

Note:

This document is the English script of the “FY2026/3 Third Quarter Earnings Presentation Video” published on Polaris Holdings’ official YouTube channel.

The video presentation itself is available in Japanese only.

This script is provided for reference purposes to support understanding of the video content.

In the event of any discrepancy, the Japanese-language video shall prevail.

Hello, I am Yohei Taguchi, President of Polaris Holdings.

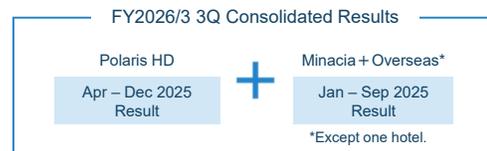
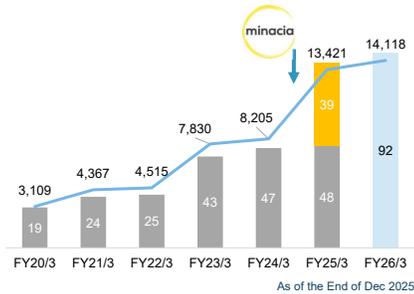
Thank you very much for watching our earnings presentation video.

Today, I will explain our financial results for the third quarter of the fiscal year ending March 31, 2026, which we announced on February 13.

Important Notes on Financial Results

- 1 Following the completion of the acquisition of Minacia Co., Ltd. in December 2024, **our scale expanded significantly starting with fiscal year ending March 2025.**
- 2 Following the Minacia acquisition, annual goodwill amortization at Polaris runs about JPY 1.3 billion. However, we prefer to place **emphasis on profit metrics before goodwill amortization** to better reflect underlying earnings capacity.
- 3 Polaris Holdings, Minacia and the overseas hotel operation entities all have different fiscal year-ends, resulting in **timing differences in the consolidation of operating results.**

Number of Operated Hotels and Total Rooms



Before discussing the results, let me highlight three important points.

First, in December 2024, we completed the acquisition of Minacia Co., Ltd., significantly expanding our revenue scale and hotel portfolio.

Second, we recorded approximately JPY 1.3 billion in annual goodwill amortization. We emphasize profit metrics and pre-tax EPS before goodwill amortization as key indicators of our underlying earnings capacity.

Third, this third quarter incorporates Minacia’s performance from January to September 2025 due to differences in fiscal year-end.

Executive Summary

Financial Results & Outlook

Revenue increased year-on-year

2.2x.

Steady progress toward achieving full-year earnings guidance.

Business Environment

Inbound visitors to Japan in 2025 reached record high

42.68 million.

Impact from deterioration in Japan–China relations observed since December 2025.

Operating Performance

RevPAR increased year-on-year

+12.8%.

Operating profitability of hotels continues to improve.

New Hotel Openings

19 new hotels confirmed.

**Continued
Portfolio
Expansion.**

Medium-Term Plan

Steady Progress
toward achieving FY2027 targets.

Shareholder Returns

Dividend increase followed by

**Expansion of
Shareholder
Benefits.**

We achieved substantial revenue and profit growth and are making steady progress toward our full-year forecast.

Inbound visitors to Japan reached a record high in 2025, though we continue to monitor Japan–China relations.

RevPAR increased 12.8% year-on-year in the last three months.

We have confirmed 19 new hotel openings and are steadily expanding our hotel portfolio.

We have also enhanced shareholder returns through a dividend increase and expansion of shareholder benefits.

Financial Highlights (before Goodwill Amortization)

On Track to Achieve Our Revised Earnings Forecast

Revenue increased approximately 2.2x year-on-year, while pre-tax EPS expanded approx. 3.2x. Progress toward full-year ordinary profit guidance stands at 85%.

