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## Consolidated Financial Results for the Fiscal Year Ended October 31, 2025 (Under Japanese GAAP)

December 12, 2025

Company name	H.I.S. Co., Ltd	President and Representative		
Listing	Tokyo Stock Exchange	Director	(Name)	Yada Motoshi
Securities code	9603	Executive Officer, General Manager		
URL	<a href="https://www.his.co.jp/">https://www.his.co.jp/</a>	of Accounting and Finance	(Name)	Hanazaki Osamu
Representative	(Title)	Headquarters		
Inquiries	(Title)	050-1746-4188		
Tel.		January 28, 2026		
Date of general shareholders' meeting (as planned)		January 29, 2026		
Dividend payable date (as planned)		January 27, 2026		
Annual securities report filing date (as planned)		Yes		
Supplemental material of annual results :		Yes		
Convening briefing of annual results :		Yes (For institutional investors)		

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

1. Consolidated financial results for the fiscal year ended October 31, 2025 (from November 1, 2024 to October 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
October 31, 2025	373,106	8.7	11,627	7.1	11,381	8.9	4,719	(45.9)
October 31, 2024	343,334	36.1	10,854	563.8	10,451	534.7	8,717	—

Note:  
Comprehensive income

Fiscal year ended	Fiscal year ended	Fiscal year ended	Fiscal year ended
October 31, 2025	October 31, 2025	4,612 million yen	((61.8)%)
October 31, 2024			October 31, 2024
			12,062 million yen (—%)

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
Fiscal year ended	Yen	Yen	%	%	%
October 31, 2025	63.16	62.99	8.8	2.9	3.1
October 31, 2024	116.67	109.79	18.8	2.5	3.2

Reference:  
Investment profit (loss) on equity

Fiscal year ended	Fiscal year ended	Fiscal year ended	Fiscal year ended
October 31, 2025	October 31, 2025	75 million yen	October 31, 2024
method			(2) million yen

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
October 31, 2025	386,330	67,205	14.4	743.26
October 31, 2024	412,200	62,343	12.6	695.47

Reference:Owner's equity As of October 31, 2025 55,549 million yen As of October 31, 2024 51,968 million yen

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and equivalents, end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
October 31, 2025	21,219	(11,013)	(36,457)	106,364
October 31, 2024	29,247	45,606	(55,158)	132,217

## 2. Cash dividends

	Dividend per share					Total cash dividends (Total)	Payout ratio (consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter- end	2nd quarter- end	3rd quarter- end	Fiscal year- end	Total			
Fiscal year ended October 31, 2024	Yen —	Yen 0.00	Yen —	Yen 0.00	Yen 0.00	Millions of yen —	% —	% —
Fiscal year ended October 31, 2025	—	10.00	—	10.00	20.00	1,494	31.7	2.8
Fiscal year ending October 31, 2026 (Forecast)	—	0.00	—	25.00	25.00		20.8	

## 3. Consolidated financial forecast for the fiscal year ending October 31, 2026 (from November 1, 2025 to October 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First six months of the fiscal year	195,000	7.6	6,900	2.7	6,900	0.3	4,500	18.5	60.21
Entire fiscal year	420,000	12.6	14,000	20.4	14,000	23.0	9,000	90.7	120.42

### Notes:

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation) : Yes

Newly included: None (Company name) None

Excluded: 6 companies (Company name) VIAJES H.I.S. MADRID, S.A., H.I.S POLAND Sp. z o.o., H.I.S. EUROPE

ITALY S.R.L., VOX JAPAN Co., Ltd., DORAK HIS OTELCILIK VE TIC.A.S., NUMBER ONE TRAVEL SHIBUYA Co., Ltd.

(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 : Yes

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

(iii) Changes in accounting estimates : None

(iv) Restatement : None

(3) Number of issued shares (common shares)

①Number of issued at the end of the period (including treasury shares)	As of October 31, 2025	79,860,936 shares	As of October 31, 2024	79,860,936 shares
	As of October 31, 2025	5,123,480 shares	As of October 31, 2024	5,136,658 shares
	Fiscal year ended October 31, 2025	74,730,357 shares	Fiscal year ended October 31, 2024	74,720,519 shares

## (Reference) Overview of non-consolidated business results

### 1. Non-consolidated financial results for the fiscal year ended October 31, 2025 (from November 1, 2024 to October 31, 2025)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
October 31, 2025	200,840	13.8	2,648	3.9	2,133	(7.4)	158	(97.1)
October 31, 2024	176,544	32.9	2,548	370.0	2,304	—	5,461	—

	Basic earnings per share	Diluted earnings per share
Fiscal year ended October 31, 2025	Yen 2.12	Yen 2.11
October 31, 2024	73.09	68.73

(2) Non-consolidated financial position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
October 31, 2025	254,978	41,230	16.1	547.76
October 31, 2024	280,680	41,741	14.8	554.83

Reference:Owner's equity As of October 31, 2025 40,938 million yen As of October 31, 2024 41,459 million yen

\* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

## 1. Overview of business results

### (1) Overview of business results for the current fiscal year

During the consolidated fiscal year under review, the business environment maintained a moderate recovery trend with signs of a pickup in personal consumption, due in part to policy effects and improvement in the employment and income environments. However, ongoing price hikes, U.S. trade policy, and other movements continue to bear watching.

In the travel market, inbound demand drove travelers to Japan to record high numbers. Visitors to Japan during the fiscal year totaled 42.22 million, 119.4% of the number for the previous period and surpassing the 40 million mark for the first time. In overseas travel, travel fares remain high due to rising prices at destinations, the ongoing weak yen, and persistently high fuel surcharges, meaning that time will be required for full-fledged recovery in demand. Despite this, the number of Japanese outbound travelers increased to 14.46 million, 114.6% of the number for the previous period, indicating gradual recovery.

