



# Presentation Materials for the Fiscal Year Ended October 31, 2021 Financial Results

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December 28, 2021  
H.I.S. Co., Ltd.  
TSE 1: 9603

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# 1 Impact of the Revision of Accounting Treatment for Inappropriate Transactions Related to “Go To” Travel Business

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## Impact on the Financial Results

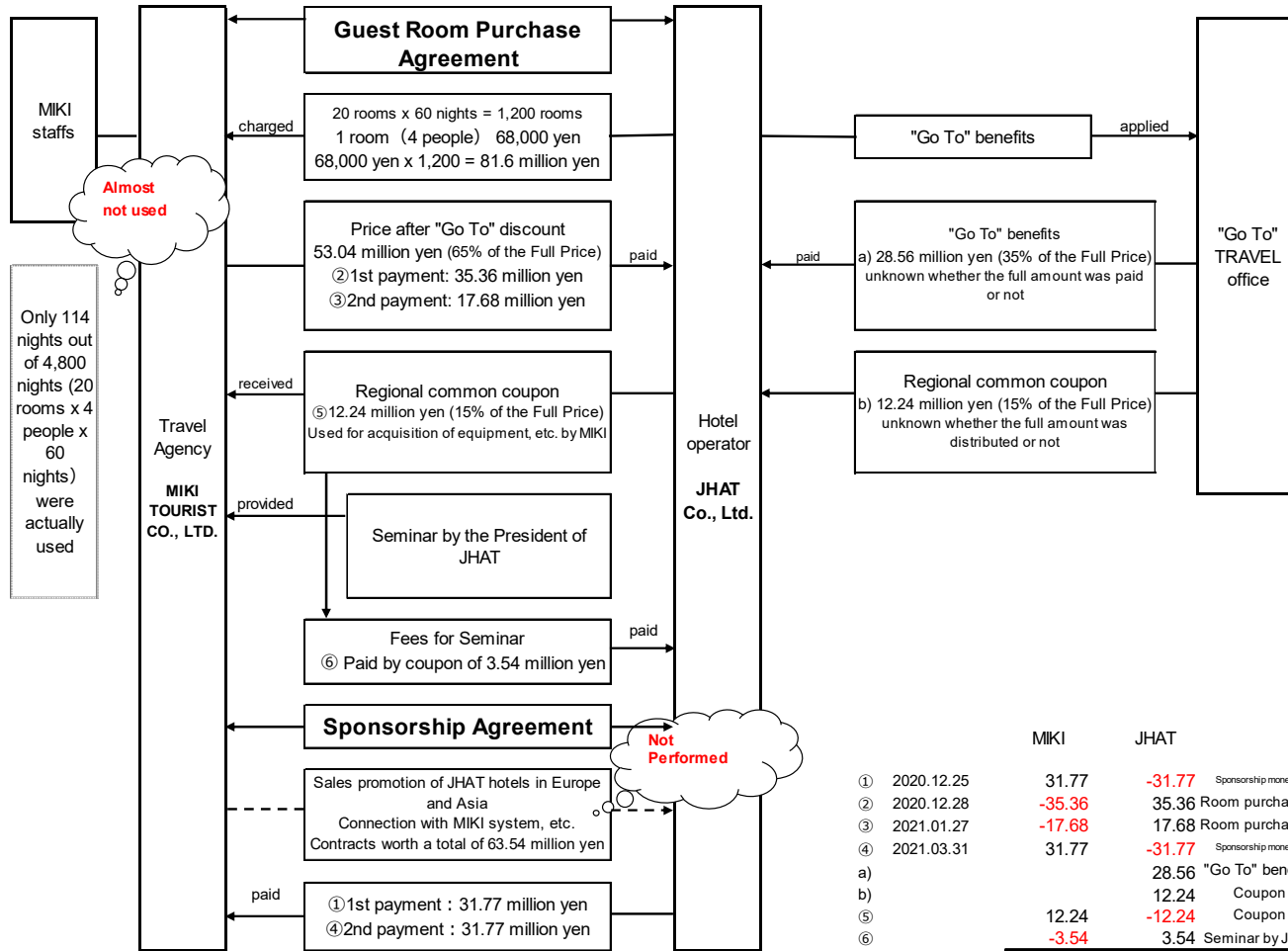
On December 8<sup>th</sup>, 2021, we established an investigation committee to clarify the facts concerning suspicion that there were transactions that did not comply with “Go To Travel” business rules at our consolidated subsidiaries, MIKI TOURIST CO., LTD. (hereinafter referred to as “MIKI”) and Japan Holiday Travel Co., Ltd. (hereinafter referred to as “JPH”).

Subsequently, we received an investigation report from the investigation committee on December 24<sup>th</sup>, and made the following revisions to FY2021 financial results based on the contents of the report. The impacts of the revisions are **net sales of ▲2.0 billion yen, operating profit of ▲580 million yen, and net profit attributable to parent company shareholders of ▲390 million yen.**

| (million yen)   | MIKI | JPH    | Total  |
|---|------|--------|--------|
| Net Sales   | –    | ▲2,001 | ▲2,001 |
| Cost of Sales   | ▲53  | ▲1,941 | ▲1,994 |
| Gross Profit  | 53   | ▲60    | ▲7     |
| Selling, General and Administrative Expenses          | 157  | 422    | 580    |
| Operating Loss  | ▲104 | ▲482   | ▲587   |
| Net Loss Attributable to Non-Controlling Shareholders | ▲31  | ▲160   | ▲191   |
| Net Loss Attributable to Parent Company Shareholders  | ▲73  | ▲321   | ▲395   |

(million yen)

| Accounting Items | Explanations   | Amount of Impact | Reference  |
|------------------|--|------------------|--|
| Net Sales        |  | —                |  |
| Cost of Sales    | Cancellation of “Go To” benefits (35% of the full price of travel payments)                        | 28               |  |
|                  | Reclassification of hotel guest room purchase amount from JHAT from cost of sales to SG&A expenses | ▲81              | Because it was for in-house use  |
|                  | Sub-Total  | ▲53              |  |
| Gross Profit     |  | 53               |  |
| SG&A Expenses    | Cancellation of regional common coupons (15% of the full price of travel payments)                 | 12               |  |
|                  | Cancellation of sponsorship money received from JHAT   | 63               | Because there was no substance of sales promotion activities (provision of service). |
|                  | Reclassification of hotel guest room purchase amount from JHAT from cost of sales to SG&A expenses | 81               | Because it was for in-house use  |
|                  | Sub-Total  | 157              |  |
| Operating Profit |  | ▲104             |  |



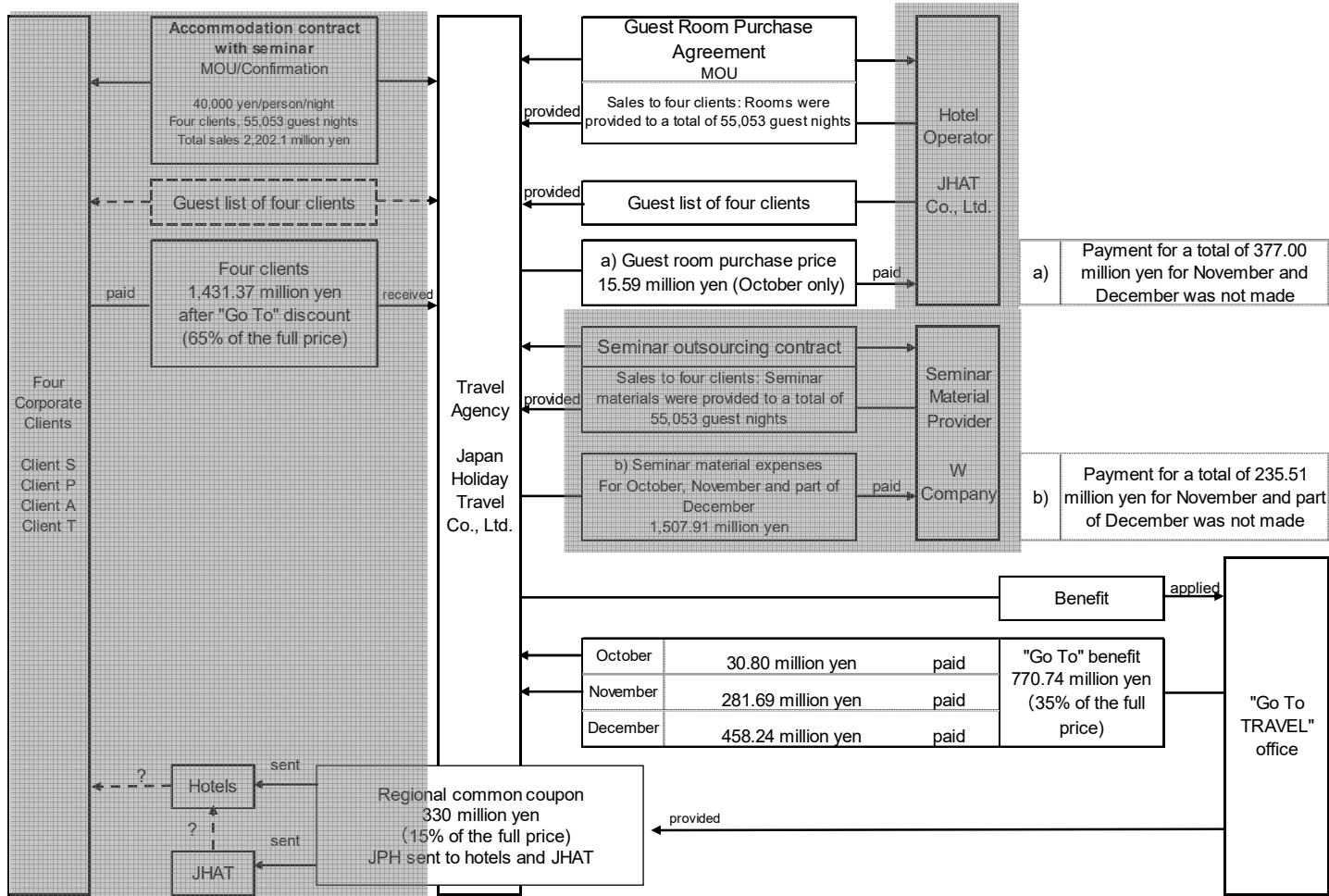
|    | MIKI         | JHAT         |                      |
|----|--------------|--------------|----------------------|
| ①  | 31.77        | -31.77       | Sponsorship money 1  |
| ②  | -35.36       | 35.36        | Room purchase 1      |
| ③  | -17.68       | 17.68        | Room purchase 2      |
| ④  | 31.77        | -31.77       | Sponsorship money 2  |
| a) |              | 28.56        | "Go To" benefits     |
| b) |              | 12.24        | Coupon               |
| ⑤  | 12.24        | -12.24       | Coupon               |
| ⑥  | -3.54        | 3.54         | Seminar by JHAT      |
|    | <b>19.20</b> | <b>21.60</b> | <b>Undue profits</b> |

(million yen)

| Accounting Items | Explanations  | Amount of Impact | Reference  |
|------------------|---|------------------|--|
| Net Sales        | Cancellation of sales (due to improperly increased transactions)                        | ▲2,001           | 2,202 million yen (tax included) ÷ 110%  |
| Cost of Sales    | Cancellation of cost of sales   | ▲1,941           | 2,136 million yen (tax included) ÷ 110%  |
| Gross Profit     |   | ▲60              |  |
| SG&A Expenses    | Allowance for doubtful accounts for accounts receivable from four corporate clients (※) | 422              | The entire amount has been conservatively allocated for accounting purposes because the collectability is unknown. |
| Operating Profit |   | ▲482             |  |

※ Accounts receivable from four corporate clients

|   |  |        |  |
|---|--|--------|--|
| ① Revenues  | Travel payments from four clients (65% of the full price)                            | 1,431  |  |
|   | Benefits from "Go To Travel" office (35% of the full price)                          | 312    | Only for those of October and November, which have already been received.          |
|   | ① Sub-Total  | 1,743  |  |
| ② Expenditures  | Payments to JHAT for the purchase of hotel guest rooms                               | ▲15    | Only for those of October, which have already been paid.                           |
|   | Payments for seminar materials to Company W  | ▲1,507 | For those of October, November, and part of December, which have already been paid |
|   | ② Sub-Total  | ▲1,523 |  |
| ③ Net Amount (=①+②)   |  | 220    |  |
| ④ Liabilities Expected to be Incurred (Maximum Amount)        | Benefits that have already been received to be returned to GoTo Travel office        | 312    |  |
|   | Regional common coupons (15% of the full price) to be returned to GoTo Travel office | 330    |  |
|   | ④ Sub-Total  | 642    |  |
| ⑤ Amount to be Billed to Four Clients (Maximum Amount) (=④-③) |  | 422    |  |





## 2-1 Summary of Financial Results (Consolidated)

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## Consolidated Financial Results

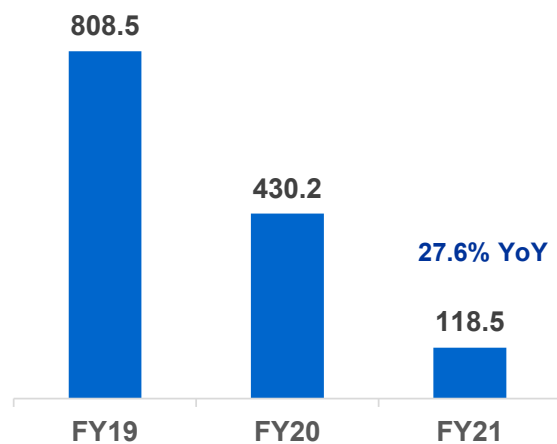
| (million yen)  | FY19    | FY20    | FY21    | FY21<br>Forecasts | YoY    | Increase/<br>Decrease | Major Reasons for Increase/Decrease                                   |
|--|---------|---------|---------|-------------------|--------|-----------------------|---|
| Net Sales  | 808,510 | 430,284 | 118,563 | 125,000           | 27.6%  | ▲311,720              | Travel ▲316,603 Energy +10,957  |
| Gross Profit   | 144,134 | 69,896  | 16,383  | -                 | 23.4%  | ▲53,512               |   |
| Operating Profit   | 17,540  | ▲31,129 | ▲64,058 | ▲63,000           | -      | ▲32,929               | Energy ▲10,427  |
| EBITDA   | 27,263  | ▲17,888 | ▲50,938 | -                 | -      | ▲33,049               |   |
| Non-Operating Income                                       | 3,527   | 3,067   | 4,538   | -                 | 148.0% | 1,471                 | Currency Exchange Gain 1,134 (Previous FY) Currency Exchange Loss 321 |
| Non-Operating Expenses                                     | 3,978   | 3,221   | 3,779   | -                 | 117.3% | 558                   | Equity Method Investment Loss 548 (Previous FY) 194                   |
| Ordinary Profit  | 17,089  | ▲31,283 | ▲63,299 | ▲63,000           | -      | ▲32,015               |   |
| Extraordinary Gain   | 4,140   | 11,055  | 20,766  | -                 | 187.8% | 9,711                 | Subsidy Income 17,770 (Previous FY) 9,969                             |
| Extraordinary Loss   | 877     | 12,873  | 8,475   | -                 | 65.8%  | ▲4,398                | Loss due to Temporary Closure 3,548                                   |
| Profit before Income Taxes                                 | 20,352  | ▲33,101 | ▲51,008 | -                 | -      | ▲17,906               |   |
| Income Taxes   | 6,477   | ▲3,457  | 2,234   | -                 | -      | 5,692                 |   |
| Net Profit Attributable to<br>Non-Controlling Shareholders | 1,625   | ▲4,606  | ▲3,192  | -                 | -      | 1,413                 |   |
| Net Profit Attributable to Parent<br>Company Shareholders  | 12,249  | ▲25,037 | ▲50,050 | ▲53,000           | -      | ▲25,012               |   |

## Net Sales & Operating Profit

- Net sales decreased by 311.7 billion yen (**27.6% YoY**) due to the continued travel restrictions in Japan and other countries in addition to the cooling of demands caused by the prolonged state of emergency.
- Operating loss was 64.0 billion yen (profit decrease of 32.9 billion yen)**, mainly impacted significantly by losses in the travel business and the sharp rise in the procurement price of electric power in the energy business.

