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Consolidated Financial Results for the Six Months Ended April 30, 2026 (Under Japanese GAAP)

June 12, 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 Accounting and Finance Headquarters	(Name)	Hanazaki Osamu
Tel.	+81-50-1746-4188			

Semi-annual statement filing date (as planned) June 12, 2026
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 six months ended April 30, 2026 (from November 1, 2025 to April 30, 2026)

(1) Consolidated operating results (cumulative) (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
April 30, 2026	193,132	6.5	6,448	(4.1)	6,197	(9.9)	3,000	(21.0)
April 30, 2025	181,313	12.7	6,721	21.6	6,881	17.8	3,798	4.1

Note: Comprehensive income Six months ended April 30, 2026 5,947 million yen (45.1%) Six months ended April 30, 2025 4,099 million yen (-23.9%)

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
April 30, 2026	40.14	─
April 30, 2025	50.84	47.90

(2) Consolidated financial position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
April 30, 2026	403,879	72,368	14.8	801.32
October 31, 2025	386,330	67,205	14.4	743.26

Reference:Owner's equity As of April 30, 2026 59,910 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 : Yes

For details regarding the revision of the consolidated performance forecast, please refer to the "Notice of Recording of Extraordinary Loss (Loss on Cancellation of Lease) and Revision of Consolidated Financial Forecast for the Fiscal Year Ending October 31, 2026"

* 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 semi-annual consolidated financial statements : Yes

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

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

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

(iii) Changes in accounting estimates : None

(iv) Restatement : None

(4) Number of issued shares (common shares)

(i) Number of issued and outstanding shares at the period end (including treasury stock)	As of April 30, 2026	79,860,936 shares	As of October 31, 2025	79,860,936 shares
(ii) Number of treasury stock at the period end	As of April 30, 2026	5,096,040 shares	As of October 31, 2025	5,123,480 shares
(iii) Average number of shares	Six months ended April 30, 2026	74,749,205 shares	Six months ended April 30, 2025	74,724,272 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* 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 current half year

During the first six months of the current consolidated fiscal year, the business environment continued to require close attention to uncertainties outside of Japan, including developments in the Middle East, volatility in financial and capital markets, and U.S. trade policy. At the same time, the economy remained on a gradual recovery track due to improved employment and income environment and the effects of various policies.

The travel market continued to see robust demand, with the number of visitors to Japan reaching a record high. During the first six months of the current consolidated fiscal year, the number of visitors to Japan remained high, reaching 21.51 million, 101.8% the number for the same period of the previous fiscal year. This was despite changes in the external environment, such as fewer flights due to the deterioration in Japan-China relations and the situation in the Middle East. Meanwhile, despite headwinds such as higher prices at destination countries, the continuing weakness of the yen, and soaring fuel surcharges, the number of Japanese outbound travelers showed a steady recovery and reached 7.35 million, 107.6% the number for the same period of the previous fiscal year. (Source: Japan National Tourism Organization) (JNTO)

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

Segment results are as follows. Also, the amount for each segment is the amount before intersegment transactions elimination.

(Travel business)

In the overseas travel business, we strengthened our collaboration with national tourism boards in countries such as South Korea and Singapore, and launched various promotional campaigns aimed at steadily generating and capturing demand. In addition to demand from students during spring break, there was strong demand for travel to South Korea and Guam, popular destinations for family trips. However, for destinations in Europe, the Middle East, and Africa, earnings were weighed down by the cancellation of tours incorporating connecting flights via the Middle East due to the strained situation in the region, lackluster new bookings, and other developments. With continuing yen weakness and higher prices overseas, we strove to minimize lost opportunities by ensuring that we captured last-minute demand for air ticket bookings before the fuel surcharge increase.

