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FUJITA KANKO INC.

Financial Results for the Three Months Ended March 31, 2026

May 14, 2026
(Code number: 9722)



From top: Hotel Gracery Sapporo; Hotel Chinzanso Tokyo;
Hakone Kowakien Ten-yu

Consolidated Statements of Income

**Net sales rose by ¥659 million
while operating profit fell by ¥367 million, year on year**

- Despite the impact of temporary guestroom closures for major renovations, sales increased year on year as a result of the offering of high value-added products, the capture of inbound demand (particularly visitors from Europe, the U.S., and Australia), and price-setting aligned with demand trends
- Operating profit declined year on year due to higher labor costs pushed up by wage raises, and increased spending on guestroom renovations
- Profit increased year on year due to the recording of extraordinary income (gain on sale of investment securities)

Unit: Million yen	2026 1Q Actual	2025 1Q Actual	YoY
Net sales	19,424	18,765	+659
Operating profit	2,586	2,954	(367)
Ordinary profit	2,116	2,500	(383)
Extraordinary income	5,999	—	+5,999
Extraordinary losses	—	—	—
Income taxes	2,769	874	+1,895
Profit attributable to owners of parent	5,346	1,626	+3,720

Net Sales & Operating Profit Breakdown by Business

Net sales increased YoY in all businesses, but operating profit was pushed down by temporary closures and higher costs

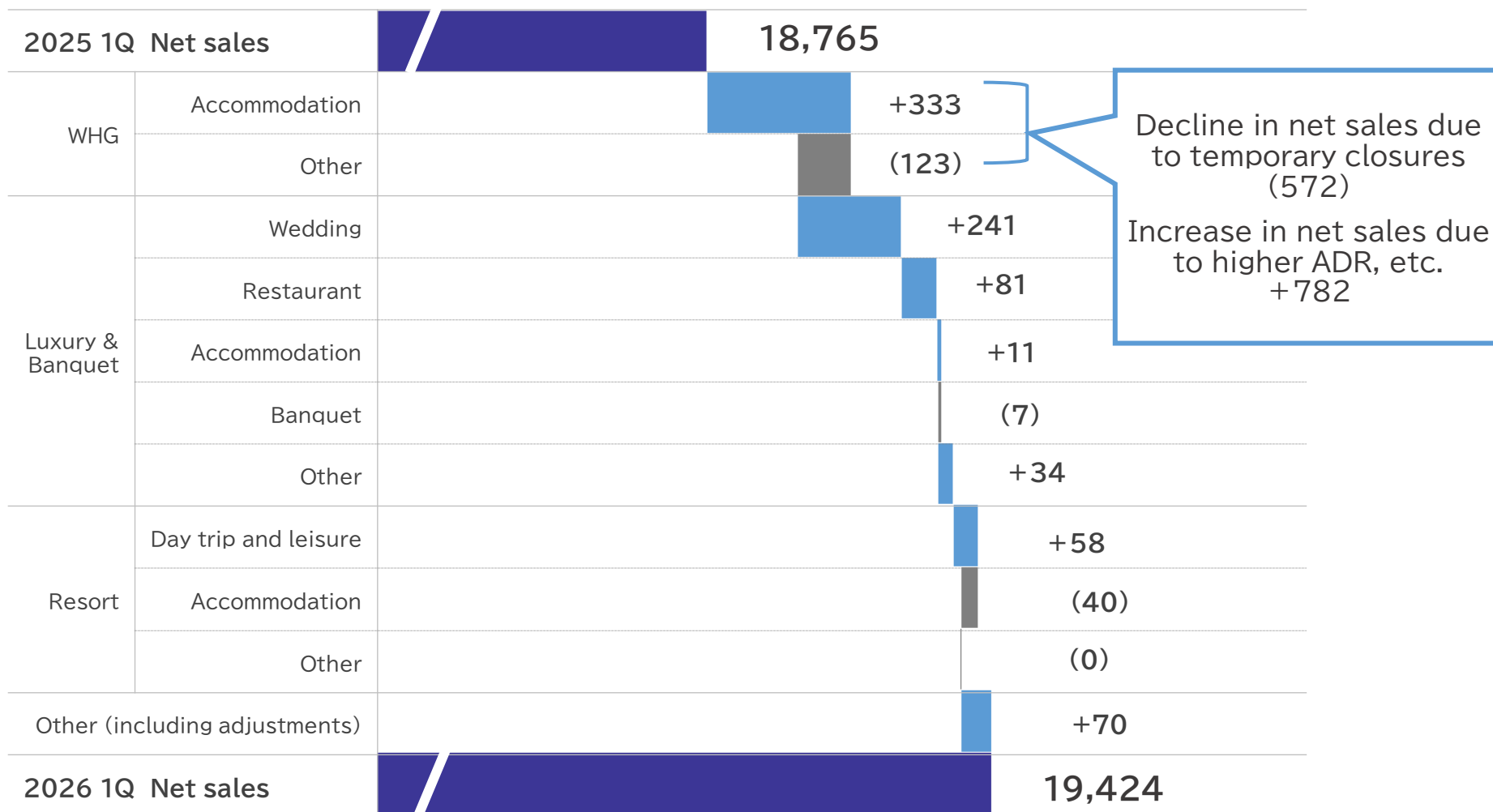
- The WHG Business improved ADR (average daily rate) through efforts to strengthen product competitiveness and overseas sales
- The Luxury & Banquet Business performed strongly in wedding business, supported by banquet hall renovations and enhancement of product competitiveness
- The Resort Business's operating profit fell due to higher labor costs, despite a rise in net sales driven by factors such as an increase in visitors to Hakone Kowakien Yunessun.

