



Presentation Materials for the 2<sup>nd</sup> Quarter of Fiscal Year  
Ending October 31, 2023 Financial Results  
(6 Months Ended April 30<sup>th</sup>, 2023)

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H.I.S. Co., Ltd.

June 14, 2023

Prime Market of TSE: 9603

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# Summary of Financial Results (Consolidated)

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# Summary of Consolidated Financial Results

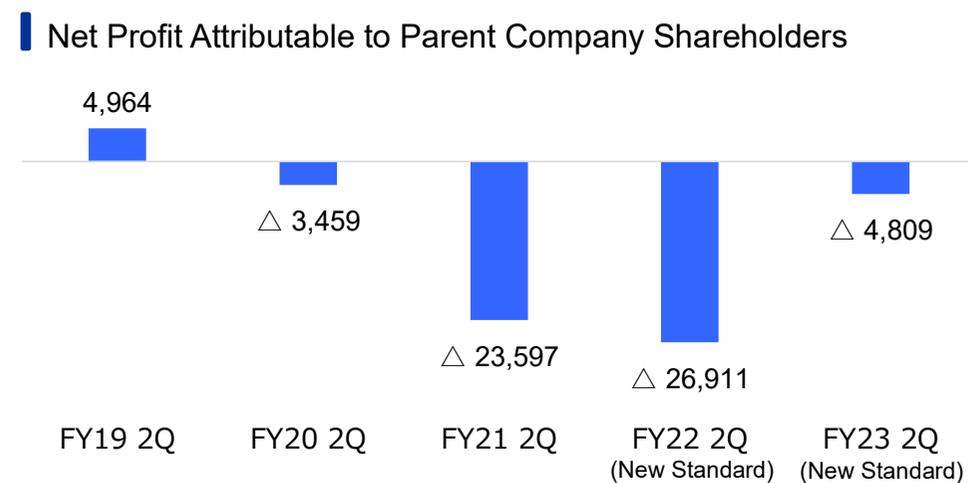
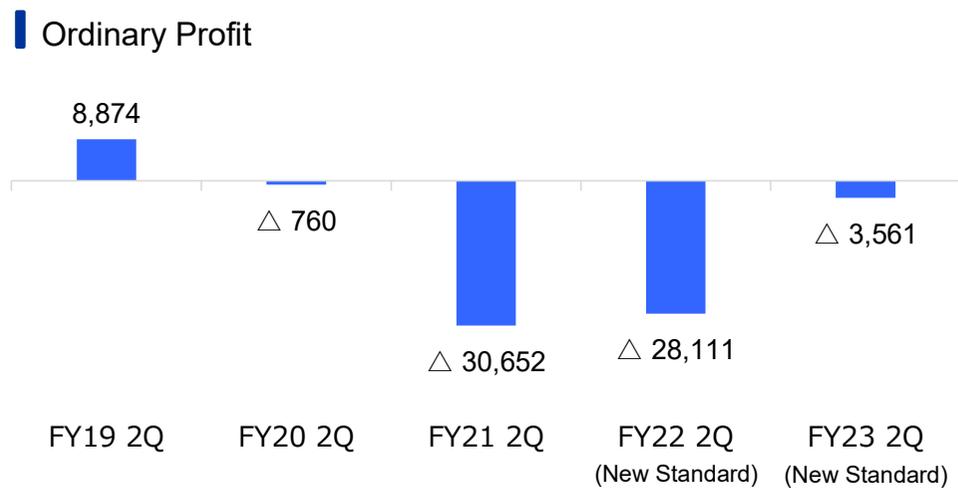
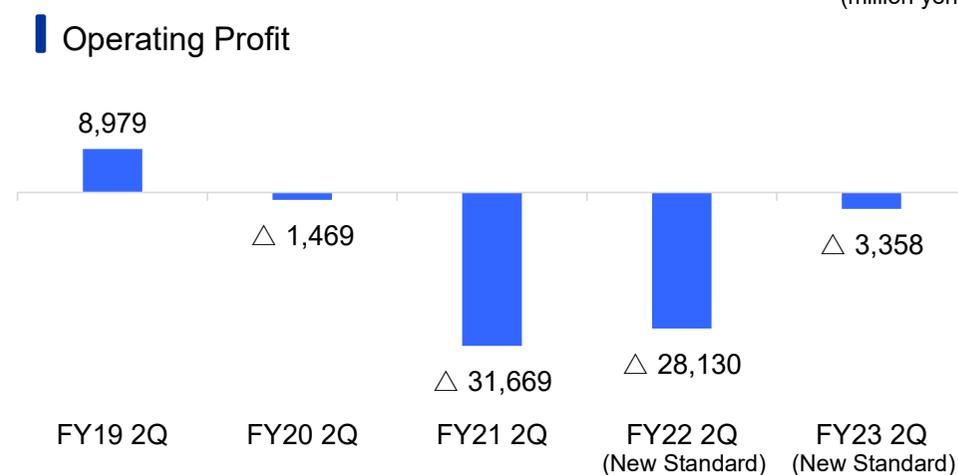
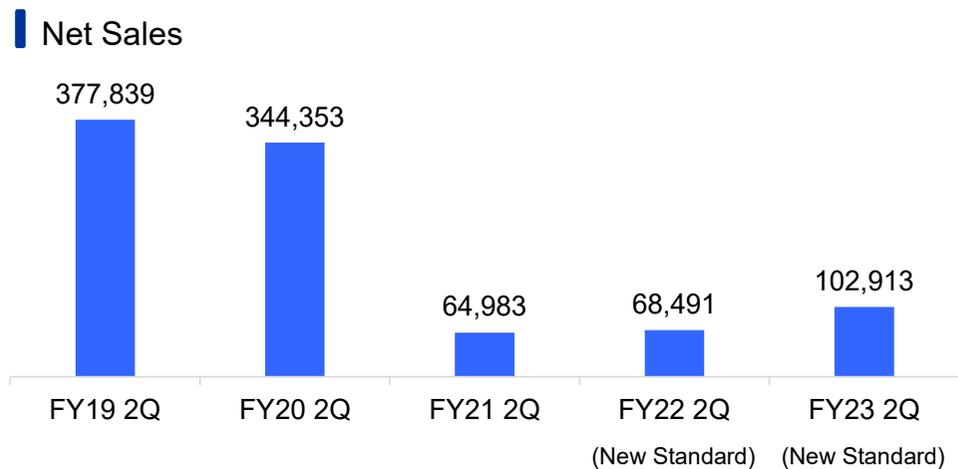
Net sales and operating profit improved in all business segments, except for Huis Ten Bosch and Energy Business, which had been sold in the previous fiscal year.

Travel Business and Hotel Business drove profit growth. Both businesses saw growth in demands for international travel from Japan and hotel stays in Japan as leisure demands recovered

(million yen)	Previous Standards	New Standards		YoY	Increase/Decrease	Major Reasons for Increase/Decrease
	FY19 2Q	FY22 2Q	FY23 2Q			
<b>Net Sales</b>	<b>377,839</b>	<b>68,491</b>	<b>102,913</b>	<b>150%</b>	<b>34,422</b>	Travel + 56,249、Theme Park△9,151、Hotel + 4,654
Gross Profit	64,782	6,890	34,256	497%	27,365	
<b>Operating Profit</b>	<b>8,979</b>	<b>△28,130</b>	<b>△3,358</b>	-	<b>24,771</b>	Travel + 11,284、Hotel+2,118
EBITDA	13,372	△21,811	1,886	-	23,698	
Non-Operating Income	1,810	1,849	1,211	66%	△637	
Non-Operating Expenses	1,915	1,830	1,414	77%	△415	
<b>Ordinary Profit</b>	<b>8,874</b>	<b>△28,111</b>	<b>△3,561</b>	-	<b>24,549</b>	
Extraordinary Gain	513	9,577	900	9%	△8,677	Subsidy Income△5,936
Extraordinary Loss	-	4,824	950	20%	△3,874	
Profit before Income Taxes	9,387	△23,357	△3,611	-	19,746	
Income Taxes	3,350	3,810	1,040	27%	△2,770	
Net Profit Attributable to Non-Controlling Shareholders	1,072	△256	157	-	414	
<b>Net Profit Attributable to Parent Company Shareholders</b>	<b>4,964</b>	<b>△26,911</b>	<b>△4,809</b>	-	<b>22,101</b>	

# Trends in Consolidated Financial Results

(million yen)



# Quarterly Consolidated Financial Results

(million yen)	FY19					FY22					FY23				
	(Previous Standards)					(New Standards)					(New Standards)				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Net Sales	187,276	190,563	195,878	234,792	808,510	33,588	34,902	31,448	42,853	142,794	46,143	56,770	-	-	-
YoY	113.8%	107.8%	115.8%	107.6%	111.0%	-	-	-	-	-	137.4%	162.7%	-	-	-
Cost of Sales	152,182	160,873	164,068	197,115	674,240	28,031	33,569	22,972	29,963	114,536	30,724	37,932	-	-	-
Gross Profit	35,093	29,689	31,809	37,677	134,270	5,557	1,333	8,476	12,890	28,257	15,419	18,837	-	-	-
GP Margin	18.7%	15.6%	16.2%	16.0%	16.6%	16.5%	3.8%	27.0%	30.1%	19.8%	33.4%	33.2%	-	-	-
SG&A Expenses	29,111	26,691	29,440	31,485	116,729	17,715	17,305	19,487	21,682	76,192	18,858	18,756	-	-	-
Operating Profit	5,981	2,997	2,368	6,192	17,540	△12,158	△15,972	△11,011	△8,792	△47,934	△3,439	80	-	-	-
YoY	146.7%	83.7%	121.3%	73.1%	97.0%	-	-	-	-	-	-	-	-	-	-
Operating Margin	3.2%	1.6%	1.2%	2.6%	2.2%	-	-	-	-	-	-	0.1%	-	-	-
EBITDA	8,154	5,218	5,053	8,837	27,263	△8,974	△12,837	△7,776	△5,248	△34,836	△829	2,715	-	-	-
Non-Operating Income	697	1,113	859	856	3,527	569	1,280	722	556	3,129	450	761	-	-	-
Non-Operating Expenses	1,479	436	834	1,227	3,978	855	975	718	1,647	4,196	834	580	-	-	-
Ordinary Profit	5,199	3,675	2,393	5,821	17,089	△12,444	△15,666	△11,007	△9,882	△49,001	△3,823	261	-	-	-
YoY	131.4%	94.4%	95.3%	63.7%	87.6%	-	-	-	-	-	-	-	-	-	-

