

## JTB reports Consolidated Financial results for the First Half Year 2021

Tokyo, Japan., November 19, 2021 — JTB today reported the JTB Group's Consolidated Financial Results for the period April 1, 2021 to September 30, 2021.

### 1. Consolidated Financial Results

#### (1) Overview

The environment surrounding the travel market in the first half of the current fiscal year was very severe, as most of the time emergency declarations were in effect, requiring people to refrain from traveling and going out, which greatly affected travel during the busiest periods of Golden Week and summer holidays. With the Tokyo 2020 Olympic and Paralympic Games being held without audiences in principle, official tours have been cancelled and the expected recovery in demand has not yet been achieved. Restrictions on immigration and international travel remain in place, meaning there is still no demand for overseas travel or for foreign visitors to Japan.

Against this backdrop, our Group has been strengthening business in solving customer issues in accordance with our medium-term management plan, the "Pioneering Ways to bring people, places and possibilities together in a New Era", which was formulated in July 2020. Despite weak demand for travel, we managed to capture non-travel demand by making effective use of our management resources across the Group, offering online services such as hybrid MICE, and providing solutions to the issues faced by local communities or companies. We have also made steady progress in reforming our cost structure and have taken various measures, including recapitalization and asset sales, to improve our financial soundness. Consequently, despite low demand for domestic travel and events, the expansion of non-travel demand resulted in consolidated sales of 179.8 billion yen (138.5% of the previous year), an operating loss of 33.1 billion yen and an ordinary loss of 26.0 billion yen. In addition, extraordinary gains from the sale of assets, including real estate owned by the Group, resulted in a net profit of 6.7 billion yen.

Here is an overview of the Group's financial performance.

	FY2021 First Half (Billion / JPY)	Year to Year %	FY2020 First Half (Billion / JPY)
Sales	179.8	138.5%	129.8
Operating loss	33.1	(46.5%)	71.1
Ordinary loss	26	(44.9%)	58
Current net profit	6.7	▲→+	(Current net loss) 78.2

#### Segment Overview (All amounts are Sales)

	FY2021 First Half (Billion / JPY)	Year to Year %	FY2020 First Half (Billion / JPY)
Travel within Japan	57.1	143.0%	39.9
Japan outbound travel to overseas	1	4.7%	21.9
Japan inbound travel from overseas	27.7	994.4%	2.8
Other Global travels*	0.8	7.6%	10.9
Non-travel**	93.1	171.5	54.3

\*Other Global travels: Travel business between Third Countries (excluding Japan)

\*\* Non-travel: Solution business, Trading, Publishing, etc.

Number of consolidated companies

Total: 148 companies: 29 Japan domestic, 98 overseas, 21 equity method affiliates  
(9 companies down from March 31, 2021)

Number of employees

20,618 (5,613 less than September 30, 2020)

## **(2) Overview per main business segments**

Our Group has been operating under a new structure since April 2021, in line with the medium-term management plan, "Pioneering Ways to bring people, places and possibilities together in a New Era", formulated in July 2020.

### ① Tourism segment

In the Tourism segment, we started to focus on product and solution reforms and service reforms to increase the “*customer’s real value experience*”. In the area of product and solution reform, the entire JTB Group worked together to build a solution business based on digital technology. For individual customers, we took advantage of the JTB Dynamic Package system to create a new system that allows accommodation facilities to sell products that include JR and air tickets on their official websites. For corporate customers, we are developing programs for adventure tourism experiences, creating environments to promote “*workation*”, and developing educational travel programs using digital contents. In the area of service reform, we are building a connected platform that enables us to provide information and product proposals tailored to each individual customer's intentions through a variety of channels, to enhance the value of their everyday experience (CX). We are also working to clarify the model and role of our retail shops. In the future, we will make it possible for customers to consult and order travel services online at a shop located where they want to travel, making it more convenient than ever to provide the exact information and services they are looking for.

### ② Area Solution segment

In the Area Solution segment, we have defined our business segments into three categories: support for the development and operation of tourist attractions, support for the digitalization of tourist attractions, and provision of contents during the trip. and we have worked to develop solutions for the various issues surrounding local communities and business operators. In the hometown tax project, which is one of the projects in support business for the development and operation of tourist attractions, we expanded the number of municipalities contracted for the individual version of the hometown tax, and also worked to build a sales system to increase the amount of tax, and as part of these efforts we set up satellite offices in Osaki Town, Kagoshima Prefecture, and in Minami-Uonuma City, Niigata Prefecture.

