



President & CFO Yusuke Shibata

AirTrip Corp. (6191)



Company Information

Exchange	TSE Prime
Industry	Service industry
President & CFO	Yusuke Shibata
HQ Address	Atago green Hills MORI tower 19F, 2-5-1, Atago, Minato-ku, Tokyo
Year-end	End of September
Homepage	https://www.airtrip.co.jp/

Stock Information

Share Price	Number of shares issued		Total market cap	ROE (Actual)	Trading Unit
¥1,294	22,388,165 shares		¥28,970 million	16.1%	100 shares
DPS (Est.)	Dividend yield (Est.)	EPS (Est.)	PER (Est.)	BPS (Actual)	PBR (Actual)
undecided	-	¥11.17	115.8x	¥558.26	2.3x

*The share price is the closing price on July 10. Number of shares issued and EPS are taken from the financial results for the second quarter of FY 9/24. ROE and BPS are the actual results in the previous fiscal year.

Earnings Trend

Fiscal Year	Sales	Operating Income	Profit before tax	Net Income	EPS	DPS
September 2020 Act.	21,191	-8,760	-8,956	-8,380	-433.80	10.00
September 2021 Act.	17,524	3,142	3,043	2,372	112.15	10.00
September 2022 Act.	13,589	2,243	2,030	1,712	77.38	10.00
September 2023 Act.	23,162	2,398	2,318	1,489	66.98	10.00
September 2024 Est.	26,000	1,000	450	250	11.17	-

*Unit: yen, million yen. The dividend forecast for this term is still to be determined. Net income is profit attributable to owners of parent. Hereinafter the same applies.

This report outlines the earnings results for the first half of the Fiscal Year ending September 2024 and other information about AirTrip Corporation.

Table of Contents

[Key Points](#)

[1. Company Overview](#)

[2. First Half of The Fiscal Year ending September 2024 Earnings Results](#)

[3. The Fiscal Year ending September 2024 Earnings Forecasts](#)

[4. Topics](#)

[5. Conclusions](#)

[<Reference: Regarding Corporate Governance>](#)

Key Point

- **In the first half of the fiscal year ending September 2024, transaction volume was 55,042 million yen, up 27.1% year on year. Under the medium/long-term growth strategy, “AirTrip 5000,” and the growth strategy for the fiscal year ending September 2024, “AirTrip 2024,” the company achieved a significant increase in transaction volume from the previous fiscal year by accumulating business revenues in each business portfolio. Operating income increased 27.3% year on year to 2,021 million yen. Gross profit margin improved from 50.9% in the same period of the previous year to 57.9%. This offsets the increase in SG&A expenses, and operating income margin improved. Due to the rise in financial costs, pre-tax profit decreased 2.6%, and net income declined 8.9% year on year.**
- **The full-year forecast remains unchanged. In the fiscal year ending September 2024, transaction volume is expected to reach 120 billion yen, and sales are projected to be 26 billion yen. The AirTrip travel business is performing well due to continued strategic marketing investment, enhanced usability through UI/UX improvements, and the outcomes of various promotions. On the other hand, the company is anticipating growth investments to complete the medium/long-term growth strategy, “AirTrip 5000,” as quickly as possible. Thus, the company is conservative in estimating the impact that future investments and new businesses will have on the profit side of business results. The dividend amount has not yet been determined, but the company aims for a payout ratio of around 20%.**
- **The third post-listing stage began in the fiscal year ending September 2024, and the company was able to get off to a strong start, with operating income increasing 27.3% in the first half. The company forecasts a decline in profit for the full year, which is quite conservative. “AirTrip 5000” is underway, and President Shibata commented that the milestone goals of 150 billion yen in transaction volume and 5 billion yen in operating income for the fiscal year ending September 2026 are “coming into sight.” We got the impression that he has a better feeling than the actual results. Although share price has been sluggish, it can be said that it is at a considerably undervalued level in terms of investment indicators.**

1. Company Overview

AirTrip Corp. conducts a variety of businesses centered on the AirTrip travel business, which operates the comprehensive travel platform “AirTrip,” boasting the largest Internet ticket trading volume. In the IT offshore development business, the company employs approximately 700 IT engineers and is engaged in “the largest hybrid type offshore development among Japanese companies,” in the inbound travel agency business/Wi-Fi rental business, the company provides various services to foreign visitors to Japan and private lodging management companies. Moreover, the company is focusing on the investment business (AirTrip CVC), aiming to expand service lines and improve profits by pursuing synergies through collaborations with investee companies by investing in growing companies.

The company set “Air Trip 5000” as their medium-term target to achieve a trading volume of 500 billion yen.

【1-1 Corporate History】

In May 2007, Tabi Capital Co., Ltd. was established to provide online travel agency services.

Since then, the company has been expanding its product line-up through M&A and business transfers.

In March 2012, the company began IT offshore development business in Vietnam. Taking this opportunity, in order to clearly show the company's direction towards the integrated IT business, it changed its name to Evolvable Asia Corp. in October 2013.

In March 2016, it was listed on the Mothers Section of the Tokyo Stock Exchange. One year later, in March 2017, it moved to the First Section of the Tokyo Stock Exchange.

In May 2018, the company achieved the largest Internet trading volume of airline tickets due to the reorganization of the former DeNA Travel into a subsidiary.

On January 1, 2020, as the operating company of “AirTrip,” which has the largest Internet trading volume of airline tickets, the company unified its trade name and brand name to build a stronger business foundation and further improve the popularity of the “AirTrip” brand.

Also, the company changed its name to AirTrip Corp. to demonstrate its stance of concentrating on various businesses centered on “AirTrip.”

In April 2022, the company got listed on the Prime Market of the Tokyo Stock Exchange following the reorganization of the market.

【1-2 Mission, etc.】

Corporate Philosophy	The AirTrip Group establishes an AirTrip economic zone with the power of IT and creates a future.
----------------------	--

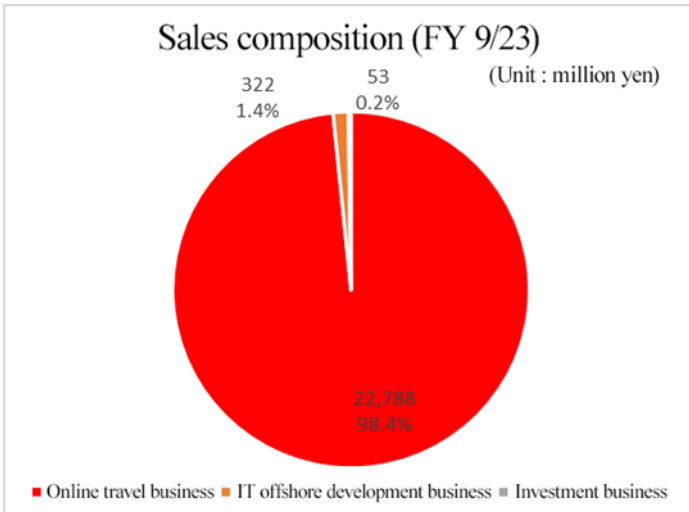
Mission	The AirTrip Group continues to grow endlessly while AirTrip aims to be the No. 1 online travel agent based in Japan.
Code of conduct	<p>*We make efforts every day so that users of our services will be our fans!! We put users of our services first at all times and every day so that they will be our fans. What we value more than anything else are thoughtfulness, peace of mind, and reliability with smiles.</p> <p>*We do not hold a ball, but act swiftly!! As professionals, we do not slow down business. We do not hold a ball, but respond and take action immediately.</p> <p>*We comply with laws and regulations!! We understand that we are a company listed on the Prime Market of the Tokyo Stock Exchange and thoroughly comply with relevant laws and regulations on a daily basis.</p> <p>*We eliminate harassment!! We encourage each of our employees to have a sense of commitment and not to forgive harassment so that we can foster a better working environment.</p> <p>*We improve a work-life balance by encouraging our employees to serve visitors for 30 minutes at most and hold meetings for 20 minutes at longest!! Giving top priority to the growth and work-life balance of the employees of the AirTrip Group, we cut down on the waste of time, energy, and resources in our business.</p>

【1-3 Business Description】

The business domains are AirTrip travel business, IT offshore development business, inbound travel business/Wi-Fi rental business, media business, investment business (AirTrip CVC), regional revitalization business, and cloud business, and aside from these seven businesses, human resources solution business, creative solution & DX business, and matching platform business were newly added.

