



Presentation Materials for the 1st Quarter of Fiscal Year
Ending October 31, 2024 Financial Results
(3 Months Ended January 31st, 2024)

H.I.S. Co., Ltd.
March 15, 2024
Prime Market of TSE: 9603

Summary of Financial Results

Summary of Consolidated Financial Results



In the Travel Business, results of travel business overseas exceeded plans, especially in Europe.

Regarding international travel from Japan, New year sales performed well, and the proportion of arranged travel increased more than expected. Profitability improved due in part to the impact of new accounting standards.

In the Hotel Business, Taiwan's Green World drove business results due to a recovery in flow of people, in addition to the strong domestic accommodation market.

(million yen)	FY23 1Q	FY24 1Q	YoY	Increase/ Decrease	Major Reasons for Increase/Decrease
Net Sales	46,143	80,520	174%	34,377	Travel +31,286, Hotel +1,788
Gross Profit	15,419	26,784	173%	11,365	
Operating Profit	△3,439	3,448	-	6,888	Travel +5,776, Hotel +1,081
EBITDA	△829	6,260	-	7,089	
Non-Operating Income	450	604	134%	153	
Non-Operating Expenses	834	676	81%	△157	
Ordinary Profit	△3,823	3,376	-	7,199	
Extraordinary Gain	535	312	58%	△223	
Extraordinary Loss	-	4	-	4	
Profit before Income Taxes	△3,287	3,684	-	6,971	
Income Taxes	292	694	237%	402	
Net Profit Attributable to Non-Controlling Shareholders	△8	406	-	415	
Net Profit Attributable to Parent Company Shareholders	△3,571	2,582	-	6,154	

Operating Results by Business Segment



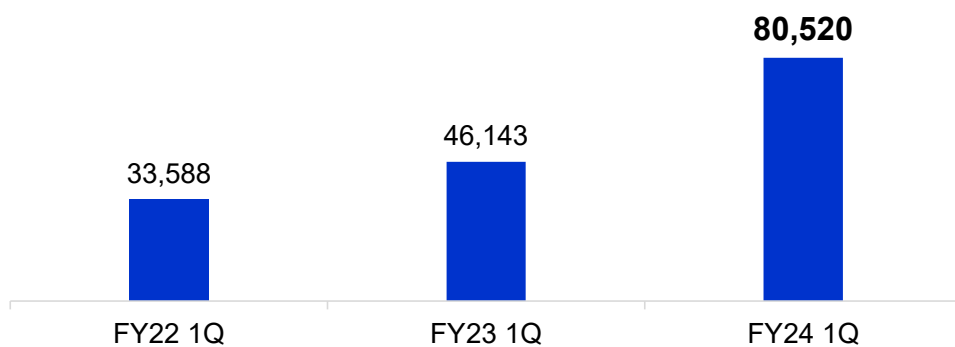
(million yen)		FY23 1Q	FY24 1Q	YoY	Increase/Decrease
Net Sales	Travel Business	34,533	65,820	190.6%	31,286
	Hotel Business	4,022	5,811	144.5%	1,788
	Kyushu Sanko Group	5,487	6,002	109.4%	515
	Others	2,438	3,610	148.0%	1,171
	Adjustments, Eliminations, etc.	△338	△723		△384
	Total	46,143	80,520	174.5%	34,377
Operating Profit	Travel Business	△3,176	2,600	-	5,776
	Hotel Business	△46	1,035	-	1,081
	Kyushu Sanko Group	32	230	702.9%	197
	Others	△203	107	-	310
	Adjustments, Eliminations, etc.	△46	△525	-	△478
	Total	△3,439	3,448	-	6,888
EBITDA	Travel Business	△2,233	3,682	-	5,915
	Hotel Business	962	2,041	212.0%	1,078
	Kyushu Sanko Group	459	666	145.2%	207
	Others	△72	254	-	327
	Adjustments, Eliminations, etc.	55	△383	-	△438
	Total	△829	6,260	-	7,089

※ Effective from the 1Q of the current fiscal year, the business segments have been changed from the previous 4 segments of "Travel Business", "Theme Park Business", "Hotel Business", and "Kyushu Sanko Group" to 3 segments of "Travel Business", "Hotel Business" and "Kyushu Sanko Group". Accordingly, Laguna Ten Bosch Co., Ltd. has been changed from "Theme Park Business" to "Others". Comparisons with the 1Q of the previous fiscal year are made by restating the figures after the segment change. For details, please refer to "2. Quarterly Consolidated Financial Statements and Main Notes (3) Notes to the Quarterly Consolidated Financial Statements (Segment Information, etc.) in the Kessan Tanshin (Consolidated Financial Results Brief Report)

