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FOR IMMEDIATE RELEASE

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 Market
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Hotel Performance (December 2025); Limited Impact on Travel Trends from China

Polaris Holdings Co., Ltd. hereby provides an update on the operating performance of its domestic hotels for December 2025. For historical operating performance, please refer to our website (https://www.polaris-holdings.com/en/ir_performance/).

For the accommodation segment of our domestic hotels, occupancy rates, average daily rate (ADR), revenue per available room (RevPAR), and the inbound guest ratio for all hotels and by region are outlined below. In addition, as in the previous month, we include commentary on the impact of travel trends from China and Hong Kong on our business performance.

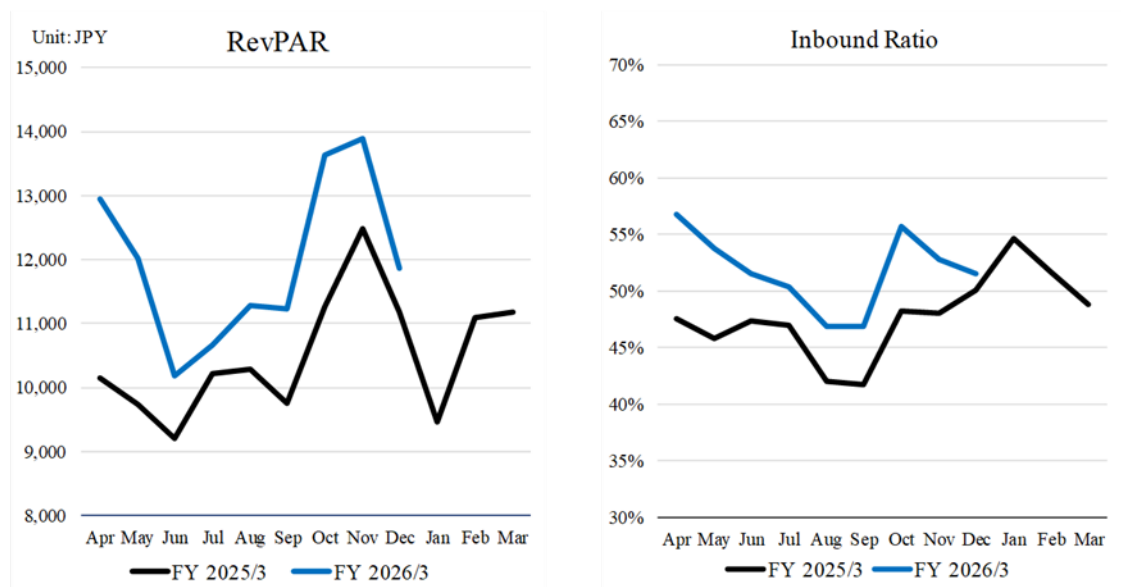
1. All Domestic Hotels

	Current Month Dec 2025	Same Month Last Year Dec 2024	Difference	Growth Rate	Current FY From Apr 2025 To Dec 2025	Previous FY From Apr 2024 To Dec 2024	Difference	Growth Rate
Total 65 Hotels								
OCC	89.8%	87.1%	+2.7%		90.7%	87.6%	+3.1%	
ADR (JPY)	13,217	12,840	+377	+2.9%	13,203	11,957	+1,246	+10.4%
RevPAR (JPY)	11,866	11,181	+685	+6.1%	11,969	10,475	+1,494	+14.3%
Inbound Ratio	51.6%	50.1%	+1.5%		51.8%	46.4%	+5.4%	

2. Overview of Operations

According to statistics from the Japan National Tourism Organization (JNTO), inbound visitors in December 2025 increased 3.7% year on year (YoY) to 3,617,700, marking the highest figure recorded for that month. Supported by stronger travel demand during the Christmas and year-end holiday season, overseas arrivals rose mainly from Asian markets such as South Korea, Malaysia, and Thailand, as well as from Western markets including the United States and Canada.

For the full year 2025, total inbound visitors reached 42,683,600, representing an increase of 15.8% year on year and significantly exceeding the previous year's level of 36,869,900 recorded in 2024. Against this macro backdrop, Polaris Group continued to implement effective revenue management strategies to match shifts in accommodation demand. As a result, RevPAR for all domestic hotels in December increased by 6.1% year on year, while the inbound guest ratio rose by 1.5 percentage points compared with the same month of the previous year. RevPAR in the Kanto and Kinki regions remained broadly in line with the previous year, whereas RevPAR in other regions continued to record double-digit growth year on year.



