

FOR IMMEDIATE RELEASE

Company Name: Polaris Holdings Co., Ltd.  
Representative: Takahiro Tsujikawa  
President & CEO  
Stock Listing: Tokyo Stock Exchange, Standard Section  
Stock Code: 3010  
Inquiries: Takashi Handa  
Director & CFO  
(TEL: 03-5822-3010)

### **Polaris Executes Hotel Management Agreement for New Hotel in Kyoto City**

Polaris Holdings Co., Ltd. (hereinafter the “Polaris” or the “Company”) announced today that Fino Hotels Co., Ltd., (hereinafter the “Fino Hotels”) a subsidiary of Polaris, executed a hotel management agreement (hereinafter the “Hotel Management Agreement”) for a hotel property located in Kyoto City (hereinafter the “Hotel Property”) as disclosed “Polaris Continues to Grow Rooms Under Management and Will Operate Additional Hotel in Kyoto City” on August 28, 2024. Fino Hotels will commence the hotel operation at the Hotel Property as “KOKO HOTEL Residence Kyoto Nijo Castle” (hereinafter the “Hotel”) and has entered into a revenue guarantee agreement (hereinafter the “Revenue Guarantee Agreement”) with a company of the Star Asia Group for the purpose of avoiding losses related to the operation of the Hotel and receiving funds to prepare for the opening of the Hotel.

#### **1. Execution of the Hotel Management Agreement**

##### **(1) Purpose of the Hotel Management Agreement**

Since Star Asia Group agreed to execute the acquisition of the Hotel Property located in the center of Kyoto City as of today, Fino Hotels concluded to enter into the Hotel Management Agreement, which further enhances synergies from collaboration with the Star Asia Group in the ecosystem.

The Hotel will be managed under a fee-based management contract based on the revenue and operating profit of the Hotel, which will further lower the break-even point of the Company and improve its earnings, ROE (return on equity), and shareholder value by taking on the operation of the Hotel. Polaris will continue to optimize the balance between fee-based and fixed and variable-rent contract types to establish a stable and growth-oriented revenue structure, with the aim of maximizing earnings.

The Hotel is located in Kyoto, a popular destination worldwide, and is in a location that is highly convenient for leisure guests. It is within walking distance of Kyoto's most popular tourist destinations such as Nijo Castle, a World Heritage Site that is also well known among overseas guests, and the Kyoto International Manga Museum, and it is also just a 5-minute walk from Karasuma Oike Station on the city subway, making it a location with excellent accessibility for both domestic and overseas leisure guests. In addition, Polaris group operates the “KAYA Kyoto Nijo Castle BW Signature Collection by Best Western” in Kyoto City, and Polaris group will further achieve economics of scale and operational efficiency. The Hotel, which will be operated under Polaris’s

proprietary “KOKO HOTEL Residence” brand, is scheduled to open on December 19<sup>th</sup>, 2024, and will contribute to the further expansion of Polaris Group's portfolio and the enhancement of brand recognition for the “KOKO HOTEL” brand. After taking over the operation of the Hotel, the number of hotels under management (including hotels scheduled to be managed) will increase to 54 hotels with 9,271 rooms, and Polaris is steadily expanding its management platform towards achieving the goal of 60 hotels with 10,000 rooms set out in the Medium-Term Management Plan.

(2) Outline of The Hotel

① Hotel name	KOKO HOTEL Residence Kyoto Nijo Castle
② Location	724 Shimomatsuya-cho, Kamanza-dori Oike-agaru, Nakagyo-ku, Kyoto City, Kyoto 604-0034, Japan
③ Number of guest rooms	36 rooms
④ Hotel opening date	December 19 <sup>th</sup> , 2024 (planned)

