



## **Presentation Materials for the Fiscal Year Ended October 31, 2024 Financial Results**

**H.I.S. Co., Ltd.  
March 31, 2025  
Prime Market of TSE: 9603**

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## **Effects in Relation to Employment Adjustment Subsidies, etc. Received by H.I.S. and Its Consolidated Subsidiaries**

## Total Amount of Employment Adjustment Subsidies, etc. Received and Amount Returned or Reserved

**HIS**

(million yen)

Company Name	HIS	No.1 Travel Shibuya	Other Consolidated Subsidiaries		Total Amount
Total Amount of Employment Adjustment Subsidies, etc. Received	24,264	109	709	3,563	28,647
Returned or Reserved	6,256	142	2,029		8,428
	Returned on 2025/3/19	Returned on 2025/1/31	Reserved (Amount to be returned is subject to future decision by the Department of Labor)		
Decision	Improper Receipt	Fraudulent Receipt	Fraudulent Receipt 2 Companies	Improper Receipt 14 companies	Fraudulent Receipt (3 companies) Improper Receipt (15 companies)
Facts	The amount of employment adjustment subsidies, etc. received during the period from March 2020 to December 2022 that are not compliant with the requirements for receipt are returned. It was confirmed that there were about 413,000 days on which it was estimated that some work was performed on special leave days but attendance was not recorded. (Business system was operated once a day on 31% of the days, 35% 2-5 times, 12% 6-10 times, etc.) There was a lack of enforcement of the rule that work should not be carried out on "holidays," even if it was just one email.	The company filed a false application claiming that the employee was absent from work during the period from March 2020 to March 2023, and fraudulently received employment adjustment subsidies, etc. The company created false time cards that differed from the actual work status and applied for the subsidies.	<p>▶Cruise Planet It was recognized that there was fraudulent receipt of subsidies and management misconduct, including "the president tacitly approving and instructing employees to work during special leave" and "directors instructing the creation of false attendance records."</p> <p>▶Ohshu Express Limited The company had its own practice of not counting short-time work as attendance, and the application clerk and the directors were found to have willful intent to receive excessive subsidies. Although the company was found to have committed fraudulent receipt, but not management fraud.</p>	Although there were multiple employees who worked without recording their work during the special leave days, none of them were found to have received instructions from their supervisors to work and not to record their work. The magnitude of improper receipt at each company varied, with some companies receiving only a few percent of all applications, while nearly half of all applications were estimated to be improperly received for others.	

\*Surveyed = 24 companies in total (22 companies were surveyed because 2 companies with 100% secondment being applied by the parent company)

## Impact on Financial Results



### Impact on Financial Statements

Prior period adjustments were made from FY20, when employment adjustment subsidies, etc. started to be received, to FY23  
The numbers for each year were reduced as follows because the amount received was recorded mainly in extraordinary gain (subsidy income).

(million yen)

	FY20	FY21	FY22	FY23	FY24	FY25	Total
Mainly Extraordinary Gain	▲2,110	▲3,764	▲2,290	▲232	▲24	▲6	▲8,428

### Impact on Future Financial Results

#### Financial Impact

All returns have been made from cash on hand and are expected to continue to be made from cash on hand.  
Returns of approximately 6.4 billion yen for HIS and Number One have already been made. Future returns for subsidiaries will be made as soon as the amounts are finalized.

#### Impact on Cash on Hand

H.I.S. Group has currently secured working capital, but will consult with financial institutions regarding investments necessary for continued growth in the future.

#### Possibility of Recording Other Expenses

Recording the estimated costs of the investigation and for measures to prevent recurrence is assumed.  
Financial forecasts have been prepared in consideration of these factors

## **Summary of Financial Results for the Fiscal Year Ended October 2024**

## Summary of Consolidated Financial Results

**HIS**

Sales **grew in all segments by more than double digits from the previous year**. The travel business, in particular, showed significant growth of 81.6 billion yen from the previous year, or 140% of the previous year, leading to favorable results

Despite an increase in expenses, **operating profit was 663% YoY, a significant profit growth**, due to steady gross profit

(million yen)	FY23	FY24	YoY (%)	YoY (Amount)	Financial Forecasts	Difference vs Forecasts	Major Reasons for YoY Increase/Decrease (Amount)
<b>Net sales</b>	<b>252,205</b>	<b>343,334</b>	<b>136%</b>	<b>+91,128</b>	<b>360,000</b>	<b>△16,665</b>	Travel +81,624, Hotel +5,052
Gross Profit	83,077	110,617	133%	+27,539			
SG&A Expenses	81,442	99,762	122%	+18,320			
<b>Operating Profit</b>	<b>1,635</b>	<b>10,854</b>	<b>664%</b>	<b>+9,219</b>	<b>11,000</b>	<b>△145</b>	Travel +8,156, Hotel +2,470
EBITDA	12,583	22,202	176%	+9,619			
Non-Operating Income	2,961	3,154	107%	+193			
Non-Operating Expenses	2,949	3,557	121%	+607			
<b>Ordinary Profit</b>	<b>1,646</b>	<b>10,451</b>	<b>635%</b>	<b>+8,805</b>	<b>11,000</b>	<b>△548</b>	
Extraordinary Gain	1,395	1,101	79%	△294			
Extraordinary Loss	4,324	3,026	70%	△1,298			
Income before Income Taxes	△1,282	8,526	-	+9,808			
Income Taxes	638	△1,090	-	△1,729			
Net Profit Attributable to Non-Controlling Shareholders	707	899	127%	+192			
<b>Net Profit Attributable to Parent Company Shareholders</b>	<b>△2,628</b>	<b>8,717</b>	<b>-</b>	<b>+11,345</b>	<b>Not Decided</b>	<b>-</b>	

\*Revised on  
Dec 20, 2024

## Operating Results by Business Segment

**HIS**

(million yen)		FY23	FY24	YoY	Difference vs Previous Period	Difference vs Forecasts
<b>Net Sales</b>	Travel Business	202,348	<b>283,972</b>	140%	+81,624	△13,028
	Hotel Business	17,937	<b>22,989</b>	128%	+5,052	△1,011
	Kyushu Sanko Group	21,676	<b>23,985</b>	111%	+2,309	△15
	Others	11,989	<b>15,853</b>	132%	+3,863	△2,147
	Adjustments, Eliminations, etc.	△1,745	△ <b>3,467</b>	-	△1,722	△467
	Total	252,205	<b>343,334</b>	136%	+91,128	△16,666
<b>Operating Profit</b>	Travel Business	1,145	<b>9,302</b>	812%	+8,156	△678
	Hotel Business	577	<b>3,047</b>	528%	+2,470	△253
	Kyushu Sanko Group	58	<b>434</b>	750%	+376	84
	Others	371	<b>219</b>	59%	△152	△151
	Adjustments, Eliminations, etc.	△518	△ <b>2,149</b>	-	△1,631	851
	Total	1,635	<b>10,854</b>	664%	+9,219	△146
<b>EBITDA</b>	Travel Business	5,197	<b>13,476</b>	259%	+8,279	-
	Hotel Business	4,700	<b>7,119</b>	151%	+2,418	-
	Kyushu Sanko Group	1,791	<b>2,178</b>	122%	+386	-
	Others	888	<b>805</b>	90%	△83	-
	Adjustments, Eliminations, etc.	4	△ <b>1,377</b>	-	△1,382	-
	Total	12,583	<b>22,202</b>	176%	+9,619	-

※ Effective from the 1Q of the current fiscal year, the business segments have been changed from the previous 4 segments of "Travel Business", "Theme Park Business", "Hotel Business", and "Kyushu Sanko Group" to 3 segments of "Travel Business", "Hotel Business" and "Kyushu Sanko Group". Accordingly, Laguna Ten Bosch Co., Ltd. has been changed from "Theme Park Business" to "Others". Comparisons with the previous fiscal year are made by restating the figures after the segment change. For details, please refer to "2. Quarterly Consolidated Financial Statements and Main Notes (4) Notes to the Quarterly Consolidated Financial Statements (Segment Information, etc.) in the Kessan Tanshin (Consolidated Financial Results Brief Report)



## Quarterly Consolidated Income Statement

**HIS**

(million yen)	FY23					FY24				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Net Sales	46,243	56,768	61,067	88,125	252,205	80,279	80,650	76,407	105,996	343,334
YoY	138.9%	164.4%	190.0%	206.0%	176.7%	173.6%	142.1%	125.1%	120.3%	136.1%
Cost of Sales	31,228	37,417	40,412	60,070	169,128	53,698	53,989	51,637	73,391	232,716
Gross Profit	15,015	19,351	20,655	28,054	83,077	26,580	26,661	24,769	32,605	110,617
GP Margin	32.5%	34.1%	33.8%	31.8%	32.9%	33.1%	33.1%	32.4%	30.8%	32.2%
SG&A Expenses	18,866	18,774	21,348	22,453	81,442	23,347	24,365	25,097	26,952	99,762
Operating Profit	△3,851	577	△692	5,601	1,635	3,233	2,295	△327	5,652	10,854
YoY	-	-	-	-	-	-	-	-	-	663.8%
O/P Margin	-	1.0%	-	6.4%	0.6%	4.0%	2.9%	-	5.3%	3.2%
EBITDA	△1,303	2,876	2,154	8,850	12,583	6,417	5,741	2,947	8,472	22,202
Non-Operating Income	450	761	1,127	621	2,961	604	1,234	436	879	3,154
Non-operating Expenses	847	590	681	829	2,949	682	845	739	1,290	3,557
Ordinary Profit	△4,248	747	△246	5,393	1,646	3,155	2,685	△630	5,241	10,451
YoY	-	-	-	-	-	-	-	-	-	634.9%
Net Profit	△4,110	△786	△1,058	3,327	△2,628	2,373	1,275	△68	5,137	8,717
YoY	-	-	-	14.1%	-	-	-	-	154.4%	-

## Quarterly Operating Results by Business Segment



(million yen)		FY23					FY24				
		1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
<b>Travel</b>	Net Sales	34,633	45,120	49,166	73,427	202,348	65,578	65,785	62,826	89,782	283,972
	YoY	358.2%	345.2%	293.4%	261.0%	299.2%	189.4%	145.8%	127.8%	122.3%	140.3%
	Operating Profit	△3,543	206	△478	4,961	1,145	2,373	2,341	△372	4,959	9,302
	YoY	-	-	-	-	-	-	1132.7%	-	100.0%	811.8%
<b>Hotel</b>	Net Sales	4,022	4,203	4,669	5,041	17,937	5,811	5,657	5,717	5,803	22,989
	YoY	219.3%	241.9%	183.8%	162.9%	194.8%	144.5%	134.6%	122.5%	115.1%	128.2%
	Operating Profit	△46	96	207	320	577	1,035	735	847	428	3,047
	YoY	-	-	-	-	-	-	765.1%	408.1%	134.0%	527.5%
<b>Kyushu Sanko Group</b>	Net Sales	5,487	5,251	5,342	5,594	21,676	6,002	5,954	5,964	6,063	23,985
	YoY	116.0%	136.1%	115.0%	118.5%	120.7%	109.4%	113.4%	111.6%	108.4%	110.7%
	Operating Profit	32	74	△55	6	58	230	62	59	82	434
	YoY	-	-	-	-	-	702.9%	83.7%	-	1269.1%	749.6%
<b>Others</b>	Net Sales	2,439	2,644	2,400	4,508	11,993	3,610	4,009	3,030	5,202	15,853
	YoY	13.9%	16.3%	27.8%	60.5%	24.0%	148.0%	151.6%	126.3%	115.4%	132.2%
	Operating Profit	△248	△15	△70	705	371	119	△13	△190	304	219
	YoY	-	-	-	-	-	-	-	-	43.1%	58.9%

※ Effective from the 1Q of the current fiscal year, the business segments have been changed from the previous 4 segments of "Travel Business", "Theme Park Business", "Hotel Business", and "Kyushu Sanko Group" to 3 segments of "Travel Business", "Hotel Business" and "Kyushu Sanko Group". Accordingly, Laguna Ten Bosch Co., Ltd. has been changed from "Theme Park Business" to "Others". Comparisons with the previous fiscal year are made by restating the figures after the segment change. For details, please refer to "2. Quarterly Consolidated Financial Statements and Main Notes (4) Notes to the Quarterly Consolidated Financial Statements (Segment Information, etc.) in the Kessan Tanshin (Consolidated Financial Results Brief Report)

