



FY2019 Q3 Financial Results

VELTRA Corporation

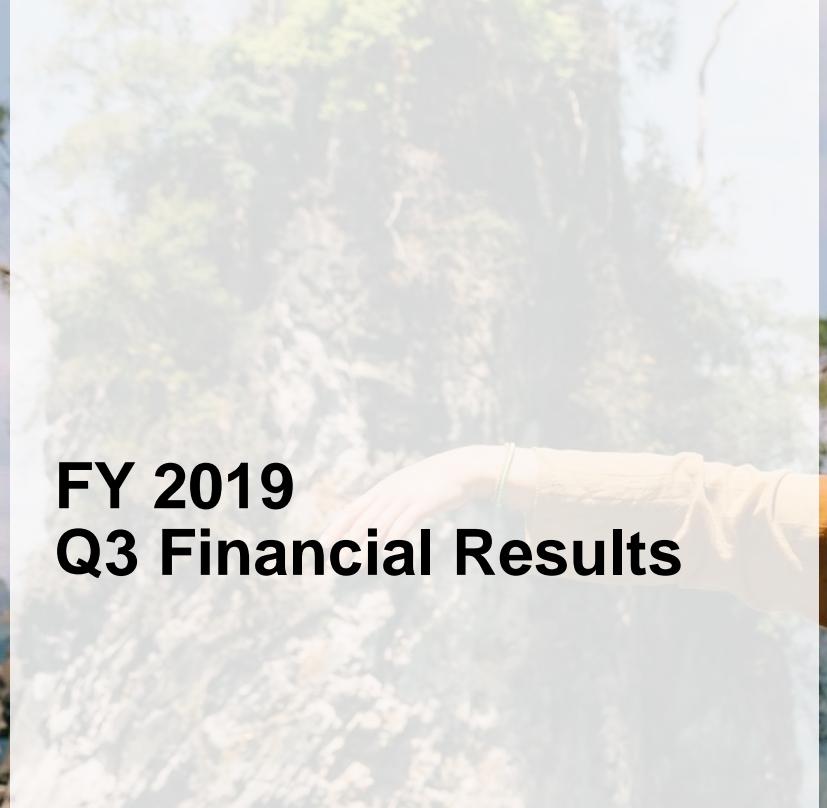
Tokyo Stock Exchange Mothers: 7048



Contents

FY 2019	Q3 Results Overview	P3
FY 2019	Earnings Forecast	P10
FY 2019	Future Plans	P14
Appendix		P20

FY 2019 Q3 Financial Results





FY2019 Q3 Performance Highlights

Business Environment	Japanese outbound	15.06 M	+ 7.6% year to date	(Jan – Sep 2019)
	Japan inbound	24.41 M	+ 4.0% year to date	(Jan – Sep 2019)

Performance Overview	Achieved significant YOY (Jan - Sep) increase in sales and profit			
	Operating revenue	3,294 M JPY	YOY	+ 33.6%
	Ordinary profit	739 M JPY	YOY	+ 265.9%
	Net income	498 M JPY	YOY	+ 577.7%

Operating Revenue	Booking numbers for the July-September period (peak travel season) remained strong as expected. There was minimal impact on business from the political situation in South Korea and Hong Kong.
-------------------	---

Hot Topics	Launched promotional measures to raise brand awareness. Collaboration with JR Tokai Tours Inc. to expand inbound services.
------------	--



P/L Statement Summary (Consolidated)

- Sales as expected against full-year forecasts
- Achieved full-year revised earnings for Q3. Will execute upfront investment for the next FY in Q4 2019.

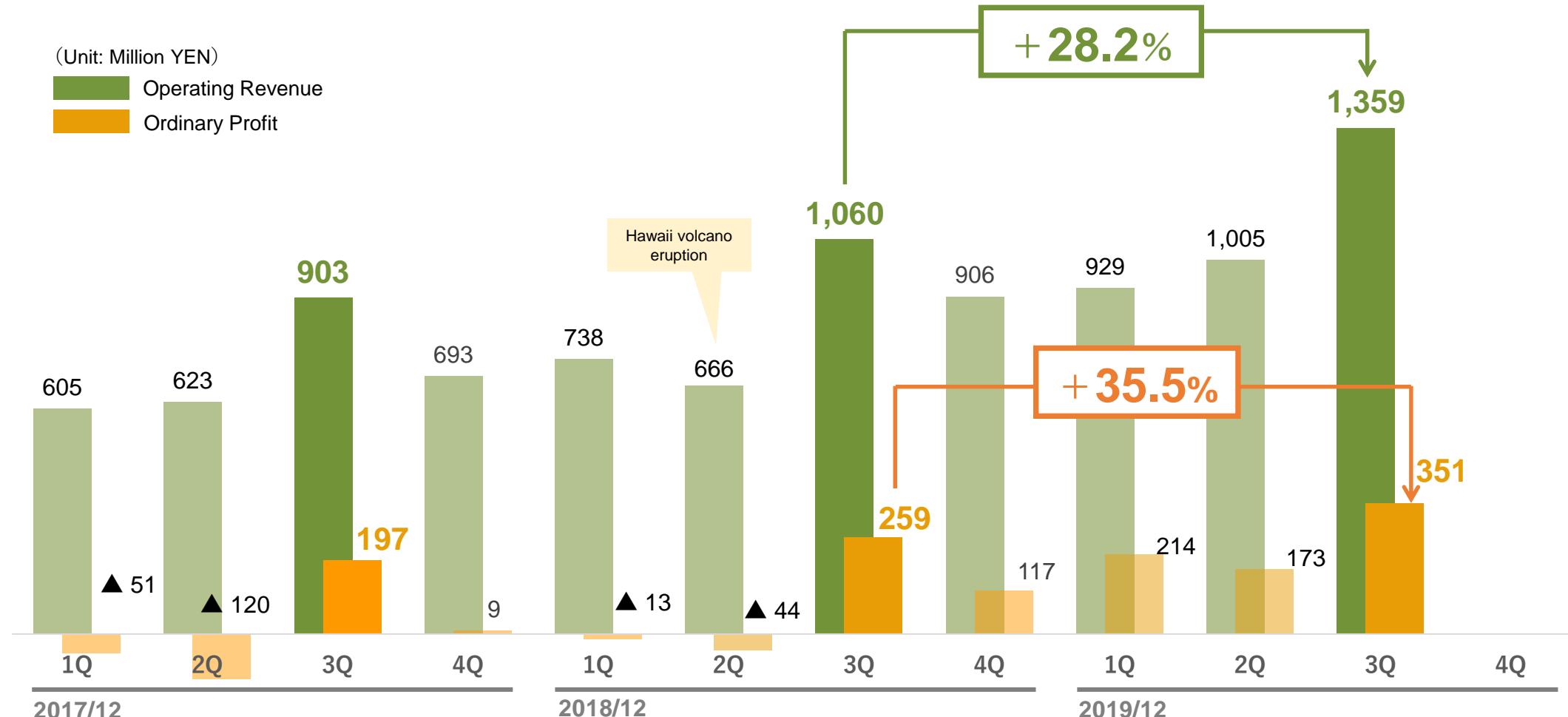
(Unit: Million Yen)	Q3 of the term ending December 2018 [※]	Q3 of the term ending December 2019	Changes	Dec 2019 Full-year revision (Public Aug 13)	Progress
Operating revenue	2,465	3,294	+33.6%	4,371	75.3%
Operating expenses	2,186	2,491	+13.9%	-	-
Operating profit	278	802	+188.4%	800	100.2%
Operating margin	11.3%	24.3%	-	-	-
Non-operating income	202	739	+265.9%	729	101.3%
Non-operating expenses	8.2%	22.4%	-	-	-
Ordinary profit	73	498	+577.7%	502	99.2%
Recurring margin	2.77	17.48	-	17.61	-

