

VELTRA™

VELTRA changes TRAVEL

FY2023 3Q Financial Results

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VELTRA CORPORATION:TSE7048



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FY2023 3Q Results Overview



Results

- Revenues grew by +188% YoY to 2,228 Million yen, driven by a recovery in travel demand and overall portfolio growth. (78.7% recovery rate compared to 2019 in the 3Q).
- Operating profit improved to -84 Million yen in cumulative terms (-626 Million yen in the 3Q FY2022).
- Operating profit for the 3Q was 118 Million yen, the first quarterly profit in nearly four years.

Overseas (Outbound)	Sales recovered significantly to 1,363M yen (214M yen in Q3 FY2022). On the other hand, the recovery rate in the number of outbound travellers averaged 56% in the period July-September, which was slower than initially expected and 95% of the forecast.
Japan Inbound	Revenues grew +75% YoY to 260M yen (148M yen in 3Q FY2022). Revenue has continued to underperform the plan since 2Q, reaching 79% of the plan as of 3Q.
HawaiiActivities	Sales landed at 228M yen (320M yen in Q3 FY2022), due to a decline in revenge consumption mindset and the Maui island wildfire.
LINKTIVITY	Sales grew significantly to 371M yen (40M yen in 3Q FY2022) due to an increase in the number of inbound tourists. As of 3Q, sales were 204% of the plan, a significant increase.

External Environment

- The number of inbound visitors recovered to 71.2% of the 2019 level, and in September to 96.1%, equal to the pre-covid level.
- The number of Japanese outbound recovered to 44.6% of the 2019 level.

2023 Jan-Sep
Approx. 17.37 million (YoY +1,589%)

2023 Jan-Sep
Approx. 6.71 million (YoY +317 %)

Profit and Loss Summary



Cumulative operating revenue increased significantly by +187% YoY due to the uptake of travel demand, which is on a recovery trend. Despite the increase in advertising and personnel costs associated with revenue growth, the level of operating losses improved significantly as a result of ongoing control of fixed costs.

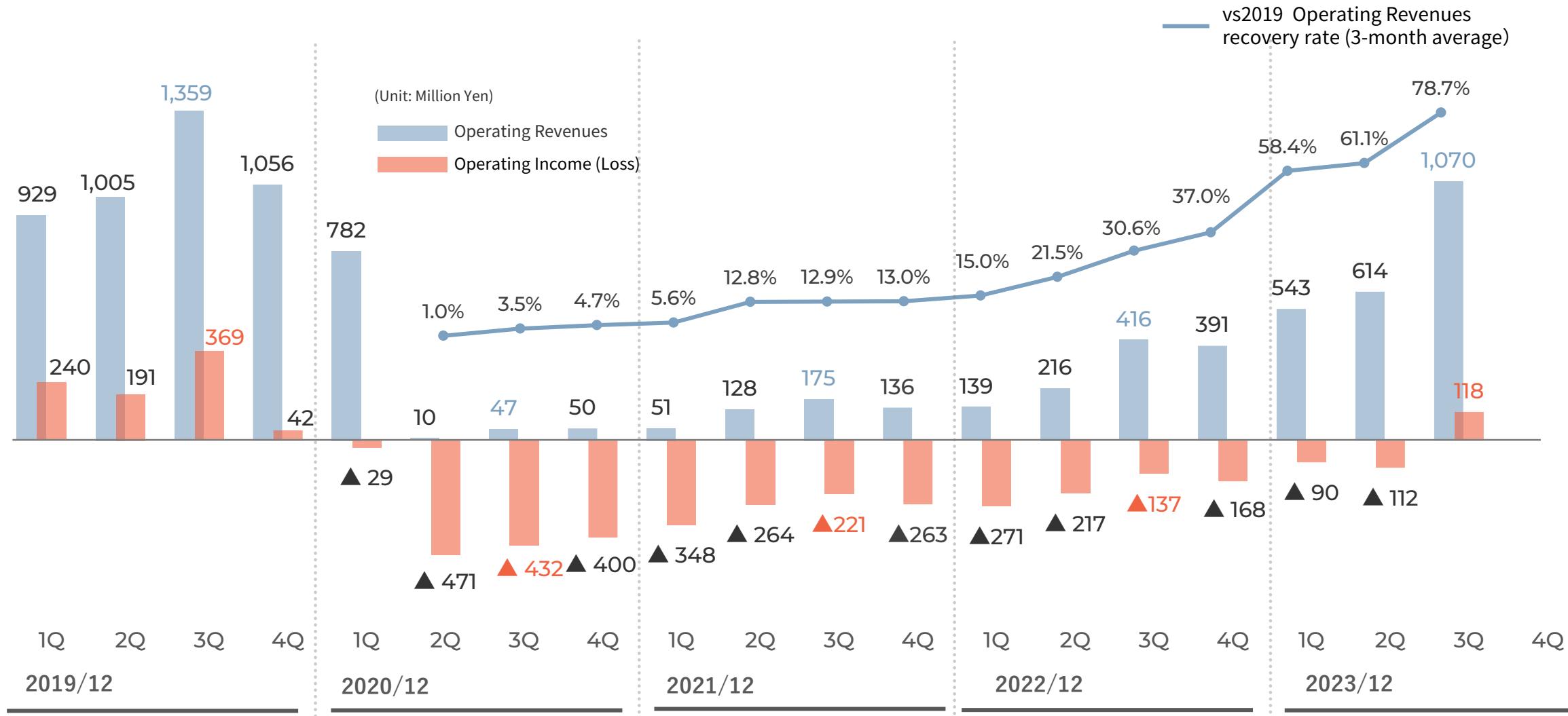
Operating revenue in the 3Q financial period was +157% to 1.07 billion yen and operating profit turned profitable on a quarterly basis for the first time in nearly four years.

Unit: Million Yen	Accounting Period			Cumulative period		
	FY2022 Q3	FY2023 Q3	YoY	FY2022 Q1~Q3	FY2023 Q1~Q3	YoY
Operating Revenue	416	1,070	257.3%	771	2,228	288.8%
Operating Expenses	553	952	171.9%	1,398	2,313	165.5%
Operating Loss	▲137	118	—	▲626	▲84	—
Non-operating Income	0	0	2.5%	55	0	1.2%
Non-operating Expenses	9	19	208.1%	10	49	468.4%
Ordinary Loss	▲146	99	—	▲581	▲133	—
Extraordinary Expenses	—	—	—	—	—	—
Taxes	21	15	73.1%	54	35	65.4%
Net Income	▲164	82	—	▲629	▲172	—
Net income per share (Yen)	—	—	—	▲18.31	▲4.84	+13.47yen

Quarterly Changes in Operating Revenues and Operating Income (Loss)



Revenues in 3Q were + ¥654m YoY (257% YoY), recovering to about 80% compared to the same period in 2019.



Operating Revenues by Business Segment



Company-wide operating revenue achieved 98% of the plan.

The overseas travel business achieved 95%. Despite the slowdown in the market recovery rate and the impact of the weak yen, revenues will increase significantly, partly due to increased demand during the summer holidays.

LINKTIVITY platform revenues grew significantly, due to an increase in the number of inbound travellers. 204% achievement rate against plan as of 3Q.

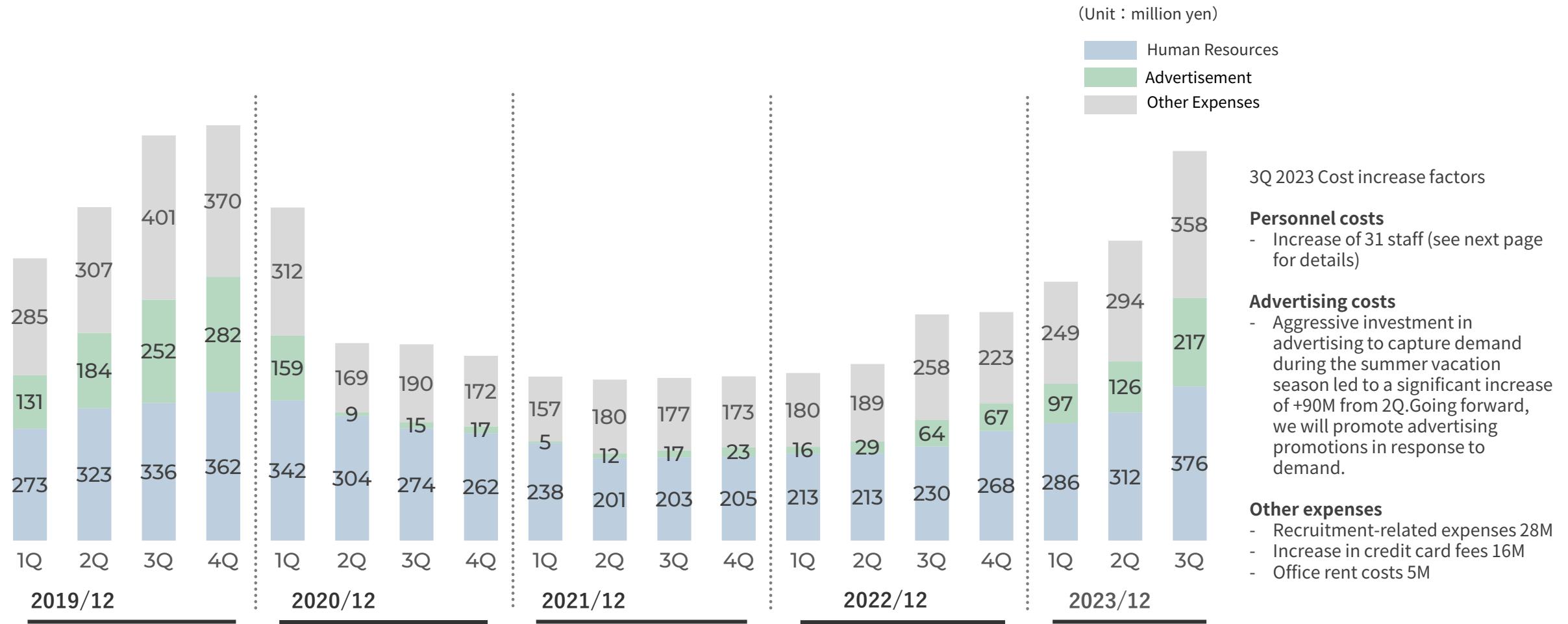
Domestic travel business is experiencing a slowdown in YoY growth, while HawaiiActivities continues to fall below the previous year's level, and both are promoting measures to gain more customers.

Unit: Thousand Yen		FY2023 1Q			FY2023 2Q			FY2023 3Q		
		plan	Actual	Achieve	plan	Actual	Achieve	plan	Actual	Achieve
Overseas	Accounting Period	246,553	333,617	135%	418,607	347,430	83%	767,900	682,107	89%
	Cumulative period	-	-	-	665,160	681,046	102%	1,433,060	1,363,153	95%
Domestic	Accounting Period	50,331	59,342	118%	88,006	71,146	81%	189,617	129,560	68%
	Cumulative period	-	-	-	138,337	130,488	94%	327,954	260,048	79%
HawaiiActivities	Accounting Period	81,778	58,954	72%	125,272	82,010	65%	129,016	87,626	68%
	Cumulative period	-	-	-	207,060	140,963	68%	336,076	228,590	68%
LINKTIVITY	Accounting Period	40,960	89,282	218%	59,671	112,555	189%	81,166	169,375	209%
	Cumulative period	-	-	-	100,631	201,837	201%	181,797	371,571	204%
Other	Accounting Period	800	1,949	244%	2,100	1,618	77%	3,900	1,710	44%
	Cumulative period	-	-	-	2,900	3,568	123%	6,800	5,278	78%
TOTAL	Accounting Period	420,432	543,144	129%	693,656	614,758	89%	1,171,599	1,070,738	91%
	Cumulative period	-	-	-	1,114,088	1,157,902	104%	2,285,687	2,228,640	98%

Costs



While cost levels have been controlled, advertising and other investments gradually increased in line with the increase in transaction volumes. Investments in personnel will be increased in stages, keeping productivity (OP margin at the time of earnings recovery) in mind.

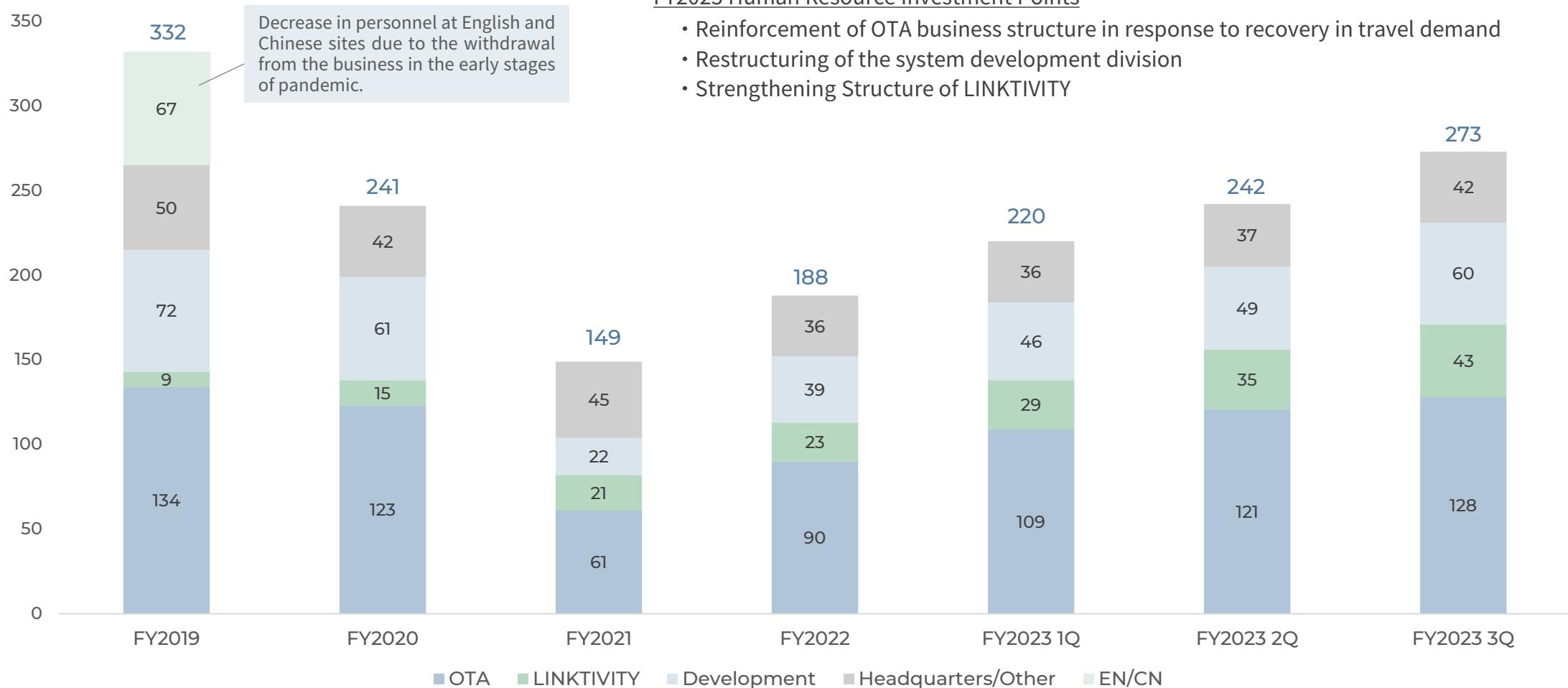


Headcount



Reinforcement of the organisational structure, which has been pursued mainly in the overseas travel business, the system development sector and Linktivity, has largely been completed.

