FY2027/3
2Q Financial Results Presentation Materials

November 13, 2026

Polaris Holdings Co., Ltd.

Stock Code: 3010 (Tokyo Stock Exchange, Standard Market)

Contents

01 Executive Summary 3

02 Financial Results Overview

Consolidated Results (Pre-Goodwill Amortization) 4
Key Factors Behind Higher Sales and Lower Profit 5
Quarterly Trends in Net Sales and Operating Profit 6
Consolidated Results (Reported Basis) 7

03 Business Overview

Inbound Visitor Trends 8
KPI Performance of Comparable Domestic Hotels 9

04 Earnings Outlook

Full-Year Forecast and 2H Business Environment 10

05 New Hotel Openings

Contract Progress and Operating Scale 11
Background to Strong New Hotel Openings 12
Area and Brand Mix of Upcoming Hotels 13
Decision to Open Second kokonoyu Hotel 14
Expansion of KOKO HOTEL Residence 15

06 Business Topics

Launch of the Master Brand 16
Two KOKO HOTELs Open in Sapporo and Tokyo 17
Decision to Acquire a Hotel Property in Kobe 18
Impact of the 2026 Kumamoto Earthquake 19

07 Appendix 20–

Reporting Period of Consolidated Results

Due to different fiscal year-ends, the periods included in the consolidated results differ.

Polaris HD	Minacia Co., Ltd. + Overseas Hotels*
Apr.–Sep. 2026 Results	Jan.–Jun. 2026 Results
	*Excl. 1 hotel

Executive Summary

Financial Results Overview	Net Sales	**JPY 24.82bn** (+8.0% YoY), with new hotel openings contributing to growth
	Operating Profit	**JPY 2.08bn** (-20.0% YoY, pre-goodwill amortization), mainly due to lower revenue at Kinki-area hotels
Business Overview	Inbound Visitors	Visitors excl. China **+13%** YoY, continuing to grow
	RevPAR	Domestic hotels **-0.6%** YoY, mainly due to the decline in the Kinki area, reflecting the rebound from strong Expo 2025 demand in the previous year
Earnings Outlook	Forecast	Net sales **JPY 54.5bn**, operating profit **JPY 5.5bn** (pre-goodwill amortization), unchanged
	Dividend	Annual **JPY 10** per share (previous year: JPY 5), forecast unchanged
New Hotel Openings	Contracts	1H: **20 new contracts**, up **5x** over the same period last year
	Operating Scale	Expanded to 134 hotels / 18,841 rooms (MTP target: 150 hotels / 20,000 rooms)
Business Topics	Brand	Launched master brand “Polaris Hotels & Resorts” and membership program “irodori pass”
	Openings / Investment	Opened two KOKO HOTELs; entered into a sale and purchase agreement to acquire a hotel property in Kobe
	Kumamoto Earthquake	One hotel closed; reconstruction demand at the other two hotels offsets the impact

Results Overview | FY2027/3 2Q (Pre-Goodwill Amortization)

Net sales grew on the effect of new hotel openings; operating profit declined mainly due to lower profit in the Kinki area

Unit: JPY million	FY2026/3 2Q YTD	FY2027/3 2Q YTD	Change	Change (%)
Net Sales	22,988	24,823	+1,835	+8.0%
Newly Opened Domestic Hotels	483	2,186	+1,703	+353.0%
Existing Domestic Hotels	20,358	20,503	+145	+0.7%
Other	2,147	2,134	[13]	[0.6]%
Operating Profit (Note)	2,592	2,075	[517]	[20.0]%
Ordinary Profit (Note)	2,005	1,513	[492]	[24.6]%
Adjusted Net Income (Note)	1,930	1,433	[498]	[25.8]%

Key Factors

Net Sales

- Newly opened hotels: Higher revenue from opening of 10 hotels
- Existing hotels: Lower Kinki area revenue, etc.
- Other: Three hotels closed; higher revenue from the hotel investment and overseas businesses, etc.

Operating Profit

- Lower profit due to lower revenue in the Kinki area
- Higher hotel operating costs
- Front-loaded costs associated with new hotel openings

Ordinary Profit

- Non-operating income: Lower insurance claim income, etc. (JPY -37 million)
- Non-operating expenses: Lower interest expenses, etc. (JPY -62 million)

Note: Profit figures from operating profit onward are presented before goodwill amortization.
Adjusted Net Income is calculated as profit attributable to owners of parent (reported basis) plus goodwill amortization and deferred tax adjustments.

Results Overview | Higher Sales, Lower Profit

Net Sales: Higher due to newly opened hotels; existing domestic hotels also grew outside the Kinki area
Operating Profit: Lower due to decreased Kinki area revenue, higher operating costs, etc.

Factors Behind Change in Net Sales (YoY, JPY 100 million)

	Prior Year	Current	Change	Change (%)
Net Sales	**229.9**	**248.2**	**+18.4**	**+8.0%**
Newly Opened Hotels (10 hotels)	**4.8**	**21.9**	**+17.0**	**4.5x**
Existing Domestic Hotels	203.6	205.0	+1.4	+0.7%
Excl. Kinki Area	173.1	180.3	+7.2	+4.2%
Kinki Area	**30.5**	**24.7**	**[5.8]**	**[18.9]%**
Other	21.5	21.3	[0.1]	[0.6]%

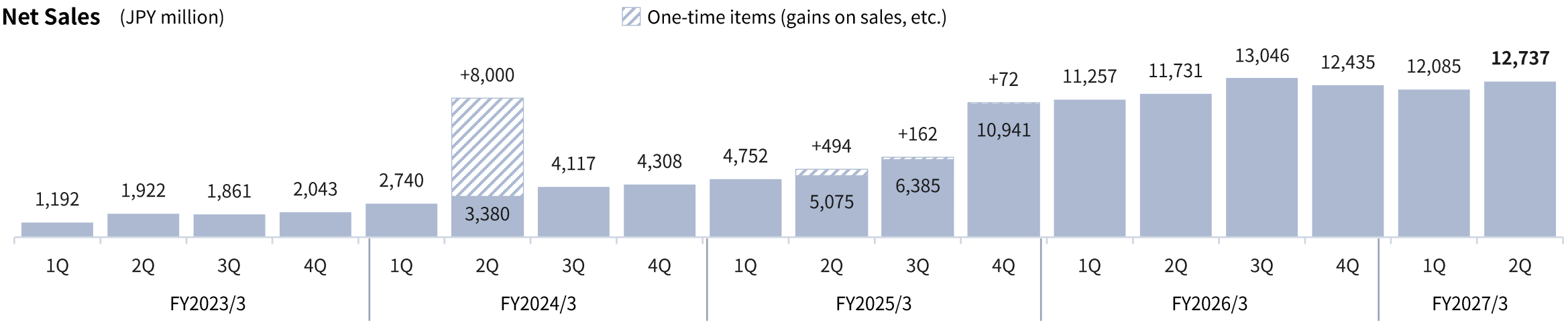
Factors Behind Change in Operating Profit (YoY, JPY 100 million)

	Prior Year	Current	Change	Change (%)
Operating Profit	**25.9**	**20.8**	**[5.2]**	**[20.0]%**
Newly Opened Hotels (10 hotels)	0.4	1.3	+1.0	3.5x
Existing Domestic Hotels	32.2	27.3	[4.9]	[15.3]%
Excl. Kinki Area	27.0	26.1	[0.9]	[3.5]%
Kinki Area	**5.2**	**1.2**	**[4.0]**	**[77.0]%**
Other	[6.7]	[7.8]	[1.2]	—

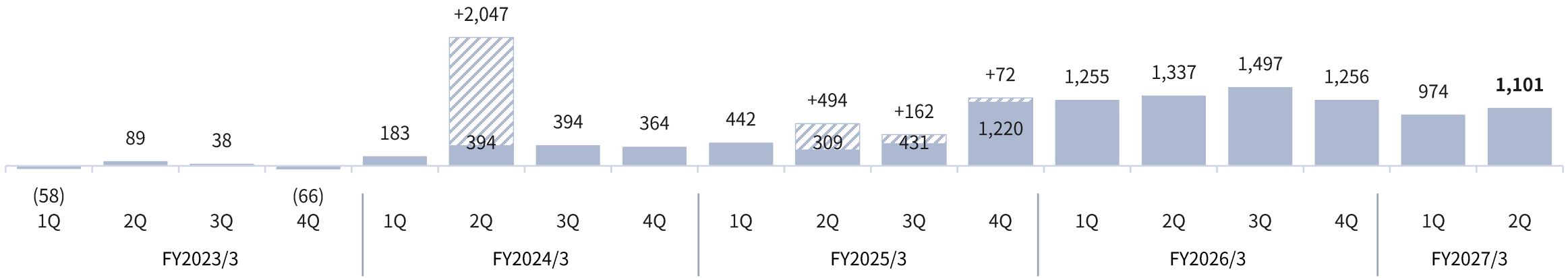
Results Overview | Quarterly Trends

Operating scale keeps expanding and business growth continues; 2Q (three months) net sales also grew YoY

Net Sales (JPY million)



Operating Profit (Pre-Goodwill Amortization) (JPY million)



Results Overview | FY2027/3 2Q (Reported Basis)

Interim net income declined due to lower operating profit and the recognition of deferred income tax expense resulting from tax effect accounting

Unit: JPY million	FY2026/3 2Q YTD	FY2027/3 2Q YTD	YoY	
	Actual	Actual	Change	Change (%)
Net Sales	22,988	24,823	+1,835	+8.0%
Gross Profit	22,076	23,793	+1,717	+7.8%
Selling, General and Administrative Expenses	20,135	22,370	+2,235	+11.1%
(of which, Goodwill Amortization)	652	652	0	0.0%
Operating Profit	1,940	1,423	[517]	[26.7]%
Ordinary Profit	1,353	861	[492]	[36.4]%
Profit Before Income Taxes	1,353	841	[513]	[37.9]%
Deferred Income Tax Expense	**182**	**296**	**+114**	**+62.6%**
Profit Attributable to Owners of Parent	1,096	484	[612]	[55.8]%

Business Overview | Inbound Visitor Trends

Visitors from China continued to decline, while inbound visitors from other markets grew 13%

Visitors by Market

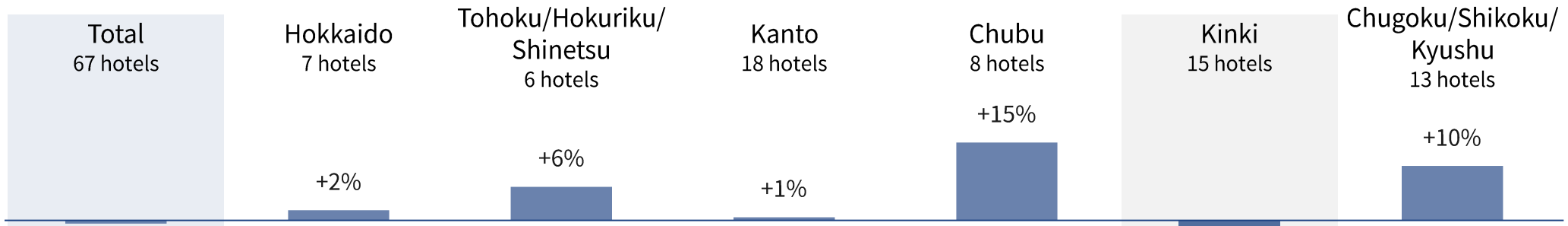
	Share	2026 (thousands)	YoY Jan.–Mar.	Apr.–Jun.	Jul.–Sep.	Jan.–Sep.
Total	100%	30,730	+1%	-5%	-5%	-3%
Total (excl. China)	89%	27,395	+18%	+9%	+14%	+13%
South Korea	27%	8,263	+22%	+15%	+29%	+22%
Taiwan	20%	5,998	+26%	+16%	+16%	+19%
SE & South Asia	12%	3,689	+12%	+6%	-2%	+7%
China	11%	3,336	-55%	-58%	-54%	-55%
N. & C. America	10%	3,215	+15%	+3%	+1%	+6%
Hong Kong	6%	1,963	+0.4%	+4%	+21%	+8%
Six European Markets	5%	1,675	+21%	-1%	+3%	+6%
Australia	3%	772	+10%	-2%	-5%	+2%
Other	6%	1,820	+13%	+7%	+6%	+8%

Source: Prepared by Polaris based on Japan National Tourism Organization (JNTO), Visitor Arrivals Statistics. Figures for Aug. and Sep. 2026 are estimates.

