



First Quarter Financial Results for the Fiscal Year Ending October 2022

[Japanese Standards] (Consolidated)

March 17, 2022

Listed company name H. I. S. Co., Ltd. Listed Exchange Tokyo

Code number 9603 URL: <https://www.his.co.jp/>

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Scheduled quarterly report submission date March 17, 2022 Scheduled dividend payment start date —

Supplementary explanatory materials for financial results: Yes

Quarterly financial results briefing held: Yes (Teleconference for institutional investors)

(Figures less than one million yen truncated)

1. Consolidated financial results for the first quarter of the fiscal year ending October 2022 (November 1, 2021 to January 31, 2022)

(1) Consolidated business results (cumulative) (Percentages indicate the increase/decrease from the same quarter of the previous year.)

	Sales		Operating profit		Ordinary profit		Current net income Quarterly net income	
	million yen	%	million yen	%	million yen	%	million yen	%
First quarter of the fiscal year ending October 2022	33,588	—	-12,158	—	-12,444	—	-9,299	—
First quarter of the fiscal year ending October 2021	36,193	-81.8	-12,138	—	-12,259	—	-8,288	—

Note: Comprehensive income First quarter of the fiscal year ending October 2022 -8,027 million yen (-) First quarter of the fiscal year ending October 2021 -8,504 million yen (-)

	Per share quarterly net income	After adjusting for residual securities Per share quarterly net income
	Yen sen	Yen sen
First quarter of the fiscal year ending October 2022	-128.66	—
First quarter of the fiscal year ending October 2021	-132.00	—

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

(2) Consolidated financial position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	million yen	million yen	%	Yen sen
First quarter of the fiscal year ending October 2022	406,936	63,581	9.9	544.04
Fiscal year ending October 2021	411,447	64,145	9.9	580.00

(Reference) Equity capital First quarter of the fiscal year ending October 2022 40,225 million yen Fiscal year ending October 2021 40,627 million yen

2. Dividend status

	Annual dividend				
	End of first quarter	End of second quarter	End of third quarter	Term end	Total
	Yen sen	Yen sen	Yen sen	Yen sen	Yen sen
Fiscal year ending October 2021	—	0.00	—	0.00	—
Fiscal year ending October 2022	—				
Fiscal year ending October 2022 (Forecast)		—	—	—	—

Notes 1. Revisions from the most recently announced dividend forecast: None

2. The dividend forecast for the fiscal year ending October 2022 is undecided at this time.

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

The consolidated earnings forecast for the fiscal year ending October 2022 has not yet been made because it is difficult to reasonably calculate the impact of the novel coronavirus infection at this time. We will promptly announce the consolidated earnings forecast when it becomes possible to disclose it.

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

* Notes

(1) Changes in important subsidiaries during the quarter (changes in specific subsidiaries due to changes in the scope of consolidation): None

New company (Company name), Excluded company (Company name)

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

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

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

② Changes in accounting policies other than ①: None

③ Changes in accounting estimates: None

④ Revision restatements: None

(4) Number of shares issued (common shares)

① Number of shares issued at the end of the period (including treasury shares)

First quarter of fiscal year ending October 2022	79,860,936shares	Fiscal year ending October 2021	75,969,236shares
First quarter of fiscal year ending October 2022	5,922,098shares	Fiscal year ending October 2021	5,922,098shares
First quarter of fiscal year ending October 2022	72,278,138shares	First quarter of fiscal year ending October 2021	62,795,320shares

② Number of treasury shares at the end of the period

③ Average number of shares during the period (quarterly cumulative)

*Quarterly financial results are not subject to quarterly reviews by certified accountants or audit corporations.

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

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

Actual results may vary greatly depending on various factors.

For the assumptions that are the premise of the earnings forecast and the precautions for using the earnings forecast, see [Attachment] Page 5, "1. (1) Explanation of business results" and Page 7

1. (3) Explanation of consolidated business forecasts and other future forecast information"

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1. Qualitative information on this quarter's financial results

In this document, matters concerning the future are judgments as of the last day of the current quarterly consolidated accounting period.

