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## Summary of Consolidated Financial Results for the Fiscal Year Ended October 2023 [Japanese Standards]

December 15, 2023

Company name H.I.S. Co., Ltd.  
 Listing Tokyo Stock Exchange  
 Code number 9603  
 URL <https://www.his.co.jp/>  
 Representative (Title) President and Representative Director (Name) Motoshi Yada  
 Contact person (Title) Executive Officer, General Manager of Accounting and Finance Headquarters (Name) Osamu Hanazaki  
 Tel. 050-1746-4188  
 Scheduled date for annual general meeting of shareholders: January 25, 2024  
 Scheduled date for dividend payments: —  
 Scheduled date to file securities report: January 26, 2024  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results briefing: Yes (For institutional investors)

(Figures less than one million yen truncated)

1. Consolidated financial results for the fiscal year ended October 2023 (from November 1, 2022 to October 31, 2023)

(1) Consolidated operating results (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended October 31, 2023	251,866	76.4	1,397	—	1,446	—	(2,618)	—
Fiscal year ended October 31, 2022	142,794	—	(47,934)	—	(49,001)	—	(9,547)	—

Note: Comprehensive income Fiscal year ended October 31, 2023 (124)million yen (—%) Fiscal year ended October 31, 2022 (2,424)million yen (—%)

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended October 31, 2023	(35.35)	—	(5.4)	0.3	0.6
Fiscal year ended October 31, 2022	(130.00)	—	(21.7)	(11.9)	(33.6)

(Reference) Share of profit (loss) of entities accounted for using equity method Fiscal year ended October 31, 2023 (143)million yen Fiscal year ended October 31, 2022 (30)million yen

(Note) "Accounting Standard for Revenue Recognition" (Accounting Standard Board of Japan (ASBJ) Statement No. 29, March 31, 2020) and others were applied from the beginning of the first quarter of the previous consolidated fiscal year, and the figures for the fiscal year ended October 31, 2022, are after the application of these accounting standards, and the percent year-on-year change is not shown.

(2) Consolidated financial position

	Total assets	Total net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of October 31, 2023	441,346	58,149	11.1	653.40
As of October 31, 2022	414,984	56,636	11.4	641.24

(Reference) Equity capital As of October 31, 2023 48,817million yen As of October 31, 2022 47,420million yen

(3) Consolidated cash flow state

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended October 31, 2023	31,075	(46,393)	(11,785)	110,836
Fiscal year ended October 31, 2022	(14,915)	53,520	5,458	136,939

## 2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended October 31, 2022	—	0.00	—	0.00	0.00	—	—	—
Fiscal year ended October 31, 2023	—	0.00	—	0.00	0.00	—	—	—
Fiscal year ending October 31, 2024 (Forecast)	—	0.00	—	10.00	10.00		14.2	

## 3. Consolidated financial forecast for the fiscal year ending October 2024 (November 1, 2023 - October 31, 2024)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First six months of the fiscal year	160,000	55.5	1,800	—	900	—	300	—	4.05
Entire fiscal year	350,000	39.0	9,000	544.2	7,200	397.9	5,200	—	70.20

### Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): Yes

Newly included: 1 company (Company name: Cross E Holdings Co., Ltd.)

Excluded: 5 companies (Company name: AGT Co. Ltd, H.I.S. INTERNATIONAL TOURS KOREA INC., H.I.S. (SHANGHAI) INTERNATIONAL TRAVEL SERVICE CO., LTD., MIKI TRAVEL CO., LTD., H.I.S. Energy Holdings Co., Ltd.)

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

- ① Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- ② Changes in accounting policies other than ①: None
- ③ Changes in accounting estimates: None
- ④ Restatements: None

(3) Number of shares issued (common shares)

- ① Number of shares issued at the end of the period (including treasury shares)
- ② Number of treasury shares at the end of the period
- (3) Average number of shares outstanding during the period

As of October 31, 2023	79,860,936shares	As of October 31, 2022	79,860,936shares
As of October 31, 2023	5,148,865shares	As of October 31, 2022	5,909,220shares
Fiscal year ended October 31, 2023	74,074,281shares	Fiscal year ended October 31, 2022	73,436,823shares

(Reference) Overview of non-consolidated business results

1. Non-consolidated financial results for the fiscal year ended October 2023 (from November 1, 2022 to October 31, 2023)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended October 31, 2023	132,882	232.5	340	—	(488)	—	(741)	—
Fiscal year ended October 31, 2022	39,967	—	(20,536)	—	(17,971)	—	27,971	—

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Fiscal year ended October 31, 2023	(10.01)	—
Fiscal year ended October 31, 2022	380.90	327.46

(Note) "Accounting Standard for Revenue Recognition" (Accounting Standard Board of Japan (ASBJ) Statement No. 29, March 31, 2020) and others were applied from the beginning of the first quarter of the previous fiscal year, and the figures for the fiscal year ended October 31, 2022, are after the application of these accounting standards, and the percentages indicated year-on-year change.)

(2) Non-consolidated financial position

	Total assets	Total net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of October 31, 2023	320,487	42,776	13.3	570.34
As of October 31, 2022	301,447	42,636	14.0	571.14

(Reference) Equity capital As of October 31, 2023 42,611million yen As of October 31, 2022 42,236million yen

\* Financial results are not subject to audit by a certified accountants or an audit corporation.

\*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 financial forecast and the precautions for using the financial forecast, see "1.(1) Analysis of business results."

## 1. Overview of business results

### (1) Analysis of business results

#### ① Business results for the current fiscal year

In the current consolidated fiscal year, the business environment is expected to continue to gradually recover due to the effects of various policies as the employment and income environment improves. Even so, carefully attention should be paid to the situation in the Middle East, the effects of the downturn in overseas economies, rising prices, and volatility in financial and capital markets.

Under these circumstances, the travel industry saw firmer demand for several reasons. Demand picked up due to international travel, including inbound travel to Japan and overseas travel, as a result of the end of measures by various countries to prevent people infected with the corona virus from entering the country and the reclassification of Covid-19 as a "class 5" disease under the Act on the Prevention of Infectious Diseases and Medical Care for Patients with Infectious Disease, and domestic travel picked up again due to the continued tourism support measures.

