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November 13, 2025

Consolidated Financial Results for the Six Months Ended September 30, 2025 (Under Japanese GAAP)

Company name: Polaris Holdings Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 3010
 URL: <https://www.polaris-holdings.com/en/>
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Scheduled date to file semi-annual securities report: November 14, 2025

Scheduled date to commence dividend payments: -

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: None

(Amounts are rounded off to the nearest million yen.)

1. Consolidated financial results for the six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2025	22,988	122.7	1,940	55.8	1,353	40.7	1,096	23.2
September 30, 2024	10,321	(26.9)	1,245	(52.5)	962	(55.9)	890	(65.2)

Note: Comprehensive income For the six months ended September 30, 2025: ¥935 million [(16.0)%]
 For the six months ended September 30, 2024: ¥1,113 million [(60.2)%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2025	4.69	-
September 30, 2024	7.07	7.00

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
September 30, 2025	66,524	28,597	43.0
March 31, 2025	67,175	28,329	42.2

Reference: Equity

As of September 30, 2025: ¥28,597 million

As of March 31, 2025: ¥28,329 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	-	0.00	-	3.00	3.00
Fiscal year ending March 31, 2026	-	0.00			
Fiscal year ending March 31, 2026 (Forecast)			-	4.00	4.00

Note: Revisions to the forecast of cash dividends most recently announced: Yes

3. Consolidated Financial Forecast for the Year Ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	46,600	67.1	3,600	28.4	2,500	32.0	2,600	(0.4)	11.12

Note: Revisions to the consolidated financial forecast most recently announced: Yes

*** Notes**

(1) Significant changes in the scope of consolidation during the period: None

(2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2025	233,914,680 shares
As of March 31, 2025	233,754,680 shares

(ii) Number of treasury shares at the end of the period

As of September 30, 2025	1,754 shares
As of March 31, 2025	1,674 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2025	233,787,945 shares
Six months ended September 30, 2024	125,876,523 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

The earnings forecasts and other forward-looking statements herein are based on information currently available to the Company and certain assumptions deemed reasonable as of the date of publication of this document. Actual results may differ significantly from these forecasts due to a wide range of factors.

1. Overview of Business Results

(1) Overview of Operating Results

The following is a summary of Polaris Group's operating results for the second quarter of the consolidated fiscal year ending March 31, 2026.

Unit: JPY Million	FY3 / 2025 2Q	FY3 / 2026 2Q	Change (%)
Net sales	10,321	22,988	122.7%
Operating Income	1,245	1,940	55.8%
Ordinary Income	962	1,353	40.7%
Profit attributable to owners of parent	890	1,096	23.2%

In the hotel industry, which is the core business of our group, overall demand for accommodation remained solid during the six-month period under review, supported by the continued increase in the number of inbound visitors to Japan and other positive factors such as the EXPO 2025 Osaka, Kansai. Certain areas however did experience a decline in sales during the summer due to a decrease in inbound guests from countries such as South Korea and Hong Kong following rumors of an impending earthquake that was to hit Japan.

According to the Accommodation Travel Statistics Survey published by the Japan Tourism Agency, the total number of overnight stays by foreign visitors between April and September 2025 was 88.11 million, representing a 7.8% increase year on year. In addition, the Japan National Tourism Organization reported that the number of inbound visitors to Japan between January and September 2025 increased by 18% year on year, indicating the trend remains intact towards achieving 40 million visitors for the full year.

With this environment as a background, the Group's consolidated business results for the six-month period ended September 30, 2025 were as follows: net sales of JPY 22,988 million, operating income of JPY 1,940 million, ordinary income of JPY 1,353 million, and profit attributable to owners of parent of JPY 1,096 million. In addition to the firm hotel market as noted above, the management integration with Minacia Co., Ltd. in December of the previous fiscal year resulted in a significant increase in both revenue and profit compared to the corresponding period of the previous year.

By segment, the Hotel Operation Business reported net sales of JPY 22,978 million and operating income of JPY 2,429 million with new hotel openings contributing to the improvement of overall performance. During the six-month period, the Group opened seven hotels: KOKO HOTEL Numazu Inter and KOKO HOTEL Numazu Ekimae (Numazu City, Shizuoka Prefecture) in April; KOKO HOTEL Osaka Namba Sennichimae (Chuo-ku, Osaka City) in May; Hotel Futari Komorebi (Ito City, Shizuoka Prefecture) in July; KOKO HOTEL Tokyo Nishikasai (Edogawa-ku, Tokyo) and KOKO HOTEL Yokohama Tsurumi (Tsurumi-ku, Yokohama City, Kanagawa Prefecture) in August; and yugen kyoto shijo (Shimogyo-ku, Kyoto City, Kyoto Prefecture) in September.