In the domestic travel business, we sought to differentiate ourselves from competitors and further stimulate domestic travel demand by introducing new original sightseeing bus tour packages in Hokkaido and Miyakojima. We also strengthened our collaboration with the group company Southwing Co., Ltd., which operates five souvenir shops on Kokusai Street in Okinawa, and distributed coupons to tour participants. These initiatives contributed to generating synergies within the group, including boosting earnings. Destinations in Okinawa and Kyushu, which are effective for capturing demand for graduation trips and spring break travel, drove overall sales while sales of bus tours that leverage season factors and new plans were also strong.

In the inbound travel business, results were solid as we appropriately capitalized on seasonal trends, including strong demand for not only winter offerings but also travel during peak cherry blossom viewing period in March and April. Group tours from Europe and North America, particularly North America, drove overall growth. Furthermore, the introduction of a larger lineup of high-value-added products resulted in the Japan Inbound Travel Sales Division achieving record monthly net sales in March. As for individual travel, our strategic shift toward the Taiwanese and Southeast Asian markets bore fruit, with strong online sales and sales of day-trip bus tours in various regions of Japan. On the other hand, the stagnant Chinese market and impact of a decline in visitors from Europe due to tension in the Middle East weighed down earnings.

In the corporate travel business, there was steady growth in orders as government agencies and local authorities awarded larger and more complex contracts. We also strove to acquire new major clients in the business travel management (BTM) field and improve operational efficiency through the promotion of an AI transformation (AX). As for diversifying earnings sources and increasing customer contact points, we posted strong exports of matcha and rice for the export business. We also promoted the use of unique content, such as hosting “JAPAN DAY” through our partnership with Tottenham Hotspur FC. We focused on building an earnings base for the future by strengthening these non-travel areas and engaging with fans in our sports business.

In the overseas travel business, performance remained generally strong during the first six months of the current consolidated fiscal year, which included the peak season for the fiscal year, as a result of expanding our global supply network and flexibly rolling out new products. In the inbound (incoming travel) tourism business, visitors from throughout the world, particularly Europe, continued to be a strong driver of earnings. In addition to strengthening our growth foundation through a strategic alliance with South Korea–based HANATOUR SERVICE INC., we recorded firm results for beach-related tourism thanks to large-scale events in Hawaii and the use of charter flights to Guam. We also steadily captured winter leisure demand in Canada and successfully secured a wide range of orders for educational travel and MICE events worldwide. In the outbound (outgoing travel) business, Canada, our main base, continued to post solid results as flexible proposals for such destinations as the Caribbean and Europe were used to compensate for stagnant demand for travel to the United States. While our U.S. and European subsidiaries won corporate and government agency contracts, we also made progress in capturing seasonal and B2B demand in Asia, including Thailand. However, our Turkish subsidiary's withdrawal from the outbound travel business due to business restructuring in the previous fiscal year continued to have an impact during the current fiscal year.

The number of sales branches of the Group is 150 in Japan and 136 in 104 cities in 54 countries overseas (as of the end of April 2026).

As a result of the above, net sales through the first six months of the current consolidated fiscal year were 158,880 million yen (year-on-year 106.2%), operating profit was 4,747 million yen (year-on-year 84.7%), and EBITDA was 6,864 million yen (year-on-year 89.2%).

(Hotel business)

For the hotel business, we posted firm results as we successfully captured domestic and international demand for accommodations. The domestic hotel business drove performance due to not only high occupancy rates as a result of robust demand from international visitors to Japan but also even higher unit price per guest room because of actively expand of collaboration rooms with other industries. Although there were some impacts of hotel cancellations and price competition due to the deterioration of Japan-China relations, overall performance remained strong. Furthermore, we worked to flexibly open properties and build an earnings base by opening on February 20 the Henn na Hotel Express Osaka Namba Nipponbashi Annex, the second property in our casual brand lineup. Regarding overseas hotels, those in Taiwan posted strong results by drawing guests from throughout the world, and those in Turkey recorded improved performance although the situation in the Middle East requires close monitoring, both of which contributed to growth of the overall business.

As a result of the above, net sales through the first six months of the current consolidated fiscal year were 13,861 million yen (year-on-year 111.7%), operating profit was 2,488 million yen (year-on-year 129.6%), and EBITDA was 4,554 million yen (year-on-year 116.4%).

