



FY2021 Q3 Financial Results

VELTRA Corporation

Tokyo Stock Exchange Mothers: 7048

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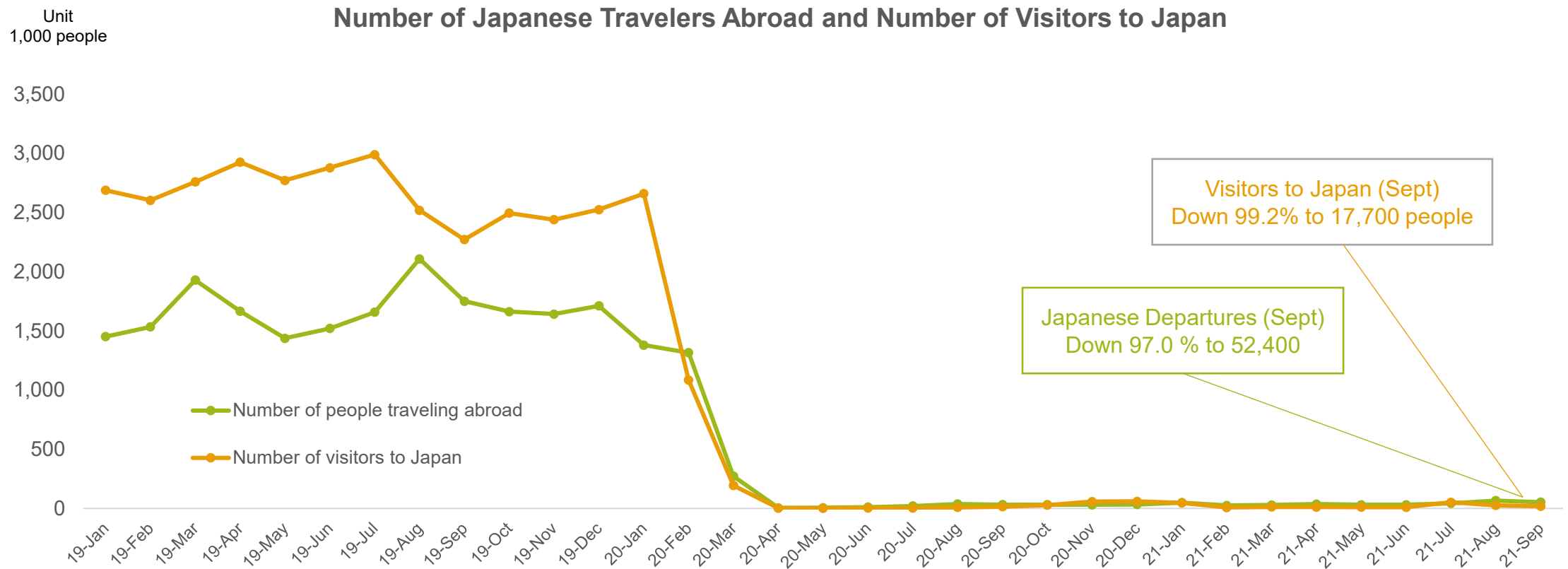
The background of the slide is a photograph of a person with their back to the camera, sitting in a wooden boat on a body of water. The person is wearing a mustard-colored long-sleeved shirt and has their arms outstretched to the sides. They are surrounded by lush green trees and rocky cliffs. A semi-transparent white box is overlaid on the left side of the image, containing the title text.

FY 2021 Q3 Results Overview



Business Environment -Overseas Travelers and Visitors to Japan

- Estimated foreign visitors to Japan in Jan~Sept 2021: 199,900; down 99.2% from the same period in 2019.
- Estimated Japanese departures from Japan for Jan~Sept 2021: 367,700; down 97.6% from the same period in 2019

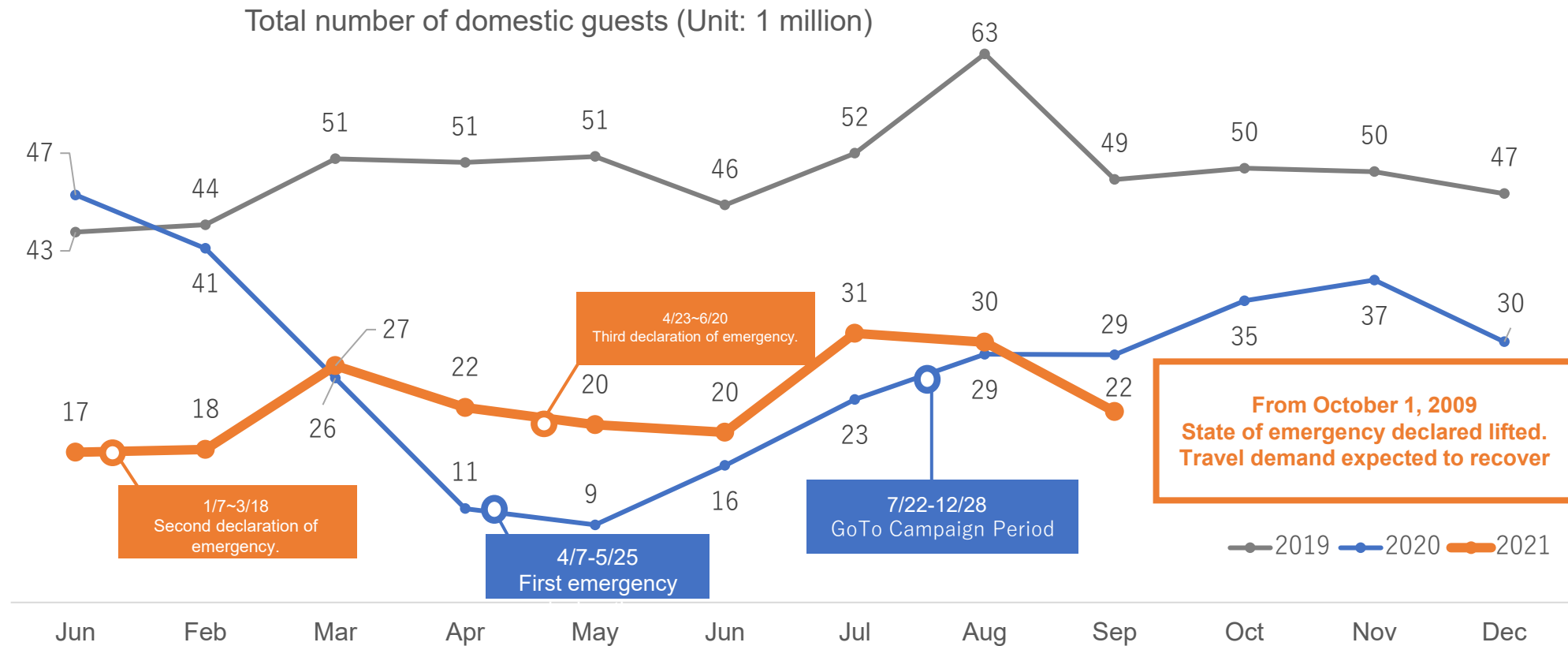


Source: JNTO (Japan National Tourism Organization) October 20, 2021 Release - Statistics on Foreign Visitors to Japan and Japanese Departures - (Japanese only)



Business Environment - Trends in the Domestic Travel Market

- As of September 2021, -53% compared to 2019, showing signs of recovery but still challenging.
- Down -9% YoY from last year due to the positive impact of the GoTo Travel Campaign.