Unit: JPY million	3Q Cumulative Results		Revised Full-Year Forecast Announced on Nov 13, 2025		Year-on-Year Change 3Q FY2025/3 vs. 3Q FY2026/3	
	FY2025/3*1	FY2026/3	Amount	Progress	Increase	% Change
Revenue	16,212	36,034	46,600	77%	+19,822	+122%
Operating Profit	1,183	4,090	4,904	83%	+2,906	+246%
Ordinary Profit	577	3,238	3,804	85%	+2,661	+462%
Pre-tax net income	577	3,304	3,804	87%	+2,727	+473%
Pre-tax EPS (JPY)	4.49	14.13	16.27	87%	+9.64	+215%

Notes:

1. Excludes property investment profit distribution.
2. Includes Minacia and overseas hotels (excluding one property) for January–September 2025.
3. Goodwill amortization commenced in 4Q FY2025 following the Minacia acquisition.

Financial Highlights

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Business Overview

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New Hotel Openings

Progress of Medium-Term
Business Plan

Enhancing Shareholder
Value

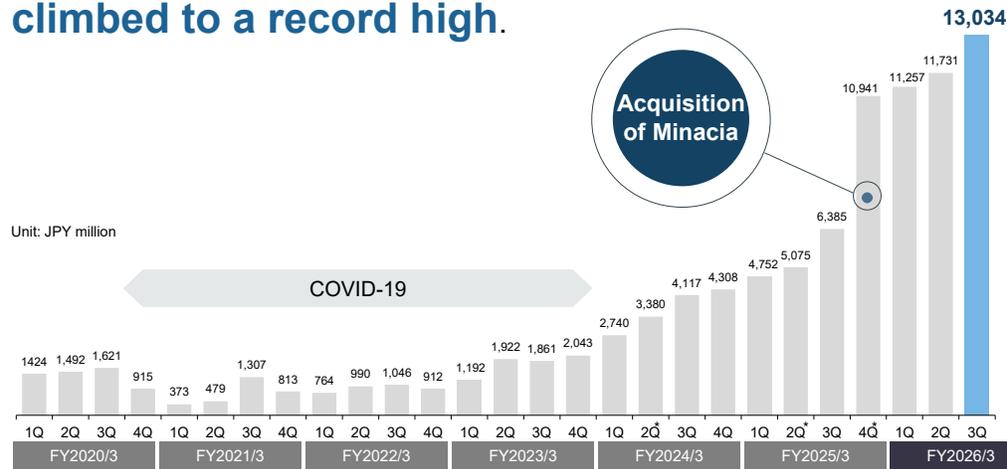
Appendices

Revenue increased approximately 2.2 times year-on-year, and pre-tax EPS expanded approximately 3.2 times.

Ordinary profit has reached 85% of the revised full-year forecast, demonstrating steady progress.

Financial Results Overview: Revenue

Post the Minacia acquisition, revenue from existing hotels and new openings, has **climbed to a record high**.

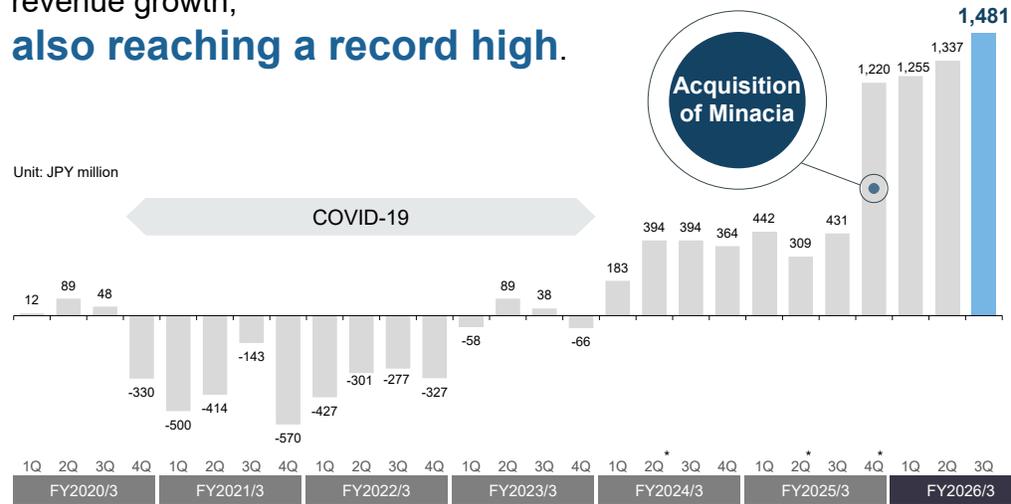


*Excludes property investment profit distribution.

