

FOR IMMEDIATE RELEASE

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**Polaris Secures Attractive New Loan Financing to Further Increase Profitability  
and to Redeem Corporate Bonds Early**

Polaris Holdings Co., Ltd. (hereinafter the “Polaris” or the “Company”) announced today that the Board of Directors of Polaris resolved to execute a loan agreement (hereafter the “Loan Agreement”) to borrow JPY 1,500 million for the prepayment of high interest loans from financial institutions in the Republic of the Philippines to significantly reduce the Polaris Group’s interest costs. This will lead to the early redemption of a corporate bond (hereafter the “Bond”) held by Capital RE LLC, of which the sole investor is SAO III LLC, a company of Polaris’s sponsor Star Asia Group. After completion, the Company expects to reduce interest expenses by approximately JPY 216 million over a three-year period ending March 31, 2027.

**1. Reasons for Borrowing**

Polaris Group acquired the shares of Red Planet Holdings (Philippines) Limited and its subsidiaries on March 31, 2023 and Red Planet Hotels Manila Corporation on October 2, 2023 (collectively, hereafter the “Red Planet Hotel Management Companies”). Red Planet Hotel Management Companies currently operates 14 hotels under the Red Planet brand in the Republic of the Philippines. The Red Planet Hotel Management Companies have financed a portion of all the subject hotels from financial institutions in the Philippines (hereafter the “Philippine Domestic Borrowings”). The interest rate on the Philippine Domestic Borrowings has been rising in line with the increase in the policy interest rate of the Republic of the Philippines over the past several years. For Polaris Group, reducing the interest burden on the Philippine Domestic Borrowings became a top priority to further drive profitability. The Company believes that with these tactical actions of entering into a new loan agreement from SAO III LLC for the prepayment of the Philippine Domestic Borrowings,—the Company will be able to both improve Polaris Group’s earnings as well as further increase shareholders’ value.

## 2. Outline of the Early Redemption of the Bond

(i) Name of bond	Polaris Holdings Co., Ltd. 1st Unsecured Bond
(ii) Date of Early Redemption	March 29, 2024
(iii) Early redemption amount	JPY 997 million

(Note) The scheduled agreed date of early redemption is March 29, 2024.

## 3. Outline of the Loan Agreement

(i) Lender	SAO III LLC
(ii) Borrowed Amount	JPY 1,500 million
(iii) Use of Funds	Repayment of the Philippine Domestic Borrowings
(iv) Borrowing Actual Date	April 12, 2024 (scheduled)
(v) Borrowing Period	March 31, 2027 (scheduled)
(vi) Borrowing Profit	Base interest rate plus spread
(vii) Guarantee	Unsecured, unguaranteed

(Note) The scheduled contract date is March 29, 2024.

## 4. Outlook

The impact of the early redemption of the Bond and the Loan on the Company's consolidated financial results for the current fiscal year ending March 31, 2024 is expected to be immaterial.

*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.*