



**Presentation Materials for the Fiscal Year Ended
October 31, 2025 Financial Results**

H.I.S. Co., Ltd.
December 12, 2025
Prime Market of TSE: 9603

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Summary of Financial Results for the Fiscal Year Ended October 2025

Summary of Consolidated Financial Results



Sales and operating profit increased across all segments

The primary reason for falling short of financial forecasts was the **slowdown in sales growth in the international travel and global travel business in the 2H**

Net profit was impacted by the recognition of provision for business restructuring losses associated with the downsizing of operations by the Turkish subsidiary, as well as the recognition of **impairment losses in the hotel business**

(million yen)	FY24	FY25	YoY (%)	YoY (Amount)	Major Reasons for Increase/Decrease	Financial Forecasts	vs Forecasts
Net Sales	343,334	373,106	108.7%	29,772	Travel +25,166, Hotel +2,254	390,000	△ 16,894
Gross Profit	110,617	117,974	106.7%	7,357			
SG&A Expenses	99,762	106,346	106.6%	6,583			
Operating Profit	10,854	11,627	107.1%	773	Travel +333, Hotel +570	12,000	△ 373
EBITDA	22,202	23,210	-	1,008			
Non-Operating Income	3,154	3,814	120.9%	659			
Non-Operating Expenses	3,557	4,060	114.1%	503			
Ordinary Profit	10,451	11,381	108.9%	929		11,000	381
Extraordinary Gain	1,101	649	59.0%	△ 451			
Extraordinary Loss	3,026	4,963	164.0%	1,936			
Income before Income Taxes	8,526	7,067	82.9%	△ 1,458			
Income Taxes	△ 1,090	1,299	-	2,390			
Net Profit Attributable to Non-Controlling Shareholders	899	1,048	116.6%	149			
Net Profit Attributable to Parent Company Shareholders	8,717	4,719	54.1%	△ 3,997		6,500	△ 1,781
Dividend	-	20 yen				20 yen	-

Quarterly Consolidated Income Statement



(million yen)	FY24					FY25				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Net Sales	80,279	80,650	76,407	105,996	343,334	93,333	87,980	85,010	106,781	373,106
YoY	173.6%	142.1%	125.1%	120.3%	136.1%	116.3%	109.1%	111.3%	100.7%	108.7%
Cost of Sales	53,698	53,989	51,637	73,391	232,716	62,494	59,670	58,528	74,438	255,131
Gross Profit	26,580	26,661	24,769	32,605	110,617	30,839	28,310	26,482	32,342	117,974
YoY	177.0%	137.8%	119.9%	116.2%	133.1%	116.0%	106.2%	106.9%	99.2%	106.7%
SG&A Expenses	23,347	24,365	25,097	26,952	99,762	25,629	26,798	26,938	26,980	106,346
YoY	123.7%	129.8%	117.5%	120.1%	122.5%	109.8%	110.0%	107.3%	100.1%	106.6%
Operating Profit	3,233	2,295	△327	5,652	10,854	5,209	1,511	△456	5,362	11,627
YoY	-	397.7%	-	100.7%	663.8%	161.1%	65.8%	-	94.9%	107.1%
O/P Margin	4.0%	2.8%	-	5.3%	3.2%	5.6%	1.7%	-	5.0%	3.1%
EBITDA	6,033	5,072	2,524	8,571	22,202	7,944	4,387	2,316	8,562	23,210
Non-operating Income	604	1,234	436	879	3,154	1,043	1,333	392	1,045	3,814
Non-operating Expenses	682	845	739	1,290	3,557	982	1,233	771	1,073	4,060
Ordinary Profit	3,155	2,685	△630	5,241	10,451	5,270	1,611	△835	5,334	11,381
YoY	-	359.1%	-	97.0%	634.7%	167.0%	60.0%	-	101.8%	108.9%
Net Profit	2,373	1,275	△68	5,137	8,717	3,514	284	△2,016	2,936	4,719
YoY	-	-	-	154.4%	-	148.1%	22.3%	-	57.2%	54.1%

Operating Results by Business Segment



(million yen)

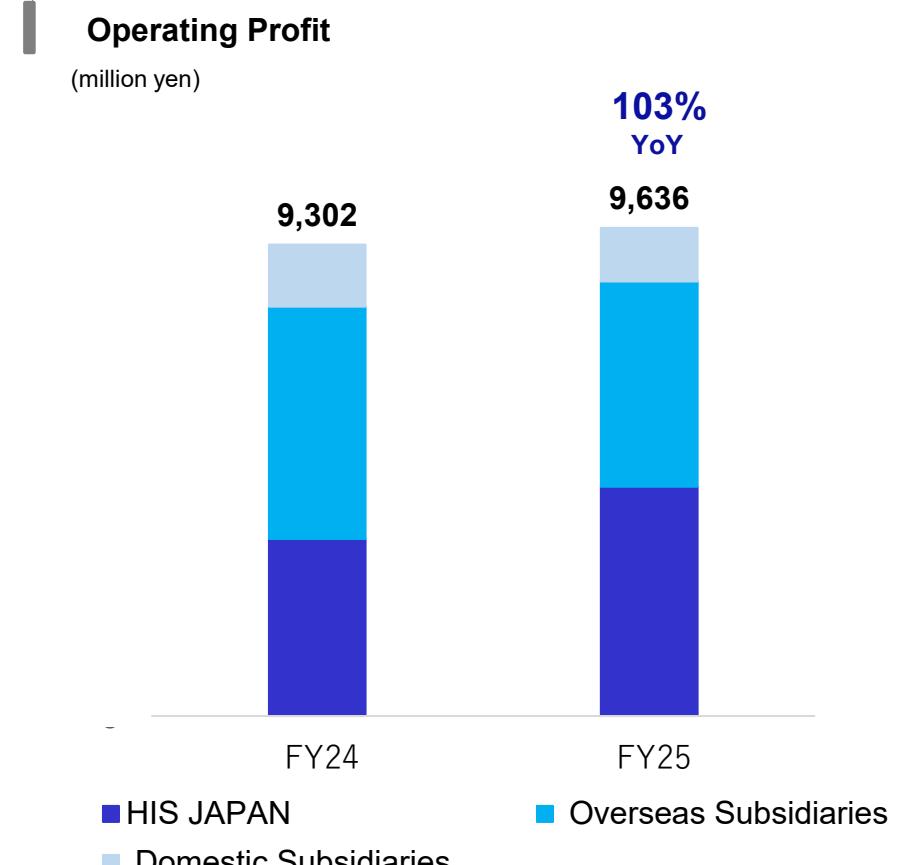
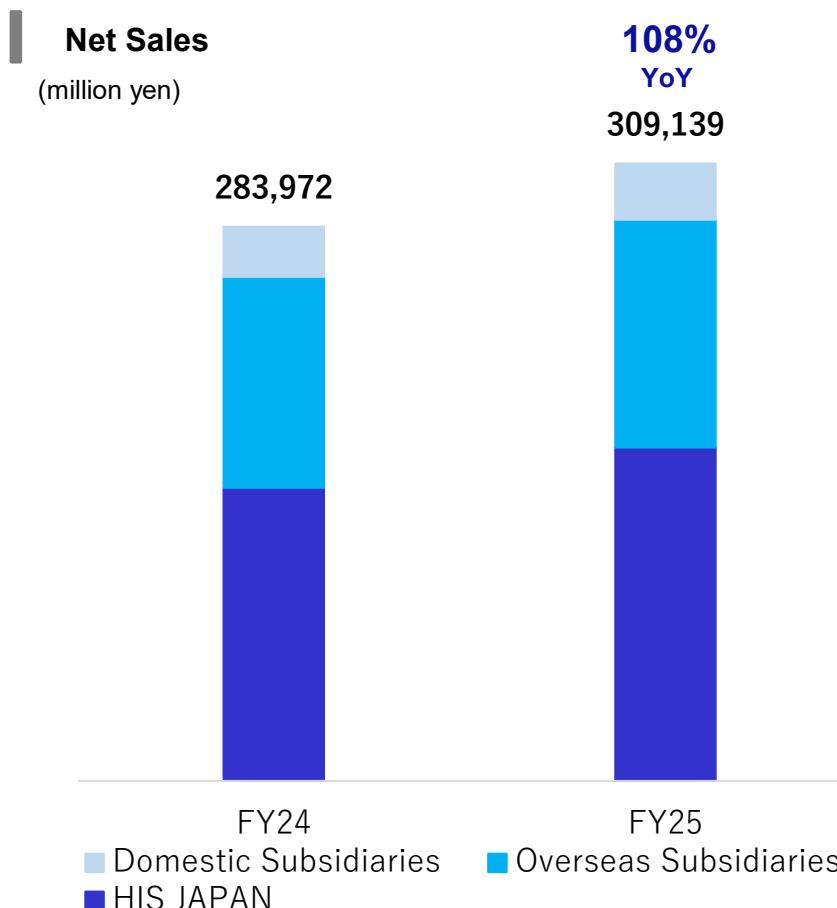
	FY24	FY25	YoY (%)	YoY (Amount)	vs Forecasts	
Net Sales	Travel Business	283,972	309,139	108.9%	25,166	△ 16,861
	Hotel Business	22,989	25,244	109.8%	2,254	△ 1,756
	Kyushu Sanko Group	23,985	25,381	105.8%	1,395	881
	Others	15,853	17,484	110.3%	1,630	1,484
	Adjustments, Eliminations, etc.	△3,467	△ 4,143	-	△ 675	△ 643
	Total	343,334	373,106	108.7%	29,772	△ 16,894
Operating Profit	Travel Business	9,302	9,636	103.6%	333	△ 364
	Hotel Business	3,047	3,618	118.7%	570	△ 232
	Kyushu Sanko Group	434	806	185.5%	371	266
	Others	219	504	230.4%	285	△ 196
	Adjustments, Eliminations, etc.	△2,149	△ 2,938	-	△ 788	152
	Total	10,854	11,627	107.1%	773	△ 373
EBITDA	Travel Business	13,476	13,743	102.0%	266	
	Hotel Business	7,119	7,817	109.8%	698	
	Kyushu Sanko Group	2,178	2,553	117.2%	375	
	Others	805	1,124	139.6%	318	
	Adjustments, Eliminations, etc.	△1,377	△ 2,028	-	△ 650	
	Total	22,202	23,210	104.5%	1,008	

Quarterly Operating Results by Business Segment



(million yen)	FY24					FY25					
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	
Travel	Net Sales	65,578	65,785	62,826	89,782	283,972	77,355	72,203	69,599	89,981	309,139
	YoY	189.3%	145.8%	127.8%	122.3%	140.3%	118.0%	109.8%	110.8%	100.2%	108.9%
	Operating Profit	2,373	2,341	△372	4,959	9,302	4,051	1,556	△875	4,904	9,636
	YoY	-	1132.7%	-	99.7%	811.8%	170.7%	66.5%	-	98.9%	103.6%
Hotel	Net Sales	5,811	5,657	5,717	5,803	22,989	6,532	5,872	6,429	6,409	25,244
	YoY	144.5%	134.6%	122.5%	115.1%	128.2%	112.4%	103.8%	112.5%	110.4%	109.8%
	Operating Profit	1,035	735	847	428	3,047	1,242	677	1,057	641	3,618
	YoY	-	765.1%	408.1%	134.0%	527.5%	120.0%	92.0%	124.8%	149.5%	118.7%
Kyushu Sanko Group	Net Sales	6,002	5,954	5,964	6,063	23,985	6,539	6,124	6,237	6,480	25,381
	YoY	109.4%	113.4%	111.6%	108.4%	110.7%	108.9%	102.8%	104.6%	106.9%	105.8%
	Operating Profit	230	62	59	82	434	327	180	111	187	806
	YoY	702.9%	83.7%	-	1269.1%	749.6%	141.9%	289.6%	188.2%	226.5%	185.5%
Others	Net Sales	3,610	4,009	3,030	5,202	15,853	4,074	4,740	3,794	4,875	17,484
	YoY	148.0%	151.7%	126.3%	115.4%	132.2%	112.8%	118.2%	125.2%	93.7%	110.3%
	Operating Profit	119	△13	△190	304	219	212	7	△29	314	504
	YoY	-	-	-	43.1%	58.9%	177.9%	-	-	103.5%	230.4%

- Net sales were 108% year-over-year, amounting to 25.1 billion yen, driven by sales of international travel from Japan and strong financial performance of high-value-added products such as tours with tour conductors
- Operating profit increased, driven by HIS JAPAN boosting 4Q operating profit. Despite profit declines at overseas subsidiaries in Canada and Turkey, operating profit was 103% year-over-year, marking a profit increase.



*Before head office expense adjustments

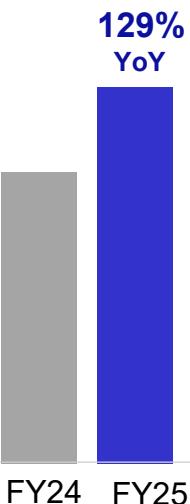
Travel Business: Key Factors for Increase/Decrease

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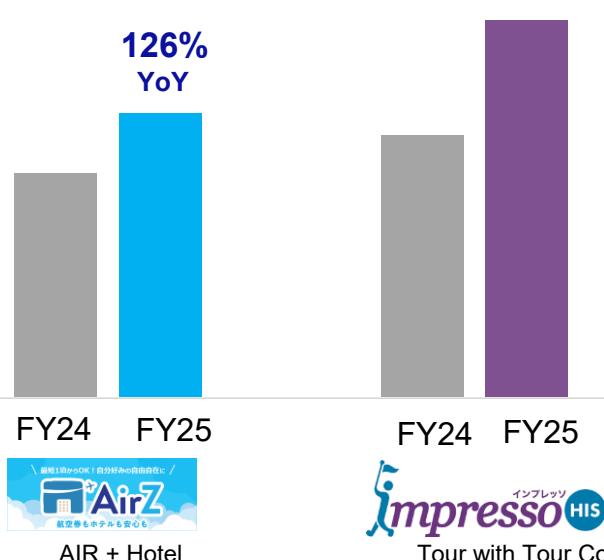
Tours to Europe and tours with tour conductors continued to drive recovery

- Despite the weak yen / strong Euro, sales of tours and air ticket arrangements primarily to Europe and the Middle East remained strong
- Sales of "Air ticket + hotel" packages remained solid, particularly among the market-leading F1 demographic
- Profitable tours with tour conductors to Europe and the Middle East performed well

By Region (Europe, Middle East, Africa)
Net Sales (New Accounting Standards)



By Product
Net Sales (New Accounting Standards)

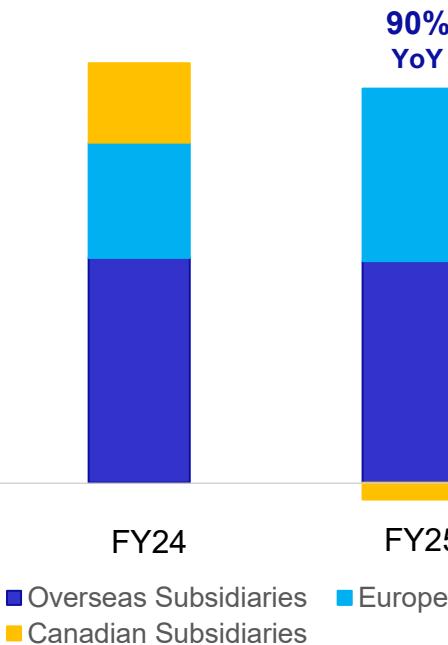


Overseas Subsidiaries

European and Canadian subsidiaries showed contrasting results, falling below previous year's levels

