

Business Overview

Residence Group

Dormitory Business



Safe, welcoming housing with a heartfelt “Welcome home”

Cherishing the “spirit of room-and-board” that has been passed down since our founding, we support each resident’s daily life through warm, home-style meals prepared with care and sincerity, one meal at a time, and supervision by resident managers and matrons. We provide a supportive environment where people can live with peace of mind while assisting them with their day-to-day issues in a warm and friendly manner, and we are working to create dormitories that meet the diverse lifestyles and needs that evolve with the times.

[Dormitory Business Overview]

Our core Dormitory Business operates 536 student and employee dormitories across Japan, totaling 46,147 rooms (as of March 31, 2026). In addition to furnished rooms and well-equipped common areas, student dormitories provide two meals a day (breakfast and dinner) designed under the guidance of a registered dietitian, thereby ensuring safe and comfortable living spaces. We also develop dormitories that meet diverse needs, including those for international students and concept-based dormitories.

At our employee dormitories, we employ flexible contract configurations allowing companies to lease only the rooms they require for the necessary term in accordance with their needs. We also support companies’ employee benefit systems by offering custom dormitory design and operation.

[Understanding Our Business Environment]

Strengths

Industry-leading scale and a wealth of operational experience

With a total of 536 student and employee dormitories nationwide, we hold the No. 1 market share in the industry. We have established a stable customer base of about 66,000 annual users through our partnerships with 1,766 educational institutions and 909 corporate entities.

High-quality hospitality and living environments with peace of mind

Resident managers and matrons are permanently stationed to provide warm service to residents. In addition to the warmth and peace of mind of room-and-board, facilities provide two meals a day (breakfast and dinner) designed by a registered dietitian and private furnished rooms, thereby ensuring safe and comfortable living spaces.

Facilities that accommodate forums for the promotion of exchange, learning, and growth

We hold numerous programs that promote exchange among fellow dormitory residents, such as welcome parties and seasonal events, to provide opportunities for communication. We introduced the Resident Assistant (RA) Program® to develop student leaders who advise dormitory residents and engage in event planning, operation, and other duties. We also operate a large number of dormitories for international students (273 facilities across Japan with about 5,640 residents as of March 31, 2026) through which we accumulate expertise in cross-cultural co-living.

Comprehensive handling capability for contract operation and facility management

We provide comprehensive management and operation on a contract basis for student and employee dormitories, training facilities, etc. owned by educational institutions and corporations. We offer total support that includes meals, cleaning, equipment procurement, and cost management. We provide a facility management network that covers everything from daily cleaning to statutory inspections and post-vacancy repairs and renovations based on a plan customized according to customer needs.

Challenges and Risks

- Soaring costs for construction, repairs, food, and utilities.
- Increasing difficulty in maintaining service levels due to a declining workforce and recruitment challenges.
- Intensifying price competition resulting from market entry by other industries and development firms.
- Decline in the population aged 18.
- Decreased demand due to the consolidation and elimination of schools, the relocation of campuses to city centers, etc.
- Changes in the demand structure for employee dormitories due to diversified work styles, including remote work and DX.

Opportunities

Creating wider corporate demand and expanding into new areas

We will bolster employee dormitory proposals for regional companies, handling training, placement, and transfers. We will expand into areas where we currently have no presence, and strengthen collaboration with our Hotel Business.

Addressing increasingly diverse needs

There has been an increase in international students coming to Japan and rising demand for student dormitories due to housing shortages. There has been growth in demand for employee dormitories due to increased hiring of personnel from overseas, including technical intern trainees. We will make comprehensive proposals for contractors that encompass operation/management, meals, and a safety network. We will also handle the needs and environments unique to individual regions across Japan through tailored approaches.