From the first quarter of the current consolidated accounting period, the "Accounting Standard for Revenue Recognition" (Corporate Accounting Standard No. 29, March 31, 2020) has been applied. As a result, net sales for the first quarter of the current consolidated cumulative period have decreased significantly compared to the first quarter of the previous consolidated cumulative period. Therefore, the explanation of the business results for the first quarter of the current consolidated cumulative period does not cover the amount of increase/decrease compared to the first quarter of the previous consolidated cumulative period or the year-on-year comparison (%).

(1) Explanation of business results

Although the business environment during the first quarter of the current consolidated fiscal year was expected to pick up due to the effects of various policies and the improvement of overseas economies, with measures being taken to prevent the spread of Covid-19, the situation remains severe due to increasing risk of a downturn in business performance due to the spread of Covid-19 in Japan and overseas.

In such an environment, our corporate group has taken steps to restructure our management system in response to the Covid-19 pandemic and pushed forward work style reform. This has included seconding employees out of the group, continuing cost reductions in each country, and making maximum use of government employment subsidies. In addition, based on the corporate philosophy of "contributing to the creative development of humankind and world peace in accordance with the laws of nature," we will continue to change and develop not only through travel business but through various other businesses too. We have aimed to construct a new business that contributes to world peace.

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

(Travel business)

The travel market during the first quarter of the current consolidated fiscal year was severely affected by the spread of Covid-19 worldwide and continued measures such as entry restrictions and travel restrictions in each country. The number of Japanese departures has continued to decrease significantly, to 170,000, which is 3.7% of the level in the same period in 2019, which was the peak, and the number of foreign visitors to Japan was down to 50,000, 0.7% of the level in the same period in 2019. (Source: Japan National Tourism Organization (JNTO))

The transaction volume for our overseas travel business has continued to drop significantly due to the quarantine period after returning to Japan based on border measures, continued flight cancellations and travel restrictions, and the suspension of tours in all areas.

For the domestic travel business, emergency measures and the semi-state of emergency COVID-19 measures have been completely lifted and the application of prefectural discounts by local governments has expanded, so movement toward recovery of demand has begun to be seen for short-distance trips such as packages that include accommodation and bus tours. By strengthening purchases of domestic travel products, for example by offering discounting travel prices for vaccinated customers and customers who presented a certificate of negative Covid-19 status from PCR tests and offering tours that include antigen test kits, we aimed to acquire new customers. In this way, the amount of domestic travel business that we handled for December alone was better than our results for December 2019 and December 2020. On the other hand, January was affected by the rapid spread of the omicron variant and the expansion of the area covered by the semi-state of emergency COVID-19 measures, so both the number of travel reservations and the value we handled fell. However, compared to January of last year, which saw not only the proclamation of the state of emergency in January, but also a lack of progress in vaccination and many customers canceling travel altogether, this January we often saw customers just changing destination or timing in order to travel.

In addition, in our corporate business, amid the Covid-19 pandemic, we have strengthened the development of non-travel products such as business related to work area vaccination and regional municipality vaccination and various forms of support utilizing HIS's global network for companies.

In the overseas travel business, there was a trend of recovery in travel demand in local markets, centered on overseas group companies based in Europe and the United States and Turkish corporations. In the inbound business of overseas branches, the severe situation continues because the measures to restrict travel from Japan to overseas remain in place. In addition to cost reduction, we continued to strive to improve profitability by streamlining and consolidating operations, and as business other than travel, we collaborated with corporate operations to strengthen operations supporting companies' overseas expansion, product sales, real estate, and other development and focused on strengthening our acquisition of new local markets.

As a result of consolidation and closures in Japan and overseas, the number of sales offices of the Group has decreased to 152 in Japan and 167 offices overseas in 116 cities in 61 countries. (As of the end of January 2022)

As a result of the above, sales for the first quarter of the current consolidated cumulative period were 9.965 billion yen and the operating loss was 8.288 billion yen.