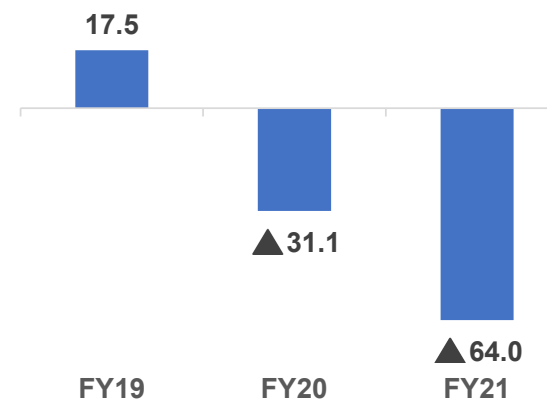
Net Sales

(billion yen)



Operating Profit

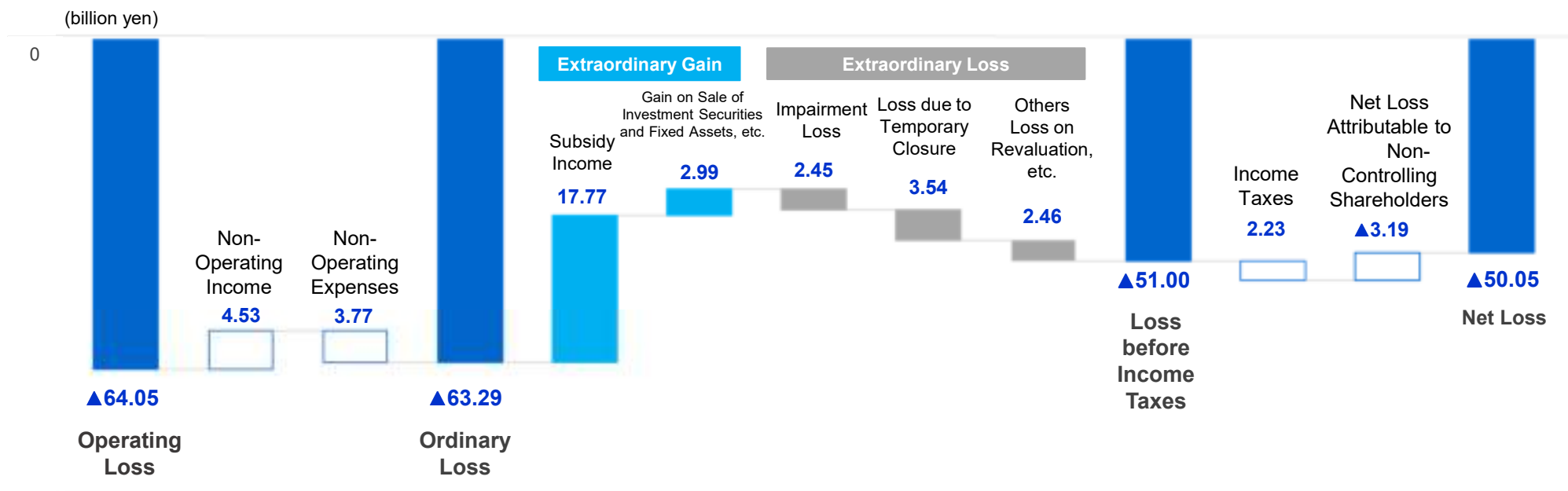
(billion yen)



## Ordinary Profit & Net Profit Attributable to Parent Company Shareholders

- Ordinary loss was 63.2 billion yen (profit decrease of 32.0 billion yen) due to interest expenses of 1.1 billion yen, etc., while currency exchange gain of 1.1 billion yen was posted.
- Although 20.7 billion yen of extraordinary gain, including 17.7 billion yen of subsidy income was posted, 8.4 billion yen of extraordinary loss was posted, resulting in net loss of 50.0 billion yen (profit decrease of 25.0 billion yen).

### Major Items between Operating Loss and Net Loss



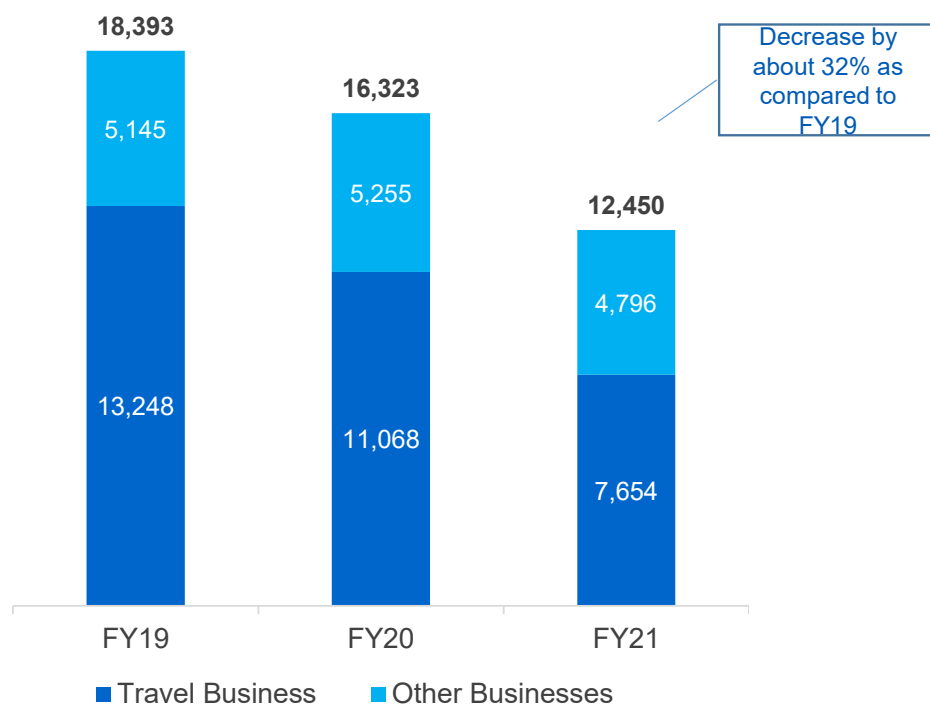
## Consolidated Balance Sheet (as Compared to the End of the Previous Fiscal Year)

(million yen)

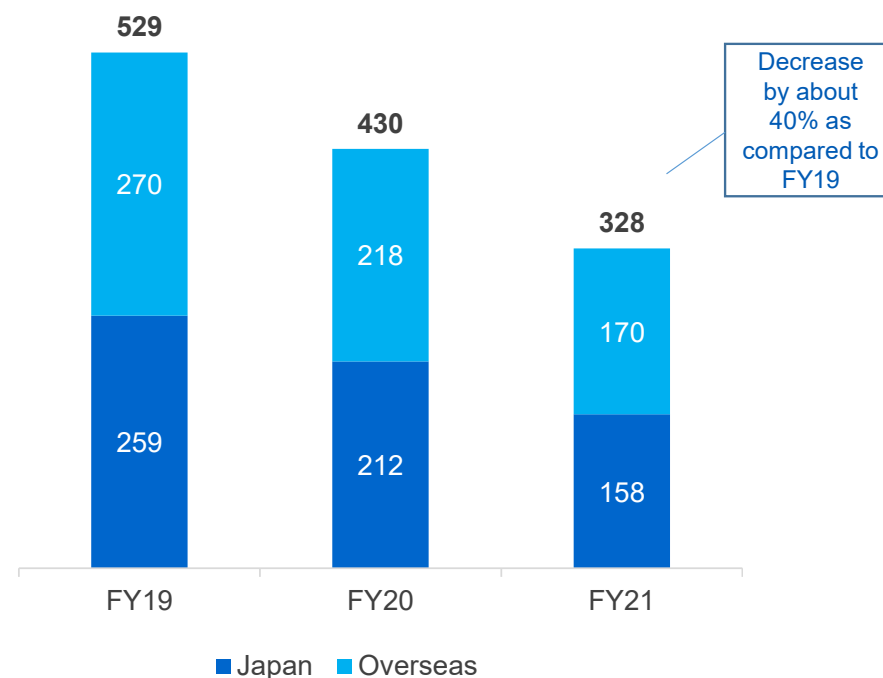
|                               | FY19           | FY20           | FY21           | Increase/Decrease |   | FY19           | FY20           | FY21           | Increase/Decrease |
|-------------------------------|----------------|----------------|----------------|-------------------|---|----------------|----------------|----------------|-------------------|
| Cash and Deposits             | 219,175        | 95,234         | 101,411        | 6,177             | Operating Accounts Payable              | 38,082         | 9,029          | 12,978         | 3,949             |
| Notes and Accounts Receivable | 45,653         | 15,829         | 16,718         | 888               | Pre-Travel Payments Received            | 92,760         | 14,021         | 14,112         | 91                |
| Operating Accounts Receivable | 4,287          | 345            | 171            | ▲174              | Bonds and Convertible Bonds Payable     | 55,090         | 45,072         | 45,054         | ▲18               |
| Pre-Travel Payments           | 52,102         | 7,253          | 8,927          | 1,673             | Long-Term Borrowing                     | 146,403        | 149,605        | 184,643        | 35,037            |
| Others                        | 27,061         | 20,560         | 16,266         | ▲4,294            | Others                                  | 121,151        | 98,453         | 90,511         | ▲7,942            |
| <b>Total Current Assets</b>   | <b>348,280</b> | <b>139,223</b> | <b>143,495</b> | <b>4,271</b>      | <b>Total Liabilities</b>                | <b>453,490</b> | <b>316,182</b> | <b>347,301</b> | <b>31,118</b>     |
| Property, plant and Equipment | 147,098        | 202,211        | 201,291        | ▲919              | Capital                                 | 11,000         | 15,000         | 21,048         | 6,048             |
| Intangible Fixed Assets       | 19,271         | 16,595         | 15,486         | ▲1,109            | Capital Surplus                         | 3,392          | 7,450          | 13,328         | 5,877             |
| Goodwill                      | 7,305          | 5,227          | 4,621          | ▲605              | Earned Surplus                          | 112,409        | 72,222         | 22,275         | ▲49,947           |
| Investments and Other Assets  | 55,275         | 50,919         | 46,263         | ▲4,656            | Treasury Shares                         | ▲28,309        | ▲15,204        | ▲15,004        | 200               |
| <b>Total Fixed Assets</b>     | <b>228,951</b> | <b>274,954</b> | <b>267,662</b> | <b>▲7,291</b>     | Cumulative Other Comprehensive Income   | ▲1,719         | ▲5,519         | ▲1,020         | 4,499             |
| <b>Deferred Assets</b>        | <b>168</b>     | <b>426</b>     | <b>289</b>     | <b>▲137</b>       | Non-Controlling Shareholder Equity      | 27,135         | 24,294         | 23,360         | ▲934              |
| <b>Total Assets</b>           | <b>577,399</b> | <b>414,604</b> | <b>411,447</b> | <b>▲3,157</b>     | <b>Total Net Assets</b>                 | <b>123,909</b> | <b>98,421</b>  | <b>64,145</b>  | <b>▲34,275</b>    |
|                               |                |                |                |                   | <b>Total Liabilities and Net Assets</b> | <b>577,399</b> | <b>414,604</b> | <b>411,447</b> | <b>▲3,157</b>     |

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

The Number of Group Employees



The Number of Sales Offices of the Travel Business



※Number of sales offices in Japan excludes distributors and agents  
/ Number of sales offices overseas: as of the end of July

## 2-2 Summary of Financial Results (by Business Segment)

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## Operating Results by Business Segment

| (million yen)    | Segment                         | FY19    | FY20    | FY21    | YoY    | Increase/Decrease |
|------------------|---------------------------------|---------|---------|---------|--------|-------------------|
| Net Sales        | Travel Business                 | 722,464 | 359,631 | 43,028  | 12.0%  | ▲316,603          |
|                  | Theme Park Business             | 28,086  | 14,113  | 15,126  | 107.2% | 1,013             |
|                  | Hotel Business                  | 12,676  | 7,952   | 4,757   | 59.8%  | ▲3,194            |
|                  | Kyushu Sanko Group              | 22,230  | 19,177  | 16,362  | 85.3%  | ▲2,815            |
|                  | Energy Business                 | 20,461  | 26,393  | 37,351  | 141.5% | 10,957            |
|                  | Other                           | 8,376   | 5,571   | 3,701   | 66.4%  | ▲1,870            |
|                  | Adjustments, Eliminations, etc. | ▲5,785  | ▲2,556  | ▲1,764  | -      | 792               |
| Operating Profit | Travel Business                 | 13,754  | ▲21,127 | ▲38,336 | -      | ▲17,209           |
|                  | Theme Park Business             | 5,075   | ▲3,403  | ▲3,559  | -      | ▲156              |
|                  | Hotel Business                  | ▲217    | ▲3,481  | ▲5,868  | -      | ▲2,386            |
|                  | Kyushu Sanko Group              | 158     | ▲2,132  | ▲2,712  | -      | ▲580              |
|                  | Energy Business                 | 974     | 163     | ▲10,264 | -      | ▲10,427           |
|                  | Other                           | 589     | 1,299   | ▲981    | -      | ▲2,281            |
|                  | Adjustments, Eliminations, etc. | ▲2,795  | ▲2,448  | ▲2,335  | -      | 113               |
| EBITDA           | Travel Business                 | 17,980  | ▲16,044 | ▲33,840 | -      | ▲17,796           |
|                  | Theme Park Business             | 7,175   | ▲1,471  | ▲1,439  | -      | 31                |
|                  | Hotel Business                  | 1,059   | ▲227    | ▲2,557  | -      | ▲2,329            |
|                  | Kyushu Sanko Group              | 1,203   | ▲95     | ▲846    | -      | ▲751              |
|                  | Energy Business                 | 1,050   | 255     | ▲9,723  | -      | ▲9,979            |
|                  | Other                           | 1,077   | 1,712   | ▲609    | -      | ▲2,321            |
|                  | Adjustments, Eliminations, etc. | ▲2,283  | ▲2,017  | ▲1,921  | -      | 96                |



## Quarterly Operating Results by Business Segment

(million yen)

|                            |                  | FY19    |         |         |         | FY20    |         |         |        | FY21   |        |         |        |
|----------------------------|------------------|---------|---------|---------|---------|---------|---------|---------|--------|--------|--------|---------|--------|
|                            |                  | 1Q      | 2Q      | 3Q      | 4Q      | 1Q      | 2Q      | 3Q      | 4Q     | 1Q     | 2Q     | 3Q      | 4Q     |
| <b>Travel Business</b>     | Net Sales        | 166,617 | 170,213 | 175,444 | 210,188 | 175,320 | 124,269 | 46,338  | 13,703 | 15,737 | 10,613 | 6,772   | 9,904  |
|                            | YoY              | 114.3%  | 107.8%  | 116.1%  | 107.0%  | 105.2%  | 73.0%   | 26.4%   | 6.5%   | 9.0%   | 8.5%   | 14.6%   | 72.3%  |
|                            | Operating Profit | 4,071   | 2,130   | 1,948   | 5,604   | 2,370   | ▲4,046  | ▲10,283 | ▲9,167 | ▲9,855 | ▲8,731 | ▲10,303 | ▲9,446 |
|                            | YoY              | 205.7%  | 94.9%   | 203.0%  | 79.7%   | 58.2%   | -       | -       | -      | -      | -      | -       | -      |
|                            | EBITDA           | 4,996   | 3,048   | 3,094   | 6,841   | 3,658   | ▲2,739  | ▲9,028  | ▲7,934 | ▲8,753 | ▲7,689 | ▲9,228  | ▲8,168 |
|                            | YoY              | 175.2%  | 93.4%   | 165.5%  | 86.0%   | 73.2%   | -       | -       | -      | -      | -      | -       | -      |
| <b>Theme Park Business</b> | Net Sales        | 7,415   | 6,273   | 6,503   | 7,893   | 6,430   | 3,386   | 804     | 3,492  | 6,225  | 2,297  | 2,742   | 3,861  |
|                            | YoY              | 96.9%   | 84.7%   | 97.7%   | 88.1%   | 86.7%   | 54.0%   | 12.4%   | 44.2%  | 96.8%  | 67.8%  | 340.8%  | 110.6% |
|                            | Operating Profit | 1,771   | 909     | 1,037   | 1,358   | 668     | ▲1,128  | ▲1,563  | ▲1,380 | 1,069  | ▲1,672 | ▲1,517  | ▲1,438 |
|                            | YoY              | 89.7%   | 50.0%   | 85.7%   | 58.8%   | 37.7%   | -       | -       | -      | 159.8% | -      | -       | -      |
|                            | EBITDA           | 2,289   | 1,435   | 1,561   | 1,889   | 1,187   | ▲718    | ▲1,186  | ▲753   | 1,585  | ▲1,152 | ▲1,006  | ▲866   |
|                            | YoY              | 93.5%   | 62.2%   | 88.2%   | 66.3%   | 51.9%   | -       | -       | -      | 133.5% | -      | -       | -      |
| <b>Hotel Business</b>      | Net Sales        | 3,087   | 3,117   | 3,222   | 3,248   | 3,811   | 2,658   | 994     | 488    | 1,744  | 1,393  | 1,051   | 567    |
|                            | YoY              | 98.6%   | 100.3%  | 110.5%  | 112.7%  | 123.4%  | 85.3%   | 30.8%   | 15%    | 45.8%  | 52.4%  | 105.8%  | 116.2% |
|                            | Operating Profit | 257     | 210     | ▲409    | ▲275    | 311     | ▲805    | ▲1,687  | ▲1,299 | ▲1,374 | ▲1,238 | ▲1,762  | ▲1,493 |
|                            | YoY              | 65.2%   | 66.0%   | -       | -       | 121.0%  | -       | -       | -      | -      | -      | -       | -      |
|                            | EBITDA           | 520     | 523     | 151     | ▲136    | 731     | 512     | ▲912    | ▲559   | ▲601   | ▲435   | ▲934    | ▲586   |
|                            | YoY              | 71.1%   | 80.0%   | 33.1%   | -       | 140.6%  | 97.9%   | -       | -      | -      | -      | -       | -      |

