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FUJITA KANKO INC.

Financial Results for the Six Months Ended June 30, 2026

August 6, 2026
(Code number: 9722)

From top: Hotel Gracery Sapporo; Hotel Chinzanso Tokyo; Hakone Kowakien Ten-yu

Consolidated Statements of Income

FUJITA KANKO

Net sales rose by ¥800 million while operating profit fell by ¥600 million, year on year (Profit increased significantly versus the initial plan, and effectively grew year on year if the impacts of major renovations are excluded)

- Despite the impact of temporary guestroom closures for major renovations, sales increased year on year as a result of the offering of high value-added products, the capture of inbound demand (particularly visitors from Europe, the U.S., and Australia), and price setting aligned with demand trends
- Net sales rose year on year, driven by increases in number of users and sales per ceremony in the wedding business
- Profit shrank year on year due to the impact of temporary guestroom closures for renovations

Unit: Million yen	1Q Actual Jan. to Mar.	2Q Actual Apr. to Jun.	2026 2Q Cumulative Actual	2025 2Q Cumulative Actual	YoY
Net sales	19,424	21,330	40,755	39,955	+800
Operating profit	2,586	3,684	6,270	6,877	(606)
Ordinary profit	2,116	3,955	6,072	6,797	(725)
Extraordinary income	5,999	-	5,999	25	+5,973
Extraordinary losses	-	-	-	61	(61)
Income taxes	2,769	1,286	4,056	2,244	+1,811
Profit attributable to owners of parent	5,346	2,668	8,015	4,517	+3,497

Net Sales & Operating Profit Breakdown by Business

FUJITA KANKO

Net sales climbed, driven by increases in WHG Business's ADR and Luxury & Banquet Business's number of wedding users

- The WHG Business benefited from a rise in ADR (average daily rate)
- The Luxury & Banquet Business recorded higher sales and profit with increases in number of users in the wedding and restaurant businesses
- The Resort Business's operating profit fell due to higher labor costs, despite a rise in net sales driven by an increase in ADR at Hakone Kowakien Ten-yu

Unit: Million yen	1Q actual Jan. to Mar.	2Q Actual Apr. to Jun.	2026 2Q Cumulative Actual	2025 2Q Cumulative Actual	YoY
Net sales	19,424	21,330	40,755	39,955	+800
WHG Business	11,880	12,490	24,370	24,457	(87)
Luxury & Banquet Business	4,631	5,813	10,444	9,784	+660
Resort Business	2,548	2,671	5,219	5,099	+119
Other (including adjustments)	364	355	720	612	+107
Operating profit (loss)	2,586	3,684	6,270	6,877	(606)
WHG Business	2,477	2,795	5,273	6,031	(758)
Luxury & Banquet Business	112	843	956	746	+209
Resort Business	(2)	71	68	109	(41)
Other (including adjustments)	(1)	(25)	(27)	(10)	(16)

Net Sales: Increase/Decrease by Business

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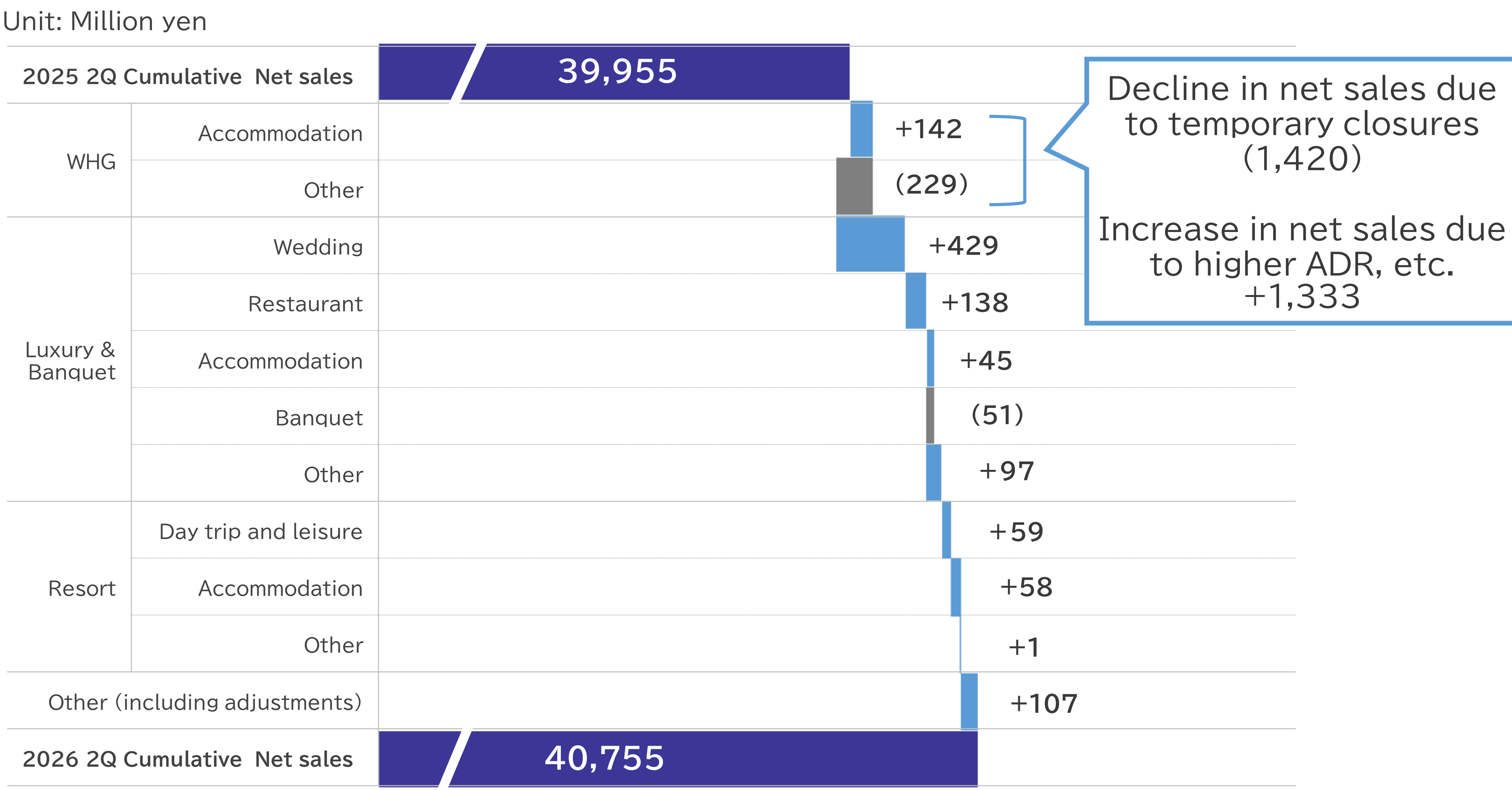
Net sales climbed by ¥800 million YoY, driven by growth of accommodation (WHG) and wedding sales

