

Full year fiscal year ended July 2019

Financial Results Explanation Material



Bestone.com Co. Ltd.
(Securities code: 6577)

1. Management philosophy

2. Financial report

- Summary of consolidated financial results for the current fourth quarter
- Summary of consolidated financial results for the full year
- Trends in financial results
- Trends in users of the website

3. Major efforts during the fiscal year ended July 2019

- A variety of campaigns
- Best1's tours
- New PSA (preferred sales agent) contracts
- CruiseBookJapan
- Ebisu Ryokan

4. Market environment

- Population of cruise guests in Japan
- Growth potential of cruise market
- Inbound cruise market

5. Future growth strategy

- Summary of growth strategy
- Policy for the current period
 - First hosting of chartered cruise
 - Start of escorted tours
 - Entry into inbound market
 - Strengthening of marketing
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 - Forecast of financial results for the fiscal year ending July 2020

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- Company overview
- Service overview
- Advantage of Bestone.com

Provide all customers with a first unforgettable experience on a cruise tour/voyage

Life Change Experience

Make cruises more familiar and easy

Cruise tours are not only for the wealthy and elderly.

We will contribute to a growth in the Japanese cruise market by establishing an environment where young tourists and persons who have yet to travel on cruise ships can join cruise tours/voyages easily and comfortably and providing them with the opportunities to experience a new form of tours.

[Basic view for future financial results]

As the main cruise business (main business), we are designed to maximize profits not for the short term but for the middle and long term with the aim of securing revenue and profit growth and maximizing net sales (scale) and gross profits.

Cruise market has not yet matured but is at a transition stage in its development, though the business environment has improved year by year and transaction volume/population of cruises have shown **G1** solid growth.

At the phase where the market has matured to some extent (the number of Japanese cruise guests has reached a certain level), in our opinion, the followings are the most important points:

- Number of tourists through (using) Best1 Cruise
- The penetration of the brand so that Best1 becomes the automatic choice for reserving cruise tours

To be a top online platform in the reservation of cruise tours,

- We will put a priority on making investment for growth in scale (net sales) while securing revenue and profit growth,
and
- We will carry out business and profit planing for the time being on the assumption it takes half a year - a year from time of investment (advertisement/ system/personnel expenses) to an effect on financial results.

スライド 4

G1

原文「クルーズに乗る日本人が一定に達した」は、「クルーズに乗る日本人の数が一定の水準に達した」の意味で翻訳しております。

GLOVA, 2019/11/21

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Summary of consolidated financial results (for the current fourth quarter)

- For the fourth quarter (May-July), consolidated net sales amounted to 651 million yen, 132.2% of those for the same period of the previous fiscal year.

This is mainly due to flexible sales such as last-minute discounts and the attraction of demand for the early summer vacation period in July.

Quarterly net sales reached a historical high.

In the fourth quarter, all net sales, gross profit, operating income and ordinary income reached historic highs.

- After the 10 consecutive days of the Golden Week holiday, cruises continuously attracted high interest, and so reservations remained solid.
- We aggressively made upfront investment in advertisement in the process of strengthening the attraction of reserving tours for the next period, and increased advance reservations.

	Fourth quarter of the fiscal year ended July 2019 (May-July 2019)				
(thousands of yen)	Current 4Q		Previous 4Q		
	Actual results	Composition ratio	Actual results	Composition ratio	Percent change
Net sales	651,724	-	493,148	-	132.2%
Gross profit	130,527	20.0%	87,726	17.8%	148.8%
Total SGA	100,157	15.4%	68,630	13.9%	145.9%
Advertisement	40,077	6.1%	25,847	5.2%	155.1%
Personnel	32,811	5.0%	25,232	5.1%	130.0%
Other	27,267	4.2%	17,551	3.6%	155.4%
Operating income	30,370	4.7%	19,095	3.9%	159.0%
Ordinary income	28,554	4.4%	18,013	3.7%	158.5%
Net income	14,782	2.3%	10,085	2.0%	146.6%

Summary of consolidated financial results for the full year (consolidated statement of income)

- For the current consolidated fiscal year, net sales amounted to 2,173 million yen, 136.9% of those for the previous consolidated fiscal year.

This is mainly due to continued growth in the cruise market, expansion of lineup campaign and increased shares resulting from strengthening of new sales promotion and measure for acquiring repeaters.

In the full year, all consolidated net sales, gross profit, operating income and ordinary income reached another historical high.

- Net sales, gross profit and SGA (selling, general and administrative expenses) are 3 million yen, 21 million yen and 41 million higher than the plan, respectively. Consequently, operating income are 19 million yen lower.

* Other in SGA includes M&A related expenses of about 7 million yen and additional audit fee of about 8 million yen arising from introduction of and changes in the system.

We failed to achieve the profit plan despite steady business because of insufficient initial reflection of administration expenses after listing and M&A related expenses.

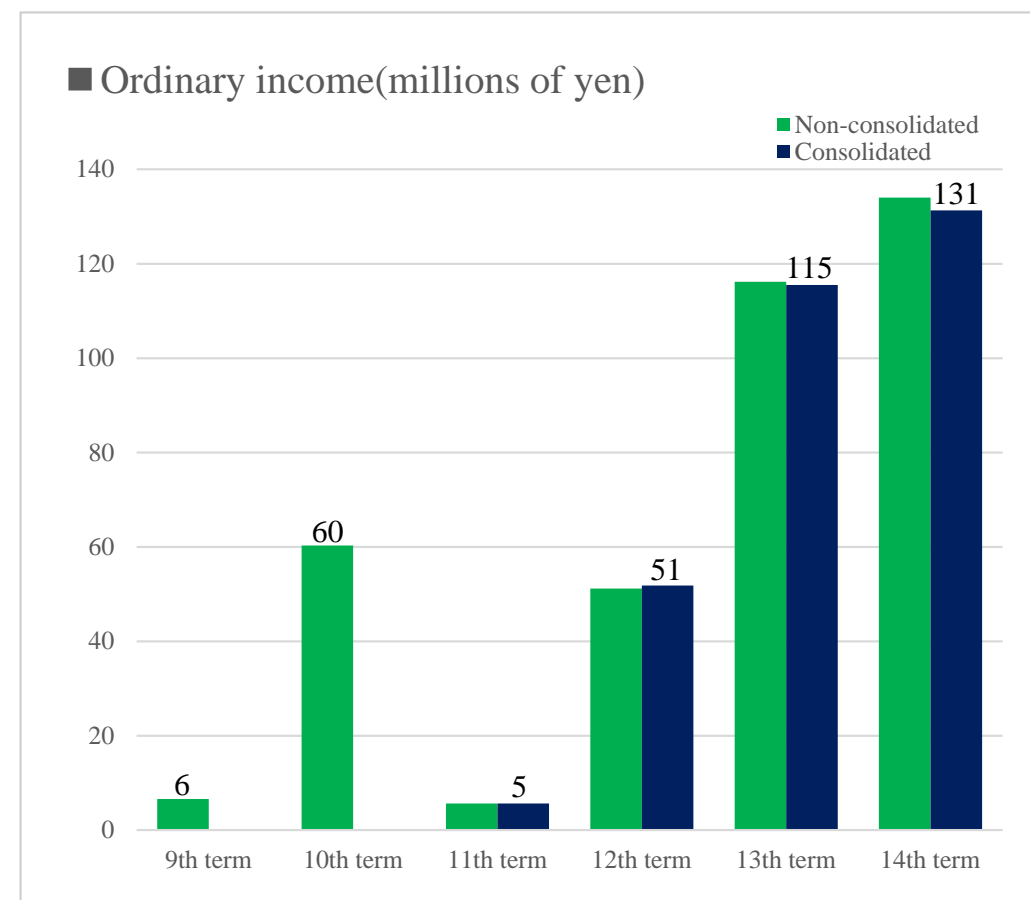
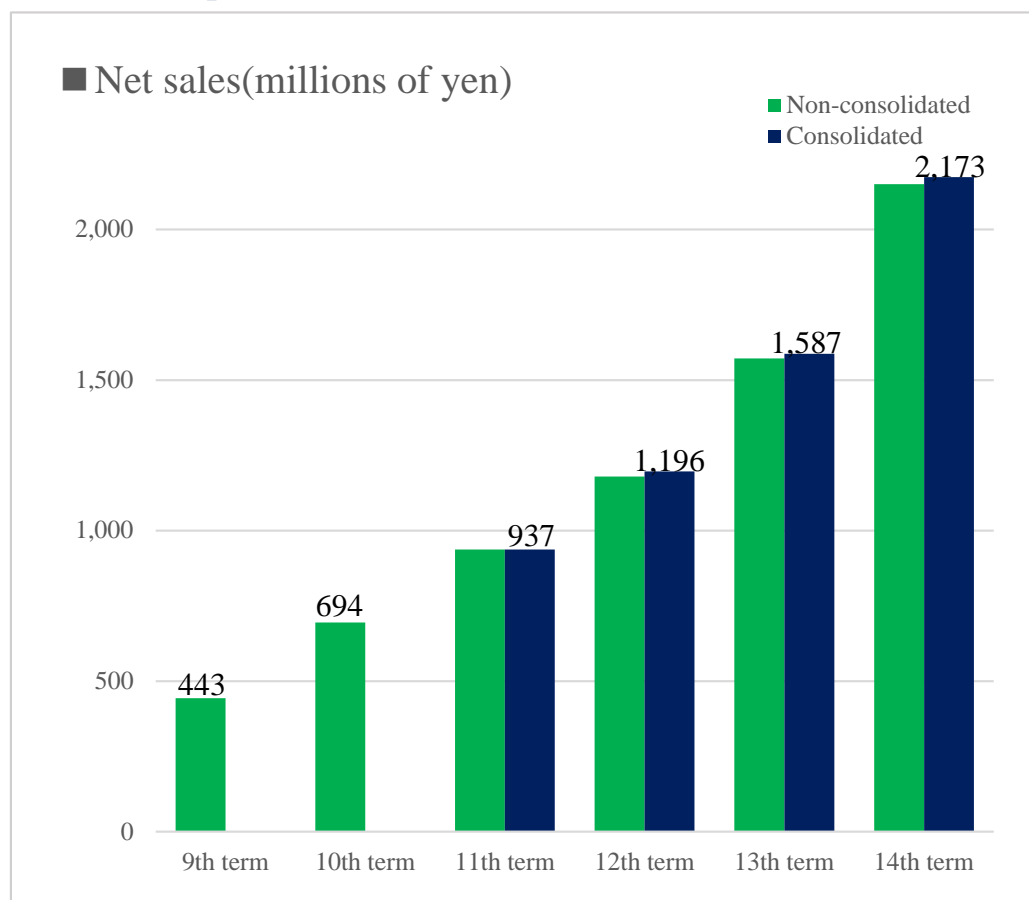
	Fiscal year ended July 2019 (August 2018 - July 2019)						
(thousands of yen)	Current fiscal year		Plan		Previous fiscal year		
	Actual results	Composition ratio	Plan	vs. the plan	Actual results	Composition ratio	vs. the previous fiscal year
Net sales	2,173,845	-	2,170,310	100.2%	1,587,520	-	136.9%
Gross profit	452,676	20.8%	431,022	105.3%	338,874	21.3%	133.6%
Total SGA	318,200	14.6%	276,890	114.7%	218,249	13.7%	145.8%
Advertisement	104,095	4.8%	103,600	100.5%	74,421	4.7%	139.9%
Personnel	116,103	5.3%	105,624	109.9%	88,129	5.6%	131.7%
Other	98,000	4.5%	67,666	143.9%	55,698	3.5%	175.9%
Operating income	134,475	6.2%	154,131	88.3%	120,625	7.6%	111.5%
Ordinary income	131,263	6.0%	150,245	88.9%	115,508	7.3%	113.6%
Net income	84,203	3.9%	100,014	84.7%	77,308	4.9%	108.9%