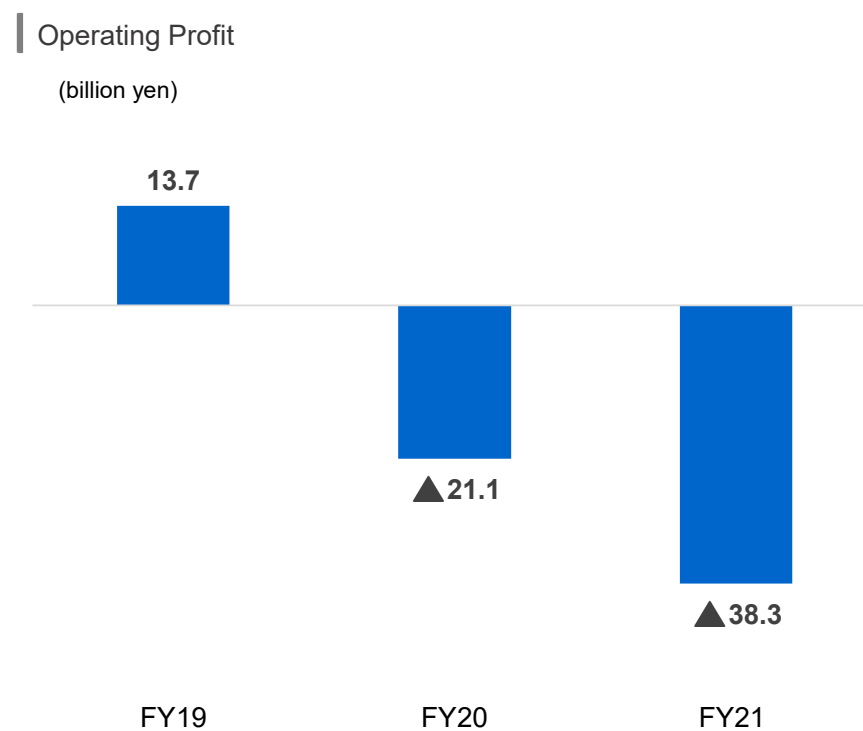
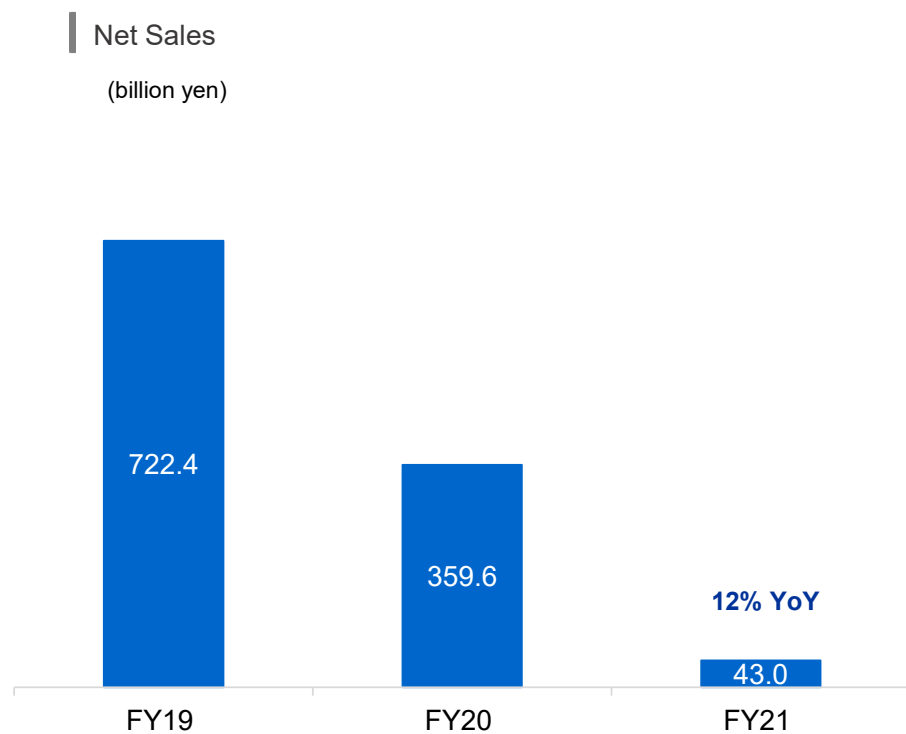
## Quarterly Operating Results by Business Segment

(million yen)

|                           |                  | FY19   |        |        |        | FY20   |        |        |        | FY21   |        |        |        |
|---------------------------|------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
|                           |                  | 1Q     | 2Q     | 3Q     | 4Q     | 1Q     | 2Q     | 3Q     | 4Q     | 1Q     | 2Q     | 3Q     | 4Q     |
| <b>Kyushu Sanko Group</b> | Net Sales        | 5,882  | 5,273  | 5,247  | 5,827  | 6,934  | 5,460  | 3,037  | 3,745  | 4,785  | 3,905  | 3,766  | 3,905  |
|                           | YoY              | 102.5% | 103.3% | 99.4%  | 105.6% | 117.9% | 103.5% | 57.9%  | 64.3%  | 69.0%  | 71.5%  | 124.0% | 104.3% |
|                           | Operating Profit | 183    | 114    | ▲58    | ▲81    | 316    | ▲118   | ▲1,147 | ▲1,182 | ▲497   | ▲434   | ▲943   | ▲836   |
|                           | YoY              | 78.0%  | 100.0% | -      | -      | 172.6% | -      | -      | -      | -      | -      | -      | -      |
|                           | EBITDA           | 405    | 344    | 182    | 270    | 801    | 369    | ▲661   | ▲604   | ▲36    | 36     | ▲474   | ▲373   |
|                           | YoY              | 89.0%  | 98.6%  | 80.7%  | 74.3%  | 197.5% | 107.2% | -      | -      | -      | 9.9%   | -      | -      |
| <b>Energy Business</b>    | Net Sales        | 4,014  | 5,266  | 4,606  | 6,574  | 6,291  | 7,715  | 4,871  | 7,514  | 7,638  | 9,967  | 8,491  | 11,253 |
|                           | YoY              | 176.1% | 181.0% | 167.4% | 162.4% | 156.7% | 146.5% | 105.8% | 114.3% | 121.4% | 129.2% | 174.3% | 149.8% |
|                           | Operating Profit | 118    | 244    | 131    | 479    | 268    | 665    | ▲744   | ▲25    | ▲704   | ▲7,050 | ▲197   | ▲2,311 |
|                           | YoY              | -      | -      | 130.6% | -      | 225.9% | 271.8% | -      | -      | -      | -      | -      | -      |
|                           | EBITDA           | 135    | 264    | 151    | 499    | 289    | 687    | ▲722   | 0      | ▲676   | ▲6,879 | ▲26    | ▲2,141 |
|                           | YoY              | -      | -      | 107.7% | -      | 214.2% | 259.9% | -      | 0.1%   | -      | -      | -      | -      |
| <b>Other</b>              | Net Sales        | 1,556  | 1,877  | 2,479  | 2,463  | 2,075  | 1,830  | 896    | 769    | 762    | 1,002  | 655    | 1,281  |
|                           | YoY              | -      | -      | -      | -      | 133.4% | 97.5%  | 36.1%  | 31.2%  | 36.7%  | 54.7%  | 73.1%  | 166.5% |
|                           | Operating Profit | 101    | 125    | 221    | 140    | 378    | 427    | 556    | ▲62    | ▲319   | 24     | ▲330   | ▲356   |
|                           | YoY              | -      | -      | -      | -      | 374.3% | 341.6% | 251.6% | -      | -      | 5.7%   | -      | -      |
|                           | EBITDA           | 223    | 245    | 344    | 264    | 467    | 548    | 657    | 38     | ▲221   | 119    | ▲239   | ▲267   |
|                           | YoY              | -      | -      | -      | -      | 209.4% | 223.6% | 191.0% | 14.4%  | -      | 21.7%  | -      | -      |

# Travel Business

Net sales were 43.0 billion yen (**12% YoY**), and operating loss was 38.3 billion yen (**profit decrease of 17.2 billion yen**)



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

| (million yen)   | FY19    |         |         |         | FY20    |         |        |        | FY21   |        |        |        |
|---|---------|---------|---------|---------|---------|---------|--------|--------|--------|--------|--------|--------|
|   | 1Q      | 2Q      | 3Q      | 4Q      | 1Q      | 2Q      | 3Q     | 4Q     | 1Q     | 2Q     | 3Q     | 4Q     |
| <b>Travel Business: Total Net Sales</b>                   | 166,617 | 170,213 | 175,444 | 210,188 | 175,320 | 124,269 | 46,338 | 13,703 | 15,737 | 10,613 | 6,772  | 9,904  |
| YoY   | 114.3%  | 107.8%  | 116.1%  | 107.0%  | 105.2%  | 73.0%   | 26.4%  | 6.5%   | 9.0%   | 8.5%   | 14.6%  | 72.3%  |
| International Travel from Japan / Transaction Amount      | 87,899  | 110,754 | 86,748  | 116,545 | 87,440  | 42,722  | 1,141  | 983    | 1,122  | 842    | 1,114  | 1,877  |
| YoY   | 106.7%  | 114.5%  | 98.9%   | 97.0%   | 99.5%   | 38.6%   | 1.3%   | 0.8%   | 1.3%   | 2.0%   | 97.6%  | 190.9% |
| Fuel Surcharge (included in the transaction amount above) | 6,030   | 8,005   | 4,308   | 6,957   | 4,837   | 2,477   | 16     | 17     | 21     | 18     | 32     | 81     |
| Domestic Travel in Japan / Transaction Amount             | 11,941  | 17,576  | 13,693  | 18,044  | 11,668  | 8,163   | 1,059  | 7,233  | 8,710  | 4,459  | 3,062  | 4,916  |
| YoY   | 101.4%  | 106.9%  | 99.3%   | 99.0%   | 97.7%   | 46.4%   | 7.7%   | 40.1%  | 74.7%  | 54.6%  | 289.1% | 68.0%  |
| Inbound Travel to Japan / Transaction Amount              | 7,116   | 8,075   | 8,375   | 6,085   | 5,849   | 753     | 50     | 190    | 34     | 16     | 13     | 58     |
| YoY   | 119.5%  | 105.6%  | 88.7%   | 87.7%   | 82.2%   | 9.3%    | 0.6%   | 3.1%   | 0.6%   | 2.1%   | 27.0%  | 30.9%  |
| Overseas Subsidiaries / Inbound Transaction Amount        | 56,070  | 35,339  | 41,186  | 50,748  | 55,039  | 38,157  | 16,729 | 823    | 2,167  | 1,581  | 1,176  | 2,574  |
| YoY   | 127.1%  | 106.7%  | 107.3%  | 98.1%   | 98.2%   | 107.9%  | 40.6%  | 1.6%   | 3.9%   | 4.5%   | 6.4%   | 312.8% |
| Overseas Subsidiaries / Outbound Transaction Amount       | 19,719  | 20,213  | 40,124  | 40,242  | 41,865  | 50,606  | 19,648 | ▲199   | 1,167  | 3,013  | 1,968  | 4,480  |
| YoY   | 104.3%  | 100.0%  | 188.8%  | 205.0%  | 212.3%  | 250.3%  | 48.9%  | -      | 2.8%   | 5.9%   | 10.0%  | -      |
| Eliminations of Internal Transactions, Adjustments, etc.  | ▲16,128 | ▲21,744 | ▲14,682 | ▲21,476 | ▲26,541 | ▲16,132 | 7,714  | 4,673  | 2,535  | 704    | ▲561   | ▲4,001 |

## Travel Business / Operating Results by Sub-Segment

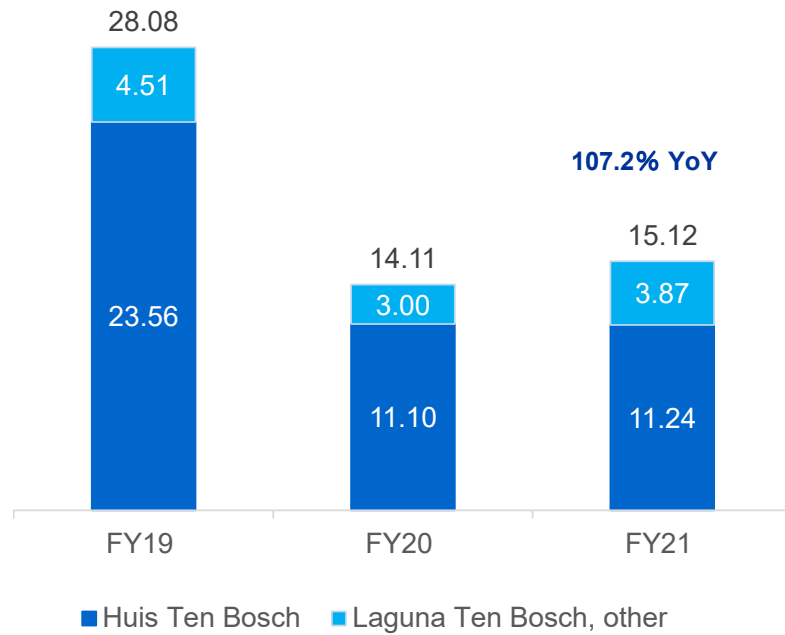
| (million yen)   | FY19    | FY20    | FY21   | YoY   |
|---|---------|---------|--------|-------|
| <b>Travel Business: Total Net Sales</b>                   | 722,464 | 359,631 | 43,028 | 12.0% |
| International Travel from Japan / Transaction Amount      | 401,948 | 132,288 | 4,957  | 3.7%  |
| Fuel Surcharge (Included in the Transaction Amount Above) | 25,302  | 7,348   | 153    | 2.1%  |
| Domestic Travel in Japan / Transaction Amount             | 61,255  | 28,124  | 21,149 | 75.2% |
| Inbound Travel to Japan / Transaction Amount              | 29,652  | 6,844   | 123    | 1.8%  |
| Overseas Subsidiaries / Inbound Transaction Amount        | 183,343 | 110,748 | 7,498  | 6.8%  |
| Overseas Subsidiaries / Outbound Transaction Amount       | 120,298 | 111,920 | 10,628 | 9.5%  |
| Eliminations of Internal Transactions, Adjustments, etc.  | ▲74,377 | ▲30,293 | ▲1,327 | -     |

# Theme Park Business

Net sales were 15.1 billion yen (**107% YoY**), and operating loss was 3.5 billion yen (**profit decrease of 150 million yen**)

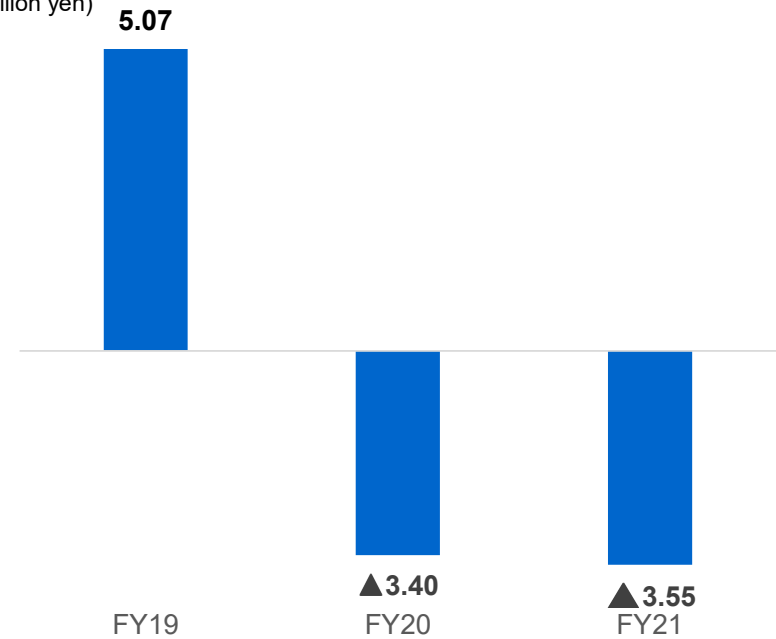
Net Sales

(billion yen)



