



# Fiscal Year Ending March 2026 and March 2027 [Revised] Medium-Term Management Plan

---

**Polaris Holdings Co., Ltd.**

Securities Code : 3010

January 10, 2025



## 1 Post Merger: One of Japan's Leading Hotel Operator

- Completed management integration (share exchange) with Minacia effective December 27, 2024.
- Utilized larger scale and profitability from the Management Integration to raise JPY10 billion syndicated loan from Mizuho Bank as an arranger and Sumitomo Mitsui Banking Corporation as a co-arranger. Strategically reduced dilution of outstanding shares by making a portion of the share exchange consideration in cash.
- Initiated changes in the management structure and reorganization to quickly realize synergies and economies of scale from the Integration.
- Continue to explore inorganic growth opportunities through M&A and other strategic initiatives.

## 2 Upward Revision to Medium-Term Management Plan

- As a result of the Management Integration, the quantitative targets for the fiscal year ending March 31, 2027 are now expected to be achieved ahead of schedule.
- New targets set to further accelerate profit growth going forward.

## 3 Better than Expected Hotel Performance; Maintaining JPY3 Dividend

- Better than expected hotel performance and beneficial effects from Management Integration are pushing strong results despite one-time costs associated with merger and goodwill amortization.
- Although the total number of outstanding shares increased compared to initial plan, Polaris will maintain its forecasted dividend at JPY3 per share, thanks to leveraging increased cash flow from Integration and continuing to emphasize returning profits to shareholders.

# Smooth Completion of Integration with Minacia

## Achieved Management Integration in Just Six Months Since Initial Investment



### June 2024

- Acquired 100% of Minacia through a joint investment with Star Asia Group
- Executed business alliance agreement with Minacia

### October 2024

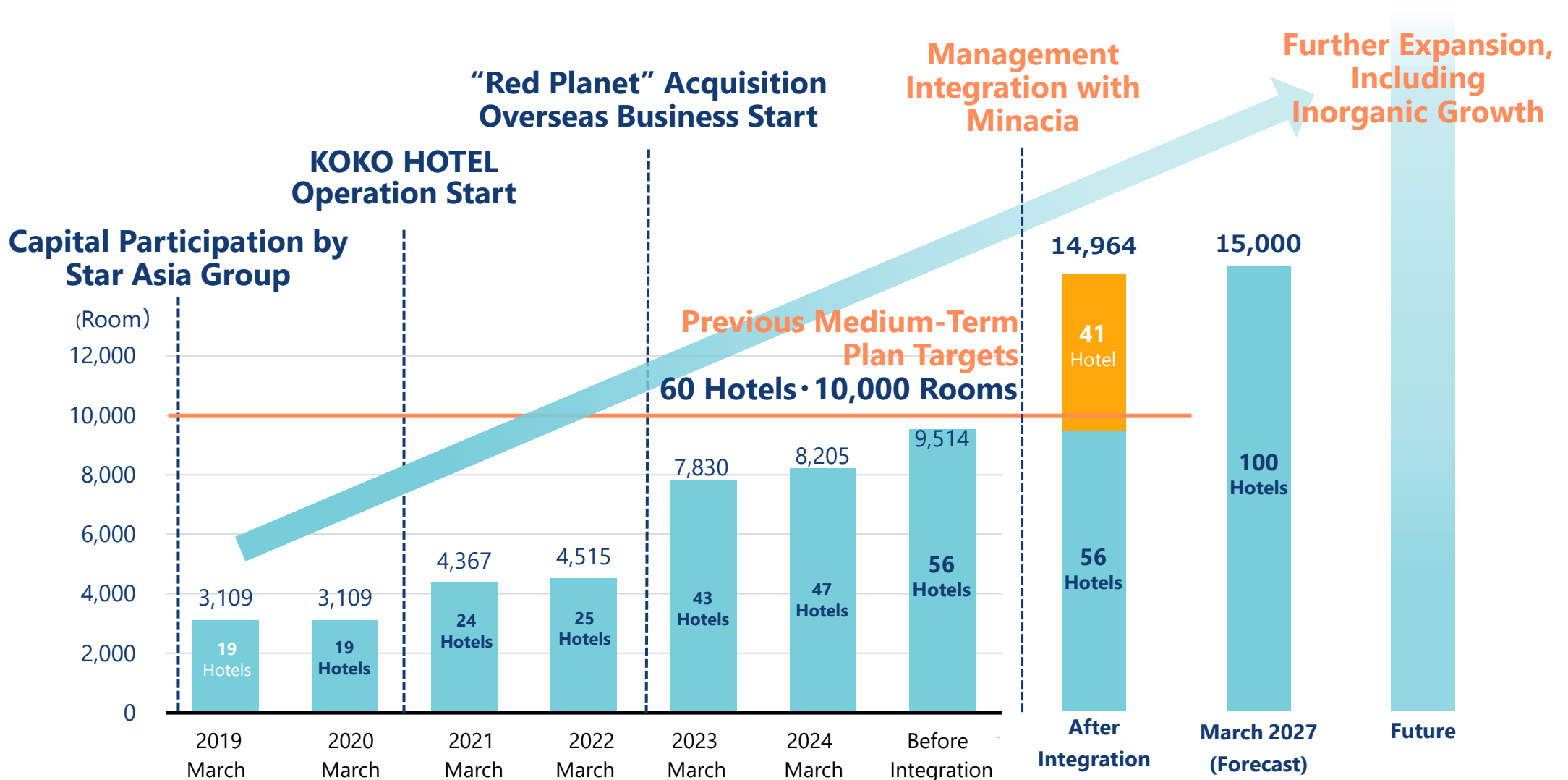
- Executed Share Exchange Basic Agreement and the Share Exchange Agreement

