



VELTRA changes TRAVEL

## FY2023 2Q Financial Results



VELTRA CORPORATION:TSE7048



FY2023 2Q Results Overview	P3
FY2023 2Q Results and Market Environment by Business	P12
FY2023 2Q TOPICS	P19
FY2023 Outlook and Initiatives	P21
FY2023 Earnings Forecast	P31
Appendix	P37

# FY2023 1Q Results Overview



## Results

- Operating revenue is expected to increase by +226% year-on-year to 1,157 million yen, due to the recovery of travel demand and growth across the entire portfolio. (The recovery rate vs 2Q 2019 at 61.1%)
- Operating profit is expected to improve to -203 million yen (compared to -488 million yen in the same period of the previous year).

Overseas Travel	Contributing to the increase in travel demand during Golden Week, sales are expected to significantly recover to 647 million yen (compared to 43 million yen in the same period last year).
Domestic Travel	Thanks to the increase in the number of products offered, sales grew more than double to 130 million yen (compared to 61 million yen in the same period last year).
HawaiiActivities	Due to the emergence of competitors and a decrease in revenge spending, sales revenue was 141 million yen (compared to 192 million yen in the same period last year), resulting in a decrease in revenue.
LINKTIVITY	Due to the increase in foreign tourists visiting Japan, sales revenue grew to 201 million yen, approximately 10 times the size of the same period last year (21 million yen).

## External Environment

<ul style="list-style-type: none"><li>The number of foreign visitors to Japan has recovered to about 65% of 2019 levels.</li></ul>	<ul style="list-style-type: none"><li>The number of Japanese people traveling abroad has recovered to 40%.</li></ul>
2023 January to June Approx. <b>10.7 M</b> (YoY <b>2,010%</b> )	2023 January to June Approx. <b>3.6 M</b> (YoY <b>476%</b> )

## Performance Forecast

- Despite surpassing our second quarter targets, the unpredictability of future travel demand recovery leads us to maintain our full-year earnings forecast for the fiscal year ending December 2023.
  - Company-wide operating revenue is about three times that of the previous term.
  - We are progressing with a growth investment of 640 million yen for further business expansion after 2024.

## Profit and Loss Summary



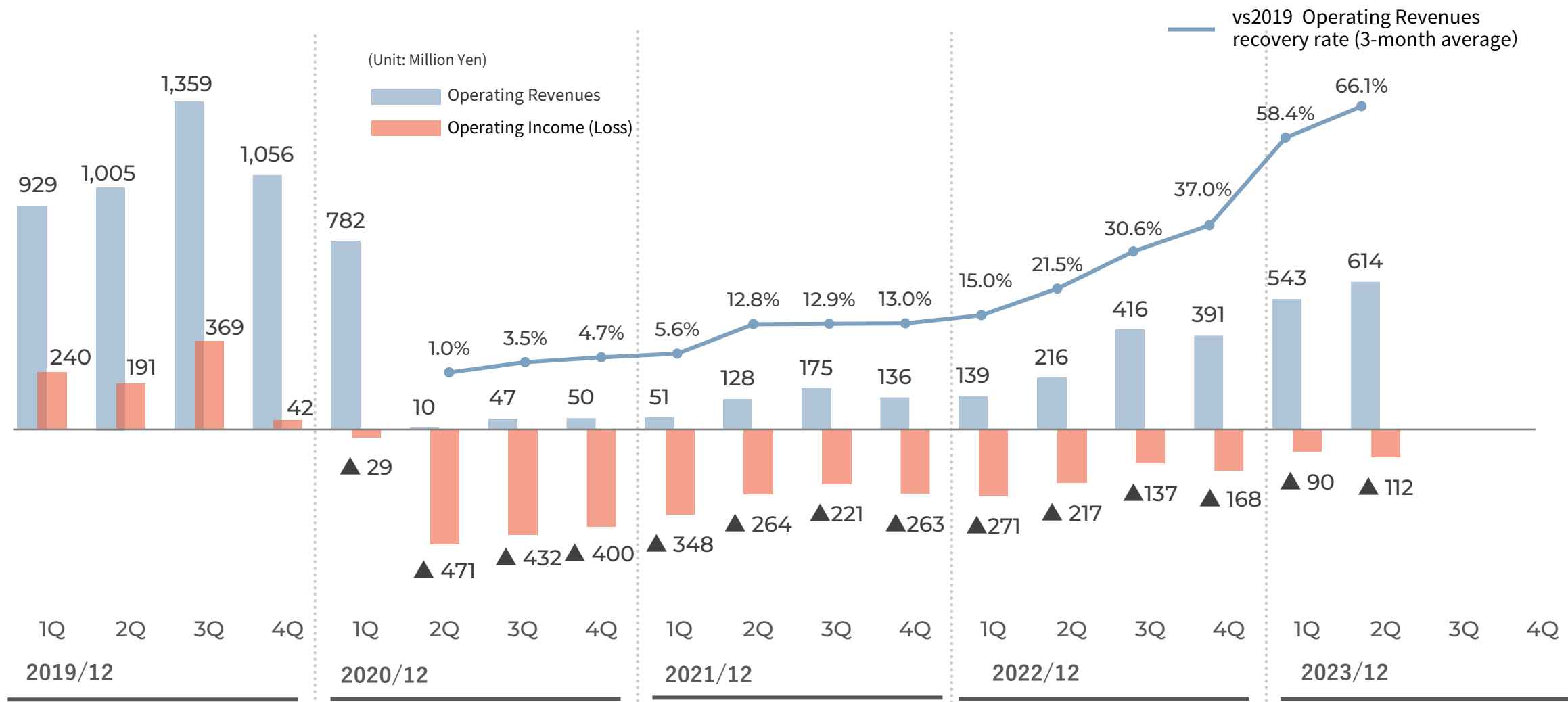
There has been significant increase in operating revenue due to the recovery trend in travel demand. Although advertising expenses increased due to revenue growth and personnel expenses increased due to new hires, the level of operating loss improved significantly as a result of continued control of fixed costs.

Unit: Million Yen	FY2022 2Q	FY2023 2Q	YoY
Operating Revenue	355	1,157	325.6%
Operating Expenses	844	1,361	161.2%
Operating Loss	▲488	▲203	—
Non-operating Income	54	0	1.2%
Non-operating Expenses	1	30	2,016.4%
Ordinary Loss	▲435	▲233	—
Extraordinary Revenue	-	-	—
Extraordinary Expenses	0	-	—
Taxes	32	19	60.4%
Net Income	▲464	▲254	—
Net income per share (Yen)	▲13.67	▲7.16	+6.51 JPY

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



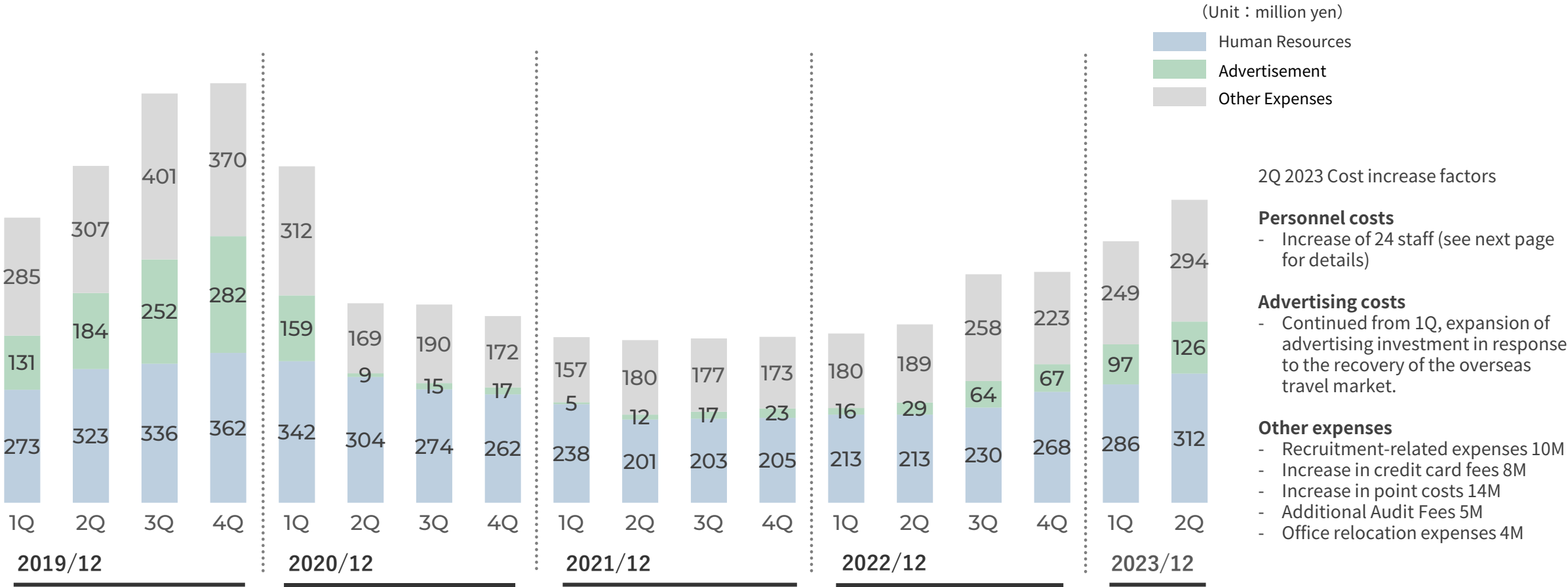
Operating revenue in 2Q +398 million YoY, recovering to 61% compared to the same period in 2019 before COVID-19  
Operating income also improved significantly YoY



# 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.

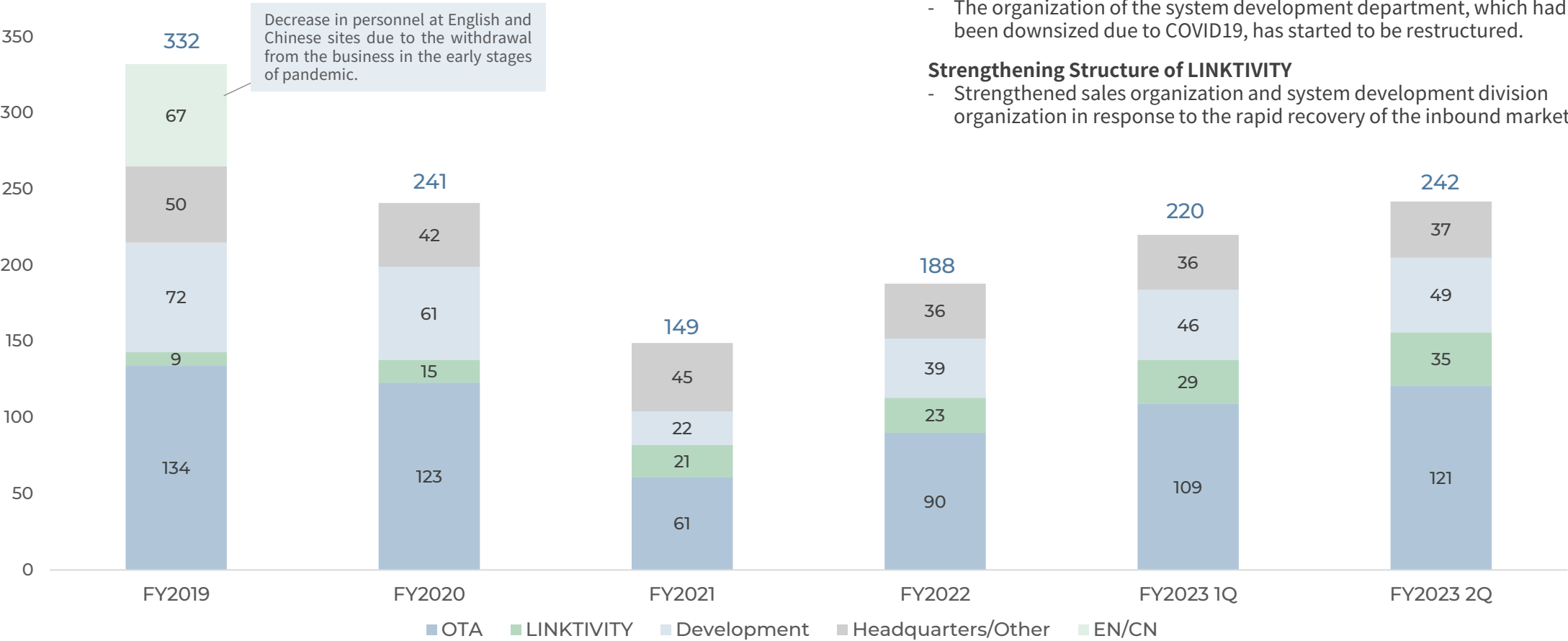


# Headcount



Strengthening of the organizational structure by increasing the number of personnel, particularly in the overseas travel business, the system development and LINKTIVITY.

- Responding to the recovery in demand for outbound travel**
  - Strengthening the structure by recruiting new staff and shifting some personnel from the domestic business back to the overseas business.
- Restructuring of the development division**
  - The organization of the system development department, which had been downsized due to COVID19, has started to be restructured.
- Strengthening Structure of LINKTIVITY**
  - Strengthened sales organization and system development division organization in response to the rapid recovery of the inbound market.





## Balance Sheet Summary



As a result of an increase in current liabilities by 1.9 billion yen due to an increase in accounts payable and advances received from further improvement in earnings, the equity ratio decreased by 13.4 points, but it contributed positively to the cash flow, and the financial situation has significantly improved.

Unit: Million Yen	FY2022	FY2023 1Q	Change	Details
Current Assets	3,678	5,164	+1,485	Operating accounts receivable increased 1,147M yen
Cash and Deposits	2,799	3,065	+265	
Fixed Assets	372	601	+228	Investment securities increased by 100M yen and Guarantee deposits increased by 119M yen
<b>Assets Total</b>	<b>4,051</b>	<b>5,766</b>	<b>+1,714</b>	
Current Liabilities	2,670	4,581	+1,910	Operating accounts payable increased by 607M yen and advances received increased by 1,286M yen
Favorable Sub Liabilities	500	500	-	
Fixed Liabilities	0	0	-	
<b>Liabilities Total</b>	<b>2,670</b>	<b>4,581</b>	<b>+1,910</b>	
<b>Total Net Assets</b>	<b>1,381</b>	<b>1,185</b>	<b>▲195</b>	Decrease in retained earnings due to recording of net loss attributable to owners of the parent of 254M yen
<b>Capital to Asset Ratio</b>	<b>33.4%</b>	<b>20.1%</b>	<b>▲13.3pt</b>	

# C/F Summary



Operating CF increased 490 million yen due to an increase in advances received from an increase in the number of reservations in the OTA business. 300 million yen was spent in investment CF for acquisition of software assets and investment securities.

	FY2021 Q2	FY2022 Q2	Change	Details
Unit: million yen				
Operating Cash Flow	▲42	499	+ 541	Increasing factors such as increase in notes and accounts payable-trade of 596M yen and increase in advances received of 1,273M yen, and decreasing factors such as increase in notes and accounts receivable-trade of 1,140M yen and loss before income taxes and minority interests of 233M yen.
Investing Cash Flow	6	▲303	▲310	84 million yen for purchase of fixed assets, 19 million yen for lease deposits, and 100 million yen for purchase of investment securities
Financing Cash Flow	674	4	▲670	Proceeds from stock issuance of 4M yen
Effect of exchange rate changes	106	65	-	
Cash and Cash Equivalents at the end of year	1,942	3,065	+1,112	

## Cashflow Summary (Quarterly Changes)



Cash flow deteriorated significantly from FY2020 onwards due to the impact of the COVID-19 outbreak but improved significantly in the current period.

