

***HIS***

**HIS Group**  
Integrated Report  
**2024**

HIS グループ  
統合報告書

***HIS***

## CEO Message

One year has passed since the HIS Group Purpose (raison d'être), Unleash your feeling "KOKORO ODORU", was established in December 2022. The HIS Group Purpose reaffirms our founding principles and the value we provide, and is intended to unify our intentions throughout the Group to set the standard for corporate management in the future. Over the past year, the permeation of the HIS Group Purpose within the Group has progressed steadily, and as a result of a renewed awareness of our raison d'être and the positive attitude of each and every staff member towards their work, we were able to return to profitability in the FY 2023 after three consecutive fiscal years of operating losses due to the coronavirus pandemic.

HIS Group was founded in 1980 to offer low-cost airline tickets, and has popularized overseas travel, which was expensive at the time, at affordable prices. We have helped countless people to have exciting experiences, including encountering the unknown and forming connections with people. We are currently working on developing travel-related businesses, including hotel, regional revitalization, and insurance, as well as diversifying into education, restaurant, trading, job placement, and E-commerce businesses. HIS Group will continue to work on part of our ideal Vision 2030: Change & Create – Be the preferred company of choice, full of enterprising spirit and bringing the world together, which was unveiled as the future vision of HIS Group for 2030, the 50th anniversary of our founding.

## Vision2030

**Be the preferred company of choice, full of enterprising spirit and bringing the world together**

## Change & Create

### ○ Boundless spirit of challenge

The spirit of challenge is the origin of our company's founding. By never ceasing to tackle challenges and by supporting and aiding others around the world in doing the same, we aim to grow together with society and to build a better future.

### ○ Connecting the world

We will take advantage of the global network that is our strength to bring the world closer. From the small but closely interrelated worlds of local communities to the vastness of outer space, our fields of business encompass all.

### ○ Continuing to earn selection

Creating value as only the HIS Group can, we aim to remain a company that earns selection by customers, by HIS Group staff, and by society.

From this fiscal year, as the first phase, HIS Group will continue to work on FY 2024-FY 2026 medium-term management plan. The approaches of the medium-term management plan are based on the dual axes of improving our core areas and tackling new challenges, with the creation of lifelong customers, utilization of global networks, and human capital management as the engines that drive our key strategies. Our goal is to exceed our performance in the FY 2019, including divested businesses, by the final year, the FY 2026. Through the permeation and establishment of the HIS Group Philosophy and our approaches to Vision 2030, and the realization of our medium-term management plan as a means to achieve this, we will provide "unleash your excitement KOKORO ODORU" value to a wide range of stakeholders.

We will continue to make company-wide efforts to develop the Group in order to become a corporate group that continues to be the preferred group of choice for our sustained growth and fulfillment of our social responsibilities. We look forward to your continued encouragement and support.



H.I.S. Co.,Ltd.  
CEO

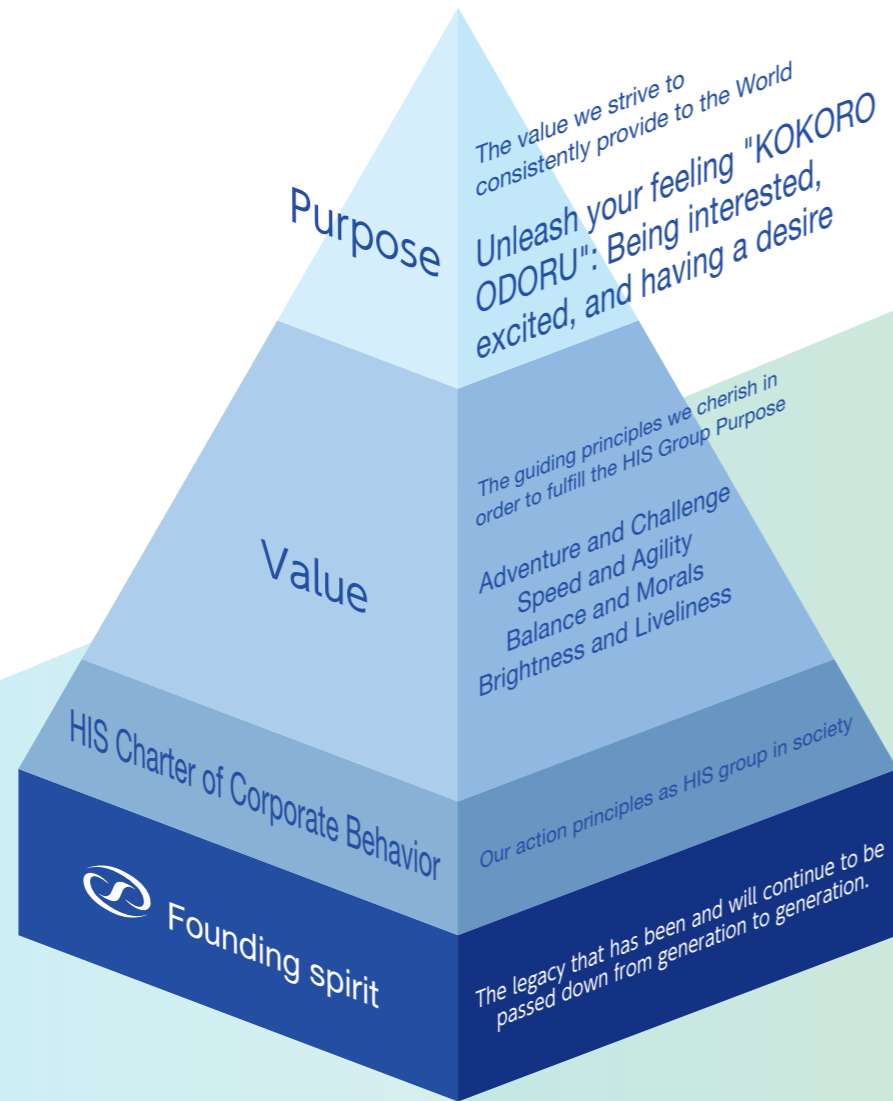
**Yada Motoshi**

# CEO Message

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# HIS Group Philosophy



Based on the “HIS Group Purpose”, which indicates the significance of our existence in society, and the “HIS Group Value”, which is our action guideline for realizing our purpose, we aim to maximize the provision of value to everyone.

## HIS Group Purpose

### Unleash your feeling "KOKORO ODORU": Being interested, excited, and having a desire

Encounters with uncharted worlds, connections with people, enriched times, "Waku-waku" (Excitement), elation, and thoughts on peace  
- We unleash our "KOKORO ODORU" feelings and always are challengers to create a new world.

#### What went into our Purpose

We formulated this Purpose based on our trajectory since our founding, which has always been about unleashing encounters with the unknown and questioning the status quo through travel, and our identity of always being a company that takes on new challenges. We will continue to bring the world closer together and provide new value by creating diverse encounters and connections, creating rich and irreplaceable moments, and promoting mutual understanding.

HIS Group Purpose Video <https://youtu.be/0vRiqXMirR8>



## HIS Group Value

### Adventure and Challenge

Does this challenge provide the chance for passionate pursuit, similar to embarking on an exciting adventure?

### Speed and Agility

Do you possess both the capacity for linear speed and the ability to demonstrate flexible agility?

### Balance and Morals

Too much can be just as bad as too little. Do you consider balance and moral standards in your decisions?

### Brightness and Liveliness

People gather where there is liveliness. Are you able to act with a positive attitude in any situation?

## HIS Charter of Corporate Behavior

We hereby swear to observe all laws and regulations including international rules and to act with good social morals and sincerity following eight principles. If anything is against this Code, we must investigate the cause and handle the disclosing of information, making clear the responsibility and liability to prevent these occasions from reoccurring. All the management and executive officers are responsible for remaining truthful to this Cord, maintaining corporate organizational structure, and taking the initiative in carrying out and accomplishing these responsibilities.

1. Provide useful products and services to society
2. Lead fair, transparent free trade
3. Handle information properly and sincere communication
4. Secure a comfortable and safe working environment
5. Respect diversity, personality, and originality
6. Coexist with the local area and community
7. Preserve the global environment
8. Hope for world peace

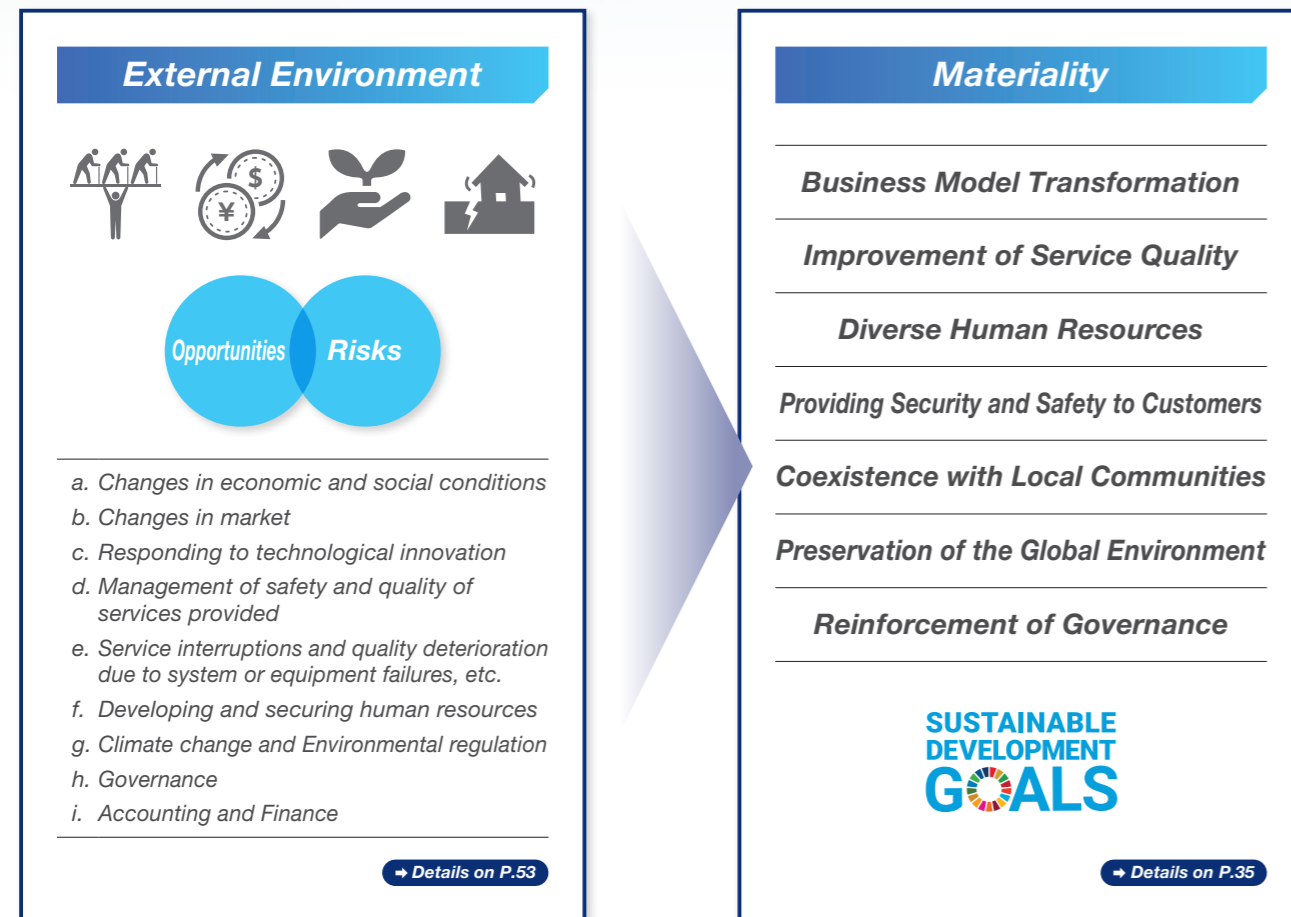
## Founding spirit

Respect the flow and the principle of Nature.  
Always be polite and modest.  
Understand that there are two sides to everything.  
Always do your best.  
Learn, study and persevere during challenging times

# Value Creation Process

All of our corporate activities aimed at the HIS Group Purpose of "Unleash your feeling KOKORO ODORU" are how we view value creation by the HIS Group. We have set out Vision 2030, our vision for the HIS Group in its 50th year, as a means of achieving our Purpose. As a first step toward that, we have formulated the FY2024-2026 Medium-Term Management Plan.

With respect to our materiality (i.e., key issues), by combining HIS' strengths with HIS Group Value, tackling challenges as befits the HIS Group, and connecting the world, we seek to be a company that continues to grow sustainably and to earn selection by society.



HIS Group Purpose

## Unleash your feeling "KOKORO ODORU": Being interested, excited, and having a desire

Encounters with uncharted worlds, connections with people, enriched times, "Waku-waku" (Excitement), elation, and thoughts on peace  
- We unleash our "KOKORO ODORU" feelings and always are challengers to create a new world.

→ Details on P.4

### Vision2030

Be the preferred company of choice, full of enterprising spirit and bringing the world together

## Change & Create

→ Details on P.2

FY2024-2026  
Medium-term  
Management Plan

Three years of improving our core areas and tackling new challenges in preparation for the upcoming 50th anniversary of HIS Group.

	Core Areas [Travel business]	New Areas
Action Plan	(1) Utilization of Global Network	
	(2) Creation of Lifelong Customers (LTV Maximization)	
	(3) Business Efficiency and Cost Structure Reforms	(4) Growth of Travel-Related and Non-Travel Businesses
	(5) Growth through M&A (Investment Strategy)	
	(6) Human Capital Strategy (Human Capital Management)	

→ Details on P.7

### HIS Advantage

- Customer Base
- Global Network
- Human Resources

×

### HIS Group Value

- Adventure and Challenge
- Speed and Agility
- Balance and Morals
- Brightness and Liveliness

→ Details on P.4

# FY2024-2026 Medium-term Management Plan

Policy

Three years of improving our core areas and tackling new challenges in preparation for the upcoming 50th anniversary of HIS Group.

Transformation in our core domains will focus on the enhancement of profitability and structural reform in our mainstay travel business. In new domains, we will continue tackling challenges aimed at portfolio restructuring.

## Action Plan (1)

### Utilization of Global Network

Core areas

New areas

In our business overseas, we will strengthen not only inbound business through travelers from Japan but also the domains of Global Market and New Business. We will reorganize our business structure with the aim of securing 60% of our overseas business operating profit in the domains of Global Market and New Business. While strengthening Global Market, we will develop new destinations rich in tourism resources, including in Northern Europe, Africa, and South America, and will undertake New Business that promotes the global distribution of culture and services.

#### Restructuring of our overseas business portfolio

##### Strengthening and expansion of the Global Market

◎ **Strengthen Local Market-specialized partnerships to drive business growth overseas**

◎ **Expand product sales channels**

To boost use by a wider range of customers, we will expand our sales channels beyond the framework of the HIS Group and will create connections with new customers.



Hawaii LeaLea Lounge

We will make the LeaLea Lounge and Trolley in Hawaii available to non-HIS customers for Global Market. (Example)

##### Development of new destinations

◎ **Implement tourism management for new travel destinations**

Enhancement of satisfaction from a customer perspective

Regional exchanges and regional revitalization

We will create new encounters with travel destinations and will undertake measures to address over-tourism (dispersion of tourists) and the creation of local employment opportunities (coexistence with local communities).

→ Related information on P.16

##### Promotion of New Business leveraging our global network

◎ **Establish overseas Japanese language schools and Japan-bound temporary staffing**

We will establish Japanese language schools in countries with a large working population. We will take in the schools' graduates at HIS Group staffing firms and provide support for employment. By doing so, we will address the social issue of Japan's declining working population.

Japan, a country with an abundant working population

**HIS**  
(Global network)  
Japanese language school/  
Japanese language test/  
qualification acquisition

Japan

**GREEN OCEAN**  
COFFEE & BEVERAGE

→ Related information on P.32

→ Related information on P.32

## Action Plan (2)

### Creation of Lifelong Customers (LTV Maximization)

Core areas

New areas

We will seek to remain a company that earns selection in life's many scenarios. We will aim to earn repeated use of HIS in diverse travel scenarios through the expansion of points of customer contact and the enhancement of CX by providing seamless services in travel. → Related information on P.17

Going beyond travel, we will also tackle new domains including Travel-Related services such as hotels, and Non-Travel businesses such as Restaurant Business Project. We will increase points of contact by which HIS Group products and services are used in diverse scenarios.

#### Toward the goal of remaining a company that is selected in life's many scenarios

##### Core areas (Travel)

###### In various travel scenes in life



##### Group synergy / New areas

###### In daily life

Regional Revitalization	九州産交	Hotel	HIS WATER HOLDINGS
E-commerce	HIS Mobile	System	SYS
Restaurant	いろは	Merchandise sales	stoory

(Group company / new business example)

## Action Plan (3)

### Business Efficiency and Cost Structure Reforms

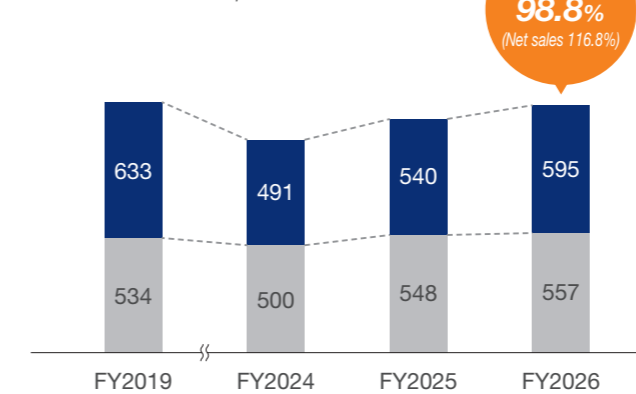
Core areas

To promote efficiency from a global perspective, we are undertaking consolidation of operations in the Shared Service Center (SSC) in Manila. By consolidating overseas reservation handling work, we are reducing approximately 60% of work worldwide.

#### Promotion of efficiency through data utilization and business consolidation from a global perspective

Trends in SG&A expenses (Group) \*Unit: 100 million yen

Others Personnel expenses



##### Initiatives of overseas

- Centralize reservation arrangement operations for each country at SSC (Manila)
  - Increase SSC personnel by 1.6 times (FY2023 comparison)
- \*SSC = Shared services center

##### Initiatives of Japan

- Review of business processes through DX promotion
- Maximize advertising effectiveness and reduce costs with CRM

## Action Plan (4)

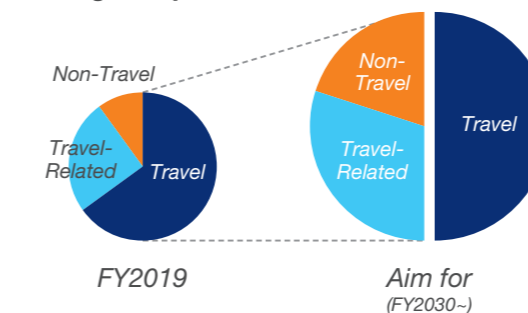
### Growth of Travel-Related and Non-Travel Businesses

New areas

The travel business accounted for approximately 70% of our profit structure in FY2019. We are working to enhance profit margins in our Travel-Related and Non-Travel businesses with the goal of portfolio restructuring. We aim to heighten our resistance to changes in the external environment and achieve sustainable growth.

#### Continuing the challenge of portfolio restructuring to achieve sustainable growth

##### Changes in profit structure



[Travel] : [Travel-Related + Non-Travel] = 1:1

##### Travel business

Implementing each action plan with the focus on improving the profitability and structural reform of the travel business over the next three years.

##### Travel-Related business

Increase group synergies, create points of contact with customers, and promote the creation of lifelong customers (LTV Maximization)

##### Non-Travel business

We will continue the new business-related challenges that we practiced during the COVID-19 pandemic.

Investment strategy for the sustainable growth of the HIS Group

Future investment policies and domains

With regard to investment aimed at sustainable growth, we will plan investments in businesses that have complementary relationships or promise synergies with existing businesses in the Travel and Travel-Related domains, and investments in new-era businesses with future potential in non-travel domains.

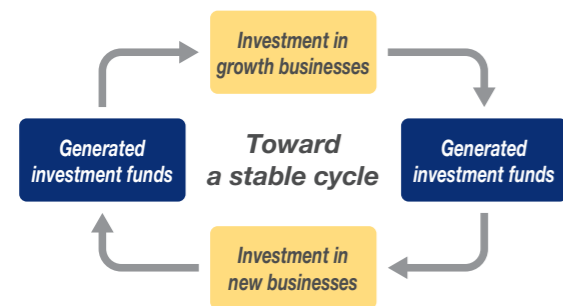


Image of investment strategy aimed at sustainable growth

	Travel areas	Travel-Related areas	Non-Travel areas
Existing business	HIS	九州産交	Canadian College
	GROUP MIKI	HIS Hotel Holdings	HIS Mobile
	merit travel	エイチ・エス損保	CROSS
	redlabel	ラグーナワンパス	SYS
	Jonview		
Investment consideration business	Core areas Investment businesses that complement or create synergies with the HIS Group's existing businesses		New areas Investment in new-era businesses with future potential
	MICE related	Japan inbound travel Okinawa / Hokkaido	AI, space, health care, etc.

The HIS Group views human resources as the wellspring of corporate value creation. By creating environments in which all employees feel motivation in work and engage in "KOKORO ODORU" work, and by providing opportunities to all, we will achieve transformation and sustainable growth for the HIS Group.

→ Details on P.41

Construction of a foundation that unleashes "KOKORO ODORU" for all employees and stirs transformation

Priority issues	Acceleration of management speed	Active participation by diverse human resources (DEIB Promotion)	Enhancement of engagement
	Construction of a human resources portfolio that adapts to change	Expansion of diversity at decision-making levels and promotion of diverse work styles	Identification with the HIS Group Philosophy; support for independent career development

FY2026 major KPI	Enhancement of work motivation indicators	Enhancement of transformation indicators (man-hour productivity)
	Employee satisfaction survey, "Working at the company is rewarding": 80% worldwide *As of FY2023 (non-consolidated): 56.1%	1.6 times compared to FY2023 (non-consolidated)

Sustainability initiatives

We will address environmental and social issues through our business and will connect to the future of the next generation by contributing to the SDGs.

We believe that the ability for people worldwide to experience "KOKORO ODORU" calls for connections and mutual understanding with people and regions, a sound global environment, and world peace. We will positively and actively work to address environmental (E), social (S), and governance (G) issues in terms of both risks and opportunities for profit.

