

FUJITA KANKO INC.

**Financial Results for  
the Nine Months  
Ended September 30, 2024**

November 8, 2024  
(Code number: 9722)



# Consolidated Statements of Income

- Measures for strengthening overseas sales successfully led to the acceptance of more inbound guests
  - Products strengthening measures that are currently underway as part of measures for increasing added value helped to push up sales per use
  - Measures for increasing productivity across the Company reduced the ratio of fixed operating costs
- ➔ Net sales and operating profit increased by **¥8.62 billion** and **¥3.96 billion**, respectively, year on year

Unit: Million yen

			2024 3Q	2023 3Q	YoY
	2Q Cumulative actual Jan. to Jun.	3Q Actual Jul. to Sep.	Cumulative actual	Cumulative actual	
<b>Net sales</b>	<b>35,882</b>	<b>18,296</b>	<b>54,178</b>	45,556	+8,621
<b>Operating profit</b>	<b>5,123</b>	<b>2,556</b>	<b>7,680</b>	3,715	+3,964
<b>Ordinary profit</b>	<b>5,615</b>	<b>2,247</b>	<b>7,862</b>	4,325	+3,536
Extraordinary income	139	-	139	628	(488)
Extraordinary losses	784	343	1,127	294	+833
Income taxes	966	495	1,461	29	+1,430
<b>Profit attributable to owners of parent</b>	<b>4,004</b>	<b>1,408</b>	<b>5,412</b>	4,630	+782

# Net Sales & Operating Profit Breakdown by Business

- ADR (average daily rate) remained at a high level in all businesses and net sales increased year on year
- Luxury & Banquet Business's operating profit shrank YoY due to continuously higher labor costs and other pressures