Business Overview | Comparable Hotel KPIs (Total & by Region)

Kinki RevPAR fell on the Expo 2025 rebound and fewer Chinese guests; overall slightly down YoY

KPI by Region (Cumulative Apr.–Sep. 2026)



	Total 67 hotels	Hokkaido 7 hotels	Tohoku/Hokuriku/ Shinetsu 6 hotels	Kanto 18 hotels	Chubu 8 hotels	Kinki 15 hotels	Chugoku/Shikoku/ Kyushu 13 hotels
OCC	89.5% -0.4pt	92.7% +0.9pt	88.1% -0.8pt	96.3% +0.8pt	88.1% +2.3pt	86.2% -4.7pt	84.9% -0.5pt
ADR (JPY)	12,631 -0.1%	12,130 +1.0%	9,972 +7.3%	16,999 -0.2%	10,030 +11.6%	10,612 -20.5%	12,373 +10.8%
RevPAR (JPY)	11,307 -0.6%	11,239 +1.9%	8,790 +6.3%	16,364 +0.6%	8,838 +14.6%	9,145 -24.7%	10,499 +10.2%
Inbound Ratio	48.3% -2.7pt	24.2% -3.9pt	26.3% -0.6pt	70.9% -1.7pt	40.1% -2.5pt	54.1% -6.4pt	41.4% -0.3pt

Note: Lower figures for each metric show the YoY change (percentage points for OCC and Inbound Ratio; percentage change for ADR and RevPAR)

Earnings Outlook

Business environment remains uncertain, but full-year earnings and dividend forecasts are unchanged

Unit: JPY million	FY2027/3 2Q Actual	FY2027/3 Full-Year Forecast	Progress
Net Sales	24,823	54,500	45.5%
Operating Profit (Note)	2,075	5,504	37.7%
Ordinary Profit (Note)	1,513	4,304	35.2%
Adjusted Net Income (Note)	1,433	4,253	33.7%
Dividend (JPY)	–	10.0	–

Business Environment Outlook for 2H

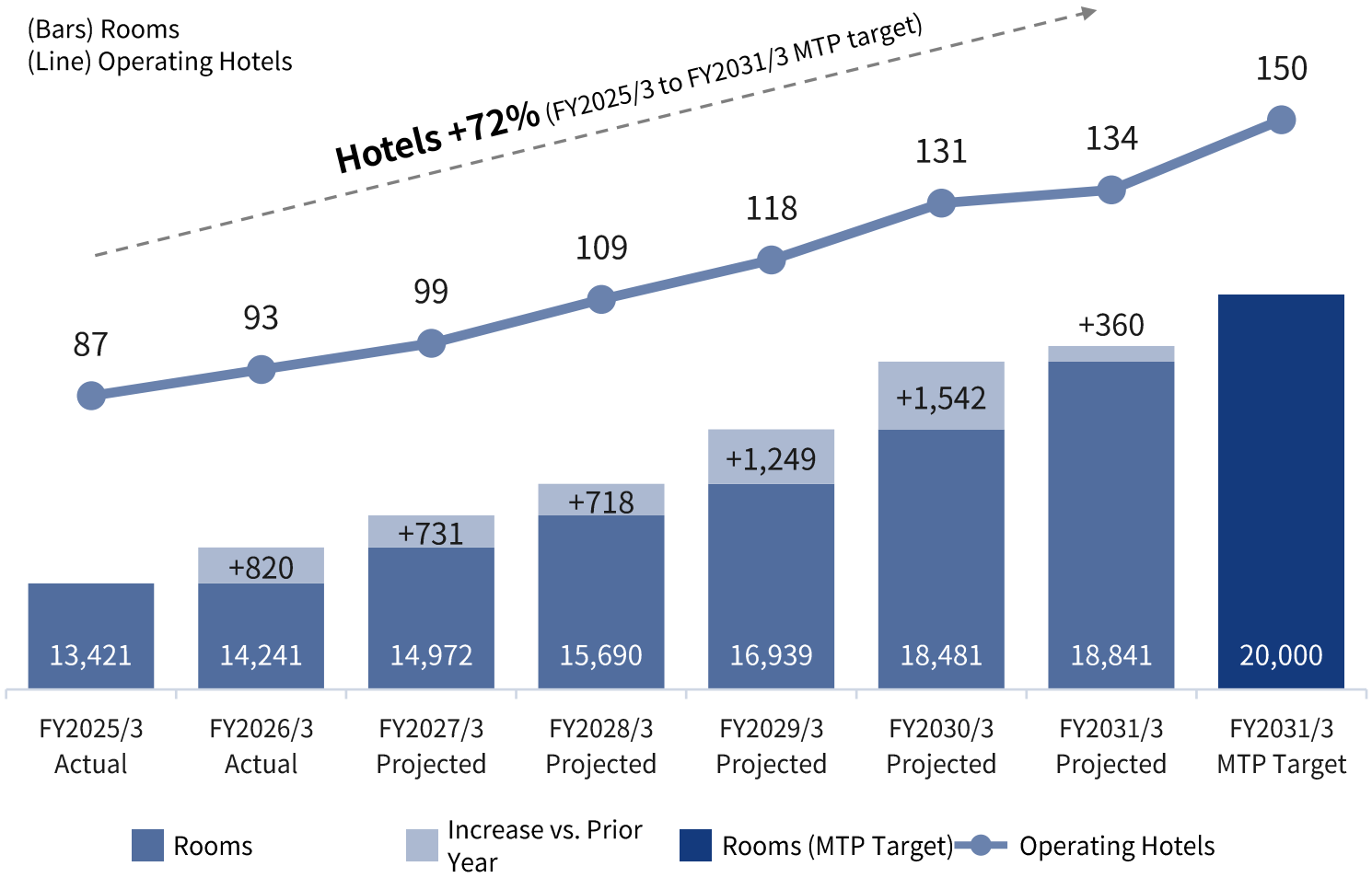
Inbound	While visitors from other markets continue to grow, the decline in Chinese visitors outweighs this, and some impact is expected to remain
Domestic	Although the rebound from the previous year's strong Expo demand and fewer Chinese guests overlapped, the Expo rebound has run its course since mid-October. Demand associated with the Asian Games in the Tokai area and reconstruction demand in Kumamoto are positive factors
Interest Rates	3-month TIBOR has stayed within the base rate range assumed at the start of the fiscal year

Note: Profit figures from operating profit onward are presented before goodwill amortization.
Adjusted Net Income is calculated as profit attributable to owners of parent (reported basis) plus goodwill amortization and deferred tax adjustments.

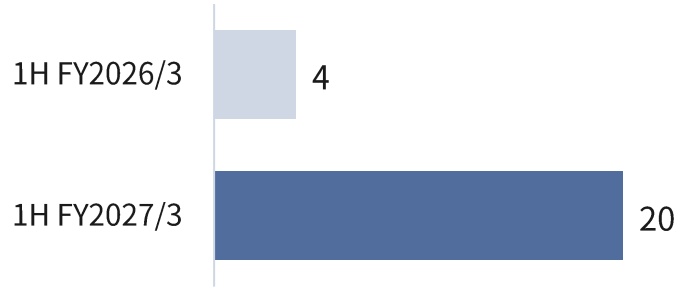
New Openings | Contracts and Operating Scale

New hotel contracts in 1H FY2027/3 were 5x the prior-year level, progressing steadily toward the MTP targets

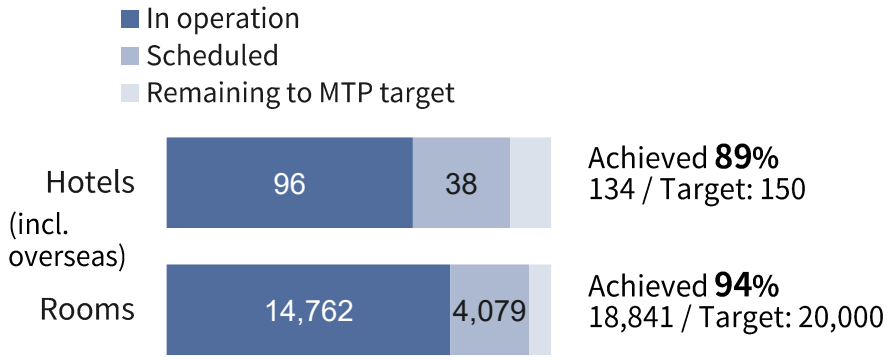
Trends in Hotels and Guest Rooms (as of October 2026)



New Hotel Contracts Secured



Progress Toward MTP Targets (as of end of Sep.)



Note: Projected figures for FY2027/3 onward in the trends in domestic and overseas hotels and rooms include hotels with signed contracts whose details have not yet been disclosed

New Openings | Drivers of Strong New Openings

As hotel development costs rise, Polaris is chosen by developers for its flexible proposals and operating capabilities

Business Environment	Developers	Challenge	Polaris' Strength
Land prices and construction costs continue to rise	**Appetite for hotel development remains high**	**Low-price-range development becomes tougher**	**Chosen for breadth of price range and nationwide coverage**

Volume of Project Information

A mechanism that attracts many projects

- Project referrals from Star Asia Group
- Inquiries from numerous developers
- Owner network of Polaris × Minacia

More referrals

Virtuous cycle

Proposals valued

Flexibility of Proposals

Not limited by hotel type, area or contract structure

- Proposing hotel types and brands that maximize real estate value
- Careful market research without narrowing down opening areas
- Supports various structures (lease, management contract, franchise)

Creditworthiness

Sound finances and transparency as a listed company

+

Operating Capability

Track record built by operating 81 domestic hotels

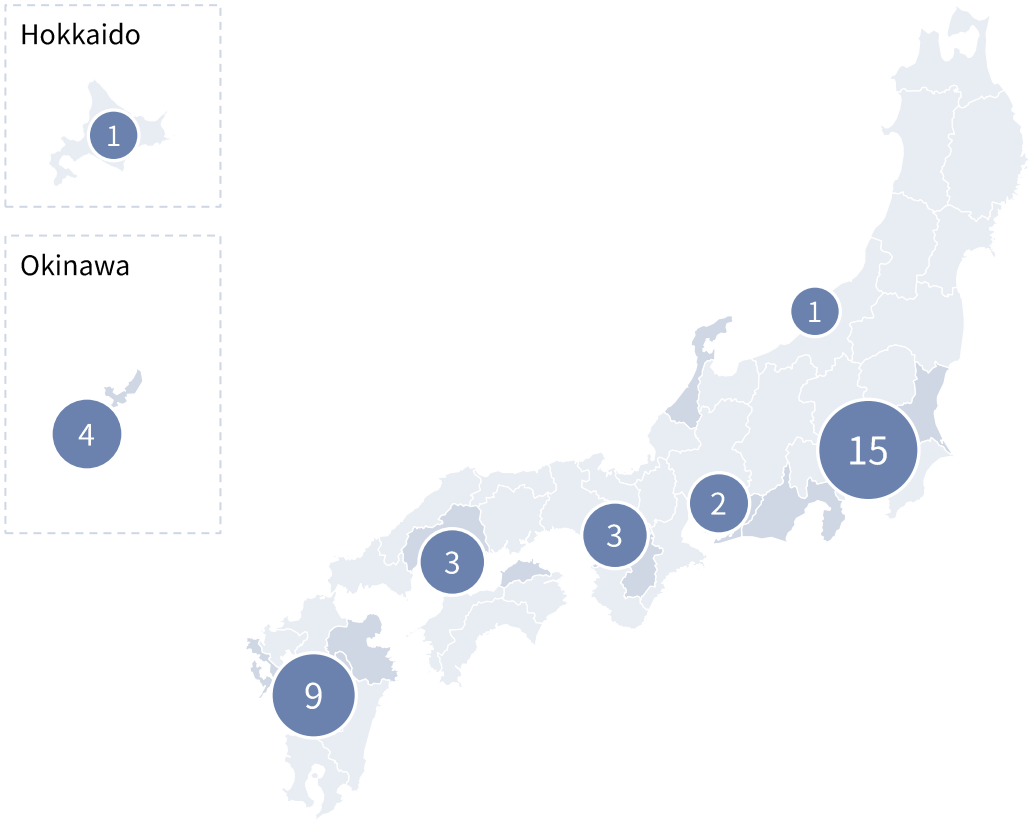
Trust

Foundation for being chosen by developers

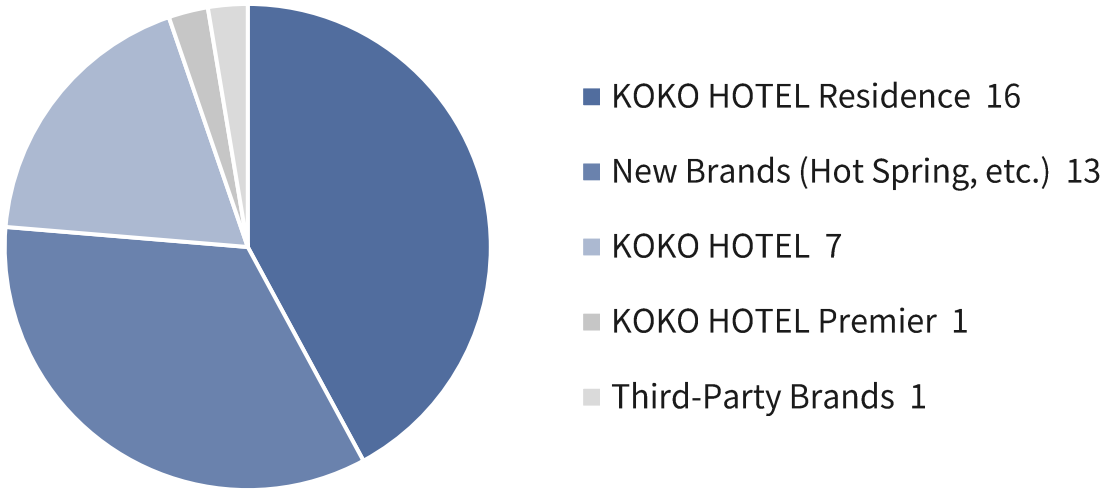
New Openings | Upcoming Hotels by Area and Brand

