ADVENTURE

INTEGRATED REPORT 2024

Adventure, Inc. | INTEGRATED REPORT 2024

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https://adventurekk.com/

skyticket by ADVENTURE

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About Integrated Report 2024

Editorial Policy

This marks our second integrated report. In this report, we referenced the International Integrated Reporting Council's (IIRC) International <IR> Framework to discuss the Group's value creation process and growth strategy, focusing on cooperation among the growing number of Group companies and on overseas development, which has continued to progress. Our goal has been to create a communication tool that will help all stakeholders gain a deeper understanding of ADVENTURE's value creation process and growth strategy. It is our hope that this report helps bring about an understanding of the Group's mid- to long-term value creation policy.

Reporting Period

The primary focus is on targets for fiscal 2024 (July 1, 2023 - June 30, 2024), but earlier and later activities are also discussed. See our website for details: https://adventurekk.com/

Important Notes on Business Forecasts

The materials and information provided herein contain “forward-looking statements”. These statements are based on current forecasts, predicted assumptions and possible risks. All forecasted information and predicted assumptions are subject to changes and are not guaranteed in any circumstances.These risks and uncertainties include general domestic and international economic conditions such as industry and market environments, interest rates and currency exchange fluctuations. All information and “forward-looking statements” provided herein are subject to changes.We have no obligations and shall not be held obligated in any circumstances to update any changes to the contents herein.



Overview

Be a leading Global OTA

History of Adventure

ADVENTURE

2006

1.Start-up

Flight reservation service skyticket was launched as a pioneering online travel agent (OTA) at a time when it was still rare to make travel reservations online.



2014

2.Dawn

Sales increased rapidly following the introduction of LCCs in Japan in 2012, leading to listing on the TSE Market of the High-Growth and Emerging Stocks (currently the Growth Market)



2019

3. Domestic Expansion

Further expansion into travel-related reservation services for rental cars, hotels, and more, with further expansion of scale.

2021

4.The Pandemic

Many competitors ran deficits due to major setbacks from the pandemic. We managed to maintain profitability by incorporating online reservation needs for travel.

安定的な収益を維持

	2020. 4Q累計	2021. 4Q累計	増減（率）
※収益	35,766	36,239	1%
※営業総利益	10,935	6,583	▲40%
※販売費及び一般管理費	9,561	5,811	▲39%
※うち広告宣伝費	5,895	2,682	▲55%
※営業利益	1,384	983	▲29%
当期利益	21	844	3875%
親会社の所有者に帰属する当期利益	72	850	1080%

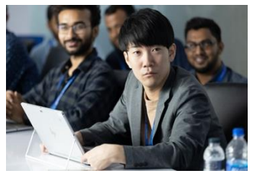
（単位：百万円）

2024

5.Global Preparation

As the market recovers, we are preparing for mid- to long-term business growth through M&As and the establishment of overseas subsidiaries.





tabikobo

AYABEX INC.

Introduction



Representative Director(CEO)

Shunichi Nakamura

Thank you for reading this Integrated Report.
We would like to express our sincere gratitude to all of our customers, business partners, and shareholders for their continued support.We hope to continue to grow sustainably, contribute to society, and achieve our business together with all of our many stakeholders who have continued to increase since our founding while I was a student.

MVV

Mission

Balancing Social Contribution and Business
Through work, we commit ourselves to helping people and creating a better society by balancing social contribution and business.

Vision

Fulfilling the Desires of People Around the World
In order to meet the need for inexpensive travels, we have launched and expanded “skyticket,” our online booking platform that allows users to compare and book air tickets, including LCCs, and budget rent-a-cars on a single platform.
Nevertheless, there are still aspirations for more of this kind of travel around the world, Our goal is to evolve into Japan’s first global OTA, aiming to become a comprehensive booking platform where all travelers can transcend borders and cultures to realize true and satisfying travel experiences.

Value

Integrity
Integrity and fairness in the conduct of our business with high ethical standards

Visionary
Challenge to create businesses with high social benefit without fear of risk, without compromising our ideals

Flexibility
Flexibility to adapt to changes in both market and social conditions, constantly optimizing the best means for achievement

FY2024 Consolidated Result

Transaction volume (Only for Travel Div of skyticket) **82 Billiion Yen**	Market Capitalization (for Adventure, Inc.) **38 Billion Yen**	Equity ratio attributable to owners of parent company **37%**
Revenue **22 Billion Yen**	Operating Profit **1.5 Billion Yen**	Operating income attributable to owners of the parent company **750 Million Yen**

*As of June 30th, 2024

Message from CEO

CEO message



Representative Director(CEO)

Shunichi Nakamura

Founding Aspirations

It's been 20 years since I, as a student frustrated with the Japanese travel industry, decided to launch a flight booking service from scratch, despite having no prior experience. Witnessing the rapid growth of Expedia shortly after its launch, I was convinced that Japan needed a platform that could make travel more affordable and the world more accessible. Driven by this conviction, I founded skyticket, and we have since played a major role in making online travel reservations commonplace in Japan. Yet, I feel that I have barely scratched the surface of what I truly want to achieve.

The Pursuit of Social Significance

While there are various businesses with social significance in the world, I personally want to focus on expanding choices for more people. I recall a child in a developing country who approached me saying, "I want to work in Japan someday, so please give me a book to learn Japanese," and I remember my own student days when I longed to travel the world despite financial constraints. We are still far from fully meeting the needs of those seeking opportunities. My desire to contribute to society by increasing their choices and enriching their lives, while also growing the business, remains unchanged.

Overseas Expansion, Start of our Dream

The full-scale expansion of our business and organization overseas is the first step towards realizing my vision of "expanding choices." We will evolve skyticket into a reservation service accessible to users in Asia who may not have credit cards or other conventional payment methods. Simultaneously, we will establish subsidiaries abroad to provide global work opportunities within Asia and support aspiring young individuals who wish to challenge themselves overseas through business-linked initiatives like the skyticket Challenge Project. While the contours of my dream are gradually taking shape, I will not become complacent with the current situation. I remain committed to the growth of our business and organization to provide even more abundant choices to people in the world.

Further Acceleration through M&A

In the previous term, we also focused on actively pursuing M&As, welcoming many companies into our group. To contribute to a greater number of people, we believe that instead of proceeding solely on our own, collaborating with these companies and sharing knowledge and assets will enable us to offer more price-competitive products and further accelerate the speed of our business growth.

Becoming a Global OTA and Beyond

While Adventure has expanded its range of travel booking services and we hear more and more people saying they "use skyticket," our market share in the global travel market remains less than 1%. From my perspective, we've just barely reached the starting line.
My goal is to create a platform that provides people around the world with more choices. To achieve this, I first want to establish a global OTA and then expand into areas like everyday life and further engage in social contribution projects.
Until we reach that point, there may be even more challenges ahead than when we first started the business. However, with the positive spirit of "Life is Adventure", we aim to overcome these challenges together with our customers, business partners, and shareholders.

About Our Group

In the fiscal year ending June 2024, we welcomed various travel-related companies into our group, acquiring multiple travel booking brands in addition to our core brand, skyticket. By effectively leveraging the unique strengths and value propositions of each organization and brand, we will foster the growth of our various service brands, starting with skyticket, while fulfilling the needs of more people who desire "affordable and convenient travel," thereby contributing to the development of the industry.

Value creation of Adventure group

Subsidiaries and Sub-subsidiaries

tabikobo

AYABEX INC.

LALALA+

RADO HIS TOUR ラド観光

vacations

TET Travel Expert Team

ADVENTURE Korea

ADVENTURE Bangladesh

ADVENTURE Singapore

ADVENTURE India

ADVENTURE U.S.A.

ADVENTURE Philippines

yoowifi

hellotrip

Silkway TravelAsia

Brands

tabikobo

Other Japanese brands

skyticket byADVENTURE

Other Foreign brands

Outcomes for society







1) Commonization and Knowledge Transfer
We improve the group productivity overall by sharing information and streamlining common business operations among brands. Our understanding of market demand and marketing precision will also be improved by looking at the differences in indicators for each measure targeted at different markets and customers for each brand.

2) Expand Customer Coverage
We will focus on business activities tailored to the markets and customer segments where each brand excels, aiming to grow market share across the entire industry while preventing cannibalization and strengthening barriers to entry.

3) Optimize Outcomes
By fulfilling the needs of more people who desire "affordable and convenient travel" in various markets such as Asia, we will contribute to the development of local industries and provide value to our stakeholders. Furthermore, we will expand our business into the lifestyle sector to further contribute to economic development.

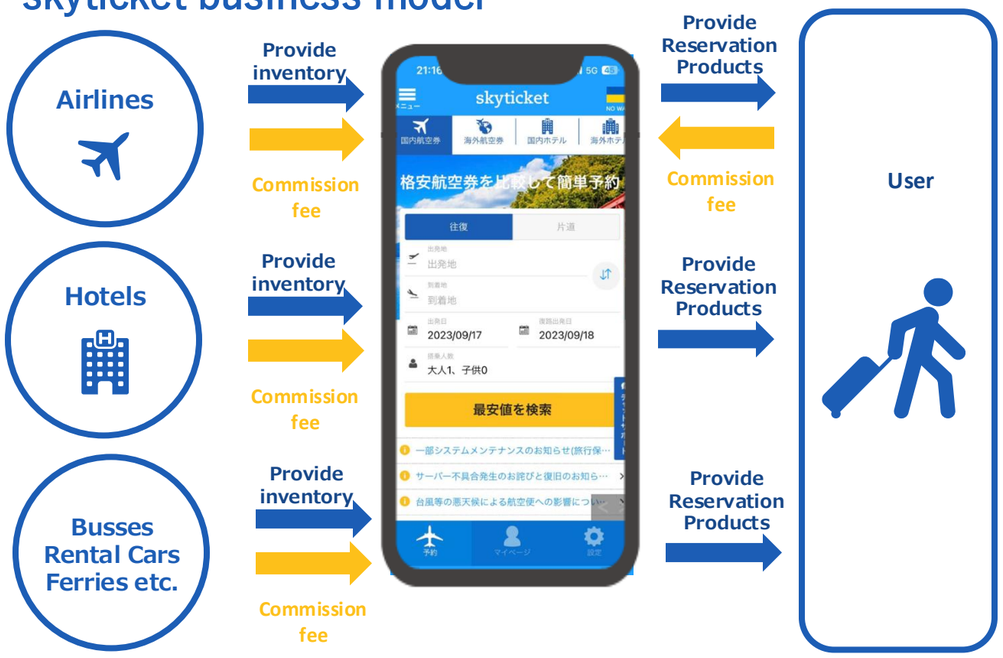
About Our Services

We have expanded to over 15 services for travel product reservations since the launch of our flight reservation service in 2006. By continuously developing new reservation services, it is our goal to both improve lifetime value through cross-selling and build a platform to create brand recognition as a service for all travel-related reservations.

skyticket services



skyticket business model



Our main services

Domestic Flight

Our main service, which makes up a large portion of our revenues
Revenues mainly come from the fees from users and commissions from airlines

FY24/06	
Take Rate	20.8%
Composition of Sales	62%
CAGR 2021-2024	29%

International Flight

Supports 20 languages globally and has 5 NDC-connected companies with a proven track record. Revenues mainly come from fees from users

FY24/06	
Take Rate	7.0%
Composition of Sales	5%
CAGR 2021-2024	99%

Tour

Sells airline tickets and lodging products as a set. The main source of revenue is commissions from users. (For subscription-type planned tours, transaction volume = revenue due to gross recording.

