

VELTRA™

VELTRA changes TRAVEL

FY2024 Q1 Financial Results

—
VELTRA CORPORATION:TSE7048



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FY2024 Q1 Results Overview



Results

- Revenues grew by +80% YoY to **980 million yen**, driven by a recovery in travel demand and overall portfolio growth. (105.4% recovery rate compared to 2019 1Q).
- Operating profit significantly improved to **27 million yen** (+117 Million yen YoY).

Overseas (Outbound)	Sales recovered significantly to 622M yen (418M yen in FY2022). On the other hand, the impact on the recovery of the overseas travel market due to the historically low yen exchange rate will be considered.
Japan Inbound	Revenues grew +16.4% YoY to 69M yen (59M yen in FY2023Q1).
HawaiiActivities	Operating revenue slightly increased to 60M yen (58M yen in FY2023Q1), with the strengthening of marketing measures.
LINKTIVITY	Sales grew significantly to 175M yen (89M yen in FY2023Q1) due to an increase in the number of inbound tourists.

External Environment

- The number of Japanese outbound recovered to **62%** of the 2019 level.
- The number of inbound visitors reached **+6.7%** of the 2019 level, surpassing the pre-covid level.

2024 Jan-Mar

Approx. 3.04 million (YoY +181 %)

2023 Jan-Dec

Approx. 5.56 million (YoY +554%)

Performance Forecast

Operating revenues are to reach a record high of **5,468 million yen** (+75.1% YOY)
We aim to achieve operating profit of **350 million yen** (first return to profitability since FY2019)

Profit and Loss Summary



The overall profit and loss (PL) has improved, with the gradual recovery in travel demand and the expansion of the business portfolio. Despite increased costs due to upfront investments in personnel and promoting growth investments in Lintivity, an operating profit has been secured.

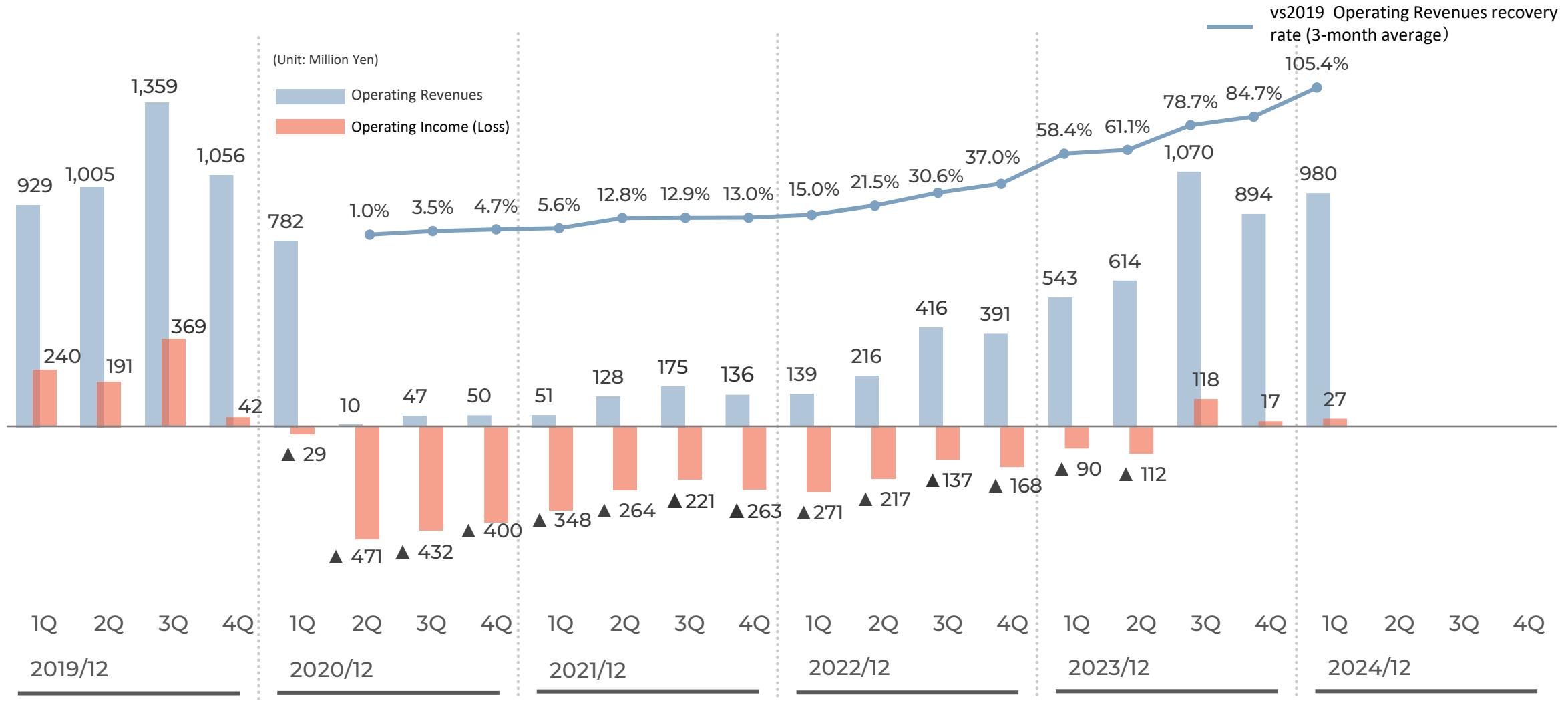
Unit: Million Yen	FY2023Q1	FY2024Q1	YoY (%)	YoY (Amount)
Operating Revenue	543	980	+80.4%	+436
Operating Expenses	633	952	+50.3%	+318
Operating Profit	▲90	27	—	+117
Non-operating Income	0	0	+29.4%	+0
Non-operating Expenses	6	38	+510.8%	+31
Ordinary profit	▲96	▲10	—	+86
Quarterly net profit	▲102	▲14	—	+88
Quarterly net profit per share (Yen)	▲2.88	▲0.39	—	+2.49 Yen

Quarterly Changes in Operating Revenues and Operating Income (Loss)



Operating revenue in 1Q has expanded to the level exceeding the the same period of 2019.

Despite actively making upfront investments, including in personnel recruitment, an operating profit has been secured for three consecutive quarters.



Balance Sheet Summary



Cash and deposits increased by 930 million yen to 4.6 billion yen due to capital increases and improvements in operating cash flow. As a result of a 540 million yen increase in net assets through a third-party allotment of shares, the equity ratio improved to 23.4%, up by 2.9 percentage points.

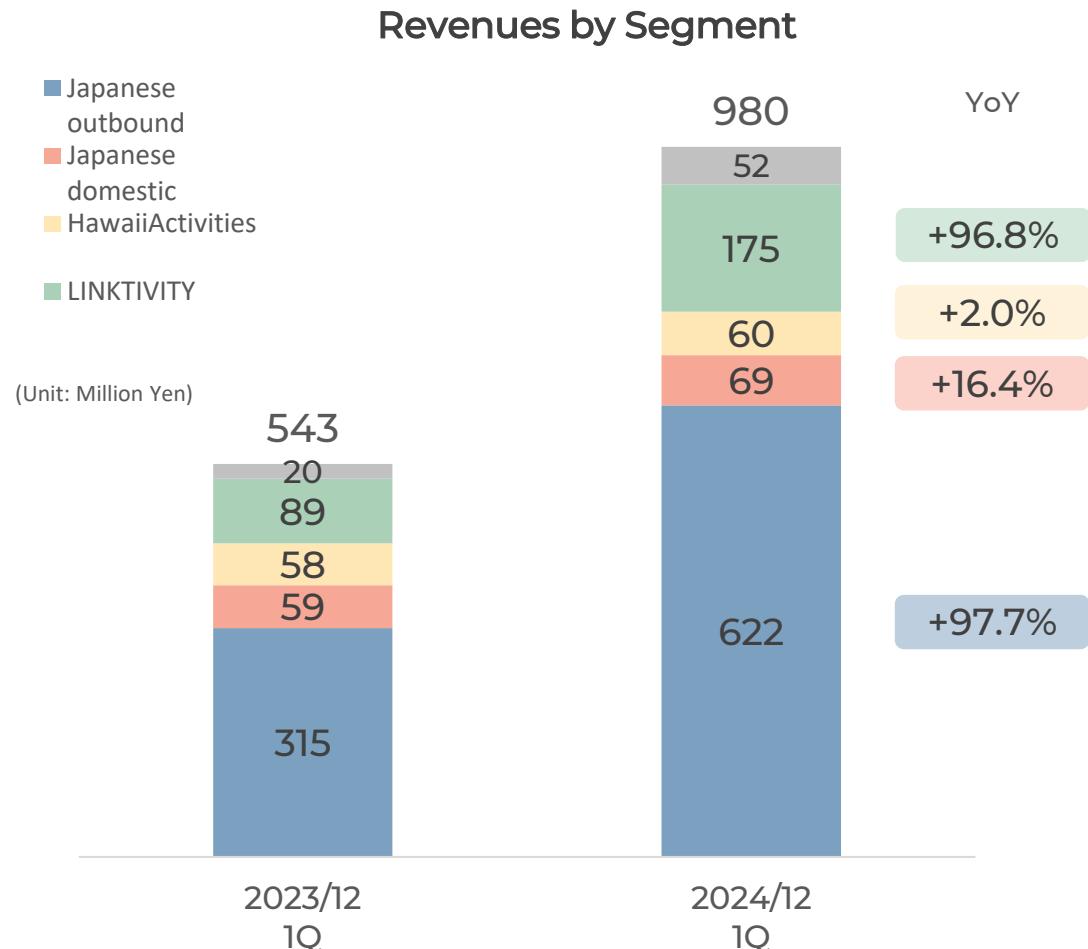
Unit: Million Yen	FY2023	FY2024	Change	Details
Current Assets	5,805	7,216	+1,411	Cash and deposits increased 932M yen and operating accounts receivable increased 516M yen
Cash and Deposits	3,695	4,628	+932	
Fixed Assets	661	775	+114	Software increased by 39M yen and Guarantee deposits increased by 18M yen
Assets Total	6,466	7,991	+1,525	
Current Liabilities	5,105	6,092	+986	Operating accounts payable increased by 665M yen and advances received increased by 258M yen
Favorable Sub Liabilities	500	500	-	
Fixed Liabilities	0	0	-	
Liabilities Total	5,106	6,092	+986	
Total Net Assets	1,360	1,899	+539	Both capital stock and capital surplus increased by 254 million yen each
Capital to Asset Ratio	20.5%	23.4%	+2.9pt	

FY2024 Q1 Results and Market Environment by Business

Revenues by Business Segments YoY



The overseas travel business and LINKTIVITY have expanded to approximately double YoY. Meanwhile, the domestic travel business and HawaiiActivities have maintained stable performance, remaining at the same level as the previous year.

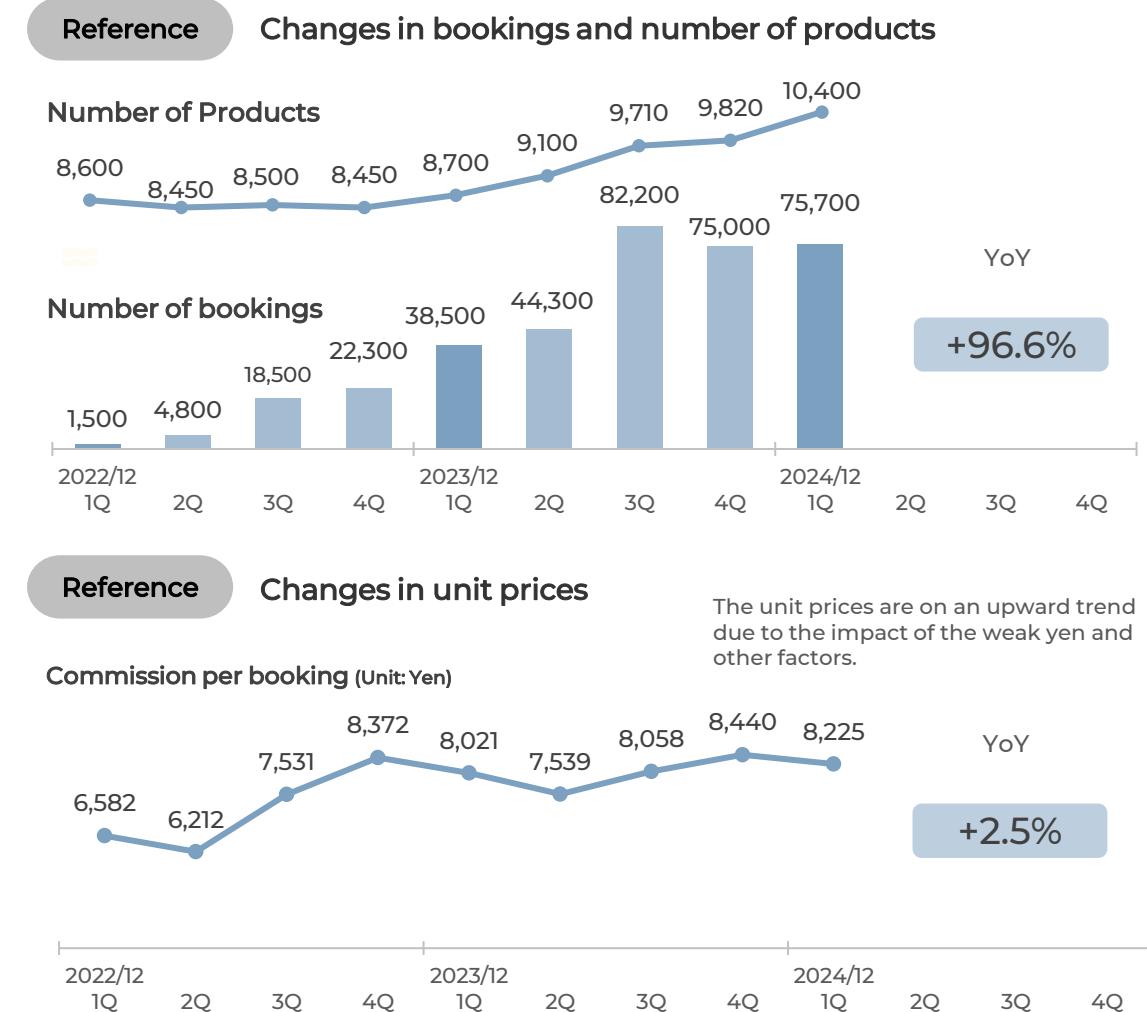
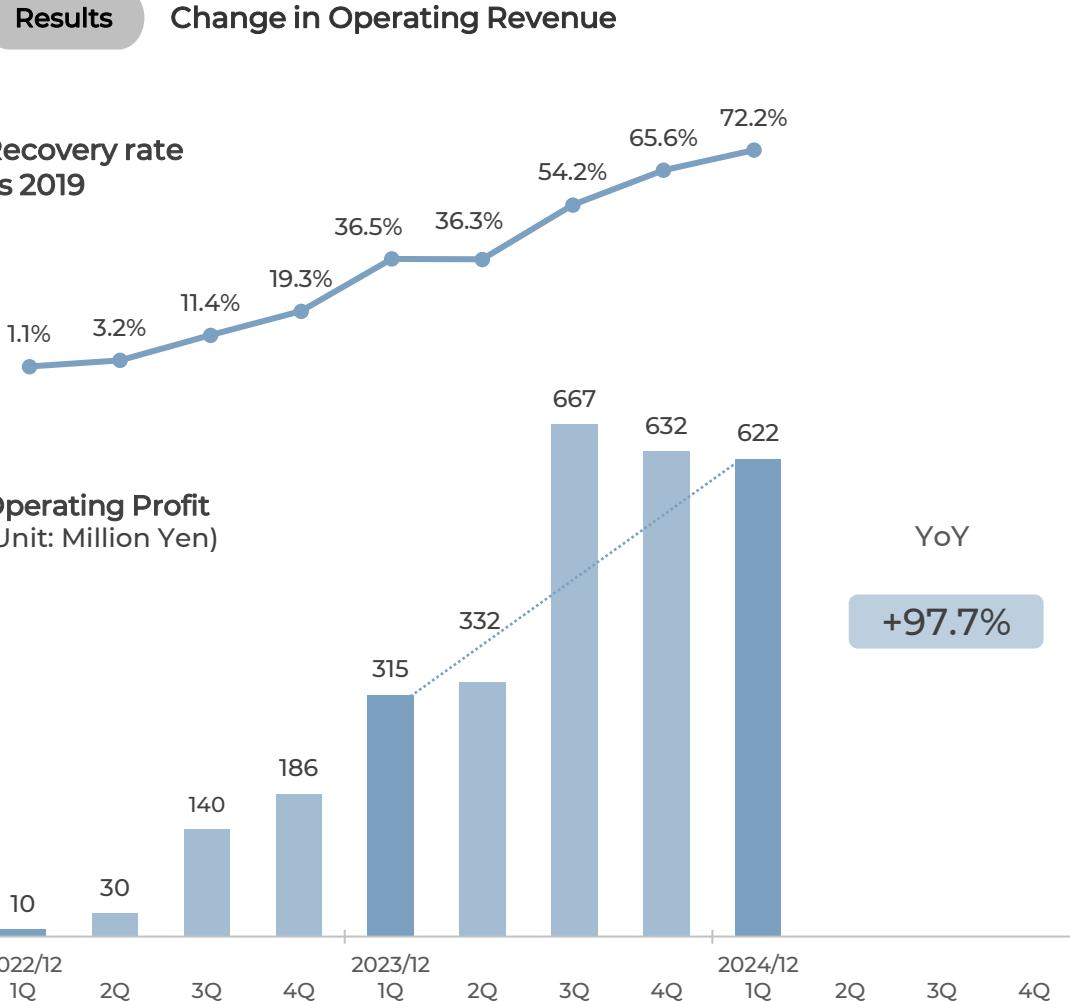