There are currently three segments to be reported: online travel business, IT offshore development business, and investment business.

AirTrip travel business, inbound travel business/Wi-Fi rental business, media business, regional revitalization business, cloud business, human resources solutions business, creative solutions & DX business, and matching platform business are included in the online travel business segment.



(1) Online Travel Business

① AirTrip travel Business

It sells travel products such as domestic airline tickets, domestic hotels, overseas airline tickets, overseas accommodations, AirTrip plus (Airline tickets + hotels), package tours, busses, rental cars, and Shinkansen through the comprehensive travel platform “AirTrip” and various sales channels.



(From the company's website)

Domestic airline tickets	<ul style="list-style-type: none"> • Handling tickets for 14 domestic airlines
Domestic accommodations	<ul style="list-style-type: none"> • Handling more than 20,000 facilities in Japan
Overseas airline tickets / accommodations	<ul style="list-style-type: none"> • Issuing international airline tickets as an authorized IATA agent (※). • 600,000 overseas facilities also handled

※ IATA (International Air Transport Association): The IATA is a trade association of the world's airlines.

Sales channels	Overview
Direct managed site (B-to-C)	The company operates integrated service platform at “AirTrip” which allows users to easily compare and book domestic and international travel contents.
B-to-B-to-C	The company provides travel content such as domestic airline tickets and travel, international airline tickets and hotels to other company's online media. The media will enjoy benefits such as enriching original content, enhancing customer satisfaction, and creating new profit sources.
Wholesale service (B-to-B)	The company provides mainly domestic airline tickets and sales management systems to travel agencies.

The comprehensive travel platform “AirTrip” handled domestic and international airline tickets, hotels, domestic and international tours, buses, rental cars, and the Japanese bullet train (Shinkansen).

Moreover, the company steadily increased the number of users by actively developing various advertising activities such as TV commercial to raise awareness, operating various campaigns, and improving UI and UX on a daily basis.

(Strengths of business)

The company has the largest trading volume of airline tickets in the Japanese Online Travel Agent (OTA) industry.

The agreements with all domestic airline groups, a unique business condition enjoyed only by the company, enable the company to issue flight tickets. Advantageous procurement prices combined with self-issuing of tickets (no need to outsource) make its cost competitiveness overwhelmingly strong.

In addition, the company has “competitive supply routes” based on strong relationships of trust with each airline company resulting from long-term business relationships, “diverse sales routes”, and “low-cost system development using its own offshore IT development capacity”. Because of these factors, the company has created high barriers to entry.

② Inbound Travel Business/Wi-Fi Rental Business

The company uses the know-how nurtured in the AirTrip Travel Business to provide services for foreign visitors to Japan.

(Primary Services)

*Wi-Fi Rental for Foreign Visitors to Japan

Inbound Platform Corp., a subsidiary of AirTrip, has been providing a Wi-Fi router rental service for travelers visiting Japan, with a performance of over 330,000 rentals, establishing its brand through the long-standing trust and word-of-mouth.

③ Media Business

Working with MagMag Inc., which is a consolidated subsidiary with the ethos of “distributing what you want to convey to those who want to know,” the company collects creators' contents from all over the world, develops and provides systems to deliver the information to those who see value in them. They operate the free and paid email newsletter service “MagMag!,” holding the country's largest 7.5 million-member base, “mine” where users can purchase respective articles, the online media “MAG2 NEWS,” “MONEY VOICE,” “TRiP EDiTOR,” and “by them,” in which users can discover contents and deliver them to a number of people who want to know.

④ Regional revitalization business

The company's subsidiaries, Kanxashi Corporation and N's Enterprise, are engaged in the regional revitalization business. The company aims to solve social issues such as population shortages and produce regional tourism by developing solutions centered on “Tourism Tech” and “HR Tech” to increase the number of visitors and revitalize the local economy.

⑤ Cloud business

The company's subsidiary, Kanxashi Corporation, is developing its cloud business. It is developing cloud services that improve the operational efficiency of the accommodation and food and beverage industries, such as the comprehensive accommodation plan management tool “Kanxashi Cloud” and the automated cancellation fee collection tool “Wakixashi Cloud,” as well as “Cuticomi Cloud,” “Xenigata Cloud,” “Cloud Transfer Shaseen,” and “Vansow Cloud.” By doing so, it aims to become a company most needed by inns, hotels, local companies, etc.

⑥ Human resources solution business

As a global career change agent that connects the world and Japan, Airtrip Agent Co., Ltd., a subsidiary of Airtrip, provides a wide range of services, including system engineering services, human resource referrals, and recruitment support, to match companies with the right people who have necessary skills. It supports project promotion for a wide range of companies, not only in the IT industry, but also in the medical, nursing, and tourism industries.

⑦ Creative solutions & DX business

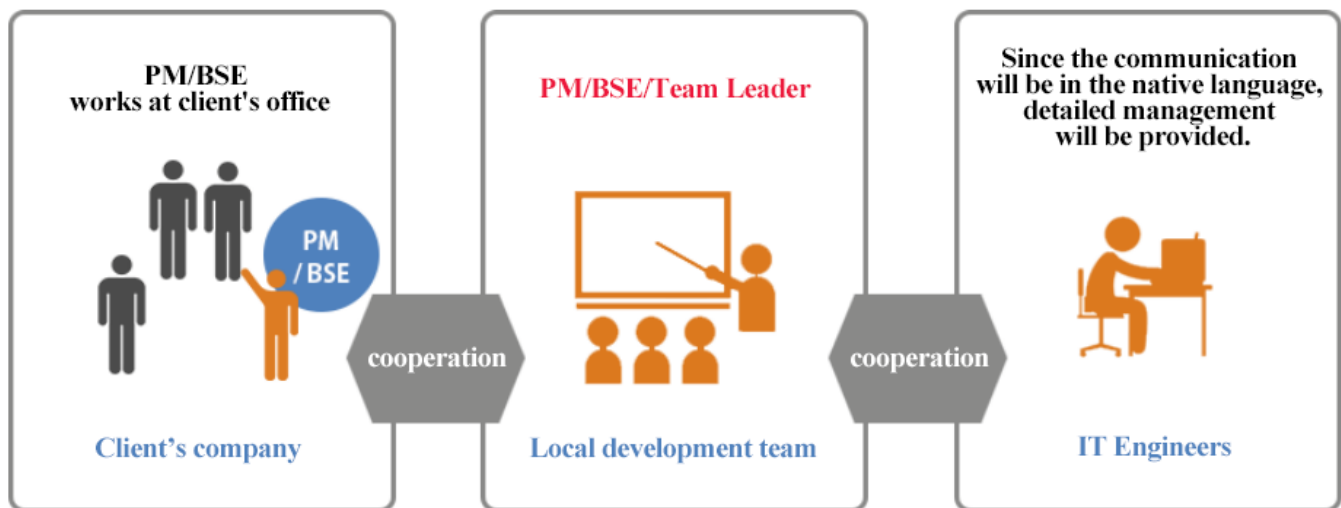
The group company Northshore Inc. has many producers, art directors, designers, and engineers with vast experience and provides one-stop solutions that go beyond the boundaries of video, design, and digital services. In addition, as a DX service for the advertising industry, it operates the video creator platform “Creshore” and other services that can produce videos such as commercials at a lower cost than conventional methods.

