



Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending September 30, 2021  
(FY9/21) (Six Months Ended March 31, 2021) [IFRS]

May 14<sup>th</sup>, 2021

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 Preparation of supplementary materials for financial results: : Yes  
 Holding of quarterly financial results briefing: : Yes (for institutional investors and securities analysts)

(All amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Second Quarter (October 1<sup>st</sup>, 2020 to March 31<sup>st</sup>, 2021) of FY9/21

(1) Consolidated results of operations (Percentages represent year-on-year changes)

|                                 | Net sales   |       | Operating income |   | Profit before income taxes |   | Profit      |   | Profit attributable to owners of parent |   | Total comprehensive income |   |
|---------------------------------|-------------|-------|------------------|---|----------------------------|---|-------------|---|---|---|----------------------------|---|
|                                 | Million yen | %     | Million yen      | % | Million yen                | % | Million yen | % | Million yen                             | % | Million yen                | % |
| Six Months Ended March 31, 2021 | 11,202      | △24.0 | 2,001            | - | 1,955                      | - | 1,465       | - | 1,286                                   | - | 1,443                      | - |
| Six Months Ended March 31, 2020 | 14,741      | 38.5  | △1,332           | - | △1,425                     | - | △779        | - | △741                                    | - | △791                       | - |

(Note) HIKAWA CO., LTD. was excluded from consolidation in the Fiscal Year ending September 30<sup>th</sup>, 2020, so this company's business is classified as a discontinued business. Therefore, net sales, operating income, and profit before income represent the amount of continuing business excluding discontinued business.

|                                 | Profit per share | Fully diluted profit per share |
|---------------------------------|------------------|--------------------------------|
|                                 | Yen              | Yen                            |
| Six Months Ended March 31, 2021 | 61.85            | 60.55                          |
| Six Months Ended March 31, 2020 | △37.14           | △37.14                         |

(2) Consolidated financial position

|                     | Total assets | Total equity | Equity attributable to owners of parent | Ratio of equity attributable to owners of parent |
|---------------------|--------------|--------------|---|--|
|                     | Million yen  | Million yen  | Million yen                             | %  |
| As of Mar. 31, 2021 | 21,515       | 5,455        | 4,544                                   | 21.1   |
| As of Sep. 30, 2020 | 21,940       | 2,538        | 1,983                                   | 9.0  |

2. Dividends

|   | Dividend per share |        |        |          |       |
|---|--------------------|--------|--------|----------|-------|
|   | 1Q-end             | 2Q-end | 3Q-end | Year-end | Total |
|   | Yen                | Yen    | Yen    | Yen      | Yen   |
| Fiscal year ended Sep. 30 <sup>th</sup> 2020                | —                  | 0 00   | —      | 10 00    | 10 00 |
| Fiscal year ending Sep. 30 <sup>th</sup> , 2021             | —                  | 0 00   |        |          |       |
| Fiscal year ending Sep. 30 <sup>th</sup> , 2021 (Estimated) |                    |        | —      | —        | —     |

Note: Revision to the most recently announced dividend forecast: None

Currently, the expected dividend for the fiscal year ending September 2021 is undecided.

3. Full-year consolidated financial forecast for FY9/21 (October 1<sup>st</sup>, 2020– September 30, 2021)

(Percentages represent year-on-year changes.)

|           | Net sales   |      | Operating income |   | Profit before income taxes |   | Profit attributable to owners of parent |   | Profit per share |
|-----------|-------------|------|------------------|---|----------------------------|---|---|---|------------------|
|           | Million yen | %    | Million yen      | % | Million yen                | % | Million yen                             | % | Yen              |
| Full year | 24,300      | 14.4 | 1,300            | — | 1,240                      | — | 741                                     | — | 35 74            |

Note: Revision to the most recently announced forecast: None

Every change (if any) shall be promptly updated.

\* Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in scope of consolidation) : None  
 New included: — Companies Excluded: — Companies

(2) Changes in accounting policies and accounting-based estimates, and restatements

1) Change of the accounting policy required under IFRS : None

2) Changes in accounting policies other than 1) above : None

3) Changes in accounting-based estimates : None

(3) Numbers of outstanding shares (common stock)

|   |   |                   |   |                   |
|---|---|-------------------|---|-------------------|
| 1) Number of shares outstanding as of the end of the period (including treasury shares) | As of Mar. 31 <sup>st</sup> , 2021            | 21,418,865 Shares | As of Mar. 31, 2020                           | 20,115,300 Shares |
| 2) Number of treasury shares as of the end of the period                                | As of Mar. 31 <sup>st</sup> , 2021            | 225 Shares        | As of Mar. 31, 2020                           | 35 Shares         |
| 3) Average number of shares issued during the period                                    | Six months ended Mar. 31 <sup>st</sup> , 2021 | 20,793,365 Shares | Six months ended Mar. 31 <sup>st</sup> , 2020 | 19,956,742 Shares |

The current quarterly financial report is exempt from the quarterly review procedures performed by certified public accountants or audit corporations.

\* Explanation of appropriate use of earnings forecasts, and other special items

The above full year consolidated financial forecast includes expectations based on future premise, perspective, and plan as of the day this document is published. These statements about future expectation are based on our company's currently available information and rational assumptions, not indicate the achievement that we commit to achieve. The forecast may differ greatly from financial results due to various factors in the future, such as changes in economic situation, changes in client needs and user preference, competition, changes in laws and regulations, and changes in exchange rates.