(3) Schedule

Execution of the Hotel Management Agreement: November 29<sup>th</sup>, 2024

(4) Outline of the Counterparty

① Name	GK Kyoto Hotel Unei	
② Location	5-1-4 Toranomom, Minato-ku, Tokyo	
⑤ Date of establishment	September 10 <sup>th</sup> , 2024	
④ Description of business	Hotel business, etc.	
⑤ Outline of Managing Partners	Name	Operating Partner General Incorporated Association Kyoto Hotel Unei
	Location	5-1-4 Toranomom, Minato-ku, Tokyo
	Name and title of representative	Representative Partner General Incorporated Association Kyoto Hotel Unei
⑥ Relationship between the Company and the Counterparty	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. Execution of the Revenue Guarantee Agreement**

(1) Outline of the Revenue Guarantee Agreement

In entering the agreement for the hotel operation of the Hotel Property, Fino Hotels executed the Revenue Guarantee Agreement with a company belonging to the Star Asia Group (hereinafter the “Guarantor Company”) in order to avoid incurring losses due to a decline in performance related to the hotel operation. The Revenue Guarantee Agreement stipulates that Fino Hotels will receive JPY 35 million as opening preparation funds from the Guarantor Company to cover the costs of outsourcing, supplies, and other expenses associated with preparing for commencement of the operation of the Hotel.

(2) Schedule

Execution of the Revenue Guarantee Agreement: November 29<sup>th</sup>, 2024

### (3) Outline of the Counterparty

The Guarantor Company is an overseas company belonging to the Star Asia Group. Although there is no direct capital relationship between the Company and the Guarantor Company, the Guarantor Company is a subsidiary of the Company's parent company, and therefore a related party of the Company. The name of the Guarantor Company is not disclosed at the request of the subject counterparty to the contract.

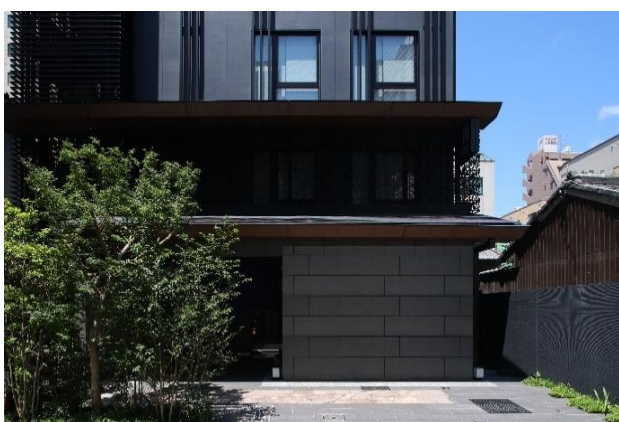
### 3. Outlook

The Hotel is scheduled to commence operations on December 19, 2024. The execution of the Hotel Management Agreement and the Revenue Guarantee Agreement will have negligible impact on the Company's consolidated business results.

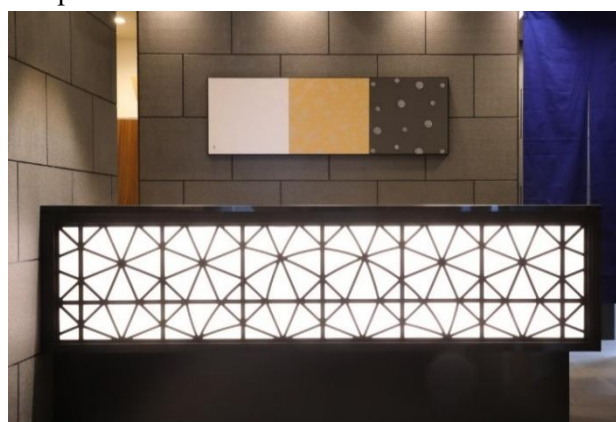
#### Reference

##### Hotel Photos

Exterior



Reception



Guest room



#### Status of the Company's Operating Platform

Classification		Number of hotels	Number of guest rooms
In operation	Domestic	33 hotels	5,752 rooms
	Overseas	14 hotels	2,453 rooms
New openings scheduled	Domestic	7 hotels	1,066 rooms
	Total	54 hotels	9,271 rooms

List of the new hotels to be operated by Polaris Group

Hotel Name	Location	Number of rooms	Start of Hotel Operation
<u>KOKO HOTEL Residence Kyoto Nijo Castle</u>	<u>Nakagyo-ku, Kyoto-shi, Kyoto 604-0034, Japan</u>	<u>36 rooms</u>	<u>December, 2024</u>
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
TBD (KOKO HOTEL Residence brand)	1-chome Higashi Ueno, Taito-ku, Tokyo	52 rooms (planned)	Summer 2027
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.