Operating Profit

(billion yen)



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

| (million yen)   | FY19  |        |        |        | FY20   |        |        |       | FY21   |        |         |        |
|---|-------|--------|--------|--------|--------|--------|--------|-------|--------|--------|---------|--------|
|   | 1Q    | 2Q     | 3Q     | 4Q     | 1Q     | 2Q     | 3Q     | 4Q    | 1Q     | 2Q     | 3Q      | 4Q     |
| Transaction Amount (Before Consolidation Adjustments)     | 7,079 | 5,968  | 6,133  | 6,406  | 6,116  | 3,168  | 714    | 2,260 | 5,891  | 1,759  | 2,143   | 2,446  |
| YoY   | 96.1% | 83.2%  | 96.7%  | 85.2%  | 86.4%  | 53.0%  | 11.6%  | 35.2% | 96.3%  | 55.5%  | 300.0%  | 108.2% |
| Operating Profit  | 1,894 | 1,277  | 1,112  | 1,012  | 852    | ▲692   | ▲1,742 | ▲416  | 1,236  | ▲1,454 | ▲1,290  | ▲1,293 |
| YoY   | 92.4% | 61.9%  | 86.5%  | 56.9%  | 45.0%  | -      | -      | -     | 145.1% | -      | -       | -      |
| Attendance (10,000)                                       | 70.8  | 59.6   | 60.4   | 63.7   | 68.8   | 35.2   | 10.2   | 24.2  | 60.9   | 19.0   | 21.5    | 26.2   |
| YoY   | 97.2% | 89.4%  | 97.0%  | 90.7%  | 97.2%  | 59.0%  | 17.0%  | 37.9% | 88.3%  | 53.9%  | 210.7%  | 108.2% |
| Foreign Attendance (included in the number above, 10,000) | 3.5   | 4.2    | 4.5    | 4.0    | 3.0    | 2.0    | 0.0    | 0.0   | 0.0    | 0.0    | 0.0     | 0.0    |
| YoY   | 82.1% | 89.3%  | 89.9%  | 93.3%  | 86.7%  | 47.6%  | -      | -     | -      | -      | -       | -      |
| Number of Hotel Guests (10,000)                           | 7.3   | 7.0    | 6.3    | 7.7    | 6.6    | 3.8    | 0.1    | 3.8   | 8.9    | 1.6    | 1.8     | 3.3    |
| YoY   | 96.1% | 85.3%  | 96.9%  | 97.5%  | 90.7%  | 54.2%  | 1.5%   | 48.9% | 135.2% | 42.1%  | 1056.9% | 86.8%  |
| Unit Price (yen, Rounded Down to the Nearest Hundred)     | 9,900 | 10,000 | 10,100 | 10,000 | 8,800  | 9,000  | 6,900  | 9,300 | 9,600  | 9,200  | 9,900   | 9,300  |
| Increase/Decrease   | -100  | -770   | ±0     | -600   | -1,100 | -1,000 | -3,200 | -700  | +800   | +200   | +3,000  | ±0     |

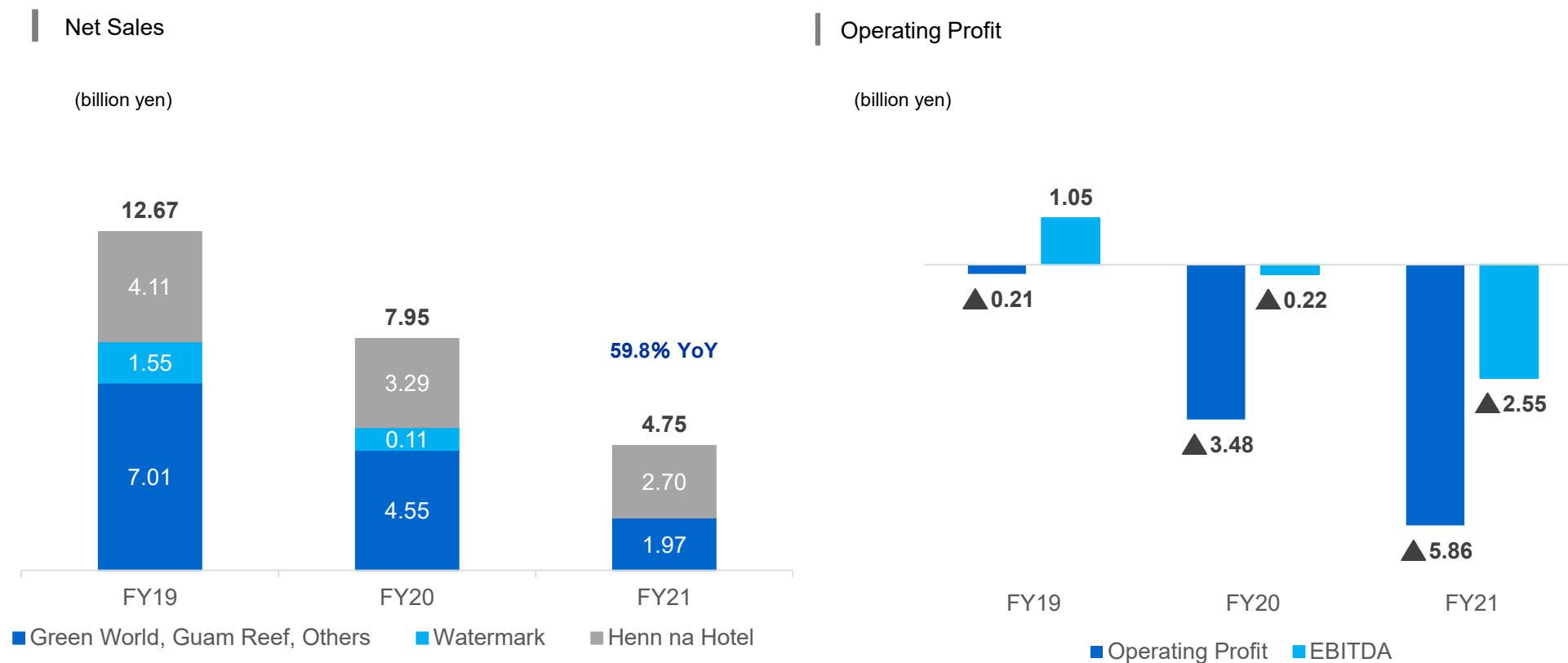
## Huis Ten Bosch / Non-Consolidated Operating Results

| (million yen)   | FY19   | FY20   | FY21   | YoY    |
|---|--------|--------|--------|--------|
| Transaction Amount (Before Consolidation Adjustments)     | 25,586 | 12,258 | 12,239 | 99.9%  |
| Operating Profit  | 5,295  | ▲1,998 | ▲2,801 | -      |
| Attendance (10,000)                                       | 254.7  | 138.6  | 127.7  | 92.2%  |
| Foreign Attendance (Included in the Number Above, 10,000) | 16.3   | 5.0    | 0.0    | -      |
| Number of Hotel Guests (10,000)                           | 28.4   | 14.3   | 15.7   | 109.8% |
| Unit Price (yen, Rounded Down to the Nearest Hundred)     | 10,000 | 8,500  | 9,500  | -      |
| Increase/Decrease   | -400   | -1,500 | +1,000 | -      |



# Hotel Business

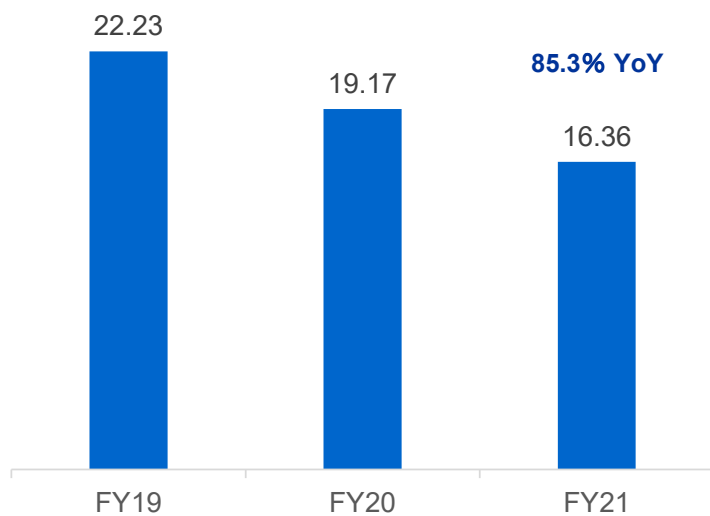
Net sales were 4.7 billion yen (**59% YoY**) and operating loss was 5.8 billion yen (**profit decrease of 2.3 billion yen**)



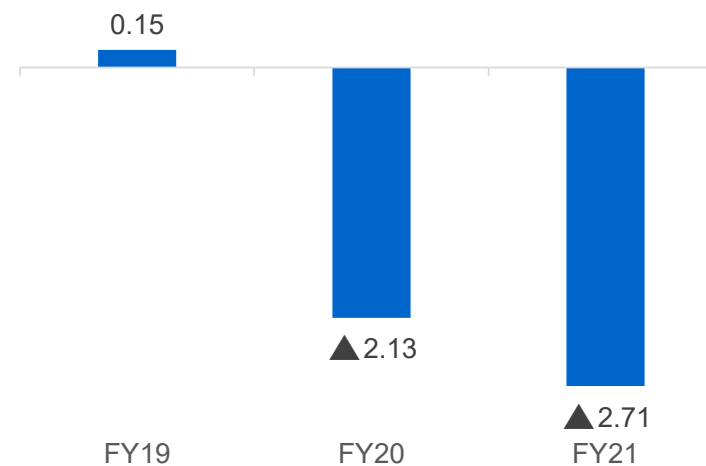
# Kyushu Sanko Group

Net sales were 16.3 billion yen (**85% YoY**) and operating loss was 2.7 billion yen (**profit decrease of 580 million yen**)

Net Sales  
(billion yen)

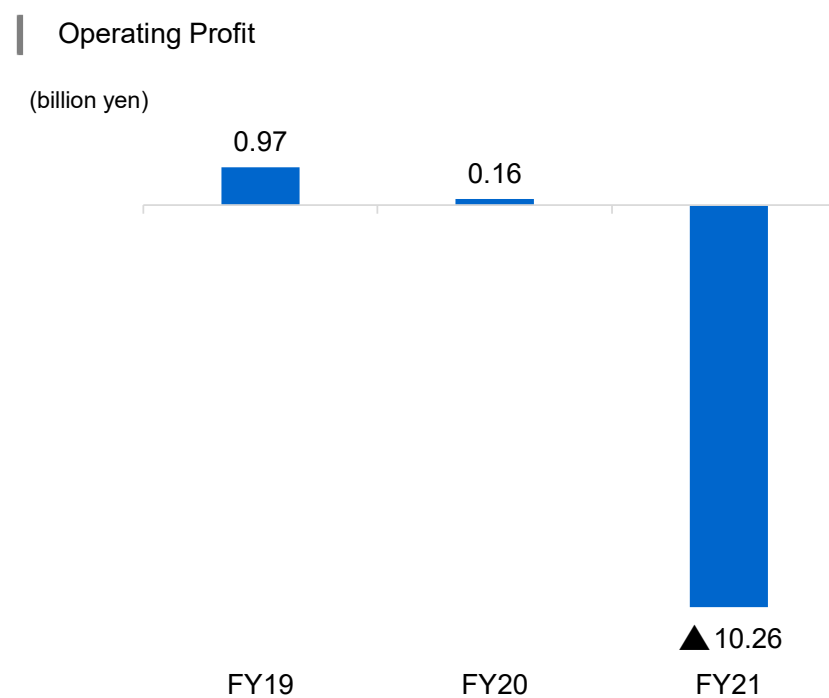
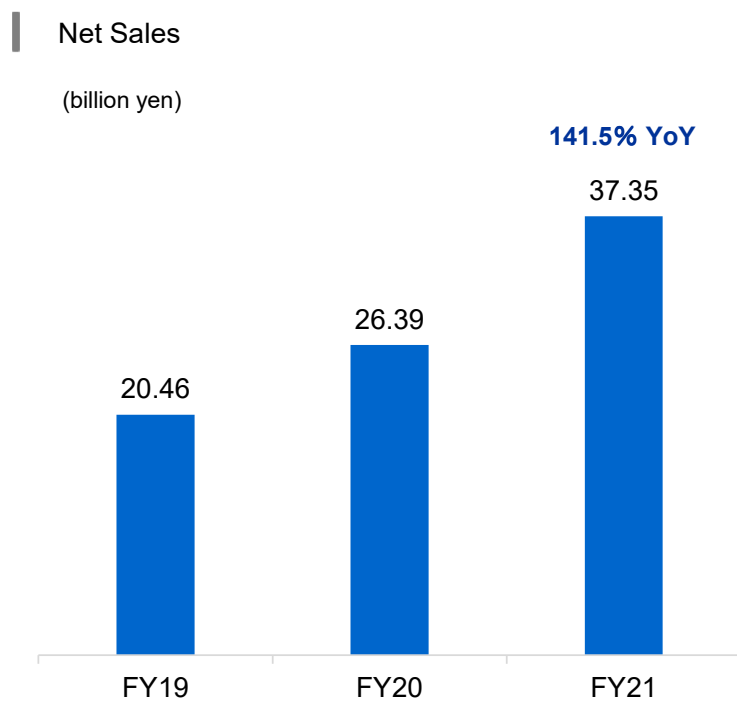


Operating Profit  
(billion yen)



## Energy Business

Net sales were 37.3 billion yen (**141% YoY**) and operating loss was 10.2 billion yen (**profit decrease of 10.4 billion yen**)



## 3 Review of Financial Results and Future Management Policies

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# Review of the Current Fiscal Year (FY21)

## Review of FY21 after the End of the Fiscal Year

### Market Environments

**<We assume the current fiscal to be the bottom, but the situation still remains unpredictable>**

【Positive Factors】 ⇒ As vaccination progressed in Japan and around the world, the flow of people recovered.

【Negative Factors】 ⇒ Spread of the new variant in Japan and extension of state of emergency  
⇒ Regulations and quarantine measures after entering Japan

### Review on the Sales Side

**<We took on a challenge of business models in response to the Covid-19 pandemic>**

- We strengthened domestic travel business, and were successful in expanding our product lineup
- We improved productivity by reducing costs and by promoting DX
- We took on a challenge of creating and growing new businesses

### Review on the Finance Side

**<We implemented further cost reductions and secured cash on hand>**

- We secured liquidity on hand through sale and leaseback of the head office building and by sale of investment properties
- We continued to reduce costs by seconding employees to companies outside of H.I.S. Group and by reducing the number of sales offices.
- We managed to reduce cash outflow.

## Future Assumptions

### Travel Market Trends

#### Expectations for the Recovery Phase

- ① Recovery is assumed to start coming from businesses with a large proportion of domestic demands (\*domestic travel, domestic hotel, theme park business, Kyushu Sanko Group)
- ② International travel is also expected to gradually start recovering in summer, although the destinations are assumed to be limited.
- ③ Further developments of anti Covid-19 measures, such as the third vaccination and expectations for oral drugs for Covid-19, are assumed to be tailwinds.

#### ※ Points to be Noted ※

Concerns about the spread of the new variant infection (Omicron variant) and travel restrictions by countries including Japan are assumed to have significant impacts.



#### 【Financial Forecasts】

As it is difficult to reasonably calculate the impact of Covid-19 pandemic at this time, the financial forecasts have been left “undecided”. We will announce financial forecasts as soon as they become available for disclosure.

# Future Management Policies

## Priority Items

### Quick Reversal in the Demand Recovery Phase

- We will aim to expand market share through speedy management
- We will focus on improving “one-of-a-kind” by delivering products that meet the needs of customers

### Strengthening of Financial Strategies

- We will thoroughly reduce costs and stabilize financial base
- We will improve productivity and aim to increase profitability

### New Business Challenges

- We will promote continuous challenges in line with trends
- We will nurture new pillars of profits that create the value of H.I.S.



