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## “Albergo Diffuso”-style Tourism Breathes New Life into Rural Communities



Rows of old wooden buildings line the backstreets of Tomonoura, Hiroshima Prefecture.  
©Japan Heritage Tomonoura Regional Promotion Council

A relatively new trend is taking root in Japan’s hospitality industry: “Albergo Diffuso,” literally meaning “scattered hotel.” This Italian concept moves away from the traditional single-building hotel model toward a more decentralized layout, with guest rooms, dining areas, and reception scattered across separate properties within the local community. In most cases, a town or village is treated as the entire hotel, turning it into a different kind of accommodation experience by inviting guests to



navigate the streets, visit local attractions, and interact with the locals.

This scattered hotel concept represents a model for sustainable tourism. It reduces environmental impact, as it requires no construction of new buildings; instead, old structures are repurposed to preserve the original historical features, designs, and local culture.

This issue of Japan Tourism Spotlight features four areas showcasing the Japanese version of the Albergo Diffuso concept, allowing guests to stay and savor the local charm, history, and traditions of Japan’s lesser-known destinations.

## Index

1. [Re-engaging Visitors with a Tokaido Post Town by Lake Biwa](#)
2. [Historic Hot Spring Town of Yunotsu, Shimane Rejuvenated](#)
3. [Maritime Heritage of Tomonoura Kept Alive by Locals](#)
4. [Staying in a Toyama Fishing Port Town “As If You Lived There”](#)

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## 1. Re-engaging tourists with former post town by Lake Biwa



Located on the southern shore of Lake Biwa in Shiga Prefecture, Otsu developed as a major post town on the Tokaido historic route linking Edo (now Tokyo) and Kyoto. Over time, changes in transportation and population patterns led to declining activity in parts of the city’s traditional shopping districts, with many storefronts left unused. Hotel Koo was created in response, using

hospitality to re-engage visitors with the town itself rather than concentrating activity within a single hotel building.

Opened in 2018, Hotel Koo operates across multiple renovated merchant townhouses in and around Otsu's Nakamachi shopping district. The guest rooms retain original structural elements, such as wooden beams and traditional layouts, while incorporating modern heating, soundproofing, baths, and kitchens where applicable. Some accommodations are designed for longer stays or group travel, allowing guests to use the space much like a private residence.



Each room features high-end mattresses and bedding and furniture curated from noted designers, blending historic architecture with well-appointed interiors that differ from room to room. Some spaces feature open ceilings that reveal original beams and natural light, garden views created by accomplished designers, or comfortable lounges with iconic chairs and sofas, giving guests varied atmospheres that reflect both the streets outside and thoughtful interior design.

The food experience is rooted in Otsu's local restaurants rather than a large on-site hotel kitchen. Guests are encouraged to explore the city's many eateries for lunch and dinner. Local options include traditional Japanese cuisine like oden and grilled eel offered by neighborhood restaurants and pubs, reflecting the region's broader food culture that sources freshwater and seasonal ingredients from around Lake Biwa. On site, there are relaxing guest lounges that offer complimentary coffee, herbal tea, and snacks throughout the day, along with aperitif service in the early evening.



Oden being cooked at a local noodle shop (left) and a traditional lantern workshop near the hotel.

In addition to dining and shopping within the Nakamachi and surrounding arcades, visitors can reach major cultural sites, such as Miidera Temple and Hieizan Enryakuji Temple, via local transit. A free guided walking tour of the shopping district, which takes about an hour, introduces Otsu's history as a post town, the role of the Tokaido, and the merchants who continue to operate there. These experiences are designed to make the surrounding streets a part of the stay rather than a backdrop.

A portion of each stay contributes to Hotel Koo's "stay funding" program, which returns revenue to the local community for maintenance, events, and area improvements. This system, the first one launched in Japan, is presented transparently to guests and is positioned as part of the lodging experience, reinforcing the connection between staying overnight and supporting the surrounding neighborhood. The name "koo" reflects this cooperative structure, referencing traditional mutual-aid groups in Japan that once existed.

[Hotel Koo Otsu Hyakucho](#)

## 2. Historic hot spring town of Yunotsu in Shimane rejuvenated



Nestled in a small, quiet inlet along the rugged coast of Shimane Prefecture by the Sea of Japan, Yunotsu Onsen is a historic hot spring town that once served as an economic artery. Now part of Oda City, this area was the primary port for transporting silver from the Iwami Ginzan Silver Mine from the late 16th to the 19th century. It was designated an "Important Preservation District for Groups of Traditional Buildings" in 2004, the only hot spring town in Japan to receive such recognition.