The next financial year and beyond will be positioned as a time to increase productivity gains while realising increased transactions and revenues.



Balance Sheet Summary



A further improvement in earnings led to a 2.8 billion yen increase in current liabilities due to an increase in trade payables and advances received, resulting in a 15 pt decline in the equity ratio, but a positive contribution to cash flow and a significantly improved financial position.

Unit: Million Yen	FY2022	FY2023 3Q	Change	Details
Current Assets	3,678	6,241	+2,562	Cash and cash equivalents and operating receivables increased by 1,122M yen and 1,246M yen, respectively.
Cash and Deposits	2,799	3,921	+1,122	
Fixed Assets	372	596	+223	Investments and other assets increased by 215M yen.
Assets Total	4,051	6,837	+2,785	
Current Liabilities	2,670	5,548	+2,877	Operating accounts payable increased by 1,620M yen and advances received increased by 1,162M yen.
Favorable Sub Liabilities	500	500	-	
Fixed Liabilities	0	0	-	
Liabilities Total	2,670	5,548	+2,877	
Total Net Assets	1,381	1,289	▲91	Retained earnings decreased by 172M yen, mainly due to the net loss attributable to shareholders of the parent company.
Capital to Asset Ratio	33.4%	18.4%	▲15.0pt	

FY2023 3Q Results and Market Environment by Business

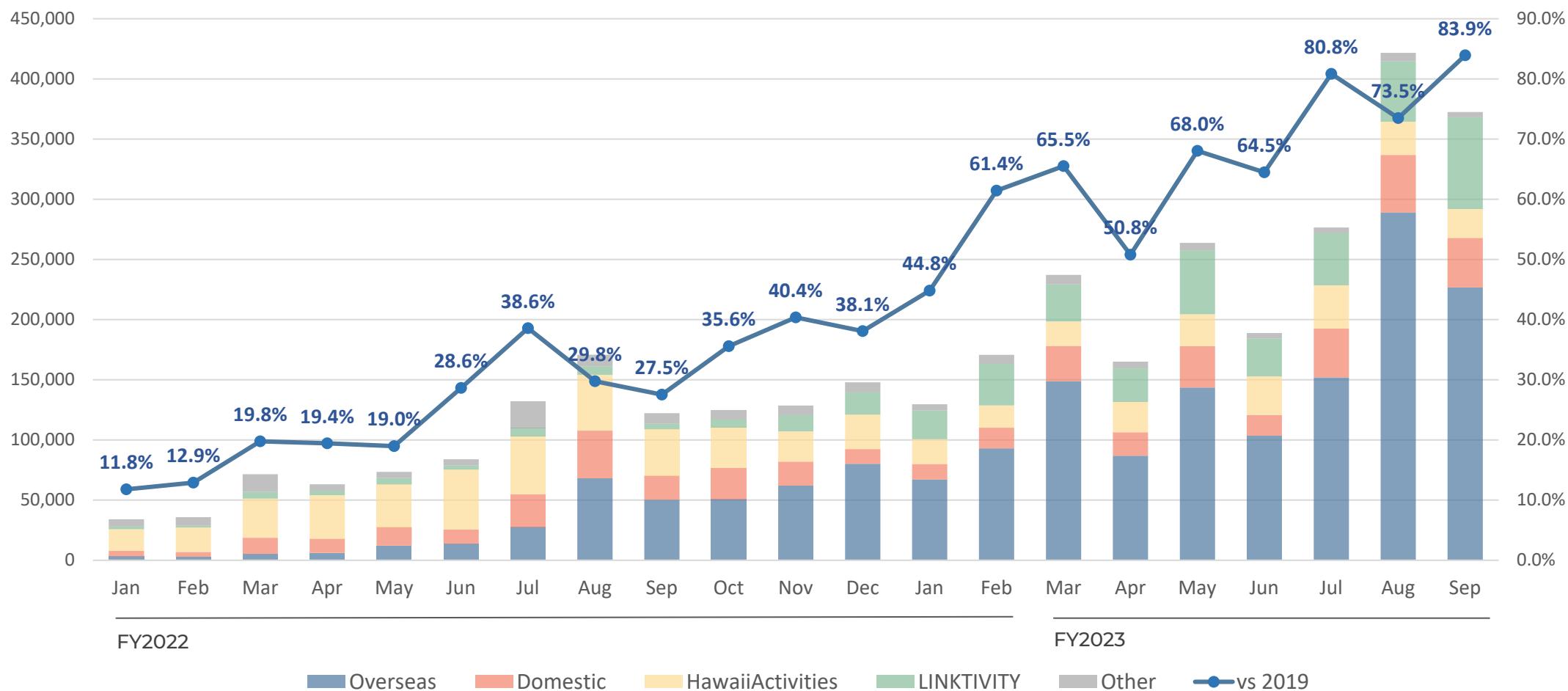
Overall | Consolidated Operating Revenue (Monthly)



Operating revenues increased, especially in August and September, partly due to increased demand during the summer holidays; the recovery rate of operating revenues compared to 2019 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

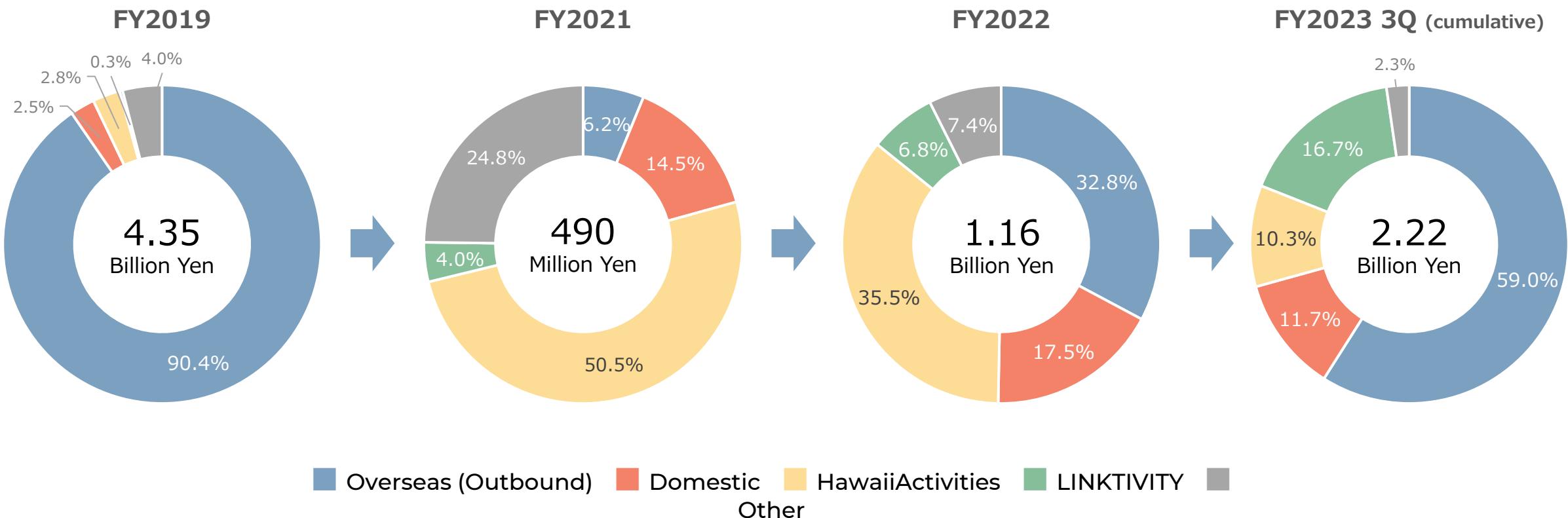


Overall | Revenues by Business Segment Trends



Revenue from the overseas travel business accounted for more than 90% of total revenue in 2019, and although it is still recovering at the moment, the composition of the businesses in overall revenue has changed significantly due to the expansion of the business portfolio following the pandemic.

In FY2023 3Q, the overseas travel business has recovered to approximately 60%, and the proportion of LINKTIVITY is also expanding.



By Business Segment

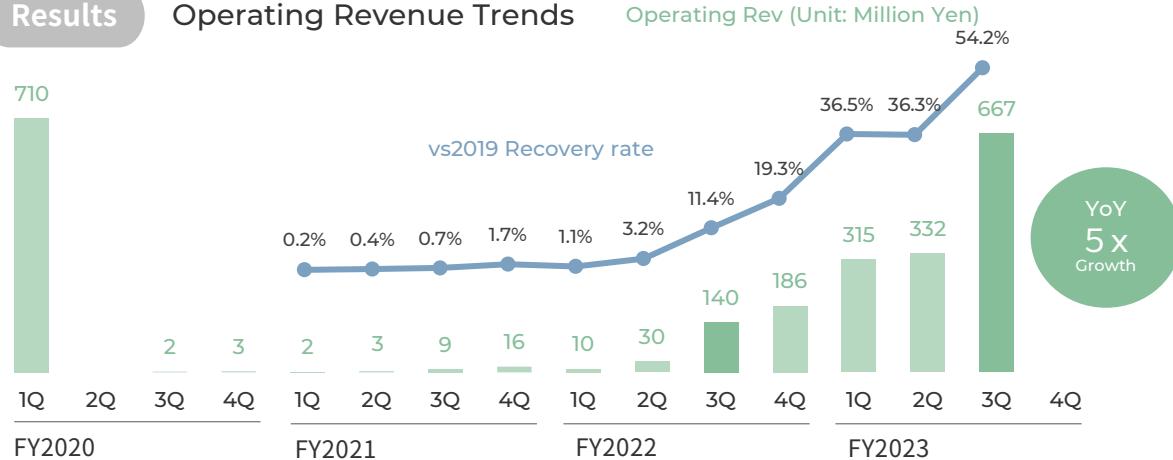
Outbound



Japanese outbound travellers recovered to 56% of pre-Corona levels in September, but the growth rate of recovery is slower than that of inbound travel. The slowdown in the rate of growth in the number of bookings is compensated for by higher unit prices due to the weaker yen and rising prices. Measures to expand the number of products handled, which have been strengthened recently, are leading to an increase in frequency of use.

