

FOR IMMEDIATE RELEASES

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Representative: Takahiro Tsujikawa
President & CEO
Stock Listing: Tokyo Stock Exchange, Standard Section
Stock Code: 3010
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Polaris Makes Strategic Investment with Star Asia Group for the Acquisition of Minacia Co., Ltd.

Polaris Holdings Co., Ltd. (hereinafter the “Polaris” or the “Company”) announced today that the Board of Directors of Polaris resolved to make a strategic joint investment (hereinafter the “Joint Investment”) with Star Asia Group in Godo Kaisha Corrida (hereinafter the “GK”), a special purpose company established by Star Asia Group, the sponsor group of Polaris, to acquire 100% shares of Minacia Co., Ltd (hereinafter the “Minacia”) , a domestic hotel operating company.

1. Purpose of the Joint Investment

As stated in the recent Medium-Term Management Plan disclosed on May 14, 2024, Polaris has identified the expansion of the operating platform and the improvement of operational capabilities as key growth drivers to boost earnings. Also, as a member of Star Asia Group ecosystem, the Company looks to seize on business opportunities through active collaboration with the sponsor group to fully maximize corporate value.

To actively accelerate the strategic investment in the fast growing hotel sector, Star Asia Group has entered into a share transfer agreement on April 26, 2024 under which the GK will acquire 100% shares of Minacia (hereinafter the “Transaction”).

The business of Minacia has various synergies with Polaris in the hotel operating business—where economies of scale are an important factor for profitable growth. Collaboration between Polaris Group and Minacia, which together have 89 hotels and 14,138 room under management, will significantly contribute to the corporate value of the Company.

Based on the above, and in view of the expected synergies to be implemented through collaboration among the Polaris Group, Minacia, and the Star Asia Group, the Company has decided to make a strategic Joint Investment with Star Asia Group in the equity of GK for the acquisition of shares in Minacia. As the Company’s investment in the GK is a minority investment and the Company does not have the authority to make decisions for the business of the GK, there will be no change in subsidiaries in the Company.

2. Outline of Minacia

Minacia is a hotel operating company which operates 39 limited-service hotels totaling 5,180 rooms in major Japanese cities nationwide. Minacia operates limited-service hotels and restaurants throughout Japan under brands such as Wing International, which has over 30-year history, and Tenza Hotel, which was launched in 2020. These brands enjoy a high degree of recognition throughout Japan. Minacia has a robust proprietary loyalty program that has a large number of repeating guests. Minacia also has extensive experience in the restaurant business and is developing restaurant concepts inside and outside of its hotels, taking advantage of specialized regional characteristics.

(i)	Company Name	Minacia Co., Ltd.	
(ii)	Address	3F, 1-2 Kanda Ogawamachi, Chiyoda-ku, Tokyo	
(iii)	Representative Title and Name	Kazuyoshi Shimojima, President and Representative Director	
(iv)	Business Contents	<ul style="list-style-type: none"> • Hotel/Restaurant management, planning, operation and administration • Consulting services for hotel/restaurant operations 	
(v)	Capital	JPY50 million	
(vi)	Date of Foundation	June 1, 2001	
(vii)	Relationship between Polaris and Minacia	Capital ties	There are no relationships to be specifically noted.
		Personal Relations	There are no relationships to be specifically noted.
		Business Relationship	There are no relationships to be specifically noted.
		Status as a related party	There are no relationships to be specifically noted.

3. Outline of GK

(i)	Company Name	Godo Kaisha Corrida	
(ii)	Address	5-1-4 Toranomom, Minato-ku, Tokyo	
(iii)	Date of Foundation	September 5, 2022	
(iv)	Outline of Managing Members	Name	General Incorporated Association Corrida
		Address	5-1-4 Toranomom, Minato-ku, Tokyo
		Business Contents	Holding shares or equity interests in a company, managing the business activities of such company, etc.
(v)	Relationship between Polaris and GK	Capital ties	There are no relationships to be specifically noted.
		Personal Relations	There are no relationships to be specifically noted.
		Business Relationship	There are no relationships to be specifically noted.
		Status as a related party	Polaris is a related party.

4. Overview of Star Asia Group

Star Asia is a privately owned, independent investment management group focused on delivering superior investment returns to its clients by investing primarily in Japanese real estate related opportunities. Star Asia Group has Star Asia Investment Corporation (Stock Code 3468) as its subsidiary.

