

Fujita Kanko Inc.

INTEGRATED REPORT

Integrated Report

2024



## Company Policies

**Our goal is to contribute to the well-being of society by providing hospitable services and places where people can relax, refresh and revitalize.**

## Long-Term Vision

**Continue to grow through a unique development of business that closely matches lifestyles, in order to create smiles.**

### Forward-Looking Statements

The content of this report is based on information that is currently available to the Company, and on forecasts made at the time of production and publication. There are certain risks and uncertainties involved with these statements, and they do not guarantee the Company's future performance. Please note that actual business results may differ significantly from the forecasts and outlooks presented in this report.

**In November 2025,  
Fujita Kanko will celebrate  
its 70th anniversary.**



Please visit our special 70th anniversary website.  
<https://www.fujita-kanko.co.jp/70th/> (Japanese only)



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## The History of Fujita Kanko

## Building Management Capital in Step with Social Changes

Fujita Kanko has sensitively responded to changes in society and achieved growth through innovative business models and the adoption of new technologies.

1948 - 1960s From Fujita *zaibatsu* (business conglomerate) to Fujita Kanko

## Social needs and historical background

As people tried to recover from the devastation of the post-war period, they sought peace of mind and longed for a place where they could find new hope and joy in life.

## Our History



First President  
Eiichi Ogawa

Fujita Kanko's roots are in trading company Fujita Denzaburo Shosha, which was founded in 1877. Fujita Kanko became an independent company in 1955 when Fujita Kogyo spun off its tourism business. In the aftermath of World War II, Eiichi Ogawa, the first president of Fujita Kanko, sought to open some of the estates, villas and gardens formerly owned by Japan's privileged class to the public, seeing this as a way to contribute to society by providing weary citizens—now faced with the monumental task of rebuilding the country—with peaceful and comfortable public gathering places. It was this idea that led to the transformation of the estate and gardens of the Fujita family into a hotel and restaurant and the launch of the tourism and hospitality business that would eventually become Fujita Kanko Inc.

## Opening of Hakone Kowakien and Chinzanso

In 1948, Eiichi Ogawa opened Hakone Kowakien, a Japanese-style inn converted from the Fujita family villa. He drilled hot springs and expanded the facilities to create a relaxing space that became much loved by the general public. In 1952, Ogawa opened Chinzanso. By restoring gardens devastated in the war and opening restaurants, he provided a lush oasis in Tokyo. Ogawa's hospitality mindset of "wanting to provide people with places to relax" that is embodied in both these facilities was passed on to Fujita Kanko, which was founded in 1955, and has remained the basis for the operation of facilities that are loved by many people to this day.



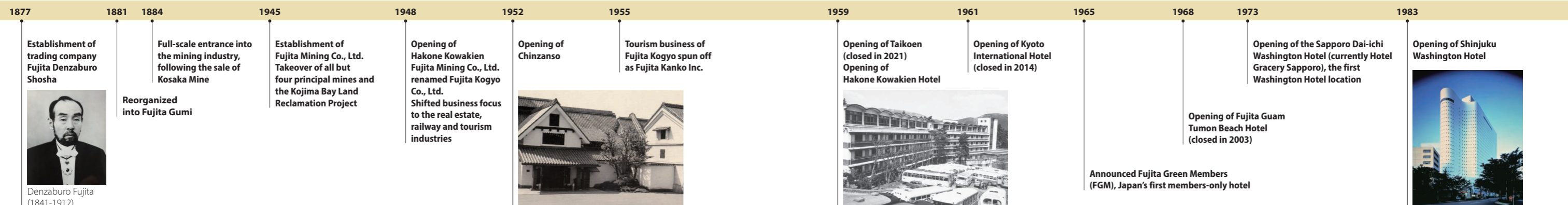
Hakone Kowakien at the time of its opening  
(Currently Hakone Kowakien Soba Kihinkan)



Chinzanso at the time of its opening  
(Currently Hotel Chinzanso Tokyo)

## Ordinary Profit

## History



## 1970 - 1980s Pioneering the "business hotels" that the times demanded

## Social needs and historical background

As economic activity intensified during the period of high economic growth, the number of Japanese businessmen staying at hotels alone when traveling for business increased significantly.

## The birth of Washington Hotel, the foundation of business hotels

At the time, the only accommodation available for businessmen traveling for business were inns with shared rooms, such as those used by traveling merchants. This gave rise to the birth of the Washington Hotel with the concept, "we want to provide a place where business travelers can have a beer with dinner and buy a small souvenir for their children, all within the range of their travel expenses." The Company opened the Sapporo Dai-ichi Washington Hotel in 1973 and the Sendai Dai-ichi Washington Hotel in 1974, after which it introduced a franchise system to achieve rapid expansion nationwide. The hotel name was apparently chosen by Ogawa, who admired America's founding father, George Washington. To keep room rates in line with business travel expense accounts, we reduced the floor area of each room and introduced the now-common modular bathrooms. We were also the first in the hotel industry to adopt an automated front desk system.

\* The first Washington Hotel was the Nagoya Dai-ichi Washington Hotel, which opened in 1969. Operated by Nagoya International Hotel Inc. (currently Washington Hotel Corporation)



Sapporo Dai-ichi Washington Hotel at the time of its opening

## Accumulated management capital Innovation reflecting social changes and building a foundation for growth

Market analysis capabilities to capture customer needs

Creating business hotels to meet the demands of business travel and providing efficient and practical accommodation.

Operational expertise that enabled nationwide expansion

Achieved multi-facility expansion by operating efficiently and keeping costs down.

## The History of Fujita Kanko

## 1990 - 2000s The wave of internationalization and new challenges

## Social needs and historical background

After the bubble period, when travel demand was booming, consumers became more experienced, which led to an increase in individual travel needs. At the same time, online travel websites grew rapidly with the spread of the Internet. In addition, many overseas-based hotel chains entered the Japanese market, further internationalizing the tourism industry and intensifying competition.

## International-standard services developed through partnerships with foreign companies

In 1992, we opened Four Seasons Hotel Tokyo at Chinzanso in partnership with Four Seasons Hotels and Resorts. By overcoming the differences in Japanese and American hotel culture, and combining the strengths of each, a uniquely beautiful hotel, unlike any other in the world, was born. Through this partnership, we incorporated luxury hotel management expertise and international sales strategies. Customer service skills refined to international standards have become the foundation for today's high-quality service, and remain one of Fujita Kanko's enduring strengths.



Four Seasons Hotel Tokyo at Chinzanso

## Unique business development utilizing our assets

The Four Seasons Hotel Tokyo at Chinzanso makes the most of one of the finest gardens in Tokyo, its rare asset, while offering fitness facilities, spa treatments, and a variety of dining options to meet our guests' expectations. In addition, Hakone Kowakien opened Hakone Kowakien Yunessun, a hot springs amusement park, in 2001, taking advantage of the hot springs that are characteristic of the area. We have created new value through unique business development that leverages the Company's strengths.



Green tea bath



Wine bath

## Accumulated management capital Innovating and establishing competitive strengths in hotel management by blending tradition with internationalism

## Creating value by leveraging our uniqueness

By utilizing assets such as gardens and hot springs, we are promoting business development that leverages our unique strengths.

## International brand management expertise

Through partnerships with international brands, we have acquired high-quality hotel services and sales techniques.

## 2010 - present day Taking on the challenge of paving the way for the future of tourism

## Social needs and historical background

Inbound tourism has increased rapidly due to the Japanese government's tourism-oriented policies. The emergence of low-cost carriers (LCC) has made domestic and international travel more accessible. The global spread of COVID-19 accelerated the diversification of tourism needs, including growing demand for contactless services, travel styles that prioritize privacy, and the expansion of "experience-based consumption."

## Capturing inbound demand

Hotel Gracery Shinjuku, which opened in 2015, is located on the 8th to 30th floors of the Shinjuku Toho Building and has become a hub that actively attracts overseas visitors to Japan as well as tourists and leisure travelers. The installation of the "Godzilla Room" in particular has attracted overseas tourists with a strong interest in Japanese culture, adding a special touch to their accommodation experience. The Group is effectively capturing inbound demand and enhancing its competitiveness in the inbound tourism market.

TM & © TOHO CO., LTD.



The Godzilla Room at Hotel Gracery Shinjuku

Record profit of ¥12.62 billion for FY2024

## Unique business development to meet diversifying needs

The Group responds to diverse needs by developing facilities that combine tradition and innovation. Hakone Kowakien Mikawayaya Ryokan offers a space where guests can experience the beauty and history of Japanese architecture, conveying the charm of tradition. At the same time, we are also taking on the challenge of creating facilities that propose new travel styles. Glamping Fuji no Kirameki offers a glamping experience in harmony with nature through independent cabins, while HOTEL TAVINOS pursues convenience as an accommodation-focused hotel targeting the Millennial generation. Furthermore, Eiheiji Hakujukan, offers a stay enabling guests to experience Zen culture.

We are also working to improve our services by promoting the use of automated check-in kiosks and self-service lockers, and are reallocating staff to improve customer-focused services.

## Accumulated management capital Innovation and sustainable growth of the tourism industry to meet diverse needs

## Ability to respond to diversifying needs

The ability to grasp customers' diverse needs and develop flexible services and facility operations.

## Ability to develop both domestic and overseas markets

Capture inbound demand and communicate with customers through the membership program.

1992

Opening of Four Seasons Hotel Tokyo at Chinzanso



2001

Opening of Hakone Kowakien Yunessun



2013

Opening of Hotel Chinzanso Tokyo (merger and rebrand of Chinzanso with Four Seasons Hotel Tokyo at Chinzanso)



2015

Opening of Hotel Gracery Shinjuku



TM & © TOHO CO., LTD.

2017

Opening of Hakone Kowakien Ten-yu

2018

Closure of Hakone Kowakien Hotel for reconstruction

Opening of Hotel Gracery Seoul

2019

Opening of HOTEL TAVINOS Hamamatsucho

2021

Opening of Hotel Gracery Taipei

2023

Opening of Hakone Kowakien Hotel





Representative Director and President,  
Executive Officer  
**Shinsuke Yamashita**

# Realizing Added Value and Increased Productivity The Challenge of Establishing a Foundation for Sustainable Growth

## A history of continually taking on challenges in response to changing times since our founding

In November 2025, Fujita Kanko will celebrate its 70th anniversary. This is entirely a result of the support of our customers and many other stakeholders. For this, I would like to express my sincere gratitude.

Since our founding, the Company has boldly taken on the challenges of the times, including changes in social conditions and the way people spend their leisure time. Shortly after World War II, the Company's first president laid the foundations for the tourism industry with his belief that "I want to open up the estates and gardens that have been monopolized by a small group of aristocrats and industrialists, and provide weary citizens - now faced with the monumental task of rebuilding the country - with peaceful and pleasurable comfortable public gathering places." Since that time, the Company has continued to grow while pioneering new markets.

This founding spirit, embodied in our Company Policies of "contributing to the well-being of society," is the origin of Fujita Kanko and the fundamental principle of our business management that remains unwavering even in changing times. Our desire to be

close to our customers and deliver unexpected joy is an important value shared by all our employees, and has been passed down to this day as our shared vision and part of our commitment to hospitality to "Always be the first to provide services that people appreciate."

In today's world, where values and preferences are changing rapidly, it is essential that we respect tradition while remaining unafraid of innovation. We believe that our mission is to always provide value that surpasses our customers' expectations, while remaining flexible in our approach to utilizing new technologies and responding to an increasingly diverse society.

What is important to me is striking the balance between "the determination to continue" and "the courage to change." We will continue to seek out the best answers for the times through customer feedback and dialogue with on-site employees. We aim to remain a company that is loved for years to come, treating our customers like family and valuing our closeness to them.

## Closely match our customers' lifestyles, in order to create smiles.

The Group operates three businesses: the WHG Business, the Luxury & Banquet Business, and the Resort Business. The WHG Business shares the common value of convenience and its strength is the ability to meet a wide range of customers needs, which it does through operations of the Washington Hotel to meet business needs, Hotel Gracery, which caters to tourists, and HOTEL TAVINOS, which is aimed at the Millennial generation. The Luxury & Banquet Business manages properties including the luxury hotel Hotel Chinzanso Tokyo, as well as wedding and banquet facilities and golf courses, and is known for one of the highest numbers of wedding ceremonies performed in Japan. In addition, the Resort Business manages a variety of facilities, including an aquarium and glamping facilities, centered on Hakone Kowakien Ten-yu and Hakone Kowakien Hotel in Hakone, the birthplace of Fujita Kanko.

These businesses each possess distinct characteristics, and by sharing their experience and expertise within the Group, they generate further synergy. For example, by bringing the refined

service and culinary skills developed in luxury hotels to a resort setting, we can create a special experience. In addition, we apply the highly efficient service operation expertise established in our business hotels to other business segments. It is precisely because of our diversified business operations that we are able to leverage the strengths of each business in this way.

Each of our facilities offers experiences that closely match cater to various aspects of lifestyles. Whether you want to celebrate a special occasion with a loved one, create fond memories with your family, or prioritize convenience for work, having a wide range of business areas that can accommodate a variety of occasions is the foundation for building relationships with business partners who continue to choose the Group's facilities for the long term, beyond a single use. The Group's strength is that providing a wonderful experience at one facility creates anticipation for the next facility, which leads to continued patronage.