(Source: Japan National Tourism Organization (JNTO))

Under these conditions, we worked to promote business with an eye toward being the preferred company of choice, full of enterprising spirit and bringing the world together under the banner of "Unleash your feeling KOKORO ODORU" (Let Your Heart Dance), the H.I.S. Group Purpose, in order to achieve sustainable growth for the whole group by expanding our wide range of businesses, primarily travel. Segment results for the fiscal year ended October 31, 2025 are as follows.

Also the amount for each segment is the amount before intersegment transactions elimination.

#### (Travel business)

In overseas travel, to stimulate slowly-recovering demand for outbound travel from Japan and to achieve differentiation, we implemented initiatives including the "Campaign to Support Obtaining a New Passport" and hosted events including the "HIS Big Thanks Festival" to encourage rediscovery of the appeal of travel. We launched the new brand "AirZ" that offers flexible combinations of international air tickets and hotels, and worked to strengthen sales. Through "Hatsuyume Fair," "SUPER SUMMER SALE! 2025" and other promotions designed to stimulate demand during peak seasons and encourage early bookings, we saw strong revenue growth driving sales throughout the year in Europe and the Middle East, with significant increases in Turkey and Egypt in particular. In guided tour products, high-priced offerings performed well, with business class and premium economy class courses in Switzerland, Northern Europe, and other routes showing notable growth. In Asia, performance remained strong in Taiwan and in China, where tourist visas were lifted. On the other hands, weaker sales for South Korea, which were affected by political conditions and by reductions in flights, particularly among LCCs. During the summer peak season, revenue for Hawaii and Micronesia showed a steady recovery, particularly among families, with support from the exchange rate and reductions in fuel surcharges.

In the domestic travel business, as a measure to strengthen our sales-driving post-arrival services in Okinawa, we launched a shuttle bus service from central Naha to Bibi Beach and developed the "NEW All Inclusive" service that allows customers to choose their meal plans. We further boosted leisure demand with tours incorporating tickets to the new theme park that opened in Yanbaru Forest in northern Okinawa at the end of July. As a PR gold partner of the "Japan International Exposition 2025 (Osaka-Kansai Expo 2025) Expo 2025©" taking place in Yumeshima, Osaka, from April, we also made efforts to capture individual and group travel demand through means including package tours with flights to Kansai and day trip bus tours from Kansai.

In the inbound travel business, inbound bookings handled by our overseas subsidiaries and B2B (business-to-business) group travel bookings remained strong, with customers from the North American market, a driver of transaction volume, reaching record-high numbers. In the individual travel segment, we developed high value-added, experience-focused bus tours that uniquely combine Japan's seasonal appeal and cultural traditions, such as fireworks displays and festivals. Our efforts to stimulate demand and strengthen customer acquisition through social media messaging and collaboration with overseas subsidiaries proved effective, earning popularity for the products. To promote regional dispersion of inbound demand, we developed tours with charter flight-based routes from Kota Kinabalu, Malaysia to Hiroshima and from Hanoi, Vietnam to Niigata.

In the corporate travel business, incentive tours, study tours, and other aspects of the travel business continued to perform well in Japan and overseas. We worked to improve profitability by strengthening value-added services in travel packages tailored to the purpose of the trip, in addition to every type of travel planning and arrangement. In the government agency and local government business, we worked to expand agreements with local governments in projects to create new travel destinations throughout Japan together with SATOYUME co., ltd, in which we made additional investment through underwriting of a capital increase by third-party allocation this term, and started promoting regional revitalization with eight local governments.

In the overseas travel business, the recovery of demand for overseas travel from Japan drove the performance of overseas subsidiaries' inbound businesses. In particular, recovery of travel demand from Japan in the European market and increased

incoming travel from the global market were main factors behind the strong performance.

In Canada, a key base for the outbound business, business results under-performed the previous year due to sales decline following the termination of major corporate contracts, a decline in unit sales prices due to economic slowdown, and a decline in demand for travel to the U.S. due to changes in the international situation. In new business development, our French subsidiary opened a concept shop for traditional Japanese crafts and specialties in the Marais district of Paris to stimulate demand for travel to Japan through communication of Japanese culture. Our Hawaii subsidiary has begun operating experiential bus tours using electric buses equipped with next-generation XR technology.

As of the end of October 2025, HIS Group had 149 sales branches in Japan and 141 sales branches in 110 cities in 58 countries overseas.

As a result of the above, net sales for the current consolidated fiscal year were 309,139 million yen (year-on-year 108.9%), operating profit was 9,636 million yen (year-on-year 103.6%), and EBITDA was 13,743 million yen (year-on-year 102.0%).

#### (Hotel business)

In the hotel business, the domestic hotel business saw both occupancy and room rates increase from the previous year under greater demand from foreign visitors to Japan, contributing to higher revenues and profit. We made a full-scale launch of a multi-brand strategy, including the nationwide roll-out of "Henn na Hotel Premier" as the highest-level brand of Henn na Hotel, and worked to strengthen yield control. Henn na Hotel attracted significant attention through collaborations with companies and was even recognized by Guinness World Records™ as the "Hotel with the most collaborative rooms in the world" and the "Most brand-themed room sponsorships in a hotel chain" (44 collaborative rooms as of Friday, September 19, 2025). At the same time, in the overseas hotel business, the situation varied by region. We recorded record revenues and profit in Seoul and New York, supported by stable global demand. However, we recorded an operating loss in Guam, where leisure demand remained weak. In Cappadocia, Turkey, where we launched operations in November of the fiscal year, operating losses persisted in the first half but the business turned profitable in the second half, indicating a recovery trend in performance.

