



Presentation Materials for the 1st Quarter of Fiscal
Year Ending October 31, 2021 Financial Results
(3 Months Ended January 31st, 2021)

<Revised edition January 28, 2022>

March 15th, 2021
H.I.S. Co., Ltd.
1st section of TSE: 9603

1. Summary of Financial Results

Consolidated Operating Results

(JPY million)	FY20 1Q Results	FY21 1Q Forecasts	FY21 1Q Results	YoY	YoY Increase/ Decrease	Major Reasons for Increase/Decrease
Net Sales	199,618	36,000	36,193	18.1%	▲163,425	Travel ▲159,582, Energy 1,347
Gross Profit	36,025	-	8,906	24.7%	▲27,118	
Operating Profit	3,791	▲10,000	▲12,138	-	▲15,930	Travel ▲12,225, Energy ▲972, Theme Park 400
EBITDA	6,719	▲6,530	▲9,053	-	▲15,772	
Non-Operating Income	1,058	-	842	79.6%	▲215	(Previous FY) Foreign Exchange Gain 260
Non-Operating Expenses	560	-	963	171.8%	402	Foreign Exchange Loss 216
Ordinary Profit	4,288	▲9,800	▲12,259	-	▲16,548	
Extraordinary Gain	512	-	4,347	848.9%	3,835	Subsidy Income 3,411
Extraordinary Loss	249	-	791	317.8%	542	Loss due to temporary closure 791
Profit before Income Taxes	4,551	-	▲8,703	-	▲13,255	
Income Taxes	1,710	-	▲47	-	▲1,758	
Net Profit Attributable to Non-Controlling Shareholders	663	-	▲366	-	▲1,030	
Net Profit Attributable to Owners of Parent	2,177	▲6,300	▲8,288	-	▲10,466	

