



# Presentation Materials for the 1<sup>st</sup> Quarter of Fiscal Year Ending October 31, 2020 Financial Results

---

March 2<sup>nd</sup>, 2020  
H.I.S. Co., Ltd.  
1st section of TSE: 9603

# 1. Summary of Financial Results

---

# Consolidated Operating Results

| (JPY million)  | FY19 1Q | FY20 1Q | YoY    | Increase/<br>Decrease | Major Reasons for Increase/Decrease                      |
|--|---------|---------|--------|-----------------------|--|
| Net Sales  | 187,276 | 199,618 | 106.6% | + 12,342              | Travel +8,703, Energy +2,277, Kyushu Sanko Group +1,052  |
| Gross Profit   | 35,093  | 36,025  | 102.7% | + 931                 |  |
| Operating Profit   | 5,981   | 3,791   | 63.4%  | ▲2,190                | Travel ▲1,701, HTB Group ▲1,127, Other +301              |
| EBITDA   | 8,154   | 6,719   | 82.4%  | ▲1,435                |  |
| Non-Operating Income                                       | 697     | 1,058   | 151.8% | + 361                 | Foreign Exchange Gain 260                                |
| Non-Operating Expenses                                     | 1,479   | 560     | 37.9%  | ▲919                  |  |
| Ordinary Profit  | 5,199   | 4,288   | 82.5%  | ▲910                  | (Previous FY) Foreign Exchange Loss ▲609                 |
| Extraordinary Gain   | -       | 512     | -      | + 512                 | Gain on sale of investment securities UNIZO Holdings 422 |
| Extraordinary Loss   | -       | 249     | -      | +249                  | Kyushu Sanko Aso Mountain Ropeway 193                    |
| Income before Income Taxes                                 | 5,199   | 4,551   | 87.5%  | ▲647                  |  |
| Income Taxes   | 1,803   | 1,710   | 94.8%  | ▲93                   |  |
| Net Profit Attributable to<br>Non-Controlling Shareholders | 1,039   | 663     | 63.9%  | ▲375                  | Huis Ten Bosch ▲143                                      |
| Net Profit Attributable to Owners of<br>Parent             | 2,356   | 2,177   | 92.4%  | ▲178                  |  |