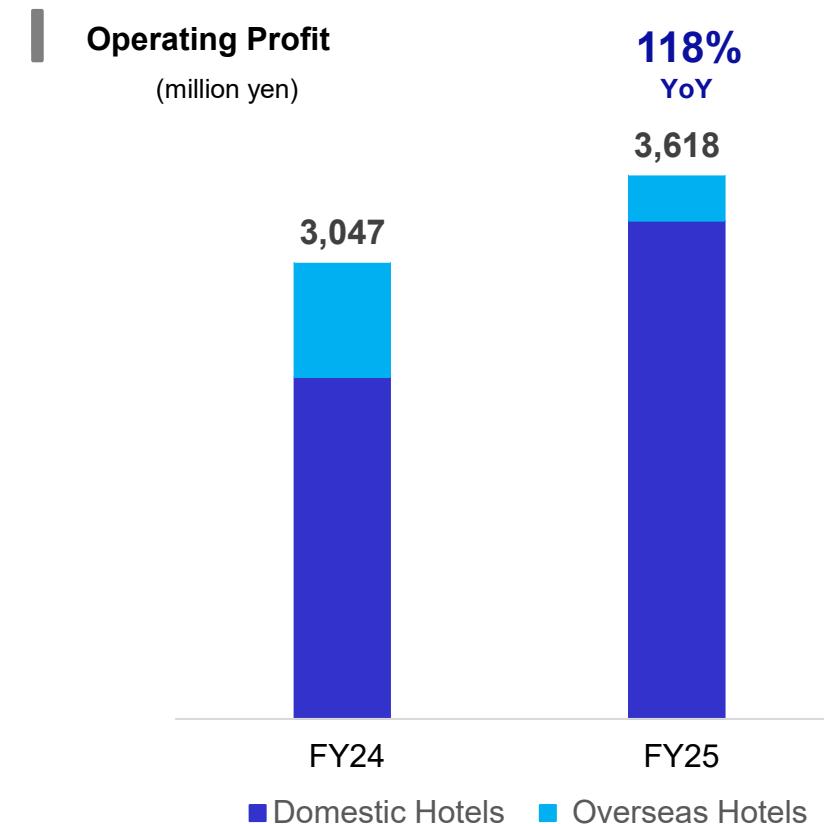
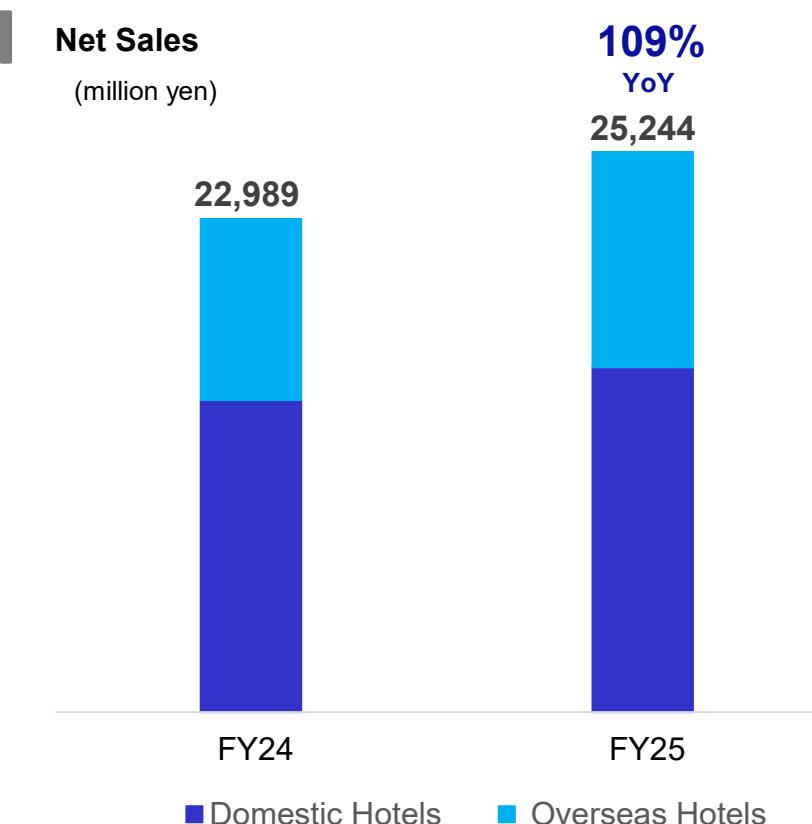
- Inbound business captured the summer peak season (1Q) and maintained strong financial performance from FY24
- European subsidiaries performed well throughout the year, led by Italy and Spain
- In the outbound business, Canada, the leading market, saw operating loss due to economic slowdown and changes in international administration. Additionally, business downsizing by the Turkish subsidiary was a negative factor

Overseas Subsidiaries: Operating Profit



- Impact of deteriorating sentiment toward the U.S. due to diplomatic relations
- Negative impact due to restrictions on visa requirements

- Domestic hotels achieved **record-high sales and operating profit**, driven by **high occupancy due to inbound demand**, coupled with **multi-brand strategy and collaborative room initiatives** that boosted average daily rates
- For overseas hotels, **Seoul and New York** achieved record profits. **Taiwan**, key driver of sales and profits, remained flat compared to the strong financial performance of the previous year. In Cappadocia, Turkey, the 1H recorded operating loss, but the 2H achieved profitability. **Guam** continued to face sluggish leisure demands, resulting in operating loss.



Hotel Business: Key Factors for Increase/Decrease

Domestic Hotels

Achieved record-high financial performance through high occupancy and high average daily rates

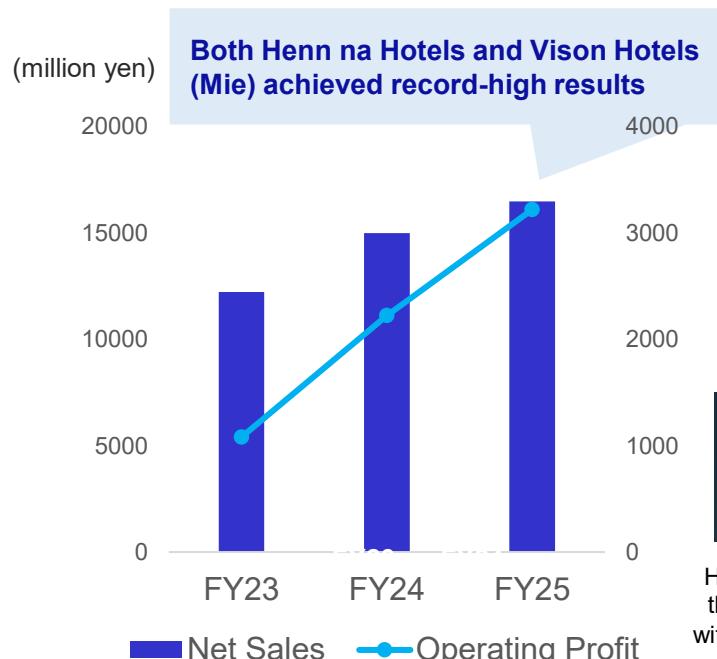
- Customer experience value was enhanced through full-scale launch of multi-brand strategy and development of collaboration rooms
 - ↳ 7 "Henn na Hotel Premier" nationwide were rebranded
 - Resort Brand: "Henn na Resort & Spa Kansai Airport", Watermark brand expanded to Miyakojima and Kumejima Islands in Okinawa

Overseas Hotels

Surpassed the growth plateau and shifted to an upward trend

- Seoul and New York achieved record-high sales and operating profit
- Turkey, that opened in November 2024, turned profitable in the 2H
- Guam faced challenges due to declining visitor numbers, but overall overseas operations showed an upward trend

Domestic Hotels: Net Sales and Operating Profit (3-Year Trend)

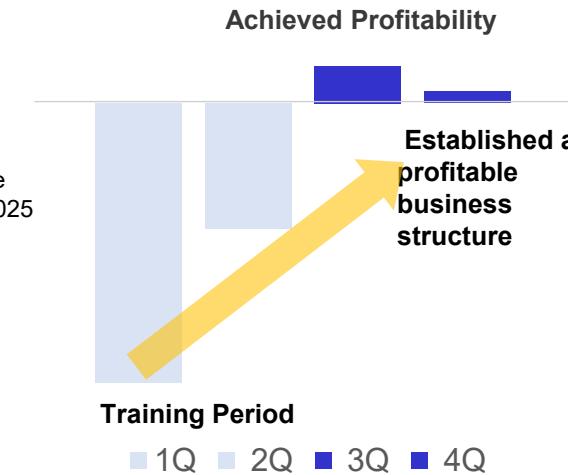


"Myaku Myaku Collaboration Room Premier" Guest Room Image
Official Licensed Product for Expo 2025 Osaka-Kansai ©Expo 2025



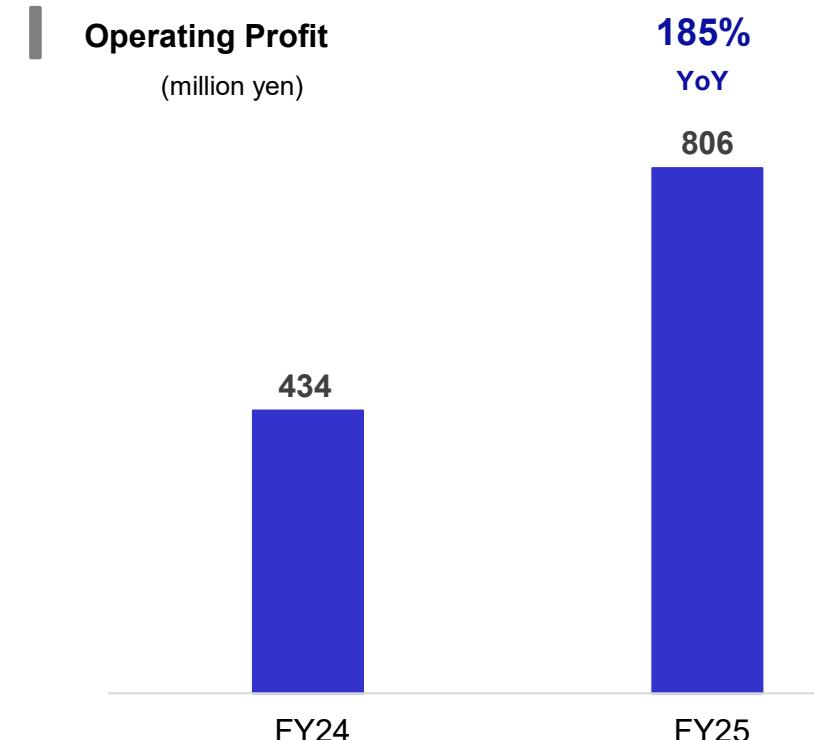
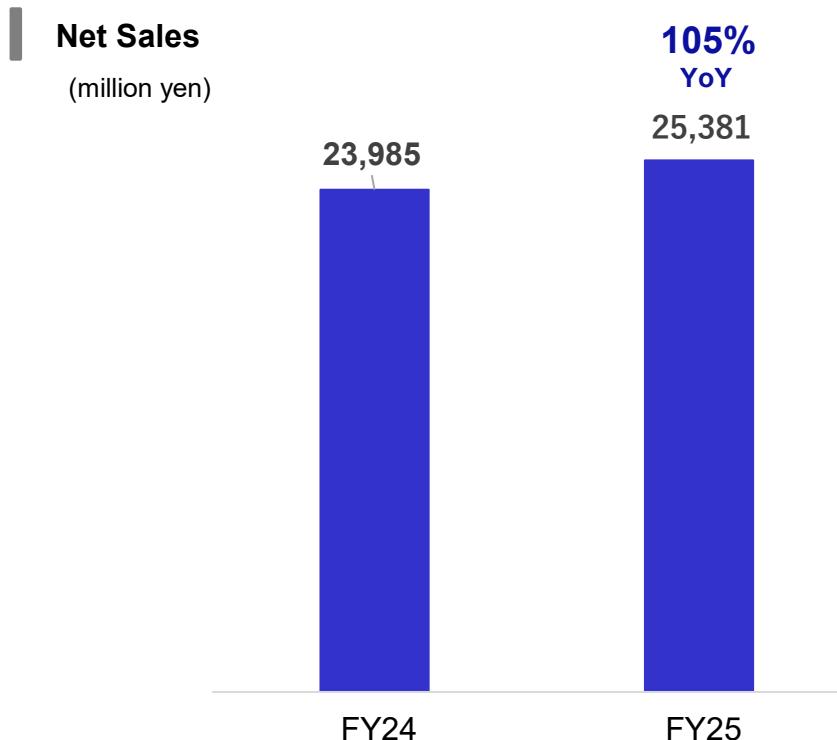
Henn na Hotel is the "Hotel with the Most Collaboration Rooms in the World," certified by Guinness World Records™ as the "Hotel with the Most Brand-Themed Room Sponsorships in a Hotel Chain (Most brand-concept room sponsorships in a hotel chain). (Friday, September 19, 2025 / 44 types of collaboration rooms)

Cappadocia, Turkey: Operating Profit (Quarterly Trend)



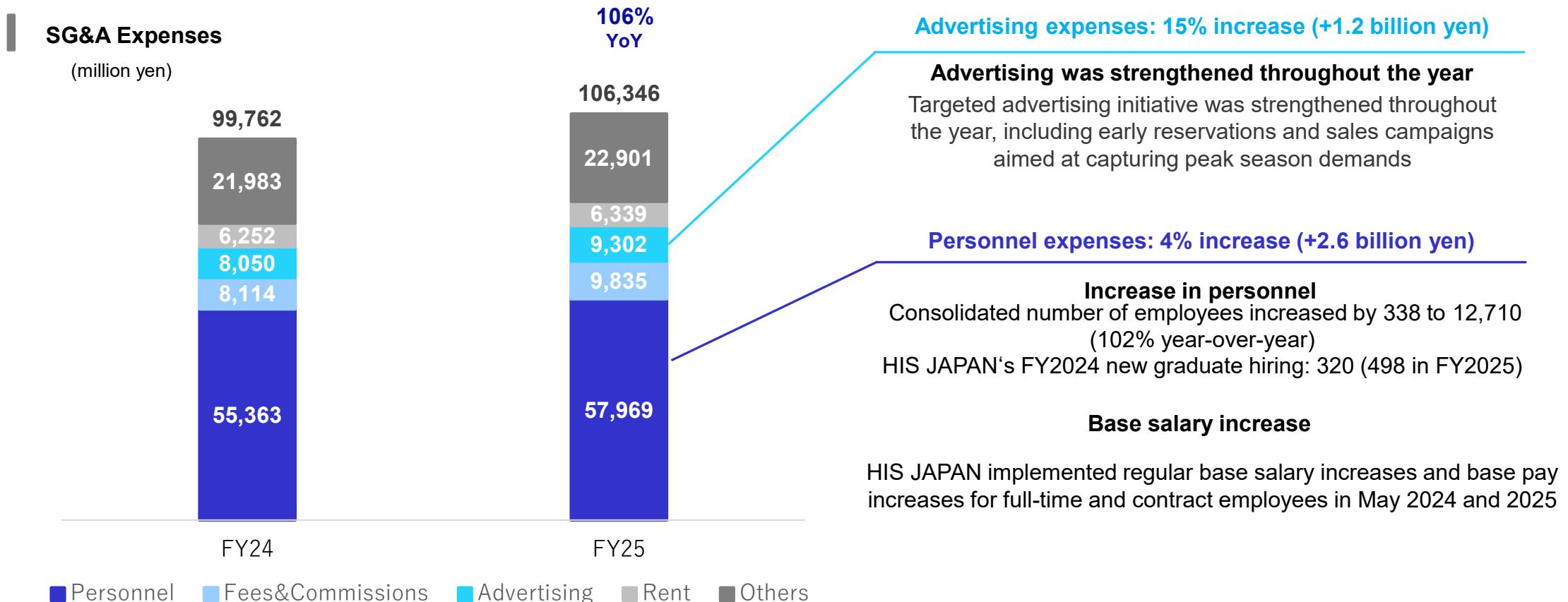
Opened in November 2024
"Cappadocia Marriott Hotel"
Exterior Rendering

- With the increase in foreign visitors to Japan, passenger numbers at Aso Kumamoto Airport also increased, particularly for international flights. This led to growth in the bus and airline agency businesses, resulting in a significant improvement in financial performance.
- Sakura Machi Kumamoto, part of the real estate business, successfully held various events, attracting over 14 million visitors annually



Selling, General and Administrative Expenses

Advertising expenses and commission fees increased as travel demands continued to recover, while personnel expenses increased due to improvements in employee compensation and benefits