List of operating hotels (Domestic)

Hotel Name	Location	Number of rooms
KOKO HOTEL Sapporo Ekimae	3-3-10, kita 1-jo Nishi, Chuo-ku, Sapporo-shi, Hokkaido 060-0001, Japan	224 rooms
KOKO HOTEL Sapporo Odori	6-8-1, Minami 1-jo Nishi, Chuo-ku, Sapporo-shi, Hokkaido 060-0061, Japan	145 rooms
KOKO HOTEL Sendai Kotodai Park	2-15-10, Honmachi, Aoba-ku, Sendai-shi, Miyagi 980-0014, Japan	230 rooms
KOKO HOTEL Sendai Station West	3-8-27, Chuo, Aoba-ku, Sendai-shi, Miyagi 980-0021, Japan	170 rooms
KOKO HOTEL Sendai Station South	4-7-1 Chuo, Aoba-ku, Sendai-shi, Miyagi 980-0021, Japan	190 rooms
KOKO HOTEL Ginza 1-chome	1-9-5, Ginza, Chuo-ku, Tokyo 104-0061, Japan	305 rooms
KOKO HOTEL Tsukiji Ginza	6-8-8, Tsukiji, Chuo-ku, Tokyo 104-0045, Japan	188 rooms
KOKO HOTEL Residence Asakusa Kappabashi	3-24-2, Nishiasakusa, taito-ku, Tokyo 111-0035, Japan	42 rooms
KOKO HOTEL Residence Asakusa Tawaramachi	2-8-12, Kotobuki, taito-ku, Tokyo 111-0042, Japan	47 rooms
KOKO HOTEL Premier Nihonbashi Hamacho	2-30-4, Nihonbashi Hamacho, Chuo-ku, Tokyo 103-0007, Japan	223 rooms
KOKO HOTEL Nagoya Sakae	3-15-21 Nishiki, Naka-ku, Nagoya, Aichi 460-0003, Japan	204 rooms