Business by Segments

Overseas



The number of Japanese travelers going abroad has recovered to over 60% of the 2019 level, but showing signs of slowing down. Despite the deceleration in bookings, business revenue has improved more than the market recovery. This improvement is attributed to higher unit prices caused by the weak yen and rising prices, as well as strengthened procurement of products.



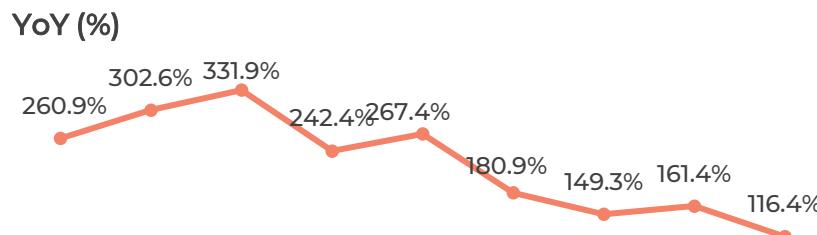
Business by Segments

Domestic

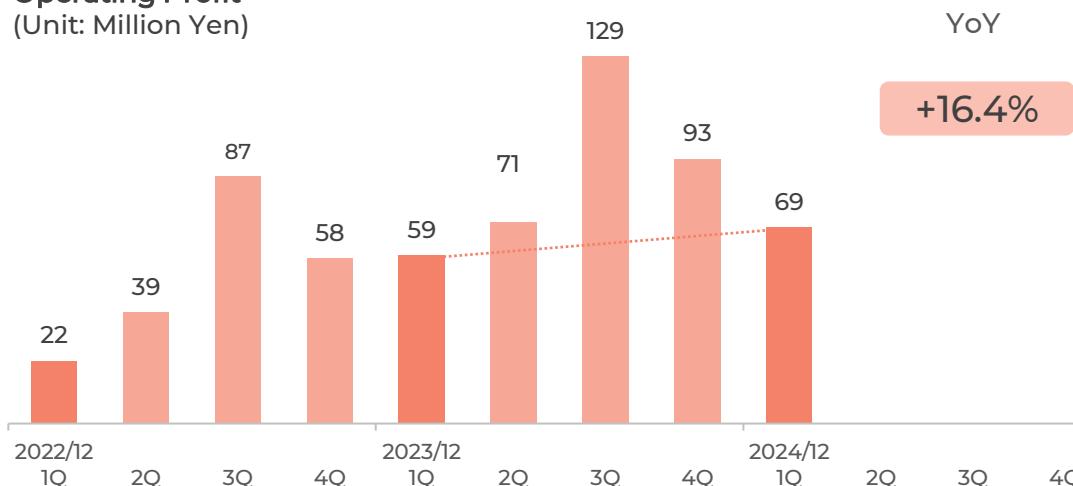


Although the number of bookings slightly fell below the same period last year, the increase in unit prices and the high value-added products led to a 16.4% increase in operating revenue. This year, we plan to expand the number of bookings through enhanced awareness and promotional measures.

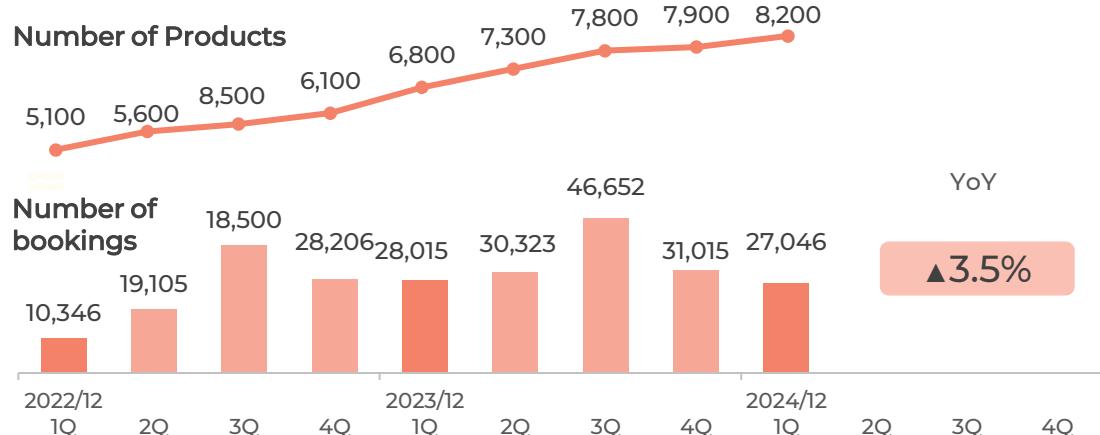
Results Change in Operating Revenue



Operating Profit
(Unit: Million Yen)

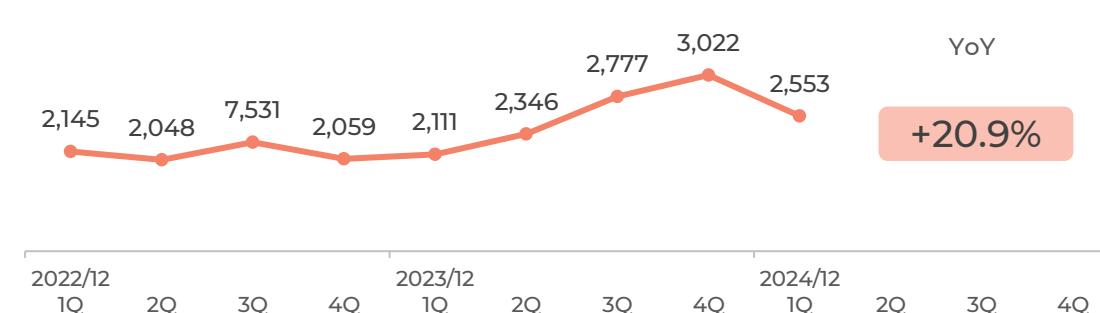


Reference Changes in bookings and number of products



Reference Changes in unit prices

Commission per booking (Unit: Yen)



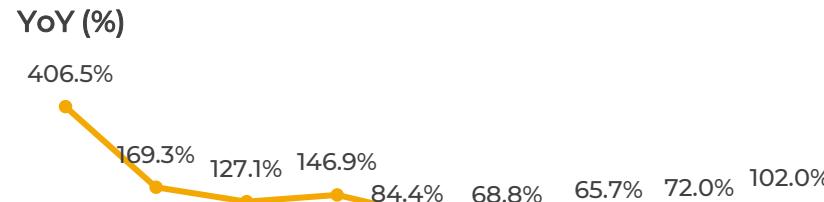
Business by Segments

HawaiiActivities

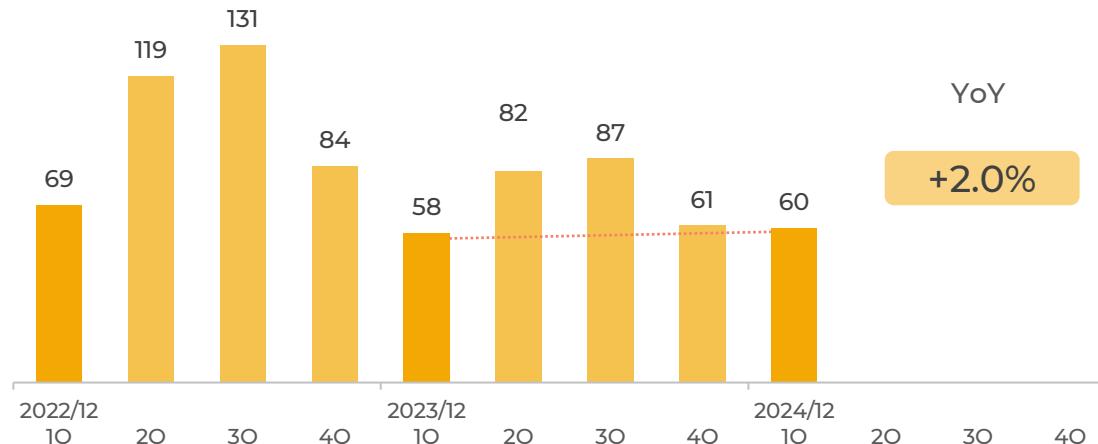


Thanks to measures such as Google's things to do, strengthened promotions, and the expansion of product variations, we have recovered to a level slightly above last year.

Results Change in Operating Revenue

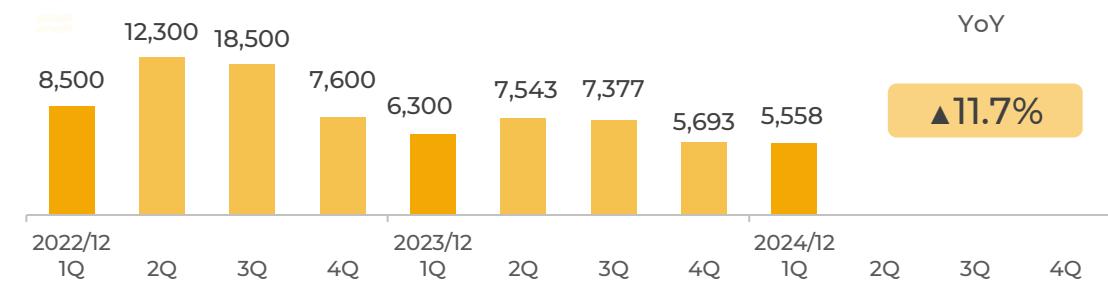


Operating Profit (Unit: Million Yen)



Reference Changes in number of bookings

Number of bookings



Reference Changes in unit prices

Commission per booking (Unit: Yen)



The unit prices are on an upward trend due to the impact of the weak yen and other factors.