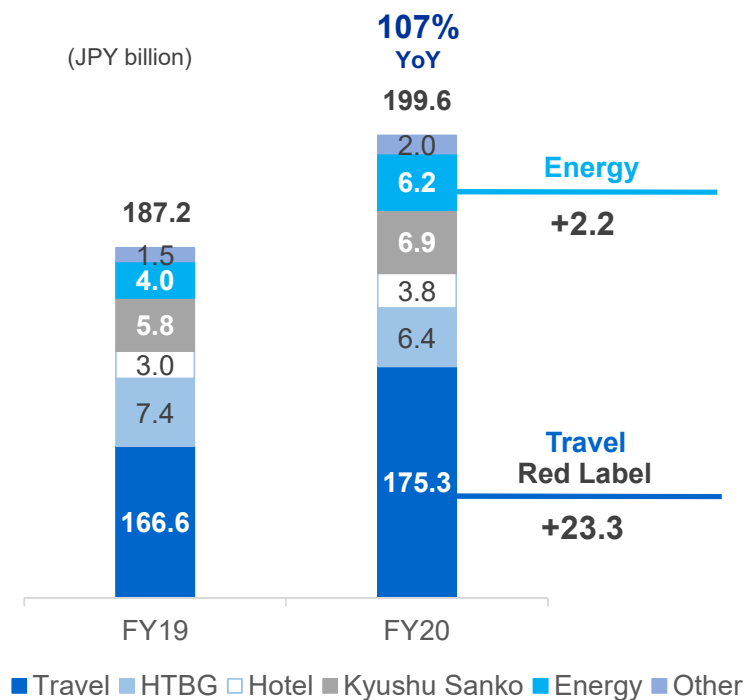
## Segment Information

| (JPY million)    | Segment                         | FY19 1Q | FY20 1Q | YoY    | Increase/Decrease |
|------------------|---------------------------------|---------|---------|--------|-------------------|
| Net Sales        | Travel Business                 | 166,617 | 175,320 | 105.2% | 8,703             |
|                  | Huis Ten Bosch Group            | 7,415   | 6,447   | 86.9%  | ▲968              |
|                  | Hotel Business                  | 3,087   | 3,811   | 123.4% | 723               |
|                  | Kyushu Sanko Group              | 5,882   | 6,934   | 117.9% | 1,052             |
|                  | Energy Business                 | 4,014   | 6,291   | 156.7% | 2,277             |
|                  | Other                           | 1,556   | 2,058   | 132.3% | 501               |
|                  | Adjustments, Eliminations, etc. | ▲1,297  | ▲1,244  | -      | 52                |
| Operating Profit | Travel Business                 | 4,071   | 2,370   | 58.2%  | ▲1,701            |
|                  | Huis Ten Bosch Group            | 1,771   | 644     | 36.4%  | ▲1,127            |
|                  | Hotel Business                  | 257     | 311     | 121.0% | 54                |
|                  | Kyushu Sanko Group              | 183     | 316     | 172.6% | 133               |
|                  | Energy Business                 | 118     | 268     | 225.9% | 149               |
|                  | Other                           | 101     | 402     | 395.6% | 301               |
|                  | Adjustments, Eliminations, etc. | ▲522    | ▲522    | -      | 0                 |
| EBITDA           | Travel Business                 | 4,996   | 3,658   | 73.2%  | ▲1,337            |
|                  | Huis Ten Bosch Group            | 2,289   | 1,166   | 50.9%  | ▲1,123            |
|                  | Hotel Business                  | 520     | 731     | 140.6% | 211               |
|                  | Kyushu Sanko Group              | 405     | 801     | 197.5% | 395               |
|                  | Energy Business                 | 135     | 289     | 214.2% | 154               |
|                  | Other                           | 223     | 489     | 218.9% | 265               |
|                  | Adjustments, Eliminations, etc. | ▲416    | ▲417    | 100.3% | ▲1                |

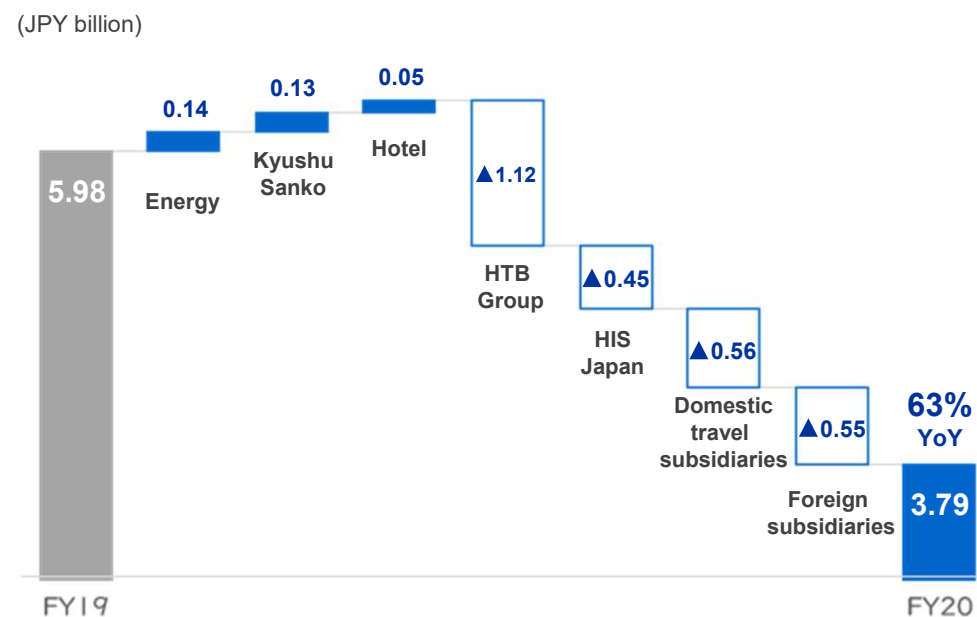
# Net Sales & Operating Profit

- Net sales increased by JPY12.3 billion (YoY 107%) due to new consolidation of Red Label and growth of electric power retail sales.
- Operating profit decreased by JPY2.1 billion (YoY 63%) due to sluggish financial performance of domestic and overseas travel subsidiaries and Huis Ten Bosch.

## Major increase/decrease of net sales



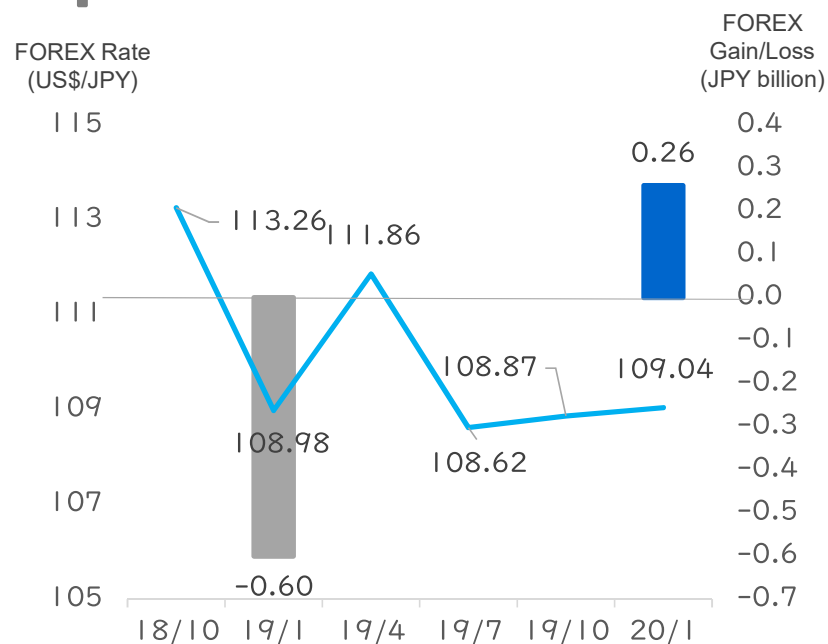
## Major increase/decrease of operating profit