### December 2024

- Approval of the Share Exchange at the extraordinary general meeting of shareholders
- Secured the largest ever JPY10 billion loan from large Japanese financial institutions, enabled by improved credit following Integration
- Accomplished Share Exchange to make Minacia a wholly-owned subsidiary of Polaris
- Initiated management restructuring and reorganization to maximize synergies from the Management Integration

# Strong Growth Overturns Initial Mid-term Targets








- Initial Medium-Term target of 60 hotels · 10,000 rooms, was basically reached with 56 hotels · 9,514 rooms before Integration with Minacia.
- Post Management Integration: 97 hotels · 14,964 rooms, which exceeds initial targets.





# Post Merger: New Hotels to Lead Further Expansion

Polaris started operation of the “KOKO HOTEL Residence Kyoto Nijo Castle” in December 2024.

The integration has led to an increase in new hotel mandate opportunities, and **further growth of the operating platform is expected in the future.**

“KOKO HOTEL” Brand Hotel	Address	Number of Rooms	Operating Structure	Scheduled Start of Operation
KOKO HOTEL Residence Kyoto Nijo Castle 	Nakagyo-ku, Kyoto-shi, Kyoto	36	Management Contract	December 2024
KOKO HOTEL Osaka Nipponbashi Namba (tentative) 	1-chome Sennichimae, Chuo-ku, Osaka-shi, Osaka	320	Management Contract	Spring 2025
KOKO HOTEL Kaihin-Makuhari (tentative) 	2-chome Hibino, Mihama-ku, Chiba-shi, Chiba	301	Management Contract	Spring 2026
KOKO HOTEL Naha Maejima (tentative) 	3-chome Maejima, Naha-shi, Okinawa	132	Fixed+Variable Lease	Spring 2027
KOKO HOTEL Residence Ueno Shin-Okachimachi I (tentative) 	1-chome Ueno, Taito-ku, Tokyo	52	Fixed+Variable Lease	Summer 2027
KOKO HOTEL Residence Ueno Shin-Okachimachi II (tentative) 	3-chome Taito, Taito-ku, Tokyo	52	Management Contract	Fall 2027
KOKO HOTEL Premier Naha (tentative) 	Naha-shi, Okinawa	173	Fixed+Variable Lease	Summer 2028


“HOTEL WING” Brand Hotel	Address	Number of Rooms	Operating Structure	Scheduled Start of Operation
Hotel Wing International Sendai Ekimae (tentative) 	4, Chuo, Aoba-ku, Sendai-shi, Miyagi	117	Fixed+Variable Lease	Spring 2026
Hotel Wing International Omori Ekimae (tentative) 	2, Sanno, Ota-ku, Tokyo	153	Fixed+Variable Lease	Spring 2026

