

VELTRA™

VELTRA changes TRAVEL

FY2023 Financial Results

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VELTRA CORPORATION:TSE7048



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# FY2023 Results Overview



## Results

- Revenues grew by +168% YoY to 3,123 million yen, driven by a recovery in travel demand and overall portfolio growth. (84.7% recovery rate compared to 2019 in the 4Q).
- Operating profit improved to -67 million yen in cumulative terms (-794 Million yen in the FY2022).

Overseas (Outbound)	Sales recovered significantly to 2,009M yen (418M yen in FY2022). On the other hand, the recovery rate in the number of outbound travellers averaged 57% in the period July-December, which was slower than initially expected and 90% of the forecast.
Japan Inbound	Revenues grew +71% YoY to 353M yen (206M yen in FY2022). Revenue has continued to underperform the plan since 2Q, reaching 78% of the plan.
HawaiiActivities	Sales landed at 290M yen (413M yen in FY2022), due to a decline in revenge consumption mindset and the Maui island wildfire.
LINKTIVITY	Sales grew significantly to 462M yen (78M yen in FY2022) due to an increase in the number of inbound tourists. Sales rose by 145% compared to the plan, a significant increase.

## External Environment

- The number of inbound visitors recovered to **78.6%** of the 2019 level, and in December to 96.1%, record number in a single month in December, surpassing the pre-covid level.  
2023 Jan-Dec  
**Approx. 25.07 million** (YoY +554%)
- The number of Japanese outbound recovered to 47.9% of the 2019 level.  
2023 Jan-Dec  
**Approx. 9.62 million** (YoY +247 %)

## 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



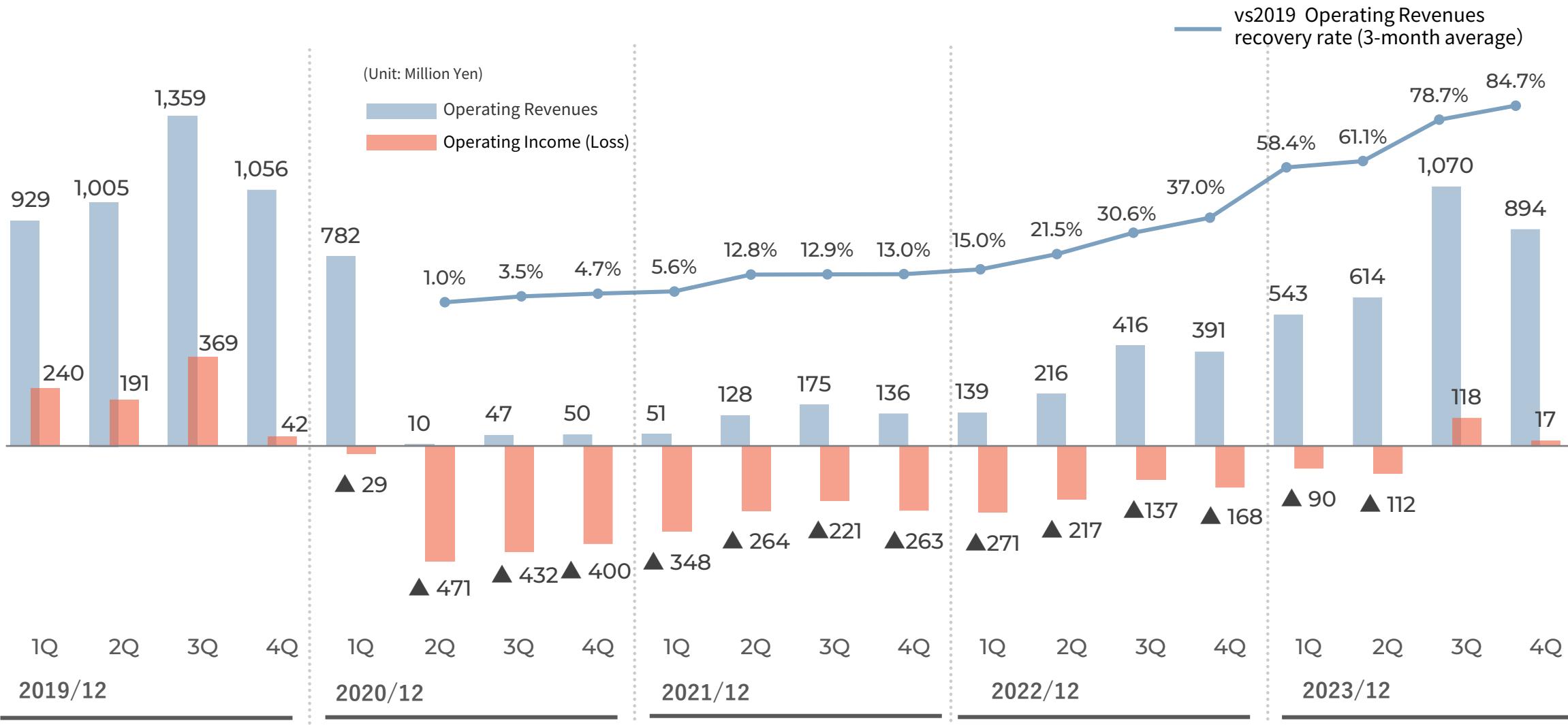
Cumulative operating revenue increased significantly by +266% YoY due to the uptake of travel demand, which is on a recovery trend. Despite the increase in variable costs and personnel costs associated with revenue growth, the level of operating losses improved significantly as a result of ongoing control of fixed costs.

Unit: Million Yen	FY2022	FY2023	YoY
Operating Revenue	1,163	3,123	268.4%
Operating Expenses	1,958	3,190	162.9%
Operating Loss	▲794	▲67	—
Non-operating Income	56	4	7.7%
Non-operating Expenses	15	49	316.2%
Ordinary Loss	▲753	▲112	—
Extraordinary Revenue	14	8	63.2%
Extraordinary Expenses	—	—	—
Taxes	61	▲47	—
Net Income	▲794	▲57	—
Net income per share (Yen)	▲22.92	▲1.62	+21.3 yen

# Quarterly Changes in Operating Revenues and Operating Income (Loss)



Revenues in 4Q were +479M yen YoY (222% YoY), recovering to about 80% compared to the same period in 2019.  
 Operating loss of 4M yen due to top-line not achieving the plan and the impact of Linktivity's purchase adjustments.

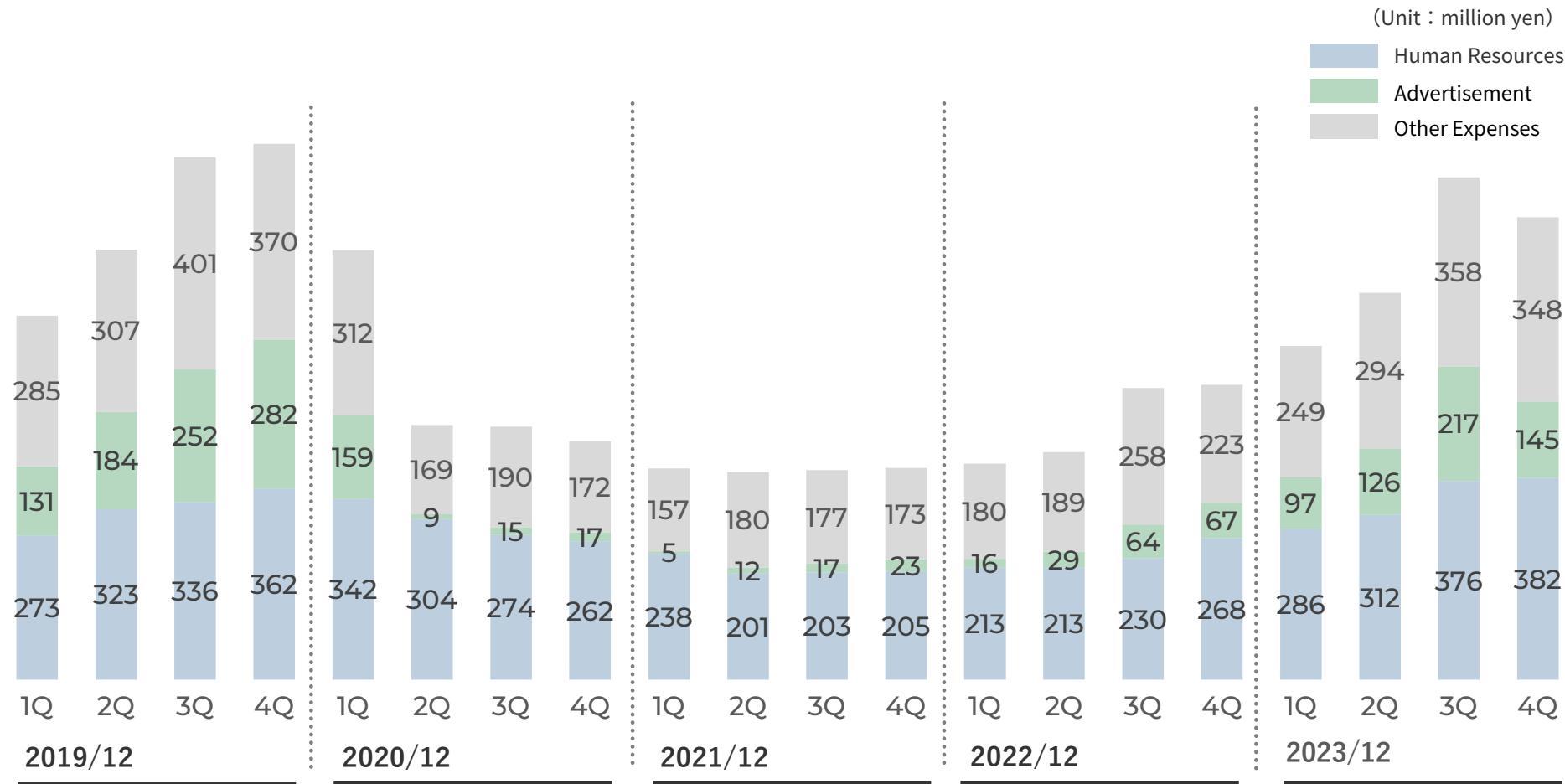


# Costs



Significant increase in advertising investment (YoY 348%) in line with the increase in transaction volume; personnel costs (YoY 146%) as a result of the headcount plan being implemented as planned.

Overall cost control is 90.5% of the plan and under budget.



4Q 2023 Cost increase factors

## Personnel costs

- Increase of 4 staff (see next page for details)

## Advertising costs

- In 3Q, a significant increase due to active investment in advertising to meet demand in the summer holiday season. In 4Q, investment in advertising in response to demand decreased by 71m yen compared to 3Q.

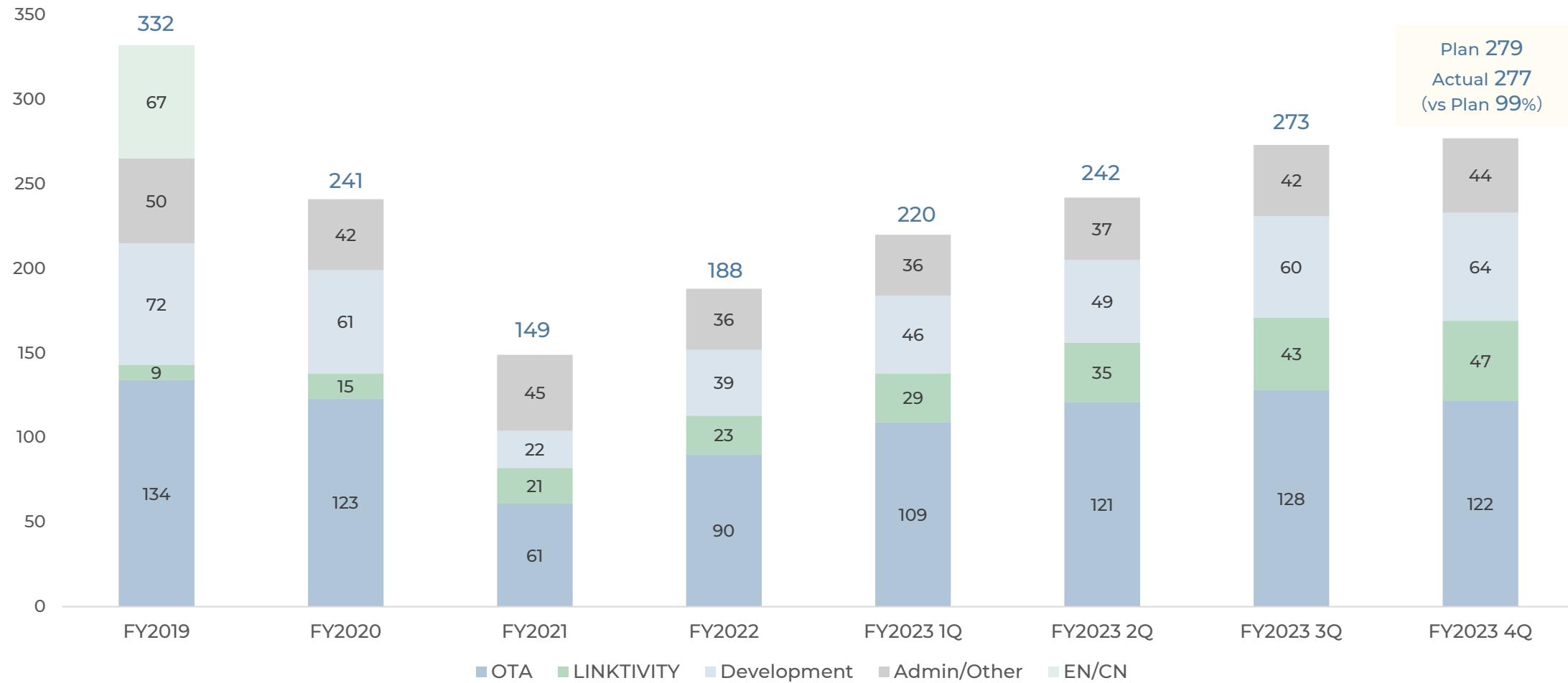
## Other expenses

- Recruitment-related expenses ▲10M
- Credit card fees ▲10M
- Tax Cost ▲18M
- Commission fees +16M
- Point costs +7M

# Headcount



Reinforcement of the OTA business, including the system development division and the common domestic and international marketing, sales and customer service for Japanese. Linktivity also strengthens its structure in line with increased orders for inbound demand as soon as possible.



# Balance Sheet Summary



A further improvement in earnings led to a 2.4 billion yen increase in current liabilities due to an increase in trade payables and advances received, resulting in a 13.1pt decline in the equity ratio. Cash and deposits increased by 896 million yen to approximately 3.7 billion yen, almost the same level as in 2019, due to a significant improvement in operating CF.

Unit: Million Yen	FY2022	FY2023	Change	Details
Current Assets	3,678	5,805	+2,126	Cash and deposits increased 896M yen and operating accounts receivable increased 1,062M yen
Cash and Deposits	2,799	3,695	+896	
Fixed Assets	372	661	+288	Investment securities increased by 101M yen and Guarantee deposits increased by 117M yen
<b>Assets Total</b>	<b>4,051</b>	<b>6,466</b>	<b>+2,414</b>	
Current Liabilities	2,670	5,105	+2,435	Operating accounts payable increased by 1,354M yen and advances received increased by 989M yen
Favorable Sub Liabilities	500	500	-	
Fixed Liabilities	0	0	-	
<b>Liabilities Total</b>	<b>2,670</b>	<b>5,106</b>	<b>+2,435</b>	
<b>Total Net Assets</b>	<b>1,381</b>	<b>1,360</b>	<b>▲20</b>	Increase in capital stock of 2M yen and capital surplus of 2 M yen due to issuance of new shares, etc., and net loss attributable to owners of the parent of 57M yen for the period
<b>Capital to Asset Ratio</b>	<b>33.4%</b>	<b>20.5%</b>	<b>▲12.9pt</b>	

## C/F Summary



Operating CF improved significantly by 1.0 billion yen due to an increase in advances received as a result of an increase in the number of bookings in the OTA business, and an improvement in the amount of operating losses.

Investment CF used 350 million yen for the acquisition of software assets and investment securities.

