

FOR IMMEDIATE RELEASE

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Stock Listing: Tokyo Stock Exchange, Standard Section  
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**Polaris to Drastically Expand Operational Platform through Share Exchange and Wholly-owned Subsidiarization of Minacia with Changes of Shareholder and subsidiaries, etc.**

Polaris Holdings Co., Ltd. (hereinafter the “Polaris” or the “Company”) announced today that the Board of Directors meeting resolved to conduct a share exchange to make the Company the wholly owning parent company and Minacia Co., Ltd (hereinafter the "Minacia") as its wholly owned subsidiary (hereinafter the "Share Exchange"), and on the same date, the Company, Minacia, and SAJP VI 3.0 LP (hereinafter the "SAJP"), the parent company of Minacia, entered into a basic agreement for the Share Exchange (hereinafter the "Share Exchange Basic Agreement"), and the Company entered into a share exchange agreement (hereinafter the "Share Exchange Agreement" and together with the Share Exchange Basic Agreement, the "Share Exchange Agreement, Etc.”).

The Share Exchange is subject to approval of the Share Exchange Agreement by resolution at the Company's and Minacia's extraordinary general meetings of shareholders scheduled on December 12, 2024.

In addition, as a result of the execution of the Share Exchange, the Company will acquire shares of Minacia and Minacia Total Service Corporation (hereinafter the "MTS") directly or indirectly, and Minacia and MTS will become wholly owned subsidiaries of the Company, which is expected to result in a change in the subsidiaries of the Company. Furthermore, the Company will deliver shares of the Company's common stock (hereinafter the “Company Shares”) as consideration for the Share Exchange, and the Company also announces that it expects a change in its parent company. The Company's sponsor group will remain as Star Asia Group (defined below), and the two groups will continue to work together to enhance the Company's business and corporate value.

*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.*

## I. About the Share Exchange

### 1. Purpose of the Share Exchange

The Company operates hotel business both domestically and overseas, and manages a total of 52 hotels and 9,046 rooms (including the number of rooms to be managed) in Japan and overseas. As stated in the "Medium-Term Management Plan (FY2024-FY2026)" dated May 14, 2024, the Company has positioned the expansion of its management platform and the improvement of management capabilities that will contribute to earnings enhancement as key growth drivers, and is taking various initiatives. As announced in the "Polaris Enters Business Alliance with Minacia Co., Ltd." dated June 26, 2024, on June 7, 2024, the Company made a joint investment with Star Asia Group in a special purpose company, Godo Kaisha Corrida which was established to acquire all shares of Minacia, a hotel management company that operates 39 limited-service hotels with 5,180 rooms in major cities nationwide, and concluded a capital and business alliance agreement with Minacia and Godo Kaisha Corrida as of June 26, 2024.

The Company believes that Minacia's business has a high degree of similarity and affinity with the Company's business, and that the continued collaboration between the Company Group (the Company and its subsidiaries, hereinafter the same) and Minacia, which has a combined scale of 91 hotels and 14,226 rooms, will contribute to maximizing the corporate value of both companies in the hotel management business, where pursuing economies of scale is an important factor in the growth of the business. In order to maximize the synergy between the Company and Minacia, which is expected to grow rapidly in the hotel management business due to the dramatic expansion of hotel demand, the Company has decided to acquire all shares of Minacia through the Share Exchange, considering that it is necessary to conduct integrated management based on a stronger capital relationship.

The Company envisions maximizing synergies between the Company and Minacia through the following measures, with the aim of creating the industry's most advanced platform:

- ① Expansion of the dominant area by leveraging both companies' hotel chain networks and trade areas, further development of the number of new hotels and rooms under management, aggressive expansion of business opportunities by leveraging enlargement of operating platforms, as well as increase of brand recognition and customer satisfaction.
- ② Optimization of business operations through sharing of efficient management methods and operational know-how, streamlining functions common to both companies, efficient human resource management, and discussions to resolve common issues.
- ③ Realization of speedy decision-making and concentrated investment of funds and human resources that contribute to maximize corporate value, etc., in order to seize business opportunities in a flexible manner throughout the group.

### 2. Summary of the Share Exchange

#### (1) Schedule of the Share Exchange

Date of Board of Directors' resolution approving the execution of the Share Exchange Agreement, Etc.	October 15, 2024
Date of Execution of the Share Exchange Agreement, Etc.	October 15, 2024
Date of public notice of the record date for the general meeting of shareholders to approve the Share Exchange	October 15, 2024
Record date of the general meeting of shareholders to approve the Share Exchange	October 30, 2024 (scheduled)
Date of resolution of the general meeting of shareholders to approve the Share Exchange	December 12, 2024 (scheduled)
Effective date of the Share Exchange	December 27, 2024 (scheduled)

(Note) The above schedule may be changed upon consultation and agreement between the two companies if necessary due to the progress of the procedures for the Share Exchange or for other reasons.

## (2) Method of the Share Exchange

The transaction is a share exchange in which the Company will become the wholly owning parent company and Minacia will become the wholly owned subsidiary company in the Share Exchange.

## (3) Allotment of shares in connection with the Share Exchange

Pursuant to the Share Exchange Agreement, Etc., the Company will allot and deliver, to each of the shareholders of Minacia (excluding the Company) as of the time immediately preceding the acquisition of all of the issued shares of Minacia through the Share Exchange, 0.097 shares of the Company Shares and cash (JPY) calculated at a ratio of 5,000,000,000 divided by 1,090,934,967 (hereinafter the "Share Exchange Ratio") for each share of Minacia (hereinafter the "Minacia Share") held by such shareholders .

Shares to be acquired	Minacia shares: 1,090,934,967 shares
Calculation method of the consideration allocated per share	<p>① Cash consideration</p> <ul style="list-style-type: none"><li>Cash consideration per Minacia Share: JPY5,000,000,000 divided by 1,090,934,967</li><li>Total cash consideration: JPY5 billion</li></ul> <p>② Share consideration</p> <ul style="list-style-type: none"><li>Share consideration per Minacia Share 0.097 Company Shares</li><li>Total number of shares consideration 105,820,691 Company Shares</li></ul>

(Note) The above may be subject to change upon consultation and agreement between the two companies in the event of a material change in the terms and conditions on which the calculation is based.

## (4) Treatment of share options and bonds with share options in connection with the Share Exchange

There are no share options or bonds with share options issued by Minacia.

## 3. Basis, etc. of the Allotment upon the Share Exchange

### (1) Basis and Reason for the Allotment

In considering the Share Exchange Ratio, in order to ensure its fairness and appropriateness, the Company has obtained a calculation report of the Company and Minacia's share exchange ratio (hereinafter the "Share Exchange Ratio Calculation Report") from Mizuho Securities Co., Ltd. (hereinafter "Mizuho Securities"), a third-party valuation institution independent of the Company Group, the Minacia Group (Minacia and its subsidiaries, the same applies hereinafter), and the corporate group that Star Asia Opportunity III LP ("SAO III"), the parent company of the Company, belongs to (hereinafter the "Star Asia Group"). (For a summary of the Share Exchange Ratio Calculation Report, please refer to "(ii) Summary of Calculation" in "(2) Matters Relating to Calculation" below). Mizuho Securities is not a related party of the Company group, Minacia group or Star Asia group, nor does it have any material interests that should be noted.