Trends in the Consolidated Financial Results

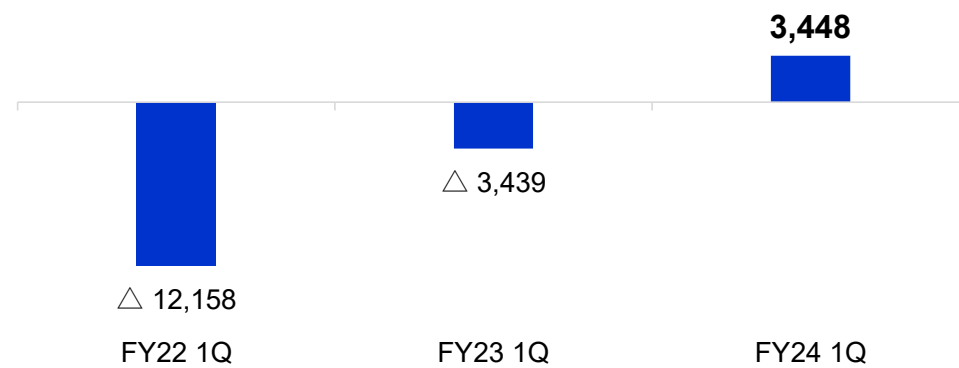


Net Sales

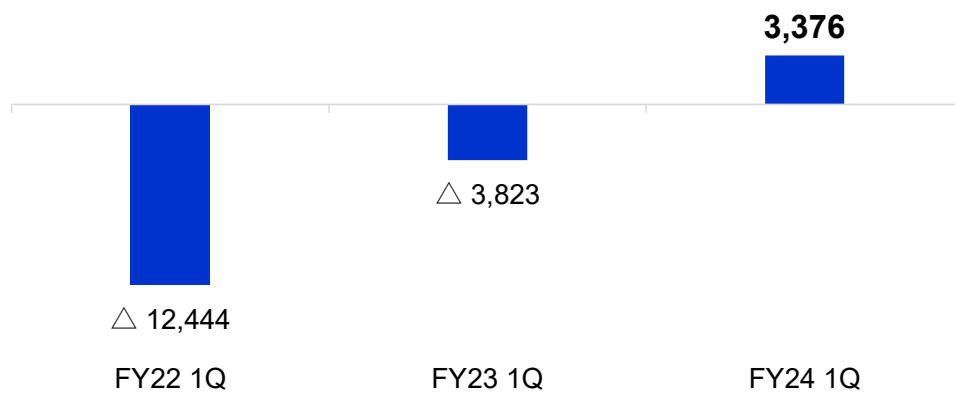


Operating Profit

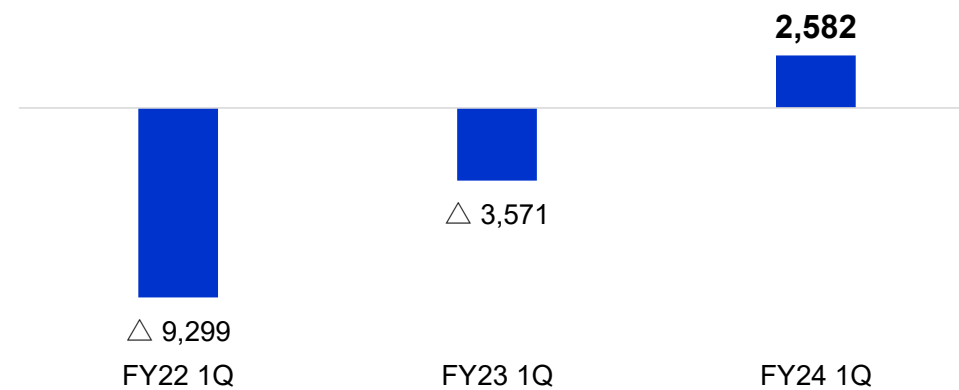
(million yen)



Ordinary Profit



Net Profit Attributable to Parent Company Shareholders



Quarterly Consolidated Financial Results



(million yen)	FY23					FY24				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Net Sales	46,143	56,770	61,067	87,885	251,866	80,520	-	-	-	-
YoY	137.4%	162.7%	194.2%	205.1%	176.4%	174.5%	-	-	-	-
Cost of Sales	30,724	37,932	40,569	59,863	169,089	53,736	-	-	-	-
Gross Profit	15,419	18,837	20,498	28,021	82,777	26,784	-	-	-	-
GP Margin	33.4%	33.2%	33.6%	31.9%	32.9%	33.3%	-	-	-	-
SG&A Expenses	18,858	18,756	21,341	22,423	81,380	23,335	-	-	-	-
Operating Profit	△3,439	80	△842	5,598	1,397	3,448	-	-	-	-
YoY	-	-	-	-	-	-	-	-	-	-
Operating Margin	-	0.1%	-	6.4%	0.6%	4.3%	-	-	-	-
EBITDA	△829	2,715	1,862	8,632	12,381	6,260	-	-	-	-
Non-Operating Income	450	761	1,127	621	2,961	604	-	-	-	-
Non-Operating Expenses	834	580	674	823	2,912	676	-	-	-	-
Ordinary Profit	△3,823	261	△388	5,396	1,446	3,376	-	-	-	-
YoY	-	-	-	-	-	-	-	-	-	-
Net Profit	△3,571	△1,237	△825	3,016	△2,618	2,582	-	-	-	-
YoY	-	-	-	-	-	-	-	-	-	-

Quarterly Operating Results by Business Segment



(million yen)		FY23					FY24				
		1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Travel	Net Sales	34,533	45,121	49,166	73,188	202,008	65,820	-	-	-	-
	YoY	346.5%	335.7%	306.1%	259.3%	298.4%	190.6%	-	-	-	-
	Operating Profit	△3,176	△282	△660	4,921	803	2,600	-	-	-	-
	YoY	-	-	-	-	-	-	-	-	-	-
Hotel	Net Sales	4,022	4,203	4,669	5,041	17,937	5,811	-	-	-	-
	YoY	219.3%	241.9%	183.8%	162.9%	194.8%	144.5%	-	-	-	-
	Operating Profit	△46	96	207	320	577	1,035	-	-	-	-
	YoY	-	-	-	-	-	-	-	-	-	-
Kyushu Sanko Group	Net Sales	5,487	5,251	5,342	5,594	21,676	6,002	-	-	-	-
	YoY	115.9%	136.1%	115.0%	118.5%	120.7%	109.4%	-	-	-	-
	Operating Profit	32	74	△55	6	58	230	-	-	-	-
	YoY	-	-	-	-	-	702.9%	-	-	-	-
Others	Net Sales	2,438	2,643	2,399	4,508	11,989	3,610	-	-	-	-
	YoY	13.9%	16.2%	27.8%	60.5%	24.0%	148.0%	-	-	-	-
	Operating Profit	△203	△22	△38	742	476	107	-	-	-	-
	YoY	-	-	-	-	-	-	-	-	-	-

※ Effective from the 1Q of the current fiscal year, the business segments have been changed from the previous 4 segments of "Travel Business", "Theme Park Business", "Hotel Business", and "Kyushu Sanko Group" to 3 segments of "Travel Business", "Hotel Business" and "Kyushu Sanko Group". Accordingly, Laguna Ten Bosch Co., Ltd. has been changed from "Theme Park Business" to "Others". Comparisons with the 1Q of the previous fiscal year are made by restating the figures after the segment change. For details, please refer to "2. Quarterly Consolidated Financial Statements and Main Notes (3) Notes to the Quarterly Consolidated Financial Statements (Segment Information, etc.) in the Kessan Tanshin (Consolidated Financial Results Brief Report)