- Despite a revenue loss of ¥1,400 million due to temporary guestroom closures, net sales grew as a whole, pushed up by increases in ADR and wedding users and sales per ceremony



Operating Profit: Increase/Decrease by Factor

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Operating profit fell by ¥600 million YoY as increase in costs outpaced increase of marginal profit

- Operating profit shrank due to a decrease in marginal profit and an increase in one-time investment costs associated with renovations carried out as part of enhancements to add value
- Our foundation for growth was strengthened through proactive investments in talent and in facility improvements such as guestroom renovations

Unit: Million yen

2025 2Q Cumulative Operating profit		6,877
Increase of marginal profit due to the increase of net sales	WHG	(69)
	Luxury & Banquet	+469
	Resort	+87
Increase in costs	Labor costs	(375)
	Depreciation	(277)
	One-time investment costs	(263)
	Advertising costs	(125)
	Other costs	(52)
2026 2Q Cumulative Operating profit		6,270

Decline in profit due to temporary closures (1,065)

Increase in profit due to higher ADR, etc. +996

WHG Business

Product competitiveness-enhancing renovations were carried out at multiple facilities, laying the foundation for the future growth of sales and profits
ADR rose by 9% YoY, and efforts to strengthen product competitiveness and overseas sales steadily produced results
Net sales and operating profit declined by ¥80 million and ¥750 million YoY, respectively

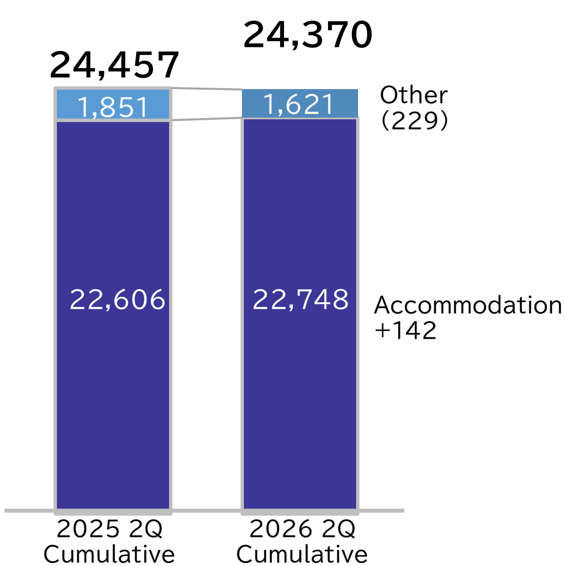
- Actions for stepping up overseas sales enabled the capture of inbound demand, particularly visitors from Europe, the U.S., and Australia
- The capture of inbound demand and renovations for functional improvements paid off with a rise in number of guests per room
- Yield functions were strengthened to enable price setting aligned with demand trends

Higher ADR

<State of renovation closures>
Approx. 100,000 guestrooms in total were closed during Jan.-Jun. 2026 at properties such as Tokyo Bay Ariake Washington Hotel, Canal City Fukuoka Washington Hotel, and Hotel Gracery Sapporo

