



FY2021 Q1 Financial Results

VELTRA Corporation

Tokyo Stock Exchange Mothers: 7048



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FY 2021 Q1 Results Overview



FY2021 Q1 Performance Highlights

Business Environment	Japanese travel abroad Foreigners visiting Japan	▲ 102,000 ppl. 96.6% YoY (Jan – Mar) ▲ 66,000 ppl. 98.3% YoY (Jan – Mar)
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※ Source : Japan National Tourism Organization (JNTO)

Performance Overview	Sales & profit decrease compared to same period last year due to COVID-19			
	Operating Revenue	51 M yen	YoY	▲730 M yen
	Ordinary Income	▲385 M yen	YoY	▲347 M yen
	Q1 Profit	▲400 M yen	YoY	▲194 M yen

Performance Highlights	■ Despite state of emergency declaration, performance as initially forecasted. ■ Continued implementation of thorough cost reduction ■ Equity ratio of 71.2% due to fundraising through third-party allocation of shares
Business Highlights	■ Utilizing membership base of 2 million ppl and network of more than 5,000 suppliers globally, developed media, expanded online services, and expanded customer contacts through digitalization. ■ Japan : developed and offered tours based on “hands on” tours & activities ■ Overseas : HawaiiActivites showing gradual recovery



Profit and Loss Summary (Consolidated)

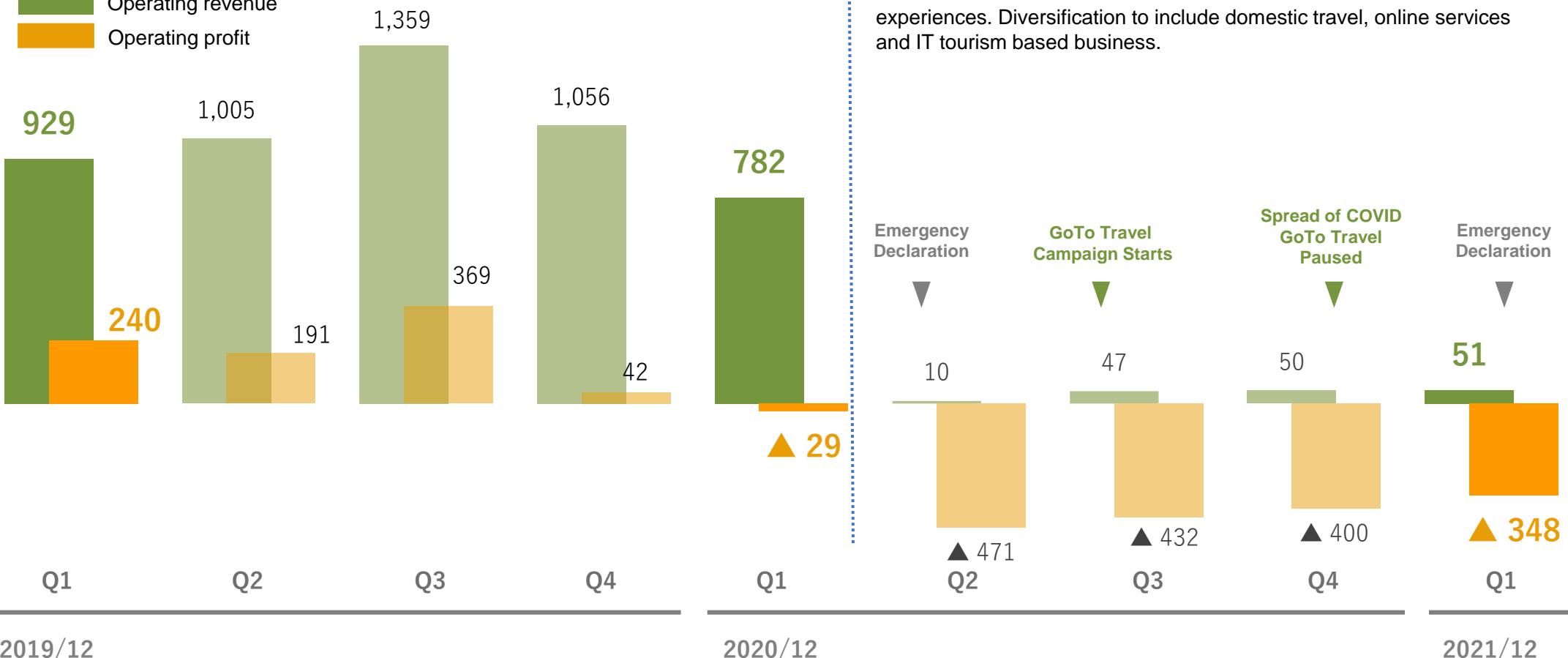
Unit : million yen	FY2020 Q1	FY2021 Q1	YoY	Notes
Operating revenue	782	51	6.6%	YoY sales down significantly due to COVID-19
Operating expenses	812	399	49.2%	SG&A expenses reduced by +50% YoY
Operating profit	▲29	▲348	—	
Non-operating income	2	13		Gov subsidy income: 13 million yen
Non-operating expenses	10	51		20/1Q : Compensation for payment 21/1Q : Stock-Swap costs 49 million yen
Ordinary profit	▲37	▲385	—	
Extraordinary expenses	14	13	—	20/1Q : Impairment los 14 million yen 21/1Q : Severance pay 13 million yen
Income taxes	160	1		Income taxes ▲158 million yen
Profit	▲206	▲400	—	
Profit per share (yen)	▲7.17	▲12.31	▲5.14 yen	



