



February 18, 2022

**FOR IMMEDIATE RELEASE**

Company Name: **Polaris Holdings Co., Ltd.**

Representative: Atsuo Umeki, President and Representative Director

Stock Listing: Tokyo Stock Exchange, Second Section

Stock Code: 3010

Inquiries: Satoshi Hosono, Director and CFO (TEL:03-5822-3010)

**[Updated] Polaris to Operate 6 Additional Hotels**

Polaris Holdings Co., Ltd. announces that there was partial revision to the “Polaris to Operate 6 Additional Hotels” announced on February 14, 2022. The details of the revision is as outlined below.

**Details of the revision**

Changes are indicated by underline.

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[Before revision]

The Board of Directors of Polaris Holdings, Co., Ltd. (“Polaris” or the “Company”) is pleased to announce that it resolved today to execute a "Memorandum of Understanding for Hotel Management" (hereinafter referred to as "the MOU") with Star Asia Group, the parent company group of the Company, regarding "Hotel Trusty Kanazawa Korinbo", "Hotel Trusty Shinsaibashi", "Hotel Trusty Nagoya Sakae", "Hotel Trusty Premier Kumamoto", "Hotel Trusty Premier Nihonbashi Hamacho" and "Hotel Trusty Kobe Kyukyoryuchi" (hereinafter referred to as the "Property Portfolio"). This Property Portfolio is in the final stages of being acquired by Star Asia Group (hereinafter referred to as the "Transaction").

[After revision]

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**Polaris to Operate 6 Additional Hotels**

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**1. Conclusion of the MOU**

**(1) Background leading to the conclusion of the MOU**

Upon completion of the Transaction, the current hotel operator is scheduled to terminate the operations at each of the hotels. Polaris has entered into the MOU with Star Asia Group as both parties finalize and execute the definitive hotel management agreement for Polaris to take over the operations of these hotels.

The new hotels are attractively located in major business metropolitan cities including Tokyo, Osaka and Nagoya, as well as major regional cities that are key travel hubs frequented by business and tourist travelers, such as Kanazawa, Kumamoto and Kobe. All the properties are highly competitive and located in highly desirable locations convenient for guests in order to capture either tourist or business trip demand. With an average number of rooms per hotel of approximately 200, the portfolio is the ideal size to realize economies of scale in operations. As expected, this portfolio will contribute to the sustainable profit growth for the Company.

By leveraging its relationship with the sponsor, Star Asia Group, the Company has increased the number of rooms under management (excluding franchised hotels) by approximately 1.5x during the 18-month period from the end of Mar 2020 to the end of Dec 2021. Our goal is to further increase the number of rooms under management by over 40% by the end of the fiscal year ending March 2024. With the addition of these 6 hotels, Polaris will have 31 hotels under management totaling 5,706 rooms—increasing the number of rooms under management by approximately 26%.

In addition, we believe that an increase in the number of hotels operated under fee-based management contracts, will further contribute to lowering the break-even point and will further accelerate the realization of our accretive growth strategy.

[Updated version]

## (2) Portfolio

Hotel name	Location (residential indication)	Number of rooms
① Hotel Trusty Kanazawa Korinbo	1-2-16 Korinbo, Kanazawa City, Ishikawa	207 room
② Hotel Trusty Shinsaibashi	3-3-17 Minami-Senba, Chuo-ku, Osaka City, Osaka	211 room
③ Hotel Trusty Nagoya Sakae	3-15-21, Nishiki, Naka-ku, Nagoya City, Aichi	204 room
④ Hotel Trusty Premier Kumamoto	3-20 Sakura-machi, Chuo-ku, Kumamoto City, Kumamoto	205 room
⑤ Hotel Trusty Premier Nihombashi Hamacho	2-30-4, Hamacho, Nihonbashi, Chuo-ku, Tokyo	223 room
⑥ Hotel Trusty Kobe Kyukyoryuchi	63 Naniwa-cho, Chuo-ku, Kobe City, Hyogo	141 room
Total		1,191 room

## (3) Contents of this MOU

① Contracting party	Star Asia Management LLC
② Date of contract execution	February 14, 2022
③ Details of the contract	Agreement to proceed with discussions toward the conclusion of a hotel management agreement for the hotels in the Property Portfolio

## (4) Overview of Star Asia Management 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	Tsuru II LLC (50%) Suzaku II LLC (50%)	
⑧ Relationship between the Company and the company in question	capital ties	The Company has no direct capital relationship with this company, but it is a subsidiary of the Company's parent company, etc.
	personal relations	Malcolm F. MacLean IV and Taro Masuyama, who are Directors of the said company, are also Directors of the Company. In addition, three members of Star Asia Group, the parent company group, have also been appointed as directors of the Company.
	Business Relationship	The Company and the said company have entered into a business alliance agreement and have formed a business partnership.
	Status as a related party	As a company with the same parent company as the Company, this company is a related party of the Company.

## 2. Schedule

① Conclusion of this MOU	February 14, 2022
② Conclusion of hotel management contract	April 2022 (tentative)
③ Hotel operation begins.	July 2022 (tentative)

## 3. Future prospects

With the conclusion of the MOU, the parties will look to promptly finalize and conclude the definitive hotel management agreement for this property portfolio. Until the execution of the management agreement, the impact of the MOU on our consolidated business performance is negligible. If any matter requiring disclosure arises in the future, we will promptly

[Updated version]

announce it.

*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.*