

VELTRA Corporation

7048

Tokyo Stock Exchange Growth Market

17-Apr.-2026

FISCO Ltd. Analyst

Takuma Yoshibayashi



FISCO Ltd.

<https://www.fisco.co.jp>

■ Contents

■ Summary	01
1. Overview of FY12/25 results	01
2. FY12/26 forecasts	01
3. Medium- to long-term growth strategy	02
■ Company profile	03
1. History	03
2. Business overview	05
■ Results trends	07
1. Overview of FY12/25 results	07
2. Financial position and management indicators	09
3. Cash flows	10
■ Outlook	11
■ Medium- to long-term growth strategy	12
1. Pivot toward a rolling management approach	12
2. Paradigm shift from quantitative growth to qualitative growth	13
3. Fundamental strengthening of internal controls prompted by misconduct	14
4. Introduction of a CxO model by separating oversight and execution	14
5. Analyst's perspective	15
■ Shareholder return policy	16

Summary

Transitioning to agile management that responds quickly to environmental changes, strengthening profitability to build a leaner organization and accelerating growth investment

VELTRA Corporation <7048> (hereafter, also “the Company”) operates VELTRA, Japan’s leading online reservation website specializing in local experience and in-destination activities. The Company achieved growth as a specialty reservation site by focusing on in-destination offerings, capitalizing on the digital shift and the rising demand for personalized travel. The name VELTRA embodies its mission to “Change TRAVEL” by shifting the focus from the destination itself to the unique experiences available there, effectively redefining travel as a quest for meaningful experiences.

1. Overview of FY12/25 results

In the FY12/25 consolidated results, operating revenue increased 6.4% year on year (YoY) to ¥4,581mn, operating profit was ¥105mn (loss of ¥175mn in the previous fiscal year), ordinary profit was ¥99mn (loss of ¥298mn), and profit attributable to owners of parent was ¥140mn (loss of ¥407mn). Operating revenue increased in both the OTA business and the tourism IT business. In particular, in the tourism IT business, the ticket platform operated by its subsidiary LINKTIVITY Inc. grew significantly. Against the backdrop of a rising number of inbound visitors to Japan, expanding the lineup of handled products, such as rail passes and tickets to tourist facilities, and broadening sales channels paid off. Operating expenses decreased ¥4mn. Personnel expenses decreased ¥31mn. This is because although the number of employees increased at LINKTIVITY, organizational consolidation and operational efficiency improvements progressed in the OTA business. Advertising expenses decreased ¥142mn due to optimization of marketing investment, contributing to improved profitability. As a result, operating loss turned to profit. This return to profitability was the first since FY12/19, and should be viewed as the result of steady progress in improving the business structure and capturing recovering demand. The clear emergence of a recovering earnings base is a positive sign.

2. FY12/26 forecasts

For the FY12/26 consolidated results, the Company is forecasting operating revenue to increase 9.1% YoY to ¥5,000mn, operating profit to increase 261.5% to ¥380mn, ordinary profit to increase 266.7% to ¥366mn, and profit attributable to owners of parent to increase 141.3% to ¥340mn. In the OTA business, the policy is to further enhance the already established earnings base. By concentrating management resources on markets, products, and channels with a high win rate, it aims to maximize operating leverage by optimizing customer acquisition costs and improving the repeat rate. In addition, by fully introducing a cross-functional model centered on autonomous small teams integrating planning, development, and operations, it will strengthen governance and speed up decision-making. In the tourism IT business, while continuing to expand service domains, it will strengthen investment discipline and aim to shift into a phase of securing earnings. For inbound demand, while setting conservative assumptions and adopting a plan that does not overly depend on the external environment, it aims for stable growth by deepening existing sales networks and strengthening partner collaboration. It aims to shift into an earnings phase to recoup prior upfront investments and to build a structure capable of stably generating high profits.