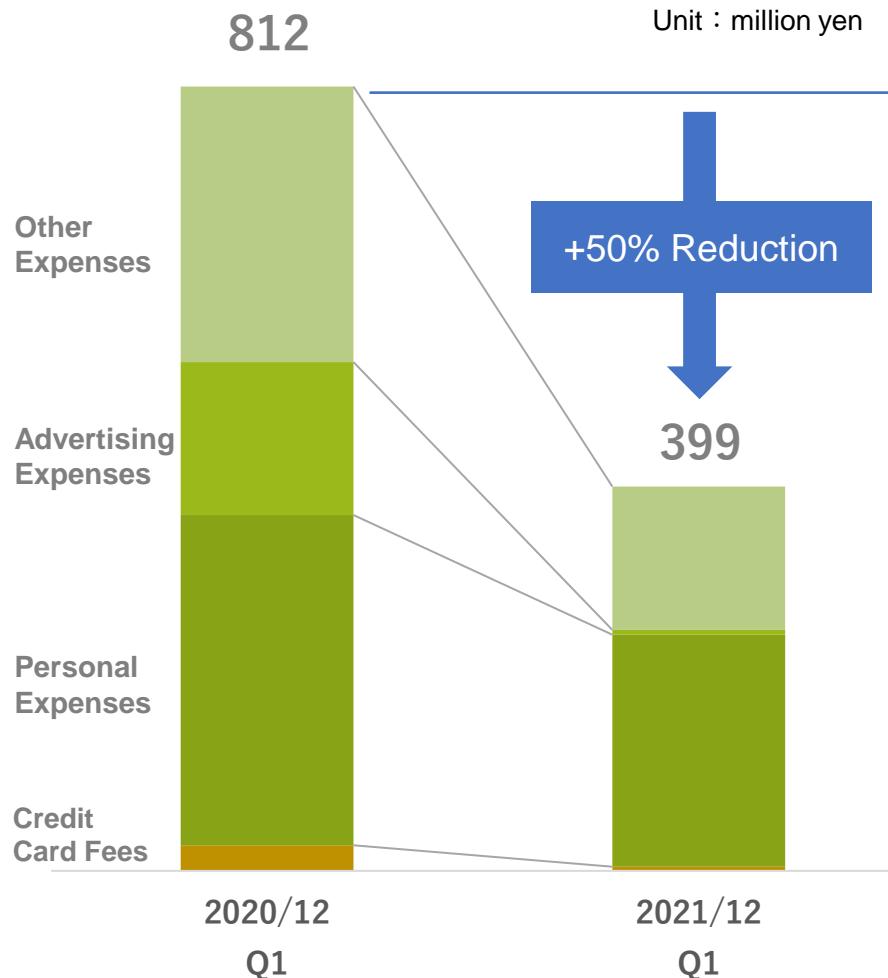
Operating Revenue • Operating Income Quarterly Trends

