



# Presentation Materials for the 2<sup>nd</sup> Quarter of Fiscal Year Ending October 31, 2020 Financial Results (6 months ended April 30, 2020)

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June 24, 2020  
H.I.S. Co., Ltd.  
1st section of TSE: 9603

# 1. Summary of Financial Results

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# Consolidated Operating Results

(JPY million)	FY19 2Q	FY20 2Q Forecasts Revised on Jun 19	FY20 2Q	YoY	Increase/ Decrease	Major Reasons for Increase/Decrease
Net Sales	377,839	344,300	344,353	91.1%	▲33,485	Travel ▲37,241, Energy +4,725, Kyushu Sanko Group +1,238
Gross Profit	69,488	-	56,800	81.7%	▲12,688	
Operating Profit	8,979	▲1,470	▲1,469	-	▲10,449	Travel ▲7,878, HTB Group ▲3,186, Hotel ▲962 Energy +569, Other +624
EBITDA	13,372	-	5,215	39.0%	▲8,156	
Non-Operating Income	1,810	-	1,853	102.4%	43	
Non-Operating Expenses	1,915	-	1,144	59.7%	▲771	Previous FY) Foreign exchange loss ▲241
Ordinary Profit	8,874	▲760	▲760	-	▲9,634	
Extraordinary Gain	513	-	965	188.0%	451	Gain on sale of investment securities 965
Extraordinary Loss	-	-	4,051	-	4,051	Impairment loss 2,865 (Green World Hotel 1,733, Kyushu Sanko 1,132) Loss due to temporary closure 1,185
Income before Income Taxes	9,387	-	▲3,846	-	▲13,234	
Income Taxes	3,350	-	543	16.2%	▲2,806	
Net Profit Attributable to Non-Controlling Shareholders	1,072	-	▲930	-	▲2,003	Green World Hotel ▲1,028 , Huis Ten Bosch ▲588
Net Profit Attributable to Owners of Parent	4,964	▲3,460	▲3,459	-	▲8,423	

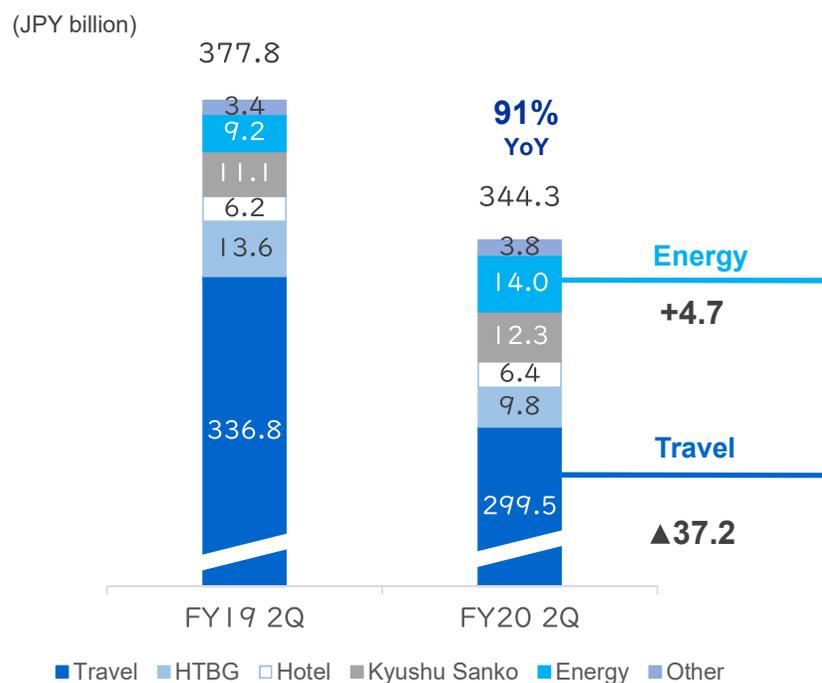
## Segment Information

(JPY million)	Segment	FY19 2Q	FY20 2Q	YoY	Increase/Decrease
Net Sales	Travel Business	336,831	299,589	88.9%	▲37,241
	Huis Ten Bosch Group	13,689	9,848	71.9%	▲3,841
	Hotel Business	6,205	6,470	104.3%	264
	Kyushu Sanko Group	11,155	12,394	111.1%	1,238
	Energy Business	9,281	14,006	150.9%	4,725
	Other	3,433	3,874	112.8%	440
	Adjustments, Eliminations, etc.	▲2,757	▲1,830	-	926
Operating Profit	Travel Business	6,201	▲1,676	-	▲7,878
	Huis Ten Bosch Group	2,680	▲505	-	▲3,186
	Hotel Business	467	▲494	-	▲962
	Kyushu Sanko Group	297	198	66.5%	▲99
	Energy Business	363	933	256.8%	569
	Other	226	851	375.3%	624
	Adjustments, Eliminations, etc.	▲1,259	▲776	-	483
EBITDA	Travel Business	8,045	919	11.4%	▲7,126
	Huis Ten Bosch Group	3,724	428	11.5%	▲3,296
	Hotel Business	1,044	1,244	119.2%	200
	Kyushu Sanko Group	750	1,170	156.1%	420
	Energy Business	399	976	244.5%	577
	Other	468	1,057	225.4%	588
	Adjustments, Eliminations, etc.	▲1,060	▲580	-	479

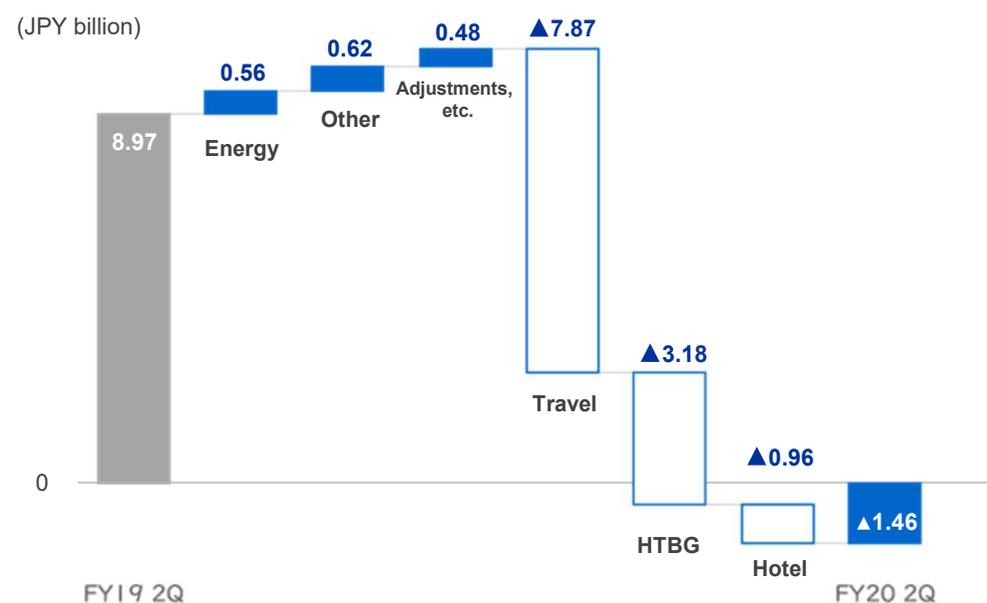
# Net Sales & Operating Profit

- Net sales decreased by JPY33.4 billion (91% YoY) due to a decrease in various demands as a result of the spread of the new coronavirus.
- Energy Business grew significantly, but business environments for major leisure businesses deteriorated, resulting in JPY1.4 billion of operating loss (JPY10.4 billion of operating profit decrease)

## Major increase/decrease of net sales



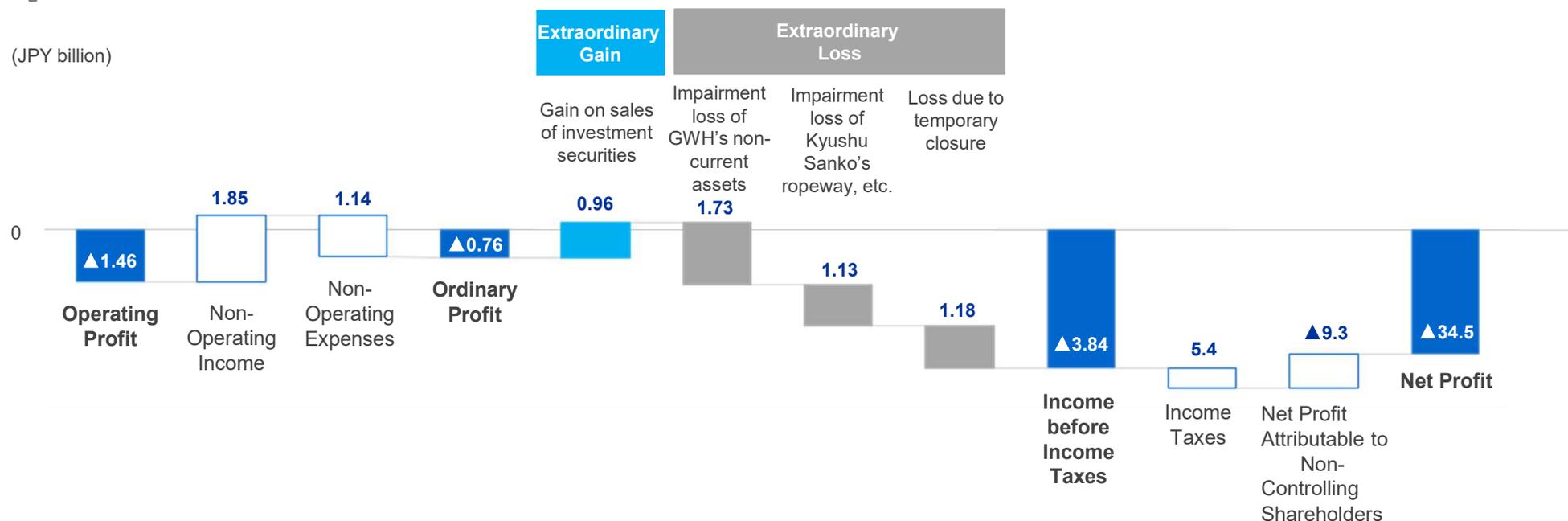
## Major increase/decrease of operating profit