⑧ Matching platform business

GROWTH Co., Ltd., a subsidiary of AirTrip, solves companies' marketing issues and provides high-quality value by introducing the most suitable marketing personnel according to the details of tasks, scope, and skills required. The company operates the marketing-specific job matching platform “JOB DESIGN” and the marketing-specific high-class job change support service “JOB SELECTION,” as well as Internet advertising and brand businesses.

(2) IT offshore development business

The company provides lab-type development services mainly for development companies for e-commerce, web-solutions, games and systems, in 3 locations in Vietnam (Ho Chi Minh, Hanoi and Da Nang). The company forms a team with dedicated staff members hired for each customer of its lab-type development services, which allows customers to check the development status of the lab whenever they need to.



(From the company's website)

(Features of the IT Hybrid Development)

The company has a number of project managers with 5 to 10 years or longer of practical experience in Japan, and carries out upstream processes in Japan, including the requirement definition. They communicate with customers in Japanese, while they communicate with engineers in Vietnamese, therefore, the company can provide development solutions that are consistent from upstream processes to downstream processes, without any inconsistency between their understanding.

Furthermore, they accumulate know-how by assigning dedicated development staff members, so that they can improve the efficiency of their business operation in proportion to the operation period. In addition, they achieve optimum cooperation and management by having a Vietnamese project manager on the ordering side.

BRIDGE REPORT



(3) Investment business

It is positioned as the business having characteristics of CVC (corporate venture capital). The company will pursue a synergistic effect as well as opportunities for capital gains. The company also engages in investment incubation business.

As of the end of December 2023, the company had invested in a cumulative total of 127 companies, and the total investment amount was 5 billion yen. A total of 17 companies (including 2 listed subsidiaries and 1 listed affiliated company) in which AirTrip invested have made an IPO so far.



Listed				
 Cocolive Cocolive Inc. [TSE Growth: 137A] Listed in February 2024 Public offering 5.2 billion yen Initial price 11.6 billion yen	 VALUE CREATION Value Creation Inc. [TSE Growth: 9238] Listed in November 2023 Public offering 2 billion yen Initial price 3.4 billion yen	 Japan M&A Solutions Inc. [TSE Growth: 9236] Listed in October 2023 Public offering: 1.8 billion yen Initial price: 3.1 billion yen	 AVILEN AVILEN Inc. [TSE Growth: 5591] Listed in September 2023 Public offering 12.8 billion yen Initial price 15 billion yen	 Inbound Platform Inbound Platform Inc. Subsidiary Listed [TSE Growth: 5587] Listed in August 2023 Public offering: 6.2 billion yen, Initial price: 8.6 billion yen
 Prime Strategy Prime Strategy [TSE Standard: 9250] Listed in February 2023 Public offering: 4.6 bn yen, opening price: 10.3 bn yen	 Mental Health Technologies Mental Health Technologies Inc. [TSE Growth: 9218] Listed in March 2022 Public offering 6 billion yen Initial price 8.4 billion yen	 Hybrid Hybrid Technologies Inc. Subsidiary Listed [TSE Growth: 4260] Listed in December 2021 Public offering: 4.9 billion yen, Initial price: 7.8 billion yen	 LASTONEMILE LAST ONE MILE Inc. [TSE Growth: 9252] Listed in November 2021 Public offering 4.6 billion yen Initial price 6.8 billion yen	 ROBOT PAYMENT ROBOT PAYMENT Inc. [TSE Growth: 4374] Listed in September 2021 Public offering 6.9 billion yen, Initial price 13.9 billion yen
 Headwaters Headwaters Inc. [TSE Growth: 4011] Listed in September 2020 Public offering 2 billion yen, Initial price 26.3 billion yen	 MAGMAG Listing of subsidiary Magmag Inc. [TSE Standard: 4059] Listing in September 2020 Public offering 2.2 billion yen, Initial price 9.2 billion yen	 CSC Cyber Security Cloud, Inc. [TSE Growth: 4493] Listing in March 2020 Public offering 9.2 billion yen, Initial price 21.2 billion yen	 AI CROSS AI CROSS Inc. [TSE Growth: 4476] Listed in October 2019 Public offering 3.8 billion yen, Initial price 6.9 billion yen	 Branding Technology Branding Technology, Inc. [TSE Growth: 7067] Listed in June 2019 Public offering 2.4 billion yen, Initial price 7.7 billion yen
 PIALA PIALA Inc. [TSE Prime: 7044] Listed in December 2018 Public offering 7.6 billion yen, Initial price 17.5 billion yen	 Wagokoro Wagokoro Inc. [TSE Growth: 9271] Listed in March 2018 Public offering 4.4 billion yen, Initial price 12.5 billion yen			

*The company calculates the offering price-based market capitalisation and initial price-based market capitalisation.

(From the company's material)

2. First Half of The Fiscal Year ending September 2024 Earnings Results

(1) Consolidated Business Results

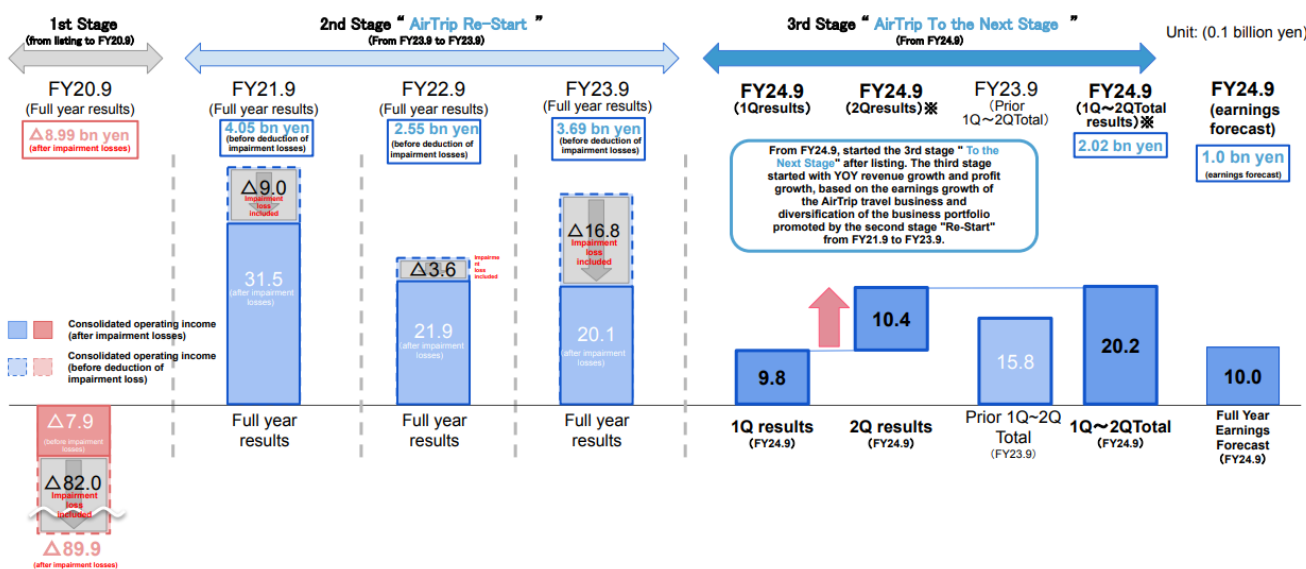
	FY 9/23 1H	Ratio to sales	FY 9/24 1H	Ratio to sales	YoY
Trading volume	43,297	-	55,042	-	+27.1%
Sales revenue	11,588	100.0%	12,486	100.0%	+7.7%
Gross profit	5,903	50.9%	7,239	58.0%	+22.6%
SG&A	4,661	40.2%	5,518	44.2%	+18.4%
Operating Income	1,588	13.7%	2,021	16.2%	+27.3%
Pre-tax income	1,584	13.7%	1,543	12.4%	-2.6%
Net income	1,114	9.6%	1,015	8.1%	-8.9%