High-quality hospitality

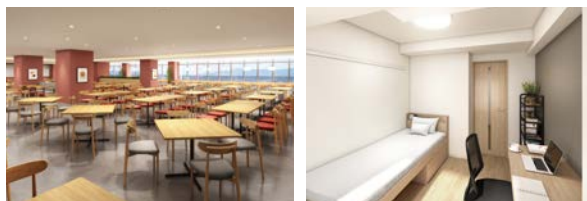
The RA Program® differentiates us from competitors and other companies in the industry through warm, home-style meals served at each dormitory. We have expectations that employee dormitories will be utilized as measures to deal with recruitment difficulties and prevent turnover.

Utilizing diverse human resources

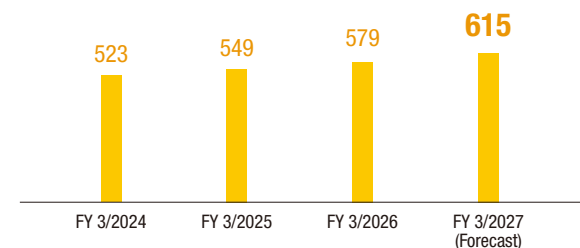
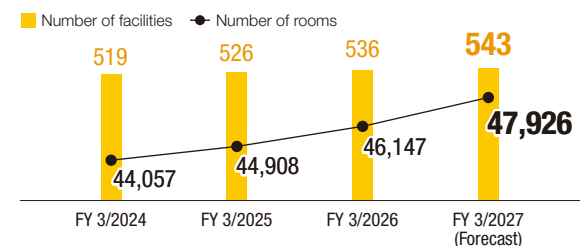
We will do our part for job creation by utilizing diverse human resources, including those in rural areas, elderly individuals, and foreign nationals.

Business Overview | **Dormitory Business****[Overview of FY 2025]**

In FY 2025, we opened 13 new properties with a total of 1,405 rooms nationwide, starting the year with a high initial occupancy rate of 97.4%. The business accurately identified the need for revising dormitory systems, driven by companies' human capital investments and strengthened recruitment, increasing the number of occupied rooms in employee dormitories by 247 over the previous fiscal year. In addition to supporting diverse learning environments, such as by opening the Dormy Sendai Kawauchi Hills student dormitory, we also focused on expanding into new markets, including the Chugoku and Shikoku regions. In terms of financial performance, sales remained strong, with net sales reaching 57,924 million yen (a year-on-year increase of 5.5%) and operating income reaching 6,194 million yen (a year-on-year increase of 1.9%) thanks to normalizing selling prices and increased occupancy. We absorbed the impact from cost inflation, including higher food and labor costs, too, through rigorous cost management and price adjustments, thus performance remained solid.

Dormy Tokai Univ. Hills 493 rooms Opened in April 2026**[FY 2026 Outlook]**

For FY 2026, we anticipate net sales of 61,510 million yen (+6.2% year on year) and operating income of 6,880 million yen (+11.1% year on year). In the current fiscal year, we plan new openings of 2,466 rooms at 15 properties nationwide, including Dormy Tokai Univ. Hills, a 493-room dormitory for Tokai University and one of the largest in the Kanto region, as well as two properties marking our first entry into Nagasaki Prefecture. We started the fiscal year with a high initial occupancy rate of 98.5% (a year-on-year increase of 1.1 percentage points). In addition, we will begin full-scale expansion of new types of Dormy properties designed to meet the diversifying needs of customers, including the reopening of a multigenerational Dormy property that conveys the appeal of Dormy to a wide range of age groups, not just students and company employees. At the same time, we will continue normalizing selling prices, addressing cost inflation, and implementing thorough cost management with the aim of stable growth through both expanding net sales and improving profit margins.

Net sales (100 million yen)**Number of facilities/rooms****Contribution to the medium-term management plan for achieving goals for 2028**

As part of the growth strategy cited in our medium-term management plan, we actively pursue the development and opening of new business sites. We will promote new openings in the vicinity of leading national universities across Japan, particularly the expansion of our market into areas where we have no locations, as we aim to establish a network of 50,000 rooms—an increase of 6,700 rooms—over five years.