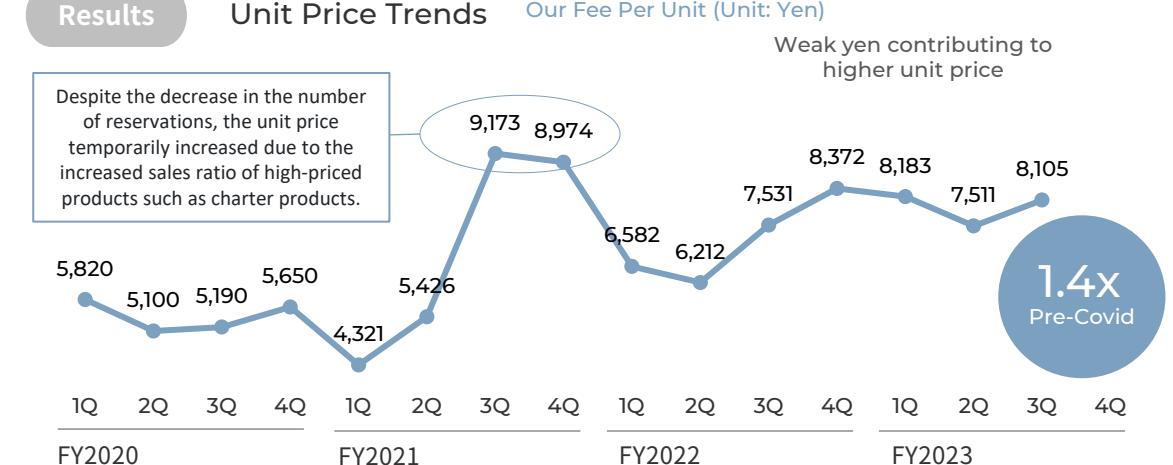
Results

Operating Revenue Trends



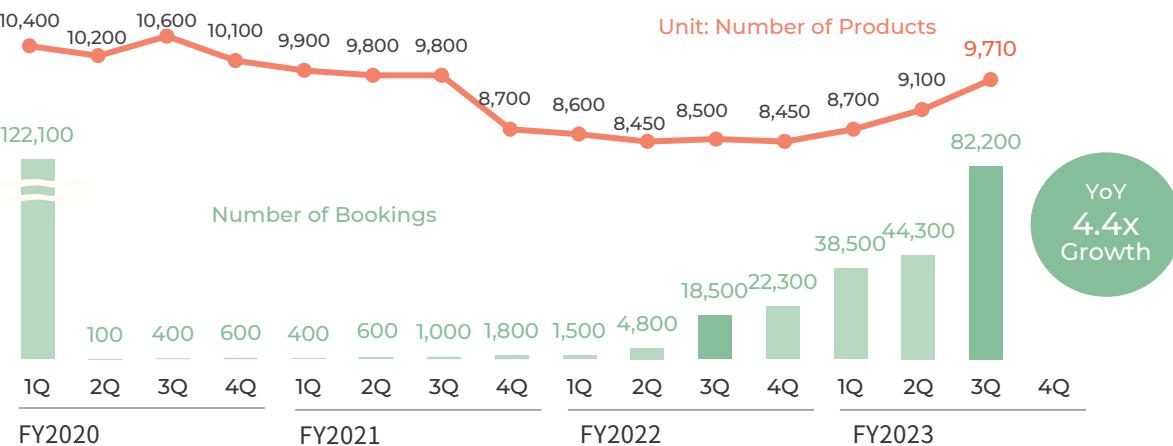
Results

Unit Price Trends



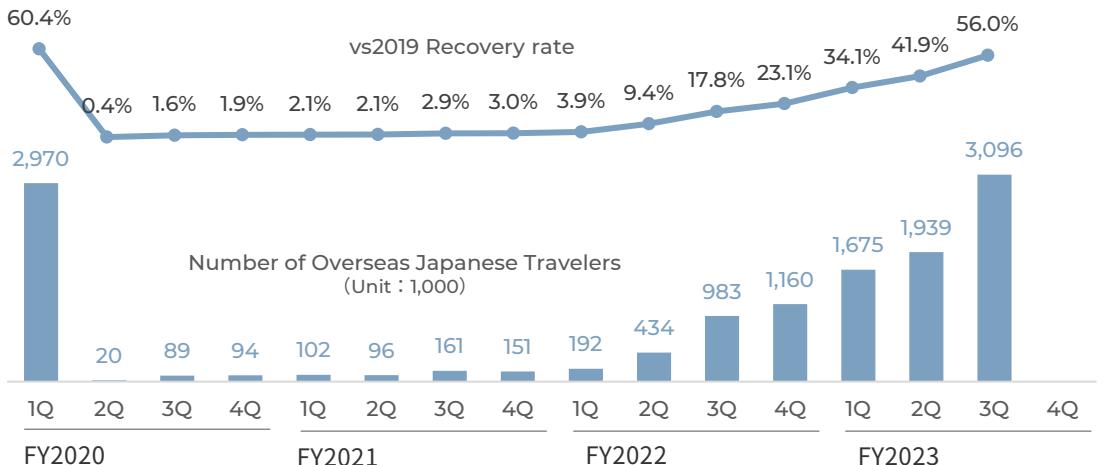
Results

Booking and Product Number Trends



Environment

Overseas Japanese Travel Trends (vs 2019)



By Business Segment

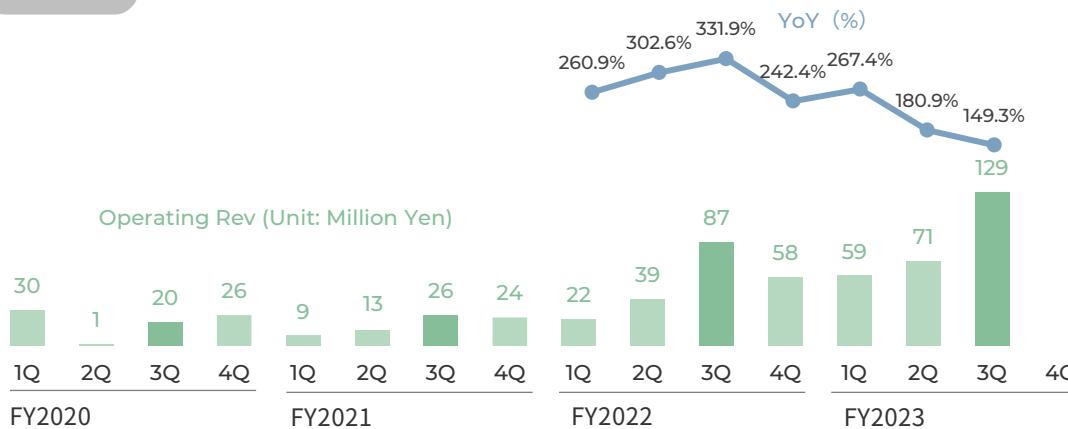
Domestic



The number of total Japanese overnight stays in domestic travel is recovering to the same level as in 2019, but has slowed down slightly recently. Despite capturing summer holiday demand to a certain extent, the growth rate in YoY has slowed down. Promotional measures are being strengthened.

Results

Operating Revenue Trends



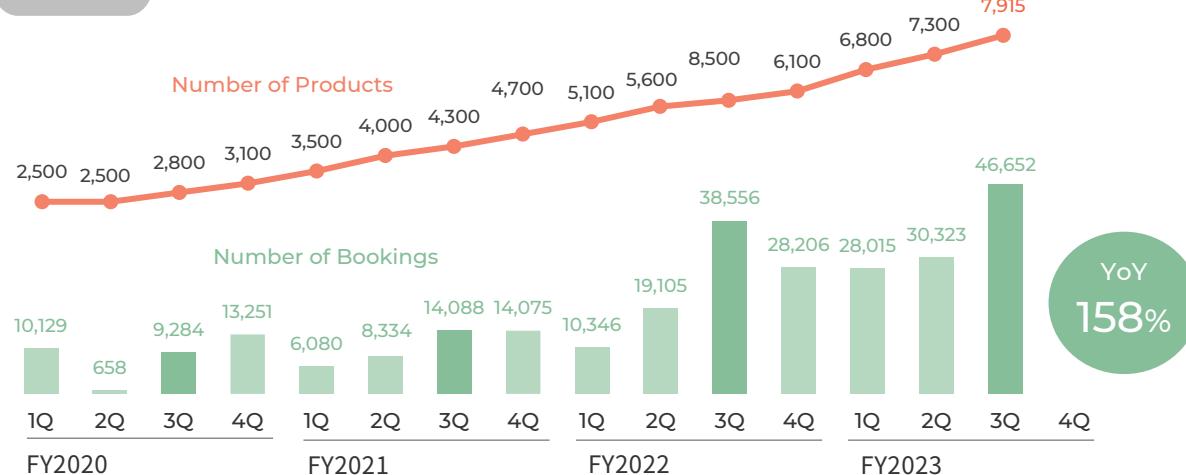
Results

Unit Price Trends



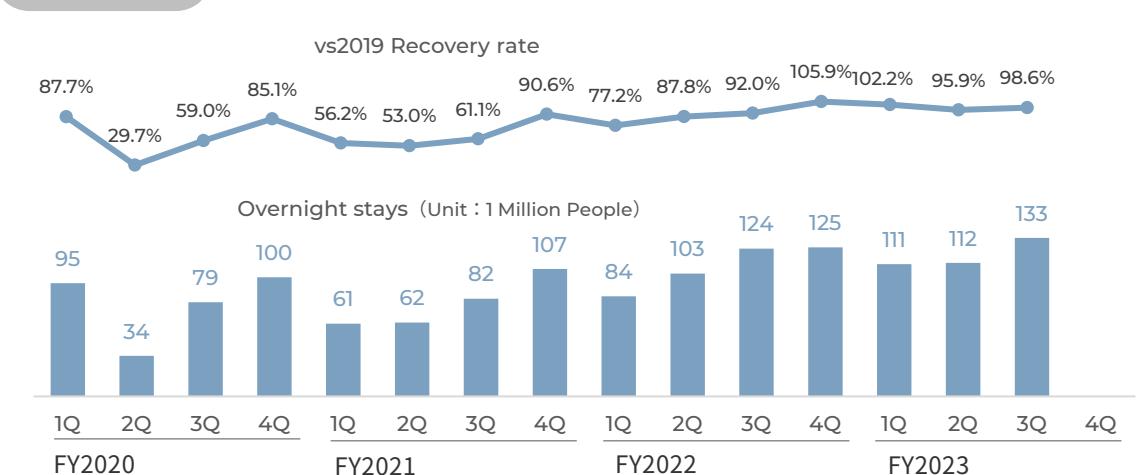
Results

Booking and Product Number Trends



Environment

Number of Japanese domestic overnight stays (vs 2019)



By Business Segments

HawaiiActivities

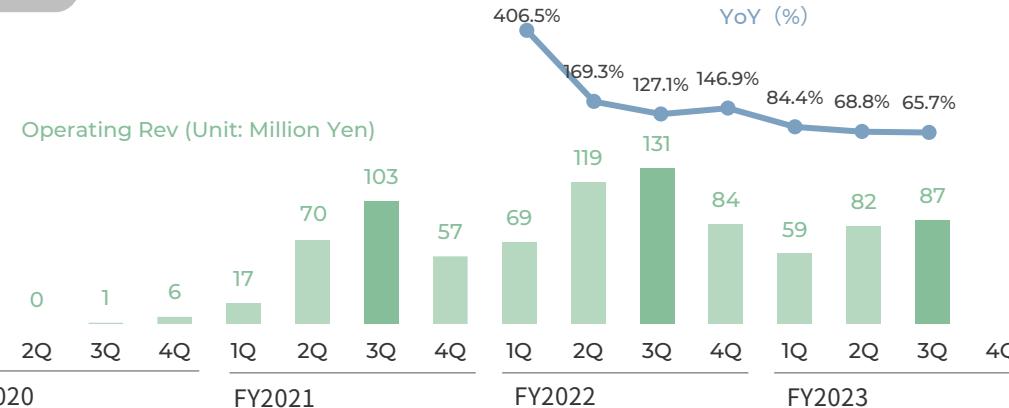


Revenues (66% YoY) and bookings (63% YoY) were lower in 3Q due to declining revenge consumer mindset, the Maui fires, and other factors.

While maintaining a level of around double 2019 revenues, the YoY decline is expected to continue for the foreseeable future. Google Things to do connection and promotional measures are being undertaken to strengthen customer traffic.

Results

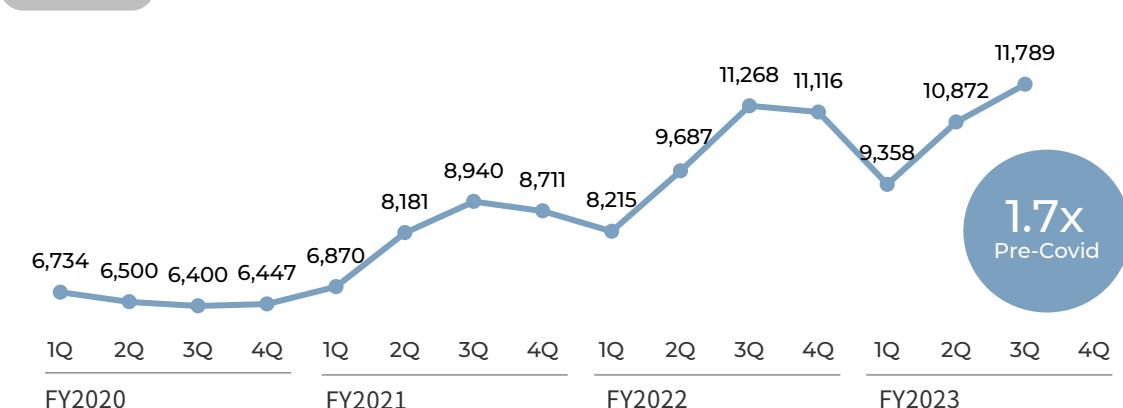
Operating Revenue Trends



Results

Unit Price Trends

Our Fee Per Unit (Unit: Yen)



