

VELTRA™

VELTRA changes TRAVEL

FY2023 2Q Financial Results

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VELTRA CORPORATION:TSE7048



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FY2023 1Q Results Overview



Results	<ul style="list-style-type: none">Operating revenue is expected to increase by +226% year-on-year to <u>1,157 million yen</u>, 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 <u>-203 million yen</u> (compared to -488 million yen in the same period of the previous year). <table><tbody><tr><td>Overseas Travel</td><td>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).</td></tr><tr><td>Domestic Travel</td><td>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).</td></tr><tr><td>HawaiiActivities</td><td>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.</td></tr><tr><td>LINKTIVITY</td><td>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).</td></tr></tbody></table>	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).
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External Environment	<table><tbody><tr><td><ul style="list-style-type: none">The number of foreign visitors to Japan has recovered to about 65% of 2019 levels.<p>2023 January to June Approx. 10.7 M (YoY 2,010%)</p></td><td><ul style="list-style-type: none">The number of Japanese people traveling abroad has recovered to 40%.<p>2023 January to June Approx. 3.6 M (YoY 476%)</p></td></tr></tbody></table>	<ul style="list-style-type: none">The number of foreign visitors to Japan has recovered to about 65% of 2019 levels. <p>2023 January to June Approx. 10.7 M (YoY 2,010%)</p>	<ul style="list-style-type: none">The number of Japanese people traveling abroad has recovered to 40%. <p>2023 January to June Approx. 3.6 M (YoY 476%)</p>						
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Performance Forecast	<ul style="list-style-type: none">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.<ul style="list-style-type: none">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



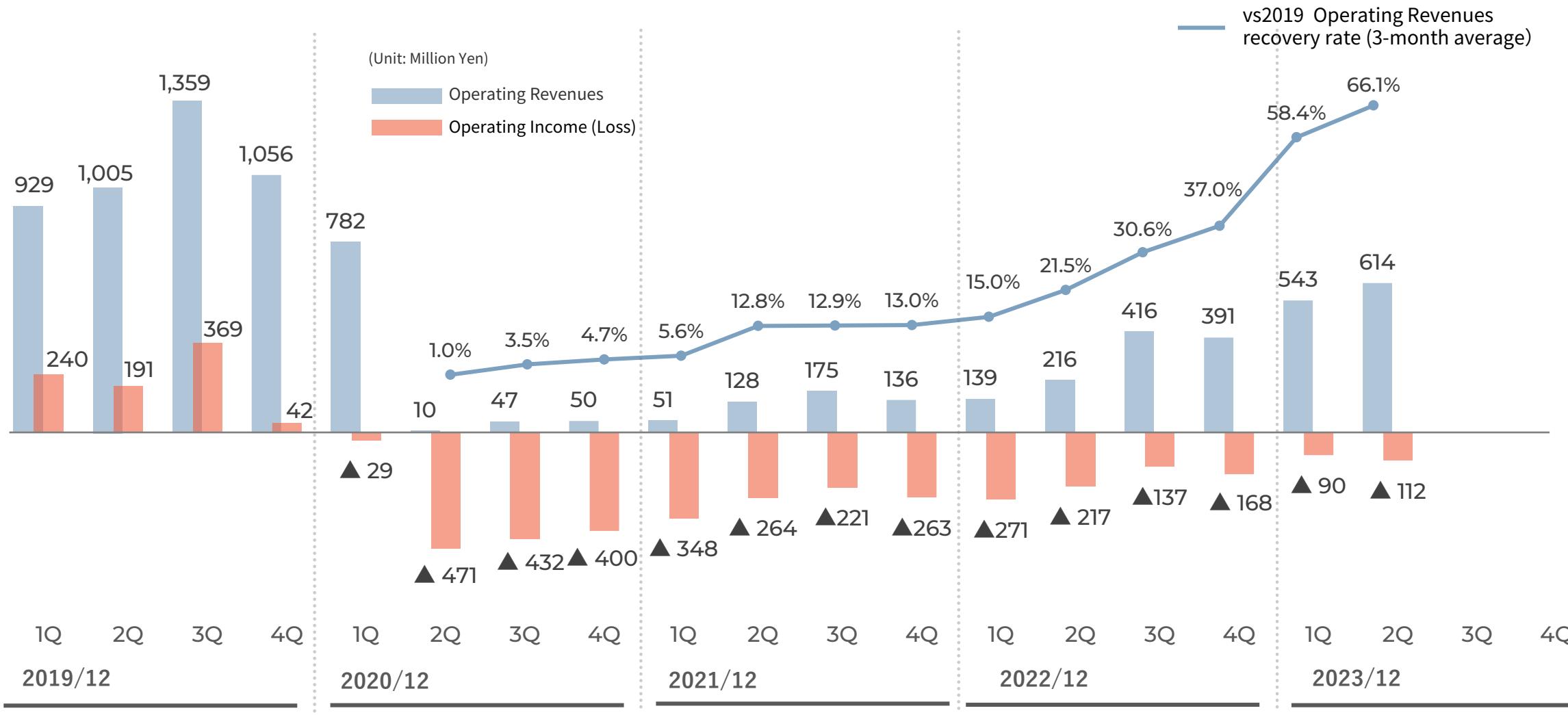
There has been significant increase in operating revenue due to the recovery trend in travel demand. Although advertising expenses increased due to revenue growth and personnel expenses increased due to new hires, the level of operating loss improved significantly as a result of continued control of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



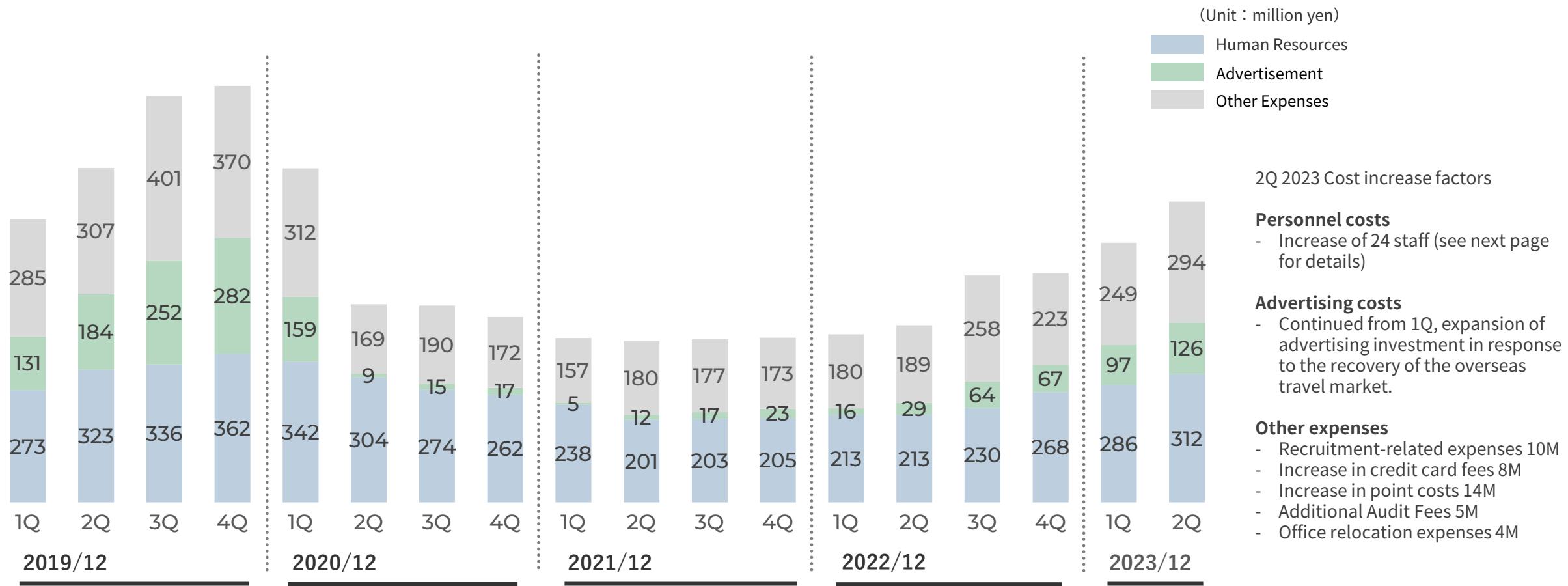
Operating revenue in 2Q +398 million YoY, recovering to 61% compared to the same period in 2019 before COVID-19
 Operating income also improved significantly YoY



Costs



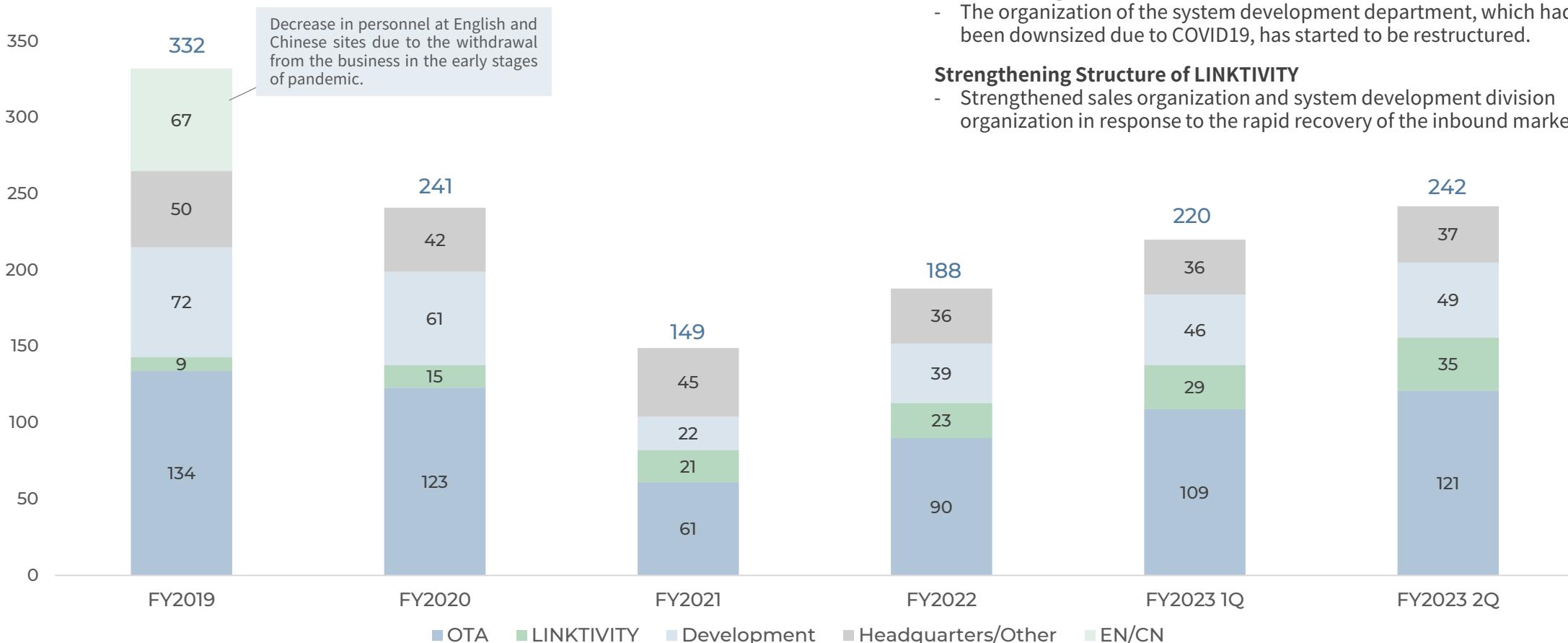
While cost levels have been controlled, advertising and other investments gradually increased in line with the increase in transaction volumes. Investments in personnel will be increased in stages, keeping productivity (OP margin at the time of earnings recovery) in mind.



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
Assets Total	4,051	5,766	+1,714	
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	-	
Liabilities Total	2,670	4,581	+1,910	
Total Net Assets	1,381	1,185	▲195	Decrease in retained earnings due to recording of net loss attributable to owners of the parent of 254M yen
Capital to Asset Ratio	33.4%	20.1%	▲13.3pt	

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.

