number of Directors by two (2) in order to strengthen the functions of and ensure diversity for the Board of 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<br>President and Executive Officer | 13 out of 13                                    |
| 2   | [Reappointed] Tomohiro Ishibashi                               | Director<br>Executive Vice President                                     | 13 out of 13                                    |
| 3   | [Newly appointed] Sawato Hayashi                               | Executive Vice President                                                 | –                                               |
| 4   | [Reappointed] Masanori Yoshitake                               | Director<br>Managing Officer                                             | 13 out of 13                                    |
| 5   | [Reappointed]<br>[External]<br>[Independent] Shigeru Muraki    | Director (External)                                                      | 13 out of 13                                    |
| 6   | [Reappointed]<br>[External]<br>[Independent] Yukihiro Akimoto  | Director (External)                                                      | 13 out of 13                                    |
| 7   | [Newly appointed]<br>[External]<br>[Independent] Izumi Hayashi | Audit & Supervisory Board member (External)                              | 13 out of 13                                    |

## Reference

Shown below are the expertise and experience of the candidates for the position of Director.

|                    | Corporate management | Finance/ Accounting | Legal affairs/ Risk management | Business strategy/ Marketing | Innovation/ DX | Personnel/ Organization | Global business |
|--------------------|----------------------|---------------------|--------------------------------|------------------------------|----------------|-------------------------|-----------------|
| Chihito Kusabiraki | ○                    |                     |                                | ○                            |                | ○                       |                 |
| Tomohiro Ishibashi |                      |                     |                                | ○                            | ○              |                         | ○               |
| Sawato Hayashi     |                      |                     |                                | ○                            | ○              | ○                       | ○               |
| Masanori Yoshitake |                      | ○                   | ○                              |                              |                | ○                       |                 |
| Shigeru Muraki     | ○                    |                     |                                | ○                            |                | ○                       | ○               |
| Yukihiro Akimoto   | ○                    |                     |                                | ○                            | ○              | ○                       | ○               |
| Izumi Hayashi      |                      |                     | ○                              |                              | ○              | ○                       |                 |

The information shown above is not intended to represent all of the expertise and knowledge of the candidates for the position of Directors.

| Candidate No. |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Date of birth  | Number of shares of the Company held |
|---------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|--------------------------------------|
| 1             | <b>Chihito Kusabiraki</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | March 18, 1965 | 81,743                               |
| Reappointed   | <p><b>Past experience, positions and responsibilities (Significant concurrent positions)</b></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)</p> <p>July 2021        President and Representative Director, and President and Executive Officer (Chief Executive Officer) (to present)</p> <p><b>Significant concurrent position</b></p> <p>Director, Chiba Institute of Technology</p> <p>Council Member of Administrative Council, Chiba University</p> <p><b>Reason for nominating the candidate for Director</b></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): 27 years</p> |                |                                      |
| 2             | <b>Tomohiro Ishibashi</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | March 28, 1975 | 169,001                              |
| Reappointed   | <p><b>Past experience, positions and responsibilities (Significant concurrent positions)</b></p> <p>April 1998      Joined Hewlett-Packard Japan, Ltd.</p> <p>October 2000     Joined the Company</p> <p>August 2003     MOBILE Service Group Leader</p> <p>December 2006    Director, WITH STATION Inc.</p> <p>November 2007    Representative Director, WITH STATION Inc.</p> <p>August 2008     Director of the Company (in charge of overall BtoS business)</p> <p>May 2012        Director (in charge of sales in the United States)</p> <p>May 2014        Director (in charge of BtoS business sales)</p> <p>August 2016     Executive Officer (in charge of Mobile/Internet Planning)</p> <p>June 2020        Executive Officer (in charge of Public Relations)</p> <p>August 2020     Managing Director</p> <p>July 2021        Director and Managing Officer</p> <p>July 2022        Director and Senior Managing Officer</p> <p>June 2023        Director and Executive Vice President (to present)</p> <p><b>Reason for nominating the candidate for Director</b></p> <p>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.</p> <p>The number of years in office as Director (as of the conclusion of this General Meeting of Shareholders): 11 years in total</p>                                                                                                                                                                                                                                                   |                |                                      |



|                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                    |                                               |
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| Candidate No.<br>3 | <b>Sawato Hayashi</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Date of birth<br>December 11, 1971 | Number of shares of the Company held<br>2,445 |
| Newly appointed    | <p><b>Past experience, positions and responsibilities (Significant concurrent positions)</b></p> <p>April 1994      Joined SUMITOMO CORPORATION</p> <p>May 2004      Acquired MBA from Yale University (Company-sponsored study abroad)</p> <p>September 2008      Joined MISUMI Corporation</p> <p>May 2010      General Manager of Press Die Components Division, MISUMI Press Die Company, MISUMI Corporation</p> <p>April 2013      Corporate Officer, MISUMI Corporation</p> <p>July 2017      Corporate Officer, President of MISUMI Die &amp; Mold Company, MISUMI Corporation</p> <p>September 2017      Joined Amazon Japan G.K.<br/>Director and General Manager of Business Division</p> <p>February 2022      Joined the Company as Managing Officer</p> <p>July 2022      Senior Managing Officer</p> <p>June 2023      Executive Vice President (to present)</p> |                                    |                                               |
|                    | <p><b>Reason for nominating the candidate for Director</b></p> <p>Mr. Sawato Hayashi has outstanding insight and achievements in overseas business development, and in light of his track record as the main person in charge of promoting overseas business in the Company, we have determined that he is an appropriate candidate to play a part in the management of the Company. Accordingly, we have newly nominated him as a candidate for Director.</p>                                                                                                                                                                                                                                                                                                                                                                                                                 |                                    |                                               |

|                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                   |                                                |
|--------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|------------------------------------------------|
| Candidate No.<br>4 | <b>Masanori Yoshitake</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Date of birth<br>October 14, 1972 | Number of shares of the Company held<br>18,860 |
| Reappointed        | <p><b>Past experience, positions and responsibilities (Significant concurrent positions)</b></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 and Managing Officer (Chief Financial Officer)</p> <p>June 2019      Director and Managing Officer</p> <p>August 2019      Managing Director</p> <p>July 2021      Director and Managing Officer (to present)</p> |                                   |                                                |
|                    | <p><b>Reason for nominating the candidate for Director</b></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): 9 years</p>                                          |                                   |                                                |

|                           |                       |                                  |                                               |
|---------------------------|-----------------------|----------------------------------|-----------------------------------------------|
| Candidate No.<br><b>5</b> | <b>Shigeru Muraki</b> | Date of birth<br>August 29, 1949 | Number of shares of the Company held<br>1,000 |
|---------------------------|-----------------------|----------------------------------|-----------------------------------------------|

|             |                                                                                           |                                                                                                              |
|-------------|-------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|
| Reappointed | <b>Past experience, positions and responsibilities (Significant concurrent positions)</b> |                                                                                                              |
| External    | July 1972                                                                                 | Joined Tokyo Gas Co., Ltd.                                                                                   |
| Independent | June 1996                                                                                 | Manager of Resource Research and Development Group, Gas Resources Dept., Tokyo Gas Co., Ltd.                 |
|             | 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.                                                                       |
|             | August 2018                                                                               | Director (External) of the Company (to present)                                                              |
|             | July 2023                                                                                 | Senior Adviser (Shayuu), Tokyo Gas Co., Ltd. (to present)                                                    |
|             | <b>Significant concurrent position</b>                                                    |                                                                                                              |
|             | President (part-time), Clean Fuel Ammonia Association                                     |                                                                                                              |
|             | Outside Director, WORLD TRADE CENTER BUILDING, INC.                                       |                                                                                                              |

**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 (External) (as of the conclusion of this General Meeting of Shareholders): 5 years

| Candidate No. |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Date of birth     | Number of shares of the Company held |
|---------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|--------------------------------------|
| 6             | <b>Yukihiro Akimoto</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | September 9, 1944 | 0                                    |
| Reappointed   | <b>Past experience, positions and responsibilities (Significant concurrent positions)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                   |                                      |
| External      | 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)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                   |                                      |
|               | August 2021      Director (External) of the Company (to present)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                   |                                      |
|               | <b>Significant concurrent position</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                   |                                      |
|               | Representative Director, YA Partners, Inc.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                   |                                      |
|               | Outside Director, LENA JAPON Institute, Inc.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                   |                                      |
|               | Outside Director, e-LogiT co., ltd.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                   |                                      |
|               | <b>Reason for nominating the candidate for Director (External) and overview of expected roles</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                   |                                      |
|               | Mr. Yukihiro Akimoto possesses abundant knowledge and experience in BtoC businesses as well as deep insight and supervisory capabilities developed as a corporate manager of global companies. Since his election as Director at the 35th Annual General Meeting of Shareholders held on August 14, 2021, he has furnished sound advice regarding management of the Company and performed a supervisory role from a standpoint of independence. Accordingly, we have renominated 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 (External) (as of the conclusion of this General Meeting of Shareholders): 2 years                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                   |                                      |

| Candidate No.   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Date of birth   | Number of shares of the Company held |
|-----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|--------------------------------------|
| 7               | <b>Izumi Hayashi</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | August 20, 1958 | 0                                    |
| Newly appointed | <b>Past experience, positions and responsibilities (Significant concurrent positions)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                 |                                      |
| External        | April 1986      Prosecutor, Nagoya District Public Prosecutors Office                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                 |                                      |
| Independent     | March 1987      Registered as an attorney-at-law (Tokyo Bar Association)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                 |                                      |
|                 | March 1987      Joined Logan, Takashima & Nemoto Law Offices                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                 |                                      |
|                 | March 1993      Partner, Eitai Sogo Law Offices                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                 |                                      |
|                 | January 2015      Partner, Sakurazaka Law Offices (to present)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                 |                                      |
|                 | August 2019      Audit & Supervisory Board Member (External) of the Company (to present)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                 |                                      |
|                 | <b>Significant concurrent position</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                 |                                      |
|                 | Lawyer / Partner, Sakurazaka Law Offices                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                 |                                      |
|                 | Director (outside), NOF CORPORATION                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                 |                                      |
|                 | Board Member of Hitotsubashi University                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                 |                                      |
|                 | Director (External), Audit & Supervisory Committee Member of Nifco Inc.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                 |                                      |
|                 | <b>Reason for nominating the candidate for Director (External) and overview of expected roles</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                 |                                      |
|                 | Ms. Izumi Hayashi has a high level of insight into fields including corporate legal affairs, intellectual property, and corporate compliance, cultivated through many years of experience as an attorney-at-law. By drawing on these experiences and knowledge, she has contributed to the appropriate auditing of the Company's business execution from an objective and independent standpoint. Although she has no experience of being involved in the management of a company other than as an outside officer, we believe that she will provide sound advice and independent supervision regarding management of the Company based on her specialized knowledge. Accordingly, we have newly nominated her as a candidate for Director (External). We expect her 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 her deep insight and abundant experience. |                 |                                      |