(Theme Park business)

At Huis Ten Bosch, with the declaration of a state of emergency and the semi-state of emergency COVID-19 measures lifted on a nationwide scale from October, the number of visitors has been recovering with each passing month and the total number of visitors was 702,000 (115.1% of the number for the same period of the previous year), results which topped those from before the Corona disaster. In addition, various events that focus on environment performances such as "Fantastic Halloween" in October, "Kyushu Ichi Fireworks Festival" held for the first time in two years in November, and "Christmas in the City of Light" in December were well received and we have endeavored to improve customer satisfaction. Thanks to our efforts for infectious disease control in the Park Hotel, which continue to be highly regarded, and thanks to the demand for school trips remaining strong, the operating profit was 1.106 billion yen and quarterly net income was 1.318 billion yen.

At Laguna Ten Bosch, the "Light Lagoon" Laguna Illuminations Event, which has newly introduced the largest lantern object in the Chubu area, and the experiential theme event for the "Pretty Cure" TV animation, have been held since November and have been well received, raising the number of visitors above the previous year's level. (132.9% of the same period of the previous year)

As a result of the above, sales for the first quarter of the current consolidated cumulative period were 6.715 billion yen and the operating profit was 1.097 billion yen.

(Hotel business)

In our hotel business, we have promoted new development. For example, as the first overseas expansion of our "Henn na Hotel" concept, we started with our "Henn na Hotel Seoul Myeongdong" and opened our "Henn na Hotel New York". At hotels in Japan, with the complete lifting of the declaration of a state of emergency and the semi-state of emergency COVID-19 measures, the occupancy rate has improved with each passing month, but the recovery has not reached pre-Covid-19 levels. Hotels overseas continue to be affected by the spread of Covid-19, for example by many nations continuing to restrict entry, so the number of guests decreased.

As a result of the above, sales for the first quarter of the current consolidated cumulative period were 1.834 billion yen, the operating loss was 963 million yen, and the loss on an EBITDA basis was 25 million yen.

(Kyushu Sanko Group)

In the Kyushu Sanko Group, more movement of people is being seen thanks to the lowering of the Kumamoto Prefecture "Covid-19 risk level" and the number of visitors to our "Sakuramachi Kumamoto" large-scale commercial facility has recovered, also thanks to the various events we held there.

On the other hand, although recovery is visible in the number of passengers on metropolitan area routes and rural routes, our bus business continues to be affected by the spread of Covid-19, with expressway bus runs suspended and reduced and shorter hours for business in food and beverage sales.

As a result of the above, sales for the first quarter of the current consolidated cumulative period were 4.732 billion yen and the operating loss was 301 million yen.

(Energy business)

In the retail electricity business, we implemented measures to curb spending, such as improving profit margins by procuring power appropriately combining the wholesale electricity trading market with bilateral transactions, but we continued to be greatly impacted by rising prices.

In the power generation business, the price of palm oil (RSPO certified oil), which we use as a fuel, continued to rise, so the operation of the biomass power plant was limited to facility maintenance.

As a result of the above, sales for the first quarter of the current consolidated cumulative period were 9.946 billion yen and the operating loss was 2.979 billion yen.

As a result of the above, the operating results for the first quarter of the current consolidated cumulative period were sales of 33.588 billion yen and operating loss of 12.158 billion yen. The ordinary loss was 12.444 billion yen and the net quarterly loss attributable to owners of the parent company was 9.299 billion yen.

(2) Explanation of financial position

Total assets at the end of the first quarter of the current consolidated fiscal year decreased by 4.511 billion yen from the end of the previous consolidated fiscal year to 406.936 billion yen. This was mainly due to an increase in cash and deposits (up 7.045 billion yen from the end of the previous fiscal year), an increase in notes receivable and accounts receivable (up 3.319 billion yen from the end of the previous fiscal year), and on the other hand a decrease in property, plant and equipment (down 5.935 billion yen over the same period), a decrease in travel advance payments (down 4.190 billion yen over the same period), a decrease in loans (down 3.560 billion yen over the same period), and a decrease in investment securities (down 1.704 billion yen over the same period) .

Liabilities at the end of the first quarter of the current consolidated fiscal year decreased by 3.947 billion yen from the end of the previous consolidated fiscal year to 343.354 billion yen. This was mainly due to a decrease in advance travel receipts (down 6.318 billion yen from the end of the previous fiscal year).

