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July 8, 2024

Consolidated Financial Results for the Fiscal Year Ended May 31, 2024 (Under Japanese GAAP)

Company name: Weathernews Inc.
 Listing: Tokyo Stock Exchange
 Securities code: 4825
 URL: <https://global.weathernews.com/>
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 Telephone: +81-43-274-5536
 Scheduled date of annual general meeting of shareholders: August 17, 2024
 Scheduled date to commence dividend payments: August 19, 2024
 Scheduled date to file annual securities report: August 27, 2024
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and analysts)

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

1. Consolidated financial results for the fiscal year ended May 31, 2024 (from June 1, 2023 to May 31, 2024)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
May 31, 2024	22,242	5.3	3,270	0.4	3,341	1.7	2,437	1.7
May 31, 2023	21,114	7.4	3,256	12.1	3,284	7.2	2,398	11.2

Note: Comprehensive income For the fiscal year ended May 31, 2024: ¥2,570 million [3.8%]
 For the fiscal year ended May 31, 2023: ¥2,477 million [9.0%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
May 31, 2024	220.85	220.28	12.8	15.2	14.7
May 31, 2023	217.67	217.10	13.7	16.4	15.4

Reference: Share of profit (loss) of entities accounted for using equity method
 For the fiscal year ended May 31, 2024: -
 For the fiscal year ended May 31, 2023: -

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
May 31, 2024	23,058	19,788	85.4	1,783.60
May 31, 2023	20,979	18,400	87.3	1,661.26

Reference: Equity
 As of May 31, 2024: ¥19,699 million
 As of May 31, 2023: ¥18,315 million

* **Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

Newly included: –

Excluded: –

- (2) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

- (3) Number of issued shares (common shares)

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

As of May 31, 2024	11,844,000 shares
As of May 31, 2023	11,844,000 shares

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

As of May 31, 2024	799,051 shares
As of May 31, 2023	818,751 shares

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

Fiscal year ended May 31, 2024	11,038,068 shares
Fiscal year ended May 31, 2023	11,016,572 shares

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended May 31, 2024 (from June 1, 2023 to May 31, 2024)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
May 31, 2024	22,033	5.4	3,103	(2.4)	3,255	1.6	2,374	2.7
May 31, 2023	20,901	7.4	3,179	16.5	3,203	(0.3)	2,312	(1.1)

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Fiscal year ended				
May 31, 2024	215.11		214.55	
May 31, 2023	209.94		209.39	

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
May 31, 2024	21,845	18,776	85.6	1,692.60
May 31, 2023	19,978	17,580	87.6	1,586.93

Reference: Equity

As of May 31, 2024: ¥18,694 million

As of May 31, 2023: ¥17,496 million

(Notes) 1. Financial results reports are exempt from audits conducted by certified public accountants or an audit corporation.

2. Proper use of earnings forecasts, and other special matters

Cautions on forward-looking statements, etc.

Forward-looking statements in this material, including earnings forecasts, are based on information currently available to Weathernews Inc. and on certain assumptions deemed reasonable. Actual results may differ significantly due to various factors.

Consolidated Financial Statements and Significant Notes Thereto**(1) Consolidated balance sheet**

(Thousands of yen)

	As of May 31, 2023	As of May 31, 2024
Assets		
Current assets		
Cash and deposits	12,521,318	14,313,310
Notes receivable - trade	29,305	-
Accounts receivable - trade	3,572,137	3,428,022
Contract assets	407,197	724,552
Work in process	72,165	28,447
Supplies	204,639	209,876
Other	591,429	704,703
Allowance for doubtful accounts	(20,970)	(16,132)
Total current assets	17,377,223	19,392,781
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	760,668	1,006,442
Tools, furniture and fixtures, net	414,485	360,409
Land	413,062	413,062
Construction in progress	41,028	61,046
Other, net	54,886	18,461
Total property, plant and equipment	1,684,130	1,859,422
Intangible assets		
Software	522,602	396,389
Software in progress	10,554	3,574
Other	28,821	26,244
Total intangible assets	561,978	426,208
Investments and other assets		
Investment securities	182,071	199,960
Deferred tax assets	663,938	770,537
Other	531,918	432,384
Allowance for doubtful accounts	(21,619)	(22,915)
Total investments and other assets	1,356,308	1,379,967
Total non-current assets	3,602,417	3,665,597
Total assets	20,979,641	23,058,378

(Thousands of yen)