For student dormitories, we will accelerate our expansion in alignment with market needs at major centers that include national universities across Japan, focusing particularly on partnership dormitories planned and developed jointly with schools. As for employee dormitories, we will strengthen development in anticipation of growing demand for high-value-added studio-type living arrangements that ensure private spaces while providing opportunities for social interaction. At our existing business sites, we will carry out large-scale renovations in our efforts to enhance common facilities such as training gyms, community lounges, and co-working spaces. In doing so, we will work to improve customer satisfaction. Moreover, in anticipation of increasingly diverse lifestyles and demographic changes, we will leverage the expertise cultivated in the Group to promote the building of a foundation for the future of Dormy where everyone from students to elderly individuals can co-exist together.

Going forward, we will continue to enforce our policy of “customers first,” work together with our business sites to practice dormitory operations that give joy to those customers, and work to fortify our relationships with them in order to further our bonds and trust.

Business Overview

Residence Group

Senior Life Business



Live the days ahead as the person you have always been.
Nursing care residences where you can live true to yourself.

By providing safe and comfortable housing, we aim to create an environment where residents can continue living their lives just as they always have. Drawing on the expertise developed through our Dormitory and Hotel Businesses, we provide a support system tailored to each resident's physical condition, helping them lead active lives every day throughout their entire lives.

[Senior Life Business Overview]

The Senior Life Business, which focuses on housing operations tailored to elderly individuals, operates a total of 15 nursing homes (1,002 rooms) for seniors. These include nine licensed paid nursing homes for seniors, one paid residential home for seniors, and five serviced housing facilities for the elderly (three of which are designated for Daily Life Long-Term Care for Persons Admitted to a Specified Facility), as well as two outpatient long-term care business sites. We aim to operate our facilities focused on the three themes of “meals, daytime activities, and sleep,” establishing a regular daily routine and working to maintain and improve daily living functions in order to help prevent and manage lifestyle-related diseases and dementia.

[Understanding Our Business Environment]

Strengths

Food and housing services developed through dormitory and hotel operations

We leverage our expertise in creating comfortable living environments and serving meals developed through the Dormitory and Hotel Businesses in expanding into housing for elderly individuals. Registered dietitians and nutritionists at headquarters and facilities work together to provide daily meals tailored to residents' health conditions, thereby helping to prevent lifestyle-related diseases and dementia.

Support focused on meals, daytime activities, and sleep

Using a unique approach that targets overall lifestyle habits, we support lifelong engagement for residents by providing health support that combines meals that encourage the joy of eating, activities that foster a sense of purpose, and high-quality sleep. We implement dementia prevention programs through learning, club activities, and hobbies.

Introduction of the use of cutting-edge monitoring systems

We have introduced system features that use AI sensors to monitor indicators such as heart rate, breathing, and falls. This ensures resident safety while simultaneously promoting the regulation of sleep rhythms through a dimmable, color-adjustable lighting system designed to mitigate disruption of their sleep. With the introduction of a facial recognition camera system, we now take action to prevent residents with dementia from wandering offsite without permission.

Diverse room configurations and operational performance

We have rolled out multiple facility configurations, including licensed paid nursing homes for seniors, paid residential homes for seniors, and serviced housing facilities for the elderly. As of March 31, 2026, we operate 15 properties with 1,002 rooms, primarily in the Tokyo metropolitan area, and have established a business foundation capable of meeting a diverse range of needs.

Challenges and Risks

- Issues with turnover and recruitment of employees at business sites.
- Increased development costs due to surging construction expenses.
- The trickiness in balancing the utilization of IoT and mechanization with human touch and care.

Opportunities

Continued growth in demand for housing and long-term care in line with the aging population

In Japan, the population aged 65 and over is estimated to reach approx. 36.77 million by 2025, with the elderly population ratio reaching 33.3% by 2036 and 38.4% by 2065. The need for serviced housing facilities for the elderly, paid nursing homes, and other such facilities will continue to grow in the future, and with it, opportunities for stable market development.