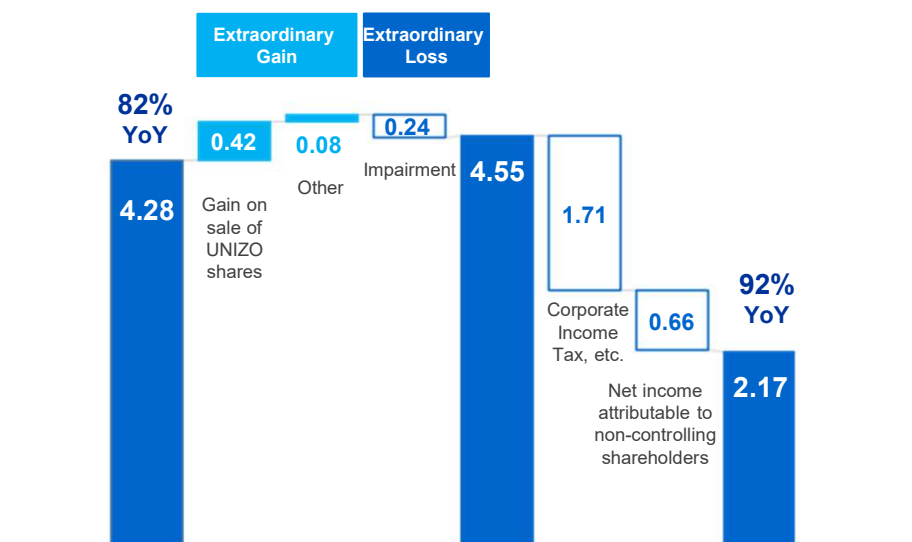
## Ordinary Profit & Net Profit

- Ordinary profit was **JPY4.2 billion (YoY 83%)** as a result of recognizing **JPY260 million of foreign exchange gain** as a non-operating income due to weak-Yen trend (JPY600 million of foreign exchange loss in the previous FY)
- While **JPY500 million of extraordinary gain** was recognized due to sale of investment securities, **JPY200 million of extraordinary loss** was recognized. As a result, net income decreased by JPY170 million to **JPY2.1 billion. (YoY 92%)**.

FOREX Rate and FOREX Loss



Major increase/decrease between ordinary profit and net profit



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

| (JPY million)   | FY19           |                |                |                |                | FY20           |    |    |    |       |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----|----|----|-------|
|   | 1Q             | 2Q             | 3Q             | 4Q             | Total          | 1Q             | 2Q | 3Q | 4Q | Total |
| <b>Travel Business Total Net Sales</b>                    | <b>166,617</b> | <b>170,213</b> | <b>175,444</b> | <b>210,188</b> | <b>722,464</b> | <b>174,845</b> | -  | -  | -  | -     |
| YoY   | 114.3%         | 107.8%         | 116.1%         | 107.0%         | 110.9%         | <b>105.2%</b>  | -  | -  | -  | -     |
| International Travel from Japan / Transaction Amount      | 98,532         | 122,376        | 101,553        | 129,655        | 452,117        | <b>87,440</b>  | -  | -  | -  | -     |
| YoY   | 106.7%         | 114.5%         | 98.9%          | 97.0%          | 103.8%         | <b>99.5%</b>   | -  | -  | -  | -     |
| Fuel Surcharge (included in the transaction amount above) | 6,030          | 8,005          | 4,308          | 6,957          | 25,302         | <b>4,837</b>   | -  | -  | -  | -     |
| Domestic Travel in Japan / Transaction Amount             | 11,941         | 17,576         | 13,693         | 18,232         | 61,443         | <b>11,668</b>  | -  | -  | -  | -     |
| YoY   | 101.4%         | 106.9%         | 99.3%          | 99.0%          | 101.7%         | <b>97.7%</b>   | -  | -  | -  | -     |
| Inbound Travel to Japan / Transaction Amount              | 7,052          | 7,615          | 7,873          | 6,066          | 28,608         | <b>5,849</b>   | -  | -  | -  | -     |
| YoY   | 119.5%         | 105.6%         | 88.7%          | 77.8%          | 96.0%          | <b>82.2%</b>   | -  | -  | -  | -     |
| Overseas Subsidiaries / Inbound Transaction Amount        | 56,070         | 35,339         | 41,186         | 50,748         | 183,343        | <b>55,039</b>  | -  | -  | -  | -     |
| YoY   | 127.1%         | 106.7%         | 107.3%         | 98.1%          | 109.6%         | <b>98.2%</b>   | -  | -  | -  | -     |
| Overseas Subsidiaries / Outbound Transaction Amount       | 19,719         | 20,213         | 40,124         | 40,242         | 120,298        | <b>41,865</b>  | -  | -  | -  | -     |
| YoY   | 104.3%         | 100.0%         | 188.8%         | 205.0%         | 150.4%         | <b>212.3%</b>  | -  | -  | -  | -     |
| Eliminations of internal transactions, adjustments, etc.  | ▲26,697        | ▲32,906        | ▲28,985        | ▲34,754        | ▲123,345       | <b>▲27,016</b> | -  | -  | -  | -     |