Business by Segments

LINKTIVITY



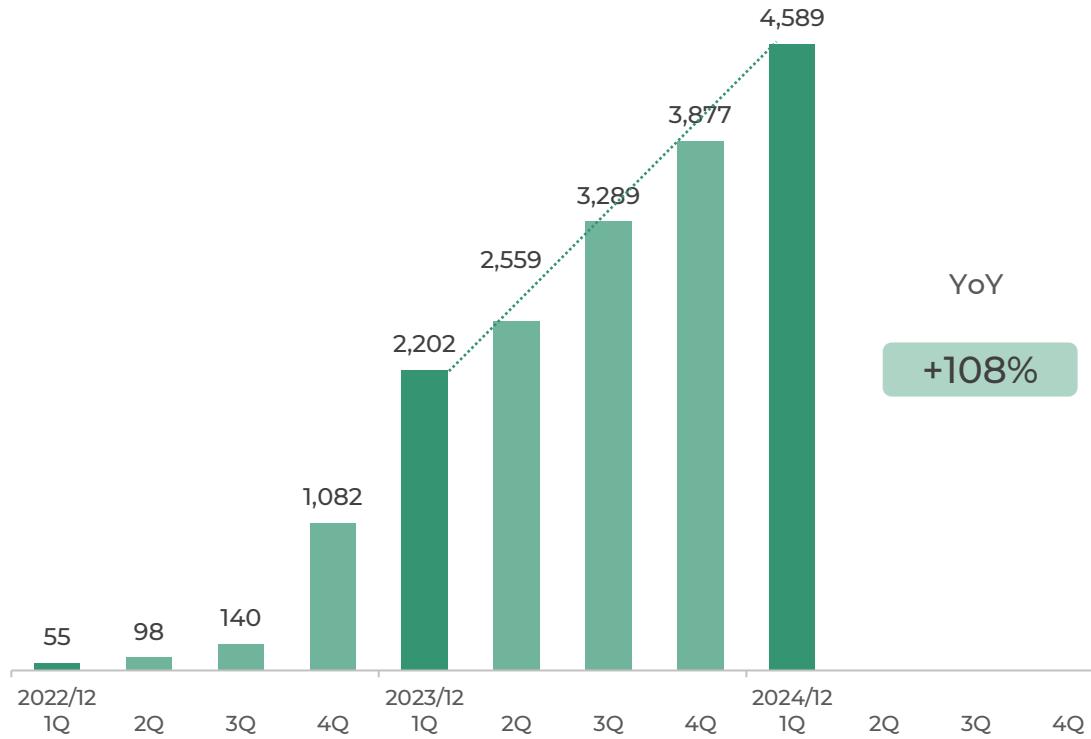
The transaction volume of railway and facility tickets through the platform increased to 4.6 billion yen in the first quarter (2.1 times compared to the same period last year). The number of suppliers and the number of contracted sales channels also showed steady growth.

Results Transaction volume

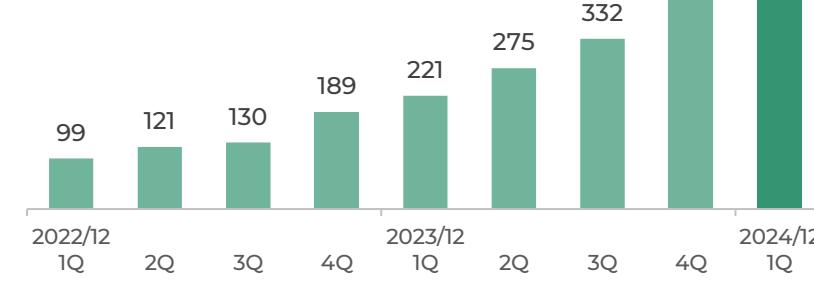
Reference

Number of partnerships

Transaction Volume
(Unit: Million Yen)



Number of Suppliers



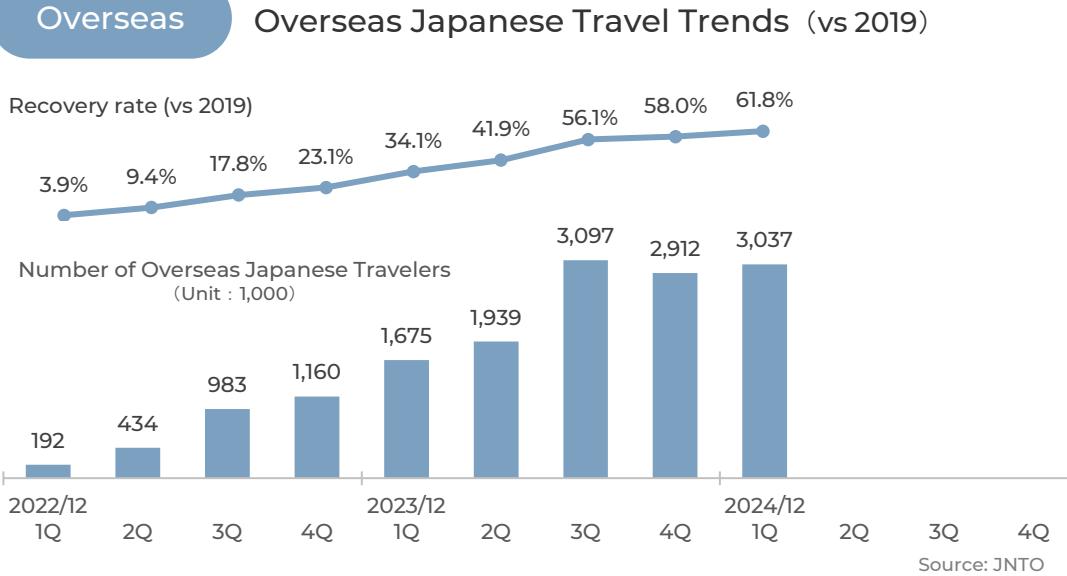
Number of Distribution Channels



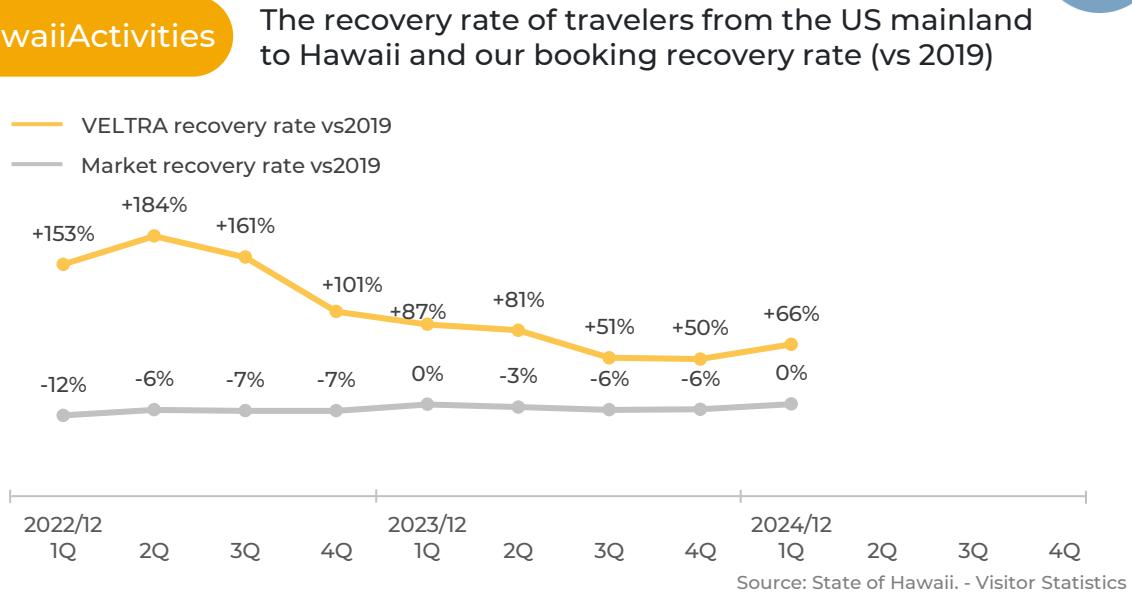
External Environment



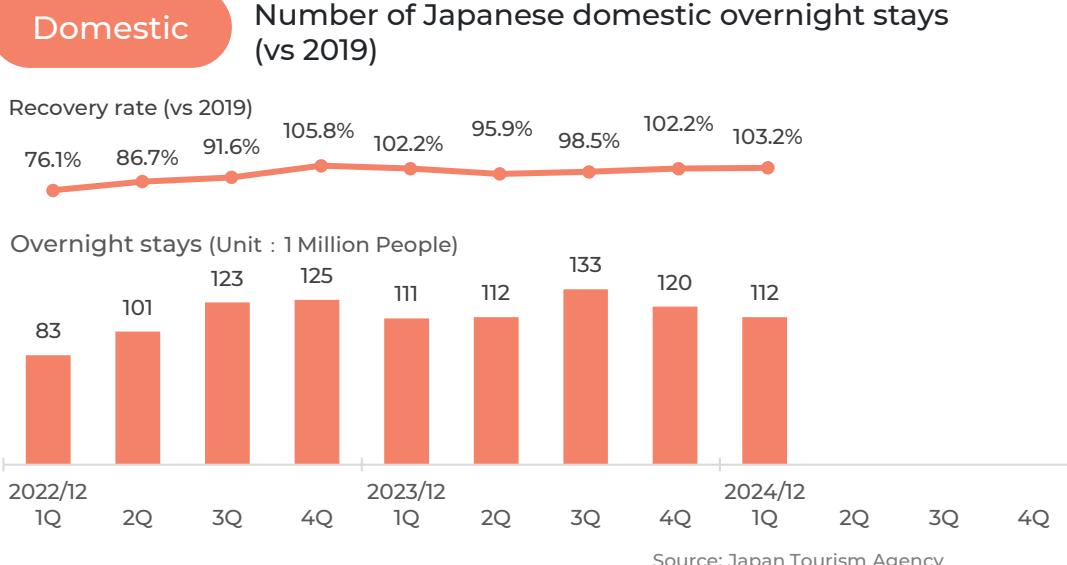
Overseas



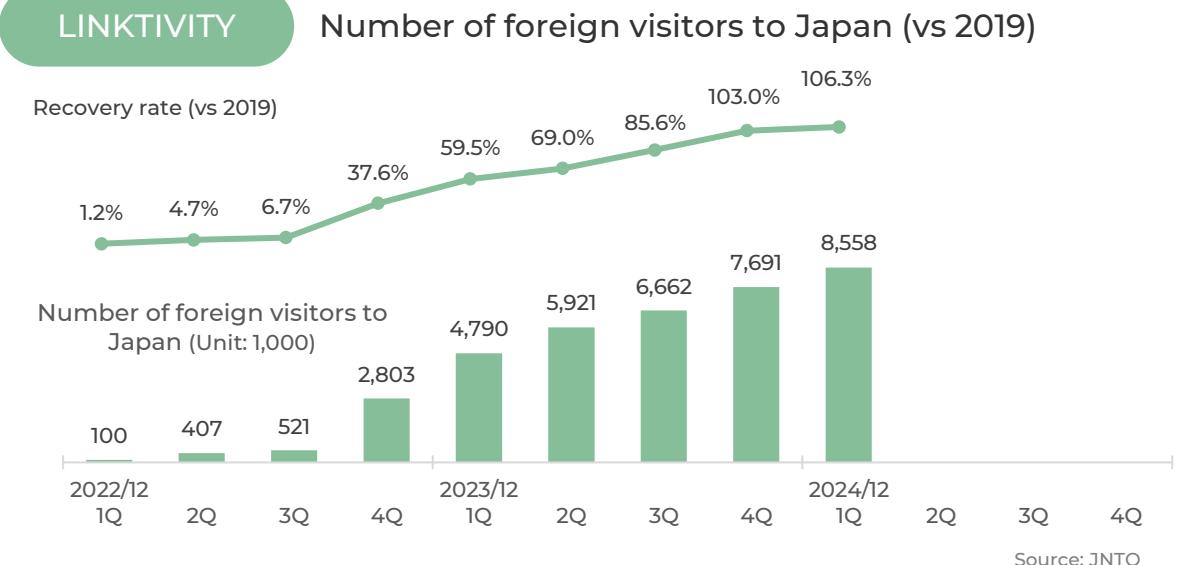
HawaiiActivities



Domestic



LINKTIVITY



FY2024 Q1 TOPICS: Effort for Sustainability



- Received the 'Excellence Award' at the Ministry of the Environment's Ecotourism Awards
- Obtained the highest three-star rating in the 'Eruboshi' certification



Received the 'Excellence Award' at the Ministry of the Environment's Ecotourism Awards

In recognition of our continuous and progressive efforts in collaborating with local guides across Japan to create and sell high-value, innovative tour products, we were awarded the 'Excellence Award' at the Ecotourism Awards on February 20, 2024.

Our Initiatives



紐日本とくを旅

We organize tours that gather experiences aimed at preserving and passing down traditional cultures nurtured by nature, as well as tours that include conservation activities in national park areas.

Future Initiatives

Creation of Sustainable Tour Products Unique to VELTRA



Obtained the highest three-star rating in the 'Eruboshi' certification

In recognition of our excellent implementation of initiatives to promote women's active participation, we received the highest 'Eruboshi' certification (three stars) on February 22, 2024.



Our Initiatives

- Promotion of female employment
- An environment where women can build long-term careers and stay
- Realization of work-life balance
- Systems to support the way women want to work

Future Initiatives

Creating an Environment Where Employees Can Thrive Even More"

FY2024 Earnings Forecast

FY2024 Performance forecast



While conservatively estimating a 65% recovery in the international travel market, operating revenues reached a record high of 5.4 billion yen, well above the pre-Covid (2019) level by the expansion of the business portfolio.