※ Q3 2018 shown for reference



Quarterly Trends: Operating Revenue and Ordinary Profit

- The peak travel season of July to September (Q3), showed expected growth with minimal impact from the political situation in South Korea and Hong Kong.

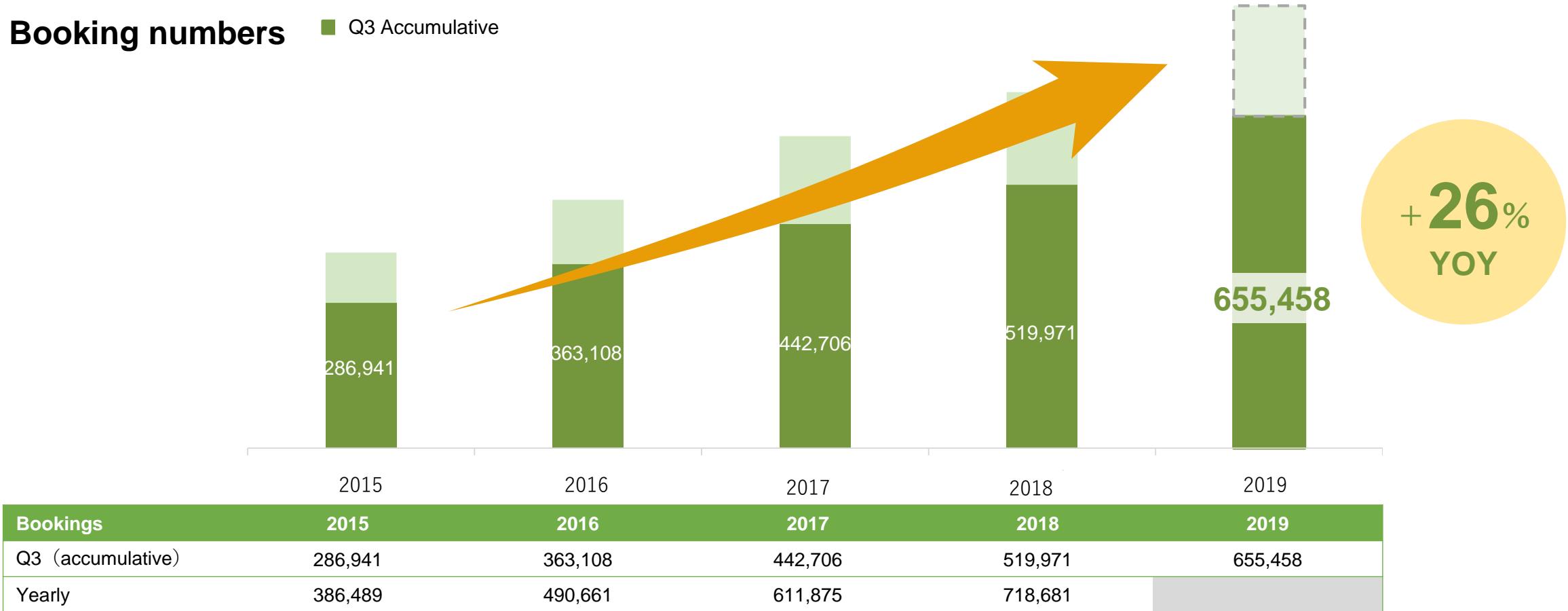




Bookings

- Bookings growth remained steady at +26% year-on-year. * Bookings are totals of BtoC and BtoB experience-based tours.