## 4 Near-Term Financial Policy

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# Stabilization of Financial Base

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## Short-Term Issues

### 1. Cost Reductions

We will focus on reducing fixed costs, but will respond flexibly when travel demands recover

### 2. CAPEX Control

We will review the amount and timing of CAPEX as necessary, without being bound by previous reviews

### 3. Securing of Liquidity on Hand

We will consider sale of owned properties and liquidation of owned assets and work on setting commitment lines

### 4. Fund Raising

We will work on raising funds that contribute to the enhancement of equity capital

## Medium/ Long-Term Goals

Improvement in capital adequacy ratio (20% or more as the 1<sup>st</sup> step)

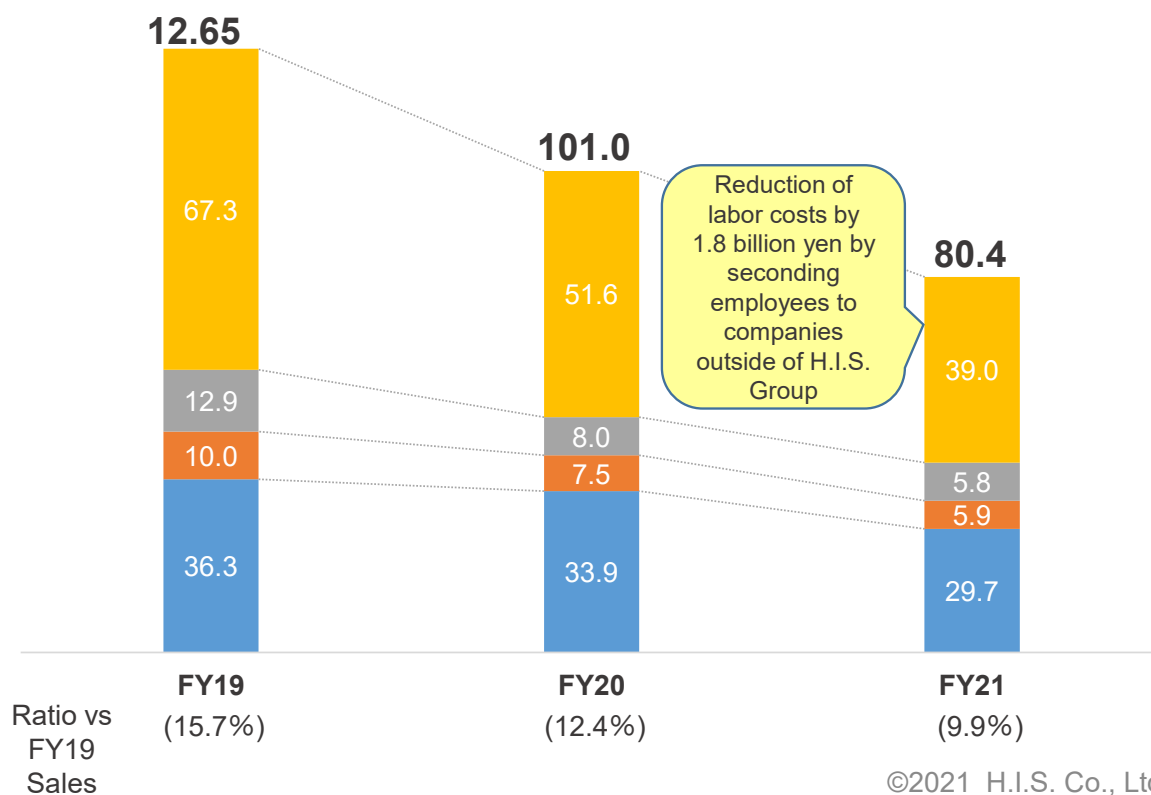
→ Accumulation of equity capital with profit, reduction of interest-bearing debts

# Cost Reductions

## Comparison of Cost Structures

■ Labor costs ■ Advertising expenses ■ Commission payment ■ Others

(billion yen)

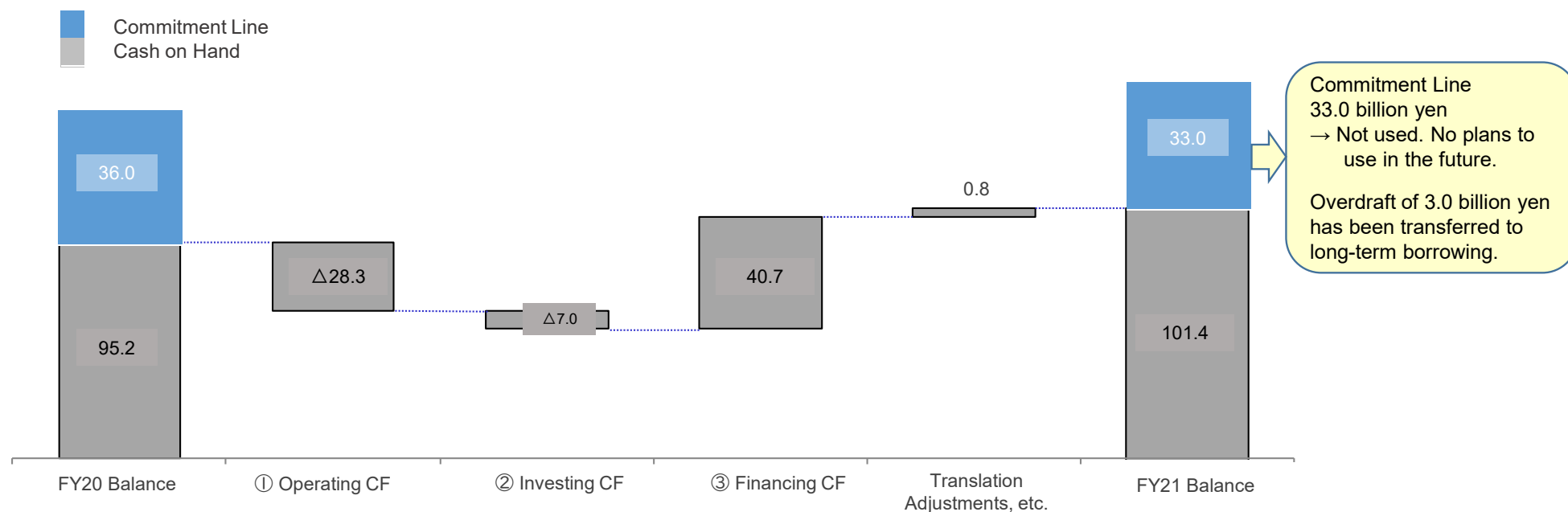


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- As of the end of October 2021, about 1,300 employees were being seconded to companies outside of H.I.S. Group. → Realization of a reduction of 1.8 billion yen in labor costs
- Utilization of employment adjustment subsidy → It has been decided that the subsidy will be extended until the end of March 2022.
- Promotion of further consolidation and closure of sales offices

# Liquidity on Hand

(billion yen)



Commitment Line  
33.0 billion yen  
→ Not used. No plans to use in the future.  
Overdraft of 3.0 billion yen has been transferred to long-term borrowing.

| ① Operating CF                                  |       | ② Investing CF                                      |       | ③ Financing CF                                    |       |
|---|-------|---|-------|---|-------|
| Income before income taxes                      | ▲51.0 | Acquisition of tangible and intangible fixed assets | ▲16.5 | Increase in borrowing                             | 39.1  |
| Depreciation, etc.                              | 13.4  | Sale of tangible and intangible fixed assets        | 8.5   | Proceeds from exercising stock acquisition rights | 11.9  |
| Decrease in pre-travel payments received        | ▲0.6  | Sale and redemption of securities                   | 5.0   | Payments for redemption of bonds                  | ▲10.0 |
| Decrease in operating accounts receivable, etc. | 8.4   |   |       |   |       |
| Increase in operating accounts payable          | 3.6   |   |       |   |       |

# Cash Burn

(billion yen)

We maintained securing more than one year of fund as of the end of FY21 (end of October 2021)

|                              |       |          |
|------------------------------|-------|----------|
| Balance of Cash and Deposits | 101.4 | ①        |
| Burn Rate                    | 7.0   | ②        |
| Cash Burn (Month)            | 14.5  | ③ (=①/②) |



|  |      |   |
|--|------|---|
| Commitment Line  | 33.0 | ④ |
| Issuance of New Shares (Issued in November and December, 2021) | 7.5  | ⑤ |

\* The exercise of stock acquisition rights is not included

If commitment line and issuance of new shares are added, we maintained securing more than one and a half year of fund

|                              |       |             |
|------------------------------|-------|-------------|
| Balance of Cash and Deposits | 141.9 | ①' (=①+④+⑤) |
| Burn Rate                    | 7.0   | ②'          |
| Cash Burn (Month)            | 20.3  | ③' (=①'/②') |

## Financial Measures

(billion yen)

| NO | Content  | Details  | Already implemented in FY21                           | To be implemented in/after FY22 or to be considered |
|----|--|--|---|---|
| 1  | Cost Reductions                                      | Review of SG&A expenses (including secondment of employees to companies outside of H.I.S. Group) | 78.7  | We plan to respond flexibly as sales recover        |
| 2  | Review of CAPEX Plan                                 | CAPEX control, mainly systems, hotels, and real estate   | 10.3  | FY22 8.1  |
| 3  | Sale of Owned Properties                             |  | Proceeds from sale 7.2<br>(4 Properties already sold) | Book value 6.5<br>(6 properties left)               |
| 4  | Issuance of New Shares                               | Issued in November and December, 2021  | -   | 7.5   |
| 5  | Stock Acquisition Rights                             | Exercise of those issued in October, 2020  | 11.9  | 2.5<br>(Unexercised portion)                        |
|    |  | Exercise of those issued in November and December, 2021  | -   | 14.0<br>(Unexercised portion)                       |
| 6  | Liquidation of the Head Office Building              | Liquidation of the Head Office Building through sale-and-leaseback method                        | 32.5<br>(Already implemented in September 2021)       | -   |
| 7  | Sale of Group Companies                              |  | -   | To be considered as an option                       |
| 8  | Borrowing from Development Bank of Japan (DBJ), etc. |  | -   | To be considered as an option                       |

## Financial Covenants for the Syndicated Loans

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### Long-Term Borrowing: 34.5 Billion Yen

#### Financial Covenants

- ① The amount of net assets in the consolidated balance sheet of reports, etc. at the end of each consolidated fiscal year shall be maintained at 75% or more of the amount of net assets in the consolidated balance sheet of reports, etc. at the end of the immediately preceding consolidated fiscal year.
- ② No ordinary loss shall be recorded for two consecutive fiscal years in the consolidated income statement of reports, etc. at the end of each consolidated fiscal year.

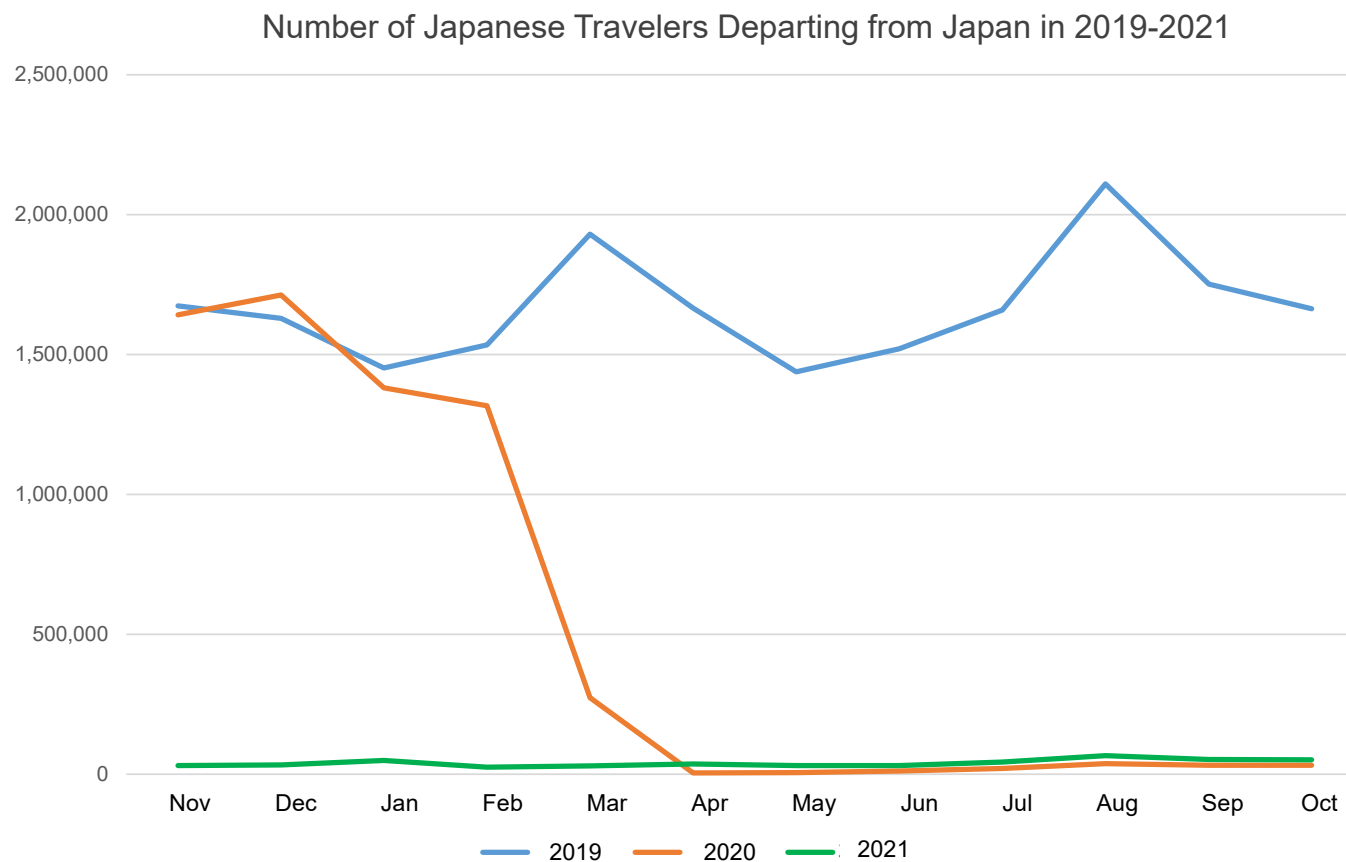
As of the end of the current consolidated fiscal year, both of the above financial covenants ① and ② were violated, but we have been conducting continuous constructive discussions with the financial institutions participating in the syndicated loan, including the agent, and expect to receive continuous support in the future.

## 5 Initiatives in Each Business Segment

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## External Environments Surrounding H.I.S. Group

With the spread of Covid-19 infection, the number of Japanese travelers departing from Japan continues to decline for the 19th consecutive month by 96% or more



Source: JNTO



# External Environments Surrounding H.I.S. Group

■ Declaration of State of Emergency 
 ■ Priority measures to prevent the spread of the disease 
 ■ "Go To" Travel Campaign

