

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

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending April 30, 2026	195,000	7.6	6,900	2.7	6,900	0.3	4,500	18.5	60.21
Fiscal year ending October 31, 2026	420,000	12.6	14,000	20.4	14,000	23.0	9,000	90.7	120.42

Note:Revisions to the earnings forecasts most recently announced : None

* Notes

(1) Significant changes in the scope of consolidation during the period : Yes

Newly included: 2 companies (Company name) Kyoushin Densetsu Co.,Ltd., Southwing co., Ltd.

Excluded: None (Company name) None

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements : Yes

(3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations : None

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

(iii) Changes in accounting estimates : None

(iv) Restatement : None

(4) Number of issued shares (common shares)

(i) Number of issued and outstanding shares at the period end (including treasury stock)

As of January 31, 2026	79,860,936 shares	As of October 31, 2025	79,860,936 shares
As of January 31, 2026	5,123,518 shares	As of October 31, 2025	5,123,480 shares
Three months ended January 31, 2026	74,737,437 shares	Three months ended January 31, 2025	74,724,275 shares

(ii) Number of treasury stock at the period end

(iii) Average number of shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm : Yes (voluntary)

* Proper use of earnings forecasts, and other special matters

The above forecasts are based on the information available as of the date of announcement of these materials and make assumptions as of the date of announcement of these materials about uncertain factors affecting future business performance. Actual results may vary greatly depending on various factors.

1. Overview of business results

In this document, matters concerning the future are judgments as of the last day of the current quarterly consolidated accounting period.

(1) Overview of business results for the quarter under review

During the first three months of the current consolidated fiscal year, the economy remained on a gradual recovery track due to an improved employment and income environment and the effects of various policies, although the impact of U.S. trade policies and other factors need to be kept in mind.

The travel market was driven by inbound demand as the number of visitors to Japan remained high, hitting a record high of 10.73 million, 102.6% of the number for the same period of the previous fiscal year. This was despite the negative impact of a deterioration in certain aspects of relations between Japan and China. On the other hand, there was a steady recovery in overseas travel with Japanese outbound travelers growing to 3.70 million, 113.1% the number for the same period of the previous fiscal year, despite higher prices overseas, the continuing weak yen, higher fuel charges, etc. (Source: Japan National Tourism Organization (JNTO))

Under these conditions, we worked to promote business with an eye toward “being the preferred company of choice, full of enterprising spirit and bringing the world together” under the banner of “unleash your feeling KOKORO ODORU, (Let Your Heart Dance)” the H.I.S. Group Purpose, in order to achieve sustainable growth for the whole group by expanding our wide range of businesses, primarily travel.

Segment results for the first three months of the current consolidated fiscal year are as follows. The amount for each segment is the amount before intersegment transactions elimination.

(Travel business)

In the overseas travel business, we worked to create new experience value and future travel demand through various initiatives, including launching sales of a tour that includes “Private admission to the underground chapel of Sagrada Familia where Gaudi rests and mini concert”, one of our “KOKORO ODORU” products, and advanced sales of cruises for the 2027 Golden Week holidays at “Hatsuyume Fair 2026,” H.I.S.'s largest sale. As for year-end and New Year travel, sales of high-value-added products such as guided tours, mainly those in European and Middle Eastern countries, and travel to Guam via charter flights were strong as a result of the favorable way days off fell. Turning to Asian routes in January, the Chinese New Year period fell later than it did last year, and we recorded stronger results than for the previous year by effectively taking advantage of a stable supply of products and the favorable environment of low prices to capture demand for travel that stresses avoiding crowded tourist sites and being affordable.