Unit: million yen	FY2021 Q2	FY2022 Q2	Change	Details
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

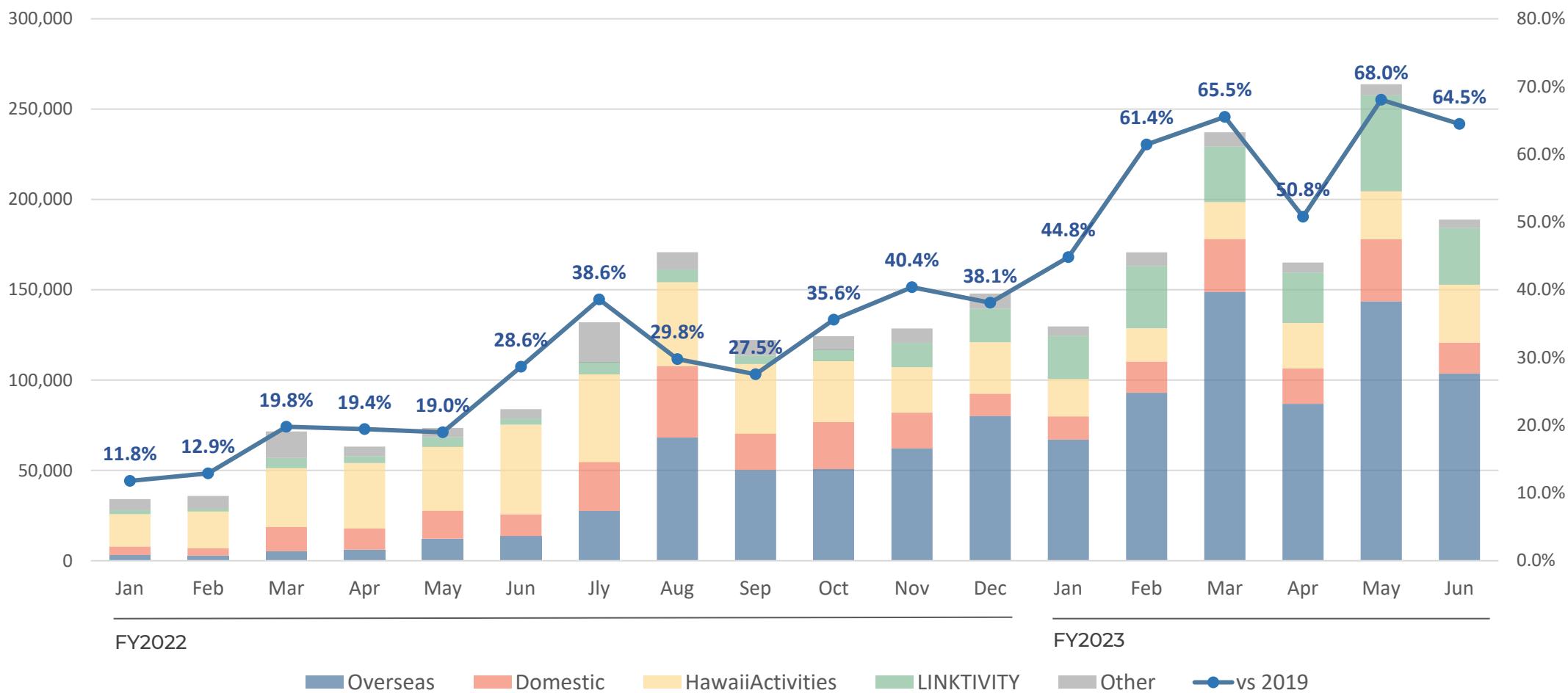
Overall | Consolidated Operating Revenue (Monthly)



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.

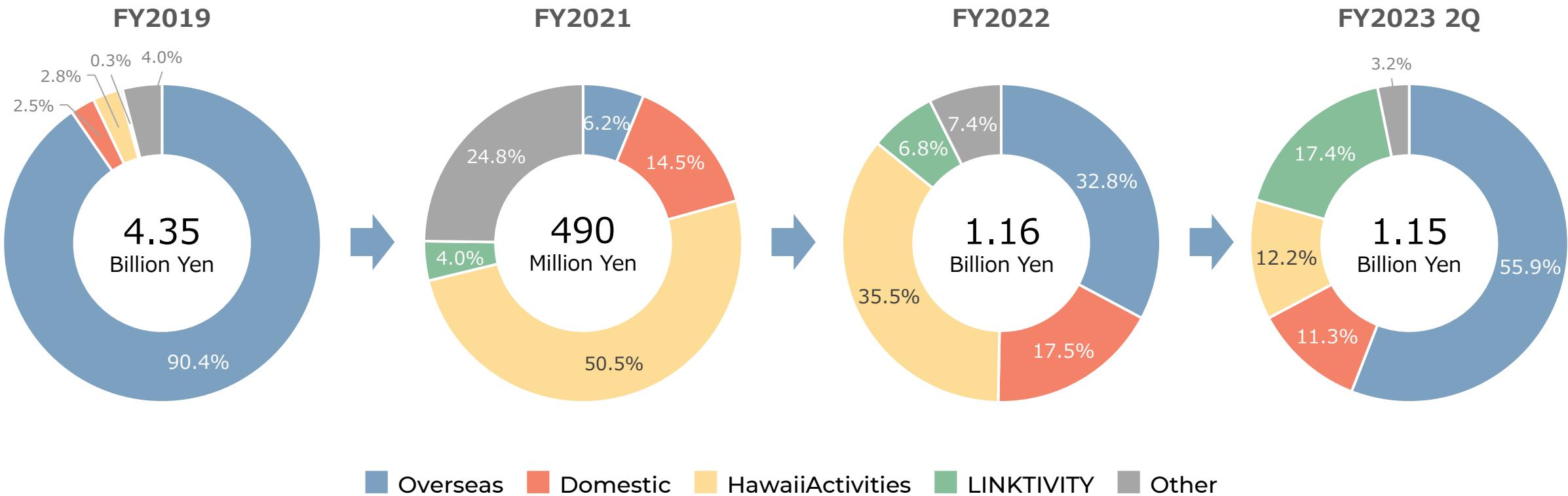
Unit: Thousand Yen



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

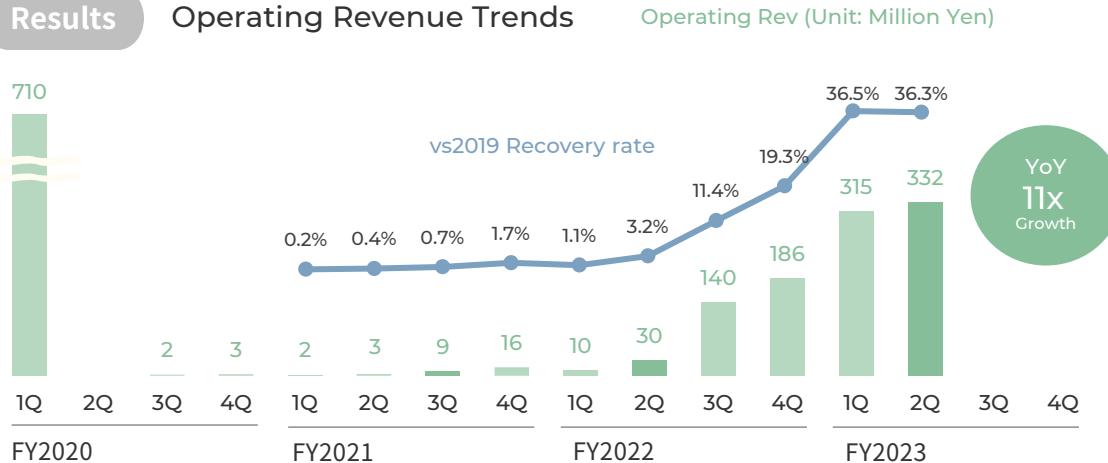
Outbound



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.

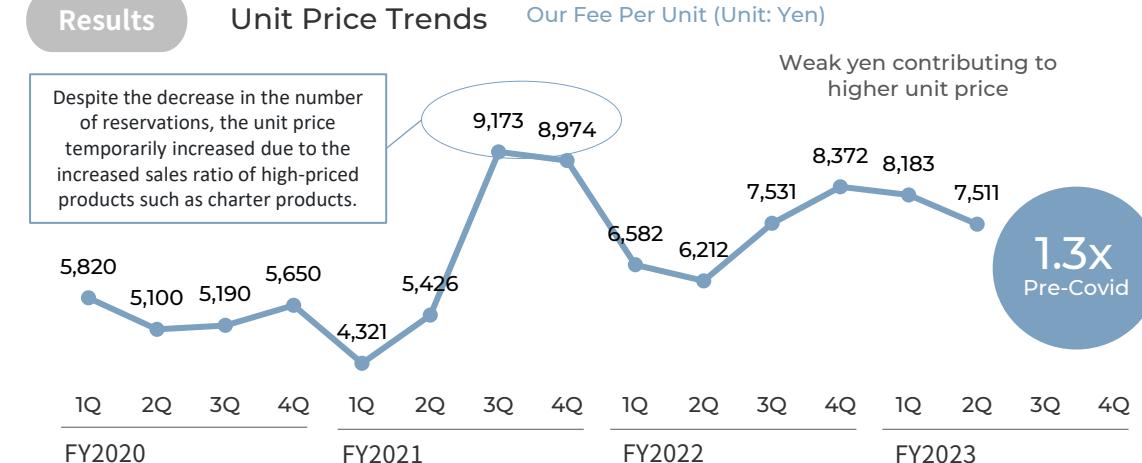
Results

Operating Revenue Trends



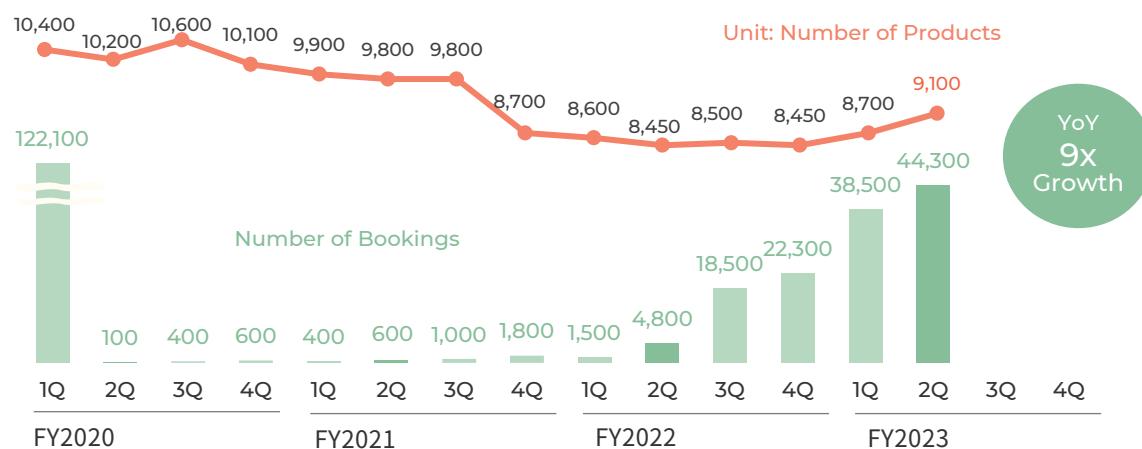
Results

Unit Price Trends



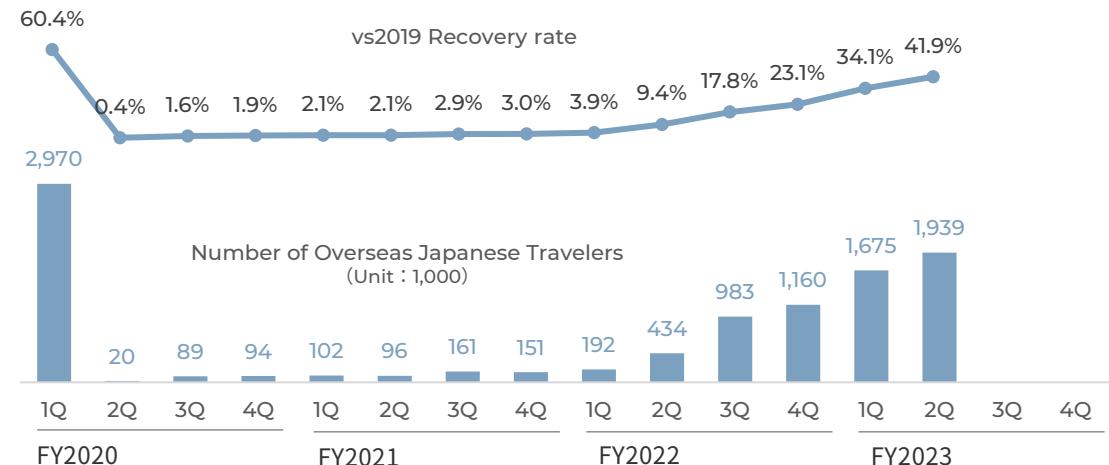
Results

Booking and Product Number Trends



Environment

Overseas Japanese Travel Trends (vs 2019)



By Business Segment

Domestic

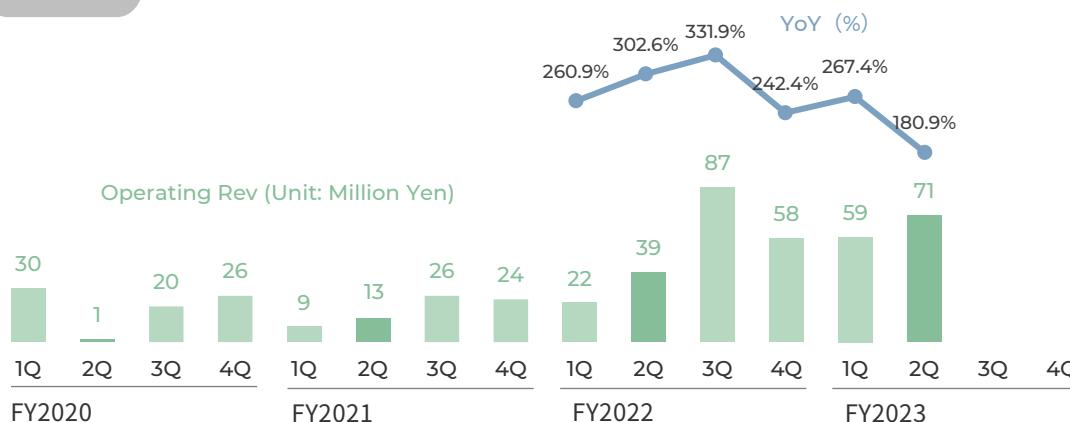
Total Japanese overnight stays in domestic travel remained above 2019 levels.