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

(million yen)

	FY19	FY22	FY23 2Q		FY19	FY22	FY23 2Q
Cash and Deposits	219,175	144,795	129,248	Operating Accounts Payable	38,082	6,698	10,064
Notes and Accounts Receivable *	45,653	11,538	16,457	Pre-Travel Payments Received	92,760	14,256	24,325
Operating Accounts Receivable	4,287	298	477	Bonds and Convertible Bonds Payable	55,090	45,036	45,027
Pre-Travel Payments	52,102	6,231	7,451	Long-Term Borrowings	146,403	156,727	140,033
Others	27,061	25,629	23,390	Others	121,153	135,629	145,184
<b>Total Current Assets</b>	<b>348,280</b>	<b>188,493</b>	<b>177,026</b>	<b>Total Liabilities</b>	<b>453,490</b>	<b>358,348</b>	<b>364,636</b>
Property, Plant and Equipment	147,098	170,356	169,060	Capital	11,000	100	100
Intangible Fixed Assets	19,271	15,539	14,282	Capital Surplus	3,392	28,498	28,494
Goodwill	7,305	2,369	1,968	Earned Surplus	112,409	26,327	21,564
Investments and Other Assets	55,275	38,009	51,240	Treasury Shares	▲28,309	▲14,972	▲14,945
<b>Total Fixed Assets</b>	<b>228,951</b>	<b>226,274</b>	<b>236,551</b>	Cumulative Other Comprehensive Income	▲1,719	7,466	5,474
<b>Deferred Assets</b>	<b>168</b>	<b>217</b>	<b>147</b>	Non-Controlling Shareholder Equity	27,135	8,815	8,214
<b>Total Assets</b>	<b>577,399</b>	<b>414,984</b>	<b>413,726</b>	<b>Total Net Assets</b>	<b>123,909</b>	<b>56,636</b>	<b>49,089</b>
				<b>Total Liabilities and Net Assets</b>	<b>577,399</b>	<b>414,984</b>	<b>413,726</b>

\* From FY22, this item is presented as "Notes and Accounts Receivable and Contract Assets. Please refer to the "Kessan Tanshin (Consolidated Financial Statements Brief Report) for details

# Summary of Financial Results (by Business Segment)

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# Operating Results by Business Segment

(million yen)		Previous Standards	New Standards		YoY	Increase/Decrease
		FY19 2Q	FY22 2Q	FY23 2Q		
<b>Net Sales</b>	Travel Business	336,831	23,405	79,654	340%	56,249
	Theme Park Business	14,238	10,366	1,215	12%	△9,151
	Hotel Business	5,519	3,572	8,226	230%	4,654
	Kyushu Sanko Group	11,155	8,591	10,739	125%	2,147
	Other	12,714	23,459	3,868	17%	△19,591
	Adjustments, Eliminations, etc.	▲2,620	△904	△790	-	113
<b>Operating Profit</b>	Travel Business	6,201	△14,742	△3,458	-	11,284
	Theme Park Business	2,809	174	△205	-	△379
	Hotel Business	338	△2,068	50	-	2,118
	Kyushu Sanko Group	297	△701	107	-	808
	Other	590	△9,911	△20	-	9,890
	Adjustments, Eliminations, etc.	▲1,259	△880	168	-	1,049
<b>EBITDA</b>	Travel Business	8,045	△12,883	△1,574	-	11,308
	Theme Park Business	3,861	1,191	△49	-	△1,241
	Hotel Business	907	△170	2,079	-	2,250
	Kyushu Sanko Group	750	203	963	474%	760
	Other	868	△9,457	84	-	9,541
	Adjustments, Eliminations, etc.	▲1,060	△695	383	-	1,078

※ Effective from the 1Q of the current fiscal year, the business segments have been changed from the previous five segments of "Travel Business", "Theme Park Business", "Hotel Business", "Kyushu Sanko Group" and "Energy Business" to four segments of "Travel Business", "Theme Park Business", "Hotel Business" and "Kyushu Sanko Group". For this reason, comparisons with the 2Q (cumulative) of the previous fiscal year are made by restating the figures after the segment change. For details, please refer to "2. Quarterly Consolidated Financial Statements and Main Notes (4) Notes to the Quarterly Consolidated Financial Statements (Segment Information, etc.) in the Kessan Tanshin (Consolidated Financial Results Brief Report)

# Quarterly Operating Results by Business Segment

(million yen)		FY19 (Previous Standards)					FY22 (New Standards)					FY23 (New Standards)				
		1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
<b>Travel</b>	Net Sales	166,617	170,213	175,444	210,188	722,464	9,965	13,439	16,063	28,225	67,693	34,533	45,121	-	-	-
	YoY	114.3%	107.8%	116.1%	107.0%	110.9%	-	-	-	-	-	346.5%	335.7%	-	-	-
	Operating Profit	4,071	2,130	1,948	5,604	13,754	△8,288	△6,453	△7,812	△6,074	△28,629	△3,176	△282	-	-	-
	YoY	205.7%	94.9%	203.0%	79.7%	112.7%	-	-	-	-	-	-	-	-	-	-
	EBITDA	4,996	3,048	3,094	6,841	17,980	△7,351	△5,531	△6,847	△4,902	△24,632	△2,233	659	-	-	-
	YoY	175.2%	93.4%	165.5%	86.0%	112.8%	-	-	-	-	-	-	-	-	-	-
<b>Theme Park</b>	Net Sales	7,712	6,526	6,772	8,115	29,162	6,715	3,651	4,807	6,050	21,225	754	460	-	-	-
	YoY	100.8%	88.1%	101.7%	90.6%	94.9%	-	-	-	-	-	11.2%	12.6%	-	-	-
	Operating Profit	1,840	968	1,101	1,413	5,323	1,097	△923	△332	342	183	△71	△134	-	-	-
	YoY	93.2%	53.3%	91.0%	61.2%	72.8%	-	-	-	-	-	-	-	-	-	-
	EBITDA	2,362	1,499	1,626	1,949	7,439	1,617	△426	176	873	2,240	7	△57	-	-	-
	YoY	96.5%	65.0%	92.0%	68.4%	79.4%	-	-	-	-	-	0.5%	-	-	-	-
<b>Hotel</b>	Net Sales	2,723	2,796	2,899	2,920	11,339	1,834	1,737	2,539	3,095	9,207	4,022	4,203	-	-	-
	YoY	87.0%	89.9%	99.5%	101.3%	94.2%	-	-	-	-	-	219.3%	241.9%	-	-	-
	Operating Profit	187	151	▲473	▲330	▲465	△963	△1,105	△1,385	△668	△4,122	△46	96	-	-	-
	YoY	47.6%	47.3%	-	-	-	-	-	-	-	-	-	-	-	-	-
	EBITDA	447	460	83	▲196	795	△25	△144	△386	365	△192	962	1,116	-	-	-
	YoY	61.2%	70.3%	18.2%	-	37.5%	-	-	-	-	-	-	-	-	-	-

## Quarterly Operating Results by Business Segment

(million yen)		FY19					FY22					FY23				
		(Previous Standards)					(New Standards)					(New Standards)				
		1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
<b>Kyushu Sanko Group</b>	Net Sales	5,882	5,273	5,247	5,827	22,230	4,732	3,859	4,646	4,721	17,960	5,487	5,251	-	-	-
	YoY	102.5%	103.3%	99.4%	105.6%	102.7%	-	-	-	-	-	115.9%	136.1%	-	-	-
	Operating Profit	183	114	▲58	▲81	158	△301	△400	△381	△471	△1,554	32	74	-	-	-
	YoY	78.0%	100.0%	-	-	39.7%	-	-	-	-	-	-	-	-	-	-
	EBITDA	405	344	182	270	1,203	153	50	75	30	309	459	504	-	-	-
	YoY	89.0%	98.6%	80.7%	74.3%	86.2%	-	-	-	-	-	299.9%	1005.3%	-	-	-
<b>Others</b>	Net Sales	5,570	7,144	7,085	9,037	28,838	10,838	12,621	3,829	1,402	28,691	1,685	2,183	-	-	-
	YoY	-	-	-	-	-	-	-	-	-	-	15.5%	17.3%	-	-	-
	Operating Profit	220	369	353	620	1,564	△3,281	△6,629	△601	△869	△11,381	△132	111	-	-	-
	YoY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	EBITDA	358	509	495	763	2,128	△3,040	△6,416	△389	△658	△10,505	△80	164	-	-	-
	YoY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