In the domestic travel business, we focused on expanding experience-based products and stimulating demand through large-scale sales. Specifically, community-based events, such as a star gazing event in Achi Village, Nagano Prefecture, and airshow visits, as well as seasonal bus tours featuring autumn leaves and illumination, were popular and drove customer traffic. Starting in December, we created broad demand for travel from winter through summer by distributing up-to-20%-off coupons at “Hatsuyume Fair 2026.” As for particular destinations, we posted greater results than the previous year for Kyushu, where Huis Ten Bosch draws many tourists, Okinawa, which has seen an increase in the number of flights to, and Hokuriku, where we collaborated with local governments.

In the inbound travel business, group tours from Europe and North America remained strong, with experience-based tours and educational tours serving as the engine for overall growth. We also ensured strong profitability with tours related to sumo wrestling and live performances by famous artists in addition to other high-value-added products. Turning to individual travel, a wide range of customers enjoyed our winter contents that take advantage of regional characteristics, such as Shiretoko drift ice sightseeing and Tohoku open-top bus tours, while there was also a dramatic increase in the number of bookings arranged in Taiwan, a priority area. However, demand from Chinese groups was weak, and orders received were lackluster due to the changing sales platform environment.

In the corporate travel business, government agency and local government business orders remained firm as we strove to capture some of the initial fiscal 2025 budget, which contributed to improved profitability. In the sports business, by concluding an official regional partner agreement with Tottenham Hotspur FC, we are aiming to create new customer value through corporate tours under the theme of “Sustainability x Sports” utilizing the club's advanced knowledge. Turning to the community revitalization business, we further strengthened our partnership with local governments and thus expanded our framework to solve local issues by dispatching employees under the “Community Revitalization Entrepreneur Program” to Okutama Town, Tokyo, Matsuzaki Town, Shizuoka Prefecture, and Sendai City, Miyagi Prefecture.

In the overseas travel business, the first three months of the fiscal year are the busiest period of the whole fiscal year, and inbound (incoming travel) business drove overall earnings for the travel business. Looking at individual regions, Europe,

which saw an increase in the number of visitors from Japan and the global market, performed well, and our Hawaiian and Australian subsidiaries made steady progress in capturing demand as there was a broad-based recovery in travel demand. Furthermore, we moved forward with various measures to diversify business in order to capture a broader range of revenue sources in the future, and this included opening the Lima Branch in Peru, South America, expanding our travel service supply network in the global market, and having our Mexico local subsidiary handle commissioned tourism promotion. In the outbound (outgoing travel) business, our Canadian subsidiary posted strong earnings by flexibly capturing strong demand for travel to the Caribbean and Mexico as demand for travel to the U.S. weakened. On the other hand, our Turkish local subsidiary was impacted by the dramatic scale back business.

As of the end of January 2026, the H.I.S. Group had 148 sales branches in Japan and 140 sales branches in 109 cities in 58 countries (as of the end of January 2026).

As a result of the above, net sales through the first three months of the current consolidated fiscal year were 83,675 million yen (year-on-year 108.2%), operating profit was 3,638 million yen (year-on-year 89.8%), and EBITDA was 4,678 million yen (year-on-year 92.1%).

(Hotel business)

In the hotel business, we steadily increased revenue and profit by capturing accommodation demand in various countries. The domestic hotel business drove profit growth for the overall segment as there were a large number of visitors to Japan, and we secured firm demand for domestic travel within Japan. We also actively expanded collaboration with different industries to enhance the value of customer experience, and in December 2025, we opened Henn na Hotel Express Osaka Namba Nihonbashi, one element of our new casual brand. By promoting the development of a flexible base in high-demand areas, we have worked to reinforce our revenue base. As for the overseas hotel business, we operate 13 hotels in Taiwan, and those drove earnings due to steady global guest traffic. Also, our operations in Turkey (Cappadocia), which we launched in November 2024, turned profitable from the beginning of this fiscal year, which contributed to profit growth. Overseas business earnings are steadily improving as a result of the stable utilization of existing facilities and improved profitability of new facilities.

As a result of the above, net sales through the first three months of the current consolidated fiscal year were 7,475 million yen (year-on-year 114.4%), operating profit was 1,768 million yen (year-on-year 142.3%), and EBITDA was 2,798 million yen (year-on-year 127.0%).