As a return gift, the JTB travel coupons, which can be spent for visiting the donated hometown, were well favored, and the amount of donations greatly exceeded the previous year's results. In the "JTB MaaS API Gateway" <sup>(\*)</sup>, one of our projects to support the digitalization of tourist attractions, we worked to acquire demonstration projects solicited by the national and local governments while developing additional functions. As a result, "Yamanashi Tourism MaaS", Japan's first eco-friendly tourism "NIKKO MaaS", and the Tourism Agency's "Project to Promote the Revitalization of Existing Tourism Bases and Add Value" have been adopted in several regions. We will proceed with demonstration experiments with the expectation of starting a real operation in the next fiscal year.

### ③ Business Solution segment

In the Business Solutions segment, we are deepening our relationships with corporate clients based on our ABM (Account Based Marketing) strategy<sup>(\*2)</sup> and strengthening our capability to solve the management issues faced by our corporate clients, mainly in the area of communication. As a result, despite the slow recovery in travel demand, we have been able to expand our business in online services and HR and administration services. As an example, we have formed a business alliance with Benefit One Inc., which has a strong position in digital solutions, to strengthen our services for customers. At the same time, we have implemented digital marketing initiatives (email newsletters, corporate websites, event seminars, inside sales, etc.) to strengthen communication for every customer in the "industry-government-academia" sector. By constantly improving the quality and quantity of information and content, we have built effective relationships with customers even in situations where face-to-face sales are difficult.

### ④ Global Business segment

In the global DMC segment, we offered virtual activities in collaboration with an event production company that provides a digital platform, and the Land Cruise, a destination product in Europe, was broadcast as an online tour to customers in Japan to develop potential customers for the recovery of overseas travel. In the global MICE segment, we expanded our handling of this business by offering new services such as live broadcast<sup>(\*3)</sup> systems between Japan and various overseas locations. In the business travel segment, we improved the convenience of business travel management by further promoting digitalization, and we also worked to improve our branding as a global TMC<sup>(\*4)</sup> through promotions that mainly featured on webinars.

- \*1. A software service that allows international visitors and residents to search, book, pay for, and authenticate tickets for attractive local activities, temples and shrines, common excursion tickets, and special train tickets, and also allows local governments, DMOs, private companies involved in urban development, and transportation companies to use the data obtained for marketing purposes.
- \*2. A data-driven strategy to identify customers (accounts) and approach them strategically and systematically through collaboration between marketing and sales.
- \*3. This function allows users to distribute the video they are shooting on SNS and the web in real time. It enables to check the number of viewers, usernames, and comments in real time during the delivery.
- \*4. Abbreviation for Travel Management Companies. Companies that deliver a satisfying traveler experience, steering the complexities of business travel management through multiple integrated technologies, while supporting the elimination of wasteful spending, cost and risk management, and providing comprehensive support for the entire program

## **2. Full year forecast for FY2021**

For the full-year forecast for 2021, we expect to return it to a profitable position.

The number of newly infected people in Japan is now decreasing as vaccination progresses and a third round of vaccination is being scheduled. In addition, with the lifting of the state of emergency, the flow of people travelling within Japan from October onwards has been gradually spreading from nearby areas to cross-regional trips and is steadily recovering. With regards to overseas travel, we assume that it will not reach a full-scale recovery this year due to the limited possibility of an early relaxation of restrictions on immigration control in various countries, as well as restrictions on behavior such as voluntary quarantine and prohibition of using public transport when returning to Japan.

The JTB Group will continue to work on its non-travel solutions business and steadily capture domestic travel demand in line with government measures to stimulate tourism demand, while continuing to reduce costs through structural reforms to return to the black in final profit.

We stand tall as a company that takes responsibility for a sustainable society, and we will continue to create new encounters so that people around the world can enjoy meaningful interactions safely and securely with smiles on their faces.

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<About JTB>

Today's JTB traces its roots back to Japan Tourist Bureau, an agency formed in 1912 for the purpose of servicing the ticketing needs of foreign tourists in Japan. Over the span of its first 100 years, JTB steadily evolved into a travel and tourism industry leader. Through vision, integrity, innovation, and unsurpassed know-how, the JTB Group consistently creates unparalleled value for its stakeholders.

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