



FUJITA KANKO INC.  
Financial Results for the  
Fiscal Year Ended  
December 31, 2023

February 14, 2024  
FUJITA KANKO INC.  
(Code number: 9722)

# Statements of Income



Financial Results for the Fiscal Year Ended December 31, 2023

All businesses generated a positive operating profit; total operating profit increased by ¥10.6 billion over previous year, and by ¥6.3 billion over 2019

Profit reached a high second only to 2021, buoyed in part by the fruit of structural reform carried out during COVID-19 pandemic

- ▶ ADR rose mainly in WHG Business, thanks to capture of inbound demand
- ▶ In Luxury & Banquet Business, operating profit increased by ¥1.3 billion over 2019 (before closing of Taikoen) despite a ¥5.0 billion drop in net sales from that year
- ▶ Operating profit of Resort Business, which opened Hakone Hotel Kowakien, returned to the black in 3Q and closed the year at ¥0.16 billion

(Million yen)	3Q Cumulative actual Jan. to Sep	4Q Actual Oct. to Dec.	2023 Actual	2022 Actual	YoY	<Ref.> 2019 Actual	Compared with 2019
<b>Net sales</b>	45,556	18,990	64,547	<b>43,749</b>	+20,797	<b>68,960</b>	(4,412)
<b>WHG Business</b>	25,923	10,439	36,363	20,587	+15,776	37,629	(1,266)
<b>Luxury &amp; Banquet Business</b>	12,265	5,612	17,878	15,191	+2,686	22,949	<b>(5,071)</b>
<b>Resort Business</b>	5,995	2,462	8,458	5,638	+2,819	5,790	+2,667
<b>Other (including adjustments)</b>	1,372	475	1,847	2,331	(483)	2,590	(742)
<b>Operating profit (loss)</b>	3,715	2,921	<b>6,636</b>	<b>(4,048)</b>	<b>+10,685</b>	<b>280</b>	<b>+6,356</b>
<b>WHG Business</b>	3,466	1,962	5,428	(3,218)	+8,646	2,254	+3,174
<b>Luxury &amp; Banquet Business</b>	419	834	1,253	(23)	+1,277	(84)	<b>+1,338</b>
<b>Resort Business</b>	76	92	169	(439)	+609	(939)	+1,108
<b>Other (including adjustments)</b>	(246)	31	(215)	(366)	+151	(950)	+735
<b>Ordinary profit (loss)</b>	4,325	2,755	7,081	<b>(4,461)</b>	+11,542	<b>401</b>	+6,680
<b>Extraordinary income</b>	628	47	675	1,092	(417)	285	+390
<b>Extraordinary losses</b>	294	777	1,071	2,994	(1,922)	1,207	(390)
<b>Income taxes</b>	29	(1,458)	(1,429)	(572)	(856)	(236)	(1,193)
<b>Profit (loss) attributable to owners of parent</b>	4,630	3,483	<b>8,114</b>	<b>(5,789)</b>	+13,904	<b>(285)</b>	+8,399

\* Due to changes in some segments to which sales facilities belong in accordance with organizational changes, the segment information for FY2019 is stated based on the segments after the change.