New openings are expanding into regional areas, centered on Kanto. KOKO HOTEL Residence and new brands are also expanding

Upcoming Hotels: 38 hotels



Brand Mix of Upcoming Hotels



Note: Numbers of hotels and rooms include hotels with signed contracts whose details have not yet been disclosed

New Openings | Decision to Open Second kokonoyu Hotel

Polaris' new hot spring hotel brand. Following the planned first hotel in Beppu, Polaris has decided to open its second hotel in Fuji Gotemba







kokonoyu

A hotel where guests can experience Japan's hot spring culture with natural hot springs and Japanese-style spaces

	Beppu (1st hotel)	Fuji Gotemba (2nd hotel)
Rooms	150 rooms	153 rooms
Scheduled Opening	FY2028/3	FY2029/3
Contract Type	Lease (variable rent)	Lease (fixed + variable rent)
Lessor / Owner	Tokyo Tatemono, Misawa Homes	Not disclosed

New Openings | KOKO HOTEL Residence Expansion

Operating scale (number of hotels) of apartment hotels for long stays and families is expected to expand 4x

Features of KOKO HOTEL Residence

- Rooms with kitchen and washing machine
- Multi-guest type accommodating four or more guests
- Ideal for family and group travel



In operation (hotels)　Scheduled (announced)

In operation	Scheduled	Total
5 hotels	**16** hotels	**21** hotels

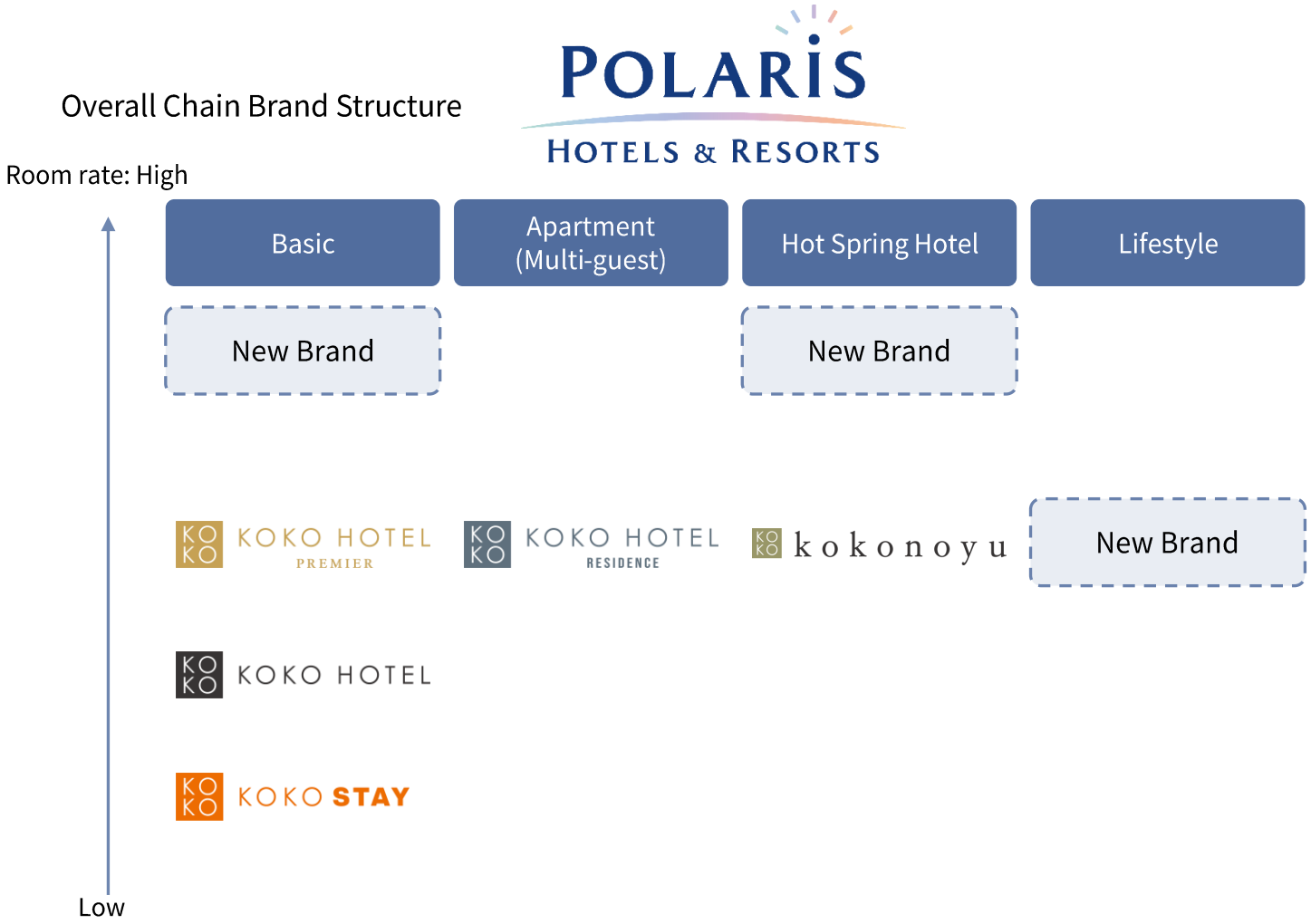
Status	Hotel Name (tentative)	Location	Opening	Rooms
Open	Asakusa Tawaramachi	Tokyo	2022	47
Open	Asakusa Kappabashi	Tokyo	2022	42
Open	Kyoto Nijo-jo	Kyoto	2024	36
Open	Osaka Sennichimae (Residence Tower)	Osaka	2025	65
Open	Tokyo Oshiage	Tokyo	2026	25
Planned	Asakusa Niten-mon	Tokyo	FY2027/3	39
Planned	Kita-Ueno	Tokyo	FY2027/3	39
Planned	Hiroshima Kanayamacho	Hiroshima	FY2028/3	54
Planned	Kumamoto Kamitori	Kumamoto	FY2028/3	29
Planned	Ueno Shin-Okachimachi I	Tokyo	FY2028/3	52
Planned	Tokyo Kyobashi	Tokyo	FY2028/3	36
Planned	Ueno Shin-Okachimachi II	Tokyo	FY2028/3	52
Planned	Honjo-Azumabashi	Tokyo	FY2028/3	45
Planned	Ueno Shin-Okachimachi III	Tokyo	FY2029/3	45
Planned	Ueno Shin-Okachimachi IV	Tokyo	FY2029/3	65

The list of scheduled hotels and room counts cover the 10 announced hotels (as of end of October)

Business Topics | Launch of the Master Brand

Layering brands to also focus on higher-rate segments; “irodori pass” strengthens guest referrals

Overall Chain Brand Structure



Launched “irodori pass” membership program

Revamped KOKO FAMILY into a group-wide loyalty program

Eligible Hotels

Usable at hotels of all proprietary brands operated by the Group (no enrollment or annual fee)

Aim

Guide guests from one stay to their next stay, other brands and other regions

Main Benefits

10% off bookings via the official website, best rate guarantee, 500 points for new members, tier-based services

Program Expansion

Six Best Western hotels will be converted to KOKO HOTELS in stages from December 2026 and become eligible for benefits

Business Topics | Two KOKO HOTELs Open in Sapporo and Tokyo

Expansion continues in areas where inbound visitors are increasing

Rebrand Opening　Opening date: July 1, 2026



KOKO HOTEL Sapporo Susukino 2nd

Location	5-12-1 Minami 6-jo Nishi, Chuo-ku, Sapporo (5-min. walk from Susukino Station)
Rooms	212 rooms

- Fourth KOKO HOTEL in Sapporo
- Japanese and Western buffet breakfast featuring Hokkaido ingredients

New Opening　Opening date: July 16, 2026



KOKO HOTEL Residence Tokyo Oshiage

Location	1-40-11 Oshiage, Sumida-ku, Tokyo (5-min. walk from Oshiage Station)
Rooms	25 rooms (all rooms 42㎡ or larger)

- Apartment type with kitchen and washing machine, suited to families, groups and long stays
- Rooftop terrace with a close-up view of Tokyo Skytree

Business Topics | Decision to Acquire a Hotel Property in Kobe

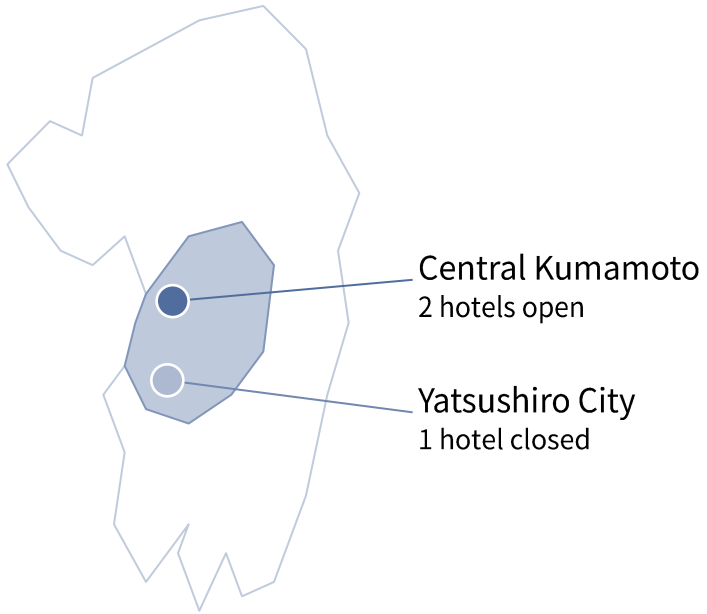
Hotel investments following Osaka and Makuhari secure cash flow growth and future upside from potential sales

	Joint Investment (Same-Boat Investment)	Sole Investment
Recent Investments	• KOKO HOTEL Osaka Namba Sennichimae (JPY 500 million, ongoing) • KOKO HOTEL Premier Tokyo Bay Makuhari (JPY 1.0 billion, ongoing)	**Hotel property in Kobe, Hyogo (planned) Sale and purchase agreement signed Sep. 2026; acquisition scheduled for Jun. 2027**
Overview	Joint investment in hotel real estate with the sponsor or third parties	Sole investment in hotel real estate by Polaris
Investment Target	Hotel real estate in Japan that Polaris can operate	
Expected Investment Amount	Up to approx. JPY 1.0 billion	Up to approx. JPY 3.0 billion
Advantages	• Allows investment with a small amount • Low-risk investment by adjusting risk/return structure with co-investors	• Polaris can decide on investment and sale on its own, enabling mid- to long-term holding • Polaris can capture real estate income and gains on sale, resulting in high profitability
Disadvantages	Polaris cannot decide on investment or sale on its own	Relatively large investment amount
Track Record	KOKO HOTEL Tsukiji Ginza (JPY 200 million, sold)	• KOKO HOTEL Sapporo Odori (sold) • Best Western Plus Fukuoka Tenjin-Minami (sold)

