

FOR IMMEDIATE RELEASE

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Polaris Executes Hotel Management Agreement for New Hotel in Kyoto 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 Polaris, executed a hotel management agreement (hereinafter the “Hotel Management Agreement”) for a hotel property located in Kyoto City (hereinafter the “Hotel Property”) as disclosed “Polaris Continues to Grow Rooms Under Management and Will Operate Additional Hotel in Kyoto City” on August 28, 2024. Fino Hotels will commence the hotel operation at the Hotel Property as “KOKO HOTEL Residence Kyoto Nijo Castle” (hereinafter the “Hotel”) and has entered into a revenue guarantee agreement (hereinafter the “Revenue Guarantee Agreement”) with a company of the Star Asia Group for the purpose of avoiding losses related to the operation of the Hotel and receiving funds to prepare for the opening of the Hotel.

1. Execution of the Hotel Management Agreement

(1) Purpose of the Hotel Management Agreement

Since Star Asia Group agreed to execute the acquisition of the Hotel Property located in the center of Kyoto City as of today, Fino Hotels concluded to enter into the Hotel Management Agreement, which further enhances synergies from collaboration with the Star Asia Group in the ecosystem.

The Hotel will be managed under a fee-based management contract based on the revenue and operating profit of the Hotel, which will further lower the break-even point of the Company and improve its earnings, ROE (return on equity), and shareholder value by taking on the operation of the Hotel. Polaris will continue to optimize the balance between fee-based and fixed and variable-rent contract types to establish a stable and growth-oriented revenue structure, with the aim of maximizing earnings.

The Hotel is located in Kyoto, a popular destination worldwide, and is in a location that is highly convenient for leisure guests. It is within walking distance of Kyoto's most popular tourist destinations such as Nijo Castle, a World Heritage Site that is also well known among overseas guests, and the Kyoto International Manga Museum, and it is also just a 5-minute walk from Karasuma Oike Station on the city subway, making it a location with excellent accessibility for both domestic and overseas leisure guests. In addition, Polaris group operates the “KAYA Kyoto Nijo Castle BW Signature Collection by Best Western” in Kyoto City, and Polaris group will further achieve economics of scale and operational efficiency. The Hotel, which will be operated under Polaris’s

proprietary “KOKO HOTEL Residence” brand, is scheduled to open on December 19th, 2024, and will contribute to the further expansion of Polaris Group's portfolio and the enhancement of brand recognition for the “KOKO HOTEL” brand. After taking over the operation of the Hotel, the number of hotels under management (including hotels scheduled to be managed) will increase to 54 hotels with 9,271 rooms, and Polaris is steadily expanding its management platform towards achieving the goal of 60 hotels with 10,000 rooms set out in the Medium-Term Management Plan.

(2) Outline of The Hotel

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|-------------------------|--|
| ① Hotel name | KOKO HOTEL Residence Kyoto Nijo Castle |
| ② Location | 724 Shimomatsuya-cho, Kamanza-dori Oike-agaru, Nakagyo-ku, Kyoto City, Kyoto 604-0034, Japan |
| ③ Number of guest rooms | 36 rooms |
| ④ Hotel opening date | December 19 th , 2024 (planned) |

(3) Schedule

Execution of the Hotel Management Agreement: November 29th, 2024

(4) Outline of the Counterparty

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|---|-----------------------------------|--|
| ① Name | GK Kyoto Hotel Unei | |
| ② Location | 5-1-4 Toranomom, Minato-ku, Tokyo | |
| ③ Date of establishment | September 10 th , 2024 | |
| ④ Description of business | Hotel business, etc. | |
| ⑤ Outline of Managing Partners | Name | Operating Partner General Incorporated Association Kyoto Hotel Unei |
| | Location | 5-1-4 Toranomom, Minato-ku, Tokyo |
| | Name and title of representative | Representative Partner General Incorporated Association Kyoto Hotel Unei |
| ⑥ Relationship between the Company and the Counterparty | Capital relationship | There are no relationships to be specifically noted. |
| | Personnel relationship | 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. |

2. Execution of the Revenue Guarantee Agreement

(1) Outline of the Revenue Guarantee Agreement

In entering the agreement for the hotel operation of the Hotel Property, Fino Hotels executed the Revenue Guarantee Agreement with a company belonging to the Star Asia Group (hereinafter the “Guarantor Company”) in order to avoid incurring losses due to a decline in performance related to the hotel operation. The Revenue Guarantee Agreement stipulates that Fino Hotels will receive JPY 35 million as opening preparation funds from the Guarantor Company to cover the costs of outsourcing, supplies, and other expenses associated with preparing for commencement of the operation of the Hotel.