Unit : million yen

Operating revenue
Operating profit



Operating Expenses



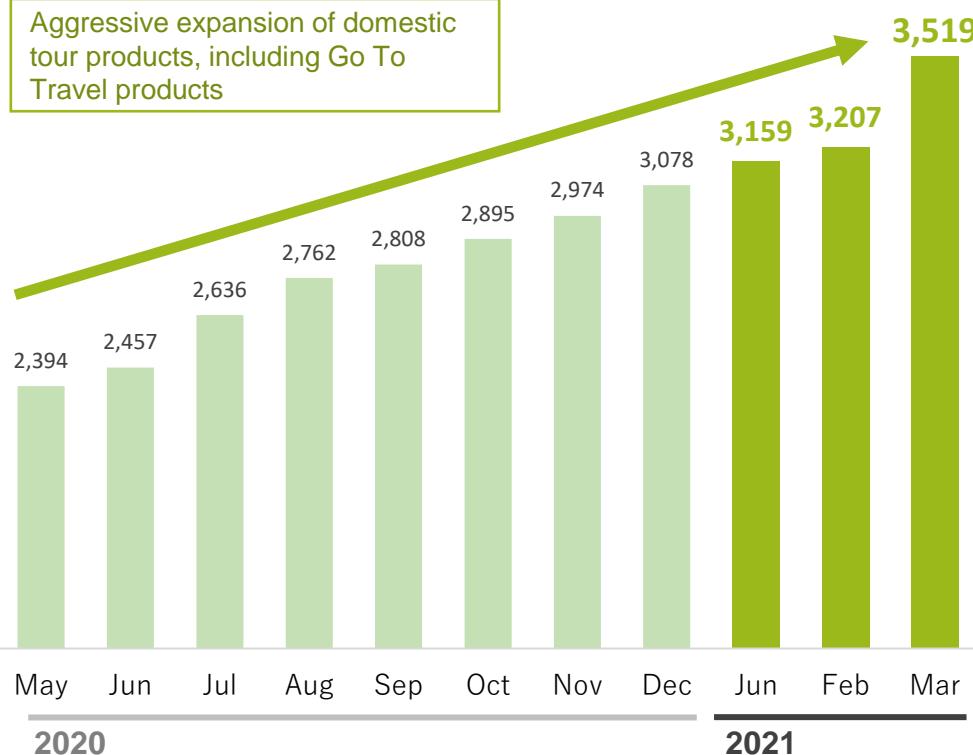
Significant Fixed Cost Reduction

- **Substantial reduction in personnel expenses**
(reduction in remuneration for executives, freeze on new hiring, partial reduction of personnel due to business closures, etc.)
- **Reduction in advertising costs**
- **Cost reduction through office relocation**
- **Reduction of personnel costs by soliciting voluntary retirement**

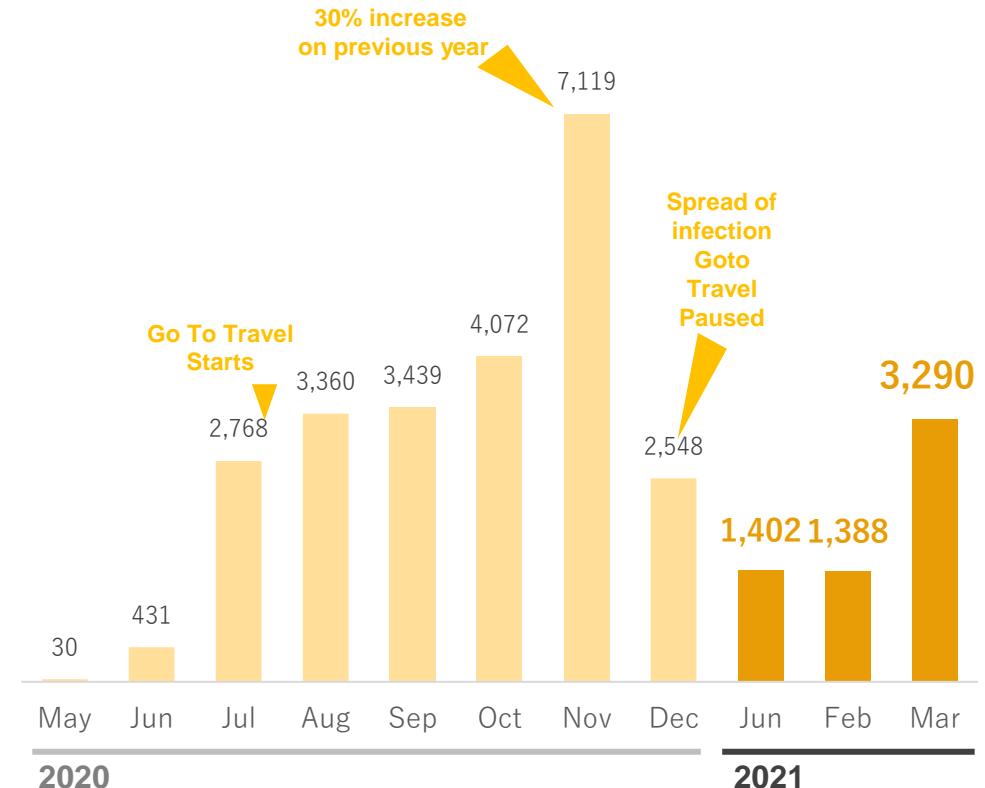
Strengthening of Domestic (Japan) Business

- From April 2020, the number of products will be expanded to over 3,500, with plans to double by the end of 2021.
- Go To Travel Campaign temporarily suspended, but bookings remain steady