## Message from the President

### The achievement of record-high profits, and initiatives for 2025



In fiscal 2024, the Group achieved record highs for both operating profit and ordinary profit. This achievement is the result of capturing inbound demand, increasing unit cost of useprices through strengthened product appeal, and maintaining the benefits of structural reforms implemented during the COVID-19 pandemic.

Based on the five-year Medium-Term Management Plan 2028 - Shine for Tomorrow, to THE FUTURE, covering the years from 2024 to 2028, we are working on three key challenges: Establish a foundation for sustainable growth capable of withstanding changes in the environment; secure and develop talent; and construct a sound financial foundation. Furthermore, our sustained efforts to increase added value and productivity are delivering tangible outcomes.

In the WHG Business, we have succeeded in capturing strong inbound demand through proactive overseas sales activities, and have also proceeded with renovations to improve the guest room

and restaurant facilities, and added lounge facilities. In addition to improving convenience and comfort, efforts to enhance facilities and improve services, including by providing training across the entire chain, have led to increased profitability. In the Luxury & Banquet Business, Hotel Chinzanso Tokyo launched a postnatal care service utilizing guest rooms, based on our desire to support mothers and their families at this significant life event of childbirth through the calming atmosphere of the hotel's lush gardens and its hospitality. Furthermore, to enhance the appeal of the suite rooms, which account for approximately 20% of the hotel's guest rooms, the hotel has worked to create new value by repurposing a former chapel into a dedicated executive lounge and offering breakfast prepared in real time by a chef in an on-site kitchen. In addition, Share Clapping Co., Ltd., a subsidiary that provides guest house weddings, is proposing a new style of staycation-type weddings that combine its wedding production expertise with the services of a newly partnered historic Japanese-style inn. In the Resort Business, we achieved increased profitability through year-round services at the Hakone Kowakien Hotel, which opened in July 2023, renovation of Hakone Kowakien Yunessun, and the sale of high-value-added products at Hakone Kowakien Ten-yu. Going forward, we will continue to improve the appeal of Hakone Kowakien and aim for further growth by collaborating with local governments and other entities to contribute to the revitalization of the entire Hakone region.

In fiscal 2025, we expect the market to remain strong, centered on inbound demand, and we will continue to invest in the future, including large-scale renovations in the WHG Business and the expansion of guest rooms at Hakone Kowakien Hotel in the Resort Business. These measures are key initiatives to strengthen our medium- to long-term competitiveness and earnings base.

### Enhancing the soundness of our financial foundation, and growth strategy for the future

Under this Medium-Term Management Plan, we positioned the years from 2024 to 2026 as the foundation building phase, and the years from 2027 to 2028 as the profit expansion phase. However, thanks to a significant improvement in profitability, we have been able to strengthen our financial position at a faster pace than originally planned. We will continue to expand our profitability by increasing added value and productivity, while proactively investing in improving the quality of our existing facilities to expand earnings and enhance capital.

From 2025, we will move ahead of schedule into the growth stage. With a view to expanding medium- to long-term profitability in the WHG Business and the Resort Business, we will conduct a variety of investments, including asset acquisition and M&A, in addition to conventional leasing. We will also promote new business development that utilizes creativity, such as by introducing "BizNex," a business idea proposal system for employees, which was introduced in the fall of 2024.

### Talent strategy to support sustainable growth

Based on our belief that "people are the core of a company," the Group has positioned its talent strategy as one of its a top priority, and is working on recruitment and development with an eye to the future. In 2023, we introduced the regional career track, a new work system that does not require relocation. This system has enhanced our competitiveness in the recruitment market, enabling us to welcome over 200 new employees in 2024 and over more than 160 new employees in 2025.

Now that recruitment is making steady progress, we are shifting our attention to "development." By enhancing talent development and training, we will improve management capabilities and specialized skills, and support career development within the

Company. We will also continue to work to achieve top-level compensation in the industry, expand the system for reduced working hours for childcare, and create a comfortable working environment. Furthermore, we will foster a corporate culture that enhances employee engagement, thereby creating a virtuous cycle that helps us secure to support the acquisition of the talent needed. We recognize that developing talent that can play an active role in the long term is the foundation that supports the growth of the entire organization, and we aim to build a stable foundation for growth by creating an environment in which employees can maximize their capabilities and by improving retention rates in the workplace.

### Working with society toward a sustainable future

The Group started its business by utilizing gardens inherited from the Fujita *zaibatsu* of the Meiji era, and since its founding, has owned many valuable cultural assets and historical architecture. In addition, as a company that conducts its business by benefiting from nature, addressing global warming and climate change is a fundamental issue of corporate management itself. Preserving

these and passing them on to the future is one of our important missions. While valuing what we need to protect, we will boldly take on new challenges to meet the changing times and diversifying needs, and aim for sustainable growth by creating new value. I ask for the continued support of all stakeholders as we move forward.



## Management Capital and Strengths

We are creating new value by leveraging the various management capital and strengths that Fujita Kanko possesses.

### Management Capital

#### Financial capital

We will further enhance the soundness of our financial position to build a resilient foundation capable of withstanding changes in the external environment. With the aim of improving our competitiveness and customer satisfaction, we aim to proactively make investments that contribute to increased profitability and enhance our internal reserves.

As of December 31, 2024

Net sales	Operating profit	Capital investment	Equity ratio
¥76.2 billion	¥12.3 billion	¥2.9 billion	27.3%

#### Business capital

On our own properties, we are working to create new value by utilizing resources such as gardens and hot springs, cultural assets, and historical architecture. In addition, when operating our facilities, we strategically select locations based on needs and the characteristics of our brand.

Historical architecture	Facilities operated throughout the country	Assets inof Hotel Chinzanso Tokyo and Hakone Kowakien area	Utilization of assets such as hot spring waters
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#### Intellectual capital

Over our 70-year history, we have built up the brand of each facility and the operational expertise that supports that brand. We aim to further enhance the brand value through unique development of business development that “closely matches customers’ lifestyles.”

Traditional brands	Management expertise in business hotels and others
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#### Human capital

Based on our belief that “people are the core of a company,” we consider securing and developing talent to be our top priority. We aim to establish a foundation for sustainable growth by promoting a virtuous cycle that helps us secure the talent needed.

An educational method that aims to “Always be the first to provide services that people appreciate”	Talent with specialized skills and qualifications (concierge, food and beverage service, cooking, garden management, etc.)
-----------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------

#### Social capital

As an operator of locally-based accommodation facilities, we place great importance on building relationships with stakeholders. We will strengthen our ties with customers and local communities, and aim for sustainable growth.

Communication through THE FUJITA MEMBERS membership program	Social Contribution Activities	Relationships with business partners
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#### Natural capital

We are promoting sustainability initiatives in our accommodations, restaurants and other facilities to enable guests to choose a stay that is both comfortable and sustainable.

Total CO <sub>2</sub> emissions	Water intake	
36,482 t-CO <sub>2</sub>	Hotel Chinzanso Tokyo	Hakone Kowakien
	288,000 m <sup>3</sup>	1,580,000 m <sup>3</sup>

\* CO<sub>2</sub> emissions are from April 2023 to March 2024

\* Water intake is from January 2024 to December 2024

### Strengths

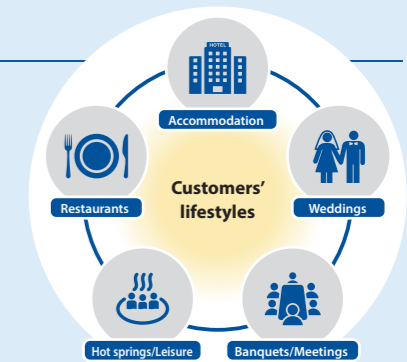
One of the characteristics of the Group is that we have developed a diverse business portfolio. We aim to further evolve and develop our business by leveraging synergies between our businesses, supporting our customers at every stage of their lives, and providing new value.

#### Expand and deepen customer contact points

##### ● Business development to accommodate various lifestyles and milestones

Based on the Group's Company Policies, which is “to contribute to the well-being of society by providing hospitable services and places where people can relax, refresh and revitalize,” we have expanded our businesses to meet diverse needs, including business, tourism and leisure, and life events.

In 2020, we formulated our Long-Term Vision, which states our commitment to “Continue to grow through a unique development of business that closely matches lifestyles, in order to create smiles.” Our aim is to further evolve and develop our business by being close to the various milestones in our customers’ lives and providing new value while preserving the history, culture and traditions we have cultivated.

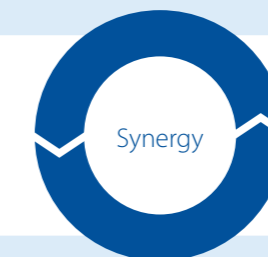


→ List of Facilities P. 37

##### ● Establish long-term relationships through THE FUJITA MEMBERS membership program

We will establish long-term relationships with business partners through THE FUJITA MEMBERS membership program. This program aims to not only collect and analyze data using apps and digital tools to enhance services and convenience in order to encourage patronage, but also to attract potential customers by analyzing member characteristics. Additionally, we are working to improve our services based on customer data, thereby further enhancing the value of the Fujita Kanko brand.

THE FUJITA MEMBERS



#### Human resources with a commitment to hospitality

##### ● Inheriting the commitment to hospitality

The underlying value shared by all employees in the Group is Fujita Hospitality Mindset, which is the foundation of all our services.

We appoint a Human Resources Development Leader (HRDL) at each facility, and implement a cross-organizational program to instill Fujita Hospitality Mindset in all new hires regardless of employment status. HRDLs work in collaboration with the Human Resource Division to promote detailed training tailored to the facility. This system creates an environment where employees can practice the commitment to hospitality that is unique to Fujita Kanko.

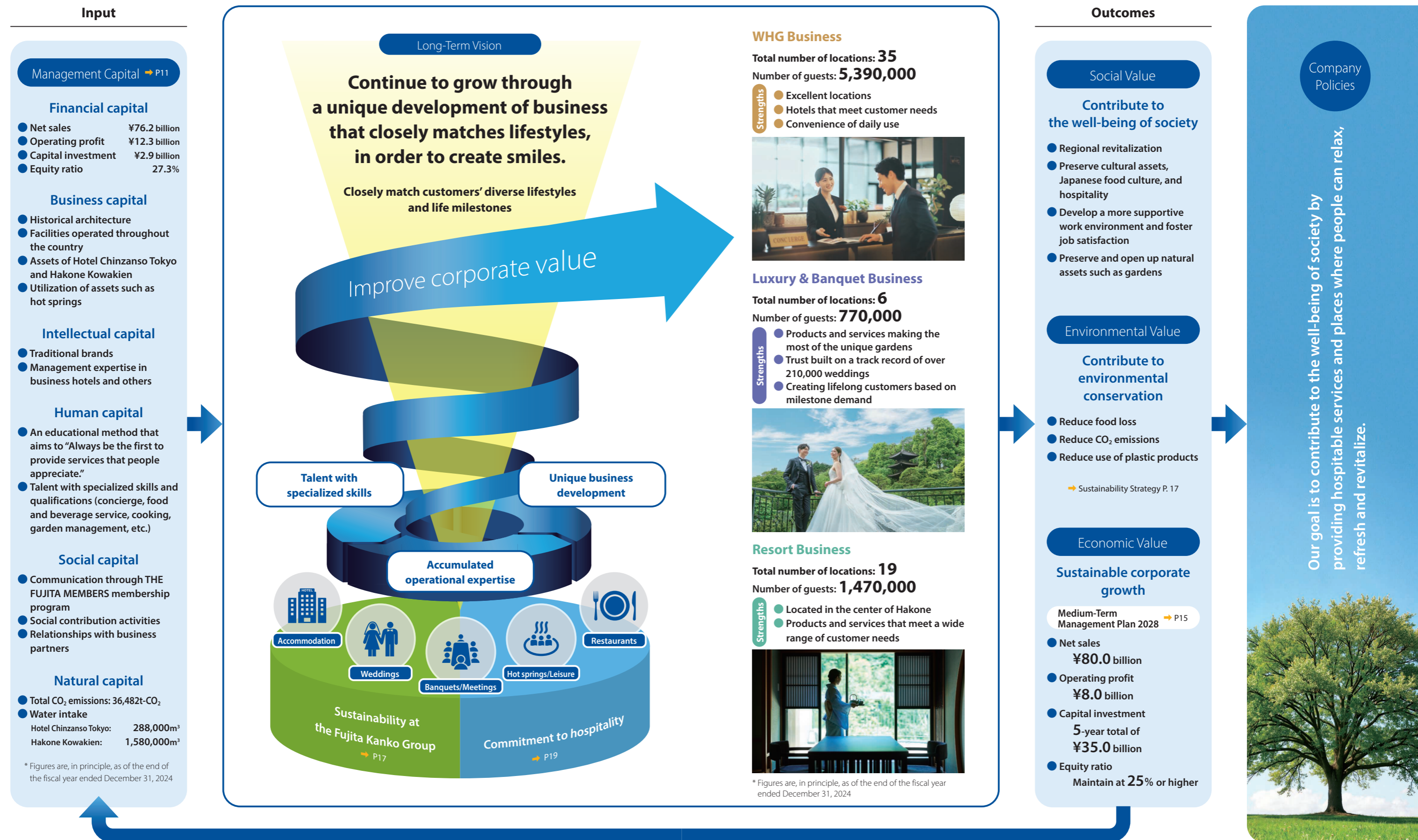
##### ● System for continuous skill improvement

In order to maintain a high level of service quality across the entire Group, we are promoting personnel rotations between facilities. Employees refine their skills and acquire a wide range of knowledge through experience in different businesses and regions.

