

FOR IMMEDIATE RELEASE

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Polaris Makes TK Investment in Acquisition of KOKO HOTEL Osaka Namba Sennichimae

Polaris Holdings Co., Ltd. (hereinafter “Polaris” or the “Company”) announced today that the Board of Directors of Polaris resolved to make a TK investment (hereinafter the “TK Investment”) in a special purpose company (hereinafter the “SPC”) which is to acquire the trust beneficiary interest in the land and building (hereinafter the “Hotel Property”) of “KOKO HOTEL Osaka Namba Sennichimae,” (hereinafter the “Hotel”), located in Osaka, and which is scheduled to open on May 29, 2025, with hotel operations entrusted to the Company's subsidiary, Fino Hotels Co., Ltd. (hereinafter the “Fino Hotels”).

1. Purpose of the TK Investment

Polaris has been working as a member of the ecosystem of the Company's sponsor, Star Asia Group, as stated in the Medium-Term Management Plan, collaborating with Star Asia Group to contract hotel management in the Hotel Operation Business and joint investment in the Hotel Investment Business. In April 2021, the Company jointly made TK Investment in a SPC, which held the trust beneficiary interest in the land and building of "KOKO HOTEL Tsukiji Ginza" with Star Asia Group. As a result of the sale of the subject property in September 2024, the Company recognized a gain of JPY 700 million on dividend distribution in the fiscal year ending March 31, 2025.

As stated in the release “Polaris Executes Management Agreement for New Hotel in Osaka City” dated August 29, 2023 and “Polaris Executes Agreement to Operate New Hotel with Additional Rooms in Central Osaka City” dated November 30, 2023, the SPC is scheduled to acquire the Hotel Property, which will be operated by the Polaris Group, beginning on May 28, 2025. The Company decided to make the joint TK Investment with Star Asia Group and Polaris plans to invest JPY 500 million. The acquisition price of the Hotel Property will fall within the appraisal value range obtained by the SPC. Through the TK Investment, the Polaris Group expects to receive management fees under the hotel management agreement and, as an investor in the Hotel Property, to earn distribution gains derived from the Hotel's operating income as well as potential capital gains from the future sale of the Hotel Property.

2. Expected Amount of the TK Investment in the SPC

JPY 500 million.

3. Schedule

(i)	Execution of the TK Investment Agreement	May 23, 2025
(ii)	Execution of Investment	May 23, 2025
(iii)	Acquisition of the Hotel Property	May 28, 2025 (Scheduled)

4. Outline of the SPC

(i)	Name	GK Exbury	
(ii)	Location	5-1-4 Toranomom, Minato-ku, Tokyo	
(iii)	Title and Name of Representative	Representative Member General Incorporated Association Kyowa	
(iv)	Description of Business	Acquisition, holding and disposal of real estate trust beneficiary rights, etc.	
(v)	Share Capital	JPY 300 thousand	
(vi)	Date of Establishment	April 19, 2024	
(vii)	Major Shareholders and Shareholding Ratio	General Incorporated Association Kyowa	
(viii)	Relationship between the Company and the SPC	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.
		Related party status	There are no relationships to be specifically noted..

5. Outlook

The TK Investment is expected to generate income from the Hotel Operation Business and the Hotel Investment Business, but the impact on the current fiscal year's financial results will be minimal.

(Reference) KOKO HOTEL Osaka Namba Sennichimae HP

https://koko-hotels.com/osaka_sennichimae_lang/en_on

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.