First, from the viewpoint of limiting the increase in the number of shares issued by the Company due to the issuance of new shares and reducing the dilution ratio of the shares held by the Company's shareholders as much as possible, the Company has decided to use cash consideration as part of the consideration for the Share Exchange (total amount: JPY5 billion). The Company plans to procure the funds required for the cash consideration for the Share Exchange through a syndicated loan, and the Company received a letter of interest from Mizuho Bank, Ltd. ("Mizuho Bank"), the arranger and agent of the syndicated loan, as of September 20, 2024.

On that basis, the Company carefully considered the results of the analysis of the share value of the Company and Minacia and advice received from Mizuho Securities regarding the share consideration for the Share Exchange, as well as analyzed the

financial conditions, asset conditions, and future business activities of both companies, and based on these analyses, conducted earnest negotiations and discussions between the two companies. Specifically, since the Company's initial proposal to Minacia on September 17, 2024, both companies have been negotiating until they reached an agreement on October 10, 2024, whereby the consideration per Minacia Share would be 0.097 Company Shares, on the basis that final decisions will be made by the Boards of Directors at both companies. As a result of careful discussions with Minacia, taking into consideration the Share Exchange Ratio Calculation Report, an Opinion from the Special Committee consisting of members who do not have any conflicts of interest with Minacia Group and Star Asia Group (for details, please refer to "(i) Obtaining an Opinion from the Special Committee that does not have any conflicts of interest in the Company" in "(5) Measures to Avoid Conflicts of Interest" below), as well as advice from our financial and legal advisors, it was finally determined that the Share Exchange Ratio is within the range of the number of shares of the Company to be allotted and delivered per Minacia Share based on the valuation method when the Market Price Method (defined below) is adopted for the Company and the DCF Method (defined below) is used for Minacia, and the DCF Method is adopted for the Company and Minacia, in the event that the total cash consideration for the Share Exchange is JPY5 billion, as calculated by Mizuho Securities, and it will not be disadvantageous to the minority shareholders of the Company, and therefore the execution of the Share Exchange Agreement, Etc. including the Share Exchange Ratio was resolved at the Board of Directors meeting held today.

## (2) Matters related to Calculation

### ① Name of the calculation institution and its relationship with the Company Group, the Minacia Group and the Star Asia Group

The Company has selected Mizuho Securities, a third-party valuation institution independent of the Company group, Minacia Group and Star Asia Group, and obtained the Share Exchange Ratio Calculation Report as of October 11, 2024. Mizuho Securities is not a related party of the Company group, Minacia Group or Star Asia Group, and does not have any material interest to be noted in connection with the Share Exchange. (With respect to the financing transaction at Mizuho Bank, a group company of Mizuho Securities, please refer to "(i) Obtaining a valuation report from an independent third-party valuation institution" in "(4) Measures to Ensure Fairness" below.)

### ② Summary of Calculation

Mizuho Securities adopted the Market Price Method for the Company, because the Company is listed on the Tokyo Stock Exchange, Inc. (hereinafter the "Tokyo Stock Exchange") Standard Market, as well as the Comparable Company Comparison Method and the Discounted Cash Flow Method (hereinafter the "DCF method") to calculate the value of the Company's shares. On the other hand, as Minacia is an unlisted company and there is no market share price, the Comparable Company Method and the DCF method were used to calculate the share value.

If the total cash consideration for the Share Exchange is JPY5 billion, the calculated range of the number of shares of the Company to be allotted and delivered per Minacia Share under each valuation method is as follows.

Adopted Methods		Calculation range of the number of Company Shares
The Company	Minacia	
Market Price Method	DCF method	0.051 - 0.120
Market Price Method	Comparable Company Comparison Method	0.024 - 0.080
Comparable Company Comparison Method	Comparable Company Comparison Method	0.026 - 0.085
DCF method	DCF method	0.048 - 0.122

Under the Market Price Method, the share price on October 11, 2024 (hereinafter the "Calculation Base Date"), and the simple average of the closing share price for the one-month, three-month, and six-month periods prior to the Calculation Base Date, was used for the calculation.

Under the Comparable Company Method, as listed companies engaged to a certain degree in similar businesses to those of

the Company and Minacia, Washington Hotel Corporation, Greens Co., Ltd., Kyoritsu Maintenance Co., Ltd., and Agora Hospitality Group Co., Ltd. were selected for the Company, and the four companies listed above and the Company were selected for Minacia, and the share value of the Company's shares and Minacia's shares were calculated using the multiple of EBITDA to enterprise value and the multiple of net income to stock value.

The DCF method is based on the business plans prepared by the Company for the four fiscal years ending March 31, 2025 through March 31, 2028, and the business plans prepared by Minacia for the five fiscal years ending December 31, 2024 through December 31, 2028, with certain adjustments made to the financial forecasts, publicly available information, and other factors. The corporate value and stock value of both companies were calculated by discounting the free cash flows that the Company and Minacia are expected to generate in and after the fiscal year ending March 31, 2025 and the fiscal year ending December 31, 2024, respectively, at a certain discount rate to arrive at a present value. The discount rates used were 6.49% to 7.49% for the Company and 6.46% to 7.46% for Minacia, and the perpetual growth rate method and EXIT multiple method were used to calculate the going concern value. For the perpetual growth rate method, the perpetual growth rate was assumed to be -1.0% to 1.0% for both companies, and for the EXIT multiple method, the multiples of EBITDA to enterprise value were assumed to be 9.4 to 11.4 for the Company and 9 to 11 for Minacia. The financial forecasts of both companies, on which Mizuho Securities based its DCF analysis, include fiscal years in which a significant increase or decrease in profit is expected. Specifically, the Company's operating income is expected to decrease significantly to JPY1,891 million in the fiscal year ending March 2025 from JPY3,382 million in the fiscal year ending March 2024, due to a temporary increase in income from the sale of real estate, and as sales is expected to grow due to several hotels scheduled to open in the fiscal year ending March 31, 2027, a significant increase in profit to JPY2,964 million is expected in the fiscal year ending March 31, 2027, compared with JPY2,095 million in the fiscal year ending March 31, 2026. In addition, whereas Minacia's operating income is expected to decrease in the fiscal year ending December 31, 2024 due to the payment of one-time compensation to employees, its operating income in the fiscal year ending December 31, 2025 is expected to increase to JPY1,257 million versus JPY1,257 million in the fiscal year ending December 31, 2024 due to the expected sales growth resulting from the opening of new hotels in the fiscal year ending December 31, 2025. These financial forecasts are not based on the assumption that the Share Exchange will be implemented.

The financial forecasts of both companies, which Mizuho Securities used as the basis for the DCF analysis, are as follows.