※ Effective from the 1Q of the current fiscal year, the business segments have been changed from the previous five segments of "Travel Business", "Theme Park Business", "Hotel Business", "Kyushu Sanko Group" and "Energy Business" to four segments of "Travel Business", "Theme Park Business", "Hotel Business" and "Kyushu Sanko Group". For this reason, comparisons with the 2Q (cumulative) of the previous fiscal year are made by restating the figures after the segment change. For details, please refer to "2. Quarterly Consolidated Financial Statements and Main Notes (4) Notes to the Quarterly Consolidated Financial Statements (Segment Information, etc.) in the Kessan Tanshin (Consolidated Financial Results Brief Report)

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

(million yen)	FY19	(Previous Standards)				FY22	(Previous Standards)				FY23	(Previous Standards)				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	
International Travel from Japan / Transaction Amount	87,899	110,754	86,748	116,545	401,948	2,119	3,169	9,692	20,683	35,665	25,190	44,582	-	-	-	
YoY	106%	114%	98%	97%	103%	188%	376%	870%	1,101%	719%	1,188%	1,406%	-	-	-	
Fuel Surcharge (included in the transaction amount above)	6,030	8,005	4,308	6,957	25,302	119	250	1,069	3,080	4,520	4,415	7,243	-	-	-	
Domestic Travel in Japan / Transaction Amount	11,941	17,576	13,693	18,044	61,833	8,686	7,621	10,218	15,281	41,808	13,438	16,498	-	-	-	
YoY	101%	107%	99%	99%	101%	99%	170%	333%	310%	176%	154%	216%	-	-	-	
Inbound Travel to Japan / Transaction Amount	7,116	8,075	8,375	6,464	30,032	28	74	81	210	395	1,023	2,302	-	-	-	
YoY	119%	105%	88%	87%	96%	82%	451%	623%	362%	321%	3,583%	3,109%	-	-	-	

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

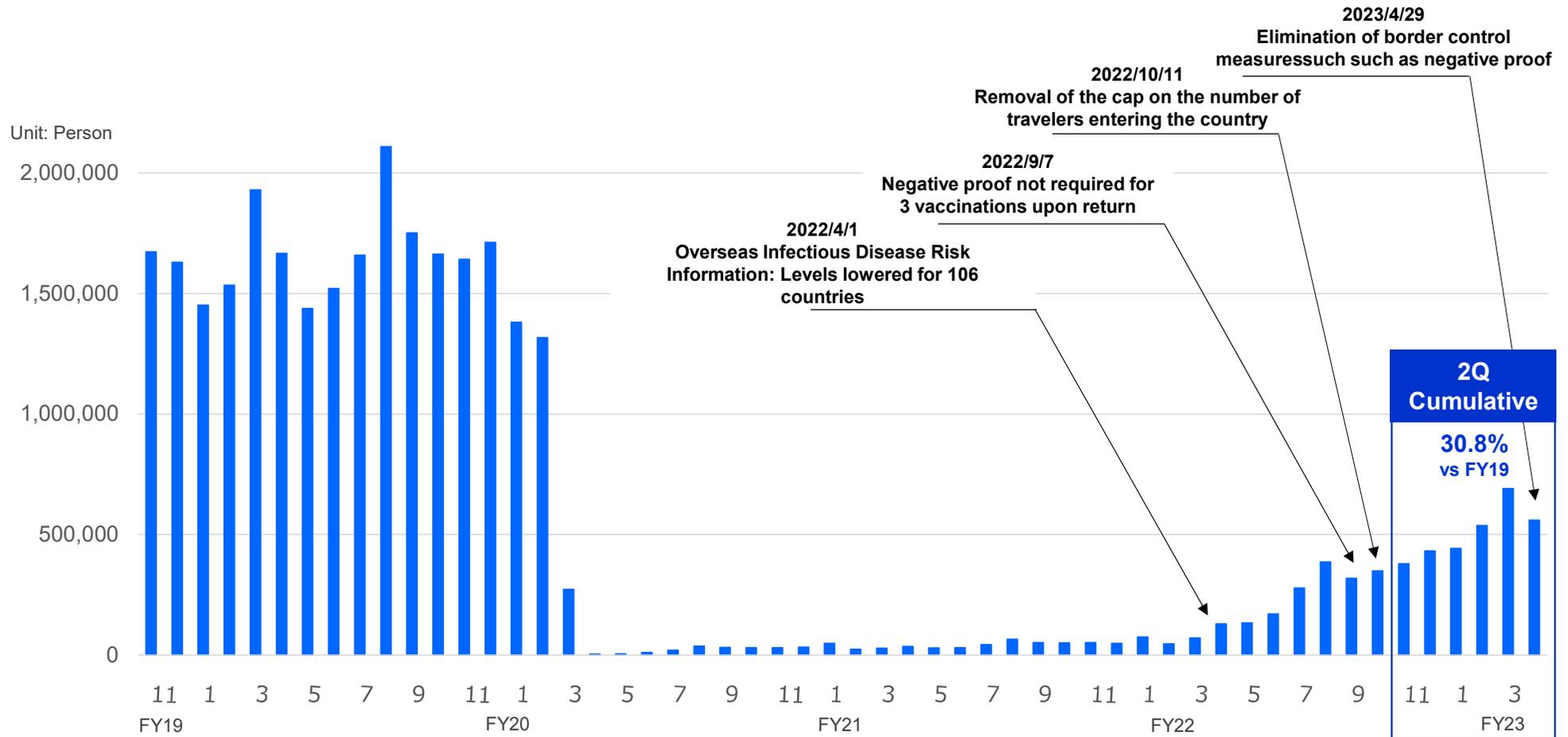
(million yen)	FY19	(Previous Standards)				FY22	(Previous Standards)				FY23	(Reference Amount *)				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	
Overseas Subsidiaries / Inbound Transaction Amount	56,070	35,339	41,186	50,748	183,343	4,451	4,690	4,834	16,277	30,253	19,453	13,233	-	-	-	
YoY	127%	106%	107%	98%	109%	205%	296%	411%	632%	403%	437%	282%	-	-	-	
Overseas Subsidiaries / Outbound Transaction Amount	19,719	20,213	40,124	40,242	120,298	10,843	14,743	27,370	31,260	84,218	38,690	49,810	-	-	-	
YoY	104%	100%	188%	205%	150%	929%	489%	1,390%	697%	792%	356%	338%	-	-	-	

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

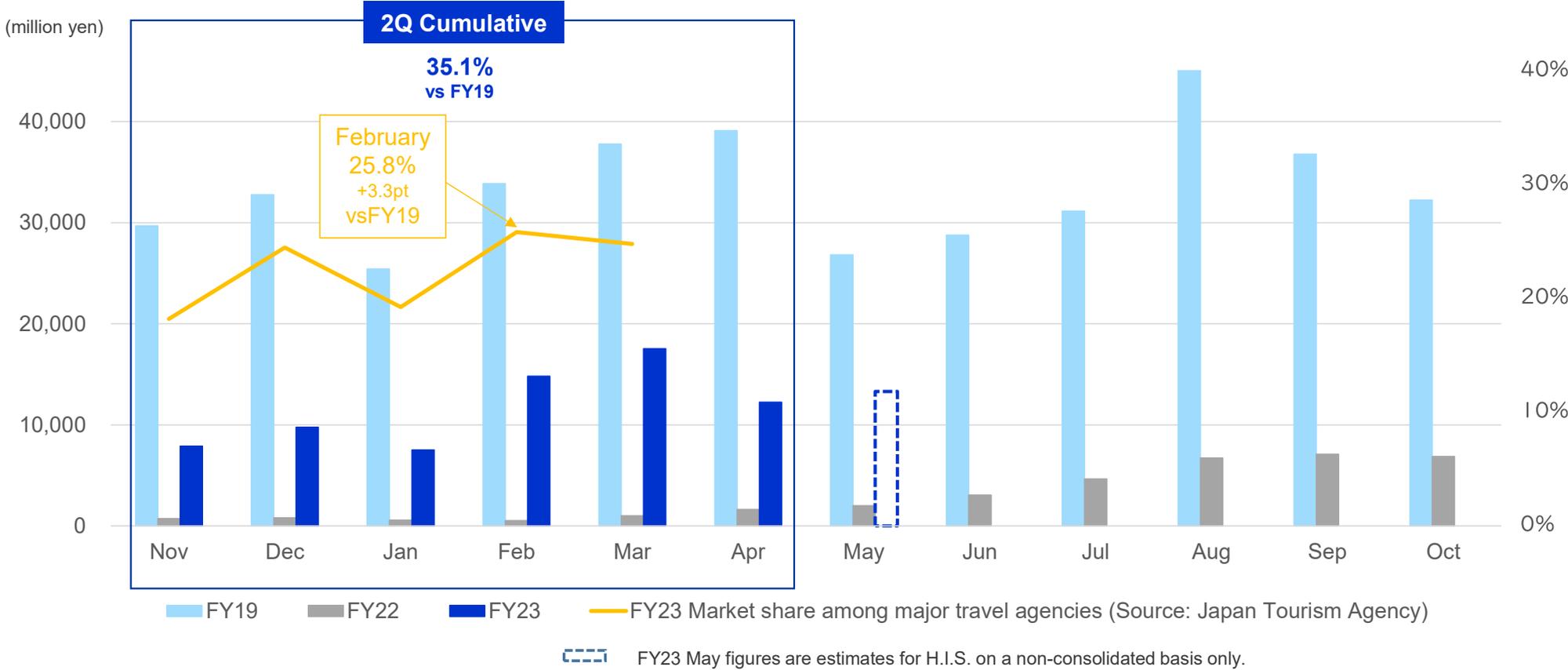
# Supplementary Material

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



# [Supplementary Material] Transaction Amount of International Travel from Japan

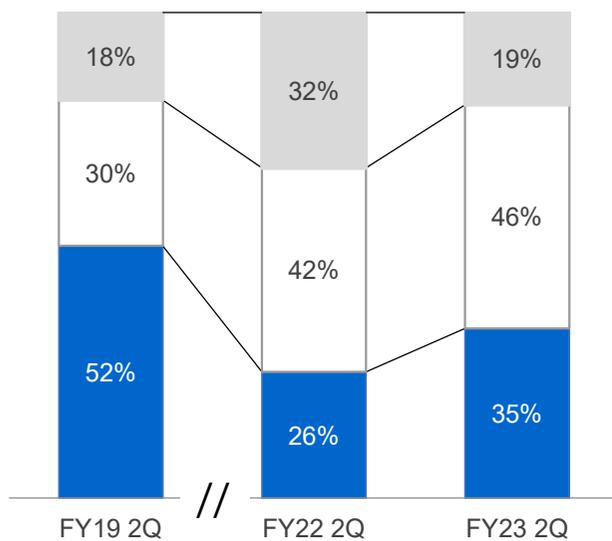


※ Total transaction amount after offsetting internal transactions of H.I.S. and its five group companies (Orion Tour, Qualita, Cruise Planet, Japan Holiday Travel, and H.I.S. Okinawa)