The Albergo Diffuso concept is slowly taking root in the town, transforming scattered historic buildings into a cohesive hospitality network. Ohmi Masako, a native of the nearby rural Shimane town of Gotsu, was living in Tokyo with her husband and children before the family

resettled in Yunotsu in 2013. Ohmi, who had no previous experience in the hospitality business, now runs eight guesthouses in this town.



©HĪSOM

As Ohmi fell in love with the local culture and ways of living, she renovated one of the old houses in a hidden village in the Hiso district, preserving its charming exterior while outfitting it with modern facilities. The first guesthouse, HĪSOM, which opened in 2019 under the concept of embracing a slow, relaxed, and spiritually fulfilling way of life among nature and community, can accommodate medium- to long-term guests. Ohmi's company WATOWA has since renovated several more properties into lodgings — including four rental vacation house-type accommodations — with hopes to help preserve local life and culture through the endeavor. Her efforts created a ripple effect, attracting others to settle in the area and start their businesses.

Dining experiences feature locally sourced seasonal ingredients from the surrounding mountains and the Sea of Japan. As the guesthouses are integrated into the town's fabric, the boundary between the hotels and the town is blurred, creating a sense of belongingness and connection with the community. In WATOWA Kitchen, a shared kitchen attached to the dormitory WATOWA run by Ohmi's company, traveling cooks from around the country take turns staying here and opening their pop-up restaurants.



Among the traditions that foster cultural immersion in Yunotsu is the Iwami Kagura dance performance, featuring ornate costumes, masks, and rhythmic music that tell ancient myths. Some of the historic public baths in the town are still operational, offering visitors a glimpse of Japan's bathing culture. The town's pottery village and museum are also major attractions, featuring one of the largest climbing kilns in Japan.

[HĪSOM](#)

[WATOWA \(in Japanese\)](#)

[Yunotsu Walking Map \(information as of 2024\)](#)

### 3. Maritime heritage of Tomonoura kept alive by the locals



©Japan Heritage Tomonoura Regional Promotion Council

Tomonoura is a historic port town in Hiroshima Prefecture, set along the calm waters of the Seto Inland Sea. With buildings and town structures dating back hundreds of years, it is regarded as one of Japan's oldest port towns. Today, the town preserves its maritime heritage while welcoming visitors through the scattered hotel approach, where accommodations and services are woven into the existing townscape.

Residents and students have played a central role in sustaining Tomonoura. About 30 years ago, community members began organizing efforts to rediscover and protect the town's appeal rather than allow it to fade. These initiatives expanded into restoring old houses, preserving streets and views, encouraging new residents, and proposing new forms of travel rooted in everyday life. In recent years, Tomonoura's preserved streetscape and cultural value have been recognized through its designation as a Japan Heritage site.

For travelers, the decentralized hotel model here is nicely woven into this historic town. One example is Onfunayado Iroha, a restored 220-year-old former fish merchant's house transformed into a unique inn near the waterfront. Filmmaker Miyazaki Hayao — whose 2008 film "Ponyo on the Cliff by the Sea" is said to have been inspired by the scenery and townscape of Tomonoura — contributed innovative sketches that guided Iroha's renovation, which preserves original Edo-period (1603-1868) beams coexisting with retro stained glass, infusing

the historic building with warm, nostalgic color. It has retained traditional architectural elements such as wooden beams and traditional finishes, while adapting the space for modern stays.



Onfunayado Iroha

Another accommodation, the Shiomachi Hotel, restores centuries-old merchant houses and townhouses. Modern comforts are provided for guests without compromising the authentic dignity of the original structure's essence. One of the four types of accommodation being offered is a Taisho-era (1912-1926) two-story wooden townhouse that preserves the nostalgic atmosphere, perfect for visitors seeking a private, unpretentious, immersive stay. There is also a more spacious, luxurious villa-type accommodation with a private garden-view veranda, full kitchen, and Japanese cypress bath. The overall essence is that guests can experience a rare type of stay with a refined calm, quietly blending into this historic port town.



Shiomachi Hotel (left) and the Joyato historic stone lighthouse

Regarding activities, sea kayaking lets you feel the area from another perspective, with views of Bandaiji Kannon-do, a small temple perched high above the water. It is a hidden spot only approachable from the sea, and paddling there gives visitors a full sense of the connection between Tomonoura and the sea that has shaped its history. Also, visitors can walk within cultural properties and scenic viewpoints to get a sense of how preservation allows cultural assets to remain part of everyday life.

