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FOR IMMEDIATE RELEASE

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Recognizing Income Taxes – Deferred (Profit) and Bad Debts Expenses

Polaris Holdings Co., Ltd. (hereinafter the “Polaris” or the “Company”) announced today that the Company recognized income taxes – deferred (profit) in the non-consolidated and consolidated financial statements and bad debts expenses in the consolidated financial statements for the fiscal year ended March 31, 2024.

1. Recognition of Income Tax – Deferred (Profit) and Bad Debts Expenses

(1) Recognition of Income Tax – Deferred (Profit) in Non-Consolidated and Consolidated Financial Statements

As a result of determining the recoverability of deferred tax assets based on the earning trends for the future fiscal years of the Company and its subsidiaries, the Company recognized the income taxes – deferred (profit), which amounted to JPY 126 million in the non-consolidated financial statements and JPY 303 million in the consolidated financial statements, respectively, for the fiscal year ended March 31, 2024.

(2) Recognition of Bad Debts Expenses

As a result of determining the recoverability of advances recognized in the Red Planet Hotels operating companies in the Philippines, advances were fully written off because they are unlikely to be collected. The Company recognized JPY 47 million as bad debts expenses in the consolidated financial statements for the fiscal year ended March 31, 2024.

2. Impact on Earnings

The impact of recognizing income tax – deferred on earnings and bad debts expenses is reflected in the “Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (Under Japanese GAAP)” announced today.