1.7X
Pre-Covid

Results

Booking Trends

Number of Bookings



YoY
63%

Environment

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

Our bookings vs2019

Travellers vs2019



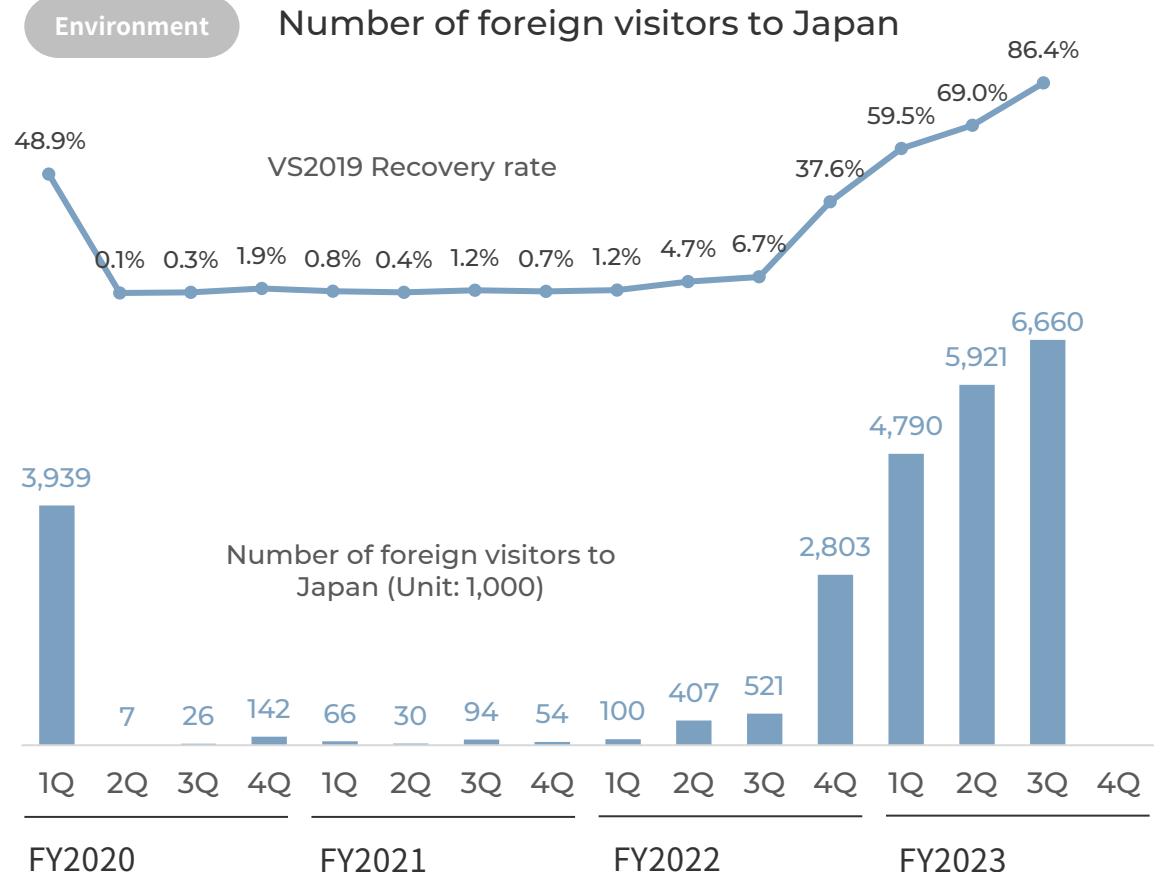
By Business Segments

LINKTIVITY



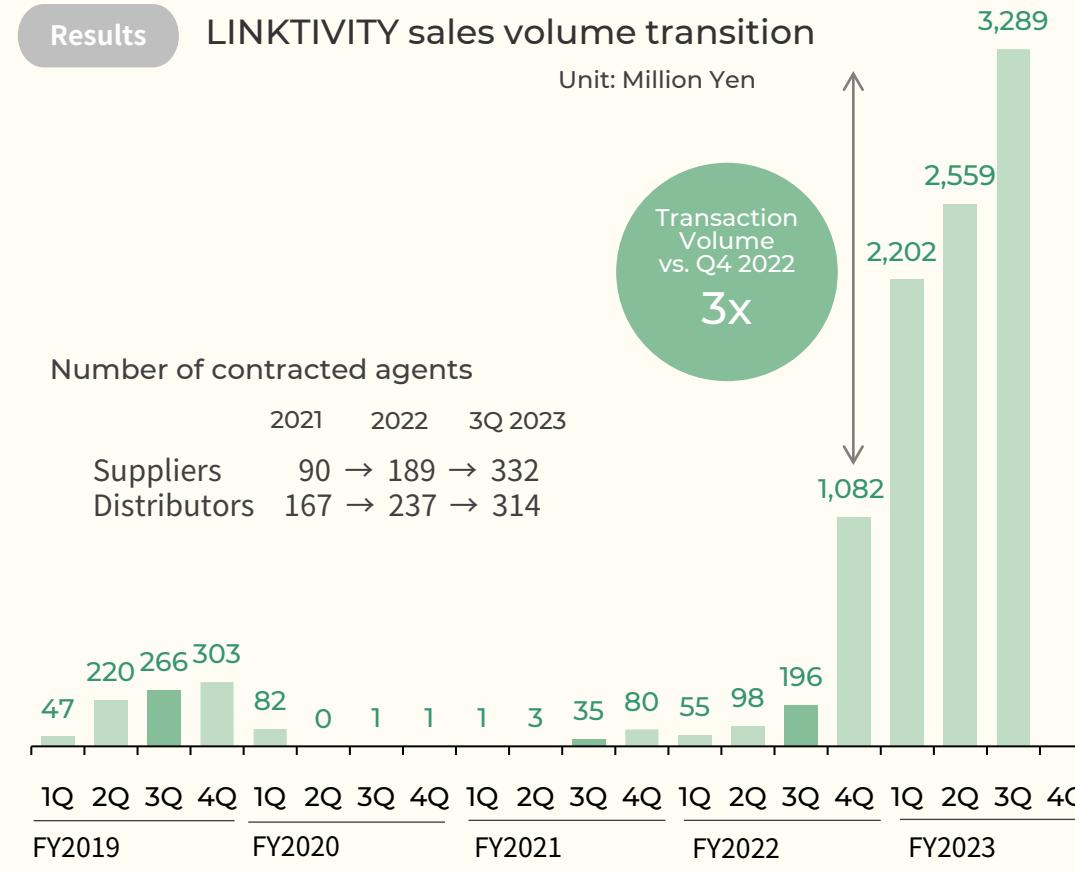
Significant Growth in Railroad and Facility Ticket Booking Transaction Volume through LINKTIVITY Platform. Transaction volume grew faster than the recovery rate of the number of foreign visitors to Japan.

The number of contracted sales agents also remained steady. The increase in the number of products sold is expected to accelerate future growth.



Source: JNTO

FY2023 3Q Financial Results



Transaction volume: Total transaction value of rail and facility tickets purchased by travelers via international OTAs handled by LINKTIVITY.

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FY2023 3Q TOPICS

Status of measures for medium- to long-term growth



To surpass pre-pandemic earnings in 2024, the company has formulated organic growth, growth drive, and discontinuous growth strategies for mid- to long-term growth. (For details, see P21) Initiatives in line with the plan are being actively implemented.

Organic Growth		Further Growth Drive			Discontinuous growth strategies	
Topics	Joint Promotion with Tahiti Tourism Board (March)	Formed business alliance with Goodfellows Co., Ltd. (January)	Strategic Business Alliance with Asoview Inc. (February)	Strategic Business Alliance with Tiqets (March)	System Integration with Jet Star Japan (July)	Investment in Tablecross Inc. (April)
Objectives	Acquisition of new products for overseas travel market	Strengthen corporate alliances	Strengthen corporate alliances	Strengthen corporate alliances Expand DX solutions	Strengthen corporate alliances	Strengthening and developing products for the inbound market Strengthen corporate alliances Expand DX solutions
Summary	<ul style="list-style-type: none"> Marketing to stimulate demand for overseas travel Strengthening relationships with tourism bureaus 	<ul style="list-style-type: none"> Strengthen product sales base for tourism, leisure and cultural facilities Increase user convenience and loyalty 	<ul style="list-style-type: none"> Strengthen product sales base for tourism, leisure and cultural facilities Increase user convenience and loyalty Expansion of sales channels 	<ul style="list-style-type: none"> Strengthen product sales base for tourism, leisure and cultural facilities Increase user convenience and loyalty Expansion of sales channels Expansion of services for foreign visitors to Japan 	<ul style="list-style-type: none"> Strengthen product sales base for tourism, leisure and cultural facilities Increase user convenience and loyalty Expansion of sales channels 	<ul style="list-style-type: none"> Cooperation between byFood.com and LINKTIVITY, a gourmet food platform for inbound tourists to Japan Aiming to activate and expand the market for local decentralized tourism in the inbound market

FY2023 Outlook and Initiatives



From 'Survival' to 'Sustainable growth'.

Strengthening for sustainable growth in the medium to long term with additional investment of approximately 640 million yen in 2023. Recovery of the travel market and expansion of the business portfolio to increase revenues beyond pre-Covid levels by 2024.

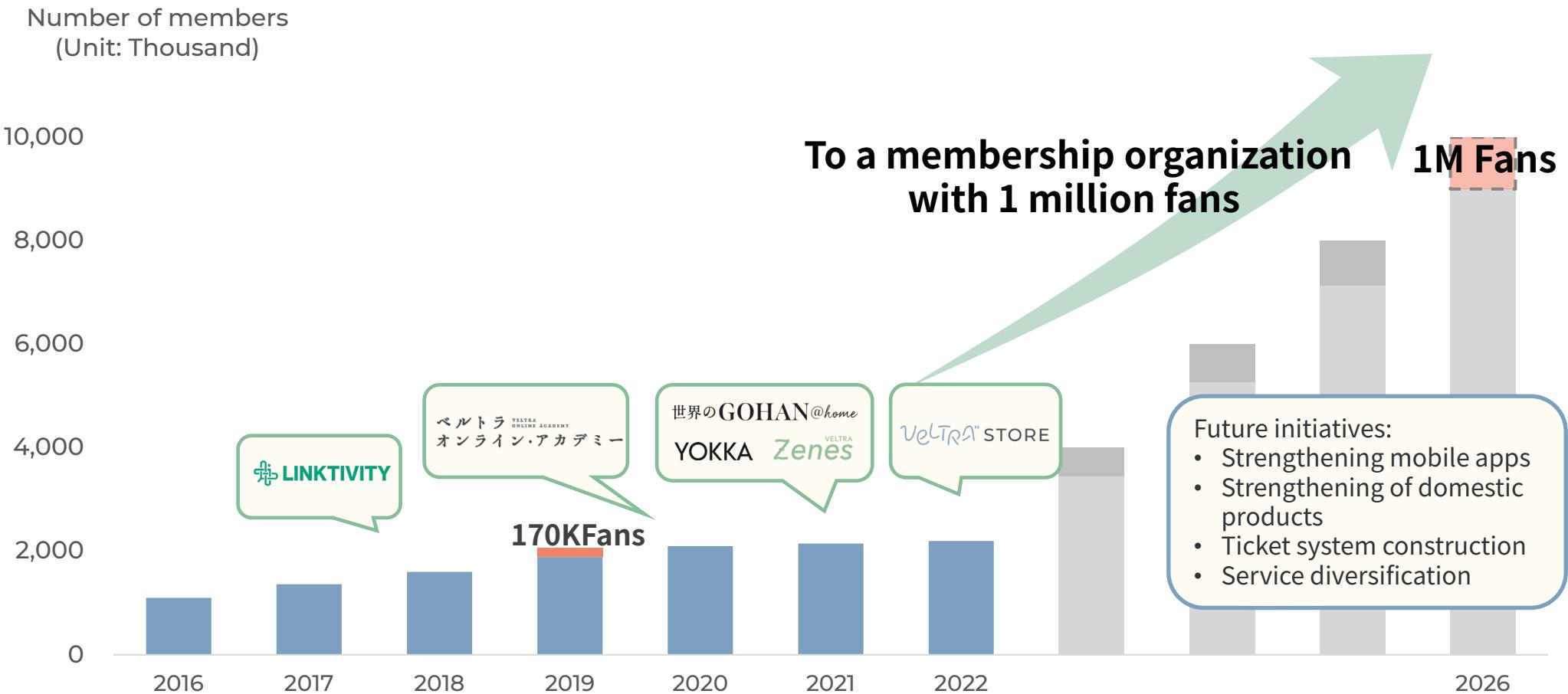
Theme	Investment objective	Domain of business	Market		
		Outbound	Domestic	Japan Inbound	Global
Cost Control <ul style="list-style-type: none">Business closureFixed cost reductionPersonnel reduction	Organic Growth	Acquisition of new products in the international travel market. Strengthening sales in the Hawaiian Islands and Archipelago.	VELTRA	Add	
Stabilization of the business base through fundraising <ul style="list-style-type: none">Third-party allotment of sharesSubscription rights, etc.	Further growth drive	Expand and strengthen products in the domestic travel market System renewals to enhance growth. VELTRA fan development reaches one million fans.	VELTRA	Add	
Concentrated investment in new businesses <ul style="list-style-type: none">Inbound DXDomestic travel market	Discontinuous growth strategies	Inbound market Product enhancement and development Tourism development and DX through cooperation with local authorities and government Strengthening corporate collaboration and expanding DX solutions	LINKTIVITY & VELTRA VELTRA & LINKTIVITY LINKTIVITY & VELTRA	New New Add	New New Add

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.



2023 Market Recovery Rate Forecast (vs 2019)



Market recovery forecasts for each market are assumed as follows: the 2023 Business Plan is based on the lower end of the recovery forecast.

2023 Market Recovery Rate Forecast (vs 2019)

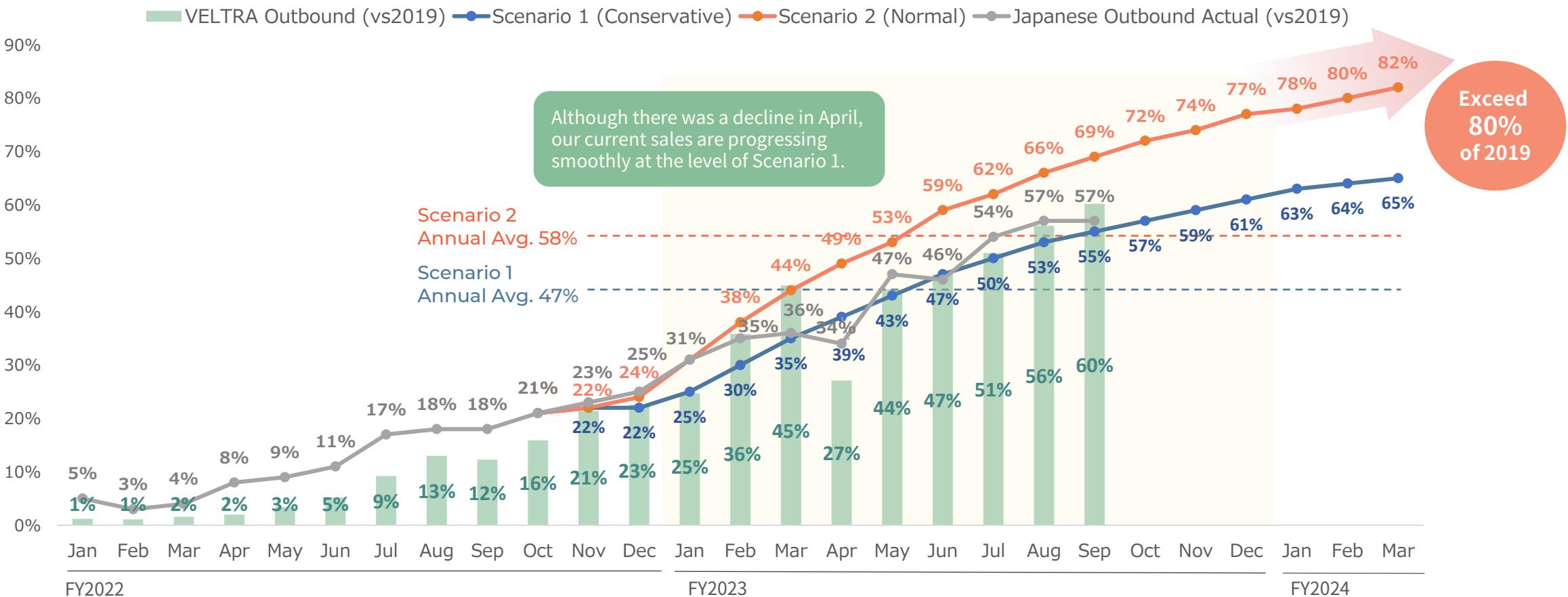
Market	2022	2023
Outbound Travel Market	VELTRA®	13% 47-58%
Domestic Travel Market	VELTRA®	90% 100%
Japan Inbound Travel Market	LINKTIVITY	8% 59-68%
Global Travel Market	HAWAII ACTIVITIES A VELTRA® Company	90% 100%

FY2023 Overseas Travel Market Trends (Recovery Forecast)



It is assumed that the Japanese overseas travel market will also recover moderately, given the market recovery in the US and Europe and inbound markets.