Net assets at the end of the first quarter of the current consolidated fiscal year decreased by 563 million yen from the end of the previous consolidated fiscal year to 63.581 billion yen. This was mainly due to a decrease in retained earnings (down 9.065 billion yen from the end of the previous fiscal year) due to the recording of a quarterly net loss and on the other hand an increase in capital stock and capital surplus due to a capital increase through third-party allotment (up 7.5 billion yen for the same period as above) and in foreign exchange translation adjustment accounts (up 1.563 billion yen for the same period).

(3) Explanation of consolidated business forecasts and other future forecast information

While vaccination against Covid-19 has progressed around the world and signs of recovery in travel demand can be seen in some countries and regions, it continues to be difficult to predict demand in the face of developments such as the number of new cases increasing again.

In addition, in the overseas travel business, which is our main business, it is unclear when the restrictions on entering Japan will be lifted, so it is expected that the corporate activities of the Group will continue to be impacted.

The above makes it difficult to reasonably calculate the impact of Covid-19 at this time, therefore we have not yet determined the outlook for consolidated financial results for the fiscal year ending October 2022. We will announce this outlook as soon as it becomes possible to calculate a rational earnings forecast.

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

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

For this reason, the Group is promoting the reduction of fixed costs and the sale of assets such as securities and real estate, as well as requesting financial institutions to maintain existing borrowing contracts (refinancing). We are also requesting the underwriters of share options to exercise their share options as soon as possible.

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

2. Consolidated quarterly financial statements and main notes

(1) Quarterly consolidated balance sheet

(Million yen)

	Previous consolidated fiscal year (October 31, 2021)	First quarter of consolidated accounting period (January 31, 2022)
Assets section		
Current assets		
Cash and deposits	101,411	108,457
Notes and accounts receivable	16,718	—
Notes receivable, accounts receivable and contract assets	—	20,037
Operating accounts receivable	171	143
Marketable securities	11	112
Pre-travel payments	8,927	4,736
Prepaid expenses	2,179	2,077
Short-term loans	3,479	183
Short-term loans to affiliated companies	233	233
Accounts receivable	7,536	7,968
Others	5,062	4,803
Provision for doubtful receivables	-2,234	-2,318
Total current assets	143,495	146,436
Fixed assets		
Tangible fixed assets		
Buildings (net amount)	84,187	86,060
Tools, equipment, and fixtures (net amount)	10,549	10,042
Land	75,485	73,634
Leased assets (net amount)	13,132	13,082
Construction in progress	11,101	6,056
Other (net amount)	6,836	6,479
Total tangible fixed assets	201,291	195,355
Intangible fixed assets		
Goodwill	4,621	4,590
Others	15,486	15,637
Total intangible fixed assets	20,107	20,227
Investments and other assets		
Investment marketable securities	5,716	4,012
Affiliated company shares	2,559	2,904
Investments in affiliated companies	77	77
Long-term loans	66	15
Long-term loans to affiliated companies	901	687
Assets related to retirement benefits	727	726
Deferred tax assets	11,135	10,797
Guarantee deposits	21,896	21,961
Others	4,286	4,271
Provision for doubtful receivables	-1,105	-850
Investment and other asset total	46,263	44,604
Total fixed assets	267,662	260,188
Deferred assets	289	311
Total assets	411,447	406,936

(Million yen)