Travel Business / Quarterly Operating Results by Sub-Segment



(million yen)	FY19 (Previous Standards)					FY23 (Previous Standards)					FY24 (Previous Standards)				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
International Travel from Japan / Transaction Amount	87,899	110,754	86,748	116,545	401,948	25,190	44,582	51,064	81,320	202,158	58,844	-	-	-	-
YoY	106%	114%	98%	97%	103%	1,188%	1,406%	527%	393%	567%	233%	-	-	-	-
Fuel Surcharge (included in the transaction amount above)	6,030	8,005	4,308	6,957	25,302	4,415	7,243	6,619	8,575	26,853	6,584	-	-	-	-
Domestic Travel in Japan / Transaction Amount	11,941	18,154	13,693	18,044	61,833	13,438	16,498	13,718	16,184	59,840	10,357	-	-	-	-
YoY	101%	106%	99%	99%	101%	154%	216%	134%	106%	143%	77%	-	-	-	-
Inbound Travel to Japan / Transaction Amount	7,116	8,075	8,375	6,464	30,032	1,023	2,302	2,255	2,866	8,448	2,247	-	-	-	-
YoY	119%	105%	88%	87%	96%	3,583%	3,109%	2,761%	1,360%	2,138%	219%	-	-	-	-

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

(million yen)	FY19 (Previous Standards)					FY23 (Reference Amount *)					FY23 (Reference Amount *)				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Overseas Subsidiaries / Inbound Transaction Amount	54,059	34,389	40,965	51,247	180,663	18,149	12,076	17,689	32,024	79,939	40,035	-	-	-	-
YoY	122%	104%	107%	99%	108%	558%	385%	428%	231%	328%	220%	-	-	-	-
Overseas Subsidiaries / Outbound Transaction Amount	17,860	18,761	38,857	39,868	115,347	36,432	46,824	50,096	38,859	172,213	44,515	-	-	-	-
YoY	95%	93%	183%	203%	144%	349%	324%	187%	134%	213%	122%	-	-	-	-

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

※As the overseas travel business closes its fiscal year in July, FY23 1Q shows the transaction amount (reference value) from August to October 2023, and the transaction amount of non-travel businesses such as CCEL (language school) is excluded.

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

(million yen)

	FY23	FY24 1Q	Increase/Decrease		FY23	FY24 1Q	Increase/Decrease
Cash and Deposits	157,571	162,648	5,076	Operating Accounts Payable	10,122	11,565	1,442
Notes & Accounts Receivable and Contract Assets	24,814	28,831	4,017	Pre-Travel Payments Received	29,659	36,777	7,118
Operating Accounts Receivable	656	335	△321	Bonds and Convertible Bonds Payable	45,018	45,014	△4
Pre-Travel Payments	8,418	10,519	2,100	Long-Term Borrowings	206,857	205,959	△897
Others	26,065	26,208	143	Others	91,540	86,865	△4,675
Total Current Assets	217,526	228,542	11,016	Total Liabilities	383,196	386,180	2,983
Property, Plant and Equipment	167,682	165,367	△2,315	Capital	100	100	—
Intangible Fixed Assets	14,472	14,371	△100	Capital Surplus	27,770	27,770	—
Goodwill	2,092	2,123	30	Earned Surplus	23,755	26,332	2,576
Investments and Other Assets	39,479	38,432	△1,047	Treasury Shares	△13,046	△13,046	△0
Total Fixed Assets	223,727	220,294	△3,433	Cumulative Other Comprehensive Income	10,236	12,010	1,773
Deferred Assets	92	82	△9	Non-Controlling Shareholder Equity	9,166	9,406	240
Total Assets	441,346	448,919	7,573	Total Net Assets	58,149	62,739	4,589
				Total Liabilities and Net Assets	441,346	448,919	7,573



Financial Forecasts

[Revised] Financial Forecasts



In the 1Q, the Travel Business and the Hotel Business performed well, and the results exceeded the plans, therefore the 1H financial forecast (1Q+2Q) have been revised upward.

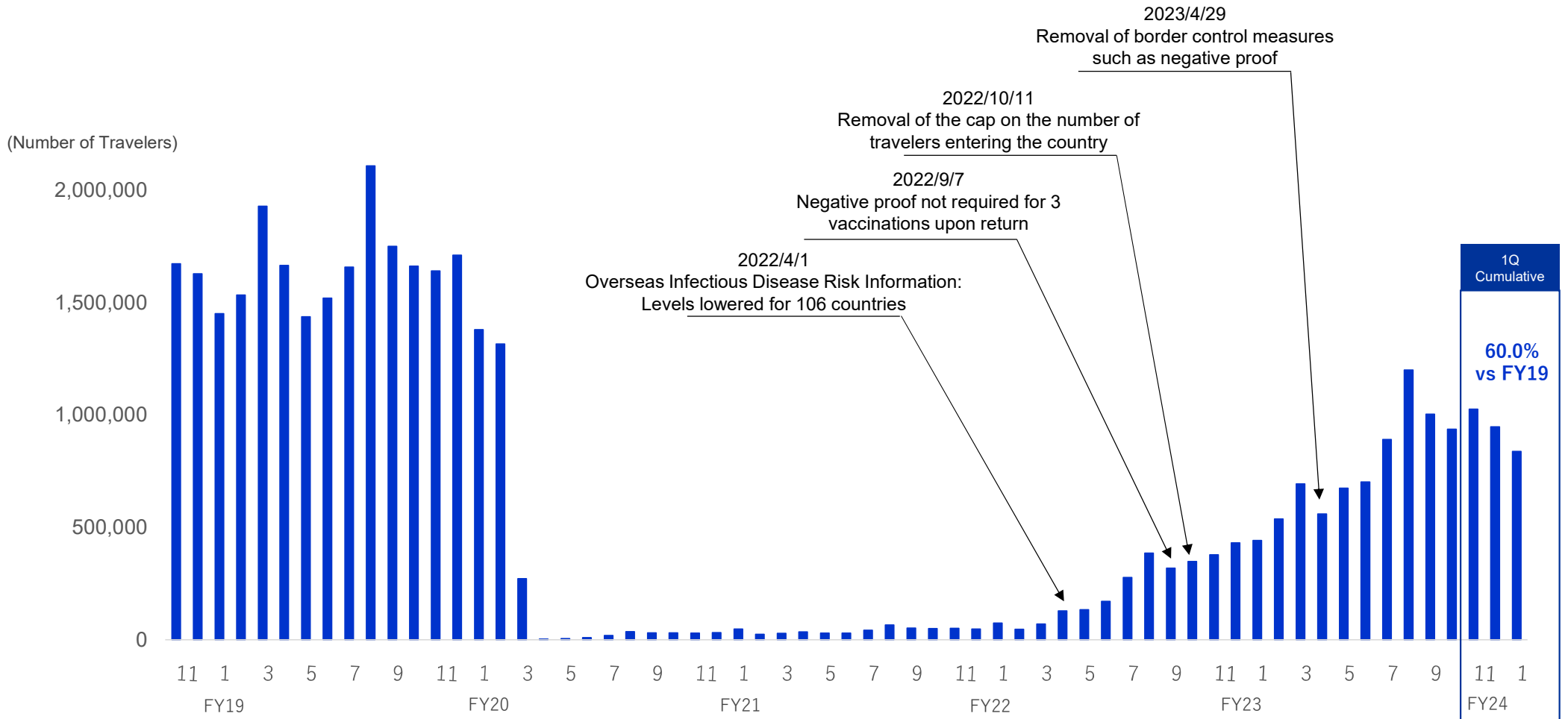
For the full year, the forecasts for operating profit, ordinary profit, and net profit attributable to the parent company have been revised upward, taking into account the revisions to the financial forecasts for the 1H (1Q+2Q) and recent trends.

