

**Summary of Q&A at the Q3 FY2025 Earnings Conference Call**  
**Date and Time: September 12, 2025 (Friday) 16:30-17:00**

**Q: The travel business reported an operating loss of approximately 900 million yen in the Q3, which is a 500 million yen decrease in profit compared to the same period last year. Please provide a detailed breakdown of the factors behind this.**

A: The year-over-year decrease in profit for the travel business is primarily due to our overseas local subsidiary travel businesses. Travel operations at our overseas subsidiaries decreased by slightly more than 400 million yen compared with the same quarter last year. More than half of that loss came specifically from the travel business in Canada, making it the main factor behind the decrease in profit.

Additionally, the travel business operating within Japan recorded a profit decrease of slightly less than 100 million yen, which is generally in line with our projections.

While the travel business experienced a decrease in profit, all other business segments showed an increase.

- Hotel Business: Profit increased by 210 million yen.
- Kyushu Sanko: Profit increased by 50 million yen.
- Other Businesses (including insurance and facilities management): Profit increased by 160 million yen.

The strong performance of these other segments helped to limit the overall decrease in consolidated results.

**Q: Please elaborate on the specific factors that contributed to the increase or decrease in profit for the travel business in the Q3 compared to the same period last year.**

A: Excluding Canada, the primary reason for the decrease among our overseas subsidiaries was that our Turkish subsidiary scaled back its outbound operations. This segment was profitable in the previous fiscal year but has become a loss in this year. Another contributing factor to the decrease was the struggle of our cruise travel business for trips departing during Golden Week. On the positive side, our overseas travel business originating from Japan saw a profit increase of around 200 million yen. This was driven by strong performance in trips to Europe, and the profits of the MIKI Group also turned positive.

**Q: What are the prospects for achieving the full-year operating profit target? It seems that a profit increase of 100 million yen in the Q4 compared to the same period last year would be feasible. However, are there any risks, such as a slowdown in inbound tourists or a stagnation in average room rates for the hotel business?**

A: We have no specific concerns regarding the hotel business. The Osaka-Kansai Expo has supported increases in both average room rates and occupancy. Our overseas travel business originating from Japan also has strong booking trends for the summer. On the other hand, Q4 is the sheer scale of the revenue, which is the highest of the year at approximately 120 billion yen, Therefore, control over cost and gross profit ratios is crucial. We are aiming to achieve our publicly stated target through a strict management system.