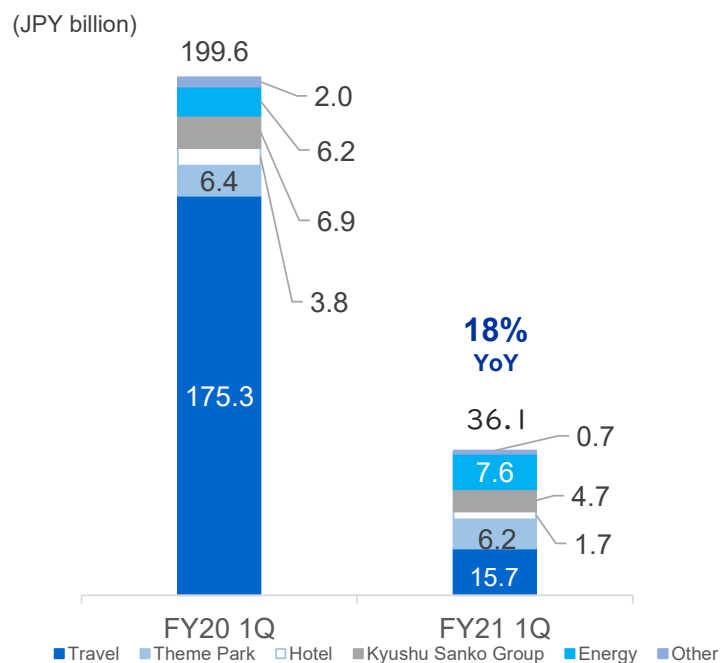
Segment Information

(JPY million)	Segment	FY20 1Q Results	FY21 1Q Forecasts	FY21 1Q Results	YoY	YoY Increase/Decrease
Net Sales	Travel Business	175,320	14,500	15,737	9.0%	▲159,582
	Theme Park Business	6,430	6,600	6,225	96.8%	▲205
	Hotel Business	3,811	1,700	1,744	45.8%	▲2,066
	Kyushu Sanko Group	6,934	5,000	4,785	69.0%	▲2,149
	Energy Business	6,291	7,600	7,638	121.4%	1,347
	Other	2,075	800	762	36.7%	▲1,312
	Adjustments, Eliminations, etc.	▲1,245	-	▲700	56.3%	544
Operating Profit	Travel Business	2,370	▲9,400	▲9,855	-	▲12,225
	Theme Park Business	668	1,430	1,069	159.8%	400
	Hotel Business	311	▲1,200	▲1,374	-	▲1,685
	Kyushu Sanko Group	316	▲350	▲497	-	▲814
	Energy Business	268	3	▲704	-	▲972
	Other	378	▲140	▲319	-	▲698
	Adjustments, Eliminations, etc.	▲522	-	▲456	87.2%	66
EBITDA	Travel Business	3,658	▲8,140	▲8,753	-	▲12,412
	Theme Park Business	1,187	2,050	1,585	133.5%	397
	Hotel Business	731	▲440	▲601	-	▲1,333
	Kyushu Sanko Group	801	230	▲36	-	▲837
	Energy Business	289	33	▲676	-	▲966
	Other	467	▲40	▲221	-	▲689
	Adjustments, Eliminations, etc.	▲417	-	▲348	83.6%	68

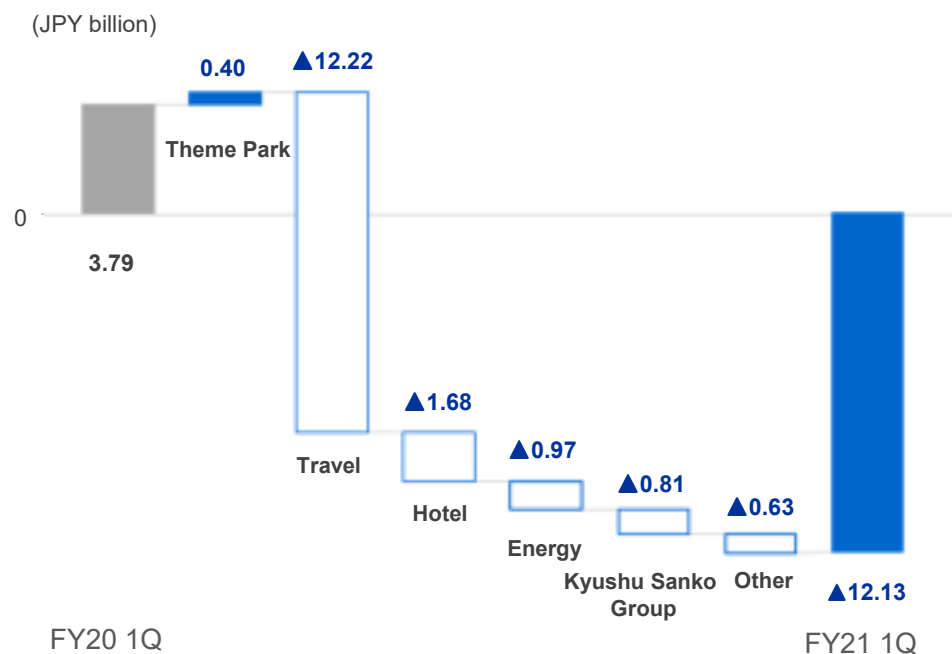
Net Sales & Operating Profit

- Net sales were **JPY36.1 billion** (a decrease of JPY163.4 billion) due to a significant decrease in the Travel Business as measures such as entry restrictions and travel restrictions continued in many countries.
- Operating loss was JPY12.1 billion** (a JPY15.9 billion decrease) due to the still difficult business environment, especially in the Travel Business, despite the Theme Park Business returning to profitability.

Major Increase/Decrease of Net Sales



Major Increase/Decrease of Operating Profit



Ordinary Profit & Net Profit Attributable to Owners of Parent

- Ordinary loss was JPY12.2 billion** (a decrease of JPY16.5 billion) due to the posting of a **foreign exchange loss of JPY210 million**, etc., in the current fiscal year, while a **foreign exchange gain of JPY260 million** was posted in the previous fiscal year.
- Despite posting **JPY3.41 billion in subsidy income** and **JPY0.93 billion in gain on sales of fixed assets, etc.**, **net loss was JPY8.2 billion yen** (a decrease of JPY10.4 billion) due to an extraordinary loss of JPY0.79 billion.