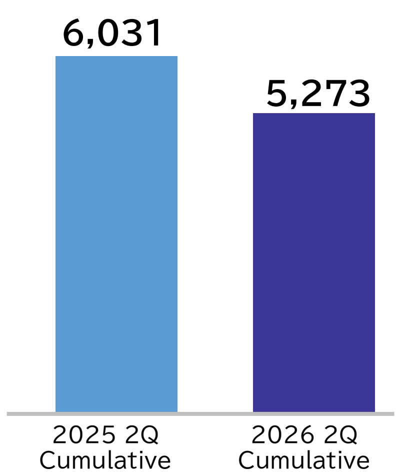
Net sales

(Million yen)

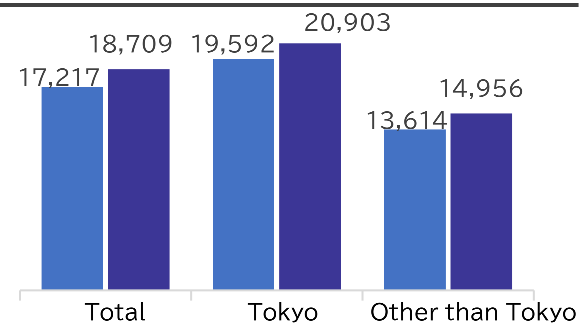


Operating profit

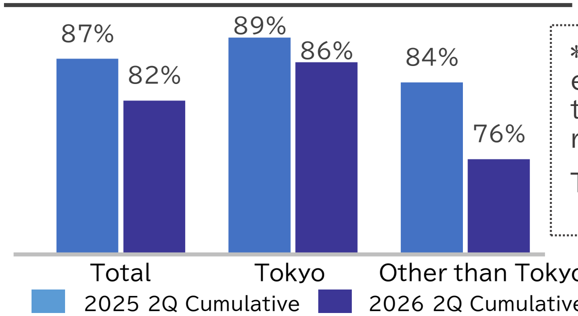
(Million yen)



ADR (Yen)



Occupancy Rate



* Occupancy Rate excluding guestrooms temporarily closed for renovations
Total: 89% (+1%pt YoY)

* Operational indicator data excludes WHG Hotels franchise/management contract properties and ISORAS CIKARANG serviced apartments

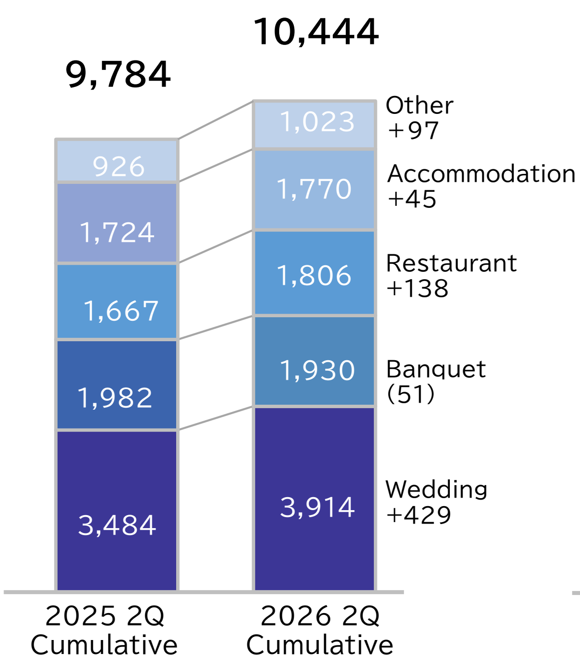
Luxury & Banquet Business

The number of ceremonies and sales per ceremony were expanded through tangible and intangible improvements to value added in the Wedding business
As a result, net sales and operating profit grew by ¥660 million and ¥200 million YoY, respectively

Hotel Chinzanso Tokyo
- Wedding: The number of ceremonies and sales per ceremony increased as a result of actions for strengthening product competitiveness, including banquet hall renovations and enhancements to food/beverage service and floral decorations
- Restaurant: Sales were buoyed by the capture of celebrations-related demand and the offering of afternoon tea service
- Accommodation: The continuation of overseas promotion enabled the capture of inbound demand, particularly visitors from Europe, the U.S., and Australia

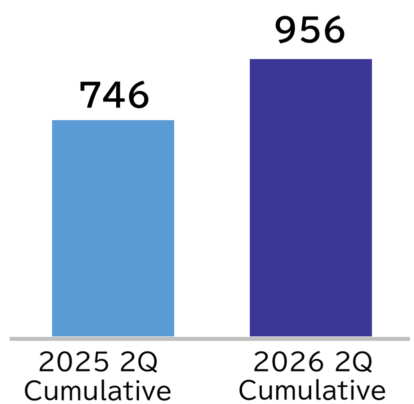
Net sales

(Million yen)