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

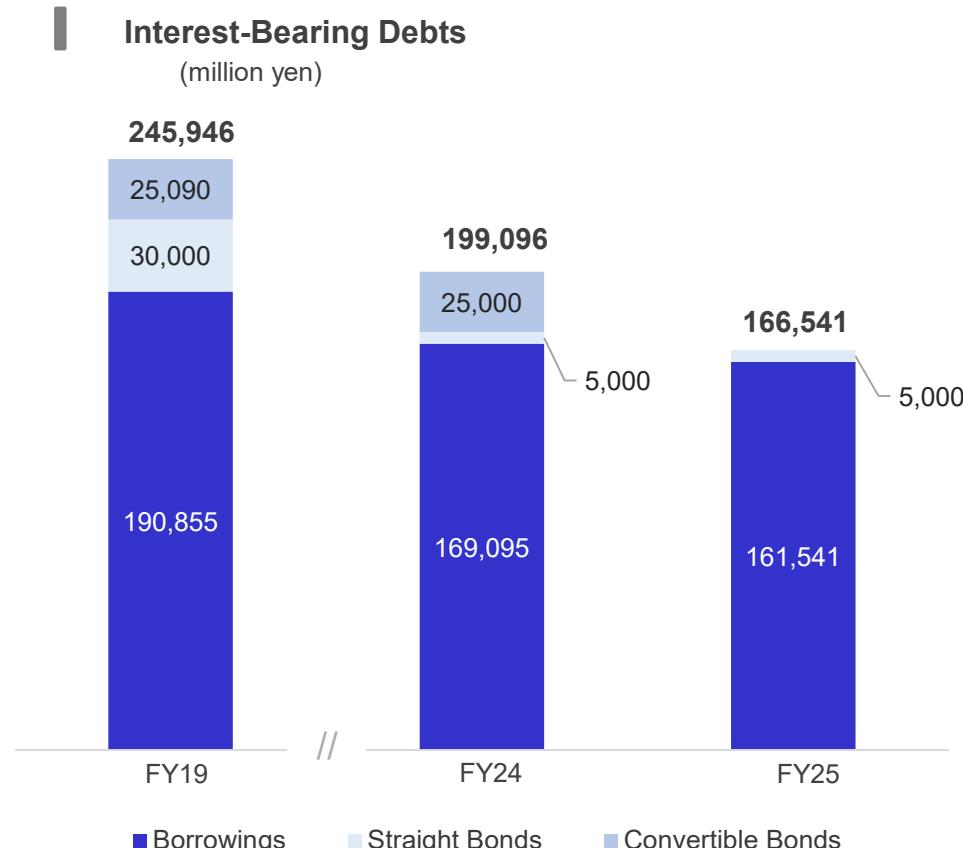
HIS

(million yen)	FY24	FY25	Increase /Decrease		FY24	FY25	Increase /Decrease
Cash and Deposits	138,145	113,932	△24,212	Operating Accounts Payable	12,441	15,683	3,241
Notes&Accounts Receivable and Contract Assets	25,413	27,581	2,168	Pre-Travel Payments Received	36,851	43,193	6,342
Operating Accounts Receivable	670	798	127	Bonds and Convertible Bonds Payable	30,000	5,000	△25,000
Pre-Travel Payments	10,942	12,610	1,668	Borrowings	169,095	161,541	△7,554
Others	27,145	25,464	1,681	Others	101,467	93,707	△7,760
Total Current Assets	202,316	180,388	△21,928	Total Liabilities	349,857	319,125	△30,731
Property, Plant and Equipment	164,104	159,703	△4,401	Capital	100	100	—
Intangible Fixed Assets	13,975	12,795	△1,179	Capital Surplus	27,645	28,372	726
Goodwill	1,956	1,655	△300	Earned Surplus	24,226	28,137	3,910
Investments and Other Assets	29,789	31,739	1,949	Treasury Shares	△13,015	△12,981	33
Total Fixed Assets	209,825	205,893	△39,32	Cumulative Other Comprehensive Income	13,011	11,921	△1,089
Total Deferred Assets	58	49	△9	Stock Acquisition Rights	282	292	9
Total Assets	412,200	386,330	△25,870	Non-Controlling Shareholder Equity	10,093	11,363	1,270
				Total Net Assets	62,343	67,205	4,861
				Total Liabilities and Net Assets	412,200	386,330	△25,870

Financial Position

Repayment of Interest-Bearing Debts

- 15 billion yen of straight bonds and 25 billion yen of convertible bonds were redeemed in February 2024 and November 2024
- Interest-bearing debt balance at the end of October 2025: 166.5 billion yen
- Straight bonds are scheduled to be redeemed in February 2027

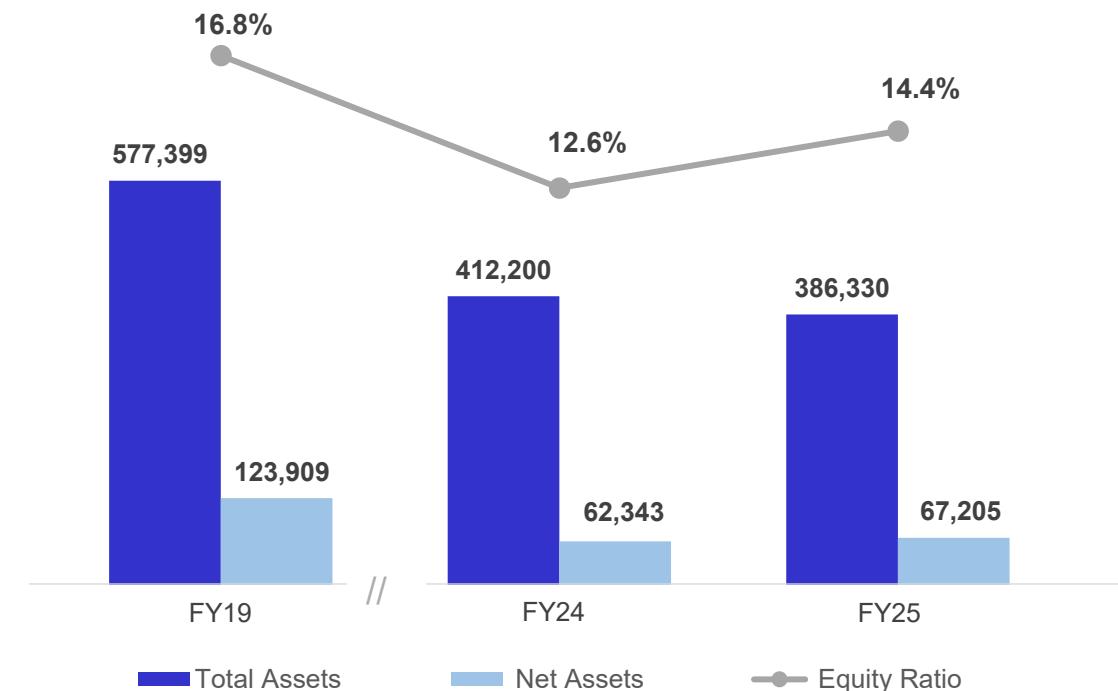


Cash Position

- Cash and deposits (113.9 billion yen) ↔ Interest-bearing debts (166.5 billion yen)
- The target equity ratio is set at 20% as the immediate goal

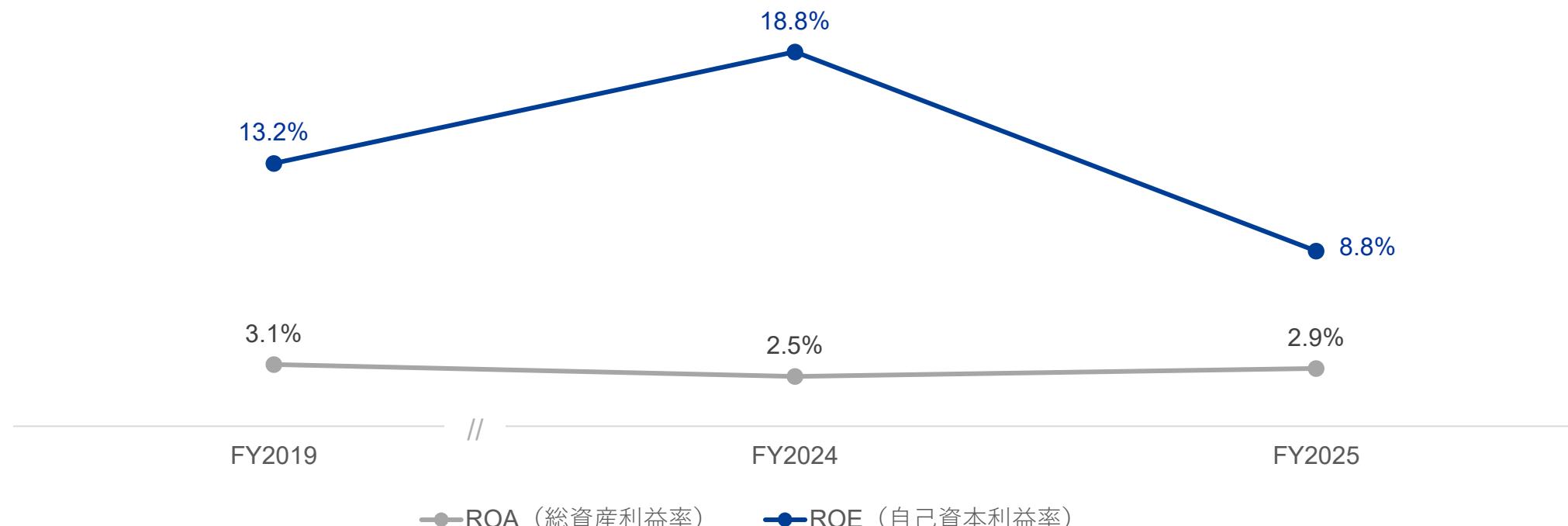
Equity Ratio

(million yen)

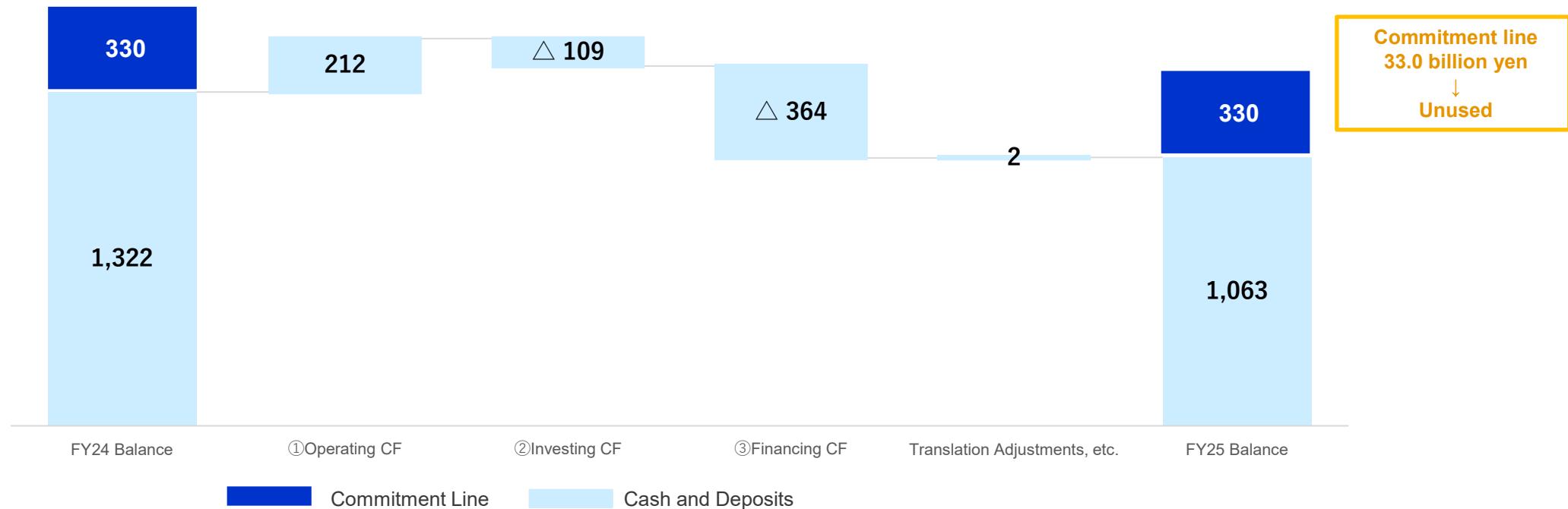


ROA and ROE

- While FY2024 saw ROE surpass FY2019 levels due to full-fledged recovery from the Covid-19 pandemic, FY2025 net profit decreased due to the recognition of extraordinary losses
- The target ROE is set at 20% as the immediate goal



(100,000,000 yen)



① Operating Cash Flow	② Investing Cash Flow	③ Financing Cash Flow
Pre-tax profit	Proceeds from withdrawal of time deposits	Proceeds from borrowings
70	103	1,025
Depreciation and amortization	Expenditures for deposits into time deposits	Repayment of borrowings
113	△121	△ 1,101
Increase in advance travel payments	Expenditures for acquisition of fixed assets	Expenditures for bond redemptions
64	△71	△ 250
Income taxes paid	Expenditures for security deposits	
△22	△18	
Interests paid		
△20		

Financial Forecasts for the Fiscal Year Ending October 2026

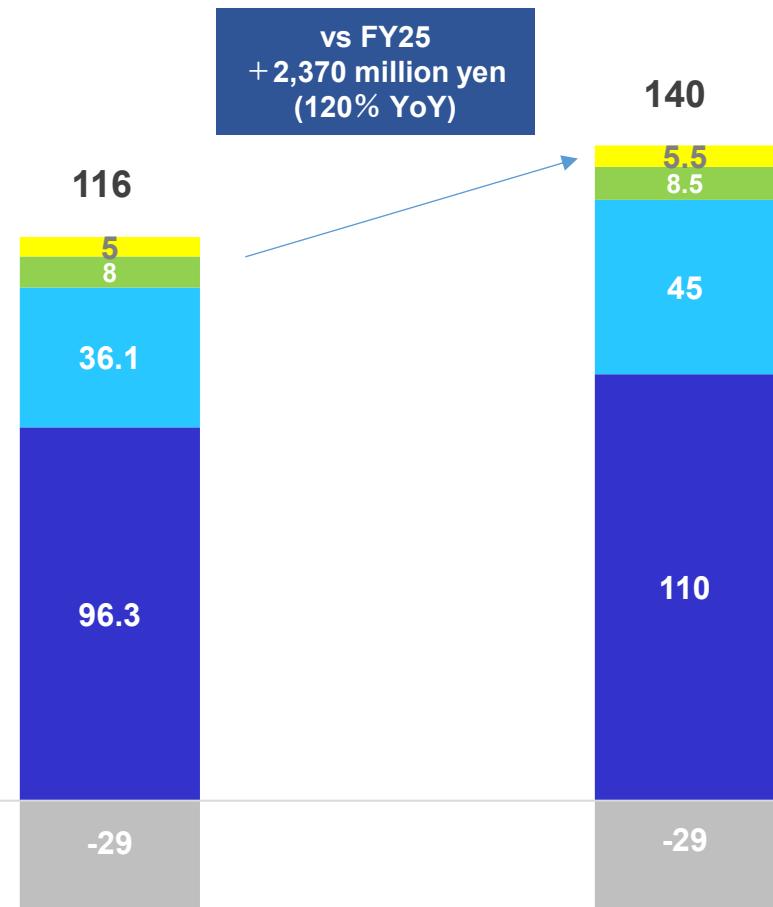
Financial Forecasts

- Sales and operating profit forecasts were revised from the mid-term business plan to 420 billion yen and 14 billion yen
- Regarding dividends, a year-end dividend of 25 yen is planned

(million yen)	FY25	FY26	YoY (%)	YoY (Amount)	FY25 1H	FY26 1H	YoY (%)	YoY (Amount)
Net Sales	373,106	420,000	112.6%	46,894	181,313	195,000	107.5%	13,687
Travel Business	309,139	354,000	114.5%	44,861	149,558	163,000	109.0%	13,442
Hotel Business	25,244	28,300	112.1%	3,056	12,405	14,100	113.7%	1,695
Kyushu Sanko Group	25,381	26,200	103.2%	819	12,663	13,000	102.7%	337
Others	17,484	15,500	88.0%	△1,984	8,814	7,000	79.4%	△1,814
Adjustments, Eliminations, etc.	△4,143	△4,000	-	143	△2,128	△2,100	-	28
Operating Profit	11,627	14,000	120.4%	2,373	6,721	6,900	102.7%	179
Travel Business	9,636	11,000	114.2%	1,364	5,607	5,450	97.2%	△157
Hotel Business	3,618	4,500	124.4%	882	1,920	2,300	119.8%	380
Kyushu Sanko Group	806	850	105.4%	44	508	580	114.1%	72
Others	504	550	109.0%	46	219	220	100.1%	0
Adjustments, Eliminations, etc.	△2,938	△2,900	-	38	△1,534	△1,650	-	△116
Ordinary Profit	11,381	14,000	123.0%	2,619	6,881	6,900	100.3%	19
Net Profit Attributable to Parent Company Shareholders	4,719	9,000	190.7%	4,281	3,798	4,500	118.5%	702
Dividend	20 yen	25 yen			10 yen	0 yen		

Financial Forecasts for FY Ending October 2026: Operating Profit by Business Segment **HIS**

(100,000,000 yen)



FY25 Actual Results

- Travel Business
- Other

FY26 Forecast

- Hotel Business
- Kyushu Sanko Group
- Consolidation Adjustments

Business segments that are expected to drive growth

Travel Business +1,360 million yen (114% YoY)

- ✓ Solid recovery in Japanese international travelers is expected
- ✓ Inbound tourism business for global markets is to be accelerated
- ✓ High-value-added destination-based content is to be developed

Hotel Business +880 million yen (125% YoY)

- ✓ Higher rates and occupancy are to be achieved driven by recovery in leisure demands, particularly in urban areas
- ✓ Revenues are to be increased due to new hotel openings
 - Two domestic openings
 - December 2025: Henn na Hotel Express Osaka Namba Nipponbashi
 - December 2025: Henn na Hotel Express Osaka Namba Nipponbashi Annex
- ✓ The profit structure for the hotel in Cappadocia, Turkey is to be secured

Assumptions for the SG&A Expenses

Personnel Expenses: +5.0 billion yen (108% YoY)

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Hiring of approximately 400 new graduates is planned in 2026
Salary revisions including pay raises are implemented starting in May 2025

General and Administrative Expenses: +5.6 billion yen (111% YoY)