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

| (JPY million)  | FY19  |        |        |        |        | FY20   |    |    |    |       |
|--|-------|--------|--------|--------|--------|--------|----|----|----|-------|
|  | 1Q    | 2Q     | 3Q     | 4Q     | Total  | 1Q     | 2Q | 3Q | 4Q | Total |
| Transaction Amount (before consolidation adjustments)      | 7,079 | 5,968  | 6,133  | 6,406  | 25,586 | 6,116  | -  | -  | -  | -     |
| YoY  | 96.1% | 83.2%  | 96.7%  | 85.2%  | 90.1%  | 86.4%  | -  | -  | -  | -     |
| Operating Profit   | 1,894 | 1,277  | 1,112  | 1,012  | 5,295  | 852    | -  | -  | -  | -     |
| YoY  | 92.4% | 61.9%  | 86.5%  | 56.9%  | 73.8%  | 45.0%  | -  | -  | -  | -     |
| Number of Visitors (10,000)                                | 70.8  | 59.6   | 60.4   | 63.7   | 254.7  | 68.8   | -  | -  | -  | -     |
| YoY  | 97.2% | 89.4%  | 97.0%  | 90.7%  | 93.6%  | 97.2%  | -  | -  | -  | -     |
| Foreign Visitors (10,000)<br>*included in the number above | 3.5   | 4.2    | 4.5    | 4.0    | 16.3   | 3.0    | -  | -  | -  | -     |
| YoY  | 82.1% | 89.3%  | 89.9%  | 93.3%  | 88.7%  | 86.7%  | -  | -  | -  | -     |
| Number of Hotel Guests (10,000)                            | 7.3   | 7.0    | 6.3    | 7.7    | 28.4   | 6.6    | -  | -  | -  | -     |
| YoY  | 96.1% | 85.3%  | 96.9%  | 97.5%  | 94.0%  | 90.7%  | -  | -  | -  | -     |
| Unit Price (JPY, rounded down to the nearest hundred)      | 9,900 | 10,000 | 10,100 | 10,000 | 10,000 | 8,800  | -  | -  | -  | -     |
| Increase/Decrease  | -100  | -770   | ±0     | -600   | -400   | -1,100 | -  | -  | -  | -     |



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

(JPY million)

|                                       | FY19 4Q        | FY20 1Q        | Increase/Decrease |
|---------------------------------------|----------------|----------------|-------------------|
| Cash and deposits                     | 219,175        | 195,574        | ▲23,600           |
| Notes and accounts receivable – trade | 45,653         | 48,686         | 3,033             |
| Operating accounts receivable         | 4,287          | 2,417          | ▲1,869            |
| Travel advance payments               | 52,102         | 57,108         | 5,005             |
| Others                                | 27,061         | 18,655         | ▲8,406            |
| <b>Total current assets</b>           | <b>348,280</b> | <b>322,442</b> | <b>▲25,837</b>    |
| Property, plant and equipment         | 147,098        | 173,213        | 26,114            |
| Intangible assets                     | 19,271         | 19,073         | ▲197              |
| Goodwill                              | 7,305          | 7,291          | ▲14               |
| Investments and other assets          | 55,275         | 55,702         | 426               |
| <b>Total non-current assets</b>       | <b>228,951</b> | <b>255,280</b> | <b>26,329</b>     |
| <b>Deferred assets</b>                | <b>168</b>     | <b>161</b>     | <b>▲7</b>         |
| <b>Total assets</b>                   | <b>577,399</b> | <b>577,884</b> | <b>484</b>        |