## FY2020

FY ended October 2020

| 1Q       |     |     |          |     |     |     | 2Q       |     |     |     |     |          |     |     |     |          |     |     |     |          |     |     |     |     |     |     |     |     |     |     |     |     |     |     |    |    |    |    |    |    |    |
|----------|-----|-----|----------|-----|-----|-----|----------|-----|-----|-----|-----|----------|-----|-----|-----|----------|-----|-----|-----|----------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|----|----|----|----|----|----|----|
| Nov 2019 |     |     | Dec 2019 |     |     |     | Jan 2020 |     |     |     |     | Feb 2020 |     |     |     | Mar 2020 |     |     |     | Apr 2020 |     |     |     |     |     |     |     |     |     |     |     |     |     |     |    |    |    |    |    |    |    |
| Mon      | Tue | Wed | Thu      | Fri | Sat | Sun | Mon      | Tue | Wed | Thu | Fri | Sat      | Sun | Mon | Tue | Wed      | Thu | Fri | Sat | Sun      | Mon | Tue | Wed | Thu | Fri | Sat | Sun | Mon | Tue | Wed | Thu | Fri | Sat | Sun |    |    |    |    |    |    |    |
|          |     |     |          | 1   | 2   | 3   |          |     |     |     |     | 1        |     |     |     |          |     |     |     | 1        | 2   |     |     |     |     |     |     |     |     |     | 1   |     | 6   | 7   | 8  | 9  | 10 | 11 | 12 |    |    |
| 4        | 5   | 6   | 7        | 8   | 9   | 10  | 2        | 3   | 4   | 5   | 6   | 7        | 8   | 6   | 7   | 8        | 9   | 10  | 11  | 12       | 3   | 4   | 5   | 6   | 7   | 8   | 9   | 2   | 3   | 4   | 5   | 6   | 7   | 8   | 6  | 7  | 8  | 9  | 10 | 11 | 12 |
| 11       | 12  | 13  | 14       | 15  | 16  | 17  | 9        | 10  | 11  | 12  | 13  | 14       | 15  | 13  | 14  | 15       | 16  | 17  | 18  | 19       | 10  | 11  | 12  | 13  | 14  | 15  | 16  | 9   | 10  | 11  | 12  | 13  | 14  | 15  | 13 | 14 | 15 | 16 | 17 | 18 | 19 |
| 18       | 19  | 20  | 21       | 22  | 23  | 24  | 16       | 17  | 18  | 19  | 20  | 21       | 22  | 20  | 21  | 22       | 23  | 24  | 25  | 26       | 17  | 18  | 19  | 20  | 21  | 22  | 23  | 16  | 17  | 18  | 19  | 20  | 21  | 22  | 20 | 21 | 22 | 23 | 24 | 25 | 26 |
| 25       | 26  | 27  | 28       | 29  | 30  |     | 23       | 24  | 25  | 26  | 27  | 28       | 29  | 27  | 28  | 29       | 30  | 31  |     | 24       | 25  | 26  | 27  | 28  | 29  |     | 23  | 24  | 25  | 26  | 27  | 28  | 29  | 27  | 28 | 29 | 30 |    |    |    |    |
| 1        |     |     |          |     |     |     | 30       | 31  |     |     |     |          |     |     |     |          |     |     |     |          |     |     |     |     |     |     |     | 30  | 31  |     |     |     |     |     |    |    |    |    |    |    |    |

| 3Q       |     |     |          |     |     |     | 4Q       |     |     |     |     |          |     |     |     |          |     |     |     |          |     |     |     |     |     |     |     |     |     |     |     |     |     |     |    |    |    |    |    |    |    |   |   |
|----------|-----|-----|----------|-----|-----|-----|----------|-----|-----|-----|-----|----------|-----|-----|-----|----------|-----|-----|-----|----------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|----|----|----|----|----|----|----|---|---|
| May 2020 |     |     | Jun 2020 |     |     |     | Jul 2020 |     |     |     |     | Aug 2020 |     |     |     | Sep 2020 |     |     |     | Oct 2020 |     |     |     |     |     |     |     |     |     |     |     |     |     |     |    |    |    |    |    |    |    |   |   |
| Mon      | Tue | Wed | Thu      | Fri | Sat | Sun | Mon      | Tue | Wed | Thu | Fri | Sat      | Sun | Mon | Tue | Wed      | Thu | Fri | Sat | Sun      | Mon | Tue | Wed | Thu | Fri | Sat | Sun | Mon | Tue | Wed | Thu | Fri | Sat | Sun |    |    |    |    |    |    |    |   |   |
|          |     |     |          | 1   | 2   | 3   | 1        | 2   | 3   | 4   | 5   | 6        | 7   |     |     |          | 1   | 2   | 3   | 4        | 5   |     |     |     |     | 1   | 2   |     | 1   | 2   | 3   | 4   | 5   | 6   |    |    |    |    |    | 1  | 2  | 3 | 4 |
| 4        | 5   | 6   | 7        | 8   | 9   | 10  | 8        | 9   | 10  | 11  | 12  | 13       | 14  | 6   | 7   | 8        | 9   | 10  | 11  | 12       | 3   | 4   | 5   | 6   | 7   | 8   | 9   | 7   | 8   | 9   | 10  | 11  | 12  | 13  | 5  | 6  | 7  | 8  | 9  | 10 | 11 |   |   |
| 11       | 12  | 13  | 14       | 15  | 16  | 17  | 15       | 16  | 17  | 18  | 19  | 20       | 21  | 13  | 14  | 15       | 16  | 17  | 18  | 19       | 10  | 11  | 12  | 13  | 14  | 15  | 16  | 14  | 15  | 16  | 17  | 18  | 19  | 20  | 12 | 13 | 14 | 15 | 16 | 17 | 18 |   |   |
| 18       | 19  | 20  | 21       | 22  | 23  | 24  | 22       | 23  | 24  | 25  | 26  | 27       | 28  | 20  | 21  | 22       | 23  | 24  | 25  | 26       | 17  | 18  | 19  | 20  | 21  | 22  | 23  | 21  | 22  | 23  | 24  | 25  | 26  | 27  | 19 | 20 | 21 | 22 | 23 | 24 | 25 |   |   |
| 25       | 26  | 27  | 28       | 29  | 30  | 31  | 29       | 30  |     |     |     |          | 27  | 28  | 29  | 30       | 31  |     | 24  | 25       | 26  | 27  | 28  | 29  | 30  | 28  | 29  | 30  |     |     |     |     | 26  | 27  | 28 | 29 | 30 | 31 |    |    |    |   |   |
|          |     |     |          |     |     |     |          |     |     |     |     |          |     |     |     |          |     |     |     |          | 31  |     |     |     |     |     |     |     |     |     |     |     |     |     |    |    |    |    |    |    |    |   |   |

## FY2021

FY ended October 2021

| 1Q       |     |     |          |     |     |     | 2Q       |     |     |     |     |          |     |     |     |          |     |     |     |          |     |     |     |     |     |     |     |     |     |     |     |     |     |     |    |    |    |    |    |    |    |
|----------|-----|-----|----------|-----|-----|-----|----------|-----|-----|-----|-----|----------|-----|-----|-----|----------|-----|-----|-----|----------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|----|----|----|----|----|----|----|
| Nov 2020 |     |     | Dec 2020 |     |     |     | Jan 2021 |     |     |     |     | Feb 2021 |     |     |     | Mar 2021 |     |     |     | Apr 2021 |     |     |     |     |     |     |     |     |     |     |     |     |     |     |    |    |    |    |    |    |    |
| Mon      | Tue | Wed | Thu      | Fri | Sat | Sun | Mon      | Tue | Wed | Thu | Fri | Sat      | Sun | Mon | Tue | Wed      | Thu | Fri | Sat | Sun      | Mon | Tue | Wed | Thu | Fri | Sat | Sun | Mon | Tue | Wed | Thu | Fri | Sat | Sun |    |    |    |    |    |    |    |
|          |     |     |          |     |     | 1   | 1        | 2   | 3   | 4   | 5   | 6        |     |     |     | 1        | 2   | 3   | 1   | 2        | 3   | 4   | 5   | 6   | 7   | 1   | 2   | 3   | 4   | 5   | 6   | 7   |     |     |    |    | 1  | 2  | 3  | 4  |    |
| 2        | 3   | 4   | 5        | 6   | 7   | 8   | 7        | 8   | 9   | 10  | 11  | 12       | 13  | 4   | 5   | 6        | 7   | 8   | 9   | 10       | 8   | 9   | 10  | 11  | 12  | 13  | 14  | 8   | 9   | 10  | 11  | 12  | 13  | 14  | 5  | 6  | 7  | 8  | 9  | 10 | 11 |
| 9        | 10  | 11  | 12       | 13  | 14  | 15  | 14       | 15  | 16  | 17  | 18  | 19       | 20  | 11  | 12  | 13       | 14  | 15  | 16  | 17       | 15  | 16  | 17  | 18  | 19  | 20  | 21  | 15  | 16  | 17  | 18  | 19  | 20  | 21  | 12 | 13 | 14 | 15 | 16 | 17 | 18 |
| 16       | 17  | 18  | 19       | 20  | 21  | 22  | 21       | 22  | 23  | 24  | 25  | 26       | 27  | 18  | 19  | 20       | 21  | 22  | 23  | 24       | 22  | 23  | 24  | 25  | 26  | 27  | 28  | 22  | 23  | 24  | 25  | 26  | 27  | 28  | 19 | 20 | 21 | 22 | 23 | 24 | 25 |
| 23       | 24  | 25  | 26       | 27  | 28  | 29  | 28       | 29  | 30  | 31  |     |          | 25  | 26  | 27  | 28       | 29  | 30  | 31  |          |     |     |     |     |     |     | 29  | 30  | 31  |     |     |     |     | 26  | 27 | 28 | 29 | 30 |    |    |    |
| 30       |     |     |          |     |     |     |          |     |     |     |     |          |     |     |     |          |     |     |     |          |     |     |     |     |     |     |     |     |     |     |     |     |     |     |    |    |    |    |    |    |    |

| 3Q       |     |     |          |     |     |     | 4Q       |     |     |     |     |          |     |     |     |          |     |     |     |          |     |     |     |     |     |     |     |     |     |     |     |     |     |     |    |    |    |    |    |    |    |
|----------|-----|-----|----------|-----|-----|-----|----------|-----|-----|-----|-----|----------|-----|-----|-----|----------|-----|-----|-----|----------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|----|----|----|----|----|----|----|
| May 2021 |     |     | Jun 2021 |     |     |     | Jul 2021 |     |     |     |     | Aug 2021 |     |     |     | Sep 2021 |     |     |     | Oct 2021 |     |     |     |     |     |     |     |     |     |     |     |     |     |     |    |    |    |    |    |    |    |
| Mon      | Tue | Wed | Thu      | Fri | Sat | Sun | Mon      | Tue | Wed | Thu | Fri | Sat      | Sun | Mon | Tue | Wed      | Thu | Fri | Sat | Sun      | Mon | Tue | Wed | Thu | Fri | Sat | Sun | Mon | Tue | Wed | Thu | Fri | Sat | Sun |    |    |    |    |    |    |    |
|          |     |     |          | 1   | 2   |     | 1        | 2   | 3   | 4   | 5   | 6        |     |     |     | 1        | 2   | 3   | 4   |          |     |     |     | 1   |     |     | 1   | 2   | 3   | 4   | 5   |     |     |     |    |    |    | 1  | 2  | 3  | 4  |
| 3        | 4   | 5   | 6        | 7   | 8   | 9   | 7        | 8   | 9   | 10  | 11  | 12       | 13  | 5   | 6   | 7        | 8   | 9   | 10  | 11       | 2   | 3   | 4   | 5   | 6   | 7   | 8   | 6   | 7   | 8   | 9   | 10  | 11  | 12  | 4  | 5  | 6  | 7  | 8  | 9  | 10 |
| 10       | 11  | 12  | 13       | 14  | 15  | 16  | 14       | 15  | 16  | 17  | 18  | 19       | 20  | 12  | 13  | 14       | 15  | 16  | 17  | 18       | 9   | 10  | 11  | 12  | 13  | 14  | 15  | 13  | 14  | 15  | 16  | 17  | 18  | 19  | 11 | 12 | 13 | 14 | 15 | 16 | 17 |
| 17       | 18  | 19  | 20       | 21  | 22  | 23  | 21       | 22  | 23  | 24  | 25  | 26       | 27  | 19  | 20  | 21       | 22  | 23  | 24  | 25       | 16  | 17  | 18  | 19  | 20  | 21  | 22  | 20  | 21  | 22  | 23  | 24  | 25  | 26  | 18 | 19 | 20 | 21 | 22 | 23 | 24 |
| 24       | 25  | 26  | 27       | 28  | 29  | 30  | 28       | 29  | 30  |     |     |          | 26  | 27  | 28  | 29       | 30  | 31  | 23  | 24       | 25  | 26  | 27  | 28  | 29  | 27  | 28  | 29  | 30  |     |     |     | 25  | 26  | 27 | 28 | 29 | 30 | 31 |    |    |
| 31       |     |     |          |     |     |     |          |     |     |     |     |          |     |     |     |          |     |     |     |          | 30  | 31  |     |     |     |     |     |     |     |     |     |     |     |     |    |    |    |    |    |    |    |

## External Environments Surrounding H.I.S. Group

Comparison of International Flight Passenger Traffic in 2021 (January-October)

| Route         | Compared with 2019 |
|---------------|--------------------|
| North America | 30.2%(▲69.8%)      |
| South America | 28.4%(▲71.6%)      |
| Europe        | 27.8%(▲72.2%)      |
| Middle East   | 24.9%(▲75.1%)      |
| Asia          | 5.6%(▲94.4%)       |

Reference Material: IATA

Comparison of Domestic Flight Passenger Traffic in 2021 (January-October)

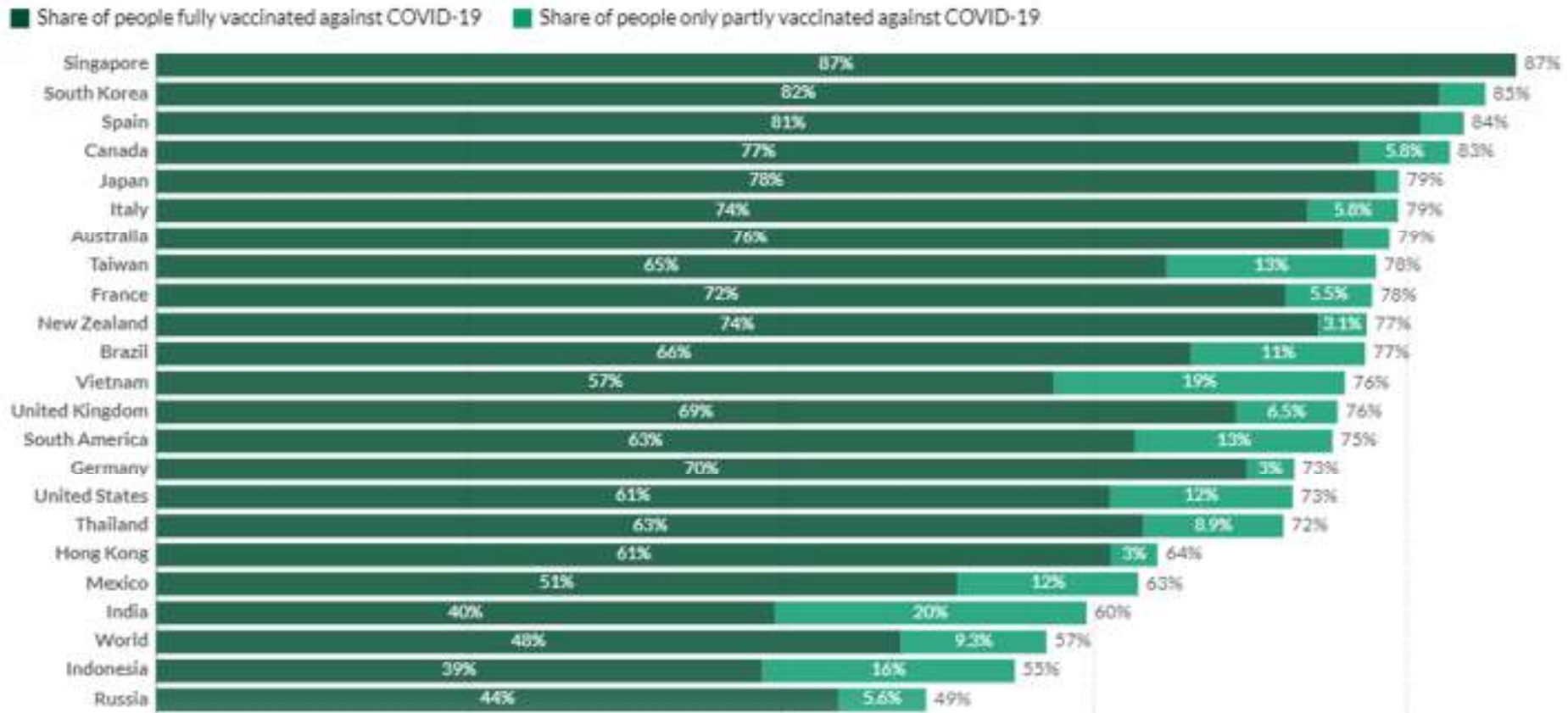
| Route     | Compared with 2019 |
|-----------|--------------------|
| Russia    | 121.9%(+21.9%)     |
| China     | 79.7%(▲20.3%)      |
| America   | 73.5%(▲26.5%)      |
| Brazil    | 67.5%(▲32.5%)      |
| India     | 52.3%(▲47.7%)      |
| Japan     | 37.9%(▲62.1%)      |
| Australia | 36.4%(▲63.6%)      |

Reference Material: IATA

# Travel Business: Assumed Scenario for the Future

## Vaccination Status in Major Countries

Source: Our World in Data (updated on 12/20)



# Travel Business: Assumed Scenario for the Future

## Assumptions of Business Environments and Travel Demands ~ Scenario for Business Recovery ~

|  |  |   |                                    |   |  |   |                   |   |        |
|--|--|---|------------------------------------|---|--|---|-------------------|---|--------|
| Assumptions of Business Environments                             | In the 1 <sup>st</sup> half of FY22, demands are assumed to be concentrated in the Japanese domestic market. International travel is assumed to start to recover in the summer of 2022, starting with beach destinations such as Hawaii and Guam. After that, as demands for U.S. and Europe gradually recover, Asia is also assumed to recover, starting with countries where vaccinations have progressed, and the environment is assumed to return to the level of FY19 by around the 4Q of FY23. |   |                                    |   |  |   |                   |   |        |
|  | 1H of FY22   | →   | 2H of FY22                         | → | 1H of FY23   | → | 2H of FY23        | → | FY24 ~ |
|  | Increase in the 3 <sup>rd</sup> dose vaccination rates   |   | Easing of immigration restrictions |   | Acceleration of easing or lifting of travel restrictions |   | Post Covid-19 era |   |        |
| Assumptions of Travel Demands and Scenario for Business Recovery | Domestic Travel  | With the state of emergency lifted in October, demand is currently assumed to recover due to increased vaccination rates. Re-start of "Go To Travel" in February 2022 is under consideration and is expected to further boost travel demands. We will continue to allocate resources and aim to achieve 4 times growth as compared to FY19 level in FY24. |                                    |   |  |   |                   |   |        |
|  | International Travel   | Around <b>the summer of FY22</b> is assumed, when the number of available destinations increases with the progress of vaccination. In August, a gradual recovery is assumed, starting with beach destinations such as Hawaii and Guam. We expect to reach FY19 level by 4Q of FY23, and move into the market share expansion phase thereafter.            |                                    |   |  |   |                   |   |        |
|  | Inbound Travel to Japan  | In line with the easing of immigration restrictions, demands are assumed to recover in proportion to Japan's international travel. For the future market expansion, we will aim to expand business by strengthening the FIT business.   |                                    |   |  |   |                   |   |        |
|  | Inbound  | Acceptance of the Japanese market is expected to recover in around October 2022. Recovery is assumed to start in markets with high vaccination rates, including Europe and the U.S. We will focus on capturing demands between Europe and the U.S. and strengthen the FIT business.   |                                    |   |  |   |                   |   |        |
|  | Outbound   | The global market is assumed to recover to almost the same level as FY19 by the end of FY22. We will promote shifting to OTA and focus on capturing demands from North America in order to achieve a quick business recovery.   |                                    |   |  |   |                   |   |        |

Business Recovery Color Density 2019 Level Light: lower than FY19 Deep: higher than FY19

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# Travel Business in Japan

## Further Strengthening of Domestic Travel Business ①

### Okinawa “1 Million Traveler” Plan

#### <For the Expansion of Okinawa Contents>

⇒ In addition to M&A of hotels in Okinawa Main Island, we plan to start operating activity companies, dinner cruise companies, and restaurants.