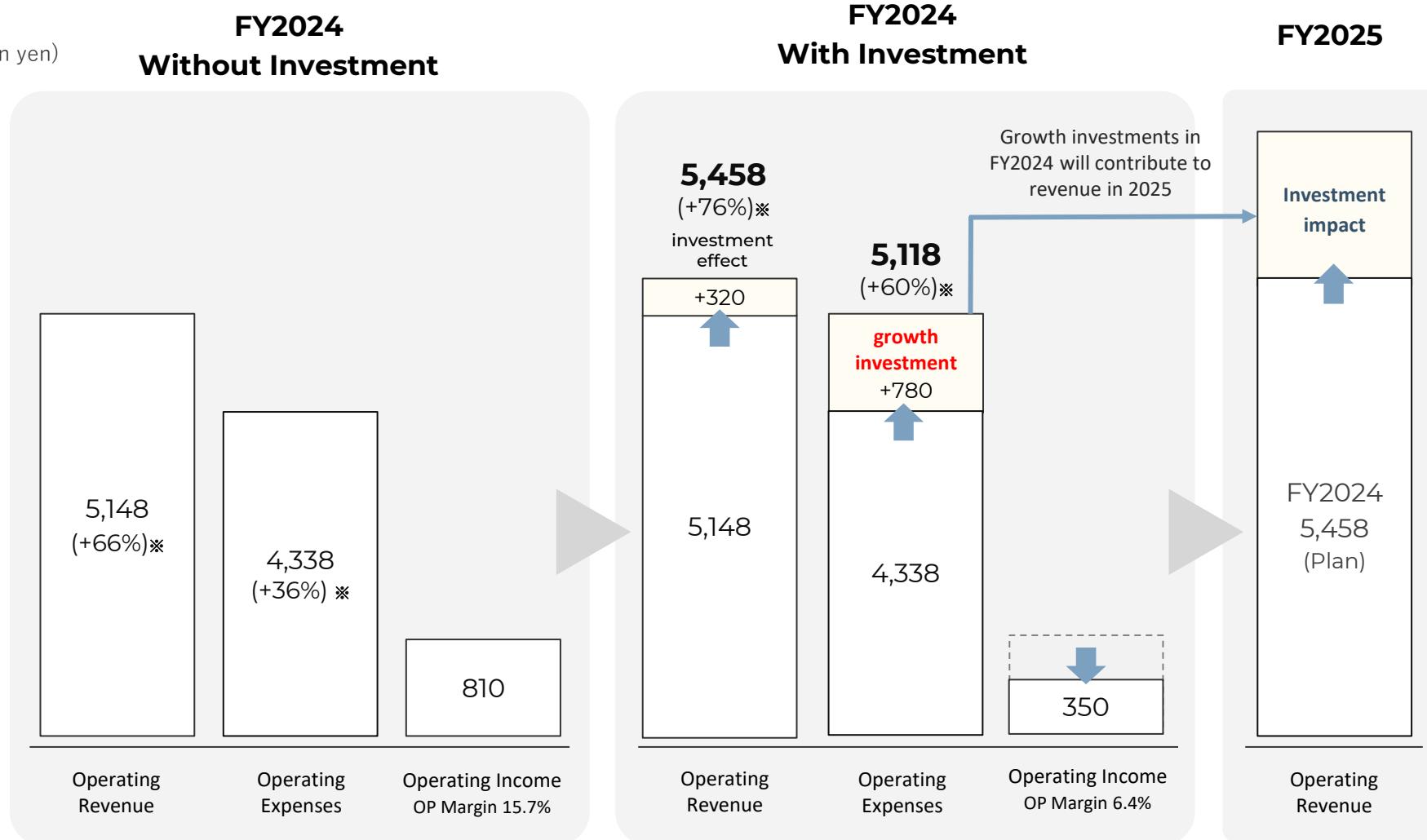
Operating income (350 million yen) was secured after investments in growth (780 million yen), including an investment in advertising (450 million yen) to improve service and brand recognition.

Unit: Million yen	FY2023	FY2024 (Forecast)	YoY
Operating Revenue	3,123	5,468	175.1%
Operating Expenses	3,190	5,117	160.4%
Operating Profit	▲67	350	—
Ordinary Profit	▲112	340	—
Net Income	▲57	264	—
Net income per share (Yen)	▲1.62	7.25	+8.87 yen

PL Impact of Growth Investments



(Unit: Million yen)



() shows percentage increase from the previous year

FY2024 Investment Plan



The following investments were made to achieve medium- and long-term business growth and increase corporate value.

While laying the foundations for increased earnings from 2025 onwards, the company will implement measures to improve productivity in the future.

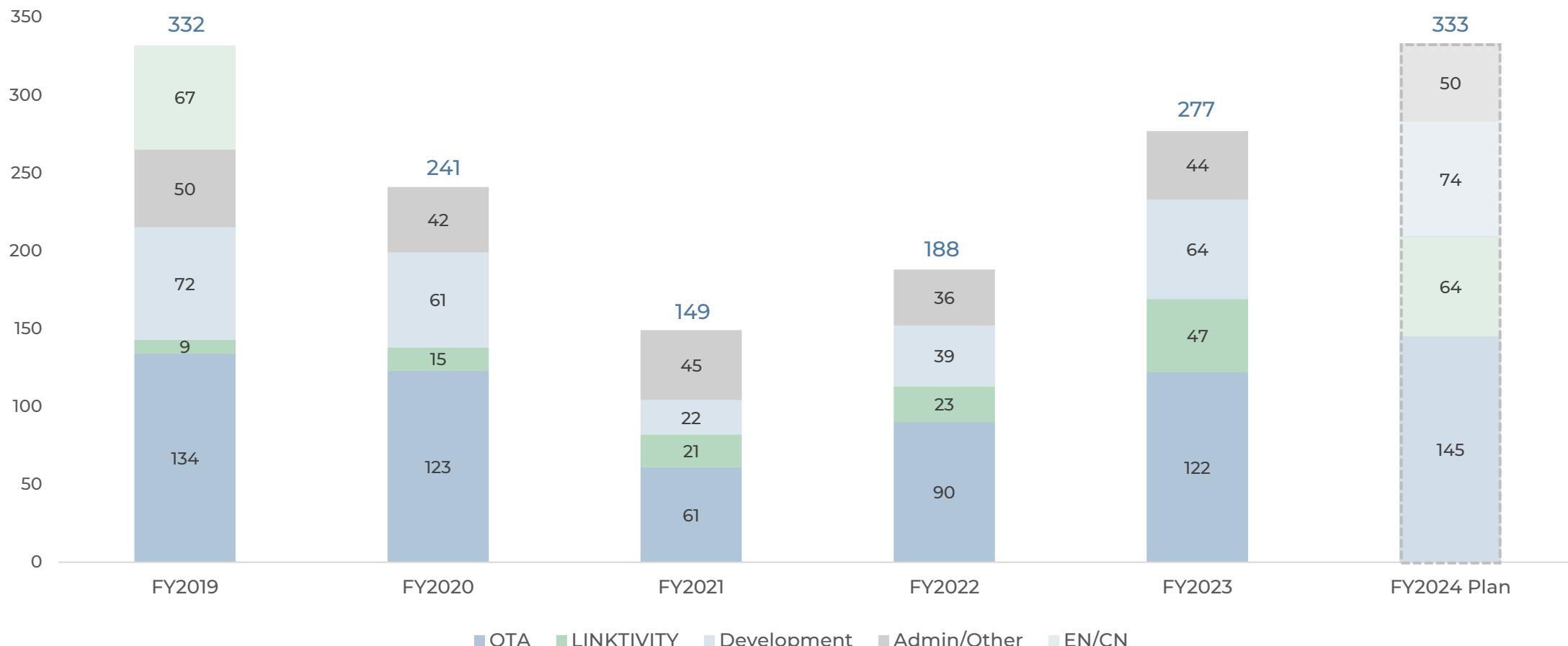
Invest Items	Amount of Investment (Unit: million yen)	Investment details	Investment effect	Progress (%)
OTA business				
Increase awareness	450	Implementation of measures to increase awareness (service, brand)	Recognition level +10% Reduced advertising costs to obtain customers	0.2%
Increase frequency of use and opportunities for use	120	Expand product valuations, Promote app downloads and improve functionality	Increase the number of joining tours per trip	14.1 %
Strengthen sales of Japanese-language tours	50	Strengthen collaboration with JTB	Maintain and expand competitive advantage	0.0%
Improve business productivity	60	Automation of content creation using AI	Improvement in operating margin	5.9%
LINKTIVITY				
Expand business areas by developing new solutions	100	Business construction of QR ticket gate authentication system, facility entrance/exit management system, etc.	Establish new revenue sources	21.9%
TOTAL	780			

Recruitment Plan



The headcount composition in the OTA business will be changed from a focus on the overseas travel business in 2019 to one with a view to expanding the scope of the overseas and Japan domestic travel business.

LINKTIVITY plans to strengthen its organization to seven times the 2019 level through active investment in the business expansion stage, and to increase the number of employees to the same level as in 2019 by the end of 2024 to expand the earnings of the entire group.

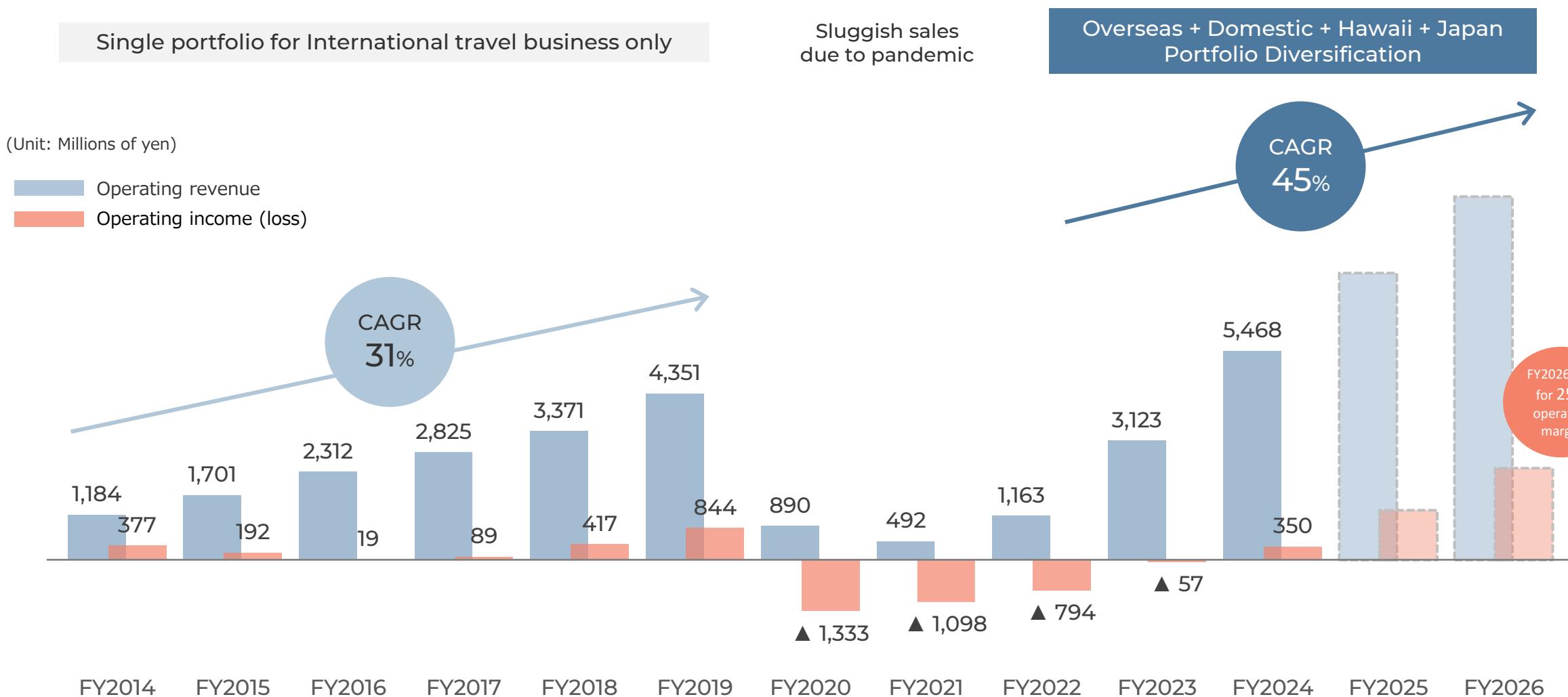


Growth image of operating revenue and operating income/loss



Launching various new businesses during the pandemic and shifting away from a single portfolio of only international travel.

Going forward, the company will expand its travel services for members, particularly in order to achieve one million fans, with a target CAGR of 45%, which exceeds the pre-pandemic level.



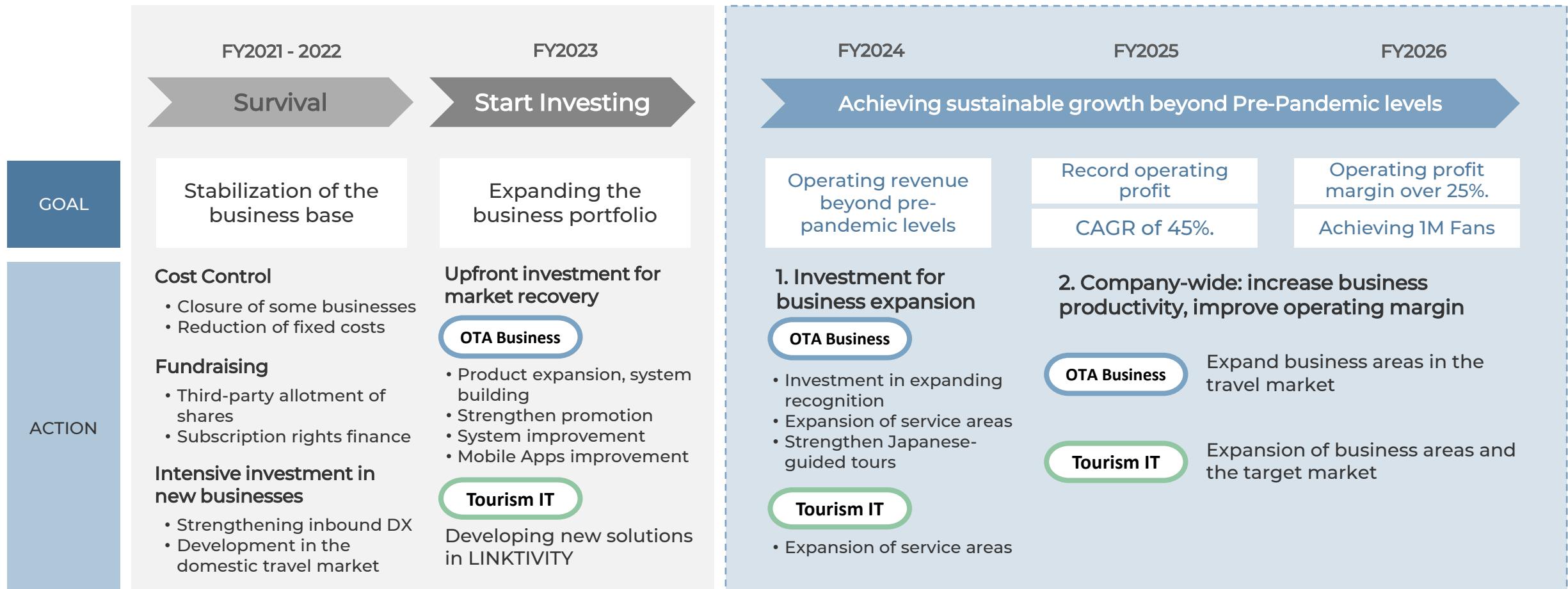
FY2024 Outlook and Initiatives



From 'Survival' to 'Sustainable growth'.

During the survival phase, various measures were implemented to reap the rewards after the end of the pandemic.

Sustainable growth after 2024, combining investment and achievement of business results, with a renewal of Veltra's best ever performance.