Number of Domestic Tour Products



Number of Reservations by Month

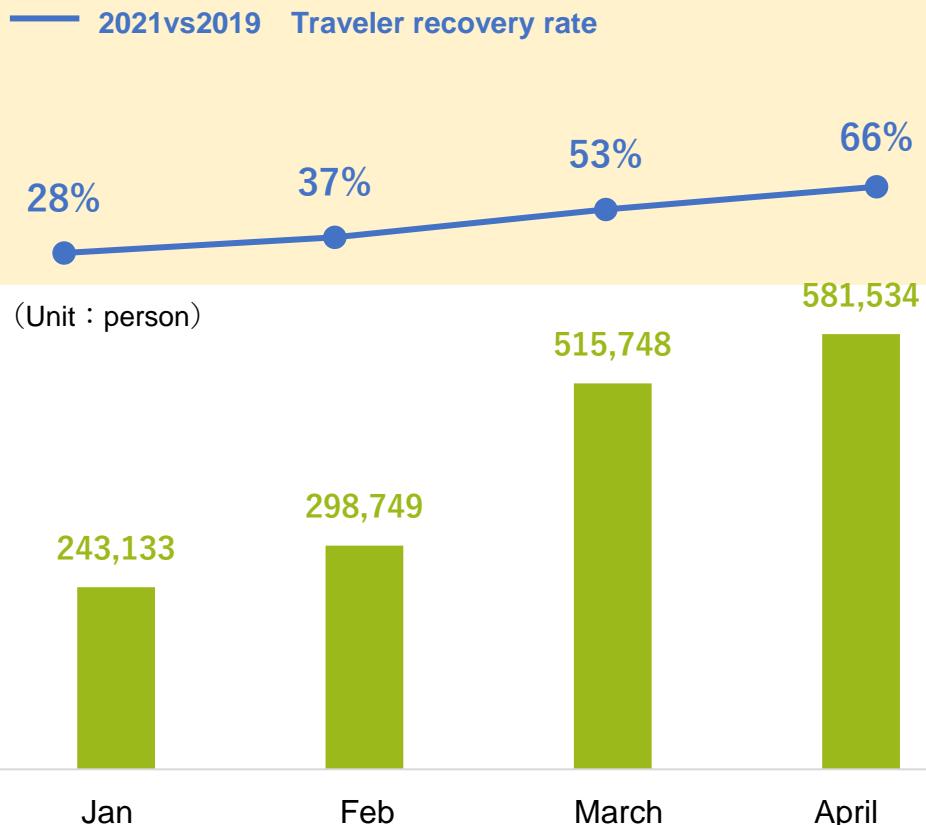




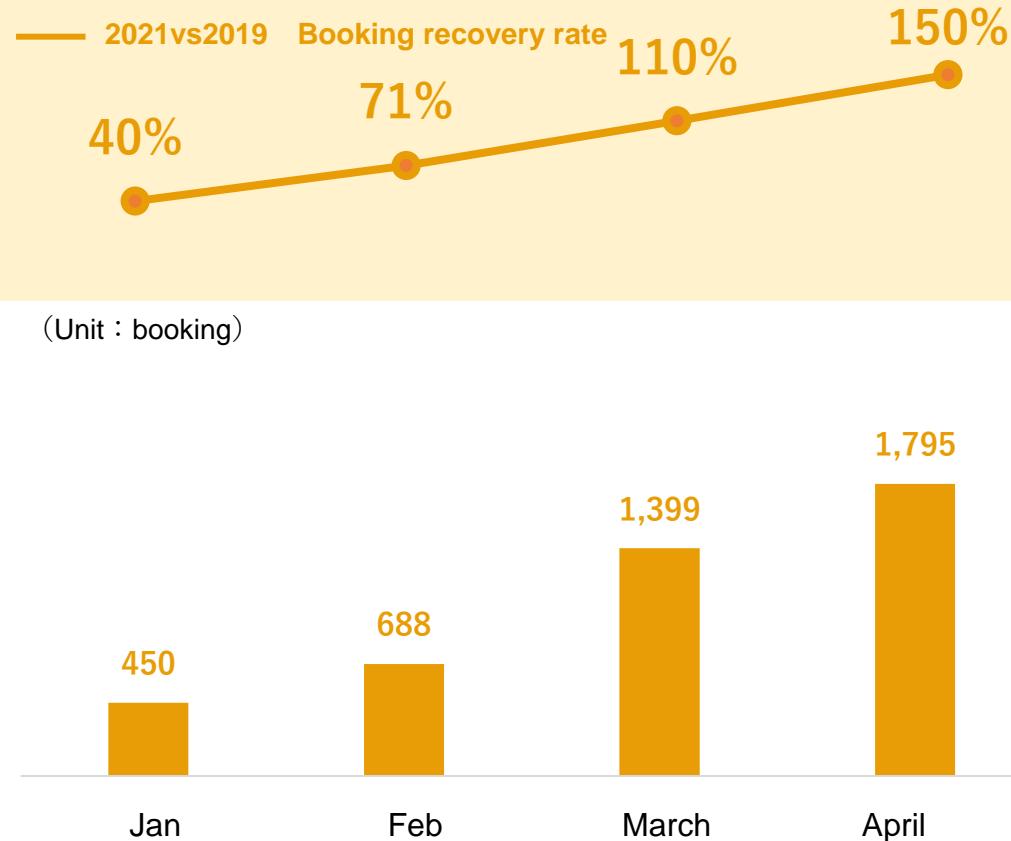
Hawaii Activities Recovery Status (2021 vs 2019)

- Bookings for Hawaii Activities(*) has been higher than the recovery rate of traveler numbers to Hawaii compared to FY2019 (pre-COVID19). (*)English-language website specializing in Hawaii as a destination operated by VELTRA Inc.