As a result of the above, net sales for the current consolidated fiscal year were 25,244 million yen (year-on-year 109.8%), operating profit was 3,618 million yen (year-on-year 118.7%), and EBITDA was 7,817 million yen (year-on-year 109.8%).

#### (Kyushu Sanko Group)

In the Kyushu Sanko Group, economic effects of the Taiwanese company (TSMC), as well as the continued increase in the number of foreign visitors to Japan and domestic tourists, led to generally strong performance and growth in earnings and profit in the express bus, charter bus, airline agency, and real estate businesses. In our core bus business, we implemented fare revisions and route reviews in line with recent increases in transportation costs due to rising prices. Our collaborations with two Japanese animation and bus tours targeting reconstruction in Kumamoto yielded fruit, with sales growing 7.0% from the previous fiscal year. Our airline agency business also saw sales and profit growth due to a combination of positive factors including new flights to Kumamoto airport and an increase in commission from increased flights by STARLUX Airlines, for which we perform ground handling operations. In our real estate business that operates the large-scale commercial facility SAKURA MACHI Kumamoto, event projects resulted in facility visitors exceeding the one million mark for 12 consecutive months along with stable earnings, with sales increasing 6.3% from the previous fiscal year.

As a result of the above, net sales for the current consolidated fiscal year were 25,381 million yen (year-on-year 105.8%), operating profit was 806 million yen (year-on-year 185.5%), and EBITDA was 2,553 million yen (year-on-year 117.2%).

As a result of the above, in consolidated business performance for the fiscal year, net sales were 373,106 million yen (year-on-year 108.7%), operating profit was 11,627 million yen (year-on-year 107.1%), ordinary profit was 11,381 million yen (year-on-year 108.9%), and profit attributable to owners of parent company was 4,719 million yen (year-on-year 54.1%).

## (2) Overview of financial position during the fiscal year

### ① Condition of assets, liabilities and net assets

Total assets at the end of the current consolidated fiscal year decreased by 25,870 million yen from the end of the previous fiscal year to 386,330 million yen. This was mainly due to a decrease in cash and deposits (down 24,212 million yen from the end of the previous fiscal year) and property, plant and equipment (down 4,401 million yen), despite an increase in notes and accounts receivable – trade, and contract assets (up 2,168 million yen) and travel advance payments (up 1,668 million yen).

Liabilities at the end of the current consolidated fiscal year decreased by 30,731 million yen from the end of the previous fiscal year to 319,125 million yen, mainly due to a decrease in current portion of convertible-bond-type bonds with share acquisition rights (down 25,000 million yen), a decrease in borrowings (down 7,554 million yen), and a decrease in deposits received of subsidy (down 7,053 million yen), despite increases in travel advance received (up 6,342 million yen) and trade accounts payable (up 3,241 million yen).

Net assets at the end of the current consolidated fiscal year increased by 4,861 million yen from the end of the previous fiscal year to 67,205 million yen. The main factors behind this were an increase in non-controlling interests (up 1,270 million yen) and retained earnings (up 3,910 million yen) due to the recording of profit attributable to owners of parent, despite a decrease in foreign currency translation adjustment (down 1,082 million yen).

### ② Cash flow status

The balance of cash and cash equivalents (hereinafter, "funds") at the end of the consolidated fiscal year was 106,364 million yen, a decrease of 25,853 million yen from the end of the previous consolidated fiscal year. Funds from operating activities increased by 21,219 million yen, funds from investing activities decreased by 11,013 million yen, and funds from financing activities decreased by 36,457 million yen.

Details on the position of each cash flow are as follows:

#### (Cash flow from operating activities)

In the current consolidated fiscal year, funds due to operating activities increased by 21,219 million yen. Looking at the main factors behind this, funds decreased due to increases in income taxes paid (2,267 million yen), interest paid (2,057 million yen), and increase in travel advance payments (1,944 million yen), while funds increased due to profit before income taxes (7,067 million yen), depreciation (11,329 million yen), a non-cash item, and increase in travel advances received (6,490 million yen) and increase in trade payables (3,248 million yen).

In the previous consolidated fiscal year, funds due to operating activities increased by 29,247 million yen. Looking at the main factors behind this, funds decreased due to increases in interest paid (2,578 million yen) and increase in travel advance payments (2,338 million yen), while funds increased due to profit before income taxes (8,526 million yen), depreciation (11,017 million yen), a non-cash item, and increase in travel advances received (6,991 million yen), increase in provision for bonuses (1,762 million yen), and increase in trade payables (1,609 million yen).

As a result of the above, in the current consolidated fiscal year, cash flows from operating activities decreased by 8,028 million yen from the previous consolidated fiscal year.

#### (Cash flow from investing activities)

In the current consolidated fiscal year, funds from investing activities decreased by 11,013 million yen. Looking at the main factors behind this, funds increased due to proceeds from withdrawal of time deposits (10,338 million yen) and proceeds from refund of guarantee deposits (1,093 million yen), while funds decreased due to payments into time deposits (12,170 million yen), purchase of property, plant and equipment and intangible assets (7,154 million yen), and payments of guarantee deposits (1,824 million yen).

In the previous consolidated fiscal year, funds from investing activities increased by 45,606 million yen. Looking at the main factors behind this, funds decreased due to payments into time deposits (16,689 million yen) and purchase of securities (10,155 million yen), while funds increased due to proceeds from withdrawal of time deposits (57,956 million yen), proceeds from refund of guarantee deposits (12,839 million yen), and proceeds from redemption of securities (10,161 million yen).

As a result of the above, in the current consolidated fiscal year, cash flows from investing activities decreased by 56,620 million yen from the previous consolidated fiscal year.