FY24/06	
Take Rate	12.5%
Composition of Sales	20%
CAGR 2021-2024	22%

Car Rental

Sales achievements have grown mainly in the leisure area. Maintains the top transaction volume among new services. Revenues mainly come from contingency fee-type sales commissions from business operators

FY24/06	
Take Rate	11.4%
Composition of Sales	6%
CAGR 2021-2024	87%

Highway Bus

Performance is good, mainly the performance of major bus companies. Revenues mainly come from contingency fee-type tiered commissions from business operators

FY43/06	
Take Rate	14.2%
Composition of Sales	4%
CAGR 2021-2024	193%

Hotel

9,231 directly contracted lodging facilities in Japan. Improved take rate due to the switch-over from the B to B sales model to directly contracted inventory sales. Revenues mainly come from contingency fee-type commissions from business operators

FY24/06	
Take Rate	6.9%
Composition of Sales	1%
CAGR 2021-2024	58%

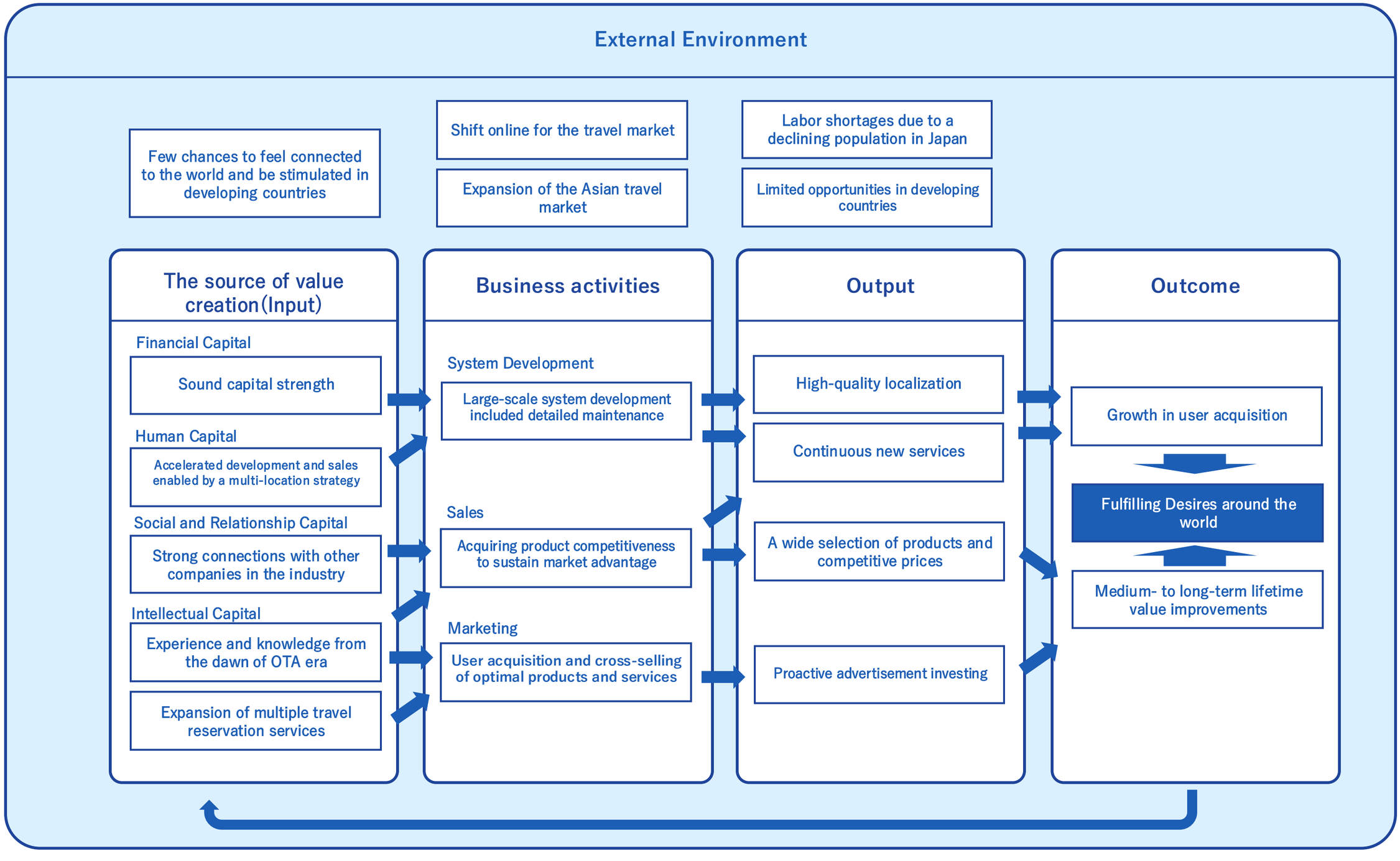




Value Creation

Value Creation

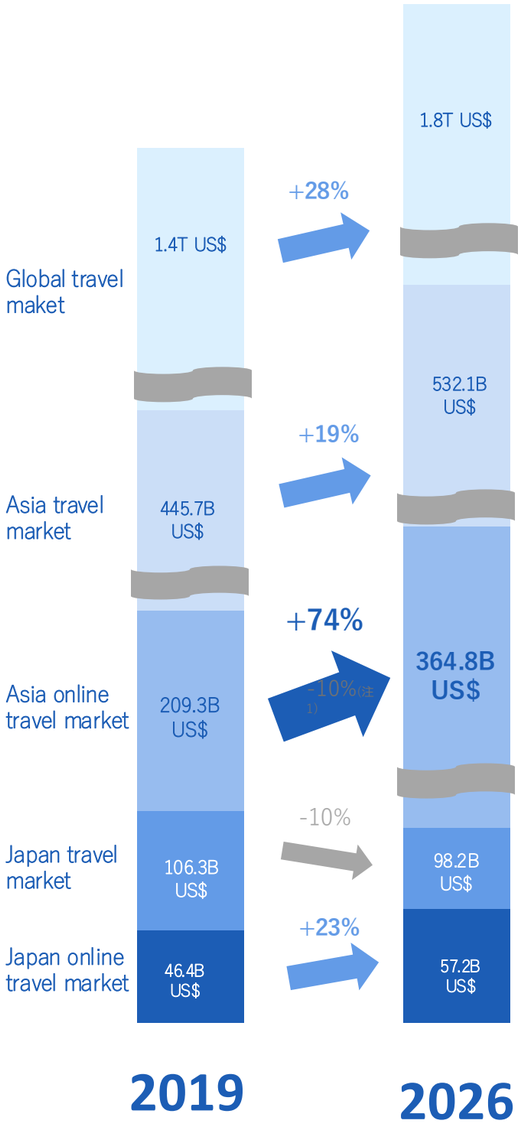
Our sound capital strength and our sales marketing and development abilities, which are based on our results since the beginning of the OTA era, have made it possible to proactively invest and offer a variety of travel services and products while localizing our offerings to each country. On the business side, we will gain many users and improve lifetime value while fulfilling our customers' desires to see and be active in the world.



External Environment 1.Travel Industry Market

The global travel market shrank due to COVID-19 starting in 2020, but as of 2024, the market has returned to its pre-pandemic levels, and it is expected to grow further in 2026. As the market grows globally, the Japanese travel market has been affected by the weakened yen and has struggled to expand. We believe there is a major opportunity for growth in Asia, where online reservations are not yet the norm.

Global travel industry maket prediction



*Source: Phocuswright.inc

Asian market

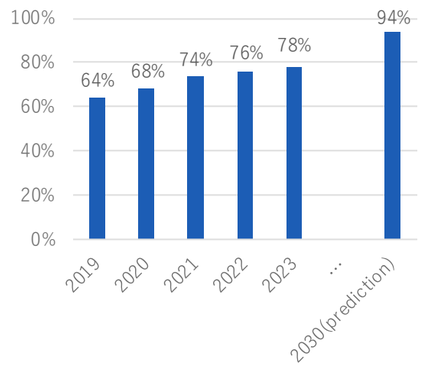
The Asian market is unique in that it is expected to grow rapidly due to an increasing population and developing economies. With online reservations, growth of more than 200% is expected by 2026 compared to 2019 for some areas, as smartphone usage is still on the rise and credit cards are still not widely used for online payments. Making inroads into this market will yield great results.

Market size by region

		2019	2026(Prediction)	Growth rate
Japan	Offline	60.9	40.5	67%
	Online	47.2	57.6	122%
China	Offline	77.8	46.8	60%
	Online	95.7	174.1	182%
Australia New Zealand	Offline	17.5	14.5	83%
	Online	14.7	21.1	144%
North East Asia	Offline	30.3	25.6	85%
	Online	15.5	32.3	**207%**
South East Asia	Offline	32.3	19.4	60%
	Online	21.6	50.1	**232%**
India	Offline	17.3	20.2	116%
	Online	14.4	29.3	**203%**

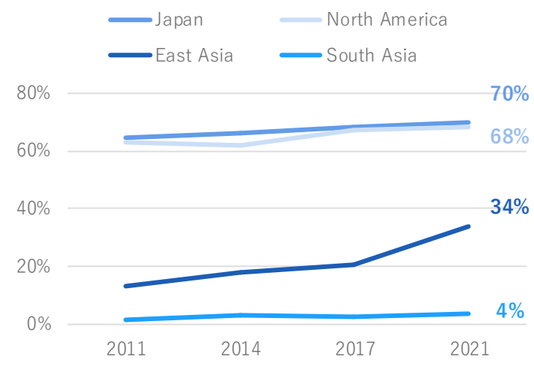
*Source: Phocuswright.inc

Smartphone penetration rate



*Source: Statista

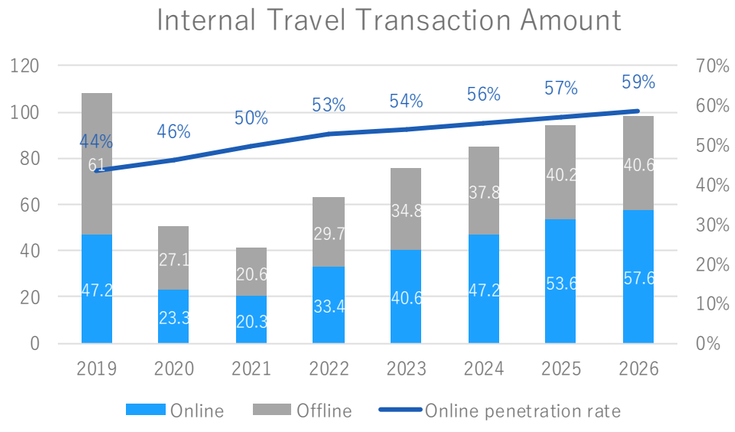
Credit card penetration rate



*Source: World Bank Group Gender Data Protal

Japan market

According to Phocuswright, a market research firm, the Japanese travel market is expected to grow by 9% in terms of yen by 2026, but as the yen is weaker now than compared to 2019, this results in negative growth when converted to USD. However, the market share for the online market is expected to grow due to a major increase in online travel reservations, and it is assumed that demand for low-cost travel products is on the rise due to an increase in the consumer price index. We consider this to be a favorable environment for our users. There has also been an increase in inbound tourism due to the weak yen, which can be seen as an advantage for multilingual OTAs.