→ Details on P.35

Group Management Targets

	FY2024	FY2025	FY2026
Net sales	350 billion yen (reference values) Old Standard : 740 billion yen · FY2019 comparison : 92%	390 billion yen (reference values) Old Standard : 860 billion yen · FY2019 comparison : 106%	430 billion yen (reference values) Old Standard : 950 billion yen · FY2019 comparison : 117%
Operating profit	9 billion yen FY2019 comparison : 51%	12 billion yen FY2019 comparison : 68%	18 billion yen FY2019 comparison : 103%
Operating profit ratio	2.6%	3.1%	4.2%
Ordinary profit	7.2 billion yen FY2019 comparison : 42%	10 billion yen FY2019 comparison : 59%	16 billion yen FY2019 comparison : 94%
Shareholders' equity ratio	11%	13%	15%

Financial measures and planning

Strengthening of the financial base

Capital buildup

Accumulation of profit in main business

Reduction of interest-bearing debt

Partial repayment and repurchase of HQ building

Selection of businesses

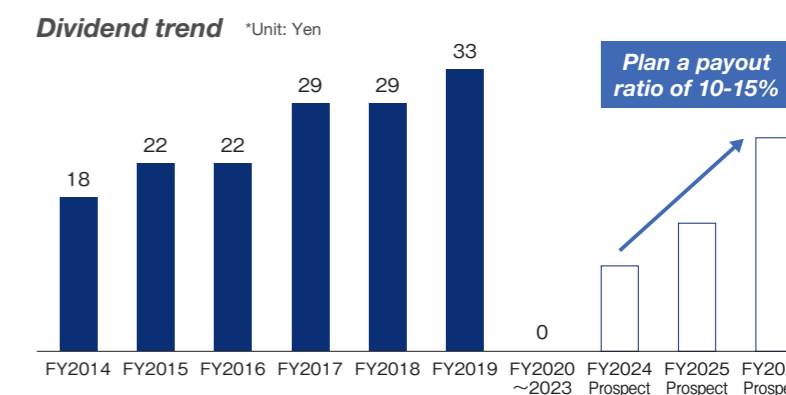
Concentration on profitable and high-future-potential businesses

We will make focused efforts toward the above three points to strengthen our financial base. We will achieve capital buildup by accumulating net profit, primarily in the travel business. Recovery is already accelerating in the HIS Group's external environment under post-pandemic conditions. In FY2026, we will aim to enhance profitability in all businesses to achieve recovery to the level of profit prior to the COVID-19 pandemic. In reduction of interest-bearing debt, we will carry out partial repayment of loans and redemption of corporate bonds. We will enforce current deposits management within the Group, repay interest-bearing debt without leaving surplus cash idle, and execute early repurchase of the HQ building. By engaging in selection of businesses, we will concentrate limited financial resources on profitable and high-future-potential businesses.

Basic policy on shareholder return

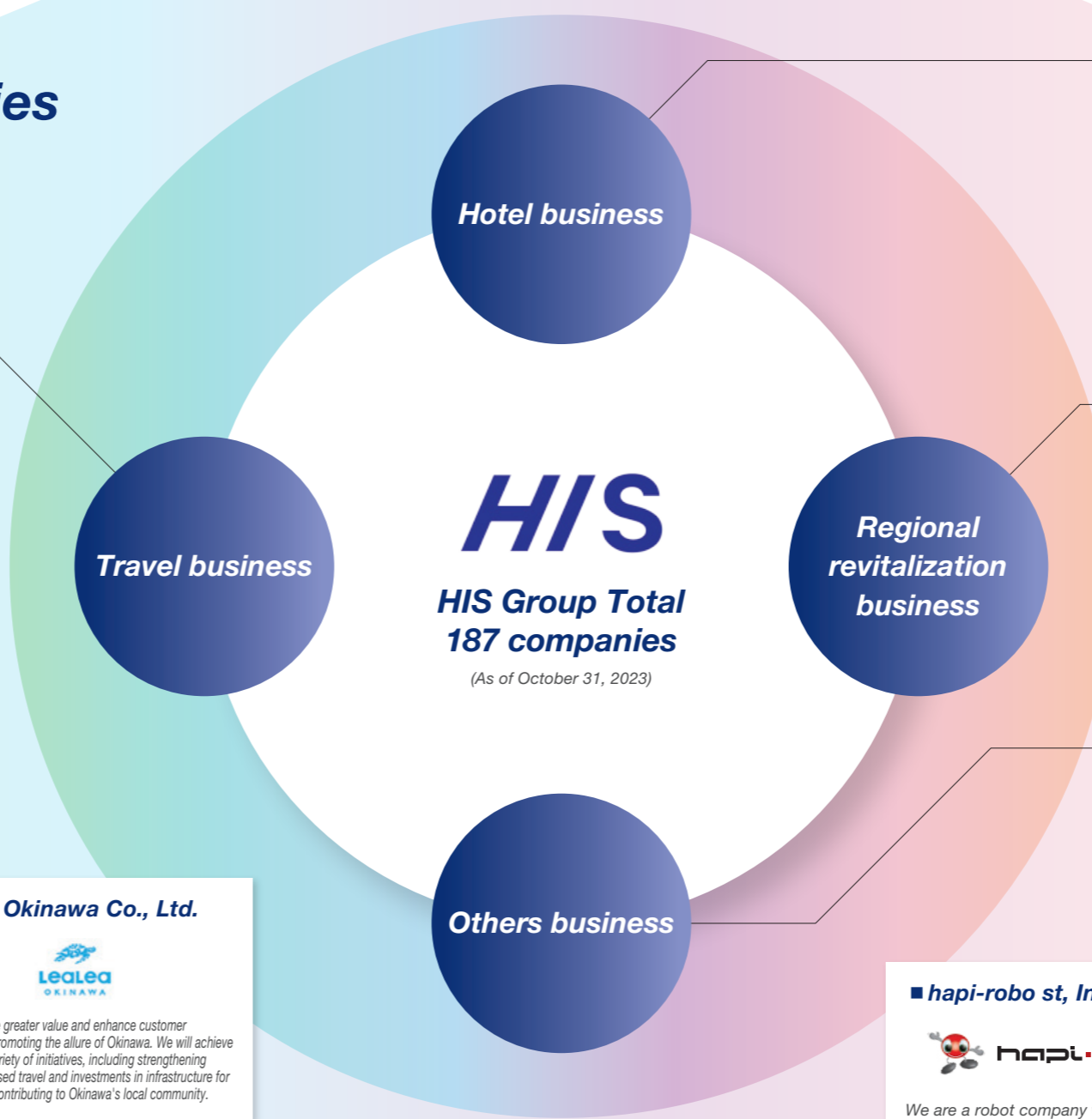
Toward the resumption of continuous and stable return of profits

We recognize the return of profits to shareholders as a key measure in corporate management. While working to enhance corporate value, we will seek to continuously and stably distribute company profit in accordance with performance, comprehensively taking into account global circumstances, movements in the travel industry, the strengthening of our corporate constitution, future business development, and other factors. In line with the recovery of business performance, we will make efforts to achieve the continuous and stable shareholder returns that have been our basic policy.



# HIS Group creates further synergies

HIS Group will leverage group synergies to provide services and value that please customers and society as a whole in all aspects of life.



■ NUMBER ONE TRAVEL SHIBUYA Co., Ltd.

A multilingual travel agency. Become the No.1 Agency for Expats in Japan with efficiency and creativity.

■ Orion Tour Co., Ltd.

Everyone has different expectations and ways of enjoying their trip. By planning and selling domestic travel, we will bring a variety of dreams, excitement, healing and peace to each person, and provide services that will be chosen repeatedly.

■ Cruise Planet Co., Ltd.

With extensive experience and up-to-the-minute information, Cruise Planet offers a wide range of cruises worldwide, both to the casual and to the luxury market. It is a reputable and leading travel agent catering to individual travellers as well as tour groups.

■ Ohshu Express Limited

We sell 29 types of overseas rail passes from 36 countries. The land operator business is one of the largest in Japan. Arrangements can be made in 46 countries around the world. We also operate an airline ticket wholesale business and a hotel reservation site.

■ QUALITA Co., Ltd.

HIS Group's luxury travel brand "QUALITA" offers highly rare trips such as overseas trips in business and first class, music listening trips and domestic trips on luxury trains.

■ Japan Holiday Travel Co., Ltd.

We have grown with the inbound tourism business, mainly in the Chinese market. In recent years we have been handling an increasing number of visitors not only from China, but also from East Asia and Southeast Asia. We offer a wide range of support services to ensure a comfortable stay in Japan.

■ H.I.S. Okinawa Co., Ltd.

We aim to create greater value and enhance customer satisfaction by promoting the allure of Okinawa. We will achieve this through a variety of initiatives, including strengthening community-focused travel and investments in infrastructure for travel, all while contributing to Okinawa's local community.

■ TOUR WAVE Co., Ltd.

Tour Wave creates and runs original package tours leaving from major airports in Japan.

■ Group MIKI Holdings Limited

Group MIKI is a global B2B tour operator and wholesaler which has been developing business for more than 50 years in Europe and Asia. We offer high quality travel with reliable purchasing and arranging capabilities.

■ FLY HUB TRAVEL GROUP

We are an online travel agency that provides a world-class customer experience. Our website and app offer the customers to search, compare and book travel.

■ HIS Canada Travel

In August 2023, HIS Canada Inc., alongside Jonview Canada—a leading tour operator in the country—and Red Label Vacations, a Canadian travel agency known for its robust online retail and wholesale capabilities, merged to strengthen our travel business in Canada.

■ MERIT TRAVEL GROUP

Founded in 1991, we are a Canadian travel agency based in Toronto that operates a travel desk for loyalty programs.

Hotel business

■ H.I.S. Hotel Holdings Co., Ltd.

→ Details on P.27

Others 13 companies

Regional revitalization business

■ KYUSHU INDUSTRIAL TRANSPORTATION HOLDINGS CO., LTD.

→ Details on P.29

Others 14 companies

Others business

■ hapi-robo st, Inc.

We are a robot company with a vision to make people happy by "bringing out people's abilities and helping them grow."

■ H.S. Insurance Co., Ltd.

In addition to our mainstay travel insurance, we are a non-life insurance company that continues to grow by entering the pet insurance market. We will cover a variety of risks and operate in a sustainable management.

■ HIS Design and Plus Co., Ltd.

Since our founding in 1949, we have been providing services in the advertising and promotion field. We will expand our business to provide new value through creative design, not limited to media intermediation.

■ Cross E Holdings Co., Ltd.

This is a holding company that has operating companies that carry out various types of construction work, including facility management, and operating companies that handle infrastructure maintenance, including machinery installation work, etc.

■ SYS Inc.

We develop and provide a direct sales reservation system for accommodation facilities, as well as a direct sales reservation system that enables direct sales and cross-selling of attractive content such as food and beverages, spas, and activities within accommodation facilities.

■ Canadian College and The Canadian College of English Language

Established in 1991 in Vancouver, we are home to a diverse group of students with an average enrolment of 1,000 students from around the world.

■ H.I.S.Mobile Co.,Ltd.

→ Details on P.32

■ GREEN OCEAN Co.,Ltd.

→ Details on P.32

Others 21 companies

Others 115 companies

# “HIS is here too. Supporting ‘peace of mind’ and ‘fun.’”

You'll notice our blue logo as you stroll around town.  
If you encounter any problems during your travels, please don't hesitate to contact a local HIS branch anytime.  
We'll support your safe and comfortable journey wherever you are.

**Our global network**

**58 countries**    **111 cities**    **155 branches**



Italy / Rome Tourdesk



Egypt / Cairo branch



Aichi / Nagoya, Sakae branch

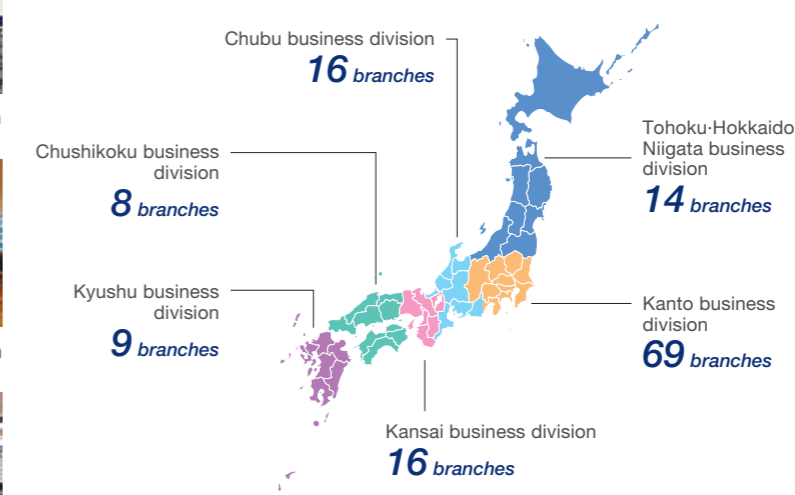


Hiroshima / Hiroshima branch



Fukuoka / Fukuokatenjin branch

Our network in Japan **136** branches



※Including HIS Okinawa 2, Kanto area special agent 1, Kanto area agent 1.



Miyagi / Sendai branch



Tokyo / Shinjuku branch



Osaka / LINKS UMEDA branch



Hawaii / Lealea lounge (Honolulu / Royal Hawaiian Center)



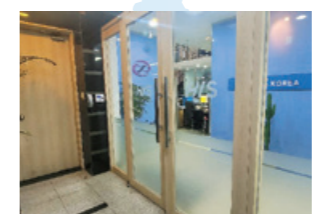
Guam / Lealea lounge



New Zealand / Christchurch branch



Singapore / Singapore branch



South Korea / Seoul branch

● Direct branches    ● Group / Partnership branches

As of January 31, 2024



# Overseas Travel

A special journey to make your heart leap

Discover the unknown, create first-time experiences, and live out dreams come true. Here, you'll find moments that stir the soul, uncover new wonders, and leave you with unforgettable emotions. Leveraging our own ideas and negotiation expertise, HIS has crafted a journey that will leave a lasting mark on your heart.

~A thrilling journey~

## Privately tour the magnificent Palace of Versailles, a World Heritage Site

Among the World Heritage sites in France, the Palace of Versailles stands out for its popularity, often bustling with visitors. We offer an exclusive private viewing before opening hours on the departure date. You can leisurely explore the palace's attractions, including the Hall of Mirrors, guided by a French government-approved guide, without worrying about the crowds.



Palace of Versailles (France)

## Enjoy the spectacular views of Halong Bay on a chartered boat

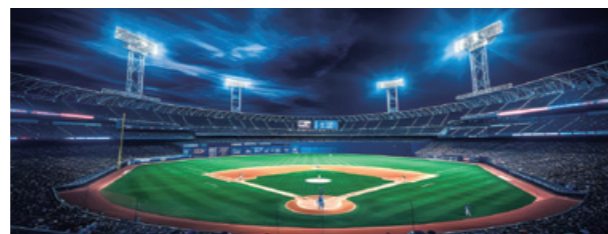
You can charter the entire Ambassador Cruise 1, one of the most elegant passenger ships in Halong Bay, which entered service in 2021. You can rest assured that the Japanese staff will also be on board. There are 46 spacious cabins of 30 square meters, all of which are equipped with balconies. Enjoy to your heart's content with HIS original routes and meals.



Ambassador Cruise (Vietnam)

## Watching baseball in the home of America: Tour with Los Angeles D Team tickets included

A tour that includes tickets to watch the Los Angeles D team, which is home to a popular Japanese baseball player. We have reserved seats behind the back net on the 1st floor, limited to 2 people per group each day. You can enjoy watching the game from seats that give you a sense of realism, where you can feel the players' every move up close.



Stadium image

## Reunite with the Japan-born pandas who returned to China in 2023

Experience a visit to three panda research bases located in Sichuan Province, including Ya'an—home to Ueno-born Xiang Xiang—and Chengdu, where the twins from Wakayama, Sakura Hama and Momo Hama, reside. In Ya'an, you'll have the opportunity to spend a day as a panda keeper. Additionally, you can visit two of Sichuan's World Heritage Sites and indulge in local specialties, including the famed Chen's Mapo Tofu.



Chengdu Research Base of Giant Panda Breeding (China)

[A thrilling journey] Special website

<https://www.his-j.com/theme/kokoroodoru/kanto.html>



## Awarded the Grand Prix in both the Planning/Creativity and SDGs categories at Tour Grand Prix 2023

We received the Grand Prix in the 'Overseas Travel: Planning and Creativity' and 'Overseas Travel: SDGs' categories at the Tour Grand Prix 2023, hosted by the Japan Association of Travel Agents. These awards celebrate excellence in tour planning and proposals for both international and domestic travel, including Japan-inbound tours. The awards aim to enhance planning and marketing capabilities within the travel industry and support Japan's vision of becoming a leading tourism destination.



In charge of planning award-winning tours

### Award details

**Overseas Travel: Planning and Creativity the Grand Prix**  
An Eight-Day Scenic Journey Across Egypt: Exploring the 'Valley of the Kings' and 'Valley of the Queens'  
[https://tour.his-j.com/02A\\_10/TI-LCE1003](https://tour.his-j.com/02A_10/TI-LCE1003)



**Overseas Travel: SDGs' categories the Grand Prix**  
Delivering Flying Wheelchairs to the World: Ho Chi Minh, Vietnam, Five Days  
<https://eco.his-j.com/volunteer/tour/TF-FSF0005>



\* As of March 2024, the tour content has been partially updated.

## Agreement on tourism promotion signed with the Saudi Tourism Authority

In November 2023, HIS and the Saudi Arabian government's tourism board concluded an agreement to boost tourism in Saudi Arabia. The country, having introduced tourist visas in September 2019, began welcoming tourists to Medina, the second most sacred city in Islam, in 2022. Under this agreement, HIS commits to enhancing travel environments and experiences, thereby advancing Saudi Arabia's tourism efforts and increasing the number of visitors.



Scene from the signing of the agreement with the Saudi Tourism Authority

## HIS forms business alliance with Tourism Australia to promote tourism

HIS has established a business alliance with Tourism Australia to boost tourism to Australia. This collaboration aims to swiftly return the number of Japanese visitors to their pre-COVID-19 pandemic levels and to foster sustainable growth. As part of this effort, we will devise a strategy for creating preferred tourist destinations and jointly work on the development and promotion of Australian products.



The business partnership signing ceremony with Tourism Australia

### Pick Up Set off to find your next journey: third HIS Great Thanksgiving Festival held

With the goal of offering a fresh perspective on travel through 'seeing, listening, eating and experiencing,' the third HIS Great Thanksgiving Festival took place on February 23rd and 24th, 2024, at the Shinjuku Sumitomo Building's Triangle Plaza. The event attracted around 14,000 attendees over two days. Highlights included 18 themed presentations by experts in overseas travel and a grand raffle with chances to win flight tickets and hotel stays. Theme-specific booths provided event experiences and merchandise sales. Attendees also enjoyed travel consultations from HIS travel consultants, hula performances, food trucks and mini-seminars on domestic trips. The event concluded with a charity event, the "Sky Lantern® Launch Experience - Carrying Your Thoughts." Participation fees and donations collected at the event venue were donated to the Ishikawa Prefecture 2024 Noto Peninsula Earthquake Disaster Relief Fund.



A seminar at the Great Thanksgiving Festival

HIS Oversea travel Website

<https://www.his-j.com/kaigai/Default.aspx>



# Domestic Travel

Explore Japan with HIS!  
Domestic tour packages  
also available.

**HIS offers a variety of services to better provide you with a convenient and safe travel and pre-travel experience.**

## HIS special charter "Fantastic Tsunan Lantern Launching Experience"

On Saturday, January 20, 2024, we held HIS special "Fantastic Tsunan Lantern Launch Experience". More than 500 guests from the Tokyo metropolitan area and the Chubu region participated, and lanterns containing everyone's wishes were launched into the sky, creating a fantastic view. Afterwards, HIS special fireworks were launched by Ojiya Fireworks, which also participates in the Nagaoka Festival Fireworks Festival, and brightly colored the night sky. The collaboration of lanterns and fireworks was an event that received many moving comments from our customers.



Tsunan Lantern Launching

## FDA charter flight to Tanegashima & Yakushima tour launched

Fuji Dream Airlines (FDA) and HIS have established a charter partnership, launching a charter flight tour from the Kanto region to Tanegashima and Yakushima on March 2nd, 2024. Marking a first for Kanto, the direct charter flights facilitate a seamless travel experience, eliminating the need for transfers. On Tanegashima, often referred to as the island closest to space, the tour included visits to the Space Center and historical sites. In Yakushima, recognized as a World Natural Heritage site, participants were immersed in the island's spectacular natural landscapes. The tour was met with enthusiastic feedback from participants.



Tanegashima Space Center

## New operation of Okinawa "HIS LeaLea Yomitan Shuttle"

In order for everyone to enjoy swimming on Okinawa's beautiful beaches, we will be operating a new shuttle service from Naha City to the Yomitan Village area, which will take you to Nirai Beach, a popular beach for swimming due to its high transparency and shallow waters. By using buses, we can provide even the slightest support for customers who do not have a driver's license or are worried about driving and are planning to travel without using a rental car, or those who are having trouble securing secondary transportation.



Nirai Beach

## Pick Up "Video chat customer service" utilizing online

From 2021, we have introduced "video chat customer service" using online so that customers can receive customer service from staff without having to wait even when the store is crowded. You can consult with us from anywhere, so even if you are unable to go out or have limited time, you can consult our travel experts with peace of mind. Unmanned stores dedicated to video chat customer service have also opened in Hokkaido, Aomori, and Fukuoka. HIS staff will guide you through everything from travel consultations to reservations online through the terminal device monitor installed in the booth. In addition, through our "Talent Matching" service, we match our customers' travel needs with our staff's experience and areas of expertise to provide even higher quality consulting. In February 2024, an "overseas Disney resort specialty store" using the talent match function opened.

■ "Overseas Disney resort specialty store":  
<https://www.his-j.com/theme/disney/kaigai/kanto.html>



Hakata Marui "online customer service counter" image

## HIS Hotel Awards 2023 recipients announced



We have announced the recipients of the HIS Hotel Awards 2023, recognizing accommodations that have garnered substantial customer praise and achieved outstanding performance from November 2022 to October 2023. Targeting all HIS-registered lodging facilities nationwide, these awards celebrate establishments that have demonstrated significant achievements and received high customer ratings over the past year. Introduced this year, the awards aim to highlight exemplary facilities in each region and provide a benchmark for customers when selecting accommodations. For each region, we awarded an Excellence Award to outstanding facilities and a Leap Forward Award to those that have shown significant progress.

■ [HIS Hotel Awards 2023] Website:  
<https://www.his-j.com/kokunai/hotels/award/>



## Introducing HIS Hometown Tax Donation Coupons



We are pleased to announce the launch of HIS Hometown Tax Donation Coupons, now available as a benefit option for contributions made through the hometown tax donation system. Initially introduced in Miyazaki City, Miyazaki Prefecture, it is now available across five municipalities. The HIS Hometown Tax Donation Coupon allows those who have made a hometown tax donation to a municipality to receive up to 30% of the donation amount as a reward, which can be used when booking travel to that municipality. One coupon is equivalent to one yen.

■ [HIS Hometown Tax Donation] Website:  
<https://www.his-j.com/kokunai/theme/furusato/>



## Features of HIS tour

### ~Domestic tour~

#### ●A rich selection of products unique to HIS

HIS offers great package tours that include flights and hotels. We also offer rooms for solo travelers and families, as well as products for children to sleep with.

