



Presentation Materials for Financial Results of the 3rd Quarter of Fiscal Year Ending October 31, 2021 (9 Months Ended July 31, 2021)

<Revised edition January 28, 2022>

September 10, 2021
H.I.S. Co., Ltd.
1st section of TSE: 9603

Summary of Financial Results

Consolidated Operating Results

(JPY million)	FY19 3Q	FY20 3Q	FY21 3Q	YoY	Increase/ Decrease	Major Reasons for Increase/Decrease
Net Sales	573,717	401,016	88,071	22.0%	▲312,945	Travel ▲312,804 Energy +7,218
Gross Profit	103,807	63,589	12,302	19.3%	▲51,286	
Operating Profit	11,331	▲16,793	▲47,350	-	▲30,556	
EBITDA	18,426	▲6,977	▲37,812	-	▲30,835	
Non-Operating Income	2,670	2,417	3,128	129.4%	711	Foreign Exchange Gain 869
Non-Operating Expenses	2,750	2,218	2,791	125.8%	573	Share of Loss of Entities Accounted for Using Equity Method 365, Previous FY) 139
Ordinary Profit	11,251	▲16,595	▲47,013	-	▲30,418	
Extraordinary Gain	1,073	5,832	16,261	278.8%	10,429	Subsidy Revenue 12,941
Extraordinary Loss	0	10,608	4,239	40.0%	▲6,369	Loss due to Temporary Closure 2,929
Profit before Income Taxes	12,324	▲21,371	▲34,990	-	▲13,619	
Income Taxes	4,533	▲1,321	688	-	2,009	
Net Profit Attributable to Non-Controlling Interests	1,311	▲3,377	▲2,048	-	1,328	
Net Profit Attributable to Owners of Parent	6,478	▲16,673	▲33,630	-	▲16,957	

Segment Information

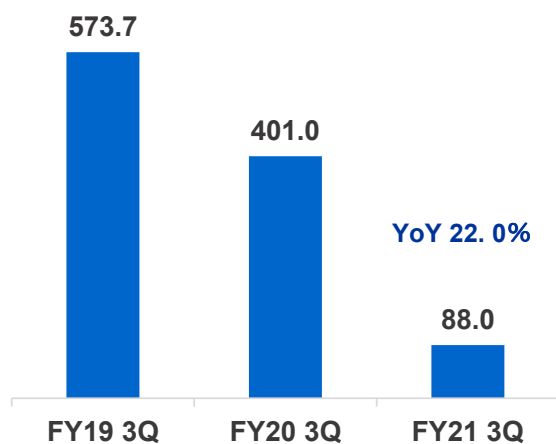
(JPY million)	Segment	FY19 3Q	FY20 3Q	FY21 3Q	YoY	Increase/Decrease
Net Sales	Travel Business	512,275	345,928	33,124	9.6%	▲312,804
	Theme Park Business	20,192	10,621	11,265	106.1%	643
	Hotel Business	9,427	7,464	4,190	56.1%	▲3,273
	Kyushu Sanko Group	16,403	15,432	12,456	80.7%	▲2,975
	Energy Business	13,887	18,878	26,097	138.2%	7,218
	Other	5,912	4,802	2,419	50.4%	▲2,382
	Adjustments, Eliminations, etc.	▲4,382	▲2,110	▲1,482	-	627
Operating Profit	Travel Business	8,150	▲11,959	▲28,890	-	▲16,930
	Theme Park Business	3,717	▲2,023	▲2,121	-	▲97
	Hotel Business	57	▲2,182	▲4,374	-	▲2,192
	Kyushu Sanko Group	239	▲949	▲1,875	-	▲926
	Energy Business	495	189	▲7,952	-	▲8,141
	Other	448	1,362	▲625	-	▲1,988
	Adjustments, Eliminations, etc.	▲1,778	▲1,230	▲1,509	-	▲279
EBITDA	Travel Business	11,139	▲8,109	▲25,671	-	▲17,561
	Theme Park Business	5,285	▲717	▲572	-	144
	Hotel Business	1,195	332	▲1,971	-	▲2,303
	Kyushu Sanko Group	933	508	▲473	-	▲982
	Energy Business	550	254	▲7,582	-	▲7,836
	Other	813	1,674	▲341	-	▲2,015
	Adjustments, Eliminations, etc.	▲1,492	▲920	▲1,198	-	▲278

