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FUJITA KANKO INC.

Financial Results for the Six Months Ended June 30, 2025

August 8, 2025
(Code number: 9722)



Hakone Kowakien Ten-yu

Consolidated Statements of Income

Net sales and operating profit increased by ¥4.07 billion and ¥1.75 billion, respectively, year on year

- Captured robust inbound demand in cherry blossom season, etc. by strengthening overseas sales activities
- Labor costs were driven upward by across-the-board wage raises, higher bonus payouts, etc.
- Tax expenses rose due to elimination of loss carryforwards

Unit: Million yen			2025 2Q	2024 2Q	YoY
	1Q Actual Jan. to Mar.	2Q Actual Apr. to Jun.	Cumulative actual	Cumulative actual	
Net sales	18,765	21,189	39,955	35,882	+4,072
Operating profit	2,954	3,922	6,877	5,123	+1,753
Ordinary profit	2,500	4,296	6,797	5,615	+1,182
Extraordinary income	-	25	25	139	(114)
Extraordinary losses	-	61	61	784	(722)
Income taxes	874	1,369	2,244	966	+1,277
Profit attributable to owners of parent	1,626	2,891	4,517	4,004	+513

Net Sales & Operating Profit Breakdown by Business

Net sales increased year on year in all businesses

- Average daily rate (ADR) rose in the WHG Business
- The Luxury & Banquet Business saw an increase in wedding and banquet users
- Despite growth in net sales driven by higher ADR, the Resorts Business experienced a drop in operating profit due to pressures such as higher labor costs

Unit: Million yen

			2025 2Q	2024 2Q	YoY
	1Q Actual Jan. to Mar.	2Q Actual Apr. to Jun.	Cumulative actual	Cumulative actual	
Net sales	18,765	21,189	39,955	35,882	+4,072
WHG Business	11,670	12,786	24,457	21,416	+3,040
Luxury & Banquet Business	4,270	5,514	9,784	8,970	+814
Resort Business	2,530	2,569	5,099	4,889	+210
Other (including adjustments)	293	319	612	605	+7
Operating profit (loss)	2,954	3,922	6,877	5,123	+1,753
WHG Business	2,782	3,249	6,031	4,331	+1,700
Luxury & Banquet Business	98	647	746	577	+168
Resort Business	81	28	109	182	(72)
Other (including adjustments)	(8)	(2)	(10)	31	(42)

Net Sales: Increase/Decrease by Business

Increased average daily rate (ADR) drove a significant increase in net sales in the accommodation business