In order to improve productivity and profitability and increase demand for overseas travel from Japan, our core business, the Group pushed forward with reinforcing initiatives for the busy summer season, including staffing and advertising development aimed at maximizing sales.

In order to achieve sustainable growth for the entire Group through the development of the travel business and diversification of business, we will also continue to bring the world closer and provide new value by creating all kinds of encounters and connections, producing rich and irreplaceable times, and promoting mutual understanding under the banner of the H.I.S. Group Purpose "Unleash your feeling KOKORO ODORU."

The business results by segment are as follows.

At the beginning of the fiscal year, we switched from five segments (travel business, theme park business, hotel business, Kyushu Sanko Group, and energy business) to four segments (travel business, theme park business, hotel business, and Kyushu Sanko Group). Therefore, year-on-year comparisons are based figures after the reclassification. For details, please refer to "4 Consolidated Financial Statements and Major Notes (5) Notes to Consolidated Financial Statements (Segment Information, etc.)".

Also, the amount for each segment is the amount before inter-segment transactions elimination.

#### (Travel business)

During the current consolidated fiscal year, the overseas travel market was firm, particular in Europe and the United States. In Japan, the travel market recovered to its 2019 level through the year as domestic travel picked up due to "Nationwide Travel Support," government measures to generate demand that were launched in October 2022. As for the overseas and inbound travel markets, there was a prominent recovery in travel, both overseas and in Japan, on account of the end of measures to prevent Covid-19 from entering countries, including the end of entry restrictions in countries throughout the world, and relaunch of flights on international routes as Covid-19 was reclassified as a "class 5" disease in May 2023. Boosted by the weak yen, the inbound travel market recovered to its pre-pandemic level as the months passed. The number of Japanese overseas travelers during the current consolidated fiscal year was 8.46 million, 410.5% the number for previous fiscal year (42.2% of the number for 2019), and the number of foreign visitors to Japan was 22.19 million, 1,422.7% the number for the previous year (69.4% of the number for 2019). (Source: Japan National Tourism Organization) (JNTO)

In our overseas travel business, we actively held events to stimulate demand for overseas travel, starting with the "Hatsuyume Fair 2023," H.I.S.'s largest sale, and the "H.I.S. Overseas Travel Appreciation Festival," etc. We also entered into business tie-ups with the Korea Tourism Organization, the California Office of Tourism, the Taiwan Tourism Administration, the Singapore Tourism Board, etc., to attract more tourists, and promoted cooperation in promoting tourism and strengthening customer traffic through such initiatives as developing travel products to build sustainable tourism. In May, when Covid-19 was reclassified as a "class 5" disease and overseas travel related measures to prevent Covid-19 from entering countries were ended, we started the "SUPER SUMMER SALE!" campaign to boost summer leisure demand and reinforced initiatives to attract more customers through such measures as covering all passport application fees and waiving cancellation fees, which are normally charged 30 or 40 days prior to departure, up to 15 days prior to departure. Summer vacation is a period of strong demand for trips, and business during the first one since the end of the pandemic was firm, which drove the overall travel business.

In the domestic travel business, in addition to strengthening sales of products eligible for "Nationwide Travel Support," we worked to maximize profits by strengthening efforts to attract customers for package tours to Okinawa, Hokkaido, and Kyushu destinations that use air travel through our own special measures, such as the "Gururi Tabi Campaign," which offers special deals on excursion packages, and measures to waive cancellation fees due to sudden illness of children. We also

worked to promote online distribution channels and increased handling of "dynamic packages" that combine air tickets and hotels, which led to a recovery to pre-pandemic levels.

In the inbound travel business, we moved forward with initiatives to attract tourists by concluding cooperation agreements with Kagoshima Prefecture and Kumamoto City to enhance our brand power in the region and promote greater tourism spending through promotions both in Japan and overseas. Incentive group travel from H.I.S.'s overseas subsidiaries and travel agencies in Europe and the United States drove net sales. The H.I.S. Japan website, which features activity products from across Japan, received reservations from individual travelers from 53 countries, and our own one-day bus tours, etc. were firm. However, visitors from China, our core target before the pandemic, have not returned, which has prevented a full recovery.

In the corporate business, the recovery in demand for travel led to a significant improvement in company travel, educational travel, sports travel, and business travel. We worked to strengthen our relationships with companies and promoted our solutions business, including support for business events such as anniversary events, award ceremonies, and induction ceremonies, utilizing our expertise in MICE management. In our business for government and municipal offices, we were selected for the Tourism Restarting Project led by the Japan Tourism Agency and strengthened BPO contracts, including regional branding using our overseas branch network.

In the overseas travel business, a subsidiary based in Canada continued to lead the way as demand for travel recovered in earnest. In addition to our local subsidiary in Turkey, local subsidiaries in Southeast Asia, including Indonesia, Thailand, Vietnam, Malaysia, and the Philippines, saw a recovery in outbound business as they strengthened their B2B markets, particularly business travel. The inbound businesses of local subsidiaries showed signs of recovery as package tour customers from Japan are gradually returning. On the other hand, in North America, the Canadian College Group expanded its business domain by acquiring Stenberg College International, a school specializing in vocational development programs for general medical and social services, as their subsidiary company. In addition, we worked to expand our business domain to local markets and operated our business that communicates Japanese culture, primarily food, in various regions. Related initiatives included our local Thai subsidiary, which is involved in the operation of "Hannari Cafe" in collaboration with Kyoto Prefecture, opening the Japanese restaurant "MANTENNO" in Bangkok and our United States subsidiary opening the formal Japanese restaurant "UKA" in Los Angeles.

The number of sales offices of the Group now stands at 134 in Japan and 162 in 113 cities in 58 countries overseas (as of the end of October, 2023).

As a result of the above, net sales for the current fiscal year were 202,008 million yen (298.4% of the previous year), and operating profit was 803 million yen (operating loss of 28,629 million yen in the previous year).

