

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 Two New Hotels and Revenue Guarantee Contract**

Polaris Holdings Co., Ltd. (hereinafter the "Company") announced today that "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 two hotels ("KOKO HOTEL Residence Asakusa Kappabashi" and "KOKO HOTEL Residence Asakusa Tawaramachi", (hereinafter referred to as the "Property Portfolio") 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 secure minimum profitability related to the hotel operations of the two hotels. As a result of Polaris' strong growth initiatives, this transaction will increase its hotels under management to 31 hotels with 5,682 rooms.

Details are as follows:

### **1. Conclusion of the Hotel Management Contract**

#### **(1) Purpose of commencing the 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 5,682 rooms under management.

The Asakusa area of Tokyo, where the hotel in question is located, is a well-known area where Senso-ji Temple and other Japanese-style culture and architecture are fused with the modern cityscape. This area has become very popular, especially in the past few years, not only among domestic travelers but also among foreign visitors to Japan. KOKO HOTEL Residence Asakusa Kappabashi is located in Kappabashi Dougu-gai, which is also popular among foreign visitors to Japan, and KOKO HOTEL Residence Asakusa Tawaramachi is conveniently located just a 1-minute walk from Tawaramachi Station on the Tokyo Metro Ginza Line. It is conveniently located as a base for sightseeing not only in Asakusa but also across Tokyo.

The new hotel will be the first KOKO HOTEL Residence brand under the KOKO HOTEL brand, and will mainly

target families, groups, and long-term stay guests. In addition to ample room space for four to six guests per room, the rooms are equipped with a mini-kitchen, refrigerator, washer/dryer, tableware, dining table, etc., making them suitable for long-term stays.

This hotel is suitable for accommodation demand, especially for families and groups, including foreign visitors who are expected to return to Japan in the near future. Furthermore, these operations are expected to further contribute to the realization of sustainable profit growth for our group.

## (2) Outline of the Portfolio

Hotel Name	Location	Number of rooms	scheduled opening date
(i) KOKO HOTEL Residence Asakusa Kappabashi	3-24-2 Nishi-Asakusa, Taito-ku, Tokyo	47 room	Late July 2022
(ii) KOKO HOTEL Residence Asakusa Tawaramachi	2-8-12 Kotobuki, Taito-ku, Tokyo	42 room	Late July 2022
Total		89 room	

## (3) Date of agreement

Date of agreement	June 24, 2022
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## (4) Outline of counterparty

### (i) KOKO HOTEL Residence Asakusa Kappabashi

(i) Name	Kappabashi Hotel Unei GK	
(ii) Address	Ark Hills Sengokuyama Mori Tower 40F, 1-9-10 Roppongi, Minato-ku, Tokyo	
(iii) Date of incorporation	March 24, 2022	
(iv) Business descriptions	Hotel Business, etc.	
(v) Outline of Managing Partner	Name	Managing Member Pearl Cap General Incorporated Association
	Address	Ark Hills Sengokuyama Mori Tower 40F, 1-9-10 Roppongi, Minato-ku, Tokyo
	Positions and names of representatives	Representative Member Pearl Cap General Incorporated Association
(vi) 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 Residence Asakusa Tawaramachi

(i) Name	Tawaramachi Hotel Unei GK	
(ii) Address	Ark Hills Sengokuyama Mori Tower 40F, 1-9-10 Roppongi, Minato-ku, Tokyo	
(iii) Date of incorporation	March 24, 2022	
(iv) Business descriptions	Hotel Business, etc.	
(v) Outline of Managing Partner	Name	Managing Member Pearl Cap General Incorporated Association
	Address	Ark Hills Sengokuyama Mori Tower 40F, 1-9-10 Roppongi, Minato-ku, Tokyo

	Positions and names of representatives	Representative Member Pearl Cap General Incorporated Association
(vi) 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, and Received funds for opening preparations

### (1) Details of the agreement

Fino Hotels concluded a Revenue Guarantee Contract with affiliates of Star Asia Group (hereinafter the "Guarantor Company"). In the situation where the pandemic 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 27 million yen from the Guarantor Company to Fino Hotels as expenses such as outsourcing expenses related to opening preparations at the start of operation of each hotel. It is stipulated that if the hotel sales 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	June 24, 2022
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### (3) Outline of counterparty

The Guarantor Company is an affiliate of 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.*