(Kyushu Sanko Group)

The Kyushu Sanko Group posted firm results thanks to the continuing positive impact on business from the Taiwanese company TSMC as well as steady domestic and overseas tourism demand. In the bus and car maintenance businesses, net sales were 107.7% the level for the same period of the previous fiscal year, with the growth driven by increased inbound demand and various events. In particular, there was high utilization for charter buses and airport limousine buses, and the maintenance business saw an increase in new commissioned service for large vehicles, both of which contributed to earnings. In the real estate business, progress is being made to further improve the profitability of the massive “SAKURA MACHI Kumamoto” complex by actively holding events such as “Amakusa Jack”, a group-wide project to communicate the charm of and support reconstruction in the Amakusa area of Kumamoto Prefecture. These community-based measures and events created a lively atmosphere and helped stabilize facility operations and earnings.

As a result of the above, net sales through the first three months of the current consolidated fiscal year were 7,128 million yen (year-on-year 109.0%), operating profit was 411 million yen (year-on-year 125.7%), and EBITDA was 844 million yen (year-on-year 114.8%).

Because of the above segment results, consolidated business performance for the Group through the first three months of the current consolidated fiscal year were as follows: net sales of 101,239 million yen (year-on-year 108.5%), operating profit of 5,324 million yen (year-on-year 102.2%), ordinary profit of 5,161 million yen (year-on-year 97.9%), and profit attributable to owners of parent of 3,427 million yen (year-on-year 97.5%).

(2) Overview of financial position during the quarter

Total assets at the end of the first three months of the current consolidated fiscal year increased 8,887 million yen from the end of the previous consolidated fiscal year to 395,218 million yen, mainly due to an increase in notes and accounts receivable-trade, and contract assets (up 8,130 million yen from the end of the previous consolidated fiscal year), property, plant and equipment (up 2,361 million yen) and travel advance payments (up 1,999 million yen) despite a decrease in cash and deposits (down 4,377 million yen).

Liabilities at the end of the first three months of the current consolidated fiscal year increased 3,431 million yen from the end of the previous consolidated fiscal year to 322,556 million yen, mainly due to an increase in travel advance received (up 8,070 million yen from the end of the previous consolidated fiscal year) despite a decrease in provision of bonuses (down 1,828 million yen), accounts payable-other (down 1,227 million yen), borrowings (down 935 million yen) and deposits received of subsidy (down 896 million yen).

Net assets at the end of the first three months of the current consolidated fiscal year increased 5,455 million yen from the end of the previous consolidated fiscal year to 72,661 million yen. This was mainly due to an increase in retained earnings (up 2,679 million yen from the end of the previous fiscal year) due to the recording of profit attributable to owners of parent as well as an increase in foreign currency translation adjustments (up 1,901 million yen).

(3) Review of consolidated financial forecasts and other future forecast information

There have been no revisions to the consolidated financial forecasts for the first six months ending and the fiscal year ending October 2026 announced in the Consolidated Financial Results released on December 12, 2025.

2. Quarterly consolidated financial statements and main notes

(1) Quarterly consolidated balance sheet

(Millions of yen)