#### <Kume Island Project>

⇒ We took over the business of Resort Hotel Kume Island

### Signs of Strong Domestic Travel Business

#### <Promotion of Demands, Starting with the Prefectural Residents' Discount (Regional Tourism Business Support)>

⇒ Current demands are captured through collaboration with local governments

#### <Resumption of “Go To Travel” Campaign>

⇒ Resumption on a nationwide scale is assumed based on the infection situation during the year-end and New Year holidays



"Resort Hotel Kume Island" that has been taken over

# Travel Business in Japan

## Further Strengthening of Domestic Travel Business ②

### Product Expansion

#### <Conclusion of Direct Contract with JAL>

- ⇒ Dynamic Package and in-house product development
- ⇒ Increase in the number of routes that can be offered, including Yakushima Island, Amami, Kume Island, and Tohoku area.
- ⇒ Capable of capturing JAL frequent flyer customers.

#### <Conclusion of Direct Contract with Universal Studio Japan>

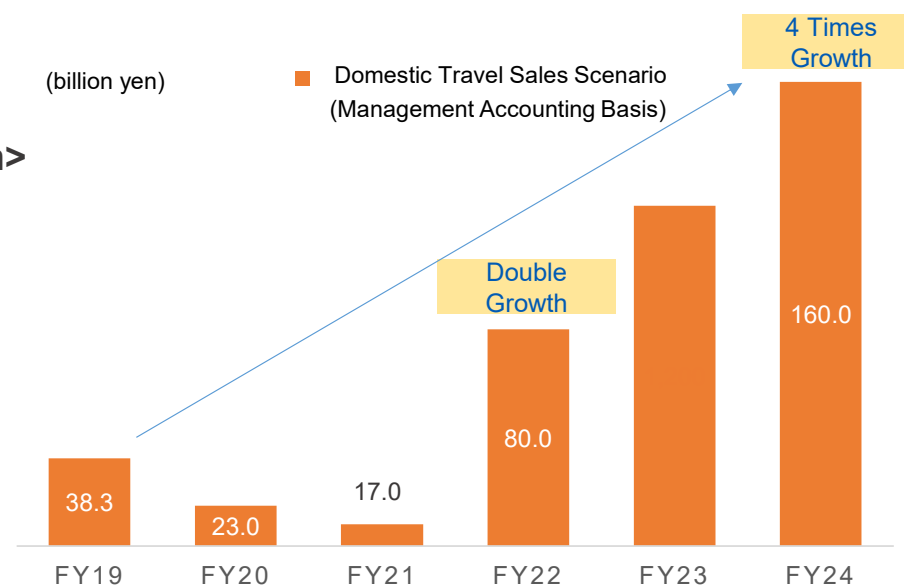
- ⇒ Cultivation of student and family segments with popular destinations in the Kansai region

#### <Conclusion of Ticket Sales Contract with Tobu Railway>

- ⇒ Further strengthening of customer traffic around the Kanto region with the first partnership of H.I.S. with a railroad company

#### <Expansion of the Number of Hotels under Contract>

- ⇒ 39<sup>th</sup> Period (2019) about 500 hotels
- 40<sup>th</sup> Period (2020) about 2,100 hotels
- 41<sup>st</sup> Period (2021) about 5,500 hotels**



# Travel Business in Japan

## Outlook and Strategies for Resumption of International Travel

### Expectations for Outlook of Resumption of International Travel

- Recovery is assumed to start in around summer next year
- Increase in vaccination rates of Japanese and development of oral therapeutic medicine
- Introduction of vaccine passports in countries around the world
- Signs of recovery starting with beach areas including Hawaii and Guam
- Resumption of international cruises departing from Japan



### Differentiation from Competitors

- Providing relief before travel with "Cancellation Support" service
- Implementation of Covid-19 Insurance by H.S. Insurance
- A system in which overseas local branches provide information before travel and follow up during travel





# Travel Business in Japan

## Preparing for the Demands of "60 Million Foreign Visitors to Japan by 2030"

### Strengthening of Destination-Based Business in Japan

#### <Strengthening of Cooperation with Local Governments>

- A partnership agreement was concluded with Yamagata City, Yamagata Prefecture, on the promotion of regional development through the promotion of tourism and agriculture.
- Human resources were dispatched through "Regional Revitalization Entrepreneur System" recommended by the Ministry of Internal Affairs and Communications. ⇒ Mino City in Gifu Prefecture; Himi City in Toyama Prefecture and Kunigami Village in Okinawa Prefecture (results of the 41<sup>st</sup> period)

#### <Movements to Resume "Real" Inbound Travel to Japan>

- We have been contracted to "provide support services for quarantine measures for invited researchers" to support Japanese researchers from overseas.

#### <Creation of New "Tabinaka (during Travel)" Base through "Inbound Travel to Japan" Collaboration with Other Companies>

- A business alliance was concluded with "EDO WONDERLAND Nikko Edo-Mura" for travel promotion and sales channel expansion
  - Duty-free sales of alcoholic beverages, foods, and handicrafts
- ⇒ Harajuku TIC to become an antenna shop for local governments and companies to sell products to foreign people
- ⇒ Launch of Japan's first e-commerce online duty-free service

#### <Strengthening of Information Offering Related to Inbound Visit to Japan>

- Facebook Global Page Development: Becoming a medium with an overwhelming local fan base
- ⇒ Integration of local (non-Japanese language) Facebook pages that had been operated independently by each country. Number of fans reaches 2.5 million.



# Travel Business in Japan

## DX Strategy in the Travel Business

### DX in Commercialization

- **About 98,700 customers and 2.75 billion yen sales were generated by automation in FY21**

2021 Dynamic Package / Hotel Site Results

|                 |   |
|-----------------|---|
| Dynamic Package | Customers Attracted: 45,200 pax, 235% YoY |
|                 | Sales: 2.1 billion yen, 237% YoY          |
| Hotel Site      | Customers Attracted: 53,500 pax           |
|                 | Sales: 650 million yen                    |

### DX in Travel Product Distribution

- Future Use of Online Experience
- **Role: Promotion, preparation for real travel**

(Sales: 600 million yen, Number of users: 150,000;  
Total number of courses sold: 5,000 courses)

### DX in Procurement and Arrangement

- Connections with OTAs such as Agoda, Booking.com, etc.
- Connections with global wholesaler (Hotel Beds), Hilton, Marriott and other hotel chains (Number of hotels under contract **expanded to 420,000** from 10,000)
- Improvement in efficiency of arrangements for each country by consolidating arrangements of overseas branches
- **Improvement in productivity** by automatic generation of online inventory products

### DX in Customer Service

- **Introduction of "video chat customer service" all at once**

※ We plan to introduce a "Talent Match System" that will allow customers to choose the most suitable staff by the end of this year.

# Non-Travel Business Initiatives in Japan

## Corporate Sales

### <Development of Non-Travel Products>

- **PCR testing center operations at H.I.S. sales offices**  
⇒ At a total of five sales offices in Shinjuku, Shinagawa, Shibuya, and Ikebukuro
- **Vaccination business office operation and operation of occupational vaccination sites**  
⇒ More than 100,000 doses of vaccination support have been provided for the 1<sup>st</sup> and 2<sup>nd</sup> vaccinations.
- **Development of accelerator business**  
⇒ Case Study: Knowns Inc., Providing research cloud service for real-time consumer analysis, etc.



### <Regional Revitalization Type Overseas Sales Business>

- **Building a new way to relate to foods: CROWD FARMING®**  
⇒ Becoming an owner of a mandarin orange farm in Mie Prefecture and sharing the harvested “mandarin oranges” to help save the primary industries
- **Sales channel development of Azerbaijani products**  
⇒ Developing sales channel in Japan of pomegranate wine, pomegranate sauce, and other natural Azerbaijani products



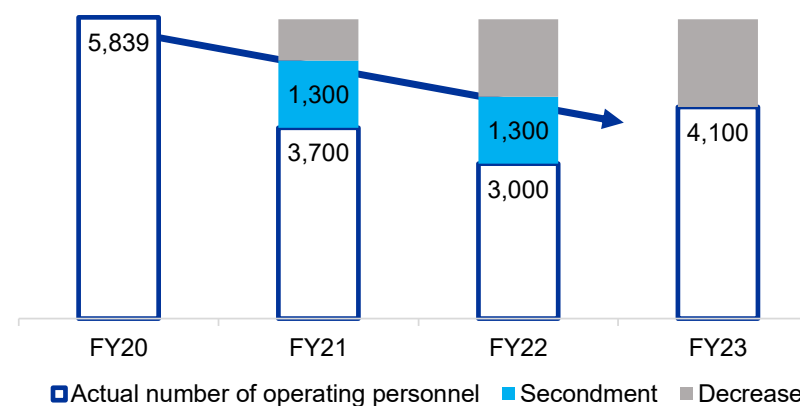
# Travel Business in Japan / Current Measures

## Major Cost Reduction Measures

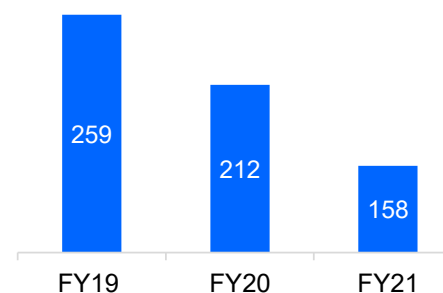
### Reduction of Fixed Costs

- Acceleration of reduction, consolidation and closure of sales offices
- Implementation of secondment of about 1,300 employees to companies outside of H.I.S. Group
- Natural retirement of about 700 employees in FY21
- Suspension of new graduate hiring ⇒ Recruitment is limited to certain professional positions
- Average monthly expense was reduced to 2.7 billion yen in FY21 ⇒ An annual reduction of 6.0 billion yen (average monthly expense of 3.2 billion yen in FY20)
- Income from employment adjustment subsidies, etc. for the current fiscal year was 10.8 billion yen ⇒ Extension until March 2022 has been decided.
- FY24: Productivity will be improved and labor cost increase will be controlled

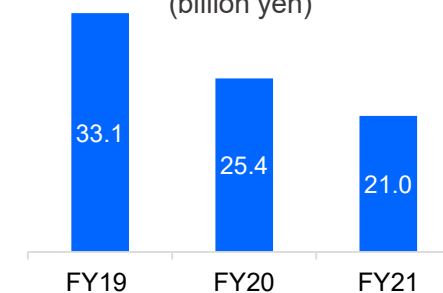
H.I.S. Non-Consolidated Personnel Plan (Persons)



Reduction of Sales Offices



Reduction of Labor Costs (billion yen)



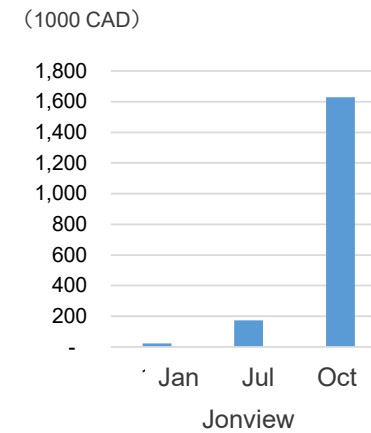
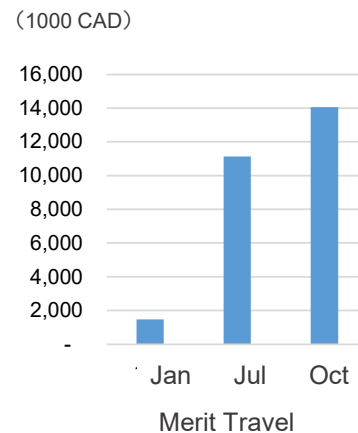
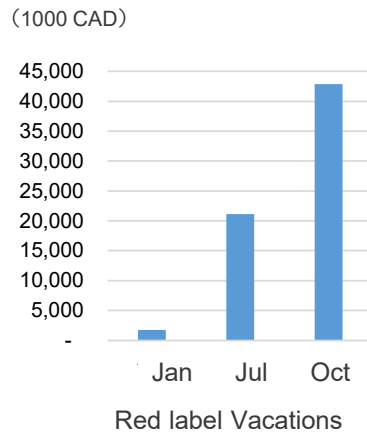
# Travel Business Overseas

## Demand Recovery Situation in the Global Market

On November 25, European Union (EU) announced that all vaccinated people would be allowed to enter EU member states from March 2022, regardless of country or region. Since then, a new variant of Covid-19, the Omicron variant, has been designated as the highest alert variant, and an uncertain situation continues such as continued travel restrictions from southern part of South Africa

### Transaction Volume of Overseas Group Companies (Booking Basis)

**Demand recovery was witnessed mainly in the U.S. and Europe. 30% recovery as compared to 2019 in October.**



# Travel Business Overseas: Development for the Local Market

## Focus on Online for the Local Market

- **H.I.S. USA x Red Label Vacations: Release of New OTA Site "Copolo"**

- ⇒ Promoting sustainable tourism for U.S. residents to gain market share
- ⇒ Offering plans for offsetting CO2 emissions by the traveler's own travel when the traveler books a trip
- ⇒ Received the Corporate Innovation Award at PLUG AND PLAY Winter EXPO

- **Expansion of Sales Channels for B2B2C Online Travel Business "FlyHub"**

- ⇒ Accelerating developments in Bangladesh, Singapore and Malaysia
- ⇒ Transaction volume reached 1.9 billion yen in 15 months from launch
- ⇒ In the future, we plan to expanded this business to Turkey and Dubai in the Middle East area.



Copolo.com Website



FlyHub Website

# Travel Business Overseas: Developments for “Post Covid-19”

Return to “Pre Covid-19” 2019 Levels ASAP and Accelerating Growth Again by Developing Travel +  $\alpha$  Business

## Acceleration of Growth through Travel Business + $\alpha$

- **Challenging new business models in Thailand**  
Supporting the entry of Gakken (classes), Iris-Oyama (home appliances), Nishimatsuya (children's clothing) and LOGOS (outdoor equipment) into the Thai market
- **Opening of an antenna shop that disseminates the attractiveness of Japan through foods**
- **Establishing a new company in Hawaii for supporting client companies' overseas expansion and for real estate business**
- **Obtaining import and export qualifications for liquor sales**
- **Accelerating trading company business in cooperation with Corporate Sales Division of H.I.S.**
  - Expanding GBA business in cooperation with financial institutions and rental H.I.S. services
  - The number of client companies doubled due to expansion outside of the travel business



Bangkok, Thailand



London, U.K.



