



# Mid-Term Management Plan Presentation Material (FY2024–2026)

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H.I.S. Co., Ltd.  
December 15, 2023  
Prime Market of TSE: 9603

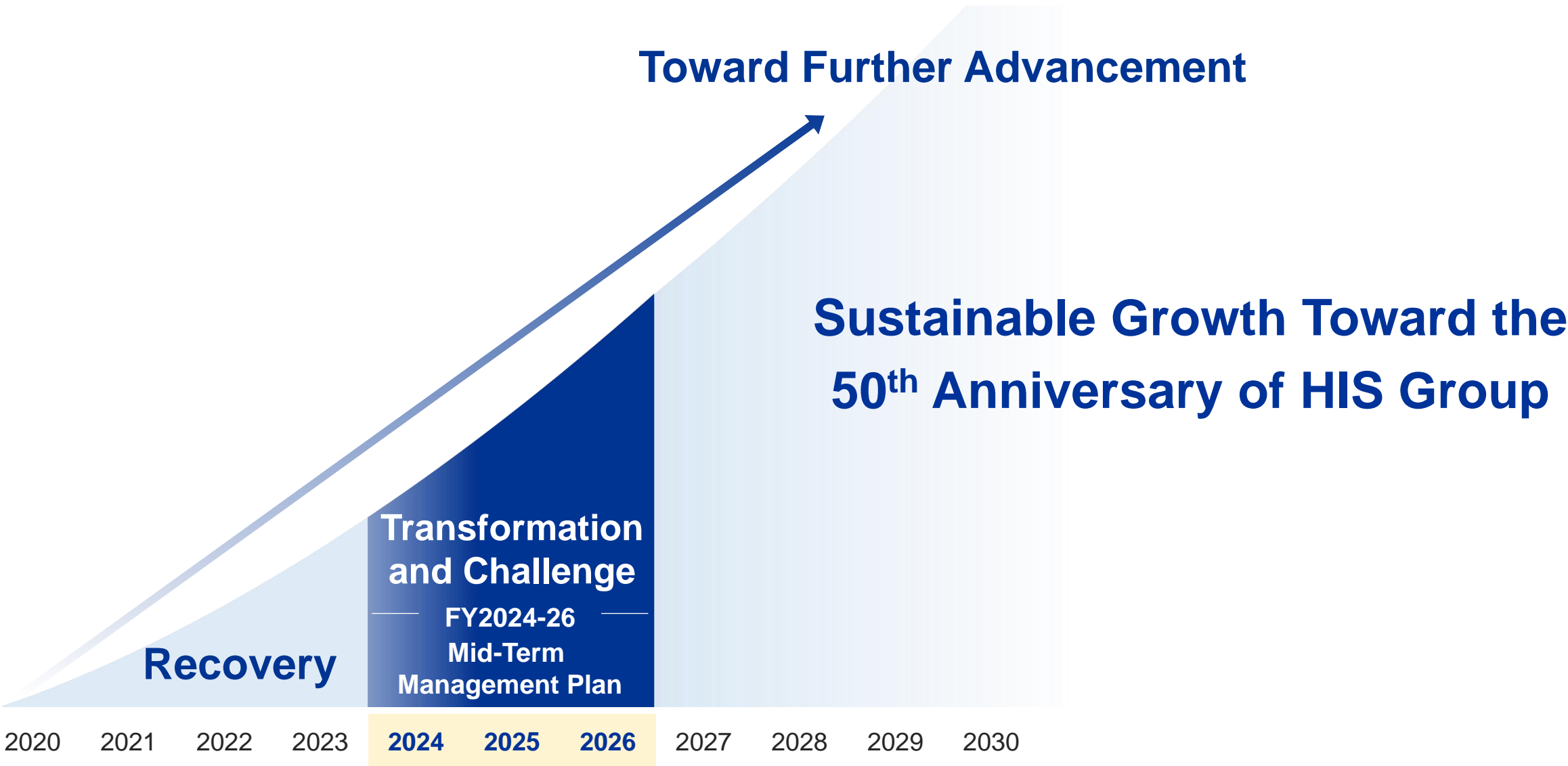
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# 1. Assumptions for the Mid-Term Management Plan

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# Mid-Term Management Plan's Position / Timeline for [Vision 2030]



# HIS Group's Journey of Challenges

**[Transformation Period] From 2024**  
**Sustainable Growth Toward the 50<sup>th</sup>**  
**Anniversary of HIS Group**

The value we strive to consistently provide to the world.  
**Unleash your feeling "KOKORO ODORU": Being interested, excited, and having a desire**  
 Encounters with uncharted worlds, connections with people, enriched times, "Waku-waku" (Excitement), elation, and thoughts on peace – We unleash our "KOKORO ODORU" feelings and always are challengers to create a new world.

**Formulated in Nov 2022**

**[Recovery Period] 2023**

- Momentum building for international travel
- Recovery of travel business and improvement of profit structure
- Business portfolio restructuring



**[COVID-19 Pandemic] 2020-2023**

- Pioneer of online tours
- Acceleration of new business development
- Launch of To G business
- Momentum building for international travel



**[Maturity Period] 2010's**

- Theme park reconstruction
- Participation in local development projects
- Expansion of overseas sales offices • Overseas network
- Reinforcement of corporate business



**[Growth Period] 1990's-2000's**

- Launch of the Ciao brand (free travel)
- Challenges in the airline business
- Participation in the hotel business



**[Founding Period] 1980's**

- Making international travel more accessible to Japanese
- Discount air tickets, price destruction



# HIS Group's Vision for its 50<sup>th</sup> Anniversary (Vision 2030)

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## Vision2030

**Be the preferred company of choice,  
full of enterprising spirit and bringing the world together  
Change & Create**

- [Challenge], the origin of founding: HIS Group will continue to take on challenges, and at the same time, will grow together with the society and create a better future for all by supporting and assisting various challenges around the world.
- Capitalizing on the global network, which is HIS Group's strength, to bring the world closer. HIS Group's business fields range from the small but closely-related world of local communities to the outer space beyond the Earth.
- HIS Group will create value that can only be provided by HIS Group, and aims to be a company that continues to be chosen by customers, HIS Group staff, and the society.

## 2. Overview of Mid-Term Management Plan and Targets

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# Value Creation Process





# FY2024-2026 Mid-Term Management Plan

Policy

**Three years of improving our core areas and tackling new challenges in preparation for the upcoming 50th anniversary of HIS Group.**

Action Plan

## Core Areas [Travel Business]

## New fields

**(1) Utilization of Global Network** (Details: p. 9)

**(2) Creation of Lifelong Customers (LTV Maximization)** (Details: P.13)

**(3) Business Efficiency and Cost Structure Reforms** (Details: p.15)

**4) Growth of Travel-Related and Non-Travel Businesses**

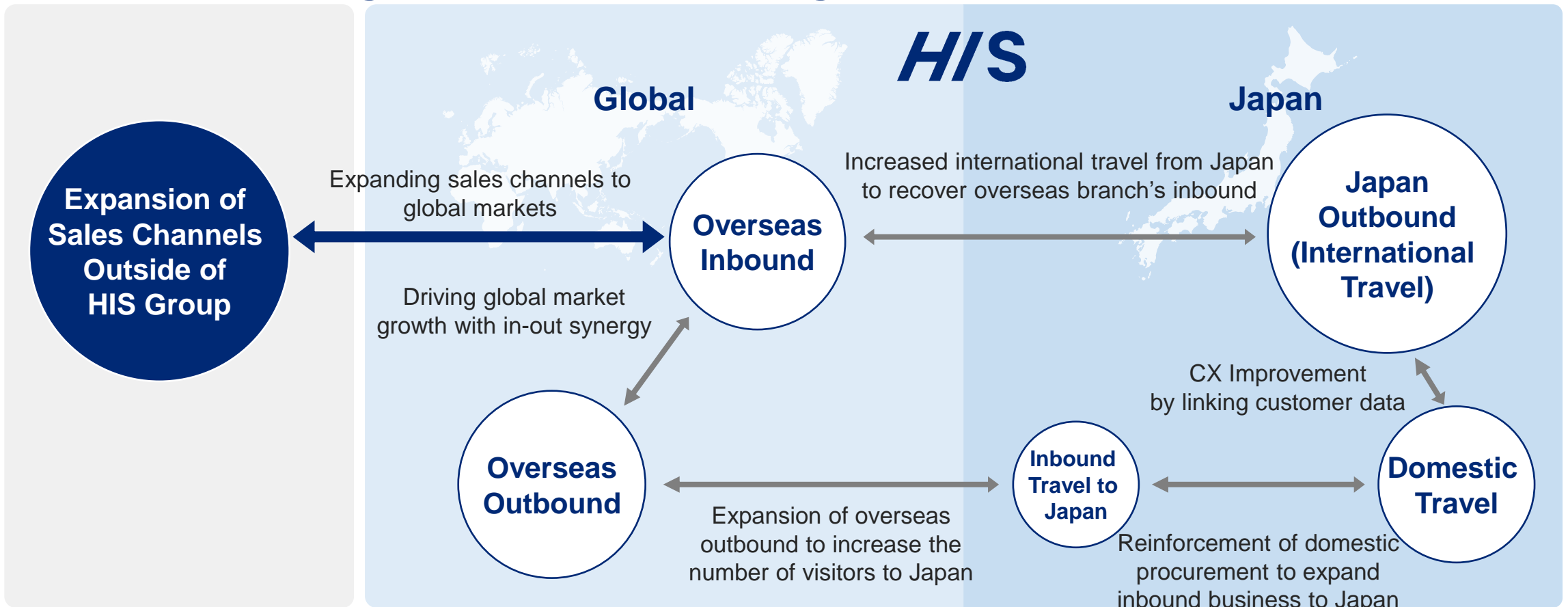
**(5) Growth through M&A (Investment Strategy)** (Details: p.19)