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## 1. Qualitative Information on Quarterly Consolidated Financial Performance

### (1) Explanation of Results of Operations

(Unit: Million yen)

|  | Six months ended<br>March 31 <sup>st</sup> ,<br>2020 | Six months ended<br>March 31 <sup>st</sup> ,<br>2021 | Differences | Percentage<br>difference (%) |
|--|--|--|-------------|------------------------------|
| Consolidated Results of Operations             |  |  |             |                              |
| Net sales                                      | 14,741   | 11,202   | △3,539      | △24.0                        |
| Operating income (Loss)                        | △1,332   | 2,001  | 3,333       | -                            |
| Profit before income taxes (Loss)              | △1,425   | 1,955  | 3,380       | -                            |
| Profit attributable to owners of parent (Loss) | △741   | 1,286  | 2,027       | -                            |

(Note) HIKAWA CO., LTD. was excluded from consolidation in the Fiscal Year ending September 30th, 2020, so this company's business is classified as a discontinued business. Therefore, net sales, operating income, and profit before income represent the amount of continuing business excluding discontinued business.

Due to the spread of COVID-19 (Novel COVID-19virus), the Japanese economy in this period has become unpredictable because the economic activities have been slowing down, the worldwide travel demand is sluggish caused by measures such as overseas travel restriction or prohibition or lockdown in many countries. We are now closely observing the changes of the pandemic as well as future market trends.

Under this circumstance, our company has been working on various measures, as well as cost down methods, as a link of restructuration and Group's business portfolio diversification towards the "Restart" of AirTrip Group. Because the results are getting well, the existing businesses are performing smoothly. All the existing businesses, excluding the overseas travel domain of AirTrip Travel Business, continued to perform well, exceeding initial expectations. The domestic travel domain of the AirTrip Travel Business is on a recovery trend, and although being affected partly by the pre-emergency or state of emergency, the performance exceeds expectations. In addition, other business domains also performed well overall by capturing new demand during Covid-19 period, such as PCR testing in the healthcare business, which was newly started in the current fiscal year.

Under these circumstances, the Group's Net Sales for six months ended March 31st, 2021 reached 11,202 million yen, operating income gained 20.01 million yen, income before income taxes achieved 1,955 million yen, and quarterly income attributable to owners of the parent company was 1,286 million yen.

### (2) Overview of Segment Business

#### Online Travel Business

(Unit: Million yen)

|                        | Six months ended<br>March 31 <sup>st</sup> ,<br>2020 | Six months ended<br>March 31 <sup>st</sup> ,<br>2021 | Differences | Percentage<br>difference (%) |
|------------------------|--|--|-------------|------------------------------|
| Net Sales              | 13,653   | 9,931  | △3,722      | △27.3                        |
| Segment profit or loss | △473   | 1,394  | 1,867       | -                            |

(Note) HIKAWA CO., LTD. was excluded from consolidation in the Fiscal Year ending September 30th, 2020, so this company's business is classified as a discontinued business. Therefore, net sales, segment profit represent the amount of continuing business excluding discontinued business.

#### 1. AirTrip Travel Business

Since our founding, as a company specialized in online travel, we have been providing convenient services to customers. We are developing the following services centered on our 3 strengths: "Buying Power", "Various sales channel", "System Development Ability".

(1) BtoC services (Directly managed by our company)

We have achieved strong competitiveness by handling the largest volume of domestic airline tickets of the and making alliances with the airlines and East Japan Railway Company. We are operating "AirTrip", a website where you can easily compare and reserve domestic and overseas travel products. We are even more focusing on making the website easier to use and providing our customers the best travel options.

(2) BtoBtoC services (Travel Contents OEM Provision)

We provide domestic airline tickets / travel, overseas airline tickets / hotel to other companies' mass media as travel content. We have increased the content lineup and helped improving media users' customer satisfaction.

(3) Business travel management (BTM)

"AirTrip BTM" arranges tickets for daily business trips and develops an efficient management business system. This system is now free for any company with needs of business trip. Direct cost + indirect has been reduced.

2. Services for foreign visitors in Japan

We are quickly developing the know-how accumulated in the AirTrip travel business as a service for foreigners' visitors in Japan and a service for private lodging management companies.

(1) Wi-Fi rental for foreign visitors in Japan

Inbound Platform Corp., a subsidiary of AirTrip, develops Wi-Fi router rental service for foreign visitors in Japan. With over 200,000 rentals, we have established a brand with many years of trust and good review. In addition to renting camper vans, we are planning to expand services to meet inbound demand.

(2) Dynamic package for foreign visitors in Japan

For the increasing number of individual tourists from Southeast Asia, we will strengthen our support for each country's language. At first, we prepare information about hotels and inns in Japan in Thai language, and provide them on the "Dynamic Package for foreigners' first visit to Japan" sold by JALPAK Co., Ltd. We are also improving sales promotion environment for other countries' visitors to Japan.

(3) One-stop service for private lodging hosts

To utilize vacant houses, which are currently increasing year by year in Japan, "AirTrip stay Co., Ltd." is proposing the operation of rooms in accordance with the Housing Accommodation Business Law. Among the increasing number of foreign visitors to Japan, we have become Japan's first official partner with "Airbnb"; the app is used by 1 in 5 people. We provide one-stop support from property registration to property management, and we are planning to expand the service.

3. Life Innovation Business

Utilizing the know-how of various travel-related services accumulated at "AirTrip," we are developing the following businesses with the aim of making every scene of customers' lives more convenient.

(1) E-mail newsletter / WEB media

In collaboration with MagMag Co., Ltd., one of our subsidiaries with the slogan "Telling things you want, to people want to hear", we have developed a channel to collect content from creators from all over the world and deliver it to those who feel that information valuable. You can subscribe on article basis with "mine", including "Magmag!", a free and paid e-mail newsletter distribution service. We also operate WEB media "MAG2 NEWS", "MONEY VOICE", "TRiP EDiTOR", and "by them" which can discover contents and deliver them to many people who want to know.

