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On **April 16 2020**, Fujita Kanko Inc. announced a revision to its earnings forecasts.

The company revised its earnings forecasts (announced February 2020) for 1H and full-year FY02/20 to “undetermined.”

#### Reason for revision

In 1H and full-year FY02/20, the company expects sales to be lower than previously forecast due to a decrease in inbound and domestic users accompanying the spread of the novel coronavirus disease and the government’s request to refrain from events and gatherings.

According to the previous forecast, the company assumed demand for travel from China to Japan would be down for approximately three months. However, the pandemic has had a more significant impact than the company anticipated in the previous forecast. Accommodations businesses continue to be affected amid the recent worldwide spread of the pandemic, and demand has decreased for banquet and wedding businesses and restaurants as well. The company revised its 1H and full-year FY12/20 forecasts to “undetermined,” citing the difficulty in making rational projections as a result of uncertainty over when the outbreak of the novel coronavirus disease will subside and the effects of government emergency measures.

#### Previous forecast (reference)

- ▷ The 1H FY12/20 company forecast was sales of JPY32.0bn (-4.8% YoY), an operating loss of JPY2.3bn (operating loss of JPY153mn in 1H FY12/19), a recurring loss of JPY2.3bn (recurring loss of JPY64mn in FY12/19), and JPY1.6bn in net loss attributable to owners of the parent (JPY131mn in net loss attributable to owners of the parent in FY12/19).
- ▷ The full-year FY12/20 company forecasts was sales of JPY71.0bn (+3.0% YoY), operating profit of JPY600mn (+114.1% YoY), recurring profit of JPY600mn (+49.6% YoY), and JPY400mn in net income attributable to owners of parent (JPY285mn in net loss attributable to owners of the parent in FY12/19).

On **the same day**, the company announced the borrowing of funds.

#### Reason for borrowing funds

In view of the business impact of the spread of the novel coronavirus disease, the company will take out a loan to increase cash on hand and stabilize group management.

#### Loan overview

- ▷ Lenders: 11 financial institutions (planned)
- ▷ Amount: JPY22.0bn (planned)
- ▷ Interest rate: Fixed interest rate
- ▷ Execution date: After April 30, 2020
- ▷ Period: Over 5 years (planned)
- ▷ Collateral: No collateral (planned)

This note is the most recent addition to the [full report](#).

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