**(6) Human Capital Strategy (Human Capital Management)** (Details: p.20)

# Correlation of Travel Business Areas

## [Transformation of Core Areas] Focusing on Profitability Improvement and Structural Reform of the Core Travel Business

### Maximizing the Use of the Strength of HIS "Global Network"



# Consolidated Management Targets

FY2024	FY2025	FY2026
<b>Net Sales</b>		
<b>350.0</b> billion yen 【Reference Amount】 Previous Standards: 740.0 billion yen, 92% vs FY19	<b>390.0</b> billion yen 【Reference Amount】 Previous Standards: 860.0 billion yen, 106% vs FY19	<b>430.0</b> billion yen 【Reference Amount】 Previous Standards: 950.0 billion yen, 117% vs FY19
<b>Operating Profit</b>		
<b>9.0</b> billion yen 51% vs FY19	<b>12.0</b> billion yen 68% vs FY19	<b>18.0</b> billion yen 103% vs FY19
<b>Operating Margin</b>		
<b>2.6%</b>	<b>3.1%</b>	<b>4.2%</b>
<b>Ordinary Profit</b>		
<b>7.2</b> billion yen 42% vs FY19	<b>10.0</b> billion yen 59% vs FY19	<b>16.0</b> billion yen 94% vs FY19
<b>Capital Adequacy Ratio</b>		
<b>11%</b>	<b>13%</b>	<b>15%</b>

# Targets by Business Segment

(million yen)	FY2024	YoY	Increase/ Decrease	FY2025	YoY	Increase/ Decrease	FY2026	YoY	Increase/ Decrease
<b>Consolidated Net Sales</b>	<b>350,000</b>	<b>139%</b>	<b>98,134</b>	<b>390,000</b>	<b>112%</b>	<b>40,000</b>	<b>430,000</b>	<b>110%</b>	<b>40,000</b>
Travel Business	288,000	143%	85,992	322,000	112%	34,000	356,600	111%	34,600
Theme Park Business	3,600	107%	244	3,650	101%	50	3,700	101%	50
Hotel Business	24,000	134%	6,063	25,000	104%	1,000	26,000	104%	1,000
Kyushu Sanko Group	23,300	107%	1,624	24,500	105%	1,200	25,200	103%	700
Other	12,700	147%	4,064	16,850	133%	4,150	21,300	127%	4,450
Adjustments and Eliminations	△1,600	-	148	△2,000	-	△400	△2,200	-	△200
<b>Consolidated Operating Profit</b>	<b>9,000</b>	<b>644%</b>	<b>7,603</b>	<b>12,000</b>	<b>133%</b>	<b>3,000</b>	<b>18,000</b>	<b>150%</b>	<b>6,000</b>
Travel Business	7,500	934%	6,697	10,000	133%	2,500	16,000	160%	6,000
Theme Park Business	200	125%	40	210	105%	10	250	119%	40
Hotel Business	2,000	347%	1,423	2,500	125%	500	3,000	120%	500
Kyushu Sanko Group	140	241%	82	250	179%	110	300	120%	50
Other	400	127%	84	540	135%	140	950	176%	410
Adjustments and eliminations	△1,240	-	△722	△1,500	-	△260	△2,500	-	△1,000
<b>Consolidated O/P Margin</b>	<b>2.6%</b>	<b>-</b>	<b>+2.0</b>	<b>3.1%</b>	<b>-</b>	<b>+0.5</b>	<b>4.2%</b>	<b>-</b>	<b>+1.1</b>
Travel Business	2.6%	-	+2.2	2.7%	-	+0.1	4.5%	-	+1.8
Theme Park Business	5.6%	-	+0.8	5.8%	-	+0.2	6.8%	-	+1.0
Hotel Business	8.3%	-	+5.0	10.0%	-	+1.7	11.5%	-	+1.5
Kyushu Sanko Group	0.6%	-	+0.3	1.0%	-	+0.4	1.2%	-	+0.2
Other	3.1%	-	-0.6	3.2%	-	+0.1	4.5%	-	+1.3

## 3. Action Plans for Achieving the Plan

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# Action Plan 1) Utilization of Global Network

## Cultivating the “Global Markets”, Exceeding Profits of “Inbound from Japan”

### Portfolio Restructuring in Overseas Business

**Current Status: Dependent on Inbound Visitors Sent from Japan**

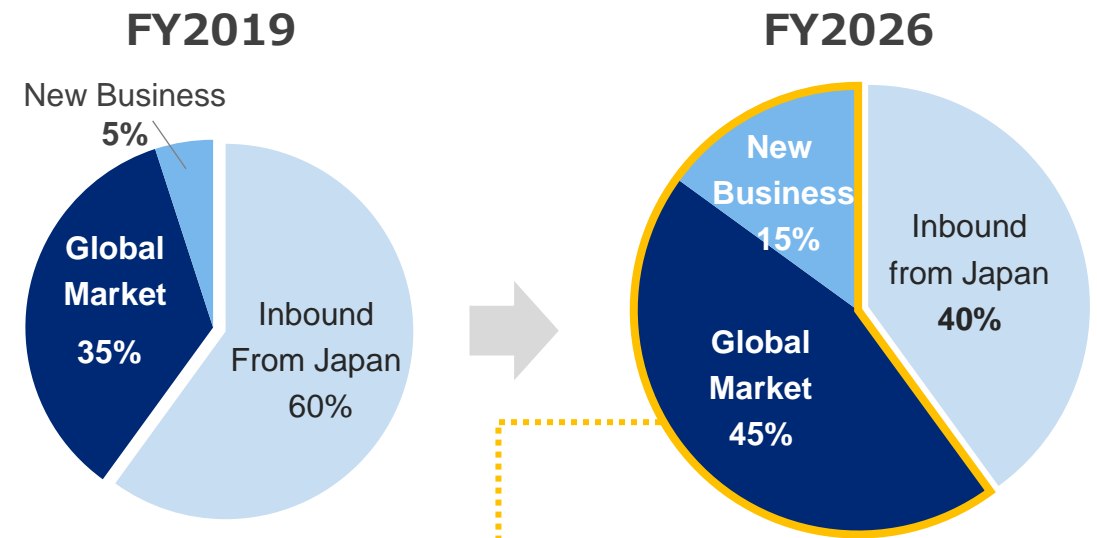


**1) -1: Strengthening & expanding global markets that are recovering quickly**

**1) -2: Developing new destinations**

**1) -3: Promoting new businesses by leveraging the global network**

### Changes in Profit Structure in Overseas Business



**[Global Market] + [New Business]  
To Generate **60%** of Operating Profit**

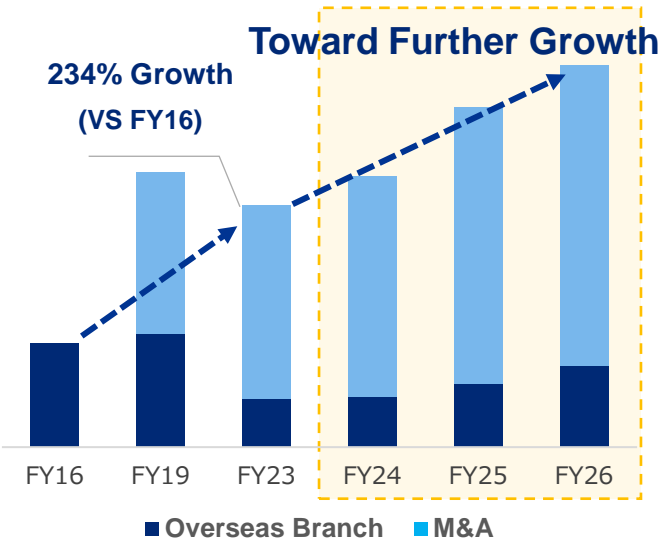
# Action Plan 1) Utilization of Global Network

## 1) -1: Strengthening & Expanding Global Markets

### Collaboration with Partners Specializing in Local Markets

Even before COVID-19 Pandemic, collaboration with local market partners has been driving overseas business growth. HIS Group will continue to strengthen the global markets by promoting further partner collaboration.