(million yen)	FY24 Initial Forecasts	FY24 Revised Forecasts	Increase/ Decrease in Forecasts	FY24 1H Initial Forecasts	FY24 1H Revised Forecasts	Increase/ Decrease in Forecasts	FY24 2H Initial Forecasts	FY24 2H Revised Forecasts	Increase/ Decrease in Forecasts
Net Sales	350,000	350,000	–	160,000	160,000	–	190,000	190,000	–
Travel Business	288,000	288,100	100	131,000	130,500	△500	157,000	157,600	600
Hotel Business	24,000	24,000	–	11,000	11,500	500	13,000	12,500	△500
Kyushu Sanko Group	23,300	23,500	200	11,500	11,500	–	11,800	12,000	200
Others	16,300	16,000	△300	7,100	7,100	–	9,200	8,900	△300
Adjustments, Eliminations, etc.	△1,600	△1,600	–	△600	△600	–	△1,000	△1,000	–
Operating Profit	9,000	10,000	1,000	1,800	3,300	1,500	7,200	6,700	△500
Travel Business	7,500	8,000	500	1,200	1,800	600	6,300	6,200	△100
Hotel Business	2,000	2,500	500	700	1,450	750	1,300	1,050	△250
Kyushu Sanko Group	140	300	160	120	250	130	20	50	30
Others	600	600	–	20	50	30	580	550	△30
Adjustments, Eliminations, etc.	△1,240	△1,400	△160	△240	△250	△10	△1,030	△1,150	△120
Ordinary Profit	7,200	9,000	1,800	900	3,100	2,200	6,300	5,900	△400
Net Profit Attributable to Parent Company Shareholders	5,200	6,000	800	300	1,500	1,200	4,900	4,500	△400
Dividend (Plan)	10 yen	10 yen	–	–	–	–	–	–	–



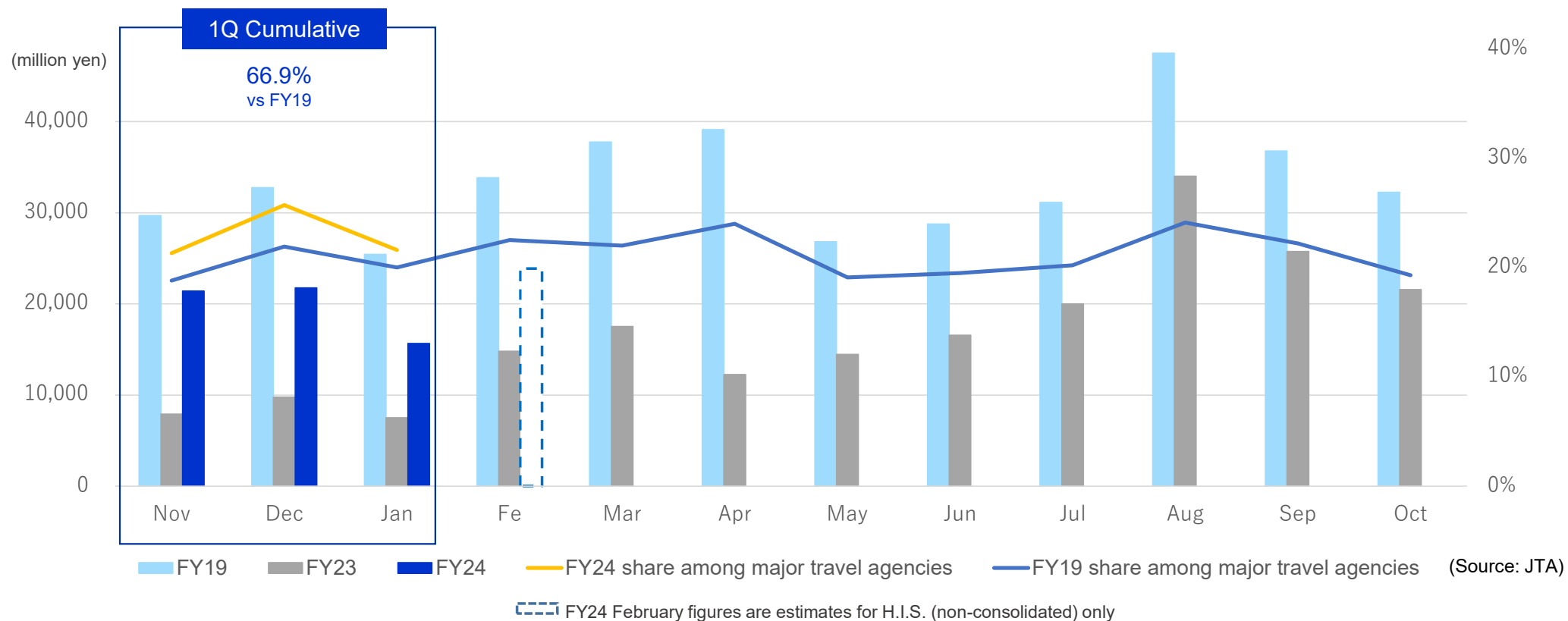
Supplementary Material

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



Source : Japan National Tourism Organization

[Supplementary Material] Transaction Amount of International Travel (Previous Accounting Standard)

