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Consolidated Financial Results for the Nine Months Ended July 31, 2026 (Under Japanese GAAP)

September 11, 2026

Company name H.I.S. Co., Ltd.
Listing Tokyo Stock Exchange
Securities code 9603
URL https://www.his.co.jp/
Representative (Title) President and Representative Director (Name) Sawada Hidetaka
Inquiries (Title) Executive Officer, General Manager of (Name) Hanazaki Osamu
 Accounting and Finance Headquarters
Tel. +81-50-1746-4188
Dividend payable date (as planned) —
Supplemental material of results : Yes
Convening briefing of results : Yes (For institutional investors)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the nine months ended July 31, 2026 (from November 1, 2025 to July 31, 2026)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended July 31, 2026	279,300	4.9	5,132	(18.1)	4,605	(23.8)	(4,990)	—
July 31, 2025	266,324	12.2	6,265	20.4	6,046	16.1	1,782	(50.2)

Note: Nine months ended -349 million yen (—) Nine months ended -1,695 million yen (—)
Comprehensive income July 31, 2026

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended July 31, 2026	(66.76)	—
July 31, 2025	23.86	23.79

(2) Consolidated financial position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of July 31, 2026	404,056	66,004	13.3	716.65
October 31, 2025	386,330	67,205	14.4	743.26

Reference:Owner's equity As of July 31, 2026 53,580 million yen As of October 31, 2025 55,549 million yen

2. Cash dividends

	Annual dividend				
	First quarter	Second quarter	Third quarter	Year end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended October 31, 2025	—	10.00	—	10.00	20.00
Fiscal year ending October 31, 2026	—	0.00	—		
Fiscal year ending October 31, 2026 (Forecast)				25.00	25.00

Note:Revisions to the forecast of cash dividends most recently announced : None

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

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending October 31, 2026	395,000	5.9	12,000	3.2	11,500	1.0	(1,000)	—	(13.38)

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

* Notes

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

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

Excluded: 1 company (Company name) hapi-robo st, Inc.

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

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

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

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

(iii) Changes in accounting estimates : None

(iv) Restatement : None

(4) Number of issued shares (common shares)

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

(ii) Number of treasury stock at the period end

(iii) Average number of shares

As of July 31, 2026	79,860,936 shares	As of October 31, 2025	79,860,936 shares
As of July 31, 2026	5,096,131 shares	As of October 31, 2025	5,123,480 shares
Nine months ended July 31, 2026	74,753,903 shares	Nine months ended July 31, 2025	74,728,227 shares

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

* Proper use of earnings forecasts, and other special matters

The above forecasts are based on the information available as of the date of announcement of these materials and make assumptions as of the date of announcement of these materials about uncertain factors affecting future business performance.

Actual results may vary greatly depending on various factors.

1. Overview of business results

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

During the first nine months of the current consolidated fiscal year, the business environment continued to show signs of a gradual economic recovery, driven in part by improvements in employment and income as well as the effects of government policies. At the same time, however, the external environment remained uncertain, requiring close attention to the impact of the situation in the Middle East as well as fluctuations in financial and capital markets.

In the travel market, while the number of international visitors to Japan was affected by a significant decline in visitors from China and other factors, it remained at a record high overall, supported by robust demand from other regions. The number of international visitors to Japan during the first nine months of the current consolidated fiscal year totaled 31.66 million, 100.1% of the level for the same period in the previous fiscal year. On the other hand, for outbound travel, the number of Japanese travelers going overseas was only 10.76 million, 105.8% of the level for the same period in the previous fiscal year, weighed down by the continuing yen depreciation, soaring fuel surcharges, and a decline in demand for certain destinations due to tensions in the Middle East. This figure is 74.2% of the level for the same period of 2019, prior to the COVID-19 pandemic. Outbound travel continues to show only a gradual recovery. (Source: Japan National Tourism Organization (JNTO))

Under these conditions, we worked to promote business under the banner of "unleash your feeling KOKORO ODORU, (Let Your Heart Dance)" the HIS Group Purpose, in order to achieve sustainable growth for the whole group by expanding our wide range of businesses, primarily travel.

Segment results for the first nine months of the current consolidated fiscal year are as follows. Also, the amount for each segment is the amount before inter-segment transactions elimination.

