

FOR IMMEDIATE RELEASE

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Polaris Executes Agreement
to Operate New Hotel with Additional Rooms in Central Osaka City

Polaris Holdings Co., Ltd. (hereinafter the “Polaris” or the “Company”) announced today that Fino Hotels Co., Ltd. (hereinafter “Fino Hotels”), a subsidiary of Polaris, executed a Memorandum of Understanding (hereinafter the “MOU”) to amend the hotel management agreement (hereinafter the “Management Agreement”, as described in the announcement of “Polaris Executes Management Agreement for New Hotel in Osaka City” dated August 29, 2023). The hotel is a new select-service hotel (hereinafter the “Main Hotel”) will be constructed in the heart of Osaka City with an increase in the number of rooms to be managed for the subject project.

1. Reasons for the execution of the MOU

Polaris Group has executed the Management Agreement with a third-party hotel owner (hereinafter the “Owner”) in August 2023, and is scheduled to start managing the Main Hotel in the spring of 2025 to further expand its management platform consistent with its growth strategy. The Owner had been planning to expand and create additional hotel space near the Main Hotel, and after discussions between the Owner and Polaris Group regarding the management of the subject additional hotel (hereinafter the “Annex Hotel”, collectively with the Main Hotel, the “Hotel”), the Company is pleased to announce that Fino Hotels has been successfully entrusted with the management of the Annex Hotel in addition to the Main Hotel.

The Annex Hotel will have 65 rooms in total and will be managed collectively with the Main Hotel bringing the total number of rooms in the complex to 320, resulting in more efficient and profitable hotel operations that further strengthen and enhance the operating economies of scale.

The Annex Hotel will operate in a similar style to the “KOKO HOTEL Residence”, a sub-brand of the “KOKO HOTEL” brand that Polaris Group currently manages two hotels in the Asakusa area of Tokyo. The rooms are planned to accommodate 4 to 6 people and are equipped with a mini-kitchen, refrigerator, washer/dryer, tableware, dining table, etc., making them suitable for families and mid- to long-term stays, and will enable the Company to capture the expected inbound demand growth in the Osaka area more broadly. Furthermore, the Annex Hotel will be the first hotel outside of Tokyo to operate in line with the “KOKO HOTEL Residence” concept, and the opening of The Annex Hotel is expected to help lead to greater recognition of the subject sub-brand.

The number of rooms operated by Polaris Group is expected to reach 8,525 (including the number of rooms planned to be managed) after

the Hotel is launched, allowing for further expansion of the management platform, expansion of the "KOKO HOTEL" sub-brand, and continued growth of the Group for the future.

2. Outline of the Annex Hotel

i. Hotel Name	KOKO HOTEL Osaka Nippombashi Namba Annex (tentative)
ii. Location	Sennichimae 1-chome, Chuo-ku, Osaka-shi, Osaka, Japan
iii. Property Summary	Reinforced concrete, 14 floors (planned)
iv. Number of rooms	65 rooms (planned)

3. Outline of the Counterparty

i. Name	Consent for disclosure has not been obtained from the Counterparty and will not be disclosed.	
ii. Relationship between the Company and the Counterparty	Capital relationship	There are no relationships worthy of special mention.
	Human relationship	There are no relationships worthy of special mention.
	Business relationship	There are no relationships worthy of special mention.
	Whether this company is a related party	There are no relationships worthy of special mention.

4. Outline of Fino Hotels

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 & CEO
iv. Business	Hotel operation
v. Capital stock	10 million yen

5. Schedule

i. Date of execution	November 30, 2023
ii. Start of Operation	Spring, 2025 (planned)

6. Outlook

Since the Main Hotel and the Annex Hotel are scheduled to commence its operation in the spring of 2025, the execution of the MOU will have no impact on the Consolidated Financial Forecast for the Fiscal Year Ending March 31, 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.