## Travel Business

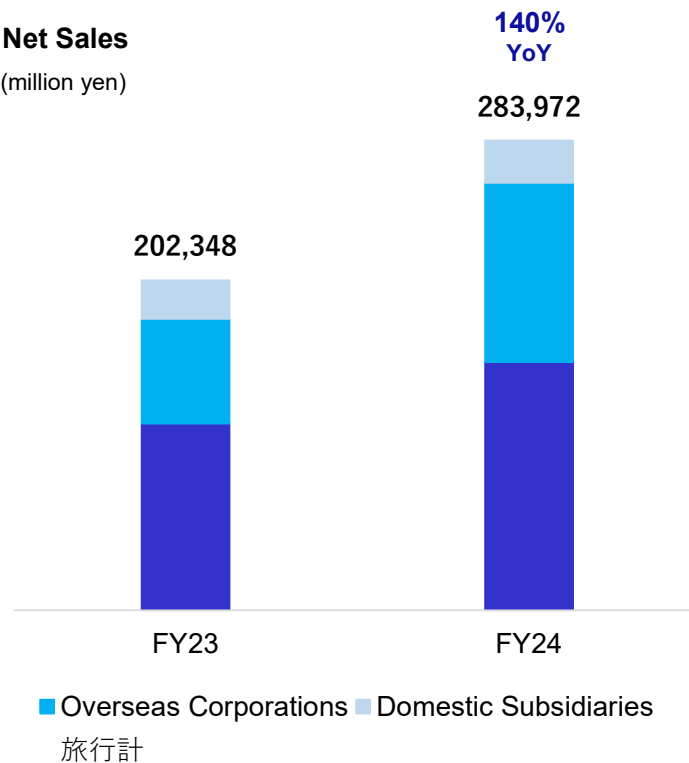
### Net Sales

HIS

- Due to the recovery of international travel, **sales of international travel from Japan and inbound travel of overseas corporations were strong**, resulting in an increase of 81.6 billion yen in net sales and an increase of 8.1 billion yen in operating profit
- H.I.S. Group is promoting the creation of cooperation systems with national tourism bureaus of each country to promote tourism and the **renewal of its flagship store, Travel Wonderland Shinjuku, into an experience style store** to stimulate demands, etc.

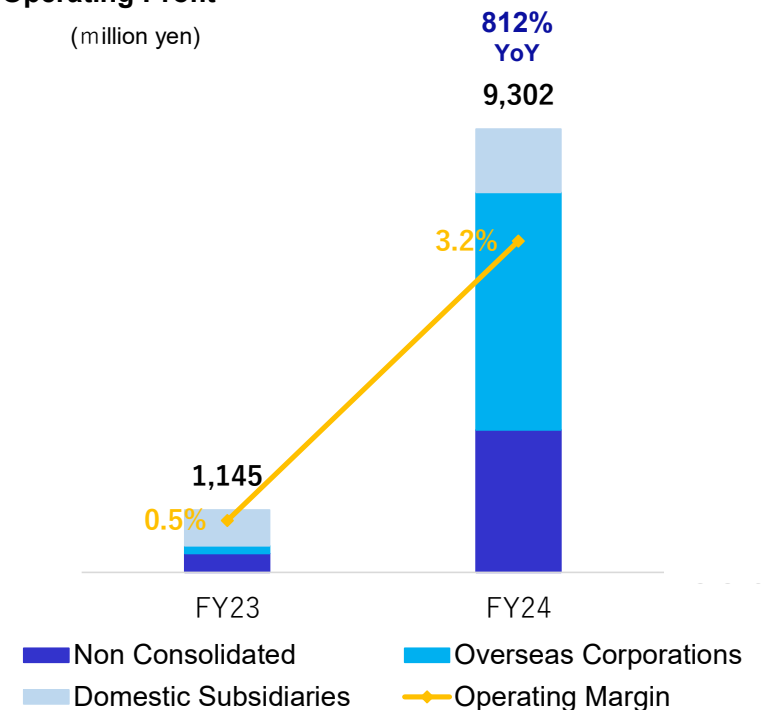
#### Net Sales

(million yen)



#### Operating Profit

(million yen)



\*Before head office expense adjustments

## Travel Business: Main Reasons for Profit Increase



### Overseas Corporations

### Strong Inbound Business During the Busy Summer Season

- Increased in the number of customers from Japan in summer
- Recovery trend of individual travel in addition to large group tours for travel to Hawaii
- Strong trend of travel to Europe throughout the year, with Italy and Spain leading the way

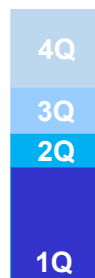
### HIS JAPAN

### Increase in Customers for Escorted tours to Europe

- Strong trend in highly profitable escorted tours to Europe
- Successful results due to early reinforcement
- Increase in the number of elderly customers

### Overseas Corporations Operating Profit

3118%  
YoY



Aug-Oct 2023  
Removal of  
Border Control  
before GW

Aug-Oct 2022  
COVID-19  
Pandemic  
Behavioral  
Restrictions

FY23

FY24

### Sales of International Travel by Destination (New Accounting Standards)

183%  
YoY



Travel to Europe

202%  
YoY



Escorted tour

## Hotel Business

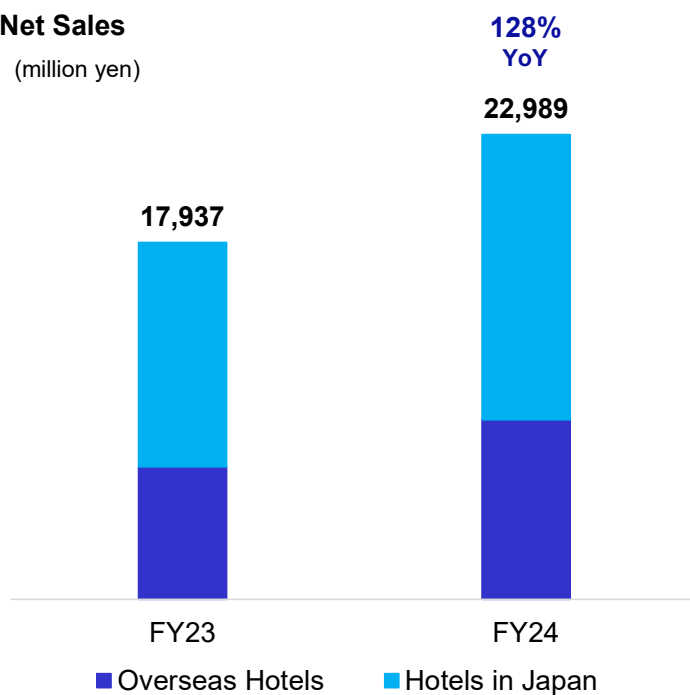
In Japan, **occupancy rates remained high and room rates rose**, mainly due to inbound visitors to Japan. Overseas, **hotels in Taiwan remained strong**, and **profit margins improved in Seoul and Tashkent**

As a new initiative, H.I.S. Group **launched its own restaurant business to improve profitability**

"Resort Hotel Kume Island" and "Mantenno Tsujino Ya" **underwent major renovations** to their lobbies and reception areas

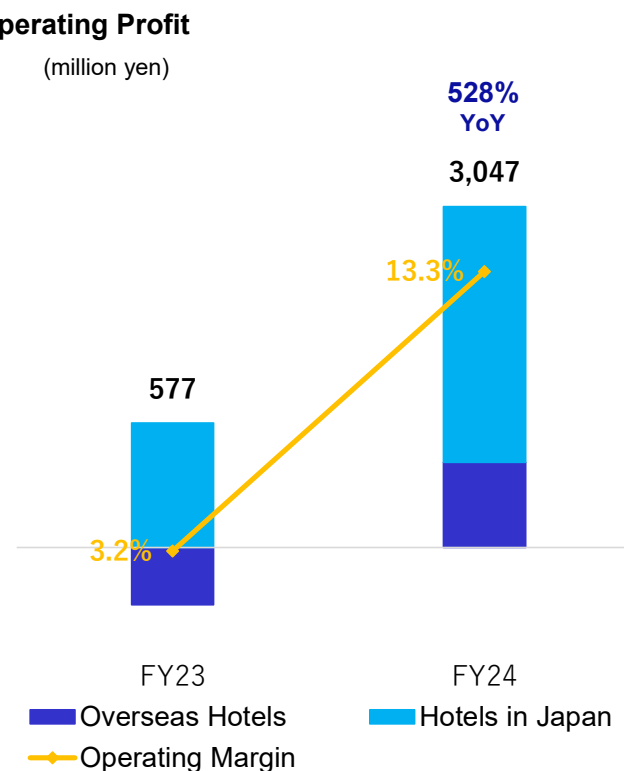
### Net Sales

(million yen)



### Operating Profit

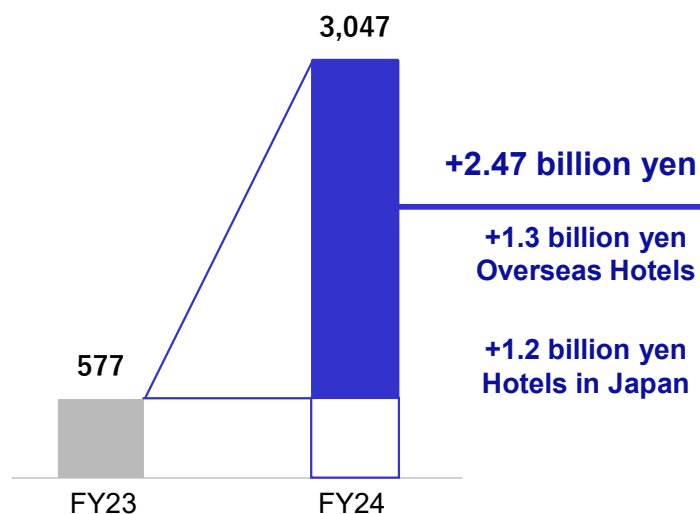
(million yen)



## Hotel Business: Main Reasons for Profit Increase

### Operating Profit

(million yen)



### Henn na Hotel in Japan

- **A good number of customers were attracted** due in part to the inbound effect
- Hotels in **Asakusa Tawaramachi, Maihama, Kyoto** and other tourist destinations performed well
- **Yield control** was successful
- The **lean management structure** that had been built during the COVID-19 pandemic was maintained

### Overseas Hotels

- Each hotel generally performed well due to the **recovery of flow of people. Profits increased at all hotels**

### Taiwan Green World

Tourism demands recovered. Both occupancy rates and average room rates improved

### Henn na Hotel, Myeongdong, Seoul

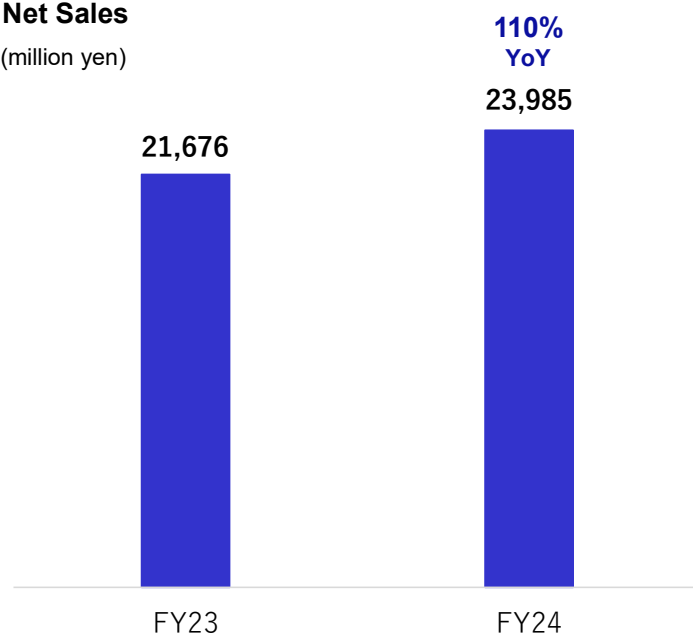
The number of customers trended favorably, with HIS contributing to the increase. Profit margin improved due to high productivity

