

FOR IMMEDIATE RELEASE

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Stock Code: 3010
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**Polaris Continues to Grow Rooms Under Management and
Will Operate Additional Hotel in Kyoto City**

Polaris Holdings Co., Ltd. (hereinafter “Polaris” or the “Company”) announced today that Fino Hotels Co., Ltd. (hereinafter “Fino Hotels”), a subsidiary of the Company, resolved to execute a Memorandum of Understanding for Hotel Management (hereinafter the “MOU”) regarding operating a hotel property in Kyoto city (hereinafter the “Property”) with Star Asia Management LLC (hereinafter “SAMLLC”), the Company of the parent company group “Star Asia Group”. The Property will be newly acquired by Star Asia Group.

1. Execution of the MOU

(1) Background leading to the execution of the MOU

Star Asia Group plans to acquire the Property located in the center of Kyoto City, and the Company has decided to execute an MOU with Star Asia Group in order to execute a hotel management agreement that will make Polaris Group the hotel operator of the Property. The execution of the MOU will further enhance synergies through collaboration in the ecosystem with Star Asia Group.

To further 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 and has now increased the number of rooms under management from 3,109 to 8,657 from March 31, 2020 to April 30, 2024. Upon the execution of the hotel management agreement of the Property, Polaris’s management platform will further expand.

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

The Property is conveniently located in Kyoto, a popular destination for leisure travelers worldwide. Polaris Group currently operates “KAYA Kyoto Nijo Castle, BW Signature Collection by Best Western” in Kyoto City and will be able to pursue further economies of scale and operational efficiency with the new hotel management mandate of the Property.

The Property will be operated as a hotel under the “KOKO HOTEL Residence” brand and will contribute to further expansion of the Group's portfolio and increase brand recognition of its proprietary “KOKO Hotel” brand. . Since the Property is an existing property that has already been completed, Polaris expects to begin hotel operations and generate revenues during this fiscal year.

(2) Overview of the Property

Hotel names are undisclosed since Star Asia Group is in the final process of acquiring the Property from the current property owner.

(3) Overview of SAM LLC

① Name	Star Asia Management LLC	
② Location	251 Little Falls Drive, Wilmington, County of New Castle, Delaware 19808, USA	
③ Name and title of representative	Director: Malcolm F. MacLean IV, Taro Masuyama	
④ Business Description	Investment advisory business and investment management business	
⑤ Capital stock	US\$50,000	
⑥ Date of establishment	December 18, 2019.	
⑦ Major shareholders and their shareholding ratios	Star Asia Group LLC (100%)	
⑧ 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)

① Execution of the MOU	August 28, 2024
② Execution of hotel management agreement	Around November - December 2024
③ Start of Hotel Operation	Around December 2024 - January 2025

3. Outlook

With the execution of the MOU, the parties will look to promptly finalize and conclude the definitive hotel management agreement for the Property. Until the execution of the management agreement, the impact of the MOU on the Company’s consolidated business performance is negligible. If any matter requiring disclosure arises in the future, the Company will promptly announce it.

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.