#### (Cash flow from financing activities)

In the current consolidated fiscal year, funds from financing activities decreased by 36,457 million yen. Looking at the main factors behind this, funds increased due to proceeds from short-term and long-term borrowings (102,511 million yen), while funds decreased due to repayments of short-term and long-term borrowings (110,113 million yen) and redemption of bonds (25,000 million yen).

In the previous consolidated fiscal year, funds from financing activities decreased by 55,158 million yen. Looking at the main factors behind this, funds increased due to proceeds from short-term and long-term borrowings (156,029 million yen), while funds decreased due to repayments of short-term and long-term borrowings (193,683 million yen) and redemption of bonds (15,000 million yen).

As a result of the above, in the current consolidated fiscal year, cash flows from financing activities increased by 18,701 million yen from the previous consolidated fiscal year.

#### (Reference) Changes in cash flow-related indicators

	Fiscal year ending October 31, 2021	Fiscal year ended October 31, 2022	Fiscal year ended October 31, 2023	Fiscal year ended October 31, 2024	Fiscal year ended October 31, 2025
Capital adequacy ratio (%)	8.4	9.4	9.2	12.6	14.4
Market value based Capital adequacy ratio (%)	43.6	36.7	28.7	31.9	25.3
Cash flow Interest-bearing debt ratio (%)	—	—	779.5	638.9	843.9
Interest coverage ratio (times)	—	—	14.4	11.3	10.3

Capital adequacy ratio: Equity/Total assets

Market value based Capital adequacy ratio: Market capitalization/Total assets

Cash flow interest-bearing debt ratio: Interest-bearing debt/Cash flow

Interest coverage ratio: Cash flow/Interest payments

Note 1: All calculations are based on consolidated financial figures.

Note 2: Market capitalization is calculated based on the number of issued shares excluding treasury shares.

Note 3: Operating cash flows are used for cash flows.

Note 4: Interest-bearing liabilities include all liabilities that are recorded on the consolidated balance sheet and on which interest is paid.

Note 5: For the fiscal years ending October 31, 2021 and October 31, 2022, because operating cash flow was negative, the cash flow to interest-bearing debt ratio and the interest coverage ratio are not stated.

#### (3) Future outlook

Future business operations may be affected by external factors such as an unstable international situation, continued inflation, and the ongoing weak yen, creating concerns over impacts on the business activities of the Group. However, with support from factors including improvements in the employment and income environment and effects of policy measures, recovery in personal consumption is apparent and we expect business performance to maintain a recovery trend.

Based on the above, our current consolidated business results forecast for the fiscal year ending October 31, 2026 is net sales of 420,000 million yen (year-on-year 112.6%), operating profit of 14,000 million yen (year-on-year 120.4%), ordinary profit of 14,000 million yen (year-on-year 123.0%), and profit attributable to owners of parent of 9,000 million yen (year-on-year 190.7%).

(4) Basic policy on profit distribution and dividends

The Group recognizes the return of profits to shareholders as an important management policy. While working toward sustainable enhancement of our corporate value, we intend to stably and continuously distribute profit in line with business results, comprehensively taking into consideration factors including the global situation, trends in the travel industry, strengthening of our corporate position, and future business development. Based on this basic policy on profit distribution, we plan to pay a year-end ordinary dividend of 10 yen per share at the end of the current consolidated fiscal year, which, together with the interim dividend of 10 yen per share, will bring the annual dividend per share for the current consolidated fiscal year to 20 yen per share.

As sales and other results tend to be higher in the six months ended of the fiscal year, in the next fiscal year we plan to pay a full-year dividend (annual dividend) to ensure fairness with respect to full-year performance. While striving to enhance the dividend level with the goal of sustainable and stable profit distribution, we plan to pay an annual ordinary dividend of 25 yen per share. However, in the event that business performance deteriorates amid the uncertain market environment, we may enact flexible measures as required.

#### 4 .Consolidated financial statements and main notes

##### (1) Consolidated Balance Sheet

(Millions of yen)

	As of October 31, 2024	As of October 31, 2025
<b>Assets</b>		
<b>Current assets</b>		
<b>Cash and deposits</b>	138,145	113,932
Notes and accounts receivable – trade, and contract assets	25,413	27,581
Trade accounts receivable	670	798
Securities	22	0
Travel advance payments	10,942	12,610
Prepaid expenses	2,227	2,577
Short-term loans receivable	278	173
Short-term loans receivable from subsidiaries and associates	200	75
Accounts receivable – other	18,464	17,935
Other	7,726	6,420
Allowance for doubtful accounts	(1,774)	(1,717)
<b>Total current assets</b>	<b>202,316</b>	<b>180,388</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings	97,026	99,587
Accumulated depreciation	(23,238)	(26,389)
Buildings, net	73,788	73,197
Tools, furniture and fixtures	12,661	13,053
Accumulated depreciation	(10,247)	(10,589)
Tools, furniture and fixtures, net	2,413	2,464
Land	71,304	70,798
Leased assets	29,861	33,093
Accumulated depreciation	(18,478)	(21,834)
Leased assets, net	11,383	11,258
Construction in progress	3,718	82
Other	9,944	10,756
Accumulated depreciation	(8,447)	(8,855)
Other, net	1,497	1,901
<b>Total property, plant and equipment</b>	<b>164,104</b>	<b>159,703</b>
<b>Intangible assets</b>		
Goodwill	1,956	1,655
Other	13,975	12,795
<b>Total intangible assets</b>	<b>15,931</b>	<b>14,451</b>
<b>Investments and other assets</b>		
Investment securities	3,302	2,776
Shares of subsidiaries and associates	2,516	3,834
Investments in capital of subsidiaries and associates	104	71
Long-term loans receivable from subsidiaries and associates	1,068	541
Retirement benefit asset	929	1,209
Deferred tax assets	9,449	9,976
Guarantee deposits	9,077	9,818
Other	4,140	4,016
Allowance for doubtful accounts	(799)	(506)
<b>Total investments and other assets</b>	<b>29,789</b>	<b>31,739</b>
<b>Total non-current assets</b>	<b>209,825</b>	<b>205,893</b>
<b>Deferred assets</b>	<b>58</b>	<b>49</b>
<b>Total assets</b>	<b>412,200</b>	<b>386,330</b>