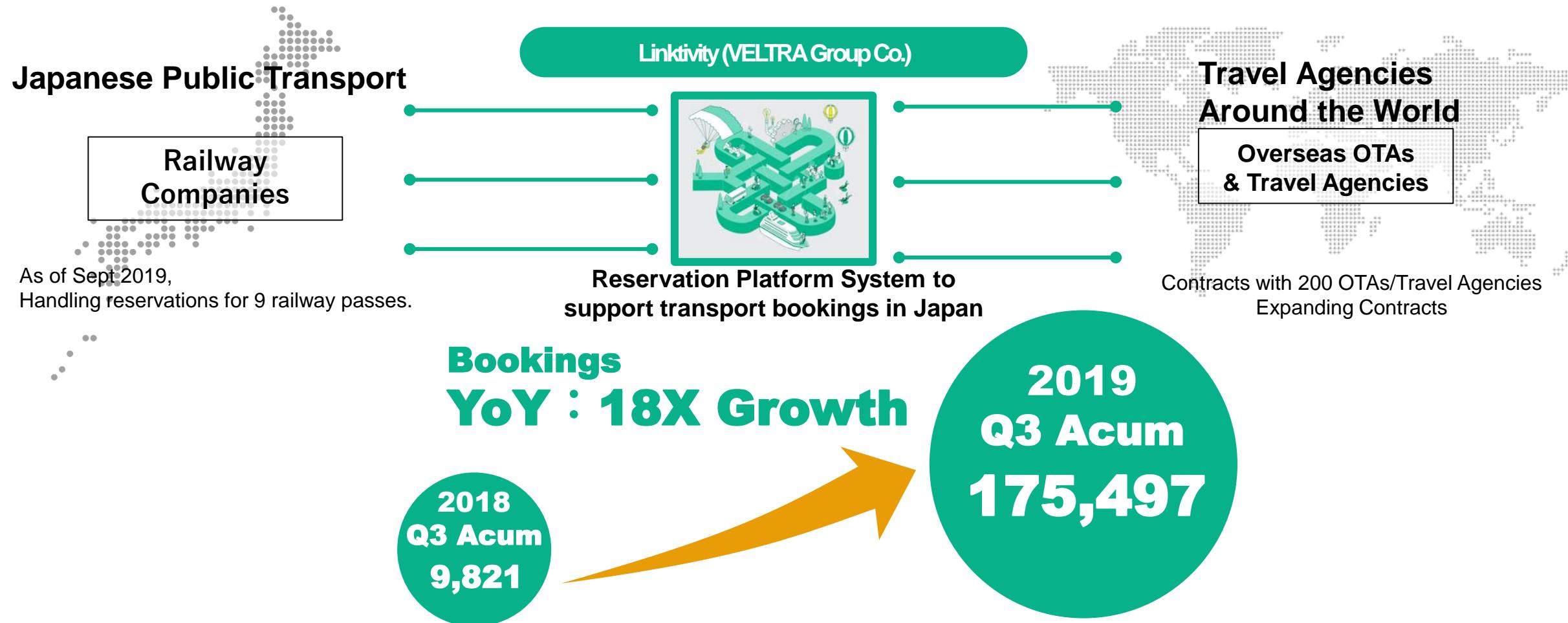
Booking numbers ■ Q3 Accumulative





Steady growth of B2B online bookings for Japan Inbound

- VELTRA has developed a Global Distribution Platform—Linktivity— focusing on domestic transportation, enabling Japanese transport companies (rail, facility management) to connect to travel agencies around the world. Bookings have increased with the growth of Japan inbound travel.

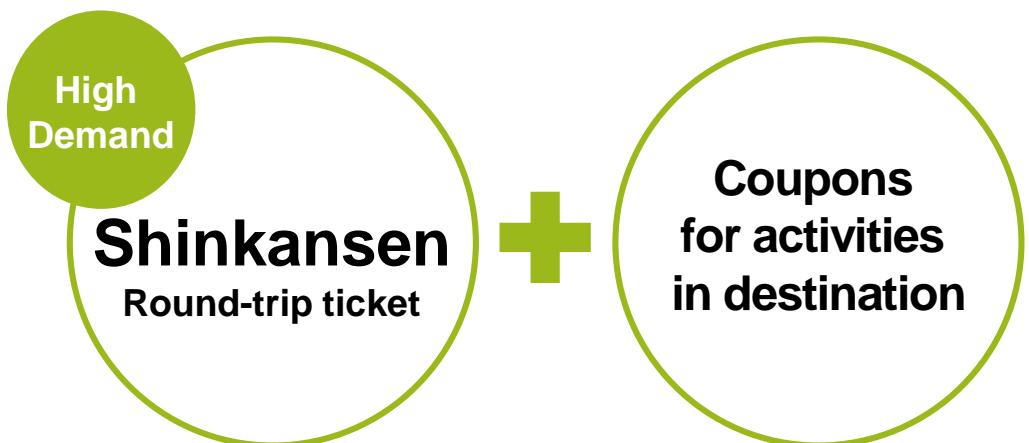




Hot Topics

- In cooperation with JR Tokai Tours, launched “Shinkansen round trip + special coupon” packages for Japan inbound customers. First-of-its-kind lineup of highly competitive Shinkansen-related products

Meets in-destination demand of travelers to Japan



- Available for purchase on Veltra.com
- Online payment possible
- Choose the length of stay from 1 to 7 days



FY 2019 Earnings Forecast





P/L Overview (Consolidated)

- Increased sales and profits by more than 200% YOY due to favorable business environment
- Active investment in advertising and personnel expenses for medium- to long-term expansion and office relocation in preparation for increased personnel. These expenses are absorbed by increasing operating revenue and ordinary income expected to double from the previous fiscal year.

(Units : million YEN)

	Term ending December 2018 (actual results)	Term ending December 2019 (forecast)	YoY Changes (%)
Operating revenue	3,371	4,371	+ 29.6%
Operating profit	417	800	+ 91.9%
Operating margin	12.4%	18.3%	+ 5.9 p
Ordinary profit	319	729	+ 128.5%
Recurring margin	9.5%	16.7%	+ 7.2 p
Profit attributable to owners of parent	311	502	+ 61.6%
Profit per share (yen)	11.68	17.61	+ 5.93