Transaction Amount of Overseas Travel Business



Collaboration with European and Canadian Partners



※ M&A= GROUP MIKI, Red label, Jonview, Merit Travel, CC/CCEL

### Expansion of Sales Channels

Sales channels are expanded beyond HIS Group in order to offer products and services to a wider range of customers, creating connections with new customers who have not had contacts with HIS before



(An example of BtoB collaboration)

API collaboration is strengthened and sales channels to global markets are expanded by promoting overseas platform connections



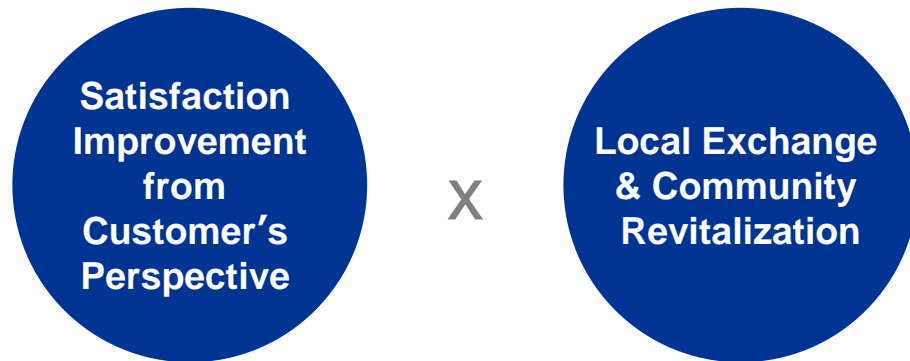
(Hawaii LeaLea Lounge)

Hawaii LeaLea Lounges and Trolleys are provided to the global markets for non-HIS customers (Example)

# Action Plan 1) Utilization of Global Network

## 1) -2: Developing New Destinations

### Tourism Management Implementation of New Destinations



By creating encounters with new travel destinations, HIS Group will make efforts toward

- **Overtourism measures (dispersion of tourists)**
- **Creation of local employment opportunities (co-existence with local communities)**

### An Agreement was signed with Saudi Arabia Tourism Authority on Tourism Promotion

(November 2023)



The ban on accepting tourism to the holy city of Medina was lifted in 2022. Tourism management in cooperation with the government of Saudi Arabia, which focuses on tourism and entertainment sports is to be implemented.



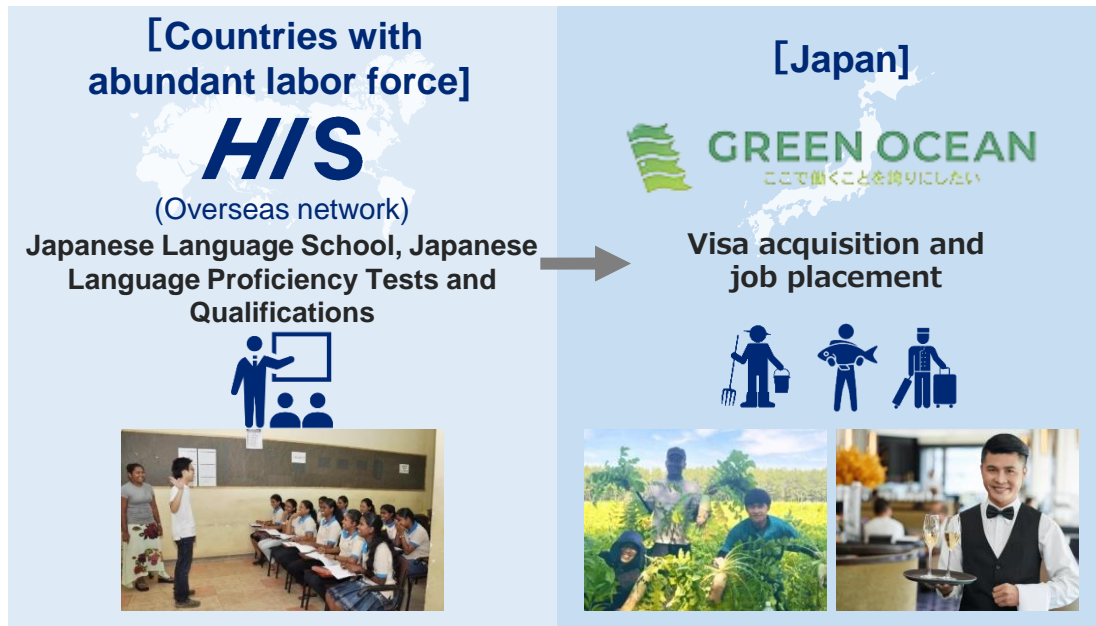
In the future, HIS Group will work on discovering the charms of countries and cities with abundant tourism resources, such as Northern Europe, Latin America, and Africa.



# Action Plan 1) Utilization of Global Network

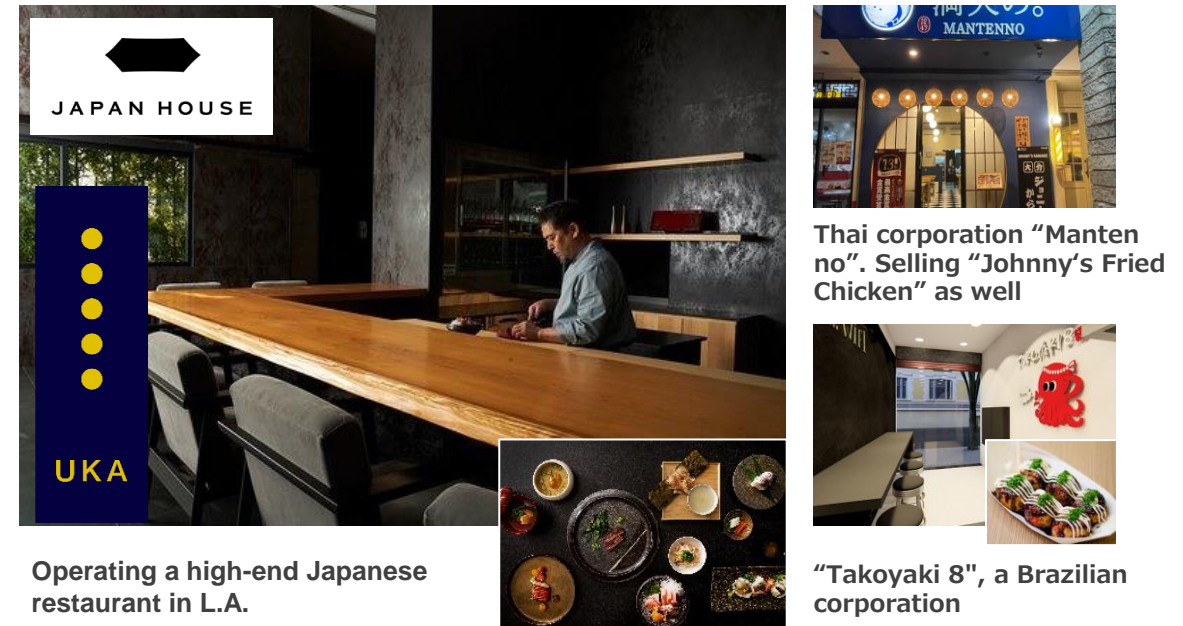
## 1) -3: Promoting New Businesses by Leveraging the Global Network

### Establishment of Overseas Japanese Language Schools and Dispatch of Human Resources to Japan



Japanese language schools are established in countries with abundant working population.  
HIS Group's temporary staffing agency accepts graduates and supports their employment.  
Approaches to the social issue of Japan's declining workforce.

### Dissemination of Japanese Culture through Food



To be an information station that disseminates information on Japanese culture, including food culture  
Through a business network in the non-travel domain that has expanded during COVID-19 Pandemic, the appeal of Japanese culture is disseminated to overseas markets.

