May 13, 2026

FOR IMMEDIATE RELEASE

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Stock Listing:	Tokyo Stock Exchange Standard Market
Stock Code:	3010
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Polaris Announces Medium-Term Management Plan 2030

Polaris Holdings Co., Ltd. ("Polaris") has formulated and announced its new "Medium-Term Management Plan 2030" covering fiscal years ending March 2027 through March 2031. Following the significant expansion of its operating platform through the business integration with Minacia Co., Ltd. and the substantial achievement of the targets in its revised medium-term management plan ahead of schedule, Polaris formulated the new plan to further accelerate its growth strategy.

Polaris originally formulated a medium-term management plan on May 14, 2024, covering the three-year period from fiscal years ending March 2025 through March 2027. Subsequently, in December 2024, Polaris completed the business integration with Minacia Co., Ltd., significantly expanding its operating platform. As a result, Polaris expects to achieve the targets set forth in the original plan substantially ahead of schedule and, on January 10, 2025, announced a revised medium-term management plan with new targets.

In light of the substantial achievement of the targets in the revised medium-term management plan through the financial results for the fiscal year ended March 31, 2026, as well as the faster-than-expected pace of new hotel openings, which has resulted in a significant accumulation of hotels scheduled to open from the fiscal year ending March 2028 onward, and taking into account changes in the business environment, Polaris has formulated "Medium-Term Management Plan 2030" as a new management guideline aimed at further developing and accelerating its growth strategy.

Please refer to the attached materials for details of "Medium-Term Management Plan 2030."

<Overview of Medium-Term Management Plan 2030>

1. Vision
2. Review of the Previous Medium-Term Management Plan
3. Business Environment
4. Growth Strategy
5. Financial and Shareholder Return Policy

Key Financial Targets for FY2031/3

		FY2026/3 Results	FY2031/3 Target
Operating Scale	Number of Hotels	93	150
	Number of Rooms	14,241	20,000
Financial KPIs (JPY billion)	Revenue	48.5	100.0
	Operating Profit	5.3	10.0
Shareholder Returns	Dividend Payout Ratio	25.4% [42.7]%	≥30%
Capital Efficiency	ROE	15.2% [9.1]%	≥10%

Note:

- Operating profit is presented before amortization of goodwill arising from the acquisition of Minacia Co., Ltd. in December 2024 (approximately JPY 1.3 billion annually).
- Figures shown in parentheses for the dividend payout ratio and ROE are calculated excluding the impact of income taxes – deferred arising from the recognition of deferred tax assets for the fiscal year ended March 31, 2026.

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.

旅に笑顔を。人生に彩りを。

polaris
HOLDINGS

Medium-Term Management Plan 2030 (MTP 2030) FY2026 – FY2030

Polaris 150

Across 150 Travel Bases — Elevating Every Journey

May 13, 2026

Polaris Holdings Co., Ltd.

TSE Securities Code: 3010

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Our Vision

Our Vision	Becoming a Hospitality Company That Makes Travel More Exciting
Our Vision for 2030	**Polaris 150** — 150 Travel Bases: Making Every Journey More Exciting —

Japan's tourism and accommodation market will continue to grow sustainably, driven by distinctive tourism content that draws travelers from around the world. The value of travel is shifting decisively from "accommodation" to "experience".

We see this shift as a growth opportunity. By broadening our product lineup, sharpening our hotel management capabilities, and building credibility as an operator, we will accelerate the expansion of our hotel operating platform.

Through diverse brands and high-quality service, we will deliver tailored options for every guest, making travel more exciting and enriching.

As Japan's tourism market expands, Polaris will grow alongside it — and we thank our shareholders for their continued support.

Review of MTP 2026*1 : Financial Performance

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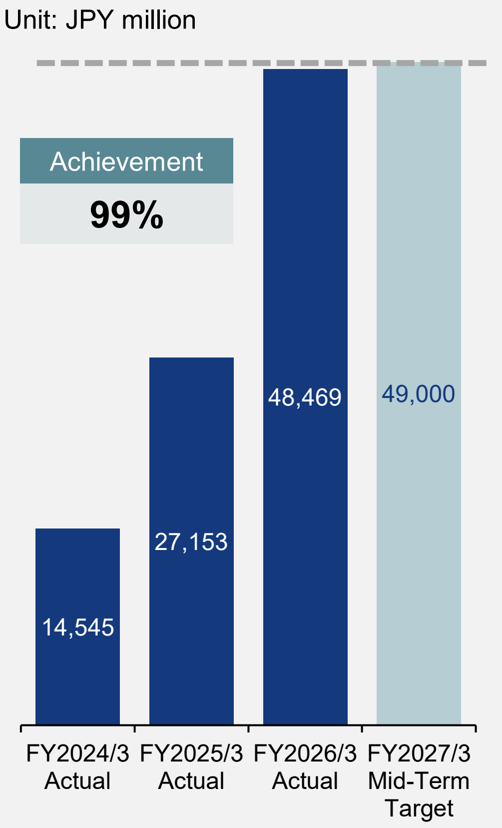
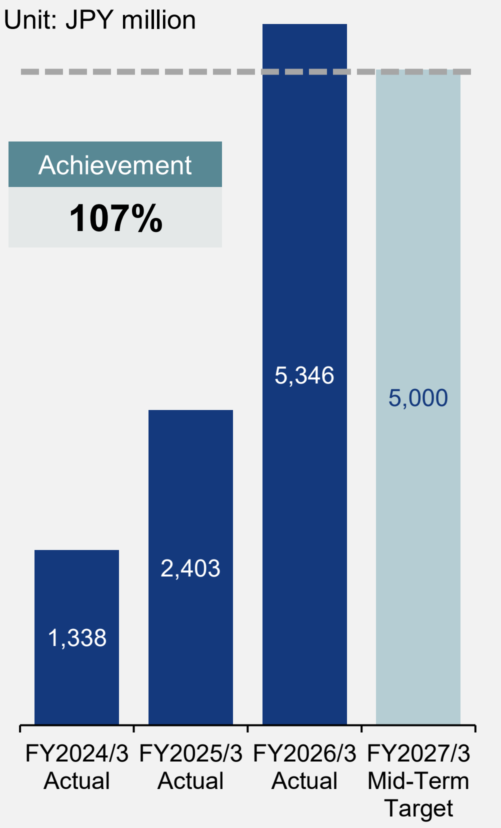
All targets except revenue achieved one-year ahead of schedule.

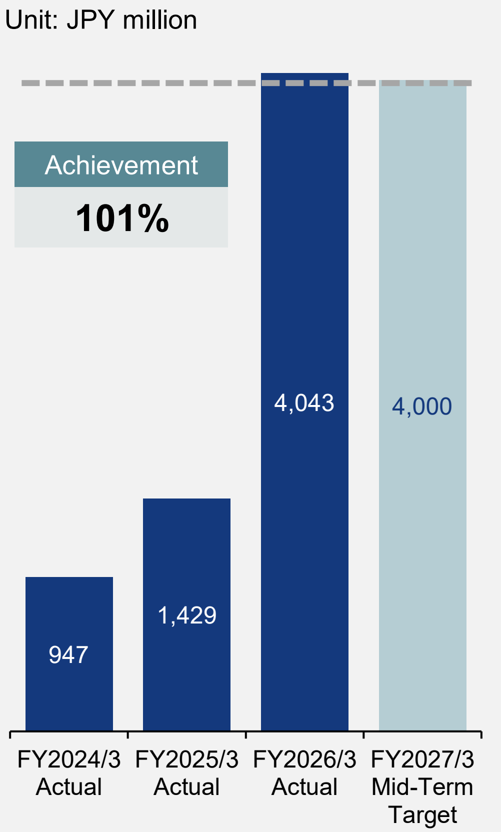
Revenue*2



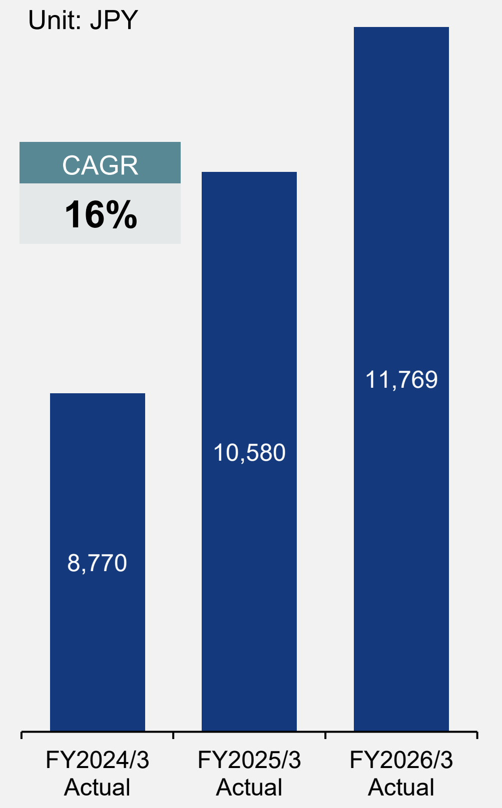
Operating Profit*3



Net Income*4



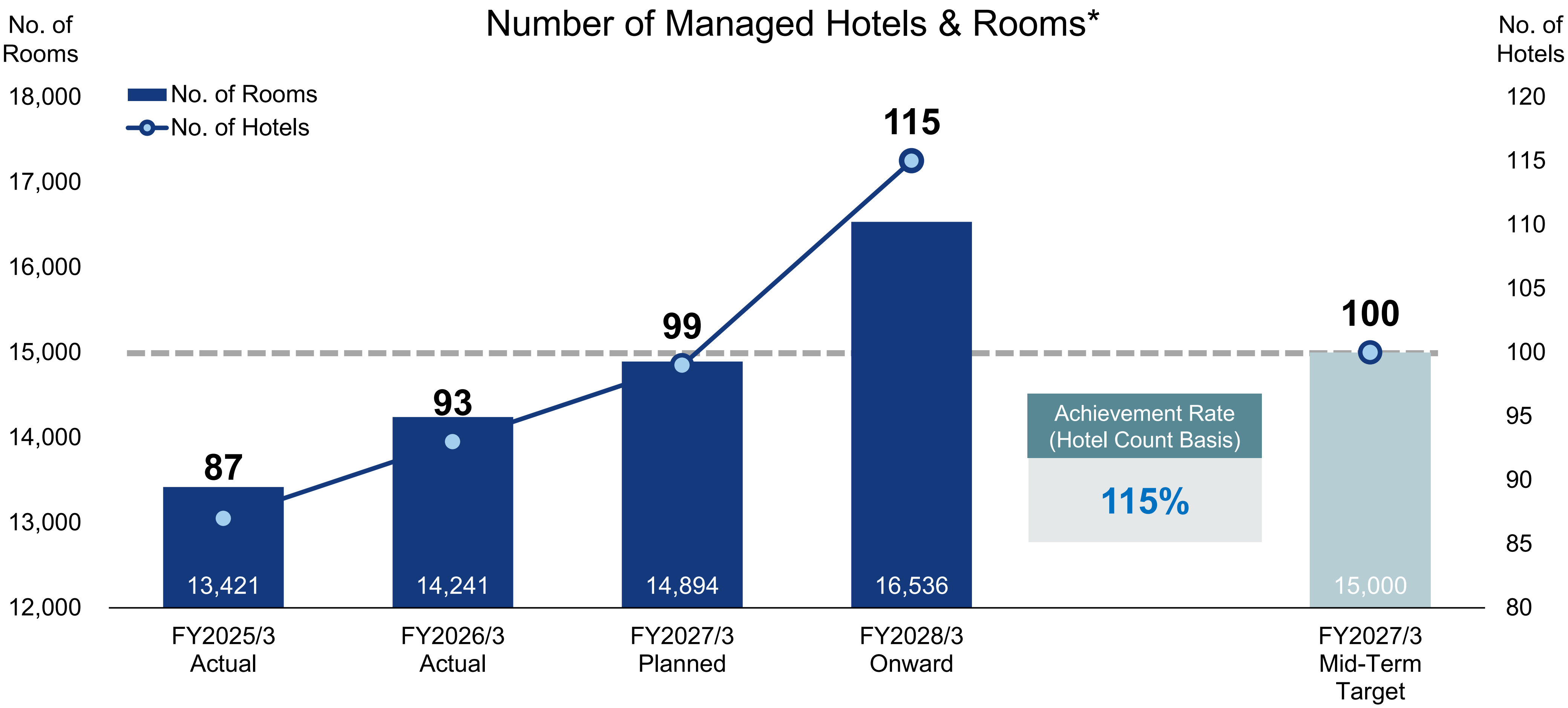
RevPAR*5



Note
1. Medium-Term Management Plan FY2026, covering FY2025 and FY2026, released in May 2024 and revised in January 2025.
2. Revenue excludes gains on real estate sales and other non-recurring items.
3. Operating profit excludes goodwill amortization, gains on real estate sales and other non-recurring items.
4. Net income excludes goodwill amortization, gains on real estate sales, other non-recurring items and the effect of income tax adjustments related to deferred tax assets.
5. Hotels that operated continuously from April 2023 to March 2026, excluding Value the Hotel, a Tohoku reconstruction support facility.

Review of MTP 2026: New Hotel Openings

The number of hotels in operation on track to meet Mid-Term targets, and including openings from FY2028/3 onward, will significantly exceed it.



Note: FY2027/3 forecast and FY2028/3 onwards figures include only hotels under contract and publicly disclosed as of May 2026 and exclude hotels under contract but undisclosed as well as those currently in negotiation.

Review of MTP 2026: PMI

The integration with Minacia has been swiftly completed, unifying organizations and processes inside a platform built for scalable growth.