*Unit: million yen. IFRS is applied. Net income for this period means profit attributable to owners of parent.

Sales and operating income grew.

Trading volume was 55,042 million yen, up 27.1% year on year. The environment surrounding the travel industry is recovering, thanks to the relaxation of restrictions on activities within Japan and the easing of entry restrictions in various countries. Under these circumstances, the company has positioned the fiscal year ending September 2024 as the start of the third stage after listing and achieved a significant increase in transaction volume from the same period of the fiscal year through the accumulation of business revenues in each business portfolio under the medium/long-term growth strategy “AirTrip 5000” and the growth strategy for the fiscal year ending September 2024 “AirTrip 2024.” Sales revenue increased 7.7% year on year to 12,486 million yen. The investment business grew significantly.

Operating income increased 27.3% year on year to 2,021 million yen. Gross profit margin improved from 50.9% in the same period of the previous year to 58.0%, and gross profit increased 22.6% to 7,239 million yen. Operating income margin improved from 13.7% in the same period of the previous year to 16.2% by absorbing the increase in SG&A expenses. Due to the rise in financial costs, profit before tax decreased 2.6% year on year to 1,543 million yen, and net income decreased 8.9% year on year to 1,015 million yen.



(From the company's material)

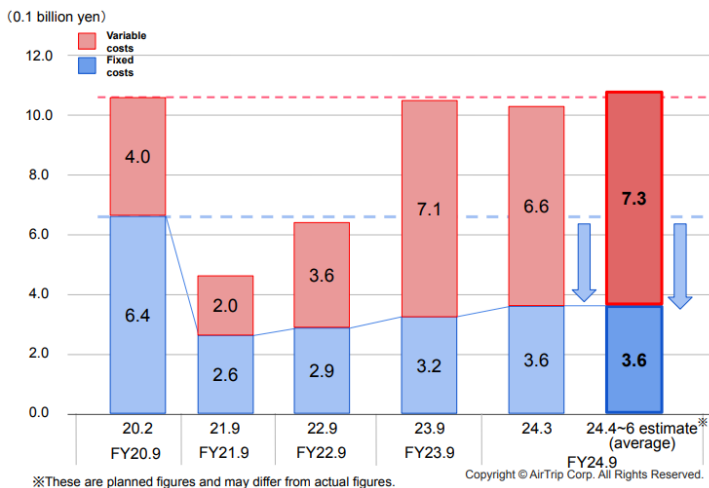
As the company continued to review and reduce selling, general, and administrative (SG&A) expenses amid the COVID-19 pandemic, fixed costs were kept at a level lower than the pre-pandemic level.

BRIDGE REPORT



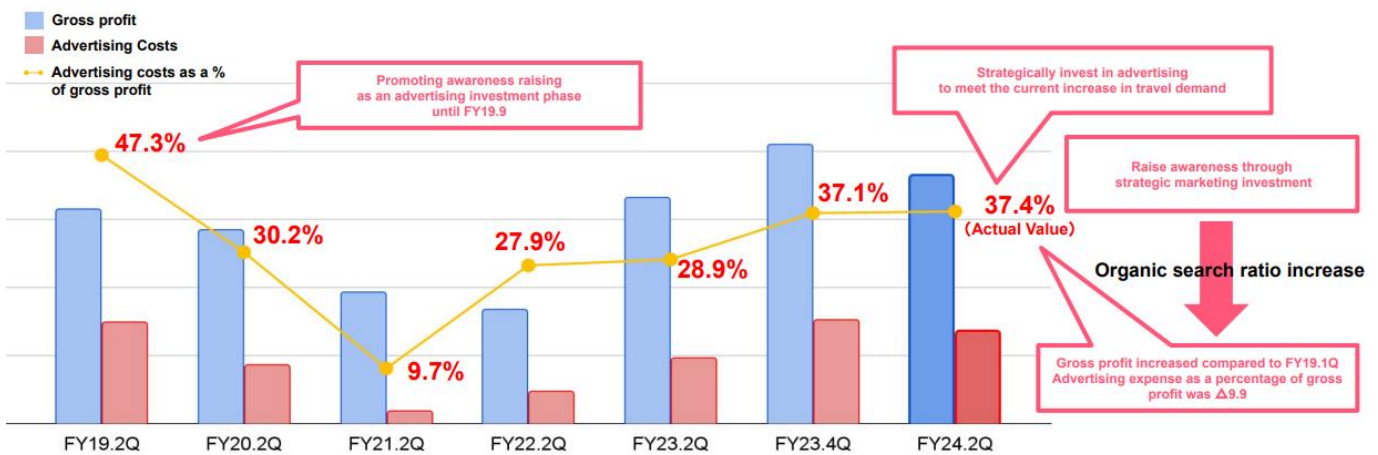
Optimization of variable costs and advertising expenses	Continue to control labor costs and reduce other fixed costs
Variable costs	Personnel costs
Increase in outsourcing expenses to meet travel demand Quality improvement of CS system by increasing outsourcing costs by each department	Optimization of personnel structure linked to travel demand Reduce commuting costs by combining some remote works
Advertising expenses	Other fixed costs
Continue to optimize advertising expense to gross profit ratio	Optimization of system maintenance costs for infrastructure management Reduction of land rent, etc. through combined use of remote works Review and reduction of other fixed costs by each department

(From the company's material)



(From the company's material)

Utilizing the brand recognition gained during the “advertisement investment phase” up to the fiscal year ended September 2019, the company will strategically invest in advertising in line with the current increase in travel demand. Due to the improvement in the ratio of accesses through organic search, the ratio of advertising expenses to gross profit decreased from the fiscal year ended September 2019.