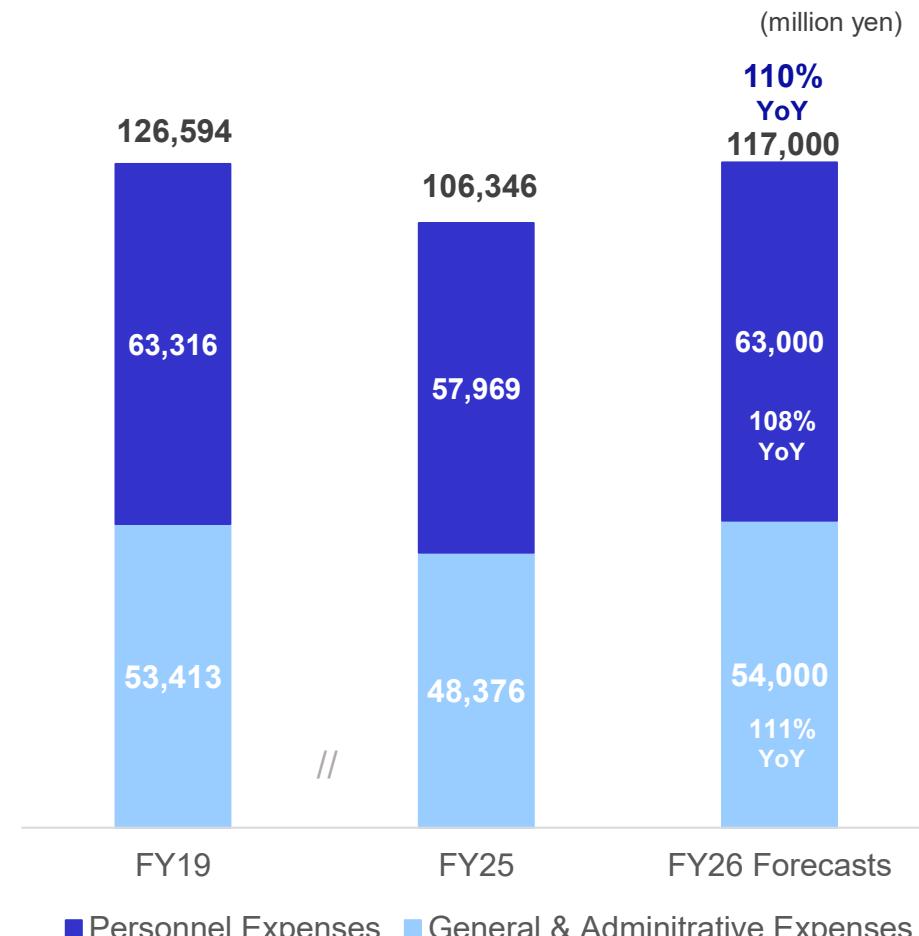
Advertising Expenses

Advertising expenses are expected to increase with the revival of travel demands

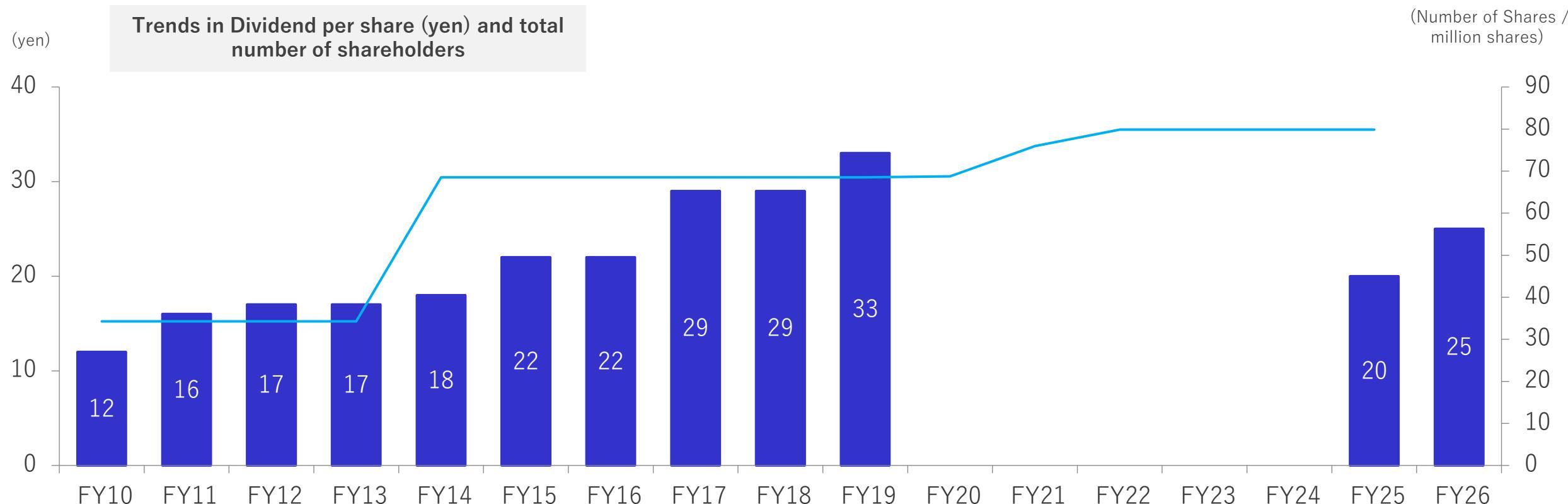
Commission expenses

Commission expenses are expected to increase due to increased transactions and rising prices

Trends of Consolidated SG&A Expenses



In accordance with the shareholder return policy of “stable and continuous distribution of corporate profits“, an annual dividend of 25 yen is planned (Dividend of all amount at the end of the fiscal year only is planned)



Major Initiatives for the Fiscal Year Ending October 2026

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International Travel Business

- ✓ High-value-added products are to be strengthened for international travel to build a product portfolio
- ✓ Early bookings during peak seasons are to be promoted by strengthening travel product procurement
- ✓ Seat capacity is to be increased by its own efforts through enhanced scheduled flight purchases and charter flight operations

Domestic Travel

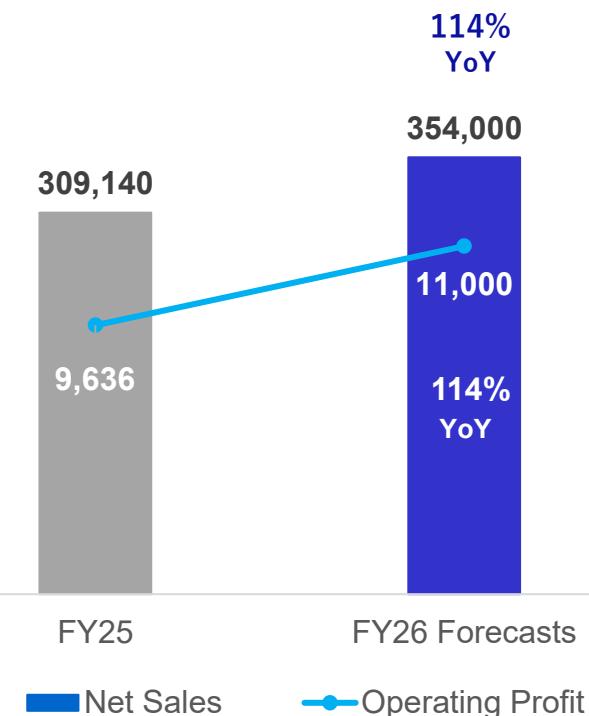
- ✓ Destination business in Okinawa is to be developed through investments, developments, and operations of destination content, in addition to passenger transportation

Global

Travel Business Overseas / Inbound (Reception Services)

- ✓ "HIS Global DMC", a new organization serving as the core of global operations, has been established
- ✓ Sales activities for global MICE are to be strengthened
- ✓ Collaboration with HANA TOUR, South Korea's largest travel agency
- ✓ Content business is to be strengthened

Forecasts by Business Segment (million yen)



Building a Portfolio to Enhance Competitiveness International

Profitable tours, including sightseeing tours that combine the planning and proposal capabilities that are the strengths of travel agencies, differentiated tours with tour conductors, tours packed with content, and cruise travel, are to be enhanced

Proposing “Content-Rich Private Tours“, only available at HIS



Composition ratio of tours with tour conductors: 18% → 20% (YoY)

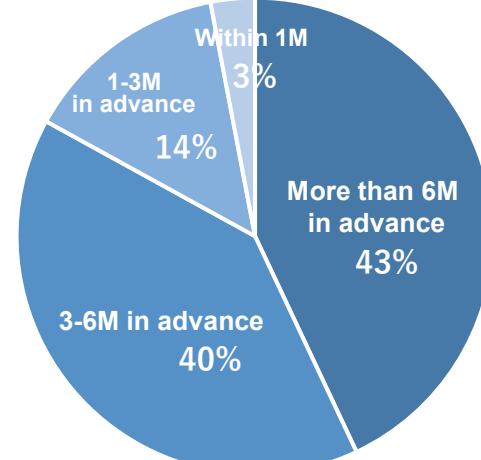
Increasing Seat Capacity by its Own Efforts International

Appeal to a wide range of customers, from families to seniors, by **strengthening purchases of scheduled flights** to ensure a stable supply of seats, **securing seats on special flights**, and **operating chartered flights** between cities that do not normally have direct flights, is to be expanded

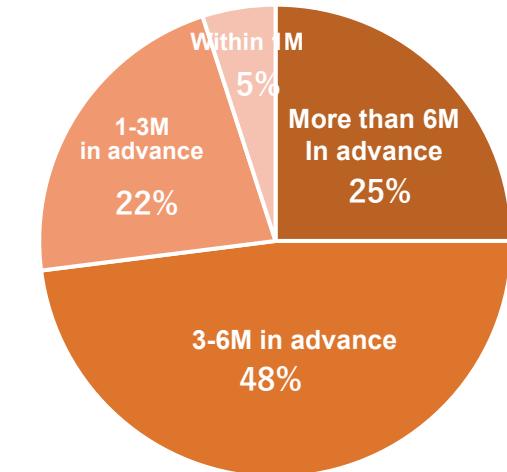
Further Promoting Early Bookings International Domestic

Early booking promotion is to be further strengthened amidst the continuing upward trend in inbound visitors

Westerners



Japanese



Okinawa Passengers: 200,000 (111% YoY) International Domestic

✓ Strengthening Okinawa tours

→ HIS and its Okinawa subsidiary are to integrate more closely to develop destination business in Okinawa through investments, developments, and operations of destination content, in addition to passenger transportation

✓ Strengthening Dynamic Package and tours with tour conductors

Sales Targets: 135% YoY (Dynamic Package) / 144% YoY (Tours with conductors)

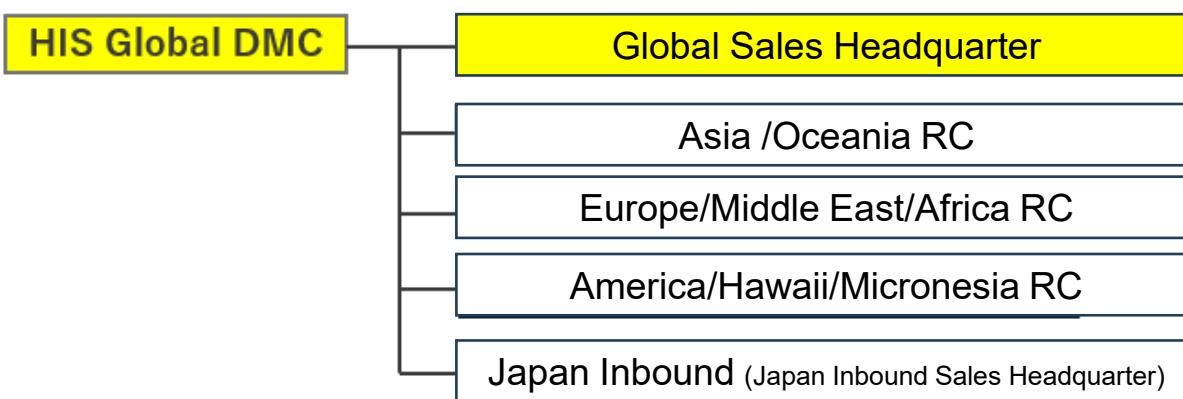
Evolving from a tour operator to an experience value creator, transforming into Global DMC (*)

*DMC stands for "Destination Management Company"

Expanding Global Operations through Organizational Restructuring and Establishment of New Headquarter

- ✓ New organization "HIS Global DMC" was established as the core of global operations

To oversee overseas subsidiaries and promote enhanced cross-functional collaboration



Based on the travel products developed by each regional company, **the Global Sales Headquarter aims to expand sales channels through cross-regional B2B sales**. Furthermore, by bringing the inbound travel business to Japan under the global umbrella as "JAPAN Inbound", HIS Group aims to maximize group synergies through collaboration with the outbound business

Promoting Sales for Global Group MICE

The **Global Sales Headquarter** will not only develop leisure demands through B2B agent development but **also strengthen global MICE sales** targeting global corporate clients

Strategic Partnership for Global Inbound Expansion

- ✓ Collaboration with HANA TOUR, South Korea's largest travel agency



Strengthening inbound operations (inbound business) outside the Japanese market

The outbound travel market originating from South Korea is more active than Japan's. HIS Group will enhance and expand access to the South Korean market while securing a sustainable competitive edge against global OTAs

Strengthening Content Business

Commercializing the Next Generation of Transportation

✓ Flying Car: eVTOL

During the Osaka-Kansai Expo, HIS Group collaborated on demonstration flights and simulator experience sales for "HEXA" flying car manufactured by U.S.-based LIFT Aircraft within Osaka City. Plans include organizing tours from Japan for flight experiences in the U.S. and selling future flight experiences in Japan



© Marubeni Aerospace Corporation



※Future Operation Image

✓ Helicopter Usage Service

Launching intercity travel products in France (February 2026)
Offering sightseeing flights and original private charter services

Expanding Original Content for Inbound Travel to Japan

Unique experiential products and locally rooted tours unavailable elsewhere are to be developed and product lineup tailored to customer needs is to be established



- ▶ Operation of in-house bus
Expanding destination-type in-house products

◀ Xplore Ride

Expanding overseas XR offerings in Japan



Offering Special Experience Value Programs



Experiential value programs are to be offered for the emerging wealth class, including cultural exchanges with locals at the Kenya Lodge scheduled to open in 2026

◀ Image of Kenya

Domestic Hotels

Promoting high value-added initiatives and strengthening inbound travel

- Value and service differentiation is to be strengthened based on **multi-brand strategy**
- HIS Group **continues to expand sales channels for the "world's largest number of collaboration rooms"** and provide experiential accommodation that will become the purpose of travel
- Digital marketing initiatives are to be strengthened** for inbound visitors to Japan to maintain high occupancy rates

Pick up

Henn na Hotel New Openings

Opening two "Henn na Hotel Express" in Osaka Namba Nipponbashi in December 2025 and February 2026



Henn na Hotel Express Osaka Namba Nipponbashi Annex" ▶
Exterior Image

Overseas Hotels

Strengthening uniqueness through locally rooted experiential content development and "Japan quality"

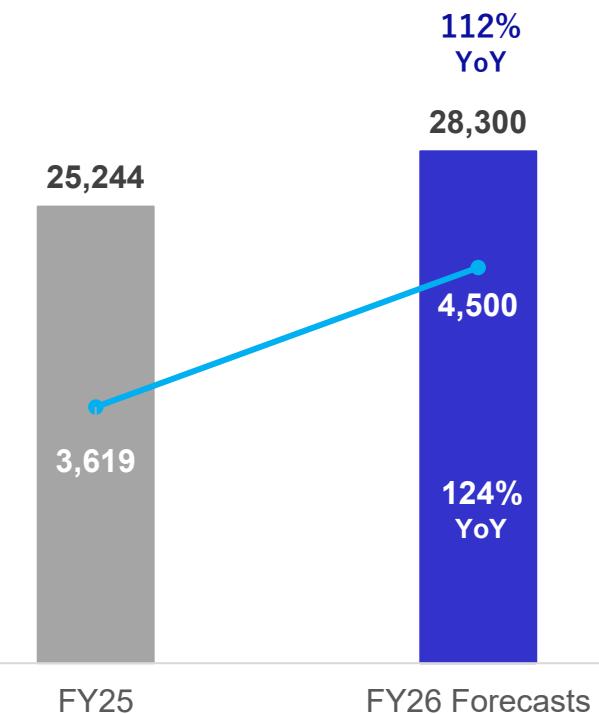
- Regional sightseeing shuttle bus** services are to be enhanced in Guam, Bali, etc.
- Services are to be developed encompassing both "soft" aspects like Japanese-style hospitality and "hard" aspects like in-room space design

Pick up

The full-year profitability of Turkey (profits decreased in the previous fiscal year due to opening investments) is expected to contribute significantly to the overall increase in sales and profits of the overseas hotel business

Hotel Business: Financial Forecasts

(million yen)



Net Sales

Operating Profit

Strengthening the "Transportation Hub Business" to Capture Increased Foot Traffic and Maximizing Profits