*Source: Phocuswright.inc

Number of Inbound travelers

Jan-Jun 2019		Jan-Jun 2024
16.63M people	→	**17.77M** people
1USD=113JPY		1USD=150JPY

Japan National Tourism Organization: Honichi Gaikyaku Tokei (Statistics of Foreign Visitors to Japan)
(BoJ's January ministerial ordinance rate)

Consumer Price Index

2020		Jun 2024
100	→	**108.2**

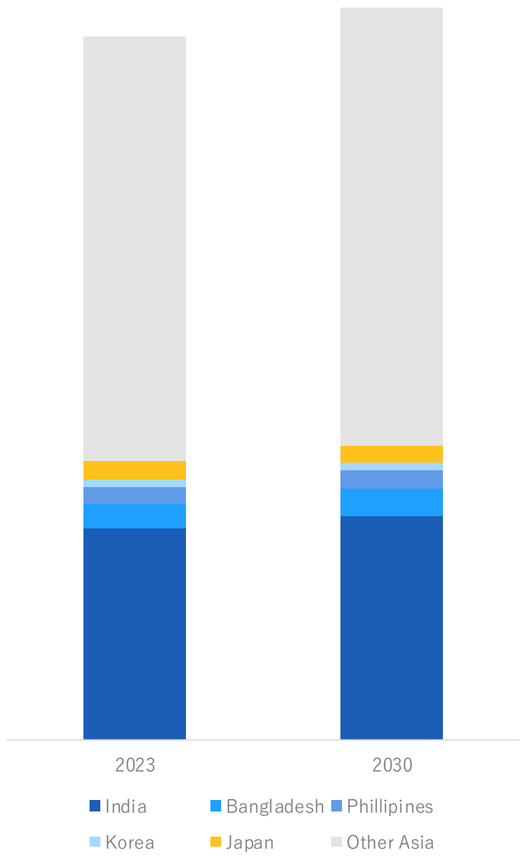
Statistics Bureau: 2020-Base Explanation of the Consumer Price Index

External Environment 2.Human Resource Market

To create global services, we must employ talents from around the world to support our services. The employment of IT personnel is particularly vital for online services. As it becomes structurally difficult to hire such talent in the Japanese market, we believe it is crucial to expand into HR markets that enable us to employ exceptional IT professionals.

Asian population prediction

	2023		2030
Asia	4.76B people	→	5.16B(+8%) people
Japan	120M people	→	110M (-10%) people

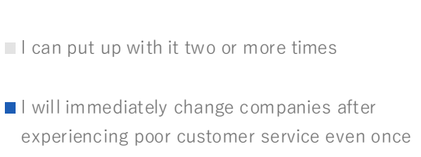


*Source: World Population Prospects 2024 United Nations

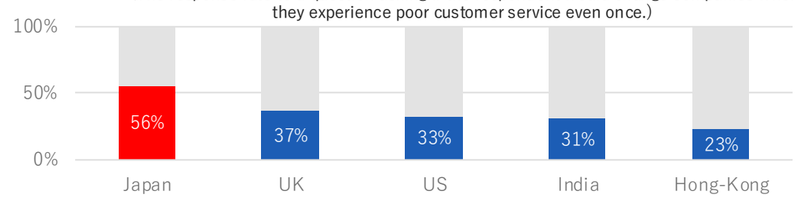
Japan IT Human Resource Market

The Ministry of Economy, Trade and Industry estimates that there will be a shortage of 410,000 to 790,000 workers in Japan by 2030, showing that Japan is a market with concerns regarding a shortage of IT human resources. The population of Japan is already declining, and valuable human resources are being used to maintain and operate old legacy systems. While there are many issues, the government has taken a variety of measures, including the establishment of grants for IT human resource training. There appear to be many engineers focused on high quality due to the Japanese market's stringency about quality.





Rate of Quality Concern By Country
(The response rate to a question asking if the respondent would change companies when they experience poor customer service even once.)



*Source: Investigation of American Express International(2017)

India IT Human Resource Market

As India was home to 30% of the population of Asia in 2023, competition among human resources is severe. The number of IT engineers in India is rapidly increasing, and because they are fluent in English, IT companies from around the world take part in recruitment events from the top Indian Institutes of Technology (IIT) and continue to employ these engineers with high salaries. In India, there is the concept of jugaad, which means to overcome the problem in front of you by coming up with ideas and solutions using limited resources. This concept is deeply rooted in the culture, and the idea of achieving goals with limited resources is useful in giving shape to difficult system development.



	2023		2030
India Population	1.43B people	→	1.61B(+13%) people

*Source: World Population Prospects 2024 United Nations

Cultural Explanation: Jugaad
This Hindi word means "innovative problem solving methods". This idea of thinking flexibly, making use of adversity, and creating more with less has been covered by many articles and is beginning to influence the leaders of India as well as many other countries.

Bangladesh IT Human Resource Market

According to data from the Bangladeshi Statistics Bureau, Bangladesh is still a developing country economically, with the average per capita monthly income at around 40,000 JPY. However, compared to 2016, income has doubled, and major growth is expected in the future. The Bangladeshi government established Digital Bangladesh as a national policy, and the country features the second largest IT human resource market in the world after India, home to 10% of the world's IT freelancers, according to a 2021 survey by the Oxford Internet Institute. Bangladesh is also said to be a country that is friendly towards Japan, with many gentle, friendly people.



	2023		2030
Bangladesh Population	170M people	→	200M(+18%) people

*Source: World Population Prospects 2024 United Nations

Cultural Explanation: Ramadan
In Islam, there is a period each year when believers fast from sunrise to sundown, and during the day, eating is frowned upon. In addition to Ramadan, care must also be given to working arrangements based on this and other cultural backgrounds, including times of prayer and worship.

Financial Capital:Sound Capital Strength

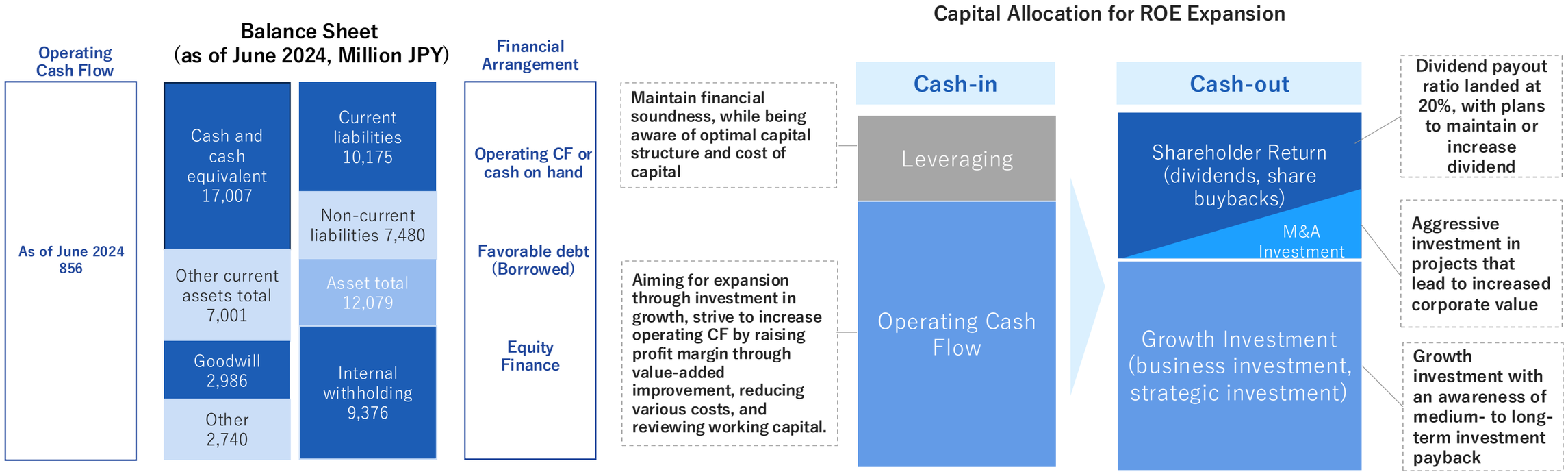
The cornerstone of our business and organizational strategy is a balanced management approach: we maintain a robust financial foundation to ensure business continuity even in challenging market conditions, such as those seen during the pandemic, while simultaneously pursuing proactive growth investments and prioritizing shareholder returns, primarily fueled by operating cash flow.

Maintaining a Stable Equity Position and Achieving Sustainable Operating Cash Flow Growth through PMI

In the fiscal year ending June 2024, although operating cash flow decreased and goodwill increased compared to the previous fiscal year due to aggressive advertising investments in new businesses and M&A, we maintain a stable financial position with cash and cash equivalents exceeding current liabilities, similar to the previous fiscal year. From the next fiscal year we will sustainably increase operating cash flow through PMI of acquired companies. While maintaining shareholder returns and focusing primarily on organic growth, we will also actively invest in good M&A opportunities if they arise.

Aiming for the Global Standard of a 20% ROE

In the fiscal year ending in June 2024, the ROE remained at 6.8% due to this being a phase of proactive investments including M&As, but we are aiming for a medium- to long-term 20% ROE through PMIs and other initiatives from the next term and beyond. Regarding shareholder return measures, we will continue to maintain a high dividend payout ratio and implement share buybacks as we did last fiscal year, while also making various growth investments to enhance corporate value over the medium to long term.



Human Capital: Accelerated Development and Sales enabled by Multiple Locations

To create globally competitive services, we must consider our organizational systems and recruitment activities on a global scale. This means it is necessary to acquire and place human capital that is appropriate for each country's human resource market. We are expanding in the short-, medium-, and long-term by improving our organizational edge while also experimentally utilizing the characteristics of each country.

Japan
Improving Generalist and Specialist Training



We are working to create a system to train both generalists, who will work with the departments in each country through discussions with our president and through considering the Group's overall operational priorities, and a variety of specialists to maintain and improve our competitive advantage in the Japanese market. Starting with the in-house open recruitment system introduced a few years ago, we have been fostering generalists who understand the overall picture by implementing job rotations among various departments every few months for new graduates. At the same time, we provide support for specialized skills through initiatives such as subsidizing the purchase of professional books and offering bonuses to those who obtain qualifications.

Korea
Ensuring Human Resources with Industry Experience



To adapt to the Korean language and Korean business customs appropriately, we are recruiting local human resources with experience in the Korean travel industry to engage in fast business operations.

Phillipines
Ensuring Human Resources with Industry Experience



The Philippines is an island nation like Japan, and LCC travel demand is expected to increase further. We are working on our business operations to realize cooperation between various companies so that we can offer superior products.



Bangladesh
Recruitment Activities Utilizing the First Mover Advantage in Niche Talent Markets



While competitors are expanding their development bases to India, Vietnam, Thailand, and various other countries, we have established a base in the Bangladeshi market. This market has little competition, and it allows us to recruit excellent human resources to match our rapid expansion strategy. While there are challenges such as limited availability of specialized books on system development and a scarcity of engineers with large-scale development experience, the engineers are leveraging our friendly national character to create opportunities to learn from project managers in other countries and foster growth.

India
Ensuring Cutting-edge IT Human Resources



To achieve medium- to long-term design enhancements that will enable our system to respond to global demand, we are recruiting excellent IT human resources, including IIT graduates.

Singapore
Preparing for a Comprehensive Asian Plan

We are focused on recruiting human resources with strengths in business administration for the future administration of affiliated Asian companies.

U.S.A
Preparing for Global Expansion

We are focusing our efforts on supporting the recruitment of top-class human resources to enable us to become a global OTA.

Overseas Subsidiary Interviews

To create bases in Asian countries and promote appropriate collaborations, there is a need to understand local business customs and characteristics properly and for highly skilled individuals that can maintain control and compliance systems at the high standard expected as a listed company. We would like to introduce some of our employees who have handled the launch and scaling-up of bases at our overseas subsidiaries.

President of Subsidiary



ADVENTURE APAC PTE. LTD.(Singapore)
Managing Director

Koichi Sakamoto

Leveraging expertise in international taxation honed at KPMG and Goldman Sachs, Koichi led multiple back-office teams as a finance team head. Subsequently, he served as co-representative of an IT company's Singapore entity for approximately 8 years, overseeing various Asian subsidiaries and gaining experience in blockchain and establishing overseas entities for Japanese companies. Currently at Adventure, he spearhead the establishment of the Singapore base and the foundation for managing Asian subsidiaries, focusing on researching untapped markets and PMI for overseas M&A targets.

To Create Successful cases of Expansion into Asia

During my time in Singapore, where I've had the privilege of experiencing the 0 to 1 phase of overseas expansion for various companies, I've come to believe that success in global ventures hinges on three crucial factors: setting realistic expectations for overseas operations, delegating authority effectively, and demonstrating unwavering commitment and drive. I joined Adventure because I felt the company embodied all three of these qualities.

