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## Consolidated Financial Results for the Three Months Ended March 31, 2025 [Japanese GAAP]



May 9, 2025

Company name: FUJITA KANKO INC.

Stock exchange listing: Tokyo Stock Exchange

Code number: 9722

URL: <https://www.fujita-kanko.co.jp/>

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Scheduled date of commencing dividend payments: –

Availability of supplementary briefing material on financial results: Available

Schedule of financial results briefing session: Not scheduled

(Amounts of less than one million yen are rounded down.)

### 1. Consolidated Financial Results for the Three Months Ended March 31, 2025 (January 1, 2025 to March 31, 2025)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended March 31, 2025	18,765	10.5	2,954	43.7	2,500	14.9	1,626	(2.6)
Three months ended March 31, 2024	16,985	29.0	2,056	–	2,177	–	1,669	155.6

(Note) Comprehensive income: Three months ended March 31, 2025: ¥2,121 million [ 10.4%]

Three months ended March 31, 2024: ¥1,921 million [126.6%]

	Profit per share	Diluted profit per share
	Yen	Yen
Three months ended March 31, 2025	134.07	–
Three months ended March 31, 2024	131.10	–

(Note) The year-on-year changes in operating profit and ordinary profit for the three months ended March 31, 2024 are shown as “–” because their year-on-year changes exceed 1000%.

### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of March 31, 2025	90,747	27,214	30.0
As of December 31, 2024	94,041	25,651	27.3

(Reference) Equity: As of March 31, 2025: ¥27,214 million

As of December 31, 2024: ¥25,651 million

## 2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended December 31, 2024	Yen —	Yen 0.00	Yen —	Yen 40.00	Yen 40.00
Fiscal year ending December 31, 2025	—				
Fiscal year ending December 31, 2025 (Forecast)		0.00	—	40.00	40.00

(Note) Revision to the forecast for dividends announced most recently: No

(Note) “Dividends” above are dividends for common shares. For dividends for class shares (unlisted) with different rights from those of common shares issued by the Company, please see “Dividends on Class Shares” to be described later.

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2025 (January 1, 2025 to December 31, 2025)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	38,100	6.2	5,500	7.3	5,500	(2.1)	3,700	(7.6)	305.43
Full year	78,600	3.1	12,000	(2.5)	11,700	(7.3)	8,000	(12.4)	660.86

(Note) Revision to the financial results forecast announced most recently: No

**\* Notes:**

- (1) Significant changes in the scope of consolidation during the period under review: No
- (2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates and retrospective restatement
  - 1) Changes in accounting policies due to the revision of accounting standards: No
  - 2) Changes in accounting policies other than 1) above: No
  - 3) Changes in accounting estimates: No
  - 4) Retrospective restatement: No
- (4) Total number of issued shares (common shares)
  - 1) Total number of issued shares at the end of the period (including treasury shares):
    - March 31, 2025: 12,207,424 shares
    - December 31, 2024: 12,207,424 shares
  - 2) Total number of treasury shares at the end of the period:
    - March 31, 2025: 223,128 shares
    - December 31, 2024: 223,128 shares
  - 3) Average number of shares during the period:
    - Three months ended March 31, 2025: 11,984,296 shares
    - Three months ended March 31, 2024: 11,985,136 shares

\* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by a certified public accountant or an audit corporation: Yes (voluntary)

\* Explanation of the proper use of financial results forecast and other notes

The financial results forecasts and other forward-looking statements herein are made based on currently available information and include a number of uncertainties. Accordingly, actual results may differ materially due to various factors. For the assumptions underlying the financial results forecasts, please see “1. Qualitative Information on Quarterly Financial Results for the Period under Review (3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information” on page 3 of the attached material.

#### Dividends on Class Shares

The following shows the breakdown of dividend per share of Class A preferred shares, which have different rights from those of common shares.

Class A preferred shares	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended December 31, 2024	Yen —	Yen —	Yen —	Yen 4,010,958.90	Yen 4,010,958.90
Fiscal year ending December 31, 2025	—				
Fiscal year ending December 31, 2025 (Forecast)		—	—	—	—

(Notes)

1. The forecast for dividends for the fiscal year ending December 31, 2025 has not been determined at present.
2. The Company issued the Class A preferred shares on September 28, 2021.