Sales plan is based on **Scenario 1** (47% average annual recovery), which is the base scenario. It is assumed that recovery will accelerate depending on changes in the external environment, such as the shift to category 5 infections. **Scenario 2** (approx. 80% at the end of 2023, average annual recovery rate of approx. 60%) is also shown.



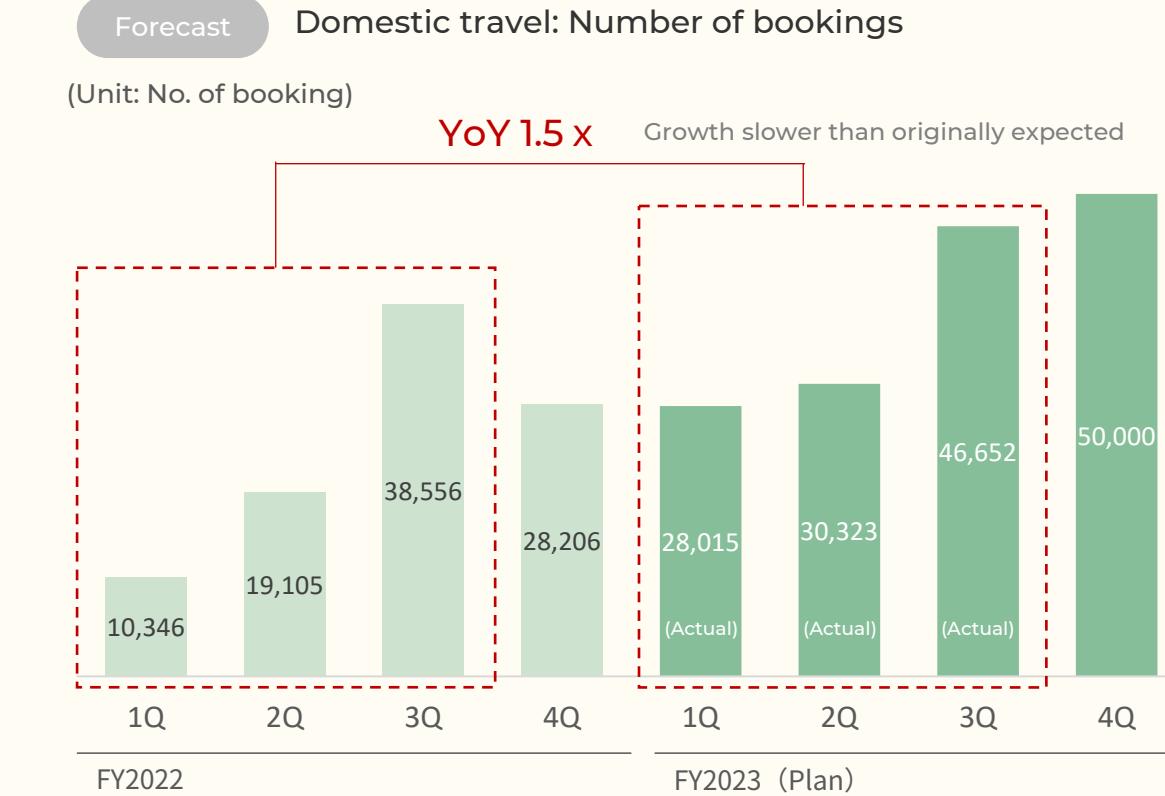
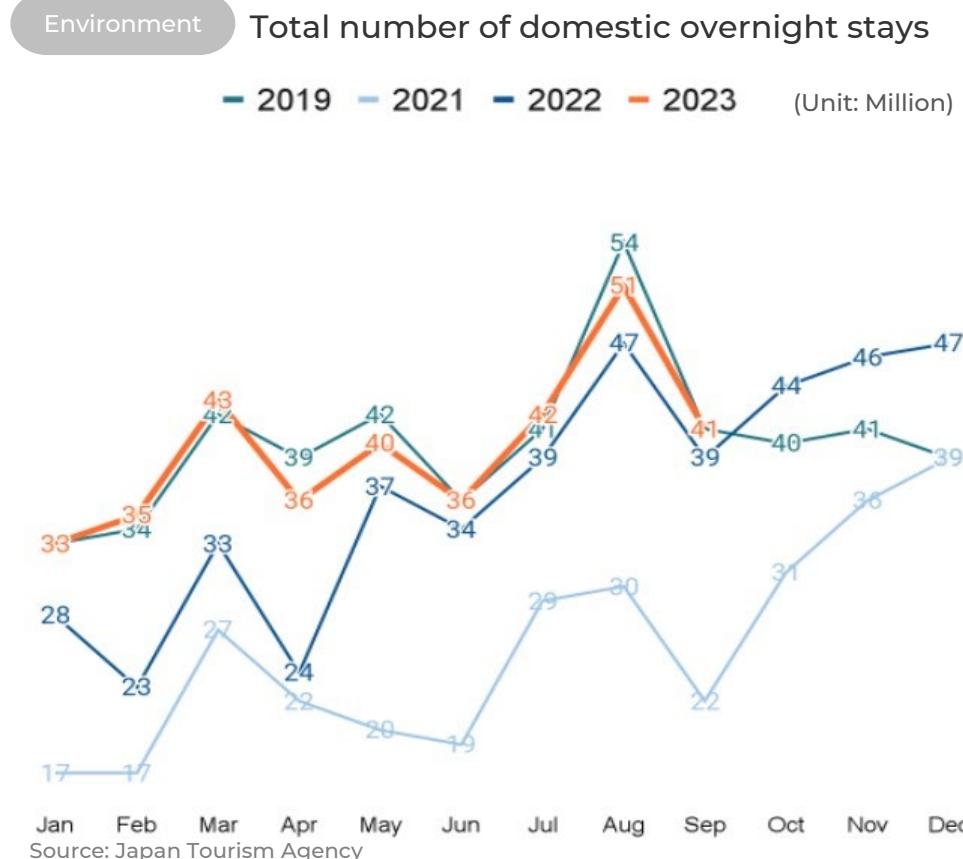
Source: JNTO

FY2023 Japan Domestic Travel Market



In the domestic travel market, the number of Japanese overnight stays has already reached the same level as that for 2019, and it is assumed that the market is not expected to grow rapidly in the near term, given the business climate.

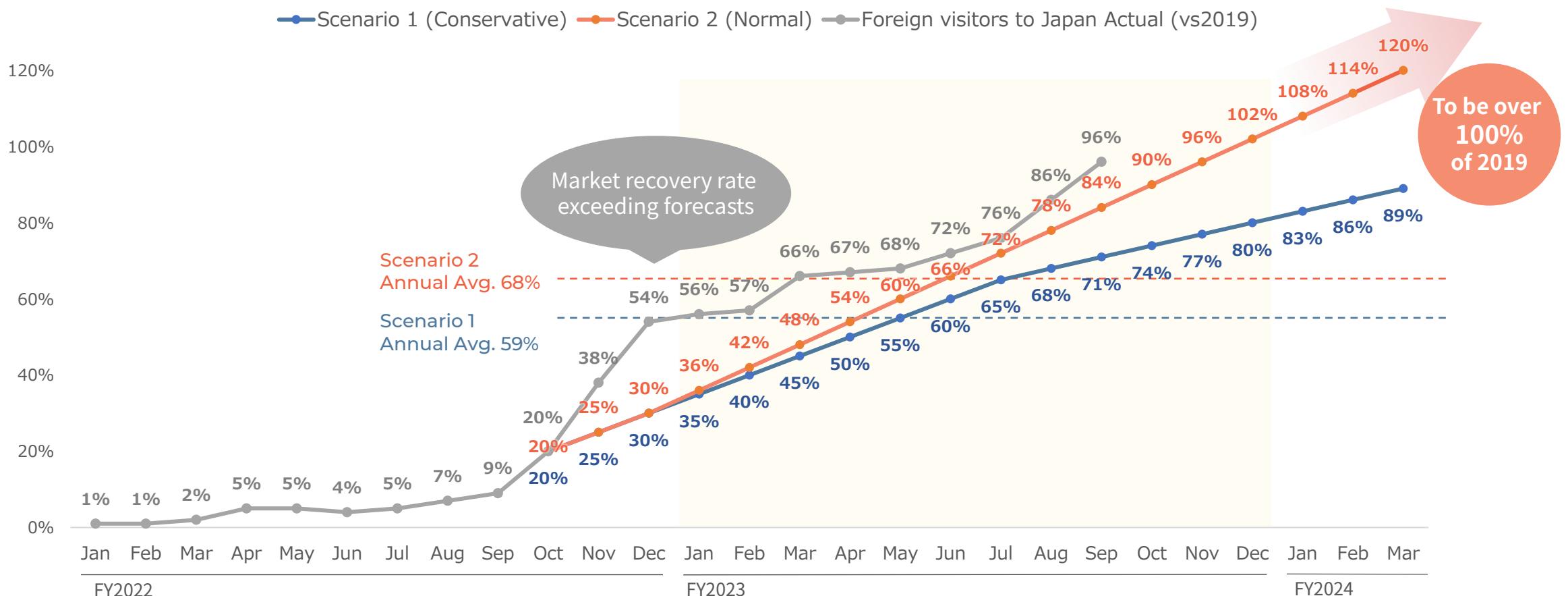
Although the number of bookings and operating revenue are both growing in YoY, the growth rate is slowing down, and we will increase our market share through the expansion of the number of products and promotional measures currently underway.



FY2023 Japan Inbound Market Recovery Forecast



Recovery of the inbound market is assumed to be faster than that of the Japanese overseas travel market, and the plan is based on Scenario 1 (with an average annual recovery rate of approx. 60%) as the basic scenario. As a further increase in the number of travelers is expected depending on China's policies, Scenario2 was also developed, with a recovery rate of more than 100% in 2024 compared to 2019.

