



Presentation Materials for the 1st Quarter of Fiscal Year
Ending October 31, 2023 Financial Results
(3 Months Ended January 31st, 2023)

H.I.S. Co., Ltd.

March 15, 2023

Prime Market of TSE: 9603

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Summary of Financial Results (Consolidated)

Summary of Consolidated Financial Results

Net sales and operating profit improved in all segments. (Excluding the impact of the sale of HTB in the previous fiscal year for the Theme Park Business)

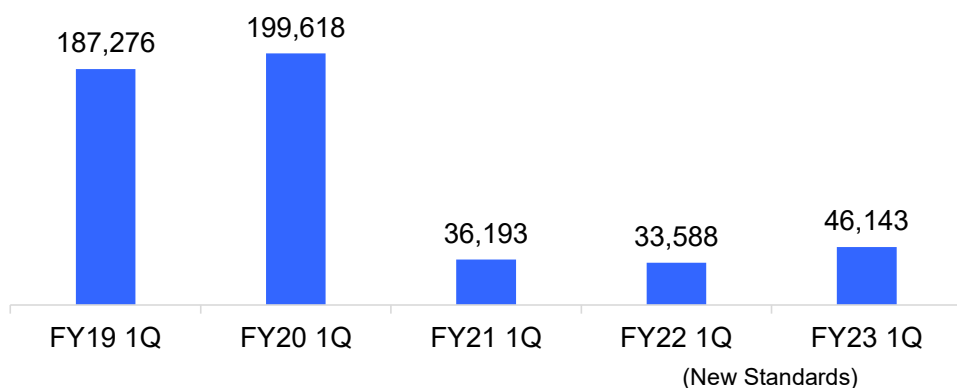
The Travel Business and the Hotel Business drove the overall results. International travel from Japan showed recovery, while overseas subsidiaries performed well.

(million yen)	Previous Standards	New Standards		YoY	Increase/Decrease	Major Reasons for Increase/Decrease
	FY19 1Q	FY22 1Q	FY23 1Q			
Net Sales	187,276	33,588	46,143	137%	12,554	Travel +24,567, Theme Park Δ 5,960, Hotel +2,188
Gross Profit	35,093	5,557	15,419	277%	9,861	
Operating Profit	5,981	Δ 12,158	Δ 3,439	-	8,718	Travel +5,112, Theme Park Δ 1,168, Hotel +917
EBITDA	8,154	Δ 8,974	Δ 829	-	8,144	
Non-Operating Income	697	569	450	79%	Δ 118	
Non-Operating Expenses	1,479	855	834	97%	Δ 20	
Ordinary Profit	5,199	Δ 12,444	Δ 3,823	-	8,621	
Extraordinary Gain	-	4,833	535	11%	Δ 4,297	Subsidy Income Δ 2,779
Extraordinary Loss	-	628	-	-	Δ 628	
Profit before Income Taxes	5,199	Δ 8,240	Δ 3,287	-	4,952	
Income Taxes	1,803	963	292	30%	Δ 671	
Net Profit Attributable to Non-Controlling Shareholders	1,039	95	Δ 8	-	Δ 103	
Net Profit Attributable to Parent Company Shareholders	2,356	Δ 9,299	Δ 3,571	-	5,727	

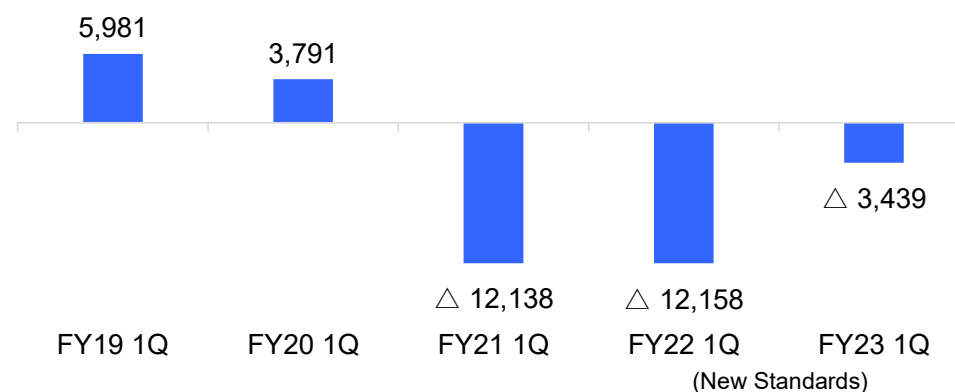
Trends in Consolidated Financial Results

(million yen)

