



VELTRA changes TRAVEL

## FY2024 Q2 Financial Results



VELTRA CORPORATION:TSE7048



FY2024 Q2 Results Overview	P3
FY2024 Q2 Results and Market Environment by Business	P14
FY2024 Outlook and Initiatives	P21
FY2024 Earnings Forecast	P24
Appendix	P27

# FY2024 Q2 Results Overview



## Results

- Operating revenue increased by 57% YoY to 18B yen, driven by the recovery in travel demand and overall portfolio growth.
- As a result of proactive investments in advertising and promotional expenses, operating profit landed at -197M yen, an increase of 5 M yen compared to the same period last year.

Overseas (Outbound)	Operating revenue rebounded to 11.45 billion yen (up from 6.47 billion yen last year). However, the impact of the weak yen on overseas travel is expected to hinder the market's recovery for now.
Japan Domestic	Operating revenue increased to 152 million yen (130 million yen in the same period last year), showing a YoY growth of 17.0%.
HawaiiActivities	Operating revenue slightly decreased to 142 million yen (from 143 million yen last year) but remained above the planned level.
LINKTIVITY	With the increase in inbound tourists, operating revenue grew significantly to 323 million yen (from 201 million yen in the same period last year).

## External Environment

- The number of Japanese outbound travelers has recovered to 61% of the 2019 level.

January to June 2024  
Approximately 5.8 million people (160% YoY).

- Inbound foreign visitors exceeded 2019 levels by 6.9%.

January to June 2024  
Approximately 17.78 million (166% YoY).

## Performance Forecast

The forecast for operating revenue is 5.468 billion yen (+75.1% YoY) and operating profit is 350 million yen, with no changes.

Source: JNTO

# Profit and Loss Summary



Driven by the gradual recovery in travel demand and the expansion of the business portfolio, the top line grew significantly by 56.8%.

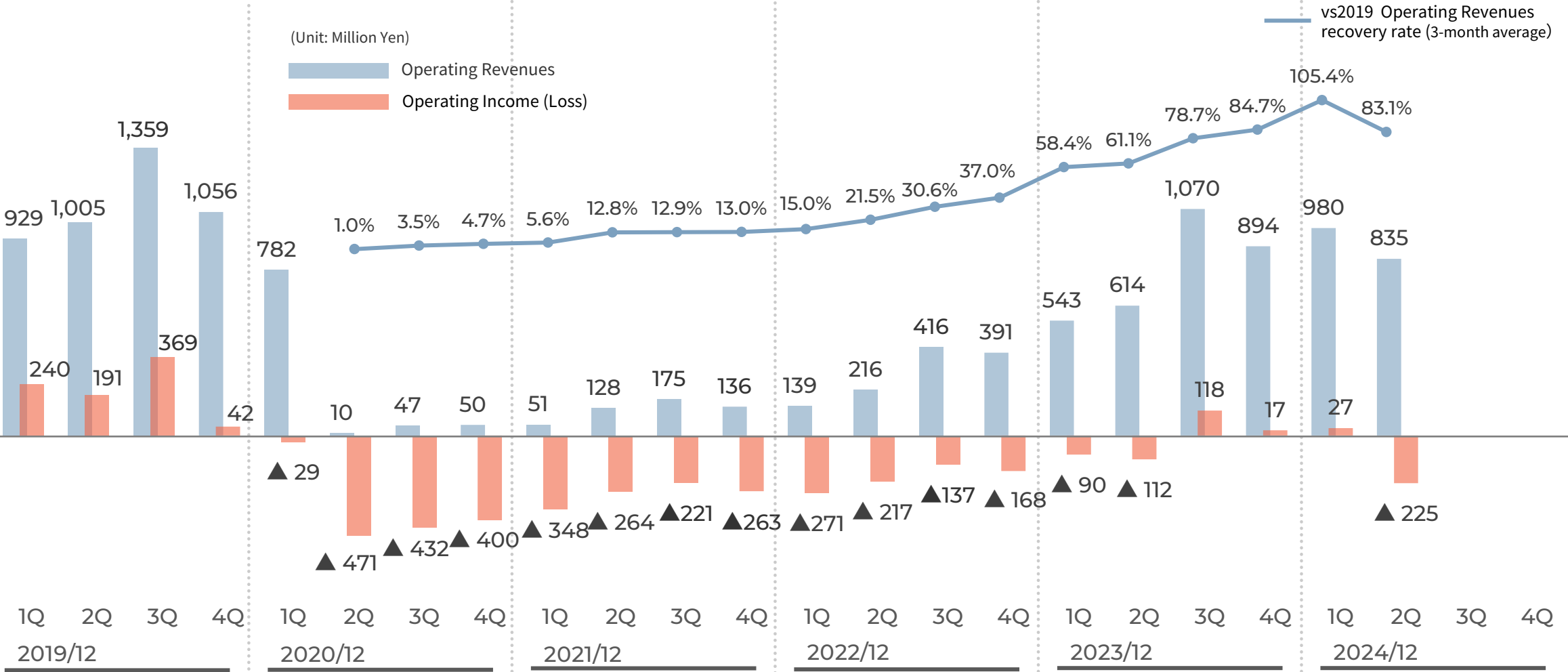
However, at this stage, increased costs from investments in personnel and advertising have weighed heavily, leading to a negative profit outcome.

Unit: Million Yen	FY2023 Q2	FY2024 Q2	YoY	Change
Operating Revenue	1,157	1,815	+56.8%	+657
Operating Expenses	1,361	2,013	+47.9%	+652
Operating Loss	▲203	▲197	—	+5
Non-operating Income	0	1	+57.6%	+0
Non-operating Expenses	30	88	+190.5%	+58
Ordinary Loss	▲233	▲285	—	▲52
Net Income	▲254	▲271	—	▲16
Net income per share (Yen)	▲7.16	▲7.46	—	▲0.3 yen

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



In Q2, operating revenue fell short of plans due to a slowdown in the recovery of the overseas travel market. However, operating profit is progressing almost as planned. Due to increased costs from hiring and higher advertising expenses for expanding brand recognition, cost levels are elevated. Future adjustments will be made based on the top line performance.

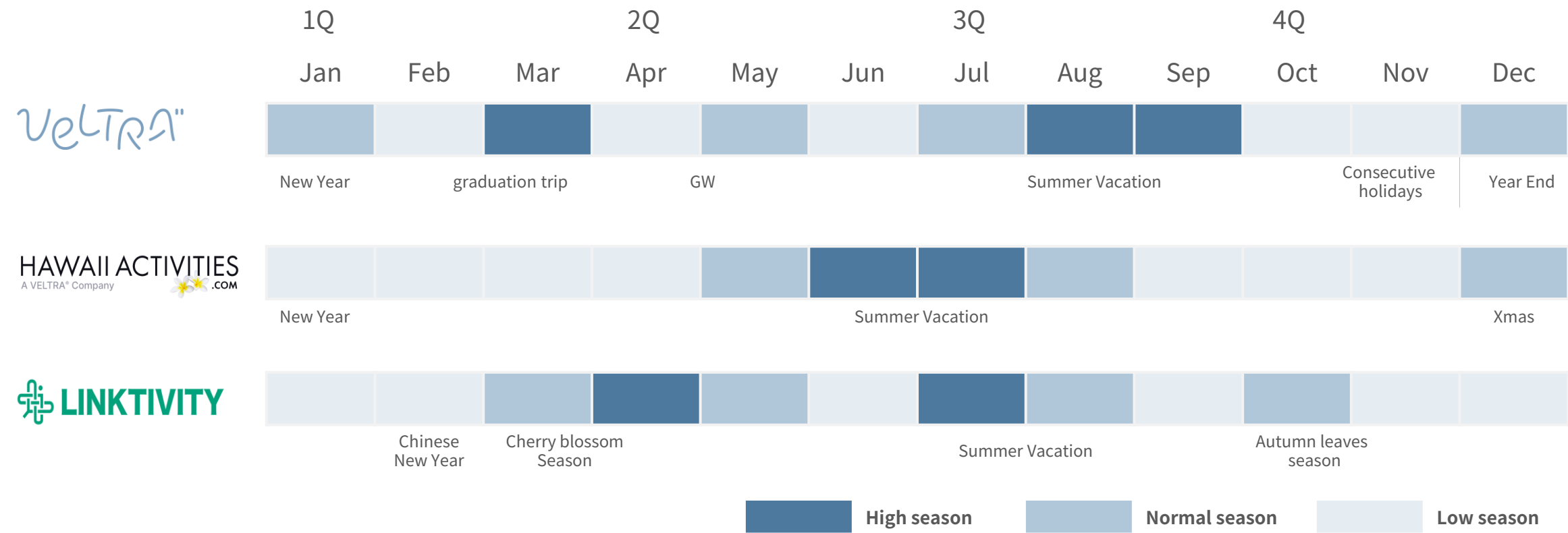


# Seasonality in Each Business (Reference)



For Veltra’s OTA business, the 2Q (April to June) is a low season with declining bookings and revenue, while the 3Q (July to September) is a peak season in Japan, generating about 35% of annual revenue.

HawaiiActivities peaks during the American summer vacation, and Linktivity peaks during long holidays in April and July.

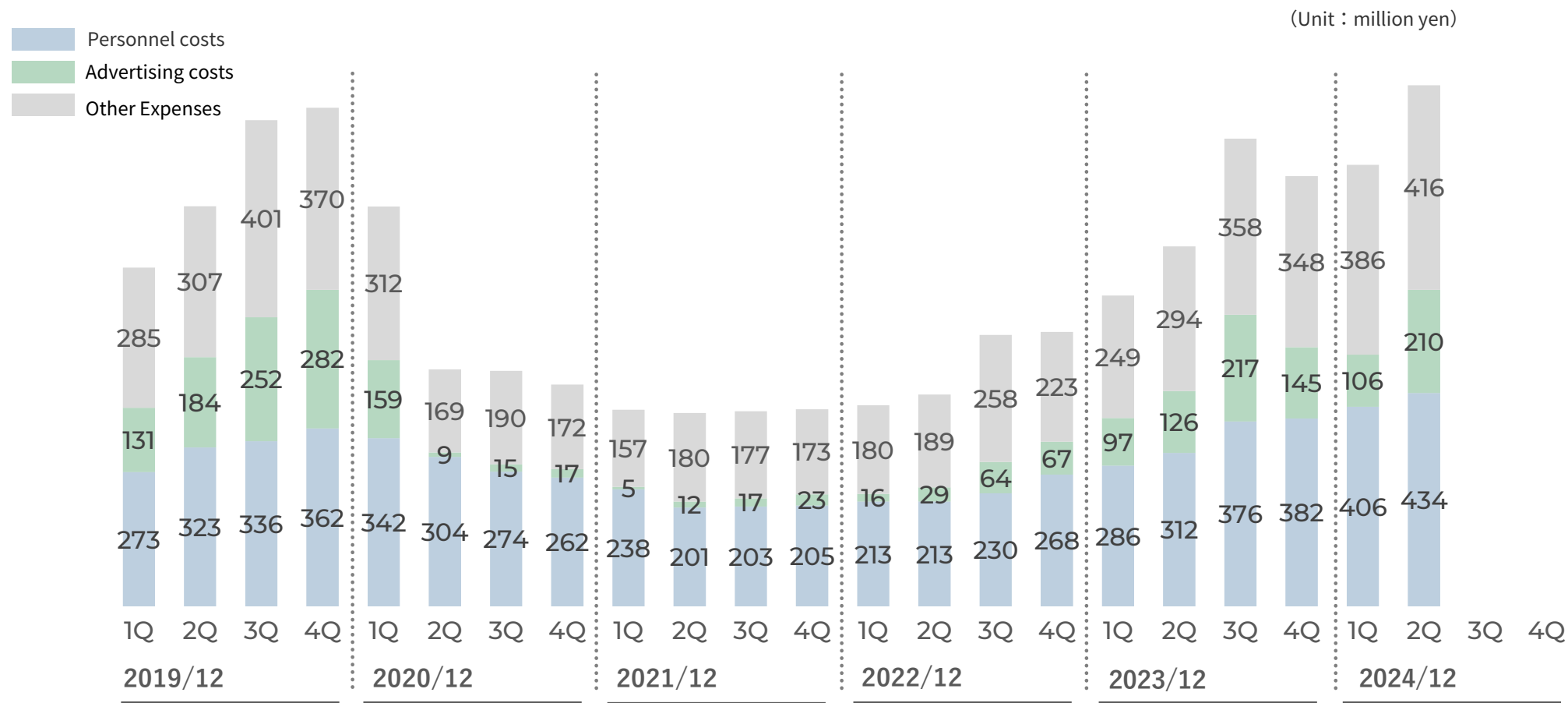


# Costs



The OTA business's transaction volume rose by 158% YoY, with online advertising costs increasing 144% YoY, both within an appropriate range.

Personnel expenses grew 140% YoY due to planned hiring progress. Overall costs were controlled at 87.4% of the budget.

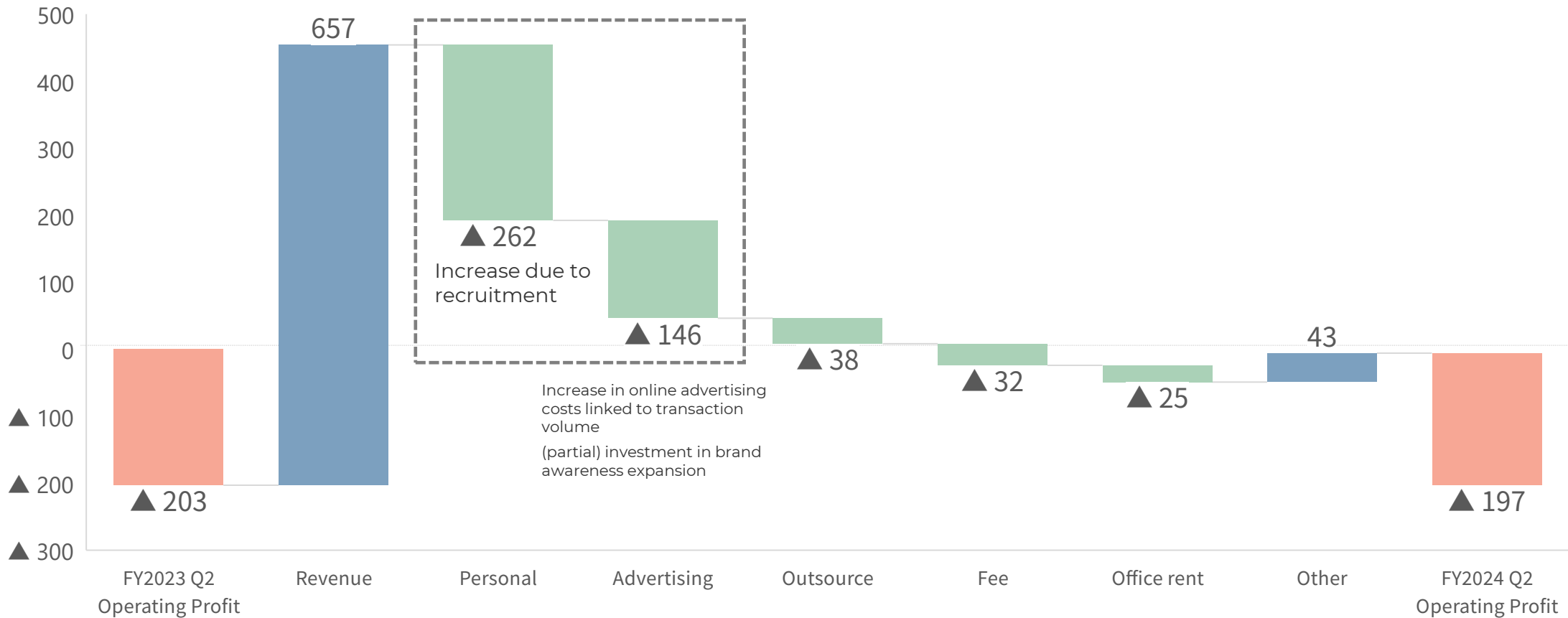


# Analysis of Changes in Operating Profit



To build an organization for the recovery of travel demand, we have invested in recruitment, online advertising aligned with transaction volume, and some awareness expansion efforts.