# Statements of Income (Net Sales & Operating Profit)

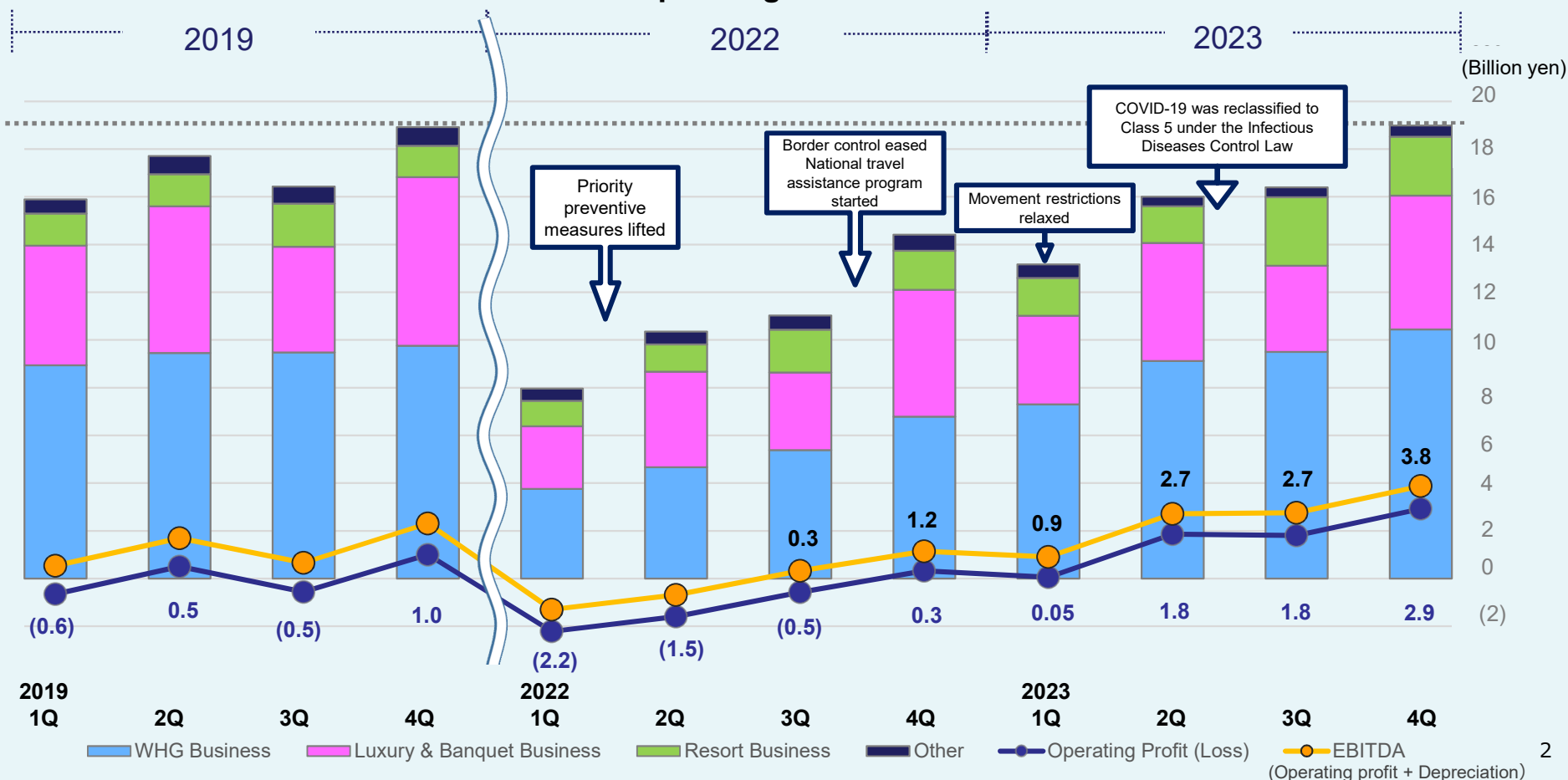


Financial Results for the Fiscal Year Ended December 31, 2023

- ▶ As with 3Q (July to Sept.), net sales for 4Q (Oct. to Dec.) were on par with 2019
- ▶ 4Q segment net sales: WHG Business was around the same level as 2019, and Resort Business strongly outperformed 2019 with the opening of Hakone Hotel Kowakien

Net sales quarterly comparison with 2019	2023 1Q	2023 2Q	2023 3Q	2023 4Q
WHG	82%	97%	100%	107%
Luxury & Banquet	74%	79%	81%	78%
Resort	118%	115%	160%	188%

Net Sales & Operating Profit



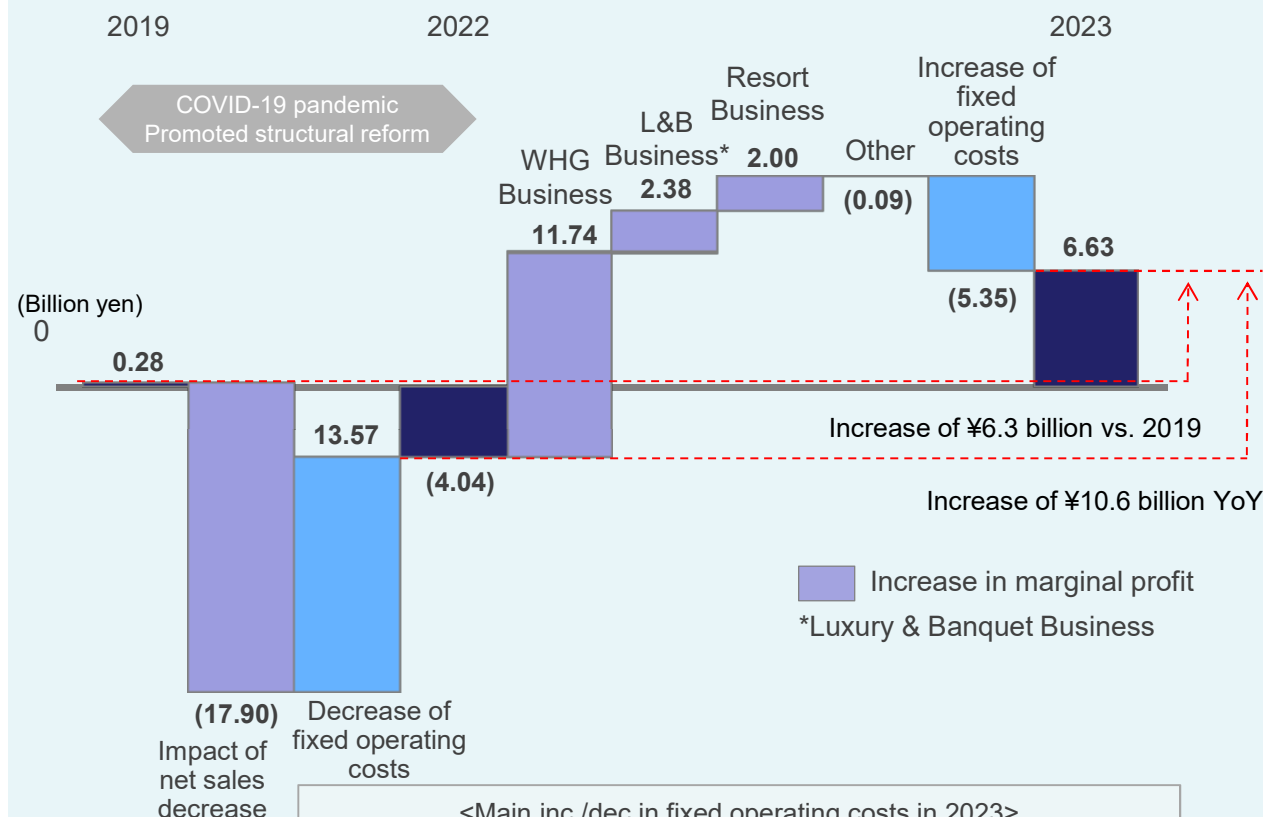
# Statement of Income (Operating Profit Increase/Decrease Factors)