Hawaii Visitor Trends



Hawaii Activities Monthly Bookings



Source : Department of Business, Economic Development & Tourism 「Visitor Statistics」



Balance Sheet Summary (Consolidated)

■ Cash position recovered by raising funds through third-party allocation of new shares Equity ratio: 71.2%

Unit : million yen	FY2020	FY2021 Q1	Net Change	Notes
Current Assets	1,098	1,775	677	Cash and deposits increased by 713 million yen due to allocation of new shares to a third party
Fixed Assets	620	568	▲51	Decrease of 36 million yen in investments and other assets due to refund of lease deposits related to head office relocation
Total Assets	1,718	2,343	625	
Current Liabilities	1,136	668	▲467	Decrease of 487 million yen in short-term loans payable and 24 million yen in current portion of long-term loans payable
Fixed Liabilities	29	1	▲28	Long-term debt decreased by 25 million yen.
Total Liabilities	1,165	669	▲495	
Total Net Assets	552	1,673	1,121	Increase in common stock and capital surplus by 754 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 400 million yen.
Capital to Asset Ratio	31.9%	71.2%	+39.3pt	



Status of Linktivity Initiatives

- Strengthened sales even during COVID. Improved sales efficiency led to securing contracts at pace exceeding original targets.
- Diversification of the business has led to the construction of a direct sales site for suppliers and the strengthening of partnerships with ANA, NAVITIME, and other companies promoting MaaS.

Domestic railroad companies
Prefectural facilities, etc.

2019
year end
6

2020
year end
30

2021
Q1 end
42



Domestic and overseas
OTAs, travel agencies, etc.

More than **200** sales
channels globally



Sales Solutions



MaaS integrated





Providing in the Age of the New Normal (Case Study 1)

- Launch of "YOKKA," a media outlet that transmits experiences to enhance daily leisure time (March 24)

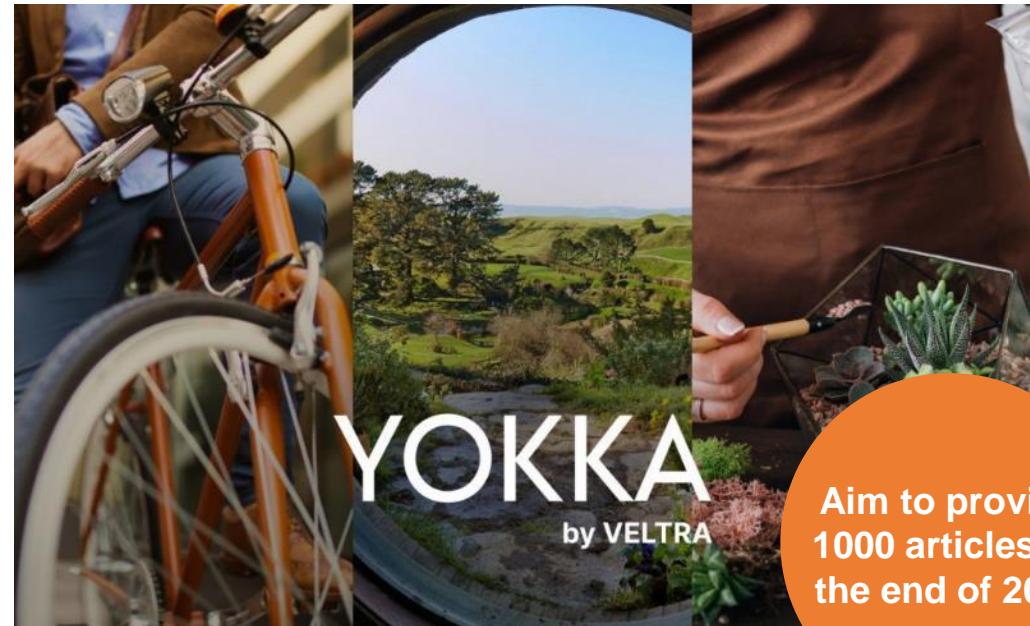
Getting you started on a new hobby!

The "Leisure Planner" will provide you with ideas for experiences that interest you.

"Yokka", A new online media where you can find new ideas for everyday experiences and hobbies.

This is a new experience media that provides information on how to enrich your leisure time, such as finding hobbies you can easily start and how to spend your holidays.

Yokka is a curated collection of ideas to enrich your daily life by gently encouraging you to start a new challenge even in an age of 'new normal'.



Aim to provide 1000 articles by the end of 2021

YOKKA Features

- The "Leisure Planner" supports the start of new experiences. Carefully selected experts will provide information on experiences that will make you think, "Why don't I try that?"
- We will also support you with how-to articles so that you can actually get started.
- Leisure ideas are curated by theme and purpose, such as "hobby search," "outing," and "travel."



Providing in the Age of the New Normal (Case Study 2)

- Take-home meal service "GOHAN of the World" goes into full swing (March 29)

Nationwide shipping of globally inspired meals to your doorstep

Turn your home into a restaurant. Enrich your life by increasing the value of the everyday experience of food.

