



## Summary of Consolidated Financial Results for the Fiscal Year Ending October 2022 [Japanese Standards]

December 15, 2022  
Listed Exchange Tokyo

Listed company name H.I.S. Co., Ltd.  
 Code number 9603 URL: <https://www.his.co.jp/>  
 Representative (Title) Representative Director, President and Chief Operating Officer (Name) Motoshi Yada  
 Contact person (Title) Executive Officer, General Manager of Accounting Headquarters (Name) Osamu Hanazaki Tel. 050-1746-4188  
 Scheduled date for annual general meeting of shareholders January 26, 2023 Scheduled dividend payment start date —  
 Scheduled date for submission of securities report January 27, 2023  
 Supplementary explanatory materials for financial results: Yes  
 Financial results briefing held: Yes (For institutional investors)

(Figures less than one million yen truncated)

### 1. Consolidated financial results for the fiscal year ending October 2022 (November 1, 2021 - October 31, 2022)

#### (1) Consolidated business results

(Percentages are the rate of increase/decrease from the previous period.)

	Sales		Operating profit		Ordinary profit		Current net income attributable to parent company shareholders	
	million yen	%	million yen	%	million yen	%	million yen	%
Fiscal year ending October 31, 2022	142,794	—	-47,934	—	-49,001	—	-9,547	—
Fiscal year ending October 31, 2021	118,563	-72.4	-64,058	—	-63,299	—	-50,050	—

Note: Comprehensive Fiscal year ending October 31, 2022 -2,424million yen (—%) Fiscal year ending October 31, 2021 -48,430million yen (—%)

	Per share attributable to parent company shareholders	After adjusting for residual securities Current net income per share	Equity capital Current net profit rate	Total assets Ordinary profit rate	Sales Operating profit rate
	Yen sen	Yen sen	%	%	%
Fiscal year ending October 31, 2022	-130.00	—	-21.7	-11.9	-33.6
Fiscal year ending October 31, 2021	-749.86	—	-87.4	-15.3	-54.0

(Reference) Equity method investment loss/gain Fiscal year ending October 31, 2022 -30million yen Fiscal year ending October 31, 2021 -548million yen

Note: From the beginning of the fiscal year that ends October 2022, the "Accounting Standard for Revenue Recognition" has been applied. For this reason, the increase/decrease from the actual value before the application of the relevant standard is not stated.

#### (2) Consolidated financial position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	million yen	million yen	%	Yen sen
As of October 31, 2022	414,984	56,636	11.4	641.24
As of October 31, 2021	411,447	64,145	9.9	580.00

(Reference) Equity capital As of October 31, 2022 47,420million yen As of October 31, 2021 40,627million yen

## (3) Consolidated cash flow state

	due to sales activities Cash flow	due to investment activities Cash flow	due to financial activity Cash flow	Cash and cash equivalents End-of-period balance
	million yen	million yen	million yen	million yen
Fiscal year ending October 31, 2022	-14,915	53,520	5,458	136,939
Fiscal year ending October 31, 2021	-28,397	-7,095	40,711	88,079

## 2. Dividend status

	Annual dividend					Total dividend (total)	Payout ratio (Consolidat ed)	Net asset dividend rate (consolidat ed)
	End of first quarter	End of second quarter	End of third quarter	Term end	Total			
	Yen sen	Yen sen	Yen sen	Yen sen	Yen sen	million yen	%	%
Fiscal year ending October 31, 2021	—	0.00	—	0.00	0.00	—	—	—
Fiscal year ending October 31, 2022	—	0.00	—	0.00	0.00	—	—	—
Fiscal year ending October 31, 2023 (Forecast)	—	—	—	—	—		—	

(Note) The dividend forecast for the fiscal year ending October 2023 is undecided at this time.

## 3. Consolidated financial forecast for the fiscal year ending October 2023 (November 1, 2022 - October 31, 2023)

The consolidated earnings forecast for the fiscal year ending October 2023 has not yet been made because it is difficult to reasonably calculate the impact of COVID-19 at this time. We will promptly announce the consolidated earnings forecast when it becomes possible to disclose it.

Note: Revisions from the most recently announced earnings forecast: None

## Notes

(1) Changes in important subsidiaries during the period (changes in specific subsidiaries due to changes in the scope of consolidation): Yes

One new company (company name) VISON Hotel Management Co.,Ltd.

One company excluded (Company name) HUIS TEN BOSCH Co., Ltd.

(2) Changes in accounting policies, changes in accounting estimates, and restatements of revisions

① Changes in accounting policy due to revision of accounting standards etc.: Yes

② Changes in accounting policies other than ①: None

③ Changes in accounting estimates: None

④ Revision restatements: None

(3) Number of shares issued (common shares)

① Number of shares issued at the end of the period (including treasury shares)	As of October 31, 2022	79,860,936 shares	As of October 31, 2021	75,969,236 shares
② Number of treasury shares at the end of the period	As of October 31, 2022	5,909,220 shares	As of October 31, 2021	5,922,098 shares
(3) Average number of shares during period	Fiscal year ending October 31, 2022	73,436,823 shares	Fiscal year ending October 31, 2021	66,745,526 shares

(Reference) Overview of non consolidated business results

1. Non consolidated financial results for the fiscal year ending October 2022 (November 1, 2021 - October 31, 2022)

(1) Non consolidated business results

(Percentages are the rate of increase/decrease from the previous period.)

	Sales		Operating profit		Ordinary profit		Current net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Fiscal year ending October 31, 2022	39,967	—	-20,536	—	-17,971	—	27,971	—
Fiscal year ending October 31, 2021	26,694	-83.2	-22,245	—	-20,245	—	-29,908	—

	Per share attributable to parent company shareholders	After adjusting for residual securities Current net income per share
	Yen sen	Yen sen
Fiscal year ending October 31, 2022	380.90	327.46
Fiscal year ending October 31, 2021	-448.09	—

Note: From the beginning of the fiscal year that ends October 2022, the "Accounting Standard for Revenue Recognition" has been applied. For this reason, the increase/decrease from the actual value before the application of the relevant standard is not stated.

(2) Non consolidated financial position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	million yen	million yen	%	Yen sen
As of October 31, 2022	301,447	42,636	14.0	571.14
As of October 31, 2021	263,385	7,262	2.7	101.42

(Reference) Equity capital As of October 31, 2022 42,236million yen As of October 31, 2021 7,104million yen

\*Brief announcements of the most recent financial results are not subject to audit by a certified accountant or an audit corporation.

\*Explanation of the appropriate use of earnings forecasts and other special notes

The above forecasts are based on the information available as of the date of publication of this material 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. For the assumptions that are the premise of the earnings forecast and the precautions for using the earnings forecast, see Page 4, "1. (1) Analysis of business results".

## 1. Overview of business results etc.

### (1) Analysis of business results

#### ① Business results for the current fiscal year

In the current consolidated fiscal year, the business environment remained challenging, with the transition to the new phase of coexisting with COVID-19 underway and due to the effects of various government policies as well. The economy was expected to pick up, but global monetary tightening and other factors continued, which puts downward pressure on the recovery of overseas economies and the economy continued to be in a severe state.

