



# Presentation Materials for the 3<sup>rd</sup> Quarter of Fiscal Year Ending October 31, 2020 Financial Results

(9 Months Ended July 31, 2020) ※Revised Sep 30, 2020

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September 25, 2020

H.I.S. Co., Ltd.

1st section of TSE: 9603

# 1. Summary of Financial Results

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## Consolidated Operating Results

(JPY million)	FY19 3Q	FY20 3Q	YoY	Increase/ Decrease	Major Reasons for Increase/Decrease
Net Sales	573,717	401,016	69.8%	▲172,700	Travel ▲166,346 , HTB Group ▲9,512, Energy +4,991
Gross Profit	103,807	63,589	61.2%	▲40,218	
Operating Profit	11,331	▲16,793	-	▲28,125	Travel ▲20,110, HTB Group ▲5,811, Energy ▲306
EBITDA	18,426	▲6,977	-	▲25,403	
Non-Operating Income	2,670	2,417	90.5%	▲253	
Non-Operating Expenses	2,750	2,218	80.7%	▲532	Previous FY) Foreign Exchange Loss ▲856
Ordinary Profit	11,251	▲16,595	-	▲27,846	
Extraordinary Gain	1,073	5,832	543.5%	+4,759	Subsidy Revenue 4,867
Extraordinary Loss	0	10,608	-	+10,608	Loss due to Temporary Closure 4,364 Provision of allowance for doubtful accounts 1,396 Impairment Loss 4,847 (Green World Hotel 1,733, Miki Group 1,589 )
Profit before Income Taxes	12,324	▲21,371	-	▲33,696	
Income Taxes	4,533	▲1,321	-	▲5,855	
Net Profit Attributable to Non-Controlling Shareholders	1,311	▲3,377	-	▲4,688	
Net Profit Attributable to Owners of Parent	6,478	▲16,673	-	▲23,151	