Unit: Million yen

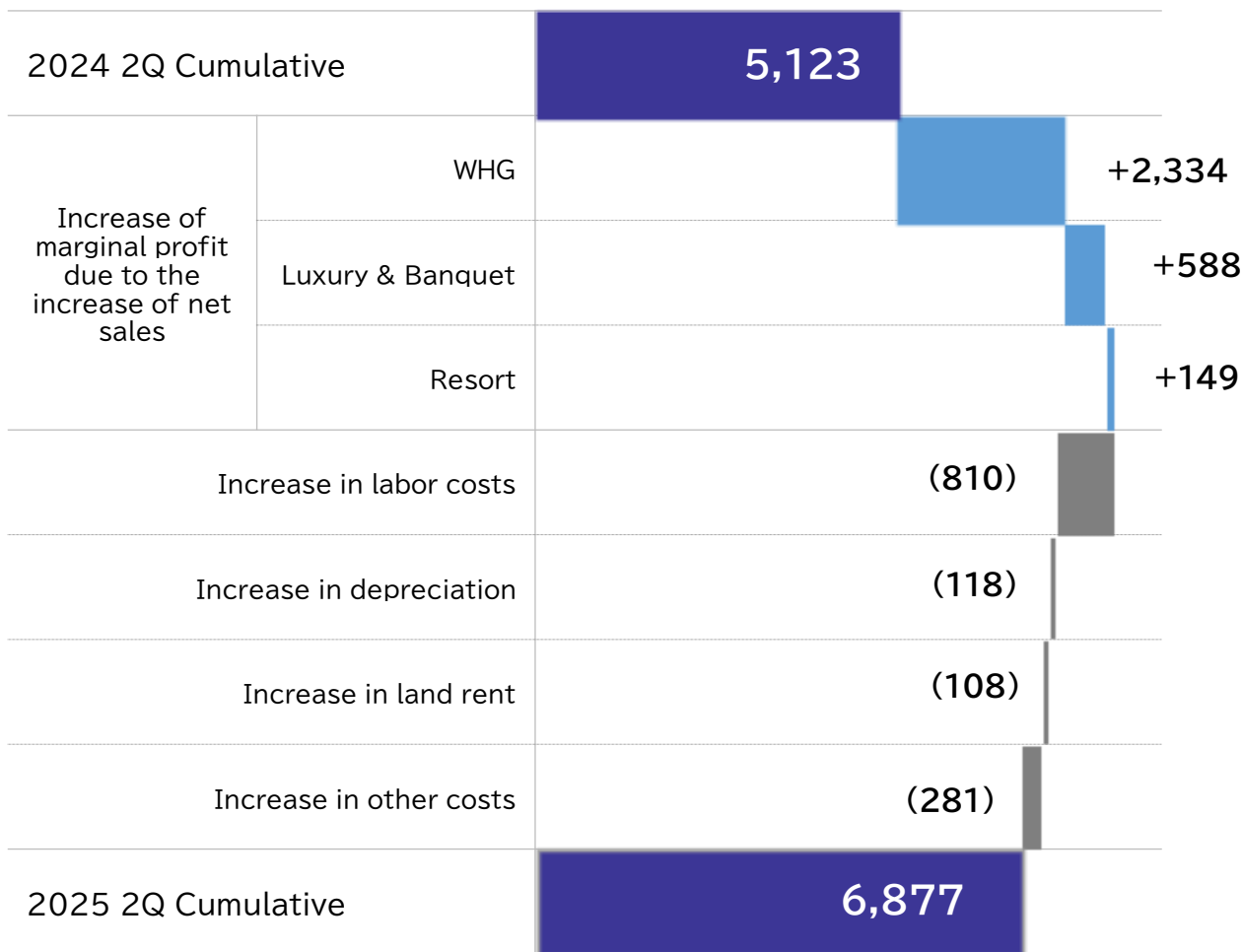
2024 2Q Cumulative		35,882	
WHG	Accommodation		+2,980
	Other		+60
Luxury & Banquet	Banquet		+306
	Wedding		+298
	Accommodation		+69
	Restaurant		+5
	Other		+133
Resort	Accommodation		+188
	Day trip and leisure		+21
	Other		+1
Other (including adjustments)			+12
2025 2Q Cumulative		39,955	

Operating Profit: Increase/Decrease by Factor

Profit rose YoY, buoyed by higher marginal profit from increased net sales

- Increase in marginal profits of all businesses overcame the downward pressure of higher labor costs from new hires, across-the-board wage raises, and higher bonus payouts

Unit: Million yen



Ratio of fixed operating costs (to net sales)

2024 62.9%



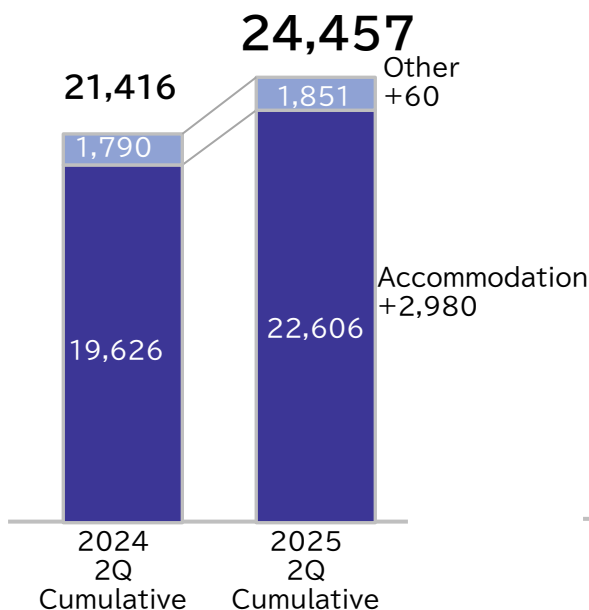
2025 60.0%

ADR rose by 12% YoY, while occupancy rate remained mostly level
 ⇒ Net sales and operating profit increased by ¥3.04 billion and ¥1.70 billion, respectively, year on year, in the business as a whole

- Inbound demand was captured through sales activities tailored to regional characteristics and channels, including trade fairs in Europe, the U.S., and Australia and travel expos in Southeast Asia
- ADR was buoyed by price-setting attuned to demand trends (cherry blossom season, etc.)