Notes:

1. No material conflict of interest exists between the Company and any of the above candidates.
2. Shigeru Muraki, Yukihiro Akimoto and Izumi Hayashi are candidates for Director (External). The Company has notified to Tokyo Stock Exchange, Inc. that they are Independent Officers pursuant to the provisions of the Exchange.
3. Izumi Hayashi is currently an Audit & Supervisory Board member (External) of the Company, and her term of office as an Audit & Supervisory Board member (External) will be four years at the conclusion of this General Meeting of Shareholders.
4. Izumi Hayashi's name on the Family Register is Izumi Sakamoto.
5. The Company has entered into agreements (limited liability agreements) with Shigeru Muraki and Yukihiro Akimoto, in accordance with the provisions of Article 427, Paragraph 1 of the Companies Act, to limit their liability for damages under Article 423, Paragraph 1. The maximum amount of liability for damages under the agreements is the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act, and if the reelection of Shigeru Muraki and Yukihiro Akimoto is approved, the Company plans to renew the agreements. In addition, the Company has entered into a limited liability agreement with Izumi Hayashi in accordance with the provisions of Article 427, Paragraph 1 of the Companies Act, as an Audit & Supervisory Board member. If she is elected as a Director, the Company plans to enter into the same limited liability agreement with her.
6. The number of shares held by each of the above candidates is the figure as of May 31, 2023 and includes the number of those held thereby through the Shareholding Association of Weathernews Directors.
7. 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. 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 insureds 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.

### Proposal No. 3: Election of Two (2) Audit & Supervisory Board Members

According to the provisions of the Company's Articles of Incorporation, the term of office of Yasushi Sugino, Takashi Tomura and Izumi Hayashi, Audit & Supervisory Board Members, will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the Company proposes the reelection of Yasushi Sugino as an Audit & Supervisory Board member and the election of one new Audit & Supervisory Board member. Izumi Hayashi is now a candidate for the position of Director.

The candidate for the position of Audit & Supervisory Board member is as follows: This proposal has been approved by the Audit & Supervisory Board.

| Candidate No. | Yasushi Sugino                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Date of birth                                                                                                                                          | Number of shares of the Company held |
|---------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|
| 1             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | February 7, 1963                                                                                                                                       | 0                                    |
| Reappointed   | <b>Past experience and positions (Significant concurrent positions)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                        |                                      |
|               | April 1987                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Joined The Mitsubishi Bank, Limited                                                                                                                    |                                      |
|               | February 1998                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Deputy Director, Document Group, Corporate Administration Division, The Bank of Tokyo-Mitsubishi, Ltd.                                                 |                                      |
|               | August 2003                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Chief Manager, Shinjuku Chuo Commercial Banking Office, The Bank of Tokyo-Mitsubishi, Ltd.                                                             |                                      |
|               | October 2006                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Chief Manager (in charge of Business Planning Group), Business Loan Office, Small and Medium Business Division, The Bank of Tokyo-Mitsubishi UFJ, Ltd. |                                      |
|               | February 2010                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Senior Director, Corporate Business Risk Management Division, The Bank of Tokyo-Mitsubishi UFJ, Ltd.                                                   |                                      |
|               | October 2013                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | General Manager, Kan-Etsu Loan Promotion Division, The Bank of Tokyo-Mitsubishi UFJ, Ltd.                                                              |                                      |
|               | March 2016                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Joined the Company as General Manager, Auditors' Office                                                                                                |                                      |
|               | August 2019                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Audit & Supervisory Board Member (to present)                                                                                                          |                                      |
|               | <b>Reason for nominating the candidate for Audit &amp; Supervisory Board member</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                        |                                      |
|               | Mr. Yasushi Sugino has a high level of insight into fields such as corporate governance cultivated through many years of experience. Since his election as Audit & Supervisory Board member at the 33rd General Meeting of Shareholders held on August 10, 2019, he has contributed to the appropriate auditing of the Company's business execution from an objective and independent standpoint. Accordingly, we expect that he will appropriately perform his duties as an Audit & Supervisory Board member, and we have renominated him as a candidate for Audit & Supervisory Board member. |                                                                                                                                                        |                                      |
|               | The number of years in office as Audit & Supervisory Board member (as of the conclusion of this General Meeting of Shareholders): 4 years                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                        |                                      |

| Candidate No.   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Date of birth                                                                                   | Number of shares of the Company held |
|-----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|--------------------------------------|
| 2               | <b>Ayami Toda</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | November 3, 1963                                                                                | 0                                    |
| Newly appointed | <b>Past experience and positions (Significant concurrent positions)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                 |                                      |
| External        | April 1991                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Registered as an attorney-at-law (Daini Tokyo Bar Association)<br>Joined Tokyo Kyodo Law Office |                                      |
| Independent     | April 1992                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Partner, Tokyo Kyodo Law Office                                                                 |                                      |
|                 | January 2012                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Partner, Tokyo-Kamiyacho Law Office (to present)                                                |                                      |
|                 | April 2021                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Professor, Faculty of Law, Hakuoh University (to present)                                       |                                      |
|                 | April 2023                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Vice President, Japan Federation of Bar Associations (to present)                               |                                      |
|                 | <b>Significant concurrent position</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                 |                                      |
|                 | Lawyer / Partner, Tokyo-Kamiyacho Law Office                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                 |                                      |
|                 | Vice President, Japan Federation of Bar Associations                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                 |                                      |
|                 | <b>Reason for nominating the candidate for Audit &amp; Supervisory Board member (External)</b>                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                 |                                      |
|                 | Ms. Ayami Toda has a high level of insight into the fields of corporate legal affairs, governance, and diversity and inclusion cultivated through many years of experience as an attorney-at-law. By drawing on these experiences and knowledge, we believe that she will contribute to the appropriate auditing of the Company's business execution from an objective and independent standpoint. Accordingly, we have newly nominated her as a candidate for Audit & Supervisory Board member (External). |                                                                                                 |                                      |
|                 | Although she has no experience of being involved in the management of a company, for the reasons stated above, we believe that she will be able to appropriately perform her duties as an Audit & Supervisory Board member (External) of the Company.                                                                                                                                                                                                                                                       |                                                                                                 |                                      |

Notes:

1. No material conflict of interest exists between the Company and any of the above candidates.
2. Ayami Toda is a candidate for Audit & Supervisory Board member (External). The Company plans to submit notification to Tokyo Stock Exchange, Inc. concerning her designation as an independent officer as provided for by the aforementioned exchange.
3. The number of shares of the Company held by each of the above candidates is the figure as of May 31, 2023.
4. The Company has entered into an agreement (limited liability agreement) with Yasushi Sugino, in accordance with the provisions of Article 427, Paragraph 1 of the Companies Act, to limit his liability for damages under Article 423, Paragraph 1. The maximum amount of liability for damages under the agreements is the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act, and if the reelection of Yasushi Sugino is approved, the Company plans to renew the agreements. If the election of Ayami Toda is approved, the Company plans to enter into the same limited liability agreement with her.
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 Audit & Supervisory Board members 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 insureds in the policy. The Company plans to renew the said insurance policy with the above details during their terms of office.

(Reference) Composition of the Board of Directors of the Company

If Proposal No. 2 and Proposal No. 3 are approved as proposed, as shown in the table below, Directors (External) and Audit & Supervisory Board members (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 ten of the Company's Board of Directors, and Directors (External) and Audit & Supervisory Board members (External) will account for five out of the ten, 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 | Tomohiro Ishibashi                                                                  | Director                              |
|                                               |                                  |                | 3 | Sawato Hayashi [Newly appointed]                                                    | Director                              |
|                                               |                                  |                | 4 | Masanori Yoshitake                                                                  | Director                              |
|                                               |                                  |                | 5 | Shigeru Muraki [External]<br>[Independent] <b>Non-executive</b>                     | Director                              |
|                                               |                                  |                | 6 | Yukihiro Akimoto [External]<br>[Independent] <b>Non-executive</b>                   | Director                              |
|                                               |                                  |                | 7 | Izumi Hayashi [Newly appointed]<br>[External]<br>[Independent] <b>Non-executive</b> | Director                              |
|                                               | Audit & Supervisory Board member | Proposal No. 3 | 1 | Yasushi Sugino <b>Non-executive</b>                                                 | Audit & Supervisory Board member      |
|                                               |                                  |                |   | Fumitaka Koyama [External]<br>[Independent] <b>Non-executive</b>                    | Audit & Supervisory Board member      |
|                                               |                                  | Proposal No. 3 | 2 | Ayami Toda [Newly appointed]<br>[External]<br>[Independent] <b>Non-executive</b>    | Audit & Supervisory Board member      |

Note: [Newly appointed]: Newly appointed Officer

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

[Independent]: Independent Officer

**Non-executive:** Non-executive Director and Audit & Supervisory Board member



## Proposal No. 4: Election of One (1) Alternate Audit & Supervisory Board Member

In order to prepare for a case in which the number of Audit & Supervisory Board members falls short of the number stipulated by laws and regulations, we propose the election of one (1) alternate Audit & Supervisory Board member.