Our Singapore subsidiary will become a key player in the next five to ten years. We are currently expanding our business portfolio through growth businesses such as the e-sim market with M&A to increase our competitive edge in the travel domain.Simultaneously, we're strengthening internal controls to establish ourselves as the hub for the group's Asian subsidiaries. Having a good grasp of the market, talent characteristics, and expectations in each country, I'm constantly exploring the optimal management approach for a headquarters, while overseeing PMI and conducting research on countries where we haven't yet established a presence.

The challenge in overseas M&A lies in harmonizing disparate "logics." It's no easy feat for companies with distinct cultural backgrounds, legal systems, and internal decision-making processes to start working in tandem. However, I believe this is where Japanese companies, known for their ability to find harmonious solutions, can truly shine. To this end, I engage in constant communication with various stakeholders.

There aren't many Japanese IT companies that have successfully expanded globally. I'm determined to make Adventure a positive example for Japan. Together with all our stakeholders, I'm committed to making our overseas expansion a success.

President of Subsidiary



Adventure Dhaka Limited
Managing Director

Shigeyuki Hamamoto

The Pride of Supporting the Development of Bangladesh

Having previously established an offshore development base as a director at another company, and then having worked for a global SaaS company, I sought a more challenging environment and joined this company. I believe there's significant social value in our company's expansion into Bangladesh. In a country where the average monthly income is around 20,000 yen, we're providing excellent opportunities and improving lives by hiring talented individuals at higher salary levels, while also ensuring business scalability. Although it's still a small market now, Bangladesh has the 8th largest population in the world, and it's still growing. Investing early in a market with such significant GDP growth will undoubtedly make a big difference in the medium to long term, and I'm eager to focus on further expansion.

Manager in Subsidiary



Advenutre India
Manager – Tech Strategy

Manu Agrawal

Shaping Adventure’s future from India

After graduating from IIT Kanpur and working on OTA and e-Commerce projects across four organizations, I was initially hesitant to join an unfamiliar company in India. However, discussions about Adventure's growth plan inspired me to return to Travel Technology. The Indian travel market, ranked 8th in Asia, offers significant growth opportunities despite strong competition. With its underdeveloped state, Adventure has a unique chance to establish itself and encourage young Indians to travel more.

Working with the talented Indian team has been a pleasure. They excel in technology while maintaining a lighthearted atmosphere with enjoyable office banter. This balance of professionalism and camaraderie makes the workplace both productive and rewarding. I look forward to Adventure becoming one of South Asia’s most valued brands, known for its dedication to users and travel technology excellence. I am excited to contribute to this journey and the brand’s success.

Mid Career Interviews

We would like to introduce some of our employees working to support and improve skyticket services as professionals at our headquarters, where we dynamically evolve based on the market.

Manager



IT Department
Assistant Manager

Reo Terazawa

A website professional with experience as a designer, frontend engineer, marketer, and more in venture companies. Reo has supported Adventure since it only had 20 employees. He is also working as a marketing trainer at other companies, and his extensive knowledge has contributed to business growth.

Ten Years On: Embarking on a New Golden Age

Having overcome the challenges posed by the pandemic, 2023 marked a turning point. Ever since our CEO declared at an all-hands meeting that "from here on, we will truly aim for global expansion," I have keenly felt our transition into a new stage. While I was already leading an SEO team composed of multinational members, the company as a whole has rapidly welcomed individuals from various nationalities, making it commonplace to hear English and Chinese spoken within the office. I joined the company in 2014, just before its IPO, and experienced significant personal and company growth during the golden age of rapid business expansion that followed. Today, I am filled with great enthusiasm, believing that a second golden age lies ahead for both the company and myself. Looking at the domestic market, there is still substantial room for growth in services like hotels. We will strengthen our CRM initiatives to promote cross-selling, thereby generating investment capacity and intensifying promotional efforts to expand our market share. Expanding into the global market presents significant challenges, but we will optimize our advertising allocation towards marketing channels suitable for new entrants. I am committed to furthering my own growth as we strive towards a future where skyticket is used worldwide.

Member



IT Department

MD Jeshad

Leaving Bangladesh, Arriving in Futuristic Japan of 2050

While working at Adventure Dhaka (Bangladesh) in 2023, I was presented with the opportunity to be seconded to the Japanese headquarters. Through this fortunate turn of events, I began working at the head office in Japan. Working in Japan feels like being in the world of 2050. Everyone here is a remarkable professional with an impressive depth of knowledge about their work. Whenever I have a question, I receive prompt answers, which greatly contributes to my growth. In terms of the work environment, I feel that Adventure dedicates ample resources to its employees, such as providing a prayer room for Muslims. I am eager to contribute to the company's success in becoming the No.1 global OTA, as they have provided me with such a supportive environment.

Member



Business Promotion Department

Mina Ishikawa

Returning to work, finding a company evolved

I took maternity leave form August 2022 and returned to my job at the call center in April 2024.Upon my return, I was surprised to find that the company had undergone significant changes. In addition to the group integration of Tabikobo, a well-known name in the travel industry, the company had expanded its overseas subsidiaries, embraced globalization internally, and clarified its rules and regulations. Overall, I felt a sense of increased efficiency within the company. Initially, I was quite anxious about the 1 year and 8-month gap in my employment. I worried about whether I would be able to keep up with the rapid evolution of work processes during my absence. However, the onboarding training provided upon my return, which included time to learn about the company's direction, helped me gradually prepare myself mentally for my return to work. Nowadays, my days are busy, starting at 5:30 am, working, and then taking care of my child until bedtime. Despite this, I feel a sense of balance in my daily life, and I value both my work and personal time. I'm glad I decided to return to work.

Intellectual Capital: Achievements from the early days of OTAs and Diverse Range of Services

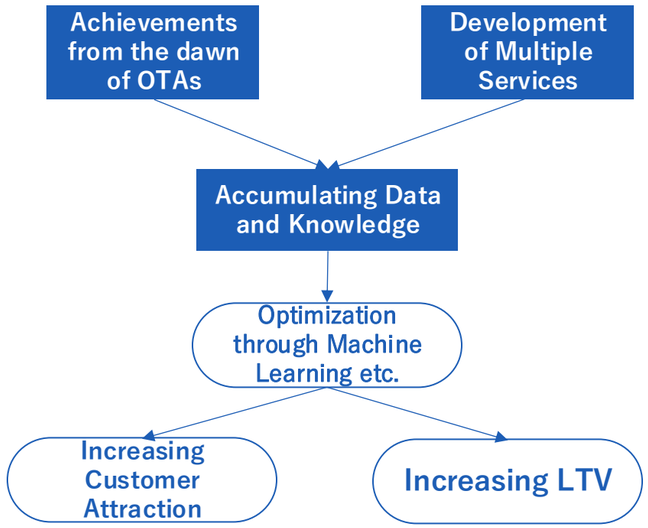
With a proven track record since the early days of OTAs and a diverse range of services, we possess a deeper understanding of user travel experiences compared to competitors, holding a wealth of data and know-how. This data and expertise constitute crucial intellectual capital that supports our growth and enables us to enhance user experiences to a level surpassing our rivals.

Experience and Knowledge from the dawn of OTAs

When we first started our business, online booking was not commonplace. We often field questions like, "Will this flight really fly?", and only had a few bookings per day. Since then, we have consistently engaged sincerely with both users and suppliers, while also continuing to invest in marketing. As a result, we have achieved remarkable results, surpassing 20 million app downloads and exceeding 80 billion yen in transaction volume. Along the way, we have accumulated a wealth of know-how, including identifying ineffective marketing channels, understanding user anxieties, and recognizing popular products.

Expansion of Multiple Travel Reservation Services

By developing more travel reservation services than our competitor, we are able to understand users' travel experiences better and increase our cross-sell rate. This allows us to efficiently improve lifetime value for our customer base. For example, we are able to offer rental car recommendations near the airport for users after they purchase airline tickets to Okinawa and other island destinations, and offer package tours to users who left the website because they couldn't find a good international flight, encouraging repeat visits to our platform.



Social and relationship capital: Strong Connections within the Industry

While many suppliers in the travel industry seek expanded profits through direct sales, creating partnerships with suppliers that can offer valuable products to users requires sales experience and trust as an OTA. The achievements, customer base, and system infrastructure derived from the aforementioned intellectual capital enable us to form partnerships with major industry players and promising ventures with high growth potential.

Partners with Direct NDC Connection
Total: 5

HAWAIIAN AIRLINES, SINGAPORE AIRLINES, American Airlines, UNITED, Lufthansa

LCC Partners with Direct API Connection
Total: 11

ZIPAIR, SPRING, Jetstar, t'way, HKexpress, tigerair, VietjetAir.com, peach, JEJUair, AirAsia, cebu pacific

High Potential Partners

AirX

A company developing a helicopter and air mobility business



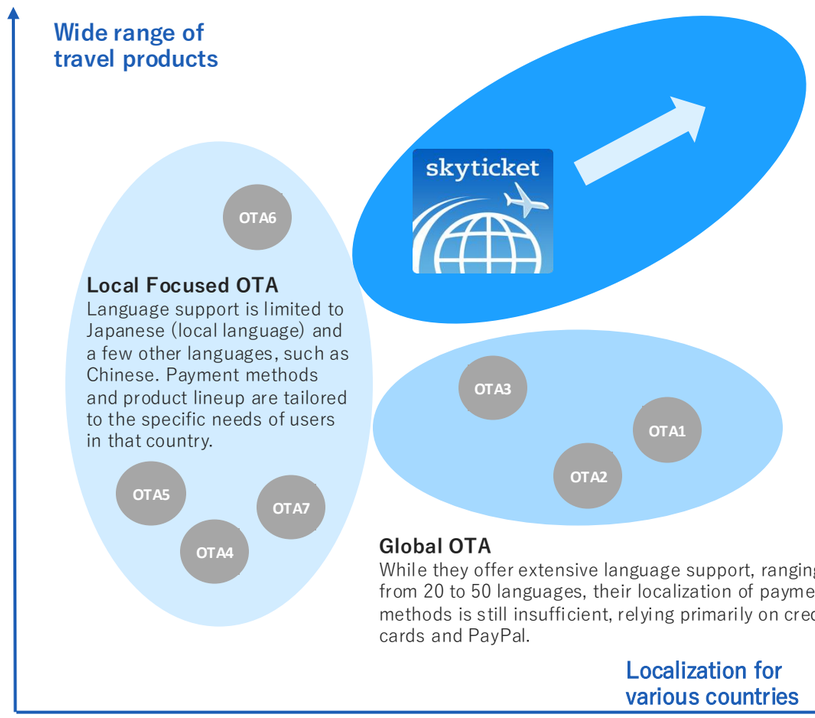


Future Strategy

Two Key Pillars and Three Business Activities to Become a Global OTA

As we aim to provide value to people around the world, we need to evolve from being “Japan‘s largest online travel booking site” to becoming “a global OTA with brand recognition for booking any travel product worldwide.” We are initially targeting market expansion in Asia, and it is particularly important to first gather large amounts of user behavior data on travel reservations through the development of a range of travel product reservation services while also localizing payment options so that the service can be used in various countries. This requires three key elements: A) large-scale system development, including attentive maintenance, B) product competitiveness to ensure a competitive edge in the market, and C) cross-selling through recommendations of optimal products and services.

Competitive Differentiation: Two Key Pillars



1)Wide range of travel products

By **developing more than 15 services**, including airline tickets, hotel, rental car, bus, Wifi, and helicopter reservations, we can **obtain a large volume of travel behavior data** while **improving our user cross-sell rate,** aiming to utilize them for creating personalized experiences.

2)Localization for various countries

In addition to supporting 20 languages, the most among any Japanese OTAs, we are also individually adapting to **local payment methods** that have high market shares in other countries.

