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FOR IMMEDIATE RELEASE

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Hotel Performance (October 2025):

Performance Remains Strong, Watching Travel Trends from China and Hong Kong

Polaris Holdings Co., Ltd. has announced the October 2025 operating performance for hotels managed by the Polaris Group (excluding overseas hotels). The lodging division's key metrics - Occupancy Rate (OCC), Average Daily Rate (ADR), Revenue per Available Room (RevPAR) and Inbound Ratio - are detailed below. For historical performance data, please visit our website: https://www.polaris-holdings.com/en/ir_performance/

In addition, given recent media reports and the growing concerns regarding travel trends from China and Hong Kong, we believe it is important to promptly inform our shareholders and stakeholders of the impact on our performance as currently understood. Accordingly, we are providing this information within this release.

1. All Domestic Hotels

	Current Month Oct 2025	Same Month Last Year Oct 2024	Difference	Growth Rate	Current FY From Apr 2025 To Oct 2025	Previous FY From Apr 2024 To Oct 2024	Difference	Growth Rate
Total 65 Hotels								
OCC	93.0%	90.1%	+2.8%		90.6%	87.2%	+3.3%	
ADR (JPY)	14,675	12,488	+2,187	+17.5%	12,937	11,568	+1,369	+11.8%
RevPAR (JPY)	13,641	11,257	+2,384	+21.2%	11,715	10,091	+1,624	+16.1%
Inbound Ratio	55.7%	48.2%	+7.5%		51.7%	45.6%	+6.0%	

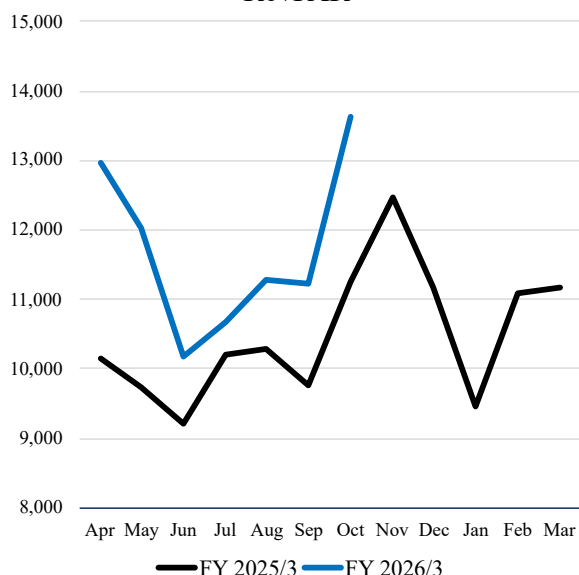
2. Overview of Operations

According to inbound visitor statistics published by the Japan National Tourism Organization, the number of foreign visitors to Japan in October 2025 increased 17.6% year on year to 3,896,300, marking the highest figure ever recorded for the month of October. The cumulative total for January through October 2025 reached 35,547,199 visitors (the full-year total for 2024 was 36,870,148). With the start of the autumn foliage season, inbound travel demand strengthened particularly from Europe, North America and Oceania. In East Asia, arrivals increased mainly from China, Taiwan and South Korea, supported by holiday periods such as China's National Day Golden Week.

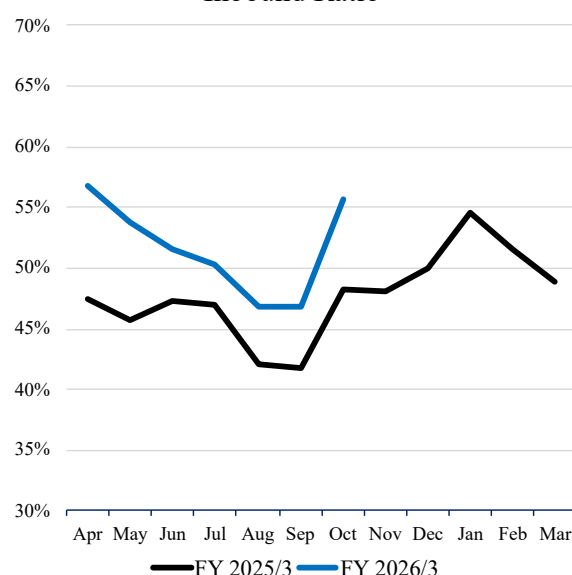
Against this macro backdrop, RevPAR at hotels operated by our group rose year-on-year (YoY) across all regions. And although the EXPO 2025 Osaka-Kansai concluded on October 13, we successfully employed effective revenue management to capture accommodation demand right up to the final days of the event—we saw a substantial 38.2% YoY increase throughout the Kinki region. RevPAR in the Chubu area was also notably strong with a 45.5% YoY increase. As a result, the inbound guest ratio for all hotels we operate in Japan increased by 7.5%, and overall RevPAR rose by 21.2% year on year.