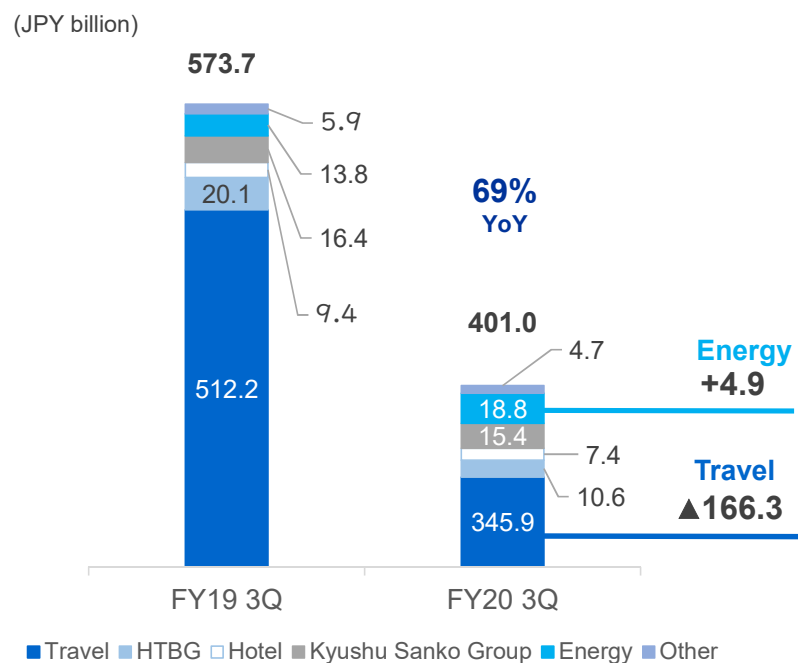
## Segment Information

(JPY million)	Segment	FY19 3Q	FY20 3Q	YoY	Increase/Decrease
Net Sales	Travel Business	512,275	345,928	67.5%	▲166,346
	Huis Ten Bosch Group	20,192	10,680	52.9%	▲9,512
	Hotel Business	9,427	7,464	79.2%	▲1,963
	Kyushu Sanko Group	16,403	15,432	94.1%	▲971
	Energy Business	13,887	18,878	135.9%	4,991
	Other	5,912	4,742	80.2%	▲1,169
	Adjustments, Eliminations, etc.	▲4,382	▲2,109	48.1%	2,272
Operating Profit	Travel Business	8,150	▲11,959	-	▲20,110
	Huis Ten Bosch Group	3,717	▲2,093	-	▲5,811
	Hotel Business	57	▲2,182	-	▲2,240
	Kyushu Sanko Group	239	▲949	-	▲1,188
	Energy Business	495	189	38.2%	▲306
	Other	448	1,432	319.2%	983
	Adjustments, Eliminations, etc.	▲1,778	▲1,230	69.2%	547
EBITDA	Travel Business	11,139	▲8,109	-	▲19,248
	Huis Ten Bosch Group	5,285	▲779	-	▲6,064
	Hotel Business	1,195	332	27.8%	▲863
	Kyushu Sanko Group	933	508	54.5%	▲424
	Energy Business	550	254	46.2%	▲296
	Other	813	1,736	213.4%	922
	Adjustments, Eliminations, etc.	▲1,492	▲920	61.7%	572

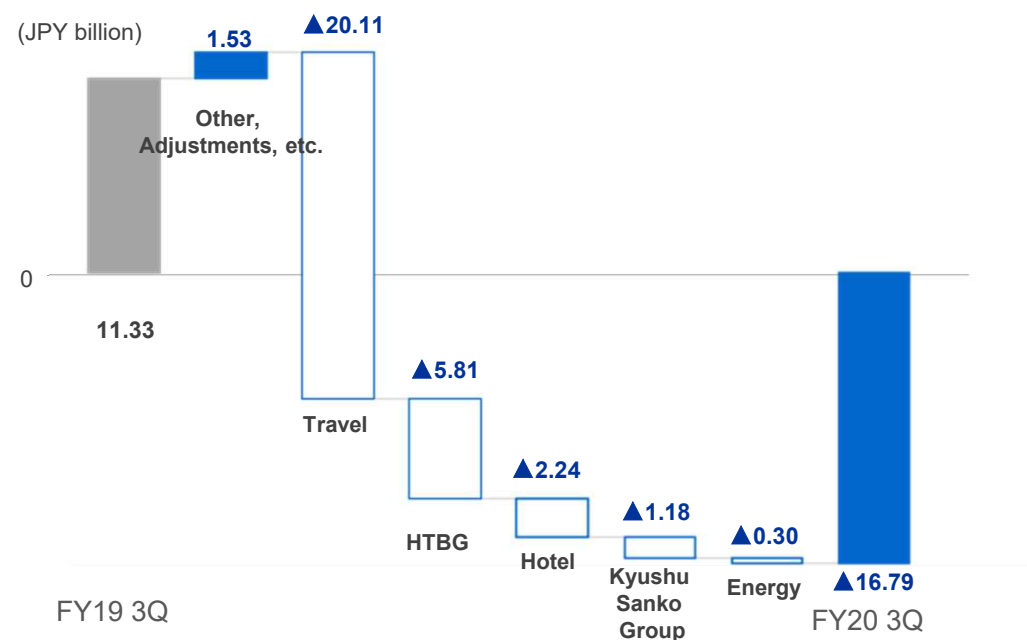
# Net Sales & Operating Profit

- Net sales decreased by JPY172.7 billion (69% YoY) as demands continued to decline due to the spread of the new coronavirus
- Other business performed well, but there was no recovery in demands for leisure activities in general, especially in the travel business, resulting in JPY16.7 billion of operating loss (JPY28.1 billion of operating profit decrease)