This proposal has been approved by the Audit & Supervisory Board.

The candidate for the position of alternate Audit & Supervisory Board member is as follows:

|                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                    |
|---------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Shigeyuki Mizutani</b> | Date of birth<br>April 7, 1982                                                                                                                                                                                                                                                                                                                                                                                                                                       | Number of shares of the Company held<br>0                                                                                                          |
| External                  | <b>Past experience and positions (Significant concurrent positions)</b>                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                    |
| Independent               | February 2009                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Registered as an attorney-at-law (Daini Tokyo Bar Association)<br>Joined Hibiya Sogo Law Offices (current Tokyo-Kamiyacho Law Office) (to present) |
|                           | June 2015                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Outside Company Auditor, Chugai Mining, Co., Ltd. (to present)                                                                                     |
|                           | June 2020                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Independent Director (Audit & Supervisory Board Member), GLOBAL SECURITY EXPERTS Inc. (to present)                                                 |
|                           | <b>Significant concurrent position</b>                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                    |
|                           | Attorney-at-law, Tokyo-Kamiyacho Law Office                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                    |
|                           | Outside Company Auditor, Chugai Mining, Co., Ltd.                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                    |
|                           | Independent Director (Audit & Supervisory Board Member), GLOBAL SECURITY EXPERTS Inc.                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                    |
|                           | <b>Reason for nominating the candidate for alternate Audit &amp; Supervisory Board member (External)</b>                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                    |
|                           | Mr. Shigeyuki Mizutani has a high level of insight into the field of corporate legal affairs cultivated through experience as an attorney-at-law. By drawing on these experiences and knowledge, we believe that he will contribute to the appropriate auditing of the Company's business execution from an objective and independent standpoint. Accordingly, we have newly nominated him as a candidate for alternate Audit & Supervisory Board member (External). |                                                                                                                                                    |
|                           | Although he has no experience of being involved in the management of a company other than as an outside officer in the past, for the reasons stated above, we believe that he will be able to appropriately perform his duties as an Audit & Supervisory Board member (External).                                                                                                                                                                                    |                                                                                                                                                    |

### Notes:

1. No material conflict of interest exists between the Company and Shigeyuki Mizutani.
2. Shigeyuki Mizutani is a candidate for alternate Audit & Supervisory Board member (External). If he assumes the office of Audit & Supervisory Board member (External), the Company plans to submit notification to the Tokyo Stock Exchange, Inc. concerning his designation as an independent officer as provided for by the aforementioned exchange.
3. The number of shares of the Company held by Shigeyuki Mizutani is the figure as of May 31, 2023.
4. If Shigeyuki Mizutani assumes the office of Audit & Supervisory Board member, the Company will enter into a limited liability agreement with him, in accordance with the provisions of Article 427, Paragraph 1 of the Companies Act, to limit his liability for damages under Article 423, Paragraph 1. The maximum amount of liability for damages under the agreement is the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act.
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 Audit & Supervisory Board members 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 Shigeyuki Mizutani assumes the office of Audit & Supervisory Board member, he 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.

**Proposal No. 5: Renewal of Countermeasures Against Large-Scale Purchases of Share Certificates of the Company (Takeover Defense)**

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

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

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

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

## 2. Outline of special activities to contribute to the realization of Basic Principles

The Company believes that the task of sustaining and developing the corporate value over a mid- and long-term must be given the first priority in order to enhance the common interests of the shareholders. With the purpose of enhancing the corporate value of the Company Group and the common interests of the shareholders, we will continue to move forward with developing and implementing the mid-term management plan, reinforcing corporate governance, and returning to our shareholders profits commensurate with our performance.

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

As an activity to prevent an inappropriate person from controlling decisions on the Company's financial and business policies in view of the Basic Principles, the renewal of countermeasures against large-scale purchases of share certificates of the Company (Takeover Defense) was approved by the shareholders (hereinafter, the Takeover Defense to be introduced after approval shall be referred to as the "Plan") at the 34th Annual General Meeting of Shareholders held on August 15, 2020. The Plan stipulates the procedures to be observed in the case of (i) a purchase or other acquisition or an activity similar thereto that would result in an ownership ratio of a shareholder of 20% or more of the Share Certificates issued by the Company or (ii) a tender offer or an activity similar thereto that would result in an ownership ratio of a holder or persons in special relationships totaling 20% or more or a proposal to conduct such an activity (hereinafter, the "Purchase"): e.g., procedures whereby the Board of Directors of the Company requests a person who plans to conduct the Purchase (hereinafter, the "Purchaser") to provide information regarding the purchase in advance, and whereby the Board of Directors of the Company thereupon submits to the shareholders a plan or an alternative proposal of the Company's management and conducts negotiations with the Purchaser, while securing time to collect information and deliberate the relevant purchase. The Purchaser may not commence the Purchase after the procedures regarding the Plan have been initiated, until (i) the termination of the period in which the Board of Directors of the Company performs evaluation, deliberation, negotiation, and opinion-forming, or (ii) the termination of the period in which the Board of Directors goes through the procedures to confirm the shareholders' intent, if such procedures are taken. If it is recognized that the corporate value of the Company and the common interests of the shareholders may be infringed by a Purchase, including any infringement due to a failure of the purchaser to follow the procedures stipulated in the Plan, the Company may implement a countermeasure (implementation of gratis allotment of stock acquisition rights (hereinafter, the "Stock Acquisition Rights") with the attachment of conditions for exercise that prohibit the Purchaser from exercising the rights or the attachment of acquisition terms whereby the Company will acquire the stock acquisition rights from persons other than the Purchaser in exchange for the shares of the Company). Under the Plan, in order to eliminate arbitrary decisions by the directors regarding the implementation or non-implementation of gratis allotment of Stock Acquisition Rights, except in cases where the Purchase in question does not comply with the procedures stipulated in the Plan or is clearly deemed to be an abusive purchase, (i) procedures shall be implemented to confirm the shareholders' intent by a shareholder vote at the General Meeting for Confirmation of Shareholders' Intent. Even in cases where the Purchase in question is clearly recognized as an abusive purchase, the Company will (ii) implement procedures to have a decision made by the Independent Committee, which is composed solely of persons independent of the Company's management. The Board of Directors shall then promptly pass a resolution as an entity under the Companies Act regarding the implementation or non-implementation of the gratis allotment of Stock Acquisition Rights in accordance

with the results of the procedures to confirm the shareholders' intent or by respecting the recommendation of the Independent Committee to the greatest extent possible.

The Company publicly announced the contents of the Basic Principles mentioned in item 1 above, the activities mentioned in item 2 above, and the Plan itself (now posted on the following website):

<https://jp.weathernews.com/> (in Japanese)

#### 4. Decisions of the Board of Directors on the Plan, and the reasoning behind them

The Company believes that the task of sustaining and developing the corporate value over a mid- and long-term must be given the first priority in order to enhance the common interests of the shareholders. With the purpose of enhancing the corporate value of the Company Group and the common interests of the shareholders, we will continue to move forward with developing and implementing the mid-term management plan, reinforcing corporate governance, and returning to our shareholders profits commensurate with our performance. By enhancing the corporate value of the Company Group and the common interests of the shareholders through conducting these activities and fairly reflecting the enhanced corporate value in the evaluation of the Company's shares by the shareholders and investors, a large-scale acquisition of the Share Certificates of the Company that would impair the corporate value of the Company Group and the common interests of the shareholders, as described above, will become difficult to perform. Therefore, we believe that these activities contribute to the Basic Principles. Furthermore, the Plan is a framework to secure the corporate value of the Company and the common interests of the shareholders by securing necessary information and time to ensure that the shareholders are able to decide whether or not to accept any Purchase of the Share Certificates of the Company or to ensure that the Board of Directors of the Company is able to make alternative proposals to shareholders, and by enabling the Board of Directors to consult and negotiate with the Purchaser on behalf of the shareholders. Therefore, the Plan is in conformity with the Basic Principles. The Board of Directors of the Company also believes that the Plan does not impair the common interests of the shareholders and does not aim at the preservation of the positions of the Company's officers, for the following reasons: the Plan fulfills the requirements of the guideline regarding the Takeover Defense; the Plan attaches great importance to the intent of the shareholders; the Independent Committee is established as a body to conduct an actual judgment objectively on the management of the Plan, including the triggering and abolishment of the Plan, in order to eliminate arbitrary decisions by the directors; the Plan cannot be triggered unless the reasonable and objective requirements are fulfilled; the Independent Committee is authorized to obtain the opinions of external specialists, etc.; the term of office for the Directors of the Company is one year; and the Plan may be abolished at any time before the expiry of the effective period by the General Meeting of Shareholders or the Board of Directors.