## Ordinary Profit & Net Profit Attributable to Owners of Parent

- Ordinary loss was JPY0.7 billion, as the improvement in non-operating expenses reduced the amount of operating loss (JPY9.6 billion of profit decrease)
- JPY0.9 billion of extraordinary gain from the sale of investment securities was recorded, while JPY4.0 billion of extraordinary loss was recorded, resulting in JPY3.4 billion net loss (JPY8.4 billion of profit decrease)

### Major increase/decrease between ordinary profit and net profit



## Quarterly Operating Results by Business Segment

(JPY million)		FY19					FY20						
		1Q	2Q	1H	3Q	4Q	Total	1Q	2Q	1H	3Q	4Q	Total
<b>Travel</b>	Net Sales	166,617	170,213	336,831	175,444	210,188	722,464	175,320	124,269	299,589	-	-	-
	YoY	114.3%	107.8%	110.9%	116.1%	107.0%	110.9%	105.2%	73.0%	88.9%	-	-	-
	Operating Profit	4,071	2,130	6,201	1,965	5,587	13,754	2,370	▲4,046	▲1,676	-	-	-
	YoY	205.7%	94.9%	146.8%	203.0%	79.7%	112.7%	58.2%	-	-	-	-	-
	EBITDA	4,996	3,048	8,045	3,094	6,841	17,980	3,658	▲2,739	919	-	-	-
	YoY	175.2%	93.4%	131.5%	165.5%	86.0%	112.8%	73.2%	-	11.4%	-	-	-
<b>Huis Ten Bosch Group</b>	Net Sales	7,415	6,273	13,689	6,503	7,893	28,086	6,447	3,400	9,848	-	-	-
	YoY	96.9%	84.7%	90.9%	97.7%	88.1%	91.5%	86.9%	54.2%	71.9%	-	-	-
	Operating Profit	1,771	909	2,680	1,037	1,358	5,075	644	▲1,150	▲505	-	-	-
	YoY	89.7%	50.0%	70.6%	85.7%	58.8%	69.4%	36.4%	-	-	-	-	-
	EBITDA	2,289	1,435	3,724	1,561	1,889	7,175	1,166	▲737	428	-	-	-
	YoY	93.5%	62.2%	78.3%	88.2%	66.3%	76.5%	50.9%	-	11.5%	-	-	-
<b>Hotel</b>	Net Sales	3,087	3,117	6,205	3,222	3,248	12,676	3,811	2,658	6,470	-	-	-
	YoY	98.6%	100.3%	99.4%	110.5%	112.7%	105.3%	123.4%	85.3%	104.3%	-	-	-
	Operating Profit	257	210	467	▲409	▲275	▲217	311	▲805	▲494	-	-	-
	YoY	65.2%	66.0%	65.6%	-	-	-	121.0%	-	-	-	-	-
	EBITDA	520	523	1,044	151	▲136	1,059	731	512	1,244	-	-	-
	YoY	71.1%	80.0%	75.3%	33.1%	-	50.0%	140.6%	97.9%	119.2%	-	-	-

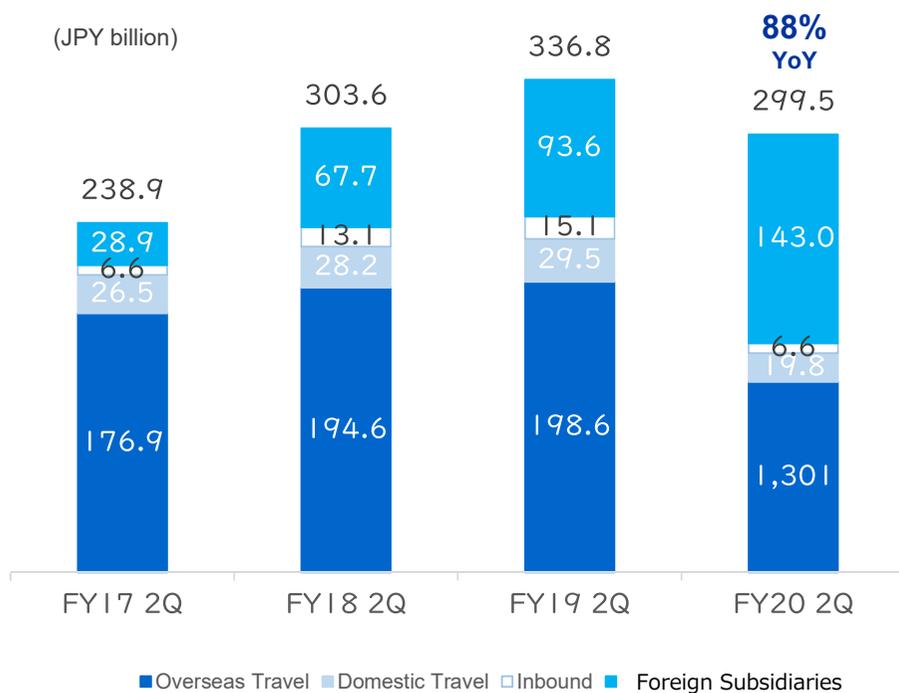
## Quarterly Operating Results by Business Segment

(JPY million)		FY19					FY20						
		1Q	2Q	1H	3Q	4Q	Total	1Q	2Q	1H	3Q	4Q	Total
<b>Kyushu Sanko Group</b>	Net Sales	5,882	5,273	11,155	5,247	5,827	22,230	6,934	5,460	12,394	-	-	-
	YoY	102.5%	103.3%	102.9%	99.4%	105.6%	102.7%	117.9%	103.5%	111.1%	-	-	-
	Operating Profit	183	114	297	▲58	▲81	158	316	▲118	198	-	-	-
	YoY	78.0%	100.0%	85.2%	-	-	39.7%	172.6%	-	66.5%	-	-	-
	EBITDA	405	344	750	182	270	1,203	801	369	1,170	-	-	-
	YoY	89.0%	98.6%	93.2%	80.7%	74.3%	86.2%	197.5%	107.2%	156.1%	-	-	-
<b>Energy</b>	Net Sales	4,014	5,266	9,281	4,606	6,574	20,461	6,291	7,715	14,006	-	-	-
	YoY	176.1%	181.0%	178.8%	167.4%	162.4%	170.7%	156.7%	146.5%	150.9%	-	-	-
	Operating Profit	118	244	363	131	479	974	268	665	933	-	-	-
	YoY	-	-	-	130.6%	-	-	225.9%	271.8%	256.8%	-	-	-
	EBITDA	135	264	399	151	499	1,050	289	687	976	-	-	-
	YoY	-	-	-	107.7%	-	-	214.2%	259.9%	244.5%	-	-	-
<b>Other</b>	Net Sales	1,556	1,877	3,433	2,479	2,463	8,376	2,058	1,816	3,874	-	-	-
	YoY	-	-	-	--	-	-	132.3%	96.7%	112.8%	-	-	-
	Operating Profit	101	125	226	221	140	590	402	448	851	-	-	-
	YoY	-	-	-	-	-	-	395.6%	358.7%	375.3%	-	-	-
	EBITDA	223	245	468	344	264	1,077	489	567	1,057	-	-	-
	YoY	-	-	-	-	-	-	218.9%	231.3%	225.4%	-	-	-

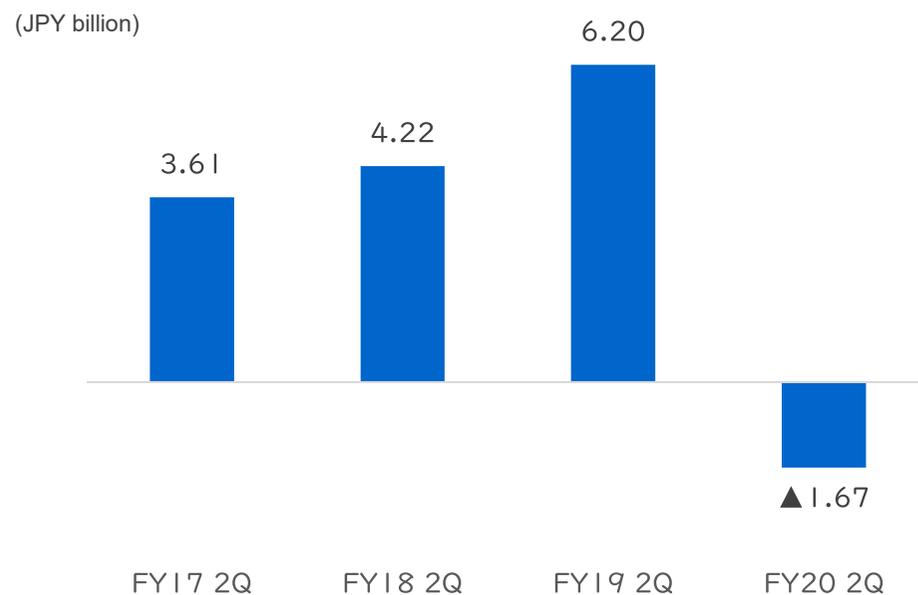
# Travel Business

Despite the contribution from the newly consolidated “Red Label”, net sales declined by JPY37.2 billion (**88% YoY**) due to a significant decline in demand caused by the impact of the new coronavirus outbreak that began to appear in late January and the strengthening of travel restrictions and other measures by various countries. In terms of profitability, **operating loss was JPY1.6 billion** (JPY7.8 billion profit decrease) despite cost-cutting and other measures.