	FY2021	FY2022	Change	Details
Unit: million yen				
Operating Cash Flow	146	1,192	+1,046	Increase in accounts payable of 1,346M yen and advances received of 984M yen, etc., and decrease in accounts receivable of 1,036M yen, etc.
Investing Cash Flow	▲58	▲352	▲293	Decrease in purchase of fixed assets 137M yen, payments for guarantee deposits 123M yen, and purchases of marketable securities 100M yen, etc.
Financing Cash Flow	1,439	8	▲1,430	Proceeds from issuance of shares through exercise of stock options 4M yen, Proceeds from issuance of stock acquisition rights 3 M yen
Effect of exchange rate changes	74	46	-	
Cash and Cash Equivalents at the end of year	2,799	3,695	+896	

# Cashflow Summary (Quarterly Changes)



Unit: Million Yen	FY2019 Q2 (Jan-Jun)	FY2019 Q4 (Jul-Dec)	FY2020 Q2 (Jan-Jun)	FY2020 Q4 (Jul-Dec)	FY2021 Q2 (Jan-Jun)	FY2021 Q4 (Jul-Dec)	FY2022 Q2 (Jan-Jun)	FY2022 Q4 (Jul-Dec)	FY2023 Q2 (Jan-Jun)	FY2023 Q4 (Jul-Dec)
Cash flows from Operating activities	962	319	▲2,563	▲681	▲199	▲477	▲42	188	499	693
Cash flows from Investing activities	▲206	▲285	▲124	▲88	▲15	▲27	6	▲65	▲303	▲48
Cash flows from Financing activities	66	▲52	▲65	482	798	171	674	764	4	4
Effect of exchange rate changes	▲15	17	▲17	▲1	21	9	106	▲31	65	▲18
Cash and cash equivalents at end of period	807	0	▲2,771	▲289	603	▲324	745	856	265	630
Increase (decrease) in cash and cash equivalents	3,978	3,978	1,206	917	1,521	1,197	1,942	2,799	3,065	3,695

# FY2023 Results and Market Environment by Business

# FY2023 Performance forecast Quarterly Progress

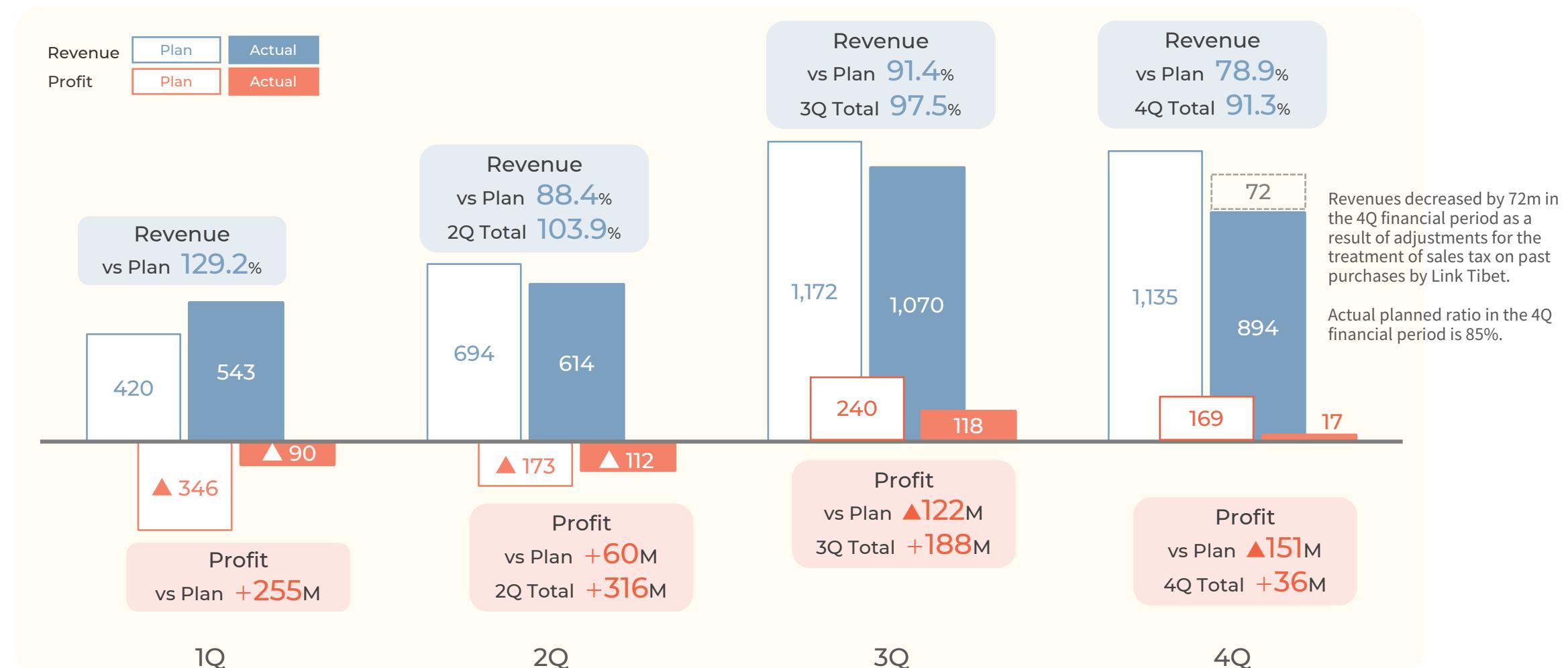


Operating revenue fell short of the plan at 85.5% in the OTA business due to a slowdown in the market recovery rate in the overseas travel market and the impact of the weak yen.

As a result of Linktivity's performance exceeding the plan, overall operating revenue was 91.3% of the plan.

Operating profit/(loss) on a cumulative basis was 36 million yen (114%) higher than planned.

(Unit: Millions yen)



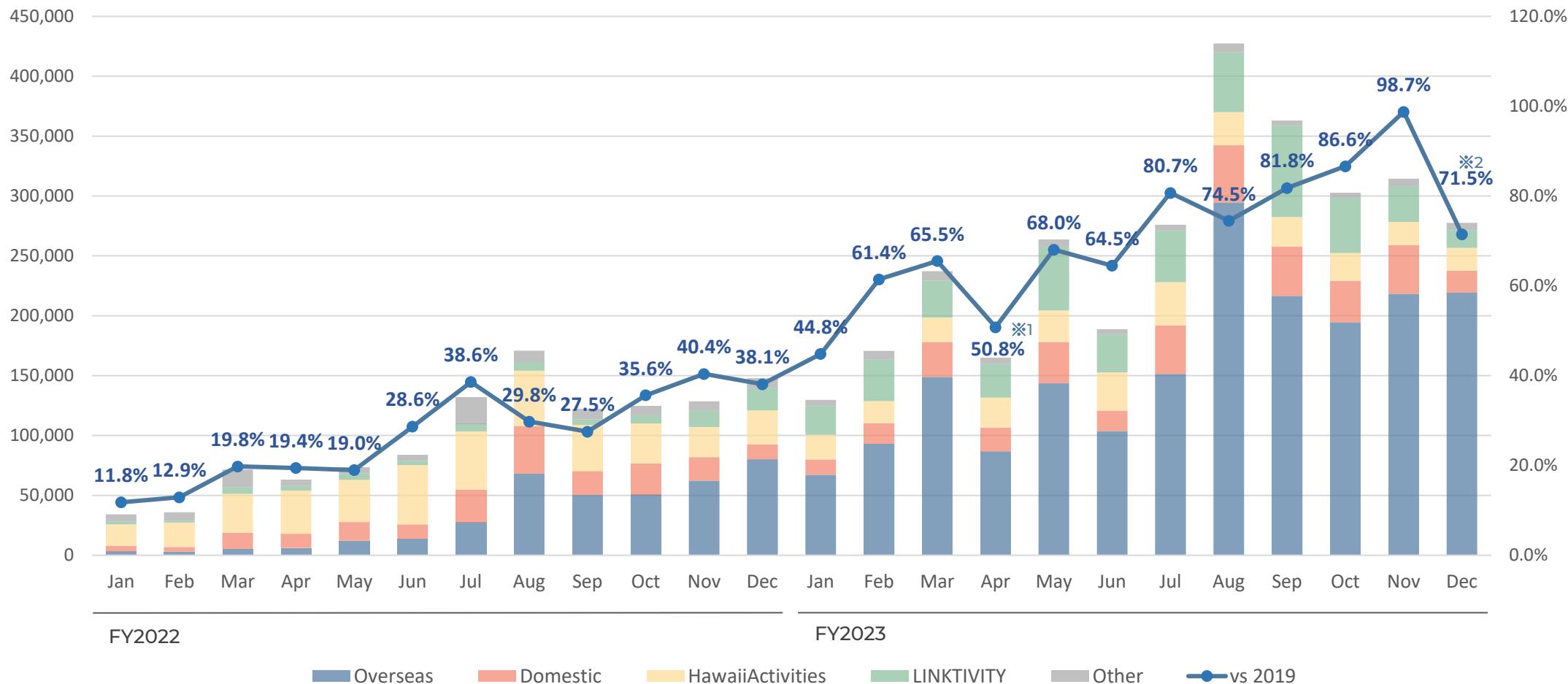
# Overall | Consolidated Operating Revenue (Monthly)



Operating revenue recovery rate in 2019 comparisons continues to recover steadily.

LINKTIVITY's revenues are also on a further upward trend due to the recovery of the inbound market.

Unit: Thousand Yen

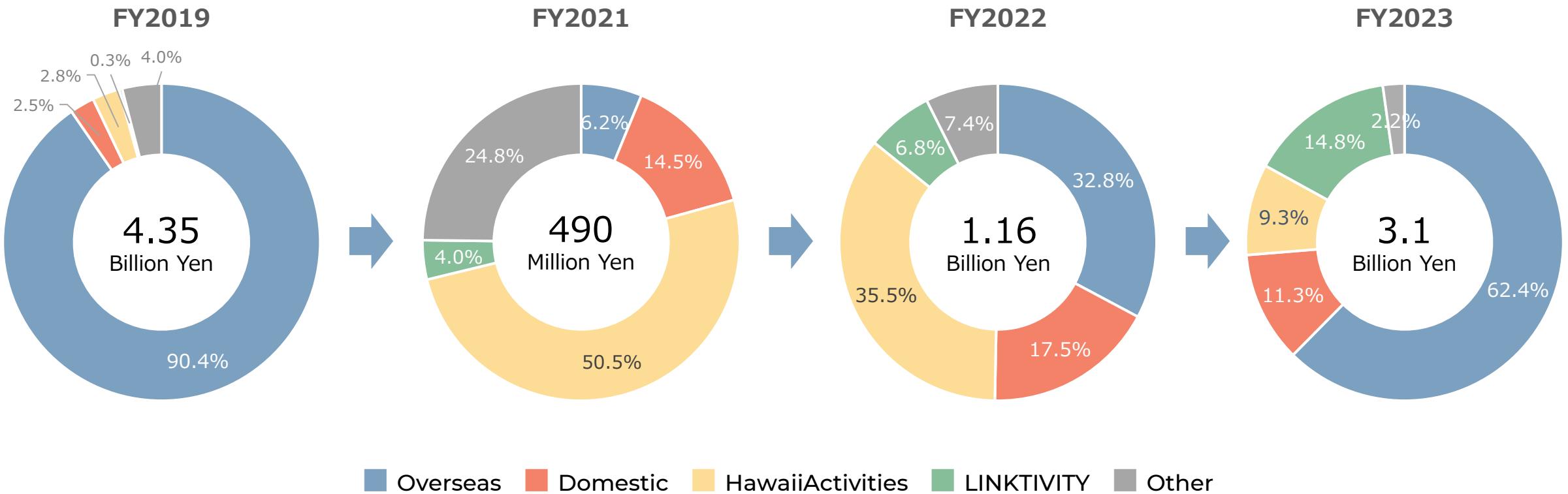


\*1 Recovery rate in the period under review also temporarily decreased due to high demand in April 2019 caused by the major holidays.  
 \*2 Operating revenue decreased due to the impact of the revision of the treatment of consumption tax on purchases in LINKTIVITY.

# Overall | Revenues by Business Segment Trends



Recovery in overseas travel starting in May has brought the proportion of overseas travel business back up to around 60%; LINKTIVITY is also expanding. Overall earnings have improved significantly due to the expansion of the business portfolio, even in a situation where the recovery in the number of Japanese travelling abroad is around 50%.



# Operating Revenues by Business Segment



Company-wide operating revenue is 91% of the plan.

Overseas travel business: 90% achievement rate against plan for 2023 due to slowdown in the current market recovery rate and the impact of the weak yen, etc. LINKTIVITY's platform revenue grew significantly, partly due to an increase in the number of inbound travellers, with 152% of the full-year 2023 plan achieved. Domestic travel business has seen a slowdown in YoY growth since 2Q, while HawaiiActivities continues to see a YoY decline, and both are promoting measures to attract more customers.

Unit: Thousand Yen		FY2023 1Q		FY2023 2Q		FY2023 3Q		FY2023 4Q	
		Actual	Achieve	Actual	Achieve	Actual	Achieve	Actual	Achieve
Overseas	Accounting Period	333,617	135%	347,430	83%	682,107	89%	682,107	89%
	Cumulative period	-	-	681,046	102%	1,363,153	95%	1,363,153	95%
Domestic	Accounting Period	59,342	118%	71,146	81%	129,560	68%	129,560	68%
	Cumulative period	-	-	130,488	94%	260,048	79%	260,048	79%
HawaiiActivities	Accounting Period	58,954	72%	82,010	65%	87,626	68%	87,626	68%
	Cumulative period	-	-	140,963	68%	228,590	68%	228,590	68%
LINKTIVITY	Accounting Period	77,311	189%	102,178	171%	120,377	148%	162,376	133%
	Cumulative period	-	-	179,489	178%	299,866	165%	462,242	152%
Other	Accounting Period	1,949	244%	1,618	77%	1,710	44%	1,710	44%
	Cumulative period	-	-	3,568	123%	5,278	78%	5,278	78%
TOTAL	Accounting Period	531,173	126%	604,382	87%	1,021,381	87%	1,070,738	85%
	Cumulative period	-	-	1,135,555	102%	2,156,935	94%	2,228,640	91%

# Growth Investment Plan Progress



Of the investment budget of 640 million yen for growth beyond 2024, approximately 660 million yen (104%) has already been implemented. Some investment in strengthening Mobile Apps has not yet been fully utilised, but overall, investment has been carried out as originally projected.

Investment Item	Investment (Millions of yen)	Investment Details	Investment Effect	Investment Rate
Growth of Overseas OTA Business				
Product Enhancement	72	New product development, maintenance and retention of existing products	Revenue growth after 2024 (CVR improvement, unit price increase)	108%
Strengthen Promotion	134	Strengthen promotional measures	Revenue growth after 2024 (Strengthening customer attraction)	108%
System Improvement	197	Service improvement	Revenue growth after 2024 (Attract more customers, improve CVR)	106%
Expansion and strengthening of products in Domestic travel market	15	New product development, product maintenance	Revenue growth after 2024 (CVR improvement, unit price increase)	112%
Mobile Apps Enhancement	65	Apps Renewal	Revenue growth after 2024 (Attract more customers, improve CVR)	65%
Promoting the growth of LINKTIVITY	125	Securing human resources for sales and engineering	Revenue growth after 2024 (Growth acceleration)	115%
Tourism development through collaboration with local governments and public administration, DXO	12	Securing response personnel	Securing new sources of revenue	100 %
Investment in Human Resource Development	20	System design, education and training for leadership development	Medium- to long-term organizational strengthening	95%

# By Business Segment

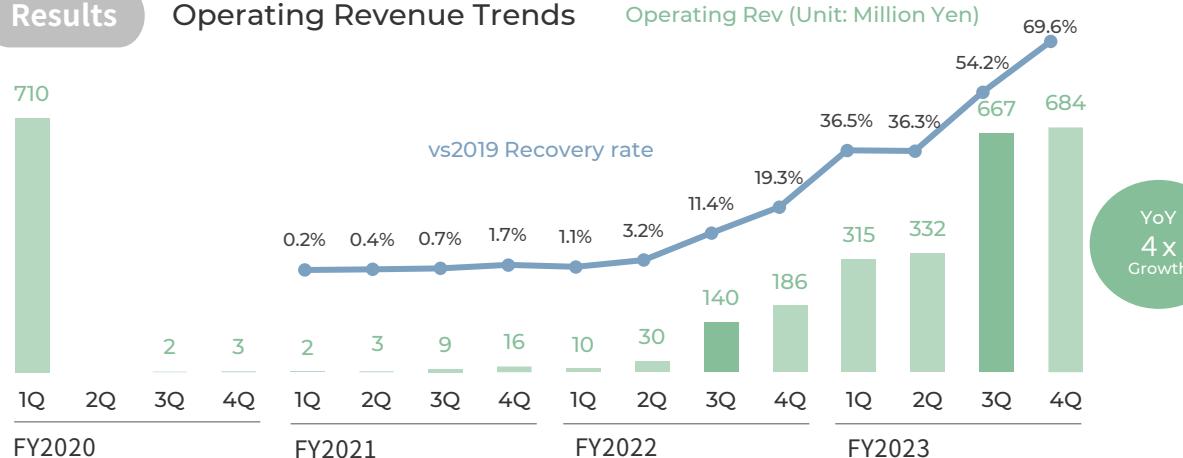
## Outbound



The number of Japanese travelling abroad last year recovered to 48% compared to 2019, but the growth rate of recovery is slowing. Profitability improves more than the travel recovery, as the slowdown in the growth rate of bookings is more than offset by higher unit prices due to the weaker yen and higher prices, and increased frequency of use due to strengthened purchasing of products.