#### (Theme Park business)

At Laguna Ten Bosch, the number of visitors to Lagunasiaincreased to 107.4% the number for the previous year due to the effect of "Nationwide Travel Support", tie-up events with the "Demon Slayer: Kimetsu no Yaiba" animation series, and the early opening of the summer pool to attract more visitors. For the shopping mall "Festival Market," efforts were made to attract more customers by expanding its market, which included opening and renovating 6 stores under the theme "RE:BORN PROJECT."

The transfer of all shares of Huis Ten Bosch, which had been operated as a theme park business, was completed as of September 30, 2022.

As a result of the above, net sales for the current fiscal year were 3,356 million yen (15.8% of the previous year), operating profit was 160 million yen (operating profit of 183 million yen in the previous year), and EBITDA-based profit was 483 million yen (2,240 million yen in the previous year).

#### (Hotel business)

For the hotel business, the movement of people increased because of "Nationwide Travel Support" and the reclassification of Covid-19 as a "class 5" disease, and the lodging market was firm because demand for tourism and business picked up as Japanese started traveling again and inbound demand quickly strengthened. Under these conditions, we opened new hotels in Kagoshima and Nagoya, and renovated Resort Hotel Kume Island (Okinawa). We also focused on sales promotions, including unique concept rooms and a variety of sales plans in each property. As for overseas hotels, all the various hotels, both resort and urban ones, recorded improved earnings as travel demand in countries throughout the world improved.

As a result of the above, net sales for the current fiscal year were 17,937 million yen (194.8% of the previous year), operating profit was 577 million yen (operating loss of 4,122 million yen in the previous year), and EBITDA-based profit was 4,700 million yen (loss of 192 million yen in the previous year).

(Kyushu Sanko Group)

The Kyushu Sanko Group was affected by soaring energy prices and rising food costs, but saw a recovery in the movement of people in Japan, which had declined due to the pandemic, as well as a recovery due to an increase in the number of people visiting Japan. In particular, for its core bus business, the number of passengers transported by regular-route buses recovered to 95.2% of the 2019 level and the number of charter buses being used to 106.1% of the 2019 level. Furthermore, the group held a “free bus and train day for kids (100 yen for adults) in Kumamoto Prefecture” in order to link its business to traffic congestion reduction and environmental measures, including CO2 emission reductions, by encouraging the use of public transportation and increasing convenience in collaboration with bus operators in Kumamoto Prefecture. The number of visitors to the SAKURA MACHI KUMAMOTO commercial facility have steadily recovered because various events, including the "Kumamoto Castle Reconstruction Support Project," a collaborative project with an anime idol group with ties to Kumamoto, have been held with an eye toward the restoration of Kumamoto Castle, a symbol of Kumamoto's tourism. In addition, earnings improved because of recovery in sales due to the promotion of store use in cooperation with Kumamoto Castle Hall, which is located next to the facility. The group also operated two Taiwanese charter flights (in March and May) as part of its travel business. As for new business endeavors, the group launched sales of such items as Group products, including typical Kumamoto specialty products, which involved launching the Group EC website KUMATOKU and directly shipping Amakusa products by making use of its own mixed cargo-passenger buses.

As a result of the above, net sales for the current fiscal year were 21,676 million yen (120.7% of the previous year), operating profit was 58 million yen (operating loss of 1,554 million yen in the previous year), and EBITDA-based profit was 1,791 million yen (profit of 309 million yen in the previous year).

As a result of the above, consolidated results for the current fiscal year were as follows: net sales of 251,866 million yen (176.4% of the previous year), operating profit of 1,397 million yen (operating loss of 47,934 million yen in the previous year), ordinary profit of 1,446 million yen (ordinary loss of 49,001 million yen in the previous year), and loss attributable to owners of parent of 2,618 million yen (loss attributable to owners of parent of 9,547 million yen in the previous year).

② Outlook for the next fiscal year

As we enter the post-pandemic era and return to normal times, our business is seeing a recovery in demand for travel, our core business. On the other hand, there are concerns that the Group's business activities will be affected by the external environment, including geopolitical risks associated with the situation in the Middle East region and Ukraine, rising prices, a weakening yen, and labor shortages. However, we expect our performance to recover, partly due to improved employment and income conditions and the effects of various policies.

Based on the above, we currently forecast consolidated net sales of 350,000 million yen (139.0% of the previous year), operating profit of 9,000 million yen (644.2% of the previous year), ordinary profit of 7,200 million yen (497.9% of the previous year), and profit attributable to owners of the parent of 5,200 million yen (improvement of 7,600 million yen) for the year ending October 31, 2024.

(2) Analysis of financial position

① Condition of assets, liabilities and net assets

Total assets at the end of the current consolidated fiscal year increased 26,361 million yen from the end of the previous consolidated fiscal year to 441,346 million yen. This was mainly due a decrease in property, plant and equipment (down 2,673 million yen) and decrease in intangible assets (down 1,342 million yen) despite an increase in notes and accounts receivable - trade, and contract assets (up 13,275 million yen), increase in cash and deposits (up 12,776 million yen), increase in travel advance payments (up 2,187 million yen), and increase in deferred tax assets (up 652 million yen).

Total liabilities at the end of the current fiscal year increased 24,848 million yen from the end of the previous fiscal year to 383,196 million yen. This was mainly due to a decrease in borrowings (down 10,582 million yen) despite an increase in travel advance received (up 15,402 million yen), increase in "other" current liabilities (up 9,812 million yen), increase in trade accounts payable (up 3,424 million yen), increase in accounts payable - other (up 3,159 million yen), and increase in provision for bonuses (up 2,060 million yen).

Net assets at the end of the current fiscal year increased 1,513 million yen from the end of the previous fiscal year to 58,149 million yen. This was mainly because of a decrease in retained earnings (down 2,571 million yen) due to a loss attributable to owners of parent and decrease in capital surplus (down 727 million yen) despite an increase in foreign currency translation adjustments (up 2,912 million yen) and a decrease in treasury shares (up 1,925 million yen).

## ② Cash flow position

The balance of cash and cash equivalents (hereinafter, "funds") at the end of the current consolidated fiscal year was 110,836 million yen, a decrease of 26,102 million yen compared to the end of the previous consolidated fiscal year. Funds from operating activities increased 31,075 million yen, funds from investing activities decreased 46,393 million yen, and funds from financing activities decreased 11,785 million yen.