#### ●Covers major routes including LCC, and has a diverse lineup of low-cost tours

HIS offer products from each airline, from ANA and JAL to Skymark and LCCs with attractive prices. You can choose according to your desired departure/arrival location and flight time.

#### ●HIS original stay plan

HIS also offer many stay plans that combine ingredients exclusive to HIS, such as gourmet food, hotel benefits, and shuttle buses. We also offer a wide range of arrangements such as rental cars and optional tours.

#### ●Product selection according to your preference

In addition to choosing accommodations that suit your travel style, such as resort hotels, hot spring inns, and urban hotels, we also offer choice-type products that allow you to stay overnight at a hotel.

#### ●Full support for your trip to Okinawa "HIS LeaLea lounge OKINAWA"

HIS offer many special services to HIS customers, such as luggage storage and free stroller rental. A shuttle bus to Chatan is also available free of charge.

#### ●Peace of mind even in case of emergency

If your scheduled return flight is canceled due to bad weather caused by a typhoon, etc., and you are unavoidably required to stay overnight, we also offer products that will support your accommodation costs up to 5,000 yen per person.

### ~Bus tour~

#### ●Departure from major cities nationwide

A diverse lineup of popular day trips and overnight tours from major cities in Japan such as Tokyo, Yokohama, Osaka, and Nagoya.

#### ●Original discerning product

All-you-can-eat, fruit picking, events, etc. We have prepared original products only for HIS. It is safe because the tour conductor accompanies all courses.

#### ●Reservation possible up to the day before

Reservations can be made up to the day before departure. If you think of a sudden trip, make an online reservation on the spot.

HIS Domestic travel Website

<https://his-j.com/kokunai>



# Inbound Travel

Explore Japan with HIS!  
Domestic tour packages  
also available.

**HIS offers a variety of services to better provide you with a convenient and safe travel and pre-travel experience.**

## Complete revival of travel to Japan

Travel to Japan has resumed in earnest from October 2022. In 2023, HIS welcomed many visitors to Japan during the spring cherry blossom season and the fall foliage season. Since the coronavirus pandemic, the MICE business has been revitalized for the first time in about three years, and the acceptance of award trips and anniversary trips has resumed in earnest.



Accepting groups for anniversary trips

## Product development and distribution

We developed bus tours for tourists visiting Japan and proposed high-value-added trips through various product distribution channels. We have also strengthened the dissemination of tourism and product information by utilizing SNS tailored to each country's market. We received the "Best Service Award" at the "Supplier Awards 2024" from KKday, our product sales partner, because we have taken strict safety measures and earned high trust from our customers.



Fuji bus tour

## Strengthening cooperation with local governments



Tottori Prefecture PR event at Singapore Travel Expo

We actively promoted promotional projects and joint product development with local governments working to welcome tourists visiting Japan.

In August 2023, we opened the "HIS Sunaba Country Visit Japan Rep Office" in Tottori Prefecture, with which we have concluded the "Inbound Tourism Promotion Agreement," to improve Tottori Prefecture's brand power overseas and strengthen overseas promotions.

## Strengthening stores for travelers (tourist information centers)



An event organized in collaboration with a municipality

We are dedicated to ensuring that every international visitor leaves with a smile. Our tourist information centers do more than just provide information; they are vibrant hubs where visitors can purchase unique local products from across Japan, participate in tourism

promotions, and engage in events organized in partnership with local governments and businesses. These activities are part of our commitment to fostering sustainable communities and contributing positively to society. (Tokyo/Harajuku, Kyoto, Tokyo/Toyosu)

## Pick Up Participation in an international travel fair

In January 2024, the HIS Thailand branch, in collaboration with local governments, partnering companies and the Japan Visit Division, participated in Thai International Travel Fair#29, Thailand's largest travel exhibition. Over the four-day event, the fair drew a total of 275,000 visitors. This collaborative effort centered on promoting regions across Japan and marketing travel products tailored for the cherry blossom season and Songkran (the Thai New Year). As international travel events are making a comeback, we are committed to actively engaging in these events to showcase the allure of Japan.



Thai International Travel Fair#29

# Overseas travel business

We keep developing our business depending on regions, creating new demands and trends.

## USA Pioneering the future of sustainable tourism with an investment in SAF

HIS, through the U.S. subsidiary, has made an investment in the United Airlines Ventures Sustainable Flight Fund, which is dedicated to the research and development of Sustainable Aviation Fuel (SAF). This marks the first investment by a Japanese travel company into the SAF sector. The tourism industry currently contributes about 8% of the world's greenhouse gas emissions, with air travel alone accounting for around 2%. Positioned within this industry, HIS recognizes the importance of reducing emissions from transportation to secure the future of our business. In collaboration with leading global companies, HIS is committed to supporting the advancement of new SAF technologies, and their commercialization and scale-up efforts. Furthermore, HIS is set to introduce sustainable travel products with United Airlines, featuring accommodations at Green Seal-certified hotels and electric vehicle airport transfers, enhancing its range of sustainable travel solutions.



Image

## Indonesia Engaging with Indonesia's Endowment Fund for Education



LPDP Customer center

Our Indonesia subsidiary is actively engaged with the Indonesia Endowment Fund for Education (LPDP), a fund initiated by the Indonesian Ministry of Finance. This project is dedicated to providing scholarships to excellent Indonesian students who are expected to contribute

to national development. Scholarships support studies at domestic and international universities and include funding for research and post-study activities. The scholarships cover a comprehensive range of costs, including educational fees, tuition, travel expenses and living costs, enabling recipients to concentrate fully on their academics. Our Indonesia subsidiary is committed to supporting educational and talent development in Indonesia. It has managed the travel logistics for various educational and exchange programs since 2022, handling airline ticket arrangements for over 30,000 participants annually and providing travel management services for LPDP staff.

## Malaysia Language training tours from middle school to university level



Outbound training tour from Malaysia to Japan

Our Malaysia subsidiary has been organizing language training tours targeted at students from middle school through university.

Initially paused due to the pandemic, these inbound tours from Japan to Malaysia have resumed as of February 2024, aiming to replenish the diminished opportunities for international exchange among Japanese students. These tours are designed to go beyond classroom instruction by incorporating weekend activities, allowing participants to immerse themselves fully in Malaysian culture. Additionally, we launched

outbound tours from Malaysia to Japan in 2024, designed to reduce Malaysian students' apprehensions about overseas study and inspire them to consider future possibilities such as studying abroad, facilitated through experiential learning and interactions with Japanese students.

We expect that these language training tours will enhance the cultural exchange between Japan and Malaysia.

## ~Showcasing tours to Japan hosted by our overseas branches~

## Spain 'YOKOSO JAPON' tour with Spanish-speaking guide

Our Spain subsidiary hosts the 'YOKOSO JAPON' tour, which targets the local Spanish market. This tour guides participants through Tokyo, Takayama, Kanazawa and Kyoto in small groups of no more than 10 people, offering the flexibility to include optional tours tailored to the guests' desires. The tour provides a cost-effective way to quickly see Japan's major attractions, and has received positive feedback from participants with the reassurance of being accompanied by a Spanish-speaking guide. In collaboration with Kanazawa City—a partner in our tourism promotion initiatives—we make an annual appearance at the world's largest international travel expo in Spain, aiming to enhance the tour's visibility.



HIS Madrid branch staff with personnel from Kanazawa City at the travel expo

## Hawaii Collaborative tours with the local TV show 'Ultimate Japan'

Our Hawaii subsidiary teamed up with the local TV show 'Ultimate Japan' to offer two special tours in 2023. The 'Tohoku Sakura Tour' in April allowed our travelers to enjoy the cherry blossom season in the Tohoku region, while the 'Japan Sea Gourmet Tour' in December focused on the culinary delights found within the Sea of Japan. Each tour featured a cameraman, and the experiences were later broadcast on the television program, providing participants a unique opportunity to look back on their travels. Both tours reached their full capacity of 30 participants, and similar tours planned for Hokkaido and Aomori in 2024 are already sold out. We are committed to continuing our efforts to offer tours that highlight the best of Japan.



Japan Sea Gourmet Tour

# Co-Creating the Future

with our unconventional idea

Uncertainty is exceptionally high in this era. In light of that, we propose solutions that use novel and out-of-the-box ideas.



## Corporation / Business

### Business partners that co-create the future.

We aim for sustainable and mutual growth with partner companies by providing solutions made possible by our global network.

#### Business trip arrangement/management

Making your business trip more comfortable and safe. HIS proposes the most appropriate operations for your companies.

Companies are constantly required to review their responses to changes in the external environment. HIS ensures safe and secure business expansion in your company by utilizing our abundant resources to clarify measures to be taken during business trip. With the implementation of our new system, you can now book online with us, which is very handy for sudden business trips. At HIS, we not only directly reduce business trip expenses, but also provide comprehensive support for business trips, including consulting based on usage experience, reviewing travel regulations, streamlining expense-related operations, and crisis management.



#### Group Tours

Produce original plans while incorporating new approaches to current trends.



Utilizing the know-how we have cultivated as a travel agency, we offer company trips that create a sense of unity within the organization through team building, incentive trips that maximize the motivation of participants, and other SDGs training trips and inspection trips that meet corporate objectives and needs. Our highly experienced and experienced staff will create a customized trip for you.

#### Corporate events

Total production of conferences and general meetings by centralizing everything from secretariat operation to holding of the meeting.



We support the management of a variety of corporate events, including domestic conferences, international conferences overseas, job offers and joining ceremonies, employee training and award ceremonies. We provide MICE (Academic conferences, Exhibitions, etc.) arrangement on both real and online with taking advantage of our speedy information and support system. We accomplish highly satisfactory operation with original plan.

#### Benefits

A wide variety of programs are available to meet the purpose of introduction, such as travel benefits and health management.

The purpose of introducing the system varies from company to company, such as improving employee retention rate, securing work environment, and promoting health management. We hope you will use our programs to support your employees and their families lead happier, healthier, and more fulfilling lives.



#### HIS comprehensive welfare services [Liive]



Liive is a membership-based welfare package service that combines travel benefits and a health and welfare support app that can only be used by contracted companies. In addition to travel benefits, you can freely use the unified management of health checkup result data, individual health status management, free e-learning to improve your skills, and special discounts at popular restaurants and leisure facilities.

<https://liive-wellness.com/top/>



#### HR Lab. business

→ Details on P.47

HR Lab: A Steadfast Business Partner in Human Resources, Empowering Employees to Shine

With the slogan, "Creating opportunities and realizing growth for people and organizations," we focus on delivering services that address and solve our customers' challenges.



<https://www.his-j.com/corp/hrlab/>



Government Office / Local Communities

## Revitalizing Japan with regional potential:

We will leverage our accumulated expertise and the domestic and international networks we have built as a travel agency to collectively solve the challenges local communities and government agencies face, thereby revitalizing the countryside.



### Regional Branding Business

Creating a population that engages with it through our global network, online networks, etc.



We provide support for municipal activities aimed at regional promotion and revitalization. By collectively addressing the challenges faced by various Japanese regions and incorporating unique local elements into our solutions, we help to invigorate local economies and communities.

We fully capitalize on the unique traits and attractions of each region, utilizing local specialties and tourism resources to boost awareness, attract visitors, and stimulate local industries through promotional strategies that leverage our global network.

### Regional tourism support business

#### New regional revitalization leveraging HIS Group's management resources and local characteristics

Leveraging our expertise in the travel business, our network both in Japan and internationally, and our experience from managing hotels, theme parks and regional development projects, HIS Group is committed to addressing local challenges with enduring solutions, all while enhancing the revenue-generating capabilities of these regions. By rediscovering and rebranding traditional Japanese content through projects that capitalize on local cultures and environments, we aim to unlock potential value and foster new business models, invigorating these areas. Collaborating with partner companies that share our vision, we will broaden the scope of regional revitalization by exploring new business domains.



### Visit Japan Promotion Business

Effective Japan inbound promotion activities for regional revitalization



Strategic promotional efforts for inbound travel to Japan are required to attract travelers from overseas. HIS provides support as your local overseas representative by approaching local media and travel agencies, proposing travel exhibitions and events, and researching and reporting on trends and market conditions in each market. We provide comprehensive support from creation of high value-added content that leads to domestic inbound consumption, to distribution, promotion using SNS and physical stores, and sales.

### Secretariat management business/BPO Business

Utilizing the hospitality cultivated in the travel industry, efficiently operate administrative offices, etc.



#### Event/conference management business

HIS plans and manages a variety of events, including domestic and international events, conferences, symposia, and business meetings. Utilizing our experienced personnel and office management know-how based on our track record, we can accommodate a wide variety of arrangements to meet your needs and create exciting events. We will support you from receiving transportation arrangements to event implementation.



#### Support/benefits application office operation business

We use our experience in the travel industry to formulate comprehensive business and operations strategies to help streamline workflows, reduce costs, and improve services in administrative offices by establishing optimal staffing structures and specialized BPO centers.



#### Regional premium gift certificate/cashless point return business

We promote revitalizing countryside economies and local communities by making digital versions of regional revitalization and premium product vouchers. Additionally, we provide comprehensive support for digitalization operations such as system installation, public relations and marketing, call centers, and more. We can also handle hybrid vouchers that combine electronic and paper formats.

### Sports business

Connecting sports and people globally to add value and memorable moments, which in turn promotes the growth of the sports industry.

We focus on providing support for sports organizations, managing logistics for athletes, officials and student groups involved in expeditions and training camps, as well as overseeing competition secretariats. Furthermore, under the theme of 'sports hospitality,' our domestic and international sports tours offer an array of unique spectator experiences, such as exclusive soccer matches and marathon events, ensuring our customers enjoy a truly added-value experience. Our sports business group is committed to adding value and memorable moments to the lives of our customers through sports content and allowing regional administrations and companies to take advantage of sports content to provide solutions.



School / Educational Institution

## Awareness for the future. Nurturing diverse talents.

We do more than just organize school trips and training programs; we design holistic projects that contribute to the development of schools and shape a future aimed at solving challenges. Leveraging our worldwide network with a strong focus on safety, we are committed to helping more people cultivate a global mindset. Through our initiatives, we strive to build a better future.



### School trips

Purposeful trips, such as school trips and study trips, are exploratory and active learning trips that sharpen students' thinking, judgment, and expression skills to respond to rapid societal changes. We propose exploration-type school trips that maintain the fun of traveling and encourage students to learn and solve problems on their own, while incorporating new initiatives that are in line with the times, such as incorporating the SDGs.

### Study Abroad/Language Training

The government has set a goal of increasing the number of Japanese students studying abroad to 500,000 by 2033. We will use our extensive experience and overseas network to provide comprehensive support for the safety and security of overseas study and language training, where demand will continue to grow in the future. In addition to improving language skills, we also offer activities and programs tailored to your needs, such as cross-cultural exchange, career development, and specialized programs.

### Domestic Study Abroad/Language Training

The price of overseas airline tickets is rising due to rising prices, the weak yen, and high crude oil prices. We are also proposing English training facilities in Japan as the new normal for language training in response to the increased barriers to studying abroad. It's domestic, so it's easy, safe and secure. If you want to seriously improve your English skills right away or experience a different culture, you can get the same results as studying abroad.

### Career Support

Through HIS's global network, we collaborate with overseas business people to create originality for schools and provide career programs that develop students' skills and attitudes for working in society. For overseas internships, we can offer work experience not only at HIS overseas offices, but also in other industries, or in combination with language training programs. We offer career development programs.

### Comprehensive support service for studying abroad and language training

We provide comprehensive support for dispatching students to partner universities abroad. In addition to arranging airline tickets, we accept miscellaneous tasks such as transferring funds to foreign universities and collecting application forms from them, according to your requests. We are flexible and willing to fulfill different requests based on your university's circumstances, such as reducing the administrative burden for staff in charge of international exchange, streamlining study abroad information sessions and recruitment activities, supporting overseas travel arrangements and crisis management, and processing international student insurance. To promote internationalization, we can help you run online programs or arrange alternatives at domestic facilities so that you can focus on your primary endeavors.



#### Building a comprehensive operational system

By consolidating work that was previously outsourced to multiple companies to HIS, we will create an efficient workflow.



#### Implementation of a Traveler Management System

HIS provides a traveler management system. We take care of the organization of reception and student management tasks to reduce the workload.



#### Crisis Management System

We will support you by using HIS's overseas network. We are flexible in case of emergency.

Trading Business

## We want to deliver our “products” and “services” to the world and invigorate the world

By making secondary use of HIS's resources cultivated through the travel business, we aim to energize "people and regions" in new areas and revitalize the world.

### HIS FOOD PROJECT

#### Connecting with people and creating the future through food

We aim to energize producers and production areas by delivering attractive products in Japan and overseas to more people and communities. Primarily, we engage in exporting and selling high-quality Japanese products, supporting overseas market expansion, and planning, proposing, and executing marketing and branding campaigns aimed at expanding domestic sales channels. exporting high-quality Japanese products and importing products from Azerbaijan and other regions where there is little distribution in Japan.

### Franchise·License

#### Partner to deliver the value of the JAPAN brand to the world

HIS overseas branches have started food and beverage, apparel, and trading company businesses due to Covid-19 pandemic. We are developing new business networks at the same time. As an exclusive partner for overseas franchise business development and the development of sales channels and commercial distribution, we support business expansion for companies by delivering the value of the JAPAN brand through the utilization of our global network of travel and non-travel agencies.



### Accelerator Business (Business Alliances and Growth Support)

#### Accompanying business expansion by making full use of HIS resources

This business model is designed to accelerate the growth of startup companies that have completed their prototypes, and to work with them to bring about change in HIS and in society. We will be an equal partner with the company, and we will achieve our goal by using all of HIS resources as appropriate, and by running the business side by side, rather than by investing funds.

### Others

- ① Sales of crisis management products We propose crisis management products for companies derived from the management of travel safety and security.
- ② Cafe operation We operate two cafes, The ROOM of journey cafe (Tokyo / Ikebukuro) and Henna cafe (Tokyo / Shibuya).

### Supporting SDGs

→ Related information on P.37

#### "Travel" is a good practice for companies moving toward SDGs implementation.

As the world accelerates its efforts toward the SDGs, companies are required to not only "learn" but also "implement" the SDGs with more concrete initiatives and results. We propose solutions through "travel" to help companies realize the SDGs. Learn about the realities of the world and social issues. "Travel" is a way to experience the possibilities of business. We continue to provide the power of "travel" to help drive better SDGs management.

# Achieving enjoyable hotel hub travel and convenient business use



The HIS Group is actively expanding and refining its hotel business. In pursuit of the 5 core values of "connection," "comfort," "advancement," "playfulness," and "productivity," we combine productivity with efficiency, providing more enjoyable experiences at more reasonable prices that spice up the lives of our customers. HIS Hotel Holdings currently operate, under 8 different brands, 42 facilities across 6 countries.

**Henn na Hotel**

Henn na Hotel Tokyo Asakusa Tawaramachi  
Henn na Hotel Tokyo Hamamatsucho

The policy of Henn na Hotel (Weird Hotel) is to be "a hotel that promises to keep changing." To meet our customers' needs down to the finest detail, we believe it is essential to be sensitive to regional characteristics and current global trends, and continue to pursue "change" without being bound by preconceived notions or fixed patterns. We continuously seek "weird ideas" to "make our hotel cozier for guests." We have been certified by Guinness World Records® as the world's first hotel with working robots.

**Watermark Hotel**

Watermark Hotel & Resort Okinawa Miyakojima  
Watermark Hotel Kyoto

Our world-class resort hotels are loved by customers all over the world. Locations are being developed three hotels in Kyoto, Miyakojima, Okinawa, and Bali, Indonesia. The Watermark Hotel Kyoto became the first hotel in the world to introduce Phiten water into all its water outlets, while the Watermark Hotel & Resorts Miyakojima in Okinawa has an infinity pool.

**MANTENNO TSUJINOYA**

Large public bath

Manten no Tsujinoya is a hot spring inn in Awazu, Ishikawa Prefecture. Here, you can enjoy soaking in natural hot springs, savoring artisanal Tsujinoya Kaiseki cuisine, and strolling through a vast garden.

**RESORT HOTEL Kume ISLAND**

Pool

The Resort Hotel Kume Island is the largest resort hotel on Kume Island in Okinawa. A major renovation of the front desk, lobby, and guest rooms has been completed.

**HOTEL VISON**

Hotel exterior

Accommodation facility within the commercial facility "VISON" in Mie Prefecture. We offer independent villas, hotel types, concept rooms, and more.

**Guam Reef Hotel**

Hotel exterior

A beachfront resort hotel located in the Tumon area in the center of Guam. Japanese staff is always available.

**Green World Hotels**

Green World ZhongHua

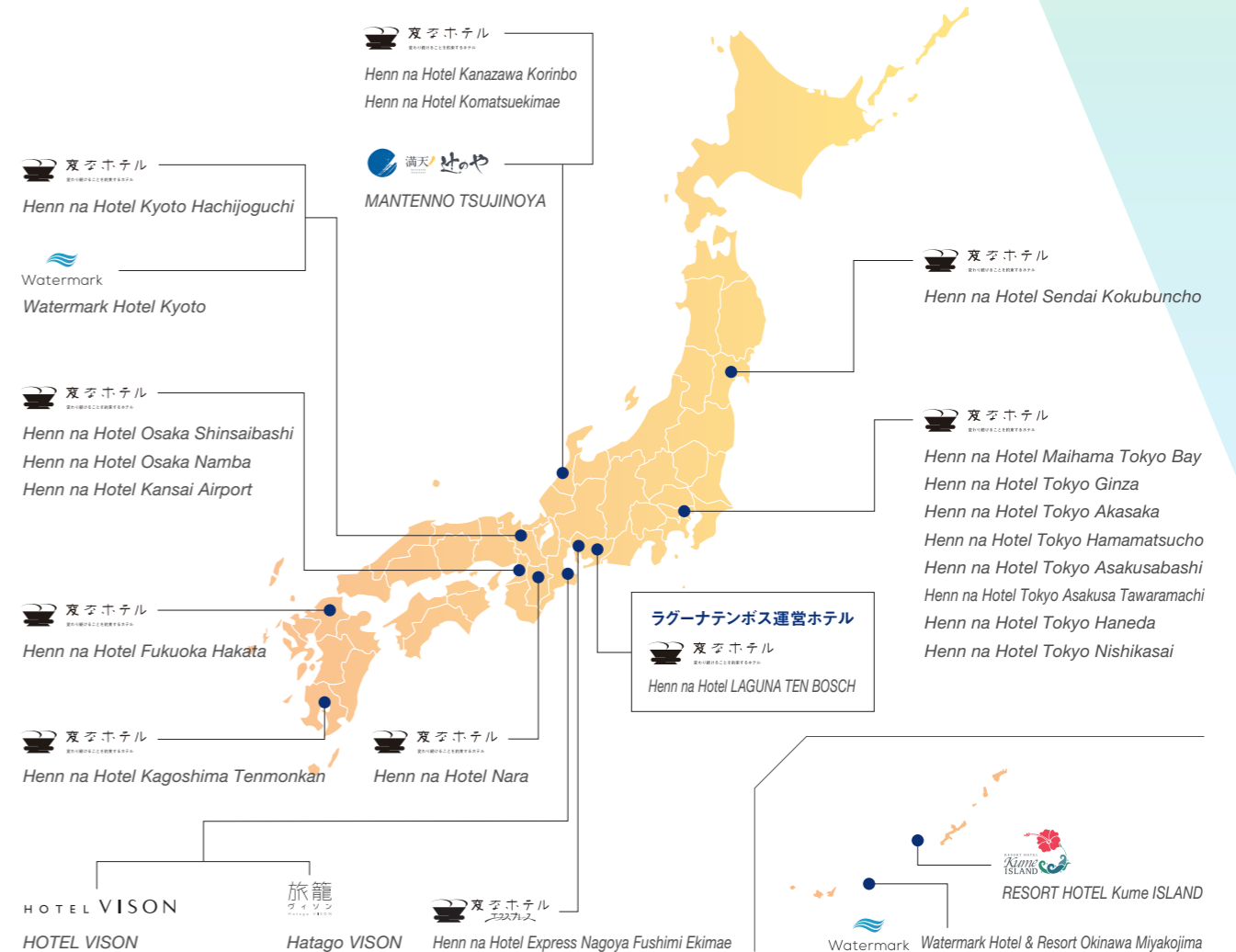
Green World is Taiwan's largest hotel chain, with 13 hotels in Taipei. All hotels support Japanese.