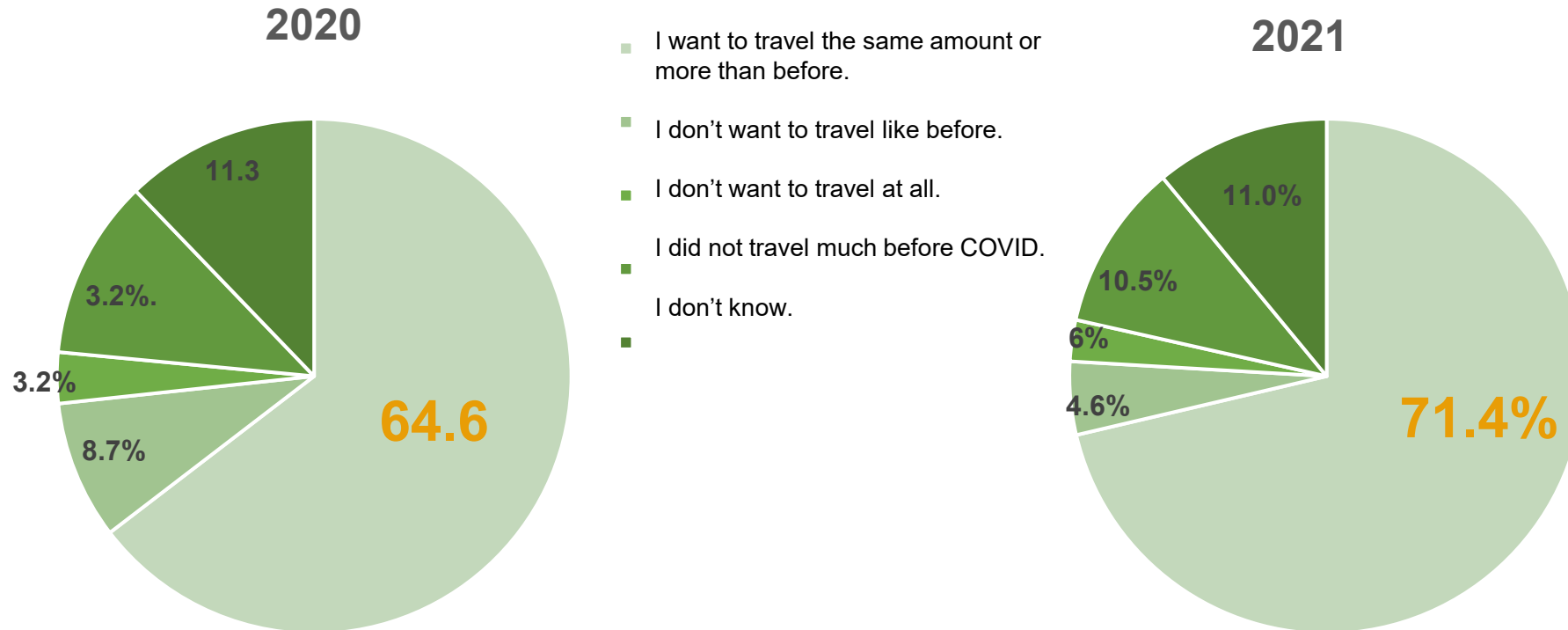


Source: Statistical Survey on Lodging and Travel, Japan Tourism Agency



Market Environment - Trends in Japanese Travelers

■ Desire to travel is on the rise after COVID restrictions are lifted.



As the COVID disaster drags on, the appetite for future travel is greater than ever

August 31, 2021 Japan Transport Agency, "Trends of Japanese Travelers under the New Coronavirus Infection Epidemic (Part 12) - Prepared based on the JTBF Travel Awareness Survey (July)



FY2021 3Q Financial Highlights

Business Environment

Number of Japanese departing Japan: -97.6% of the same period in 2019, 360,000 (2021/Jan-Sep)*.
Number of foreign visitors to Japan: -99.2% of the same period in 2019 to 190,000 (Jan-Sep 2021)*.

Source: Japan National Tourism Organization (JNTO), October 20, 2021 - Statistics on Foreign Visitors to Japan and Japanese Departures from Japan

Performance Overview

Amid the prolonged declaration of a state of emergency due to COVID-19, the company is taking thorough countermeasures against infectious diseases and gradually building up operating revenue. Following the lifting of the state of emergency on October 1, the number of bookings is on a steady recovery trend.

Operating revenue	3.55 million yen	YoY change	(484) million yen
Ordinary loss	(842) million yen	YoY change	+33 million yen
Net loss	(884) million yen	YoY change	+213 million yen

Performance Highlights

- Despite a significant increase in the number of newly infected patients in August, performance progressed as initially expected.
- HawaiiActivities (U.S. mainland travelers) bookings peaked in July, the peak season for Hawaii, and despite the impact of the Delta variant, bookings were still strong and in line with initial expectations.
- Domestic activity bookings in Q3 exceeded those in Q2.

Business points

- Utilizing a 2 million member base and a network of over 5,000 suppliers around the world maintained and expanded customer contact through new services and media development.
- Steady progress in business structure reform to capture demand after COVID-19 control.



P/L Summary (Consolidated)

- ① Gradual increase in operating revenue despite prolonged emergency declaration, while ensuring countermeasures against infectious diseases.
- ② Continued to implement thorough cost control while allocating appropriate management resources to operating expenses.

	FY 2021 Q1 (Jan-Mar)	FY 2021 Q2 (Apr-Jun)	FY 2021 Q3 (Jul - Sept)	FY ending Dec 31, 2021 Q3 total (Jan - Sept)	Year ending Dec 31, 2020 Q3 total (Jan - Sep)	YoY
Unit: million yen						
operating revenue	① 51	128	175	355	840	42.3%.
operating expenses	② 399	392	397	1,189	1,773	67.0%.
operating loss	▲348	▲264	▲221	▲834	▲933	-
non-operating income	13	22	six	43	69	61.8%.
non-operating expenses	51	one	▲1	51	12	421.4
ordinary loss	▲385	▲243	▲214	▲842	▲875	-
For special loss	13	two	0	16	116	13.7%.
Quarterly net income	▲400	▲249	▲234	▲884	▲1,098	-
Net income per share (yen)	▲12.31	-	-	▲26.89	▲38.06	



Operating Revenue and Operating Income (Loss) Quarterly Trends (Accounting Period)