(2) Suitcase sales / rental

We rent and sell high-quality, easy-to-use, and durable travel-related products such as suitcases, and provide our products to major retailers and mass retailers. We also develop EC and OEM.

#### 4. Healthcare Business

We connect medical institutions and customers, build a smooth implementation system for various tests such as PCR tests, and provide medical services compatible with With COVID-19 period.

Making a comprehensive approach in the fields of "travel / business trip" x "medical care", we are currently providing PCR testing and antibody testing services at medical institutions and clinics affiliated with our subsidiary Pikapaka Co., Ltd. Testing methods vary according to customers' situation. We have succeeded in capturing demand for PCR tests, etc. in the healthcare business.

Under these circumstances, segment Net Sales of the online travel business reached 9,931 million yen and segment income achieved 1,394 million yen for six months ended March 31st, 2021.

#### IT Off-shore Development Business

(Unit: Million Yen)

|                        | Six months ended<br>March 31 <sup>st</sup> ,<br>2020 | Six months ended<br>March 31 <sup>st</sup> ,<br>2021 | Differences | Percentage<br>difference (%) |
|------------------------|--|--|-------------|------------------------------|
| Net Sales              | 1,016  | 925  | △91         | △8.9                         |
| Segment profit or loss | 53   | 613  | 560         | 1056.6                       |

In the IT Offshore Development Business segment, the Group offers lab-type facility development services to customers consisting mainly of e-commerce operators, web solution providers, and game and system developers in Ho Chi Minh, Hanoi, and Da Nang in Vietnam.

The Company's lab-type facility development model is distinctive in that a team is formed with new dedicated staff members hired for each customer. The model also enables customers to confirm the state of lab-type facility development on demand.

As a result of the factors stated above, IT offshore development business segment's Net Sales gained 925 million yen and segment profit reached 613 million yen for six months ended March 31st, 2021.

#### Investment Business

(Unit: Million Yen)

|                        | Six months ended<br>March 31 <sup>st</sup> ,<br>2020 | Six months ended<br>March 31 <sup>st</sup> ,<br>2021 | Differences | Percentage<br>difference (%) |
|------------------------|--|--|-------------|------------------------------|
| Net Sales              | 71   | 345  | 274         | 385.9                        |
| Segment profit or loss | △243   | 435  | 678         | -                            |

In the Investment Business segment, the Group emphasizes synergies with the existing businesses and expands service lines through aggressive M&A and capital alliances. The Group is pursuing investment in growing companies to improve profitability.

In the current fiscal year, we have expanded the number of investees to 66 companies.

As a result, investment business segment's Net Sales reached 345 million yen and segment profit reached 435 million yen for six months ended March 31st, 2021.

## (2) Explanation of Financial Position

(Asset)

Total assets decreased 424 million yen from the end of the previous fiscal year to 21,515 million yen at the end of the second quarter under review. This result was mainly due to a decrease of 1,442 million yen in cash and cash equivalents, offsetting an increase of 541 million yen in investment through equity method, and 512 million yen in other financial assets.

(Liabilities)

Liabilities decreased 3,342 million yen from the end of the previous fiscal year to 16,060 million yen at the end of the second quarter under review. This result primarily reflected decrease of 2,133 million yen in interest-bearing liabilities and 562 million yen in other current liabilities.

(Net Assets)

Net assets increased 2,917 million yen from the end of the previous fiscal year to 5,455 million yen at the end of the second quarter under review. This result was mainly due to the decrease of 204 million yen in dividends of surplus from the first quarter consolidated accounting period, while there is increase in retained earnings related to profit in the second quarter consolidated cumulative period and the use of 1,466 million yen of convertible bond.

### (3) Explanation of Consolidated Forecast and Other Forward-looking Statements

There is no change in Consolidated Financial Results compared to the forecast result in "Notice Concerning Revision of Earnings Forecast" published on April 15, 2021. Every change (if any) shall be promptly updated.

## 2. Condensed Consolidated Financial Statements and Notes to the Condensed Consolidated Financial Statements

### (1) Condensed Consolidated Statement of Financial Position

(Unit: Million Yen)

|   | FY9/20<br>(as of Sep. 30, 2020) | Second Quarter of FY9/21<br>(as of March 31, 2021) |
|---|---------------------------------|--|
| <b>Assets</b>   |                                 |  |
| Current assets  |                                 |  |
| Cash and cash equivalents                                   | 7,042                           | 5,600  |
| Notes and accounts receivable – trade and other receivables | 2,364                           | 2,992  |
| Other financial assets                                      | 4,359                           | 4,871  |
| Inventories   | 435                             | 480  |
| Other current assets  | 821                             | 587  |
| Total current assets  | 15,023                          | 14,532   |
| Non-current assets  |                                 |  |
| Property, plant and equipment                               | 480                             | 419  |
| Right-of-use assets   | 3,156                           | 2,837  |
| Goodwill  | 1,172                           | 1,149  |
| Intangible assets   | 1,091                           | 1,069  |
| Investments accounted for using the equity method           | -                               | 541  |
| Other financial assets                                      | 970                             | 907  |
| Other non-current assets                                    | 34                              | 43   |
| Deferred tax assets   | 10                              | 15   |
| Total non-current assets                                    | 6,916                           | 6,983  |
| Total assets  | 21,940                          | 21,515   |
| <b>Liabilities and equity</b>                               |                                 |  |
| Liabilities   |                                 |  |
| Current liabilities   |                                 |  |
| Operating payables and other operating payables             | 2,646                           | 2,083  |
| Interest-bearing debt                                       | 6,185                           | 5,924  |
| Lease liabilities   | 416                             | 416  |
| Other financial liabilities                                 | 251                             | 229  |
| Accrued income taxes  | 132                             | 483  |
| Other current liabilities                                   | 1,858                           | 1,183  |
| Total current liabilities                                   | 11,490                          | 10,320   |
| Non-current liabilities                                     |                                 |  |
| Interest-bearing debt                                       | 4,842                           | 2,971  |
| Lease liabilities   | 2,873                           | 2,562  |
| Other financial liabilities                                 | 25                              | 26   |
| Provisions  | 83                              | 56   |
| Deferred tax liabilities                                    | 78                              | 112  |
| Other non-current liabilities                               | 7                               | 10   |
| Total non-current liabilities                               | 7,911                           | 5,739  |
| Total liabilities   | 19,402                          | 16,060   |
| Equity  |                                 |  |
| Capital stock   | 3,138                           | 617  |
| Capital surplus   | 4,887                           | 1,036  |
| Retained earnings   | △6,135                          | 2,812  |
| Treasury shares   | △0                              | △0   |
| Other items of equity                                       | 92                              | 78   |