In addition, we hold a “Cooking and Customer Service Skills Contest” once a year, creating a system for employees to develop their skills across divisions and offices. This serves not only to improve individual skills but also strengthens team unity, leading to further improvements in service quality.



## Our Value Creation Process



## Medium-Term Management Plan and Strengthening of Management Capital

Under the Medium-Term Management Plan, we are strengthening our management capital, aiming for sustainable growth and improved competitiveness

### Basic Policies of the Medium-Term Management Plan - Shine for Tomorrow, to THE FUTURE

#### Challenges

**Establish a foundation for sustainable growth capable of withstanding changes in the external environment:**

- Realign the portfolio
- Create new businesses

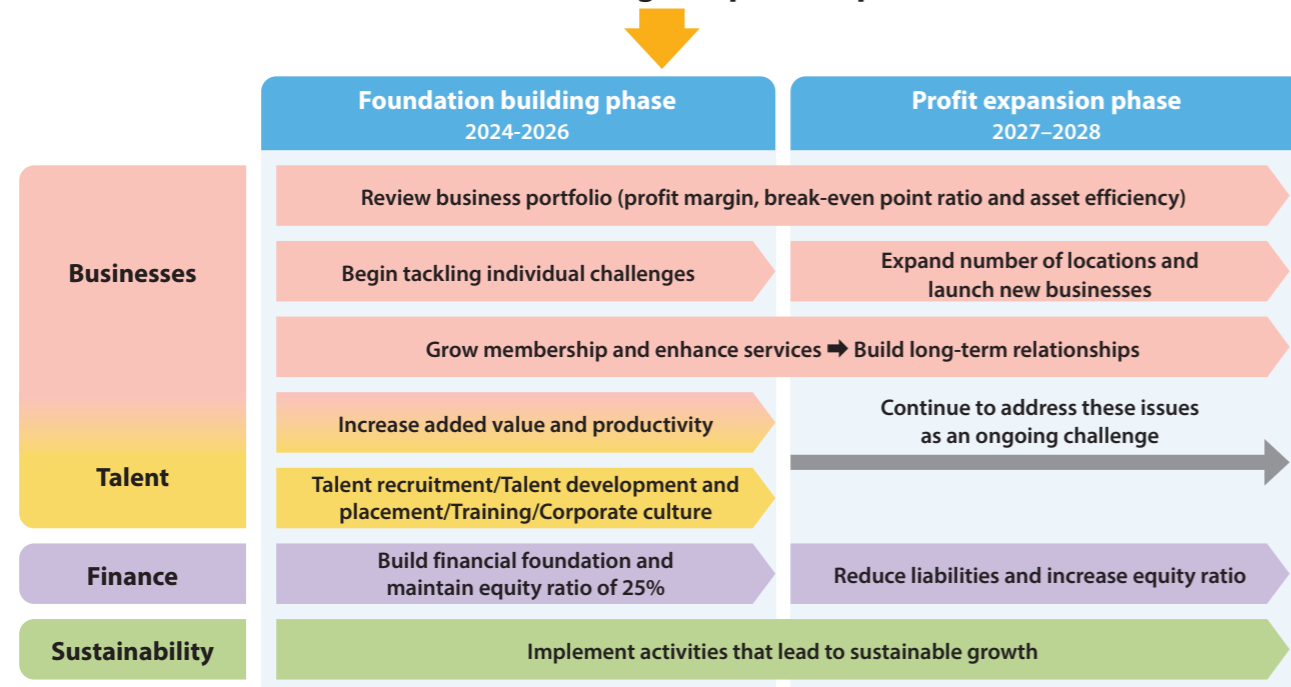
**Secure and develop talent:** ● Strengthen recruitment ● Strengthen talent development

**Construct a sound financial foundation:**

- Grow internal reserves through sales expansion
- Early redemption of preferred shares

Strategies for addressing core challenges are divided into two phases:

#### Foundation building and profit expansion



#### Numerical Targets

	2024 Actual	Goal for 2028
Profitability	Net sales <b>¥76.2 billion</b>	<b>¥80.0 billion</b>
	Operating profit <b>¥12.3 billion</b>	<b>¥8.0 billion</b>
	Operating profit ratio <b>16.2%</b>	<b>10%</b>
	ROE (Profit ÷ Equity) <b>35.6%</b>	<b>Maintain at 10% or higher</b>
Investment	Capital investment <b>¥2.9 billion</b>	5-year total of <b>¥35.0 billion</b>
Finance	Cash flows from operating activities <b>¥15.9 billion</b>	5-year total of <b>¥45.0 billion</b>
	Equity ratio (Equity ÷ Total assets) <b>27.3%</b> <small>*25.2% excluding preferred shares</small>	<b>Maintain at 25% or higher</b>

In 2024, we achieved net sales of ¥76.2 billion, operating profit of ¥12.3 billion, and ROE of 35.6%. Operating profit, operating profit ratio, and ROE all exceeded our targets for 2028. Although capital investment remained at ¥2.9 billion in the first year of the plan, in 2025 we will actively make investments that will contribute to strengthening our earnings base, such as by starting a plan to add 40 rooms with semi-outdoor hot springs at Hakone Kowakien Hotel, and renovating guest rooms at multiple facilities in the WHG Business, with the aim of strengthening our competitiveness and improving customer satisfaction.

Progress management of the Medium-Term Management Plan is carried out through the annual budgeting process, when we review the measures and roadmaps for achievement to address each business challenge and make adjustments in response to changes in the business environment. This approach enables us to enhance the effectiveness of the plan and achieve sustainable growth.

### Initiatives to Strengthen Capital

#### Financial Capital

**Maintain financial stability while constructing a sound financial base**

- 1 Redeem Class A preferred shares**
    - Aim to redeem shares within five years while maintaining financial security
  - 2 Properly control cash flow**
    - Keep investment within the bounds of operating cash flow and reduce interest-bearing debt
  - 3 Respond to capital market requirements and changes in accounting standards**
    - Practice management mindful of capital market requirements and changes in lease accounting standards
- Maintain ROIC that exceeds WACC and ROE above cost of equity capital through management mindful of capital cost. (As of fiscal 2024, WACC is approx. 6% and cost of equity capital is approx. 9%).

#### Social Capital

**Establish relationships with business partners through THE FUJITA MEMBERS membership program**

#### Membership Program

- 1 Increase membership and expand scale of sales**
  - Analyze existing member characteristics to attract potential customers
- 2 Promote long-term patronage and enhance services and convenience**
  - Launch new services designed to promote greater patronage
  - Improve convenience of member websites and apps
- 3 Construct foundation for customer data utilization/ Firmly establish the use of data analytics and improve data literacy**
  - Deploy customer data utilization platform throughout the Group, and provide data analysis training

#### Business Capital and Intellectual Capital

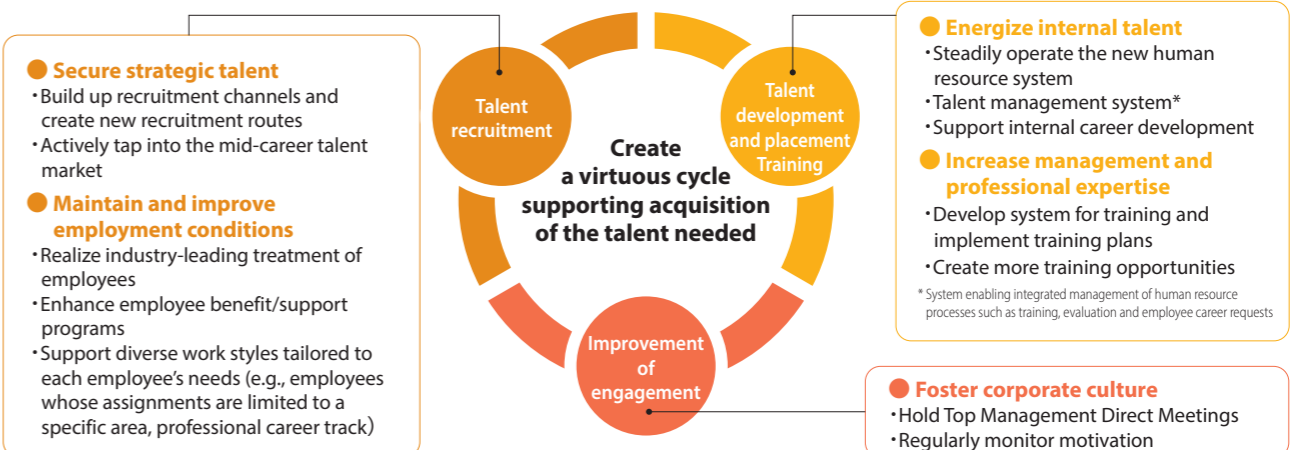
**Work to expand into new business areas**

#### New businesses

- 1 Establish a continuous and effective business creation process from concept stage to commercialization**
  - Launch "BizNex," an internal recruitment system, in 2024
- 2 Explore opportunities outside the current business framework**
  - Expand collaboration with external partners in industry, academia and other fields, and develop and manage processes including open calls to drive business opportunities

#### Human Capital

**Establish a foundation for promoting the Company's growth by steadily securing strategic talent (management personnel and specialized personnel who continue to take on new challenges) and improve human capital**



		Baseline (2023 Actual)	2024 Actual	Goal for 2028
Securing	Engagement score <sup>*1</sup>	<b>3.42pt</b>	<b>(Biennial)</b>	<b>3.75pt</b>
	Overtime work <sup>*2</sup>	<b>12.4h</b>	<b>10.5h</b>	<b>10.0h</b>
	Annual paid leave utilization ratio <sup>*3</sup>	<b>65.6%</b>	<b>70.6%</b>	<b>70%</b>
	Third-year employee turnover ratio <sup>*4</sup>	<b>39.7%</b>	<b>41.1%</b>	<b>30%</b>
	Foreign employee ratio <sup>*5</sup>	<b>8.1%</b>	<b>10.3%</b>	<b>10.0%</b>
Training	Investment in training per employee <sup>*6</sup>	2019 Actual <b>¥57,000</b>	<b>¥54,000</b>	<b>¥70,000</b>

\*1 According to Group-wide employee motivation survey conducted by external agency (some Group companies were excluded)

\*2 Average of monthly overtime for January to December

\*3 Paid leave days used ÷ Paid leave days awarded Baseline: Result for October 2022 to September 2023 2024 Actual: Result for October 2023 to September 2024

\*4 Average for the past four years Baseline: Employees hired from April 2017 to April 2020 2024 Actual: Employees hired from April 2018 to April 2021

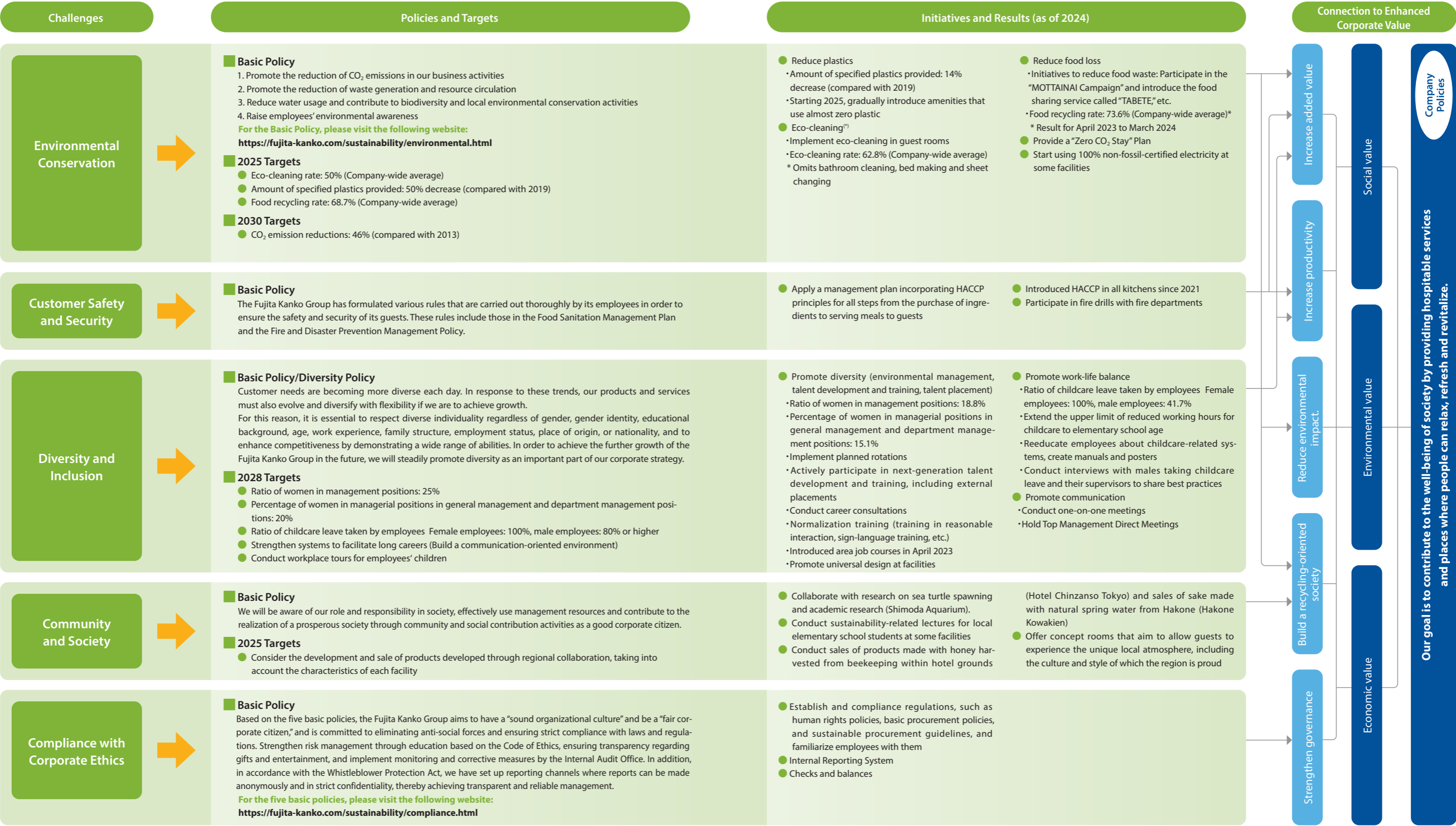
\*5 Baseline: As of December 31, 2023 2024 Actual: As of December 31, 2024