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# 1. Qualitative Information on Quarterly Financial Results for the Period under Review

## (1) Explanation of Operating Results

During the three months ended March 31, 2025, the Japanese economy continued to recover moderately owing to developments such as an improvement in corporate earnings and personal consumption. Although the outlook remains uncertain due to factors such as policy developments in the United States, the number of foreign visitors to Japan exceeded 10 million at the fastest pace ever by March 2025, leading to continued growth in inbound demand in the hotel and tourism industries.

Against this backdrop, the Group strengthened sales and promotions tailored to seasonal and country-specific characteristics, etc. to capture increasing demand, with the result that the number of inbound accommodation guests increased year on year during the period under review. In addition, we saw an increase in sales per use, particularly in the accommodation business, thanks to our efforts to strengthen product competitiveness and other initiatives. In terms of costs, labor costs increased year on year due to new recruitment and wage raise implemented in April 2024.

As a result, net sales for the entire Group increased by ¥1,779 million year on year to ¥18,765 million, operating profit increased by ¥897 million year on year to ¥2,954 million, and ordinary profit increased by ¥323 million year on year to ¥2,500 million. Profit attributable to owners of parent decreased by ¥43 million year on year to ¥1,626 million due to recording of tax expenses.

An overview of business results is as follows.

	(Million yen)	
	Three months ended March 31, 2025	YoY change
Net sales	18,765	1,779
Operating profit	2,954	897
Ordinary profit	2,500	323
Profit attributable to owners of parent	1,626	(43)

An overview of business results by segment is as follows.

Sales and operating profit by segment			(Million yen)	
	Net sales		Operating profit (loss)	
	Actual	YoY change	Actual	YoY change
WHG Business	11,670	1,441	2,782	880
Luxury & Banquet Business	4,270	224	98	49
Resort Business	2,530	114	81	(23)
Other (including adjustment amounts)	293	(0)	(8)	(8)
Total	18,765	1,779	2,954	897

(Note) Adjustment amounts include eliminations of inter-segment transactions, as well as corporate expenses not allocated to each segment.

In the WHG Business, the number of inbound accommodation guests increased year on year in the first quarter of the current fiscal year, mainly due to the acquisition of demand from China during the Chinese New Year holiday period. In addition, we took action to improve product competitiveness by converting some single rooms at Hotel Gracery Shinjuku into double rooms and refurbishing guest rooms at other hotels, which led to an increase in ADR. As a result, net sales for this segment increased by ¥1,441 million year on year to ¥11,670 million, and operating profit increased by ¥880 million to ¥2,782 million.

In the Luxury & Banquet Business, revenue of the Hotel Chinzanso Tokyo increased year on year in each of the banquet, accommodation and restaurant businesses. The banquet business saw an increase in the number of events due to factors such as an increase in the number of appreciation parties compared to the same period of the previous fiscal year. In the accommodation business, we focused on selling high-value-added products, particularly suite rooms, which resulted in an increase in sales per use. As a result, net sales for this segment increased by ¥224 million year on year to ¥4,270 million, and operating profit increased by ¥49 million to ¥98 million.

In the Resort Business, revenue of Hakone Kowakien Ten-yu increased, due to the factors such as improved service quality, which resulted in the acquisition of domestic repeat customers, and efforts to attract inbound visitors, which led to higher occupancy rates while maintaining ADR. At the Hakone Kowakien Hotel, we focused on attracting families, our main target group, by hosting various events. Furthermore, by capturing inbound demand for weekday use, occupancy rates and ADR increased year on year. As a result, net sales for this segment increased by ¥114 million year on year to ¥2,530 million, and operating profit decreased by ¥23 million to ¥81 million.

(2) Explanation of Financial Position

Total assets as of March 31, 2025 decreased by ¥3,294 million from the end of the previous fiscal year to ¥90,747 million. Current assets decreased by ¥3,407 million due mainly to a decrease of ¥2,756 million in cash and deposits, and non-current assets increased by ¥113 million.

Liabilities decreased by ¥4,856 million from the end of the previous fiscal year to ¥63,533 million, mainly due to the repayments of borrowings.

Net assets increased by ¥1,562 million from the end of the previous fiscal year to ¥27,214 million. Retained earnings increased by ¥1,066 million, mainly due to the recording of profit attributable to owners of parent.

