

FOR IMMEDIATE RELEASE

Company Name: Polaris Holdings Co., Ltd.
Representative: Takahiro Tsujikawa
President & CEO
Stock Listing: Tokyo Stock Exchange, Standard Section
Stock Code: 3010
Inquiries: Takashi Handa
Director and CFO
(TEL: 03-5822-3010)

Polaris to Further Expand its Portfolio and Will Manage New Hotel in Central Tokyo

Polaris Holdings Co., Ltd. (hereinafter “Polaris” or the “Company”) announced today that Fino Hotels Co., Ltd., a subsidiary of the Company, resolved to execute a Memorandum of Understanding (hereinafter the “MOU”) with Star Asia Management LLC (“SAM LLC”), the Company of the parent company group “Star Asia Group”, to conclude a hotel management agreement (hereinafter the “Hotel Management Agreement”) for a new hotel property (hereinafter the “Property”) to be constructed in Taito-ku, Tokyo.

1. Execution of the MOU

(1) Background leading to the execution of the MOU

Star Asia Group plans to acquire the Property which is scheduled to be constructed in the Ueno / Okachimachi area in Taito-ku, Central Tokyo. As agreed in the MOU executed with Star Asia Group, upon completion of the Property, Polaris and Star Asia Group will finalize the Hotel Management Agreement and Polaris Group will commence the hotel operation of the Property. The conclusion of the MOU will further enhance synergies from collaboration with Star Asia Group in the ecosystem following on from the new hotel to be managed under the “KOKO HOTEL Residence” brand in central Kyoto City which was announced on August 28, 2024,

In its continuing efforts to expand its operating platform based on the growth strategy formulated in the medium-term management plan, Polaris Group has been proactively undertaking new hotel management projects from both Star Asia Group and third-party hotel owners. The Polaris Group now has increased the number of rooms under management from 3,109 to 9,010 from March 31, 2020 to present, including this hotel, further expanding Polaris’ hotel management platform.

The Company plans to operate the Property under a fee-based management contract and believes that this new operation opportunity will not only further lower the break-even point of Polaris Group's business but also continue to improve its earnings, ROE, and shareholder value.

The Property is a five-minute walk from Shin-Okachimachi Station, served by the Toei Oedo Line and Tsukuba Express, and is conveniently located with easy access to sightseeing spots such as Ueno and Asakusa. The Property will be operated as an apartment-type hotel under the “KOKO HOTEL Residence” brand, and together with “KOKO HOTEL Residence Asakusa Kappabashi” and “KOKO HOTEL Residence Asakusa Tawaramachi,” operated by Polaris Group, will further achieve economies of scale and operational efficiency, expand Polaris Group's portfolio, and improve brand recognition of Polaris Group's proprietary brand “KOKO HOTEL.

(2) Overview of the Property

Hotel Name	Location	Number of rooms
KOKO HOTEL Residence Ueno Shin-Okachimachi (tentative)	3-chome, Taito, Taito-ku, Tokyo	52 rooms (planned)

(3) Overview of SAM LLC

i. Name	Star Asia Management LLC	
ii. Location	251 Little Falls Drive, Wilmington, County of New Castle, Delaware 19808, USA	
iii. Name and title of representative	Director: Malcolm F. MacLean IV, Taro Masuyama	
iv. Business Description	Investment advisory business and investment management business	
v. Capital stock	US\$50,000	
vi. Date of establishment	December 18, 2019.	
vii. Major shareholders and their shareholding ratios	Star Asia Group LLC (100%)	
viii. Relationship between Polaris and the company in question	Capital ties	SAM LLC has no direct capital relationship with Polaris, but it is a subsidiary of Polaris's parent company.
	Personal Relations	Malcolm F. MacLean IV and Taro Masuyama, who are Directors of Polaris are also Directors of SAM LLC. In addition, two members of Star Asia Group, the parent company group, have also been appointed as directors of Polaris.
	Business Relationship	Polaris and SAM LLC have entered into a business alliance agreement and have formed a business partnership.
	Status as a related party	As the parent company of Polaris and SAM LLC are the same, SAM LLC is a related party of Polaris.

2. Schedule (Planned)

i. Execution of the MOU	September 25, 2024
ii. Execution of the Hotel Management Agreement	Fall 2027 (planned)
iii. Start of Hotel Operation	Fall 2027 (planned)

3. Outlook

With the execution of the MOU, the parties will discuss to conclude the definitive Hotel Management Agreement for the Property. Since the Property is scheduled to begin operations in Fall 2027, the execution of the MOU will have no impact on the current fiscal year's financial results. If any matter requiring disclosure arises in the future, the Company will promptly announce it.

Reference

List of the new hotels to be operated by Polaris Group

Hotel Name	Location	Number of rooms	Start of Hotel Operation
KOKO HOTEL Residence Kyoto (tentative)	Kyoto city, Kyoto	Undisclosed	December, 2024 - January, 2025
KOKO HOTEL Osaka Nipponbashi Nanba (tentative)	1-chome, Sennichimae, Chuo-ku, Osaka city, Osaka	320 rooms	Spring 2025
KOKO HOTEL Kaihin Makuhari (tentative)	2-chome, Hibino, Mihama-ku, Chiba city, Chiba	301 rooms	Spring 2026
KOKO HOTEL Naha Maejima	3-chome, Maejima, Naha city, Okinawa	132 rooms	Spring 2027
<u>KOKO HOTEL Residence Ueno Shin-Okachimachi (tentative)</u>	<u>3-chome, Taito, Taito-ku, Tokyo</u>	<u>52 rooms</u>	<u>Fall 2027</u>

* The hotels to be opened listed above are based on current plans and subject to change in the future.

End

NOTE: This is an English translation summary of the Company's announcement in Japanese. No assurances or warranties are given for completeness or accuracy of this English translation summary.