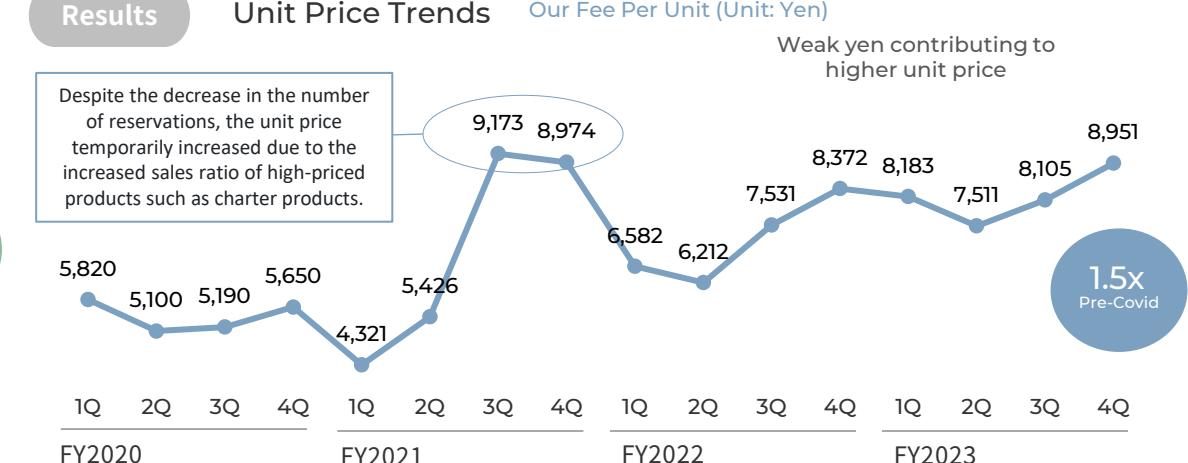
### Results

#### Operating Revenue Trends



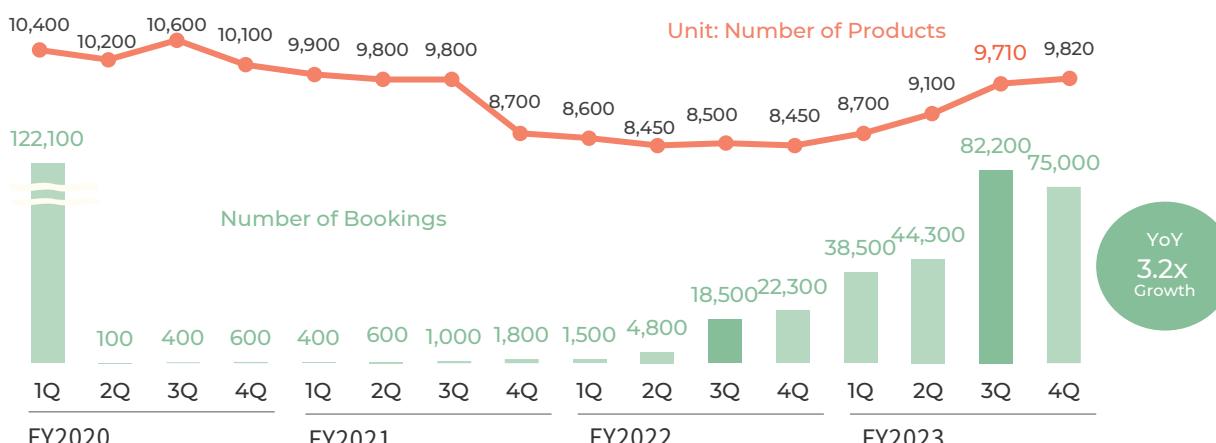
### Results

#### Unit Price Trends



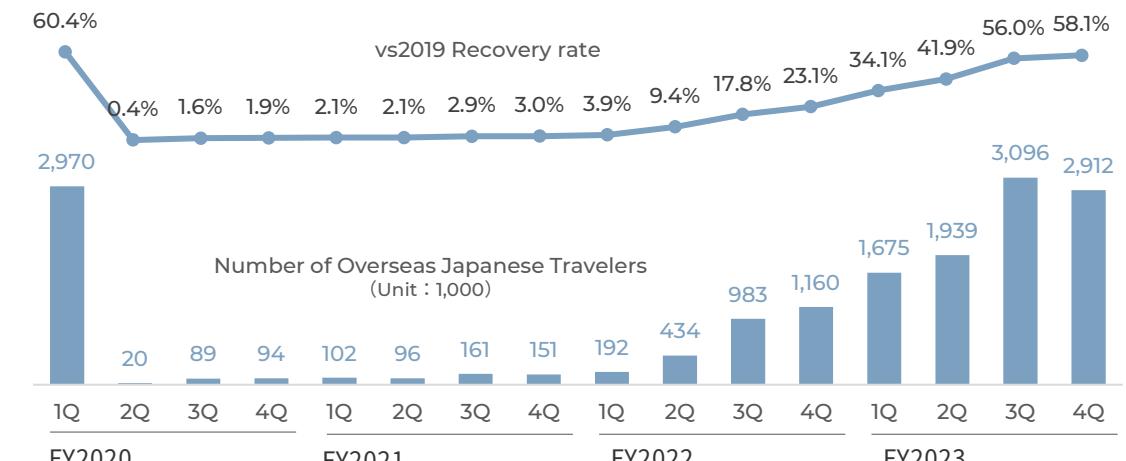
### Results

#### Booking and Product Number Trends



### Environment

#### Overseas Japanese Travel Trends (vs 2019)



# By Business Segment

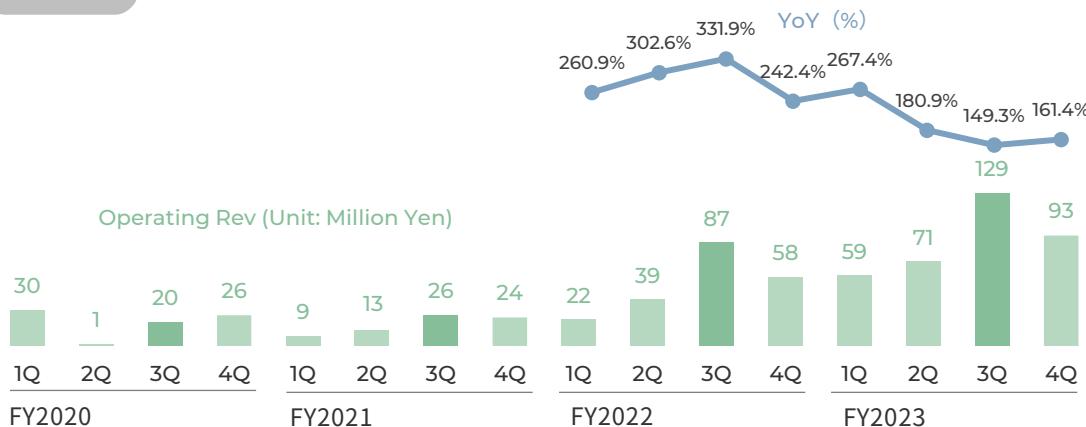
## Domestic



In the domestic travel business, the YoY growth rate trended downwards in 3Q, but rose to 161% YoY in 4Q, partly due to the inclusion of demand from the November holidays. Unit prices are on an upward trend due to an increase in high value-added products. Plans to increase the number of bookings this year by raising awareness and strengthening promotional measures.

### Results

#### Operating Revenue Trends



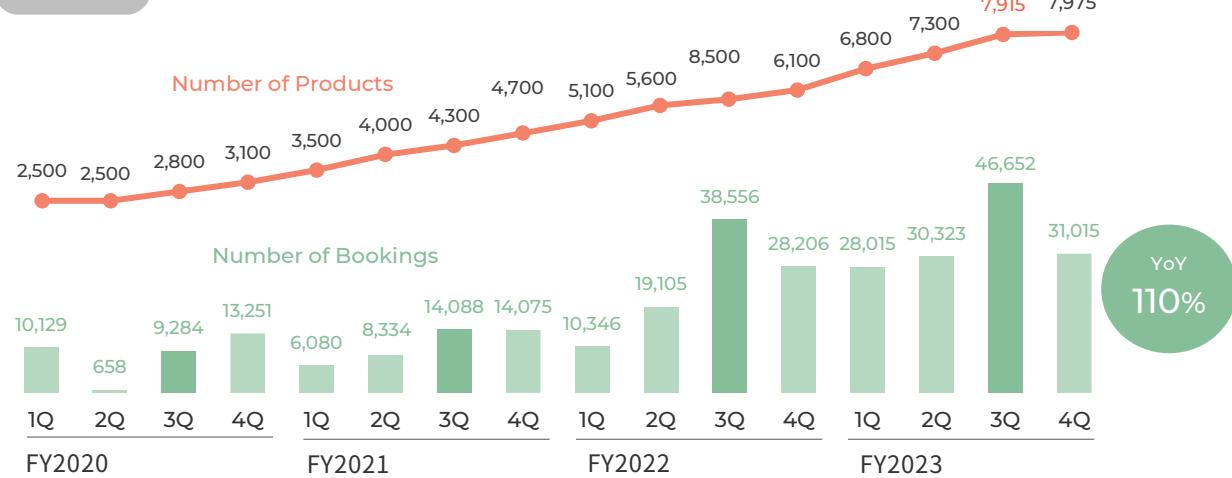
### Results

#### Unit Price Trends



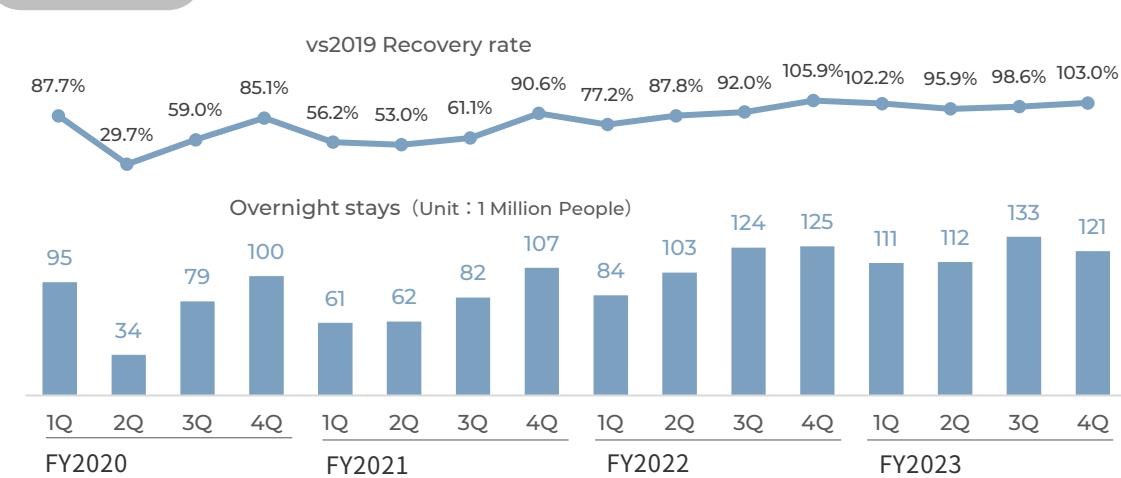
### Results

#### Booking and Product Number Trends



### Environment

#### Number of Japanese domestic overnight stays (vs 2019)



# By Business Segments

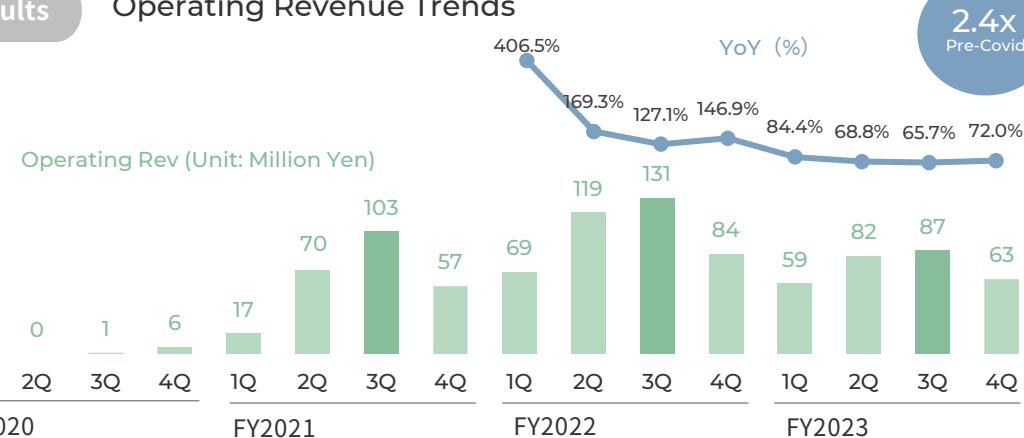
## HawaiiActivities



Operating revenue and reservations were below the previous year's levels in 4Q due to the impact of the Maui fire and the decline in revenge consumption. However, operating revenue grew by 2.4 times compared to the pre-pandemic level. Plans to maintain last year's level by introducing new Google services, attracting more customers and expanding the product range.

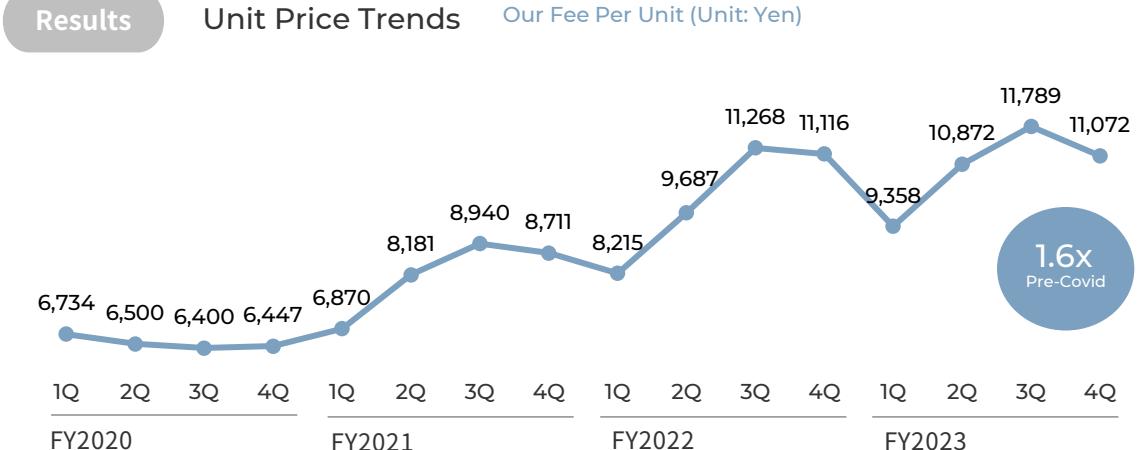
### Results

#### Operating Revenue Trends



### Results

#### Unit Price Trends



### Results

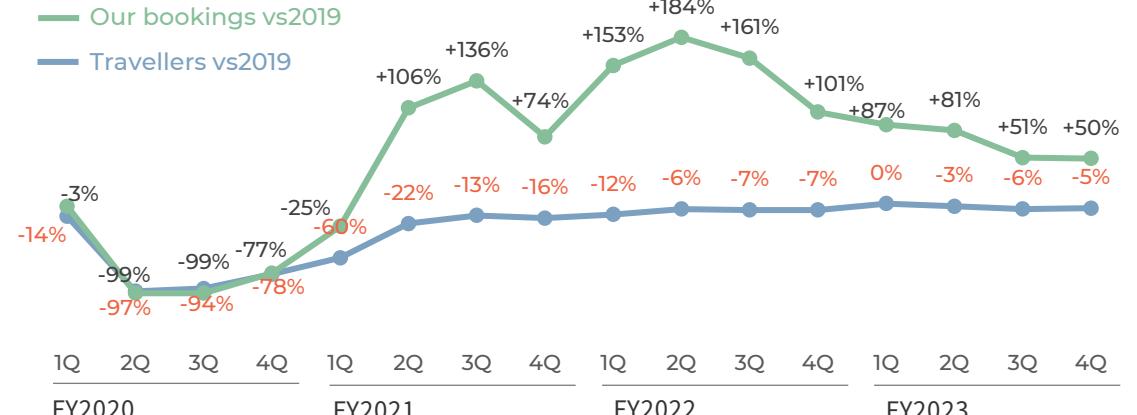
#### Booking Trends



### Environment

The recovery rate of travelers from the US mainland to Hawaii and our booking recovery rate (vs 2019).