**Hotel Inspira-S Tashkent**

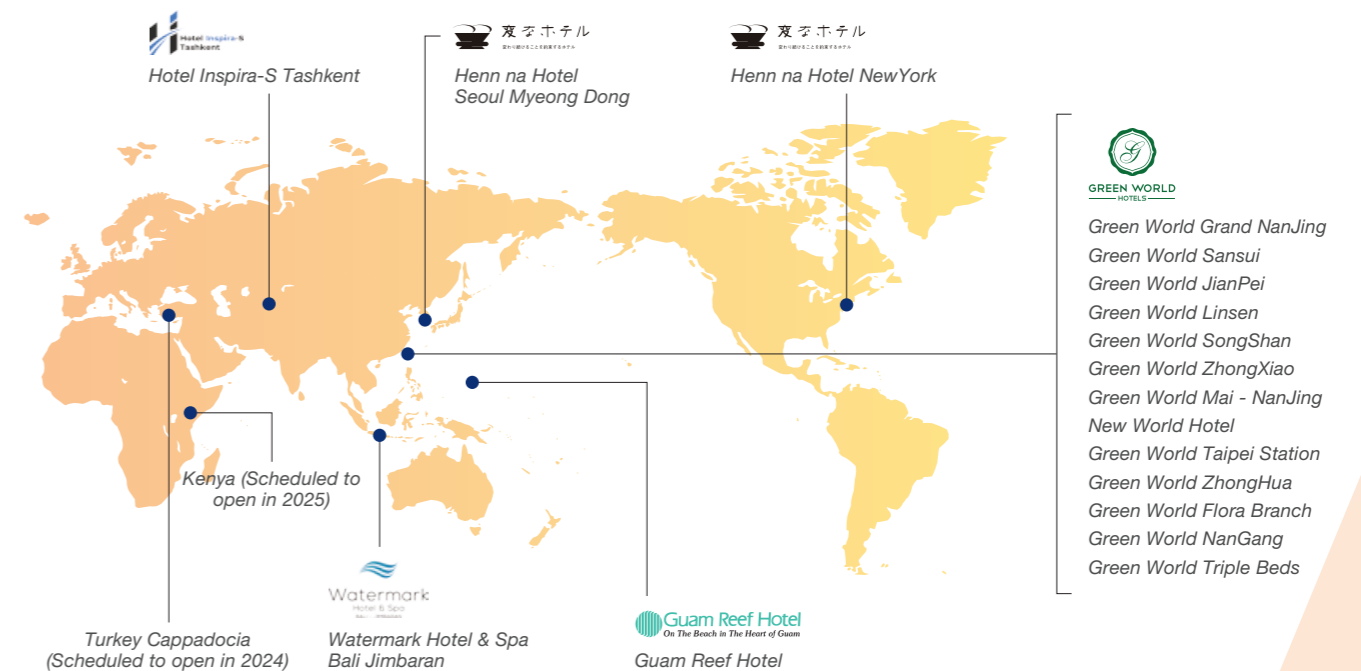
Hotel exterior

Four-star hotel with 140 rooms, a grand spa, a large restaurant, and conference rooms.

## Hotel lineup in Japan



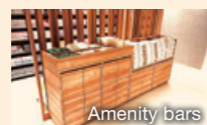
## Overseas hotel lineup



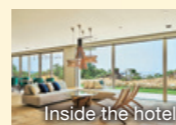
### SDG Initiatives by HIS Hotel Holdings

#### Installation of amenity bars

Some amenities and hotel wear are not automatically placed in guest rooms but are available in amenity bars for guests to take when required. The amenities are also made from environmentally-friendly materials.



- Furniture and fixtures in hotel rooms and public areas are made from recycled materials.
- Use of towels made from organic cotton.
- Participation in nature conservation activities such as beach cleaning.



## Regional revitalization business

Explore Japan with HIS! Domestic tour packages also available. HIS offers a variety of services to better provide you with a convenient and safe travel and pre-travel experience.



SAKURA MACHI Kumamoto

### ○ Kyushu Industrial Transportation Holdings Co., Ltd.



#### Corporate philosophy

Provide customer-oriented services, prosper with the region, contribute to social development.

#### Corporate vision

Respond to the needs and expectations of society and customers with services and aim to become a leading company in Kyushu progressing continuously.

### Kyushu Industrial Transportation Holdings Co., Ltd.

#### "THE IDOLM@STER CINDERELLA GIRLS" x Kumamoto Castle Restoration Support Project

During the period from March 1 to May 8, 2023, we held a special campaign for "THE IDOLM@STER CINDERELLA GIRLS in Kumamoto" as a project to support the reconstruction of Kumamoto Castle. This initiative, a collaboration featuring three characters from Idolmaster Cinderella Girls linked to Kumamoto, aims to highlight the current situation of Kumamoto Castle—a symbol dear to the residents and a focal point for tourists—and contribute to its restoration efforts. A pop-up store was set up within the SAKURA MACHI Kumamoto shopping complex during the event period. Additionally, Kyushu Sanko Retail's dining and retail outlets featured a range of special collaborative products and themed restaurant menus. Kyushu Sanko Bus sold miniature models of an original bus design and also wrapped one of their buses on the 'Hinokuni' line between Kumamoto and Fukuoka, captivating many passengers during its limited-time service. We also conducted a digital stamp rally project in three areas: SAKURA MACHI Kumamoto, Kumamoto Castle, and downtown Kumamoto, revitalizing downtown Kumamoto and improving the ease of movement in the city, thus fulfilling our role as a company that contributes to Kumamoto. In addition, part of the proceeds from this collaborative project will be donated to Kumamoto Castle to support its restoration and reconstruction.



Pop-up store in SAKURA MACHI Kumamoto



Wrapping bus "Hinokuni-go"



Collaboration with "Okashi-no-kobai"

THE IDOLM@STER™ & ©Bandai Namco Entertainment Inc.

#### Travel information magazine launched: Kyushu Travel Days for Adults

In February 2024, we introduced Kyushu Travel Days for Adults, a free travel magazine packed with a delightful mix of travel insights covering tourist spots, hot springs, gourmet food, and the history and culture of Kyushu, with a special focus on Kumamoto. This magazine is uniquely positioned as an in-vehicle publication for the high-speed and airport limousine buses operated by the Kyushu Sanko Group, and is also available at commercial venues and service counters such as SAKURA MACHI Kumamoto. As a rare, self-produced venture, this magazine harnesses the Kyushu Sanko Group's resources to support and drive the growth of tourism in Kyushu in response to rising travel demand.



### Kyushu Sanko Bus Co., Ltd.

#### New Hands-Free Tourism Service leverages route buses for mixed passenger and freight transport

In conjunction with the opening of the new Aso Kumamoto Airport passenger terminal, Kyushu Sanko Bus and Yamato Transport have launched a Hands-Free Tourism Service. This service uses route buses for mixed passenger and freight transport to ensure same-day luggage delivery from Aso Kumamoto Airport to accommodations in Kumamoto City and Aso City.

By integrating Kyushu Sanko Group's established mixed transport operations with the Yamato Group's logistics network, we strive to enhance the tourism experience in Kumamoto, allowing guests to enjoy their visit without the burden of luggage. We are committed to continually improving the convenience and comfort of tourism for visitors from both Japan and abroad in Kumamoto Prefecture.



Image of "empty-handed sightseeing service"



Initiatives using route buses

### Kyushu Sanko Landmark Co., Ltd.

#### 'Bus de Sanchoku Amakusa Umakamon Market at SAKURA MACHI Kumamoto: Bringing regional products to Kumamoto's heart via route bus

Leveraging the bus network of the Kyushu Sanko Group, which spans nearly all of Kumamoto Prefecture, Kyushu Sanko Landmark collaborates with local producers, direct sale centers (like JA Direct Sales Amakusa 'Amakusa Fresh Market'), and supermarkets (such as Foodway). These partnerships support the weekly Bus de Sanchoku Amakusa Umakamon Market, hosted every Saturday at the supermarket in the basement of the SAKURA MACHI Kumamoto commercial facility. Local products shipped directly from the farm are picked up at the nearest bus office (Amakusa office) and delivered to SAKURA MACHI Kumamoto, bringing fresh local products to everyone in central Kumamoto. We are working with the hope that we can contribute to solving social problems such as raising awareness of local products and rediscovering their appeal, creating a lively atmosphere in central Kumamoto, and reducing CO<sub>2</sub> emissions through the effective use of route buses. In the future, we plan to expand the range of products we handle and expand our business from various fields, and as a company that contributes to Kumamoto, we hope to revitalize the entire prefecture.



Amakusa's fresh vegetables and fruits are lined up in rows.

### Kyushu Sanko Retail Co., Ltd.

#### Kindergarten collaboration project: Promoting interest in food and the appeal of culinary culture through handmade dorayaki

The dorayaki shop Doragashi Anan, managed by Kyushu Sanko Retail on the basement floor of SAKURA MACHI Kumamoto, recently held a Dorayaki Making Workshop in partnership with the IQkids Kumamoto Castle Town Kindergarten. Doragashi Anan operates under the concept of a cozy, family-style traditional sweet shop, and uses local Kumamoto ingredients to showcase regional food culture and charm through its dorayaki. The workshop was designed to enhance the children's appreciation for culinary arts by allowing them to make dorayaki themselves, thereby fostering a deeper interest in food. Kyushu Sanko Retail remains committed to promoting Kumamoto's rich food culture.



A Dorayaki Making Workshop



A Dorayaki Making Workshop



A Dorayaki Making Workshop



At the complex type resort which enjoys nature rich Mikawa bay, you can enjoy the sea in various styles such as entertainment, gourmet, shopping.



LAGUNASIA Entrance

○ Laguna Ten Boach Co., Ltd.



LAGUNASIA

A dream filled theme park

We host various entertainment events throughout the year, such as pop-up theme parks, fireworks, and light displays.



PIRATES' BLAST

TV anime "Frieren: Beyond Journey's End" During the journey, in Laguna (until May 9)

There will be a mystery rally and photo spots reminiscent of anime scenes.



©K.Y.T.A/S/FP

Double Hero Spring Festival 2024 in Laguna Ten Boach (From April 20 Until May 19)

Exhibitions and photo spots of past heroes including "Bakuge Sentai Boonboomger" and "Kamen Rider Gotchard" will appear.



©ISHIMORI PRODUCTION, TV Asahi, ADK EM, TOEI AG, TOEI

LAGUNA Pool (From June 3 Until September 29)

You can enjoy six different types of pools, including one of Japan's largest wave pools and a lazy river with a total length of 230 meters.



Pool

Festival Market

Shopping mall & restaurant where you can enjoy the resort feeling

It is a shopping spot with a fish market selling fresh seafood, outlets, and restaurants. This spring, "Harbor Park" will be added to the outdoor area. It will be reborn as a relaxing plaza where you can enjoy the view of the ocean.



Image

Henn na hotel Laguna Ten Bosch

Hotel directly connected to Lagunasia

The latest smartphone system installed in guest rooms supports a comfortable stay at the hotel. In August 2023, we introduced Japan's first indoor autonomous robot, "ROBOTIS".

"ROBOTIS" is used for room service delivery because it can move between floors using an elevator by pressing a button with a robot arm equipped with a 3D camera.



ROBOTIS



Front

Fish Market



Image

Seaside Restaurants



Image

Fast internet connection both at home and on the road

○ H.I.S.Mobile Co., Ltd.



We continue to offer communication services and devices, which is indispensable for both travel and daily life.

Cheap SIM

Our low-cost SIM card has been lauded for its affordability, offering both cellular and data services for a monthly fee of 290 yen and the industry's lowest calling rate of 9 yen per 30 seconds. The service uses the NTT Docomo network and has received high praise for its stable communication quality.

WiFi Rental

We also offer rental Wi-Fi routers convenient for domestic and international travel and business trips. Our international unlimited Wi-Fi rentals support the largest number of countries and regions in the industry. Enjoy videos and social media with peace of mind.



Image

Corporate services

We offer a comprehensive range of solutions from mobile matters to solutions suitable for IoT and MtoM, such as dynamic management, security cameras, vehicle management, and nursing care monitoring robots.



Image

Handling of devices related to mobile communication

In addition to renting and selling various communication devices such as smartphones, tablets, Wi-Fi routers, translators, and mobile devices, we also offer a purchase service for devices that are no longer needed.



Image

<https://his-mobile.com/>



Job Placement Project

○ Green Ocean Co., Ltd.



Japan's declining population is putting further strain on the country's domestic labor shortage. With a base built on service industry hospitality experience and an understanding of global human resources, HIS is working to solve the domestic labor shortage while also providing foreign workers with career plans after they return to their respective countries. By doing so, we hope to provide a business that can contribute to the development of laborers' home countries while also helping contribute to the growth and development of all others involved.

In the agricultural sector, one of our unique offerings is our Busy Season Work Support Service. This service provides assistance only during the busiest times such as harvest and planting, when labor is scarcest. It aims to free producers from the constraints of year-round employment and improve agricultural income through proper labor distribution. In the hospitality sector, we are preparing for the upcoming rebound in tourism demand by implementing our unique workforce training programs early on.

At Green Ocean, we strive to provide foreign talents coming to Japan with a workplace where they can take pride in their work and secure appropriate compensation, thereby contributing to Japan's creative development.



Image



Image



<https://greenocean.jp/>

# Introduction of new business

## Digital service promotion project

We have planned and built a "comparison site" where users can compare similar products and services from multiple websites. Amid the age of information overload, we aim to create a simple and easy-to-understand website, enabling everyone to compare products and services fairly and reliably before making a purchase. We offer numerous special feature pages catering to a variety of user needs, including TabiPro, a service that allows users to compare the lowest prices for domestic hotels from over 20 partner sites. We also have pages with information about hometown tax donations and water dispensers. About 90% of the traffic to these pages comes from organic searches, a notably high level.

We will continue to provide reliable information based on objective data and strive to deliver content that offers users value and convenience.

**Travel pro**  
(Domestic hotel)




<https://www.his-vacation.com/>

**Hometown tax**  
donation program




<https://www.his-j.com/furusato/>

**Water server**




<https://www.his-j.com/waterserver/>

## Glamping Project



Exterior



Dinner (image)

With the vision of "bringing smiles to everyone through rich experiences in nature," the Hokuriku region's first exclusive glamping facility for spending time with your dog opened in October 2022 in Komatsu City, Ishikawa Prefecture.

We aim to be a facility that meets the needs of people who want to travel with their dogs, and allows them to enjoy an "exciting" and extraordinary experience.

We value the voices of our customers and strive to create facilities that continue to change by taking on a variety of challenges, such as providing seasonal scenery, seasonal meals, and holding events that you can enjoy with your dog.

<https://www.glamhide.com/wdog/komatsu/>



## New accommodation reservation site business

WOW+ is an accommodation reservation site designed around the concept of innovative lodging experiences in Japan. This platform focuses on unique accommodations curated by HIS, including glamping sites, vacation rentals such as entire rental villas and traditional houses, farm stays offering agricultural experiences, and temple stays at Buddhist temples. Users can easily find accommodations by searching with experience-based keywords like 'BBQ,' 'country living' or 'pet-friendly.' Our rigorous selection of listed properties ensures users can comfortably find enticing accommodations that meet their desires for distinctive experiences. Additionally, selecting a travel destination based on the accommodation type enables travelers to discover unique regional attractions, such as novel experiences, landscapes and local culinary ingredients.



<https://www.his-j.com/service/wowplus/>



## Restaurant Business Project

Leveraging the complementary relationship between food and travel, we strive to energize and preserve Japanese culinary culture by managing soba shops, hotel breakfast services and seafood buffet restaurants. We have strategically located our establishments in select areas to maximize our ability to spread awareness of authentic Japanese cuisine.

On February 1st, 2024, we launched Seafood Buffet Iroha at Toyosu Senkyaku Banrai, a new shopping center next to Toyosu Market, which is known as "Japan's Kitchen." In collaboration with HIS's Visit Japan Sales Headquarters, we aim to draw not just domestic travelers but also international visitors, enhancing our outreach to tourists from abroad. Looking forward, we are considering international expansion to showcase Japanese culinary culture on a global scale.

### Stores currently in operation

- "Mantenno HIDESOBA" (Tokyo/Yotsuya, Tokyo/Fuchu)
- "Jurassic diner" (In Henn na Hotel Maihama Tokyo Bay)
- "Seafood Buffet Iroha" (Tokyo/Toyosu)



"Seafood Buffet Iroha" Store entrance image



"Seafood Buffet Iroha" Meal image

### "Seafood Buffet Iroha"

<https://restaurant-iroha.com/>



### "Mantenno HIDESOBA"

<https://www.his.co.jp/project/food/hidesoba/>



## Europe JAPAN PREMIUM FOOD & TRAVEL: A Japanese ingredient store in Europe

In Europe, we operate JAPAN PREMIUM FOOD & TRAVEL, a chain of stores dedicated to spreading the allure of Japan by importing regional products. We offer a selection of Japanese sake, teas and ingredients, providing Europeans with an authentic experience of Japanese cuisine and culture. Our facility also includes a venue for promoting Japanese tourist destinations and hosting events such as tasting sessions. Serving as a center that links Japanese food and travel, our aim is to become a store cherished by locals.

We currently have locations in Berlin, Frankfurt, Munich, London, Madrid and Rome, with a new store opening soon in Paris.



Berlin store



London store basement

## Bangkok "Hannari Café de Kyoto" in Thonglor

We operate "Hannari Café de Kyoto", a specialty store in Bangkok that conveys the charm and culture of Kyoto through "food" and "products".

We will bring the charm of Kyoto to many people with our Kyoto-like menu and interior, as well as drinks and sweets made with Kyoto Matcha. In addition, on the first floor of the store, we import and sell Kyoto products, mainly processed foods and general merchandises, in cooperation with Kyoto Prefecture. We also introduce Japanese culture through limited-time collaborations with popular Japanese anime.



Hotel exterior



Image

# HIS Group Sustainability

## Views related to Sustainability

The HIS Group operates its businesses globally under its Purpose—Unleash your feeling “KOKORO ODORU”—which encourages encounters with uncharted worlds, connections with people, enriched times, “Waku-waku” (excitement), elation, and thoughts on peace. The Group believes two elements are required for people around the world to experience this “unleashing of feeling.” The first is a society in which diversity is respected and people can live in peace, while transcending factors such as nationality, race, culture, and religion. The second is a healthy global environment that serves as a foundation not only for humans but for all living beings. The Group aims to contribute to the development of a sustainable society by addressing social and environmental issues through its businesses with an awareness of coexistence, symbiosis, and mutual prosperity.

## Top Message

We believe the HIS Group Purpose “Unleash your feeling KOKORO ODORU”: being interested, excited, and having a desire” is achieved by continuously preserving a sustainable and peaceful society and a healthy global environment. The business that we inherited, the travel business, is a business of peace. To maintain this peace, it is crucial to deepen mutual understanding among people from various countries and regions. We believe our purpose lies in creating these opportunities through “travel.” At the same time, we aim to incorporate activities that contribute to global environmental conservation into our business operations, thereby working towards a sustainable future. Our business domains, including the travel business and its related businesses, continue to expand as we undertake new challenges into more novel territories. On our way towards celebrating our 50th anniversary in 2030, we have outlined what kind of company we aspire to be as HIS Group in “Vision 2030.” Alongside, we have also established seven materialities(key issues), to take the first step towards this vision. We are committed to addressing these issues sincerely, advancing our contributions towards the SDGs, and stimulating business growth via the PDCA cycle implementation, all aimed at making “Vision 2030” a reality.



“Diverse Human Resources” is what we regard as key to this realization. At HIS Group, we will continue to promote DEIB and engage in work-style and cultural transformation, surpassing nationality, race, culture, and religion barriers, continue to respect diversity, and strive to transform into a company where each individual may flourish. We will continue to hold the HIS Group Purpose “Unleash your feeling KOKORO ODORU”: being interested, excited, and having a desire” close to our hearts, which we believe will enhance our corporate value and sustainable management.

H.I.S. Co.,Ltd.  
CEO  
**Yada Motoshi**

## HIS Group's Materiality

At HIS Group, we have made it our purpose to “Unleash your feeling KOKORO ODORU,” and by taking on social and environmental issues in our own unique way through the combination of HIS Group Values and HIS Strengths, we hope to remain a company chosen by customers which grows sustainably with society. For this reason, we have identified the materialities (most important issues) which HIS Group must confront, and we are working toward solutions.

### Formulation step

Materiality was identified through the following process. Starting with a comprehensive understanding of social issues, the Risk / Compliance Committee identified risks based on short-, medium-, and long-term business plans by the managers of each division and group company. Next, the Sustainability Committee conducted an external environmental analysis and discussed its importance to society and its relationship to the HIS Group's business. Then we prioritized important issues based on their importance based on dialogue with stakeholders, and identified materiality after receiving approval from the Board of Directors.