	As of May 31, 2023	As of May 31, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	135,602	65,758
Accounts payable - other	319,500	342,297
Income taxes payable	509,422	620,463
Contract liabilities	106,460	576,088
Provision for loss on litigation	15,300	38,866
Other	1,214,293	1,074,758
Total current liabilities	2,300,580	2,718,233
Non-current liabilities		
Asset retirement obligations	265,039	551,268
Other	13,797	568
Total non-current liabilities	278,836	551,837
Total liabilities	2,579,417	3,270,070
Net assets		
Shareholders' equity		
Share capital	1,706,500	1,706,500
Capital surplus	1,458,226	1,570,590
Retained earnings	15,824,357	16,937,920
Treasury shares	(882,415)	(858,808)
Total shareholders' equity	18,106,668	19,356,202
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	20,354	32,627
Foreign currency translation adjustment	188,869	311,040
Total accumulated other comprehensive income	209,223	343,668
Share acquisition rights	84,332	81,304
Non-controlling interests	–	7,134
Total net assets	18,400,224	19,788,308
Total liabilities and net assets	20,979,641	23,058,378

(2) Consolidated statement of income and comprehensive income**Consolidated statement of income**

(Thousands of yen)

	Fiscal year ended May 31, 2023	Fiscal year ended May 31, 2024
Net sales	21,114,563	22,242,915
Cost of sales	12,150,189	12,832,169
Gross profit	8,964,373	9,410,745
Selling, general and administrative expenses	5,708,169	6,140,189
Operating profit	3,256,204	3,270,555
Non-operating income		
Interest income	1,042	2,488
Dividend income	500	500
Dividend income of insurance	6,812	12,182
Subsidy income	3,128	23,024
Foreign exchange gains	57,338	52,420
Gain on forfeiture of unclaimed dividends	2,044	1,828
Insurance claim income	10,723	-
Other	10,389	9,077
Total non-operating income	91,979	101,521
Non-operating expenses		
Commitment line expenses	11,249	9,687
Settlement payments	26,399	-
Provision for loss on litigation	14,801	20,868
Loss on cancellation of insurance policies	7,599	-
Other	3,467	42
Total non-operating expenses	63,517	30,599
Ordinary profit	3,284,666	3,341,478
Extraordinary income		
Gain on liquidation of subsidiaries and associates	3,947	-
Total extraordinary income	3,947	-
Extraordinary losses		
Loss on liquidation of subsidiaries and associates	-	4,249
Total extraordinary losses	-	4,249
Profit before income taxes	3,288,614	3,337,228
Income taxes - current	896,475	1,009,213
Income taxes - deferred	(5,934)	(108,450)
Total income taxes	890,540	900,763
Profit	2,398,073	2,436,465
Loss attributable to non-controlling interests	-	(1,355)
Profit attributable to owners of parent	2,398,073	2,437,821

Consolidated statement of comprehensive income

(Thousands of yen)

	Fiscal year ended May 31, 2023	Fiscal year ended May 31, 2024
Profit	2,398,073	2,436,465
Other comprehensive income		
Valuation difference on available-for-sale securities	9,647	12,272
Foreign currency translation adjustment	69,867	121,991
Total other comprehensive income	79,514	134,264
Comprehensive income	2,477,588	2,570,730
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,477,588	2,572,265
Comprehensive income attributable to non-controlling interests	–	(1,535)

(3) Consolidated statement of changes in equity

Fiscal year ended May 31, 2023

	Shareholders' equity					Accumulated other comprehensive income		
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income
Balance at beginning of period	1,706,500	1,302,857	14,527,595	(907,062)	16,629,890	10,707	119,001	129,708
Changes during period								
Dividends of 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 in items other than shareholders' equity						9,647	69,867	79,514
Total changes during period	–	155,369	1,296,761	24,647	1,476,778	9,647	69,867	79,514
Balance at end of period	1,706,500	1,458,226	15,824,357	(882,415)	18,106,668	20,354	188,869	209,223

(Thousands of yen)

	Share acquisition rights	Non-controlling interests	Total net assets
Balance at beginning of period	84,332	–	16,843,930
Changes during period			
Dividends of 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 in items other than shareholders' equity			79,514
Total changes during period	–	–	1,556,293
Balance at end of period	84,332	–	18,400,224

