

VELTRA™

**Medium-Term Management Plan
(2025-2027)**

February 14, 2025
VELTRA Corporation
TSE: 7048

About VELTRA



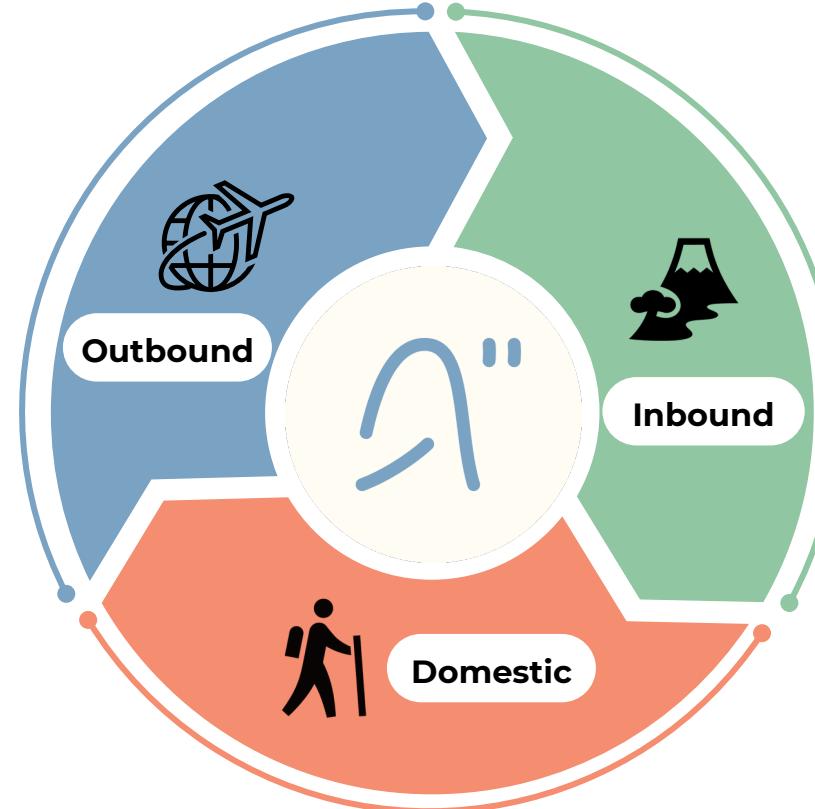
VELTRA provides seamless solutions to encounter "genuine experiences" through the power of technology, ranging from domestic to international, online to offline, beyond the boundaries of existing travel agencies.



VelTRA®

HAWAII ACTIVITIES
A VELTRA® Company

VelTRA® STORE

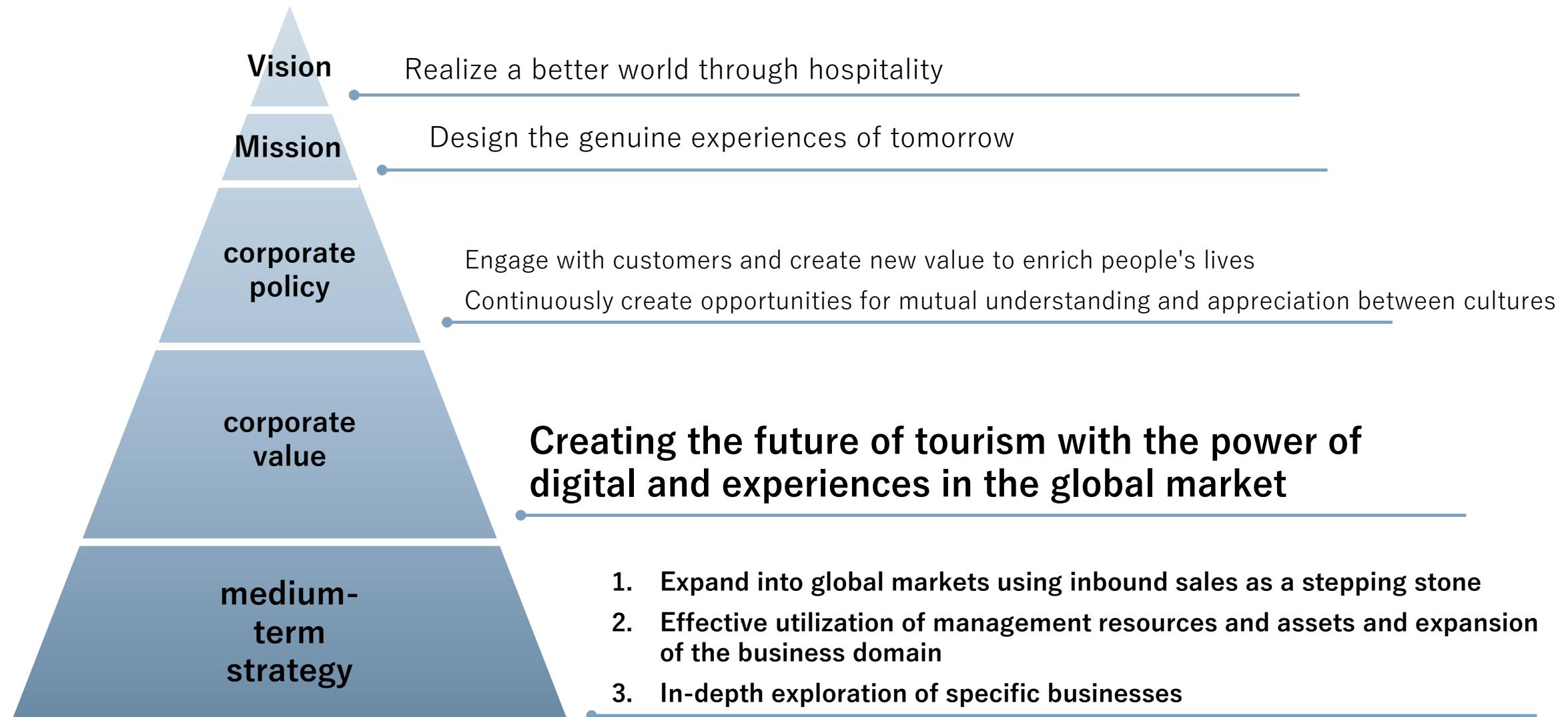


Tourism IT
Solutions

 **LINKTIVITY**

YOKKA

VELTRA aspire to become a 'Total Solution Provider for Tourism Experiences'.





VELTRA's Core Value

Creating the future of tourism with the power of digital and experiences in the global market

VELTRA's competitive advantage lies in its ability to provide travelers with a personalized and emotional experience, armed with marketing power and technology.

As a strategic policy, we do not take an exhaustive approach to a wide range of areas, but rather we thoroughly explore specific fields in depth and create new value through our online platform, thereby differentiating ourselves from our competitors.

As the tourism industry overcomes the pandemic and accelerates its digitalization, VELTRA will continue to offer new ways for travelers to deepen their cultural exchange by focusing on the untapped digital realm to meet diversifying travel needs and borderless worldviews.

We establish a competitive advantage as a shaper of the tourism industry of the future by leveraging the assets we have developed in our business to date, including our unique tours and activities, flexible platforms, and strong partnerships. Together, we leverage our expertise to provide services and DX to expand into global markets, using inbound tourism as a foothold to achieve sustainable growth.



Management plan

In FY2027

Operating revenue
8.4
billion yen
(vs.2024 +95%)

Operating income
1.4
billion yen

Operating profit ratio
17 %

Most important indicator

ROE
20 %

3-year CAGR
25 %

Global* sales ratio
30 %
(in 2027)

Core Business Strategy

OTABusiness

Strengthened Marketing & Technology Division for Japanese market to enhance profitability

LINKTIVITY

Further expansion of inbound B2B business

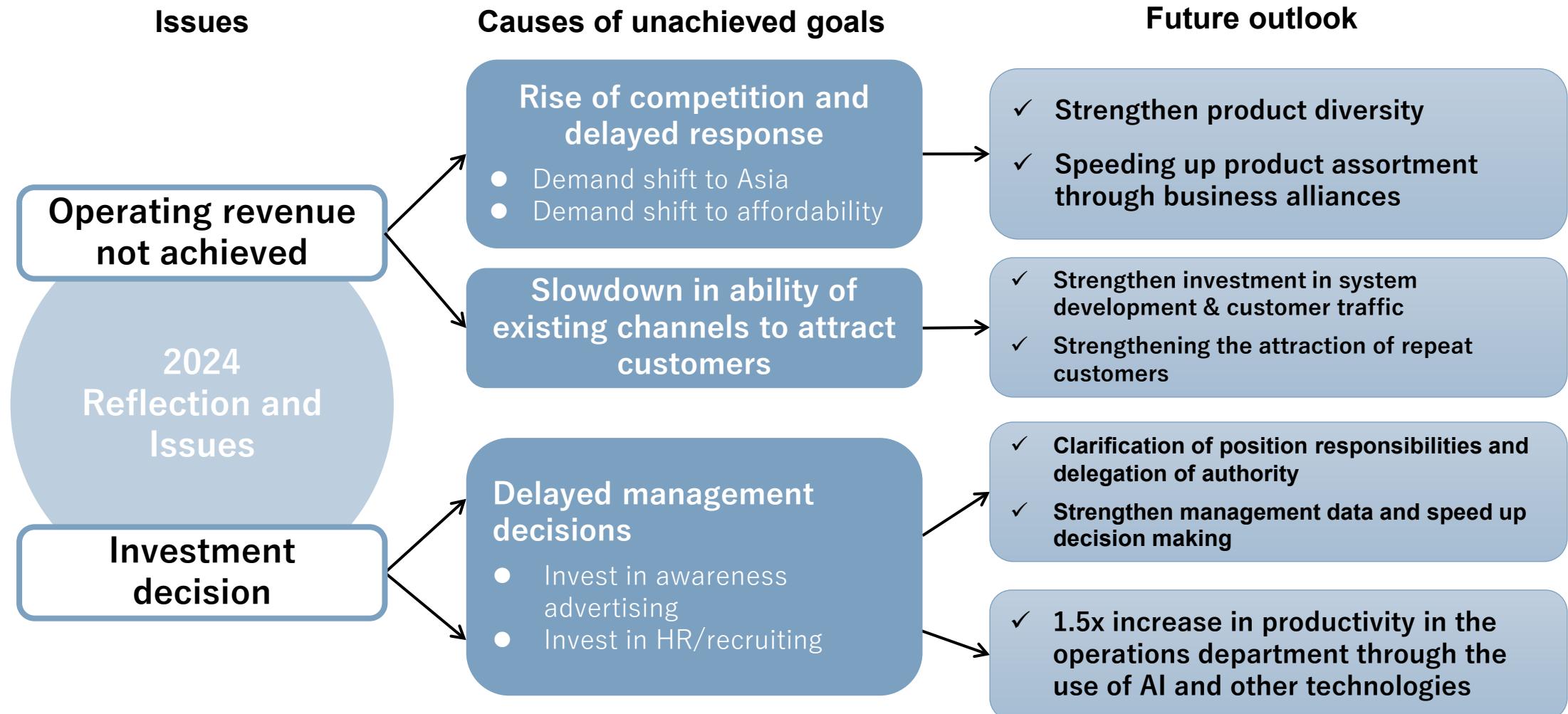
Newbusiness

Expand inbound and global sales*.

Management strategy

- Realization of highly efficient management
- Achieve continued growth in the global tourism industry
- Achieve stronger governance and corporate functions

* Global sales = total non-Japanese sales at Linkativities, HawaiiActivities, VELTRA OTA, and new businesses



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Global Travel Market Size Forecast (~2030)



The global travel market will continue to be active, but we expect excess demand to continue due to the chronic shortage of labor worldwide. On the other hand, we expect no significant increase or decrease in the number of travelers in the Japanese market, where population growth is not expected.