## Net Sales



## Operating Profit



## Travel Business / Quarterly Operating Results by Sub-Segment

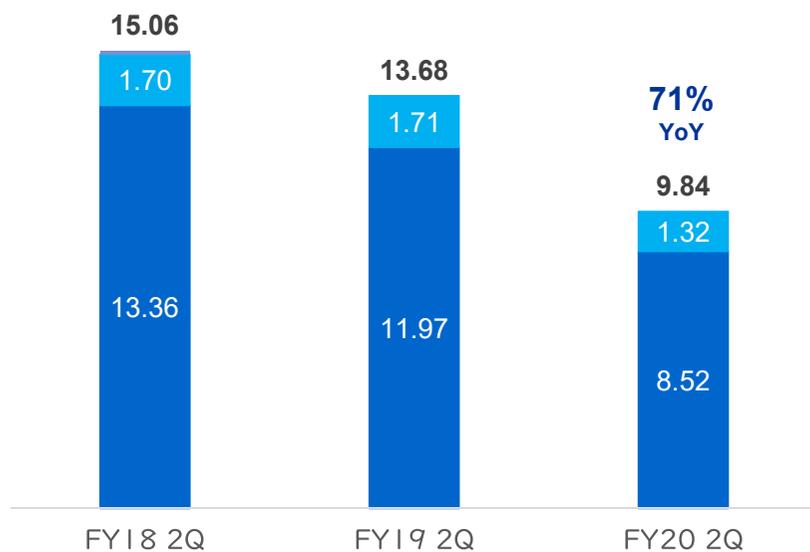
(JPY million)	FY19						FY20					
	1Q	2Q	1H	3Q	4Q	Total	1Q	2Q	1H	3Q	4Q	Total
<b>Travel Business Total Net Sales</b>	<b>166,617</b>	<b>170,213</b>	<b>336,831</b>	<b>175,444</b>	<b>210,188</b>	<b>722,464</b>	<b>175,320</b>	<b>124,269</b>	<b>299,589</b>	-	-	-
YoY	114.3%	107.8%	110.9%	116.1%	107.0%	110.9%	105.2%	73.0%	88.9%	-	-	-
International Travel from Japan / Transaction Amount	87,899	110,754	198,654	86,748	116,545	401,948	87,440	42,722	130,163	-	-	-
YoY	106.7%	114.5%	110.9%	98.9%	97.0%	103.8%	99.5%	38.6%	65.5%	-	-	-
Fuel Surcharge (included in the transaction amount above)	6,030	8,005	14,036	4,308	6,957	25,302	4,837	2,477	7,314	-	-	-
Domestic Travel in Japan / Transaction Amount	11,941	17,576	29,517	13,693	18,044	61,255	11,668	8,163	19,831	-	-	-
YoY	101.4%	106.9%	104.6%	99.3%	99.0%	101.7%	97.7%	46.4%	67.2%	-	-	-
Inbound Travel to Japan / Transaction Amount	7,116	8,075	15,192	8,375	6,430	29,997	5,849	753	6,603	-	-	-
YoY	119.5%	105.6%	111.8%	88.7%	77.8%	96.0%	82.2%	9.3%	43.5%	-	-	-
Overseas Subsidiaries / Inbound Transaction Amount	56,070	35,339	91,409	41,186	50,748	183,343	55,039	38,157	93,196	-	-	-
YoY	127.1%	106.7%	118.4%	107.3%	98.1%	109.6%	98.2%	107.9%	101.9%	-	-	-
Overseas Subsidiaries / Outbound Transaction Amount	19,719	20,213	39,933	40,124	40,242	120,298	41,865	50,606	92,471	-	-	-
YoY	104.3%	100.0%	102.1%	188.8%	205.0%	150.4%	212.3%	250.3%	231.6%	-	-	-
Eliminations of internal transactions, adjustments, etc.	▲16,128	▲21,744	▲37,874	▲14,682	▲21,821	▲74,377	▲26,541	▲16,132	▲42,675	-	-	-

# Huis Ten Bosch Group

- Net sales declined by JPY3.8 billion (71% YoY) due to a decline in attendance at Huis Ten Bosch. In terms of profitability, profit declined by JPY3.1 billion to **JPY0.5 billion of operating loss**.
- Due to the temporary closure of the park (from February 29 to March 15) as a result of the spread of the new coronavirus and the subsequent decline in demand, attendance was **79.8% YoY** at **1,040,000**.

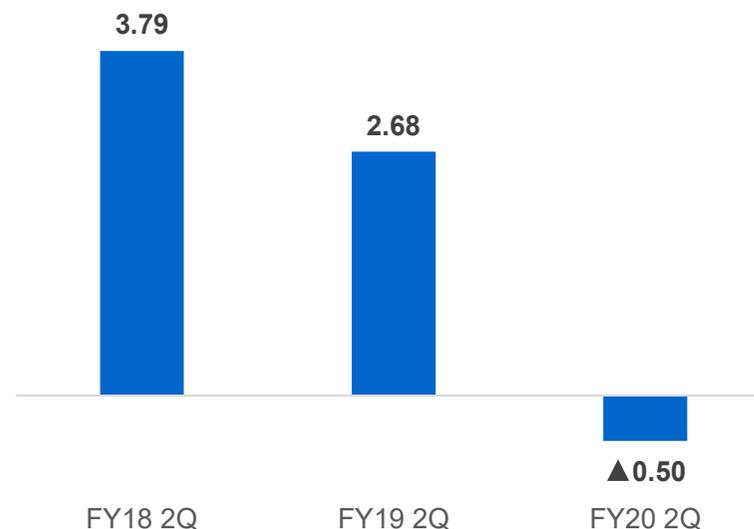
## Net Sales

(JPY billion)



## Operating Profit

(JPY billion)



■ Huis Ten Bosch ■ Laguna Ten Bosch, Other

※Financial numbers for only three fiscal years due to segment change

## Huis Ten Bosch / Non-Consolidated Quarterly Operating Results

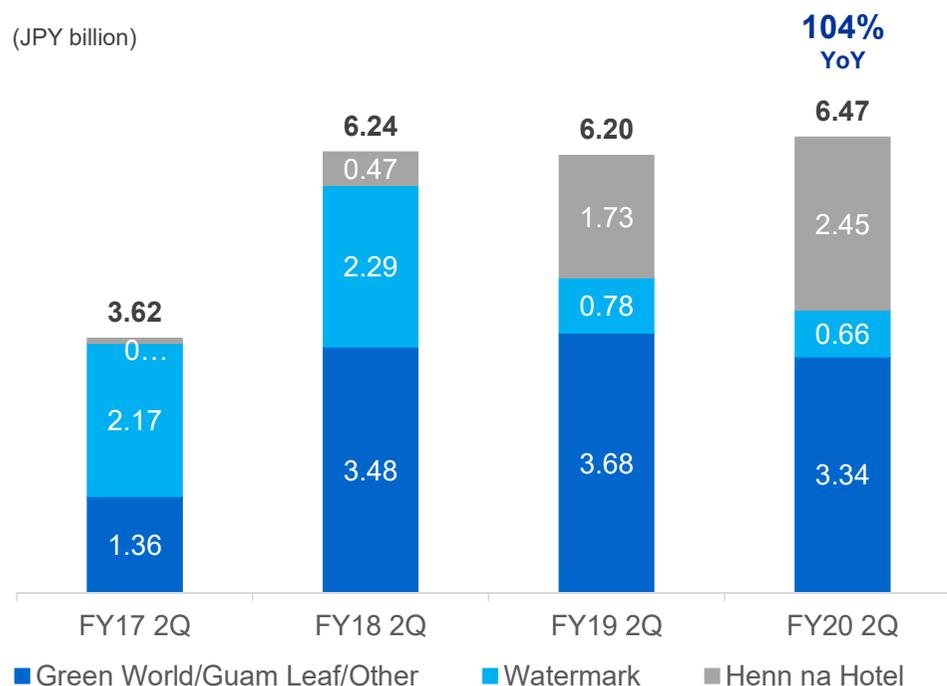
(JPY million)	FY19						FY20					
	1Q	2Q	1H	3Q	4Q	Total	1Q	2Q	1H	3Q	4Q	Total
Transaction Amount (before consolidation adjustments)	7,079	5,968	13,047	6,133	6,406	25,586	6,116	3,168	9,284	-	-	-
YoY	96.1%	83.2%	89.8%	96.7%	85.2%	90.1%	86.4%	53.0%	71.2%	-	-	-
Operating Profit	1,894	1,277	3,171	1,112	1,012	5,295	852	▲692	160	-	-	-
YoY	92.4%	61.9%	77.1%	86.5%	56.9%	73.8%	45.0%	-	5.1%	-	-	-
Attendance (10,000)	70.8	59.6	130.4	60.4	63.7	254.7	68.8	35.2	104.0	-	-	-
YoY	97.2%	89.4%	93.5%	97.0%	90.7%	93.6%	97.2%	59.0%	79.8%	-	-	-
Foreign Attendance (included in the number above, 10,000)	3.5	4.2	7.7	4.5	4.0	16.3	3.0	2.0	5.0	-	-	-
YoY	82.1%	89.3%	86.0%	89.9%	93.3%	88.7%	86.7%	47.6%	64.5%	-	-	-
Number of Hotel Guests (10,000)	7.3	7.0	14.3	6.3	7.7	28.4	6.6	3.8	10.4	-	-	-
YoY	96.1%	85.3%	90.3%	96.9%	97.5%	94.0%	90.7%	54.2%	72.6%	-	-	-
Unit Price (JPY, rounded down to the nearest hundred)	9,900	10,000	10,000	10,100	10,000	10,000	8,800	9,000	8,900	-	-	-
Increase/Decrease	-100	-770	-400	±0	-600	-400	-1,100	-1,000	-1,100	-	-	-

# Hotel Business

- Net sales increased by JPY0.2 billion (104% YoY) due to the strong performance of Guam Reef Hotel and the effect of the new opening of “Henn na Hotel”.
- Operating loss was JPY0.4 billion (JPY0.9 billion decrease in operating profit) due to a decline in room reservations at hotels in Japan and overseas, which were affected by the spread of the new coronavirus from late January.