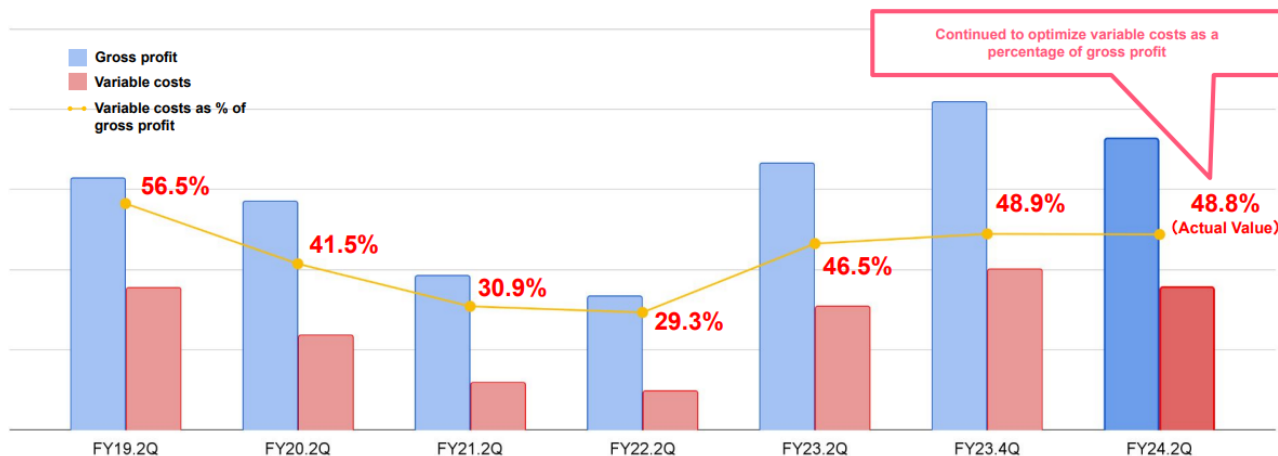


(From the company's material)

BRIDGE REPORT



Regarding the ratio of variable costs to gross profit, the company will continue to optimize and control marketing investment and operational costs in response to the changes in travel demand. Variable costs were strategically controlled in response to the changes in travel demand.

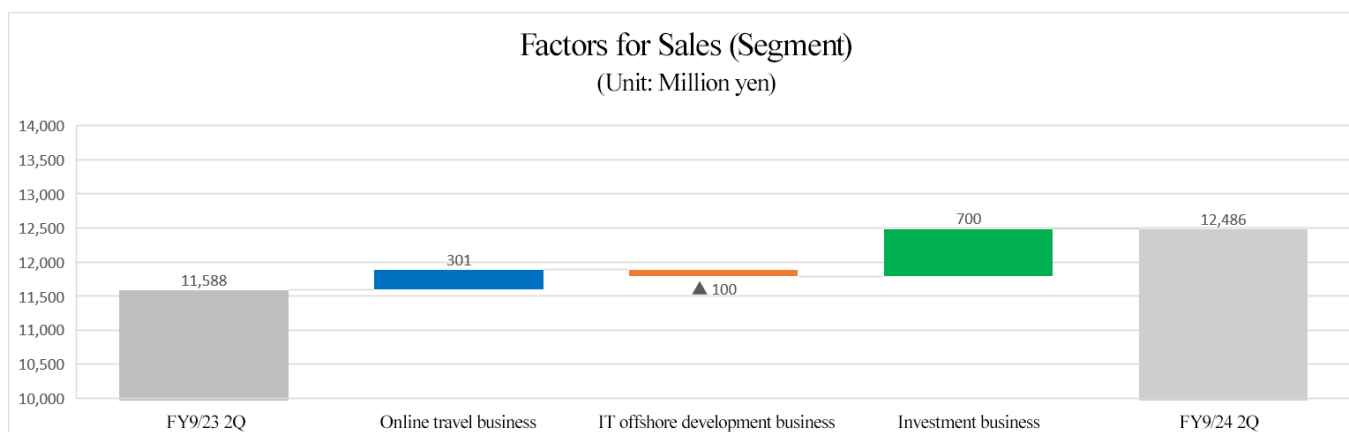


(From the company's material)

(2) Trends by segment

	FY 9/23 1H	Composition ratio	FY 9/24 1H	Composition ratio	YoY
Sales					
Online travel business	11,388	98.3%	11,689	93.6%	+2.6%
IT ooffshoredevelopment business	184	1.6%	84	0.7%	-54.1%
Investment business	15	0.1%	715	5.7%	+4,550.4%
Total	11,588	100.0%	12,486	100.0%	+7.7%
Operating Income					
Online travel business	1,637	14.4%	2,088	17.9%	+27.6%
IT ooffshoredevelopment business	0	0.0%	-84	-	-
Investment business	366	2,440.0%	398	55.7%	+8.9%
Total	1,588	13.7%	2,021	16.2%	+27.3%

*Unit: million yen. The composition ratio of operating income means operating income margin on sales.



*Produced by Investment Bridge Co., Ltd. with reference to the material of the company.

BRIDGE REPORT



① Online travel business

Sales revenue increased 2.6% year on year to 11,689 million yen, and profit increased 27.6% year on year to 2,088 million yen.

The company continued to make strategic marketing investments based on the brand recognition gained during the “advertisement investment phase,” which ended in the fiscal year ended September 2019, and the travel demand fluctuations, and it improved usability through UI/UX improvements and conducted various promotions. As a result, the company steadily met domestic travel demand, continued the strong performance of the previous fiscal year, and drove the entire business portfolio as a pillar of earnings.

② IT offshore development business

Sales revenue decreased 54.1% year on year to 84 million yen, with a loss of 84 million yen (the previous year's profit was 0 million yen).

③ Investment business

Sales revenue increased 4,550.4% year on year to 715 million yen, and profit increased 8.9% year on year to 398 million yen.

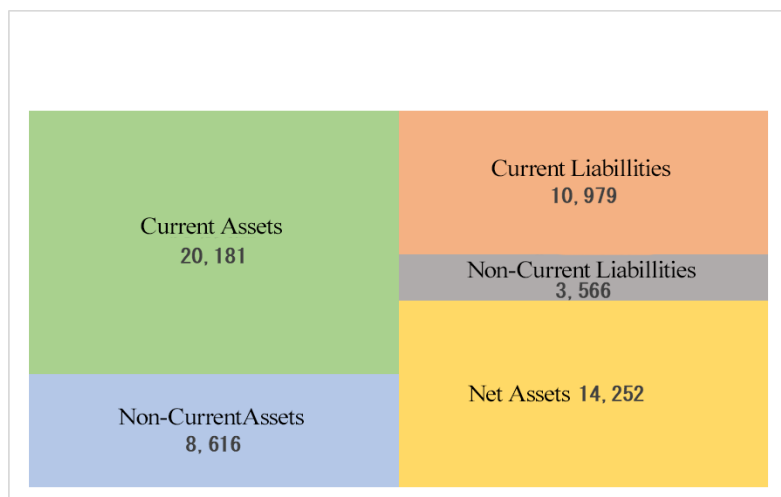
During the second quarter, the company's investee, Cocolive Inc. (securities code: 137A), was newly listed on the Growth Market of Tokyo Stock Exchange, making it the 17th IPO of a company in which the company has invested. This was the third IPO for the company's portfolio companies this fiscal year, following Japan M&A Solution Inc. (securities code: 9236) and Value Creation Co., Ltd. (securities code: 9238), and it has been steadily accumulating investment business profits.