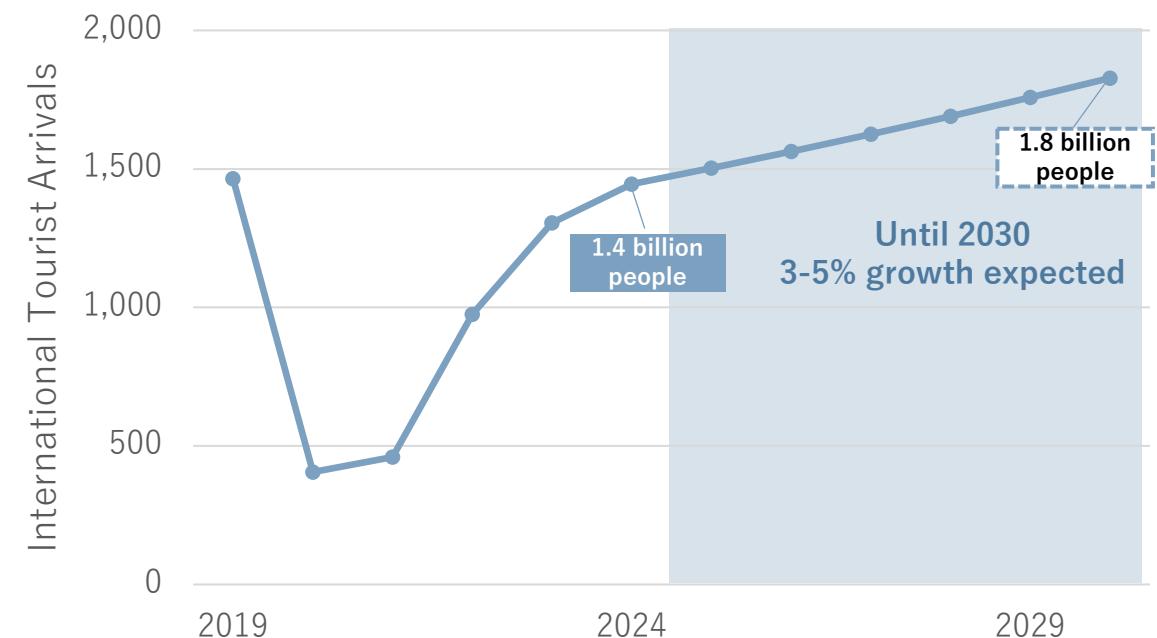
In addition, we expect the percentage of online bookings to continue to rise, and travelers will continue to diversify and increase their travel choices.

Travel Market Size Forecast (2030)

Target Market		Number of travelers (2030)	Amount of Tourist Spend (2030)	vs. 2024
Japanese people traveller	Outbound	15-20 million	4 trillion yen	+0%
	Domestic	500 million people	22 trillion yen	+0%
Global traveller	Japan Inbound	60 million	15 trillion yen	+84%
	Global	1.8 billion people	500 trillion yen	+29%

Reference: Japan Tourism Agency, January 2025 Inbound Consumption Trend Survey
The Japan Tourism Agency's Fourth Basic Plan for the Promotion of Tourism Nation

Number of international travelers worldwide
Actual (2019-2024) and forecast (2025-2030)



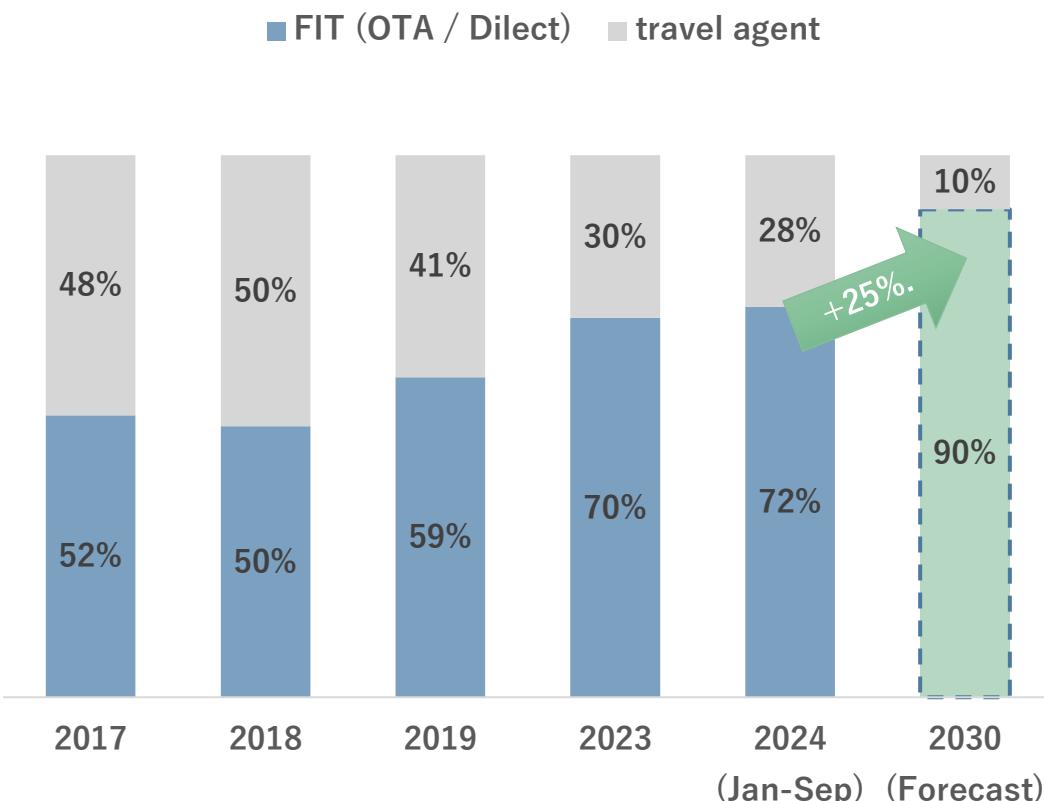
Source: World Tourism Barometer, January 2025 (UNWTO)

Status and Forecasts of FIT in the Japanese Outbound Market

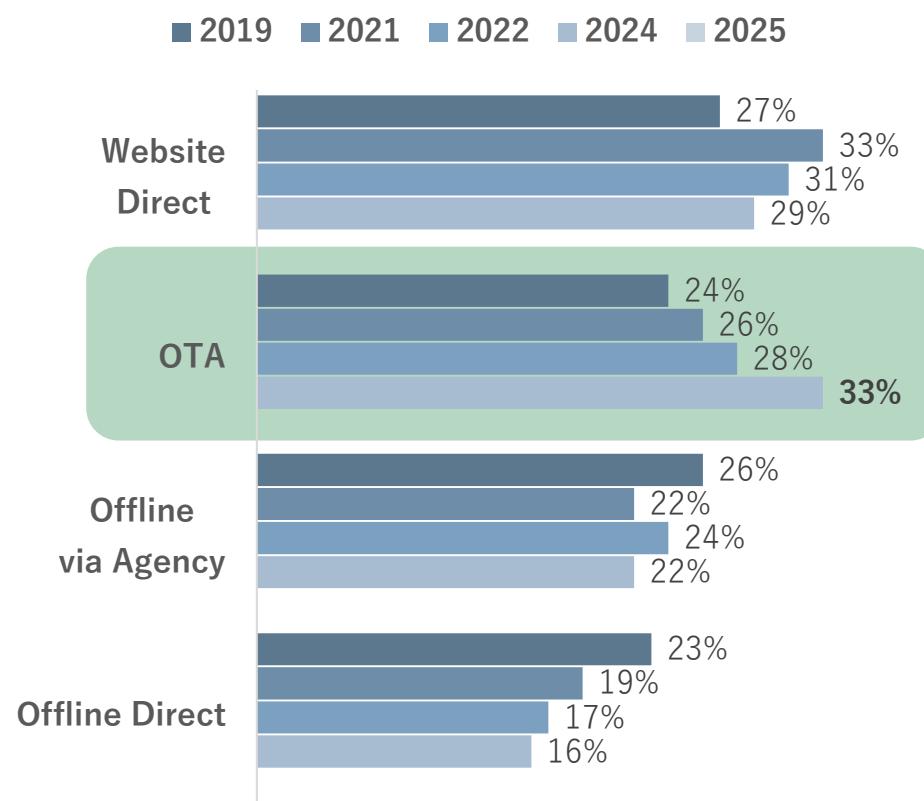


While the recovery rate of Japanese overseas travel will be sluggish, the FIT (individual traveler) market is expected to revitalize and continue to expand its share further toward the 90% share of the European and U.S. averages. In addition, the online booking share, including OTAs, is also expanding globally within the FIT market, and is expected to continue to grow in the Japanese travel market as well.