(Kyushu Sanko Group)

The Kyushu Sanko Group continued to post firm performance, with sales reaching a 10-year high for the second consecutive year, and this was driven by not only a sustained business boost from Taiwan Semiconductor Manufacturing Company (TSMC) but also the successful capturing of domestic and international tourism demand. In the bus business, results significantly exceeded initial projections due to revisions to airport limousine bus fares and an increase in passenger volume, which drove overall performance. In the food and retail business, collaborative projects with the popular anime “Frieren: Beyond Journey's End” and the launch of the locally sourced product “Treasure of the Earth: Tamana Yubeni Strawberry Dorayaki” proved successful, resulting in significant growth in net sales (year-on-year 111.1%). In the real estate business, we worked to improve facility operations and increase profitability by hosting high-profile events such as the Pokémon Center Pop-up Store at the large-scale mixed-use complex SAKURA MACHI Kumamoto, which boosted the average monthly visitor count beyond 1.2 million.

As a result of the above, net sales through the first six months of the current consolidated fiscal year were 13,644 million yen (year-on-year 107.8%), operating profit was 606 million yen (year-on-year 119.3%), and EBITDA was 1,489 million yen (year-on-year 110.3%).

Because of the above segment results, consolidated business performance for the Group through the first six months of the current consolidated fiscal year was as follows: net sales of 193,132 million yen (year-on-year 106.5%), operating profit of 6,448 million yen (year-on-year 95.9%), ordinary profit of 6,197 million yen (year-on-year 90.1%), and profit attributable to owners of parent of 3,000 million yen (year-on-year 79.0%).

(2) Overview of financial position during the current half year

Total assets at the end of the first six months of the current consolidated fiscal year increased 17,548 million yen from the end of the previous consolidated fiscal year to 403,879 million yen. This was mainly due to an increase in notes and accounts receivable - trade, and contract assets (up 11,257 million yen), increase in accounts receivable - other (up 3,911 million yen), increase in travel advance payments (up 2,426 million yen), and increase in property, plant and equipment (up 1,949 million yen) despite a decrease in cash and deposits (down 5,047 million yen).

Total liabilities at the end of the first six months of the current consolidated fiscal year increased 12,385 million yen from the end of the previous consolidated fiscal year to 331,511 million yen. This was mainly due to an increase in travel advance received (up 14,334 million yen) and increase in borrowings (up 6,282 million yen) despite a decrease in trade accounts payable (down 3,389 million yen), decrease in deposits received of subsidy (down 1,125 million yen), and decrease in provision for bonuses (down 1,084 million yen).

Net assets at the end of the first six months of the current consolidated fiscal year increased 5,162 million yen from the end of the previous consolidated fiscal year to 72,368 million yen. This was mainly due to an increase in retained earnings (up 2,253 million yen) primarily from the posting of profit attributable to owners of parent and increase in foreign currency translation adjustments (up 2,230 million yen).

(Cash flows status)

The balance of cash and cash equivalents (hereinafter, "funds") at the end of the first six months of the current consolidated fiscal year was 101,709 million yen, a decrease of 4,654 million yen compared to the end of the previous consolidated fiscal year.

The status of each cash flow and the factors causing this through the first six months of the current consolidated fiscal year are as follows.

[Cash flows from operating activities]

Funds from operating activities declined 3,428 million yen (compared to an increase of 1,367 million yen through the first six months of the previous consolidated fiscal year). This was mainly due to a decrease in funds from an increase in accounts receivable - trade and contract assets (10,404 million yen), decrease in other liabilities, including deposits received, (5,022 million yen), increase in other assets, including accounts receivable - other, (4,446 million yen), decrease in trade payables (4,431 million yen), increase in travel advance payments (2,104 million yen), and income taxes paid (1,797 million yen) despite an increase in funds from an increase in travel advance received (13,742 million yen), profit before income taxes (6,280 million yen), and depreciation, which is a non-cash item, (5,781 million yen).