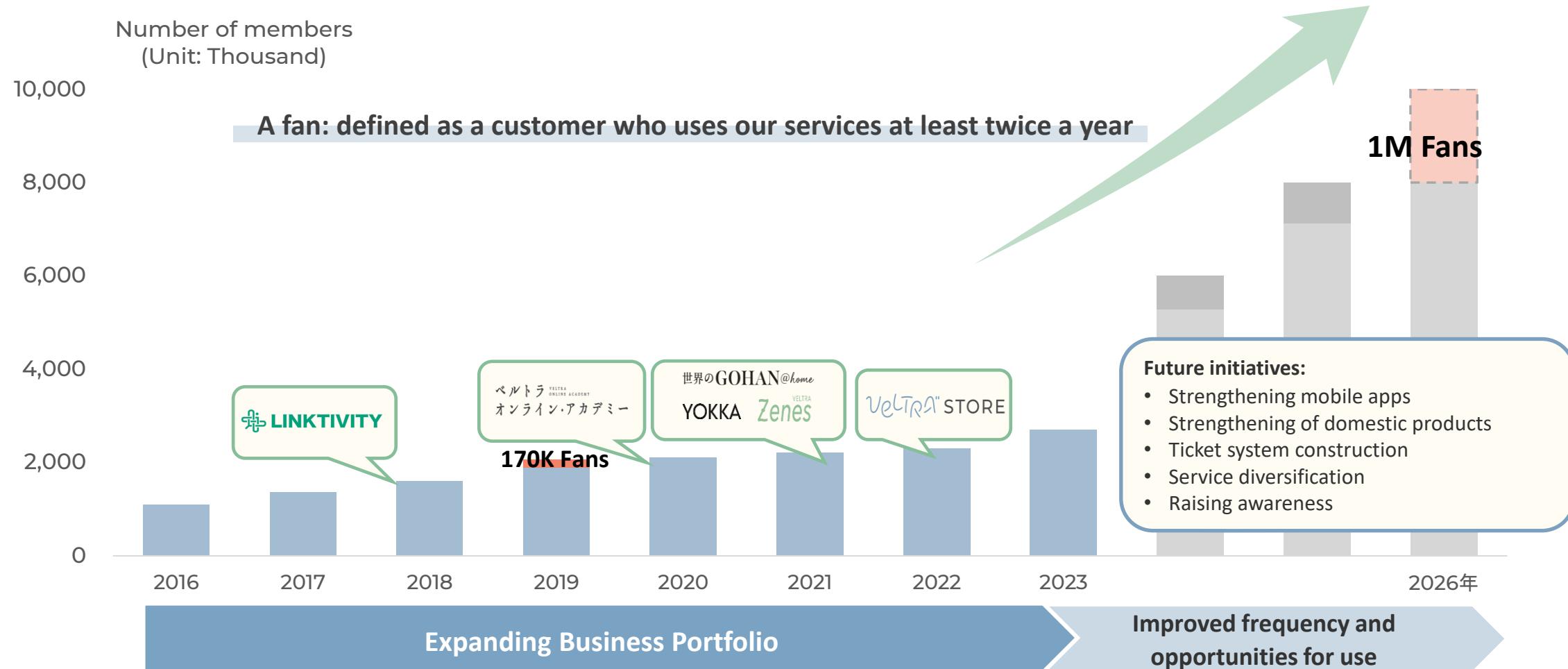


Aiming for a membership base of 1 million loyal fans by 2026



Currently promoting to activate existing members and acquire new fans by expanding touchpoints with customers through enhancement of domestic products and diversification of services.

Investments will also be made to increase awareness from 2024 onwards, with the aim of expanding the user base by acquiring new users.



FY2024 Outlook and Initiatives

VELTRA OTA

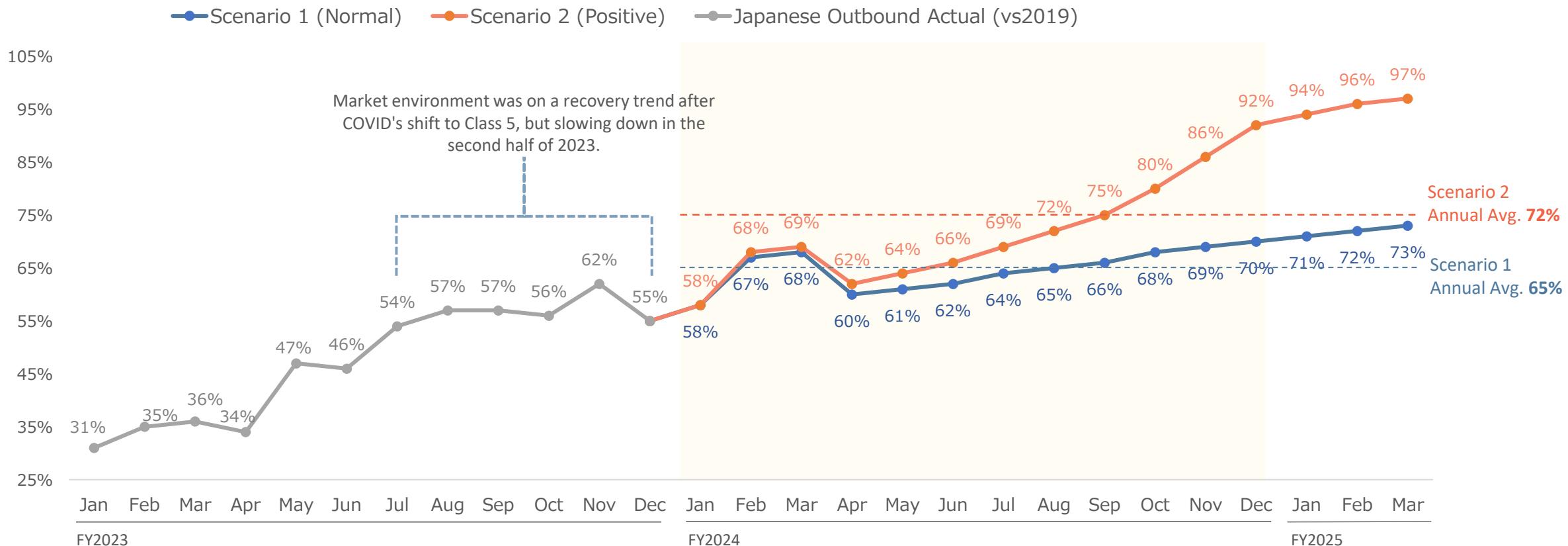
Travel Market for Japanese FY2024 Market Recovery Forecast



As for the domestic travel market, the recovery phase of the pandemic has ended. With no impact from the external environment, the number of travelers is almost at the same level as last year.

The overseas travel market will have no impact from the pandemic, but we expect the recovery to be somewhat prolonged due to factors such as the weak yen and rising fuel prices, and the sales plan is based on the conservative scenario [Scenario 1](#) (65% average annual recovery), with the effects of service expansion and marketing initiatives.

Depending on the improvement in the external environment, [Scenario 2](#) (annual average recovery rate of about 72%) is also assumed.



Source: JNTO

Market size of Japanese overseas travel and VELTRA's volume size by segment



Veltra's experience value in the overseas travel market is concentrated in Tours & Activities, which accounts for 73% of total sales.

In other segments such as food, lodging, and transportation, there are an unlimited number of services that provide the value of "the genuine experiences," and now that the recovery of the overseas travel market is long overdue, Veltra will expand its value offerings in other areas of travel consumption activities, including Tours & Activities.

Total overseas travel consumption: 4.8 trillion yen

(Total travel budget per person: approx. 240,000 yen)

Transportation (airfare)
Airline 873 billion yen (88M yen) 50%
Via travel agencies : 1.5 trillion yen (209,000 yen) 36%

Travel destination transportation expenses *1
69 billion yen (5,000 yen) 73%

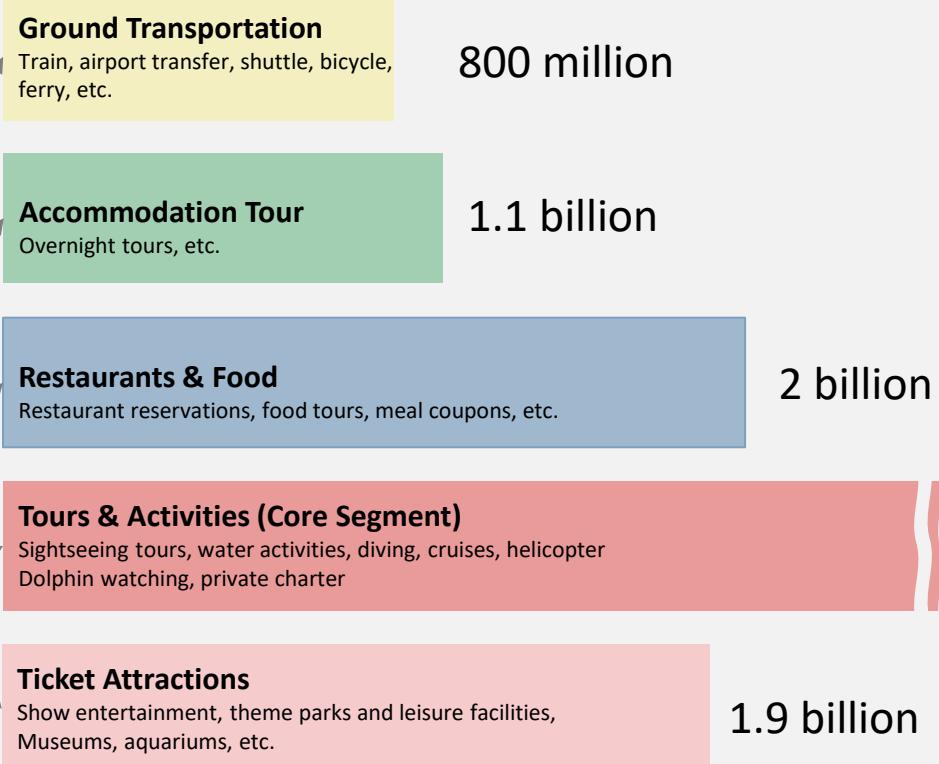
Lodging Expenses
559 billion yen (57,000 yen) 49%

Food & Beverage
320 billion yen (24,000 yen) 67%

Entertainment *2
166.0 billion yen (19,000 yen) 43%

Purchases
533 billion yen (34,000 yen) 79%

Veltra's International Travel Market Volume Size by Segment (FY 2019)



Percentage is purchase rate

*1 Public transportation: bus, cab, hired train (car rental not included) *2 Sightseeing tours, activities, tourist facilities, rental fees, etc.

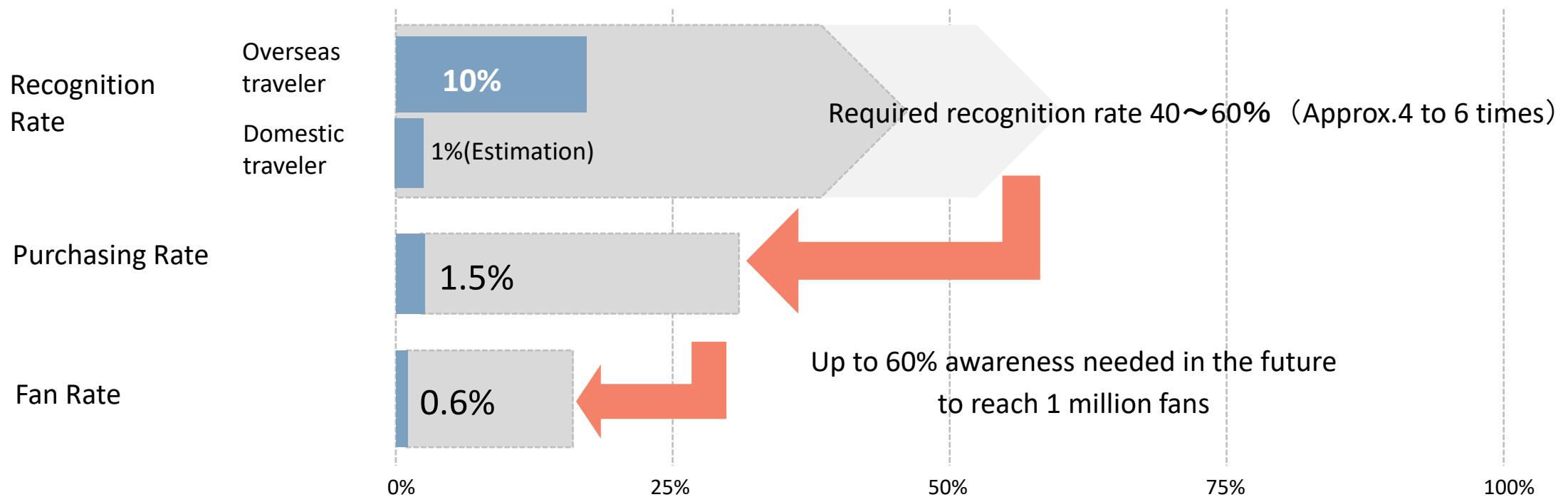
"Research Study on the Economic Impact of the Travel and Tourism Industry, 2019,"
Japan Tourism Agency

Increasing awareness of VELTRA



Veltra's potential customers are broad in both age range and region, but recognition of the service has been low since the before the pandemic. Raising awareness is an important initiative for future growth, aiming not only overseas travel market but also latecomer domestic one.

According to a survey on experienced international travelers conducted in 2019, only 10% of users know about Veltra's services and therefore the potential is high. We aim to increase awareness of Veltra for Japanese travelers from current 10% to around 20% (+10%) in this term.