3. Domestic Hotels by Area

	Current Month Dec 2025	Same Month Last Year Dec 2024	Difference	Growth Rate	Current FY From Apr 2025 To Dec 2025	Previous FY From Apr 2024 To Dec 2024	Difference	Growth Rate
Hokkaido (7 Hotels)								
OCC	93.2%	88.3%	+4.9%		92.3%	89.0%	+3.3%	
ADR (JPY)	10,762	9,004	+1,759	+19.5%	11,400	9,721	+1,679	+17.3%
RevPAR (JPY)	10,036	7,953	+2,083	+26.2%	10,519	8,648	+1,871	+21.6%
Inbound Ratio	51.5%	49.7%	+1.9%		31.1%	26.3%	+4.7%	
Tohoku / Hokuriku Shinetsu (6 Hotels)								
OCC	88.0%	81.9%	+6.1%		90.0%	87.9%	+2.2%	
ADR (JPY)	8,149	7,840	+310	+3.9%	9,596	9,124	+471	+5.2%
RevPAR (JPY)	7,174	6,420	+754	+11.7%	8,639	8,019	+621	+7.7%
Inbound Ratio	26.4%	22.3%	+4.1%		28.0%	22.1%	+5.9%	
Kanto (18 Hotels)								
OCC	95.7%	94.2%	+1.5%		95.9%	94.7%	+1.2%	
ADR (JPY)	20,007	20,468	-461	-2.3%	18,397	17,413	+984	+5.7%
RevPAR (JPY)	19,148	19,289	-141	-0.7%	17,636	16,483	+1,153	+7.0%
Inbound Ratio	69.3%	68.2%	+1.1%		72.9%	67.2%	+5.7%	
Chubu (6 Hotels)								
OCC	87.8%	84.0%	+3.8%		88.0%	79.5%	+8.4%	
ADR (JPY)	10,523	9,682	+841	+8.7%	10,238	8,965	+1,273	+14.2%
RevPAR (JPY)	9,242	8,137	+1,105	+13.6%	9,006	7,129	+1,877	+26.3%
Inbound Ratio	49.8%	45.8%	+4.0%		50.2%	40.6%	+9.6%	
Kinki (14 Hotels)								
OCC	86.3%	87.4%	-1.1%		90.5%	86.6%	+3.9%	
ADR (JPY)	11,496	11,484	+12	+0.1%	13,341	10,815	+2,526	+23.4%
RevPAR (JPY)	9,922	10,043	-121	-1.2%	12,069	9,367	+2,702	+28.9%
Inbound Ratio	50.6%	52.8%	-2.2%		59.1%	55.0%	+4.1%	
Chugoku / Shikoku / Kyusyu (14 Hotels)								
OCC	86.3%	82.8%	+3.5%		86.3%	84.2%	+2.1%	
ADR (JPY)	12,167	11,367	+799	+7.0%	11,572	10,754	+818	+7.6%
RevPAR (JPY)	10,502	9,413	+1,089	+11.6%	9,988	9,054	+934	+10.3%
Inbound Ratio	41.1%	37.8%	+3.3%		41.0%	36.6%	+4.4%	

[Notes]

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.
2. OCC (Occupancy Rate): The ratio of total rooms sold to total available rooms during the relevant period.
3. ADR (Average Daily Rate): Calculated by dividing total lodging division revenue (including service charges) by total rooms sold during the relevant period.
4. PAR (Revenue Per Available Room): Calculated by dividing total lodging division revenue by total available rooms during the relevant period.
5. Inbound Ratio: The ratio of total foreign guests to total guests during the relevant period.
6. OCC, ADR, RevPAR and Inbound Ratio are weighted averages of the aggregated hotels.
7. OCC and Inbound Ratio are rounded to two decimal places, ADR and RevPAR to one decimal place.
8. The number of aggregated hotels included in each area is indicated in parentheses next to the area name.
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. Limited Impact on Travel Trends from China and Hong Kong

Following travel advisories issued after November 15, 2025, by the governments of China and Hong Kong, including requests for their citizens to refrain from traveling to Japan and instructions to travel agencies to suspend group tours, the number of inbound visitors from China in December 2025 declined by 45.3% year on year. However, inbound visitors from Hong Kong actually increased by 1.9% year on year, suggesting no observable adverse impact.