(2) Schedule

Execution of the Revenue Guarantee Agreement: November 29th, 2024

(3) Outline of the Counterparty

The Guarantor Company is an overseas company belonging to the Star Asia Group. Although there is no direct capital relationship between the Company and the Guarantor Company, the Guarantor Company is a subsidiary of the Company's parent company, and therefore a related party of the Company. The name of the Guarantor Company is not disclosed at the request of the subject counterparty to the contract.

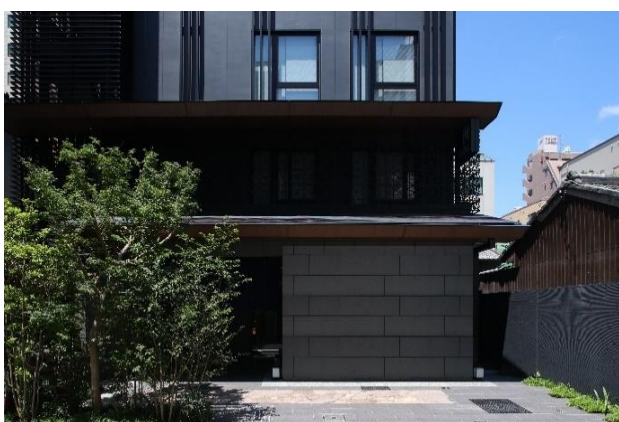
3. Outlook

The Hotel is scheduled to commence operations on December 19, 2024. The execution of the Hotel Management Agreement and the Revenue Guarantee Agreement will have negligible impact on the Company's consolidated business results.

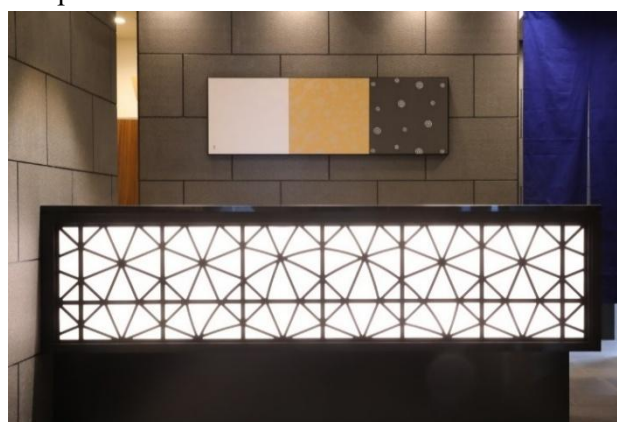
Reference

Hotel Photos

Exterior



Reception



Guest room



Status of the Company's Operating Platform

| Classification | | Number of hotels | Number of guest rooms |
|------------------------|----------|------------------|-----------------------|
| In operation | Domestic | 33 hotels | 5,752 rooms |
| | Overseas | 14 hotels | 2,453 rooms |
| New openings scheduled | Domestic | 7 hotels | 1,066 rooms |
| | Total | 54 hotels | 9,271 rooms |

List of the new hotels to be operated by Polaris Group

| Hotel Name | Location | Number of rooms | Start of Hotel Operation |
|--|---|---------------------|--------------------------|
| <u>KOKO HOTEL Residence Kyoto Nijo Castle</u> | <u>Nakagyo-ku, Kyoto-shi, Kyoto 604-0034, Japan</u> | <u>36 rooms</u> | <u>December, 2024</u> |
| 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 (tentative) | 3-chome, Maejima, Naha city, Okinawa | 132 rooms | Spring 2027 |
| TBD (KOKO HOTEL Residence brand) | 1-chome Higashi Ueno, Taito-ku, Tokyo | 52 rooms (planned) | Summer 2027 |
| KOKO HOTEL Residence Ueno Shin-Okachimachi (tentative) | 3-chome, Taito, Taito-ku, Tokyo | 52 rooms | Fall 2027 |
| KOKO HOTEL Premier Naha (tentative) | Naha City, Okinawa | 173 rooms (planned) | Summer 2028 |