# Action Plan 2) Creation of Lifelong Customers (LTV Maximization)

## Becoming a Company that Continues to be Chosen in Every Aspect of Life

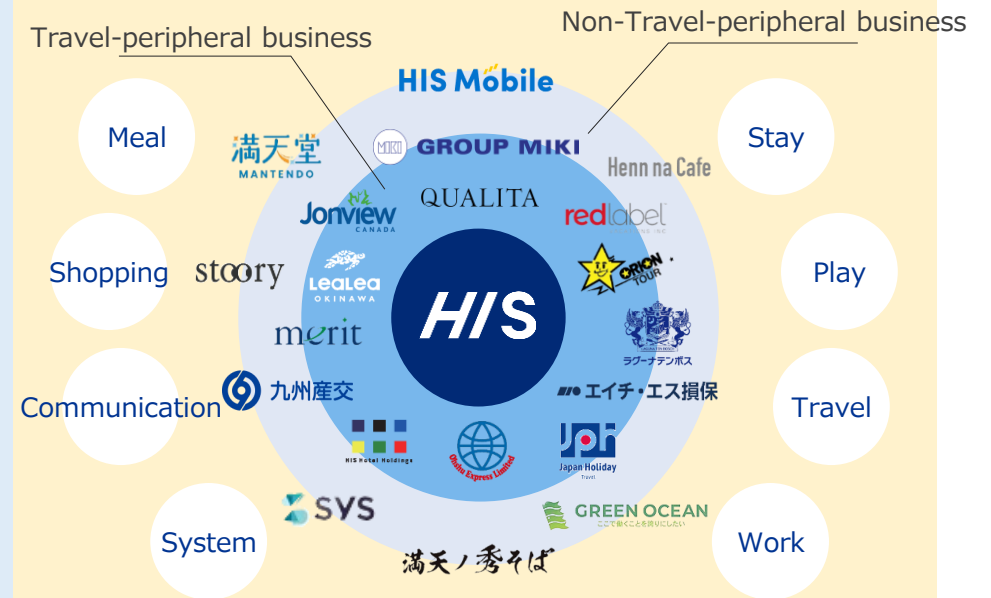
### In Various Travel Situations in Life

[Core Area (Travel)]



### In Daily Life

[Group Synergies and New fields]



HIS Group will increase the number of points of contact for using HIS Group products and services not only in the extraordinary scene of "travel" but also in various scenes of daily life throughout the customer's life

# Action Plan 2) Creation of Lifelong Customers (LTV Maximization)

## Improving CX & Expanding Customer Contact Points through Seamless Service Delivery

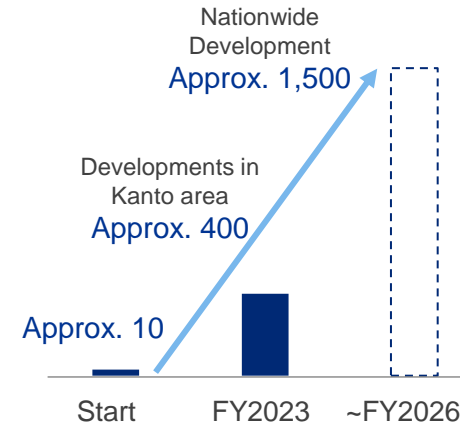
### Expansion of Online Customer Service (Video Chat)



Hakata Marui Online Customer Service Counter  
(Illustrative image)  
(Specialized video chat counter opening in Dec 2023)

- The number of staff will be increased to respond to nationwide requests in the future
- The system can respond to congestion on a nationwide basis, thereby reducing opportunity loss.
- It can be accessed from anywhere, enabling consulting to customers living overseas.

### Number of Video Chat Respondents



### Average Unit Price Ranking by Sales Channel

\* FY2023 Overseas travel sales (Kanto)

1	Video Chat	¥253,900-
2	Sales Office	¥248,700-
3	Call Center	¥229,000-
4	Online	¥136,800-

### Improvement of Customer Satisfaction with Talent Matching



- High-quality consulting is available by maximizing the experience and areas of expertise of the reservation staff and matching them with the needs of the customers.

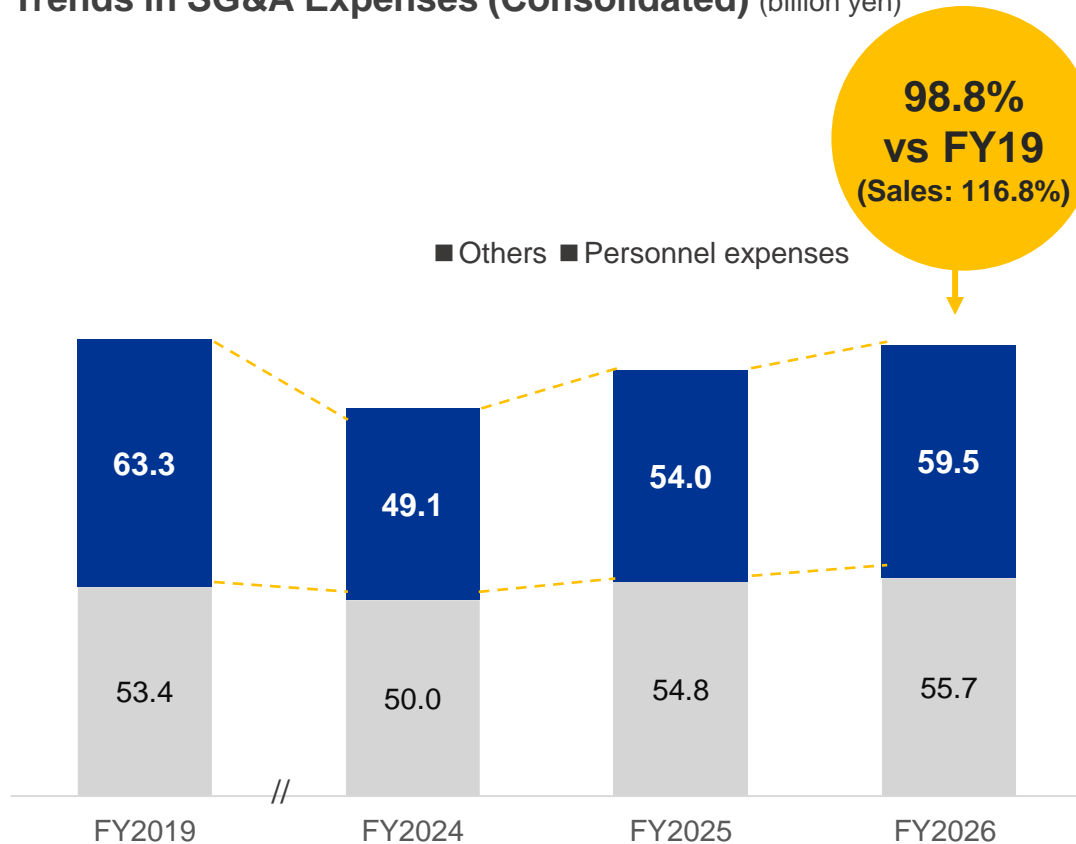
### Talent Matching Comparison \*Period: Dec 2022 – Nov 2023 (Kanto)

	Talent Matching	Normal Reservation (without nomination)
Unit Price	¥282,000-	¥227,000-
Long-Distance Travel Composition	50%	39%

# Action Plan 3) Business Efficiency and Cost Structure Reforms

## Promoting Efficiency by Consolidating Operations & Utilizing Data from a Global Perspective

### Trends in SG&A Expenses (Consolidated) (billion yen)

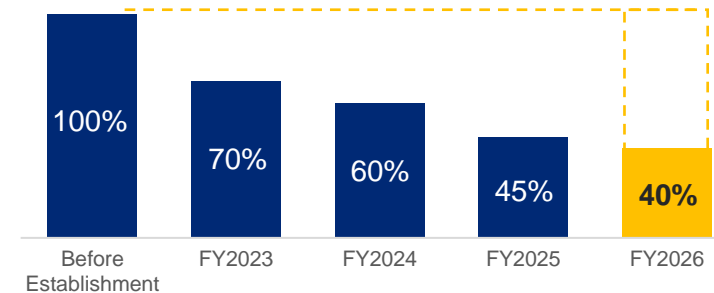


### [Global Initiatives]

\*SSC = Shared Service Center

- SSC (Manila) to consolidate reservation arrangement services for each country

#### Overseas Reservation Arrangement Volume



Reduced to 40% by transferring operations to SSC

- Increasing SSC headcount by 1.6x (vs FY2023)
- DX promotion by RPA

### [Initiatives in Japan]

- Review of business processes through DX promotion
- Maximization of advertising effectiveness and control of costs through CRM