Trends in financial results for the full year

・ For the current consolidated fiscal year, consolidated net sales and ordinary income amounted to 2,173 million yen (136.9% of those for the previous consolidated fiscal year) and 131 million yen (108.9%), respectively, reaching another **historical high** on a full-year basis.

We have steadily increased transaction volume and customers mainly due to an expansion of the cruise market, penetration of online reservation of tours, expansion of product lineup, web marketing, and an improvement in UI.

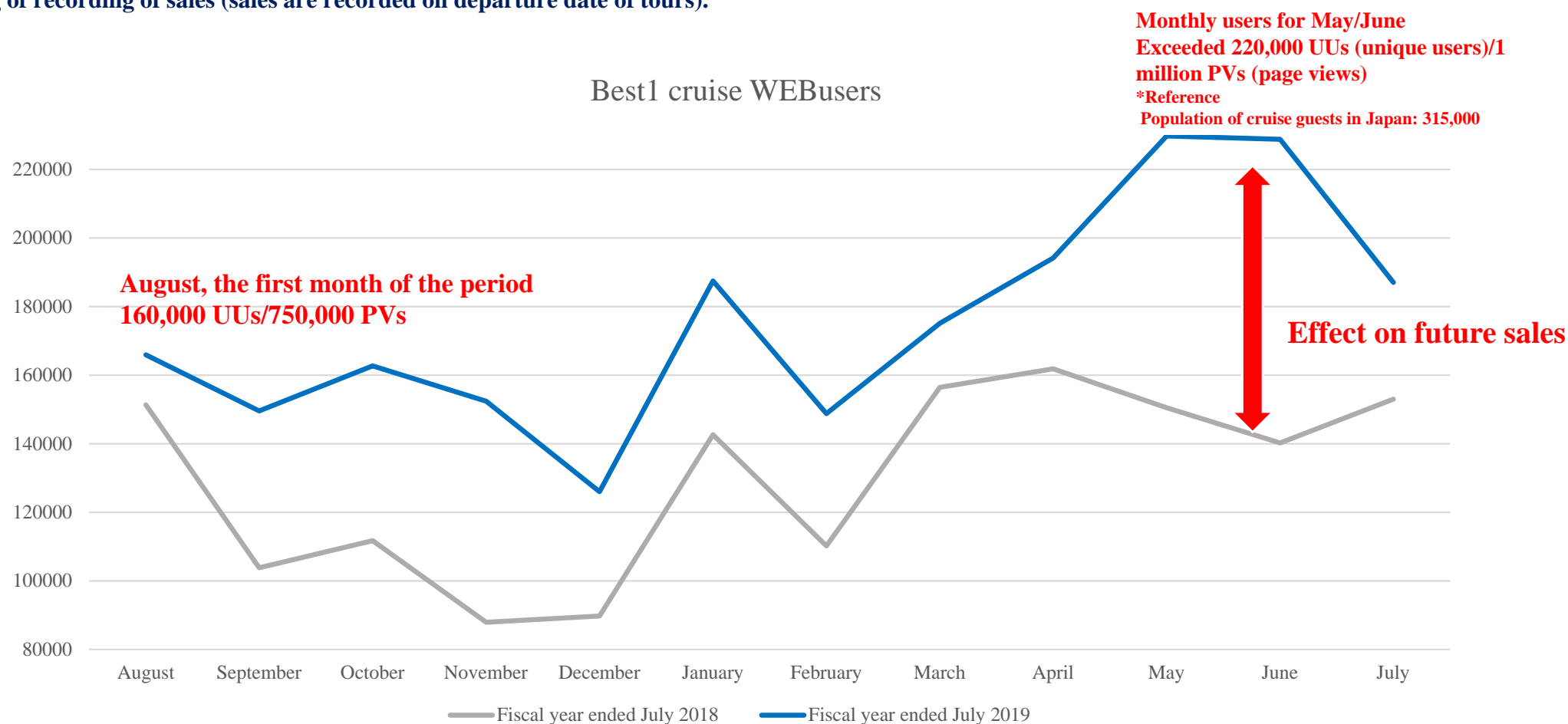
Collective recording of M&A fees in SGA resulted in consolidated ordinary income below non-consolidated ordinary income. No subsidiaries have recorded ordinary loss.



Trends in “Best1 cruise” users

- For June, the number of users marked a historic high, 166% of that for the same period the previous year and received inquiries and advance orders remained strong following May.
- An increase in net inflow for the April-July period mainly had an effect on sales for the fiscal year ending July 2020. Among others, reservations for Golden Week in April 2020 were at least twice as high as the previous fiscal year. (Effect of stronger demand for cruise tours/trend of making reservations forward)

*The following trends in users of the website are based on timing of using the website (timing of consideration/reservation), and so the trends differ from those at timing of recording of sales (sales are recorded on departure date of tours).



As for timing of considering cruise tours (inflow into “Best1 Cruise”), there is a trend of seasonal fluctuation not dependent on advertising.

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A variety of campaigns

We have implemented flexible sales promotions unique to OTA (online travel agent) including seasonal campaigns, preliminary reports on price revisions of shipping companies and our special rate for reservation of tours close to their hosting (terms of purchases).



[Seasonal campaigns]

We have selected core products and implemented discount campaigns for the products with a limited time with the aim of following:

- Obtaining new customers
- Selling products with high profitability
- Controlling timing of departure (accounting sales)
- Increasing contract rate and efficiency of operation



[Preliminary reporting of price cutting/ special rates]

(i) We have generated synergy by timely preparing of the feature web page with price revisions by shipping companies, and related sales promotion by the shipping companies on other media and strengthening our sales promotion.

(ii) We can make appealing prices without reducing profits by purchasing cabins vacant immediately before departure at the special terms only applied to us and implementing flexible sales promotion because the lead time for posting the cabins on the web is a day.

Offering unique products/Best1's tours

We have developed many original packaged tours with air tickets and specially designed products.
We will make efforts to increase the number of tours and develop escorted tours.

