

VELTRA™

VELTRA changes TRAVEL

FY2024 Q3 Financial Results

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VELTRA CORPORATION:TSE7048



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FY2024 Earnings Forecast

Downward Revision of FY2024 Earnings Forecast

Summary



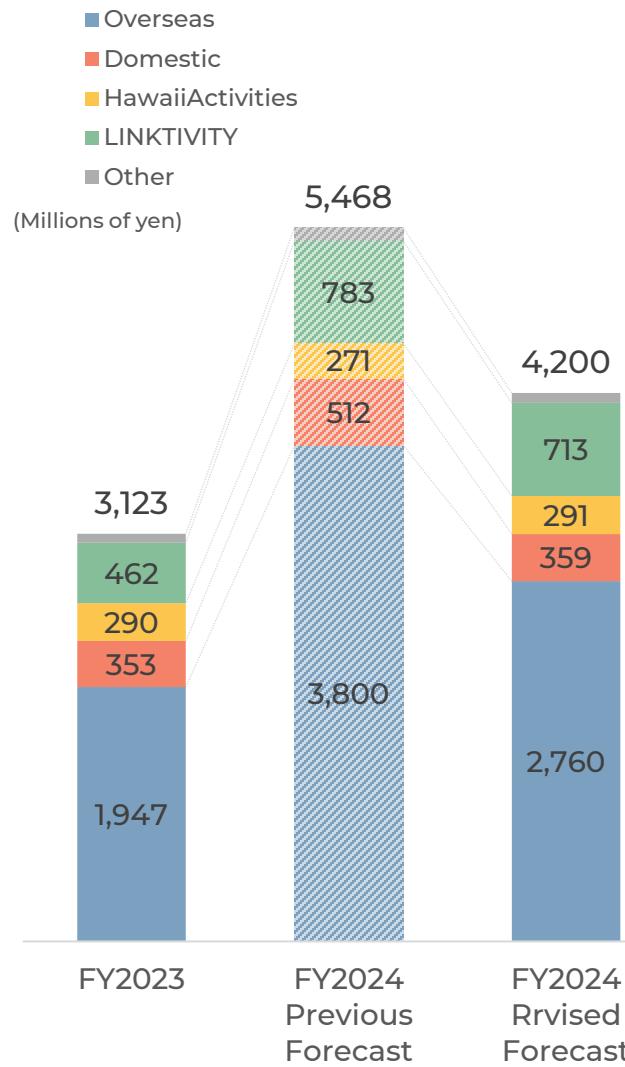
Revised full-year forecasts downward in light of the outlook for lower operating revenues, mainly due to lower-than-targeted overseas travel business.

Factor analysis of the downward revision and future actions are provided on page 5 and beyond.

Unit: Million Yen	Operating Revenue	Operating Profit	Ordinary Profit	Net income
Previous forecast (A)	5,468	350	340	264
Revised forecast (B)	4,200	▲318	▲418	▲450
Increase (Decrease) (B - A)	▲1,268	▲668	▲758	▲714
Increase (Decrease) (%)	▲23.1%	—	—	—
Reference: Actual results for the previous period (FY2023)	3,123	▲67	▲112	▲57

Downward Revision of FY2024 Earnings Forecast

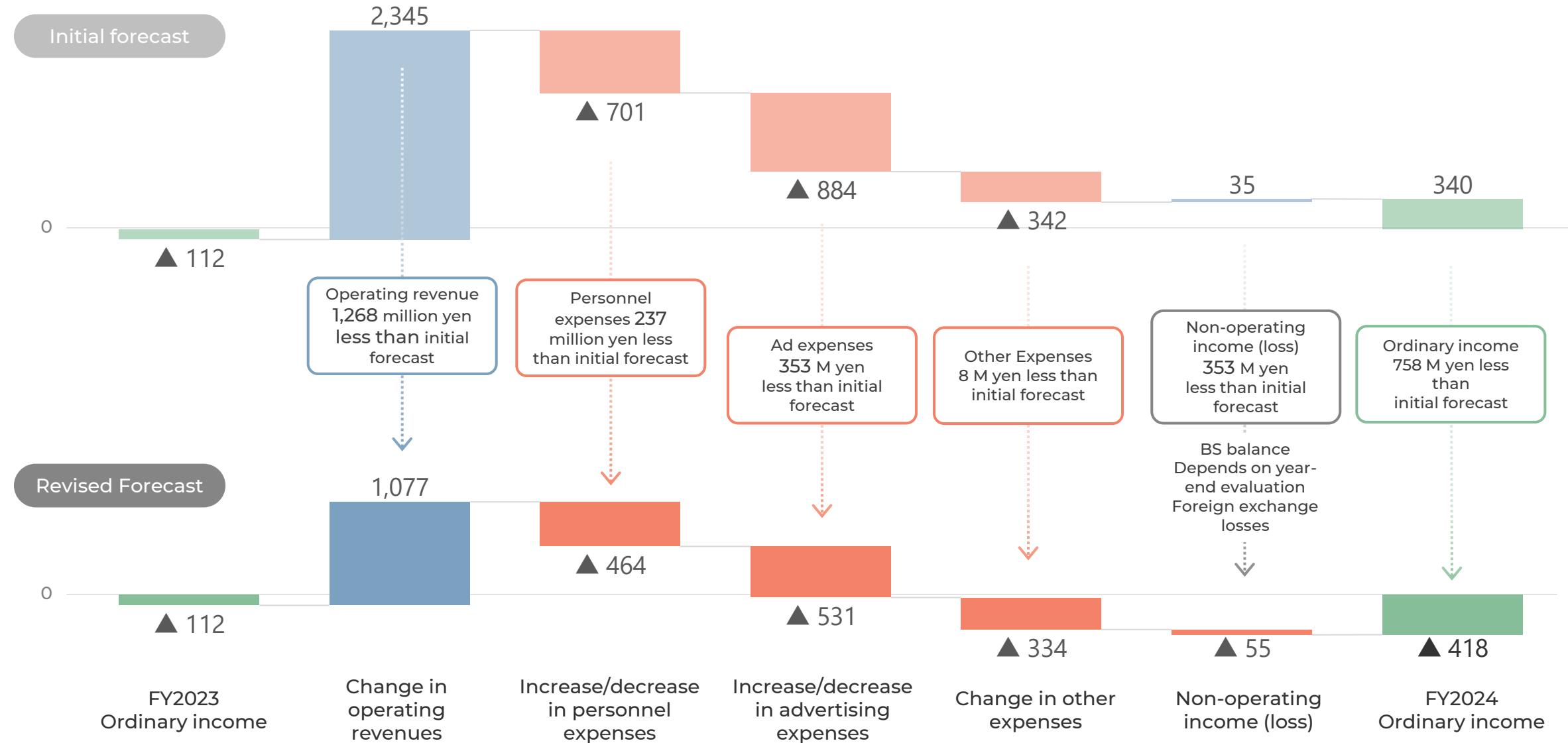
Reasons for Revision of Operating Revenue Forecast



	operating revenue revised amount (Millions of yen)	primary factor
Overseas	▲1,040	<ul style="list-style-type: none"> Due to the weak yen and high prices, the market recovery in our main areas, such as Hawaii and Guam, as well as on medium- to long-term routes, is far below our expectations. Amid continuing price hikes, the trend of narrowing customer targets continued, and the response to the product lineup in a wide range of customer segments was delayed, resulting in a downward trend in the number of visitors and a significant shortfall in the number of reservations compared to the initial plan. We are strengthening efforts in areas where recovery is strong, and improving the ability to attract customers with a view to expanding product variations.
Domestic	▲153	<ul style="list-style-type: none"> Japanese domestic travel stagnated and CVR improvement measures were not impactful, limiting the effect of revenue growth from recognition ad investments, resulting in significant underachievement.
HawaiiActivities	+20	<ul style="list-style-type: none"> Sales exceeded forecast due to the yen's depreciation beyond expectations and higher yen equivalent prices.
LINKTIVITY	▲70	<ul style="list-style-type: none"> Platform business progressed according to plan, but some delays occurred in infrastructure business such as outsourced system development.
Other	—	<ul style="list-style-type: none"> largely as planned

Downward Revision of FY2024 Earnings Forecast

Analysis of Change in Ordinary Profit



Initiatives for Improvement



Improve top line and profit level in the recovering OTA business and invest in the high-potential inbound area

Visualize a growth scenario aimed at transformation and enhancement through the formulation of medium- to long-term strategies

Ongoing Initiatives

1. Increase sales growth rate of OTA business (overseas and domestic)

business
stabilization

Improve services and systems to suit changing market conditions

- Strengthening our ability to attract our own customers through repeat business and business alliances
- Speedy expansion of product areas through partnership models
- UI/UX Improvement
- Strengthen SEO measures
- Strengthen measures to shift acquired recognition to purchasing

2. Improve profit structure of OTA business

business
stabilization

Agile business operations and use of technology

- Review organizational structure and improve productivity through optimal allocation of human resources
- Improve business efficiency through the use of technology

3. Strengthen investment in the growing in-band & Asian market

business
expansion

- Active investment in the expansion of Linkivity's platform business areas
- Strengthen investment for business expansion in inbound and Asian markets in the experience category

Creating guidelines for reform

4. Formulate a medium- to long-term vision

Business stabilization and expansion

Concentrate management resources on growing businesses to expand business domain in the mid- to long-term while securing stable CF by reforming and strengthening the business structure of OTA business.

A mid- to long-term vision based on this strategy
To be announced by the end of 2025

FY2024 Q3 Results Overview



Results

- Revenues grew 43.7% YoY to 3,201 million yen due to a recovery in travel demand and overall portfolio growth.
- As a result of aggressive investment in advertising, operating income fell 157 million yen YoY to -242 million

Overseas (Outbound)

Operating revenue was 2,094 million yen (1,315 million yen in 1QFY2010), a significant recovery of 59.2% YoY. On the other hand, the impact on the recovery of the overseas travel market is expected to continue for the time being due to the historically low level of the yen and other factors such as the reluctance to travel overseas.

Japan Domestic

Operating revenue grew 15.8% YoY to 301 million yen (260 million yen in the same period of the previous year)

HawaiiActivities

Operating revenue was 238 million yen (228 million yen in the same period of the previous year), a slight increase of 4.2% YoY.

LINKTIVITY

Operating revenue grew significantly by 29.7% YoY to 481 million yen (371 million yen in 1HFY2011) due to an increase in the number of foreign tourists visiting Japan

External Environment

- The number of Japanese outbound travelers has recovered to 63% of the 2019 level.

January to September 2024

Approximately 9.5 million people (142% YoY).

- Inbound foreign visitors exceeded 2019 levels by 10.1%.

January to September 2024

Approximately 27 million (155% YoY).

Performance Forecast

Downward revision of operating revenue to 4,200 million yen (+34.5% YoY) and operating income to -318 million yen

Source: JNTO

Profit and Loss Summary



Top-line growth of +43.7%, but significantly short of plan due to slower than forecasted recovery in travel demand and expansion of the business portfolio

Profit was negative due to heavy cost increase from investment in human resources and advertising.

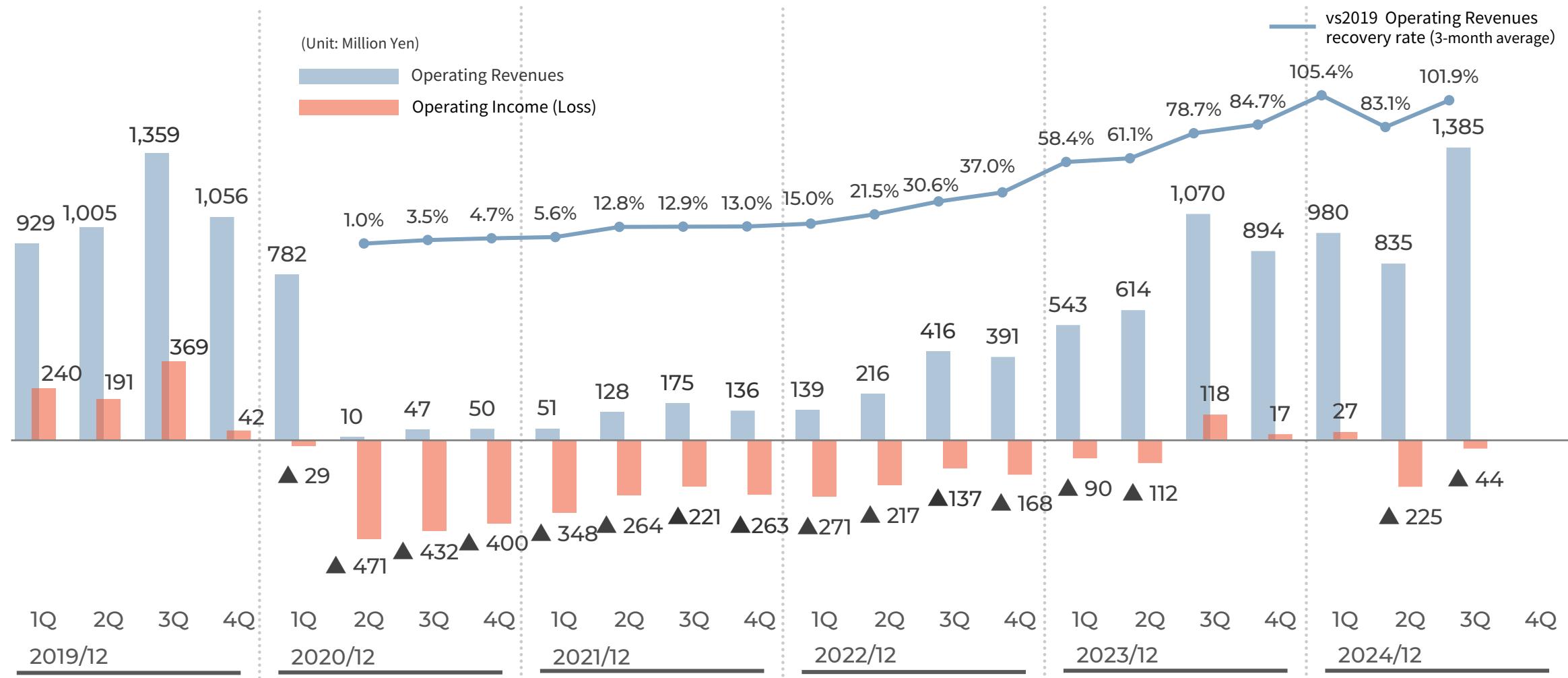
Unit: Million Yen	FY2023 Q3	FY2024 Q3	YoY	Change
Operating Revenue	2,228	3,201	+43.7%	+972
Operating Expenses	2,313	3,444	+48.9%	+1,130
Operating Loss	▲84	▲242	—	▲158
Non-operating Income	0	1	+140.8%	+0
Non-operating Expenses	49	93	+88.6%	+44
Ordinary Loss	▲133	▲334	—	▲201
Net Income	▲172	▲319	—	▲147
Net income per share (Yen)	▲4.84	▲8.77	—	▲3.93 yen

Quarterly Changes in Operating Revenues and Operating Income (Loss)



Operating revenue in 3Q was significantly higher than planned due to the summer vacation season, but fell far short of the plan mainly because of a shortfall in the overseas travel business.

Operating income also failed to recover the growth investment in recruiting and awareness advertising through earnings, resulting in operating loss for the second consecutive quarter.