Furthermore, through the first six months of the previous fiscal year, funds from operating activities increased. This was mainly due to an increase in funds from an increase in profit before income taxes (6,593 million yen), depreciation, which is a non-cash item, (5,411 million yen), and travel advance received (3,994 million yen) and decrease in accounts receivables - trade and contract assets (1,672 million yen) despite a decrease in funds from a decrease in other liabilities, including deposits received, (13,143 million yen), increase in travel advance payments (2,171 million yen), and decrease in trade payables (1,230 million yen).

[Cash flows from investing activities]

Funds from investing activities decreased 6,145 million yen (compared to a decrease of 3,987 million yen through the first six months of the previous consolidated fiscal year). This was mainly because of a decrease in funds from payments into time deposits (5,870 million yen) and purchase of property, plant and equipment and intangible assets (5,079 million yen) despite an increase in funds from proceeds from withdrawal of time deposits (6,355 million yen).

Furthermore, through the first six months of the previous fiscal year, funds from investing activities decreased. This was mainly because of payments into time deposits (5,703 million yen) and purchase of property, plant and equipment and intangible assets (3,644 million yen) despite an increase in funds from proceeds from withdrawal of time deposits (5,553 million yen).

[Cash flows from financing activities]

Funds from financing activities increased 3,218 million yen (compared to a decrease of 30,974 million yen through the first six months of the previous consolidated fiscal year). This was mainly because of an increase in funds due to proceeds from borrowings exceeding repayments of borrowings (5,734 million yen) despite a decrease in funds due to dividends paid (747 million yen) and repayments to non-controlling shareholders (350 million yen).

Furthermore, through the first six months of the previous fiscal year, funds from investing activities decreased. This was mainly because of a decrease in funds due to redemption of bonds (25,000 million yen) and repayments of borrowings exceeding proceeds from borrowings (4,320 million yen).

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

The financial forecasts for the fiscal year ending October 2026 were revised in light of such factors as first quarter cumulative consolidated results announced on March 13, 2026. Please refer to “Notice of Recording of Extraordinary Loss (Loss on Cancellation of Lease) and Revision of Consolidated Financial Forecast for the Fiscal Year Ending October 31, 2026," which was released on June 12, 2026, for details.

2．Semi-annual consolidated financial statements and main notes

（1）Semi-annual consolidated balance sheet

(Millions of yen)

	As of October 31, 2025	As of April 30, 2026
Assets		
Current assets		
Cash and deposits	113,932	108,885
Notes and accounts receivable - trade, and contract assets	27,581	38,838
Trade accounts receivable	798	884
Securities	0	10
Travel advance payments	12,610	15,037
Prepaid expenses	2,577	2,937
Short-term loans receivable	173	180
Short-term loans receivable from subsidiaries and associates	75	102
Accounts receivable - other	17,935	21,846
Other	6,420	7,789
Allowance for doubtful accounts	(1,717)	(1,802)
Total current assets	180,388	194,710
Non-current assets		
Property, plant and equipment		
Buildings, net	73,197	73,237
Tools, furniture and fixtures, net	2,464	2,842
Land	70,798	71,555
Leased assets, net	11,258	11,040
Construction in progress	82	740
Other, net	1,901	2,235
Total property, plant and equipment	159,703	161,652
Intangible assets		
Goodwill	1,655	1,904
Other	12,795	13,192
Total intangible assets	14,451	15,097
Investments and other assets		
Investment securities	2,776	2,840
Shares of subsidiaries and associates	3,834	4,216
Investments in capital of subsidiaries and associates	71	108
Long-term loans receivable from subsidiaries and associates	541	586
Retirement benefit asset	1,209	1,205
Deferred tax assets	9,976	9,649
Guarantee deposits	9,818	10,055
Other	4,016	4,102
Allowance for doubtful accounts	(506)	(398)
Total investments and other assets	31,739	32,367
Total non-current assets	205,893	209,116
Deferred assets	49	51
Total assets	386,330	403,879