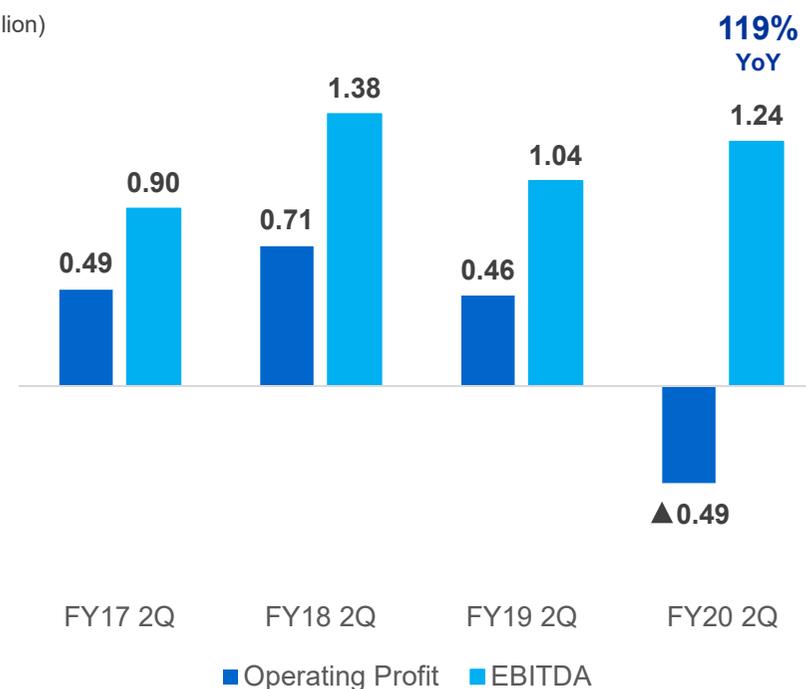
## Net Sales

(JPY billion)



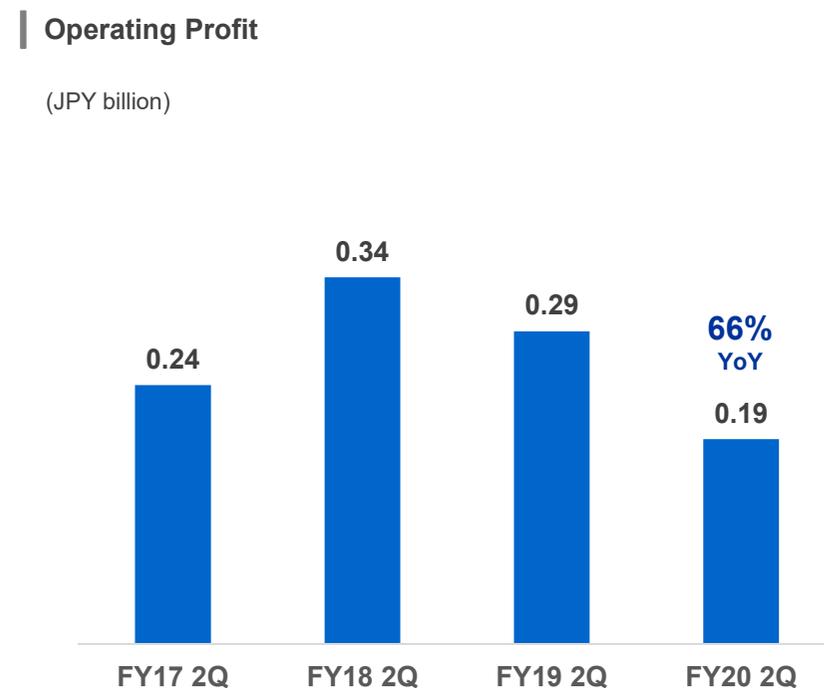
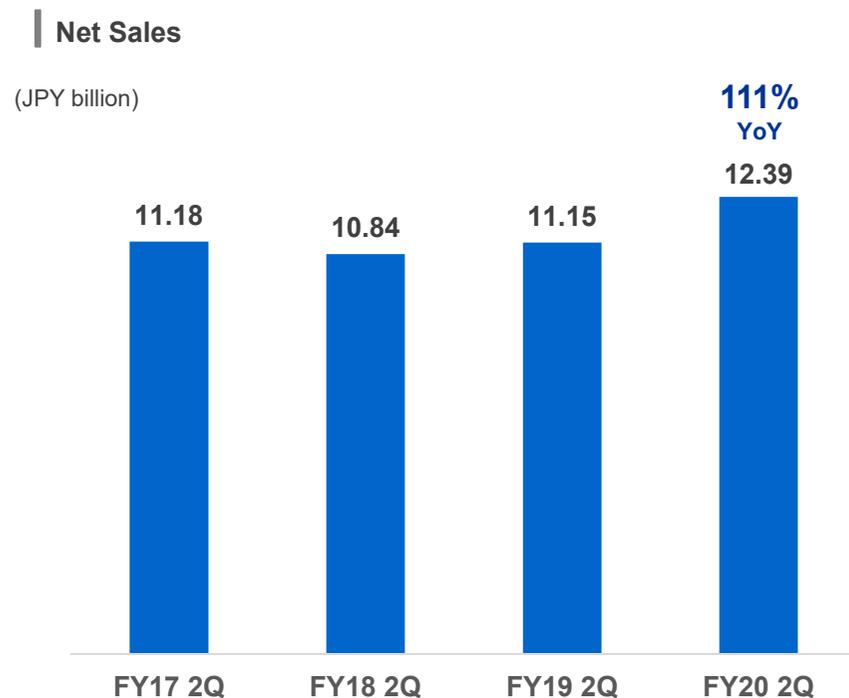
## Operating Income / EBITDA

(JPY billion)



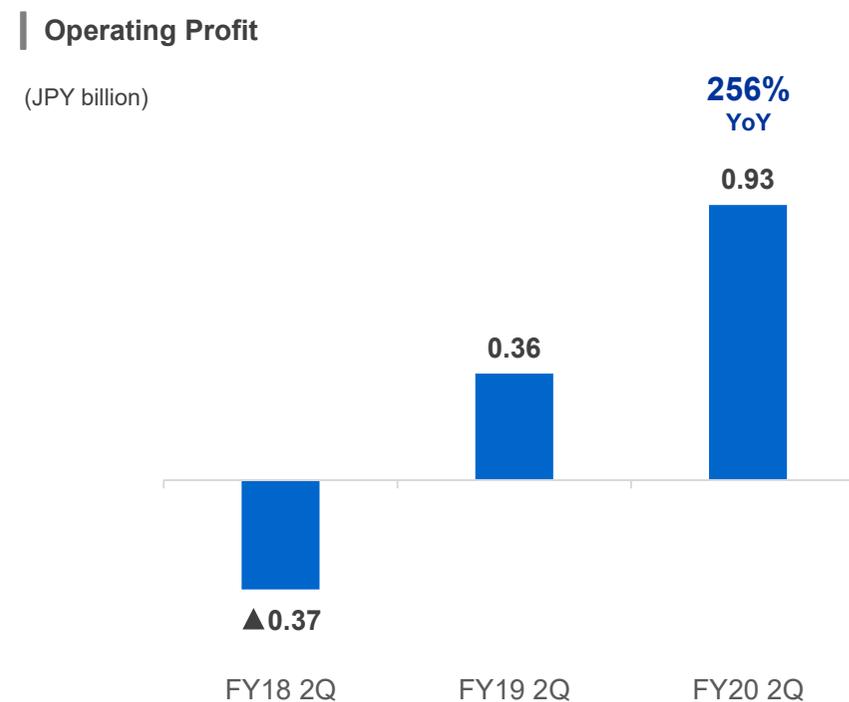
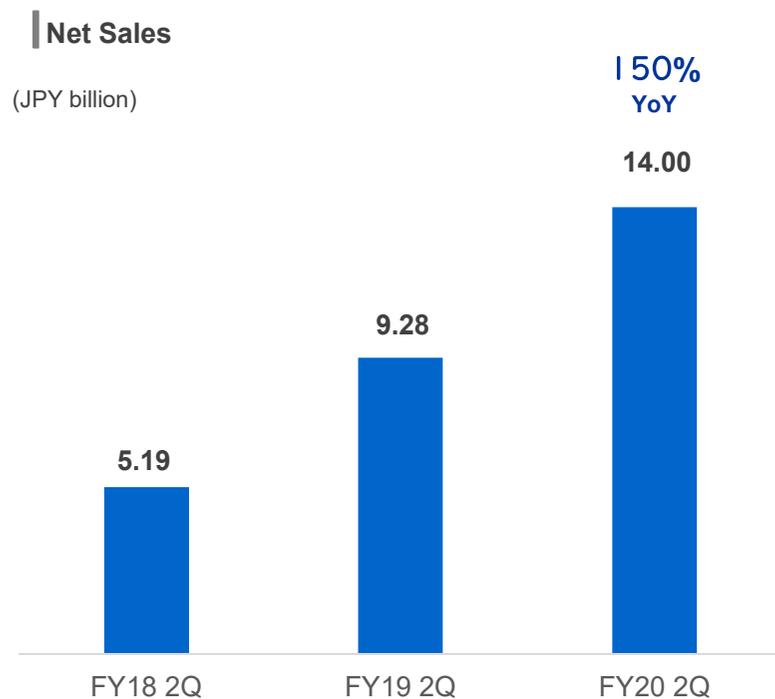
# Kyushu Sanko Group

- Net sales increased by JPY1.2 billion (111% YoY), on the back of solid performance in the real estate leasing business and marine transportation business associated with the opening of the large-scale commercial facility “SAKURA MACHI Kumamoto”.
- Operating profit declined by JPY0.09 billion (66% YoY) due to the impact of the spread of the new coronavirus in the travel and bus businesses.



## Energy Business

- Net sales increased by JPY4.7 billion (150% YoY) due to an increase in the number of contracts as a result of expanded sales by sales representatives, promotion of alliances, and stronger web advertising.
- Operating profit increased by JPY0.5 billion (256% YoY) due to a significant increase in revenue under a continued stable procurement environment.