Details on the position of each cash flow are as follows:

### (Cash flow from operating activities)

In the current fiscal year, funds from operating activities increased 31,075 million yen. This was mainly because of a decrease in funds due to a loss before income taxes (1,288 million yen) and increase in trade receivables and contract assets (13,086 million yen) despite an increase in funds due to depreciation, which is a non-cash item, (10,500 million yen), an increase in trade payables (3,735 million yen), an increase in travel advance received (15,078 million yen), and an increase in other liabilities, including deposits received, (15,055 million yen) .

Furthermore, in the previous fiscal year, funds from operating activities decreased 14,915 million yen. This was mainly because of a decrease in funds due to a loss before income taxes (8,222 million yen), a loss on sale of shares of subsidiaries and associates (32,437 million yen), and an increase in other assets, including accounts receivable - other, (8,345 million yen), despite an increase in funds due to depreciation, which is a non-cash item, (12,487 million yen) and increase in other liabilities, including deposits received, (22,757 million yen).

As a result of the above, in the current consolidated fiscal year, cash flows from operating activities increased 45,990 million yen compared to the previous consolidated fiscal year.

### (Cash flow from investing activities)

In the current fiscal year, funds from investing activities decreased 46,393 million yen. This was mainly because of an increase in funds due to proceeds from withdrawal of time deposits (12,711 million yen) despite a decrease in funds due to payments into time deposits (50,056 million yen), purchase of property, plant and equipment and intangible assets (6,487 million yen), and purchase of shares of subsidiaries resulting in change in scope of consolidation (1,772 million yen).

Furthermore, in the previous fiscal year, funds from investing activities increased 53,520 million yen. This was mainly because of an increase in funds due to proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation (39,847 million yen) and proceeds from withdrawal of time deposits (19,442 million yen) despite a decrease in funds due to payments into time deposits (12,001 million yen).

As a result of the above, cash flows from investment activities in the current consolidated fiscal year decreased 99,914 million yen compared to the previous consolidated fiscal year.

### (Cash flow from financing activities)

In the current fiscal year, funds from financing activities decreased 11,785 million yen. This was mainly because of an increase in funds due to proceeds from short-term and long-term borrowings (162,277 million yen) despite a decrease in funds due to repayments of short-term and long-term borrowings (172,476 million yen).

Furthermore, in the previous fiscal year, funds from financing activities increased 5,458 million yen. This was mainly because of an increase in funds due to proceeds from short-term and long-term borrowings (115,517 million yen) and proceeds from issuance of shares (7,500 million yen) despite a decrease in funds due to repayments of short-term and long-term borrowings (115,492 million yen).

As a result of the above, cash flows from financial activities in the current fiscal year decreased 17,243 million yen compared to the previous consolidated fiscal year.

(Reference) Changes in cash flow-related indicators

	Fiscal year ended October 31, 2019	Fiscal year ended October 31, 2020	Fiscal year ending October 31, 2021	Fiscal year ended October 31, 2022	Fiscal year ended October 31, 2023
Shareholders' equity ratio (%)	16.8	17.8	9.9	11.4	11.1
Market value-based equity- to-asset ratio (%)	28.0	21.2	43.6	36.7	28.7
Ratio of interest-bearing debt to cash flow (%)	564.2	—	—	—	776.0
Interest coverage ratio (times)	53.1	—	—	—	14.5

Shareholders' equity ratio: Equity/Total assets

Market value-based equity-to-asset ratio: Market capitalization /Total assets

Ratio of interest-bearing debt to cash flow: Interest-bearing debt/Cash flow

Interest coverage ratio: Cash flow/Interest payments

Note 1: All calculations are based on consolidated financial figures.

Note 2: Market capitalization is calculated based on the number of issued shares excluding treasury shares.

Note 3: Operating cash flows are used for cash flows.

Note 4: Interest-bearing liabilities include all liabilities that are recorded on the consolidated balance sheet and on which interest is paid.

Note 5: For the fiscal years ended October 2020, October 2021, and October 2022, because operating cash flow was negative, the ratio of interest-bearing debt to cash flow and the interest coverage ratio are not stated.

(3) Basic policy on profit distribution for the current and next fiscal years

The Group recognizes shareholder return as one of its most important management policies, and intends to distribute the Company's profits in a stable and continuous manner based on its performance, taking into comprehensive consideration global conditions, trends in the travel industry, strengthening of the corporate structure, and future business development, while enhancing the corporate value of the Group, etc. In addition, the Company pays an interim dividend, but since sales and other items are relatively concentrated in the second half of the fiscal year, dividends are paid throughout the year in order to realize fair dividends for performance.

Based on the above basic policy on profit distribution, we plan to pay no dividend at the end of the current fiscal year (annual dividend) because we believe that stabilizing our financial foundation is an urgent task as profits recover.

In light of the outlook for continued recovery in travel demand and taking into consideration our financial situation going forward, we plan to pay an annual common dividend of 10 yen per share for the next fiscal year. We will strive to achieve continuous and stable shareholder returns, which has been our basic policy for some time, in line with the recovery in our business performance.

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

The Group has continued to record a large loss attributable to owners of parent since the previous consolidated fiscal year; therefore, in light of Audit and Guarantee Practices Committee Report No. 74 "Disclosure of Going Concern Assumptions," there are deemed to be events or situations that raise important doubts about the going concern assumption at the end of the current consolidated fiscal year.

Therefore, the Group is continuing to reduce fixed costs and sell off securities, real estate, and other assets, while at the same time it is requesting financial institutions with which it does business to maintain (refinance) existing loan agreements.

Based on a rational financing plan, the Group has determined that it will be possible to have sufficient funds until October 31, 2024. Therefore, we have determined that there is no significant uncertainty regarding the assumption of a going concern.