# Revising Upward Our Medium-Term Plan Targets

**Re-setting and raising Fiscal Year End March 2027 targets** as a result of the merger with Minacia.

## Key Financial Indicators

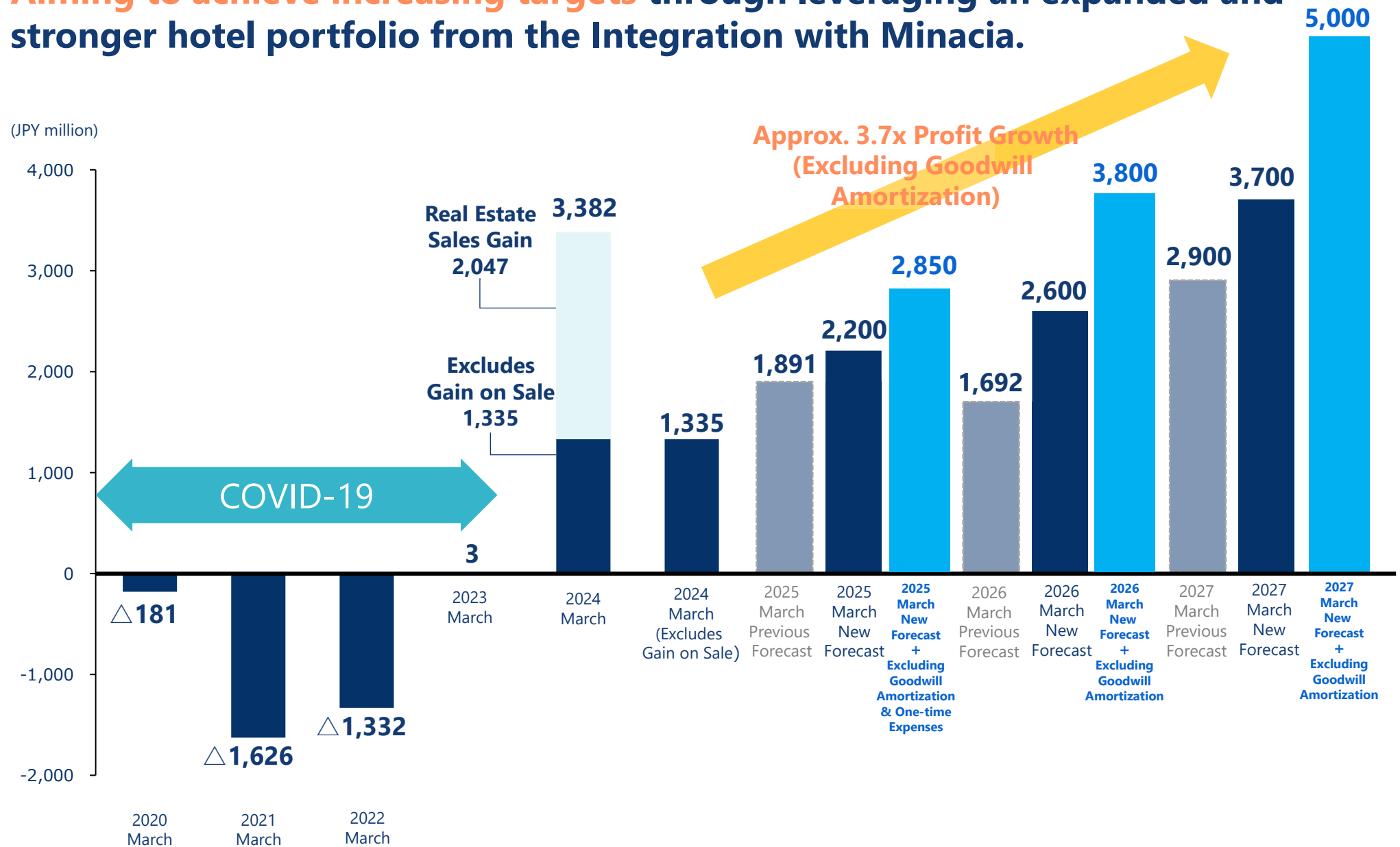
	Consolidated Revenue	Consolidated Operating Income	Consolidated Net Income	Average Growth Rate of Operating Profit <sup>(*)</sup>
Initial Target	JPY 25 billion	JPY 2.9 billion	JPY 2.5 billion	30%
After the Share Exchange	JPY 49 billion	JPY 3.7 billion	JPY 2.7 billion	40%
After the Share Exchange + Excluding Goodwill Amortization	JPY 49 billion	JPY 5.0 billion	JPY 4.0 billion	55%

	Operating Rooms	Operating Hotels	Dividend Payout Ratio
Initial Target	 10,000 Rooms	 60 Hotels	 30%
March 2027 (Forecast)	15,000 Rooms	100 Hotels	30%

(\*): Average growth rate from the fiscal year ending March 2024 actuals excluding one-time gains on sales of real estate.

# Post-Merger: Strong Profit Growth Forecast

**Aiming to achieve increasing targets** through leveraging an expanded and stronger hotel portfolio from the Integration with Minacia.



# Consolidated Financial Forecast for Fiscal Year Ending March 31, 2025

- As previously released, the combined effect of the strong hotel market and the merger with Minacia has led to an **upward revision of financial forecast** for the fiscal year ending March 31, 2025.
- **The strong performance of existing hotels and the positive effects of the Minacia merger have outweighed the costs of** one-time fees and goodwill amortization.
- **Polaris plans to maintain the initial dividend forecast of JPY3 per share** despite the increase in outstanding shares (**Consolidated dividend payout ratio: 30.9%**).