Quarterly revenue continues to grow and has reached a record high following the Minacia integration.

Financial Results Overview: Operating Profit

Operating profit increased steadily in line with revenue growth,
also reaching a record high.

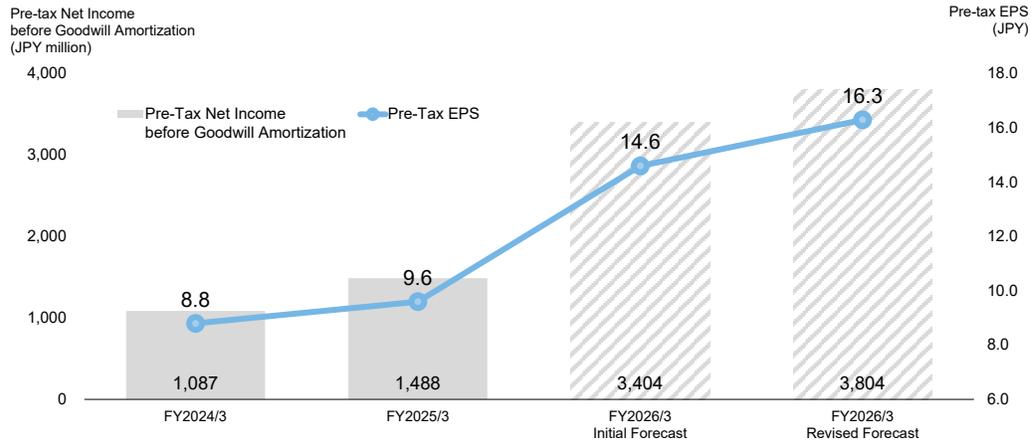


Operating profit increased in line with revenue growth and reached a record high.

Financial Results Overview: Pre-tax EPS*

Driven by the integration of Minacia, improved profitability at existing hotels and new openings, all helped

Pre-tax EPS grow steadily.



* Pre-tax net income before goodwill amortization divided by weighted average shares outstanding. FY2024/3 and FY2025/3 exclude property investment profit distributions.

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We emphasize EPS growth before goodwill amortization as a key indicator of underlying earnings power.

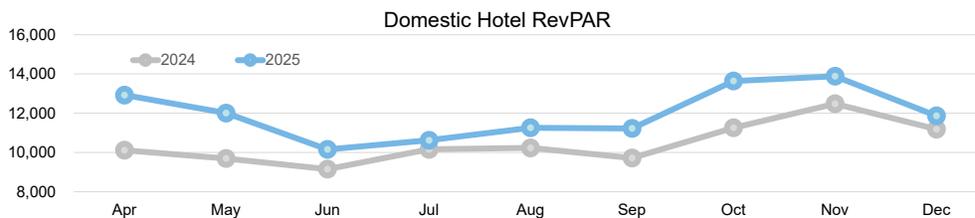
Our EPS continues to grow steadily.

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Business Overview: Domestic Hotel KPIs

Driven by robust demand, including inbound travellers,
RevPAR rose 12.8% year-on-year.