Unit: Million yen	2026 1Q Actual	2025 1Q Actual	YoY
Net sales	19,424	18,765	+659
WHG Business	11,880	11,670	+209
Luxury & Banquet Business	4,631	4,270	+361
Resort Business	2,548	2,530	+17
Other (including adjustments)	364	293	71
Operating profit (loss)	2,586	2,954	(367)
WHG Business	2,477	2,782	(304)
Luxury & Banquet Business	112	98	+14
Resort Business	(2)	81	(84)
Other (including adjustments)	(1)	(8)	+6

Net Sales: Increase/Decrease by Business

Net sales climbed by ¥659 million YoY, driven by increases in accommodation (WHG) ADR and wedding users

Unit: Million yen



Operating Profit: Increase/Decrease by Factor

Operating profit fell by ¥367 million YoY as increase in costs outpaced increase of marginal profit

- Operating profit shrank due to a rise in labor costs such as recruitment and wage raises, and an increase in depreciation and one-time investment costs associated with renovations carried out as part of enhancements to add value

Unit: Million yen

2025 1Q Operating profit		2,954
Increase of marginal profit due to the increase of net sales	WHG	+157
	Luxury & Banquet	+257
	Resort	+15
Increase in costs	Labor costs	(439)
	One-time investment costs	(130)
	Depreciation	(120)
	Advertising costs	(75)
	Other costs	(31)
2026 1Q Operating profit		2,586

Decline in profit due to temporary closures (420)
Increase in profit due to higher ADR, etc. +577

Ratio of fixed operating costs (to net sales)	
2025	61.4%
	▼
2026	63.3%

Measures for strengthening product competitiveness buoyed ADR (+9% YoY) and sales, but profit decreased due to temporary closures of guestroom and increased renovation costs
 ⇒ Net sales rose by ¥209 million, while operating profit fell by ¥304 million YoY in the business as a whole

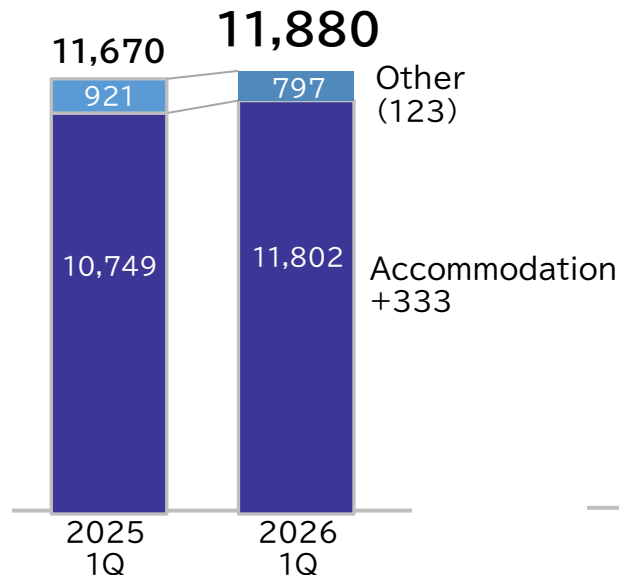
- Renovations for making functional improvements and actions for stepping up overseas sales enabled the capture of inbound demand, particularly visitors from Europe, the U.S., and Australia. Also, yield functions were strengthened to enable price-setting based on demand trends, leading to higher ADR.