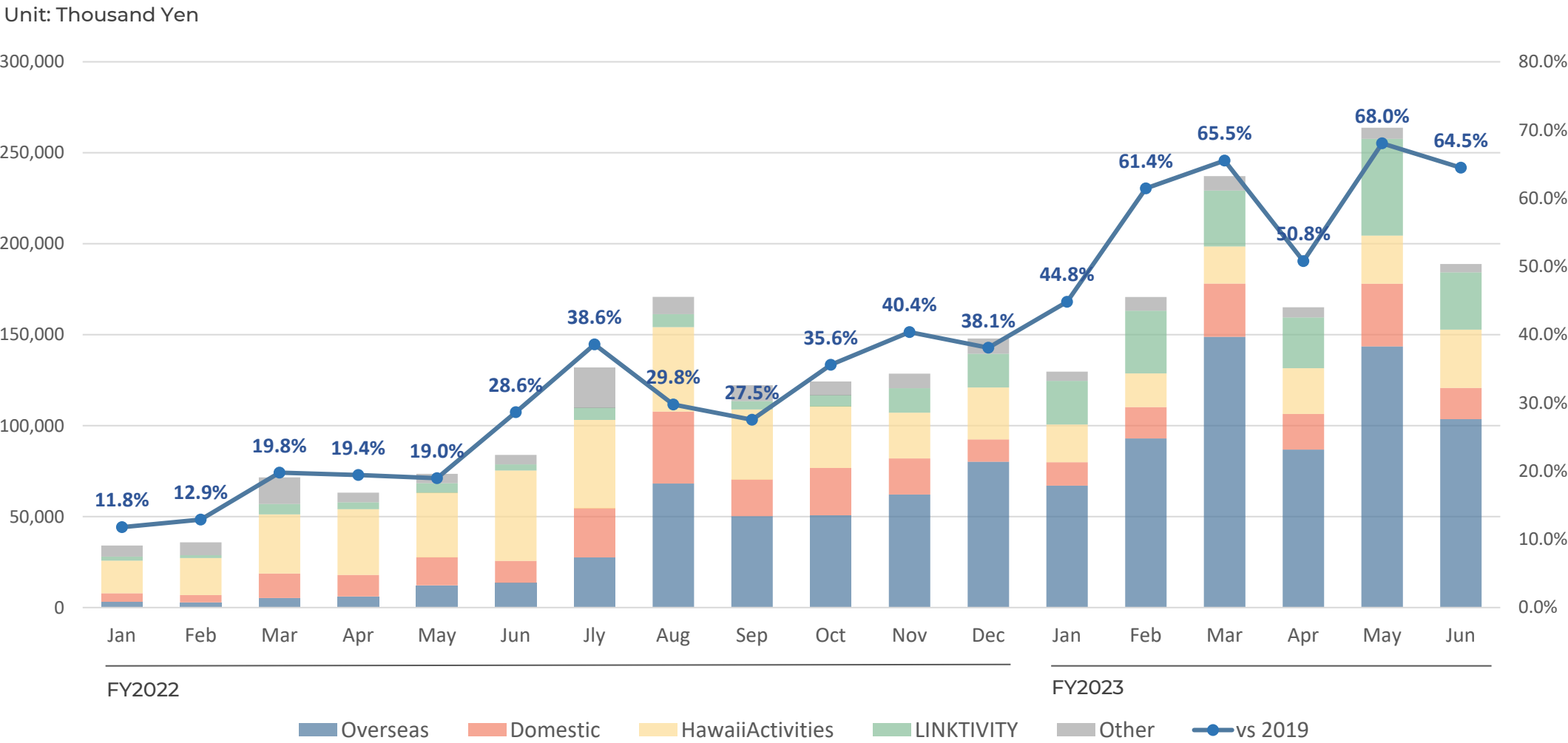
Unit: Million Yen	FY2019 Q2 (Jan-Jun)	FY2019 Q4 (Jul-Dec)	FY2020 Q2 (Jan-Jun)	FY2020 Q4 (Jul-Dec)	FY2021 Q2 (Jan-Jun)	FY2021 Q4 (Jul-Dec)	FY2022 Q2 (Jan-Jun)	FY2022 Q4 (Jul-Dec)	FY2023 Q2 (Jan-Jun)
Cash flows from Operating activities	962	319	▲2,563	▲681	▲199	▲477	▲42	188	499
Cash flows from Investing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

# FY2023 2Q Results and Market Environment by Business

# Overall | Consolidated Operating Revenue (Monthly)



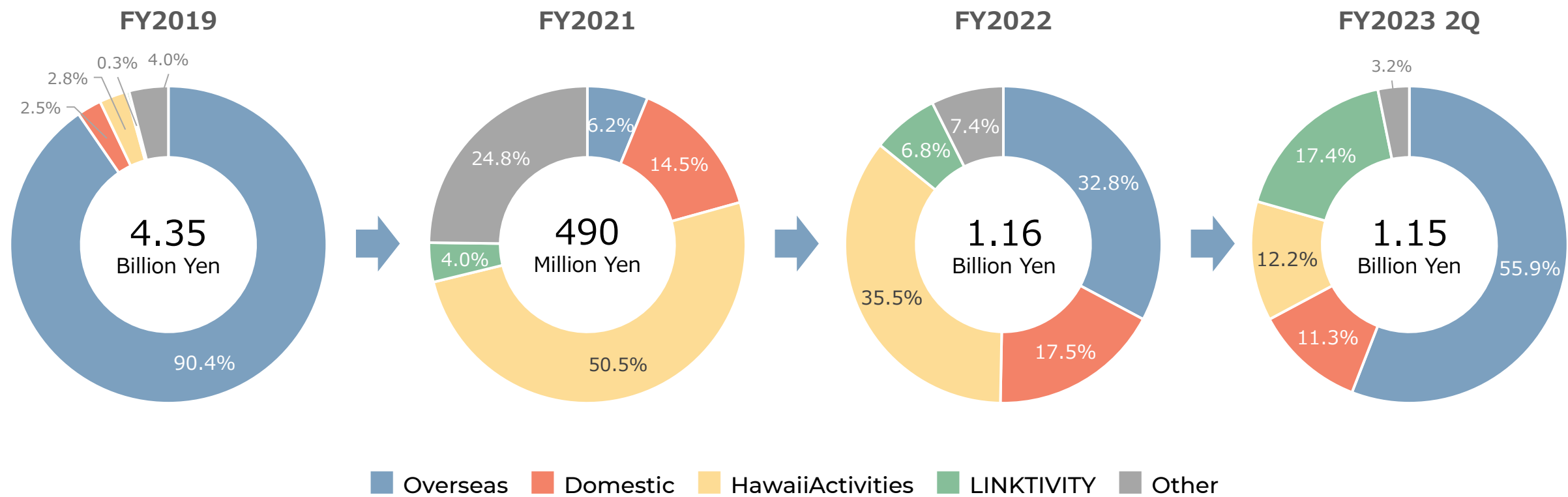
The recovery rate of operating revenue compared to 2019 continues to rise steadily.  
Thanks to the recovery of the inbound market, LINKTIVITY's revenue is also on an upward trend.



# Overall | Revenues by Business Segment Trends



Overseas travel business accounted for over 90% of revenues in 2019, and while not yet fully recovered at this point, the composition of each business in overall revenues has changed significantly due to the expansion of the business portfolio after the pandemic. In 2Q FY2023, the Overseas travel business has recovered to approximately 60% of total revenue, and the share of LINKTIVITY is expanding.



# By Business Segment

## Outbound

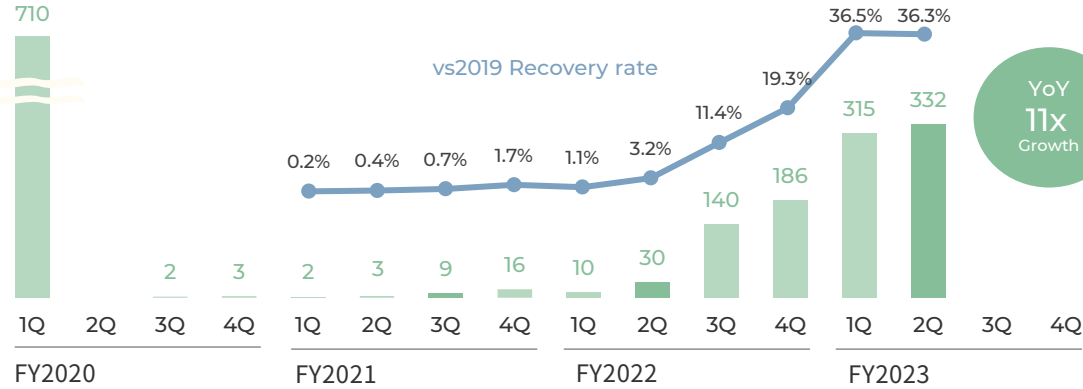


The number of Japanese travelers abroad in June recovered to 46% of the pre-Corona level. The 2Q operating revenue has also recovered to 36% compared to 2019 (47% recovery in June alone). The depreciation of the yen also contributed, and the fee per unit is on an upward trend.

### Results

#### Operating Revenue Trends

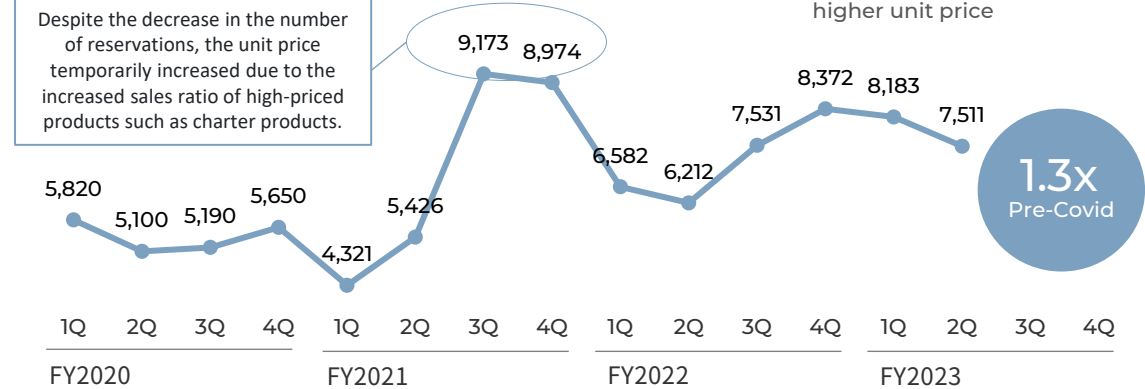
Operating Rev (Unit: Million Yen)



### Results

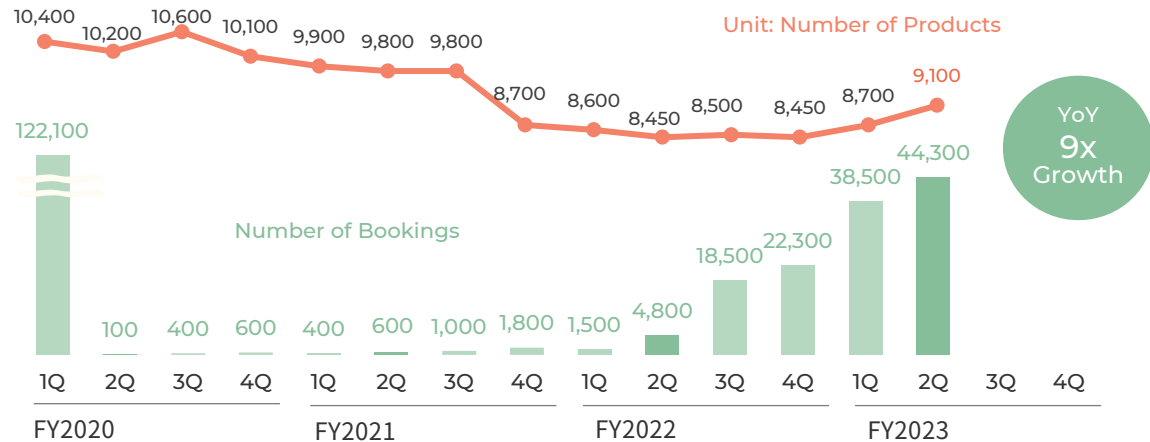
#### Unit Price Trends

Our Fee Per Unit (Unit: Yen)



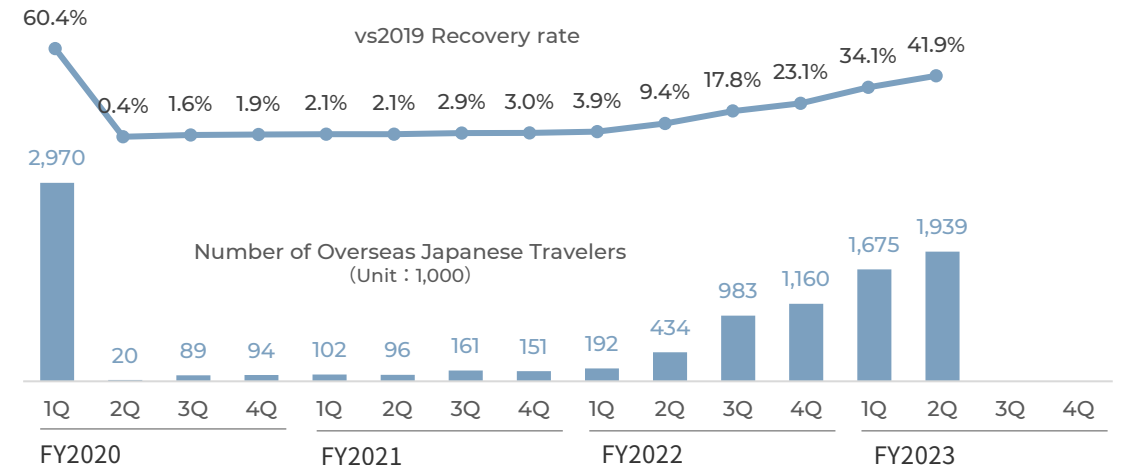
### Results

#### Booking and Product Number Trends



### Environment

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



Source: JNTO

# By Business Segment Domestic

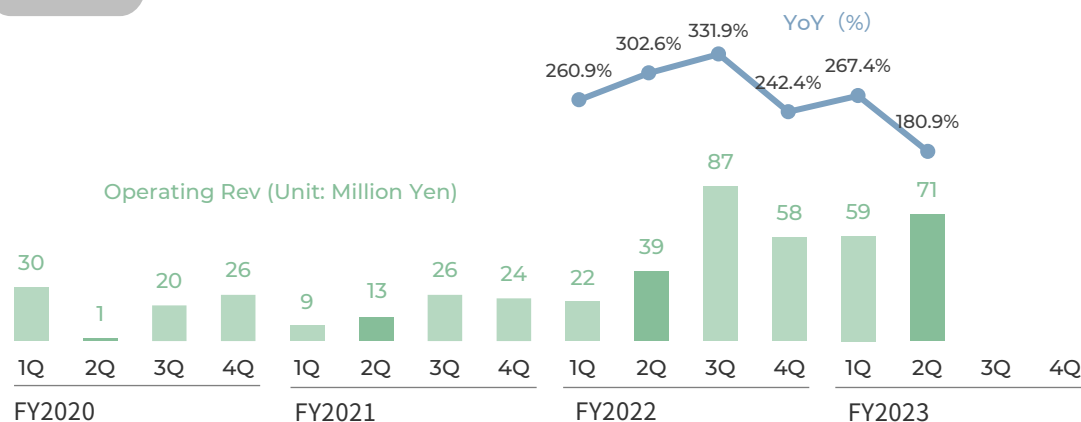


Total Japanese overnight stays in domestic travel remained above 2019 levels.