Comparable 65 Hotels	Oct – Dec 2025 (3 months)				Apr – Dec 2025 (9 months)			
	Result		Year-on-Year		Result		Year-on-Year	
	FY2025/3	FY2026/3	Increase	% Change	FY2025/3	FY2026/3	Increase	% Change
Occupancy Rate	89.3%	91.7%	+2.3%	–	87.6%	90.7%	+3.1%	–
ADR (JPY)	13,021	14,316	+1,295	+9.9%	11,957	13,203	+1,246	+10.4%
RevPAR (JPY)	11,630	13,122	+1,492	+12.8%	10,475	11,969	+1,494	+14.3%
Inbound Ratio	48.8%	53.4%	+4.6%	–	46.4%	51.8%	+5.4%	–



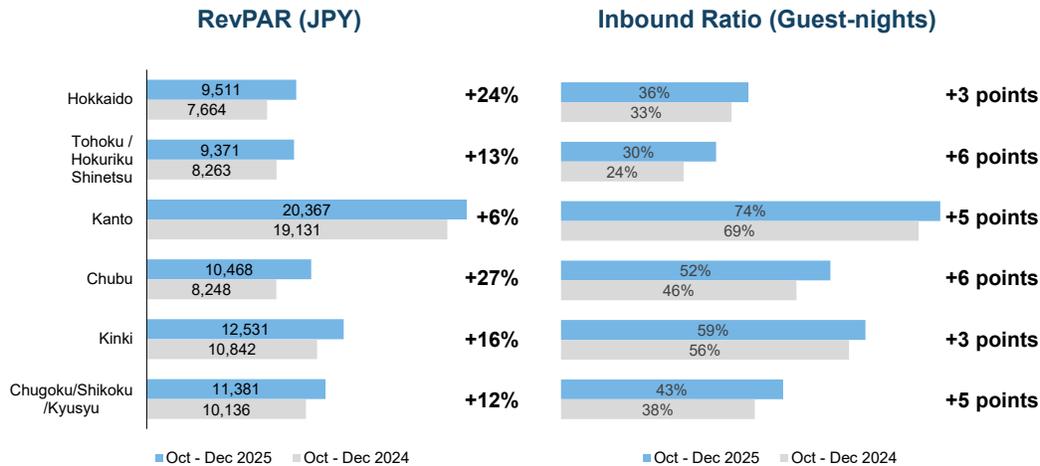
RevPAR increased approximately 12.8% year-on-year over the most recent three months, exceeding prior-year levels in all months.

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Business Overview: Domestic Hotel KPIs by Region

RevPAR increased in all regions.

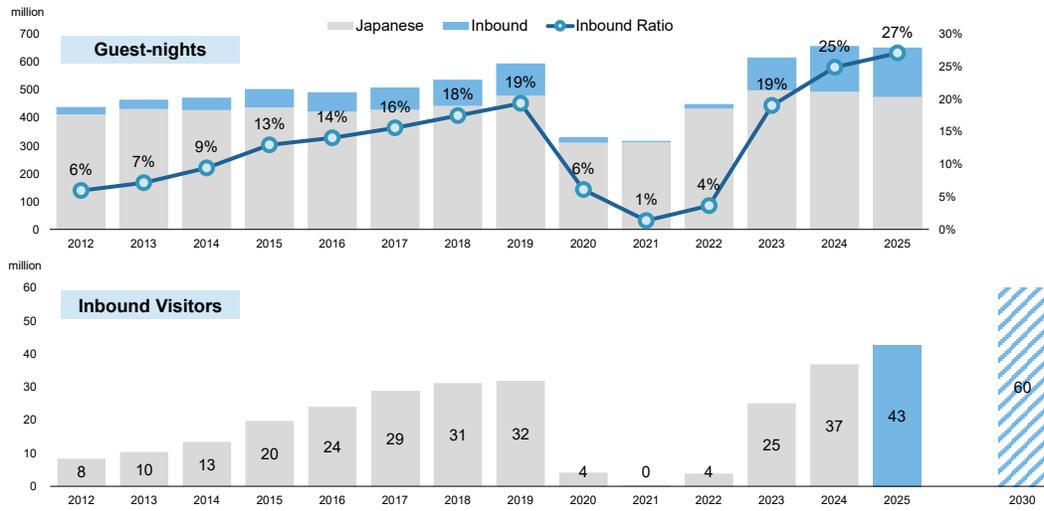
Hokkaido and Chubu regions performed particularly well.