Under these circumstances, in the travel industry, there has been a noticeable movement toward recovery thanks to the gradual easing of measures at the border against the spread of COVID-19, the elimination of behavioral restrictions and restrictions on entry into Japan, the implementation of tourism support measures.

We continued to reduce costs in each country, starting by dispatching employees out of the group, and promoted the restructuring of the management system and work style reforms aimed at maximization of sales during the pandemic, for example through personnel distribution appropriate for maximizing demand in the overseas travel market, which is our core business.

In addition, based on the corporate philosophy of "contributing to the creative development of humankind and world peace in accordance with the laws of nature," we have aimed to open up new businesses for the sake of restructuring our business portfolio as a company that always continues to change and develop not only through travel business but through various other businesses too.

The business results by segment are as follows. The amount for each segment is the amount before inter-segment transactions cancel each other out.

In addition, the accounting treatment of revenue differs from the previous consolidated fiscal year due to the application of the "Accounting Standard for Revenue Recognition" from the current consolidated fiscal year. To make it easier to compare with the previous consolidated fiscal year, the estimated values that would have been obtained without applying the relevant standards etc. are listed as "previous standards" and comparisons with the previous fiscal year are made using these estimated values.

#### (Travel business)

In the travel market during the consolidated fiscal year under review, although the impact of COVID-19 dulled leisure demand due to measures such as restrictions on entry into Japan and on travel, there were early signs of demand recovery in the overseas travel market in the U.S. and Europe. In the domestic travel market in Japan, after March 21, when the semi-state of emergency COVID-19 measures were lifted, from April the number of customers greatly exceeded the previous year thanks to the continuation of the prefectural discount and regional block discount and a certain demand for leisure was sustained. In the domestic market for overseas travel and inbound travel to Japan, there were signs of resumption of the international flow of people thanks to the gradual relaxation, then removal, of border measures, such as the reduction of infectious disease risk level for 106 countries from April. In the current consolidated fiscal year, the number of Japanese travelers leaving the country was 2.06 million, which was 433.7% of the number for the previous period (but 10.3% of the 2019 level) and the number of foreign visitors to Japan was 1.55 million, 475.0% of the number for the previous period (but 4.9% of the 2019 level), so the trend is toward recovery, but compared to the peak in 2019, this is not yet a full-fledged recovery. (Source: Japan National Tourism Organization) (JNTO)

In our overseas travel business, we have developed safe and secure overseas travel plans to reduce concerns about the risk of infectious diseases. In line with the gradual easing of border measures and restrictions on movement, we worked to collect local information and strengthen procurement through HIS's overseas subsidiaries, and in May we conducted one of our own tours for the first time in two years. Starting with the Hawaii tour, we have expanded to 47 countries and regions as of the end of October. In addition, in order to revitalize the overseas travel market, we collaborate with government tourism bureaus, including for major tourist destinations, to develop special tours that meet the needs of each target under the title of "Revenge Travel". Thanks to strengthening our promotional activities, we saw an increase in the number of leisure customers, even if only a gradual one. However, due to soaring fuel surcharges, a historically weak yen, and a slowdown in the number of seats on international flights to and from Japan, a full-fledged recovery has yet to be achieved.

In the domestic travel business, we worked to maximize profits by strengthening efforts to attract customers for package tours flying to Okinawa, Hokkaido, and Kyushu destinations. In Okinawa in particular, we implemented the "Okinawa Main Island Rental Car Inventory Securing Plan" based on our own procurement. Combined with the "LeaLea OKINAWA shuttle bus", this worked to improve convenience by securing means of transportation. In addition, we sought to differentiate ourselves from our competitors, for example by collaborating with popular animations. In addition,

although we showed a significant recovery from the previous fiscal year thanks to our efforts to acquire new customers by strengthening purchases of our tours that use railways and destination hotel products, etc., sales did not reach the pre-COVID-19 level of 2019.

In the inbound travel business, we have strengthened the listing of individual travel products on websites and their distribution to overseas online travel agents, promoted collaboration with local governments and administrative agencies, and developed a business promoting travel through Tourist Information Centers.

In our corporate business, we promoted our non-travel businesses, such as utilizing our MICE management know-how for publicly supported projects by government agencies (regional premium gift certificate business, free PCR test assistance business, businesses related to My Number cards and My Number points) and operations commissioned by companies. In addition, in cooperation with our group's overseas subsidiaries, we worked to develop our business supporting the overseas expansion of retailers, restaurants, and other companies and our rights business.

In the overseas travel business, recovery was seen in travel demand in local markets, including overseas group companies based in Europe and the United States, as well as Turkish and Mexican corporations. The inbound business of the overseas branches remained in a difficult situation due to the continuation of measures restricting travel from Japan to overseas, so in addition to improving profitability by reducing expenses and streamlining and consolidating operations, we sought to expand business development in areas other than travel. We have been focusing on strengthening our businesses for local markets. In Thailand, we launched a shop brand "Mantendo" that handles children's clothing such as Nishimatsuya and have 8 stores. In Hawaii, we have a real estate business and in Indonesia, our phoenix worm business that is aiming for recycling-type culturing. Our Japanese food shop business, which we use to test the appeal of new products, operates in Germany, the U.K., and Spain, and we are planning to expand into Italy and France.

As a result of consolidation and closures in Japan and overseas, the number of sales branches of the Group has decreased to 131 in Japan and 158 branches overseas in 112 cities in 60 countries. (As of the end of October 2022)

As a result of the above, net sales in the current consolidated fiscal year were 67.693 billion yen (180.574 billion yen under the previous standards, 419.7% of the previous year), and the operating loss was 28.629 billion yen (29.261 billion yen under the previous standards; compared to an operating loss of 38.336 billion yen in the same period of the previous year).

#### (Theme Park business)

In the first half of the year, Huis Ten Bosch recorded operating income for the first time in 2 years thanks to our efforts to improve customer satisfaction. We held anniversary events to commemorate the 30th anniversary of the opening of Huis Ten Bosch, a campaign to thank Kyushu and Nagasaki, and various events focused on seasonal environmental performances that were well received. Although the park was temporarily affected by the semi-state of emergency COVID-19 measures, the total number of visitors greatly exceeded the previous year at 162.9% thanks to the long holidays and summer vacation season free from restrictions on movement so we achieved an operating profit for the full year.

The transfer of all shares of Huis Ten Bosch was completed as of September 30, 2022. Since 2010, HIS has made it its mission to rebuild the management of Huis Ten Bosch and has made many improvements and reforms. We believe that HIS has fulfilled its role of rebuilding management, revitalizing the community, and creating jobs. That is why we decided to pursue business by strengthening cooperation with partners outside our group who have knowledge of the theme park business and can provide funding in a flexible and agile manner and take on the challenge of new growth areas for Huis Ten Bosch.

Laguna Ten Bosch celebrated its 20th anniversary and held anniversary events throughout the year, including the "Lagoon of Light" Laguna Light Show. In addition, we worked to attract more customers through popular content experience events for the "Pretty Cure" and "Tokyo Revengers" animated TV series, but were unable to recover to the pre-COVID-19 level (2019).

