

Summary of Q&A for the 3Q of the Fiscal Year Ending October 2026

Date & Time: Friday, September 11, 2026, 16:30–17:10

Q1: Factors driving cumulative 3Q YoY revenue and profit growth in the Hotel Business (in-house web direct sales and collaboration rooms) and future development plans

The ratio of direct sales via our official website is currently around 15–20% and is gradually increasing. While continuing sales through OTAs and other channels, we are strengthening our independent direct sales structure to control commission fees. In overseas hotels (Guam, Bali, etc.), we leverage our strong Japan-outbound travel foundation to achieve group synergies through stable customer sending.

Regarding collaboration rooms, branding through the world's largest-scale deployment has proven successful and received high acclaim from customers. As a result, enhanced added value improved ADR (Average Daily Rate) and led profit growth.

For future developments, we plan to open "Henn na Hotel Okinawa Naha" in April 2027 and a new hotel in front of Hiroshima Station in the winter of 2028.

Q2: Background of 3Q standalone revenue growth and profit decline in the Hotel Business, and the outlook for downside factors

The main reason for the profit decline was sluggish ADR growth, caused by lower-than-expected inbound demand amid intensifying market competition due to external factors such as deteriorating Japan-China relations and the Middle East situation. Additionally, increased personnel expenses from higher headcount and investments in advertising and promotion to capture bookings impacted earnings. Overseas locations (Guam, Turkey, etc.) were also affected by lower occupancy rates due to the Middle East situation.

Looking ahead, reservation demand for 4Q onward remains solid, so we expect further downside risks from these factors to be limited.

Q3: Monthly trends in 4Q standalone overseas travel transaction volume, customer count vs. unit price tendencies, and deviation from 2Q projections

Regarding monthly demand trends, August closed flat YoY, but September significantly outperformed the previous year thanks to Silver Week demand and early sales promotions. October continues to trend up by double digits, maintaining a solid 4Q top-line performance.

As for the breakdown, higher unit prices—driven by soaring fuel surcharges—mean customer count growth is trailing sales growth. For instance, if sales reach 110% YoY, customer count tends to land 5 to 10 percentage points lower.

Regarding deviations from 2Q assumptions, rapid yen depreciation between February and June pushed package tour costs above expectations, but price adjustments have now been completed. However, due to the combined impact of the Middle East situation, high fuel prices, and the weak yen, current 4Q sales growth (111.5% YoY) is trailing 2Q assumptions by about 4 to 5 percentage points.

Q4: Deviation from the plan in 3Q standalone operating loss, and status of SG&A expense control toward achieving full-year forecasts

Regarding 3Q plan variances, while strongly affected by sharp exchange rate fluctuations and the Middle East situation, thorough SG&A control limited the profit shortfall against internal plans to 100 million yen.

Specifically, alongside reductions in variable costs due to sales shortfalls, we optimized working hours through operational efficiency and productivity improvements (efficient management of personnel costs) and strictly controlled fixed costs such as advertising, travel, and meeting expenses. Consequently, 3Q standalone SG&A expenses were reduced by nearly 300 million yen further from the 2Q revised plan.

For 4Q, while factoring in demand recovery from lower fuel surcharges starting in September, we remain mindful of potential re-escalation risks from November onward and aim to achieve full-year targets by strengthening immediate customer acquisition.