(Millions of yen)

	As of October 31, 2025	As of April 30, 2026
Liabilities		
Current liabilities		
Trade accounts payable	15,683	12,293
Short-term borrowings	8,698	49,553
Current portion of bonds payable	—	5,000
Current portion of long-term borrowings	105,607	51,761
Accounts payable - other	19,801	19,280
Accrued expenses	5,140	5,532
Income taxes payable	1,600	2,568
Accrued consumption taxes	1,287	876
Travel advance received	43,193	57,527
Deposits received of subsidy	1,125	—
Lease liabilities	2,740	2,886
Provision for bonuses	5,522	4,437
Provision for bonuses for directors (and other officers)	251	117
Provision for loss on business liquidation	232	—
Other	31,623	28,949
Total current liabilities	242,507	240,785
Non-current liabilities		
Bonds payable	5,000	—
Long-term borrowings	47,235	66,508
Deferred tax liabilities	3,576	3,542
Retirement benefit liability	6,026	6,132
Provision for retirement benefits for directors (and other officers)	504	475
Lease liabilities	9,791	9,515
Other	4,483	4,550
Total non-current liabilities	76,618	90,725
Total liabilities	319,125	331,511
Net assets		
Shareholders' equity		
Share capital	100	100
Capital surplus	28,372	28,320
Retained earnings	28,137	30,390
Treasury shares	(12,981)	(12,912)
Total shareholders' equity	43,627	45,898
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(100)	(117)
Deferred gains or losses on hedges	91	79
Foreign currency translation adjustment	11,502	13,733
Remeasurements of defined benefit plans	428	317
Total accumulated other comprehensive income	11,921	14,011
Share acquisition rights	292	379
Non-controlling interests	11,363	12,077
Total net assets	67,205	72,368
Total liabilities and net assets	386,330	403,879

（2） Semi-annual consolidated income statement and Semi-annual consolidated comprehensive income statement

(Semi-annual consolidated income statement)

(Millions of yen)

	Six months ended April 30, 2025	Six months ended April 30, 2026
Net sales	181,313	193,132
Cost of sales	122,164	132,800
Gross profit	59,149	60,331
Selling, general and administrative expenses	52,428	53,883
Operating profit	6,721	6,448
Non-operating income		
Interest income	687	556
Dividend income	367	477
Subsidy income	835	98
Other	485	410
Total non-operating income	2,376	1,542
Non-operating expenses		
Interest expenses	996	1,004
Foreign exchange losses	498	188
Other	720	600
Total non-operating expenses	2,215	1,793
Ordinary profit	6,881	6,197
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	―	199
Total extraordinary income	265	207
Extraordinary losses		
Impairment losses	159	124
Provision of allowance for doubtful accounts	394	―
Total extraordinary losses	553	124
Profit before income taxes	6,593	6,280
Income taxes	2,064	2,508
Profit	4,528	3,772
Profit attributable to non-controlling interests	730	771
Profit attributable to owners of parent	3,798	3,000

(Semi-annual consolidated comprehensive income statement)

(Millions of yen)

	Six months ended April 30, 2025	Six months ended April 30, 2026
Profit	4,528	3,772
Other comprehensive income		
Valuation difference on available-for-sale securities	(87)	(19)
Deferred gains or losses on hedges	(108)	(11)
Foreign currency translation adjustment	(124)	2,327
Remeasurements of defined benefit plans, net of tax	(108)	(112)
Share of other comprehensive income of entities accounted for using equity method	(0)	(8)
Total other comprehensive income	(429)	2,175
Comprehensive income	4,099	5,947
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,426	5,090
Comprehensive income attributable to non-controlling interests	673	857

（３）Semi-annual consolidated cash flows statement

(Millions of yen)