Business Topics | Impact of the 2026 Kumamoto Earthquake

Revenue loss from the closure of Yatsushiro is offset by reconstruction demand at two hotels in Kumamoto City

Three hotels in Kumamoto Prefecture (1 closed, 2 open)



KOKO STAY Kumamoto Yatsushiro	Closed	Closed due to partial damage. Discussing reopening with the building owner. ▼ Negative impact on results
KOKO HOTEL Premier Kumamoto	Open	Bookings have been strong due to reconstruction demand since August ▲ Positive contribution to results
KOKO HOTEL Kumamoto Kamitori	Open	Bookings have been strong due to reconstruction demand since August ▲ Positive contribution to results

Appendix | Contents

I About Polaris

1 Company Overview
Company Overview & History 21
Sponsor: Star Asia Group 22
Share Information & Shareholders 23

2 Business Model
Polaris Holdings' Business Model 24
Hotel Contract Types 25

3 Business Scale
Domestic Hotel Locations 26
Overseas Hotel Locations (Philippines) 27
Domestic Limited-Service Hotel Room Ranking 28

4 Growth Strategy
Trends in Consolidated Net Sales 29
Medium-Term Management Plan 2030 30
List of Upcoming Hotels 31–32

5 Shareholder Returns
Revised Shareholder Return Policy 33
Overview of Shareholder Benefit Program 34

II Supplementary Information on 2Q Results

6 Financial Position
Five-Year Financial Data 35
FY2027/3 2Q Financial Position 36
Borrowing Status 37

7 Understanding the Financial Figures
Tax Loss Carryforwards & Deferred Tax Assets 38
Goodwill Amortization 39

III Reference

8 Reference Information
Exchange Rate and Visitor Arrival Trends 40
Notes on Domestic Hotel KPIs 41
Important Notice 42

Appendix | Company Overview

Company Name	Polaris Holdings Co., Ltd.
Date of Establishment	September 20, 1912
Representative	Yohei Taguchi, President & Representative Director
Head Office Location	ONE SHINKAWA, 1-23-5 Shinkawa, Chuo-ku, Tokyo
Listed Exchange	Tokyo Stock Exchange, Standard Market (Stock Code: 3010)
Paid-in Capital	JPY 42 million (as of September 30, 2026)
Total Issued Shares	234,072,926 shares (as of September 30, 2026)
Major Shareholder	Star Asia Group (shareholding ratio: 72.6%)
Business Description	Hotel Operations Business and Hotel Investment Business
Main Brands	KOKO HOTELS, Red Planet (Philippines)

History

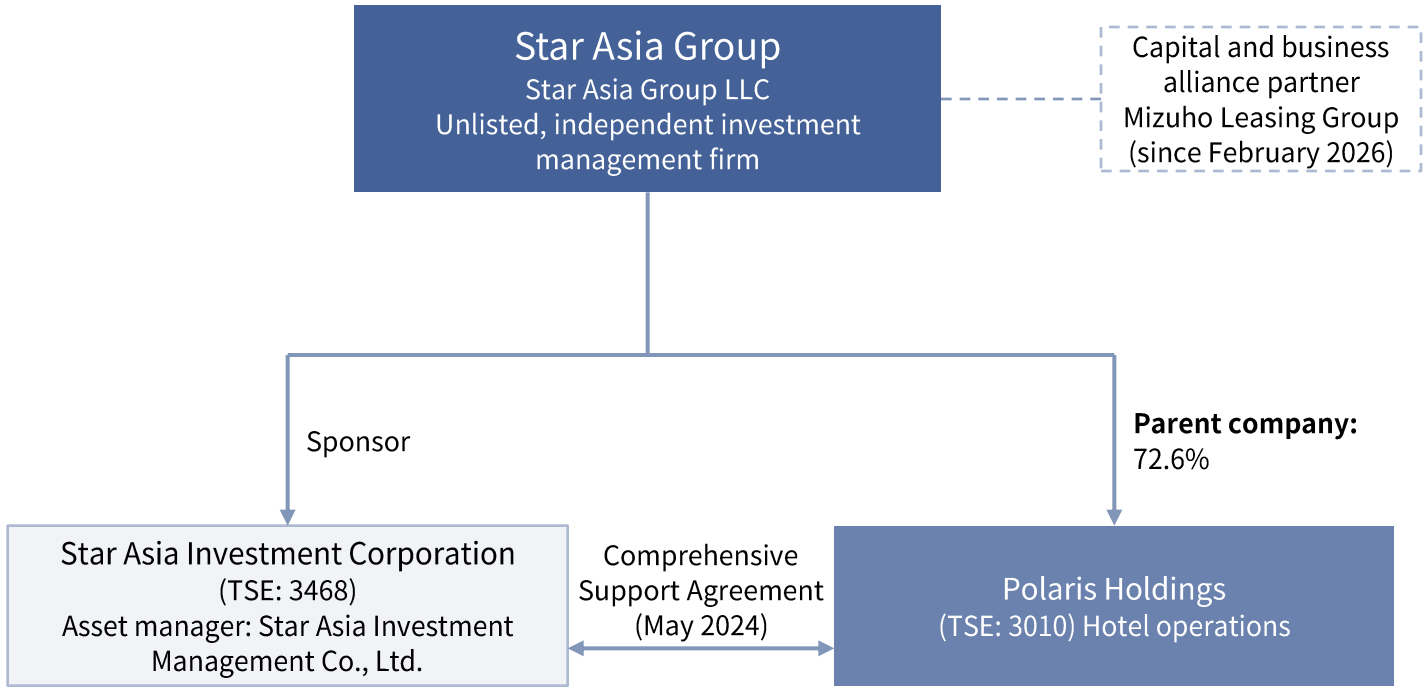
- 1912 Founded
- 1961 Listed on the Tokyo Stock Exchange
- 2008 Entered the hotel business on a full scale (Best Western)
- 2018 Star Asia Group became Polaris' sponsor
- 2020 Launched proprietary brand “KOKO HOTEL”
- 2021 Changed company name from Kachikaihatsu to Polaris Holdings
- 2023 Acquired Red Planet in the Philippines
- 2024 Acquired and integrated Minacia
- 2026 Launched “Polaris Hotels & Resorts”

The shareholding ratio of the major shareholder is the total of Star Asia Group companies and an individual shareholder (as of September 30, 2026).

Appendix | Sponsor: Star Asia Group

Star Asia Group is Polaris' parent company, holding 72.6% of Polaris' voting rights. In February 2026, Star Asia Group entered into a capital and business alliance with Mizuho Leasing Group.

Capital and Contractual Relationships within the Group



Support for Polaris and Relationship with the Group

New hotels |Polaris operates (under management contracts) or leases hotels acquired by the Group

Funding |Growth funds secured through flexible support from the Group's funds

Human resources |Directors appointed from the Group bring real estate investment and finance expertise to management

Comprehensive Support Agreement |Polaris and the investment corporation and its asset manager mutually provide hotel operation expertise and transaction information. Polaris operates properties owned by the investment corporation

Protection of minority shareholders |Directors seconded from the Group do not participate in resolutions on transactions with the Group. Three independent outside directors provide oversight (P.23)

Voting rights ratio as of September 30, 2026. Sources: Materials published by Polaris; Star Asia Investment Corporation; and Star Asia Group and Mizuho Leasing

Appendix | Share Information & Shareholders (As of Sep. 30, 2026)

Share Status

Class of Shares Issued	Common Stock
Authorized Shares	496,000,000 shares
Total Issued Shares	234,072,926 shares
No. of Shareholders	12,829

Major Shareholders

Shareholder Name	Number of Shares	Ratio
SAJP VI 3.0 LP	106,199,591	45.37%
Star Asia Opportunity III LP	61,026,790	26.07%

Number of Shares Held by Directors

Position	Name	Number of Shares
Chairman of the Board	Shigeru Takakura	169,400
President & Representative Director	Yohei Taguchi	74,800
Director & COO	Kazuyoshi Shimojima	40,000
Director & CFO	Satoshi Hosono	125,615
Director	Takahiro Tsujikawa	102,400
Director	Kentaro Tawara	40,000
Director	Mitsuhiro Matsuzaki	40,000
Director	Joseph Altwasser	156,200
Outside Director	Takaaki Morohashi	38,000

Share Distribution by Owner Type



Foreign Corporations 13.1% / Domestic Individuals, etc. 12.1% / Foreign Individuals 1.1% / Other 1.1%

Governance Framework for Protecting Minority Shareholders

Oversight by Independent Outside Directors

Three independent outside directors who are Audit and Supervisory Committee Members oversee, advise on and audit management

Resolution Rule for Related-Party Transactions

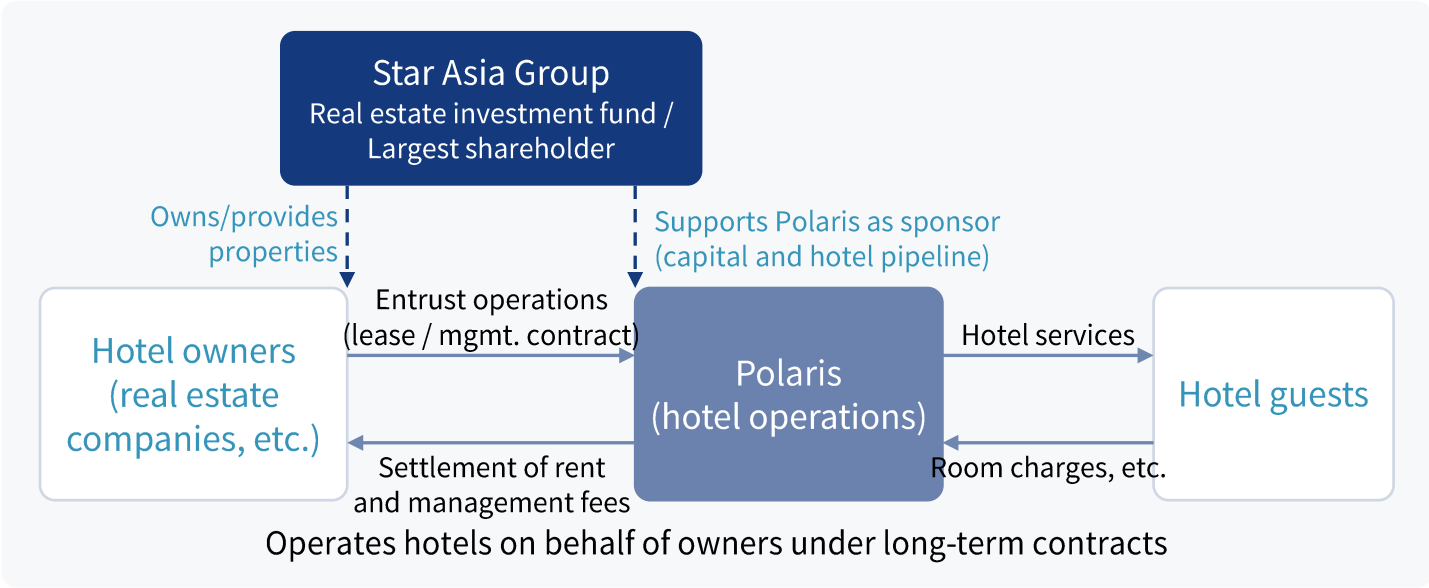
Directors seconded from Star Asia Group do not participate in resolutions on transactions with the Group

Note: Polaris has three independent outside directors, one of whom holds shares in Polaris.