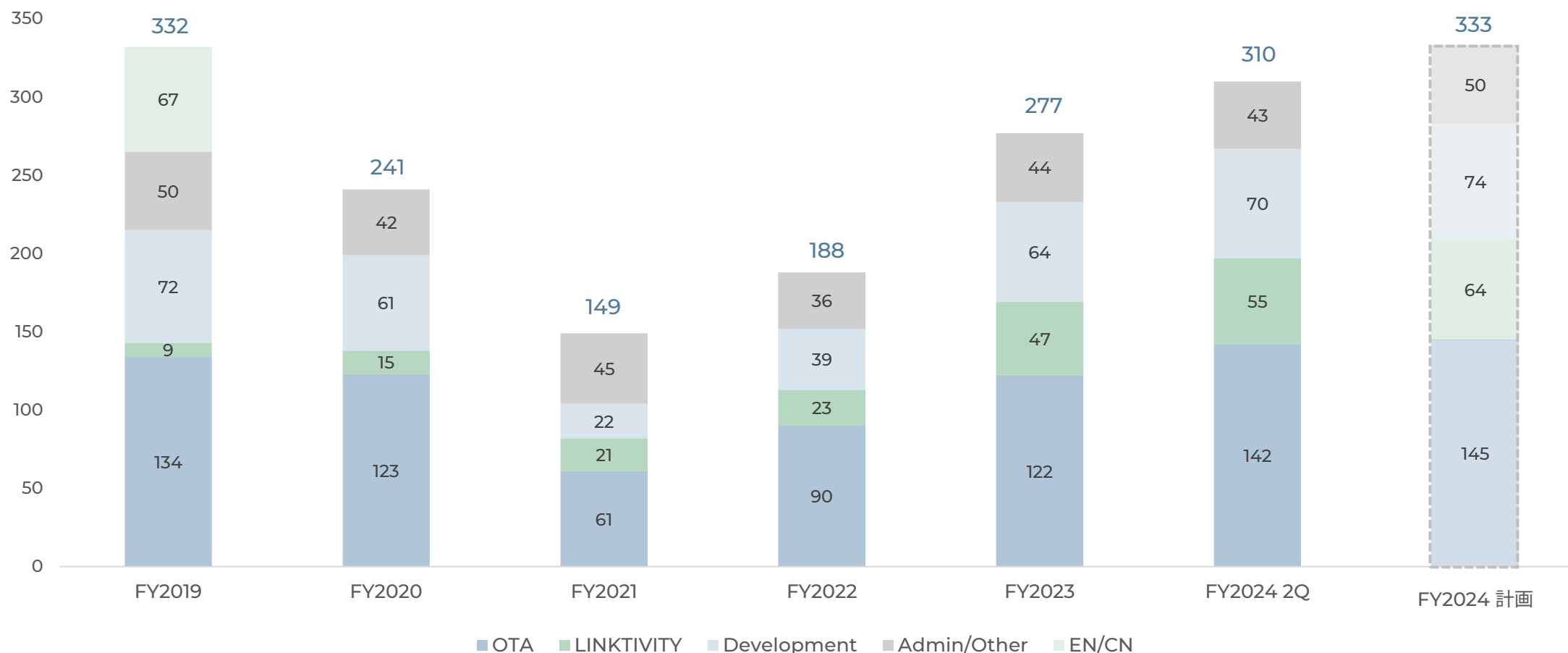
Operating profit for the cumulative 2Q is progressing almost as planned.



# Headcount transitions



Hiring progressing as planned. However, recruitment from the third quarter onward will be appropriately controlled based on the progress of revenue.



## Investment in raising brand awareness



Starting July 1, 2024, a new TV commercial series featuring artist and talent Ano-chan will begin airing nationwide, with a total of four versions.

In addition to addressing the ongoing challenge of increasing brand awareness, the campaign aims to effectively capture travel demand in the summer and beyond.

### TV Commercial Rational

- To achieve growth beyond market recovery, it's essential to expand recognition of not just our brand but also our experiential online booking service.
- Build touchpoints from the start of travel needs.
- Clearly differentiate from competitors (e.g., travel agencies).

### TV Commercial Objectives

- Expand site traffic through increased brand awareness.
- Reach audiences not captured by internet ads.
- Promote online booking for domestic and international travel experiences.
- Drive towards achieving the key goal of 1 million fans.



To showcase the diversity of tours and activities offered by Veltra, the commercial highlights intentionally surprising and unexpected plans.

『ダンス』篇 (30秒) : <https://youtu.be/iJhktHdgzpM>

『古武道』篇 (30秒) : [https://youtu.be/tjMUPWSs\\_V4](https://youtu.be/tjMUPWSs_V4)

『珍獣』篇 (30秒) : <https://youtu.be/CvTbXfWBdMQ>

『城攻め』篇 (30秒) : <https://youtu.be/MbFLSOGvFLI>

※Fan・・・Customers who use our services at least twice a year

# Balance Sheet Summary



Cash and deposit balances increased by 2.4B yen to 6.1B yen due to capital increases and improvements in operating cash flow.

As a result of third-party allotment capital increases, net assets rose by 1.8B yen, boosting the equity ratio to 27.9% (up 7.4 percentage points).

Unit: Million Yen	FY2023	FY2024 Q2	Change	Details
Current Assets	5,805	8,620	+2,815	Cash and deposits increased 2,452M yen and operating accounts receivable increased 420M yen
Cash and Deposits	3,695	6,148	+2,452	
Fixed Assets	661	826	+165	Software increased by 129M yen
<b>Assets Total</b>	<b>6,466</b>	<b>9,447</b>	<b>+2,980</b>	
Current Liabilities	5,105	6,400	+1,924	Operating accounts payable increased by 141M yen and advances received increased by 1,009M yen
Favorable Sub Liabilities	500	500	-	
Fixed Liabilities	0	0	-	
<b>Liabilities Total</b>	<b>5,106</b>	<b>6,400</b>	<b>+1,294</b>	
<b>Total Net Assets</b>	<b>1,360</b>	<b>3,046</b>	<b>+1,686</b>	Capital stock increased 254M yen and capital surplus increased 1,233M yen
<b>Capital to Asset Ratio</b>	<b>20.5%</b>	<b>27.9%</b>	<b>+7.4pt</b>	

# Cash Flow Summary



Operating cash flow significantly improved due to increased reservations in the OTA business, leading to higher accounts payable and advance payments.

Unit: million yen	FY2023 Q2	FY2023 Q2	Change	Details
Operating Cash Flow	499	696	+196	Increase factors: Increase in accounts payable, 127 million yen; Increase in advances received, 995 million yen Decreasing factors: Increase in accounts receivable, 410 million yen; loss before income taxes, 285 million yen
Investing Cash Flow	▲303	▲233	+70	Decrease due to purchase of fixed assets of 217M yen, payment for guarantee deposits of 15M yen, etc.
Financing Cash Flow	4	1,881	+1,876	Proceeds from stock issuance 1,881M yen
Effect of exchange rate change	65	109	+43	
Cash and Cash Equivalents at the end of year	3,065	6,148	+3,083	

# FY2024 Q2 Results and Market Environment by Business

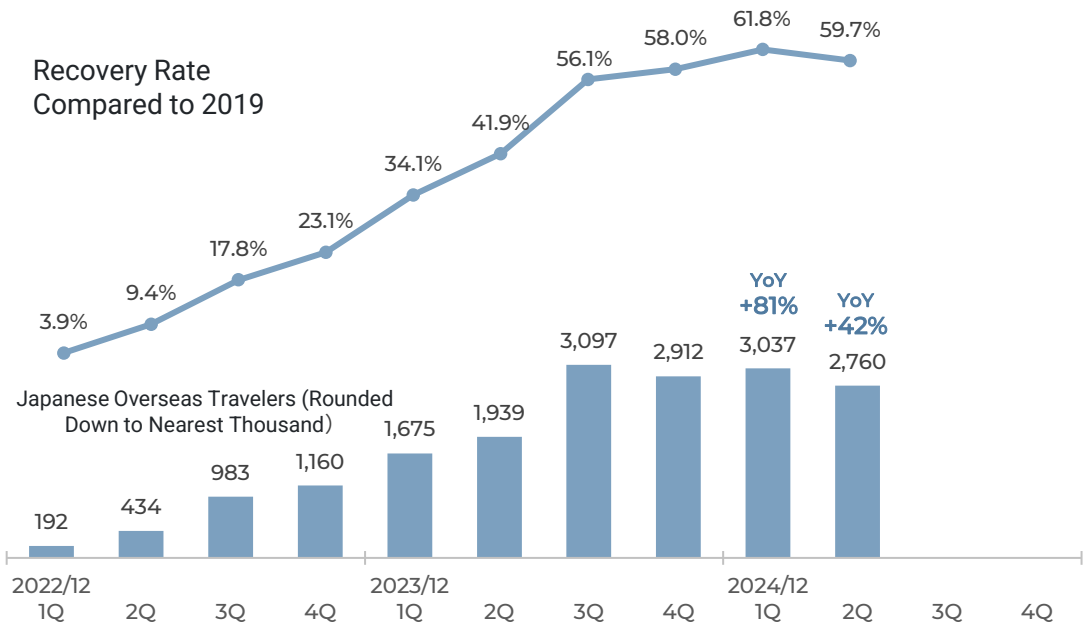
# External Environment



Even in the current fiscal year, which has no impact from COVID-19, the recovery in the number of Japanese outbound travelers is still halfway due to the record low yen and high prices. On the other hand, the number of inbound travelers to Japan has significantly increased, surpassing the pre-COVID-19 levels of 2019, partly due to the weak yen.

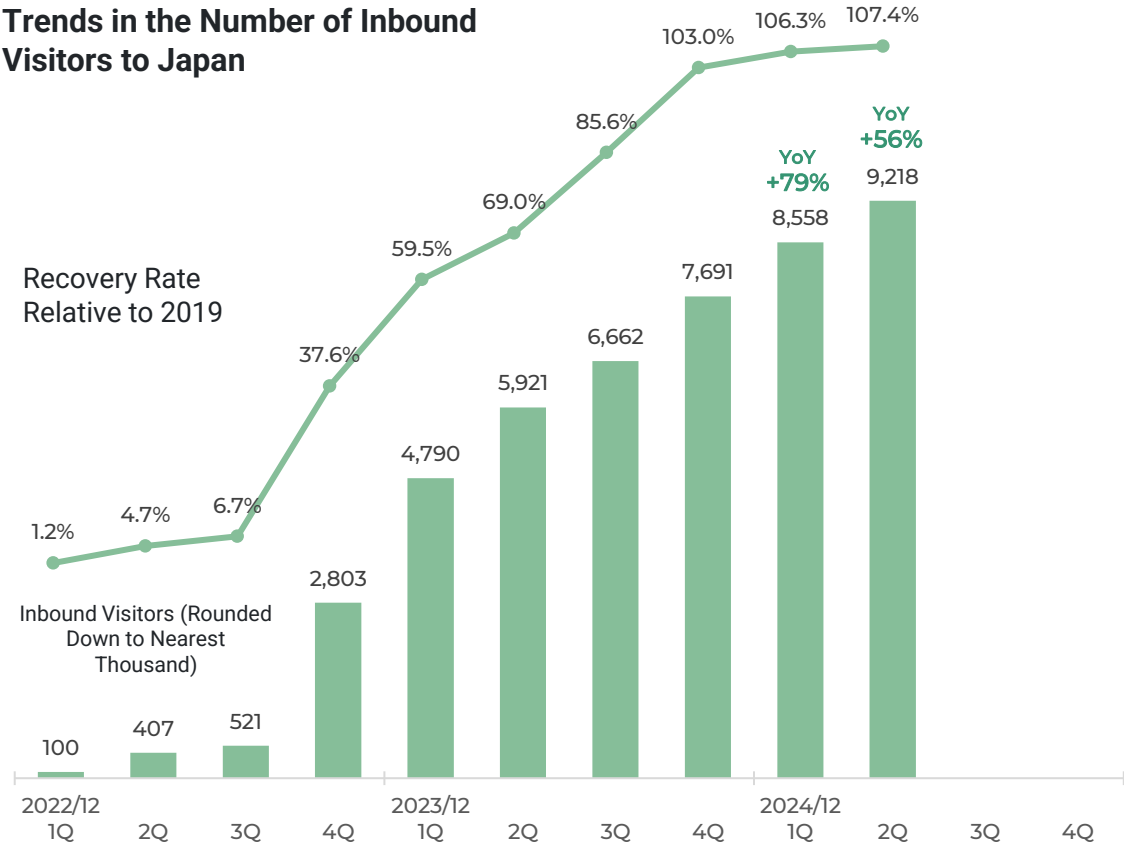
*\*The trends in domestic travel and the number of travelers to the mainland United States are omitted as they are at the same level as the previous year.*

Trends in the Number of Japanese Outbound Travelers



Source: JNTO

Trends in the Number of Inbound Visitors to Japan

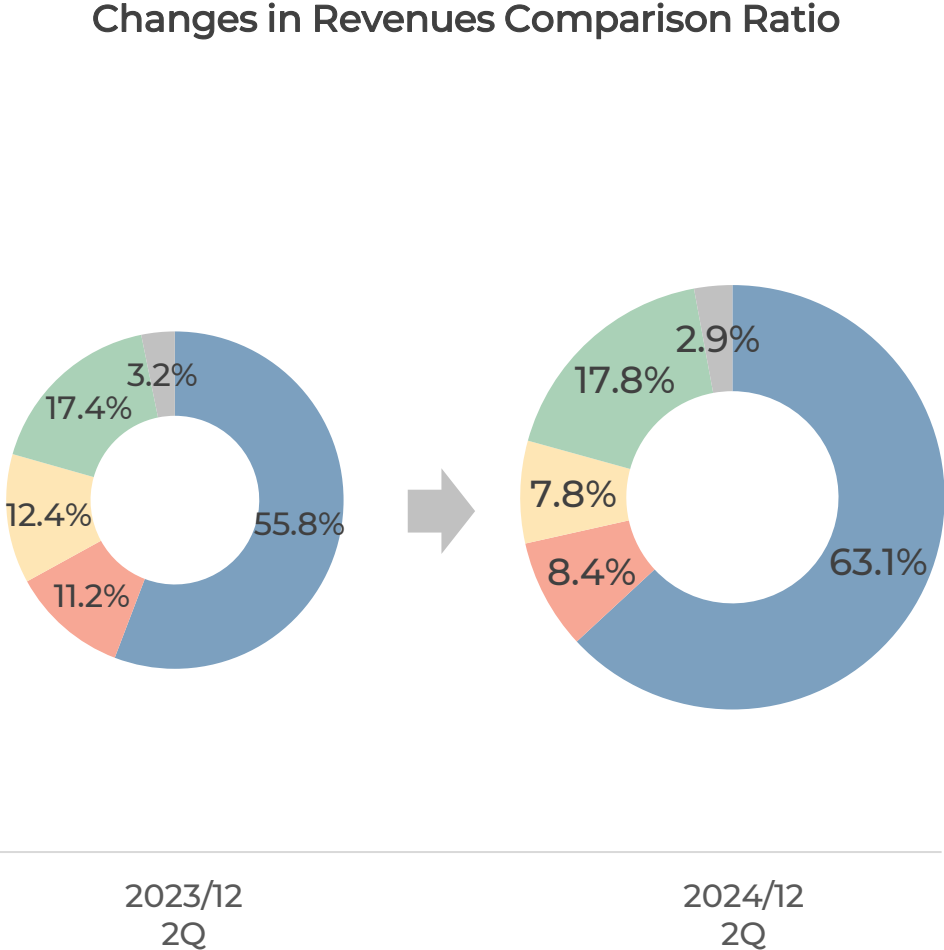
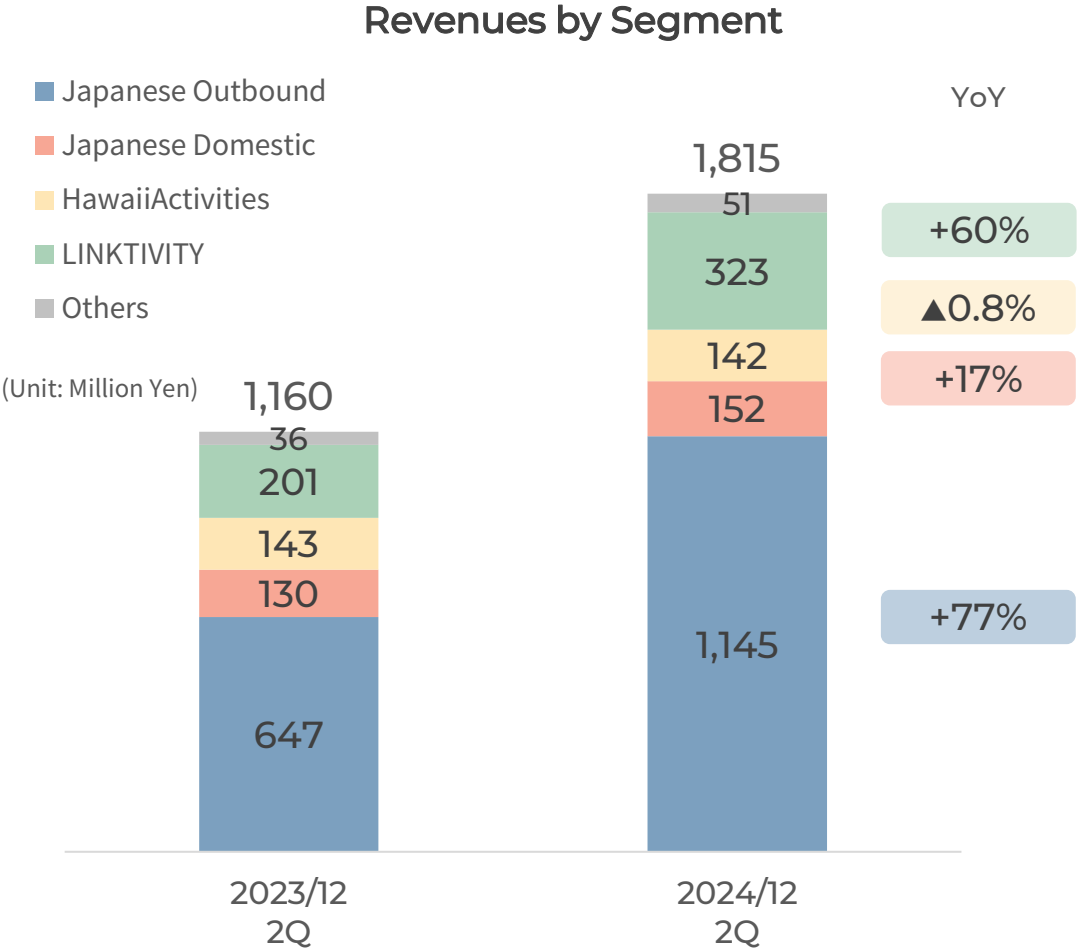


Source: JNTO

# Revenues by Business Segments YoY



Overseas travel business increased by 177%, LINKTIVITY by 160%, and domestic travel business by 117%, significantly expanding compared to the same period last year.