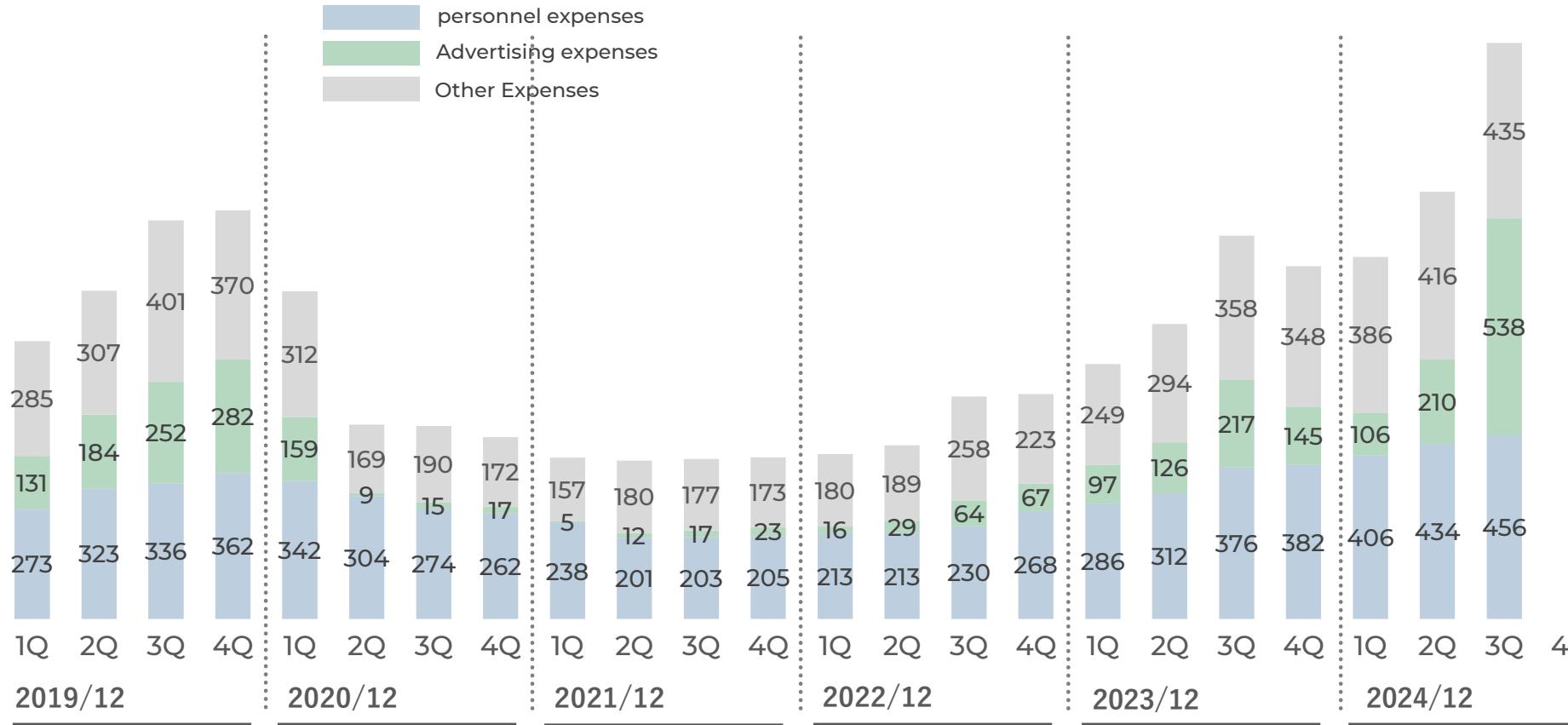
Cost Trends



Online advertising expenses (customer attraction) Increased in line with increase in transaction volume of OTA business, and recognition advertising expenses of 290 million yen were recorded in 3Q.

Since 3Q, we have been reducing costs in comparison with the initial plan, and we will continue to implement thorough cost control in 4Q.

(Millions of yen)



FY2023 Q3 Cost Increase Factors (vs. previous year)

personnel expenses

- Increase due to increase in headcount (+50 y/y)

advertising expenses

- Advertising expenses related to attracting customers increased GMV in OTA business
- Increases in tandem with 290M in 3Q as investment in awareness ads

Other Expenses (YOY Comparison)

- Decrease of 33M in expenses related to recruitment
- 20M increase in settlement fees (linked to GMV increase)
- Outsourcing expenses Increase of 28M
- Commission fee: Increased by 23M
- Office rents increased by 10M

FY2024 Investment Plan



As of 3Q, the company invested 516 million yen (66.2% of total investment), mainly to achieve medium- to long-term business growth and increase corporate value.

Future investments are suspended except for the investment in LINKTIVITY in light of the current situation.

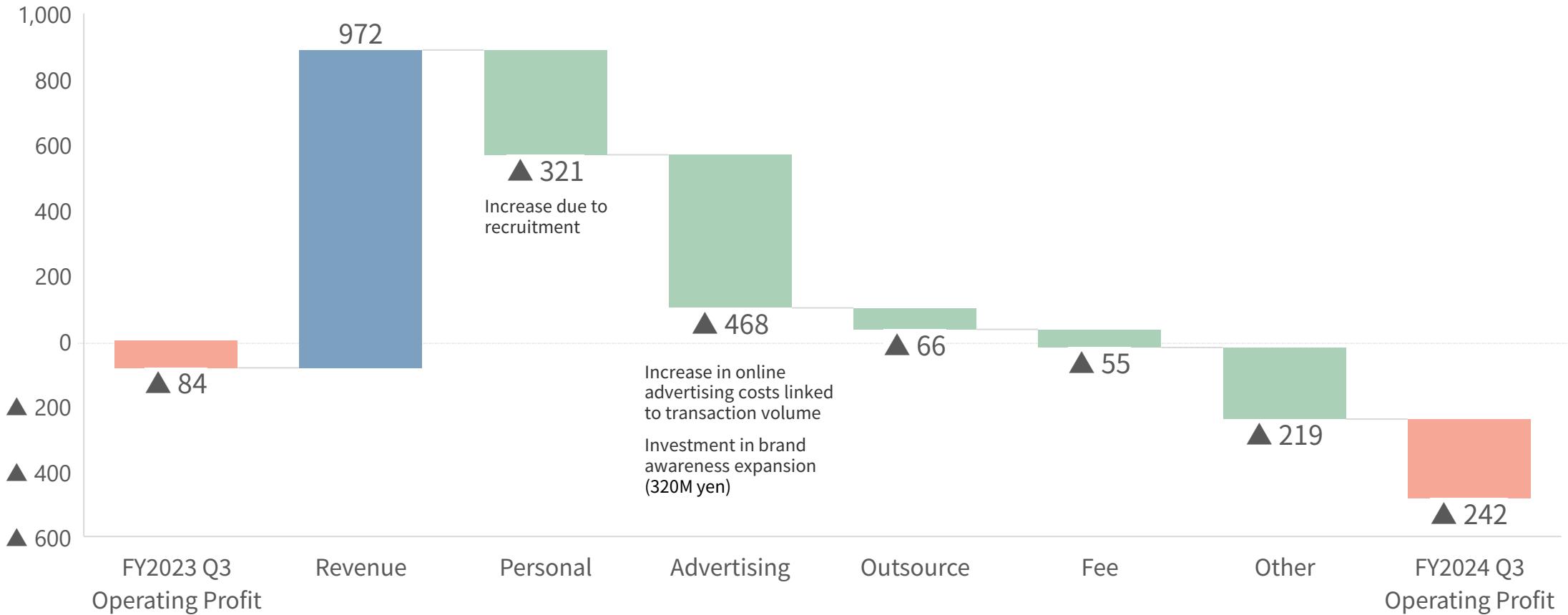
Invest Items	Amount of Investment (Unit: million yen)		Investment details	Investment effect	Progress (%)
OTA business					
Increase awareness	450	317	Implementation of measures to increase awareness (service, brand)	Recognition level +10%, Reduced advertising costs to obtain customers	<div style="width: 70.3%; background-color: #4f729b;"></div> 70.3%
Increase frequency of use and opportunities for use	120	98	Expand product valuations, Promote app downloads and improve functionality	Increase the number of joining tours per trip	<div style="width: 81.4%; background-color: #4f729b;"></div> 81.4%
Strengthen sales of Japanese-language tours	50	1	Strengthen collaboration with JTB	Maintain and expand competitive advantage	<div style="width: 1.5%; background-color: #4f729b;"></div> 1.5%
Improve business productivity	60	11	Automation of content creation using AI	Improvement in operating margin	<div style="width: 18.0%; background-color: #4f729b;"></div> 18.0%
LINKTIVITY					
Expand business areas by developing new solutions	100	91	Business construction of QR ticket gate authentication system, facility entrance/exit management system, etc.	Establish new revenue sources	<div style="width: 90.6%; background-color: #4f729b;"></div> 90.6%
TOTAL	780	516			<div style="width: 66.2%; background-color: #4f729b;"></div> 66.2%

Analysis of Changes in Operating Profit



Costs were held down to 90% of plan, centered on personnel and advertising expenses.

Operating revenue growth was approximately 18% below plan, resulting in a significant shortfall in operating income.

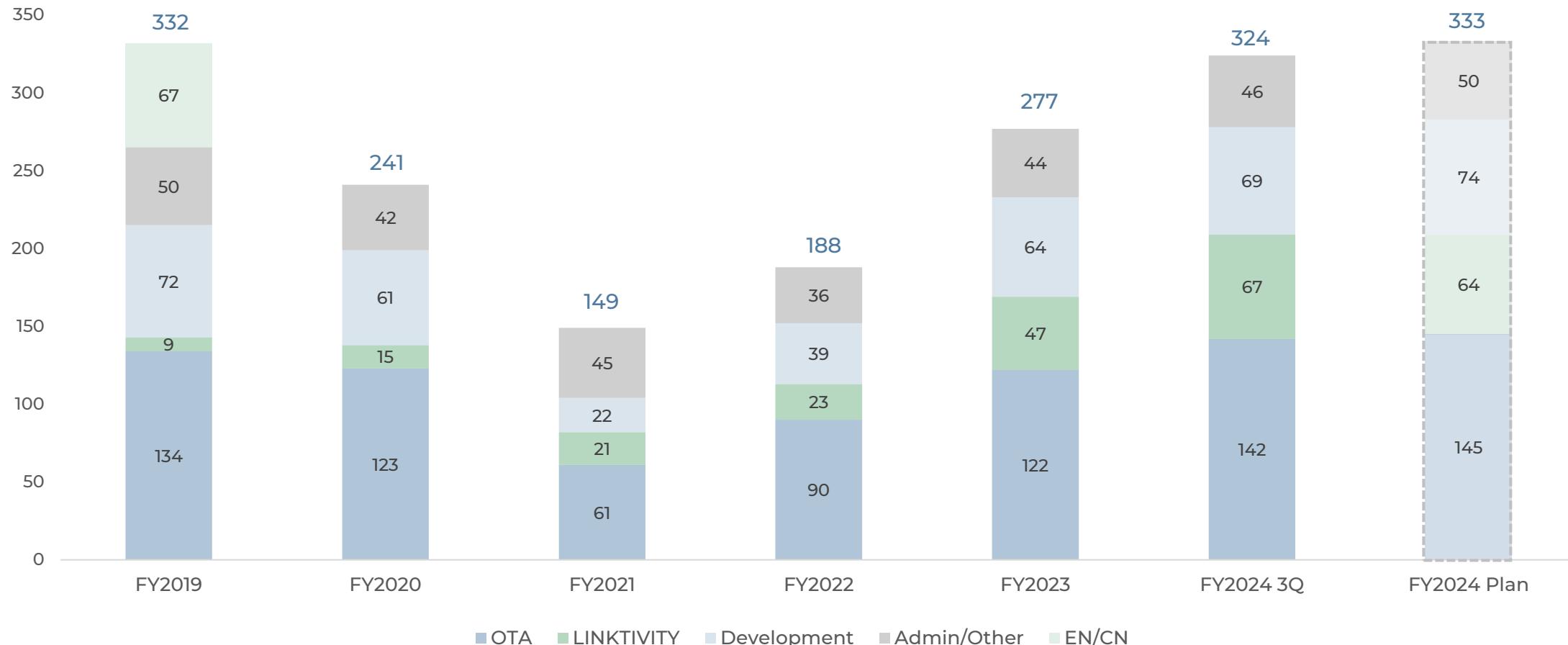


Headcount transitions



LINKTIVITY, which is in the stage of business expansion, continues to actively recruit human resources.

There was no significant change in the other divisions from the 2Q, and we will basically suspend additional hiring in the 4Q as well.

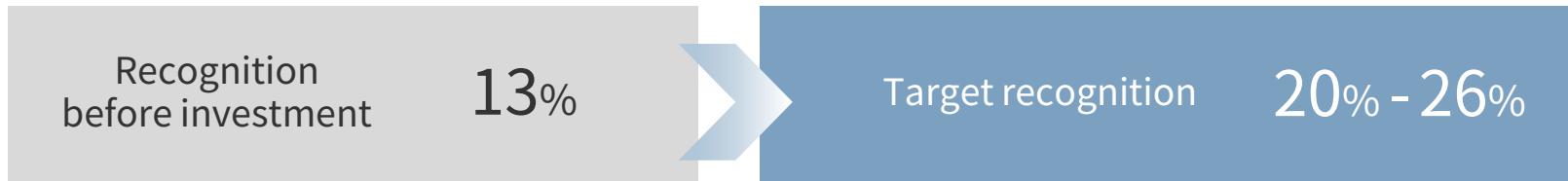


Balance Sheet Summary



Unit: Million Yen	FY2023	FY2024 Q3	Change	Details
Current Assets	5,805	8,734	+2,928	Cash and deposits increased by 2,367M yen and operating accounts receivable increased by 557M yen
Cash and Deposits	3,695	6,062	+2,367	
Fixed Assets	661	895	+234	Software increased 154M yen
Assets Total	6,466	9,629	+3,163	
Current Liabilities	5,105	6,720	+1,614	Increase in operating accounts payable of 802M yen and advances received of 573M yen
Favorable Sub Liabilities	500	500	-	
Fixed Liabilities	0	0	-	
Liabilities Total	5,106	6,720	+1,614	
Total Net Assets	1,360	2,909	+1,549	Capital stock and capital surplus increased by 254 M yen and 1,233M yen, respectively.
Capital to Asset Ratio	20.5%	26.1%	+5.6pt	

Results of Brand Recognition Investment



	Ad Timing	amount invested	Target recognition	Post-investment recognition	
Step 1	July-August	320M yen	20%	20% *	Goal achievement
Step 2	November	130M yen → 0 yen	26%	-	Investment STOP

* Results of awareness survey using outside organizations

Expected Sales Lift Amount	expectation		analysis
	Overseas Business	Domestic Business	
Overseas Business	65 million yen	69 million yen	Overseas business, which has been well known for a long time, has improved CVR as a result of increased confidence in the CM effect.
Domestic Business	48 million yen	10 million yen	As a domestic business that is still under-recognized in comparison to competitors, it is important to improve site visits. → Insufficient promotion of service recognition in promotions



- Implementation of measures to link acquired recognition to increased sales
- PDCA cycle based on this initiative and its results to maintain and expand recognition with both efficiency and accuracy

FY2024 Q3 Results and Market Environment by Business

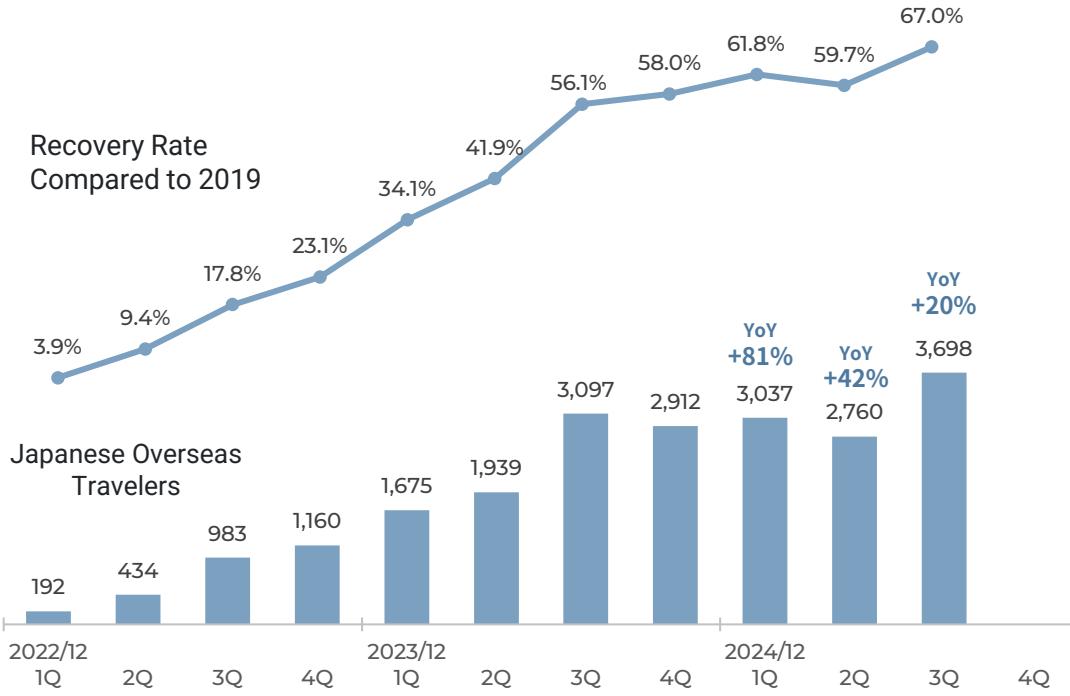
External Environment



Even in the current fiscal year, which has no impact from COVID-19, the recovery in the number of Japanese outbound travelers is still lackluster due to the record weakness in the yen and overall 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.