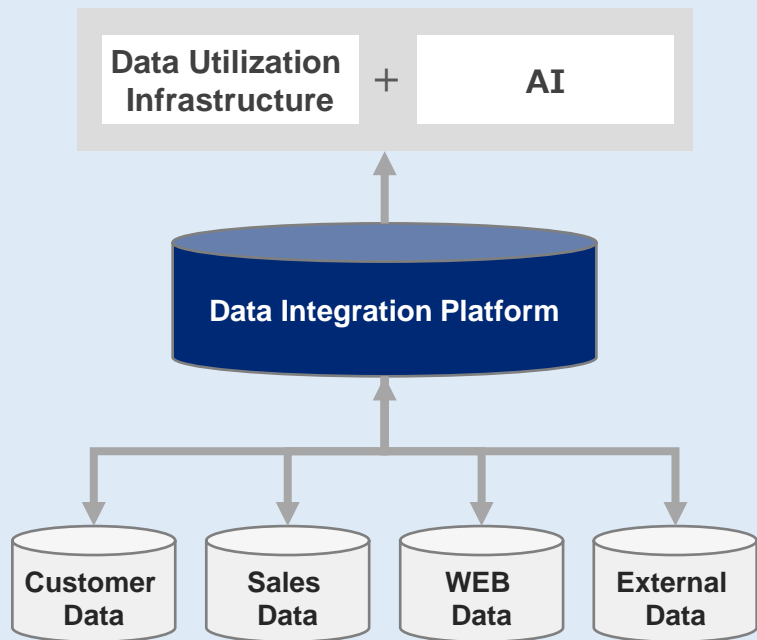
# DX Promotion in Action Plans 2) and 3)

## Solving Issues & Creating New Value in Core Areas

### DX Enhancement Area 1

### Development of Data Utilization Environment

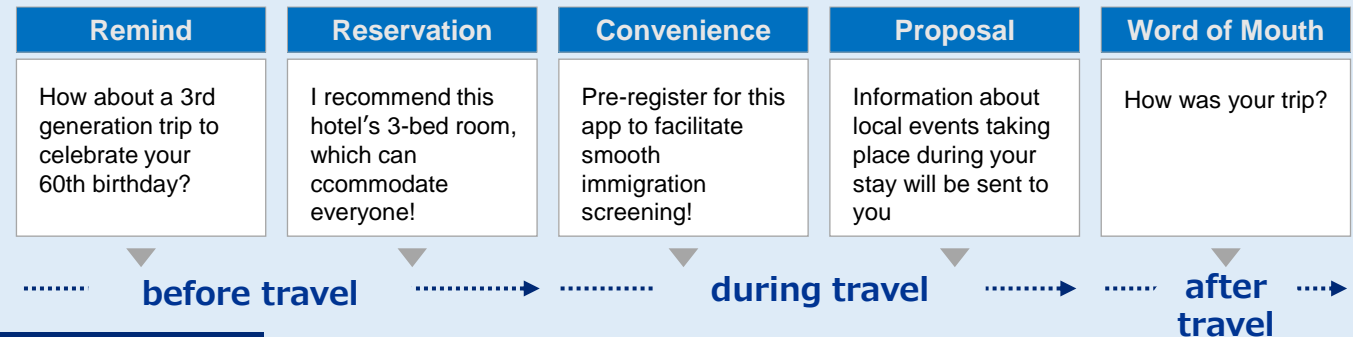
- Developing a digital environment to utilize data



### DX Enhancement Area 2

### Improvement of Customer Experience (CX)

- Achieving personalized services by integrating customer data and utilizing CRM
- Providing data tailored to the situation & timing from "before travel" to "after travel" (continuous experience value enhancement)
- Visualizing Voice of Customer (VOC) with data to eliminate pain points



### DX Enhancement Area 3

### Revamp of International Travel System

- Integrating systems that are siloed by business type and organizational unit (integration of sales office and online)
- Reengineering company-wide cross-functional processes (BPR), including operations on the overseas side
- Improving operational efficiency with AI

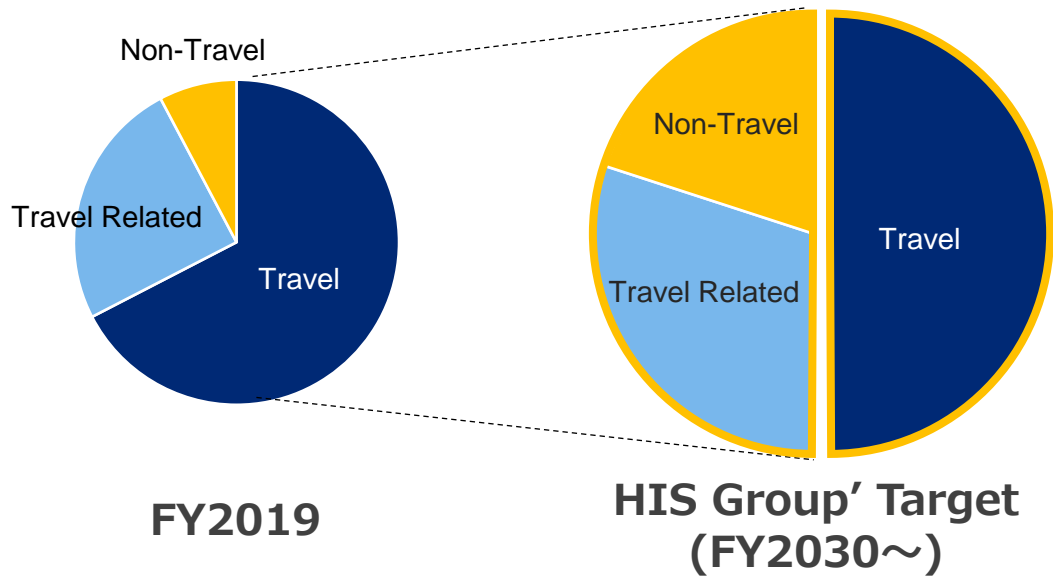


# Action Plan 4) Growth of Travel-Related and Non-Travel Businesses

## Continuing to Take on the Challenge to Restructure Portfolio to Achieve Sustainable Growth

### Change in Profit Structure

Illustrative Image of Transition



**[Travel] : [Travel-Related + Non-Travel] = 1:1**

Travel Business	Travel-Related Business
Improvement of profitability and structural reform of the travel business are the top priorities for the three-year period, and each action plan will be implemented.	By increasing group synergies and creating points of contact with HIS Group, the creation of lifelong customers (maximizing LTV) will be promoted.

### Non-Travel Business

The challenge for new businesses that has been practiced during COVID-19 Pandemic will continue.

Education  Canadian College	Communication  HIS Mobile	System  SYS	Sale of Goods  støry
Restaurant  満天ノ秀平ば	Temporary Employee Placement  GREEN OCEAN	Various Construction Facility Management Business	BPO Business Support for Overseas Expansion Rights Business

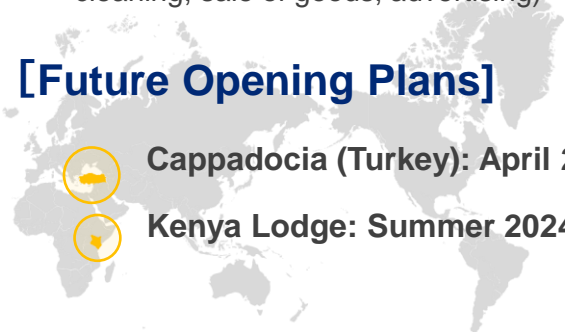
# Growth Driver for Travel-Related Business (Hotel Business)

## Maximizing Revenue at Each Hotel Brand to be a Growth Driver for the Travel-Related Area

### [3-Year Growth Strategy]

- Expanding “Henn na Hotel” brand**  
 “Henn na Hotel” brand is expanded, such as Premier and Resort, to meet diversifying lodging needs.
- Increasing average room rate and occupancy rate with unique product plans**  
 Currently, there are 8 brands in 6 countries. By clarifying each brand image and approaching a wide range of customer groups with unique product plans, HIS Group aims to increase the unit room rate and occupancy rate.
- Resuming new hotel development**  
 Development of new hotels will be resumed for business expansion by assessing region and size
- Challenging new business areas**  
 HIS Group aims to improve group synergy in ancillary businesses (restaurant & banquet, cleaning, sale of goods, advertising)

### [Future Opening Plans]



Cappadocia (Turkey): April 2024

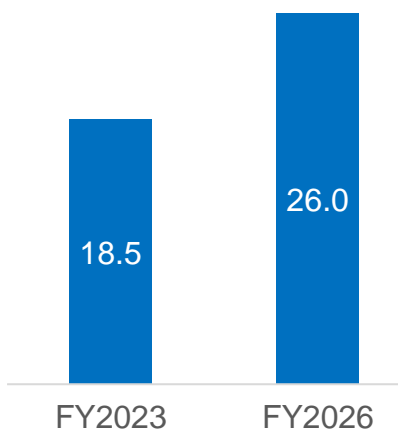
Kenya Lodge: Summer 2024

| Number of hotel buildings (as of FY2023)