Unit: JPY

RevPAR



Inbound Ratio



3. Domestic Hotels by Area

	Current Month Oct 2025	Same Month Last Year Oct 2024	Difference	Growth Rate		Current FY From Apr 2025 To Oct 2025	Previous FY From Apr 2024 To Oct 2024	Difference	Growth Rate
Hokkaido (7 Hotels)									
OCC	94.9%	92.7%	+2.2%			92.2%	89.5%	+2.8%	
ADR (JPY)	10,181	8,588	+1,593	+18.6%		11,738	10,030	+1,709	+17.0%
RevPAR (JPY)	9,665	7,964	+1,702	+21.4%		10,828	8,972	+1,856	+20.7%
Inbound Ratio	29.0%	23.6%	+5.5%			28.2%	23.0%	+5.2%	
Tohoku / Hokuriku Shinetsu (6 Hotels)									
OCC	94.1%	89.9%	+4.2%			89.7%	88.0%	+1.7%	
ADR (JPY)	10,655	9,723	+932	+9.6%		9,502	9,108	+394	+4.3%
RevPAR (JPY)	10,031	8,742	+1,290	+14.8%		8,526	8,018	+508	+6.3%
Inbound Ratio	32.7%	25.3%	+7.4%			27.7%	21.9%	+5.9%	
Kanto (18 Hotels)									
OCC	97.2%	95.7%	+1.5%			95.7%	94.6%	+1.1%	
ADR (JPY)	21,090	18,839	+2,251	+11.9%		17,635	16,452	+1,183	+7.2%
RevPAR (JPY)	20,506	18,031	+2,475	+13.7%		16,878	15,569	+1,309	+8.4%
Inbound Ratio	77.5%	70.5%	+7.0%			73.3%	66.8%	+6.5%	
Chubu (6 Hotels)									
OCC	91.3%	80.5%	+10.9%			87.6%	77.8%	+9.7%	
ADR (JPY)	11,810	9,214	+2,596	+28.2%		9,860	8,592	+1,267	+14.7%
RevPAR (JPY)	10,788	7,416	+3,371	+45.5%		8,635	6,689	+1,946	+29.1%
Inbound Ratio	54.6%	45.2%	+9.4%			50.0%	39.0%	+11.0%	
Kinki (14 Hotels)									
OCC	92.2%	91.2%	+1.0%			91.2%	85.9%	+5.2%	
ADR (JPY)	15,875	11,615	+4,260	+36.7%		13,429	10,368	+3,061	+29.5%
RevPAR (JPY)	14,634	10,588	+4,046	+38.2%		12,242	8,909	+3,333	+37.4%
Inbound Ratio	64.1%	57.5%	+6.6%			59.9%	55.0%	+4.9%	
Chugoku / Shikoku / Kyusyu (14 Hotels)									
OCC	88.5%	86.9%	+1.6%			85.8%	83.6%	+2.3%	
ADR (JPY)	12,794	11,312	+1,482	+13.1%		11,162	10,411	+751	+7.2%
RevPAR (JPY)	11,318	9,830	+1,488	+15.1%		9,582	8,701	+881	+10.1%
Inbound Ratio	46.3%	36.7%	+9.6%			40.8%	36.2%	+4.7%	

(Note 1) The aggregation includes hotels that were already in operation as of April 2024 and continued to operate as of the end of last month. The figures for the previous fiscal year incorporate data from hotels operated by Minacia Co., Ltd., which became a consolidated subsidiary in the fiscal year ending March 2025. Four hotels under the “Value The Hotel” brand,

established to support community recovery efforts following the Great East Japan Earthquake, are excluded from the scope of this aggregation.

(Note 2) OCC (Occupancy Rate): The ratio of total rooms sold to total available rooms during the relevant period.

(Note 3) ADR (Average Daily Rate): Calculated by dividing total lodging division revenue (including service charges) by total rooms sold during the relevant period.

(Note 4) RevPAR (Revenue Per Available Room): Calculated by dividing total lodging division revenue by total available rooms during the relevant period.

(Note 5) Inbound Ratio: The ratio of total foreign guests to total guests during the relevant period.

(Note 6) OCC, ADR, RevPAR and Inbound Ratio are weighted averages of the aggregated hotels.