	As of October 31, 2025	As of January 31, 2026
Assets		
Current assets		
Cash and deposits	113,932	109,554
Notes and accounts receivable - trade, and contract assets	27,581	35,711
Trade accounts receivable	798	497
Securities	0	10
Travel advance payments	12,610	14,610
Prepaid expenses	2,577	2,831
Short-term loans receivable	173	177
Short-term loans receivable from subsidiaries and associates	75	78
Accounts receivable - other	17,935	17,420
Other	6,420	6,693
Allowance for doubtful accounts	(1,717)	(1,777)
Total current assets	180,388	185,807
Non-current assets		
Property, plant and equipment		
Buildings, net	73,197	73,019
Tools, furniture and fixtures, net	2,464	2,581
Land	70,798	71,605
Leased assets, net	11,258	11,502
Construction in progress	82	1,049
Other, net	1,901	2,306
Total property, plant and equipment	159,703	162,064
Intangible assets		
Goodwill	1,655	1,790
Other	12,795	12,967
Total intangible assets	14,451	14,757
Investments and other assets		
Investment securities	2,776	2,871
Shares of subsidiaries and associates	3,834	4,050
Investments in capital of subsidiaries and associates	71	107
Long-term loans receivable from subsidiaries and associates	541	525
Retirement benefit asset	1,209	1,207
Deferred tax assets	9,976	9,941
Guarantee deposits	9,818	10,093
Other	4,016	4,204
Allowance for doubtful accounts	(506)	(468)
Total investments and other assets	31,739	32,533
Total non-current assets	205,893	209,356
Deferred assets	49	54
Total assets	386,330	395,218

(Millions of yen)

	As of October 31, 2025	As of January 31, 2026
Liabilities		
Current liabilities		
Trade accounts payable	15,683	17,044
Short-term borrowings	8,698	7,914
Current portion of long-term borrowings	105,607	83,043
Accounts payable - other	19,801	18,573
Accrued expenses	5,140	5,938
Income taxes payable	1,600	1,678
Accrued consumption taxes	1,287	1,035
Travel advance received	43,193	51,263
Deposits received of subsidy	1,125	228
Lease liabilities	2,740	2,860
Provision for bonuses	5,522	3,693
Provision for bonuses for directors (and other officers)	251	125
Provision for loss on business liquidation	232	—
Other	31,623	29,740
Total current liabilities	242,507	223,142
Non-current liabilities		
Bonds payable	5,000	5,000
Long-term borrowings	47,235	69,647
Deferred tax liabilities	3,576	3,610
Retirement benefit liability	6,026	6,149
Provision for retirement benefits for directors (and other officers)	504	464
Lease liabilities	9,791	10,006
Other	4,483	4,536
Total non-current liabilities	76,618	99,414
Total liabilities	319,125	322,556
Net assets		
Shareholders' equity		
Share capital	100	100
Capital surplus	28,372	28,372
Retained earnings	28,137	30,817
Treasury shares	(12,981)	(12,981)
Total shareholders' equity	43,627	46,307
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(100)	(103)
Deferred gains or losses on hedges	91	(5)
Foreign currency translation adjustment	11,502	13,403
Remeasurements of defined benefit plans	428	373
Total accumulated other comprehensive income	11,921	13,668
Share acquisition rights	292	336
Non-controlling interests	11,363	12,349
Total net assets	67,205	72,661
Total liabilities and net assets	386,330	395,218

(2) Quarterly consolidated income statement and quarterly consolidated comprehensive income statement
(Quarterly consolidated income statement)

(Millions of yen)

	Three months ended January 31, 2025	Three months ended January 31, 2026
Net sales	93,333	101,239
Cost of sales	62,494	69,235
Gross profit	30,839	32,003
Selling, general and administrative expenses	25,629	26,679
Operating profit	5,209	5,324
Non-operating income		
Interest income	357	269
Other	685	323
Total non-operating income	1,043	593
Non-operating expenses		
Interest expenses	476	506
Foreign exchange losses	380	117
Other	125	131
Total non-operating expenses	982	755
Ordinary profit	5,270	5,161
Extraordinary income		
Gain on sale of shares of subsidiaries and associates	100	—
Gain on reversal of provision incurred from deposits received of subsidy	—	199
Total extraordinary income	100	199
Extraordinary losses		
Impairment losses	7	1
Total extraordinary losses	7	1
Profit before income taxes	5,362	5,360
Income taxes	1,236	1,268
Profit	4,126	4,091
Profit attributable to non-controlling interests	612	664
Profit attributable to owners of parent	3,514	3,427