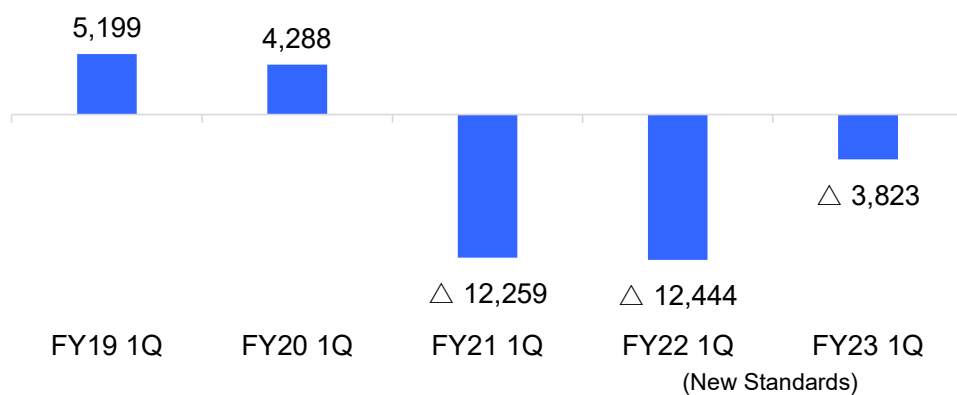
Net Sales



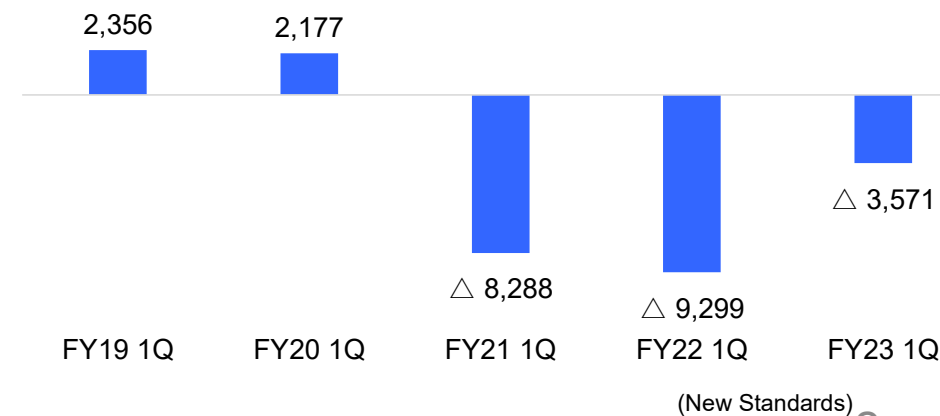
Operating Profit



Ordinary Income



Net Profit Attributable to Parent Company Shareholders



Quarterly Consolidated Financial Results

(million yen)	FY19 (Previous Standards)					FY22 (New Standards)					FY23 (New Standards)				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Net Sales	187,276	190,563	195,878	234,792	808,510	31,588	34,902	31,448	42,853	142,794	46,143	-	-	-	-
YoY	113.8%	107.8%	115.8%	107.6%	111.1%	-	-	-	-	-	137.4%	-	-	-	-
Cost of Sales	152,182	156,167	161,559	194,465	664,375	28,031	33,569	22,972	29,963	114,536	30,724	-	-	-	-
Gross Profit	35,093	34,395	34,318	40,327	144,134	5,557	1,333	8,476	12,890	28,257	15,419	-	-	-	-
GP Margin	18.7%	18.0%	17.5%	17.2%	17.8%	16.5%	3.8%	26.9%	30.1%	19.8%	33.4%	-	-	-	-
SG&A Expenses	29,111	31,397	31,949	34,135	126,594	17,715	17,305	19,487	21,682	76,192	18,858	-	-	-	-
Operating Profit	5,981	2,997	2,368	6,192	17,540	△12,158	△15,972	△11,011	△8,792	△47,934	△3,439	-	-	-	-
YoY	146.7%	83.7%	121.4%	73.1%	97.0%	-	-	-	-	-	-	-	-	-	-
Operating Margin	3.2%	1.6%	1.2%	2.6%	2.2%	-	-	-	-	-	-	-	-	-	-
EBITDA	8,154	5,218	5,053	8,837	27,263	△8,974	△12,837	△7,776	△5,248	△34,836	△829	-	-	-	-
Non-Operating Income	697	1,113	859	856	3,527	569	1,280	722	556	3,129	450	-	-	-	-
Non-Operating Expenses	1,479	436	834	1,227	3,978	855	975	718	1,647	4,196	834	-	-	-	-
Ordinary Profit	5,199	3,675	2,393	5,821	17,089	△12,444	△15,666	△11,007	△9,882	△49,001	△3,823	-	-	-	-
YoY	131.4%	94.4%	95.2%	63.7%	87.6%	-	-	-	-	-	-	-	-	-	-

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

(million yen)

	FY19	FY22	FY23 1Q		FY19	FY22	FY23 1Q
Cash and Deposits	219,175	144,795	153,049	Operating Accounts Payable	38,082	6,698	9,888
Notes and Accounts Receivable *	45,653	11,538	17,213	Pre-Travel Payments Received	92,760	14,256	21,812
Operating Accounts Receivable	4,287	298	217	Bonds and Convertible Bonds Payable	55,090	45,036	45,032
Pre-Travel Payments	52,102	6,231	8,860	Long-Term Borrowings	146,403	156,727	142,782
Others	27,061	25,629	25,929	Others	121,153	135,629	155,454
Total Current Assets	348,280	188,493	205,269	Total Liabilities	453,490	358,348	374,970
Property, Plant and Equipment	147,098	170,356	169,997	Capital	11,000	100	100
Intangible Fixed Assets	19,271	15,539	15,784	Capital Surplus	3,392	28,498	28,498
Goodwill	7,305	2,369	2,321	Earned Surplus	112,409	26,327	22,802
Investments and Other Assets	55,275	38,009	38,228	Treasury Shares	▲28,309	▲14,972	▲14,972
Total Fixed Assets	228,951	226,274	226,333	Cumulative Other Comprehensive Income	▲1,719	7,466	11,149
Deferred Assets	168	217	186	Non-Controlling Shareholder Equity	27,135	8,815	8,821
Total Assets	577,399	414,984	431,789	Total Net Assets	123,909	56,636	56,819
				Total Liabilities and Net Assets	577,399	414,984	431,789

* From FY22, this item is presented as "Notes and Accounts Receivable and Contract Assets. Please refer to the "Kessan Tanshin (Consolidated Financial Statements Brief Report) for details

Summary of Financial Results (by Business Segment)