Differentiation and improved efficiency through the utilization of IT technology

With the introduction of IoT and AI sensor technology, we can now assist residents with their health management and safety in real time. We will boost our competitiveness in terms of resident satisfaction and operational efficiency.

Growing into a core business alongside dormitories and hotels

The Senior Life Business has formulated a focused business expansion plan as a prospective business. We will promote new product development, including the development of multi-generational dormitories.

Growing demand for community-based housing

There is growing interest in community-based housing that encourages exchanges with the community. Through supporting lifelong engagement, we will strengthen coordination between activities, learning, and community, and promote differentiation and improved resident satisfaction.

Business Overview | Senior Life Business

[Overview of FY 2025]

In FY 2025, we opened two new properties: Dormy Omorimachi and Dormy Oimachi Futaba. Meanwhile, due to the closure of Dormy Johoku Park in November 2025, the number of properties stood at 15, with 1,002 rooms, as of March 31, 2026 (compared to 14 properties and 890 rooms in the previous period). As a result of this business expansion, net sales reached 4 billion yen (up from 3.2 billion yen in the previous period), reflecting steady growth. For this business, we focus on creating living environments where residents can continue to staying true to themselves by making the most of the operational expertise developed through our Dormitory and Hotel Businesses. We are also continuously working to improve human resource development and workplace environments, with the aim of enhancing service quality and strengthening our organizational foundation.

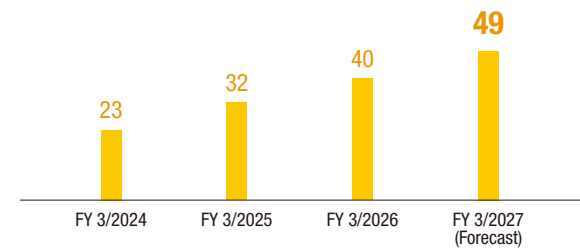
Dormy Omorimachi 80 rooms Opened in October 2025



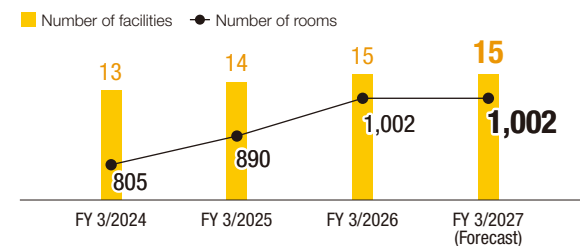
[FY 2026 Outlook]

We have positioned our Senior Life Business as a key prospective business for driving the Group's medium- to long-term growth. For FY 2026, we anticipate net sales of 4.9 billion yen (a year-on-year increase of 22.5%). While making the most of our expertise in "food and housing" developed through the operation of our Dormitory and Hotel Businesses, we are promoting the development of residences based on new concepts designed to meet a diverse range of needs, including those of elderly individuals. Specifically, with an eye toward a future transition to paid nursing homes and serviced housing facilities for the elderly, we will begin the full-scale launch of a multi-generational co-living business model that leverages the Group's business foundation, for example, by developing student dormitories capable of being converted to senior housing that comply with legal standards from the initial design stages. We will help resolve social issues through high-value-added services that support lifelong engagement for residents while working to strengthen our business foundation and improve profitability.

Net sales (100 million yen)



Number of facilities/rooms



Contribution to the medium-term management plan for achieving goals for 2028

In FY 2023, we revised our basic policy on business site development and temporarily suspended the development of paid nursing homes that we had pursued at that point, then newly reevaluated our growth strategy based on the business viability of this business. Having done that, we are currently planning the development of a new multi-generational dormitory configuration that breaks away from conventional paid nursing homes. We aim to provide a living environment where people of all ages, from students to elderly individuals, can live with peace of mind, and to establish a new business model that leverages the Group's strengths.