<State of renovation closures>

Approx. 40,000 guestrooms in total were closed during Jan.-Mar. 2026 at properties such as Hotel Gracery Sapporo and Tokyo Bay Ariake Washington Hotel.

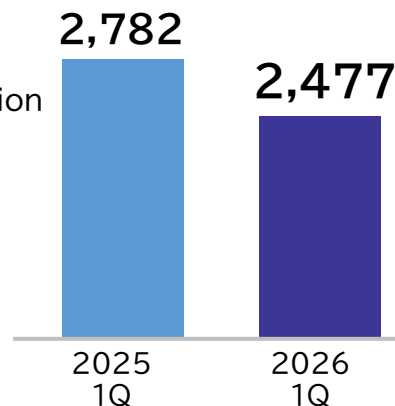
Net sales

(Million yen)

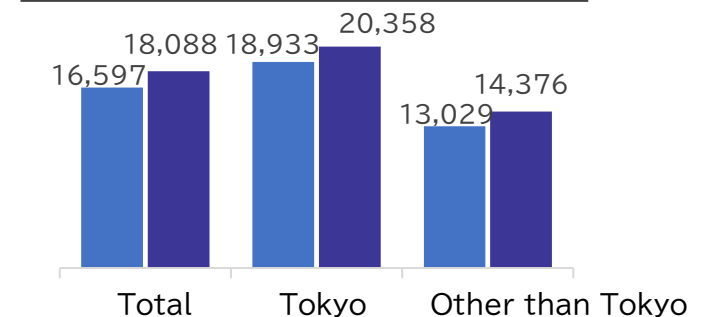


Operating profit

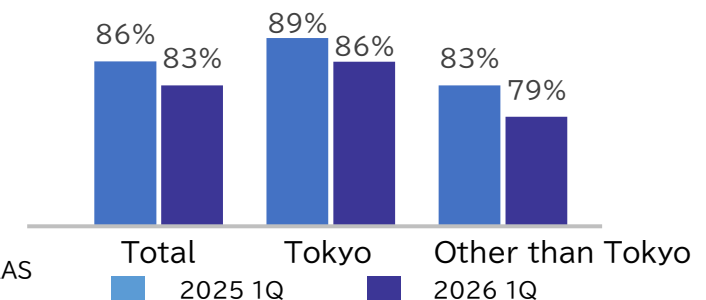
(Million yen)



ADR (Yen)



Occupancy Rate



*Operational indicator data excludes WHG Hotels franchise/management contract properties and ISORAS CIKARANG serviced apartments