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



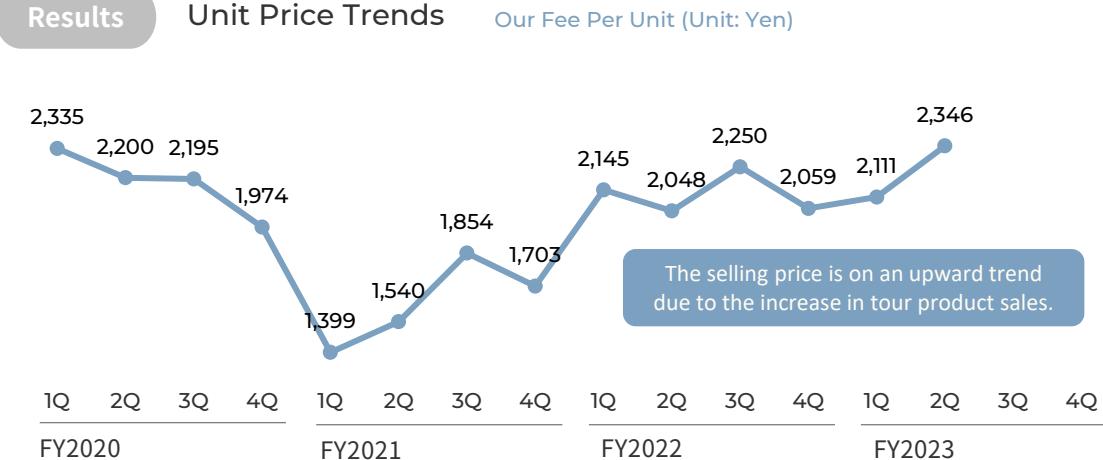
Results

Operating Revenue Trends



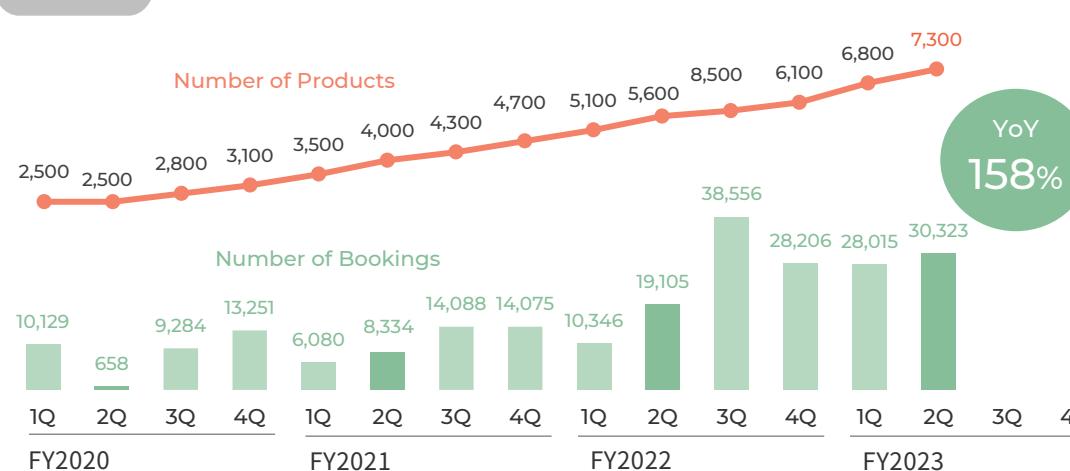
Results

Unit Price Trends



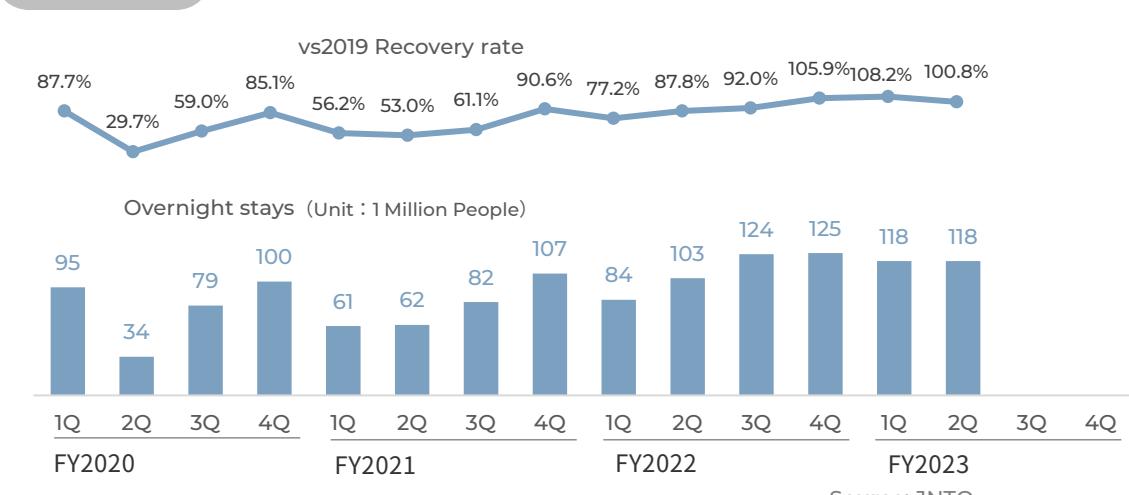
Results

Booking and Product Number Trends



Environment

Number of Japanese domestic overnight stays (vs 2019)



By Business Segments

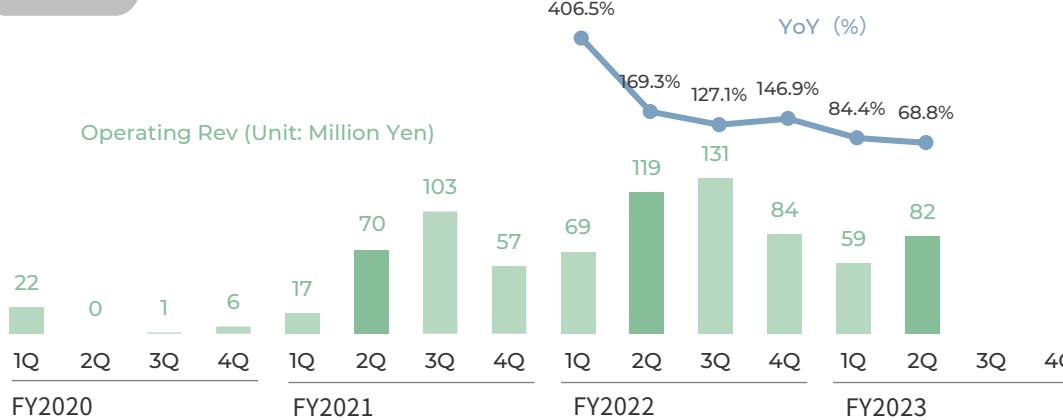
HawaiiActivities



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.

Results

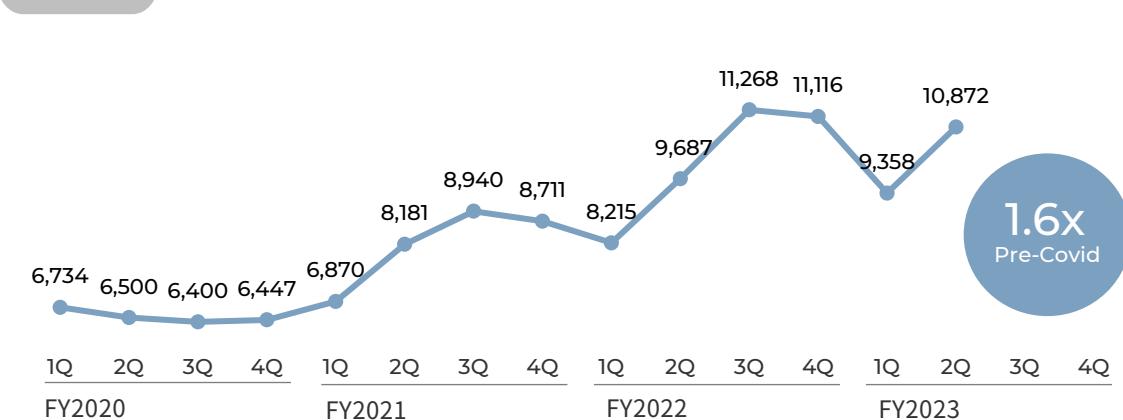
Operating Revenue Trends



Results

Unit Price Trends

Our Fee Per Unit (Unit: Yen)



1.6x
Pre-Covid

Results

Booking Trends



Environment

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

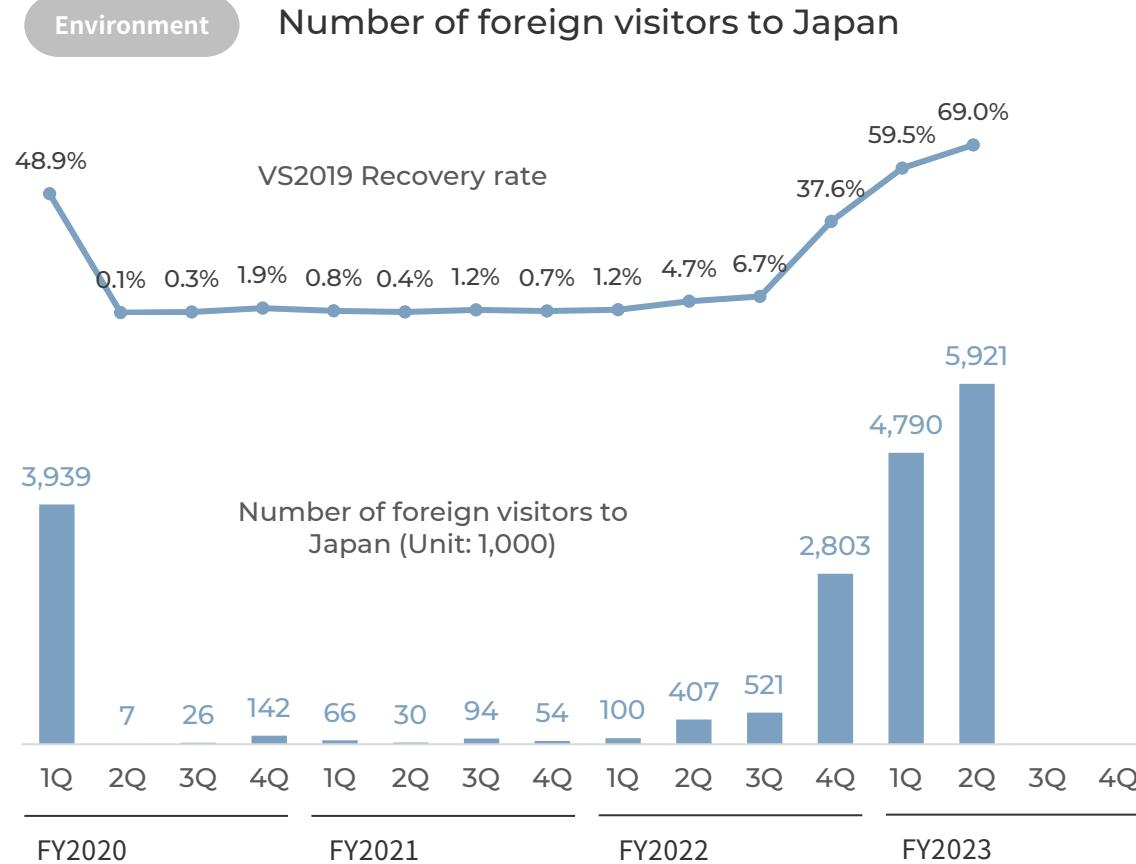
- Our bookings vs2019
- Travellers vs2019





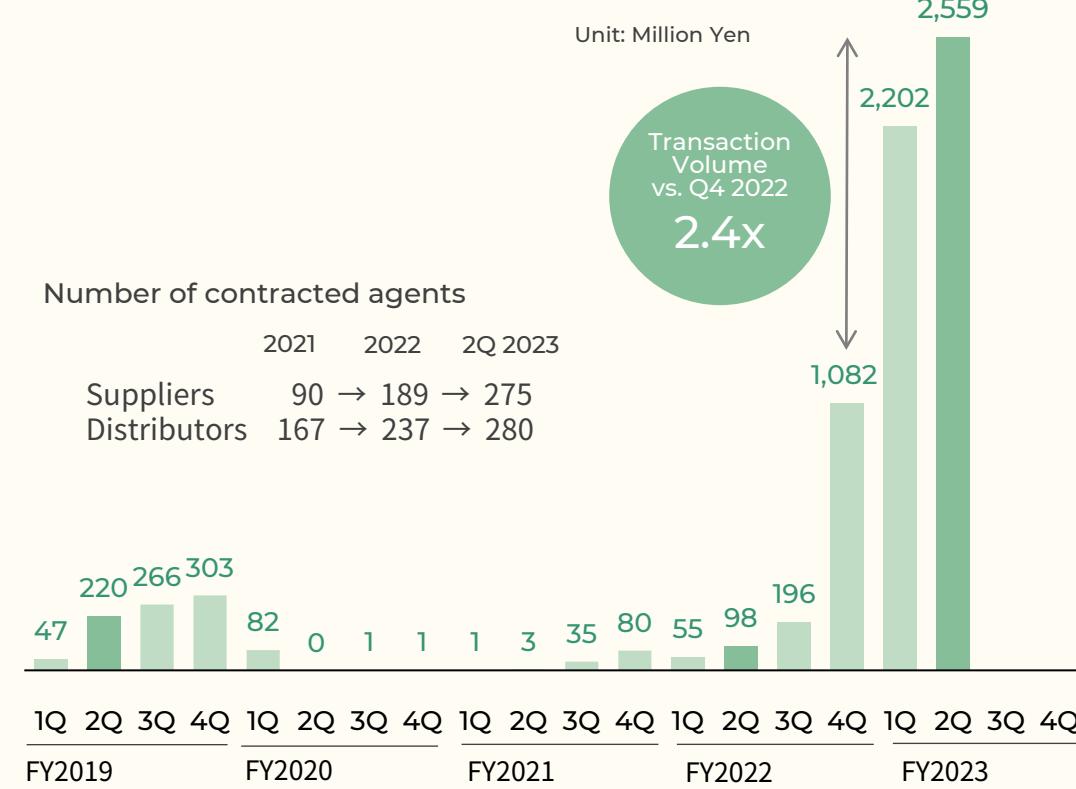
Significant Growth in Railroad and Facility Ticket Booking Transaction Volume through LINKTIVITY Platform. Transaction volume grew faster than the recovery rate of the number of foreign visitors to Japan. The number of contracted sales agents also remained steady. The increase in the number of products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

Environment



Results

LINKTIVITY sales volume transition



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"> 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.