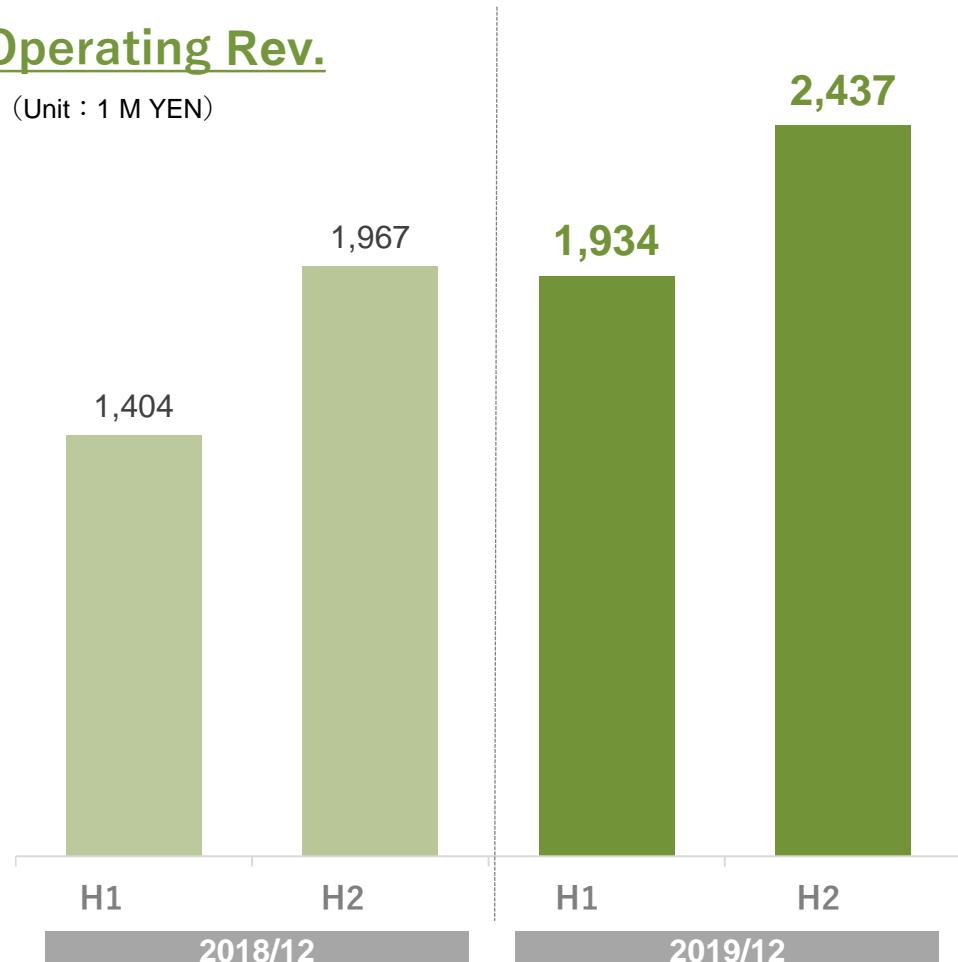


FY2018-19 Operating Revenue/Operating Profit Comparison

- Aggressive investments to improve medium to long-term brand awareness
- Based on strong H1 performance, office relocation done ahead of schedule

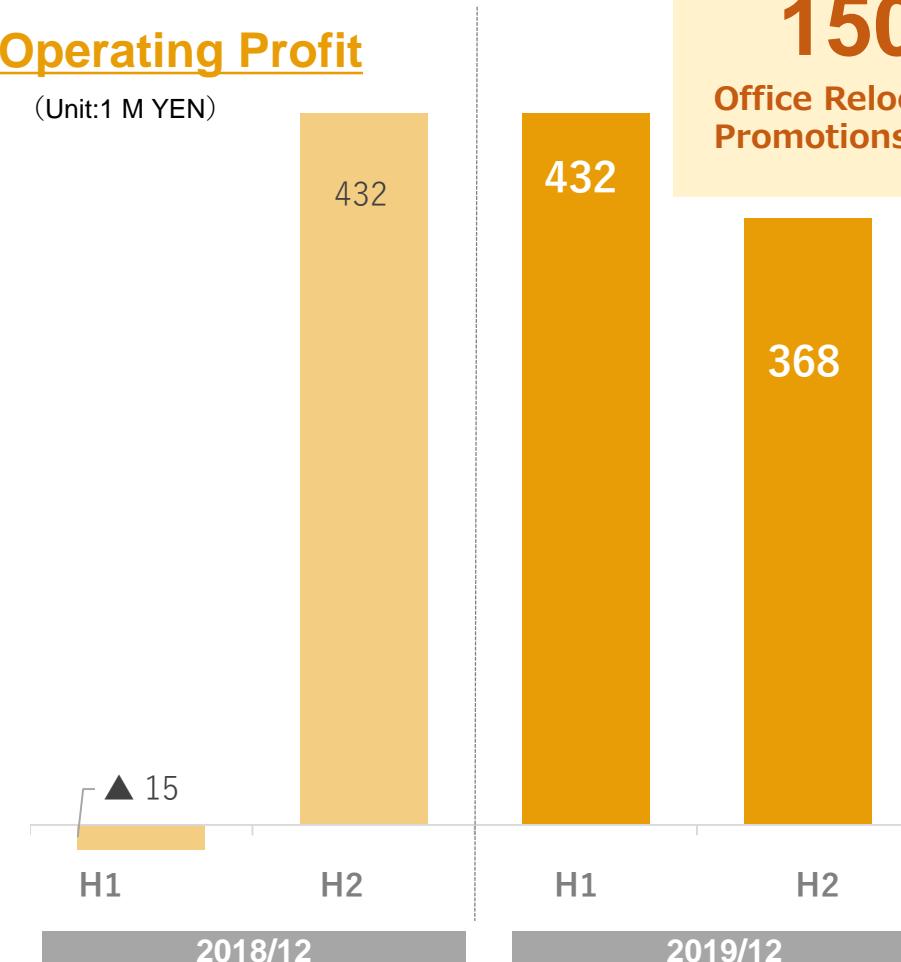
Operating Rev.

(Unit : 1 M YEN)



Operating Profit

(Unit: 1 M YEN)





Investments to Improve Medium-term Enterprise Value

Increasing VELTRA Fans

- Customer Data Platform (CDP)
 - Optimize customer communication
 - Optimize Web-service
 - Optimize ads

Increase Touch-points with Potential Customers

- Contents Marketing
 - Building contact points with new customers by creating new content
 - Increase content value by improving the quality of existing content
- Video Ads
 - Using Youtube as a source of new customer acquisition
 - Investment in video promotion advertising
- Influencer Marketing

FY 2019 Future Actions





Business Areas

- Three business areas that support VELTRA, a site that specializes in local experience-based optional tours

B to C

Tours & Activities Booking Site

Lang: JPN, ENG, CHN

The image shows two screenshots of the VELTRA B2C website. The top screenshot is for the English site, showing a search bar and a grid of travel packages. The bottom screenshot is for the Chinese site, showing a search bar and a grid of travel packages. Arrows point from the text labels 'English Site' and 'Chinese Site' to their respective screenshots.