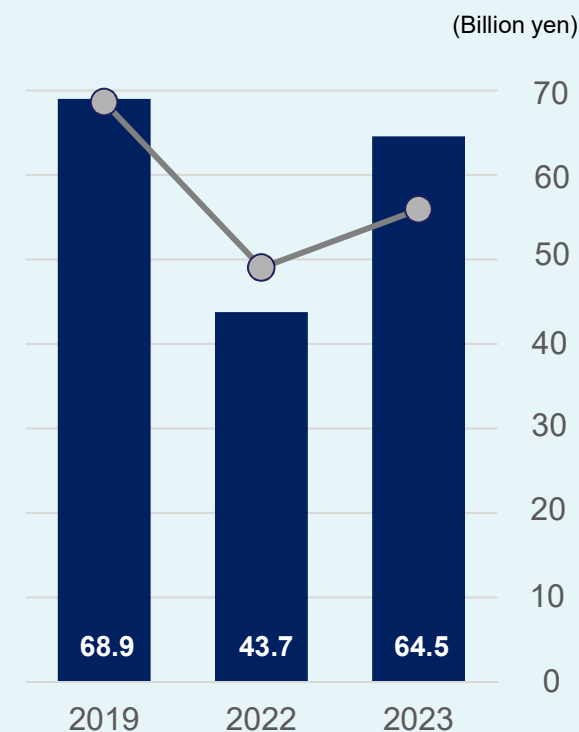
Financial Results for the Fiscal Year Ended December 31, 2023

- ▶ Recovery of sales across all businesses pushed operating profit up by ¥10.6 billion from the previous year
- ▶ Fixed operating costs shrank by ¥8.2 billion versus 2019 due to structural reform efforts, and operating profit rose by ¥6.3 billion over 2019

## Operating profit (loss) Year on year increase/decrease factors



## Break-even net sales



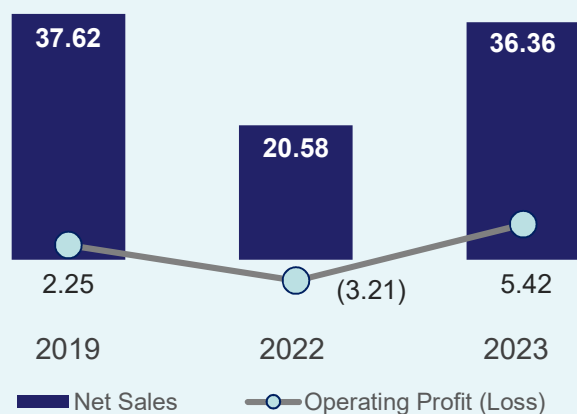
# WHG Business Overview



Financial Results for the Fiscal Year Ended December 31, 2023

**ADR climbed with increases in the number of inbound accommodation guests primarily in Tokyo and Osaka**  
**Sales and operating profit increased by ¥15.7 billion and ¥8.6 billion YoY, respectively; compared with 2019,**  
**sales decreased by ¥1.2 billion, but operating profit increased by ¥3.1 billion**

**Net Sales and Operating Profit (Loss)** (Billion yen)



**<Compared with previous year>**

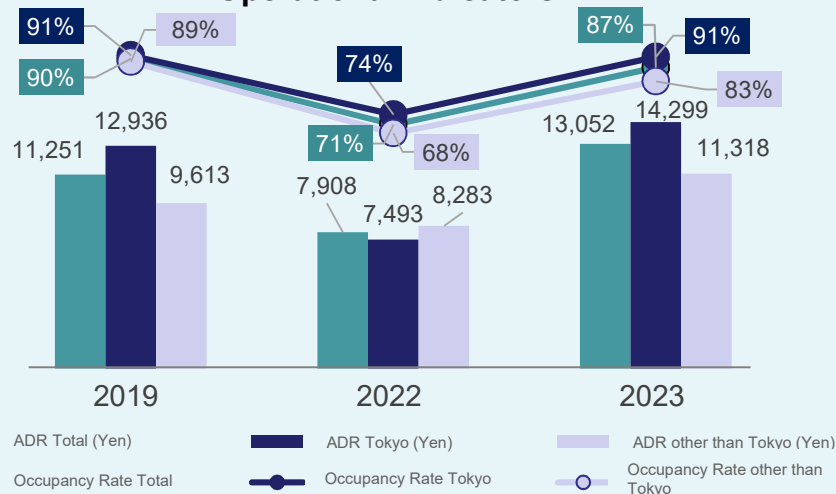
- WHG Business was driven by Shinjuku WH and HG Shinjuku, which contributed to 46% of the growth in net sales

\* HG Shinjuku was provided to the government until February 2023 and resumed normal operation in the following month

**<Compared with 2019>**

- Despite a drop in occupancy rate, ADR increased by ¥1,801 for WHG Business as a whole, and RevPAR (occupancy rate × ADR) also rose
- ADR for 4Q (Oct. to Dec.) improved by ¥3,331 YoY

**Operational Indicators**



Changes during the period from 2019 to 2023  
 Impact of closure or changes in business format: ¥(5.08) billion in net sales  
 (Yokohama Isezakicho WH, Kansai Airport WH and other)  
 Impact of new openings: +¥2.89 billion in net sales  
 (HG in Taipei and Osaka Namba, and HOTEL TAVINOS in Hamamatsucho, Asakusa and Kyoto)