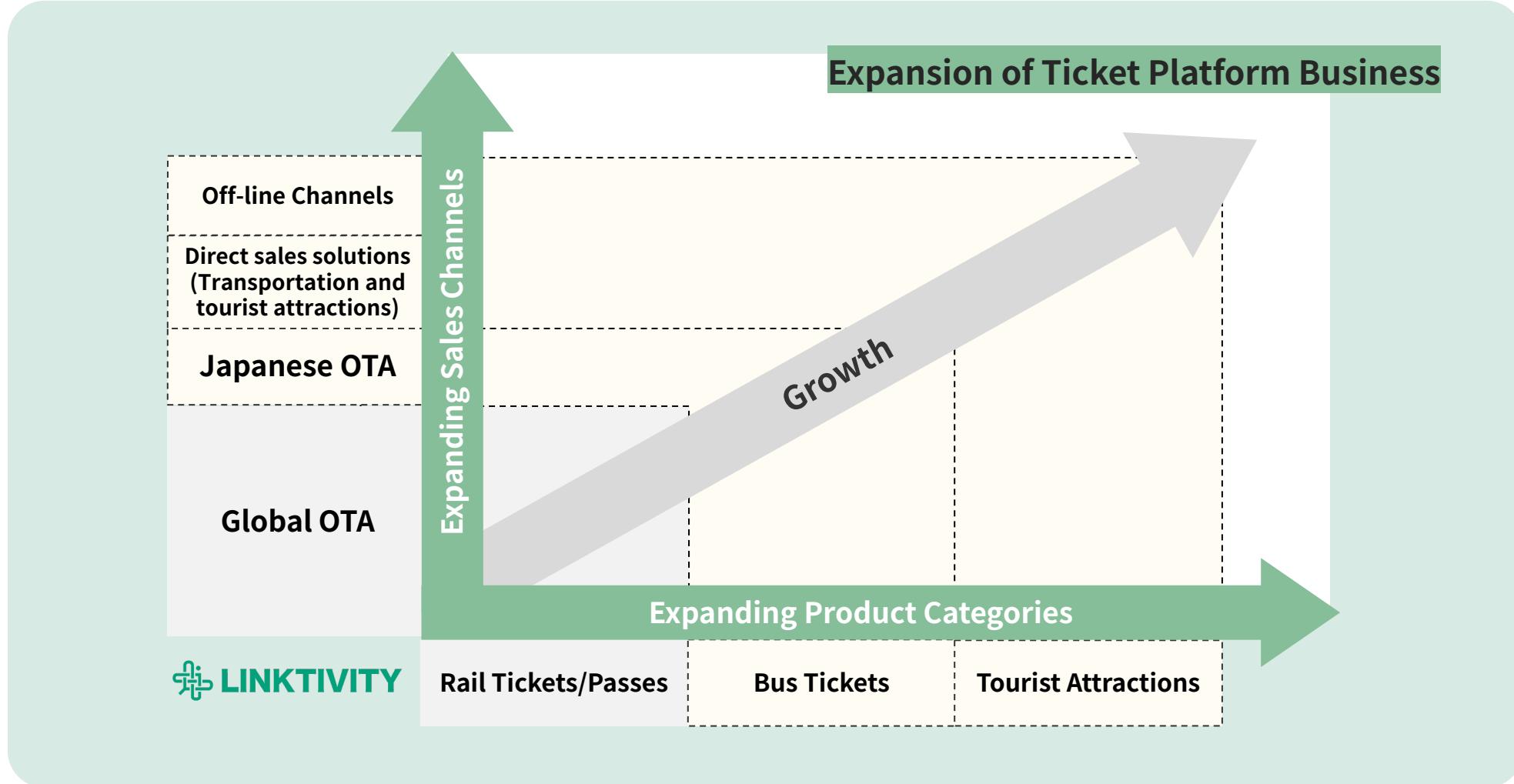


Source: JNTO

LINKTIVITY Business Growth



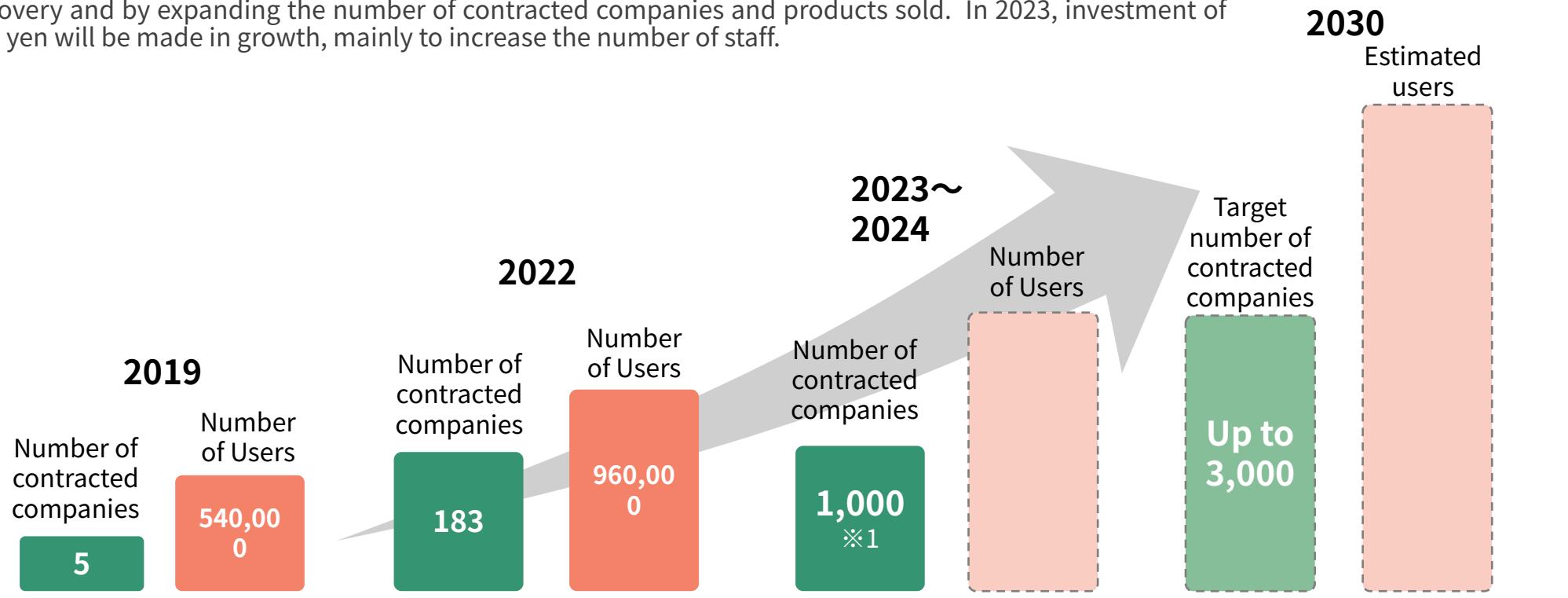
We will accelerate growth by further expanding product categories and sales channels and broadening TAM from its existing positioning as a rail ticket/pass platform for inbound travelers.



LINKTIVITY Business Growth



Linktivity is already contracted with 183 companies, mainly major transport operators such as railways and buses, and tourist facilities. We will accelerate growth in turnover by increasing the number of users in line with inbound market recovery and by expanding the number of contracted companies and products sold. In 2023, investment of 150 million yen will be made in growth, mainly to increase the number of staff.



Japan
Inbound
Visitors

31.88 million

3.83 million
(-78% vs 2019)

18 million ~ 30 million ※2

60 million ※3

*1 Number of subscribing companies as of June 30, 2022 *2 Our forecast *3 Government target

FY2023 Earnings Forecast

FY2023 Performance forecast



The cumulative results for the third quarter were 97% of the plan on an operating revenue basis, a 3 pt behind. Although the operating profit base is approximately 180 million yen higher than planned, the impact of external factors such as the recovery in the number of Japanese travelling abroad and fluctuations in the exchange rate is still uncertain, therefore, it was decided not to revise the forecast at this stage.

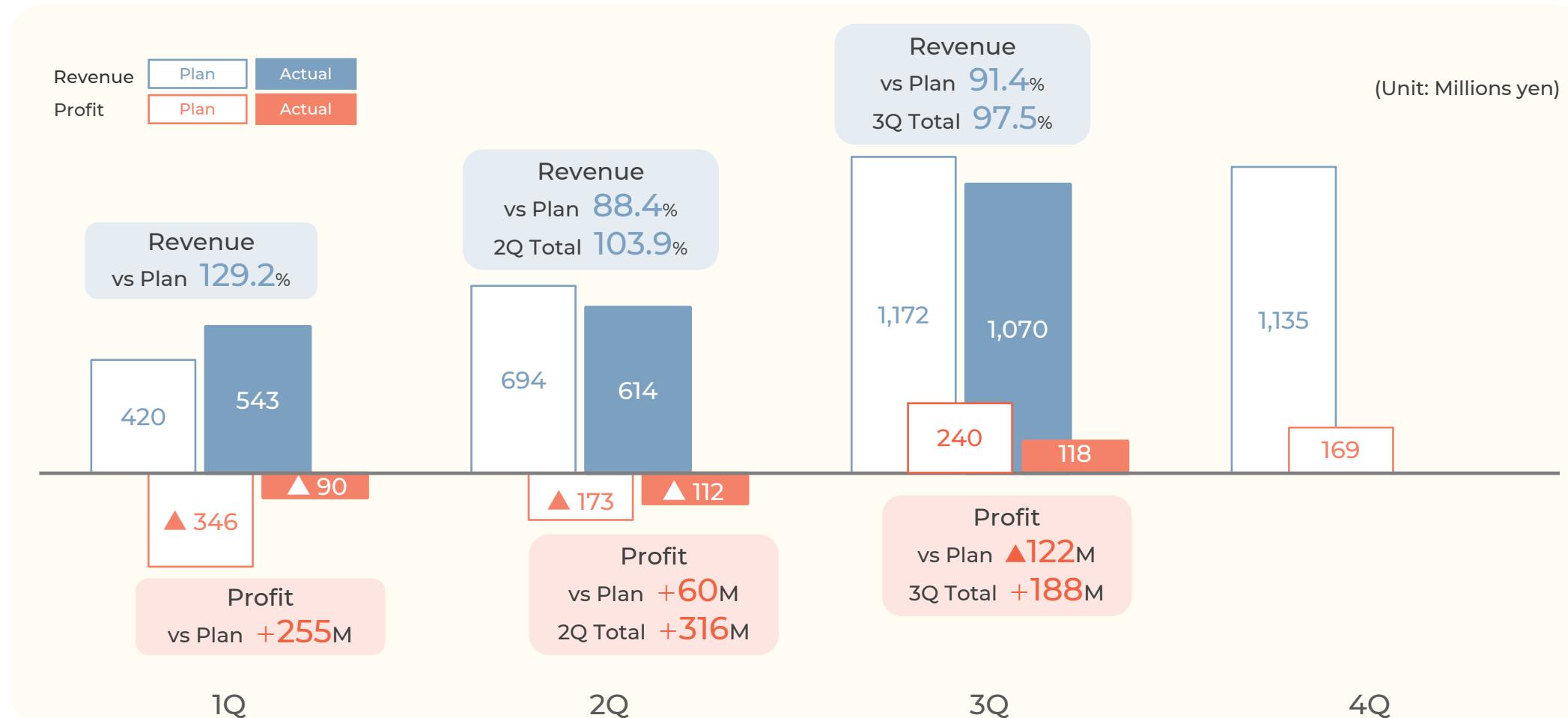
Unit: Million yen	FY2022	FY2023 (Forecast)	YoY
Operating Revenue	1,163	3,420	294.0%
Operating Expenses	1,958	3,524	180.0%
Operating Loss	▲794	▲103	—
Ordinary Loss	▲753	▲139	—
Net Income	▲794	▲189	—
Net income per share (Yen)	▲22.92	▲5.35	+17.57 yen

FY2023 Performance forecast Quarterly Progress



Operating revenue in the 3Q financial period was approx. 100 million yen lower than planned, due to a downturn in the overseas travel business caused by a slowdown in the market recovery rate, and deviations from the plan in the Japan domestic business and HawaiiActivities, although operating revenue in the LINKTIVITY platform business was firm at 209% of the plan.

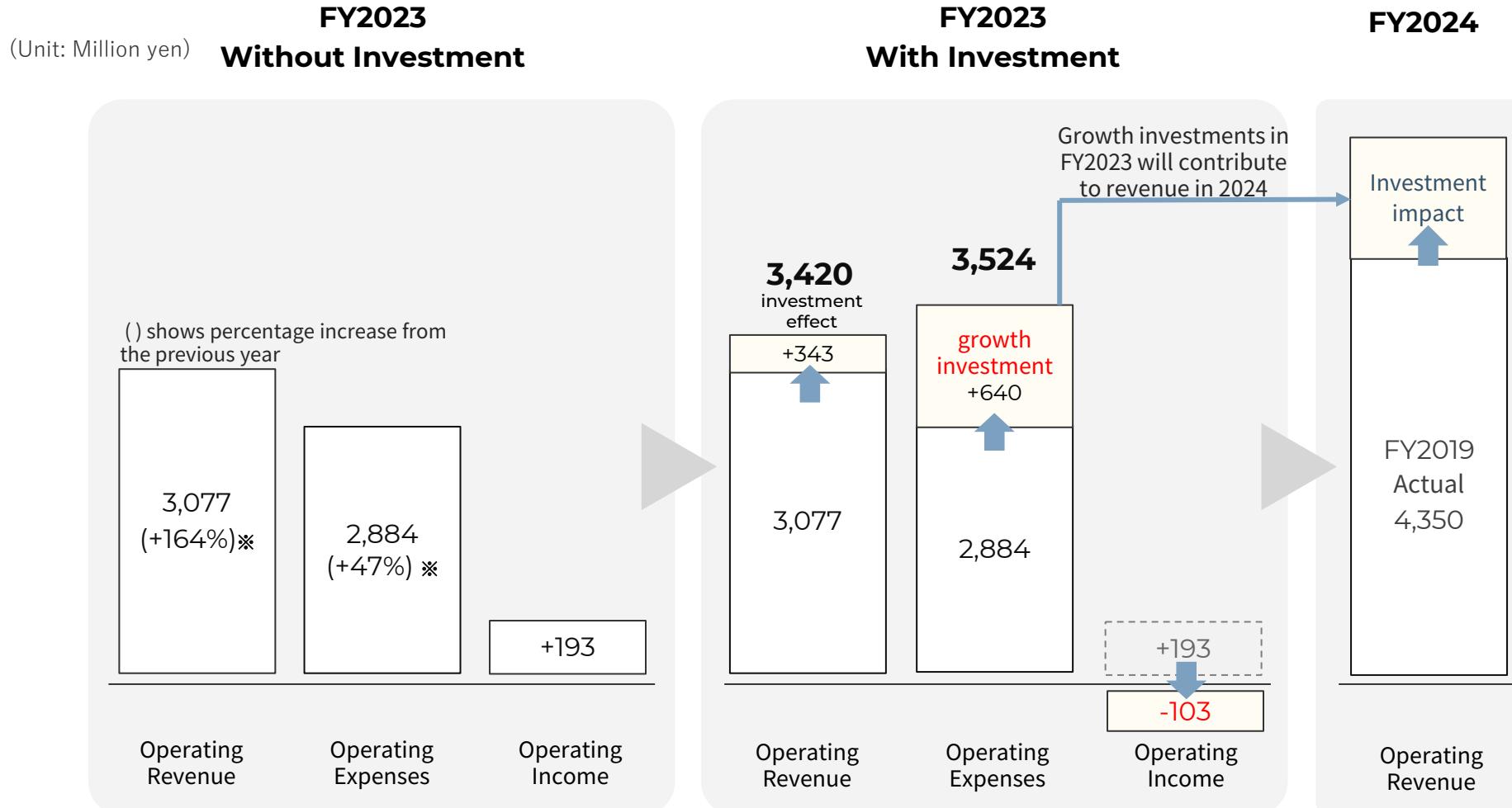
Operating profit/loss was approximately 120 million yen lower than planned due to additional advertising investment and recruitment costs, which together with the top-line downside resulted in an operating profit/loss of 20 million yen more than planned.



PL Impact of Growth Investments



Although profitability is a possibility, instead, investing 640 million yen for medium-term growth post-2024. Expecting operating revenue in 2024 to significantly exceed 2019 results due to further demand recovery and investment effects.



