

FOR IMMEDIATE RELEASE

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### **Polaris Secures Attractive New Loan Financing to Further Enhance Profitability**

Polaris Holdings Co., Ltd. (hereinafter the “Polaris” or the “Company”) announced today that the Board of Directors of Polaris resolved to execute a loan agreement (hereafter the “Loan Agreement”) to borrow JPY 150 million (hereinafter the “Loan”) for the prepayment of high interest loan from financial institutions in the Republic of the Philippines at Red Planet Hotels Cebu Corporation, a subsidiary of the Company, to further reduce the Polaris Group’s interest costs, with SAJP VI 3.0 LP (hereafter “SAJP”), a company of Polaris’s sponsor Star Asia. After completion, the Company expects to reduce interest expenses by approximately JPY 9 million annually.

#### **1. Reasons for Borrowing**

Polaris Group acquired the shares of Red Planet Holdings (Philippines) Limited and its subsidiaries on March 31, 2023 and Red Planet Hotels Manila Corporation on October 2, 2023 (collectively, hereafter the “Red Planet Hotel Management Companies”). Red Planet Hotel Management Companies currently operates 14 hotels under the Red Planet brand in the Republic of the Philippines. The Red Planet Hotel Management Companies have financed a portion of all the subject hotels from financial institutions in the Philippines (hereafter the “Philippine Domestic Borrowings”). The interest rate on the Philippine Domestic Borrowings has remained high in line with the increase in the policy interest rate of the Republic of the Philippines and related factors over the past several years. For Polaris Group, reducing the interest burden on the Philippine Domestic Borrowings became a top priority to further drive profitability. The Company believes that with these tactical actions of entering into Loan Agreement from SAJP, which became the Company’s largest shareholder as of December 27, 2024, for the prepayment of the Philippine Domestic Borrowings, the Company will be able to both improve Polaris Group’s earnings as well as further increase shareholders’ value.

## 2. Overview of the Borrowing of Funds

(i) Lender	SAJP VI 3.0 LP
(ii) Borrowed Amount	JPY 150 million
(iii) Use of Funds	Repayment of the Philippine Domestic Borrowings
(iv) Contract Date	January 15, 2025
(v) Borrowing Actual Date	January 15, 2025
(vi) Borrowing Period	June 30, 2027 (scheduled)
(vii) Borrowing Profit	Base interest rate plus spread
(viii) Guarantee	Unsecured, unguaranteed

## 3. Outlook

The impact of executing the Loan Agreement on the Company's consolidated financial results for the current fiscal year ending March 31, 2025 is expected to be immaterial.

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.*