

## JTB Group Reports Consolidated Financial Results for the First Half of FY2024

**Tokyo, Japan, November 22, 2024** - JTB, one of Japan's leading travel solutions providers, today reported the JTB Group's consolidated financial results for the period from April 1 to September 30, 2024.

### 1. Consolidated Financial Results

#### (1) Overview

Market conditions for the tourism industry in the first half of the fiscal year (interim period) saw a recovery to 2019 levels, as cumulative international tourist arrivals for the year as of July 2024 reached an estimated 790 million (96% of totals for the same period in 2019) according to data of the United Nations World Tourism Organization (UNWTO). While tourism in Japan was affected by the Noto Peninsula Earthquake in January and other disasters, the domestic travel market was strengthened by robust inbound tourism demand to Japan. According to Japan National Tourism Organization (JNTO) data, cumulative visitor arrivals to Japan as of July 2024 reached 21.07 million visitors, exceeding 2019 levels. Outbound travel to overseas countries has been slow to recover, impacted by such factors as a weak yen, inflation, and an unstable international situation. According to the Japan Tourism Agency, total sales by major travel companies from April to August were only 61% of levels in the same period in fiscal 2019.

JTB's domestic travel sales are gradually recovering, despite a decline after the end of the Japanese government's "National Travel Support" program, and the impact of natural disasters in some areas. The "Nihon no Shun" campaign<sup>1</sup> targeted the Hokuriku region, continuing long-term support for recovery through revitalization of people-to-people exchange. Impacted by high fuel prices, a weak yen and inflation in overseas countries, the recovery in overseas travel continues to be slow. As for global travel between countries other than Japan, travel from East Asia to Europe showed strong growth, and notable growth was seen in the global business in Europe, the US, and Asia. Inbound travel to Japan also increased, particularly in Western markets, driven by the weak yen.

In non-travel business area, the Meetings & Events sector, taking advantage of a recovery in market conditions, and our trading business relating to the travel recovery trended favorably. In tourism digital transformation (DX), one of our growth strategy areas, steady growth exceeding last year's pace was achieved particularly in digital media business. As for corporate measures, we introduced referral recruiting in HR, while on the IT and DX fronts, we took steps to visualize digital and IT resources, developed a platform making use of generative AI, and laid the foundations for implementing use cases and realizing "smart work," in these and other ways investing actively in the future.

As a result of promoting these initiatives and reforms, consolidated sales totaled JPY 522.3 billion (an increase of JPY 12.2 billion from the previous year), operating income was JPY 4.7 billion (a decrease of JPY 4.1 billion), ordinary income was JPY 5.6 billion (a decrease of JPY 6.4 billion), and current net income (after tax) was JPY 3.3 billion (a decrease of JPY 2.8 billion).

#### Group overview

	FY2024 (Billion JPY)	As a percentage of 2023 figures	FY2023 (Billion JPY)
Sales	522.3	102.4%	510.1
Operating income	4.7	53.5%	8.7
Ordinary income	5.6	46.4%	12
Current net income(after tax)	3.3	54.2%	6.1

**Segment overview (all amounts are sales)**

	FY2024 (Billion JPY)	As a percentage of 2023 figures	FY2023 (Billion JPY)
Travel within Japan	222.6	95.5%	233
Japan outbound travel to overseas	109.3	167.4%	65.3
Japan inbound travel from overseas	29.7	103.9%	28.6
Other global travel*	50.9	149.8%	34
Travel service segments	412.5	114.3%	360.9
Non-travel service segments**	109.8	73.6%	149.2

\*Other global travel: Travel between countries other than Japan

\*\*Non-travel service segments: MICE, regional vitalization & BPO, trading, publishing, etc.

Number of consolidated companies as of September 30, 2024	111 companies : 22 in Japan, 72 overseas and 17 equity method affiliates (a reduction of 3 since March 31, 2024 )
Number of employees as of September 30, 2024	19,583 (an increase of 530 since September 30, 2023)

**(2) Overview by business segment****I. Tourism**

We sought to achieve high profitability by expanding our share of recovering travel demand and by raising productivity. In the corporate and education travel sectors, we further developed our solutions business, achieving notable success in school administration, support, and other education-related services. Despite the impact of the winding down of COVID-19-related services on the regional revitalization business, we have sought to strengthen regional partnerships through the tangible realization of tourism site operations and community-building initiatives originating from independent projects, including the start of the “SICS Sustainable Lounge” in Kagawa Prefecture and investment in regional trading company Tsunagu Co., Ltd. in Saitama City. In the sports business sector, we have enhanced our hospitality programs for the Paris Olympics and Paralympics, as well as for the MLB™, among others. These enhancements provide customers with special experiences that are unique to JTB. For individual customers, we sought to improve the customer experience by making use of personal agents, strengthening data marketing, and promoting OMO<sup>2</sup>. Driven by the contributions of various initiatives, Web sales grew in the domestic travel segment. In the overseas travel, while under the impact of a weak yen and inflation, we opened desks dedicated to overseas travel as places for communicating excitement, and worked to spark demand and expand our share by means of overseas travel promotional campaigns. We further began an overseas travel value chain transformation project, conducting content creation and marketing overseas and reconfiguring sales channels, aiming to realize the capability to respond to the expanding global human flow. Through such efforts we endeavored to enhance the Real Value Experience of customers.