High demand and increased number of products offered have led to a significant increase in operating revenue and bookings of 180% and 158%, respectively, compared to the same period of the previous year

## Results

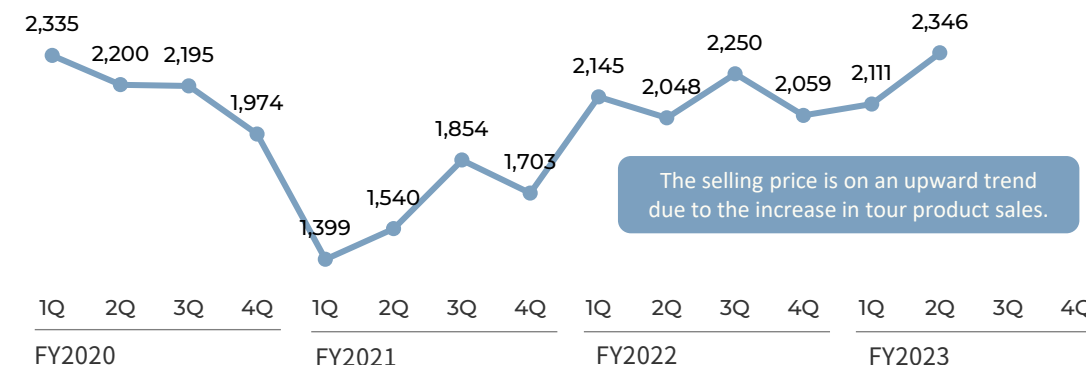
### Operating Revenue Trends



## Results

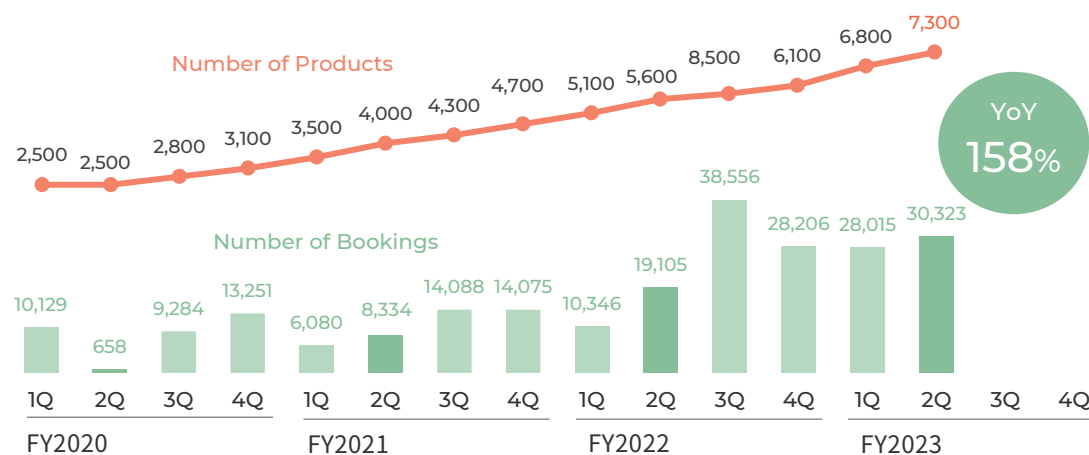
### Unit Price Trends

Our Fee Per Unit (Unit: Yen)



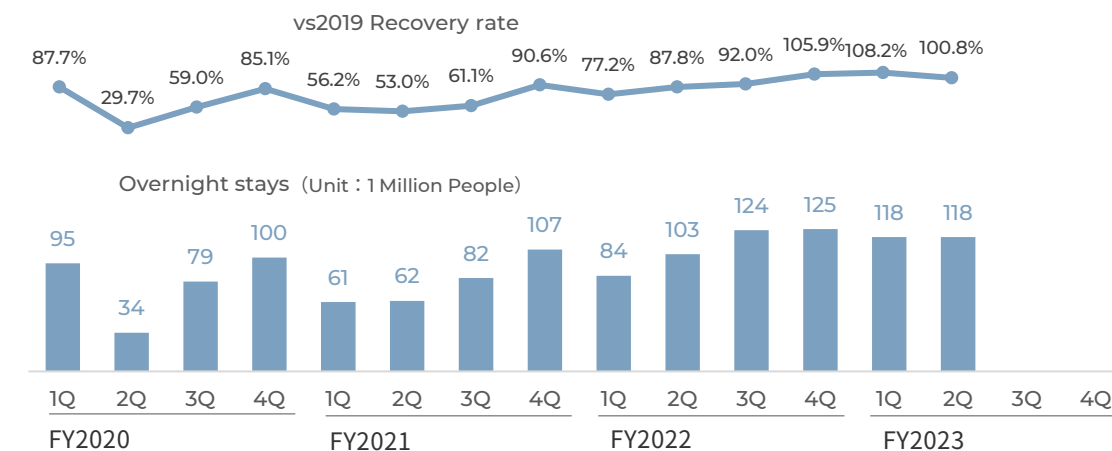
## Results

### Booking and Product Number Trends



## Environment

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



Source: JNTO

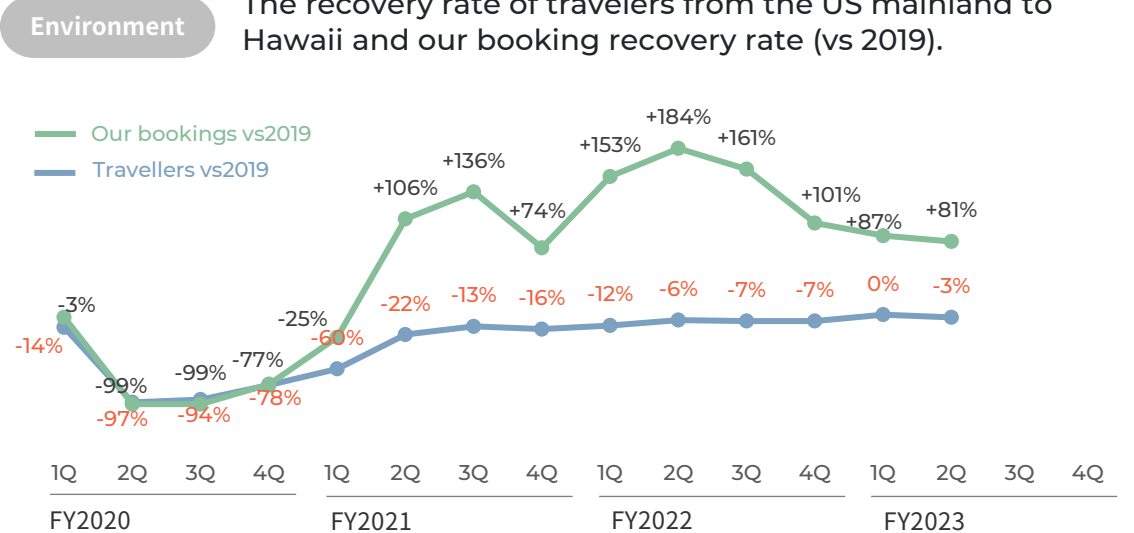
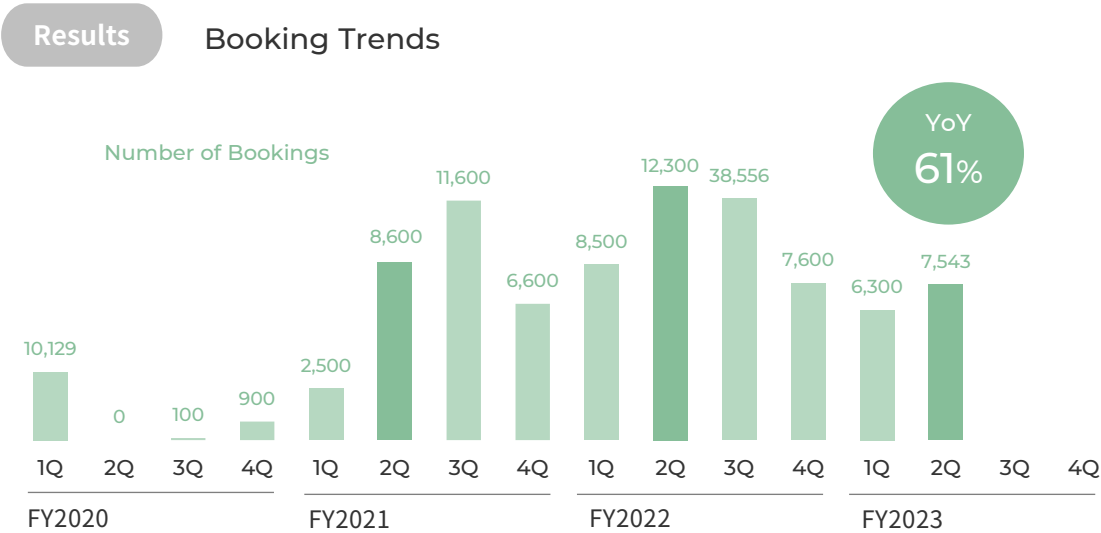
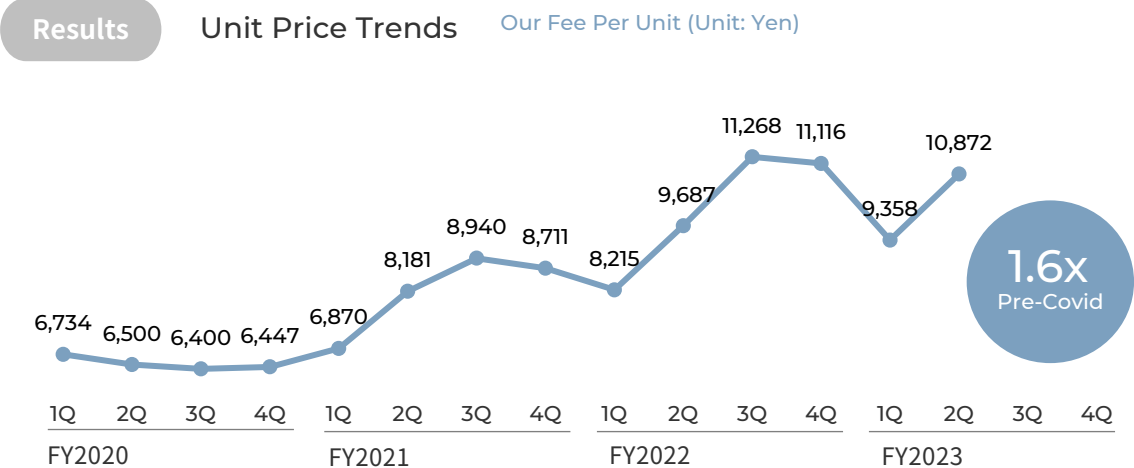
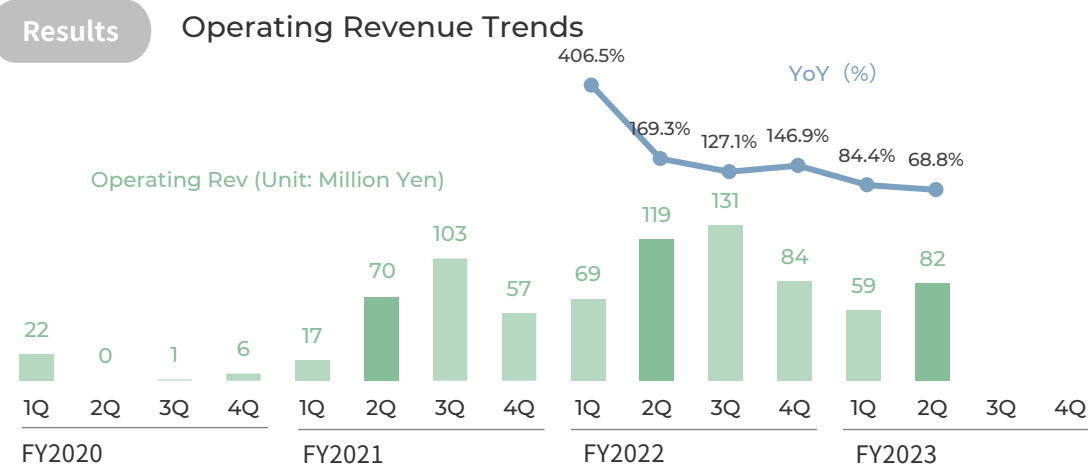


By Business Segments

HawaiiActivities

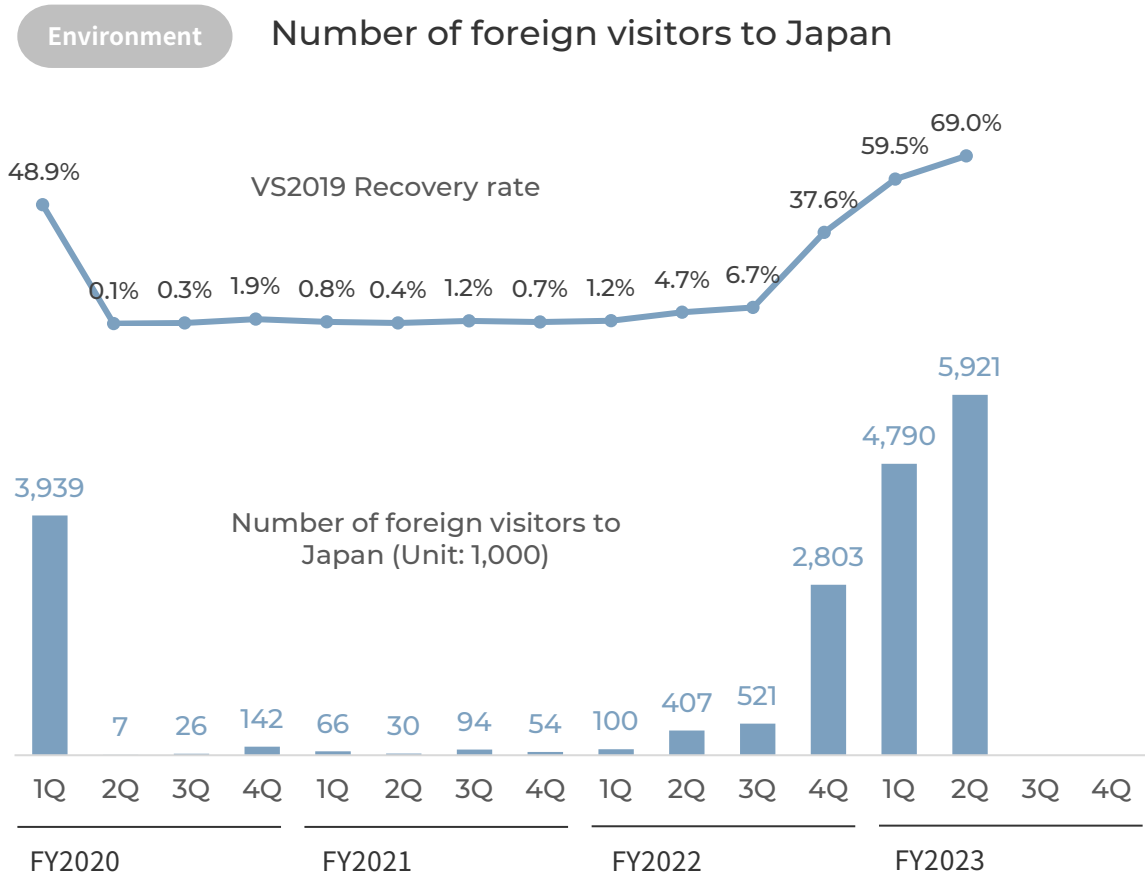


Despite significantly surpassing pre-COVID levels, the rise of competitors and reduced demand have led to a drop in both operating revenue and reservations since Q1 2023.