|   |        |        |
|---|--------|--------|
| Total equity attributable to owners of parent company | 1,983  | 4,544  |
| Non-controlling interests                             | 555    | 911    |
| Total equity  | 2,538  | 5,455  |
| Total liabilities and equity                          | 21,940 | 21,515 |

(2) Condensed Consolidated Statement of Income and Condensed Consolidated Statement of Comprehensive Income

Condensed Consolidated Statement of Income  
For the First Six-month Period

(Unit: Million Yen)

|  | Six months ended March 31 <sup>st</sup> ,<br>2020<br>(Oct. 1 <sup>st</sup> , 2019 – Mar. 31 <sup>st</sup> ,<br>2020) | Six months ended March 31 <sup>st</sup> ,<br>2021<br>(Oct. 1 <sup>st</sup> , 2020 – Mar. 31 <sup>st</sup> ,<br>2021) |
|--|--|--|
| <b>Continuing Business</b>                       |  |  |
| Net sales  | 14,741   | 11,202   |
| Sales Cost                                       | △9,039   | △7,346   |
| Gross profit                                     | 5,701  | 3,855  |
| Selling, general and administrative expense      | △5,879   | △2,644   |
| Profit from loss of control subsidiaries         | -  | 595  |
| Investment Gain/Loss (Loss)                      | △270   | 165  |
| Other income                                     | 183  | 74   |
| Other expenses                                   | △1,066   | △45  |
| Operating income (Loss)                          | △1,332   | 2,001  |
| Finance income                                   | 10   | 33   |
| Finance costs                                    | △103   | △79  |
| Profit before income taxes (Loss)                | △1,425   | 1,955  |
| Corporate income tax                             | △11  | △489   |
| Quarterly income from continuing business (Loss) | △1,436   | 1,465  |
| <b>Discontinued Business</b>                     |  |  |
| Quarterly income from discontinued businesses    | 657  | -  |
| Profit (Loss)                                    | △779   | 1,465  |
| Profit attributable to (Loss)                    |  |  |
| Owners of parent company                         | △741   | 1,286  |
| Non-controlling interests                        | △38  | 178  |
| Profit (Loss)                                    | △779   | 1,465  |
| <b>Profit per share</b>                          |  |  |
| Profit per share (Loss) (Yen)                    | △37.14   | 61.85  |
| Continuing Business                              | △70.07   | 61.85  |
| Discontinued Business                            | 32.92  | -  |
| Fully diluted profit (Loss) per share (Yen)      | △37.14   | 60.55  |
| Continuing Businesses                            | △70.07   | 60.55  |
| Discontinued Businesses                          | 32.92  | -  |

For the Second Quarter Period

(Unit: Million yen)

|   | Second quarter of FY9/20<br>(Jan. 1 <sup>st</sup> , 2020 – Mar. 31 <sup>st</sup> ,<br>2020) | Second quarter of FY9/21<br>(Jan. 1 <sup>st</sup> , 2021 – Mar. 31 <sup>st</sup> ,<br>2021) |
|---|---|---|
| <b>Continuing Business</b>                          |   |   |
| Net sales   | 6,760   | 4,641   |
| Sales costs   | △4,020  | △2,721  |
| Gross profit  | 2,740   | 1,920   |
| Selling, general and administrative<br>expense      | △2,866  | △1,372  |
| Profit from loss of control subsidiaries            | -   | 595   |
| Investment Gain/Loss (Loss)                         | △402  | 92  |
| Other income  | 33  | 30  |
| Other expenses                                      | △1,040  | △28   |
| Operating income (Loss)                             | △1,534  | 1,238   |
| Finance income                                      | 4   | 27  |
| Finance costs                                       | △45   | △36   |
| Profit before income taxes (Loss)                   | △1,575  | 1,229   |
| Corporate income tax                                | 68  | △212  |
| Quarterly income from Continuing Business<br>(Loss) | △1,507  | 1,017   |
| <b>Discontinued Business</b>                        |   |   |
| Quarterly income from Discontinued<br>Business      | 58  | -   |
| Profit (Loss)                                       | △1,448  | 1,017   |
| <b>Profit attributable to (Loss)</b>                |   |   |
| Owners of parent company                            | △1,433  | 853   |
| Non-controlling interests                           | △15   | 163   |
| Profit (Loss)                                       | △1,448  | 1,017   |
| <b>Profit per share</b>                             |   |   |
| Profit per share<br>(Loss) (Yen)                    | △71.29  | 40.72   |
| Continuing Business                                 | △74.21  | 40.72   |
| Discontinued Business                               | 2.92  | -   |
| Fully diluted profit per share<br>(Loss) (Yen)      | △71.29  | 39.73   |
| Continuing Business                                 | △74.21  | 39.73   |
| Discontinued Business                               | 2.92  | -   |