〔Consolidation〕 Unit : JPY million	Initial Forecast	Revised Forecast (2024/12/27)	Change		Reference (Note)
			Amount	%	
Net Sales	20,078	<b>26,000</b>	+5,922	+29.5%	<b>26,000</b>
Operating Profit	1,891	<b>2,200</b>	+309	+16.3%	<b>2,860</b>
Ordinary Profit	1,315	<b>1,500</b>	+185	+14.1%	<b>2,160</b>
Profit attributable to owners of parent	1,473	<b>1,500</b>	+27	+1.8%	<b>2,160</b>

(Note) Consolidated financial forecast excluding the impact of one-time fees paid to external advisors and goodwill amortization arising from the Management Integration.



# Appendix

# Map of Hotels Under Operation After the Management Integration with Minacia (Domestic)

Further expansion of the operating platform in major metropolitan areas where inbound demand is growing, as well as expansion of coverage in regional areas, leading to attractive geographical diversification of the operating platform.

## 97 hotels / 14,964 rooms

\*As of December 31, 2024 (including overseas hotels and new hotel openings)

### Kansai

- KAYA Kyoto Nijo Castle BW Signature Collection by Best Western
- Sure Stay Plus Hotel by Best Western Shin-Osaka
- Best Western Osaka Tsukamoto
- Best Western Plus Hotel Fino Osaka Kitahama
- Best Western Hotel Fino Osaka Shinsaibashi
- KOKO HOTEL Kobe Sannomiya
- KOKO HOTEL Osaka Namba
- KOKO HOTEL Osaka Shinsaibashi
- KOKO HOTEL Residence Kyoto Nijo Castle (scheduled to open in December 2024)
- KOKO HOTEL Osaka Nihonbashi Namba (scheduled to open in spring 2025)
- Hotel Wing International Premium Osaka Shinsekai
- Hotel Wing International Premium Kyoto Sanjo
- Hotel Wing International Select Osaka Umeda
- Hotel Wing International Select Higashi Osaka
- Hotel Wing International Himeji
- Hotel Wing International Kobe Shinnagata Ekimae
- Hotel Wing International Kyoto Shijo-Karasuma

### Kyushu/Shikoku

- Best Western Plus Fukuoka Tenjin-minami
- KOKO HOTEL Fukuoka Tenjin
- KOKO HOTEL Premier Kumamoto
- KOKO HOTEL Kagoshima Tenmonkan
- Tenza Hotel Hakata Station
- Hotel Wing International Select Kumamoto
- Hotel Wing International Select Hakata Ekimae
- Hotel Wing International Takamatsu
- Hotel Wing International Miyakonojo
- Hotel Wing International Izumi
- Hotel Wing International Kumamoto Yatsushiro
- Hotel Wing International Hakata Shinkansen Exit

### Okinawa

- KOKO HOTEL Naha Maejima (scheduled to open in spring 2027)
- KOKO HOTEL Premier Naha (scheduled to open in summer 2028)

### Hokkaido

- KOKO HOTEL Sapporo Odori
- KOKO HOTEL Sapporo Station
- Best Western Plus Hotel Fino Chitose
- Tenza Hotel & Sky Spa Sapporo Central
- Hotel Wing International Sapporo Susukino
- Hotel Wing International Chitose
- Hotel Wing International Tomakomai
- Hotel Wing International Asahikawa Ekimae

### Chugoku

- KOKO HOTEL Hiroshima Ekimae
- Wing International Shimonoseki

### Chubu

- KOKO HOTEL Numazu Inter (scheduled to open in April 2025)
- KOKO HOTEL Numazu Ekimae (scheduled to open in April 2025)
- KOKO HOTEL Nagoya Sakae
- KOKO HOTEL Premier Kanazawa Korinbo
- Best Western Plus Nagoya Sakae
- Hotel Wing International Premium Kanazawa Ekimae
- Hotel Wing International Select Nagoya Sakae
- Hotel Wing International Shizuoka
- Hotel Wing International Hida Takayama
- Hotel Wing International Nagoyase

### Tohoku

- KOKO HOTEL Sendai Kotodai Koen
- KOKO HOTEL Sendai Ekimae West
- KOKO HOTEL Sendai Ekimae South
- Value the Hotel Sendai Natori
- Value the Hotel Ishinomaki
- Value the Hotel Naraha Kido Ekimae
- Value the Hotel Higashimatsushima Yamoto
- Hotel Wing International Sendai Ekimae (scheduled to open in spring 2026)
- Hotel Wing International Sugagawa