Source: Calculated from 2019 awareness survey and historical Company reservation data

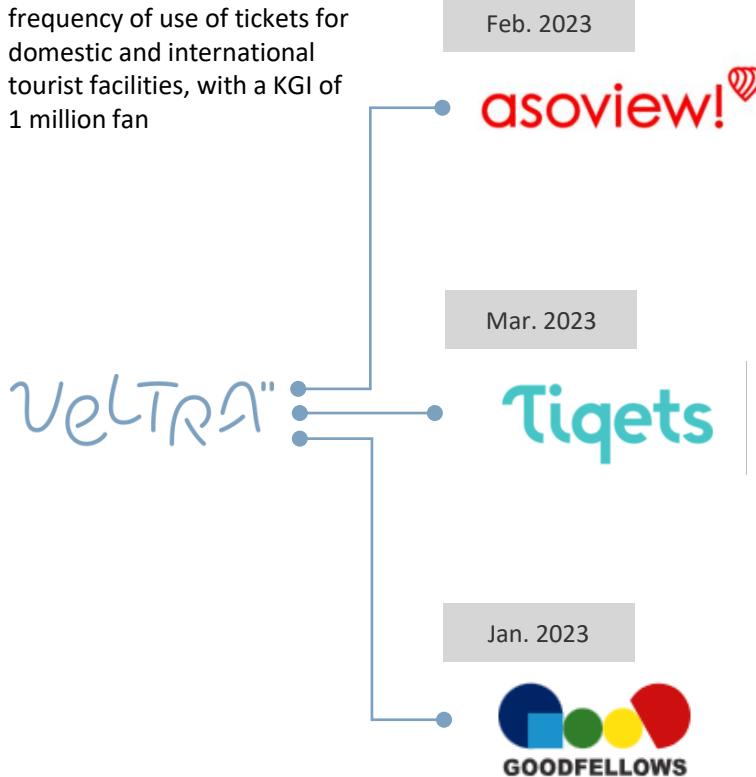
Strengthening partnership between partner companies

Formed partnerships with companies that are different from our strengths in order to reach 1 million fans. We will expand our product lineup in collaboration with companies that provide facilities and other services. In addition, we will strengthen our services and system infrastructure, including a business and capital alliance with JTB, to create synergy effects such as sales channel expansion, FIT market channel expansion, know-how sharing, etc., for further growth.



Integration with ticketing platforms

Partnership to increase frequency of use of tickets for domestic and international tourist facilities, with a KGI of 1 million fan



B2B Partnership

July.2023



Jetstar Japan

Jan.2024



Capital and Business Alliance

Strengthening linkage on product planning and sales such as guide tours in Japanese for foreign individual travelers

System tie-up

Collaboration in the sale of experiential products for domestic and international individual travelers

Dec.2023



Skymark

System tie-up

Investment

Investment with a view to market growth of "Food Experience" for visitors to Japan

Apr.2023



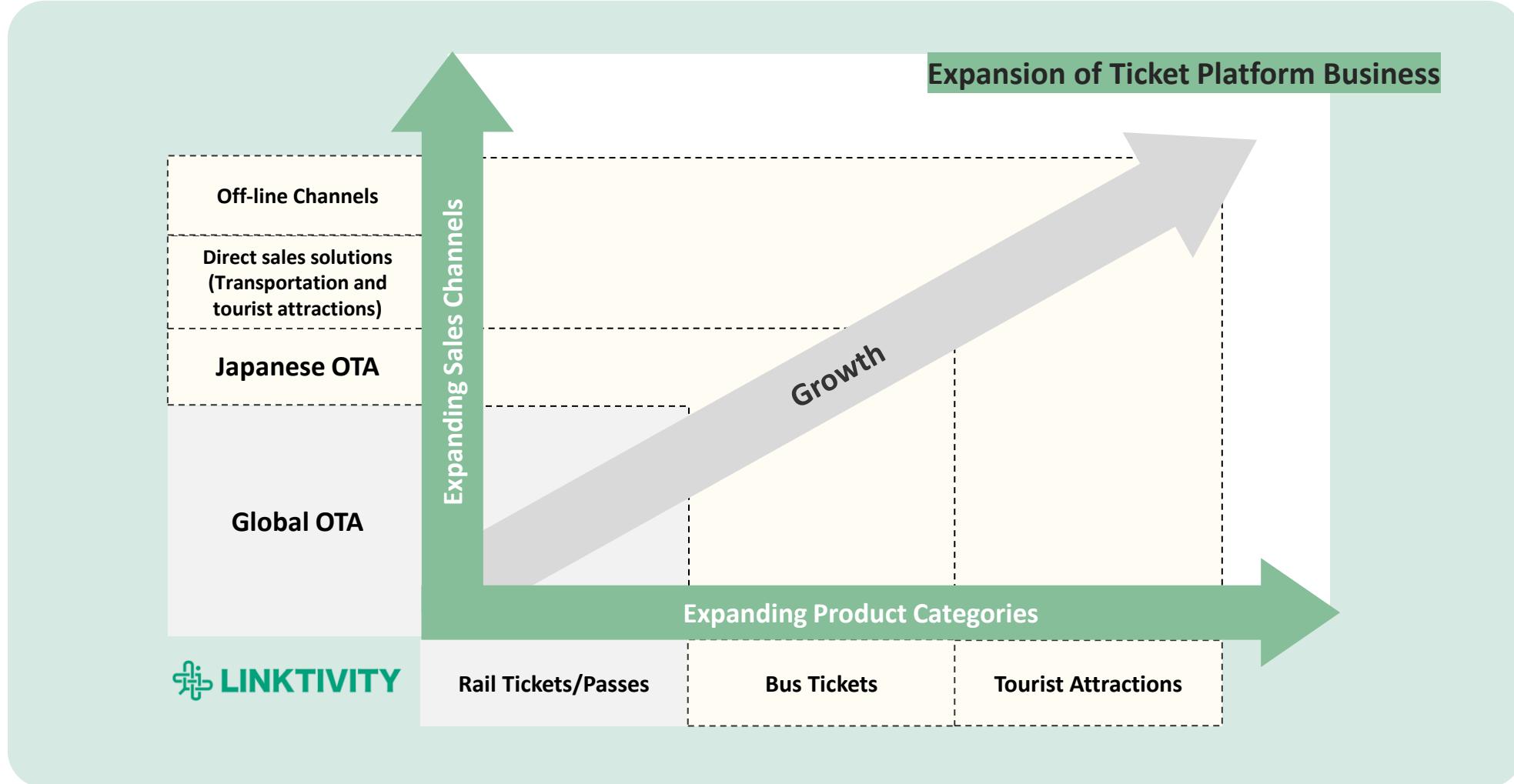
FY2024 Outlook and Initiatives

LINKTIVITY Platform Business

LINKTIVITY - Business Growth



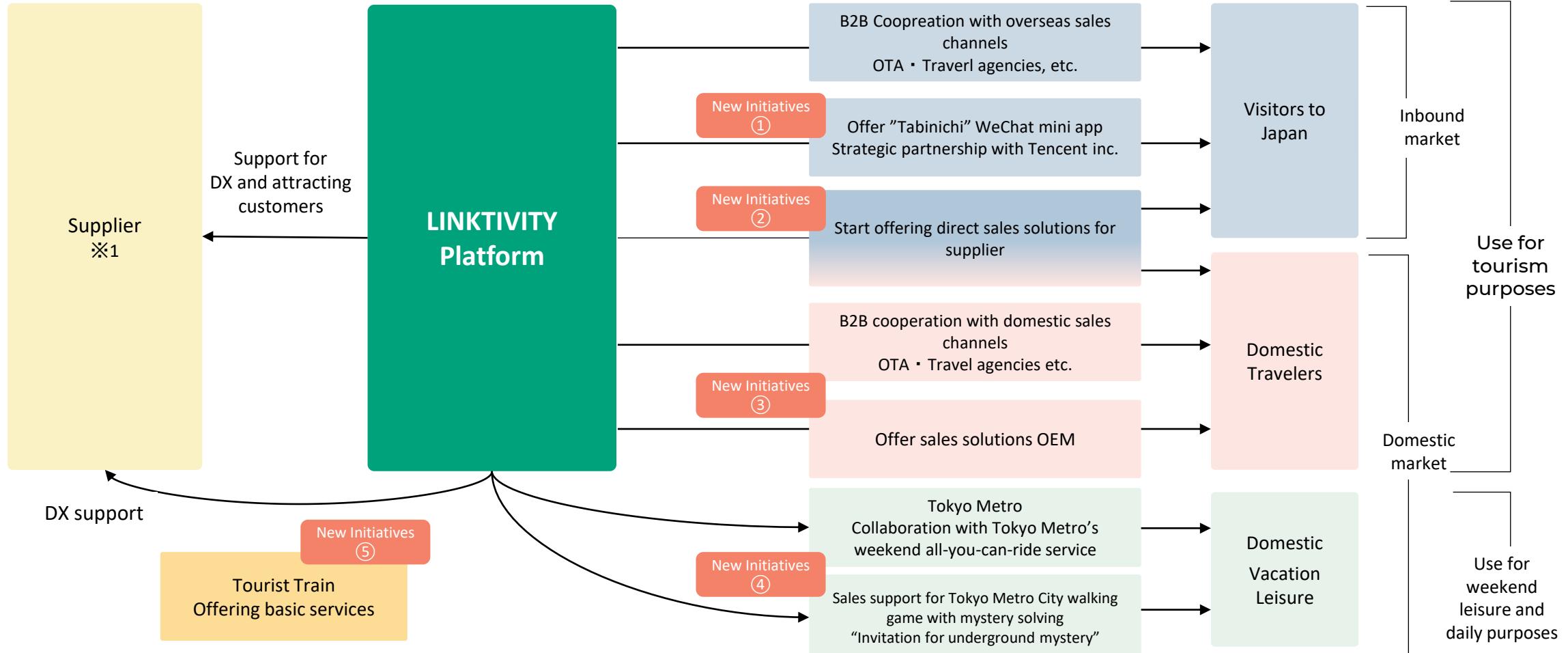
We will accelerate growth by further expanding product categories and sales channels and broadening TAM from its existing positioning as a rail ticket/pass platform for inbound travelers.



LINKTIVITY - Expansion of business services and target customers



Expand business services and demonstrate leadership as a solutions company in tourism DX and transportation MaaS, supporting domestic companies to strengthen alliances and sales channels, with the strength of our services as a channel manager for overseas OTAs as a service for visiting Japan.



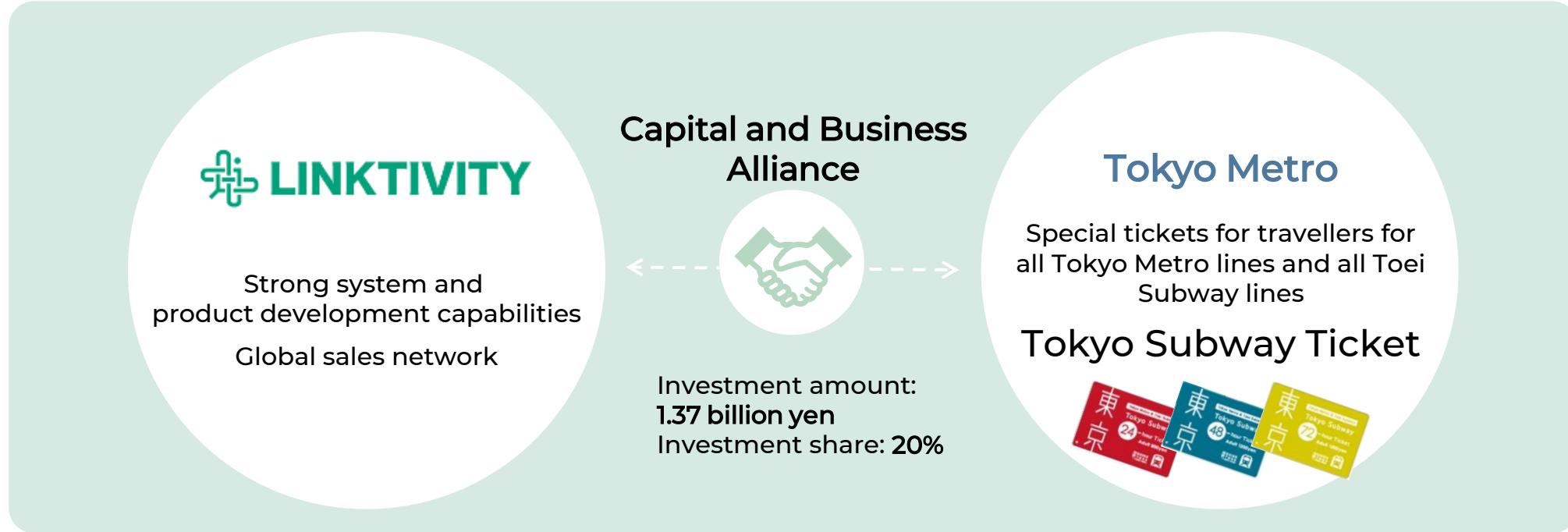
※1 Supplier : Transportation operators such as trains, buses, ships, tourist facilities, tourist experience operators, etc.

LINKTIVITY - Capital and business alliance with Tokyo Metro



Further enhancing the convenience of Tokyo Metro's Tokyo Subway Ticket

Promote inbound strategies for a new era by utilising LINKTIVITY's system and product development capabilities and global sales networks.



Promote the development of the 'Tokyo City Pass' (provisional name), which is a free pass attached to the Tokyo Subway Ticket to visit various tourist facilities in Tokyo.

Possible Questions and Answers



Question		Answer
Performance	The progress rate of operating revenue in the first quarter was just under 20%, but is this progress within the expected range?	As a result, the business performance progress in January-March was in line with our plans. The level of operating revenue in the OTA business is seasonal and tends to be highest in 3Q, which is the summer holiday season.
Performance	All businesses saw year-on-year growth, but what were the factors behind the growth in the two businesses that grew particularly strongly (overseas travel and LINKTIVITY)?	In the overseas travel business, although the rate of recovery in the number of Japanese travelling overseas is slowing, business recovery is more than recovering in the market due to higher unit prices for products and increased frequency of use through stronger procurement. LINKTIVITY's transaction volume has almost doubled year-on-year, which is slightly faster than the increase in the number of foreign visitors to Japan. The number of suppliers and sales destinations channel is also expanding steadily, and we recognize that the use of our services is becoming established to a certain extent in the travel planning and booking of inbound foreign tourists.
Performance	Domestic travel business and HawaiiActivities saw a slight increase year-on-year, what is the outlook for the future?	In the domestic travel business, operating revenue increased slightly as the unit price of products improved, partly due to the introduction of high value-added products, which helped to offset a slight decline in the number of bookings. The domestic travel business will strive for steady business growth by offering an appropriate volume of product line-up and high value-added products, and differentiating itself from other companies offering domestic travel services. HawaiiActivities sees itself as having moved beyond the period of post-pandemic overheating and its repercussions, and expects to grow gradually at its current pace. The company will continue to strengthen its algorithmic inflow strategy, improve leads and expand its product range to improve the accuracy of bookings after the influx of visitors.