	Six months ended April 30, 2025	Six months ended April 30, 2026
Cash flows from operating activities		
Profit before income taxes	6,593	6,280
Depreciation	5,411	5,781
Impairment losses	159	124
Amortization of goodwill	202	142
Increase (decrease) in provision for bonuses	17	(1,169)
Increase (decrease) in provision for bonuses for directors (and other officers)	(80)	(135)
Increase (decrease) in retirement benefit liability	(95)	(64)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	13	(28)
Interest and dividend income	(1,054)	(1,033)
Foreign exchange losses (gains)	158	268
Interest expenses	996	1,004
Loss (gain) on sale of shares of subsidiaries and associates	(100)	(7)
Gain on reversal of share acquisition rights	(165)	―
Other loss (gain)	374	42
Decrease (increase) in accounts receivable - trade, and contract assets	1,672	(10,404)
Decrease (increase) in travel advance payments	(2,171)	(2,104)
Decrease (increase) in other assets	1,626	(4,446)
Increase (decrease) in trade payables	(1,230)	(4,431)
Increase (decrease) in accrued consumption taxes	165	(418)
Increase (decrease) in accrued expenses	(185)	270
Increase (decrease) in travel advances received	3,994	13,742
Increase (decrease) in other liabilities	(13,143)	(5,022)
Subtotal	3,158	(1,608)
Interest and dividends received	1,009	1,053
Interest paid	(1,068)	(1,075)
Income taxes refund (paid)	(1,731)	(1,797)
Net cash provided by (used in) operating activities	1,367	(3,428)
Cash flows from investing activities		
Payments into time deposits	(5,703)	(5,870)
Proceeds from withdrawal of time deposits	5,553	6,355
Purchase of securities	(47)	―
Proceeds from sale of securities	69	―
Purchase of property, plant and equipment and intangible assets	(3,644)	(5,079)
Proceeds from sale of property, plant and equipment and intangible assets	2	43
Purchase of investment securities	(130)	(203)
Proceeds from sale of investment securities	104	103
Purchase of shares of subsidiaries and associates	(569)	(420)
Proceeds from sale of shares of subsidiaries and associates	100	8
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(69)	(1,061)
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	―	(27)
Loan advances	(168)	(81)
Proceeds from collection of loans receivable	135	6
Payments of guarantee deposits	(392)	(558)
Proceeds from refund of guarantee deposits	684	406
Other, net	87	233
Net cash provided by (used in) investing activities	(3,987)	(6,145)

(Millions of yen)

	Six months ended April 30, 2025	Six months ended April 30, 2026
Cash flows from financing activities		
Proceeds from short-term borrowings	22,460	61,281
Repayments of short-term borrowings	(23,368)	(20,450)
Proceeds from long-term borrowings	41,119	30,810
Repayments of long-term borrowings	(44,531)	(65,907)
Dividends paid	—	(747)
Redemption of bonds	(25,000)	—
Dividends paid to non-controlling interests	(188)	(67)
Purchase of treasury shares	(0)	(0)
Proceeds from share issuance to non-controlling shareholders	43	—
Repayments to non-controlling shareholders	(172)	(350)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	—	(17)
Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation	78	—
Other, net	(1,415)	(1,332)
Net cash provided by (used in) financing activities	(30,974)	3,218
Effect of exchange rate change on cash and cash equivalents	(235)	1,699
Net increase (decrease) in cash and cash equivalents	(33,829)	(4,654)
Cash and cash equivalents at beginning of period	132,217	106,364
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	30	—
Cash and cash equivalents at end of period	98,418	101,709

(Notes to Segment Information)

[Segment information]

I Six months ended April 30, 2025 (from November 1, 2024 to April 30, 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	148,988	12,127	12,647	173,763	7,550	181,313	0	181,313
Intersegment sales/transfers	570	277	15	863	1,264	2,128	(2,128)	—
Total	149,558	12,405	12,663	174,627	8,814	183,441	(2,128)	181,313
Segment profit	5,607	1,920	508	8,035	219	8,255	(1,534)	6,721

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 -1,534 million yen is company-wide expenses not allocated to any reporting segment. It mainly comprises expenses related to parent company's headquarter administration that do not belong to a reporting segment.