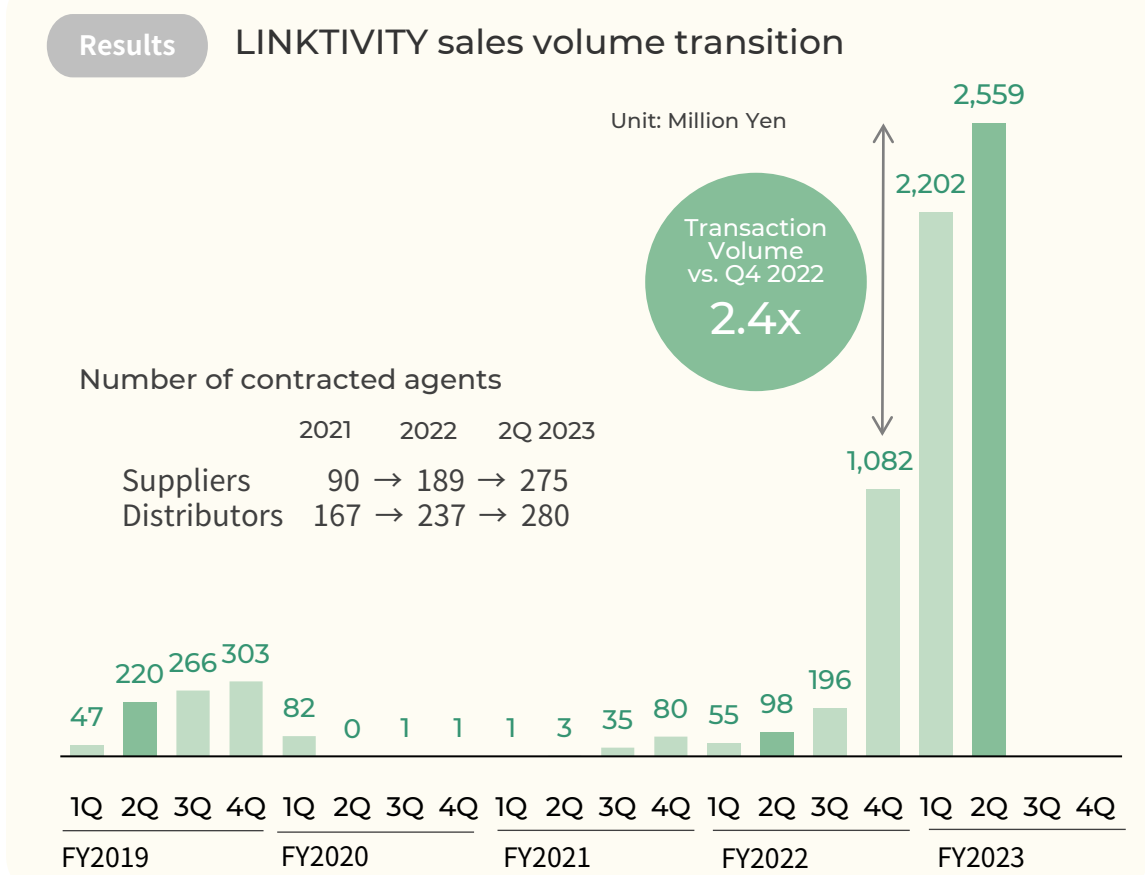




Significant Growth in Railroad and Facility Ticket Booking Transaction Volume through LINKTIVITY Platform. Transaction volume grew faster than the recovery rate of the number of foreign visitors to Japan. The number of contracted sales agents also remained steady. The increase in the number of products sold is expected to accelerate future growth.



Source: JNTO



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

## FY2023 2Q 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 P22) 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"> <li>Marketing to stimulate demand for overseas travel</li> <li>Strengthening relationships with tourism bureaus</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen product sales base for tourism, leisure and cultural facilities</li> <li>Increase user convenience and loyalty</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen product sales base for tourism, leisure and cultural facilities</li> <li>Increase user convenience and loyalty</li> <li>Expansion of sales channels</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen product sales base for tourism, leisure and cultural facilities</li> <li>Increase user convenience and loyalty</li> <li>Expansion of sales channels</li> <li>Expansion of services for foreign visitors to Japan</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen product sales base for tourism, leisure and cultural facilities</li> <li>Increase user convenience and loyalty</li> <li>Expansion of sales channels</li> </ul>	<ul style="list-style-type: none"> <li>Cooperation between byFood.com and LINKTIVITY, a gourmet food platform for inbound tourists to Japan</li> <li>Aiming to activate and expand the market for local decentralized tourism in the inbound market</li> </ul>

## 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.



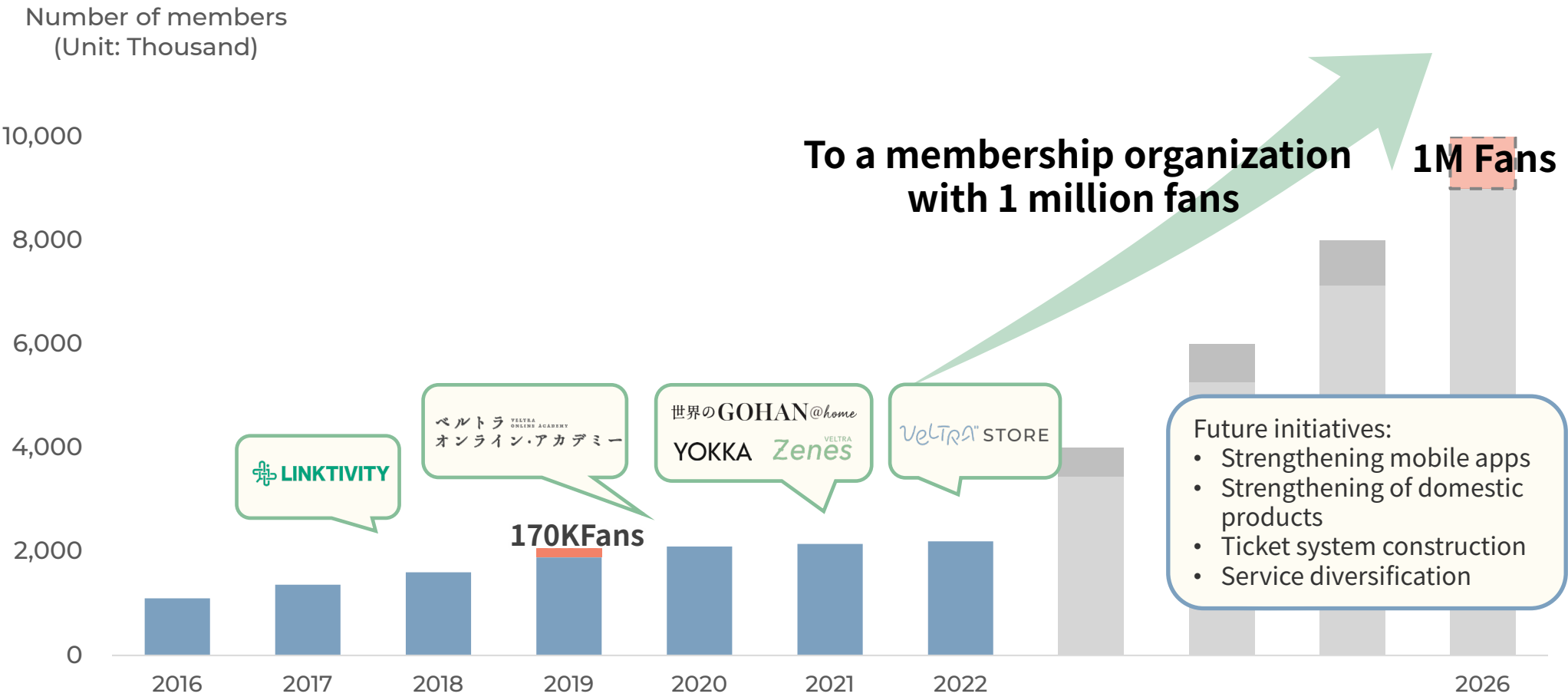
Theme		Investment objective	Domain of business	Market			
				Outbound	Domestic	Japan Inbound	Global
<b>Cost Control</b> <ul style="list-style-type: none"> <li>Business closure</li> <li>Fixed cost reduction</li> <li>Personnel reduction</li> </ul>	Organic Growth	Acquisition of new products in the international travel market.	VELTRA	Add			
		Strengthening sales in the Hawaiian Islands and Archipelago.	HawaiiActivities				Add
<b>Stabilization of the business base through fundraising</b> <ul style="list-style-type: none"> <li>Third-party allotment of shares</li> <li>Subscription rights, etc.</li> </ul>	Further growth drive	Expand and strengthen products in the domestic travel market	VELTRA		Add		
		System renewals to enhance growth.	VELTRA	New	New		New
		VELTRA fan development reaches one million fans.	VELTRA	New	New		New
		Inbound market Product enhancement and development	LINKTIVITY & VELTRA		New	Add	
<b>Concentrated investment in new businesses</b> <ul style="list-style-type: none"> <li>Inbound DX</li> <li>Domestic travel market</li> </ul>	Discontinuous growth strategies	Tourism development and DX through cooperation with local authorities and government	VELTRA & LINKTIVITY		New	New	
		Strengthening corporate collaboration and expanding DX solutions	LINKTIVITY & VELTRA	Add	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 .COM	90%	100%



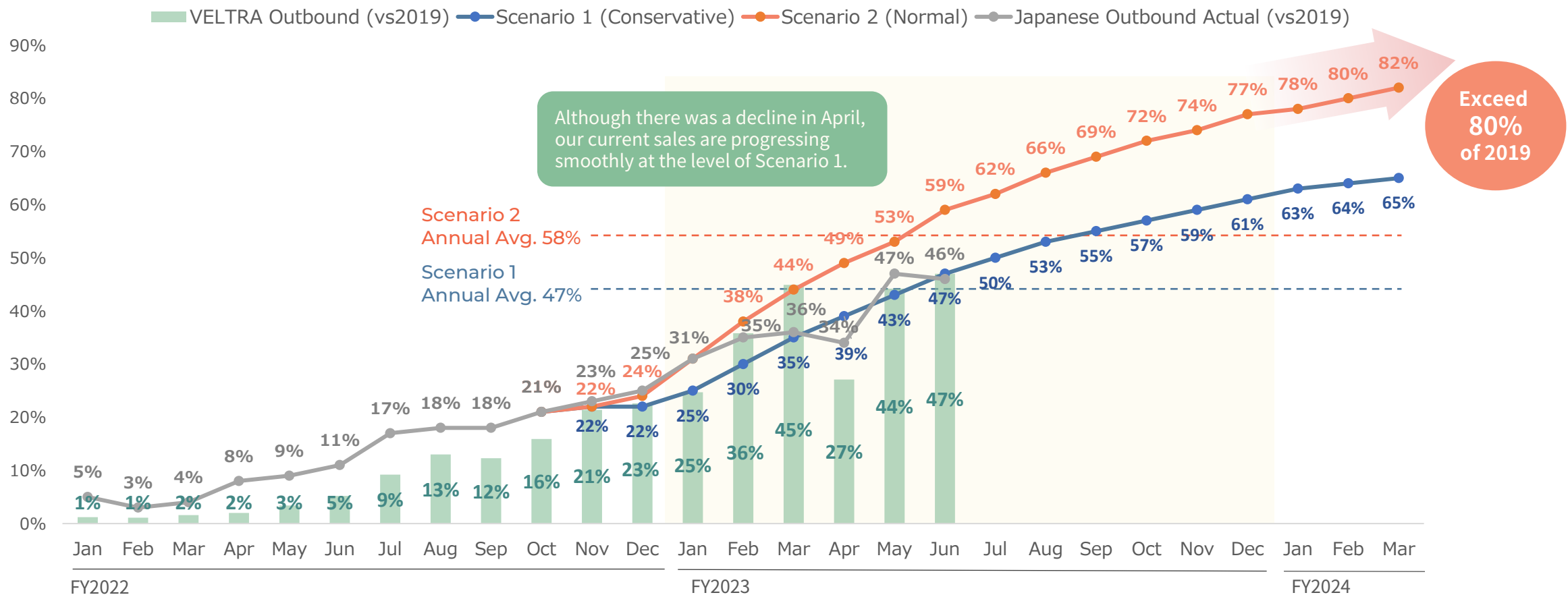
# FY2023 Overseas Travel Market Trends (Recovery Forecast)



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.

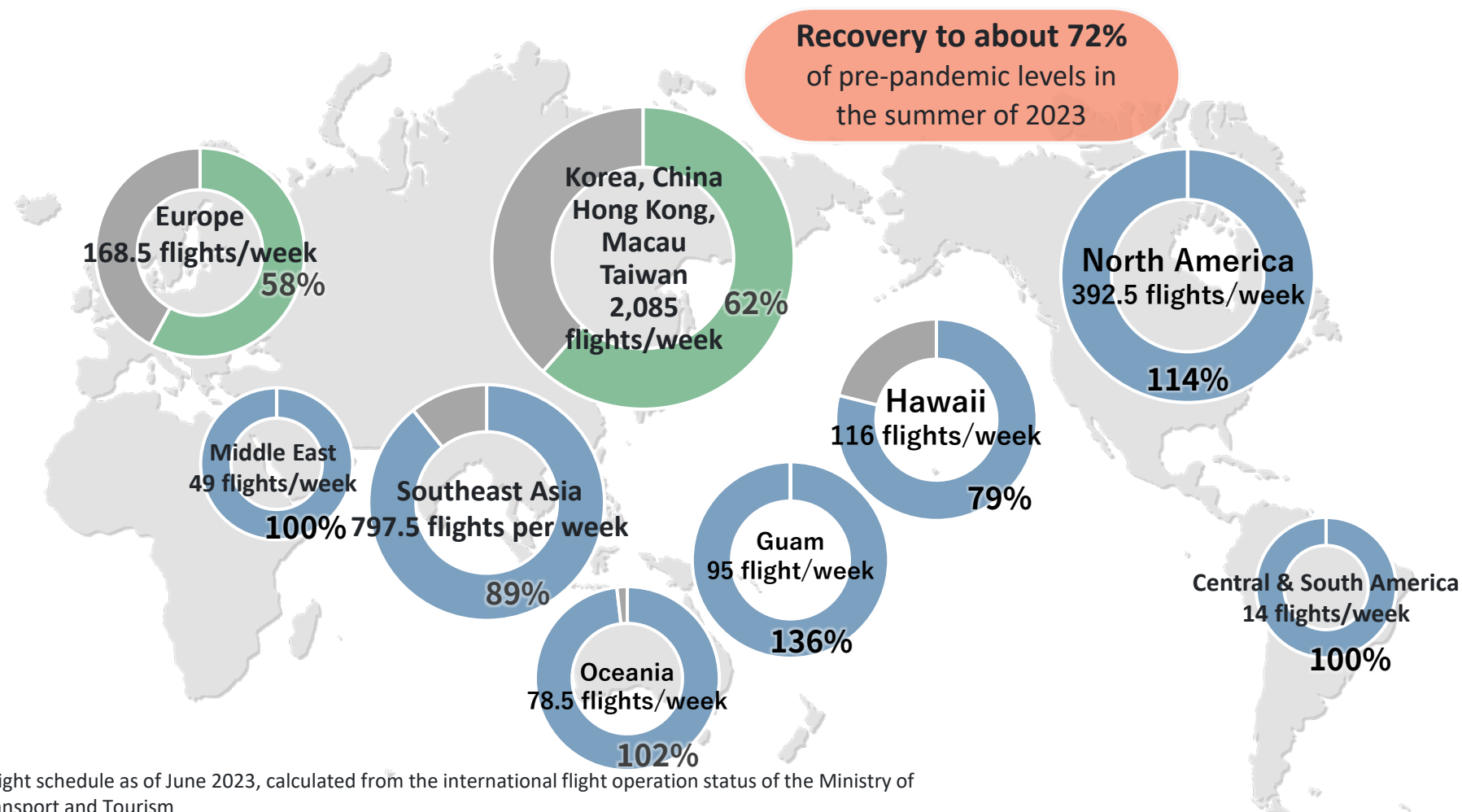
**Scenario 2** (approx. 80% at the end of 2023, average annual recovery rate of approx. 60%) is also shown.