B to B

Partner Travel Agencies

The image shows two screenshots of the VELTRA B2B website. The top screenshot is for Travelko, showing a search bar and a grid of travel packages. The bottom screenshot is for ANA Travelers, showing a search bar and a grid of travel packages. Arrows point from the text labels 'Travelko' and 'ANA Travelers' to their respective screenshots.

Japan Inbound

Linktivity Transport booking service

The image features the Linktivity logo, which consists of a green stylized 'J' and 'P' intertwined with a globe icon. To the right, the text 'Linktivity' is written in green, followed by a description: 'Reservation platform system connecting Japanese public transportation and travel agencies around the world by group company'. Above the logo, there are abstract grey shapes representing a network or travel routes.



VELTRA Strengths

- Our strength is our ability to improve product value and customer satisfaction.

Over 400,000 Travel Reviews

Rich reviews support customers in their selection. Ability to propose travel that fits customer expectations by constant product improvement.

Safety and Security Ensured Full Online Support

Improve customer satisfaction by removing language and cultural barriers and promoting repeat customers.

Diverse Sales Channels

Wide range of large to small travel agencies including airlines have implemented our system with success.

Quickly provide products that meet the interest of the times



Over 5,000 Tour Operator Network Globally

Make available experienced based tours from around the world. Japan's largest network of tour operators.

Over 6,000 Global Professional Tour-Guide Network

Professional tour guides, full of hospitality to inspire and move you on your journey.

Active media measures to raise interest in local experience-based tours

SNS used to spread information and fun of tours and activities.

Product Value &
Customer Satisfaction

UP!



Growth Strategy

Three strategies to increase operating revenue

■ Expand sales channels

- BtoC Strategy : Improve contract rate
- BtoB Strategy: Increase the number of BtoB bookings and strengthen partnerships with travel-related companies
- Japan Inbound: Develop partnerships through the Linktivity platform

■ Strengthen in-destination services

- Strengthen pre-sale on the day after arrival with VELTRA app
- Improve convenience of booking during travel and increase cross-selling

■ Pursuit of originality

- Develop unique content, such as a tour guide information site that will let travelers experience once in a lifetime moments
- By optimizing customer service on various verticals, we aim to improve contract rates and increase repeat customers by supporting customers to find products that meet their needs quickly.

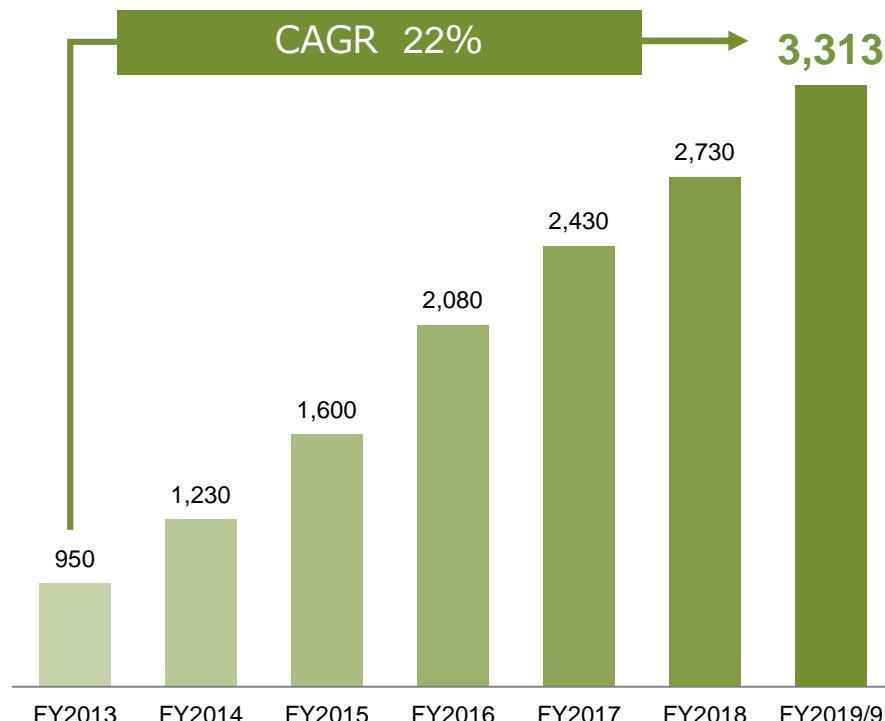


VELTRA KPI Trends (Memberships, Visits)

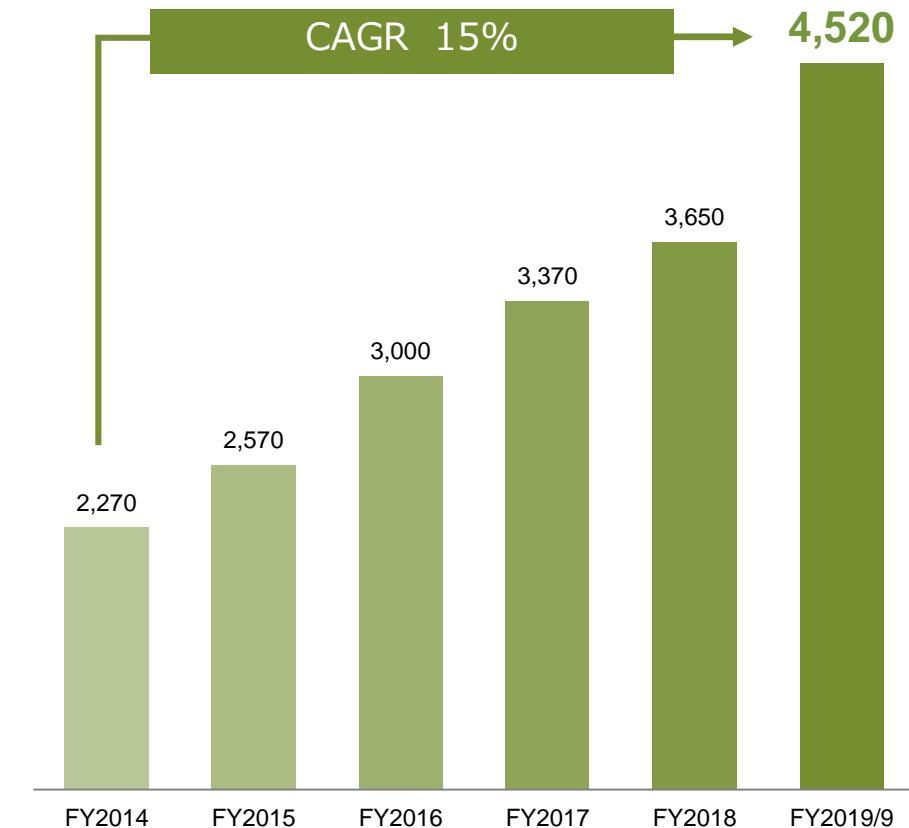
- Up-trend in both memberships and website visits.

