

[Provisional Translation Only]

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System Integration of Ichigo's PROPERA AI-Based Hotel Revenue Management System and CLIPS' Neppan!++ System

Ichigo and CLIPS Corporation have agreed to integrate Ichigo's PROPERA AI-based hotel revenue management system and CLIPS' Neppan!++ system.

1. PROPERA Overview

Ichigo developed PROPERA, an AI (artificial intelligence)-based hotel revenue management system that calculates the optimal pricing for hotel rooms in order to maximize hotel operator revenues. PROPERA identifies optimal pricing based on multivariate statistical analysis of 365 days of historical data and the use of machine learning, and can flexibly respond to changes in market conditions.

At its own hotels, Ichigo has developed revenue management know-how that has increased annual revenues by 10% to 40%. This accumulated expertise forms the basis of PROPERA, which is now being rolled out to third-party hotel operators after having been tested at hotels owned by Ichigo and Ichigo Hotel (3463).

PROPERA will drive competitiveness of hotels by maximizing hotel earnings and increasing productivity.

Please see PROPERA's website for more detailed information about this AI-based hotel revenue management system: propera.me (Japanese only)

2. Neppan!++ Overview

Neppan!++ is a channel management system, provided by CLIPS Corporation, that integrates and coordinates information across multiple online distribution channels and allows for timely access to hotel reservation information.

3. System Integration Rationale

Following on from the system integration with Temairazu, announced in the November 1, 2019 release "System Integration of Ichigo's PROPERA AI-Based Hotel Revenue Management System and Temairazu's Hotel Booking System," this system integration with Neppan!++ will allow for PROPERA to be deployed at a larger number of hotels.

Hotel operators will be able to maximize revenue and increase operational efficiency by sharing PROPERA's hotel room pricing and vacancy information with online travel agents via Neppan!++.

4. CLIPS Company Overview

Name	CLIPS Corporation
Main Business	Development and provision of cloud-based channel management system, Neppan! ++ www.neppan.com (Japanese only)
Address	2-29-15 Abuminishi, Chuo-ku, Niigata City
Representative	Hironori Abe, Representative Director

5. Earnings Outlook

Although this system integration has minimal impact on Ichigo's FY22/2 earnings, it is expected to support higher earnings and operational efficiency of hotel operators, and contribute to a broader earnings base for Ichigo.