(Travel business)

In the overseas travel business, factors such as the ongoing weakening of the yen, soaring fuel surcharges, as well as the cancellation of some tours and a slowdown in booking pace due to the escalating tensions in the Middle East continued to weigh on earnings. Against this backdrop, we launched promotions such as "Super Summer Sale! 2026" to stimulate travel demand during the summer vacation season, which is the busiest time of the year for travel. We offer a diverse lineup ranging from price-conscious LCC options to high-value-added products, striving to meet the varied needs of our customers. By destination, while figures were lower than for the previous year for Guam, where the recovery in leisure demand has been slow, and the Middle East, where the situation continues to deteriorate, Hawaii maintained steady demand. Additionally, South Korea, which was less affected by soaring fuel prices, Vietnam, where the impact of rising prices remained relatively mild, and Australia, where LCC tours performed well, all helped underpin overall performance. In addition, on long-haul routes, we captured demand for high-value-added products such as business class on routes to Europe, as well as demand associated with international soccer tournaments on routes to North, Central, and South America.

In the domestic travel business, large-scale sales promotions, the distribution of various coupons, and collaborative initiatives with car rental companies proved effective, leading to steady performance, particularly in package tours. By region Okinawa, where the rainy season ended early, and Kyushu, which benefited from accommodation campaigns, drove customer traffic with strong sales. In addition, seasonal bus tours gained popularity and helped underpin overall performance. On the other hand, last-minute demand temporarily stagnated due to inclement weather caused by an approaching typhoon, and a decline in the Kansai region as a reaction to the previous year's exceptional demand—weighed on results, leading to figures slightly below the previous year's levels. Furthermore, as a Platinum Partner in the project to build momentum for GREEN×EXPO 2027, we are gradually strengthening our efforts to drive visitor traffic, including the launch of admission ticket sales in April.

In the inbound travel business, performance remained solid, driven not only by robust demand from Europe and North America—our core markets—but also by seasonal demand related to summer festivals and fireworks displays. In the group travel sector, the core North American market drove overall sales. In May, we set a new record for the number of guests in a single month and also captured significant incentive travel demand from Asia. In the European market, although some impact was seen from the situation in the Middle East, we achieved a record-high transaction volume in July through such measures as expanding our lineup of high-value-added products. In the individual travel segment, we worked to strengthen our customer base by developing community-based tours targeting the Taiwan and Southeast Asian markets and through mileage partnership programs. On the other hand, downward pressure came from stagnation in the Chinese market, reduced numbers of flights on those routes, and the scaling back of some tours due to soaring fuel surcharges.

In the corporate travel business, orders expanded steadily as contract projects for government agencies and local governments increased in scale and sophistication. On the other hand, in the MICE business, profits were partially impacted by factors such as soaring costs due to exchange rate fluctuation. Amid these circumstances, we focused on building new revenue bases. For example, in the education business, we concluded a service contract with NCN Institute and launched the

industry's first initiative to support students' admission to U.S. universities.

In the travel business of overseas subsidiaries, although we were affected by the escalating tensions in the Middle East, performance remained generally strong thanks to the expansion of our global supply network and the flexible rollout of new products. In the inbound tourism business, robust demand primarily for Europe and beach destinations such as Hawaii and Guam drove overall performance, maintaining solid results that exceeded those of the same period last year. Contributing factors included the expansion of student tours departing from Japan to Europe, the operation of charter flights to Guam, and the acquisition of educational travel and MICE projects. From March onward, although a temporary slowdown was observed, primarily at our European subsidiaries, due to escalating tensions in the Middle East and airspace restrictions, overall performance was supported by expanded sales of multi-destination tours in Oceania and Southeast Asia, as well as by capturing demand for sports spectator travel in the United States. In the outbound travel business, results for the first nine months of the current consolidated fiscal year fell short of the same period in the previous fiscal year due to the continuing impact of the business downsizing at our Turkish subsidiary, which was part of the business restructuring implemented in previous fiscal years. On the other hand, in Canada, which is one of our key markets, performance remained solid as sluggish demand for trips to the U.S. was offset by our offerings for trips to the Caribbean and Europe. Additionally, our subsidiaries in Asia (including Thailand and Indonesia) and Europe (including France) worked to secure business travel arrangements and MICE projects. In the most recent third quarter, our efforts to capture this B2B demand and other opportunities proved successful, and we showed signs of recovery, with results rebounding to levels exceeding those of the previous year.

The number of sales branches of the Group is 149 in Japan and 133 in 101 cities in 52 countries overseas (as of the end of July 2026).

As a result of the above, net sales for the first nine months of the current consolidated fiscal year were 228,496 million yen (104.3% year on year), operating profit was 2,835 million yen (59.9% year on year), and EBITDA was 6,047 million yen (78.0% year on year).