Business Activities



1. Large-scale system development including attentive maintenance

Realizing a wide range of products and localization



2. Product competitiveness to ensure a competitive edge in the market

Realizing a wide range of products



3. Gaining users of optimal products and services and cross-selling

Realizing business growth

Becoming a recognized global OTA for all travel reservations

Business Activities:
1. Large-scale System Development Including Attentive Maintenance

To realize our growth strategy, we need to localize user interfaces, admin screens, and payment methods for each country we expand into. As we need to implement this across numerous services, the required development resources are significantly greater compared to when we were only operating services for the Japanese market. We will continue to strengthen our workforce, but we will also strive to revamp our development processes and promote the use of AI in operations to enable our engineers to develop even more efficiently.



Continuously Recruiting Development Personnel

We will create a personnel plan to achieve our strategy according to local market conditions, allowing us to continue to ensure we have appropriate personnel.

Revamping development process

Traditionally, we operated with a small, elite team, where a few engineers shared responsibilities such as design, development, and QA across different projects. However, to enable more engineers to leverage their strengths and expertise, we've been modifying our processes and continuously seeking optimal solutions. Specifically, for our domestic services, Japan-based engineers, who understand the local geography and user needs, handle the design, while the development is carried out in Bangladesh, leading to fewer errors and smoother development. Additionally, we are gradually transitioning from development tools that have been used for a long time and have a high market share in Japan to those with a high global market share and advanced features, even if it means increased costs. This is to create a comfortable and efficient work environment for our engineers, facilitating smoother operations.

Promoting the Use of AI in Operations

AI tools have been gaining popularity lately, but we are cautiously evaluating their cost-effectiveness by experimentally introducing various tools. After experimentally introducing GitHub Copilot and conducting research and trial implementations of other AI tools, we have made certain paid generative AI tools available to all engineers starting from the fiscal year ending June 2025. . In addition to coding, we are currently researching and developing AI that can generate appropriate SQL queries from our complex database and present analytical results. We are actively working to streamline work processes while taking caution to prevent cost overruns.

Measures Planned In and Beyond Fiscal Year Ending June 2025

- Operational streamlining through the migration and introduction of development tools
- Innovation and streamlining of data analysis infrastructure
- Continuous recruitment and optimization of developmental organization

Business Activities:
2. Product competitiveness to ensure a competitive edge in the market

To gain a competitive edge in the market as a global OTA, we must form new corporate partnerships in various countries, localize our operations for procurement and sales, and integrate our systems directly with the partners. We are strengthening our product competitiveness through sales, PMIs with acquired companies, the development of service management interfaces, and a variety of other methods.

New Corporate Partnerships

OTAs structurally face a dilemma: companies selling a wide range of travel products often require a proven track record, making it difficult to sell many products in an area without a certain level of sales performance. However, it's challenging to achieve sufficient sales performance without having a wide variety of products. To overcome these challenges, we need strategies such as increasing the number of suitable partner companies in each area through M&A and other means, and strengthening our sales performance as a group to secure new contracts. As we still have significant growth potential in terms of sales performance and product volume in overseas areas, we will continue to consider M&A targets specializing in the travel industry and increase sales performance through PMI with M&A targets, thereby partnering with more companies.



Localizing Operations for Procurement and Sales

When forming partnerships with hotels, rental car companies, and other travel service providers in new countries, we need to adapt our operational processes to the local norms. For instance, just as bank transfers are commonly integrated into business processes in Japan, payments via Virtual Credit Cards (VCCs) are a standard practice in South Korea to ensure company creditworthiness. To encourage partners to continue using our site as a sales channel, it's crucial to make transactions as seamless as possible for them. Therefore, we are localizing our management screens and also engaging in diligent sales activities to provide partners with suitable proposals at the right time.

Enhance Products Through NDC and Other Direct System Integrations

For our existing partners, we will enhance our product offerings by promoting partnerships that enable direct system integration through NDC (New Distribution Capability: a new communications standard for airline ticket distribution data, promoted by the International Air Transport Association (IATA)) and other means. This will eliminate intermediary fees and allow us to provide faster and richer product information and booking services.

Measures Planned In and Beyond Fiscal Year Ending June 2025

- Improvements in sales performance and connections through the promotion of PMIs
- Localization of service management interfaces for each country
- Additional partners through continuous operations

Business Activities:
3. Gaining Users of Optimal Products and Services and Cross-selling

To sustainably support extensive system development and sales activities aimed at strengthening our product offerings, securing organic funding is essential. We will increase cross-selling opportunities for users through new businesses and improve business efficiency by leveraging data and know-how to enhance LTV (Lifetime Value). At the same time, we will accelerate user acquisition in new markets through aggressive advertising investments while also raising barriers to entry, thereby supporting medium- to long-term growth.



Promoting New Travel-related Businesses

Our continuous pursuit of new business ventures is driven by the desire to establish an absolute brand value for skyticket, where customers can book almost any travel service, much like Amazon's brand value of being the go-to place for most daily necessities. While our competitors in Japan are diversifying into non-travel businesses or creating separate brands for different products, we are concentrating our resources on the travel domain to enhance skyticket's brand value. There are many possibilities for new services, including the sharing economy, which is gradually increasing its market share in the hotel and rental car reservation domain, services responding to golf travel demand, and eSIMs, which gave birth to a new market through advances in technology. By aggressively increasing the number of services we support, we aim to improve our overall brand image, gain new users, and enhance our lifetime value.

Improving Lifetime Value Through the Use of Data and Knowledge

For the past few years, due to the unusual market environment during the pandemic, there have been some outliers in accumulated data. Even so, data and knowledge gained from our various services will be used to further enhance our recommendations and CRM automation, which will increase our lifetime value in each market. Also, when we were actively conducting overseas marketing for our flight booking app before the pandemic, we gained fundamental insights into the characteristics of different markets, such as how certain countries exhibited higher price sensitivity than others. The competitive landscape has changed since then, and we cannot directly utilize that data, but from FY2025 onwards, we will take into account price competitiveness based on procurement in each market. We will also experimentally allocate marketing costs and budgets per channel, tailored to the purchasing trends of each country. Once we have accumulated a certain amount of data, we will strengthen automation through machine learning to further optimize customer acquisition.

Proactive advertisement investing

Through the aforementioned measures, the increase in LTV will allow us to allocate more advertising expenditure per user acquisition. We will proactively invest in advertising to acquire a large number of users, while also raising barriers to entry in the industry, thereby establishing a competitive advantage in the medium- to long-term.

Measures Planned In and Beyond Fiscal Year Ending June 2025

- Launch of reservation website for travel services expected to grow
- CRM measures to continuously improve lifetime value
- Cooperation with comparison sites and other new channels with large market share in each country

Human Resource Strategy: Basic Policy

We believe that recruiting and training stronger human resources than our competitors is extremely important to accelerate our growth further while achieving the previously mentioned business strategies. For this reason, we continue to invest in human resource growth based on the following three pillars while working to create an organization that stirs innovation globally.

Human Resource Strategy

【 Recruitment of diverse human resources 】

- Active recruitment of foreign human resources in Japan
- Establishing an environment providing opportunities for people of all nationalities and religions, including the installation of a prayer room

【 Promotion of Group Code of Conduct 】

- Reformulation of Code of Conduct in FY2023 "Integrity, Visionary, Flexibility"
- Instill the Code of Conduct over the medium to long term, by incorporating the Code of Conduct within the evaluation system

【 World-class human resource development support 】

- Improving English skills and other specialized skills and offering opportunities to use these skills to enhance medium-term productivity
- Nurturing management perspective through the implementation of company-wide education and new business proposal
- Increase interaction among group companies to encourage the human resources of organizations to broaden their experience

Examples of Accelerated Growth by our Talents

【Creating new services】

- Taking ownership and achieving new travel-related businesses from new business proposal sessions

【Global Entry】

- Developing new partners through negotiations led by new-graduate young employees fluent in foreign languages



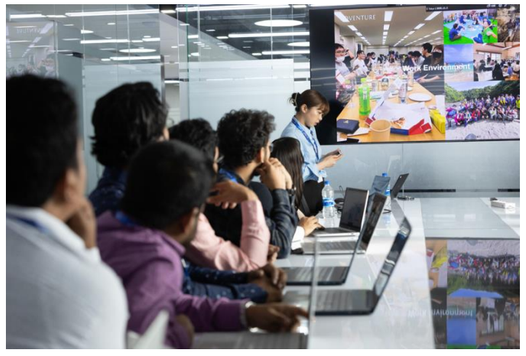
Human Resource Strategy: Organization Development

We will introduce some of our various opportunities and organizational development activities to recruit talented human resources and have them flourish over the medium- to long-term.

Recruitment to Strengthen Our Global Presence

We are improving our working environment to enable hiring regardless of nationality or religion, and expanding our recruitment efforts by participating in direct hiring events overseas, such as the Boston Career Forum. Also, our top management is committed to recruitment activities. As a result of increasing our presence in the recruitment market, we are attracting a more diverse and talented pool of individuals, including those from global consulting firms and engineers with experience working at Amazon's headquarters. Additionally, we have started issuing Restricted Stock Units (RSUs) to some employees, investing in mechanisms to ensure that the talent we hire remains committed to the company's growth over the medium to long term.





Developing In-house Training Tailored to Our Talent Development Strategy

Most of our training is developed in-house and tailored to our needs. This training is held when joining the company, getting a promotion, and getting transferred. For example, in addition to company-wide training on company policy, MVV, and the travel industry, we have developed training on foundational skills for new graduates, including training on logical thinking and sales strategy skills, as well as training for managers who handle diverse employees, which includes training on the three financial statements, cross-cultural communication, and methods for evaluation feedback. We are also gradually expanding our benefits system for employees who acquire certifications for expert skills related to their work.

Evaluation Feedback for Diverse Talent Development

Our skill-based evaluation system, which was aimed at mid-career specialists, is gradually evolving into an evaluation system that can adapt to our diverse talent development policies, starting with newly graduated recruits in 2020 and with recruitment at our overseas subsidiaries in 2022. For example, our values were re-established in 2023. They align with the direction of values of both Japan and the world and were incorporated into evaluation standards. We offer company-wide awards to employees who act in accordance with these values, and we evaluate general skills, which apply across all jobs, separately from specialist skills, with differing expectations depending on the job. We will continue to review our evaluation system as the organization itself evolves. We also operate a talent management system that collects the results of these evaluations, certifications, and other human resource-related data, and currently utilizing the human resource analysis platform to enable employee success in the medium to long term.



New Graduates Interviews

We began recruiting new graduate employees in 2020 with the aim of developing future managers. We would like to introduce some of our young employees who have gained a variety of experience and results since joining and will support the future of Adventure.

New graduate



Adventure Dhaka Limited
Director

Shuto Yonekawa

Joined in 2021. Shuto started his career in hotel sales, then experienced product ownership for ferries and new businesses. Currently stationed in Bangladesh as a director of the subsidiary, primarily in charge of local back-office management and system development management. He is also involved in overseas M&A and promoting SDGs projects in collaboration with the headquarters.

Building an Organization from Scratch and the Difficulties in Managing a 100-person Organization

My aspiration to work in the travel industry stemmed from my first overseas trip, where the myriad of discoveries and experiences ignited a desire to share such opportunities with others.
The decision to relocate to Bangladesh came in the summer of my second year with the company. With no prior experience, I hastily immersed myself in accounting, local tax laws, and legal knowledge before embarking on my assignment.
In Bangladesh, I had the opportunity to build an organization from the ground up. While navigating the complexities and joys of establishing processes, the organization has now grown to over 100 people, presenting me with deeper challenges in management. As the company expands, so does the diversity of our employees' perspectives. In order to create an organization where development can contribute to the profitability of each product, I'm collaborating with other subsidiary presidents and headquarters managers to explore suitable training, evaluation systems, and development flows.
Recently, I've been increasing my interactions with local NGOs and entrepreneurs in Bangladesh, contemplating how we can contribute to the development of societies in developing countries. Leveraging our company's assets, I'm actively discussing with the headquarters team about creating BOP businesses that address social issues, and taking concrete steps towards their realization.