RevPAR increased across all regions, particularly in Hokkaido and Chubu, where growth exceeded 20%.

Business Overview: Inbound Visitors/Guest Nights to Japan

Continued growth toward 60 mil inbound visitors.



Source: Japan National Tourism Organization's *Inbound Visitor Statistics* and Japan Tourism Agency's *Accommodation Travel Statistics Survey*.

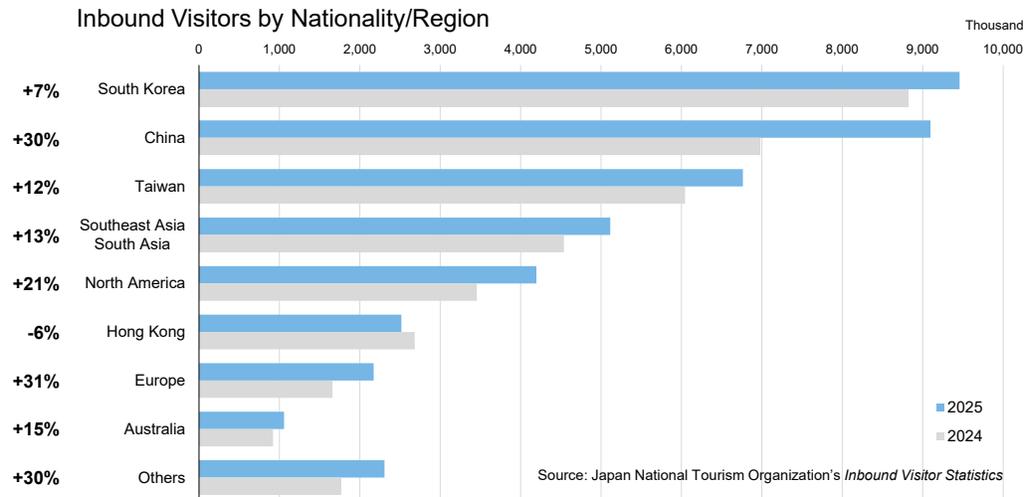
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Inbound visitors reached approximately 43 million in 2025, a record high, moving toward the government's 2030 target (60 million).

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Business Overview: Guest-nights by Nationality/Region

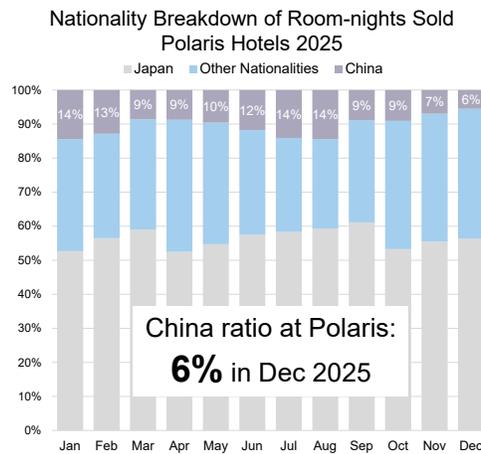
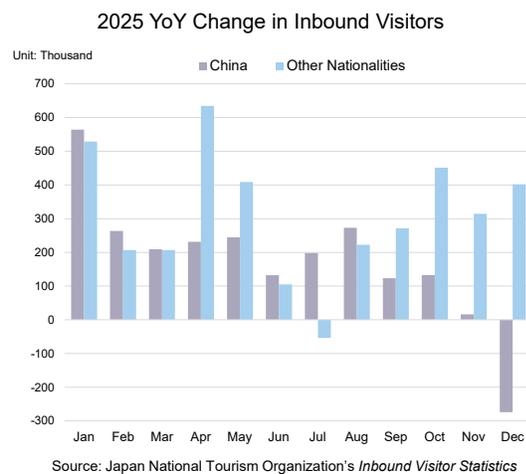
In addition to China, **North America, Europe and Southeast Asia** recorded strong growth.



Visitors from China increased approximately 30% year-on-year, with strong growth also from North America, Europe, and Southeast Asia.