### Kanto

- Best Western Hotel Fino Tokyo Akasaka
- Best Western Hotel Fino Shin-Yokohama
- KOKO HOTEL Residence Asakusa Kappabashi
- KOKO HOTEL Residence Asakusa Tawaramachi
- KOKO HOTEL Premier Nihonbashi Hamacho
- KOKO HOTEL Ginza-itchome
- KOKO HOTEL Tsukiji Ginza
- KOKO HOTEL Kaihin-Makuhari (scheduled to open in spring 2026)
- KOKO HOTEL Residence Ueno Shin-Okachimachi I (Scheduled to open in summer 2027)
- KOKO HOTEL Residence Ueno Shin-Okachimachi II (Scheduled to open in fall 2027)
- Hotel Wing International Premium Tokyo Yotsuya
- Hotel Wing International Select Ueno Okachimachi
- Hotel Wing International Select Asakusa Komagata
- Hotel Wing International Select Ikebukuro
- Hotel Wing International Hitachi
- Hotel Wing International Kashima
- Hotel Wing International Shimbashi Onarimon
- Hotel Wing International Ikebukuro
- Hotel Wing International Korakuen
- Hotel Wing International Tokyo Akabane
- Hotel Wing International Omori Ekimae (scheduled to open in spring 2028)
- Hotel Wing International Sagami-hara
- Hotel Wing International Shonan Fujisawa

Note: The hotels operated by Polaris are plotted in blue and those operated by Minacia are plotted in orange. The coverage area where both companies overlap as the main business area after this Project is indicated by a circle.

# Map of Hotels Under Operation After the Integration with Minacia (Overseas)

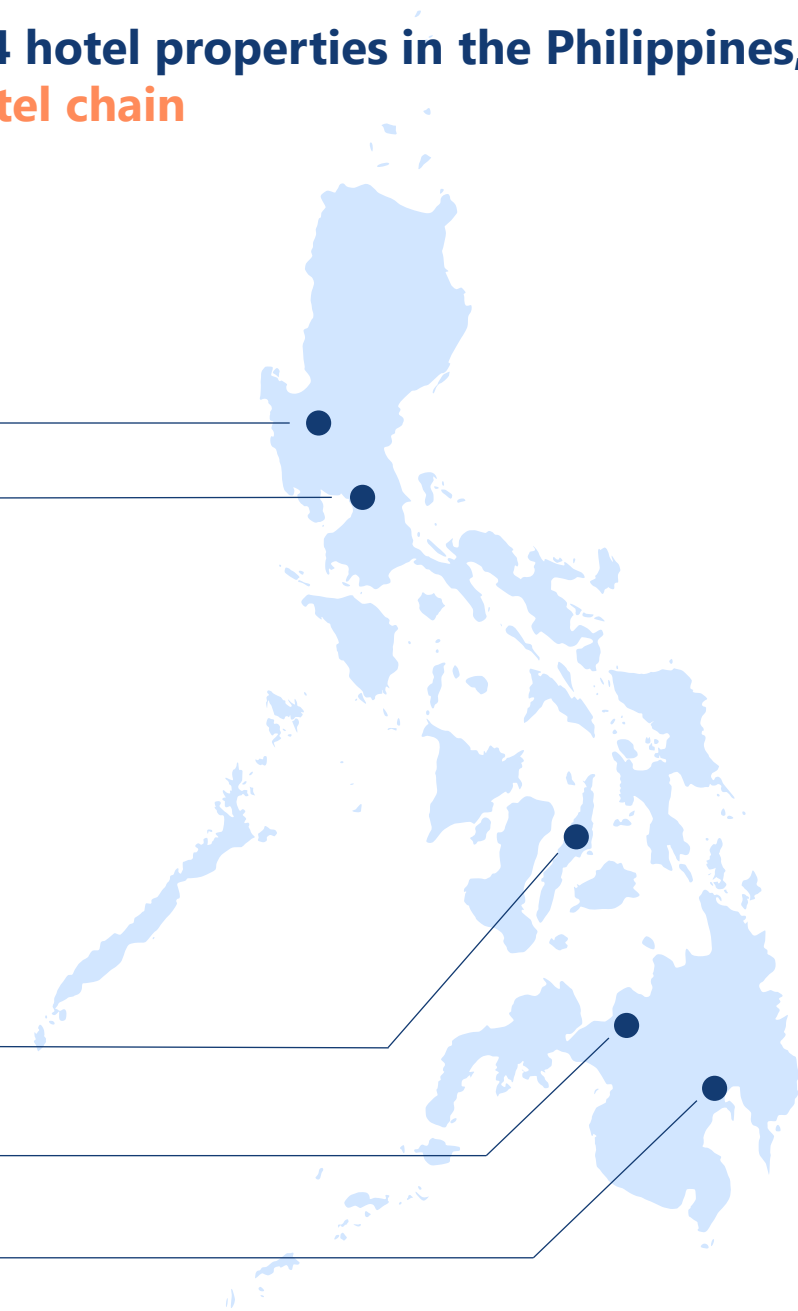
Red Planet Hotel subsidiaries own and operate and 14 hotel properties in the Philippines, making it **country's second-largest limited-service hotel chain**