Initiatives Taken to Date

Company Direction	Rebuilding Mission, Vision and Values
	Corporate Identity Renewal
Organization & Systems	Changes to Management Members
	Organizational Restructuring
	Efficiency Enhancement by HQ Integration
	HR System Reform
	Integration of Business Processes & Systems
Marketing	Integration under the KOKO HOTEL Brand
	Launch of New Loyalty Program

Previous Corporate Identities

POLARIS HOLDINGS

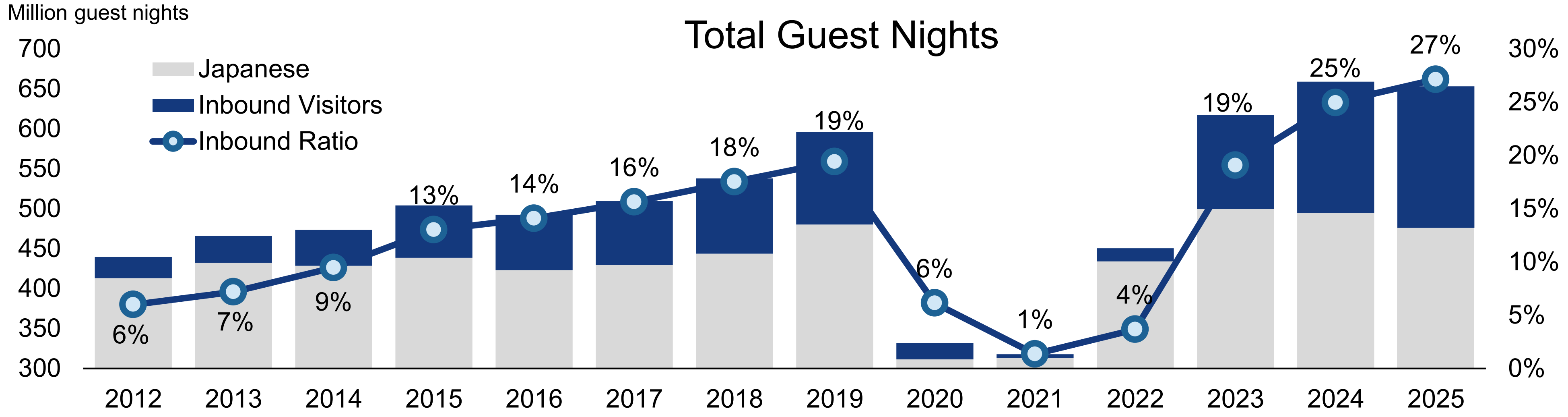
minacia

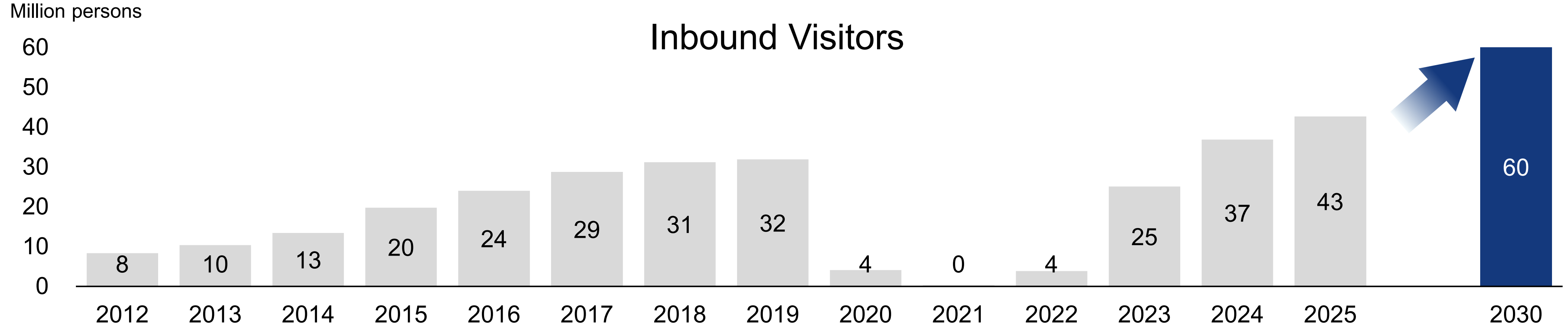
New Corporate Identity

polaris HOLDINGS

Business Environment: Accommodation Market

- Inbound ratio remains at record highs driven by tourism growth.
- Still room to grow towards government's 60M inbound visitor target.





Source: Japan Tourism Agency "Accommodation Travel Statistics Survey" and JNTO "Visitor Arrivals to Japan”

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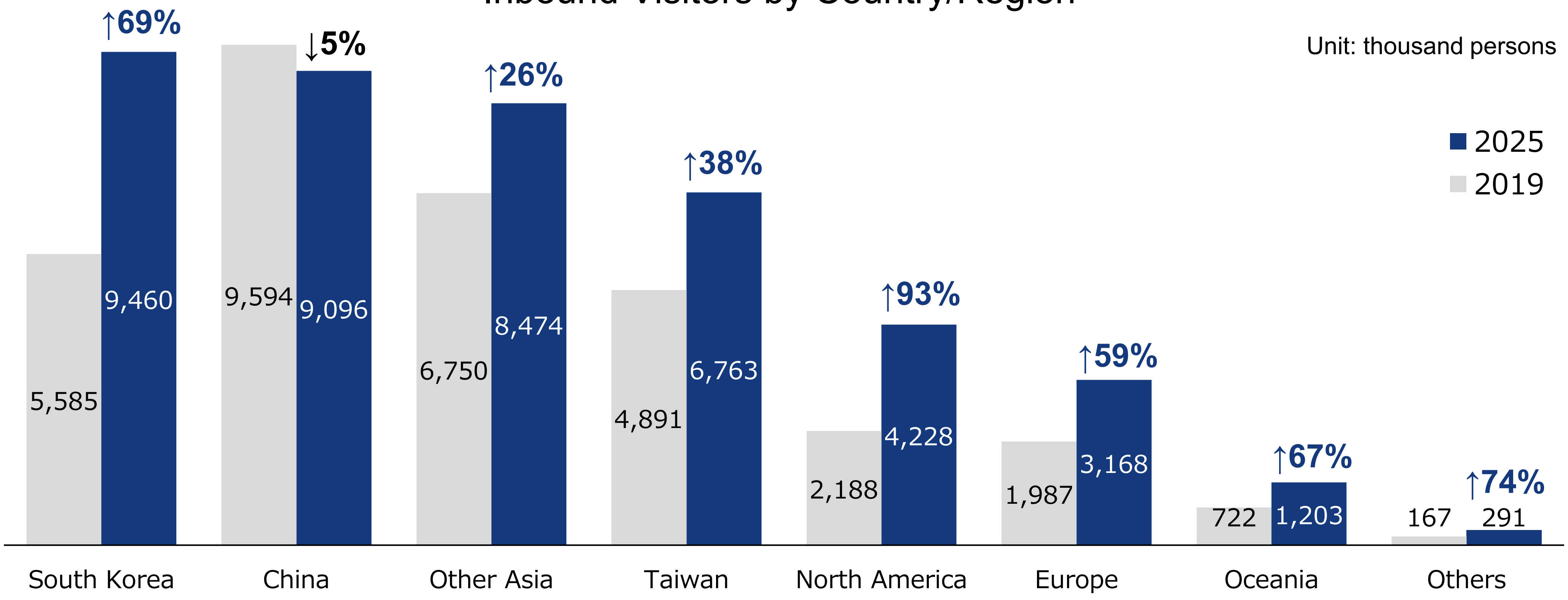
Business Environment: Inbound Tourism Trends

- Visitors from all regions except China are well above pre-COVID levels.
- Geographic diversification increasing with no single country or region dominating.

Inbound Visitors by Country/Region

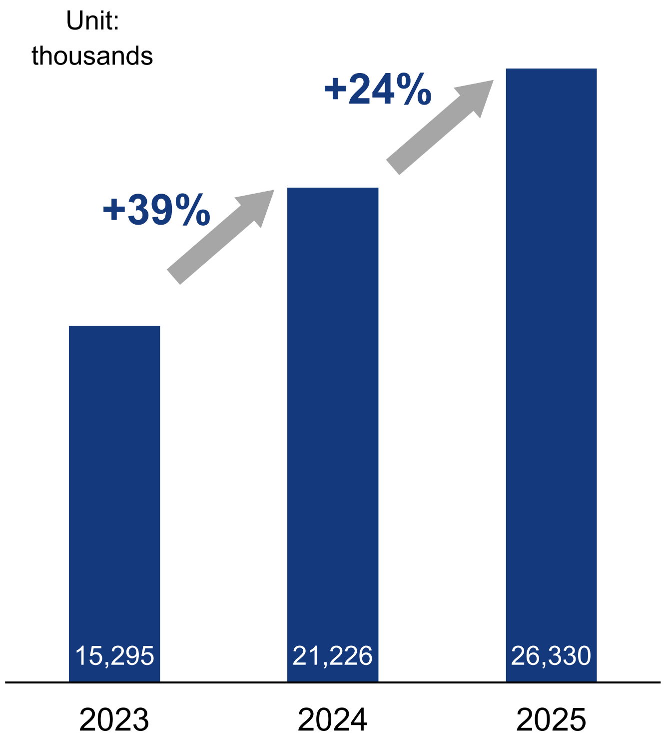


Source: JNTO "Visitor Arrivals to Japan"

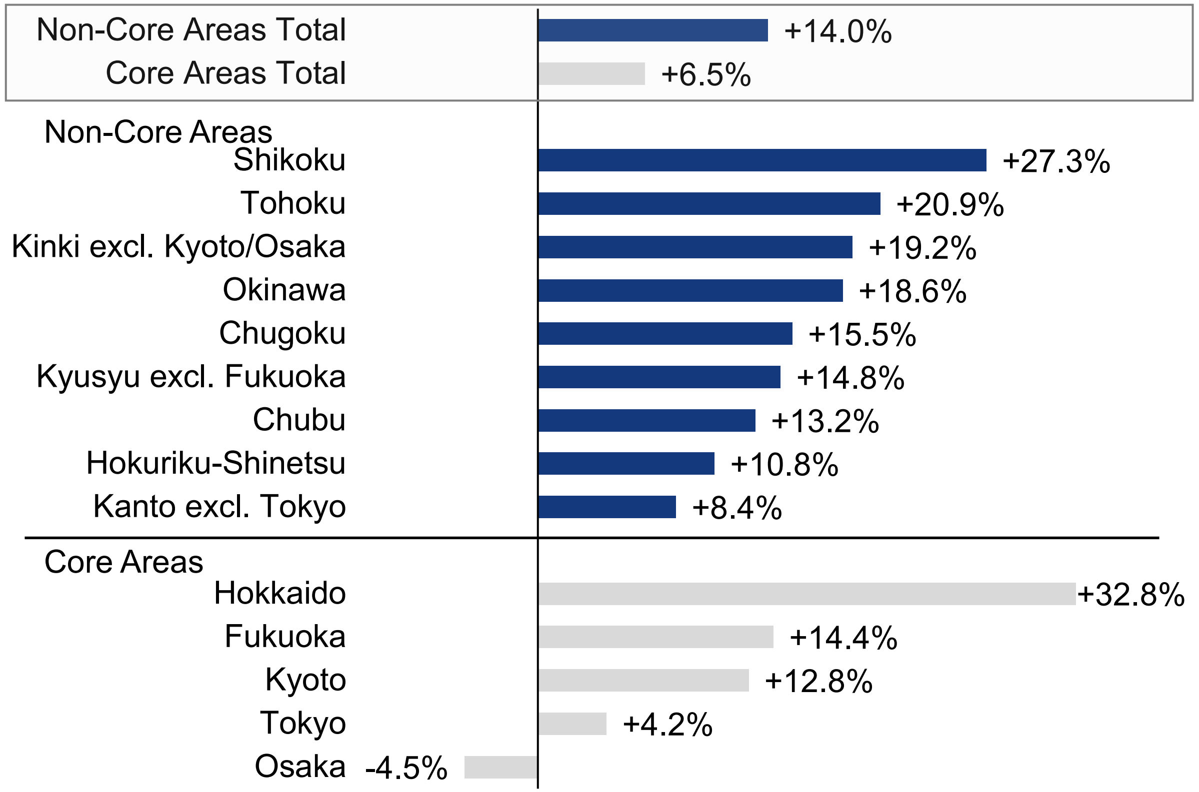
Business Environment: Inbound Growth in Regional Areas

- Repeat visitors to Japan are rising year by year.
- Demand is shifting to regional areas, where further growth is expected.

Inbound Repeat Visitors (est.)



Inbound Guest-Nights by Region: YoY Growth Rate 2025

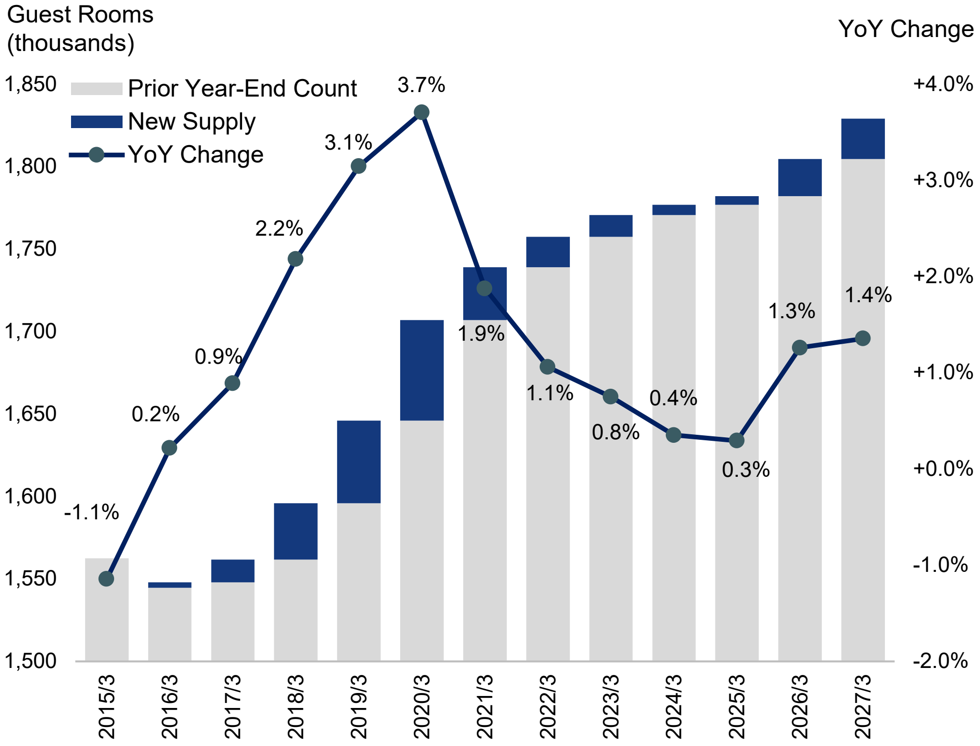


Source: JNTO “Foreign Visitor Statistics”; JTA “Inbound Consumption Trend Survey”. Repeat visitors estimated by multiplying inbound visitors by visit-frequency ratio.