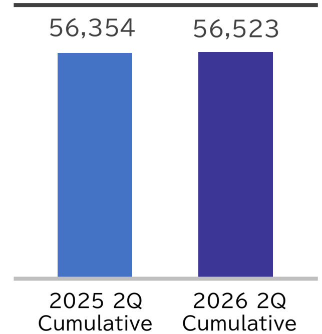
Operating profit

(Million yen)

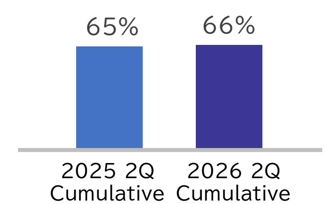


Hotel Chinzanso Tokyo

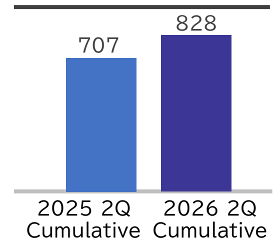
ADR (Yen)



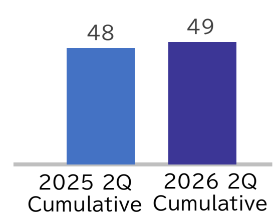
Occupancy Rate



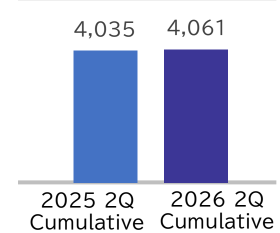
Wedding
Number of ceremonies



Wedding
Average number of guests per ceremony



Wedding
Sales per ceremony (thousand yen)



* Calculation of these three metrics did not include cases where only a ceremony was held

Resort Business

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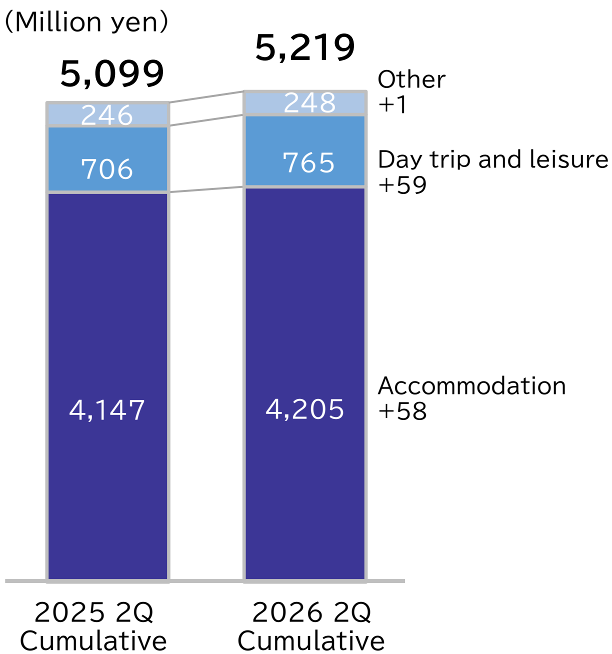
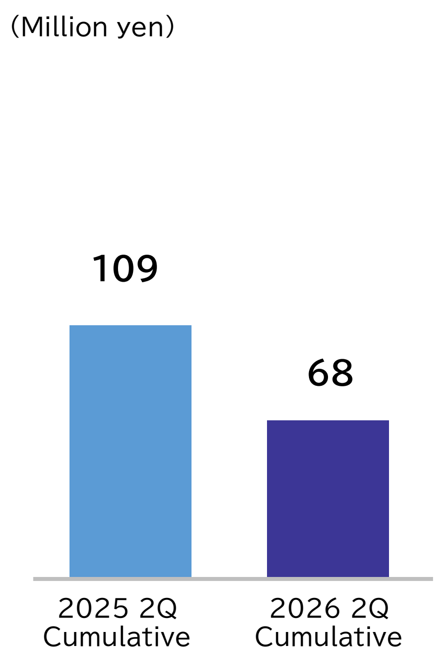
Initiatives for enhancing value added, such as the hosting of seasonal events, were implemented as part of a Hakone Kowakien tourism development strategy
The restaurant at Hakone Kowakien Hotel was expanded in June and reopened ahead of the addition of more guestrooms in 2027
Net sales grew by ¥110 million and operating profit declined by ¥40 million YoY, respectively

- Hakone Kowakien Ten-yu: ADR rose while occupancy remained high, boosted by the recovery of inbound demand in 2Q (Apr.-Jun.)
- Hakone Kowakien Hotel: ADR was maintained through price setting aligned with demand trends
- Hakone Kowakien Yunessun: The number of users was increased through events and corporate/IP collaborations implemented as part of the tourism development strategy