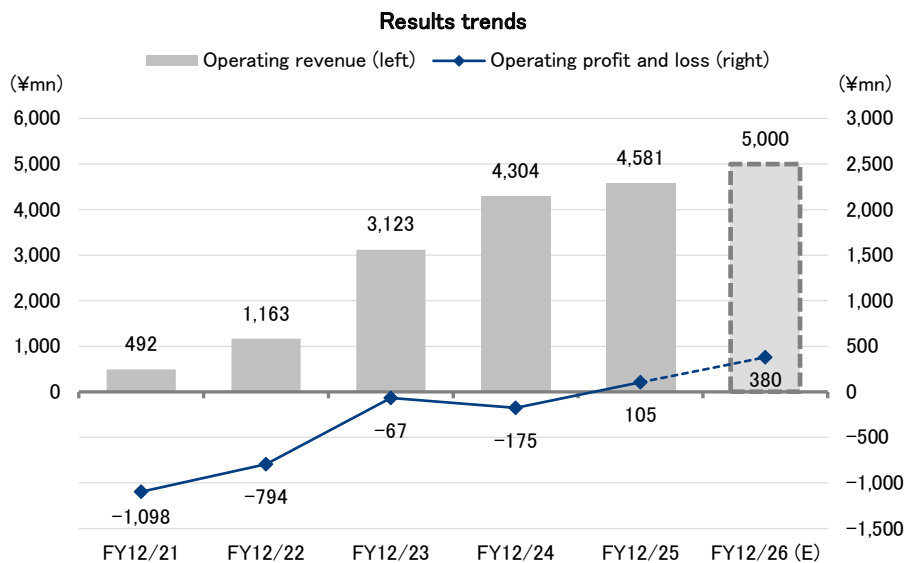
Summary

3. Medium- to long-term growth strategy

On February 13, 2026, the Company withdrew its medium-term management plan and will shift from a model of setting a fixed three-year plan to a management style committed to achieving annual plans without fail. With the recovery in overseas travel demand proceeding more slowly than expected, the Company is placing top priority on formulating highly achievable earnings forecasts based on the latest business environment, rather than relying on optimistic assumptions, and on achieving those forecasts. The Company aims not merely to lower target levels, but to restore market confidence by steadily building up high-certainty profit growth. In the OTA business, the Company will thoroughly pursue a “selection and concentration” approach to maintain and strengthen a high-profit structure. The Company will curb investment in low-margin products and sales channels and increase the sales ratio of high value-added products. For advertising placements, the Company will rigorously assess cost-effectiveness and work to reduce customer acquisition costs by increasing traffic from organic search and improving the repeat-customer ratio. For fixed costs as well, the Company will promote optimal personnel allocation and streamline business processes, shifting to an organization that can be run with a lean, elite workforce. Growth investments will be allocated with priority to areas where inbound demand is expected to be captured. LINKTIVITY, a service of the tourism IT business, is a BtoB model that provides a ticket distribution platform for transportation operators and tourist facilities, and has a highly recurring revenue structure. As the number of foreign visitors to Japan is on a recovery trend and demand for digitalization at airports, railways, and tourist facilities is expanding, the Company intends to develop LINKTIVITY, which supports these distribution platforms, into a medium- to long-term source of earnings.

Key Points

- Operates VELTRA, Japan’s largest online reservation website specializing in local experience and in-destination activities.
- In FY12/25, profitability was restored at the operating level and OTA business profitability improved significantly
- FY12/26 is expected to see a substantial increase in profit; attention is focused on strengthening the earnings base through structural reforms and on growth investments
- Reviews the approach to plan management and shift to profit-driven management, aiming to accelerate qualitative growth



Source: Prepared by FISCO from the Company’s financial results

■ Company profile

Operates VELTRA, Japan's leading online reservation website specializing in local experience and in-destination activities

1. History

The Company was established in 1991 by three members of the overseas business division of Nissan Motor Co., Ltd. <7201>, mainly to conduct automotive-related marketing. Overseas automobile manufacturers were seeking to expand into Japan at that time, and in response to an order from overseas, the Company conducted a survey related to hosting events such as the Tokyo Motor Show. From the beginning, it did not focus on just one business and instead developed businesses in various directions. Among these multiple businesses, it started an online golf reservation (GORA) business in 2000, and this business grew rapidly and was sold to Rakuten, Inc. (currently, Rakuten Group, Inc. <4755>). Using the proceeds from this sale, it started the current business in 2004. In the travel industry, sales such as those related to accommodation and airline tickets had already moved to an online format, and only experiences at destinations were not available through online services. Furthermore, with a vast number of local-experience tours and activities, the Company thought it could fully use the scale benefits of e-commerce and decided it made sense to start a business from zero.

On the launch of this business in 2004, the Company did not possess any expertise in the travel business, nor did it have any connections with companies conducting activities businesses. However, in the same year, it acquired companies that conducted sales of activities, mainly offline, in Australia, Bali, and Hawaii. Current Representative Director and CEO Wataru Futagi, the Company's fourth president since its founding, assumed the role of Representative Director in 2015. He took over management from the founders for the purpose of addressing acceleration in technology advances, looking ahead to the Company's IPO, and pursuing further growth.

However, when the business first started, there was no global online market, and local business operators did not have direct access to customers to handle reservations online. It was also necessary to revise the business due to many hurdles between travelers and business operators, including differences in culture, language, values, and time zones among countries. For this reason, the Company considered the method of how customers participate in local-experience tours in an online environment and concentrated business resources in this area. After this, the business grew, and the areas covered expanded to not only around beach resorts, but to other areas such as Asia, Europe, and the United States.

Within this global business development, the Company launched an English-language website in 2012 and started a business for travelers visiting Japan. It also strengthened its structure for systems development, began recruiting engineers in Japan, established a development base in Malaysia, and shifted the systems company to completely in-house manufacturing. Then in 2015, it launched a Chinese-language (traditional and simplified) website. Moreover, the Company acquired all of the shares of City Discovery SAS in 2016, and in 2017, it promoted global development through measures such as launching a Korean-language website through a business alliance with 12CM Inc. of South Korea. (The Company has currently suspended multilingual initiatives in order to selectively focus business resources on the Japanese market.)

VELTRA Corporation | 17-Apr.-2026
 7048 Tokyo Stock Exchange Growth Market | <https://corp.veltra.com/en/ir.html>

Company profile

In order to realize the expected synergies, in December 2020, the Company concluded a capital and business alliance with OpenDoor Inc. <3926>, which operates travel-related businesses, including the travel comparison website Travelko. Then in December 2021, its subsidiary LINKTIVITY conducted a capital increase through third-party allocation of new shares to Nippon Telegraph and Telephone West Corporation (NTT West Japan) and entered into a capital and business alliance. The Company also raises funds through the issue of stock acquisition rights, and raised ¥955mn through this method in FY12/22. Despite the severe business environment due to the effects of COVID-19, the Company has demonstrated active business and financial developments in anticipation of the period after the COVID-19 pandemic (the “post-pandemic” period) and managed its business both offensively and defensively. In January 2024, it also entered into a capital and business alliance with JTB Corp., and in March of the same year, it also entered into a capital and business alliance with Tokyo Metro Co. Ltd. <9023> (hereafter, Tokyo Metro) (alliance with Tokyo Metro is through LINKTIVITY). Toward sustained growth, the Company will promote collaboration to further grow the overseas activities business for Japanese tourists and the ticket platform business. In addition, in August 2024, it established LINKTIVITY KOREA INC. in Seoul, South Korea, to strengthen the development of its ticket platform business in South Korea. By accelerating supplier acquisition and strengthening partnerships in the South Korea and China region, its advantage as a platform has become even more solid.