Taking advantage of the increase in domestic traffic, including inbound visitors to Japan, Kyushu Sanko Group is to leverage Sakura Machi Kumamoto, which incorporates a bus terminal, as a hub for both "mobility" and "sightseeing". **This will strengthen event and retail sales, contributing to further regional development**



▲Collaboration with Popular Anime "Frieren: Beyond Journey's End"

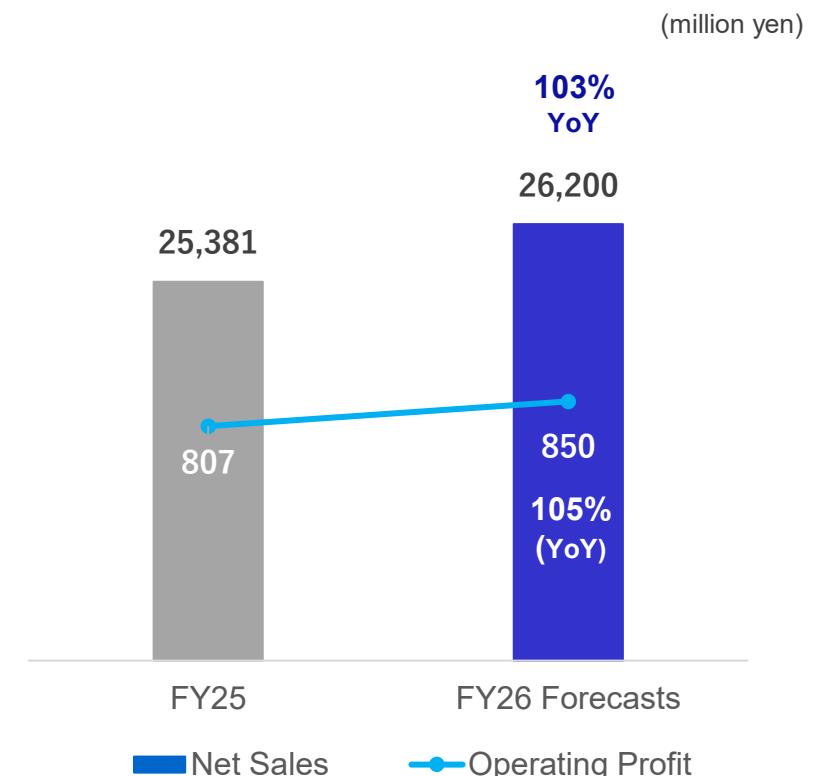
Maximizing Productivity and Group Synergies

Kyushu Sanko Group is to mutually utilize each company's sales channels and advertising media to enhance the efficiency of sales and promotions for strategic products. Furthermore, by establishing a group-wide sales structure and uniformly marketing products, **Kyushu Sanko Group aims to achieve optimal allocation of sales resources and improved productivity**



▲Kumamoto Destination Campaign (Image)

Kyushu Sanko Group Financial Forecasts



Action Plans for the Next-Phase Growth Strategy

New Mid-Term Business Plan: Year 0

Lead-up Period toward the Strong Start for the New Mid-Term Business Plan



[Policy]

Transformation through AI, Technology, and Human Collaboration

[7 Action Plan Items]

① Creating Customer Value, Enhancing Productivity, and Optimizing Talent Allocation through AI and Technology

④ Entering New Business Areas and Expanding Existing Businesses via M&A, Investment, and Partnerships

② Expanding Business in Global (Non-Japanese) Markets

⑤ Maximizing Customer Lifetime Value (LTV) through Group-wide CRM Implementation

③ Building New Distribution Channels by Leveraging the Global Network

⑥ Empowering Diverse Talent Through DEIB Initiatives

⑦ Establishing a Governance Structure to Support Sustainable Growth

Organizational Restructuring and New Headquarters Establishment to Strengthen Cross-Functional Strategy

HIS Global Destination Management Company



Aiming to expand global operations, this company manages overseas subsidiaries and strengthens cross-functional collaboration

Global Sales Headquarter

Based on travel products developed by each regional company, this headquarter aims to expand sales channels through cross-regional B2B sales

AI Innovation Headquarter



Aiming for business growth through AI utilization, this headquarter is responsible for optimizing management resources and developing cross-functional strategies



CX Management Headquarter

Aiming to maximize LTV, this headquarter is responsible for optimizing services at customer touchpoints



Governance Headquarter

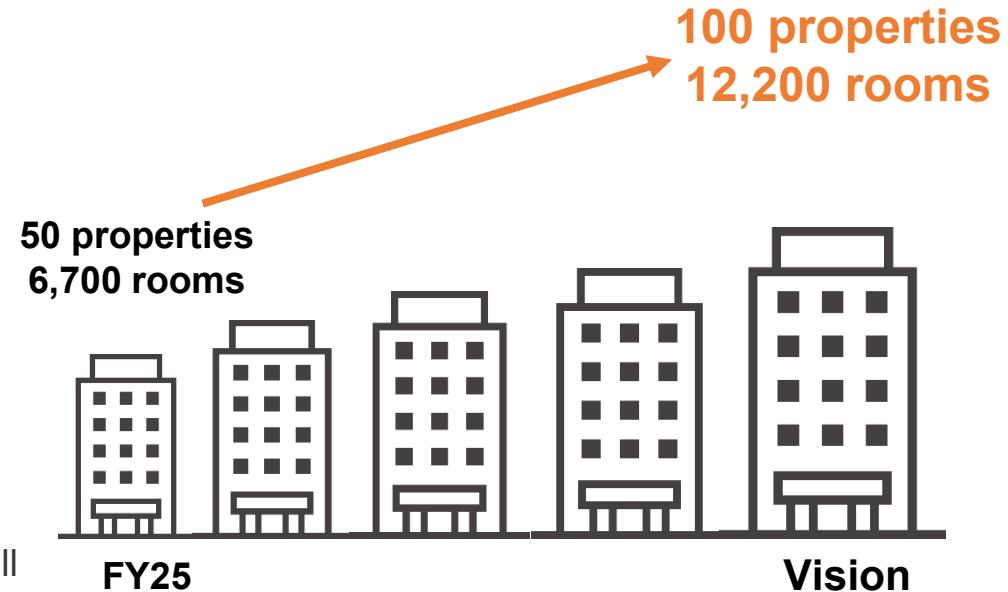
Centralizing risk management functions, this headquarter is responsible for building a robust framework and enhancing rapid decision-making

[Long-Term Vision] 100 Hotel Properties, 10 Billion Yen in Operating Profit

Elevation to Core Business within HIS Group

Steady Scale Expansion

- ✓ Strategic hub expansion through diverse development schemes
 - Self-owned, M&A, and operation management
 - Flexibly implementing optimal developments while selecting locations beneficial for the travel business
- ✓ Multi-brand developments
 - Subdividing the flagship "Henn na Hotel" brand according to concept and target customers
- ✓ Venturing into Hotel-Related Businesses
 - In-house operation of food and beverage, linens, retail, facility management, etc.



Thorough Productivity Reform

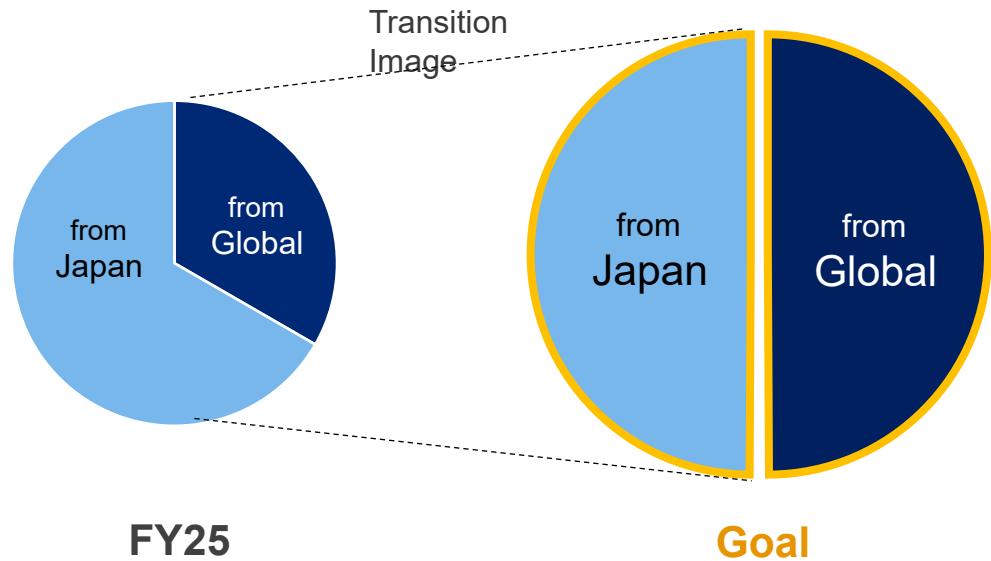
Building the next-generation operations utilizing DX and AI

- ✓ Remote/Unmanned Operations: Utilizing labor-saving solutions to achieve full unmanned operations
- ✓ AI Revenue Management: Implementing automated systems for optimal pricing
- ✓ AI Review Analysis: Transforming customer feedback into immediate operational improvements

**Building a sustainable growth foundation through investments
for the future and technological transformation**

Elevating to a High-Value-Added “Experience Value Creation Industry” and Reforming the Profit Structure

Overseas Travel Business Operating Profit Composition Ratio



Strengthening foundations and expanding domains

Businesses are to be strategically expanded in each market in Japan, Europe/America, and Southeast Asia, centered on the new "Global Sales Headquarter"

Improving profitability

The group's overall profit structure is to be reformed by shifting to highly profitable DMC business, particularly strengthening MICE and group travel

Creating new experiential value

HIS's unique, one-of-a-kind experiences are to be delivered by leveraging content for wealthy customers and next-generation mobility

Accelerating growth

Business foundation is to be strengthened and expanded in a non-linear, step-change manner by actively leveraging M&A and strategic alliances targeting the global inbound market

**Operating profit of the global travel business is to be doubled.
The pillars of revenues are to be significantly transformed**

HIS Group's Investment Strategy for Sustainable Growth

Accelerating synergies with the travel and travel-related businesses while establishing a new growth field

Strengthening Profit Foundations in the Okinawa Tourism Market

✓ Acquisition of South Wing Co., Ltd., making it a subsidiary

- Leveraging prime locations to be rest spots for Okinawa travelers (Perks during travel)
- Utilization as a dedicated facility for inbound visitors (incorporating tourist information center functions)



South Wing Co., Ltd. operates 6 tourist souvenir shops, "KID HOUSE" on Kokusai Street, Okinawa's premier tourist destination. With over 30 years of track record and a strong local foundations, the company possesses expertise in selling high-value-added products such as crafts and alcoholic beverages

Enhancing Competitive Advantages in Specific Regions

✓ Collaboration with Develop Co., Ltd.

- Planning to open container hotel "HOTEL R9 The Yard" in Okinawa
- Sales collaboration with HIS tours



Develop Co., Ltd. focuses primarily on container architecture and hotel business that are movable and adaptable to flexible demand scales, addressing issues such as accommodation shortages in regional areas

Creating Experiential Value, Improving Productivity, and Optimizing Human Resource Allocation through Promotion of AI and Technology (Action Plan ①)

HIS

Already Implemented Use Cases



Image recognition for application forms and passports



Automated development code generation and creation assistance



Automatic reading & translation of English airline ticket regulations

etc.

Establishment of AI Innovation Headquarter

Key Initiatives for Promoting AI and Technology

FY26 Key Activity Plans

Developing Infrastructure and Formulating Strategy

- ✓ Collectiong and utilizing strategic insights
- ✓ Assessing the current state and strengthening the technical foundation
- ✓ Strengthening human resources and alliances

Implementing Specific Measures and Expanding Data Base

- ✓ Creating use cases
- ✓ Strengthening the data infrastructure

Taking the first step in AI implementation in the business and verifying its effectiveness



Maximizing Business Value

Enhancing Experiential Value and Sales Revenue

Delivering experiences tailored to each customer's needs
Maximizing conversion rates and expanding upselling/cross-selling opportunities

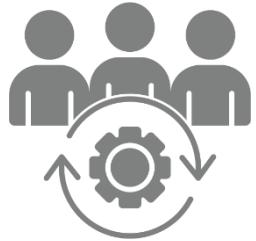
Enhancing Productivity and Profitability

Materializing data-driven rapid decision-making and company-wide operational efficiency and cost optimization



Implementing CRM to centralize customer data

- ✓ Aiming to increase repeat rates and average customer spend through personalized customer approaches
- ✓ Efficiency and service improvement
Standardizing business processes to boost productivity while speeding up customer service delivery
- ✓ Optimizing advertising expenses and allocating freed-up resources to new customer acquisition



Renewing the core reservation system as the backbone of the LTV maximization strategy

- ✓ Gradually unifying reservation management systems that varied by product
- ✓ Dramatically improving conversion rates at digital touchpoints and promoting lifelong loyalty building



Establishment of CX Management Headquarter

Always be a Challenger

HIS Group's DEIB Goals

Everyone Shines (image)



Each individual's challenge and growth



Transformation occurs when diverse values collide



Support for diverse challenge opportunities and growth

FY26
Key KPIs

① Enhancing the Job Satisfaction Index

Employee Satisfaction Survey: "A company where employees find meaning in their work" - 80% worldwide (FY23: 56.1% on a non-consolidated basis)

② Improvement in Transformation Index (Labor Productivity)

1.6 times compared to FY23 (non-consolidated)

Creating a work environment and various personnel policies that allow each employee to feel safe, enjoy challenges, and grow

- ✓ **Strengthening hiring in the IT/digital category to support the core of the mid-term business plan**
 - Hiring is to be strengthened for specialized fields, including application engineers, infrastructure engineers, security engineers, CX engineers, AI engineers, and data engineers
- ✓ **New Graduate Recruitment: Launching the "Regional Revitalization Project"** (Starting with 2026 New Graduates)
 - After joining the company, the new graduate will learn the necessary sales, planning, and execution skills, and in their third year, aims to use travel agency know-how to become a driving force for regional revitalization
- ✓ **Promoting an environment where diverse talents can thrive by leveraging their individual strengths**
 - HIS Group regards the advancement of women as a top priority in its human resources strategy and is promoting a nationwide initiative led by the representative director & president [2030 KPIs: 30% female board members, 30% female managers]
 - Promotion of Universal Design (UD) with a focus on empowering people with disabilities(introducing the UD staff system and UD medical leave) [2026 KPIs: Disability Employment Rate 2.7%]

Supplementary Materials

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

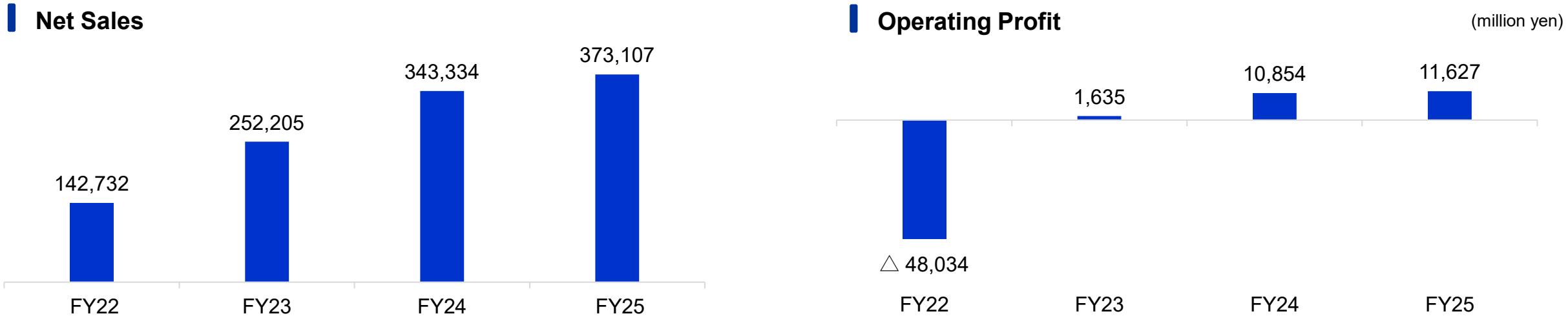
※3. Under the contract with the customers, "the time when the arrangement is completed = arrangement completion date" is the time when HIS Group's service provision is completed