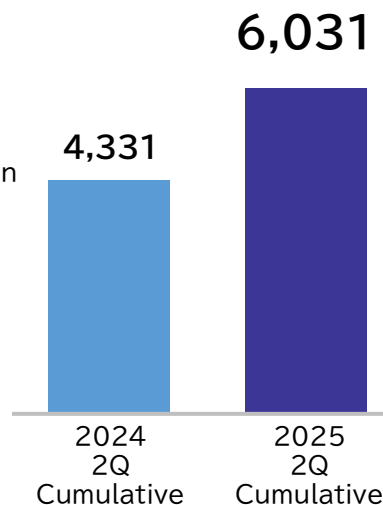
Net sales

(Million yen)

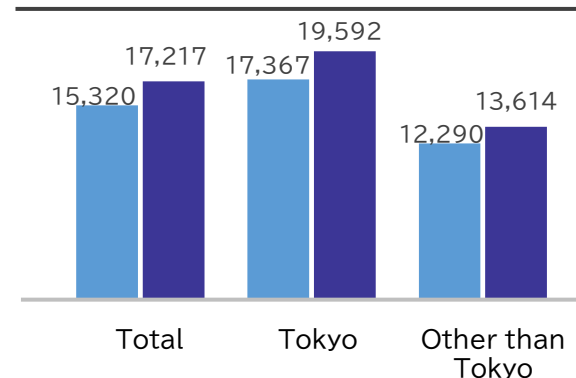


Operating profit

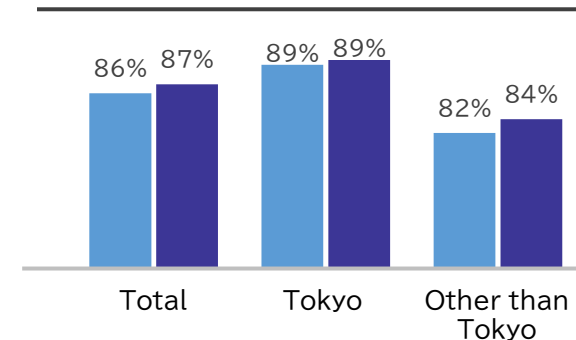
(Million yen)



ADR (Yen)