Appendix | Polaris Holdings' Business Model

An “asset-light” hotel operator focused on operations without, in principle, owning hotels, with a “recurring revenue” model in which earnings build up through long-term contracts

Business Model



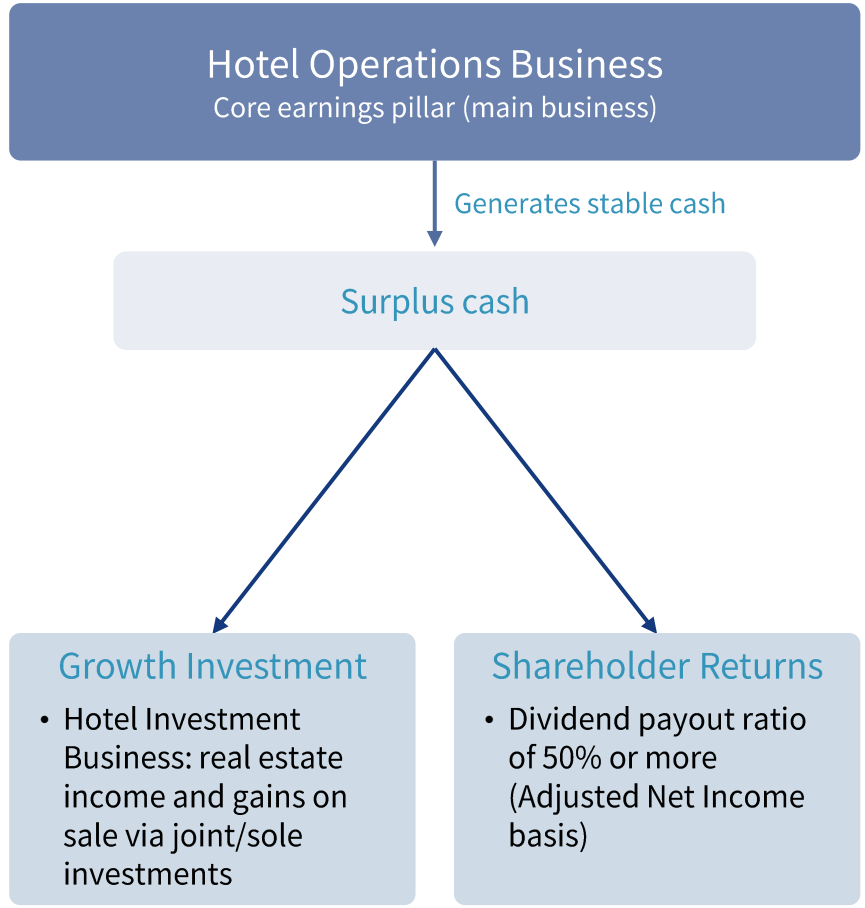
Asset-Light

In principle, does not own hotel real estate and focuses on operations
Can open new hotels with limited capital

Recurring Revenue

Mainly long-term contracts of around 10–20 years. The earnings base builds up as the number of hotels operated increases

Earn through operations and invest surplus cash



Appendix | Hotel Contract Types

Variable-type leases, which adapt to changes in the hotel market, are the most common

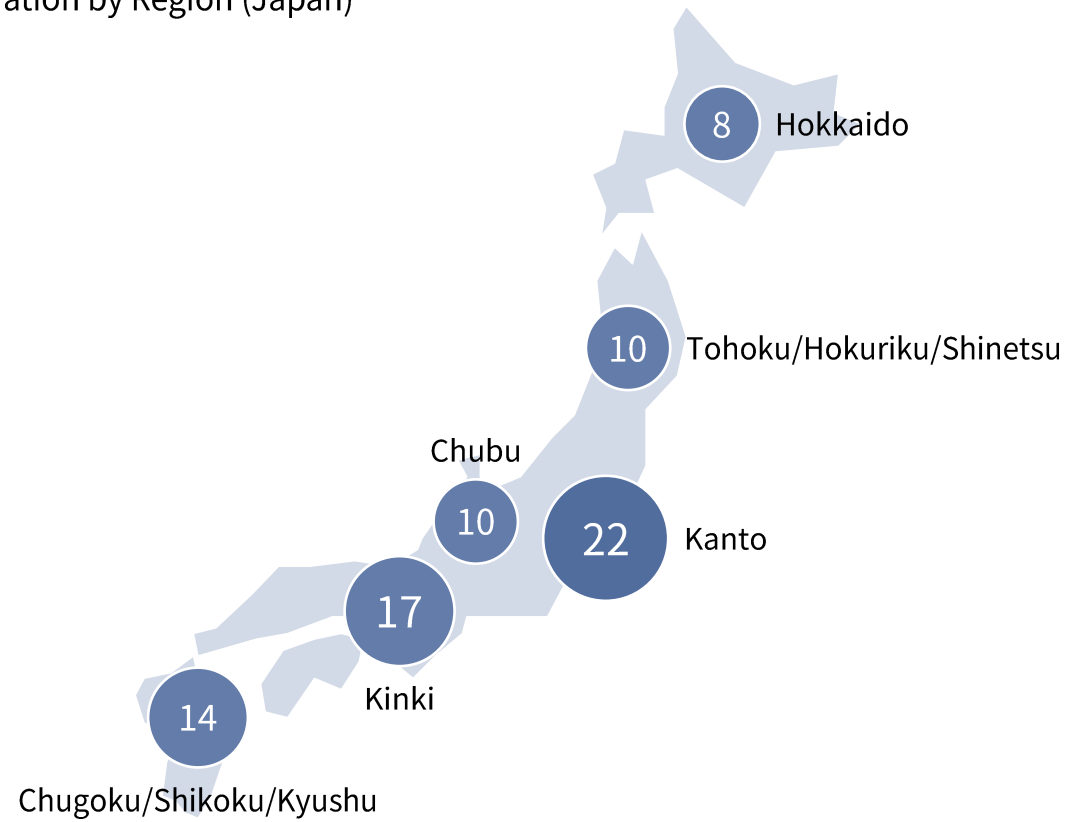
	Lease (Fixed Rent)	Lease (Variable) Fixed + Variable / Variable Only	Management Contract	Ownership
Structure	Polaris leases the building from the owner and operates it, paying a fixed monthly rent	Polaris leases the building and pays part or all of the rent linked to performance	Polaris is entrusted with operations by the owner. Hotel profit or loss belongs to the owner	Polaris owns the land and building and operates the hotel
When sales and profit increase	Rent is fixed, so profit increases significantly	Profit increases; variable rent also increases	Fees increase (relatively modestly)	Profit increases and property value also rises
When sales and profit decrease	Rent does not decrease, so profit decreases significantly	Variable rent decreases, limiting the decline in profit	Losses are borne by the owner; Polaris is affected only by lower fees	No rent, but depreciation remains
Risk / Return	High / High	Medium / Medium	Low / Low	High / High (also exposed to price fluctuations)
Domestic hotels in operation	13	56 Fixed + variable: 54; variable only: 2	10	2
Domestic rooms in operation (share)	1,812 rooms (14.8%)	8,525 rooms (69.7%)	1,176 rooms (9.6%)	721 rooms (5.9%)

Domestic hotels in operation as of September 30, 2026 (excluding 15 overseas hotels). Shares are calculated against the total of 12,234 rooms.

Appendix | Domestic Hotel Locations

Operating 81 hotels with 12,234 rooms in Japan, from Hokkaido to Kyushu (as of September 30, 2026)

Hotels in Operation by Region (Japan)



Domestic Hotels in Operation

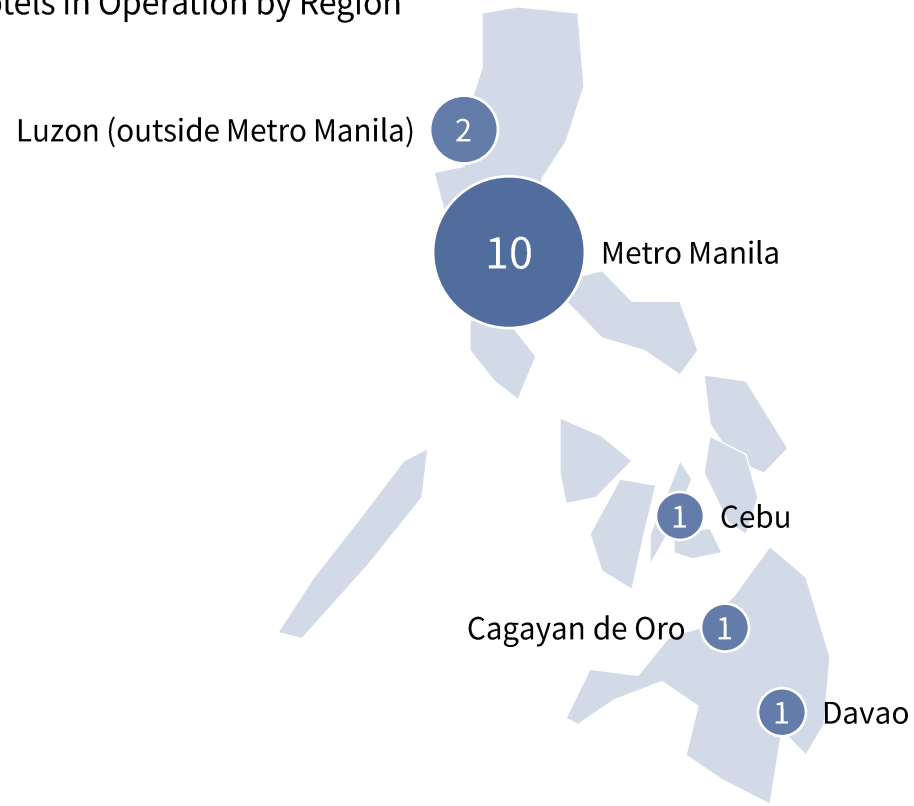
81 Hotels / 12,234 Rooms

Hokkaido	8 hotels
Tohoku/Hokuriku/Shinetsu	10 hotels
Kanto	22 hotels
Chubu	10 hotels
Kinki	17 hotels
Chugoku/Shikoku/Kyushu	14 hotels

Appendix | Overseas Hotel Locations (Philippines)

Operating 15 hotels under the Red Planet brand in the Philippines, 10 of which are in Metro Manila (as of September 30, 2026)

Hotels in Operation by Region



Philippines (Red Planet)

15 Hotels / 2,528 Rooms

Metro Manila	10 hotels
Ortigas, Aurora Boulevard, Aseana City, Amorsolo, Mabini, Manila Bay, Binondo, Makati, Quezon Timog, BGC The Fort	
Luzon (outside Metro Manila)	2 hotels
Angeles City, Cavite	
Visayas	1 hotel
Cebu	
Mindanao	2 hotels
Davao, Cagayan de Oro	

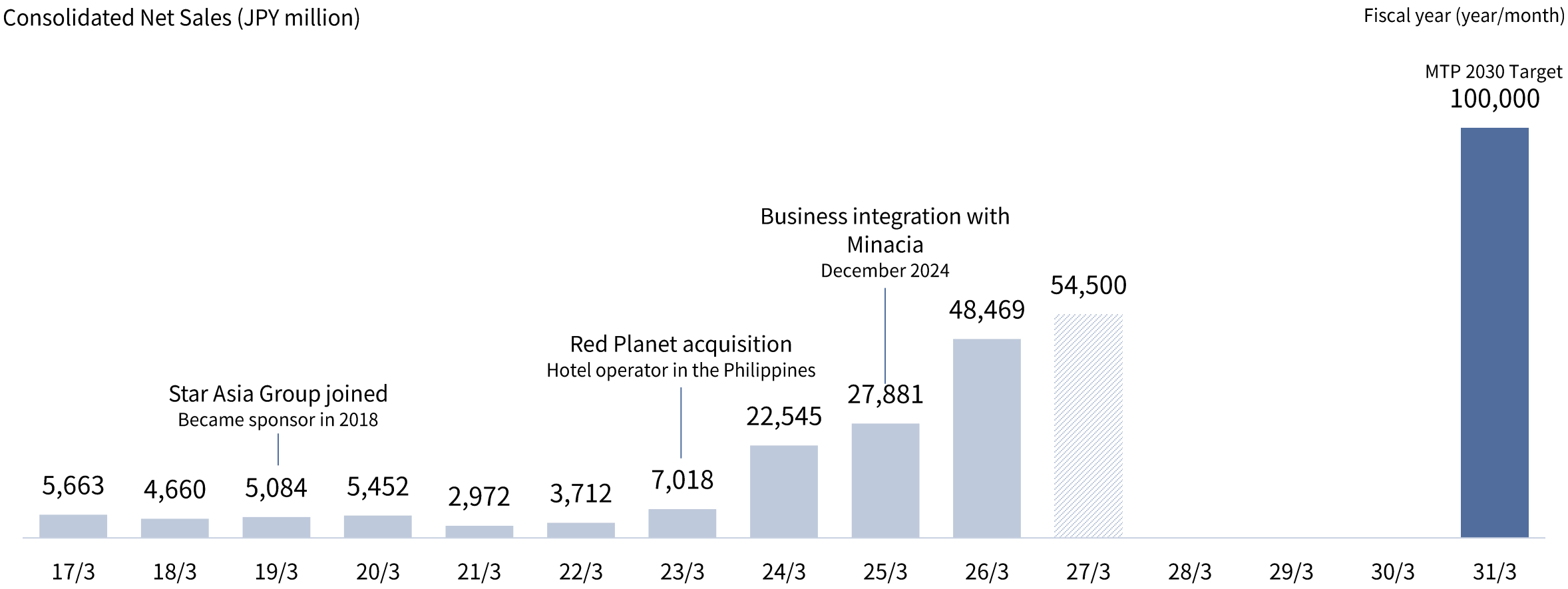
Appendix | Domestic Limited-Service Hotel Room Ranking