Condensed Consolidated Statement of Comprehensive Income  
For the First Six-month Period

(Unit: Million yen)

|   | Six months ended March 31 <sup>st</sup> ,<br>2020<br>(Oct. 1 <sup>st</sup> , 2019 – Mar. 31 <sup>st</sup> ,<br>2019) | Six months ended March 31 <sup>st</sup> ,<br>2021<br>(Oct. 1 <sup>st</sup> , 2020 – Mar. 31 <sup>st</sup> ,<br>2021) |
|---|--|--|
| Profit (Loss)   | △779   | 1,465  |
| Other comprehensive income (after tax)                    |  |  |
| Items that may be reclassified as profit or loss          |  |  |
| Exchange Differences of foreign operations.               | △11  | △21  |
| Cash flow hedge   | △0   | -  |
| Total of items that may be reclassified as profit or loss | △11  | △21  |
| Total of other comprehensive income (after tax)           | △11  | △21  |
| Comprehensive income                                      | △791   | 1,443  |
| Comprehensive income attributable to                      |  |  |
| Owners of parent company                                  | △747   | 1,275  |
| Non-controlling interests                                 | △43  | 168  |

For the Second Quarter Period

(Unit: Million yen)

|   | Second quarter of FY9/20<br>(Jan. 1 <sup>st</sup> , 2020 – Mar. 31 <sup>st</sup> ,<br>2020) | Second quarter of FY9/21<br>(Jan. 1 <sup>st</sup> , 2021 – Mar. 31 <sup>st</sup> ,<br>2021) |
|---|---|---|
| Profit (Loss)   | △1,448  | 1,017   |
| Other comprehensive income (after tax)                    |   |   |
| Items that may be reclassified as profit or loss          |   |   |
| Exchange Differences of foreign operations.               | △10   | 17  |
| Cash flow hedge   | -   | -   |
| Total of items that may be reclassified as profit or loss | △10   | 17  |
| Total of other comprehensive income (after tax)           | △10   | 17  |
| Comprehensive income                                      | △1,459  | 1,035   |
| Comprehensive income attributable to                      |   |   |
| Owners of parent company                                  | △1,439  | 862   |
| Non-controlling interests                                 | △20   | 172   |

### (3) Condensed Consolidated Statement of Changes in Equity

Six months ended March 31<sup>st</sup>, 2020 (Oct. 1<sup>st</sup>, 2019 – Mar. 31<sup>st</sup>, 2020)

(Unit: Million Yen)

|   | Equity attributable to owners of parent company |                 |                   |                       |                 |       | Non-controlling interests | Total equity |
|---|---|-----------------|-------------------|-----------------------|-----------------|-------|---------------------------|--------------|
|   | Capital stock                                   | Capital surplus | Retained earnings | Other items of equity | Treasury shares | Total |                           |              |
| As of October 1 <sup>st</sup> , 2019                    | 2,922   | 4,175           | 2,601             | 19                    | △0              | 9,719 | 382                       | 10,101       |
| Adjustment for changes in accounting policies           | -   | -               | △34               | -                     | -               | △34   | △18                       | △52          |
| Balance after retrospective restatement                 | 2,922   | 4,175           | 2,566             | 19                    | △0              | 9,684 | 363                       | 10,048       |
| Profit (Loss)   | -   | -               | △741              | -                     | -               | △741  | △38                       | △779         |
| Other comprehensive income                              | -   | -               | -                 | △5                    | -               | △5    | △5                        | △11          |
| Total comprehensive income                              | -   | -               | △741              | △5                    | -               | △747  | △43                       | △791         |
| Dividends of surplus                                    | -   | △198            | -                 | -                     | -               | △198  | -                         | △198         |
| Issuance of new shares                                  | 11  | 11              | -                 | -                     | -               | 23    | -                         | 23           |
| Increase (decrease) by share exchanges                  | -   | 510             | -                 | -                     | -               | 510   | -                         | 510          |
| Increase (decrease) through transfers and other changes | -   | △22             | -                 | 8                     | -               | △14   | 26                        | 12           |
| Total transactions with owners                          | 11  | 302             | -                 | 8                     | -               | 322   | 26                        | 349          |
| As of March 31 <sup>st</sup> , 2020                     | 2,934   | 4,478           | 1,825             | 22                    | △0              | 9,260 | 346                       | 9,607        |

Six months ended March 31<sup>st</sup>, 2021 (Oct. 1<sup>st</sup>, 2019 – Mar. 31<sup>st</sup>, 2021)

(Unit: Million Yen)

|   | Equity attributable to owners of parent company |                 |                   |                       |                 |       | Non-controlling interests | Total equity |
|---|---|-----------------|-------------------|-----------------------|-----------------|-------|---------------------------|--------------|
|   | Capital stock                                   | Capital surplus | Retained earnings | Other items of equity | Treasury shares | Total |                           |              |
| As of October 1, 2020                                   | 3,138   | 4,887           | △6,135            | 92                    | △0              | 1,983 | 555                       | 2,538        |
| Profit (Loss)   | -   | -               | 1,286             | -                     | -               | 1,286 | 178                       | 1,465        |
| Other comprehensive income                              | -   | -               | -                 | △11                   | -               | △11   | △10                       | △21          |
| Total comprehensive income                              | -   | -               | 1,286             | -                     | -               | 1,275 | 168                       | 1,443        |
| Dividends of surplus                                    | -   | △204            | -                 | -                     | -               | △204  | -                         | △204         |
| Issuance of new shares                                  | 740   | 740             | -                 | -                     | -               | 1,481 | -                         | 1,481        |
| Transfer to capital surplus from capital stock          | △3,262  | 3,262           | -                 | -                     | -               | -     | -                         | -            |
| Transfer to earned surplus from capital surplus         | -   | △7,656          | 7,656             | -                     | -               | -     | -                         | -            |
| Changes in owner's equity in under-control subsidiaries | -   | 4               | -                 | -                     | -               | 4     | 174                       | 179          |
| Increase (decrease) through transfers and other changes | -   | 2               | 4                 | △2                    | -               | 3     | 14                        | 18           |
| Total transactions with owners                          | △2,521  | △3,850          | 7,661             | △2                    | -               | 1,285 | 188                       | 1,474        |
| As of March 31 <sup>st</sup> , 2021                     | 617   | 1,036           | 2,812             | 78                    | △0              | 4,544 | 911                       | 5,455        |