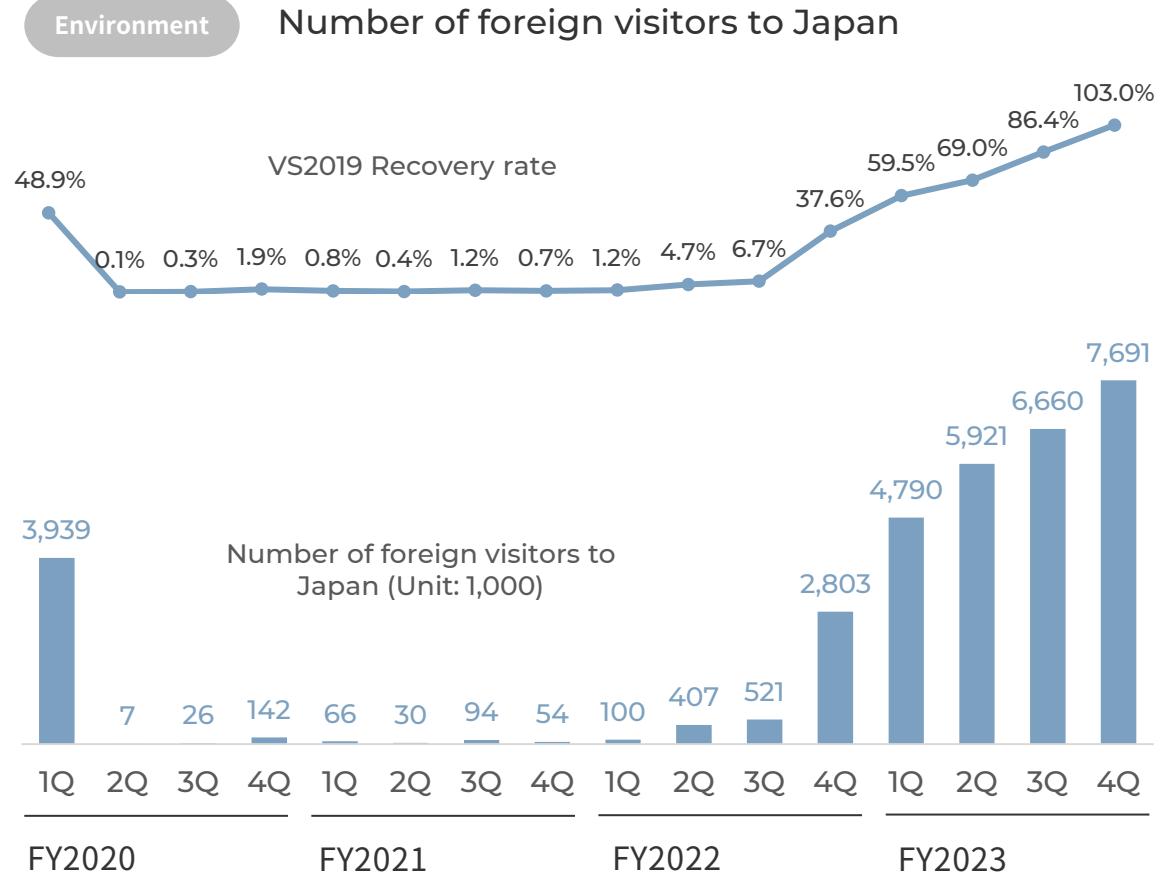
Our bookings vs2019  
Travellers vs2019





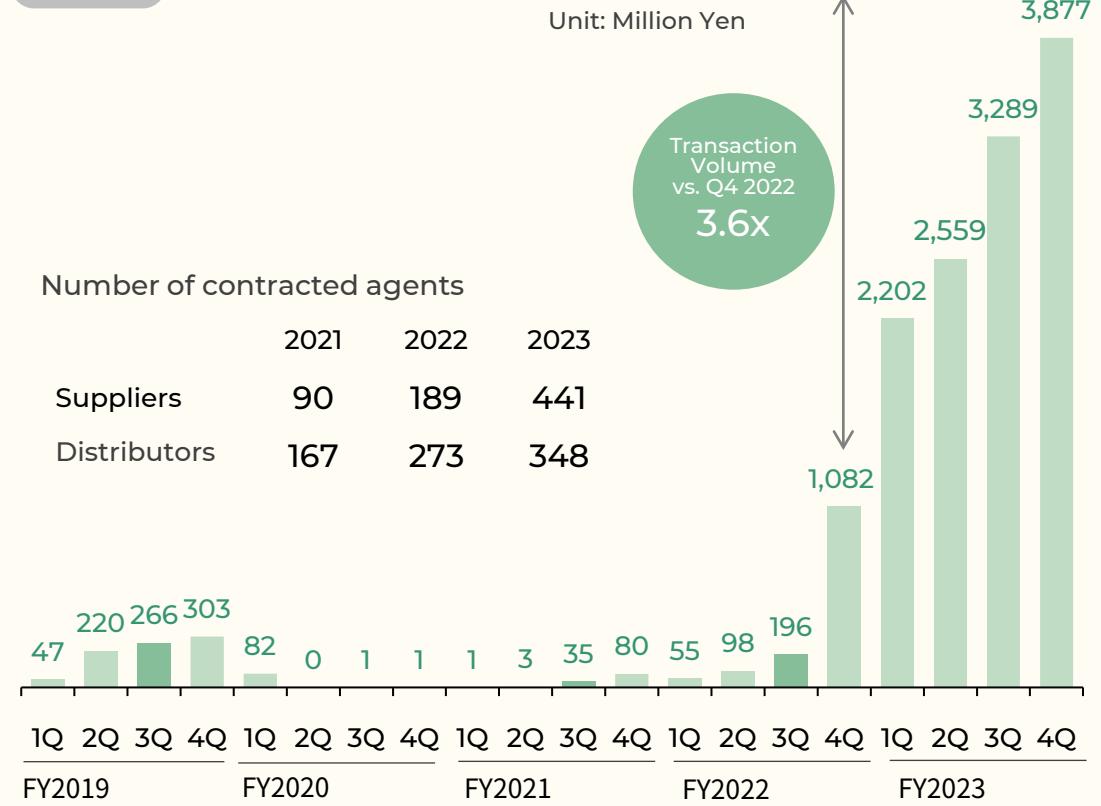
Transaction volume of rail and facility tickets through the platform grew to JPY 3.9 billion (3.6 x YoY) in the 4Q. Annual growth to JPY 12 billion (9.2 x YoY). Increase in the number of suppliers and the number of contracted companies also remained steady.

### Environment



### Results

#### LINKTIVITY sales volume transition



Source: JNTO

## 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 Beltran's best ever performance.

	FY2021 - 2022	FY2023	FY2024	FY2025	FY2026
GOAL	<b>Survival</b>	<b>Start Investing</b>	<b>Achieving sustainable growth beyond Pre-Pandemic levels</b> ➤		
ACTION	<p><b>Stabilisation of the business base</b></p> <p>Cost Control</p> <ul style="list-style-type: none"> <li>Closure of some businesses</li> <li>Reduction of fixed costs</li> </ul> <p>Fundraising</p> <ul style="list-style-type: none"> <li>Third-party allotment of shares</li> <li>Subscription rights finance</li> </ul> <p>Intensive investment in new businesses</p> <ul style="list-style-type: none"> <li>Strengthening inbound DX</li> <li>Development in the domestic travel market</li> </ul>	<p><b>Expanding the business portfolio</b></p> <p>Upfront investment for market recovery</p> <p>Product expansion, system building</p> <ul style="list-style-type: none"> <li>Strengthen promotion</li> <li>System improvement</li> </ul> <p>Product expansion in the domestic travel market</p> <p>Strengthening Mobile Apps</p> <p>Developing new solutions in LINKTIVITY</p>	<p><b>Operating revenue pre-pandemic above.</b></p> <p>Investment for business expansion</p> <p>OTA business:</p> <ul style="list-style-type: none"> <li>Investment in expanding recognition</li> <li>Expansion of service areas</li> <li>Improve Apps functionality</li> <li>Strengthen Japanese-guided tours</li> </ul> <p>LINKTIVITY</p> <ul style="list-style-type: none"> <li>Expansion of service areas</li> </ul>	<p><b>Record operating profit</b></p> <p>CAGR of 45%.</p>	<p><b>Operating profit margin over 25%.</b></p>

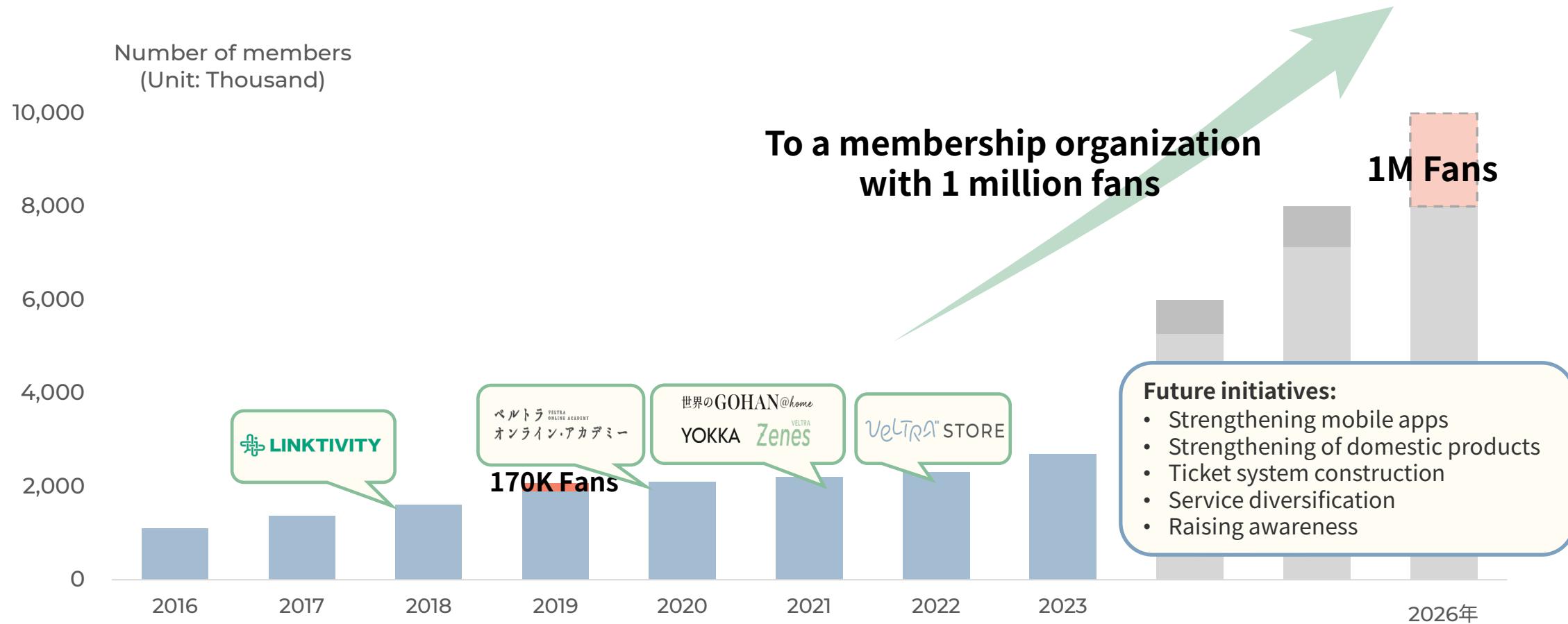
# Aiming for a membership base of 1 million loyal fans by 2026



**A fan: defined as a customer who uses our services at least twice a year.**

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

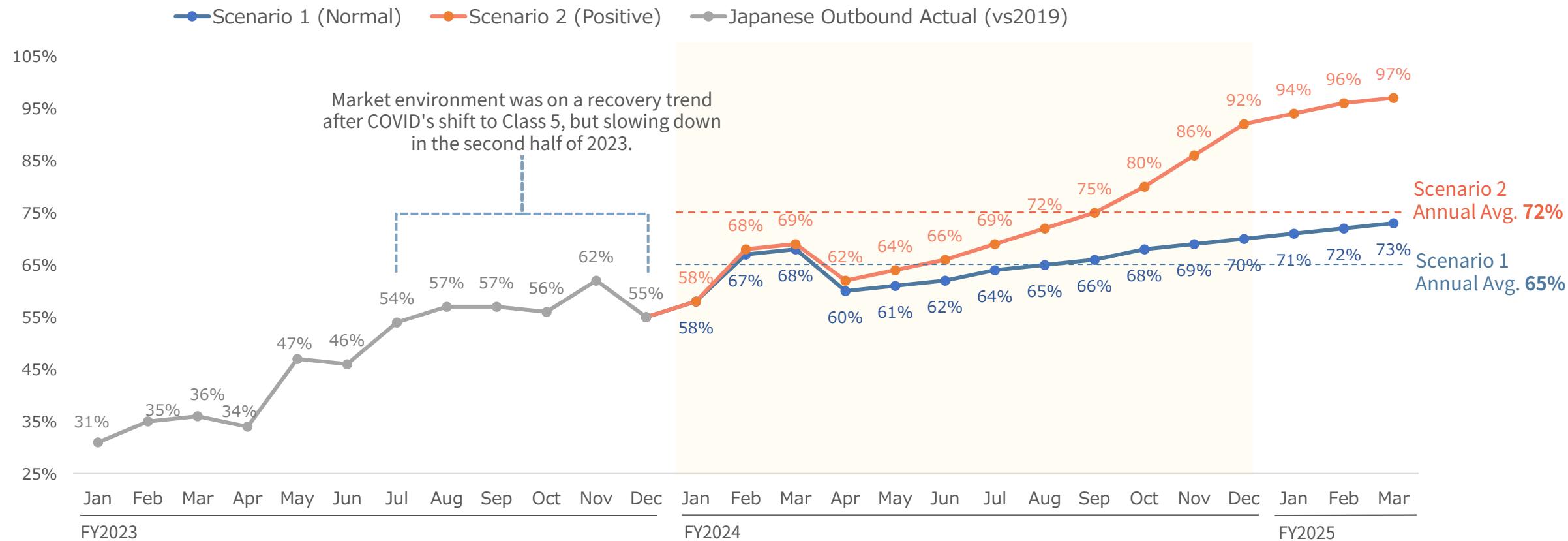
# Travel Market for Japanese FY2024 Market Recovery Forecast



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

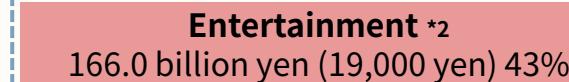
# Market size of Japanese overseas travel and VELTRA's volume size by segment