### Referenced frameworks, guidelines, etc.

- UNWTO The Global Code of Ethics for Tourism
- SDGs: Sustainable Development Goals
- The OECD Guidelines for Multinational Enterprises
- TCFD: Task Force on Climate-related Financial Disclosures
- Paris Agreement
- EU circular economy
- IIRC: International Integrated Reporting Council "International Integrated Reporting Framework"
- Requests for various ESG surveys

## Materiality

Materiality	Related risks/opportunities	Main targets/KPI	SDGs targets to contribute to
<b>Business Model Transformation</b>	a. Changes in economic and social conditions b. Changes in market c. Responding to technological innovation	· Expansion and strengthening of global market · New destination development · Improve operational efficiency/cost structure reform · Promotion of new business <b>KPI</b> (Consolidated) FY2026 Net sales 430 billion yen	8, 9
<b>Improvement of Service Quality</b>	a. Changes in economic and social conditions b. Changes in market c. Responding to technological innovation	· Improving customer experience value through DX promotion · Seamless sales channel (OMO promotion) · Expansion of high value-added products	4, 8, 10, 11, 12, 13, 15, 16
<b>Diverse Human Resources</b>	b. Changes in market f. Developing and securing human resources	· DEIB promotion · Management leader development · Work style/culture reform <b>KPI</b> FY2026 Work satisfaction index 80%, (non-consolidated) FY2026 female executive/manager ratio 20%	4, 5, 8, 10
<b>Providing Security and Safety to Customers</b>	d. Management of safety and quality of services provided e. Service interruptions and quality deterioration due to system or equipment failures, etc.	· Preparing and updating various safety guidelines and manuals · System security measures <b>KPI</b> (non-consolidated) e-learning training participation rate (100% personal information/100% security)	3, 12
<b>Coexistence with Local Communities</b>	a. Changes in economic and social conditions g. Climate change and Environmental regulation	· Providing services that connect everyone with the world (universal tourism, online travel) · Co-creation with local communities 50 governments, NGO/NPO	4, 11, 12, 17
<b>Preservation of the Global Environment</b>	g. Climate change and Environmental regulation	· Initiatives to reduce environmental impact in business · Promotion of energy and resource conservation <b>KPI</b> (non-consolidated) FY2026 Plastic reduction 70%, paper resource reduction 70% (compared to FY2019)	12, 13, 15
<b>Reinforcement of Governance</b>	h. Governance	· Strengthening the effectiveness of the Board of Directors · Strengthen response to risk, compliance, and sustainability <b>KPI</b> (non-consolidated) FY2024 Compliance training held 6 times a year, 100% attendance rate	13, 16

# Environment

We believe that a healthy global environment is essential for the lives of plants and animals, including humans, as well as for sustaining HIS Group's business. Accordingly, we work to conserve resources and reduce the environmental footprint of our business activities. Moreover, we consider it our mission to provide opportunities for people to experience and learn about our planet's rich environment as something we can do for a sustainable world as a company with a heritage in the tourism industry.

## Initiatives to reduce environmental impact in business

### ○ Reducing exhaust gas during transportation

#### Reducing the Use of Rental Cars by Operating Trolleybuses and Buses

By operating trolley buses and shuttle buses in popular tourist destinations such as Okinawa and Hawaii, we not only increase the convenience of getting around our customers' destinations, but also reduce the increase in emissions caused by rental cars.



LeaLea Okinawa Shuttle bus

#### Reducing exhaust emissions by introducing EV vehicles

We are promoting the reduction of exhaust gas emissions from transportation by introducing EV tuk-tuks at hotels on Kumejima and Miyakojima in Okinawa Prefecture and for sightseeing in Bangkok, Thailand. In Thailand, we aim to introduce EV vehicles for airport transportation and sightseeing in cities other than Bangkok.



Okinawa/EV Tuk Tuk Emobi



Thailand/EV Tuk Tuk

#### Environmental measures by promoting the use of public transportation

Kyushu Sanko Group, in collaboration with bus operators in Kumamoto Prefecture and the Kumamoto City Transportation Bureau, has been holding "Kumamoto Prefecture Bus and Train Children Free Day (100 yen for adults)" every year since 2019. The purpose of this is to promote the use of public transportation and improve its convenience, as well as to lead to environmental measures such as alleviating traffic congestion due to the use of private cars and controlling the increase in exhaust gas. The environmental effect of the "Kumamoto Prefecture Bus and Train Children Free Day" (sponsored by Kumamoto City) held in March 2023 was an estimated 67 tons of CO<sub>2</sub> reduction per day. (CO<sub>2</sub> absorption equivalent to approximately 7,940 cedar trees)

We will continue to improve the usefulness of public transportation and remind citizens of its convenience, which will lead to regional revitalization and environmental initiatives.



Scene in front of Kumamoto Station on "Kumamoto Prefecture Bus and Train Children Free Day (100 yen for adults)"

### ○ Proposal for a trip to learn about the environment and sustainability

#### Malama Hawaii ~Earth-friendly journey from Hawaii~

In a place where tourism is a key industry, Hawaii is one of the most active places in the world in the area of responsible tourism. Under the slogan "Malama Hawaii," which means "compassion" in Hawaiian, Hawaii is promoting the importance of preserving the natural environment, and its traditions and culture visitors as well.

HIS agrees with this idea and signed a Memorandum of Understanding (MOU) with the Hawaii State Tourism Bureau in September 2022 to promote responsible tourism "Malama Hawaii" and promote sustainable and regenerative tourism. Masu. In this activity, HIS carries out educational programs for employees, disseminates information to customers through a special website and SNS, and proposes a "new trip to Hawaii" where you can experience Hawaii's history, culture, and nature.



Ala Wai Canal Water Quality Improvement Project

#### Ecotourism

We have established dedicated desks and provide experience tours for hiking, environmental protection, and cultural exchange, etc., based on the concept of "travel that charges the senses" which allow travelers to experience and learn about the local natural environment, history, and culture, etc., and to get a feel for the places they visit through interacting with the local residents. We also offer carbon offset plans which can offset CO<sub>2</sub> emissions during tours.



Trekking in Yakushima

#### Group travel with sustainability in mind

We propose group trips that consider sustainability for companies, organizations, and educational institutions. In addition to travel plans that include airlines, hotels, and destinations that promote sustainable initiatives, we also offer opportunities to learn about the SDGs before your trip, as well as experiential programs to learn about the SDGs during your trip.

## Initiatives for the future of sustainable

### Pioneering the future of sustainable tourism with an investment in SAF

HIS is an investor in the United Airlines Ventures Sustainable Flight Fund, a research and development initiative by United Airlines that focuses on sustainable aviation fuel (SAF). In addition, HIS sells tours that adhere to United Airlines' sustainability criteria and is committed to providing more sustainable travel products moving forward.

→ Details on P.20



Image

### Selling Earth-friendly stratospheric space travel

In September 2023, HIS invested in Space Perspective, and we are offering stratospheric space travel. Using Space Balloon™ technology to fly, Neptune is the world's first balloon-type spacecraft capable of reaching space via a carbon neutral method, and since it only travels as far as the stratosphere, passengers do not become weightless, so any adult can participate in tours. QUALITA Co., Ltd. serves as the official agent in Japan.



Photo by Space Perspective

## Promoting Resource Conservation in Business Activities

### Reducing plastic consumption in the hotel business

HIS Hotel Holdings has introduced amenity bars in hotels to promote the reduction of plastic consumption in business activities. In addition, "HOTEL VISON" and "Hatago VISON," which are based on the concept of "play in the field, learn in the field," reduce the amount of plastic used by using raw materials containing natural straw. We have introduced amenities that reduce environmental impact by about 40% compared to conventional amenities. In addition, the duvet and pillow are made with marine plastic batting from ADVANSA, Germany. The raw material used is PET flakes from Plastic Bank (an organization that works to reduce ocean plastic and create jobs for the poor).



Image of amenities that reduce environmental impact

### Reducing plastic product consumption in the travel business

HIS has promoted the reduction of plastic product use by eliminating plastic bags given to travelers participating in tours and replacing plastic delivery bags with paper bags, resulting in a 5.5-ton reduction in FY2023, or approximately 78.5% of the FY2019 level. \*1



Paper bag for home delivery

### "Upcycling" utilizing seat seat fabric from route buses

Starting in November 2022, the Kyushu Sanko Group will be selling "upcycled" products that utilize seat fabrics used on route buses. Route bus seats, which come in several different fabrics and patterns, are transformed into new products with various designs and ideas, which not only helps reduce waste, but also has been well-received by customers as a memorable and special product.



Bus seats Upcycled tote bag

### Paper Reduction in the travel business

HIS uses FSC®-certified\*3 copier paper, which protects forests, and promotes the use of paperless paper for various internal applications and electronic documents, as well as at meetings. We have implemented a system to track the amount of copy paper used by each department and are working to promote awareness of the need for paperless operations. The amount of copy paper used at HIS in FY2023 was approximately 66.7 tons, a reduction of approximately 79.5% compared to FY2019 before the Corona disaster\*1. In FY2023, we reduced the volume of travel brochures by approximately 75% compared to FY2019 by improving customer convenience through the development of digital brochures that can be viewed on the web and by optimizing efforts to reduce excess inventory\*1. In November 2023, we began to digitize travel itineraries for package tours (we also provide written itineraries upon request). We will continue to promote the paperless system to improve convenience for our customers and reduce the burden on the natural environment.

\*1 FY2023 is a reference value as the spread of the new coronavirus infection is affecting business activities.

\*2 Upcycling is the process of adding value to items that would otherwise be discarded and is also referred to as creative reuse.

\*3 FSC®-certified: A certification that delivers well-managed products to consumers while conserving forest biodiversity and protecting the rights of local communities, indigenous peoples and workers.

## Initiatives against climate change

### Disclosure in accordance with the TCFD Framework

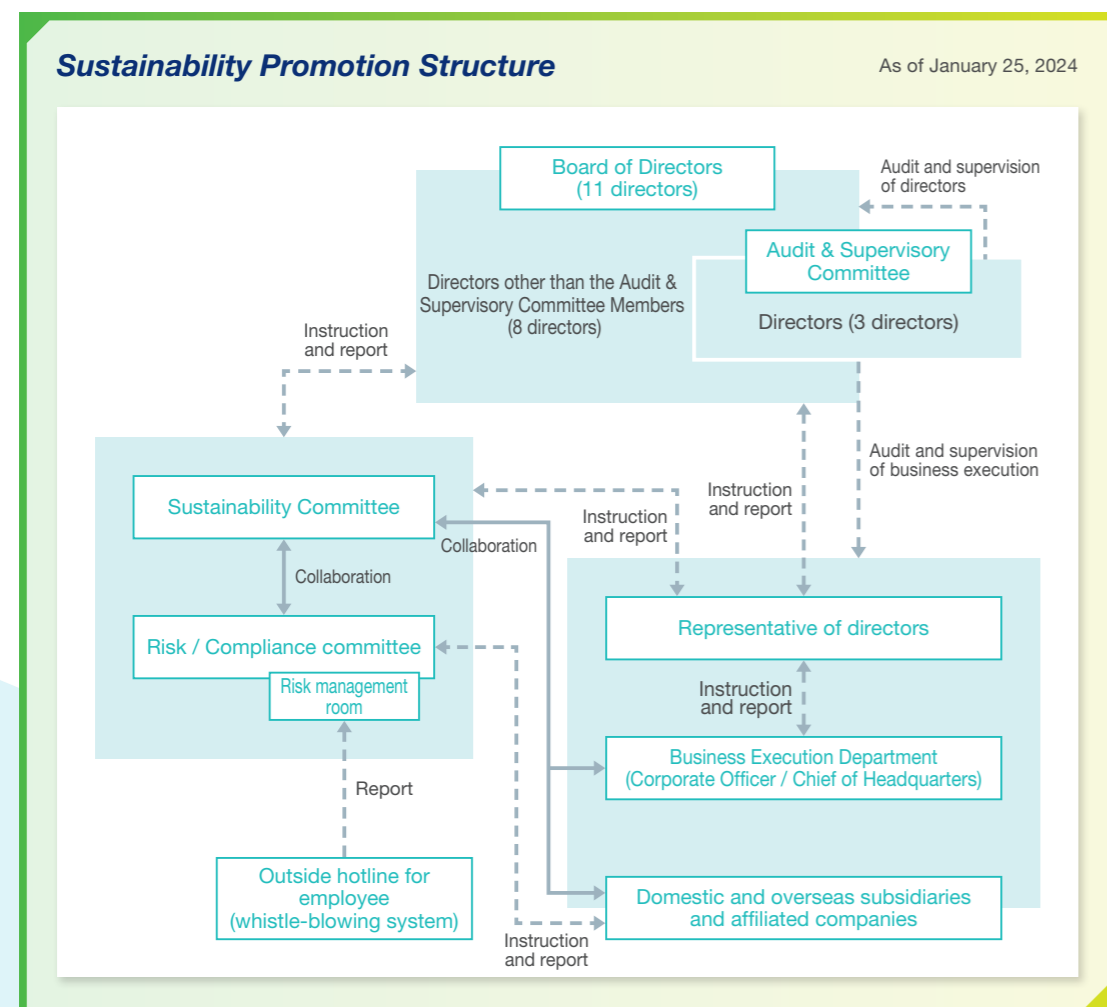
The HIS Group has expressed its support for the recommendations of the Climate-related Financial Disclosure Task Force (TCFD) and joined the TCFD consortium to understand the impact of climate change-related risks and opportunities on HIS' business activities through (1) governance, (2) strategy, (3) risk management, and (4) indicators and targets.

We will continue to promote and improve our disclosure in line with the TCFD recommendations.



### 1 Governance

The HIS Group has formulated the HIS Group Philosophy, promotes related awareness, and aims to be a Group that continues to be trusted and chosen by its stakeholders. Its Sustainability Committee, which is chaired by the president and representative director, takes the lead in discussing important policies and measures, monitoring progress toward targets, and promoting sustainability initiatives. This is done in collaboration with the Risk / Compliance Committee, business execution departments, and domestic and overseas subsidiaries. Important matters discussed in the Sustainability Committee are submitted to the Board of Directors for deliberation and approval. Further, all employees strive to foster a corporate culture and environment that respects the rights and positions of stakeholders and upholds sound ethics in business activities in accordance with the HIS Group Code of Conduct.



### 2 Strategy

The HIS Group has conducted a climate change scenario analysis in accordance, and has compiled climate change risks, opportunities, associated impacts, and corresponding measures that are relevant to its businesses. We will promote priority measures for items with high risk significance and long-term impact.

As of December 1, 2023

Type of risk	Item of risk/opportunity	Impact*1	Period*2	Measures
Physical risks	- Increasing frequency of typhoons, heavy rains, heat waves, etc. and increasing severity of damage	High	Short-Long	- Customer response based on crisis management manual - Enhancement of Pre-travel support services (cancellation support) - Providing safety and security using a global network (DX promotion) - Thorough disaster prevention manuals and disaster prevention training for owned facilities and vehicles - Improvement of stockpiles and evacuation system
	- Suspension or delay in service provision due to data center (DC) damage caused by natural disasters	Medium	Short-Medium	- Review data center configuration - Migrate servers to the cloud - Make critical data redundant
Transition Risks	- Increase in business operating costs due to restrictions on vehicle operation and taxation according to emissions because of stricter regulations on GHG (greenhouse gas) emissions	Low	Medium-Long	- Promoting the conversion of owned buses and vehicles to EVs, FCVs, etc. - Investing in and introducing environmentally friendly means of transportation - Understanding supplier GHG emissions and considering sustainable procurement
	- Increase in business operating costs due to the introduction of carbon pricing	Low	Long	- Energy saving and introduction of renewable energy - Promoting the conversion of owned buses and vehicles to EVs, FCVs, etc. - Reducing plastic products and promoting paperless use
	- Cooling consumer sentiment due to rising service prices due to soaring fuel prices	Medium	Short-Long	- Promotion of micro tourism - Stimulating demand for travel - Providing new experience value
	- Changes in customer behavior and preferences due to increased interest in climate change	High	Short-Long	- Reducing plastic products and promoting paperless use - Providing environmental protection experience programs - Promoting the conversion of owned buses and vehicles to EVs, FCVs, etc. - Providing carbon neutral products - Providing new experience value - Introduction of environmentally friendly means of transportation - Proactive information disclosure
	- Decline in services due to environmental changes such as rising temperatures and sea levels, and the enactment of new regulations, laws, and ordinances.	Medium	Medium-Long	- New product development/destination development - Development of products aimed at protecting the natural environment (in collaboration with tourism bureaus and local governments) - Expansion of businesses other than travel industry
	- Decrease in corporate value and decrease in investment and business partners when climate change efforts are judged as insufficient	Medium	Short-Long	- Proactive information disclosure - Investment in renewable energy

Short (~FY2024), Medium (FY2025~FY2026), Long (FY2027~FY2030)

### 3 Risk management

Within the HIS Group, the Sustainability Committee and the Risk / Compliance Committee collaborate to identify, evaluate, and manage climate-related risks. The Risk Management Office collects information on business risks for the Group as a whole, including risks related to climate change, and shares its findings with the Risk / Compliance Committee. The committee develops a management system for identifying, analyzing, evaluating, and responding to potential risks, and conducts activities to prevent risks from materializing. The Sustainability Committee engages in activities such as ascertaining risks associated with climate change, analyzing them in accordance with the framework of the TCFD recommendations, discussing important policies and measures related to the environment, and monitoring progress toward targets. It provides reports to the Board of Directors as deemed necessary

### 4 Indicators and Targets

The HIS Group takes initiatives to address climate change, and "conservation of the global environment" is one of its material issues. In FY2023, the Group identified the Scope 1 and Scope 2 CO<sub>2</sub> emissions of its major domestic group companies, and implemented initiatives to examine and reduce CO<sub>2</sub> targets. It has also explored ways to gauge Scope 3 emissions, and promoted initiatives to reduce them.

The HIS Group is conducting initiatives to achieve a reduction of 70% in plastic usage (compared to FY2019) and 50% in copy paper usage (compared to FY2019) by FY2026. For progress status, please see "Promoting resource conservation in business activities (P.38)."

#### CO<sub>2</sub> emissions (Scope 1 + Scope 2) (Tonnes)

	FY2023
H.I.S. Co., Ltd.	3,292.9
H.I.S. Hotel Holdings Co., Ltd.	4,205.8
12 Kyushu Sanko Group companies	28,370.8

\*The above figures are approximate. (Using MS&AD InterRisk Research Institute's CO<sub>2</sub> emissions simple calculation service)  
\*The Scope 1 emissions for the 12 companies in the Kyushu Sanko Group were calculated in accordance with the aggregation method of the Energy Conservation Act Periodic Report.

\*H.I.S. Co., Ltd. , H.I.S. Hotel Holdings Co., Ltd. , 12 Kyushu Sanko Group companies

HIS Sustainability Website Environment

<https://www.his.co.jp/sustainability/environment/>



# Social

HIS Group has set out empowering diverse human resources, providing security and safety to customers, and coexistence with local communities, and we aspire to a society in which the people of the world can have peace of mind and there is mutual respect for the rights and diversity of everyone, transcending nationality, race, culture, and religion, etc. Empowering diverse personnel gives rise to awareness of a variety of social issues, and the creation of initiatives to solve them. We are devoted to building a better society through initiatives which emphasize coexistence, symbiosis, and mutual prosperity.

## Human Resources

### Basic view on human capital management

The HIS Group believes that human resources are the source of value creation, and strives to create an environment in which each employee can work with a sense of job fulfilment and excitement. The Group was founded in 1980, and started its operations by challenging established practices in the travel business. At the time, the number of annual outbound Japanese travelers stood at approximately 3.9 million, one-fifth of the market size in 2019. In a market geared heavily toward high-priced group tours, the Group pioneered foreign independent tours (FITs) using low-cost airline tickets, and worked to explore new markets for individual and independent travel. The Group's vision for 2030, which will mark the 50th anniversary of its founding, is "Change & Create—embracing the spirit of challenge, bringing the world together, and continuing to be a company that is chosen by its stakeholders." It begins with a reference to the "spirit of challenge," which was the starting point of the Group's operations. The exploration of new challenges has been an essential part of our history, and the Group aims to transform itself and achieve sustainable growth by helping ensure its individual employees can take on exciting challenges.

### Contributions from diverse human resources (DEIB Promotion)

It aims to be a Group in which individual employees respect and support each other, challenge themselves to grow in unique ways, and turn diversity into a strength. To achieve these goals, it promotes diversity, equity, inclusion, and belonging (DEIB).

### Promotion of the participation and advancement of women in the workplace

The Group has a high ratio of female employees, and promotes the participation and advancement of women in the workplace as one of its important themes. In 2019, it established the D&I Promotion Office as a dedicated organization. In 2023, it further expanded the scope of the office, and reorganized it into the DEIB Promotion Office. To increase the number of female employees participating in management, the Company has set targets to achieve a 20% ratio of women in managerial and executive positions by FY2026, and 30% by FY2030. Under the leadership of its president and representative director, it has launched a nationwide project and promoted various initiatives. It aspires to be a company that allows employees—regardless of gender—to balance work and childcare, with a target of achieving an 80% rate of male employees taking childcare leave by FY2026, and 100% by FY2030.

### HIS results and targets

	FY2023 results	FY2026 targets	FY2030 targets
Ratio of female managers	14.0%	20.0%	30.0%
Ratio of female executives	15.4%	20.0%	30.0%
Ratio of men taking childcare leave	65.6%	80.0%	100.0%

### External certification



A company that promotes the participation and advancement of women in the workforce  
Level 3 of the "Eruboshi" certification  
(Ministry of Health, Labour and Welfare)  
H.I.S. Co., Ltd., Miki Tourist Co., Ltd.



A child-rearing support company  
"Kurumin" certification (Ministry of Health, Labour and Welfare)  
H.I.S. Co., Ltd.



Certificate of Excellent Child Care Support Company  
(Kumamoto City)  
Kyushu Sanko Group

### Pick Up National DEIB Promotion Project

HIS has bases all over the country, and even within Japan, challenges differ depending on the region. Therefore, in the "National DEIB Promotion Project," with the president and representative director as the leader and the company's commitment, subcommittees have been established in each region to carry out bottom-up promotion. We also actively carry out grassroots activities such as study sessions with staff to help them understand and disseminate DEIB, and roundtable discussions for staff returning to work after childcare leave.



A roundtable discussion of the Chugoku-Shikoku Division

### Pick Up Certified as an excellent company supporting childcare by Kumamoto City

Kyushu Sanko Group has been certified by Kumamoto City as an excellent company that supports childcare. We have created a work environment that allows employees to balance childcare and work, including a childcare support system that allows employees to take part-time work until they graduate from elementary school, a work-life balance support center consultation desk, and a unique paid leave system. We hope that not only our employees, but also those considering employment in the future and the local community, will learn about our company's initiatives, and that we will contribute to the local community as a company contributing to Kumamoto.



Kyushu Sanko Auto Service

### Pick Up Initiatives for Level 3 of the "Eruboshi" certification

At MIKI TOURIST, when the Childcare and Family Care Leave Act was revised, we held an information session for all staff without limiting the audience so that they would treat it as their own personal matter, and distributed an archive to staff who were unable to attend. We also implemented We have also set up a point of contact where staff and their superiors can consult with peace of mind before and after maternity/paternity leave.



Reinstatement interview

### Active participation of human resources of various nationalities

Active participation of human resources of various nationalities  
With the globalization of our business, the HIS Group has staff of various nationalities working both domestically and internationally. Another important theme is the active participation of human resources at overseas bases that support global business development. We aim to increase the ratio of Non-Japanese Manager at overseas affiliates to 65% by FY2026, and will continue to develop and promote human resources.

### Pick Up Evaluator training for managers held around the world

HIS introduced a new personnel system in May 2023 and also updated its evaluation system. In line with this, we have introduced evaluator training for managers, and are conducting it not only in Japan but also for managers of HIS overseas corporations. Managers from HIS overseas companies from all over the world gathered in Istanbul, Hawaii, and Bangkok from January to February 2024, providing an opportunity to deepen their thoughts on personnel evaluation and human resource development.