Meanwhile, as of March 31, 2026, our existing Senior Life Business has expanded to 15 properties and 1,002 rooms, including Dormy Omorimachi, which opened in October 2025. With this business expansion, we anticipate that all business sites developed over the past several years will achieve stable occupancy by FY 2028, with net sales generated from these sites estimated to reach the mid-5 billion yen range. Moreover, in terms of profits, we also expect to be able to make a positive contribution in FY 2027 and FY 2028.

Furthermore, by promoting the development of the multi-generational dormitories mentioned above, we will address a diverse range of needs, including those of elderly individuals, and create living environments where residents can live with peace of mind. At the same time, we aim to strengthen our revenue base and expand contribution of our Senior Life Business as outlined in the medium-term management plan.

Business Overview

Hotel Group

Dormy Inn Business

The ultimate business hotels
offering relaxing and comfortable
stays

Based on the concept of “a home away from home,” we provide a space where guests can relax just as they would at home, whether they are on a business trip or on vacation.

While carrying on the “spirit of room-and-board” developed through our Dormitory Business, we aim for hotels dedicated to comfort and coziness where guests can unwind from the fatigue of travel.

[Dormy Inn Business Overview]

The Dormy Inn Business provides hotel services to a wide range of guests, from business travelers to tourists and people traveling for pleasure. Based on the concept of “a home away from home,” we are working to enhance the value of the stay itself by not only offering comfortable guest rooms, but also rolling out unique services such as large communal baths, saunas, breakfasts featuring local specialties, and Yonaki Soba (late-night ramen).

In addition, by expanding our presence in major cities and tourist destinations nationwide, we are building a stable business foundation by capturing both business and tourism demand. In recent years, against the backdrop of a recovery in inbound tourism demand and growing demand for domestic travel, we have been working to improve the profitability of existing hotels and open new locations, in addition to practicing sustainable hotel management through the introduction of energy-efficient facilities and co-existence with local communities.

[Understanding Our Business Environment]

Strengths

Differentiated brand strategy and added value

We establish high-value-added brand positions that prioritize the customer experience.

We differentiate ourselves through unique services such as business hotels with hot springs and large communal baths, Yonaki Soba (late-night ramen), and local breakfasts.

Unique expertise and organizational culture based on synergy
with dormitory operations

We offer a unique brand of hospitality that combines the resident-centered service philosophy developed through our Dormitory Business with a warm and homely atmosphere and comfort.

Service quality achieved through human resource development

We promote human resource development that supports improved service quality on the front lines through fair and standardized personnel systems and on-the-job (OJT) training. We have a development structure in place that enables employees to develop skills with peace of mind, even without prior experience, with the introduction of training based on hierarchy and assessment-based training.

Enhanced work efficiency and improved convenience through
the promotion of DX

By focusing on reservation systems, smart check-in, and integrated database-building, we are helping to improve customer convenience, as well as our own profitability through enhanced work efficiency.

Stable customer base through multi-location expansion

We have expanded to 100 properties across Japan (as of March 31, 2026), thereby establishing a widespread customer base that spans regional cities and hot spring resort areas.

Taking advantage of a sales, recruitment, and operation framework capable of a nationwide response, we have penetrated the market and established robust competitive advantages in regional cities.

Challenges and Risks

- In addition to accommodating technological innovations such as AI and IoT, it is also crucial for us to recruit human resources and develop properties.
- Labor shortages and cost inflation are progressing due to the declining workforce.
- Economic downturns caused by trends in trade policies by various nations, exchange rate fluctuations, etc.
- Fluctuations in travel demand due to intensifying natural disasters and extreme heat.
- Intensified competition due to overseas companies entering the Japanese market.

Opportunities

Recovery and growth in inbound tourism demand

Backed by a recovery in the number of visitors to Japan following the end of the COVID-19 pandemic, we will promote a strategy for stably maintaining an inbound tourism ratio in excess of 30.0%.

Improved supply capacity through new openings and facility
enhancements

We will open locations in more regions and expand our brand variations. We are working toward the target of 20,000 rooms set forth in our medium-term management plan.