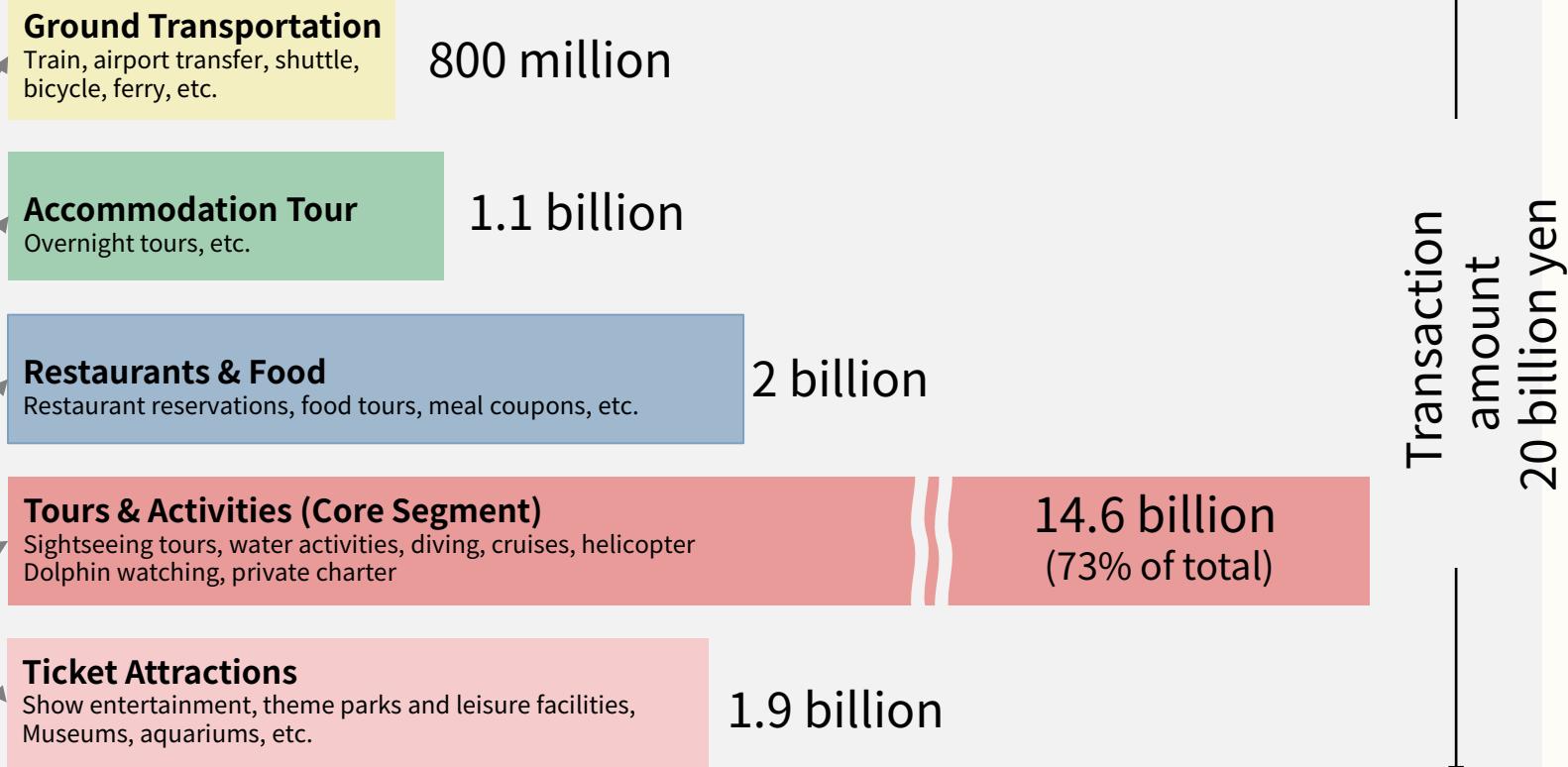
Veltra's experience value in the overseas travel market is concentrated in Tours & Activities, which accounts for 73% of total sales. In other segments such as food, lodging, and transportation, there are an unlimited number of services that provide the value of "the genuine experiences," and now that 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)



## 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

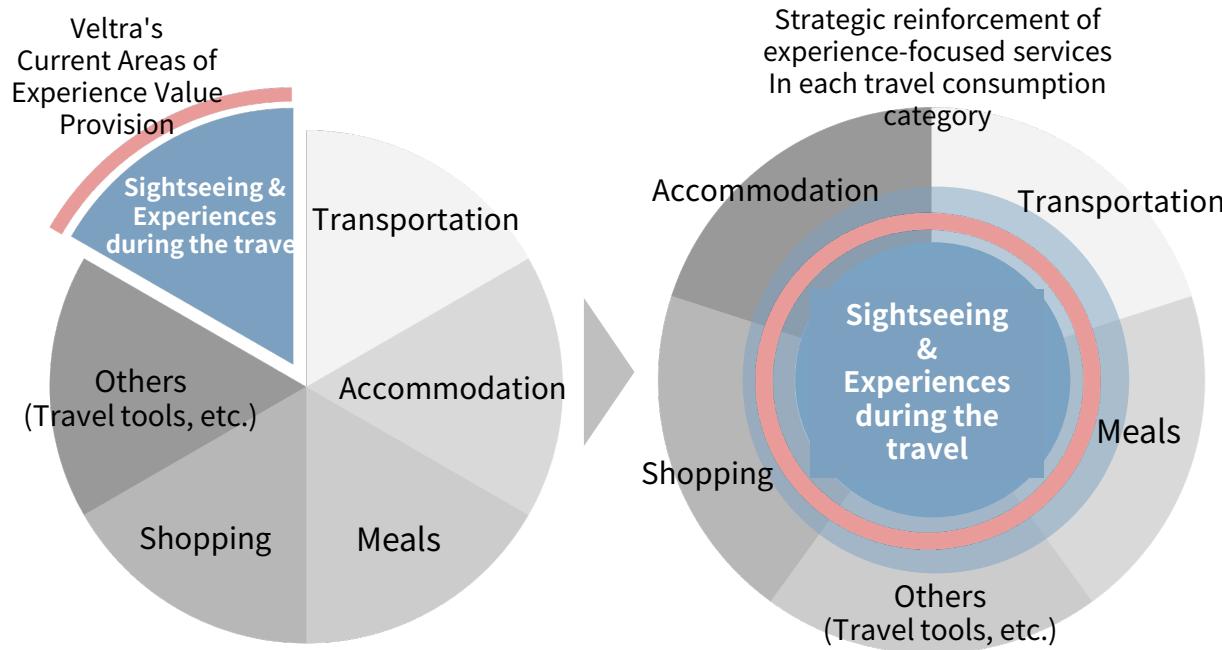
# Expansion of the business from the in-destination to the entire travel market



Veltra's strength is that it specializes in experiences in the travel destinations, and providing experience value in various segments of the travel market is an opportunity for Veltra to grow in the future. Veltra will not offer travel services in the broad sense of "travel in general," but will provide carefully selected Veltra experience value with a focus on "what you can experience" having a rich variety of travel services.

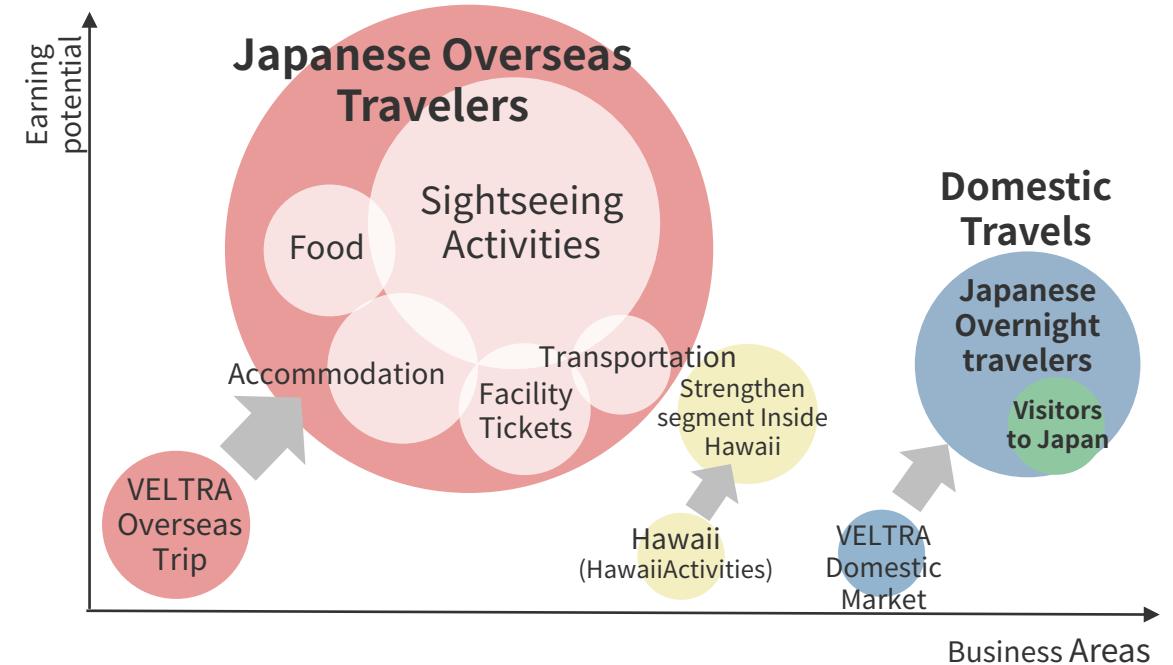
## Redefine and expand the value of experiences during travel

Strengthen services that focus on experiences, especially unique product variations with strong cultural elements and extraordinary experiences in food, transportation, lodging, etc.



## Earnings growth through portfolio expansion

With tours and activities at its core, we enhance insufficient services during trip and provide convenience and a wide range of choices. We also expand our current services to overseas and domestic Japanese travelers, to inbound travelers, and to the U.S. mainland as an OTA specializing in Hawaii.

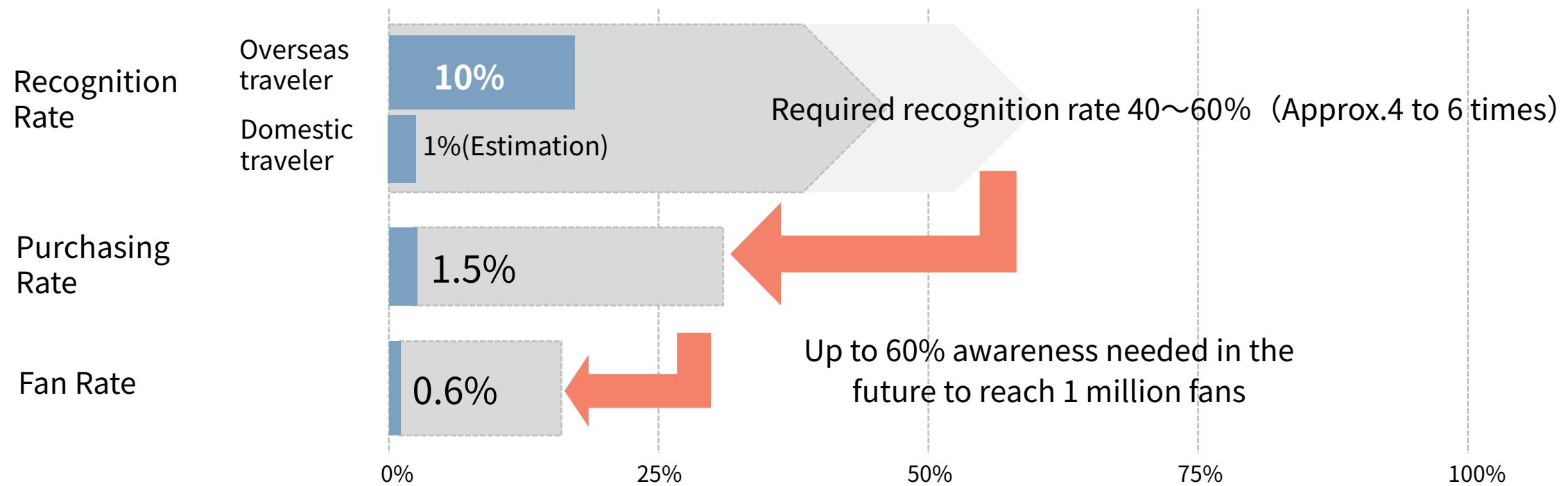


## Increasing awareness of VELTRA



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

Feb. 2023

Mar. 2023

Jan. 2023

VelTRA<sup>®</sup>  



July.2023

**Jetstar** 

Jetstar Japan

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

## B2B Partnership

Jan.2024

**JTB**

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

Capital and Business Alliance

System tie-up

System tie-up

Investment

**SKY** 

Skymark

**byFood** 

Tablecloth

Dec.2023

Apr.2023

# Sustainable Initiatives

Received various awards for contributions to sustainability in tourism business and initiatives for human capital.

Aiming to sustainable development of tourism resources, promotion of development in tourism industry collaborating with various partners, and improvement on human capital and corporate values.



## Sustainable initiatives



\* Joint project with Japan International Broadcasting Corp.

### The 7<sup>th</sup> Japan Tourism Award Sustainable Tourism (UNWTO) Award



\*Joint project with SDGs partners

“SDGs to learn in the world’s most coral and people-friendly village” in Onna village, Okinawa

The goal is to help build a sustainable future for Onna Village by learning about its beautiful nature and rich culture based on its long history, as well as the various problems it faces, such as the decline of coral reefs due to red soil damage and the passing on of traditional culture, and by considering solutions together and taking actual action.

Participated in a project adopted by the Agency for Cultural Affairs - Public-private partnership project to promote the cultural resources of national parks in Japan

As parts of a project adopted by the Agency for Cultural Affairs, we have developed "Vivid Japan," a multilingual information portal website that introduces cultural resources and model routes that can be experienced in 34 national parks and surrounding the areas throughout Japan. We are working in a public-private partnership to uncover and refine contents that will stimulate new inbound demand.

## Initiatives for improvements on human capital



### Japan Travel Agents Association SDGs Awards “Encouragement Award”

#### Award Details : Work from Anywhere

Contributing to the creation of a workplace environment in which diverse human resources can play an active role regardless of changes in life stage

Work from Anywhere is a global remote work system that encourages employees to work in any environment, whether at home or abroad, while traveling, etc. Currently, Veltra's employees, including managers, use this system throughout Japan and around the world.



### Ranked 4<sup>th</sup> in "Best Workplace" by employees

■ 従業員から見た働きやすさランキング			
順位	会社名	働きやすさスコア	業種
1	MIXI	137.12	サービス業
2	ライオン	135.19	化学
3	ガイアックス	133.51	情報・通信業
4	ベルトラ	132.39	サービス業
5	日本電信電話	132.12	情報・通信業
6	三菱地所	132.09	不動産業
7	サイボウズ	132.02	情報・通信業
8	アドバンテッジリスクマネジメント	131.66	サービス業
9	学研ホールディングス	131.34	情報・通信業
10	バリューコマース	131.01	サービス業

For the third year in a row, the rate of paid leave, medical checkups, and paid time off, have all exceeded 80%, and the rate of women returning to work after maternity leave has also reached 100% in with a large number of women active in the workforce. We are working daily to improve engagement that makes work easier and more rewarding.

Toyo Keizai publishes this research from Credit Pricing Corporation (CPC), Inc.