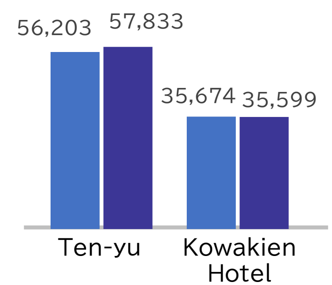
Net sales



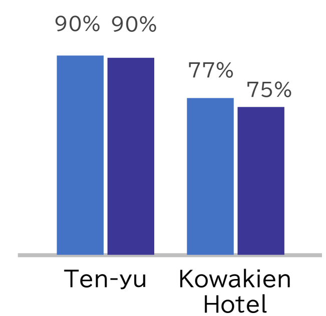
Operating profit



ADR (Yen)

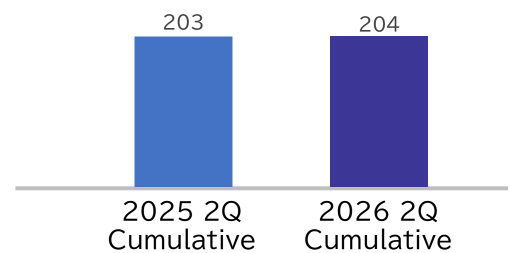


Occupancy Rate



2025 2Q Cumulative 2026 2Q Cumulative

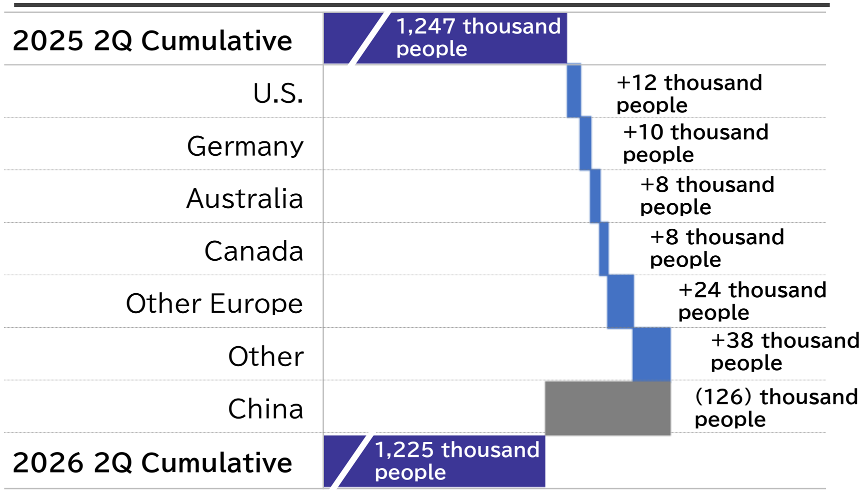
Yunessun Visitors (thousand people)



Status of Inbound Tourism

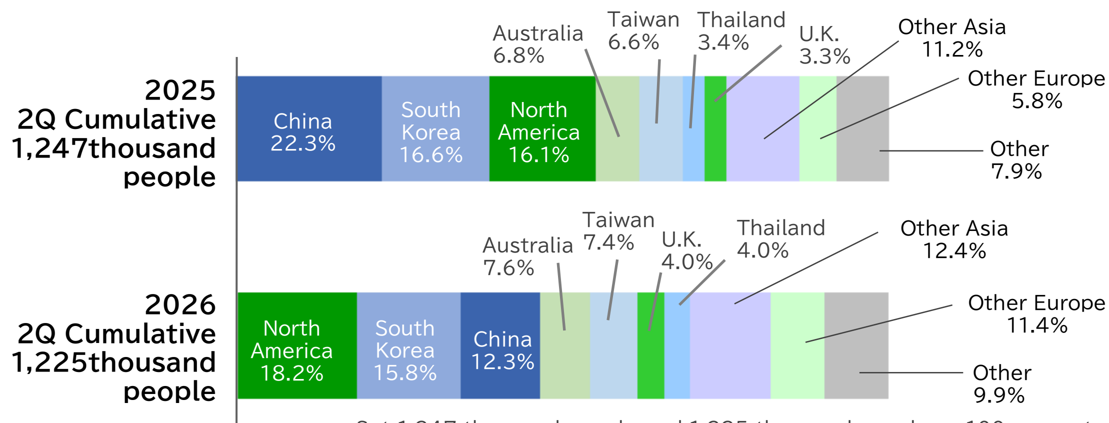
	2026 2Q Cumulative Actual	YoY
Number of inbound accommodation guests (at domestic facilities only)	1,225 thousand people	(1.8)%
Total number of accommodation guests (at domestic establishments only)	2,018 thousand people	(6.5)%
Ratio of inbound guests	60.7%	+2.9%pt
WHG Total	63.3%	+3.6%pt
Hotel Gracery Shinjuku	95.2%	(0.2)%pt
Shinjuku Washington Hotel (Main building and ANNEX)	76.9%	+2.3%pt
Hotel Chinzanso Tokyo	39.7%	+3.6%pt
Hakone Kowakien Ten-yu	54.5%	(3.3)%pt
Hakone Kowakien Hotel	18.0%	(7.3)%pt

Number of inbound accommodation guests Increase/Decrease by country



Despite the decrease in the number of guests from China, ADR rose due to an increase in guests from Europe, the U.S., and Australia.