(3) Financial standing and cash flows

◎Summarized Balance Sheet

	End of Sep. 2023	End of Mar. 2024		End of Sep. 2023	End of Mar. 2024
Current assets	24,615	20,181	Current liabilities	13,267	10,979
Cash, etc.	12,453	7,993	Trade payables, etc.	6,150	4,631
Trade receivables, etc.	2,985	2,703	Interest-bearing debts	2,203	1,932
Other financial assets	6,989	7,349	Noncurrent liabilities	4,031	3,566
Noncurrent assets	5,970	8,616	Interest-bearing debts	2,046	1,591
Tangible fixed assets	369	416	Total liabilities	17,298	14,546
Intangible fixed assets	953	1,204	Capital	13,287	14,252
Goodwill	1,276	1,280	Capital surplus	3,982	3,992
Other financial assets	795	3,210	Retained earnings	6,387	7,179
Total assets	30,586	28,798	Total liabilities and net assets	30,586	28,798

*Unit: million yen. “Cash, etc.” mean cash and cash equivalent. “Trade receivables, etc.” mean trade receivables and other credits. “Trade payables, etc.” mean trade payables and other liabilities.



*Produced by Investment Bridge Co., Ltd. with reference to the material of the company.

BRIDGE REPORT



Although cash and deposits decreased, financial assets increased, and total assets decreased 1,788 million yen from the end of the previous fiscal year to 28,798 million yen.

As trade payables and interest-bearing debt decreased, total liabilities decreased 2,752 million yen from the end of the previous fiscal year to 14,546 million yen.

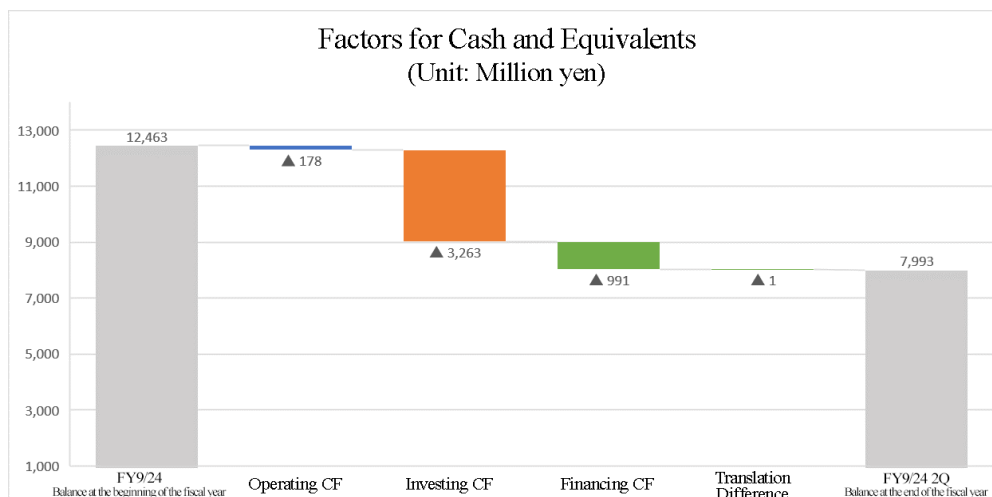
Due to an increase in retained earnings, net assets increased 964 million yen from the end of the previous fiscal year to 14,252 million yen.

As a result, equity ratio (the ratio to equity attributable to owners of the parent) rose 5.6 points from 40.3% at the end of the previous fiscal year to 45.9%.

◎Cash Flow

	FY 9/23 1H	FY 9/24 1H	Increase/decrease
Operating Cash Flow	1,728	-178	-1,906
Investing Cash Flow	-403	-3,263	-2,860
Free Cash Flow	1,325	-3,441	-4,756
Financing Cash Flow	-733	-991	-258
Cash and equivalents	9,568	7,993	-1,575

*Unit: million yen.



*Produced by Investment Bridge Co., Ltd. with reference to the material of the company.

Operating CF, investing CF, and financing CF all decreased. The cash position also decreased.

3. The Fiscal Year ending September 2024 Earnings Forecasts

Consolidated Business Forecasts

	FY 9/23	Ratio to sales	FY 9/24	Ratio to sales	YoY
Trading volume	104,547	-	120,000	-	+14.8%
Sales revenue	23,386	100.0%	26,000	100.0%	+11.2%
Operating Income	2,018	8.6%	1,000	3.8%	-50.5%
Pre-tax profit	1,973	8.4%	450	1.7%	-77.2%
Net income for this period	1,274	5.4%	250	1.0%	-80.4%

*Unit: million yen. IFRS is applied. Net income for this period means profit attributable to owners of parent.

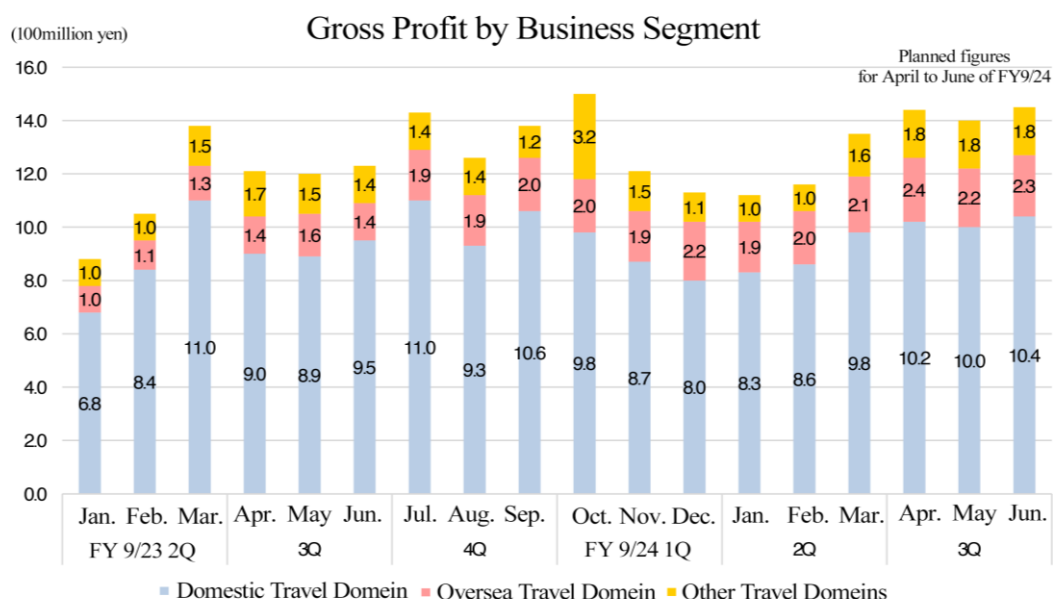
Sales are expected to increase, but profit to decrease.

The full-year forecast remains unchanged. In the fiscal year ending September 2024, trading volume is expected to reach 120 billion yen, and sales are projected to be 26 billion yen. The AirTrip travel business is performing well due to continued strategic marketing investment, enhanced usability through UI/UX improvements, and the results of various promotions. Other existing business areas are generally continuing to perform well and making solid business progress, and the company aims to increase sales and profits in existing businesses. Meanwhile, the company is aiming to achieve its medium/long-term growth strategy, “AirTrip 5000,” as quickly as possible and is anticipating growth investments in existing and new businesses. Thus, it is making conservative estimates of the impact that future investments and new businesses will have on the profit side of the business results. The dividend amount has not yet been determined, but the company is aiming for a payout ratio of around 20%.

4. Topics

① Domestic travel domain contributed to the entire business portfolio, achieving gross profit margin exceeding the same period last year.