(Note 7) OCC and Inbound Ratio are rounded to two decimal places, ADR and RevPAR to one decimal place.

(Note 8) The number of aggregated hotels included in each area is indicated in parentheses next to the area name.

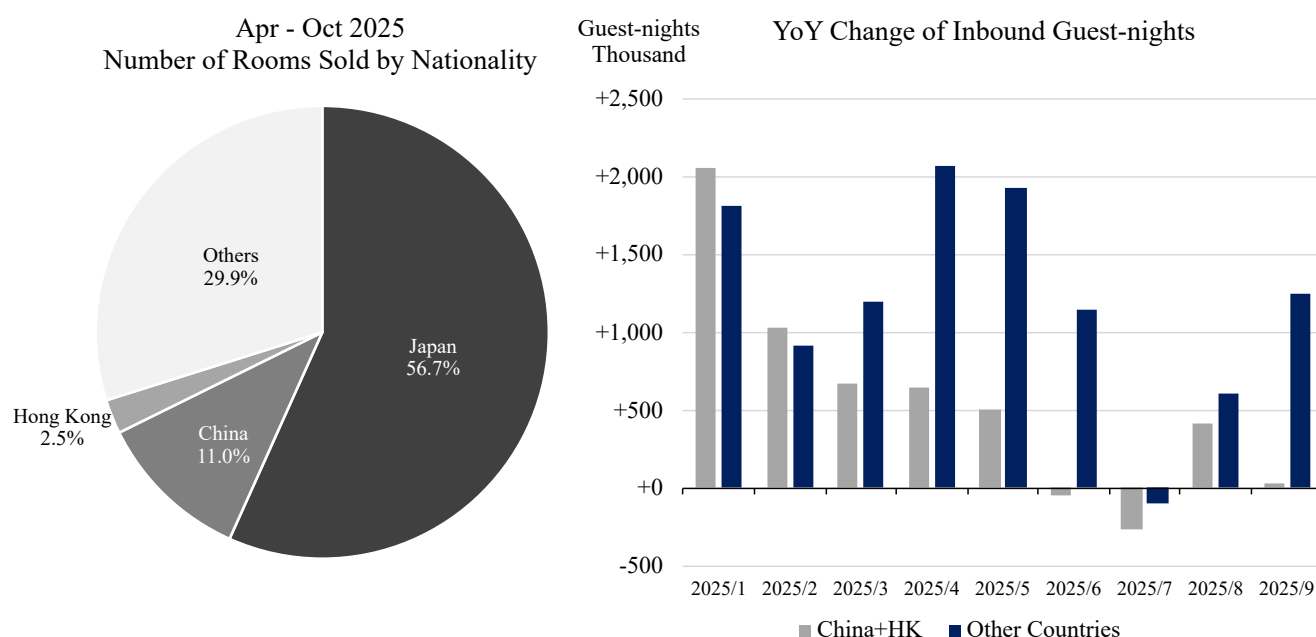
(Note 9) Please note that the figures and information have not been subject to auditing procedures, and therefore we do not guarantee the accuracy or completeness of individual figures or information. These figures may be subject to revision in the future.

4. Impact of Travel Trends from China and Hong Kong

Following the travel advisories issued on November 15 by the governments of China and Hong Kong urging their citizens to refrain from travelling to Japan, there are growing concerns that this could lead to a potential decline in visitors from these markets. While some group tour cancellations from China have occurred at certain hotels within our group, as of yet, we have not observed any significant cancellations among individual travelers at this stage.

Between April and October 2025, guests from China and Hong Kong accounted for 13.5% of the total rooms sold across our group's hotels in Japan. However, group tour guests from these markets represented less than 1% of all guests. Accordingly, we currently assess that the impact of these group tour cancellations on our consolidated results for the fiscal period is minimal. Should any material developments arise, we will promptly disclose the relevant information.

It is also important to note that since March 2025, the nationwide increase in foreign guest-nights has been driven primarily by travelers from regions other than China and Hong Kong, particularly North America and some European countries. With domestic demand and bookings from a wide range of other countries remaining solid, we will continue our efforts to attract guests from Japan as well as from diverse international markets.



(Source) Compiled based on the Japan Tourism Agency's "Accommodation Travel Statistics."

Reference:

For hotels owned by Star Asia Real Estate Investment Corporation, a member of the Star Asia Group - our sponsor - and operated by our group, the monthly operating status is disclosed on the Star Asia Real Estate Investment Corporation website. Please refer to their website for further details: <https://starasia-reit.com/ja/ir/index.html>

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