# Business by Segments

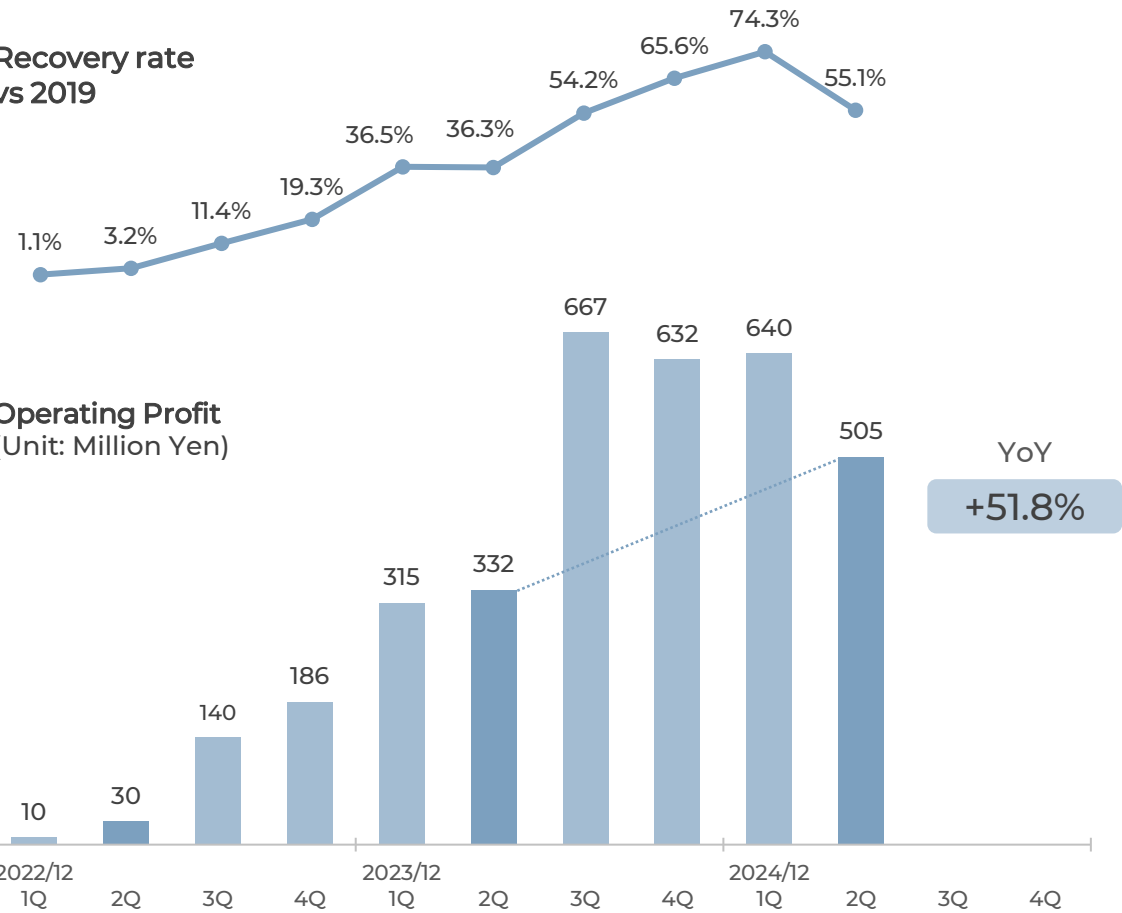
Overseas



The recovery speed of Japanese overseas travelers has been slowing down due to the prolonged yen depreciation and high prices. The effectiveness of growth measures within the company has also become limited, and the year-on-year growth rate has declined compared to the previous quarter.

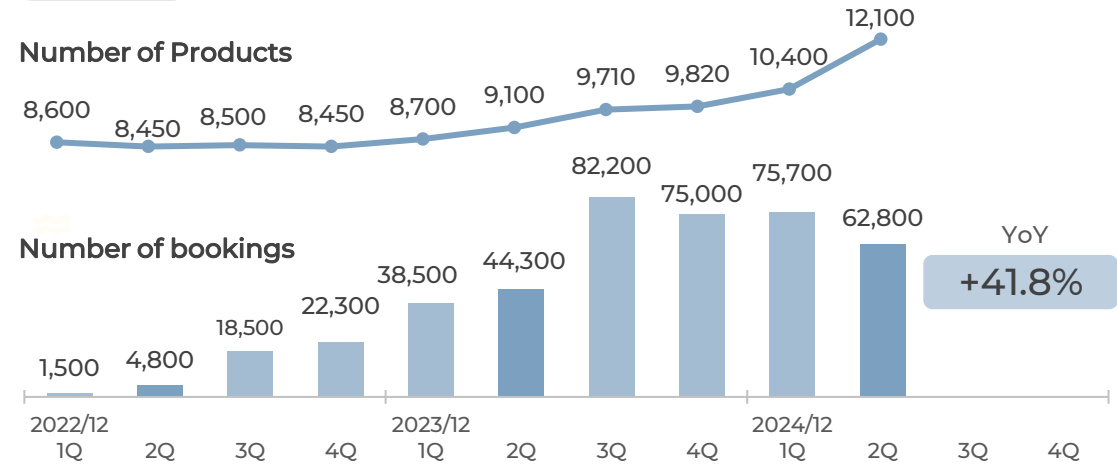
Results

Change in Operating Revenue



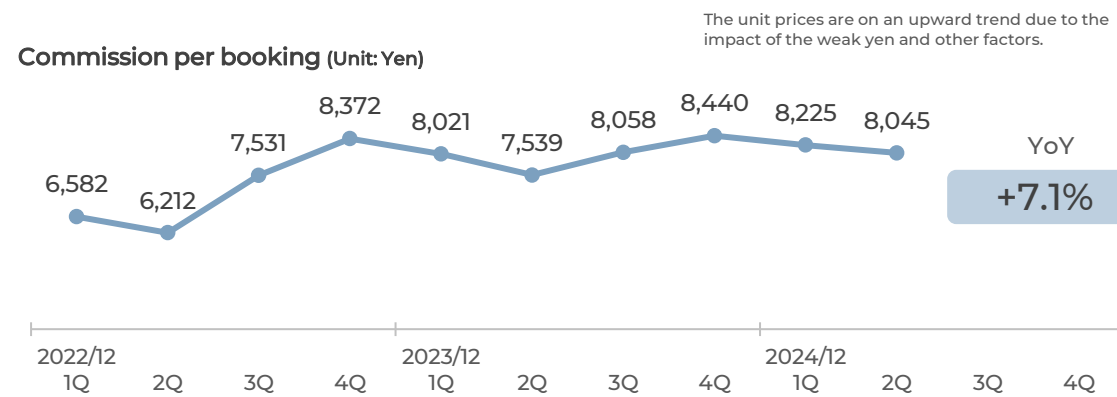
Reference

Changes in bookings and number of products



Reference

Changes in unit prices



# Business by Segments

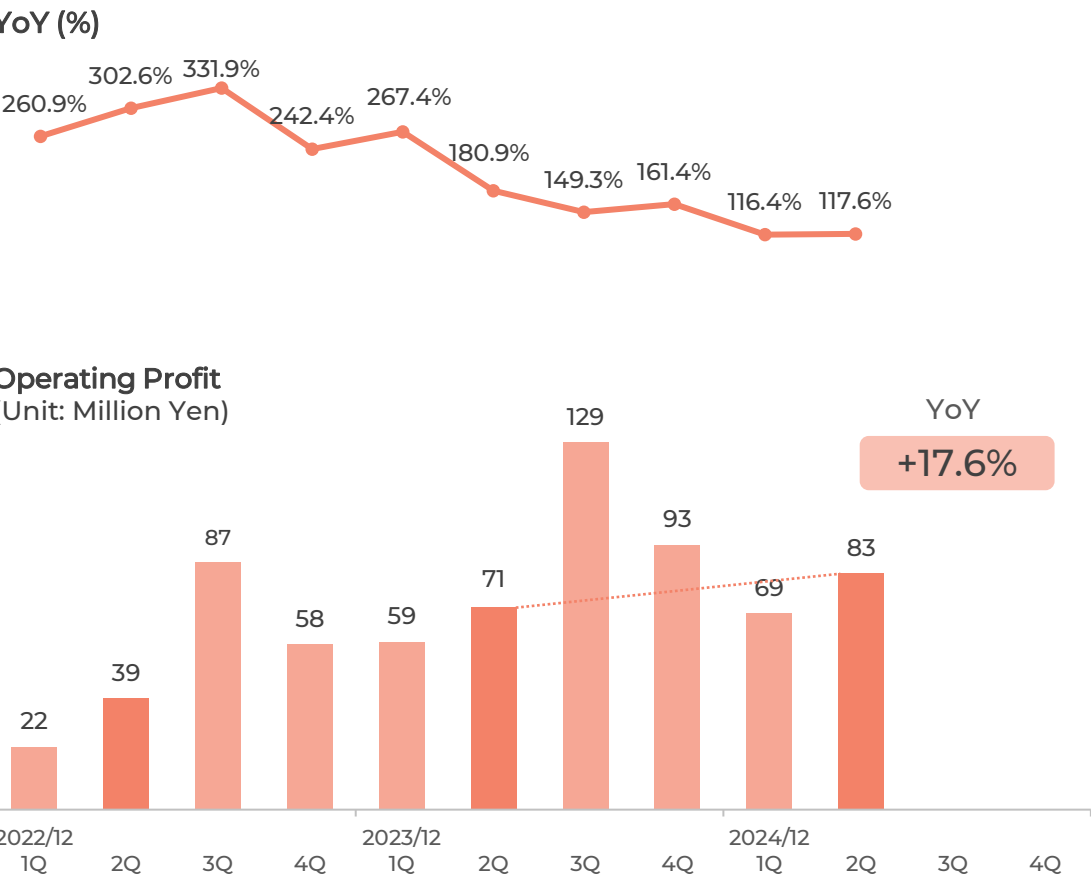
Domestic



Although the number of products is steadily increasing, the impact on the number of reservations and operating revenue lift is currently limited. This fiscal year, we plan to increase the number of reservations through raising awareness and strengthening promotional measures.

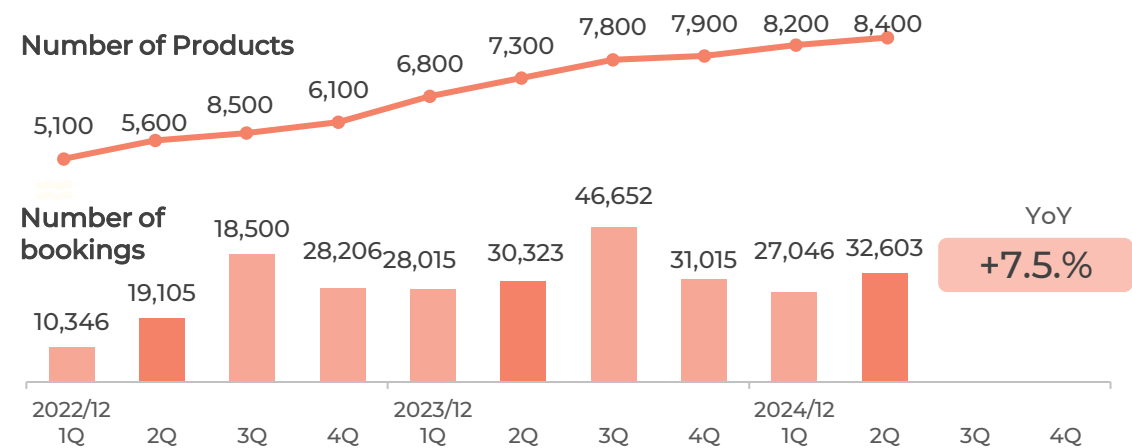
Results

Change in Operating Revenue



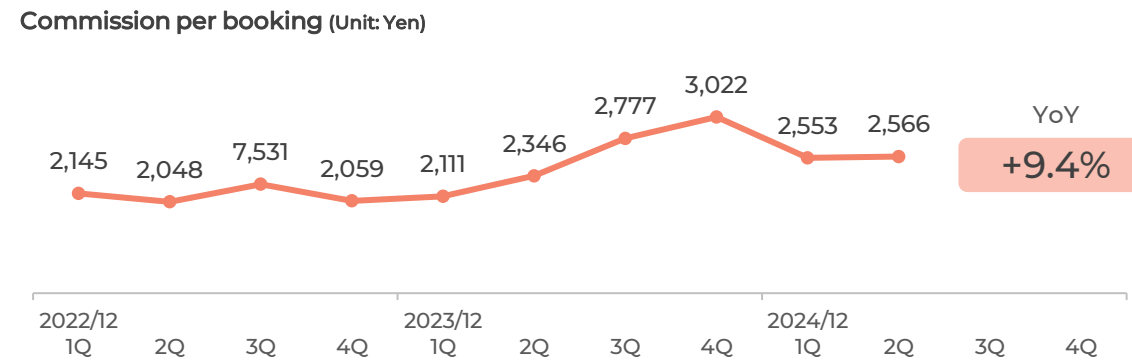
Reference

Changes in bookings and number of products



Reference

Changes in unit prices



# Business by Segments

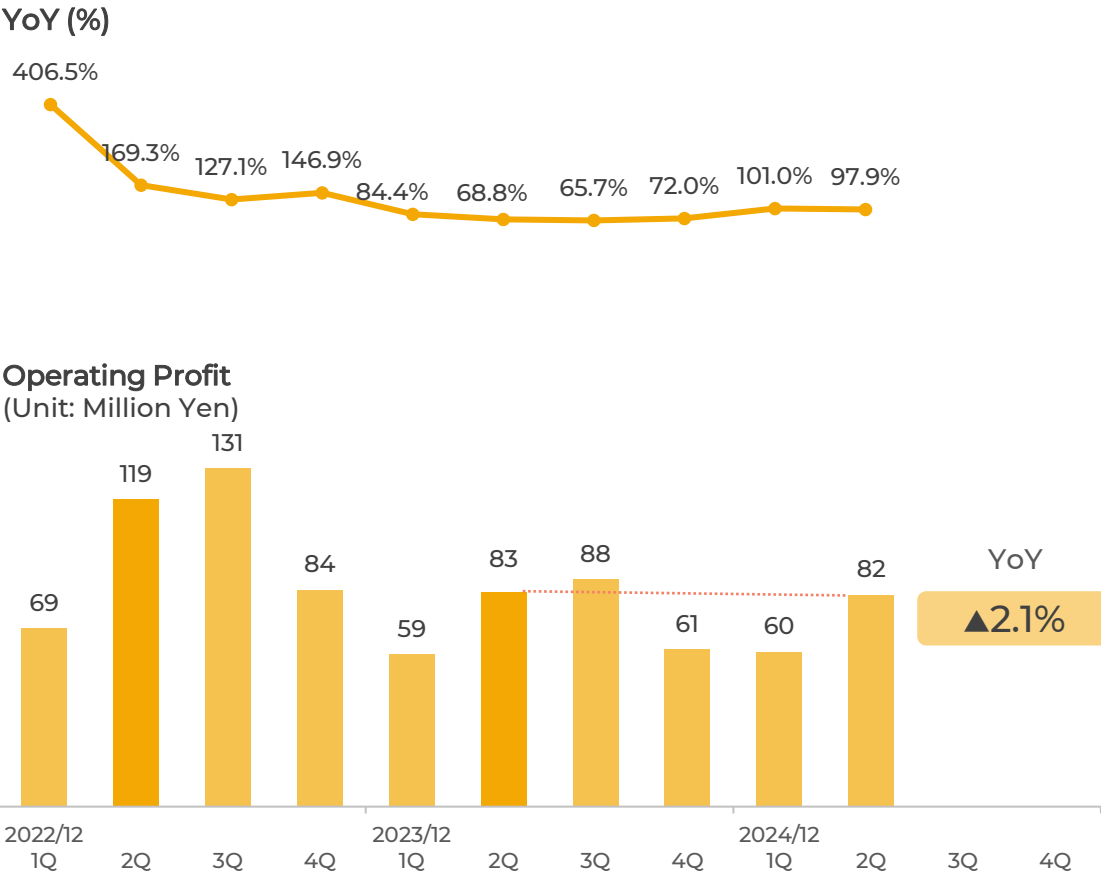
HawaiiActivities



By covering the decrease in the number of reservations with price increases (due to higher prices and improved yen exchange rates), we are securing operating revenue. The cumulative operating revenue for the second quarter is progressing smoothly at 106% of the plan.