Enhanced work efficiency through DX and the introduction of
labor-saving technology

We will facilitate a balance between improving customer convenience and enhancing work efficiency through the introduction of smart check-in, automated payment machines, cleaning robots, and so forth, which will help us deal with labor shortages and improve profitability.

Strengthening organizational capabilities through human
resource strategies

Through enhanced conversion training, OJT, and flexible career path programs, we will work to retain and develop personnel, shaping a foundation for maintaining and elevating service quality.

Business Overview | Dormy Inn Business

[Overview of FY 2025]

In FY 2025, we opened 636 rooms across four new properties, including Dormy Inn Tsuruga, thereby meeting a wide range of accommodation needs, from business travel to tourism. Due to implementing thorough revenue management that effectively capitalized on robust domestic demand and an increase in inbound tourism, the average daily rate rose to 14,853 yen (a year-on-year increase of 7.7%), and the significant increase in RevPAR drove up financial performance.

On top of expanding the implementation of our smart check-in system as part of a DX strategy designed to both enhance customer convenience and improve operational efficiency, we also improved the ratio of direct reservations (27.1%), which led to reduced marketing fees. As a result, we were able to effectively offset increased costs, such as linens and labor costs, achieving significant growth in both revenue and profits: net sales reached 92,225 million yen (a year-on-year increase of 10.1%), while operating income reached 19,090 million yen (a year-on-year increase of 23.8%). We are also systematically carrying out large-scale renovation projects toward improving customer satisfaction and promoting efforts to enhance brand value and strengthen medium- to long-term profitability.

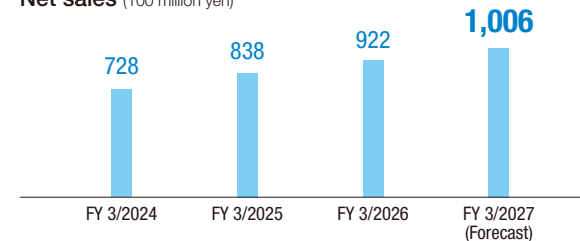
Dormy Inn Tsuruga 199 rooms Opened in March 2026



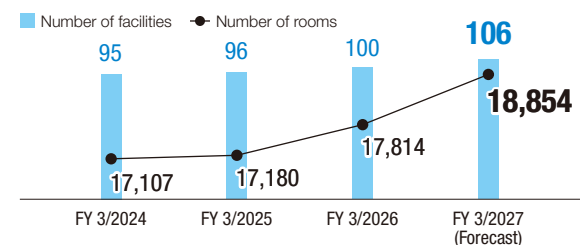
[FY 2026 Outlook]

For FY 2026, we anticipate strong growth, with net sales of 100,560 million yen and operating income of 20,660 million yen. By accurately capturing robust accommodation demand and implementing thorough revenue management through dynamic pricing, we aim to significantly improve RevPAR, thereby offsetting the rise in pre-opening and operating costs and factoring in double-digit growth. As part of our expansion strategy, we plan to open 1,040 rooms at six new properties, including Dormy Inn Naha Kenchomae, our first location in Okinawa Prefecture, thereby further expanding our nationwide network. In addition to carrying out planned large-scale renovation projects on an ongoing basis, we will work to improve both customer convenience and labor productivity through measures such as updating the Dormy's membership app and other enhancements to the membership program to normalize marketing costs, as well as the expanded implementation of the smart check-in system. This will lead to further increasing profitability.

Net sales (100 million yen)



Number of facilities/rooms



Contribution to the medium-term management plan for achieving goals for 2028

As the driving force behind the growth strategy outlined in the medium-term management plan, the Dormy Inn Business involves actively working on the development and opening of new locations, and it is already expected to achieve 100% of its target of 20,000 rooms by the final fiscal year of the plan. In addition to accelerating the expansion of Onyado Nono, a premium Japanese-style brand that leverages our dominant presence in areas with existing properties, we will also focus on developing the EXPRESS brand at new roadside locations. Through this, we aim to expand our nationwide network and achieve sustainable business growth.