|   | FY19 4Q        | FY20 1Q        | Increase/Decrease |
|---|----------------|----------------|-------------------|
| Operating accounts payable              | 38,082         | 37,650         | ▲431              |
| Travel advance received                 | 92,760         | 108,152        | 15,391            |
| Bonds and convertible bonds payable     | 55,090         | 55,086         | ▲4                |
| Long-term loans payable                 | 183,951        | 173,083        | ▲10,868           |
| Others                                  | 83,605         | 77,605         | ▲5,999            |
| <b>Total liabilities</b>                | <b>453,490</b> | <b>451,577</b> | <b>▲1,912</b>     |
| Capital stock                           | 11,000         | 11,000         | 0                 |
| Capital surplus                         | 3,392          | 3,389          | ▲2                |
| Retained earnings                       | 112,409        | 112,085        | ▲324              |
| Treasury shares                         | ▲28,309        | ▲28,206        | 102               |
| Accumulated other comprehensive income  | ▲1,719         | ▲1,496         | 222               |
| Non-controlling interests               | 27,135         | 29,535         | 2,399             |
| <b>Total net assets</b>                 | <b>123,909</b> | <b>126,306</b> | <b>2,397</b>      |
| <b>Total liabilities and net assets</b> | <b>577,399</b> | <b>577,884</b> | <b>484</b>        |

## 2. Financial Forecasts

---

## [Revision] Consolidated Financial Forecasts

The impact of the new coronavirus is uncertain, but H.I.S. Group assumed that it will end in summer. The financial forecasts have been revised **on the assumption that the impact will remain until July.**

Foreign exchange rate gains or losses have not been reflected in the financial forecasts. Extraordinary gains and losses assumed at this time have been reflected in the financial forecasts.

| (JPY million)                                  | FY19    | FY20<br>Original<br>Forecasts | FY20<br>Revised<br>Forecasts | Increase/<br>Decrease | FY19 1H | FY20 1H<br>Original<br>Forecasts | FY20 1H<br>Revised<br>Forecasts | Increase/<br>Decrease | FY19 2H | FY20 2H<br>Original<br>Forecasts | FY20 2H<br>Revised<br>Forecasts | Increase/<br>Decrease |
|--|---------|-------------------------------|------------------------------|-----------------------|---------|----------------------------------|---------------------------------|-----------------------|---------|----------------------------------|---------------------------------|-----------------------|
| Net Sales                                      | 808,510 | 900,000                       | 775,000                      | ▲33,510               | 377,839 | 438,400                          | 375,000                         | ▲2,839                | 430,671 | 461,600                          | 400,000                         | ▲30,671               |
| Operating Profit                               | 17,540  | 19,300                        | 1,700                        | ▲15,840               | 8,979   | 9,600                            | 2,400                           | ▲6,579                | 8,561   | 9,700                            | ▲700                            | ▲9,261                |
| EBITDA   | 27,263  | 30,900                        | 13,330                       | ▲13,933               | 13,372  | 15,420                           | 8,220                           | ▲5,152                | 13,891  | 15,480                           | 5,110                           | ▲8,781                |
| Ordinary Profit                                | 17,089  | 19,500                        | 2,800                        | ▲14,268               | 8,874   | 9,800                            | 3,500                           | ▲5,374                | 8,215   | 9,700                            | ▲700                            | ▲8,915                |
| Net Profit Attributable<br>to Owners of Parent | 12,249  | 11,000                        | ▲1,100                       | ▲13,349               | 4,964   | 5,400                            | 800                             | ▲4,164                | 7,285   | 5,600                            | ▲1,900                          | ▲9,185                |
| EPS  | 213.63円 | 191.67円                       | ▲19.16円                      | —                     | —       | —                                | —                               | —                     | —       | —                                | —                               | —                     |
| Dividend                                       | 33円     | 33円                           | 33円                          | —                     | —       | —                                | —                               | —                     | —       | —                                | —                               | —                     |

※Huis Ten Bosch Group has decided to **temporarily close the theme park from February 29, 2020 to March 15, 2020.**

However, the amount of the effect is currently being calculated and is not reflected in the consolidated financial forecasts.