Unit: Million yen

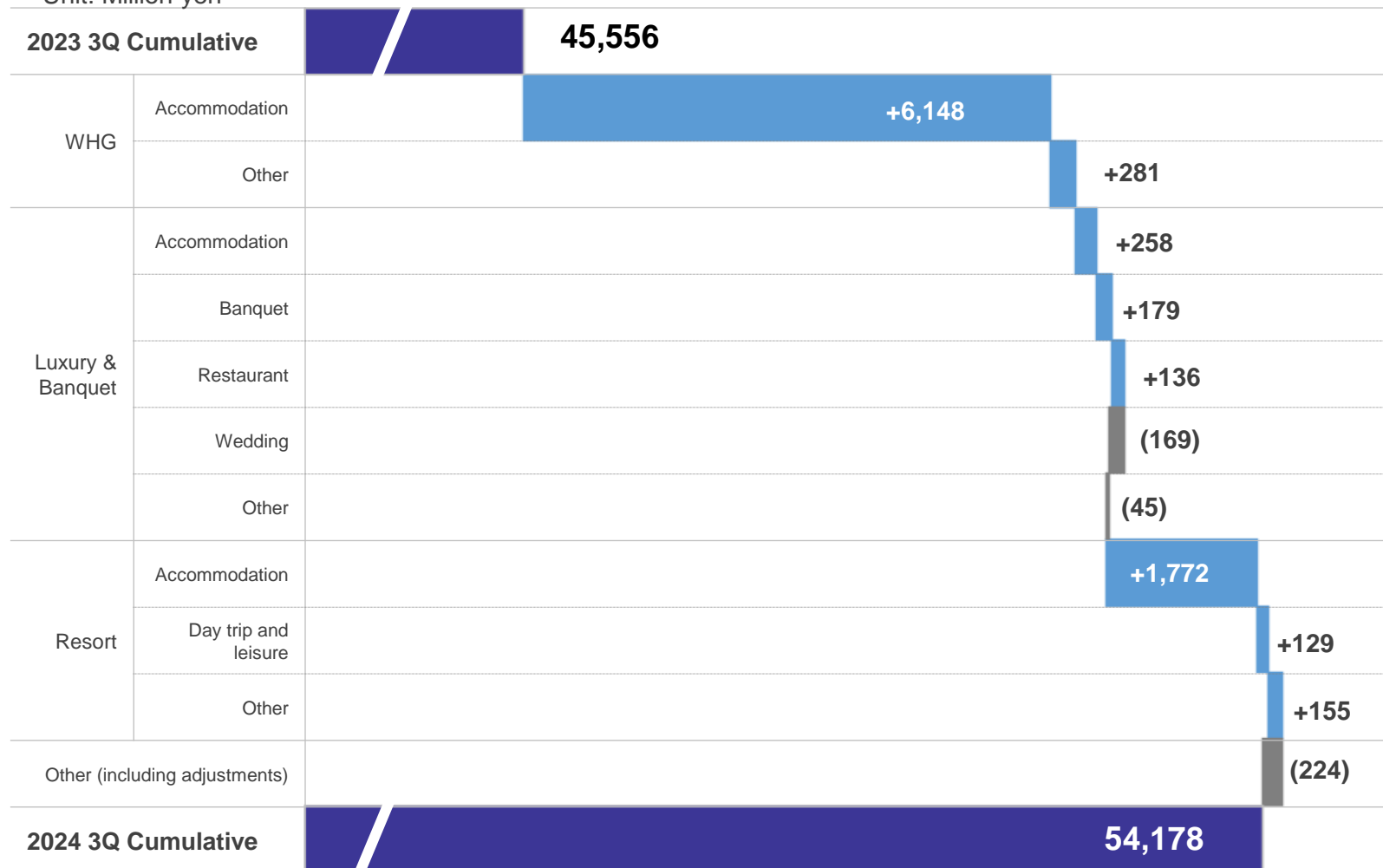
			2024 3Q	2023 3Q	YoY
	2Q Cumulative actual Jan. to Jun.	3Q Actual Jul. to Sep.	Cumulative actual	Cumulative actual	
<b>Net sales</b>	35,882	18,296	<b>54,178</b>	45,556	+8,621
<b>WHG Business</b>	21,416	11,185	<b>32,602</b>	26,173	+6,429
<b>Luxury &amp; Banquet Business</b>	8,970	3,653	<b>12,624</b>	12,265	+359
<b>Resort Business</b>	4,889	3,163	<b>8,052</b>	5,995	+2,057
<b>Other (including adjustments)</b>	605	293	<b>898</b>	1,123	(224)
<b>Operating profit (loss)</b>	5,123	2,556	<b>7,680</b>	3,715	+3,964
<b>WHG Business</b>	4,331	2,379	<b>6,711</b>	3,480	+3,230
<b>Luxury &amp; Banquet Business</b>	577	(364)	<b>213</b>	419	(206)
<b>Resort Business</b>	182	573	<b>756</b>	76	+680
<b>Other (including adjustments)</b>	31	(32)	<b>(0)</b>	(261)	+260

\*Due to changes in some segments to which operating facilities belong following organizational changes, the segment information for 2023 is stated based on the segments after the change

# Net Sales: Increase/Decrease by Business

- WHG Business's accommodation business of which ADR increased drove net sales
- Hakone Kowakien Hotel, opened in July 2023, contributed to a year-on-year increase in net sales of the Resort Business's accommodation business
- Hakone Kowakien Ten-yu posted a continuous increase in ADR

Unit: Million yen



# Operating Profit: Increase/Decrease by Factor

- While there were impacts of the increases in labor costs (new recruitment, wage raise, etc.) and land rent, the increase in marginal profit of each business continued to exceed them largely
- Structural reforms reduced ratio of fixed operating costs below pre-COVID-19 level

Unit: Million yen

<b>2023 3Q Cumulative</b>		<b>3,715</b>	
Increase of marginal profit due to the increase of net sales	WHG		<b>+4,929</b>
	Luxury & Banquet		<b>+282</b>
	Resort		<b>+1,483</b>
	Increase in labor costs	<b>(1,526)</b>	
	Increase in land rent	<b>(652)</b>	
	Increase in depreciation	<b>(232)</b>	
	Increase in other costs	<b>(319)</b>	
<b>2024 3Q Cumulative</b>		<b>7,680</b>	