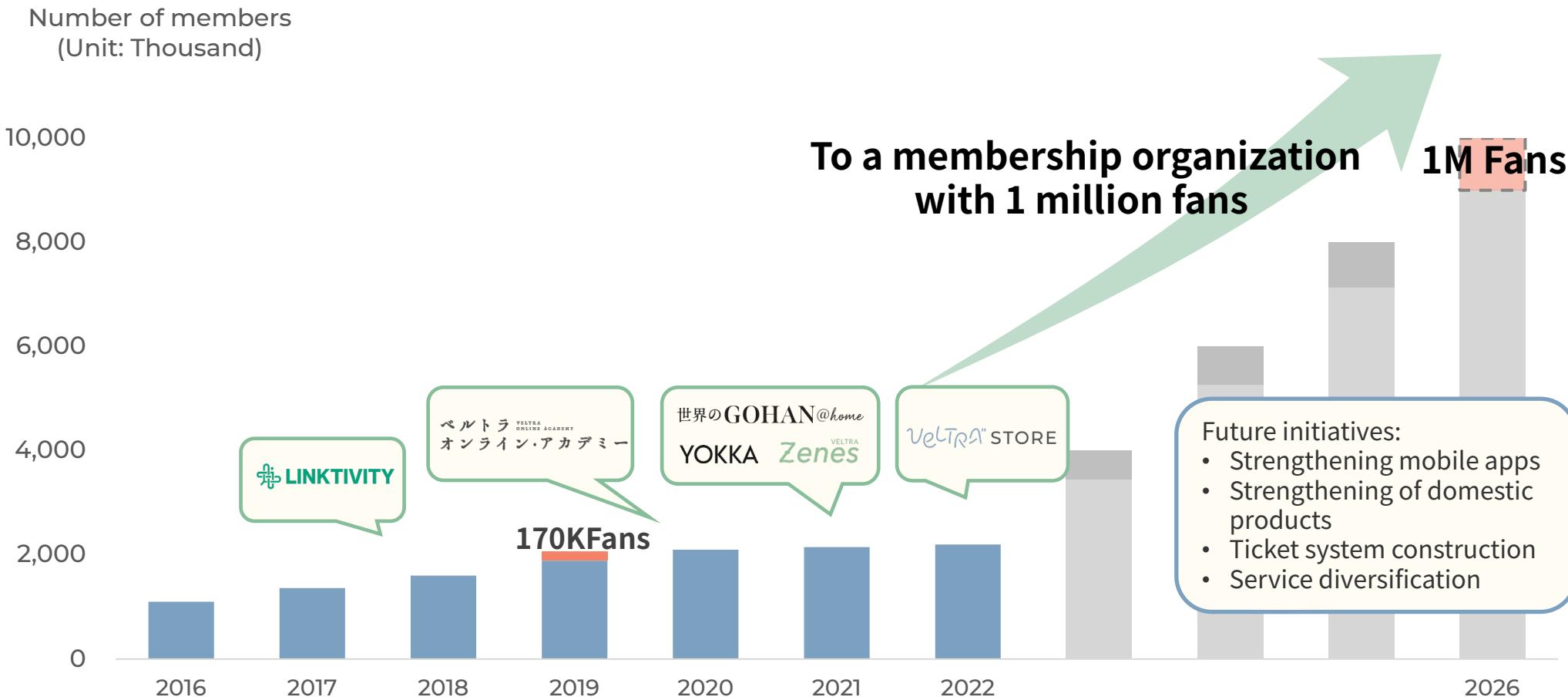
Theme	Investment objective	Domain of business	Market			
			Outbound	Domestic	Japan Inbound	Global
Cost Control <ul style="list-style-type: none">Business closureFixed cost reductionPersonnel reduction	Organic Growth	Acquisition of new products in the international travel market.	VELTRA	Add		
Stabilization of the business base through fundraising <ul style="list-style-type: none">Third-party allotment of sharesSubscription rights, etc.	Further growth drive	Strengthening sales in the Hawaiian Islands and Archipelago.	HawaiiActivities		Add	
Concentrated investment in new businesses <ul style="list-style-type: none">Inbound DXDomestic travel market	Discontinuous growth strategies	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	
		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	90% 100%

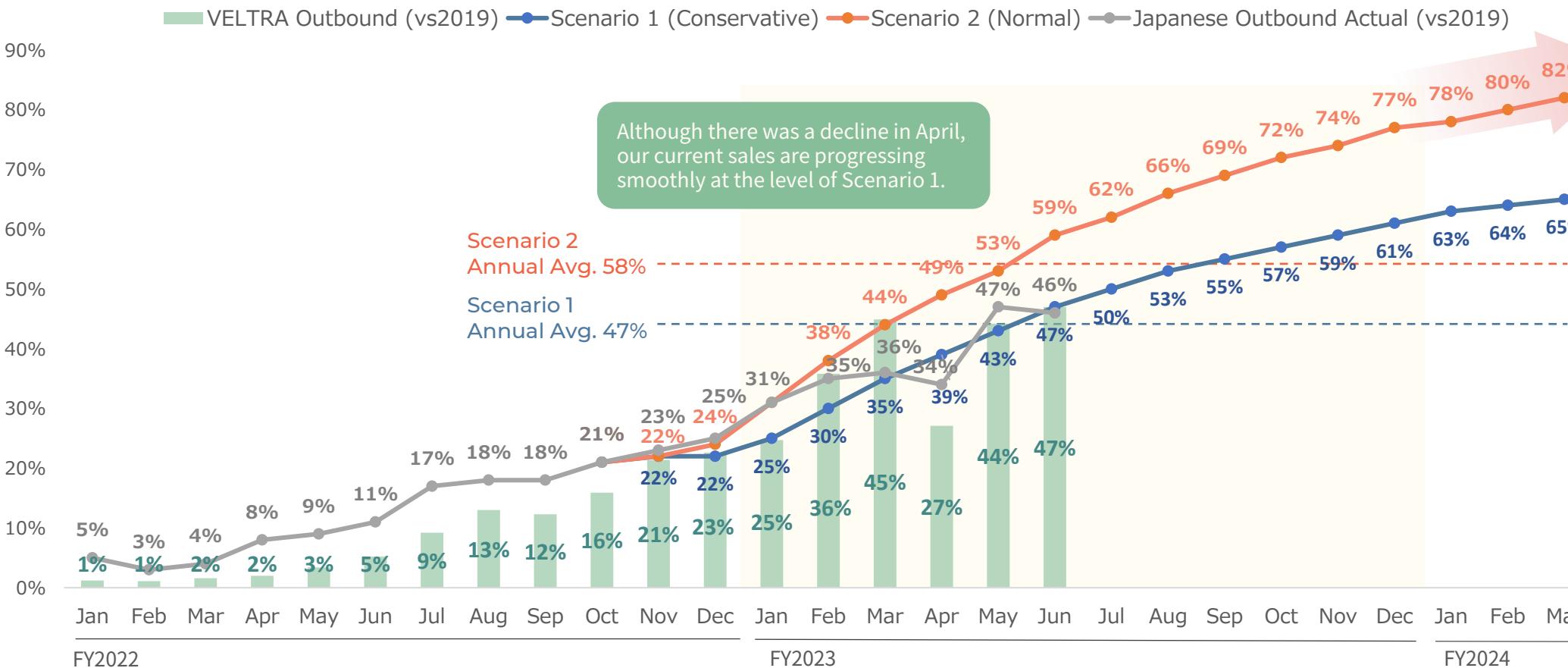
FY2023 Overseas Travel Market Trends (Recovery Forecast)



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.

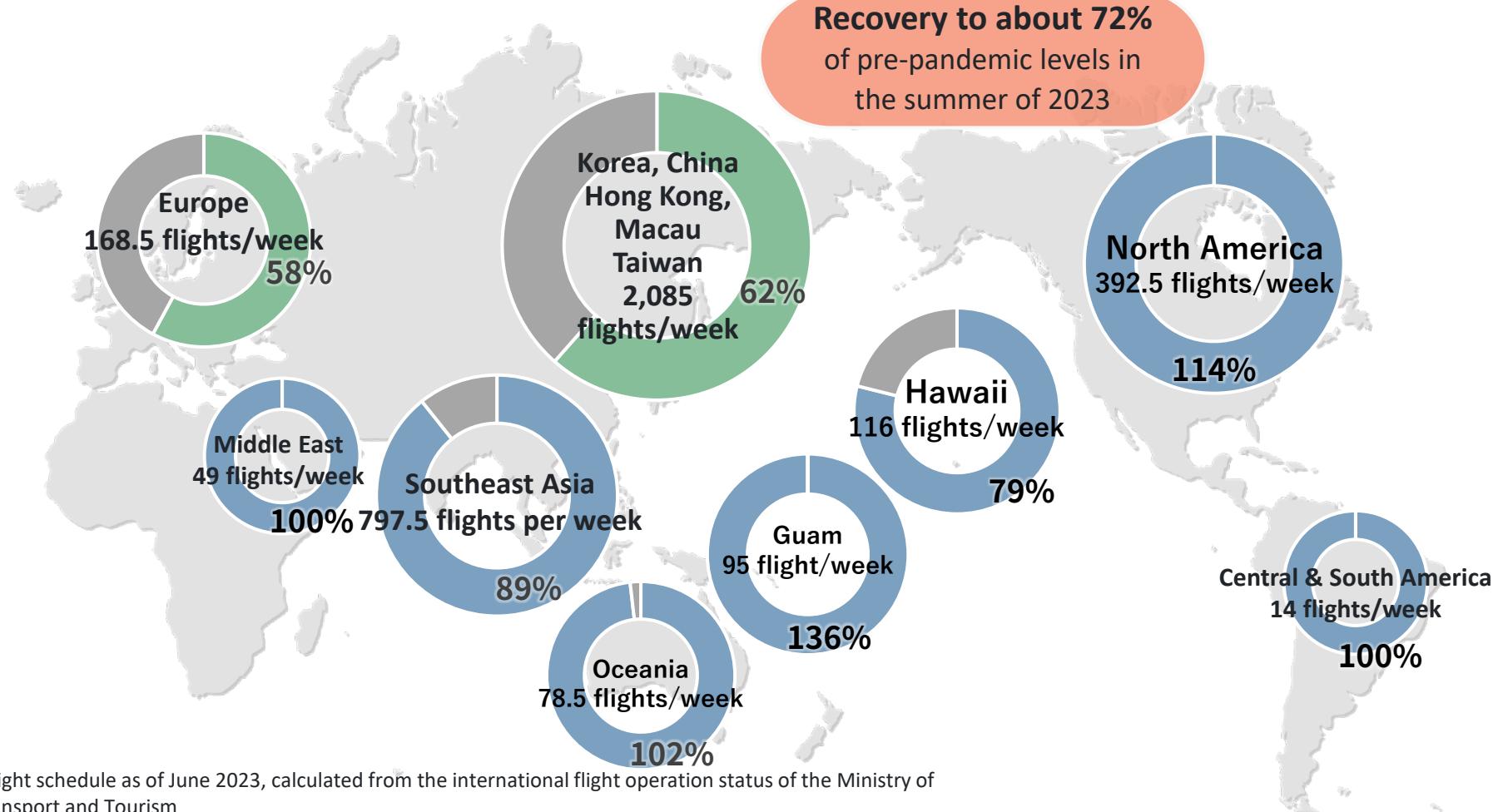


Source: JNTO

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.



