

FOR IMMEDIATE RELEASE

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President & CEO
Stock Listing: Tokyo Stock Exchange, Standard Section
Stock Code: 3010
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Polaris to Operate Additional Hotel in Central Nagoya City

Polaris Holdings Co., Ltd. (hereinafter the “Polaris” or the “Company”) announced today that Fino Hotels Co., Ltd. (hereinafter the “Fino Hotels”), a subsidiary of the Company, executed a fixed-term building lease agreement (hereafter the “Lease Agreement”) and will commence the management of the hotel” Best Western PLUS Nagoya Sakae” (hereinafter the “Hotel”) in Naka-ku, Nagoya City, Aichi Prefecture from the spring of 2024.

1. Reasons for New Lease Agreement Concluded with Third-party Owner

Polaris is pleased to announce that a new third-party hotel owner has entered into a variable-rent lease agreement, with a fixed rent portion, for the Hotel located in Naka-ku, Nagoya City. The owner highly valued Polaris Group's hotel operation performance, its growth potential, as well as Polaris’ strong and longstanding relationship with the Best Western group. This agreement will further help to build on one of the key growth strategies of Polaris—increasing the number of hotels managed under either fee-based or variable-rent lease agreements, both of which help lower the overall break-even point and drive further profitability for the Company.

The Hotel had formerly been operated by Polaris Group as the “Best Western Hotel Nagoya” until December 2021 from an owner at that time, and upon Polaris Group newly selected as a hotel operator for the Hotel again this time, the Hotel is beginning large-scale renovation work focusing on significantly improving guest rooms, common areas such as the lobby, and restaurants all to further enhance the product value. The renovated hotel will now be reopened as a “Best Western PLUS”, one of the higher-priced brands in the “Best Western” collection.

The Hotel is conveniently located in the Sakae area, one of Nagoya’s toniest areas and is conveniently situated for both business and leisure guests. The Sakae area is home to many large office and commercial facilities, as well as popular tourist spots such as Hisaya Odori Park, MIRAI TOWER, and Oasis 21. All of these attractions, plus some of the best shopping in the city, are all located within

walking distance of the Hotel.

The Hotel rooms are quite spacious, with an average size of 21 square meters and they are designed to accommodate leisure demand, including inbound travelers. In addition, by further leveraging the global strengths of the "Best Western" brand recognition and sales network, Polaris aims to maximize revenues by attracting inbound guests, who we expect to see considerable growth into the future.

Lastly, the Hotel will be the second hotel that the Polaris Group operates in Nagoya. Polaris already operates the "KOKO HOTEL Nagoya Sakae" and can now further realize and strengthen economies of scale in terms for both sales and costs.

The number of rooms under management is expected to reach 8,955 (including hotels to be managed) after the Hotel begins its operation, which will enhance for further expansion of the management platform and continued growth of the Group into the future.

2. Outline of the Hotel

(i) Hotel Name	Best Western PLUS Nagoya Sakae
(ii) Location	4-6-1 Sakae, Naka-ku, Nagoya-Shi, Aichi 460-0008 Japan
(iii) Property Summary	Fourteen-stories / One basement floor
(iv) Number of rooms	143 rooms

3. Outline of the Lease Agreement

(i) Agreement Term	February 15,2024 – February 14, 2044
(ii) Total lease payments	The total amount of rent payments is expected to exceed the amount equivalent to 30% of the Company's consolidated net assets for the previous fiscal year. However, since the rent under the Lease Agreement are structured as a combination of fixed rent and variable rent determined based on the performance of the hotel operation, it is difficult to reasonably predict the specific amount, so the Company refrains from disclosing this information.

4. Outline of the Counterparty

(i) Name	Sakai Shoji Co., Ltd.	
(ii) Location	2-27-8 Meieki, Nishi-ku, Nagoya-shi, Aichi 451-0045 Japan	
(iii) Name and title of representative	Koji Sakai, President and Representative Director	
(iv) Business Description	Real estate business	
(v) Capital stock	JPY 10 million	
(vi) Date of establishment	December 1,1971	
(vii) Net Assets	JPY 358 million	
(viii) Total Assets	JPY 7,426 million	
(ix) Relationship between Polaris and the company in question	Capital ties	There are no relationships to be specifically noted
	Personal Relations	There are no relationships to be specifically noted.
	Business Relationship	There are no relationships to be specifically noted.
	Status as a related party	The counterparty does not fall under the category of related party.

5. Outline of Fino Hotels Co., Ltd.

(i) Name	Fino Hotels Co., Ltd.
(ii) Location	1-12-3, Iwamotocho, Chiyoda-ku, Tokyo 101-0032, Japan
(iii) Title and name of the representative	Shigeru Takakura, President and Representative Director
(iv) Business	Hotel operation
(v) Capital stock	JPY 10 million

6. Schedule

(i) Date of execution of Lease Agreement	October 31, 2023
(ii) Start of Lease Agreement	February 15, 2024
(iii) Start of hotel operation	Spring 2024

7. Outlook

The impact of the execution of the Lease Agreement on the current fiscal year's business performance is minimal, as the Lease Agreement is scheduled to start from February 2024.

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.

(Reference) Image Design

Lobby



Restaurant



Guest Room (Double)



Guest Room (Twin)