In the bus business, inbound and tourist traffic increased due to the recovery of flow of people, and **all businesses (route, express, and charter buses) performed well**

Despite increased expenses due to bus-related costs, personnel costs, and advertising costs, **sales and profits increased due to cost reductions** in utilities, lease fees, and other expenses and **increased gross profit**

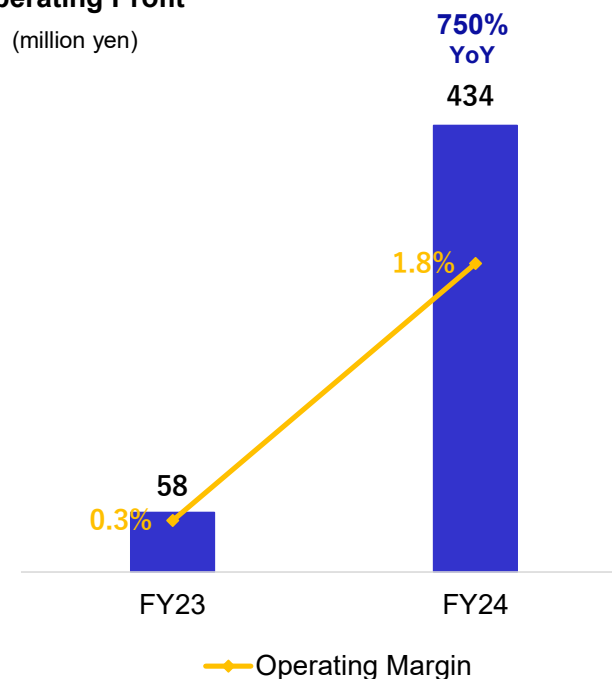
## Net Sales

(million yen)



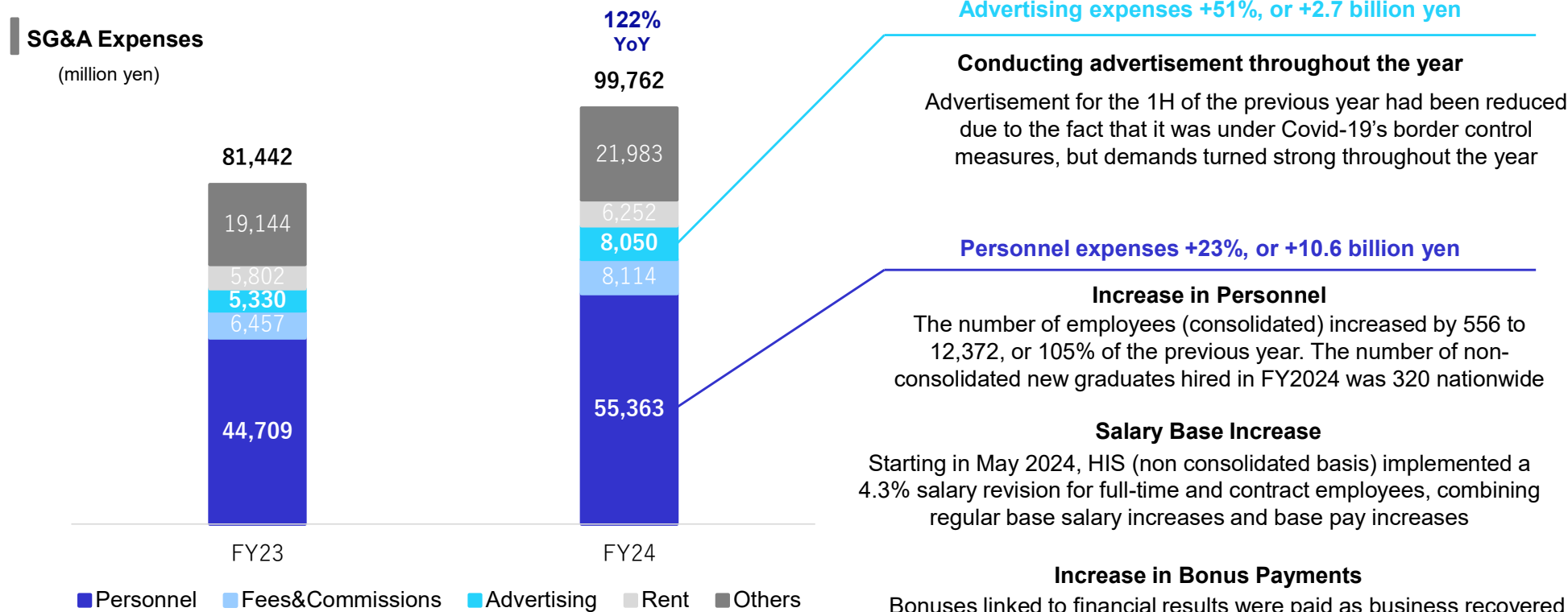
## Operating Profit

(million yen)



## Selling, General and Administrative Expenses

In addition to **advertising expenses and fees & commissions increasing due to a recovery in travel demands**, personnel expenses increased due to improved compensation and other factors





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



(million yen)	FY23	FY24	Increase /Decrease
Cash and Deposits	157,571	138,145	△19,426
Notes & Accounts Receivable and Contract Assets	24,711	25,413	701
Operating Accounts Receivable	656	670	13
Pre-Travel Payments	8,442	10,942	2,499
Others	26,065	27,145	1,079
<b>Total Current Assets</b>	<b>217,448</b>	<b>202,316</b>	<b>△15,131</b>
Property, Plant and Equipment	167,682	164,104	△3,577
Intangible Fixed Assets	14,298	13,975	△322
Goodwill	2,092	1,956	△136
Investments and Other Assets	39,348	29,789	△9,558
<b>Total Fixed Assets</b>	<b>223,421</b>	<b>209,825</b>	<b>△13,596</b>
<b>Deferred Assets</b>	<b>92</b>	<b>58</b>	<b>△33</b>
<b>Total Assets</b>	<b>440,962</b>	<b>412,200</b>	<b>△28,761</b>

	FY23	FY24	Increase /Decrease
Operating Accounts Payable	10,100	12,441	2,341
Pre-Travel Payments Received	29,421	36,851	7,429
Bonds and Convertible Bonds Payable	45,018	30,000	△15,017
Long-Term Borrowings	206,857	169,095	△37,762
Others	99,822	101,467	1,645
<b>Total Liabilities</b>	<b>391,220</b>	<b>349,857</b>	<b>△41,363</b>
Capital	100	100	-
Capital Surplus	27,770	27,645	△125
Earned Surplus	15,515	24,226	8,711
Treasury Shares	△13,046	△13,015	31
Cumulative Other Comprehensive Income	10,239	13,011	2,771
Stock Acquisition Rights	165	282	116
Non-Controlling Shareholder Equity	8,995	10,093	1,097
<b>Total Net Assets</b>	<b>49,741</b>	<b>62,343</b>	<b>12,602</b>
<b>Total Liabilities and Net Assets</b>	<b>440,962</b>	<b>412,200</b>	<b>△28,761</b>

## Forecasts for the Fiscal Year Ending October 2025

## Financial Forecasts



**Net sales and operating profit remain unchanged from the mid-term business plan.** Ordinary profit takes into account the repurchase of the head office at the end of the previous fiscal year on the mid-term business plan

**H.I.S. Group plans a resumption of dividends of 20 yen for the full year** (interim dividend of 10 yen and year-end dividend of 10 yen)

(million yen)	FY24	FY25	YoY (%)	YoY (Amount)	FY24 1H	FY25 1H	YoY	YoY (Amount)
<b>Net Sales</b>	<b>343,334</b>	<b>390,000</b>	<b>113%</b>	<b>46,660</b>	<b>160,930</b>	<b>183,000</b>	<b>113%</b>	<b>22,072</b>
Travel Business	283,972	326,000	114%	42,028	131,363	151,500	114%	20,137
Hotel Business	22,989	27,000	117%	4,011	11,468	13,000	113%	1,532
Kyushu Sanko Group	23,985	24,500	102%	515	11,957	12,300	102%	344
Others	15,853	16,000	100%	147	7,620	7,700	100%	81
Adjustments, Eliminations, etc.	△3,467	△3,500	-	△33	△1,479	△1,500	-	△22
<b>Operating Profit</b>	<b>10,854</b>	<b>12,000</b>	<b>110%</b>	<b>1,147</b>	<b>5,529</b>	<b>6,100</b>	<b>110%</b>	<b>574</b>
Travel Business	9,302	10,000	107%	698	4,714	5,330	113%	616
Hotel Business	3,047	3,850	126%	803	1,771	1,900	107%	130
Kyushu Sanko Group	434	540	124%	106	293	460	157%	168
Others	219	700	319%	481	105	170	161%	64
Adjustments, Eliminations, etc.	△2,149	△3,090	-	△941	△1,356	△1,760	-	△404
<b>Ordinary Profit</b>	<b>10,451</b>	<b>11,000</b>	<b>105%</b>	<b>549</b>	<b>5,840</b>	<b>6,100</b>	<b>104%</b>	<b>260</b>
<b>Net Profit Attributable to Parent Company Shareholders</b>	<b>8,717</b>	<b>7,700</b>	<b>88%</b>	<b>△1,017</b>	<b>3,648</b>	<b>4,100</b>	<b>112%</b>	<b>452</b>
<b>Dividend</b>	<b>-</b>	<b>20 yen</b>			<b>-</b>	<b>10 yen</b>		

## Assumptions for SG&A Expenses

**HIS**

### Personnel expenses

**108% YoY  
expected to increase by 4.6 billion yen**

Plans to hire approximately 500 new graduates in FY2025

Starting salary for new hires to be increased by 15,000 yen in FY2025

Increase in allowances, etc. due to recovery in business performance

### Others

**105% YoY  
expected to increase by 2.4 billion yen**

#### Advertising expenses

Expected to increase due to active travel demands

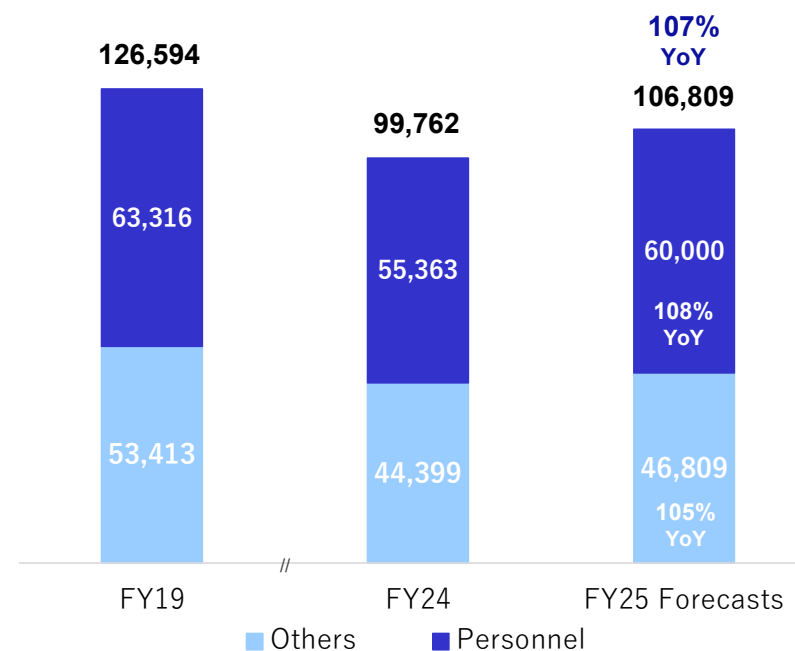
Flexible response based on progress of reservations, etc.