※Financial numbers for only three fiscal years as it is a newly created segment

## Consolidated Balance Sheet (as Compared to the End of the Previous Fiscal Year)

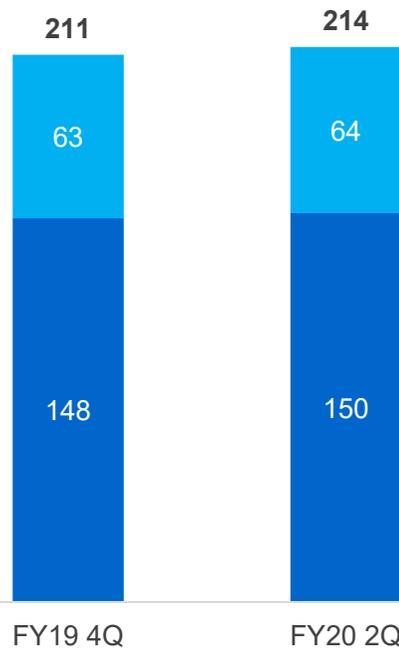
(JPY million)

	FY19 4Q	FY20 2Q	Increase/Decrease
Cash and deposits	219,175	124,320	▲94,854
Notes and accounts receivable – trade	45,653	28,262	▲17,390
Operating accounts receivable	4,287	2,694	▲1,592
Travel advance payments	52,102	35,976	▲16,126
Others	27,061	16,581	▲10,480
<b>Total current assets</b>	<b>348,280</b>	<b>207,835</b>	<b>▲140,444</b>
Property, plant and equipment	147,098	201,873	54,775
Intangible assets	19,271	18,652	▲618
Goodwill	7,305	5,817	▲1,487
Investments and other assets	55,275	53,753	▲1,522
<b>Total non-current assets</b>	<b>228,951</b>	<b>280,097</b>	<b>51,145</b>
<b>Deferred assets</b>	<b>168</b>	<b>156</b>	<b>▲11</b>
<b>Total assets</b>	<b>577,399</b>	<b>488,089</b>	<b>▲89,309</b>

	FY19 4Q	FY20 2Q	Increase/Decrease
Operating accounts payable	38,082	20,638	▲17,443
Travel advance received	92,760	44,102	▲48,658
Bonds and convertible bonds payable	55,090	55,081	▲8
Long-term loans payable	183,951	169,851	▲14,100
Others	83,605	80,782	▲2,822
<b>Total liabilities</b>	<b>453,490</b>	<b>370,457</b>	<b>▲83,032</b>
Capital stock	11,000	11,000	-
Capital surplus	3,392	3,417	24
Retained earnings	112,409	106,447	▲5,962
Treasury shares	▲28,309	▲28,065	243
Accumulated other comprehensive income	▲1,719	▲2,678	▲958
Stock acquisition rights and non-controlling interests	27,135	27,511	375
<b>Total net assets</b>	<b>123,909</b>	<b>117,632</b>	<b>▲6,276</b>
<b>Total liabilities and net assets</b>	<b>577,399</b>	<b>488,089</b>	<b>▲89,309</b>

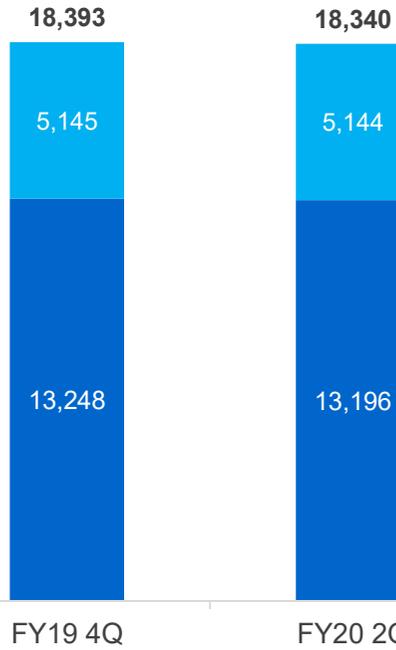
## [Reference Data] as Compared to the End of the Previous Fiscal Year

Number of Group Companies



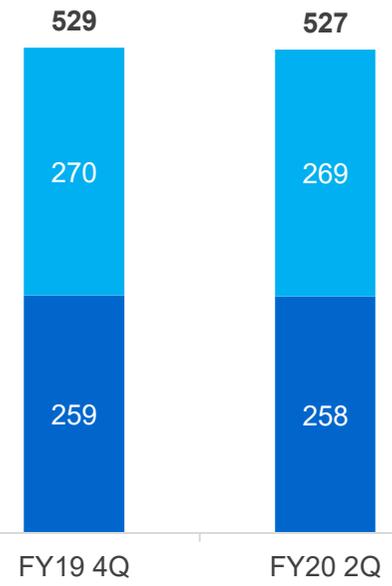
■ Consolidated subsidiaries ■ Other

Number of Employees



■ Travel Business ■ Other Businesses

Number of Sales Offices



■ Japan ■ Overseas

## 2. Management Policies

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## Consolidated Financial Forecasts

- The end of the new coronavirus infection is uncertain at this time, making it difficult to make reasonable financial forecasts. Consolidated financial forecasts for the fiscal year ending October 31, 2020 are **yet to be determined**.

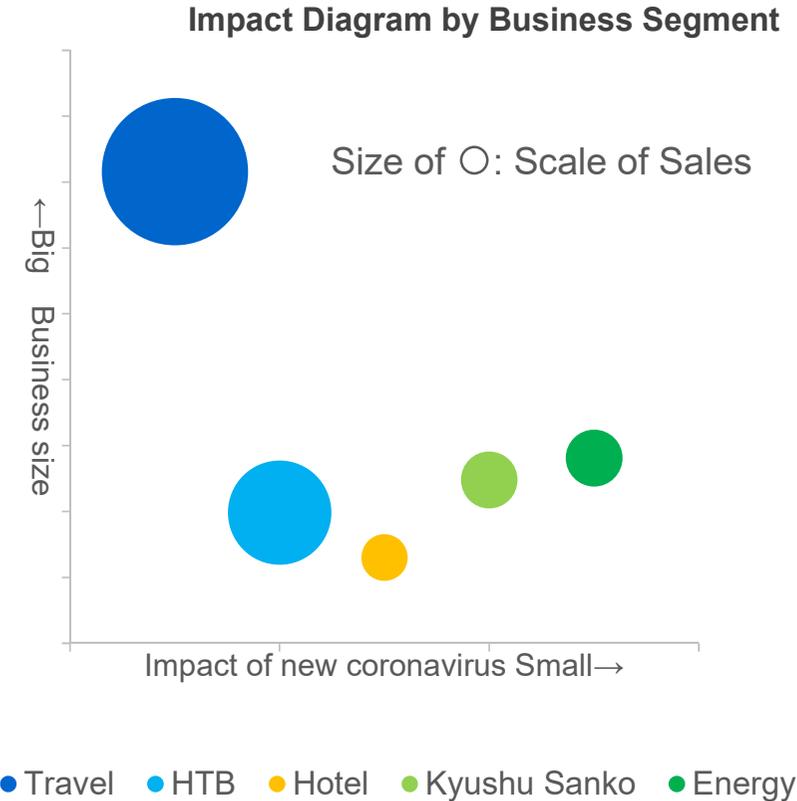
(JPY million)	FY19	FY20 Previous announcement on March 2 <sup>nd</sup>	Forecasts this time
Net Sales	808,510	775,000	<b>Yet to be determined</b>
Operating Profit	17,540	1,700	
EBITDA	27,263	13,330	
Ordinary Profit	17,089	2,800	
Net Profit Attributable to Owners of Parent	12,249	▲1,100	
EPS	JPY213.63	▲JPY19.16	
Dividend	JPY33	JPY33	



Financial forecasts  
will be disclosed  
as soon as various  
assumptions are  
available to be  
decided.

# Impact of the New Coronavirus

## Impact by Business Segment



<b>Travel</b>	The spread of the new coronavirus has had a huge impact on the travel market, with restrictions on travel between and within countries
<b>Huis Ten Bosch Group</b>	The impact has been huge as the operation has been limited to the use of outdoor facilities, and as demand has mainly been within the prefecture.
<b>Hotel</b>	The impact of the slump in domestic and international lodging demand has been significant. Slight delay in the opening plan.
<b>Kyushu Sanko Group</b>	There has been an impact on a decrease in bus traffic and in attendance to the commercial facility.
<b>Energy</b>	The electric power retail business continued to expand with a strong performance. There has been a delay in the construction of power plant.

# H.I.S. Group's Countermeasures

## Response to the Corona Disaster

### Management Countermeasures

Thorough cost reductions	<ul style="list-style-type: none"> <li>• Reducing fixed costs Executive compensation and personnel expenses</li> <li>• Reducing variable costs Controlling advertising costs Negotiation for rent reduction, etc.</li> </ul>
Ensuring liquidity on hand	<ul style="list-style-type: none"> <li>• Utilizing administrative measures in various countries Employment adjustment subsidies, etc.</li> <li>• Setting commitment lines</li> </ul>

### Countermeasures to prevent the spread of infection

Employee Work System	In order to reduce the risk of infection, all employees have basically been placed on special leave. Telework from home has been promoted for some employees who needed to work.
Countermeasures for customers	Operations have been resumed at some of its sales offices (25 offices) in major cities after safety measures were implemented to respond to in-store needs while maintaining contactless customer service, mainly through online and call centers.
Countermeasures for business partners	In order to reduce the burden of travel and risk for both parties, face-to-face meetings have been avoided as much as possible, focusing on web and teleconferencing.

※Details will be discussed in later pages as “financial policy at this time”

# HIS Group's Growth Strategies

While the transition to a holding company structure has been postponed for a while, HIS Group moves to its new headquarters to strengthen its structure. Management resources are allocated to growth areas with the aim of building a stronger business portfolio.