Hotels: 14

Rooms Total: 2,453



- Red Planet Angeles City — 165
- Red Planet Manila Ortigas — 182
- Red Planet Cubao Aurora Boule' — 167
- Red Planet Manila Aseana City — 200
- Red Planet Manila Amorsolo — 189
- Red Planet Manila Mabini — 167
- Red Planet Manila Bay — 150
- Red Planet Manila Binondo — 171
- Red Planet Manila Makati — 213
- Red Planet Quezon Timog — 140
- Red Planet BGC The Fort — 245
- Red Planet Cebu — 150
- Red Planet Cagayan de Oro — 159
- Red Planet Davao — 155



(\*): Research by the Company, Rank based on number of hotels in operation

# Operator Ranking after the Management Integration with Minacia

## Drastic increase in positioning as a leading limited-service hotel operator

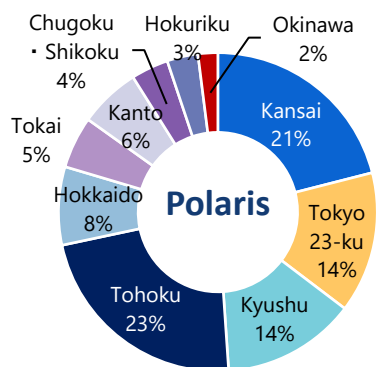
No.	Company Name	Brand Name	Listed/Unlisted	Operating Hotels	
				Number of Hotels	Number of Rooms
1	Toyoko Inn	Toyoko Inn	Unlisted	335	71,303
2	APA	APA Hotel	Unlisted	273	64,631
3	Route Inn Japan	Hotel Route Inn	Unlisted	346	60,831
4	Mystays Hotel Management	Mystays / Flexstay Inn / Art Hotel	Unlisted	155	22,386
5	Kyoritsu Maintenance	Dormy Inn / Onyado Nono	Listed (9616)	137	21,367
6	Super Hotel	Super Hotel	Unlisted	173	19,793
7	Greens	Comfort Hotel / Comfort Inn	Listed (6547)	116	16,476
8	Daiwa House Realty Management	Daiwa Roynet Hotel	Unlisted	76	16,318
9	Sotetsu Hotel Management	Sotetsu Fressa Inn / Hotel Sunroute	Unlisted	81	15,802
<b>10</b>	<b>Polaris Holdings (After Share Exchange)</b>	<b>Best Western / KOKO HOTEL / Value the Hotel / Red Planet / Wing International / Tenza</b>	<b>Listed (3010)</b>	<b>91</b>	<b>14,226</b>
11	Tokyu Hotels	Tokyu Hotels	Unlisted	71	14,135
12	Hankyu Hanshin Hotels	REM / Daiichi Hotel	Unlisted	40	11,079
13	Fujita Kanko	Hotel Gracery / Washington Hotel	Listed (9722)	46	11,063
14	Livemax	Hotel Livemax	Unlisted	158	10,808
15	Hospitality Operations	Smile Hotel	Unlisted	78	10,692
16	Mitsui Fudosan Hotel Management	Mitsui Garden Hotel / Celestine / Sequence	Unlisted	40	10,076
17	JR East Hotels	Hotel Metropolitan / Hotel Mets	Unlisted	61	10,023
18	Solare Hotels & Resorts	Chisun Inn / Loisir	Unlisted	66	9,707
19	Washington Hotel	Washington Hotel Plaza / R&B Hotel	Listed (4691)	43	9,592
20	Hotel Alpha One Business Headquarters	Hotel α-1	Unlisted	48	9,548
<b>21</b>	<b>Polaris Holdings</b>	<b>Best Western / KOKO HOTEL / Value the Hotel / Red Planet</b>	<b>Listed (3010)</b>	<b>52</b>	<b>9,046</b>
22	RNT Hotels	Richmond Hotels	Unlisted	43	8,652
23	JR West Via Inn	Via inn	Unlisted	25	6,497
24	Kuretake-so	Kuretake Inn	Unlisted	54	6,230
25	Vessel Hotel Group	Vessel Hotel	Unlisted	36	5,640
26	Nishitetsu Hotels	Solaria / Nishitetsu Inn	Unlisted	21	5,626
27	Sumitomo Fudosan Villa Fontaine	Villa Fontaine	Unlisted	21	5,384
28	Hotel Monterey	Hotel Monterey	Unlisted	21	5,299
29	Tokyu Resorts & Stay	Tokyu Stay	Unlisted	31	5,192
<b>30</b>	<b>Minacia</b>	<b>Wing International / Tenza</b>	<b>Unlisted</b>	<b>39</b>	<b>5,180</b>
31	Select Hotels	Select Inn / Celecton	Unlisted	47	4,576

(Note) In order of number of operating rooms. Including domestic, overseas and franchise. Only operators that mainly operate limited-service hotels are listed. Compiled by Polaris based on the website or the April/May 2024 issue of Hotel and Restaurant Monthly. The number of hotels operated (after the Share Exchange) as of the end of September 2024 (including overseas hotels and planned for operation).