Net Sales & Operating Profit

- Net sales decreased by JPY312.9 billion to **JPY88 billion (22.0% YoY)** due to the continued impact of the spread of Covid-19 infection in Japan and overseas.
- Operating loss was JPY47.3 billion (profit decrease of JPY30.5 billion)** due to a decrease in demand in each business in addition to the mainstay travel business due to voluntary restraint in going out, etc.

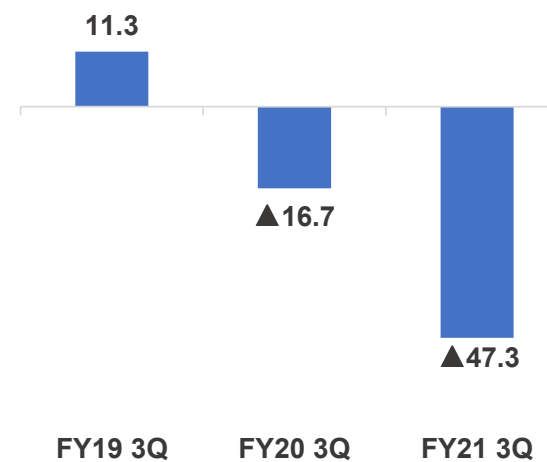
Net Sales

(JPY billion)



Operating Profit

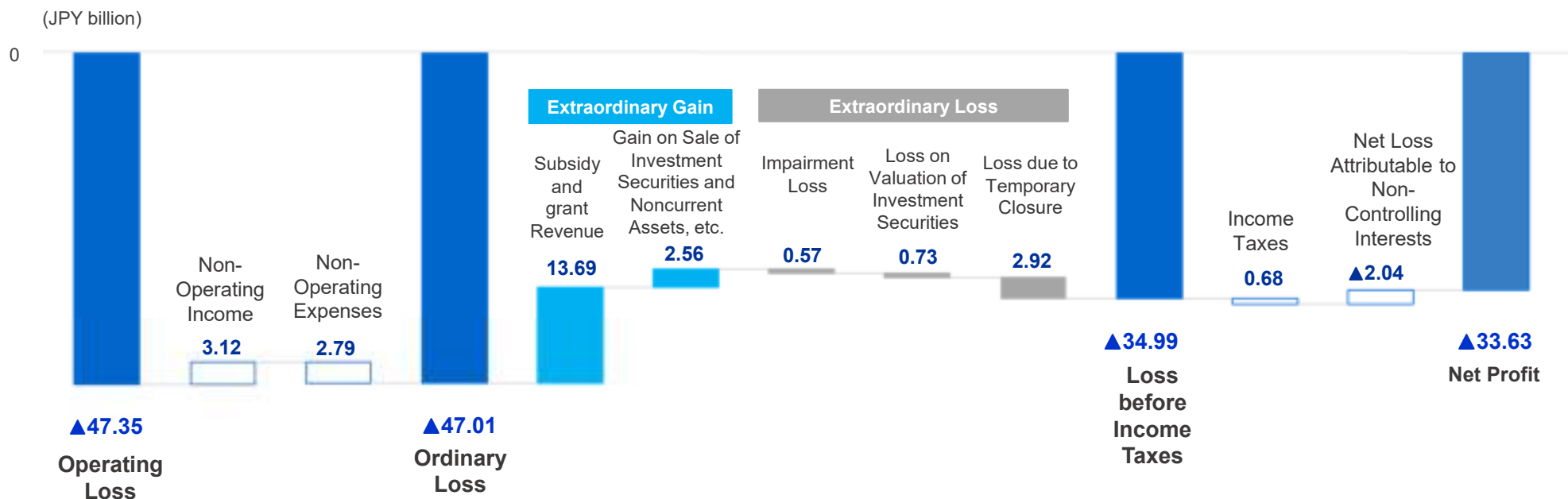
(JPY billion)