(i) The Company

(Unit: million yen)

	Fiscal Year Ending Mar 31, 2025	Fiscal Year Ending Mar 31, 2026	Fiscal Year Ending Mar 31, 2027	Fiscal Year Ending Mar 31, 2028
Net sales	20,078	21,642	25,889	26,561
Operating profit	1,891	2,095	2,964	3,246
EBITDA	2,746	2,973	3,841	4,124
Free cash flow	1,708	1,599	1,901	2,346

(ii) Minacia

(Unit: million yen)

	Fiscal Year Ending Dec 31, 2024	Fiscal Year Ending Dec 31, 2025	Fiscal Year Ending Dec 31, 2026	Fiscal Year Ending Dec 31, 2027	Fiscal Year Ending Dec 31, 2028
Net sales	14,326	16,655	19,004	21,372	23,234
Operating profit	1,257	1,813	2,185	2,568	2,682

EBITDA	2,536	3,118	3,496	3,883	3,998
Free cash flow	737	1,003	1,210	1,452	1,600

In calculating the Share Exchange Ratio, Mizuho Securities relied upon and premised its calculation on, the fact that all information used at that time as the essential grounds for calculating the Share Exchange Ratio, among all disclosed information considered by Mizuho Securities, as well as financial and other information that was provided by Polaris and Minacia to Mizuho Securities or deliberated on by Mizuho Securities and Polaris and Minacia, was accurate and complete

Mizuho Securities did not independently verify the accuracy and completeness of such information, and is neither responsible nor obligated to do so. Information stated in the Share Exchange Ratio Calculation Report has the potential to differ from reality if: i) there is any matter that renders information provided to Mizuho Securities or deliberated on by Mizuho Securities, Polaris, or Minacia seriously erroneous, ii) there occurs any event or circumstance that fails to be disclosed at the time of delivering the Share Exchange Ratio Calculation Report; or iii) there occurs any event or circumstance after delivery of the Share Exchange Ratio Calculation Report (including events that potentially occur at the time of delivery of the Share Exchange Ratio Calculation Report and that are subsequently revealed). Mizuho Securities premised the calculation on the fact that neither of the companies' management were aware of any fact that caused any misunderstanding, or that rendered the information provided to Mizuho Securities (including the details of any adjustments made by both companies) or deliberated on by Mizuho Securities, Polaris, or Minacia incomplete. Mizuho Securities did not independently value or appraise assets and liabilities of Polaris, Minacia, and their subsidiaries and affiliates (including derivatives, off-balance-sheet assets and liabilities, and contingent liabilities) and allowances and provisions for these companies. Mizuho Securities has neither been independently provided with any valuation or appraisal from a third party, nor has it requested any valuation or appraisal from a third party. Mizuho Securities is not obligated to examine assets and facilities of Polaris, Minacia, and their subsidiaries and affiliates, and has not assessed or valued shareholders' equity, solvency, and fair values of Polaris, Minacia, and their subsidiaries and affiliates under laws on bankruptcy and business failure.

In calculating the Share Exchange Ratio, Mizuho Securities used hypotheses it believed were reasonable and appropriate for any matter: i) on which neither any information nor any disclosure was provided by Polaris and Minacia; ii) whose effect on their stock value was currently uncertain despite information or disclosure provided; iii) that could not be used by Mizuho Securities as a basis for valuation even when using another method; and iv) that could not convince Mizuho Securities that it was usable as a basis for valuation even when using another method. Mizuho Securities has not verified how the future financial conditions of Polaris and Minacia would be affected by any of the hypotheses that have the potential to be revealed as materially differing from the facts.

Mizuho Securities premised that financial forecasts and forward-looking information that were disclosed to it had been prepared, created, and adjusted rationally by the management of Polaris and Minacia, based on the best forecasts and judgements currently able to be made concerning their business performance and future financial position. Mizuho Securities has neither independently verified the feasibility of the aforementioned premise and financial forecasts as well as business plans materializing, nor expressed any opinion on analyses and forecasts referred to in the Share Exchange Ratio Calculation Report and hypotheses forming the basis for them because Mizuho Securities relied on such premise, financial forecasts, and business plans. Mizuho Securities personnel, not being experts in law, regulation, and tax affairs, relied on assessments and valuations done by external experts for Polaris and Minacia with respect to such matters.

Mizuho Securities' calculation result was submitted to Polaris at its request for the sole purpose of serving as reference information in order for Polaris's board of directors to determine the Share Exchange Ratio. The calculation result is not intended for Mizuho Securities to express an opinion on the reasonableness of the Share Exchange Ratio.

### (3) Likelihood of and Reasons for Delisting

The Company is not expected to be delisted.

### (4) Measures to Ensure Fairness

Since Star Asia Group LLC, the parent company of the Company, is also the parent company of Minacia, the counterparty to the Share Exchange, and Minacia is a company with the same parent company as the Company, the Company determined that the Share Exchange constitutes a material transaction with a controlling shareholder, etc., and therefore it is necessary to ensure fairness, and the following measures have been taken to ensure fairness.

#### ① Obtaining a valuation report from an independent third-party valuation institution

In order to ensure the fairness and appropriateness of the Share Exchange Ratio to be used in the Share Exchange, the Company appointed Mizuho Securities as a third-party valuation institution independent of the Company group, Minacia Group and Star Asia Group, and obtained the Share Exchange Ratio Calculation Report as of October 11, 2024.

Mizuho Securities is not a related party of the Company group, Minacia Group or Star Asia Group. Mizuho Bank, a group company of Mizuho Securities, has been engaged in financing transactions as part of ordinary banking transactions unrelated to the Share Exchange with Star Asia Group and the Company, and has been engaged in financing transactions with the Company as a method of financing the cash consideration for the Share Exchange with several financial institutions including Mizuho Bank. However, Mizuho Securities is subject to the Financial Instruments and Exchange Law (Law No. 25 of 1948, including subsequent amendments), and pursuant to the applicable laws and regulations of Article 36, Paragraph 2 of the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended) and Article 70-4 of the Cabinet Office Ordinance on Financial Instruments Business, etc., Mizuho Securities has established and operated an appropriate conflict of interest management system, including information barrier measures between Mizuho Securities and Mizuho Bank, and calculated the Share Exchange Ratio for the Share Exchange from a standpoint independent from the status of lenders to Mizuho Bank. Mizuho Securities was selected by the Company as an independent third-party valuation institution in light of Mizuho Securities' track record as a calculation agent and the fact that an appropriate conflict of interest management system, such as information barrier measures, has been established and is being operated between Mizuho Securities and Mizuho Bank.

Please refer to "(2) Matters Concerning Calculation" above for a summary of such calculation report.

#### ② Advice from an independent law firm

In early June 2024, when the Company began its consideration of the Share Exchange, in order to ensure the fairness and appropriateness of the decision-making process of the Company's Board of Directors regarding the Share Exchange, the Company retained Nishimura & Asahi Gaikokuho Kyodo Jigyo (hereinafter "Nishimura & Asahi"), as legal advisor independent of the Company Group, Minacia Group and Star Asia Group, and received legal advice from Nishimura & Asahi on the method and process of decision-making by the Board of Directors of the Company, including various procedures related to the Share Exchange, and other points to be noted.