# [Supplementary Material] Composition of International Travel

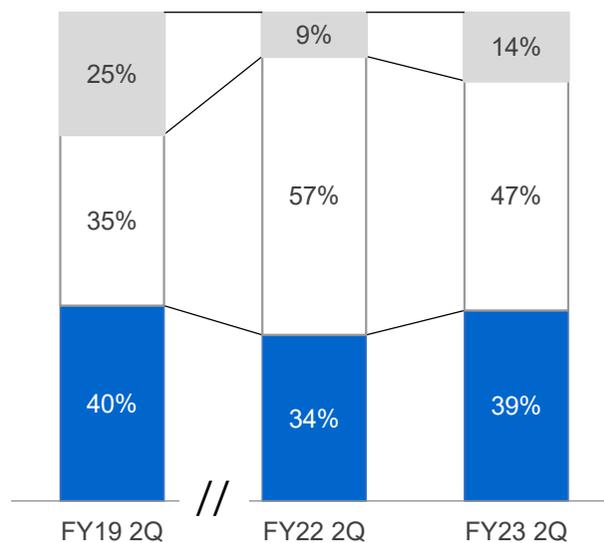
**Net Sales of International Travel by Sales Channel**

■ Sales Office   □ Internet   ■ Corporate



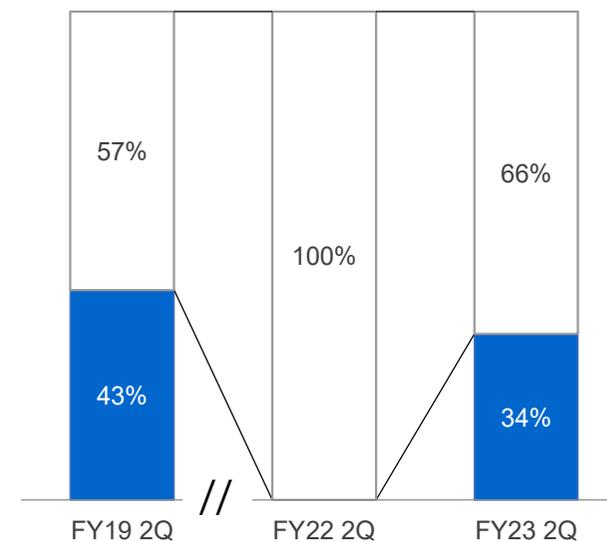
**Net Sales of International Travel by Destination**

■ Hawaii & Micronesia  
 □ Europe, America & Australia  
 ■ Asia



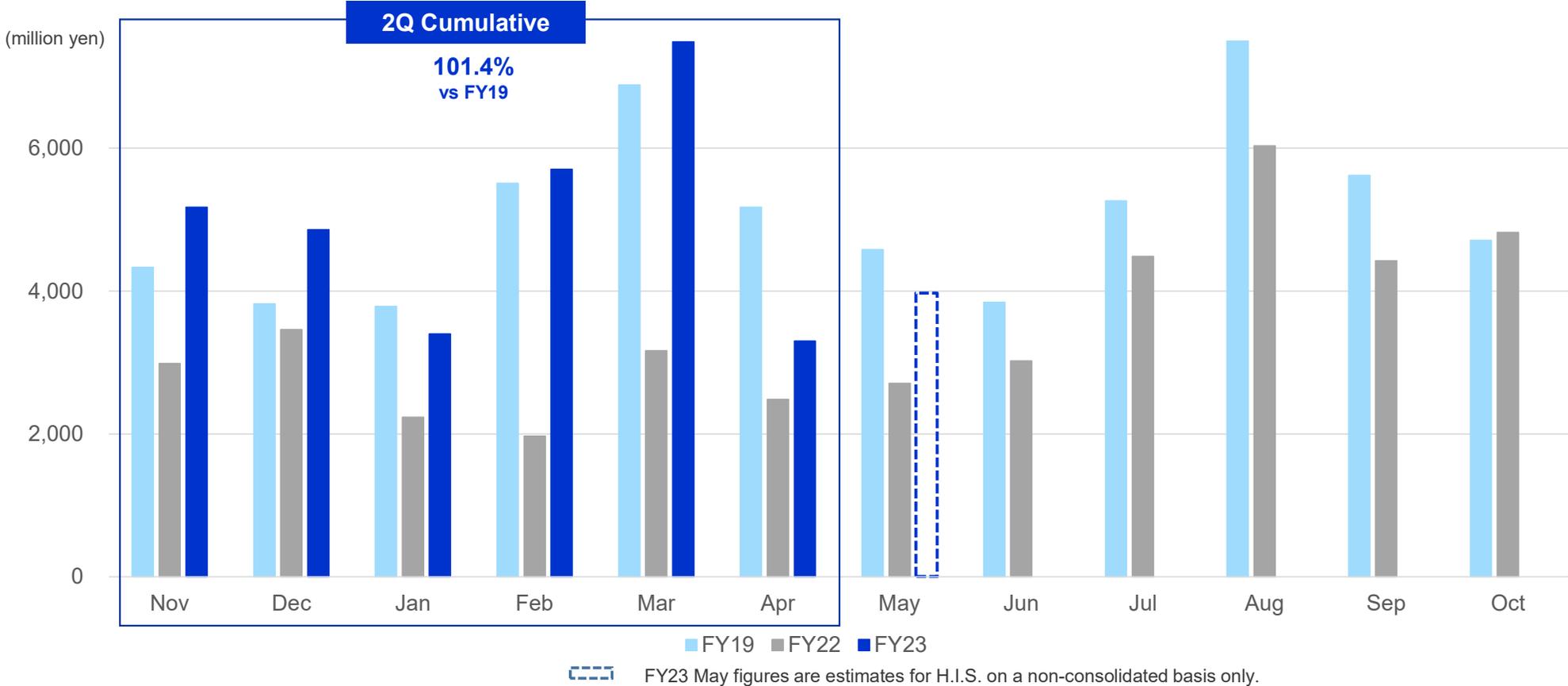
**Number of Travelers of International Travel by Product Type**