(Millions of yen)

	As of October 31, 2024	As of October 31, 2025
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade accounts payable	12,441	15,683
Short-term borrowings	9,852	8,698
Current portion of convertible-bond-type bonds with share acquisition rights	25,000	—
Current portion of long-term borrowings	67,673	105,607
Accounts payable - other	23,681	19,801
Accrued expenses	5,424	5,140
Income taxes payable	1,181	1,600
Accrued consumption taxes	907	1,287
Travel advance received	36,851	43,193
Deposits received of subsidy	8,178	1,125
Lease liabilities	2,660	2,740
Provision for bonuses	5,161	5,522
Provision for bonuses for directors (and other officers)	198	251
Provision for loss on business liquidation	—	232
Other	28,962	31,623
<b>Total current liabilities</b>	<u>228,175</u>	<u>242,507</u>
<b>Non-current liabilities</b>		
Bonds payable	5,000	5,000
Long-term borrowings	91,569	47,235
Deferred tax liabilities	3,988	3,576
Retirement benefit liability	6,080	6,026
Provision for retirement benefits for directors (and other officers)	466	504
Lease liabilities	10,109	9,791
Other	4,465	4,483
<b>Total non-current liabilities</b>	<u>121,681</u>	<u>76,618</u>
<b>Total liabilities</b>	<u>349,857</u>	<u>319,125</u>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	100	100
Capital surplus	27,645	28,372
Retained earnings	24,226	28,137
Treasury shares	(13,015)	(12,981)
<b>Total shareholders' equity</b>	<u>38,957</u>	<u>43,627</u>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	8	(100)
Deferred gains or losses on hedges	72	91
Foreign currency translation adjustment	12,584	11,502
Remeasurements of defined benefit plans	345	428
<b>Total accumulated other comprehensive income</b>	<u>13,011</u>	<u>11,921</u>
Share acquisition rights	282	292
Non-controlling interests	10,093	11,363
Total net assets	62,343	67,205
<b>Total liabilities and net assets</b>	<u>412,200</u>	<u>386,330</u>

(2) Consolidated Statements of Income and Comprehensive Income

(Consolidated Statements of Income)

(Millions of yen)

	Fiscal year ended October 31, 2024	Fiscal year ended October 31, 2025
Net sales	343,334	373,106
Cost of sales	232,716	255,131
Gross profit	110,617	117,974
Selling, general and administrative expenses	99,762	106,346
Operating profit	10,854	11,627
Non-operating income		
Interest income	1,336	1,220
Dividend income	8	570
Foreign exchange gains	242	—
Subsidy income	789	1,046
Other	777	976
Total non-operating income	3,154	3,814
Non-operating expenses		
Interest expenses	2,472	2,025
Foreign exchange losses	—	328
Other	1,085	1,705
Total non-operating expenses	3,557	4,060
Ordinary profit	10,451	11,381
Extraordinary income		
Gain on sale of non-current assets	751	—
Gain on sale of shares of subsidiaries and associates	350	100
Gain on reversal of share acquisition rights	—	165
Gain on reversal of provision incurred from deposits received of subsidy	—	384
Total extraordinary income	1,101	649
Extraordinary losses		
Loss on sale of non-current assets	21	—
Loss on valuation of investment securities	518	438
Loss on sale of shares of subsidiaries and associates	39	—
Loss on valuation of shares of subsidiaries and associates	1,396	—
Impairment losses	558	2,772
Provision of allowance for doubtful accounts	493	—
Loss on liquidation of business	—	1,752
Total extraordinary losses	3,026	4,963
Profit before income taxes	8,526	7,067
Income taxes - current	1,668	2,258
Income taxes - deferred	(2,758)	(958)
Total income taxes	(1,090)	1,299
Profit	9,616	5,768
Profit attributable to non-controlling interests	899	1,048
Profit attributable to owners of parent	8,717	4,719

## (Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Fiscal year ended October 31, 2024	Fiscal year ended October 31, 2025
Profit	9,616	5,768
Other comprehensive income		
Valuation difference on available-for-sale securities	(55)	(118)
Deferred gains or losses on hedges	40	18
Foreign currency translation adjustment	2,244	(1,168)
Remeasurements of defined benefit plans, net of tax	208	90
Share of other comprehensive income of entities accounted for using equity method	7	21
Total other comprehensive income	2,446	(1,155)
Comprehensive income	12,062	4,612
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	11,488	3,725
Comprehensive income attributable to non-controlling interests	574	887

(3) Consolidated Statements of Changes in Equity

Fiscal year ended October 31, 2024 (from November 1, 2023 to October 31, 2024)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	100	27,770	15,515	(13,046)	30,340
Changes during period					
Dividends of surplus					—
Profit attributable to owners of parent			8,717		8,717
Purchase of treasury shares		(0)		(0)	(0)
Disposal of treasury shares		(9)		31	22
Change in scope of consolidation			(6)		(6)
Increase by merger					—
Sale of shares of consolidated subsidiaries		(60)			(60)
Capital increase of consolidated subsidiaries		(55)			(55)
Change in ownership interest of parent due to transactions with non-controlling interests					—
Net changes in items other than shareholders' equity					—
Total changes during period	—	(125)	8,711	31	8,617
Balance at end of period	100	27,645	24,226	(13,015)	38,957