As a result of the above, net sales for the current consolidated fiscal year were 21.225 billion yen (22.046 billion yen under the previous standards, 145.7% of the previous period) and operating income was 183 million yen (170 million yen under the previous standards, compared to an operating loss of 3.559 billion yen in the previous period).

(Hotel business)

In the hotel business, we have a diverse lineup and are developing new hotels in line with the characteristics of each region, starting with the "Henn na Hotel" brand's first overseas entry in Seoul (Myeongdong), followed by its opening in New York. In addition, the Hotel Inspira-S Tashkent, a four-star hotel in Tashkent, the capital of Uzbekistan, opened and occupancy rates remained strong, partly due to the recovery of economic activity in various countries. In Japan, we have made efforts to develop new properties, including the opening of the Watermark Hotel & Resort Okinawa Miyakojima on Miyakojima Island, Okinawa Prefecture. At existing hotels, in addition to controlling SG&A expenses, we worked to increase earnings by developing accommodation plans that differentiate us from other companies according to the market conditions and COVID-19 status of each country and city, but due to the slowdown in leisure demand due to pandemic, the number of guests did not improve significantly.

As a result of the above, net sales in the current consolidated fiscal year were 9.207 billion yen (9.207 billion yen under the previous standards, 193.5% of the previous year) and the operating loss was 4.122 billion yen (4.122 billion yen under the previous standards, compared to an operating loss of 5.868 billion yen in the same period of the previous year), and loss on an EBITDA basis was 192 million yen (loss of 192 million yen under the previous standards, compared to a loss of 2.557 billion yen in the same period of the previous year).

(Kyushu Sanko Group)

The Kyushu Sanko Group showed some signs of recovery, including an increase in the number of visitors to the Sakura Machi Kumamoto, a large-scale commercial facility, due in part to the implementation of prefectural and block discounts and the easing of voluntary curfew. The group's mainstay bus business posted an increase in the number of passengers transported by route buses and the resumption of express bus services that had been suspended or reduced because of the pandemic.

However, due to the nationwide semi-state of emergency COVID-19 measures, as well as Kumamoto Prefecture's own behavioral control measures through its risk level management, the full-year performance was not a full-fledged recovery.

As a result of the above, net sales for the current consolidated fiscal year were 17.960 billion yen (19.021 billion yen under the previous standards, 116.3% of the previous year), the operating loss was 1.554 billion yen (1.554 billion yen under the previous standards, compared to an operating loss of 2.712 billion yen in the same period of the previous year), and the profit on an EBITDA basis was 309 million yen (a profit of 309 million yen under the previous standards, compared to a loss of 846 million yen in the same period of the previous year).

(Energy business)

In the electric power retail business in the energy segment, we have been working to improve performance by optimizing the sources we procure power from by combining procurement in the wholesale power trading market and procurement through direct purchases. However, due to the normalization of soaring prices, we posted an operating loss.

In the power generation business, the price of RSPO-certified palm oil, which is used as fuel, soared, resulting in continued difficulty in securing the necessary volume. Throughout the year, the biomass power plant operated only for short periods of time to maintain the facilities and full-scale operation continued to be put off.

As a result of the above, net sales for the current consolidated fiscal year were 24.376 billion yen (27.152 billion yen under the previous standards, 72.7% of the previous year), and the operating loss was 9.978 billion yen (9.985 billion yen under the previous standards, compared to an operating loss of 10,264 billion yen for the previous year).

In addition, we have determined that it will take time to rebuild from continuous deficits in both the electricity retail and power generation businesses. On May 20, 2022, the transfer of all shares of HTB Energy Co., Ltd., which is responsible for the electricity retail business, was completed and on October 31, 2022, those of H.I.S.SUPER POWER Co.,Ltd., which is responsible for the power generation business.

As a result of the above, the consolidated results for the current consolidated fiscal year were net sales of 142.794 billion yen (260.350 billion yen under the previous standards, 219.6% of the previous year) and an operating loss of 47.934 billion yen (48.592 billion yen under the previous standards, compared to an operating loss of 64.058 billion yen in the same period of the previous year), an ordinary loss of 49.001 billion yen (49.660 billion yen under the previous standards, compared to an ordinary loss of 63.299 billion yen in the same period of the previous year), and a net loss attributable to the shareholders of the parent company of 9.547 billion yen (10.200 billion yen under the previous standards, compared to a net loss attributable to the shareholders of the parent company of 50.050 billion yen in the same period of the previous fiscal year).

## ② Outlook for the next fiscal year

Although the spread of infection by a mutant COVID-19 strain once again caused many countries to implement travel restrictions, curtail outings, and take other measures to suppress infection, vaccination had progressed in nations around the world, and COVID-19 related restrictions were eliminated in Europe, North America, and the Middle East and recovery has been seen in travel demand. On the other hand, in China, Taiwan, Japan, and the rest of east Asia, it remains difficult to envision demand for full-scale international tourism.

It is foreseen that in addition to the COVID-19 situation, the Group's corporate activities will continue to be affected by external factors such as geopolitical risks associated with the situation in Ukraine, sharp exchange rate fluctuations, inflation due to soaring fuel costs, and labor shortages. In our mainstay overseas travel business, the timing of recovery in the supply of seats on international flights to and from Japan is uncertain, and it remains difficult to forecast demand related to full-scale international tourism.

The above makes it difficult to reasonably calculate the impact of COVID-19 at this time, therefore we have not yet determined the outlook for consolidated financial results for the fiscal year ending October 2023. We will announce this outlook as soon as it becomes possible to calculate a rational earnings forecast.

## (2) Analysis of financial position

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

Total assets at the end of the current consolidated fiscal year increased by 3.557 billion yen compared to the end of the previous consolidated fiscal year to 414.984 billion yen. This was mainly due to an increase in cash and deposits (up 43.383 billion yen from the end of the previous consolidated fiscal year) and an increase in accounts receivable (up 12.464 billion yen), while on the other hand there were decreases in tangible fixed assets (down 30.935 billion yen), notes receivable, accounts receivable and contract assets (down 5.179 billion yen), deferred tax assets (down 4.185 billion yen), loans receivable (down 3.824 billion yen) and investment securities (down 2.725 billion yen).

In addition, liabilities at the end of the current consolidated fiscal year increased by 11.047 billion yen compared to the end of the previous consolidated fiscal year to 358.348 billion yen. This was mainly due to increases in accounts payable (up 12.967 billion yen compared to the end of the previous consolidated fiscal year) and "others" in current liabilities (up 6.291 billion yen), while on the other hand there were decreases in operating accounts payable (down 6.280 billion yen), liabilities related to retirement benefits (down 1.424 billion yen), and lease obligations (down 583 million yen).

Net assets at the end of the current consolidated fiscal year decreased by 7.509 billion yen compared to the end of the previous consolidated fiscal year to 56.636 billion yen. This was mainly due to an increase in foreign currency translation adjustments (up 8.945 billion yen compared to the end of the previous period) and an increase in capital and capital surplus due to third-party allocation of new shares (up 7.5 billion yen), while on the other hand there was a decrease in noncontrolling shareholder equity (down 14.544 billion yen) and a decrease in retained earnings (down 9.547 billion yen) due to the recording of net current loss attributable to owners of the parent company.