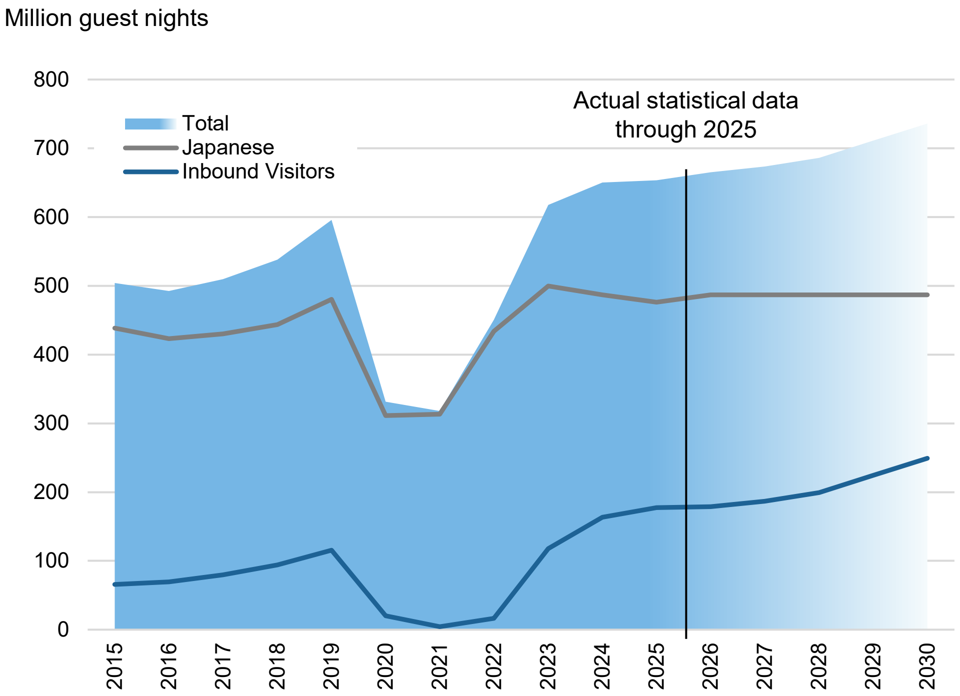
Business Environment: Hotel Supply and Demand

- New hotel growth set to moderate as development costs rise.
- With inbound demand still growing, supply-demand remains tight.

Number of Hotel & Ryokan Guest Rooms[*1]



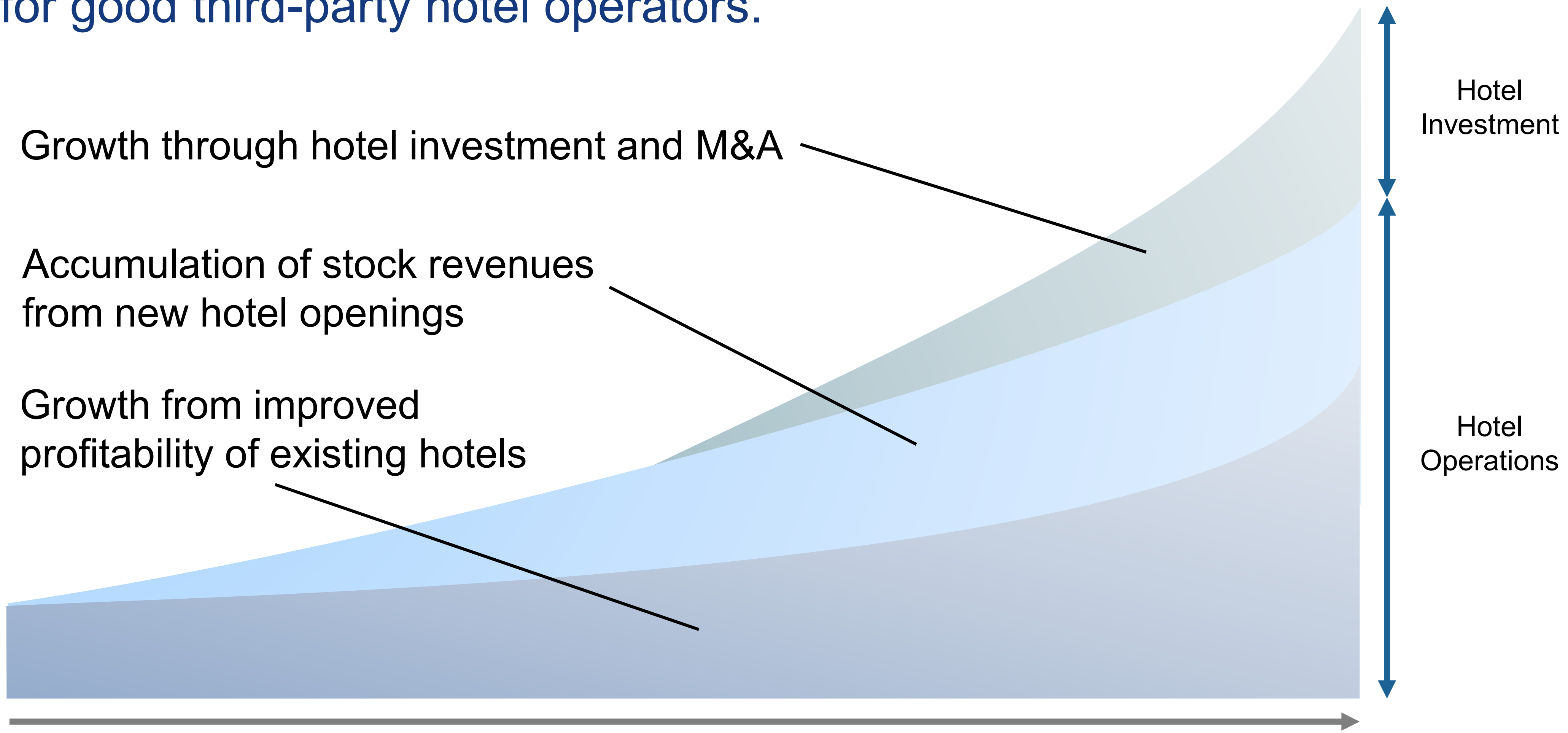
Estimated Total Guest Nights[*2]



Note 1. Compiled by the Company from Ministry of Health, Labour and Welfare statistics. FY2025-2026 estimated from Monthly Hotel & Restaurant (Dec. 2025 issue), excluding hotels with undisclosed room counts or opening dates.
2. Company's proprietary estimate assuming Japanese domestic guest nights remain flat from 2025, and inbound visitors reach 60 million in 2030.

Growth Strategy: Not Just About Inbound Growth

While the macro demand for accommodation continues to grow, we aim for more dramatic growth by building a multi-layered revenue model not reliant only on external tailwinds, but also capitalizing on strong demand for good third-party hotel operators.



Growth Strategy: Growth Drivers

- Japan's tourism is a growth sector, lifted by a rising global travel population.
- Ample room to grow existing-hotel earnings and add new openings.

Macro Environment

- Global Population Growth (particularly Asia)
- Expansion of the Middle Class
- Proliferation of LCCs
- Increase in Global Travelers
- Increase in Travelers to Japan
- Stable Domestic Demand
- Increase in Accommodation Demand

Impact on Market

- Higher Occupancy & ADR from Tight Hotel Supply-Demand
- Rise in Consumer Prices
- Expanded Inbound Capacity (Regional Airport Expansion etc.)
- Regional Spread of Inbound Demand
- Rising Nationwide Demand for New Hotel Development

Impact on Polaris

- Revenue Increase through ADR Improvement
- Regional Revenue Growth (Geographic Diversification)
- Increase in New Hotel Opening Opportunities

Growth Strategy: Our Strengths

- Flexibility in expansion, operations and investment drives our growth.
- Strong growth support from Star Asia Group is a unique strength.

Expansion	Flexible Expansion Capability	Operations	Leveraging Chain Benefits	Investment	Agile Hotel Investment

Expansion — Flexible Expansion Capability

- Flexible expansion enables capital-efficient openings.
- Win deals by tailoring brand, location and contract type to owner needs.
- Source deals through a broad network, including Star Asia Group.

Operations — Leveraging Chain Benefits

- Strong HQ functions support sites and maximize profitability.
- Sales and marketing leveraging chain scale and referral networks.
- Multi-format management capability enhances hotel value.

Investment — Agile Hotel Investment

- Build cumulative stock revenue via asset-light expansion.
- Mitigate market risk through risk-sharing with owners.
- Execute agile asset investments and M&A alongside hotel operations.

Strong Growth Support from Sponsor (Star Asia Group)

Star Asia Group, our sponsor with deep expertise in real estate investment, strongly supports our growth.

Provision of hotel operations deal opportunities	Providing investment deal opportunities in hotel real estate	Providing investment deal opportunities including M&A
Dispatch of management personnel	Agile support for growth capital	Building relationships with domestic and International institutional investors

New Openings: Hotel Development Remains Challenging

- Post-COVID cost increases have reshaped the development landscape.
- Our flexible strategy delivers an industry-leading opening pace.

Changes in Hotel Development Environment	Our Strategy	
Rising construction and land costs • Low-margin budget/mid-range hotels are harder to develop. • Developers demand higher returns and favor selective projects.	Hotel Type & Brand Diversification	Expand our lineup of high-value-added, premium-ADR brands and propose them to owners to win new management opportunities.
	Active Pursuit Of Rebranding Projects	Actively pursuing operator-change transactions (rebranding) for existing hotels that enable expedited openings.
Inbound Demand Spreading to Regional Areas • Growing repeat visitors are driving inbound tourism growth into regional areas beyond major cities	Flexible Area Strategy	Expanding into regional cities, hot spring resorts and resort destinations where favorable supply-demand imbalances are anticipated over the medium/long term.
	Guest room design reflecting leisure demand	Expand into hotels with more multi-person rooms, extended stay capabilities, and higher twin/triple room mixes to capture inbound family demand.

New Openings: Diversification of Portfolio Brands

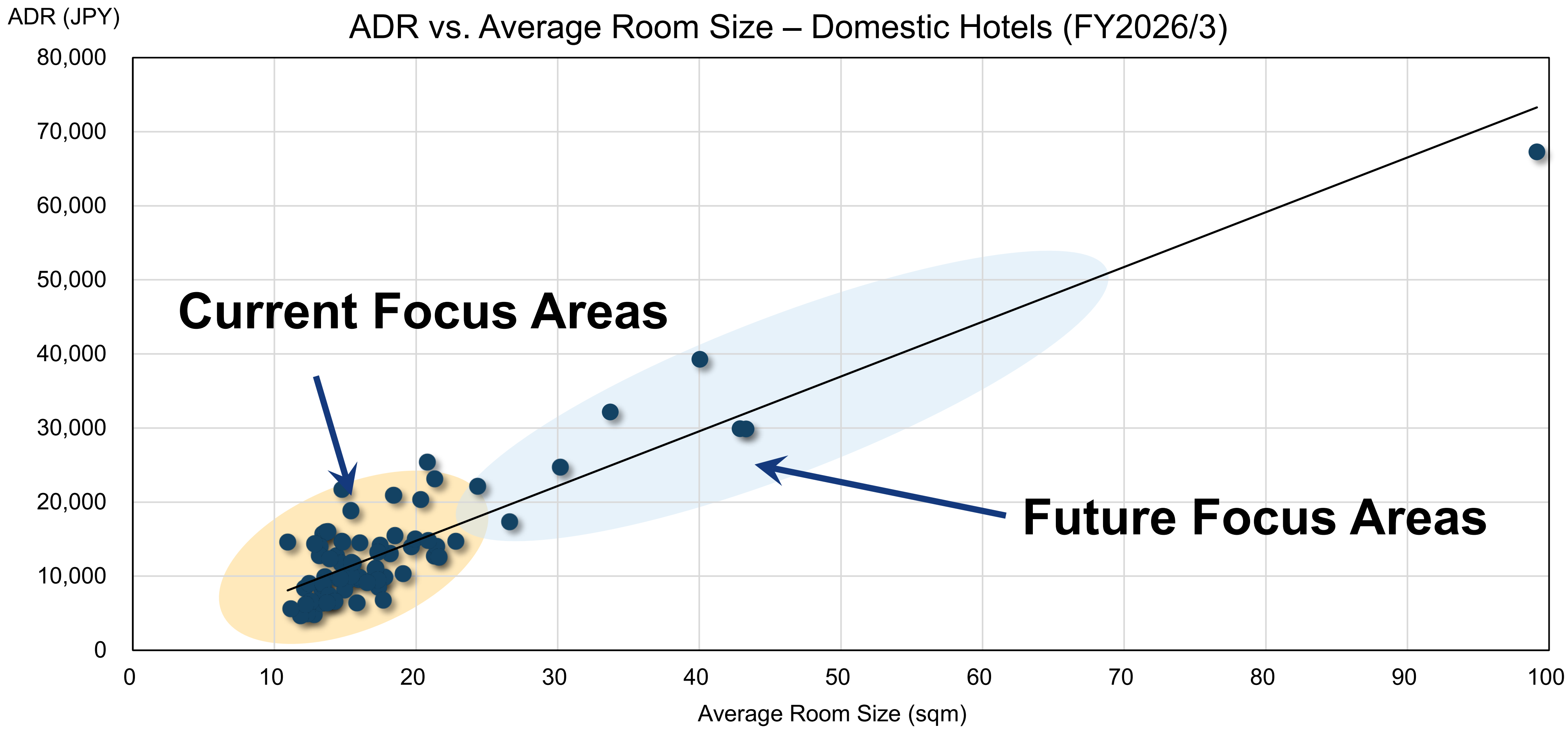
- KOKO HOTEL led brand portfolio addresses diverse needs.
- Diverse brand lineup increases new hotel opening opportunities.