# Summer Flight Schedule for International Flights (Flights Departing/Arriving in Japan)



As of June 2023, the summer flight schedule (May-October) is expected to recover to 72% of 2019 levels with a total of 5,285 flights per week. In addition to the steady recovery in Hawaii and Asia, growth is expected in areas with more flights than before COVID, such as North America, Guam, and the Middle East.



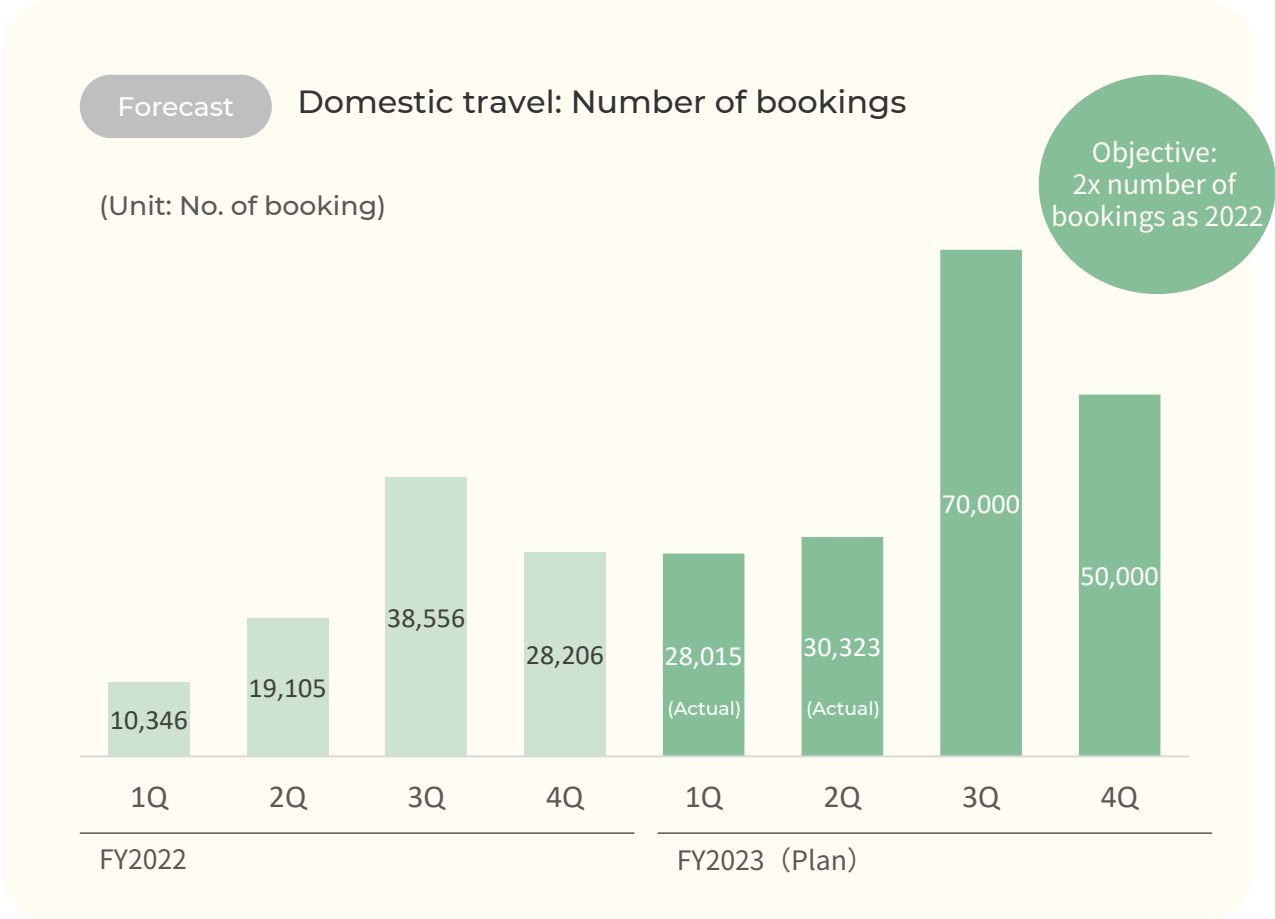
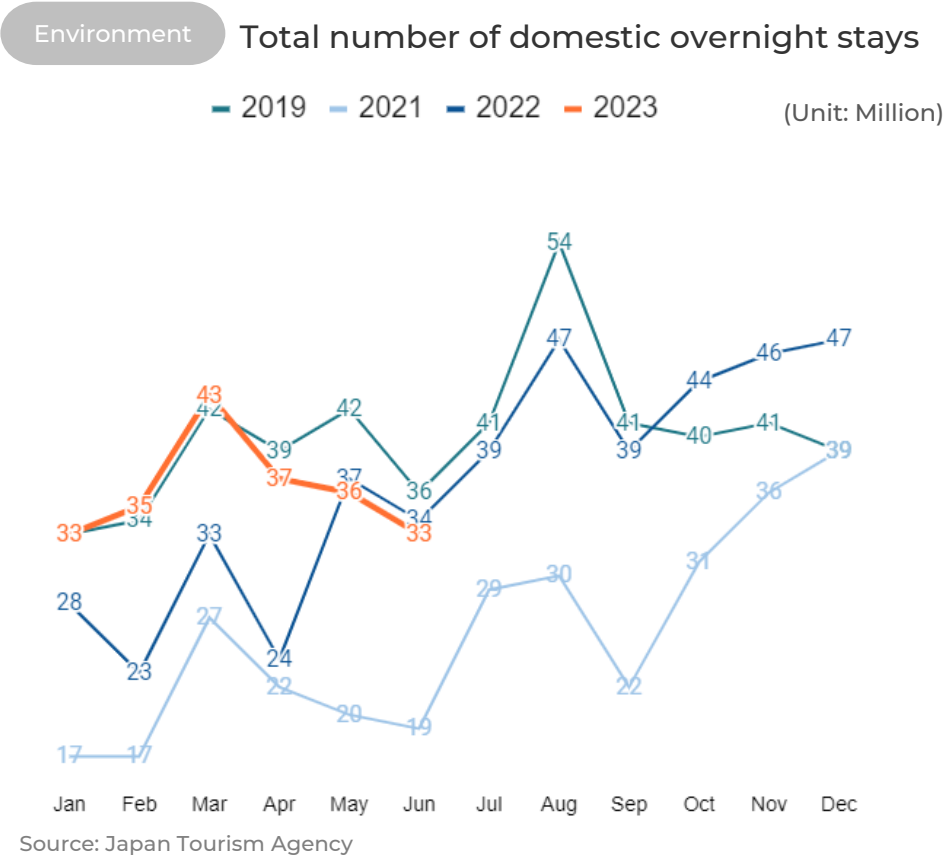
Based on the summer flight schedule as of June 2023, calculated from the international flight operation status of the Ministry of Land, Infrastructure, Transport and Tourism

- The recovery rate is a figure against the summer schedule of 2019
- Counting one flight as one departure + arrival

# FY2023 Japan Domestic Travel Market



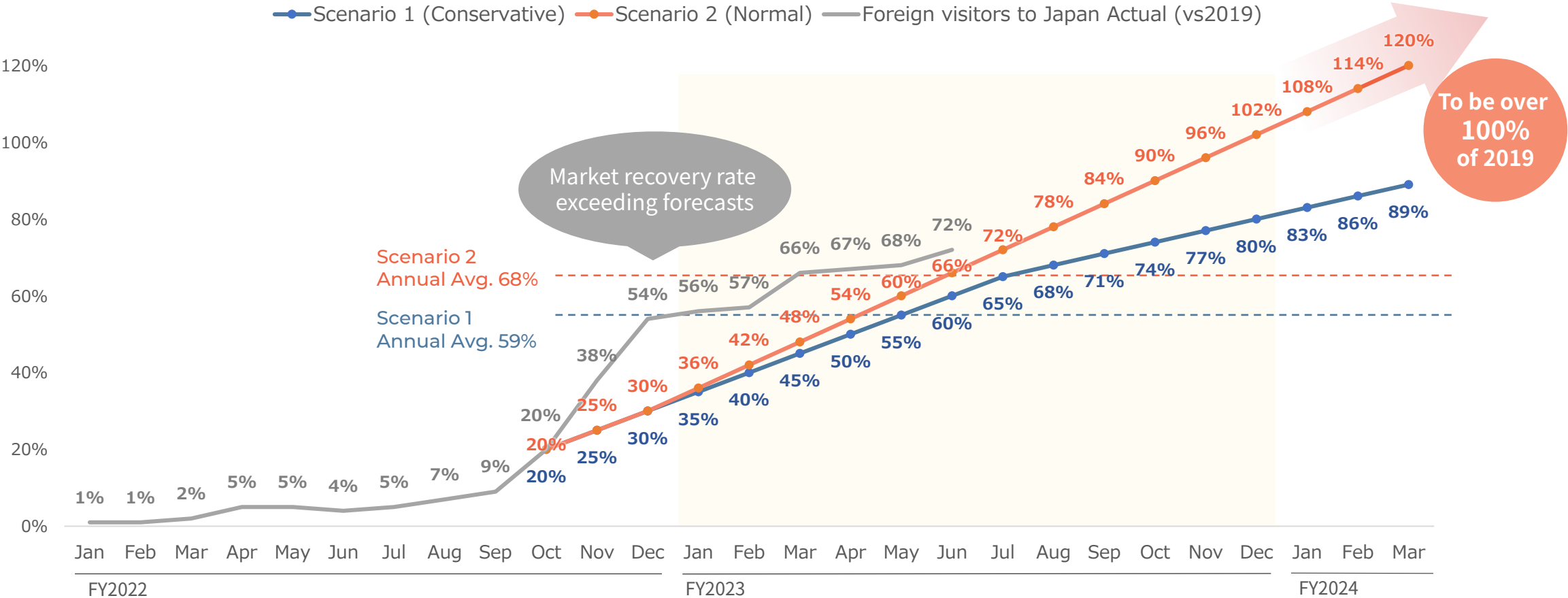
In the domestic travel market, the number of Japanese overnight stays has exceeded the 2019 figure as of the end of 2022, and is expected to increase further, depending on changes in traveler mindset as a result of the expected move to category 5 infections. The revenue of the Company's domestic travel business has also exceeded the 2019 actual figures from 3Q 2022 onwards, and the stage is set for further growth to be achieved from 2023 onwards by increasing the number of products and promotions.



# 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.

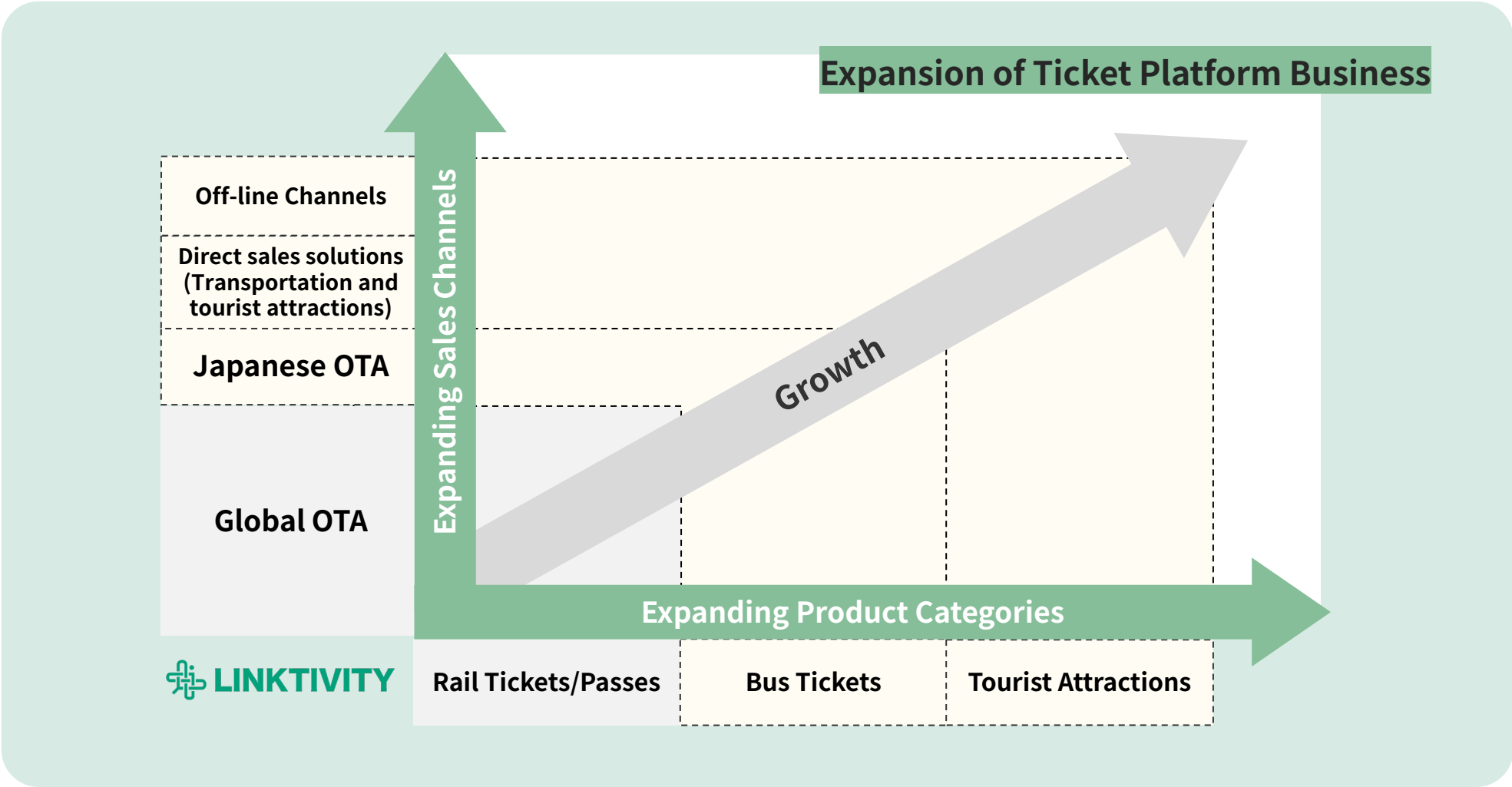


Source: JNTO

# LINKTIVITY Business Growth



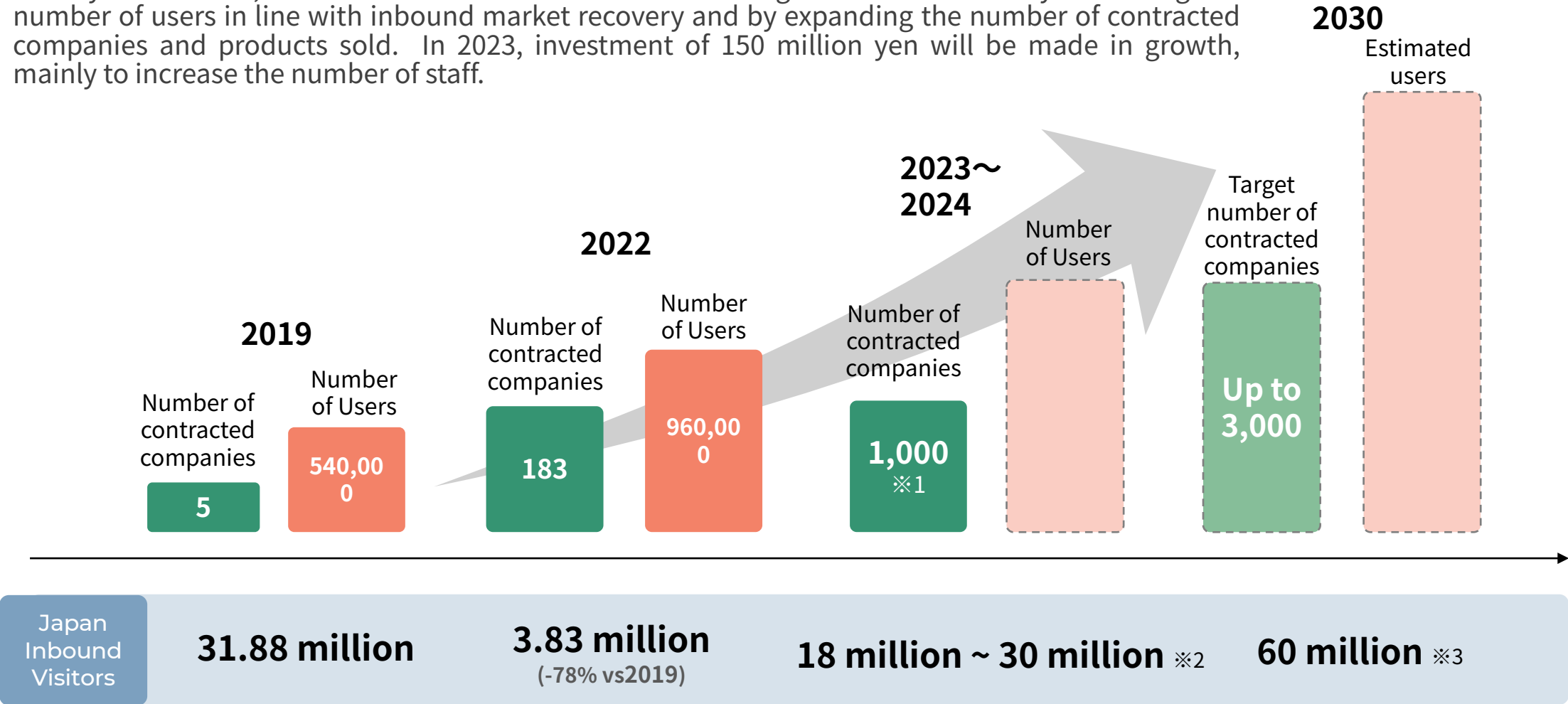
We will accelerate growth by further expanding product categories and sales channels and broadening TAM from its existing positioning as a rail ticket/pass platform for inbound travelers.