### ② Cash flow position

The balance of cash and cash equivalents (hereinafter, "funds") at the end of the current consolidated fiscal year was 136.939 billion yen, an increase of 48.860 billion yen compared to the end of the previous consolidated fiscal year. Funds due to operating activities decreased by 14.915 billion yen, funds due to investing activities increased by 53.520 billion yen, and funds due to financing activities increased by 5.458 billion yen.

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

(Cash flow from operating activities)

In the current consolidated fiscal year, funds from operating activities decreased 14.915 billion yen. This was mainly due to a net loss before taxes (8.222 billion yen), losses on sales of shares of subsidiaries and affiliates (32.437 billion yen), and an increase in other assets including accounts receivable (8.345 billion yen), while on the other hand funds increased due to an increase in depreciation, which is a non-cash item, (12.487 billion yen) and an increase in other liabilities including deposits (22.757 billion yen).

In the previous consolidated fiscal year, funds from operating activities decreased 28.397 billion yen. This was mainly due to a net loss before taxes (51.008 billion yen), non-cash depreciation, which is a non-cash item, (12.593 billion yen), and a decrease in other assets including accounts receivable (8.483 billion yen).

As a result of the above, in the current consolidated fiscal year, cash flows from operating activities increased 13.482 billion yen compared to the previous consolidated fiscal year.

(Cash flow from investment activities)

In the current consolidated fiscal year, funds from investment activities increased 53.520 billion yen. This was mainly due to proceeds from the sale of shares of a subsidiary accompanying a change in the scope of consolidation (39.847 billion yen) and an increase in funds due to proceeds from withdrawal of time deposits (19.442 billion yen), while on the other hand, there was a decrease in funds due to expenditure for investing in time deposits (12.001 billion yen).

In the previous consolidated fiscal year, funds from investment activities decreased 7.095 billion yen. This was mainly due to expenditures for the acquisition of tangible and intangible fixed assets (16.567 billion yen), expenditures for investment in time deposits (15.606 billion yen), income from withdrawal of time deposits (17.810 billion yen), and incomes from sales of tangible and intangible fixed assets (8.515 billion yen).

As a result of the above, cash flows from investment activities in the current consolidated fiscal year increased 60.616 billion yen compared to the previous consolidated fiscal year.

(Cash flow from financial activities)

In the current consolidated fiscal year, funds due to financial activities increased 5.458 billion yen. This was mainly due to an increase in funds due to income from long-term and short-term borrowings (115.517 billion yen) and due to proceeds from the issuance of shares (7.5 billion yen), while on the other hand, funds decreased due to expenditures for the repayment of long-term and short-term borrowings (115.492 billion yen).

Also, in the previous consolidated fiscal year, funds due to financial activities increased 40.711 billion yen. This was mainly due to income from long-term and short-term borrowings (112.283 billion yen), income from issuance of shares (11.994 billion yen), expenditures for repayment of long-term and short-term borrowing (73.163 billion yen), and expenditures for redemption of corporate bonds (10 billion yen).

As a result of the above, cash flows from financial activities in the current consolidated fiscal year increased 35.253 billion yen compared to the previous consolidated fiscal year.



(Reference) Changes in cash flow-related indicators

	Fiscal year ending October 31, 2018	Fiscal year ending October 31, 2019	Fiscal year ending October 31, 2020	Fiscal year ending October 31, 2021	Fiscal year ending October 31, 2022
Capital adequacy ratio (%) (Note 2)	17.1	16.8	17.8	9.9	11.4
Market value based capital adequacy ratio (%)	38.0	28.0	21.2	43.6	36.7
Cash flow Interest-bearing debt ratio (%)	910.2	564.2	—	—	—
Interest coverage ratio (double)	36.9	53.1	—	—	—

Capital adequacy ratio: Equity/Total assets

Market value-based capital adequacy ratio: Total market value of shares/Total assets

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

Interest coverage ratio: Cash flow/Interest payments

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

Note 2: The decline in the capital adequacy ratio is due to financing through corporate bonds, convertible corporate bonds with share options, and borrowing. The capital adequacy ratio when this effect is taken into consideration is as follows.

	Fiscal year ending October 31, 2018	Fiscal year ending October 31, 2019	Fiscal year ending October 31, 2020	Fiscal year ending October 31, 2021	Fiscal year ending October 31, 2022
Adjusted capital adequacy ratio (%)	29.2	27.0	23.2	13.1	17.6

Note 3: Market capitalization is calculated based on the number of issued shares excluding treasury shares.

Note 4: Operating cash flows are used for cash flows.

Note 5: Interest-bearing liabilities cover all liabilities that are recorded on the consolidated balance sheet and on which interest is paid.

Note 6: For the fiscal years ending October 2020, October 2021, and October 2022, because operating cash flow was negative, the cash flow to interest-bearing debt ratio and the interest coverage ratio are not stated.

(3) Basic policy on profit distribution for the current and next fiscal years

The Group recognizes the return of profits to shareholders as one of its important management policies. While working to improve the corporate value of the Group, we intend to comprehensively consider the global situation and trends in the travel industry, strengthening of our corporate quality, future business development, and other factors, and to stably and continuously distribute company profits according to our actual results. In addition, although we have an interim dividend system, the ratio of sales, etc. in the second half of the business year tends to be relatively high, so therefore in order to achieve fair dividends relative to our business performance, dividends are set based on the entire year.

Based on the above basic policy on profit distribution, we plan to pay no dividend at the end of the current fiscal year (annual dividend) because we believe that it is urgent to stabilize the financial foundation for profit recovery.

The dividend for the next fiscal year is left undecided because it is difficult to reasonably calculate the impact of COVID-19 at this time.

(4) Important events related to the premise of a going concern etc.

Because the Group has continued to record a large operating loss and net loss attributable to shareholders of the parent company since the previous consolidated fiscal year, in light of Audit and Guarantee Practices Committee Report No. 74 "Disclosure of Going Concern Assumptions", it is considered that there are events or situations that raise important doubts about the going concern assumption at the end of the current consolidated fiscal year.

To this end, the Group is reducing fixed costs and is selling securities, real estate, and other assets, while at the same time it is requesting financial institutions with which it does business to maintain (refinance) existing loan agreements.

Based on a financing plan that reflects a reasonable forecast of the time for returning to normal from the COVID-19 pandemic and that reflects the effects of countermeasures against COVID-19, the Group has determined that it will be possible to have sufficient funds until October 31, 2023. Therefore, we have determined that there is no significant uncertainty regarding the assumption of a going concern.