(Appendix)

## **Business Report**

(from June 1, 2022, to May 31, 2023)

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

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

##### **i) Business environment**

In the fiscal year ended May 31, 2023 (the “fiscal year under review”), the global economy generally continued to decelerate due to inflation and monetary tightening in the U.S., energy supply constraints due to the Russia-Ukraine situation in Europe, and a slowdown in the pace of recovery in China after the lifting of its zero-COVID policy. The Japanese economy saw a gradual normalization of economic activity, particularly in consumer spending, as inbound demand recovered following the easing of movement restrictions and boarder measures.

In terms of the Company’s sales, in the mobile/internet planning service, people’s attention to weather forecasting and disaster prevention increased due to the occurrence of weather disasters caused by heavy rain, typhoons, and snow resulting from cold waves, among other factors. Under such circumstances, subscription service sales and advertising revenue were strong as app users grew in number due to raised public profile of the service through aggressive investment in advertising, improved forecast accuracy and enhanced unique content. In the sea planning service, while port congestion improved, the number of voyages to provide services for vessels remained sluggish due to a decline in demand for transportation. On the other hand, sales grew due to an increase in the number of vessels served and the positive impact of exchange rates. In the sky planning service, the airline market continued to show a recovery, with an increase in inbound demand due to the easing of entry/exit restrictions for international flights among other factors, as well as a lifting of movement restrictions and subsequent nationwide travel support for domestic flights. In addition, sales increased as the sales expansion of movement management systems in the Japanese helicopter market progressed. As a result, for the fiscal year ended May 31, 2023, consolidated net sales rose 7.4% year over year to ¥21,114 million.

In terms of expenses, the Company continued to achieve optimization of software development expenses through working to streamline our development platform by bringing software development in-house and making it agile. On the other hand, we have continued enhancement of software development capabilities and investment in human resources for new businesses, as well as our aggressive advertising investments, such as TV commercials and internet advertising. In addition, telecommunication costs increased due to progress in shifting to cloud computing for development and operation environments.

As a result, operating profit increased 12.1% year over year to ¥3,256 million, ordinary profit increased 7.2% year over year to ¥3,284 million, and profit attributable to owners of parent increased 11.2% year over year to ¥2,398 million.

ii) Business overview by business field

| Business segment         |       | Previous Fiscal Year ended<br>May 31, 2022<br>(from June 1, 2021,<br>to May 31, 2022) |          |       | Fiscal Year ended<br>May 31, 2023<br>(from June 1, 2022,<br>to May 31, 2023) |          |        | Rate of change |
|--------------------------|-------|---------------------------------------------------------------------------------------|----------|-------|------------------------------------------------------------------------------|----------|--------|----------------|
|                          |       | (Millions of yen)                                                                     |          |       | (Millions of yen)                                                            |          |        | (%)            |
|                          |       | SRS                                                                                   | Tollgate | Total | SRS                                                                          | Tollgate | Total  | Total          |
| Sea Planning             | 3     | 5,198                                                                                 | 5,202    | 1     | 5,502                                                                        | 5,503    | 5.8    |                |
| Sky Planning             | 55    | 878                                                                                   | 934      | 80    | 1,154                                                                        | 1,235    | 32.2   |                |
| Land Planning            | 243   | 3,019                                                                                 | 3,262    | 175   | 3,027                                                                        | 3,202    | (1.8)  |                |
| Environment Planning     | 114   | 780                                                                                   | 894      | 138   | 906                                                                          | 1,044    | 16.8   |                |
| Other BtoB business      | 16    | 48                                                                                    | 65       | 16    | 34                                                                           | 50       | (22.8) |                |
| Total BtoB business      | 433   | 9,925                                                                                 | 10,359   | 411   | 10,625                                                                       | 11,037   | 6.5    |                |
| Mobile/Internet Planning | 15    | 6,806                                                                                 | 6,821    | 61    | 7,768                                                                        | 7,829    | 14.8   |                |
| Broadcast Planning       | 561   | 1,908                                                                                 | 2,470    | 377   | 1,869                                                                        | 2,247    | (9.0)  |                |
| Total BtoS business      | 576   | 8,714                                                                                 | 9,291    | 439   | 9,637                                                                        | 10,077   | 8.5    |                |
| Total                    | 1,010 | 18,640                                                                                | 19,650   | 851   | 20,263                                                                       | 21,114   | 7.4    |                |

(Reference) Net sales by region

| Regional segment    |       | Previous Fiscal Year ended<br>May 31, 2022<br>(from June 1, 2021,<br>to May 31, 2022) |          |       | Fiscal Year ended<br>May 31, 2023<br>(from June 1, 2022,<br>to May 31, 2023) |          |       | Rate of change |
|---------------------|-------|---------------------------------------------------------------------------------------|----------|-------|------------------------------------------------------------------------------|----------|-------|----------------|
|                     |       | (Millions of yen)                                                                     |          |       | (Millions of yen)                                                            |          |       | (%)            |
|                     |       | SRS                                                                                   | Tollgate | Total | SRS                                                                          | Tollgate | Total | Total          |
| Japan               | 401   | 5,873                                                                                 | 6,275    | 403   | 6,212                                                                        | 6,616    | 5.4   |                |
| Asia                | –     | 1,927                                                                                 | 1,927    | –     | 2,213                                                                        | 2,213    | 14.8  |                |
| Europe              | 32    | 1,833                                                                                 | 1,865    | 8     | 1,857                                                                        | 1,865    | (0.0) |                |
| Americas            | –     | 290                                                                                   | 290      | –     | 341                                                                          | 341      | 17.6  |                |
| Total BtoB business | 433   | 9,925                                                                                 | 10,359   | 411   | 10,625                                                                       | 11,037   | 6.5   |                |
| Japan               | 576   | 8,041                                                                                 | 8,618    | 439   | 8,931                                                                        | 9,371    | 8.7   |                |
| Asia                | –     | 672                                                                                   | 672      | –     | 705                                                                          | 705      | 5.0   |                |
| Europe              | –     | 1                                                                                     | 1        | –     | –                                                                            | –        | –     |                |
| Americas            | –     | –                                                                                     | –        | –     | 0                                                                            | 0        | –     |                |
| Total BtoS business | 576   | 8,714                                                                                 | 9,291    | 439   | 9,637                                                                        | 10,077   | 8.5   |                |
| Total               | 1,010 | 18,640                                                                                | 19,650   | 851   | 20,263                                                                       | 21,114   | 7.4   |                |

Note:

Tollgate refers to the Company's original business format. A typical example are the tollgates of expressways. Sales continually generated in the form of consideration for provision of services.

Stage requirement setting (SRS) refers to one-time examination and system sales that lead to future tollgate sales.

BtoS business refers to business targeting individuals ("S" stands for supporters).

iii) Capital investments

For the fiscal year ended May 31, 2023, the Company Group made capital investments (for property, plant and equipment and intangible assets) of ¥413 million (versus ¥480 million for the previous fiscal year).

The main investments were for the infrastructure to realize value-creation services 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 share acquisition rights of other companies

Not applicable

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

1. Basic principles of management strategies

Toward the corporate dream of “Saving the lives of sailors. Saving the future of our planet too,” 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 industry, and a community in every market” as our core competence.

## 2. Issues to be addressed (mid-term management plan)

### <1. Reflections on the fourth growth period>

We have positioned the 11-year period from June 2012 to May 2023 as the fourth growth period, and are working on the full-fledged global evolution of our services under the theme of “Innovation.” Accordingly, we have implemented our mid-term management plan for the four years (June 2019-May 2023) from the fiscal year ended May 31, 2020 as the 3rd stage of the fourth growth period.

In this mid-term management plan, we promoted four key themes: (1) Strengthen our revenue base by continuing growth in the existing business; (2) Pursue world’s highest level of forecasting accuracy; (3) Establish an IT service base to accelerate market development; and (4) Create a new growing business that addresses climate change, and achieved profit growth as initially targeted. The specific factors that contributed to this growth are as follows:

In terms of sales, we achieved significant sales growth in the BtoS mobile/internet planning service by implementing advertising strategies, including TV commercials, under the brand of having the highest forecasting accuracy. We also maintained sales growth in BtoB despite the impact of factors such as the spread of COVID-19, and proceeded to develop our sales infrastructure for global expansion. In terms of expenses, as a result of promoting the development of a DevOps system that can respond to the business speed demanded by global customers, we realized profit growth by proceeding with a company-wide shift to bring the development platform in-house and reducing outsourcing costs.

In the fifth growth period, which started from June 2023, we will work on new measures to scale up businesses even further.

We will aim to shift to a SaaS business model that can support even more companies as a specific initiative in the three years of the new mid-term management plan (June 2023 to May 2026). At the same time, we will increase the productivity of operations by converting the function of Risk Communication, which used to be performed by humans, to content through an AI-type operating model. We will also use BtoB for public relations, marketing support, etc. that utilize BtoS supporter networks, and aim to create synergies between BtoB and BtoS. In addition, we will restructure our overseas sales structure to accelerate global business development. Furthermore, as new measures for expanding business, we will contribute to not only business growth, but also the global environment, such as by developing services to reduce CO2 in the sea planning service and services that respond to climate change in the climate tech planning service.