Ordinary Profit & Net Profit Attributable to Owners of Parent

- Ordinary loss was JPY47billion (profit decrease of JPY30.4 billion) due to JPY0.3 billion of share of loss of entities accounted for using equity method and other factors, while JPY0.8 billion of foreign exchange gains were recorded.
- JPY16.2 billion of extraordinary gain due to subsidy revenue (JPY12.9 billion), etc. was recorded, but on the other hand, JPY4.2 billion of extraordinary loss was recorded, resulting in JPY33.6 billion of net loss (profit decrease of JPY16.9 billion)

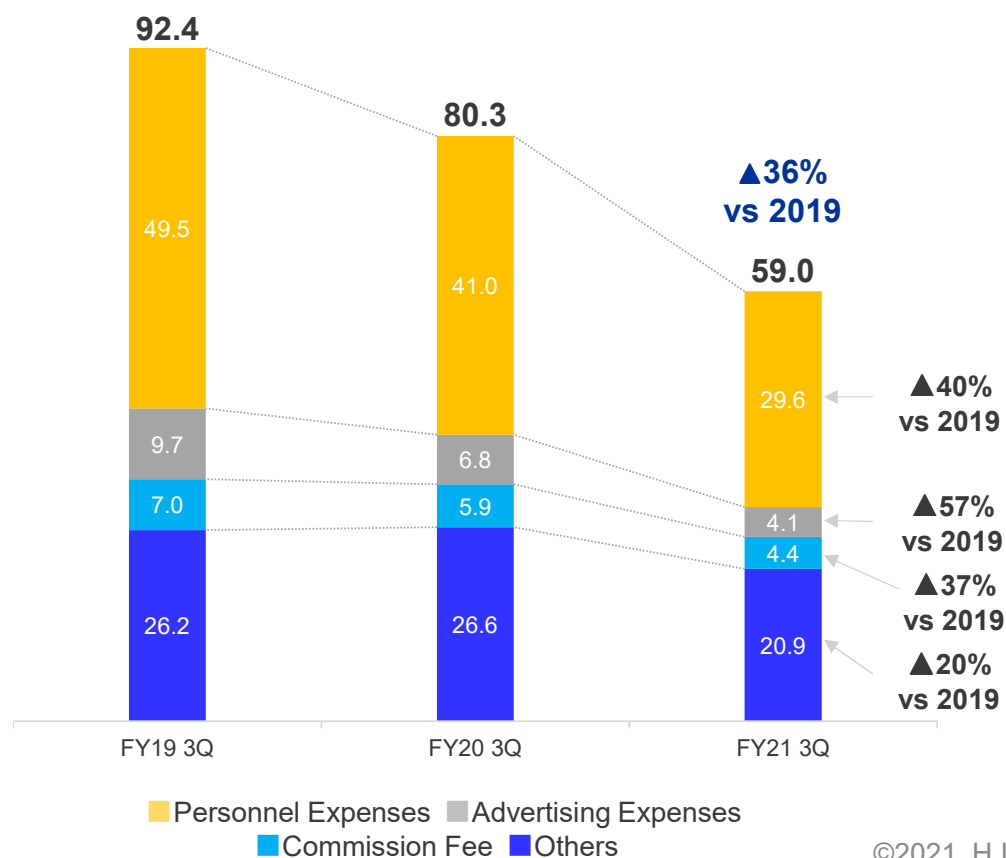
Major Items between Operating Profit and Net Profit



Cost Reduction Measures

Cost Structure Comparison with the Previous Fiscal Year

(JPY billion)