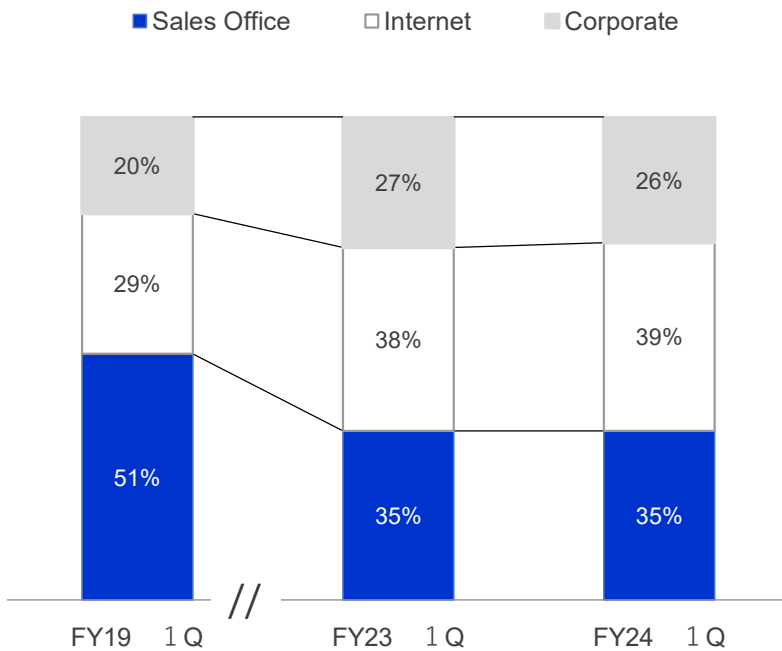


* Total transaction amount after offsetting internal transactions of H.I.S. and its five group companies (Orion Tour, Qualita, Cruise Planet, Japan Holiday Travel, and H.I.S. Okinawa)

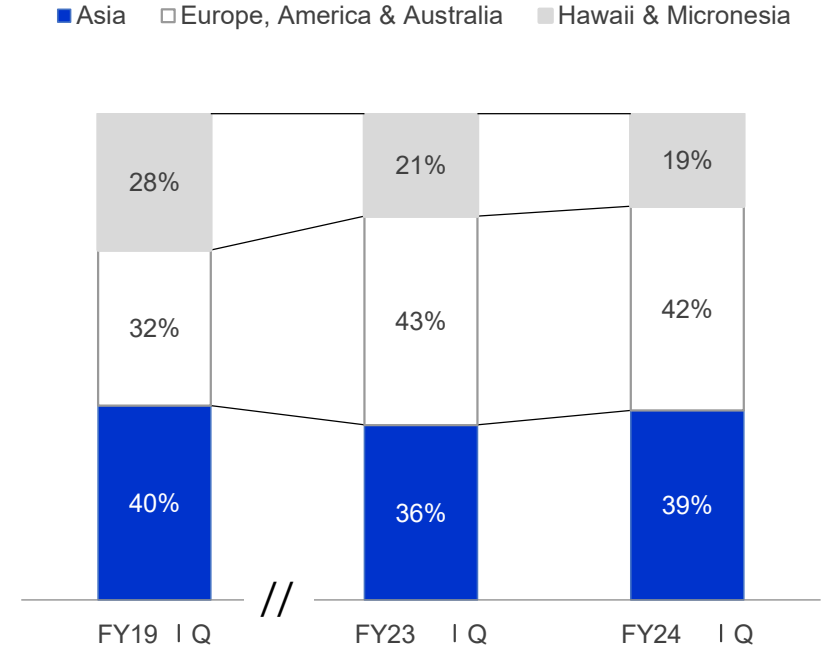
[Supplementary Material] International Travel Composition (Previous Standard)



Net Sales of International Travel by Sales Channel



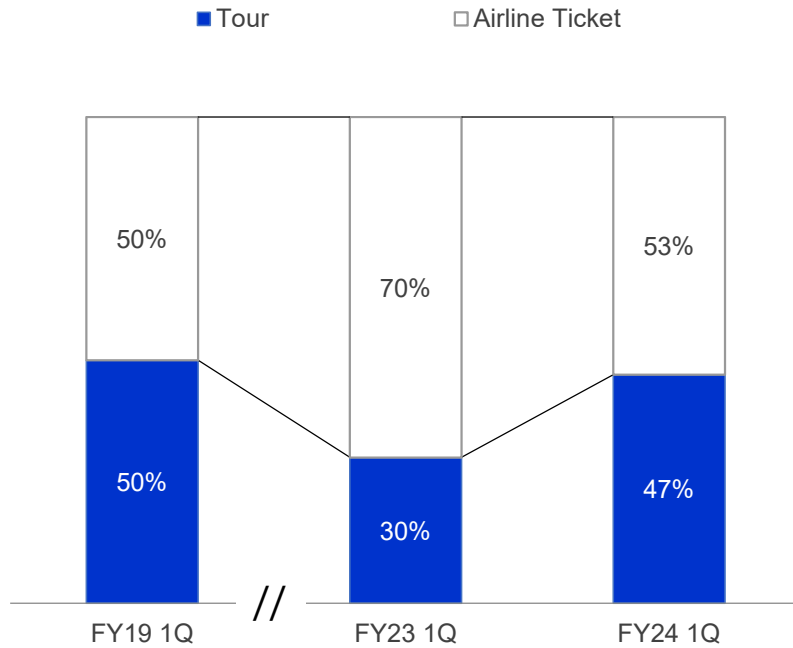
Net Sales of International Travel by Destination



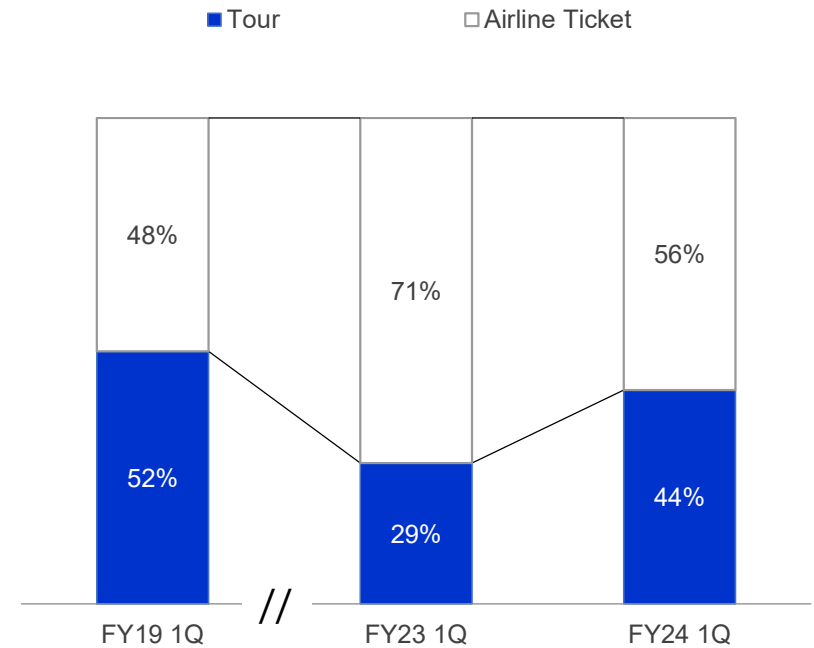
[Supplementary Material] International Travel Composition (Previous Standard)