History

Year	Description
1991	Established Alan Co., Ltd. (currently, VELTRA Corporation) as a marketing-related consulting business
2003	Transferred the GORA business, a dedicated golf reservation website, to Rakuten, Inc. (currently, Rakuten Group, Inc.)
2004	Launched the Alan1.net (currently, VELTRA) site specializing in activities Acquired all of the shares of White Publishing, Inc. (currently, VELTRA Inc.), which managed the HawaiiActivities.com website for local tours in Hawaii for the North American market
2012	With the aim of global business development, changed the brand name from “Alan1.net” to “VELTRA” and the company name from Alan Co., Ltd. to VELTRA Corporation Launched an English-language site and started a business for travelers visiting Japan Established VELTRA Malaysia Sdn. Bhd. (Malaysia) as a system development company in Kuala Lumpur, Malaysia
2015	Established a Chinese-language (traditional and simplified) site
2016	Acquired all of the shares of City Discovery SAS, which managed CityDiscovery.com, a local tours reservation site for the global market targeting English-speaking countries
2017	Changed the company name of the local Paris corporation to VELTRA SAS and made it a sales base of the VELTRA Group Changed the company name of the local Manila corporation to VELTRA Philippines and made it a customer service base of the VELTRA Group Launched a Korean-language site through a business alliance with 12CM Inc. of South Korea Established LINKTIVITY PTE.LTD. in Singapore and started a full-scale B2B business
2018	Listed on the Tokyo Stock Exchange (TSE) Mothers market
2019	Established VELTRA KOREA Inc.
2020	Established consolidated subsidiary LINKTIVITY Inc.
2021	Concluded a capital and business alliance with OpenDoor Inc. <3926>
2022	Following the Tokyo Stock Exchange’s reorganization of market categories, listing was transferred to the Growth Market
2023	Change to a company with an audit and supervisory committee Capital and business alliance with JTB Corp. in the activities business
2024	Consolidated subsidiary LINKTIVITY Inc. entered into a capital and business alliance with Tokyo Metro Co., Ltd. in the ticket platform business for inbound travelers Established LINKTIVITY KOREA INC. in Seoul, South Korea, with the aim of strengthening the ticket platform business expansion in South Korea

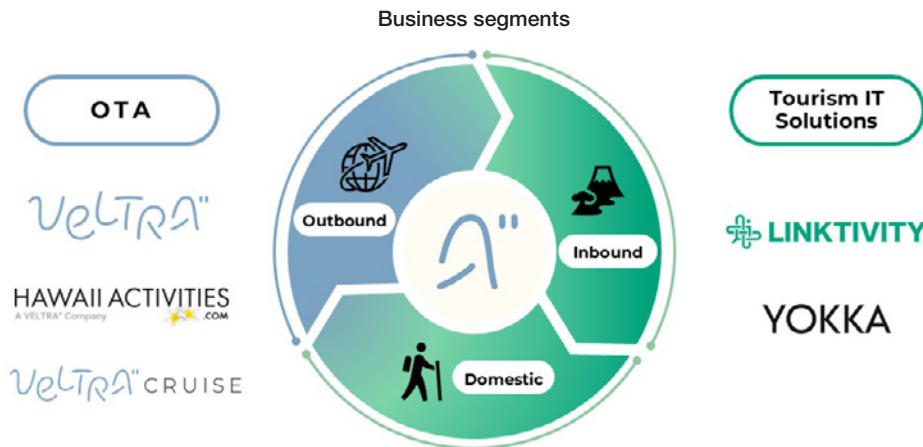
Source: Prepared by FISCO from the Company’s securities report, financial results briefing materials, and financial results

Company profile

2. Business overview

The Company goes beyond the boundaries of existing travel companies and provides solutions that enable users to encounter “genuine experiences*” from domestic to international, before to after travel, and online to offline. Its business areas are travel-related businesses that are categorized by revenue and consist of the OTA business and the tourism IT business.

* The Company defines “genuine experiences” as authentic encounters that bridge travelers with diverse cultures, natural wonders, and the remarkable people who bring these local stories to life.



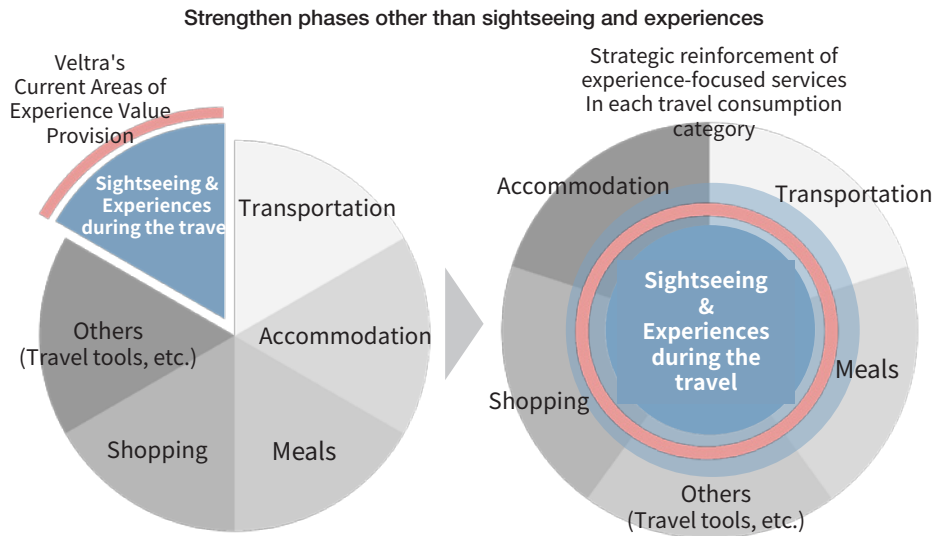
Source: The Company's profile materials

(1) OTA business

This business is comprised of the local experience online reservation websites (VELTRA and HawaiiActivities.com), the cruise-specialized website VELTRA Cruise, and the Corporate Service division, which integrates these offerings into partner corporate websites. In addition to its unrivaled member base, it boasts a lineup of “genuine experiences,” that extend beyond conventional travel products, supported by high-quality service.