### (5) Measures to Avoid Conflicts of Interest

Since Star Asia Group LLC, the parent company of the Company, is also the parent company of Minacia, the counterparty to the Share Exchange, and Minacia is a company with the same parent company as the Company, the Share Exchange constitutes a material transaction, etc. with the controlling shareholder, and the following measures have been taken to avoid any conflict of interest.

#### ① Obtaining an Opinion from the Special Committee that does not have an interest in the Company

The Board of Directors meeting of the Company held on July 24, 2024 has resolved that the Board of Directors of the Company will carefully consider the decision-making process of Minacia regarding the Share Exchange, eliminate the possibility of arbitrariness and conflict of interest in the decision-making process of the Board of Directors, ensure the fairness of the decision,

and confirm that the decision to conduct the Share Exchange at such meeting will not be detrimental to the minority shareholders of the Company. For such purpose, the Company resolved at the meeting of the Board of Directors held on July 24, 2024 to establish a special committee consisting of four members (hereinafter the "Special Committee"), and appoint Mr. Tsuyoshi Matsuo, an outside director and a full-time Audit Committee member of the Company who has also been registered as an independent director of the Company with the Tokyo Stock Exchange, Mr. Takaaki Morohashi (Attorney at Law, Rising Law Office, Outside Director and Audit & Supervisory Committee Member of First Corporation K.K.), and Ms. Asuka Nakamura (Certified Public Accountant, President and Representative Director of Asumirai Research Institute, Inc.; outside auditor of Mynavi Corporation) who all no vested interest in the Minacia Group or Star Asia Group, and Mr. Kazuya Shimamura (attorney-at-law; certified public accountant; Shimamura Law & Accounting Office), an independent outside expert who has deep expertise in M&A and has no vested interest in the Company group, the Minacia Group, or the Star Asia Group as the members of the Special Committee. The Company has requested the Special Committee to consider (i) the legitimacy and reasonableness of the purpose of the Share Exchange (including whether the Share Exchange will contribute to the improvement of the corporate value of the Company), (ii) fairness of the procedures for the Share Exchange, (iii) fairness and appropriateness of the terms of the Share Exchange, and (iv) whether the Share Exchange is disadvantageous to the minority shareholders of the Company based on (i) through (iii) above (collectively, (i) through (iv) below, the "Consulted Matters").

The Special Committee held a total of 8 meeting from August 16, 2024 to October 11, 2024, and also carefully considered the Consulted Matters by expressing opinions, exchanging information, gathering information, etc. outside the Special Committee through e-mail, etc., and holding discussions as necessary from time to time. Specifically, at the first meeting of the Special Committee, the Special Committee confirmed that Mizuho Securities, the financial advisor and third-party valuation institution appointed by the Company, and Nishimura & Asahi, the legal advisor, both had no problems with their expertise and independence. In addition, the Special Committee has confirmed that it will obtain professional advice from the Company's advisors, etc. as necessary and that the Special Committee will not appoint its own advisors, etc.

The Special Committee received explanations from the Company regarding the nature of the Company's business and business environment, major management issues, advantages and disadvantages of the Share Exchange for the Company's business, and procedures for formulating the Company's business plan, which is the premise for the Share Exchange Ratio. The Special Committee also submitted a questionnaire to Minacia regarding the purpose of the Share Exchange, among others, and received an explanation from Minacia regarding the purpose of the Share Exchange, background leading up to the Share Exchange, reasons for selecting the Share Exchange, management policies after the Share Exchange, treatment of employees, etc., and had a question and answer session with Minacia. In addition, the Special Committee received advice from the Company's legal advisor, Nishimura & Asahi, regarding the method and process of decision-making by the Company's Board of Directors regarding the Share Exchange, the operation of the Special Committee and other measures to ensure the fairness of the procedural aspects of the Share Exchange and to avoid conflicts of interest, and also received a report on the results of the legal due diligence on Minacia and had a question-and-answer session. Furthermore, the Company requested Hayabusa Trust FAS Co., Ltd. to conduct financial and tax due diligence on Minacia, and the Special Committee received a report from Hayabusa Trust FAS Co., Ltd. on the results of the financial and tax due diligence, and conducted a question and answer session. The Special Committee also received an explanation from Mizuho Securities, the third-party valuation institution, regarding the method and results of the valuation of the Share Exchange Ratio in the Share Exchange, and held a question and answer session. The Special Committee was substantially involved in the negotiation process with Minacia by receiving timely reports on the history and details of the discussions and negotiations regarding the Share Exchange between the Company and Minacia, discussing the negotiation policy, etc. several times until the Company made a final proposal regarding the Share Exchange Ratio, and by providing opinions to the Company, etc.

The Special Committee carefully discussed and examined the Consulted Matters through such procedures and provided with the Company's Board of Directors meeting an Opinion as of October 11, 2024 which concluded that (i) the Share Exchange is considered to contribute to the improvement of the corporate value of the Company and that its purpose is justifiable and reasonable; (ii) the procedures for the Share Exchange are considered fair; (iii) the terms and conditions for the Share Exchange are considered fair and reasonable; and (iv) in light of (i) through (iii) above, the implementation of the Share Exchange is not



considered to be disadvantageous to the minority shareholders of the Company. For a summary of the Special Committee's opinion, please refer to "8. Matters Concerning Transactions with Controlling Shareholders, etc." below, please refer to "(3) Summary of Opinions Received from Parties Having No Interest in the Controlling Shareholder Concerning the Transaction, etc. Not Being Disadvantageous to Minority Shareholders".

② Approval of all directors (including Audit Committee members) who have no vested interest in the Company

At the Company's Board of Directors meeting held today, all five of the Company's nine directors, excluding Mr. Takahiro Tsujikawa, Mr. Yohei Taguchi, Mr. Malcolm F. McLean IV and Mr. Taro Masuyama, unanimously approved the Share Exchange.

In light of the fact that Mr. Takahiro Tsujikawa, Mr. Yohei Taguchi, Mr. Malcolm F. McLean IV, and Mr. Taro Masuyama are concurrently officers or employees of Star Asia Group, to which SAO III, the parent company of the Company, belongs, as they have conflicting or potential conflicts of interest in the Share Exchange, neither of them participated in the deliberations and resolutions regarding the Share Exchange at the Company's Board of Directors' meeting, nor did they participate in the discussions and negotiations with Minacia regarding the Share Exchange on behalf of the Company.