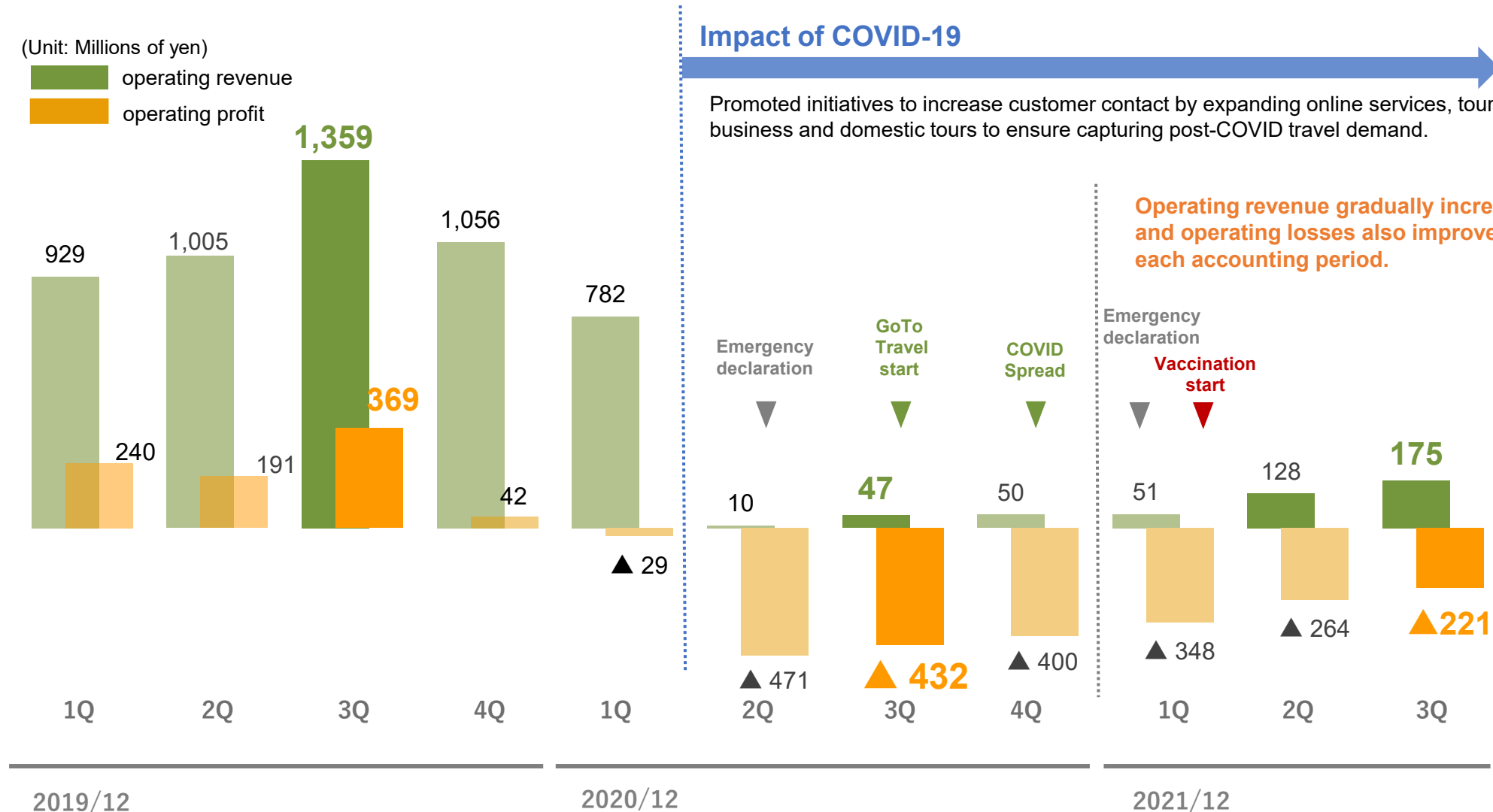
(Unit: Millions of yen)

■ operating revenue
■ operating profit

Impact of COVID-19

Promoted initiatives to increase customer contact by expanding online services, tourism IT business and domestic tours to ensure capturing post-COVID travel demand.

Operating revenue gradually increased and operating losses also improved in each accounting period.