Occupancy Rate



■ 2024 2Q Cumulative ■ 2025 2Q Cumulative

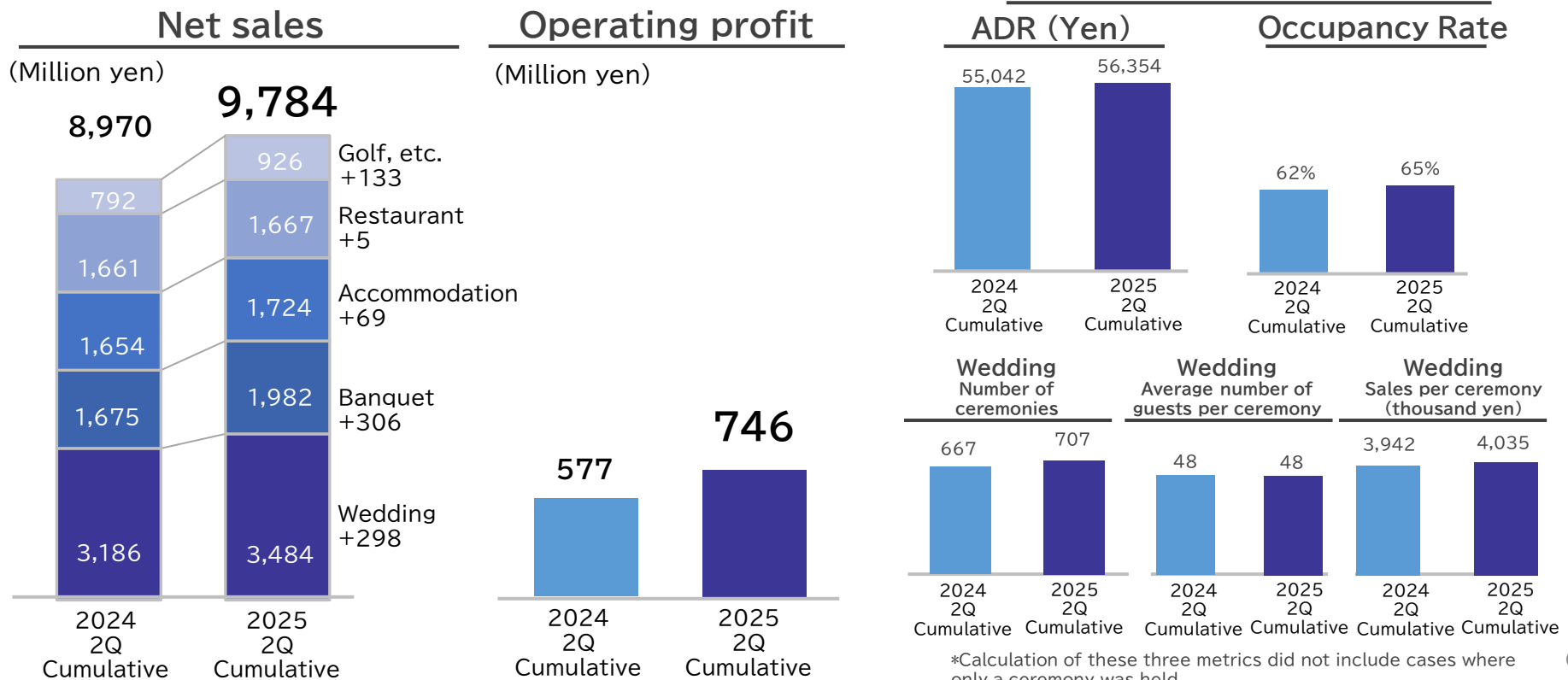
Luxury & Banquet Business

Strong performance of wedding and banquet segments drove growth in net sales
 ⇒ Net sales and operating profit increased by ¥ 0.81 billion and
 ¥0.16 billion, respectively, year on year, in the business as a whole

Hotel Chinzanso Tokyo

- Wedding: Efforts to increase product competitiveness through tangible and intangible improvements paid off with higher number of ceremonies
- Banquet: Realignment of target customers and other measures led to the capture of large-scale events such as lectures, award ceremonies, and organizational anniversaries
- Accommodation: ADR rose mainly for suite rooms, driven by effect of high value-added services, including exclusive lounge opened in 2024

Hotel Chinzanso Tokyo

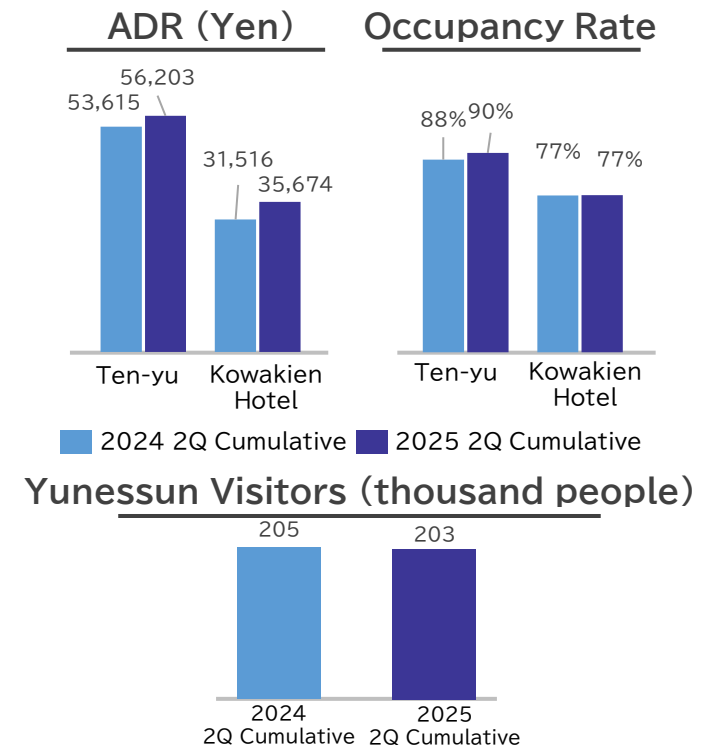
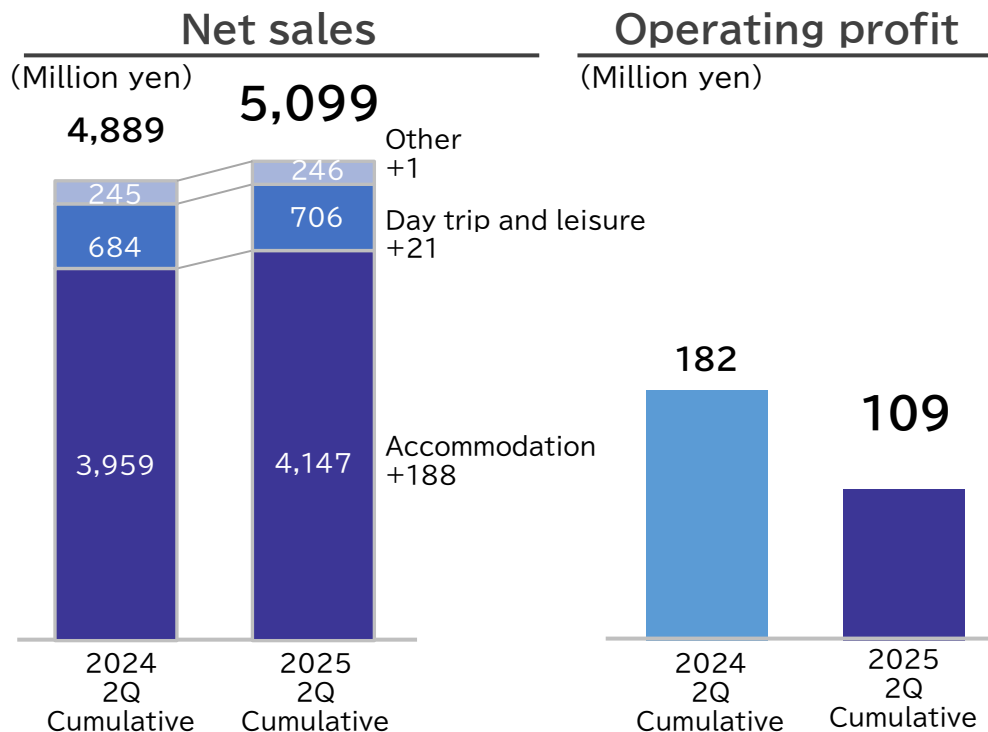