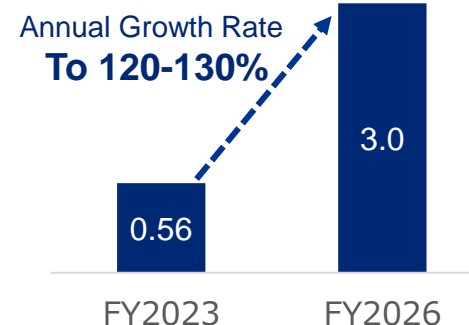
Japan: **24** · Overseas: **18** · Total: 42

### [Management Objectives] (billion yen)

#### | Net Sales



#### | Operating Profit



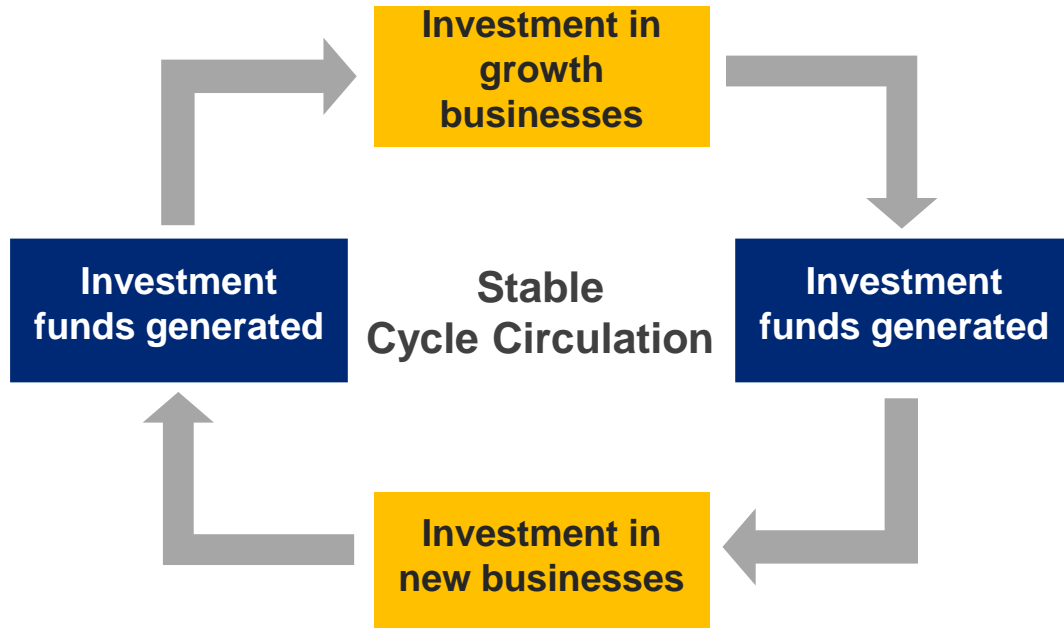
#### | Occupancy Rate / Room Rate

	FY2026
Occupancy Rate	76% (1.17x vs FY2023)
Room Unit Price	¥15,800- (1.12x vs FY2023)

# Action Plan 5) Growth through M&A (Investment Strategy)

## HIS Group's Investment Strategy for Sustainable Growth

HIS Group is engaged in a stable investment cycle circulation in which it invests in growth and new businesses and reinvest the investment funds generated.



## Future Investment Policy and Areas

In the future, HIS Group will consider investing in travel and travel-related businesses that are complementary to its existing businesses, and in the non-travel area, will consider investing in businesses that have future potential and are of a new era.

	Travel Area	Travel Related Area	Non-Travel Area
Existing Business			
Projects Under Consideration for Future Investment	<b>Core Area</b> Investing in businesses that create synergies or complement existing HIS Group businesses		<b>New fields</b> Investing in new era businesses with future potential
	MICE Related	Inbound Travel to Japan	Okinawa, Hokkaido
			AI, Space, Healthcare, etc.



# Action Plan 6) Human Capital Strategy (Human Capital Management)

## Unleash your feeling “KOKORO ODORU” of each employee and build a foundation for making the difference

Each and every employee should feel a sense of job satisfaction and be able to do exciting work. HIS Group will achieve transformation and sustainable growth through a series of such jobs.

Key Issues	<b>(1) Acceleration of Management Speed</b> <b>Building a Human Capital Portfolio that Responds to Changes</b> <ul style="list-style-type: none"> <li>Establishment of a global HR structure</li> <li>Development of next generation leaders</li> <li>Recruitment of DX Human Resources</li> <li>Development of DX education throughout the company</li> </ul>	<b>(2) Active Participation of Diverse Human Resources (DEIB Promotion)</b> <b>Expanding Diversity of Decision Makers</b> <ul style="list-style-type: none"> <li>Ratio of female executives: 20%</li> <li>Ratio of female managers in Japan: 20%</li> <li>Non-Japanese manager ratio of overseas affiliates: 65%</li> </ul> <b>Promoting Diverse Work Styles</b> <ul style="list-style-type: none"> <li>Side job system</li> <li>In-house dual employment system</li> <li>Introduction of remote travel consultants</li> </ul>	<b>(3) Increased Engagement</b> <b>Empathy with HIS Group Philosophy</b> <ul style="list-style-type: none"> <li>Worldwide introduction of philosophy program</li> <li>New personnel system linked to Purpose</li> </ul> <b>Proactive Career Development Support</b> <ul style="list-style-type: none"> <li>Introduction of career design program</li> <li>Career vision (self-assessment) system</li> </ul>
	FY2026 Key KPI's	<b>(1) Improvement of Job Satisfaction Index</b> <b>Employee Satisfaction Survey: 80% of respondents worldwide agree that the company is a great place to work.</b> *As of FY2023 (non-consolidated): 56.1%.	<b>(2) Improvement of Transformation Index (Man-Hour Productivity)</b> <b>1.6x vs FY2023</b> (Non-consolidated)

## 4. Financial Measures and Plans

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# Financial Policies and Action Plans in the Mid-Term Business Plan

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## Financial Policy: Strengthening Financial Base [Recovery of Capital Adequacy Ratio]

### Capital Reinforcement

Build up profit in core business

Travel business sales have already recovered to 70% of pre-COVID-19 level and will recover to 100% by FY2025. HIS Group will be conscious of improving profitability in all businesses.

### Reduction of Interest-Bearing Debt

Partial repayment and Repurchase of head office building

HIS Group will thoroughly manage cash and deposits within the group, and repay interest-bearing debt without putting cash to sleep. In addition, the head office building will be repurchased at the earliest possible date.

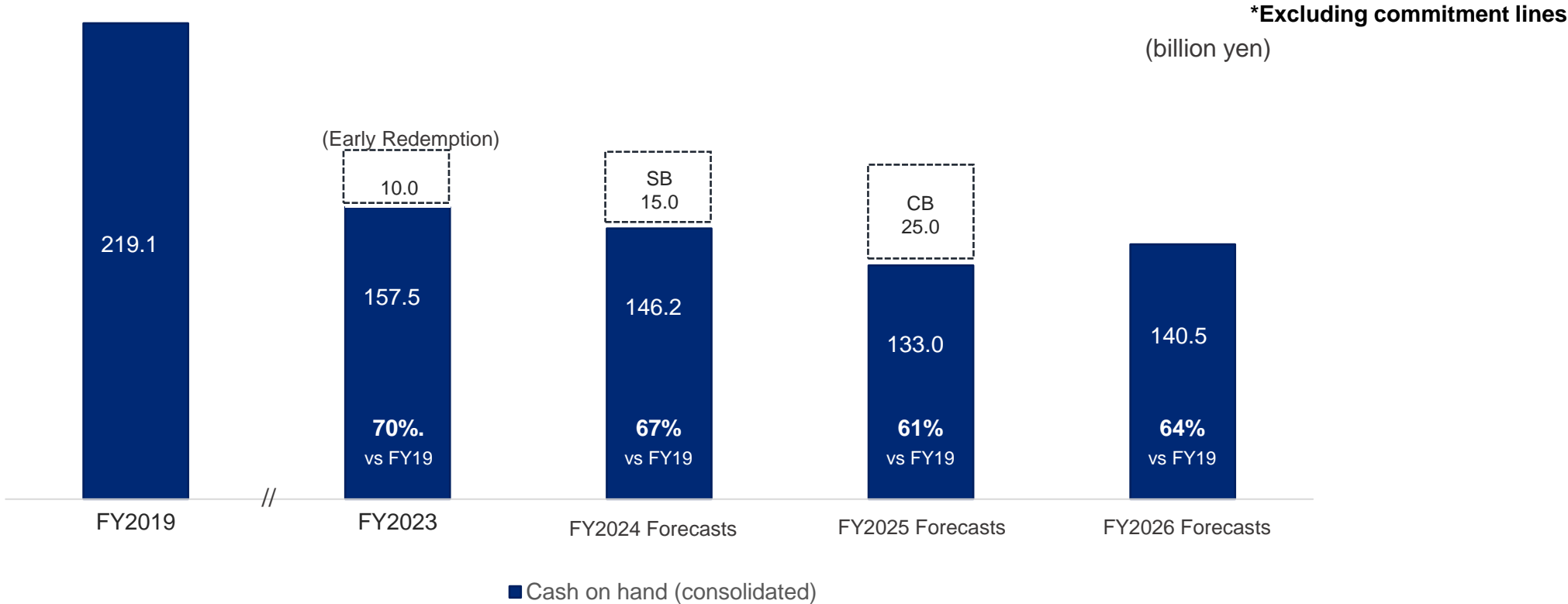
### Selection of Business

Concentration on businesses with high profitability and future potential

Actions to turn to the offensive. HIS Group will concentrate limited financial resources on businesses with high profitability and future potential.