## (KPI progress of the mid-term management plan)

| Business field                                                                                        | KPI                              |                                  |                                  |                                  |                                  | Details                                                                                                                                                                      |
|-------------------------------------------------------------------------------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                       | Results as of<br>May 31,<br>2020 | Results as of<br>May 31,<br>2021 | Results as of<br>May 31,<br>2022 | Targets as of<br>May 31,<br>2023 | Results as of<br>May 31,<br>2023 |                                                                                                                                                                              |
| TG sales ratio in the overall BtoB business between Japan and overseas                                | 61:39                            | 61:39                            | 59:41                            | 50:50                            | 58:42                            | The business grew steadily, and sales infrastructure for global expansion is progressing                                                                                     |
| 1) Strengthen our revenue base by continuing growth in the existing business                          |                                  |                                  |                                  |                                  |                                  |                                                                                                                                                                              |
| Sea Planning<br>(Number of vessels)                                                                   | 4,600                            | 5,300                            | 6,300                            | 9,200                            | 7,050                            | Released NAR which supports the prevention of stranding and collisions in addition to OSR for primary services Contributed to an increase in the number of vessels.          |
| Sky Planning<br>(Number of customers)                                                                 | 60                               | 59                               | 65                               | 85                               | 66                               | The airline market was significantly affected by the spread of COVID-19, but the number of customers increased, mainly in Asia                                               |
| Environment Planning<br>(Number of customers)                                                         | 8                                | 16                               | 24                               | 38                               | 33                               | The number of electricity business customers in Japan increased due to sales expansion of electricity supply-demand forecasting services and weather data provision services |
| Mobile/Internet Planning<br>(Number of MAU: tens of thousands of users)                               | 3,242                            | 3,849                            | 4,516                            | 5,500                            | 5,880                            | The number of MAU increased due to increased awareness through advertising investments, UI/UX improvements of the app, and enhanced content                                  |
| 2) Pursue world's highest level of forecasting accuracy and drastically improve contents productivity |                                  |                                  |                                  |                                  |                                  |                                                                                                                                                                              |
| Forecasting accuracy (%)                                                                              | 93.3                             | 91.2                             | 90.7                             | 90.0 or higher                   | 90.3                             | Enhanced weather data, and maintained accuracy of 90% or higher through proprietary analysis that utilizes AI                                                                |

## (Mid-term management plan targets and results)

| (Millions of yen)                          | May 31, 2020<br>(Results) | May 31, 2021<br>(Results) | May 31, 2022<br>(Results) | May 31, 2023<br>(Targets) | May 31, 2023<br>(Results) |        |
|--------------------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|--------|
| Foreign exchange rate<br>(JPY/USD)         | 108                       | 106                       | 115                       | 120                       | 136                       |        |
| Net sales                                  | 17,953                    | 18,843                    | 19,650                    | 21,000                    | 21,114                    |        |
| Tollgate                                   | BtoB                      | 9,386                     | 9,493                     | 9,925                     | 10,460                    | 10,625 |
|                                            | BtoS                      | 7,068                     | 8,051                     | 8,714                     | 9,740                     | 9,637  |
| SRS                                        | 1,497                     | 1,297                     | 1,010                     | 800                       | 851                       |        |
| Operating profit                           | 2,280                     | 2,444                     | 2,904                     | 3,200                     | 3,256                     |        |
| Operating profit<br>ratio                  | 12.7%                     | 13.0%                     | 14.8%                     | 15.2%                     | 15.4%                     |        |
| Ordinary profit                            | 2,188                     | 2,554                     | 3,063                     | 3,300                     | 3,284                     |        |
| Profit attributable to<br>owners of parent | 1,629                     | 1,861                     | 2,157                     | 2,400                     | 2,398                     |        |
| ROE                                        | 11.6%                     | 12.5%                     | 13.4%                     | 13.8%                     | 13.7%                     |        |
| Dividend payout ratio                      | 67.1%                     | 58.9%                     | 51.0%                     | 45.9%                     | 50.5%                     |        |
| Capital investments                        | 795                       | 612                       | 480                       | 600                       | 413                       |        |
| Research and<br>development expense        | 595                       | 599                       | 534                       | 600                       | 560                       |        |

## &lt;2. New mid-term management plan&gt;

A new mid-term management plan has been formulated for the three-year period beginning June 2023 based on the policies of the fifth growth period. For details, please refer to the mid-term management plan document on our website.

<https://jp.weathernews.com/irinfo/plan/> (in Japanese)

## x) Outlook

We expect to grow sales due to the continued enhancement of original content and further expansion of our advertising service in the mobile/internet planning service. Furthermore, we are planning for growth due to the shift to a SaaS business model in addition to growth of existing services in each BtoB business.

In terms of investments, we will promote the continuation of aggressive advertising investments, investment in human resources for the acceleration of overseas development, and investment into the data cloud in anticipation of SaaS-type businesses.

As a result of the above, the Group expects to achieve consolidated net sales of ¥22,500 million, operating profit of ¥3,500 million, ordinary profit of ¥3,500 million, and profit attributable to owners of parent of ¥2,500 million for the fiscal year ending May 31, 2024.

## (2) Trends in Assets and Income

| Item                                                      | 34th fiscal year ended<br>May 31, 2020 | 35th fiscal year ended<br>May 31, 2021 | 36th fiscal year ended<br>May 31, 2022 | 37th fiscal year ended<br>May 31, 2023 |
|-----------------------------------------------------------|----------------------------------------|----------------------------------------|----------------------------------------|----------------------------------------|
| Net sales (Millions of yen)                               | 17,953                                 | 18,843                                 | 19,650                                 | 21,114                                 |
| Operating profit (Millions of yen)                        | 2,280                                  | 2,444                                  | 2,904                                  | 3,256                                  |
| Ordinary profit (Millions of yen)                         | 2,188                                  | 2,554                                  | 3,063                                  | 3,284                                  |
| Profit attributable to owners of parent (Millions of yen) | 1,629                                  | 1,861                                  | 2,157                                  | 2,398                                  |
| Net assets (Millions of yen)                              | 14,468                                 | 15,439                                 | 16,843                                 | 18,400                                 |
| Total assets (Millions of yen)                            | 16,894                                 | 17,692                                 | 19,127                                 | 20,979                                 |
| Net assets per share (Yen)                                | ¥1,314.65                              | ¥1,399.19                              | ¥1,523.28                              | ¥1,661.26                              |
| Basic profit per share (Yen)                              | ¥149.01                                | ¥169.81                                | ¥196.25                                | ¥217.67                                |
| Return on equity (%)                                      | 11.6                                   | 12.5                                   | 13.4                                   | 13.7                                   |

## (3) Material Parent Company and Subsidiaries

### i) Relationship with a Parent Company

Not applicable

### ii) Material Subsidiaries and Affiliates

| Company name                    | Share 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 590,000,000 | 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 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 |

Note:

Weathernews India Pvt. Ltd. is under 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) |
|-----------|-----------|

Other Overseas Agencies: 5 offices

|              |             |
|--------------|-------------|
| Milan        | (Italy)     |
| Kuala-Lumpur | (Malaysia)  |
| Bangkok      | (Thailand)  |
| Jakarta      | (Indonesia) |
| Kathmandu    | (Nepal)     |

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, 2023)

- 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 818,751 shares of treasury shares.

- iii) Number of shareholders 12,394 persons  
(includes 10,765 shareholders of shares constituting one unit)

iv) Major shareholders

| Shareholder name                                        | Number of shares | Shareholding ratio (%) |
|---------------------------------------------------------|------------------|------------------------|
| WNI WxBunka Foundation                                  | 1,700,000        | 15.42                  |
| WNI Institute Inc.                                      | 1,700,000        | 15.42                  |
| The Master Trust Bank of Japan, Ltd. (trust account)    | 985,000          | 8.93                   |
| Weathernews Employee Supporter Shareholding Association | 452,141          | 4.10                   |
| The Chiba Bank, Ltd.                                    | 360,000          | 3.27                   |
| MUFG Bank, Ltd.                                         | 360,000          | 3.27                   |
| Custody Bank of Japan, Ltd. (trust account)             | 355,200          | 3.22                   |
| Taeko Ishibashi                                         | 353,800          | 3.21                   |
| Nippon Life Insurance Company                           | 200,000          | 1.81                   |
| Sumitomo Mitsui Banking Corporation                     | 180,000          | 1.63                   |

Notes:

1. Although the Company owns 818,751 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) and Custody Bank of Japan, Ltd. (trust account) are related to the trust services.
4. On June 21, 2021, 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 596,900 shares as of June 14, 2021, 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, 2023.
5. On October 21, 2022, Asset Management One Co., Ltd. submitted 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 Asset Management One's holdings amount to 605,200 shares as of October 14, 2022, we did not include Asset Management One 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, 2023.

- 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) | 4,600            | 3                    |

Note:

The details of share-based payments of the Company are stated in “2. (2) (v) Amount of remuneration for Directors and Audit & Supervisory Board members” (available in Japanese only) of the Business Report.

## (2) Company Officers

- i) Directors and Audit & Supervisory Board members

(As of May 31, 2023)

| Position                              | Name               | Areas of responsibility | Significant concurrent position                                                                                                   |
|---------------------------------------|--------------------|-------------------------|-----------------------------------------------------------------------------------------------------------------------------------|
| President and Representative Director | Chihito Kusabiraki | Chief Executive Officer | Director, Chiba Institute of Technology<br>Council Member of Administrative Council, Chiba University                             |
| Director                              | Tomohiro Ishibashi |                         |                                                                                                                                   |
| Director                              | Masanori Yoshitake |                         |                                                                                                                                   |
| Director                              | Shigeru Muraki     | Director (External)     | President (part-time), Clean Fuel Ammonia Association<br>Outside Director, WORLD TRADE CENTER BUILDING, INC.                      |
| Director                              | Yukihiro Akimoto   | Director (External)     | Representative Director, YA Partners, Inc.<br>Outside Director, LENA JAPON Institute, Inc.<br>Outside Director, e-LogiT co., ltd. |

|                                  |                 |                                             |                                                                                                                            |
|----------------------------------|-----------------|---------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|
| 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<br>Director (outside), NOF CORPORATION<br>Board Member of Hitotsubashi University |

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. Audit & Supervisory Board member Fumitaka Koyama possesses considerable insight regarding finance and accounting through his involvement in corporate management operations at a leading trading company and a leading apparel company.