Major Increase/Decrease between Operating Profit and Net Profit

(JPY billion)



Cost Reductions

Cost Structure Comparison with the Previous Year

- Others
- Advertising Expenses
- Commission Payments
- Personnel Costs

(JPY billion)

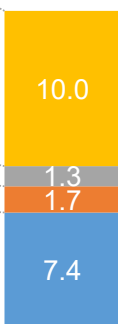
32.2



FY20 1Q

(16.1%)

20.6



FY21 1Q

(10.3%)

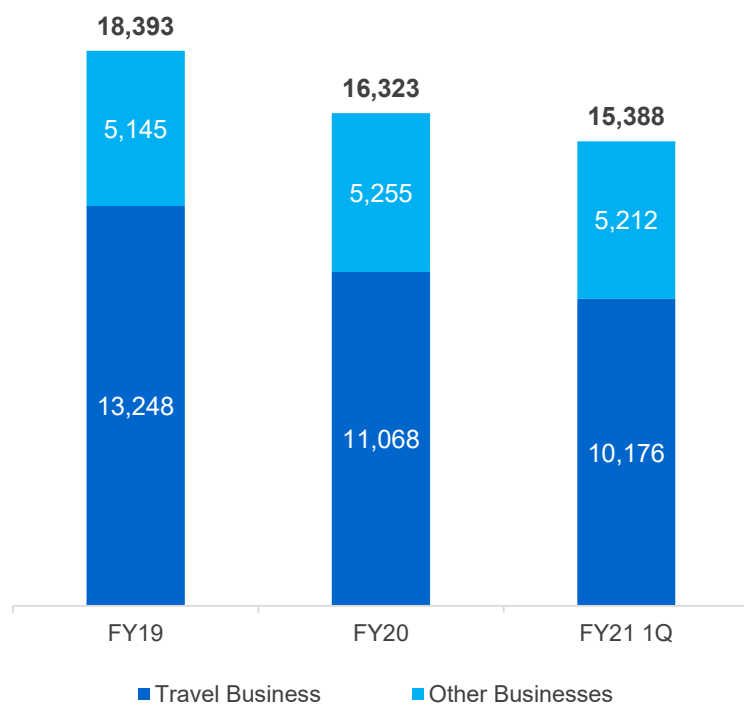
Ratio vs
FY20(1Q)
Sales

【Future Cost Reduction Measures】

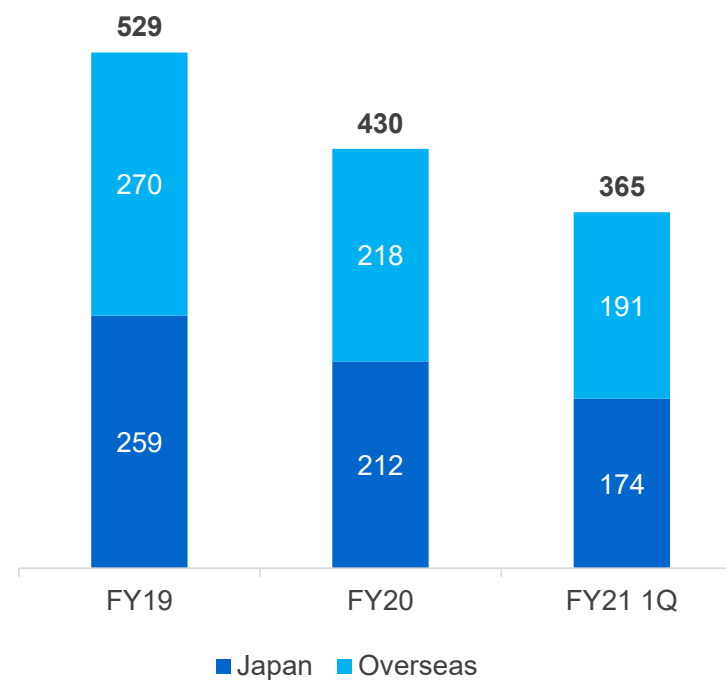
- Approximately 1,000 employees are scheduled to be seconded outside H.I.S. Group.
- Subsidies for employment adjustment are to be utilized (scheduled until June 30).
- Consolidation and closure of sales offices are to continue.