A service that delivers authentic dishes prepared by chefs from popular restaurants. The food is prepared in advance and delivered frozen or vacuum-packed, so that it can be easily prepared by simply heating, adding a touch of color to the usual dining table and changing the monotonous lifestyle of restricted movement. In the future, we will collaborate with Veltra's Online Academy, which connects people from all over the world online, to plan and hold special events where people can feel like they are traveling while enjoying delivered meals.



Features of GOHAN of the World

- Enjoy the taste of a popular chef's restaurant with simple preparation. Create extraordinary experiences through cuisine while travel is restricted.
- You can enjoy authentic tastes in the comfort of your own home, enriching your home time and improving the quality of daily life.
- You can share the food experience with your loved ones even when you are far away, such as a friend's virtual party around the same menu, or as a gift to family members or relatives.



Various Media Exposure of Veltra

- Veltra's "Online Academy" and "GOHAN of the World" were showcased by various media outlets to meet the needs of people who were restricted from going out or staying indoors during Japan's extended holidays.



"Delivery of ingredients from international restaurants. Easy to prepare."

Nikkei Newspaper Electronic Edition

(31 March 2021)



"New Service: Authentic Cuisine from Around the World at Home"

TV Asahi "Super J Channel"

(27 April 2021)



"Shopping Online at Dubai Market: Online tour"

TBS "Hiruobi!"

30 April 2021



"Rottnest Island Online Tour to Meet the World's Happiest Animal, the Quokka"

Fiji TV "Nonstop!"

3 May 2021

■ Veltra Online Academy B2B Examples

Tie-up with online tour to visit locations of popular foreign drama series "Chicago"

Promotion to announce new drama series to a wider audience

Period of implementation

28 April 2021

Contents

- Promotion of new foreign drama series
- Live broadcasts from the locations of series that are highly popular around the world
- Location: Chicago, USA
- Approximately 600 people participated in the event (held on Zoom for one day only).



VELTRA receives Special Prize from Ministry of Environment's 16th Ecotourism Awards

The Ecotourism Awards, co-sponsored by the Ministry of the Environment and the Japan Ecotourism Association, is an effort aimed at improving activities related to ecotourism throughout Japan and promoting the exchange of information by awarding and widely introducing outstanding initiatives. Veltra won the award for the first time for the following efforts to promote eco-tourism.

1. Establishment of Eco-Tour Division

The Eco-Tour Division was established in 2020. From the perspective of "travel education" to nurture the spirit of passing on the richness of nature to the future, we developed and expanded the product lineup of eco-tours for preschool to elementary school children, including the "Kids Eco Tour" for children, our leaders of the future. We also promoted actions directly related to environmental conservation, such as incorporating marine litter pickup into the tours and allocating a portion of the participation fee to the activity expenses.

2. Revitalization of Shiretoko, Yakushima, and Amami

Oshima

We focused on three areas where demand for eco-tours is relatively high, and through measures such as adding new tours and making improvements, we were able to send more visitors than the previous year in some areas despite COVID conditions.

3. Establishing Online Courses

While people were being asked to refrain from going out and moving around in response to the spread of COVID19, we held online courses. We provided continuous learning opportunities and communicated the appeal of the local natural environment to a wide range of people.



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.