We are focusing on normalizing marketing costs and improving labor productivity through DX as a core aspect of internal growth. We will work to expand functionality of the Dormy's membership app and enhance our membership program with the ultimate goal of achieving a 40% direct reservation rate. In addition, we will streamline operations by expanding the implementation of smart check-in systems and automated payment machines, etc., thereby creating an environment where frontline employees can focus on providing a high level of hospitality to our guests.

At our existing business sites, we will carry out planned large-scale renovation projects to enhance customer satisfaction and brand value. By implementing thorough revenue management that accurately captures ongoing robust domestic accommodation demand and inbound tourism, we will effectively offset cost inflation while further increasing profitability, thereby helping to achieve Group-wide medium-term targets and create sustainable value.

Business Overview

Hotel Group

Resorts Business



Tranquil resort hotels to relax the mind and body

We have combined refined spaces with simple hospitality, offering stays where guests can fully unwind. We are continuing to create Japanese-style resorts—inns evolved from room-and-board facilities where guests can experience the unique charm of each region: from scenic views and hot springs to local cuisine and a warm welcome.

[Resorts Business Overview]

In our Resorts Business, we are rolling out resort hotels and traditional Japanese-style hot spring inns at hot spring resort areas and scenic spots nationwide. Locations feature gourmet food made with seasonal, locally sourced ingredients and hot springs hospitality provided through a variety of bathing areas and free-to-use private baths, along with offering unique services such as Yonaki Soba (late-night ramen) and luxurious, relaxing spaces suited to diverse ways of traveling in the modern age. In recent years, we have been working to capture inbound tourism demand and expand our high-value-added premium brands. As a core business alongside the Dormitory and Dormy Inn Businesses, the Resorts Business has earned a high level of support among customers, particularly repeat guests.

[Understanding Our Business Environment]

Strengths

| High product appeal focused on food and hot springs

We have established a unique style of hospitality that makes guests want to return, featuring dishes made with seasonal, locally sourced ingredients, along with elegantly designed large communal baths and free-to-use private baths, etc.

| Catering to a diverse range of price points and needs

From luxurious, high-class hot spring inns to stylish resorts perfect for families and solo travelers alike, we offer a diverse range of brands suited to our guests' budgets and preferences.

| Synergy with Dormy Inn and high brand recognition

We have achieved cross-promotion by leveraging the brand power of Dormy Inn and Onyado Nono, which enjoy overwhelming support in the Business Hotel Business, and the Dormy's membership app.

| Unique style of hospitality and dominant-presence expansion

We have achieved high customer satisfaction and efficient operations by leveraging the warm hospitality originating from the "spirit of room-and-board," an ethos developed through our founding business of student and employee dormitories, and a dominant-presence strategy implemented through concentrated expansion in specific areas.

Challenges and Risks

- Severe labor shortages and rising recruitment and labor costs.
- Soaring energy, food, and construction costs.
- Fluctuations in travel demand due to natural disasters and climate change.

Opportunities

| Spread of inbound tourism demand to regional areas

International tourists are increasingly traveling outside the Golden Route (Tokyo, Kyoto, Osaka, etc.) to regional hot spring resort and vacation areas, and there is growing demand for accommodation experiences that offer a modern spin on Japan's traditional hot spring inn culture.

| Growing demand for high-value-added experiences

In addition to accommodation facilities, demand is also growing for trips that offer experiences and relaxation at the destination, with the market remaining strong for premium resort hotels that provide high-quality guest experiences.

| Enhancing the value of customer experiences through DX

By leveraging AI and IoT in optimizing operations, we are building a system that will allow employees to focus on creating contact points with customers and providing high-value-added services.