	Previous consolidated fiscal year (October 31, 2021)	First quarter of consolidated accounting period (January 31, 2022)
Liabilities section		
Current liabilities		
Operating accounts payable	12,978	11,582
Short-term borrowing	28,240	28,920
Long-term borrowing scheduled to be repaid within one year	4,557	1,692
Accounts payable	4,331	4,885
Accrued expenses	4,320	3,981
Income taxes payable etc.	529	639
Accrued consumption tax etc.	624	632
Pre-travel payments received	14,112	7,793
Lease obligations	2,454	2,510
Bonus reserve	779	1,053
Directors' bonus reserve	25	31
Others	14,299	17,148
Total current liabilities	87,254	80,871
Fixed liabilities		
Corporate bonds	20,000	20,000
Convertible corporate bonds with share options	25,054	25,050
Long-term borrowing	184,643	187,427
Deferred tax liability	4,982	4,778
Retirement benefit revenue	7,659	7,713
Director retirement benefit reserve	393	407
Lease obligations	12,410	12,294
Others	4,902	4,810
Total fixed liabilities	260,047	262,482
Total liabilities	347,301	343,354
Net assets section		
Shareholders' equity		
Capital	21,048	24,798
Capital surplus	13,328	17,078
Earned surplus	22,275	13,209
Treasury shares	-15,004	-15,004
Total shareholders' equity	41,647	40,082
Cumulative other comprehensive income		
Other marketable security valuation difference	713	353
Deferred hedge loss or gain	7	-10
Foreign currency translation adjustment account	-1,859	-295
Cumulative adjustment for retirement benefits	118	95
Total cumulative other comprehensive income	-1,020	143
Share options	158	344
Noncontrolling shareholder equity	23,360	23,012
Total net assets	64,145	63,581
Total liabilities and net assets	411,447	406,936

(2) Quarterly consolidated income statement and quarterly consolidated comprehensive income statement
(Quarterly consolidated income statement)
(First quarter of consolidated cumulative period)

(Million yen)

	First quarter of previous consolidated accounting period (from November 1, 2020 to October 31, 2021)	First quarter of current consolidated accounting period (from November 1, 2021 (January 31, 2022)
Sales	36,193	33,588
Sales cost	29,735	28,031
Gross sales profit	6,458	5,557
Selling expenses and general administrative expenses	18,597	17,715
Operating loss (-)	-12,138	-12,158
Non-operating income		
Interest received	224	99
Currency exchange gain	—	119
Subsidy income	106	91
Others	511	258
Total non-operating income	842	569
Non-operating expenses		
Interest expense	249	492
Currency exchange loss	216	—
Others	497	362
Total non-operating expenses	963	855
Ordinary loss (-)	-12,259	-12,444
Extraordinary profit		
Gain on sales of fixed assets	297	421
Gain on sale of investments in securities	638	1,095
Subsidy income	3,411	3,315
Total extraordinary profit	4,347	4,833
Extraordinary loss		
Impairment loss	—	176
Loss due to temporary closure	791	452
Total extraordinary loss	791	628
Net loss before taxes etc. (-)	-8,703	-8,240
Income taxes	-47	963
Quarterly net loss (-)	-8,655	-9,203
Net quarterly income attributable to non- controlling interests or net quarterly loss attributable to non-controlling interests (-)	-366	95
Net quarterly loss attributable to parent company shareholders (-)	-8,288	-9,299

(Quarterly consolidated comprehensive income statement)
(First quarter of consolidated cumulative period)

(Million yen)

	First quarter of previous consolidated accounting period (from November 1, 2020 to October 31, 2021)	First quarter of current consolidated accounting period (from November 1, 2021 (January 31, 2022)
Quarterly net loss (-)	-8,655	-9,203
Other comprehensive income		
Other marketable security valuation difference	-137	-360
Deferred hedge loss or gain	-1	-17
Foreign currency translation adjustment account	292	1,567
Adjustment for retirement benefits	-18	-26
Amount equivalent to equity in an affiliate applying equity method	15	12
Total other comprehensive income	151	1,176
Quarterly comprehensive income	-8,504	-8,027
(breakdown)		
Comprehensive quarterly income related to parent company shareholders	-8,203	-8,135
Comprehensive income for non-controlling shareholders	-300	107

(3) Notes on consolidated quarterly financial statements

(Segment information etc.)