Rank	Operator	Main Hotel Brands	Listing	Hotels	Rooms
1	APA	APA Hotel, the b	Unlisted	423	91,924
2	Toyoko Inn	Toyoko Inn	Unlisted	361	79,221
3	Route Inn Japan	Hotel Route-Inn, Ark Hotel	Unlisted	368	65,534
4	Iconia Hospitality	Hotel MyStays, Art Hotel	Unlisted	188	25,878
5	Kyoritsu Maintenance	Dormy Inn	Listed	147	22,978
6	Super Hotel	Super Hotel	Unlisted	178	20,584
7	Polaris Holdings	KOKO HOTELS	Listed	134	18,841
8	Greens	Choice Hotels brands	Listed	120	16,917
9	Daiwa House Realty Management	Daiwa Roynet Hotel	Unlisted	78	16,387
10	Tokyu Hotels	Tokyu Hotel, Tokyu REI Hotel, Excel Hotel Tokyu	Unlisted	67	13,765
11	Sotetsu Hotel Management	Sotetsu Fresa Inn, Hotel Sunroute	Unlisted	58	13,024
12	Hospitality Partners Group	Smile Hotel, Smile Smart Inn	Unlisted	87	11,459
13	Fujita Kanko	Washington Hotel, Hotel Gracery	Listed	45	11,395
14	JR East Hotels	Hotel Metropolitan, JR-East Hotel Mets	Unlisted	62	10,468
15	Hankyu Hanshin Daiichi Hotel Group	remm, Hotel Hanshin Annex	Unlisted	38	10,138

Notes: 1. Compiled by Polaris for operators primarily engaged in limited-service hotel operations, based on information published in the April 2026 issue of HOTERES (as of January 1, 2026).
However, where more recent figures have been published on a company's corporate website, IR materials or other sources, those figures are used (the reference date varies by company).
Figures may include hotels located overseas and hotels operated under franchise arrangements (hotels operated as franchisees of other brands and proprietary-brand hotels operated by external operators).
2. Polaris' numbers of hotels and rooms are the published figures as of September 30, 2026, and include overseas hotels and hotels scheduled to open (hotels for which contracts have been signed, whether or not disclosed).

Appendix | Trends in Consolidated Net Sales (FY2017/3 Onward)

Net sales in FY2026/3 were approximately 9 times those of FY2017/3, through M&A and the expansion of hotels in operation



Source: Consolidated financial results for each fiscal year. FY2027/3 is the full-year forecast as of November 2026, and FY2031/3 is the Medium-Term Management Plan 2030 target.
Red Planet's results have been consolidated since FY2024/3.

Appendix | Medium-Term Management Plan 2030

Targeting net sales of JPY 100 billion and operating profit of JPY 10 billion[Note 1] by expanding to 150 hotels and 20,000 rooms in operation

Unit: JPY 100 million		FY2026/3 Actual	MTP 2030 Target	Growth (vs. FY2026/3)	CAGR
Operating Scale	Hotels in operation	93	150	+61%	+10%
	Rooms in operation	14,241	20,000	+40%	+7%
Financial Targets	Net sales	485	1,000	+106%	+16%
	Operating profit (Note 1)	53	100	+89%	+14%
Shareholder Returns	Dividend payout ratio (Note 2)	28.9% (25.4%)	50% or more	–	–
Capital Efficiency	ROE (Note 2)	13.4% (15.2%)	10% or more	–	–

Note 1: Operating profit excludes goodwill amortization.
Note 2: Dividend payout ratio and ROE are calculated based on Adjusted Net Income (= net income + goodwill amortization + deferred tax adjustments). Figures in parentheses are based on net income.

Appendix | List of Upcoming Hotels (As of September 30, 2026)

Opening FY	No.	Hotel Name (Tentative)	Location	Rooms	Scheme	Contract Type	Hotel Type	Lessor / Owner
FY2027/3	1	KOKO HOTEL Residence Asakusa Niten-mon	Tokyo	39	New build	Lease (fixed + variable rent)	Apartment hotel	Not disclosed
	2	KOKO HOTEL Residence Kita-Ueno	Tokyo	39	New build	Management contract	Apartment hotel	Star Asia Group (to acquire the property)
	3	KOKO HOTEL Naha Maejima	Okinawa	132	New build	Lease (fixed + variable rent)	Limited-service	Misawa Homes
FY2028/3	1	KOKO HOTEL Residence Hiroshima Kanayamacho	Hiroshima	54	New build	Lease (fixed + variable rent)	Apartment hotel	Raysum Fukuoka
	2	Kanazawa Katamachi Hotel	Ishikawa	59	New build	Management contract	Apartment hotel	FHG hotels (a subsidiary of Kasumigaseki Capital)
	3	KOKO HOTEL Residence Kumamoto Kamitori	Kumamoto	29	New build	Management contract	Apartment hotel	Not disclosed
	4	kokonoyu Beppu	Oita	150	New build	Lease (variable rent)	Hot spring hotel	Tokyo Tatemono, Misawa Homes
	5	KOKO HOTEL Mito Station	Ibaraki	136	New build	Lease (fixed + variable rent)	Limited-service	Not disclosed
	6	KOKO HOTEL Residence Ueno Shin-Okachimachi I	Tokyo	52	New build	Lease (fixed + variable rent)	Apartment hotel	Daiwa House Industry
	7	Naha Matsuo Park Apartment Hotel	Okinawa	19	New build	TBD	Apartment hotel	AQUA RESORT
	8	KOKO HOTEL Residence Tokyo Kyobashi	Tokyo	36	New build	Lease (fixed + variable rent)	Apartment hotel	Mizuho Marubeni Leasing
	9	KOKO HOTEL Residence Ueno Shin-Okachimachi II	Tokyo	52	New build	Management contract	Apartment hotel	Star Asia Group (to acquire the property)
	10	KOKO HOTEL Residence Honjo-Azumabashi	Tokyo	45	New build	Lease (fixed + variable rent)	Apartment hotel	Misawa Homes

Note: For lessors/owners, only company names announced in press releases by Polaris or its counterparties are shown (including projects at the basic agreement stage). “Not disclosed” indicates that the name has not been disclosed at the counterparty's request or for other reasons.
Of the hotels scheduled to open, only those that have been publicly announced are listed.

Appendix | List of Upcoming Hotels (As of September 30, 2026)

Opening FY	No.	Hotel Name (Tentative)	Location	Rooms	Scheme	Contract Type	Hotel Type	Lessor / Owner
FY2029/3	1	Nara Sanjo-cho Hotel (Planned New Brand)	Nara	138	New build	Lease (variable rent)	Lifestyle hotel	AQUA RESORT
	2	Naha Kencho-mae Hotel (Planned New Brand)	Okinawa	173	New build	Lease (fixed + variable rent)	Limited-service	AQUA RESORT
	3	KOKO HOTEL Residence Ueno Shin-Okachimachi III	Tokyo	45	New build	Lease (fixed + variable rent)	Apartment hotel	Star Asia Group (to acquire the property)
	4	KOKO HOTEL Takamatsu Kawaramachi Station	Kagawa	165	New build	Lease (fixed + variable rent)	Limited-service	JA Mitsui Leasing Tatemono
	5	KOKO HOTEL SASEBO	Nagasaki	204	New build	Lease (fixed + variable rent)	Limited-service	ITOCHU Property Development, Kraftia
	6	KOKO HOTEL Omori Station	Tokyo	153	New build	Lease (fixed + variable rent)	Limited-service	SMO Development
	7	KOKO HOTEL Residence Ueno Shin-Okachimachi IV	Tokyo	65	New build	Lease (fixed + variable rent)	Apartment hotel	INVALANCE, Marubeni Urban Development
	8	kokonoyu Fuji Gotemba	Shizuoka	153	New build	Lease (fixed + variable rent)	Hot spring hotel	Not disclosed
FY2030/3	1	Hiroshima Inaricho Hotel (Planned New Brand)	Hiroshima	180	New build	Lease (fixed + variable rent)	Lifestyle hotel	GA PARTNERS
	2	KOKO HOTEL Kansai Airport	Osaka	175	New build	Lease (fixed + variable rent)	Limited-service	AQUA RESORT
	3	TBD	Aichi	178	New build	Lease (fixed + variable rent)	Limited-service	ITOCHU Property Development, Daito Kentaku Asset Solution, San Shin Jyuken
FY2031/3	1	TBD	Tokyo	59	New build	Lease (variable rent)	Apartment hotel	Not disclosed

Note: For lessors/owners, only company names announced in press releases by Polaris or its counterparties are shown (including projects at the basic agreement stage). “Not disclosed” indicates that the name has not been disclosed at the counterparty's request or for other reasons.
Of the hotels scheduled to open, only those that have been publicly announced are listed.

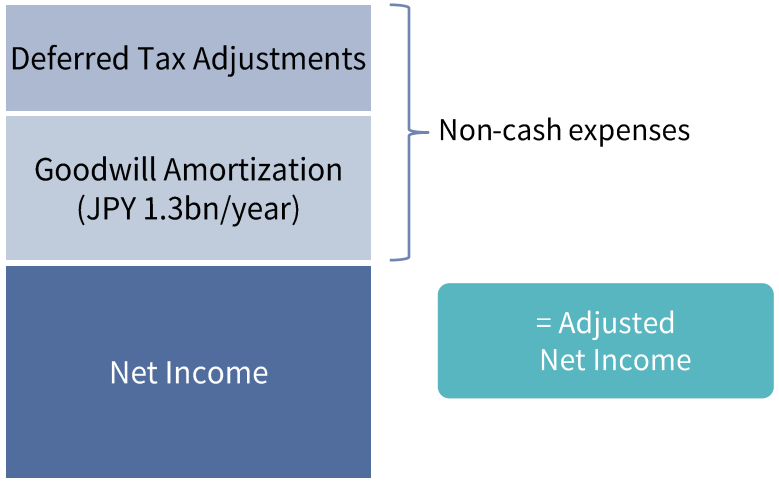
Appendix | Revised Shareholder Return Policy (Announced June 2026)

Based on the strong cash generation capacity of its business model, Polaris changed its dividend policy and enhanced shareholder returns

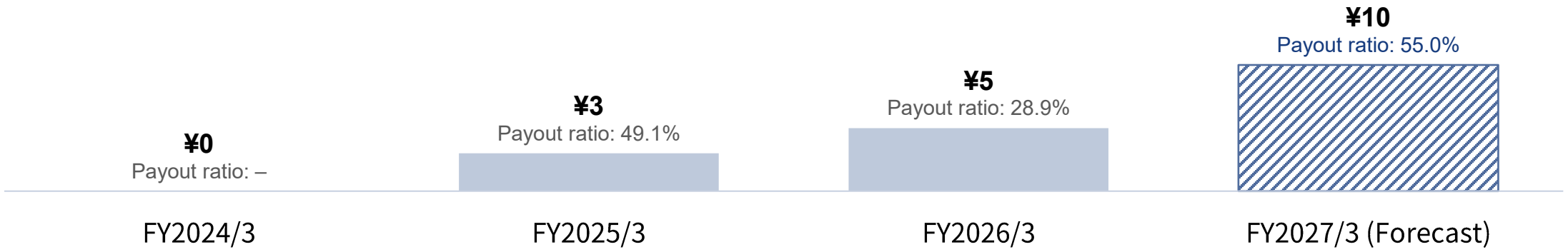
Overview of Dividend Policy Change

	Previous Policy	Revised Policy
Basis for Calculating Dividend Payout Ratio	Net Income	Adjusted Net Income (Net Income + Goodwill Amortization + Deferred Tax Adjustments)
Target Consolidated Dividend Payout Ratio	30% or more	50% or more
Shareholder Return Policy	Maintain and enhance stable, performance-linked dividends	(No change)

Illustration of Adjusted Net Income



Dividends and Payout Ratio (Adjusted Net Income basis; MTP 2030 target: 50% or more)



For background on the deferred tax adjustments and goodwill amortization included in Adjusted Net Income, see P.38 “Tax Loss Carryforwards & Deferred Tax Assets” and P.39 “Goodwill Amortization.”