Net Sales of International Travel by Product Type



Number of Travelers of International Travel by Product Type

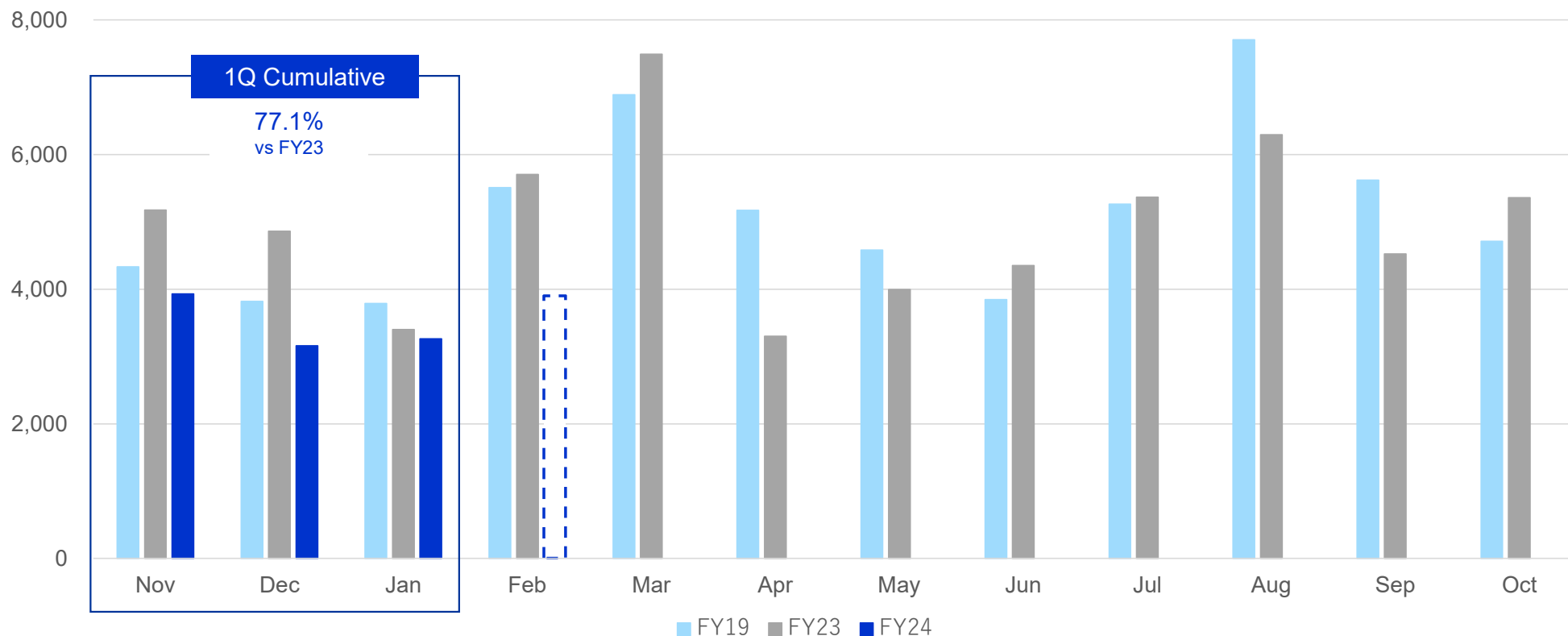


※ Tour: Agent-organized type air + hotel included

[Supplementary Material] Transaction Amount of Domestic Travel (Previous Accounting Standard)



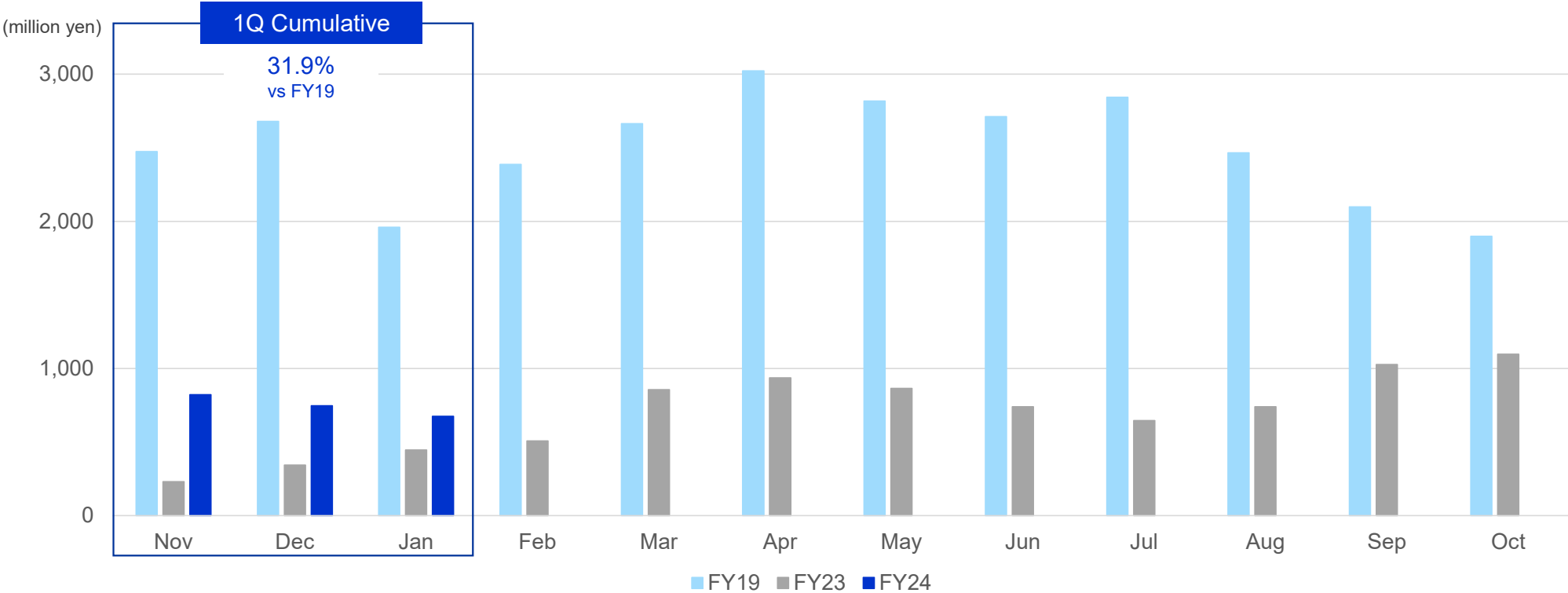
(million yen)