Memberships (Accumulated)

Unit: 1,000



Monthly Website Visits (Monthly Average)







Appendix



Business Outline

Understanding "VELTRA," an online booking service specialized in tours & activities

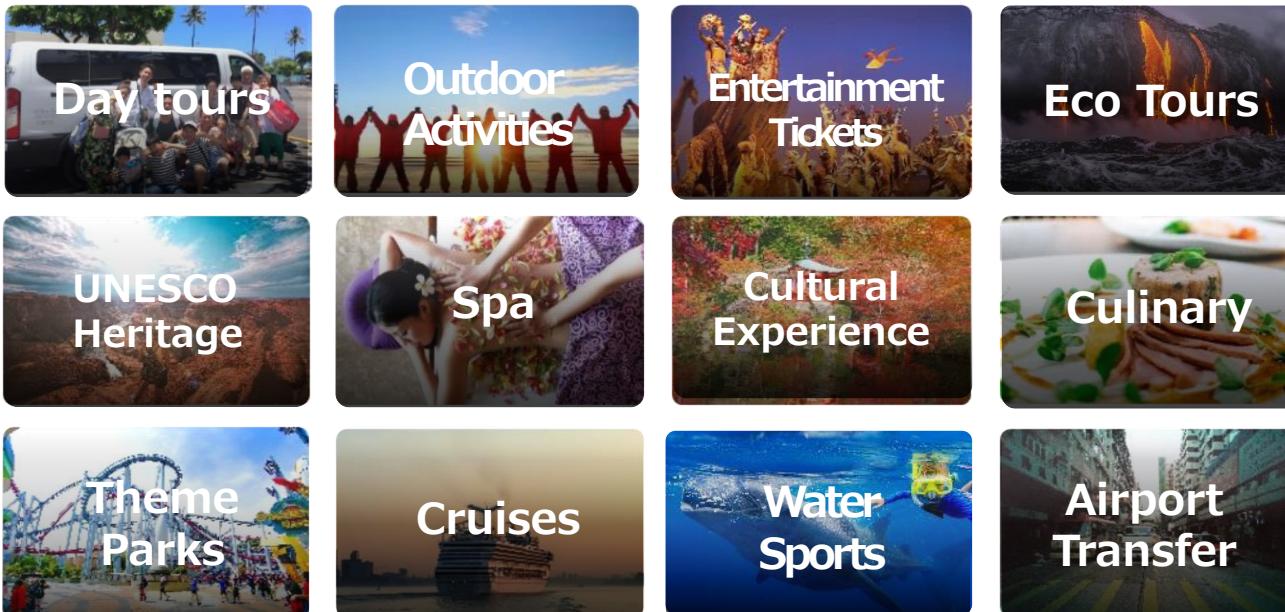


VELTRA changes **TRAVEL**

Search for destinations by
what you can experience

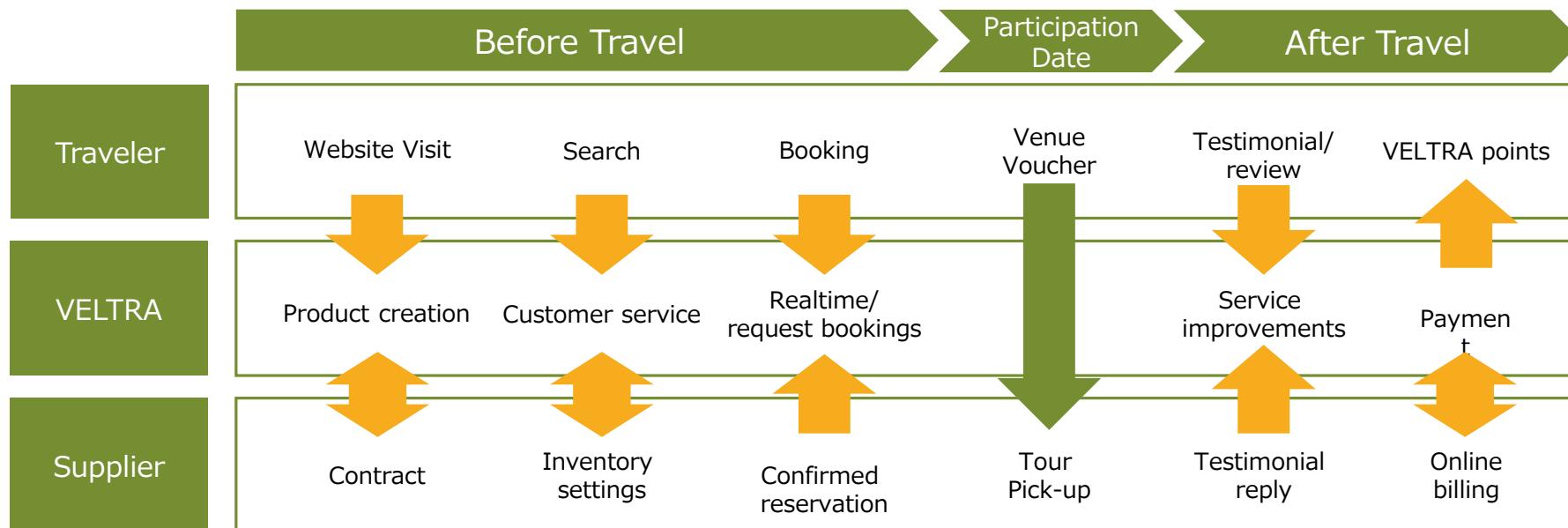


Pre-travel bookings are possible for more than 10,000 types of experience-based tours at local prices in 150 countries