## Ratio of fixed operating costs (to net sales)

✓ Decreased compared with before COVID-19

2019	3Q Cumulative	76.5%
		▼
2023	3Q Cumulative	69.1%
		▼
2024	3Q Cumulative	63.1%

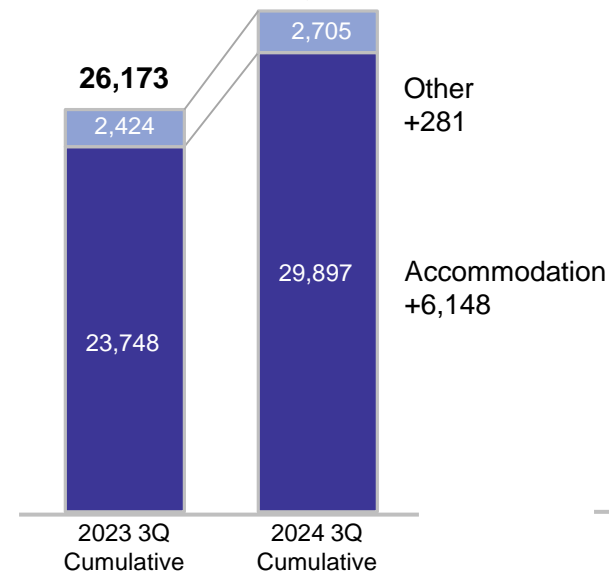
Net sales and operating profit increased by ¥6.42 billion and ¥3.23 billion, respectively, year on year, in the business as a whole

- Continued sales measures with a focus on ADR. Despite a year-on-year drop in occupancy rate, RevPAR (ADR x occupancy rate) marked a YoY plus
- Overseas sales measures including Asia, in addition to Europe, U.S. and Australia, successfully led to an increase in the number of inbound accommodation guests, thus contributing to a rise in ADR
- Captured rising inbound demand in the business as a whole mainly through sending customers to regional facilities
- Took action to strengthen product competitiveness by further enhancing the contents of breakfast across the entire chain, in addition to renovating guestrooms and others

## Net Sales

(Million yen)

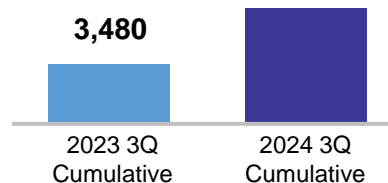
**32,602**



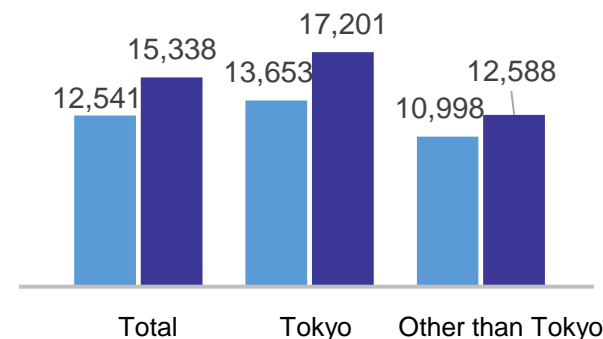
## Operating Profit

(Million yen)

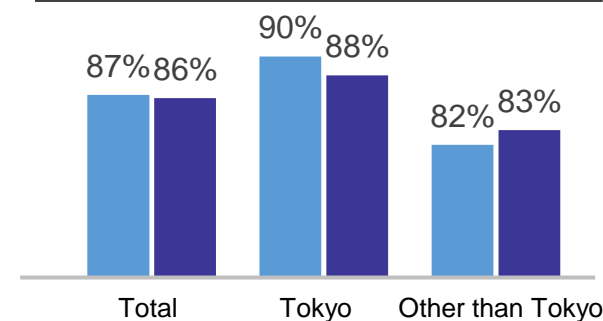
**6,711**



## ADR (Yen)



## Occupancy Rate



✓ ADR increase effect is +¥5,396 million out of +¥6,148 million in accommodation

\*Due to changes in some segments to which operating facilities belong following organizational changes, the segment information for 2023 is stated based on the segments after the change