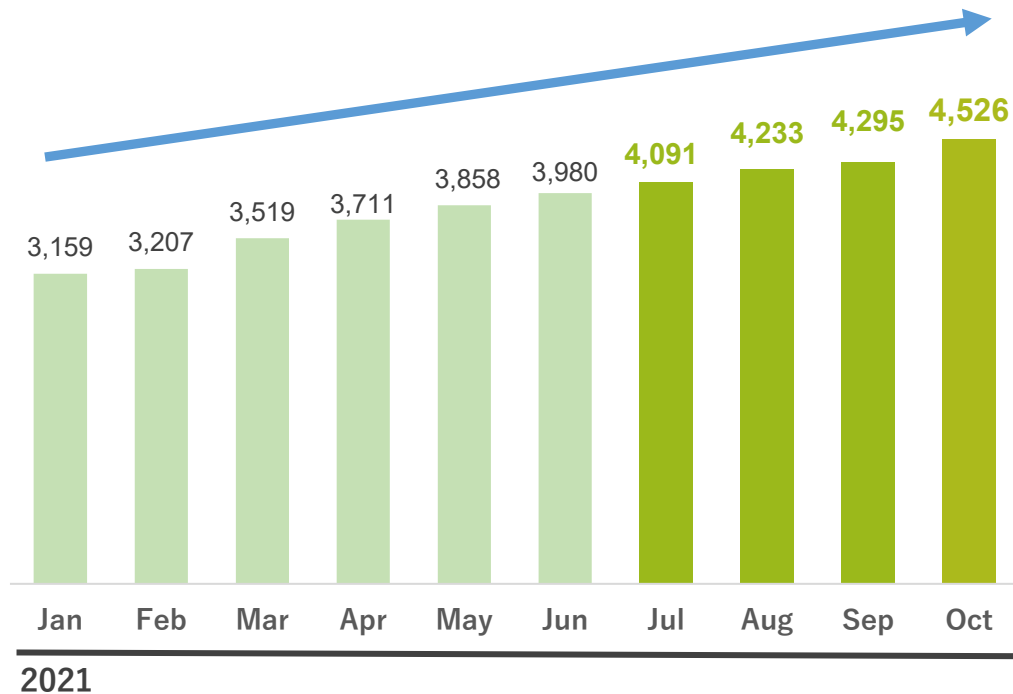




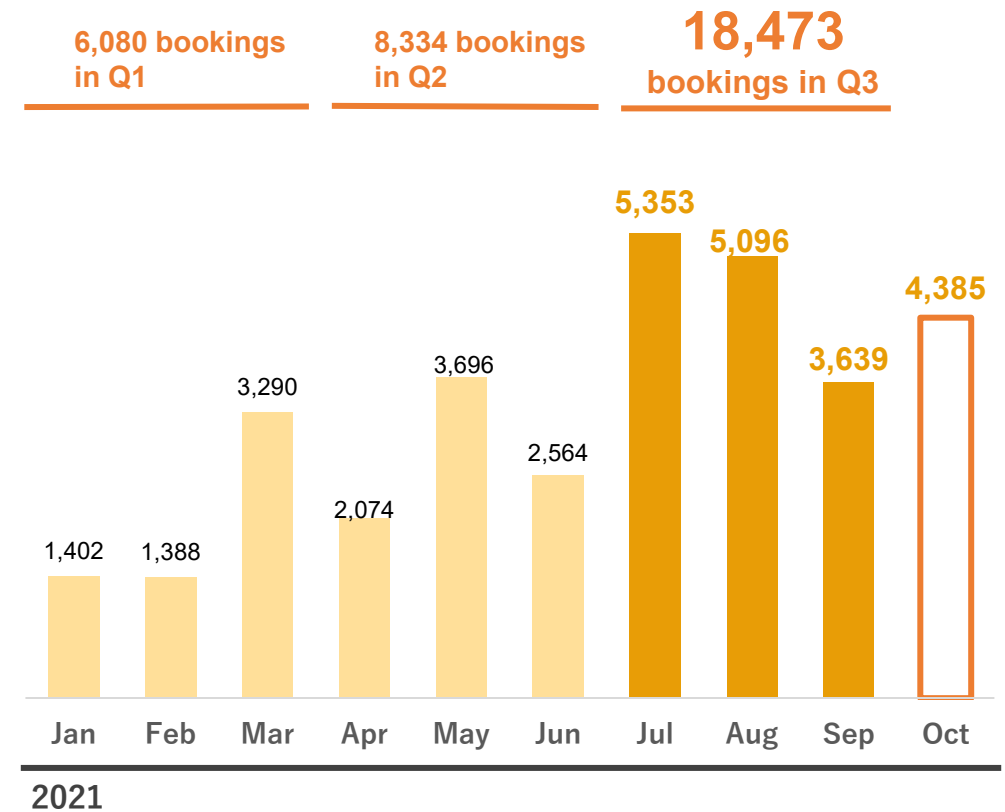
Domestic Tour Status

- From April 2020 onwards, the number of products will be expanded to approximately 4,500, and by the end of 2021, the number of products is expected to double compared to the April 2020 level (2,394 products).
- Although demand temporarily slowed due to the impact of an increase in COVID infections this summer, the total number of bookings for the Q3 accounting period increased significantly compared to Q1 and Q2.
- The number of bookings have been on a recovery trend since October, when the state of emergency was lifted.

Number of domestic tour products



Number of bookings by month



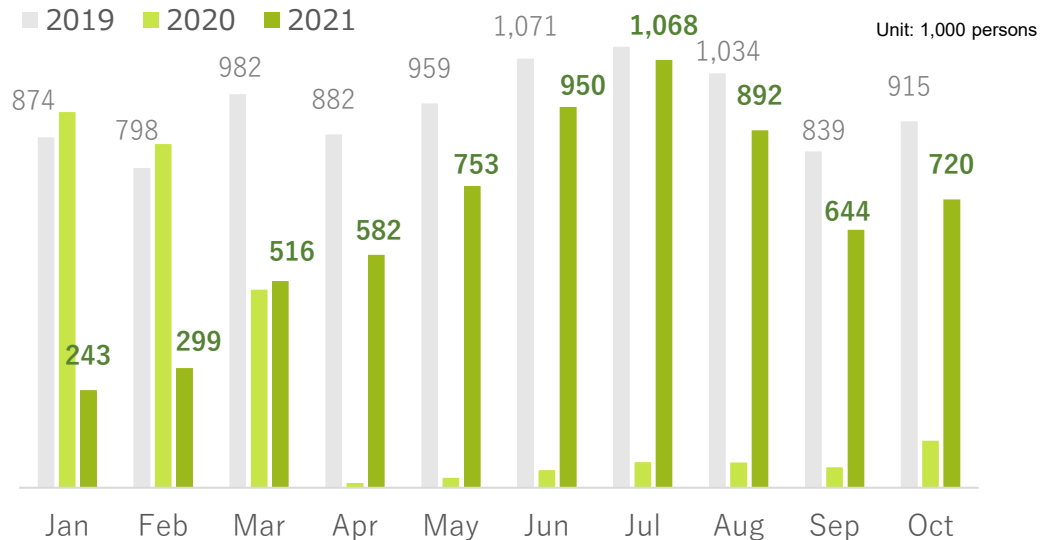
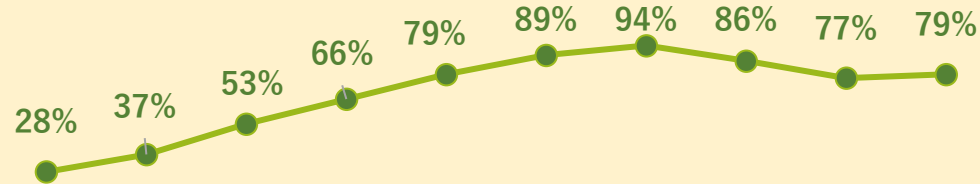
HawaiiActivities Recovery Status (2021 vs 2019)

- With the off-season start of the new school year, HawaiiActivities*'s autumn bookings have slowed, but bookings are expected to increase for the year-end holiday season

* HawaiiActivities is the OTA business of VELTRA Group's company specializing in Hawaii local experience tours for the U.S. mainland.

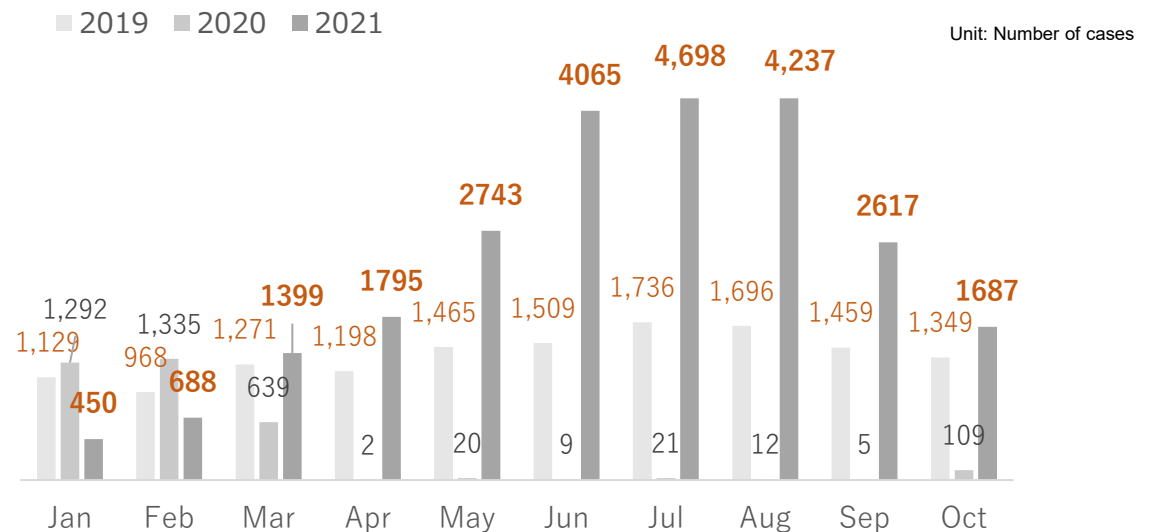
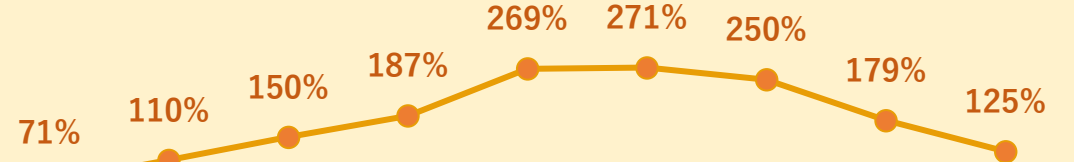
Number of arrivals in Hawaii from the U.S. mainland