Share of Japanese Overseas Travel by Type



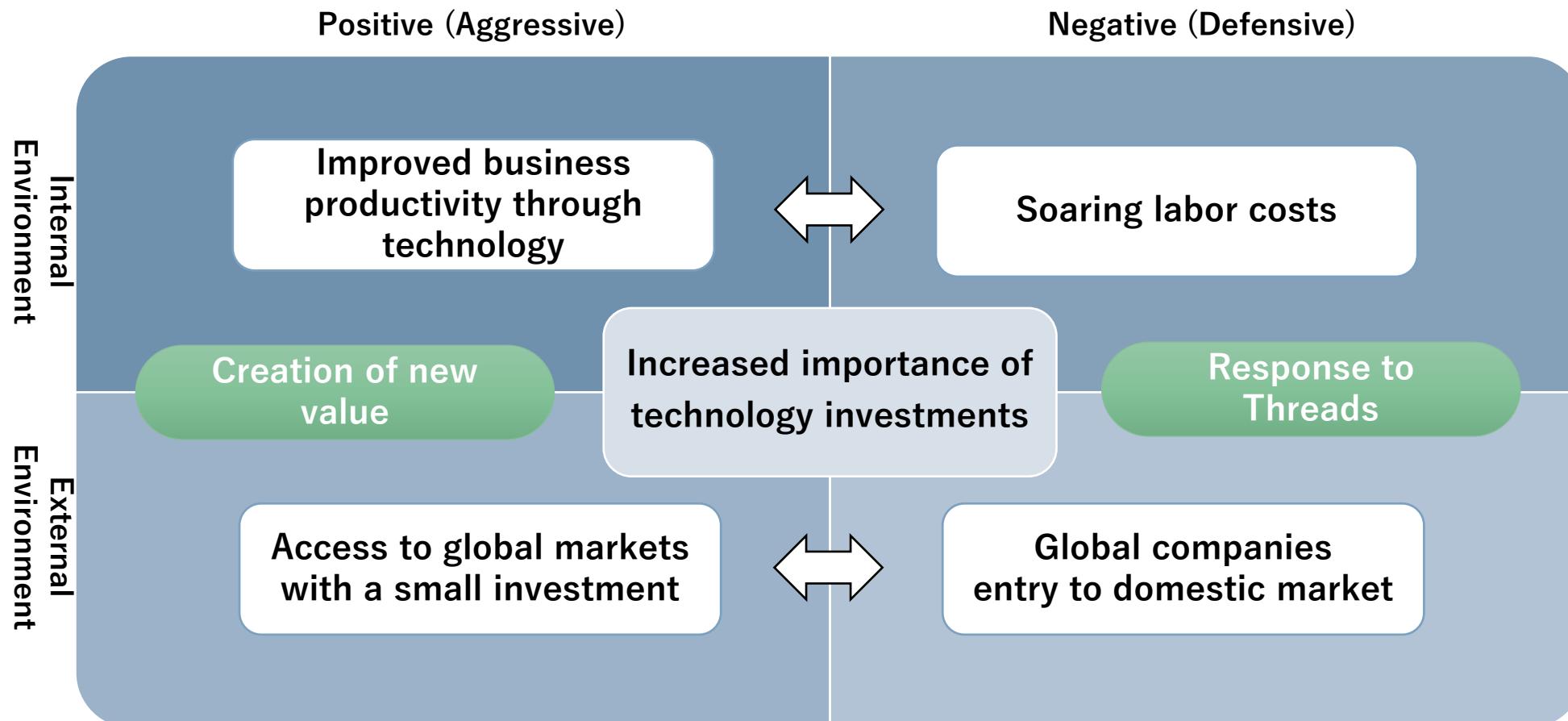
Global Traveler Channel Share



Changes in the Business Environment



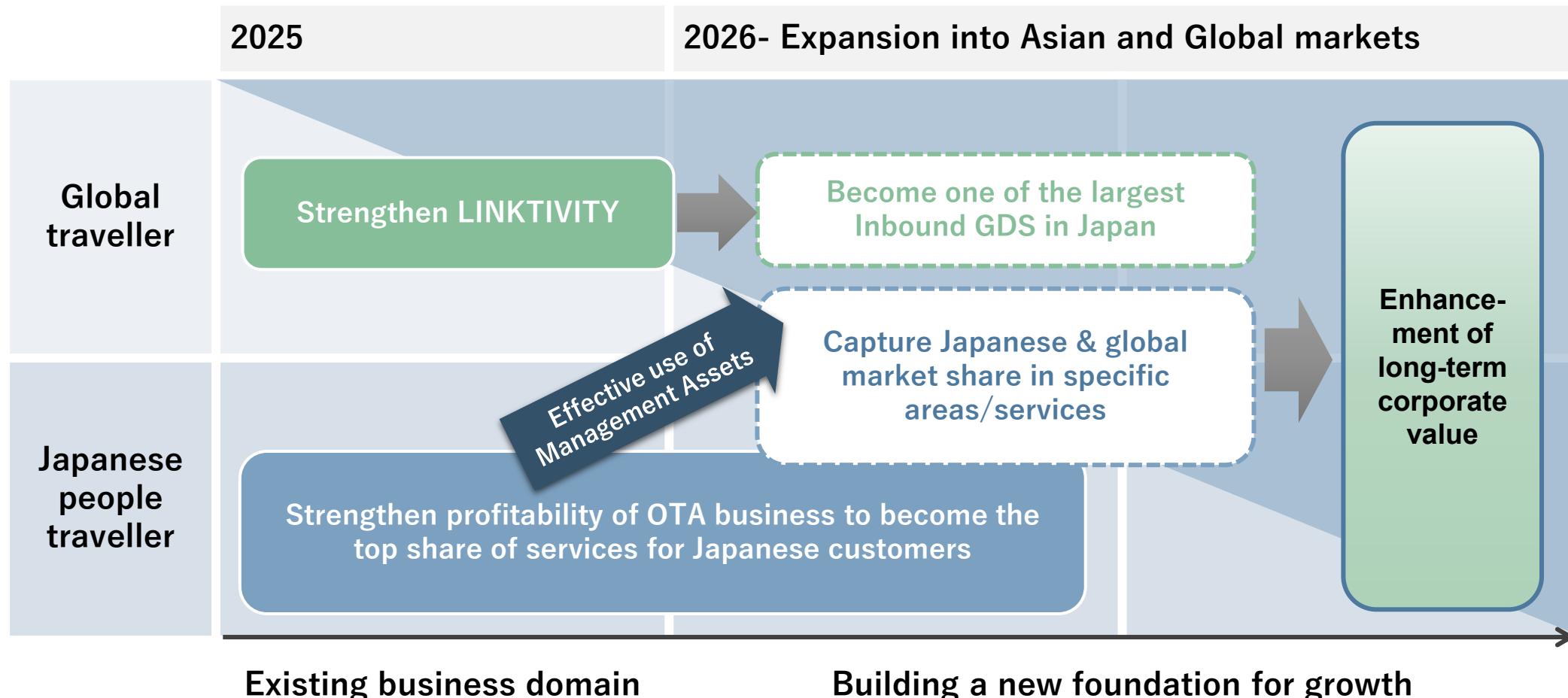
The business environment for online businesses is undergoing major changes due to the spread of AI use and the promotion of digitalization following the Corona Disaster. While the value of existing business models is changing, opportunities are expanding to improve operational productivity through technology and to provide global services that transcend language barriers with little investment.



Key Growth Scenarios



First, we will place top priority on strengthening the profitability of the OTA business, which is the core of our business. We will expand into the global market, centering on the Asian market, using inbound travel as a foothold, by effectively utilizing management assets, such as domestic and global business partners built up through existing businesses and management assets built up through LINKTIVITY.



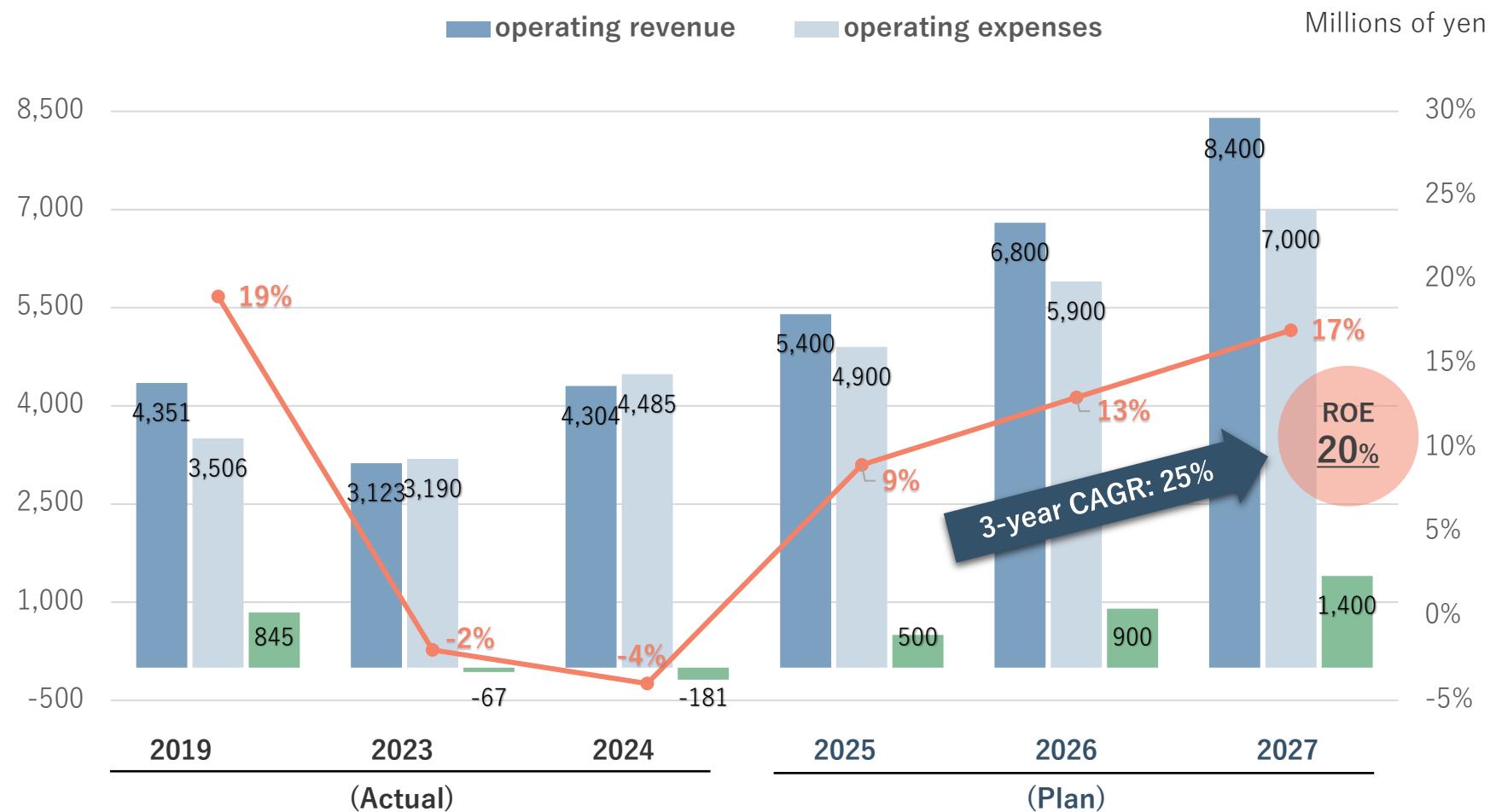


Management Plan (2027)	Management Strategy	Most Important Indicator
	<ul style="list-style-type: none">● Operating Revenue 8.4 billion yen (vs. 2024 +95%)● Operating Income 1.4 billion yen● Operating Income Ratio 17% <p>Realization of highly efficient management (ROE 20%)</p> <ul style="list-style-type: none">■ Improve profit margin of existing businesses■ Investment strategies in areas of business efficiency (technology, marketing)■ Flexible investment and control of new business <p>Achieve continuous growth in the global tourism industry (CAGR 25% / Global sales ratio 30%)</p> <ul style="list-style-type: none">■ Secure growth in Japanese overseas travel business■ Investment in growth markets (expansion of non-Japanese sales ratio including linktivity)■ Organization for continuous business development; acquisition and development of exceptional human resources <p>Realization of enhanced governance and corporate functions (prime market listing criteria)</p> <ul style="list-style-type: none">■ Establish a system for managing investment efficiency in multiple businesses■ Strengthening the speed of management decision-making	<ul style="list-style-type: none">● ROE 20%● 3-year Operating Revenue Growth Rate (CAGR) 25%● Global Sales Ratio 17%→30%

Business Performance Trends



In 2027, we aim to achieve operating revenue of 8.4 billion yen (3-year CAGR: 25%), operating income of 1.4 billion yen, and an operating margin of approximately 17%.



Departmental Targets



OTA Business

VELTRA: Strengthens Japanese Marketing & Technology Division to Maximize Profitability and Productivity

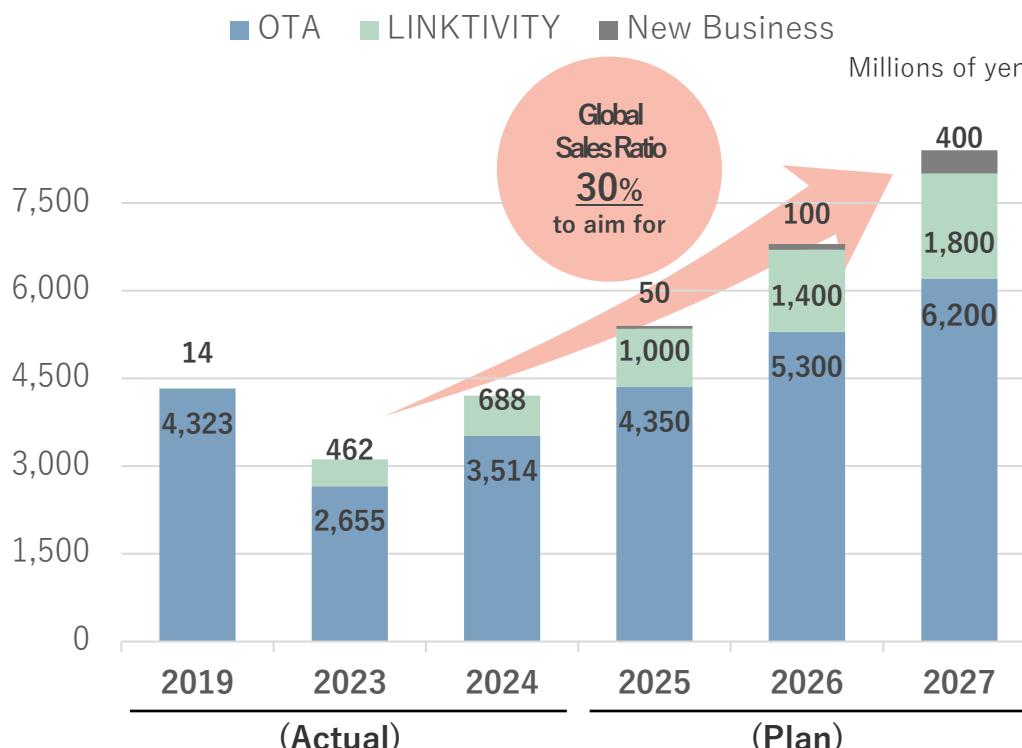
LINKTIVITY

Further expansion of B2B business in inbound

New Business

Expand inbound and global sales

Actual and projected operating revenues by business segment (~2027)