Number of inbound accommodation guests Breakdown by country



* Set 1,247 thousand people and 1,225 thousand people as 100 percent for 2025 and for 2026, respectively

Share of guests from Europe, the U.S., and Australia expanded to approximately 40%

*Figures for China include guests from Hong Kong
*North America: U.S. and Canada

Consolidated Balance Sheets

FUJITA KANKO

- Non-current assets shrank by ¥2.86 billion compared to the end of the previous year due to factors such as the sale of investment securities
- Borrowings fell by ¥4.61 billion to ¥23.03 billion compared to the end of the previous year
- Net assets increased by ¥6.22 billion to ¥43.04 billion compared to the end of the previous year

Unit: Million yen	End of June 2026	End of December 2025	Change
Current assets	23,958	20,676	+3,282
Non-current assets	75,293	78,157	(2,864)
Total assets	99,252	98,834	+418
Current liabilities	26,789	29,366	(2,577)
Non-current liabilities	29,415	32,648	(3,233)
Total liabilities	56,204	62,015	(5,811)
Total net assets	43,047	36,818	+6,229
Total liabilities and net assets	99,252	98,834	+418
Equity ratio	43.4%	37. 3%	+6.1%pt
Total borrowings	23,038	27,655	(4,617)

Statements of Cash Flows

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- Cash flows from operating activities fell by ¥1.79 billion YoY due to factors such as increased tax payments
- Cash flows from investing activities were a net inflow of ¥4.98 billion; outflows included growth-oriented renovations and other capital investments (¥3.03 billion), while inflows included a sale of investment securities (¥8.76 billion)

Unit: Million yen	2026 2Q Cumulative	2025 2Q Cumulative	Change
Cash flows from operating activities	5,246	7,042	(1,795)
Cash flows from investing activities	4,981	(1,217)	+6,198
Free cash flows	10,227	5,824	+4,402
Cash flows from financing activities	(5,473)	(6,313)	+840
Balance of cash and cash equivalents at end of period	16,981	13,935	+3,046

Business Performance Forecast for the Fiscal Year Ending December 31, 2026

FUJITA KANKO

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 12	Compared to previous forecast	Forecast announced on August 6	Forecast announced on August 6	Forecast announced on February 12	Compared to previous forecast
Net sales	40,755	39,700	+1,055	43,244	84,000	83,000	+1,000
WHG Business	24,370	23,700	+670	25,929	50,300	49,600	+700
Luxury & Banquet Business	10,444	10,200	+244	10,255	20,700	20,500	+200
Resort Business	5,219	5,200	+19	6,380	11,600	11,600	0
Other (including adjustments)	720	600	+120	679	1,400	1,300	+100
Operating profit	6,270	5,100	+1,170	6,929	13,200	12,000	+1,200
WHG Business	5,273	4,450	+823	5,626	10,900	10,100	+800
Luxury & Banquet Business	956	700	+256	493	1,450	1,250	+200
Resort Business	68	0	+68	781	850	800	+50
Other (including adjustments)	(27)	(50)	+22	27	0	(150)	+150
Ordinary profit	6,072	4,900	+1,172	6,727	12,800	11,600	+1,200
Profit attributable to owners of parent	8,015	7,000	+1,015	4,484	12,500	11,500	+1,000

Assumptions Underlying Performance Forecast for the Fiscal Year Ending December 31, 2026 (Operational Indicators)

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		First half (Jan. to Jun.)			Second half (Jul. to Dec.)	Full year		
		Actual	Announcement on February 12	Change	Announcement on August 6	Announcement on August 6	Announcement on February 12	Change
WHG Total	Occupancy Rate	82%	82%	(0)%pt	85%	84%	84%	(0)%pt
	ADR	¥18,709	¥18,177	+¥532	¥18,766	¥18,738	¥18,479	+¥259
WHG Tokyo	Occupancy Rate	86%	85%	+1%pt	88%	87%	87%	+0%pt
	ADR	¥20,903	¥20,391	+¥511	¥20,543	¥20,720	¥20,469	+¥251
WHG other than Tokyo	Occupancy Rate	76%	77%	(1)%pt	81%	79%	79%	(1)%pt
	ADR	¥14,956	¥14,489	+¥466	¥15,893	¥15,446	¥15,217	+¥229
Hotel Chinzanso Tokyo	Occupancy Rate	66%	67%	(0)%pt	72%	69%	69%	(0)%pt
	ADR	¥56,523	¥56,500	+¥23	¥55,546	¥56,009	¥56,000	+¥9
Hakone Kowakien Ten-yu	Occupancy Rate	90%	87%	+3%pt	91%	90%	89%	+1%pt
	ADR	¥57,833	¥56,910	+¥923	¥60,067	¥58,968	¥58,540	+¥428
Hakone Kowakien Hotel	Occupancy Rate	75%	78%	(4)%pt	88%	81%	83%	(2)%pt
	ADR	¥35,599	¥34,649	+¥950	¥36,734	¥36,217	¥35,758	+¥459
Hotel Chinzanso Tokyo	Wedding: number of ceremonies	828	805	+23	855	1,683	1,660	+23
	Wedding: sales per ceremony	¥4,061 thousand	¥3,985 thousand	+¥76 thousand	¥4,095 thousand	¥4,078 thousand	¥4,042 thousand	+¥36 thousand
	Wedding: average number of guests per ceremony	49	48	+0	50	50	49	+0
Hakone Kowakien Yunessun	Visitors	204 thousand people	203 thousand people	+1 thousand people	307 thousand people	511 thousand people	510 thousand people	+1 thousand people