# 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.



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

## FY2023 Earnings Forecast

## FY2023 Performance forecast



Although the actual results for the Second quarter exceeded the plan, there are still some uncertainties regarding the future recovery of travel demand, so the company has decided not to revise its earnings forecast at this time.

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

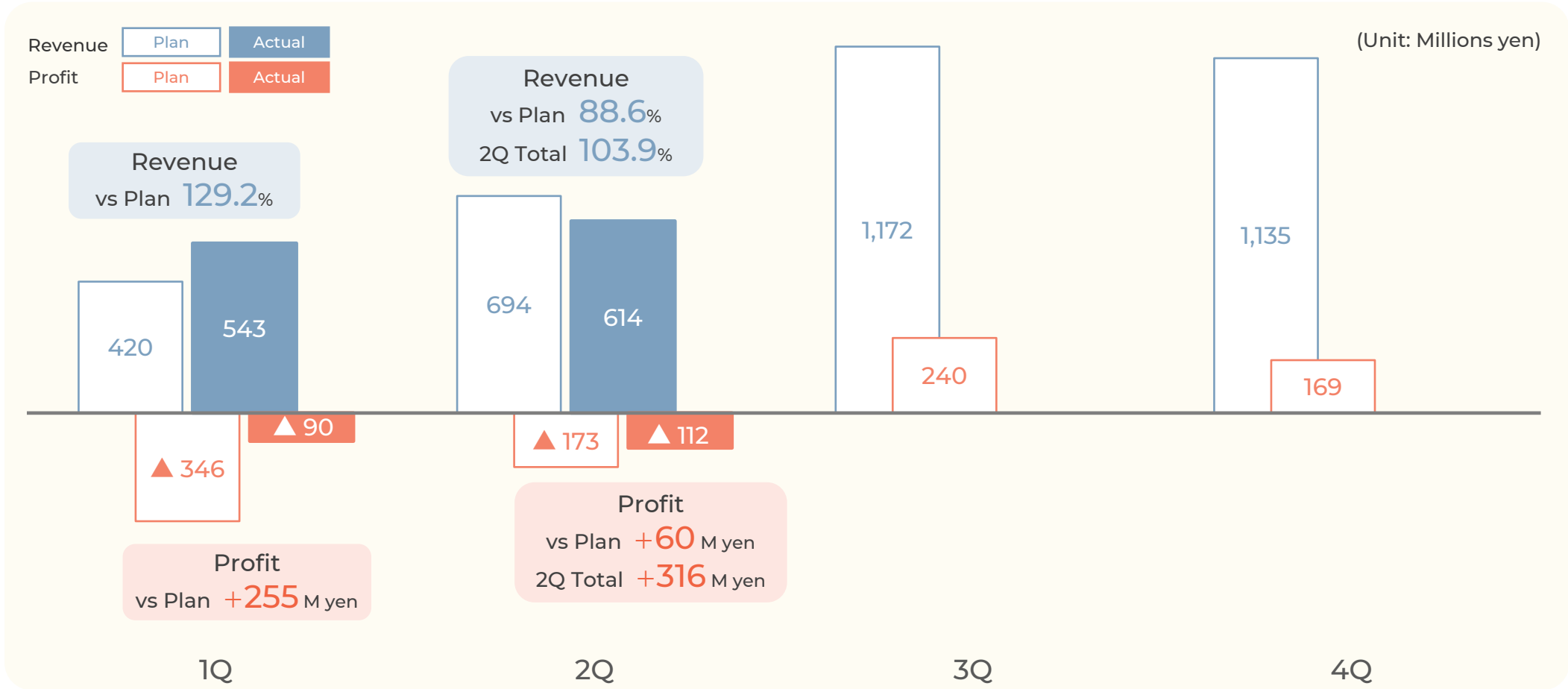


# FY2023 Performance forecast Quarterly Progress



Operating revenue was 88.6% below the plan in the 2Q due to factors such as HawaiiActivities not achieving the plan, but remained above the plan at 103.9% in the 2Q accumulation as a result of solid performance in the overseas travel business and LINKTIVITY's platform business.

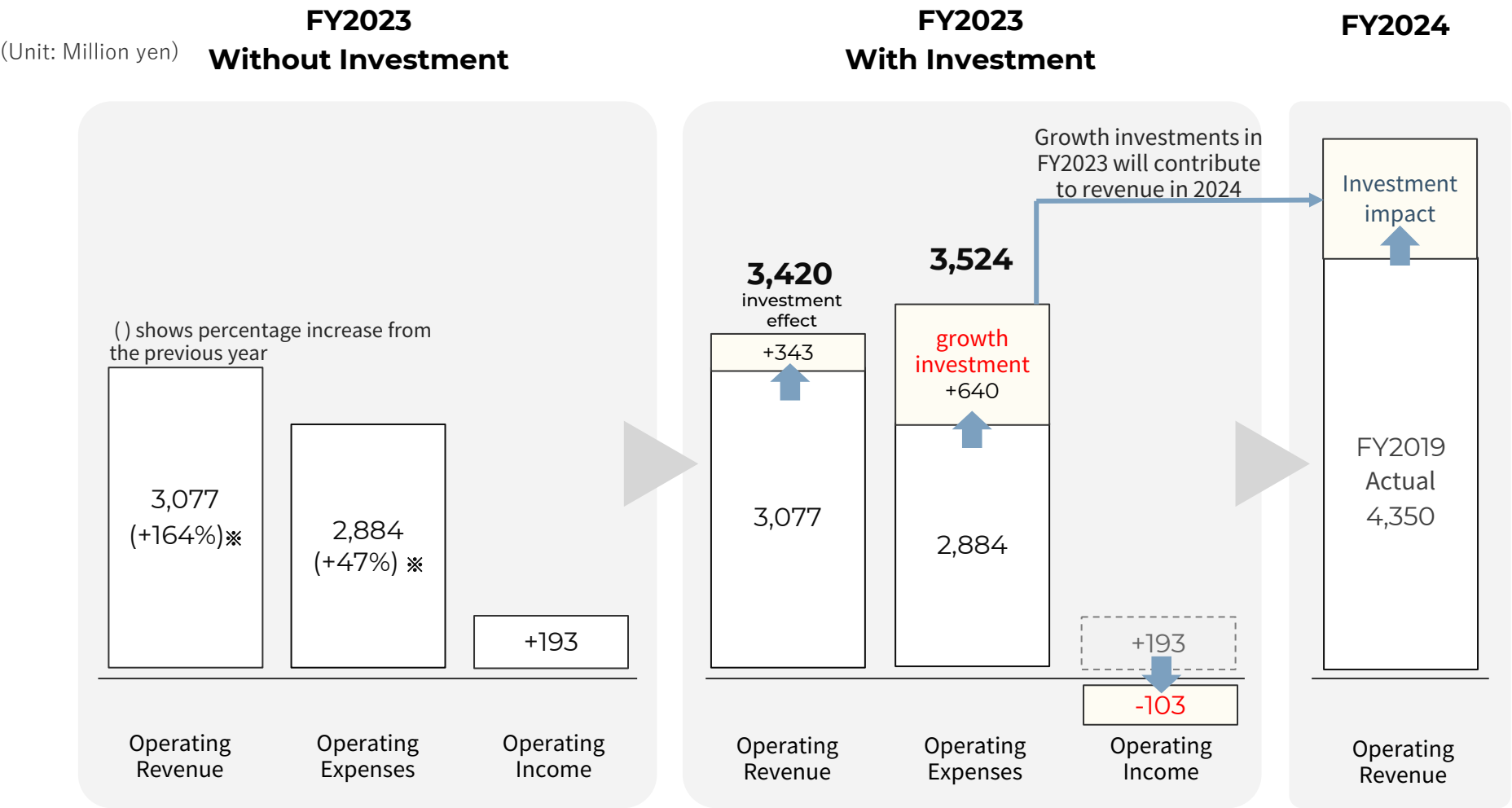
Operating income increased 316 million yen from the original plan in the 2Q cumulative period, steadily moving toward an early return to profitability.



# 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



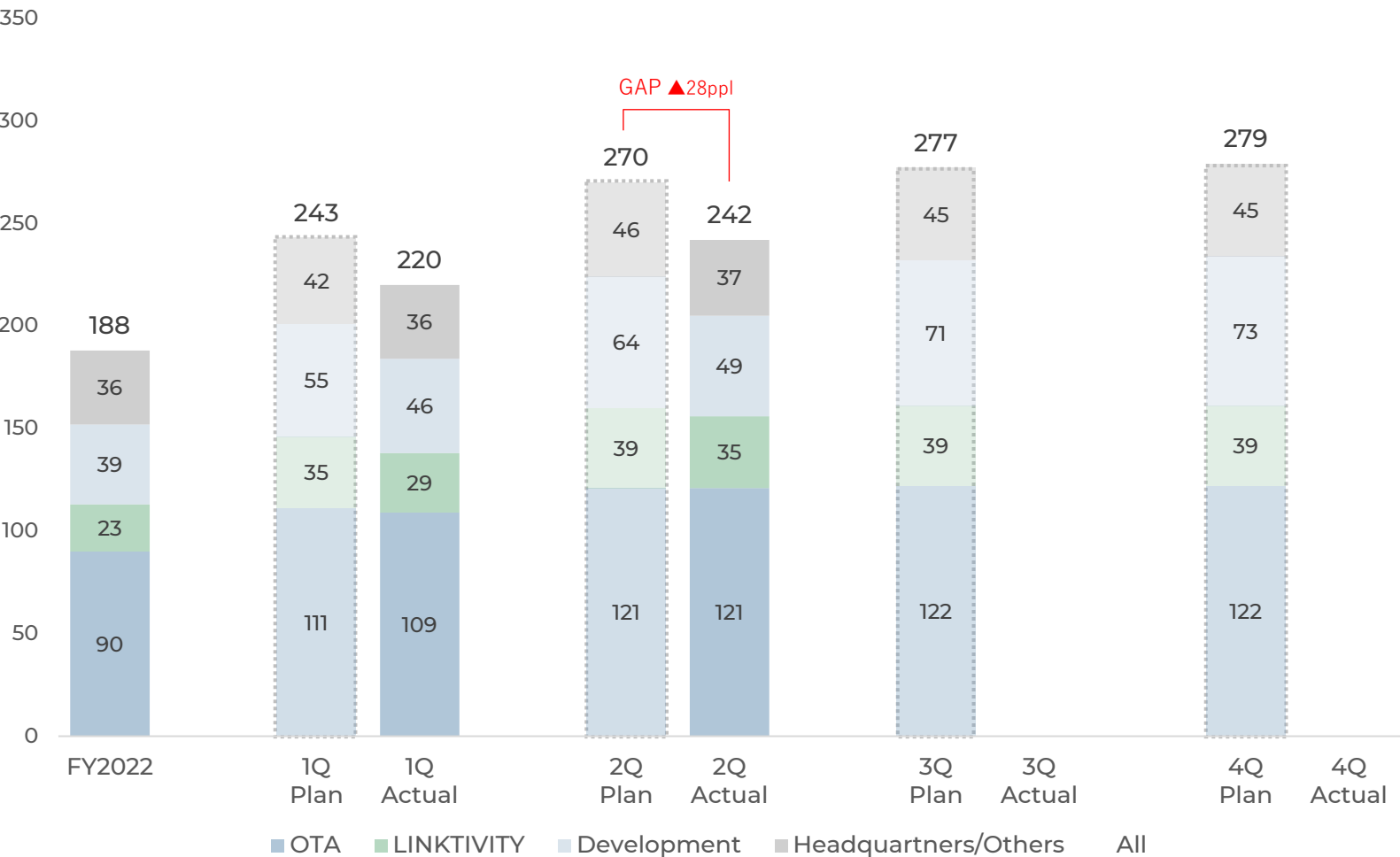
Of the 640 million yen budgeted for investment for growth beyond 2024, approximately 250 million yen (38%) has already been invested. Although there are delays in some items due to the timing of engineer hiring, overall, the advertising investment plan is currently on track, as it is heavily weighted toward the second half of the year.

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></div> 52%
Strengthen Promotion	134	Strengthen promotional measures	Revenue growth after 2024 (Strengthening customer attraction)	<div></div> 30%
System Improvement	197	Service improvement	Revenue growth after 2024 (Attract more customers, improve CVR)	<div></div> 37%
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></div> 42%
Mobile Apps Enhancement	65	Apps Renewal	Revenue growth after 2024 (Attract more customers, improve CVR)	<div></div> 25%
Promoting the growth of LINKTIVITY	125	Securing human resources for sales and engineering	Revenue growth after 2024 (Growth acceleration)	<div></div> 49%
Tourism development through collaboration with local governments and public administration, DXO	12	Securing response personnel	Securing new sources of revenue	<div></div> 42%
Investment in Human Resource Development	20	System design, education and training for leadership development	Medium- to long-term organizational strengthening	<div></div> 35%



# Recruitment Plan Progress

Hiring for the Overseas travel business & Linktivity is progressing well. Shortages due to delays in hiring in the system development division were partially subcontracted. Will continued aggressive recruiting activities in 3Q and beyond



## Recruitment results as of 2Q

54 employees were hired in total up to 2Q.  
OTA business and linktivities progressed steadily.  
The Development Division was 15 employees behind the original plan, partly due to a review of the timing of hiring. Shortfalls were partially addressed by outsourcing.