\*\*“Hotel Gracery Shinjuku” had been provided for the government until the end of Feb 2023 (whole building rental)

\*Commenced direct operation of “Shinjuku Washington Hotel ANNEX” (337 rooms) on April 1, 2024

\*Serviced apartments ISORAS CIKARANG is excluded for operational indicators

# Luxury & Banquet Business

Net sales increased by ¥0.35 billion YoY and operating profit decreased by ¥0.20 billion YoY for the business as a whole

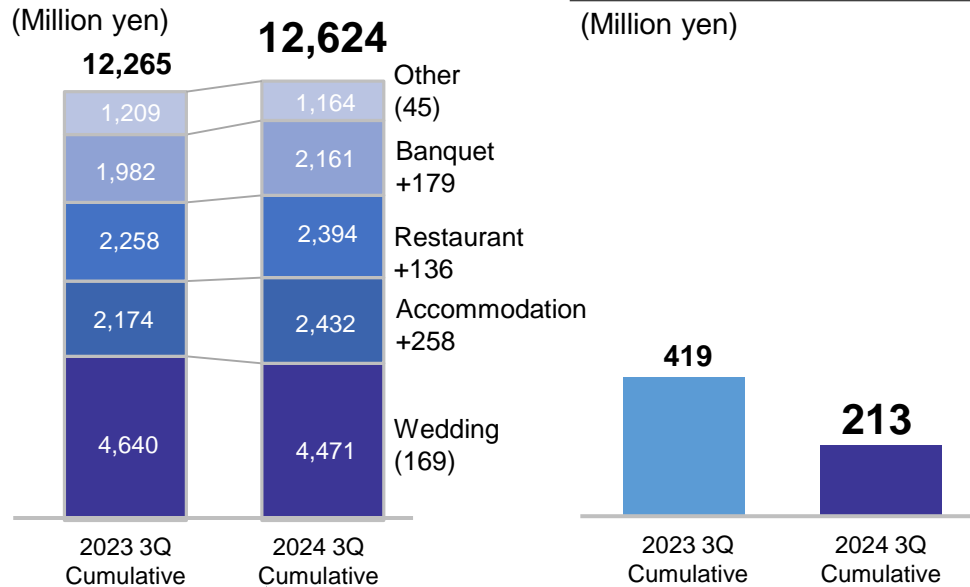
## Hotel Chinzanso Tokyo

- Posted year-on-year increase in net sales for the facility as a whole, due to improving added value of products and increasing sales per use in each division  
Started operation of an executive lounge for exclusive use by suite room guests on July 26, 2024
- Wedding earnings fell because year-on-year increases in the average number of guests and sales per ceremony could not fully offset a decline in the number of ceremonies
- Operating profit shrank year on year due to higher labor costs and other pressures

### Net Sales

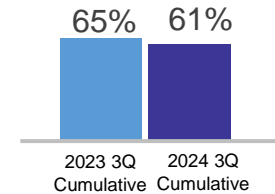
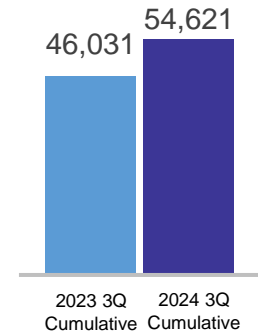
### Operating Profit

### Hotel Chinzanso Tokyo



### ADR (Yen)

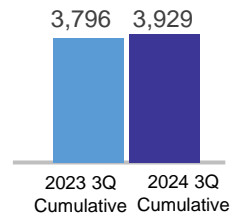
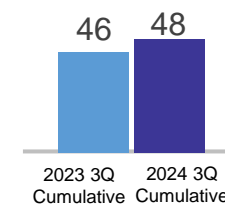
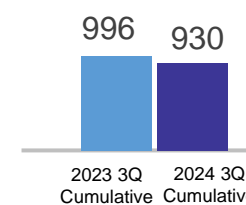
### Occupancy Rate