Traveller recovery rate VS 2019



HawaiiActivities Bookings by Month

Our booking recovery rate VS 2019

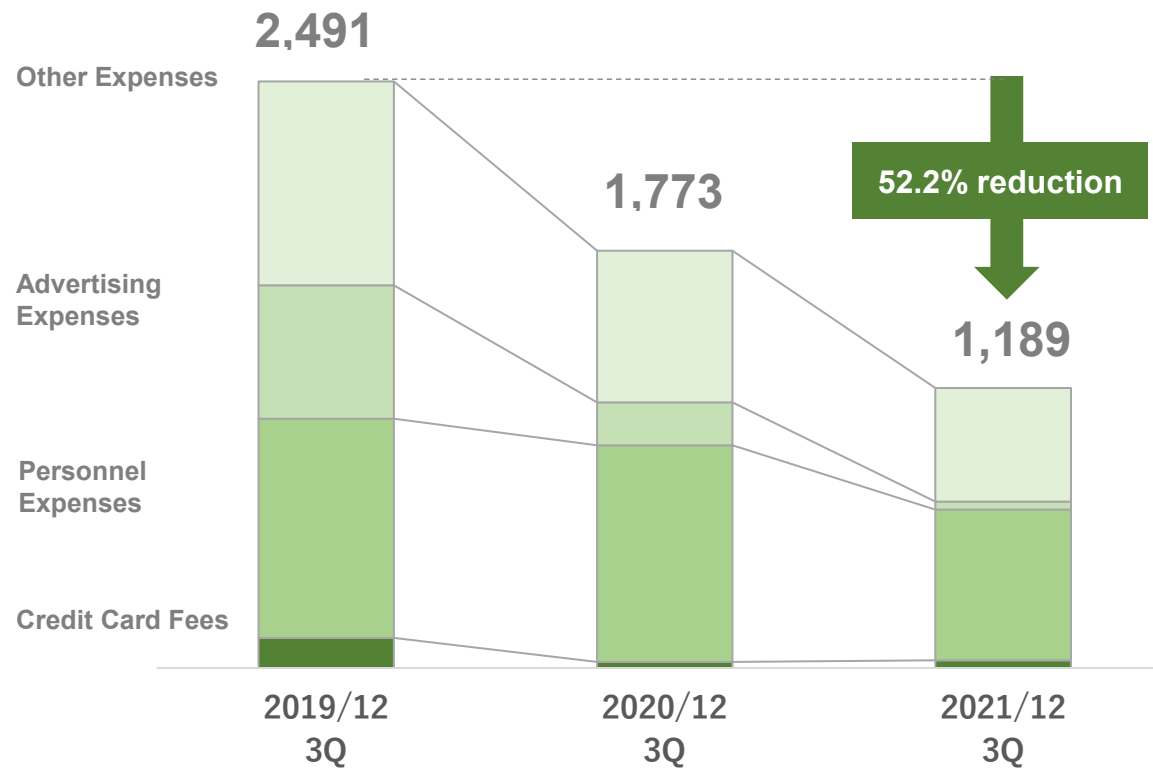




Financial Measures

■ Continue thorough cost reduction measures

(Unit: Millions of yen)



We have conducted a thorough company-wide review of costs and reduce fixed costs and maintained a lean management structure.

- Reduction of personnel expenses (reduction of remuneration for directors, suspension of bonus payments, employee leave.)
- Significant reduction in advertising costs
- Relocation of head office functions
- Implementation of voluntary retirement



B/S Summary

■ Capital adequacy ratio of 63.6%, maintaining financial soundness

Unit: million yen	Period Dec 2020	Period Q3 2021	Change	Notes
Current Assets	1,098	1,374	276	
Cash and deposits	917	1,240	323	
Fixed Assets	620	495	▲124	Software and investments and other assets decreased by 97 million yen and 42 million yen, respectively.
Total Assets	1,718	1,870	152	
Current Liabilities	1,136	667	▲468	Short-term loans payable decreased by 599 million yen, while advances received increased by 80 million yen.
Fixed Liabilities	29	three	▲25	Long-term debt decreased by 25 million yen
Total Liabilities	1,165	671	▲494	
Favorable Sub Liabilities	760	61	▲699	
Total Net Assets	552	1,198	646	Capital stock and capital surplus increased by 756 million yen each due to the issuance of new shares through third-party allotment. Decrease in retained earnings due to net loss attributable to owners of the parent of ¥884 million
Capital to Asset Ratio	31.9%	63.6%	+31.7pt	

FY 2021 Earnings Forecast



FY 2021 Earnings Forecast

With regard to the consolidated earnings forecast for the fiscal year ending December 31, 2021 (full year), as uncertainty of market recovery from COVID-19 remains unclear it is difficult to calculate a reasonable earnings forecast at this time. Therefore, the forecast for the fiscal year ending December 31, 2021 has not been determined.

We will promptly disclose the earnings forecast when it becomes possible to do so.

The background of the slide is a photograph of a person lying in a hammock, viewed from behind. Their arms are raised towards the sky, reaching into the dense green foliage of trees. The scene is bathed in warm, golden sunlight, creating a peaceful and natural atmosphere. A semi-transparent white rectangular box is overlaid on the right side of the image, containing the section header.

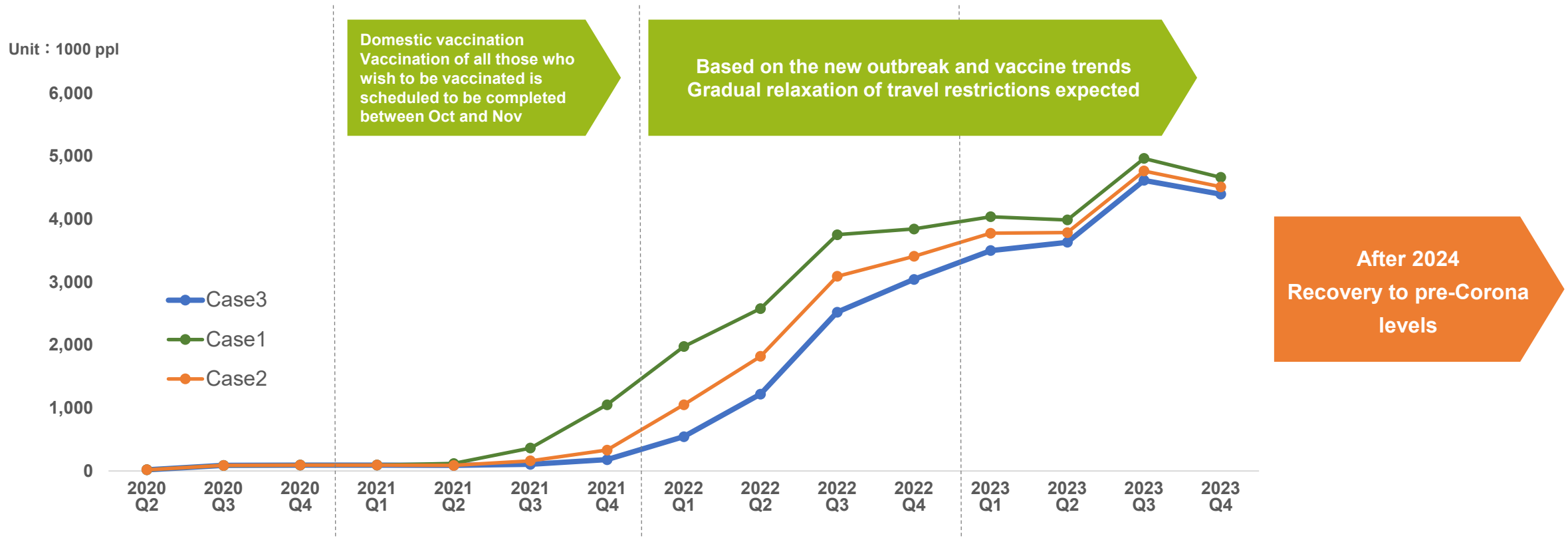
FY 2021 Future Actions



Overseas Travel Market Trends (Our Recovery Forecast)