## Recruitment plan from 3Q onwards

Continue to promote recruitment activities in accordance with the plan  
Unaccounted-for recruiting-related expenses up to 2Q: approx. 40 million yen expected to be incurred from 3Q onward

# Appendix



## VELTRA Corporation

Headquarters	2-13-12 Nihonbashi, Chuo-ku, Tokyo 103-0027 Japan
Capital	JPY 1,823,600,000 (as of June 2023)
Founded	November, 1991
# of Employees	242 (Consolidated) 189 (Non- Consolidated)
Subsidiaries	[Malaysia] VELTRA Malaysia Sdn, Bhd. [USA (HA)] VELTRA Inc. [Japan] LINKTIVITY Inc.
Rep Office	Bangkok, Ho Chi Minh City

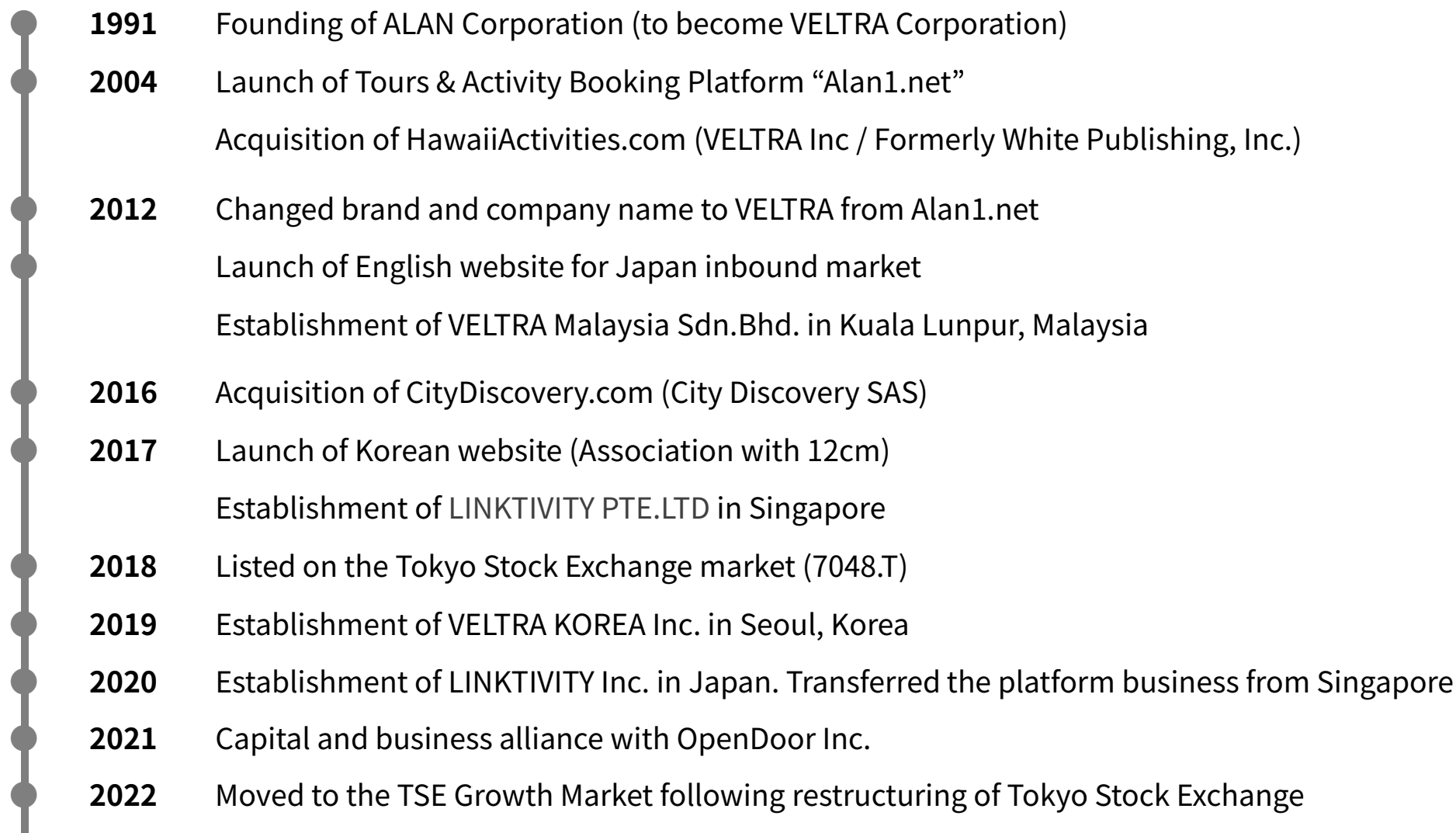


## Business Category



## Board of Directors

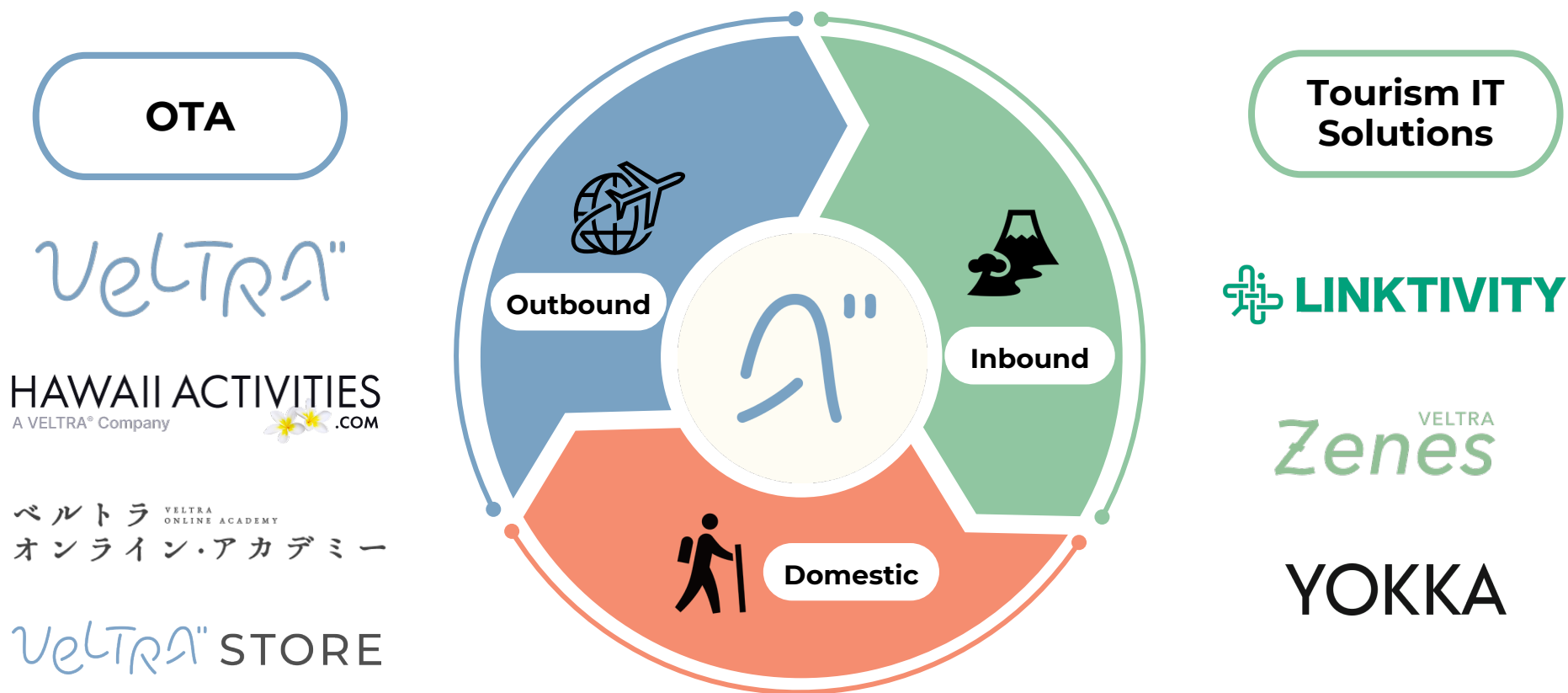
CEO, President	Wataru Futagi
COO, Director	Ryoko Mannen
Director	Tomoharu Kurakami
CFO, Director	Jumpei Minashima
Outside Director	Rod Cuthbert
Outside Director, Audit Committee Member	Tetsushi Ikeda
	Masato Mori
	Gaku Suzuki



# 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 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.

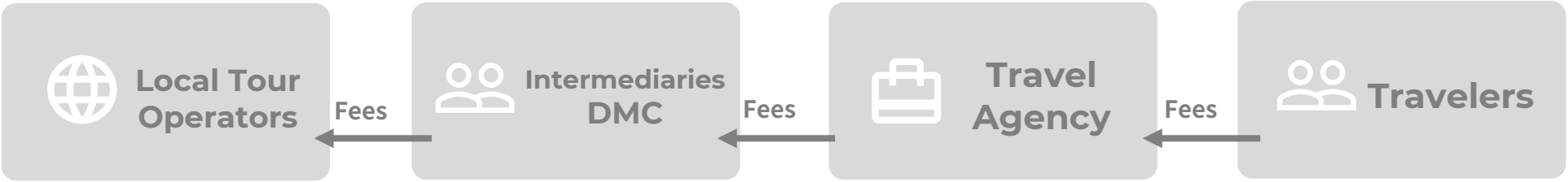
OTA				Tourism IT Solutions	
VELTRA			HAWAII ACTIVITIES <small>A VELTRA® Company</small>		LINKTIVITY
2.3 million		Members	8,5000	Number of Users	960,000
14,500 150 Countries		Activities Countries	650 All Hawaiian Islands	Number of distributors	183
7,000		Partners	440	Number of partners	237
370,000+		Customer Reviews	1,4000	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



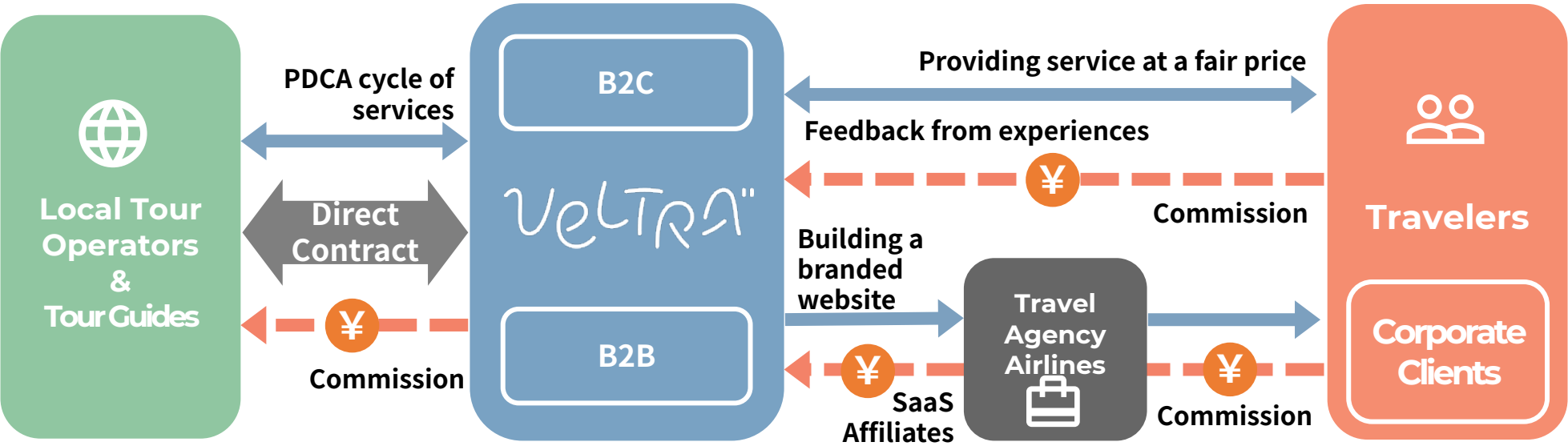
Before

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



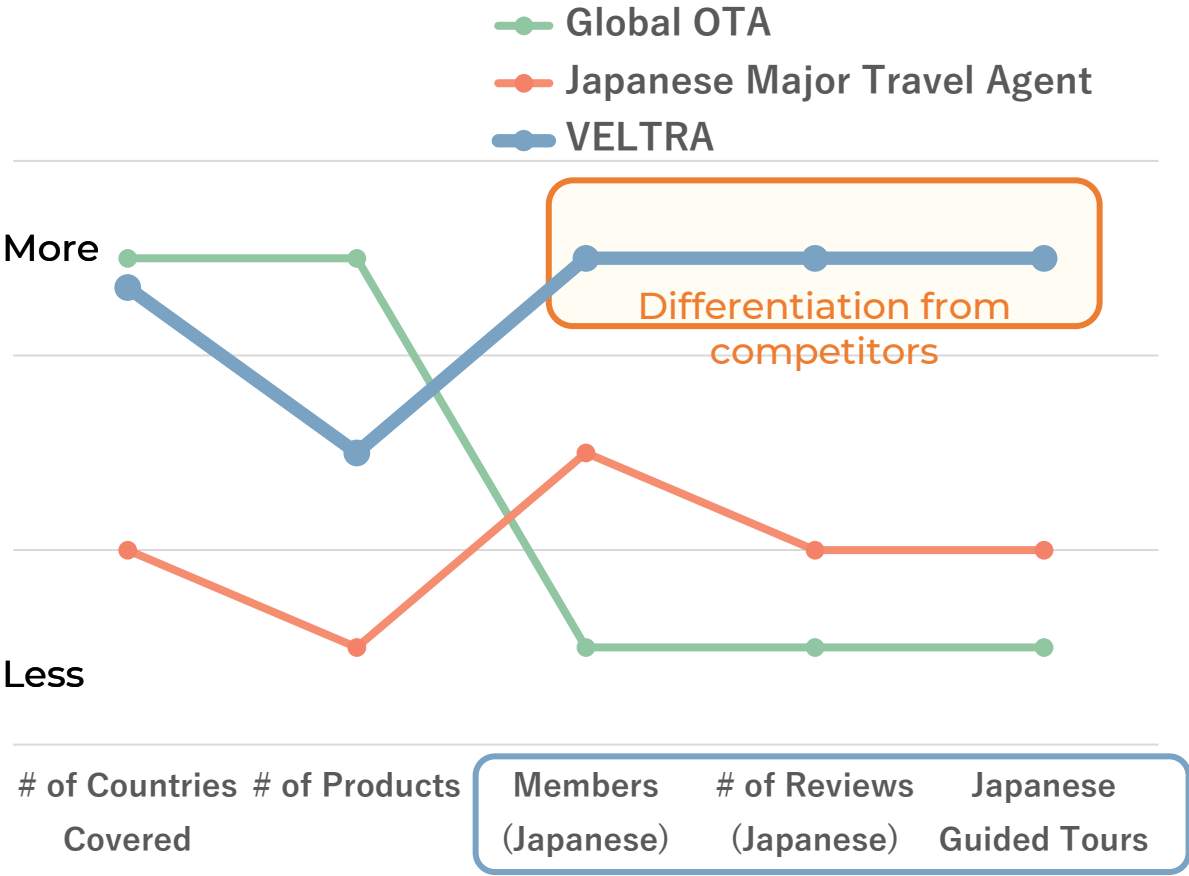
**13,000+**  
Tours & Activities



**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+**  
BtoB Network  
in Japan



**100+**  
API Integration

## Service chosen by customers

Specializing in tours & activities for years, a high level of satisfaction from both customers and suppliers through our service and product management system differentiate VELTRA from our competitors.