VELTRA, which is the core business, is one of Japan’s leading activity reservation websites targeting Japanese people, offering a selection of over 22,000 types of local experiences in 150 countries worldwide, including Japan. Also, HawaiiActivities is an English-language website that specializes in Hawaii as a travel destination, and it provides services mainly for travelers in the United States. For these services, business development is focused to the phases during travel. The Company offers a wide variety of local experiences and activities called “during travel,” including sightseeing tours, shows and entertainment, world heritage sites, spas and beauty salons, cultural experiences, theme parks, cruises, nature tours, gourmet tours, marine sports, and travel tools such as airport transfers. Among these, the areas of experiential value provision that the Company has placed major weight on are sightseeing tours, cruises and other tourism and experiences. The recovery in the overseas travel market is slower than expected, and, going forward, the Company intends to redefine the experiential value of travel and strengthen value provision in tourism consumption activity areas other than sightseeing and experiences. It will promote the expansion of services focused on experiences in the gastronomy, transportation, and accommodation phases. By expanding the range of value provision, it will tie this to growth in financial results.

Company profile



Source: The Company's results briefing materials

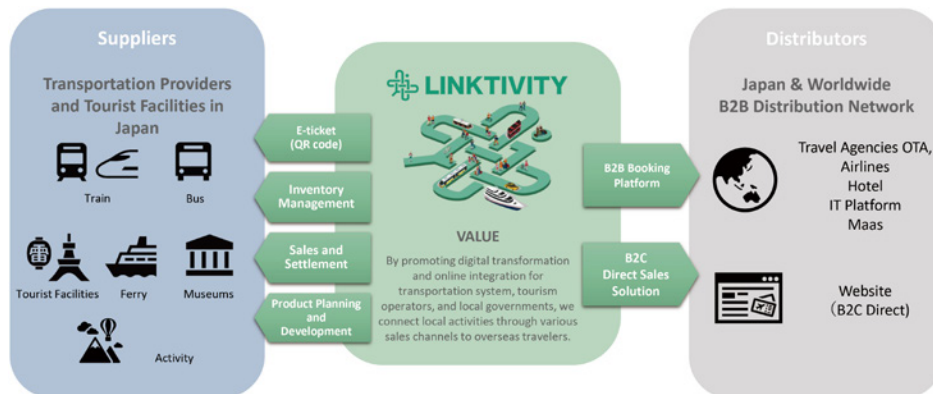
In addition, the Company is providing local experiences at local prices. Whether the reservation is made at the site or before departing, the activity can be had at the same price as the local price, so demand has increased.

(2) Tourism IT business

This business segment focuses on providing IT infrastructure to tourism-related businesses, and also the ticket platform business conducted by the subsidiary LINKTIVITY.

The ticket platform business aims to seamlessly connect transportation providers and tourism facilities through a unified digital platform. The trend toward mobility as a service (MaaS), which links various services, and electronic ticketing is increasing, the platform's user base and reach continue to expand steadily. As of the end of FY12/25, the number of suppliers increased 164 YoY to 710, and the number of sales channels rose 67 to 492.

Transportation entity and tourism facility ticket platform

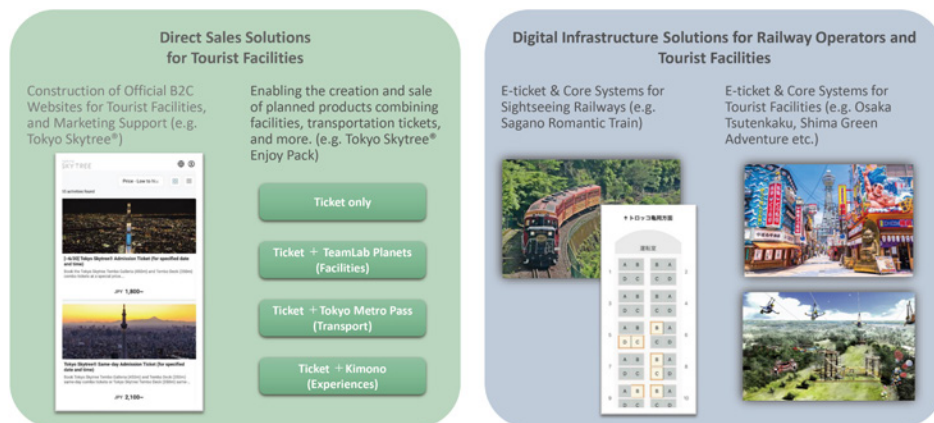


Source: "Business Plan and Growth Potential"

Company profile

LINKTIVITY, as a channel manager, provides comprehensive solutions to address the challenges faced by its customers. It provides direct sales solutions to support the building, operating and marketing of sales websites, creates planned products and provides corporate product solutions that enable flexible product bundling and packaging. Furthermore, it provides cost effective entry/exit solutions via a cloud platform. As a channel manager, LINKTIVITY acts as a centralized system for managing contracts and payments across multiple customers, including overseas and domestic OTAs, travel agencies, and hotels, etc. As the inbound market is booming, the utility and cost effectiveness of this service have earned high praise, and the introduction of this service is accelerating.

Main services provided by LINKTIVITY



Source: "Business Plan and Growth Potential"

Results trends

In FY12/25, profitability was restored at the operating level and OTA business profitability improved significantly

1. Overview of FY12/25 results

For the FY12/25 consolidated results, operating revenue increased 6.4% year on YoY to ¥4,581mn, operating profit was ¥105mn (loss of ¥175mn in the previous fiscal year), ordinary profit was ¥99mn (loss of ¥298mn), and profit attributable to owners of parent was ¥140mn (loss of ¥407mn).

Operating revenue increased in both the OTA business and the tourism IT business. In particular, within the Tourism IT business, the ticket platform operated by the subsidiary LINKTIVITY grew significantly. Against the backdrop of a rising number of inbound visitors to Japan, expanding the lineup of handled products, such as rail passes and tickets to tourist facilities, and broadening sales channels paid off. Transaction volume expanded at a pace exceeding the overall market growth rate, and the business has further strengthened its presence as a growth driver for the Group. In the OTA business as well, capturing the recovery in overseas travel demand, steady sales of experiential products contributed to higher revenue.