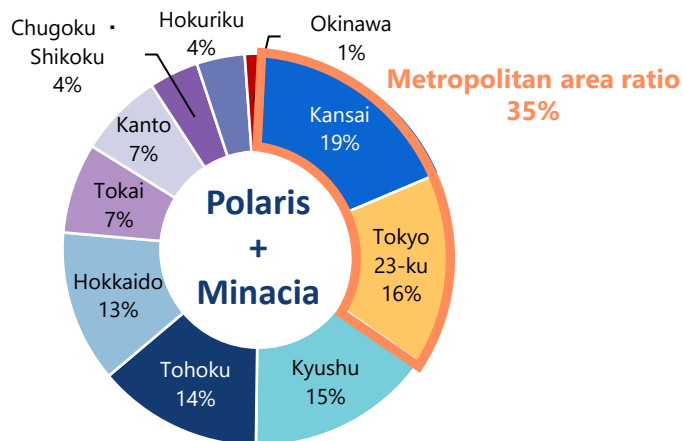
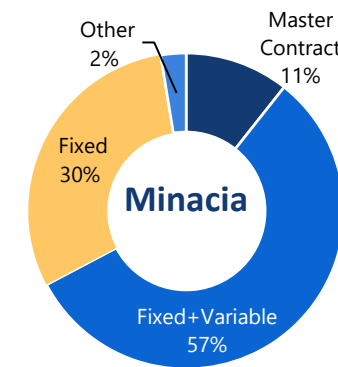
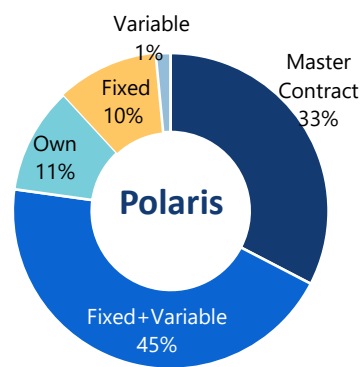
# Building a Revenue Structure that Combines Stability and Strong Growth Potential

- Regional diversification has further progressed, **transforming the portfolio into one that can flexibly respond to the risk of fluctuations in hotel demand by region.**
- Integration of Polaris, which has a larger share of fee-based and variable-rent lease contracts, with Minacia, which has relatively larger share of fixed-rent lease contracts, **will complement each other in terms of risk-return balance and establish an earnings structure with stability and strong growth potential,** as well as enable the ability to hedge risks and maximize earnings growth in response to market changes.

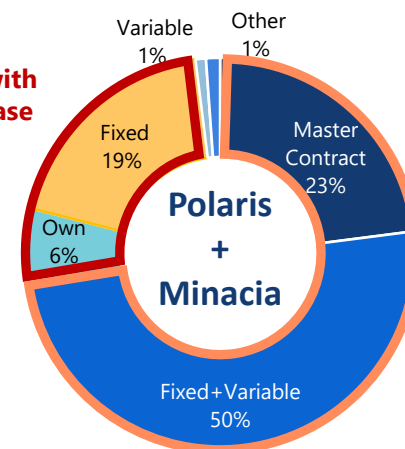
Number of Rooms by Region



Number of Rooms by Contract Types



Expecting Earning Growth with Future Hotel Revenue Increase  
Own&Fixed ratio 25%



Generating Stability with Lower Risk  
Master Contract • Fixed + Variable 73%

Note: Number of domestic operating rooms of Polaris only.

# Progress of Specific Strategies Currently Underway

## Measures Announced at the Time of the Stock Exchange

**1** Maximize revenues of operating hotels by implementing precise sales measures and enhanced brand recognition through marketing, sales, and revenue management practices that leverage the chain networks of both companies

**2** To support a growing operating platform, aim to become an industry-leading operating company by sharing operational know-how, integrating common back-office functions between both companies, optimizing various operational costs, improving the efficiency of human resource development, and making strategic investments

**3** Aiming for further growth of the operational platform by expanding opportunities to secure new property opening projects by utilizing the networks of both companies and developing new management contracts in collaboration with Star Asia Group