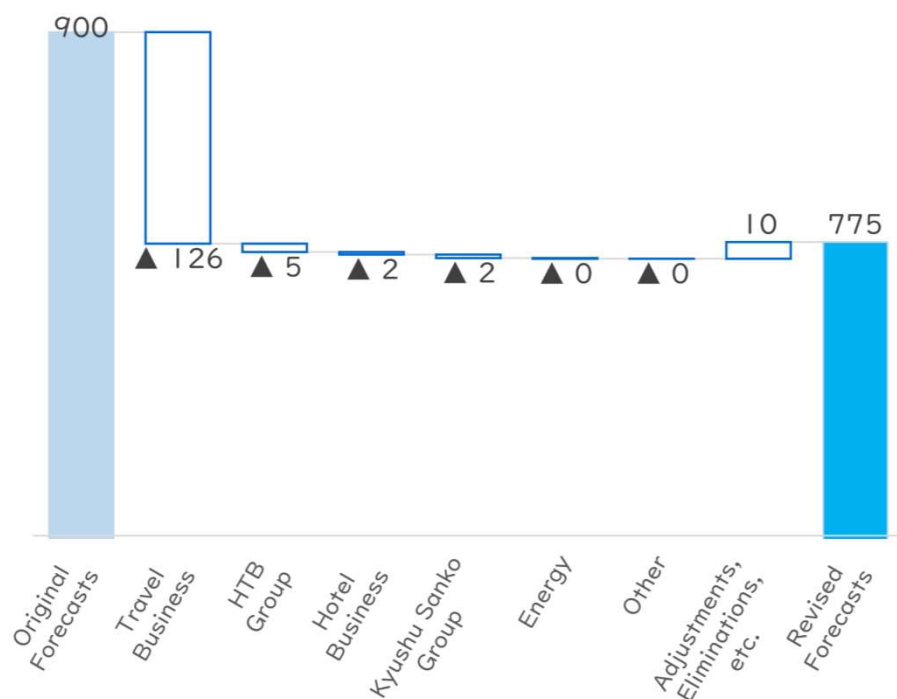
## [Revision] Financial Forecasts by Business Segment

| (JPY million)    | Segment                         | FY19    | FY20<br>Original<br>Forecasts | FY20<br>Revised<br>Forecasts | Increase/<br>Decrease | FY19 1H | FY20 1H<br>Original<br>Forecasts | FY20 1H<br>Revised<br>Forecasts | Increase/<br>Decrease | FY19 2H | FY20 2H<br>Original<br>Forecasts | FY20 2H<br>Revised<br>Forecasts | Increase/<br>Decrease |
|------------------|---------------------------------|---------|-------------------------------|------------------------------|-----------------------|---------|----------------------------------|---------------------------------|-----------------------|---------|----------------------------------|---------------------------------|-----------------------|
| Net Sales        | Travel Business                 | 722,464 | 794,000                       | 668,000                      | ▲54,464               | 336,831 | 386,000                          | 328,000                         | ▲8,831                | 385,633 | 408,000                          | 340,000                         | ▲45,633               |
|                  | Huis Ten Bosch Group            | 28,086  | 30,000                        | 25,000                       | ▲3,086                | 13,689  | 14,000                           | 11,600                          | ▲2,089                | 14,397  | 16,000                           | 13,400                          | ▲997                  |
|                  | Hotel Business                  | 12,676  | 15,000                        | 13,500                       | 824                   | 6,205   | 7,500                            | 6,800                           | 595                   | 6,471   | 7,500                            | 6,700                           | 229                   |
|                  | Kyushu Sanko Group              | 22,230  | 28,000                        | 26,000                       | 3,770                 | 11,155  | 14,300                           | 13,000                          | 1,845                 | 11,075  | 13,700                           | 13,000                          | 1,925                 |
|                  | Energy Business                 | 20,461  | 38,400                        | 38,000                       | 17,539                | 9,281   | 14,700                           | 14,600                          | 5,319                 | 11,180  | 23,700                           | 23,400                          | 12,220                |
|                  | Other                           | 8,376   | 9,600                         | 9,500                        | 1,124                 | 3,433   | 4,400                            | 4,400                           | 967                   | 4,943   | 5,200                            | 5,100                           | 157                   |
|                  | Adjustments, Eliminations, etc. | ▲5,785  | ▲15,000                       | ▲5,000                       | 785                   | ▲2,757  | ▲2,500                           | ▲3,400                          | ▲643                  | ▲3,028  | ▲12,500                          | ▲1,600                          | 1,428                 |
| Operating Profit | Travel Business                 | 13,754  | 14,700                        | 2,700                        | ▲11,054               | 6,201   | 6,500                            | 2,170                           | ▲4,031                | 7,553   | 8,200                            | 530                             | ▲7,023                |
|                  | Huis Ten Bosch Group            | 5,075   | 5,400                         | 1,280                        | ▲3,795                | 2,680   | 2,600                            | 460                             | ▲2,220                | 2,395   | 2,800                            | 820                             | ▲1,575                |
|                  | Hotel Business                  | ▲217    | 550                           | ▲700                         | ▲483                  | 467     | 470                              | ▲170                            | ▲637                  | ▲684    | 80                               | ▲530                            | 154                   |
|                  | Kyushu Sanko Group              | 158     | 1,120                         | 30                           | ▲128                  | 297     | 790                              | 200                             | ▲97                   | ▲139    | 330                              | ▲170                            | ▲31                   |
|                  | Energy Business                 | 974     | 840                           | 1,000                        | 26                    | 363     | 280                              | 540                             | 177                   | 611     | 560                              | 460                             | ▲151                  |
|                  | Other                           | 589     | 820                           | 920                          | 331                   | 226     | 450                              | 530                             | 304                   | 363     | 370                              | 390                             | 27                    |
|                  | Adjustments, Eliminations, etc. | ▲2,795  | ▲4,130                        | ▲3,530                       | ▲735                  | ▲1,259  | ▲1,490                           | ▲1,330                          | ▲70                   | ▲1,536  | ▲2,640                           | ▲2,200                          | ▲664                  |
| EBITDA           | Travel Business                 | 17,980  | 20,000                        | 8,020                        | ▲9,960                | 8,045   | 9,160                            | 4,830                           | ▲3,215                | 9,935   | 10,840                           | 3,190                           | ▲6,745                |
|                  | Huis Ten Bosch Group            | 7,175   | 7,830                         | 3,720                        | ▲3,455                | 3,724   | 3,820                            | 1,680                           | ▲2,044                | 3,451   | 4,010                            | 2,040                           | ▲1,411                |
|                  | Hotel Business                  | 1,059   | 2,250                         | 1,000                        | ▲59                   | 1,044   | 1,320                            | 680                             | ▲364                  | 15      | 930                              | 320                             | 305                   |
|                  | Kyushu Sanko Group              | 1,203   | 2,170                         | 1,080                        | ▲123                  | 750     | 1,320                            | 730                             | ▲20                   | 453     | 850                              | 350                             | ▲103                  |
|                  | Energy Business                 | 1,050   | 930                           | 1,090                        | 40                    | 399     | 320                              | 580                             | 181                   | 651     | 610                              | 510                             | ▲141                  |
|                  | Other                           | 1,077   | 1,310                         | 1,410                        | 333                   | 468     | 695                              | 775                             | 307                   | 609     | 615                              | 635                             | 26                    |
|                  | Adjustments, Eliminations, etc. | ▲2,283  | ▲3,590                        | ▲2,990                       | ▲707                  | ▲1,060  | ▲1,215                           | ▲1,055                          | 5                     | ▲1,223  | ▲2,375                           | ▲1,934                          | ▲711                  |