Appendix | Overview of Shareholder Benefit Program

Hotel discount vouchers usable at domestic hotels operated by the Polaris Group are provided to shareholders holding 500 or more shares

Benefit Value by Number of Shares Held (Hotel Discount Vouchers)

Shares Held	Benefit Value	No. of ¥2,000 Vouchers
500–999 shares	¥2,000	1
1,000–1,999 shares	¥4,000	2
2,000–3,999 shares	¥6,000	3
4,000–4,999 shares	¥8,000	4
5,000–5,999 shares	¥10,000	5
6,000–9,999 shares	¥12,000	6
10,000–49,999 shares	¥40,000	20
50,000–99,999 shares	¥50,000	25
100,000 shares or more	¥60,000	30

Program Highlights

Eligibility
Shareholders holding 500 or more shares as of March 31 each year

Benefit
Hotel discount vouchers (¥2,000 each) usable at domestic hotels operated by the Polaris Group. Multiple vouchers can be used at the same time

Validity and Delivery
Valid until the end of June of the year following issuance. Sent in early July each year

Expanded starting with shareholders as of March 31, 2026
The minimum shareholding was lowered from 3,000 to 500 shares, and the benefit value was increased for some tiers

Not available at some domestic hotels or at overseas hotels. For eligible hotels and terms of use, please refer to the Polaris website (https://www.polaris-holdings.com/ir-kabunushi_yutai/) (Japanese only).

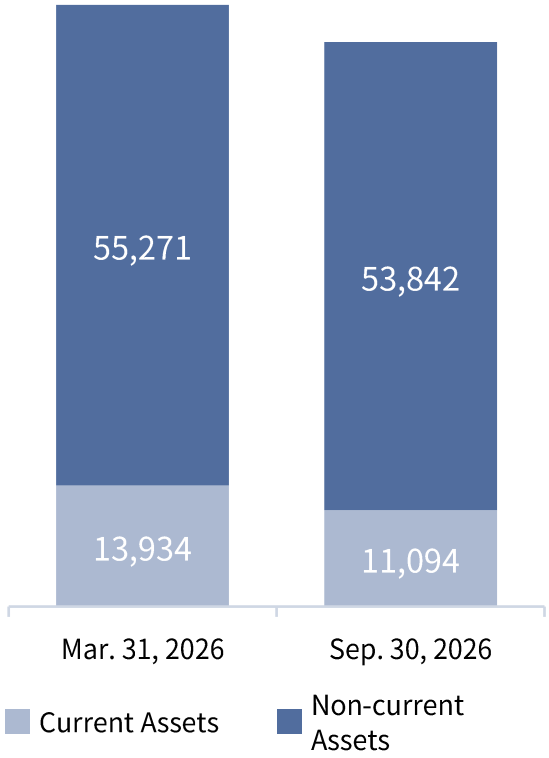
Appendix | Five-Year Financial Data

Fiscal Year		FY2022/3	FY2023/3	FY2024/3	FY2025/3	FY2026/3
Net Sales	JPY thousand	3,712,127	7,017,664	22,545,288	27,881,446	48,469,321
Ordinary Profit	JPY thousand	[1,623,142]	[215,243]	2,608,746	1,893,262	2,896,055
Net Income attributable to Owners of the Parent	JPY thousand	[1,829,816]	534,189	3,297,199	2,610,672	4,596,358
Comprehensive Income	JPY thousand	[1,829,815]	534,190	3,361,789	2,810,851	4,494,133
Net Worth	JPY thousand	192,600	2,910,571	6,884,782	28,329,421	32,155,558
Total Assets	JPY thousand	12,035,678	24,653,218	23,208,107	67,174,815	69,205,013
Net Worth per Share (BPS)	JPY	1.99	24.83	55.46	121.19	137.47
Earnings per Share (EPS)	JPY	[25.98]	4.98	26.86	16.90	19.66
Diluted Earnings per Share (Diluted EPS)	JPY	—	4.91	26.44	16.83	—
Equity Ratio	%	1.5	11.8	29.7	42.2	46.5
Return on Equity (ROE)	%	—	34.6	67.4	14.8	15.2
Cash Flows from Operating Activities	JPY thousand	[7,818,785]	[109,963]	7,739,499	4,285,318	5,805,951
Cash Flows from Investing Activities	JPY thousand	[415,301]	[728,200]	[1,659,113]	[3,876,064]	[2,126,641]
Cash Flows from Financing Activities	JPY thousand	8,798,969	2,185,003	[6,943,207]	4,043,345	[3,704,767]
Cash and Cash Equivalents at End of Period	JPY thousand	2,224,386	3,571,227	2,723,271	7,195,869	7,159,918
Number of Employees	persons	171	358	486	1,109	1,940

Appendix | FY2027/3 2Q Financial Position

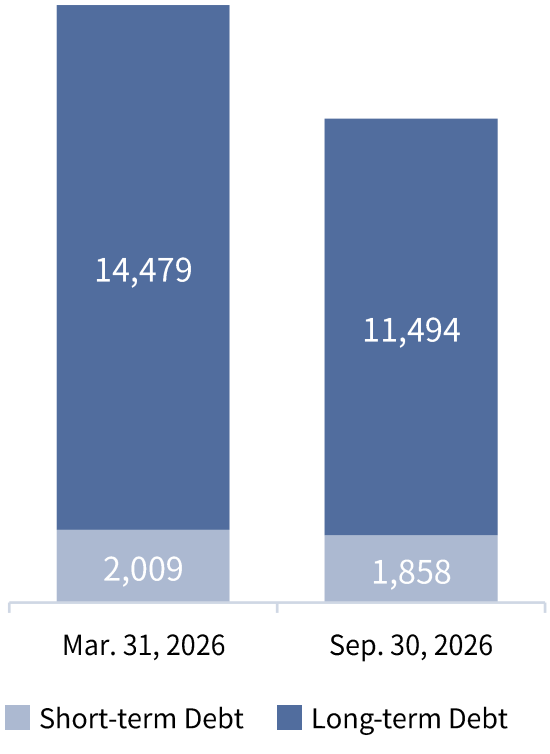
Total Assets

(JPY million)



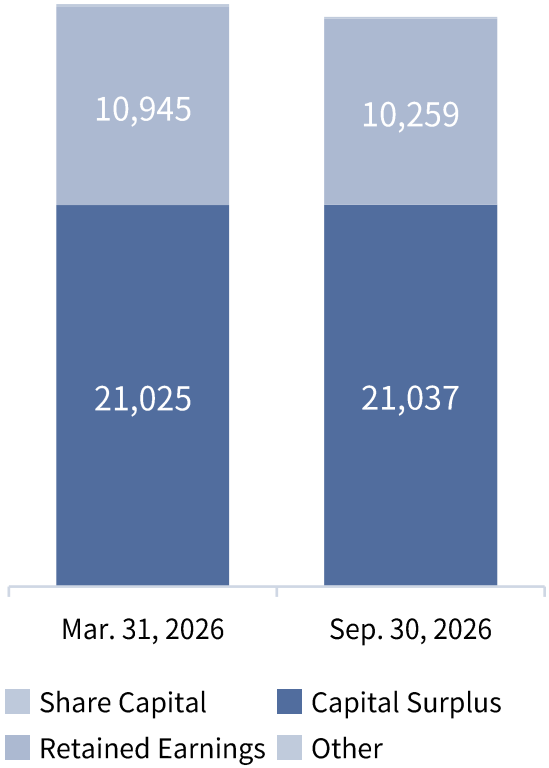
Interest-bearing Debt

(JPY million)



Net Assets

(JPY million)



Equity Ratio

Mar. 31, 2026

46.5%

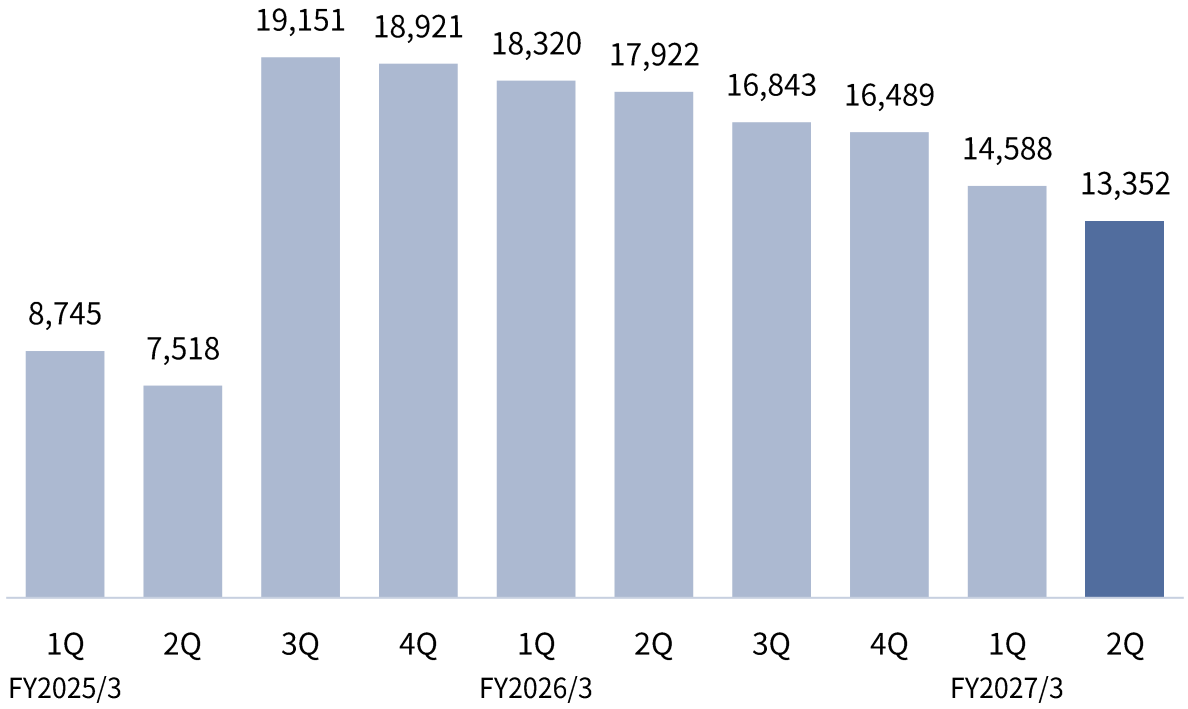
Sep. 30, 2026

48.4%

Note: 1. Excludes lease liabilities. 2. Long-term debt represents debt with maturities of more than one year.

Appendix | Borrowing Status (As of September 30, 2026)

Interest-bearing Debt Balance (Consolidated, JPY million)



Lender	Amount (JPY million)	Share
Syndicated loan	8,747	66%
Japan Finance Corporation	2,255	17%
Shoko Chukin Bank	873	7%
BDO	610	5%
Mizuho Bank	304	2%
Kiraboshi Bank	297	2%
Credit guarantee corporation	153	1%
RCBC	113	1%
Total	**13,352**	**100%**

Note 1: The syndicated loan is provided through a cooperative financing arrangement by seven banks, with Mizuho Bank, Ltd. serving as the arranger. The participating banks are Sumitomo Mitsui Banking Corporation, Kiraboshi Bank, Ltd., Sumitomo Mitsui Trust Bank, Limited, SBI Shinsei Bank, Limited, The Chiba Bank, Ltd., and The Juhachi-Shinwa Bank, Ltd.
Note 2: Interest-bearing debt = short-term borrowings + long-term borrowings (including current portion) + bonds and convertible bonds with share acquisition rights (including current portion) + subordinated loans with equity features. Excludes lease liabilities.