■ Tour   □ Airline Ticket



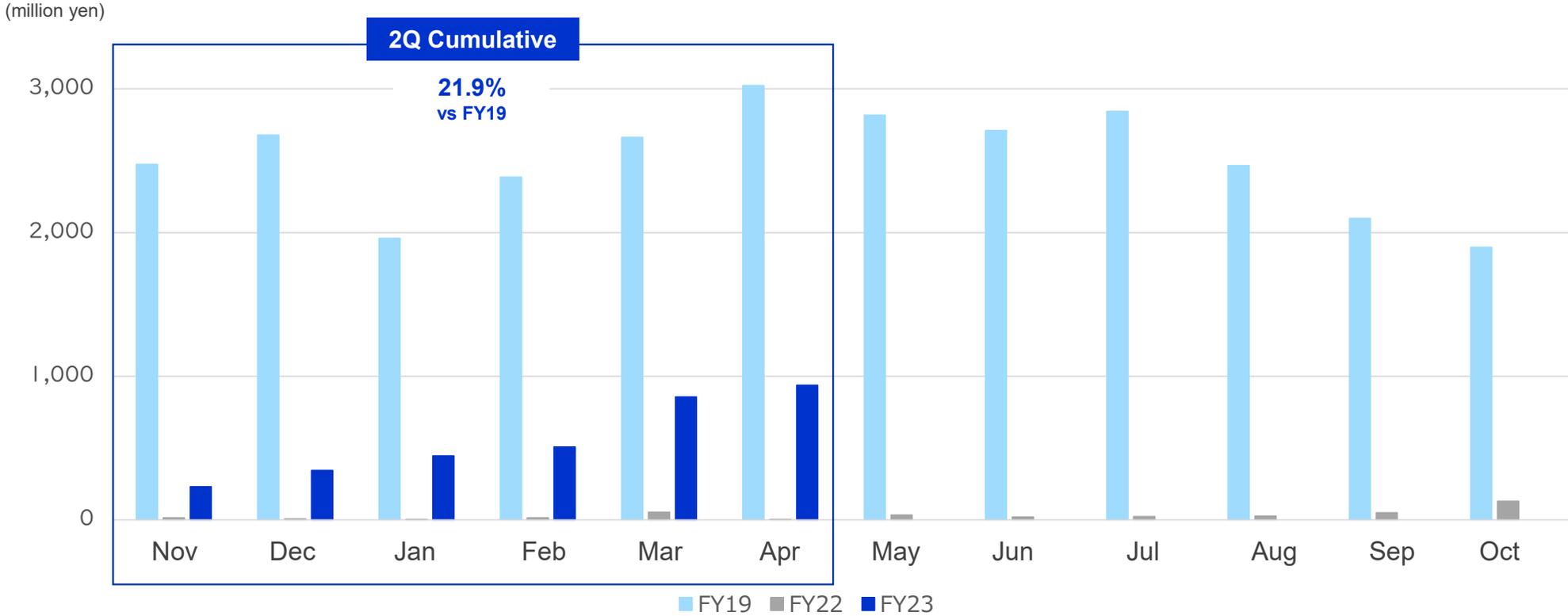


# [Supplementary Material] Transaction Amount of Domestic Travel



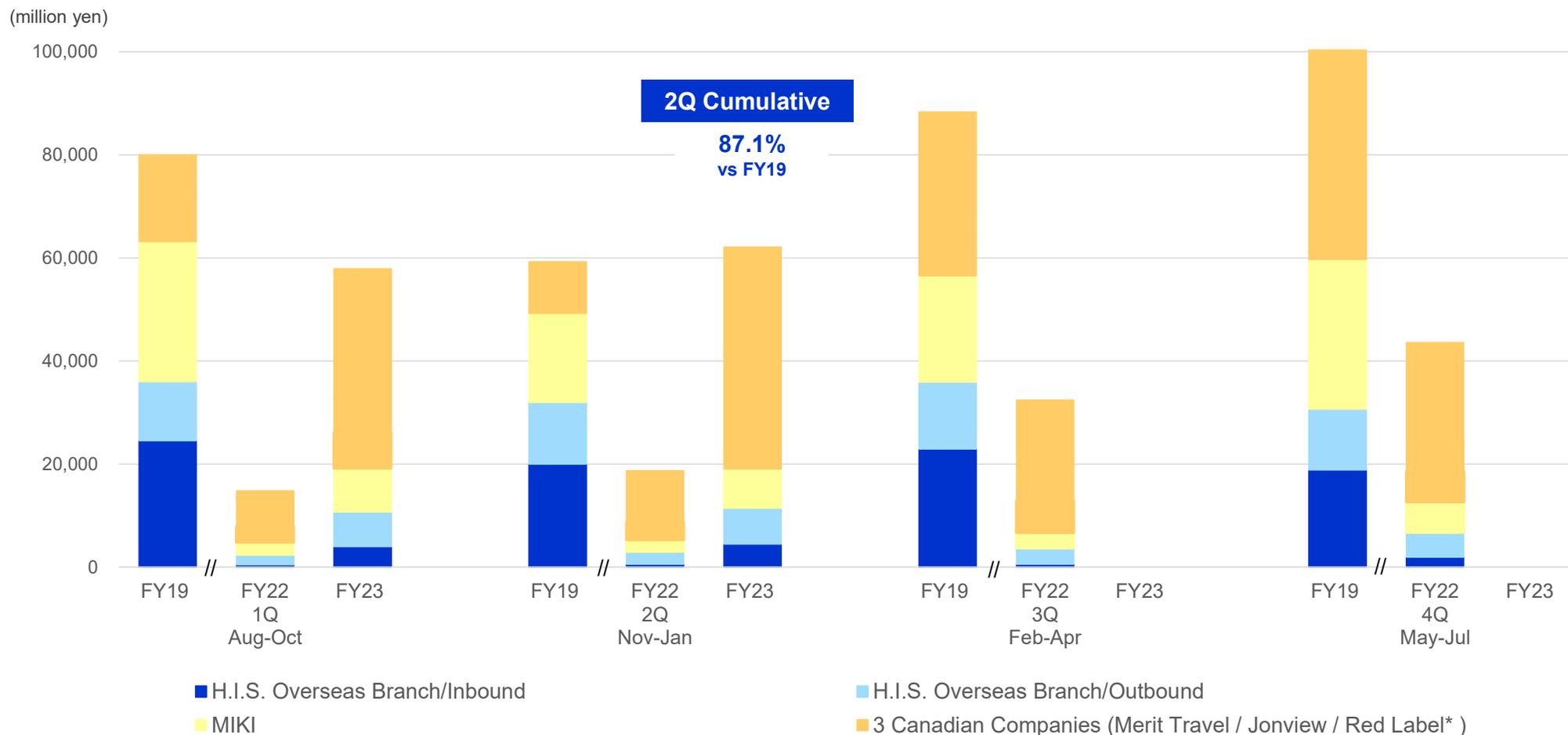
※ Total transaction amount after offsetting internal transactions of H.I.S. and its five group companies (Orion Tour, Qualita, Cruise Planet, Japan Holiday Travel, and H.I.S. Okinawa)

# [Supplementary Material] Transaction Amount of Inbound Travel to Japan



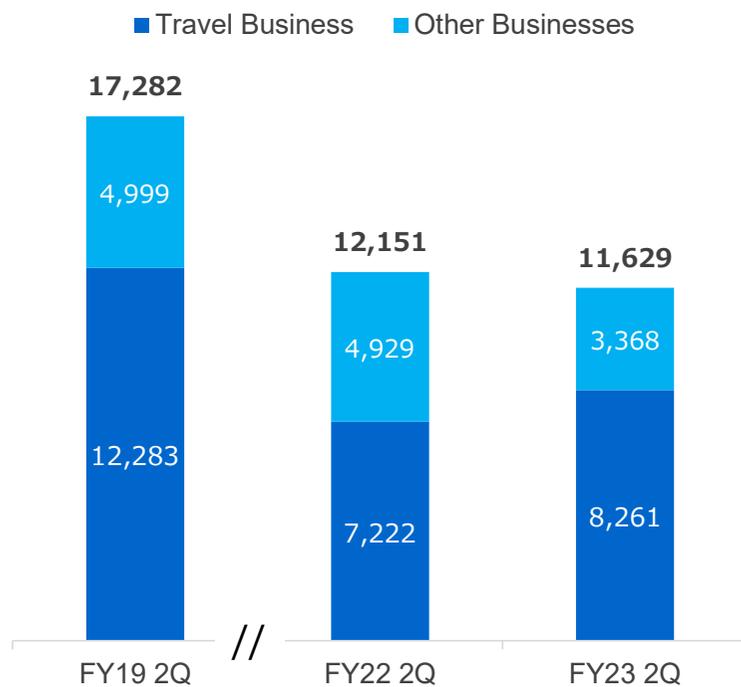
※ Total transaction amount after offsetting internal transactions of H.I.S. and its five group companies (Orion Tour, Qualita, Cruise Planet, Japan Holiday Travel, and H.I.S. Okinawa)