#### Fees & commissions

Expected to increase due to increased transactions

### Consolidated SG&A Expenses

(million yen)



## **Major Initiatives for the Fiscal Year Ending October 2025**

## Major Initiatives: Travel Business

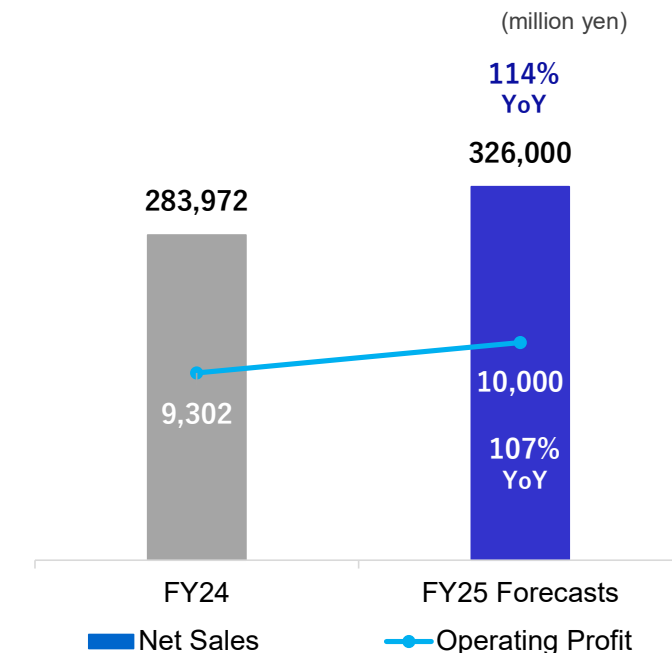
### Japan

- ✓ To aim to raise the overall level of international travel business and to achieve a recovery in the number of customers as well
- ✓ To continue to strengthen travel to Europe, Hawaii and Okinawa
- ✓ To respond to increase in the number of customers (inbound & outbound) due to visa relaxation of China
- ✓ To strengthen cooperation with national and regional tourism bureaus
- ✓ To assume increase in sales due to **continuing trend of unit price increase**
- ✓ To assume costs to be higher throughout the year as costs have been increasing year on year, despite the improvement trend of cost of sales
- ✓ To plan and implement changes in the recruitment system and strategic allocations to **strengthen human capital**

### Overseas

- ✓ Sales in **Europe remain strong**, with both HIS overseas subsidiaries and MIKI showing sales increase due to growth in high unit price product sales
- ✓ MIKI aims to improve profitability in the global markets
- ✓ Travel to Hawaii & Beaches, which has large volume, **is expected to increase sales due to recovery in customer traffic**
- ✓ Travel to Asia is recovering steadily for major destinations. The number of customers from the global markets is also expected to increase
- ✓ In addition to receiving customers from Japan, H.I.S. Group is **promoting distribution of its own products to the global market**

### Forecasts by Segment

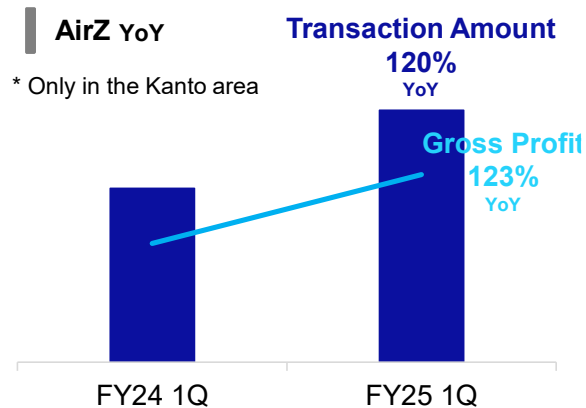


## Major Initiatives: Travel Business in Japan



### AirZ

Launch of a new brand of international airline tickets + hotels.  
Expect to see an increase in the number of customers by creating a new brand for dynamic packages, which are in high demand



### New Passport Campaign

Participated in the “International Travel Expansion Project”, an industry-united effort to achieve a full recovery in international travel, and implemented the “**New Passport Acquisition Support Campaign** to raise the number of customers

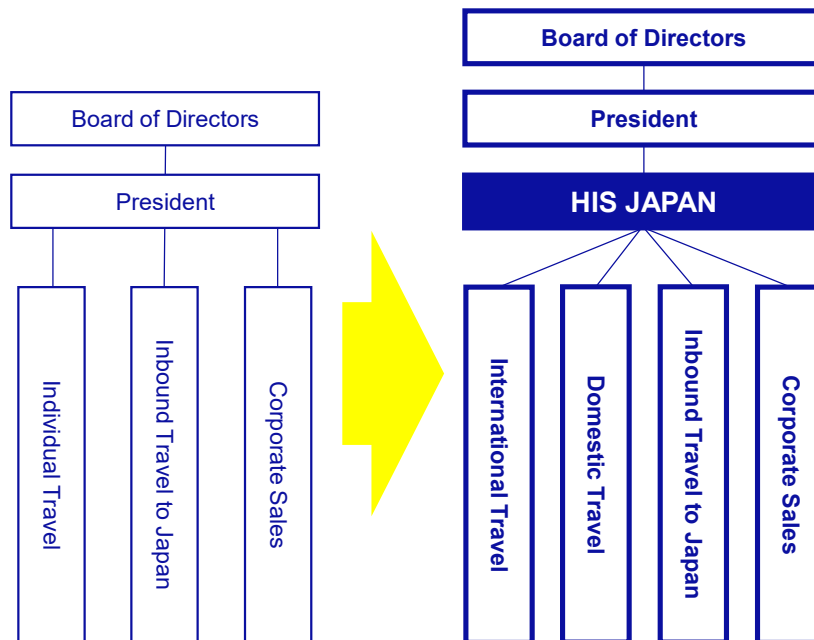
### Summer “Early Booking” Family Travel Campaign

Due to early bookings for this year's summer vacation, the event will **start two weeks earlier**, aiming to **attract the core family customers early**

## Major Initiatives: Travel Business in Japan

### Establishment of "HIS JAPAN"

Management speed is demonstrated with delegation of authority by positioning it as a virtual in-house company and assigning a president within the organization



### Reinforcement of Human Capital

#### Enhancement of Vacation Systems

Three systems have been introduced to enhance work balance and promote diverse work styles, **aiming to improve employee job satisfaction**

Accumulated Paid Vacation Leave  
Hourly Paid Annual Leave  
Special Leave System for Long Years of Service

#### New Establishment of New Graduate Recruitment "Regional Revitalization Project"

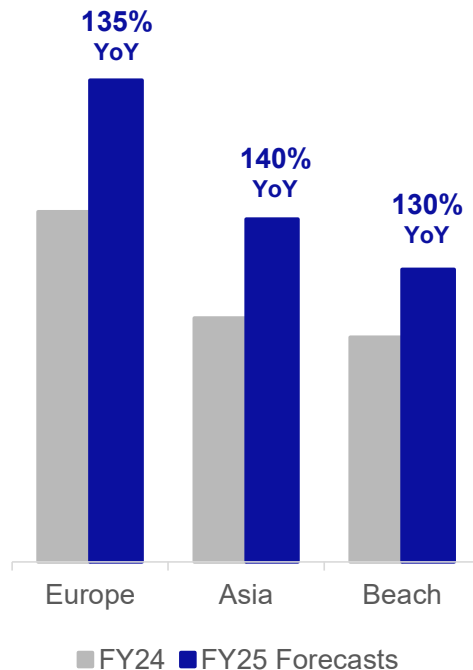
"Regional Revitalization Project" is newly established in the recruitment of new graduates in FY2026.

This **course is designed to engage in regional revitalization** by utilizing the know-how and domestic and international networks accumulated as a travel agency, helping to realize a sustainable society.



## Major Initiatives: Overseas Travel Business

### Overseas Corporations Assumed Area of Major Profit Growth



### Profitability Improvement in Europe

Growth in sales of high unit price products for both HIS overseas branches and MIKI Group. Sales and operating profit are assumed to remain strong

H.I.S. Group aims to improve profitability through increased profits in MIKI's global markets

### Recovery of “High Volume” Asia & Beach

#### Asia

Steady recovery of travel to major areas (Thailand, Indonesia, Vietnam, and Singapore)  
Charter flights, group tours, and global customers are also expected to increase

#### Hawaii / Beach

Hawaii expects to receive large groups in FY25 as well, and has also started distribution to global markets such as XR tours

Travel to Guam and Saipan are scheduled to increase airline seat supply. The number of customers is expected to increase



**In the future, H.I.S. Group will promote the distribution of its own products to the global market, in addition to receiving customers from Japan**

## Major Initiatives: Hotel Business

### Resumption of New Hotel Developments for Mid/Long-Term Growth

#### Domestic Hotels

**Hotel Holdings**, the mainstay of the business, **leading the way** through continued precise yield control

**ADR** is expected to **rise** due to inbound effect

**Pick up** **Henn na Hotel**

**Further expansion of rebrand to the top-tier "Premier" brand**  
Promotion of development of **collaboration rooms**, etc.

#### Overseas Hotels

Implementation of market-based **yield control**

**Horizontal development of successful models in Japan**, such as concept rooms

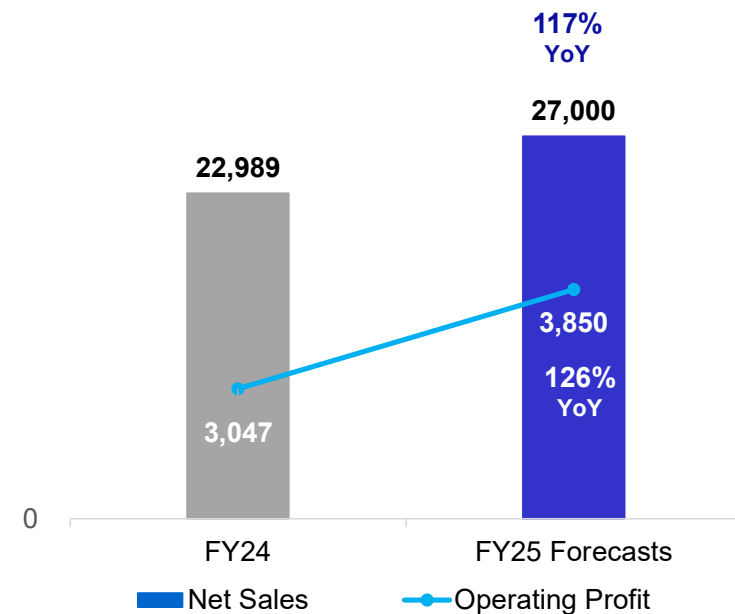
**Pick up** **Henn na Hotel Myeongdong, Seoul**



► "Dinosaur Room"  
Example of horizontal development  
of a concept room

#### Management Targets by Segment

(million yen)



## Major Initiatives: Hotel Business

### Multi-Brand Strategy to Better Capture Trends, Needs, and a Wide Range of Customers

#### **“Henn na Resort & Spa”**

Located in a resort area with attached hot spring facilities



**Henn na Resort & Spa Kansai Airport: Rebranded on 11/1**

#### **Top Brand "Premier"**

High-quality amenities and advanced facilities



**Henn na Hotel Premier Kyoto Gojo Karasuma: Rebranded on 12/12**

## Major Initiatives: Kyushu Sangyo Kotsu Group

### Bus Business is Expected to Grow due to TSMC/Japan Inbound Effect

- ✓ **Expansion of new customers for maintenance business** and increase in charter bus transportation due to TSMC effect (110% YoY)
- ✓ Growth of charter bus and highway bus business due to the inbound effect



▲Kyushu Sanko Bus

### Airline Agency Business is Expected to Perform Well

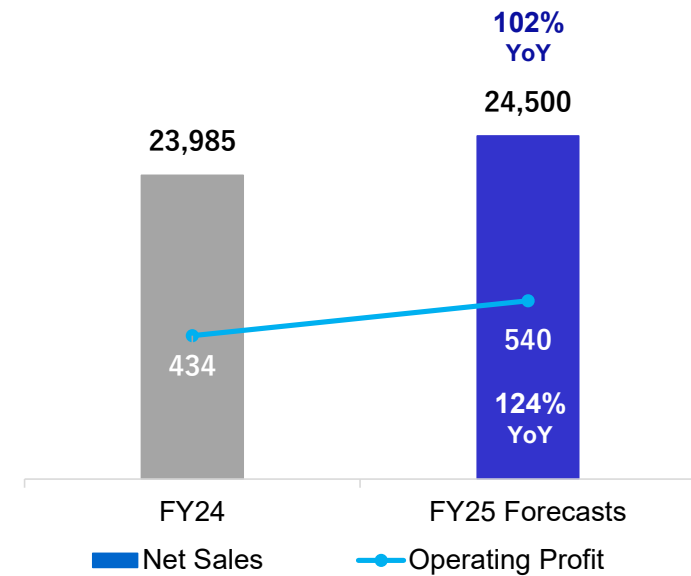
- ✓ **Strong sales of ground handling and cargo business**, food and beverage and retail businesses
- ✓ Start of handling cargo on Asiana Airlines flights