3. Segment profit have been adjusted with the operating profit in the semi-annual 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	5,607	1,920	508	219	8,255
Depreciation and goodwill amortization	2,088	1,991	841	288	5,210
EBITDA(*)	7,696	3,911	1,350	507	13,466

(*) 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 . Six months ended April 30, 2026 (from November 1, 2025 to April 30, 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	158,309	13,649	13,631	185,590	7,542	193,132	0	193,132
Intersegment sales/transfers	571	212	13	796	1,266	2,063	(2,063)	—
Total	158,880	13,861	13,644	186,387	8,809	195,196	(2,063)	193,132
Segment profit (loss)	4,747	2,488	606	7,843	(4)	7,839	(1,390)	6,448

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 (loss) adjustment of -1,390 million yen is company-wide expenses not allocated to any reporting segment. It mainly comprises expenses related to parent company's headquarter administration that do not belong to a reporting segment.

3. Segment profit (loss) have been adjusted with the operating profit in the semi-annual 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 (loss)	4,747	2,488	606	(4)	7,839
Depreciation and goodwill amortization	2,116	2,065	883	313	5,379
EBITDA(*)	6,864	4,554	1,489	309	13,218

*EBITDA reflects segment profit (loss) 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

(Important subsequent events)

(Recording extraordinary loss due to cancellation of lease)

The Company's Board of Directors resolved, at a meeting of the Board held on June 12, 2026, to purchase the land leased by a consolidated subsidiary of the Company, GUAM REEF HOTEL, INC. As a result, the Company expects to record an extraordinary loss of approximately 6 billion yen in the 3rd Quarter of the current fiscal year in connection with the termination of the existing real estate lease contract.

(Transfer of fixed assets)

The Company's Board of Directors resolved, at a meeting of the Board held on June 12, 2026, to transfer fixed assets, as follows.

1. Reason for Transfer

The decision to transfer these assets was made to promote the effective use of managed resources and to strengthen the company's financial position by repaying interest-bearing liability, as well as to secure funds for investments aimed at sustainable growth.

2. Details of assets to be transferred

(1)	Name of Asset	Tokyo Worldgate, Kamiyacho Trust Tower, 4th and 5th floors
(2)	Location	4-1-1 Toranomon, Minato-ku, Tokyo
(3)	Land area	Total area:16,131.84 ㎡（Ownership 6.67% *Including partial superficies）
(4)	Buildings	Total floor area: 198,774.23 ㎡（Owned area 7,595.44 ㎡）
(5)	Transfer price	32,500 million yen
(6)	Book value	32,001 million yen
(7)	Capital gain on transfer	Approximately 500 million yen
(8)	Intended use before transfer	Head office

3. Details of Counterparty

(1)	Name	MORI TRUST CO., LTD.	
(2)	Location	4-1-1 Toranomon, Minato-ku, Tokyo	
(3)	Job title and name of representative	Date Miwako, President and Chief Executive Officer	
(4)	Description of business	Real estate development, hotel management and investment business	
(5)	Share capital	30,000 million yen	
(6)	Date of establishment	June 10, 1970	
(7)	Total net assets	687,303 million yen (year ending March 31, 2026)	
(8)	Total assets	1,822,513 million yen (year ending March 31, 2026)	
(9)	Major shareholders and ownership ratios	Mori Trust Holdings Inc. 100%	
(10)	Relationship between the Company and said company	Capital relationship	None
		Personnel relationship	None
		Business relationship	None
		Related party relationship	None

4. Schedule

(1)	Date of resolution by Board of Directors	June 12, 2026
(2)	Date of Contract	July 31, 2026 (scheduled)
(3)	Property handover date	September 18, 2026 (scheduled)

5. Future Outlook

The impact of the transfer of the fixed assets on the business results for the consolidated financial fiscal year ending October 31, 2026 is expected to be minimal.