(Hotel business)

In the hotel business, despite changes in the external environment, such as the deterioration of the situation in the Middle East, the segment as a whole maintained growth in both revenue and profit, driven by steady performance at domestic hotels and improved results in Turkey, where an operating loss had been recorded in the first half of the previous fiscal year due to preparations for the start of operations. For domestic hotels, we secured revenue growth by increasing the proportion of bookings made through our own website and expanding a diverse range of collaboration rooms in partnership with corporations and local communities. However, average room rates were impacted by the decline in inbound tourism from China due to deteriorating Japan-China relations, as well as price competition in the market aimed at attracting domestic guests. The result was a slowdown from the high growth trajectory seen through the first half of the fiscal year. For overseas hotels, we worked to steadily capture demand in markets such as Taiwan and South Korea. However in Guam, performance was impacted by sluggish leisure demand, a temporary decline in demand following the landfall of a major typhoon, and the incurrence of facility repair costs. Furthermore, while performance in Turkey and Uzbekistan fell short of plans due to factors such as heightened tensions in the surrounding region, in Turkey we managed to offset the deteriorating external environment by actively working to generate demand, including by shifting toward sales to the domestic market, and recovered to a level significantly higher than the same period of the previous year.

As a result of the above, net sales for the first nine months of the current consolidated fiscal year were 20,632 million yen (109.5% year on year), operating profit was 3,413 million yen (114.6% year on year), and EBITDA was 6,524 million yen (108.5% year on year).

(Kyushu Sanko Group)

The Kyushu Sanko Group not only continued to benefit from the ongoing revitalization of the regional economy driven by the expansion into the area by companies such as Taiwan Semiconductor Manufacturing Company (TSMC) but also successfully capitalized on robust tourism demand from both domestic and international markets. In the bus business, performance was driven by the positive impact of fare revisions for regular routes and airport limousine buses, a recovery in passenger numbers, and improved utilization rates for charter buses. In the food and retail business, special fairs held at the Kumamoto Shunsaikan as part of the "Kumamoto: New Discoveries and Rediscoveries Project", a 10-year initiative for recovery from the Kumamoto Earthquake, as well as collaborative projects with Ajisen Ramen were well received. In the real estate business as well, we actively hosted events such as the Taiwan Festival and collaborated with popular anime series at the SAKURA MACHI Kumamoto large-scale mixed-use complex and strove to maintain and increase both visitor traffic and profitability.

As a result of the above, net sales for the first nine months of the current consolidated fiscal year were 20,108 million yen (106.4% year on year), operating profit was 732 million yen (118.3% year on year), and EBITDA was 2,062 million yen (108.2% year on year).

Because of the above segment results, consolidated business performance for the Group through the first nine months of the current consolidated fiscal year was as follows: net sales of 279,300 million yen (104.9% year on year), and operating profit of 5,132 million yen (81.9% year on year), ordinary profit was 4,605 million yen (76.2% year on year), and loss attributable to owners of parent was 4,990 million yen. (Profit attributable to owners of parent in the same period of the previous fiscal year was 1,782 million yen.)

(2) Overview of financial position during the quarter

Total assets at the end of the first nine months of the current consolidated fiscal year increased 17,725 million yen from the end of the previous consolidated fiscal year to 404,056 million yen. This was primarily due to a decrease in guarantee deposits (down 2,435 million yen from the end of the previous consolidated fiscal year) and despite an increase in travel advance payments (up 9,313 million yen), an increase in notes and accounts receivable - trade, and contract assets (up 3,654 million yen), and an increase in cash and deposits (up 2,954 million yen).

Liabilities at the end of the first nine months of the current consolidated fiscal year increased 18,926 million yen from the end of the previous consolidated fiscal year to 338,052 million yen. This was mainly due to a decrease in trade accounts payable (down 2,900 million yen from the end of the previous consolidated fiscal year), a decrease in deposits received of subsidy (down 1,125 million yen), and a decrease in provision for bonuses (down 1,109 million yen) and despite an increase in travel advance received (up 21,584 million yen) and an increase in accounts payable - other (up 2,548 million yen).

Net assets at the end of the first nine months of the current consolidated fiscal year decreased 1,200 million yen compared to the end of the previous fiscal year to 66,004 million yen. This was primarily due to an increase in foreign currency translation adjustment (up 4,031 million yen from the end of the previous consolidated fiscal year), an increase in non-controlling interests (up 636 million yen), offset by a decrease in retained earnings (down 5,738 million yen) resulting from the recognition of a loss attributable to owners of parent, among other factors.

