

FOR IMMEDIATE RELEASE

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 Stock Code: 3010
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**Polaris Executes Absorption-Type Merger of Subsidiaries and
 Notice of Record Date and Holding of Extraordinary Shareholders' Meeting**

Polaris Holdings Co., Ltd. (hereinafter the “Polaris” or the “Company”) announced today that Polaris’s Board of Directors resolved to merge with our subsidiaries, Value the Hotel Miyagi Co., Ltd. (hereinafter the “VTH Miyagi”), Kinuura Grand Hotel Co., Ltd. (hereinafter the “Kinuura GH”) and Premier Resort Operations Co., Ltd. (hereinafter the “PRO”), effective March 1, 2024 (hereinafter the “Merger”), subject to approval by resolution at an extraordinary shareholders’ meeting (hereinafter the “Meeting”) to be held on February 28, 2024. The Company also announces that it resolved to set the record date and hold the Meeting.

1. The Merger

(1) Purpose of the Merger

Polaris Group has been actively working to reduce costs and strengthen its financial position by implementing drastic structural reforms, including withdrawing from and restructuring some hotels whose profitability has deteriorated significantly due to closure or delay in recovery of demand. In order to further promote such drastic structural reforms, Polaris Group aims to concentrate management resources and accelerate decision-making by reviewing the hotel management structure and promoting the consolidation and elimination of hotel management subsidiaries and other entities. This Merger will be implemented based on this policy.

(2) Summary of the Merger

i Schedule of the Merger

(1) Date of resolution by the board of directors	December 20, 2023
(2) Date of execution of merger agreements	December 20, 2023
(3) Date of public notice of record date for the Meeting	December 20, 2023
(4) Date of record date for the Meeting	January 4, 2024
(5) Date of resolution of the Meeting	February 28, 2024
(6) Merger date (effective date)	March 1, 2024

ii Method of the Merger

The Merger will be an absorption-type merger, in which the Company will be the surviving company and VTH Miyagi, Kinuura GH, and PRO will be dissolved after the completion of the Merger.

iii Details of the Allotment of the Merger

Since the Merger is an absorption-type merger of a wholly owned subsidiary, shares or other assets will not be allocated.

iv Treatment of Share Options and Bonds with Share Option

Not applicable

(3) Outline of the Merging Companies

	Surviving Company	Absorbed Companies		
(1) Name	Polaris Holdings Co., Ltd.	Value the Hotel Miyagi Co.	Kinuura Grand Hotel Co., Ltd.	Premier Resort Operations Co., Ltd
(2) Location	1-12-3, Iwamotocho, Chiyoda-ku, Tokyo 101-0032 Japan	555-1, Sengarita, Kamiyoden, Natori-shi, Miyagi 981-1222 Japan	1-12-3, Iwamotocho, Chiyoda-ku, Tokyo 101-0032 Japan	1-12-3, Iwamotocho, Chiyoda-ku, Tokyo 101-0032 Japan
(3) Title and Name of Representative	Takahiro Tsujikawa, Representative Director	Takahiro Tsujikawa, Representative Director	Shigeru Takakura, Representative Director	Shigeru Takakura, Representative Director
(4) Business	Hotel and real estate business	Hotel Business	Hotel Business	Hotel Business
(5) Capital	JPY 64,571 thousand	JPY 1,000 thousand	JPY 1,000 thousand	JPY 10,000 thousand
(6) Date of Establishment	September 20, 1912	October 16, 2012	December 9, 2009	July 19, 2007
(7) Total Number of the Issued Shares	124,110,689 shares	100 shares	10 shares	4,401 shares
(8) Account Closing Day	March 31	March 31	March 31	March 31
(9) Major Shareholders and Shareholding Ratio	Star Asia Opportunity III LP 73.98%*	Polaris Holdings Co., Ltd. 100.00%	Polaris Holdings Co., Ltd. 100.00%	Polaris Holdings Co., Ltd. 100.00%
(10) Financial Position and Operating Results for Previous Business Year				
Net Assets	JPY 1,768,827 thousand	(JPY 2,420,419 thousand)	(JPY 357,315 thousand)	(JPY 30,423 thousand)
Total Assets	JPY 6,132,381 thousand	JPY 78,822 thousand	JPY 14,108 thousand	JPY 17,567 thousand
Net Assets Per Share	JPY 15.07	(JPY 24,204,187.28)	(JPY 35,731,463.90)	(JPY 6,912.67)
Net Sales	JPY 844,337 thousand	JPY 390,459 thousand	JPY 3,246 thousand	JPY 1,050 thousand
Operating Profit	JPY 294,974 thousand	(JPY 122,917 thousand)	(JPY 72,883 thousand)	(JPY 368 thousand)
Ordinary Profit	JPY 257,399 thousand	(JPY 123,141 thousand)	(JPY 68,509 thousand)	(JPY 439 thousand)
Profit	(JPY 775,019 thousand)	(JPY 123,192 thousand)	(JPY 68,580 thousand)	(JPY 509 thousand)
Basic Earnings Per Share	(JPY 7.22)	(JPY 1,231,918.63)	(JPY 6,857,950.90)	(JPY 115.64)

* The information is based on the shareholder registry as of September 30, 2023.

(4) Post-Merger Status

There will be no change in the Company's name, location, representative title and name, business, capital, or fiscal year end as a result of the Merger.

(5) Outlook

Since VTH Miyagi, Kinuura GH and PRO are wholly owned subsidiaries of the Company, the impact of the Merger on the consolidated financial results for the fiscal year ending March 31, 2024 will be minimal. If it becomes necessary to revise the earnings forecast, the Company will announce it promptly. VTH Miyagi, Kinuura GH, and PRO are insolvent, but the impact on Polaris' non-consolidated financial results is expected to be minimal since Polaris has recorded Allowance for doubtful accounts and Provision for loss on business of subsidiaries and associates in prior years.

2. Record Date for Calling the Meeting

In order to determine the shareholders who are entitled to exercise their voting rights at the Meeting, the Company has set January 4, 2024 (Thursday) as the record date, and the shareholders who are stated or recorded in the final shareholder registry as of the record date shall be the shareholders entitled to exercise their voting rights at the meeting.

- (1) Record date: January 4, 2024 (Thursday)
- (2) Date of public notice: December 20, 2023 (Wednesday)
- (3) Method of public notice: Electronic public notice (the Company's website)
<https://www.polaris-holdings.com/>

3. Date, Time, Place and Proposal of the Meeting

- (1) Date and Time: 10:00 a.m., Wednesday, February 28, 2024 (Registration starts at 9:30 a.m.)
- (2) Place: 8-8, Tsukiji 6-chome, Chuo-ku, Tokyo KOKO HOTEL Tsukiji Ginza 3F Conference Room E
- (3) Proposal: Approval of merger agreements to absorb three companies

End

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.