- Recovery of overseas travel is still uncertain, and full-fledged recovery is still assumed for 2022.
- The three scenarios are based on past travel recovery scenarios at the time of the SARS outbreak, and are calculated to start in June (Case 1), August (Case 2), and October (Case 3).
- Although there will be some delay due to the impact of the current 5th wave, the vaccine will be within the expected range (Case 3).
- Cross-border movement is expected to resume gradually from late November 2021 as the vaccine takes effect, leading to a gradual recovery

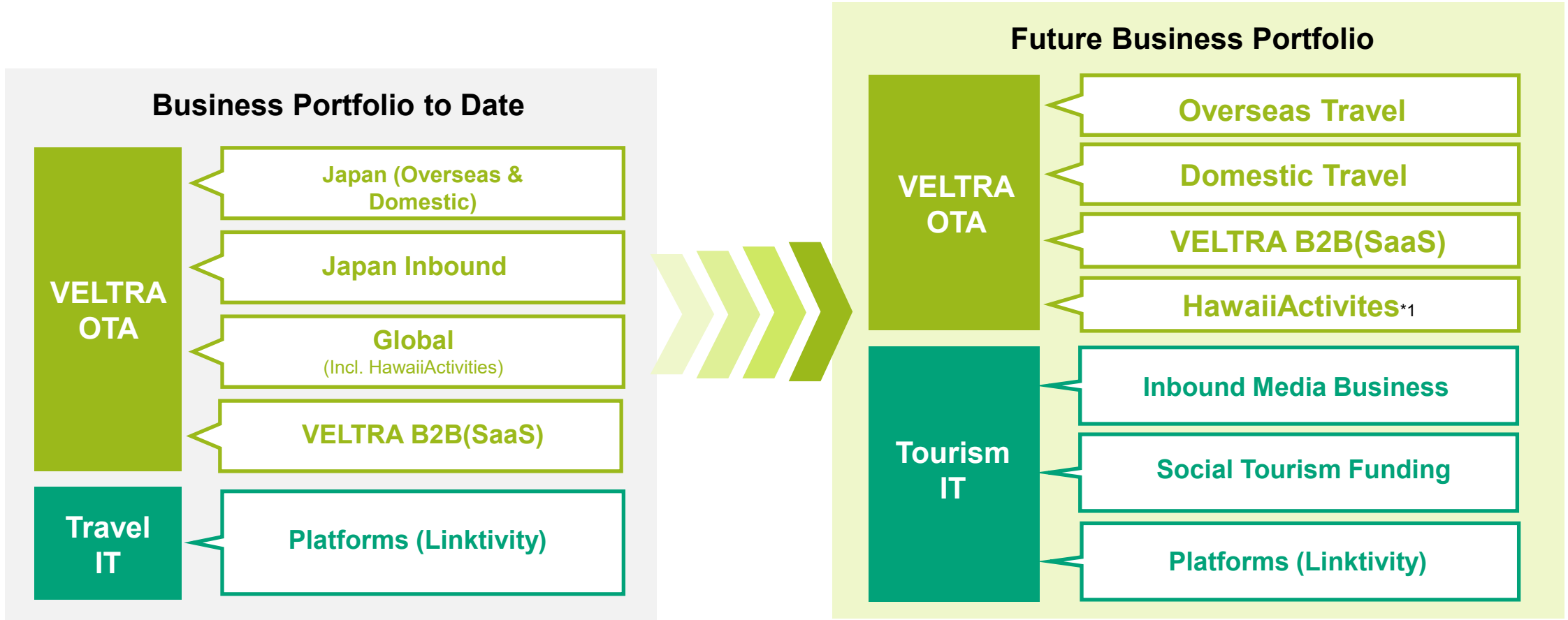
Scenario for recovery in the number of Japanese traveling abroad (our original forecast based on the SARS case)





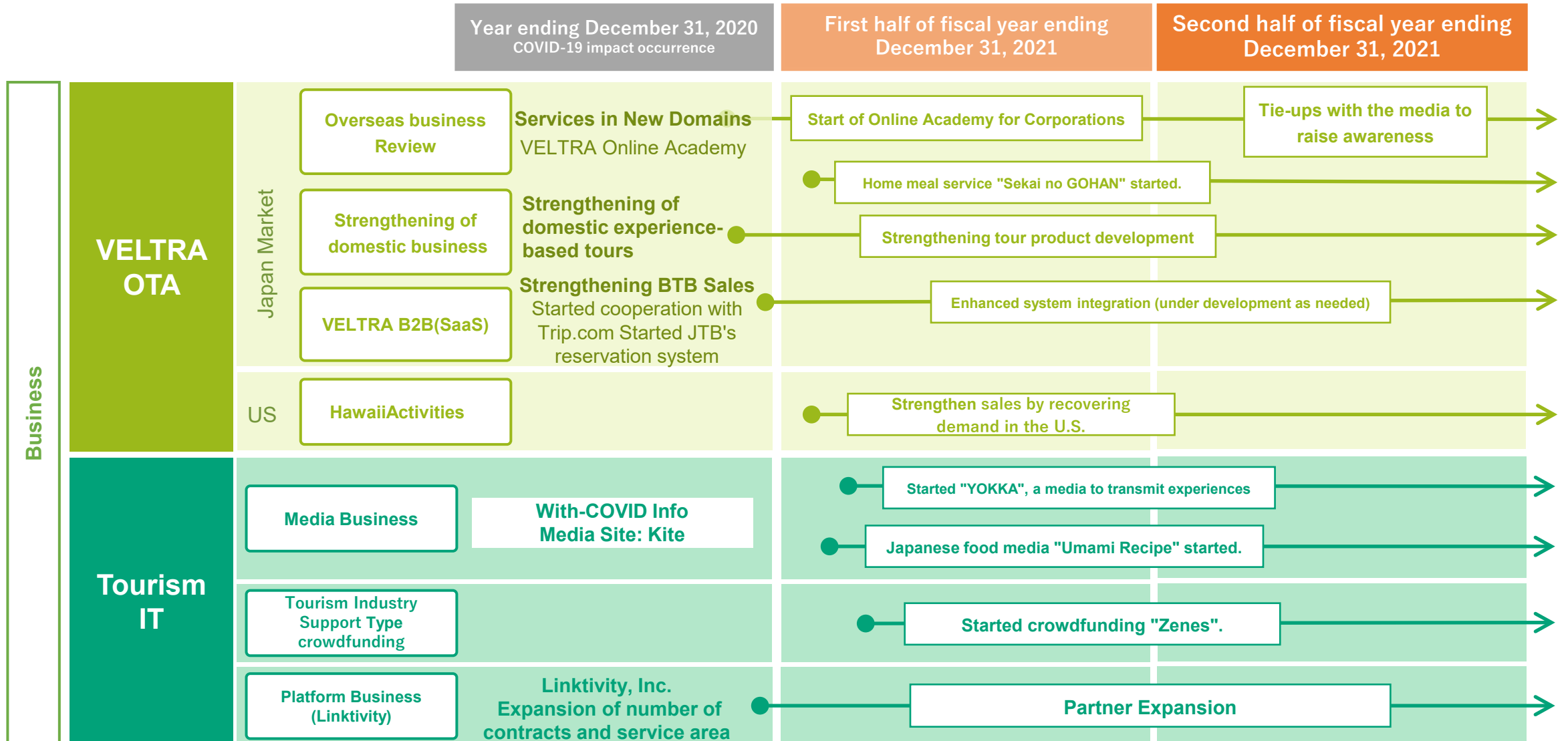
Restructuring of business portfolio

- To date, VELTRA Group has been expanding its business as an online travel agent (OTA) for local experience tours, with a focus on VELTRA's online booking service. Future projects include establishment of a new travel-related IT business utilizing the assets of VELTRA which will confer an advantage over the competition. The company will not only expand its business as an OTA, but will also diversify its business, aiming to maximize its corporate value in two areas: travel recovery and new tourism-related IT services.