Fiscal year ended May 31, 2024

	Shareholders' equity					Accumulated other comprehensive income		
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income
Balance at beginning of period	1,706,500	1,458,226	15,824,357	(882,415)	18,106,668	20,354	188,869	209,223
Changes during period								
Dividends of surplus			(1,324,258)		(1,324,258)			
Profit attributable to owners of parent			2,437,821		2,437,821			
Disposal of treasury shares		112,363		23,607	135,970			
Net changes in items other than shareholders' equity						12,272	122,171	134,444
Total changes during period	–	112,363	1,113,562	23,607	1,249,533	12,272	122,171	134,444
Balance at end of period	1,706,500	1,570,590	16,937,920	(858,808)	19,356,202	32,627	311,040	343,668

(Thousands of yen)

	Share acquisition rights	Non-controlling interests	Total net assets
Balance at beginning of period	84,332	–	18,400,224
Changes during period			
Dividends of surplus			(1,324,258)
Profit attributable to owners of parent			2,437,821
Disposal of treasury shares			135,970
Net changes in items other than shareholders' equity	(3,027)	7,134	138,550
Total changes during period	(3,027)	7,134	1,388,084
Balance at end of period	81,304	7,134	19,788,308

(4) Consolidated statement of cash flows

(Thousands of yen)

	Fiscal year ended May 31, 2023	Fiscal year ended May 31, 2024
Cash flows from operating activities		
Profit before income taxes	3,288,614	3,337,228
Depreciation	860,914	600,318
Share-based payment expenses	135,055	104,397
Increase (decrease) in allowance for doubtful accounts	(3,787)	(5,497)
Increase (decrease) in provision for loss on litigation	14,801	20,868
Interest and dividend income	(1,542)	(2,988)
Insurance claim income	(10,723)	–
Dividend income of insurance	(6,812)	(12,182)
Settlement payments	26,155	–
Loss (gain) on cancellation of insurance policies	7,599	–
Subsidy income	(3,128)	(23,024)
Commitment line expenses	11,249	9,687
Loss (gain) on liquidation of subsidiaries and associates	(3,947)	4,249
Decrease (increase) in trade receivables	(978,226)	199,564
Decrease (increase) in contract assets	301,263	(317,355)
Decrease (increase) in inventories	(101,154)	38,485
Increase (decrease) in trade payables	43,572	(71,075)
Increase (decrease) in accounts payable - other	32,722	13,936
Increase (decrease) in accrued consumption taxes	121,703	(140,978)
Increase (decrease) in accrued expenses	(26,590)	12,692
Increase (decrease) in advances received	2,586	18,791
Increase (decrease) in contract liabilities	(59,482)	465,069
Increase (decrease) in deposits received	6,653	(29,638)
Other, net	(473,636)	30,675
Subtotal	3,183,857	4,253,225
Interest and dividends received	1,522	2,971
Dividend income of insurance	6,812	12,182
Proceeds from insurance income	10,723	–
Subsidies received	3,128	23,024
Payments for commitment line expenses	(26,064)	(3,105)
Income taxes paid	(794,983)	(902,743)
Net cash provided by (used in) operating activities	2,384,997	3,385,553
Cash flows from investing activities		
Proceeds from sale of securities	72	–
Purchase of property, plant and equipment	(350,173)	(261,700)
Proceeds from sale of property, plant and equipment	874	46
Purchase of intangible assets	(71,225)	(113,859)
Payments for asset retirement obligations	(1,588)	(15,823)
Proceeds from sale of investment securities	13	–
Proceeds from liquidation of subsidiaries and associates	17,111	–
Payments of leasehold and guarantee deposits	(2,215)	(10,410)
Proceeds from refund of leasehold and guarantee deposits	37,601	5,432
Purchase of insurance funds	(10,401)	(10,401)
Proceeds from cancellation of insurance funds	125,040	–
Other, net	–	(1,492)
Net cash provided by (used in) investing activities	(254,892)	(408,208)

(Thousands of yen)

	Fiscal year ended May 31, 2023	Fiscal year ended May 31, 2024
Cash flows from financing activities		
Dividends paid	(1,100,245)	(1,322,209)
Proceeds from sale of treasury shares	–	1
Purchase of treasury shares	(254)	–
Proceeds from share issuance to non-controlling shareholders	–	8,670
Net cash provided by (used in) financing activities	(1,100,499)	(1,313,538)
Effect of exchange rate change on cash and cash equivalents	66,707	127,997
Net increase (decrease) in cash and cash equivalents	1,096,312	1,791,804
Cash and cash equivalents at beginning of period	11,422,943	12,519,256
Cash and cash equivalents at end of period	12,519,256	14,311,060