\*6 Baseline: ¥57,000 in fiscal 2019 (¥93 million ÷ 1,629 employees) 2024 Actual: ¥54,000 in fiscal 2024 (¥82 million ÷ 1,530 employees)

Sustainability Strategy

Based on the Company Policies of contributing to the well-being of society by providing hospitable services and places where people can relax, refresh and revitalize, the Group has, since its founding, continued to regard initiatives related to the environment and addressing diverse values as essential keys to the sustainable growth of the Company. In addition, we have set five key challenges for our sustainability strategy: Environmental Conservation;

Customer Safety and Security; Diversity and Inclusion (respect for human rights); Contribution to Local Communities and Preservation of Cultural Assets and Historical Architecture, and Compliance with Corporate Ethics, and we are conducting activities to promote the SDGs in each of our businesses.



Special Feature: Director and Employees’ Roundtable Discussion

# As a leader in talent development, we will promote the embodiment of Fujita Hospitality Mindset.

While working on “securing and developing talent,” a key issue in our Medium-Term Management Plan 2028, we held a roundtable discussion between HRDLs (Human Resource Development Leaders) who are responsible for leading talent development at each facility, and the Director in charge of talent strategy. Participants in the roundtable discussion reaffirmed the ideal vision of Fujita Hospitality Mindset, a value shared among the entire Fujita Kanko Group, and exchanged opinions on specific initiatives being undertaken at each facility as well as future challenges and goals.

\*HRDLs are lecturers in the Company’s basic education curriculum.



Customer Service Section,  
Hakone Kowakien Hotel

Director in charge of  
Human Resource and  
General Affairs Division  
(Human Resource Division)

Shinjuku Washington Hotel  
Main Building  
Accommodation Section

Customer Service Section,  
Hakone Kowakien Ten-yu

Guest Service,  
Hotel Chinzanso Tokyo

General Affairs Department,  
Hotel Chinzanso Tokyo

Jung Yoon-soo

Tetsu Okada

Kim hui-sun

Tomoyo Okubo

Nana Tanaka

Yuko Sagisaka

## The ideal vision of Fujita Hospitality Mindset, and initiatives for its dissemination

Okada

The Company’s commitment to hospitality, “Always be the first to provide services that people appreciate,” is a value based on our founding spirit, and aims to provide unexpected happiness to our guests through family-like care and subtle attentiveness. All employees share this value in their work. For this roundtable discussion, we have brought together HRDLs who embody this value. Please tell us your understanding of Fujita Hospitality Mindset, and how you put it into practice at each facility.

Tanaka

What does the “family-like care” that is part of Fujita Hospitality Mindset mean? When explaining this, I always share an experience I had as a new employee during training. I was feeling nervous at the restaurant where I’d been assigned but a senior colleague taught me the importance of carefully observing the guests. For example, if a guest had a piece of lint on their clothes, you would naturally want to remove it, just like you would for a family member. I pass on this mindset to the staff at Hotel Chinzanso Tokyo. I believe that understanding the reasons why guests chose our facility and using our imagination is the first step to practicing this family-like care.

Sagisaka

As Ms. Tanaka said, Hotel Chinzanso Tokyo is known for its hospitable customer service. As a member of the HR staff, I am involved in recruitment activities and training new employees, and I make it a point

to carefully explain Fujita Hospitality Mindset from the information session and selection process onwards so that employees can gain a deep understanding of this value.

## Each facility develops its own code of conduct and slogan.

Kim

At Shinjuku Washington Hotel, 70% of our guests are from overseas, so we are automating and mechanizing our front desk operations. At the same time, in order to ensure we provide heartfelt family-like care, we encourage all our staff to learn the “Seven Guest Greetings” and to add that “extra word” to guests when checking out. By including warm expressions such as “We look forward to seeing you again,” and “Have a good day!”, we aim to make our customers feel genuinely cared for. We also leverage our diverse environment that includes many non-Japanese staff members in the belief that responding to guests in their native language makes them feel more at ease.

Okubo

Hakone Kowakien Ten-yu has established three conduct guidelines to put Fujita Hospitality Mindset into practice. One of these is to “act proactively as a professional.” Rather than waiting for instructions from a supervisor, employees are encouraged to take the initiative and actively do what they can for the guest they are dealing with. For example, offering a dessert plate with a personalized messages to guests visiting for a special occasion is one way of independently promoting hospitality.

Jung

Starting from fiscal 2025, Hakone Kowakien has adopted its own unique slogan, the “3C Promise.” This refers to three guidelines the hotel is putting into practice: “Cheerful greeting,” “Charming smile,” and “Clean facilities.” For example, Hakone Kowakien Hotel is committed to ensuring that staff speak in a friendly and approachable manner during children’s events, while also maintaining the cleanliness of its facilities. Through these efforts, the hotel aims to become a resort hotel loved by families.



## Implementing unique measures such as obtaining Onsen Sommelier certification and improving skills and knowledge beyond the standard level

Okada

Based on the Medium-Term Management Plan 2028, we are endeavoring to improve our business value with unique ideas, and also focus on developing strategic talent (management personnel and specialized personnel who continue to take on new challenges). We must improve our skills to stay aligned with the times, based on Fujita Hospitality Mindset. Please tell us about the individual initiatives at each facility.

Jung

Hakone Kowakien Hotel holds “Onsen Sommelier Seminars,” taking advantage of the unique characteristics of hot spring reports. We invite external lecturers and provide opportunities for staff to learn about hot springs’ culture and etiquette, thereby improving their customer service skills. I myself have obtained qualifications, which I use to help explain how to enjoy hot springs, especially to overseas guests. For example, I point out the importance of “kakeyu” (pre-bath rinsing) before entering the hot springs and tips to prevent overheating. By offering

Special Feature: Director and Employees' Roundtable Discussion

these unique local experiences, we aim to improve customer satisfaction.

Okubo

Hakone Kowakien Ten-yu also encourages staff to acquire Onsen Sommelier certification, and more than half of the staff, including myself, have done so. At the "Onsen Etiquette Classes" held daily, staff explain the proper etiquette for "kakeyu" (pre-bath rinsing) in English and Chinese, and then engage with guests by enjoying a unique "Kakeyu Dance" that guests can enjoy together. These activities not only allow overseas guests to enjoy their experience learning about the etiquette of hot springs, but also help improve the staff's own cross-cultural skills and hospitality skills.

Sagisaka

At Hotel Chinzanso Tokyo, we strive to improve skills and knowledge beyond the standard level by conducting trainings led by external instructors. We also focus on English education in order to provide the best hospitality to all our guests, both domestic and international. This has helped improve our ability to serve overseas guests while also boosting the confidence and motivation of our staff.

Tanaka

Hotel Chinzanso Tokyo is promoting initiatives to establish deep relationships with guests through the exchange of business cards and by sending thank-you letters to increase the number of repeat customers and customers loyal to Fujita Kanko. We value special occasions, such as anniversaries, and deepen our relationships with guests through these occasions.



resources, I conducted their training and deeply felt the weight of that responsibility. Going forward, we will further strengthen our talent development efforts with the support of Ms. Tanaka and the rest of the HRDL team. In addition, we are focusing on promoting the OCP\* (Orientation Coaching Program) to instill Fujita Hospitality Mindset throughout all our facilities. We have also started training programs for partner companies who work with us at our hotels.

\*OCP: A proprietary program established as a system for on-site talent development, aimed at promoting the early development of new employees.

Kim

In 2024, I transitioned from a career-track position to a general position, taking on the challenge of conveying the importance of Fujita Hospitality Mindset. At present, I think the challenge is to increase the number of people who understand the commitment to hospitality. I would like to be a leader who can serve as a role model for other staff members, not only in terms of knowledge and skills but also in terms of customer care.

Tanaka

In our training for new employees, we not only teach skills and knowledge but also continue to convey the message that, "If you have any concerns, please come and talk to us anytime." I hope that every HRDL will strive to become a leader who can be relied upon by employees at their workplace. I will also continue to do my best to provide support.

Okada

This roundtable discussion has enabled me to feel directly the enthusiasm of the HRDL team and the challenges faced by each one of them. As the head of human resources, I will firstly increase the absolute number of HRDLs, and create a forum where HRDLs, who are key to talent development that contributes to enhancing corporate value, can share their learning and experiences, thereby promoting mutual growth throughout the Company.



I believe that each and every employee's understanding and practice of Fujita Hospitality Mindset will lead to the provision of services that are unique to the Company. To achieve our Long-Term Vision to "Continue to grow through a unique development of business that closely matches lifestyles, in order to create smiles," we will foster a corporate culture in which all employees consistently think about and act on the basis of "what kind of service will exceed customer expectations."

Based on our belief that "people are the core of a company, and that employee training is the cornerstone of company development," we believe that the growth of employees leads to the growth of the Company. Going forward, we will continue to take on new challenges together as a company to meet the expectations of our stakeholders and achieve sustainable growth.

Aiming to provide services that exceed expectations across all facilities and the entire organization

Okada

After the COVID-19 pandemic, we resumed our HRDL development and training efforts in 2024, and about a year has passed since then. During this time, thanks to the enthusiasm and ingenuity of our HRDLs, new initiatives have gradually started to bear fruit. At the same time, there are still issues to be addressed, such as strengthening collaboration across the Group and revising training content to

align with the times. Please tell us about the challenges and goals each facility faces in order to provide services that exceed expectations.

Jung

At Hakone Kowakien as a whole, brand managers in the general affairs departments are strengthening the onboarding system not only for new graduates but also for mid-career hires. In 2025, we aim to welcome 45 new employees, and are exploring ways to enhance the training program in collaboration with Ms. Okubo.

Okubo

This was my first time conducting training for over 40 new employees, and although I was very nervous, I learned a great deal. Going forward, I think it would be beneficial to have opportunities such as workshops with other HRDLs to share experiences and further develop our training skills.

Sagisaka

This year, Hotel Chinzanso Tokyo welcomed 70 new employees. As an HRDL responsible for human



Business Strategy

WHG Business

By refining our product appeal and brand strengths, we aim to become the hotel of choice in every region.

Senior Managing Executive Officer  
General Manager of WHG Business Division  
Takanori Matsuda



Strategies of Medium-Term Management Plan 2028

- Improve earning power by increasing product appeal
- Expand the number of locations through new openings
- Reorganize brands and increase brand awareness
- Acquire a fan base

Net Sales and Operating Profit by Business

	Fiscal 2024 Results	Fiscal 2023 Results
Net sales	¥45.5 billion	¥36.6 billion
Operating profit	¥10.1 billion	¥5.4 billion

Fiscal 2024 Review

In fiscal 2024, domestic inbound tourism increased significantly, backed by the end of the COVID-19 pandemic and the weak yen, and the WHG Business was able to attract guests not only from Europe, the U.S., and Australia, but also from Asia. In addition, the ADR increased 21% year on year, resulting in increased sales and profit.

In the WHG Business, we are working to strengthen our product appeal through renovations and refreshments of guest rooms and restaurants at existing facilities to strengthen their functionality, as well as by improving the quality of breakfasts. In 2024, we renovated guest rooms at Sendai Washington Hotel, and renovated lounges and restaurants and updated menus at Hotel Gracery Shinjuku, Tokyo Bay Ariake Washington Hotel, and Akihabara Washington Hotel. We also worked to raise the level of service quality across the chain through employee training, thereby increasing customer satisfaction in tandem with improvements to our facilities and amenities.