Business Overview: Japan–China Relations Impact

Chinese arrivals declined sharply in December 2025, while **non-China markets-maintained growth momentum.**



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Although Chinese arrivals declined in December, non-China markets more than compensated for the decline.

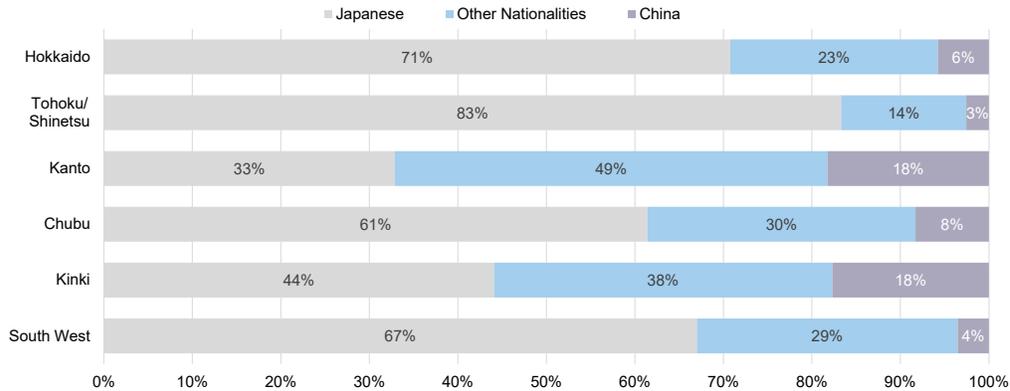
In December, Chinese guests represented 6% of our total, reflecting shrinking exposure and resulting in limited direct impact on our performance.

Business Overview: Room-nights Sold by Area & Nationality

Impact limited due to geographic diversification.

Chinese exposure concentrated in Kanto and Kinki but below 10% elsewhere. Non-China growth expected to offset prolonged decline.

Room Nights Sold by Region and Nationality: Polaris Hotels 2025



Chinese guest exposure is concentrated in limited regions, while diversification and variable lease structures enhance resilience.

Topics

PMI Progress

- Launched new loyalty program “**KOKO FAMILY**.”
- Brand integration progressing smoothly; full rebranding of all hotels scheduled for completion in April 2026.
- Organizational integration and restructuring of Polaris and Minacia completed, as well as office relocation.

Strong New Openings

- **Five new hotel openings** confirmed (Hiroshima, Beppu, Nara, Tokyo Taito and Nagoya).
- Launch of **new brand “kokonoyu”** and expansion into a new lifestyle hotel brand.
- Commenced master lease scheme in partnership with an international brand.

Operational Efficiency Improvements

- Converted two hotels (Kyoto and Osaka Shinsekai) from management contracts to long-term leases, **securing stable earnings**.
- Completed the merger of three subsidiaries further **improving efficiency**.

Enhanced Investor Relations

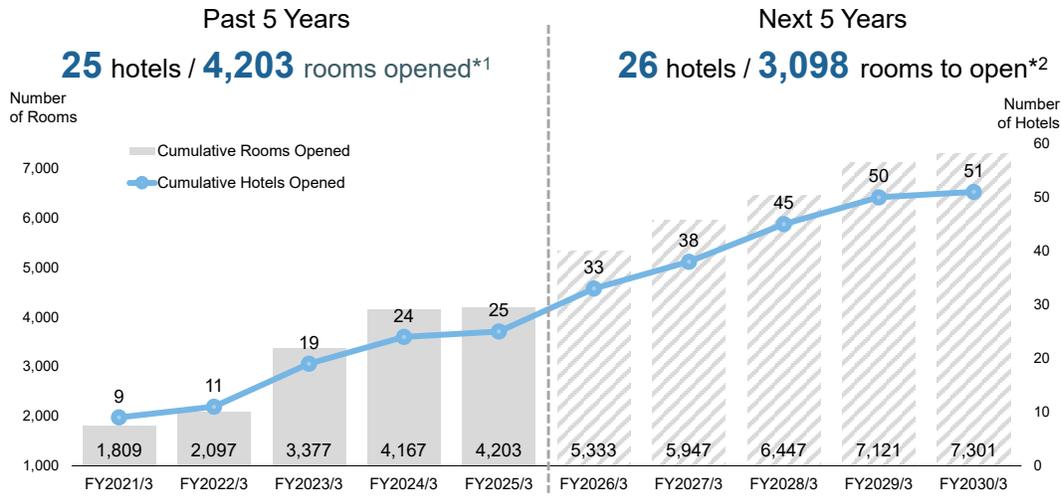
- **Established an IR Promotion Department** within the Corporate Planning Division to strengthen investor relations.
- **Increased media exposure** to enhance brand awareness.