Resort Business

Higher ADR at Hakone Kowakien Ten-yu and Hakone Kowakien Hotel contributed to increase in net sales

⇒ Net sales increased by ¥0.21 billion while operating profit decreased by ¥0.07 billion year on year, in the business as a whole

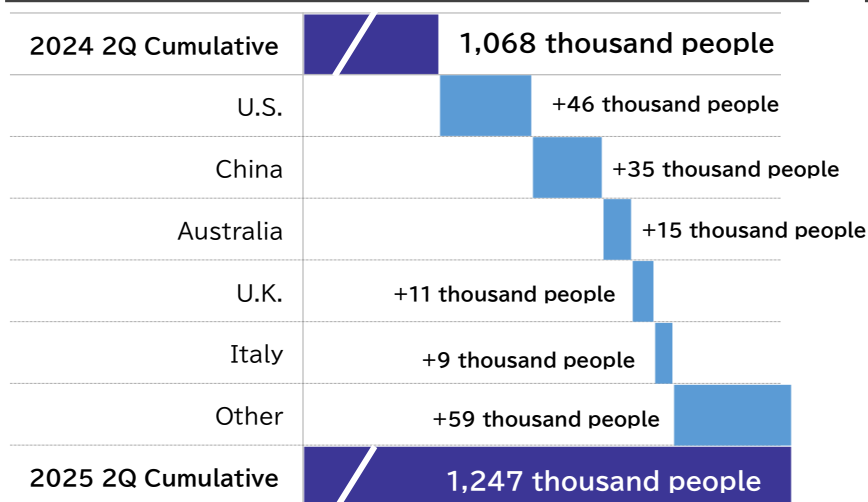
- Hakone Kowakien Ten-yu: Both ADR and occupancy rate were at high levels, supported by improvement of hospitality through Japanese etiquette/culture training for employees, and by capture of inbound demand through enhancement of product competitiveness
- Hakone Kowakien Hotel: ADR grew as a result of price-setting based on demand trends, and capture of weekday inbound demand
- Hakone Kowakien Yunessun: Although the 2Q cumulative number of visitors declined slightly YoY, the quarterly number for 2Q (April-June) rose by 6,400, owing to attraction power of March renovations to water slides and Mori No Yu