FY24 February figures are estimates for H.I.S. (non-consolidated) only

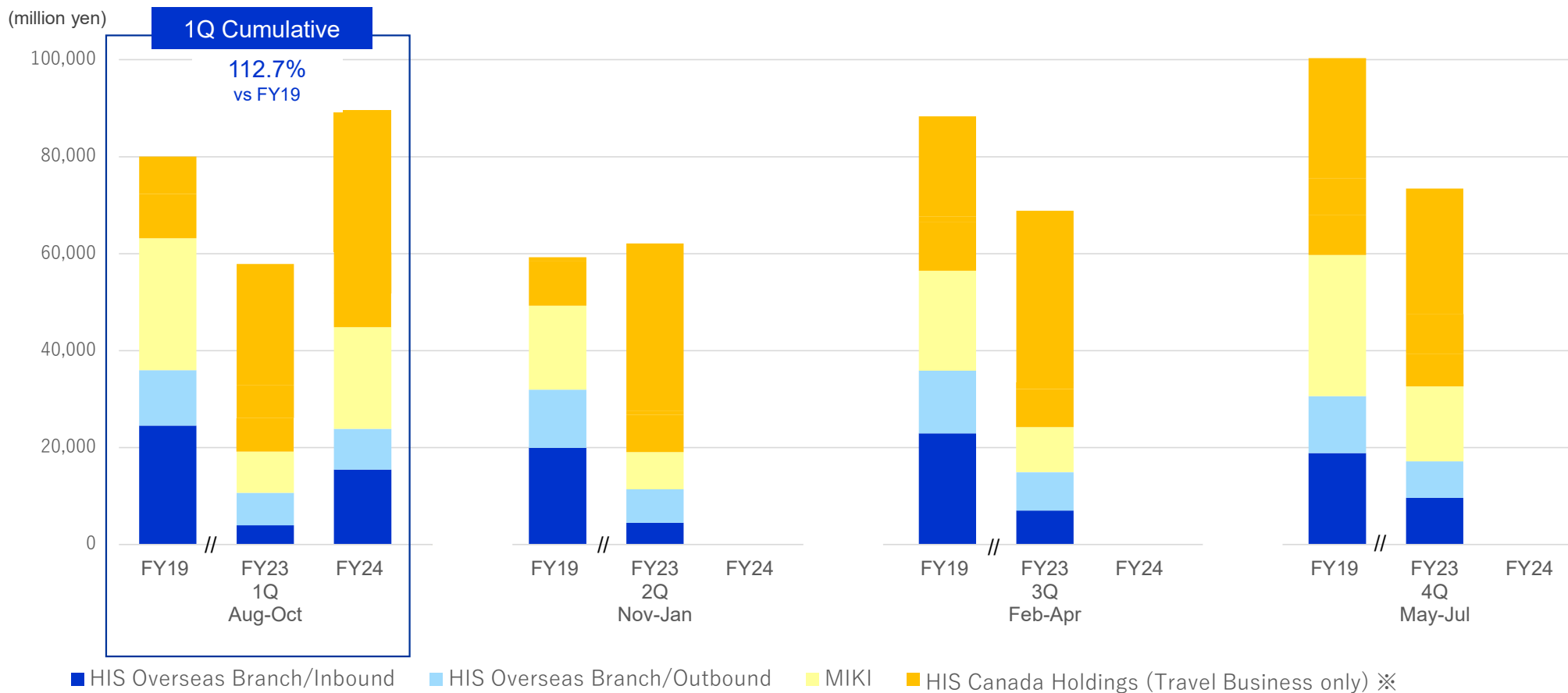
* Total transaction amount after offsetting internal transactions of H.I.S. and its five group companies (Orion Tour, Qualita, Cruise Planet, Japan Holiday Travel, and H.I.S. Okinawa)

[Supplementary Material] Transaction Amount of Inbound Travel to Japan (Previous Accounting Standard) **HIS**



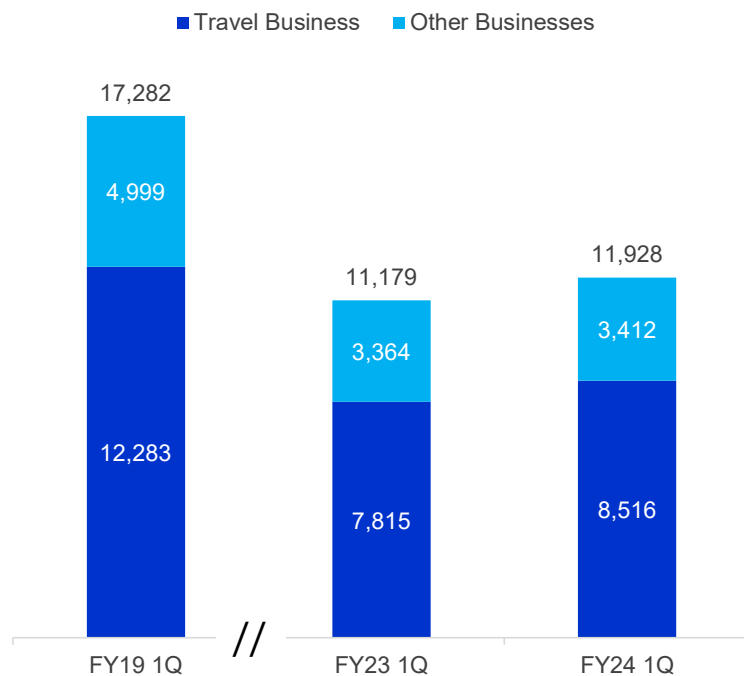
* Total transaction amount after offsetting internal transactions of H.I.S. and its five group companies (Orion Tour, Qualita, Cruise Planet, Japan Holiday Travel, and H.I.S. Okinawa)