Operating Results by Business Segment

(million yen)		Previous Standards		New Standards		YoY	Increase/Decrease
		FY19 1Q	FY22 1Q	FY23 1Q			
Net Sales	Travel Business	166,617	9,965	34,533	346%	24,567	
	Theme Park Business	7,415	6,715	754	11%	△5,960	
	Hotel Business	3,087	1,834	4,022	219%	2,188	
	Kyushu Sanko Group	5,882	4,732	5,487	115%	754	
	Other	5,570	10,838	1,685	15%	△9,153	
	Adjustments, Eliminations, etc.	▲1,297	△497	△339	68%	158	
Operating Profit	Travel Business	4,071	△8,288	△3,176	-	5,112	
	Theme Park Business	1,771	1,097	△71	-	△1,168	
	Hotel Business	257	△963	△46	-	917	
	Kyushu Sanko Group	183	△301	32	-	333	
	Other	220	△3,281	△132	-	3,149	
	Adjustments, Eliminations, etc.	▲522	△420	△46	11%	374	
EBITDA	Travel Business	4,996	△7,351	△2,233	-	5,117	
	Theme Park Business	2,289	1,617	7	0.5%	△1,610	
	Hotel Business	520	△25	962	-	988	
	Kyushu Sanko Group	405	153	459	299%	305	
	Other	358	△3,040	△80	-	2,960	
	Adjustments, Eliminations, etc.	▲416	△327	55	-	382	

※ Effective from the 1Q of the current fiscal year, the business segments have been changed from the previous five segments of "Travel Business", "Theme Park Business", "Hotel Business", "Kyushu Sanko Group" and "Energy Business" to four segments of "Travel Business", "Theme Park Business", "Hotel Business" and "Kyushu Sanko Group". For this reason, comparisons with the 1Q of the previous fiscal year are made by restating the figures after the segment change. For details, please refer to "2. Quarterly Consolidated Financial Statements and Main Notes (3) Notes to the Quarterly Consolidated Financial Statements (Segment Information, etc.) in the Kessan Tanshin (Consolidated Financial Results Brief Report)

Quarterly Operating Results by Business Segment

(million yen)		FY19					FY22					FY23				
		(Previous Standards)					(New Standards)					(New Standards)				
		1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Travel	Net Sales	166,617	170,213	175,444	210,188	722,464	9,965	13,439	16,063	28,225	67,693	34,533	-	-	-	-
	YoY	114.3%	107.8%	116.1%	107.0%	110.9%	-	-	-	-	-	346.5%	-	-	-	-
	Operating Profit	4,071	2,130	1,948	5,604	13,754	△8,288	△6,453	△7,812	△6,074	△28,629	△3,176	-	-	-	-
	YoY	205.7%	94.9%	203.0%	79.7%	112.7%	-	-	-	-	-	-	-	-	-	-
	EBITDA	4,996	3,048	3,094	6,841	17,980	△7,351	△5,531	△6,847	△4,902	△24,632	△2,233	-	-	-	-
	YoY	175.2%	93.4%	165.5%	86.0%	112.8%	-	-	-	-	-	-	-	-	-	-
Theme Park	Net Sales	7,415	6,273	6,503	7,893	28,086	6,715	3,651	4,807	6,050	21,225	754	-	-	-	-
	YoY	96.9%	84.7%	97.7%	88.1%	91.5%	-	-	-	-	-	11.2%	-	-	-	-
	Operating Profit	1,771	909	1,037	1,358	5,075	1,097	△923	△332	342	183	△71	-	-	-	-
	YoY	89.7%	50.0%	85.7%	58.8%	69.4%	-	-	-	-	-	-	-	-	-	-
	EBITDA	2,289	1,435	1,561	1,889	7,175	1,617	△426	176	873	2,240	7	-	-	-	-
	YoY	93.5%	62.2%	88.2%	66.3%	76.5%	-	-	-	-	-	0.5%	-	-	-	-
Hotel	Net Sales	3,087	3,117	3,222	3,248	12,676	1,834	1,737	2,539	3,095	9,207	4,022	-	-	-	-
	YoY	98.6%	100.3%	110.5%	112.7%	105.3%	-	-	-	-	-	219.3%	-	-	-	-
	Operating Profit	257	210	▲409	▲275	▲217	△963	△1,105	△1,385	△668	△4,122	△46	-	-	-	-
	YoY	65.2%	66.0%	-	-	-	-	-	-	-	-	-	-	-	-	-
	EBITDA	520	523	151	▲136	1,059	△25	△144	△386	365	△192	962	-	-	-	-
	YoY	71.1%	80.0%	33.1%	-	50.0%	-	-	-	-	-	-	-	-	-	-

Quarterly Operating Results by Business Segment

(million yen)		FY19					FY22					FY23				
		(Previous Standards)					(New Standards)					(New Standards)				
		1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Kyushu Sanko Group	Net Sales	5,882	5,273	5,247	5,827	22,230	4,732	3,859	4,646	4,721	17,960	5,487	-	-	-	-
	YoY	102.5%	103.3%	99.4%	105.6%	102.7%	-	-	-	-	-	115.9%	-	-	-	-
	Operating Profit	183	114	▲58	▲81	158	△301	△400	△381	△471	△1,554	32	-	-	-	-
	YoY	77.8%	100.2%	-	-	39.7%	-	-	-	-	-	-	-	-	-	-
	EBITDA	405	344	182	270	1,203	153	50	75	30	309	459	-	-	-	-
	YoY	89.0%	98.6%	80.7%	74.3%	86.2%	-	-	-	-	-	299.9%	-	-	-	-
Others	Net Sales	5,570	7,144	7,085	9,037	28,838	10,838	12,621	3,829	1,402	28,691	1,685	-	-	-	-
	YoY	-	-	-	-	-	-	-	-	-	-	15.5%	-	-	-	-
	Operating Profit	220	369	353	620	1,564	△3,281	△6,629	△601	△869	△11,381	△132	-	-	-	-
	YoY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	EBITDA	358	509	495	763	2,128	△3,040	△6,416	△389	△658	△10,505	△80	-	-	-	-
	YoY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

