

FOR IMMEDIATE RELEASE

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Polaris to Operate Additional Hotel in Chiba City

Polaris Holdings Co., Ltd. (hereinafter “Polaris” or the “Company”) announced today that Fino Hotels Co., Ltd. (hereinafter “Fino Hotels”), a subsidiary of the Company, resolved today to execute a Memorandum of Understanding for Hotel Management (hereinafter the “MOU”) with Star Asia Sogo Kaihatsu Co., Ltd. (hereinafter “SASK”), to operate a hotel (hereinafter the “Subject property”) to be built in the Kaihin-Makuhari area of Chiba City. SASK is part of Polaris’s parent company group “Star Asia Group”.

1. Conclusion of the MOU

(1) Background to the execution of the MOU

Star Asia Group has agreed to acquire the Subject property which is scheduled to be constructed by 2026 right in front of “Kaihin Makuhari Station.” As agreed in the MOU executed with Star Asia Group, upon completion of the hotel, Polaris and Star Asia Group will finalize the agreement regarding the hotel management and Polaris Group will become the hotel operator of the Subject property.

As part of its growth strategy, the Polaris Group has been proactively undertaking new hotel management projects from both Star Asia Group and third-party hotel owners—and has now increased the number of rooms under management from 3,109 to 8,657 from March 31, 2020 to March 31, 2024. When the hotel management of the Subject property is executed, the number of rooms under management will grow to 8,958 (including number of rooms managed).

The Company plans to operate the Subject property under a fee-based management contract, and believes this new opportunity will continue, to not only lower the break-even point of the Group’s business, but also improve its earnings, ROE (return on equity), and shareholder value.

The Subject property will be constructed in front of Kaihin-Makuhari Station, which is next to the Makuhari New City Center, the urban core of Chiba City. The area is also home to Makuhari Messe, one of Japan's largest international exhibition halls, ZOZO Marine Stadium, which houses the Chiba Lotte Marines, a local professional baseball team, and the Mitsui Outlet Park Makuhari, one of the region's largest retail facilities. The area is also home to a number of large office buildings, educational, and research facilities as well as having excellent access to Tokyo Disneyland. We believe the hotel will see solid demand from both business and leisure travel.

The Subject property will have 301 guest rooms and a large public bath –which will be a first for the Polaris Group. The Subject property is the first hotel in Chiba Prefecture to bear the "KOKO HOTEL" brand, which we believe will further enhance the strength of the brand and expand the Group's portfolio.

(2) Outline of the Subject property

(i) Hotel Name	KOKO HOTEL Kaihin-Makuhari (tentative)
(ii) Location	2 Hibino, Mihama-ku, Chiba-shi, Chiba
(iii) Number of rooms	301 rooms (planned)

(3) Outline of SASK

(i) Name	Star Asia Sogo Kaihatsu Co., Ltd.	
(ii) Location	Atago Green Hills MORI Tower 18F, 2-5-1 Atago, Minato-ku, Tokyo	
(iii) Name and title of representative	Atsuo Umeki, Representative Director	
(iv) Business Description	Real estate business	
(v) Capital stock	JPY 1,5 million (As of March 31, 2023)	
(vi) Date of establishment	August 1, 2003	
(vii) Relationship between Polaris and the SASK in question	Capital ties	SASK has no direct capital relationship with Polaris, but it is a subsidiary of Polaris's parent company.
	Personal Relations	Atsuro Umeki, the Representative Director of SASK, is a director of Polaris. In addition, four other directors from the parent company's group, Star Asia Group, are also directors of Polaris.
	Business Relationship	There are no relationships to be specifically noted.
	Status as a related party	SASK is a related party of Polaris because a director of Polaris concurrently serves as representative of SASK and SASK has the same parent company as the Polaris.

2. Schedule

(i) Execution of the MOU	April 9, 2024
(ii) Start of Hotel Operation	Spring 2026 (planned)

3. Outlook

With the conclusion of the MOU, the parties will look to promptly finalize and conclude the definitive hotel management contract for the hotels. Since the Subject property is scheduled to begin operations in the spring of 2026, the signing of the MOU will have no impact on the current fiscal year's financial results.

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.