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	64	30	10,001	143	10,239	165	8,995	49,741
Changes during period								
Dividends of surplus								—
Profit attributable to owners of parent								8,717
Purchase of treasury shares								(0)
Disposal of treasury shares								22
Change in scope of consolidation								(6)
Increase by merger								—
Sale of shares of consolidated subsidiaries								(60)
Capital increase of consolidated subsidiaries								(55)
Change in ownership interest of parent due to transactions with non-controlling interests								—
Net changes in items other than shareholders' equity	(55)	42	2,583	201	2,771	116	1,097	3,985
Total changes during period	(55)	42	2,583	201	2,771	116	1,097	12,602
Balance at end of period	8	72	12,584	345	13,011	282	10,093	62,343

Fiscal year ended October 31, 2025 (from November 1, 2024 to October 31, 2025)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	100	27,645	24,226	(13,015)	38,957
Changes during period					
Dividends of surplus			(747)		(747)
Profit attributable to owners of parent			4,719		4,719
Purchase of treasury shares		(0)		(0)	(0)
Disposal of treasury shares		(11)		33	22
Change in scope of consolidation			(61)		(61)
Increase by merger		30			30
Sale of shares of consolidated subsidiaries		(25)			(25)
Capital increase of consolidated subsidiaries		822			822
Change in ownership interest of parent due to transactions with non-controlling interests		(89)			(89)
Net changes in items other than shareholders' equity					—
Total changes during period	—	726	3,910	33	4,670
Balance at end of period	100	28,372	28,137	(12,981)	43,627

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	8	72	12,584	345	13,011	282	10,093	62,343
Changes during period								
Dividends of surplus								(747)
Profit attributable to owners of parent								4,719
Purchase of treasury shares								(0)
Disposal of treasury shares								22
Change in scope of consolidation								(61)
Increase by merger								30
Sale of shares of consolidated subsidiaries								(25)
Capital increase of consolidated subsidiaries								822
Change in ownership interest of parent due to transactions with non-controlling interests								(89)
Net changes in items other than shareholders' equity	(108)	18	(1,082)	83	(1,089)	9	1,270	190
Total changes during period	(108)	18	(1,082)	83	(1,089)	9	1,270	4,861
Balance at end of period	(100)	91	11,502	428	11,921	292	11,363	67,205

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended October 31, 2024	Fiscal year ended October 31, 2025
<b>Cash flows from operating activities</b>		
Profit before income taxes	8,526	7,067
Depreciation	11,017	11,329
Impairment losses	558	2,772
Amortization of goodwill	349	261
Increase (decrease) in provision for bonuses	1,762	344
Increase (decrease) in provision for bonuses for directors (and other officers)	115	53
Increase (decrease) in provision for loss on business liquidation	—	232
Increase (decrease) in retirement benefit liability	(182)	(458)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(44)	39
Interest and dividend income	(1,345)	(1,791)
Foreign exchange losses (gains)	(468)	(184)
Interest expenses	2,472	2,025
Loss (gain) on sale of property, plant and equipment	(730)	—
Loss (gain) on valuation of investment securities	518	438
Loss (gain) on sale of shares of subsidiaries and associates	(310)	(100)
Loss on valuation of shares of subsidiaries and associates	1,396	—
Gain on reversal of share acquisition rights	—	(165)
Loss on liquidation of business	—	1,752
Other loss (gain)	385	(1,411)
Decrease (increase) in accounts receivable - trade, and contract assets	(115)	(2,315)
Decrease (increase) in travel advance payments	(2,338)	(1,944)
Decrease (increase) in other assets	(19)	3,116
Increase (decrease) in trade payables	1,609	3,248
Increase (decrease) in accrued consumption taxes	(709)	409
Increase (decrease) in accrued expenses	1,278	(186)
Increase (decrease) in travel advances received	6,991	6,490
Increase (decrease) in other liabilities	1,457	(7,250)
<b>Subtotal</b>	<b>32,176</b>	<b>23,773</b>
Interest and dividends received	1,330	1,770
Interest paid	(2,578)	(2,057)
Income taxes refund (paid)	(1,680)	(2,267)
<b>Net cash provided by (used in) operating activities</b>	<b>29,247</b>	<b>21,219</b>

(Millions of yen)

	Fiscal year ended October 31, 2024	Fiscal year ended October 31, 2025
<b>Cash flows from investing activities</b>		
Payments into time deposits	(16,689)	(12,170)
Proceeds from withdrawal of time deposits	57,956	10,338
Purchase of securities	(10,155)	(47)
Proceeds from sale of securities	—	70
Proceeds from redemption of securities	10,161	—
Purchase of property, plant and equipment and intangible assets	(8,196)	(7,154)
Proceeds from sale of property, plant and equipment and intangible assets	2,735	121
Purchase of investment securities	(578)	(323)
Proceeds from sale of investment securities	81	211
Proceeds from redemption of investment securities	10	—
Purchase of shares of subsidiaries and associates	(2,162)	(1,185)
Proceeds from sale of shares of subsidiaries and associates	864	100
Proceeds from divestments and collection of loans receivable	489	—
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(70)
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	0	0
Loan advances	(1,070)	(226)
Proceeds from collection of loans receivable	276	148
Payments of guarantee deposits	(1,158)	(1,824)
Proceeds from refund of guarantee deposits	12,839	1,093
Other, net	202	(95)
<b>Net cash provided by (used in) investing activities</b>	<b>45,606</b>	<b>(11,013)</b>
<b>Cash flows from financing activities</b>		
Proceeds from short-term borrowings	85,767	38,812
Repayments of short-term borrowings	(128,269)	(40,035)
Proceeds from long-term borrowings	70,262	63,699
Repayments of long-term borrowings	(65,414)	(70,078)
Dividends paid	—	(747)
Redemption of bonds	(15,000)	(25,000)
Dividends paid to non-controlling interests	(56)	(282)
Purchase of treasury shares	(0)	(0)
Proceeds from share issuance to non-controlling shareholders	379	49
Repayments to non-controlling shareholders	(300)	(172)
Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation	379	78
Other, net	(2,907)	(2,780)
<b>Net cash provided by (used in) financing activities</b>	<b>(55,158)</b>	<b>(36,457)</b>
Effect of exchange rate change on cash and cash equivalents	1,631	368
Net increase (decrease) in cash and cash equivalents	21,327	(25,883)
<b>Cash and cash equivalents at beginning of period</b>	<b>110,836</b>	<b>132,217</b>
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	53	29
<b>Cash and cash equivalents at end of period</b>	<b>132,217</b>	<b>106,364</b>