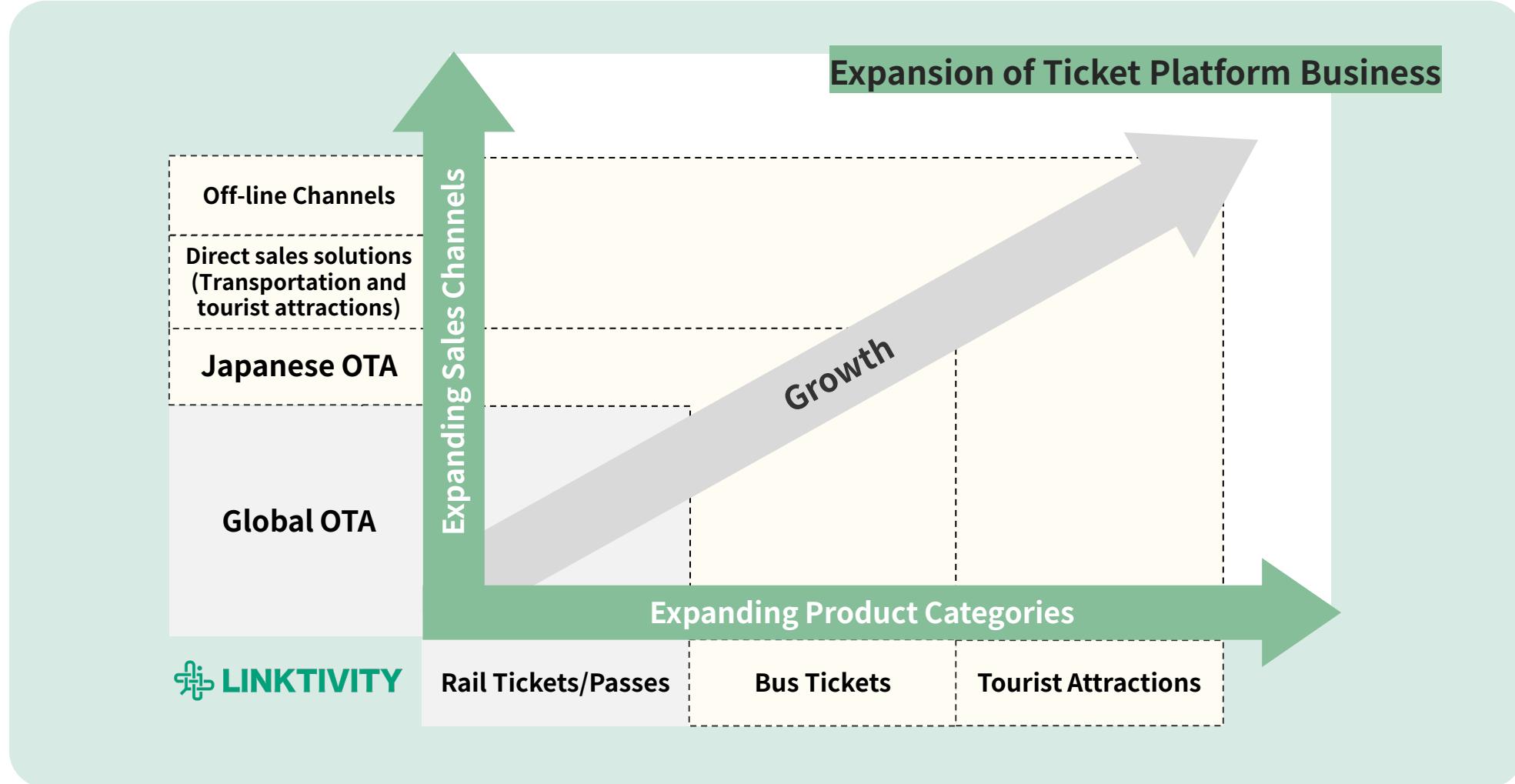
## FY2024 Outlook and Initiatives

### LINKTIVITY Platform Business

# LINKTIVITY - Business Growth

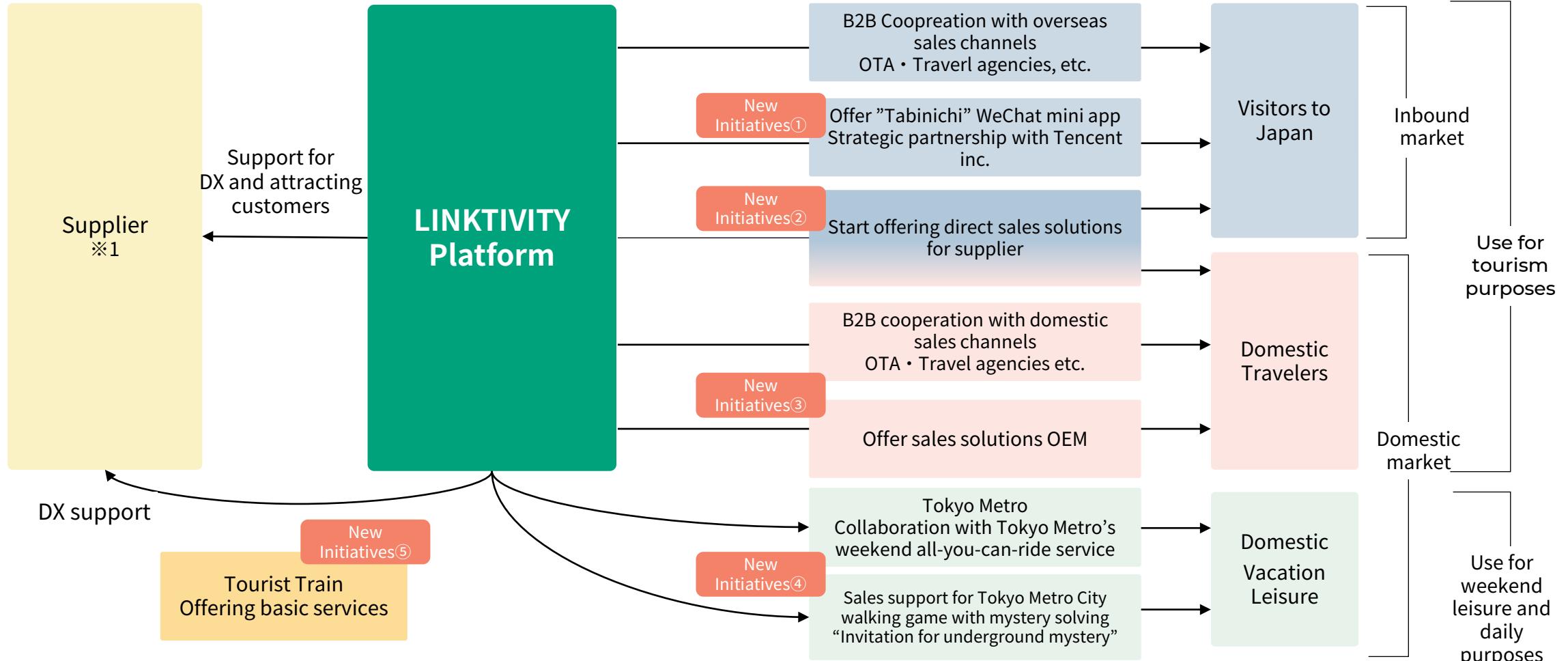


We will accelerate growth by further expanding product categories and sales channels and broadening TAM from its existing positioning as a rail ticket/pass platform for inbound travelers.



# 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: Expansion of Business Areas



## New Initiative #1 The strategic partnership with Tencent Inc. The offer of WeChat mini app 「Tabinichi」

Selling digital train tickets and admission tickets to tourist facilities via QR code using the WeChat mini-program “Tabinichi” for visitors to Japan from China with cooperation with Tencent Japan LLC., Keisei Ltd., Tokyo Subway Company, Tokyo Metropolitan Transportation Bureau, and Tokyo Sky Tree, Inc. Expanding services on the platform for the Chinese market, which has high demand for travel to Japan



Expanding the timing of ticket sales to before-trip and during-trip is expected to improve convenience and easing congestion at tourist attractions

### Tokyo Subway Tickets (Tokyo Metro & Tokyo Metropolitan Transportation)



# LINKTIVITY: Expansion of Business Areas

Providing new services such as sales platform as a channel manager of overseas OTAs for visiting Japan, sales support for OTAs in Japan, the ability to sell in a combination with direct sales services of each supplier and products within LINKTIVITY.



## New Initiative #2 Direct Sales Solutions for Suppliers

On the Tokyo Skytree sales website, multilingual Skytree ticket sales function can be easily built with a SaaS-type. Not only single tickets, but also transportation and sightseeing products can be easily combined and sold.

The screenshot shows the Tokyo Skytree sales website with a search bar and language selection. It displays several ticket options:

- Tokyo Skytree® Admission Ticket (for specified date and time) - JPY 1,800~
- Tokyo Skytree® Same-day Admission Ticket (for specified date and time) - JPY 2,100~
- SKYTREE® ENJOY PACK Tokyo Skytree Timed-entry Ticket + Skytree Shuttle Plan - JPY 2,150~
- SKYTREE® ENJOY PACK Tokyo Subway 24-hour Ticket plan (Tokyo Metro, Toei Subway 24-hour unlimited rides) - JPY 2,350~
- [Night View Ticket] Tembo Deck Admission Ticket & Alcoholic Drink - JPY 2,400~
- SKYTREE® ENJOY PACK Tokyo SKYTREE® Fixed Date/Time Ticket + SKYTREE Shuttle Haneda Airport Line Train Ticket - JPY 2,550~

<https://link-ticket.tokyo-skytree.jp/home>

## New Initiative #3

## Strengthen sales channel collaboration among domestic companies

### Provide experience products to domestic OTAs and railroad companies

## Rakuten Travel Experiences

Rakuten Travel Sightseeing Experience



JR Tokai Smart EX App

### Providing OEM sales solutions

Provided ANAX with an activity product sales solution on an OEM basis\*.

The screenshot shows the ANAX activity product sales solution interface. It features a search bar and filters for destination, date, and activity type. The results section displays various travel packages with images and prices:

- 2,500円~ (25 miles available)
- 10,000円~ (100 miles available)
- 3,000円~ (30 miles available)

\* ANAX will be transferred from Veltra's B2B services in 2023 and will continue to sell Veltra's experience products and plan to strengthen sales of ANAX's proprietary products.

# LINKTIVITY: Expansion of Business Areas

We support the realization of inexpensive, easy, and speedy introduction of not only the digitalization of transportation and MaaS, but also the linkage of each company's unique corporate currency and the introduction of core transportation systems, by making application services cloud-based, where large budgets are expected for service launch and transfers.



## New initiative #4

### Leisure services for domestic residents

Linkage with Tokyo Metro "Unlimited Ride on Tokyo Metro Lines on Weekends and Holidays"

Provision of sales system and Metro Point Linkage system

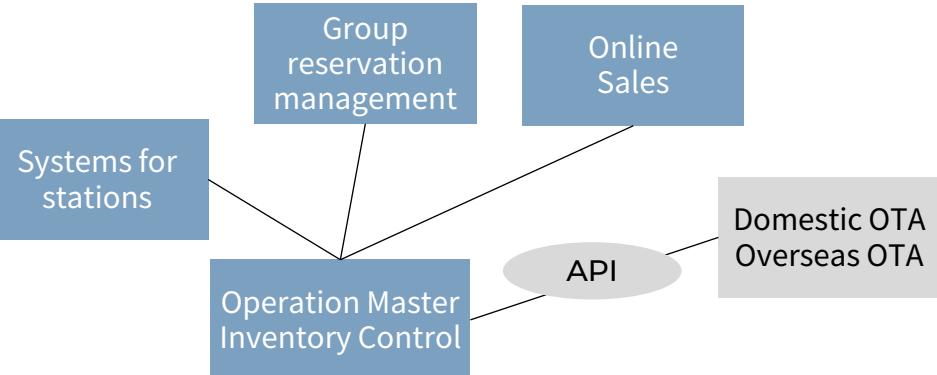


The "Unlimited Ride on Tokyo Metro Lines on Weekends and Holidays" is a new service that allows unlimited rides on Tokyo Metro Lines on weekends and holidays for ¥2,000. If you pay the registration fee of 2,000 yen from the METOPO member website by the end of the previous month, you will receive points for the full amount spent on Tokyo Metro lines by PASMO on Saturdays, Sundays, and holidays during that month.

## New initiative #5

### Provision of sightseeing train backbone system

Development and provision of core systems for Sagano Scenic Railway; We provide systems for online sales, external sales, and group reservation management in SaaS format while developing an operation management and station operations support system for Sagano Scenic Railway on consignment.



# 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.

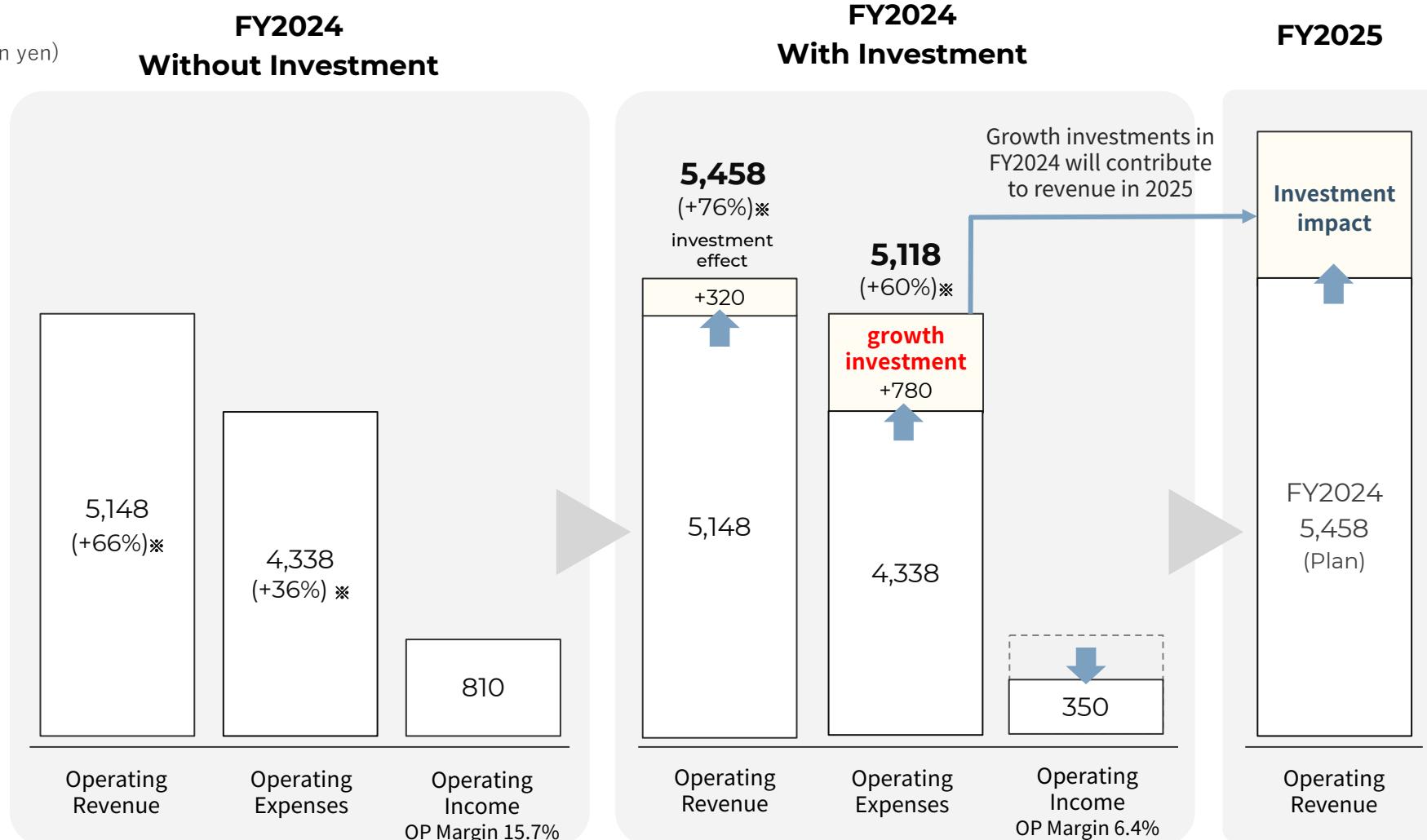
Operating income (350 million yen) was secured after investments in growth (780 million yen), including an investment in advertising (450 million yen) to improve service and brand recognition.

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.