		Question	Answer
Growth Strategy	Tell us about the progress of the Growth and Investment Plan.		The largest investment plan, measures to raise awareness, is expected to amount to JPY 450 million for the full year, but costs are expected to be incurred from 2Q onwards and were largely unaccounted for as of 1Q. On the other hand, the development of solutions for the LINKTIVITY business is progressing, with investment of around 20% of the planned amount.
Growth Strategy	With the yen at historically low levels, is there a change in the mindset of users, such as a reluctance to travel abroad?		In terms of trends in the number of Japanese departing from Japan, we recognise that there has been no small amount of restraint on overseas travel, as the return has been slower than expected, although there has been a gradual recovery compared to 2019. On the other hand, due to the effects of inflation and rising labour costs, demand is increasing for independent travellers who are able to secure cheaper airfares and accommodation on their own, rather than full-package travel, and we believe there are opportunities to expand opportunities to provide our services during the time of travel.
Business environment	What is the status of your relationships with overseas local tour operators and other companies that have left the travel industry due to the pandemic? Are you making good progress in developing new contacts? Is there a possibility of losing users when the number of overseas travellers increases?		As the number of Japanese travelling overseas is also on a gradual upward trend, the strengthening of relationships with local organising companies has led to a steady increase in the number of products. In addition, in cooperation with JTB, we are expanding our overseas local Japanese-language tours, and these actions will further maintain and expand our competitive advantage and promote the increased frequency of use of our services.

Appendix

Company Information



VELTRA Corporation

Headquarters	2-13-12 Nihonbashi, Chuo-ku, Tokyo 103-0027 Japan
Capital	JPY 1,823,717,585 (as of December 2023)
Founded	November, 1991
# of Employees	277 (Consolidated) 193 (Non- Consolidated)
Subsidiaries	[Malaysia] VELTRA Malaysia Sdn, Bhd. [USA (HA)] VELTRA Inc. [Japan] LINKTIVITY Inc.
Rep Office	Bangkok, Ho Chi Minh City



Business Category



Board of Directors

CEO, President	Wataru Futagi
Director	Tomoharu Kurakami
CFO, Director	Jumpei Minashima
Outside Director	Rod Cuthbert
Outside Director, Audit Committee Member	Tetsushi Ikeda Masato Mori Gaku Suzuki

Milestones



•	1991	Founding of ALAN Corporation (to become VELTRA Corporation)
•	2004	Launch of Tours & Activity Booking Platform “Alan1.net” Acquisition of HawaiiActivities.com (VELTRA Inc / Formerly White Publishing, Inc.)
•	2012	Changed brand and company name to VELTRA from Alan1.net Launch of English website for Japan inbound market Establishment of VELTRA Malaysia Sdn.Bhd. in Kuala Lumpur, Malaysia
•	2016	Acquisition of CityDiscovery.com (City Discovery SAS)
•	2017	Launch of Korean website (Association with 12cm) Establishment of LINKTIVITY PTE.LTD in Singapore
•	2018	Listed on the Tokyo Stock Exchange market (7048.T)
•	2020	Establishment of LINKTIVITY Inc. in Japan. Transferred the platform business from Singapore
•	2021	Capital and business alliance with OpenDoor Inc.
•	2022	Moved to the TSE Growth Market following restructuring of Tokyo Stock Exchange
•	2023	Transition to a company with an audit committee Capital and business alliance with JTB Corp. in the activity business

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.

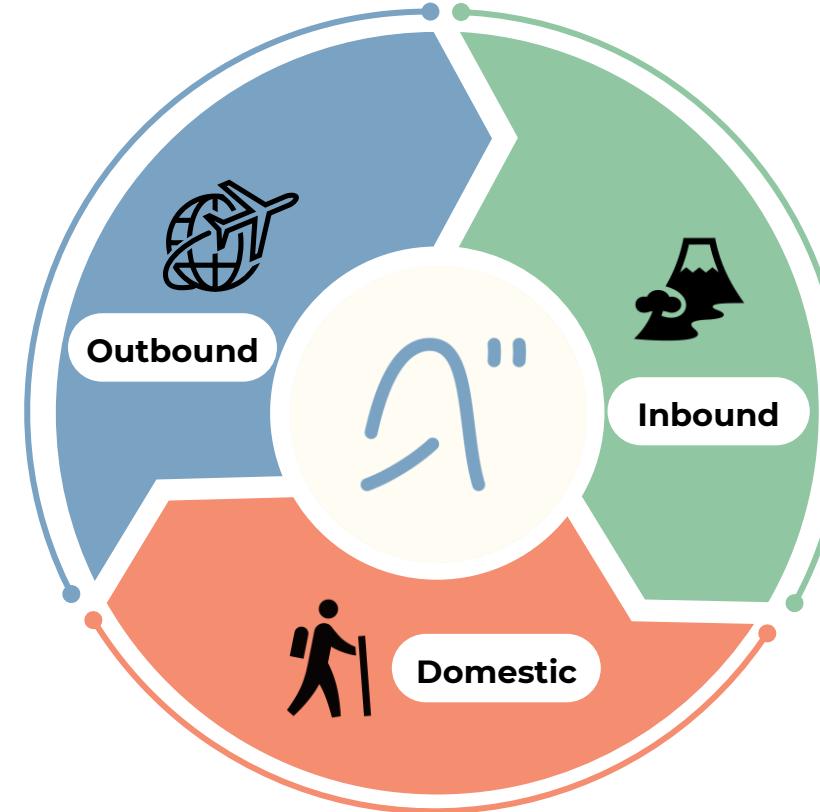


VelTRA®

HAWAII ACTIVITIES
A VELTRA® Company

ベルトラ
オンライン・アカデミー
VELTRA
ONLINE ACADEMY

VelTRA® STORE



Tourism IT
Solutions

LINKTIVITY

VELTRA
Zenes

YOKKA

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

Core Business



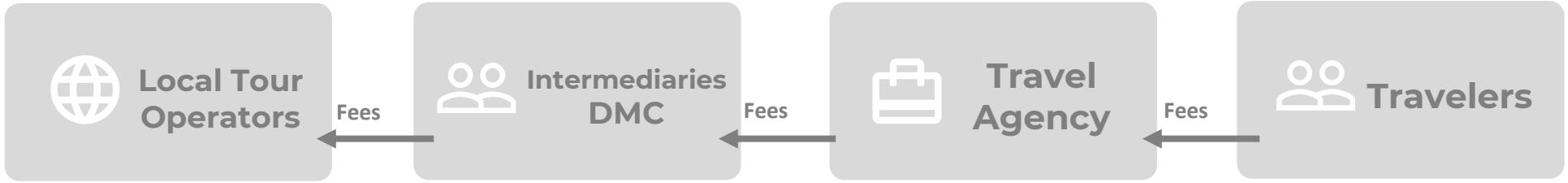
VELTRA and Hawaii Activities specialize in experience-focused activity reservations for Japanese and U.S. travelers respectively. Our tourism IT solution is also expanding transport and facility ticketing platforms.

OTA		HAWAII ACTIVITIES A VELTRA® Company		Tourism IT Solutions	
2.5 million (YoY +32万人)		Members	200,000	Number of Users	--
19,000 (YoY +3,600) 150 Countries		Activities Countries	780 All Hawaiian Islands	Number of distributors	441 (YoY+252)
8,000 (YoY +600社)		Partners	440	Number of partners	348 (YoY+75)
400,000+		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

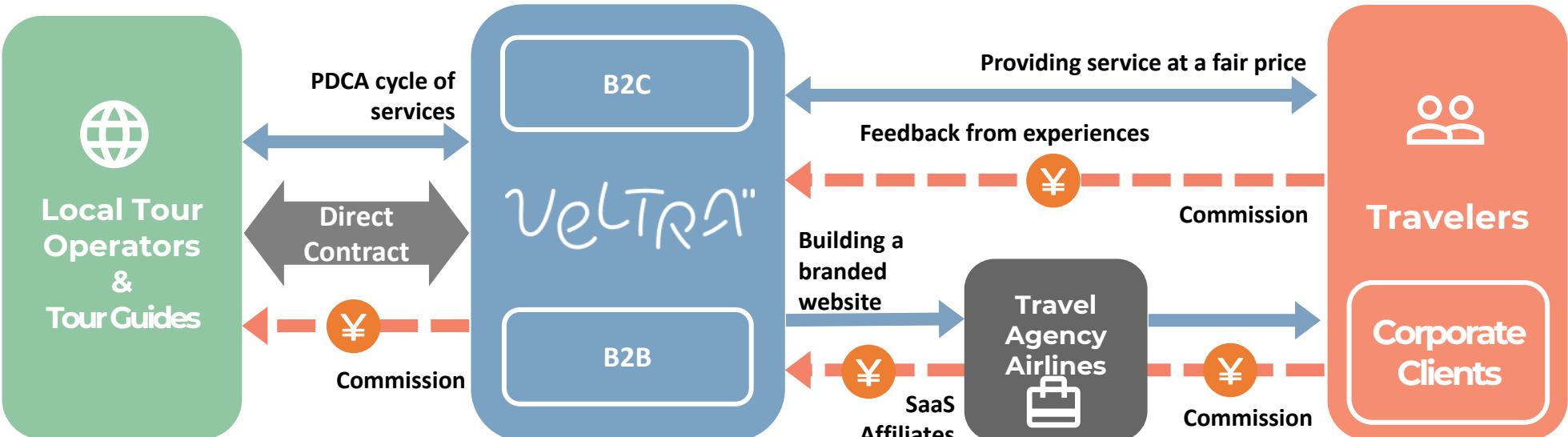
OTA Business: Transforming the supply chain for experience booking



Before



VELTRA booking platform





A Pioneer in Japan's Experience-focused OTA

In addition to our large membership base, a wide range of experience products tailored specifically for Japanese customers and our high quality of services are superior to those of our competitors.



Worldwide network of more than **8,000** companies in **150 countries**



2.5+ Million Members



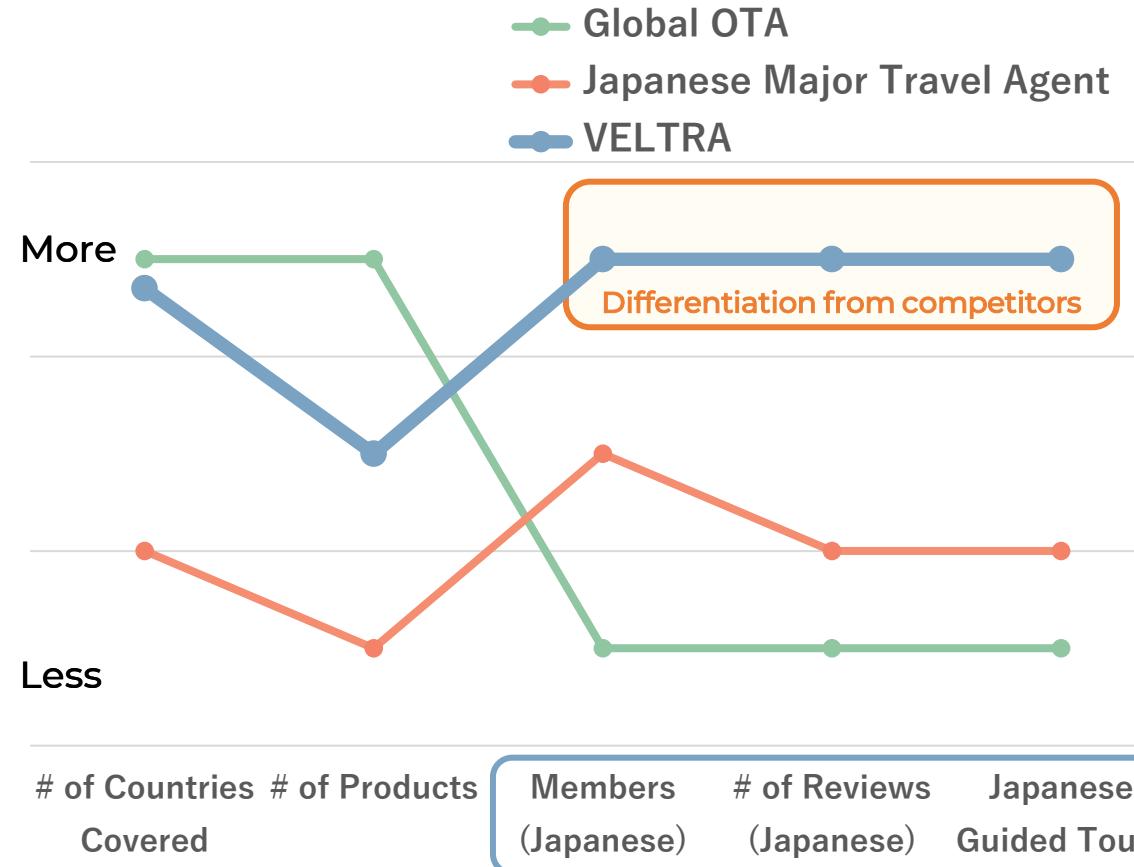
19,000+ Tours & Activities



40,000+ Customer Reviews



3,000+ Japanese Guided tours





Strong presence in the online market

VELTRA has established an outstanding presence in the online market for tours & activities through its comprehensive marketing capabilities from acquisition to retention and its broad network of travel agencies.