(Notes to Segment Information)

[Segment information]

1. Summary of reporting segments

Financial information separated from information for the Group's constituent units is available for the Group's reporting segments. This information is reviewed regularly by the highest decision-making bodies to evaluate resource allocation decisions and assess performance. The Group consists of three businesses and reporting segments for which we formulate comprehensive strategies for Japan and overseas in conducting our business activities: "Travel Business," "Hotel Business," and "Kyushu Sanko Group."

The Travel Business engages in arrangement, planning, and sales of overseas and domestic travel and ancillary businesses. The Hotel Business engages in hotel operation and ancillary businesses in regions including Japan, Taiwan, the United States, and Indonesia. Kyushu Sanko Group, with Kyushu Industrial Transportation Holdings Co., Ltd. as its holding company, engages in automobile transportation and real estate leasing.

2. Method for calculating net sales, profit or loss, assets, liabilities and other items for each reporting segment

Profit for each reporting segment is based on operating profit.

Internal earnings and transfers between segments are based on prevailing market prices.

3. Information on the amount of sales, profit or loss, assets, liabilities, and other items for each reporting segment  
Fiscal year ended October 31, 2024 (from November 1, 2023 to October 31, 2024)

(Millions of yen)

	Reporting segment				Other (Note 1)	Total	Adjustments (Note 2)	Amount on consolidated Financial statements (Note 3)
	Travel business	Hotel business	Kyushu Sanko Group	Total				
Net sales								
Sales to external customers	282,696	22,526	23,972	329,195	14,138	343,333	0	343,334
Intersegment sales/transfers	1,276	463	13	1,752	1,715	3,468	(3,468)	—
Total	283,972	22,989	23,985	330,948	15,853	346,801	(3,467)	343,334
Segment profit	9,302	3,047	434	12,785	219	13,004	(2,149)	10,854
Segment assets	171,674	94,500	55,747	321,923	16,973	338,897	73,303	412,200
Other								
Depreciation	3,847	4,065	1,743	9,655	570	10,226	771	10,998
Amortization of goodwill	327	6	—	333	16	349	—	349
Investment in entities accounted for using equity method	235	—	—	235	2,100	2,336	—	2,336
Increase in property, plant and equipment and intangible fixed assets	4,767	2,986	1,308	9,062	862	9,925	55	9,980

Notes: 1. The "Other" category is a business segment that is not included in any reporting segment. It includes segments as follows:

Theme Park business, Non-life Insurance business, and Real Estate business.

2. The details of the adjustment amounts are as follows.

- (1) The segment profit adjustment of -2,149 million yen is for company-wide expenses not allocated to any reporting segment. It mainly comprises expenses related to parent company's headquarter administration that do not belong to a reporting segment.
- (2) The segment asset adjustment of 73,303 million yen includes elimination of inter-segment transactions of -1,104 million yen and company-wide assets not allocated to any reporting segment of 74,408 million yen. Company-wide assets are assets related to parent company surplus fund operation (cash and deposits, and securities), assets related to administrative departments, etc.
- (3) The depreciation adjustment of 771 million yen is for company-wide expenses that are not allocated to a reporting segment. It mainly comprises depreciation expenses related to parent company's headquarter administration that do not belong to a reporting segment.
- (4) The adjustment of 55 million yen for the increase in property, plant and equipment and intangible fixed assets is the amount of capital investment by the parent company that does not belong to a reporting segment.

3. Segment profit is adjusted with operating profit in the consolidated financial statements.

4. The EBITDA for each reporting segment is as follows:

(Millions of yen)

	Travel business	Hotel business	Kyushu Sanko Group	Other	Total
Segment profit	9,302	3,047	434	219	13,004
Depreciation and goodwill amortization	4,174	4,071	1,743	586	10,575
EBITDA(*)	13,476	7,119	2,178	805	23,580

(\*) EBITDA reflects segment profit plus depreciation and goodwill amortization.

Fiscal year ended October 31, 2025 (from November 1, 2024 to October 31, 2025)

(Millions of yen)

	Reporting segment				Other (Note 1)	Total	Adjustments (Note 2)	Amount on consolidated Financial statements (Note 3)
	Travel business	Hotel business	Kyushu Sanko Group	Total				
Net sales								
Sales to external customers	307,976	24,734	25,355	358,066	15,039	373,106	0	373,106
Intersegment sales/transfers	1,163	509	25	1,698	2,445	4,143	(4,143)	—
Total	309,139	25,244	25,381	359,765	17,484	377,249	(4,143)	373,106
Segment profit	9,636	3,618	806	14,061	504	14,566	(2,938)	11,627
Segment assets	206,168	94,423	54,791	355,383	18,216	373,599	12,731	386,330
Other								
Depreciation	3,863	4,197	1,746	9,808	603	10,411	910	11,321
Amortization of goodwill	243	1	—	244	16	261	—	261
Investment in entities accounted for using equity method	303	—	—	303	2,756	3,059	—	3,059
Increase in property, plant and equipment and intangible fixed assets	4,697	1,791	1,648	8,137	1,188	9,326	10	9,336

Notes: 1. The "Other" category is a business segment that is not included in any reporting segment. It includes segments as follows:  
Theme Park business, Non-life Insurance business, and Real Estate business.