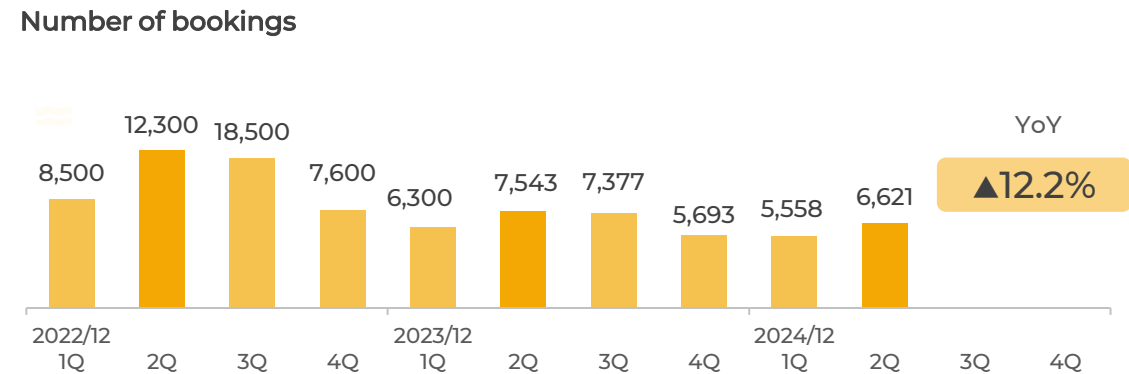
Results

Change in Operating Revenue



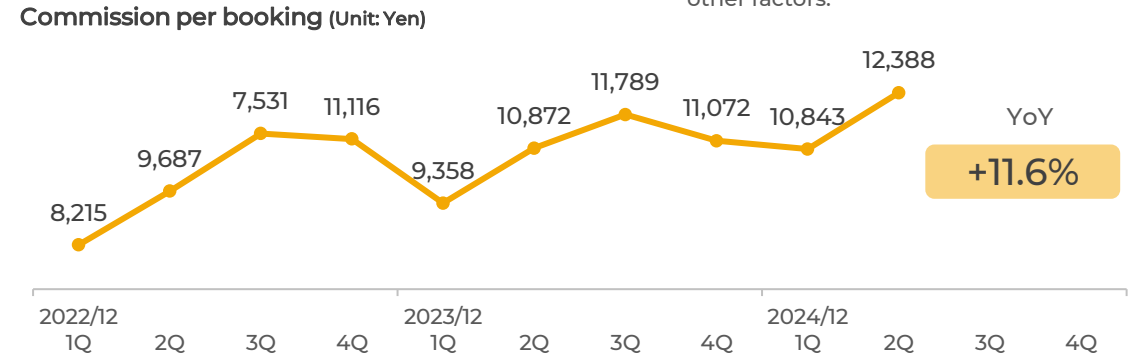
Reference

Changes in number of bookings



Reference

Changes in unit prices



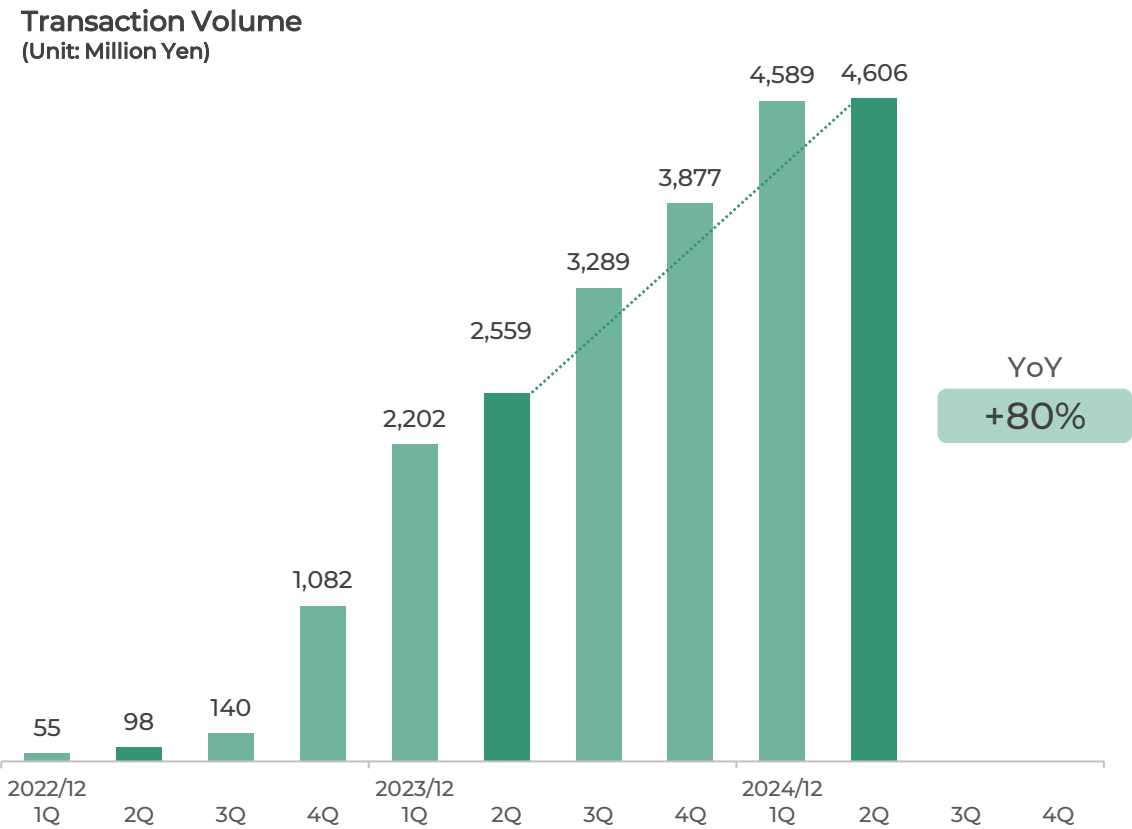
# Business by Segments

LINKTIVITY

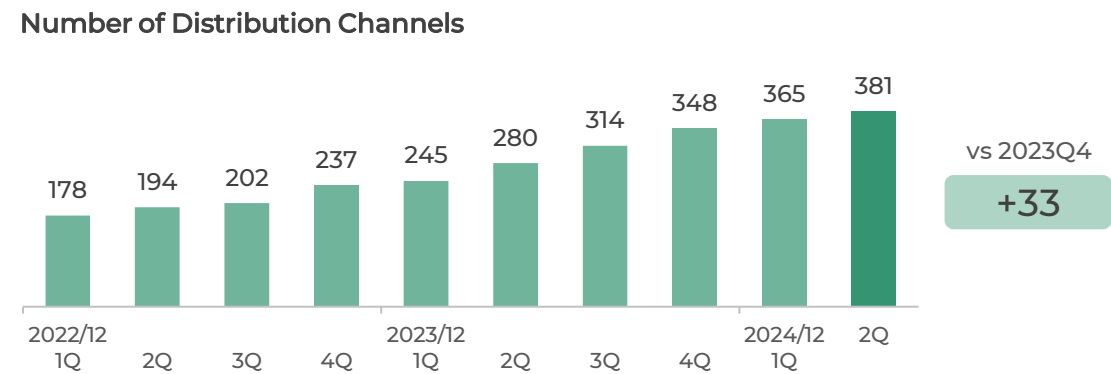
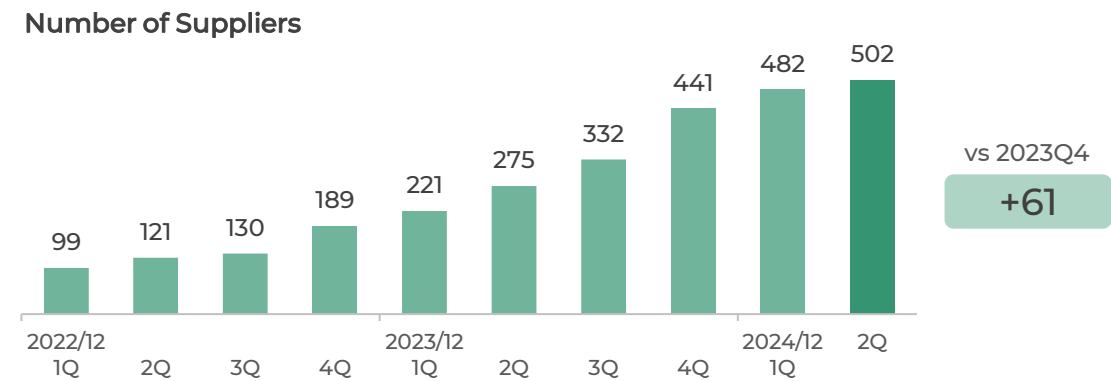


Although the recent growth is slowing down, the transaction volume is steadily expanding with the increase in inbound tourists. Contracts with railway companies and tourist facilities, which are the vendors, are also steadily increasing, and this is expected to contribute to future utilization expansion.

## Results Transaction volume



## Reference Number of partnerships



## FY2024 Earnings Forecast

## FY2024 Performance forecast



The performance forecast remains as initially planned, with operating revenue expected to reach 5.4B yen, surpassing the pre-COVID level of 2019, due to the expansion of the business portfolio.

Regarding operating profit, after making growth investments (780M yen), including advertising investments (450M yen) to enhance service and brand recognition, a profit of 350M yen is planned.

Unit: Million yen	FY2023	FY2024 (Forecast)	YoY
Operating Revenue	3,123	5,468	175.1%
Operating Expenses	3,190	5,117	160.4%
Operating Profit	▲67	350	—
Ordinary Profit	▲112	340	—
Net Income	▲57	264	—
Net income per share (Yen)	▲1.62	7.25	+8.87 yen

# FY2024 Investment Plan



Focusing on medium- to long-term business growth and enhancement of corporate value, a total investment of 137M yen (consumption rate of 17.5%) was made as of the second quarter.

From the third quarter onwards, advertising investments to improve awareness are planned to be implemented in earnest.

Invest Items	Amount of Investment (Unit: million yen)	Investment details	Investment effect	Progress (%)	
OTA business					
Increase awareness	450	Implementation of measures to increase awareness (service, brand)	Recognition level +10%. Reduced advertising costs to obtain customers	<div></div> 5.8%	
Increase frequency of use and opportunities for use	120	Expand product valuations, Promote app downloads and improve functionality	Increase the number of joining tours per trip	<div></div>	50.2%
Strengthen sales of Japanese-language tours	50	Strengthen collaboration with JTB	Maintain and expand competitive advantage	<div></div> 1.1%	
Improve business productivity	60	Automation of content creation using AI	Improvement in operating margin	<div></div> 10.3%	
LINKTIVITY					
Expand business areas by developing new solutions	100	Business construction of QR ticket gate authentication system, facility entrance/exit management system, etc.	Establish new revenue sources	<div></div>	43.7%

TOTAL780

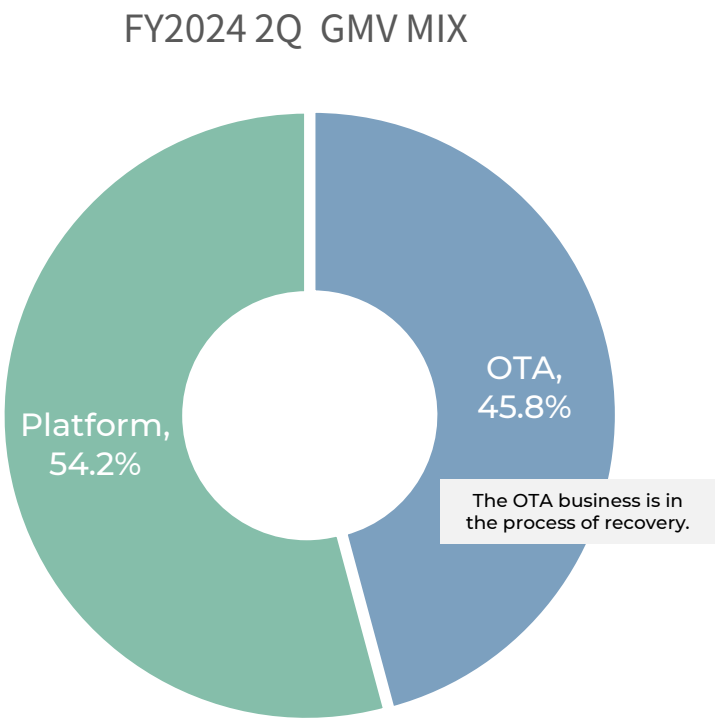
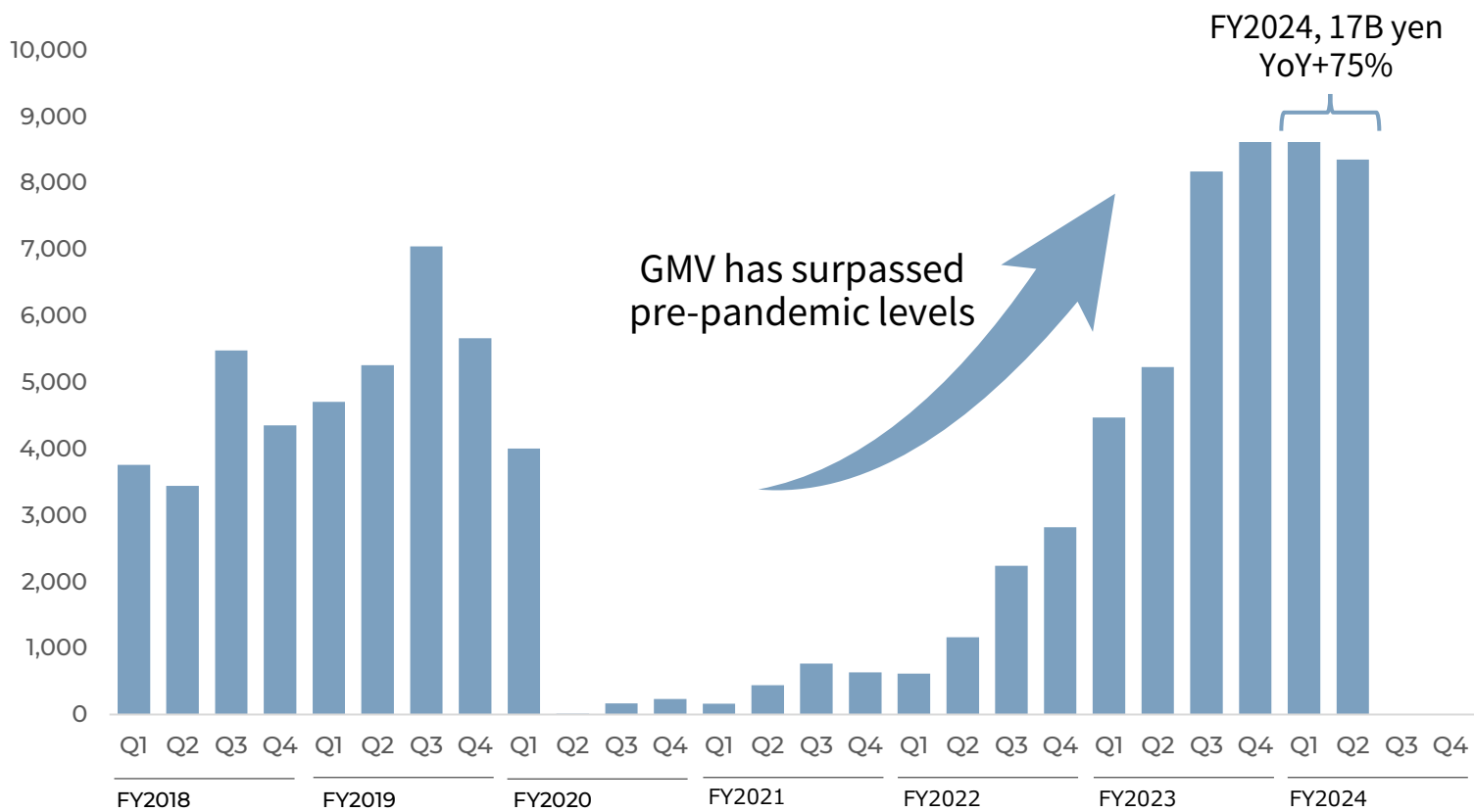
## FY2024 Outlook and Initiatives

# VELTRA Group GMV Trend



VELTRA began as an overseas travel OTA specializing in experiences and has evolved into a platform for overseas, domestic, and inbound markets, as well as Japan's tourism DX solutions.

As we transition to comprehensive services, GMV becomes a key indicator. Growth will come from diversified services, including platform businesses, beyond the standalone OTA business.

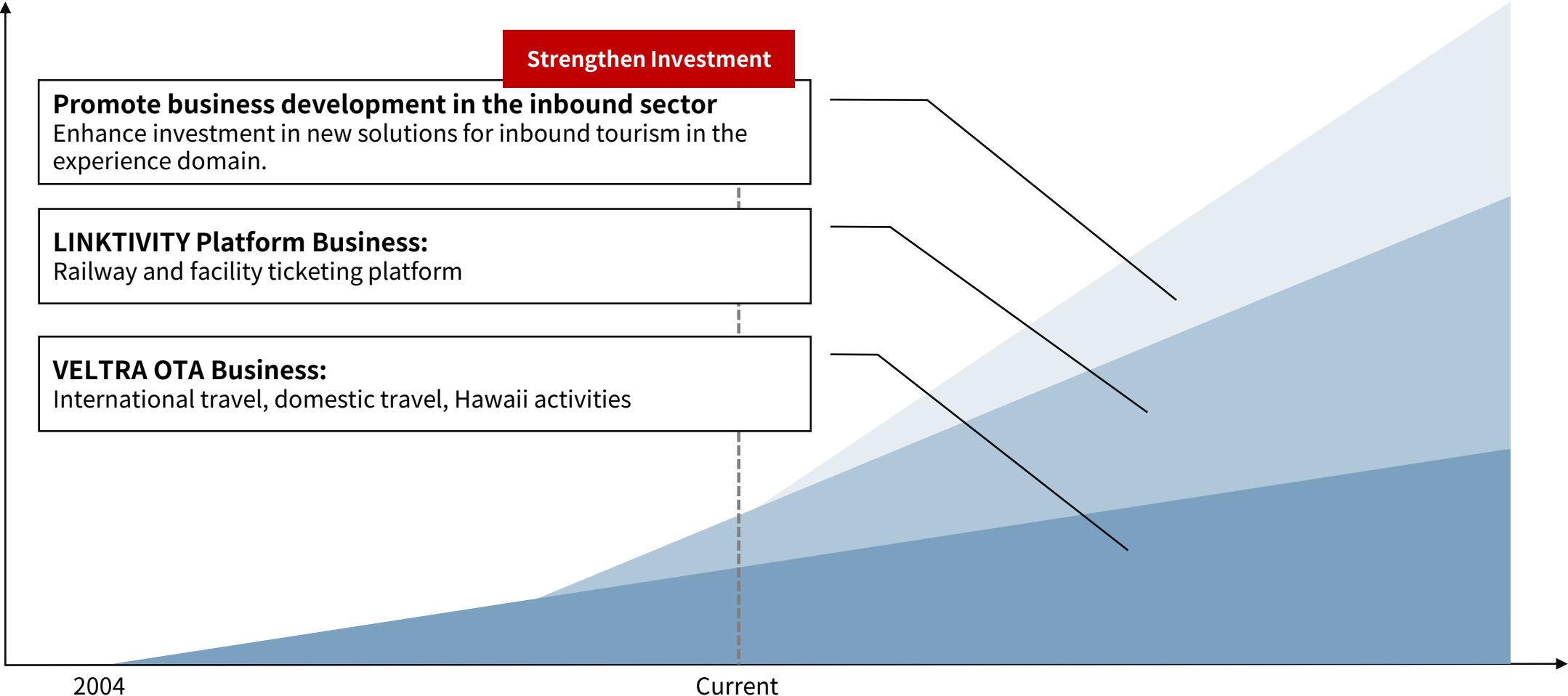


# VELTRA Group Future GMV Growth Outlook



Strengthen investment in the inbound market to expand its scale

Alongside growth investments in the cash cow OTA business, prioritize the rapidly growing inbound market. Focus on experience-based areas and advance new growth strategies that break away from traditional business models.