In addition to these initiatives to improve the intrinsic value of our products and services, improving the accuracy of our centralized yield control has led to an increase in ADR. We also believe that one of the factors contributing to the growth in our performance was the successful promotion of inbound tourism by promoting tours to travel agencies utilizing regional facilities with available occupancy.

Progress and Future Outlook of Medium-Term Management Plan 2028

Although inbound tourism is expected to further increase going forward, competition is intensifying as rival chains expand their operations, overseas hotels enter the mid-price segment, and companies from other industries enter the market. In the WHG Business, we will continue with renovations of our facilities to strengthen our product appeal. To meet the demand for tourism, we are converting single rooms into double rooms and renovating two single rooms into one twin room. We are also upgrading modular bathrooms and refreshing wallpaper and carpets at several facilities. In renovating our lounges and restaurants, we will upgrade and refurbish the furniture, as well as revamping the menu in an aim to create even more enjoyable spaces for guests.

Furthermore, we plan to open eight new properties by 2028 in an effort to capture domestic and international demand. With the COVID-19 pandemic acting as a major blow to our lease-based hotel opening model, we are considering various methods for opening new hotels, not limited to leasing, including asset acquisition, franchising and management contracts\*. In terms of expansion areas, we are planning new openings not only in business districts but also in tourist destinations, in order to meet the diverse needs of our customers. Our aim is to establish ourselves as a hotel brand that is chosen by guests not merely as a base for business or tourism, but also as a destination that offers new added value and a relaxing stay.

\*A method where hotel management is outsourced

Luxury & Banquet Business

We will optimize Hotel Chinzanso Tokyo in line with the times, aiming to strengthen its profitability.

Executive Officer  
General Manager of Luxury & Banquet Business Division  
Tomohiko Chihiro



Strategies of Medium-Term Management Plan 2028

- Utilize property, plant and equipment
- Leverage brands, expertise and skills
- Strengthen professional skills and maximize the potential of human resources

Net Sales and Operating Profit by Business

	Fiscal 2024 Results	Fiscal 2023 Results
Net sales	¥18.6 billion	¥17.8 billion
Operating profit	¥1.2 billion	¥1.2 billion

Fiscal 2024 Review

In a continuation from fiscal 2023, fiscal 2024 also saw a recovery in demand for celebrations, banquets, and ceremonies, etc. that had been postponed due to the COVID-19 pandemic. In addition, enhanced added value and an increase in inbound tourism led to a significant recovery in accommodation demand.

At Hotel Chinzanso Tokyo, we focused on enhancing the appeal of our gardens, which represent our greatest added value, by creating breathtaking vistas that can only be experienced seasonally at this location, and by organizing various events. At the same time, we strengthened our media exposure, which we believe contributed to enhanced customer appeal, leading to higher revenue from accommodation and restaurants. In addition, we made effective use of underutilized assets and enhanced their added value, resulting in an improvement in ADR.

Although sales increased while profits remained flat compared to the previous year due to a temporary rise in labor costs, this was the result of a shift away from the personnel restrictions in place during the COVID-19 pandemic and a response to the rapid market recovery, which led to the hiring of over 200 new graduates across the Company, with approximately 100 of them assigned for onboarding and training at Hotel Chinzanso Tokyo. Along with the increase in inbound tourism, competition in the tourism industry is intensifying, and we believe that these measures were essential to establish an operational structure that ensures we remain a hotel of choice for our guests and able to stay competitive.

Progress and Future Outlook of Medium-Term Management Plan 2028

At Hotel Chinzanso Tokyo, we are reconfiguring facilities that were designed to accommodate 3,000 weddings annually, and are working to make effective use of underutilized assets in line with the shrinking wedding market. In fiscal 2024, we renovated the chapel into an executive lounge for the exclusive use of guests staying in suite rooms, and installed a gallery space to exhibit some of Japan's finest traditional crafts. By providing high value-added services that allow guests to experience traditional culture and the four seasons, the hotel aims to attract more inbound tourists while improving occupancy rates and the ADR of the hotel, where nearly 20% of guest accommodation is suite rooms. Furthermore, we have launched a postnatal care business that takes advantage of our lush natural surroundings, luxurious facilities, and hospitality, in an effort to capture new needs. In fiscal 2025, we aim to improve management efficiency by converting an unused wedding salon into a cafe lounge, while also enhancing the aesthetics of our banquet halls with the aim of increasing wedding orders.

In addition, Share Clapping Co., Ltd., which operates a wedding business in Hiroshima, is utilizing its wedding production expertise to develop "Shukuhaku" staycation-type weddings in partnership with accommodation facilities in the Setouchi region, aiming to expand its revenue. Going forward, we will continue to support our customers' lifestyles, strengthen our provision of services for important life milestones, and aim to build lifelong relationships with our customers.

# Resort Business

We will promote initiatives in collaboration with local communities to maximize the impact of the Hakone Kowakien redevelopment.

Executive Officer  
General Manager of Resort Business Division  
Yutaka Onda



## Strategies of Medium-Term Management Plan 2028

- Maximize the impact of Hakone Kowakien redevelopment
- Enhance product appeal of existing facilities and utilize idle land
- Expand into other business domains and open new locations

## Net Sales and Operating Profit by Business

	Fiscal 2024 Results	Fiscal 2023 Results
Net sales	¥10.7 billion	¥8.4 billion
Operating profit	¥0.9 billion	¥0.1 billion

## Fiscal 2024 Review

In fiscal 2024, while the Hakone area benefited from strong inbound tourism, the openings of several luxury hotels intensified the competitive environment in the region. Against this backdrop, Hakone Kowakien Ten-yu, a Japanese-style inn with outdoor hot springs in every guest room, saw its inbound ratio reach approximately 55%, maintaining a high occupancy rate and increasing its ADR. We believe that these results stemmed from our efforts to improve customer satisfaction, such as by adding a buffet-style dinner to meet diverse needs, promoting staff training in Japanese etiquette and culture, and offering “Onsen Etiquette Classes” in English. Furthermore, it appears that the steady efforts of our staff, including responding to reviews on international travel websites, have also achieved results.

Additionally, the various events held at Hakone Kowakien Hotel and the unlimited entry concession to the adjacent Hakone Kowakien Yunessun also proved successful, helping us attract families, which are our primary target segment. As part of our overall initiatives at Hakone Kowakien, we installed an information desk to enhance guest convenience, and developed activities that enable guests to fully enjoy nature. These efforts have been well received and we believe that they contributed to an increase in sales and profit in our Resort Business.

## Progress and Future Outlook of Medium-Term Management Plan 2028

Our policy for the Resort Business in the Plan is to take on various challenges with a view to maximizing the impact of the Hakone Kowakien redevelopment and expanding our bases both within and outside of the Hakone area. In addition to the aforementioned initiatives at Hakone Kowakien Ten-yu, we will add 40 guest rooms with semi-outdoor hot springs at Hakone Kowakien Hotel in the fall of 2027, catering to the needs of families with children and international visitors who want to enjoy hot springs in a private setting.

In addition, at Hakone Kowakien Yunessan, we renewed the water slide and renovated Hakone Kowakien Mori no Yu, expanding the post-hot springs relaxation areas in spring 2025. We also opened Hakone Kowakien Camp & Spa Yama No Ne. Furthermore, at Hakone Kowakien Mikawayu Ryokan, we have started renovations of the main building designated as a tangible cultural property (structure). As well as these individual facility-specific initiatives, we plan to strengthen collaboration with Hakone DMO, local governments, and related organizations to promote regional revitalization throughout the Hakone area, including by hosting local events utilizing the Houraien garden. Other plans include refurbishment of guest rooms at Ito Kowakien and renovation of Shimoda Aquarium.

During the period of the Plan, we aim to open new facilities outside the Izu and Hakone areas, and will also work to revise our facility portfolio and improve profitability.

# Sustainability

## Stakeholder Engagement

### Dialogue with Stakeholders

Stakeholders	Main engagement opportunities	Specific examples
Customers	● Communication through daily service ● Customer surveys ● Dialogue through THE FUJITA MEMBERS membership program	● Dialogue through THE FUJITA MEMBERS membership program Establishing relationships with business partners through THE FUJITA MEMBERS membership program is one of the growth strategies in the Medium-Term Management Plan 2028, and we are working to increase membership numbers.
Shareholders and investors	● Annual General Meeting of Shareholders ● Briefings for institutional investors ● Individual interviews with institutional investors ● Publication of integrated reports and business reports ● Enhancement of IR website and sustainability information	● Briefings for institutional investors We hold briefings for institutional investors in conjunction with announcements of interim and full-year financial results. The representative director and president, executive officer and other officers in charge attend these briefings to promote dialogue with investors.
Business Partners	● Establishment of reporting channels ● Formulation of basic procurement policies and sustainable procurement guidelines ● Formulation of a partnership building declaration	● Formulation of basic procurement policies and sustainable procurement guidelines We have established the Fujita Kanko Group Procurement Policies to help contribute to a sustainable society along with our business partners. We also promote understanding and sharing of this philosophy among our suppliers in order to lead a peaceful co-existence with society and the environment.
Employees	● Employee training ● Top Management Direct Meetings ● Internal Reporting System ● Formulation of a policy against customer harassment	● Internal Reporting System In accordance with the Whistleblower Protection Act, we have established multiple reporting channels (internal and legal counsel) for reporting misconduct, illegal activities and harassment.
Local communities	● Activities rooted in local communities	● Activities rooted in local communities We support educational support activities, including providing work experience programs, participating in and supporting local events, and engaging in clean-up activities near our facilities throughout the country.

### Main IR Activities

We recognize that our shareholders are important stakeholders and valuable supporters who understand our business continuity. Our basic IR policy is to disclose corporate information in a fair, timely, and appropriate manner, while promoting dialogue with shareholders and striving to build relationships of trust.

Main IR Activities in Fiscal 2024	Number of Times	Details
Annual General Meeting of Shareholders	Once	Held at the venue and livestreamed
Briefings for institutional investors	Twice	Held financial results briefings for institutional investors
Individual interviews with institutional investors	100 times	Conducted individual meetings with institutional investors to achieve highly transparent IR activities
Publication of Integrated Report	Once	Published Integrated Report
Publication of Business Report	Twice	Published Business Report
Enhancement of IR website and sustainability information	—	Timely disclosure of financial statements-related materials (financial results summary and financial results presentation materials) We have enhanced the disclosure of non-financial information in our Annual Securities Report and IR website.

Sustainability

Cultural Assets and Historical Architecture and Gardens

The Fujita Kanko Group inherited numerous valuable cultural assets and historical architecture. We are committed to preserving these cultural assets and historical architecture, cherished legacies of Japan, and to ensuring that they can be enjoyed by generations to come.

Hotel Chinzanso Tokyo

This property was given the name Chinzanso in 1878 by Prince Aritomo Yamagata. Since then, the garden has been a unique urban oasis, delighting visitors with its verdant beauty and refined form. The garden's natural beauty is enhanced by many historic architectural features, including a three-story pagoda, believed to have been constructed in the Muromachi era (1336 to 1573) and which will celebrate the centenary of its relocation in 2025, and Zangetsu, a historic tea house, both of which are listed as tangible cultural properties. It also features a Hannyaaji Temple stone lantern and stone statues of Rakan created from a sketch by Jakuchu Ito. Moreover, the garden captivates visitors with its ever-changing expressions through the seasons, from cherry blossoms in spring, fireflies in summer, autumn leaves, to camellias and snowy scenes in winter. In 2023, the 145th anniversary of its creation, we made efforts to preserve the view of the water cherished by Prince Yamagata, while the "Twelve Scenic Views in the Reiwa Era" were selected as cultural landscapes to be preserved for future generations.



Three-story pagoda Entsukaku (listed as tangible cultural property)

Hakone Kowakien

"Hakone Kowakien," the birthplace of Fujita Kanko, boasts three buildings listed as tangible cultural properties. Kihinkan, a house built in 1918 as a villa for Baron Heitaro Fujita, features interior furnishings that represent the highest level of craftsmanship of that era. Today, it is operated as a soba restaurant, offering views and ambiance unchanged from a century ago. In addition, Geihinkan, which was built by a Shinto shrine carpenter in 1875, features robust construction typical of a village headman's house, preserving its original beams and pillars for a historic experience. Furthermore, Hakone Kowakien Mikawayu Ryokan, which continues the legacy of the Mikawayu Ryokan founded in 1883 and reopened in 2020, retains a Taisho-era appearance with its gabled irimoya-style entrance and glass window adornments. Notable figures such as painter Yumeji Takehisa, poets Tekkan Yosano and his wife Akiko Yosano, and the father of the Chinese revolution Dr. Sun Yat-sen have stayed here, with Dr. Sun's handwritten calligraphy displayed in the room he occupied.

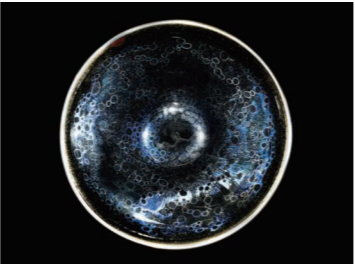


Soba Kihinkan (listed as tangible cultural property)

Support Activities for the Fujita Museum

The Fujita Museum, which houses an extensive collection of East Asian art assembled from the early Meiji era to the Taisho era by our founder, industrialist Denzaburo Fujita, his eldest son Heitaro and his second son Tokujiro, was established in 1951 and opened to the public in 1954.