4. Consolidated financial statements and main notes

(1) Consolidated balance sheet

(Million yen)

	As of October 31, 2021	As of October 31, 2022
<b>Assets section</b>		
<b>Current assets</b>		
Cash and deposits	101,411	144,795
Notes and accounts receivable	16,718	—
Notes receivable, accounts receivable and contract assets	—	11,538
Operating accounts receivable	171	298
Marketable securities	11	212
Pre-travel payments	8,927	6,231
Prepaid expenses	2,179	1,724
Short-term loans	3,479	133
Short-term loans to affiliated companies	233	205
Accounts receivable	7,536	20,001
Others	5,062	5,721
Provision for doubtful receivables	-2,234	-2,370
<b>Total current assets</b>	<b>143,495</b>	<b>188,493</b>
<b>Fixed assets</b>		
<b>Tangible fixed assets</b>		
Buildings	103,216	93,062
Cumulative depreciation	-19,029	-16,895
Buildings (net amount)	84,187	76,166
Tools, furniture, and fixtures	23,539	12,142
Cumulative depreciation	-12,989	-9,444
Tools, equipment, and fixtures (net amount)	10,549	2,697
Land	75,485	70,975
Leased assets	25,753	27,978
Cumulative depreciation	-12,621	-15,576
Leased assets (net amount)	13,132	12,401
Construction in progress	11,101	6,306
Others	19,077	10,036
Cumulative depreciation	-12,241	-8,229
Other (net amount)	6,836	1,807
<b>Total tangible fixed assets</b>	<b>201,291</b>	<b>170,356</b>
<b>Intangible fixed assets</b>		
Goodwill	4,621	2,369
Others	15,486	15,539
<b>Total intangible fixed assets</b>	<b>20,107</b>	<b>17,908</b>
<b>Investments and other assets</b>		
Investment marketable securities	5,716	2,990
Affiliated company shares	2,559	2,865
Investments in affiliated companies	77	77
Long-term loans	66	11
Long-term loans to affiliated companies	901	504
Assets related to retirement benefits	727	671
Deferred tax assets	11,135	6,949
Guarantee deposits	21,896	20,825
Others	4,286	3,805
Provision for doubtful receivables	-1,105	-694
<b>Investment and other asset total</b>	<b>46,263</b>	<b>38,009</b>
<b>Total fixed assets</b>	<b>267,662</b>	<b>226,274</b>
Deferred assets	289	217
<b>Total assets</b>	<b>411,447</b>	<b>414,984</b>

(Million yen)

	As of October 31, 2021	As of October 31, 2022
<b>Liabilities section</b>		
Current liabilities		
Operating accounts payable	12,978	6,698
Short-term borrowing	28,240	28,555
Long-term borrowing scheduled to be repaid within one year	4,557	32,156
Accounts payable	4,331	17,298
Accrued expenses	4,320	3,999
Income taxes payable etc.	529	310
Accrued consumption tax etc.	624	711
Pre-travel receipts	14,112	14,256
Lease obligations	2,454	2,646
Bonus reserve	779	1,293
Directors' bonus reserve	25	51
Others	14,299	20,590
<b>Total current liabilities</b>	<b>87,254</b>	<b>128,569</b>
Fixed liabilities		
Corporate bonds	20,000	20,000
Convertible corporate bonds with share options	25,054	25,036
Long-term borrowing	184,643	156,727
Deferred tax liability	4,982	4,963
Retirement benefit revenue	7,659	6,234
Director retirement benefit reserve	393	445
Lease obligations	12,410	11,635
Others	4,902	4,734
<b>Total fixed liabilities</b>	<b>260,047</b>	<b>229,778</b>
<b>Total liabilities</b>	<b>347,301</b>	<b>358,348</b>
<b>Net assets section</b>		
Shareholders' equity		
Capital	21,048	100
Capital surplus	13,328	28,498
Earned surplus	22,275	26,327
Treasury shares	-15,004	-14,972
<b>Total shareholders' equity</b>	<b>41,647</b>	<b>39,954</b>
Cumulative other comprehensive income		
Other marketable security valuation difference	713	230
Deferred hedge loss or gain	7	8
Foreign currency translation adjustment account	-1,859	7,085
Cumulative adjustment for retirement benefits	118	141
<b>Total cumulative other comprehensive income</b>	<b>-1,020</b>	<b>7,466</b>
Share options	158	399
Noncontrolling shareholder equity	23,360	8,815
<b>Total net assets</b>	<b>64,145</b>	<b>56,636</b>
<b>Total liabilities and net assets</b>	<b>411,447</b>	<b>414,984</b>

## (2) Consolidated income statement and consolidated comprehensive income statement

(Consolidated income statement)

(Million yen)

	Fiscal year ending October 31, 2021	Fiscal year ending October 31, 2022
Sales	118,563	*1 142,794
Sales cost	111,040	114,536
Gross sales profit	7,522	28,257
Selling expenses and general administrative expenses	71,581	76,192
Operating loss (-)	-64,058	-47,934
Non-operating income		
Interest received	755	263
Currency exchange gain	1,134	892
Subsidy income	826	556
Others	1,822	1,416
Total non-operating income	4,538	3,129
Non-operating expenses		
Interest expense	1,175	2,000
Others	2,604	2,195
Total non-operating expenses	3,779	4,196
Ordinary loss (-)	-63,299	-49,001
Extraordinary profit		
Gain on sales of fixed assets	1,613	1,393
Gain on sale of investments in securities	988	1,446
Gain on sale of shares of affiliated companies	394	40,842
Subsidy income	17,770	10,860
Total extraordinary profit	20,766	54,543
Extraordinary loss		
Impairment loss	2,459	4,022
Loss on revaluation of investments in securities	1,595	—
Loss on revaluation of affiliated company shares	377	—
Loss on sale of shares of affiliated companies	—	8,405
Loss due to temporary closure	3,548	1,336
Business structure improvement costs	*5 493	—
Total extraordinary loss	8,475	13,764
Net loss before taxes etc. (-)	-51,008	-8,222
Corporate tax, resident tax, and enterprise tax	411	1,084
Corporate tax adjustment amount	1,823	1,748
Total corporate tax etc.	2,234	2,833
Net current loss (-)	-53,242	-11,056
Net current loss attributable to noncontrolling shareholders (-)	-3,192	-1,508
Net loss attributable to parent company shareholders (-)	-50,050	-9,547

## (Consolidated Comprehensive Income Statement)

(Million yen)

	Fiscal year ending October 31, 2021	Fiscal year ending October 31, 2022
Net current loss (-)	-53,242	-11,056
Other comprehensive income		
Other marketable security valuation difference	116	-482
Deferred hedge loss or gain	-0	1
Foreign currency translation adjustment account	4,556	9,066
Adjustment for retirement benefits	69	1
Amount equivalent to equity in an affiliate applying equity method	70	44
Total other comprehensive income	4,812	8,631
comprehensive income	-48,430	-2,424
(breakdown)		
Comprehensive income related to parent company shareholders	-45,550	-1,059
Comprehensive income for noncontrolling shareholders	-2,879	-1,364

## (3) Statement of changes in consolidated shareholders' equity

Previous consolidated fiscal year (from November 1, 2020 to October 31, 2021)

(Million yen)