The Hotel Investment Business recorded net sales of JPY 10 million and operating income of JPY 10 million. In May 2025, the Group jointly invested, together with its sponsor, the Star Asia Group, in the newly constructed KOKO HOTEL Osaka Namba Sennichimae property, which the Company also began operating during the period.

(2) Overview of Financial Condition

① Financial Position

Total assets amounted to JPY 66,524 million, representing a decrease of JPY 651 million from the end of the previous consolidated fiscal year. The primary reason for the lower number was a decrease of JPY 774 million in buildings and structures (net) and a decrease of JPY 652 million in goodwill. There was also an increase of JPY 650 million in right-of-use assets (net), and an increase of JPY 181 million in accounts receivable, among other factors.

Total liabilities stood at JPY 37,927 million, a decrease of JPY 918 million compared to the end of the previous consolidated fiscal year.

The reduction was primarily driven by a decline of JPY 999 million in long-term borrowings (including current portion) and a decrease of JPY 132 million in accounts payable, among other factors.

Total net assets amounted to JPY 28,597 million, an increase of JPY 267 million from the end of the previous consolidated fiscal year. The principal driver for the increase was a JPY 395 million jump in retained earnings, mainly due to the recording of profit attributable to owners of parent for the period. There was a decrease, JPY 161 million, in foreign currency translation adjustment, among other factors.

② Cash Flows

Cash and cash equivalents at the end of the six-month period under review amounted to JPY 7,147 million, a decrease of JPY 49 million from the end of the previous consolidated fiscal year.

(Cash flows from operating activities)

Net cash provided by operating activities was JPY 2,565 million (compared to net cash provided of JPY 2,294 million in the same period of the previous fiscal year).

The main factors behind the increase were, profit before income taxes of JPY 1,353 million, depreciation of JPY 867 million, and amortization of goodwill of JPY 652 million. The main decreasing factors were interest payments of JPY 642 million and an increase in accounts receivable of JPY 196 million, among others.

(Cash flows from investing activities)

Net cash used in investing activities was JPY 692 million (compared to net cash used of JPY 657 million in the same period of the previous fiscal year). The purchasing of investment securities for JPY 500 million as well as the purchase of property, plant and equipment for JPY 104 million were the two largest factors behind the changes.

(Cash flows from financing activities)

Net cash used in financing activities was JPY 1,900 million (compared to net cash used of JPY 921 million in the same period of the previous fiscal year). The repayment of long-term borrowings for JPY 913 million and dividend payments of JPY 700 million, among other factors, were the main reasons for the year on year changes.

The Group manages its capital resources and liquidity by taking into account its business environment and operating conditions, while closely monitoring future cash flow trends.

Should funding needs arise, the Group plans to secure funds primarily through borrowings from financial institutions and other sources.

(3) Explanation Regarding Forward-Looking Statements, Including Consolidated Earnings Forecasts

Based on the progress of business performance during the six-month period under review, the Company has revised the consolidated earnings forecast announced on May 14, 2025.

For further details, please refer to the “Polaris Revises Upward Consolidated Financial Forecast and Dividend Forecast for the Fiscal Year Ending March 31, 2026” disclosed today.

2. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	7,514,013	7,424,005
Accounts receivable - trade	3,815,875	3,996,506
Raw materials and supplies	211,570	200,971
Other	1,573,771	1,604,345
Allowance for doubtful accounts	(13,402)	(5,716)
Total current assets	13,101,826	13,220,112
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	10,806,124	10,031,896
Land	510,860	494,677
Leased assets, net	7,735,138	7,424,677
Right-of-use assets, net	2,026,457	2,676,950
Construction in progress	45,810	59,361
Other	688,300	621,143
Total property, plant and equipment	21,812,688	21,308,704
Intangible assets		
Goodwill	25,750,263	25,098,357
Other	86,190	76,924
Total intangible assets	25,836,453	25,175,281
Investments and other assets		
Investment securities	2,415	512,004
Leasehold and guarantee deposits	2,543,431	2,617,697
Other	3,878,002	3,689,703
Total investments and other assets	6,423,848	6,819,404
Total non-current assets	54,072,989	53,303,389
Total assets	67,174,815	66,523,501

(Thousands of yen)

	As of March 31, 2025	As of September 30, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	486,270	354,022
Current portion of long-term borrowings	1,690,887	1,532,140
Accounts payable - other	2,804,949	2,862,200
Income taxes payable	84,745	61,810
Provision for shareholder benefit program	—	12,150
Provision for bonuses	109,223	74,740
Other	3,053,179	3,120,727
Total current liabilities	8,229,253	8,017,790
Non-current liabilities		
Long-term borrowings	15,429,788	14,589,850
Subordinated capital loans	1,800,000	1,800,000
Lease liabilities	12,155,112	12,606,971
Retirement benefit liability	53,022	51,951
Asset retirement obligations	227,677	227,677
Other	950,542	632,680
Total non-current liabilities	30,616,141	29,909,129
Total liabilities	38,845,394	37,926,918
Net assets		
Shareholders' equity		
Share capital	10,000	26,640
Capital surplus	21,007,884	21,024,524
Retained earnings	7,049,615	7,444,379
Treasury shares	(2,992)	(3,009)
Total shareholders' equity	28,064,507	28,492,534
Accumulated other comprehensive income		
Foreign currency translation adjustment	264,914	104,049
Total accumulated other comprehensive income	264,914	104,049
Total net assets	28,329,421	28,596,583
Total liabilities and net assets	67,174,815	66,523,501