Our Business Model

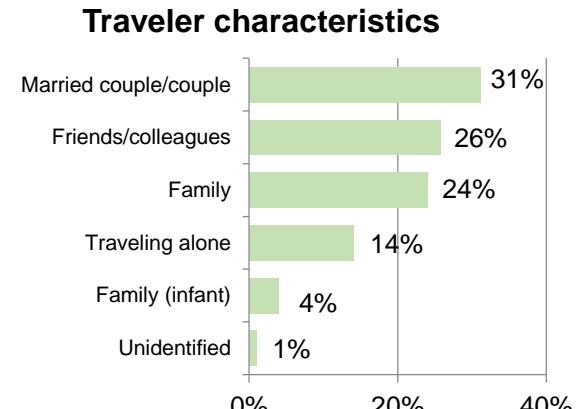
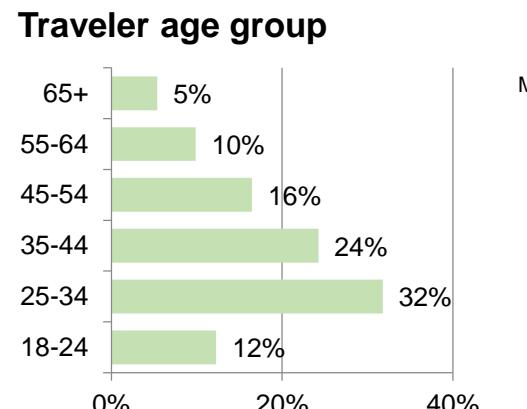
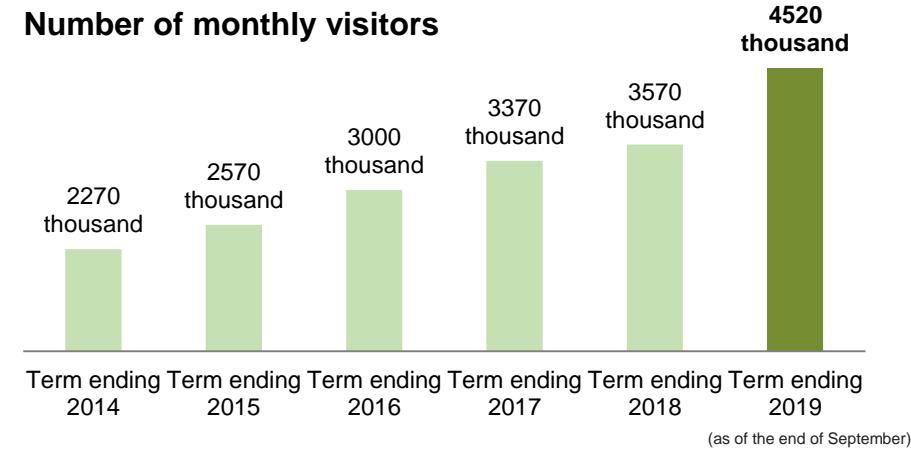
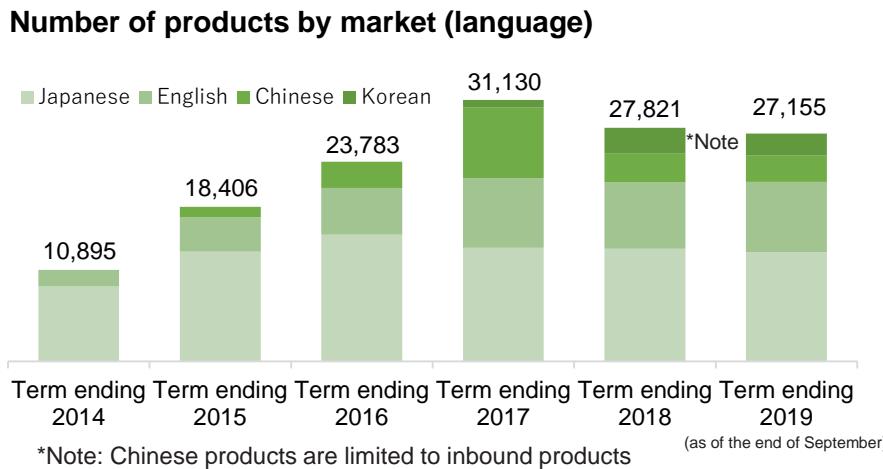
- Direct contracts with local suppliers that organize tours around the world
- Optimized products created in-house, promoted and sold
- Retail price is the same as the local price, while user currency is displayed
- Operating revenue is commission obtained by subtracting purchase price from sales price
- Product improvements based on customer reviews





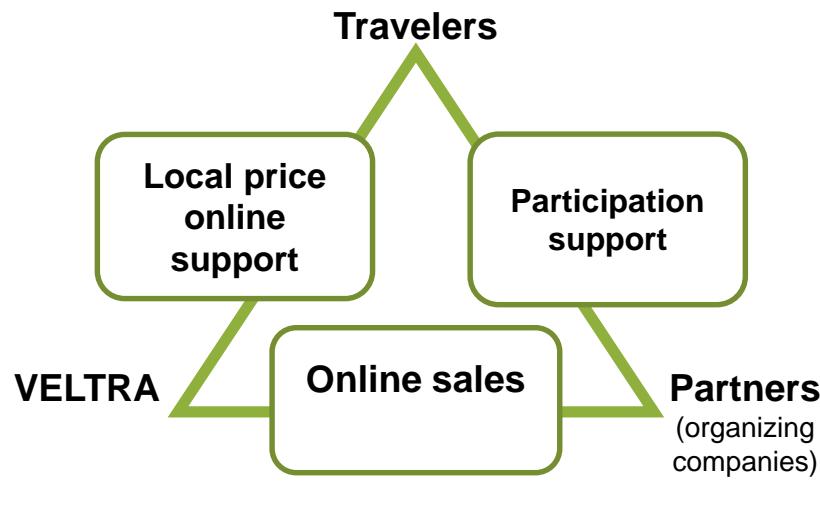
Our Strength: Product Lineup to Support Various Consumer Needs

- Business collaboration with approximately 5,000 companies in 150 countries world-wide—the largest of its kind in Japan.
- Customer support is provided in four languages (Japanese, English, Chinese, Korean).
- Provide products to meet various consumer needs with high level customer support.