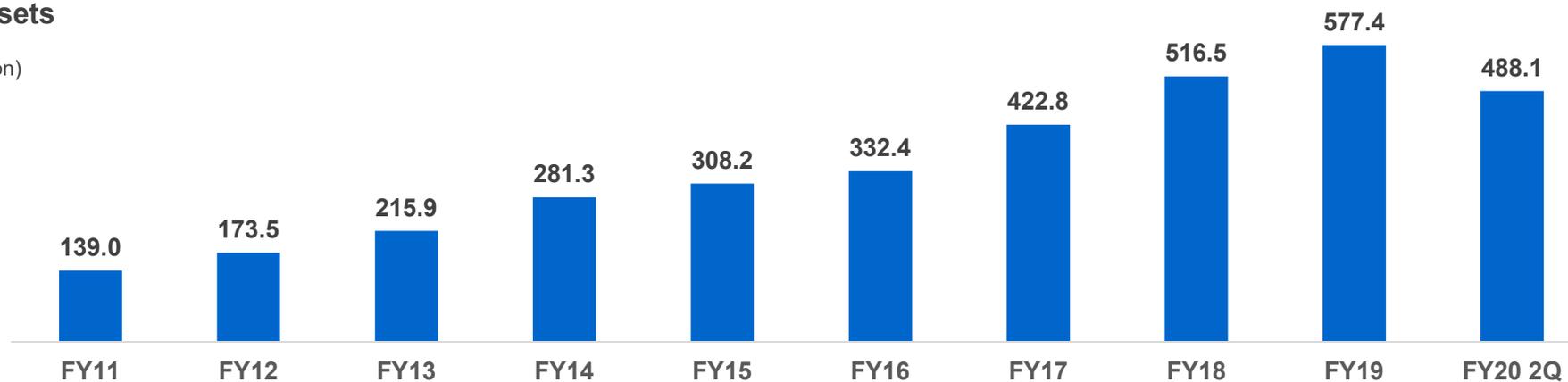
## 3. Financial Policy at This Time

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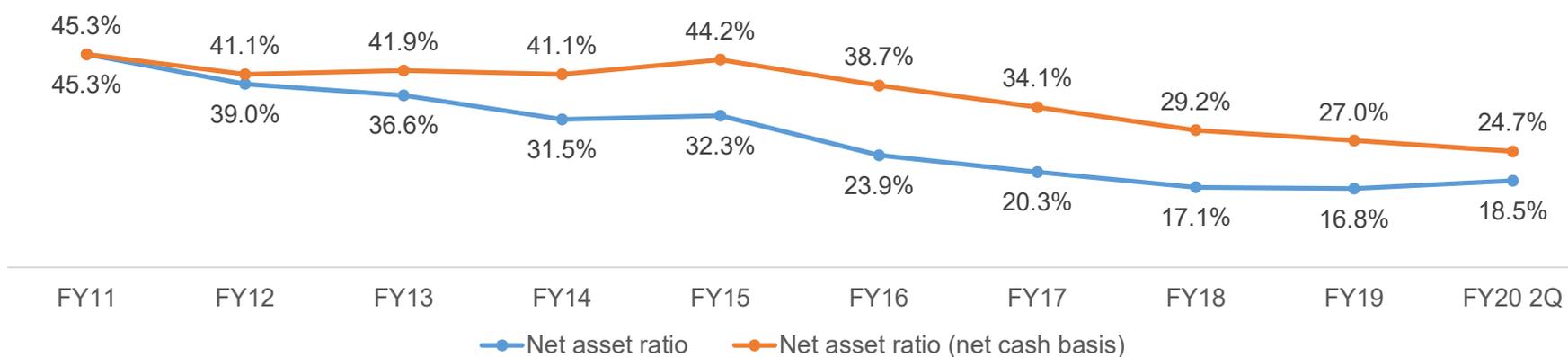
## Total Assets and Net Asset Ratio in the Last 10 years

### Total Assets

(JPY billion)



### Net Asset Ratio



©2020 H.I.S. Co., Ltd. IR Div.

## Change in the Forecasts for Funds since the Beginning of the year (HIS Non-Consolidated)

(JPY billion)	Original Forecasts		Revised Forecasts
Deposit balance	90.0		90.0
New fund raising	30.0		30.0
CF in the 2 <sup>nd</sup> half	38.0		▲24.0
Purchase of new office building	▲30.0		▲30.0
Repayment of debt	▲20.0		▲20.0
CAPEX / Expenses	▲50.0		▲50.0
Net Total	58.0		▲4.0

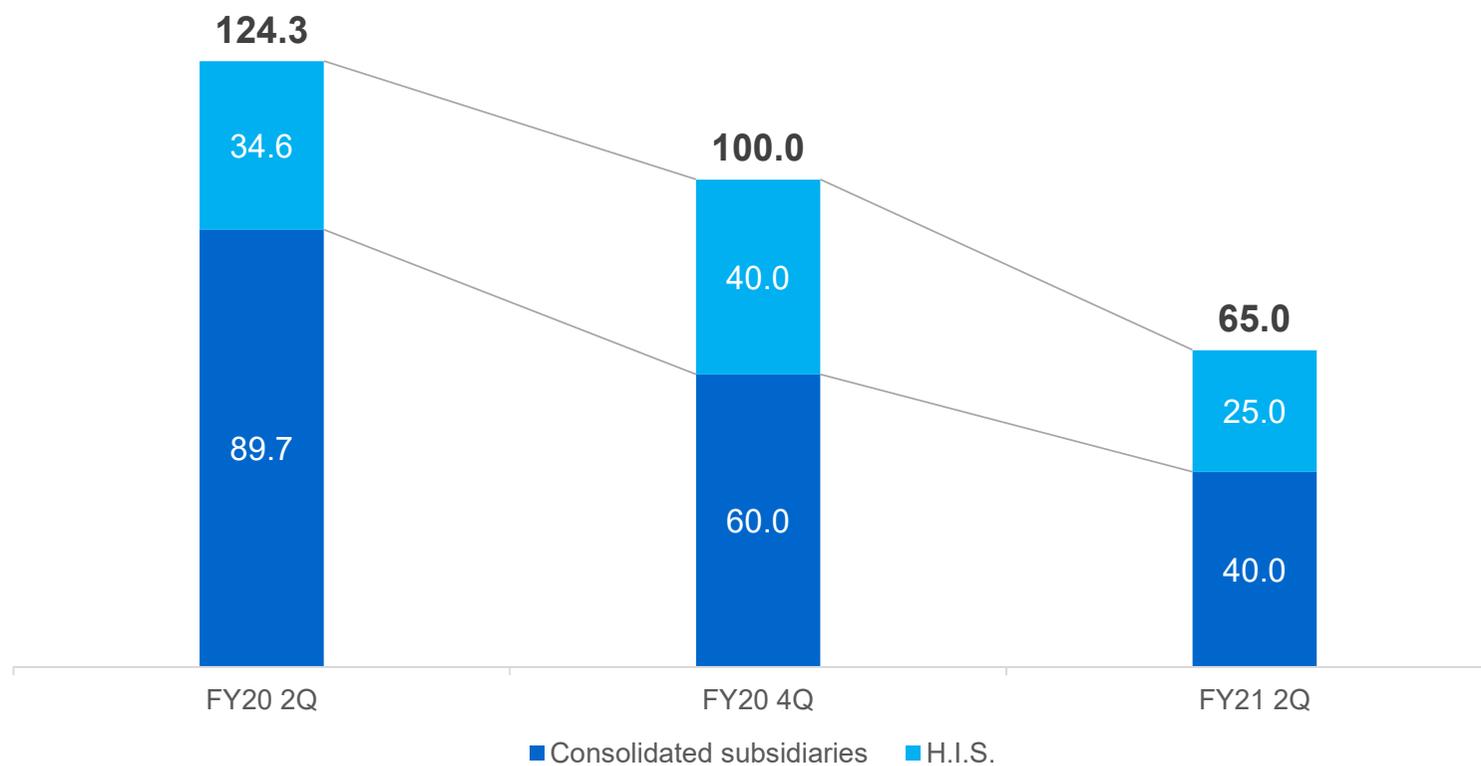
➔

Refund of advance payments received

# Fund Balance in the Next 12 Months

## Fund Balance Forecasts

(JPY billion)



## Countermeasures to Address Declining Funds

### ① Cost Reduction

(JPY billion)

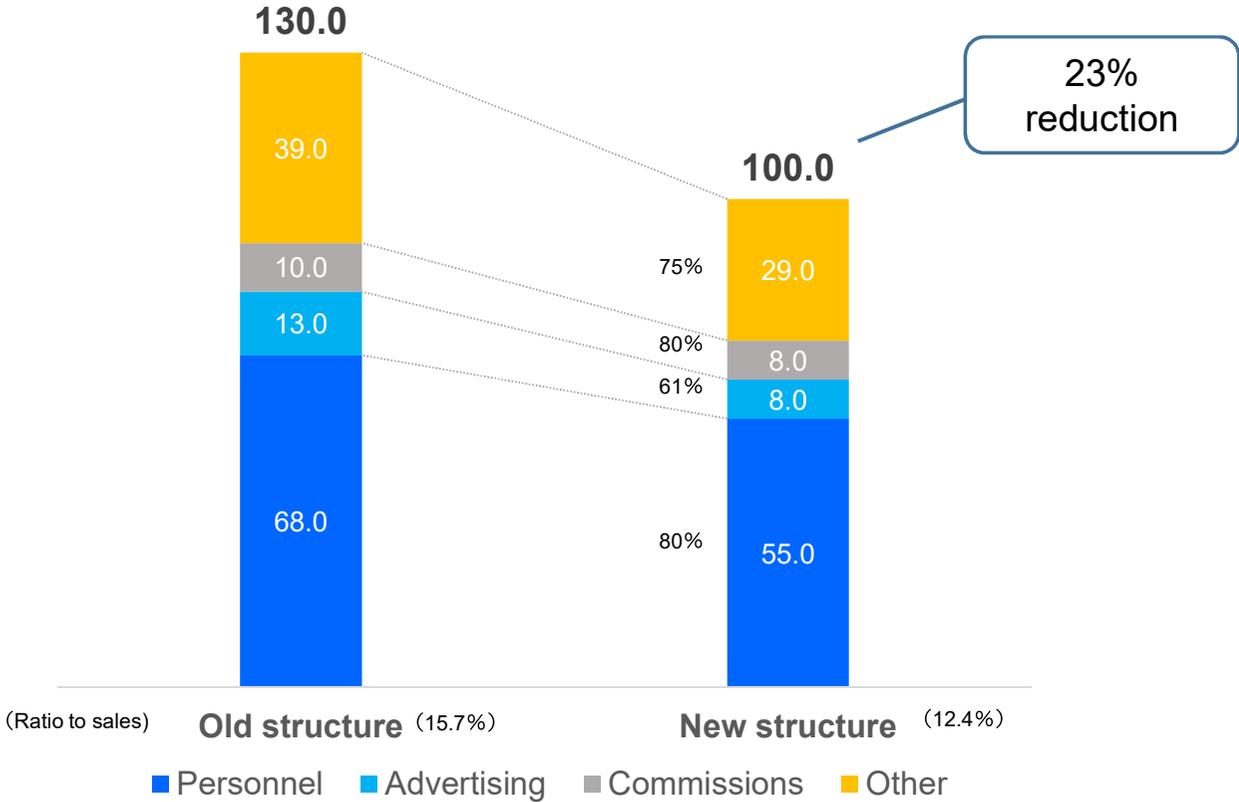
	FY2020 1H	FY2020 2H (Forecasts)	Full Year Forecasts
	Amount (YoY)	Amount (YoY)	Amount (YoY)
H.I.S.	21.7 (▲6.5)	20.0 (▲6.0)	41.7 (▲12.5)
Consolidated Subsidiaries	37.7 (5.4)	30.0 (▲6.0)	67.7 (▲0.6)
Total	59.4 (▲1.1)	50.0 (▲12.0)	109.4 (▲13.1)