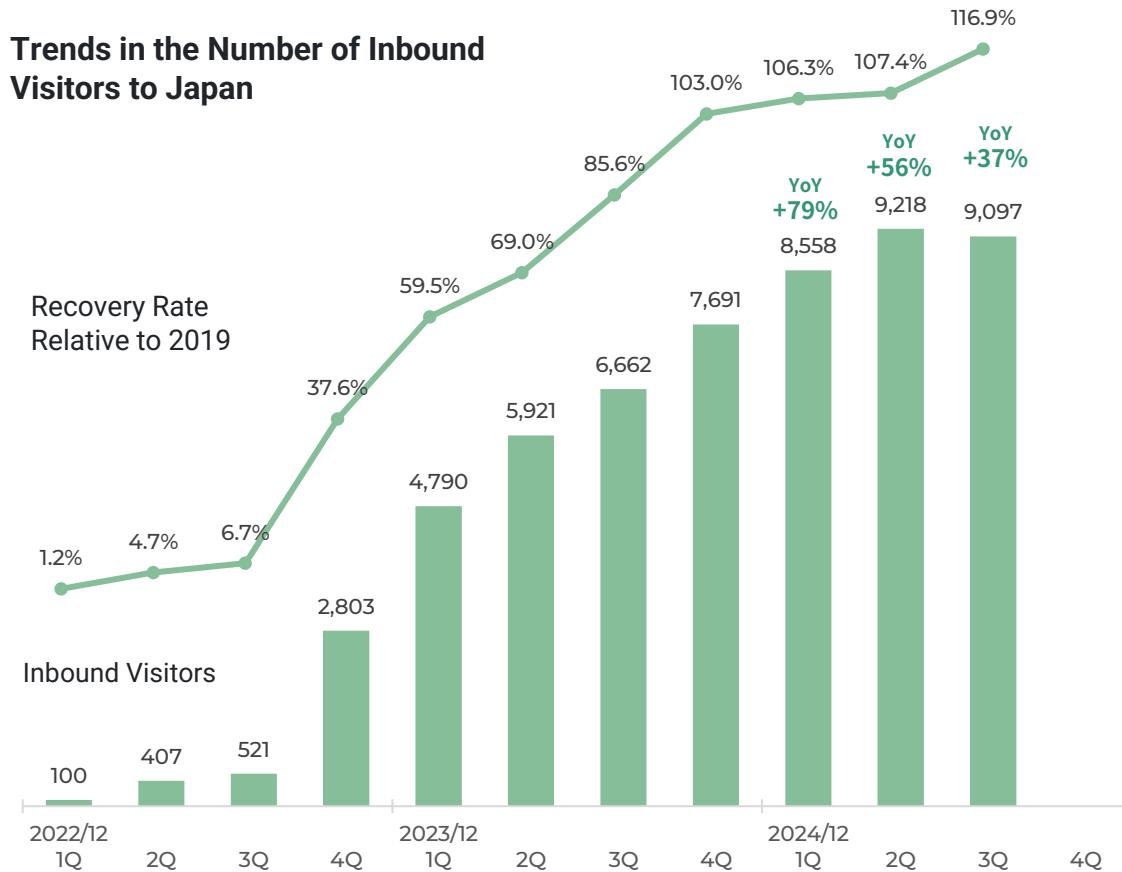
**The trends in domestic travel and the number of travelers to the mainland United States are omitted as they are at the same level as the previous year.*

Trends in the Number of Japanese Outbound Travelers



Source: JNTO

Trends in the Number of Inbound Visitors to Japan



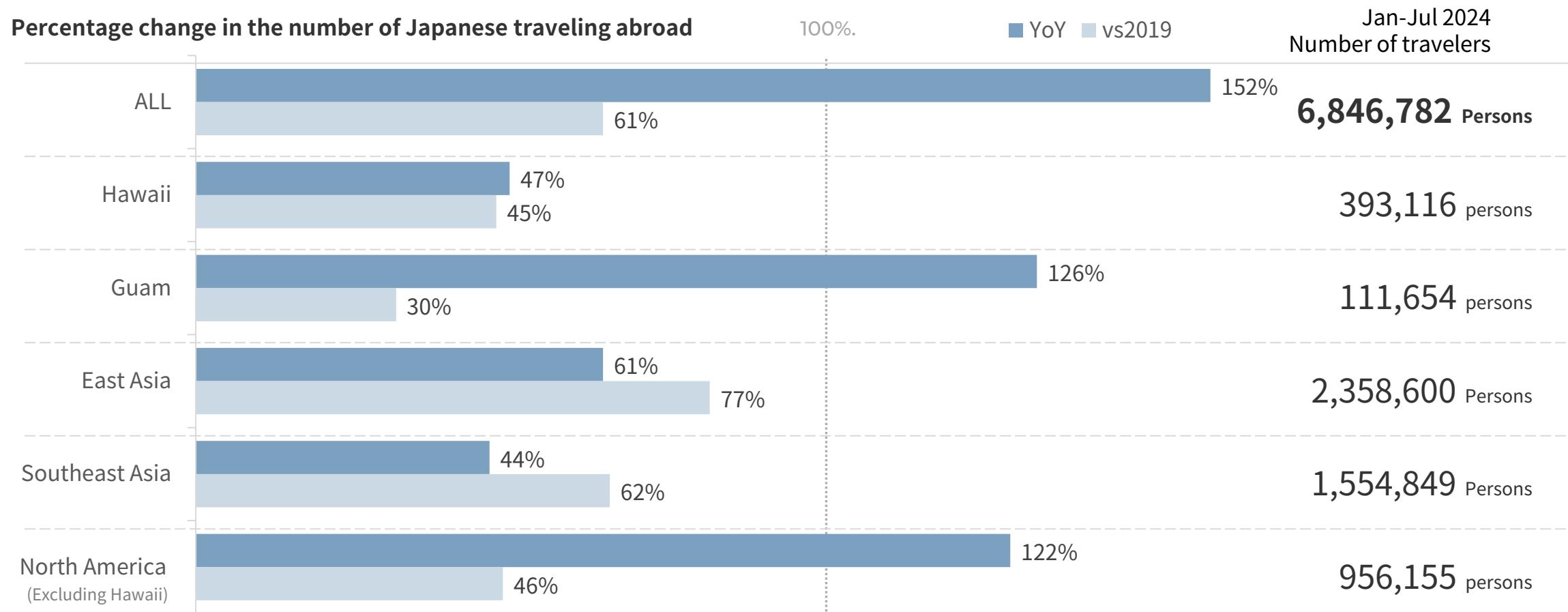
Source: JNTO

External Environment



Trends in the number of Japanese traveling abroad in major areas (January - July 2024)

Although the number of Japanese traveling overseas, mainly to Asia, is on a recovery trend, the number of Japanese traveling to Hawaii and Guam, our main areas, as well as to North America and Europe, our mid- to long-term routes, is still at a low level.



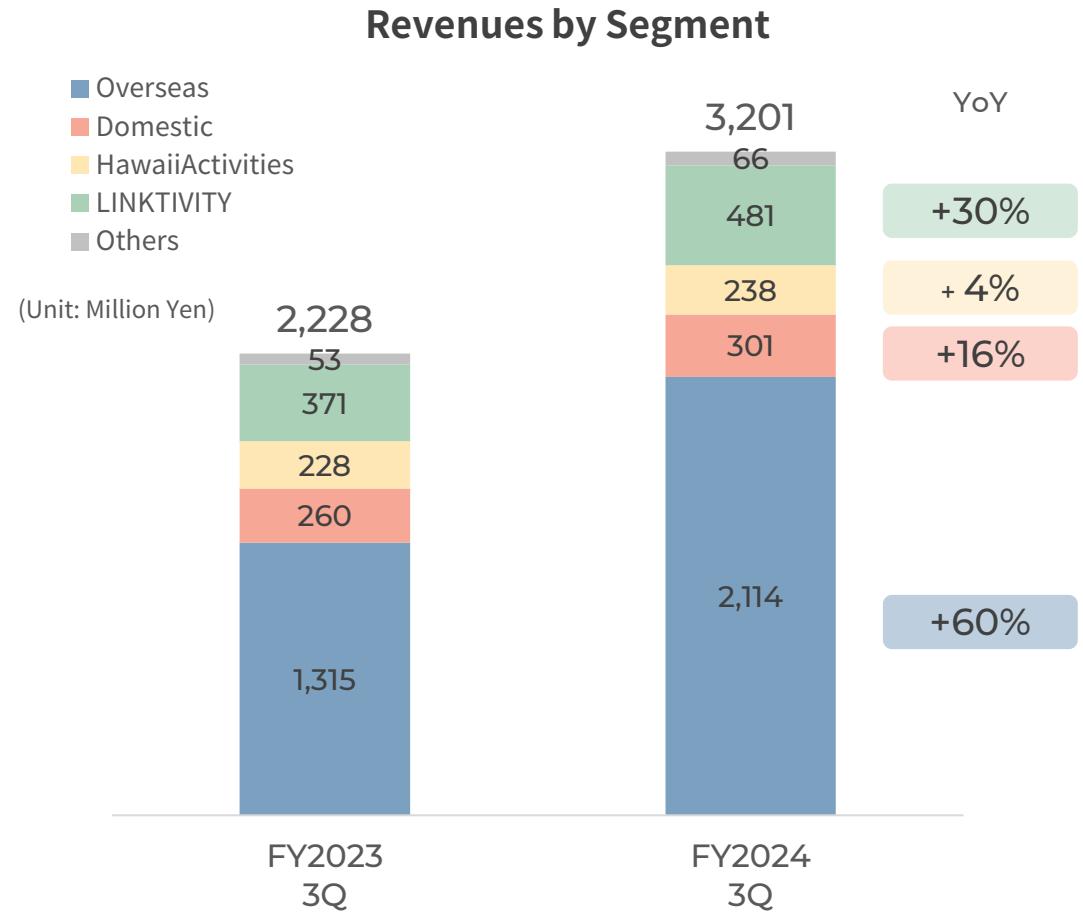
Source: JTB Research Institute - Outbound Japanese Overseas Travel Trends

Revenues by Business Segments YoY

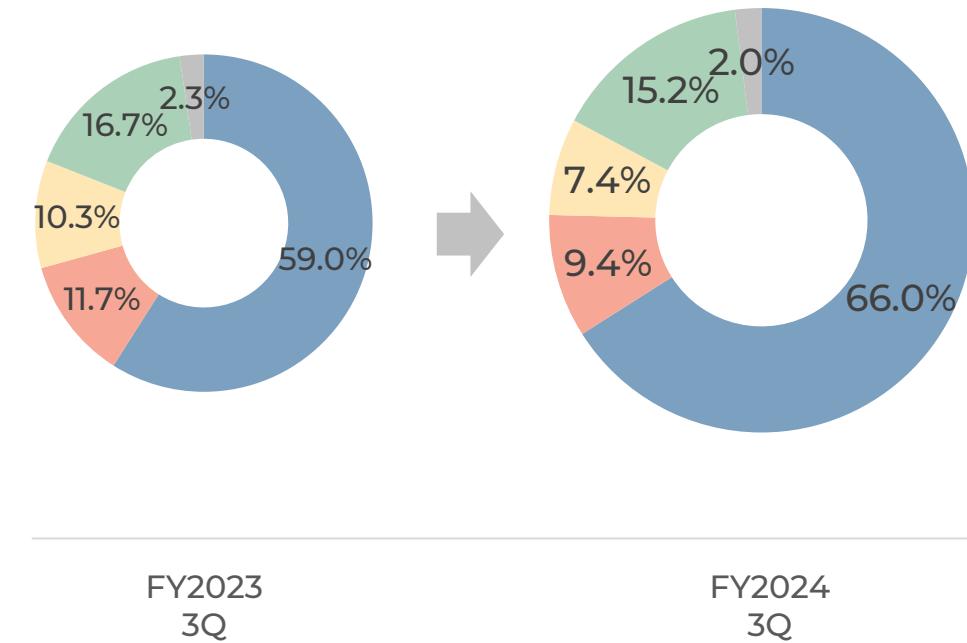


Topline grows in each business, centered on overseas business and LINKTIVITY

Overseas business grew sharply by +60% YoY, resulting in a 7 pt increase to 66% of total revenue