## Major Increase/Decrease of Net Sales



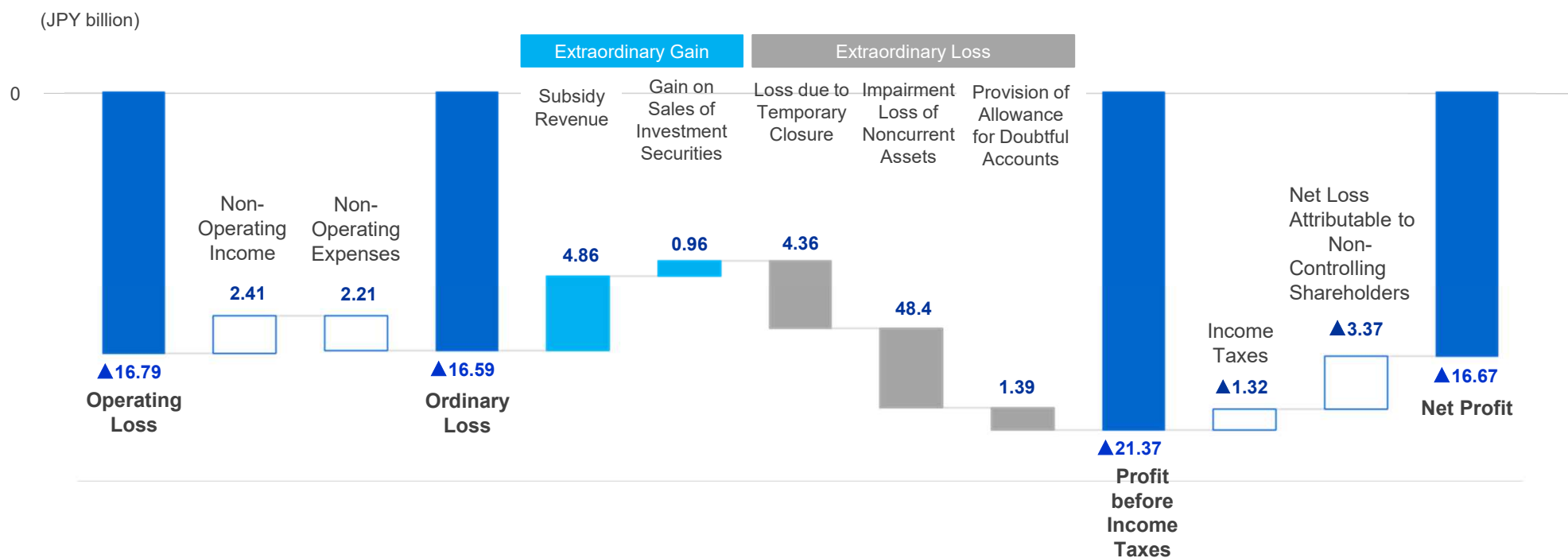
## Major Increase/Decrease of Operating Profit



## Ordinary Profit & Net Profit Attributable to Owners of Parent

- Ordinary loss was JPY16.5 billion (JPY27.8 billion of profit decrease), although decrease in foreign exchange losses reduced non-operating expenses.
- JPY5.8 billion of extraordinary gain due to subsidy revenue, etc. was recorded, but on the other hand, JPY10.6 billion of extraordinary loss was recorded, resulting in JPY16.6 billion net loss (JPY23.1 billion of profit decrease)

### Major Increase/Decrease between Ordinary Profit and Net Profit



## Quarterly Operating Results by Business Segment

(JPY million)		FY19						FY20					
		1Q	2Q	3Q	1Q-3Q	4Q	Total	1Q	2Q	3Q	1Q-3Q	4Q	Total
<b>Travel</b>	Net Sales	166,617	170,213	175,444	512,275	210,188	722,464	175,320	124,269	46,338	345,928	-	-
	YoY	114.3%	107.8%	116.1%	112.6%	107.0%	110.9%	105.2%	73.0%	26.4%	67.5%	-	-
	Operating Profit	4,071	2,130	1,948	8,150	5,604	13,754	2,370	▲4,046	▲10,283	▲11,959	-	-
	YoY	205.7%	94.9%	203.0%	157.3%	79.7%	112.7%	58.2%	-	-	-	-	-
	EBITDA	4,996	3,048	3,094	11,139	6,841	17,980	3,658	▲2,739	▲9,028	▲8,109	-	-
	YoY	175.2%	93.4%	165.5%	139.5%	86.0%	112.8%	73.2%	-	-	-	-	-
<b>Huis Ten Bosch Group</b>	Net Sales	7,415	6,273	6,503	20,192	7,893	28,086	6,447	3,400	832	10,680	-	-
	YoY	96.9%	84.7%	97.7%	93.0%	88.1%	91.5%	86.9%	54.2%	12.8%	52.9%	-	-
	Operating Profit	1,771	909	1,037	3,717	1,358	5,075	644	▲1,150	▲1,587	▲2,093	-	-
	YoY	89.7%	50.0%	85.7%	74.3%	58.8%	69.4%	36.4%	-	-	-	-	-
	EBITDA	2,289	1,435	1,561	5,285	1,889	7,175	1,166	▲737	▲1,207	▲779	-	-
	YoY	93.5%	62.2%	88.2%	81.0%	66.3%	76.5%	50.9%	-	-	-	-	-
<b>Hotel</b>	Net Sales	3,087	3,117	3,222	9,427	3,248	12,676	3,811	2,658	994	7,464	-	-
	YoY	98.6%	100.3%	110.5%	103.0%	112.7%	105.3%	123.4%	85.3%	30.8%	79.2%	-	-
	Operating Profit	257	210	▲409	57	▲275	▲217	311	▲805	▲1,687	▲2,182	-	-
	YoY	65.2%	66.0%	-	6.9%	-	-	121.0%	-	-	-	-	-
	EBITDA	520	523	151	1,195	▲136	1,059	731	512	▲912	332	-	-
	YoY	71.1%	80.0%	33.1%	64.8%	-	50.0%	140.6%	97.9%	-	27.8%	-	-