Results trends

Operating expenses decreased ¥4mn. Personnel expenses decreased ¥31mn. This is because although the number of employees increased at LINKTIVITY, organizational consolidation and operational efficiency improvements progressed in the OTA business. Advertising expenses decreased ¥142mn due to optimization of marketing investment, contributing to improved profitability. Along with the expansion in transaction volume, other expenses such as settlement fees and outsourcing expenses increased ¥169mn.

As a result, operating profit came to ¥105mn, turning positive from a loss of ¥175mn in the previous fiscal year. This return to profitability was the first since FY12/19, and should be viewed as the result of steady progress in improving the business structure and capturing recovering demand. The clear emergence of a recovering earnings base is a positive sign.

FY12/25 consolidated results

	FY12/24		FY12/25		YoY	
	Result	Operating revenue ratio	Result	Operating revenue ratio	Change	%
Operating revenue	4,304	-	4,581	-	276	6.4%
Operating expenses	4,480	104.1%	4,476	97.7%	-4	-0.1%
Operating profit	-175	-4.1%	105	2.3%	280	-
Ordinary profit	-298	-6.9%	99	2.2%	397	-
Profit attributable to owners of parent	-407	-9.5%	140	3.1%	548	-

Source: Prepared by FISCO from the Company's financial results

The status by business is as follows.

(1) OTA business

Operating revenue from the OTA business increased 2.2% YoY to ¥3,672mn, while operating profit rose 110.9% to ¥852mn. As for operating revenue, in addition to steady performance in the domestic business against the backdrop of recovering demand from inbound visitors to Japan, the expansion of services for corporate customers and a higher sales ratio of high value-added products contributed to revenue growth. In particular, stronger sales of higher-priced experiential products and an increase in repeat customers appear to have helped lift revenue per customer.

On the cost side, in FY12/25 the Company set a goal of shifting to a high-profit structure and thoroughly implemented measures such as selectively placing advertisements, improving marketing ROI, optimizing staff allocation, and reviewing business processes, resulting in a 11.6% YoY decrease in operating expenses. This was driven by a shift to advertising operations that prioritize customer acquisition efficiency and by the success of reviewing the cost structure, including converting fixed costs into variable costs. As a result, operating profit increased significantly, and the operating profit margin improved by 12.0 points. The return to profitability is viewed favorably as it is not dependent on a one-off recovery in demand but is instead based on improvements to the revenue structure itself.

Results trends

The Company has also begun developing new areas, including launching the cruise-specialized website VELTRA Cruise, strengthening services for corporate clients, and participating in domestic tourism initiatives in cooperation with government agencies. In the cruise segment, the Company aims to expand its customer base by enhancing its highly specialized product lineup, while for corporate service division it is working to capture demand for employee benefits and incentive travel, among other areas. In addition, involvement in government-related projects could contribute to steadily building transaction volume. The Company is diversifying its revenue sources so as not to rely solely on its conventional overseas and domestic activity sales, and progress is being made in building a portfolio that is less susceptible to fluctuations in the external environment. FISCO believes the Company is steadily progressing toward transforming into a business foundation capable of generating profits on a sustainable basis.

(2) Tourism IT business

Operating revenue in the tourism IT business increased 24.0% YoY to ¥891mn, while the operating loss was ¥262mn (vs. a loss of ¥132mn in the previous fiscal year). The main driver of the revenue increase was that the core ticket platform business accurately captured the recovery in inbound demand, boosting transaction volume. Against the backdrop of rising transportation and tourism demand among visitors to Japan, distribution expanded mainly for transportation and experience-related products. In addition, as a result of promoting an expanded product lineup and strengthening the sales network, the number of suppliers increased 164 YoY to 710, and the number of sales channels increased 67 to 492, further enhancing the platform's depth and customer-sending capability.

On the product front, the Company expanded transportation-related offerings such as the taxi-hailing app "GO" and Tokyo City Pass, and developed a framework to capture travelers' mobility needs. The Company has also begun expanding its Japan-origin platform model overseas, such as by broadening deployment to Korea and China, while working to develop future growth potential.

Meanwhile, the factor behind the expanded operating loss was strategic upfront investment in the IT infrastructure business. As it expanded into new areas such as support for the implementation of QR code ticket gates, the Company made system development investments and increased headcount to strengthen sales and development capabilities, which led to higher expenses. These are investments aimed at establishing a medium- to long-term earnings base, and the short-term deterioration in profit and loss can be viewed as temporary in the growth phase. At present, the Company is in a phase where it prioritizes expanding its business base over profitability; by pursuing both the expansion of the platform base and strengthening of the IT infrastructure domain in parallel, future growth in business scale and improved profitability are expected.

Asset scale expanded due to growth in transaction flows, and the financial base is being strengthened through the recording of profits

2. Financial position and management indicators

Total assets at the end of FY12/25 rose ¥738mn from the end of the previous fiscal year to ¥9,323mn. Of this, current assets rose ¥490mn to ¥8,336mn. This was mainly due to a ¥520mn increase in cash and deposits. Non-current assets increased ¥248mn to ¥986mn. This was mainly due to increases of ¥117mn in software acquisitions and ¥93mn in software in progress.

Results trends

Total liabilities at the end of FY12/25 increased ¥657mn from the end of the previous fiscal year to ¥6,353mn. Of this, current liabilities rose by ¥657mn to ¥6,353mn. This mainly reflected increases in trade accounts payable of ¥389mn and advances received of ¥230mn. Non-current liabilities remained level YoY.

Total net assets increased ¥81mn from the end of the previous fiscal year to ¥2,969mn. This was mainly due to a ¥140mn increase in retained earnings resulting from the recording of profit attributable to owners of parent.

The equity ratio declined 0.8 percentage points from the end of the previous fiscal year to 28.3%, mainly due to increases in accounts receivable and advances received accompanying the expansion of LINKTIVITY transactions, reflecting an increase in working capital stemming from the expansion of the business scale. Net assets are increasing due to the recognition of profits, and the recovery in earnings is steadily being reflected in the Company's financial position as well.