*¹ HawaiiActivites is our wholly owned subsidiary, an OTA specializing in Hawaii for mainland U.S. travelers.

Progress in Business Portfolio Restructuring





About VELTRA OTA Business

- New services introduced in the first half of the year have been well received, and we plan to introduce a series of plans to respond to the full-scale overseas travel expected from 2022 onward and to domestic travel demand, which is expected to recover ahead of overseas travel.

Future Initiatives

Overseas Market

Gradual resumption of travel by foreign students and for business purposes. We plan to invest resources from 2022, when the restrictions on overseas travel is expected to be lifted in earnest.

Domestic Market

We expect demand for domestic travel to recover ahead of schedule due to the lifting of the emergency declaration and the spread of vaccinations. We will further strengthen our product lineup for the domestic market.

New Service

Online company trips for corporations (about 90, involving about 3,000 people) and tie-up projects with the media, such as tours of popular movie locations, were well received, with full bookings on all days.

North American Market (HawaiiActivities)

Although the number of tourists traveling to the state of Hawaii decreased compared to a temporary period due to the spread of the Delta variant, reservations have been on the rise since October through the New Year holidays. The company will promote expansion of local tours.

OTA Business Operating Revenue

Operating revenue
(Thousands of yen) As of

60,000

50,000

40,000

30,000

20,000

10,000

0

Jan

Feb

Mar

Apr

May

Jun

Jul

Aug

Sep

■ VELTRA (Japanese Market)

■ HawaiiActivities(North America market)

Increase in
bookings expected
with start of Holiday
Season



Linktivity: Transportation and public facility ticketing platform

- Strengthening sales products, while building a direct sales website and strengthening cooperation with MaaS promotion companies
- Strengthening sales channels not only for inbound demand but also for domestic customers

Products

Domestic Rail Companies
Prefectural facilities

Dec 2020

Sept 2021

30 Co. → 81 Co.



Sales Channels

Domestic and overseas
OTAs, travel agencies

Over 200 Co. around
the world



Direct Sales Solution



MaaS tie-up



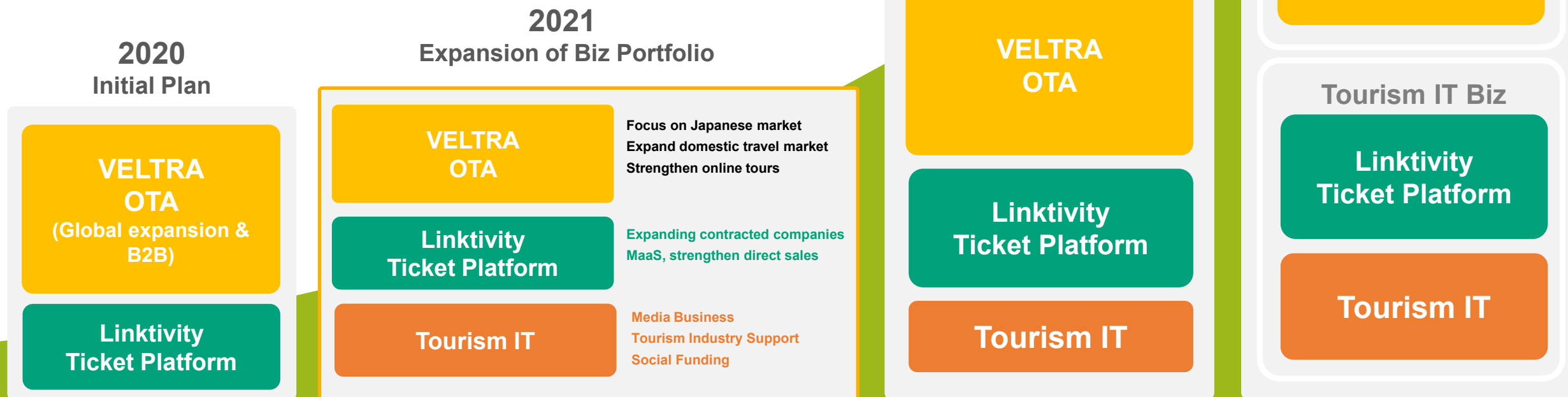
NAVITIME




Growth Strategy

To date, we have expanded our business presence in tourism as an Online Travel Agent (OTA). Looking forward, we aim to maximize corporate value by maximizing the use of VELTRA assets-- a source of competitive advantage-- and by growing IT services in and outside the tourism industry.

Faced with new challenges, we will continue to provide services inline with our corporate philosophy and emphasize genuine connections between people, grow sustainably together with all stakeholders and lead the tourism industry with our unique presence.



A white rectangular box with a soft, hazy background image of a landscape, containing the word "Appendix" in a bold, black, sans-serif font.

Appendix

Company Profile

Company Name	VELTRA Corporation	
Headquarters	1 Kanda Mitoshirocho, Chiyoda, Tokyo	
Capital	JPY 1,293,830,120 (as of September 30, 2021)	
Founded	November 1991 (VELTRA.com business initiated in 2004)	
Fiscal Year Closed In	December	
Number of Employees	Headquarters: 108 (Consolidated: 134)	
Subsidiaries	[Malaysia]	VELTRA Malaysia Sdn. Bhd.
	[Philippines]	VELTRA PHILIPPINES, INC.
	[USA (Hawaii)]	VELTRA Inc.
	[Korea]	VELTRA KOREA Inc.
	[Japan]	LINKTIVITY Inc.


Business Branches

Bangkok, Ho Chi Minh



Board Members	President and representative director/CEO	Wataru Futagi
	Director	Ryoko Mannen
	Director	Tomoharu Kurakami
	Director	Jumpei Minashima
	Director	Kenichiro Sakamizu
	Outside director	Gaku Suzuki
	Outside director	Rodney Cuthbert
	Auditor	Tetsushi Ikeda
	Part-time auditor	Masato Mori
	Part-time auditor	Masayuki Kono

History



1991	ALAN Corporation (currently VELTRA Corporation) was established as a marketing-focused consulting businesses.
2003	Business transfer of a golf course booking site "GORA" to Rakuten (currently "Rakuten GORA").
2004	Business initiation of an overseas activity booking site "Alan1.net" (currently VELTRA). Launched "HawaiiActivities.com" for the North American market traveling to Hawaii. Acquired all shares of White Publishing, Inc. (currently VELTRA Inc).
2012	The trade name was changed from "Alan 1.net" to "VELTRA" for global business expansion. The company name was also changed from ALAN Corporation to VELTRA Corporation. Opened an English website. Initiated Japan inbound travel business. Established VELTRA Malaysia Sdn. Bhd. in Kuala Lumpur, Malaysia as a system development company.
2015	Opened Chinese websites (traditional and simplified).
2016	Acquired all shares of City Discovery SAS, an Online Tours & Activities booking site--CityDiscovery.com--for global markets but mainly targeting English speaking travelers.
2017	The company name of a locally incorporated subsidiary in Paris was changed to VELTRA SAS, a group company of VELTRA. The company name of a locally incorporated subsidiary in Manila was changed to VELTRA Philippine, a group company of VELTRA. Launched veltra.kr, a Korean website in partnership with Korean company, 12cm,Inc Established LINKTIVITY PTE, LTD. in Singapore to supply products mainly focused on Japanese railways and transportation. Full-fledged business initiation for B2B.
2018	Listed on the Mothers Section of the Tokyo Stock Exchange
2019	Established VELTRA KOREA Inc.
2020	Established Linktivity Inc.