Growth Investment Plan Progress



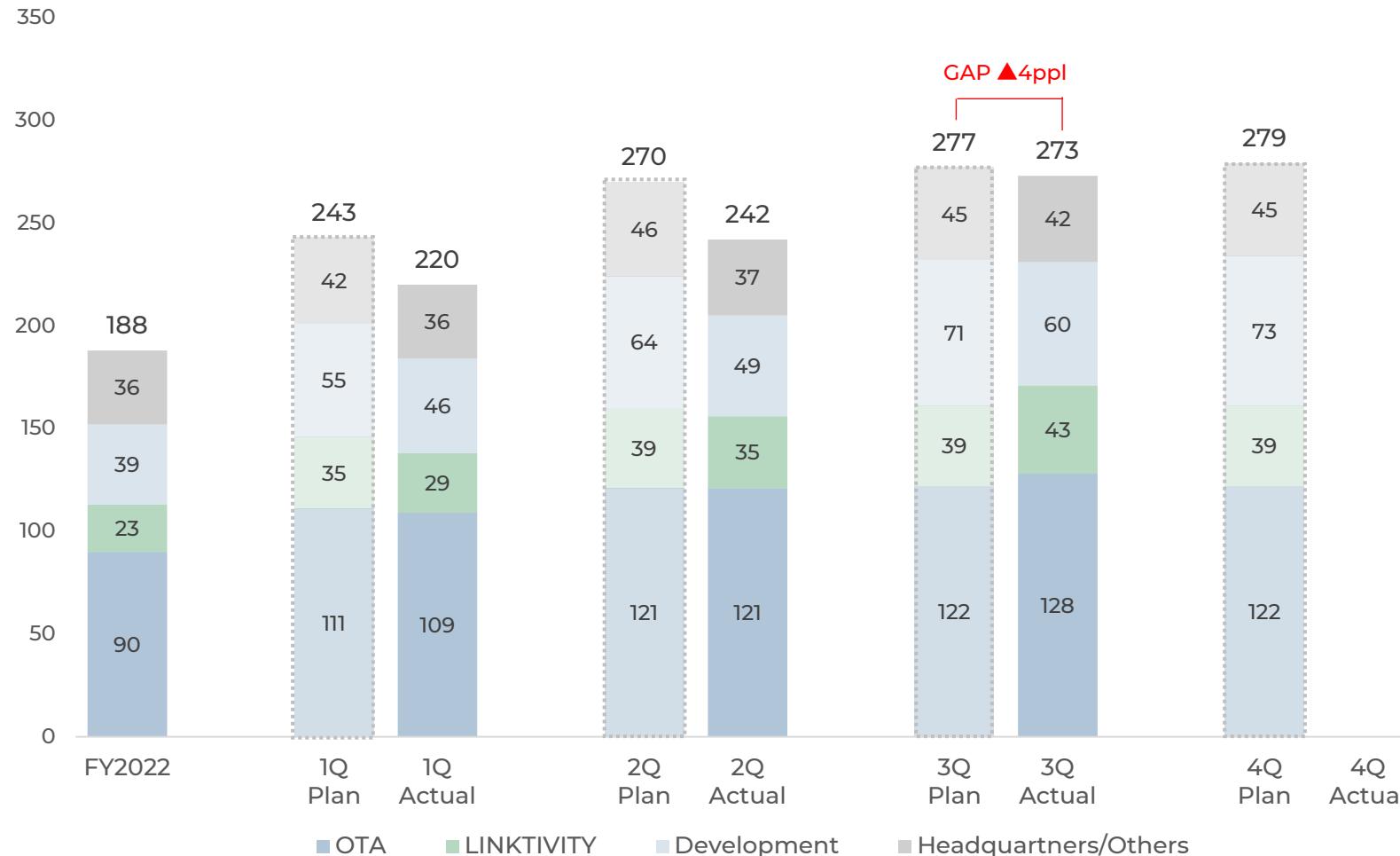
Of the 640 million yen budgeted for investment for growth beyond 2024, approximately 450 million yen (70%) has already been invested. Although there are delays in some items due to the timing of engineer hiring, overall sales are favorable at this point.

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)	<div style="width: 78%;"></div> 78%
Strengthen Promotion	134	Strengthen promotional measures	Revenue growth after 2024 (Strengthening customer attraction)	<div style="width: 81%;"></div> 81%
System Improvement	197	Service improvement	Revenue growth after 2024 (Attract more customers, improve CVR)	<div style="width: 56%;"></div> 56%
Expansion and strengthening of products in Domestic travel market	15	New product development, product maintenance	Revenue growth after 2024 (CVR improvement, unit price increase)	<div style="width: 76%;"></div> 76%
Mobile Apps Enhancement	65	Apps Renewal	Revenue growth after 2024 (Attract more customers, improve CVR)	<div style="width: 50%;"></div> 50%
Promoting the growth of LINKTIVITY	125	Securing human resources for sales and engineering	Revenue growth after 2024 (Growth acceleration)	<div style="width: 80%;"></div> 80%
Tourism development through collaboration with local governments and public administration, DXO	12	Securing response personnel	Securing new sources of revenue	<div style="width: 100%;"></div> 100%
Investment in Human Resource Development	20	System design, education and training for leadership development	Medium- to long-term organizational strengthening	<div style="width: 75%;"></div> 75%

Recruitment Plan Progress



Recruitment in the overseas travel business and Linktivity is progressing well. Shortfalls due to delays in hiring in the system development department were partially outsourced. Progress in hiring in the current financial year, which is positioned as an upfront investment, has largely enabled the construction of the organization required when the market recovers. From next year onwards, the company will position this as a time to increase productivity while realising increased transactions and revenues.



Recruitment results as of 3Q

85 employees were hired in total up to 3Q. OTA business and linktivities progressed steadily. Although there were some delays in the development sector, hiring progressed in the 3Q. Shortfalls were partially addressed by outsourcing.

Recruitment plan from 4Q onwards

Continue to promote recruitment activities in accordance with the plan

FY2024

With the organization on track to be built, we will design the organization with an emphasis on improving productivity rather than promoting significant hiring

Appendix

Company Information



VELTRA Corporation

Headquarters	2-13-12 Nihonbashi, Chuo-ku, Tokyo 103-0027 Japan
Capital	JPY 1,823,717,585 (as of September 2023)
Founded	November, 1991
# of Employees	273 (Consolidated) 196 (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)
2019	Establishment of VELTRA KOREA Inc. in Seoul, Korea
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

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.

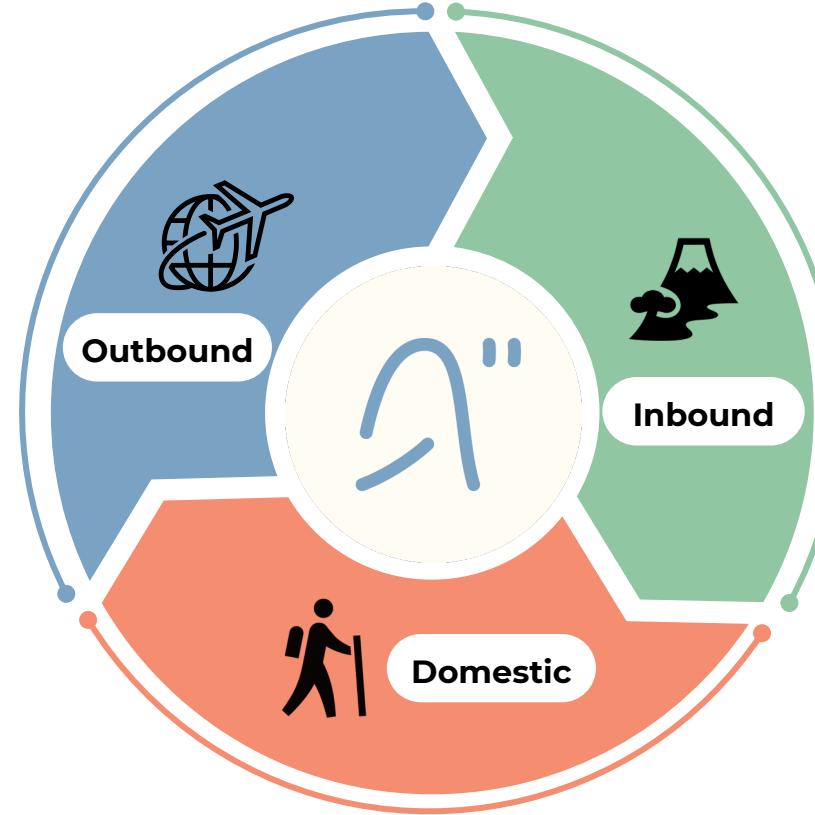


VelTRA®

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.

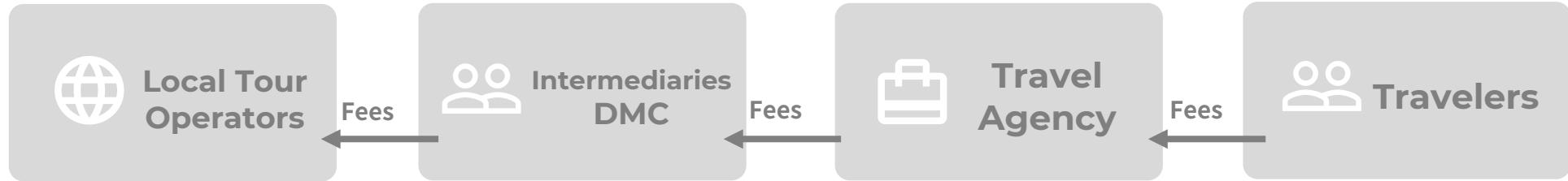
OTA		HAWAII ACTIVITIES		Tourism IT Solutions	
2.5 million (YoY +32万人)		Members	200,000	Number of Users	--
16,000 (YoY +3,100) 150 Countries		Activities Countries	780 All Hawaiian Islands	Number of distributors	332 (YoY+236社)
7,800 (YoY +2,000社)		Partners	440	Number of partners	314 (YoY+147社)
400,000+		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



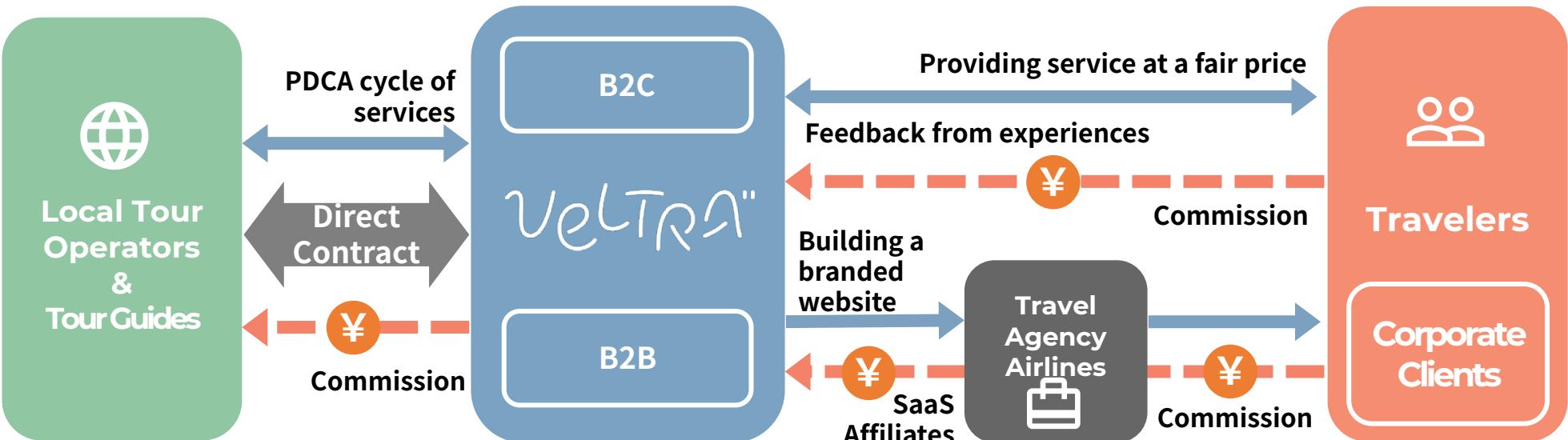
Before

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 **7,000 companies in 150 countries**