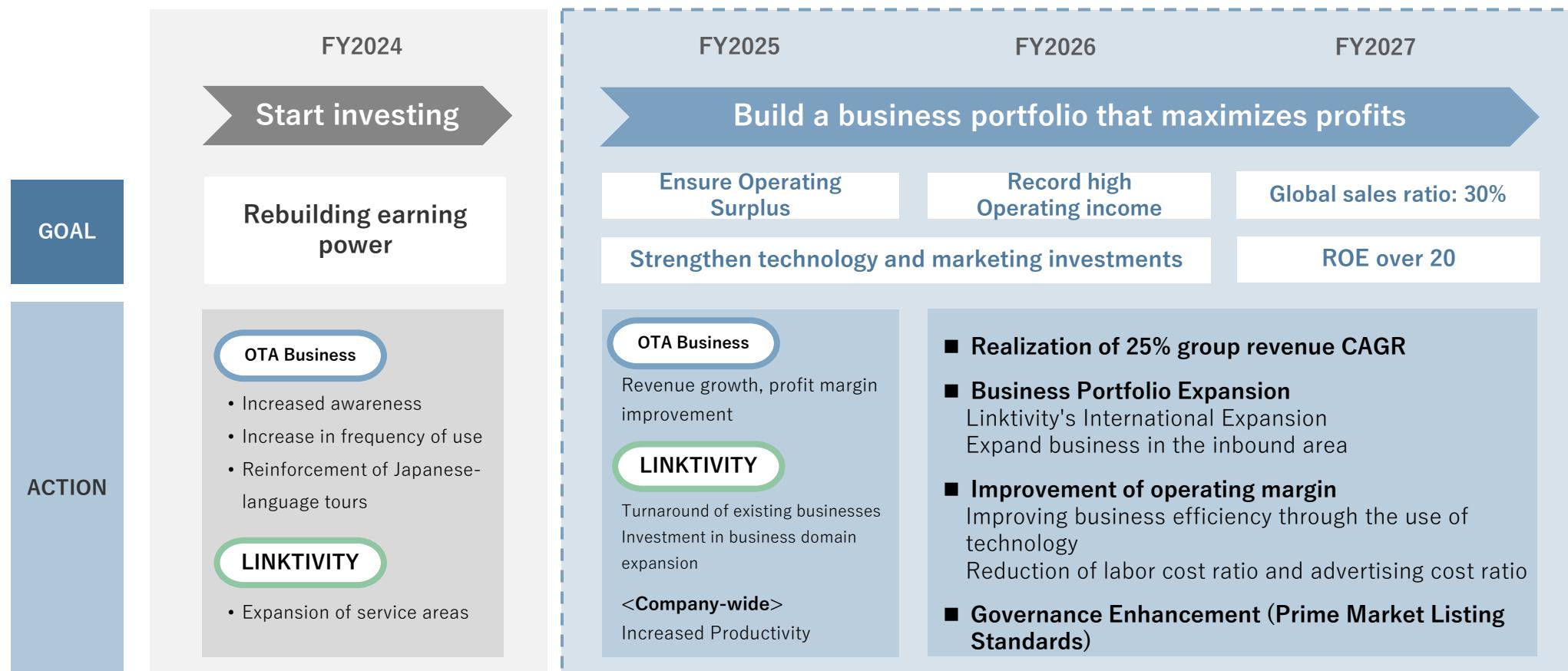
Department	Operating revenue (vs. 2024)	Operating revenue CAGR	Operating income (Operating income ratio)
OTA	6,200 (+75%)	20%	2,785 (45%)
LINKTIVITY	1,800 (+160%)	35%	300 (17%)
New business	400	-	-300
HQ	-	-	-1,385
Total amount	8,400 (+90%)	25%	1,400 (17%)

Millions of yen



From “Japanese market” to “Global market”

The previous KPI of "1 million fans" was based on the assumption that Japanese travelers would use the service multiple times, but this KPI has been changed as we aim for the global market. We will aim for full-fledged expansion into the global market, using the expansion of revenue and improvement of profitability in our core OTA business and the expansion of the LINKTIVITY business and the inbound market as footholds.



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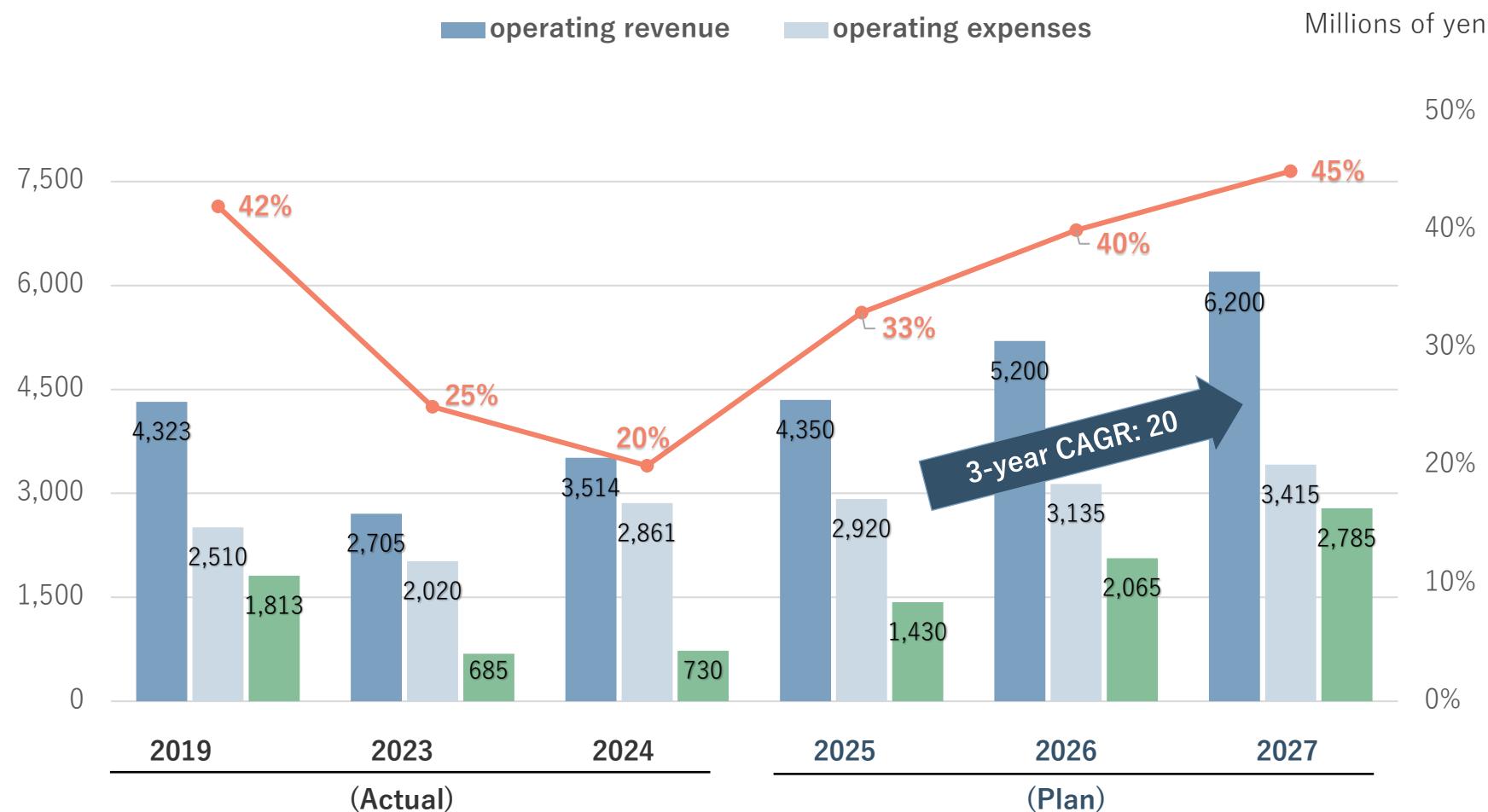
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OTA Business Unit Management Target P/L



Strengthen the Marketing & Technology division for the Japanese by achieving higher business productivity and increasing repeat customers,

6.2 billion in operating revenue (70% of company-wide revenue), a CAGR of 20%, and an operating margin of 45% on a non-consolidated basis for the business, exceeding that of pre-Corona (2019).

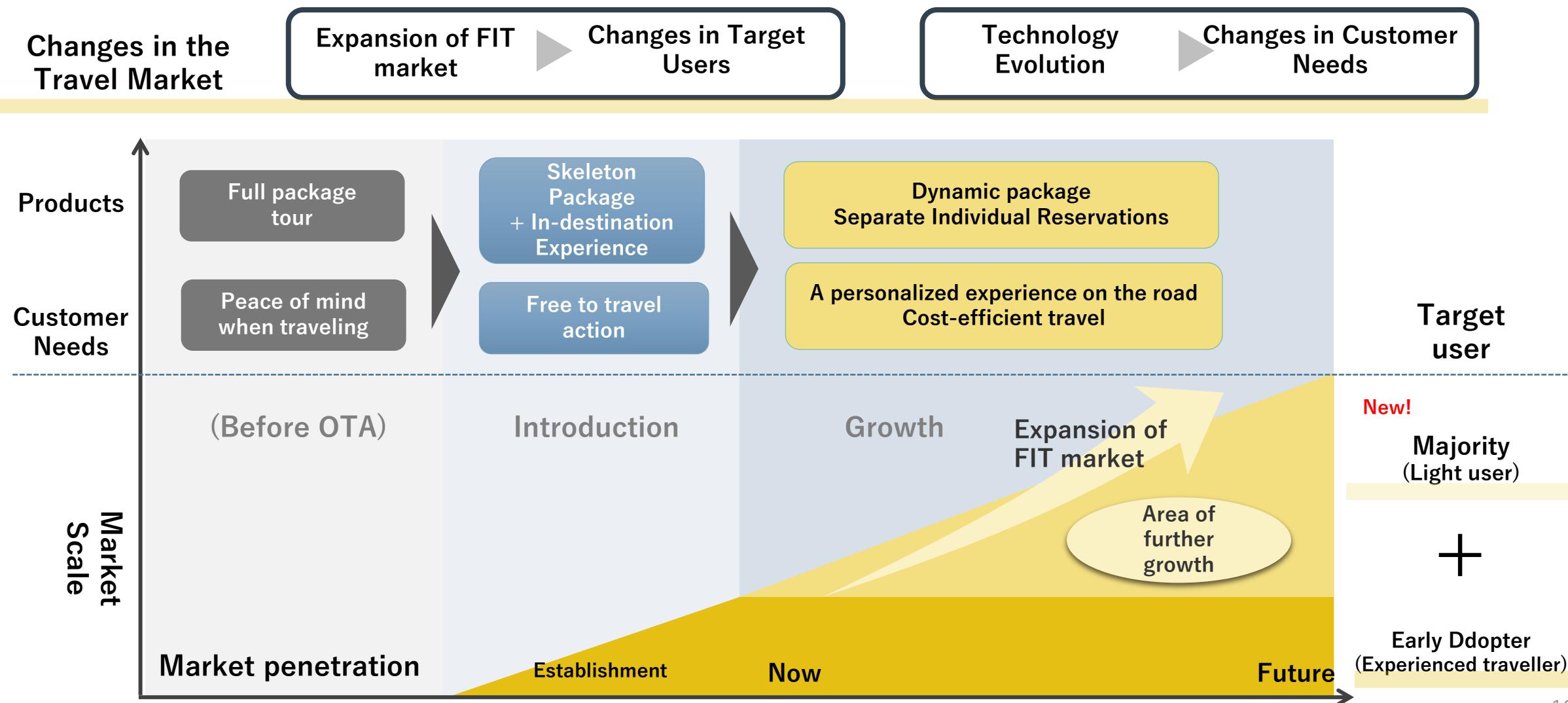


Year 2027 Business KPI Targets	
Operating Revenue	6.2 billion yen (3-year CAGR: 20%)
Operating Income	2.7 billion yen
Operating Profit Ratio	45%

User changes in the travel market



The FIT market is expanding due to the promotion of digitalization, online reservations are becoming more common, and the number of light users with limited travel experience is increasing. In addition, the diversity of individual behavior and interests is expanding due to the evolution of technology, and in order to continue to grow, it is necessary to expand target users and evolve travel services for new targets.