Looking at overall finances, the asset base expanded and the accumulation of equity also progressed as the Company returned to operating profitability. The increase in liabilities is the result of an expansion of transaction flows accompanying business growth, and no major concerns regarding funding have been identified. Performance is on an improving trend, and going forward, attention will likely focus on how far the strengthening of equity through the accumulation of profits and the enhancement of cash-generating capacity will progress.

Consolidated balance sheet and management indicators

	(¥mn)		
	End of FY12/24	End of FY12/25	Change
Current assets	7,846	8,336	490
Cash and deposits	5,166	5,686	520
Non-current assets	738	986	248
Total assets	8,584	9,323	738
Current liabilities	5,695	6,353	657
Trade accounts payable	3,261	3,651	389
Advances received	1,845	2,076	230
Non-current liabilities	0	0	0
Total liabilities	5,696	6,353	657
Total net assets	2,888	2,969	81
[Management indicators]			
Equity ratio	29.1%	28.3%	-0.8pp

Source: Prepared by FISCO from the Company's financial results

3. Cash flows

In FY12/25, cash flow provided by operating activities was ¥920mn. The main factors behind the increase include a ¥392mn rise in trade payables and a ¥231mn increase in advances received, while the main factors behind the decrease include a ¥149mn increase in advance payments to suppliers. Cash flow used in investing activities amounted to ¥388mn. This mainly comprised ¥400mn in the purchase of non-current assets. Free cash flow (cash flow from operating activities + cash flow from investing activities) was an inflow of ¥531mn, indicating that the Company is in a position to sufficiently fund growth investments with funds generated from its core business. Against the backdrop of recovering demand, it can be evaluated that cash-generating capacity has stabilized. Cash flow provided by financing activities was ¥0mn. As a result, cash and cash equivalents rose ¥520mn from the end of the previous fiscal year to ¥5,686mn. The financial base has been further strengthened, and FISCO views the Company has increased its financial flexibility to respond to future growth investments and unforeseen changes in the environment.

Results trends

Consolidated statement of cash flows

	(¥mn)	
	FY12/24	FY12/25
Cash flow from operating activities (a)	459	920
Cash flow from investing activities (b)	-436	-388
Cash flow from financing activities	1,352	0
Free cash flow (a) + (b)	23	531
Cash and cash equivalents at end of period	5,166	5,686

Source: Prepared by FISCO from the Company's financial results

■ Outlook

FY12/26 is expected to see a substantial increase in profits. Focusing on strengthening the earnings base through structural reforms and on growth investments

For the FY12/26 consolidated results, the Company is forecasting operating revenue to increase 9.1% YoY to ¥5,000mn, operating profit to increase 261.5% to ¥380mn, ordinary profit to increase 266.7% to ¥366mn, and profit attributable to owners of parent to increase 141.3% to ¥340mn.

The Company positions FY12/26 as a year of transition from a phase of pursuing maximum sales growth to a phase that prioritizes strengthening the earnings base and improving cash-generating capacity. While expecting steady expansion in operating revenue, the Company plans to promote reductions in fixed costs and productivity improvements through rebuilding its organizational structure and optimizing locations, and to expand operating profit to a level 3.6 times higher than the previous fiscal year.

In the OTA business, the policy is to further enhance the already established earnings base. By concentrating management resources on markets, products, and channels with a high win rate, it aims to maximize operating leverage by optimizing customer acquisition costs and improving the repeat rate. In addition, the Company will integrate the functions of its Malaysian subsidiary into Japan and consolidate development sites, and will move forward with stronger governance and faster decision-making by fully introducing a cross-functional model centered on autonomous small-scale teams that integrate planning, development, and operations. The Company also intends to strategically reallocate domestic development resources based on strategic priorities and, by concentrating on high value-added areas, enhance the overall return on investment across the organization. These measures are not limited to short-term cost optimization, and are expected to lead to a medium-term lift in cash-generating capacity.

In the tourism IT business, while continuing to expand service domains, it will strengthen investment discipline and aim to shift into a phase of securing earnings. For inbound demand, while setting conservative assumptions and adopting a plan that does not overly depend on the external environment, it aims for stable growth by deepening existing sales networks and strengthening partner collaboration. As for LINKTIVITY, the Company aims to shift into a monetization phase in which it recovers its prior upfront investments, with the goal of building a structure capable of stably generating high profits. The Company's policy is to gradually shift not only toward narrowing losses, but toward business operations with a return to profitability in view.

Outlook

While the Company anticipates extraordinary income in the form of distributable profits associated with the closure of its Malaysian subsidiary, and extraordinary losses in the form of costs associated with the misappropriation of funds at a subsidiary, the net impact on performance is expected to be limited.

A key point to watch is whether this structural reform will go beyond mere cost reductions and lead to improved organizational agility and better capital efficiency. In particular, attention will focus on the extent to which operating leverage materializes and whether the operating profit margin and free cash flow enter a stable expansion trend. It is also important whether the cash generated is reinvested into high value-added areas and data utilization fields, leading to improvements in spending per customer, LTV, and repeat rates among others. If the Company can achieve both topline growth and improved profitability, this could lead to a reassessment of its corporate value.

FY12/26 consolidated results forecasts

	FY12/25		FY12/26		YoY	
	Result	Operating revenue ratio	Forecast	Operating revenue ratio	Change	%
Operating revenue	4,581	-	5,000	-	418	9.1%
Operating expenses	4,476	97.7%	4,620	92.4%	143	3.2%
Operating profit	105	2.3%	380	7.6%	274	261.5%
Ordinary profit	99	2.2%	366	7.3%	266	266.7%
Profit attributable to owners of parent	140	3.1%	340	6.8%	199	141.3%

Source: Prepared by FISCO from the Company's financial results and results briefing materials

Medium- to long-term growth strategy

Reviews the approach to plan management and shift to profit-driven management, aiming to accelerate qualitative growth

1. Pivot toward a rolling management approach

The Company announced on February 13, 2026 that it would withdraw its medium-term management plan, originally designed to cover the period from FY12/25 to FY12/27, and transition to a management style committed to achieving annual plans without fail. The previous plan assumed a recovery in the overseas travel market, but due to the prolonged weakness of the yen and rising prices, the recovery in Japanese demand for overseas travel has been progressing more slowly than expected. In addition, the spread of generative AI has changed search paths and customer touchpoints for travel bookings, increasing uncertainty about the competitive environment.