*Operational indicator data excludes WHG Hotels franchise/management contract properties and ISORAS CIKARANG serviced apartments

Topics

➢ Expand locations of WHG Hotels through new openings

Osaka Izumi-chuo Ekimae Washington Hotel (tentative name) is slated to open in 2026 as the franchise's 14th property, and we are pursuing talks toward the opening of other new locations. Going forward, we will seek to sustainably grow by accelerating the expansion of locations through a mix of approaches, including new constructions, franchising, management contracting, acquisition and rebranding of existing properties, and M&A.

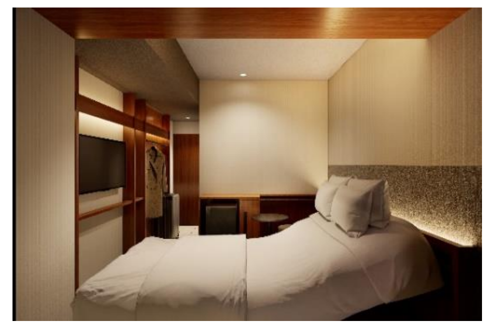
➢ Renovation Update 1: Tokyo Bay Ariake Washington Hotel
(work to be completed in September 2026)

Tokyo Bay Ariake Washington Hotel has been undergoing renovations since 2025 to improve convenience and functionality, including the conversion of some single rooms to doubles. The ongoing enhancement of function and value added was highlighted by the reopening of the newly renovated lobby in July 2026.

Tokyo Bay Ariake Washington Hotel's new lobby

➢ Renovation Update 2: Hotel Gracery Ginza
(work to be completed in December 2026)

Hotel Gracery Ginza launched a project in August 2026 that will completely transform the 108 guestrooms on floors 10 to 13 into "Executive Floor Smart Rooms." Each room will be equipped with a tablet that can be used to control the beds, lighting, and curtains. Value added will be increased for guests through such state-of-the-art functional improvements as well as refined interior redesign.



Executive Floor Smart Room at Hotel Gracery Ginza
(artist's impression)

Operational Indicators

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		2025 1Q	2025 2Q	2025 3Q	2025 4Q	2026 1Q	2026 2Q
WHG Total	Occupancy Rate	86%	87%	85%	83%	83%	81%
	ADR	¥16,597	¥17,821	¥16,127	¥20,095	¥18,088	¥19,342
WHG Tokyo	Occupancy Rate	89%	89%	84%	84%	86%	86%
	ADR	¥18,933	¥20,237	¥17,387	¥22,794	¥20,358	¥21,438
WHG other than Tokyo	Occupancy Rate	83%	85%	85%	82%	79%	72%
	ADR	¥13,029	¥14,179	¥14,311	¥15,952	¥14,376	¥15,582
Hotel Chinzanso Tokyo	Occupancy Rate	56%	75%	63%	80%	56%	76%
	ADR	¥57,535	¥55,483	¥51,567	¥55,853	¥57,439	¥55,852
Hakone Kowakien Ten-yu	Occupancy Rate	93%	87%	89%	95%	90%	89%
	ADR	¥54,503	¥57,992	¥55,262	¥60,255	¥53,875	¥61,811
Hakone Kowakien Hotel	Occupancy Rate	76%	79%	93%	83%	76%	73%
	ADR	¥36,829	¥34,568	¥40,179	¥37,267	¥32,562	¥38,728
Hotel Chinzanso Tokyo	Wedding: number of ceremonies	263	444	274	600	335	493
	Wedding: sales per ceremony	¥4,127 thousand	¥3,980 thousand	¥3,808 thousand	¥4,182 thousand	¥4,086 thousand	¥4,044 thousand
	Wedding: average number of guests per ceremony	50	47	45	50	50	48
Hakone Kowakien Yunessun	Visitors	99 thousand people	104 thousand people	194 thousand people	105 thousand people	105 thousand people	99 thousand people

*Operational indicator data excludes WHG Hotels franchise/management contract properties and ISORAS CIKARANG serviced apartments

List of Facilities (As of August 6, 2026)