WH : Washington Hotel  
 HG : Hotel Gracery

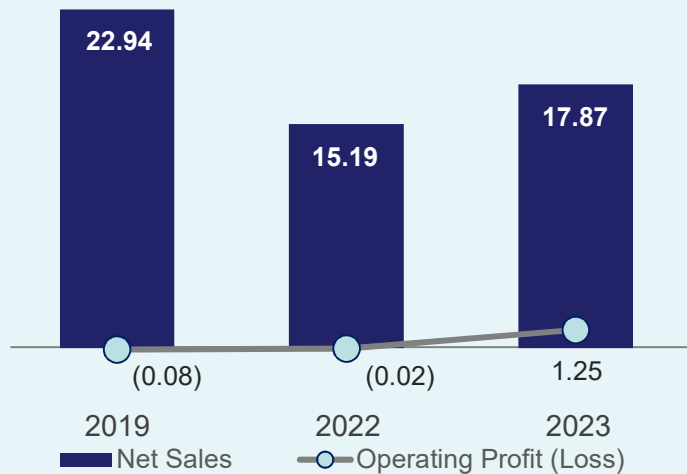
# Luxury & Banquet Business Overview



Financial Results for the Fiscal Year Ended December 31, 2023

Hotel Chinzanso Tokyo's net sales grew year on year in all businesses, with Accommodation also exceeding 2019  
Luxury & Banquet Business as a whole increased net sales and operating profit over the previous year by ¥2.6 billion and ¥1.2 billion, respectively; compared with 2019, sales decreased by ¥5.0 billion, but operating profit increased by ¥1.3 billion

**Net Sales and Operating Profit (Loss)** (Billion yen)



## [Hotel Chinzanso Tokyo]

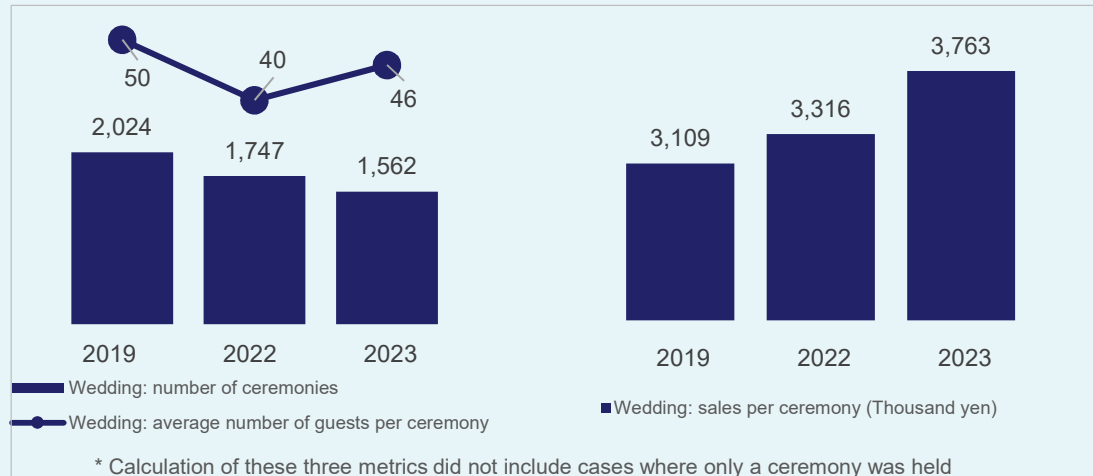
- **Accommodation:** ADR was driven upward by high-ADR sales and an increase in suite occupancy rate
- **Wedding:** Compared with 2019, sales per ceremony increased, but number of guests per ceremony and number of ceremonies remained lower

Changes during the period from 2019 to 2023  
 Impact of closure: ¥(4.62) billion in net sales  
 (Taikoen, Share Clapping Fukuoka and other)

## [Hotel Chinzanso Tokyo: Accommodation]



## [Hotel Chinzanso Tokyo: Wedding]

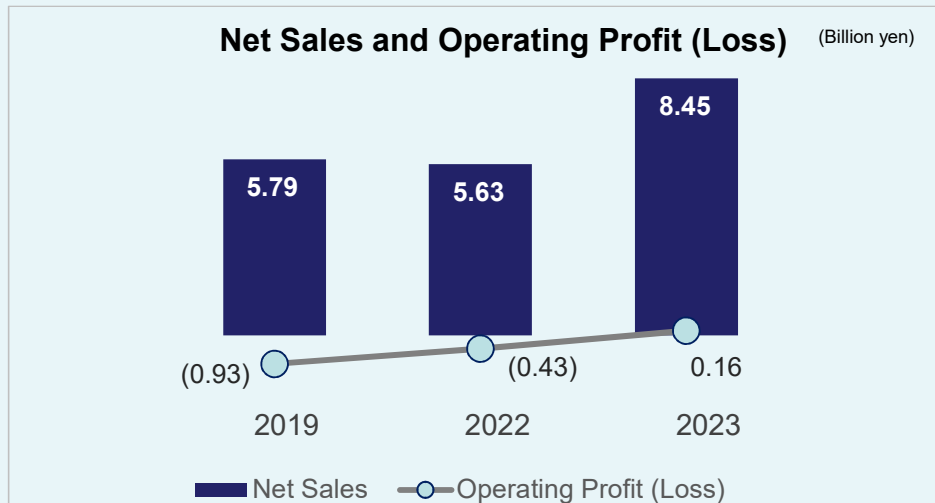


# Resort Business Overview



Financial Results for the Fiscal Year Ended December 31, 2023

**Hakone Kowakien Ten-yu and Hakone Hotel Kowakien performed robustly, with net sales and operating profit rising year on year by ¥2.8 billion and ¥0.6 billion, respectively, and exceeding 2019 by ¥2.6 billion and ¥1.1 billion, respectively**



