

Report: Hotel Business Strategy Briefing and Facility Tour
Date & Time: Wednesday, January 21, 2026 | 11:30 – 12:30
Location: Henn na Hotel Premier Tokyo Asakusa Tawaramachi

Objective: To deepen institutional investors' understanding of the HIS Group's hotel business strategy through a comprehensive briefing and a guided facility tour.

【Business Briefing Highlights】

- **Pursuit of High Productivity:**

Established a high-efficiency operating model utilizing robotics and DX since its founding in 2015, strategically anticipating the labor-shrinking society.

- **Maximizing Profitability:**

In addition to brand diversification across three categories, the development of "Collaboration Rooms" has significantly increased the Average Daily Rate (ADR) by approximately 10,000 yen compared to standard rooms. This establishes a unique revenue model that maximizes sales by enhancing the "content value" of existing guest rooms without requiring physical expansion.

- **Growth Targets:**

Reaffirming the original long-term vision of "100 properties and 10 billion yen in Operating Profit," aiming to double the current operating profit levels through the "Elevation to Core Business" strategy.

【Strategic Details (By Slide)】

- **Background and Challenges (Slide 4):**

Addressing the severe labor shortage in the hotel industry through advanced operating systems that achieve high productivity.

- **Foundation and Global Overview (Slides 5–8):**

Currently operating 49 hotels/inns across 7 countries (~6,000 rooms). Core values include "Connectivity, Comfort, Advanced, Playfulness, and Productivity."

- **Brand Strategy and "Premier" Rebranding (Slides 11–18):**

Diversified into three tiers: Upscale (Premier), Mid-price (Henn na Hotel), and Economy (Express).

- **Collaboration Rooms and Experiences (Slide 19):**

Focused on "Only-one Content" value. Collaboration rooms generate significantly higher ADR (e.g., 26,000–27,000 yen vs. 17,000–18,000 yen for standard rooms).

- **DX/AI and Ancillary Revenue (Slides 20–22):**

Utilizing remote customer service for labor-saving and AI for revenue management. Expanding F&B and retail; notably, switching to in-house F&B operations at Watermark Hotel Okinawa increased the margin from 11% to 31%.

- **Marketing and Direct Sales (Slide 23):**

Maintaining a strategic guest mix (40% domestic / 60% international) and strengthening direct sales channels (SNS followers >100k, direct sales ratio >10%).

- **Future Vision (Slides 25–30):**

Leveraging multiple development models (Owned, Lease, M&A). Aiming for the "100 properties, 10 billion yen" goal, which doubles the current operating profit budget of 4.5 billion yen through thorough productivity reform.

【Q&A Session】

- **Q1. Impact of External Market Risks:**

Explained that the impact is minimal due to the focus on Free Independent Travelers (FIT). Despite pricing pressure in areas like Kansai, the company remains on track to achieve its budget.

- **Q2. AI Revenue Management:**

Currently serves as a decision-support tool for human managers; fully automated pricing is undergoing further refinement for irregular factors.

- **Q3. Collaboration Room Strategy:**

Goal is to maintain 100–120 types to enhance content value and maximize revenue per room without physical expansion.

【Facility Tour】

Demonstrated hologram check-in systems and showcased the "Calpis" Collaboration Room and the "Premier" tier rooms.

Highlighted the rooftop's competitive advantage, offering a direct view of Senso-ji Temple and local fireworks festivals.