New graduate



Adventure Korea
Managing Director

Chinatsu Hosoya

Forging a Competitive Edge through Unbiased Challenges

It has already been two years since we established our subsidiary in South Korea. Initially, as a recent graduate, I was apprehensive about whether I could handle the responsibility. However, by approaching challenges without preconceptions, we have been able to secure contracts with Korean companies that even major corporations have not been able to partner with, and I feel a sense of accomplishment in enhancing the competitiveness of our group. Especially during negotiations with business partners, we are often perceived positively as a Japanese company expanding into Asia, given the demand for travel to Japan and the desire to attract Southeast Asian tourists. Witnessing bookings come in on the very day we introduced a unique Korean payment method that we had newly contracted locally, I felt a positive cycle where we were able to reduce opportunity loss for customers, business partners, and our company. I would definitely continue strengthening this cycle to grow the company.

New graduate



Global Department

Koichiro Suzuki Federico

An Opportunity Not Found in Investment Banking and Consulting

After graduating high school in Italy, my interest in global business and personal experience with stock investments led me to explore opportunities at foreign investment banks and consulting firms during my job search. However, the prospect of taking on challenges even as a young professional drew me to Adventure, where I joined in 2024 and have since gained a wealth of diverse experiences already. Early on, a short job rotation program significantly deepened my understanding of the complexities involved in translating theory and numbers into reality. While grasping concepts and data was relatively easy, the challenges of practical implementation became strikingly clear. Furthermore, working alongside top-level executives in a publicly traded company has been immensely stimulating. For example, my current involvement in supporting overseas subsidiaries has exposed me to the intricacies of M&A discussions, where decisions are made considering the interplay of financial, human, and intellectual capital to achieve specific synergies. I believe such depth of insight into management decisions would likely have been unattainable in investment banking or consulting, where my perspective would have been limited to an external view of operations. Going forward, I intend to continue learning from the discrepancies between theory and practice, aspiring to become a manager and leader capable of driving positive change.



SDGs Initiative

Basic Policy on SDG Initiatives

Our company upholds the mission of "balancing social contribution with business”. Since 2023, we have established an SDGs Promotion Team to plan and implement sustainable social contribution initiatives that are both impactful and commercially viable. We believe that engaging in activities with high social value will enhance our corporate value and ultimately lead to increased profits. Therefore, we will continue to explore and implement SDGs initiatives that create a positive cycle, benefiting both society and our business.

Company Trip Study Tour Plan



Skyticket Challenge Support Project



Currently in Planning



Activities: Support of External Organizations

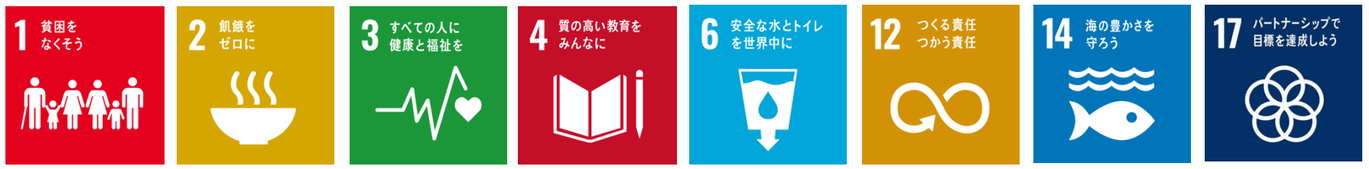
Through promoting external organizations online and supporting their activities offline, we create mutually beneficial and sustainable relationships with external organizations that allow for greater awareness of our business and recruitment over the medium and long term.

NPO



We effectively publicize the activities of the listed organizations to a wider audience and broaden the scope of support.

Myanmar Family Clinic and Garden (MFCG) Group and Children Without Borders (KnK) - An Authorized NPO



Student Organization



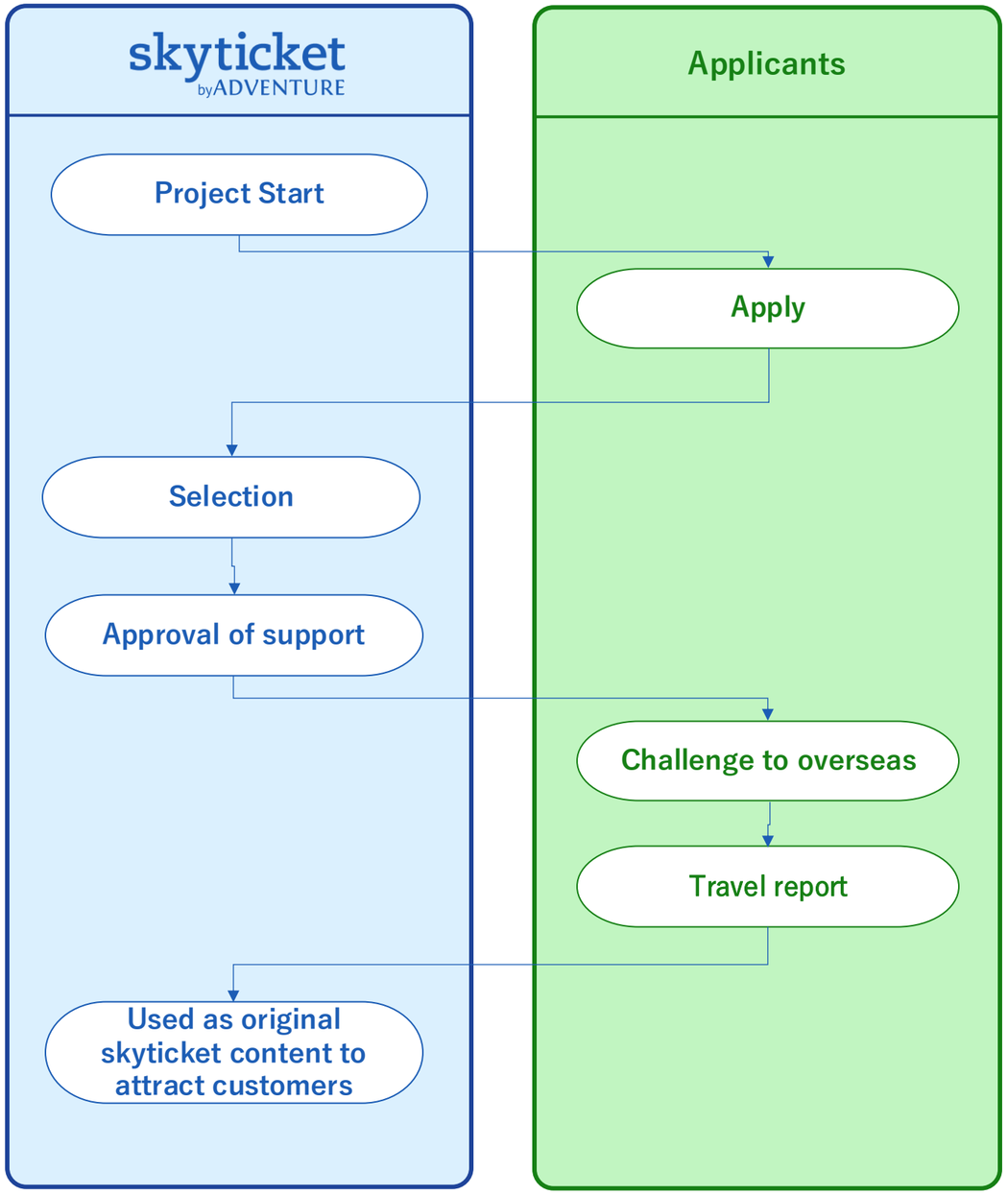
In line with our company's mission of "balancing social contribution with business," and in support of student members interested in social contribution, we have provided meeting rooms and equipment free of charge to student groups that offer consulting services to NPOs and other non-profits.



Activities: skyticket Challenge Support Project

SDGs

We don't want people to give up on their dreams just because of expensive flights. With this in mind, we launched the skyticket Challenge Support project, which helps to support dreams by providing up to 500,000 yen for international airline tickets. Through this project, we aim to achieve support and business growth by having participants post about their actual international travel experiences and utilizing this as original content to stimulate a desire for travel and attract customers.



Eligible Applicants



1. Have a goal to achieve abroad

Someone who has a clear goal or vision for what they want to do abroad and is confident that they can finish during the supporting period



2. Have a desire to help the world and others

Someone who wants to encounter and experience various cultures while still young and search for something socially meaningful



3. Have a desire to utilize learned experiences

Someone who wants to utilize the experiences and knowledge learned at school or in society

Applicants must also be of a certain age and be able to post travel reports, and other conditions apply. Please see the project page for more details

First Generation of Project



Manaka
2024/08/28-2025/06/15

Challenge



Ikumi
2024/08/04-2025/08/13

Challenge

Activities: Other activities



Promote Recycling, Co2 Reduction



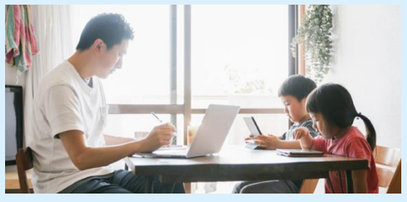
We aim to promote recycling and help reduce Co2 emissions by collecting PET bottle caps and removing the labels under the company's employee benefit program of free drinks policy of up to two bottles per day.

Creating a rewarding workplace



We aim to leverage the collective knowledge and diverse experiences of our employees to drive better business outcomes. By fostering technical and professional skills, we are nurturing individuals who aspire to become entrepreneurs or excel in various fields. We have partnered with a Japanese language school near our Japan office to provide employees who lack confidence in their Japanese language skills with access to discounted language courses. Additionally, we have created a prayer space for Muslim employees and made the workplace accessible for employees who commute by wheelchair. We are committed to fostering an inclusive environment where people from diverse backgrounds can thrive.

Achieving Work-Life Balance



Employees raising young children can apply for staggered working hours, and we consider individual work arrangements based on their circumstances.

Promoting a Paperless Society



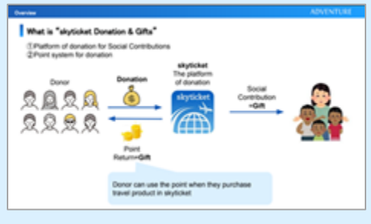
Promoting a paperless environment as all services are completed online. Reduction of paper consumption in the Company by allowing employees to bring laptop computers to meetings and conferences.

Creating a System to Confront Environmental Problems



Study Tour Operations

A study tour was conducted during a company trip to Cebu Island, Philippines in June 2023 to visit a local NPO as part of the training program to learn about local social issues and initiatives in the region, including an opportunity to interact with children in the area. Supported By: NPO Seven Spirit



SDGs Business Contest Held

Twenty-seven proposals were submitted for the document screening, and 16 of them were selected for the presentation selection. The presentations were made available online to all employees in Japan and overseas.

Promoting Regional and International Exchange



Promoting domestic and inbound travel activities to boost regional recovery and international exchange. Linking our users with the relevant activities, facilities and transportation in an effort to revitalize the tourism industry.

Global Expansion



We operate a multilingual website that caters to customers worldwide. While expanding our business domestically, we are also establishing subsidiaries primarily in Asia, creating local employment opportunities.