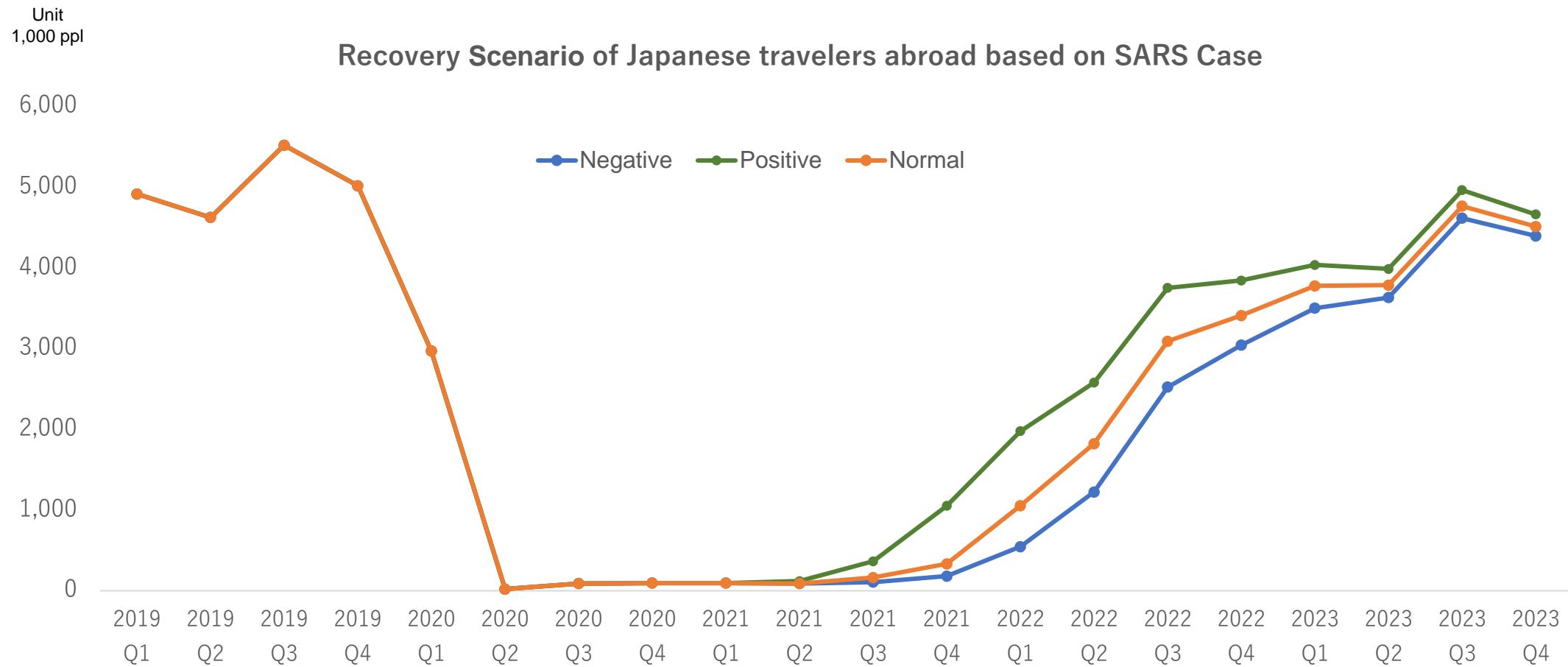
FY 2021 Future Actions

Disclosed 15 February 2021
Re-released from the financial results for
the fiscal year ending 31 December 2020



Overseas Travel Market (VELTRA Recovery Forecast)

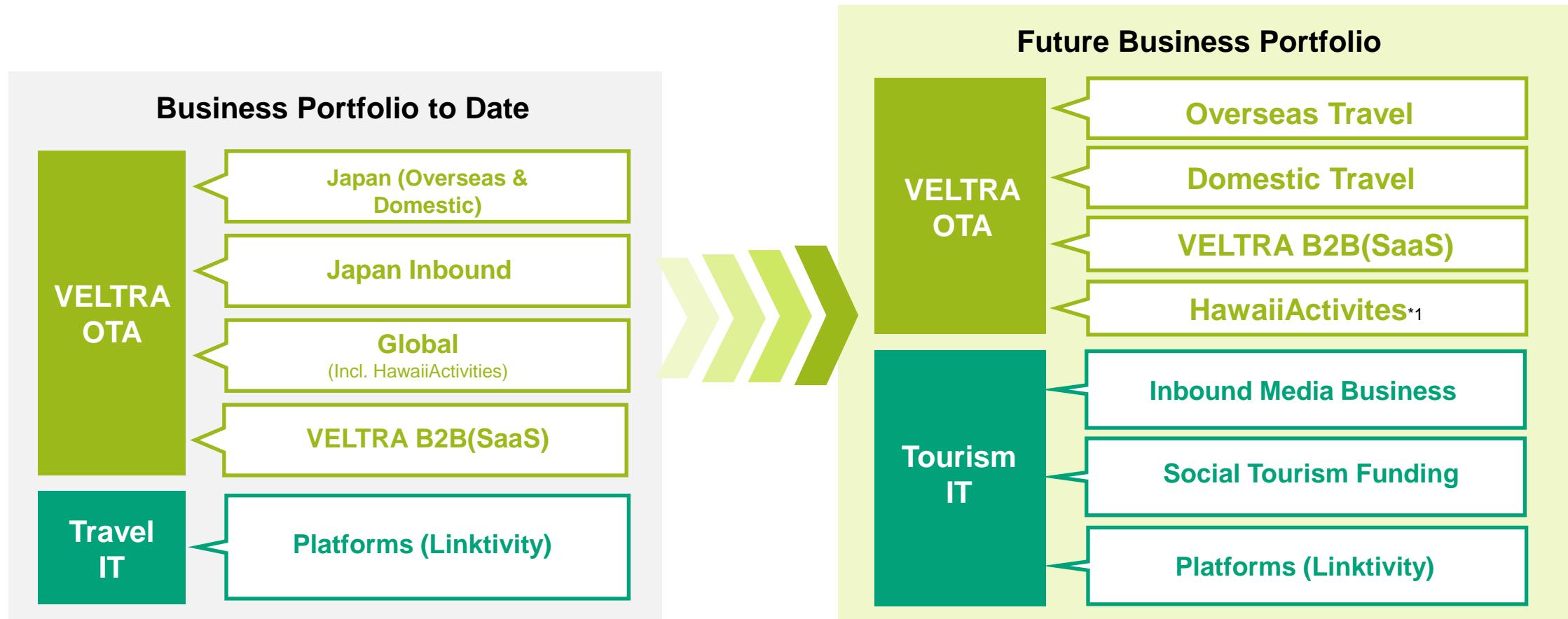
- There are no prospects for a recovery in overseas travel in 2021. Recovery is projected for 2022.
- Three scenarios were calculated based on Japanese traveler recovery based on the past SARS outbreak, with the starting month of recovery being June (Positive), August (Normal) and October (Negative)





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



Growth Strategy

Goal
(2024~2025)

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.