User changes in the travel market



The FIT market is expanding and online reservations are becoming more common. The accompanying technological advancements are expanding the diversity of individual activities and interests, and services need to evolve accordingly.

As for travel destinations, the share of travel to relatively inexpensive Asian destinations is expanding due to the rising unit cost of travel caused by the weak yen and inflation.

The diagram illustrates the relationship between traveler segments, booking online, FIT market, diversification, and destination shift. It features a horizontal bar at the top with a green arrow pointing up labeled 'Opportunity' and an orange arrow pointing up labeled 'Risk'. Below this is a table with six columns: Travelers, Share, Booking Online, FIT, Diversification of Tastes, and Destination. The 'Booking Online' and 'FIT' columns have green arrows pointing up, while the 'Diversification of Tastes' and 'Destination' columns have orange arrows pointing up. The 'Share' column shows percentages: 35% for Young, 24% for Families with small children, and 41% for Senior. The 'Destination' column contains text and a list of traveler recovery rates.

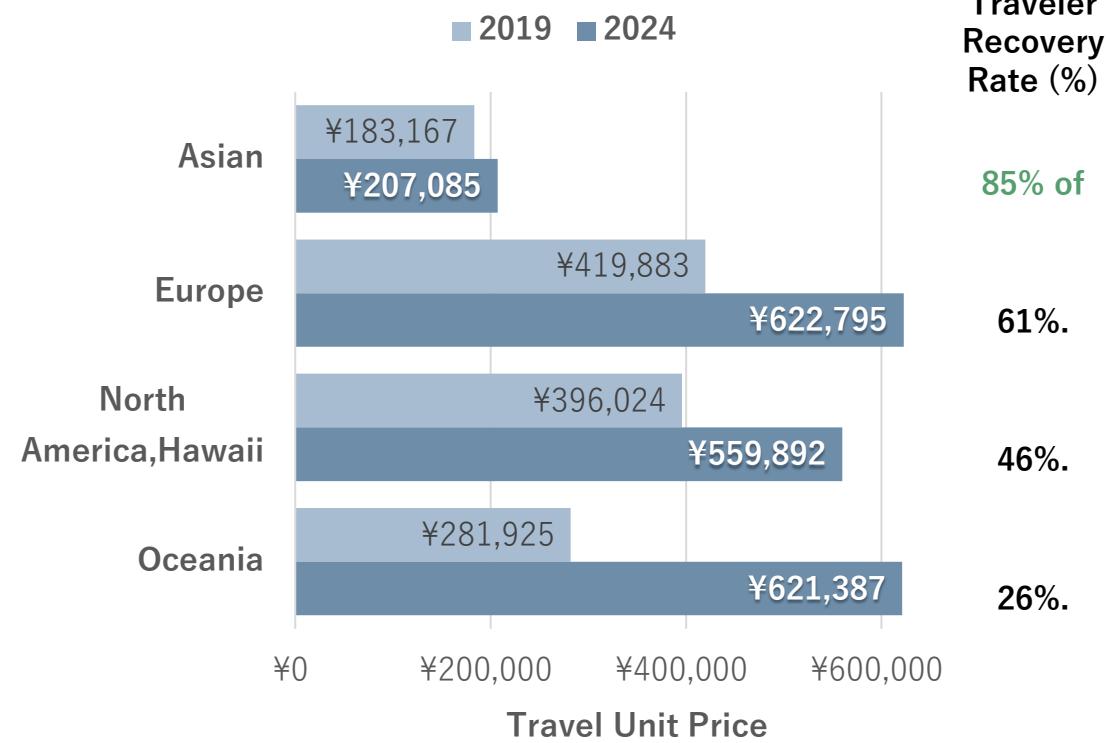
Travelers	Share	Booking Online	FIT	Diversification of Tastes	Destination
Young	35%	→	↑	↑	Shift to Asia due to higher unit travel prices
Families with small children	24%	→	↑	→	Traveler recovery rate • Asia: 85% • Europe: 61% • North America: 46% • Pacific: 26%
Senior	41%	↑	↑	→	

Changes in travelers' destinations

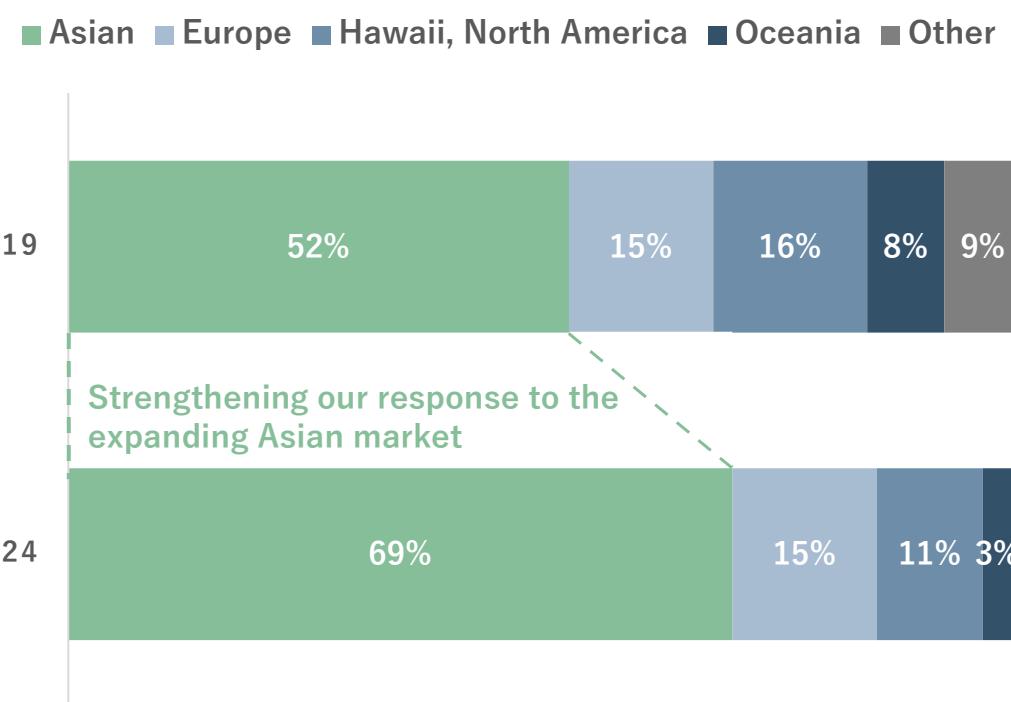


Against a backdrop of rising travel unit prices due to the weak yen and inflation, travel demand is expanding in Asian destinations with relatively low unit prices. In order to achieve long-term growth, it will be necessary to strengthen our response to the Asian market, while at the same time flexibly adapting to market changes by leveraging our strengths in existing high unit-price areas such as Hawaii and Europe.

Change in unit cost of travel and traveler recovery rate



Change in Share of Japanese Travelers



Various figures are estimated from the Japan Tourism Agency's Survey of Japanese Tourism Consumption Trends. Market consumption is calculated by multiplying the number of visitors by the unit price per trip.



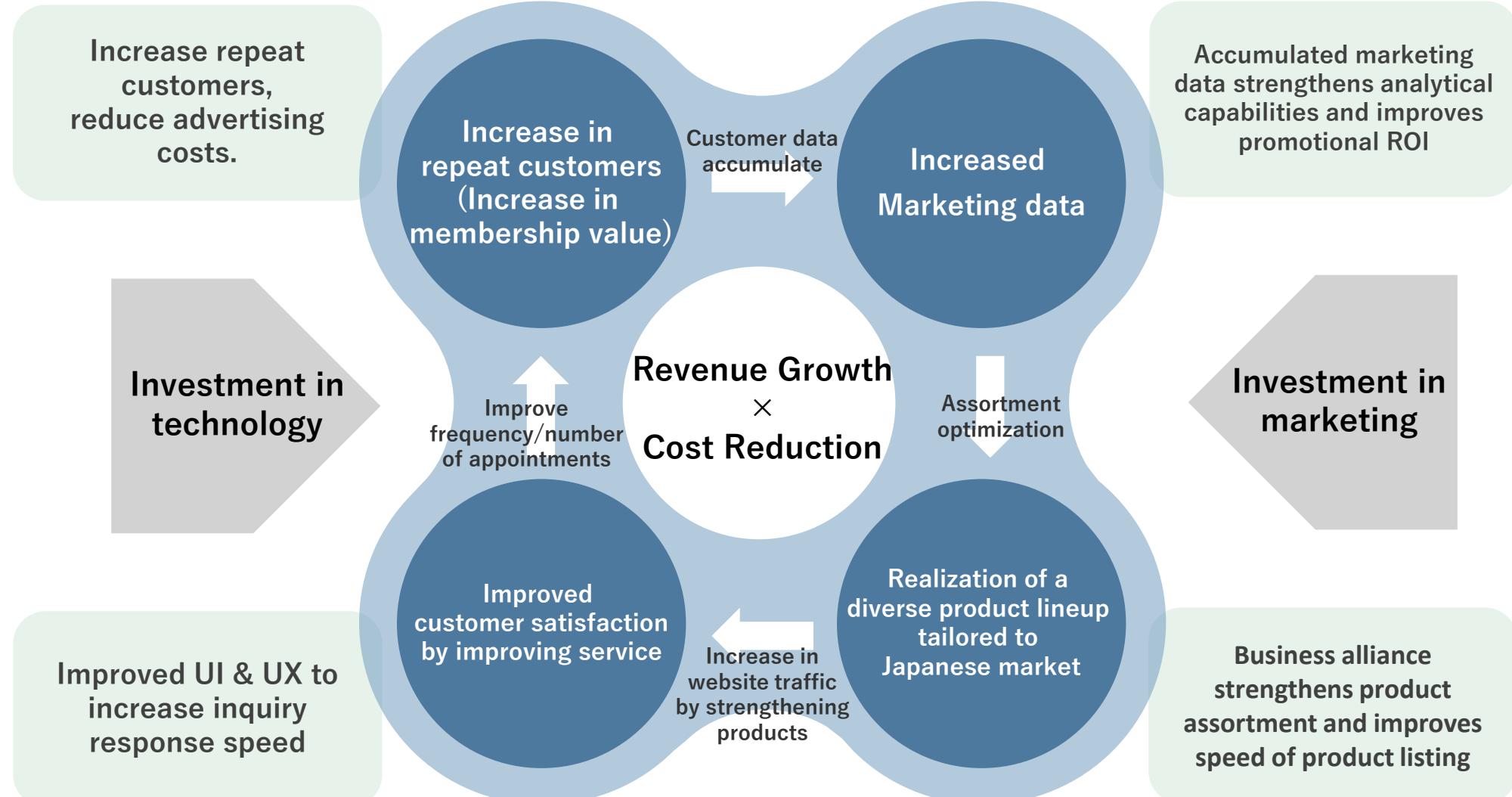
Strategic theme: Restructuring the organization & services from the customer's perspective

Target		Capture the majority (light users)
	Differentiation	<ul style="list-style-type: none"> ■ Service design focused on interaction with people on the road ■ Providing quality-controlled services for a "safe participation experience"
	Adaptation	<ul style="list-style-type: none"> ■ Increase in bookings through product expansion and enhancement of product lineups to adapt to changes in the environment and trends ■ Increase in bookings due to the addition of a more diffuse product lineup
Increased Productivity		<ul style="list-style-type: none"> ■ Ad Ratio: Reduction of ad ratio due to increase in repeat user rate ■ Personnel cost ratio: Review of operations & structure and improvement of productivity through Tech.
Strengthening Enforcement		<ul style="list-style-type: none"> ■ Restructuring of the organization, feasible leadership personnel, and building a speedy system ■ Thorough organizational penetration of new strategies and company-wide commitment

Cycle for Growth and Productivity Improvement



We aim to achieve further growth by increasing productivity through marketing investments and technology investments, and reinvesting the resulting profits.