## (4) Condensed Consolidated Statement of Cash Flows

(Unit: Million Yen)

|  | Six months ended March 31 <sup>st</sup> ,<br>2019<br>(Oct. 1 <sup>st</sup> , 2019 – Mar. 31 <sup>st</sup> ,<br>2020) | Six months ended March 31 <sup>st</sup> ,<br>2020<br>(Oct. 1 <sup>st</sup> , 2020 – Mar. 31 <sup>st</sup> ,<br>2021) |
|--|--|--|
| <b>Cash flows from operating activities</b>  |  |  |
| Profit (Loss) before tax   | △759   | 1,955  |
| Depreciation and amortization expense  | 849  | 365  |
| Investment Gain/Loss   | 270  | △165   |
| Negative goodwill  | △755   | -  |
| Profit from loss of control subsidiaries   | -  | △595   |
| Impairment losses  | 1,044  | 36   |
| Decrease (Increase) in trade and other receivables   | △1,473   | △1,152   |
| Decrease (Increase) in inventories   | 54   | △44  |
| Increase (decrease) in trade and other payables  | 256  | 13   |
| Decrease (increase) in advance payments – trade)   | 21   | 136  |
| Decrease (increase) in guarantee deposits  | △154   | 17   |
| Decrease (increase) in investment securities for sale  | △94  | △298   |
| Other  | 68   | 90   |
| Subtotal   | △672   | 358  |
| Interest and dividend income received  | 9  | 0  |
| Interest expenses paid   | △100   | △74  |
| Income taxes paid  | △162   | △73  |
| Net cash provided by (used in) operating activities  | △926   | 211  |
| <b>Cash flows from investing activities</b>  |  |  |
| Purchase of investment securities  | △111   | △216   |
| Purchase of property, plant and equipment  | △134   | △88  |
| Purchase of intangible assets  | △577   | △126   |
| Collection of lease deposits   | 1  | 15   |
| Proceeds from withdrawal of time deposits  | 51   | -  |
| Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation | 553  | -  |
| Payments for sales of shares of subsidiaries resulting in change in scope of consolidation     | -  | △421   |
| Payments for acquisition of businesses   | △150   | -  |
| Others   | 59   | △9   |
| Net cash provided by (used in) investing activities  | △307   | △847   |
| <b>Cash flows from financing activities</b>  |  |  |
| Net increase (decrease) in short-term loans payable  | △371   | △1,039   |
| Proceeds from long-term loans payable  | -  | 754  |
| Repayments of long-term loans payable  | △847   | △829   |
| Proceeds from issuance of common shares  | -  | 459  |
| Proceeds from share issuance to non-controlling shareholders                                   | -  | 179  |
| Repayments of lease obligations  | △244   | △137   |
| Dividends paid to owners of the parent company   | △190   | △202   |
| Others   | 21   | -  |
| Net cash provided by (used in) financing   | △1,631   | △816   |

activities

|   |        |        |
|---|--------|--------|
| Effect of exchange rate change on cash and cash equivalents                                       | 3      | 11     |
| Net increase (decrease) in cash and cash equivalents  | △2,861 | △1,442 |
| Cash and cash equivalents at beginning of period  | 8,997  | 7,042  |
| Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation | △68    | -      |
| Cash and cash equivalents at end of period  | 6,067  | 5,600  |



## (5) Notes to Condensed Consolidated Financial Statements

(Notes on going concern assumptions)

Not applicable.

(Changes in accounting policies)

Application of IFRS 16 Leases

The Group applied IFRS 16 Leases (issued in January 2016) (hereinafter referred to as “IFRS 16”) starting from the first three months of this consolidated fiscal year. On applying IFRS 16, the Group chose the method of recognizing the cumulative effect of application of the standard at the date of initial application (October 1, 2019), which is permitted under transition provisions, and not retrospectively restating comparative information.

### (1) Definition of lease

As a result of the application of IFRS 16, at the inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Group considers whether a contract includes use of an identified asset, whether the Group has the right to obtain substantially all the economic benefits from the use of the asset throughout the period of use, and whether the Group has the right to direct use of the asset.

### (2) Accounting for leases

Leases as lessee

At the commencement of the lease, with respect to the lease components of leases except for short-term leases and low value asset leases, the Group recognizes a right-of-use asset and the related lease liability. At the commencement date, the Group measures the right-of-use asset at cost and measures the lease liability at the present value of the lease payments that are not paid at that date.

The cost of the right-of-use asset consists of the amount of the initial measurement of the lease liability, any initial direct costs, any lease payments made before the commencement date and other adjustments. The discount rate used to determine the present value of leases payment is the interest rate implicit in the lease, if that rate can be readily determined, and if that rate cannot be readily determined, the Group uses the Group’s incremental borrowing rate.

The lease term is the noncancellable period of the lease including the period covered by the option to extend the lease (when the Group is reasonably certain to exercise an option to extend the lease) and the period covered by the option to terminate the lease (when the Group is reasonably certain not to exercise the option to terminate the lease).