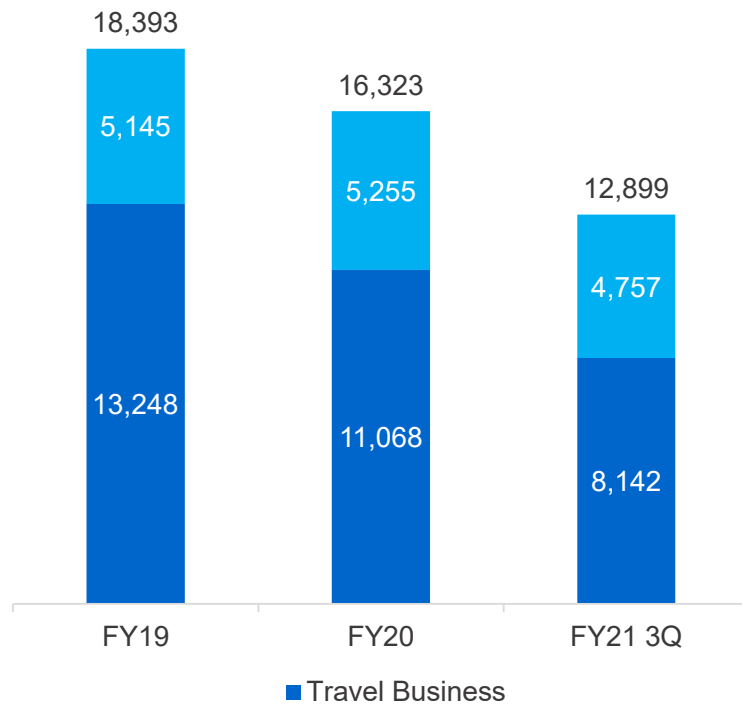


【Cost Reduction Measures】

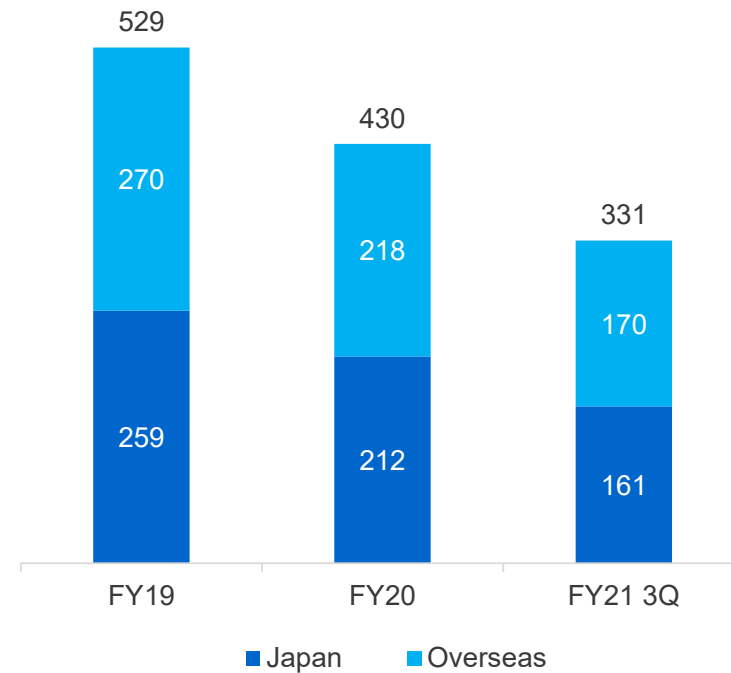
- Secondment of approximately 1,200 employees to outside of H.I.S. Group
- Utilization of employment adjustment subsidies (scheduled to be utilized until December 31)
- Continued consolidation and closure of sales offices