DREAM CRUISES
個人自由クルーズ専門 **BEST 1** クルーズ
ベストワンクルーズ

「ワールドドリーム号」で巡る
豪華香港周遊クルーズ
週末4日間特集

18年11月1日～19年3月14日出発

東京発着 香港寄港
航空券付きツアー
最大約 **40%OFF** **63,000円～**

早い者勝ち **BEST 1** クルーズ TRAVEL ZOO
9/12 掲載

2019年1月～3月発着

MSCシーサイドで行く
西カリブ海

クルーズ滞在中 全日程
ドリンクパッケージ無料! (一部除く)

航空券付き
クルーズツアー **138,000円～**

[Best1's tours with air tickets]

By making minimum packages combining air tickets and boat cruise tickets, the **highly flexible discount tours** with the following features,

- Possible to eliminate efforts to find air tickets suited to cruises
- Easily understandable total amount necessary for a tour
- Cheaper than other companies' products combined with sightseeing and other products
- Possible to customize hotels and sightseeing by users themselves, positioned between packaged tours with full services and personal tours.

9～10月出発
個人自由クルーズ専門 **BEST 1** クルーズ
ベストワンクルーズ

20組40名様限定
便利な東京発着
カジュアル客船で行く
**日本発着
ミステリークルーズ**

東京発着 6泊7日
ドリンクパッケージ付き
49,000円～

7月下旬～8月下旬出発
15組30名様限定

日本発着 早い者勝ち **BEST 1** クルーズ

ミステリー クルーズ
Mystery ? Cruise

どこへ向かうかは楽しみ!

最大約 **70%OFF** 最安値 **7泊8日 50,900円～**

[Mystery cruises]

They are special plans that cruise ships and departure date/shipping routes are unannounced at reservation.

Impressive plans with cruise ships undisclosed makes it possible to purchase vacant cabins at special prices and sell them at a lower price.

Strengthening of relationship with shipping companies/new PSA (preferred sales agent) contracts

- New PSA (preferred sales agent) contracts mainly related to premium/luxury cruise ships have become effective.
In addition to an improvement in terms of purchases, resultingly, joint product planning/sales promotion plans will be implemented.
- We will expand product lineup and make web registration more efficient through system linkage on inventory information (including charges for vacant cabins).



Only cruise company in France. The company commissioned four small-sized cruise ships with good design(same type ships) from 2010 to 2015. The 10,000 ton-class ships are favored in terms of characteristic body and sophisticated and elegant decor. The company's expeditionary cruises (expedition ships) for the south pole, etc. are also acknowledged. Its cruise ships win the nickname of "Gastronomic ship", offering authentic french cuisine on board.



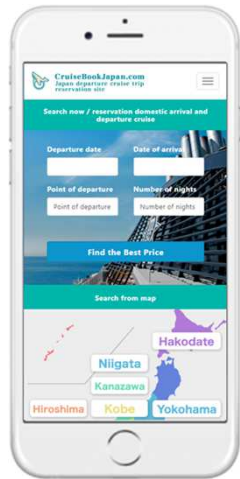
Regent Seven Seas is a cruise company with its headquarters in Miami, Florida. Cruise ships have cabins consisting of suites with a balcony and a bathtub, and all inclusive luxury cruises are offered that charges for the cruises range from alcoholic charges to charges for sightseeing tours at anchorage sites.



Oceania Cruises has upper premium cruise ships with a high class feel and casualness not requiring full formal dress. Their middle-sized luxury cruise ships call at favorable ports around the world. Guests can enjoy the greatest cuisine overseen by famous chefs at open seating special restaurants while being casually dressed, with no dress code or restrictions and no additional charges. The one and only service combining the quality of premium cruise ships and the casual atmosphere is appreciated by cruise enthusiasts around the world, and the company has won many prestigious awards.

Multi-language website “cruisebookjapan”

We have set up a multi-language website to obtain increasing inbound cruise tourists. At present, we have not yet obtained foreign users because of no marketing activities. However, in our plan marketing activities will be launched, and expanded in terms of scale, and contribute to financial results in the next three years.

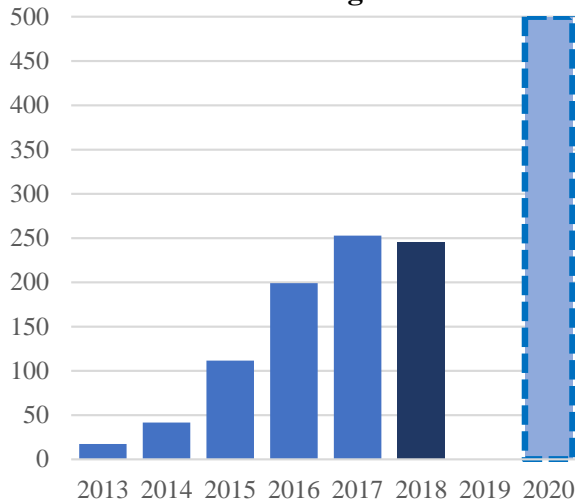


“cruisebookjapan.com” Multi-language support website possible to search and reserve cruise tours

Japanese
English
Chinese (simplified)
Taiwanese (traditional)
Korean
Indonesian
Thai
Supporting **seven languages!**

- The website opened at the end of December 2018.
- We will implement marketing activities and attract guests in the order of English version site and then Tawanesse/Korean version site.
- We will generate 10% of net sales from inbound tourists in the next three years.

Trends of inbound cruise guests



The number of inbound cruise guests slightly declined because Chinese market has entered a consolidation phase from an overheating phase. Shipping companies expressed an increase in allocation of cruise ships toward 2020, and so the number will achieve repeated growth if the market leaves behind a temporary lull.

*The central government set up the goal of increasing the number of inbound cruise guests to 5 million in 2020 in the “Tourism Vision to Support the Future of Japan” (announced on March 30, 2016).

Number of cruise users in rapidly growing Asian countries

		2016	2017	Growth rate
China	(thousand people)	2,122.9	2,396.7	13%
Taiwan	(thousand people)	299.3	373.5	25%
Singapore	(thousand people)	214.2	266.6	24%
Hong Kong	(thousand people)	127.3	229.8	81%
Malaysia	(thousand people)	99.8	187.6	88%
India	(thousand people)	148.5	172.3	16%
Indonesia	(thousand people)	33.2	46.5	40%
Philippines	(thousand people)	26.4	41.2	56%
South Korea	(thousand people)	32.0	39.2	23%
Thailand	(thousand people)	50.5	26.5	-48%
Vietnam	(thousand people)	5.9	6.5	10%

The markets with the potential equal to or above Japan !

*It is prepared by us, based on CLIA “Asia Market Trends 2018”.

Made Ebisu Ryokan a subsidiary

【Entry into hotel/Japanese inn business】

- We have obtained Ebisu Ryokan through M&A as a foothold for a new business.



16-2 Higashikujo Nakatonoda-cho, Minami-ku, Kyoto-shi



Ebisu Ryokan is located at a convenient site **7 minutes walk from the JR Kyoto Station** and in front of the quiet and calm street. Please go from the JR/Shinkanse Hachijo exit through Kintesu shopping street “Miyakomichi” to the main street. It takes a few minutes walk to go to our building from there, and so it is also convenient when you are caught in the rain or have large suitcases.

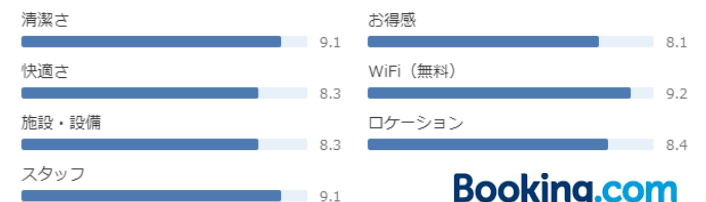
The Japanese inn has a building with 9 guest rooms (27 overnight guests at maximum), constructed in 2015, and is a small-sized hostel-type facility for foreign (inbound) guests specializing in accommodation with no meals.



The hotel has maintained solid occupancy results mainly from foreign tourists since opened in 2015.

For the latest fiscal year ended April 2019, it recorded net sales of **39 million yen** and ordinary income of **8 million yen**. (The results only for the fourth quarter are reflected in the consolidated statement of income)

8.6 すばらしい・クチコミ577件 ▾



Booking.com

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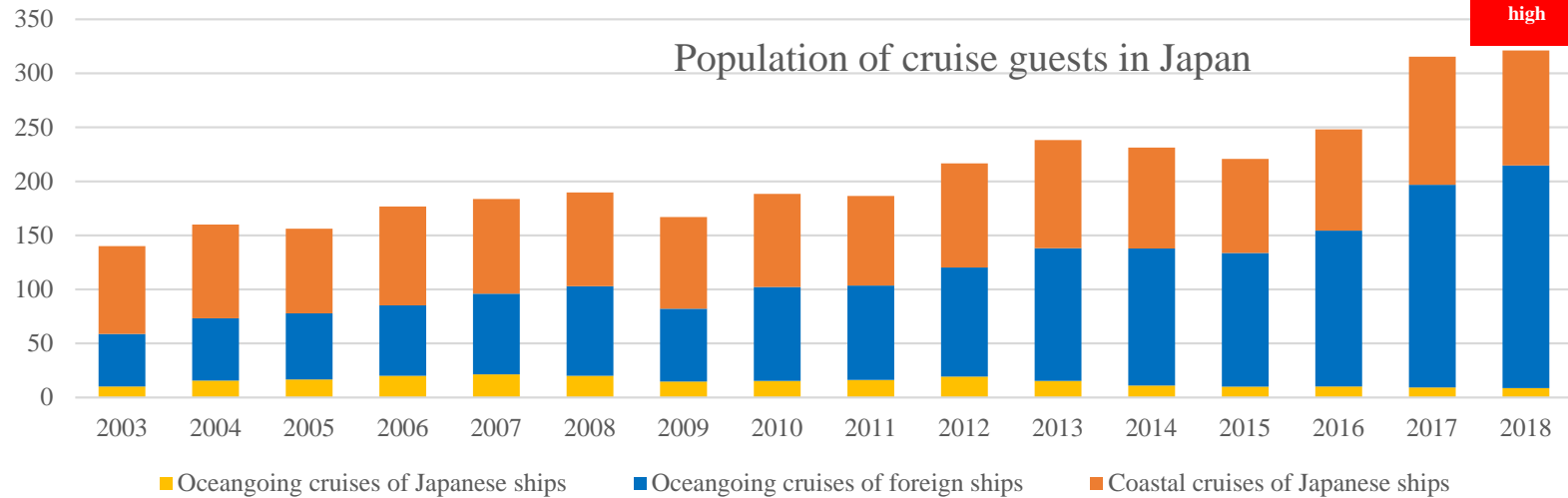
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Population of cruise guests in Japan for 2018