▲Asiana Airlines Flight (image)

### Management Targets by Segment

(million yen)



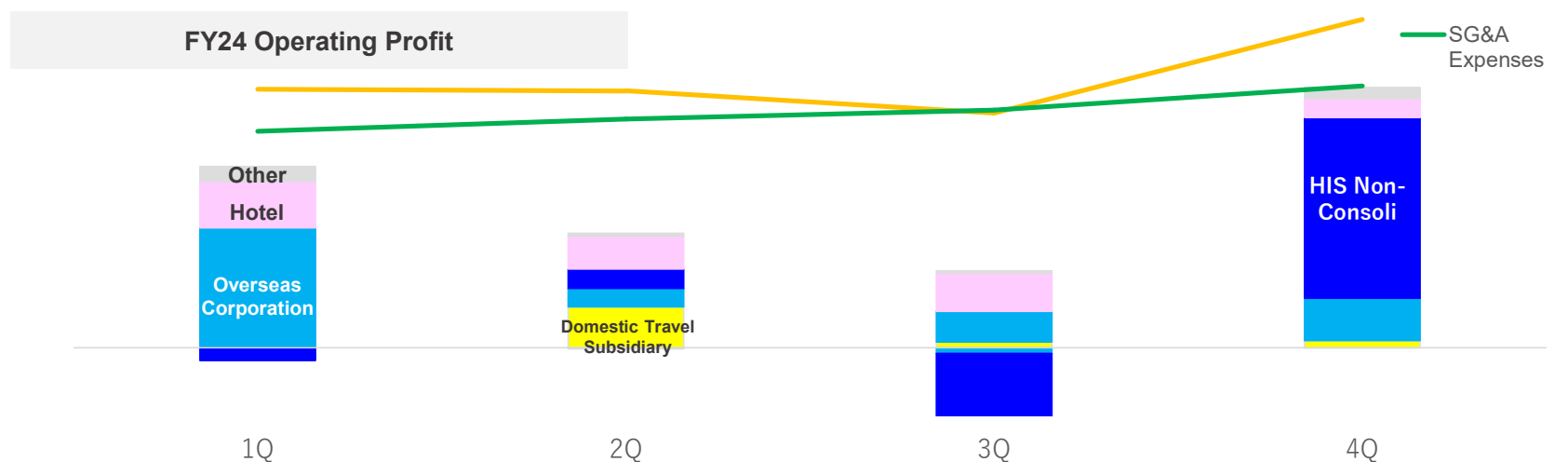
## Supplementary Materials

## Fiscal Year and Seasonality by Business (Reference)

**HIS**

	1Q			2Q			3Q			4Q		
HIS Non-Consolidated	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Domestic Travel Subsidiary	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Overseas Corporation	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Hotel (Japan, Taiwan)	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Hotel (Overseas)	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Kyushu Sanko Group	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep

off-season
  normal season
  on-season



## [Supplementary Materials] Definitions of Accounting Standards

Effective from the 1Q of the fiscal year ended October 31, 2022, "The Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and others are applied. In "arranged travel," where only travel products such as airline tickets and hotels are provided, the gross profit amount is recorded as sales on the date of completion of the arrangement

### Major Changes in the Travel Business (Reiterated)

	① Amount of Net Sales Recognition		② Timing of Net Sales Recognition	
	Previous Standard	New Standard	Previous Standard	New Standard
Tours (Planned Travel)	Total Amount	「Transaction as a Principal」 = Total Amount (※1)	Departure Date	Progress Date (※2)
Airline Tickets (Arranged Travel)	Total Amount	「Transaction as an Agent」 = Net Amount	Departure Date	Arrangement Completion Date (※3)

※1. Fuel surcharges, airport fees, etc. are excluded because they are collections for third parties

※2. Revenue is recognized on a pro-rata daily basis over the travel period

※3. Under the contract with the customers, "the time when the arrangement is completed = arrangement completion date" is the time when H.I.S. Group's service provision is completed

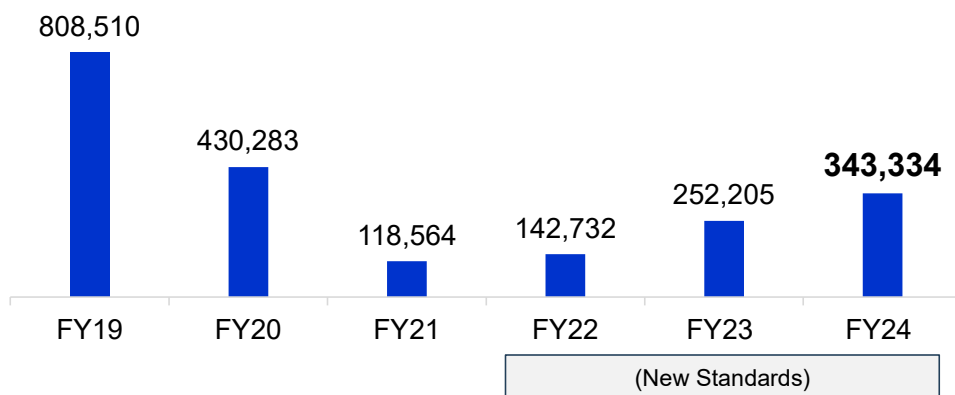
※4. Incentives are treated as "arrangement sales" for arranged travel and as "purchase rebates" for planned travel

※5. The basic concept with regard to transactions other than travel is also the same (= to distinguish between "transaction as a principle" or "transaction as an agent"). In principle, all transactions (other than travel) are within the scope of the new standards, but are not applicable from the standpoint of materiality

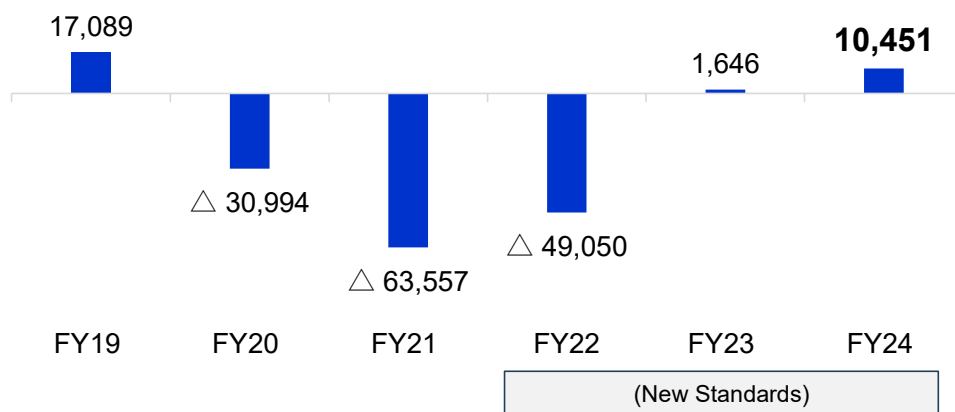
## [Supplementary Materials] Consolidated Financial Results

**HIS**

### Net Sales

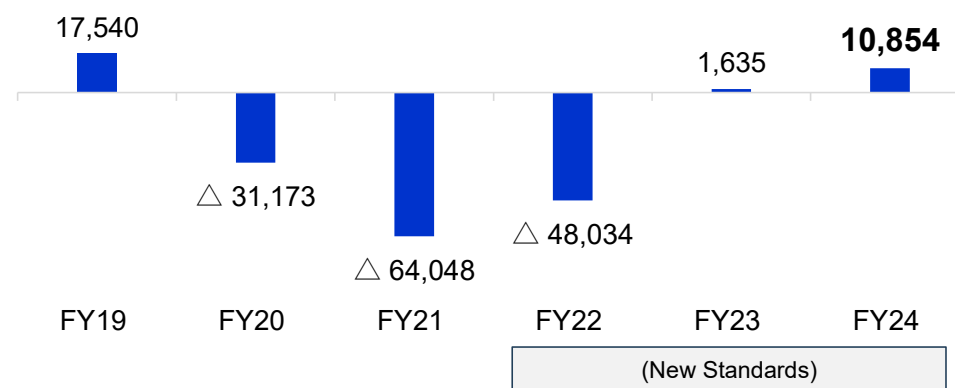


### Ordinary Profit

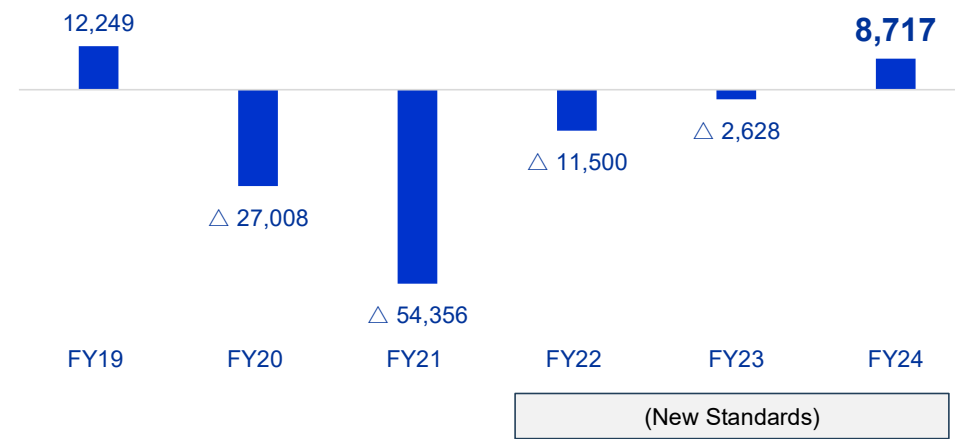


### Operating Profit

(million yen)

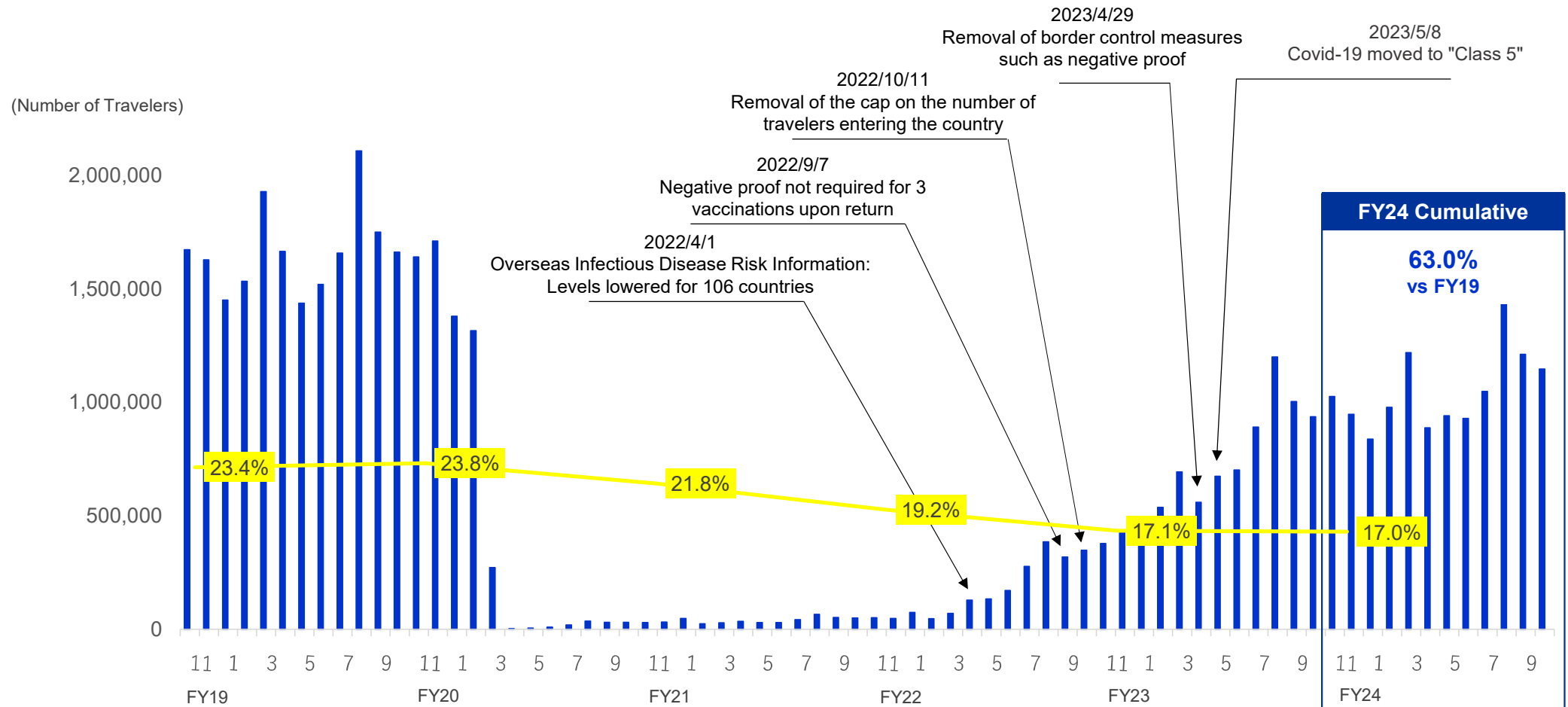


### Net Profit Attributable to Parent Company Shareholders





## [Supplementary Materials] Travel Market Overview: Number of Japanese Departing from Japan



Source : Japan National Tourism Organization  
(Statistics on the number of foreign visitors to Japan)