## Quarterly Operating Results by Business Segment

(JPY million)		FY19						FY20					
		1Q	2Q	3Q	1Q-3Q	4Q	Total	1Q	2Q	3Q	1Q-3Q	4Q	Total
<b>Kyushu Sanko Group</b>	Net Sales	5,882	5,273	5,247	16,403	5,827	22,230	6,934	5,460	3,037	15,432	-	-
	YoY	102.5%	103.3%	99.4%	101.7%	105.6%	102.7%	117.9%	103.5%	57.9%	94.1%	-	-
	Operating Profit	183	114	▲58	239	▲81	158	316	▲118	▲1,147	▲949	-	-
	YoY	78.0%	100.0%	-	73.9%	-	39.7%	172.6%	-	-	-	-	-
	EBITDA	405	344	182	933	270	1,203	801	369	▲661	508	-	-
	YoY	89.0%	98.6%	80.7%	90.4%	74.3%	86.2%	197.5%	107.2%	-	54.5%	-	-
<b>Energy</b>	Net Sales	4,014	5,266	4,606	13,887	6,574	20,461	6,291	7,715	4,871	18,878	-	-
	YoY	176.1%	181.0%	167.4%	174.9%	162.4%	170.7%	156.7%	146.5%	105.8%	135.9%	-	-
	Operating Profit	118	244	131	495	479	974	268	665	▲744	189	-	-
	YoY	-	-	130.6%	-%	-	-	225.9%	271.8%	-	38.2%	-	-
	EBITDA	135	264	151	550	499	1,050	289	687	▲722	254	-	-
	YoY	-	-	107.7%	-%	-	-	214.2%	259.9%	-	46.2%	-	-
<b>Other</b>	Net Sales	1,556	1,877	2,479	5,912	2,463	8,376	2,058	1,816	868	4,742	-	-
	YoY	-	-	-	-	-	-	132.3%	96.7%	35.0%	80.2%	-	-
	Operating Profit	101	125	221	448	140	590	402	448	580	1,432	-	-
	YoY	-	-	-	-	-	-	395.6%	358.7%	261.8%	319.2%	-	-
	EBITDA	223	245	344	813	264	1,077	489	567	678	1,736	-	-
	YoY	-	-	-	-	-	-	218.9%	231.3%	197.0%	213.4%	-	-