Overseas manager training in Istanbul

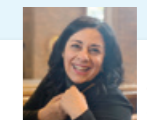
### Pick Up Recognition as a "Great Place to Work"

In December 2023, Red Label Vacations of Canada received the internationally trusted Great Place to Work® certification based on their judging criteria. In addition, we were also recognized as one of the Best Workplaces™ Managed by Women 2024 in March 2024.



### Red Label Vacations CEO Nathalie Tanious/CHRO Diana Valler

We have engaged in a variety of initiatives to help motivate our employees, including establishing and maintaining an educational system for all employees, providing opportunities for career development, expanding medical and mental health benefits, and holding team building events and holiday parties. Most of all, we stress the importance of communication between employees. While everyone is delighted to receive this recognition, instead of considering our work done with this award, we want to continue making progress, working together towards our common goals.



Nathalie Tanious  
CEO



Diana Valler  
CHRO

## Social

### ○ Creating a comfortable workplace

#### Internal environment improvement policy

The HIS Group's Charter of Conduct stipulates "Secure a comfortable and safe working environment." We aim to improve work engagement by promoting the creation of workplaces that ensure not only physical safety but also psychological safety so that our employees can continue to take on challenges with vigor and energy.

#### Promotion of health management

In order to maintain and improve the health of our employees, we use various indicators to improve the working environment and promote "health management" in collaboration with the health insurance association and industrial physicians.

- Promoting paid vacation taking
- Improving health checkup, secondary health checkup participation rate
- Improving stress check participation rate

#### HIS results and targets

	FY2023 results	FY2026 targets
Average rate of paid leave taken	68.4%	75.0%
Health checkup, secondary health checkup participation rate	45.0%	70.0%
Stress check participation rate	60.5%	70.0%

#### Promoting diverse work styles

In response to the diversity of lifestyles, we support a variety of work styles by providing side job systems, telecommuting systems, re-employment systems, flextime work, and shorter working hours during childcare periods. We will continue to consider further expansion of various systems, such as shorter working hours, shorter working days, and remote work, with the aim of optimizing work styles to suit a wide variety of jobs and lifestyles.

#### Pick Up Introduction of short-time/short-day work system for senior employees

HIS will revise its post-retirement re-employment system in May 2024 and introduce short-time/short-day work for contract employees.

In an era when people will reputedly live 100 years, we will give support for fulfilling lifelong careers beyond retirement age by increasing the options for work styles beyond the age of 60, and having each person choose the work style that suits their life plan. As part of this support, we also held money plan seminars to deepen understanding of asset building.



Money plan seminars

### ○ Human resource development

#### Human resource development policy

In the spirit of Vision 2030 to "be the preferred company of choice, full of enterprising spirit and bringing the world together Change&Create", we are working to foster personnel who each have their own great dreams and goals, are free thinkers not limited by conventional ideas, and take on new challenges without fear of failure.

#### Autonomous career development and creation of diverse growth opportunities

HIS will be implementing a new "Career Vision Training" starting in 2024 in conjunction with the "Career Vision System," in which employees self-report their career plans once a year. In addition to reporting, we also have an open recruitment system that allows employees to volunteer for their desired department or job, and we are working to create a system that allows each staff member to independently build their career.

#### Pick Up Career Vision Training

At HIS, we conduct training in which each employee looks back on their past history, reconfirms their own strengths and characteristics, and envisions their thoughts, dreams, and goals for the future.

In the second half of the training, participants create a future timeline, plan next steps, and further explore their ideas through dialogue with peers.

For employees who are raising children, we openly discuss what they are feeling in their daily lives, such as how to balance childcare and work without abandoning their dreams and goals. This is an opportunity to think about taking a step toward the future.



Career vision training

#### Pick Up 20% Project Recruitment

20 Project Recruitment is a recruiting system in which employees spend 20% of their working hours (once a week) experiencing different jobs from their usual work they want to try while continuing their current jobs. Staff who are interested in one of the themes created by the various departments will raise their hands and take part, collaborating for the duration of the project.

Collaboration by members with diverse backgrounds creates opportunities for employees to engage with work they want to try, as well as opportunities for growth through new insights gained by taking in a variety of perspectives.



#### Developing leadership personnel who will lead the period of change

We believe that producing human resources who will lead the next generation is essential for the transformation and sustainable growth of the HIS Group, and we carry out systematic leader development.

#### Pick Up Developing next generation leaders "HIS Future Project"

HIS holds selective training sessions where employees in their 20s and 30s gather from all over the country to deepen their learning with the main theme of "marketing." During the training, participants are divided into multiple teams across departments and work together to propose new ideas that they would like to take on in the future.

- [High perspective] Experience thinking from a company or business perspective
- [Broad perspective] Learn about initiatives outside the company (held exchange training with other companies)
- [Differences in viewpoints] Perceiving things from diverse perspectives to make an idea a reality



HIS Future Project

Through training I took on the above challenge, and it became an opportunity for "Adventure and Challenge," one of the four codes of conduct for each person to take a new step toward their dreams, goals, and future and realize the HIS Group Purpose to "Unleash your feeling KOKORO ODORU".

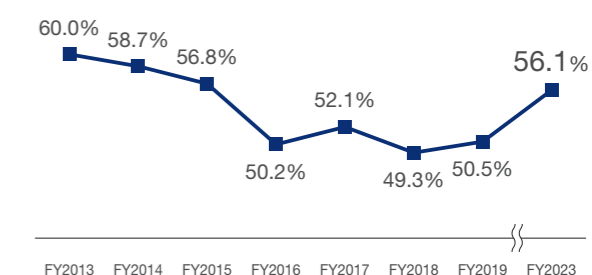
#### Employee satisfaction survey

HIS has been conducting an "Employee Satisfaction Survey" for all employees once a year since FY2013, but it was forced to be canceled due to the coronavirus pandemic, and the survey was conducted for the first time in four years in FY2023. The rate of positive responses to the final question, "Overall, I would say HIS is a rewarding company to work for" was 56.1%, an increase of 5.6 points from the previous survey in FY2019.

As a future direction, we will focus on "questions with a low average rating" and "questions with a high correlation to job satisfaction, but with a lower rating than the overall average rating." We also shared with our staff that we aim for a job satisfaction index of 80% by FY2026.

Aiming to be a company that is more rewarding to work for, we will continue to listen sincerely to the voices of each and every staff member, promote DEIB, create a comfortable workplace, and develop human resources.

#### Past trends



	FY2023 results	FY2026 targets
Job satisfaction index <sup>(*)</sup>	56.1%	80.0%

\*Percentage of employees who responded that the company was a rewarding place to work in the employee satisfaction survey

## Co-creation with local communities

### A journey to face social issues through interaction between people ~Study Tour~

HIS works on study tours in collaboration with NGOs, NPOs, and local governments, with the aim of promoting mutual understanding through exchange and working together to realize a sustainable society. In particular, we have been conducting study tours to interact with Cambodian children since 2010.

Cambodia was affected by the Pol Pot regime, and even today, it lacks educational personnel and school facilities, making it difficult to secure enough class time for each child, forcing them to teach in two shifts. Another major issue is the widening educational gap between urban and rural areas. In order to resolve this situation, in the spring of 2017, we collaborated with the NPO HERO to build a public elementary school where children can attend free of charge.

Since then, we have been involved in the construction of a total of five elementary schools, as well as playground equipment and libraries within the schools, and many customers from Japan have participated in these construction projects as tours. Even after the project is completed, we continue to conduct study tours to visit the school.

Through extracurricular classes, the tour not only provides an opportunity for Cambodian children to learn, but also provides an opportunity for tour participants to interact across borders and cultures. We will continue to promote mutual understanding among people around the world and propose sustainable travel that leads to world peace.

(Sustainable travel suggestions are also posted on page 37.)



Elementary school built

### Pick Up Received the grand prize at the 1st "JATA SDGs Award"

At the first "JATASDGs Awards" sponsored by the Japan Travel Agents Association (JATA), HIS received the grand prize in recognition of its continuous efforts to provide learning opportunities and fun to Cambodian children. In addition to this initiative, HIS received an encouragement award in three categories, and a group company (Tour Wave Co., Ltd.) received an encouragement award in one category.



JATA supports the Sustainable Development Goals (SDGs)



Award ceremony

### Inheriting traditional culture and supporting women ~Maya Embroidery Project~

Our Mexican subsidiary started the Maya Embroidery Project in 2020 to support the livelihood of the descendants of the Mayan people of Mexico's Yucatan Peninsula who were forced into hardship when the coronavirus pandemic cut off tourism revenue. This project was launched jointly with the Asociacion Pro-Dignificacion de la Mujer Maya A.C. (Association for the Dignification of Mayan Women), a government-certified non-profit which was been providing support for Mayan villages locally for the past 12 years, and we were able to start the project through crowdfunding thanks to the support of many people in Japan.

Traditional Mayan embroidery is a beautiful embroidery that is characterized by the unique sensibility and colorful use of colors of the Maya people, who live in coexistence with nature. In this project, we are developing products with original Maya embroidery, launching the Maya village original brand "COCOMAYA", and opening an e-commerce site "Maya Mexico" to sell them. In addition to Mayan embroidery products, we also sell a selection of sustainable products made in Mexico that are considerate of nature and the environment.

Currently, we provide Mayan embroidered handkerchiefs as a special gift on HIS tours of the Yucatan Peninsula in Mexico, offering sustainable travel which allows travelers to lend their support by participating in the tour. In the future, we aim to establish workshops which will provide employment opportunities for Mayan women, increasing the women's social status and improve their livelihood through higher wages, and promote children's education and hygiene.



Mayan people and project members

### Support for providing disaster-resistant housing

The Fiji corporation supports the Model Town Charitable Trust's project, which supports the poor in Fiji, which has been hit hard by cyclones. This project provides disaster-resistant and sanitary housing for the poor, and carries out community development such as education, medical support, vocational training, and infrastructure development.

At HIS, we give Koroipita Angels, handicrafts made by women in the community, to participants as a bonus gift for participating in the tour, and introduce them in the HIS tour pamphlet. We are working to raise awareness of this activity by providing "sustainable travel" where participation can lead to support.



[Koroipita Angels]

### Supporting pediatric medical care in Canada with charity events

Since 2014, Canada's Red Label Vacations has been holding the "TravelBrands Annual Charity Golf Classic" charity golf event in support of SickKids (Canada's largest pediatric medical center affiliated with the University of Toronto) under its travel business brand TravelBrands. The 8th event, held in September 2023, raised CAD 300,000 in donations.

Red Label Vacations also holds a charity walking event for employees every year, including SickKids Day, which donates 1% of sales. Through various charity activities to date, more than CAD 2 million has been raised for SickKids. All donations raised are used to advance the treatment and research of children's heart disease, train the next generation of specialists, and improve facilities.

We will continue to hold events to provide opportunities for participants to interact with each other and improve their health, and we will continue our efforts to give back to local medical care in hopes of a healthy future for children.



The donation from TravelBrands to SickKids

### Initiatives to create a local exchange population

HIS is working with local governments to create an exchange population.

Kagoshima concluded an "Agreement on Promotion of Inbound Tourism" in February 2022, and in November 2023, Kagoshima, Vietnam Airlines, and HIS concluded a collaboration agreement to promote tourism. Vietnam Airlines operated a charter flight between Kagoshima and Hanoi (Vietnam), which does not have regular flights.

HIS plans and sells both Vietnam tours and Kagoshima tours in each country, and the Vietnam subsidiary held a seminar in collaboration with Kagoshima that brought together major travel agencies to convey the appeal of Kagoshima.

We will continue to leverage HIS' global network and resources to contribute to regional revitalization through travel.



Kagoshima seminar (Vietnam)

### Promoting the charm of the region domestically and internationally

At HIS, we collaborate with local governments to promote tourism and products, hold events, and promote domestic and international SNS, in order to communicate the charms of Japan's regions to people both domestically and internationally.

Harajuku Tourist Information Center (foreign tourist information center) operated by HIS holds local tourism and product promotion events for overseas visitors. The Tottori Prefecture promotion held in January 2023 included the installation of prefecture tourist information pamphlets and posters, displays of a wide variety of specialty products, and events related to specialty products displayed according to area and theme. The promotion in Harajuku, which is always crowded with people, was an opportunity for both domestic and international people to experience the charms of Tottori Prefecture.

We will continue to utilize the resources of HIS to communicate the charm of the region domestically and internationally in various ways, and contribute to the increase in the number of exchanges, relationships, and permanent residence in the region.



Tottori promotion event

### Pick Up Aiming for tourism development in Mino City, Gifu that will please the local community

Mino City is located in the center of Gifu, surrounded by the clear streams of the Nagara River and Itadori River, as well as mountains rich in nature. It is famous for its townscape that retains the atmosphere of the Edo period and for its handmade Japanese paper technique, "Hon Mino Paper", which has been registered as a UNESCO Intangible Cultural Heritage. From 2021, HIS staff will be seconded here as regional cooperation managers and will be working to create demand for domestic travel and improve the system for accepting foreign tourists visiting Japan.



Mino washi paper Akari Art Exhibition photo session  
©atsushi.k.photography

#### Regional Partnership Manager Masaki Takahashi (HIS Chubu Division)

The city of Mino is an enchanting area where rich natural beauty and old-fashioned neighborhoods coexist with the everyday lives of residents. In the year I arrived here, I worked on developing experience-type bus tours of local sake breweries, and a multi-lingual digital tourism map app for Mino. During the tourism development process, I felt the lack of videos and images that communicate the appeal of Mino was a problem, so as a solution, we planned and held joint photo shoots with an aerial drone photography tournament and professional photographers. At the seasonal aerial drone photography tournament, I was able to appreciate the beauty of Mino from a different perspective, and we shared the videos on YouTube and at tourism expos, etc., enabling us to share the beauty of the area with a wider audience. We received praise from locals who said, "Looking at Mino from a new perspective let me see the beauty of the community in a new light." We also held a photo session to coincide with the Akari Art Exhibition featuring fantastic glowing artwork made from Mino washi paper with a backdrop of streets that preserve the historic feel of the Edo period. The photos taken were circulated on social media, and contributed greatly to Mino's public relations. We want to continue emphasizing communication with the community, and aspire to develop sustainable tourism that will make both visitors and local residents happy.





○ Initiatives for the future of society

Product development using local ingredients with local high school students

Starting in September 2023, the Kyushu Expressway Miyahara Service Area operated by the Kyushu Sanko Group will be selling soft serve ice cream made in collaboration with students from Kumamoto Prefectural Nanryo High School. With the theme of "Soft-serve ice cream that promotes the appeal of Kumamoto Prefecture," we solicited menu ideas for soft-serve ice cream using local ingredients, and 55 students participated. As a result of a careful examination of documents and presentations, it was decided to sell two types of soft-serve ice cream: Mont Blanc flavor and Takema tea flavor, and more than 400 servings were sold in the first week of sales. Sales were so strong that we are still selling it as a regular product. In addition, "Nanryo rice" grown by the students of the school is also sold at the Miyahara service area every November. Kyushu Sanko Group will continue to deepen its relationship with local schools and students, provide opportunities for them to succeed, and work to revitalize the region.



Presentation by students

A workshop to think about the ocean plastic issue

Since September 2023, we have regularly been holding recycling experience workshops for kids using plastic bottles caps at Laguna Ten Bosch's Lagunasia on the shore of nature-rich Mikawa Bay as a way to create opportunities for the kids and young people who will be responsible for the next generation to enjoy the sea and take action to build a better future. In this workshop, the participants grind up plastic bottle caps with a bicycle-powered shredder, heat the plastic in a special machine, and pour it into a mold to make original key fobs. We held seven of these events this fiscal year, with 265 participants. With the issue of marine plastic waste worsening in recent years, we hope that this workshop will provide opportunities to consider what we can do to protect the ocean in our everyday lives.



Crushed plastic bottle caps

Online Job Experience Program

TABIFLEEEEEK, an online salon run by HIS that anyone who loves traveling can participate in, regularly holds a "Job Exploration" program for children. This is a free program jointly distributed online by HIS employees and salon members. This program has been held five times since 2022, and so far we have spoken to people from more than 30 different jobs, including firefighters, illustrators, and aquarium staff, and approximately 4,250 children have participated. By providing these opportunities through free online distribution, we hope to eliminate the "difference in children's experiences" and lead to a future where they can freely and happily choose their jobs.



Image

HR Lab: Enlivening work in Japan

HIS has been operating HR Lab since 2022 with the slogan "Helping working people to shine." At the lab, we partner with the staff of companies dealing with issues in the field of HR, and provide information and solutions with the aim to help resolve these issues. As part of providing information, we operate Hcross, a community site which serves as a place to share information about human resources and training. In less than two years since it was established, 800 members from 450 companies have registered. As events for members, we regularly hold social gatherings and conferences themed on HR issues such as personnel training, empowering women, and engagement, providing a place to study the examples of leading companies and exchange information with other HR professionals. We also provide solutions to all kinds of problems in HR and other fields on request. Furthermore, in response to current attention on health management as a human resources issue for companies and government offices, we signed a comprehensive partnership agreement with a public interest incorporated foundation for the promotion of health management in February 2024. Going forward, we will provide information and content that leverages specialist knowledge, and contribute to the promotion of health management.



HR Lab. Webinar

 **HIS Sustainability Website Society**  
<https://www.his.co.jp/sustainability/social/> 

Providing safety and security to customers

Travel safety and quality control

At HIS, we create independent HIS quality and safety control guidelines to provide our customers with highly safe and reliable travel products that enable them to enjoy travel in Japan and abroad, disseminating them to our HIS overseas branches and business partners, and devote our best efforts to quality and safety control. When dealing with vehicles and optional tours, etc., we conduct appropriate inspections, and only make a choice after thorough examination. Additionally, we regularly conduct internal training to improve our employee's knowledge and awareness regarding safety management when creating travel products. We will continue striving to remain customers' company of choice because they feel HIS can be trusted, and want to use HIS again on their next trip.



Online training

Providing services that connect everyone to the world

Universal Tourism

HIS conducts a health questionnaire when making a reservation at HIS stores in Japan so that people with physical disabilities, health concerns, and disabilities can enjoy their travels. We make travel proposals and arrangements after understanding the customer's situation. In addition, we utilize HIS's global network to provide one-stop reception systems at destinations. Since 2002, we have established a "Universal Tourism Desk" for customers who require more detailed support. Our staff with specialized knowledge in nursing care and welfare, as well as staff who can speak sign language, will be in charge of everything from travel consultation to arrangements and accompanying you, allowing you to enjoy your trip freely and without hesitation. From January 2024, we have started selling "tours departing from and arriving at local locations for wheelchair users" so that you can enjoy wheelchair travel more freely and affordably. We have started providing services in Istanbul, Turkey, and Cairo, Egypt, popular tourist cities where it is difficult to arrange personal wheelchair travel. A Japanese-speaking guide will accompany you on the local itinerary, you will stay in a barrier-free hotel room, and a welfare vehicle will take you on sightseeing routes that have been confirmed to be suitable for wheelchairs. We hope to continue to utilize the know-how we have cultivated over many years to help you enjoy your travels with peace of mind and more comfort.



Tour for wheelchair users

[Regarding the notation of disabilities and wheelchairs] At HIS, we align the notation with official documents and treaties, and except for proper nouns, we use kanji as a general rule.

Pick Up

Holding an information session on American baseball game tour with sign language interpretation

In July 2023, we held a travel information session for the "Los Angeles Baseball Tour" at our Shinjuku head office with sign language interpretation. This tour is one of the most popular among sports watching tours, and since many of our customers come to the United States to watch a game, we not only provide basic travel information, but also information on how to access and enter the stadium, as well as seat information, etc. HIS staff who have experience accompanying baseball watching tours provided detailed information that will help you enjoy the game even more if you know it. An HIS staff member who is also hearing-impaired served as a simultaneous sign language interpreter, and also invited hearing-impaired customers to participate in the information session. Our customers also seem to have had much less anxiety before leaving on their trip. Our customers were able to enjoy traveling and watching the games without any inconvenience during the tour, as a Travel Sign Language Interpretation Supporter\* accompanied them on the baseball watching tours. We will continue to propose trips that everyone can enjoy, regardless of whether they have a disability or not.

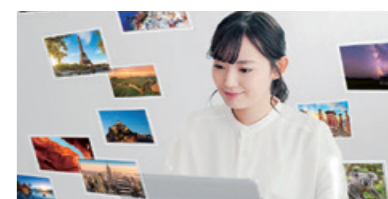


Travel information session

\*Travel Sign Language Interpretation Supporter: HIS's unique service that accompanies you on your trip and provides sign language interpretation for travel information such as local guide explanations and boarding procedures. HIS Universal Tourism Desk plans and sells "Shuwa Support," a tour accompanied by a Travel Sign Language Interpretation Supporter, and "Shuwa Tabi Nakama," a tour accompanied by a dedicated sign language tour guide for the hearing-impaired.

Online Experience Travel

The online experience tour, which was born during the coronavirus pandemic, offers a variety of domestic and international content, from sightseeing to shopping and fortune telling. Since the service began in 2020, more than 300,000 people have participated in a total of more than 15,000 courses. In addition to recorded content, we also hold special projects that utilize HIS' global network, such as 24-hour live tours and first sunrise tours around the world, providing opportunities for people who are unable to travel overseas to easily connect with the world.



Image

# Governance

## Governance initiatives

### Fundamental concept of corporate governance

HIS Group considers "Reinforcement of Governance" to be a materiality, and we aspire to be a company which is trusted and chosen by stakeholders based on the HIS Group Philosophy.

In addition, each employee is working to engender a corporate culture and climate which respects the HIS Charter of Corporate Behavior and the rights and positions of every stakeholder in accordance with the code of conduct.

### Corporate governance system

The Board of Directors makes major operational decisions by resolution following laws, the Articles of Incorporation, and internal regulations and is informed of each director's operations and the business performances of the major group companies.