※ Effective from the 1Q of the current fiscal year, the business segments have been changed from the previous five segments of "Travel Business", "Theme Park Business", "Hotel Business", "Kyushu Sanko Group" and "Energy Business" to four segments of "Travel Business", "Theme Park Business", "Hotel Business" and "Kyushu Sanko Group". For this reason, comparisons with the 1Q of the previous fiscal year are made by restating the figures after the segment change. For details, please refer to "2. Quarterly Consolidated Financial Statements and Main Notes (3) Notes to the Quarterly Consolidated Financial Statements (Segment Information, etc.) in the Kessan Tanshin (Consolidated Financial Results Brief Report)

Travel Business / Quarterly Operating Results by Sub-Segment

(million yen)	FY19					(Previous Standards)					FY22					(Previous Standards)					FY23					(Previous Standards)				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
International Travel from Japan / Transaction Amount	87,899	110,754	86,748	116,545	401,948	2,119	3,169	9,692	20,683	35,665	25,190	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
YoY	106%	114%	98%	97%	103%	188%	376%	870%	1,101%	719%	1,188%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fuel Surcharge (included in the transaction amount above)	6,030	8,005	4,308	6,957	25,302	119	250	1,069	3,080	4,520	4,415	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Domestic Travel in Japan / Transaction Amount	11,941	18,154	13,693	18,044	61,833	8,686	7,621	10,218	15,281	41,808	13,438	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
YoY	101%	106%	99%	99%	101%	99%	170%	333%	310%	176%	154%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Inbound Travel to Japan / Transaction Amount	7,116	8,075	8,375	6,464	30,032	28	74	81	210	395	1,023	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
YoY	119%	105%	88%	87%	96%	82%	451%	623%	362%	321%	3,583%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

※ Total transaction amount after offsetting internal transactions of H.I.S. and its five group companies (Orion Tour, Qualita, Cruise Planet, Japan Holiday Travel, and H.I.S. Okinawa)

(million yen)	FY19					(Previous Standards)					FY22					(Previous Standards)					FY23					(Reference Amount *)				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Overseas Subsidiaries / Inbound Transaction Amount	56,070	35,339	41,186	50,748	183,343	4,451	4,690	4,834	16,277	30,253	19,453	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
YoY	127%	106%	107%	98%	109%	205%	296%	411%	632%	403%	437%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Overseas Subsidiaries / Outbound Transaction Amount	19,719	20,213	40,124	40,242	120,298	10,843	14,743	27,370	31,260	84,218	38,690	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
YoY	104%	100%	188%	205%	150%	929%	489%	1,390%	697%	792%	356%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

※ FY23 is a reference amount where the recognition standard of transaction amount is "the date of progress" for tour products (transaction as a principal) and "the date of completion of arrangements" for arranged tours (transaction as an agent)