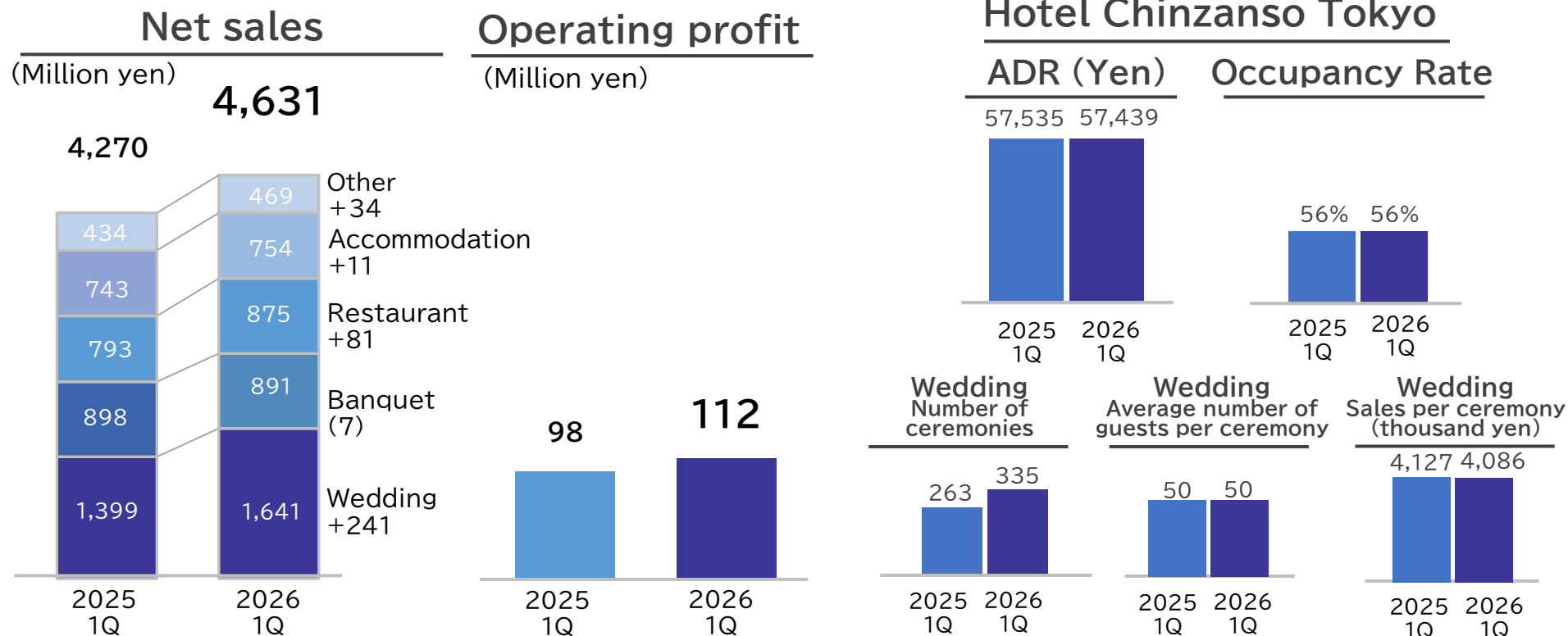
Luxury & Banquet Business

Both sales and profit increased, backed by the strong performance of the wedding business

⇒ Net sales and operating profit increased by ¥361 million and ¥14 million, respectively, YoY, in the business as a whole

Hotel Chinzanso Tokyo

- **Wedding:** The number of ceremonies increased sharply as a result of efforts to strengthen product competitiveness through tangible and intangible improvements
- **Restaurant:** Net sales were driven upward mainly by increased demand tied to celebrations and dining events, and by the offering of afternoon tea service
- **Accommodation:** Last year's initiatives for strengthening overseas promotion enabled the capture of inbound demand, particularly visitors from Europe, the U.S., and Australia