Business Overview | Resorts Business

[Overview of FY 2025]

In FY 2025, we opened a new property in Shizuoka Prefecture, La Vista Atami Terrace (239 rooms), and worked to provide a resort atmosphere that leverages the region's unique appeal. Due to strengthened revenue management, the average daily rate increased to 39,708 yen (a year-on-year increase of 3.8%). Moreover, the proportion of inbound tourism increased to 14.9%, while the proportion of direct reservations increased to 23.7%, resulting in net sales of 57,031 million yen (a year-on-year increase of 2.9%). In terms of profit, however, operating income amounted to 1,950 million yen (a year-on-year decrease of 1.11 billion yen) due to a combination of factors, including cost inflation, such as labor and cleaning costs, upfront expenses incurred through new openings, and the impact of large-scale renovations undertaken in anticipation of the future. Even under these circumstances, we worked to normalize selling prices to reflect the value we provide and to improve our cost structure, while at the same time striving to further capture inbound tourism demand and enhance service quality, thereby strengthening our business foundation for future growth.

La Vista Atami Terrace 239 rooms Opened in March 2026

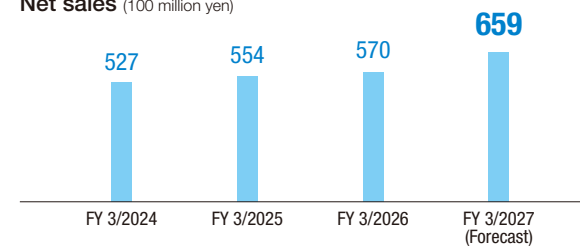


[FY 2026 Outlook]

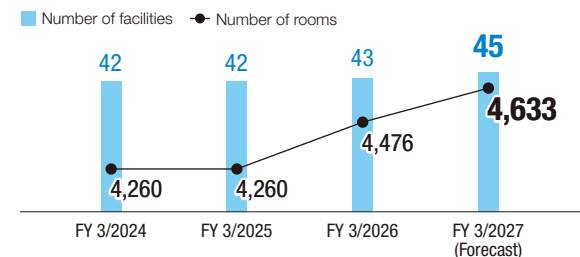
For FY 2026, we anticipate significant growth in both revenue and profits, with net sales of 65,880 million yen and operating income of 3,000 million yen. Against the backdrop of continued robust accommodation demand, including inbound tourism, we will strive to increase RevPAR and achieve steady improvements in profitability by normalizing selling prices to reflect the value we provide and implementing thorough revenue management. During the current fiscal year, we plan new openings of two properties with 157 rooms: Kyoto Omuro Kadensho, the latest addition to the Kadensho brand, as well as La Vista Minami-Aso, our first location in Kumamoto Prefecture. We will continue to actively expand into appealing tourist destinations throughout Japan.

In addition, we will carry out planned large-scale renovations to further enhance customer satisfaction, alongside working to maintain and improve brand value. In addition to effectively offsetting cost inflation, such as linens and cleaning costs, we will capture diverse domestic and overseas accommodation needs toward strengthening our revenue base.

Net sales (100 million yen)



Number of facilities/rooms



Contribution to the medium-term management plan for achieving goals for 2028

As a key element of our medium-term management plan, our Resorts Business involves continued efforts to open new locations at popular and renowned hot springs resorts and scenic spots both in Japan and overseas. We have already achieved 84% of our target of 5,500 rooms for the final fiscal year of the plan. In terms of development, we will adopt strategic development approaches as a way of addressing soaring construction costs and other issues, including renovating existing properties and utilizing mobility houses. With this, we aim to further accelerate our pace of development and achieve sustainable expansion.

Moreover, we aim to attract new members and enhance services for repeat customers by providing extra content on the Dormy's membership app and improving usability of the app, thereby aiming toward normalizing marketing fees and ultimately achieving a 40% direct reservation rate. Furthermore, we will encourage "bath-hopping" around our facilities nationwide as a way of maximizing brand value.

At our existing business sites, we will carry out planned large-scale renovations in our efforts to enhance both customer satisfaction and brand value. Going forward, we will continue to provide our unique brand of "Japanese relaxation" to meet the diverse accommodation needs of guests both in Japan and overseas, thereby contributing to the sustainable creation of value Group-wide and achievement of our medium-term management plan.