## [Supplementary Material] Transaction Amount of Overseas Subsidiaries (Reference Amount)

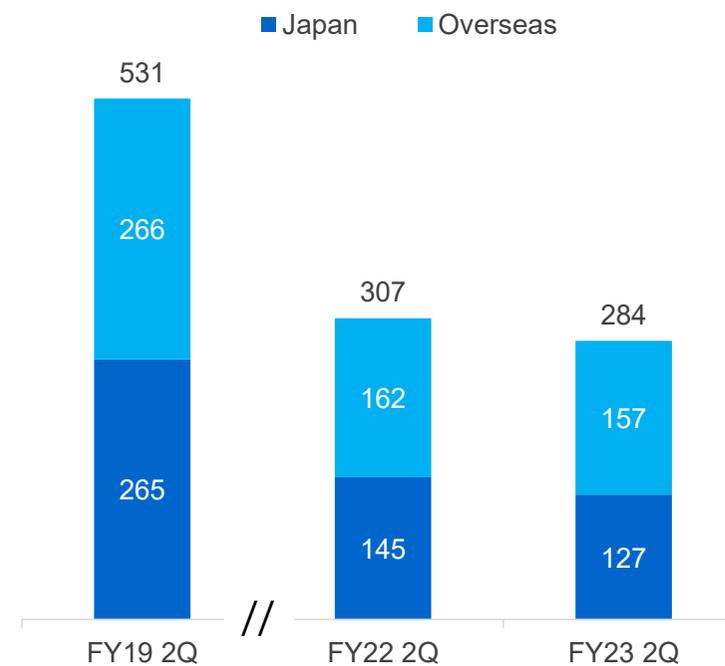


## [Supplementary Material] The Number of Employees and Sales Offices

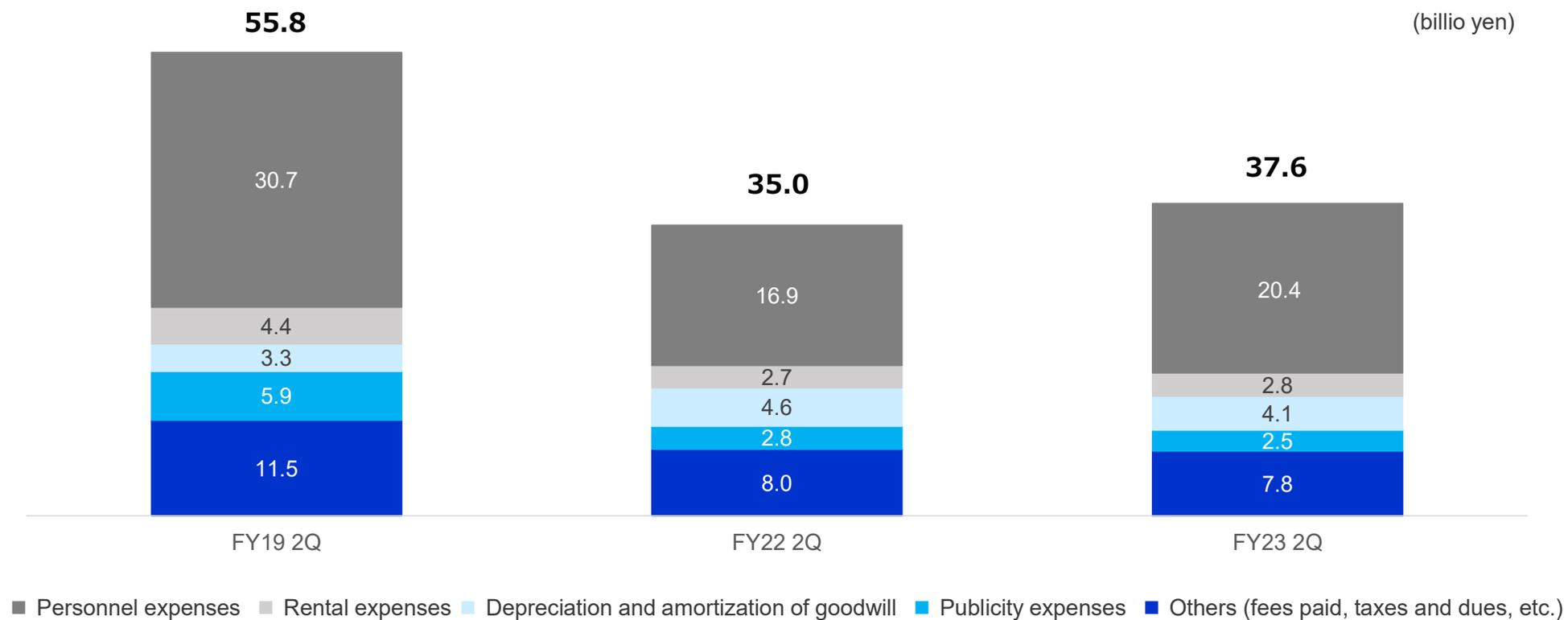
■ The Number of Group Employees



■ The Number of Sales Offices of the Travel Business

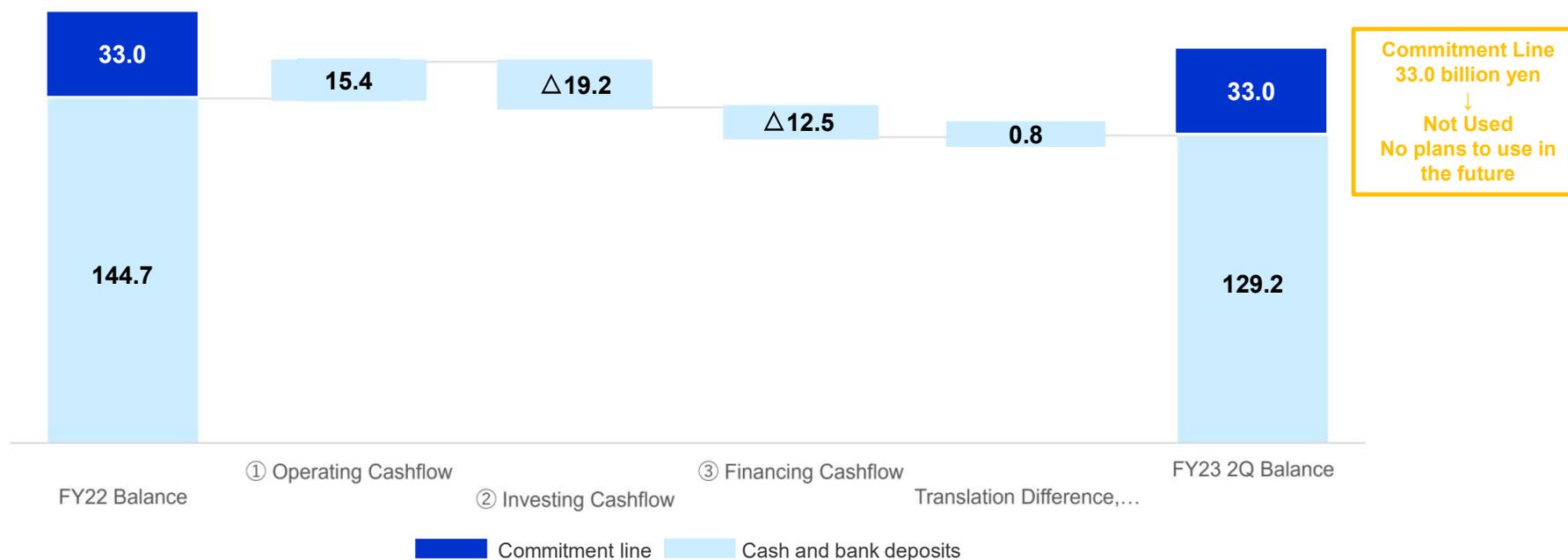


## [Supplementary Material] Trends in SG&A Expenses



## [Supplementary Material] Liquidity on Hand

(billion yen)



**Commitment Line**  
 33.0 billion yen  
 ↓  
**Not Used**  
 No plans to use in the future

### (1) Operating CF

Loss before income taxes △3.6  
 Depreciation and amortization 5.0  
 Increase in travel advance received 10.6

### (2) Investment CF

Payment to time deposits △15.3

### (3) Financing CF

Repayment of loans payable △10.8

# Future Initiatives

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# FY Oct 2023: Strategies for the 2H to Turn Profitable for the Full Year

FY2023

~ FY2025

## Pursuit of Purpose Management [To Unleash the "Excitement"]

### FY23 Consolidated Numbers: Turn Profitable for the Full Year

### To FY19 profit level in FY25

<b>Travel</b>	<p><b>Aiming for recovery to 70% of FY19 during the busy summer season</b></p> <ul style="list-style-type: none"> <li>International travel: Creating international travel demands for post-Covid-19</li> <li>Domestic travel: Promoting more online travel to improve profitability / strengthening travel at destinations</li> <li>Inbound travel to Japan: Strengthening FIT segment by collaborating with local governments</li> <li>Corporate Sales: Proposing new business travel and promoting BPO business</li> <li>Overseas subsidiaries/outbound: Improving efficiency and strengthening local markets</li> <li>Overseas subsidiaries/inbound: Preparing for market reopening and horizontal development of new business</li> </ul>
<b>Hotel</b>	Improving guest room rates through differentiation and reinforcing inbound travel
<b>Kyushu Sanko Group</b>	Further building up bus business and attracting more customers to commercial facilities
<b>Laguna Ten Bosch</b>	Maximizing performance during peak season
<b>Non-Travel</b>	<ul style="list-style-type: none"> <li>Expanding BPO business variation and developing joint business in corporate collaboration</li> <li>Evolution of new business</li> <li>Development of M&amp;A and investments</li> </ul>

**Maintaining a lean management structure and improving profitability**

**Pursuing efficiency and expense ratios**

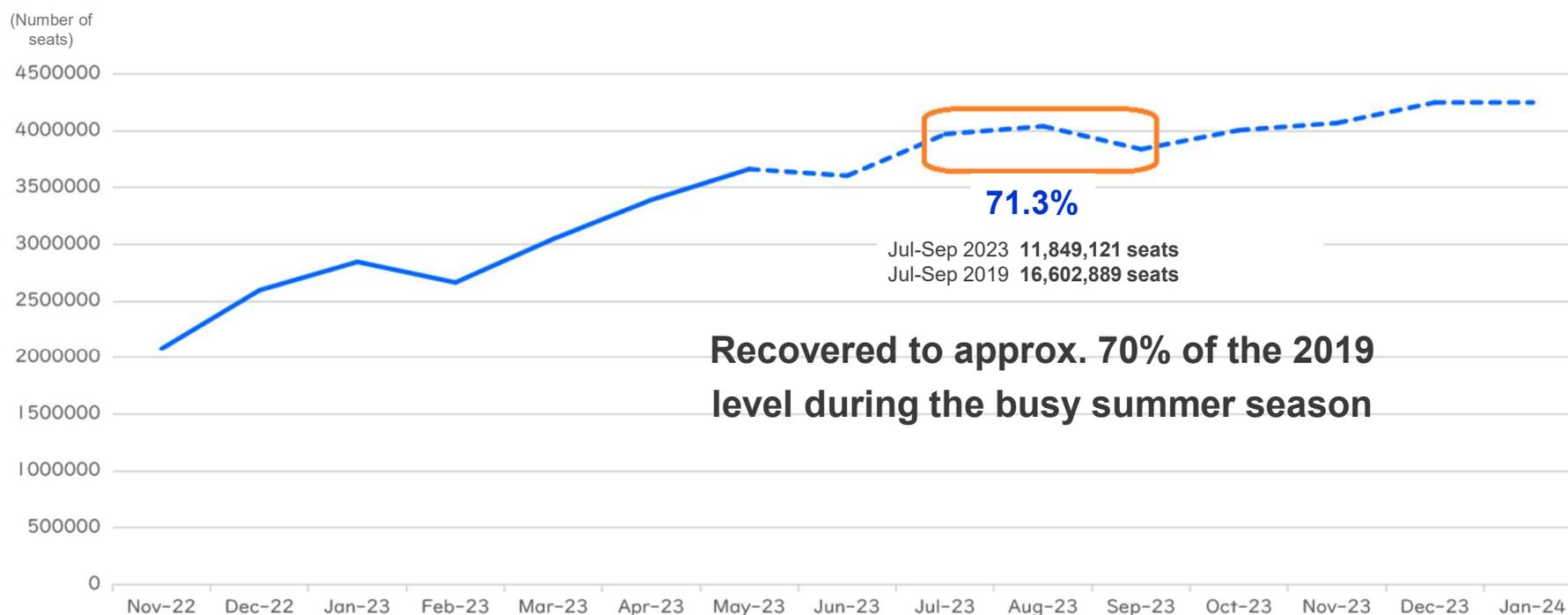
**Deepening DX, Developing IT infrastructure**