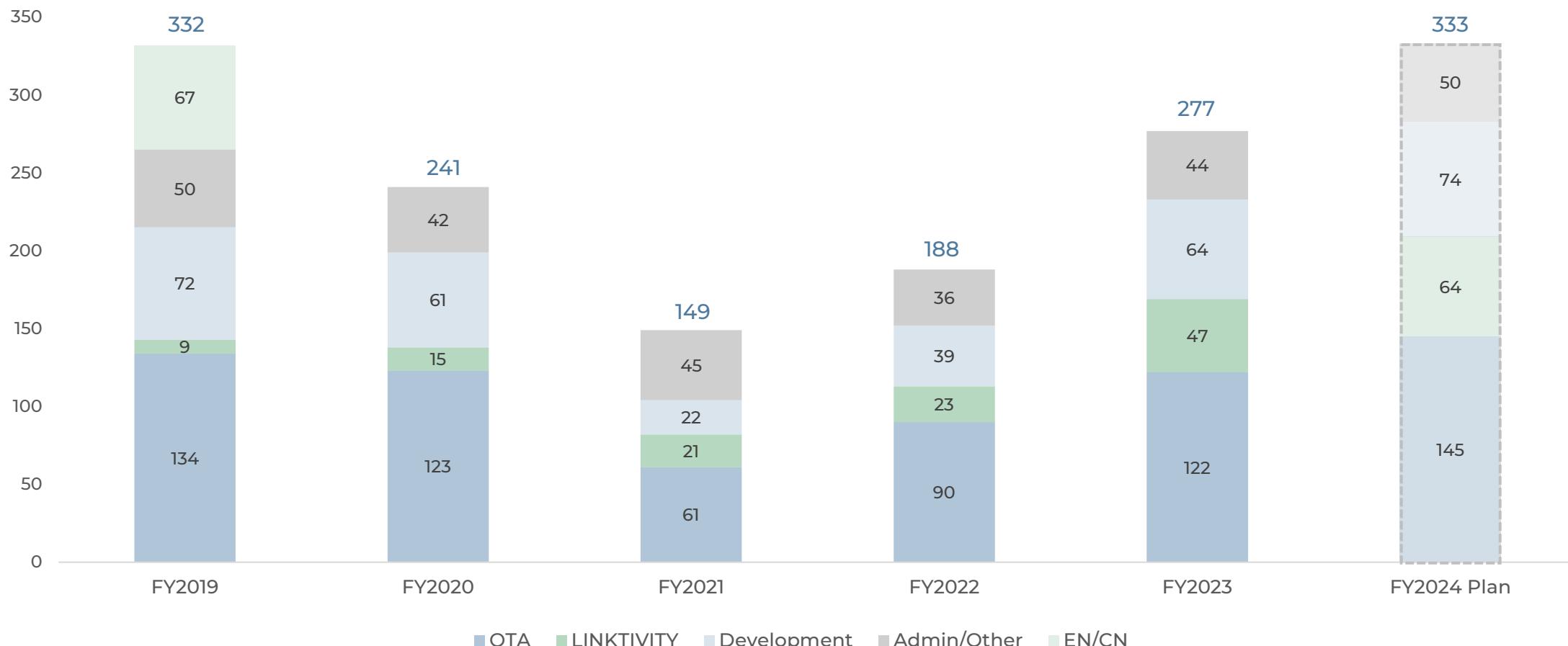
Invest Items	Amount of Investment (Unit: million yen)	Investment details	Investment effect	Progress (%)
<b>OTA business</b>				
Increase awareness	450	Implementation of measures to increase awareness (service, brand)	Recognition level +10% Reduced advertising costs to attract customers	
Increase frequency of use and opportunities for use	120	Expand product valuations Promote app downloads and improve functionality	Increase the number of joining tours per trip	
Strengthen sales of Japanese-language tours	50	Strengthen collaboration with JTB	Maintain and expand competitive advantage	
Improve business productivity	60	Automation of content creation using AI	Improvement in operating margin	
<b>LINKTIVITY</b>				
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	
<b>TOTAL</b>	<b>780</b>			

# 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.

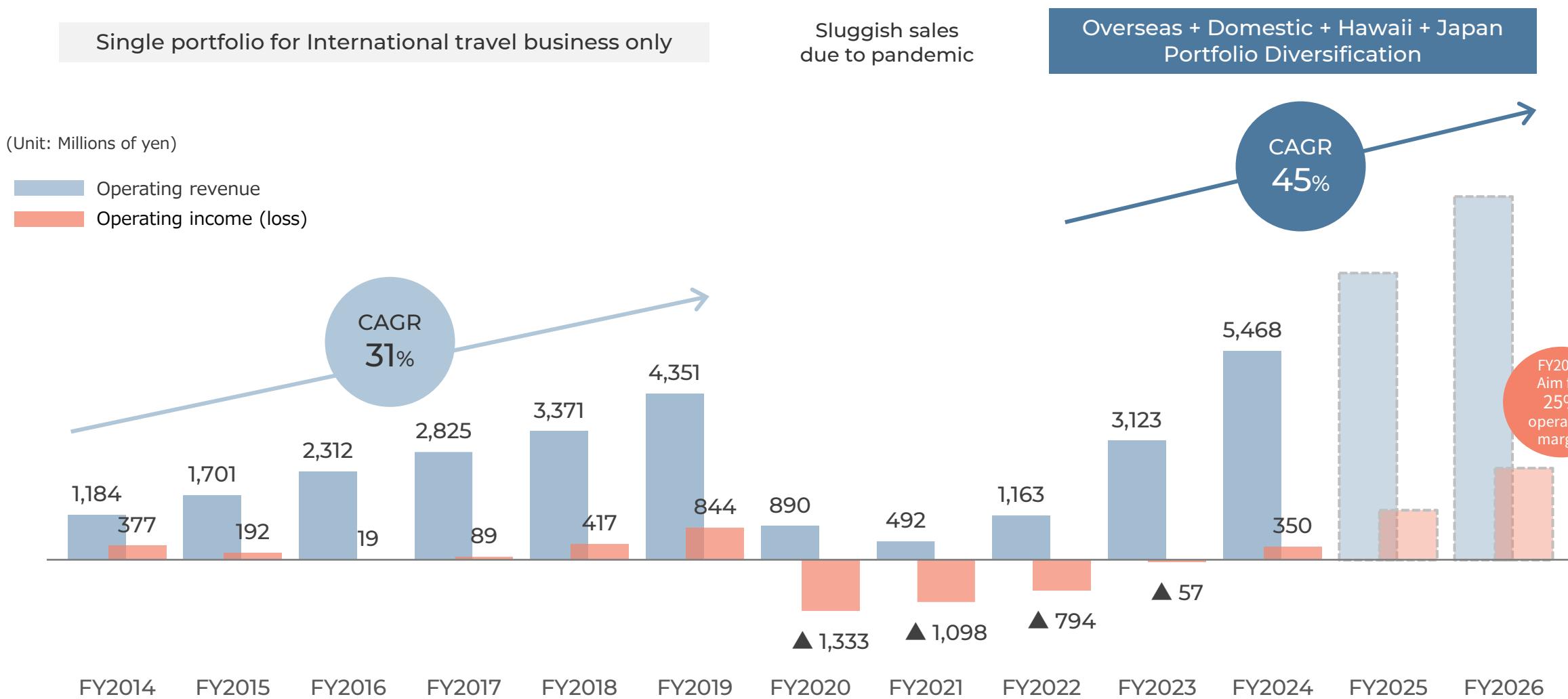


# Growth image of operating revenue and operating income/loss



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.



# 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
COO, Director	Ryoko Mannen
Director	Tomoharu Kurakami
CFO, Director	Jumpei Minashima
Outside Director	Rod Cuthbert
Outside Director, Audit Committee Member	Tetsushi Ikeda Masato Mori Gaku Suzuki



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.

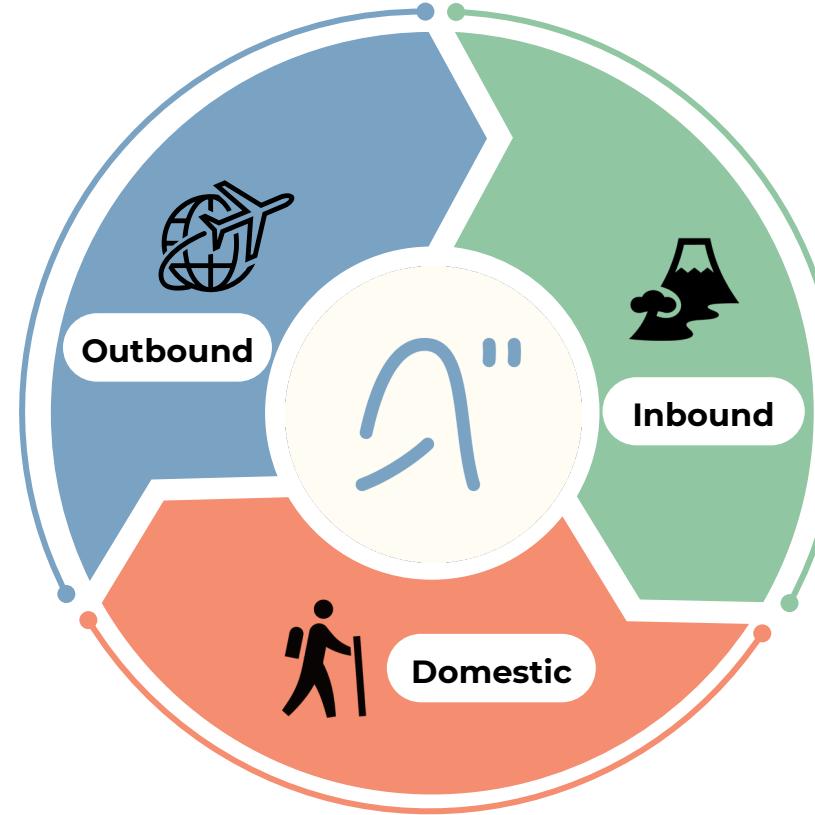


VelTRA®

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.

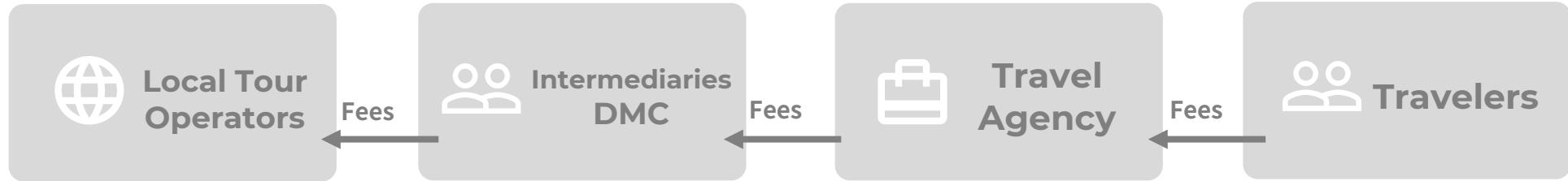
OTA		HAWAII ACTIVITIES		Tourism IT Solutions	
2.5 million (YoY +32万人)		Members	200,000	Number of Users	--
19,000 (YoY +3,600) 150 Countries		Activities Countries	780 All Hawaiian Islands	Number of distributors	441 (YoY+252)
8,000 (YoY +600社)		Partners	440	Number of partners	348 (YoY+75)
400,000+		Customer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



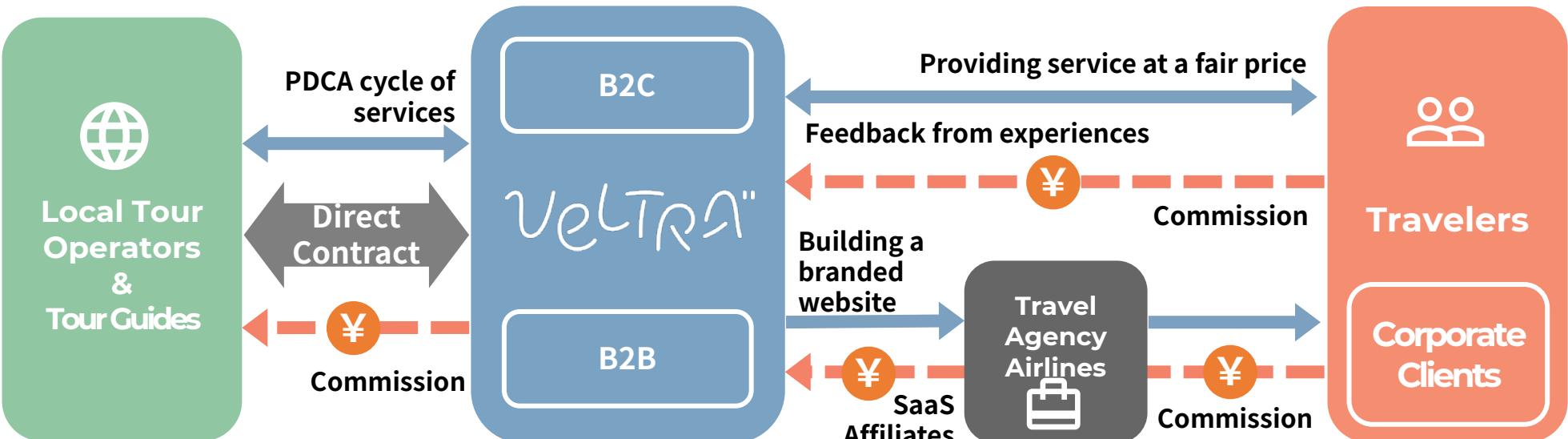
Before

The product options were limited and prices were higher due to intermediaries like wholesalers or DMCs. Even for independent travelers, searching, booking, and paying for overseas experiences was complicated.



VELTRA booking platform

VELTRA improves overseas travel for individual travelers and local experience providers by contracting directly with local tour operators and pursuing service improvements through digital transformation and operational efficiency.