After the commencement date, the right-of-use asset is measured at cost less accumulated depreciation and impairment losses. When depreciating right of use assets, the Group applies the depreciation requirements in IAS 16 Property, Plant and Equipment. The Group also applies IAS 36 Impairment of Assets when assessing whether to depreciate right-of-use assets and when accounting for identified impairment losses.

If the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the Group is reasonably certain to exercise the lessee’s purchase option, the Group depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Group depreciates the right-of use asset by the straight-line method from the commencement date to the earlier of the end of the useful life of the right of-use asset or the end of the lease term.

After the commencement date, the Group measures the lease liability by increasing the carrying amount to reflect interest on the lease liability and reduces the carrying amount to reflect the lease payments made.

The Group also remeasures the carrying amount to reflect any fluctuation of lease payments or lease modifications or to reflect revised in-substance fixed lease payments.

The Group expenses lease payments related to short-term leases and low value leases by the straight-line method.

#### Accounting on transition

On applying IFRS 16, the Group applies the practical expedient that does not require it to reassess whether existing contracts contain a lease. Accordingly, assessment of leases in accordance with the definition of a lease under IFRS 16 applies only to contracts concluded or amended on or after October 1, 2019.

#### Leases as lessee

(Leases classified as an operating lease under IAS 17)

A lease liability at transition is measured at present value of the remaining lease payments as of the transition date discounted at the Group's incremental borrowing rate as of October 1, 2019. A right-of-use asset at transition is measured by one of the methods shown below:

- carrying value as if IFRS 16 had always been in place calculated from lease commencement; provided, however, that the discount rate is the lessee's incremental borrowing rate as of the date of initial application;
- or
- set equal to the lease liability, adjusted for any prepaid or accrued lease payments.

When applying IFRS 16 to leases previously classified as operating leases under IAS 17, the Group applies the practical expedients shown below:

- apply a single discount rate to a portfolio of leases with reasonably similar characteristics;
- account for leases for which the lease term ends within 12 months of the date of initial application by the same method used for short-term leases;
- exclude initial direct costs from the measurement of the right-of-use asset as of the date of initial application; and
- use hindsight with respect to contracts with options to extend or cancel when determining the lease term, etc.

(Lease classified as a finance lease under IAS 17)

The carrying value of the right-of-use asset and the lease liability is determined based on the carrying value of the lease asset and lease liability under IAS 17 immediately before the date of initial application.

#### (3) Impact on the condensed quarterly consolidated financial statements

On application of IFRS 16, in the condensed quarterly consolidated statements of financial position at the beginning of the period, the Group additionally recognized right-of-use assets of 4,819 million yen and lease liabilities of 4,871 million yen and recognized decreased of 34 million yen in retained earnings and 18 million yen in non-controlling interests.

The weighted average of the lessee's incremental borrowing rates applied to lease liabilities recognized in the condensed quarterly consolidated statements of financial position as of the date of initial application is 0.7% to 4.8%.

(Segment information, etc.)

#### (1) Summary of reportable segments

The Company's reportable segments are its business units that have separate financial information available and that are subject to periodical examinations by the Board of Directors for the purpose of determining the allocation of management resources and evaluating performance.

Under its "One Asia" vision, the Group aims to serve as a bridge connecting various opportunities and engineers in Asia. With the Online Travel Agency Business, IT Offshore Development Business and Investment Business as its three mainstay businesses, the Group classifies these businesses, with their highly unique business models, as its main reportable business segments and draws up and determine Group strategies accordingly.

The businesses and main products belonging to each reportable segment are as follows:

|                                  |   |
|----------------------------------|---|
| Online Travel Agency Business    | : AirTrip travel agency services, services for foreign visitors in Japan, life innovation services, Healthcare Business |
| IT Offshore Development Business | : Lab-type offshore development services and BPO services   |
| Investment Business              | : Investment in growing companies and turnarounds   |

(2) Calculation method of segment income (loss) and segment performance

The accounting process for the reportable business segments is the same as that used for the preparation of the condensed consolidated financial statements.

## (3) Information about segment income (loss) and segment performance

Six months ended March 31<sup>st</sup>, 2020 (Oct. 1<sup>st</sup>, 2019 – Mar. 31<sup>st</sup>, 2020)

(Unit: Million Yen)

|                                      | Reportable segments                    |  |                        |        | Other<br>(Note 1) | Total  | Adjustments<br>(Note 2) | Consolidated<br>Total |        |
|--------------------------------------|--|--|------------------------|--------|-------------------|--------|-------------------------|-----------------------|--------|
|                                      | Online<br>Travel<br>Agency<br>Business | IT Offshore<br>Development<br>Business | Investment<br>Business | Total  |                   |        |                         |                       |        |
| External sales revenue               | 13,653                                 | 1,016                                  | 71                     | 14,741 | 0                 | 14,741 | -                       | 14,741                |        |
| Intersegment revenue                 | -                                      | 425                                    | -                      | 425    | -                 | 425    | △425                    | -                     |        |
| Total sales revenue                  | 13,653                                 | 1,441                                  | 71                     | 15,166 | 0                 | 15,166 | △425                    | 14,741                |        |
| Segment profits<br>(losses) (Note 3) | △473                                   | 53                                     | △243                   | △662   | △0                | △662   | △669                    | △1,332                |        |
| Financial income                     |  |  |                        |        |                   |        |                         |                       | 10     |
| Financial expenses                   |  |  |                        |        |                   |        |                         |                       | △103   |
| Income before income<br>taxes        |  |  |                        |        |                   |        |                         |                       | △1,425 |

(Note 1) The category "Other" includes the business segments not included in the reportable segments, such as advertising revenue.

(Note 2) The category "Adjustments" mainly consists of corporate expenses that do not belong to any reportable segment and intersegment transactions.