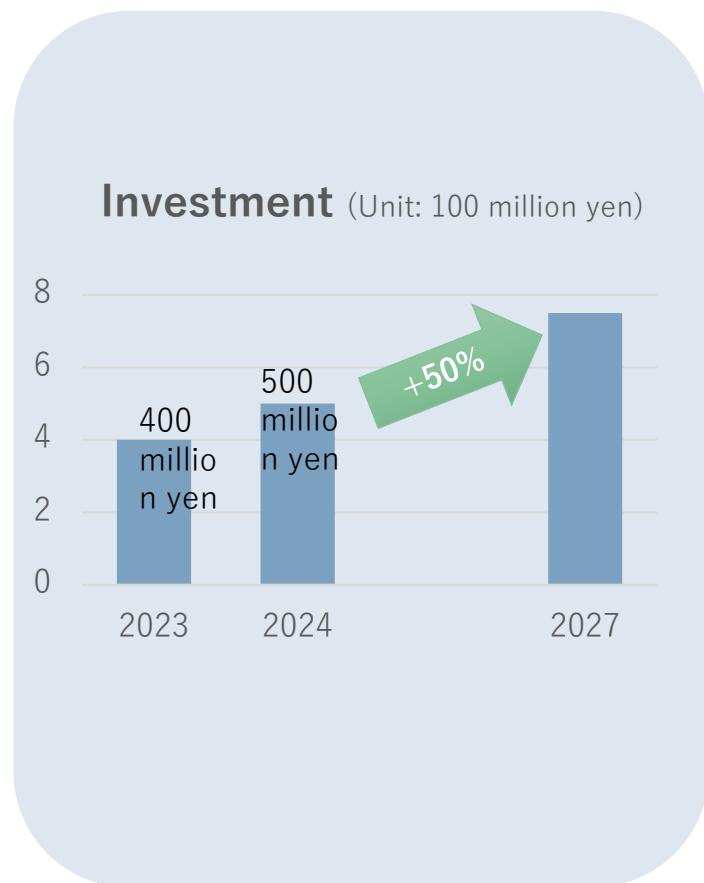


Investments in the Technology Sector



We will further strengthen our investments in the technology sector, which we reinforced in 2024, to promote growth and improve profitability, from strengthening measures to increase sales to improving operations, leveraging not only our own but also other companies' business alliances.

Status of team building



Keys for improvement

UI&UX Improvement

- ✓ Improved CVR
- ✓ Improvement of repeat business

Data Collection & Integration

- ✓ stocking up on top-selling products
- ✓ Improved CVR
- ✓ Improvement of repeat business

Operational Improvements

- ✓ Reduction of inquiry rate
- ✓ Reduction of product maintenance costs

Strengthen business alliances

- ✓ Improvement of product listing speed
- ✓ Increase in number of products
- ✓ Strengthen ability to attract customers
- ✓ Service Enhancement

Accelerating Growth through Business Alliances



In addition to capital alliances, we are promoting alliances with government tourism bureaus and business companies as needed, and are increasing the speed of business expansion while creating new added value through alliances. In our mid-term strategy, we will further accelerate these alliances by strengthening our technology team to achieve growth at a speed that exceeds the speed of change in the world.

Strengthening product diversity through business alliances and speeding up product procurement

Capital and business alliance



Product Enhancement Collaboration



国立公園
オフィシャルパートナー

Strengthen investment in system & website traffic improvements

Sales Channel Strengthening Collaboration



ZENRYO

Operational Enhancement Coordination



Productivity Improvement of Labor and Advertising Costs



We will improve labor-intensive operations and improve the advertising dependency ratio by investing in marketing and technology to achieve a small number of elite professionals, improve operational productivity and advertising ratios, and improve business profitability.

	Millions of yen					
	2019 Actual	2023 Actual	2024 Actual	2025 Target	2026 Target	2027 Target
Operating Revenue	4,323	2,705	3,591	4,350	5,200	6,200
Operating Expenses	2,510	2,020	2,858	2,920	3,135	3,415
Operating Income	1,813	685	733	1,430	2,065	2,785
Operating Profit Ratio	42%	25%	20%	33%	40%	45%

Targeted value of business productivity

Labor cost ratio: 33%→19% / Advertising ratio: 23%→18% / Revenue per capita: 15.6→27.3

Revenue Labor Cost Ratio	21%	31%	33%	28%	23%	19%
Revenue Advertising Expense Ratio	21%	23%	23%	22%	19%	18%
Per Capita Revenue	22.3	15.2	15.6	19.5	23.3	27.3

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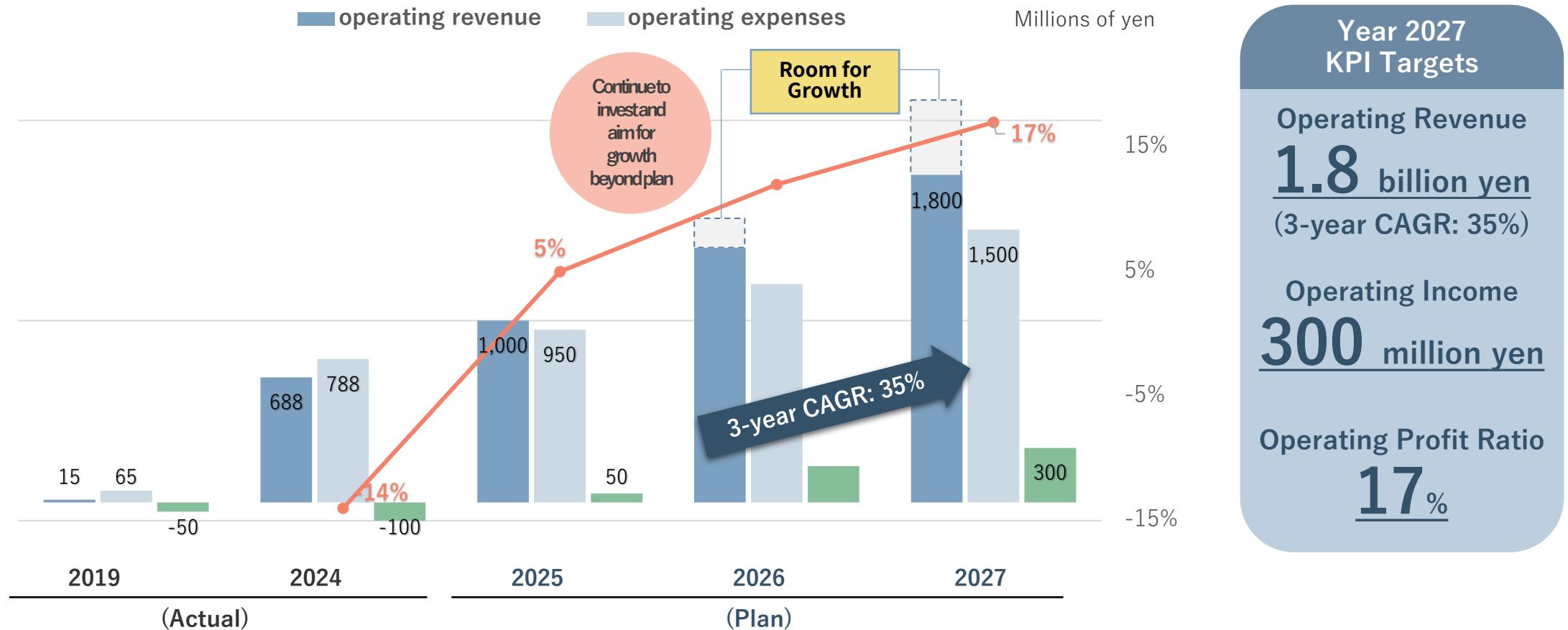
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LINKTIVITY Individual Segment P/L



By expanding products in the existing platform business, globalizing the business, and developing new solutions, we aim to achieve sales of 1.8 billion yen (3-year CAGR 35%) and operating income of 300 million yen in 2027, thereby realizing a return on our investment to date.

After 2025, we will continue to invest in growth to expand our business by about 200-300 million yen per year, aiming for operating revenue growth beyond our plan.



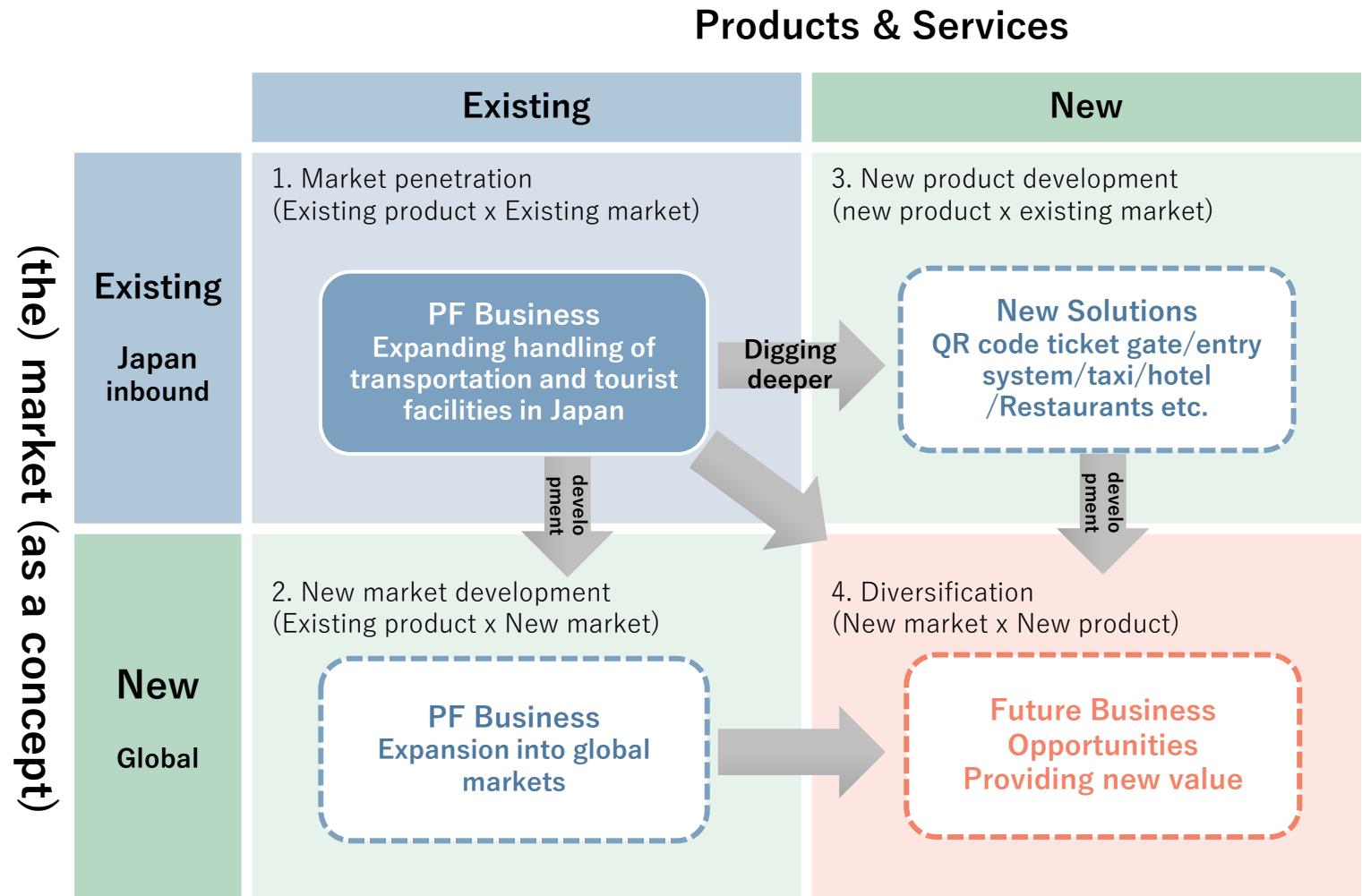


1. Strengthen GDS (Global Distribution System) Merchandise & Network

Expanding the handling of tickets for transportation and sightseeing facilities in Japan. Furthermore, we aim to establish a global distribution system by horizontally expanding our solutions outside of Japan, particularly in Asia.