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

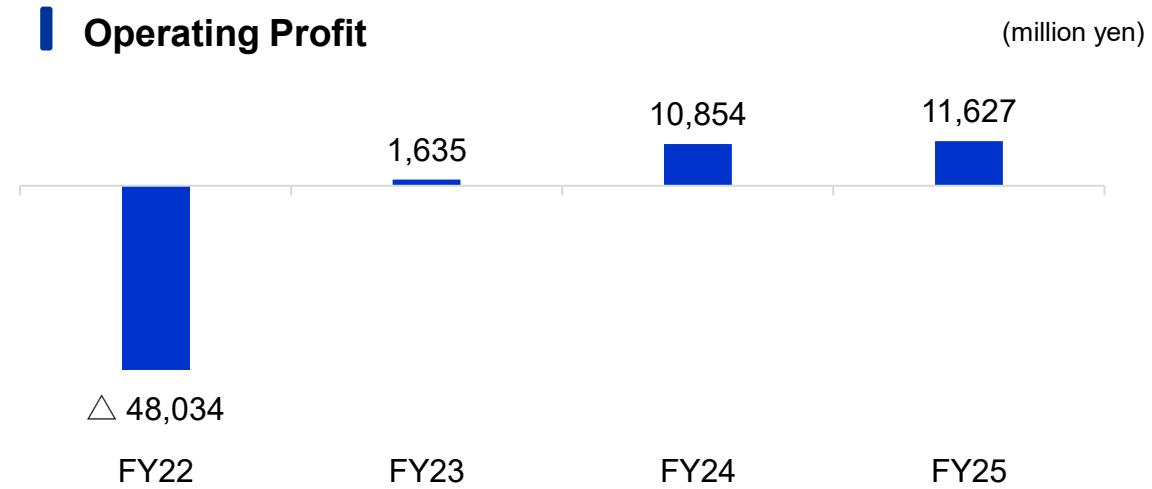
※5. The basic concept with regard to transactions other than travel is also the same (= to distinguish between "transaction as a principal" or "transaction as an agent"). In principle, all transactions (other than travel) are within the scope of the new standards, but are not applicable from the standpoint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

[Supplementary Materials] Trends in Consolidated Financial Results

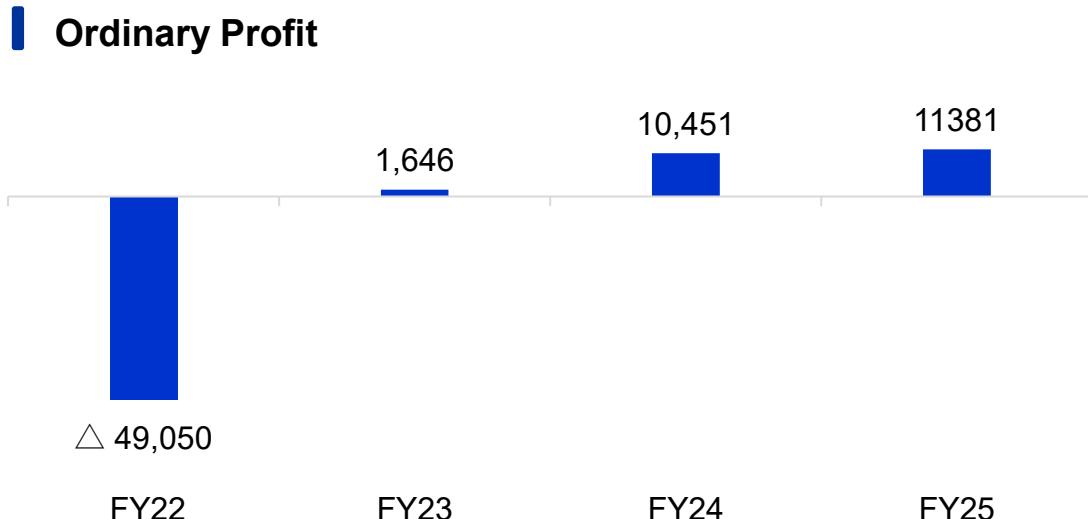
Net Sales



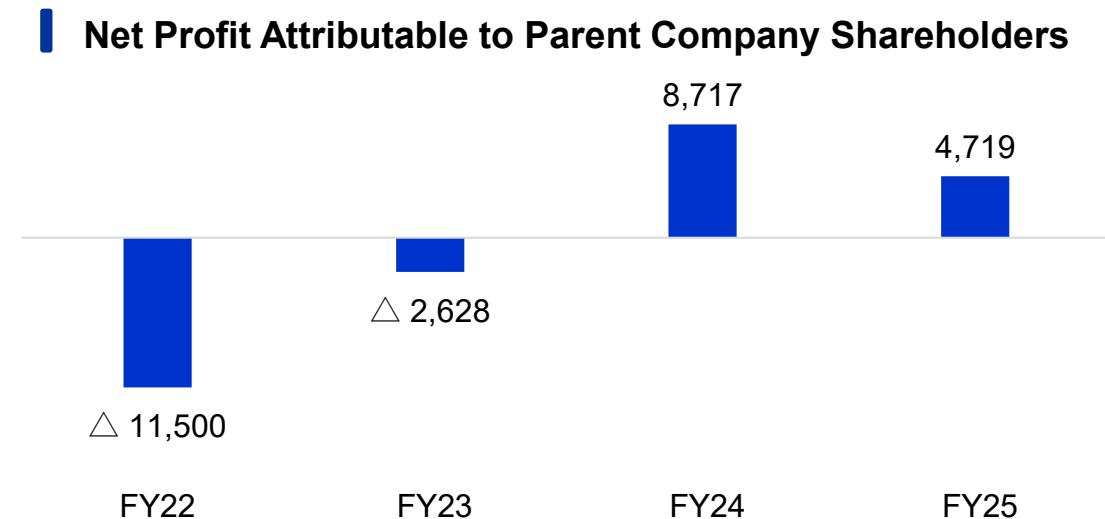
Operating Profit



Ordinary Profit



Net Profit Attributable to Parent Company Shareholders



[Supplementary Materials] Fiscal Year & Seasonality by Business (Reference)

	1Q			2Q			3Q			4Q		
	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Travel (HIS JAPAN)												
Travel (Domestic Subsidiaries)	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Travel (Overseas Corporations)	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Hotels (Domestic, Taiwan, Turkey)	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
 High Season

FY25 Trends in Operating Profit (before consolidation adjustments)

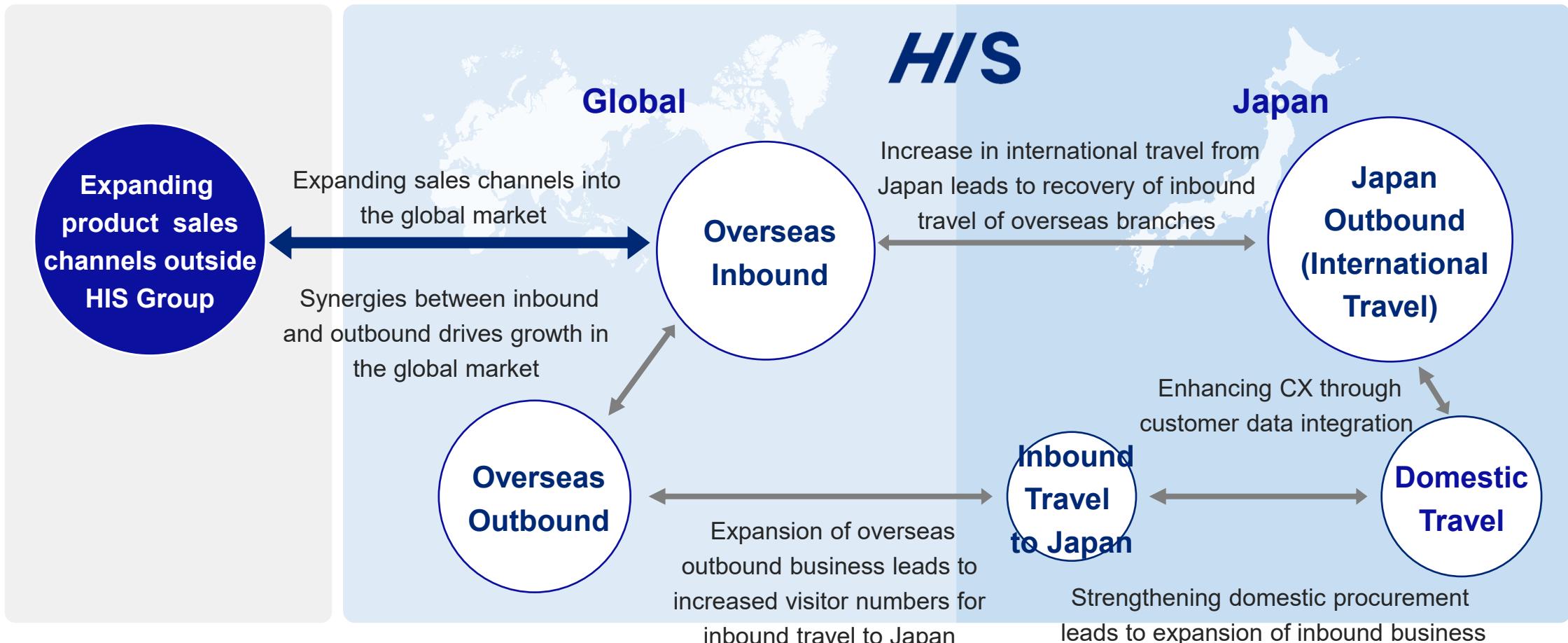


Interrelationships within the Travel Business Sector (Reiterated from Mid-Term Business Plan Materials)

HIS

**【Transformation of Core Sectors】 Focusing on Improving Profitability
and Structural Reforms in the Core Travel Business**

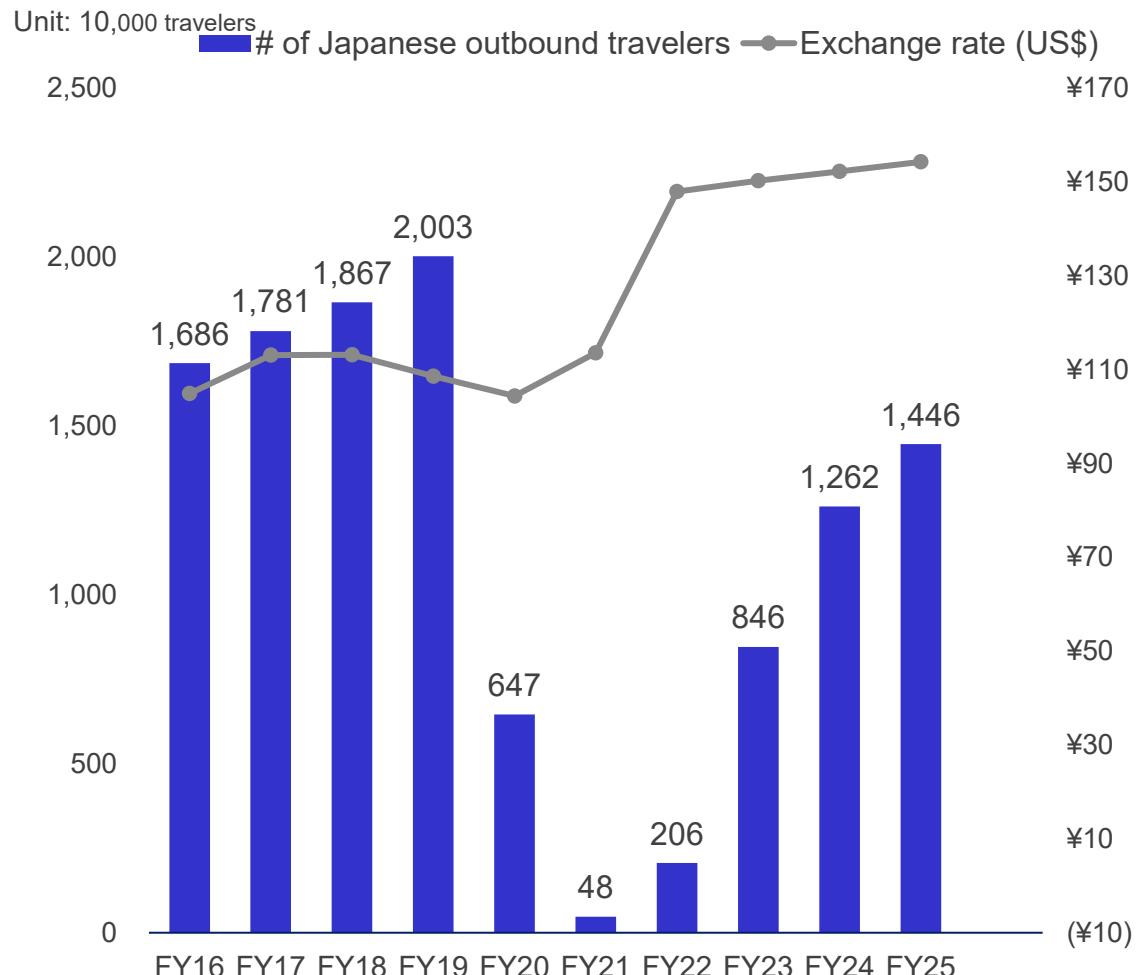
Maximizing the use of HIS's strength, its “global network”



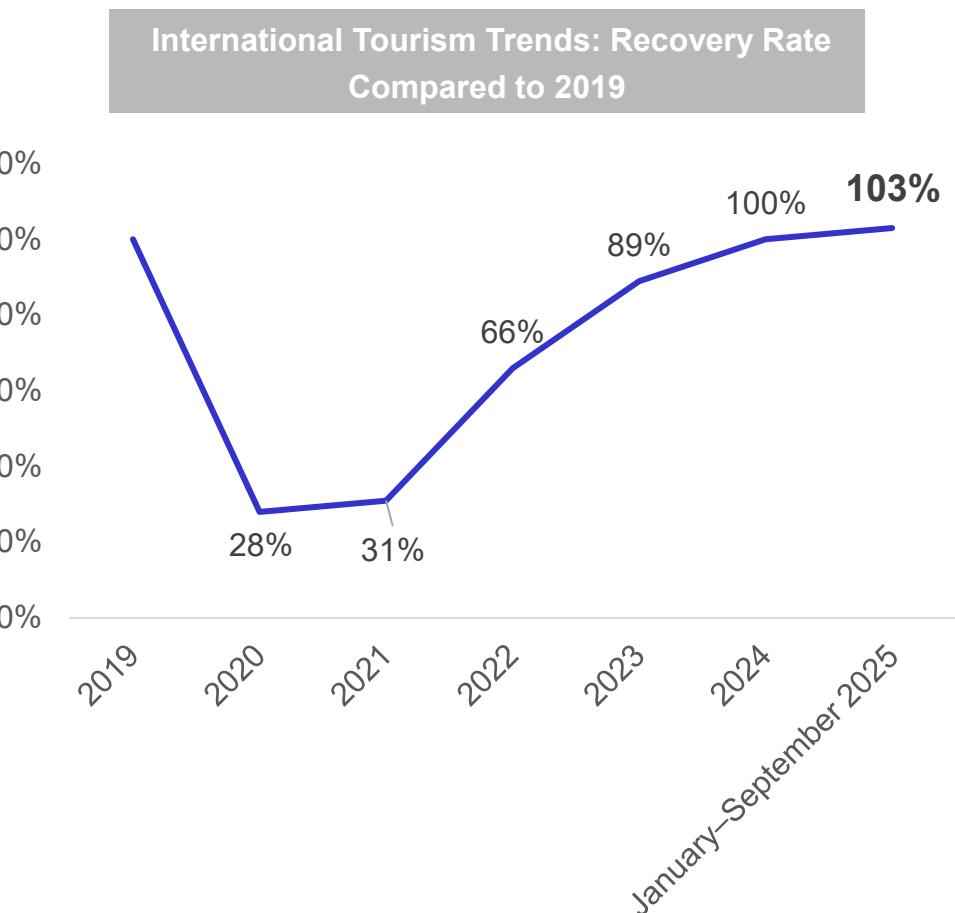
External Environment Surrounding HIS Group: Number of Japanese Outbound Travelers and International Tourism Trends

HIS

The Japanese outbound travel market in FY2025 showed a steady recovery trend at 114.5% year-on-year



The number of international tourists in 2025 is projected to exceed 2019 levels



Source: UN Tourism, data as of September 2025 *January-September 2025 (provisional data)

Source: Japan National Tourism Organization Period: November to October

Exchange Rate Source: Bank of Japan Tokyo Market, End of October/5:00 PM

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

HIS

(million yen)	FY19 (Previous Standards)					FY24 (Previous Standards)					FY25 (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	58,844	69,451	58,680	88,650	275,627	66,234	73,810	62,598	94,765	297,409
YoY	106%	114%	98%	97%	103%	233%	155%	114%	109%	136%	112%	106%	106%	106%	107%
Fuel Surcharge (included in the transaction amount above)	6,030	8,005	4,308	6,957	25,302	6,584	9,045	6,902	10,345	32,877	7,189	7,235	6,884	8,521	29,831
Domestic Travel in Japan / Transaction Amount	11,941	18,154	13,693	18,044	61,833	10,357	14,276	12,556	17,802	54,992	11,988	15,707	13,559	18,817	60,073
YoY	101%	106%	99%	99%	101%	77%	86%	91%	110%	91%	115%	110%	108%	106%	109%
Inbound Travel to Japan / Transaction Amount	7,116	8,075	8,375	6,464	30,032	2,247	3,405	3,171	3,841	12,666	3,194	5,022	3,887	4,478	16,582
YoY	119%	105%	88%	87%	96%	219%	147%	140%	134%	149%	142%	147%	122%	116%	130%