[About Tomonoura](#)  
[Shiomachi Hotel](#)

#### 4. Staying in a Toyama fishing port town “as if you lived there”



©Albergo Diffuso Shinminato Foundation

Lying along the coastlines of Toyama Bay, where deep waters meet the alpine mountains of Tateyama, Shinminato is a maritime hub that shaped Toyama Prefecture’s history. Located within Imizu City, this town once thrived as a port for Kitamae-bune (merchant ships), which sailed the Osaka-Hokkaido sea trade route from the 17th to the 19th century. These ships carried goods and people, as well as cultural influences from different parts of Japan, making the town a bustling center of commerce and culture.

Shinminato has also been a fisheries community since ancient times. Fishing and seafood processing remain core industries as local fishermen haul seafood caught in the nutrient-rich waters of Toyama Bay and the Sea of Japan. The area around the Uchikawa River canal is dubbed the “Venice of Japan” because of the canal bisecting the district and the quiet, retro charm of the old merchant houses.



©Albergo Diffuso Shinminato Foundation

However, depopulation, vacant properties, and aging buildings are affecting Shinminato today. To breathe new life into the town and preserve the architectural heritage, the scattered hotel concept was introduced by Albergo Diffuso Shinminato, a community development organization. They describe the initiative as a “challenge to connect the charm of Shinminato to the future.”

True to the concept, several vacant properties in the area have been renovated into high-quality accommodation facilities, where traditional designs are preserved while offering modern-day comforts. A 90-year-old house near the town’s main shrine has been converted into an inn abundantly using local cedar wood for the interior, while a renovated 100-year-old mansion in the port district features Japanese gardens enabling visitors to enjoy changing seasons and sea breezes. An Italian fusion restaurant featuring local seafood and a casual-style French bistro are renovated houses, each more than 80 years old.

For an immersive experience, visitors are encouraged to walk the streets and visit local shops and temples, check the historical buildings, or watch the local fishermen return from the sea early in the morning. This way, the history and lifestyle of the harbor town can be experienced by the guests “as if they actually live there.”

As a seafood capital, the culinary experience is the core feature of the stay. Guests can savor the seasonal bounties of Toyama Bay, including white shrimp, firefly squid, and the famous red snow crab. From April to October, a tour is organized for a rare chance to get aboard a fishing boat early in the morning and observe white shrimp fishing up close. Other activities include a boat tour through the Uchikawa Canal. In October, the streets come alive for the Shinminato Hojozu Hikiyama Festival, a UNESCO intangible cultural heritage, as ornate floats parade around the town.

[Albergo Diffuso Shinminato](#)  
[Shinminato sightseeing cruise](#)

## Albergo Diffuso style suits Japan’s tourism landscape



© Albergo Diffuso Shinminato Foundation

When Ishimaru Yoshio, president of the operator of Albergo Diffuso Shinminato, returned to his hometown after working overseas for 40 years in the international trading business, he was shocked to find that it was facing depopulation, and its once-familiar streets had become dotted with vacant houses. Ishimaru, who spent much of his adult life in Europe, had always thought that Shinminato, with its seafood culture and festival-loving devout residents, reminded him of Italy. So he came up with the idea of revitalizing the local community in an Italian way.

Ishimaru happened to know the leader of a scattered hotel project in Yakage, Okayama Prefecture, which in 2018 became the first case in Japan to be certified as an Albergo

Diffuso town by the Italian organization overseeing the concept worldwide. He then contacted [Albergo Diffuso International](#) and submitted his plan for a “stay as if you lived there” project in Shinminato. After its president, Giancarlo Dall’Ara, paid a visit to Shinminato in 2023, the project — with a motto “Of the local, by the local, for the local” — got under way.

While the project that he launched with fellow townspeople has just begun, Ishimaru sees great potential for Albergo Diffuso-style tourism in rural Japan. In particular, he believes that the rich natural scenery and traditional culture of rural towns and villages resonate with Western tourists visiting Japan.

What’s important in pursuing Albergo Diffuso-style tourism, Ishimaru says, is to respect the distinctive culture and history of each area. A key concept of Albergo Diffuso is “from concentration to decentralization,” and Japan used to be a nation comprising more than 300 domains across the country, each with its distinct tradition, history, natural features, and food culture. “I believe that Albergo Diffuso is a tourism style that can spread and take root in Japan, where each of the regional communities lives in harmony with nature, has basic infrastructure, and boasts diverse food cultures of its own — precious assets that must be attractive to tourists from around the world,” he said.

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