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

There have been no revisions to the consolidated financial forecasts for the fiscal year ending October 2026 announced in the Consolidated Financial Results released on June 12, 2026.

2. Quarterly consolidated financial statements and main notes

(1) Quarterly consolidated balance sheet

(Millions of yen)

	As of October 31, 2025	As of July 31, 2026
Assets		
Current assets		
Cash and deposits	113,932	116,887
Notes and accounts receivable - trade, and contract assets	27,581	31,235
Trade accounts receivable	798	486
Securities	0	10
Travel advance payments	12,610	21,924
Prepaid expenses	2,577	3,127
Short-term loans receivable	173	178
Short-term loans receivable from subsidiaries and associates	75	118
Accounts receivable - other	17,935	17,495
Other	6,420	7,425
Allowance for doubtful accounts	(1,717)	(1,857)
Total current assets	180,388	197,033
Non-current assets		
Property, plant and equipment		
Buildings, net	73,197	72,980
Tools, furniture and fixtures, net	2,464	2,854
Land	70,798	71,582
Leased assets, net	11,258	10,590
Construction in progress	82	485
Other, net	1,901	2,188
Total property, plant and equipment	159,703	160,680
Intangible assets		
Goodwill	1,655	1,872
Other	12,795	13,609
Total intangible assets	14,451	15,482
Investments and other assets		
Investment securities	2,776	3,095
Shares of subsidiaries and associates	3,834	4,037
Investments in capital of subsidiaries and associates	71	108
Long-term loans receivable from subsidiaries and associates	541	643
Retirement benefit asset	1,209	1,203
Deferred tax assets	9,976	10,088
Guarantee deposits	9,818	7,383
Other	4,016	4,656
Allowance for doubtful accounts	(506)	(405)
Total investments and other assets	31,739	30,810
Total non-current assets	205,893	206,973
Deferred assets	49	49
Total assets	386,330	404,056

(Millions of yen)

	As of October 31, 2025	As of July 31, 2026
Liabilities		
Current liabilities		
Trade accounts payable	15,683	12,782
Short-term borrowings	8,698	43,852
Current portion of bonds payable	—	5,000
Current portion of long-term borrowings	105,607	65,558
Accounts payable - other	19,801	22,349
Accrued expenses	5,140	5,444
Income taxes payable	1,600	2,559
Accrued consumption taxes	1,287	943
Travel advance received	43,193	64,777
Deposits received of subsidy	1,125	—
Lease liabilities	2,740	2,949
Provision for bonuses	5,522	4,412
Provision for bonuses for directors (and other officers)	251	128
Provision for loss on business liquidation	232	—
Other	31,623	32,132
Total current liabilities	242,507	262,892
Non-current liabilities		
Bonds payable	5,000	—
Long-term borrowings	47,235	51,313
Deferred tax liabilities	3,576	3,310
Retirement benefit liability	6,026	6,218
Provision for retirement benefits for directors (and other officers)	504	488
Lease liabilities	9,791	9,024
Other	4,483	4,804
Total non-current liabilities	76,618	75,160
Total liabilities	319,125	338,052
Net assets		
Shareholders' equity		
Share capital	100	100
Capital surplus	28,372	28,320
Retained earnings	28,137	22,399
Treasury shares	(12,981)	(12,912)
Total shareholders' equity	43,627	37,907
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(100)	(138)
Deferred gains or losses on hedges	91	14
Foreign currency translation adjustment	11,502	15,533
Remeasurements of defined benefit plans	428	263
Total accumulated other comprehensive income	11,921	15,672
Share acquisition rights	292	423
Non-controlling interests	11,363	12,000
Total net assets	67,205	66,004
Total liabilities and net assets	386,330	404,056

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

(Millions of yen)

	Nine months ended July 31, 2025	Nine months ended July 31, 2026
Net sales	266,324	279,300
Cost of sales	180,692	192,419
Gross profit	85,631	86,880
Selling, general and administrative expenses	79,366	81,748
Operating profit	6,265	5,132
Non-operating income		
Interest income	949	826
Dividend income	287	777
Subsidy income	938	157
Other	592	526
Total non-operating income	2,768	2,288
Non-operating expenses		
Interest expenses	1,493	1,650
Foreign exchange losses	380	307
Other	1,114	857
Total non-operating expenses	2,987	2,815
Ordinary profit	6,046	4,605
Extraordinary income		
Gain on sale of shares of subsidiaries and associates	100	7
Gain on reversal of share acquisition rights	165	—
Gain on reversal of provision incurred from deposits received of subsidy	181	199
Total extraordinary income	447	207
Extraordinary losses		
Loss on sale of shares of subsidiaries and associates	—	45
Impairment losses	161	127
Loss on liquidation of business	435	—
Loss on cancellation of leases	—	5,941
Provision for loss on business liquidation	1,077	—
Total extraordinary losses	1,674	6,115
Profit (loss) before income taxes	4,819	(1,302)
Income taxes	2,374	2,899
Profit (loss)	2,445	(4,201)
Profit attributable to non-controlling interests	662	788
Profit (loss) attributable to owners of parent	1,782	(4,990)