Extremely knowledgeable about antiques and tea ceremonies, Denzaburo Fujita and his sons collected paintings, calligraphy, ceramics, sculpture, lacquerware, metalware, textiles and archaeological artifacts. The collection comprises approximately 2,000 items, including nine national treasures and 53 important cultural properties. With the aim of protecting these cultural assets and its own roots, Fujita Kanko donates funds to the Fujita Museum.



Yohen Tenmoku *chawan* (tea bowl) (national treasure) Photo: Kazuyoshi Miyoshi



Genjo Sanzo *emaki* (scroll) (national treasure)

Addressing Climate Change (Disclosure Based on TCFD Recommendations)

The Fujita Kanko Group is aware that risks and opportunities related to climate change are an important management issue. We disclose information in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

Governance

The Group has established the Sustainability Promotion Committee as an advisory body to the Board of Directors. Recognizing that addressing sustainability-related issues is one of the Company's important management issues, the Sustainability Promotion Committee has been organized as a company-wide body that spans Head Office and business units. The Committee deliberates and examines important sustainability-related issues, including climate change. As appropriate, matters are reported to the Board of Directors, which is responsible for overseeing climate change-related risks.

Strategy

We conducted a climate change scenario analysis and assessment of the significance of risks and opportunities that may impact our business activities, and identified the following three issues as important risks and opportunities that may have a significant impact on our business: (1) Soaring raw material prices due to the introduction of a carbon tax and rising temperatures; (2) Changes in customer behavior and consumer preferences; and (3) An increase in the frequency and severity of damage from typhoons and heavy rains. We will address these important risks and opportunities to reduce risks and effectively seize opportunities.

↓ Key Risks and Opportunities Related to Climate Change

For more details, please visit our website.  
<https://www.fujita-kanko.com/sustainability/topmessage.html>

Risk Management

The Group has established the Risk Management Committee as an organization that provides guidance and advice. It works to comprehensively and exhaustively identify and grasp Company-wide risks, establish policies, select the department(s) responsible for each risk, and monitor the progress of risk reduction measures implemented by those department(s). The Risk Management Committee identifies and takes measures to address significant risks to the management of the Group, as well as monitors and oversees sustainability-related risks and measures deliberated and examined by the Sustainability Promotion Committee.

Metrics and Targets

In addition, we have set five key challenges for our sustainability-related issues: (1) Environmental Conservation; (2) Customer Safety and Security; (3) Diversity and Inclusion (respect for human rights); (4) Contribution to Local Communities and Preservation of Cultural Assets and Historical Architecture; and (5) Compliance with Corporate Ethics. In addition, we are working towards achieving our targets of a 50% implementation rate of eco-cleaning and a 50% reduction in the use of specified plastics by 2025 (compared to 2019), and total CO<sub>2</sub> emissions per thousand square meters of floor area (t-CO<sub>2</sub>) of 59.4 t-CO<sub>2</sub> by 2030 (down 46% from 2013).

● Total GHG emissions from business activities over the past three years (Scope 1 and 2)

	Fiscal 2021 Results	Fiscal 2022 Results	Fiscal 2023 Results	Goal for 2030
Total CO <sub>2</sub> Emissions (t-CO <sub>2</sub> )	32,303	32,501	36,482	—
Total Floor Area (thousand m <sup>2</sup> )	419.00	389.16	378.31	—
CO <sub>2</sub> Emissions per Thousand Square Meters of Floor Area (t-CO <sub>2</sub> )	77.1	83.5	96.4	59.4

\* The Group will continue to implement initiatives to reduce CO<sub>2</sub> emissions, including transitioning to electricity generated from renewable energy sources.  
\* The above figures are for facilities subject to the Act on the Rational Use of Energy and Transition to Non-Fossil Energy. The energy calculation period runs from April to March of the following year, which differs from the Company's financial year.  
\* Due to the nature of our business, CO<sub>2</sub> emissions may fluctuate depending on significant changes in the number of guests using our facilities.

● Amount of environmental fines and penalties during the fiscal year: 0 yen

● Water-stressed areas at Company locations

Water Stress	Number of Locations
Extremely High (>80%)	0
High (40-80%)	1
Medium - High (20-40%)	28
Low - Medium (10-20%)	11
Low (<10%)	2
Total	42

\* Number of locations in the World Resources Institute (WRI) AQUEDUCT Database  
\* Directly managed facilities only; excludes franchising and management contracts

● Water intake volume at major business locations (Company-owned assets)

Water intake volume (thousand m <sup>3</sup> )	Fiscal 2021 Results	Fiscal 2022 Results	Fiscal 2023 Results	Fiscal 2024 Results
Hotel Chinzanso Tokyo	284	266	288	288
Hakone Kowakien*	1,149	1,228	1,476	1,580

\* Includes Hakone Kowakien Ten-yu, Hakone Kowakien Hotel, Hakone Kowakien Yunessun, Hakone Kowakien Mikawayu Ryokan, and Hakone Kowakien Miyama Furin

Company Leadership



Directors

1

Representative Director and President, Executive Officer

Shinsuke Yamashita

Attendance at Board of Directors meetings  
14/14

2

Director in charge of Human Resource and General Affairs Division  
(General Affairs Division, Business Promotion Division)

Yasushi Komiya

Attendance at Board of Directors meetings  
19/19

3

Director in charge of Human Resource and General Affairs Division  
(Human Resource Division)

Tetsu Okada

Attendance at Board of Directors meetings  
14/14

4

Director in charge of Planning Division

Izuru Yoshii

Attendance at Board of Directors meetings  
14/14

5

Outside Director  
Independent

Kikuko Asai

Attendance at Board of Directors meetings  
14/14

Important concurrent positions  
Executive Officer and General Manager of Corporate Planning and Administrative Headquarters, BYO CO., LTD.

6

Outside Director  
Independent Newly appointed

Keiji Nishida

Attendance at Board of Directors meetings  
-/-

7

Outside Director  
Independent Newly appointed

Chieko Ienaga

Attendance at Board of Directors meetings  
-/-

Important concurrent positions  
Professor of Department of Tourism and Hospitality Management, College of Tourism and Hospitality, Tamagawa University

8

Outside Director

Masao Yamada

Attendance at Board of Directors meetings  
18/19

Important concurrent positions  
Outside Director serving as Audit and Supervisory Committee Member of CK SAN-ETSU Co., Ltd.

Regarding the reasons for the election of each Director, please refer to the "Notice of the 92nd Ordinary General Meeting of Shareholders."  
[https://fujita-kanko.com/sub/wp-content/uploads/2025/02/2025\\_0226\\_fujita\\_01.pdf](https://fujita-kanko.com/sub/wp-content/uploads/2025/02/2025_0226_fujita_01.pdf)

Auditors

9

Auditor  
Full-time

Shingo Komuro

10

Auditor  
Full-time

Tetsuya Morimoto

11

Outside Auditor  
Full-time

Hiroshi Nakashio

12

Outside Auditor  
Independent

Tomoyuki Kiyotsune

Skills Matrix\*

	Name	Independence	Knowledge and Experience Expected by the Company						
			Corporate Management/ Business Strategy	Sales/Marketing	Human Resources/Labor	Finance/ Accounting	Legal/Risk Management	Sustainability	Industry Knowledge
Directors	Shinsuke Yamashita		●	●				●	●
	Yasushi Komiya		●	●	●		●		●
	Tetsu Okada		●	●	●	●		●	●
	Izuru Yoshii		●			●	●		●
	Kikuko Asai	Independent Outside	●			●	●	●	●
	Keiji Nishida	Independent Outside	●			●	●	●	
	Chieko Ienaga	Independent Outside	●	●			●	●	●
	Masao Yamada	Outside	●				●	●	

\* The above list reflects the knowledge and experience that the Company particularly expects, but it does not represent all the knowledge and expertise possessed by each individual.

Corporate Management/ Business Strategy	We have established this requirement in the belief that it is important for Directors to possess knowledge of management in general and the ability to formulate and implement a medium- to long-term strategy and vision
Sales/Marketing	We have established this requirement in the belief that it is important for Directors to possess the knowledge to accurately grasp changes in the market, and the ability to plan and implement sales strategies and marketing measures to increase competitiveness
Human Resources/Labor	The Company's management philosophy is "that people are the core of a company, and that employee training is the cornerstone of company development." We have established this requirement in the belief that it is important for Directors to utilize diverse human resources, and possess the knowledge to maximize the performance of the entire organization and the ability to promote human resource development and labor management.
Finance/Accounting	We have established this requirement in the belief that it is important for Directors to possess knowledge regarding the formulation and execution of financial strategies, and the ability to provide effective oversight in building and managing a financial foundation that supports sustainable growth and the enhancement of corporate value over the medium- to long-term, and in promoting growth investments that take into account the cost of capital.
Legal/Risk Management	In order to establish fair and transparent governance and compliance systems, we have established this requirement in the belief that it is important for Directors to possess knowledge of legal compliance and risk management, and the ability to strengthen management monitoring and checking functions, and to appropriately evaluate and manage the various risks associated with business activities.
Sustainability	We have established this requirement in the belief that it is important for Directors to possess a long-term perspective and knowledge aimed at enhancing corporate value and realizing a sustainable society, and the ability to promote management that takes into consideration Environmental, Social, and Governance (ESG) factors.
Industry Knowledge	We have established this requirement in the belief that it is important for Directors to possess knowledge of the tourism and accommodation industries, and the ability to improve the profitability of existing businesses and promote the creation of new businesses.

Messages from Outside Directors



Outside Director  
Kikuko Asai

● **Background**  
Joined The Industrial Bank of Japan, Ltd. (currently Mizuho Bank, Ltd.) in 1987. After serving as director and general manager of management division at BYO CO., LTD, became its general manager of corporate planning and management division. Appointed outside director of the Company in March 2024. Concurrently serves as executive officer and general manager of the corporate planning and management division at BYO CO., LTD.

Promoting the development of management talent for sustainable future growth

The Company achieved record-high profits as a result of swift structural reforms and the subsequent implementation of measures to enhance added value. Behind this achievement was the passion of each and every employee to improve the Company, and their spirit of hospitality. Human resources are the foundation of the Company, and securing and developing the talent to lead the business going forward is a key priority for future growth. The Nomination and Compensation Committee considered a succession plan with the aim of developing candidates for president in order to ensure sustainable management. The issues that were raised were the development of management talent with expertise in the four business areas: accommodation, weddings, banquets, and restaurants, as well as the development of female managers. I regard the Company highly for responding to these recommendations by swiftly revising the human resource system and actively promoting female executives.

The Committee also considered the skills matrix required for the next president, and confirmed the need for knowledge of general management, including finance, capital policy, and human resources, as well as broad knowledge and networks in the tourism industry. The newly appointed outside directors possess this knowledge, and we look forward to receiving their meaningful advice and support going forward.



Outside Director Newly appointed  
Chieko Ienaga

● **Background**  
Joined Kobe Ryoko Service Co., Ltd. (currently MHI FACILITY SERVICE CO., LTD.) in 1987. Worked in the consulting business at JTB Corp, and JTB Tourism Research & Consulting Co., and became Professor of Department of Tourism and Hospitality Management, College of Tourism and Hospitality, Tamagawa University in 2019. Appointed Dean of College of Tourism and Hospitality, Tamagawa University in 2021. Appointed outside director of the Company in March 2025. Concurrently serves as Professor of Department of Tourism and Hospitality Management, College of Tourism and Hospitality, Tamagawa University

Clarifying the “reason for being chosen” by offering personalized services tailored to each guest

My name is Chieko Ienaga, and I have recently been appointed outside director of the Company. As a specialist in tourism marketing, I have studied the tourism industry for many years, and while encountering a variety of services and hospitality, I have been particularly involved in regional revitalization centered on the development of tourism-oriented communities. I hope to contribute to enhancing the Company’s corporate value by providing recommendations based on my experience and insight.

The Company’s strengths lie in its flexibility to meet diverse customer needs, its high level of customer service, and its track record in making improvements to its services. To further enhance the appeal of the Company’s facilities, effective measures could include personalizing customer service using AI-based customer data analysis, and redefining the brand identity of each hotel in the WHG Business to clarify the brand experience for each target segment. I would like to make proposals that will help raise the level of on-site capabilities, such as improving the value of the accommodation experience and differentiating the Company through collaborations with new tourism content.

Supporting management from the perspective of financial strategy, and contributing to the enhancement of corporate value

My name is Keiji Nishida, and I am serving as outside director, effective March 2025. In my previous roles in the manufacturing industry, I served as a director for ten years, and as president and representative director for five of those years, during which time I worked to formulate and implement growth strategies and improve the company’s financial position. This Company also faces the challenge of achieving soundness of its financial foundation, and I believe I was appointed as outside director in recognition of my experience. To ensure the Company’s sustainable growth, I will utilize that experience to supervise business execution, which is the primary duty of an outside director.