[Reference 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



Quarterly Operating Results by Business Segment

(JPY million)		FY19				FY20				FY21			
		1Q	2Q	3Q	1Q-3Q	1Q	2Q	3Q	1Q-3Q	1Q	2Q	3Q	1Q-3Q
Travel	Net Sales	166,617	170,213	175,444	512,275	175,320	124,269	46,338	345,928	15,737	10,613	6,772	33,124
	YoY	114.3%	107.8%	116.1%	112.6%	105.2%	73.0%	26.4%	67.5%	9.0%	8.5%	14.6%	9.6%
	Operating Profit	4,071	2,130	1,948	8,150	2,370	▲4,046	▲10,283	▲11,959	▲9,855	▲8,731	▲10,303	▲28,890
	YoY	205.7%	94.9%	203.0%	157.3%	58.2%	-	-	-	-	-	-	-
	EBITDA	4,996	3,048	3,094	11,139	3,658	▲2,739	▲9,028	▲8,109	▲8,753	▲7,689	▲9,228	▲25,671
	YoY	175.2%	93.4%	165.5%	139.5%	73.2%	-	-	-	-	-	-	-
Theme Park	Net Sales	7,415	6,273	6,503	20,192	6,430	3,386	804	10,621	6,225	2,297	2,742	11,265
	YoY	96.9%	84.7%	97.7%	93.0%	86.7%	54.0%	12.4%	52.6%	96.8%	67.8%	340.8%	106.1%
	Operating Profit	1,771	909	1,037	3,717	668	▲1,128	▲1,563	▲2,023	1,069	▲1,672	▲1,517	▲2,121
	YoY	89.7%	50.0%	85.7%	74.3%	37.8%	-	-	-	159.8%	-	-	-
	EBITDA	2,289	1,435	1,561	5,285	1,187	▲718	▲1,186	▲717	1,585	▲1,152	▲1,006	▲572
	YoY	93.5%	62.2%	88.2%	81.0%	51.9%	-	-	-	133.5%	-	-	-
Hotel	Net Sales	3,087	3,117	3,222	9,427	3,811	2,658	994	7,464	1,744	1,393	1,051	4,190
	YoY	98.6%	100.3%	110.5%	103.0%	123.4%	85.3%	30.8%	79.2%	45.8%	52.4%	105.8%	56.1%
	Operating Profit	257	210	▲409	57	311	▲805	▲1,687	▲2,182	▲1,374	▲1,238	▲1,762	▲4,374
	YoY	65.2%	66.0%	-	6.9%	121.0%	-	-	-	-	-	-	-
	EBITDA	520	523	151	1,195	731	512	▲912	332	▲601	▲435	▲934	▲1,971
	YoY	71.1%	80.0%	33.1%	64.8%	140.6%	97.9%	-	27.8%	-	-	-	-

Quarterly Operating Results by Business Segment

(JPY million)		FY19				FY20				FY21			
		1Q	2Q	3Q	1Q-3Q	1Q	2Q	3Q	1Q-3Q	1Q	2Q	3Q	1Q-3Q
Kyushu Sanko Group	Net Sales	5,882	5,273	5,247	16,403	6,934	5,460	3,037	15,432	4,785	3,905	3,766	12,456
	YoY	102.5%	103.3%	99.4%	101.7%	117.9%	103.5%	57.9%	94.1%	69.0%	71.5%	124.0%	80.7%
	Operating Profit	183	114	▲58	239	316	▲118	▲1,147	▲949	▲497	▲434	▲943	▲1,875
	YoY	78.0%	100.0%	-	73.9%	172.6%	-	-	-	-	-	-	-
	EBITDA	405	344	182	933	801	369	▲661	508	▲36	36	▲474	▲473
	YoY	89.0%	98.6%	80.7%	90.4%	197.5%	107.2%	-	54.5%	-	9.9%	-	-
Energy	Net Sales	4,014	5,266	4,606	13,887	6,291	7,715	4,871	18,878	7,638	9,967	8,491	26,097
	YoY	176.1%	181.0%	167.4%	174.9%	156.7%	146.5%	105.8%	135.9%	121.4%	129.2%	174.3%	138.2%
	Operating Profit	118	244	131	495	268	665	▲744	189	▲704	▲7,050	▲197	▲7,952
	YoY	-	-	130.6%	-	225.9%	271.8%	-	38.2%	-	-	-	-
	EBITDA	135	264	151	550	289	687	▲722	254	▲676	▲6,879	▲26	▲7,582
	YoY	-	-	107.7%	-	214.2%	259.9%	-	46.2%	-	-	-	-
Other	Net Sales	1,556	1,877	2,479	5,912	2,075	1,830	896	4,802	762	1,002	655	2,419
	YoY	-	-	-	-	133.4%	97.5%	36.1%	81.2%	36.7%	54.7%	73.1%	50.4%
	Operating Profit	101	125	221	448	378	427	556	1,362	▲319	24	▲330	▲625
	YoY	-	-	-	-	371.6%	341.3%	251.1%	304.0%	-	5.7%	-	-
	EBITDA	223	245	344	813	467	548	657	1,674	▲221	119	▲239	▲341
	YoY	-	-	-	-	209.2%	223.6%	190.9%	205.9%	-	21.7%	-	-