(2) Quarterly Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
(Quarterly Consolidated Statements of Income)

(Thousands of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Net sales	10,320,873	22,987,734
Cost of sales	413,380	912,196
Gross profit	9,907,493	22,075,538
Selling, general and administrative expenses	8,662,033	20,135,195
Operating profit	1,245,460	1,940,343
Non-operating income		
Interest income	12,106	11,871
Subsidy income	2,639	200
Foreign exchange gains	2,214	3,131
Insurance claim income	—	30,897
Other	1,271	19,921
Total non-operating income	18,230	66,019
Non-operating expenses		
Interest expenses	296,561	619,637
Commission expenses	1,977	3,830
Other	2,882	29,452
Total non-operating expenses	301,421	652,919
Ordinary profit	962,270	1,353,443
Profit before income taxes	962,270	1,353,443
Income taxes – current	42,495	75,131
Income taxes – deferred	30,231	182,288
Total income taxes	72,726	257,420
Profit	889,543	1,096,023
Profit attributable to owners of parent	889,543	1,096,023

(Quarterly Consolidated Statements of Comprehensive Income)

(Thousands of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Profit	889,543	1,096,023
Other comprehensive income		
Foreign currency translation adjustment	223,547	(160,865)
Total other comprehensive income	223,547	(160,865)
Comprehensive income	1,113,091	935,158
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,113,091	935,158

(3) Quarterly Consolidated Statements of Cash Flows

(Thousands of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Cash flows from operating activities		
Profit before income taxes	962,270	1,353,443
Depreciation	457,595	867,406
Amortization of goodwill	—	651,905
Increase (decrease) in allowance for doubtful accounts	—	(6,984)
Increase (decrease) in provision for shareholder benefit program	62,800	12,150
Increase (decrease) in retirement benefit liability	748	1,155
Increase (decrease) in provision for bonuses	69,750	(34,483)
Interest and dividend income	(12,106)	(11,871)
Interest expenses	296,561	619,637
Commission expenses	1,977	3,830
Decrease (increase) in trade receivables	(264,197)	(195,629)
Decrease (increase) in inventories	13,094	6,667
Increase (decrease) in trade payables	(6,008)	(111,825)
Increase (decrease) in accounts payable - other	(156,083)	57,813
Increase (decrease) in advances received	(15,986)	(60,818)
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	(84,866)	(132,370)
Decrease (increase) in prepaid expenses	64,017	(17,720)
Decrease (increase) in advances paid	628,911	70,361
Increase (decrease) in accrued expenses	102,450	(38,738)
Other, net	22,316	261,851
Subtotal	2,143,241	3,295,781
Interest and dividends received	8,612	8,292
Interest paid	(303,339)	(641,954)
Income taxes paid	(6,403)	(96,628)
Income taxes refund	451,511	—
Net cash provided by (used in) operating activities	2,293,622	2,565,490
Cash flows from investing activities		
Purchase of property, plant and equipment	(303,451)	(103,740)
Purchase of intangible assets	(40,942)	(1,613)
Payments of leasehold and guarantee deposits	—	(89,902)
Proceeds from refund of leasehold and guarantee deposits	9,489	5,918
Expenditure for acquiring capital investment	(500,000)	—
Purchase of investment securities	—	(500,000)
Other, net	178,310	(2,593)
Net cash provided by (used in) investing activities	(656,594)	(691,931)
Cash flows from financing activities		
Repayments of short-term borrowings	(476,600)	—
Proceeds from long-term borrowings	1,500,000	—
Repayments of long-term borrowings	(2,224,944)	(913,005)
Proceeds from issuance of shares resulting from exercise of share acquisition rights	326,809	—
Repayments of lease liabilities	(45,911)	(287,220)
Dividends paid	—	(699,966)
Other, net	—	(17)
Net cash provided by (used in) financing activities	(920,647)	(1,900,209)
Effect of exchange rate change on cash and cash equivalents	18,240	(22,345)
Net increase (decrease) in cash and cash equivalents	734,622	(48,994)
Cash and cash equivalents at beginning of period	2,723,271	7,195,869
Cash and cash equivalents at end of period	3,457,894	7,146,874