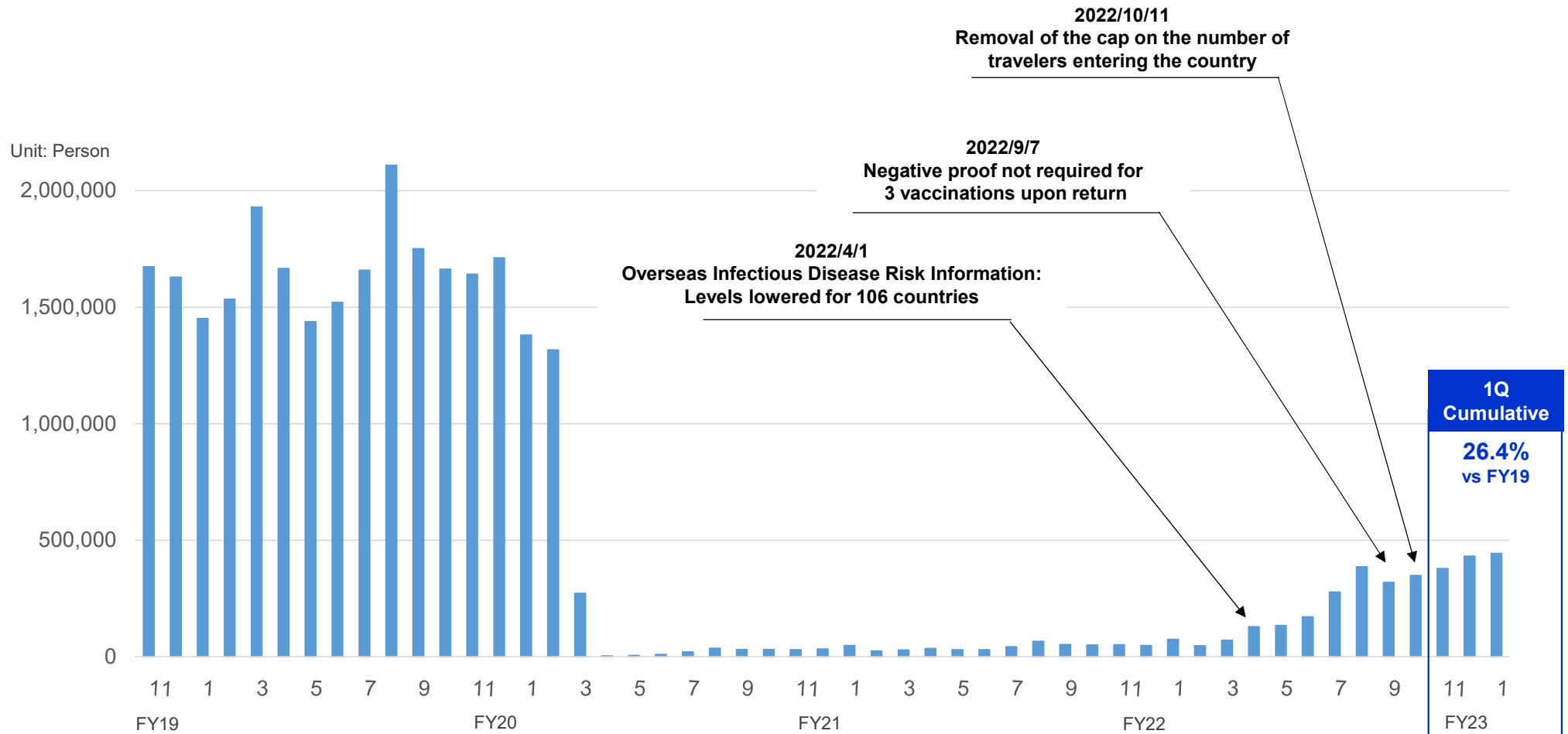
Financial Forecasts

Financial forecast are “Undecided” because it is difficult to reasonably calculate the impact of COVID-19 Pandemic at this time.

Financial Forecasts will be promptly announced as soon as they become available for disclosure.

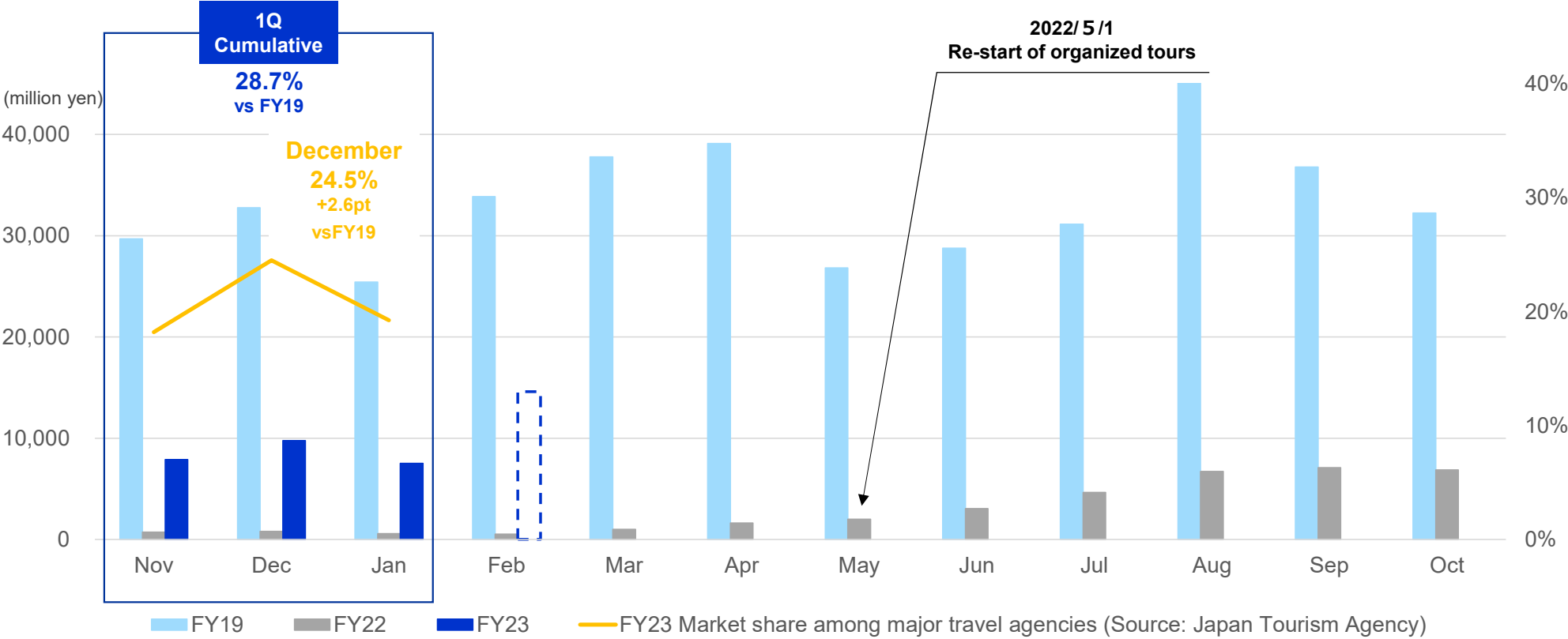
Supplementary Material

[Supplementary Material] Travel Market Overview: Number of Japanese Departing from Japan



Source: Japan National Tourism Organization (JNTO)

[Supplementary Material] Transaction Amount of International Travel from Japan



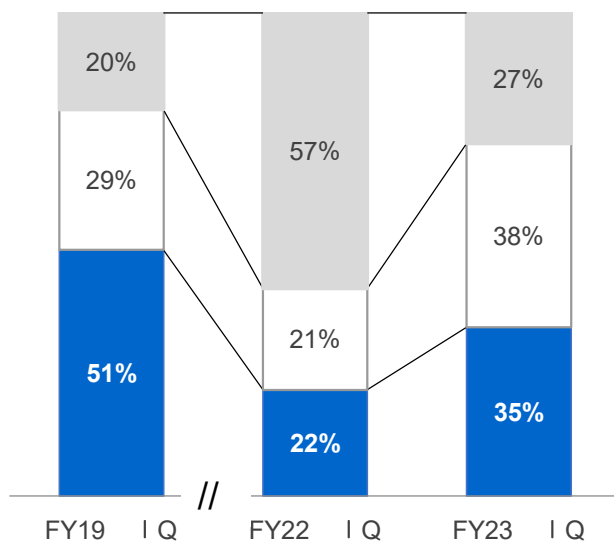
--- FY23 February figures are estimates for H.I.S. on a non-consolidated basis only.

