

FOR IMMEDIATE RELEASE

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Polaris to Further Grow its Portfolio and Will Operate Additional Hotel in Taito-ku, Tokyo

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 to execute a Memorandum of Understanding (hereinafter “MOU”) with Daiwa House Industry Co., Ltd. (hereinafter “Daiwa House”) on a lease agreement (hereinafter the “Lease Agreement”) for a new hotel property (hereinafter the “Property”) to be constructed in Taito-ku, Tokyo.

1. Execution of the MOU

(1) Background leading to the execution of the MOU

Polaris Group has been proactively undertaking new hotel management projects from both Star Asia Group and third-party hotel owners to expand the operational platform based on the growth strategy outlined in the medium-term management plan and has now increased the number of rooms under management from 3,109 to 9,046 from March 31, 2020 to September 30, 2024.

Daiwa House highly valued hotel performance and growth potential of Polaris Group and decided to execute MOU to proceed discussions to conclude the Lease Agreement of the Property which is planned to be constructed in Taito-ku, Tokyo.

The Lease Agreement will be a long-term lease agreement based on a combination of fixed and variable rents, which will secure long-term management opportunities for Polaris Group. Polaris Group will establish a stronger earnings structure by a hotel operation with high profitability and middle-risk middle-return.

The Property is a four-minute walk from Shin-Okachimachi Station, served by the Toei Oedo Line and Tsukuba Express, and is conveniently located with good access to tourist attractions such as Ueno and Asakusa. The Property will be operated as an apartment-type hotel under the “KOKO HOTEL Residence” brand, and in addition to “KOKO HOTEL Residence Asakusa Kappabashi” and “KOKO HOTEL Residence Asakusa Tawaramachi,” operated by Polaris Group, the Property to be operated in the Shin-Okachimachi area under the “KOKO HOTEL Residence” brand as announced in the “Polaris to Further Expand its Portfolio and Will Manage New Hotel in Central Tokyo” dated September 25, 2024, will contribute to the pursuit of further economies of scale and operational efficiency, the

implementation of more efficient revenue maximization in sales marketing and revenue management, and the improvement of brand recognition of the in-house brand, “KOKO HOTEL”. After the Property opens, the number of rooms under management is expected to reach 9,271 (including the number of rooms planned to be managed), which will further expand the management platform and ensure the continued growth of Polaris Group’s corporate value over the medium to long term.

(2) Outline of the Property

① Hotel Name	TBD (KOKO HOTEL Residence brand)
② Location	1-chome Higashi Ueno, Taito-ku, Tokyo
③ Number of rooms	52 rooms (planned)

(3) Outline of the Counterparty

① Name	Daiwa House Industry Co., Ltd.	
② Location	3-3-5 Umeda, Kita-ku, Osaka City, Osaka	
③ Job title and name of representative	Representative Director: Yoshii Keiichi	
④ Description of business	Construction business, urban development business, overseas business, and other	
⑤ Share capital	JPY 162,216,840,212 (As of March 31, 2024)	
⑥ Date of establishment	April 5, 1955	
⑦ Total assets	JPY 6,533,721 million (consolidated) As of March 31, 2024	
⑧ Net assets	JPY 2,523,762 million (consolidated) As of March 31, 2024	
⑨ Relationship between the Company and subject company	Capital relationship	There are no relationships to be specifically noted.
	Personnel relationship	There are no relationships to be specifically noted.
	Business relationship	There are no relationships to be specifically noted.
	Status as a Related party	The Counterparty does not fall under the category of related party.

2. Schedule (Planned)

① Execution of the MOU	November 12, 2024
② Execution of the Lease Agreement	Around June of 2025
③ Start of Hotel Operation	Around Summer of 2027

3. Outlook

With the execution of the MOU, the parties will discuss to conclude the Lease Agreement for the Property. Since the Property is scheduled to start operations from the summer of 2027, the execution of the MOU will have no impact on the current fiscal year's financial results.

Reference

List of the new hotels to be operated by Polaris Group

Hotel Name	Location	Number of rooms	Start of Hotel Operation
KOKO HOTEL Residence Kyoto (tentative)	Kyoto city, Kyoto	Undisclosed	December, 2024
KOKO HOTEL Osaka Nipponbashi Nanba (tentative)	1-chome, Sennichimae, Chuo-ku, Osaka city, Osaka	320 rooms	Spring 2025
KOKO HOTEL Kaihin Makuhari (tentative)	2-chome, Hibino, Mihama-ku, Chiba city, Chiba	301 rooms	Spring 2026
KOKO HOTEL Naha Maejima (tentative)	3-chome, Maejima, Naha city, Okinawa	132 rooms	Spring 2027
<u>TBD (KOKO HOTEL Residence brand)</u>	<u>1-chome Higashi Ueno, Taito-ku, Tokyo</u>	<u>52 rooms (planned)</u>	<u>Summer 2027</u>
KOKO HOTEL Residence Ueno Shin-Okachimachi (tentative)	3-chome, Taito, Taito-ku, Tokyo	52 rooms	Fall 2027
KOKO HOTEL Premier Naha (tentative)	Naha City, Okinawa	173 rooms (planned)	Summer 2028

* The hotels to be opened listed above are based on current plans and subject to change in the future.

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.