Status of Inbound Tourism

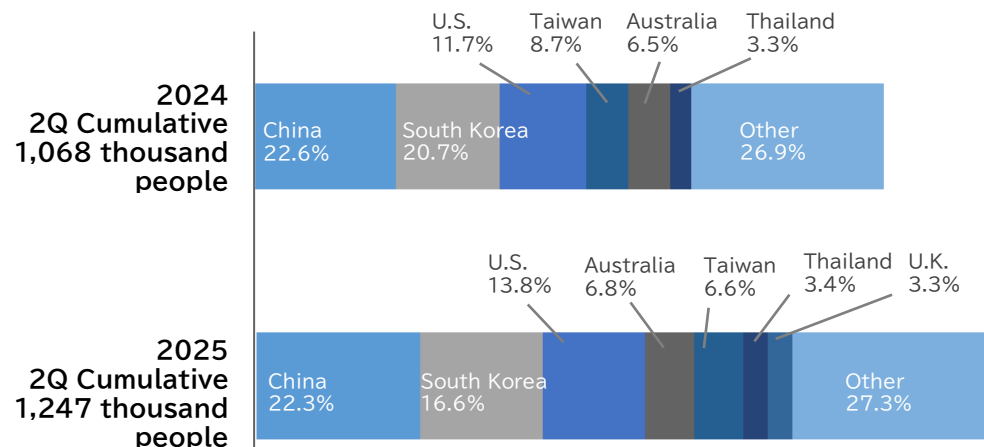
	2025 2Q Cumulative actual	YoY
Number of inbound accommodation guests (at domestic facilities only)	1,247 thousand people	+16.7%
Total number of accommodation guests (at domestic establishments only)	2,157 thousand people	+4.9%
Ratio of inbound guests	57.8%	+5.9%pt
WHG Total	59.7%	+5.9%pt
Hotel Gracery Shinjuku	95.4%	+1.4%pt
Shinjuku Washington Hotel (Main building and ANNEX)	74.7%	+6.0%pt
Hotel Chinzanso Tokyo	36.0%	+0.6%pt
Hakone Kowakien Ten-yu	57.8%	+6.6%pt
Hakone Kowakien Hotel	25.2%	+7.2%pt

Number of inbound accommodation guests
Increase/Decrease by country



*Figures for China include guests from Hong Kong

Number of inbound accommodation guests
Breakdown by country



*Set 1,068 thousand people and 1,247 thousand people as 100 percent for 2024 and for 2025, respectively

Consolidated Balance Sheets

- Liabilities fell by **6.64** billion yen compared to the end of the previous year due to repayment of borrowings and other factors
- Net assets rose by **4.4** billion yen to **30.06** billion yen compared to the end of the previous year

Unit: Million yen

	End of June 2025	End of December 2024	Change
Current assets	21,455	23,703	(2,247)
Non-current assets	70,347	70,338	+9
Total assets	91,803	94,041	(2,238)
Current liabilities	27,360	31,217	(3,856)
Non-current liabilities	34,381	37,172	(2,790)
Total liabilities	61,742	68,389	(6,647)
Total net assets	30,061	25,651	+4,409
Total liabilities and net assets	91,803	94,041	(2,238)
Equity ratio	32.7%	27.3%	+5.5%pt
Total borrowings	31,691	37,429	(5,737)

■ Redemption of Class A preferred shares

The Company resolved to redeem 20 Class A preferred shares (purchase and cancellation)

Date of resolution: August 8, 2025

Scheduled date of purchase

(cancellation): August 25, 2025



This will complete the redemption of all 150 Class A preferred shares issued in 2021

Statements of Cash Flows

- Cash flows from operating activities were a net inflow of 7.04 billion yen due to the recording of operating profit
- Cash flows from investing activities were a net outflow of 1.21 billion yen due to investments such as redevelopment of Yunessun and guestroom renovations
- Cash flows from financing activities were a net outflow of 6.31 billion yen due to repayment of borrowings and other factors

Unit: Million yen	2025 2Q Cumulative	2024 2Q Cumulative	YoY
Cash flows from operating activities	7,042	5,754	+1,287
Cash flows from investing activities	(1,217)	(1,916)	+699
Free cash flows	5,824	3,838	+1,986
Cash flows from financing activities	(6,313)	(172)	(6,141)
Balance of cash and cash equivalents at end of period	13,935	17,387	(3,451)

Business Performance Forecast for the Fiscal Year Ending December 31, 2025

Full year business performance forecast was revised upward to reflect 2Q financial results

Unit: Million yen

	First half (Jan. to Jun.)			Second half (Jul. to Dec.)	Full year		
	Actual	Forecast announced on February 13	Compared to previous forecast	Forecast announced on August 8	Forecast announced on August 8	Forecast announced on February 13	Compared to previous forecast
Net Sales	39,955	38,100	+1,855	40,544	80,500	78,600	+1,900
WHG Business	24,457	23,300	+1,157	23,942	48,400	47,200	+1,200
Luxury & Banquet Business	9,784	9,200	+584	9,815	19,600	19,000	+600
Resort Business	5,099	5,000	+99	6,100	11,200	11,100	+100
Other (including adjustments)	612	600	+12	687	1,300	1,300	±0
Operating Profit	6,877	5,500	+1,377	6,422	13,300	12,000	+1,300
WHG Business	6,031	4,800	+1,231	4,968	11,000	9,800	+1,200
Luxury & Banquet Business	746	650	+96	653	1,400	1,300	+100
Resort Business	109	100	+9	940	1,050	1,050	±0
Other (including adjustments)	(10)	(50)	+39	(139)	(150)	(150)	±0
Ordinary Profit	6,797	5,500	+1,297	6,202	13,000	11,700	+1,300
Profit attributable to owners of parent	4,517	3,700	+817	4,282	8,800	8,000	+800