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

(million yen)	FY19 (Previous Standards)					FY24 (Reference Amount *)					FY25 (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	40,035	24,778	29,865	41,956	136,636	52,010	30,154	33,567	46,593	161,741
YoY	122%	104%	107%	99%	108%	220%	205%	168%	131%	170%	129%	121%	112%	114%	119%
Overseas Subsidiaries / Outbound Transaction Amount	17,860	18,761	38,857	39,868	115,347	44,515	48,181	49,214	37,525	179,436	39,268	41,386	37,824	29,718	147,945
YoY	95%	93%	183%	203%	144%	122%	102%	98%	96%	104%	88%	86%	76%	80%	82%

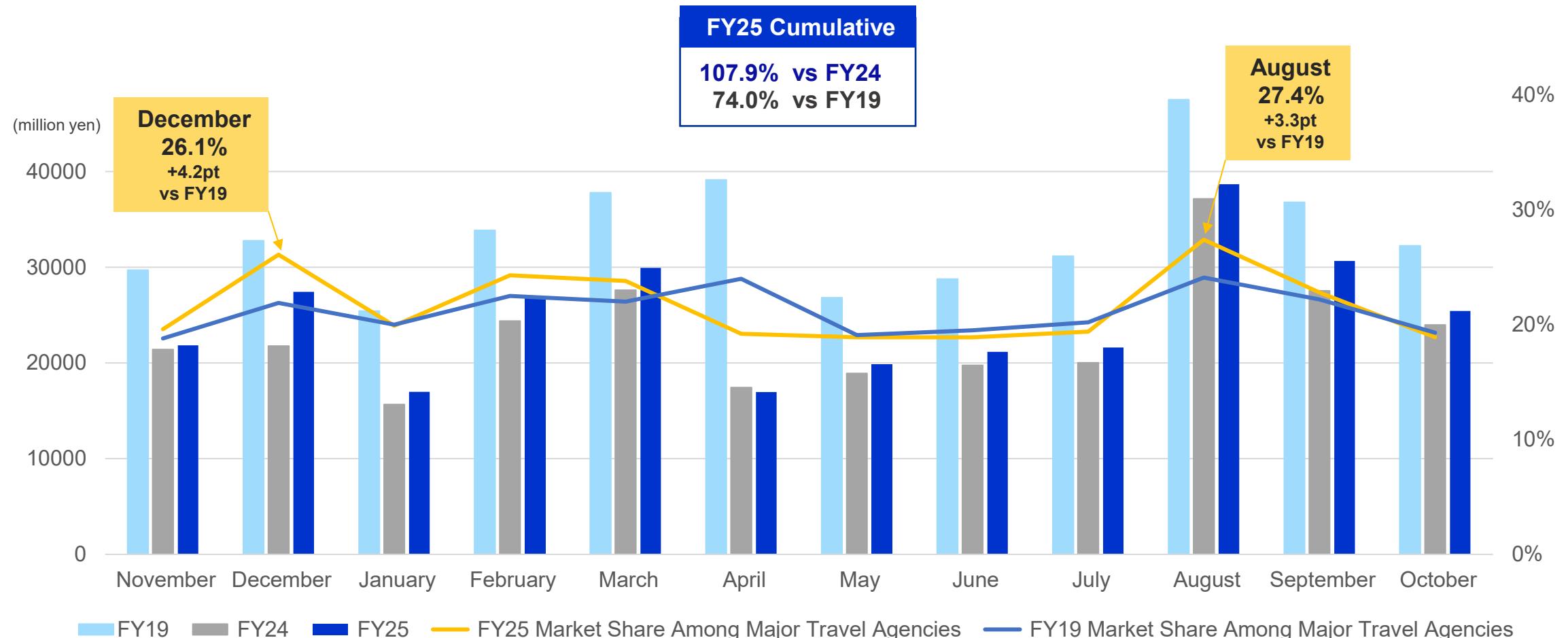
* FY23 onward is a reference amount where the recognition standard of transaction amount is "the date of progress" for tour products (transaction as a principal) and "the date of completion of arrangements" for arranged tours (transaction as an agent)

* Because the travel business overseas closes its books on July 31, FY25 shows the transaction amount from August 2024 to July 2025 (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, 32 HIS overseas subsidiaries and 4 brands of overseas subsidiaries

* Adjusted transaction amount is stated following the integration of certain HIS European subsidiaries with MIKI Group

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



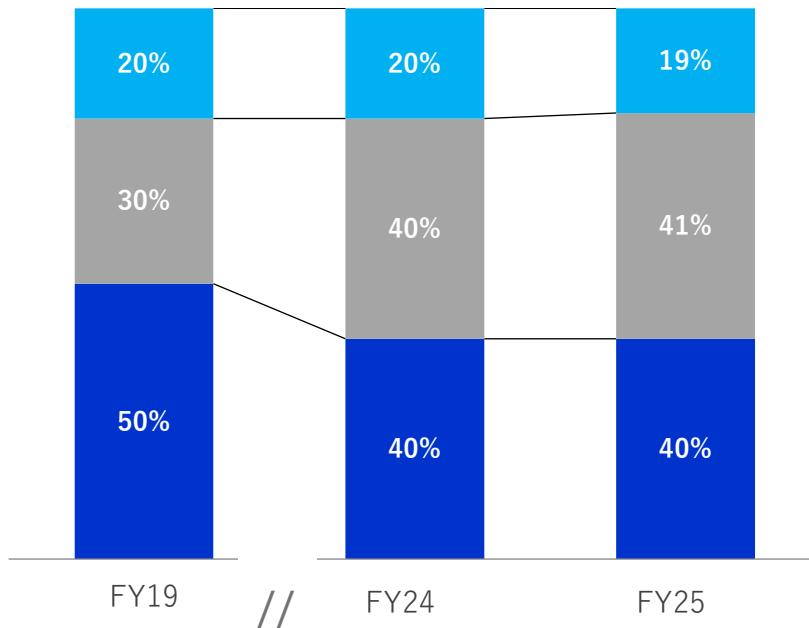
Source: Japan Tourism Agency (Travel Agency Transaction Amount)

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

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

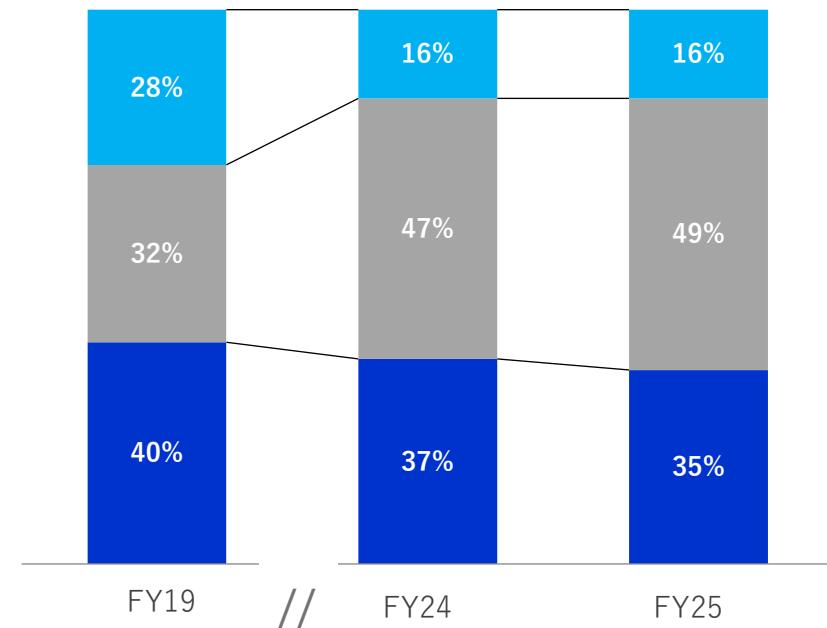
Transaction Amount of International Travel by Channel

■ Sales Office ■ Internet ■ Corporate



Transaction Amount of International Travel by Destination

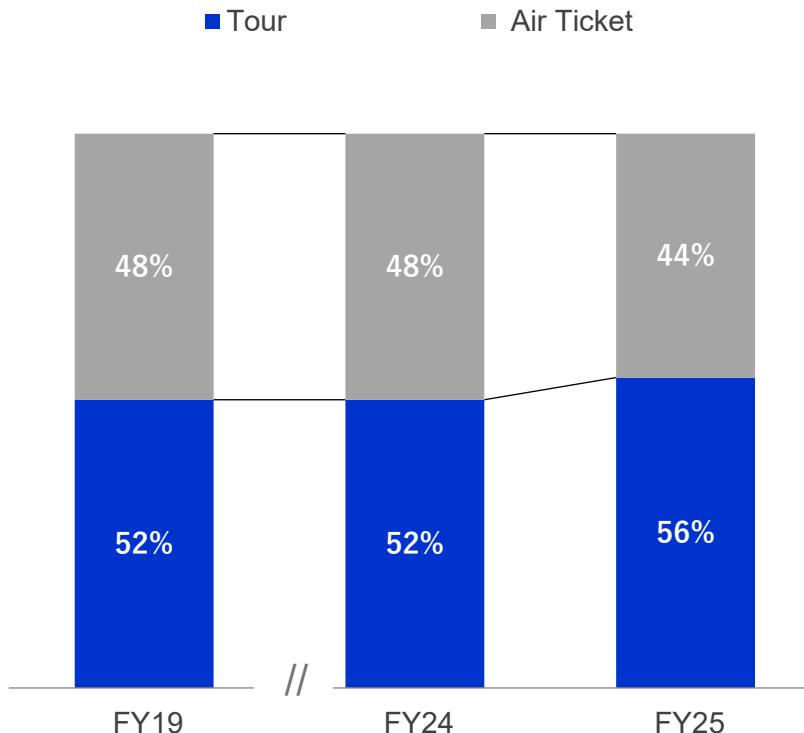
■ Asia ■ Europe, America, Australia ■ Hawaii/Micronesia



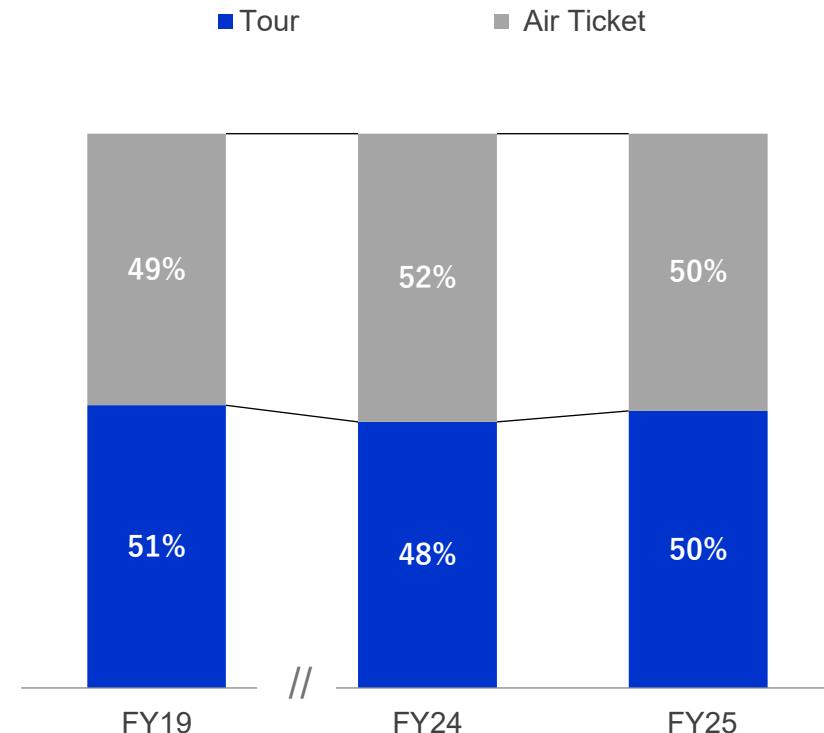
[Supplementary Materials] International Travel Composition (Previous Accounting Standards)

* Tour: Agent-organized type air + hotel included

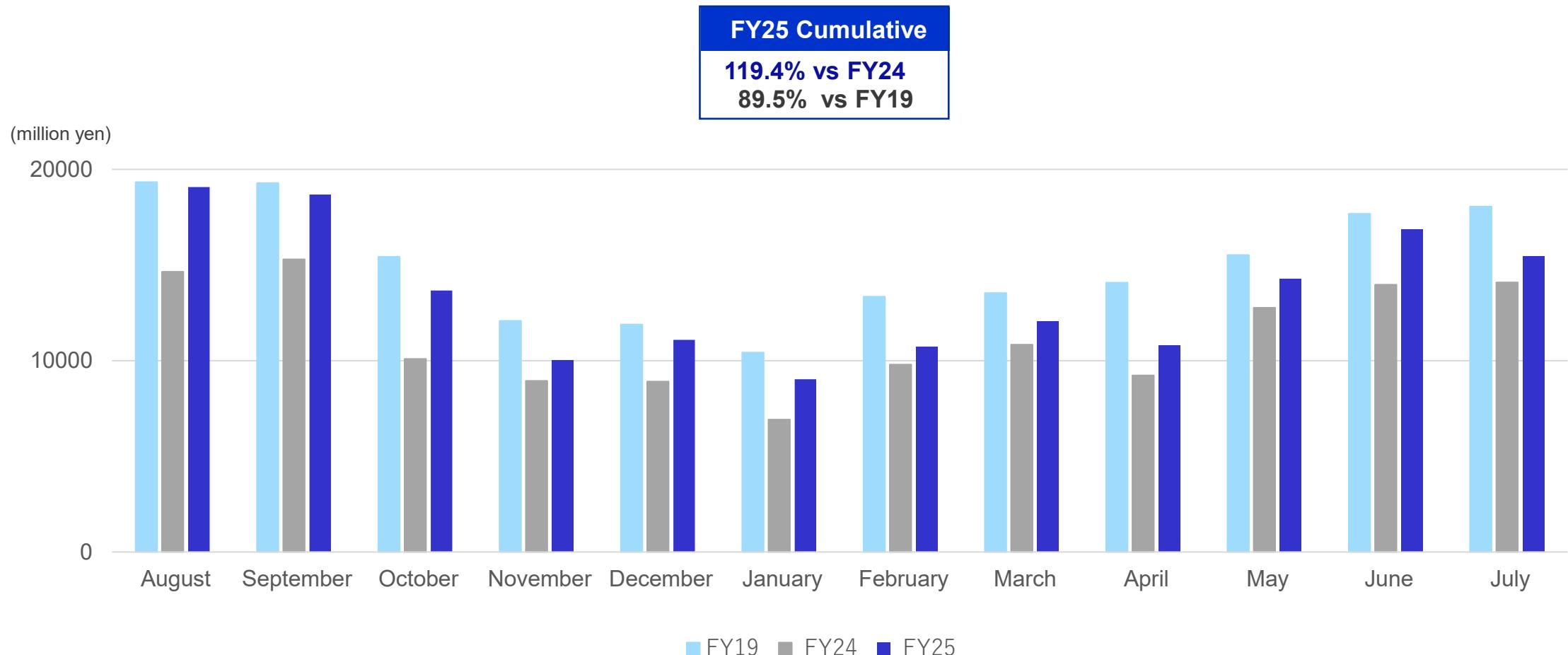
Transaction Amount of International Travel by Product Type



Number of Travelers of International Travel by Product Type



[Supplementary Materials] Transaction Amount of Inbound Travel Overseas (Previous Accounting Standards, Reference Amount)



* Inbound travel overseas refers to the transaction amount of inbound business at overseas offices

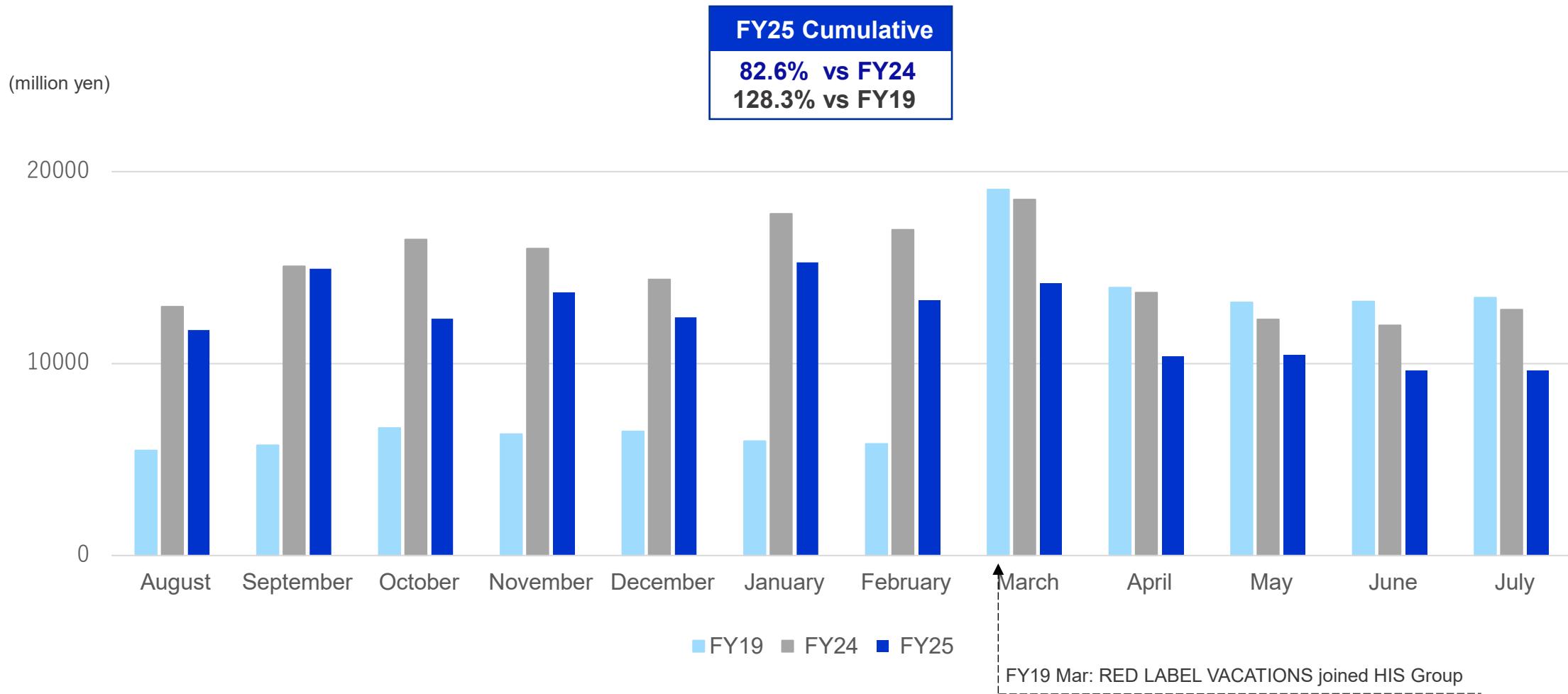
* It is the transaction amount before offsetting internal transactions of 32 HIS overseas subsidiaries and 4 overseas subsidiary brands (MIKI Group, MERIT TRAVEL, JONVIEW CANADA, and RED LABEL VACATIONS).