ADR	Basic 80 Hotels		Multi-Person 14 Hotels	High Value-Added 6 hotels
High	Brand TBD	**Upscale** Hotel in Okinawa		KOMOREBI ホテルふたり木もれ陽 yugen KAYA KYOTO NIJO CASTLE kokonoyu
	KOKO HOTEL PREMIER	**Standard Plus** **KOKO Premier: 5** Other brands: 3	KOKO HOTEL RESIDENCE **Apartment** **KOKO Residence: 14**	Lifestyle Hotel Hiroshima / Nara (Brand TBD)
	KOKO HOTEL	**Standard** **KOKO HOTEL: 51** Other brands: 8		
Low	KOKO STAY	**Economy** **KOKO STAY: 9** Other brands: 3		

As of May 2026 (including hotels scheduled to open)

New Openings: Diverse Branding Captures Segment Shift

- Inbound growth is set to lift the leisure segment's share of demand.
- Multi-tiered hotel and brand portfolio targets higher-rate guests.



Operations: Key Areas for Profitability Enhancement

Three priorities to lift profitability and competitiveness of managed hotels.

Key Areas and Main Initiatives

Strengthening Marketing

Pursuing Chain Benefits

- Building Brand Awareness
- Retaining Repeat Customers
- Raising Direct Booking Ratio

Promoting AI Utilization

Leveraging AI & Data for Revenue Growth

- Improving Back-Office Efficiency through AI
- Utilization of AI & Data in Sales Activities
- Utilization of AI in Guest Services

Building Talent Base

Building a Talent Base for Growth

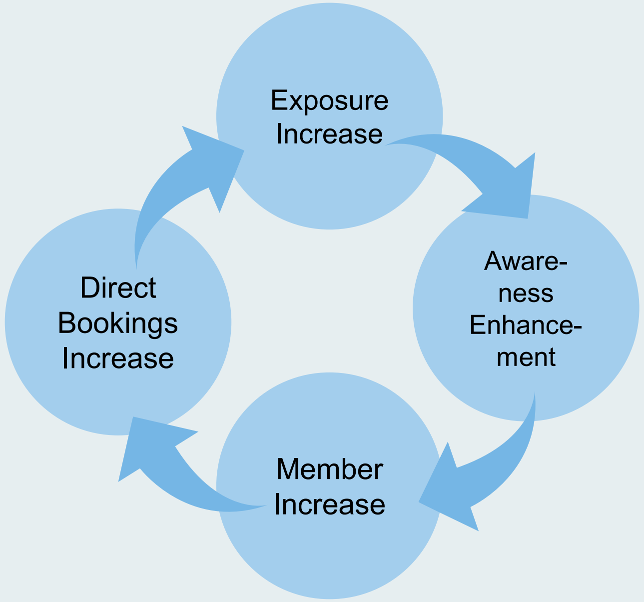
- Talent Diversification & Optimal Allocation
- Structured Training for Long-Term Careers
- Work Environment for Long-Term Retention

Operations: Marketing Strategy

- Building brand awareness for our flagship KOKO HOTELS.
- Launching a cross-brand loyalty program to boost chain-wide benefits.

KOKO HOTELS

Strengthened Marketing



Brand Awareness	Loyalty Program No. of Members	Direct Booking Ratio (No. of Rooms Sold)
25%	250k	15%
↓	↓	↓
50%	**1 mil**	**30%**

Operations: AI Utilization Strategy

- Proactively adopting evolving AI technologies and services.
- Leveraging AI beyond cost savings as a source of competitive advantage.

Advancements in AI-Related Technologies

Areas of AI Application

- Marketing
- Revenue Management
- HR Recruitment & Development
- Back Office
- Guest Services & Hotel Operations
- Investor Relations
- Management Strategy

Expected Effects

- Revenue Enhancement through Reduction of Opportunity Losses
- Reduction of Outsourcing Costs through AI-Enabled In-Sourcing
- Head Office and Hotel Cost Reduction through Productivity Improvement
- Improving the quality of human-led guest service
- Data-Driven Management Decisions
- Accumulation and Utilization of Company-Wide Knowledge and Know-How

Operations: Building a Strong Human Capital Base

- Securing and retaining talent is critical for hotel portfolio growth.
- Leveraging chain strengths to build a sustainable talent base.

	Recruitment & Securing	Development	Retention
Key Initiatives	Diverse talent and chain-wide resource optimization	Training and clear long-term career paths	Engagement and work environment for long-term retention
	Active recruitment of new graduates & foreign staff	Expanding Training Programs	Embedding Mission, Vision and Values and fair evaluation based on the Values
	Leveraging chain strengths: headquarters-led recruitment	Building career paths and developing next-generation leaders	Ongoing system improvement based on regular engagement surveys
	HR placement optimization through internal recruitment & transfers	Ongoing review of the HR system	Systems enabling flexible work styles and promoting healthy management

Investment: Polaris Hotel Investment Strategy

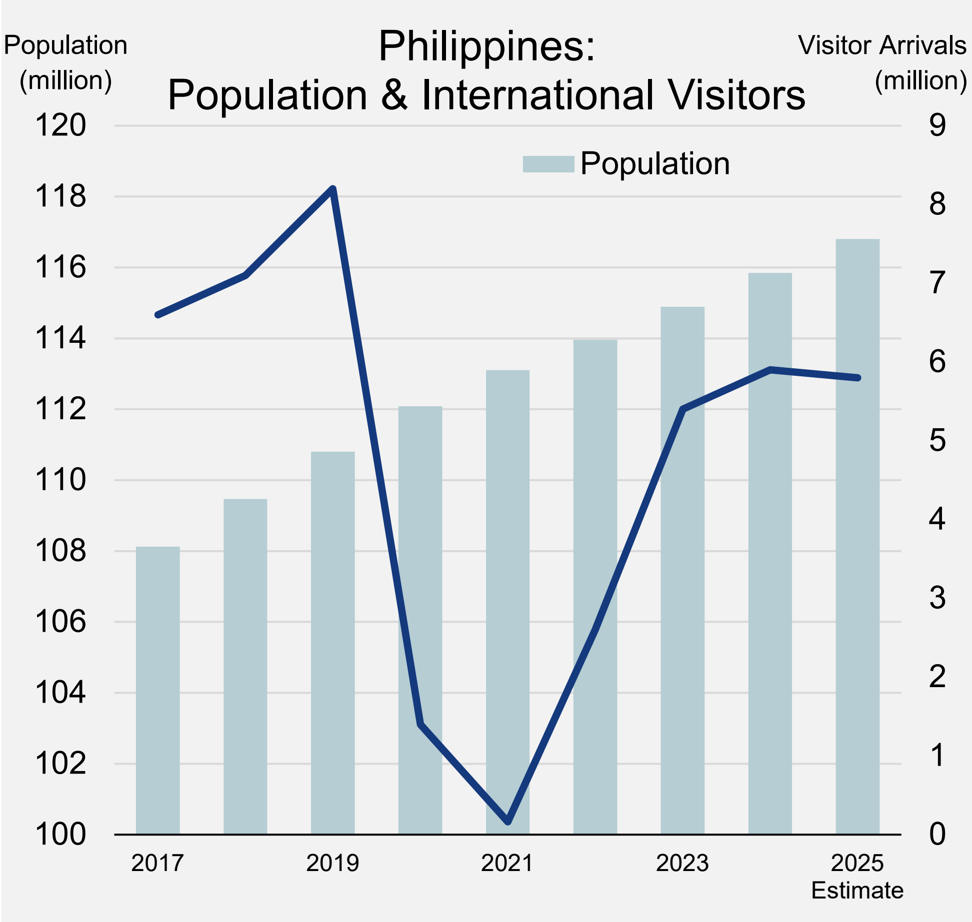
- Fund hotel investments with strong operating cash flows.
- Selective co-investments with Star Asia Group or as sole investments.
- Pursue opportunistic growth via M&A of peer operators.

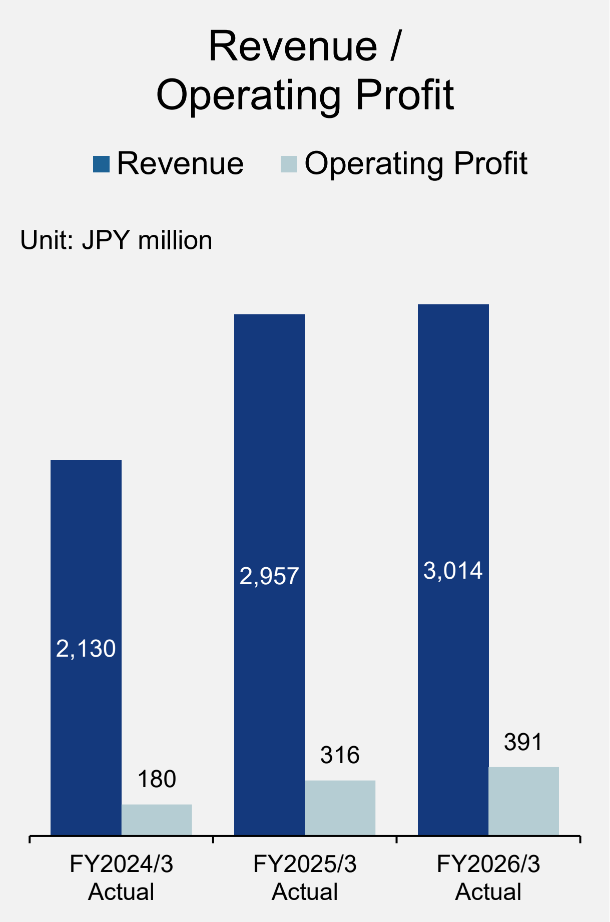
	Investment in Hotel Real Estate		M&A
	Joint Investment	Independent Investment	
Overview	Joint investment in hotels with either Star Asia or other third parties	Polaris-only investment in hotel real estate	Business investments via M&A or business transfer
Targets	Hotel real estate that would be suitable for Polaris to operate		Hotel operators or companies engaged in hotel-related businesses
Investment Amount	Up to JPY 1.0bn	Up to JPY 3.0bn	Varies depending on deal size
Characteristics	• Smaller investment size • Lower risk via shared risk-return with co-investors • No sole control over investment/exit decisions	• Sole control over investment and exit, with medium- to long-term holding flexibility • Captures both rental income and capital gains for higher total returns • Larger investment size required	• Rapid scale and revenue expansion • Builds operational know-how and economies of scale • Larger deal size depending on the transaction • Fewer deal opportunities than real estate investments
Track Record	• KOKO HOTEL Tsukiji Ginza (JPY 0.2bn · Sold) • **KOKO HOTEL Osaka Namba Sennichimae (JPY 0.5bn · Currently invested)** • **KOKO HOTEL Premier Tokyo Bay Makuhari (JPY 1.0bn · Currently invested)**	• KOKO HOTEL Sapporo Odori (Sold) • Best Western Plus Fukuoka Tenjin South (Sold)	• Red Planet Group (FY2023/3) • Minacia (FY2025/3)

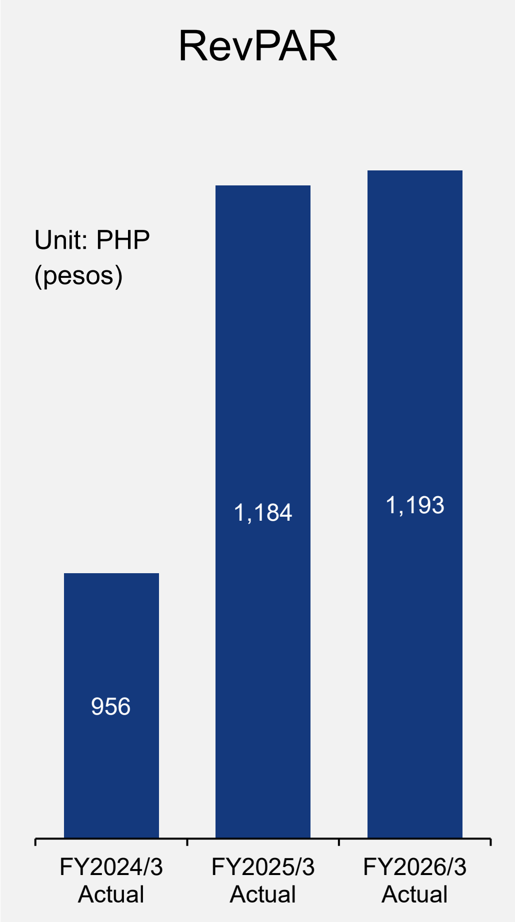
polaris HOLDINGS

Overseas Operations: Red Planet Hotels in Philippines

- The Philippines is a growth market with a rising population.
- Expanding scale through new hotel openings and steady growth.