(Quarterly consolidated comprehensive income statement)

(Millions of yen)

	Nine months ended July 31, 2025	Nine months ended July 31, 2026
Profit (loss)	2,445	(4,201)
Other comprehensive income		
Valuation difference on available-for-sale securities	(98)	(41)
Deferred gains or losses on hedges	(21)	(76)
Foreign currency translation adjustment	(3,868)	4,133
Remeasurements of defined benefit plans, net of tax	(160)	(166)
Share of other comprehensive income of entities accounted for using equity method	7	3
Total other comprehensive income	(4,141)	3,852
Comprehensive income	(1,695)	(349)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(2,178)	(1,239)
Comprehensive income attributable to non-controlling interests	482	890

(Notes to Segment Information)

[Segment information]

I. Nine months ended July31, 2025 (from November 1, 2024 to July 31, 2025)

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

(Millions of yen)

	Reporting segment				Other (Note 1)	Total	Adjustments (Note 2)	Amount on consolidated financial statements (Note 3)
	Travel business	Hotel business	Kyushu Sanko Group	Total				
Net sales								
Sales to external customers	218,292	18,448	18,888	255,629	10,694	266,324	0	266,324
Intersegment sales/transfers	865	386	12	1,264	1,914	3,179	(3,179)	—
Total	219,158	18,835	18,901	256,894	12,608	269,503	(3,178)	266,324
Segment profit	4,731	2,977	619	8,328	189	8,518	(2,253)	6,265

Notes 1. The "Other" category is a business segment that is not included in any reporting segment. It includes segments as follows: Theme Park business, Non-life Insurance business and Real Estate business.

2. The segment profit adjustment of - 2,253 million yen represents company-wide expenses not allocated to any reporting segment. It mainly comprises expenses related to the parent company's headquarter administration that do not belong to a reporting segment.

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

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

(Millions of yen)

	Travel business	Hotel business	Kyushu Sanko Group	Other	Total
Segment profit	4,731	2,977	619	189	8,518
Depreciation and goodwill amortization	3,021	3,034	1,286	428	7,770
EBITDA(*)	7,753	6,011	1,906	618	16,289

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

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

(Significant impairment loss on non-current assets)

There is no significant impairment loss.

(Significant change in the amount of goodwill)

There were no significant changes.

(Significant gain on negative goodwill)

None

II. Nine months ended July 31, 2026 (from November 1, 2025 to July 31, 2026)

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

(Millions of yen)

	Reporting segment				Other (Note 1)	Total	Adjustments (Note 2)	Amount on consolidated financial statements (Note 3)
	Travel business	Hotel business	Kyushu Sanko Group	Total				
Net sales								
Sales to external customers	227,670	20,287	20,084	268,042	11,258	279,300	0	279,300
Intersegment sales/transfers	826	344	24	1,195	1,871	3,067	(3,067)	—
Total	228,496	20,632	20,108	269,237	13,129	282,367	(3,066)	279,300
Segment profit	2,835	3,413	732	6,981	242	7,223	(2,091)	5,132

Notes 1. The "Other" category is a business segment that is not included in any reporting segment. It includes segments as follows: Theme Park business, Non-life Insurance business and Real Estate business.

2. The segment profit adjustment of - 2,091 million yen represents company-wide expenses not allocated to any reporting segment. It mainly comprises expenses related to the parent company's headquarter administration that do not belong to a reporting segment.

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

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

(Millions of yen)

	Travel business	Hotel business	Kyushu Sanko Group	Other	Total
Segment profit	2,835	3,413	732	242	7,223
Depreciation and goodwill amortization	3,212	3,110	1,329	529	8,182
EBITDA(*)	6,047	6,524	2,062	772	15,406

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

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

(Significant impairment loss on non-current assets)

There is no significant impairment loss.

(Significant change in the amount of goodwill)

There were no significant changes.

(Significant gain on negative goodwill)

None