### Wedding Number of ceremonies

### Wedding Average number of guests per ceremony

### Wedding Sales per ceremony (thousand yen)



#### “Hotel Chinzanso Tokyo”

- ✓ Wedding ¥(169) million  
YoY negative for number of ceremonies, YoY plus for average number of guests per ceremony and sales per ceremony
- ✓ Restaurant/Banquet  
Number of guests for use increased YoY, +3.4% for restaurant, +4.0% for banquet
- ✓ Accommodation +¥258 million  
ADR increase effect is +¥371 million; while occupancy rate fell to negative YoY, RevPAR (Occupancy rate x ADR) rose

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

# Resort Business

Net sales and operating profit increased by **¥2.05 billion** and **¥0.68 billion** YoY, respectively, for the business as a whole

- Both accommodation and leisure businesses captured demand during the summer season and posted year-on-year increases in net sales and profit
  - **Hakone Kowakien Ten-yu:** Continued to focus on sales of high-value-added products, and ADR also continued rising
  - **Hakone Kowakien Yunessun:** Visitors were pushed up by inflow of Hakone Kowakien Hotel guests and the effect of redevelopment
  - **Ratio of inbound guests rose year on year for the entire accommodation business**
- \*Hakone Kowakien Hotel opened in July 2023

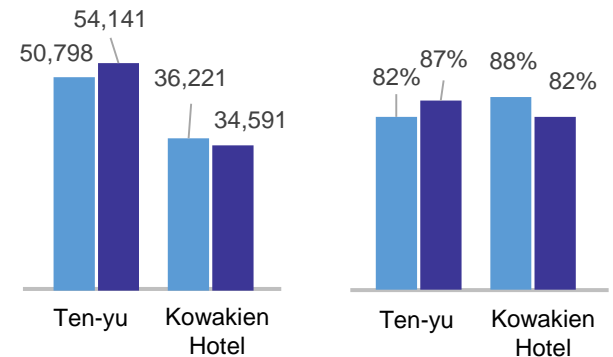
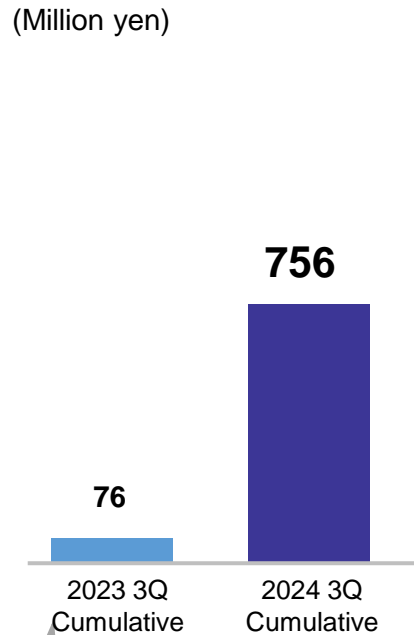
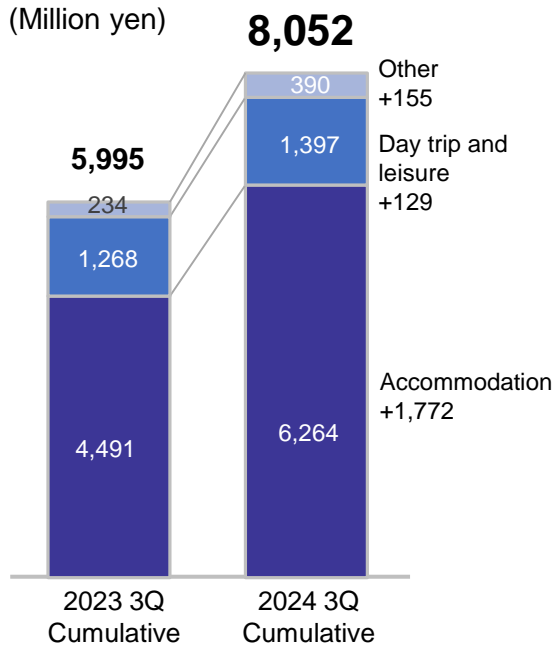
✓ At Hakone Kowakien Hotel, YoY plus for 3Q (Jul.-Sep.)  
(ADR +¥3,500, occupancy rate +4pt)