Percentage of Japanese who hold passports (Reference: Ministry of Internal Affairs and Communications, Ministry of Foreign Affairs: Passport Statistics)

## [Supplementary Materials] Travel Business: Sub-Segment Status (Previous Accounting Standards, Reference Amount)

**HIS**

(million yen)	FY19 (Previous Standards)					FY23 (Previous Standards)					FY24 (Previous Standards)				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
International Travel from Japan / Transaction Amount	87,899	110,754	86,748	116,545	401,948	25,190	44,582	51,064	81,320	202,158	58,844	69,451	58,680	88,650	275,627
YoY	106%	114%	98%	97%	103%	1,188%	1,406%	527%	393%	567%	233%	155%	114%	109%	136%
Fuel Surcharge (included in the transaction amount above)	6,030	8,005	4,308	6,957	25,302	4,415	7,243	6,619	8,575	26,853	6,584	9,045	6,902	10,345	32,877
Domestic Travel in Japan / Transaction Amount	11,941	18,154	13,693	18,044	61,833	13,438	16,498	13,718	16,184	59,840	10,357	14,276	12,556	17,802	54,992
YoY	101%	106%	99%	99%	101%	154%	216%	134%	106%	143%	77%	86%	91%	110%	91%
Inbound Travel to Japan / Transaction Amount	7,116	8,075	8,375	6,464	30,032	1,023	2,302	2,255	2,866	8,448	2,247	3,405	3,171	3,841	12,666
YoY	119%	105%	88%	87%	96%	3,583%	3,109%	2,761%	1,360%	2,138%	219%	147%	140%	134%	149%

\* Total transaction amount after offsetting internal transactions of H.I.S. and its five group companies (Orion Tour, Qualita, Cruise Planet, Japan Holiday Travel, and H.I.S. Okinawa)

(million yen)	FY19 (Previous Standards)					FY23 (Reference Amount *)					FY24 (Reference Amount *)				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Overseas Subsidiaries / Inbound Transaction Amount	54,059	34,389	40,965	51,247	180,663	18,149	12,076	17,689	32,024	79,939	40,035	24,778	29,865	41,956	136,636
YoY	122%	104%	107%	99%	108%	558%	385%	428%	231%	328%	220%	205%	168%	131%	170%
Overseas Subsidiaries / Outbound Transaction Amount	17,860	18,761	38,857	39,868	115,347	36,432	46,824	50,096	38,859	172,213	44,515	48,181	49,214	37,525	179,436
YoY	95%	93%	183%	203%	144%	349%	324%	187%	134%	213%	122%	102%	98%	96%	104%

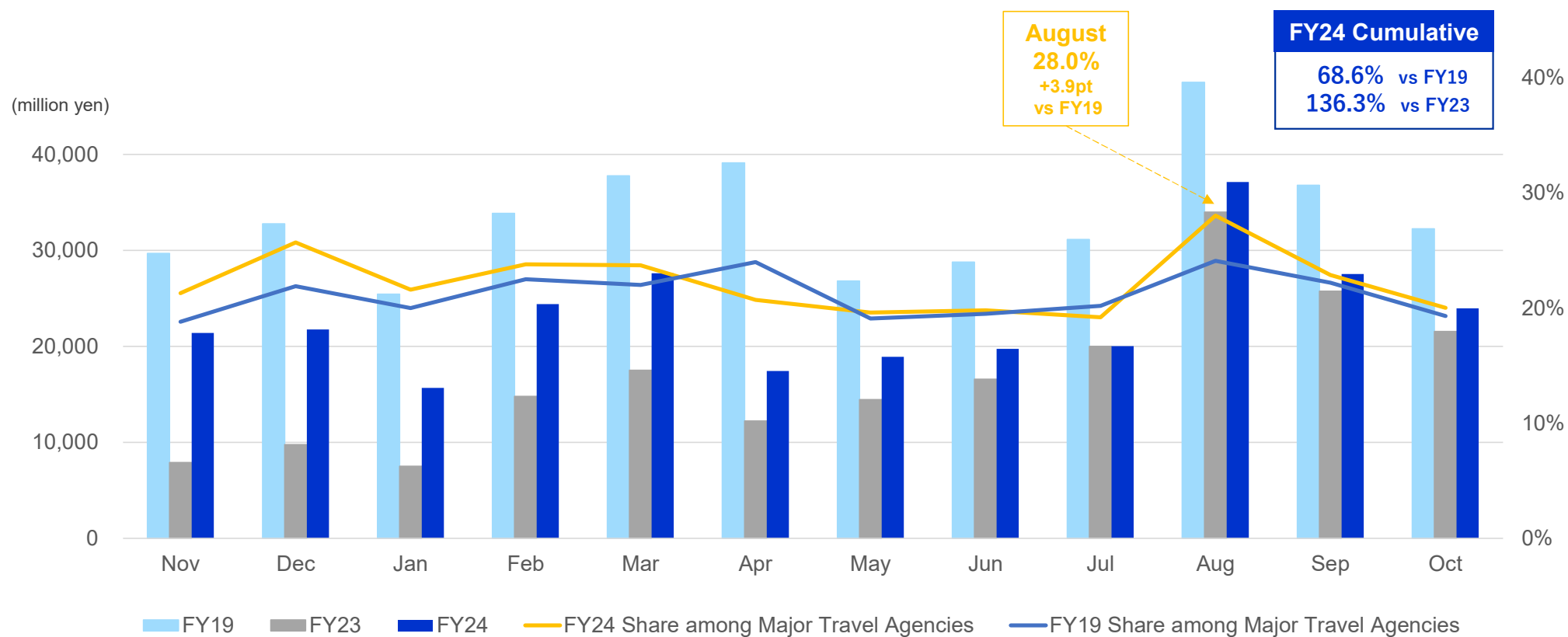
\* FY23 onward is a reference amount where the recognition standard of transaction amount is "the date of progress" for tour products (transaction as a principal) and "the date of completion of arrangements" for arranged tours (transaction as an agent)

\* Because the travel business overseas closes its books on July 31, FY24 shows the transaction amount from August 2023 to July 2024 (reference amount), excluding the transaction amount of non-travel business such as CCEL (language school).

\*This is the transaction amount before offsetting internal transactions among HIS, 35 HIS overseas subsidiaries and 4 brands of overseas subsidiaries.

## [Supplementary Material] Transaction Amount of International Travel (Previous Accounting Standards)

**HIS**



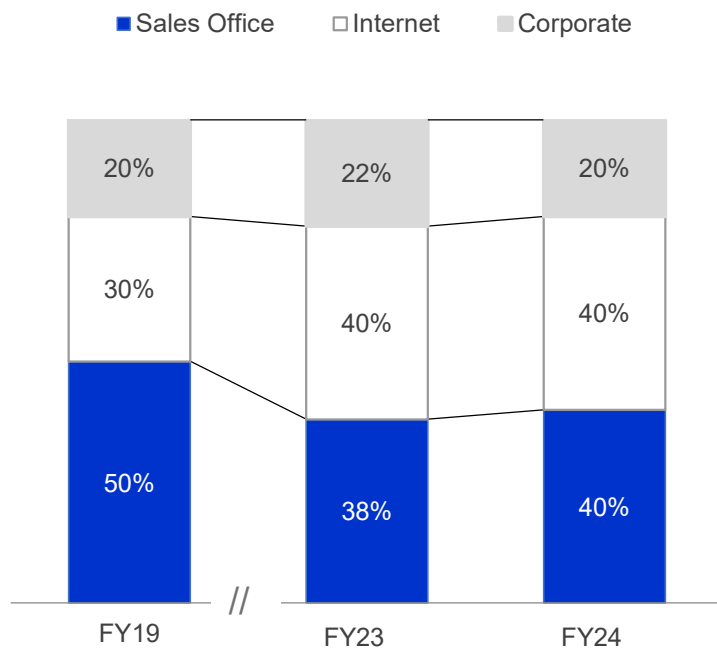
Source: Japan Tourism Agency (Travel Agency Transaction Amount)

\* Total transaction amount after offsetting internal transactions of H.I.S. and its five group companies (Orion Tour, Qualita, Cruise Planet, Japan Holiday Travel, and H.I.S. Okinawa)

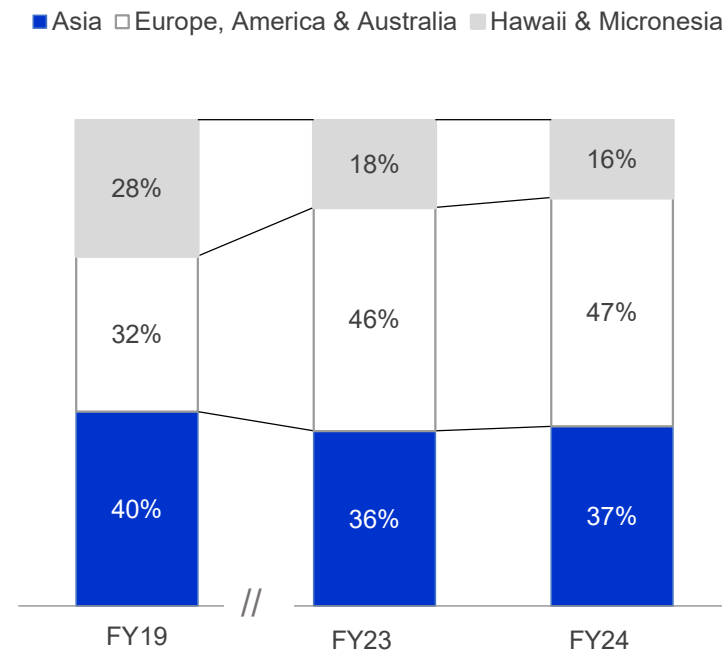
## [Supplementary Materials] International Travel Composition (Previous Accounting Standards)