Frankfurt, Germany

# Travel Business Overseas: Expansion to the Japanese Market

Strengthen the online experience business. Aiming to establish a new business by utilizing overseas bases

## Achievements and Prospects of Online Experience Tours

**Aiming for cumulative experience by 1 million users and sales of 6 billion yen by 2025**

- Creating preview demands when actual travel resumes
- C2C platform
- Multilingual support for the global market
- Helping SDGs "Quality Education for Everyone"
- Promoting universal tourism where everyone can experience travel

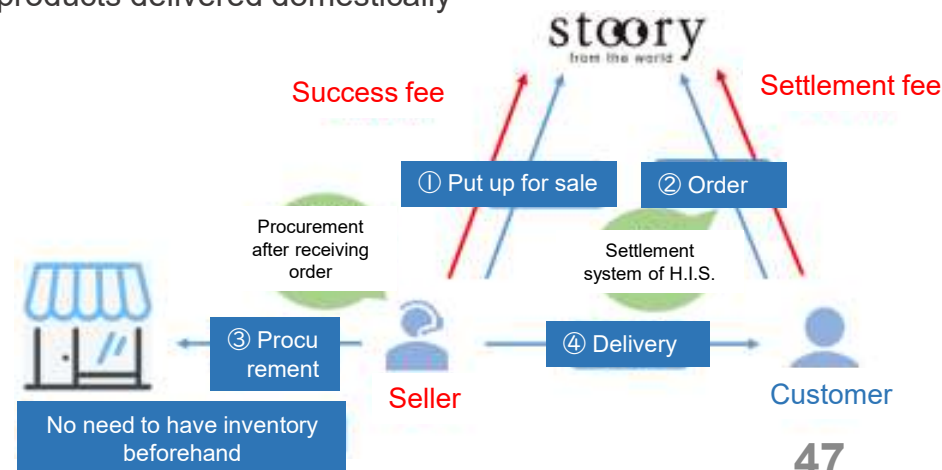
|                 | 2021 Results    | 2025 Plans      |
|-----------------|-----------------|-----------------|
| Sales           | 0.6 billion yen | 6.0 billion yen |
| Number of Users | 150,000         | 1,000,000       |



## Opening of Mail-Order Platform "story".

**A platform specializing in overseas products that connects sellers and customers. When a contract is concluded, we receive settlement fees from both sides. We operate a plan to increase customer inflow into the platform and customer satisfaction**

- 400,000 accesses and 700,000 PVs in one month after opening the site
- Number of products: about 9,000 products delivered overseas & about 13,000 products delivered domestically

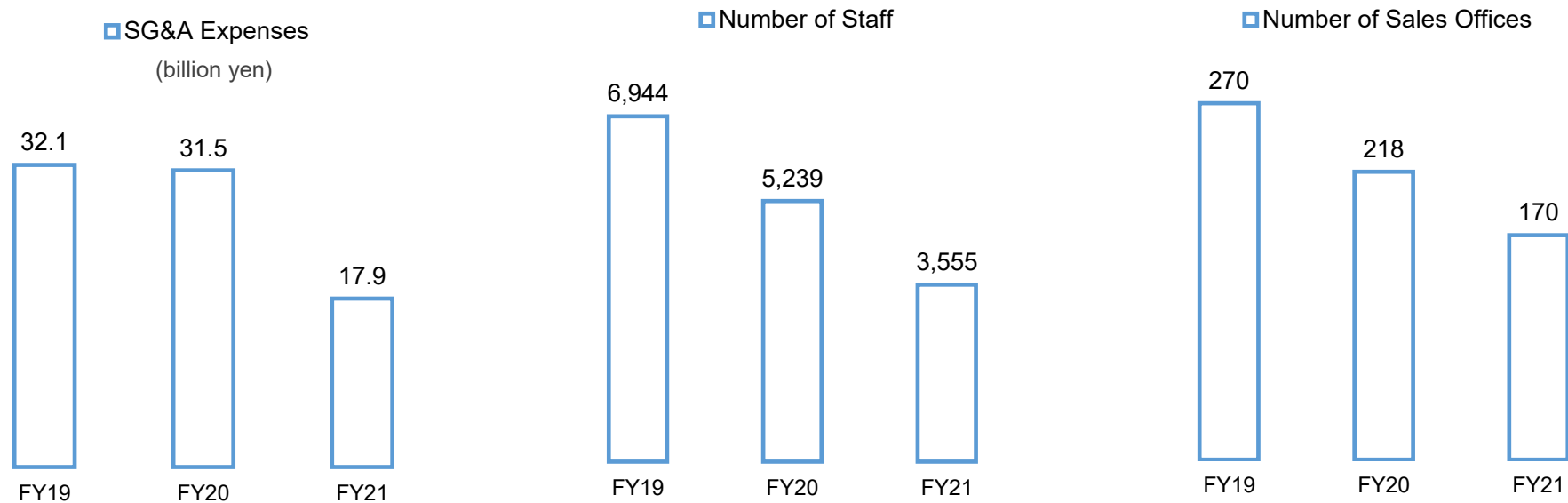


# Travel Business Overseas

## Initiatives to Improve Profitability

### 45% Reduction in SG&A Expenses through Thorough Cost Reductions

- Re-establishment of sales offices: Consolidation and closure of 100 sales offices as compared to 2019 with an eye to how sales offices should be post Covid-19.
- Improvement in profitability by reducing labor costs and improving operational efficiency  
⇒ Continuing operations with the minimum number of staff required for business continuity; operating with approximately half the number of staff as compared to 2019.





# Theme Park Business: Huis Ten Bosch

## Seasonal Experience of Flowers and Lights and Enhancement of the Park's Attractiveness

### 「Providing the Excitement of Seasonal Flowers and Lights」

⇒ By adding the excitement experience of the season of flowers and lights to the exotic world view and luxury experience, which are the park's strengths, Huis Ten Bosch aims to increase the customer satisfaction as an accommodation-type resort and to be a theme park that people want to visit multiple times a year, which increases repeat demands.



Kingdom of Light ~Xmas Ver.

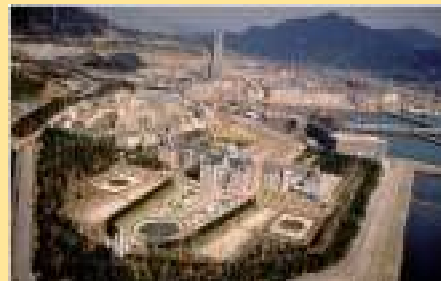
# Theme Park Business: Huis Ten Bosch

## Huis Ten Bosch 30<sup>th</sup> Anniversary Business

Huis Ten Bosch would like to express its gratitude to the people and history of its hometown, Kyushu, and Sasebo. Anniversary events to celebrate its 30th anniversary were held.



Sasebo City's Coming of Age Ceremony



"30 Year Exhibition of Huis Ten Bosch"  
Looking Back with Photos



Escher and Netherlands  
Exhibition



Anniversary Ceremony



Anniversary Parade



Anniversary Fireworks

## Theme Park Business: Laguna Ten Bosch

Special Events to be Held throughout One Year to Celebrate the 20<sup>th</sup> Anniversary Next Spring



- October 23, 2021 (Thu) - June 5, 2022 (Sun)  
**Fire & Water Show "Siren Saga"**
- November 6, 2021(Sat) -  
**New attraction for kids "Sail Away"**
- November 6, 2021 (Sat) - February 28, 2022 (Mon)  
**Super huge lantern illumination of colorful coral reefs and other sea creatures "Lagoon of Light"**
- November 13, 2021 (Sat) - February 20, 2022 (Mon)  
**"Tropical-Rouge! Precure"  
Exciting Memories Make Tour in Laguna Ten Bosch".**

More events are planned one after another in the future



# Hotel Business

## Pursuit of the Fun of Hotel-Based Travel and Convenience in the Business Scene

### Basic Strategies

**From Plans to Increase the Number of Hotels to Plans to Maximize Profits of Existing Hotels**

**Evolution of Business Models**

**Creation of Changes Together with Customers**

**Challenge to Overseas / New Type of Facilities**

### Review of Investment Plans

Selection of Future Developments Based on Supply/Demand Trends

| Location   | Scheduled Date of Opening |
|------------|---------------------------|
| Uzbekistan | March 2022                |
| Irabu      | Summer 2022               |
| Kagoshima  | December 2022             |
| Nagoya     | December 2022             |



Seoul  
(Opened in August 2021)



New York  
(Opened in October 2021)



Uzbekistan  
(Scheduled to open in March 2022)



All guest rooms at "Manteno Tsujinoya" in Awazu Hot Spring, Ishikawa Prefecture, opened for business (December 2021).



## Contribution to Regional Revitalization

### “Improvement in Efficiency by Unifying Duplicate Operations” and “Control of Expenses”

- Aiming to reduce costs through joint bus business management and to unify duplicate businesses

### Entry into New Businesses

- Generating new revenue by entering new businesses  
Entry into the land operator business in Kumamoto Prefecture

### Strengthening of Growth Businesses

- Strengthening of obtaining orders for large vehicle maintenance
- Strengthening customers' visits to the large commercial facility "Sakuramachi Kumamoto"



# Energy Business

## “Energy for Everyone” and “Clean Energy”

### Renewable Energy Power Generation Business

- Aiming for full-scale operation in April 2022 in anticipation of stabilization of the vegetable oil market
- Annual sales are expected to be 8 billion yen when the plant is fully operational using the feed-in tariff (FIT) system.

### Stabilization of Electric Power Retail Business

- Improving profit margins by procuring power sources through an appropriate combination of the wholesale power trading market and PPA (power purchase agreement)

### Short-Term Strategies

- **Promotion of a Carbon-Free Society**  
Enhancing environment-friendly menus
- **Diversification of Sales Channels**  
Expanding the number of contracts for individual customers by collaborating with large sales agents
- **Stabilization of Procurement Prices**  
Considering strategic business alliances in various fields without excluding various options

## 6 What H.I.S. Aims to Be

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Establishment of Stable Earnings Base that Can Flexibly Respond to Changes in the Environment

**In the environment under Covid-19, development of new businesses devised by employees is accelerating**

**Hotel and Ryokan (Japanese Inn) Regeneration Business**

Start of business: August 2020

**Food and Beverage Business**

Start of business: October 2020

**Life & Ending Business**

Start of business: October 2020

**Mail Order Sales Business**

Start of business: November 2020

**Alliance with / Investment in IT Start-up Companies**

Start of business: February 2021

**Livestock Industry Support Business**

Start of business: July 2021

**Selection Support Site Operation Business**

Start of business: September 2021

**Temp Agency Business**

Start of business: October 2021

**Agriculture Business**

Start of business: December 2021



## New Business Initiatives

### ◎ Food and Beverage Business

#### Expansion to 6 restaurants this year under "Manten no Hide Soba" and "Manten" brands

Soba restaurants are developed with the goal of "preserving Japanese food culture and promoting it to people all over the world." In the first step, in order to be supported by domestic customers, restaurants with concepts that can meet various needs are opened.



Soba restaurant "Manten no Hide Soba" (Already opened)

- Koshigaya (Oct 2020) ■ Iidabashi (Nov 2020)
- Yotsuya (Feb 2021) ■ Nishi Kasai (Aug 2021)

Upcoming openings

- Tsuke soba (dipping soba noodle) specialty restaurant "Manten" Hamamatsucho (Dec 2021)
- "Manten no Hide Soba" MitteN Fuchu (Dec 2021)

### ◎ Hotel and Ryokan (Japanese Inn) Regeneration Business

#### Coexistence and co-prosperity with local communities by regional revitalization through regeneration

In July 2021, Tsujinoya Hananoshō in Awazu Hot Spring, Ishikawa Prefecture, opened as Mantenno Tsujinoya after renovating its large baths, guest rooms, garden, swimming pool, etc. On December 15, 2021, the renovation of the old building was completed and all guest rooms became available for business.

※ Under the umbrella of H.I.S. Hotel Holdings since April 2021

### ◎ Selection Support Site Operation Business

Creation of opportunities for making selections fairly to make people's lives more convenient and enriched



New WEB services (other than travel)

- Hometown tax payment comparison site (December 2020-)  
※ Site release: September 2021
  - Water server comparison site (March 2021-)
  - Hair removal salon comparison site (September 2021-)
- ⇒ Achieved profitability in FY21. Plan to expand to various fields in the future

# New Business Initiatives

## ◎ Temp Agency Business

### Developing temp agency business of dispatching foreign workers to agriculture and accommodation industries

Green Ocean Co., Ltd., in charge of temp agency business was established in June 2021. With the permit for the temp agency business obtained, full-scale operation started on October 1<sup>st</sup>



“Relay dispatch between production areas during the farming season“ was implemented, where producers are provided with workers only during the busy seasons, and workers are dispatched to multiple regions with different busy seasons

- 2021: Staff was dispatched to farmers in Mie, Gunma, Hokkaido, Gifu, and Ehime prefectures
- 2022: Currently in talks with 20 or more of JAs and agricultural corporations nationwide.

## ◎ Agriculture Business

### Start of demonstration experiment of cherry tomato cultivation and marketing

Realizing a business that can provide a stable supply of agricultural products throughout the year and also lead to revitalization of regional agriculture and creation of employment.

- Location: Hasuda City, Saitama Prefecture ■ Planting: December 1, 2021
- Scheduled harvesting: Mid-February 2022
- Cultivation area: Approximately 600 tsubo (2.23 tans or about 2,000 m<sup>2</sup>)
- Planned planting number: 6,000 ■ Estimated yield: 24.3 tons / year

## ◎ Livestock Industry Support Business

### Supporting the distribution development of "Miran beef / Fukuhime" in Hokkaido

#### Providing the world with healthy beef raised on no-till, home-grown feed from compost circulated on the farm

- Currently provided to 15 hotels and restaurants (Expanding gradually)
- Planned to be sold at 18 Queen's Isetan stores nationwide from late January 2022
- Planned to be sold at 5 stores of Ogane Livestock in Sapporo from 2022



## What H.I.S. Aims to Be

Challenges for Future Business Seeds

<Further Challenges for the Future>

Robot

Space

Renewable Energy

Mobility

+  $\alpha$

Continue “challenges that match the times”

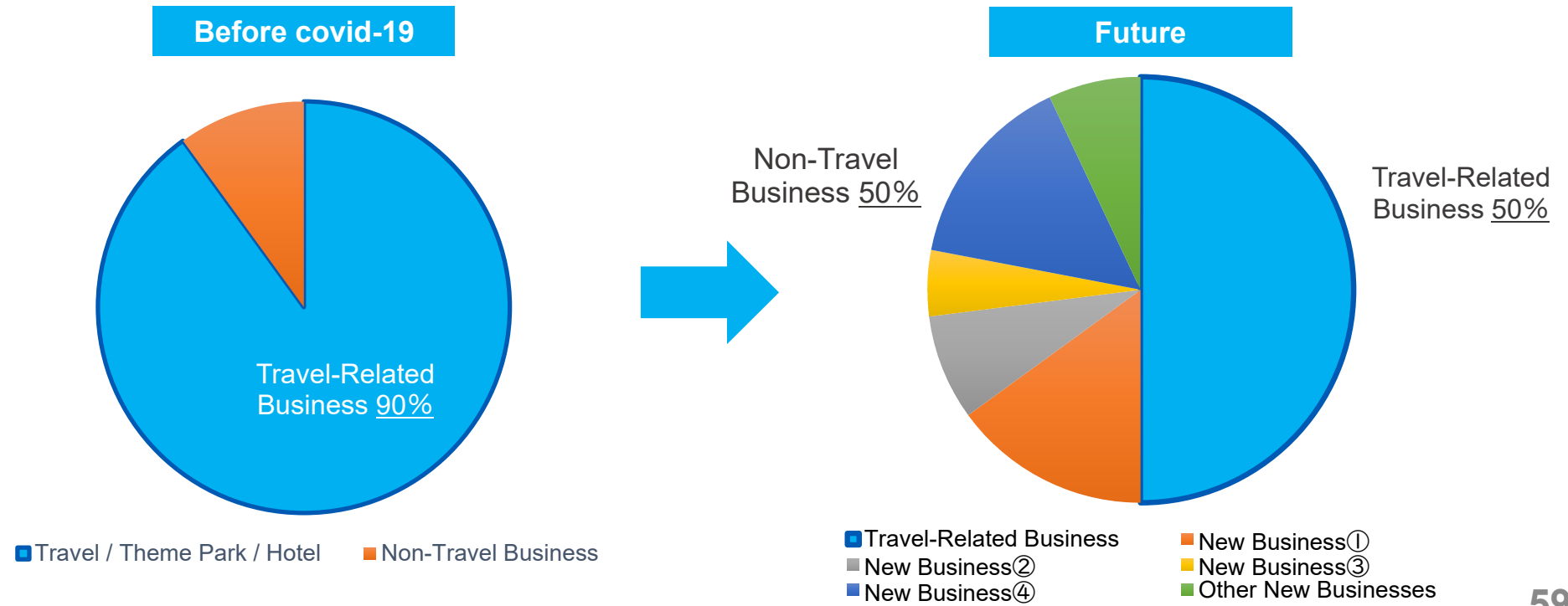


**Future Developments: In-house venture system has started to create new businesses and services**

# What H.I.S. Aims to Be

## Business Portfolio to be Pursued

Operating Profit: "Travel-Related Business: 50% / Non-Travel Business: 50%"



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