In the domestic travel field, the quarterly total grew year on year, contributing to the overall business portfolio. Other business areas continued to make good progress, and gross profit increased across the business portfolio. The gross profit margin of the overseas travel domain also increased significantly year on year, and the company expects a gradual recovery going forward.



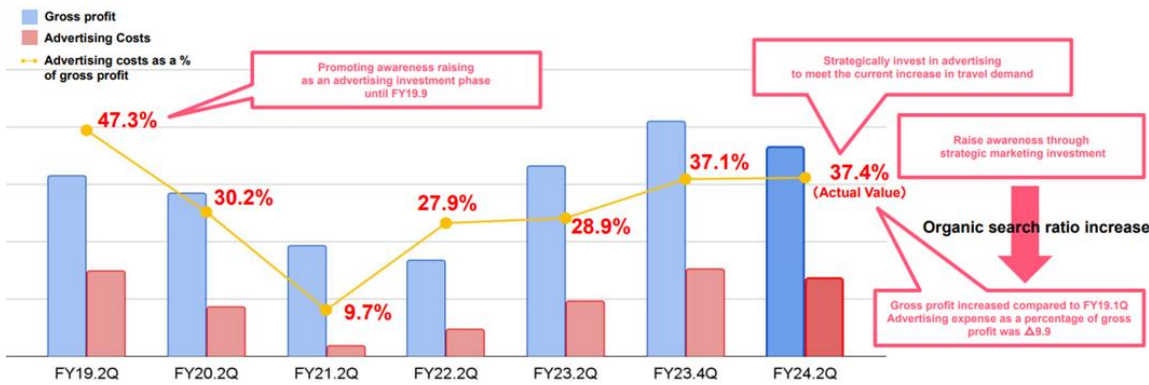
*Produced by Investment Bridge Co., Ltd. with reference to the material of the company.

BRIDGE REPORT



② Executed strategic advertising investment aimed at the “profit recovery phase” by utilizing the recognition acquired during the “advertising investment phase” until the fiscal year ended September 2019.

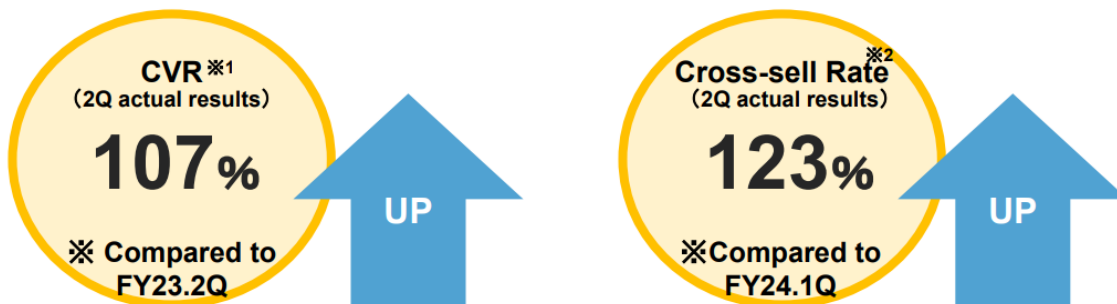
Utilizing the recognition acquired during the “advertising investment phase,” the company strategically invested in advertisements to respond to the recent increase in demand for travel. The ratio of advertising costs to gross profit has decreased from the fiscal year ended September 2019 due to an increase in the ratio of access through organic search.



(From the company's material)

③ CVR continued to improve due to UI/UX enhancement measures, and cross-selling rate grew significantly as the number of inflows increased.

Due to continued UI/UX improvements, CVR increased 107% year on year. By implementing customer-oriented appeals, cross-selling rate has grown significantly by 123%.

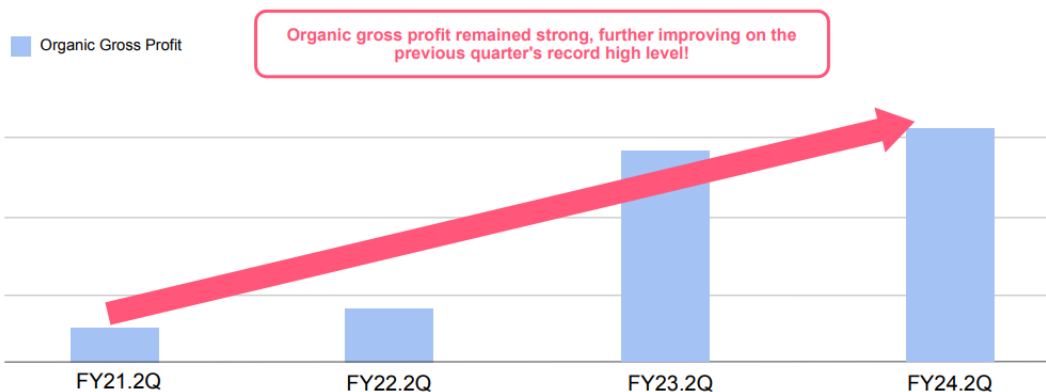


※1 Calculated as a weighted average of domestic and overseas airfare, hotel, and DP.
 ※2 Calculated as a weighted average of domestic and overseas hotels (including DP), car rentals, and insurance

(From the company's material)

④ Organic gross profit margin has reached a new record high and is healthy.

Organic gross profit, the most important KPI, has reached a new record high and has grown faster than during the nationwide travel support period. It has increased steadily by 105% from the second quarter of the fiscal year ended September 2023.



※Aim at gross profit from sales to customers not via advertising or metasearch (from natural searches for AirTrip keywords and inflows via apps, etc.)

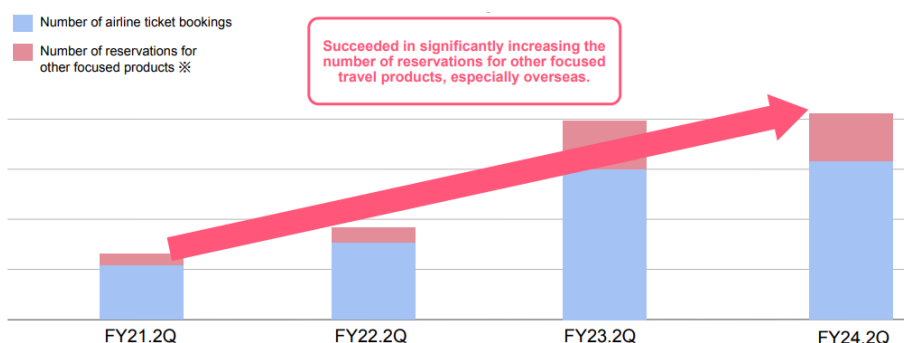
(From the company's material)

BRIDGE REPORT



⑤ Demand for air tickets has recovered, and the number of reservations for other focused products has increased significantly, especially overseas.

The company obtained more reservations than during the nationwide travel support period. The number of reservations for other focus travel products has also increased, mainly overseas, and has grown significantly by 126% from the second quarter of the fiscal year ended September 2021.