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

(JPY million)	FY19						FY20					
	1Q	2Q	3Q	1Q-3Q	4Q	Total	1Q	2Q	3Q	1Q-3Q	4Q	Total
<b>Travel Business Total Net Sales</b>	<b>166,617</b>	<b>170,213</b>	<b>175,444</b>	512,275	<b>210,188</b>	<b>722,464</b>	<b>175,320</b>	<b>124,269</b>	<b>46,338</b>	<b>345,928</b>	-	-
YoY	114.3%	107.8%	116.1%	112.6%	107.0%	110.9%	105.2%	73.0%	26.4%	67.5%	-	-
International Travel from Japan / Transaction Amount	87,899	110,754	86,748	285,403	116,545	401,948	87,440	42,722	1,141	131,305	-	-
YoY	106.7%	114.5%	98.9%	94.5%	97.0%	103.8%	99.5%	38.6%	1.3%	46.0%	-	-
Fuel Surcharge (included in the transaction amount above)	6,030	8,005	4,308	18,344	6,957	25,302	4,837	2,477	16	7,330	-	-
Domestic Travel in Japan / Transaction Amount	11,941	17,576	13,693	43,211	18,044	61,255	11,668	8,163	1,059	20,891	-	-
YoY	101.4%	106.9%	99.3%	102.9%	99.0%	101.7%	97.7%	46.4%	7.7%	48.3%	-	-
Inbound Travel to Japan / Transaction Amount	7,116	8,075	8,375	23,567	6,430	29,997	5,849	753	50	6,653	-	-
YoY	119.5%	105.6%	88.7%	107.1%	77.8%	96.0%	82.2%	9.3%	0.6%	28.2%	-	-
Overseas Subsidiaries / Inbound Transaction Amount	56,070	35,339	41,186	132,595	50,748	183,343	55,039	38,157	16,729	109,925	-	-
YoY	127.1%	106.7%	107.3%	114.7%	98.1%	109.6%	98.2%	107.9%	40.6%	82.9%	-	-
Overseas Subsidiaries / Outbound Transaction Amount	19,719	20,213	40,124	80,056	40,242	120,298	41,865	50,606	19,648	112,115	-	-
YoY	104.3%	100.0%	188.8%	132.6%	205.0%	150.4%	212.3%	250.3%	48.9%	140.0%	-	-
Eliminations of internal transactions, adjustments, etc.	▲16,128	▲21,744	▲14,682	▲52,557	▲21,821	▲74,377	▲26,541	▲16,132	7,714	▲34,961	-	-

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

(JPY million)	FY19						FY20					
	1Q	2Q	3Q	1Q-3Q	4Q	Total	1Q	2Q	3Q	1Q-3Q	4Q	Total
Transaction Amount (before consolidation adjustments)	7,079	5,968	6,133	19,180	6,406	25,586	6,116	3,168	714	9,998	-	-
YoY	96.1%	83.2%	96.7%	91.9%	85.2%	90.1%	86.4%	53.0%	11.6%	52.1%	-	-
Operating Profit	1,894	1,277	1,112	4,283	1,012	5,295	852	▲692	▲1,742	▲1,582	-	-
YoY	92.4%	61.9%	86.5%	79.3%	56.9%	73.8%	45.0%	-	-	-	-	-
Attendance (10,000)	70.8	59.6	60.4	190.9	63.7	254.7	68.8	35.2	10.2	114.3	-	-
YoY	97.2%	89.4%	97.0%	94.6%	90.7%	93.6%	97.2%	59.0%	17.0%	59.9%	-	-
Foreign Attendance (included in the number above, 10,000)	3.5	4.2	4.5	12.3	4.0	16.3	3.0	2.0	0.0	4.9	-	-
YoY	82.1%	89.3%	89.9%	87.4%	93.3%	88.7%	86.7%	47.6%	-	40.3%	-	-
Number of Hotel Guests (10,000)	7.3	7.0	6.3	20.6	7.7	28.4	6.6	3.8	0.1	10.5	-	-
YoY	96.1%	85.3%	96.9%	92.2%	97.5%	94.0%	90.7%	54.2%	1.5%	51.3%	-	-
Unit Price (JPY, rounded down to the nearest hundred)	9,900	10,000	10,100	10,000	10,000	10,000	8,800	9,000	6,900	8,700	-	-
Increase/Decrease	-100	-770	±0	-300	-600	-400	-1,100	-1,000	-3,200	-1,300	-	-

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

(JPY million)

	FY19 4Q	FY20 3Q	Increase/Decrease
Cash and Deposits	219,175	96,576	▲122,599
Notes and Accounts Receivable – Trade	45,653	14,013	▲31,639
Operating Accounts Receivable	4,287	580	▲3,706
Travel Advance Payments	52,102	14,299	▲37,802
Others	27,061	18,898	▲8,163
<b>Total Current Assets</b>	<b>348,280</b>	<b>144,367</b>	<b>▲203,912</b>
Property, Plant and Equipment	147,098	200,638	53,539
Intangible Assets	19,271	17,047	▲2,223
Goodwill	7,305	5,331	▲1,974
Investments and Other Assets	55,275	50,758	▲4,516
<b>Total Non-Current Assets</b>	<b>228,951</b>	<b>273,776</b>	<b>44,825</b>
<b>Deferred Assets</b>	<b>168</b>	<b>142</b>	<b>▲26</b>
<b>Total Assets</b>	<b>577,399</b>	<b>418,286</b>	<b>▲159,112</b>