※ Total transaction amount after offsetting internal transactions of H.I.S. and its five group companies (Orion Tour, Qualita, Cruise Planet, Japan Holiday Travel, and H.I.S. Okinawa)

[Supplementary Material] International Travel Composition

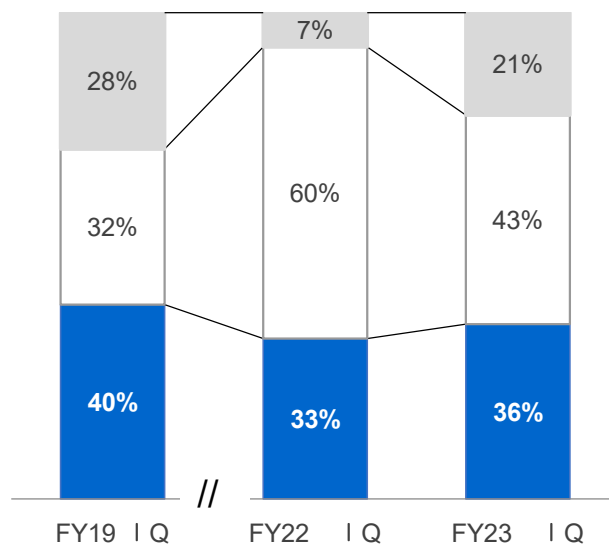
Net Sales of International Travel by Sales Channel

■ Sales Office □ Internet ■ Corporate



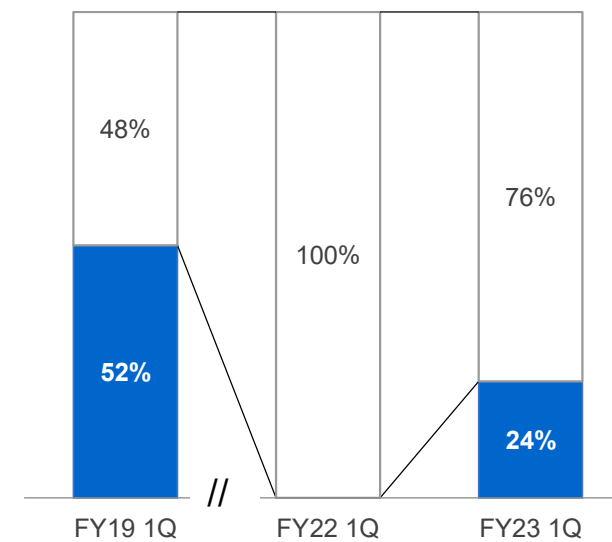
Net Sales of International Travel by Destination