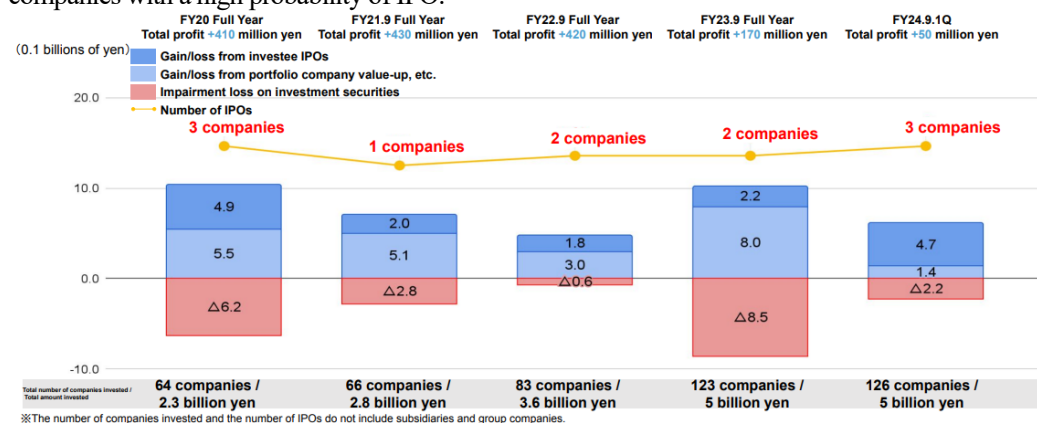


※ The figures are the sum of domestic and international car rental, insurance, hotel, and airfare + hotel.

(From the company's material)

⑥ Number of IPOs of investee companies and profit/loss trends: Accumulating profits by fostering and enhancing the value of IPO candidates among investee companies each fiscal year.

In the second quarter of the fiscal year ending September 2024, there were IPOs of three investee companies, and the investment business profit grew 390 million yen. The company accumulated profits by fostering IPO candidates and increasing their value among investee companies each fiscal year. The total number of investee companies reached 127. The company will continue to invest in growing companies with a high probability of IPO.



※The number of companies invested and the number of IPOs do not include subsidiaries and group companies.

(From the company's material)

5. Conclusions

The company entered the third post-listing stage in the fiscal year ending September 2024, and it was able to make a good start with a 27.3% increase in operating income in the first half of the fiscal year. Yet, the full-year company forecast is a 50.5% decrease in operating income due to growth investment. However, it seems that this is a very conservative forecast. The medium/long-term growth strategy, "AirTrip 5000," is underway, aiming for consolidated sales of 500 billion yen by expanding revenue in the AirTrip travel business and continuing the discontinuous growth of 10 existing businesses other than the travel business. In the midst of this, President Shibata commented that the milestones of 150 billion yen in sales and 50 billion yen in operating income for the fiscal year ending September 2026 are "coming into sight." We got the impression that he has a better feeling than the actual results.

Partly because profit is expected to decline significantly, share price remains low, being half of what they were a year ago. We feel very uncomfortable with the content and sentiment of the financial results. If the company achieves its target for the fiscal year ending September 2026, it is expected that EPS will be around 130-150 yen, so it can be said that it is at a considerably undervalued level in terms of investment indicators.

<Reference: Regarding Corporate Governance>

◎Organization type and the composition of directors and auditors

Organization type	Company with an audit and supervisory board
Directors	6 directors, including 2 outside ones
Auditors	3 auditors, including 2 outside ones

◎Corporate Governance Report

Last updated on Jan. 23, 2024.

<Basic policy>

Our company group considers the swift decision-making in response to the changes in the business environment, lasting business development, and gaining trust from stakeholders as the most significant business challenges. To improve the health, transparency and efficiency of the operations, all of us are striving to enhance the structure of corporate governance, thorough compliance, and timely and appropriate disclosure (of information).

<Reasons for Non-compliance with the Principles of the Corporate Governance Code>

This information is based on the code revised in June 2021.

We follow all of the principles listed, including the code for the Prime Market.

<Disclosure Based on the Principles of the Corporate Governance Code (Excerpts)>

Principles	Disclosure contents
【Principle 1-4】	Our company determines whether or not to strategically hold shares through comprehensive discussion when it can be expected that the business relationship between our corporate group and a company whose shares are held strategically by our company will be cemented, as there is possibility that we will be able to maintain and even expand transactions, as strategic partners for business alliances, collaborative research and development, and other relevant matters. While our company holds shares for the purposes other than the purpose of pure investment, they are operating investment securities aimed at producing capital gains through sale of them in a certain period after initial public offerings (IPOs), and we do not strategically hold shares in any listed companies.
【Supplementary Principle 2-4-1】	<p><Our view on ensuring diversity></p> <p>Our company acknowledges and respects diverse individuality of each employee, and strives to establish an environment where they can fully exert their abilities. Our corporate group promotes female advancement, while we carry out business activities with foreign human resources in the “IT Offshore Development Business” at the same time. Further, in “the Inbound Travel Business/the Wi-Fi Rental Business,” we run our operation to bring satisfaction through Japanese unique hospitality and production, have a global viewpoint acquired through working with non-Japanese human resources, and take in the needs from visitors traveling to Japan.</p> <p>(1) Female Employees</p> <p>The ratio of female managers in our company is 16.1%. Moving forward, we aim to increase the ratio of female managers to 30%, which is the goal pursued by the government, and have been taking approaches for female employees to take significant roles and work in a responsible position.</p>

BRIDGE REPORT



	<p>(2) Foreign Employees In the “IT Offshore Development Business,” one of our business portfolios, there are 47 employees employed by Evolvable Asia Co., Ltd., a Vietnamese subsidiary outside Japan, accounting for approximately 13% of the total number of employees. The percentage of foreign employees is expected to increase, as the company continues to actively hire local workers, mainly the human resources for system development.</p> <p>(3) Mid-career Employees Our company takes initiatives to actively hire and utilize experienced workers (mid-career hires), and the ratio of mid-career hires in managerial positions is 37% as of April 2023. It is at the adequate level at this point, but we continue to work on proactive use of such workers.</p>
【Supplementary Principle 3-1-3】	Our sustainability philosophy, policies, and initiatives are disclosed in our corporate governance report and annual securities report based on the principles of the Code.
【Principle 5-1】 (Policy regarding constructive dialogue with shareholders)	Our company has conventionally attached weight to dialogue with our shareholders with the aim of forging relationships of trust with them, and we entrust promotion of proactive dialogue with our shareholders and investors to the person concurrently serving as President, Representative Director and CFO and the person serving as the manager of the Corporate Strategy Department. We hold results briefing session involving executives four times a year, and a company briefing session for individual investors, and deal with the request for individual interviews within a reasonable range. We believe that we can retain loyal shareholders and realize a desirable shareholder composition by increasing the number of fans of AirTrip as well as facilitating understanding of our company through dialogue (interviews) during which we share our business policies and financial strategies.
[Measures to achieve business administration conscious of capital cost and share price (under consideration)]	Although we do not currently disclose target values for capital costs and share price, we aim to increase transaction volume and operating income by completing the medium/long-term growth strategy, “AirTrip 5000,” in order to increase the market capitalization of tradable shares. By doing so, we are working to improve corporate value and communicate the appeal of our company’s shares.

This report is not intended for soliciting or promoting investment activities or offering any advice on investment or the like, but for providing information only. The information included in this report was taken from sources considered reliable by our company. Our company will not guarantee the accuracy, integrity, or appropriateness of information or opinions in this report. Our company will not assume any responsibility for expenses, damages or the like arising out of the use of this report or information obtained from this report. All kinds of rights related to this report belong to Investment Bridge Co., Ltd. The contents, etc. of this report may be revised without notice. Please make an investment decision on your own judgment.

Copyright(C) Investment Bridge Co., Ltd. All Rights Reserved.