#### 4. Consolidated financial statements and main notes

##### (1) Consolidated Balance Sheets

(Millions of yen)

	As of October 31, 2022	As of October 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	144,795	157,571
Notes and accounts receivable - trade, and contract assets	11,538	24,814
Trade accounts receivable	298	656
Securities	212	23
Travel advance payments	6,231	8,418
Prepaid expenses	1,724	1,916
Short-term loans receivable	133	45
Short-term loans receivable from subsidiaries and associates	205	275
Accounts receivable - other	20,001	19,575
Other	5,721	5,929
Allowance for doubtful accounts	(2,370)	(1,701)
Total current assets	188,493	217,526
Non-current assets		
Property, plant and equipment		
Buildings	93,062	96,795
Accumulated depreciation	(16,895)	(20,230)
Buildings, net	76,166	76,564
Tools, furniture, and fixtures	12,142	12,355
Accumulated depreciation	(9,444)	(10,162)
Tools, furniture and fixtures, net	2,697	2,193
Land	70,975	71,062
Leased assets	27,978	30,021
Accumulated depreciation	(15,576)	(17,445)
Leased assets, net	12,401	12,576
Construction in progress	6,306	3,718
Other	10,036	9,961
Accumulated depreciation	(8,229)	(8,394)
Other, net	1,807	1,567
Total property, plant and equipment	170,356	167,682
Intangible assets		
Goodwill	2,369	2,092
Other	15,539	14,472
Total intangible assets	17,908	16,565
Investments and other assets		
Investment securities	2,990	3,379
Shares of subsidiaries and associates	2,865	2,780
Investments in capital of subsidiaries and associates	77	73
Long-term loans receivable	11	201
Long-term loans receivable from subsidiaries and associates	504	205
Retirement benefit asset	671	800
Deferred tax assets	6,949	7,602
Guarantee deposits	20,825	20,789
Other	3,805	4,132
Allowance for doubtful accounts	(694)	(487)
Total investments and other assets	38,009	39,479
Total non-current assets	226,274	223,727
Deferred assets	217	92
Total assets	414,984	441,346

(Millions of yen)

	As of October 31, 2022	As of October 31, 2023
<b>Liabilities</b>		
Current liabilities		
Trade accounts payable	6,698	10,122
Short-term borrowings	28,555	51,326
Current portion of bonds payable	—	15,000
Current portion of long-term borrowings	32,156	32,128
Accounts payable - other	17,298	20,458
Accrued expenses	3,999	4,377
Income taxes payable	310	980
Accrued consumption taxes	711	1,629
Travel advance received	14,256	29,659
Lease obligations	2,646	3,111
Provision for bonuses	1,293	3,354
Provision for bonuses for directors (and other officers)	51	82
Other	20,590	30,402
Total current liabilities	128,569	202,632
Non-current liabilities		
Bonds payable	20,000	5,000
Convertible-bond-type bonds with share acquisition rights	25,036	25,018
Long-term borrowings	156,727	123,403
Deferred tax liabilities	4,963	4,719
Retirement benefit liability	6,234	6,223
Provision for retirement benefits for directors (and other officers)	445	433
Lease obligations	11,635	11,164
Other	4,734	4,601
Total non-current liabilities	229,778	180,563
Total liabilities	358,348	383,196
Net assets		
Shareholders' equity		
Share capital	100	100
Capital surplus	28,498	27,770
Retained earnings	26,327	23,755
Treasury shares	(14,972)	(13,046)
Total shareholders' equity	39,954	38,580
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	230	64
Deferred gains or losses on hedges	8	30
Foreign currency translation adjustment	7,085	9,998
Remeasurements of defined benefit plans	141	143
Total accumulated other comprehensive income	7,466	10,236
Share acquisition rights	399	165
Non-controlling interests	8,815	9,166
Total net assets	56,636	58,149
Total liabilities and net assets	414,984	441,346

(2) Consolidated Statements of Income and Comprehensive Income  
(Consolidated Statements of Income)

(Millions of yen)

	Fiscal year ended October 31, 2022	Fiscal year ended October 31, 2023
Net sales	142,794	251,866
Cost of sales	114,536	169,089
Gross profit	28,257	82,777
Selling, general and administrative expenses	76,192	81,380
Operating profit (loss)	(47,934)	1,397
Non-operating income		
Interest income	263	759
Dividend income	247	361
Foreign exchange gains	892	585
Subsidy income	556	567
Other	1,169	686
Total non-operating income	3,129	2,961
Non-operating expenses		
Interest expenses	2,000	2,224
Other	2,195	687
Total non-operating expenses	4,196	2,912
Ordinary profit (loss)	(49,001)	1,446
Extraordinary income		
Gain on sale of non-current assets	1,393	4
Gain on sale of investment securities	1,446	—
Gain on sale of shares of subsidiaries and associates	40,842	192
Reversal of allowance for doubtful receivables	—	108
Subsidy income	10,860	1,160
Gain on reversal of impairment loss	—	98
Total extraordinary income	54,543	1,564
Extraordinary losses		
Loss on sale of non-current assets	—	8
Impairment loss	4,022	2,895
Loss on valuation of investment securities	—	323
Loss on valuation of shares of subsidiaries and associates	—	137
Loss on sale of shares of subsidiaries and associates	8,405	—
Loss on valuation of other investments	—	203
Loss on sale of other investments	—	730
Losses from downtime	1,336	—
Total extraordinary losses	13,764	4,298
Profit (loss) before income taxes	(8,222)	(1,288)
Income taxes - current	1,084	1,558
Income taxes - deferred	1,748	(939)
Total income taxes	2,833	618
Profit (loss)	(11,056)	(1,906)
Profit (loss) attributable to non-controlling interests	(1,508)	711
Profit (loss) attributable to owners of parent	(9,547)	(2,618)

## (Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Fiscal year ended October 31, 2022	Fiscal year ended October 31, 2023
Profit (loss)	(11,056)	(1,906)
Other comprehensive income		
Valuation difference on available-for-sale securities	(482)	(166)
Deferred gains or losses on hedges	1	21
Foreign currency translation adjustment	9,066	1,919
Remeasurements of defined benefit plans	1	8
Share of other comprehensive income of entities accounted for using equity method	44	(0)
Total other comprehensive income	8,631	1,782
Comprehensive income	(2,424)	(124)
(breakdown)		
Comprehensive income attributable to owners of parent	(1,059)	(826)
Comprehensive income attributable to non-controlling interests	(1,364)	702