	FY19 4Q	FY20 3Q	Increase/Decrease
Operating Accounts Payable	38,082	7,943	▲30,138
Travel Advance Received	92,760	18,211	▲74,548
Bonds and Convertible Bonds Payable	55,090	55,077	▲13
Long-Term Loans Payable	146,403	148,338	1,935
Others	121,151	90,092	▲31,059
<b>Total Liabilities</b>	<b>453,490</b>	<b>319,664</b>	<b>▲133,825</b>
Capital Stock	11,000	11,000	--
Capital Surplus	3,392	3,417	24
Retained Earnings	112,409	93,233	▲19,175
Treasury Shares	▲28,309	▲27,969	339
Accumulated Other Comprehensive Income	▲1,719	▲5,891	▲4,172
Non-Controlling Interests	27,135	24,798	▲2,337
<b>Total Net Assets</b>	<b>123,909</b>	<b>98,621</b>	<b>▲25,287</b>
<b>Total Liabilities and Net Assets</b>	<b>577,399</b>	<b>418,286</b>	<b>▲159,112</b>

## 2. Financial Forecasts

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## [Revised] Consolidated Financial Forecasts

The financial forecasts were revised based on the information available at the time, with the impact of the spread of the new coronavirus factored in until the end of the fiscal year,

H.I.S. Group decided not to pay dividends, as it believes it is an urgent matter to stabilize its financial base for the recovery of earnings.

(JPY million)	FY19	FY20 Revised Forecasts at 1Q	FY20 Revised Forecasts This Time	Increase/Decrease
Net Sales	808,510	775,000	424,000	▲384,510
Operating Profit	17,540	1,700	▲36,700	▲54,240
EBITDA	27,263	13,330	▲23,100	▲50,363
Ordinary Profit	17,089	2,800	▲36,000	▲53,089
Net Profit Attributable to Owners of Parent	12,249	▲1,100	▲31,800	▲44,049
EPS	213.63 (JPY)	▲19.16 (JPY)	▲553.02 (JPY)	-
Dividend	33 (JPY)	33 (JPY)	0 (JPY)	-

## [Revised] Financial Forecasts by Business Segment

(JPY million)	Segment	FY19	FY20 Revised Forecasts at 1Q	FY20 Revised Forecasts This Time	Increase/Decrease
Net Sales	Travel Business	722,464	668,000	353,000	▲369,464
	Huis Ten Bosch Group	28,086	25,000	13,500	▲14,586
	Hotel Business	12,676	13,500	8,500	▲4,176
	Kyushu Sanko Group	22,230	26,000	19,000	▲3,230
	Energy Business	20,461	38,000	27,500	7,038
	Other	8,376	9,500	5,000	▲3,376
	Adjustments, Eliminations, etc.	▲5,785	▲5,000	▲2,500	3,285
Operating Profit	Travel Business	13,754	2,700	▲26,600	▲40,354
	Huis Ten Bosch Group	5,075	1,280	▲3,600	▲8,675
	Hotel Business	▲217	▲700	▲3,600	▲3,382
	Kyushu Sanko Group	158	30	▲2,000	▲2,158
	Energy Business	974	1,000	500	▲474
	Other	589	920	1,200	610
	Adjustments, Eliminations, etc.	▲2,795	▲3,530	▲2,600	195
EBITDA	Travel Business	17,980	8,020	▲21,200	▲39,180
	Huis Ten Bosch Group	7,175	3,720	▲1,800	▲8,975
	Hotel Business	1,059	1,000	▲200	▲1,259
	Kyushu Sanko Group	1,203	1,080	0	▲1,203
	Energy Business	1,050	1,090	590	▲460
	Other	1,077	1,410	1,610	533
	Adjustments, Eliminations, etc.	▲2,283	▲2,990	▲2,100	183

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