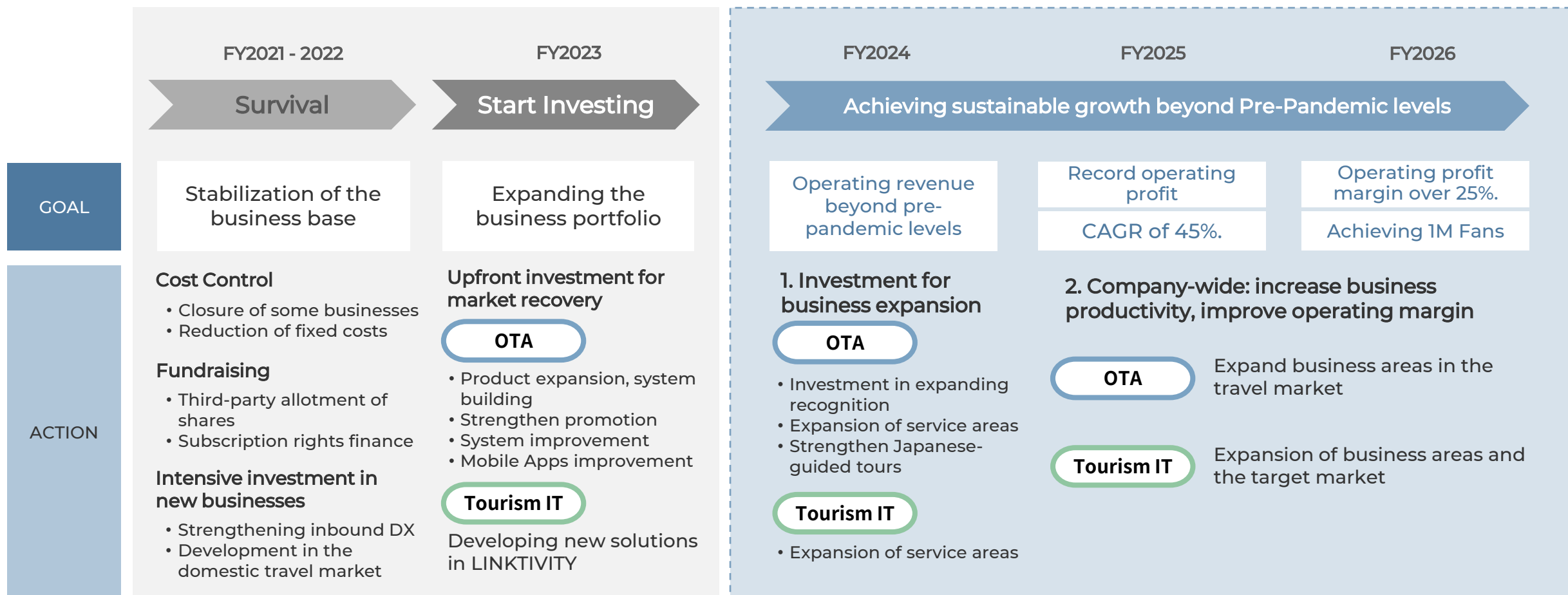
# Appendix

## FY2024 Outlook and Initiatives **(Reference)**



## From 'Survival' to 'Sustainable growth'.

During the survival phase, various measures were implemented to reap the rewards after the end of the pandemic. Sustainable growth after 2024, combining investment and achievement of business results, with a renewal of Veltra's best ever performance.

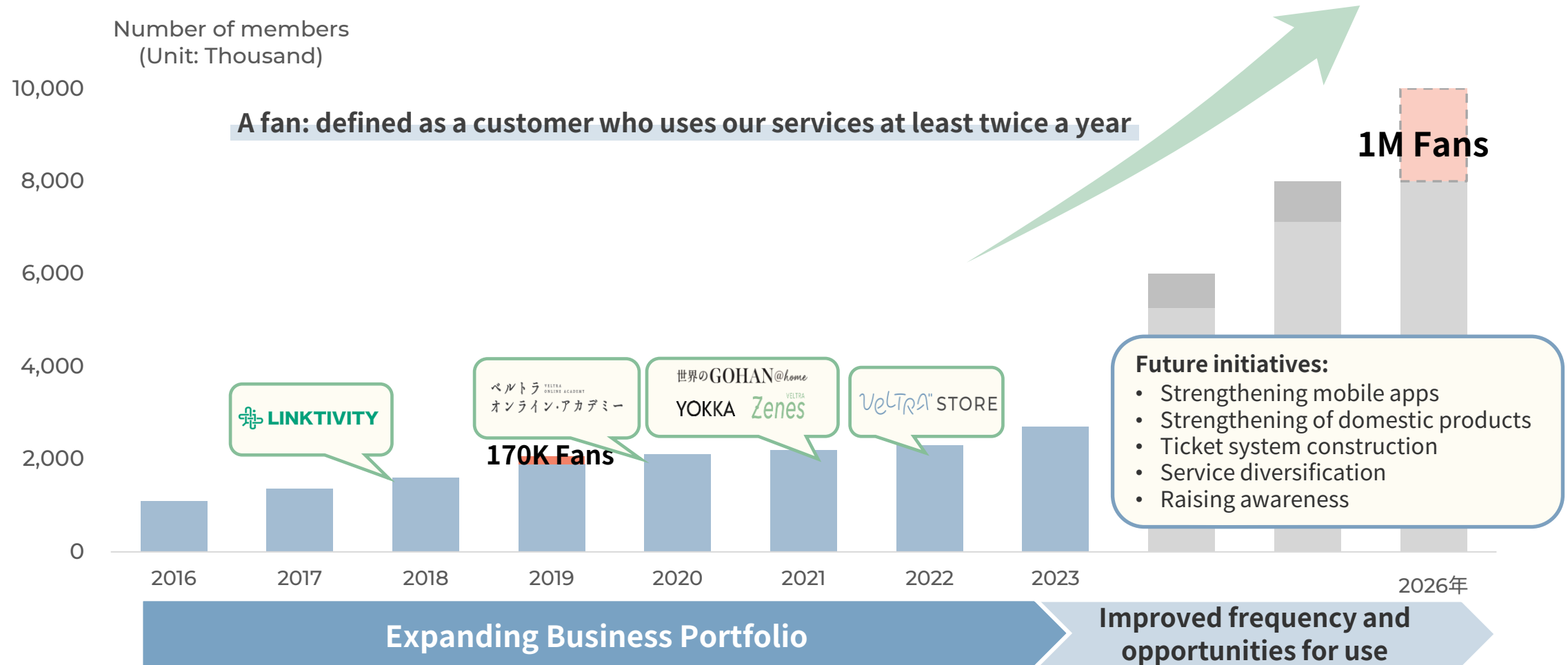


# Aiming for a membership base of 1 million loyal fans by 2026



Currently promoting to activate existing members and acquire new fans by expanding touchpoints with customers through enhancement of domestic products and diversification of services.

Investments will also be made to increase awareness from 2024 onwards, with the aim of expanding the user base by acquiring new users.



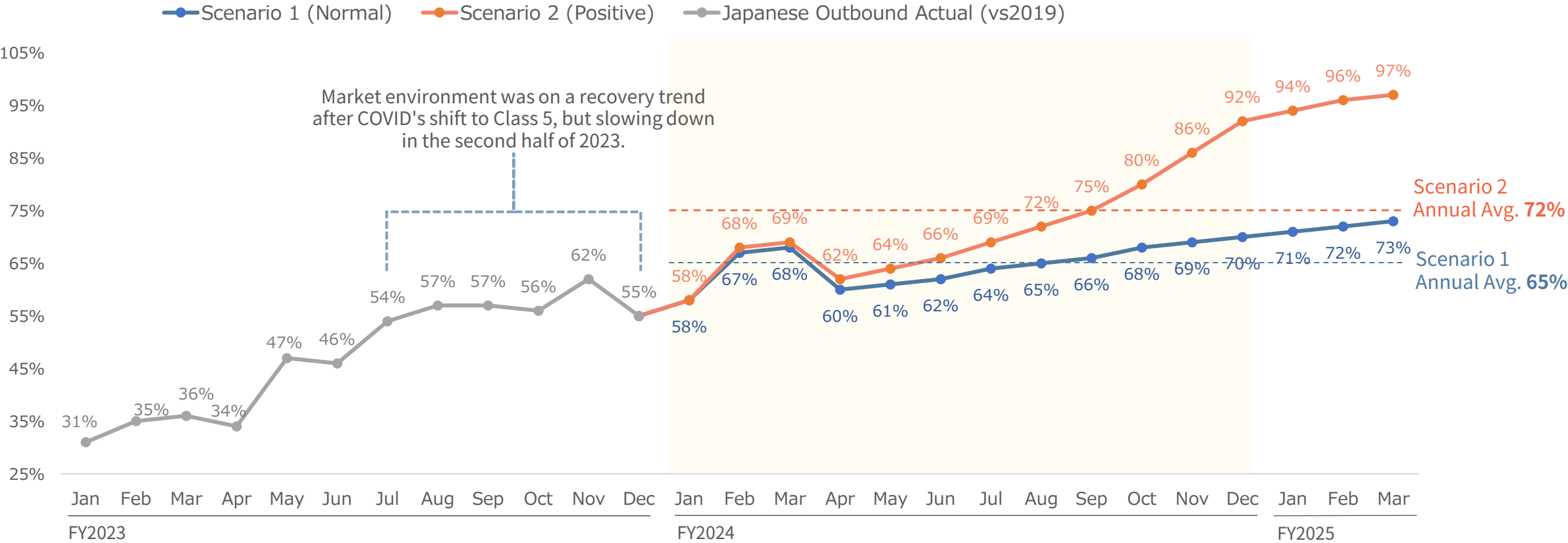
# Travel Market for Japanese FY2024 Market Recovery Forecast



As for the domestic travel market, the recovery phase of the pandemic has ended. With no impact from the external environment, the number of travelers is almost at the same level as last year.

The overseas travel market will have no impact from the pandemic, but we expect the recovery to be somewhat prolonged due to factors such as the weak yen and rising fuel prices, and the sales plan is based on the conservative scenario **Scenario 1** (65% average annual recovery), with the effects of service expansion and marketing initiatives.

Depending on the improvement in the external environment, **Scenario 2** (annual average recovery rate of about 72%) is also assumed.



Source: JNTO

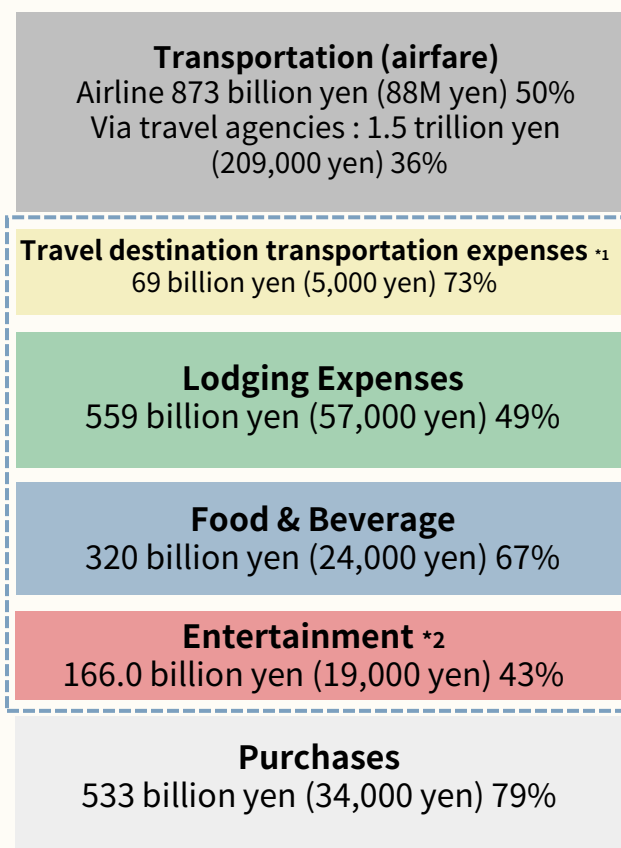
# Market size of Japanese overseas travel and VELTRA's volume size by segment



Veltra's experience value in the overseas travel market is concentrated in Tours & Activities, which accounts for 73% of total sales. In other segments such as food, lodging, and transportation, there are an unlimited number of services that provide the value of "the genuine experiences," and now that the recovery of the overseas travel market is long overdue, Veltra will expand its value offerings in other areas of travel consumption activities, including Tours & Activities.

## Total overseas travel consumption: 4.8 trillion yen

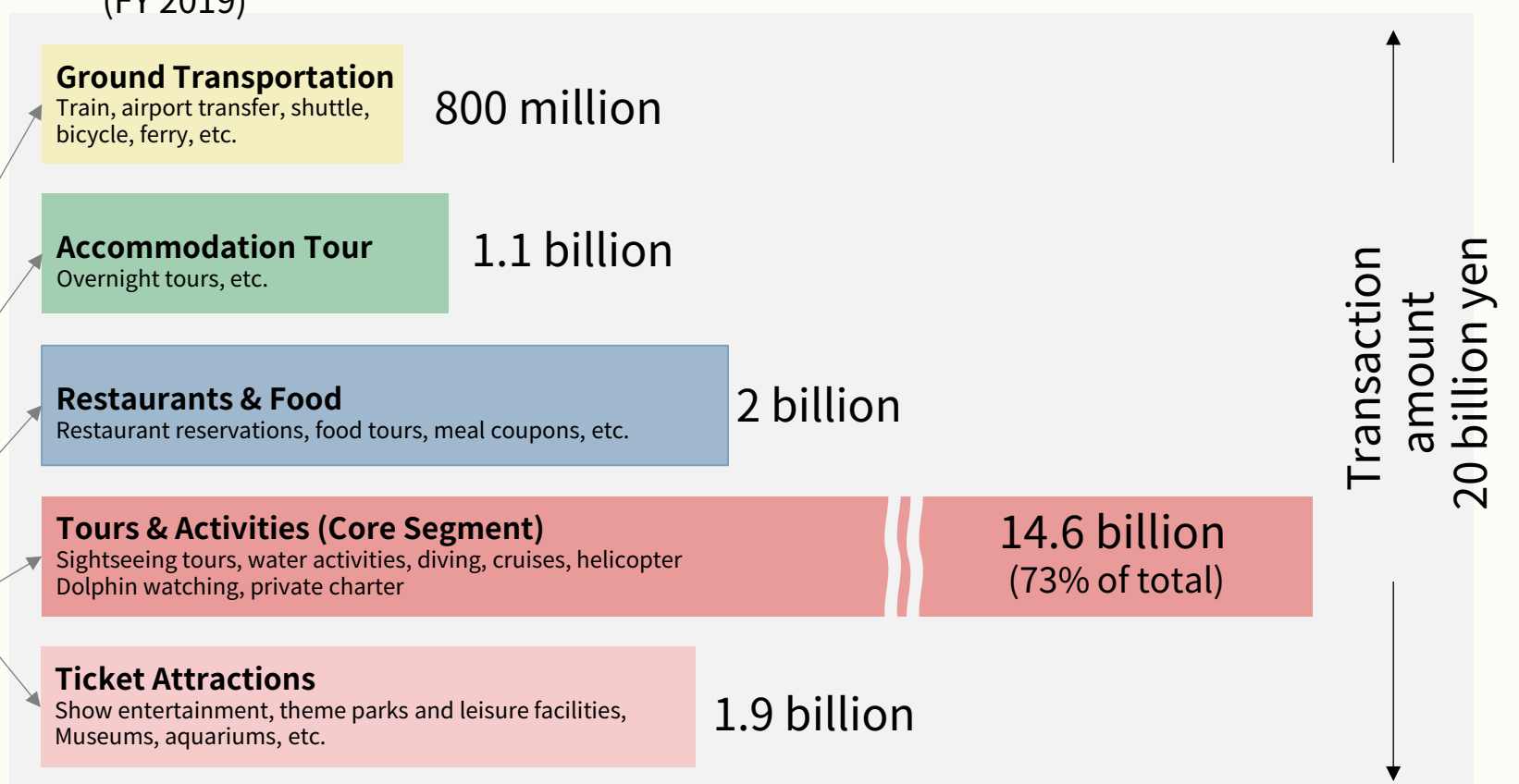
(Total travel budget per person: approx. 240,000 yen)



Percentage is purchase rate

\*1 Public transportation: bus, cab, hired train (car rental not included) \*2 Sightseeing tours, activities, tourist facilities, rental fees, etc.