Changes in Revenues Comparison Ratio



Business by Segments

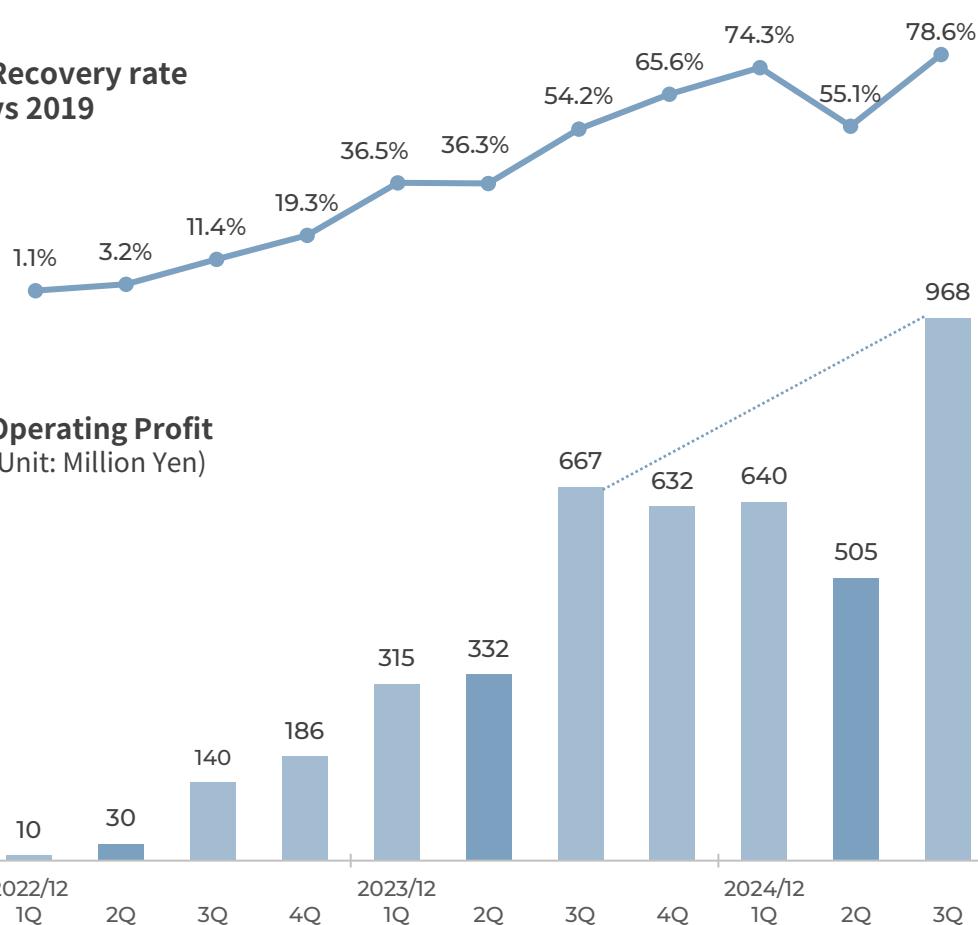
Overseas



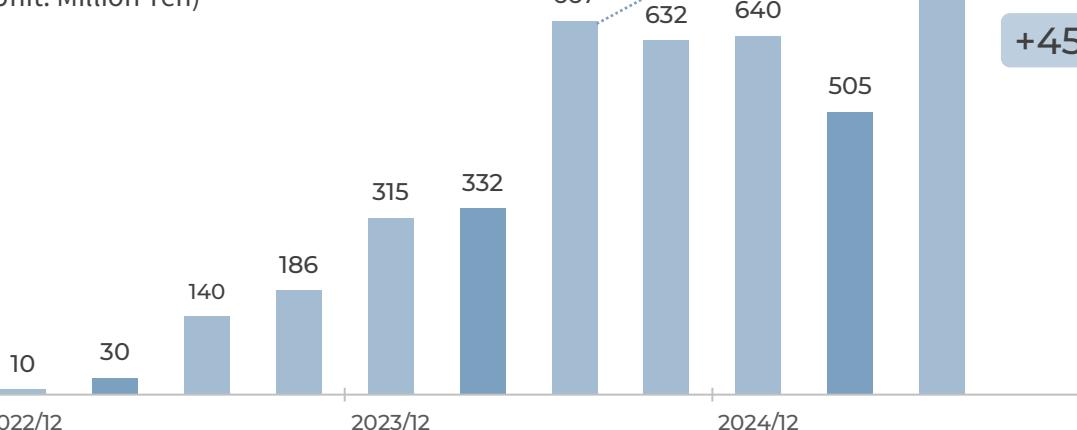
Although the number of Japanese traveling overseas is on a gradual recovery trend, the prolonged depreciation of the yen and high prices are limiting recovery in our core areas of Hawaii, Guam, and other beach resorts, as well as in high unit-price European areas, and operating revenue growth will be sluggish.

Results Change in Operating Revenue

Recovery rate
vs 2019



Operating Profit
(Unit: Million Yen)



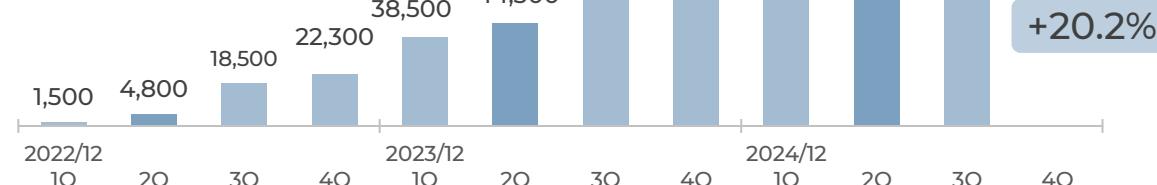
YoY
+45.0%

Reference Changes in bookings and number of products

Number of Products



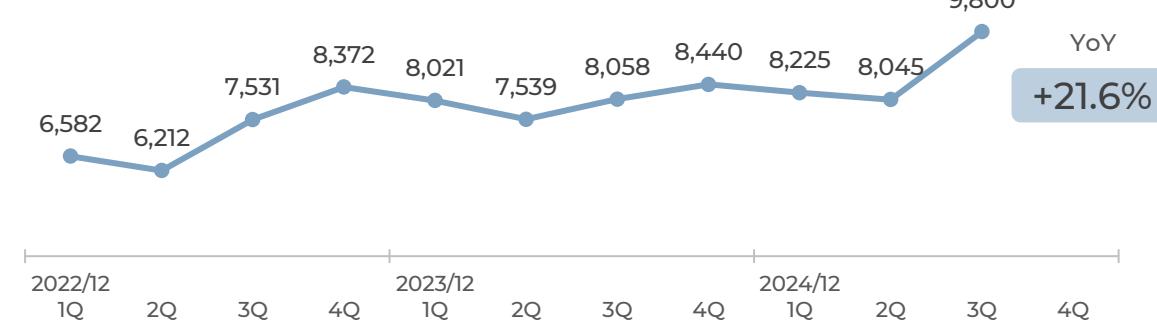
Number of bookings



YoY
+20.2%

Reference Changes in unit prices

Commission per booking (Unit: Yen)



Unit prices rose due to the weak yen and the seasonal nature of the summer vacation season, etc.

YoY
+21.6%

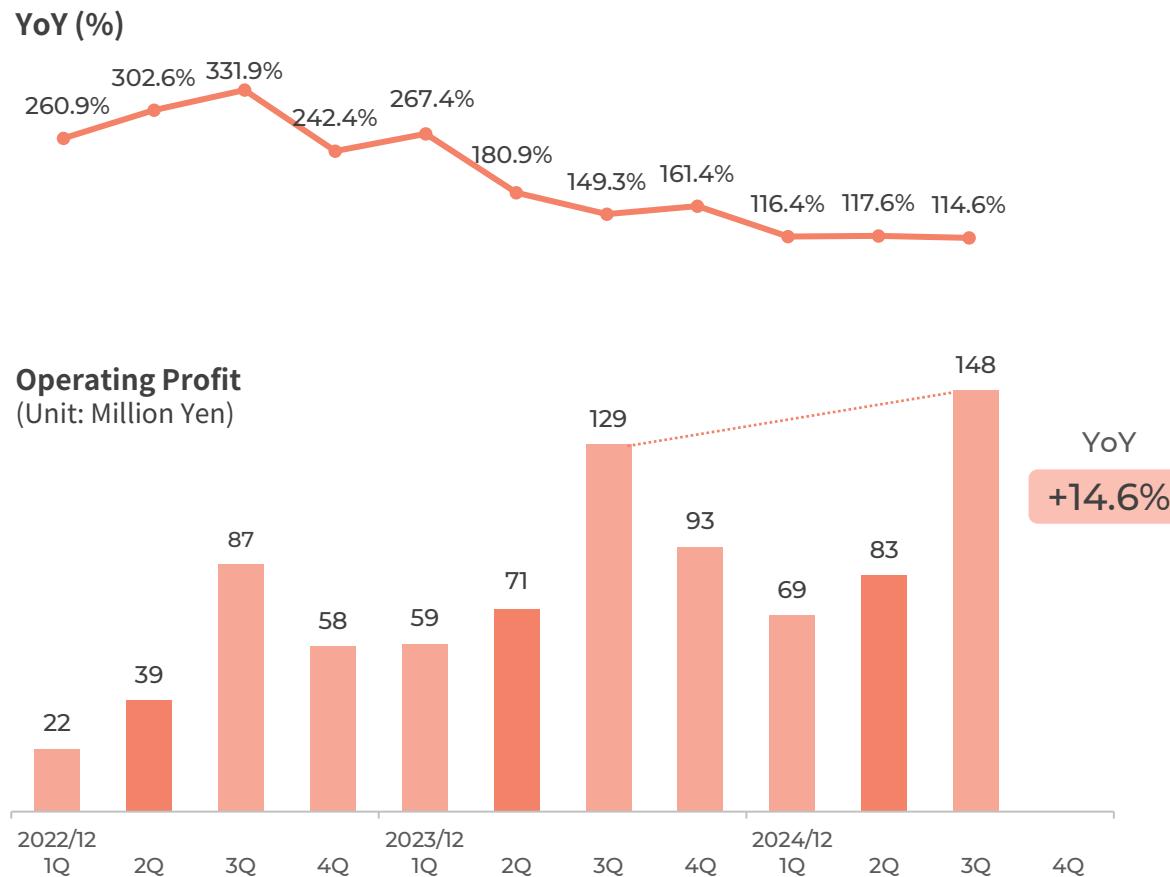
Business by Segments

Domestic

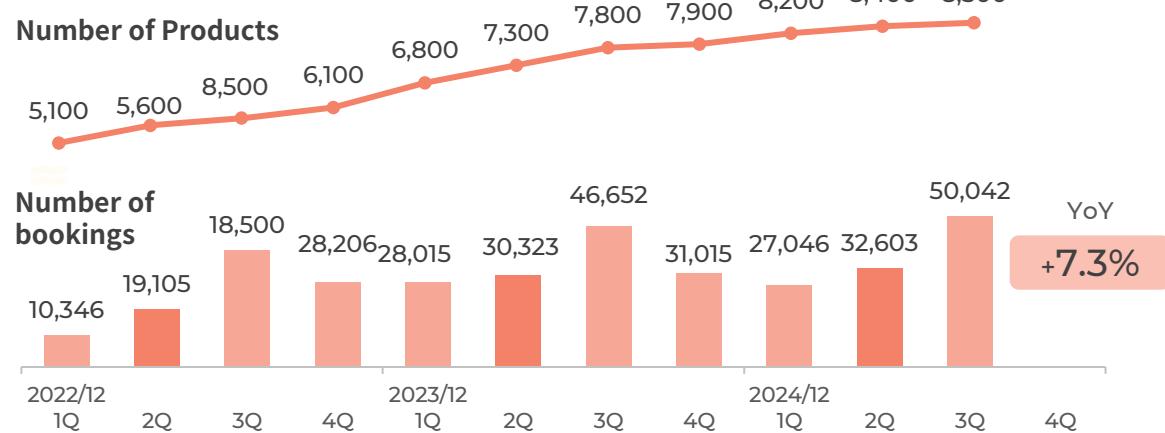


The business has steadily expanded its scale of earnings with the expansion of services due to an increase in the number of products. It is essential to strengthen measures to attract customers and improve CVR. At this stage, the effect of increased recognition on the number of reservations and revenues is limited.

Results Change in Operating Revenue



Reference Changes in bookings and number of products



Reference Changes in unit prices



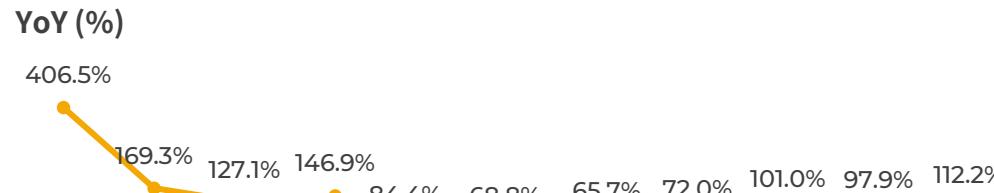
Business by Segments

HawaiiActivities

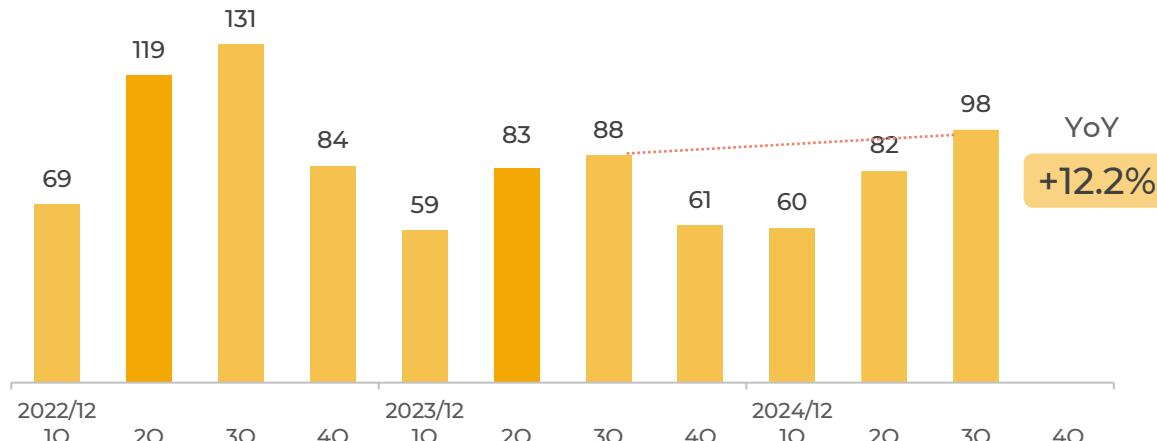


By covering the decrease in the number of reservations with price increases (due to higher prices and improved yen exchange rates), we are securing operating revenue. The cumulative operating revenue for the Q3 is progressing smoothly at 112% of the plan.

Results Change in Operating Revenue

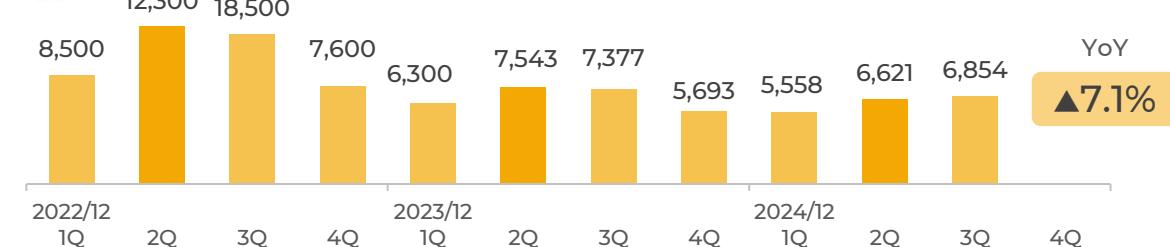


Operating Profit (Unit: Million Yen)



Reference Changes in number of bookings

Number of bookings



Reference Changes in unit prices

Commission per booking (Unit: Yen)



The unit prices are on an upward trend due to the impact of the weak yen and other factors.