## Net Sales

## Operating Profit

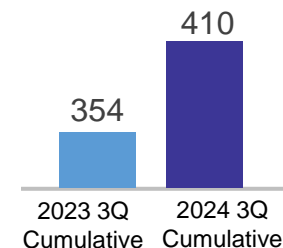
## ADR (Yen)

## Occupancy Rate



2023 3Q Cumulative 2024 3Q Cumulative

## Yunessun Visitors (thousand people)



✓ Including opening costs of Hakone Kowakien Hotel in 2023

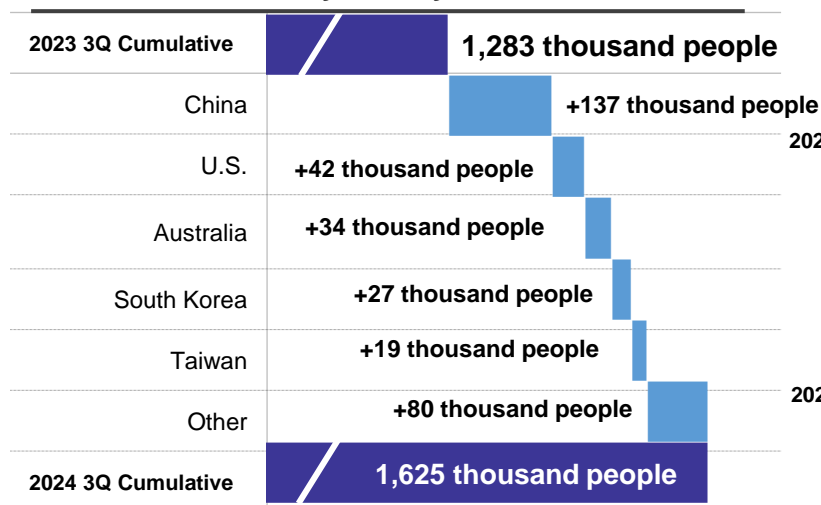
✓ The Hakone Kowakien area accounted for +¥1,066 million out of +¥1,772 million for accommodation due to the opening of "Hakone Kowakien Hotel," ADR increase effect at "Hakone Kowakien Ten-yu," and other factors