**II. Area Solutions**

With a focus on the theme of “evolution and expansion,” we worked to enhance our foundation laying and business development in each area. The number of new contracts and the sales and distribution levels exceeded targets both for the admission ticket distribution platform provided by GoodFellows JTB, and for JTB BÓKUN, which provides centralized management of inventory and reservations for activity products. In support of human resources development for regional tourism, we developed a tourism DX human resources development program for municipalities and DMO, while the number of guest rooms introducing Kotozna In-room, aimed at lodging businesses, increased to more than 150% compared to the end of the previous fiscal year. Our support for developing and

operating tourist sites resulted in donations under the Hometown Tax Donation Program exceeding targets, thanks to sales efforts aimed at gaining new municipalities as customers. In the area of publishing, we began a “Rurubu + AI Chat” service making use of generative AI, toward gaining new customer bases and expanding business. In trading business, sales of consumables and equipment trended favorably amid high levels of guest room occupancy in lodging facilities. In the field of Area Development, we designated five new strategic areas following the Okinawa North Area, and carried out investment and development to increase the value of each area. For Shodoshima, an island in Kagawa Prefecture, we started up a new project aimed at a vision of Shodoshima 20 years in the future, and are contributing to the building of sustainable tourism areas through environmentally conscious initiatives such as a share cycle service.

### **III. Business Solutions**

As market conditions recovered, we expanded our handling of events by addressing rising corporate and customer needs, based on our ABM<sup>3</sup> strategy. In the Meetings & Events sector, our emphasis was on establishing the consulting sales style making use of CVENT<sup>4</sup> and other digital solutions, and on developing specialized human resources. While seeking to meet diversifying customer needs, we are becoming more competitive in proposing solutions that, in addition to the four themes of “marketing,” “anniversary related business,” “inbound tourism to Japan,” and “IR/general shareholders meeting,” take into account “sustainability”. In the regional vitalization area, the winding down of COVID-19-related services was made up for by other government project secretariat support services. In the EVP/HRC sector<sup>5</sup>, we continue to provide services by content development based on survey analysis making use of HR-Tech<sup>6</sup>, to comply with obligations such as human capital information disclosure. In the area of business travel, although a market recovery trend is to be seen, we are promoting a shift to a stock-type business model and operation efficiency, while paying attention to changes in the competitive environment, and results are beginning to appear.

### **IV. Global Business**

Amidst a strong recovery in the international tourism market, we are carrying out a global growth strategy that defines five focus areas as “business pillars.” In our Global Destination Management Company (DMC) services, in-house demand recovered to a certain extent, with 'cheap/near/short' products and educational travel showing strong performance. Meanwhile, Europe-bound trips from East Asia, especially out of Taiwan, drove global inbound business. In the SIC<sup>7</sup> service, Group company Europamundo achieved results exceeding those of last year. Land Cruise<sup>7</sup> also benefited from sales promotion to students. In the global business solutions sector, we achieved solid sales in MICE business against the background of strong demand for travel to Japan. We also devoted a strong effort to SMM<sup>8</sup> in the Indian market, winning global pharmaceutical company business. As for business travel, we tapped into demand recovery in North America and the Asia-Pacific region, while realizing linkage with a next-generation reservation platform that improves business travel management efficiency in companies. Inbound travel to Japan saw significant growth, particularly from European and North American markets. SUNRISE TOURS, a provider of package tours for international visitors and winner of the Japan Tourism Agency Commissioner's Award at the Tour Grand Prix 2024, also experienced strong sales in this sector.

1. A campaign with the goal of revitalizing domestic tourism spots, carried out by JTB Group since 1998, with the theme “Rediscover the charms of Japan.” A new target area is selected every six months.

2. “Online Merges with Offline.” A marketing approach aiming to maximize the customer experience and create buying intention across online (Web) and offline (shops, call center, etc.) realms.

3. Account Based Marketing. A B2B marketing strategy that selects customers of high value to the company and takes an optimal approach tailored to customer issues and needs.
4. An event management system with various functions on the same platform, enabling execution and management from planning to promotion and implementation of meetings and events.
5. EVP: Employee Value Proposition. Value propositions for work that the company's employees can relate to (keywords for practice emerging from human capital management). HRC: Human Resource Consulting
6. A system that visualizes issues based on obtaining and analyzing survey data from organizations and employees, and provides recommendation and other functions.
7. Seat In Coach. A JTB product offering bus tours where travelers share transportation and guide services with other passengers who are not part of the same tour group. "Land Cruise" is an example type of tour operated by JTB, and is a registered trademark.
8. Strategic Meetings Management. A service that creates an event management program optimal for each customer based on visualization, gathering, and analysis of the processes and data for running a business event, in order to ensure that the event achieves maximum effectiveness in meeting its objectives.

## **2. Full year forecast for FY2024 (ending March 31, 2025)**

The entire JTB Group will continue advancing toward achievement of the initial fiscal year target for operating income of JPY 11.6 billion. The Group is working to formulate a new long-term vision for achieving sustainable growth into the future. At the same time, we will accelerate the implementation of growth strategies in each business segment aimed at giving substance to our new Vision of "pioneering ways to bring people, places and possibilities together in a new era." We will also firm up future business foundations through strategies in each of the areas of DX, DEIB, and sustainability. Through these initiatives, we will evolve into a corporate group that flexibly adjusts to changing times and continues to provide value to society.

Please see the following for detailed financial results for the first half (interim period) of the fiscal year ending March 31, 2025. (Japanese language only)

<https://www.jtbcorp.jp/jp/company/accounts/>

JTB Sustainability Report 2024

[https://www.jtbcorp.jp/jp/sustainability/pdf/report\\_2024\\_en.pdf](https://www.jtbcorp.jp/jp/sustainability/pdf/report_2024_en.pdf)

## **About JTB**

The JTB Group defines its business domain as 'Bringing People, Places and Possibilities Together.' We aim to sustainably create value by fostering engagement and building connections between people, destinations, and organizations. This is achieved through the power of partnering, the warmth of human touch, and robust digital underpinnings.

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