Business by Segments

LINKTIVITY

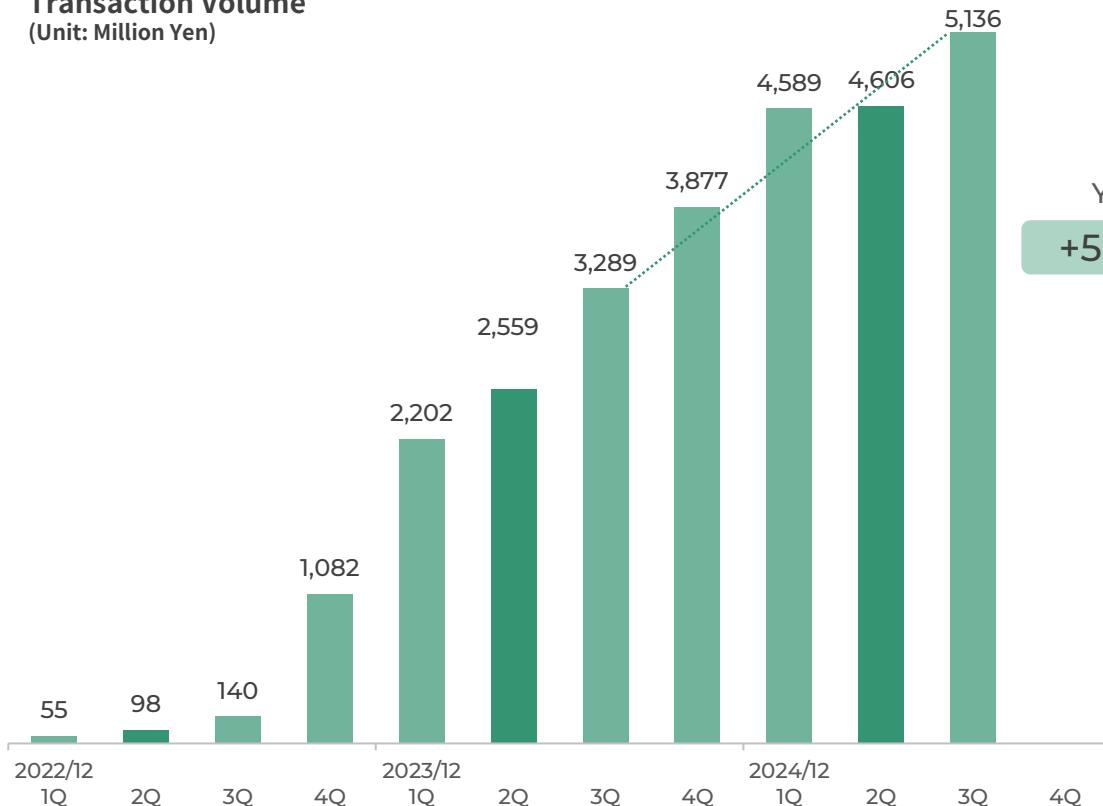


Although the growth of transaction volume slowed down in 2Q due to the impact of typhoons and earthquakes in Japan, it grew steadily in 3Q due to the increase in inbound travelers.

To meet increasing inbound demand, the company will continue to expand its sales channels and suppliers (products) to increase transaction volume.

Results Transaction volume

Transaction Volume
(Unit: Million Yen)

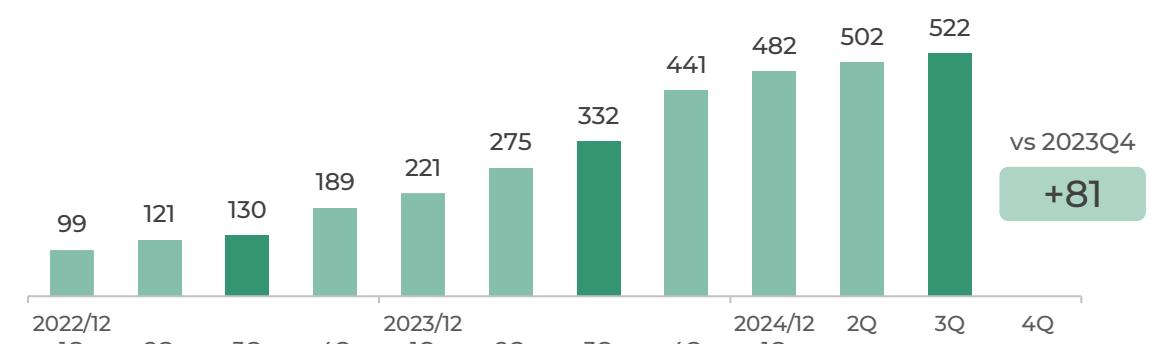


YoY

+56.1%

Reference Number of partnerships

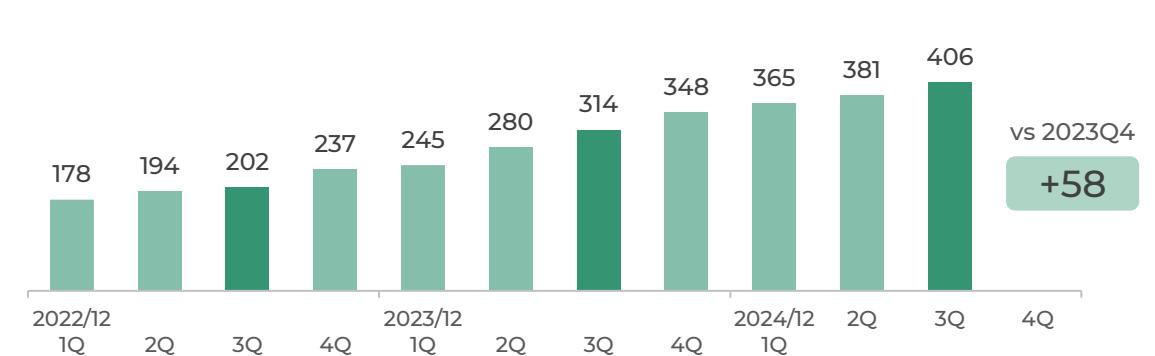
Number of Suppliers



vs 2023Q4

+81

Number of Distribution Channels



vs 2023Q4

+58

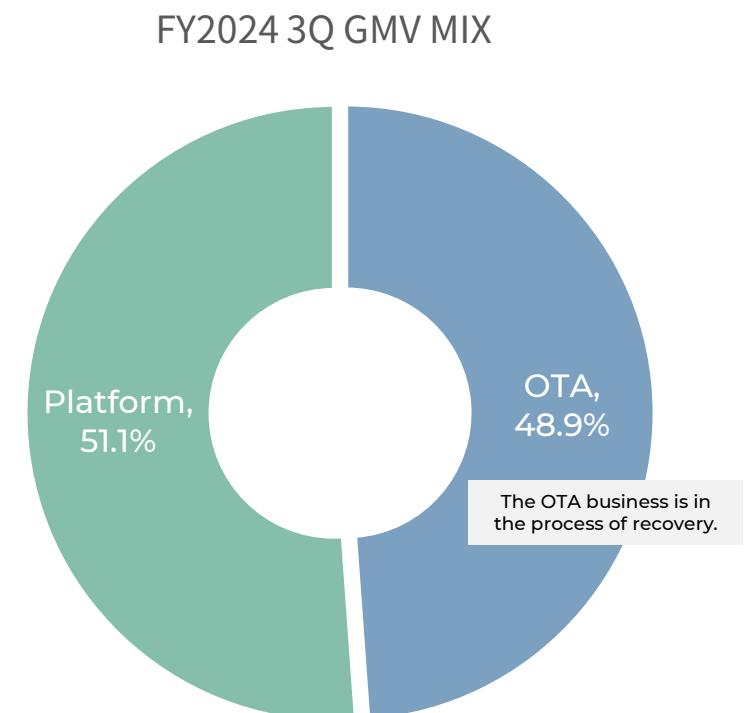
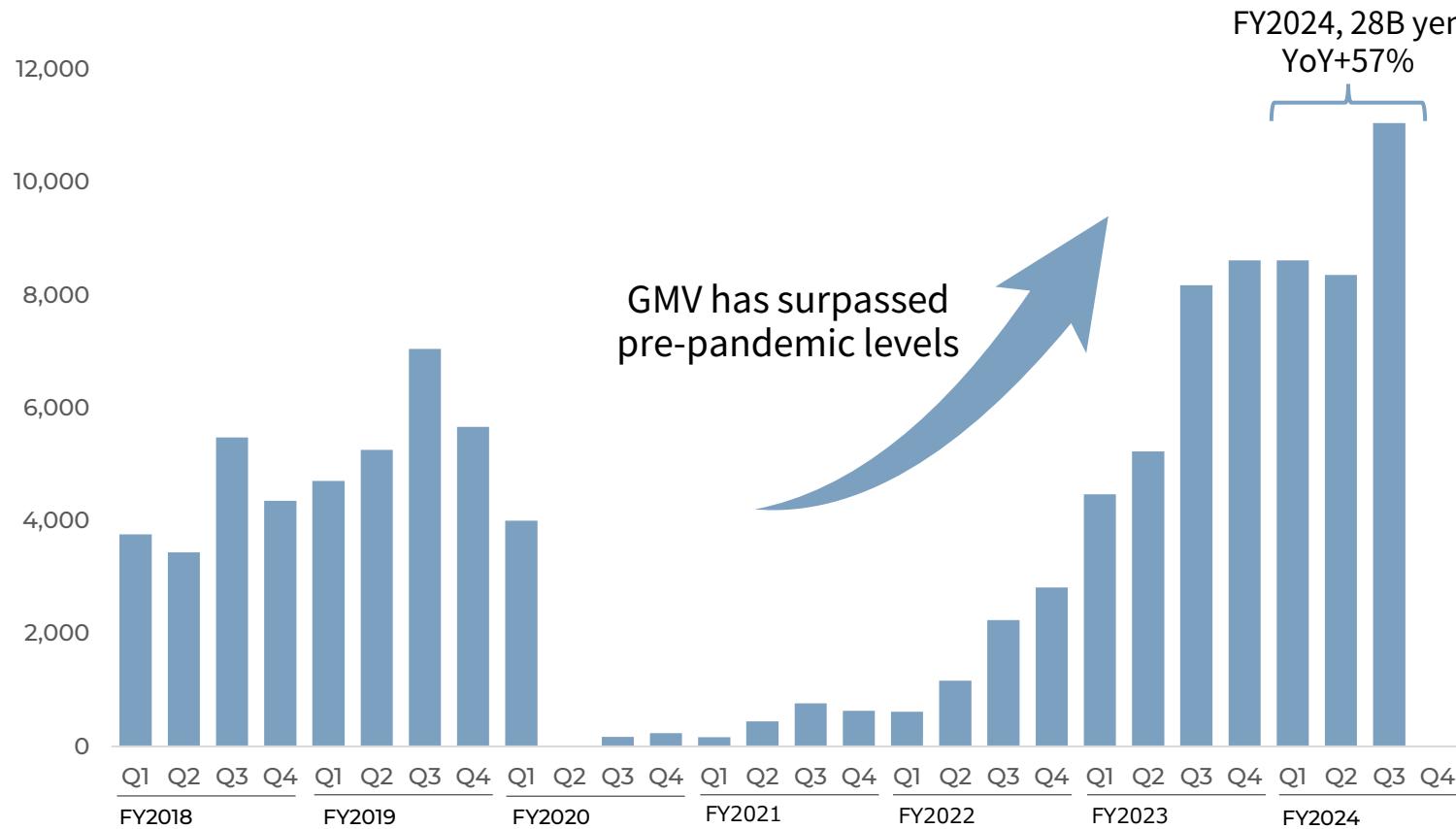
FY2024 Outlook and Initiatives

VELTRA Group GMV Trend



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

As the market evolves into a composite service, distribution value (GMV) is an important indicator of market size.
Growth from OTA business on its own to growth in platform business and other diversified services

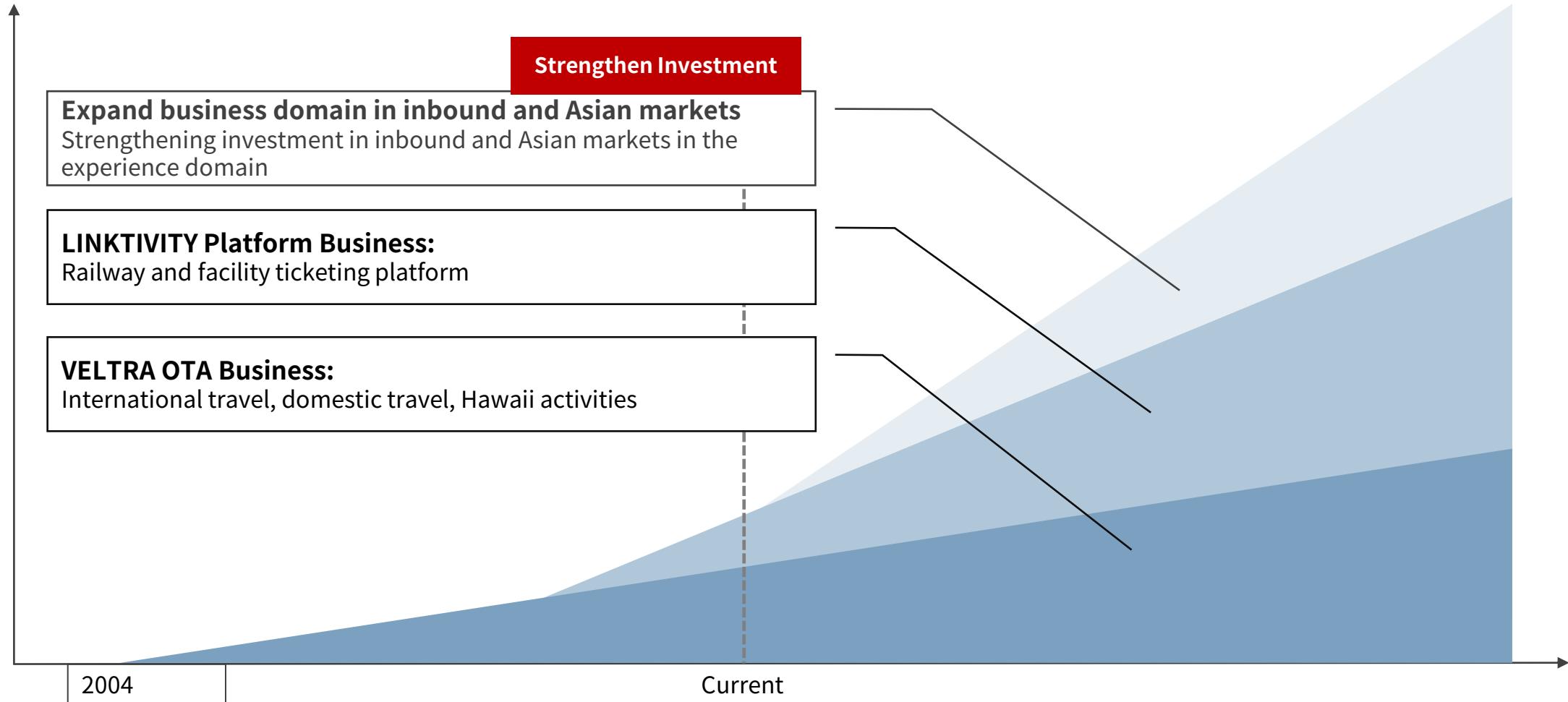


VELTRA Group Future GMV Growth Outlook



Strengthen investments in the inbound and Asian markets to expand the market size

In anticipation of a prolonged recovery in Japanese overseas travel, we will secure earnings in the OTA business, which is our cash cow, while placing the highest priority on the rapidly growing inbound & Asian market and pursuing a new growth strategy based on the experience domain that is not bound by our existing business model.