Travel Business / Quarterly Operating Results by Sub-Segment

(JPY million)	FY19				FY20				FY21			
	1Q	2Q	3Q	1Q-3Q	1Q	2Q	3Q	1Q-3Q	1Q	2Q	3Q	1Q-3Q
Travel Business: Total Net Sales	166,617	170,213	175,444	512,275	175,320	124,269	46,338	345,928	15,737	10,613	6,772	33,124
YoY	114.3%	107.8%	116.1%	112.6%	105.2%	73.0%	26.4%	67.5%	9.0%	8.5%	14.6%	9.6%
International Travel from Japan / Transaction Amount	87,899	110,754	86,748	285,403	87,440	42,722	1,141	131,305	1,122	842	1,114	3,080
YoY	106.7%	114.5%	98.9%	94.5%	99.5%	38.6%	1.3%	46.0%	1.3%	2.0%	97.6%	2.3%
Fuel Surcharge (included in the transaction amount above)	6,030	8,005	4,308	18,344	4,837	2,477	16	7,330	21	18	32	71
Domestic Travel in Japan / Transaction Amount	11,941	17,576	13,693	43,211	11,668	8,163	1,059	20,891	8,710	4,459	3,062	16,233
YoY	101.4%	106.9%	99.3%	102.9%	97.7%	46.4%	7.7%	48.3%	74.7%	54.6%	289.1%	77.7%
Inbound Travel to Japan / Transaction Amount	7,116	8,075	8,375	23,567	5,849	753	50	6,653	34	16	13	64
YoY	119.5%	105.6%	88.7%	107.1%	82.2%	9.3%	0.6%	28.2%	0.6%	2.1%	27.0%	1.0%
Overseas Subsidiaries / Inbound Transaction Amount	56,070	35,339	41,186	132,595	55,039	38,157	16,729	109,925	2,167	1,581	1,176	4,924
YoY	127.1%	106.7%	107.3%	114.7%	98.2%	107.9%	40.6%	82.9%	3.9%	4.5%	6.4%	4.4%
Overseas Subsidiaries / Outbound Transaction Amount	19,719	20,213	40,124	80,056	41,865	50,606	19,648	112,115	1,167	3,013	1,968	6,148
YoY	104.3%	100.0%	188.8%	132.6%	212.3%	250.3%	48.9%	140.0%	2.8%	5.9%	10.0%	5.5%
Eliminations of internal transactions, adjustments, etc.	▲16,128	▲21,744	▲14,682	▲52,557	▲26,541	▲16,132	7,714	▲34,961	2,535	704	▲561	2,675