Governance & Data Section

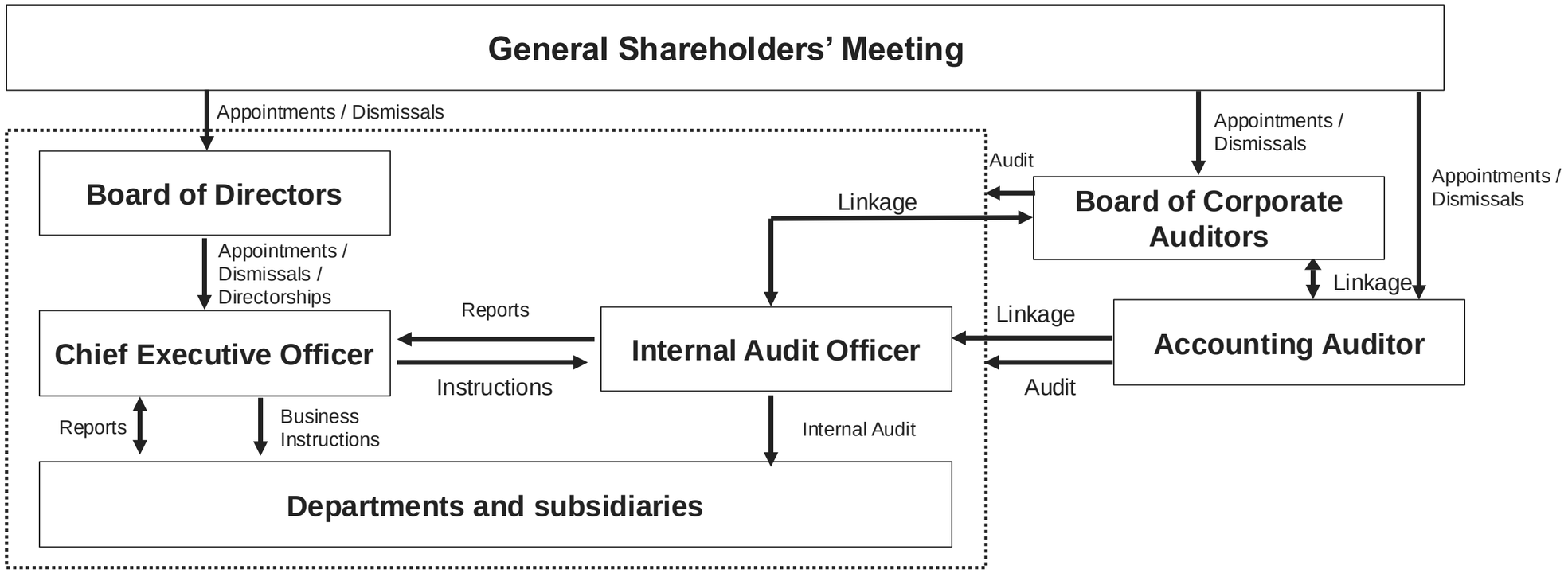
Corporate Governance System

Basic Principles of Corporate Governance

Adventure, Inc. Group believes that the purpose of Corporate Governance is to enhance the efficiency of management and to ensure integrity and transparency in order to satisfy the trust and expectations of shareholders, business partners, employees, users, local communities, other stakeholders and to improve our corporate value. In order to achieve these objectives, it is essential that management monitoring and auditing are effectively conducted through the selection of directors, determination of compensation, monitoring of management, implementation of compliance and other initiatives. Adventure, Inc. regards the reinforcement and improvement of Corporate Governance as one of the top management priorities.
Adventure Group strives to enhance the supervisory function of the Board of Directors with 4 external directors and 3 external corporate auditors to ensure management efficacy and clarity.

Overview of Corporate Governance Structure

Adventure has established the General Shareholders' Meeting, the Board of Directors, and the Board of Corporate Auditors as an organization as defined in the Companies Act. We have also established Internal Audit Officers to monitor our business each day and take any necessary measures. We have also increased the number of Internal Audit Officers starting in the FY25 term and are enhancing our current system further in order to improve our governance system as more subsidiaries join the Group.



Corporate Governance System

Reasons for choosing the current corporate governance system

The Company has appointed 4 outside directors and 3 outside corporate auditors as a company with a board of corporate auditors. The outside directors and outside corporate auditors attend regular and extraordinary meetings of the Board of Directors, express their opinions on the directors' execution of duties as appropriate, and monitor management throughout the execution of duties. We have chosen this corporate governance system because we believe that it will prevent management and internal directors from privatizing the company and making erroneous management policies and decisions.

Cooperation among corporate auditors, accounting auditors, and the internal audit department

The Company conducts three types of audits (corporate auditors' audit, internal audit, and accounting audit) with the objectives of protecting investors in the accounting audit, protecting the interests of shareholders and creditors in the corporate auditors' audit, and enhancing the Group's continuous development and corporate value in the internal audit. The three audits are conducted in cooperation and complement each other to verify and evaluate the status of establishment and operation of internal controls and their effectiveness, which are indispensable for the sound management and continuous development of the Group. We share internal audit reports and other documents with corporate auditors and communicate with them on a case-by-case basis. The Company also shares information with auditing firms on an individual basis when conducting internal audits and other internal work.
In addition, in order to enhance the effectiveness of the three-party audit and to improve the quantity of audits as a whole, the Company strives to strengthen close mutual cooperation among the audits, including reporting audit plans and audit results and exchanging opinions among the audits.

Outside Director

Director **Ken MISHIMA**	Rokt GK as the head of Asia after working for General Manager of the Mobile App Department, Google Japan G.K. , JTB Corporation as the general manager of the online department, Expedia Holdings KK as representative director, eBay Japan K.K. and others following his completion of graduate studies at the University of New South Wales
Director **Lei LEI**	Representative Director of Sinfrontera Inc. after working for NEXON Co., Ltd. and Nomura Securities Co., Ltd. after completing graduate studies at Hitotsubashi University
Director **Yukari NAGATA**	Representative Director of DATA VIZ LAB Inc. after working for KPMG consulting Inc., Rakuten Group, Inc., and Accenture Japan Ltd. after graduating from Waseda University
Director **Ayari HIRAYAMA**	Enrolled at Tokyo University of Foreign Studies

Audit & Supervisory Board

Standing Corporate Auditor **Naoto KODAMA**	Chairman of the Board of Auditors Certified public accountant Independent Officer
Corporate Auditor(outside) **Chika TSUNODA**	Independent Officer
Corporate Auditor(outside) **Akiko OGURA**	Certified public accountant Independent Officer

Business Risks

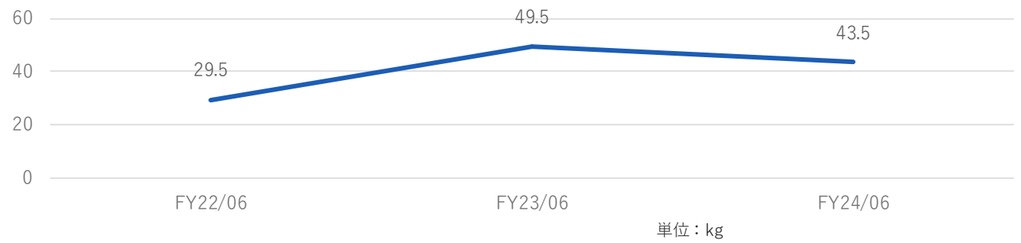
Main risk factors	Risk details	Impact	Response measures to risk, etc.
Risk related to changes in economic conditions	・Interest rate fluctuation	Frequency：Medium Impact：Low	Suppress the impact of interest rate fluctuations by monitoring market trends, diversifying fund procurement sources and lending periods, and using procurement at fixed interest rates.
	・Fluctuation in exchange rates	Frequency：Medium Impact：Low	Diversification of the timing and contractual timing of incoming payments and remittance handling with overseas subsidiaries, and measures to mitigate the impact of exchange rate fluctuations.
	・Soaring resource and energy prices due to prolonged Russian aggression in Ukraine	Frequency：Low Impact：Low	Mitigating the impact of price increases by diversifying and controlling suppliers and sales outlets.
Risks related to business activities	・Change or cancellation of airline or other contractual arrangements	Frequency：Medium Impact Medium	Diversify risks by expanding the range of products handled.
	・ Handling of personal information	Frequency：Low Impact：High	Conduct information security measures and thoroughly promote information security measures and our group Privacy Policy inside the Group
	・Lack of acceptance system for global recruitment	Frequency：Low Impact Medium	Enhance internal training programs and strengthen recruitment of personnel fluent in languages in preparation for securing operators for foreign customers and excellent personnel in Japan and abroad.
	・Insufficient system infrastructure, e.g. to support individual API connections due to overseas business expansion	Frequency：Low Impact Medium	Facilitate the construction of robust systems and strengthen the infrastructure at offshore development bases by utilizing the technical skills and know-how developed in Japan.
Risks related to disasters, climate change, and trouble,etc.	・Risk of damage to tourism infrastructure due to changes in global conditions, natural disasters such as earthquakes, accidents, etc.	Frequency：Medium Impact Medium	Having funds on hand allows for more time to respond.
	・Temporary poor management of client major changes in corporate activities, social activities, and consumer behavior due to the spread of infectious disease or related state or emergency declaration	Frequency：Low Impact Medium	Expansion of products not only in the travel domain but also in the frequently used lifestyle domain.
	・Information technology (IT)system trouble	Frequency：Low Impact：High	Implement multifaceted countermeasures for cyber security, including technical, process/personnel, and physical aspects, as well as training in preparation for problems that may arise.
	・Climate change	Frequency：Low Impact Medium	Analysis of risks and opportunities, ascertainment of impacts on business strategy, and examination of climate change mitigation and adaptation measures.
	・Service quality problems, incidents and accidents that occur at travel destinations, brand value decrease due to misconduct of the Group's directors, officers and employees, sales downturn, etc.	Frequency：Low Impact：High	Prevent issues from arising through compliance/risk management training.

* Low frequency refers to a probability of the maximum conceivable risk event occurring once in 10 or more years. High impact indicates a maximum conceivable damage impact of 10 billion yen or more.
* The above data is based on our determination as of Jun 30, 2024. It does not necessarily cover all of the risks related to the Group’s business, and it also contains some uncertainty. Actual results may be different

ESG Data

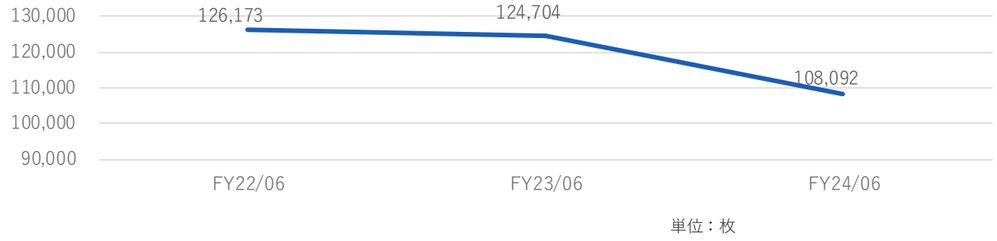
Environment

Amount of recycled PET bottle caps



単位：kg

Number of pages printed



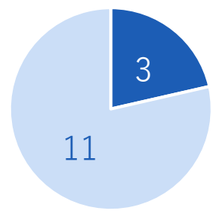
単位：枚

Social

Employee Data

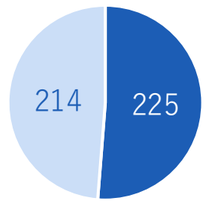
項目	FY22/06	FY23/06	FY24/06
Number of employees (excluding part-time employees)	148	150	126
Percentage of employees with disabilities	0.6% (1/148)	1.3% (2/150)	1.5% (2/126)
Number of childcare leave recipients	2	2	5
Percentage of Employees Taking Paid Leave	78.2%	79.8%	79.1%
Occupational Accident Frequency Rate	3.43%	3,38%	0%
Average age of regular employees	31.3	31.6	32.9
Average years of attendance	2years 6month	2years 9month	3years 6month

Female Manager Ratio



21%

Foreign National Ratio



51%

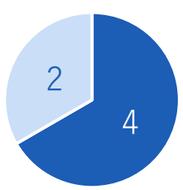
Governance

Director Data

	FY22/06	FY23/06	FY24/06
Director	6	6	6
Female Director	3	3	3
Outside Director	4	4	4
Auditor	3	3	3
Auditor(outside)	2	2	2

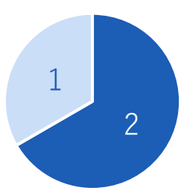
Unit:people
※As of Jun 2024

Outside Director Ratio



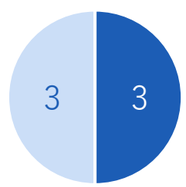
67%

Outside Auditor Ratio



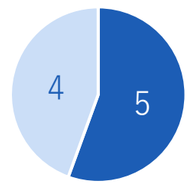
67%

Independent Director Ratio



50%

Female Officer Ratio



56%

Financial Data

[IFRS] Consolidated Statement of Financial Position

(Thousand yen)