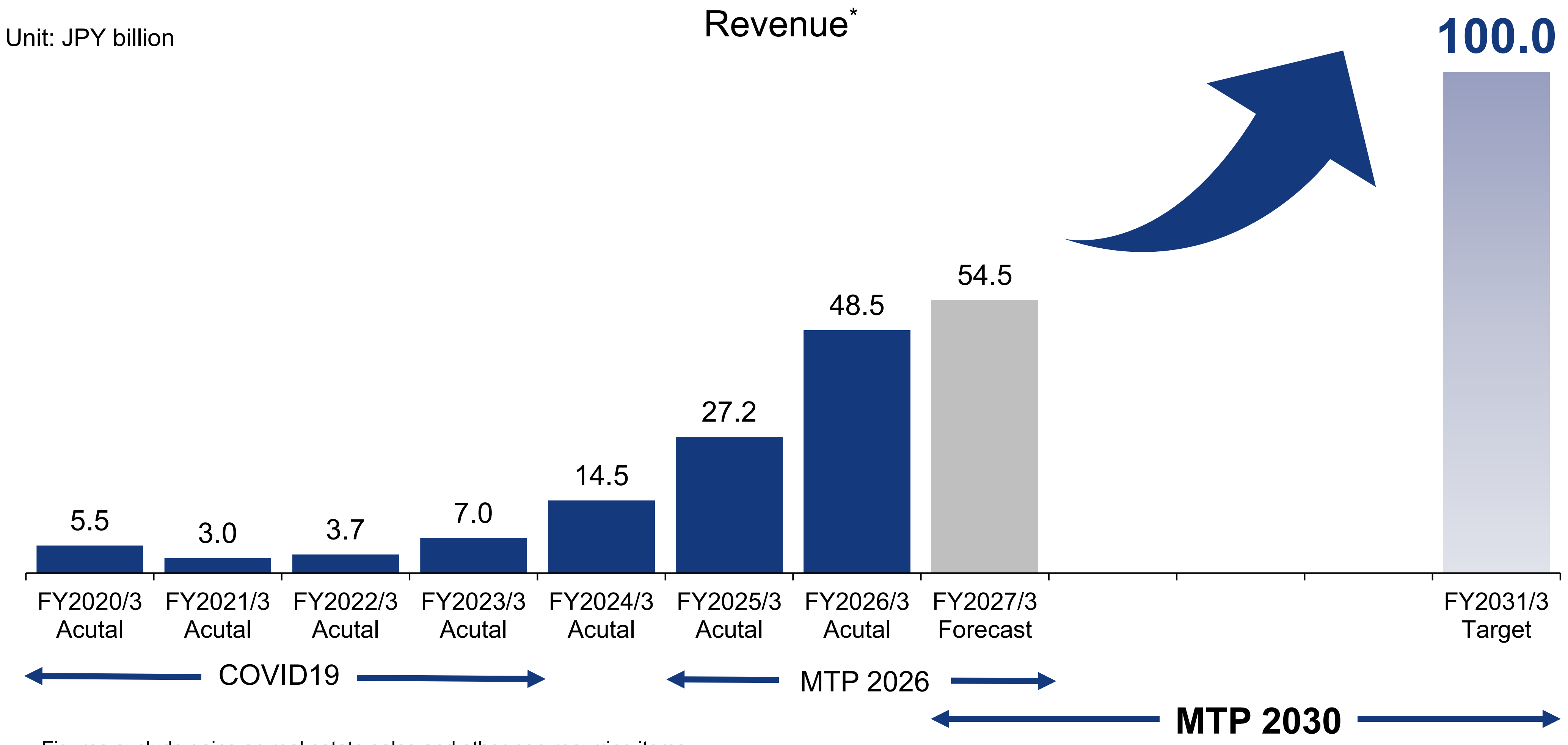




Source: Population data from World Bank, World Development Indicators "Population, total (Philippines)" and visitor arrivals data from Philippine Department of Tourism

MTP 2030: Revenue

Launching Medium-Term Management Plan 2030 (MTP 2030), targeting approximately 2x revenue growth by FY2031/3 vs. FY2026/3



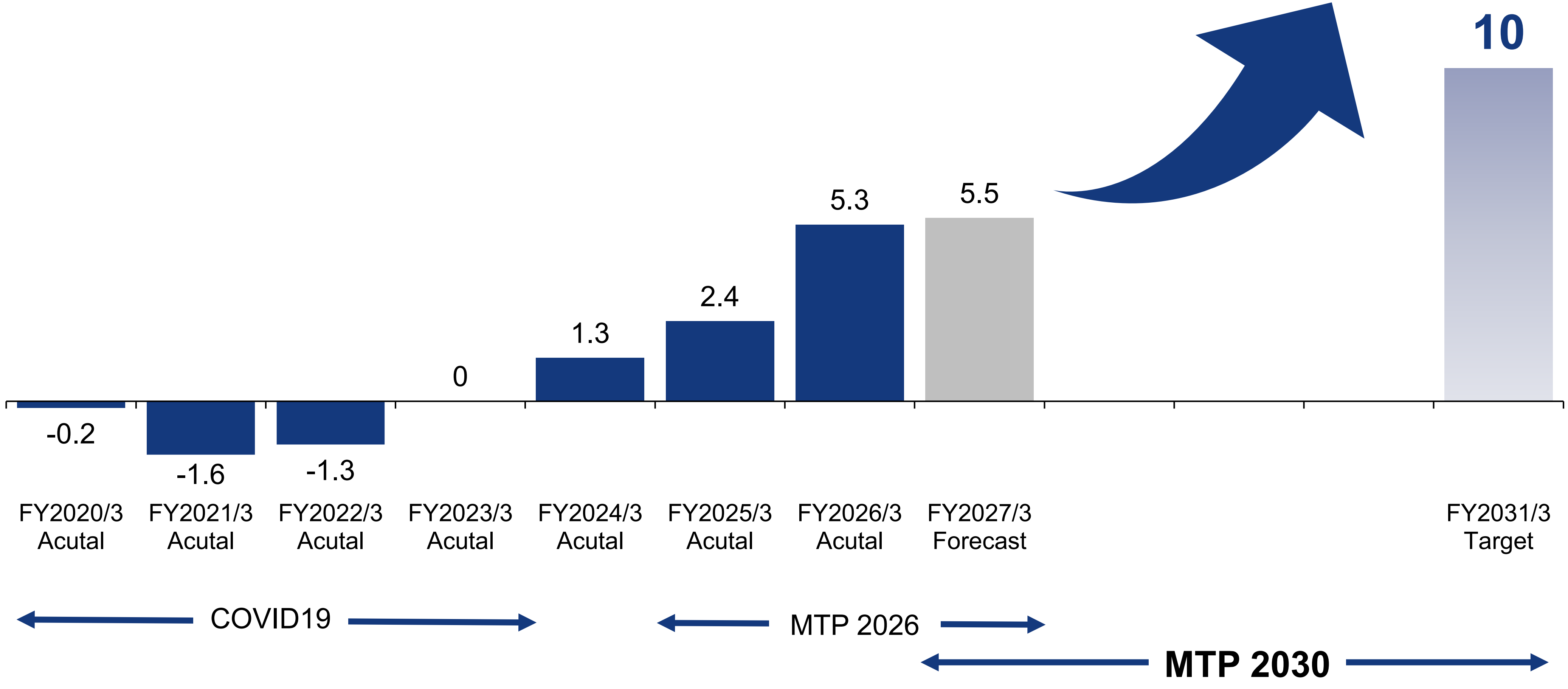
Figures exclude gains on real estate sales and other non-recurring items.

MTP 2030: Operating Profit (Pre-Goodwill Amortization)

Driven by revenue growth, targeting approximately 2x operating profit (pre-goodwill amortization) in FY2031/3 vs. FY2026/3

Unit: JPY billion

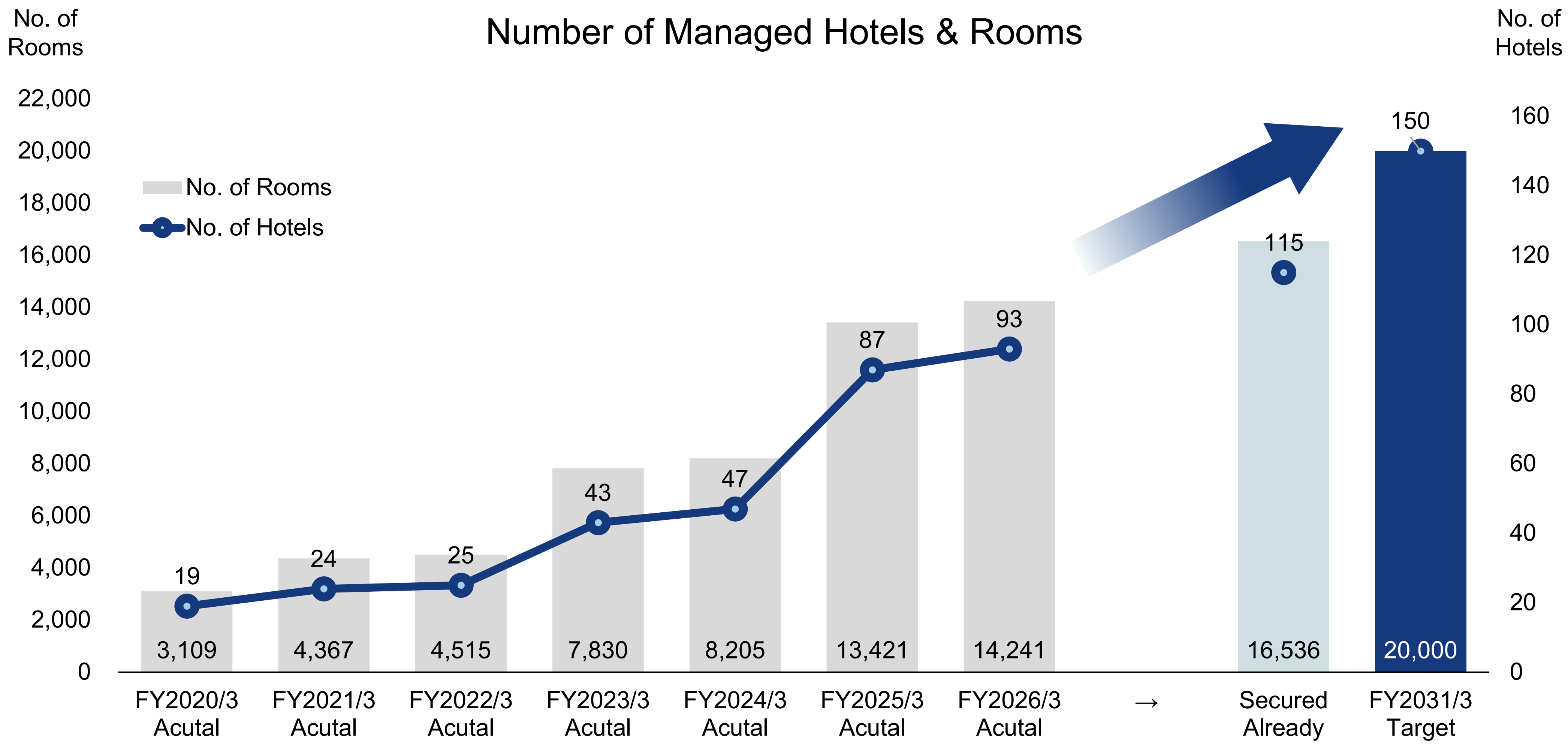
Operating Profit (Pre-Goodwill Amortization)*



Note: Figures exclude goodwill amortization, gains on property sales and other one-time items. See Appendix "Goodwill Amortization" for details.

MTP 2030: New Hotel Opening Targets 1.6x Growth

New target of 150 hotels and 20,000 rooms by FY2031/3 (1.6x)

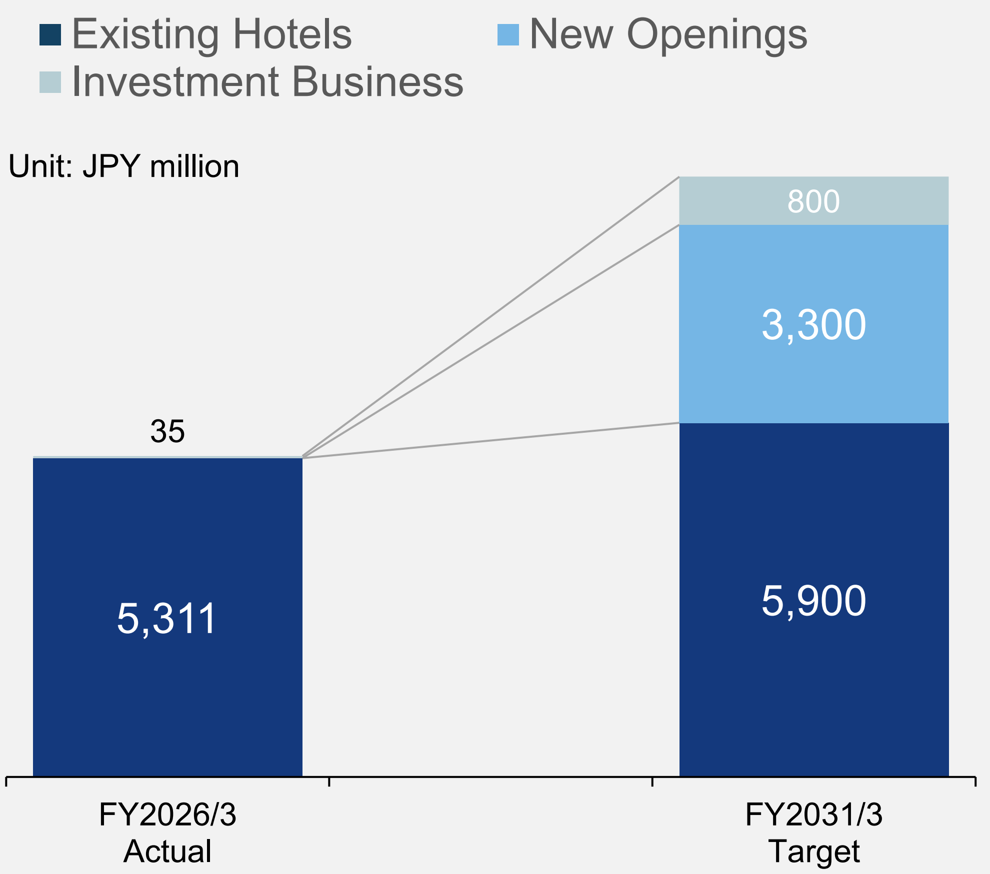


Note: Secured hotel figures include only hotels under contract and publicly disclosed as of May 2026 and exclude hotels under contract but undisclosed as well as those currently in negotiation.