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 Shigeru Muraki and Yukihiro Akimoto and Audit & Supervisory Board members Fumitaka Koyama and Izumi Hayashi as Independent Officers, and has so notified the said Exchange.

ii) Overview of limited liability agreement

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 damages under Article 423, Paragraph 1 of the Companies Act pursuant to the provisions of Article 427, Paragraph 1 of the said Act.

The maximum amount of liability for damages under the agreement is the amount stipulated in Article 425, Paragraph 1 of the Companies Act.

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 the Company's Directors, Audit & Supervisory Board members, Executive Officers, important employees and others included as the insureds. Overview of the policy is as follows:

1) Scope of insureds

Directors, Audit & Supervisory Board members, Executive Officers, important employees and other 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 a 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 and Technical Director (Treated as Executive Officer)

1) Executive Officers

Name and area of responsibility of each Executive Officer as of June 1, 2023 are as follows.

|                                   | Name               | Areas of responsibility                                                                                       |
|-----------------------------------|--------------------|---------------------------------------------------------------------------------------------------------------|
| * President and Executive Officer | Chihito Kusabiraki | Chief Executive Officer                                                                                       |
| * Executive Vice President        | Tomohiro Ishibashi | Mobile/Internet Planning<br>Climate Tech Planning<br>Public Relations<br>Administrative and Business Planning |
| * Executive Vice President        | Sawato Hayashi     | Global Business Development<br>Global Sales                                                                   |
| * Managing Officer                | Masanori Yoshitake | Chief Financial Officer                                                                                       |
| Managing Officer                  | Hidenori Iwasa     | Transportation Weather (Sea/Sky/Land Planning)                                                                |
| Managing Officer                  | Daisuke Abe        | Service Operation and Development<br>Risk Management<br>Sports Planning                                       |
| Executive Officer                 | Mitsuhiro Ogata    | Environment Planning                                                                                          |
| Executive Officers                | Yuji Oki           | Broadcast Planning                                                                                            |
| Executive Officers                | Mie Takamori       | Service Operations                                                                                            |
| Executive Officers                | Hideaki Dewa       | IT System Development                                                                                         |
| Executive Officer                 | Masaya Yamamoto    | Innovation and Development                                                                                    |
| Executive Officer                 | Koki Kato          | Finance and Accounting                                                                                        |
| Executive Officer                 | Hajime Harada      | Internal Audit                                                                                                |

Notes:

- \* indicates a person scheduled to serve concurrently as Director.
- Shoko Isogai, Tetsuo Aruga, and Masaki Fukuda resigned from their post as Executive Officers effective May 31, 2023.

2) Technical Director (Treated as Executive Officer)

Name of the Technical Director as of June 1, 2023 is as follows.

|                    | Name           |
|--------------------|----------------|
| Technical Director | Yuichiro Nishi |

### (3) Accounting Auditor

#### i) Name

PricewaterhouseCoopers Aarata LLC

Note: The term of office for the accounting auditor of the Company, Deloitte Touche Tohmatsu LLC, expired at the conclusion of the 36th Annual General Meeting of Shareholders held on August 11, 2022.

#### 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) | 58,000 |
| Amount of remuneration for services other than those provided in Article 2, Paragraph 1 of the Certified Public Accountants Act      | –      |
| Total                                                                                                                                | 58,000 |

|                                                                                                            |        |
|------------------------------------------------------------------------------------------------------------|--------|
| Total amount of remuneration paid or payable to the Accounting Auditor by the Company and its subsidiaries | 58,000 |
|------------------------------------------------------------------------------------------------------------|--------|

Notes: 1. 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.

2. In addition to the above, the Company paid ¥4,622 thousand to Deloitte Touche Tohmatsu LLC, which was the previous Accounting Auditor, as remuneration for the succession of auditing services to the successor auditor.

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

Not applicable

#### 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.<br>Weathernews France SAS<br>WEATHERNEWS HONG KONG LIMITED<br>Weathernews Shanghai Co, Ltd.<br>Weathernews India Pvt. Ltd.<br>WEATHERNEWS SINGAPORE PTE. LTD. | WEATHERNEWS AMERICA INC.<br>Weathernews Benelux B.V.<br>Weathernews Korea Inc.<br>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 reporting undertaken to appropriately represent the actual status of business and secure objectivity. At the same time, the Company is to periodically review its engaged audit corporation or engaged 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. Based on this principle, the Company makes efforts to maximize mid- to long-term corporate value and shareholder value. In addition, as a company in alignment with its philosophy to "help out in times of need," we consider it to be our mission to realize a society that is sustainable not only in terms of human society and corporate activities, but also in terms of co-existence with the global environment.

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 mid- 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.

The management organization promotes business through service planning, operation, development, and sales for each business unit in order to clarify responsibility for sales and profits in each market. The divisions providing shared service infrastructures to all business units (share-use infrastructure operation, development and management divisions) will be called SSI. SSI will support each 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 AAC (Aggressively Adaptable Company) 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 the 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 or 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 6, 2023, 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.

a. 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)

- The Company shall hold a Board of Directors' meeting once a month in principle according to the "Board of Directors Regulations."
- Directors shall supervise the execution of duties by other Directors through the Board of Directors' meetings.
- 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 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.
- 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.
- The Group shall establish and provide our in-house whistleblowing system "WNI Help Lines" in multiple locations as compliance reports and consultancy routes for its officers and employees and take necessary measures to protect whistleblowers.

b. 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)

- 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.
- Important information, decisions, internal notices, etc. concerning management and business execution shall be prepared by the divisions in charge and appropriately retained and managed.

c. 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)

- Matters to be approved at the Board of Directors' meetings, EM meetings, SSM meetings and other important meetings of the Company and matters to be approved at the group companies shall be stipulated according to the "WNI Approval Standard."
- 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.

- 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.
- The Risk Management Committee shall convene meetings periodically 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.

d. System to ensure that Directors execute their duties efficiently

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

- 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.
- 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.
- For the decision-making by the Board of Directors, sufficient and appropriate information shall be provided to each Director.
- The Group holds a week of company-wide meetings in May and November each year, at which the Group's business strategy and plans are confirmed and the vectors for the management policy are unified, to formulate the most appropriate business plans for the whole Group.

e. 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)

- The policy and standard of behavior for the execution of group-wide business, and the code of conduct that clarifies the social responsibilities of officers and employees, shall be established and made available for access by all officers and 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 contributions to SDGs, as well as carrying out education, enlightenment, and audit activities concerning compliance with laws, regulations and social norms.
- 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.

f. 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)

- 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.
- 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."
- 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."

g. 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.

h. 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)

- 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.
- 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.

i. System for Directors and employees and 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)

- 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.
- The Audit & Supervisory Board members may request reports from Directors and employees at any time if deemed necessary to conduct their duties.
- The division in charge of our in-house whistleblowing system "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.



- With regard to those who have reported to the Audit & Supervisory Board members through the use of our in-house whistleblowing system 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.

j. 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.

k. 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)

- 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.
- 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.

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

- The Group has no relationships with antisocial activities or forces.
- 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 37th 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 37th fiscal year is as follows.

a. Internal control system in general

- We hold a week of company-wide meetings at the beginning and in the middle of the fiscal year, at which the Group’s business strategy and plans are confirmed and the vectors for the management policy are unified.
- Seven 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. Eight Scoring Committee meetings were held, at which the implementation and progress of the business plan were grasped in both quantitative and qualitative terms. Three 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.”

- 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, based on the evaluation on status of implementation of internal control activities at the end of the year, the results of internal auditing during the year, etc.
- For issues that come forth due to the results of the aforesaid evaluation as well as changes to the management environment, business and operations, 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.

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

- In addition to completing the process of appropriately reviewing the corporate motto and the general management principle, etc., the Company established the “Weathernews Group 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 37th fiscal year, continuing from the previous fiscal year, the Company enhanced the structure of the accounting and finance division in order to further improve the reliability of financial reporting. Also, by clarifying the authority and responsibilities of business divisions and the accounting and finance division, the Company has established and put into operation a system that ensures the quality of reports from business divisions.
- 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 three meetings during the year, whereby officers voluntarily attended and exchanged opinions.
- The Scoring Committee grasped the issues of the Group’s compliance and formulated and implemented measures therefor.
- The Company has established management divisions, Audit & Supervisory Board members, Audit & Supervisory Board members (External), and an outside entity as our in-house whistleblowing system the “WNI Help Line,” compliance reports and consultancy routes. 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.

c. Implementation of measures to manage the risk of loss

- 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.
- If a risk in business execution becomes apparent, the Company copes 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.
- 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. In addition, the Company established the Information Security Management Team during the year, and is making improvements in the security level by grasping and responding to information security risks.
- The Risk Management Committee prepared BCP and conducted risk prediction training.

d. Implementation of measures to ensure efficiency

- 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.
- 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.
- 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.

e. Implementation of the internal control system in the Group

- In order to clarify the responsibilities for the sales and profits of business in each region and aim to further increase profits, each business unit leader responsible for major business in such region 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.
- The Company has overseas subsidiaries directly participate in SSM meetings via a videoconferencing platform in addition to translating parts of the Company's internal newsletter (President message at SSM meeting, etc.) into English and creating illustrations, 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.

f. Implementation of measures to ensure the effectiveness of audits by the Audit & Supervisory Board members

- The Audit & Supervisory Board members attend the Board of Directors' meetings and the Audit & Supervisory Board member (Permanent) 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.