#### 4. Overview of the Parties to the Share Exchange

	Wholly Owning Parent Company in the Share Exchange (As of March 31, 2024)	Wholly Owned Subsidiary in the Share Exchange (As of March 31, 2024)
(1) Company Name	Polaris Holdings Co., Ltd.	Minacia Co., Ltd.
(2) Address	1-12-3 Iwamoto-cho, Chiyoda-ku, Tokyo	3F Fuundo Building, 1-2 Kanda Ogawamachi, Chiyoda-ku, Tokyo
(3) Representative Title and Name	President and Representative Director, Takahiro Tsujikawa	President and Representative Director, Kazuyoshi Shimojima
(4) Business Contents	Hotel and real estate business	Management, planning, operation and administration of hotels/restaurants, and consulting services related to hotel/restaurant operations
(5) Capital	JPY65,571,004	JPY50,000,000 (JPY3 million yen as of today)
(6) Date of Foundation	September 20, 1912	November 1, 2017
(7) Number of Shares Issued and Outstanding	124,133,889 shares	1,109,895,306 shares
(8) Fiscal Period	March 31	December 31
(9) Number of Employees	486 (consolidated)	516 (consolidated)
(10) Main Clients	There are no clients to be specifically noted	There are no clients to be specifically noted.
(11) Main Banks	Rizal Commercial Banking Corporation The Shoko Chukin Bank, Ltd. Banco de Oro Unibank Kiraboshi Bank, Ltd. Japan Finance Corporation Mizuho Bank, Ltd.	Japan Finance Corporation The Shoko Chukin Bank, Ltd. MUFG Bank, Ltd.
(12) Major Shareholders and Shareholding Ratio	Star Asia Opportunity III LP 72.69%	SAJP: 98.29%. the Company: 1.71% (As of today)
	Malcolm F. McLean IV 1.72%.	

	Taro Masuyama	1.72%	
	MSIP CLIENT SECURITIES (Standing Proxy: Morgan Stanley MUFG Securities Co., Ltd.)	0.80%	
	Hideki Ishida	0.64%	
	Rakuten Securities, Inc.	0.36%	
	J.P. Morgan Securities plc (Standing proxy: JPMorgan Securities Japan Co., Ltd.)	0.28%	
	Yoshiaki Mitsuboshi	0.28%	
	BNP PARIBAS NEW YORK (Standing proxy: The Hongkong and Shanghai Banking Corporation Limited, Tokyo Branch)	0.26%	
	Matsui Securities Co., Ltd.	0.21%	

(13) Relationship between the parties

Capital ties	As of today, the Company holds 18,960,339 shares, representing 1.71% of the total number of outstanding shares of Minacia.
Personal relations	There are no relationships to be specifically noted.
Business relations	Although the Company and Minacia have entered into a capital and business alliance agreement, there are no transactions as of today.
Status as a related party	Minacia is a subsidiary of Star Asia Group LLC, the parent company of the Company, and is a related party of the Company.

(14) Operating performance and financial position for the last three fiscal years

Fiscal Year	Polaris Holdings Co., Ltd. (Consolidated)			Minacia Co., Ltd.(Consolidated)		
	Fiscal Year Ending Mar 31, 2022	Fiscal Year Ending Mar 31, 2023	Fiscal Year Ending Mar 31, 2024	Fiscal Year Ending Dec 31, 2021	Fiscal Year Ending Dec 31, 2022	Fiscal Year Ending Dec 31, 2023
Net Assets	192,600	2,910,571	6,884,782	(986,669)	(1,590,240)	821,700
Total assets	12,035,678	24,653,218	23,208,107	20,307,805	19,551,628	20,510,606
Net assets per share (Yen)	1.99	24.83	55.46	(1.00)	(1.43)	0.74
Net sales	3,712,127	7,017,664	22,545,288	5,987,880	9,821,855	14,540,619
Operating profit	(1,332,424)	3,080	3,382,187	(3,492,305)	(845,595)	1,324,095
Ordinary profit	(1,623,142)	(215,243)	2,608,746	(3,580,010)	(1,230,283)	918,063
Profit attributable to owners of parent	(1,829,816)	534,189	3,297,199	(3,718,092)	(1,203,571)	2,411,941
Net income per share (Yen)	(25.98)	4.98	26.86	(3.76)	(1.08)	2.17
Dividend per share (Yen)	-	-	-	-	-	-

(Unit: Thousands of Yen, except as otherwise noted)

5. Status after the Share Exchange

Wholly Owning Parent Company in the Share Exchange	
(1) Company Name	Polaris Holdings Co., Ltd.
(2) Address	1-12-3 Iwamoto-cho, Chiyoda-ku, Tokyo
(3) Representative Title and Name	President and Representative Director: Takahiro Tsujikawa
(4) Business Contents	Hotel and real estate business
(5) Capital	JPY229,336,314
(6) Fiscal Period	March 31
(7) Net Assets	Not confirmed at this time.

(8)	Total Assets	Not confirmed at this time.
(9)	Shareholding Ratio of Major Shareholders	Not confirmed at this time.

## 6. Outline of Accounting Procedures

This Share Exchange constitutes an acquisition under the accounting standards for business combinations.

## 7. Future Outlook

### (1) Impact on business performance

The Company will promptly announce the impact of the execution of the Share Exchange Agreement, Etc. on its business results for the current and subsequent fiscal years as soon as it is determined.

### (2) Ratio of tradable shares

The tradable share ratio of the Company's shares immediately after the Share Exchange is expected to be 14.36% (based on the Company's calculation), which is below the Tokyo Stock Exchange's standard listing maintenance criteria of 25%, but the Company intends to take various measures such as selling or offering the shares held by the Star Asia Group to third parties via a bilateral transaction in consultation with experts, financial institutions, and major shareholders in order to comply with the listing maintenance criteria.

## 8. Matters related to Transactions with Controlling Shareholders, etc.

### (1) Compliance with the Guidelines Concerning Transactions with Controlling Shareholders, etc. and Measures to Protect Minority Shareholders

Since Star Asia Group LLC, the parent company of the Company, is also the parent company of Minacia, the counterparty to the Share Exchange, and Minacia is a company with the same parent company as the Company, the Share Exchange constitutes a material transaction, etc. with the controlling shareholder. In the Corporate Governance Report disclosed on July 8, 2024, the Company stated in the "Guidelines Concerning Minority Shareholders Protection Policy in Transactions, etc. with Controlling Shareholders" that, with respect to transactions with controlling shareholders, "the Company shall fully consider the rationality of the transaction and the appropriateness of the transaction terms in light of general transaction terms, and the Company will take appropriate measures to ensure that the interests of minority shareholders are not harmed".

In considering the Share Exchange, as described in "(4) Measures to Ensure Fairness" and "(5) Measures to Avoid Conflicts of Interest" in "(3) Basis, etc. of the Allotment of Shares upon the Share Exchange", in addition to requesting the Special Committee to consider the Consulted Matters and obtaining an opinion based on the results of the deliberations and discussions of the Special Committee and discussing and examining the issues based on such opinion, the Company has taken various other measures to ensure fairness and avoid conflicts of interest in the Share Exchange, and believes that these measures are in conformity with the intent of the above guidelines.

### (2) Matters concerning measures to ensure fairness and to avoid conflicts of interest

As described above in "(1) Applicability of Transaction, etc. with Controlling Shareholder and Compliance with Guidelines Concerning Minority Shareholders Protection Policy", the Share Exchange constitutes a significant transaction, etc. with the controlling shareholder of the Company, and the Company has determined that it is necessary to take measures to ensure fairness and avoid conflicts of interest. Therefore, the Board of Directors of the Company carefully discussed and reviewed the terms and conditions of the Share Exchange, and took the measures described above in "(4) Measures to Ensure Fairness" and "(5) Measures to Avoid Conflicts of Interest" under "3, (5) Measures to Avoid Conflicts of Interest" in "Basis, etc., of the Content of the Allocation of Share Exchanges.