(Quarterly consolidated comprehensive income statement)

(Millions of yen)

	Three months ended January 31, 2025	Three months ended January 31, 2026
Profit	4,126	4,091
Other comprehensive income		
Valuation difference on available-for-sale securities	0	(3)
Deferred gains or losses on hedges	(54)	(96)
Foreign currency translation adjustment	1,024	2,003
Remeasurements of defined benefit plans, net of tax	(53)	(56)
Share of other comprehensive income of entities accounted for using equity method	7	0
Total other comprehensive income	925	1,848
Comprehensive income	5,051	5,940
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,217	5,173
Comprehensive income attributable to non-controlling interests	834	766

(Notes to Segment Information)

[Segment information]

I Three months ended January 31, 2025 (from November 1, 2024 to January 31, 2025)

1. Information on the amount of sales and profits or losses for each reporting segment

(Millions of yen)

	Reporting segment				Other (Note 1)	Total	Adjustments (Note 2)	Amount on consolidated financial statements (Note 3)
	Travel business	Hotel business	Kyushu Sanko Group	Total				
Net sales								
Sales to external customers	77,054	6,398	6,533	89,986	3,347	93,333	0	93,333
Intersegment sales/transfers	300	134	5	440	727	1,167	(1,167)	—
Total	77,355	6,532	6,539	90,427	4,074	94,501	(1,167)	93,333
Segment profit	4,051	1,242	327	5,621	212	5,833	(623)	5,209

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

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

2. The segment profit adjustment of -623 million yen is company-wide expenses not allocated to any reporting segment. It mainly comprises expenses related to parent company's headquarter administration that do not belong to a reporting segment.
3. Segment profit is adjusted with the operating profit in the quarterly consolidated income statement.
4. The EBITDA for each reporting segment is as follows:

(Millions of yen)

	Travel business	Hotel business	Kyushu Sanko Group	Other	Total
Segment profit	4,051	1,242	327	212	5,833
Depreciation and goodwill amortization	1,030	960	408	137	2,536
EBITDA(*)	5,081	2,203	735	349	8,370

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

2. Information regarding impairment loss on non-current assets or goodwill by reporting segment

(Significant impairment loss on non-current assets)

There is no significant impairment loss.

(Significant change in the amount of goodwill)

There were no significant changes.

(Significant gain on negative goodwill)

None

II Three months ended January 31, 2026 (from November 1, 2025 to January 31, 2026)

1. Information on the amount of sales and profits or losses for each reporting segment

(Millions of yen)

	Reporting segment				Other (Note 1)	Total	Adjustments (Note 2)	Amount on consolidated financial statements (Note 3)
	Travel business	Hotel business	Kyushu Sanko Group	Total				
Net sales								
Sales to external customers	83,375	7,367	7,122	97,865	3,373	101,239	0	101,239
Intersegment sales/transfers	300	107	6	413	775	1,189	(1,189)	—
Total	83,675	7,475	7,128	98,279	4,149	102,428	(1,189)	101,239
Segment profit	3,638	1,768	411	5,818	95	5,914	(589)	5,324

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

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

2. The segment profit adjustment of -589 million yen is company-wide expenses not allocated to any reporting segment. It mainly comprises expenses related to parent company's headquarter administration that do not belong to a reporting segment.

3. Segment profit is adjusted with the operating profit in the quarterly consolidated income statement.

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

(Millions of yen)

	Travel business	Hotel business	Kyushu Sanko Group	Other	Total
Segment profit	3,638	1,768	411	95	5,914
Depreciation and goodwill amortization	1,040	1,029	433	142	2,645
EBITDA(*)	4,678	2,798	844	238	8,560

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

2. Information regarding impairment loss on non-current assets or goodwill by reporting segment

(Significant impairment loss on non-current assets)

There is no significant impairment loss.

(Significant change in the amount of goodwill)

There were no significant changes.

(Significant gain on negative goodwill)

None