- Fifteen 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.
- 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.

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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, 2023)

(Thousands of yen)

| Item                                    | Amount            | Item                                                  | Amount            |
|-----------------------------------------|-------------------|-------------------------------------------------------|-------------------|
| <b>(Assets)</b>                         |                   | <b>(Liabilities)</b>                                  |                   |
| <b>Current assets</b>                   | <b>17,377,223</b> | <b>Current liabilities</b>                            | <b>2,300,580</b>  |
| Cash and deposits                       | 12,521,318        | Accounts payable - trade                              | 135,602           |
| Notes receivable - trade                | 29,305            | Accounts payable - other                              | 319,500           |
| Accounts receivable - trade             | 3,572,137         | Income taxes payable                                  | 509,422           |
| Contract assets                         | 407,197           | Contract liabilities                                  | 106,460           |
| Work in process                         | 72,165            | Provision for loss on litigation                      | 15,300            |
| Supplies                                | 204,639           | Other                                                 | 1,214,293         |
| Other                                   | 591,429           |                                                       |                   |
| Allowance for doubtful accounts         | (20,970)          | <b>Non-current liabilities</b>                        | <b>278,836</b>    |
| <b>Non-current assets</b>               | <b>3,602,417</b>  | Asset retirement obligations                          | 265,039           |
| <b>Property, plant and equipment</b>    | <b>1,684,130</b>  | Other                                                 | 13,797            |
| Buildings and structures, net           | 760,668           | <b>Total liabilities</b>                              | <b>2,579,417</b>  |
| Tools, furniture and fixtures, net      | 414,485           | <b>(Net assets)</b>                                   |                   |
| Communication satellite facilities, net | 0                 | <b>Shareholders' equity</b>                           | <b>18,106,668</b> |
| Land                                    | 413,062           | Share capital                                         | 1,706,500         |
| Construction in progress                | 41,028            | Capital surplus                                       | 1,458,226         |
| Other                                   | 54,886            | Retained earnings                                     | 15,824,357        |
| <b>Intangible assets</b>                | <b>561,978</b>    | Treasury shares                                       | (882,415)         |
| Software                                | 522,602           | <b>Accumulated other comprehensive income</b>         | <b>209,223</b>    |
| Software in progress                    | 10,554            | Valuation difference on available-for-sale securities | 20,354            |
| Other                                   | 28,821            | Foreign currency translation adjustment               | 188,869           |
| <b>Investments and other assets</b>     | <b>1,356,308</b>  | <b>Share acquisition rights</b>                       | <b>84,332</b>     |
| Investment securities                   | 182,071           |                                                       |                   |
| Deferred tax assets                     | 663,938           | <b>Total net assets</b>                               | <b>18,400,224</b> |
| Other                                   | 531,918           |                                                       |                   |
| Allowance for doubtful accounts         | (21,619)          | <b>Total liabilities and net assets</b>               | <b>20,979,641</b> |
| <b>Total assets</b>                     | <b>20,979,641</b> |                                                       |                   |

## Consolidated Statement of Income

(from June 1, 2022, to May 31, 2023)

(Thousands of yen)

| Item                                               | Amount  |                  |
|----------------------------------------------------|---------|------------------|
| Net sales                                          |         | 21,114,563       |
| Cost of sales                                      |         | 12,150,189       |
| <b>Gross profit</b>                                |         | <b>8,964,373</b> |
| Selling, general and administrative expenses       |         | 5,708,169        |
| <b>Operating profit</b>                            |         | <b>3,256,204</b> |
| Non-operating income                               |         |                  |
| Interest income                                    | 1,042   |                  |
| Dividend income                                    | 500     |                  |
| Dividend income of insurance                       | 6,812   |                  |
| Subsidy income                                     | 3,128   |                  |
| Foreign exchange gains                             | 57,338  |                  |
| Gain on forfeiture of unclaimed dividends          | 2,044   |                  |
| Insurance claim income                             | 10,723  |                  |
| Other                                              | 10,389  | 91,979           |
| Non-operating expenses                             |         |                  |
| Commitment line expenses                           | 11,249  |                  |
| Settlement payments                                | 26,399  |                  |
| Provision for loss on litigation                   | 14,801  |                  |
| Loss on cancellation of insurance policies         | 7,599   |                  |
| Other                                              | 3,467   | 63,517           |
| <b>Ordinary profit</b>                             |         | <b>3,284,666</b> |
| Extraordinary income                               |         |                  |
| Gain on liquidation of subsidiaries and affiliates | 3,947   | 3,947            |
| <b>Profit before income taxes</b>                  |         | <b>3,288,614</b> |
| Income taxes - current                             | 896,475 |                  |
| Income taxes - deferred                            | (5,934) | 890,540          |
| <b>Profit</b>                                      |         | <b>2,398,073</b> |
| <b>Profit attributable to owners of parent</b>     |         | <b>2,398,073</b> |

## Consolidated statement of changes in equity

(from June 1, 2022, to May 31, 2023)

(Thousands of yen)

|                                                      | Shareholders' equity |                 |                   |                 |                            |
|------------------------------------------------------|----------------------|-----------------|-------------------|-----------------|----------------------------|
|                                                      | Share capital        | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance as of June 1, 2022                           | 1,706,500            | 1,302,857       | 14,527,595        | (907,062)       | 16,629,890                 |
| Changes of items during the fiscal year              |                      |                 |                   |                 |                            |
| Dividends from surplus                               |                      |                 | (1,101,311)       |                 | (1,101,311)                |
| Profit attributable to owners of parent              |                      |                 | 2,398,073         |                 | 2,398,073                  |
| Purchase of treasury shares                          |                      |                 |                   | (254)           | (254)                      |
| Disposal of treasury shares                          |                      | 155,369         |                   | 24,901          | 180,271                    |
| Net changes of items other than shareholders' equity |                      |                 |                   |                 |                            |
| Total changes of items during the fiscal year        | –                    | 155,369         | 1,296,761         | 24,647          | 1,476,778                  |
| Balance as of May 31, 2023                           | 1,706,500            | 1,458,226       | 15,824,357        | (882,415)       | 18,106,668                 |

|                                                      | Accumulated other comprehensive income                |                                         |                                              | Share acquisition rights | Total net assets |
|------------------------------------------------------|-------------------------------------------------------|-----------------------------------------|----------------------------------------------|--------------------------|------------------|
|                                                      | Valuation difference on available-for-sale securities | Foreign currency translation adjustment | Total accumulated other comprehensive income |                          |                  |
| Balance as of June 1, 2022                           | 10,707                                                | 119,001                                 | 129,708                                      | 84,332                   | 16,843,930       |
| Changes of items during the fiscal year              |                                                       |                                         |                                              |                          |                  |
| Dividends from surplus                               |                                                       |                                         |                                              |                          | (1,101,311)      |
| Profit attributable to owners of parent              |                                                       |                                         |                                              |                          | 2,398,073        |
| Purchase of treasury shares                          |                                                       |                                         |                                              |                          | (254)            |
| Disposal of treasury shares                          |                                                       |                                         |                                              |                          | 180,271          |
| Net changes of items other than shareholders' equity | 9,647                                                 | 69,867                                  | 79,514                                       |                          | 79,514           |
| Total changes of items during the fiscal year        | 9,647                                                 | 69,867                                  | 79,514                                       | –                        | 1,556,293        |
| Balance as of May 31, 2023                           | 20,354                                                | 188,869                                 | 209,223                                      | 84,332                   | 18,400,224       |

(Reference)

## Consolidated Statement of Cash Flows

(from June 1, 2022, to May 31, 2023)

(Thousands of yen)

| Item                                                        | Amount      |
|-------------------------------------------------------------|-------------|
| Net cash provided by (used in) operating activities         | 2,384,997   |
| Net cash provided by (used in) investing activities         | (254,892)   |
| Net cash provided by (used in) financing activities         | (1,100,499) |
| Effect of exchange rate change on cash and cash equivalents | 66,707      |
| Net increase (decrease) in cash and cash equivalents        | 1,096,312   |
| Cash and cash equivalents at beginning of the fiscal year   | 11,422,943  |
| Cash and cash equivalents at end of the fiscal year         | 12,519,256  |



## Non-consolidated Balance Sheet

(As of May 31, 2023)