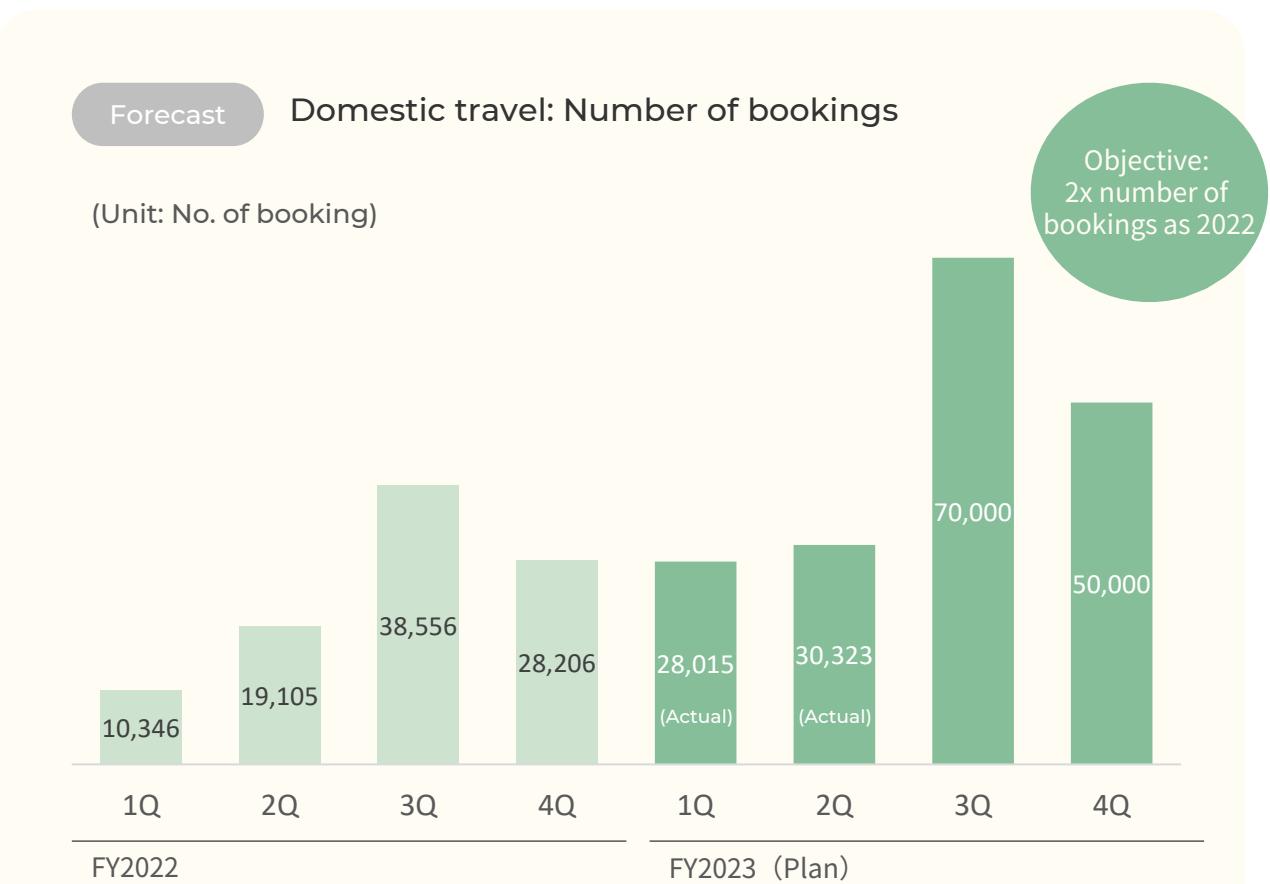
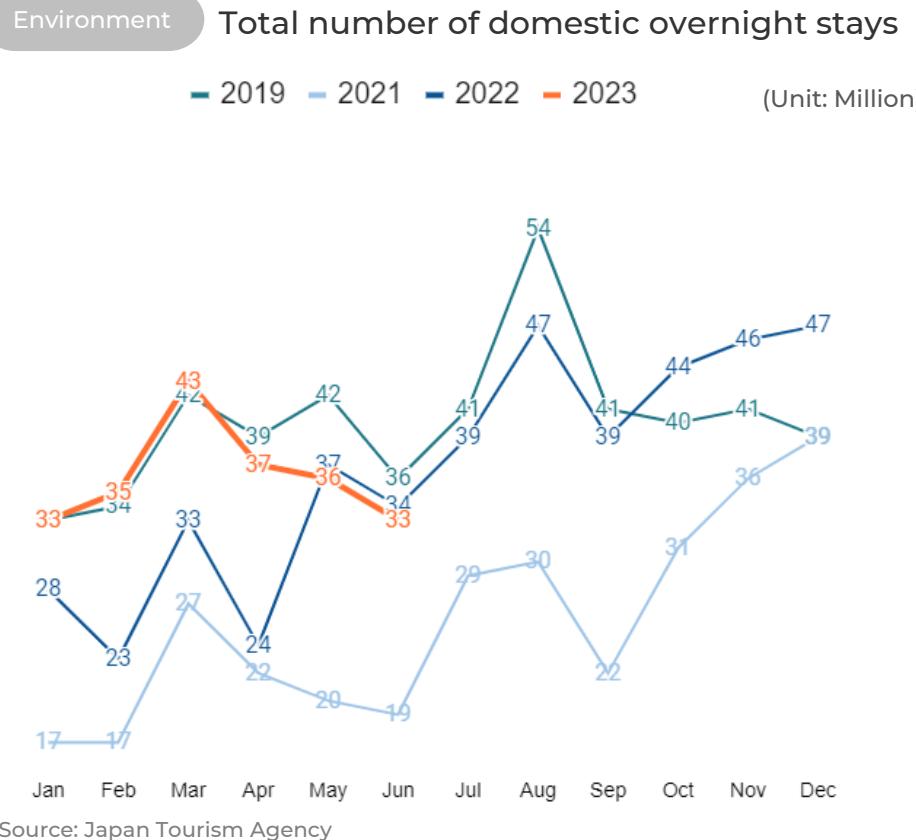
Based on the summer flight schedule as of June 2023, calculated from the international flight operation status of the Ministry of Land, Infrastructure, Transport and Tourism

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

FY2023 Japan Domestic Travel Market



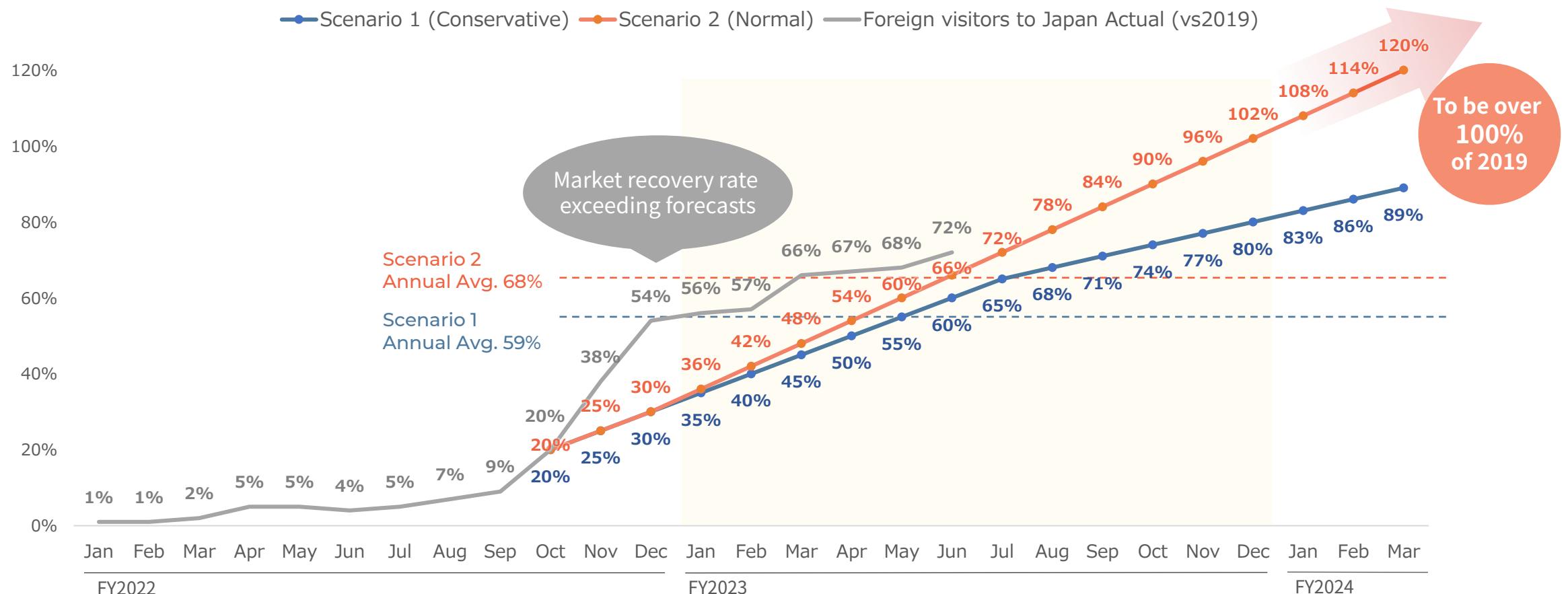
In the domestic travel market, the number of Japanese overnight stays has exceeded the 2019 figure as of the end of 2022, and is expected to increase further, depending on changes in traveler mindset as a result of the expected move to category 5 infections. The revenue of the Company's domestic travel 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.

