

April 28, 2022

FOR IMMEDIATE RELEASE

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Representative: Atsuo Umeki, President and Representative Director
Stock Listing: Tokyo Stock Exchange, Second Section
Stock Code: 3010
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Polaris Executes Management Contract for 6 New Hotels **26% Increase in Hotel Rooms Under Management**

Polaris Holdings Co., Ltd. (hereinafter the "Company") announced today that "KOKO Hotels Co., Ltd." and "Fino Hotels Co., Ltd.", a subsidiary of Polaris Holdings, executed the definitive hotel management contract (hereinafter the "Hotel Management Contract") and will commence the management of the six hotels under Polaris Group's KOKO HOTEL brand. In addition, the Board of Directors resolved to enter into a Revenue Guarantee Contract (hereinafter the "Revenue Guarantee Contract") with affiliates of Star Asia Group, our sponsor group, to solidify minimum profitability related to the hotel operations of the six hotels. As a result of Polaris' strong growth initiatives, this transaction will increase its hotels under management by +26% to 31 hotels with 5,706 rooms.

Details are as follows:

1. Conclusion of the Hotel Management Contract

(1) Background leading up to the Hotel Management Contract

As stated in "Polaris to Operate 6 Additional Hotels" released on February 14, 2022, Polaris Group executed a Memorandum of Understanding regarding the Hotel Management and held discussions with Star Asia Group, the sponsor of Polaris Holdings, in anticipation of concluding a hotel management contract with respect to "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"). Polaris Group has now executed the definitive hotel management contract where Polaris Group will be the hotel operator for the Property Portfolio and will commence operations sequentially from the middle of June 2022.

(2) Purpose if commencing operation of the property portfolio

One of Polaris Group's strategic growth strategies is to increase the number of hotels managed under fee-based hotel management contracts, which contributes to lowering the break-even point as well as generating sustainable earnings. With the opening of the six new hotels, Polaris Group will have a total of 31 hotels with 5,706 rooms under management. This represents an increase of approximately 26% in the number of rooms under management, which we believe will

further accelerate the realization of the growth strategy that Polaris Group is aggressively pursuing.

The hotels that comprise the Property Portfolio are located in the center of major metropolitan areas including Tokyo, Osaka, and Nagoya, as well as major regional cities such as Kanazawa, Kumamoto, and Kobe. These hotels are in highly competitive locations and are well positioned in the markets they operate given the convenient locations for hotel guests to access to either top business or tourist attractions. With each hotel having an average of 200 rooms, Polaris has the ability to generate strong economies of scale by having highly efficient and profitable hotel management. This is expected to contribute to the realization of sustainable profit growth for Polaris Group.

(3) Outline of the Portfolio

Hotel Name	Location	Number of rooms	scheduled opening date
(i) KOKO HOTEL Premier Kanazawa Korinbo (Formerly Hotel Trusty Kanazawa Korinbo)	1-2-16Korinbo, Kanazawa City, Ishikawa	207 room	Late June 2022
(ii) KOKO HOTEL Osaka Shinsaibashi (Formerly Hotel Trusty Shinsaibashi)	3-3-17 Minami- Senba, Chuo-ku, Osaka City, Osaka	211 room	Early July 2022
(iii) KOKO HOTEL Nagoya Sakae (Formerly Hotel Trusty Nagoya Sakae)	3-15-21, Nishiki, Naka-ku, Nagoya City, Aichi	204 room	Late June 2022
(iv) KOKO HOTEL Premier Kumamoto (Formerly Hotel Trusty Premier Kumamoto)	3-20 Sakura-machi, Chuo-ku, Kumamoto City, Kumamoto	205 room	Middle June 2022
(v) KOKO HOTEL Premier Nihonbashi Hamacho (Formerly Hotel Trusty Premier Nihonbashi Hamacho)	2-30-4, Hamacho, Nihonbashi, Chuo- ku, Tokyo	223 room	Early July 2022
(vi) KOKO HOTEL Kobe Sannomiya (Formerly Hotel Trusty Kobe Kyukyoryuchi)	63 Naniwa-cho, Chuo-ku, KobeCity, Hyogo	141 room	Middle July 2022
Total		1,191 room	

(4) Date of agreement

Date of agreement	April 28, 2022
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(5) Outline of counterparty

(i) KOKO HOTEL Premier Kanazawa Korinbo (operated by KOKO Hotels)

(i) Name	Kanazawa Hotel Unei GK	
(ii) Address	5-1-4, Toranomom, Minato-ku, Tokyo	
(iii) Date of incorporation	March 2, 2022	
(iv) Outline of Managing Partner	Name	Managing Member Mon Talisman General Incorporated Association
	Address	5-1-4, Toranomom, Minato-ku, Tokyo
	Positions and names of	Representative Member Mon Talisman General Incorporated Association

	representatives	
	Business descriptions	Services including the acquisition, holding and disposal of shares, specified equity, equity and other interests
(v) Relationship between the listed company and the fund	Capital relationship	There are no relationships worthy of special mention.
	Human relationship	There are no relationships worthy of special mention.
	Business relationship	There are no relationships worthy of special mention.
	Whether this company is a related party	There are no relationships worthy of special mention.