### [Hakone Kowakien Ten-yu]

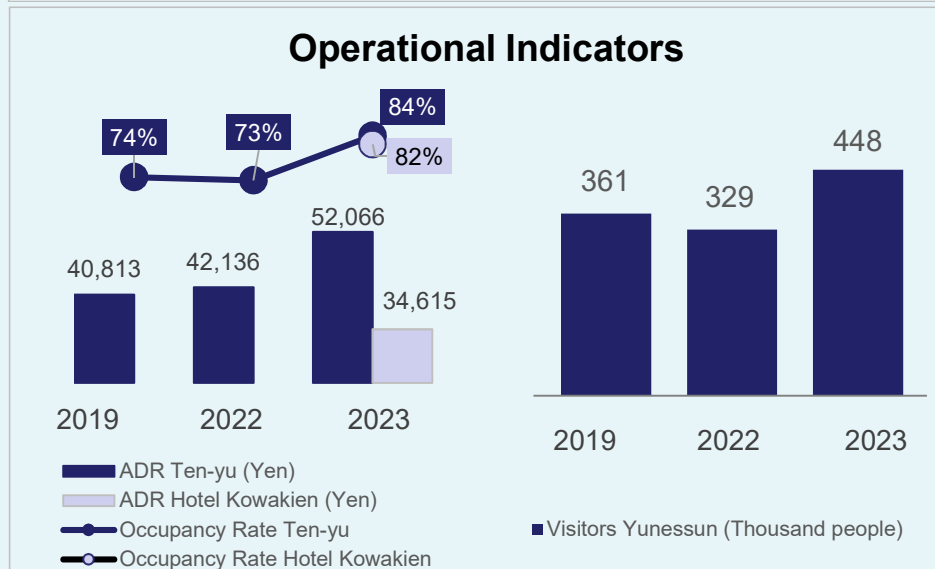
- Both ADR and occupancy rate improved versus the previous year and 2019

### [Hakone Hotel Kowakien]

- Opened on July 12, 2023
- Got off to a strong start by capturing demand from the main target, families, from right after opening

### [Hakone Kowakien Yunessun]

- The number of visitors surpassed both the previous year and 2019, buoyed by Hakone Hotel Kowakien guests and the attraction of a newly built flowing pool, among other drivers



Changes during the period from 2019 to 2023  
 Impact of new openings and closure: +¥1.42 billion in net sales (Hakone Hotel Kowakien, Mikawaya Ryokan and other)

# Sales by Business



Financial Results for the Fiscal Year Ended December 31, 2023

## Net Sales by Business (Jan. to Dec.)

(Million yen)	Business	Net Sales (actual)	YoY	YoY (%)	Compared with 2019	Compared with 2019 (%)
<b>WHG</b>	Accommodation	33,037	+14,568	+79%	+1,504	+5%
	Other	3,325	+1,207	+57%	(2,770)	(45)%
<b>Luxury &amp; Banquet</b>	Accommodation	3,075	+1,022	+50%	+795	+35%
	Wedding	7,127	+127	+2%	(3,193)	(31)%
	Banquet	2,804	+1,104	+65%	(2,100)	(43)%
	Restaurant	3,157	+396	+14%	(807)	(20)%
	Other	1,714	+35	+2%	+232	+16%
<b>Resort</b>	Accommodation	6,543	+2,353	+56%	+2,841	+77%
	Day trip and leisure	1,560	+284	+22%	+85	+6%
	Other	353	+181	+105%	(259)	(42)%
<b>Ref.: Accommodation total</b>		<b>42,656</b>	<b>+17,944</b>	<b>+73%</b>	<b>+5,141</b>	<b>+14%</b>

\* Due to changes in some segments to which sales facilities belong in accordance with organizational changes, the segment information for FY2019 is stated based on the segments after the change.

\* Other: Includes intersegment sales.



# Accommodation Operational Indicators



Financial Results for the Fiscal Year Ended December 31, 2023

		2019				2022				2023			
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
WHG Total	Occupancy Rate	88%	90%	90%	91%	50%	71%	74%	85%	84%	88%	88%	90%
	ADR	11,205	11,555	11,122	11,142	6,417	6,688	7,906	9,509	10,821	13,083	13,487	14,473
WHG Tokyo	Occupancy Rate	89%	90%	91%	94%	49%	76%	74%	89%	89%	91%	90%	92%
	ADR	13,169	13,427	12,390	12,803	6,091	5,955	7,125	9,379	11,567	14,428	14,612	16,096
WHG other than Tokyo	Occupancy Rate	87%	90%	90%	89%	50%	66%	74%	81%	78%	83%	85%	87%
	ADR	9,285	9,782	9,917	9,460	6,669	7,366	8,528	9,646	9,853	11,123	11,909	12,213
Hotel Chinzanso Tokyo	Occupancy Rate	63%	72%	57%	74%	34%	45%	46%	78%	65%	72%	58%	70%
	ADR	33,260	33,700	33,347	35,211	40,243	39,594	40,724	40,581	42,660	45,527	50,335	52,535
Hakone Kowakien Ten-yu	Occupancy Rate	72%	72%	75%	76%	64%	59%	77%	91%	83%	79%	85%	91%
	ADR	40,634	40,632	41,500	40,471	40,326	40,439	43,655	43,182	48,575	50,630	53,090	55,456
Hakone Hotel Kowakien	Occupancy Rate											88%	77%
	ADR											36,221	32,918