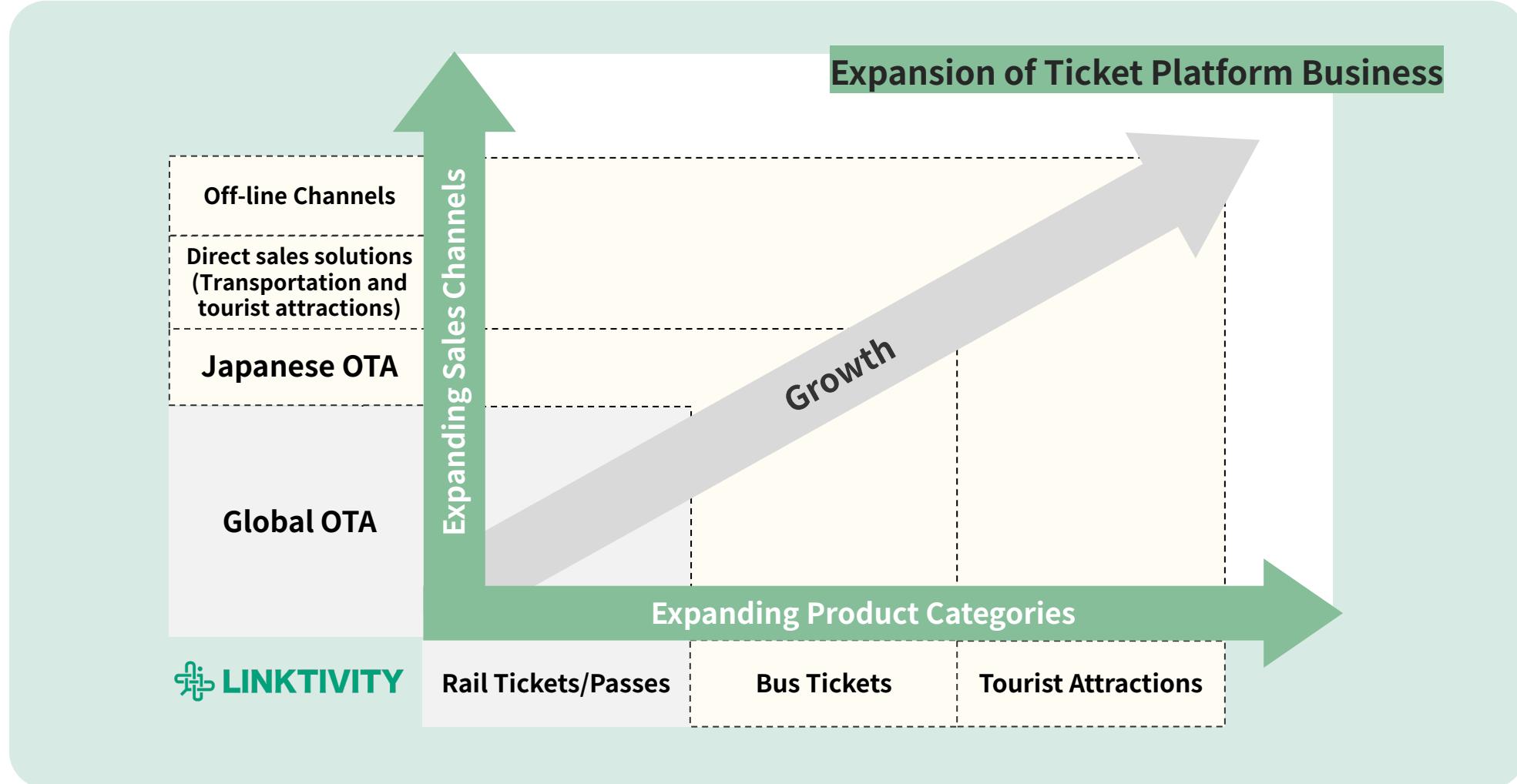


Source: JNTO

LINKTIVITY Business Growth



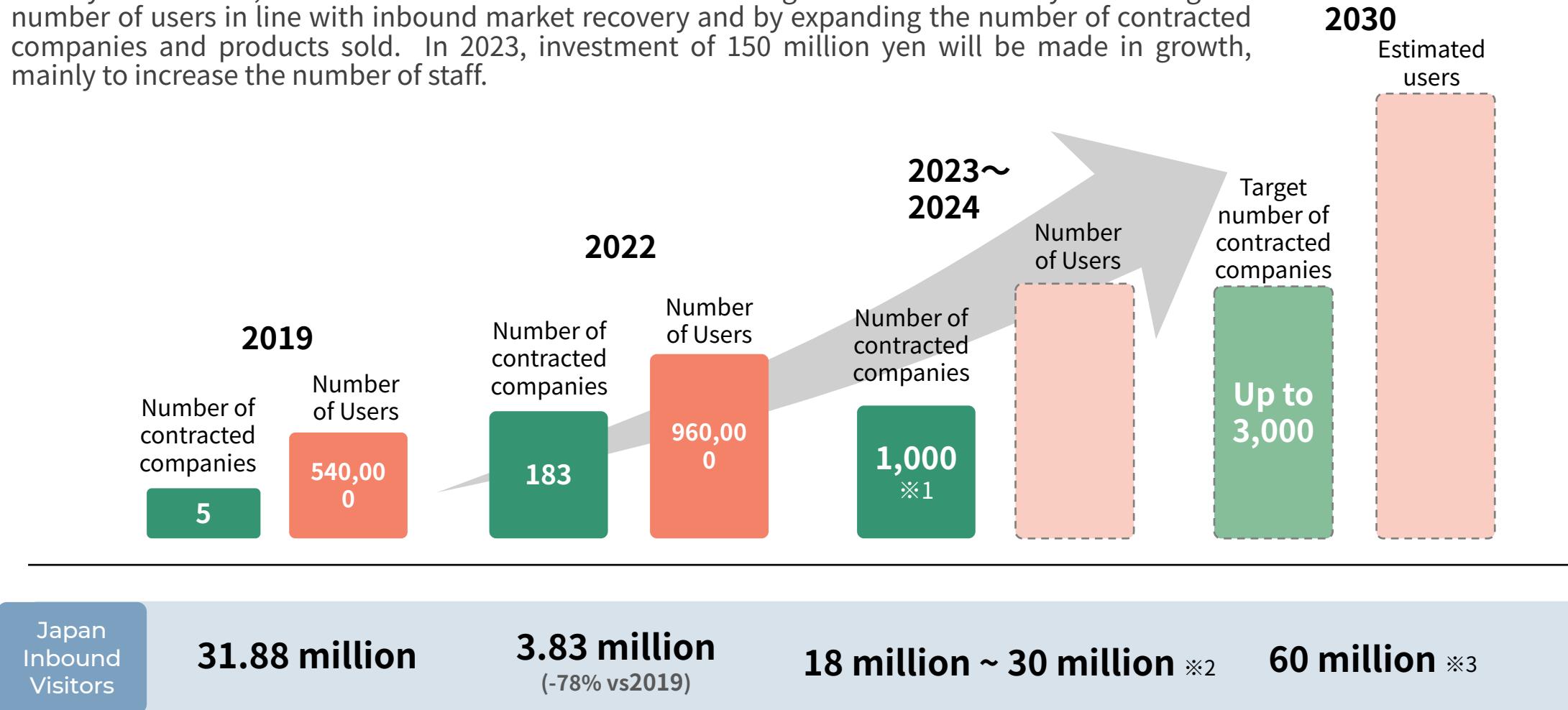
We will accelerate growth by further expanding product categories and sales channels and broadening TAM from its existing positioning as a rail ticket/pass platform for inbound travelers.



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.

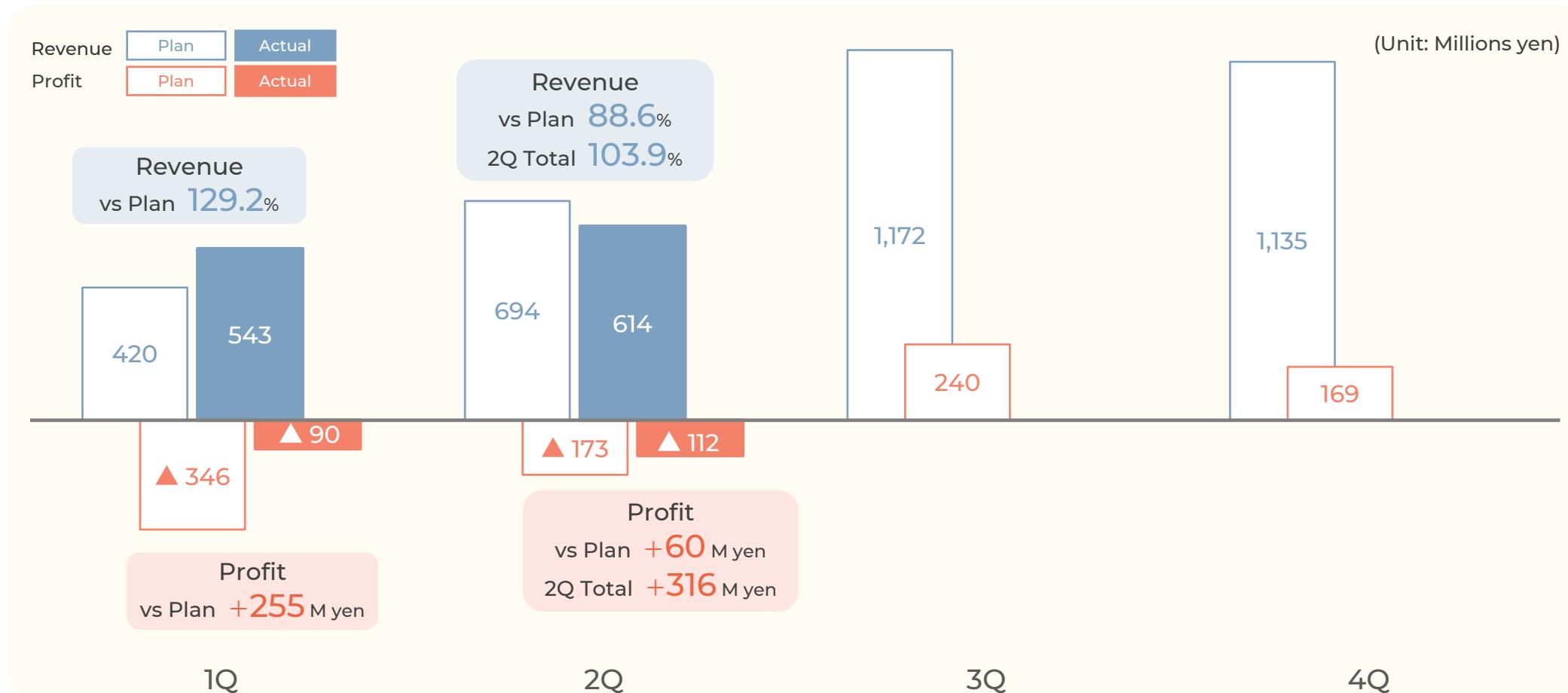
Unit: Million yen	FY2022	FY2023 (Forecast)	YoY
Operating Revenue	1,163	3,420	294.0%
Operating Expenses	1,958	3,524	180.0%
Operating Loss	▲794	▲103	—
Ordinary Loss	▲753	▲139	—
Net Income	▲794	▲189	—
Net income per share (Yen)	▲22.92	▲5.35	+17.57 yen

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.

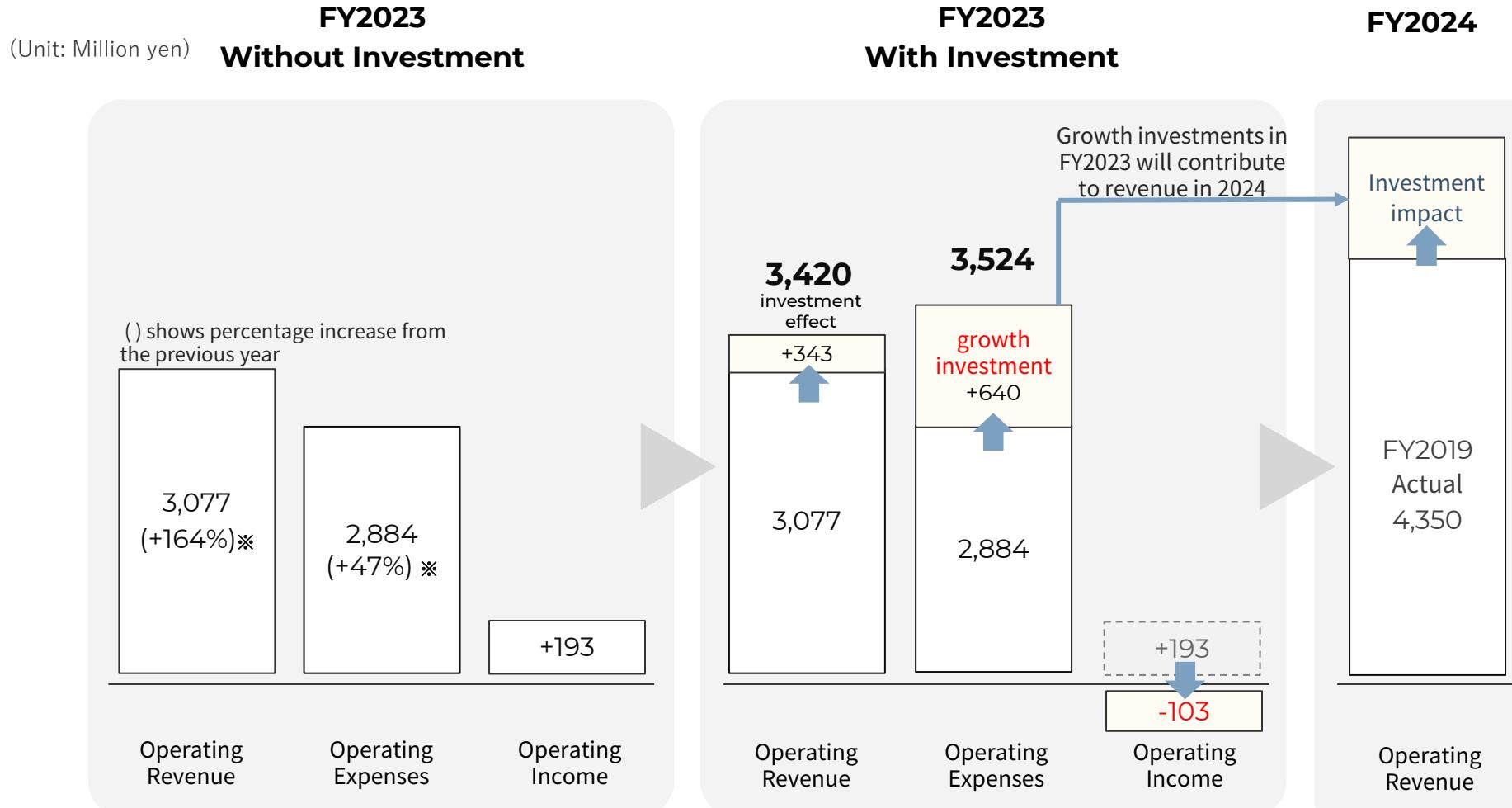
Operating income increased 316 million yen from the original plan in the 2Q cumulative period, steadily moving toward an early return to profitability.



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.