## Veltra's International Travel Market Volume Size by Segment (FY 2019)



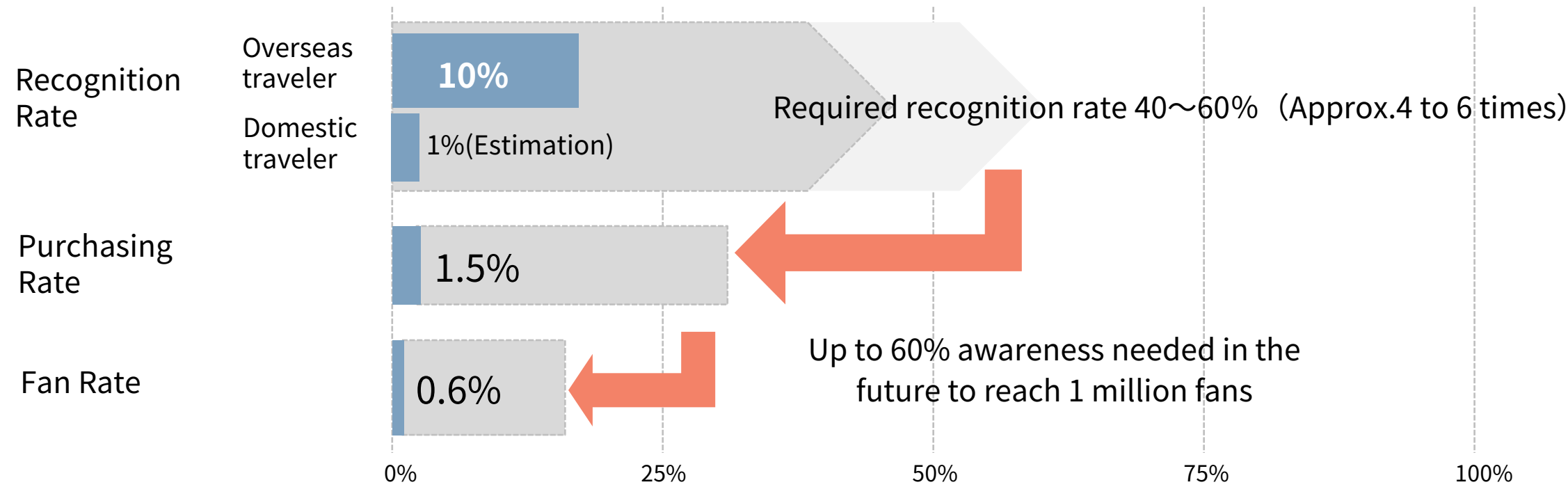
Transaction amount 20 billion yen

"Research Study on the Economic Impact of the Travel and Tourism Industry, 2019," Japan Tourism Agency

# Increasing awareness of VELTRA



Veltra’s potential customers are broad in both age range and region, but recognition of the service has been low since the before the pandemic. Raising awareness is an important initiative for future growth, aiming not only overseas travel market but also latecomer domestic one. According to a survey on experienced international travelers conducted in 2019, only 10% of users know about Vertra's services and therefore the potential is high. We aim to increase awareness of Veltra for Japanese travelers from current 10% to around 20% (+10%) in this term.



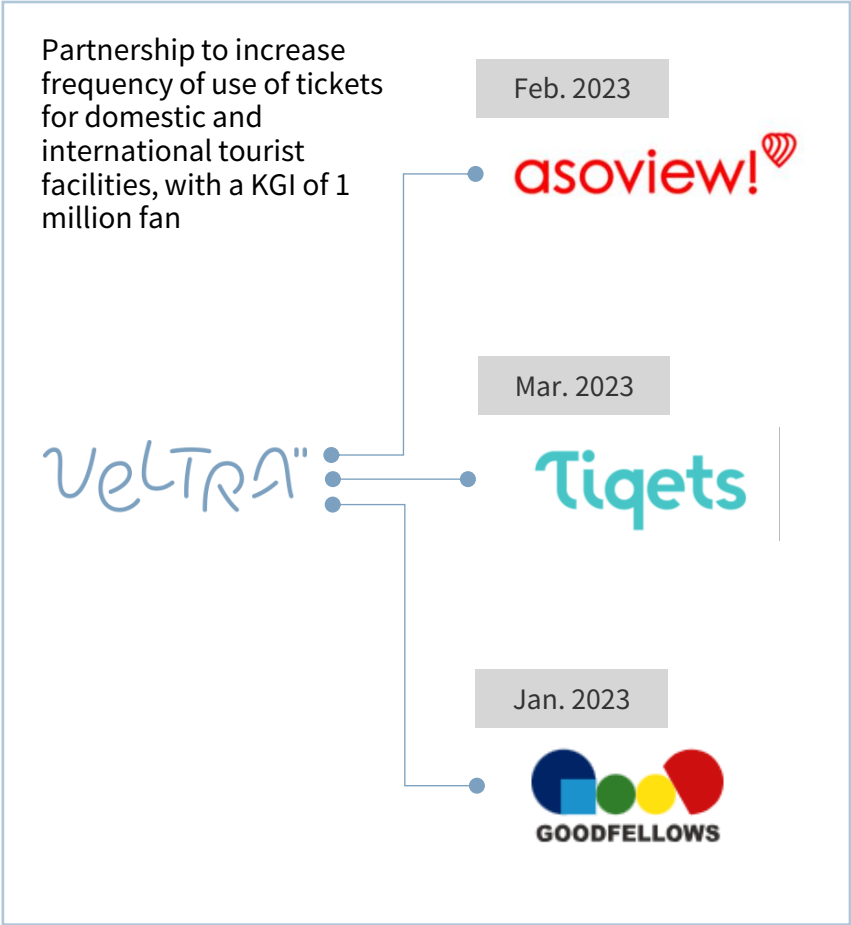
Source: Calculated from 2019 awareness survey and historical Company reservation data

# Strengthening partnership between partner companies

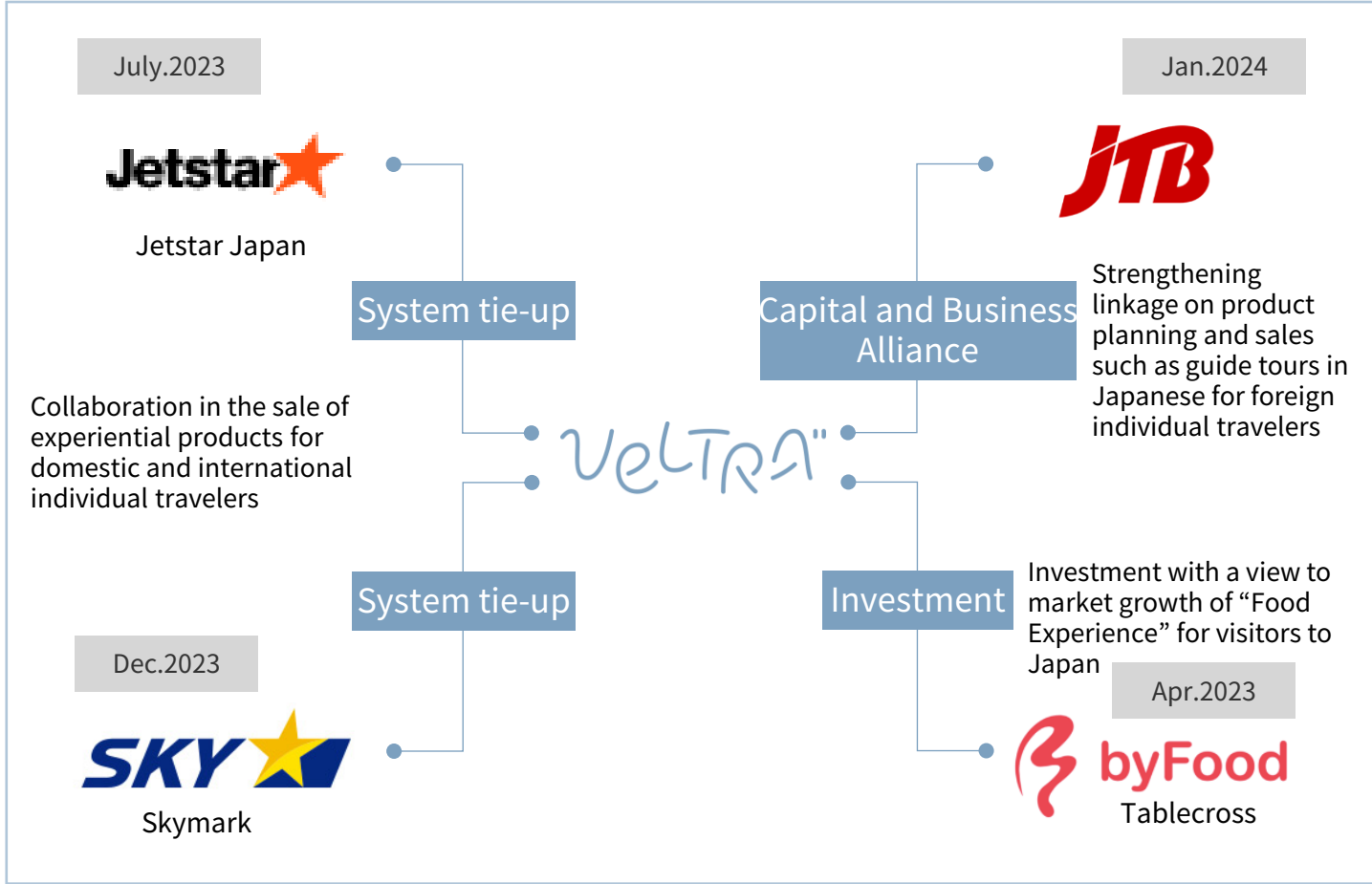


Formed partnerships with companies that are different from our strengths in order to reach 1 million fans. We will expand our product lineup in collaboration with companies that provide facilities and other services. In addition, we will strengthen our services and system infrastructure, including a business and capital alliance with JTB, to create synergy effects such as sales channel expansion, FIT market channel expansion, know-how sharing, etc., for further growth.

## Integration with ticketing platforms



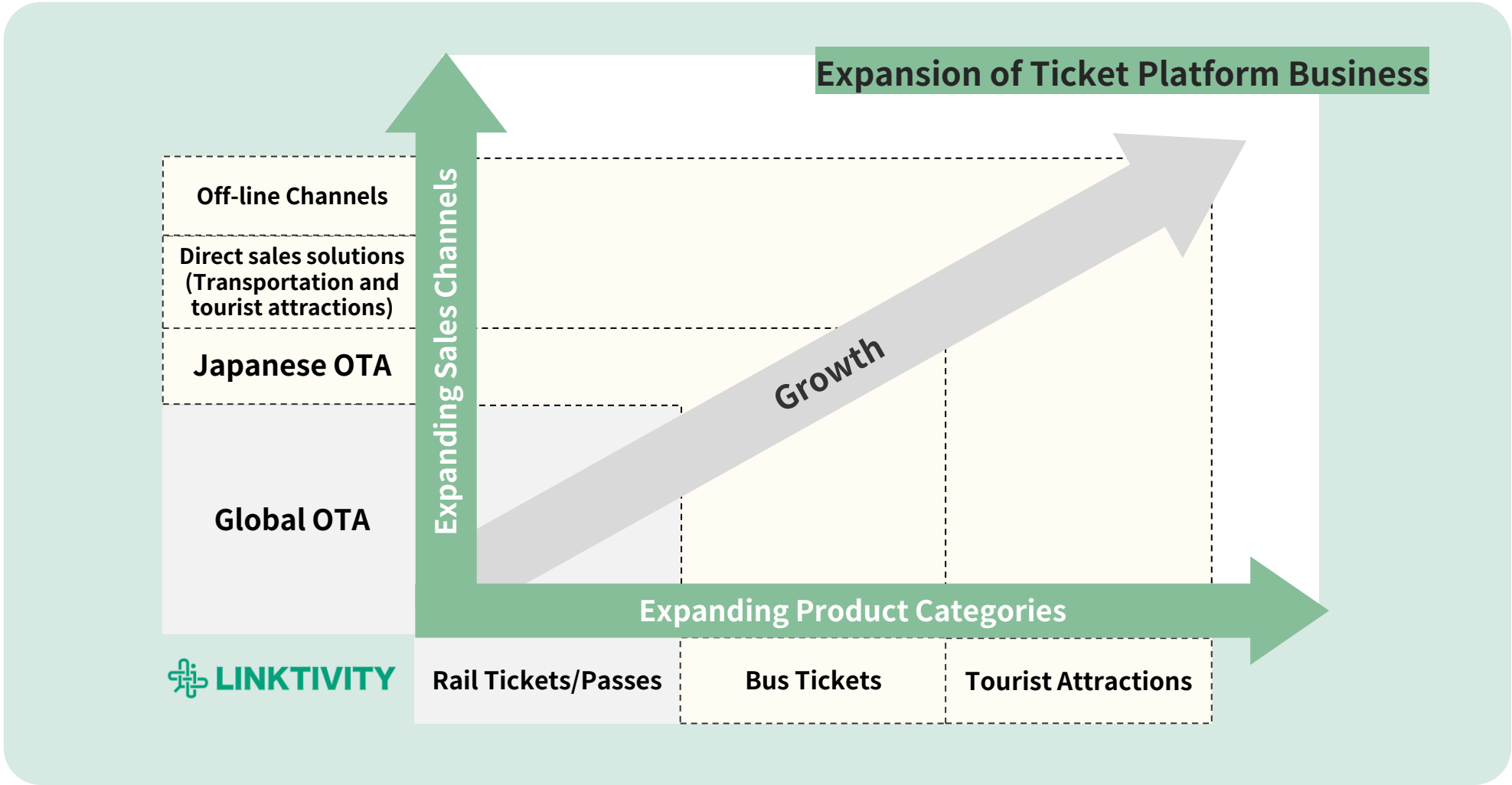
## B2B Partnership



# LINKTIVITY - Business Growth



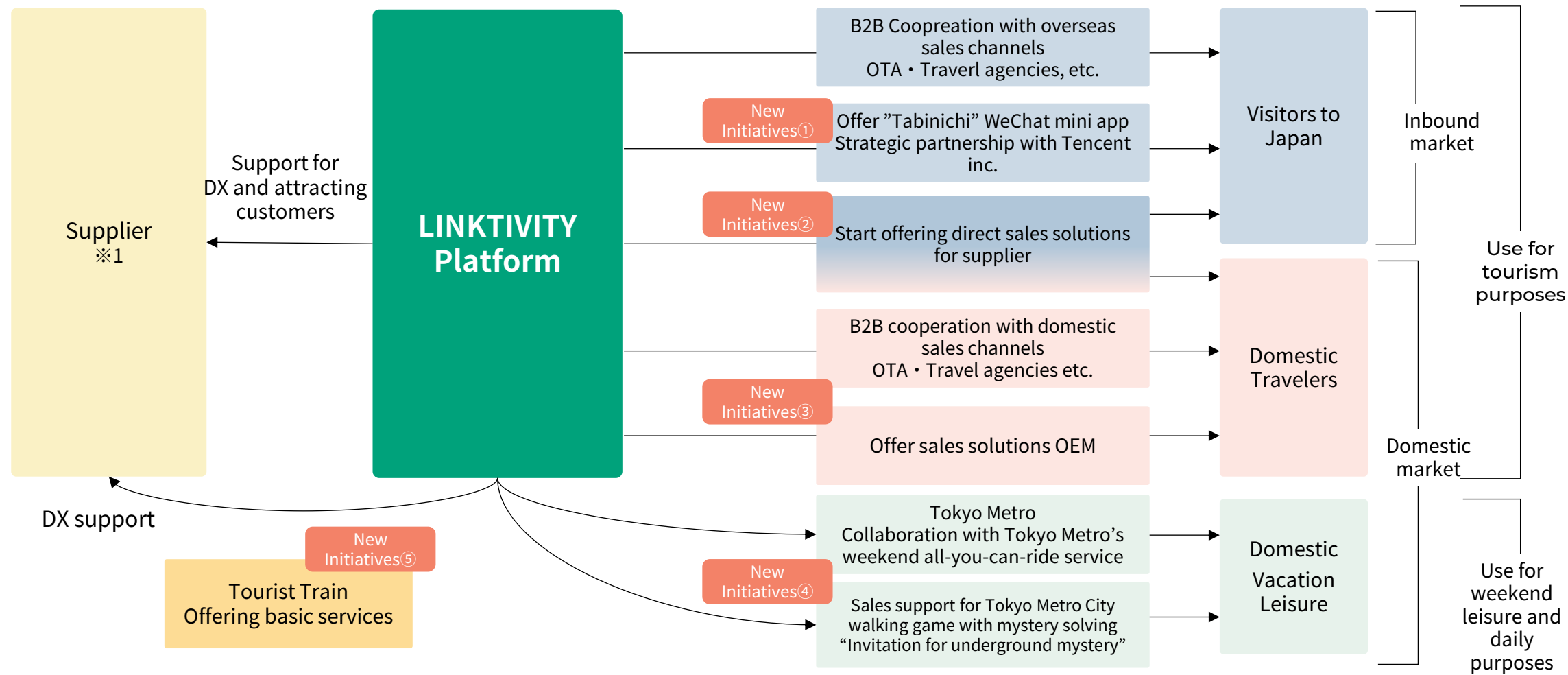
We will accelerate growth by further expanding product categories and sales channels and broadening TAM from its existing positioning as a rail ticket/pass platform for inbound travelers.



# LINKTIVITY - Expansion of business services and target customers



Expand business services and demonstrate leadership as a solutions company in tourism DX and transportation MaaS, supporting domestic companies to strengthen alliances and sales channels, with the strength of our services as a channel manager for overseas OTAs as a service for visiting Japan.



※1 Supplier : Transportation operators such as trains, buses, ships, tourist facilities, tourist experience operators, etc.



Expanding services by providing various solutions to suppliers' challenges

### ① Channel Manager

Manage sales to overseas and domestic OTAs, travel agencies, hotels, etc., in a centralized manner.