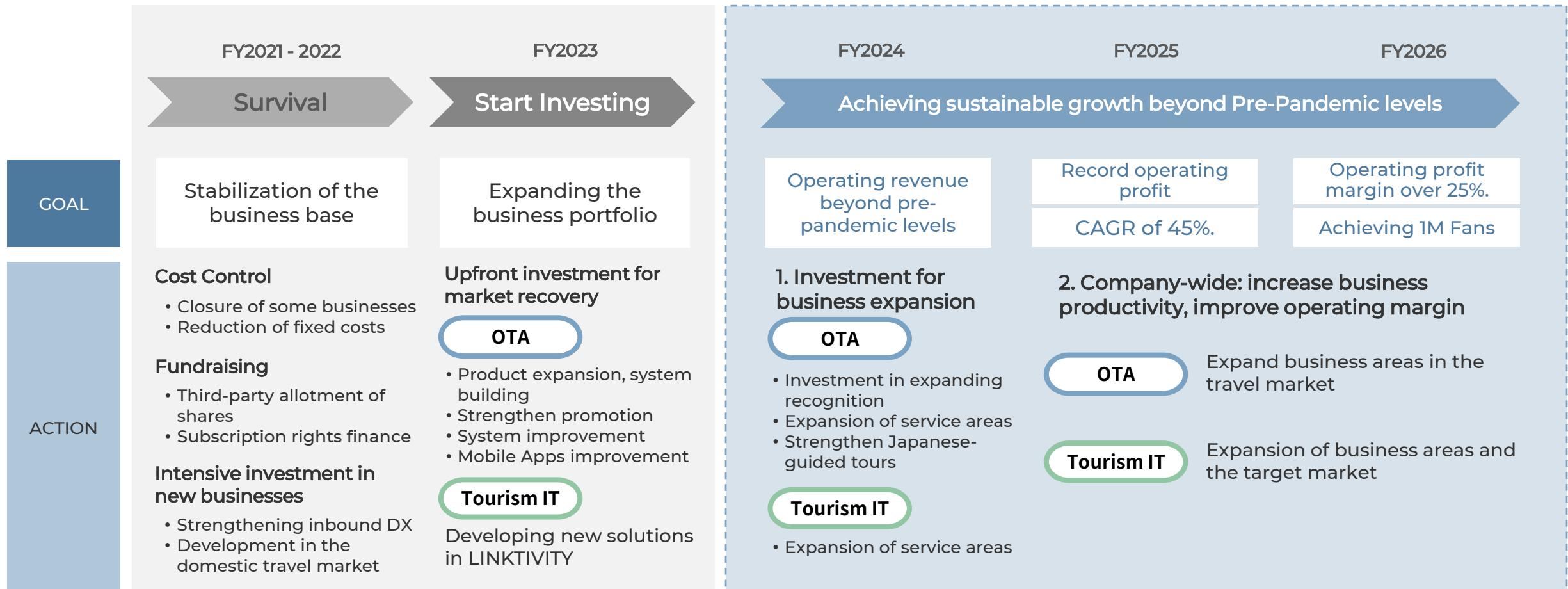


Appendix



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.

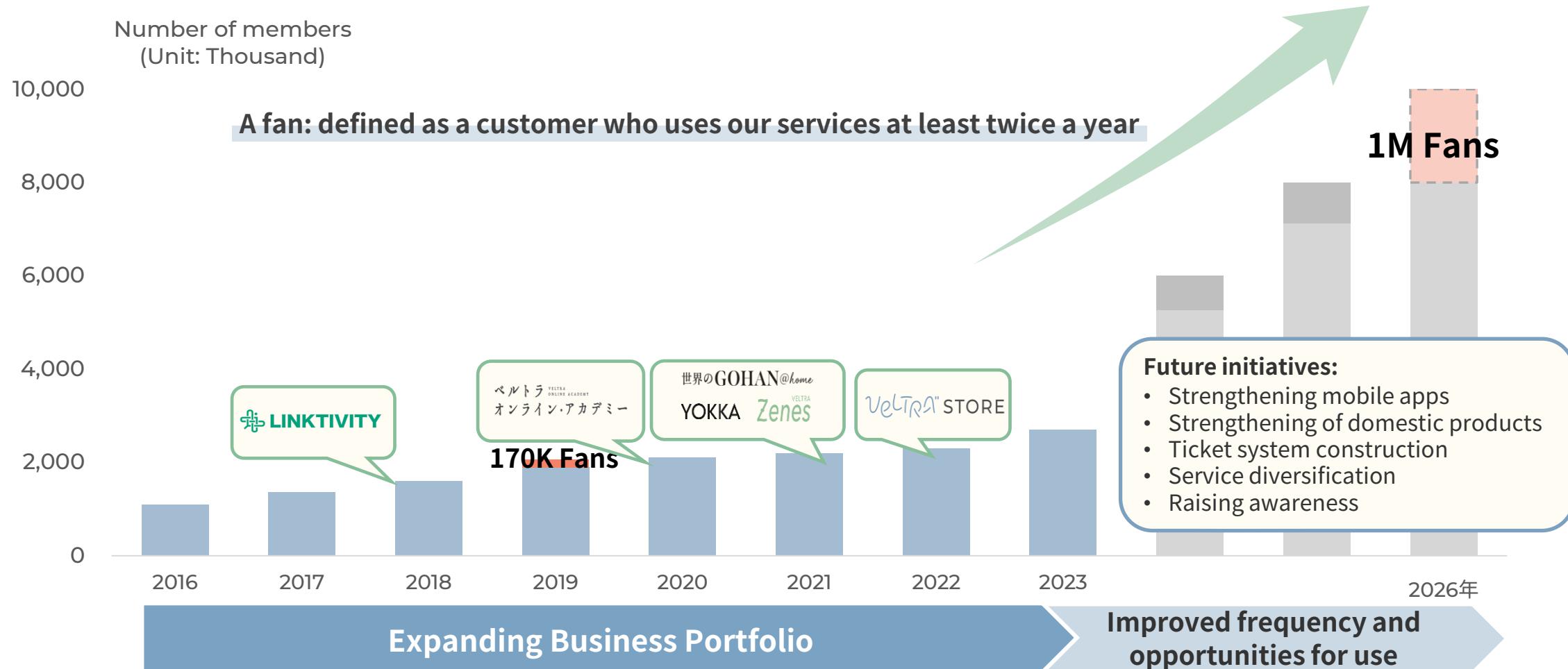


Aiming for a membership base of 1 million loyal fans by 2026



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.



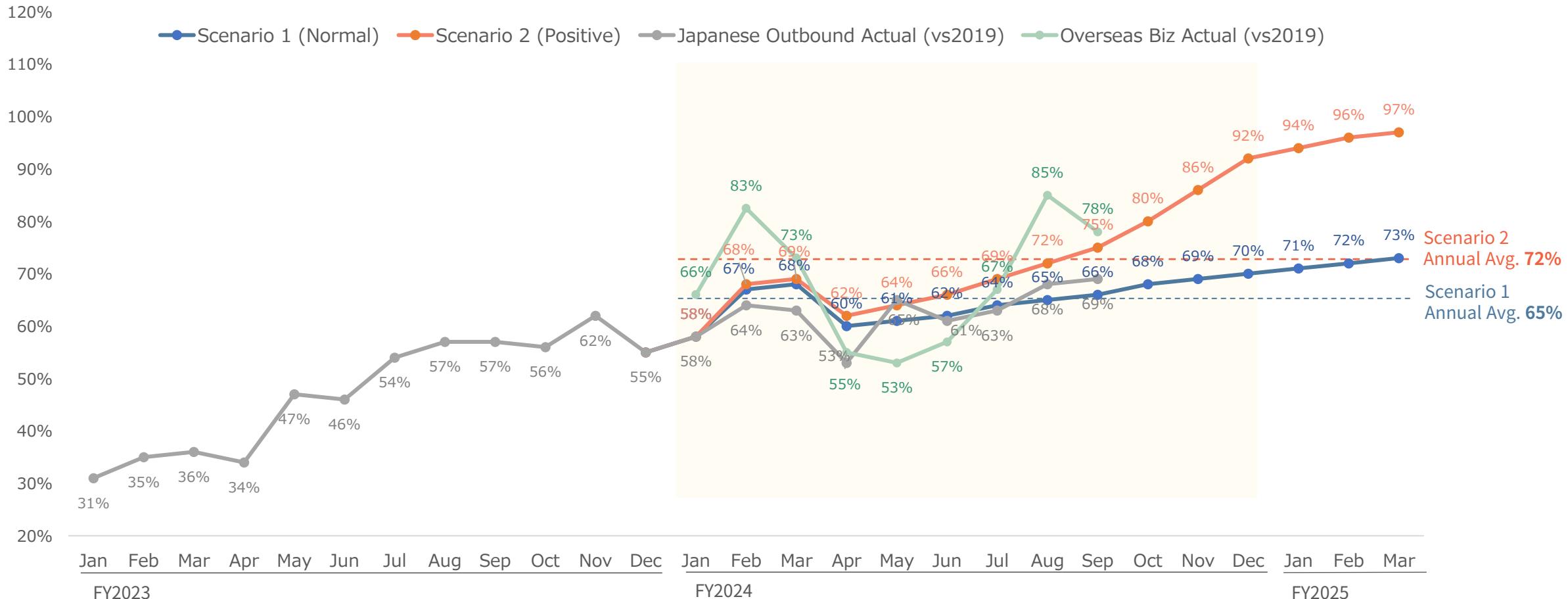
Travel Market for Japanese FY2024 Market Recovery Forecast



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.

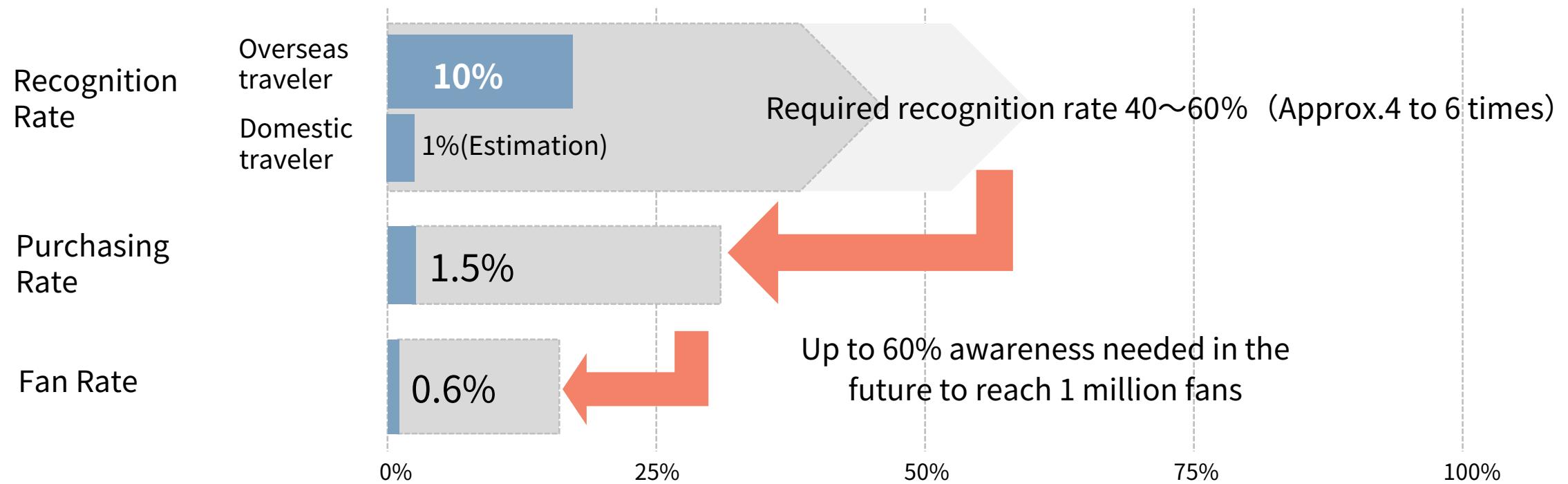
Depending on the improvement in the external environment, **Scenario 2** (annual average recovery rate of about 72%) is also assumed.



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 Veltra'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

Partnership to increase frequency of use of tickets for domestic and international tourist facilities, with a KGI of 1 million fan

Feb. 2023

Mar. 2023

Jan. 2023

VelTRA[®] • asoview![®]
VelTRA[®] • Tiqets[®]



B2B Partnership

July.2023

Jetstar[®]

Jetstar Japan

Collaboration in the sale of experiential products for domestic and international individual travelers

System tie-up

SKY[®]

Skymark

Jan.2024

JTB[®]

Capital and Business Alliance

Strengthening linkage on product planning and sales such as guide tours in Japanese for foreign individual travelers