**JPY130 billion of annual costs reduced to JPY110 billion**  
 ~ Further reduction in the next fiscal year and beyond ~

# Changes in Cost Structure

## Cost structure forecasts

(JPY billion)



## Countermeasures to Address Declining Funds (HIS Parent Company)

### ② CAPEX Forecasts (March 2020 ~ October 2020)

(JPY billion)

	Original Plan	Revised Plan	
System Investment	3.4	2.0	Cost rationalization
Hotel	12.3	9.7	3 cancellations 1.5 3 postponements 1.1
Real Estate, etc.	40.0	※35.0	2 cancellations 5.0

※ Already invested

### ③ New Fund Raising

Commitment lines from major banks

**JPY33.0 billion**

### **1. Strengthening net assets**

- Highest priority on improvements by securing profits
- Aiming to return to net asset ratio of 20%

### **2. Maintaining lowered break-even point by reducing costs and by improving gross margins**

### **3. Dividend Policy**

- Decisions will be made based on the dividend distributable amount while observing the business environment in the 2<sup>nd</sup> half of the year (currently undecided)
- Return to a status capable of paying stable dividends as soon as possible

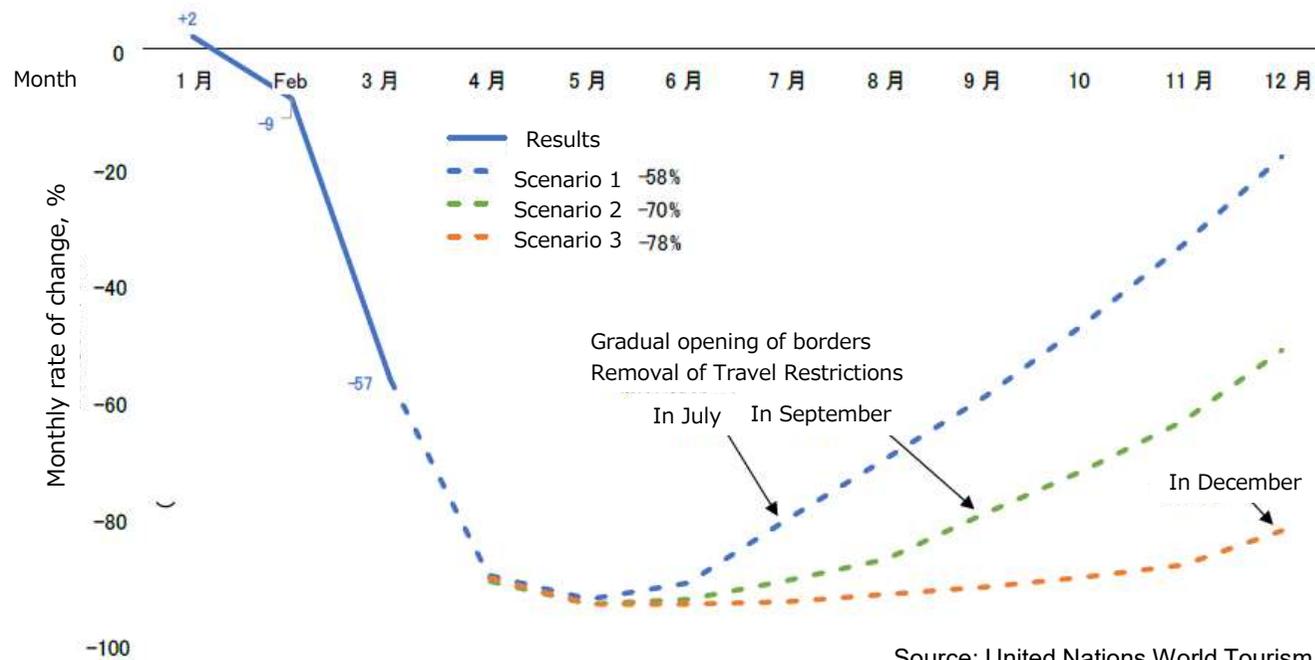
## 4. Travel Business Initiatives

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# Travel Business Outlook

Travel market recovery scenario: Despite unpredictability, recovery to be achieved in the mid/long term as vaccines are developed and infection is reduced

[Reference] International tourist arrivals in 2020: three scenarios (YoY, %)



Source: United Nations World Tourism Organization (UNWTO)

## Travel Business in Japan

---

**Demand Forecast for Leisure Travel: Recovery is expected in the following order; Non-distant domestic travel → Distant domestic travel → International travel and inbound travel**

### **HIS JAPAN's initiatives to survive the corona disaster and target next growth**

#### **① Focusing on domestic travel for now**

Corporate structure is to be developed by reallocating international travel resources to the domestic travel market

#### **② Capturing demand through "GO TO Campaign".**

Domestic project is to be started and focused on on a country-wide basis.

Group synergy is to be generated, such as the promotion of Huis Ten Bosch and HIS Group's hotels.



### Domestic Travel Restart Campaign

旅で  
日本に  
元気を。



記念写真に写る私は、いつも笑顔だ。  
旅先で出会う人々は、いつも笑顔だ。

旅って、笑顔に出会うことだと思う。  
自分の笑顔に。  
みんなの笑顔に。

さ、旅へ出かけませんか。  
久しぶりに羽を伸ばして。

美しい風景を守っている人たちが、  
のんびりくつろげる温泉を支えている人たちが、  
おいしい料理をつくってくれる人たちが、  
あなたとの出会いを心待ちにしています。

あなたの笑顔を、日本津々浦々へ。

Measures are being taken to ensure the safety and security of customers

## Travel Business in Japan

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### ③ Aiming for 50% increase in domestic travel sales

Procurement of domestic travel products is to be strengthened and dynamic packaging is to be promoted.

### ④ Strengthening the structure system for inbound travel to Japan

A full-fledged structure system is to be set up to accommodate the market, which aims to reach 60 million travelers as part of Japan's future national policy.

→ **H.I.S. Group aims to further expand the scale of business from approximately JPY46 billion, which includes the amount of sending passengers from abroad it has handled in the past**

### ⑤ Promoting digital transformation

DX Promotion Division is to be established and 20 staff members are to be assigned to the division. A new business model for travel is to be established.

# Travel Business in Japan

## Demand Forecast for International Travel: Recovery scenario by destination

Phase 1: Guam, Taiwan, Vietnam

Phase 2: Oceania, Hawaii, South Korea, Other Asia

Phase 3: Europe, Middle East

Phase 4: North America, Latin America, Africa

### ① As an international travel leading company

HIS Group is to return to full membership of JATA and is to proactively lobby the national tourism bureaus, etc. in an effort to achieve a quick recovery in demand.

### ② Providing safe and comfortable services

Utilizing HIS Group's global network (269 overseas sales offices), the latest information on immigration and other matters are to be published on a website listing all countries.

New standards for acceptance systems at travel destinations are to be formulated in response to changes in travel styles with measures to prevent the spread of the new coronavirus (Phase 1 has already been formulated; moving to Phase 2).

### ③ Preparing for "After corona"

Turning a crisis into an opportunity and preparing for a fast turnaround. Aiming to further expand its share of the international travel transaction amount.

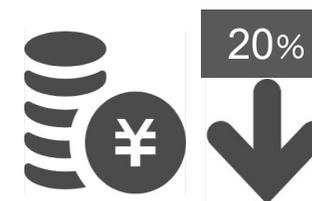
→ **Development of travel products for the recovery phase such as Guam tour with no cancellation fee until 2 days before departure**

## Travel Business Overseas

### Toward “After Corona” 【Thoroughly preparing for the recovery phase】

#### ◆ Fixed costs are to be reduced, including labor costs

Reduction target: 20% reduction in SGA

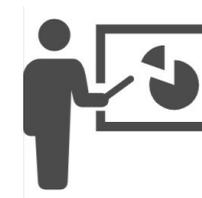


#### ◆ New standards are to be formulated for accepting inbound travelers in response to the new normal of travel patterns

Measures to prevent the spread of the new coronavirus in cooperation with Japan

#### ◆ Human resources who can be active in various fields are to be nurtured

Education via web seminars and promotion of digitalization



# Travel Business Overseas

## New marketing in the travel business 【 Creating new demands 】

### ◆ Online Experience Tour (HIS USA)

Engagement with customers is to be secured toward demand recovery period

Branding as a market leader

A subscription model is to be introduced in travel products as a trial

Success model is to be scaled out to the whole world

Very-well accepted: “Stay Home” campaign  
【 # To the Beautiful World Again 】  
Optional tours that can be enjoyed because of now,  
that are delivered directly from destinations



お気に入りに追加する  比較する

定額プラン対象

【ペルー時間6月26日】行った気になる観光セミナー～天空の遺跡マチュピチュ～

★★★★★ クチコミ (49)