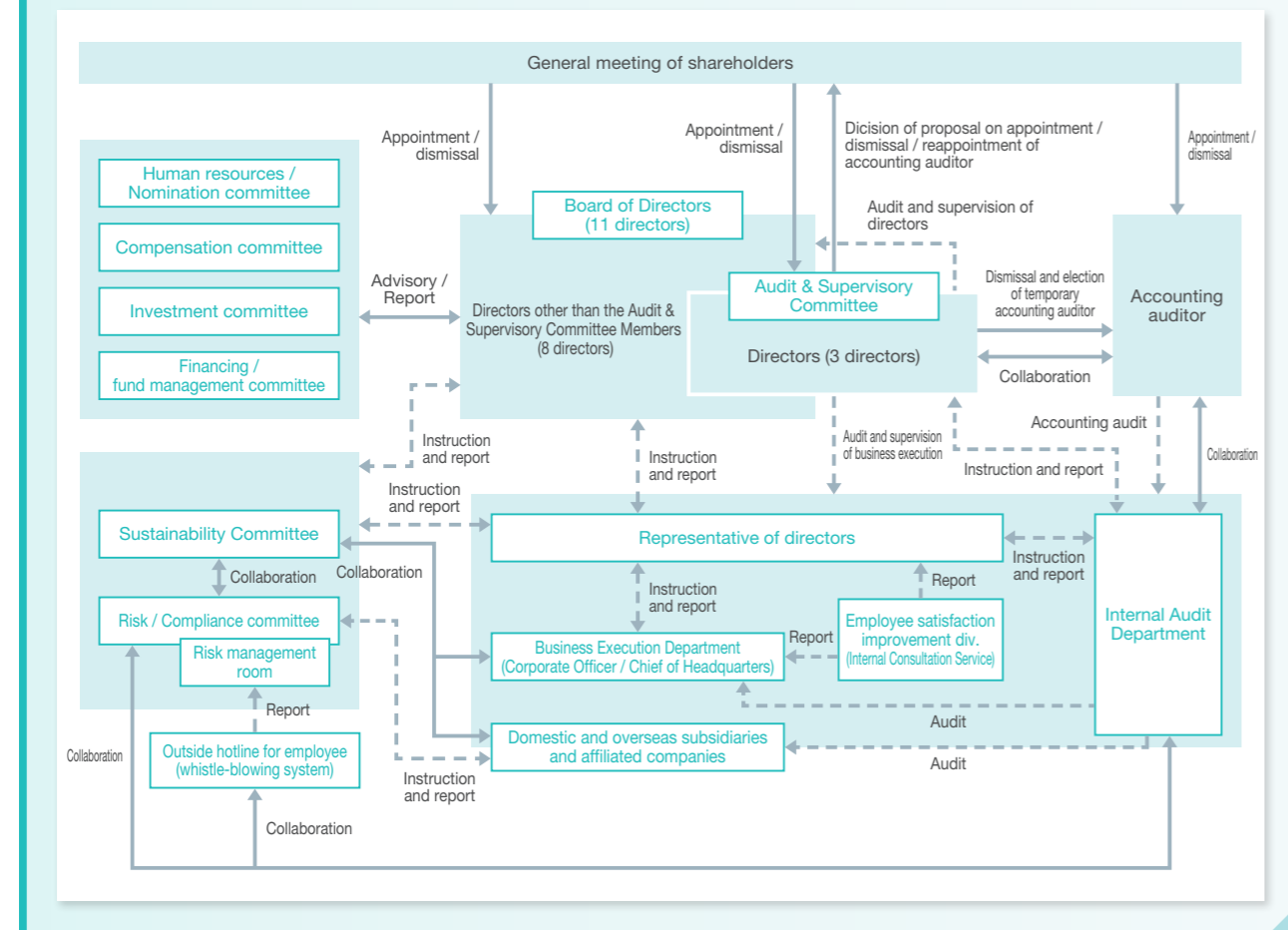
Each Director consistently executes his/her duties efficiently by making appropriate and prompt decisions following his/her role and authority under the Regulations of the Board of Directors, the Regulations on Division of Duties, the Regulations on Administrative Authority, and other regulations.

Important matters, such as resolutions of the Board of Directors, are adequately retained, recorded, and managed by the authorized and responsible department and are appropriately disclosed following laws and regulations or the timely disclosure rules of financial instruments exchanges or when the company deems such disclosure effective for shareholders and investors to make appropriate judgments.

The Supervisory Committee periodically holds discussions with the Representative Director and other members of the Board and receives reports from the Auditor on a regular basis. The Internal Audit Department is required to work closely with the Supervisory Committee to ensure that effective audits by the Supervisory Committee are carried out appropriately, to conduct internal audits under the direction of the Supervisory Committee as necessary, and to report the results to the Supervisory Committee. Organizational audits by the Supervisory Committee using an internal control audit system, etc., are conducted effectively, and the Audit Department (internal audit department) fulfills its intended role.

### Diagram of Corporate Governance System

As of January 25, 2024



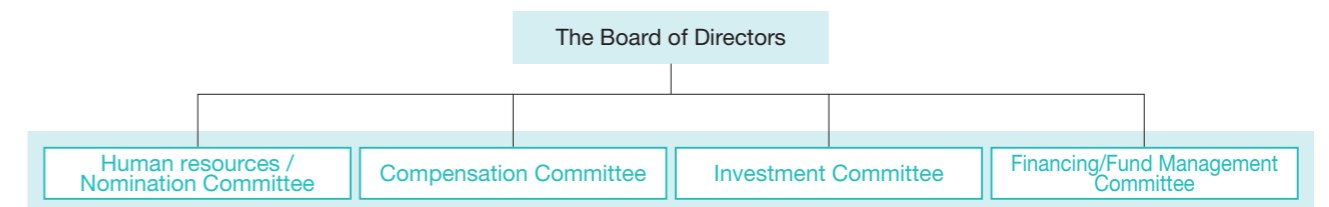
### Deliberations of the Board of Directors

The board of directors conducts deliberations, etc., on the approval of quarterly financial results, management systems, financial policy, investments, and M&A proposals based on the regulations of the board of directors in addition to legal requirements. They also receive regular reports from each board member on their area of responsibility, as well as performance reports and reports on future business plans from representatives of each group company.

In FY2023, when drafting a business strategy to return to profitability and the mid-term business plan for FY2024–2026 announced in December 2023 in response to the recovery period from the coronavirus pandemic, the board adopted a three-year policy of "challenging new areas" to restructure our portfolio and innovate on core areas centering on travel business, and engaged in focused deliberations.

To revitalize the deliberations of the board of directors, the corporate planning department created a space for information exchange with the four independent outside directors either directly or through dedicated staff on auditing committees, etc., to promote mutual confirmation in order to enable sharing objective knowledge and strengthening recommendations.

### Advisory committee



The Board of Directors has four committees as Advisory Committees.

The Human resources / Nomination Committee the consideration of director and executive positions, the Compensation Committee matters of compensation for directors and executives, the Investment Committee is to deliberate matters of investment, the Financing/ Fund Management Committee important matters concerning fundraising and fund operations.

After each committee has deliberated, the findings of each will be presented to the Board of Directors for deliberation and resolution. The Board of Directors respects the reports of each committee and passes resolutions.

We are also proceeding with discussions to strengthen the objectivity and independence of each committee, such as the composition ratio of independent outside directors on Advisory Committees.

### The Board of Directors effectiveness evaluation

Once a year, each company director is to conduct a self-evaluation using a signed questionnaire. The Board of Directors is to analyze and consider this evaluation and move toward further improvements.

#### Main improvements in FY2023

- Increased diversity among Outside Director has led to livelier discussions at the Board of Directors
- HIS Group Philosophy is now available in multiple languages and is becoming widespread throughout the group.
- The Risk / Compliance Committee began to meet regularly, which led to stronger governance.

#### Future challenges to address

- Discussion towards formulating a successor training plan
- Development of policies and implementation plans to improve diversity of Directors (gender, nationality, etc.)
- Progress management of the medium-term management plan and deliberations toward restructuring the business portfolio
- Discussion including quantitative targets for non-financial information such as sustainability

HIS Sustainability Website Governance

<https://www.his.co.jp/sustainability/governance>



# Governance

## Officer structure

### Skill matrix for Directors and Corporate auditors

Name	Post	In charge	Advisory Committees *1	FY2023 The Board of Directors/Advisory Committees Number of meetings	Skills/Experience						
					Corporate management	Travel business	Business strategy Innovation	Financial/Accounting	Human resources/Labor affairs	Legal affair Compliance	Digital strategy ICT
Yada Motoshi	President, Representative Director, and Chief Executive Officer (CEO)	—	Chair of Human resources / Nomination Committee Chair of Compensation Committee Chair of Investment Committee Chair of Financing/Fund Management Committee	12/12 9/9 7/7 10/10	○	○	○	○	○	○	○
Nakamori Tatsuya	Senior Managing Director	In charge of Inbound Business Strategy	Member of Human resources / Nomination Committee Member of Financing/Fund Management Committee	12/12 9/9 10/10	○	○	○	○	○	○	○
Oda Masayuki	Managing Director	In charge of Group Strategy, Affiliates, and M&A Chief Information Security Officer	Member of Compensation Committee Member of Investment Committee	12/12 9/9 7/7 10/10	○	○	○	○	○	○	○
Yamanobe Atsushi	Director Senior Executive Officer	General Manager of Corporate Sales Division	Member of Investment Committee Member of Financing/Fund Management Committee	12/12	○	○	○	○	○	○	○
Gomi Mutsumi	Director Senior Executive Officer	In charge of New Business Strategy		12/12	○	○	○	○	○	○	○
Sawada Hidetaka	Director Senior Executive Officer	In charge of Individual Travel Business Strategy and Domestic Travel Head of Investment Strategy Division	Member of Human resources / Nomination Committee Member of Compensation Committee	12/12 6/6 4/4 8/8	○	○	○	○	○	○	○
Owada Junko	Outside Director	—	Member of Human resources / Nomination Committee Member of Compensation Committee Member of Investment Committee	10/10 5/6	○	○	○	○	○	○	○
Kagawa Shingo	Outside Director	—	Member of Investment Committee Member of Financing/Fund Management Committee	9/10 6/6	○	○	○	○	○	○	○
Sekita Sonoko	Director Full-time Audit & Supervisory Committee Member	—	Member of Financing/Fund Management Committee	12/12 7/7	○	○	○	○	○	○	○
Nabeshima Atsushi	Outside Director Audit & Supervisory Committee Member	—	Member of Human resources / Nomination Committee Member of Compensation Committee	12/12 9/9 10/10	○	○	○	○	○	○	○
Kaneko Hiroto	Outside Director Audit & Supervisory Committee Member	—	Member of Human resources / Nomination Committee Member of Compensation Committee Member of Investment Committee Member of Financing/Fund Management Committee	10/10 5/5	○	○	○	○	○	○	○

■ The Board of Directors (\*2 \*3)    ■ Investment Committee \*\*  
■ Human resources / Nomination Committee \*\*4    ■ Financing/Fund Management Committee \*\*4  
■ Compensation Committee \*\*4

\*1 As of March, 2024  
 \*2 Director Owada, Director Kagawa, and Director Kaneko took office in January 2023; therefore, the number of Board of Directors meetings will be different.  
 \*3 In addition to the above number of Board of Directors meetings, there were four written resolutions deemed to have been approved by the Board of Directors meetings.  
 \*4 Due to changes in the advisory committee composition during the term, the number of meetings will vary depending on the committee.

### Executive Officer

Takano Kiyoshi	General Manager of HQ Information System Division and General Manager of HQ DX Promotion Division
Fukushima Ken	President & CEO of HIS Design and Plus Co., Ltd.
Iwama Yuji	President & CEO of KYUSHU INDUSTRIAL TRANSPORTATION HOLDINGS CO., LTD.
Hatano Hideo	General Manager of Overseas Business Division and President & CEO of H.I.S. CANADA HOLDINGS INC.
Arita Kozo	General Manager of Private Travel Sales Division; In charge of Overseas Travel
Kataoka Yuka	Director and Executive Officer of H.S. Insurance Co., Ltd.; In charge of Finance and Accounting; General Manager of Finance & Accounting Dept.
Oda Konosuke	President of North, Central and South American, Hawaii, and Micronesia Regional Company
Hine Katsumi	President & CEO of Miki Tourist Co., Ltd.
Hanazaki Osamu	General Manager of Accounting & Finance Division
Segawa Katsu	Head of Corporate Planning Office and General Manager of Affiliate Management Division and Corporate Management Division
Kumamoto Tomohisa	General Manager of the Central and South America Division and General Manager of Mexico Subsidiary
Fukui Shigeru	Director and CEO of GROUP MIKI HOLDINGS LIMITED and President of Europe, Middle East and Africa Regional Company
Akao Shohei	General Manager of HQ HR Division
Tsuda Norikazu	President of Asia and Oceania Regional Company

## Executive Remuneration

### Policy for determining executive remuneration

At its Board of Directors meeting held on February 25, 2021, the Company adopted a policy to determine remuneration, etc. for individual directors of the Company.

#### [Rules related to remuneration calculation method and determination of remuneration]

Remuneration amounts paid by the Company to its officers are set within the overall limit of remuneration approved by the General Meeting of Shareholders. The amounts allocated to directors (excluding directors serving as members of the Audit & Supervisory Committee) are determined by the Board of Directors based on recommendations from the Compensation Committee, and the amounts allocated to directors who concurrently serve as members of the Audit & Supervisory Committee are determined through deliberation by members of the Audit & Supervisory Committee. The policy for determining remuneration amounts is in accordance with the internal remuneration regulations established through deliberation by the Board of Directors and members of the Audit & Supervisory Committee and covers provisions related to the remuneration structure, remuneration determination criteria, and standard remuneration amounts.

#### [Remuneration policy]

- To have in place a competitive remuneration system with high degree of fairness
- Remuneration system and levels that are based on work responsibilities and performance (regardless of nationality or gender), and contribute to the acquisition and retention of outstanding human resources
- To have in place a remuneration system focused on improving corporate and shareholder value
- Remuneration system and structure that is closely correlated to earnings performance and focuses on improving medium- to long-term corporate and shareholder value

### Remuneration system for the Company's directors (excluding directors serving as members of the Audit & Supervisory Committee)

Remuneration type	Objective/summary
Fixed	a. Basic monthly remuneration The Company determines amounts commensurate with directors' roles and positions, and pays these as basic monthly remuneration.
Variable	b. Performance-linked remuneration (linked to ordinary profit) To calculate performance-linked remuneration, the Company uses the average of the three highest ordinary profit amounts recorded in the last 10 consolidated fiscal years as a reference value. As a rule, the Company pays an amount equivalent to 7% of the amount obtained by subtracting this reference value from the ordinary profit amount for the current fiscal year. However, based on earning performance trends, the Company may adjust the abovementioned 7% by 1-2 points. • Concrete amounts are determined within a range of 0-200% of the standard amount in accordance with the degree of earnings achievement in each fiscal year. • Paid as a lump-sum at the end of each fiscal year
	c. Stock option The Company has established a stock option program as a form of remuneration that aims to enhance corporate value over the medium to long term. The total amount is kept within the annual amount (within 100 million yen) approved by the General Meeting of Shareholders.
d. Restricted stock compensation The Company allots restricted stock to directors (excluding directors serving as members of the Audit & Supervisory Committee, non-executive directors, part-time directors, and outside directors), and accordingly aims to motivate directors to work toward continuous improvement of corporate value, and further align their interests with those of its shareholders. (The total amount is kept within the annual amount [within 100 million yen] approved by the General Meeting of Shareholders.) • Standard amount is calculated as monthly remuneration x multiple based on position at the Company	

\*As a result of the significant impact of the global COVID-19 pandemic on business performance, the remuneration, etc. for individual directors in FY2023 was not based on the remuneration composition above, but was reviewed by the Compensation Committee, and deliberated and determined by the Board of Directors.

### Remuneration composition

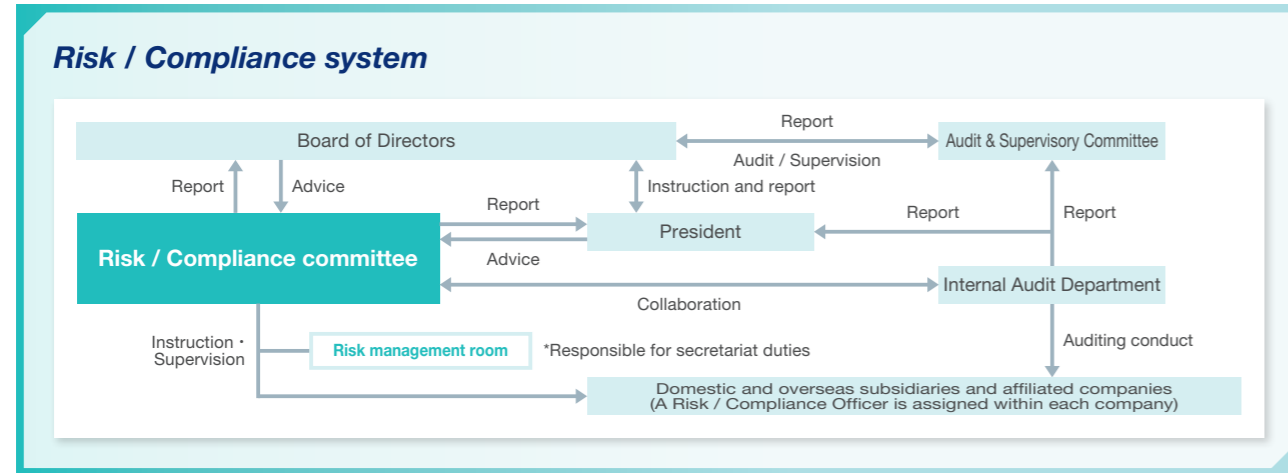
Remuneration type	Basic remuneration		Directors' bonuses		Stock-based compensation	
	a. Basic monthly remuneration	b. Performance-linked remuneration	c. Stock option	d. Restricted stock compensation	e. Stock option	f. Restricted stock compensation
Performance-linked or not	Fixed	Performance-linked	Performance-linked	Not linked to performance		
Time of payment	Monthly	Once a year	Upon completion of medium-term management plan	Upon retirement of each officer		
Share of remuneration	40%-48%	32%-40%	5%-9%	11%-15%		

## Compliance / Risk Management

### Compliance Basic Policy — With Honor and Integrity

We aim to always stay in tune with society's changing tides, act with honor and integrity, understand these shifts, and maintain balance and morals. To continue being trusted by all stakeholders, HIS Group adheres to this basic policy, with the awareness that each one of us is the face of the organization.

### Compliance system ~Organization and management~



#### Risk / Compliance Committee

The Company has put in place the necessary systems to ensure thorough risk management and compliance, and established a Risk / Compliance Committee to ensure the appropriateness of business operations through the promotion of risk management and compliance activities. This committee meets quarterly to discuss compliance, where reports from various HIS Group companies are shared and deliberated upon.

#### Risk Management Office

The Risk Management Office serves as the secretariat for the Risk / Compliance Committee; They collect information on risks throughout HIS Group and shares it with the Risk / Compliance Committee. They coordinate with relevant departments to manage, analyze, evaluate, and respond to potential risks, and work to prevent their manifestation. Additionally, they work closely with designated risk and compliance officers from each HIS Group company to ensure thorough compliance.

### Internal Reporting System

With the aim of early detection and countermeasures against all types of risks, various consultation and reporting services have been established to handle a wide range of matters, including those related to compliance and business environments. In addition to an internal contact point, an external contact point has been established by a specialized organization. To prevent any disadvantageous treatment due to consultation or reporting, we ensure the confidentiality of all concerned parties and strictly manage relevant information. This creates an environment conducive to easy reporting and consultation, enhancing self-regulation.

### FY2023 Compliance promotion activities

Activity content	Results	In charge	Means
Risk / Compliance Committee	4	Committee member	Face-to-face (partially online)
Compliance training	4	Risk Management Office	Video viewing/e-learning
Risk / Compliance report sharing	12	Risk Management Office	List submission/Committee report
Compliance awareness survey	1	Risk Management Office	Questionnaire
Promoting the use of the whistle-blowing system	12	Risk Management Office	Newsletter delivery

### Business risks

The main items identified as risks for the HIS Group are listed on the right. We will work to reduce and prevent risks by establishing a system to implement preventive measures and regularly checking and reviewing risk management. Additionally, from the perspective of group-wide risk management, immediate and periodic reports are conducted from subsidiaries and affiliated companies.

- Changes in economic and social conditions
- Changes in market
- Responding to technological innovation
- Management of safety and quality of services provided
- Service interruptions and quality deterioration due to system or equipment failures, etc.
- Developing and securing human resources
- Climate change and Environmental regulation
- Governance
- Accounting and Finance

## Dialogue with Shareholders and Investors

### Our Approach to Dialogue with Shareholders and Investors

We believe that constructive dialogue with our shareholders and investors contributes to the long-term corporate value and sustainable growth of HIS. Such dialogues provide an opportunity to deepen understanding of the HIS Group Philosophy, business environment, management, policies, and business measures. It also allows us to better grasp our reputation from the perspective of shareholders and receive valuable feedback.

To facilitate this ongoing growth and enhance corporate value, we have established the following basic principles for dialogue with shareholders and investors:

- We have a specialized department (IR Division) to plan and execute activities for dialogue with shareholders and investors.
- The IR Division handles all aspects of this dialogue, with the Representative Director acting as General Manager, who considers management's reasonable engagement based on shareholders' requests and discussion topics.
- The IR Division promotes smooth dialogue by regularly meeting and sharing information with relevant departments, and also exchanges information with each business segment as needed.
- Constructive dialogues with shareholders take place through the General Meeting of Shareholders, earnings presentations, one-on-one meetings, participation in IR fairs, facility tours, and other means focused on the long-term interests of shareholders.
- Opinions, requests, and concerns from these dialogues are timely reported to management and The Board of Directors to inform business operations and management.
- No undisclosed significant facts are revealed during these dialogues.

We are committed to this approach and continue to refine our system accordingly.