FUJITA KANKO

WHG Business

《Lodging facilities》 34 properties, 10,841 rooms

■Washington Hotel (19 properties, 6,476 rooms)		■Hotel Gracery (10 properties, 3,165 rooms)	
Sendai	223 rooms	Sapporo	407 rooms
Shinjuku (Main building, ANNEX)	1,618 rooms	Ginza	270 rooms
Akihabara	366 rooms	Tamachi	216 rooms
Tokyo Bay Ariake	830 rooms	Asakusa	125 rooms
Yokohama Sakuragicho	553 rooms	Shinjuku	970 rooms
Hiroshima	266 rooms	Kyoto Sanjo (North/South)	225 rooms
Canal City, Fukuoka	422 rooms	Osaka Namba	170 rooms
Yamagata Nanokamachi [FC]	213 rooms	Naha	198 rooms
Yamagata Eki Nishiguchi [FC]	100 rooms	Seoul	336 rooms
Aizu Wakamatsu [FC]	154 rooms	Taipei	248 rooms
Koriyama [FC]	184 rooms		
Iwaki [FC]	148 rooms	■Hotel Fujita (1 property, 354 rooms)	
Tachikawa [FC]	170 rooms	Fukui [FC]	354 rooms
Kisarazu [FC]	146 rooms		
Tsubame Sanjo [FC]	103 rooms	■HOTEL TAVINOS (3 properties, 656 rooms)	
Kansai Airport [FC]	504 rooms	Hamamatsucho	188 rooms
Kanku Izumiotsu [FC]	151 rooms	Asakusa	278 rooms
Takarazuka [FC]	135 rooms	Kyoto	190 rooms
Sasebo [FC]	190 rooms		
		■Serviced apartments (1 property, 190 rooms)	
		ISORAS CIKARANG (Indonesia)	190 rooms

Resort Business

《Lodging facilities》11 properties, 554 rooms

Hakone Kowakien Ten-yu	150 rooms
Hakone Kowakien Hotel	150 rooms
Hakone Kowakien Mikawaya Ryokan	25 rooms
Hakone Kowakien Miyama Furin	15 rooms
Ito Kowakien	50 rooms
Ito Ryokuyu	7 rooms
Fujino Kirameki Fuji Gotemba	25 rooms
Hakujukan, Shinzen-no-yado, Eihei-ji Temple	18 rooms
Yugawara Onsen Chitose [MC]	38 rooms
Hotel Yamanami [MC] (Yamanashi Pref.)	26 rooms
Towada Hotel [Business alliance]	50 rooms

《Restaurants》 3 properties

- Akashiatei (Akita Pref.)
- Hakone Kowakien Soba Kihinkan
- Hakone Kowakien Teppan Shabu Geihinkan

《Leisure facilities》 5 properties

- Hakone Kowakien Yunessun
- Hakone Kowakien Mori No Yu
- Hakone Kowakien Camp & Spa Yama No Ne
- Fuji Camp Base Kirameki (within premises of Fujino Kirameki Fuji Gotemba)
- Shimoda Aquarium

Luxury & Banquet Business

《Lodging facilities》 1 properties, 265 rooms

Hotel Chinzanso Tokyo	265 rooms

《Weddings》 2 properties

- Remercier Motoujina (Hiroshima Pref.)
- The South Harbor Resort (Hiroshima Pref.)

《Leisure facilities》 1 property

- Camellia Hills Country Club (Chiba Pref.)

《Restaurants》 2 properties

- University of Tokyo Ito International Research Center Restaurant [MC]
- Meiji University Shikonkan Foresta Chinzanso [MC]

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.

Major owned properties

FUJITA KANKO

Hotel Chinzanso Tokyo

【Data】

Location:	Bunkyo-ku, Tokyo
Site area:	49,000 m² (roadside land price: ¥1,210,000/m², published by National Tax Agency on July 1, 2026)
Zoning:	Category 2 residential district as defined under the City Planning Act Bunkyo City Ordinance on Scenic Districts (15 m height restriction; designated in 1971)
Designated building coverage ratio:	60%
Designated floor area ratio:	300%

Hakone Kowakien
(Hakone Kowakien Ten-yu, Hakone Kowakien Hotel, Hakone Kowakien Yunessun, etc.)

【Data】

Location:	Hakone-machi, Ashigarashimo-gun, Kanagawa-ken
Site area:	795,000 m² (roadside land price: ¥54,000/m², published by National Tax Agency on July 1, 2026)
Zoning:	Class II special zone, type C as defined under the National Parks Act *A portion is designated as accommodation service land Category 1 residential district and Category 3 tourism district as defined under the City Planning Act
Designated building coverage ratio:	National Parks Act Class II special zone, type C, 30%
Designated floor area ratio:	National Parks Act Class II special zone, type C, 90%

Company Overview

FUJITA KANKO

Listed exchange	Tokyo Stock Exchange Prime Market
Company name	FUJITA KANKO INC.
Stock code	9722
Share unit	Ordinary shares: 100 shares
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: 61,037,120 shares
Total number of authorized Shares	Ordinary shares: 220,000,000 shares
Fiscal term	December 31 of each year