## (3) Consolidated Statements of Changes in Equity

Fiscal year ended October 31, 2022 (from November 1, 2021 to October 31, 2022)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	21,048	13,328	22,275	(15,004)	41,647
Cumulative effects of changes in accounting policies			233		233
Restated balance	21,048	13,328	22,508	(15,004)	41,880
Changes during period					
Issuance of new shares	3,750	3,750			7,500
Capital reduction	(24,698)	24,698			—
Deficit disposition		(13,363)	13,363		—
Profit (loss) attributable to owners of parent			(9,547)		(9,547)
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		(8)		32	24
Change in scope of consolidation			2		2
Purchase of treasury shares of consolidated subsidiaries		(0)			(0)
Capital increase of consolidated subsidiaries		93			93
Net changes in items other than shareholders' equity					
Total changes during period	(20,948)	15,170	3,818	32	(1,926)
Balance at end of period	100	28,498	26,327	(14,972)	39,954

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	713	7	(1,859)	118	(1,020)	158	23,360	64,145
Cumulative effects of changes in accounting policies			5		5		1	240
Restated balance	713	7	(1,854)	118	(1,015)	158	23,361	64,385
Changes during period								
Issuance of new shares								7,500
Capital reduction								—
Deficit disposition								—
Profit (loss) attributable to owners of parent								(9,547)
Purchase of treasury shares								(0)
Disposal of treasury shares								24
Change in scope of consolidation								2
Purchase of treasury shares of consolidated subsidiaries								(0)
Capital increase of consolidated subsidiaries								93
Net changes in items other than shareholders' equity	(482)	1	8,940	22	8,482	241	(14,546)	(5,822)
Total changes during period	(482)	1	8,940	22	8,482	241	(14,546)	(7,749)
Balance at end of period	230	8	7,085	141	7,466	399	8,815	56,636

Fiscal year ended October 31, 2023 (from November 1, 2022 to October 31, 2023)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	100	28,498	26,327	(14,972)	39,954
Changes during period					
Issuance of new shares					—
Capital reduction					—
Deficit disposition					—
Profit (loss) attributable to owners of parent			(2,618)		(2,618)
Purchase of treasury shares		(0)		(0)	(0)
Disposal of treasury shares		(643)		1,926	1,282
Change in scope of consolidation			46		46
Purchase of treasury shares of consolidated subsidiaries					—
Capital increase of consolidated subsidiaries		(83)			(83)
Net changes in items other than shareholders' equity					
Total changes during period	—	(727)	(2,571)	1,925	(1,373)
Balance at end of period	100	27,770	23,755	(13,046)	38,580

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	230	8	7,085	141	7,466	399	8,815	56,636
Changes during period								
Issuance of new shares								—
Capital reduction								—
Deficit disposition								—
Profit (loss) attributable to owners of parent								(2,618)
Purchase of treasury shares								(0)
Disposal of treasury shares								1,282
Change in scope of consolidation								46
Purchase of treasury shares of consolidated subsidiaries								—
Capital increase of consolidated subsidiaries								(83)
Net changes in items other than shareholders' equity	(166)	21	2,912	2	2,769	(234)	351	2,886
Total changes during period	(166)	21	2,912	2	2,769	(234)	351	1,513
Balance at end of period	64	30	9,998	143	10,236	165	9,166	58,149

## (4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended October 31, 2022	Fiscal year ended October 31, 2023
<b>Cash flows from operating activities</b>		
Profit (loss) before income taxes	(8,222)	(1,288)
Depreciation	12,487	10,500
Impairment loss	4,022	2,895
Gain on reversal of impairment loss	—	(98)
Amortization of goodwill	686	512
Increase (decrease) in provision for bonuses	613	2,016
Increase (decrease) in provision for bonuses for directors (and other officers)	23	29
Increase (decrease) in retirement benefit liability	(76)	(70)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	47	(15)
Interest and dividend income	(510)	(1,121)
Foreign exchange losses (gains)	(227)	(503)
Interest expenses	2,000	2,224
Loss (gain) on sale of property, plant and equipment	(1,393)	4
Loss (gain) on sale of investment securities	(1,446)	—
Loss (gain) on valuation of investment securities	74	323
Loss (gain) on sale of shares of subsidiaries and associates	(32,437)	(192)
Loss on valuation of shares of subsidiaries and associates	120	137
Loss on valuation of other investments	—	203
Loss on sale of other investments	—	730
Other loss (gain)	(133)	(1,433)
Decrease (increase) in trade receivables and contract assets	(1,921)	(13,086)
Decrease (increase) in travel advance payments	3,475	(2,203)
Decrease (increase) in other assets	(8,345)	(1,067)
Increase (decrease) in trade payables	(3,838)	3,735
Increase (decrease) in accrued consumption taxes	684	685
Increase (decrease) in accrued expenses	(345)	122
Increase (decrease) in travel advances received	(1,298)	15,078
Increase (decrease) in other liabilities	22,757	15,055
Subtotal	(13,204)	33,174
Interest and dividends received	679	1,105
Interest paid	(1,930)	(2,142)
Income taxes refund (paid)	(459)	(1,062)
Cash flows from operating activities	(14,915)	31,075

(Millions of yen)