(Thousands of yen)

| Item                                                                       | Amount            | Item                                                          | Amount            |
|----------------------------------------------------------------------------|-------------------|---------------------------------------------------------------|-------------------|
| <b>(Assets)</b>                                                            |                   | <b>(Liabilities)</b>                                          |                   |
| <b>Current assets</b>                                                      | <b>16,002,520</b> | <b>Current liabilities</b>                                    | <b>2,142,306</b>  |
| Cash and deposits                                                          | 11,262,921        | Accounts payable - trade                                      | 231,978           |
| Notes receivable - trade                                                   | 24,315            | Accounts payable - other                                      | 279,041           |
| Accounts receivable - trade                                                | 3,494,138         | Accrued consumption taxes                                     | 249,320           |
| Contract assets                                                            | 407,197           | Accrued expenses                                              | 476,456           |
| Work in process                                                            | 72,107            | Income taxes payable                                          | 506,200           |
| Supplies                                                                   | 204,639           | Contract liabilities                                          | 66,976            |
| Advance payments to suppliers                                              | 3,798             | Advances received                                             | 65,736            |
| Prepaid expenses                                                           | 436,689           | Deposits received                                             | 222,349           |
| Short-term loans receivable                                                | 36,000            | Provision for loss on business of subsidiaries and affiliates | 31,000            |
| Other                                                                      | 114,117           | Asset retirement obligations                                  | 6,402             |
| Allowance for doubtful accounts                                            | (53,406)          | Other                                                         | 6,844             |
| <b>Non-current assets</b>                                                  | <b>3,975,987</b>  | <b>Non-current liabilities</b>                                | <b>255,516</b>    |
| <b>Property, plant and equipment</b>                                       | <b>1,591,562</b>  | Asset retirement obligations                                  | 255,516           |
| Buildings, net                                                             | 758,762           |                                                               |                   |
| Vehicles, net                                                              | 0                 |                                                               |                   |
| Tools, furniture and fixtures, net                                         | 378,710           |                                                               |                   |
| Communication satellite facilities, net                                    | 0                 |                                                               |                   |
| Land                                                                       | 413,062           |                                                               |                   |
| Construction in progress                                                   | 41,028            |                                                               |                   |
| <b>Intangible assets</b>                                                   | <b>561,803</b>    |                                                               |                   |
| Patent right                                                               | 750               |                                                               |                   |
| Software                                                                   | 522,602           |                                                               |                   |
| Software in progress                                                       | 10,554            |                                                               |                   |
| Telephone subscription right                                               | 25,634            |                                                               |                   |
| Other                                                                      | 2,261             |                                                               |                   |
| <b>Investments and other assets</b>                                        | <b>1,822,620</b>  |                                                               |                   |
| Investment securities                                                      | 182,040           |                                                               |                   |
| Shares of subsidiaries and affiliates                                      | 408,240           |                                                               |                   |
| Investments in capital of subsidiaries and affiliates                      | 25,841            |                                                               |                   |
| Long-term loans receivable from subsidiaries and affiliates                | 202,554           |                                                               |                   |
| Claims provable in bankruptcy, claims provable in rehabilitation and other | 1,914             |                                                               |                   |
| Long-term prepaid expenses                                                 | 239,575           |                                                               |                   |
| Deferred tax assets                                                        | 675,394           |                                                               |                   |
| Lease and guarantee deposits                                               | 73,570            |                                                               |                   |
| Other                                                                      | 176,130           |                                                               |                   |
| Allowance for doubtful accounts                                            | (162,641)         |                                                               |                   |
| <b>Total assets</b>                                                        | <b>19,978,507</b> | <b>Total liabilities</b>                                      | <b>2,397,822</b>  |
|                                                                            |                   | <b>(Net assets)</b>                                           |                   |
|                                                                            |                   | <b>Shareholders' equity</b>                                   | <b>17,475,999</b> |
|                                                                            |                   | <b>Share capital</b>                                          | <b>1,706,500</b>  |
|                                                                            |                   | <b>Capital surplus</b>                                        | <b>1,460,801</b>  |
|                                                                            |                   | Other capital surplus                                         | 1,460,801         |
|                                                                            |                   | <b>Retained earnings</b>                                      | <b>15,191,112</b> |
|                                                                            |                   | Legal retained earnings                                       | 426,625           |
|                                                                            |                   | Other retained earnings                                       | 14,764,487        |
|                                                                            |                   | General reserve                                               | 9,500,000         |
|                                                                            |                   | Retained earnings brought forward                             | 5,264,487         |
|                                                                            |                   | <b>Treasury shares</b>                                        | <b>(882,415)</b>  |
|                                                                            |                   | <b>Valuation and translation adjustments</b>                  | <b>20,354</b>     |
|                                                                            |                   | Valuation difference on available-for-sale securities         | 20,354            |
|                                                                            |                   | <b>Share acquisition rights</b>                               | <b>84,332</b>     |
|                                                                            |                   | <b>Total net assets</b>                                       | <b>17,580,685</b> |
|                                                                            |                   | <b>Total liabilities and net assets</b>                       | <b>19,978,507</b> |

## Non-consolidated Statement of Income

(from June 1, 2022, to May 31, 2023)

(Thousands of yen)

| Item                                                                      | Amount  |                  |
|---------------------------------------------------------------------------|---------|------------------|
| Net sales                                                                 |         | 20,901,773       |
| Cost of sales                                                             |         | 12,284,769       |
| <b>Gross profit</b>                                                       |         | <b>8,617,004</b> |
| Selling, general and administrative expenses                              |         | 5,437,948        |
| <b>Operating profit</b>                                                   |         | <b>3,179,056</b> |
| Non-operating income                                                      |         |                  |
| Interest income                                                           | 488     |                  |
| Dividend income                                                           | 500     |                  |
| Dividend income of insurance                                              | 6,812   |                  |
| Subsidy income                                                            | 2,544   |                  |
| Foreign exchange gains                                                    | 63,564  |                  |
| Gain on forfeiture of unclaimed dividends                                 | 2,044   |                  |
| Insurance claim income                                                    | 10,723  |                  |
| Other                                                                     | 7,882   | 94,560           |
| Non-operating expenses                                                    |         |                  |
| Commitment line expenses                                                  | 11,249  |                  |
| Provision of allowance for doubtful accounts                              | 22,053  |                  |
| Settlement payments                                                       | 26,399  |                  |
| Loss on cancellation of insurance policies                                | 7,599   |                  |
| Other                                                                     | 3,052   | 70,355           |
| <b>Ordinary profit</b>                                                    |         | <b>3,203,261</b> |
| Extraordinary income                                                      |         |                  |
| Reversal of provision for loss on business of subsidiaries and affiliates | 5,000   |                  |
| Gain on liquidation of subsidiaries and affiliates                        | 3,947   | 8,947            |
| <b>Profit before income taxes</b>                                         |         | <b>3,212,209</b> |
| Income taxes - current                                                    | 885,303 |                  |
| Income taxes - deferred                                                   | 14,030  | 899,333          |
| <b>Profit</b>                                                             |         | <b>2,312,875</b> |

## Non-consolidated statement of changes in net assets

(from June 1, 2022, to May 31, 2023)

(Thousands of yen)

|                                                      | Shareholders' equity |                       |                       |                         |                         |                                   |                         |
|------------------------------------------------------|----------------------|-----------------------|-----------------------|-------------------------|-------------------------|-----------------------------------|-------------------------|
|                                                      | Share capital        | 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, 2022                           | 1,706,500            | 1,305,432             | 1,305,432             | 426,625                 | 9,500,000               | 4,052,923                         | 13,979,548              |
| Changes of items during the fiscal year              |                      |                       |                       |                         |                         |                                   |                         |
| Dividends from surplus                               |                      |                       |                       |                         |                         | (1,101,311)                       | (1,101,311)             |
| Profit                                               |                      |                       |                       |                         |                         | 2,312,875                         | 2,312,875               |
| Purchase of treasury shares                          |                      |                       |                       |                         |                         |                                   |                         |
| Disposal of treasury shares                          |                      | 155,369               | 155,369               |                         |                         |                                   |                         |
| Net changes of items other than shareholders' equity |                      |                       |                       |                         |                         |                                   |                         |
| Total changes of items during the fiscal year        | -                    | 155,369               | 155,369               | -                       | -                       | 1,211,564                         | 1,211,564               |
| Balance as of May 31, 2023                           | 1,706,500            | 1,460,801             | 1,460,801             | 426,625                 | 9,500,000               | 5,264,487                         | 15,191,112              |

|                                                      | Shareholders' equity |                            | Valuation and translation adjustments                 |                                             | Share acquisition rights | Total net assets |
|------------------------------------------------------|----------------------|----------------------------|-------------------------------------------------------|---------------------------------------------|--------------------------|------------------|
|                                                      | Treasury shares      | Total shareholders' equity | Valuation difference on available-for-sale securities | Total valuation and translation adjustments |                          |                  |
| Balance as of June 1, 2022                           | (907,062)            | 16,084,418                 | 10,707                                                | 10,707                                      | 84,332                   | 16,179,457       |
| Changes of items during the fiscal year              |                      |                            |                                                       |                                             |                          |                  |
| Dividends from surplus                               |                      | (1,101,311)                |                                                       |                                             |                          | (1,101,311)      |
| Profit                                               |                      | 2,312,875                  |                                                       |                                             |                          | 2,312,875        |
| Purchase of treasury shares                          | (254)                | (254)                      |                                                       |                                             |                          | (254)            |
| Disposal of treasury shares                          | 24,901               | 180,271                    |                                                       |                                             |                          | 180,271          |
| Net changes of items other than shareholders' equity |                      |                            | 9,647                                                 | 9,647                                       |                          | 9,647            |
| Total changes of items during the fiscal year        | 24,647               | 1,391,580                  | 9,647                                                 | 9,647                                       | -                        | 1,401,228        |
| Balance as of May 31, 2023                           | (882,415)            | 17,475,999                 | 20,354                                                | 20,354                                      | 84,332                   | 17,580,685       |

## 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 37th fiscal year from June 1, 2022 through May 31, 2023, 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 equity, and notes to the consolidated financial statements) for the fiscal year ended May 31, 2023.

## 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 37 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, PricewaterhouseCoopers Aarata LLC, are fair and reasonable.

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

The auditing methods and results of the Accounting Auditor, PricewaterhouseCoopers Aarata LLC, are fair and reasonable.

July 21, 2023

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.