Huis Ten Bosch / Non-Consolidated Quarterly Operating Results

(JPY million)	FY19				FY20				FY21			
	1Q	2Q	3Q	1Q-3Q	1Q	2Q	3Q	1Q-3Q	1Q	2Q	3Q	1Q-3Q
Transaction Amount (before consolidation adjustments)	7,079	5,968	6,133	19,180	6,116	3,168	714	9,998	5,891	1,759	2,143	9,793
YoY	96.1%	83.2%	96.7%	91.9%	86.4%	53.0%	11.6%	52.1%	96.3%	55.5%	300.0%	97.9%
Operating Profit	1,894	1,277	1,112	4,283	852	▲692	▲1,742	▲1,582	1,236	▲1,454	▲1,290	▲1,508
YoY	92.4%	61.9%	86.5%	79.3%	45.0%	-	-	-	145.1%	-	-	-
Attendance (10,000)	70.8	59.6	60.4	190.9	68.8	35.2	10.2	114.3	60.9	19.0	21.5	101.5
YoY	97.2%	89.4%	97.0%	94.6%	97.2%	59.0%	17.0%	59.9%	88.3%	53.9%	210.7%	88.8%
Foreign Attendance (included in the number above, 10,000)	3.5	4.2	4.5	12.3	3.0	2.0	0.0	4.9	0.0	0.0	0.0	0.0
YoY	82.1%	89.3%	89.9%	87.4%	86.7%	47.6%	-	40.3%	-	-	-	-
Number of Hotel Guests (10,000)	7.3	7.0	6.3	20.6	6.6	3.8	0.1	10.5	8.9	1.6	1.8	12.4
YoY	96.1%	85.3%	96.9%	92.2%	90.7%	54.2%	1.5%	51.3%	135.2%	42.1%	1056.9%	117.2%
Unit Price (JPY, rounded down to the nearest hundred)	9,900	10,000	10,100	10,000	8,800	9,000	6,900	8,700	9,600	9,200	9,900	9,600
Increase/Decrease	-100	-770	±0	-300	-1,100	-1,000	-3,200	-1,300	+800	+200	+3,000	+900

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

(JPY million)

	FY19	FY20	FY21 3Q	Increase/Decrease
Cash and Deposits	219,175	95,234	97,740	2,506
Notes and Accounts Receivable – Trade	45,653	15,829	14,593	▲1,236
Trade Accounts Receivable	4,287	345	161	▲184
Travel Advance Payments	52,102	7,253	5,266	▲1,986
Others	27,061	20,560	15,435	▲5,127
Total Current Assets	348,280	139,223	133,195	▲6,028
Property, Plant and Equipment	147,098	202,211	202,952	741
Intangible Assets	19,271	16,595	16,727	131
Goodwill	7,305	5,227	5,146	▲80
Investments and Other Assets	55,275	50,919	38,882	▲12,037
Total Non-Current Assets	228,951	274,954	263,709	▲11,244
Deferred Assets	168	426	398	▲28
Total Assets	577,399	414,604	397,303	▲17,300

	FY19	FY20	FY21 3Q	Increase/Decrease
Trade Accounts Payable	38,082	9,029	13,194	4,165
Travel Advance Received	92,760	14,021	9,964	▲4,057
Bonds and Convertible Bonds Payable	55,090	45,072	45,059	▲13
Long-Term Borrowings	146,403	149,605	148,931	▲674
Others	121,153	98,453	98,385	▲68
Total Liabilities	453,490	316,182	315,536	▲646
Share Capital	11,000	15,000	21,048	6,048
Capital Surplus	3,392	7,450	13,328	5,877
Retained Earnings	112,409	72,222	38,694	▲33,528
Treasury Shares	▲28,309	▲15,204	▲15,004	200
Accumulated Other Comprehensive Income	▲1,719	▲5,519	▲1,010	4,509
Non-Controlling Interests	27,135	24,294	24,573	279
Total Net Assets	123,909	98,421	81,767	▲16,654
Total Liabilities and Net Assets	577,399	414,604	397,303	▲17,300

Outlook for the Current Fiscal Year

Vaccination against Covid-19 is progressing in many countries, especially in developed countries, some are considering the introduction of vaccine passports, and there are signs of a recovery in demand in Japan as well. However, it is still difficult to predict demands due to the spread of new mutated virus infection and other reasons.

In addition, in the mainstay overseas travel business, the timing of the lifting of travel restrictions cannot be foreseen, and H.I.S. Group's corporate activities are expected to continue to be affected in the future.

In light of the above, the consolidated financial forecasts for the fiscal year ending October 31, 2021 have not been determined, as it is difficult to reasonably calculate the impact of Covid-19 infection at this time.

H.I.S. Group will promptly announce the financial forecasts when it becomes possible to calculate reasonable financial forecasts.

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