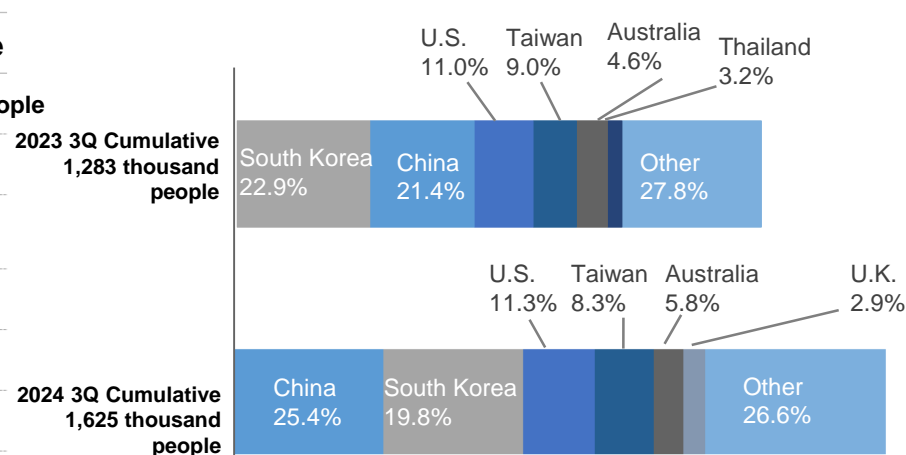
# Status of inbound tourism

	2024 3Q Cumulative actual	YoY
Number of inbound accommodation guests (at domestic facilities only)	<b>1,625 thousand people</b>	+26.7%
Total number of accommodation guests (at domestic facilities only)	<b>3,147 thousand people</b>	+10.2%
Ratio of inbound guests	<b>51.6%</b>	+6.7pt
WHG Total	<b>53.6%</b>	+7.2pt
Hotel Gracery Shinjuku	<b>93.9%</b>	+4.3pt
Shinjuku Washington Hotel (Main Building and ANNEX)	<b>68.0%</b>	+3.9pt
Hotel Chinzanso Tokyo	<b>35.9%</b>	+3.6pt
Hakone Kowakien Ten-yu	<b>50.9%</b>	+9.8pt
Hakone Kowakien Hotel	<b>15.5%</b>	+12.6pt

Number of inbound accommodation guests  
Increase/Decrease by country



Number of inbound accommodation guests  
Breakdown by country



\*Figures for China include guests from Hong Kong

\*Set 1,283 thousand people and 1,625 thousand people as 100 percent for 2023 3Q and for 2024 3Q, respectively

# Balance Sheets

- Redeemed 40 of the 100 Class A preferred shares on August 23, 2024
- Net assets increased by ¥1.04 billion to ¥27.02 billion compared to the end of the previous year

Unit: Million yen		End of September 2024	End of December 2023	Change
	<b>Current assets</b>	<b>20,944</b>	21,293	(348)
	<b>Non-current assets</b>	<b>72,275</b>	72,202	+72
	<b>Total assets</b>	<b>93,219</b>	93,496	(276)
	<b>Current liabilities</b>	<b>29,843</b>	30,365	(522)
	<b>Non-current liabilities</b>	<b>36,354</b>	37,156	(802)
	<b>Total liabilities</b>	<b>66,197</b>	67,521	(1,324)
	<b>Total net assets</b>	<b>27,022</b>	25,974	+1,048
	<b>Total liabilities and net assets</b>	<b>93,219</b>	93,496	(276)
	<b>Equity ratio</b>	<b>29.0%</b>	27.8%	+1.2pt
	<b>Total borrowings</b>	<b>37,286</b>	40,021	(2,734)

# Operational Indicators

		2023				2024		
		1Q	2Q	3Q	4Q	1Q	2Q	3Q
WHG Total	Occupancy Rate	84%	88%	88%	90%	86%	86%	87%
	ADR	¥10,821	¥13,083	¥13,487	¥14,473	¥14,849	¥15,774	¥15,375
WHG Tokyo	Occupancy Rate	89%	91%	90%	92%	90%	88%	88%
	ADR	¥11,567	¥14,428	¥14,612	¥16,096	¥16,920	¥17,791	¥16,884
WHG other than Tokyo	Occupancy Rate	78%	83%	85%	87%	82%	83%	86%
	ADR	¥9,853	¥11,123	¥11,909	¥12,213	¥11,847	¥12,728	¥13,158
Hotel Chinzanso Tokyo	Occupancy Rate	65%	72%	58%	70%	53%	70%	59%
	ADR	¥42,660	¥45,527	¥50,335	¥52,535	¥55,437	¥54,705	¥53,747
Hakone Kowakien Ten-yu	Occupancy Rate	83%	79%	85%	91%	89%	87%	85%
	ADR	¥48,575	¥50,630	¥53,090	¥55,456	¥54,102	¥53,113	¥55,218
Hakone Kowakien Hotel	Occupancy Rate	Opened on July 12, 2023		88%	77%	73%	81%	92%
	ADR	Opened on July 12, 2023		¥36,221	¥32,918	¥32,791	¥30,371	¥39,721
Hotel Chinzanso Tokyo	Wedding: number of ceremonies	271	436	289	566	282	385	263
	Wedding: sales per ceremony	¥3,675 thousand	¥3,948 thousand	¥3,679 thousand	¥3,706 thousand	¥4,044 thousand	¥3,868 thousand	¥3,894 thousand
	Wedding: average number of guests per ceremony	44	49	45	45	49	48	46
Hakone Kowakien Yunessun	Visitors	75 thousand people	70 thousand people	208 thousand people	94 thousand people	107 thousand people	97 thousand people	204 thousand people