It was prepared by us, based on the “2018 Japanese cruise trends (survey result)” announced by the Ministry of Land, Infrastructure, Transport and Tourism on June 27, 2019.

In 2018, the population of Japanese cruise guests totaled 321,000, above 300,000 for the second consecutive year, reaching historic highs for the third consecutive year.

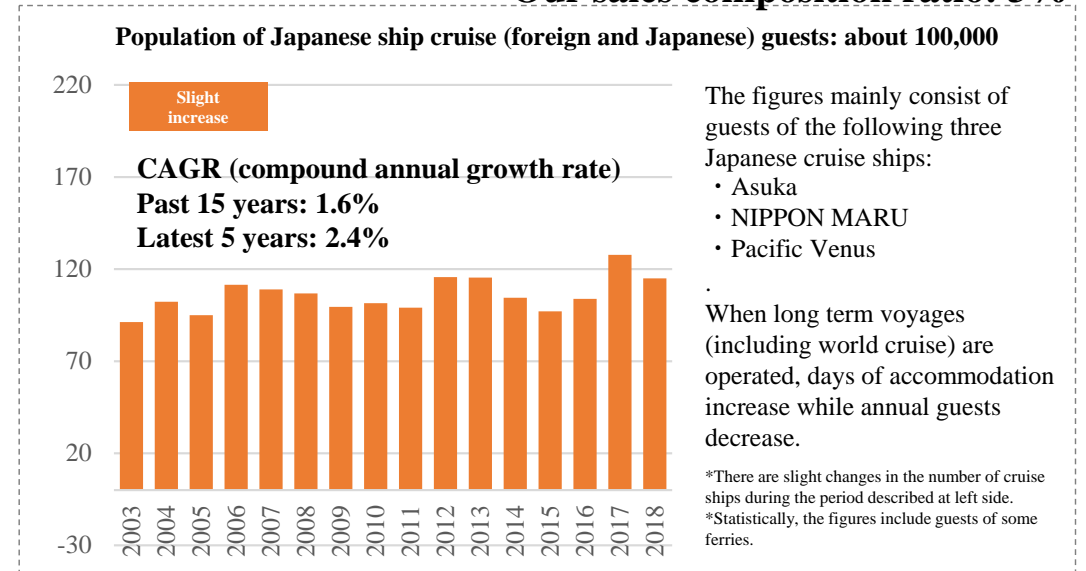
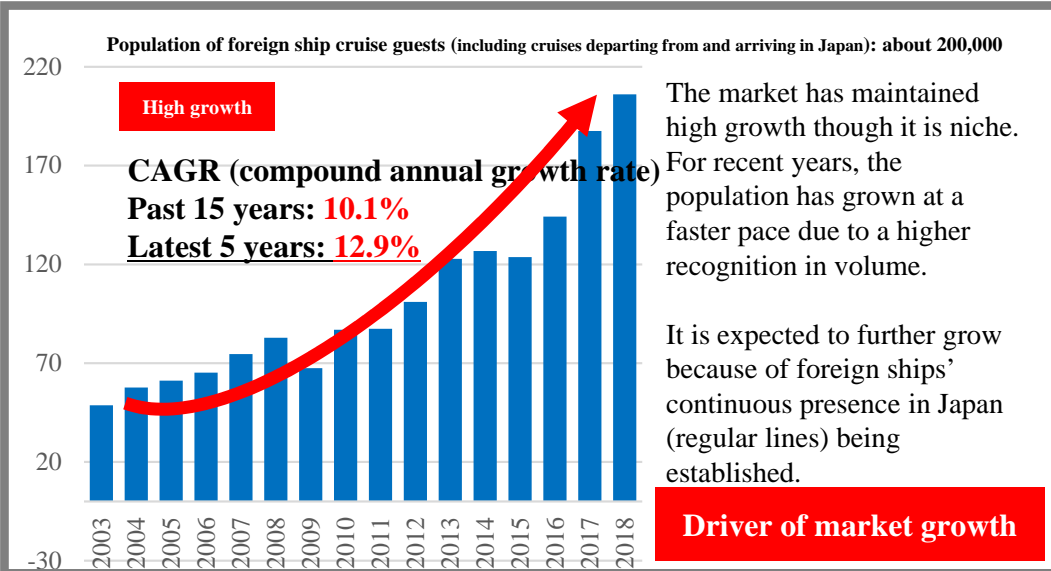
Given shipping companies' schedule for allocation of ships, it will also reach historic highs in 2019 and 2020.