**Reach over 400 clients**

- No initial setup or operational fees
- E-Ticket (QR)
- Sales partner contract management
- Product & Inventory management
- Sales Management
- Settlement Management
- Customer Support

(Japanese, English, Chinese, Korean)

**Manage sales in less familiar languages, international customer support, and billing.**

### ② Direct Sales Solution

Build your official website at low cost, with support for sales, operations, and marketing.



**Supports all product variations**

- No initial or operational fees
- Sales partner contract management
- Product management
- Membership registration
- Multilingual translation
- Customer support
- Sales website
- Payment options (Cards • Wechat • Alipay)

**Support for customer service in various languages and expansion into sales channels like Google Things To Do and WeChat Mini Programs.**

### ③ Planned Products

Develop and sell planned products (single items + extras).



**Package and bundle products**

**Boost value and enable diverse promotions by bundling and discounting with other products through your own sales channels.**

In-house products

In-house products + transportation

In-house products + meal vouchers

In-house products + experiences

**If LINKTIVITY lacks partner products, we also handle contract acquisition through sales representation.**

### ④ Entry and Exit Solution

POS • Ticket Machine • Gate



**Low-cost cloud implementation**



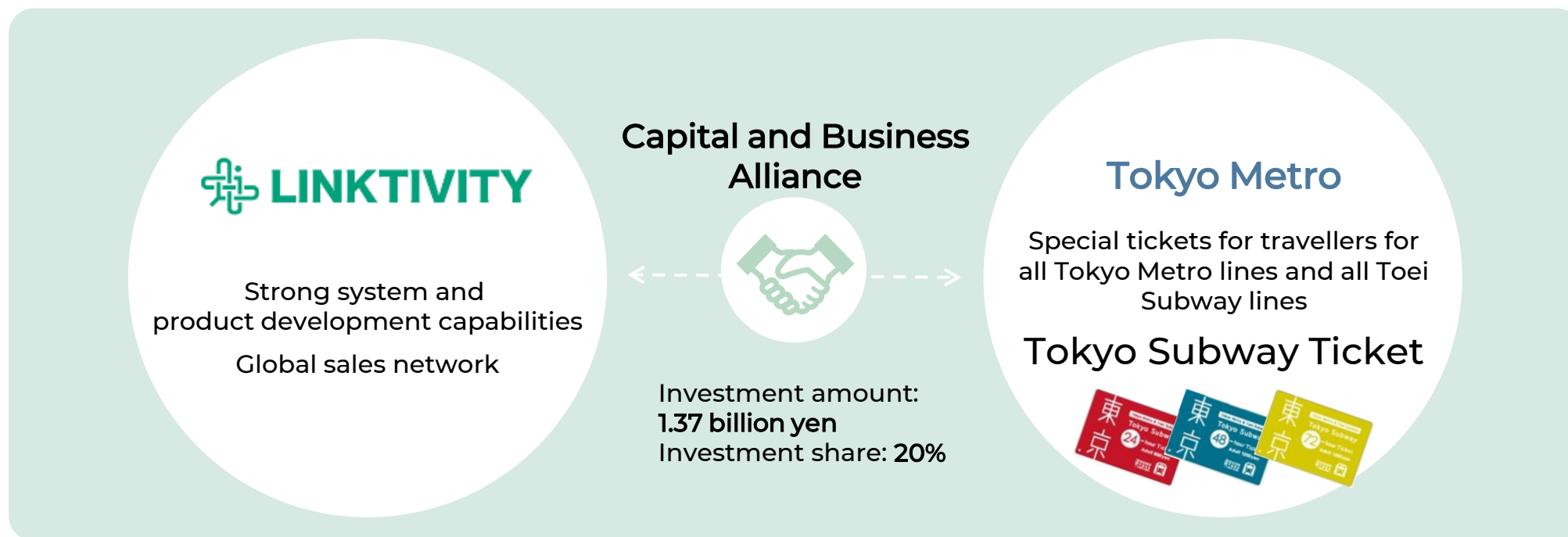
**Case Studies:**  
- Tsutenkaku "Dive & Walk"  
- Shima Green Adventure

# LINKTIVITY - Capital and business alliance with Tokyo Metro



Further enhancing the convenience of Tokyo Metro's Tokyo Subway Ticket

Promote inbound strategies for a new era by utilising LINKTIVITY's system and product development capabilities and global sales networks.



Promote the development of the 'Tokyo City Pass' (provisional name), which is a free pass attached to the Tokyo Subway Ticket to visit various tourist facilities in Tokyo.

## Company Information



## VELTRA Corporation

Headquarters	2-13-12 Nihonbashi, Chuo-ku, Tokyo 103-0027 Japan
Capital	JPY 2,078,007,425 (as of June 2024)
Founded	November, 1991
# of Employees	310 (Consolidated) 226 (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
Director	Tomoharu Kurakami
CFO, Director	Jumpei Minashima
Outside Director	Rod Cuthbert
Outside Director, Audit Committee Member	Tetsushi Ikeda Masato Mori Gaku Suzuki

# Milestones

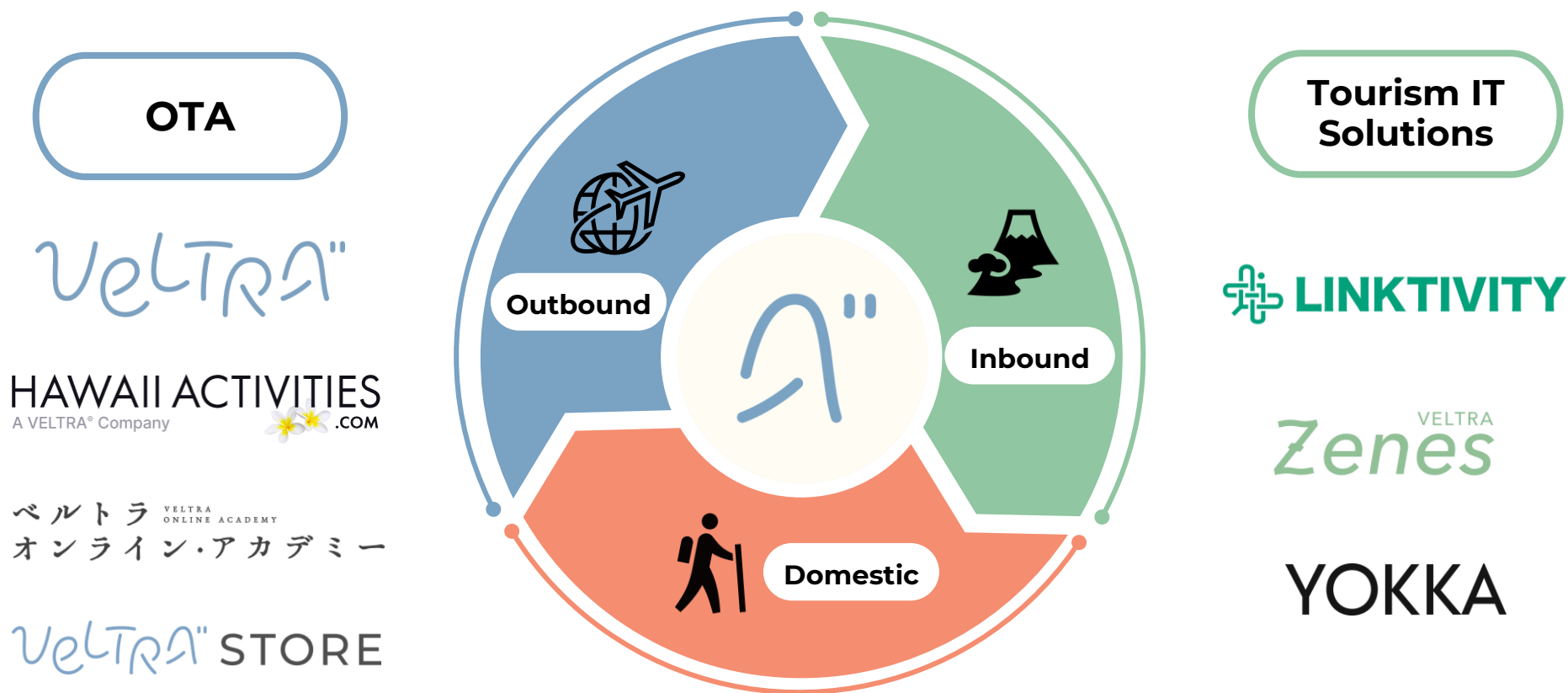


- **1991** Founding of ALAN Corporation (to become VELTRA Corporation)
- **2004** Launch of Tours & Activity Booking Platform “Alan1.net”  
Acquisition of HawaiiActivities.com (VELTRA Inc / Formerly White Publishing, Inc.)
- **2012** Changed brand and company name to VELTRA from Alan1.net  
Launch of 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)
- **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
- **2023** Transition to a company with an audit committee  
Capital and business alliance with JTB Corp. in the activity business

# About VELTRA



VELTRA provides seamless solutions to encounter "genuine experiences" through the power of technology, ranging from domestic to international, online to offline, beyond the boundaries of existing travel agencies.



**VELTRA aspire to become a 'Total Solution Provider for Tourism Experiences'.**

# Core Business



VELTRA and Hawaii Activities specialize in experience-focused activity reservations for Japanese and U.S. travelers respectively. Our tourism IT solution is also expanding transport and facility ticketing platforms.

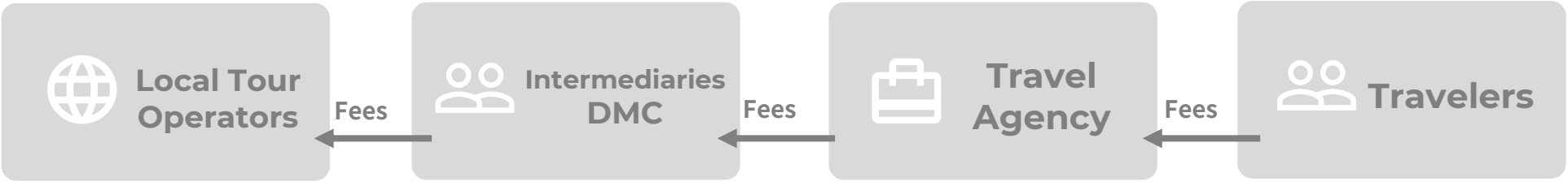
OTA				Tourism IT Solutions	
VELTRA			HAWAII ACTIVITIES <small>A VELTRA® Company</small>		LINKTIVITY
2.5 million (YoY +32万人)		Members	200,000	Number of Users	--
19,000 (YoY +3,600) 150 Countries		Activities Countries	780 All Hawaiian Islands	Number of distributors	502 (YoY+227)
8,000 (YoY +600社)		Partners	440	Number of partners	381 (YoY+101)
570,000+		Customer Reviews	14,000	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



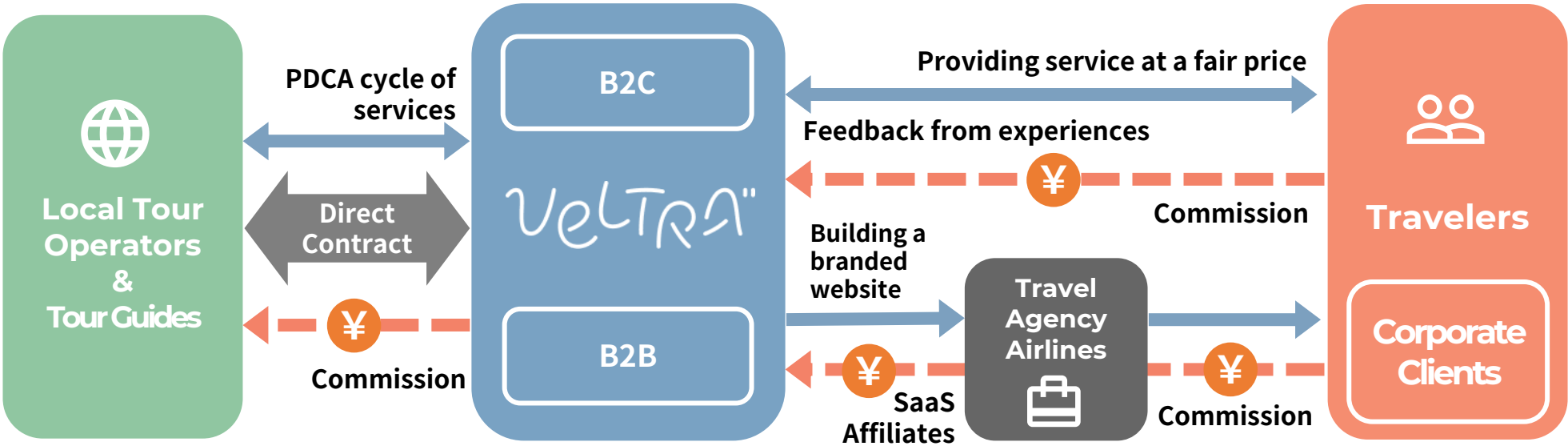
Before

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.



# Our Strengths



## 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 **8,000 companies** in **150 countries**



**2.5+ Million**  
Members



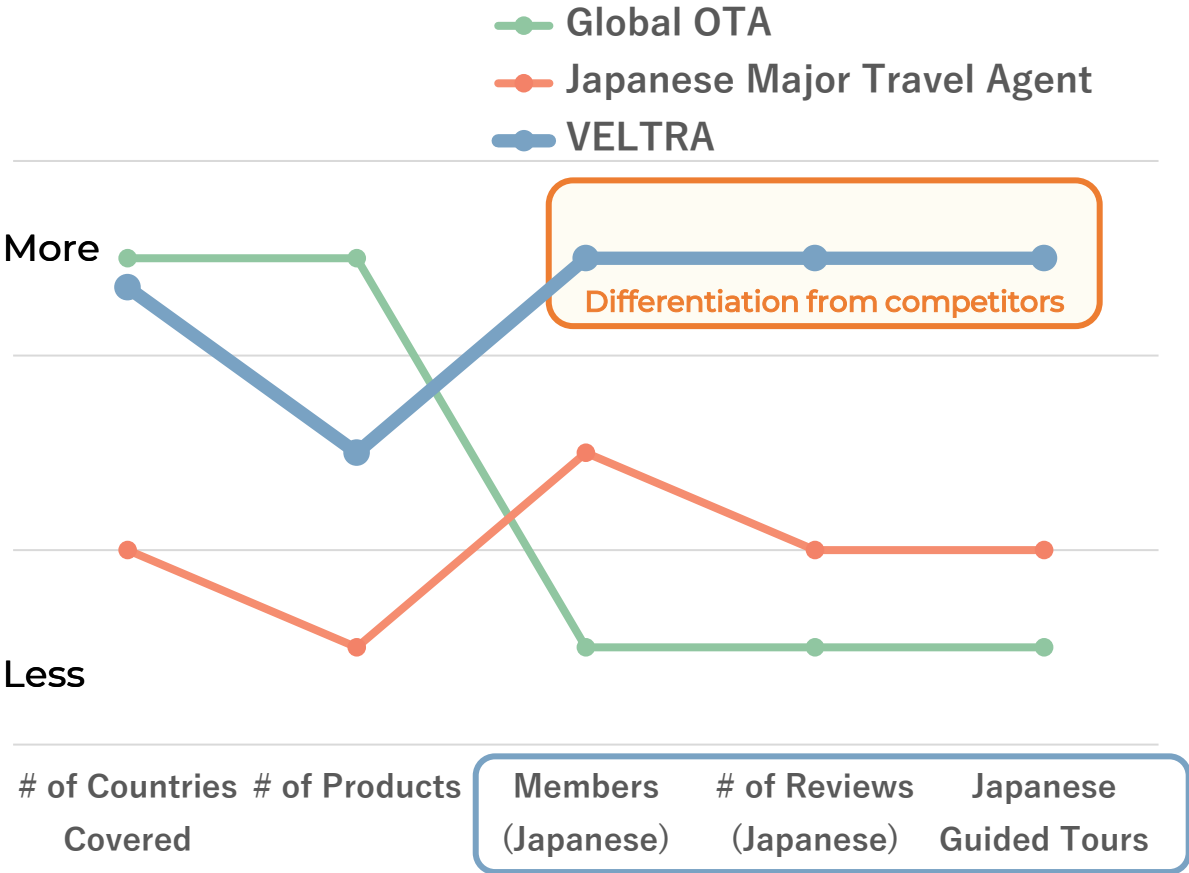
**19,000+**  
Tours & Activities



**570,000+**  
Customer Reviews



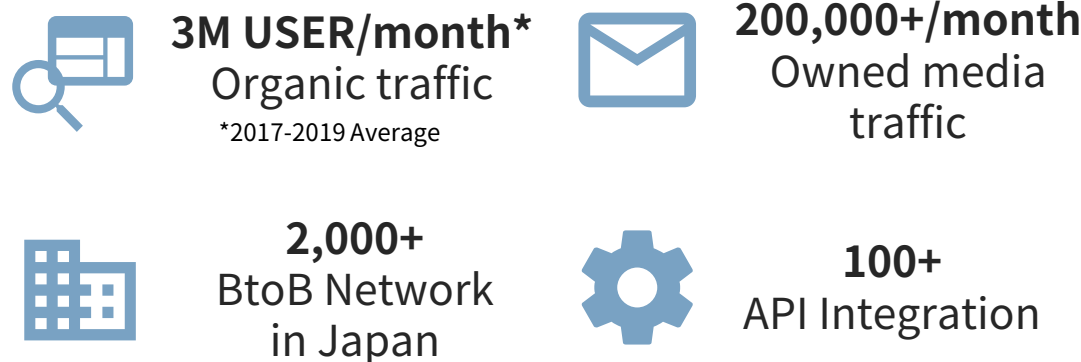
**3,000+**  
Japanese  
Guided tours





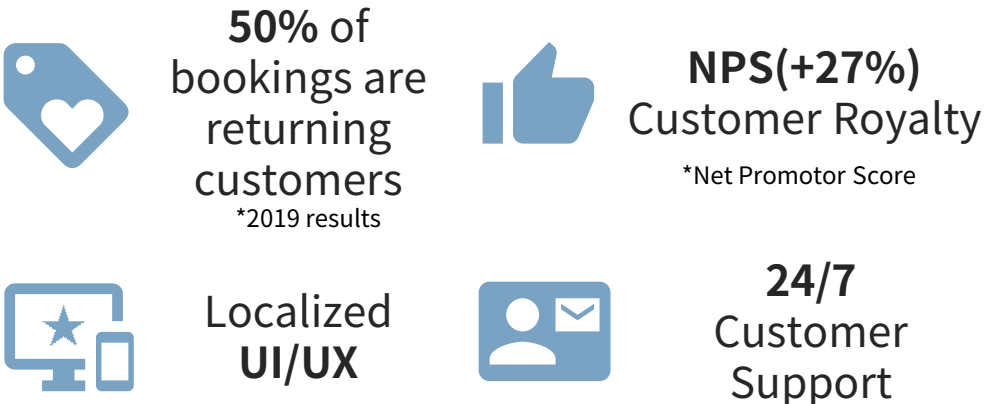
## Strong presence in the online market

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.