			FY 23/6				FY 24/6			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Asset										
	Current assets									
		Cash and cash equivalents	12,326,137	12,492,641	13,087,760	14,004,852	13,749,375	16,946,166	17,843,187	17,007,750
		Trade and other receivables	2,302,942	1,823,379	3,048,372	3,062,511	2,314,700	2,163,963	3,486,875	3,676,031
		Inventories	107,197	387,020	311,122	480,675	431,270	644,754	522,199	263,745
		Operational investment securities	1,323,973	1,179,254	1,172,091	1,188,809	1,148,442	1,015,200	1,015,207	1,015,202
		Other financial assets	156,000	166,000	423,250	441,805	444,570	442,775	458,028	231,406
		Other current assets	692,537	863,313	959,329	1,286,248	983,183	1,544,003	1,438,602	1,814,761
		Assets held for sale						34,999		
	Total current assets		16,908,788	16,911,608	19,001,926	20,464,902	19,071,542	22,791,863	24,764,101	24,008,897
	Non-current assets									
		Property, plant and equipment	59,307	60,798	77,508	123,769	129,610	159,633	175,447	410,003
		Right-of-use assets	616,564	571,320	588,858	731,444	1,009,630	922,734	849,797	847,081
		Goodwill	529,172	617,172	617,172	612,172	612,172	3,041,811	3,041,811	2,986,066
		Intangible assets	147,341	128,466	109,911	93,028	82,169	71,530	60,891	50,974
		Other financial assets	1,534,056	1,514,018	1,511,233	1,515,900	1,852,807	1,921,682	1,444,541	1,425,608
		Deferred tax assets	621	844	1,098	751	452	5,014	2,454	7,027
		Other non-current assets	102,228	1,941	1,965	23	20	4,409	73	23
	Total non-current assets		2,989,292	2,894,561	2,907,747	2,949,114	3,686,863	6,126,817	5,575,016	5,726,786
Total assets			19,898,080	19,806,169	21,909,673	23,541,993	22,758,405	28,918,680	30,339,117	29,735,683
Liabilities and equity										
	Liabilities									
	Current liabilities									
		Trade and other payables	4,879,076	4,699,843	6,447,588	7,639,345	6,508,596	5,827,777	7,558,552	8,015,100
		Bonds and borrowings	451,467	417,566	392,832	307,240	261,904	1,074,418	1,027,217	985,216
		Lease liabilities	191,228	192,936	219,482	249,339	308,643	319,502	289,556	321,942
		Allowance								781
		Income taxes payable	406,456	575,177	390,657	388,724	343,188	559,248	270,069	375,916
		Other current liabilities	107,055	113,274	180,778	220,708	189,477	251,792	306,684	476,507
		Liabilities related to assets held for sale						28,804		
	Total current liabilities		6,035,283	5,998,797	7,631,338	8,805,357	7,611,810	8,061,544	9,452,079	10,175,465
	Non-current liabilities									
		Bonds and borrowings	2,942,250	2,846,952	2,767,487	2,641,874	2,550,047	7,029,604	6,802,462	6,581,520
		Lease liabilities	420,991	373,624	364,591	458,218	680,592	635,418	557,663	525,329
		Retirement benefit liability	25,052	23,842	23,914	24,575	24,004	23,842	23,914	27,498
		Deferred tax liabilities	114,721	64,022	54,920	184,300	188,339	174,295	173,138	177,897
		Other non-current liabilities	56,358	59,576	62,294	64,212	76,327	119,439	120,731	167,974
		Total non-current liabilities	3,559,374	3,368,018	3,273,208	3,373,179	3,519,309	7,982,599	7,677,908	7,480,220
	Total liabilities		9,594,657	9,366,815	10,904,547	12,178,537	11,131,120	16,044,144	17,129,988	17,655,685
	Equity									
		Share capital	3,283,126	3,303,499	3,303,499	3,307,675	3,308,197	3,308,719	3,308,719	4,072,778
		Capital surplus	3,271,848	3,292,220	3,292,220	3,296,397	3,296,919	3,297,441	3,297,441	4,047,669
		Retained earnings	3,759,039	3,860,626	4,436,957	4,744,007	4,998,100	5,184,704	5,506,009	5,329,176
		Treasury shares	(1,284)	(1,952)	(1,952)	(1,952)	(1,952)	(2,108)	(2,113)	(2,469,801)
		Other components of equity	(9,306)	(15,039)	(25,598)	(17,327)	26,020	7,605	19,741	70,990
		Total equity attributable to owners of the parent	10,303,422	10,439,354	11,005,126	11,363,455	11,627,285	11,796,362	12,129,798	11,050,813
		Non-controlling interests						1,078,174	1,079,330	1,029,185
		Total equity	10,303,422	10,439,354	11,005,126	11,363,455	11,627,285	12,874,536	13,209,129	12,079,998
Total liabilities and equity			19,898,080	19,806,169	21,909,673	23,541,993	22,758,405	28,918,680	30,339,117	29,735,683

Financial Data

[IFRS] Consolidated Statement of Profit and Loss

(Thousand yen)

	FY 23/6				FY 24/6			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Revenue	4,961,576	4,397,112	5,638,094	5,030,954	5,621,164	4,763,258	6,207,162	5,800,141
Cost of sales	863,217	1,497,142	1,834,281	1,128,860	1,469,569	1,566,524	2,222,446	2,062,035
Gross profit	4,098,358	2,899,970	3,803,813	3,902,095	4,151,595	3,196,734	3,984,716	3,738,105
Selling, general and administrative expenses	2,766,039	2,695,785	2,901,246	3,462,100	3,393,251	2,844,685	3,531,217	3,747,939
Other income	6,493	6,242	7,546	941	-	3,720	66,563	7,562
Other expenses	–			0	-	170	2,324	82,014
Operating profit	1,338,812	210,426	910,113	440,936	758,344	355,597	517,738	(84,284)
Finance income	5,781	6,079	5,661	8,165	8,357	10,010	6,851	6,158
Finance costs	13,567	15,555	21,711	21,876	23,348	34,733	36,949	42,851
Profit before tax	1,331,026	200,950	894,062	427,226	743,353	330,874	487,640	(120,977)
Income tax expense	489,109	99,363	317,732	120,173	323,735	163,265	150,784	108,152
Profit from continuing operations	841,917	101,587	576,330	307,052	419,617	167,609	336,855	(229,127)
Discontinued operations								
Profit (loss) from discontinued operations	–	–			-	-	-	
Profit	841,917	101,587	576,330	307,052	419,617	167,609	336,855	(924,081)
Profit attributable to the following								
Profit attributable to owners of parent	841,917	101,587	576,330	307,052	419,617	186,603	321,305	(176,832)
Profit attributable to non-controlling interests	–				–	(18,994)	15,550	(52,295)
Total	**841,917**	**101,587**	**576,330**	**307,052**	**419,617**	**167,609**	**336,855**	**(229,127)**
Earnings per share								
Basic earnings (loss) per share (yen)								
Continuing operations	112.25	13.53	76.62	201.60	55.77	24.8	42.7	123.24
Discontinued operations	–				–		-	
Basic earnings per share	112.25	13.53	76.62	201.60	55.77	24.8	42.7	123.24
Diluted earnings (loss) per share (yen)								
Continuing operations	107.68	12.95	73.64	193.45	53.9	24.27	42.08	120.24
Discontinued operations	—				—		-	
Diluted earnings per share	107.68	12.95	73.64	193.45	53.9	24.27	42.08	120.24

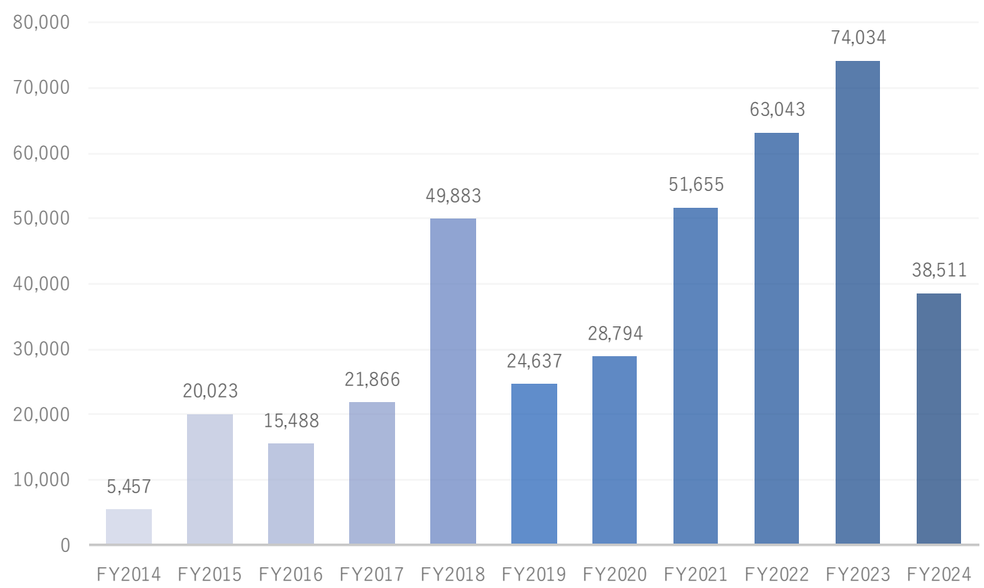
Financial Data

[IFRS] Consolidated Statement of Comprehensive Income

(Thousand yen)

	FY 23/6				FY 24/6			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Profit	841,917	101,587	576,330	307,052	419,617	167,609	336,855	(229,127)
Items that may be reclassified to profit or loss								
Exchange differences on translation of foreign operations	(10,896)	(5,694)	(10,558)	42,934	8,694	(16,886)	(2,258)	54,939
Total of items that may be reclassified to profit or loss	(10,896)	(5,694)	(10,558)	42,934	8,694	(16,886)	(2,258)	54,939
Total other comprehensive income	(10,896)	(5,694)	(10,558)	42,934	8,694	(16,886)	(2,258)	54,939
Comprehensive income	831,021	95,892	565,772	349,985	428,311	150,722	334,597	(174,187)
Comprehensive income attributable to the following								
Comprehensive income attributable to owners of parent	831,021	95,892	565,772	349,985	428,311	168,189	333,441	(124,042)
Comprehensive income attributable to noncontrolling interests						(17,466)	1,155	(50,145)
Comprehensive income	**831,021**	**95,892**	**565,772**	**349,985**	**428,311**	**150,722**	**334,597**	**(174,187)**

Market Capitalization at end of period



(million yen)

List of Shareholders

Shareholder	Number of holding shares	Shareholding ratio (%)
Shunichi Nakamura	4,950,000	66.58
Custody Bank of Japan, Ltd.(Trust account)	455,300	6.12
DAIWA CM SINGAPORE LTD-NOMINEE YAGI RIEKO	155,000	2.08
Yoshio Shimonaka	90,000	1.21
The Nomura Trust and Banking Co., Ltd.(Investment trust account)	87,200	1.17
Nakamura, Inc.	85,000	1.14
Nomura Securities Co.,Ltd.	50,900	0.68
Custody Bank of Japan, Ltd.(Trust account 4)	36,000	0.48
The Master Trust Bank of Japan, Ltd. (Trust account)	30,600	0.41
BNY G CM C LIENT A CCOUNT J PRD A C I	26,703	0.36

(Note)
1. The percentage of shareholding to the total number of shares is rounded off to two decimal places.
2. Shareholding ratios are calculated excluding treasury shares.
3. Shares in the name of "Nakamura, Inc" are held by Shunichi Nakamura, Representative Director of the Company, as the beneficial shareholder.