[Reference Data] Other Data as Compared to the End of the Previous Fiscal Year

The Number of Employees (H.I.S. Group)



The Number of Sales Offices of the Travel Business



Travel Business: Quarterly Operating Results by Sub-Segment

(JPY million)	FY20					FY21				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Travel Business Total Net Sales	175,320	124,269	46,338	13,703	359,631	15,737	-	-	-	-
YoY	105.2%	73.0%	26.4%	6.5%	49.8%	9.0%	-	-	-	-
International Travel from Japan / Transaction Amount	87,440	42,722	1,141	983	132,288	1,122	-	-	-	-
YoY	99.5%	38.6%	1.3%	0.8%	32.9%	1.3%	-	-	-	-
Fuel Surcharge (included in the transaction amount above)	4,837	2,477	16	17	7,348	21	-	-	-	-
Domestic Travel in Japan / Transaction Amount	11,668	8,163	1,059	7,233	28,124	8,710	-	-	-	-
YoY	97.7%	46.4%	7.7%	40.1%	45.9%	74.7%	-	-	-	-
Inbound Travel to Japan / Transaction Amount	5,849	753	50	190	6,844	34	-	-	-	-
YoY	82.2%	9.3%	0.6%	3.1%	23.1%	0.6%	-	-	-	-
Overseas Subsidiaries / Inbound Transaction Amount	55,039	38,157	16,729	823	110,748	2,167	-	-	-	-
YoY	98.2%	107.9%	40.6%	1.6%	60.4%	3.9%	-	-	-	-
Overseas Subsidiaries / Outbound Transaction Amount	41,865	50,606	19,648	▲199	111,920	1,167	-	-	-	-
YoY	212.3%	250.3%	48.9%	-	93.0%	2.8%	-	-	-	-
Eliminations of Internal Transactions, Adjustments, etc.	▲26,541	▲16,132	7,714	4,673	▲30,293	2,535	-	-	-	-

Huis Ten Bosch / Non-Consolidated Quarterly Operating Results

(JPY million)	FY20					FY21				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Transaction Amount (before Consolidation Adjustments)	6,116	3,168	714	2,260	12,258	5,891	-	-	-	-
YoY	86.4%	53.0%	11.6%	35.2%	47.9%	96.3%	-	-	-	-
Operating Profit	852	▲692	▲1,742	▲416	▲1,998	1,236	-	-	-	-
YoY	45.0%	-	-	-	-	145.1%	-	-	-	-
Number of Visitors (10,000)	68.8	35.2	10.2	24.2	138.6	60.9	-	-	-	-
YoY	97.2%	59.0%	17.0%	37.9%	54.4%	88.3%	-	-	-	-
Foreign Visitors (Included in the Number above, 10,000)	3.0	2.0	0.0	0.0	5.0	0.0	-	-	-	-
YoY	86.7%	47.6%	-	-	30.7%	-	-	-	-	-
Number of Hotel Guests (10,000)	6.6	3.8	0.1	3.8	14.3	8.9	-	-	-	-
YoY	90.7%	54.2%	1.5%	48.9%	50.6%	135.2%	-	-	-	-
Unit Price (JPY, Rounded Down to the Nearest Hundred)	8,800	9,000	6,900	9,300	8,500	9,600	-	-	-	-
Increase/Decrease	-1,100	-1,000	-3,200	-700	-1,500	+800	-	-	-	-

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

(JPY million)