# Capital Reinforcement Measures

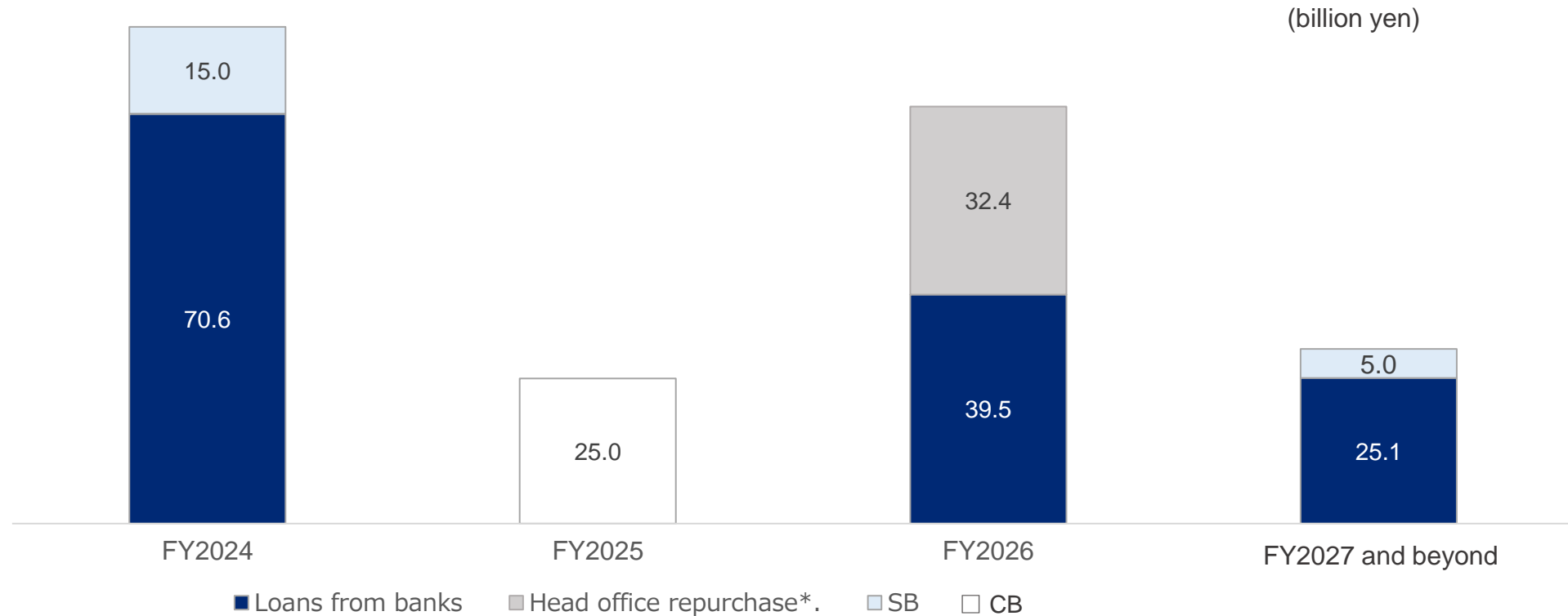
## Building up Profit by Recovering Performance of Core Business and Redeeming Bonds and Interest-Bearing Debts



**The policy is “to proceed with repayments while monitoring the cash position”**

# Redemption Schedule for Interest-Bearing Debt (Non-Consolidated)

## Interest-Bearing Debt as of October 31, 2023 (non-consolidated): 212.9 billion yen

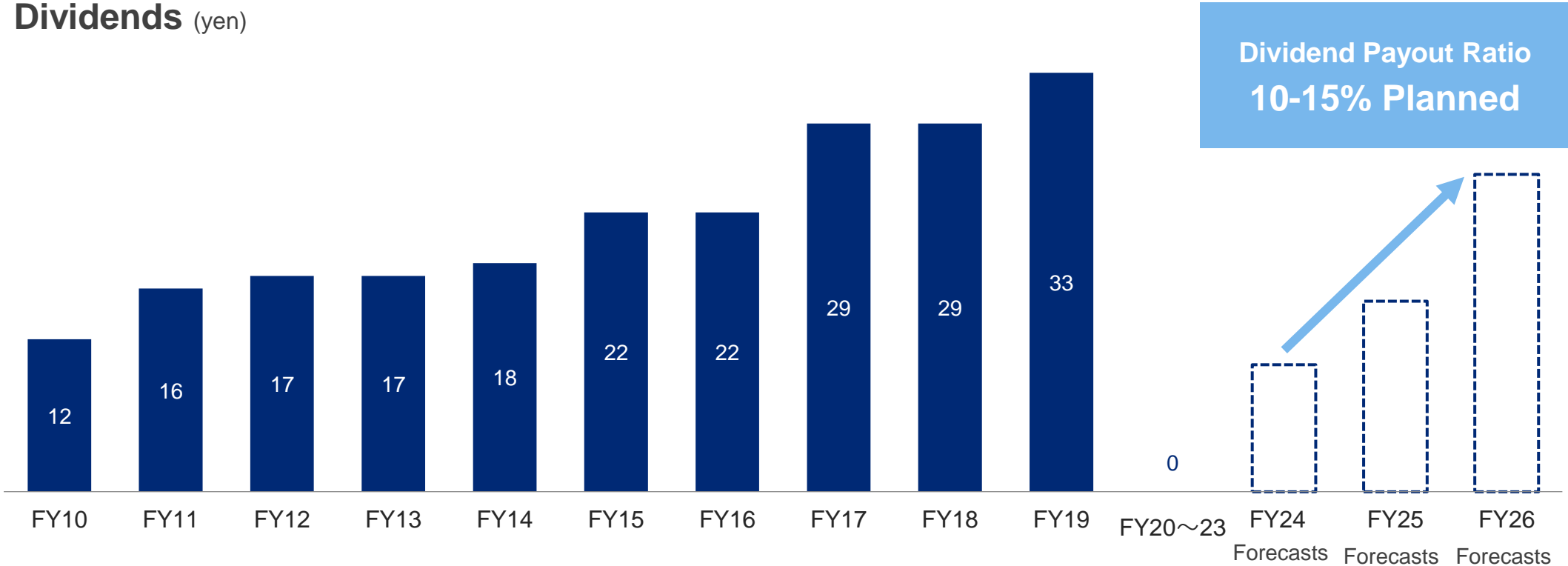


\*The repurchase of the head office (leaseback) ...included in FY2026 because the contract term is 20 years but the repayment is scheduled in 5 years.

# Basic Policy for Shareholder Returns

## Resuming Stable & Continuous Return of Profits When Financial Performance is in Line with Forecasts

| Dividends (yen)



## 5.Sustainability Initiatives

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# Sustainability Initiatives

## Facing and Contributing to Environmental and Social Issues through Business, and Connecting them to the Future of the Next Generation

HIS Group is committed to the purpose of Unleashing your feeling “KOKOROODORU”, and develops a wide range of businesses, centering on the travel business, to enhance the corporate value of the entire group as well as to contribute to the development of a sustainable society.

HIS Group believes that the prerequisites for people around the world to be “interested, excited, and having a desire” are connections and mutual understanding among people and communities, a healthy global environment, and world peace.