Star Asia was co-founded in 2006 by Malcolm F. MacLean IV and Taro Masuyama who each have over 25 years of experience in real estate, credit, corporate finance, capital markets and securitization.

Since its inception, Star Asia has invested over JPY 1.3 trillion (as of December 31, 2023) in real estate related opportunities including properties, loans, securitized assets, and companies. The Group's strong track record and long-term partnership approach with its investors have been integral in attracting significant capital from sophisticated global investors, including large U.S. university endowments and foundations, sovereign wealth funds, U.S. and Asia based family offices as well as other global real estate investors.

5. Schedule

Execution date of the Joint Investment and the Transaction: June 7, 2024

6. Outlook

The impact of the Joint Investment on business performance for the current fiscal year is minimal. The Company will hold further discussions regarding the specific collaboration policy and details of the business alliance between the Polaris Group, Minacia and Star Asia Group through the strategic Joint Investment, and will promptly disclose decisions once they are made.

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.

(Reference)

1. Hotel operators in Japan (based on number of operating rooms)

No.	Company Name	Brands	Listed/ Unlisted	Number of ²	
				Hotels	Rooms
1	Toyoko Inn	Toyoko Inn	Unlisted	337	73,855
2	APA	APA Hotel	Unlisted	304	66,661
3	Route Inn Japan	Hotel Route Inn	Unlisted	344	60,233
4	Mystays Hotel Management	Mystays / Flexstay Inn / Art Hotel	Unlisted	149	21,537
5	Kyoritsu Maintenance	Dormy Inn / Onyado NONO	Listed (9616)	137	21,486
6	Super Hotel	Super Hotel	Unlisted	173	19,703
7	Daiwa House Realty Management	Daiwa Roynet Hotel	Unlisted	79	16,902
8	Sotetsu Hotel Management	Sotetsu Fressa Inn / Hotel Sunroute	Unlisted	83	15,989
9	Greens	Comfort Hotel / Comfort Inn	Listed (6547)	98	14,637
10	Tokyu Hotels	Tokyu Hotels	Unlisted	69	14,126
11	Hankyu Hanshin Hotels	Remm / Daiichi Hotel	Unlisted	43	11,746
12	Fujita Kanko	Hotel Gracery / Washington Hotel	Listed (9722)	49	11,723
13	Live Max	Hotel Live Max	Unlisted	158	10,808
14	Hospitality Operations	Smile Hotel	Unlisted	74	10,119
15	Mitsui Fudosan Hotel Management	Mitsui Garden Hotel / Celestin / Sequence	Unlisted	39	9,712
16	Solare Hotels & Resorts	Chisun Inn / Loisir	Unlisted	65	9,677
17	Washington Hotel	Washington Hotel Plaza / R&B	Listed (4691)	43	9,616
18	Hotel Alpha One Jigyo Honsya	Hotel α-1	Unlisted	48	9,548
19	JR East Hotels	Hotel Metropolitan / Hotel Mets	Unlisted	57	9,416
20	Polaris Holdings	Best Western / KOKO HOTEL / Value The Hotel / Red Planet	Listed (3010)	50	8,925
21	RNT Hotels	Richmond Hotels	Unlisted	43	8,661
22	JR West Via Inn	Via Inn	Unlisted	25	6,405
23	Kuretakeko	Kuretake Inn	Unlisted	53	6,069
24	Sumitomo Real Estate Villa Fontaine	Villa Fontaine	Unlisted	21	5,385
25	Hotel Montrey	Hotel Montrey	Unlisted	21	5,299
26	Tokyu Resorts & Stay	Tokyu Stay	Unlisted	31	5,192
27	Minacia	Wing International / Tenza	Unlisted	39	5,180
28	Vessel Hotel Group	Vessel Hotel	Unlisted	32	4,933
29	Nishitetsu Hotels	Solaria / Nishitetsu Inn	Unlisted	17	4,573
30	Select Hotels	Select Inn / Celecton	Unlisted	45	4,392

Ranked by the Company for hotel operators that primarily operate limited-service hotels.

Source: Each company's website or "Monthly HOTERES" March 2023

2. Star Asia Group's Press Release

https://starasiamanagement.com/assets/file/news20240510_en.pdf