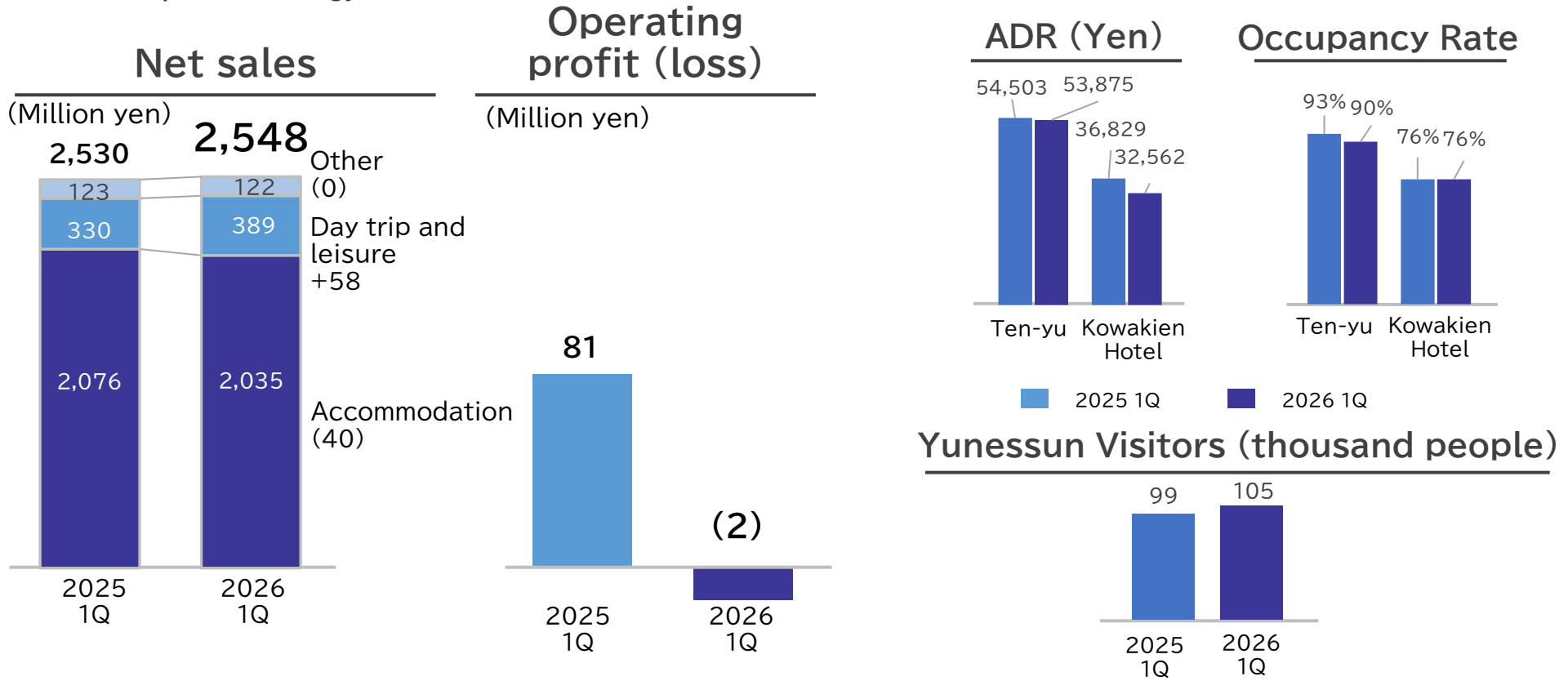
*Calculation of these three metrics did not include cases where only a ceremony was held

Resort Business

Sales were on par with previous year, while higher costs (labor, etc.) led to a downturn in operating profit

⇒ Net sales increased by ¥17 million and operating profit declined by ¥84 million YoY in the business as a whole

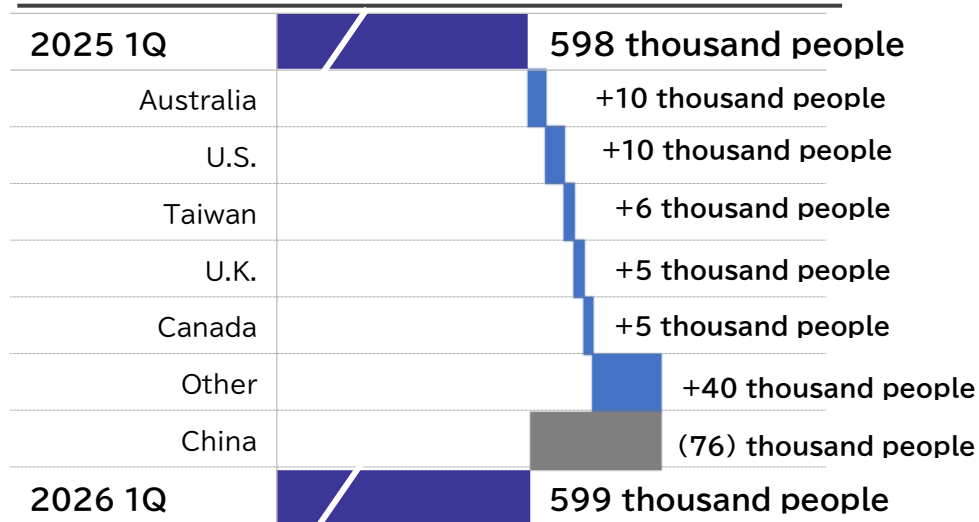
- Hakone Kowakien Ten-yu: Although inbound demand shrank, ADR and occupancy rate remained at high levels, thanks to the capture of domestic demand
- Hakone Kowakien Hotel: Solid occupancy rates were maintained through actions to strengthen the capture of graduation trips and other domestic demand
- Hakone Kowakien Yunessun: The number of visitors was expanded through collaborations with other businesses and revitalization of the Hakone Kowakien area with events held as part of a Hakone tourism development strategy