System tie-up

Investment

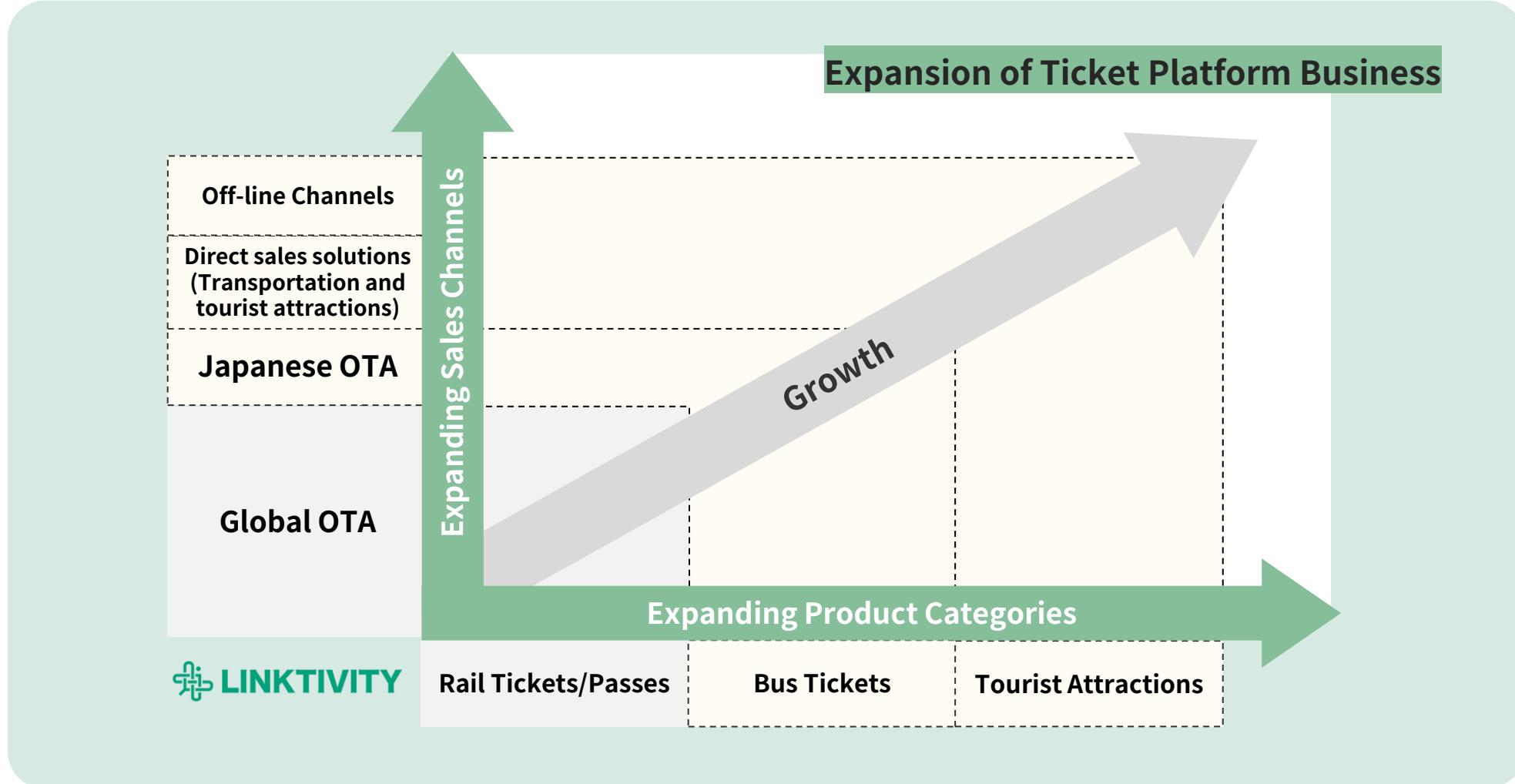
byFood[®]
Tablecross

Apr.2023

LINKTIVITY - Business Growth



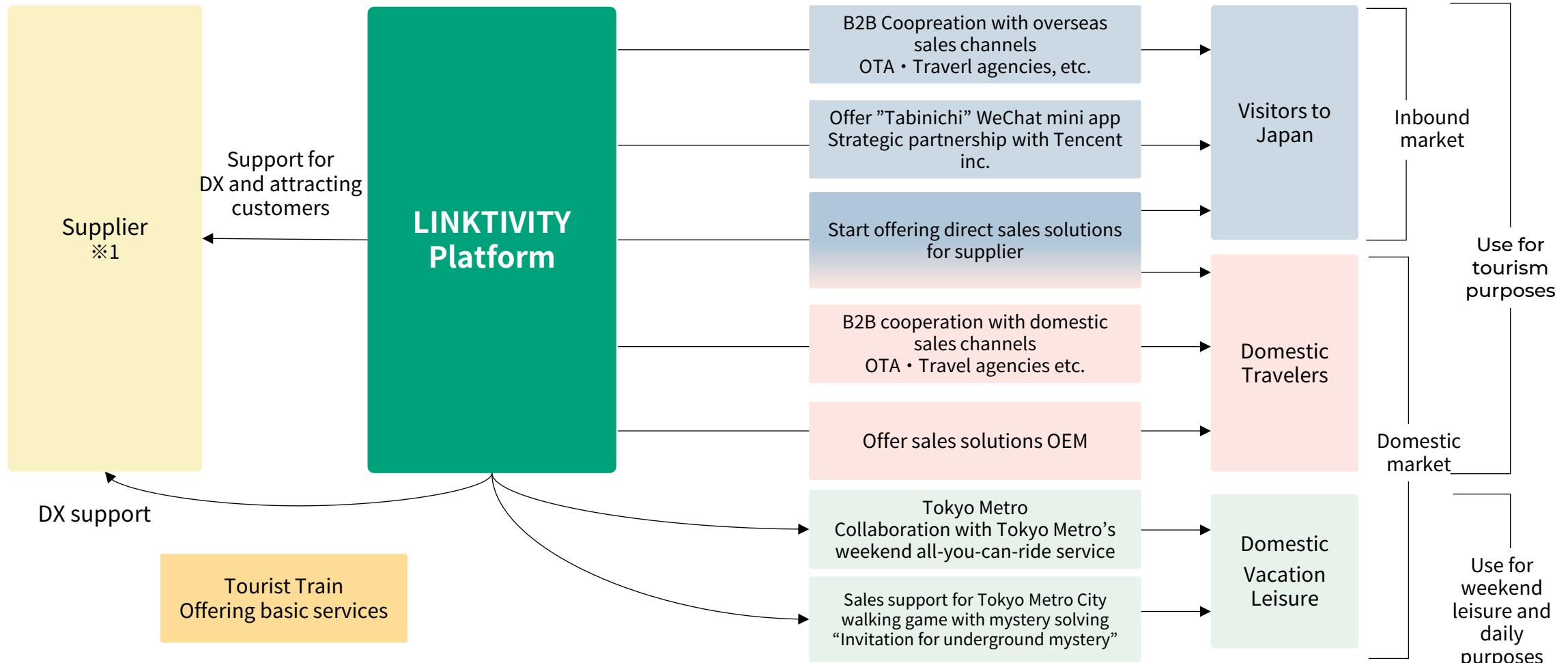
We will accelerate growth by further expanding product categories and sales channels and broadening TAM from its existing positioning as a rail ticket/pass platform for inbound travelers.



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.





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



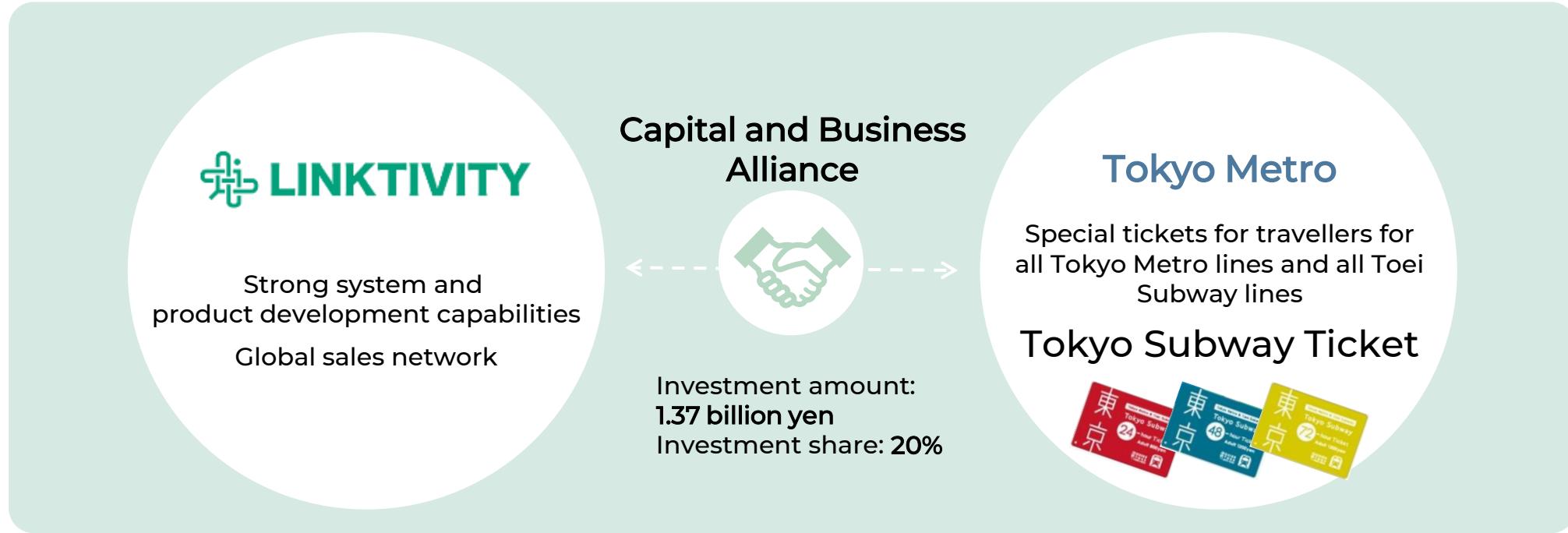
Case Studies:
- Tsutenkaku "Dive & Walk"
- Shima Green Adventure

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.



Company Information

Company Information



VELTRA Corporation

Headquarters	2-13-12 Nihonbashi, Chuo-ku, Tokyo 103-0027 Japan
Capital	JPY 2,078,171,225 (as of September 2024)
Founded	November, 1991
# of Employees	324 (Consolidated) 229 (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
2024	LINKTIVITY Inc. has formed a capital and business alliance with Tokyo Metro

About VELTRA



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

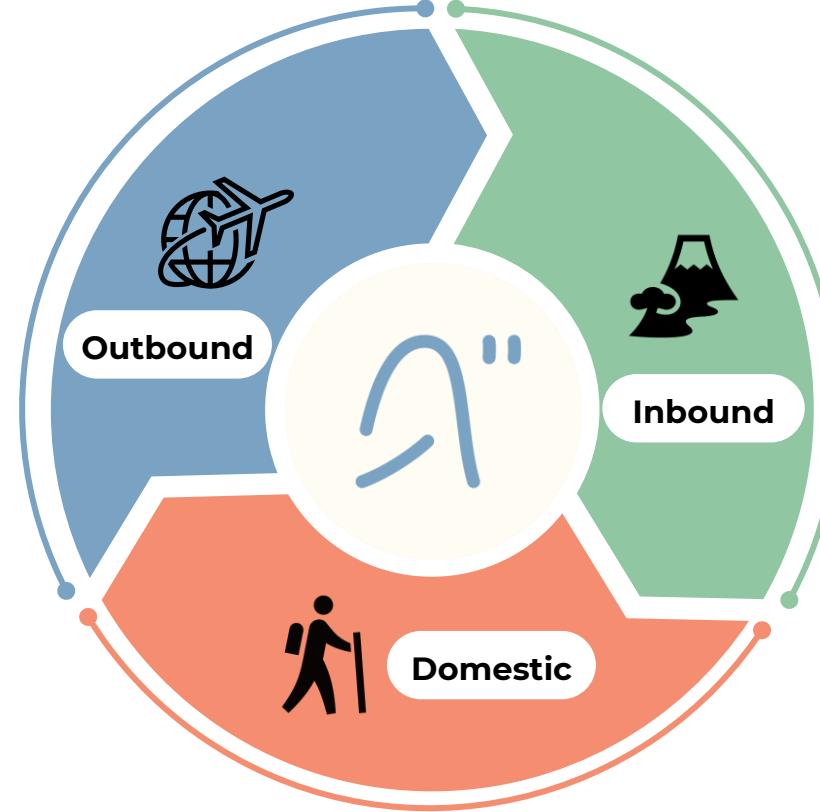


VelTRA®

HAWAII ACTIVITIES
A VELTRA® Company

ベルトラ
オンライン・アカデミー

VelTRA® STORE



Tourism IT
Solutions

 LINKTIVITY

VELTRA
Zenes

YOKKA

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

Core Business



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

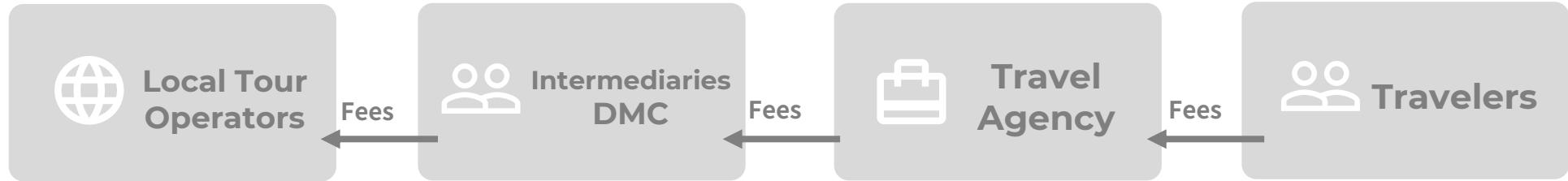
OTA		HAWAII ACTIVITIES A VELTRA® Company		Tourism IT Solutions	
2.5 million (YoY +32万人)		Members	200,000	Number of Users	--
19,000 (YoY +3,600) 150 Countries		Activities Countries	780 All Hawaiian Islands	Number of distributors	502 (YoY+227)
8,000 (YoY +600社)		Partners	440	Number of partners	381 (YoY+101)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



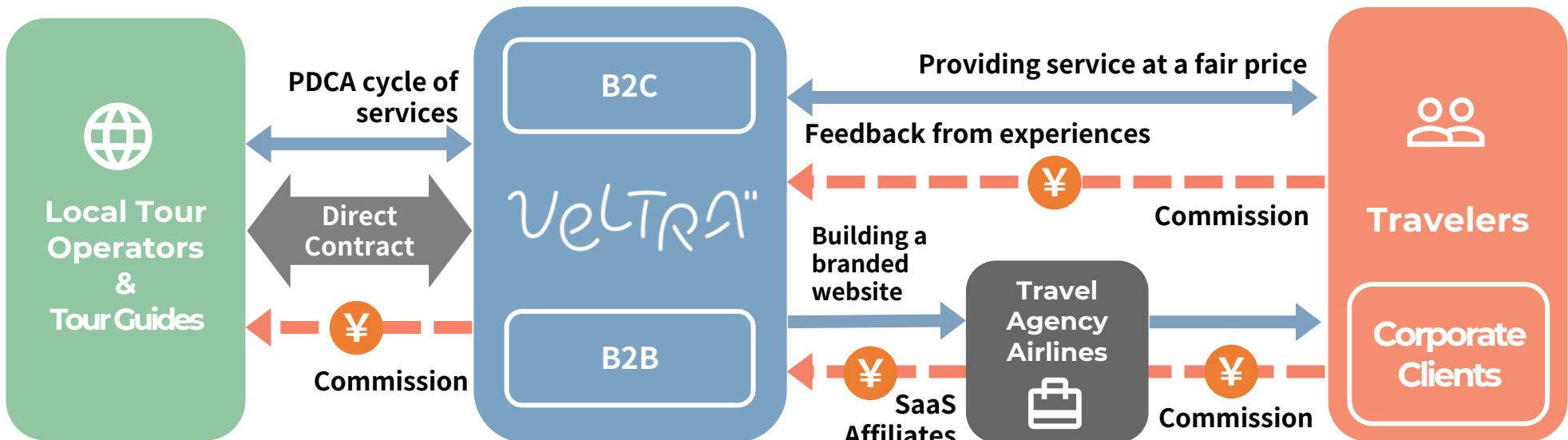
Before

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



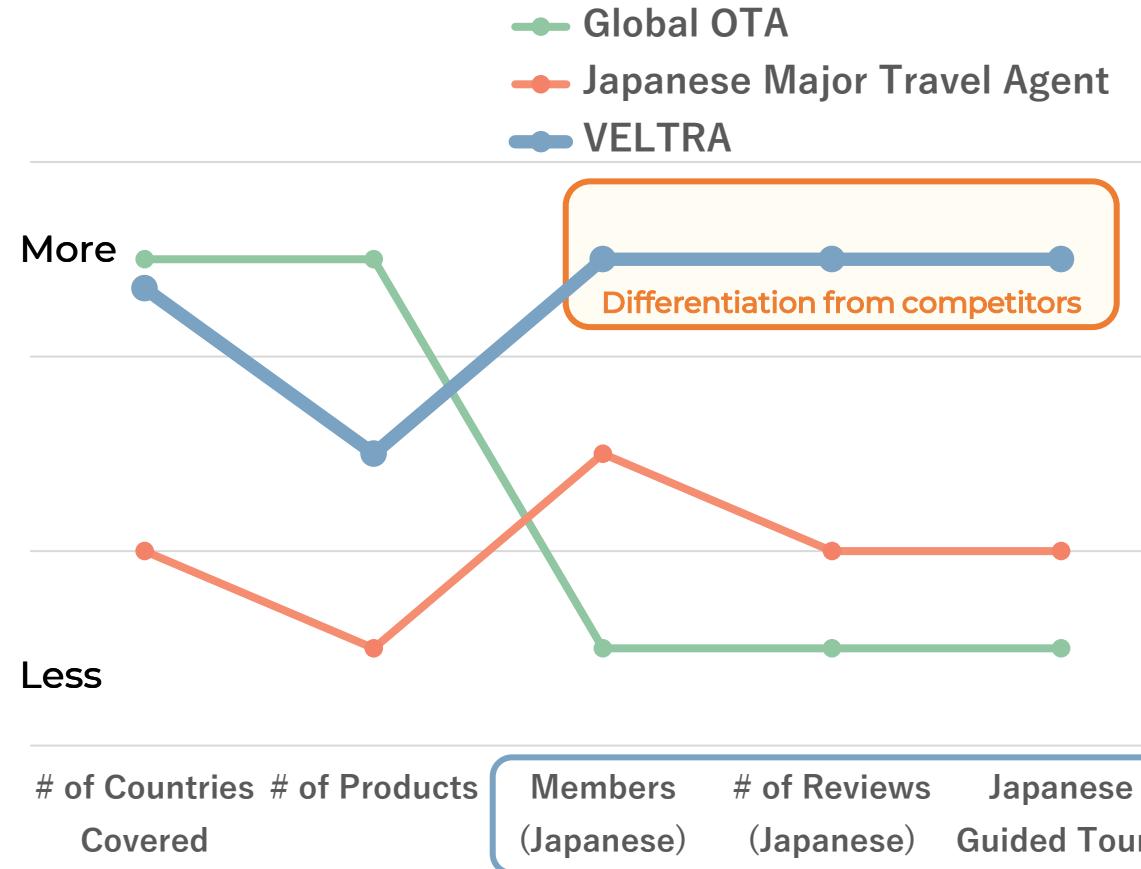
19,000+
Tours & Activities



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.



3M USER/month*
Organic traffic
*2017-2019 Average



200,000+/month
Owned media traffic



2,000+
B2B Network
in Japan



100+
API Integration

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.