2. Expansion of Solutions for Businesses

We aim to further strengthen our relationships with operators by further deepening our solutions for our partners and expanding the largest scale of comprehensive tourism and transportation IT solutions in Japan.



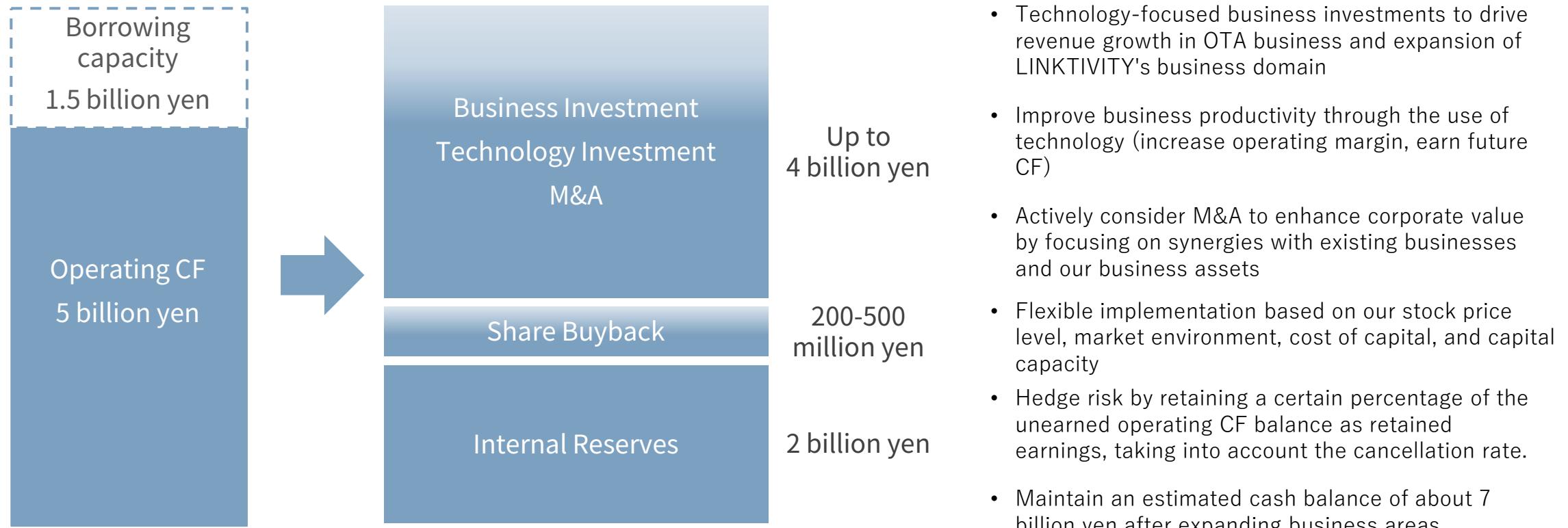
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Cash Allocation



Invest funds generated from operating cash flow in business and technology investments based on the assumption that the entire company will increase sales and profits during the mid-term plan period and achieve ROE of 20% in 2027.





Goals

- **Expand business portfolio & assets in inbound and global business areas**
- **Maintain growth potential beyond 2028**

Issue

Elimination of new business-dependent, high-risk plans

Strategy

1. Appropriate investment control with ROE in mind, placing the highest priority on growth of existing businesses and expansion of profits.
2. Profit targets are conservatively set and designed so that management targets can be achieved by existing businesses alone.
3. New business and service development prioritizing asset utilization and synergies with existing businesses.



Issue	Mid-term Goals	
	<ul style="list-style-type: none">● Increased labor productivity● Leadership Development & Recruitment	<ul style="list-style-type: none">● 1.5 times labor productivity in OTA projects● Succession Plan Execution
Management Strategy	<p>Organizational design (performance maximization toward mid-term & short-term goals)</p> <ul style="list-style-type: none">■ Transition to a small elite organization and promotion of delegation of authority■ Improved organizational and human resource mobility <p>Human resources portfolio (promotion of member activities through clarification of individual roles)</p> <ul style="list-style-type: none">■ Clarification of personnel & positions needed, leadership development and recruitment■ Creation of an evaluation and compensation system that promotes challenge and innovation opportunities <p>Corporate culture (mechanisms for penetration of company-wide strategies and actions)</p> <ul style="list-style-type: none">■ Strengthening communication skills by reviewing company-wide collaboration methods and meeting bodies■ Create a system to develop leadership personnel through the penetration of company-wide strategies and actions	

Purpose of Introducing PSUs and Overview of the System



Provide performance-linked equity compensation to executive directors to provide strong motivation to achieve the business results set forth in the mid-term plan

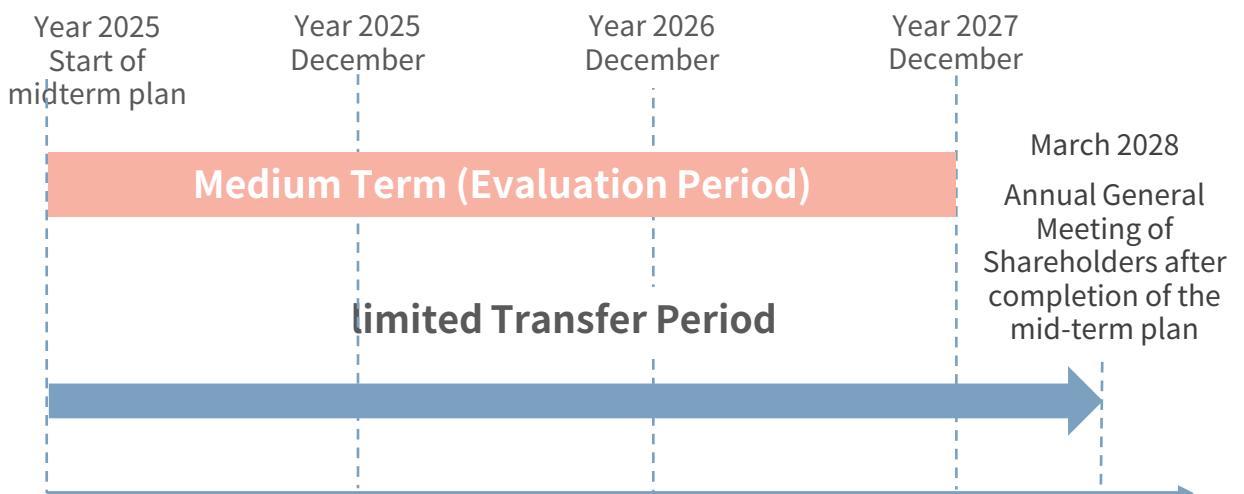
Background and Objectives

- ✓ In considering this medium-term management plan, we have had a series of discussions on the nature and introduction of incentive compensation for directors and executive officers in order to align medium- and long-term interests with those of shareholders and to motivate them even more strongly to improve corporate value over the medium and long term.
- ✓ As a result, the decision was made to introduce performance-linked restricted stock compensation whose value fluctuates in accordance with the degree of achievement of the performance targets set forth in the mid-term plan, with the same period as this mid-term plan as the evaluation body.
- ✓ We would like to use the introduction of new incentive compensation as an opportunity to further improve our performance and responsibility to increase our company's corporate value in the future.

Aim to increase corporate value over the medium to long term by introducing medium- to long-term incentive compensation linked to the medium-term plan.

- Introduce performance-linked restricted stock units (PSUs) for executive directors and corporate officers, in which transfer restrictions are lifted depending on the degree of achievement of performance targets set in the mid-term plan, to provide strong incentives to increase corporate value.
- Evaluation is based on the degree of achievement of consolidated ROE and consolidated net income targets.

The period of the mid-term plan is used as the evaluation period,
Three-year restricted transfer period



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About Us



Operation of VELTRA.com, Japan's largest booking site specializing in local hands-on activities, and LINKTIVITY, a ticketing platform for inbound and domestic travel

VELTRA Corporation

Headquarters	2-13-12 Nihonbashi, Chuo-ku, Tokyo, Japan
Capital	JPY 2,078,380,000 (as of Dec 2024)
Founded	November, 1991
# of Employees	256 (Consolidated) 157 (Non- Consolidated)
Subsidiaries	[Malaysia] VELTRA Malaysia Sdn, Bhd. [USA (HA)] VELTRA Inc. [Japan] LINKTIVITY Inc.
Rep Office	Bangkok



Business Category



Board of Directors

CEO, President	Wataru Futagi
Director	Tomoharu Kurakami
CFO, Director	Jumpei Minashima
Outside Director	Rodney Cuthbert
Outside Director Audit and Supervisory Committee member	Tetsushi Ikeda Masato Mori Gaku Suzuki

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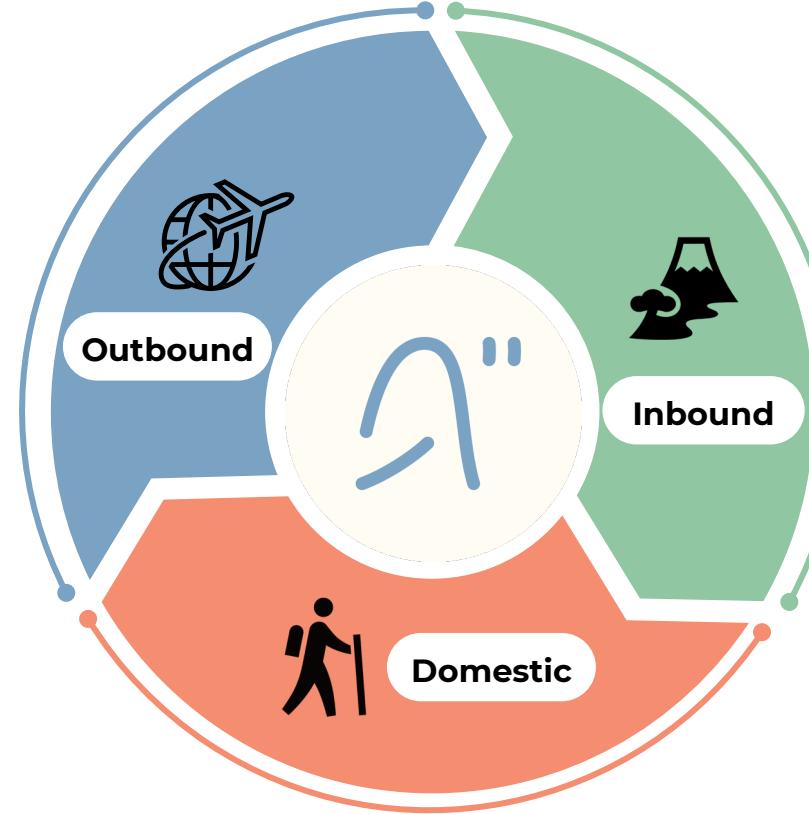
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VelTRA® STORE



Tourism IT
Solutions

 **LINKTIVITY**

YOKKA

VELTRA aspire to become a 'Total Solution Provider for Tourism Experiences'.

