

FOR IMMEDIATE RELEASE

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## **Polaris Executes Management Agreement for New Hotel in Osaka City**

Polaris Holdings Co., Ltd. (hereinafter the “Polaris” or the “Company”) announced today that Fino Hotels Co., Ltd. (hereinafter the “Fino Hotels”), a subsidiary of Polaris, executed a hotel management agreement (hereinafter the “Hotel Management Agreement”) regarding a new select-service hotel (hereinafter the “Hotel”) to be constructed in the heart of Osaka City. Polaris will commence management of the Hotel around the spring of 2025 using Polaris Group's original hotel brand "KOKO HOTEL".

### **1. Reasons for the execution of the Hotel Management Agreement**

One of Polaris Group's growth strategies is to expand its hotel management platform, and Polaris is focusing on increasing the number of hotels under fee-based management contracts and variable rent contracts, which will contribute to lowering the Company's breakeven point. The Company is pleased to note, that this time, a third-party hotel owner has highly valued Polaris's unique hotel management skills, financial strength and growth potential, and has chosen us to manage the Hotel under the fee-based management contract.

Osaka, its deep history and famed culinary cuisine, is one of the favorite tourist destinations and the Company sees further increases in inbound and domestic lodging demand in the future, as the "Expo 2025 Osaka, Kansai, Japan" is scheduled to be held in the spring of 2025. Furthermore an integrated resort is now planned to be developed after the expo. The Hotel is located in the Namba area, which is particularly popular among inbound travelers, and has easy access to Namba, Dotonbori, and Shinsaibashi, which are well-known sightseeing and shopping areas. The nearest stations, Osaka Metro Nipponbashi Station and Kintetsu Nipponbashi Station, are only a one-minute walk, making the hotel highly competitive in terms of transportation convenience. The hotel will have 255 guest rooms, all of which will have specifications for accommodating two or more guests, and will have a scale that allows for high operational efficiency and profitability. Polaris group already operates six hotels in Osaka City and eight hotels in the Kansai area, and the Company believes that the addition of this new hotel under management in the same area will further strengthen economies of scale in terms of cost and revenue management and enhancing sales and marketing. In addition, the Hotel will be the first newly built hotel under brand "KOKO

HOTEL", and will enhance the brand strength of and further improve the Group's portfolio.

The Company plans to commence the management of the hotel under a fee-based management contract, and believes that the Hotel Management Agreement will further lower the break-even point of the Group's business and grow revenue and earnings. The number of rooms under management is expected to reach 8,812 (including the number of rooms planned to be operated) after the Hotel begins its operations, further expanding the management platform and continuing the Group's growth toward the future.

## 2. Outline of the Hotel

(i) Hotel Name	KOKO HOTEL Osaka Nippombashi Namba (tentative)
(ii) Location	Sennichimae 1-chome, Chuo-ku, Osaka-shi, Osaka, Japan
(iii) Property Summary	Reinforced concrete, 14 floors (planned)
(iv) Number of rooms	255 rooms (planned)

## 3. Outline of the Counterparty

(i) Name	Consent for disclosure has not been obtained from the Counterparty and will not be disclosed.	
(ii) Relationship between the Company and the Counterparty	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.

## 4. Outline of Fino Hotels Co., Ltd.

(i) Name	Fino Hotels Co., Ltd.
(ii) Location	1-12-3, Iwamotocho, Chiyoda-ku, Tokyo 101-0032, Japan
(iii) Title and name of the representative	Shigeru Takakura, President & CEO
(iv) Business	Hotel operation
(v) Capital stock	10 million yen

## 5. Schedule

(i) Date of execution of the Hotel Management Agreement	August 29, 2023
(ii) Start of Operation	Spring, 2025 (planned)

## 6. Outlook

Since the Hotel is scheduled to commence its operation in the spring of 2025, the execution of the Hotel Management Agreement will have no impact on the Consolidated Financial Forecast for the Fiscal Year Ending March 31, 2024.

*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.*