Our sales composition ratio: **97%** : Handled about 15,000 persons

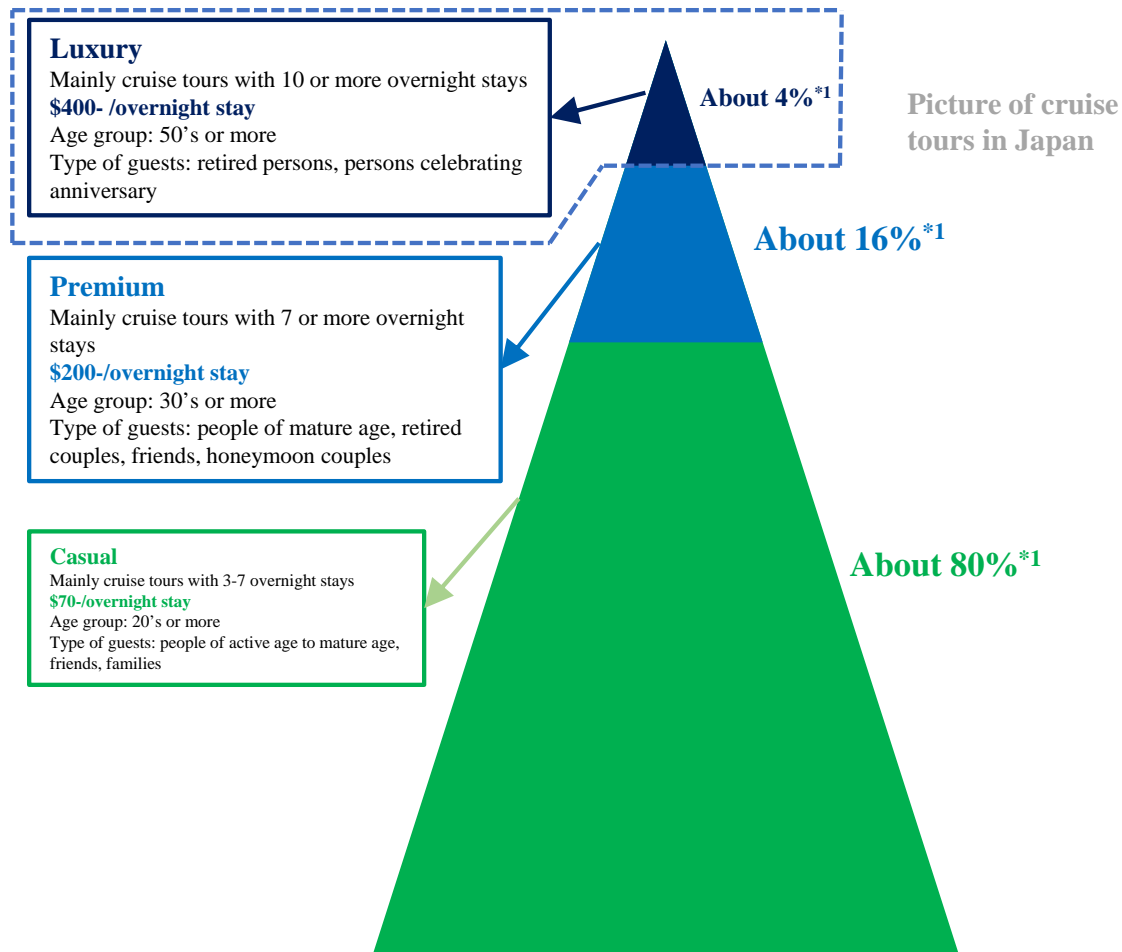
Breakdown

Our sales composition ratio: **3%**

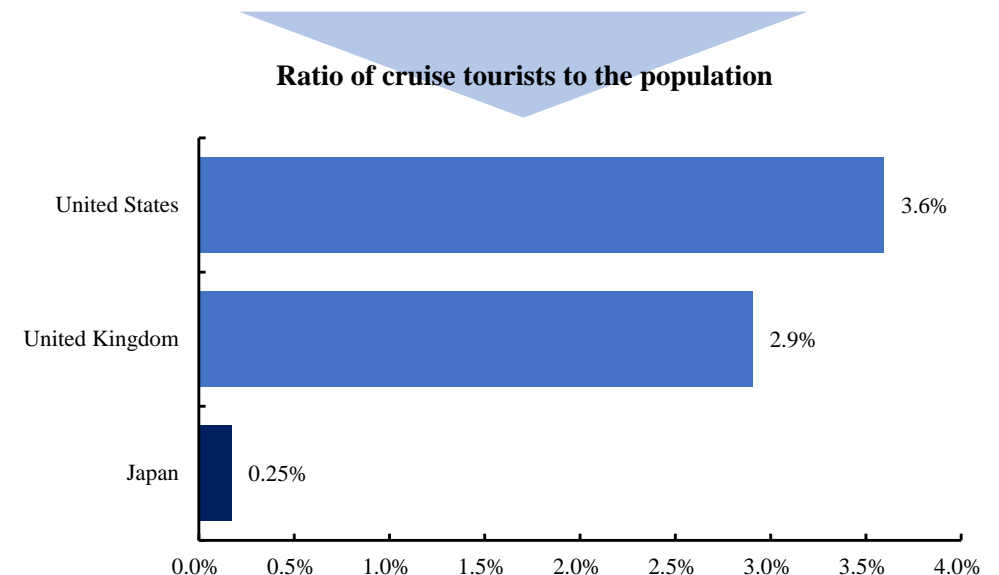


Growth potential of cruise market in Japan

- In Japan, cruise tours tend to be considered expensive. We will explore a new cruise market by covering a wide range of casual cruises which are globally considered standard.
- Given that there is a population of cruise guests, which are mainly accounted for by casual cruise guests, equivalent to about 3% of the population in United States and United Kingdom, we think that there is **the sufficient possibility of the population of cruise guests**, which is now 300,000, **increasing to around 1 million**.



Unit: millions of people	Population	Cruise tourists
United States	327.2	11.9
United Kingdom	66.0	1.9
Japan	126.8	0.3



*1: The ratio is based on passenger capacity.

Source: It was prepared by Ministry of Land, Infrastructure, Transport and Tourism, based on the Cruise Book (2016 version) (JOPA:Japan Oceangoing Passenger Ship Association)

Source: United Nations, *World Population Prospects 2018*

Cruise Lines International Association, *2019 cruise trends & industry outlook - CLIA*
Ministry of Land, Infrastructure, Transport and Tourism "2018 Japanese cruise trends"

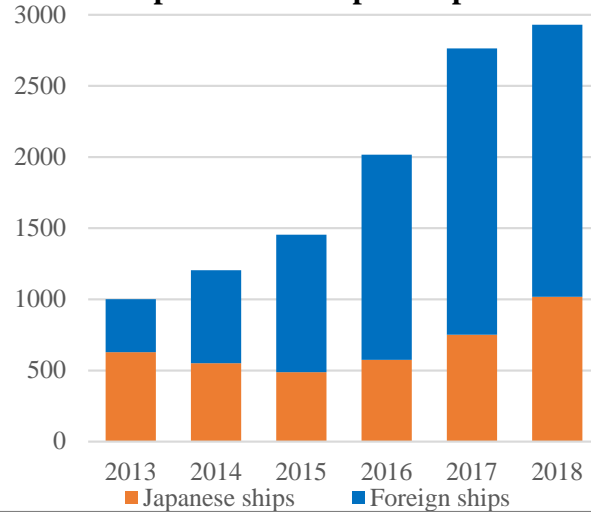
Number of port calls to Japan and inbound cruise market

It was prepared by us, based on the "2018 cruise ship port calls in Japanese ports and harbors and inbound cruise tourists (confirmed report)" announced by the Ministry of Land, Infrastructure, Transport and Tourism on June 27, 2019.

In 2018, cruise ship port calls totaled 2,930, a historic high.

Inbound cruise guests totaled 2,451,000 (down 3.1% year-over-year).

Trends in port calls to Japanese ports and harbors



Port calls totaled 2,930 (up 6% year-over-year), a historic high, with 1,913 for foreign ships and 1,017 for Japanese ships.

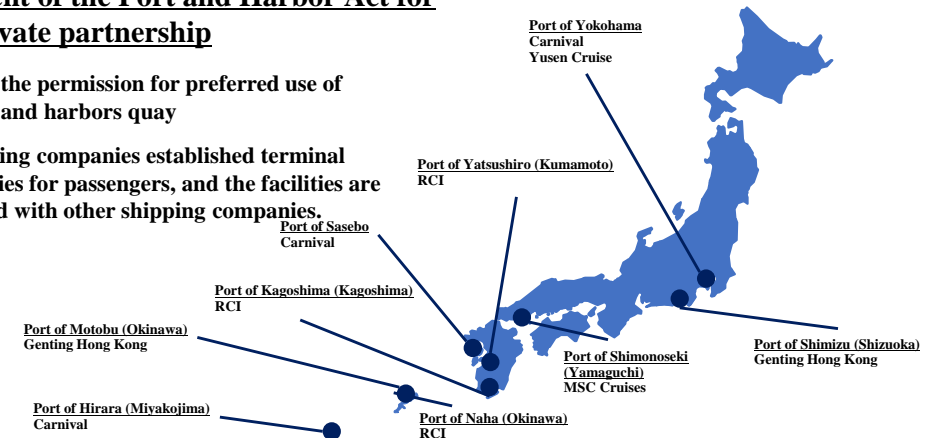
First place for four consecutive years

By port and harbor,
(i) **Port of Hakata: 279**
(ii) Port of Naha: 243
(iii) Port of Nagasaki: 220
(iv) Port of Yokohama: 168
(v) Port of Hirara: 143

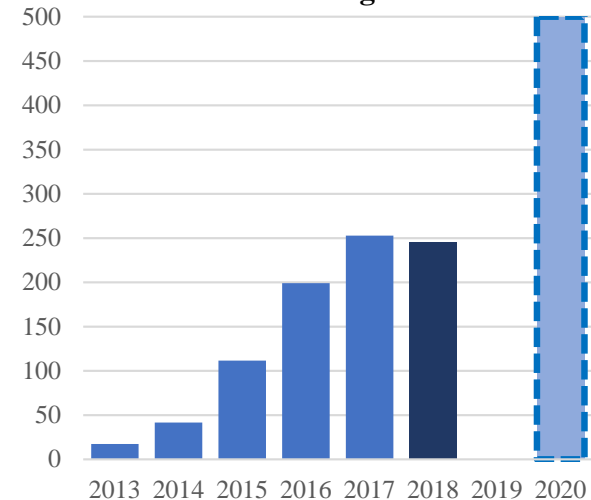
Establishment of global cruise sites through public private partnership (sequentially selected from July 1, 2017)

Amendment of the Port and Harbor Act for public private partnership

- Public** Gave the permission for preferred use of ports and harbors quay
- Private** Shipping companies established terminal facilities for passengers, and the facilities are shared with other shipping companies.