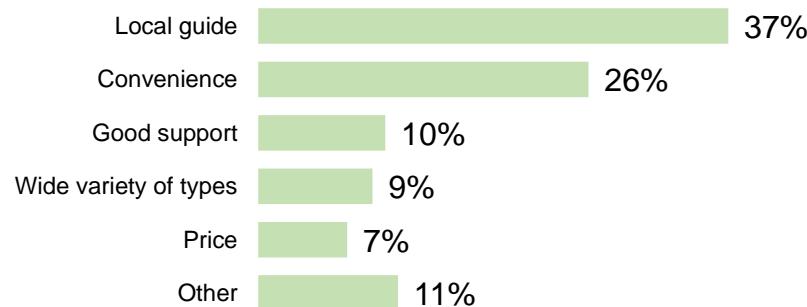


Our Strength: Real-Time Support Provided Online

- Provide travelers with a wide range of products and relevant information in real-time.
- Provide comfort with 365-day support to remove customers' psychological anxieties (cultural or linguistic barriers)



Reasons for recommending VELTRA by NPS* evaluation



*NPS = Net Promoter Score: indicator to measure customer loyalty

Provide even small-scale businesses with sales opportunities.

Provide new markets with emphases on Asian markets

Online sales
Provide all products at local prices of partner companies.
365-day online customer support in four languages.

Local price online support
Provide even small-scale businesses with sales opportunities.
Provide new markets with emphases on Asian markets

Participation support
Detailed guidance for travelers on how to get to tour meeting place.
Provide facilitated bookings by promoting electronic vouchers.

Customer experience \geq Customer service

Be responsible for all that travelers have experienced through VELTRA

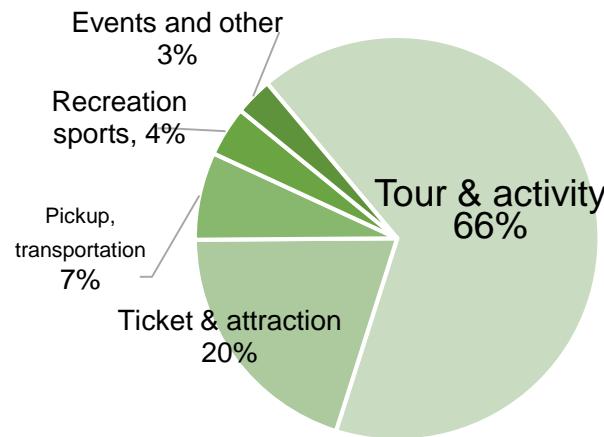
1. Not only provide tours and activities but also manage product quality
2. 365-day online support
3. Support in English, Japanese, Chinese, and Korean



Our Strength: Unique, Professional Tour Guides around the World

- Our core products are tours & activities to promote international exchange between the traveler and tour-guide.
- Local professional drivers in each area provide effective and safe transportation to travelers.
- Service quality and safety is our strength in association with relationships with partner tour operators.

Product structure



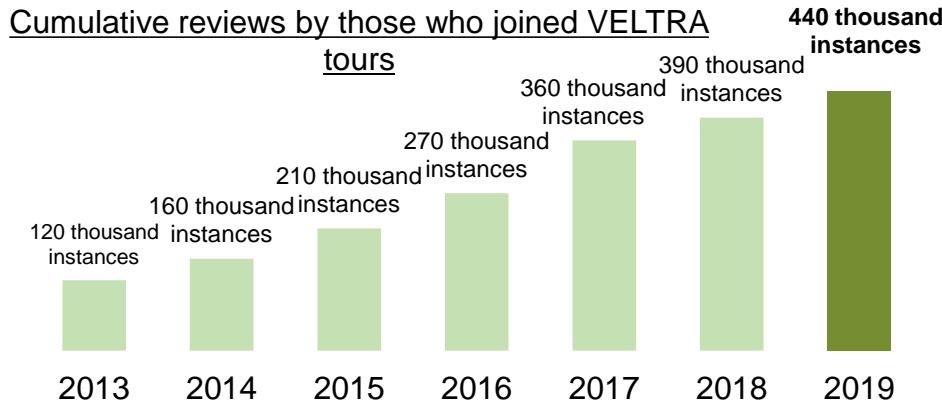
*For details of target products, refer to "Sales Target Products materials at the end of the "slides





Our Strength: More Than 400,000 Reviews by our Customers

- Posts by only those who booked on VELTRA. Detailed testimonials encourage travelers for booking decisions.
- Majority of reviews are related to high hospitality tour & activity services
- Negative comments are not disregarded and all facts are checked to improve the tour and our service.



Further improvement of services through reviews



Company Profile

Company Name	VELTRA Corporation		Board Members	President and representative director/CEO	Wataru Futagi
Headquarters	1-18-1 Kyobashi, Yaesu, Chuo, Tokyo				
Capital	JPY 524,594,520 (as of September 30, 2019)			Director and in-charge of the Overseas section	Ryoko Mannen
Founded	November 1991 (VELTRA.com business initiated in 2004)			Director and in-charge of the inbound section	Tomoharu Kurakami
Fiscal Year Closed In	December			Director and in-charge of the management section	Jumpei Minashima
Number of Employees	Headquarters: 231 (Consolidated: 328)			Director and in-charge of the Global section	Emmanuel Issaurat
Subsidiaries	[Singapore]	LINKTIVITY PTE, LTD.		Outside director	Toru Shiraishi
	[Malaysia]	VELTRA Malaysia Sdn. Bhd.		Outside director	Gaku Suzuki
	[Philippines]	VELTRA PHILIPPINES, INC.		Outside director	Rodney Cuthbert
	[USA (Hawaii)]	VELTRA Inc.		Auditor	Tetsushi Ikeda
	[Korea]	VELTRA KOREA Inc.		Part-time auditor	Masato Mori
Business Branches	London, Bangkok			Part-time auditor	Hiroshi Noda



"Great Place to Work" ranking
Selected as the best company for
three consecutive years



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.



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.



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.

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 when making actual investments.

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