



November 9, 2015

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 Revisions to Financial Results Forecast

FUJITA KANKO INC. (hereinafter referred to as the “Company”) hereby announces that the full-year financial results forecast for the fiscal year ending December 31, 2015, released on February 13, 2015, has been revised as follows:

1. Revisions to the Financial Results Forecast

Full-year consolidated financial results forecast for the fiscal year ending December 31, 2015 (January 1, 2015 to December 31, 2015)

	Consolidated net sales	Consolidated operating income	Consolidated ordinary income	Consolidated net income	Consolidated net income per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previous forecast (A)	64,200	(1,300)	(1,500)	(500)	(4.17)
Revised forecast (B)	63,800	(300)	(500)	(500)	(4.17)
Change (B-A)	(400)	1,000	1,000	-	
Ratio of change (%)	(0.6)	-	-	-	
(Reference) Results for the fiscal year ended December 31, 2014	64,250	1,365	1,390	531	4.43

Full-Year Financial Results Forecast for the Fiscal Year Ending December 31, 2015 as of June 30, 2015

The Company states in the following table (for reference only) the differences 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 which recorded an increase both in sales and income. These results were also stated in the “Notice Concerning Differences between Financial Results Forecast and Actual Results for the Six Months Ended June 30, 2015,” released on August 7, 2015.

However, the full-year financial results forecast for the fiscal year ending December 31, 2015 remain unchanged, the reason being that sales and income of main facilities of the Resort Business, such as Hakone Hotel Kowakien and Hakone Kowakien Yunessun, are expected to decline drastically in the peak season in the third quarter, due to the volcanic alert for Hakone Owakudani being raised from level 2 to level 3 on June 30, 2015. Under the aforementioned conditions, the financial results forecast for the fiscal year ending December 31, 2015 was left unchanged, despite solid performance was seen mainly in the WHG Business, with strong sales in the accommodations business backed by the increasing number of foreign visitors to Japan, which led to more-than-expected increase in average sales per room.

(Reference)

Differences between Consolidated Financial Results Forecast and Actual Results for the Six Months Ended June 30, 2015 (announced on August 7, 2015)

	Consolidated net sales	Consolidated operating income	Consolidated ordinary income	Consolidated net income	Consolidated 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	

2. Reasons for Revision

Looking at business trends of the Resort Business in the third quarter under review, despite the number of customers of Hakone Kowakien Yunessun, especially those in the family sector, fell during the peak season in summer, measures implemented to minimize loss, such as attracting more foreign visitors, were effective at Hakone Hotel Kowakien. Moreover, on September 11, 2015, the volcanic alert for Hakone Owakudani dropped from level 3 to level 2. As a result of the above, the Company expects that the sales and income of the Resort Business will not experience a significant drop as estimated at the end of the second quarter.

By contrast, in the WHG Business, sales of the accommodation business remained strong, against the backdrop of an influx of foreign visitors. The Hotel Gracery Shinjuku (970 rooms) in Kabukicho, Shinjuku has performed exceptionally well since its opening in April and full operation in July.

As a result of all the above, although projected consolidated net sales decreased by ¥400 million, operating income and ordinary income are forecast to each increase by ¥1 billion, due to improved profit margin associated with a rise in average sales per room in the accommodations business, and the reduction of fixed costs in the Resort Business.

With regards to consolidated net income, the Company is currently considering whether to sell part of its investment securities held in the fourth quarter. However, since the stock names and the number of shares to be sold are still under consideration at this stage, the initial forecast will remain unchanged. Should any revision be required in light of changes in circumstances or performance trends, an announcement will be made immediately.

The aforementioned forecasts are made based on information obtainable on the day of this release, and actual results may differ due to various factors.

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