Trends of inbound cruise guests



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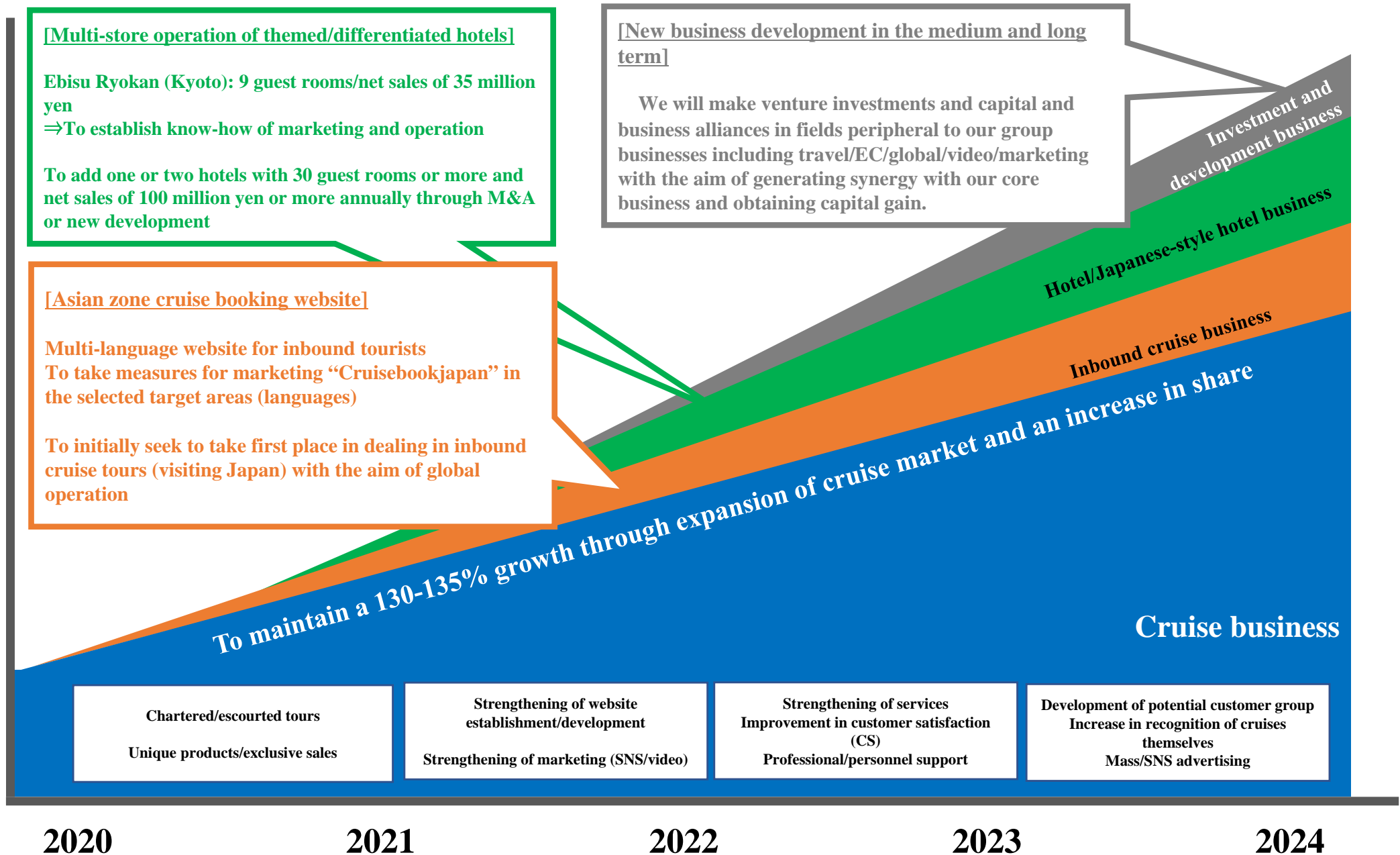
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Future growth strategy of Bestone.com



Plan of the current period : GW holiday chartered cruises

[To host our first chartered cruise]

As disclosed on April 26, 2019, we expect the business to generate net sales of about 300 million yen and gross margin ratio of 35%.

At present, cabins excluding some suite cabins and cabins with balcony have already sold out (sales progress of 92%).

We will continuously operate the highly profitable charter business by carefully considering cruise ships/schedules/shipping routes and taking a certain degree of inventory risk.



2020年4/28 横浜港発着

GWにMSCベリッシマ号で行く

南国土佐と

石垣島・宮古島・台湾

美ら海クルーズ

9日間

寄港地：横浜/石垣島/花蓮(台湾)/宮古島/高知

間際予約も
大歓迎!

船内施設・イベント利用無料

13歳未満のお子様は、
3/4人目無料です!

※港滞税と船内チップは別途必要です(2歳以上)。

バルコニー客室 以上限定!
シルク・ドゥ・ソレイユの船内ショーへ
クルーズ中に1回ご招待いたします!

※1日2回公演予定ですが、日時・演目はご指定いただけません。

158,000円~

Plan of the current period: Entry into escorted tours

- We will enter escorted tours for Mediterranean cruise departing December 2019
- For competing major travel agencies, escorted tours are a core cruise tour product. In a cruise tour market where many guests get on a cruise ship for the first time, it is a product category with many users.
- We will operate the major courses of Mediterranean Sea/Aegean Sea, which have the second most guests following courses departing from and arriving in Japan (with little needs for escorting staff), as our first series of escorted tours, and then expand to a variety of locations and strengthen the product lineup.

MSCグランディオーサ号で行く 2019年12月～2020年3月発着 初の添乗員同行ツアー

地中海（イタリア・スペイン・フランス・マルタ共和国）4カ国周遊クルーズ

◎ 船内施設・イベント利用無料 ◎ 全食事&全移動費無料 ◎ 航空券付き

10日間

TRAVELZOO
8/21掲載

ドリンクパッケージ付き
205,000円～



MSCグランディオーサ 航空券付10日間 おすすめのポイント

- ポイント① ベストワンクルーズ初の添乗員同行
- ポイント② 船内に、船会社日本語スタッフも乗船 より安心安全に
- ポイント③ 2019年・冬に造船された新造船で設備も充実
- ポイント④ MSCクルーズ過去最大級の客船! 17,7000トンの圧倒的スケール!
- ポイント⑤ シルク・ドゥ・ソレイユによる、MSCグランディオーサ専用の新しい2種類のショー
- ポイント⑥ 大人気! 地中海4ヶ国周遊クルーズ 世界遺産マルタ共和国へ寄港
- ポイント⑦ 地中海クルーズで、ベストワンクルーズで人気ナンバー1のクルーズコース
- ポイント⑧ 開港ご予約歓迎! 出発の2週間前でもご案内いたします!
- ポイント⑨ 15名で船行決定! 小グループ制で高サービスの確保
- ポイント⑩ トラベルZoo掲載 205,000円の最安ツアー



Market scale of escorted tours

Among cruise tourists, about 60% now use escorted tours.

To enter about a 40 billion yen market with 150,000 users !

*It is our forecast based on interviews with shipping

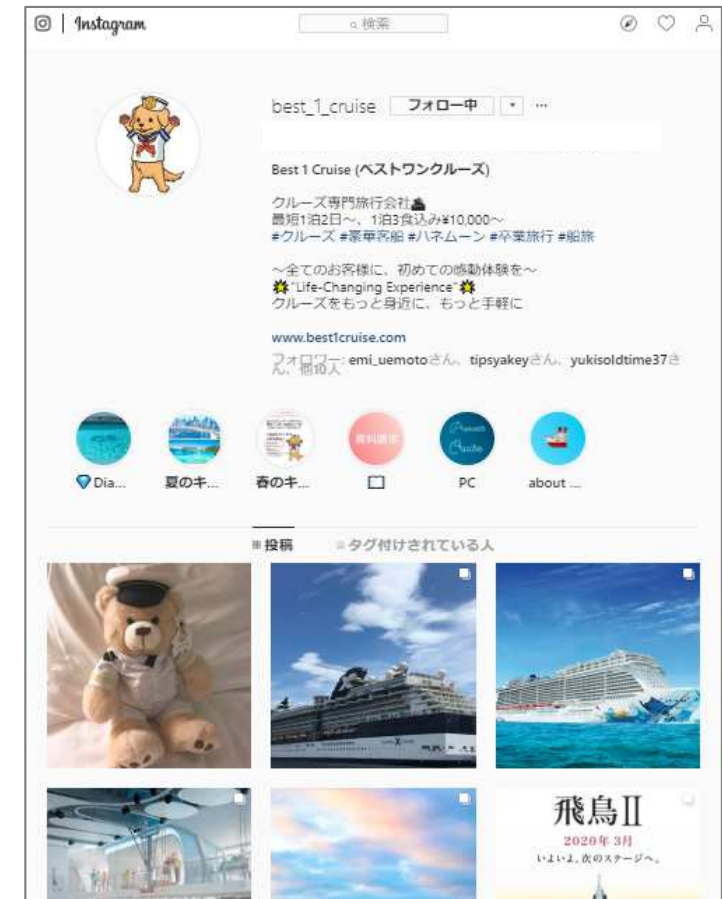
Plan of the current period: Strengthening of web marketing

[Marketing for actual guest group]

In addition to repeat and referred guests, the group that knows about cruises through media and word of mouth has expanded year by year. We will continue to implement the web marketing for securing increasing demand (search countermeasures such as SEO and listing/display advertising)

[Marketing for potential guest group]

In our opinion, SNS and video advertising make it possible to implement an approach creating demand itself while seeking cost performance. We will strategically take measures to expand the market.



Plan of the current period: Strengthening of services and increase in CS

We have the advantage in know-how/expertise which we have developed as a travel agency specializing in cruise tours for over 10 years.

We will implement more sophisticated training and manuals (which were newly established/introduced in the previous period) and improve the cycle from questionnaire to operation and web improvement to construct services with high customer satisfaction.

Expansion of operator education

Establishment of training curriculum/introduction of manual
Highly technical OJT
Our own training/briefing in cooperation with shipping companies

CRM (our own customer management system)

Suggestions suited to attribution of customers
Suggestions based on actual results/history of tours

Feedback from customer questionnaire

Satisfaction of hospitality/suggestions
(Evaluation of operators)

Training sessions/case sharing meeting on
customer care

Evaluation of website

Engineering team
↓
Rapid improvement

Evaluation of products
Evaluation of cruise
ships

Reflected in product planning
Cooperation with shipping
companies
Feedback, etc.

Plan of the current period: Full-scale entry into inbound/global market

Cruises for inbound tourists (mainly from South East Asia) has a remarkably larger market over Japanese cruises, but not so many online reservations have yet been made.

We will start marketing from the current period to expand the scale of online reservation as a platform.