**HIS**

Transaction Amount of International Travel by Channel

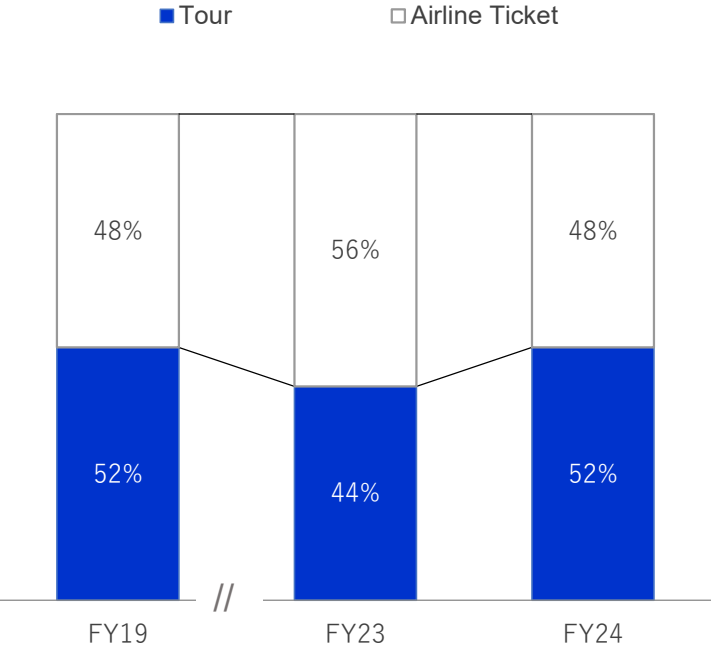


Transaction Amount of International Travel by Destination

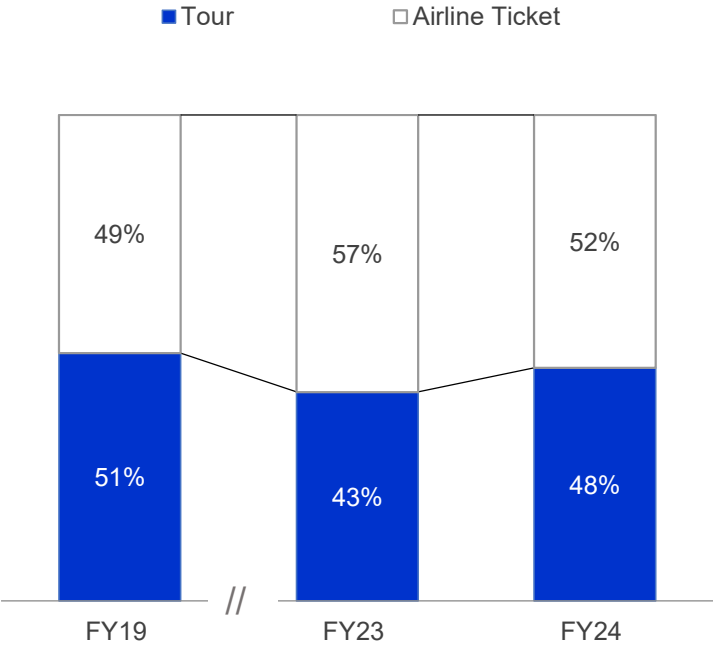


[Supplementary Materials] International Travel Composition  
(Previous Accounting Standards)

Transaction Amount of International Travel by Product Type



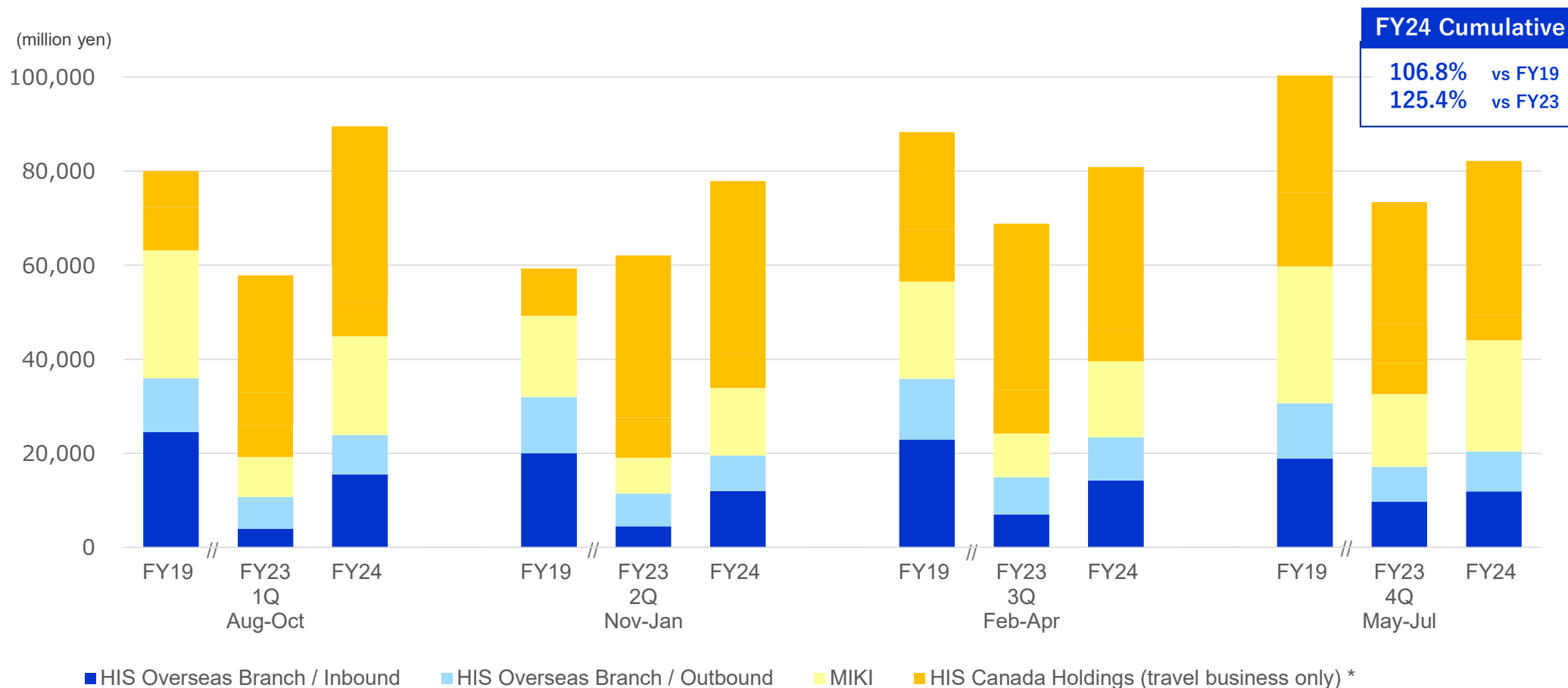
Number of Travelers of International Travel by Product Type



\* Tour: Agent-organized type air + hotel included

## [Supplementary Materials] Transaction Amount of Overseas Subsidiaries (Previous Accounting Standards, Reference Amount)

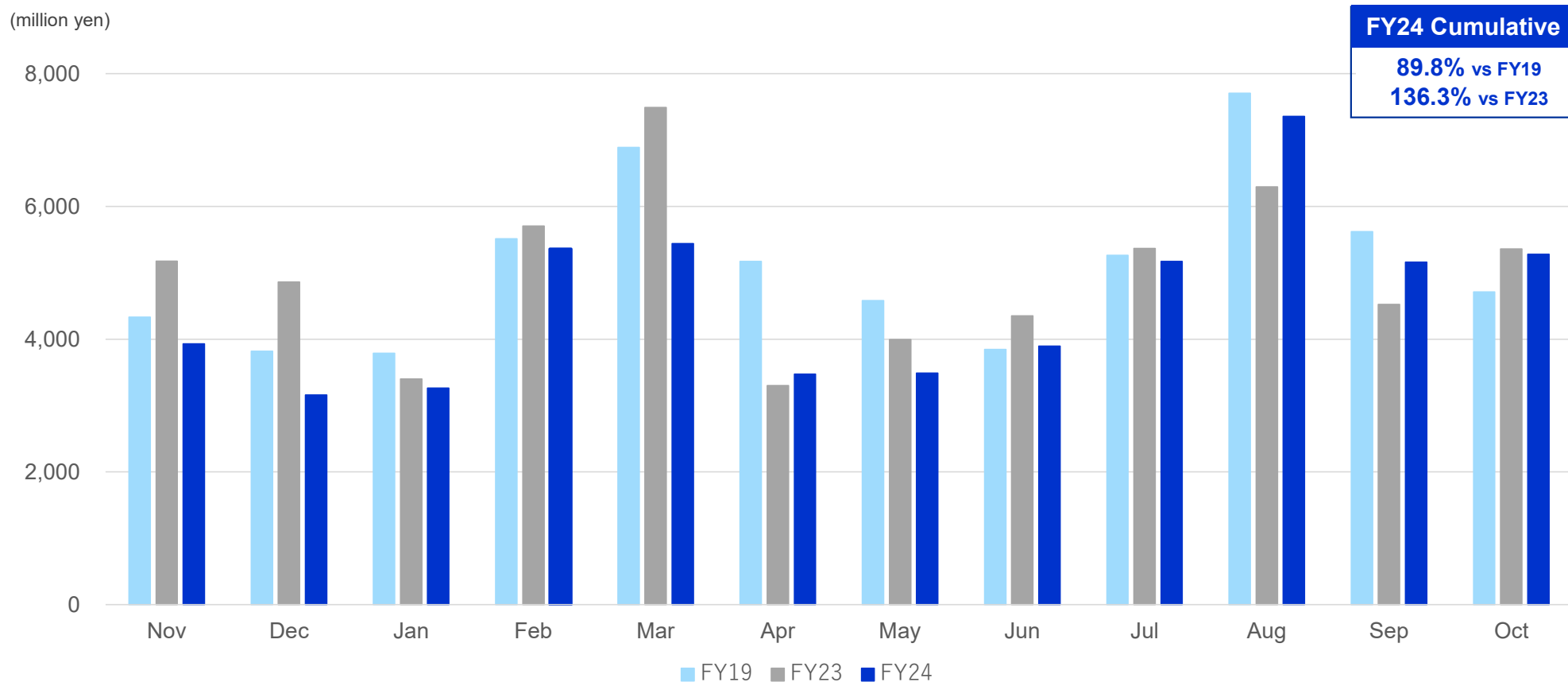
**HIS**



HIS Canada Travel (JONVIEW, RED LABEL VACATIONS (\*FY19 3Q- ), merged with HIS Canada Inc. • MERIT TRAVEL

## [Supplementary Materials] Transaction Amount of Domestic Travel (Previous Accounting Standards)

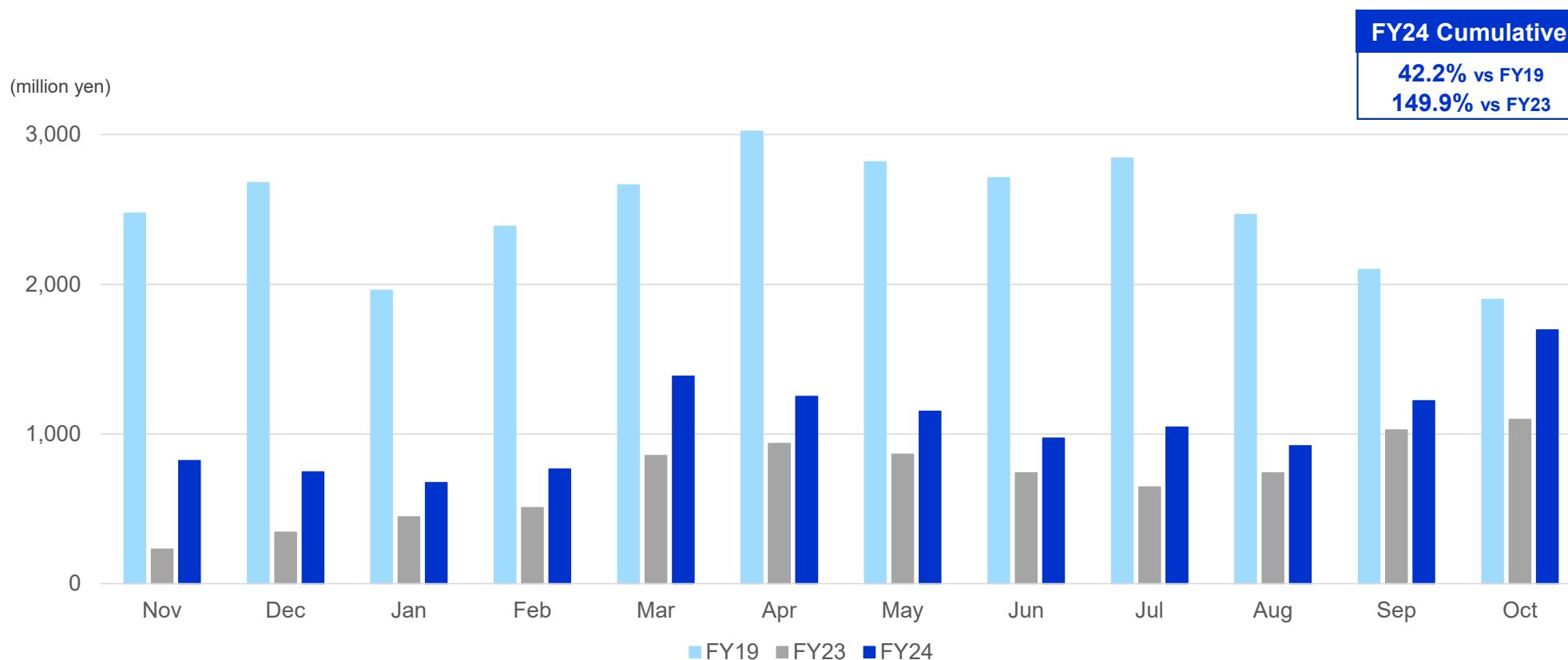
**HIS**



\* Total transaction amount after offsetting internal transactions of H.I.S. and its five group companies (Orion Tour, Qualita, Cruise Planet, Japan Holiday Travel, and H.I.S. Okinawa)