Status of Inbound Tourism

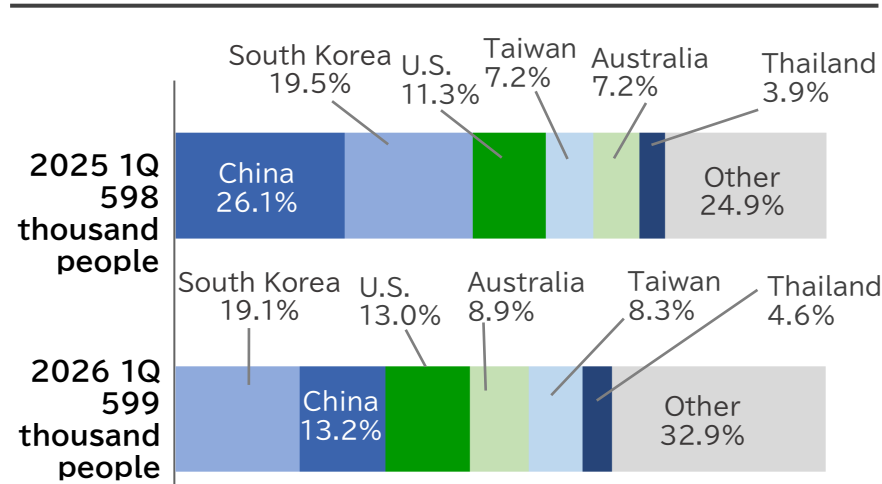
	2026 1Q Actual	YoY
Number of inbound accommodation guests (at domestic facilities only)	599 thousand people	+0.3%
Total number of accommodation guests (at domestic establishments only)	1,019 thousand people	(4.3)%
Ratio of inbound guests	58.8%	+2.7%pt
WHG Total	61.8%	+3.6%pt
Hotel Gracery Shinjuku	95.8%	+0.4%pt
Shinjuku Washington Hotel (Main building and ANNEX)	76.5%	+4.7%pt
Hotel Chinzanso Tokyo	33.8%	+4.3%pt
Hakone Kowakien Ten-yu	43.5%	(11.1)%pt
Hakone Kowakien Hotel	15.3%	(6.6)%pt

Number of inbound accommodation guests
Increase/Decrease by country



*Figures for China include guests from Hong Kong

Number of inbound accommodation guests
Breakdown by country



*Set 598 thousand people and 599 thousand people as 100 percent for 2025 and for 2026, respectively

Consolidated Balance Sheets

- Non-current assets shrank by ¥5.46 billion compared to the end of the previous year due to factors such as the sale of investment securities
- Net assets increased by ¥2.74 billion to ¥39.56 billion compared to the end of the previous year
- Borrowings fell by ¥1.93 billion to ¥25.72 billion compared to the end of the previous year

Unit: Million yen		End of March 2026	End of December 2025	Change
	Current assets	25,131	20,676	+4,455
	Non-current assets	72,697	78,157	(5,460)
	Total assets	97,829	98,834	(1,004)
	Current liabilities	28,411	29,366	(955)
	Non-current liabilities	29,850	32,648	(2,798)
	Total liabilities	58,261	62,015	(3,754)
	Total net assets	39,567	36,818	+2,749
	Total liabilities and net assets	97,829	98,834	(1,004)
	Equity ratio	40.4%	37.3%	+3.2%pt
	Total borrowings	25,724	27,655	(1,931)

➤ Business alliance launched with Washington Hotel Corporation

We entered into a business partnership agreement with Washington Hotel Corporation on February 12, 2026 that has enabled mutual use of properties by the membership programs of both sides, as of April 1. As a result, the number of properties catering to THE FUJITA MEMBERS has grown by 43, bringing the total to 90.