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

List of operating hotels (Domestic)

| Hotel Name | Location | Number of rooms |
|--|--|-----------------|
| KOKO HOTEL Sapporo Ekimae | 3-3-10, kita 1-jo Nishi, Chuo-ku, Sapporo-shi, Hokkaido 060-0001, Japan | 224 rooms |
| KOKO HOTEL Sapporo Odori | 6-8-1, Minami 1-jo Nishi, Chuo-ku, Sapporo-shi, Hokkaido 060-0061, Japan | 145 rooms |
| KOKO HOTEL Sendai Kotodai Park | 2-15-10, Honmachi, Aoba-ku, Sendai-shi, Miyagi 980-0014, Japan | 230 rooms |
| KOKO HOTEL Sendai Station West | 3-8-27, Chuo, Aoba-ku, Sendai-shi, Miyagi 980-0021, Japan | 170 rooms |
| KOKO HOTEL Sendai Station South | 4-7-1 Chuo, Aoba-ku, Sendai-shi, Miyagi 980-0021, Japan | 190 rooms |
| KOKO HOTEL Ginza 1-chome | 1-9-5, Ginza, Chuo-ku, Tokyo 104-0061, Japan | 305 rooms |
| KOKO HOTEL Tsukiji Ginza | 6-8-8, Tsukiji, Chuo-ku, Tokyo 104-0045, Japan | 188 rooms |
| KOKO HOTEL Residence Asakusa Kappabashi | 3-24-2, Nishiasakusa, taito-ku, Tokyo 111-0035, Japan | 42 rooms |
| KOKO HOTEL Residence Asakusa Tawaramachi | 2-8-12, Kotobuki, taito-ku, Tokyo 111-0042, Japan | 47 rooms |
| KOKO HOTEL Premier Nihonbashi Hamacho | 2-30-4, Nihonbashi Hamacho, Chuo-ku, Tokyo 103-0007, Japan | 223 rooms |
| KOKO HOTEL Nagoya Sakae | 3-15-21 Nishiki, Naka-ku, Nagoya, Aichi 460-0003, Japan | 204 rooms |

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| KOKO HOTEL Premier Kanazawa Korinbo | 1-2-16, Korinbo, Kanazawa-shi, Kanazawa 920-0961, Japan | 207 rooms |
| KOKO HOTEL Osaka Shinsaibashi | 3-3-17 Minamisenba, Chuo-ku, Osaka 542-0081, Japan | 211 rooms |
| KOKO HOTEL Osaka Namba | 5-8-25, Nippombashi, Naniwa-ku, Osaka-shi, Osaka 556-0005, Japan | 100 rooms |
| KOKO HOTEL Kobe Sannomiya | 63, Naniwamachi, Chuo-ku, Kobe-shi, Hyogo 650-0035, Japan | 141 rooms |
| KOKO HOTEL Hiroshima Ekimae | 10-3, Kyobashi-cho, Minami-ku, Hiroshima-shi, Hiroshima 732-0828, Japan | 250 rooms |
| KOKO HOTEL Fukuoka Tenjin | 1-22-14, Imaizumi, Chuo-ku, Fukuoka-shi, Fukuoka 810-0021, Japan | 159 rooms |
| KOKO HOTEL Premier Kumamoto | 3-20, Sakuramachi, Chuo-ku, Kumamoto-shi, Kumamoto 860-0805, Japan | 205 rooms |
| KOKO HOTEL Kagoshima Tenmonkan | 4-24, Higashi Sengoku-cho, Kagoshima-shi, Kagoshima 892-0842, Japan | 295 rooms |
| Best Western PLUS Hotel Fino Chitose | 3-13, Chiyoda-cho, Chitose-shi, Hokkaido 066-0062, Japan | 154 rooms |
| Best Western Hotel Fino Tokyo Akasaka | 3-7-12, Akasaka, Minato-ku, Tokyo 107-0052, Japan | 87 rooms |
| Best Western Hotel Fino Shi-Yokohama | 2-2-11, Shin-yokohama, Kohoku-ku, Yokohama-shi, Kanagawa 222-0033, Japan | 108 rooms |
| Best Western Plus Nagoya Sakae | 4-6-1, Sakae, Naka-Ku, Nagoya-shi, Aichi 460-0008, Japan | 143 rooms |
| KAYA Kyoto Nijo Castle, BW Signature Collection by Best Western | 50, Daimonji-cho, Marutamachi-Sagaru Aburanokouji-Dori, Nakagyo-ku, Kyoto-shi, Kyoto 604-0071, Japan | 57 rooms |
| SureStay PLUS Hotel by Best Western Shin-Osaka | 2-11-21, Nishi-nakajima, Yodogawa-ku, Osaka-shi, Osaka 532-0011, Japan | 108 rooms |
| Best Western Osaka Tsukamoto | 2-21-9, Tsukamoto, Yodogawa-ku, Osaka-shi, Osaka 532-0026, Japan | 105 rooms |
| Best Western PLUS Hotel Fino Osaka Kitahama | 1-7-17, Imabashi, Chuo-ku, Osaka-shi, Osaka 541-0042, Japan | 129 rooms |
| Best Western Hotel Fino Osaka Shinsaibashi | 1-2-19, Higashi-shinsaibashi, Chuo-ku, Osaka-shi, Osaka 542-0083, Japan | 179 rooms |
| Best Western PLUS Fukuoka Tenjin-minami | 3-13-19, Haruyoshi, Chuo-ku, Fukuoka-shi, Fukuoka 810-0003, Japan | 236 rooms |
| VALUE THE HOTEL Sendai Natori | 555-1, Sengarita, Kamiyoden, Natori-shi, Miyagi 981-1222 Japan | 314 rooms |
| VALUE THE HOTEL Ishinomaki | 3-15-37, Minaminakasato, Ishinomaki-shi, Miyagi 986-0814 Japan | 82 rooms |
| VALUE THE HOTEL Higashimatsushima Yamoto | 215, Yachi, Komatsu, Higashimatsushima-shi, Miyagi 981-0504 Japan | 407 rooms |