In FY12/25, the overseas travel business' earnings fell below the initial plan, and although cost-cutting measures were implemented, the Company revised down its full-year earnings forecast on November 14, 2025. It determined that maintaining a fixed three-year plan amid significant external volatility could widen the gap from actual conditions. Going forward, it will shift its policy to one that emphasizes achieving annual budgets and strengthening its earnings base.

Medium- to long-term growth strategy

2. Paradigm shift from quantitative growth to qualitative growth

The Company will shift its focus from management that prioritizes expanding sales scale to management that emphasizes profitability. It is at a phase of transitioning from pursuing expansion in transaction volume and total gross merchandise value to a phase that emphasizes improving profit margins and strengthening cash-generating capability. By shifting from quantitative growth to qualitative growth, it aims to build a business portfolio capable of generating stable cash flow. The following three points are the key policies.

(1) Agile management decision-making

It will review the approach to plan operations and transition from a method of setting a fixed three-year plan to a rolling method that reflects changes in the external environment and demand trends on an ongoing basis. With the recovery in overseas travel demand proceeding more slowly than expected, the Company is placing top priority on formulating highly achievable earnings forecasts based on the latest business environment, rather than relying on optimistic assumptions, and on achieving those forecasts. The Company aims not merely to lower target levels, but to restore market confidence by steadily building up high-certainty profit growth.

(2) Maintaining and strengthening a high-profit structure

In the OTA business, the Company will thoroughly pursue a “selection and concentration” approach to maintain and strengthen a high-profit structure. The Company will curb investment in low-margin products and sales channels and increase the sales ratio of high value-added products. For advertising placements, the Company will rigorously assess cost-effectiveness and work to reduce customer acquisition costs by increasing traffic from organic search and improving the repeat-customer ratio. Through reviewing the product mix and improving marketing efficiency, it will establish a structure that achieves both sales growth and profit expansion.

For fixed costs as well, the Company will promote optimal personnel allocation and streamline business processes, shifting to an organization that can be run with a lean, elite workforce. It will establish an earnings model that does not depend on scale expansion and build a structure that can stably maintain a high operating profit margin.

(3) Concentrating investment in growth areas

Growth investment will be allocated with a focus on new areas such as the tourism IT business and the cruise business, where inbound demand is expected to be captured. LINKTIVITY in the tourism IT business is a BtoB model that provides a ticket distribution platform for transportation operators and tourist facilities, and it has a highly recurring earnings structure. The number of inbound visitors to Japan is on a recovery trend, and demand for digitalization at airports, railways, and tourist facilities is expanding. The policy is to nurture LINKTIVITY, which underpins these distribution platforms, into a medium- to long-term source of earnings.

For the cruise business, which is a new area, it will adopt a strategy different from the conventional event-type model. While other companies have centered on a method of concentrating sales of high-priced products on specific dates, the Company will build an online end-to-end sales structure. By using AI to efficiently generate sales pages and enhancing product information and the convenience of price comparisons, it aims to maximize sales opportunities while keeping customer acquisition costs down. It also aims to capture first-time cruise travelers and those who want to participate with limited vacation time by proposing short-term plans at relatively lower prices, rather than skewing its offerings toward high-priced, long-stay products.

Medium- to long-term growth strategy

3. Fundamental strengthening of internal controls prompted by misconduct

At its subsidiary LINKTIVITY, an unauthorized remittance occurred in early January 2026 based on instructions from a third party impersonating a representative, resulting in an outflow of approximately ¥50mn. This was a case in which an employee was led to SNS and, in response to a false remittance request, made a transfer at a bank counter. After discovery, it consulted the police and requested financial institutions to freeze the account and is working to recover the damage.

This incident is a type of business email compromise and an externally driven crime occurring at many companies. On the other hand, control issues include that rules were not sufficiently developed regarding exceptional bank counter transfers and registered seal control, and that identity verification procedures for urgent non-face-to-face instructions had not been institutionalized. The Company identified the cause and formulated measures to prevent recurrence. These include making callback verification mandatory for non-face-to-face remittance instructions, revising rules for counter transfers and registered seal control, tightening approval procedures, conducting regular fraud-prevention training, and strengthening cooperation with financial institutions. It is at a stage of reviewing operational workflows including exception handling and raising the level of internal controls across the entire group.

From the perspective of rebuilding governance, it is important not merely to list recurrence-prevention measures, but to ensure the effectiveness of the governance framework. What is required includes clarifying authority over fund management for subsidiaries and strengthening monitoring by the headquarters; institutionalizing dual approval and third-party verification for remittances above a certain amount; periodic surprise checks by the Internal Audit Division with direct reporting to the Board of Directors; and thorough, prompt, and highly transparent disclosure when incidents occur. If improved risk management capability and the effectiveness of internal controls are objectively demonstrated, market concerns about governance should gradually recede, leading to an assessment that the medium- to long-term risk of impairment to corporate value is also limited. FISCO believes this incident will be an opportunity to rebuild the control foundation for the Company group as a whole.

4. Introduction of a CxO model by separating oversight and execution

Following the regular general meeting of shareholders in March 2026, the Company reviewed the composition of its Board of Directors and introduced a CxO structure. The main aim is to improve the speed and agility of strategy execution by separating management oversight from execution. The Board of Directors focuses on formulation of medium- to long-term strategy and oversight of business execution, and with a composition centered on Outside Directors, it maintains objective and transparent management supervision. Meanwhile, on the executive side, the Company has placed the CFO, CHRO/CAO, CTrO/COO, CTO, CSO, and CxOs under the CEO, clarifying authority and responsibility by function.