2020
Initial Plan

VELTRA
OTA
(Global expansion &
B2B)

Linktivity
Ticket Platform

2021
Expansion of Biz Portfolio

VELTRA
OTA

Linktivity
Ticket Platform

Tourism IT

Focus on Japanese market
Expand domestic travel market
Strengthen online tours

Expanding contracted companies
MaaS, strengthen direct sales

Media Business
Tourism Industry Support
Social Funding

2022
Biz Expansion (Recovery)

VELTRA
OTA

Linktivity
Ticket Platform

Tourism IT

Travel Biz

VELTRA
OTA

Tourism IT Biz

Linktivity
Ticket Platform

Tourism IT

Appendix

Company Profile

Company Name	VELTRA Corporation		
Headquarters	1 Kanda Mitoshirocho, Chiyoda, Tokyo	Board Members	President and representative director/CEO
Capital	JPY 1,293,128,120 (as of March 31, 2021)	Director	Ryoko Mannen
Founded	November 1991 (VELTRA.com business initiated in 2004)	Director	Tomoharu Kurakami
Fiscal Year Closed In	December	Director	Jumpei Minashima
Number of Employees	Headquarters: 130 (Consolidated: 155)	Outside director	Kenichiro Sakamizu
Subsidiaries	[Singapore] LINKTIVITY PTE, LTD.	Outside director	Gaku Suzuki
	[Malaysia] VELTRA Malaysia Sdn. Bhd.	Auditor	Rodney Cuthbert
	[Philippines] VELTRA PHILIPPINES, INC.	Part-time auditor	Tetsushi Ikeda
	[USA (Hawaii)] VELTRA Inc.	Part-time auditor	Masato Mori
	[Korea] VELTRA KOREA Inc.		Masayuki Kono
Business Branches	Japan, London, Bangkok, Ho Chi Minh	LINKTIVITY Inc.	



Business Outline

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

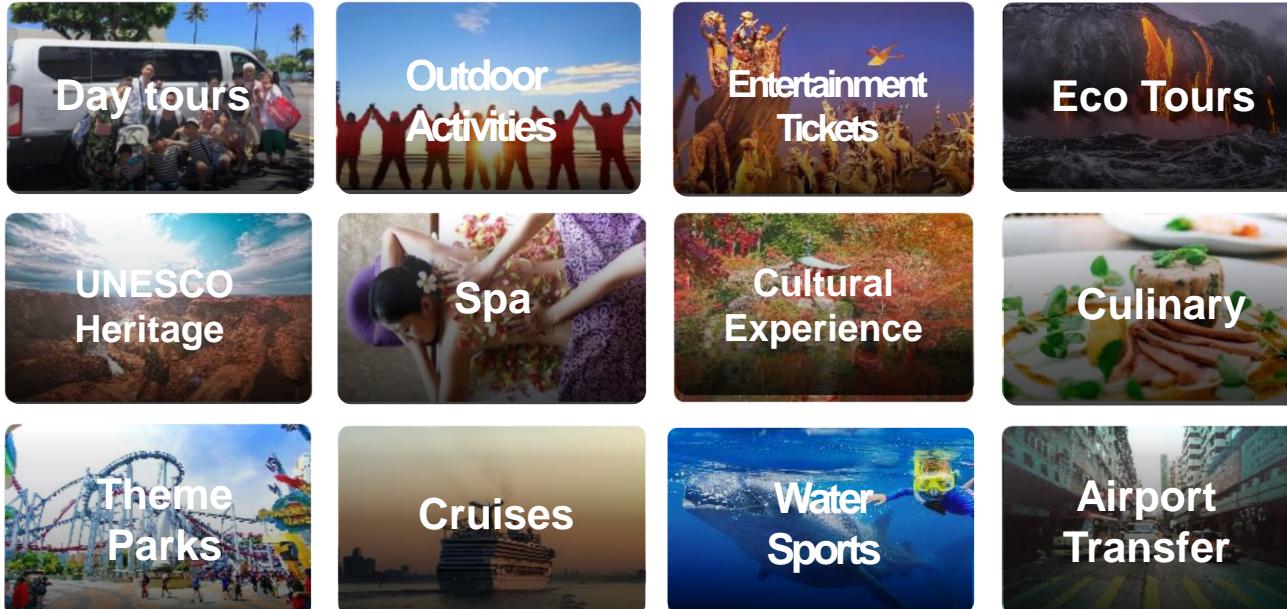


VELTRA changes **TRAVEL**

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



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.

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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