## Service chosen by customers

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



# OTA Business: A Cycle of Enhancing Managerial Assets

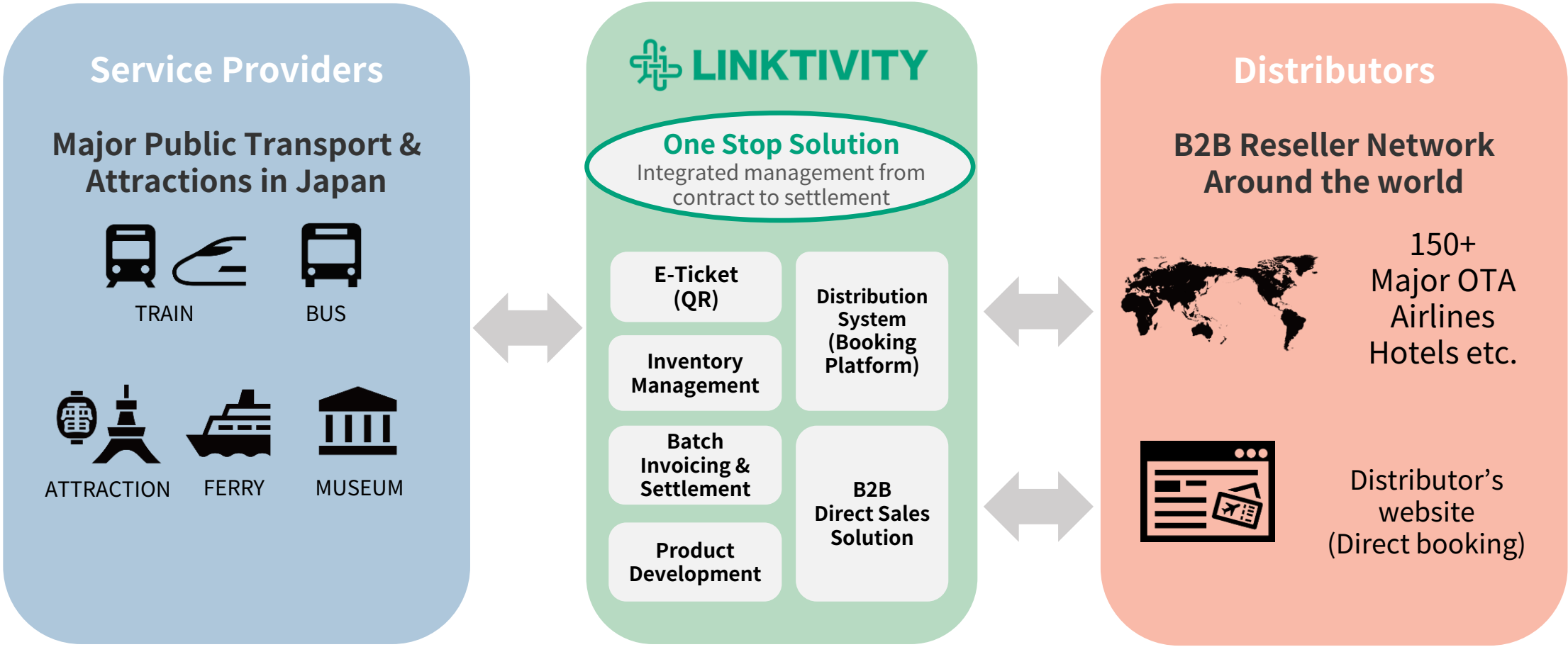


By reinvesting to make the most of our resources, we aim to create new value and further expand market share and maximize corporate value.





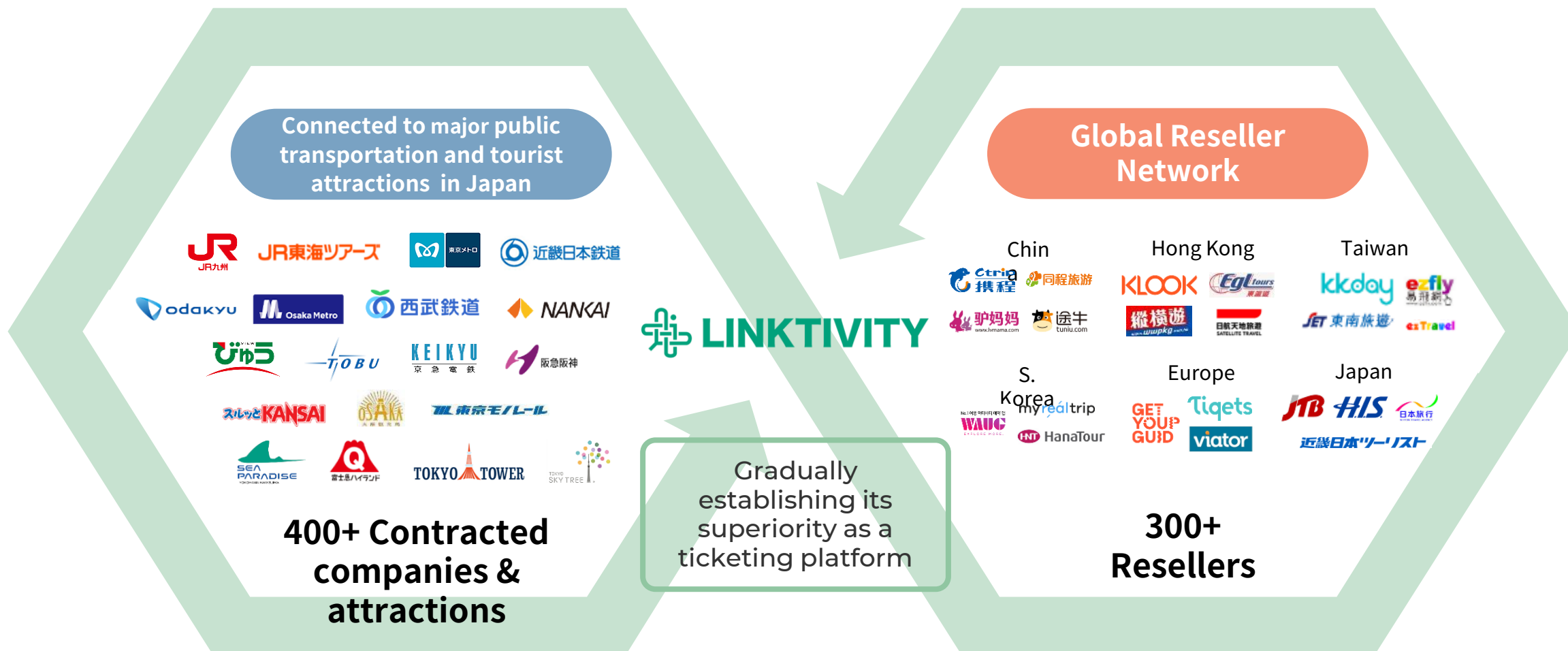
LINKTIVITY is a platform that connects Japanese transportation and attractions with travel companies around the world. It provides a one-stop system solution to link service providers and distributors.



# 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.



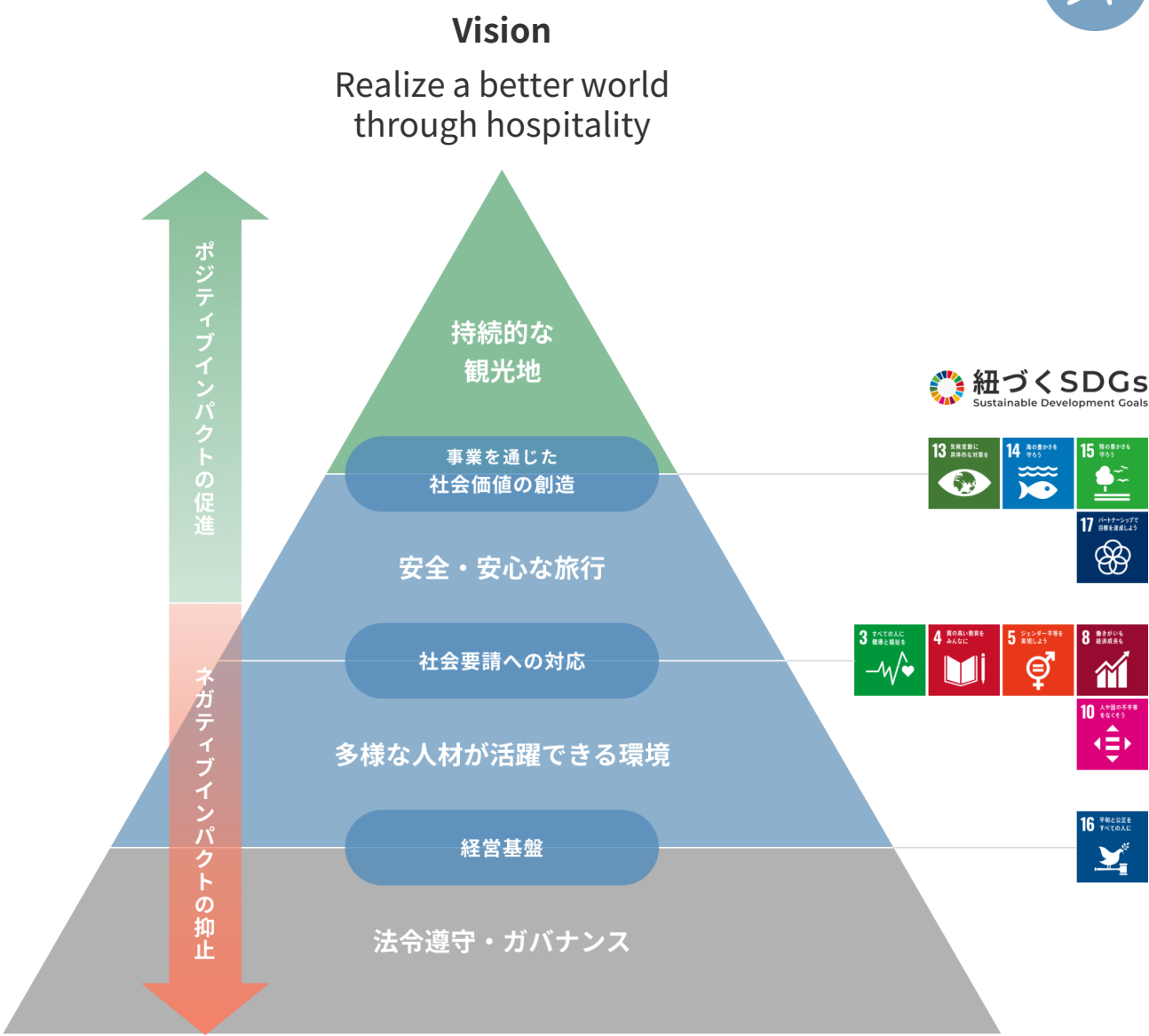


## Sustainability Basic Policy:

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, our Work from Anywhere: Creating a workplace environment where diverse human resources can thrive regardless of changes in life stages won the Encouragement Award in June 2023.
- Sustainability page launched on corporate website (Aug 2023).
- VELTRA's tour 'SDGs Educational Trip in Onna Village, Okinawa' won the 'Sustainable Tourism Award (UNWTO)' at the 7th Japan Tourism Awards (September 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 69%

Male 31%

\*31% are working mothers



### Female managers Ratio

Female 43%

Male 57%

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



Return to work after maternity leave

95%



Avg. Age : **37** yo

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

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

# Implementation of the HR policy to improve employee engagement



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

Engagement improvement measures	Overview
Salary increases	Decided to raise employees' base salaries (base increase) in response to recent price hikes and for the purpose of <b>strengthening the company's competitiveness and sustainable growth</b> .
Resumption of evaluation incentive payments	Based on the "Pay for Performance" policy, the company aims to enhance the competitiveness of the company as a whole by providing incentives to employees who produce results, thereby <b>increasing their motivation and productivity</b> .
Introducing "Work from Anywhere"	Strengthening cooperation with local tour operators in Japan and overseas and improving work productivity, as well as offering discounts on activities through the VELTRA welfare program, will <b>lead to an enhanced work-life balance</b> .
Workplace where female employees can play an active role	Starting this fiscal year, support for male employees to take childcare leave and nursing care leave will also be strengthened.
Utilizing referral system	Actively recruiting through referrals from former employees or friends and acquaintances of employees
Future Outlook	In June 2023, we will move our head office functions to WeWork, which provides flexible office space, to promote a diverse work style that is not restricted by location, and to further improve operational efficiency and productivity. From the perspective of DE&I, we will actively consider the introduction of training and personnel systems to create a work environment in which all employees are respected and a diverse workforce can play an active role, regardless of differences in sexual orientation, gender identity, nationality, and disabilities.

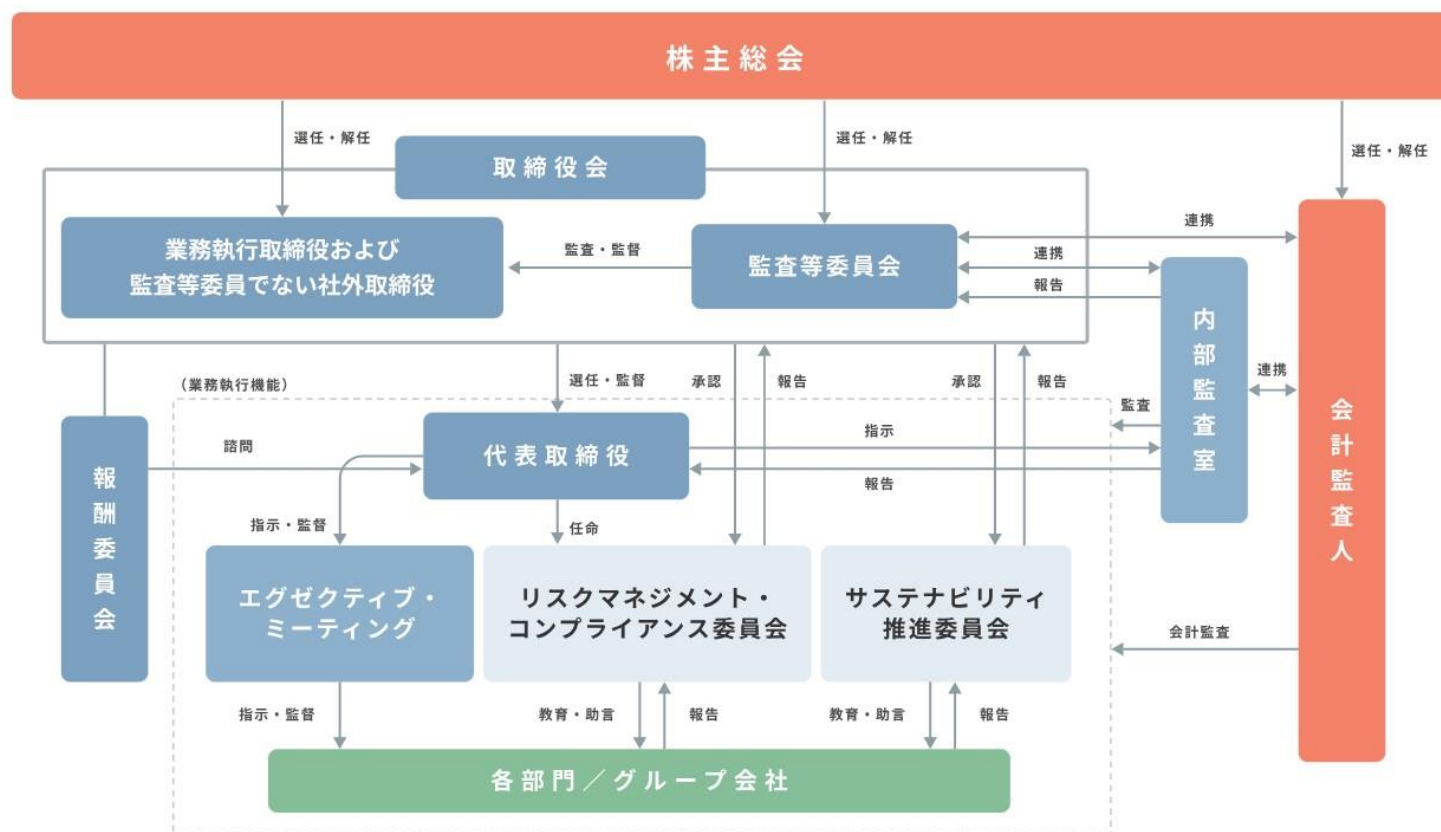
# Initiatives to Improve Corporate Governance



## Transition to a Company with Audit Committee

### Objectives:

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





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

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.