Another important pillar is the promotion of a succession plan. It invited co-founder Atsumi Araki as a director, inheriting the venture spirit from the founding period while leveraging his extensive management experience in Japan and overseas. This design has the founder moving to the supervisory side and the CxOs taking on execution, thereby advancing the development of future group leaders and building a phased management succession process.

In addition, rebuilding the growth model and deepening consolidated group management are also key points of this structure. By appointing Seiryuu Kou, the President and Representative Director of subsidiary LINKTIVITY, as a director of the parent company, the Company has established a framework to directly reflect the business know-how (on-the-ground knowledge) that has driven the Company's high growth into group-wide strategy formulation. By having the subsidiary head participate in the parent company's decision-making, it aims to enhance performance and risk management on a consolidated basis and elevate group management to an even higher level.

Medium- to long-term growth strategy

5. Analyst's perspective

The shift from withdrawing the medium-term management plan to adopting a rolling approach means the Company has steered toward a realistic management style premised on fluctuations in the external environment. With a clearer stance of prioritizing certainty of execution and the steady buildup of profit over the format of the plan, it can be viewed as a shift from a phase of competing on growth speed to a phase of improving the quality of earnings.

This shift marks a transition from a model that prioritizes scale expansion to one that emphasizes profitability and cash-generating capability. The Company's OTA business, which has experiential travel reservations as its core, is highly susceptible to exchange rates, economic trends, and international developments. While inbound demand is on a recovery trend, as the environment continues in which travelers' spending behavior is prone to fluctuate due to the weaker yen and rising prices, it makes sense to shift to a structure that enhances profitability through improving customer acquisition efficiency, optimizing advertising investment, and revisiting the product mix. In the short term, the revenue growth rate may moderate, but over the medium to long term, this is expected to lead to building a stable profit base.

The core of the growth strategy is a two-tier structure: improving the profitability of the OTA business while making focused investments in the tourism IT business. The ticket distribution platform operated by its subsidiary LINKTIVITY is increasing its presence as the digitization of railway and tourist facility tickets advances. With the spread of QR code-based e-tickets and expanding demand for multilingual support as tailwinds, there is substantial room to further advance connectivity with transportation operators and tourist facilities. By combining the traditional BtoC-focused model with a highly recurring BtoB platform, it should be possible to foster revenue sources that are less dependent on transaction volume.

As for the cruise business, which is a new area, the Company is pursuing an expansion policy that emphasizes profitability. The domestic cruise market is recovering on the back of a rebound in inbound visitors and capturing demand from affluent consumers, but competition is intense. Rather than entering the same price competition as existing major players, the Company is pursuing a strategy of redesigning sales channels and target segments to establish a unique position. It aims to broaden the market base through pricing ingenuity and strengthened online sales, and to expand step by step while securing profits.

From an organizational perspective, we at FISCO view it as a rational measure aimed at speeding up decision-making by redesigning the division of roles between supervision and execution. A Board of Directors centered on Outside Directors is highly likely to strengthen objective oversight functions and contribute to raising governance standards. Meanwhile, a structure that places CxOs under the CEO will further advance delegation of authority and should contribute to greater agility during phases of business expansion. The design in which Mr. Araki moves to the supervisory side is also appropriate as a lineup that balances the transfer of experience with generational change. Effectiveness is expected to depend on coordination among the CxOs and the development of an evaluation system.

The Company has entered a phase that emphasizes not only revenue growth but also the quality and sustainability of profits. It is noteworthy that it has shifted from an approach that depends on recovery in the external environment to one that focuses on rebuilding and strengthening its own earnings structure. If the redesign of the earnings model and the review of the business portfolio proceed steadily, there is a strong likelihood that the stability of the operating profit margin and free cash flow will increase, and an improvement in medium- to long-term corporate value can be expected.

■ Shareholder return policy

Placing a priority on investments to expand businesses for the time being

The Company recognizes future business advancement and long-term stability of the financial base as top priorities and accordingly maintains internal reserves for investments in business expansion and stabilization of the financial base to maximize shareholder profits. From this perspective, it intends to continue increasing internal reserves for the time being. Meanwhile, it is likely to leverage its global strengths across local experiences in 150 countries to enhance its shareholder benefit program.



Disclaimer

FISCO Ltd. ("FISCO") offers stock price and index information for use under the approval of the Tokyo Stock Exchange, the Osaka Exchange, and Nikkei Inc.

This report is provided solely for the purpose of offering information and is not a solicitation of investment nor any other act or action.

FISCO has prepared and published this report based on information it deems reliable. However, FISCO does not warrant the accuracy, completeness, certainty, nor reliability of the contents of this report or the said information.

The issuers' securities, currencies, commodities, and other financial instruments mentioned in this report may increase or decrease in value or lose their value due to influence from corporate activities, economic policies, world affairs, and other factors. This report does not make any promises regarding any future outcomes. If you use this report or any information mentioned herein, regardless of the purpose therefor, such use shall be based on your judgment and responsibility, and FISCO shall not be liable for any damage incurred by you as a result of such use, irrespective of the reason.

This report was prepared at the request of the subject company, with information provided by the company through telephone interviews and other means, and with compensation from the company. Hypotheses, conclusions and all other content contained in this report are based on FISCO's analysis. The contents of this report are current as of the date of preparation and are subject to change without notice. FISCO is not obligated to update this report.

The intellectual property rights, including the copyrights to the main text, data, and the like, belong to FISCO, and any revision, reprocessing, reproduction, transmission, distribution or the like of this report and any duplicate hereof without the permission of FISCO is strictly prohibited.

FISCO and its affiliated companies, as well as the directors, officers, and employees thereof, may currently or in the future trade or hold the financial instruments or the securities of issuers that are mentioned in this report.

Please use the information in this report with an understanding and acceptance of the above points.

■ For inquiries, please contact: ■

FISCO Ltd.

5-13-3 Minami Aoyama, Minato-ku, Tokyo, Japan 107-0062

Phone: 03-5774-2443 (IR Consulting Business Division)

Email: support@fisco.co.jp