	Shareholders' equity				
	Capital	Capital surplus	Earned surplus	Treasury shares	Total shareholders' equity
Current fiscal year beginning balance	15,000	7,450	72,222	-15,204	79,468
Cumulative impact of changes in accounting policies					
Current fiscal year beginning balance reflecting changes in accounting policies	15,000	7,450	72,222	-15,204	79,468
Current period change amount					
Issuance of new shares	6,048	6,048			12,097
Reduction of capital					
Compensation for deficiency					
Net loss attributable to parent company shareholders (-)			-50,050		-50,050
Acquisition of treasury shares				-0	-0
Disposal of treasury shares			-9	200	190
Consolidated range change					
Increase/decrease in equity due to acquisition of treasury shares of consolidated subsidiaries		-0			-0
Increase/decrease in equity due to capital increase of consolidated subsidiaries					
Change in equity in parent company related to transactions under common control		-170	112		-58
Current change (net amount) for items other than shareholders' equity					
Total amount of change during fiscal year	6,048	5,877	-49,947	200	-37,821
Current fiscal year ending balance	21,048	13,328	22,275	-15,004	41,647

	Cumulative other comprehensive income					Share options	Noncontrolling shareholder equity	Total net assets
	Others Marketable securities Valuation difference	Deferred hedge loss and profit	Foreign currency translation adjustment account	Related to retirement benefits Cumulative adjustment amount	Other comprehensive income Cumulative total			
Current fiscal year beginning balance	597	7	-6,157	32	-5,519	178	24,294	98,421
Cumulative impact of changes in accounting policies								
Current fiscal year beginning balance reflecting changes in accounting policies	597	7	-6,157	32	-5,519	178	24,294	98,421
Current period change amount								
Issuance of new shares								12,097
Reduction of capital								
Compensation for deficiency								
Net loss attributable to parent company shareholders (-)								-50,050
Acquisition of treasury shares								-0
Disposal of treasury shares								190
Consolidated range change								
Increase/decrease in equity due to acquisition of treasury shares of consolidated subsidiaries								-0
Increase/decrease in equity due to capital increase of consolidated subsidiaries								
Change in equity in parent company related to transactions under common control								-58
Current change (net amount) for items other than shareholders' equity	116	-0	4,298	85	4,499	-20	-934	3,545
Total amount of change during fiscal year	116	-0	4,298	85	4,499	-20	-934	-34,275
Current fiscal year ending balance	713	7	-1,859	118	-1,020	158	23,360	64,145

Current consolidated fiscal year (from November 1, 2021 to October 31, 2022)

(Million yen)

	Shareholders' equity				
	Capital	Capital surplus	Earned surplus	Treasury shares	Total shareholders' equity
Current fiscal year beginning balance	21,048	13,328	22,275	-15,004	41,647
Cumulative impact of changes in accounting policies			233		233
Current fiscal year beginning balance reflecting changes in accounting policies	21,048	13,328	22,508	-15,004	41,880
Current period change amount					
Issuance of new shares	3,750	3,750			7,500
Reduction of capital	-24,698	24,698			—
Compensation for deficiency		-13,363	13,363		—
Net loss attributable to parent company shareholders (-)			-9,547		-9,547
Acquisition of treasury shares				-0	-0
Disposal of treasury shares		-8		32	24
Consolidated range change			2		2
Increase/decrease in equity due to acquisition of treasury shares of consolidated subsidiaries		-0			-0
Increase/decrease in equity due to capital increase of consolidated subsidiaries		93			93
Change in equity in parent company related to transactions under common control					
Current change (net amount) for items other than shareholders' equity					
Total amount of change during fiscal year	-20,948	15,170	3,818	32	-1,926
Current fiscal year ending balance	100	28,498	26,327	-14,972	39,954



	Cumulative other comprehensive income					Share options	Noncontrolling shareholder equity	Total net assets
	Others Marketable securities Valuation difference	Deferred hedge loss and profit	Foreign currency translation adjustment account	Related to retirement benefits Cumulative adjustment amount	Other comprehensive income Cumulative total			
Current fiscal year beginning balance	713	7	-1,859	118	-1,020	158	23,360	64,145
Cumulative impact of changes in accounting policies			5		5		1	240
Current fiscal year beginning balance reflecting changes in accounting policies	713	7	-1,854	118	-1,015	158	23,361	64,385
Current period change amount								
Issuance of new shares								7,500
Reduction of capital								—
Compensation for deficiency								—
Net loss attributable to parent company shareholders (-)								-9,547
Acquisition of treasury shares								-0
Disposal of treasury shares								24
Consolidated range change								2
Increase/decrease in equity due to acquisition of treasury shares of consolidated subsidiaries								-0
Increase/decrease in equity due to capital increase of consolidated subsidiaries								93
Change in equity in parent company related to transactions under common control								
Current change (net amount) for items other than shareholders' equity	-482	1	8,940	22	8,482	241	-14,546	-5,822
Total amount of change during fiscal year	-482	1	8,940	22	8,482	241	-14,546	-7,749
Current fiscal year ending balance	230	8	7,085	141	7,466	399	8,815	56,636

## (4) Consolidated cash flow statement

(Million yen)

	Fiscal year ending October 31, 2021	Fiscal year ending October 31, 2022
<b>(Cash flow from operating activities)</b>		
Net loss before taxes etc. (-)	-51,008	-8,222
Depreciation	12,593	12,487
Impairment loss	2,459	4,022
Goodwill amortization	817	686
Increase/decrease in bonus reserve (- indicates decrease.)	-272	613
Increase/decrease in provision for director bonuses (- indicates decrease.)	1	23
Increase/decrease in debt related to retirement benefits (- indicates decrease.)	-317	-76
Increase/decrease in allowance for retirement benefits for directors (- indicates decrease.)	12	47
Interest received and dividends received	-847	-510
Foreign exchange loss/gain (- is gain.)	-1,077	-227
Interest expense	1,175	2,000
Loss on sales of property, plant and equipment (- is profit.)	-1,596	-1,393
Profit/loss on sale of investment securities (- is profit.)	-988	-1,446
Loss on sales of stocks of subsidiaries and affiliates (- is profit.)	-394	-32,437
Other profit/loss (- is profit.)	3,693	61
Increase/decrease in trade receivables (- indicates increase.)	-578	-
Increase or decrease in trade receivables and contract assets (- is increase.)	-	-1,921
Increase/decrease in pre-travel payments (- indicates increase.)	-1,119	3,475
Increase/decrease of other assets (- indicates increase.)	8,483	-8,345
Increase/decrease in purchase liabilities (- indicates decrease.)	3,673	-3,838
Increase/decrease in accrued consumption tax etc. (- indicates decrease.)	27	684
Increase/decrease in accrued expenses (- indicates decrease.)	1	-345
Increase/decrease in pre-travel receipts (- indicates decrease.)	-620	-1,298
Increase/decrease in other liabilities (- indicates decrease.)	-1,951	22,757
Subtotal	-27,833	-13,204
Amount of interest and dividends received	1,044	679
Interest payment amount	-1,237	-1,930
Corporate tax etc. amount paid or refunded (- indicates payment.)	-370	-459
<b>(Cash flow from operating activities)</b>	<b>-28,397</b>	<b>-14,915</b>

(Million yen)