**Reducing interest-bearing debt, Improving capital adequacy ratio (to 15%)**

**Restructuring business portfolio, Investing in non-travel business**

# External Environments Surrounding H.I.S. Group

## Number of International Airline Seat Supply (Departing from Japan)



Source: CIRIUM (as of June 1, 2023)

— Nov 2022 - May 2023 Results    - - - Jun 2023 - Jan. 2024 Plan

\*Total number of seats on international flights departing from Japan for all airports and all airlines

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## Future Initiatives: Travel Business in Japan

### Strengthening Customer Attraction in Summer



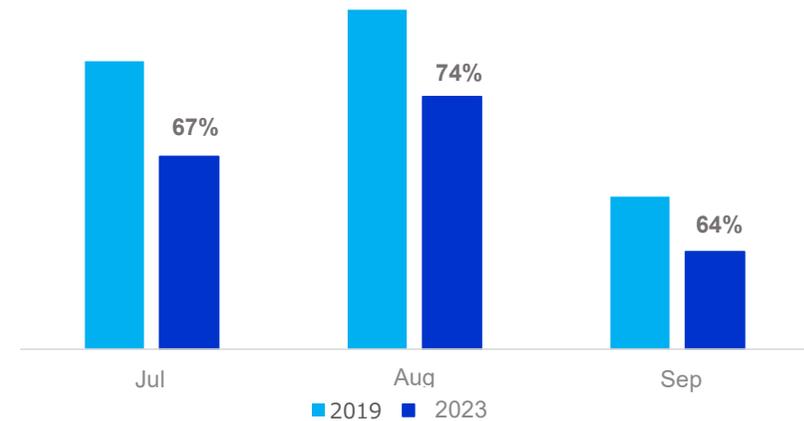
#### Summer sales season to be started earlier than usual

Following the current "Super Summer Sale", additional event has been determined to be held to attract more customers

#### Summer Booking Trends

### Jul – Sep 70%

Sales of international and domestic travel, as compared to the same month of 2019 (as of Jun 1)



## Future Initiatives: International Travel

### Creating Demands for Post-Covid-19 International Travel

**海外旅行**

お子さま・ハネムーン  
新規パスポート申請代金を  
**全額負担**

出発15日前まで  
FREE  
キャンセル料 **無料**

※お子さまは2023年7～9月出発のハネムーンは2023年12月出発まで対象。  
※お子さまは12歳未満の海外旅行代金の総額の50%以上を現金のハネムーン（成人様あたり）に適用となります。  
※お子さまは17歳未満に限ります。

※2023年7～9月出発限定。※お申し込みはツアーは限ります。

保険料1,500円でキャンセル料を最大10万円補償！

**キャンセルサポート**

日本初！自己都合によるキャンセルも補償するプレミアムプランも登場

#### Helping the international travel market recover through a variety of measures

##### ▽Paying the full cost of a new passport application

If a customer applies for an international tour during the Super Summer Sale period, the customer will be fully supported for the new application fee for children under the age of 12. Also, if a customer applies for an international honeymoon, cash back of up to 16,000 yen for one person's new acquisition / renewal fee is available.

##### ▽No cancellation fee until 15 days prior to departure

If a customer has applied for an international tour whose departure is from July to September and requests cancellation at least 15 days before departure, the customer's cancellation fee will be waived.

#### The first in Japan! Plans to compensate for cancellations due to customers' reasons are available!

In order to eliminate the anxiety of customers who hesitate to book travel due to the risk of cancellation due to sudden reasons such as COVID-19, the cancellation support service has been jointly renewed with Mitsui Sumitomo Insurance. "Basic Plan" and "Premium Plan" have been developed, including plans that compensate for cancellations due to customers' reasons.

## Future Initiatives: International Travel

### Revitalizing the Market and Maximizing Profits through Strengthening Summer Products



#### Popular Hawaii: Strengthening Customer Transfer

"Lucky Hawaii," which creates originality through product development with added value such as local support and selectable meals is developed.

In addition, H.I.S. sponsors the hula festival "E Hula My", which has been held in Hawaii every year, and will be held nationwide from July.



#### MSC Bellissima Charter Cruise

The largest ever cruise ship to/from Japan with 170,000-ton class. A super-large cruise ship newly built in 2019 is chartered jointly with Cruise Planet and Best One.com, to be implemented during the busy summer and Obon vacation periods, following GW, to revitalize the cruise market.

## Future Initiatives: Domestic Travel

### Enhancing Family Travel

国内旅行

**由** お子さまの急病による  
キャンセル料 **無料**

※2023年7～9月出発限定。※お子さまは12歳未満に限ります。

**🎁 ANA・JAL利用コースなら**  
お子さまは **1,000円引**

※2023年7～9月出発限定。※お子さまは3歳以上12歳未満に限ります。

#### Supporting family summer vacation travel

- **Free cancellation fee due to sudden illness of children**

If a customer under 12 years of age who will be participating in the travel becomes ill before departure on the day of the travel, and cancellation of travel is unavoidable, H.I.S. Group pays the cancellation fee.

- **1,000 yen discount for children on courses using Japanese airlines**

Only for children aged 3-11, if a customer applies for a domestic tour using ANA or JAL, the customer receives a 1,000 yen (per person) discount coupon for use for this travel



#### Developing special programs for family travel in cooperation with hotels

- **HIS x ANA Crowne Plaza Hotel Sapporo**

For children staying at the hotel, there is a Gacha system experience where they can win candies. Hotel meal sets and Seicomart coupons are also available.

- **HIS x ANA Intercontinental Manza Beach Resort**

H.I.S. original "Summer Exciting Candy Land" will be open for stays from July to September only.

## Future Initiatives: Domestic Travel

### Strengthening Customer Attractions for Okinawa and Hokkaido Tours in Summer

#### Okinawa

**"Okinawa Resort Shuttle" has been decided to be operated during the summer vacation**



In addition to resort shuttles connecting hotels in the Onna village area, Naha city and the airport, it also operates to the popular tourist destinations Okinawa Churaumi Aquarium and Chatan Mihama American Village. It solves the transportation and sightseeing means of customers due to the shortage of rental cars.

**"Miyakojima Bus Tour" Expanding new courses**



As a differentiation of the experience plan after landing, a bus tour that tours the 5 Miyako Islands (Miyako, Ikema, Irabu, Shimoji, and Kurima) and scenic spots such as Irabu Bridge in one day is developed. From July to October, the attraction of customers during the summer peak season is strengthened such as expanding new courses

#### Hokkaido

**Summer Vacation: Obon Departure  
Developing FDA charter flights from various locations in Japan to Obihiro (10 flights in total)**

\*Only the flight from Prefectural Nagoya Airport on Aug 8 is to Nakashibetsu



**H.I.S. Hokkaido Concierge resolves concerns at travel destinations**

A consultation counter will be set up in the arrival lobby on the 1st floor of the domestic terminal building at New Chitose Airport from July to September. The counter will support customers' stay in Hokkaido by providing local information and special coupons.

(\* ) Customers for domestic tours (tours using airplanes), domestic airline tickets + hotels (dynamic packages), domestic hotels, and domestic airline tickets planned and conducted by H.I.S. are eligible.

## Future Initiatives: Domestic Travel (Group Companies)



### Dynamic packages to attract more customers to/from regional areas

With regard to the mainstay airline products, the ability to capture customers from regional airports in particular is strengthened through the full-scale operation of dynamic packages. In addition, in preparation for the busy summer season, the event tour "Orion Thanksgiving", which was canceled due to the Covid-19 pandemic, will be resumed.



### Expanding HIS LeaLea shuttle bus and bus tour service area

Bus-based transportation and transportation solutions to the shortage of car rental

### Enhancing services at HIS LeaLea lounge

Along with the free rental of floats and beach goods, renting "Kariyushi Wear" made by processing sugar cane residue is started as an environmentally friendly initiative.



# Future Initiatives: Inbound Travel to Japan

## Strengthening Partnerships with Local Governments



An agreement to promote inbound tourism was signed with Kagoshima Prefecture on February 3, 2023

Initiatives to attract visitors to Japan with local governments, including Kagoshima Prefecture, Tottori Prefecture, and Yamagata City, with which H.I.S. Group has concluded partnership agreements to promote domestic and international tourism are further strengthened. H.I.S. Group supports the launch of two-way charter flights, etc., and serves as a foothold for revitalizing local airports and launching regular flights.

## Initiatives to Strengthen the FIT Market

Capturing global demands for B2C expansion.  
Implementing differentiated product creation.



(Example) Atami Marine Fireworks Festival Bus Tour  
Naniwa Yodogawa Fireworks Festival Bus Tour

Special seats are reserved and bus tours are held on a regular basis. H.I.S. Group also offers optional services such as yukata (light cotton kimono) rentals to create special tours that allow visitors to enjoy Japanese culture.

## “Tourist Information Center” Initiatives



At Harajuku TIC, approximately 20% of foreign visitors are Muslim travelers, mainly Indonesian and Malaysian nationals. In response to the needs of Muslim travelers, H.I.S. Group has expanded its business development to become a community platform for visitors to Japan, including the provision of a prayer hall and a new halal-certified products section.

Tourist Information Center is also scheduled to open in Kyoto this summer.

# Future Initiatives: Inbound Travel to Japan

## Resuming H.I.S. Group-organized tours, with strong sales of Mt. Fuji-related tours



After the relaxation of borderline control measures in October 2022, bookings for series tours and bus tours organized by H.I.S. Group have been strong. As the first cherry blossom season for foreigners visiting Japan in three years, bus tours that allow visitors to casually enjoy the cherry blossoms and Mt.Fuji are well accepted.