This alliance provides program members with facility access that realizes greater convenience and answers diverse needs in areas such as business and tourism.

Going forward, we will continue working to enhance the Washington Hotel brand's value and drive sustainable growth for both partners.



➤ Renovation Update 1: Hotel Gracery Sapporo

➤ (work to be completed in June)

Hotel Gracery Sapporo is nearing completion of guestroom renovations for improving convenience and functionality. The project is based on the concept of enabling guests to enjoy the sights, sounds, and scents of Hokkaido's expansive natural environment, and changes include conversion of pairs of selected single rooms into twin rooms. Also, various perks are being added to enhance guest experience, such as the serving of complimentary Hokkaido-produced beverages to Executive Floor guests and members of THE FUJITA MEMBERS at the newly added guest lounge.



Deluxe twin room

Topics

➤ Renovation Update 2: Shinjuku Washington Hotel

(work completed in April)

Shinjuku Washington Hotel has opened LOUNGE - SARYO -, a new guest-only lounge designed to be a gateway providing immersive encounters with traditional Japanese aesthetics and customs. With seating for 46 guests in spaces such as a tearoom crafted from Japanese cedar, the lounge offers matcha tea prepared by the staff, self-service food and drinks, and other amenities that enhance the value of stays for members of THE FUJITA MEMBERS and other guests.



LOUNGE - SARYO -
(artist's impression)

➤ Renovation Update 3: Canal City Fukuoka Washington Hotel

(reopening in September, work to be completed in November)

Canal City Fukuoka Washington Hotel has closed its entire facility for the five months from April through August 2026 to fully renovate guestrooms and the lobby for enhanced comfort and value of stays, under the same design concept as that of the neighboring Canal City Hakata complex, "Theater of the City." It also includes functionality and safety improvements such as self check-in/check-out terminals, self-service coat checking for guests only, and card key-controlled access to elevators.



Renovated lobby evokes the vibrancy of the Hakata Gion Yamakasa festival
(artist's impression)

Operational Indicators

		2025				2026
		1Q	2Q	3Q	4Q	1Q
WHG Total	Occupancy Rate	86%	87%	85%	83%	83%
	ADR	¥16,597	¥17,821	¥16,127	¥20,095	¥18,088
WHG Tokyo	Occupancy Rate	89%	89%	84%	84%	86%
	ADR	¥18,933	¥20,237	¥17,387	¥22,794	¥20,358
WHG other than Tokyo	Occupancy Rate	83%	85%	85%	82%	79%
	ADR	¥13,029	¥14,179	¥14,311	¥15,952	¥14,376
Hotel Chinzanso Tokyo	Occupancy Rate	56%	75%	63%	80%	56%
	ADR	¥57,535	¥55,483	¥51,567	¥55,853	¥57,439
Hakone Kowakien Ten-yu	Occupancy Rate	93%	87%	89%	95%	90%
	ADR	¥54,503	¥57,992	¥55,262	¥60,255	¥53,875
Hakone Kowakien Hotel	Occupancy Rate	76%	79%	93%	83%	76%
	ADR	¥36,829	¥34,568	¥40,179	¥37,267	¥32,562
Hotel Chinzanso Tokyo	Wedding: number of ceremonies	263	444	274	600	335
	Wedding: sales per ceremony	¥4,127 thousand	¥3,980 thousand	¥3,808 thousand	¥4,182 thousand	¥4,086 thousand
	Wedding: average number of guests per ceremony	50	47	45	50	50
Hakone Kowakien Yunessun	Visitors	99 thousand people	104 thousand people	194 thousand people	105 thousand people	105 thousand people

*Operational indicator data excludes WHG Hotels franchise/management contract properties and ISORAS CIKARANG serviced apartments

List of Facilities (As of May 14, 2026)