Exchange rates are calculated based on the average exchange rates during the period

* It is the transaction amount after adjustments following the integration of certain HIS European subsidiaries with MIKI Group

[Supplementary Materials] Transaction Amount of Outbound Travel Overseas (Previous Accounting Standards, Reference Amount)

HIS



* Outbound travel overseas refers to the transaction amount of outbound business at overseas offices

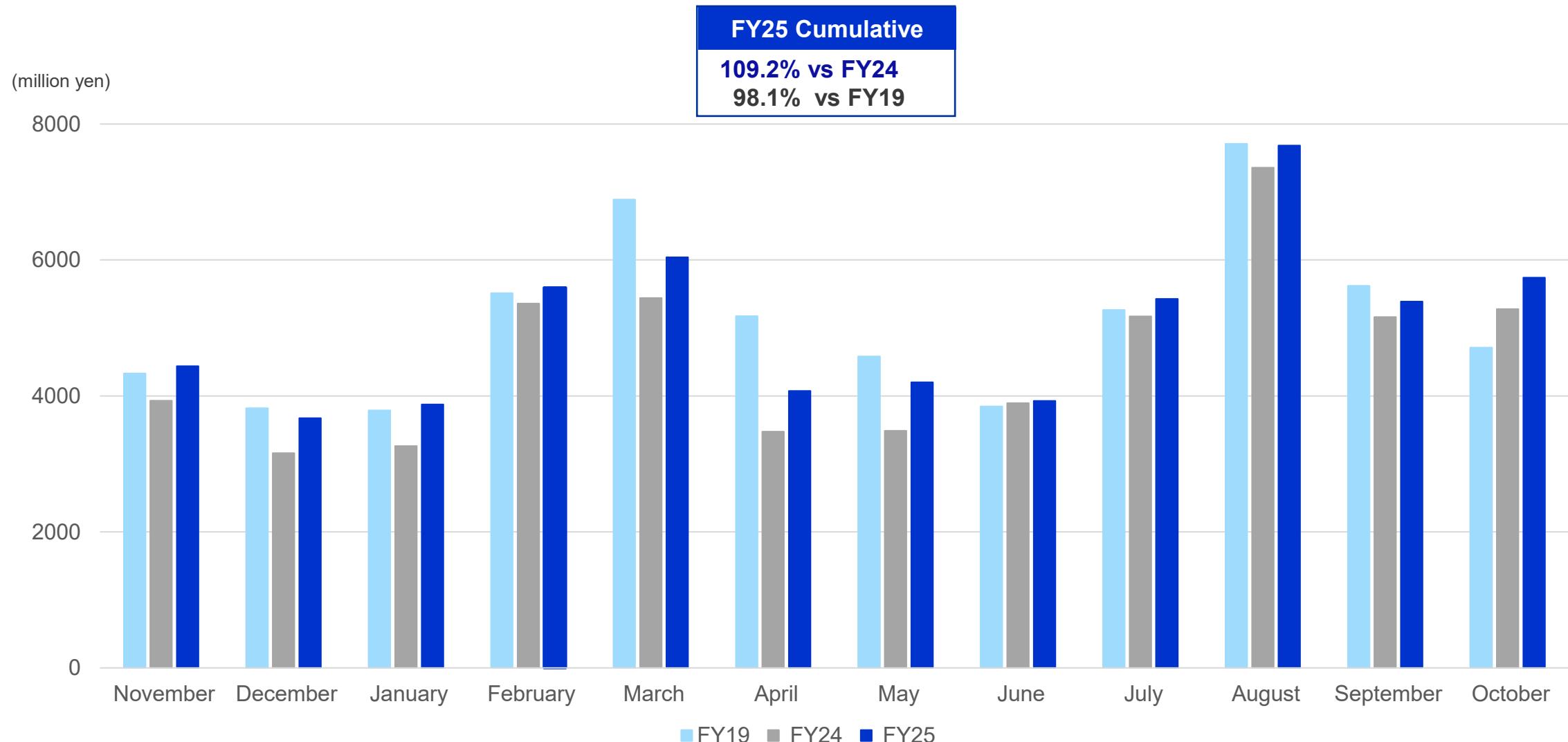
* It is the transaction volume before offsetting internal transactions of 32 HIS overseas subsidiaries and 4 overseas subsidiary brands (MIKI Group, MERIT TRAVEL, JONVIEW CANADA, and RED LABEL VACATIONS).

Exchange rates are calculated based on the average exchange rates during the period

* It is the transaction amount after adjustments following the integration of certain HIS European subsidiaries with MIKI Group

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

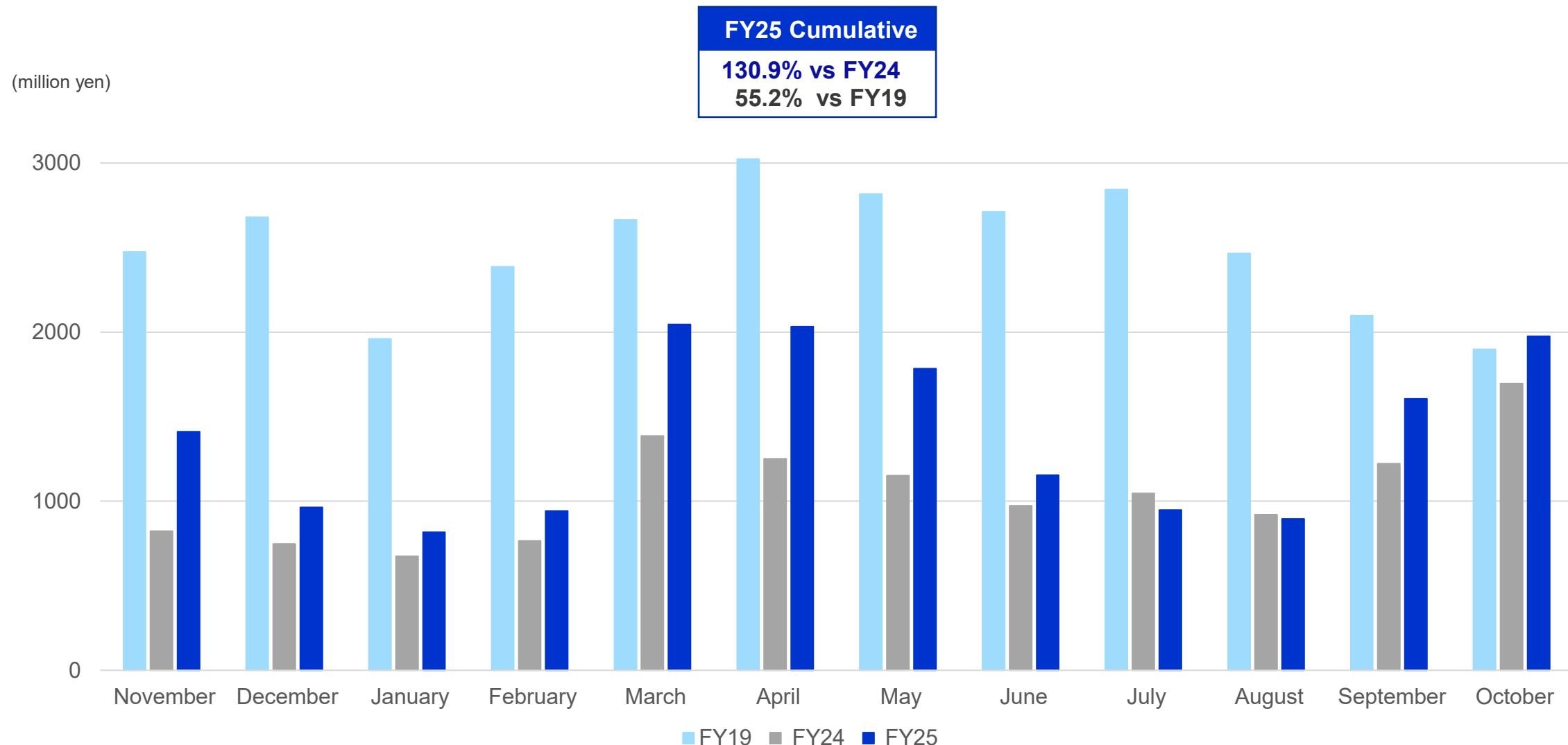
HIS



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

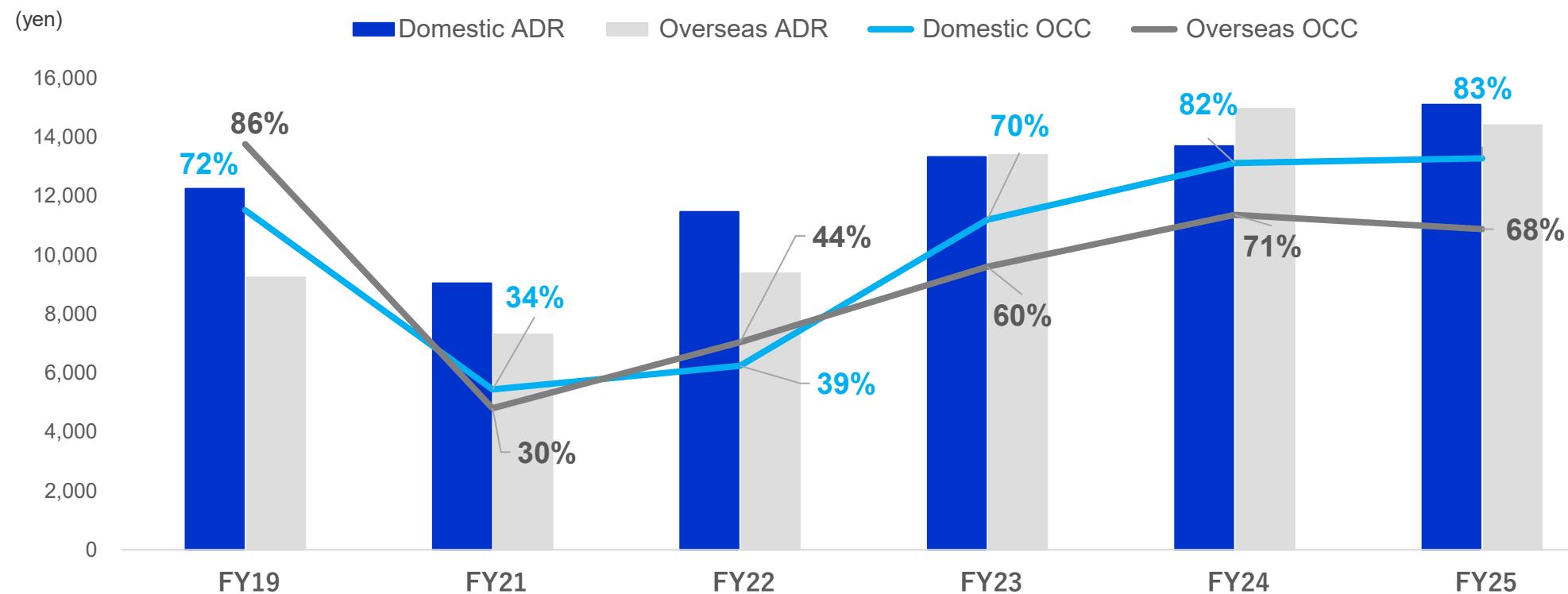
[Supplementary Materials] Transaction Amount of Inbound Travel to Japan (Previous Accounting Standards)

HIS



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

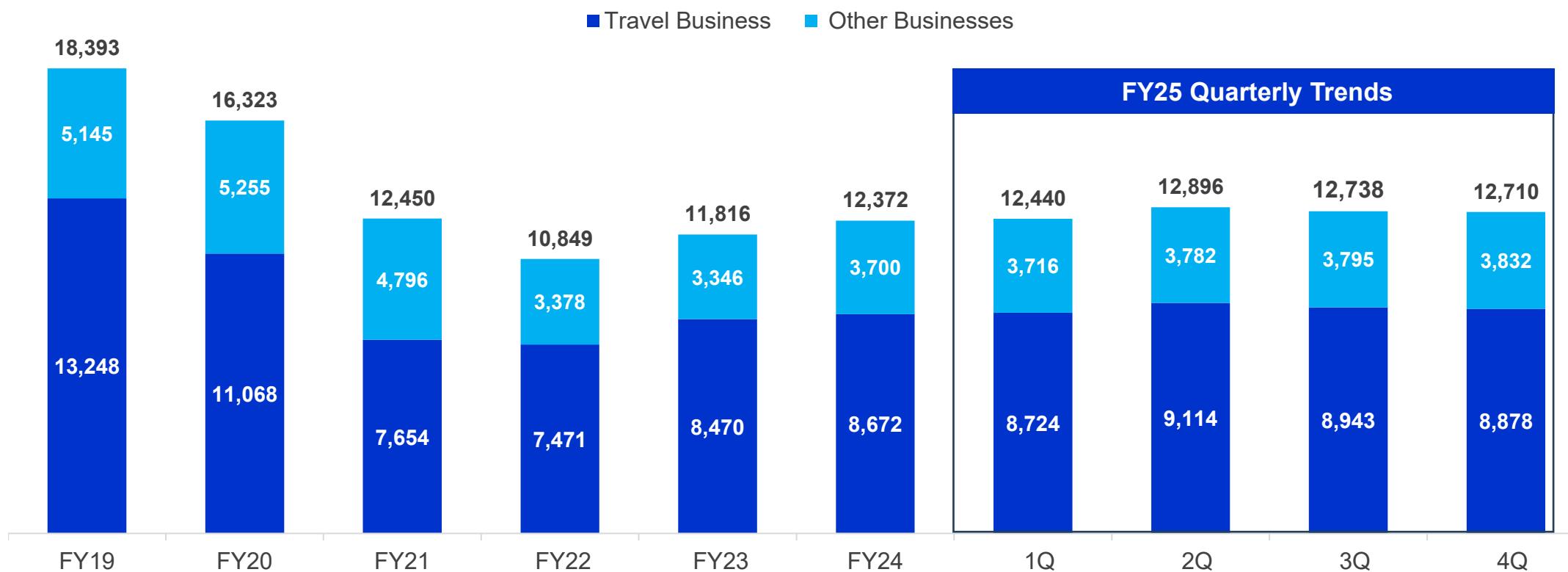
[Supplementary Materials] Hotel Business: Domestic and Overseas ADR and OCC Trends **HIS**



Number of Hotels	Domestic	12	21	22	24	24	24
	Overseas	15	15	18	18	18	19(*)
	Total	27	36	40	42	42	43
Number of Rooms	Domestic	1,479	2,594	2,644	2,844	2,844	2,840
	Overseas	1,870	1,870	2,062	2,202	2,202	2,501
	Total	3,349	4,464	4,706	5,046	5,046	5,341

*Excluding hotels operated by other companies outside of Turkey

Number of Group Employees



Disclaimer

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