Assumptions Underlying Performance Forecast for the Fiscal Year Ending December 31, 2025 (Operational Indicators)

		First half (Jan. to Jun.)			Second half (Jul. to Dec.)	Full year		
		Actual	Announce- ment on February 13	Change	Announce- ment on August 8	Announce- ment on August 8	Announce- ment on February 13	Change
WHG Total	Occupancy Rate	87%	86%	+1%pt	85%	86%	86%	±0%pt
	ADR	¥17,217	¥16,537	+¥680	¥17,151	¥17,184	¥16,844	+¥342
WHG Tokyo	Occupancy Rate	89%	87%	+2%pt	85%	87%	86%	+1%pt
	ADR	¥19,592	¥18,838	+¥754	¥19,169	¥19,384	¥19,003	+¥381
WHG other than Tokyo	Occupancy Rate	84%	84%	(0)%pt	86%	85%	85%	(0)%pt
	ADR	¥13,614	¥13,108	+¥506	¥14,225	¥13,921	¥13,666	+¥255
Hotel Chinzanso Tokyo	Occupancy Rate	65%	64%	+1%pt	69%	67%	67%	±0%pt
	ADR	¥56,354	¥55,586	+¥768	¥55,443	¥55,884	¥55,512	+¥372
Hakone Kowakien Ten-yu	Occupancy Rate	90%	87%	+3%pt	90%	90%	88%	+1%pt
	ADR	¥56,203	¥53,840	+¥2,363	¥58,138	¥57,175	¥56,033	+¥1,142
Hakone Kowakien Hotel	Occupancy Rate	77%	81%	(3)%pt	86%	82%	83%	(2)%pt
	ADR	¥35,674	¥33,350	+¥2,324	¥38,552	¥37,200	¥36,054	+¥1,146
Hotel Chinzanso Tokyo	Wedding: number of ceremonies	707	680	+27	850	1,557	1,530	+27
	Wedding: sales per ceremony	¥4,035 thousand	¥3,926 thousand	+¥108 thousand	¥3,855 thousand	¥3,936 thousand	¥3,886 thousand	+¥50 thousand
	Wedding: average number of guests per ceremony	48	48	±0	46	47	47	±0
Hakone Kowakien Yunessun	Visitors	203 thousand people	210 thousand people	(6) thousand People	330 thousand people	533 thousand people	540 thousand people	(6) thousand People

Operational Indicators

		2024				2025	
		1Q	2Q	3Q	4Q	1Q	2Q
WHG Total	Occupancy Rate	86%	86%	87%	90%	86%	87%
	ADR	¥14,849	¥15,774	¥15,375	¥17,303	¥16,597	¥17,821
WHG Tokyo	Occupancy Rate	90%	88%	88%	91%	89%	89%
	ADR	¥16,920	¥17,791	¥16,884	¥19,544	¥18,933	¥20,237
WHG other Than Tokyo	Occupancy Rate	82%	83%	86%	89%	83%	85%
	ADR	¥11,847	¥12,728	¥13,158	¥14,038	¥13,029	¥14,179
Hotel Chinzanso Tokyo	Occupancy Rate	53%	70%	59%	72%	56%	75%
	ADR	¥55,437	¥54,705	¥53,747	¥56,064	¥57,535	¥55,483
Hakone Kowakien Ten-yu	Occupancy Rate	89%	87%	85%	97%	93%	87%
	ADR	¥54,102	¥53,113	¥55,218	¥55,085	¥54,503	¥57,992
Hakone Kowakien Hotel	Occupancy Rate	73%	81%	92%	79%	76%	79%
	ADR	¥32,791	¥30,371	¥39,721	¥35,772	¥36,829	¥34,568
Hotel Chinzanso Tokyo	Wedding: number of ceremonies	282	385	263	563	263	444
	Wedding: sales per ceremony	4,044 thousand	3,868 thousand	3,894 thousand	3,934 thousand	4,127 thousand	3,980 thousand
	Wedding: average number of guests per ceremony	49	48	46	46	50	47
Hakone Kowakien Yunessun	Visitors	107 thousand people	97 thousand people	204 thousand people	90 thousand people	99 thousand people	104 thousand people

List of Facilities (As of August 8, 2025)