Improving the financial position is a challenge that, as is the case with other listed companies, requires a medium- to long-term approach and cannot be resolved overnight. However, the Company has been implementing a series of effective measures with immediate results to strengthen its financial base and enhance added value, and I believe that a virtuous cycle is already beginning to take hold. As evidenced by the rapid surge in inbound tourism in recent years, the Company is operating in a rapidly changing business environment, and I expect it to respond with even greater speed going forward.



Outside Director Newly appointed  
Keiji Nishida

● **Background**  
Joined MITSUI MINING & SMELTING CO., LTD. in 1980. After serving as general manager of finance & accounting department, director, senior executive officer, CFO, and representative director, senior managing director, became president and representative director in 2016. He also serves as Chairman of the Japan Mining Industry Association. In 2021, he was appointed director and then senior advisor of MITSUI MINING & SMELTING CO., LTD., and in March 2025 he became outside director of the Company.

Developing human resources who are the foundation of the Company’s credibility and brand is the key to growth

The priorities for the Company, as outlined in the key challenges of its Medium-Term Management Plan 2028, are to build a foundation for sustainable growth and a sound financial foundation. In that regard, I highly commend the Company for its achievement in the first year of the plan in establishing a structure capable of not simply increasing sales but in achieving record-high profits in response to the tailwind of inbound tourism this fiscal year. Going forward, a key issue will be for the Company to work on establishing a new business portfolio over the medium to long-term in order to maintain its presence even in a challenging business environment.

Furthermore, the key to growth is “human resources,” which is the Company’s strength. For example, the afternoon tea offered at Le Jardin at Hotel Chinzanso Tokyo has maintained a high level of customer satisfaction and has been able to attract a steady flow of customers even during the COVID-19 pandemic. The provision of such high-quality service and the trust this builds with customers is a direct result of the people who are the Company’s greatest asset. Going forward, I hope that the Company will continue to focus on developing talent and further expand these strengths in order to achieve sustainable growth.



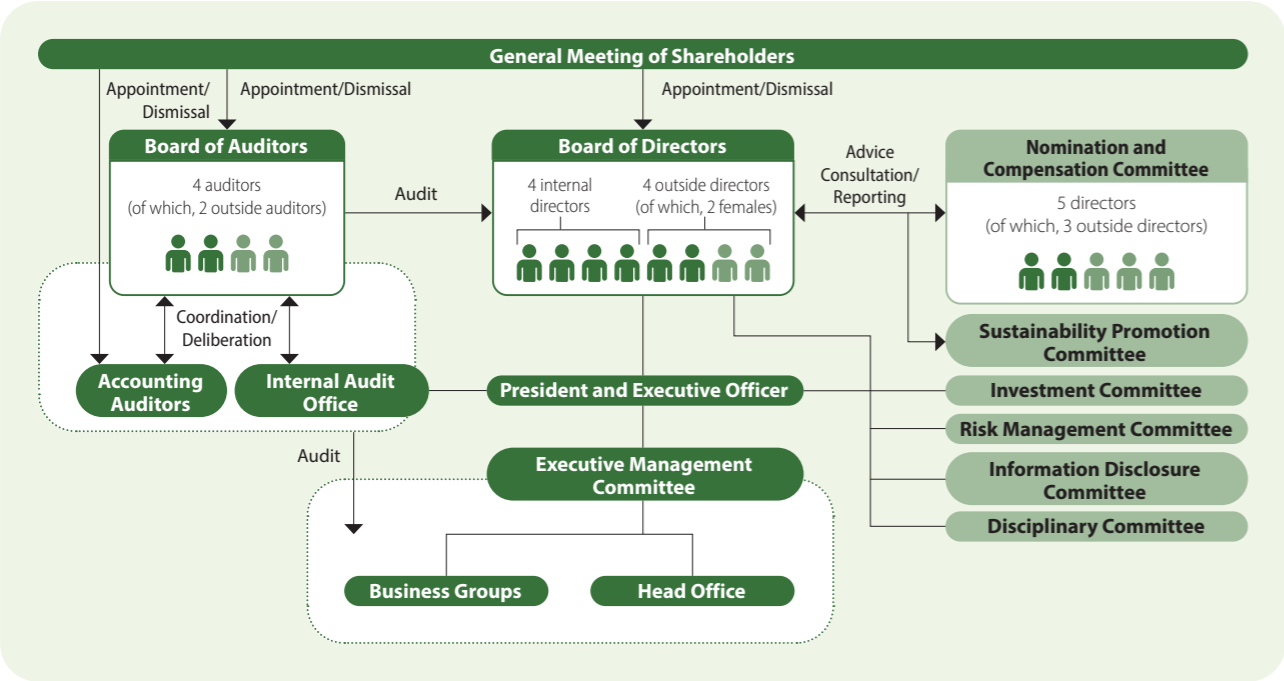
Outside Director  
Masao Yamada

● **Background**  
Joined Dowa Mining Co., Ltd. (currently DOWA HOLDINGS CO., LTD.) in 1978. Assumed the post of president and representative director of DOWA HOLDINGS CO., LTD. and later became its chairman and representative director. Appointed outside director of the Company in March 2019. Appointed advisor of DOWA HOLDINGS CO., LTD. in June 2025. Concurrently serves as outside director and audit and supervisory committee member of CK SAN-ETSU Co., Ltd.

Corporate Governance

Fujita Kanko aims to become a company that contributes to realizing a prosperous society through its business operations. To this end, the Company constantly works to fulfill its corporate governance obligations in order to ensure a favorable relationship with all stakeholders, including shareholders, and to fulfill its corporate social responsibilities.

Corporate Governance Framework (as of March 26, 2025)



Overview of Main Bodies

Body	Chairperson	Role	Number of meetings held	Main Topics of Discussion in Fiscal 2024
Board of Directors	Representative Director and President, Executive Officer	Aims to fulfill the Company Policies based on the establishment of efficient and effective corporate governance, and decides on important matters stipulated as part of basic management policies, laws and regulations, the Articles of Incorporation and the Board's own rules and regulations.	19	<ul style="list-style-type: none"><li>• Matters related to the General Meeting of Shareholders</li><li>• Matters related to management policies and plans</li><li>• Matters related to shareholdings</li><li>• Matters related to financial statements</li><li>• Matters related to human resources</li><li>• Matters related to the organization and regulations</li></ul>
Board of Auditors	Auditor	Audits the execution of duties by directors, decides on proposals for the appointment/reappointment and dismissal of accounting auditors to be submitted to the General Meeting of Shareholders and implements accounting audits and other statutory matters. Establishes opportunities for opinion exchanges with outside directors as appropriate, and supervises directors.	16	<ul style="list-style-type: none"><li>• Decision-making on auditing policies and assignment of duties</li><li>• Establishment of internal control systems and verification of operational status</li><li>• Matters related to the appointment, dismissal, and non-reappointment of accounting auditors</li><li>• Consent to compensation for accounting auditors</li><li>• Consent to proposals for election of auditors</li><li>• Verification of the appropriateness of the methods used by auditors and the results of audits</li><li>• Preparation of audit reports</li></ul>
Nomination and Compensation Committee	Independent Outside Director	Deliberates on the appropriateness of the remuneration, appointment and dismissal of directors, and the nomination criteria for director candidates, and enhances the independence, objectivity and transparency of the Board of Directors in relation to nomination procedures. Reports the results of deliberations to the Board of Directors.	4	<p>February 1, 2024</p> <ul style="list-style-type: none"><li>• Candidates for director and auditor roles</li><li>• Performance-linked compensation for directors and executive officers</li></ul> <p>July 18, 2024</p> <ul style="list-style-type: none"><li>• Process for the Nomination and Compensation Committee</li><li>• Succession plan</li></ul> <p>September 19, 2024</p> <ul style="list-style-type: none"><li>• Concept of president and stock-based compensation</li></ul> <p>November 21, 2024</p> <ul style="list-style-type: none"><li>• Performance-linked compensation plan for officers</li></ul>

Body	Chairperson	Role	Number of meetings held	Main Topics of Discussion in Fiscal 2024
Sustainability Promotion Committee	President and Executive Officer or Their Appointee	Aims to enhance long-term corporate value by considering measures for contributing to society through business initiatives, deciding on operational policies and selecting the department(s) responsible for implementing said policies, and regularly reporting on the details of these activities to the Board of Directors.	11	<ul style="list-style-type: none"><li>• Action plan and implementation methods for fiscal 2024</li><li>• Sustainability strategies as part of Medium-Term Management Plan 2028</li><li>• Disclosure of non-financial information in securities reports</li><li>• Implementation of initiatives to improve ESG evaluations</li><li>• Support and management of progress for business promotion activities</li></ul>

Evaluation of the Effectiveness of the Board of Directors

The Company conducted an anonymous survey of all directors and auditors in December 2024 with the advice of an external organization, aimed at improving the effectiveness of the Board of Directors and enhancing corporate value, and used the external organization to evaluate the results. Based on the results, the Board of Directors analyzed and discussed the results at its meeting held in March 2025, and concluded that the effectiveness of the Board of Directors is being generally maintained. In response to the issues shared in the previous evaluation, progress has been made in improving the early sharing of materials, accepting questions in advance, and holding external training sessions, and these results are becoming apparent. Meanwhile, issues such as the need to broaden discussion on management strategies and dialogue with shareholders were also identified. Going forward, the Company will respond promptly to these issues and continue our efforts to improve the function of the Board of Directors.

Compensation for Directors and Auditors

Within the annual remuneration limits for directors approved at the General Meeting of Shareholders (up to ¥300 million for inside directors and up to ¥50 million for outside directors), the Board of Directors has established a remuneration system consisting of basic compensation and performance-linked compensation based on director class. To enhance the objectivity and transparency of compensation, the Nomination and Compensation Committee has been established as an advisory body to the Board of Directors. More than half of the committee's members are independent outside directors. In response to requests from the Board, the committee deliberates on the ratio and standard amount of performance-linked compensation, which is the portion of compensation linked to the Company's performance, for directors based on business results for the relevant fiscal year and each director's level of responsibility, and reports the results to the Board.

Compensation for Directors and Auditors (Fiscal 2024)

Category	Number of Eligible Individuals	Amount of Compensation	Total Compensation by Type		Remarks	
			Basic compensation	Performance-linked compensation		
Directors	12	¥161,420 thousand	¥131,040 thousand	¥30,380 thousand	Of which, 5 outside directors	¥24,000 thousand
Auditors	6	¥70,080 thousand	¥70,080 thousand	—	Of which, 3 outside auditors	¥27,360 thousand
Total	18	¥231,500 thousand	¥201,120 thousand	¥30,380 thousand		

Note: The above figures include three internal directors, one outside director, one internal auditor, and one outside auditor who resigned upon expiration of their term at the conclusion of the 91st Annual General Meeting of Shareholders held on March 27, 2024.

Director and Auditor Training

Upon the appointment of directors and auditors, the Company endeavors to provide them with opportunities to acquire the necessary skills and knowledge required to fulfil their roles and responsibilities. In addition, during their tenure, the Company strives to offer further opportunities to update these skills. Furthermore, the Company facilitates participation in external seminars and workshops (covering the cost), and ensures that directors and auditors acquire and appropriately update their knowledge (considering their backgrounds and other factors). External instructors are invited when necessary, and study sessions targeted at directors, auditors and senior executives are held within the Company to foster self-improvement.