## Current Progress of Specific Strategies

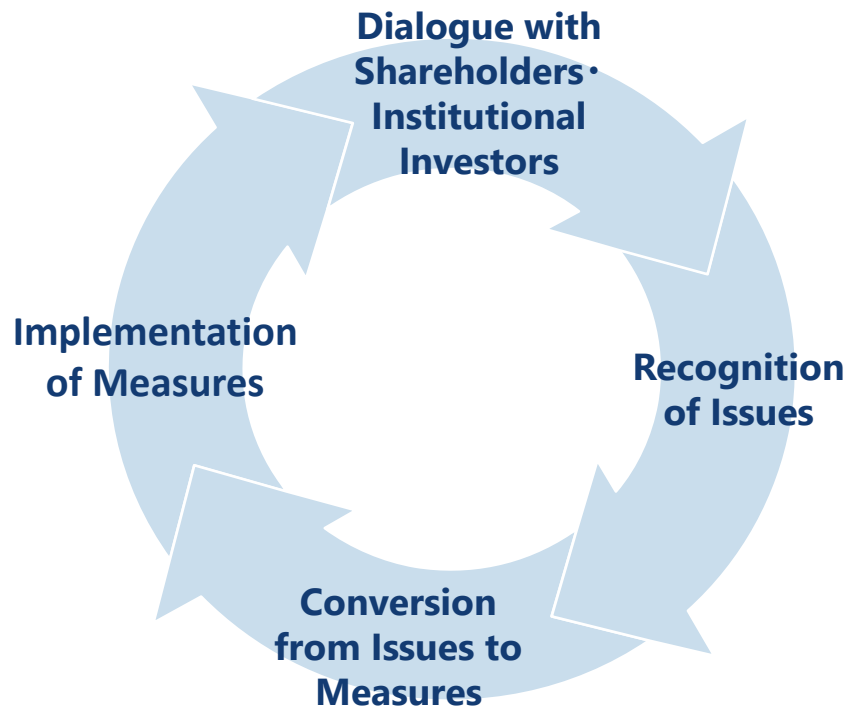
- **Considering strong integrated brand strategy**
- **Established Sales and Marketing Department**
- **Mutual guest referrals between hotels within the same area**
- **Focus on optimal terms negotiation** through analysis of amenity unit prices/outsourced contracts
  
- **Established Architecture Department**, for maintaining/enhancing competitiveness of hotels
- **Examining the improvement of the quality and profitability of operating hotels through strategic investment utilizing free cash flow**
  
- **For proactive operating platform expansion, established Development Planning Department**
- **Polaris, Minacia, and Star Asia Group continue to accelerate new property openings**

# Implementing Transparent IR to Stakeholders

Polaris to strengthen dialogue with shareholders and **implement more rigorous and transparent IR**. In addition to expanding English disclosures, Polaris will actively focus on utilizing YouTube for disseminating information.


## PDCA through Dialogue with Stakeholders

- Through dialogue with shareholders and institutional investors, enhance further company's growth by repeating the PDCA cycle of recognizing issues, converting issues into measures, and implementing measures.



## YouTube Utilization

- Upload videos of the Medium-Term Management Plan and financial results to YouTube to ensure highly transparent disclosure that is easy for individual investors to understand.

 / ポラリス・ホールディングス公式チャンネル

The screenshot shows the YouTube channel page for Polaris Holdings. Key elements include:

- Channel Name:** 経営理念と長期ビジョン (Polaris Holdings)
- Section: 経営理念** (Management Philosophy)
  - 「変革・創造・挑戦」** (Change, Create, Challenge)
    - 当社グループがより多くのステークホルダーに「選ばれる企業」になるために、これまでの常識や既成概念にとらわれないための**変革**を行い、
    - 新しい感性や自由な発想で**創造**し、
    - 新しい効率的な経営に**挑戦**していくことを理念とします。
- Section: 長期ビジョン** (Long-term Vision)
  - 「ホテルオペレーターのTop Tier」としてステークホルダーから「選ばれる企業」へ**
  - お客様に**選ばれる企業**：お客様の満足を追求し、心地よい空間を提供します。
  - 従業員に**選ばれる企業**：従業員の多様性を尊重し、働きやすい環境を共創します。
  - 投資家・オーナー様に**選ばれる企業**：高い収益力と安定した財務体質を構築し、収益の安定成長を実現します。
- Video Player:** A video featuring a company representative speaking.
- Channel Info:** ポラリスHD (東証3010) 中期経営計画説明 (2024年度から2026年度). Channel subscribers: 240.

# Disclaimer

This material is released for the purpose of providing information on the business results and future management strategies, and not intended as a solicitation to invest.

The information in this document concerning future forecasts, strategies, etc., is based on judgements made by the Company based on information reasonably available to the Company at the time this document was prepared and within the scope of what can be expected in the ordinary course of business.

However, there are risks that could cause actual results to differ materially from those contained in the forward-looking statements due to the occurrence of extraordinary circumstances or unforeseeable result that could not have been foreseen in the ordinary course of events.

However, the information contained in this material contains potential risks and uncertainties, and therefore, investors should not place undue reliance on the information contained herein. Therefore, please refrain from relying solely on the information contained herein.

Please do not copy, reproduce, or transmit these materials for any purpose without permission.

## ■ Contact Information

Polaris Holdings Co., LTD.

Phone number : 03-5822-3010

E-mail : [ir@polaris-holdings.com](mailto:ir@polaris-holdings.com)