[Segment information]

I First quarter of previous consolidated cumulative period (from November 1, 2020 to January 31, 2021)

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

(Million yen)

	Reporting segment						Others (Note 1)	Total	Adjustment amount (Note 2)	Quarterly consolidated income statement Recorded amount (Note 3)
	Travel business	Theme Park business	Hotel Business	Kyushu Sanko Group	Energy Business	Total				
Sales										
Sales to external customers	15,719	6,148	1,320	4,784	7,611	35,584	609	36,193	—	36,193
Details for inter- segment sales or transfers	18	351	49	0	27	447	153	600	-600	—
Total	15,737	6,500	1,369	4,785	7,638	36,031	762	36,794	-600	36,193
Segment profit or loss (-)	-9,855	1,143	-1,448	-497	-704	-11,363	-319	-11,682	-456	-12,138

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

2. The -456 million yen adjustment of segment profit or loss (-) is company-wide expenses not allocated to any reporting segment. It mainly comprises expenses related to the parent company head office management department that do not belong to a reporting segment.

3. Segment profit or loss (-) is adjusted with the operating loss in the quarterly consolidated income statement.

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

(Million yen)

	Travel business	Theme Park business	Hotel Business	Kyushu Sanko Group	Energy Business	Others	Total
Segment profit or loss (-)	-9,855	1,143	-1,448	-497	-704	-319	-11,682
Depreciation and goodwill amortization	1,101	519	769	461	28	98	2,978
EBITDA (*)	-8,753	1,663	-679	-36	-676	-221	-8,704

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

2. Matters concerning changes etc. in reporting segments

In the previous consolidated fiscal year, hapi-robo st, Inc., was reclassified from "Theme Park Business" to "Others" and Watermark Hotel Nagasaki Co., Ltd., was reclassified from "Hotel Business" to "Theme Park Business". The segment information for the first quarter of the previous consolidated fiscal year shown here has been prepared based on the changed reporting segment classifications.

3. Information on impairment loss or goodwill of fixed assets for each reporting segment

(Significant impairment loss on fixed assets)

None

(Significant fluctuations in the amount of goodwill)

There were no significant changes.

(Significant gain on negative goodwill)

None

II First quarter of current consolidated cumulative period (from November 1, 2021 to January 31, 2022)

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

(Million yen)

	Reporting segment						Others (Note 1)	Total	Adjustment amount (Note 2)	Quarterly consolidated income statement Recorded amount (Note 3)
	Travel business	Theme Park business	Hotel Business	Kyushu Sanko Group	Energy Business	Total				
Sales										
Sales to external customers	9,916	6,532	1,766	4,728	9,907	32,851	737	33,588	—	33,588
Details for inter- segment sales or transfers	49	182	68	4	38	343	154	497	-497	—
Total	9,965	6,715	1,834	4,732	9,946	33,195	891	34,086	-497	33,588
Segment profit or loss (-)	-8,288	-1,097	-963	-301	-2,979	-11,435	-302	-11,738	-420	-12,158

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

- The -420 million yen adjustment of segment profit or loss (-) is company-wide expenses not allocated to any reporting segment. It mainly comprises expenses related to the parent company head office management department that do not belong to a reporting segment.
- Segment profit or loss (-) is adjusted with the operating loss in the quarterly consolidated income statement.
- The EBITDA for each reporting segment is as follows:

(Million yen)

	Travel business	Theme Park business	Hotel Business	Kyushu Sanko Group	Energy Business	Others	Total
Segment profit or loss (-)	-8,288	-1,097	-963	-301	-2,979	-302	-11,738
Depreciation and goodwill amortization	937	520	937	454	158	82	3,091
EBITDA (*)	-7,351	1,617	-25	153	-2,820	-219	-8,646

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

2. Matters concerning changes etc. in reporting segments

From the beginning of the first quarter of the current consolidated fiscal year, the accounting standards for revenue recognition were applied and the accounting method for revenue recognition was changed. As a result, we have changed the method of calculating reporting segment profit or loss in the same way.

As a result of this change, compared to the previous accounting method, sales for the first quarter of the current consolidated cumulative period decreased by 13.990 billion yen for the Travel Business, 220 million yen for the Theme Park Business, 350 million yen for the Kyushu Sanko Group, and 1.059 billion yen for the Energy Business. In addition, the operating loss for the Travel Business increased by 28 million yen.

3. Information on impairment loss or goodwill of fixed assets for each reporting segment
(Significant impairment loss on fixed assets)

None

(Significant fluctuations in the amount of goodwill)

There were no significant changes.

(Significant gain on negative goodwill)

None