# Net Sales & Operating Profit Forecasts for the Full Year

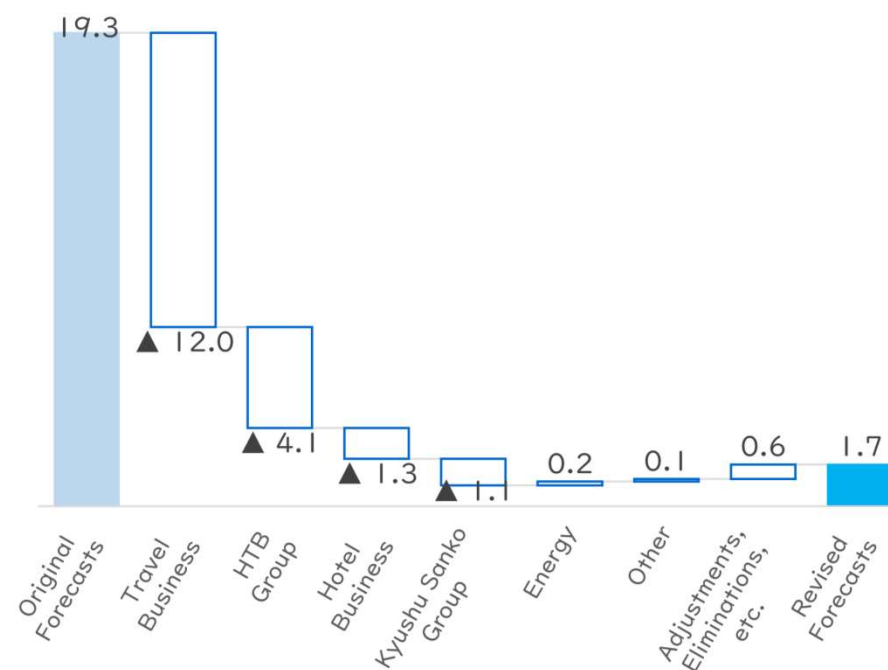
## Net Sales

(JPY billion)