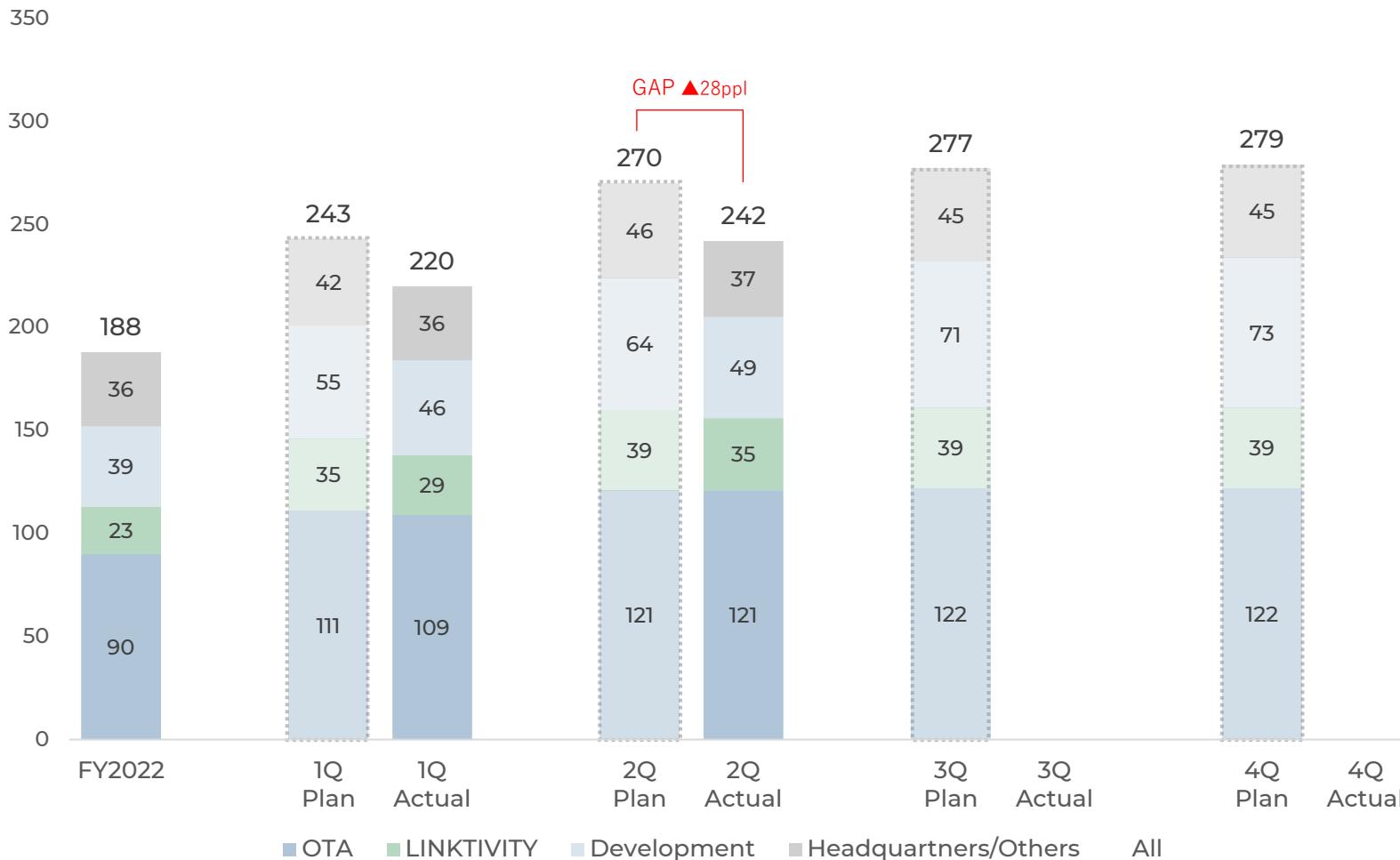


Investment Item	Investment (Millions of yen)	Investment Details	Investment Effect	Investment Rate
Growth of Overseas OTA Business				
Product Enhancement	72	New product development, maintenance and retention of existing products	Revenue growth after 2024 (CVR improvement, unit price increase)	<div style="width: 52%;"></div> 52%
Strengthen Promotion	134	Strengthen promotional measures	Revenue growth after 2024 (Strengthening customer attraction)	<div style="width: 30%;"></div> 30 %
System Improvement	197	Service improvement	Revenue growth after 2024 (Attract more customers, improve CVR)	<div style="width: 37%;"></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 style="width: 42%;"></div> 42 %
Mobile Apps Enhancement	65	Apps Renewal	Revenue growth after 2024 (Attract more customers, improve CVR)	<div style="width: 25%;"></div> 25%
Promoting the growth of LINKTIVITY	125	Securing human resources for sales and engineering	Revenue growth after 2024 (Growth acceleration)	<div style="width: 49%;"></div> 49 %
Tourism development through collaboration with local governments and public administration, DXO	12	Securing response personnel	Securing new sources of revenue	<div style="width: 42%;"></div> 42 %
Investment in Human Resource Development	20	System design, education and training for leadership development	Medium- to long-term organizational strengthening	<div style="width: 35%;"></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

Company Information



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



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

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.

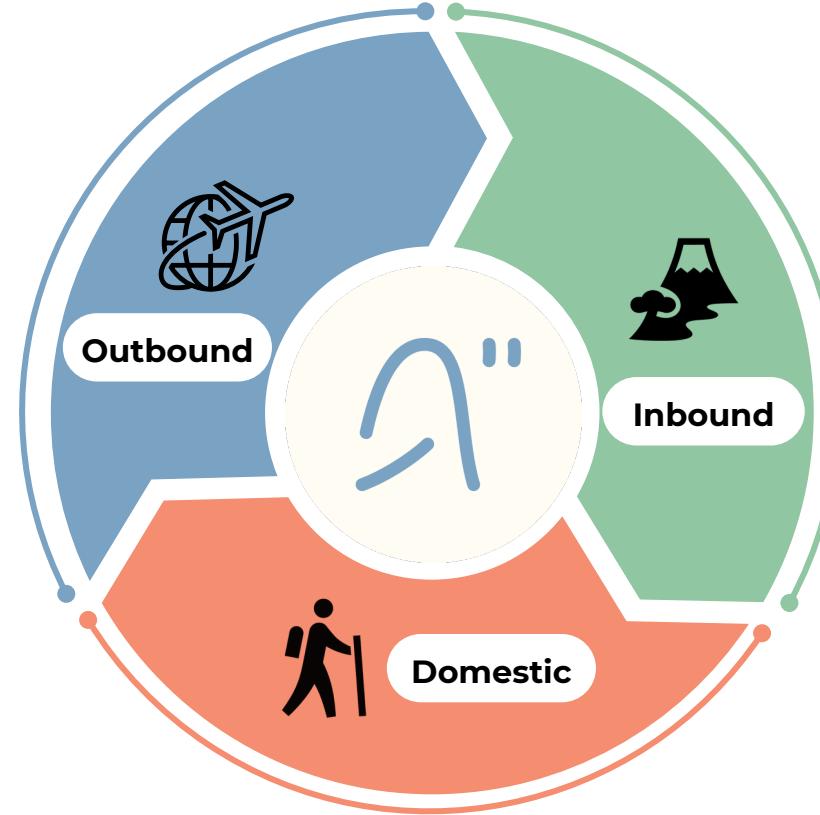


VelTRA®

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.

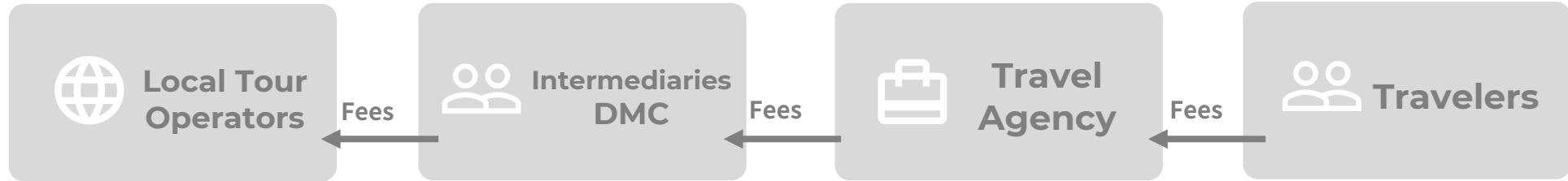
OTA		HAWAII ACTIVITIES		Tourism IT Solutions	
2.3 million		Members	8,5000	Number of Users	960,000
14,500 150 Countries		Activities Countries	650 All Hawaiian Islands	Number of distributors	183
7,000		Partners	440	Number of partners	237
370,000+		Customer Reviews	1,4000	Number of countries served	Sold 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



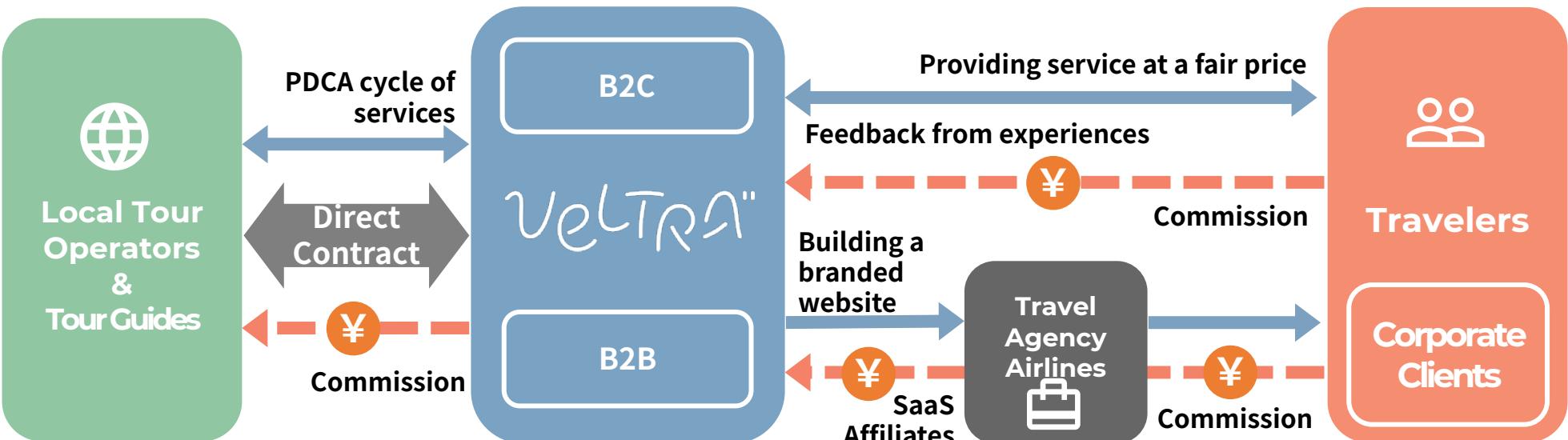
Before

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



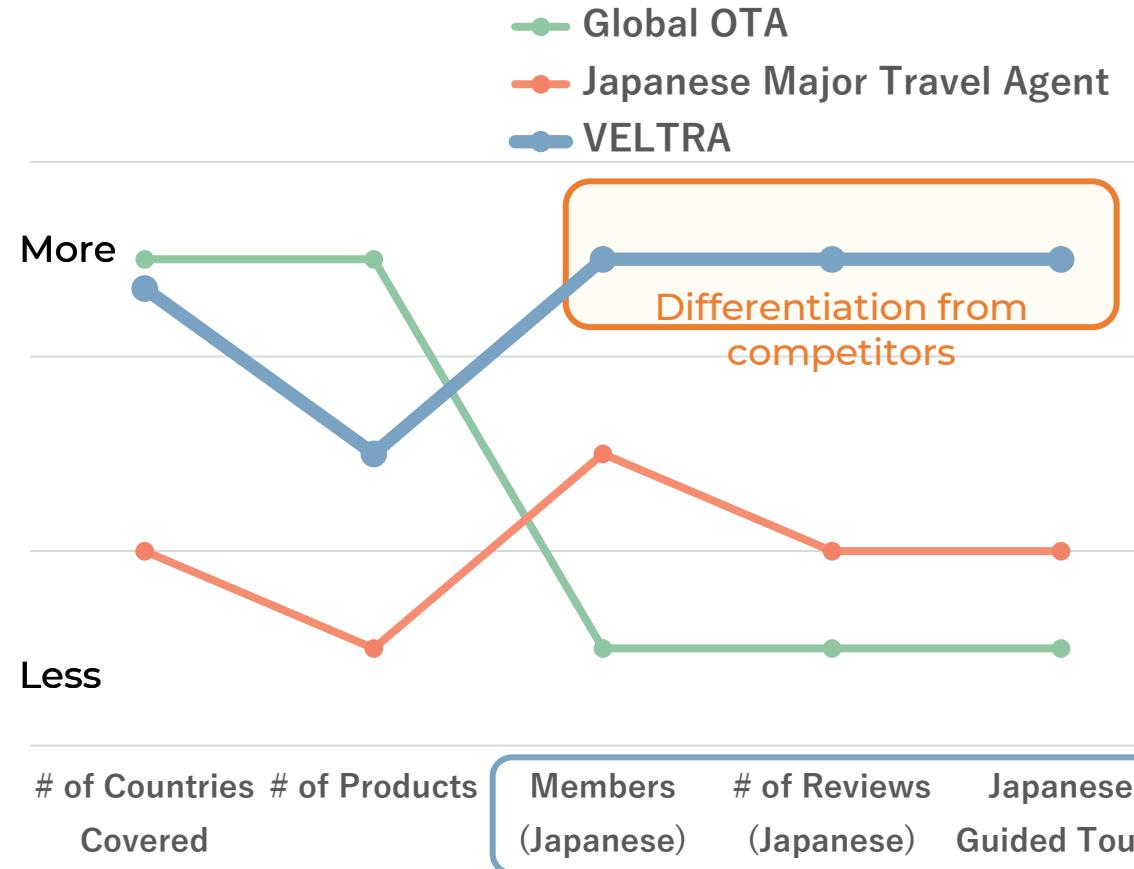
13,000+
Tours & Activities



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+
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