(Note 3) The segment profit or loss has been adjusted to the operating income stated in the condensed quarterly consolidated statement of income.

(Note 4) HIKAWA CO., LTD. was excluded from consolidation in the Fiscal Year ending September 30th, 2020, so this company's business is classified as a discontinued business. The above table shows the amount of continuing business excluding discontinued business.

Six months ended March 31<sup>st</sup>, 2021 (Oct. 1<sup>st</sup>, 2020 – Mar. 31<sup>st</sup>, 2021)

(Unit: Million yen)

|                                      | Reportable segments                    |  |                        |        | Total  | Adjustments<br>(Note 1) | Consolidated<br>Total |       |
|--------------------------------------|--|--|------------------------|--------|--------|-------------------------|-----------------------|-------|
|                                      | Online<br>Travel<br>Agency<br>Business | IT Offshore<br>Developm<br>ent<br>Business | Investment<br>Business | Total  |        |                         |                       |       |
| External sales revenue               | 9,931                                  | 925  | 345                    | 11,202 | 11,202 | -                       | 11,202                |       |
| Intersegment revenue                 | -                                      | 142  | -                      | 142    | 142    | △142                    | -                     |       |
| Total sales revenue                  | 9,931                                  | 1,068                                      | 345                    | 11,345 | 11,345 | △142                    | 11,202                |       |
| Segment profits<br>(losses) (Note 2) | 1,394                                  | 613  | 435                    | 2,443  | 2,443  | △442                    | 2,001                 |       |
| Financial income                     |  |  |                        |        |        |                         |                       | 33    |
| Financial expenses                   |  |  |                        |        |        |                         |                       | △79   |
| Income before income<br>taxes        |  |  |                        |        |        |                         |                       | 1,955 |

(Note 1) The category "Adjustments" mainly consists of corporate expenses that do not belong to any reportable segment and intersegment transactions.

(Note 2) The segment profit or loss has been adjusted to the operating income stated in the condensed quarterly consolidated statement of income.

Second quarter ended March 31<sup>st</sup>, 2020 (Jan. 1<sup>st</sup>, 2020 – Mar. 31<sup>st</sup>, 2020)

(Unit: Million Yen)

|                                      | Reportable segments                    |  |                        |        | Other<br>(Note 1) | Total  | Adjustments<br>(Note 2) | Consolidated<br>Total |        |
|--------------------------------------|--|--|------------------------|--------|-------------------|--------|-------------------------|-----------------------|--------|
|                                      | Online<br>Travel<br>Agency<br>Business | IT Offshore<br>Development<br>Business | Investment<br>Business | Total  |                   |        |                         |                       |        |
| External sales revenue               | 6,251                                  | 508                                    | 0                      | 6,760  | 0                 | 6,760  | -                       | 6,760                 |        |
| Intersegment revenue                 | -                                      | 209                                    | -                      | 209    | -                 | 209    | △209                    | -                     |        |
| Total sales revenue                  | 6,251                                  | 718                                    | 0                      | 6,970  | 0                 | 6,970  | △209                    | 6,760                 |        |
| Segment profits<br>(losses) (Note 3) | △780                                   | 13                                     | △406                   | △1,173 | △0                | △1,173 | △360                    | △1,534                |        |
| Financial income                     |  |  |                        |        |                   |        |                         |                       | 4      |
| Financial expenses                   |  |  |                        |        |                   |        |                         |                       | △45    |
| Income before income<br>taxes        |  |  |                        |        |                   |        |                         |                       | △1,575 |

(Note 1) The category "Other" includes the business segments not included in the reportable segments, such as advertising revenue.

(Note 2) The category "Adjustments" mainly consists of corporate expenses that do not belong to any reportable segment and intersegment transactions.

(Note 3) The segment profit or loss has been adjusted to the operating income stated in the condensed quarterly consolidated statement of income.

(Note 4) HIKAWA CO., LTD. was excluded from consolidation in the Fiscal Year ending September 30th, 2020, so this company's business is classified as a discontinued business. The above table shows the amount of continuing business excluding discontinued business.

Second quarter ended March 31<sup>st</sup>, 2021 (Jan. 1<sup>st</sup>, 2021 – Mar. 31<sup>st</sup>, 2021)

(Unit: Million Yen)

|                                      | Reportable segments                    |  |                        |       | Total | Adjustments<br>(Note 1) | Consolidated<br>Total |       |
|--------------------------------------|--|--|------------------------|-------|-------|-------------------------|-----------------------|-------|
|                                      | Online<br>Travel<br>Agency<br>Business | IT Offshore<br>Development<br>Business | Investment<br>Business | Total |       |                         |                       |       |
| External sales revenue               | 4,092                                  | 499                                    | 49                     | 4,641 | 4,641 | -                       | 4,641                 |       |
| Intersegment revenue                 | -                                      | 51                                     | -                      | 51    | 51    | △51                     | -                     |       |
| Total sales revenue                  | 4,092                                  | 551                                    | 49                     | 4,693 | 4,693 | △51                     | 4,641                 |       |
| Segment profits<br>(losses) (Note 2) | 767                                    | 583                                    | 119                    | 1,470 | 1,470 | △231                    | 1,238                 |       |
| Financial income                     |  |  |                        |       |       |                         |                       | 27    |
| Financial expenses                   |  |  |                        |       |       |                         |                       | △36   |
| Income before income<br>taxes        |  |  |                        |       |       |                         |                       | 1,229 |

(Note 1) The category "Adjustments" mainly consists of corporate expenses that do not belong to any reportable segment and intersegment transactions.

(Note 2) The segment profit or loss has been adjusted to the operating income stated in the condensed quarterly consolidated statement of income.

(Important subsequent event)

Not applicable