MTP 2030: Key Financial Assumptions

Operating profit* growth driven by accumulated revenues from new openings.

Operating Profit* Growth Breakdown



Key Assumptions

Existing Hotels
- RevPAR assumed at +3% p.a. on stable supply-demand.
- Operating expenses assumed at +3% p.a. on cost inflation.

New Hotel Openings
- Assumes 150 hotels in full-year operation in FY2031/3.
- Revenue timing for new builds may vary by opening schedule.

Hotels Investment Business
- Currently invested projects assumed to proceed going forward.
- New investments (incl. M&A) not included in projections.

Note: Operating profit figures exclude goodwill amortization. See Appendix "Goodwill Amortization" for details.

MTP 2030: Targeting 30% Payout Ratio and 10% ROE

- Continuing prior policy of TSR[*1] growth via stable dividends and EPS-driven share appreciation.
- Targeting 10% ROE with sustained capital efficiency.

Shareholder Return Policy

Stable, performance-linked dividend growth

KPI: Dividend Payout Ratio[*2] 30%

	FY2024/3 Actual	FY2025/3 Actual	FY2026/3 Actual	FY2027/3 Forecast	FY2031/3 Target
Payout Ratio	–	17.7%	25.4% (42.7%)	73.1% (39.7%)	30%+
Dividend per Share	–	JPY 3	JPY 5	JPY 5	–

- Targeting 30% payout ratio with stable dividends.
- Most recent year fell below 30% due to deferred tax asset recognition; payout ratio excluding the impact of deferred income taxes is 42.7%.
- Balancing growth investment and shareholder returns.

Capital Efficiency

Proactively pursuing capital-cost and share-price-aware management

KPI: ROE[*2] 10%

	FY2024/3 Actual	FY2025/3 Actual	FY2026/3 Actual	FY2027/3 Forecast	FY2031/3 Target
ROE	67.4%	14.8%	15.2% (9.1%)	4.9% (9.1%)	10%+
Net Worth JPY billion	6.9	28.3	32.2	32.6	–

- ROE set as a key metric for capital-cost-aware management.
- Capital efficiency remains high; recent decline due to share issuance.
- Targeting an earnings base sustaining 10%+ ROE over the medium to long term.

Note: 1. TSR (Total Shareholder Return) = (Ending Share Price − Beginning Share Price + Dividends) / Beginning Share Price.
2. Figures in parentheses for payout ratio and ROE are calculated excluding the impact of deferred income taxes arising from deferred tax asset recognition, an irregular factor in FY2026/3.

MTP 2030: Key Financial Targets

Targeting CAGR of over 10% in revenue and operating profit*1, aiming for approximately 2x growth vs. FY2026/3.

Unit: JPY billion

		FY2026/3 Actual	MTP 2030 Target	MTP 2030 Target vs FY2026/3 Actual		
				Increase	Growth	CAGR
Operating Scale	Hotels Operated	93	150	57	+61%	+10%
	Rooms Operated	14,241	20,000	5,759	+40%	+7%
Financial KPIs	Revenue	48.5	100.0	51.5	+106%	+16%
	Operating Profit*1	5.3	10.0	4.7	+89%	+11%
Shareholder Returns	Dividend Payout Ratio*2	25.4% (42.7%)	≥30%	-	-	-
Capital Efficiency	ROE*2	15.2% (9.1%)	≥10%	-	-	-

Note: 1. Operating Profit excludes goodwill amortization. See Appendix "Goodwill Amortization" for details.
2. Figures in parentheses for payout ratio and ROE are calculated excluding the impact of deferred income taxes arising from deferred tax asset recognition, an irregular factor in FY2026/3.

MTP 2030: Capital Allocation Strategy

Allocating operating CF from hotel operations, balancing growth investments and shareholder returns.

Cash In	Cash Out	Policy
Operating CF Through FY2030 JPY 35.0 bn (estimated)	Strengthening Competitiveness of Existing Hotels	Renovations and value-add tailored to local market and customer needs to grow revenue and lift margins.
	New Hotel Openings	Investing in new openings that generate stable long-term cash flows.
	Hotel Investment	Investing in hotels that we operate to capture both operating income and capital gains.
	M&A	Continue actively exploring M&A and alliance opportunities that will support growth.
	AI & Systems Investment	Look at IT investments to support scale expansion and AI investments for process efficiency.
	Debt Repayment	Given recent interest rate increases, actively consider early repayment of interest-bearing debt.
	Shareholder Returns	Pursue balanced returns aligned with revenue and profit growth.

Appendix

Company Overview

As of End of March 2026

Company Name	Polaris Holdings Co., Ltd.
Date of Establishment	September 20, 1912
Head Office Location	ONE SHINKAWA, 1-23-5 Shinkawa, Chuo-ku, Tokyo
Paid-in Capital	JPY 27 million
Net Assets (Consolidated)	JPY 32,156 million
Employees (Consolidated)	1,940 persons
Business Description	Hotel Operations and Hotel Investment
Listed Exchange	Tokyo Stock Exchange (Standard Market) Securities Code: 3010
Accounting Auditor	Seiei LLC Audit Firm

Our Mission & Vision

MISSION

Bringing smiles to your journey and colours to life

By honouring local culture and the warmth of people, we hope to convey their charm through memorable stays. We want to connect people and communities with smiles, spreading these circles of joy across the world.

VISION

A hospitality company that makes travel more exciting

We are evolving hotels into "starting points that make travel exciting", delivering new joys and discoveries through experiences rooted in local charm and comfortable spaces.

Share Information & Shareholder Structure

As of End of March 2026

Class of Shares Issued	Common Stock
Authorized Shares	496,000,000 shares
Total Issued Shares	233,914,680 shares
No. of Shareholders	11,789 persons

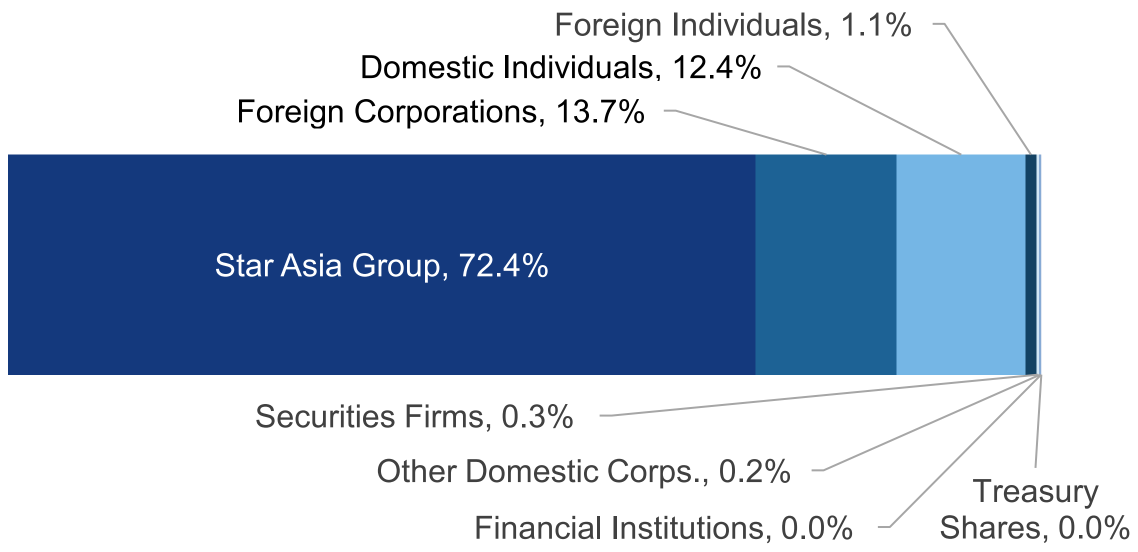
Major Shareholders

Shareholder Name	Number of Shares	Shareholding Ratio
SAJP VI 3.0 LP	105,820,691	45.23%
Star Asia Opportunity III LP	39,976,962	17.09%

Number of Shares Held by Directors

Chairman of the Board	Shigeru Takakura	149,400
President & Representative Director	Yohei Taguchi	54,800
Director & COO	Kazuyoshi Shimojima	20,000
Director & CFO	Satoshi Hosono	105,615
Director	Takahiro Tsujikawa	82,400
Director	Kentaro Tawara	20,000
Director	Mitsuhiro Matsuzaki	20,000
Director	Joseph Altwasser	136,200
Outside Director	Takaaki Morohashi	38,000