### (3) Summary of opinion obtained from a person who has no interest in the controlling shareholder regarding the fact that the transaction,

etc. is not disadvantageous to minority shareholders

As described in "(5) Measures to Avoid Conflicts of Interest" in "3. Basis, etc. of the Allotment of Shares upon the Share Exchange" above, the Company has established the Special Committee to ensure the fairness of the decision-making process by the Board of Directors of the Company by taking a cautious approach in its decision-making regarding the Share Exchange and eliminating the possibility of arbitrariness and conflicts of interest in the decision-making process. In addition, the Special Committee was established for the purpose of confirming that the decision to conduct the Share Exchange by the said Board of Directors is not disadvantageous to the minority shareholders of the Company, and consulted with the Company on the Consulted Matters.

As a result, the Company has received a written opinion from the Special Committee on this matter, dated October 11, 2024, as outlined below.

(i) Justification and reasonableness of the purpose of the Share Exchange (including whether the Share Exchange will contribute to improving the corporate value of the Company)

According to the results from the Company's interviews, Minacia operates hotels in areas and with customer segments that the Company does not open or mainly target, and the Share Exchange will enable the Company to diversify its business risks. In addition, a high percentage of Minacia's operations are based on fixed-rent lease contracts, which provide a higher upside to earnings when the market is strong, and thus the Company will be able to acquire a business with a different risk-return profile from its own. Based on this assumption, the Special Committee did not find anything to point out as questionable in terms of the rationality of the synergies assumed by the Company: (i) diversification of business opportunities and diversification of business risks can be expected through expansion of the location, customer base, and management contract form of the portfolio of managed hotels. In addition, the Special Committee was informed that through the Share Exchange, in addition to the recovery of the Company's business performance, the Company intends to raise funds under better lender formation and borrowing conditions than the current ones, along with the improvement of its business and market capitalization scale and PL, etc. The Special Committee was also informed that the Company has been considering the following issues as its management challenges, which are that it does not have sufficient economies of scale and recognition due to the fact that it is not a top-tier company compared to its competitors. The Company plans to expand its business scale through the Share Exchange and share the skills and know-how of its and Minacia's head office personnel, and thus, the Special Committee also evaluated it that its reasonability is not questionable in terms of (ii) the expectation of pursuit of economies of scale (technology investment, sales and marketing, loyalty programs, operational and cost efficiencies such as personnel at hotels in overlapping trade areas, and reduction of various vendor costs (cleaning, linens, OTA, etc.) related to hotel operations, etc.) and (iii) the expectation to improve the Company's brand power and recognition in the market, improve operational efficiency by sharing human resources, and reduce financial costs by improving borrowing conditions in line with the expansion of the company and its business scale. In addition, among the synergies considered by Minacia, the rationality of (i) the expansion of new business is expected to be smoother due to improved credit and fund-raising capabilities, and (ii) the sharing of information on projects related to the new hotel pipeline is expected to provide more opportunities and avoid competition, thereby enabling efficient business operations is not in doubt, as they are derived from the expansion of business scale through the Share Exchange, the sharing of skills and know-how of head office personnel, and the avoidance of competition and improvement of operational efficiency resulting from the transformation into a group company through the Share Exchange, as described above. In addition, the support from the Star Asia Group, the Company's sponsor group with a wealth of experience in the real estate business, was previously dispersed between the Company and Minacia, but there is no reason to doubt the rationality of concentration and streamlining of support and accelerate cooperation between the Company and Minacia by making Minacia a group company of the Company through the Share Exchange. In light of the above, the synergies that the Company and Minacia believe will be realized are reasonable.

Based on the synergy effects considered by the Company and Minacia, the Company is considering the implementation of measures to enhance corporate value as described in "1. Purpose of the Share Exchange" above. In other words, (1)

expanding the dominant area by utilizing the hotel networks and trade areas of both companies, further increasing the number of new hotels and rooms under management, aggressively expanding business opportunities by expanding the operating platform, and expanding brand recognition and customer satisfaction, are considered to contribute to the improvement of the Company's corporate value by achieving quantitative targets and expanding the operating platform. In addition, (2) optimization of business operations through sharing of efficient management methods and operational know-how, streamlining functions common to both companies, streamlining human resource management, and discussing solutions to common issues, can be evaluated as measures necessary to maximize the synergies envisioned by the Company, and (3) seizing business opportunities as the entire group in a flexible manner, accelerating the decision-making process and concentrating investment of funds and human resources to maximize corporate value, are also considered necessary measures to maximize the benefits of the grouping of the Company and Minacia in the Share Exchange. In light of the above, the Share Exchange is recognized as contributing to the enhancement of the Company's corporate value.

As described above, the Share Exchange is considered to contribute to the enhancement of the Company's corporate value, and the purpose of the Share Exchange is considered to be justifiable and reasonable.

(ii) Fairness of the Share Exchange Procedures

In the Share Exchange, (i) as stated above, the Special Committee was consulted from the initial stage of the process of forming the terms and conditions of the transaction and was given the authority to approve the Company's advisors, etc., and the Special Committee exercised these authorities and, in addition, received timely reports on the state of negotiations and expressed its opinions at important stages. Given the above, the Special Committee was found to have been substantially involved in the negotiation process regarding the terms and conditions of the transaction with Minacia by exercising these authorities, providing opinions at important stages, and issuing instructions and requests, and no particular problems were found regarding the independence of the Special Committee, the composition of its members including their expertise and attributes, the review system including advisors, and compensation; (ii) the Company requested Mizuho Securities, a third-party valuation institution independent of the Company group, Minacia Group and Star Asia Group, to calculate the share exchange ratio for the Share Exchange, and obtained the Share Exchange Ratio Calculation Report as of October 11, 2024; (iii) the Company retained Nishimura & Asahi as legal advisor independent of the Company Group, Minacia Group and Star Asia Group, and received various legal advice; (iv) as described above in "(5) Measures to Avoid Conflicts of Interest" in "(3) Basis, etc. of the Allotment of Shares upon the Share Exchange", the Special Committee has been substantially involved in the negotiation process with Minacia by discussing the negotiation policy, etc. several times and providing opinions to the Company until the Company made a final proposal on the Share Exchange Ratio, after receiving timely reports on the process and details of the discussions and negotiations regarding the Share Exchange between the Company and Minacia; (v) the Special Committee has established a system that enables it to consider and make decisions on the merits of the Share Exchange and the appropriateness of the terms and conditions of the transaction based on important information, including the results of questionnaires with the Company and Minacia, and the results of legal, financial and tax due diligence on Minacia; and (vi) no party having a special interest in the Share Exchange participated in the process of consideration and negotiation of the Share Exchange Agreement, and the resolution of the Board of Directors to approve the Share Exchange Agreement requires the approval of all directors who do not have a special interest in the transaction. Based on (i) through (vi) above, the procedures for the Share Exchange are considered to be fair, given that appropriate measures to ensure fairness have been taken, and that all directors without special interests are required to approve the Share Exchange Agreement.