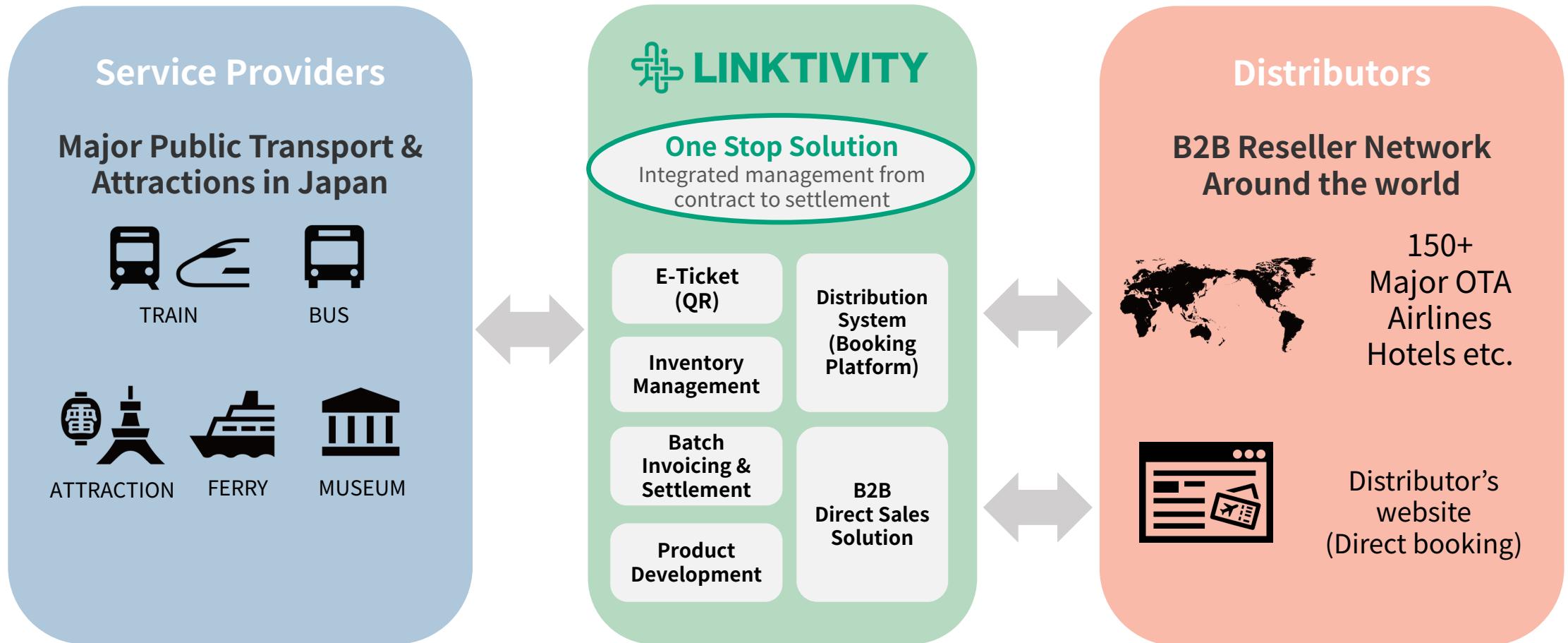


By reinvesting to make the most of our resources, we aim to create new value and further expand market share and maximize corporate value.





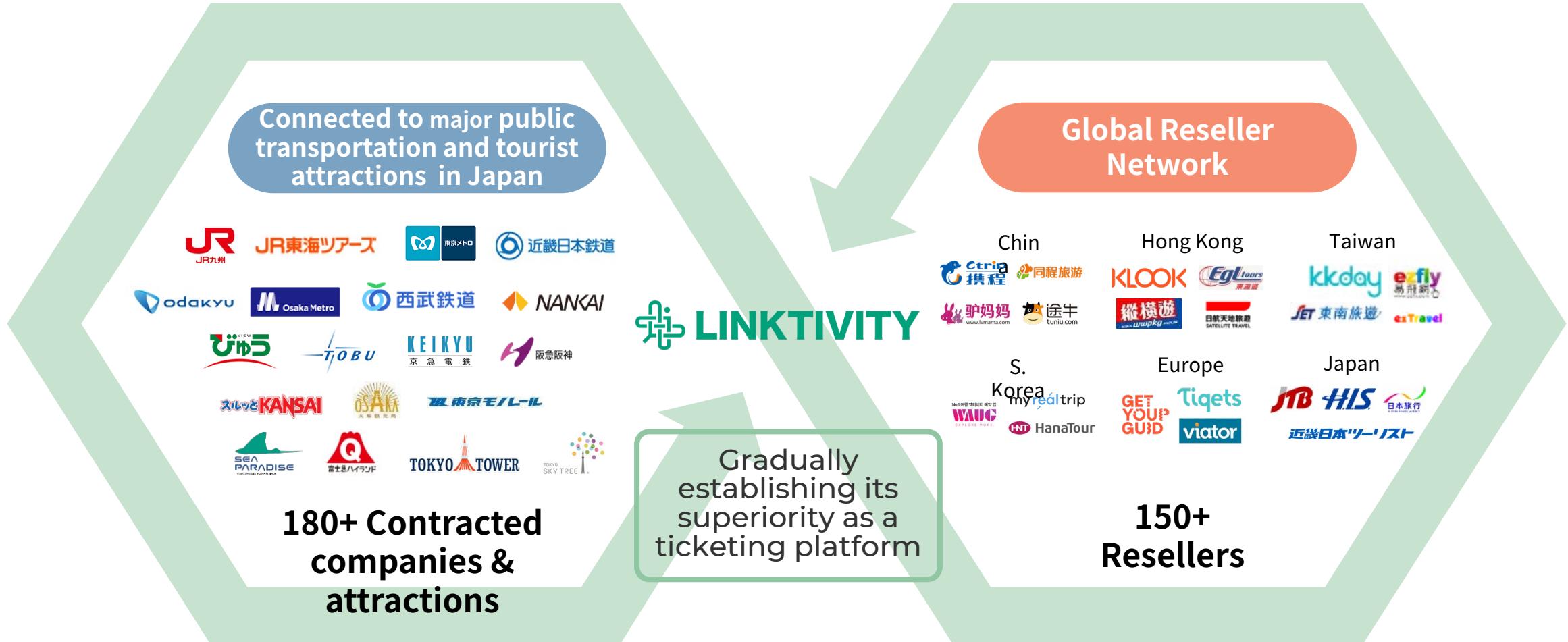
LINKTIVITY is a platform that connects Japanese transportation and attractions with travel companies around the world. It provides a one-stop system solution to link service providers and distributors.



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 Initiatives

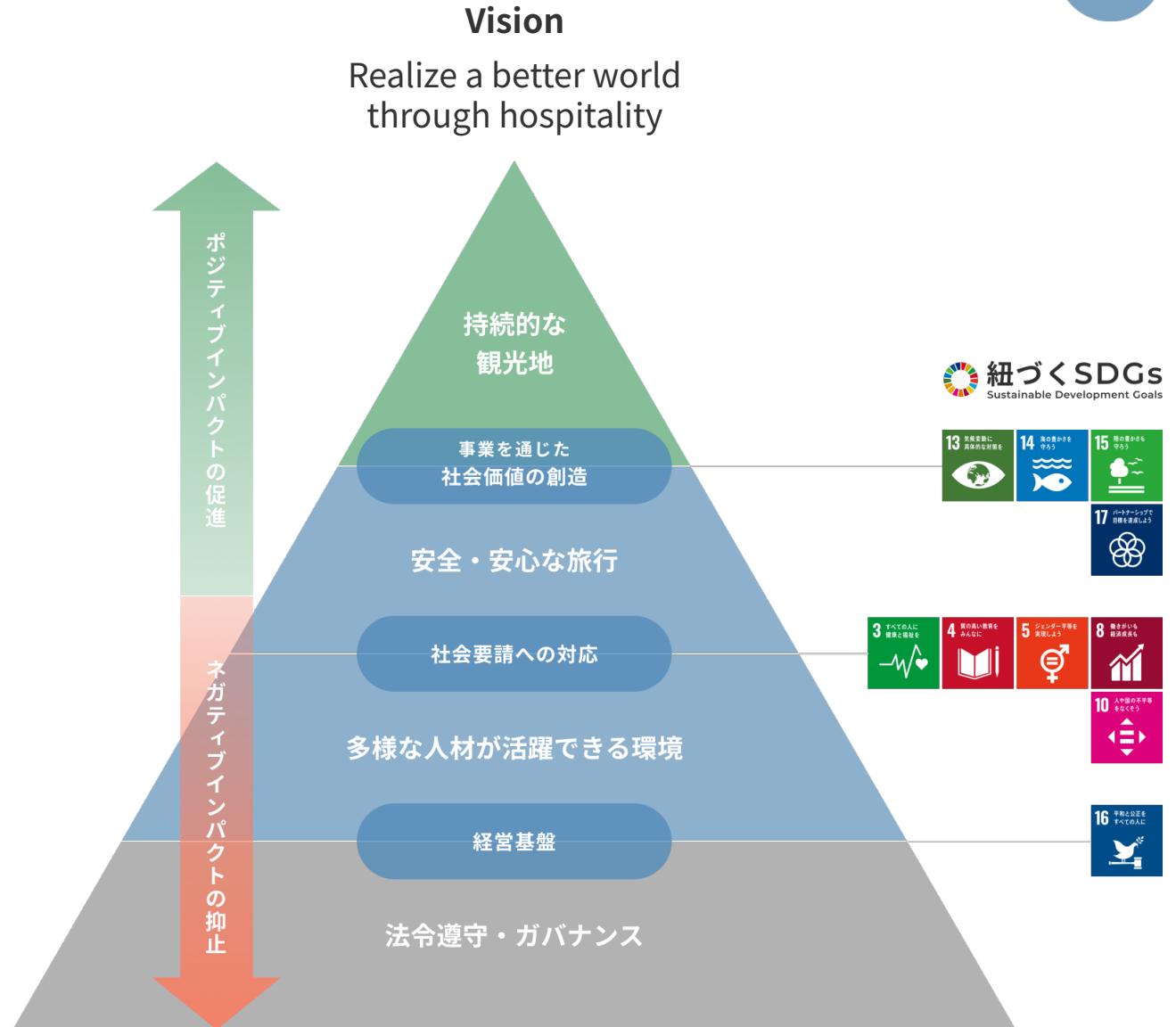


Sustainability Basic Policy:

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 **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.

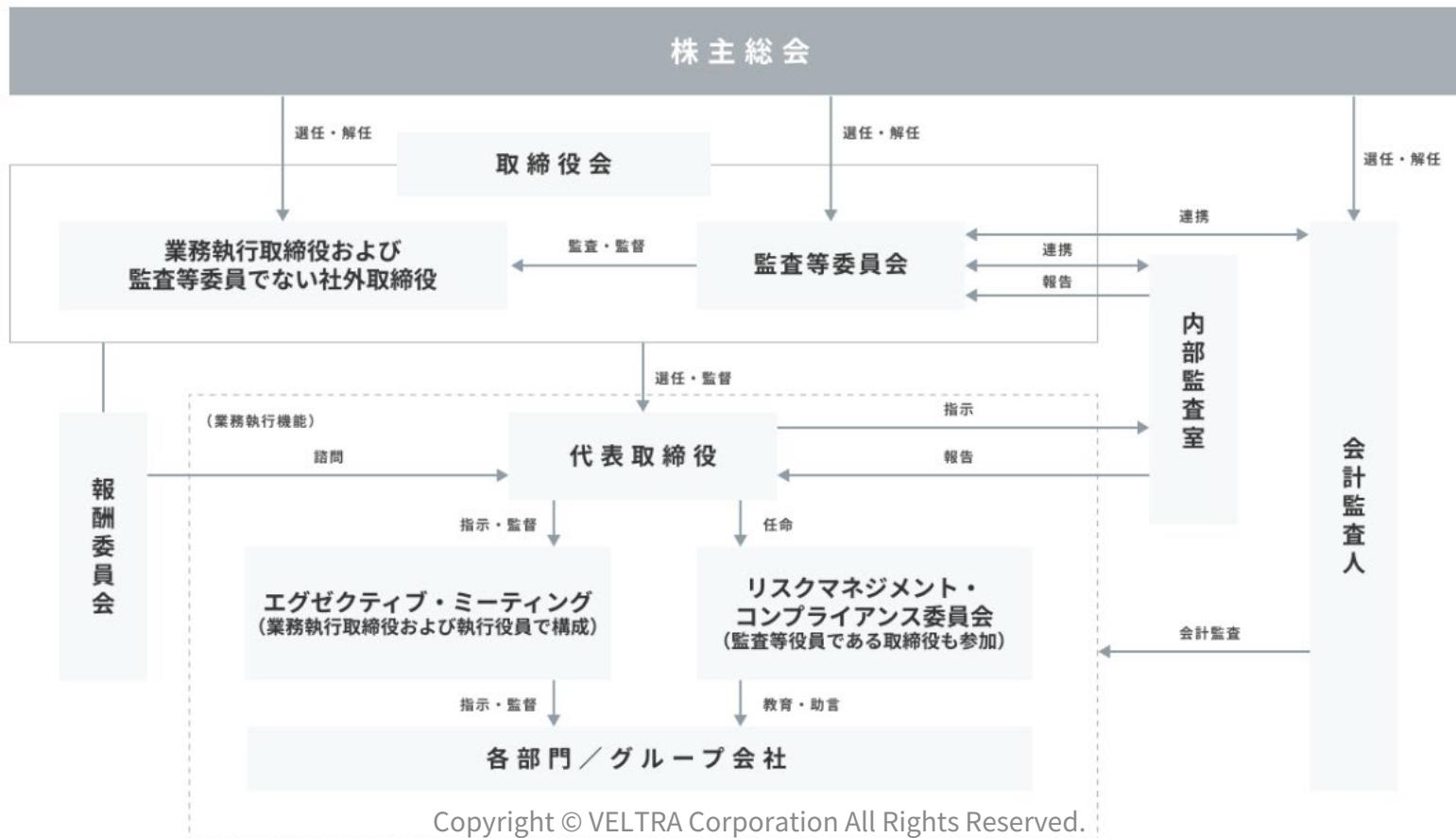
Initiatives to Improve Corporate Governance



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.