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| VALUE THE HOTEL Naraha Kidoekimae | 7-1, Issyotaira, Yamadaoka, Naraha-machi, Futaba-gun, Fukushima 979-0513 Japan | 107 rooms |
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List of operating hotels (Overseas)

| Hotel Name | Location | Number of rooms |
|-------------------------------|--|-----------------|
| Red Planet Davao | J.P. Laurel Avenue Davao City 8000 Philippines | 155 rooms |
| Red Planet Manila Ortigas | Lot 5, Block 4, Shaw Boulevard Pasig 1600 Philippines | 182 rooms |
| Red Planet Aurora Boulevard | Comer of Aurora Boulevard and Stanford Street, Cubao, Quezon City | 167 rooms |
| Red Planet Manila Aseana City | Lot 38 Block 2, Bradco Avenue, Paranaque City 1700, Philippines | 200 rooms |
| Red Planet Manila Amorsolo | 99 Urban Avenue, Brgy. Pio Del Pilar, Makati City 1230, Philippines | 189 rooms |
| Red Planet Angeles City | Don Juico Avenue, Malabanas, Angeles City, Pampanga 2009, Philippines | 165 rooms |
| Red Planet Cebu | 36 Archbishop Reyes Avenue, Cebu City 6000, Philippines | 150 rooms |
| Red Planet Manila Mabini | 1740 A. Mabini St., Malate Manila 1004 Philippines | 167 rooms |
| Red Planet Manila Bay | Comer of Arquiza and Alhambra St., Ermita, Manila 0930, Philippines | 150 rooms |
| Red Planet Manila Binondo | 251-61 Juan Luna St., Binondo, Manila 1006, Philippines | 171 rooms |
| Red Planet Manila Makati | E. Mercado Comer F. Calderon St., Kalayaan Avenue, Barangay Poblacion, Makati City 1210, Philippines | 213 rooms |
| Red Planet Cagayan de Oro | C.M. Recto Avenue, Cagayan de Oro City 9000, Philippines | 159 rooms |
| Red Planet Quezon Timog | 100 Timog Avenue Barangay Sacred Heart Quezon City 1100, Philippines | 140 rooms |
| Red Planet BGC The Fort | 10th Avenue comer 40th Street, Bonifacio Global City, Taguig 1630 | 245 rooms |

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.