- Many group tours such as series tours and incentive tours mainly from Europe and the U.S. are accepted.
- H.I.S. Group-organized Mt.Fuji-related tours: H.I.S. and Japan Holiday Travel combined, 10 buses were organized during peak hours.

## Accelerating B2B business

Most recently, H.I.S. Group has acquired agreements with major agents in Thailand and Singapore. In order to acquire more new agents, H.I.S. Group promotes overseas REP business, etc. in cooperation with overseas subsidiaries and group companies.



## Strengthening promotions to revive the Chinese market



Japan Holiday Travel is currently disseminating “before travel” information through Chinese SNS.

H.I.S. Group continues promotion to increase awareness in preparation for the lifting of the ban on Chinese group travel. It is also used as a tool to identify customer demands.

## Future Initiatives: Corporate Business

### Proposing New Value for Group and Educational Travel

#### Proposing sustainable “New Company Trip”

In addition to conventional travel, H.I.S. Group offers stay plans that also focus on the environment and regions of the countries visited. Starting with Hawaii, the lineup has been expanded to include Singapore, Okinawa, and Hokkaido. With the re-opening of the group travel market, orders for company trip and business travel are growing, and the number of inquiries reached a record high in April, making full use of H.I.S. Group’s global network to attract more customers.



H.I.S. Group has been collaborating with a local non-profit organization "Genki Ala Wai Project" to participate in the activity of throwing mud balls into the Ala Wai Canal to remove pollutants from the soil and water.

### Promoting BPO Business

#### Outsourcing of municipal projects, including price inflation support

As a support project announced by the government in April for childcare support, tax-exempted resident support, and support for rising prices, the special benefit secretariat business for families raising children in Saitama City is outsourced to H.I.S. Group. In addition to the My Number card application business in the Saitama area, H.I.S. Group is working on projects that are trending in the government and local governments, such as EV subsidy reception examination management.

#### Outsourcing of Tokyo Metropolitan Government related projects

The Tokyo Metropolitan Government, as part of its efforts to promote the creation of a mutual aid society, has outsourced a comprehensive contract for the operation of the Tokyo Volunteer Legacy Network and the development of events and seminars related to the establishment of a volunteer culture, including offline and online seminars as well as the design, printing, and shipping of accompanying production materials.

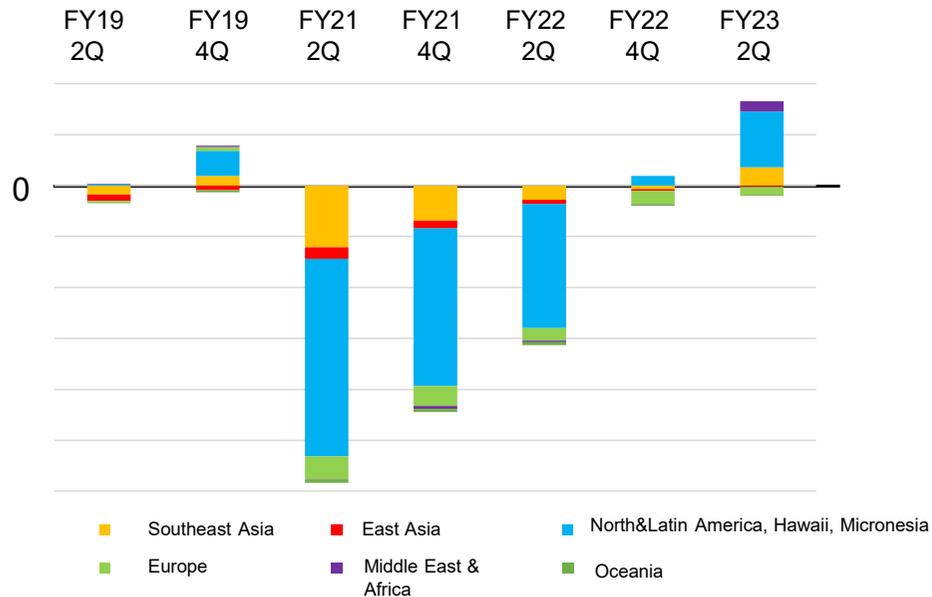
#### Aichi Prefecture: Outsourcing of Overseas Tourism Rep Business [Indonesia & Vietnam]

As Aichi Prefecture's overseas tourism representative, H.I.S. Group collects and analyzes market trends and needs, and conduct detailed promotions throughout the year according to the market characteristics of each country from a local perspective, in order to further improve the name recognition of Aichi Prefecture and promote the attraction of visitors.

# Future Initiatives: Travel Business of Overseas Subsidiaries/Branches

## Success in Capturing European and U.S. Markets by Acquired Subsidiaries, Driving H.I.S. Group's Travel Business Overseas

Overseas Outbound Business: Operating Profit Trends



### Profitability through outbound business

Acquired Canadian subsidiaries drive the local market. H.I.S. overseas branches continue to promote thorough efficiency and branch consolidation to further improve profitability in the overseas outbound business.



### Accelerating consolidation of operations into shared service centers

Local operations in Hawaii, Guam, Thailand, Singapore, etc. are consolidated into the shared service center in Manila, Philippines, which has a staff of approximately 200+. Profit centers and cost centers are clarified, and each overseas branch focuses on purchasing travel products and customer care.

## Future Initiatives: Travel Business of Overseas Subsidiaries/Branches

### Horizontal Development of Non-Travel Business



#### Acquiring comprehensive medical and welfare school in Canada

The Canadian College Group, which operates as H.I.S. Group's education business, acquired Stenberg College, a vocational training school specializing in comprehensive medical and welfare service programs, aiming for new corporate growth along with market expansion.



#### Japanese restaurant "UKA" opens in Hollywood

In June 2023, a Japanese kaiseki restaurant "UKA" opens at Japan House, which promotes the appeal of Japanese culture in Hollywood. Under the supervision of a Japanese veteran chef, the restaurant offers a sophisticated Japanese dining experience.

## Future Initiatives: Hotel Business

### Improving Guest Room Rates through Differentiation to be Chosen by Customers and Reinforcing Inbound Travel

Nationwide development of differentiated content



Picture Image of Henn na Hotel Kyoto Hachijoguchi Ekimae

Starting offer of "ReFa Room", where customers can experience and purchase products

ReFa Rooms, featuring products from the popular ReFa beauty brand, are developed at five hotels in Japan. The rooms are equipped with ReFa showerheads, hair dryers, hair irons, LED-lit three-sided mirrors, and C.O. Bigelow or Sekkisei skincare sets. It offers a fulfilling hotel stay that focuses on "beauty".

Strengthen inbound business in line with full-scale recovery



Picture Image of Henn na Hotel Kanazawa / Multilingual panel

In addition to strengthening sales to overseas agents, promotion to overseas reservation sites is strengthened to strengthen its response to inbound tourism, which is in the midst of a full-fledged recovery

## Future Initiatives: Kyushu Sanko Group

### Further Building Up Bus Business and Strengthening the Ability to Attract Customers to the Commercial Facility



#### Increasing airport limousine bus service

In the company's core "bus" business, it increases the number of airport limousine buses and raises prices in anticipation of a recovery in travel demands. Improvement of customer convenience and increased revenue are expected.



#### Strengthening retail business toward the resumption of full-scale human flow

In order to maximize customer attraction and sales in the service area, Aso Kumamoto Airport, Kumamoto castle town commercial facilities, etc., the company reviews and renews the sales floors and products of each store. In addition, the number of staff is increased in order to respond to the increase in the number of customers.

## Future Initiatives: Laguna Ten Bosch and HS Insurance



### Starting swimming pool operation earlier than usual

In addition to a total of six pools for adults and children to enjoy, including one of the tallest wave pools in Japan, "Jura Summer 2023" this year will feature a dinosaur mist maze and other attractions.



### Popular anime "Demon Slayer" tie-up event

In addition to attractions that allow visitors to experience the world of the anime "Demon Slayer", collaboration menus and original goods are available.



### Starting sales of "FIT Overseas Travel Insurance "

Under the new family plan, applicants can apply regardless of marital or blood relationship.

Not only is the product content designed with diversity in mind, but also the procedures are paperless.

Digitalization is promoted, such as LINE support, issuing insurance certificates, English certificates, and receipts from My Page.

## Future Initiatives: SYS/HIS Mobile



### Expanding support for direct sales of lodging facilities

OPTIMA, a direct sales reservation system that maximizes direct sales of lodging facilities is provided. New functions are continuously developed, focusing on expanding the number of contracted facilities as well as evolving the product.



### New domestic low-cost SIM plans at 30% lower price than major carriers

The company offers the lowest price “Freedom Super Plan” with the same specs as the Internet-only plan developed by major carriers to which customers switch plans (5G compatible, free domestic calls up to 5 minutes, 20GB data capacity)

## Financial Forecasts

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As the economy moves toward economic activity under “With Covid-19”, H.I.S. Group’s business is seeing a recovery in demands. However, it is expected that H.I.S. Group’s business activities will continue to be affected by external factors such as geopolitical risks associated with the situation in Ukraine, exchange rate fluctuations, rising prices, and labor shortages.

In H.I.S. Group’s mainstay international travel business, the impact of the busy summer season in the fourth quarter is significant, and at this point it is still difficult to forecast demands. Therefore, H.I.S. Group has not yet determined its consolidated financial forecasts for the fiscal year ending October 31, 2023.

H.I.S. Group will promptly announce financial forecasts as soon as calculation of reasonable financial forecasts are available.

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