(ii) KOKO HOTEL Osaka Shinsaibashi (operated by KOKO Hotels)

(i) Name	Shinsaibashi Hotel Unei GK	
(ii) Address	5-1-4, Toranomom, Minato-ku, Tokyo	
(iii) Date of incorporation	March 2, 2022	
(iv) Outline of Managing Partner	Name	Managing Member Mon Talisman General Incorporated Association
	Address	5-1-4, Toranomom, Minato-ku, Tokyo
	Positions and names of representatives	Representative Member Mon Talisman General Incorporated Association
	Business descriptions	Services including the acquisition, holding and disposal of shares, specified equity, equity and other interests
(v) Relationship between the listed company and the fund	Capital relationship	There are no relationships worthy of special mention.
	Human relationship	There are no relationships worthy of special mention.
	Business relationship	There are no relationships worthy of special mention.
	Whether this company is a related party	There are no relationships worthy of special mention.

(iii) KOKO HOTEL Nagoya Sakae (operated by KOKO Hotels)

(i) Name	Nagoya Sakae Hotel Unei GK	
(ii) Address	5-1-4, Toranomom, Minato-ku, Tokyo	
(iii) Date of incorporation	March 2, 2022	
(iv) Outline of Managing Partner	Name	Managing Member Mon Talisman General Incorporated Association
	Address	5-1-4, Toranomom, Minato-ku, Tokyo
	Positions and names of representatives	Representative Member Mon Talisman General Incorporated Association
	Business descriptions	Services including the acquisition, holding and disposal of shares, specified equity, equity and other interests
(v) Relationship between the listed company and the fund	Capital relationship	There are no relationships worthy of special mention.
	Human relationship	There are no relationships worthy of special mention.
	Business relationship	There are no relationships worthy of special mention.
	Whether this company is a related party	There are no relationships worthy of special mention.

(vi) KOKO HOTEL Premier Kumamoto (operated by KOKO Hotels)

(i) Name	Kumamoto Hotel Unei GK	
(ii) Address	5-1-4, Toranomom, Minato-ku, Tokyo	
(iii) Date of incorporation	March 2, 2022	
(iv) Outline of Managing Partner	Name	Managing Member Mon Talisman General Incorporated Association
	Address	5-1-4, Toranomom, Minato-ku, Tokyo
	Positions and names of representatives	Representative Member Mon Talisman General Incorporated Association
	Business descriptions	Services including the acquisition, holding and disposal of shares, specified equity, equity and other interests
(v) Relationship between the listed company and the fund	Capital relationship	There are no relationships worthy of special mention.
	Human relationship	There are no relationships worthy of special mention.
	Business relationship	There are no relationships worthy of special mention.
	Whether this company is a related party	There are no relationships worthy of special mention.

(v) KOKO HOTEL Premier Nihonbashi Hamacho (operated by Fino Hotels)

(i) Name	KOKO HOTEL Nihonbashi Hamacho GK	
(ii) Address	5-1-4, Toranomom, Minato-ku, Tokyo	
(iii) Date of incorporation	February 25, 2022	
(iv) Outline of Managing Partner	Name	Hamacho Kobe Unei General Incorporated Association
	Address	5-1-4, Toranomom, Minato-ku, Tokyo
	Positions and names of representatives	Representative Member Hamacho Kobe Unei General Incorporated Association
	Business descriptions	Services including the acquisition, holding and disposal of shares, specified equity, equity and other interests
(v) Relationship between the listed company and the fund	Capital relationship	There are no relationships worthy of special mention.
	Human relationship	There are no relationships worthy of special mention.
	Business relationship	There are no relationships worthy of special mention.
	Whether this company is a related party	There are no relationships worthy of special mention.

(vi) KOKO HOTEL Kobe Sannomiya (operated by Fino Hotels)

(i) Name	KOKO HOTEL Kobe Sannomiya GK	
(ii) Address	5-1-4, Toranomom, Minato-ku, Tokyo	
(iii) Date of incorporation	February 25, 2022	
(iv) Outline of Managing Partner	Name	Hamacho Kobe Unei General Incorporated Association
	Address	5-1-4, Toranomom, Minato-ku, Tokyo
	Positions and names of representatives	Representative Member Hamacho Kobe Unei General Incorporated Association

	Business descriptions	Services including the acquisition, holding and disposal of shares, specified equity, equity and other interests
(v) Relationship between the listed company and the fund	Capital relationship	There are no relationships worthy of special mention.
	Human relationship	There are no relationships worthy of special mention.
	Business relationship	There are no relationships worthy of special mention.
	Whether this company is a related party	There are no relationships worthy of special mention.

2. Execution of the Revenue Guarantee Contract

(1) Details of the agreement

KOKO Hotels and Fino Hotels concluded a Revenue Guarantee Contract with companies belonging to the Star Asia Group (hereinafter the "Guarantor Company"). In the situation where the spread of COVID-19 infection still has a large impact on hotel management and operations, the Revenue Guarantee Contract is critical in order to avoid losses related to hotel management, secure management consignment fees, and strengthen profits related to hotel management.

Under the Revenue Guarantee Contract, the guarantee company will receive "Opening Preparation Funds" of 357 million yen from the Guarantor Company to KOKO Hotels or Fino Hotels as expenses such as outsourcing expenses related to opening preparations at the start of operation of each hotel, and the contract. It is stipulated that if the hotel sales in the hotel operation of the portfolio fall below the operating cost in each month of the period, a deposit to cover the operating cost and the management consignment fee will be paid.

(2) Date of agreement

Date of agreement	April 28, 2022
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(3) Outline of 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 related party of the Company.

3. Outlook

The Group has decided to postpone disclosure of its consolidated forecast due to the current difficulty of reasonably forecasting the impact of the COVID-19 pandemic on the Group's business activities for the fiscal year ending March 31, 2022. The Company will promptly announce forecasts as soon as disclosure becomes possible.

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.