Brand and organizational integration with Minacia are progressing smoothly, shifting toward synergy creation.

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New Hotel Openings: Cumulative Domestic Openings

Opening pace surpasses the past 5-year trend, **driving growth.**

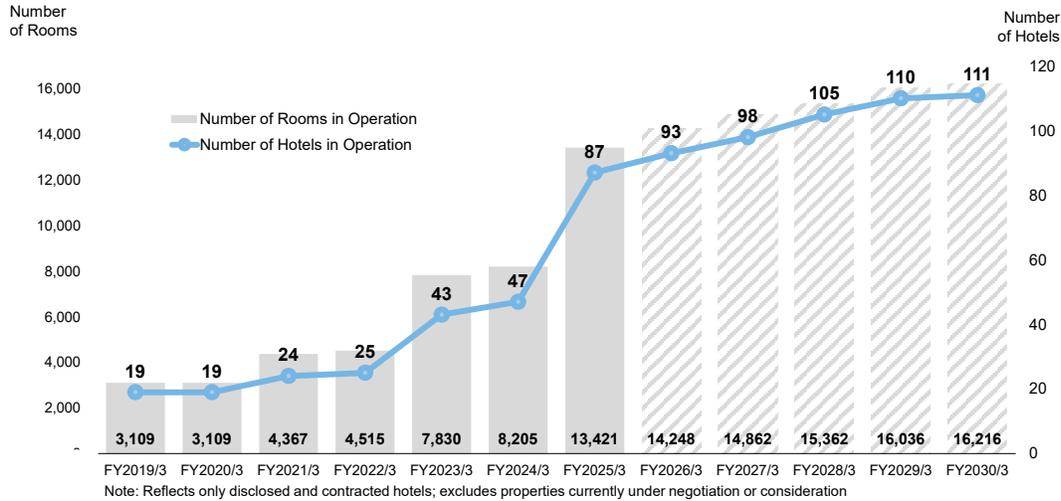


Notes: 1. Excludes increases in the number of hotels and rooms resulting from acquisitions (Red Planet and Minacia).
2. Reflects only disclosed and contracted hotels; excludes properties currently under negotiation or consideration.

We opened 25 hotels over the past five years and plan 26 over the next five years, accelerating expansion.

New Hotel Openings: Hotels and Rooms

New project and contract wins exceed expectations,
on track to achieve the medium-term targets.



We expect to reach 111 hotels and approximately 16,000 rooms, ranking among top industry expansion levels.

Progress of Medium-Term Business Plan

On track to achieve medium-term targets following revised forecast.

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Financial & Shareholder Return Targets

Unit: JPY million	FY2026/3 Revised Forecast	FY2027/3 Medium-Term Target	Progress
Revenue	46,600	49,000	95%
Operating Profit	4,904	5,000	98%
Net Income Attributable to Owners of the Parent	3,904	4,000	98%
Operating Profit Growth Rate	65%	55%	On Track
Dividend Payout Ratio	36.0%	30.0%	On Track

Hotel Operating Scale (incl. overseas)

	As of Feb 2026 in operation	As of Feb 2026 incl. scheduled openings	FY2027/3 Medium-Term Target	Progress
Number of Hotels	92	111	100	On Track
Number of Rooms	14,118	16,216	15,000	On Track