## 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



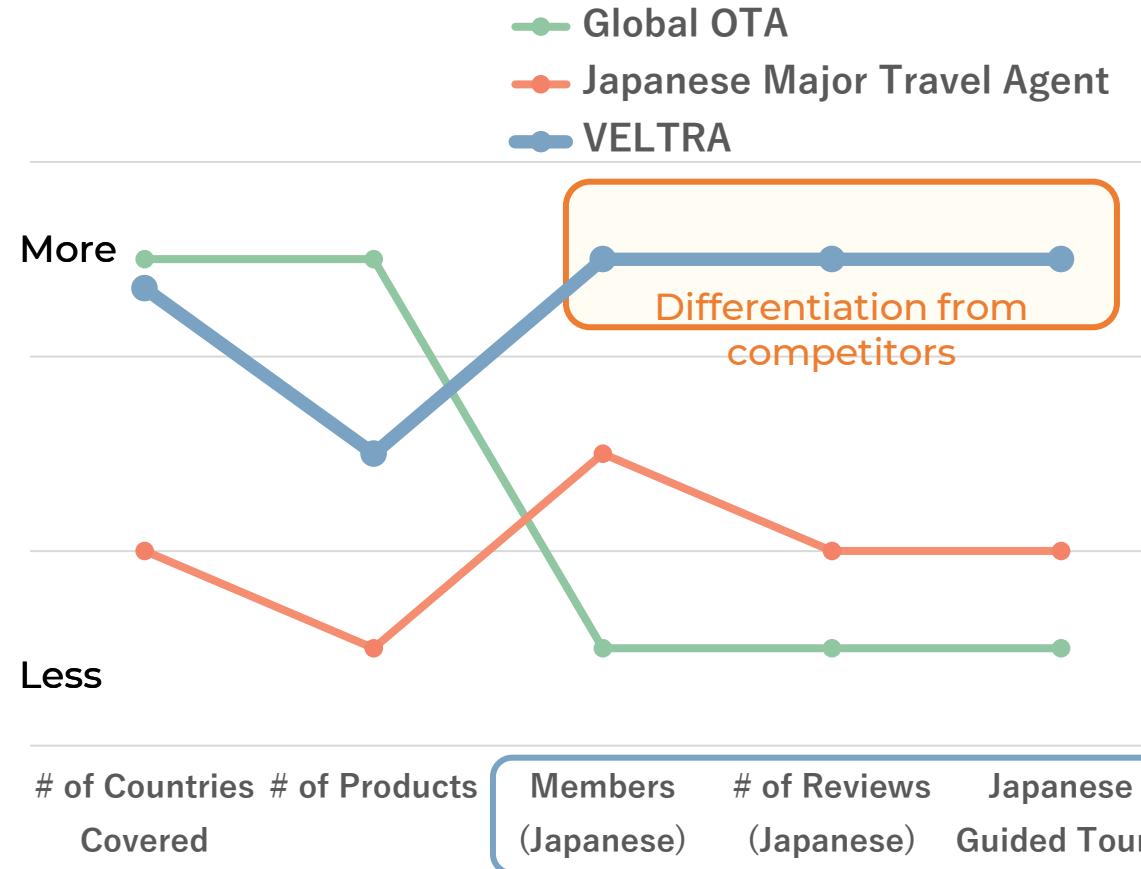
**19,000+**  
Tours & Activities



**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

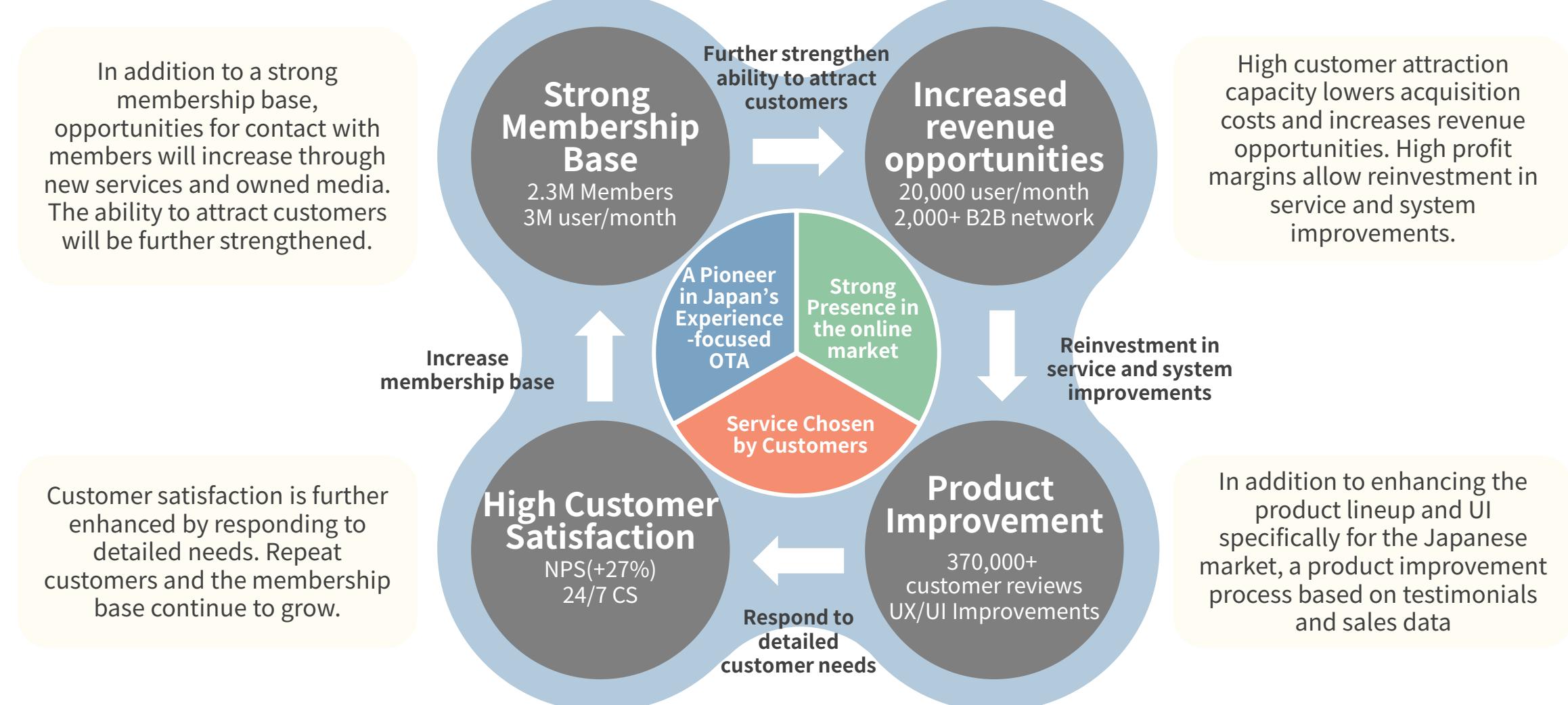


**24/7**  
Customer Support

# OTA Business: A Cycle of Enhancing Managerial Assets

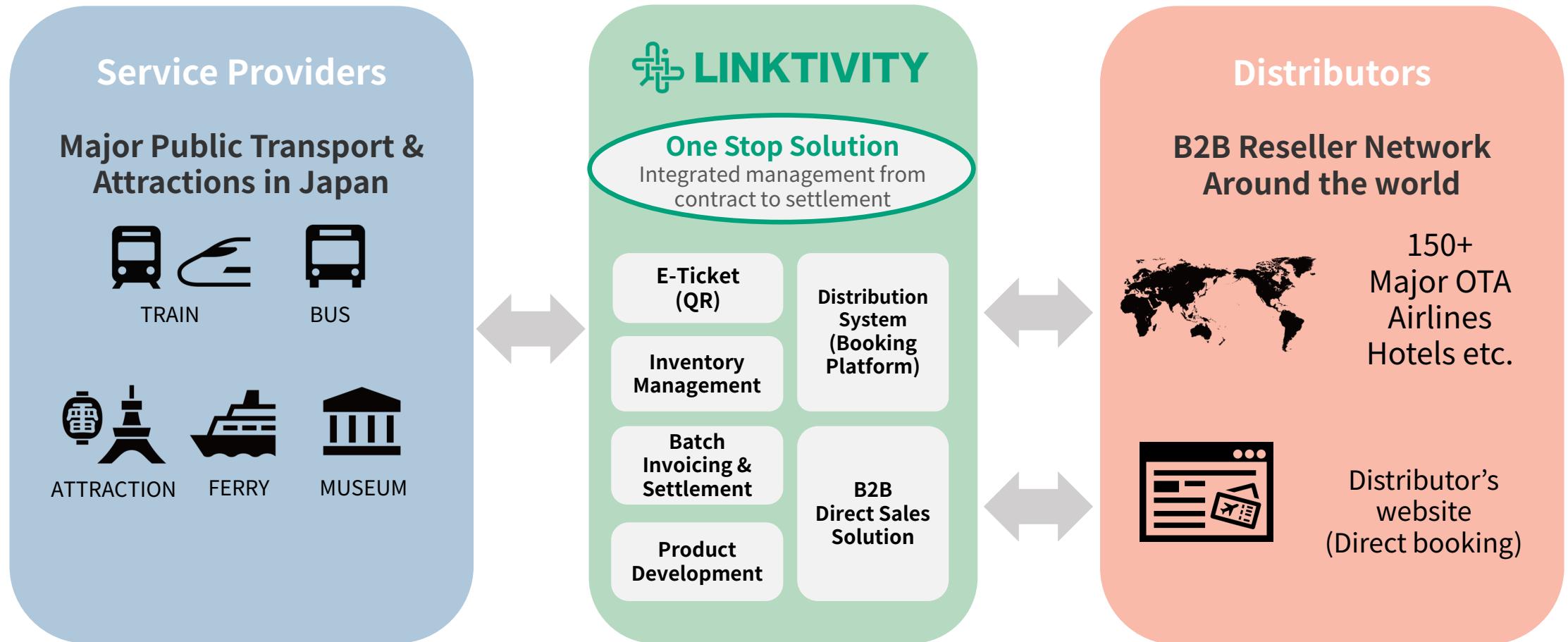


By reinvesting to make the most of our resources, we aim to create new value and further expand market share and maximize corporate value.





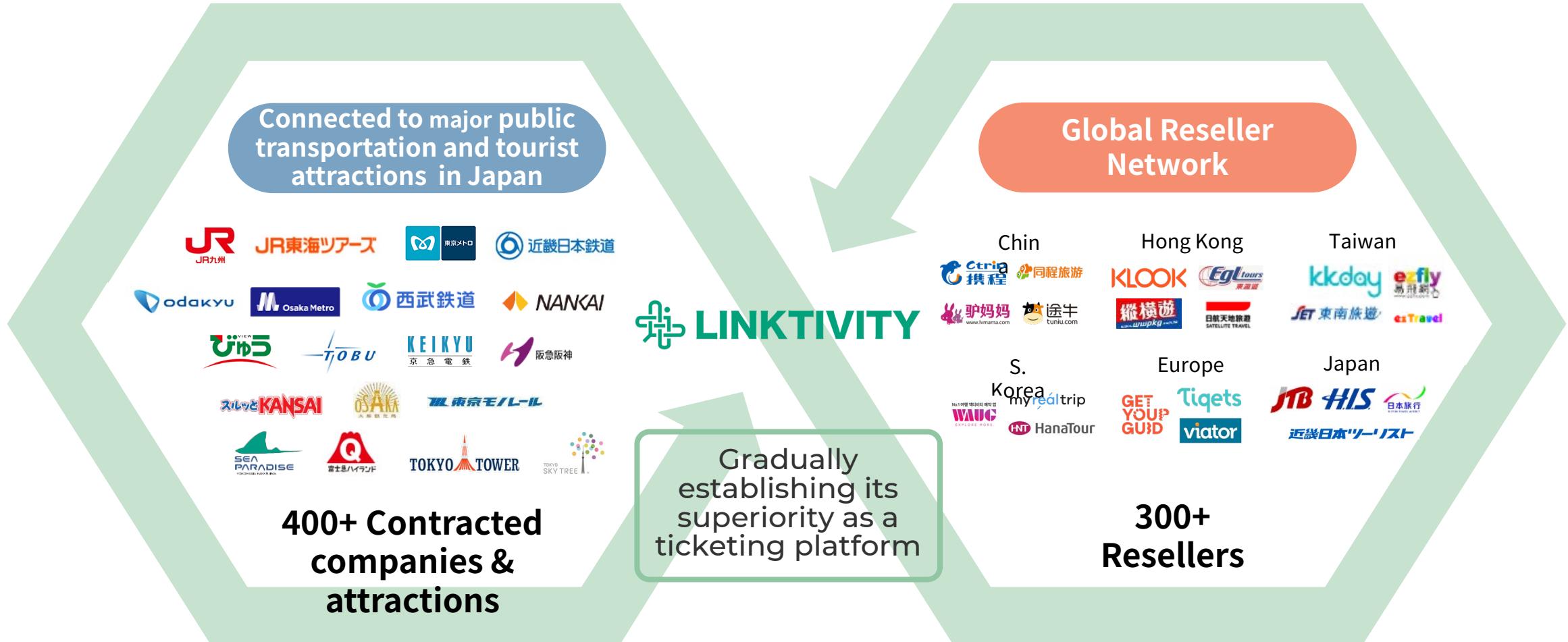
LINKTIVITY is a platform that connects Japanese transportation and attractions with travel companies around the world. It provides a one-stop system solution to link service providers and distributors.



# 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:

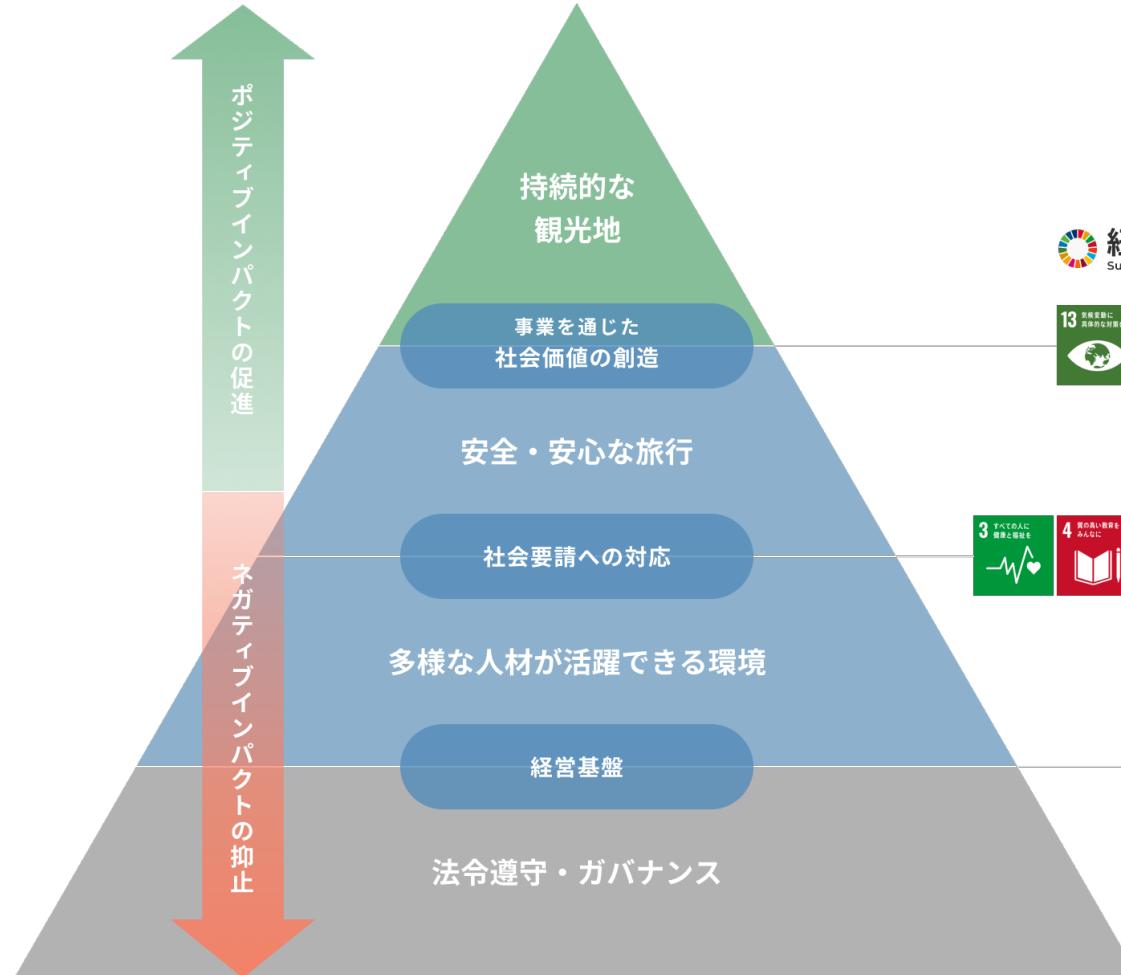
We aim to realize our vision by creating social value through our business, based on the foundation of compliance with laws and governance, and responding to social demands such as "safe and secure travel" and "a workplace environment where diverse human resources can play an active role". We also aim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

### 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.

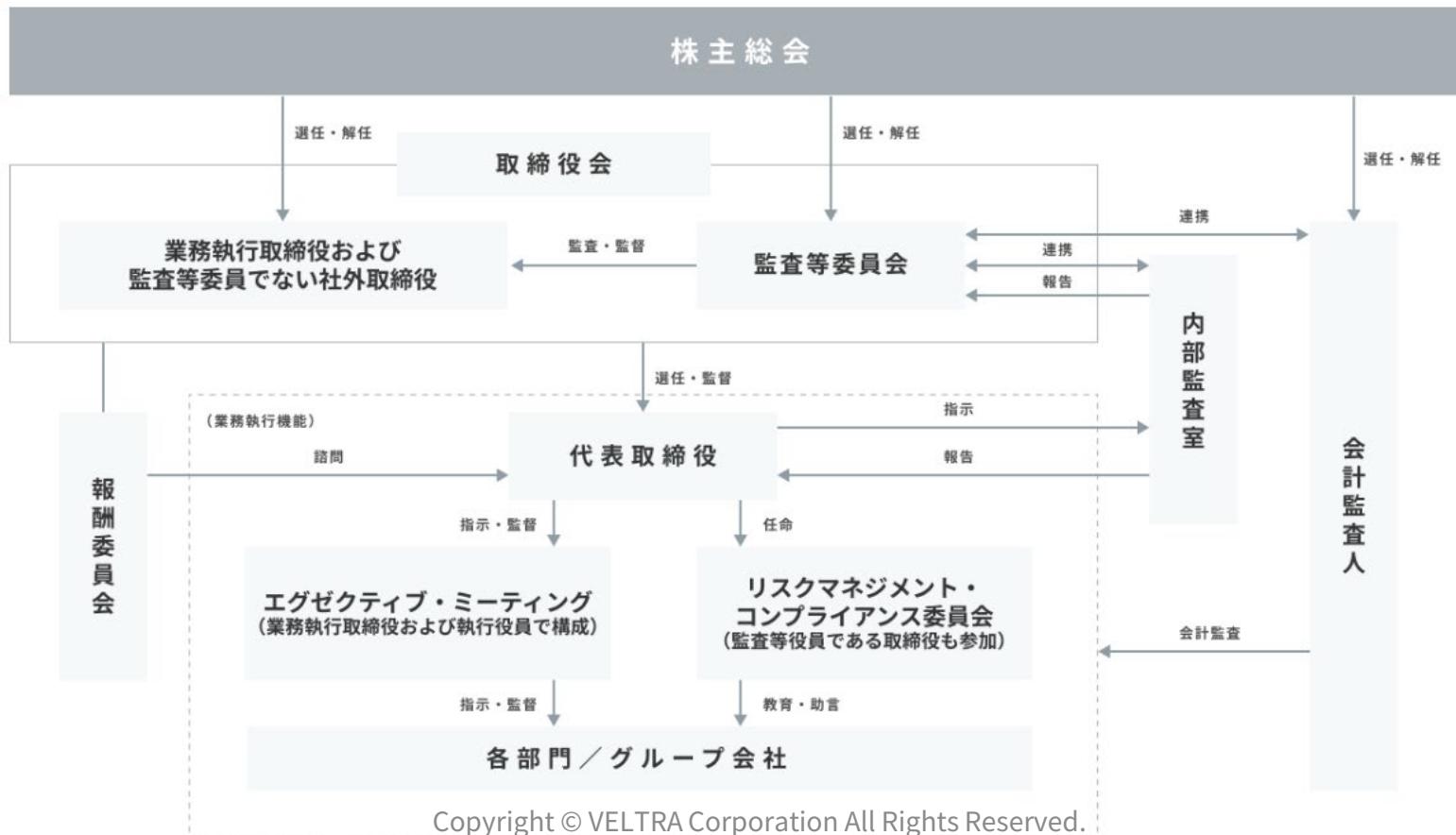
# Initiatives to Improve Corporate Governance



## 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.





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