■ Hawaii & Micronesia □ Europe, America & Australia ■ Asia

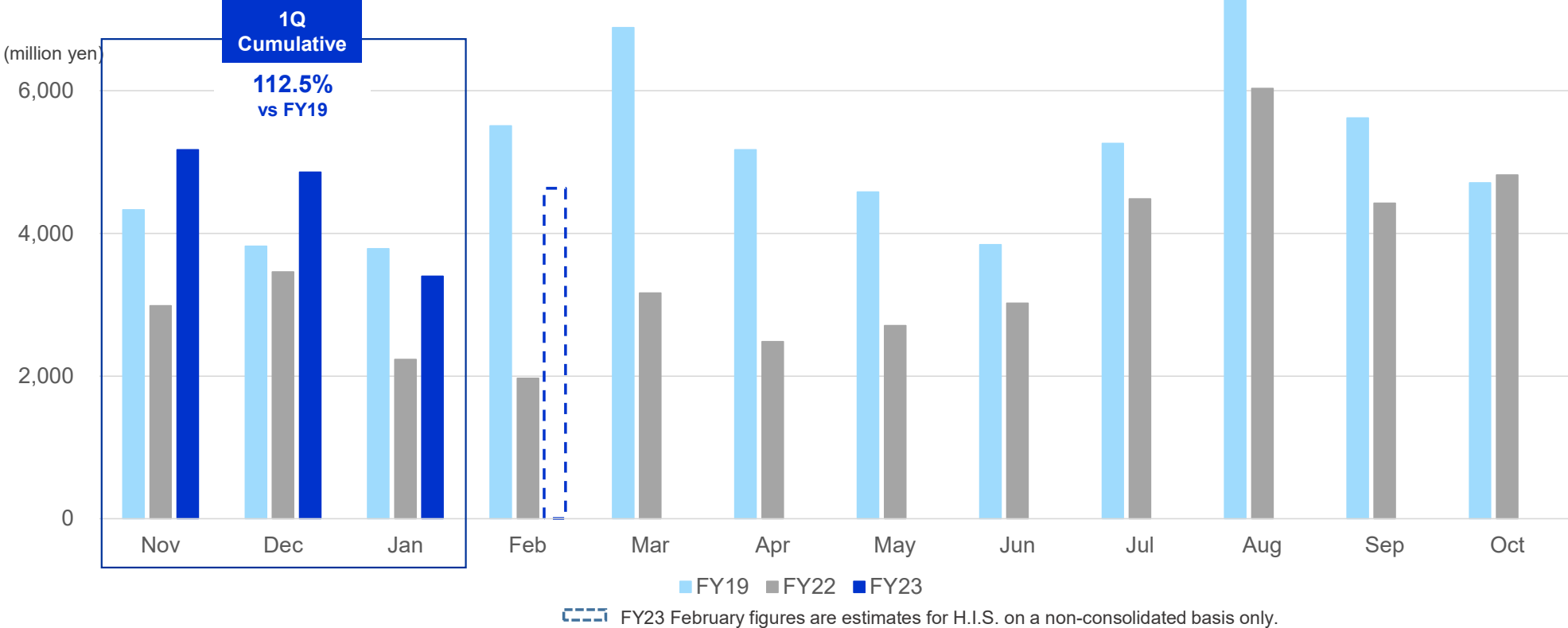


Number of Travelers of International Travel by Product Type

■ Tour □ Airline Ticket

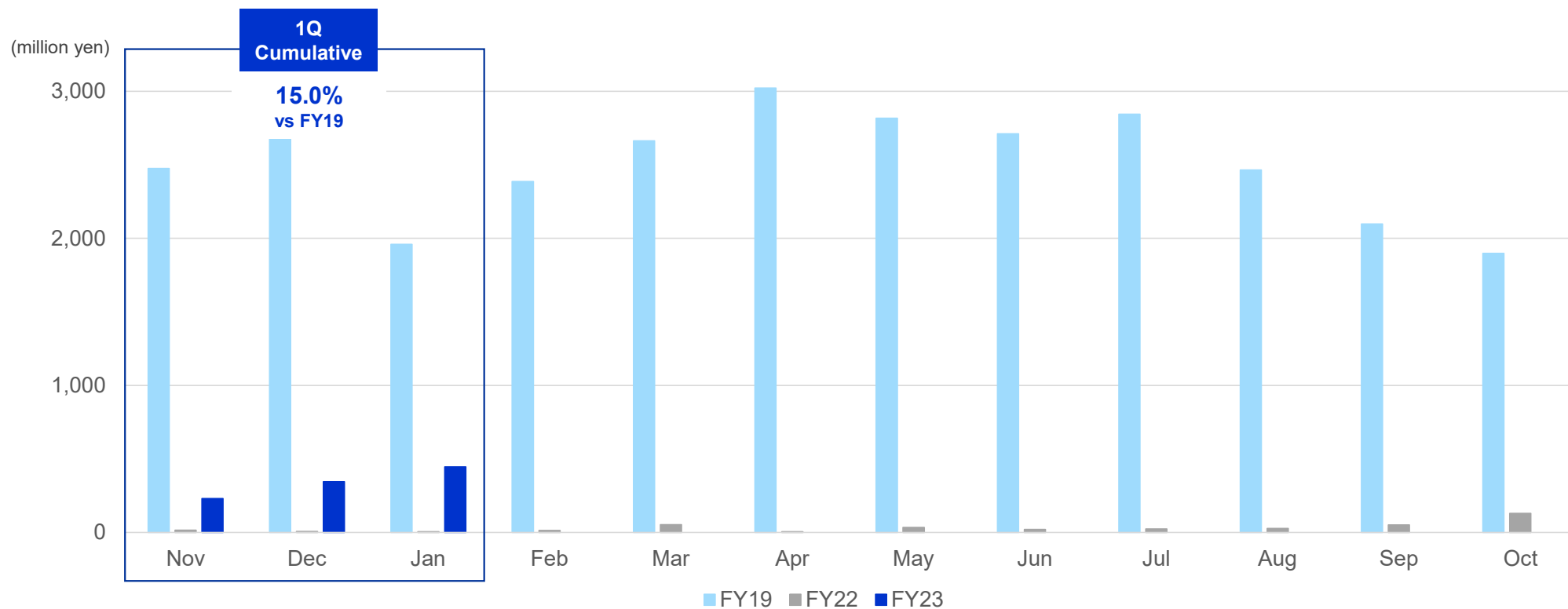


[Supplementary Material] Transaction Amount of Domestic Travel



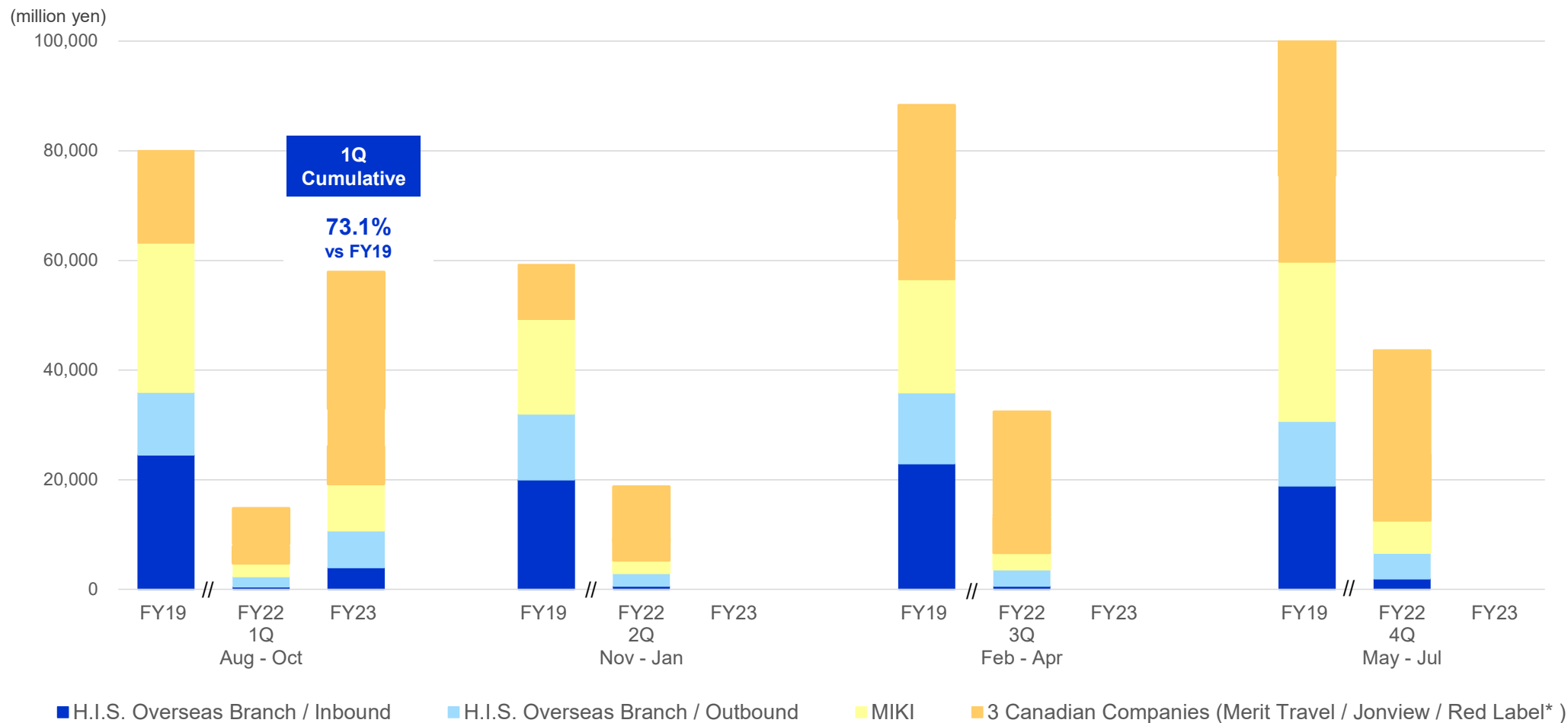
※ Total transaction amount after offsetting internal transactions of H.I.S. and its five group companies (Orion Tour, Qualita, Cruise Planet, Japan Holiday Travel, and H.I.S. Okinawa)