Opened on July 12, 2023

\* ADR: (Yen)

# Operational Indicators



Financial Results for the Fiscal Year Ended December 31, 2023

## [Hotel Chinzanso Tokyo] Wedding

	2019				2022				2023			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Number of ceremonies	372	576	384	692	313	498	340	596	271	436	289	566
Sales per ceremony	3,273	3,187	2,910	3,065	2,969	3,264	3,387	3,501	3,675	3,948	3,679	3,706
Average number of guests per ceremony	54	52	49	48	32	39	41	43	44	49	45	45

\* Sales per ceremony: (Thousand yen)

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

## [Hakone Kowakien Yunessun]

(Thousand people)

	2019				2022				2023			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Visitors	77	70	158	54	50	61	145	73	75	70	208	94

# Status of inbound tourism



Financial Results for the Fiscal Year Ended December 31, 2023

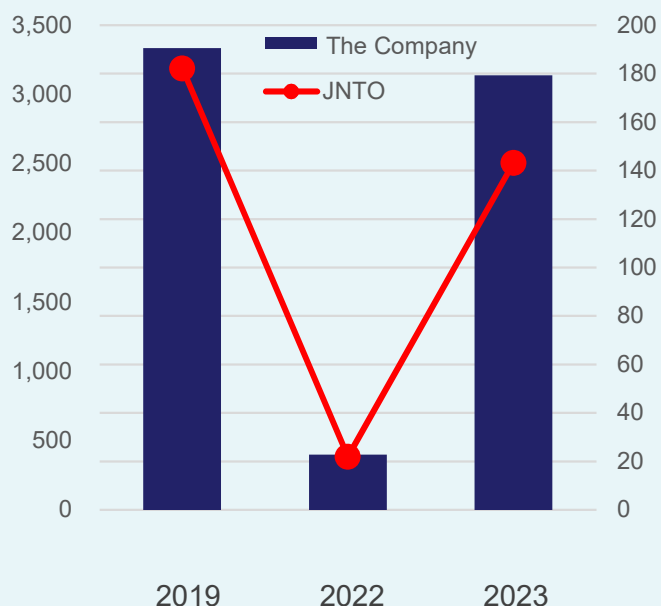
- ▶ **Ratio of inbound guests: 45.8%**  
(+1.0pt compared with 2019)
- ▶ **By country, South Korea accounted for the largest portion (22%), followed by China (21%)**

	2023	Compared with 2019
Number of inbound accommodation guests at the Company's facilities	1,790 thousand people	(5.8)%
Total number of accommodation guests at the Company's facilities	3,910 thousand people	(7.9)%
Ratio of inbound guests	45.8%	+1.0pt
JNTO	25,060 thousand people	(21.4)%

## Number of inbound accommodation guests at the Company's facilities

(JNTO: 10 thousand people)

(The Company: 10 thousand people)

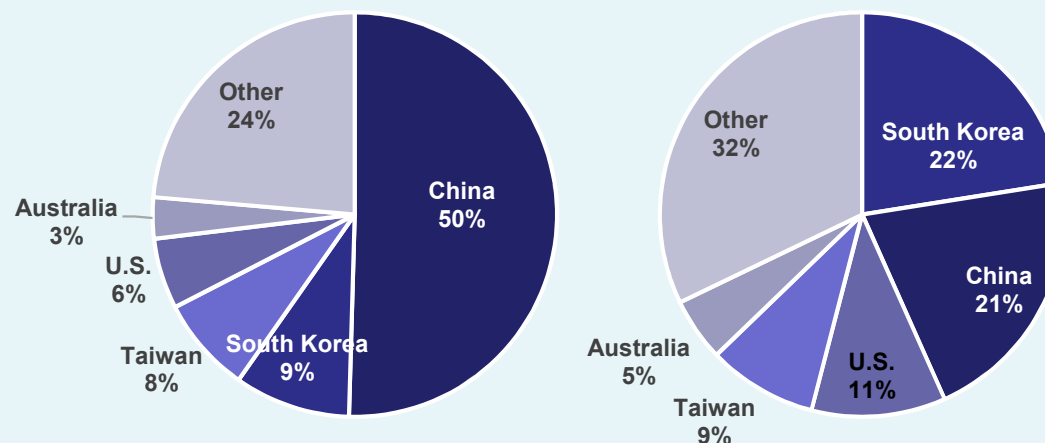


\* Source: Visitor Arrivals announced by Japan National Tourism Organization (JNTO) on January 17, 2024

## Breakdown by country: inbound accommodation guests at the Company's facilities

Jan.-Dec. 2019

Jan.-Dec. 2023



\* Figures for China include guests from Hong Kong

# Balance Sheets



Financial Results for the Fiscal Year Ended December 31, 2023

- ▶ Net assets increased by ¥3.2 billion to ¥25.9 billion compared to the end of the previous year
- ▶ Of the 150 Class A preferred shares issued, 50 were redeemed on December 22, 2023 (purchase and cancellation)

	End of 2023	End of 2022	Change
Net assets	¥25.9 billion	¥22.7 billion	+¥3.2 billion
Equity ratio	27.8%	22.6%	+5.1pt