(iii) Fairness and appropriateness of the terms of the Share Exchange

(i) In the process of discussion and negotiation regarding the terms and conditions of the Share Exchange, it is recognized that the negotiations were conducted fairly between independent parties and that a situation was secured in which reasonable efforts were made to conduct the Share Exchange on terms and conditions as favorable as possible to minority shareholders while enhancing corporate value; (ii) according to the Share Exchange Ratio Calculation Report received by the Company on October 11, 2024 from Mizuho Securities, a third-party valuation institution independent of the Company group, the Minacia Group and Star Asia Group, the Share Exchange Ratio is within the range of ratios calculated based on the Market Price Method for the Company and the DCF method for the Minacia, and the DCF Method for both companies among

those calculated based on the Market Price Method, the Comparable Company Method, and the DCF method for the Company's stock price and the Comparable Company Method and the DCF method for Minacia's stock price, and is considered to be a reasonable level; (iii) the Share Exchange will contribute to the expansion of the scale as a key measure to enhance corporate value in the Company's Medium-Term Management Plan; and there are synergies expected to be generated in the Company and Minacia as a result of the Share Exchange, which will contribute to improving the corporate value of the Company. Based on (i) through (iii) above, the transaction terms of the Share Exchange are fair and reasonable.

(iv) Based on (i) through (iii) above, whether the Share Exchange is disadvantageous to the minority shareholders of the Company

As described in (i) through (iii) above, the purpose of the Share Exchange is considered to be justifiable and reasonable, the procedures for the Share Exchange are fair, and the terms and conditions of the Share Exchange are fair and reasonable, and therefore, the implementation of the Share Exchange is not disadvantageous to the minority shareholders of the Company.

## II. Change in Subsidiaries

### 1. Scheduled Transfer Date

December 27, 2024 (effective date of the Share Exchange)

### 2. Background of Changes

As a result of the Share Exchange, Minacia will become a consolidated subsidiary of the Company as of the effective date of the Share Exchange, the following changes in the subsidiaries of the Company are expected.

### 3. Outline of the Subsidiary

#### (1) Minacia

Please refer to "4. Overview of the Share Exchange" in "I. Outline of the Share Exchange" above.

#### (2) MTS

(1) Company Name	Minacia Total Service Co. Ltd.		
(2) Address	1-2, Kanda Ogawamachi 1-chome, Chiyoda-ku, Tokyo		
(3) Representative Title and Name	Kazuyoshi Shimojima, President and Representative Director		
(4) Business Contents	Cleaning services for various stores and offices, including hotels and restaurants, and maintenance services for building equipment and fixtures		
(5) Capital	JPY10 million		
(6) Date of Foundation	October 12, 2018		
(7) Major Shareholder and Shareholding Ratio	Minacia 100%		
(8) Relationship between the listed company and MTS			
	Capital ties	There are no relationships to be specifically noted.	
	Personal relations	There are no relationships to be specifically noted.	
	Business relations	There are no relationships to be specifically noted.	
(9) Operating performance and financial position for the last three fiscal years			
Fiscal Year	MTS (Non-consolidated)		
	Fiscal Year Ending December 2021	Fiscal Year Ending December 2022	Fiscal Year Ending December 2023
Net assets	22,569	18,384	14,091
Total assets	60,981	61,726	71,312
Net assets per share	1,128,454	919,219	704,565

(yen)			
Net sales	171,367	143,950	163,660
Operating profit	(860)	(4,242)	(4,647)
Ordinary profit	3,123	(4,044)	(4,153)
Profit attributable to owners of parent	2,316	(4,184)	(4,293)
Net income per share (yen)	115,790	(209,235)	(214,654)
Dividend per share (yen)	-	-	-

(Thousands of yen, except as otherwise noted.)

#### 4. Number of Shares held and Percentage of Voting Rights before and after the change

##### (1) Minacia

	Number of shares held	Percentage of voting rights held
Before the change	18,960,339 shares	1.71%
After the change	1,109,895,306 shares	100%

Note: Percentage of voting rights held is rounded to the nearest third decimal place.

##### (2) MTS

	Number of shares held	Percentage of voting rights held
Before the change	0 shares	0 %
After the change	20 shares	100%

Note: "Number of shares held" includes shares indirectly held by the Company through Minacia, the wholly owning parent company of MTS.

#### 5. Outlook

Please refer to "7. Future Outlook" in "I. Outline of the Share Exchange" above.

#### 6. Transactions with Controlling Shareholders

Please refer to "8. Transaction with Controlling Shareholder." in "I. Outline of the Share Exchange " above.

### III. Changes in Largest Shareholder, Major Shareholder, Parent Company and Other Affiliated Companies

#### 1. Scheduled Transfer Date

December 27, 2024 (effective date of the Share Exchange)

#### 2. Background of the Changes

As a result of the Share Exchange, SAJP VI 3.0 LP, a shareholder of Minacia, will newly acquire 105,820,691 Company Shares as consideration for the Share Exchange. As a result, there is expected to be a change in the Company's largest shareholder, major shareholder, parent company, and other affiliated companies.

#### 3. Outline of shareholders to be changed

##### (1) Shareholder who newly become the largest shareholder and other affiliated company that is major shareholder

(1)	Company Name	SAJP VI 3.0 LP
(2)	Address	Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands
(3)	Basis of Establishment	Exempted Limited Partnership (LPS) under Cayman Islands law

(4)	Outline of Managing Partner	Name	Star Asia Partners VI Ltd.
		Address	PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands
		Representative Title and Name	Director: Malcolm F. McLean IV, Taro Masuyama
		Business Contents	Fund management and administration
		Capital	US\$50,000 (Japanese yen equivalent of 7,431,000)
(5)	Outline of Domestic Agent	Name	Star Asia Management Japan Limited Tokyo Branch
		Address	Atago Green Hills MORI Tower 18F, 2-5-1 Atago, Minato-ku, Tokyo
		Representative Title and Name	Representative in Japan Hidemasa Koda
		Business Contents	Fund management and administration
		Capital	1 U.S. dollar (Japanese yen equivalent of 148.62)
(6)	Relationship between Listed company and the Shareholder	Investment status between the listed company and the shareholder	There are no relationships to be specifically noted.
		Relationship between the listed company and the managing partner	There are no relationships to be specifically noted.
		Relationship between the listed company and Domestic Agent	Takahiro Tsujikawa and Yohei Taguchi, employees of such Domestic Agent, serve as directors of the Company.

(Note) 1 U.S. dollar is converted at the midpoint of the foreign exchange rate on October 11, 2024 (JPY148.62).