# List of Facilities (As of November 8, 2024)

WHG Business				Resort Business		Luxury & Banquet Business	
<b>&lt;&lt;Lodging facilities&gt;&gt; 35 properties, 11,041 rooms</b>				<b>&lt;&lt;Lodging facilities&gt;&gt; 11 properties, 553 rooms</b>		<b>&lt;&lt;Lodging facilities&gt;&gt; 1 property, 265 rooms</b>	
<b>■ Washington Hotel</b> (20 properties, 6,619 rooms)		<b>■ Hotel Gracery</b> (10 properties, 3,198 rooms)		Hakone Kowakien Ten-yu	150 rooms	Hotel Chinzanso Tokyo 265 rooms	
Sendai	223 rooms	Sapporo	440 rooms	Hakone Kowakien Hotel	150 rooms	<b>&lt;&lt;Weddings&gt;&gt; 3 properties</b>	
Shinjuku (Main Building, ANNEX)	1,617 rooms	Ginza	270 rooms	Hakone Kowakien Mikawaya Ryokan	25 rooms	Share Clapping (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 (scheduled to cease operation on August 31, 2025)	140 rooms	Kyoto Sanjo (North/ South)	225 rooms	Fujino Kirameki Fuji Gotemba	24 rooms	<b>&lt;&lt;Restaurants&gt;&gt; 2 properties</b>	
Hiroshima	266 rooms	Osaka Namba	170 rooms	Hakujukan, Shinzen-no-yado, Eihei-ji Temple	18 rooms	Camellia Hills Country Club (Chiba Pref.)	
Canal City Fukuoka	423 rooms	Naha	198 rooms	Yugawara Onsen Chitose [MC]	38 rooms	University of Tokyo Ito International Research Center Restaurant [MC]	
Yamagata Nanokamachi [FC]	213 rooms	Seoul	336 rooms	Hotel Yamanami [MC] (Yamanashi Pref.)	26 rooms	Meiji University Shikonkan Foresta Chinzanso [MC]	
Yamagata Eki Nishiguchi [FC]	100 rooms	Taipei	248 rooms	Towada Hotel [Business alliance]	50 rooms		
Aizu Wakamatsu [FC]	154 rooms			<b>&lt;&lt;Restaurants&gt;&gt; 3 properties</b>			
Koriyama [FC]	184 rooms	<b>■ Hotel Fujita</b> (1 property, 354 rooms)		Akashiatei (Akita Pref.)			
Iwaki [FC]	148 rooms	Fukui [FC]	354 rooms	Hakone Kowakien Soba Kihinkan			
Tachikawa [FC]	170 rooms			Hakone Kowakien Teppan Shabu Geihinkan			
Kisarazu [FC]	146 rooms	<b>■ HOTEL TAVINOS</b> (3 properties, 656 rooms)		<b>&lt;&lt;Leisure facilities&gt;&gt; 5 properties</b>			
Tsubame Sanjo [FC]	103 rooms	Hamamatsucho	188 rooms	Hakone Kowakien Yunessun			
Kansai Airport [FC]	504 rooms	Asakusa	278 rooms	Hakone Kowakien Mori No Yu			
Kanku Izumiotsu [FC]	151 rooms	Kyoto	190 rooms	Hakone Kowakien Camp & Spa Yama No Ne			
Takarazuka [FC]	135 rooms			Fuji Camp Base Kirameki (within premises of Fujino Kirameki Fuji Gotemba)			
Sasebo [FC]	190 rooms	<b>■ Serviced apartments</b> (1 property, 214 rooms)		Shimoda Aquarium			
		ISORAS CIKARANG (Indonesia) 214 rooms					

FC: Franchising model  
Ownership, management and operation all belong to owner companies. The Company licenses the brand usage rights and gives instruction on facility operation.

MC: Management contracting model  
Ownership and management belong to owner companies. The Company is entrusted with facility operation.

# Company Overview

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: 12,207,484 shares
	Class A preferred shares: 60 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	