Appendix | Tax Loss Carryforwards & Deferred Tax Assets (Tax Effect Accounting)

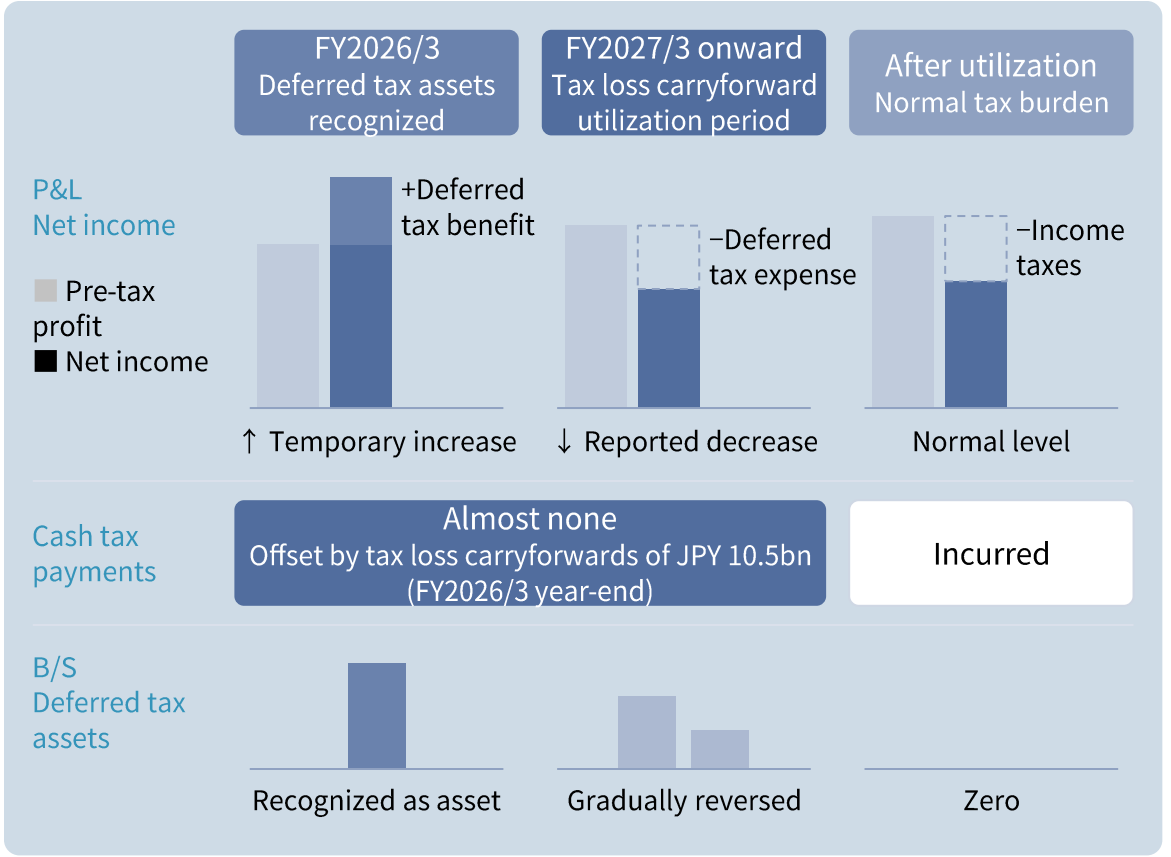
Significant tax loss carryforwards from COVID-era losses are expected to reduce corporate tax payments in the near term

1. As future earnings were assessed as stable, deferred tax assets representing future tax benefits were recognized on the FY2026/3 balance sheet, together with deferred tax benefits on the P&L, temporarily increasing net income.

2. If profits continue from FY2027/3 onward, the deferred tax assets will be reversed and deferred tax expenses recognized, reducing reported net income until the tax loss carryforwards are fully utilized.

3. This accounting treatment is required to reconcile differences between financial and tax accounting and is a factor behind the projected decline in FY2027/3 net income.

4. These are accounting adjustments only, with no cash movement associated with recording deferred tax adjustments.



Note: The above diagrams are for illustrative purposes only and do not represent actual financial figures.

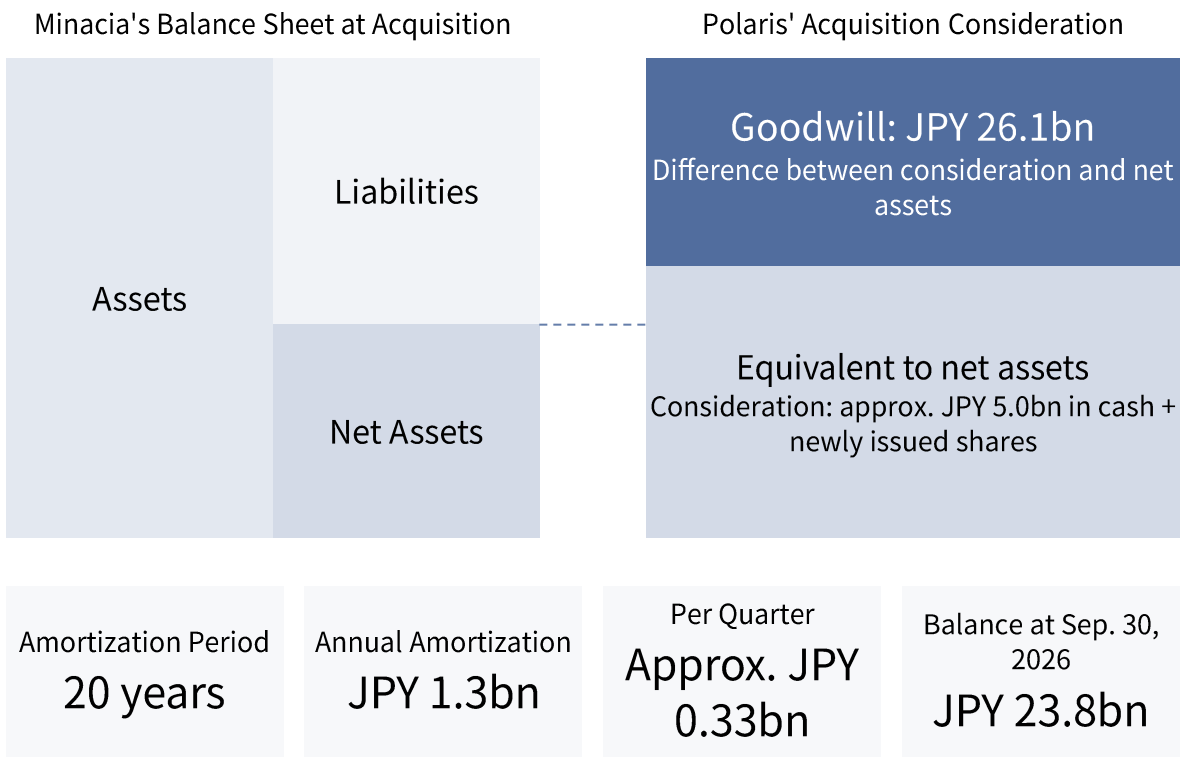
Appendix | Goodwill Amortization

Goodwill of JPY 26.1 billion recognized on the Minacia acquisition is amortized over 20 years, with no cash outflow

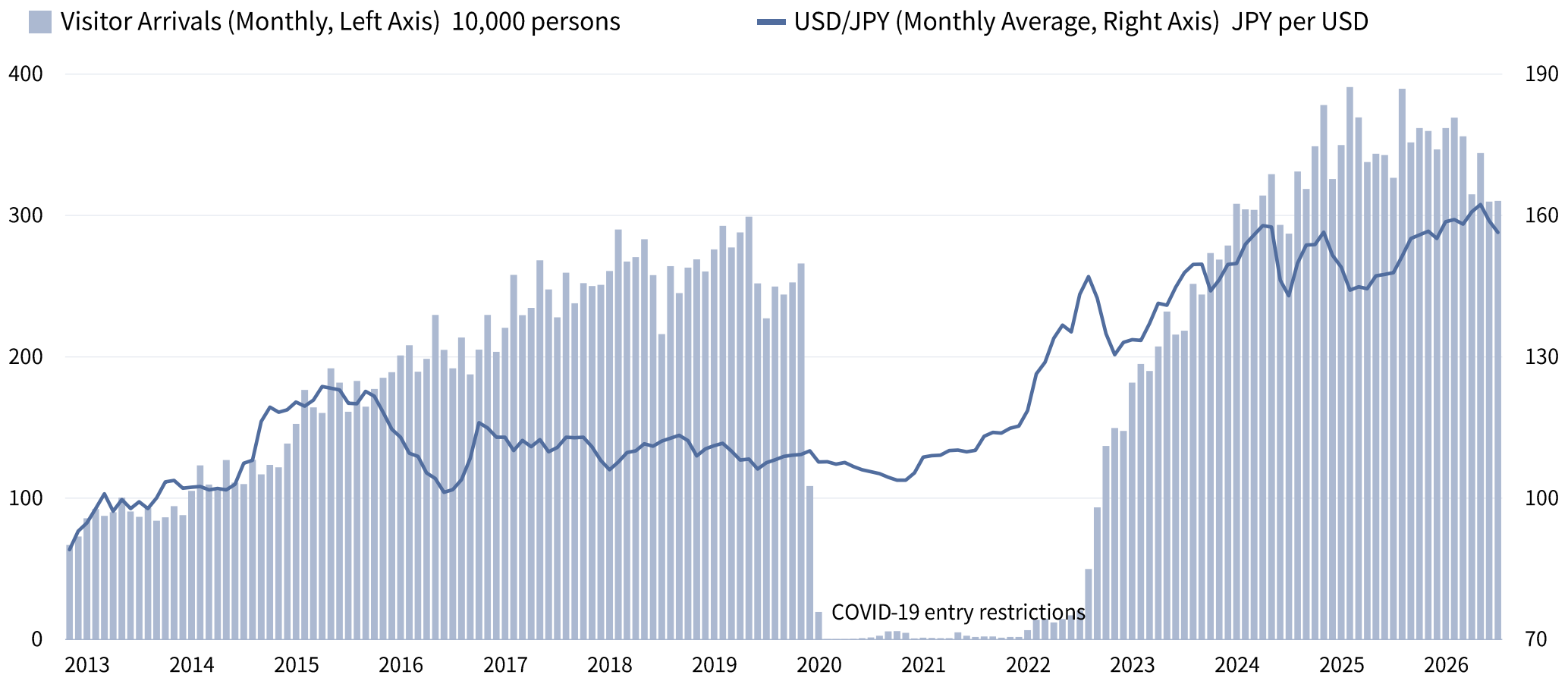
Recognition and Accounting Treatment of Goodwill

- Upon the acquisition of Minacia, the difference between the acquisition consideration and the book value of net assets was recognized as goodwill (an intangible asset)
- Amortization is recorded under SG&A expenses but involves no cash outflow and has no impact on cash flows

Illustration at Acquisition



Appendix | Exchange Rate and Visitor Arrival Trends



Monthly data from January 2013 to September 2026. USD/JPY is the monthly average of the noon buying rates in New York. Visitor arrivals are final figures through 2025, provisional figures for January–July 2026, and estimates for August–September 2026.
Sources: Board of Governors of the Federal Reserve System (H.10); Japan National Tourism Organization (JNTO)

Appendix | Notes on Domestic Hotel KPIs

Item	Definition
Scope of Aggregation	The aggregation includes hotels that were in operation as of April 2025 and continued to operate as of September 30, 2026. KOKO STAY Kumamoto Yatsushiro, which suspended operations due to damage from the 2026 Kumamoto Earthquake, and the four hotels under the “Value The Hotel” brand (social contribution hotels established primarily to support reconstruction following the Great East Japan Earthquake) are excluded from the aggregation.
OCC	Occupancy Rate: The ratio of total rooms sold to total available rooms during the relevant period.
ADR	Average Daily Rate. Calculated by dividing total lodging division revenue (including service charges) by total rooms sold during the relevant period.
RevPAR	Revenue Per Available Room. Calculated by dividing total lodging division revenue by total available rooms during the relevant period.
Inbound Ratio	The ratio of total foreign guests to total guests during the relevant period.
Rounding	OCC and Inbound Ratio are rounded to one decimal place, while ADR and RevPAR are rounded to the nearest whole number.
Notes	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 revised in the future.

For the operating status of domestic hotels, please refer to the Monthly Business Report

https://www.polaris-holdings.com/en/ir/library/ir_performance/

Appendix | Important Notice

- This document is intended solely to provide information about Polaris to shareholders and investors, and does not constitute a solicitation or offer to invest.
- Furthermore, performance forecasts and forward-looking statements contained herein are based on judgments made within a normally foreseeable range, using information reasonably available at the time of preparation, and involve certain risks and uncertainties. Actual results may differ from those forecasted due to changes in the future business environment or the occurrence of special circumstances that cannot normally be foreseen.
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