50% of
bookings are
returning
customers
*2019 results



NPS(+27%)
Customer Royalty
*Net Promotor Score



Localized
UI/UX



24/7
Customer
Support

OTA Business: A Cycle of Enhancing Managerial Assets

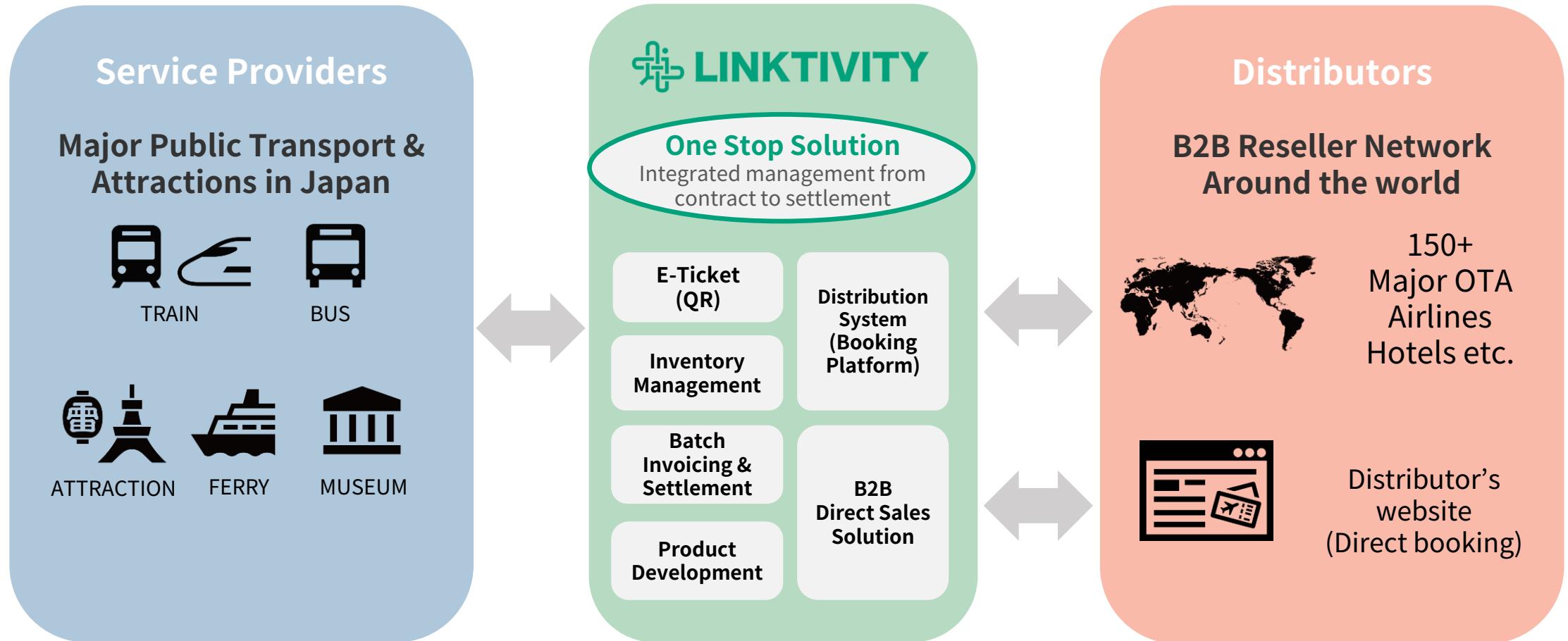


By reinvesting to make the most of our resources, we aim to create new value and further expand market share and maximize corporate value.





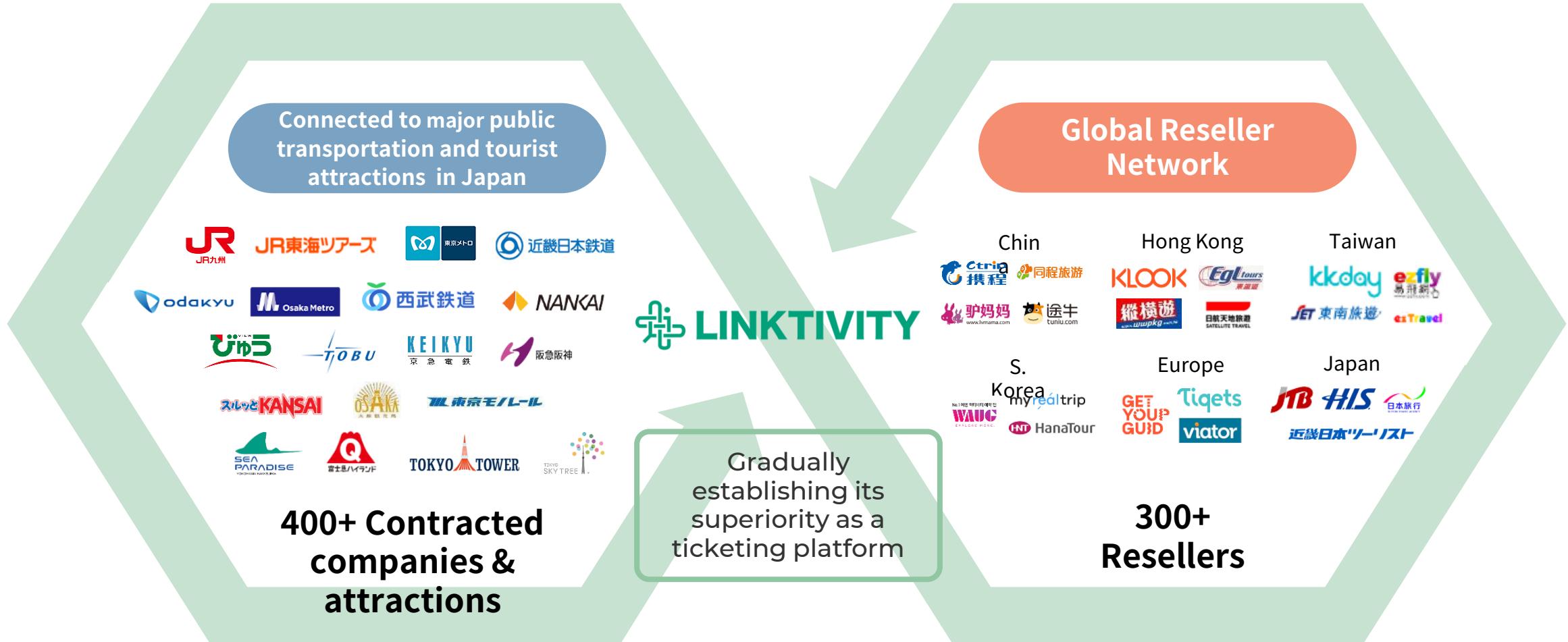
LINKTIVITY is a platform that connects Japanese transportation and attractions with travel companies around the world. It provides a one-stop system solution to link service providers and distributors.



Tourism IT Solution Business: Strength of Linktivity



LINKTIVITY is the only platform with system integration with all major Japanese public transportation companies. It is expected to be a major differentiator in future expansion as a ticketing platform for tourist attractions.





Sustainability Basic Policy:

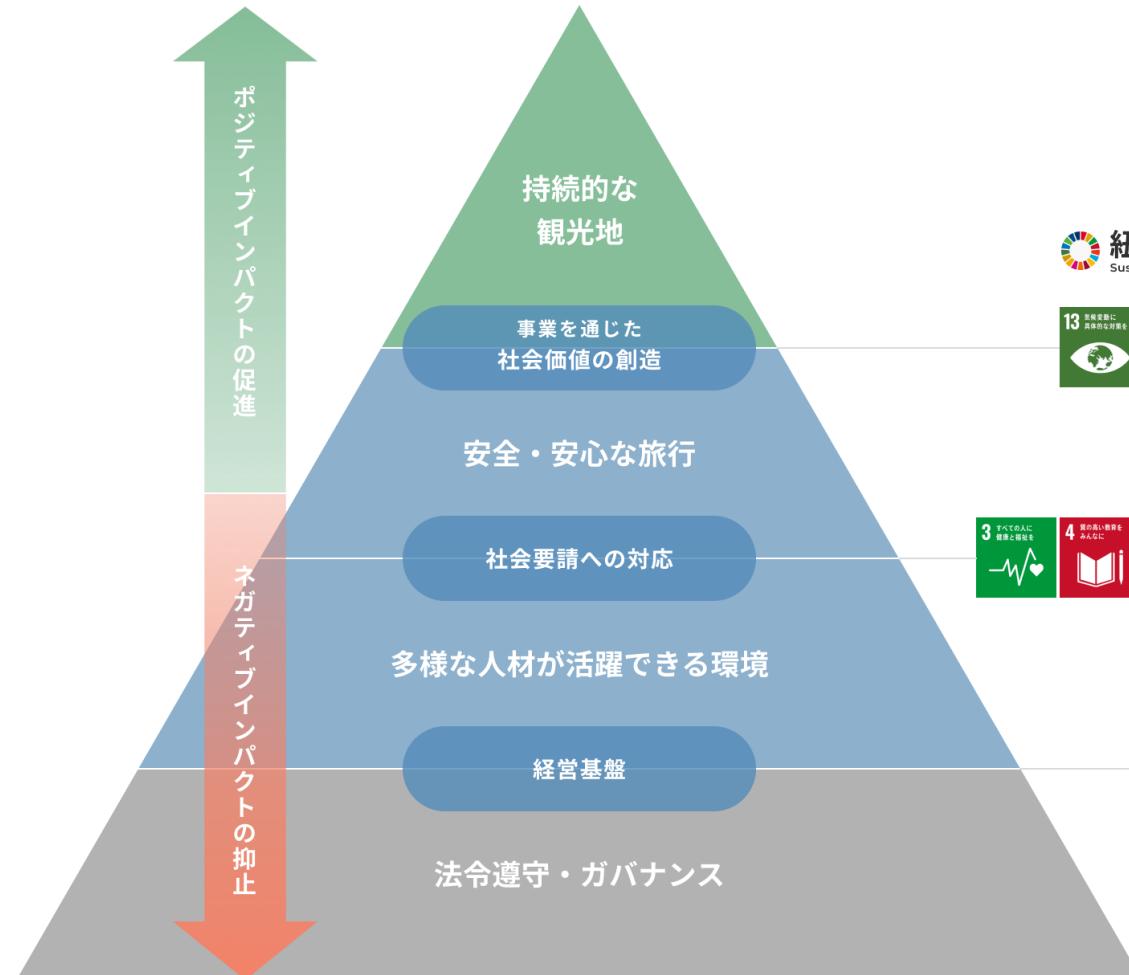
We aim to realize our vision by creating social value through our business, based on the foundation of compliance with laws and governance, and responding to social demands such as "safe and secure travel" and "a workplace environment where diverse human resources can play an active role". We also aim 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).

Vision

Realize a better world through hospitality



紐づくSDGs
Sustainable Development Goals



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

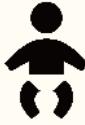


Female managers Ratio

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 **strengthening the company's competitiveness and sustainable growth**.

Resumption of evaluation incentive payments

Based on the "Pay for Performance" policy, the company aims to enhance the competitiveness of the company as a whole by providing incentives to employees who produce results, thereby **increasing their motivation and productivity**.

Introducing "Work from Anywhere"

Strengthening cooperation with local tour operators in Japan and overseas and improving work productivity, as well as offering discounts on activities through the VELTRA welfare program, will **lead to an enhanced work-life balance**.

Workplace where female employees can play an active role

Starting this fiscal year, support for male employees to take childcare leave and nursing care leave will also be strengthened.

Utilizing referral system

Actively recruiting through referrals from former employees or friends and acquaintances of employees

Future Outlook

In June 2023, we will move our head office functions to WeWork, which provides flexible office space, to promote a diverse work style that is not restricted by location, and to further improve operational efficiency and productivity. From the perspective of DE&I, we will actively consider the introduction of training and personnel systems to create a work environment in which all employees are respected and a diverse workforce can play an active role, regardless of differences in sexual orientation, gender identity, nationality, and disabilities.

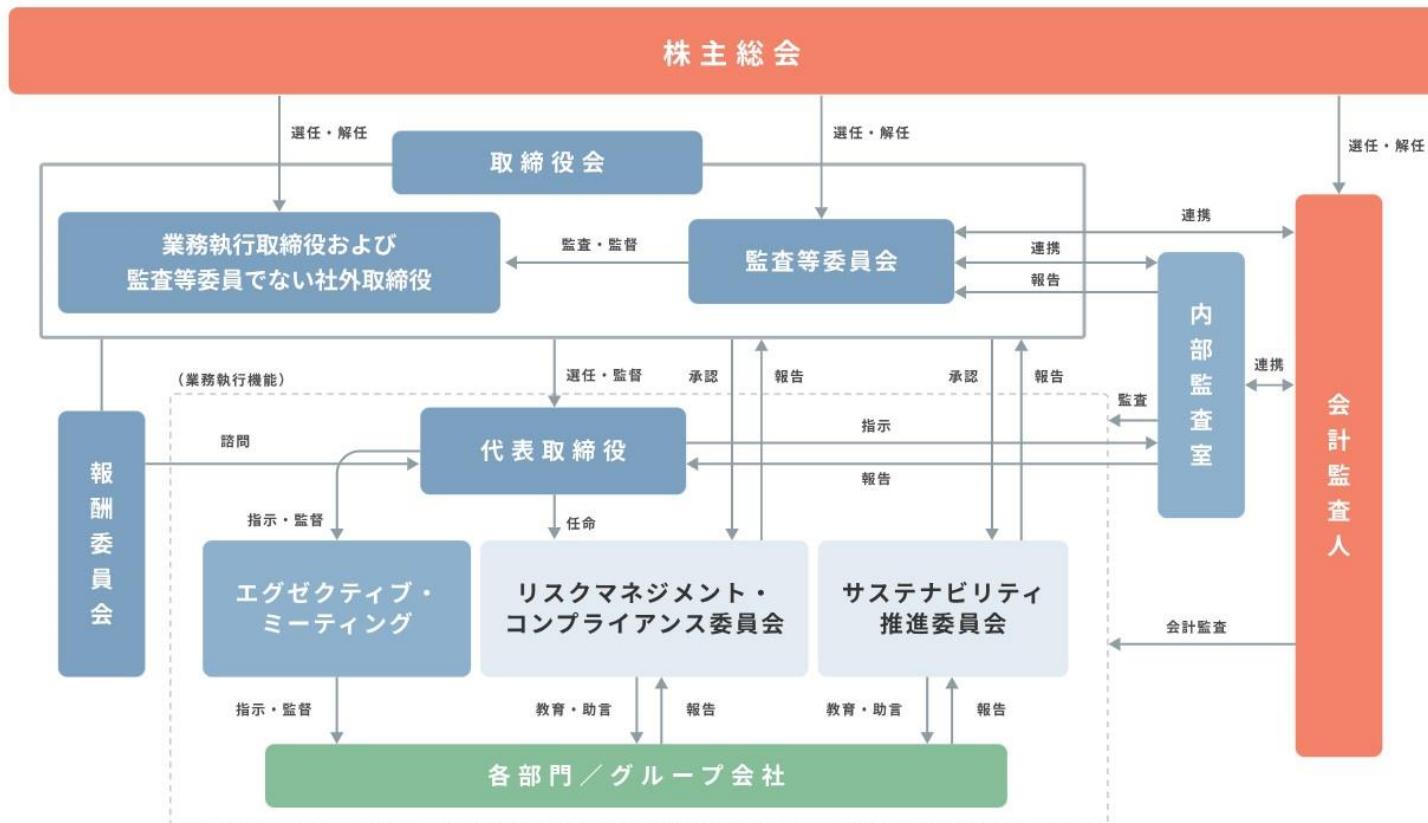
Initiatives to Improve Corporate Governance



Transition to a Company with Audit Committee

Objectives:

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





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

The purpose of this document is to provide information, and not to solicit the selling or buying of VELTRA shares. VELTRA requests that you avoid making investment decisions based entirely on information provided in this document and that you choose your investments at your own discretion.

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