KOKO HOTEL Premier Kanazawa Korinbo	1-2-16, Korinbo, Kanazawa-shi, Kanazawa 920-0961, Japan	207 rooms
KOKO HOTEL Osaka Shinsaibashi	3-3-17 Minamisenba, Chuo-ku, Osaka 542-0081, Japan	211 rooms
KOKO HOTEL Osaka Namba	5-8-25, Nippombashi, Naniwa-ku, Osaka-shi, Osaka 556-0005, Japan	100 rooms
KOKO HOTEL Kobe Sannomiya	63, Naniwamachi, Chuo-ku, Kobe-shi, Hyogo 650-0035, Japan	141 rooms
KOKO HOTEL Hiroshima Ekimae	10-3, Kyobashi-cho, Minami-ku, Hiroshima-shi, Hiroshima 732-0828, Japan	250 rooms
KOKO HOTEL Fukuoka Tenjin	1-22-14, Imaizumi, Chuo-ku, Fukuoka-shi, Fukuoka 810-0021, Japan	159 rooms
KOKO HOTEL Premier Kumamoto	3-20, Sakuramachi, Chuo-ku, Kumamoto-shi, Kumamoto 860-0805, Japan	205 rooms
KOKO HOTEL Kagoshima Tenmonkan	4-24, Higashi Sengoku-cho, Kagoshima-shi, Kagoshima 892-0842, Japan	295 rooms
Best Western PLUS Hotel Fino Chitose	3-13, Chiyoda-cho, Chitose-shi, Hokkaido 066-0062, Japan	154 rooms
Best Western Hotel Fino Tokyo Akasaka	3-7-12, Akasaka, Minato-ku, Tokyo 107-0052, Japan	87 rooms
Best Western Hotel Fino Shi-Yokohama	2-2-11, Shin-yokohama, Kohoku-ku, Yokohama-shi, Kanagawa 222-0033, Japan	108 rooms
Best Western Plus Nagoya Sakae	4-6-1, Sakae, Naka-Ku, Nagoya-shi, Aichi 460-0008, Japan	143 rooms
KAYA Kyoto Nijo Castle, BW Signature Collection by Best Western	50, Daimonji-cho, Marutamachi-Sagaru Aburanokouji-Dori, Nakagyo-ku, Kyoto-shi, Kyoto 604-0071, Japan	57 rooms
SureStay PLUS Hotel by Best Western Shin-Osaka	2-11-21, Nishi-nakajima, Yodogawa-ku, Osaka-shi, Osaka 532-0011, Japan	108 rooms
Best Western Osaka Tsukamoto	2-21-9, Tsukamoto, Yodogawa-ku, Osaka-shi, Osaka 532-0026, Japan	105 rooms
Best Western PLUS Hotel Fino Osaka Kitahama	1-7-17, Imabashi, Chuo-ku, Osaka-shi, Osaka 541-0042, Japan	129 rooms
Best Western Hotel Fino Osaka Shinsaibashi	1-2-19, Higashi-shinsaibashi, Chuo-ku, Osaka-shi, Osaka 542-0083, Japan	179 rooms
Best Western PLUS Fukuoka Tenjin-minami	3-13-19, Haruyoshi, Chuo-ku, Fukuoka-shi, Fukuoka 810-0003, Japan	236 rooms
VALUE THE HOTEL Sendai Natori	555-1, Sengarita, Kamiyoden, Natori-shi, Miyagi 981-1222 Japan	314 rooms
VALUE THE HOTEL Ishinomaki	3-15-37, Minaminakasato, Ishinomaki-shi, Miyagi 986-0814 Japan	82 rooms
VALUE THE HOTEL Higashimatsushima Yamoto	215, Yachi, Komatsu, Higashimatsushima-shi, Miyagi 981-0504 Japan	407 rooms

VALUE THE HOTEL Naraha Kidoekimae	7-1, Issyotaira, Yamadaoka, Naraha-machi, Futaba-gun, Fukushima 979-0513 Japan	107 rooms
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List of operating hotels (Overseas)

Hotel Name	Location	Number of rooms
Red Planet Davao	J.P. Laurel Avenue Davao City 8000 Philippines	155 rooms
Red Planet Manila Ortigas	Lot 5, Block 4, Shaw Boulevard Pasig 1600 Philippines	182 rooms
Red Planet Aurora Boulevard	Comer of Aurora Boulevard and Stanford Street, Cubao, Quezon City	167 rooms
Red Planet Manila Aseana City	Lot 38 Block 2, Bradco Avenue, Paranaque City 1700, Philippines	200 rooms
Red Planet Manila Amorsolo	99 Urban Avenue, Brgy. Pio Del Pilar, Makati City 1230, Philippines	189 rooms
Red Planet Angeles City	Don Juico Avenue, Malabanas, Angeles City, Pampanga 2009, Philippines	165 rooms
Red Planet Cebu	36 Archbishop Reyes Avenue, Cebu City 6000, Philippines	150 rooms
Red Planet Manila Mabini	1740 A. Mabini St., Malate Manila 1004 Philippines	167 rooms
Red Planet Manila Bay	Comer of Arquiza and Alhambra St., Ermita, Manila 0930, Philippines	150 rooms
Red Planet Manila Binondo	251-61 Juan Luna St., Binondo, Manila 1006, Philippines	171 rooms
Red Planet Manila Makati	E. Mercado Comer F. Calderon St., Kalayaan Avenue, Barangay Poblacion, Makati City 1210, Philippines	213 rooms
Red Planet Cagayan de Oro	C.M. Recto Avenue, Cagayan de Oro City 9000, Philippines	159 rooms
Red Planet Quezon Timog	100 Timog Avenue Barangay Sacred Heart Quezon City 1100, Philippines	140 rooms
Red Planet BGC The Fort	10th Avenue comer 40th Street, Bonifacio Global City, Taguig 1630	245 rooms

*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.*