	Fiscal year ended October 31, 2022	Fiscal year ended October 31, 2023
<b>Cash flows from investing activities</b>		
Payments into time deposits	(12,001)	(50,556)
Proceeds from withdrawal of time deposits	19,442	12,711
Purchase of securities	(0)	(141)
Proceeds from redemption of securities	—	347
Purchase of property, plant and equipment and intangible assets	(8,912)	(6,487)
Proceeds from sale of property, plant and equipment and intangible assets	10,931	175
Purchase of investment securities	(1,061)	(1,240)
Proceeds from sale of investment securities	2,809	272
Proceeds from redemption of investment securities	1,281	20
Purchase of shares of subsidiaries and associates	(963)	(377)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(1,772)
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	(2,032)	—
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	39,847	—
Loan advances	(40)	(65)
Proceeds from collection of loans receivable	3,909	210
Payments of guarantee deposits	(777)	(879)
Proceeds from refund of guarantee deposits	1,005	983
Other	85	406
<b>Cash flows from investing activities</b>	<b>53,520</b>	<b>(46,393)</b>
<b>Cash flows from financing activities</b>		
Proceeds from short-term borrowings	111,262	160,584
Repayments of short-term borrowings	(113,922)	(136,857)
Proceeds from long-term borrowings	4,255	1,693
Repayments of long-term borrowings	(1,570)	(35,619)
Dividends paid to non-controlling interests	(44)	(76)
Purchase of treasury shares	(0)	(0)
Proceeds from issuance of shares	7,500	—
Proceeds from share issuance to non-controlling shareholders	150	288
Repayments to non-controlling shareholders	—	(500)
Proceeds from issuance of share acquisition rights	165	—
Proceeds from disposal of treasury shares resulting from exercise of share acquisition rights	—	1,249
Other	(2,337)	(2,547)
<b>Cash flows from financing activities</b>	<b>5,458</b>	<b>(11,785)</b>
Effect of exchange rate change on cash and cash equivalents	4,680	818
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>48,744</b>	<b>(26,284)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>88,079</b>	<b>136,939</b>
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	115	181
<b>Cash and cash equivalents at end of period</b>	<b>136,939</b>	<b>110,836</b>



(5) Notes to Consolidated Financial Statements

(Segment information)

[Segment information]

Summary of reporting segments

The Group's reporting segments are component units of the Group for which separate financial information is available and are subject to periodic review by the highest management decision-making body to determine the allocation of management resources and evaluate their performance. Composed of the travel business, theme park business, hotel business, and Kyushu Sanko Group, the Group proposes comprehensive strategies for both Japan and overseas, and conducts business. Therefore, there are four reporting segments—travel business, theme park business, hotel business, and Kyushu Sanko Group.

The "travel business" segment is engaged in the arrangement, planning, and sales of overseas and domestic travel and related businesses; the "theme park business" segment owns and operates a theme park in Gamagori, Aichi Prefecture; the "hotel business" segment is engaged in the hotel business and related businesses in Japan, Taiwan, the United States, Indonesia, and other countries; and the "Kyushu Sanko Group" is engaged in the automobile transportation business, real estate leasing business, and other businesses under the holding company Kyushu Industrial Transportation Holdings Co., Ltd.

In addition, the Group has begun to strengthen and improve its financial position in preparation for the recovery and restructuring of each of its businesses, including its core travel business, and has transferred all shares of H.I.S. SUPER Power Co., Ltd., and HTB Energy Co., Ltd. in the previous fiscal year. Accordingly, the "energy business" reporting segment was discontinued and H.I.S. Energy Holdings Co., Ltd. was changed from "energy business" to "others" in the first quarter of the current fiscal year. In the second quarter, the liquidation of H.I.S. Energy Holdings Co., Ltd. was completed, and this company was removed from the scope of consolidation.

The segment information for previous fiscal year was prepared using the revised reporting segments.

Information on the amount of sales, profit or loss, assets, liabilities, and other items for each reporting segment

Fiscal year ended October 31, 2022 (from November 1, 2021 to October 31, 2022)

(Millions of yen)

	Reporting segment					Other (Note 1)	Total	Adjustments (Note 2)	Amount on consolidated financial statements (Note 3)
	Travel Business	Theme Park Business	Hotel Business	Kyushu Sanko Group	Total				
Net sales									
Sales to external customers	67,328	20,644	8,931	17,948	114,853	27,940	142,794	—	142,794
Intersegment sales/transfers	364	580	275	11	1,232	750	1,983	(1,983)	—
Total	67,693	21,225	9,207	17,960	116,086	28,691	144,778	(1,983)	142,794
Segment profit (loss)	(28,629)	183	(4,122)	(1,554)	(34,124)	(11,381)	(45,505)	(2,429)	(47,934)
Segment assets	119,301	5,666	95,555	54,033	274,557	7,273	281,830	133,153	414,984
Other									
Depreciation	3,416	2,057	3,918	1,864	11,257	781	12,039	372	12,411
Amortization of goodwill	580	—	11	—	592	94	686	—	686
Investment in entities accounted for using equity method	410	—	—	—	410	0	410	—	410
Increase in property, plant and equipment and intangible fixed assets	2,682	1,705	4,606	474	9,468	532	10,001	—	10,001

Notes 1. The "Other" category is a business segment that is not included in any reporting segment. It includes segments as follows:

Energy Business, Non-life Insurance Business, and Real Estate Business.

2. The details of the adjustment amounts are as follows.

(1) The segment profit (loss) adjustment of -2,429 million yen is company-wide expenses not allocated to any reporting segment. It mainly comprises expenses related to parent company's headquarter administration that do not belong to a reporting segment.

(2) The segment asset adjustment of 133,153 million yen includes elimination of intersegment transactions of -741 million yen and corporate assets not allocated to any reporting segment of 133,895 million yen. Corporate assets include assets related to fund management by the parent company (cash and deposits, and securities) and assets related to administrative departments.

(3) The depreciation adjustment of 372 million yen is company-wide expenses that are not allocated to a reporting segment. It includes depreciation related to parent company's headquarter administration that do not belong to a reporting segment.

3. Segment profit (loss) is adjusted with the operating profit in the consolidated financial statements.

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

(Millions of yen)

	Travel Business	Theme Park Business	Hotel Business	Kyushu Sanko Group	Other	Total
Segment profit(loss)	(28,629)	183	(4,122)	(1,554)	(11,381)	(45,505)
Depreciation and goodwill amortization	3,996	2,057	3,930	1,864	876	12,725
EBITDA (*)	(24,632)	2,240	(192)	309	(10,505)	(32,779)

\*EBITDA reflects segment profit (loss) plus depreciation and goodwill amortization.