**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

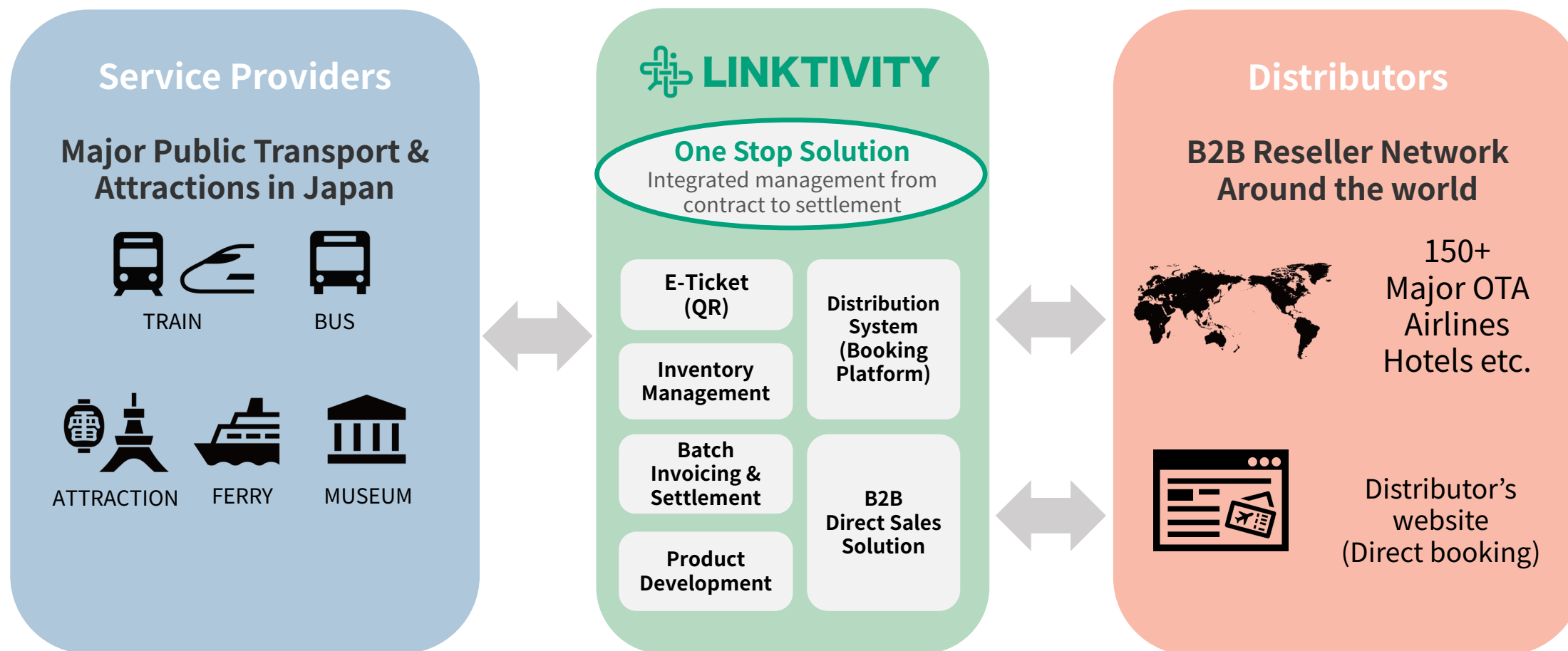


By reinvesting to make the most of our resources, we aim to create new value and further expand market share and maximize corporate value.





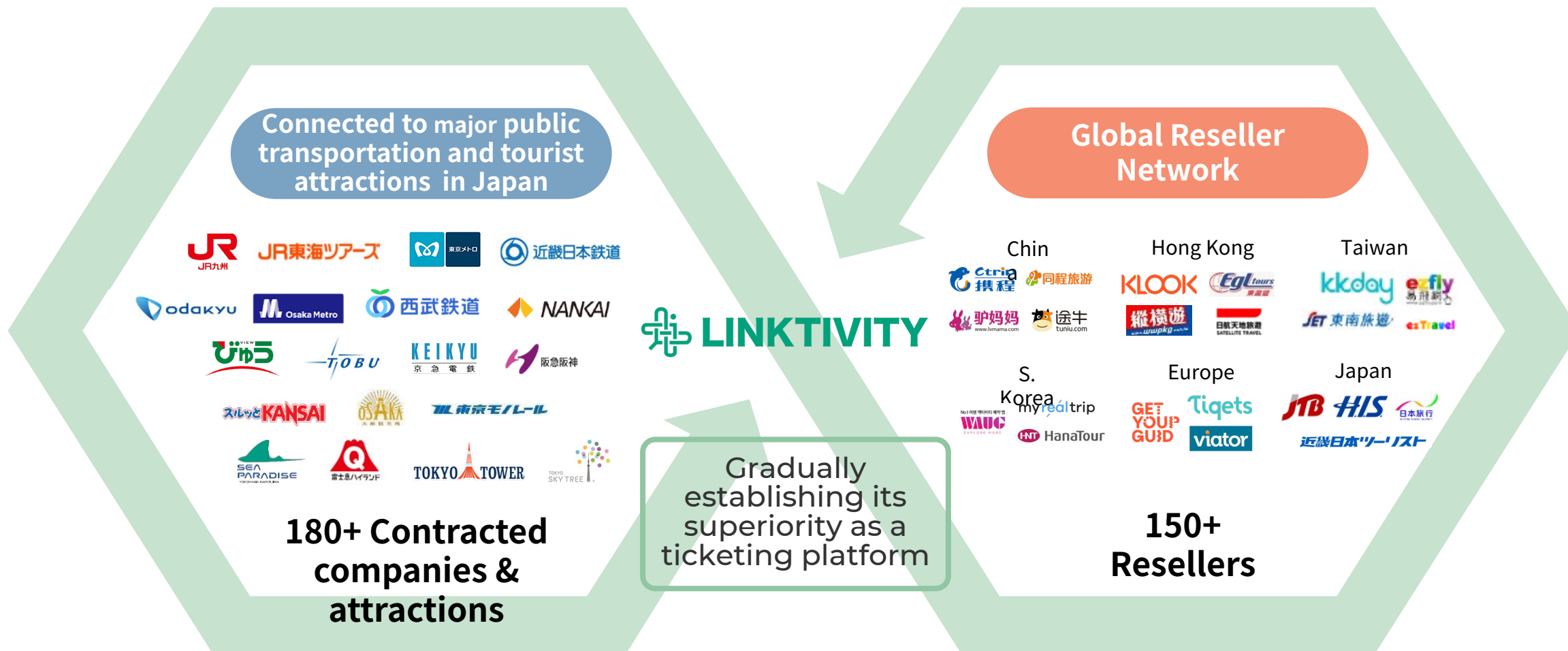
LINKTIVITY is a platform that connects Japanese transportation and attractions with travel companies around the world. It provides a one-stop system solution to link service providers and distributors.



# 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 Initiatives

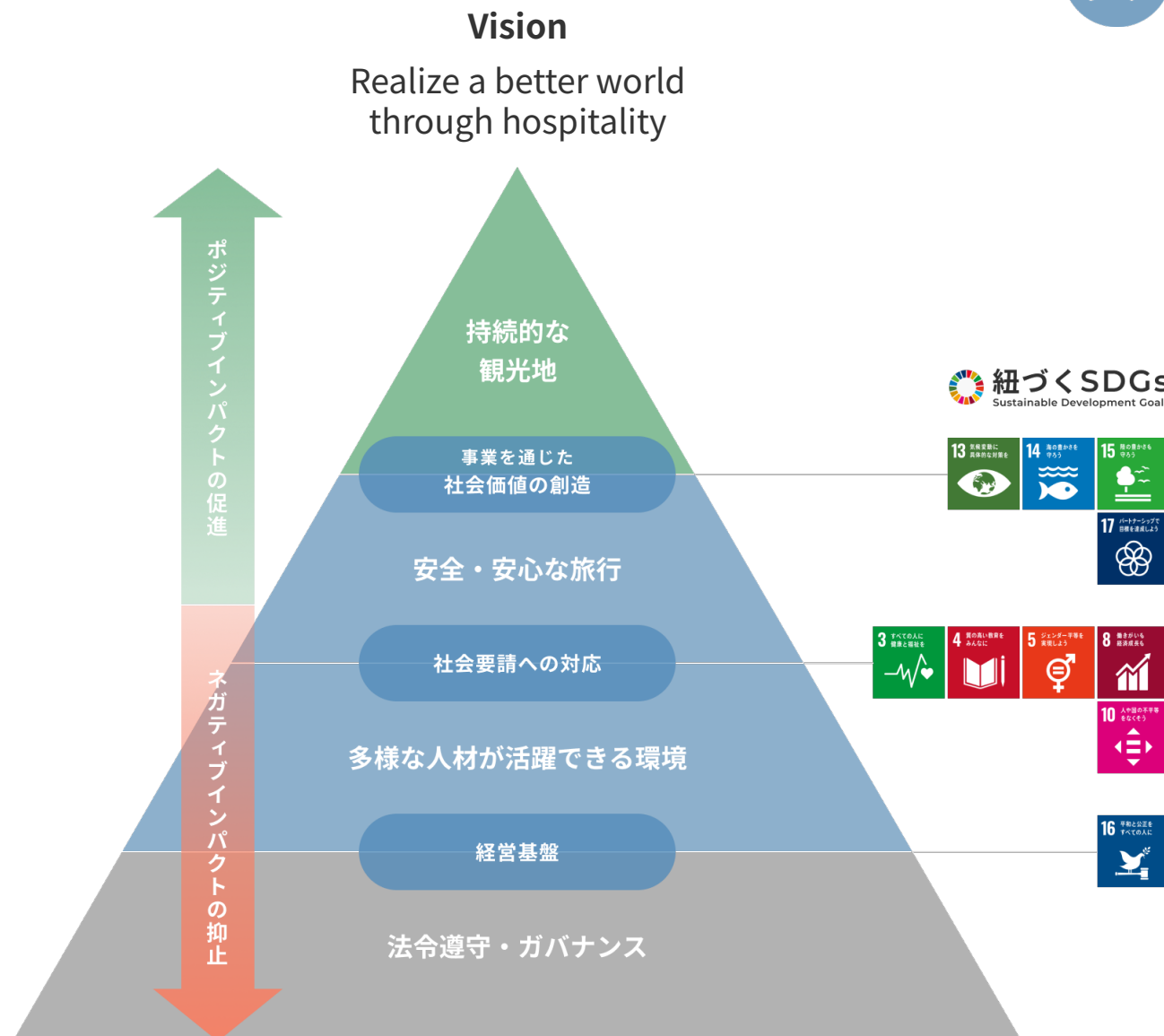


## Sustainability Basic Policy:

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 category (covering poverty, health and welfare, education, gender and equal opportunities, etc.), our Work from Anywhere: Creating a workplace environment where diverse human resources can thrive regardless of changes in life stages won the Encouragement Award (an initiative that contributes to the achievement of the SDGs and can serve as a reference for other companies) in June 2023.
- We launched a sustainability page on our corporate website in August 2023.





## 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 63%

Male 37%

\*33% are working mothers



Female managers  
Ratio

Female 45%

Male 55%

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



Return to work  
after maternity leave 99%



Avg. Age : 36.7 yo

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

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

# Implementation of the HR policy to improve employee engagement



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

Engagement improvement measures	Overview
Salary increases	Decided to raise employees' base salaries (base increase) in response to recent price hikes and for the purpose of <b>strengthening the company's competitiveness and sustainable growth</b> .
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 <b>increasing their motivation and productivity</b> .
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 <b>lead to an enhanced work-life balance</b> .
Workplace where female employees can play an active role	Starting this fiscal year, support for male employees to take childcare leave and nursing care leave will also be strengthened.
Utilizing referral system	Actively recruiting through referrals from former employees or friends and acquaintances of employees
Future Outlook	In June 2023, we will move our head office functions to WeWork, which provides flexible office space, to promote a diverse work style that is not restricted by location, and to further improve operational efficiency and productivity. From the perspective of DE&I, we will actively consider the introduction of training and personnel systems to create a work environment in which all employees are respected and a diverse workforce can play an active role, regardless of differences in sexual orientation, gender identity, nationality, and disabilities.

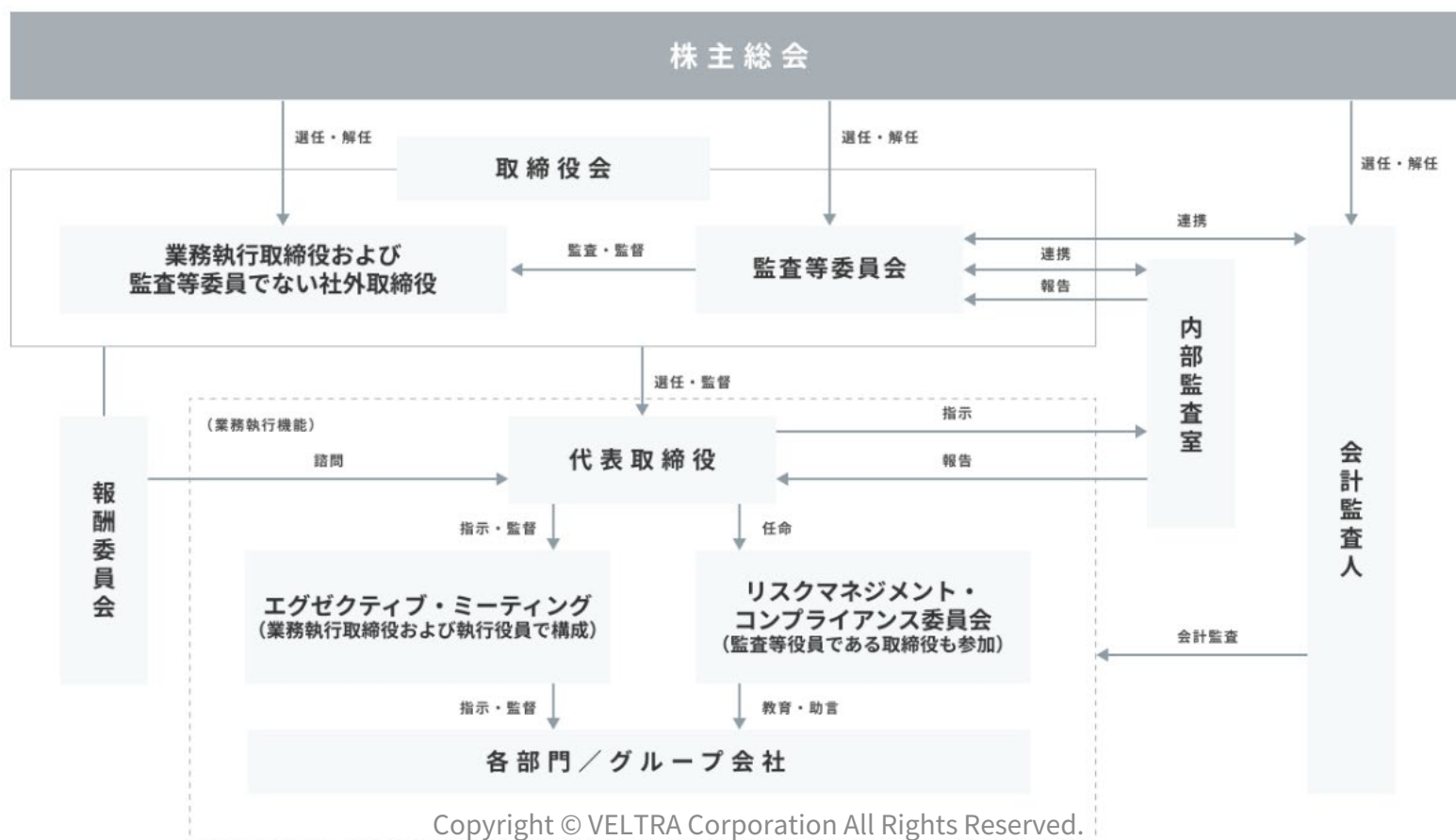
# Initiatives to Improve Corporate Governance



## Transition to a Company with Audit Committee

### Objectives:

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





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

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