### **E** [ Environment ]

- **Response to TCFD Recommendations**

Establishing governance, strategy, risk, and indicator targets and implementing improvements in line with TCFD (Task Force on Climate-related Financial Disclosures) recommendations

- **Initiatives to Reduce Environmental Burden in Business Operations**

- **Resource Conservation Initiatives**

### **S** [ Social ]

- **Diverse Human Resources**

(Details: p.20)

- **Co-Existence with Local Communities**

### **G** [ Governance ]

- **Reinforcement of the Effectiveness of the Board of Directors**

- **Reinforcement of Risk and Compliance Response**

- **Reinforcement of Sustainability Response**



## Initiatives to Reduce Environmental Burden in Business Operations

### Reduction of Exhaust Gas Emissions in Travel Transportation



(Left: Lealea Okinawa shuttle bus,  
Right: Lealea Hawaii trolley bus)

#### Reduction of Rental Car Use with Trolley and Bus Service

The increase in exhaust gas emissions caused by rental car use is curbed by operating trolleybuses and shuttle buses in popular tourist destinations such as Okinawa and Hawaii.



(Thailand: EV Tuk Tuk Car)

#### Reduction of Exhaust Gas Emissions with Introduction of EV Vehicles

EV tuk-tuk cars are introduced for sightseeing in Bangkok, Thailand, and in hotels on Kumejima and Miyakojima islands in Okinawa Prefecture to promote reduction of exhaust gas emissions from transportation. In the future, HIS Group aims to introduce EV vehicles to airport shuttle buses and sightseeing buses.

### Proposal for a trip to learn about SDGs



(Hawaii Ala Wai Canal Water Quality  
Improvement Project)

#### Providing Nature Conservation Experience Programs

Under the "Malama Hawaii" program with the Hawaii Tourism Authority, HIS Group implements educational programs for employees, disseminates information to customers, and provides programs to experience the protection of the natural environment, thereby promoting regenerative tourism. In addition, HIS Group develops experience programs in cooperation with local governments, companies, NGOs, NPOs, etc. in multiple regions in Japan and overseas. HIS Group offers programs for individual travelers, educational tours, company tours, etc., and provides opportunities to experience SDGs through travel.

## Efforts to Save Resources and Reduce CO2

### Promotion of Resource Conservation in Business Activities



(Amenity bar in “Henn na Hotel”)

### Reduction of Plastic Products and Copy Paper Consumption

Reduction of plastic consumption in business activities is implemented through efforts such as elimination of plastic bags given to travelers, replacement of plastic bags for home deliveries with paper bags, and introduction of amenity bars in the hotel business within the facilities. In terms of paper resources, the use of FSC®-certified copy paper, which protects forests, as well as the digitalization of in-house materials and documents, and travel itineraries is promoted to reduce the consumption of copy paper.

### Investing for a Sustainable Future



(Photo by Space Perspective)

### Selling Carbon Neutral Space Travel

HIS U.S.A., Inc. invests in and forms a business alliance with Space Perspective, the world's first company to offer carbon-neutral space travel



### Conversion of Transportation Methods to EVs and FCVs in the Kyushu Sanko Group

Kyushu Sanko Group is currently conducting research and development of EVs and FCVs in collaboration with 3DOM Alliance Group with the aim of realizing carbon-negative transportation services for public buses

## Co-Existence with Local Communities

### Providing Services to a Variety of People



(Universal Tourism Tours)

### A Service that Connects Anyone to the World

"Universal tourism" is guided by staff with expertise in nursing care and welfare-related fields and sign language skills, and "online travel" allows people to connect with the world from anywhere, providing services that allow anyone to freely connect with the world at any time.

### Co-Creation with Local Communities



(A Tour of Cambodia to Create a Place for Children to Learn)

### Collaboration with National and Local Governments and NGOs

In 2017, HIS Group built an elementary school in Cambodia, and subsequently received the Grand Prize at the 1<sup>st</sup> Japan Association of Travel Agents / SDGs Awards in 2023 for its ongoing educational support and exchange trips. In cooperation with countries, local governments, and regions around the world, HIS Group promotes the discovery of new attractions in tourist destinations and measures to combat overtourism.



(SAKURAMACHI Kumamoto)

























### Community-Based Business

SAKURAMACHI Kumamoto, a commercial complex operated by Kyushu Sanko Group, is a hub for tourism and transportation, actively attracting local companies as tenants, and also providing various lifestyle support functions such as administrative facilities. It has received numerous awards in recognition of its community-based efforts in both hardware and software.





# [Supplementary Material] Materiality and Risk/Opportunity Relationships

Materiality	Related Risks/Opportunities	Main Goals, KPIs	Contributing SDGs Targets
<b>Business Model Transformation</b>	a. Changes in economic and social conditions b. Changes in the market c. Response to technological innovation	<ul style="list-style-type: none"> <li>Expansion and reinforcement of global markets</li> <li>New destination development</li> <li>Business efficiency and cost structure reform</li> <li>Promotion of new business</li> </ul> KPI (Consolidated) FY2026 Net Sales: 430.0 billion yen	 
<b>Service Quality Improvement</b>	a. Changes in economic and social conditions b. Changes in the market c. Response to technological innovation	<ul style="list-style-type: none"> <li>Improvement of customer experience value through DX promotion</li> <li>Seamless sales channels (promotion of OMO)</li> <li>Expansion of high value-added products</li> </ul>	      
<b>Diverse Human Resources</b>	b. Changes in the market f. Development and securing of human resources	<ul style="list-style-type: none"> <li>DEIB Promotion</li> <li>Management leadership development</li> <li>Reform of work styles and culture</li> </ul> KPI FY2026 Job Satisfaction Index 80%, (Non-consolidated) FY2026 Ratio of female directors and managers 20%	   
<b>Providing Security and Safety to Customers</b>	d. Safety and quality control of services provided e. Interruption or degradation of service quality due to system or equipment failure, etc.	<ul style="list-style-type: none"> <li>Development and update of various safety guidelines and manuals</li> <li>System security measures</li> </ul> KPI (Non-Consolidated) Annual e-learning training participation rate: 100% for personal information / 100% for security	 
<b>Co-Existence with Local Communities</b>	a. Changes in economic and social conditions g. Climate change, environmental regulations	<ul style="list-style-type: none"> <li>Providing services that connect anyone to the world (universal tourism, online travel)</li> <li>Co-creation with local communities (collaboration with local governments, NGOs &amp; NPOs)</li> </ul>	   
<b>Preservation of the Global Environment</b>	g. Climate change, environmental regulations	<ul style="list-style-type: none"> <li>Initiatives to reduce environmental burden in business operations</li> <li>Promotion of energy and resource conservation</li> </ul> KPI (non-consolidated) FY2026 plastic reduction 70%, paper resource reduction 70% (vs 2019)	  
<b>Reinforcement of Governance</b>	h. Governance	<ul style="list-style-type: none"> <li>Reinforcement of the effectiveness of the Board of Directors</li> <li>Reinforcement of risk compliance and sustainability response</li> </ul> KPI (non-consolidated) FY2024 conduct compliance training 6 times per year, 100% participation rate	 

# FY2024-2026 Mid-Term Management Plan (Same Content as Page 5)

Policy

**Three years of improving our core areas and tackling new challenges in preparation for the upcoming 50th anniversary of HIS Group.**

Action Plan

## Core Areas [Travel Business]

## New fields

**(1) Utilization of Global Network** (Details: p. 9)

**(2) Creation of Lifelong Customers (LTV Maximization)** (Details: P.13)

**(3) Business Efficiency and Cost Structure Reforms** (Details: p.15)

**4) Growth of Travel-Related and Non-Travel Businesses**

**(5) Growth through M&A (Investment Strategy)** (Details: p.19)

**(6) Human Capital Strategy (Human Capital Management)** (Details: p.20)

## Consolidated Management Targets (Same Content as Page 7)

FY2024	FY2025	FY2026
<b>Net Sales</b>		
<b>350.0</b> billion yen 【Reference Amount】 Previous Standards: 740.0 billion yen, 92% vs FY19	<b>390.0</b> billion yen 【Reference Amount】 Previous Standards: 860.0 billion yen, 106% vs FY19	<b>430.0</b> billion yen 【Reference Amount】 Previous Standards: 950.0 billion yen, 117% vs FY19
<b>Operating Profit</b>		
<b>9.0</b> billion yen 51% vs FY19	<b>12.0</b> billion yen 68% vs FY19	<b>18.0</b> billion yen 103% vs FY19
<b>Operating Margin</b>		
<b>2.6%</b>	<b>3.1%</b>	<b>4.2%</b>
<b>Ordinary Profit</b>		
<b>7.2</b> billion yen 42% vs FY19	<b>10.0</b> billion yen 59% vs FY19	<b>16.0</b> billion yen 94% vs FY19
<b>Capital Adequacy Ratio</b>		
<b>11%</b>	<b>13%</b>	<b>15%</b>

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