[Supplementary Material] Transaction Amount of Overseas Subsidiaries (Previous Accounting Standard, Reference Amount)

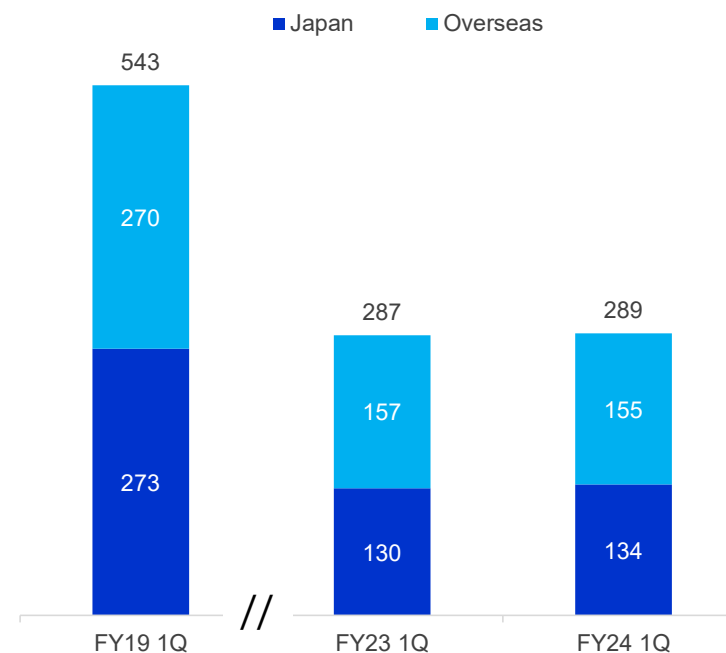


※ HIS Canada Travel (Jonview · Red Level Vacation (※FY19 3Q~) · Merged with HIS Canada) · Merit Travel

|| The Number of Group Employees



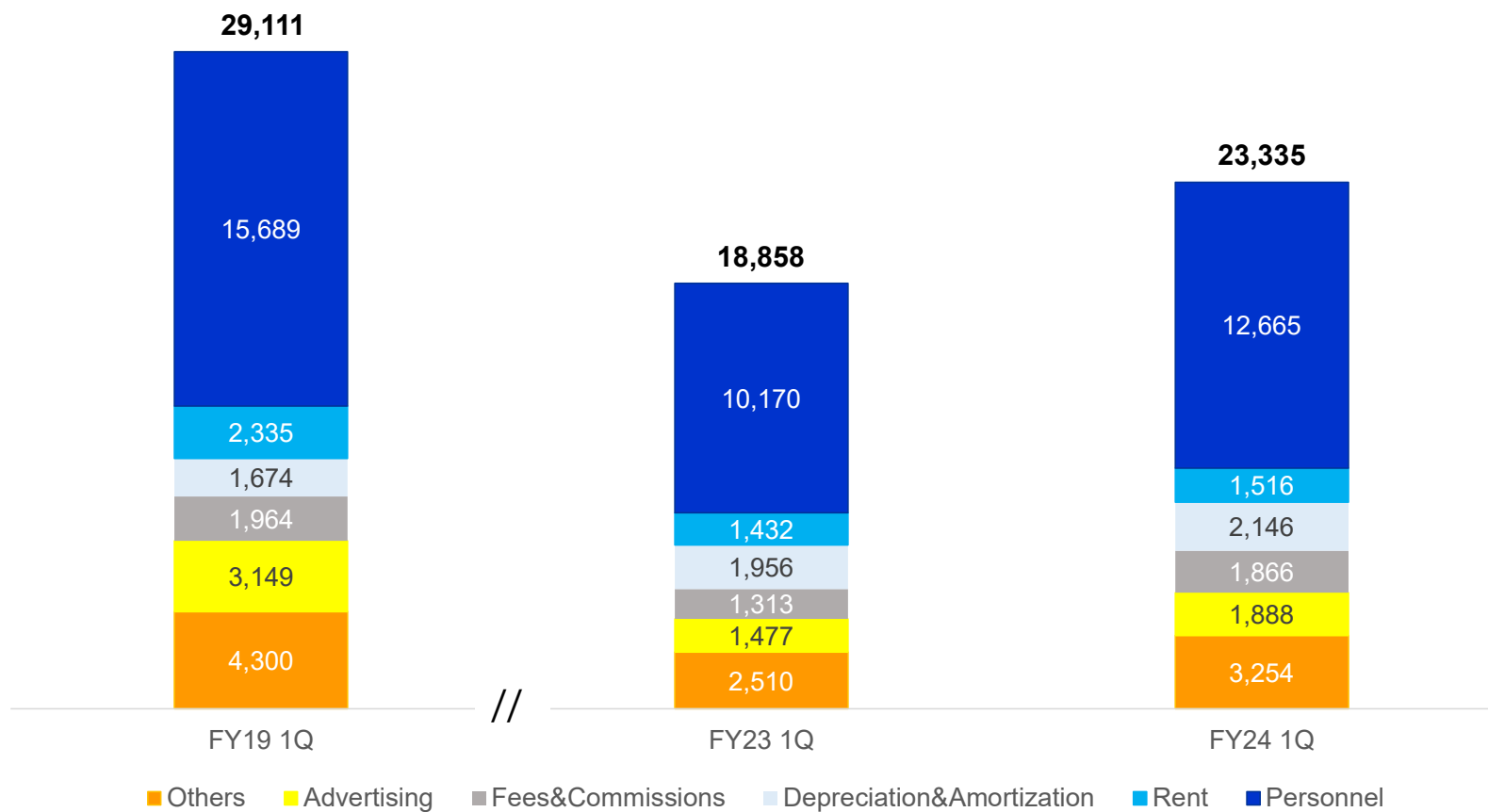
|| The Number of Sales Offices of the Travel Business



[Supplementary Material] SG&A Expenses



(million yen)



Disclaimer

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