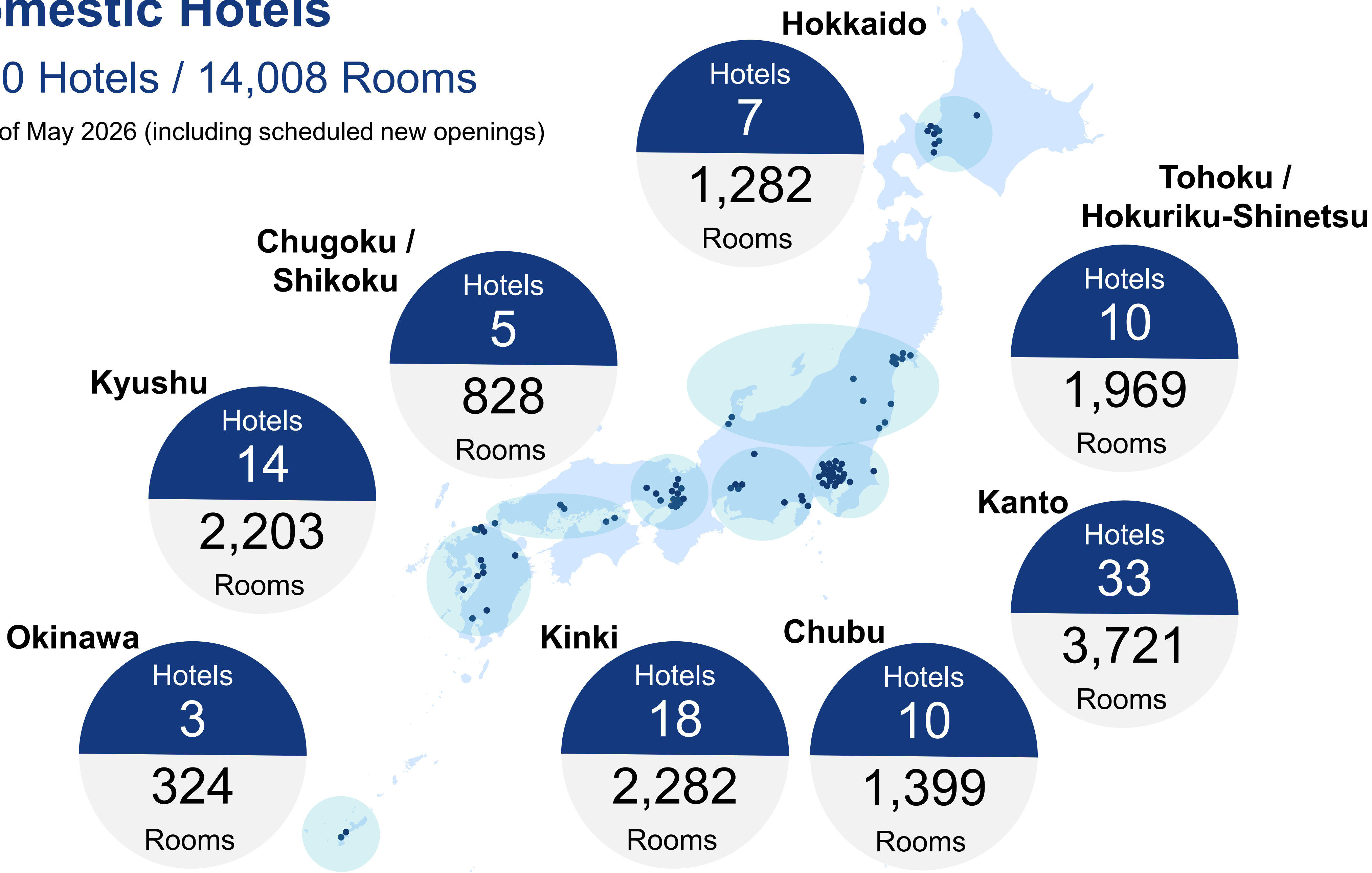
Share Distribution by Owner Type



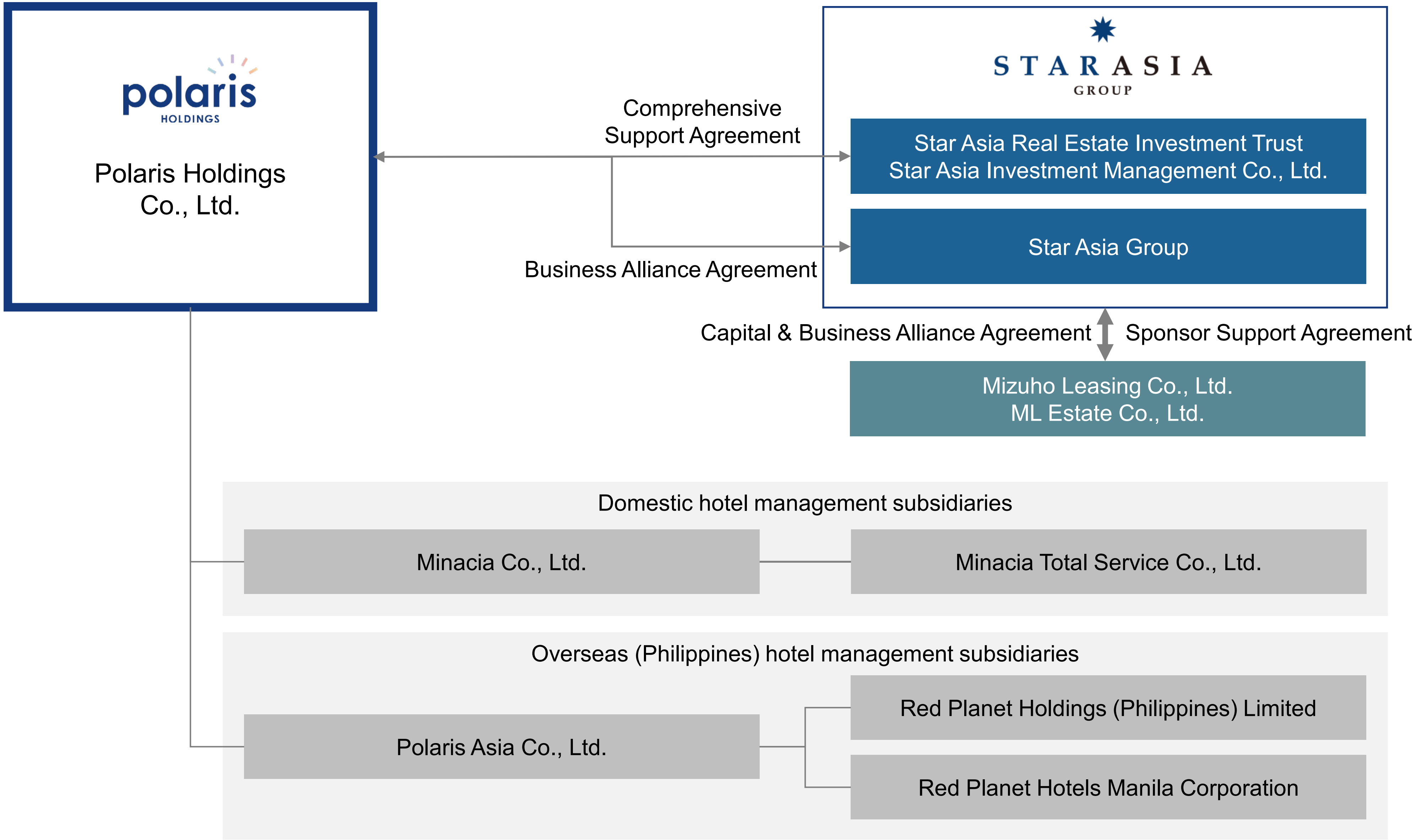
Domestic Hotels

100 Hotels / 14,008 Rooms

As of May 2026 (including scheduled new openings)



Subsidiaries & Affiliates



Collaboration with Star Asia Group

Operations | Investment

polaris HOLDINGS

- Providing hotel management opportunities
- Ownership of Polaris-Managed Hotels
- Repair and renovation of Polaris-managed hotels

- Providing hotel management opportunities
- Providing joint investment opportunities in hotels
- Provision of Operations Deal Information
- Financial and Human/Capital Support

Investment | Asset Management

Star Asia REIT (Listed REIT)

- AUM: JPY 333.5bn
- Hotels owned: 22 properties
- Hotel Ratio: 40.3%

As of January 31, 2026

Investment | Asset Management

Star Asia Group (Private Fund Management)

- AUM: Approx. JPY 903.0bn as of Dec 2025

Investing in real estate including hotel properties, real estate-related receivables, securitized products, real estate, companies, etc.

STAR ASIA Investment Corporation

Sponsor Support Agreement*

MIZUHO みずほリース

Capital & Business Alliance Agreement

STAR ASIA GROUP

Note: Contract with ML Estate Co., Ltd., a wholly-owned subsidiary of Mizuho Leasing Co., Ltd.

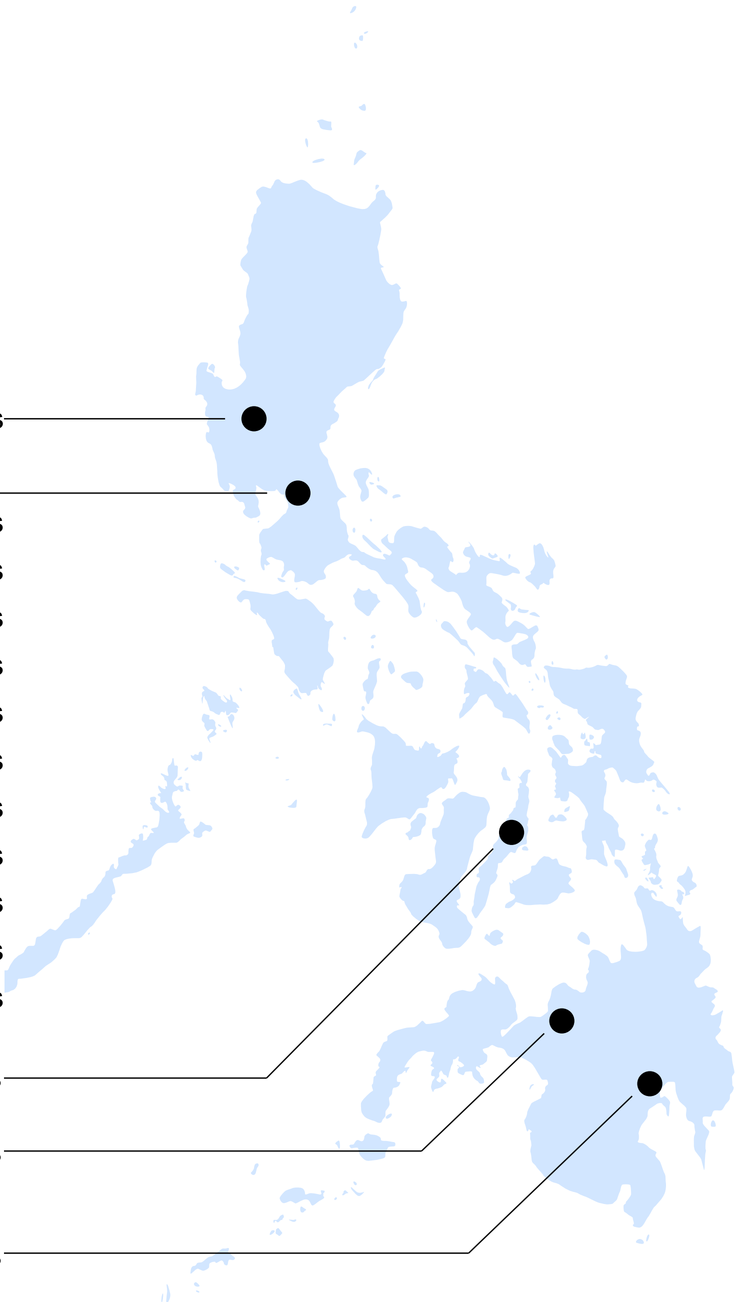
Overseas Hotels (Philippines)

15 Hotels / 2,528 Rooms

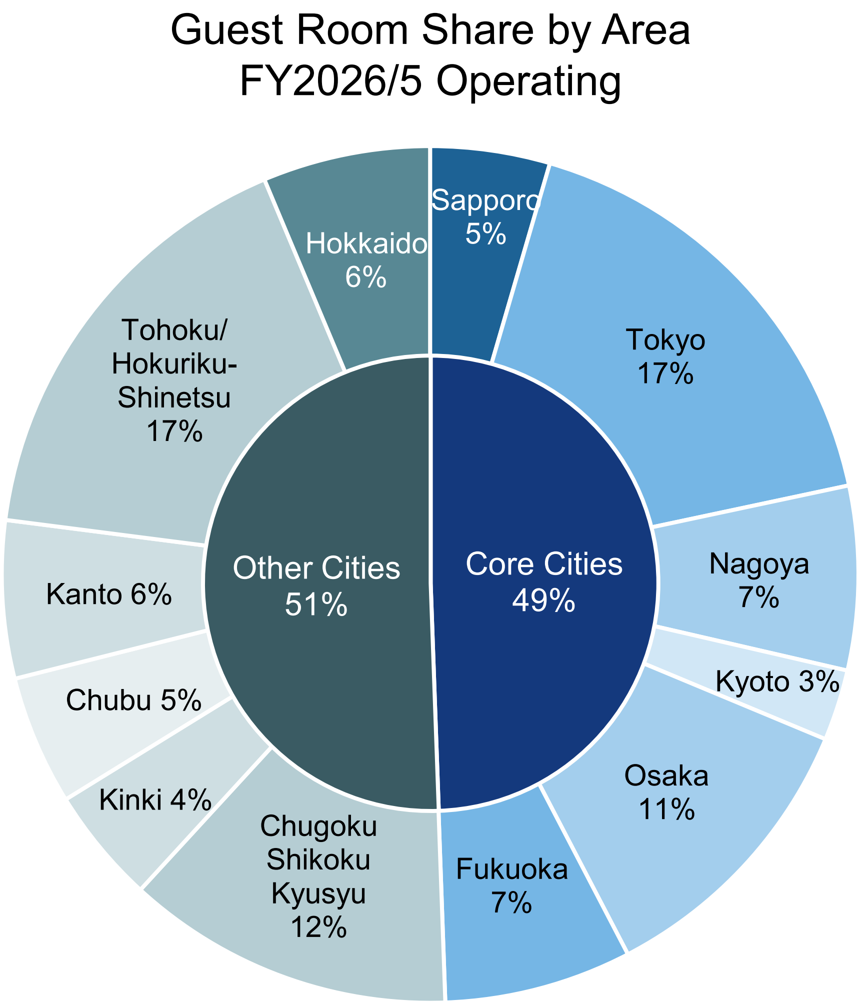
As of May 2026

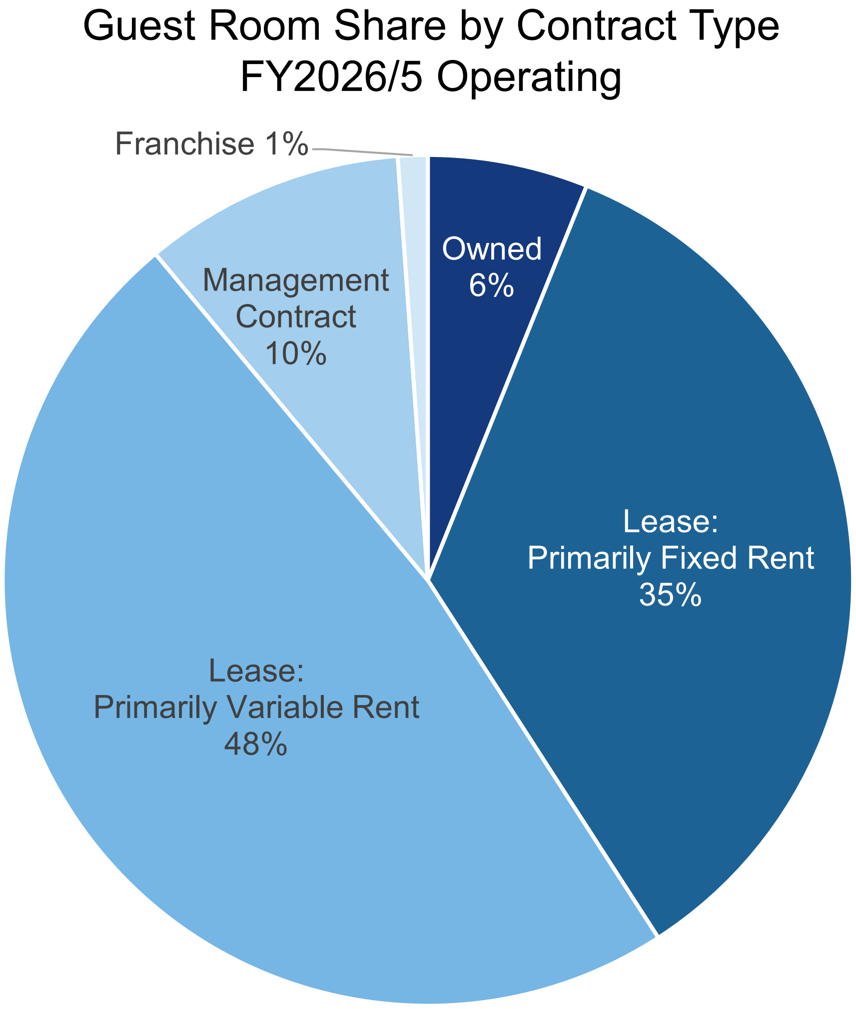
RED PLANET HOTELS

Red Planet Angeles City	165 rooms
Red Planet Manila Ortigas	182 rooms
Red Planet Cubao Aurora Boulevard	167 rooms
Red Planet Manila Aseana City	200 rooms
Red Planet Manila Amorsolo	189 rooms
Red Planet Manila Mabini	167 rooms
Red Planet Manila Bay	150 rooms
Red Planet Manila Binondo	171 rooms
Red Planet Manila Makati	213 rooms
Red Planet Quezon Timog	140 rooms
Red Planet BGC The Fort	245 rooms
Red Planet Cavite	75 rooms
Red Planet Cebu	150 rooms
Red Planet Cagayan de Oro	159 rooms
Red Planet Davao	155 rooms



Domestic Hotels – Area & Contract Type Mix





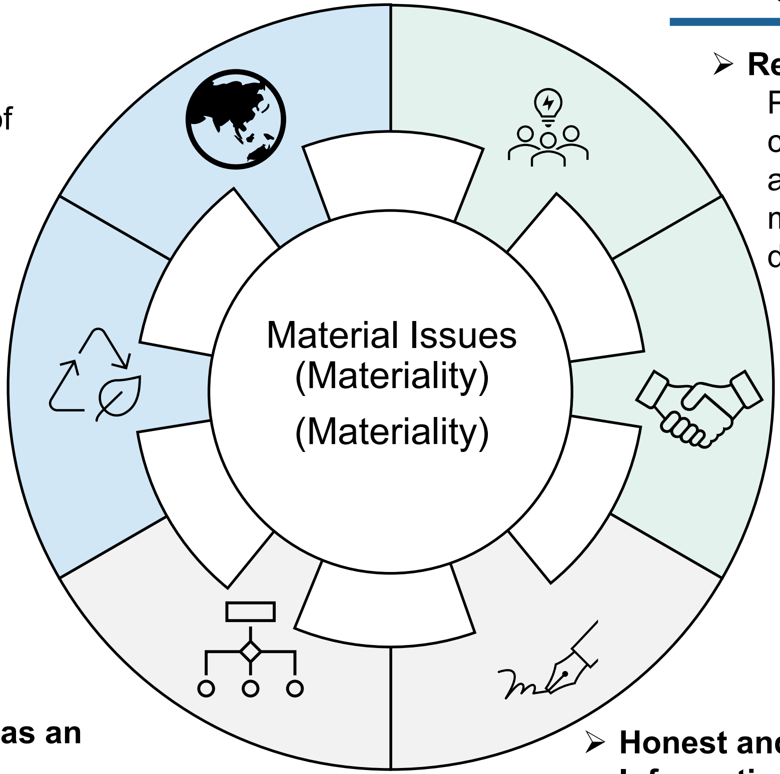
Sustainability Policy

Positioning sustainability at the core of management and promoting ESG-based management practices

Environment

- **Climate Change Action**
  Polaris recognizes the environmental impact of energy consumption and greenhouse gas emissions from its business activities and is committed to reducing them.