WHG Business		Resort Business		Luxury & Banquet Business	
«Lodging facilities» 34 properties, 10,841 rooms		«Lodging facilities» 11 properties, 554 rooms		«Lodging facilities» 1 properties, 265 rooms	
■Washington Hotel (19 properties, 6,476 rooms)	■Hotel Gracery (10 properties, 3,165 rooms)	Hakone Kowakien Ten-yu	150 rooms	Hotel Chinzanso Tokyo	265 rooms
Sendai	223 rooms	Hakone Kowakien Hotel	150 rooms	«Weddings» 2 properties	
Shinjuku (Main building, ANNEX)	1,618 rooms	Hakone Kowakien Mikawayaya Ryokan	25 rooms	Remercier Motoujina (Hiroshima Pref.)	
Akihabara	366 rooms	Hakone Kowakien Miyama Furin	15 rooms	The South Harbor Resort (Hiroshima Pref.)	
Tokyo Bay Ariake	830 rooms	Ito Kowakien	50 rooms	«Leisure facilities» 1 property	
Yokohama Sakuragicho	553 rooms	Ito Ryokuyu	7 rooms	Camellia Hills Country Club (Chiba Pref.)	
Hiroshima	266 rooms	Fujino Kirameki Fuji Gotemba	25 rooms	«Restaurants» 2 properties	
Canal City, Fukuoka	422 rooms	Hakujukan, Shinzen-no-yado, Eiheji Temple	18 rooms	University of Tokyo Ito International Research Center Restaurant [MC]	
Yamagata Nanokamachi [FC]	213 rooms	Yugawara Onsen Chitose [MC]	38 rooms	Meiji University Shikonkan Foresta Chinzanso [MC]	
Yamagata Eki Nishiguchi [FC]	100 rooms	Hotel Yamanami [MC] (Yamanashi Pref.)	26 rooms		
Aizu Wakamatsu [FC]	154 rooms	Towada Hotel [Business alliance]	50 rooms		
Koriyama [FC]	184 rooms	«Restaurants» 3 properties			
Iwaki [FC]	148 rooms	Akashiatei (Akita Pref.)			
Tachikawa [FC]	170 rooms	Hakone Kowakien Soba Kihinkan			
Kisarazu [FC]	146 rooms	Hakone Kowakien Teppan Shabu Geihinkan			
Tsubame Sanjo [FC]	103 rooms	«Leisure facilities» 5 properties			
Kansai Airport [FC]	504 rooms	Hakone Kowakien Yunessun			
Kanku Izumiotsu [FC]	151 rooms	Hakone Kowakien Mori No Yu			
Takarazuka [FC]	135 rooms	Hakone Kowakien Camp & Spa Yama No Ne			
Sasebo [FC]	190 rooms	Fuji Camp Base Kirameki (within premises of Fujino Kirameki Fuji Gotemba)			
		Shimoda Aquarium			
	■Serviced apartments (1 property, 190 rooms)				
	ISORAS CIKARANG (Indonesia) 190 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.

Hotel Chinzanso Tokyo

【Data】

Location:	Bunkyo-ku, Tokyo
Site area:	49,000 m ² (roadside land price: ¥1,020,000/m ² , published by National Tax Agency on July 1, 2025)
Zoning:	Category 2 residential district as defined under the City Planning Act Bunkyo City Ordinance on Scenic Districts (15 m height restriction; designated in 1971)
Designated building coverage ratio:	60%
Designated floor area ratio:	300%

Hakone Kowakien

(Hakone Kowakien Ten-yu, Hakone Kowakien Hotel, Hakone Kowakien Yunessun, etc.)

【Data】

Location:	Hakone-machi, Ashigarashimo-gun, Kanagawa-ken
Site area:	795,000 m ² (roadside land price: ¥52,000/m ² , published by National Tax Agency on July 1, 2025)
Zoning:	Class II special zone, type C as defined under the National Parks Act *A portion is designated as accommodation service land Category 1 residential district and Category 3 tourism district as defined under the City Planning Act
Designated building coverage ratio:	National Parks Act Class II special zone, type C, 30%
Designated floor area ratio:	National Parks Act Class II special zone, type C, 90%

Company Overview

Listed exchange	Tokyo Stock Exchange Prime Market
Company name	FUJITA KANKO INC.
Stock code	9722
Share unit	Ordinary shares: 100 shares
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: 61,037,120 shares
Total number of authorized Shares	Ordinary shares: 220,000,000 shares
Fiscal term	December 31 of each year