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To whom it may concern:

Company name: FUJITA KANKO INC.
Representative: Akira Segawa
President and Representative Director
(Code number: 9722, First Section of Tokyo
Stock Exchange)
Contact: Yoshihiro Ise
Director and Chief of Corporate Planning Group
(Phone: +81-3-5981-7723)

Notice Concerning Differences between Financial Results Forecast and Actual Results for the Six Months Ended June 30, 2015

FUJITA KANKO INC. (hereinafter referred to as the “Company”) hereby announces that differences have arisen between the consolidated financial results forecast for the six months ended June 30, 2015 (January 1, 2015 to June 30, 2015), which was announced on February 13, 2015, and the actual results for the same period that were announced today. The details are as follows:

1. Differences between Consolidated Financial Results Forecast and Actual Results for the Six Months Ended June 30, 2015

	Net sales	Operating income	Ordinary income	Net income	Net income per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previous forecast (A)	30,000	(1,700)	(1,800)	(1,500)	(12.52)
Actual results (B)	30,249	(845)	(838)	(824)	(6.88)
Change (B - A)	249	854	961	675	
Ratio of change (%)	0.8	-	-	-	
(Reference) Results for the six months ended June 30, 2014	30,826	(73)	(92)	(255)	(2.13)

2. Reasons for the Revision to Consolidated Financial Results Forecast for the Six Months Ended June 30, 2015

In the accommodations business, sales were strong, especially in WHG Business, backed by the increasing number of foreign visitors to Japan, as average sales per room rose more than anticipated. By contrast, ever since the volcanic alert for Hakone Owakudani was raised to level 2 on May 6, 2015, the Resort Business has been substantially affected by factors such as cancellation of reservations and a decline in the number of guests. Nevertheless, results for the six months ended June 30, 2015 exceeded the previously announced forecast on an overall consolidated basis.

Regarding operating income and ordinary income, profit margins improved due mainly to increase in sales driven by rise in the average sales per room in the accommodations business, and profit growth surpassed sales growth. Net income increased, despite higher tax expenses as a result of increased net income.

3. Consolidated Financial Results Forecast for the Full Year of the Fiscal Year Ending December 31, 2015

With the number of foreign visitors to Japan reaching a record high of 9.14 million during the period of January to June according to the statistics of the Japan National Tourism Organization (JNTO), further increase in the number of foreign visitors and improvement in domestic consumption are expected in the future. Consequently, solid performance mainly in the accommodations business is anticipated. However, outlook for the future remains uncertain due to factors such as further decrease in the number of tourists in the

Hakone area after the volcanic alert for Hakone Owakudani was raised from level 2 to level 3 on June 30, 2015.

With regard to the financial results forecast for the full year of the fiscal year ending December 31, 2015, the Company expects the WHG Business centered in accommodation services to continue achieving strong results; however, operating facilities in the Hakone area, including the leading operating facilities of the Resort Business, Hakone Hotel Kowakien and Hakone Kowakien Yunessun, are expected to see substantial decrease in the number of customers compared to the initial estimates. In consideration of these factors, sales increase in the WHG Business will possibly be offset by sales decrease in the Resort Business. However, income figures in operating income, ordinary income and net income are likely to be in line with initial forecasts, amid expectations that the accommodations business with high profit margins will continue to record higher sales, as seen in the six months ended June 30, 2015, and the Resort Business will cut down on fixed costs. Based on these assumptions, at present, no change has been made to the forecasts announced on February 13, 2015. Should any revision be required in light of changes in circumstances or performance trends, an announcement will be made immediately.

(Reference)

Consolidated financial results forecast for the full year of the fiscal year ending December 31, 2015
(announced on February 13, 2015)

	Net sales	Operating income	Ordinary income	Net income	Net income per share
Full year	Million yen 64,200	Million yen (1,300)	Million yen (1,500)	Million yen (500)	Yen (4.17)

End