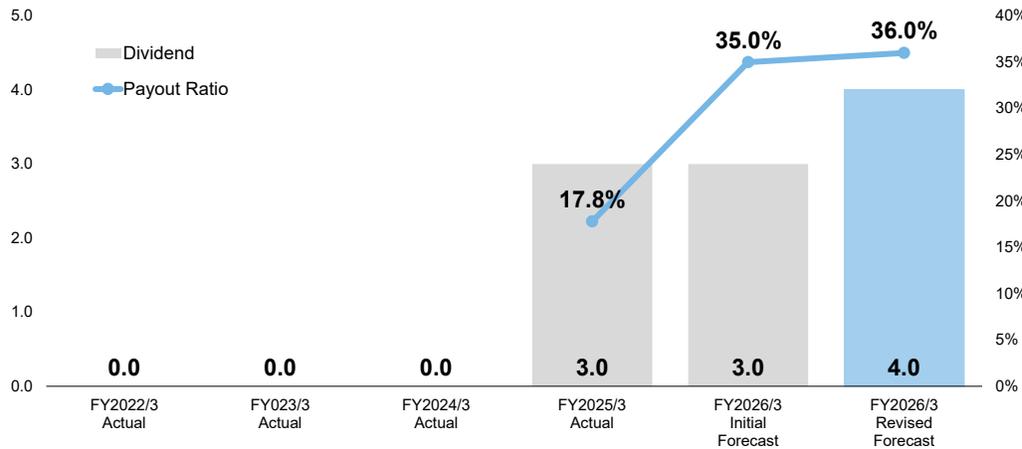
Achieving this year's forecast significantly advances us toward FY2027 targets.

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Enhancing Shareholder Value: Dividend Increase

Announced an increased dividend forecast in November 2025, **reinforcing shareholder returns.**

Unit: JPY



We revised the year-end dividend forecast upward from JPY 3 to JPY 4 per share.

Enhancing Shareholder Value: Shareholder Benefit Expansion

More Attractive Shareholder Benefits

- Reduced the minimum shareholding requirement for eligibility to 500 shares.
- Increased the value of hotel discount vouchers.

Before Revision			After Revision		
Shareholding (Minimum)	Shareholding (Maximum)	Benefit Value (JPY)	Shareholding (Minimum)	Shareholding (Maximum)	Benefit Value (JPY)
100	499	-	100	499	-
500	999	-	500	999	2,000
1,000	1,999	-	1,000	1,999	4,000
2,000	3,999	-	2,000	2,999	6,000
3,000	3,999	2,000	3,000	3,999	6,000
4,000	4,999	4,000	4,000	4,999	8,000
5,000	5,999	10,000	5,000	5,999	10,000
6,000	9,999	10,000	6,000	9,999	12,000
10,000	49,999	40,000	10,000	49,999	40,000
50,000	99,999	50,000	50,000	99,999	50,000
100,000	99,999,999	60,000	100,000	99,999,999	60,000

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We reduced the minimum shareholding requirement from 3,000 to 500 shares and further enhanced benefit levels.

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Status of Compliance with Continued Listing Requirements

Discussions underway to improve free float ratio.

	Number of Shareholders	Shares in the Public Float	Public Float Market Cap.	Free-Float Ratio
Listing Standards	400	2,000 units	JPY 1 billion	25.0%
March 31, 2025	10,353	352,652 units	JPY 7.1 billion	15.0%
September 30, 2025	11,045	548,359 units	JPY 11.4 billion	23.4%
Status	Complied	Complied	Complied	In Progress to Comply

Note: Calculated based on the number of shares held by Star Asia Group.

We are addressing the free float ratio requirement and are in discussions with our major shareholder.



This script should be read together with the Company's official earnings materials and related disclosures.

Strong results were supported by integration effects, KPI growth, and accelerated expansion. We remain committed to sustainable growth.

Thank you for your continued support.