Fiscal year ended October 31, 2023 (from November 1, 2022 to October 31, 2023)

(Millions of yen)

	Reporting segment					Other (Note 1)	Total	Adjustments (Note 2)	Amount on consolidated financial statements (Note 3)
	Travel Business	Theme Park Business	Hotel Business	Kyushu Sanko Group	Total				
Net sales									
Sales to external customers	200,894	3,343	17,562	21,664	243,464	8,402	251,866	0	251,866
Intersegment sales/transfers	1,114	13	374	11	1,514	234	1,749	(1,749)	—
Total	202,008	3,356	17,937	21,676	244,978	8,636	253,615	(1,748)	251,866
Segment profit	803	160	577	58	1,599	316	1,915	(518)	1,397
Segment assets	156,113	5,391	94,520	54,997	311,023	8,011	319,034	122,311	441,346
Other									
Depreciation	3,555	323	4,114	1,733	9,726	222	9,948	523	10,471
Amortization of goodwill	496	—	8	—	505	7	512	—	512
Investment in entities accounted for using equity method	210	—	—	—	210	0	210	—	210
Increase in property, plant and equipment and intangible fixed assets	2,505	163	2,089	1,329	6,088	398	6,487	729	7,216

Notes 1. The "Other" category is a business segment that is not included in any reporting segment. It includes segments as follows:  
Non-life Insurance Business and Real Estate Business.

2. The details of the adjustment amounts are as follows.

(1) The segment profit (loss) adjustment of -518 million yen is company-wide expenses not allocated to any reporting segment. It mainly comprises expenses related to parent company's headquarter administration that do not belong to a reporting segment.

(2) The segment asset adjustment of -122,311 million yen includes elimination of intersegment transactions of -1,191 million and corporate assets not allocated to any reporting segment of 123,503 million yen. Corporate assets include assets related to fund management by the parent company (cash and deposits, and securities) and assets related to administrative departments.

(3) The depreciation adjustment of 523 million yen is company-wide expenses not allocated to any reporting segment. It includes depreciation related to parent company's headquarter administration that do not belong to a reporting segment.

3. Segment profit (loss) is adjusted with the operating profit in the consolidated financial statements.

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

(Millions of yen)

	Travel Business	Theme Park Business	Hotel Business	Kyushu Sanko Group	Other	Total
Segment profit	803	160	577	58	316	1,915
Depreciation and goodwill amortization	4,051	323	4,123	1,733	229	10,461
EBITDA (*)	4,854	483	4,700	1,791	546	12,377

\*EBITDA reflects segment profit (loss) plus depreciation and goodwill amortization.

[Related information]

Fiscal year ended October 31, 2022 (from November 1, 2021 to October 31, 2022)

1. Information by product and service

Since similar information is disclosed in the segment information, the descriptions are omitted.

2. Information by region

(1) Net sales

(Millions of yen)

Japan	America	Asia	Oceania	Europe, Middle East, and Africa	Total
121,458	12,534	3,361	(45)	5,486	142,794

(2) Property, plant and equipment

(Millions of yen)

Japan	America	Asia	Oceania	Europe, Middle East, and Africa	Total
139,172	10,590	15,548	13	5,031	170,356

3. Information for each major client

Descriptions are omitted because no one external client has sales that account for more than 10% of the sales in the consolidated income statement.

Fiscal year ended October 31, 2023 (from November 1, 2022 to October 31, 2023)

1. Information by product and service

Since similar information is disclosed in the segment information, the descriptions are omitted.

2. Information by region

(1) Net sales

(Millions of yen)

Japan	America	Asia	Oceania	Europe, Middle East, and Africa	Total
205,588	20,282	10,166	(719)	16,547	251,866

(2) Property, plant and equipment

(Millions of yen)

Japan	America	Asia	Oceania	Europe, Middle East, and Africa	Total
137,604	10,187	14,343	17	5,531	167,682

3. Information for each major client

Descriptions are omitted because no one external client has sales that account for more than 10% of the sales in the consolidated income statement.

[Information regarding impairment loss on fixed assets by reportable segment]

Fiscal year ended October 31, 2022 (from November 1, 2021 to October 31, 2022)

(Millions of yen)

	Reporting segment					Other Note:	Unallocated amounts and elimination	Total
	Travel Business	Theme Park Business	Hotel Business	Kyushu Sanko Group	Total			
Impairment loss	1,982	790	174	683	3,632	390	—	4,022

Note: The category of "Other" is the amount related to Energy Business, Non-life Insurance Business and Real Estate Business.

Fiscal year ended October 31, 2023 (from November 1, 2022 to October 31, 2023)

(Millions of yen)

	Reporting segment					Other Note:	Unallocated amounts and elimination	Total
	Travel Business	Theme Park Business	Hotel Business	Kyushu Sanko Group	Total			
Impairment loss	651	—	2,200	42	2,895	—	—	2,895

Note: The category of "Other" is the amount related to Non-life insurance Business and Real Estate Business.

[Information regarding amortization of goodwill and unamortized balance by reportable segment]

Fiscal year ended October 31, 2022 (from November 1, 2021 to October 31, 2022)

(Millions of yen)

	Reporting segment					Other Note:	Unallocated amounts and elimination	Total
	Travel Business	Theme Park Business	Hotel Business	Kyushu Sanko Group	Total			
Amortization for the year ended October 31, 2022	580	—	11	—	592	94	—	686
Unamortized balance for the year ended October 31, 2022	2,305	—	22	—	2,328	40	—	2,369

Note: The category of "Other" is the amount related to Energy Business, Non-life Insurance business and Real Estate Business.

Fiscal year ended October 31, 2023 (from November 1, 2022 to October 31, 2023)

(Millions of yen)

	Reporting segment					Other Note:	Unallocated amounts and elimination	Total
	Travel Business	Theme Park Business	Hotel Business	Kyushu Sanko Group	Total			
Amortization for the year ended October 31, 2023	496	—	8	—	505	7	—	512
Unamortized balance for the year ended October 31, 2023	2,051	—	8	—	2,060	32	—	2,092

Note: The category of "Other" is the amount related to Non-life Insurance Business and Real Estate Business.

[Information regarding gains on negative goodwill by reportable segment]

Fiscal year ended October 31, 2022 (from November 1, 2021 to October 31, 2022)

There is no significant negative goodwill gain.

Fiscal year ended October 31, 2023 (from November 1, 2022 to October 31, 2023)

There is no significant negative goodwill gain.