	Fiscal year ending October 31, 2021	Fiscal year ending October 31, 2022
<b>(Cash flow from investment activities)</b>		
Expenditure for investing in time deposits	-15,606	-12,001
Income from withdrawal of time deposits	17,810	19,442
Expenditure on acquisition of securities	-116	-0
Income from redemption of marketable securities	104	-
Expenditures for the acquisition of tangible and intangible fixed assets	-16,567	-8,912
Income from the sale of tangible and intangible fixed assets	8,515	10,931
Expenditure on acquisition of investment securities	-318	-1,061
Income from the sale of investment securities	823	2,809
Income from redemption of investment securities	4,157	1,281
Expenditure for acquisition of shares of affiliated companies	-144	-963
Income from the sale of shares of affiliated companies	166	-
Expenditures for the acquisition of shares of subsidiary companies due to changes in the scope of consolidation	-384	-
Expenditures due to the sale of shares of subsidiary companies due to changes in the scope of consolidation	-	-2,032
Income from the sale of shares of subsidiary companies due to changes in the scope of consolidation	228	39,847
Expenditures on loans	-72	-40
Income from loan collection	686	3,909
Expenditures due to differential input to guarantee deposits	-13,232	-777
Income from collection of guarantee deposits	2,163	1,005
Others	4,692	85
<b>(Cash flow from investment activities)</b>	<b>-7,095</b>	<b>53,520</b>
<b>Cash flow from financial activities</b>		
Income from short-term borrowing	72,818	111,262
Expenditures for repayment of short-term loans	-71,469	-113,922
Income from long-term borrowing	39,465	4,255
Expenditures for repayment of long-term debt	-1,693	-1,570
Dividend payments to noncontrolling shareholders	-9	-44
Expenditures for purchase of treasury stock	-0	-0
Income from issuance of shares	11,994	7,500
Income from payments from non-controlling shareholders	2,065	150
Income from issuance of share options	-	165
Expenditures on redemption of corporate bonds	-10,000	-
Others	-2,458	-2,337
<b>Cash flow from financial activities</b>	<b>40,711</b>	<b>5,458</b>
<b>Conversion difference for cash and cash equivalents</b>	<b>2,415</b>	<b>4,680</b>
<b>Increase/decrease in cash and cash equivalents (- indicates decrease.)</b>	<b>7,633</b>	<b>48,744</b>
<b>Fiscal year starting balance of cash and cash equivalents</b>	<b>80,445</b>	<b>88,079</b>
<b>Increase in cash and cash equivalents due to new consolidation</b>	<b>-</b>	<b>115</b>
<b>Fiscal year ending balance of cash and cash equivalents</b>	<b>88,079</b>	<b>136,939</b>

(Segment information etc.)

[Segment information]

1. Summary of reporting segments

The Group's reporting segments have separate financial information available from within the Group's constituent units and this information is reviewed regularly by the highest decision-making bodies, in order to evaluate resource allocation decisions and assess performance. The Group consists of five businesses: travel business, theme park business, hotel business, Kyushu Sanko Group, and energy business. We formulate comprehensive strategies for Japan and overseas and develop our business activities. Therefore, the Group has five reporting segments: "Travel Business", "Theme Park Business", "Hotel Business", "Kyushu Sanko Group", and "Energy Business".

The Travel Business arranges, plans, and sells overseas and domestic travel and conducts ancillary businesses. The Theme Park Business owns and operates theme parks in Sasebo City, Nagasaki Prefecture and in Gamagori City, Aichi Prefecture. The Hotel Business is engaged in the hotel business and ancillary businesses in Japan, Taiwan, the United States, Indonesia, etc. The Kyushu Sanko Group holds shares of the Kyusyu Industrial Transportation Holdings Co.,Ltd., a holding company, and is engaged in the automobile transportation business, real estate leasing business, etc. The Energy Business is engaged in the electricity retail business, the development of new power sources such as renewable energy, and ancillary businesses.

As stated in "(Changes in Accounting Policy) (Application of Accounting Standards for Revenue Recognition)", from the beginning of the current consolidated fiscal year, the accounting standards for revenue recognition were applied and the accounting method for revenue recognition was changed. As a result, we have changed the method of calculating profit or loss for reporting segments in the same way. As a result of this change, compared with the previous method, net sales for the current consolidated fiscal year decreased by 112.880 billion yen in the Travel Business, 821 million yen in the Theme Park Business, 1.061 billion yen in the Kyushu Sanko Group, 2.775 billion yen in the Energy Business, and 15 million yen in Other Business. Operating losses decreased 631 million yen in the Travel Business, 12 million yen in the Theme Park Business, 7 million yen in the Energy Business, and 7 million yen in Other Business.

In addition, HTB Energy Co., Ltd., which was a consolidated subsidiary in the third quarter of the current consolidated fiscal year, Huis Ten Bosch Corporation, and H.I.S.SUPER POWER Co.,Ltd. were excluded from the consolidation in the fourth quarter of the current consolidated fiscal year. As a result, segment assets of the "Theme Park Business" and the Energy Business decreased by 33.061 billion yen and 19.816 billion yen, respectively, compared to the end of the previous consolidated fiscal year.

2. How to calculate the amount of sales, profit or loss, assets, liabilities and other items for each reporting segment

The method of accounting for the reported business segments is generally the same as that described in the note "Important matters that are the basis for preparing consolidated financial statements".

Profit for each reporting segment is based on operating income.

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

3. Information on the amount of sales, profit or loss, assets, liabilities, and other items for each reporting segment  
Previous consolidated fiscal year (from November 1, 2020 to October 31, 2021)

(Million yen)

	Reporting segment						Others Note 1	Total	Adjustment amount Note 2	Consolidated Financial statements Recorded amount Note 3
	Travel Business	Theme Park Business	Hotel Business	Kyushu Sanko Group	Energy Business	Total				
Sales										
Sales to external customers	42,918	14,593	4,494	16,358	37,233	115,598	2,965	118,563	—	118,563
Internal sales or transfers between segments	110	533	262	4	117	1,028	735	1,764	-1,764	—
Total	43,028	15,126	4,757	16,362	37,351	116,626	3,701	120,327	-1,764	118,563
Segment loss (-)	-38,336	-3,559	-5,868	2,712	-10,264	-60,741	-981	-61,723	-2,335	-64,058
Segment assets	131,363	38,135	92,456	56,655	20,394	339,004	12,694	351,699	59,748	411,447
Other items										
Depreciation	3,835	2,120	3,293	1,865	494	11,609	278	11,888	414	12,302
Goodwill amortization	661	—	17	—	45	723	93	817	—	817
Equity-method affiliate investment amount	328	—	—	—	—	328	0	328	—	328
Increase in tangible fixed assets and intangible fixed assets	2,262	1,798	10,694	1,061	1,967	17,784	370	18,155	21	18,177

Note 1. The "Other" category is a business segment that is not included in a reporting segment, for example non-life insurance business and real estate business.

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

- (1) The -2.335-billion-yen adjustment of segment loss (-) is company-wide expenses not allocated to any reporting segment. Its contents are expenses related to the parent company head office management department that do not belong to a reporting segment.
- (2) The 59.748-billion-yen adjustment of segment assets includes elimination of 468 million yen of inter-segment transactions and company-wide assets of 60.216 billion yen that are not allocated to a reporting segment. The contents of company-wide assets are assets related to parent company surplus fund operation (cash and deposits, marketable securities) and the management department.
- (3) The 414-million-yen adjustment of depreciation expenses is company-wide expenses that are not allocated to a reporting segment. Its contents are depreciation expenses related to the parent company head office management department that do not belong to a reporting segment.
- (4) The adjustment amount of 21 million yen for the increase in tangible fixed assets and intangible fixed assets is the amount of capital investment by the parent company that does not belong to a reporting segment.