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information

The financial results forecast remains unchanged from the forecast announced on February 13, 2025, as the performance to date has been within our expected range.

## 2. Quarterly Consolidated Financial Statements

### (1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of December 31, 2024	As of March 31, 2025
<b>Assets</b>		
Current assets		
Cash and deposits	14,456	11,699
Notes and accounts receivable - trade	6,158	6,079
Merchandise and finished goods	56	49
Work in process	34	11
Raw materials and supplies	481	355
Other	2,520	2,105
Allowance for doubtful accounts	(4)	(4)
Total current assets	23,703	20,295
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	36,053	35,380
Tools, furniture and fixtures, net	3,683	3,760
Land	6,330	6,298
Construction in progress	60	33
Golf courses	2,501	2,501
Other, net	817	811
Total property, plant and equipment	49,447	48,787
Intangible assets		
Software	333	316
Other	226	303
Total intangible assets	559	620
Investments and other assets		
Investment securities	10,472	11,206
Guarantee deposits	9,705	9,606
Deferred tax assets	15	15
Other	141	219
Allowance for doubtful accounts	(4)	(4)
Total investments and other assets	20,330	21,043
Total non-current assets	70,338	70,451
Total assets	94,041	90,747



(Million yen)

	As of December 31, 2024	As of March 31, 2025
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	1,235	943
Short-term borrowings	8,320	8,320
Current portion of long-term borrowings	9,773	8,737
Income taxes payable	1,260	884
Accrued consumption taxes	1,624	861
Provision for bonuses	349	751
Provision for loss on business withdrawal	309	309
Provision for noncurrent assets removal cost	119	119
Provision for loss on disaster	172	62
Other	8,052	7,127
Total current liabilities	31,217	28,116
Non-current liabilities		
Long-term borrowings	19,335	17,404
Provision for retirement benefits for directors (and other officers)	83	91
Asset retirement obligations	954	954
Deferred tax liabilities	56	351
Retirement benefit liability	6,367	6,220
Deposits received from members	9,778	9,818
Other	596	576
Total non-current liabilities	37,172	35,417
Total liabilities	68,389	63,533
<b>Net assets</b>		
Shareholders' equity		
Share capital	100	100
Capital surplus	14,067	14,067
Retained earnings	9,955	11,022
Treasury shares	(911)	(911)
Total shareholders' equity	23,211	24,278
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,691	3,134
Deferred gains or losses on hedges	8	16
Foreign currency translation adjustment	(372)	(324)
Remeasurements of defined benefit plans	112	110
Total accumulated other comprehensive income	2,440	2,936
Total net assets	25,651	27,214
Total liabilities and net assets	94,041	90,747

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

Three months ended March 31

(Million yen)

	For the three months ended March 31, 2024	For the three months ended March 31, 2025
Net sales	16,985	18,765
Cost of sales	14,078	14,932
Gross profit	2,906	3,832
Selling, general and administrative expenses	849	878
Operating profit	2,056	2,954
Non-operating income		
Interest income	1	1
Dividend income	1	5
Foreign exchange gains	188	—
Rental income from land and buildings	19	25
Other	32	32
Total non-operating income	242	64
Non-operating expenses		
Interest expenses	104	119
Foreign exchange losses	—	365
Other	17	33
Total non-operating expenses	121	517
Ordinary profit	2,177	2,500
Extraordinary income		
Reversal of allowance for doubtful accounts	102	—
Gain on reversal of asset retirement obligations	27	—
Other	1	—
Total extraordinary income	131	—
Extraordinary losses		
Provision for loss on business withdrawal	367	—
Total extraordinary losses	367	—
Profit before income taxes	1,940	2,500
Income taxes	271	874
Profit	1,669	1,626
Profit attributable to owners of parent	1,669	1,626

# Quarterly Consolidated Statements of Comprehensive Income

Three months ended March 31

(Million yen)

	For the three months ended March 31, 2024	For the three months ended March 31, 2025
Profit	1,669	1,626
Other comprehensive income		
Valuation difference on available-for-sale securities	257	442
Deferred gains or losses on hedges	9	7
Foreign currency translation adjustment	(12)	47
Remeasurements of defined benefit plans, net of tax	(3)	(2)
Total other comprehensive income	251	495
Comprehensive income	1,921	2,121
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,921	2,121