### FY2023 Main activities

#### IR Calendar

1st Quarter		2nd Quarter		3rd Quarter		4th Quarter					
FY2022	FY2023	FY2023	FY2023	FY2023	FY2023	FY2023	FY2023				
November	December	January	February	March	April	May	June	July	August	September	October
	15th Announcement of financial results	25th Ordinary General Meeting of Shareholders 26th Annual Securities Report submission		15th First quarter financial results announcement			14th Second quarter financial results announcement				13th Third quarter financial results announcement

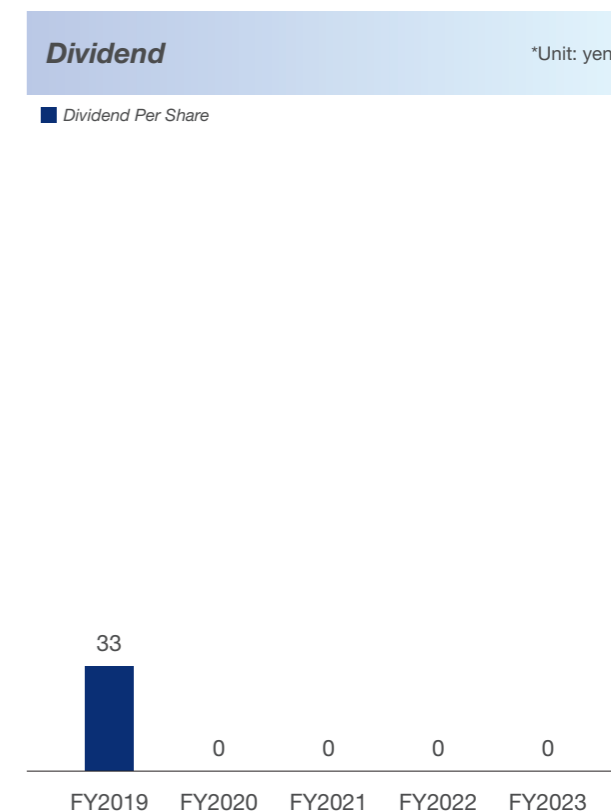
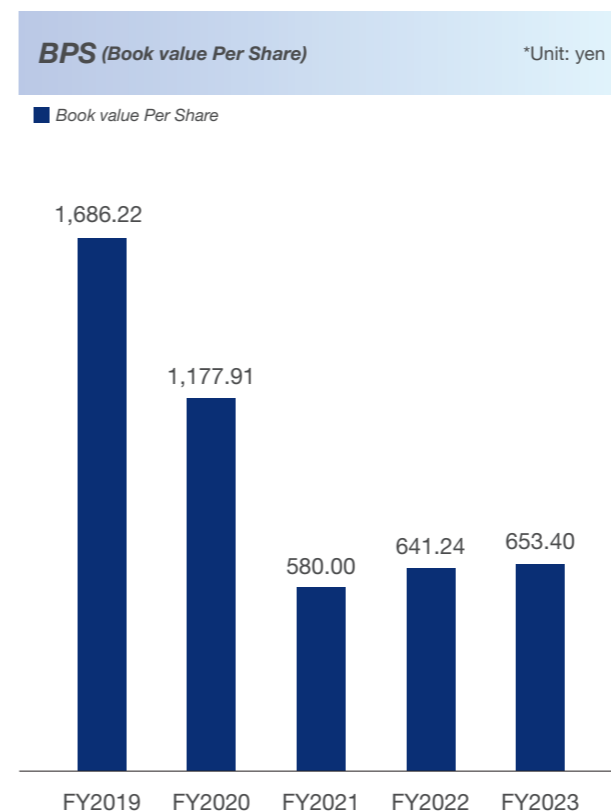
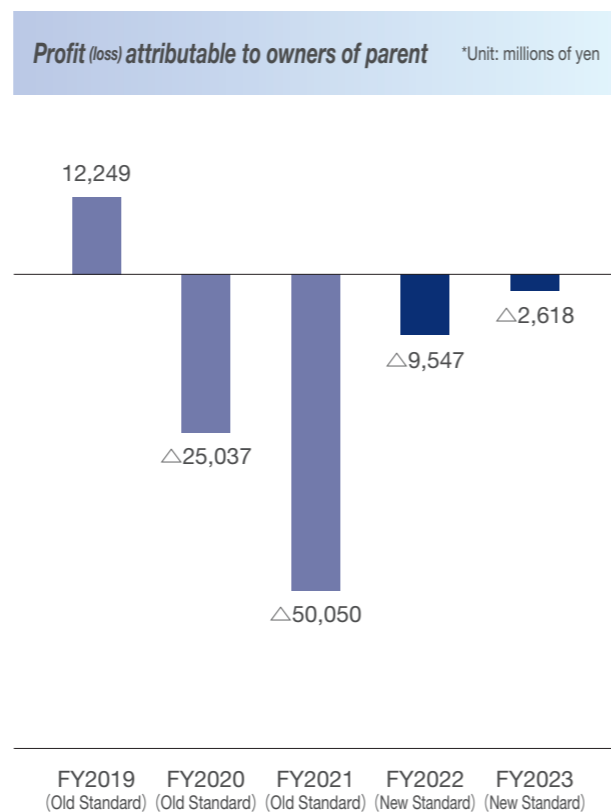
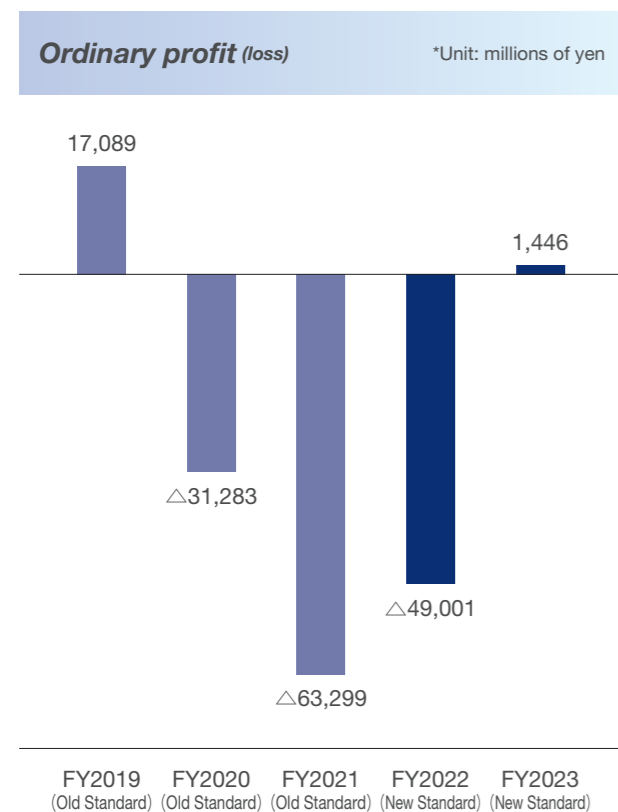
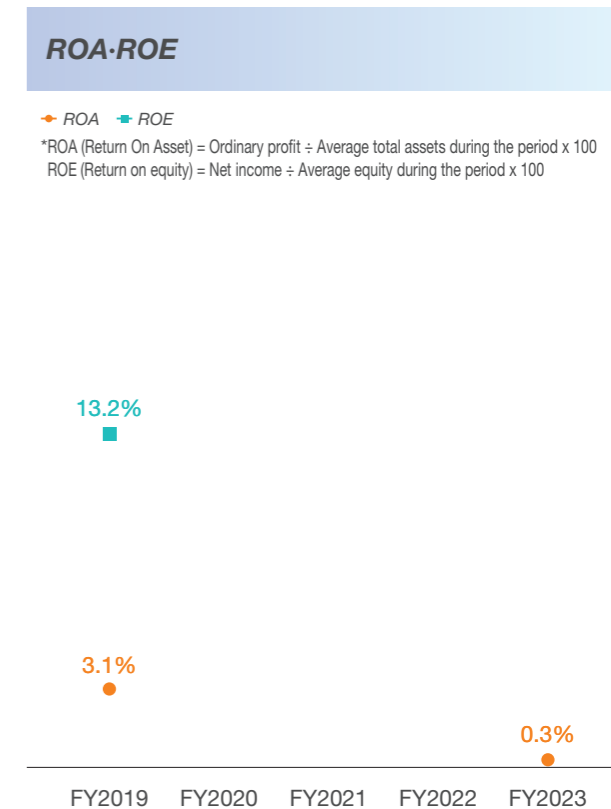
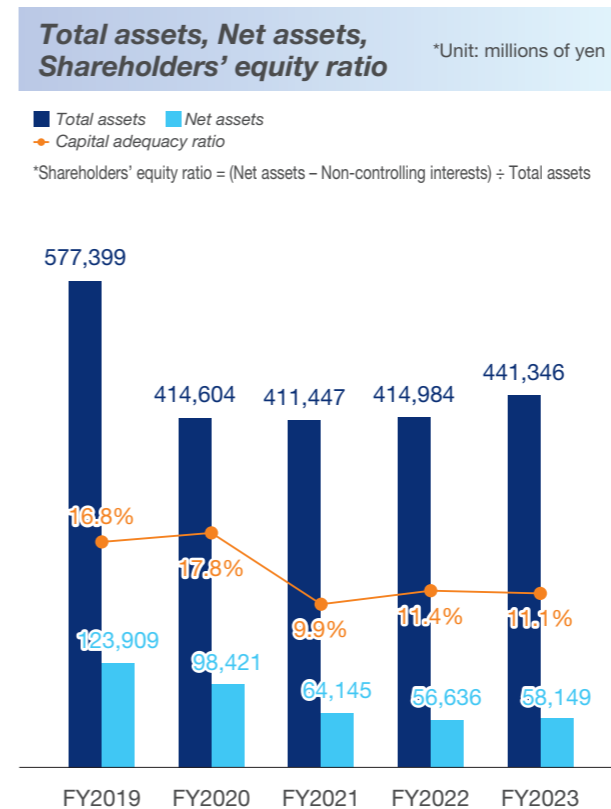
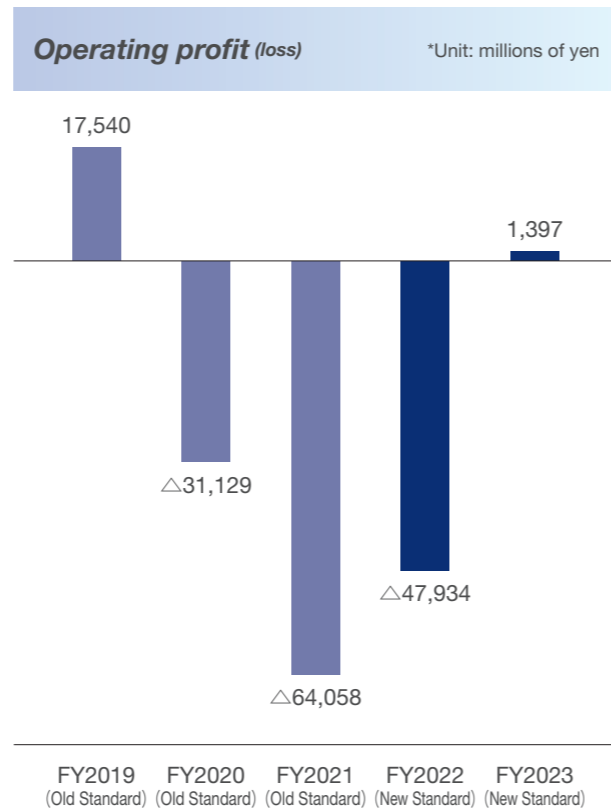
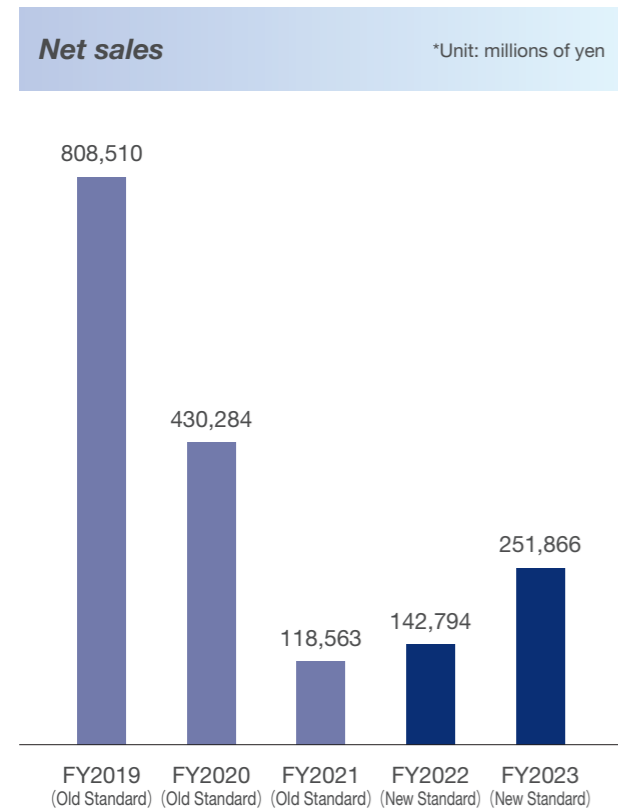
Target	Event	Results	Responder	Holding method/Theme
Shareholders	General Meeting of Shareholders	January 2024	CEO, etc.	Face-to-face format
Individual investor	Nikko WEB IR (Sponsor: SMBC Nikko Securities Co., Ltd.)	1	CEO	WEB
Institutional investors/ Analysts (domestic/ overseas)	Financial results briefing	4	CEO, etc.	Held in a hybrid format / Interactive Q&A at the venue and online
	Small meeting with CEO	3	CEO	Financial results/Medium-term management plan
	Overseas IR	1	CEO	Face-to-face format Financial results
	Individual meeting	179 items 228 companies	CEO In charge of IR	Online or face-to-face interaction
	Facility tour	1	Officer in charge	Conducted various facility tours to promote understanding of the HIS Group (Held record) Henn na Hotel Tokyo Asakusa Tawaramachi

### Feedback and response to management from dialogue with shareholders and investors

Questions and comments from individual meetings with institutional investors and analysts are shared with management and related departments on a monthly basis, and analyst reports issued by securities companies are also shared each time they are issued. In addition, we are working to update financial results briefing materials, expand disclosure information, and enhance the content of integrated reports based on the points we hear from institutional investors and analysts.

# Consolidated results

\*Figures are based on the fiscal year ended October.



(Note) Years in which losses were recorded are omitted.

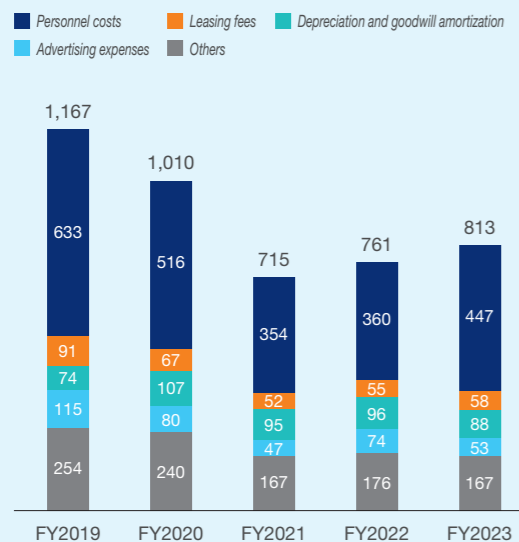
### Strengthening the financial base

• Return business volume to pre-coronavirus levels with 90% of pre-coronavirus costs

• Concentrate limited investment budget on businesses with high profitability and future prospects

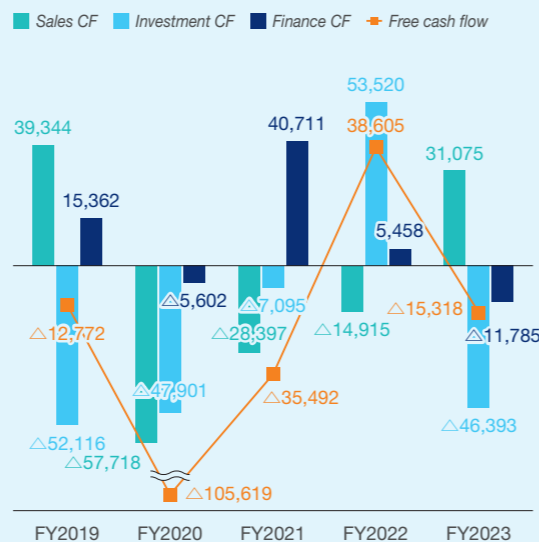
#### Trends in SG&A expenses

\*Unit: 100 million yen



#### Cash flow

\*Unit: million yen



\*Figures are based on the fiscal year ended October.

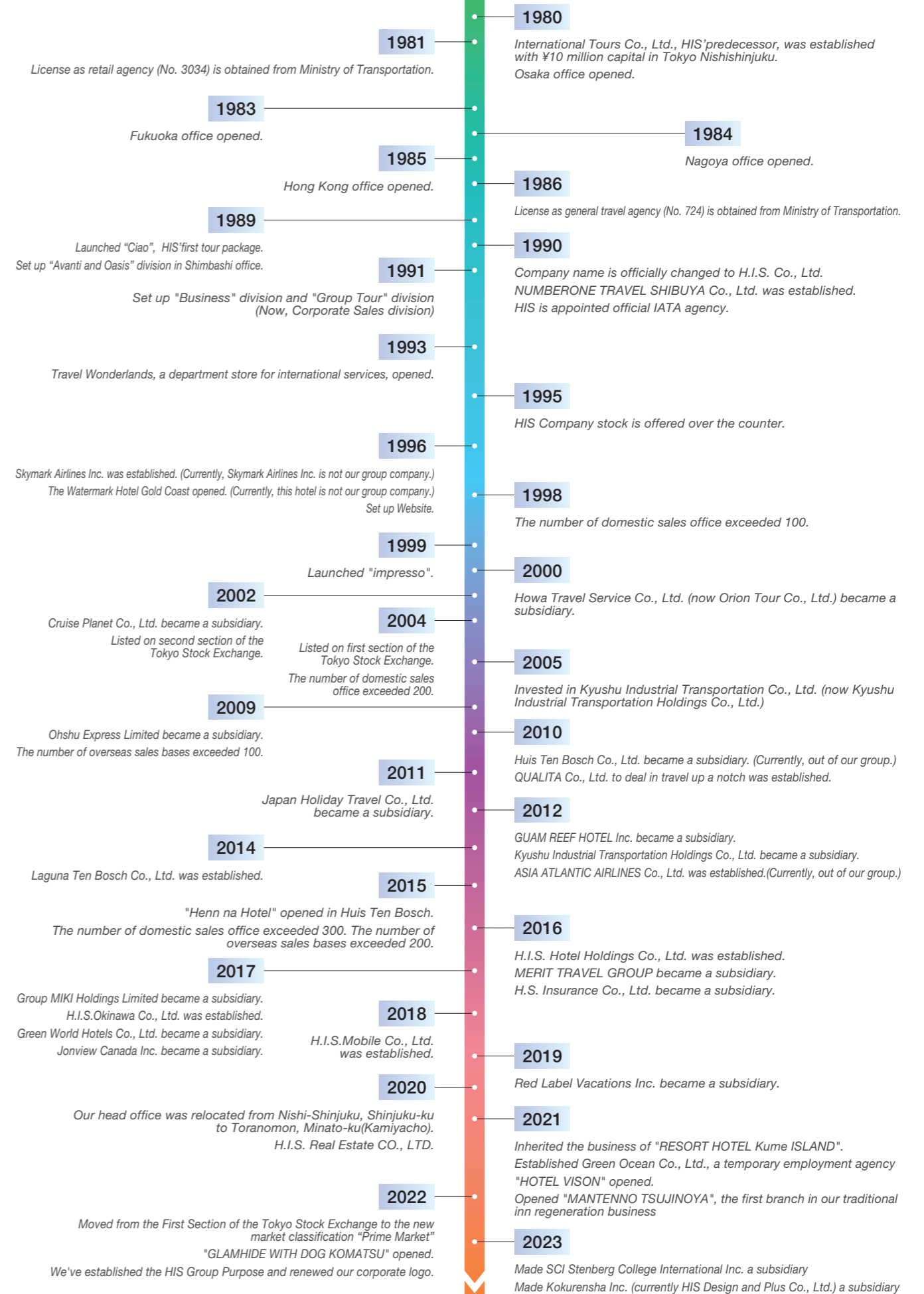
#### Policy of measures

##### (1) Shareholders' equity ratio : Target 20%

- ➔ Increase capital (Accumulate profits from your main business)
- ➔ Reduction of interest-bearing debt

##### (2) Improved Free cash flow

- ➔ Improving profitability in each business segment
- ➔ Review of capital investment





H.I.S. Co.,Ltd.  
Top adviser

**Sawada Hideo**

# Founder Message

## Looking toward the near future.

*Thank you for your ongoing support to our company*

*I would like to express my sincerest gratitude for the warm feedback we receive on a daily basis from our customers, everyone involved with HIS Group, and our shareholders.*

### ○ Supporting travelers

*The HIS adventure started in December 1980 with two desks and a telephone. We have since initiated changes, taken on challenges, built a future, and evolved and progressed to suit the times. When the company was founded, the travel environment was not something everyone could enjoy. Our mission was to revolutionize the travel environment. We wanted more people to travel the world, we wanted people to see the world and use their experiences to better themselves and society, and we wanted people to have their experiences of the world open new doors. These founding principles and the spirit of HIS remain unchanged now and for the future. We shall continue our mission to create an environment conducive for people around the world to get closer to each other and believe in their potential as they travel.*

### ○ Thoughts about world peace

*Everyone thinks that it is ideal to have a world without conflicts. However, the reality is that conflicts are constantly occurring. The cause of these conflicts is often difficult to understand unless you are there or involved. We believe our services can bridge different countries and peoples and present opportunities for cultural exchanges and sharing ideas to deepen mutual understanding. People are the ones who can contribute to the development of the country, and people who can make the world peaceful. To this end, it is necessary to promote mutual understanding through people meeting each other and to facilitate reforms in daily life to prevent conflict-causing problems. We shall continue to spread people's smiles across the world.*

### ○ Always seeking new challenges

*With revolutionary technologies such as AI and measures to protect the environment, the world's social values are changing. Such changes will continue to accelerate. The world has accepted various changes in the past to become what it is today. HIS has also constantly made carefully crafted proposals to bring about positive changes in the world. Contributing to people's creative development also contributes to world peace. We shall implement this idea steadily and strive to be a beloved company even 10, 50, and 100 years from now.*

*After the COVID-19 pandemic, we have again realized how big the tourism industry's role is, and the great passion people have for traveling. Such a humbling thought. We ask for your continued understanding and support for the HIS Group. Thank you very much.*

As of October 31, 2023

<b>Name</b>	H.I.S. Co., Ltd.
<b>Listed market</b>	Prime Market of the Tokyo Stock Exchange (9603)
<b>Licensed No.</b>	No.724 by Commissioner of Japan Tourism Agency
<b>Common stock</b>	100 Million Yen
<b>Established</b>	December 19, 1980
<b>Address</b>	Kamiyacho Trust Tower 5F, 4-1-1 Toranomom, Minato-ku, Tokyo 105-6905, Japan
<b>Net sales</b>	251.8 Billion Yen
<b>Number of employees</b>	11,816
<b>Affiliations</b>	Japan Association of Travel Agents International Air Transport Association, Japan
<b>Bank references</b>	Sumitomo Mitsui Banking Corporation Mizuho Bank, Ltd.
<b>Provision of information on the website</b>	HIS Group Corporate Website <a href="https://www.his.co.jp/">https://www.his.co.jp/</a>



HQ entrance

# HIS

## Editorial policy

This report contains a comprehensive range of information covering management approaches and strategy, a survey of the business, and other non-fiduciary considerations like Sustainability, and serves to convey details on management of the HIS Group and its activities across the board. In addition, all pictures in this report are images.

## Note on projections

Forecasts and outlooks included herein are based on information available at the time of writing and may include some risks and uncertainties. Note that, for that reason, the forecasts and outlooks listed in this report may differ markedly from actual outcomes.

## Edit

### H.I.S. Co., Ltd.

Segawa Katsu	Hanazaki Osamu	Kajiki Hiroshi	Ohashi Hironao	Hayashi Koji	Miura Tatsuki
Usami Kana	Sawatari Mitsuru	Yamazaki Yusuke	Kimura Masanori	Koizumi Yuki	Kawamura Tomoko
Noda Megumi	Munematsu Suzuna	Honda Rin	Sato Kota	Obata Takayuki	Sato Mari

### H.I.S. Hotel Holdings Co., Ltd.

Matsumoto Mami

### Laguna Ten Bosch Co., Ltd.

Nakagawa Ayaka

### KYUSHU INDUSTRIAL TRANSPORTATION HOLDINGS CO., LTD.

Suzuki Richika

### H.I.S. Mobile Co., Ltd.

Yoshizawa Koji

### GREEN OCEAN Co., Ltd.

Matsui Taichi

Date of issue March 25, 2024