Financial and Non-Financial Summary

(Millions of yen)

For the year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Net sales	64,250	63,981	68,789	70,624	69,285	68,960	26,648	28,433	43,749	64,547	76,211
Gross profit	5,576	4,446	6,195	6,651	5,744	4,733	(17,443)	(13,197)	(1,227)	9,746	16,000
Selling, general and administrative expenses	4,210	4,407	4,483	4,655	4,645	4,452	3,168	2,625	2,821	3,109	3,691
Operating profit	1,365	39	1,712	1,995	1,099	280	(20,611)	(15,822)	(4,048)	6,636	12,309
Ordinary profit	1,390	(172)	1,698	2,048	1,105	401	(20,930)	(16,542)	(4,461)	7,081	12,623
Profit before income taxes	1,469	509	2,151	3,171	1,292	(521)	(23,173)	17,158	(6,362)	6,685	11,328
Profit attributable to owners of parent	531	32	858	1,672	556	(285)	(22,427)	12,675	(5,789)	8,114	9,134
Capital investment	3,609	8,160	9,500	8,589	4,391	3,846	4,079	1,428	6,998	5,243	2,968
At year-end											
Total assets	100,881	104,732	105,834	107,362	102,045	103,271	96,595	112,762	99,962	93,496	94,041
Net assets	27,774	27,012	26,526	27,637	24,724	26,438	1,347	28,833	22,740	25,974	25,651
Cash and cash equivalents	5,925	4,063	4,704	4,304	3,388	3,348	3,697	38,619	24,110	13,675	14,446
Equity	27,570	26,826	26,326	27,428	24,509	26,263	1,182	28,656	22,629	25,974	25,651
Cash Flows											
Cash flows from operating activities	3,663	(415)	6,246	5,538	5,428	4,946	(17,069)	(16,302)	645	11,109	15,905
Cash flows from investing activities	1,901	(8,184)	(6,004)	(6,667)	(4,324)	(3,496)	(2,412)	42,890	(6,122)	(5,919)	(3,831)
Free cash flow	5,565	(8,600)	242	(1,129)	1,104	1,450	(19,482)	26,587	(5,476)	5,189	12,074
Cash flows from financing activities	(4,671)	6,748	414	736	(1,880)	(1,467)	19,831	8,319	(8,935)	(15,667)	(11,311)
Per-Share Data											
Profit per share (yen)	44.31	2.74	71.65	139.54	46.46	(23.82)	(1,871.94)	1,057.69	(483.05)	677.03	733.53
Net assets per share (yen)	2,300.37	2,238.51	2,196.96	2,289.13	2,045.65	2,192.09	98.72	1,126.35	586.49	1,299.49	1,966.91
Dividend per share (yen)	40.0	40.0	40.0	40.0	40.0	30.0	0.0	0.0	0.0	0.0	40.0
Financial Indicators											
Payout ratio (%)	90.2	1,463.0	55.6	28.7	86.1	—	—	—	—	—	5.5
ROA (%)	1.4	(0.2)	1.6	1.9	1.1	0.4	(20.9)	(15.8)	(4.2)	7.3	13.5
ROE (%)	1.9	0.1	3.2	6.2	2.1	(1.1)	(163.4)	85.0	(22.6)	33.4	35.4
Equity ratio (%)	27.3	25.6	24.9	25.5	24.0	25.4	1.2	25.4	22.6	27.8	27.3
Non-Financial Indicators											
Consolidated number of employees	1,234	1,270	1,356	1,421	1,515	1,700	1,677	1,158	1,148	1,342	1,530
Average length of service (Years)	Male	22.4	22.2	22.1	21.5	21.4	20.4	21.2	20.3	20.2	18.2
	Female	10.3	10.6	10.3	9.3	8.8	8.1	8.7	9.2	9.6	8.0
Percentage of women in managerial positions (%)		9.8	10.4	10.9	11.1	11.8	13.1	15.0	14.7	14.8	17.6
Turnover rate (%)	Male	1.0	2.6	2.6	2.3	4.0	5.3	2.7	9.6	5.2	4.8
	Female	6.0	4.5	7.0	7.1	10.8	14.0	8.1	22.1	14.4	8.7
Rate of childcare leave taken (%)	Male	0.0	2.9	0.0	4.5	14.3	16.0	4.5	62.5	27.2	52.9
	Female	100.0	106.3	87.5	81.8	123.1	88.0	100.0	100.0	100.0	100.0

Notes: 1. As of December 31, 2024, the Company had 24 consolidated subsidiaries, 1 affiliated company and 1 other related company.  
2. Yen amounts are rounded down to the nearest million.  
3. The Company implemented a share consolidation at a ratio of 10 shares of the Company's common stock to 1 share, effective July 1, 2017. Profit per share is calculated based on the assumption that the share consolidation was implemented at the beginning of the fiscal year ended December 31, 2014.  
4. ROA = Ordinary profit ÷ Total assets  
5. ROE = Profit attributable to owners of parent ÷ Equity (Average ROE at beginning of period and end of period)  
6. The percentage of women in managerial positions and the rate of childcare leave taken are calculated for Fujita Kanko Inc. (non-consolidated)

## Company Information

### List of Commercial Properties, Main Subsidiaries and Affiliated Companies of the Fujita Kanko Group (As of August 8, 2025)

#### List of the Fujita Kanko Group's Commercial Properties

##### WHG Business (Total number of guest rooms: 11,027)

Facility name	Number of guest rooms
Sendai Washington Hotel	223
Yamagata Nanokamachi Washington Hotel (FC)	213
Yamagata Eki Nishiguchi Washington Hotel (FC)	100
Aizuwakamatsu Washington Hotel (FC)	154
Koriyama Washington Hotel (FC)	184
Iwaki Washington Hotel (FC)	148
Shinjuku Washington Hotel (Main Building/Annex Building)	1,617
Akihabara Washington Hotel	369
Tokyo Bay Ariake Washington Hotel	830
Tachikawa Washington Hotel (FC)	170
Yokohama Sakuragicho Washington Hotel	553
Urawa Washington Hotel Inc. (Scheduled to close in August 2025)	140
Kisarazu Washington Hotel (FC)	146
Tsubame Sanjo Washington Hotel (FC)	103
Kansai Airport Washington Hotel (FC)	504
Kanku Izumiotsu Washington Hotel (FC)	151
Takarazuka Washington Hotel (FC)	135
Lodging Facilities (35 properties)	
Hiroshima Washington Hotel	266
Canal City Fukuoka Washington Hotel	423
Sasebo Washington Hotel (FC)	190
Hotel Gracery Sapporo	440
Hotel Gracery Ginza	270
Hotel Gracery Tamachi	216
Hotel Gracery Asakusa	125
Hotel Gracery Shinjuku	970
Hotel Gracery Kyoto Sanjo (North Building, South Building) <sup>2</sup>	225
Hotel Gracery Osaka Namba	170
Hotel Gracery Naha	198
Hotel Gracery Seoul	336
Hotel Gracery Taipei	248
Hotel Fujita Fukui (FC)	354
HOTEL TAVINOS Hamamatsucho	188
HOTEL TAVINOS Asakusa	278
HOTEL TAVINOS Kyoto	190
ISORAS CIKARANG <sup>2</sup>	200

FC: Franchise system Ownership, management and operations are administered by its ownership entity. The Company licenses its brand and provides operational guidance.  
MC: Management contract system Ownership and management are administered by its ownership entity, and operations are outsourced to the Company.  
Notes: 1. Both the land and building(s) are owned by the Company  
2. Building(s) is/are owned by the Company (only the south wing of Hotel Gracery Kyoto Sanjo)  
Land and building(s) of facilities without a note are not owned by the Company, and are managed and operated through a lease system, etc.

#### List of Main Subsidiaries and Affiliated Companies

##### Consolidated subsidiaries (24 companies)

Company name	Main business
Urawa Washington Hotel Inc.	WHG Business
Sapporo Washington Hotel Inc.	WHG Business
Reservation Service Inc.	WHG Business
WHG KANSAI INC.	WHG Business
WHG NISHINIHON INC.	WHG Business
WHG HOTEL TAVINOS INC.	WHG Business
WHG KOREA INC.	WHG Business
TAIWAN FUJITA KANKO INC.	WHG Business
PT. FUJITA KANKO INDONESIA	WHG Business
FUJITA RESORT DEVELOPMENT Co., Ltd.	Luxury & Banquet Business
Fujita Kanko Kouei Inc.	Luxury & Banquet Business
Visualife Co., Ltd.	Luxury & Banquet Business
Share Clapping Co.,	Luxury & Banquet Business
Ito Resort Service Inc.	Resort Business
Shimoda Aqua Service Inc.	Resort Business
Outdoor Design & Works INC.	Resort Business
Fujita Serendipity INC.	Resort Business
Fairton Corporation	Other
and 6 other companies	

##### Luxury & Banquet Business (Total number of guest rooms: 265)

Facility name	Number of guest rooms
Lodging Facilities (1 property)	
Hotel Chinzanso Tokyo <sup>1</sup>	265
Wedding/ Banquet Venues (2 properties)	
The South Harbor Resort	–
Remercier Motoujina	–
Leisure Facilities (1 property)	
Camellia Hills Country Club <sup>1</sup>	–
Restaurants (2 properties)	
The University of Tokyo Ito International Research Center Restaurant (MC)	–
Shinkonkan Foresta Chinzanso (MC)	–

##### Resort Business (Total number of guest rooms: 554)

Facility name	Number of guest rooms
Lodging Facilities (11 properties)	
Hakone Kowakien Ten-yu <sup>1</sup>	150
Hakone Kowakien Hotel <sup>1</sup>	150
Hakone Kowakien Miyama Furin <sup>1</sup>	15
Hakone Kowakien Mikawaya Ryokan <sup>1</sup>	25
Ito Kowakien <sup>1</sup>	50
Ito Ryokuyu <sup>1</sup>	7
Glamping Fuji no Kirameki <sup>2</sup>	25
Eiheiji Hakujukan	18
Yugawara Onsen Chitose (MC)	38
Hotel Yamanami (MC)	26
Towada Hotel (business partnership)	50
Restaurants (3 properties)	
Akashiatei	–
Hakone Kowakien Soba Kihinkan <sup>1</sup>	–
Hakone Kowakien Teppan Shabu Shabu Geihinkan <sup>1</sup>	–
Hakone Kowakien Yunessun <sup>1</sup>	–
Hakone Kowakien Mori No Yu <sup>1</sup>	–
Leisure Facilities (5 properties)	
Hakone Kowakien Spa & Camp Yama No Ne <sup>1</sup>	–
Fuji Camp Base Kirameki (located on the premises of Glamping Fuji no Kirameki)	–
Shimoda Aquarium <sup>2</sup>	–

### Company Overview/Investor Information (As of December 31, 2024)

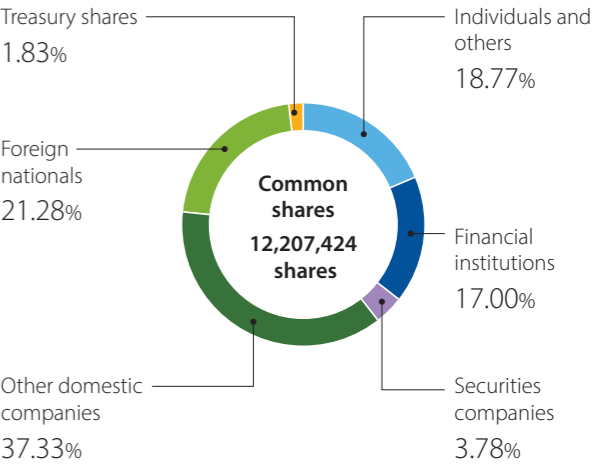
#### Company Overview

Company name	Fujita Kanko Inc.
Establishment	November 7, 1955 (Registered June 12, 1946)
Head office	2-10-8 Sekiguchi, Bunkyo-ku, Tokyo 112-8664, Japan Telephone: +81-3-5981-7700 (main)
Capital	¥100,000,000
Main lines of business	Hotels, Japanese-style inns, restaurants, etc.
Number of employees	1,530 (Average number of temporary employees: 1,860)

#### Investor Information

Total number of authorized shares	Ordinary shares: 44,000,000 shares Class A preferred shares: 150 shares Total: 44,000,150 shares
Total number of issued shares	Ordinary shares: 12,207,424 shares Class A preferred shares: 20 shares Total: 12,207,444 shares
Number of shareholders	Ordinary shares: 16,100 Class A preferred shares: 1
Date of settlement	December 31
Listed exchange	Tokyo Stock Exchange Prime Market
Stock code	9722
Administrator of shareholder registry	Sumitomo Mitsui Trust Bank, Limited 1-4-1 Marunouchi, Chiyoda-ku, Tokyo 100-8233

##### Distribution of Shares (Common Shares)

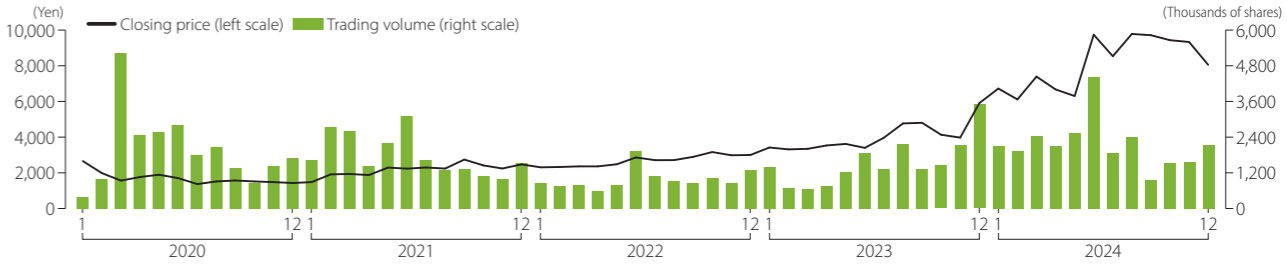


#### Major Shareholders

Name of shareholder	Number of shares held (Thousands of shares)	Shareholding ratio (%)
DOWA HOLDINGS CO., LTD.	3,814	31.83
The Master Trust Bank of Japan, Ltd. (Trust Account)	946	7.90
GOLDMAN SACHS INTERNATIONAL	338	2.83
Meiji Yasuda Life Insurance Company	300	2.51
BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC)	290	2.42
Custody Bank of Japan, Ltd. (Trust Account)	256	2.14
Nomura Securities Co., Ltd.	239	2.00
Nippon Life Insurance Company	218	1.82
MSIP CLIENT SECURITIES	204	1.71
BNP PARIBAS LONDON BRANCH FOR PRIME BROKERAGE SEGREGATION ACC FOR THIRD PARTY	183	1.53

Notes: 1. The names of shareholders and number of shares held are based on the shareholder register as of December 31, 2024.  
2. The numbers of shares held is shown rounded down to the nearest thousand shares.  
3. The shareholding ratio is calculated from the total number of issued shares, excluding 223,000 treasury shares, and figures are rounded to the nearest second decimal place. Class A preferred shares are included in the calculation.

#### Stock Price Trends



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