2. The details of the adjustment amounts are as follows.

- (1) The segment profit adjustment of -2,938 million yen is company-wide expenses not allocated to any reporting segment. It mainly comprises expenses related to parent company's headquarter administration that do not belong to a reporting segment.
- (2) The segment asset adjustment of 12,731 million yen includes elimination of inter-segment transactions of -1,177 million and company-wide assets not allocated to any reporting segment of 13,909 million yen. Company-wide assets include assets related to fund management by the parent company (cash and deposits, and securities) and assets related to administrative departments, etc.
- (3) The depreciation adjustment of 910 million yen is company-wide expenses that are not allocated to a reporting segment. It mainly comprises depreciation expenses related to parent company's headquarter administration that do not belong to a reporting segment.
- (4) The adjustment amount of 10 million yen for the increase in property, plant and equipment and intangible fixed assets is the amount of capital investment by the parent company that does not belong to a reporting segment.

3. Segment profit is adjusted with operating profit in the consolidated financial statements.

4. The EBITDA for each reporting segment is as follows:

(Millions of yen)

	Travel business	Hotel business	Kyushu Sanko Group	Other	Total
Segment profit	9,636	3,618	806	504	14,566
Depreciation and goodwill amortization	4,106	4,199	1,746	619	10,672
EBITDA(*)	13,743	7,817	2,553	1,124	25,238

(\*) EBITDA reflects segment profit plus depreciation and goodwill amortization.

[Related information]

Fiscal year ended October 31, 2024 (from November 1, 2023 to October 31, 2024)

1. Information by product and service

Since similar information is disclosed in the segment information, the descriptions are omitted.

2. Information by region

(1) Net sales

(Millions of yen)					
Japan	America	Asia	Oceania	Europe, Middle East, and Africa	Total
266,547	27,532	22,214	(596)	27,636	343,334

(2) Property, plant and equipment

(Millions of yen)					
Japan	America	Asia	Oceania	Europe, Middle East, and Africa	Total
136,333	9,048	12,956	14	5,751	164,104

3. Information for each major client

Descriptions are omitted because no one external client has sales that account for more than 10% of the sales in the consolidated income statement.

Fiscal year ended October 31, 2025 (from November 1, 2024 to October 31, 2025)

1. Information by product and service

Since similar information is disclosed in the segment information, the descriptions are omitted.

2. Information by region

(1) Net sales

(Millions of yen)					
Japan	America	Asia	Oceania	Europe, Middle East, and Africa	Total
297,089	21,969	26,541	(684)	28,189	373,106

(2) Property, plant and equipment

(Millions of yen)					
Japan	America	Asia	Oceania	Europe, Middle East, and Africa	Total
133,310	8,616	12,541	18	5,216	159,703

3. Information for each major client

Descriptions are omitted because no one external client has sales that account for more than 10% of the sales in the consolidated income statement.

[Information regarding impairment loss on fixed assets by reportable segment]

Fiscal year ended October 31, 2024 (from November 1, 2023 to October 31, 2024)

(Millions of yen)

	Reporting segment				Other Note:	Company-wide elimination	Total
	Travel business	Hotel business	Kyushu Sanko Group	Total			
Impairment losses	472	0	23	496	62	—	558

Note: "Other" is the amount related to the Theme Park business, Non-life Insurance business, and Real Estate business.

Fiscal year ended October 31, 2025 (from November 1, 2024 to October 31, 2025)

(Millions of yen)

	Reporting segment				Other Note:	Company-wide elimination	Total
	Travel business	Hotel business	Kyushu Sanko Group	Total			
Impairment losses	187	2,095	234	2,516	255	—	2,772

Note: "Other" is the amount related to the Theme Park business, Non-life Insurance business, and Real Estate business.

[Information regarding amortization of goodwill and unamortized balance by reportable segment]

Fiscal year ended October 31, 2024 (from November 1, 2023 to October 31, 2024)

(Millions of yen)

	Reporting segment				Other Note:	Company-wide elimination	Total
	Travel business	Hotel business	Kyushu Sanko Group	Total			
Amortization for the year ended October 31, 2025	327	6	—	333	16	—	349
Unamortized balance for the year ended October 31, 2025	1,914	1	—	1,916	39	—	1,956

Note: "Other" is the amount related to the Theme Park business, Non-life Insurance business, and Real Estate business.

Fiscal year ended October 31, 2025 (from November 1, 2024 to October 31, 2025)

(Millions of yen)

	Reporting segment				Other Note:	Company-wide elimination	Total
	Travel business	Hotel business	Kyushu Sanko Group	Total			
Amortization for the year ended October 31, 2025	243	1	—	244	16	—	261
Unamortized balance for the year ended October 31, 2025	1,631	—	—	1,631	23	—	1,655

Note: "Other" is the amount related to the Theme Park business, Non-life Insurance business, and Real Estate business.

[Information regarding gains on negative goodwill by reportable segment]

Fiscal year ended October 31, 2024 (from November 1, 2023 to October 31, 2024)

There is no significant negative goodwill gain.

Fiscal year ended October 31, 2025 (from November 1, 2024 to October 31, 2025)

There is no significant negative goodwill gain.