Core Business

VELTRA and Hawaii Activities specialize in experience-focused activity reservations for Japanese and U.S. travelers respectively. Our tourism IT solution is also expanding transport and facility ticketing platforms.

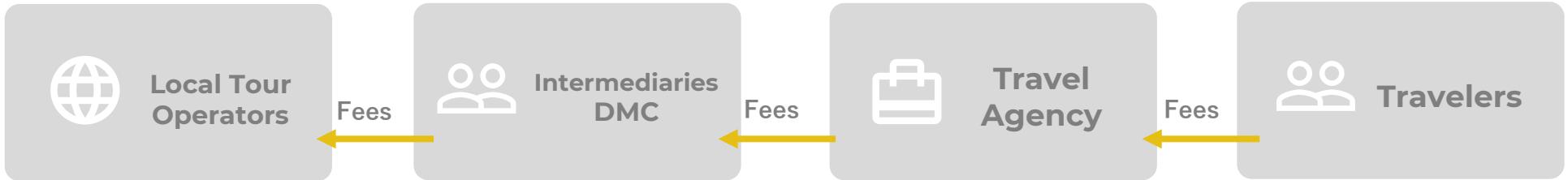


OTA		HAWAII ACTIVITIES A VELTRA® Company		Tourism IT Solutions	
2.5 million		Members	200,000	Number of Users	-
20,000 150 Countries		Activities Countries	780 All Hawaiian Islands	Number of distributors	579
9,000		Partners	440	Number of partners	429
600,000+		Customer Reviews	14,000	Number of countries served	Sold worldwide, mainly in Asia
Japanese Outbound & Inbound		Target Market	US residents travelling to Hawaii	Target Market	Japan Inbound

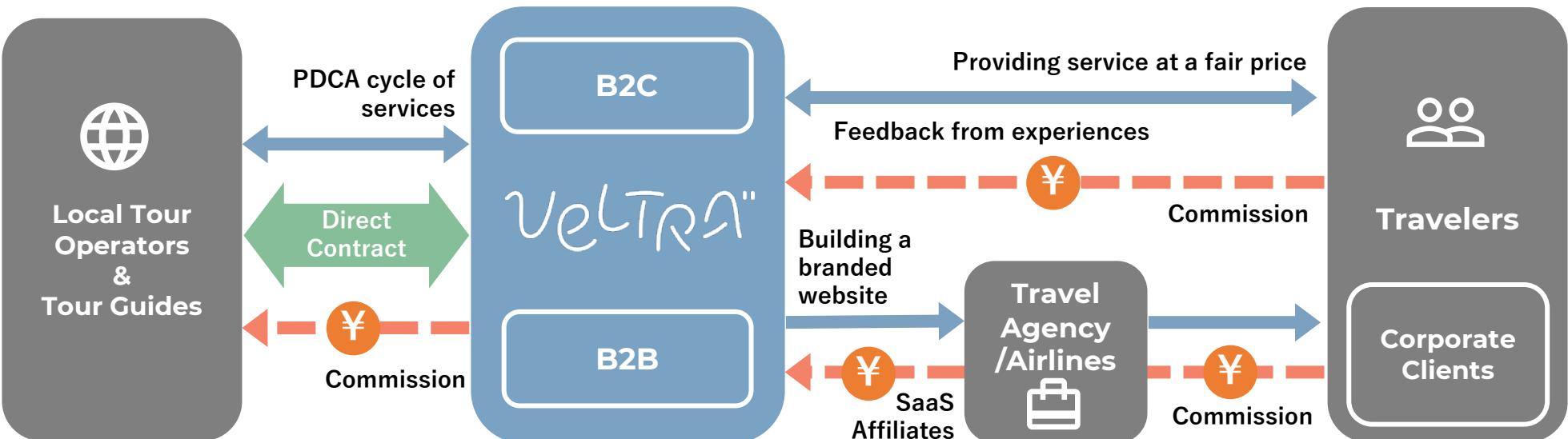
OTA Business: Transforming the Supply Chain for In-destination Booking



Before



VELTRA booking platform





Booking for the former experience.
Challenges to be faced

Individual Traveler


- Overpriced
- Fewer options

Local Experience Providers


- Reservation Management operation

Travel Agent


- Hassle-free reservation arrangements
- Inventory Control

The value VELTRA offers

1. Fair prices (local prices) with no middlemen

- Direct contracting and negotiation with local experience providers around the world
- Over 13,000 diverse assortment of experiences
- Enables product development and promotion (curation) based on sales and marketing data

2. Streamlining operations with a system specialized for hands-on experience reservations

- In-house customer support & system development system
- FB for immediate service improvement, new development and promotion
- Improvement process through the accumulation of knowledge and know-how

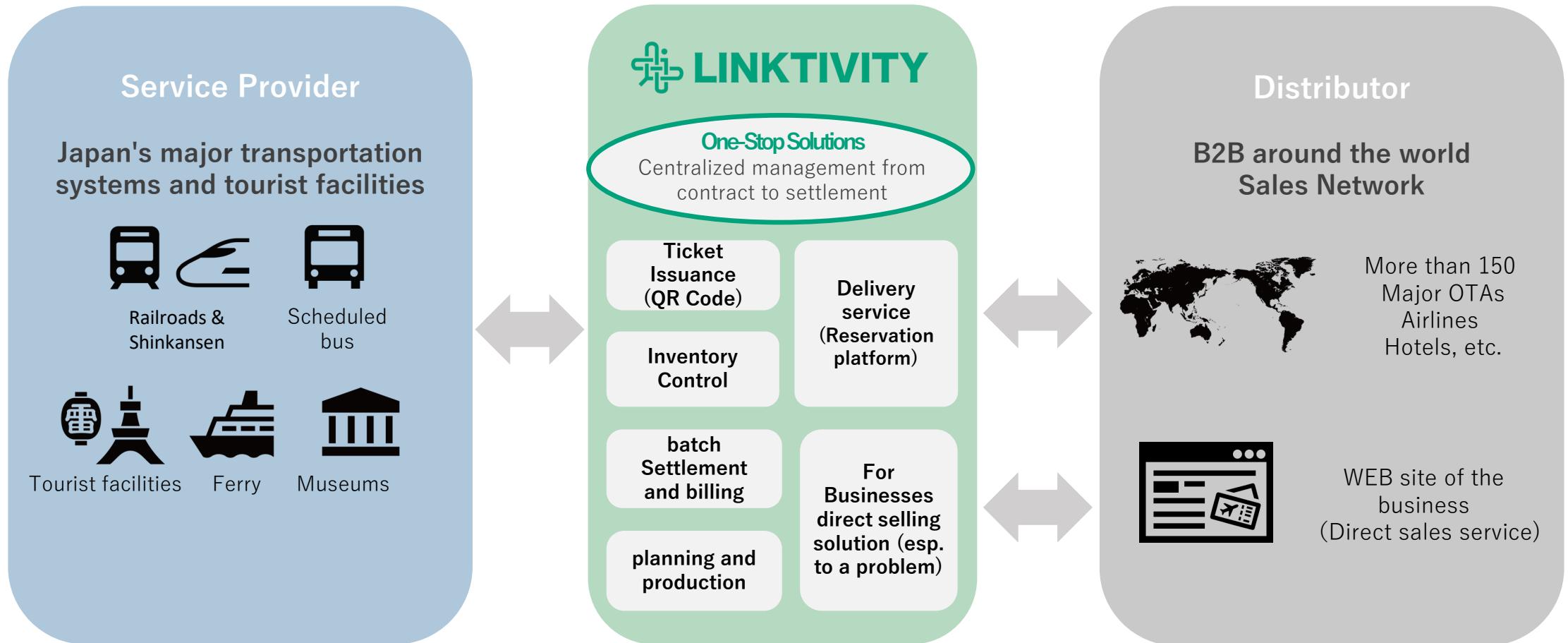
3. Build your own infrastructure for sales

- SEO advantage for individual travelers, online specialty
- Dominant position in the travel agency (B2B) sales network

LINKTIVITY's Business Model



LINKTIVITY is a platform that connects Japanese transportation and tourism facilities with travel agencies around the world. It solves the traditional problem of complex distribution structures between service providers and distributors and provides a one-stop system linkage.

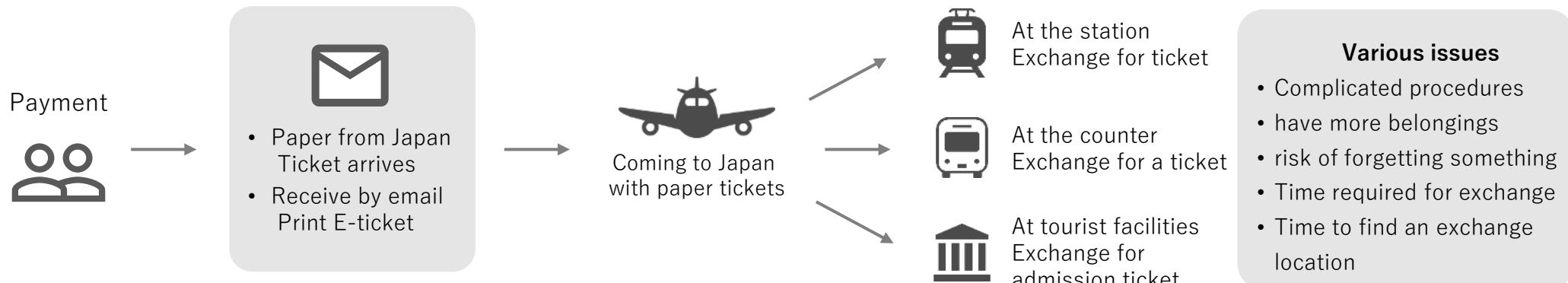


LINKTIVITY changes inbound and outbound travel in Japan



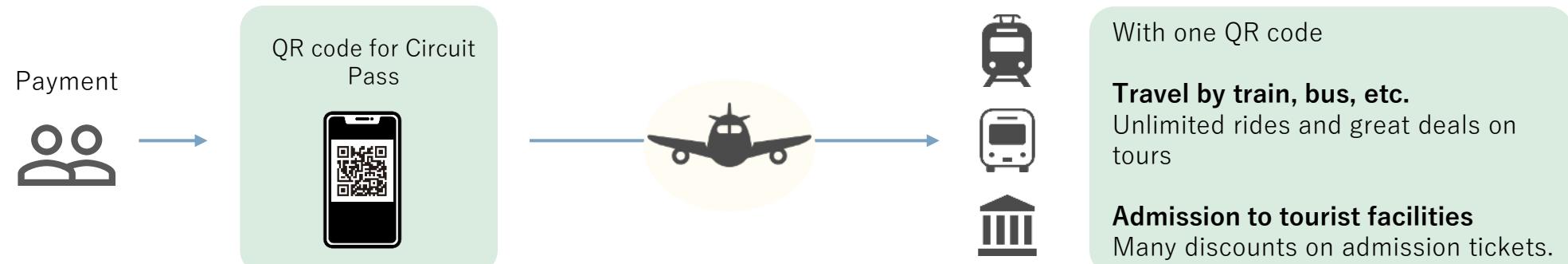
Previous Trips to Japan

Japan's unique and complex transportation network and ticket exchange process is a major burden for visitors to Japan.



New Travel to Japan

A QR-code-based excursion pass enables travelers to reach their destinations and visit nearby facilities with a single QR code. Promotes seamless travel experiences for Japanese visitors traveling domestically.





The information contained in this document includes forward-looking statements such as earnings forecasts and business plans. Such information is based on information available to the Company at the present time and certain assumptions that the Company deems reasonable, and contains risks and uncertainties. Please note that the Company does not guarantee the realization or future performance of these forward-looking statements, and actual results may differ from these forward-looking statements.

The Company does not intend to update or revise the statements in this document to reflect new events or changes in circumstances that may arise in the future.

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