In December, guests from China accounted for 5.5% of total room nights sold at Polaris Group’s domestic hotels, down from 6.9% the previous month. For Hong Kong guests, actual room nights sold increased, from 2.7% to 3.1% indicating no negative impact from travel advisories was observed.

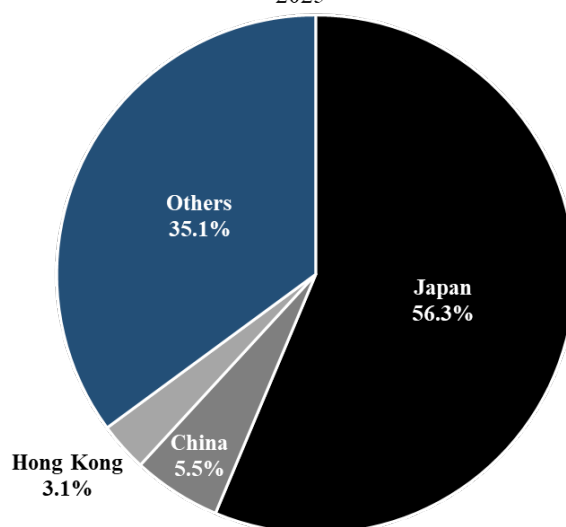
At the same time, the overall inbound guest ratio and RevPAR for Polaris Group in December exceeded the levels recorded in the same month of the previous year, meaning growth in the rest of the world is offsetting the decline in guests from China.

Looking at inbound visitor numbers for full-year 2025 by individual country, a total of 20 markets, including South Korea, Taiwan, the United States, and Australia, recorded their highest annual totals on record. In fact, since March 2025, growth in inbound visitors has been driven primarily by travelers from countries and regions other than China and Hong Kong.

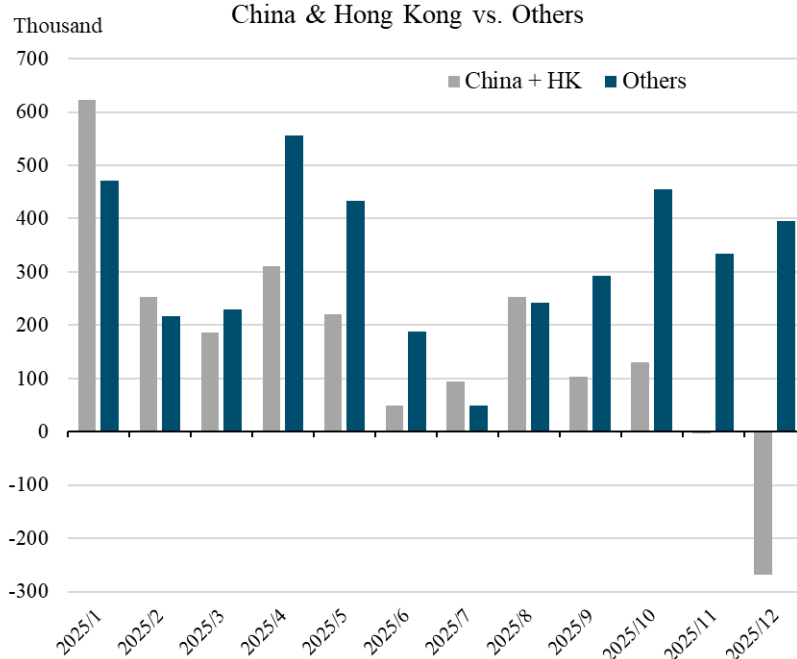
As reservations from domestic guests and travelers from countries and regions other than China remain solid, we believe that the impact on the Group’s consolidated financial results for the current fiscal year remains limited.

Nevertheless, given concerns that travel advisories issued by the Chinese government regarding travel to Japan may be prolonged, we will continue to closely monitor developments in the accommodation market and inbound travel from China. Should any matters material to the Group’s business arise, we will promptly disclose such information.

Room Nights Sold by Nationality: November 2025



Year-on-Year Change in Number of Inbound Visitors
China & Hong Kong vs. Others



Source: Japan National Tourism Organization & Japan Tourism Agency

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/en/ir/index.html>

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.