- **Effective Resource Utilization and Environmental Impact Reduction**
  Polaris promotes efficient resource use through water conservation, waste reduction and the promotion of reuse and recycling.



Social

- **Regional Collaboration and Value Creation**
  Polaris values its connections with local cultures, industries and communities, and aims to manage hotels and real estate in a manner that contributes to regional development.

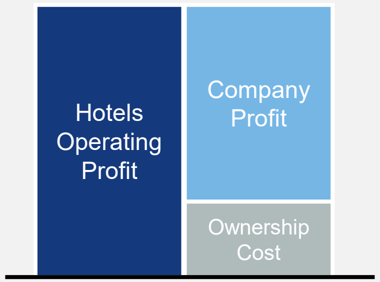
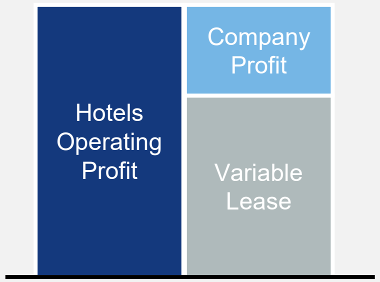
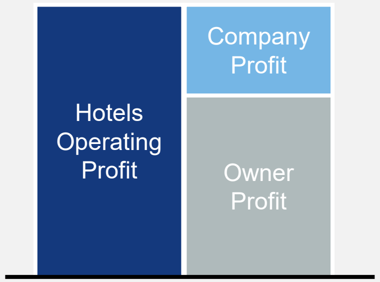
- **Promoting Diversity and Inclusion**
  Polaris regards its human resources as a source of value creation and respects differences in nationality, gender, age, values and working styles.

- **Honest and Transparent Management & Information Disclosure**
  The Group conducts its management with integrity, based on strict legal compliance and trust-based relationships with all stakeholders.

Governance

- **Strong and Flexible Governance Structure as an Alliance**
  Polaris will enhance the transparency, speed and effectiveness of decision-making within the alliance, while respecting the respective strengths and corporate cultures of both Polaris and Minacia.

Contract Type Comparison

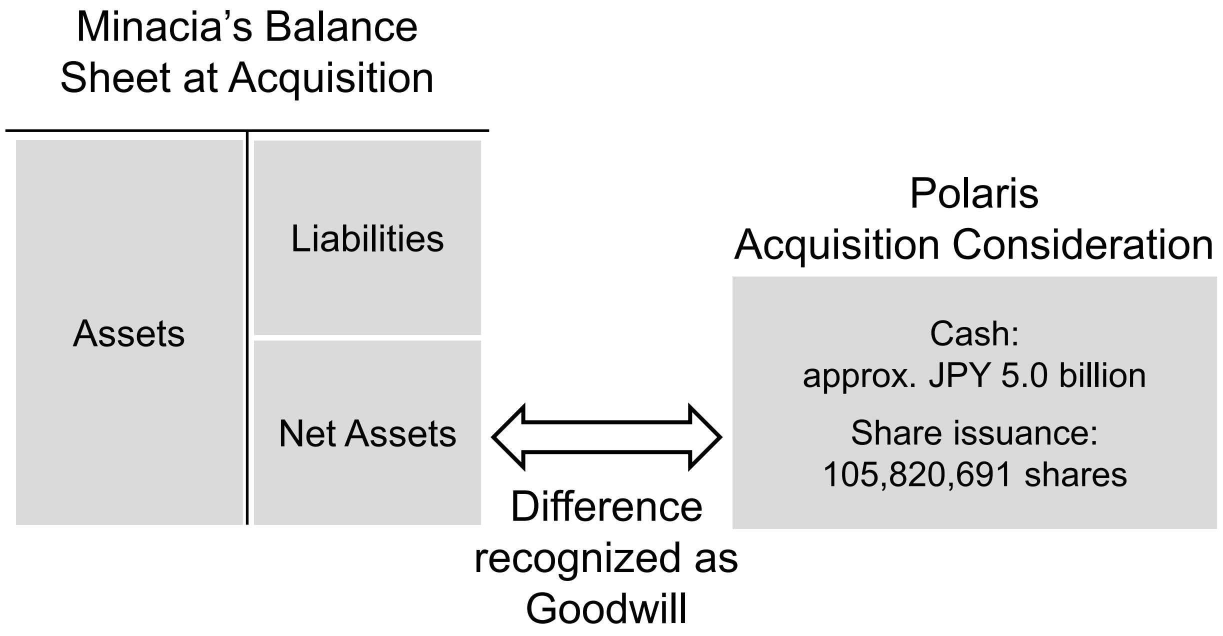
	Owned	Lease: Primarily Fixed Lease	Lease: Primarily Variable Lease	Management Contract
Overview	Own and operate the hotel	Fixed rent plus percentage rent above a revenue threshold	Variable rent tied to operating profit (with low fixed component)	• Property owner is the principal • Company earns fees linked to revenue or operating profit
Advantages	• All profit above ownership costs accrues to Company → high margins • Capital gains on sale	Excess over fixed rent accrues to Company	Rent flexes with performance → limited downside	Loss risk borne by owner; no downside to Company
Risk	• Large upfront investment • Ongoing maintenance capex • Capital loss risk if values fall • Interest rate risk on borrowings	Loss if operating profit < fixed rent; downside greater than variable-rent model	Limited downside, but lower margins than ownership/fixed-rent models	No loss risk, but shorter terms and higher early-termination risk vs. leases
Margins (OP)	Approx. 70–80%	Approx. 30–40%	Approx. 15%	Approx. 10–15%
Revenue Model				

Goodwill Amortization

Goodwill is recognized as an intangible asset after the acquisition of Minacia shares.

Polaris emphasizes pre-goodwill-amortization profit metrics as a more accurate reflection of our underlying earnings power.

- JPY 26.1 billion recognized as the difference between Minacia's net asset book value at the time of the subsidiarization and the share exchange consideration (cash plus newly issued shares).
- Goodwill amortization recorded under sales, general and administrative expenses (JPY 1.3 billion per annum; JPY 0.33 billion per quarter).
- As goodwill amortization is a non-cash expense, it has no impact on cash flows.
- Polaris positions pre-goodwill-amortization operating profit and net income as key management indicators.



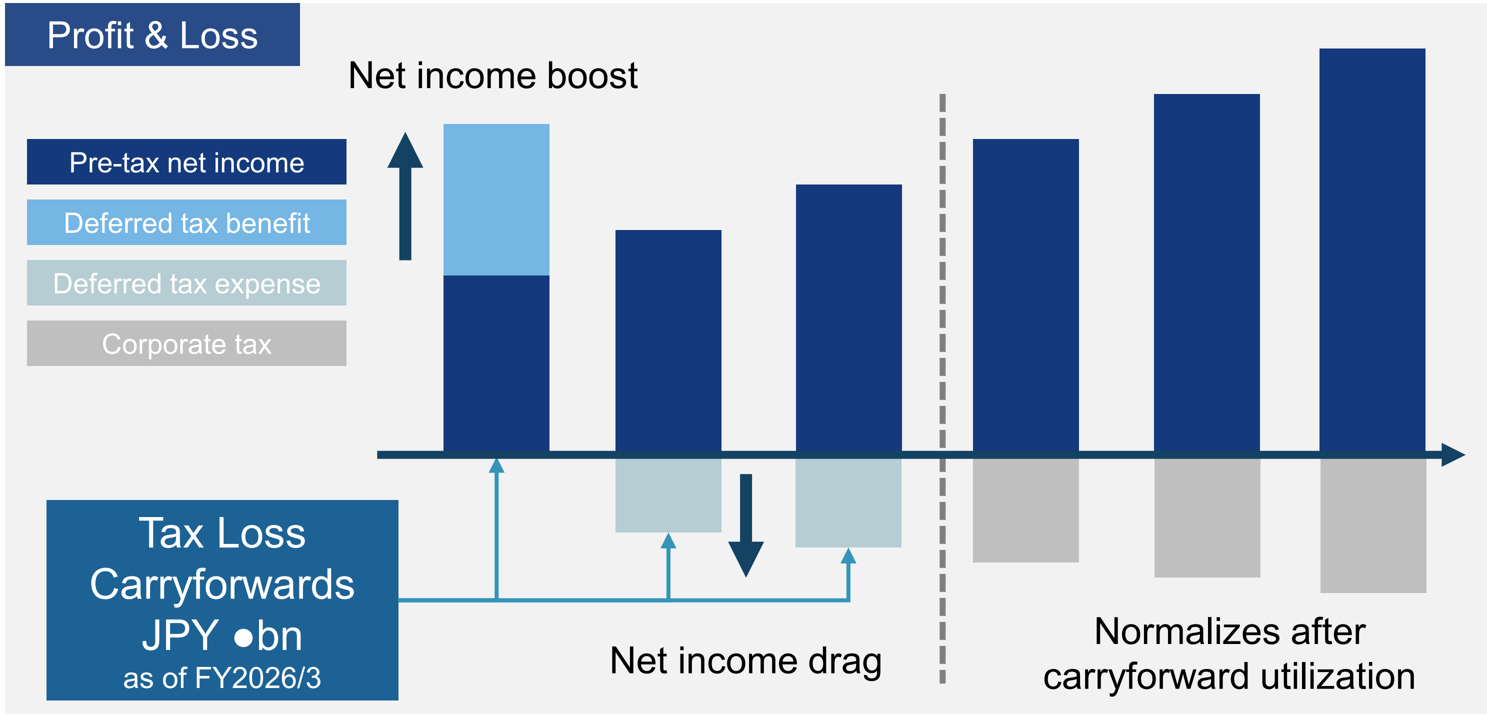
Recorded Amount: JPY 26.1 billion
Balance as of March 31, 2026: JPY 24.4 billion

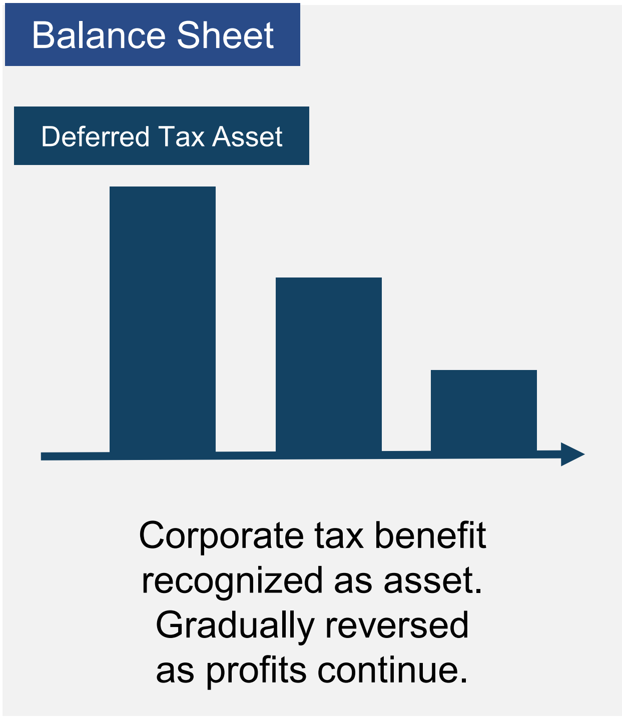
Amortization Amount: JPY 1.3 billion/year
Approx. JPY 0.33 billion per quarter

Amortization Period: 20 years

Tax Loss Carryforwards & Deferred Tax Assets

- COVID-era losses created large tax loss carryforwards, reducing near-term corporate tax payments.
- With earnings now assessed as stable, the future tax benefit is recognized as a deferred tax asset on the FY2026/3 BS; simultaneously, a deferred tax benefit is recorded on the PL, providing a one-off uplift to net income in FY2026/3.
- If profits continue, the deferred tax asset is reversed, recording a deferred tax expense that depresses reported net income until the carryforwards are fully utilized.
- Required accounting to align book and tax income; explains the expected decline in FY2027/3 net income.
- This is purely an accounting entry — no cash movement is associated with the deferred tax adjustment.





Note: The above diagrams are for illustrative purposes only and do not represent actual financial figures.

Important Notice

IR Inquiries

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