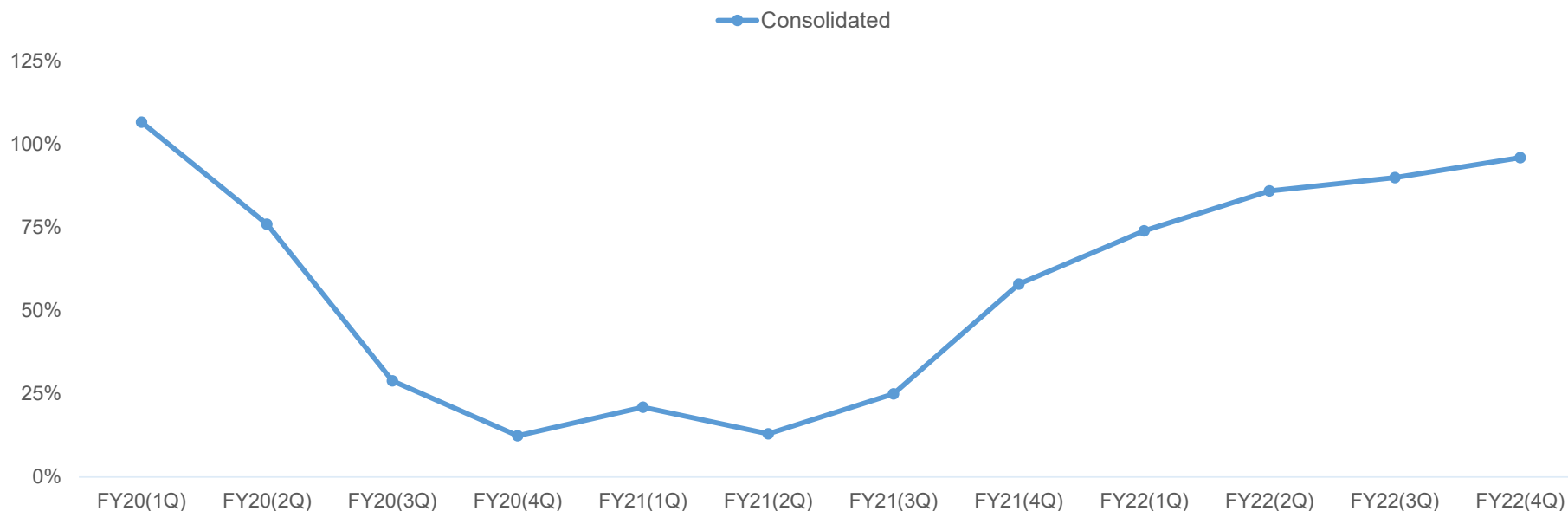
	FY20 4Q	FY21 1Q	Increase/Decrease
Cash and deposits	95,234	91,775	▲3,458
Notes and accounts receivable – trade	15,829	16,646	817
Operating accounts receivable	345	341	▲3
Travel advance payments	7,253	4,749	▲2,503
Others	20,560	18,770	▲1,790
Total current assets	139,223	132,285	▲6,938
Property, plant and equipment	202,211	203,051	840
Intangible assets	16,595	16,341	▲254
Goodwill	5,227	5,057	▲169
Investments and other assets	50,919	43,225	▲7,693
Total non-current assets	274,954	267,676	▲7,277
Total deferred assets	426	421	▲5
Total assets	414,604	400,383	▲14,221

	FY20 4Q	FY21 1Q	Increase/Decrease
Operating accounts payable	9,029	8,782	▲246
Travel advance received	14,021	6,839	▲7,182
Bonds and convertible bonds payable	45,072	45,068	▲4
Long-term loans payable	149,605	147,022	▲2,583
Others	98,453	100,556	2103
Total liabilities	316,182	308,268	▲7,914
Capital stock	15,000	15,000	-
Capital surplus	7,450	7,450	-
Retained earnings	72,222	63,933	▲8,288
Treasury shares	▲15,204	▲15,109	95
Accumulated other comprehensive income	▲5,519	▲5,434	85
Non-controlling interests	24,294	26,074	1,780
Total net assets	98,421	92,114	▲6,307
Total liabilities and net assets	414,604	400,383	▲14,221

Assumed Scenario for Business Recovery

■ The “assumed scenario” is that H.I.S. Group's business performance will **recover to almost the level of 2019 by 2022**.

- It is assumed that Travel Business and Hotel Business, which are affected by restrictions on entry and exit in various countries, **will start a gradual recovery from the 2021 summer season**.
- Other businesses, which are relatively less affected by the spread of the new corona virus infection, are expected to recover quickly.



※ Comparison of sales assumptions on a quarterly basis, with 2019 sales set at 100

The consolidated financial forecasts for the first half ending April 30, 2021 and for the full year ending October 31, 2021 have not been determined, as it is difficult to reasonably calculate the impact of the new corona virus infection at this time.

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