## Operating Profit

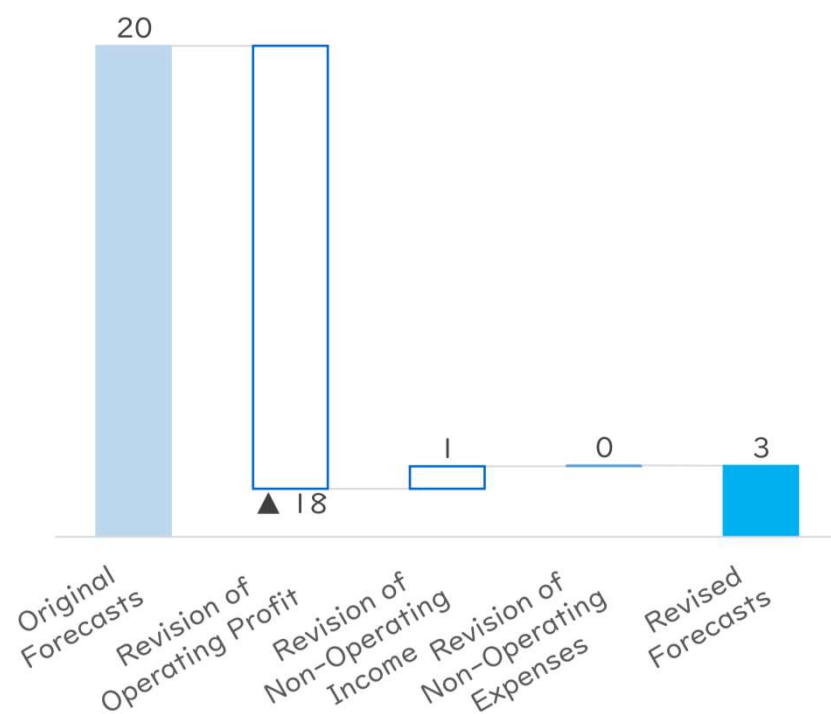
(JPY billion)



# Ordinary Profit & Net Profit Forecasts for the Full Year

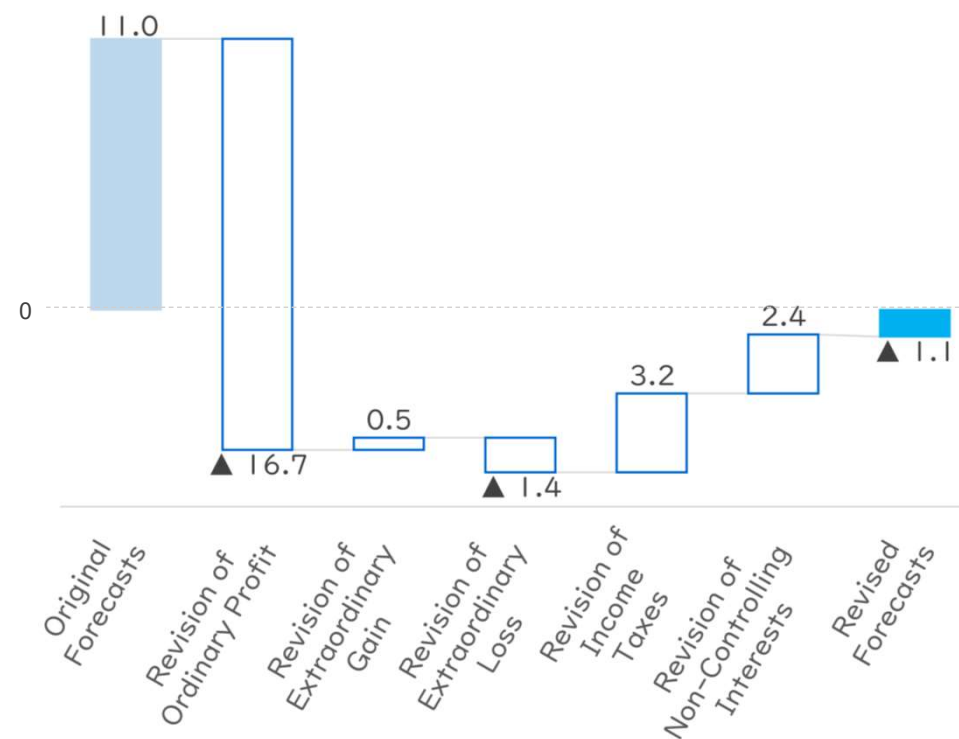
## Ordinary Profit

(JPY billion)



## Net Profit

(JPY billion)



## Disclaimer

In preparing this material, H.I.S. Group relies on and assumes the accuracy and completeness of all available information, but makes no representation or warranty as to its accuracy or completeness. The information in this material is subject to change without any prior notice.

This material contains forward-looking statements such as H.I.S. Group's future business activities and financial forecasts. Such forward-looking statements have been determined by the management of H.I.S. Group based on the information available at the time of preparation and have various risk factors and uncertainties. Actual operating results and financial positions may differ significantly from those indicated in these forward-looking statements. Therefore, these forward-looking statements should not be overly relied upon. H.I.S. Group is not obligated to revise forward-looking statements in response to new information, future events or new insights.



For inquiries regarding this material, please contact IR Office of H.I.S. Group