(Million yen)	Dec. 2023	Dec. 2022	Change	Main difference factors
<b>Total current assets</b>	21,293	30,947	(9,654)	Decrease in cash and deposits
<b>Total non-current assets</b>	72,202	69,015	+3,187	Increase due to acquisition of assets associated with the redevelopment of Hakone Kowakien
<b>Total assets</b>	93,496	99,962	(6,466)	
<b>Total current liabilities</b>	30,365	27,321	+3,043	
<b>Total non-current liabilities</b>	37,156	49,901	(12,745)	Decrease due to repayment of borrowings, etc.
<b>Total liabilities</b>	67,521	77,222	(9,701)	
<b>Total net assets</b>	25,974	22,740	+3,234	Decrease in capital surplus due to redemption of Class A preferred shares, etc. Increase in retained earnings due to the recording of profit
<b>Total liabilities and net assets</b>	93,496	99,962	(6,466)	

# Statements of Cash Flows



Financial Results for the Fiscal Year Ended December 31, 2023

- ▶ With positive operating profit in all businesses, cash flows from operating activities were a net inflow of ¥11.1 billion
- ▶ Cash flows from investing activities were a net outflow of ¥5.9 billion due mainly to the payment of construction costs of Hakone Hotel Kowakien
- ▶ Cash flows from financing activities were a net outflow of ¥15.6 billion due mainly to repayment of borrowings and redemption of Class A preferred shares

(Million yen)

	2023	2022	YoY
Cash flows from operating activities	11,109	645	+10,463
Cash flows from investing activities	(5,919)	(6,122)	+202
Free cash flows	5,189	(5,476)	+10,666
Cash flows from financing activities	(15,667)	(8,935)	(6,732)
Balance of cash and cash equivalents at end of period	13,675	24,110	(10,434)

# Business Performance Forecast for the Fiscal Year Ending December 31, 2024



Financial Results for the Fiscal Year Ended December 31, 2023

- ▶ Forecast for the full year projects net sales to increase by ¥4.1 billion and operating profit to decrease by ¥0.6 billion YoY
- ▶ ADR is anticipated to rise, primarily in WHG Business
- ▶ Forecast takes into account increases in labor and other costs, as well as resumption of investment stalled by COVID-19 pandemic

(Million yen)

	Six Months Ended/Ending Jun. 30			Full year		
	2024	2023 Actual	YoY	2024	2023 Actual	YoY
<b>Net Sales</b>	<b>32,700</b>	29,162	+3,537	<b>68,700</b>	64,547	<b>+4,152</b>
<b>WHG Business</b>	<b>19,000</b>	16,576	+2,423	<b>39,500</b>	36,698	+2,801
<b>Luxury &amp; Banquet Business</b>	<b>8,800</b>	8,660	+139	<b>18,100</b>	17,878	+221
<b>Resort Business</b>	<b>4,400</b>	3,120	+1,279	<b>10,000</b>	8,458	+1,541
<b>Other (including adjustments)</b>	<b>500</b>	805	(305)	<b>1,100</b>	1,512	(412)
<b>Operating Profit (Loss)</b>	<b>2,000</b>	1,912	+87	<b>6,000</b>	6,636	<b>(636)</b>
<b>WHG Business</b>	<b>2,000</b>	1,895	+104	<b>4,800</b>	5,446	(646)
<b>Luxury &amp; Banquet Business</b>	<b>300</b>	646	(346)	<b>800</b>	1,253	(453)
<b>Resort Business</b>	<b>(200)</b>	(400)	+200	<b>500</b>	169	+330
<b>Other (including adjustments)</b>	<b>(100)</b>	(228)	+128	<b>(100)</b>	(232)	+132
<b>Ordinary profit</b>	<b>2,000</b>	2,504	(504)	<b>5,800</b>	7,081	(1,281)
<b>Profit</b>	<b>1,500</b>	3,073	(1,573)	<b>5,300</b>	8,114	(2,814)

\* Due to changes in some segments to which sales facilities belong in accordance with organizational changes, the segment information for FY2023 is stated based on the segments after the change.

# Assumptions Underlying Performance Forecast for the Fiscal Year Ending December 31, 2024 (Operational Indicators)



Financial Results for the Fiscal Year Ended December 31, 2023

		Six Months Ending Jun. 30, 2024	YoY	2024 Full year	YoY
WHG Total	Occupancy Rate	87%	+1pt	89%	+2pt
	ADR	13,400 yen	+11.4%	13,700 yen	+5.0%
WHG Tokyo	Occupancy Rate	89%	(1)pt	90%	(1)pt
	ADR	14,900 yen	+13.5%	15,100 yen	+5.6%
WHG other than Tokyo	Occupancy Rate	84%	+3pt	87%	+4pt
	ADR	11,200 yen	+6.6%	11,800 yen	+4.3%
Hotel Chinzanso Tokyo	Occupancy Rate	64%	(4)pt	63%	(3)pt
	ADR	46,300 yen	+4.8%	48,500 yen	+1.5%
Hakone Kowakien Ten-yu	Occupancy Rate	79%	(2)pt	82%	(2)pt
	ADR	49,900 yen	+0.6%	50,800 yen	(2.4)%
Hakone Hotel Kowakien	Occupancy Rate	80%	–	83%	+1pt
	ADR	32,600 yen	–	34,900 yen	+0.8%
Hotel Chinzanso Tokyo	Wedding: number of ceremonies	710	+0.4%	1,550	(0.8)%
	Wedding: sales per ceremony	3,852 thousand yen	+0.2%	3,810 thousand yen	+1.2%
	Wedding: average number of guests per ceremony	47	+0.2%	46	+0.8%
Hakone Kowakien Yunessun	Visitors	211 thousand people	+45.5%	564 thousand people	+25.9%

# Dividends (Ordinary Shares)



Financial Results for the Fiscal Year Ended December 31, 2023

## Dividends Policy

The Company has a basic policy to fully consider passing its profits on to shareholders, and pay dividends in proportion to the results of its business in consideration of further reinforcement of corporate structure and accumulation of internal reserves to be utilized to promote businesses.