\$10

Example of a travel product

# Travel Business Overseas

## New challenges outside of the travel business 【 Establishing a new profit model 】

◆ Product sales and EC site business



◆ Worker dispatch business



◆ Overseas remote business trip  
(on behalf of client) [Rental HIS]

◆ Food Business



◆ Sowing seeds in peripheral areas to establish new businesses

@Silicon Valley



How Rental HIS works

## 5. Initiatives of Each Business Segment

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# Huis Ten Bosch Group

## Theme Park Operations (as of June 24)

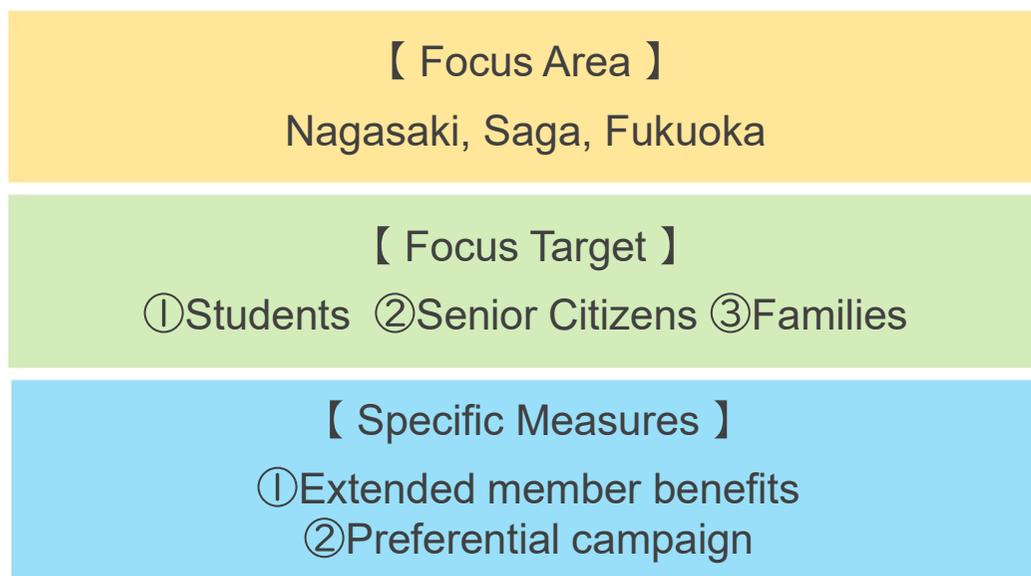
<p><b>Huis Ten Bosch</b></p>	<ul style="list-style-type: none"> <li>• May 16~Jun 18 Operation for customers living in Nagasaki Prefecture only</li> <li>• Jun 19~Jun 30 Lifting of Nagasaki Prefecture limitation, operation with more facilities</li> <li>• Each hotel is to re-start operation Jun/19~ Hotel Amsterdam Jul/1~ Hotel Europe, Forest Villa, Henn na Hotel</li> </ul>
<p><b>Laguna Ten Bosch</b></p>	<ul style="list-style-type: none"> <li>• Reduced-hour operation Theme park “LAGUNASIA” Jun/27~Normal operation Shopping mall “Festival Market” Jul/1~Normal operation</li> <li>• Normal operation Henn na Hotel Thalassotherapy facility Natural Hot Spring «Laguna Hot Spring»</li> </ul>

Infection prevention measures to ensure that guests can enjoy the park with safety and comfort



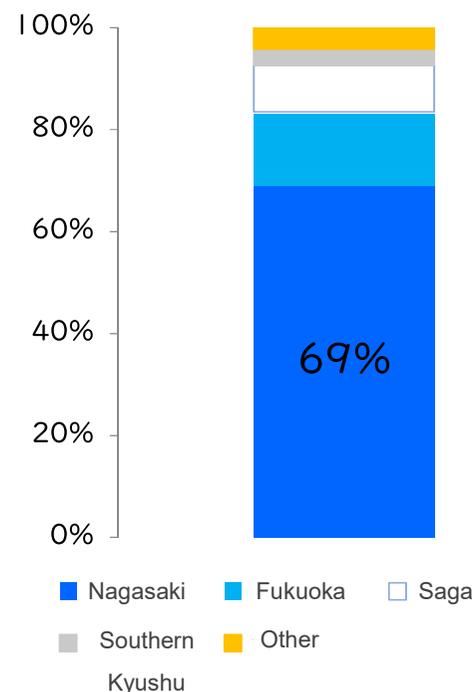
# Huis Ten Bosch Group

Promoting micro-tourism (travel to neighboring areas): Increasing the number of annual passport members.



Reservations for accommodation campaign utilizing subsidies by Nagasaki Prefecture and Sasebo City started on Tuesday, June 2  
→ Both Part 1 and 2 were well accepted and sold out

Annual Passport membership ratio

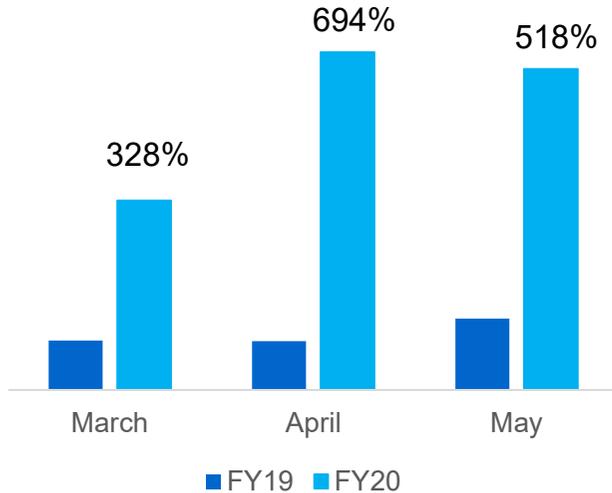


# Huis Ten Bosch Group

For customers who are unable to visit the park frequently due to the corona crisis... Strengthening EC

Attractive foodstuffs from Nagasaki Prefecture that are related to "food" included, the ultimate goal is to spread the Kyushu brand through cooperation between each prefecture and region in Kyushu.

YoY comparison of EC sales



ハウステンボス通販～ショッピングの城～ 会員特典!

お買い物をすればするほどお得なポイントサービス開始!!

たまる 使える

お買上金額 100円毎で1ポイント進呈!!

1ポイント=1円で お買い物に使えます!!

詳しくはこちら!

3,980円以上のご購入で

**送料無料!!**

FREE

賞味期限間近商品

賞味期限が近い商品を いつもよりお得な価格で

※オンラインショップは随時変動致します

長崎県 企業サポート

地元長崎県の企業を応援

# Huis Ten Bosch Group

Evolving the moving resort of flowers & light ... developing events that can be enjoyed all year round on a vast site



Tulips =  
Huis Ten Bosch

Roses =  
Huis Ten Bosch

Flowers =  
Huis Ten Bosch

フラワーリズム

Flower Tourism

**Becoming the No.1 moving flower and light resort in the East**

Flower Tourism is...  
**A New Purpose Trip Only in Huis Ten Bosch with flowers (fireworks) and spectacular operas as the main attraction.**



# Hotel Business

- New plans are to be launched to help with new lifestyles and telework practices.
- Despite some delays in the opening plan, “100 Hotel Plan” continues to be developed.

## New Plan in response to Corona

### "Business Package" - for extended stays

"Business Package" is to be offered for 6 days (5 nights) up to 16 days (15 nights) at a maximum, one guest room per person, at 12 Henn na Hotels across Japan. Wi-Fi is free in the hotel and in all guest rooms, which can be used as a personal office.

### "RoBoHoN room" for those with small children

At three hotels in the Kanto and Kansai regions, a plan that allows families to make effective use of their hotels by letting their children play with the communication robot "RoBoHoN" while their parents telework, is to be offered.

## Domestic Hotel Situation and Outlook

### Current Situation

Business demand is on a recovery trend, and the number of hotel rooms both booked and actually stayed in Tokyo is on an upward trend as compared to May. On the other hand, leisure demand still remains weak.

### Outlook

It is assumed that the “GOTO campaign” will be highly appealing to leisure demand, but as unit prices are expected to fall, a full-scale recovery is not expected until next spring.

# Hotel Business

Name of Hotel	Location	Opened / Acquired	# of Guest Rooms
Henn na Hotel Kansai Airport	Izumisano City, Osaka	2019/11/1	97
Henn na Hotel Kanazawa, Korinbo	Kanazawa City, Ishikawa	2019/12/24	131
Watermark Hotel Kyoto	Kyoto City, Kyoto	2020/10	122
Henn na Hotel Nara	Nara City, Nara	2020/10	104
Komatsu	Komatsu City, Ishikawa	2020 autumn	100 (tentative)
Cappadocia (tentative)	Turkey	2020 winter	288
Henn na Hotel New York (tentative)	New York, USA	2021 spring	92
Seoul	South Korea	2021 summer	100 (tentative)
Ise	Taki Town, Mie	2021 autumn	200 (tentative)
Tashkent	Uzbekistan	2021 autumn	TBD
Sendai	Sendai City, Miyagi	2021 autumn	150 (tentative)
Pamukkale	Turkey	2023 autumn	300 (tentative)

 Already started operations

## Other Areas under consideration

**36 hotels in 4 countries** ※as of Jun 24, 2020

### Japan

Hokkaido, Tohoku, Chubu,  
Chugoku/Shikoku, Kyushu, Okinawa

### Overseas

Oceania, Southeast Asia  
Central Asia

## Kyushu Sanko Group

- Kyushu Sanko Group aims to revitalize the central area of Kumamoto City with the large-scale commercial facility "SAKURA MACHI Kumamoto" as its core.
- In the bus business, thorough measures to prevent the spread of corona infection have been taken while implementing measures such as reducing the number of services. Operation continues for those who need to go out.



# Energy Business

- The electric power retail business is to further strengthen marketing, aiming to acquire more customers
- In the power generation business, preparations are underway for the start of operations by the end of this year, despite delays in the power plant construction



Three different discounts per lifestyle and amperage!  
Ultra Series with discounts on both basic and metered rates!



Contracted electric power volume  
Steady growth in contracted electric power volume



“HIS Kakuda Biomass Park” as of April 12, 2020

## Disclaimer

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