[Supplementary Material] Transaction Amount of Inbound Travel to Japan



※ Total transaction amount after offsetting internal transactions of H.I.S. and its five group companies (Orion Tour, Qualita, Cruise Planet, Japan Holiday Travel, and H.I.S. Okinawa)

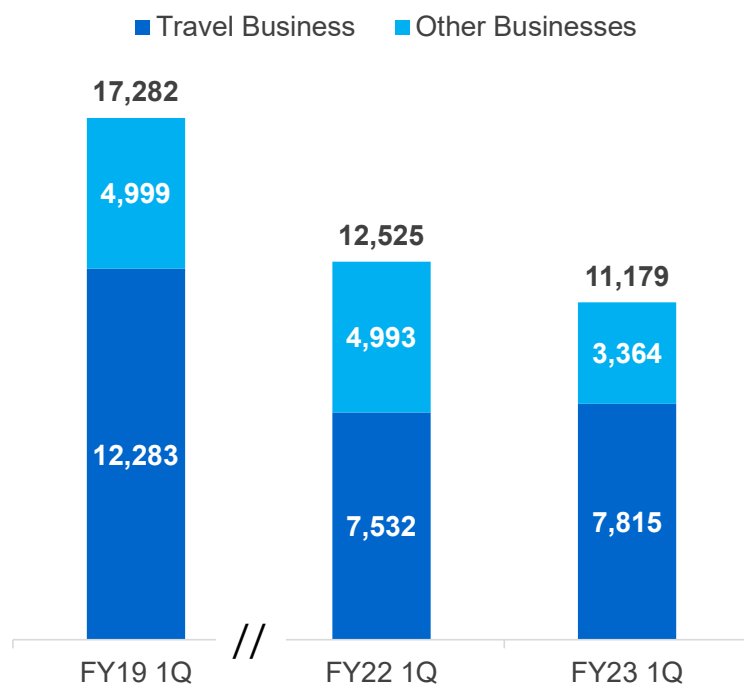
[Supplementary Material] Transaction Amount of Overseas Subsidiaries (Reference Amount)



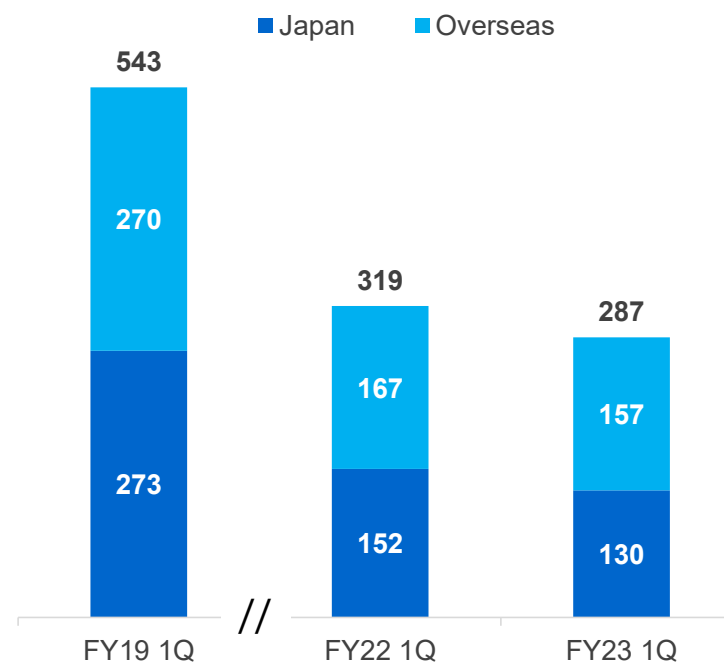
*FY19 3Q~

[Supplementary Material] The Number of Employees and Sales Offices

┆ The Number of Group Employees



┆ The Number of Sales Offices of the Travel Business



Disclaimer

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