(2) Shareholder who newly become other affiliated company

(1)	Company Name	Star Asia Partners VI Ltd.	
(2)	Address	PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands	
(3)	Representative Title and Name	Director: Malcolm F. McLean IV, Taro Masuyama	
(4)	Business Contents	Fund management and administration	
(5)	Capital	US\$50,000 (Japanese yen equivalent of 7,431,000)	
(6)	Date of Foundation	July 12, 2022	
(7)	Consolidated Net Assets	US\$50,000 (Japanese yen equivalent of 7,431,000)	
(8)	Consolidated Total Assets	US\$50,000 (Japanese yen equivalent of 7,431,000)	
(9)	Major Shareholders and Shareholding Ratio	Star Asia Group LLC (100%)	
(10)	Relationship between Listed Company and the Shareholder	Capital ties	There are no relationships to be specifically noted.
		Personal relations	There are no relationships to be specifically noted.
		Business relations	There are no relationships to be specifically noted.

(Note) 1 U.S. dollar is converted at the midpoint of the foreign exchange rate on October 11, 2024 (JPY148.62).

(3) Largest shareholder who is Major Shareholder and cease to be parent company and become other related company

(1)	Company Name	Star Asia Opportunity III LP	
(2)	Address	PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands	
(3)	Basis of Establishment.	Exempted Limited Partnership (LPS) under Cayman Islands law	
(4)	Outline of Managing Partner	Name	SAO III GP Ltd.
		Address	the offices of Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands
		Representative Title and Name	Director: Malcolm F. McLean IV, Taro Masuyama
		Business Contents	Fund management and administration



	Capital	US\$50,000 (Japanese yen equivalent of 7,431,000)
(5)	Outline of Domestic Agent	
	Name	Star Asia Management Japan Limited
	Address	Atago Green Hills MORI Tower 18F, 2-5-1 Atago, Minato-ku, Tokyo
	Representative Title and Name	Representative in Japan: Hidemasa Koda
	Business Contents	Fund Management
	Capital	1 U.S. dollar (Japanese yen equivalent of 148.62)
(6)	Relationship between Listed Company and the Fund	
	Investment status between the listed company and the funds	SAO III holds 89,420,878(69.89%) Company Shares and is a major shareholder and parent company of the Company.
	Relationship between the listed company and the managing partner	Malcolm F. McLean IV and Taro Masuyama, the managing partners of the said fund, are directors of the Company.
	Relationship between the Listed company and Domestic Agent	Takahiro Tsujikawa and Yohei Taguchi, employees of such Domestic Agent, serve as directors of the Company.

(Note) 1 U.S. dollar is converted at the midpoint of the foreign exchange rate on October 11, 2024 (JPY148.62).

(4) Shareholder who ceases to be a parent company and becomes a new other affiliated company

(1)	Company Name	SAO III GP Ltd.	
(2)	Address	the offices of Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands	
(3)	Representative Title and Name	Director: Malcolm F. McLean IV, Taro Masuyama	
(4)	Business Contents	Fund management and administration	
(5)	Capital	US\$50,000 (Japanese yen equivalent of 7,431,000)	
(6)	Date of Foundation	January 29, 2016	
(7)	Consolidated Net Assets	US\$50,000 (Japanese yen equivalent of 7,431,000)	
(8)	Consolidated Total Assets	US\$50,000 (Japanese yen equivalent of 7,431,000)	
(9)	Major Shareholders and Shareholding Ratio	Star Asia Group LLC (100%)	
(10)	Relationship between Listed Company and the Shareholder	Capital ties	SAO III GP Ltd. holds 89,420,878 Company Shares (69.89%) and is the parent company of the Company.
		Personal relations	Malcolm F. McLean IV and Taro Masuyama, Directors of such shareholders, serve as directors of the Company.
		Business relations	There are no relationships to be specifically noted.

(Note) 1 U.S. dollar is converted at the midpoint of the foreign exchange rate on October 11, 2024 (JPY148.62).

4. Number of voting rights held by the shareholders and the percentage of voting rights held by all shareholders of the Company before and after the change

(1) Star Asia Opportunity III LP

	Attribute	Number of voting rights (percentage of voting rights held)			ranking order of major shareholders
		Direct ownership	Consolidated	Total	
Before the change	Parent company and largest shareholder	894,208 rights 89,420,878 shares (69.89%)	-	894,208 rights 89,420,878 shares (69.89%)	1st place
After the change	Major shareholders and other related companies	894,208 rights 89,420,878 shares (38.25%)	-	894,208 rights 89,420,878 shares (38.25%)	2nd place

## (2) SAO III GP Ltd.

	Attribute	Number of voting rights (percentage of voting rights held)			ranking order of major shareholders
		Direct ownership	Consolidated	Total	
Before the change	Parent company	-	894,208 rights 89,420,878 shares (69.89%)	894,208 rights 89,420,878 Shares (69.89%)	-
After the change	Other affiliated companies	-	894,208 rights 89,420,878 shares (38.25%)	894,208 rights 89,420,878 shares (38.25%)	-

## (3) SAJP VI 3.0 LP

	Attribute	Number of voting rights (percentage of voting rights held)			Ranking order of major shareholders
		Direct ownership	Consolidated	Total	
Before the change	-	-	-	-	-
After the change	Largest shareholder and other affiliated companies that are major shareholders	1,058,206 rights 105,820,691 shares (45.27 %)	-	1,058,206 rights 105,820,691 shares (45.27 %)	1st place

## (4) Star Asia Partners VI Ltd.

	Attribute	Number of voting rights (percentage of voting rights held)			Ranking order of major shareholders
		Direct ownership	Consolidated	Total	
Before the change	-	-	-	-	-
After the change	Other affiliated companies	-	1,058,206 rights 105,820,691 shares (45.27 %)	1,058,206 rights 105,820,691 shares (45.27 %)	-

Note 1 Number of shares deducted from the total number of issued shares as shares without voting rights: 1,674 shares

Total number of shares outstanding as of September 30, 2024: 127,933,989 shares

Note 2 Percentage of voting rights held is rounded down to the third decimal place.

Note 3 The Company's share trading unit is 100 shares.

## 5. Changes in unlisted parent companies subject to disclosure

There is no change in unlisted parent companies that are subject to disclosure. The parent company that will have the greatest impact on the listed company is Star Asia Group LLC, which is the parent company of SAJP VI 3.0 LP and the parent company of Star Asia Opportunity III LP. However, Star Asia Group LLC, which is not a "foreign company" under the Securities Listing Regulations, is not a "company" under the Securities Listing Regulations, and therefore is not a parent company subject to disclosure of financial information.

## 6. Outlook

Please refer to "7. Future Outlook" in "I. Outline of the Share Exchange" above.

End

(Reference)

Consolidated Financial Forecast for the Year Ending March 31, 2025 (released on August 13, 2024) and Consolidated Financial Results for the Year Ending March 31, 2024

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Net income per share
Forecast for the current fiscal year (Fiscal year ending March 31, 2025)	20,078	1,891	1,315	1,473	JPY11.87
Actual results for the previous fiscal year (Fiscal year ending March 31, 2024)	22,545	3,382	2,609	3,297	JPY26.86

(Millions of yen, except as otherwise noted.)