Population of inbound cruise guests: 2.5 million

(About 10 times as many as cruise guests in Japan)

Population of global cruise guests: 27 million

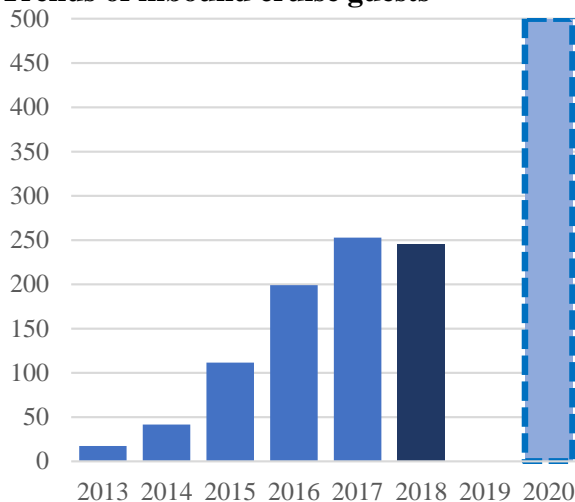
(about 100 times as many as cruise guests in Japan)

In the next 3-5 years,

To increase sales from these cruise guests to 300-500 million yen

Additionally, to examine establishment of overseas subsidiaries

Trends of inbound cruise guests



The number of inbound cruise guests slightly declined because Chinese market has entered a consolidation phase from an overheating phase. Shipping companies expressed an increase in allocation of cruise ships toward 2020, and so the number will achieve repeated growth if the market leaves behind a temporary lull.

*The central government set up the goal of increasing the number of inbound cruise guests to 5 million in 2020 in the "Tourism Vision to Support the Future of Japan" (announced on March 30, 2016).

Number of cruise users in rapidly growing Asian countries

		2016	2017	Growth rate
China	(thousand people)	2,122.9	2,396.7	13%
Taiwan	(thousand people)	299.3	373.5	25%
Singapore	(thousand people)	214.2	266.6	24%
Hong Kong	(thousand people)	127.3	229.8	81%
Malaysia	(thousand people)	99.8	187.6	88%
India	(thousand people)	148.5	172.3	16%
Indonesia	(thousand people)	33.2	46.5	40%
Philippines	(thousand people)	26.4	41.2	56%
South Korea	(thousand people)	32.0	39.2	23%
Thailand	(thousand people)	50.5	26.5	-48%
Vietnam	(thousand people)	5.9	6.5	10%

The markets with the potential equal to or above Japan !

*It is prepared by us, based on CLIA "Asia Market Trends 2018".

Plan of the current period: Hotel/Japanese-style hotel business

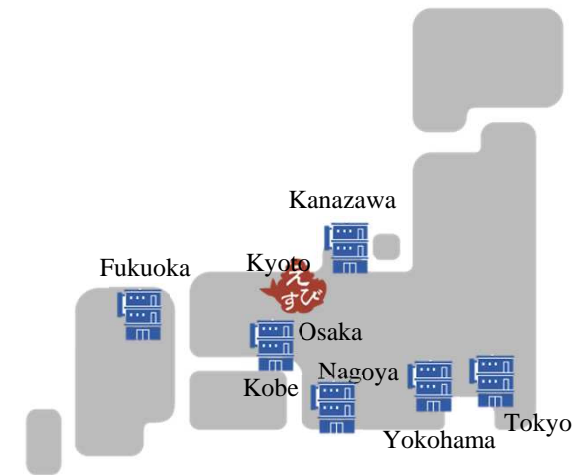
- Now looking for properties in Fukuoka/Kanazawa/Kobe/Tokyo/Yokohama
- Exploring cooperation with other companies in development/operation of properties
- Now carrying out a handoff of know-how on operation of Ebisu Ryokan
- Plan to additionally acquire and newly develop one or two Japanese-style hotels/hotels (30-50 guest rooms)

Future plan of Ebisu Ryokan (hotel business)

To secure profitability by operating the business in locations where there is synergy with the cruise business, with careful examination of the number of guest rooms and the scale of facilities and limitation on excessive investment

- locations in seaport towns having a high affinity with cruises
- Appropriate investment scale (small-medium sized hotels)
- Facilities with themes and concepts (including “Japanism” and “Japanese inn”)

Plan to operate business by centering on the above items

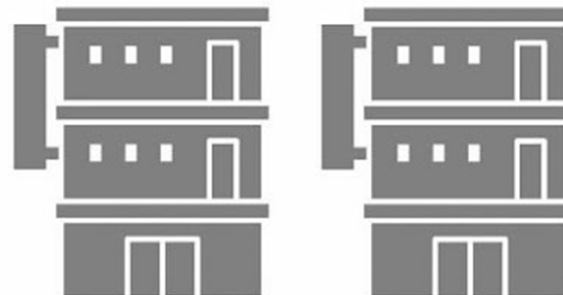


*The names of places are stated only as examples of seaport locations, and there is no plan or determination where the business will be operated



[Current status]
Ebisu Ryokan (Kyoto)
9 guest rooms
Net sales of around 30-40 million yen

+



[Plan for new acquisition of properties]
1-2 properties
Easy-to-access locations in seaport towns such as
Fukuoka/Kanazawa/Kobe/Yokohama/Tokyo
30-50 guest rooms
Net sales of around 100-200 million yen per property

Status of investment destinations

The following shows counterparties of our existing investments (such as capital and business alliance) and details of cooperation between the counterparties and us.

We will make venture investment (business) for the purpose of capital gain from the fiscal year ending July 2020.



Travel Book (Tour metasearch/media)

Now preparing for IPO

Taking measures to increase inflow into “Best1 cruise” by posting many articles featuring tour guidance for cruise tours within the site as an alliance with us for attracting customers



(Foreign human resources/inbound media) Now preparing for IPO

Use referrals from Inbound Technology for foreign staff engaged in translation/operation of our multi-language site “cruisebookjapan”



(SNS marketing/operation support consulting) Now preparing for IPO

Make efforts to create know-how by assisting marketing measures on our Facebook and Instagram



Onepair (Recruitment/talent recruiting)

Start-up (seed round was completed)

A platform to make contacts and create incentive through smart-phone meetings with famous employees leading to hiring new recruits.
To use the company’s know-how and services as a part of our recruitment efforts



(Subscription service of lunch)

Start-up (seed round was completed)

Subscription service of take-out lunch. Now expanding business by expanding the service area and cooperating with cloud kitchen, etc.
Used to collect information on the subscription model for real customers. We examine this to develop our tour subscription business.

Forecast of fiscal results for the fiscal year ending July 2020

- Net sales are expected to be 2,775 million yen in light of orders received as of the end of July and solid market growth rate.
- Measures on inbound tourists and new business, etc. are not reflected in figures of the plan stated below because of the difficulty in forecasting its effect on net sales.
- We will increase market share and transaction volume by accelerating investment (advertise/personnel expense) because the market is in a growth phase.
- The goal of net income is set to 102 million yen.
- As the plan for the current period, we are eliminating uncertainty to the extent possible and feasibility is being repeatedly examined carefully, looking back on results of the plan for the previous period.

*Figures in the medium-term plan will not be announced at this stage because of the difficulty in reflecting new business and M&A plans into the plan.

	Fiscal year ending July 2020 (August 2019-July 2020)				
(thousands of yen)	Forecast of consolidated fiscal results		Actual results for the previous period		
	Plan for the current period	Composition ratio	Actual results	Composition ratio	Growth rate
Net sales	2,775,000	100.0%	2,173,845	—	127.7%
Gross profit	583,000	21.0%	452,676	20.8%	128.8%
Total SGA	421,000	15.2%	318,200	14,6%	132.3%
Advertisement	150,500	5.4%	104,095	4.8%	144.6%
Personnel	153,500	5.5%	116,103	5.3%	132.2%
Other	117,000	4.2%	98,000	4.5%	119.4%
Operating income	162,000	5.8%	134,475	6.2%	120.5%
Ordinary income	160,500	5.8%	131,263	6.0%	122.3%
Net income	102,000	3.7%	84,203	3.9%	121.1%

1. Management philosophy

2. Financial report

- Summary of consolidated financial results for the current fourth quarter
- Summary of consolidated financial results for the full year
- Trends in financial results
- Trends in users of the website

3. Major efforts during the fiscal year ended July 2019

- A variety of campaigns
- Best1's tours
- New PSA (preferred sales agent) contracts
- CruiseBookJapan
- Ebisu Ryokan

4. Market environment

- Population of cruise guests in Japan
- Growth potential of cruise market
- Inbound cruise market

5. Future growth strategy

- Summary of growth strategy
- Policy for the current period
 - First hosting of chartered cruise
 - Start of escorted tours
 - Entry into inbound market
 - Strengthening of marketing
 - Hotel/Japanese-style hotel business
 - Investment/capital and business alliance
 - Forecast of financial results for the fiscal year ending July 2020