WHG Business				Resort Business		Luxury & Banquet Business	
<<Lodging facilities>> 35 properties, 11,027 rooms				<<Lodging facilities>> 11 properties, 554 rooms		<<Lodging facilities>> 1 property, 265 rooms	
■ Washington Hotel (20 properties, 6,619 rooms)		■ Hotel Gracery (10 properties, 3,198 rooms)		Hakone Kowakien Ten-yu 150 rooms		Hotel Chinzanso Tokyo 265 rooms	
Sendai	223 rooms	Sapporo	440 rooms	Hakone Kowakien Hotel 150 rooms		<<Weddings>> 2 properties	
Shinjuku (Main building, ANNEX)	1,617 rooms	Ginza	270 rooms	Hakone Kowakien Mikawayaya Ryokan 25 rooms		Remercier Motoujina (Hiroshima Pref.)	
Akihabara	369 rooms	Tamachi	216 rooms	Hakone Kowakien Miyama Furin 15 rooms		The South Harbor Resort (Hiroshima Pref.)	
Tokyo Bay Ariake	830 rooms	Asakusa	125 rooms	Ito Kowakien 50 rooms		<<Leisure facilities>> 1 property	
Yokohama Sakuragicho	553 rooms	Shinjuku	970 rooms	Ito Ryokuyu 7 rooms		Camellia Hills Country Club (Chiba Pref.)	
Urawa (scheduled to cease operation on August 31, 2025)	140 rooms	Kyoto Sanjo (North/South)	225 rooms	Fujino Kirameki Fuji Gotemba 25 rooms		<<Restaurants>> 2 properties	
Hiroshima	266 rooms	Osaka Namba	170 rooms	Hakujukan, Shinzen-no-yado, Eihei-ji Temple 18 rooms		University of Tokyo Ito International Research Center Restaurant [MC]	
Canal City, Fukuoka	423 rooms	Naha	198 rooms	Yugawara Onsen Chitose [MC] 38 rooms		Meiji University Shikonkan Foresta Chinzanso [MC]	
Yamagata Nanokamachi [FC]	213 rooms	Seoul	336 rooms	Hotel Yamanami [MC] (Yamanashi Pref.) 26 rooms			
Yamagata Eki Nishiguchi [FC]	100 rooms	Taipei	248 rooms	Towada Hotel [Business alliance] 50 rooms			
Aizu Wakamatsu [FC]	154 rooms			<<Restaurants>> 3 properties			
Koriyama [FC]	184 rooms	■ Hotel Fujita (1 property, 354 rooms)		Akashiatei (Akita Pref.)			
Iwaki [FC]	148 rooms	Fukui [FC]	354 rooms	Hakone Kowakien Soba Kihinkan			
Tachikawa [FC]	170 rooms			Hakone Kowakien Teppan Shabu Geihinkan			
Kisarazu [FC]	146 rooms	■ HOTEL TAVINOS (3 properties, 656 rooms)		<<Leisure facilities>> 5 properties			
Tsubame Sanjo [FC]	103 rooms	Hamamatsucho	188 Rooms	Hakone Kowakien Yunessun			
Kansai Airport [FC]	504 rooms	Asakusa	278 rooms	Hakone Kowakien Mori No Yu			
Kanku Izumiotsu [FC]	151 rooms	Kyoto	190 rooms	Hakone Kowakien Camp & Spa Yama No Ne			
Takarazuka [FC]	135 rooms			Fuji Camp Base Kirameki (within premises of Fujino Kirameki Fuji Gotemba)			
Sasebo [FC]	190 rooms	■ Serviced apartments (1 property, 200 rooms)		Shimoda Aquarium			
		ISORAS CIKARANG (Indonesia) 200 rooms					

FC: Franchising model
Ownership, management and operation all belong to owner companies. The Company licenses the brand usage rights and gives instruction on facility operation.

MC: Management contracting model
Ownership and management belong to owner companies. The Company is entrusted with facility operation.

Company Overview

Listed exchange	Tokyo Stock Exchange Prime Market	
Company name	FUJITA KANKO INC.	
Stock code	9722	
Share unit	Ordinary shares: 100 shares	
	Class A preferred shares: 1 share	
Fiscal year	January 1 to December 31 of each year	
Record date	December 31	
Ex-dividend dates (ordinary shares)	December 31, and June 30 when interim dividends are issued	
Annual shareholders meeting	March of each year	
Total number of issued shares	Ordinary shares: 12,207,424 shares	Total: 12,207,444 shares
	Class A preferred shares: 20 shares	
Total number of authorized shares	Ordinary shares: 44,000,000 shares	Total: 44,000,150 shares
	Class A preferred shares: 150 shares	
Fiscal term	December 31 of each year	