3M USER/month*
Organic traffic
*2017-2019 Average



200,000+/month
Owned media traffic



2,000+
B2B Network
in Japan



100+
API Integration



50% of bookings
are returning
customers
*2019 results



NPS(+27%)
Customer Royalty
*Net Promotor Score



Localized
UI/UX



24/7
Customer Support

OTA Business: A Cycle of Enhancing Managerial Assets



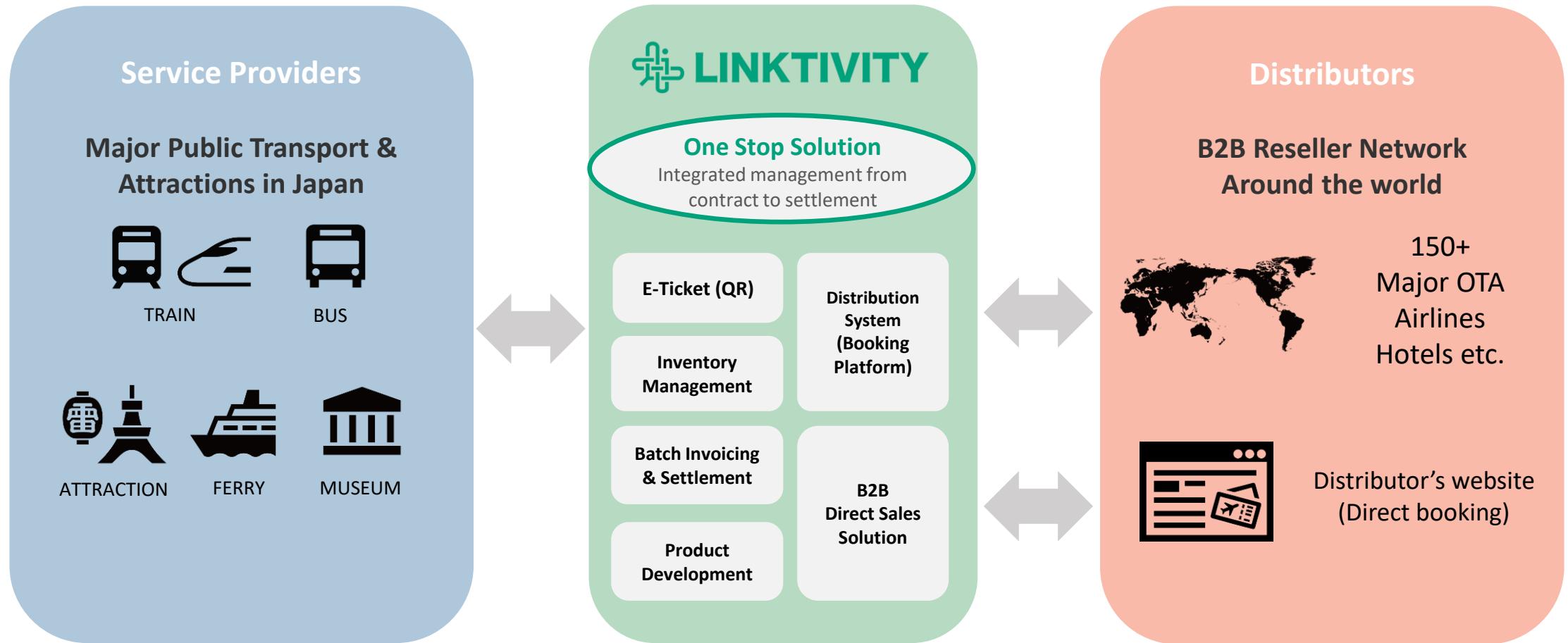
By reinvesting to make the most of our resources, we aim to create new value and further expand market share and maximize corporate value.



Tourism IT Solution Business



LINKTIVITY is a platform that connects Japanese transportation and attractions with travel companies around the world. It provides a one-stop system solution to link service providers and distributors.



Tourism IT Solution Business: Strength of Linktivity



LINKTIVITY is the only platform with system integration with all major Japanese public transportation companies. It is expected to be a major differentiator in future expansion as a ticketing platform for tourist attractions.



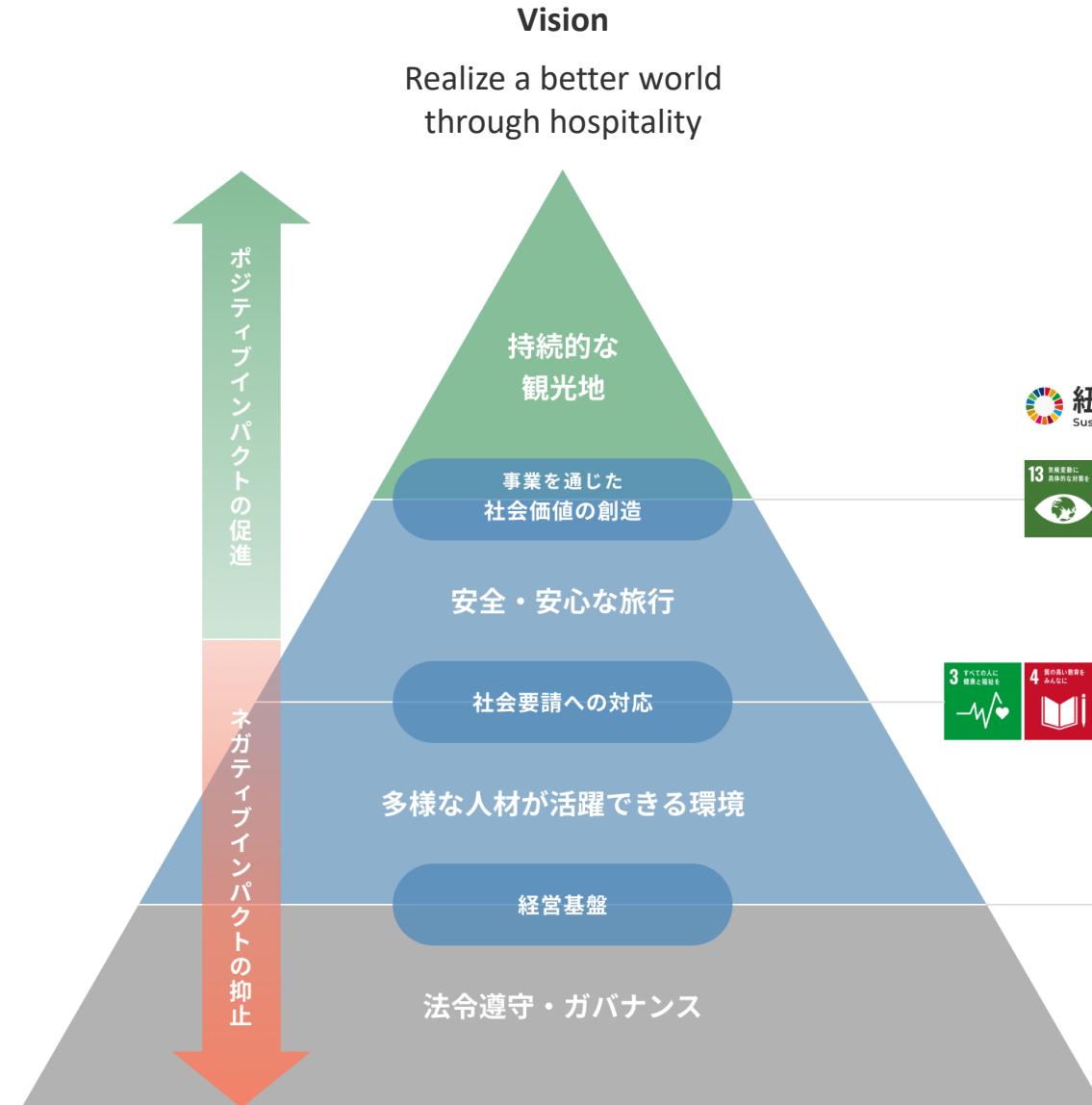


Sustainability Basic Policy:

We aim to realize our vision by creating social value through our business, based on the foundation of compliance with laws and governance, and responding to social demands such as "safe and secure travel" and "a workplace environment where diverse human resources can play an active role". We also aim to create sustainable tourist destinations.

Topics:

- At the 1st JATA SDGs Award in the Social and Human Rights, our Work from Anywhere: Creating a workplace environment where diverse human resources can thrive regardless of changes in life stages won the Encouragement Award in June 2023.
- Sustainability page launched on corporate website (Aug 2023).
- VELTRA's tour 'SDGs Educational Trip in Onna Village, Okinawa' won the 'Sustainable Tourism Award (UNWTO)' at the 7th Japan Tourism Awards (September 2023).



Vision

Realize a better world
through hospitality

紐づくSDGs
Sustainable Development Goals



Initiatives to Promote Human Resources and Women's Advancement



We have worked to create a work environment where diverse human resources can work with a sense of fulfillment and satisfaction, especially in our support for the success of women leaders.



Employee ratio

Female 69%

Male 31%

*31% are working mothers



Female managers Ratio

Female 43%

Male 57%

*The average number of female managers in Japan is 8.9%
(according to Teikoku Databank)



Return to work
after maternity leave

95%



Avg. Age : 37 yo

- 2018 Partial introduction of telework scheme "Work from Home"
- 2020 Achieved smooth and complete transition to telework by 2020
- 2021 Introduce a unique work location scheme “*Work from Anywhere”

*“Work from Anywhere” allows employees to work from anywhere in the world, choosing the most suitable location for their work according to their individual circumstances, aiming to improve work-life balance and work styles with high productivity.

Implementation of the HR policy to improve employee engagement



Introducing a variety of HR measures that respond to diversifying work styles, improving employee engagement and performance, and securing human resources and strengthening competitiveness in preparation for the resurgence of the tourism market.

Engagement improvement measures

Overview

Salary increases

Decided to raise employees' base salaries (base increase) in response to recent price hikes and for the purpose of **strengthening the company's competitiveness and sustainable growth.**

Resumption of evaluation incentive payments

Based on the "Pay for Performance" policy, the company aims to enhance the competitiveness of the company as a whole by providing incentives to employees who produce results, thereby **increasing their motivation and productivity.**

Introducing "Work from Anywhere"

Strengthening cooperation with local tour operators in Japan and overseas and improving work productivity, as well as offering discounts on activities through the VELTRA welfare program, will **lead to an enhanced work-life balance.**

Workplace where female employees can play an active role

Starting this fiscal year, support for male employees to take childcare leave and nursing care leave will also be strengthened.

Utilizing referral system

Actively recruiting through referrals from former employees or friends and acquaintances of employees

Future Outlook

In June 2023, we will move our head office functions to WeWork, which provides flexible office space, to promote a diverse work style that is not restricted by location, and to further improve operational efficiency and productivity. From the perspective of DE&I, we will actively consider the introduction of training and personnel systems to create a work environment in which all employees are respected and a diverse workforce can play an active role, regardless of differences in sexual orientation, gender identity, nationality, and disabilities.

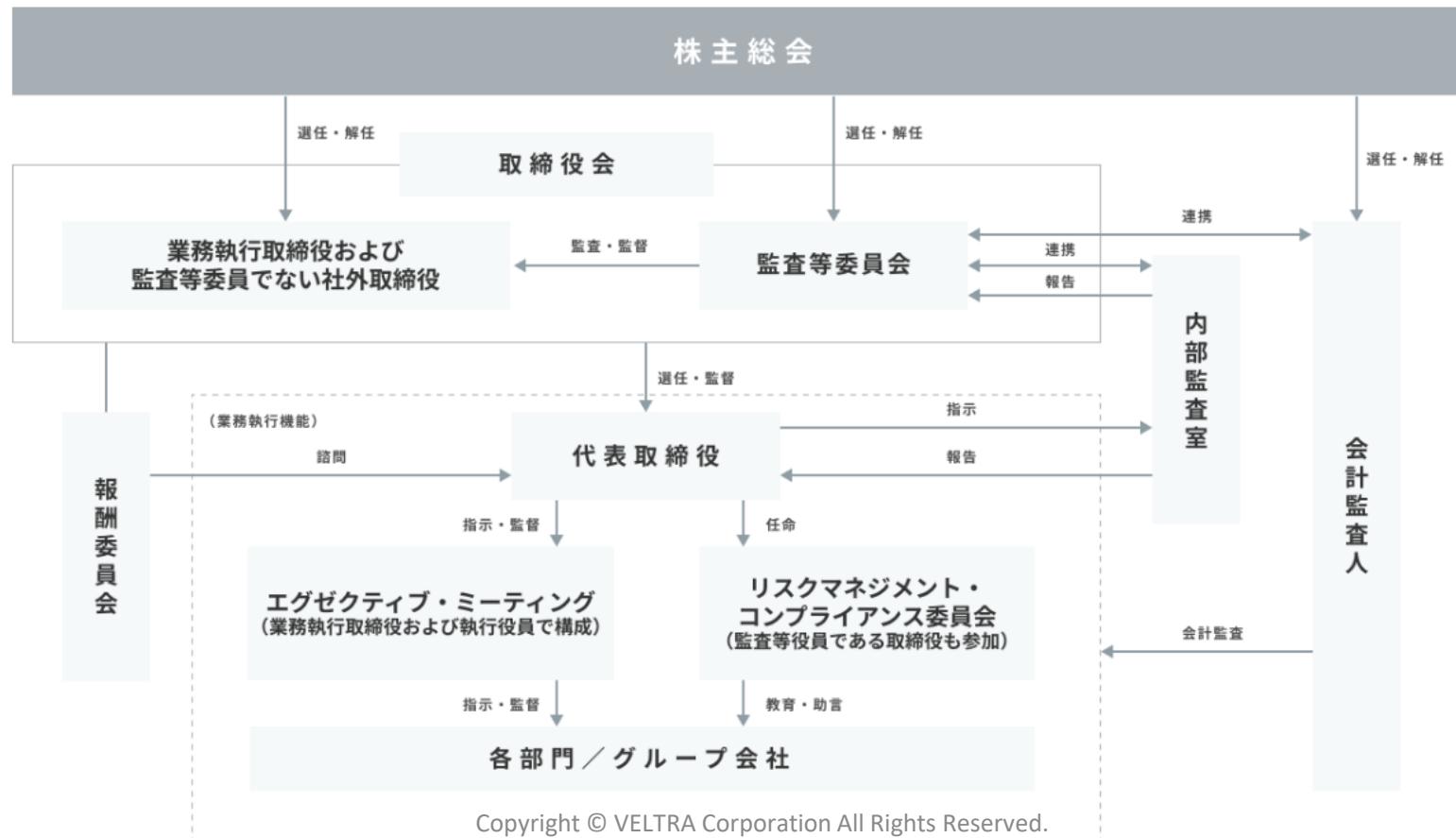
Initiatives to Improve Corporate Governance



Transition to a Company with Audit Committee

Objectives:

- To further enhance corporate governance by strengthening the supervisory function of the Board of Directors and further strengthening the supervisory system by making Audit Committee members, who are responsible for auditing the execution of duties by directors, voting members of the Board of Directors.
- To further enhance corporate value by enabling the Board of Directors to broadly delegate decision-making authority for business execution to directors, thereby accelerating management decision-making.





Forward looking statements made in this document include information regarding forecast of financial results and business plans. The information in this report is based on information that is available, as well as estimates, assumptions and projections that are believed to be reasonable at the time of publication and include risks or uncertainties. They are not meant to be binding commitments by the Company. There may be cases in which actual results differ from forecast values. Even though new situations occur in the future or conditions fluctuate, VELTRA does not intend to change or revise the descriptions found in this document.

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