## [Supplementary Materials] Transaction Amount of Inbound Travel to Japan (Previous Accounting Standards)

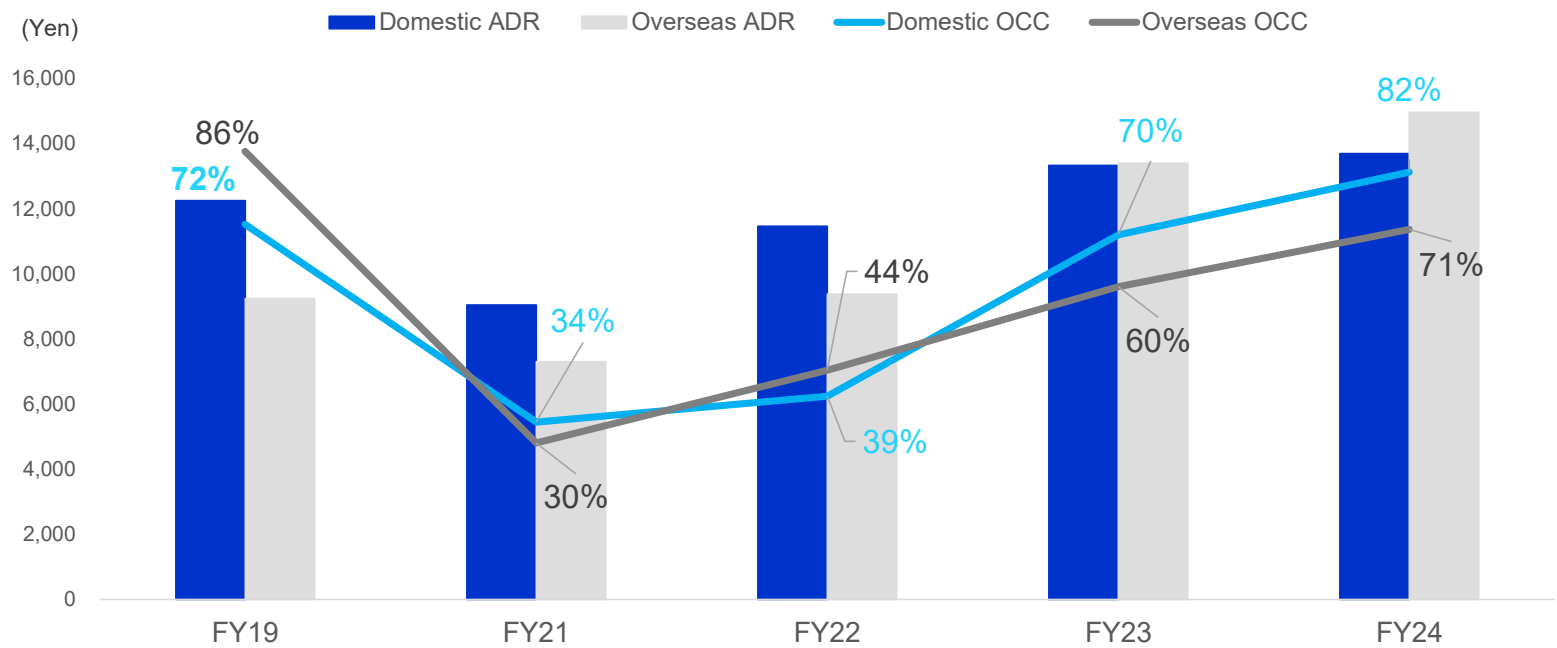
**HIS**



\* Total transaction amount after offsetting internal transactions of H.I.S. and its five group companies (Orion Tour, Qualita, Cruise Planet, Japan Holiday Travel, and H.I.S. Okinawa)

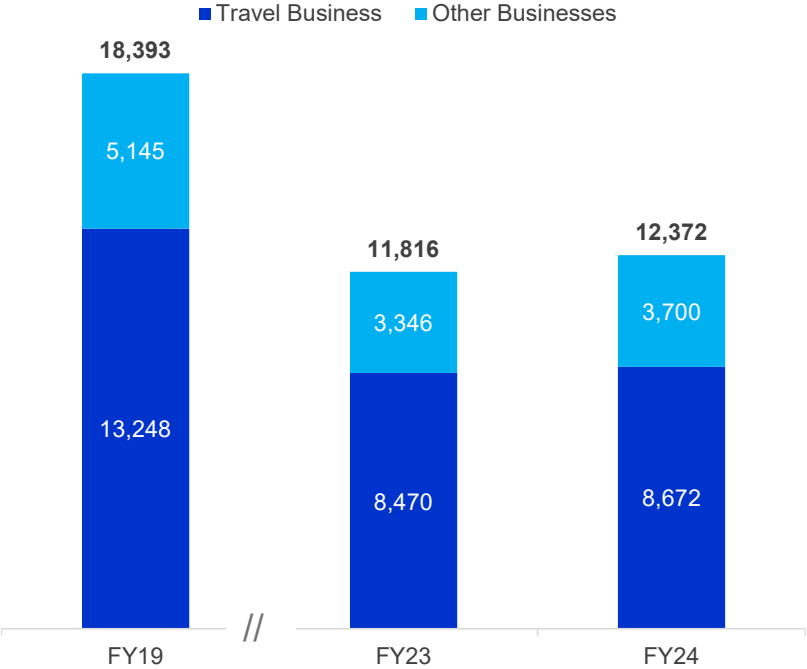


[Supplementary Materials] Hotel Business: Domestic and Overseas ADR and OCC Trends *HIS*

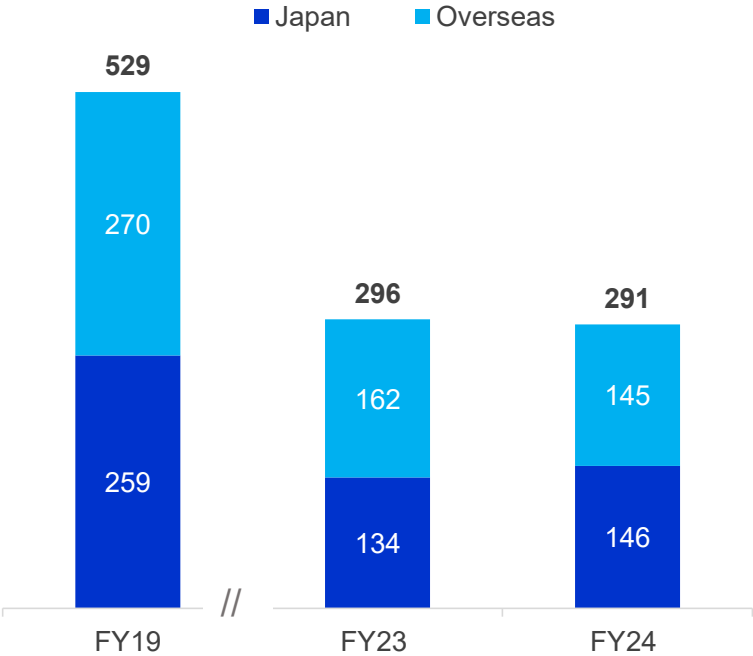


Number of Hotels	Domestic	12	21	22	24	24
	Overseas	15	15	18	18	18
	Total	27	36	40	42	42
Number of Rooms	Domestic	1,479	2,594	2,644	2,844	2,844
	Overseas	1,870	1,870	2,062	2,202	2,202
	Total	3,349	4,464	4,706	5,046	5,046

| The Number of Group Employees



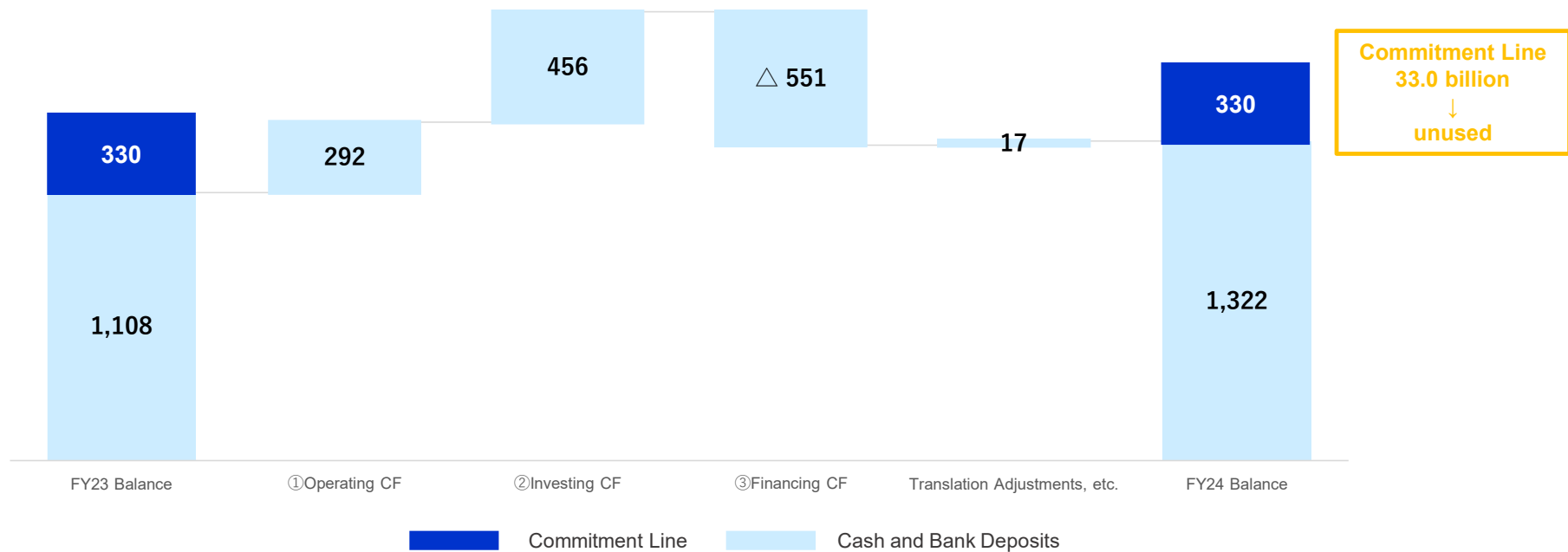
| The Number of Sales Offices of the Travel Business



# [Supplementary Materials] Liquidity on Hand

**HIS**

(billion yen)



(1) Operating CF	(2) Investing CF	(3) Financing CF
Income before income taxes 85	Proceeds from withdrawal of time deposits 579	Proceeds from borrowings 1,560
Depreciation and amortization 110	Proceeds from collection of guarantee deposits 128	Repayment of borrowings △1,936
Increase in travel advances received 69	Payments into time deposits △166	Payments for redemption of bonds △150
	Payments for acquisition of fixed assets △81	

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