Corporate Philosophy

To be a global leading company in tourism and international relations, delivering our unique value, and promoting sustainable growth with stakeholders.

Unique value

Provide a wide range of travel destinations and a variety of products while achieving high quality services.

International relations

To prioritize borderless links between people, with expertise in guided experienced based tours & activities.

Prosperous coexistence

To provide value to the tourism industry through collaborative corporate alliances and to grow the tourism industry as a whole.



Our Business

OTA
Business

In-
Destination

In the core OTA business, VELTRA and Hawaii Activities operate **booking sites specializing in local experience-based activities** targeting Japanese and U.S. travelers, respectively.



Booking site that connects Japanese travelers with local experience-type activities around the world.

 **12,340**
Activities

 **150**
Countries

 **4,000+.**
Partners

 **2.15 million**
Members

 **420,000**
Customer Reviews



The brand specializes in the Hawaii area and serves mainly travelers in the United States.

 **650**
Activities

 **2.15 million**
Members

 **100+**
Partners

 **420,000**
Customer Reviews



Our Business

OTA
Business

Pre-travel

Post-travel

We were the first to respond to the new normal of COVID, **starting in 2020 with online experience services and home meal services** that allow customers to feel like they are traveling while staying at home.

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

Our popular guides, hand-picked from a network of 150 countries, deliver original online experiences.



300

Activities



50

Countries



100+

Partners



3,0000+

Participants

Taste the World at Home
世界の
GOHAN
@home

Based on the concept of "Eating World Travel", this service delivers authentic cuisine from popular restaurants.



75

Products



20

Countries



20+

Partners



5000+

Participants



Our Business

Tourism IT Business

Pre-travel

In-destination

Post-travel

Zenes is a tourism-specific crowdfunding platform and Linktivity is a platform business that connects tourism businesses and travelers with IT infrastructure such as transportation and tourist facility tickets.



Connect transportation operators, tourist facilities and activity operators with touch points and users around the world.



Tourism service specialized crowdfunding for the new normal era.

In the tourism media business, the company aims to increase the number of users by creating communication during the trip and also on an ongoing basis to generate advertising revenue in the future.



Online media that proposes ideas for finding new experiences and hobbies for daily life.



An information transmission service that delivers the real "now" of tourist destinations around the world



A website that connects travelers with famous tour guides from around the world and proposes a new style of travel.



English information site to promote Japanese food prepared at home around the world and to promote cultural exchange through cooking.



The VELTRA Advantage

- Our strength lies in our business foundation that enables us to increase product value and customer satisfaction.

Over 400,000 travel stories

We check the quality of our products through a wealth of testimonials. By constantly making improvements, we propose travel that is chosen by customers.

Ensuring safety and security with full online support

Improving customer satisfaction and encouraging repeat business by making language and cultural barriers barrier-free and providing support for enjoying the journey.

Diverse sales channels

Airlines and a wide range of travel companies, large and small, have implemented our sales system, and our system is used as an advantage by our partners

Products that meet the needs of the times and the individual.
Speedy delivery



More than 5,000 strong tour operator network

Realizing experiential tours around the world. One of the largest tour operator networks in Japan

Over 6,000 strong pro tour guide network

Secure a hospitable and engaging professional tour guide to guide you on your inspiring journey.

Proactive media outreach to increase interest in local experience tours

Disseminate information about the experience-based tours through our media and SNS

Increased Product Value & Customer Satisfaction



OTA Business Expansion of domestic tours

- Now that domestic travel in Japan is attracting renewed attention, we are actively working to expand our domestic tours.

Domestic travel by Miki Tourist Started sales of "Myu Japan".

"We want to convey the captivating views, the wonderful scenery, and the unknown charms of Japan." This promotion was realized through the united wishes of both companies. We have started to offer domestic tours and experiences by "Myu", a tour brand that is popular for its high level of hospitality and attention to detail.

Customizable
private tours
Safe and secure
travel.



▲Special Site

“Rediscovering the Brilliance of Japan: A Journey into the Undiscovered Charms of Japan”

Enjoy the nature available only now and only here. Special local experiences only possible in Japan

The focus is on remote islands, which have a unique appeal that rivals that of overseas travel. From the perspective of leading the industry as a reservation site specializing in experiential activities for about 20 years, we have carefully selected activities and providers in Japan and started to provide the service in earnest.

Part 1.
Remote Islands
of Japan



▲Special Site

“The charm of the people, the charm of the food, and the charm of the islands: Japan's remote islands”



OTA Business Creation of a new type of tourism business

- As online tourism becomes more and more active, it is now possible to offer travel to people who have had to give up travel for various reasons. Our business model, which has focused on providing local activities, is now evolving.

Ise City, Mie Prefecture "Participated in the "Online Tour Development Promotion Project

The purpose of this project is to improve the online business capabilities of tourism businesses in Ise City, and to create and organize online tours that correspond to new lifestyles. Support for tour planning and environment building.

Online tours with
never before
shared content are
now available.



▲Special Page
"The origin of my journey and the beginning of a new one."

Public Live Broadcast from Small Worlds TOKYO Proposing a New Form of Microtourism

Online live streaming that can be enjoyed from anywhere without worry. Hybrid events planned where everyone in the neighborhood can participate. Featuring Shiritsu Ebisu Chugaku as MCs, the new project of "Small Country Channel", "WAKU WAKU WORLD" with the theme of travel and laughter, will be distributed for a total of six times.



Evolution of
Micro-tourism post
COVID



OTA Business Promotion for the resumption of overseas travel

- We launched joint promotions with Italy, a classic travel destination that boasts immense popularity, and South Africa, which is attracting increasing attention. We are implementing initiatives to capture travel demand post-COVID.

Joint promotion with Italian National Tourist Office

Each region of Italy has its own unique characteristics, and we show the best of what Italy has to offer.
A total of six live, "participatory" online tours.

Join from the comfort of your home with your smartphone or computer. Using the chat function, you can enjoy your trip while communicating with local guides.

Capacity
bookings
for all 6
tours!



An island in a fairy tale world!
Murano Glass Studio Tour and Colorful World Heritage Burano Island Live Tour

Joint promotion with South African Tourism

A special website to convey the various attractions of the Republic of South Africa
"South Africa, a paradise for adventurers."

South Africa has been gaining popularity in recent years due to its mild and pleasant climate throughout the year. Here we introduce three unique things to do in South Africa, including encounters with wildlife, abundant nature and vibrant culture.



Special site
Open!

▲Special Site "Adventurers' Paradise South Africa"

Precautions

Forward looking statements made in this document include information regarding forecast of financial results and business plans. The information in this report are 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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