3. Segment losses (-) are adjusted with the operating profit in the consolidated financial statements.

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

(Million yen)

	Travel Business	Theme Park Business	Hotel Business	Kyushu Sanko Group	Energy Business	Others	Total
Segment loss (-)	-38,336	-3,559	-5,868	-2,712	-10,264	-981	-61,723
Depreciation and goodwill amortization	4,496	2,120	3,310	1,865	540	372	12,705
EBITDA (*)	-33,840	-1,439	-2,557	-846	-9,723	-609	-49,017

\*EBITDA is the value obtained by adding depreciation and goodwill amortization to the segment loss (-).

Current consolidated fiscal year (from November 1, 2021 to October 31, 2022)

(Million yen)

	Reporting segment						Others Note 1	Total	Adjustment amount Note 2	Consolidated Financial statements Recorded amount Note 3
	Travel Business	Theme Park Business	Hotel Business	Kyushu Sanko Group	Energy Business	Total				
Sales										
Sales to external customers	67,328	20,644	8,931	17,948	24,288	139,142	3,652	142,794	—	142,794
Internal sales or transfers between segments	364	580	275	11	87	1,320	663	1,983	-1,983	—
Total	67,693	21,225	9,207	17,960	24,376	140,463	4,315	144,778	-1,983	142,794
Segment profit or loss (-)	-28,629	183	-4,122	-1,554	-9,978	-44,102	-1,402	-45,505	-2,429	-47,934
Segment assets	118,734	6,233	95,555	54,033	537	275,095	6,735	281,830	133,153	414,984
Other items										
Depreciation	3,416	2,057	3,918	1,864	557	11,814	224	12,039	372	12,411
Goodwill amortization	580	—	11	—	45	637	49	686	—	686
Equity-method affiliate investment amount	410	—	—	—	—	410	0	410	—	410
Increase in tangible fixed assets and intangible fixed assets	2,682	1,705	4,606	474	16	9,484	516	10,001	—	10,001

Note 1. The "Other" category is a business segment that is not included in a reporting segment, for example non-life insurance business and real estate business.

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

- (1) The -2.429-billion-yen adjustment of segment profit or loss (-) is company-wide expenses not allocated to any reporting segment. Its contents are expenses related to the parent company head office management department that do not belong to a reporting segment.
- (2) The 133.153-billion-yen adjustment of segment assets includes elimination of 741 million yen of inter-segment transactions and company-wide assets of 133.895 billion yen that are not allocated to a reporting segment. The contents of company-wide assets are assets related to parent company surplus fund operation (cash and deposits, marketable securities) and the management department.
- (3) The 372-million-yen adjustment of depreciation expenses is company-wide expenses that are not allocated to a reporting segment. Its contents are depreciation expenses related to the parent company head office management department that do not belong to a reporting segment.

3. Segment profits or losses (-) are adjusted with the operating profit in the consolidated financial statements.

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

(Million yen)

	Travel Business	Theme Park Business	Hotel Business	Kyushu Sanko Group	Energy Business	Others	Total
Segment profit or loss (-)	-28,629	183	-4,122	-1,554	-9,978	-1,402	-45,505
Depreciation and goodwill amortization	3,996	2,057	3,930	1,864	602	273	12,725
EBITDA (*)	-24,632	2,240	-192	309	-9,376	-1,129	-32,779

\*EBITDA is the value obtained by adding depreciation and goodwill amortization to segment profit or loss (-).



[Related information]

Previous consolidated fiscal year (from November 1, 2020 to October 31, 2021)

1. Information by product and service

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

2. Information by region

(1) Sales

(Million yen)

Japan	America	Asia	Oceania	Europe, Middle East, and Africa	Total
105,522	6,692	3,310	54	2,983	118,563

(2) Tangible fixed assets

(Million yen)

Japan	America	Asia	Oceania	Europe, Middle East, and Africa	Total
171,097	7,723	15,803	9	6,657	201,291

3. Information for each major client

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

Current consolidated fiscal year (from November 1, 2021 to October 31, 2022)

1. Information by product and service

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

2. Information by region

(1) Sales

(Million yen)

Japan	America	Asia	Oceania	Europe, Middle East, and Africa	Total
121,458	12,534	3,361	-45	5,486	142,794

(2) Tangible fixed assets

(Million yen)

Japan	America	Asia	Oceania	Europe, Middle East, and Africa	Total
139,172	10,590	15,548	13	5,031	170,356

3. Information for each major client

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

[Information on impairment loss on fixed assets by reporting segment]

Previous consolidated fiscal year (from November 1, 2020 to October 31, 2021)

(Million yen)

	Reporting segment						Others Note	Company-wide elimination	Total
	Travel Business	Theme Park Business	Hotel Business	Kyushu Sanko Group	Energy Business	Total			
Impairment loss	2,039	135	18	—	243	2,437	22	—	2,459

Note: The category of "Other" is the amount related to the non-life insurance business and the real estate business.

Current consolidated fiscal year (from November 1, 2021 to October 31, 2022)

(Million yen)

	Reporting segment						Others Note	Company-wide elimination	Total
	Travel Business	Theme Park Business	Hotel Business	Kyushu Sanko Group	Energy Business	Total			
Impairment loss	1,982	790	174	683	13	3,645	377	—	4,022

Note: The category of "Other" is the amount related to the non-life insurance business and the real estate business.

[Information on the amount of amortization and the unamortized balance of goodwill for each reporting segment]

Previous consolidated fiscal year (from November 1, 2020 to October 31, 2021)

(Million yen)

	Reporting segment						Others Note	Company-wide elimination	Total
	Travel Business	Theme Park Business	Hotel Business	Kyushu Sanko Group	Energy Business	Total			
Current fiscal year depreciation amount	661	—	17	—	45	723	93	—	817
Current fiscal year ending balance	3,740	—	52	—	361	4,154	466	—	4,621

Note: The category of "Other" is the amount related to the non-life insurance business and the real estate business.

Current consolidated fiscal year (from November 1, 2021 to October 31, 2022)

(Million yen)

	Reporting segment						Others Note	Company-wide elimination	Total
	Travel Business	Theme Park Business	Hotel Business	Kyushu Sanko Group	Energy Business	Total			
Current fiscal year depreciation amount	580	—	11	—	45	637	49	—	686
Current fiscal year ending balance	2,305	—	22	—	—	2,328	40	—	2,369

Note: The category of "Other" is the amount related to the non-life insurance business and the real estate business.

[Information on gains on negative goodwill for each reporting segment]

Previous consolidated fiscal year (from November 1, 2020 to October 31, 2021)

There is no significant negative goodwill gain.

Current consolidated fiscal year (from November 1, 2021 to October 31, 2022)

There is no significant negative goodwill gain.