## Status of Dividends

Fiscal Year	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023 (Plan)	FY2024 (Forecast)
Dividends per share (annual)	40 yen	30 yen	0 yen	0 yen	0 yen	0 yen	30 yen



# List of Facilities (As of February 14, 2024)



Financial Results for the Fiscal Year Ended December 31, 2023

WHG Business				Resort Business		Luxury & Banquet Business	
<b>&lt;&lt;Lodging facilities&gt;&gt; 37 properties, 11,041 rooms</b>				<b>&lt;&lt;Lodging facilities&gt;&gt; 12 properties, 565 rooms</b>		<b>&lt;&lt;Lodging facilities&gt;&gt; 1 property, 266 rooms</b>	
■ Washington Hotel (21 properties, 6,619 rooms)		■ Hotel Gracery (11 properties, 3,198 rooms)		Hakone Hotel Kowakien	150 rooms	Hotel Chinzanso Tokyo 266 rooms	
Sendai	223 rooms	Sapporo	440 rooms	Hakone Kowakien Ten-yu	150 rooms	<b>&lt;&lt;Weddings and Banquets&gt;&gt; 3 properties</b>	
Shinjuku (Main Building)	1,280 rooms	Ginza	270 rooms	Hakone Kowakien Mikawayaya Ryokan	25 rooms	Marryaid (Hiroshima Pref.)	
Akihabara	369 rooms	Tamachi	216 rooms	Hakone Kowakien Miyama Furin	15 rooms	Remercier Motoujina (Hiroshima Pref.)	
Tokyo Bay Ariake	830 rooms	Asakusa	125 rooms	Ito Kowakien	50 rooms	The South Harbor Resort (Hiroshima Pref.)	
Yokohama Sakuragicho	553 rooms	Shinjuku	970 rooms	Ito Ryokuyu	7 rooms	<b>&lt;&lt; Leisure facilities&gt;&gt; 1 property</b>	
Urawa	140 rooms	Kyoto Sanjo (North)	97 rooms	Fujino Kirameki Fuji Gotemba	24 rooms	Camellia Hills Country Club (Chiba Pref.)	
Hiroshima	266 rooms	Kyoto Sanjo (South)	128 rooms	Hakujukan, Shinzen-no-yado, Eihei-ji Temple	18 rooms	<b>&lt;Restaurants&gt; 2 properties</b>	
Canal City Fukuoka	423 rooms	Osaka Namba	170 rooms	Yugawara Onsen Chitose [MC]	38 rooms	University of Tokyo Ito International Research Center Restaurant [MC]	
Yamagata Nanokamachi [FC]	213 rooms	Naha	198 rooms	Hotel Yamanami [MC] (Yamanashi Pref.)	26 rooms	Meiji University Shikonkan Foresta Chinzanso [MC]	
Yamagata Eki Nishiguchi [FC]	100 rooms	Seoul	336 rooms	Towada Hotel [Business alliance]	50 rooms		
Aizu Wakamatsu [FC]	154 rooms	Taipei	248 rooms	<b>&lt;&lt;Restaurants&gt;&gt; 3 properties</b>			
Koriyama [FC]	184 rooms			Akashiatei (Akita Pref.)			
Iwaki [FC]	148 rooms	■ Hotel Fujita (1 property, 354 rooms)		Hakone Kowakien Soba Kihinkan		FC: Franchising model Ownership, management and operation all belong to owner companies. The Company licenses the brand usage rights and gives instruction on facility operation.	
Tachikawa [FC]	170 rooms	Fukui [FC]	354 rooms	Hakone Kowakien Teppan Shabu Geihinkan			
Kisarazu [FC]	146 rooms			<b>&lt;&lt;Leisure facilities&gt;&gt; 5 properties</b>			
Tsubame Sanjo [FC]	103 rooms	■ HOTEL TAVINOS (3 properties, 656 rooms)		Hakone Hotel Yunessun		MC: Management contracting model Ownership and management belong to owner companies. The Company is entrusted with facility operation.	
Kansai Airport [FC]	504 rooms	Hamamatsucho	188 rooms	Hakone Kowakien Mori No Yu			
Kanku Izumiotsu [FC]	151 rooms	Asakusa	278 rooms	Hakone Kowakien Camp & Spa Yama No Ne			
Takarazuka [FC]	135 rooms	Kyoto	190 rooms	Fuji Camp Base Kirameki (within premises of Fujino Kirameki Fuji Gotemba)			
Sasebo [FC]	190 rooms			Shimoda Aquarium			
Shinjuku (Annex Building) [MC]	337 rooms	■ Serviced apartments					
		ISORAS CIKARANG (Indonesia)	214 rooms				

# Company Overview



Financial Results for the Fiscal Year Ended December 31, 2023

Listed exchange	Tokyo Stock Exchange Prime Market	
Company name	FUJITA KANKO INC.	
Stock code	9722	
Share unit	Ordinary shares: 100 shares	
	Class A preferred shares: 1 share	
Fiscal year	January 1 to December 31 of each year	
Record date	December 31	
Ex-dividend dates (ordinary shares)	December 31, and June 30 when interim dividends are issued	
Annual shareholders meeting	March of each year	
Total number of issued shares	Ordinary shares: 12,207,424 shares	Total: 12,207,524 shares
	Class A preferred shares: 100 shares	
Total number of authorized shares	Ordinary shares: 44,000,000 shares	Total: 44,000,150 shares
	Class A preferred shares: 150 shares	
Fiscal term	December 31 of each year	