6. Reference materials

- Company overview
- Service overview
- Advantage of Bestone.com

Business activities	Online travel agency specializing in cruise tours/shipping tours
Location	16-6 Tomihisacho, Nishikura LK Bldg 2F, Shinjuku, Tokyo, 162-0067, Japan
Registered number	Commissioner of Japan Tourism Agency Registered Travel Agency No. 1980 Regular member of Japan Association of Travel Agents
Capital stock	286,836,000 yen (capital reserves: 203,336,000 yen)
Established	September 5, 2005
Number of employees	31 (including annual average number of temporary employed persons) *As of the end of July 2019
Representative Director and President	Hidetaka Sawada
Directors	Takao Ogawa, Yohei Nomoto, Mika Yoneyama and Yohei Takagi
Corporate auditors	Siro Ogasa, Nobuhiro Nomura and Yoshinori Takanashi
Subsidiaries	Fivestarcruise Inc.(wholly owned subsidiary) Ebisu Ryokan(wholly owned subsidiary)

Corporate history

September 2005	Bestone.com Co. Ltd. was established in Shoto, Shibuya-ku, Tokyo.
December 2005	Registered as Class III Tourism Agency in Tokyo (Travel Agency Authorized by Governor of Tokyo No3-5693)
January 2006	Started operating the online travel reservation site “Best1 cruise”
July 2009	Moved the headquarters to Roppongi 5 chome, Minato-ku, Tokyo
July 2013	Moved the headquarters to Shinjuku 6 chome, Shinjuku-ku, Tokyo
September 2014	Opened the site specialized in cruises for honeymoon couples “HUNEMOON”
December 2014	Changed the registration to Class I Tourism Agency (Commissioner of Japan Tourism Agency Registered Travel Agency No. 1980)
	Started selling our planned tours
June 2015	Moved the headquarters to Shinjuku 5 chome, Shinjuku-ku, Tokyo
March 2016	Made Fivestarcruise Inc. a wholly owned subsidiary
August 2017	Moved the headquarters to Tomihisacho, Shinjuku-ku, Tokyo
November 2017	Entered into sales agreement with Adventure, Inc.
November 2017	Won online sector FIT (personal tours) performance award of Costa Award
November 2017	Won sales excellence award of Royal Caribbean International
April 2018	Listed on Tokyo Stock Exchange Mothers market
May 2018	Entered into sales agreement with NTT DoCoMo, Inc.
November 2018	Won excellence sales award of Royal Caribbean International for the second consecutive year
December 2018	Made Ebisu Ryokan a consolidated subsidiary

Summary of services (operating sites)

Our group operate as an online travel agency specializing in cruise tours “Best1 cruise” offering reasonable cruise tours, “HUNEMOON” targeting honeymoon couples, and also our subsidiary site “Fivestarcruise Inc.” specializing in luxury ships.

Best1 cruise (main site)

One of the largest sites in Japan in terms of number of

Huge information volume

Word-of-mouth ranking

Possible to make reservations at any hours

Search/comparison Reservation function



This is a specialized site for searching and reserving boat tickets for cruise ships and packaged tours online. On the site, it is possible to reserve tours offered by affiliated travel agencies, in addition to boat tickets and our planned products, and 26,000 or more courses are covered. The site supports PCs and smart phones.

It is increasing users with monthly PVs of 1 million and monthly UUs of 200,000.

“cruisebookjapan.com”

Multi-language support website for searching and reserving cruise tours

NEW! To be released in December 2018



Japanese
English
Chinese (simplified)
Taiwanese (traditional)
Korean
Indonesian
Thai
Supporting **7 languages!**

“Cruiseee!”

One of the largest sites in Japan in terms of the number of tour courses posted

Smartphone application



Popularity ranking
Number of word-of-mouth
One of the top applications in Japan!



HUNEMOON (the site dedicated to cruises for honeymoon couples)

We implement marketing for the site as a site different from Best1cruise, approaching honeymoon couples who were not initially looking at cruises.



Fivestarcruise (wholly owned subsidiary)

A travel agency dedicated to luxury ships
It has a product lineup specializing in luxury ships and suite rooms of casual ships for the wealthy and seniors.



The main site “Best1 cruise” is the cruise reservation platform with the largest transaction volume of cruise products (the number of cruise ships and courses) in Japan.

Posting of, (i) “boat tickets” of cruises departing from and arriving in local spots, (ii) Best1’s own tours with air tickets and escorted tours and (iii) cruise tours offered by affiliated travel agents, makes it possible to do one-stop consideration of all types of cruise tours.

The largest cruise search/reservation platform in Japan



The site where global **cruise tickets** are the most available in Japan.

+

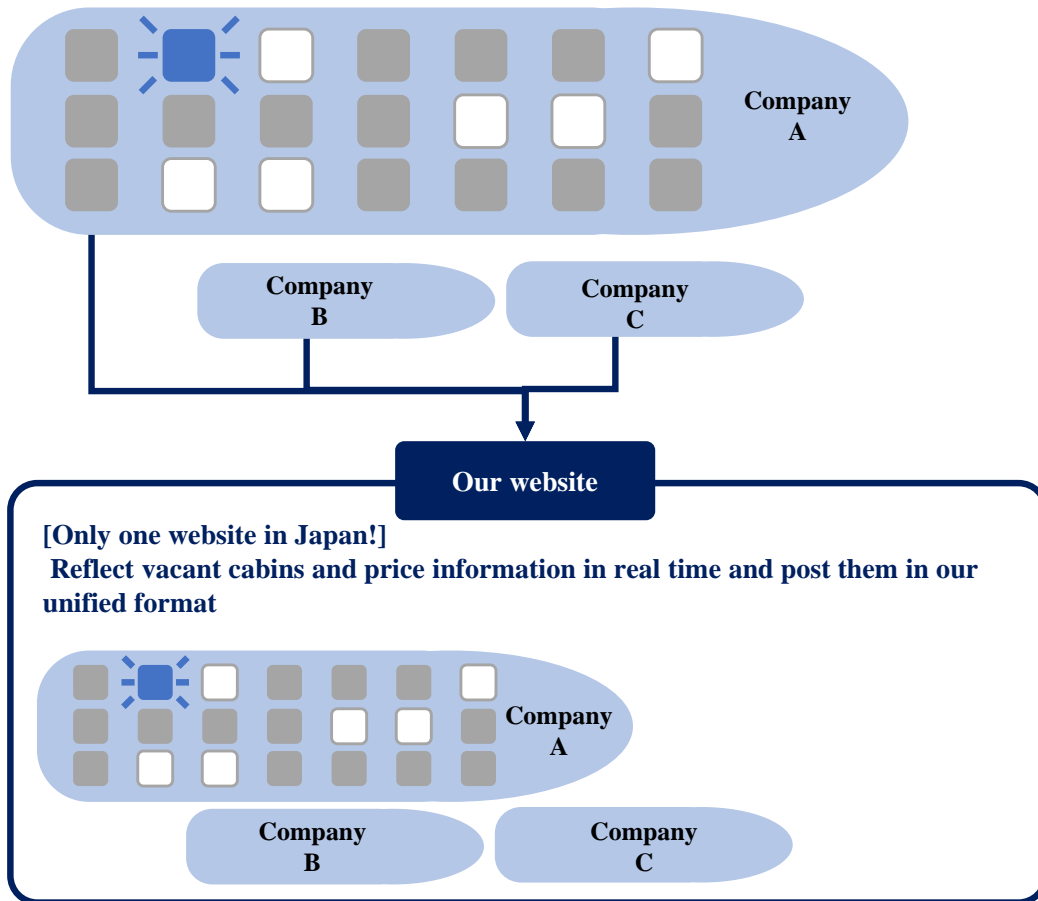
Best1’s **own tours**

+

Possible to implement one-stop comparison/reservation **of tours also offered by affiliated travel agencies**

Strength of web (API/system linkage)

- The information about the currently vacant cabins of cruise ships around the world is linked on the system, and the web page is also automatically created.



- We have alliances with almost all casual cruise ships and have increased alliances with premium and luxury cruise ships year by year.

Affiliated shipping companies	Start month
Celebrity Cruises (United States)	July 2016
Royal Caribbean International (United States)	July 2016
Azamara Cruises (United States)	July 2016
Pullmantur Cruises (Spain)	June 2016
Costa Cruises (Italy)	September 2016
MSC Cruises (Italy)	September 2016
Norwegian Cruise Line (United States)	September 2016
Carnival Cruise (United States)	February 2017
Celestyal Cruises (Greece)	May 2017
Silversea Cruises	May 2018
Windstar Cruises	July 2018
Compagnie du Ponant	March 2019
Oceania Cruises	August 2019

Ability to give hospitality/make suggestions

There are many guests taking cruise tours for the first time. Therefore, there are few guests who search and reserve cruise tours and complete procedures up to the credit card payment without asking questions. It is required that we give hospitality and guidance, using our expertise.

Quality of hospitality

Give friendly, polite and concise hospitality precisely because it's non-face-to-face communication



"I don't know how to search"

"I selected three candidates, but I can't determine which to choose"



"How much is the child fee?"

"What is the dress code?"

Necessary to make a variety of confirmations for reservation !



Professional operators

Implement search on Best1 and make an online reservation because I am selecting a tour by myself (about 25%)



受賞歴



2018年 コスタアワード オンライン部門
2018 RCCL Asia 10th Anniversary 優秀セールスFIT部門

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