2.3+ Million
Members



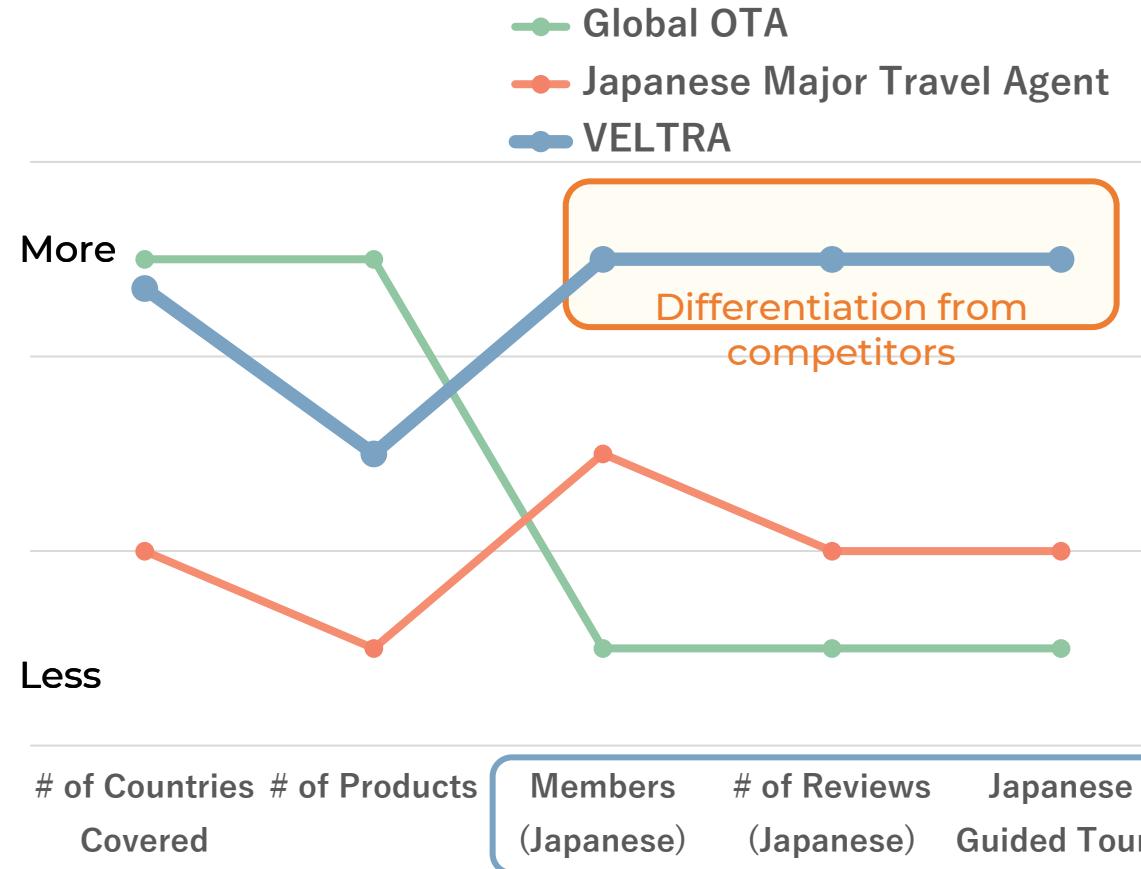
13,000+
Tours & Activities



37,000+
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

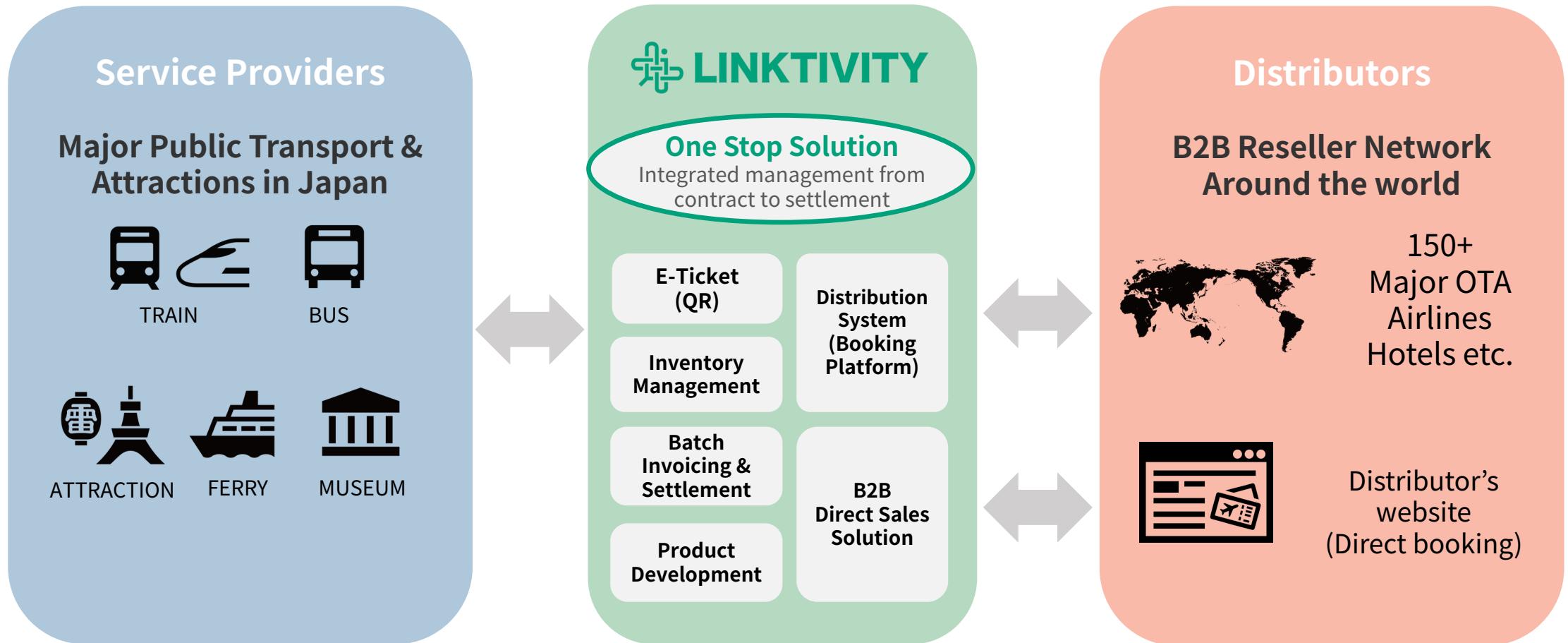


By reinvesting to make the most of our resources, we aim to create new value and further expand market share and maximize corporate value.





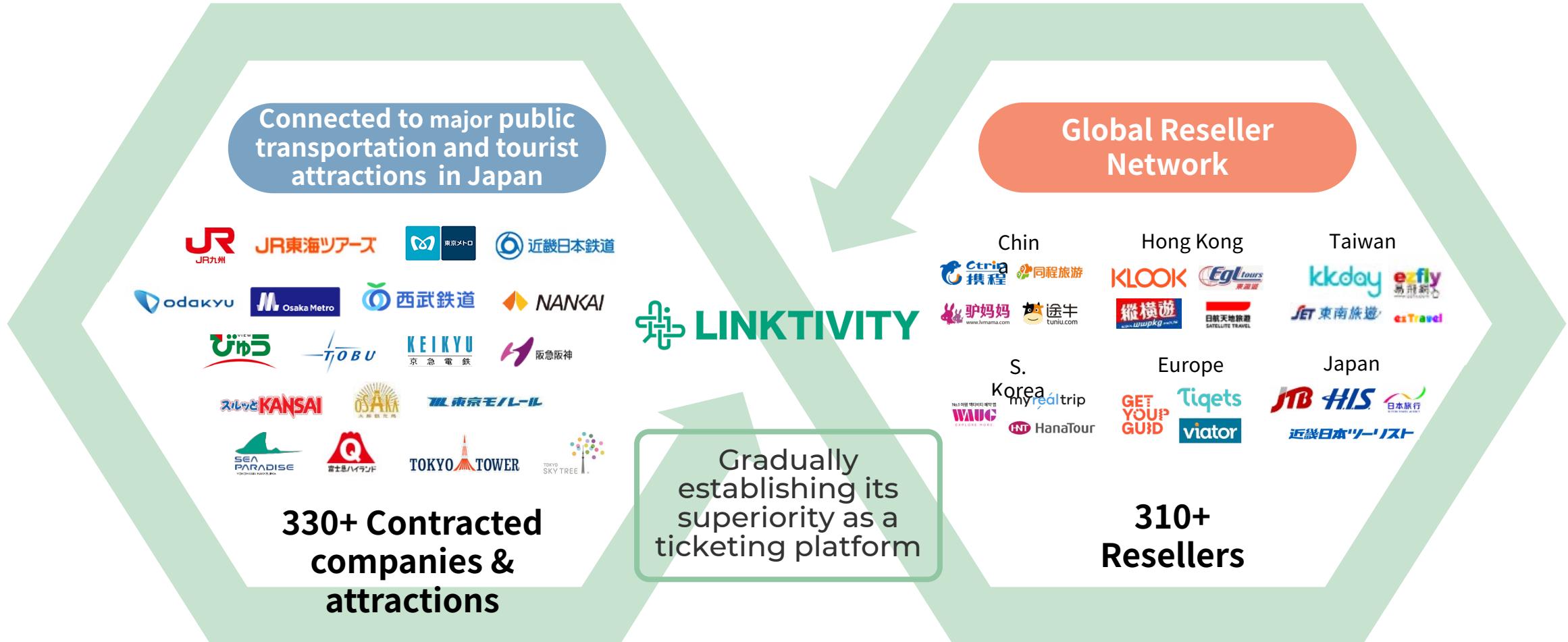
LINKTIVITY is a platform that connects Japanese transportation and attractions with travel companies around the world. It provides a one-stop system solution to link service providers and distributors.



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:

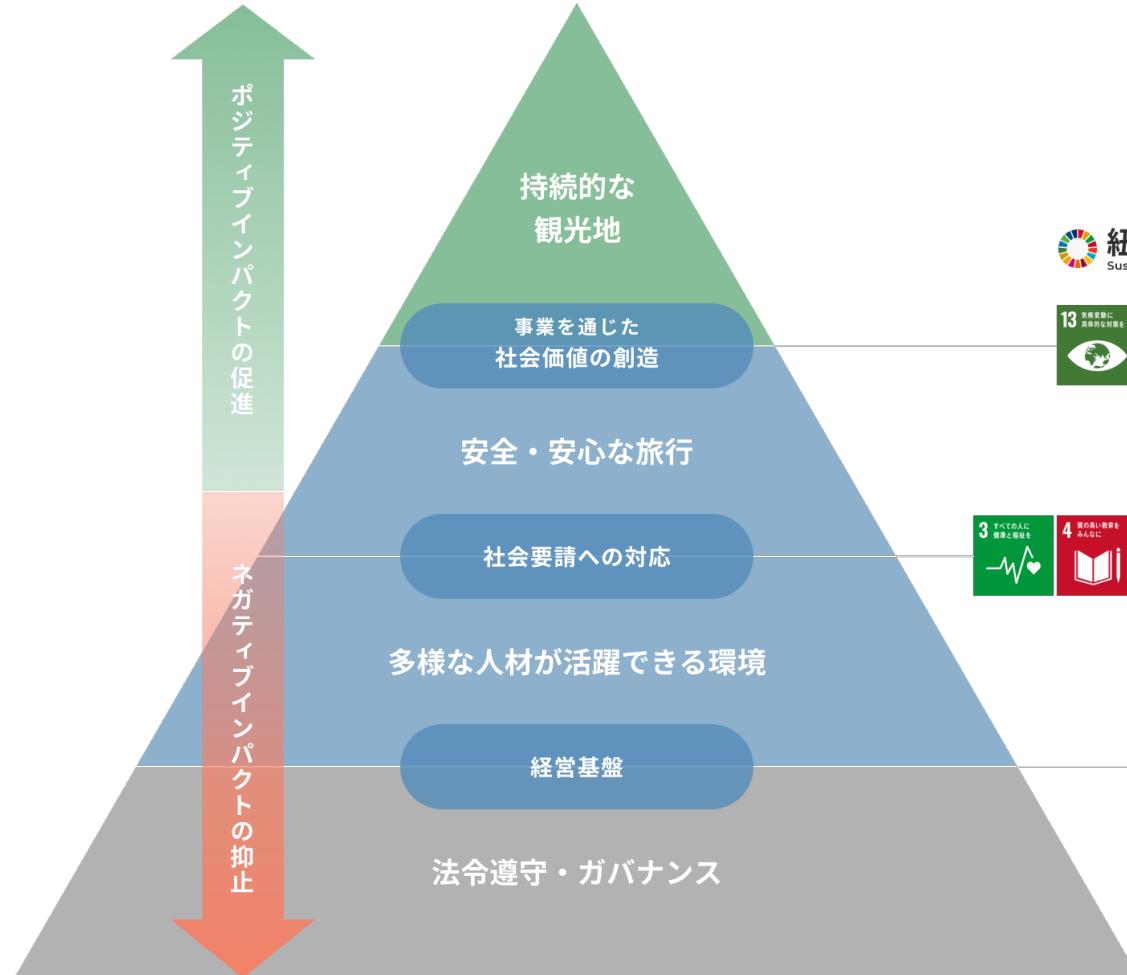
We aim to realize our vision by creating social value through our business, based on the foundation of compliance with laws and governance, and responding to social demands such as "safe and secure travel" and "a workplace environment where diverse human resources can play an active role". We also aim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



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.

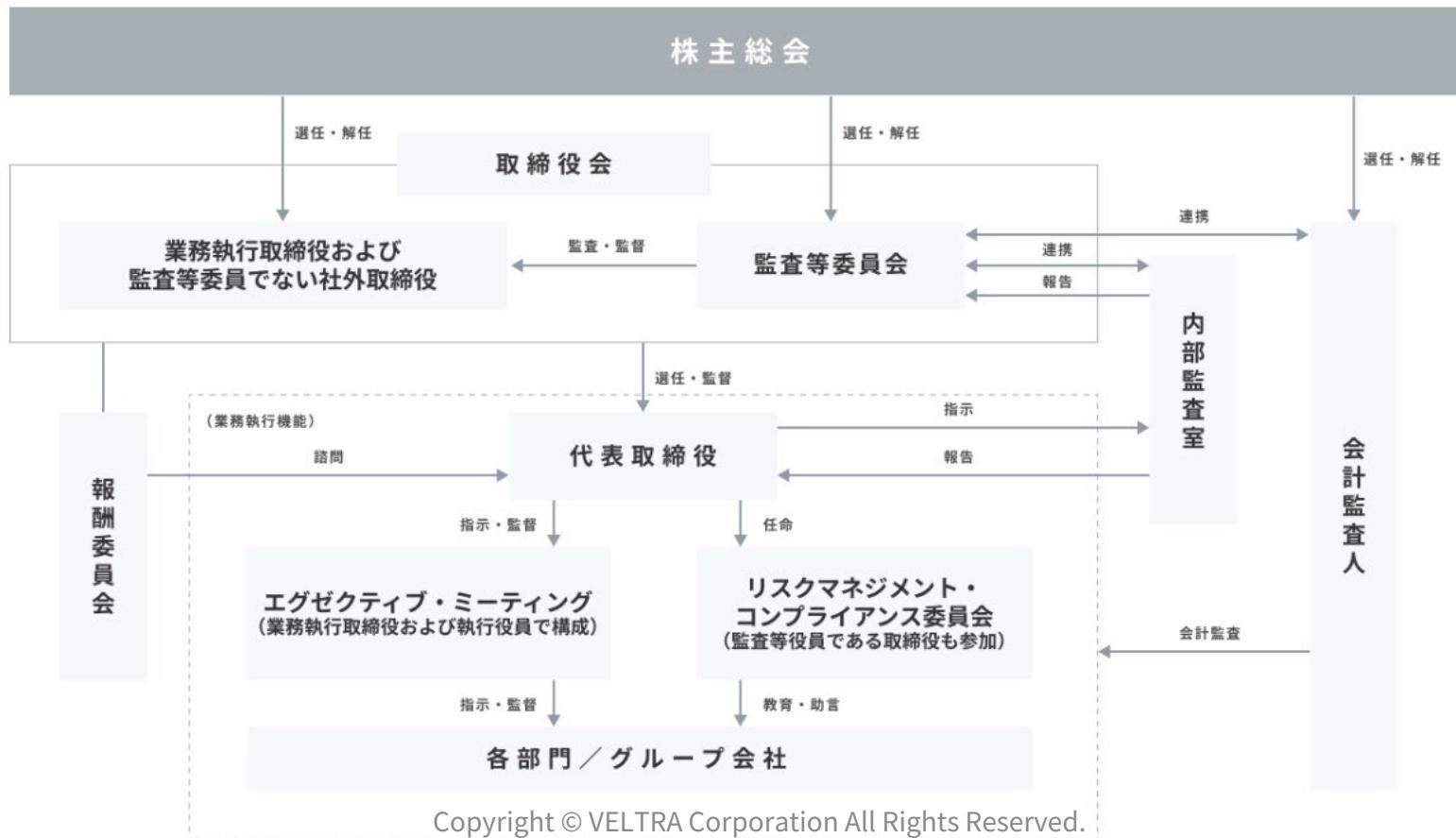
Initiatives to Improve Corporate Governance



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.





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.

The purpose of this document is to provide information, and not to solicit the selling or buying of VELTRA shares. VELTRA requests that you avoid making investment decisions based entirely on information provided in this document and that you choose your investments at your own discretion.

Also, regarding information other than those included in this document, it is quoted from disclosed sources, and VELTRA has not verified the accuracy or appropriateness of such information, and it will give no guarantees for said information.