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May 13, 2026

Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (Under Japanese GAAP)

Company name:	Polaris Holdings Co., Ltd.		
Listing:	Tokyo Stock Exchange		
Securities code:	3010		
URL:	https://www.polaris-holdings.com/en/		
Representative:	Yohei TAGUCHI, President & CEO		
Inquiries:	Satoshi HOSONO, Director & CFO		
Telephone:	+81-3-5822-3010		
Date of general shareholders' meeting (as planned)	June 25, 2026	Dividend payable date (as planned)	June 26, 2026
Annual securities report filing date (as planned)	June 24, 2026		
Supplemental material of annual results:	Yes	Convening briefing of annual results:	None

(Yen amounts are rounded to millions, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended March 31, 2026 (from April 1, 2025, to March 31, 2026)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

Fiscal Year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	48,469	73.8	4,042	44.1	2,896	53.0	4,596	76.1
March 31, 2025	27,881	23.7	2,804	(17.1)	1,893	(27.4)	2,611	(20.8)

Note: Comprehensive income For the fiscal year ended March 31, 2026: ¥4,494 million [59.9 %]
For the fiscal year ended March 31, 2025: ¥2,811 million [(16.4) %]

Fiscal Year ended	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
March 31, 2026	19.66	—	15.2	4.2	8.3
March 31, 2025	16.90	16.83	14.8	4.2	10.1

(2) Consolidated financial position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2026	69,205	32,156	46.5	137.47
March 31, 2025	67,175	28,329	42.2	121.19

Reference: Equity

As of March 31, 2026: ¥32,156 million
As of March 31, 2025: ¥28,329 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal Year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2026	5,806	(2,127)	(3,705)	7,160
March 31, 2025	4,285	(3,876)	4,043	7,196

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2025	—	0.00	—	3.00	3.00	701	17.7	3.4
Fiscal year ended March 31, 2026	—	0.00	—	5.00	5.00	1,170	25.4	3.9
Fiscal year ending March 31, 2027 (Forecast)	—	0.00	—	5.00	5.00		73.1	

3. Consolidated Financial Forecast for the Year Ending March 31, 2027 (from April 1, 2026, to March 31, 2027)

(Percentages indicate year-over-year changes for the full fiscal year)

	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
Fiscal year ending March 31, 2027	54,500	12.4	4,200	3.9	3,000	3.6	1,600	(65.2)	6.84

*Notes

- (1) Significant changes in the scope of consolidation during the period: None
- (2) 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

(3) Number of issued shares (common shares)

(i) Number of issued and outstanding shares at the end of fiscal year (including treasury stock)

As of March 31, 2026	233,914,680 shares
As of March 31, 2025	233,754,680 shares

(ii) Number of treasury stock at the end of fiscal year

As of March 31, 2026	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)

Year ended March 31, 2026	233,850,264 shares
Year ended March 31, 2025	154,443,974 shares

* Review of the Japanese-language originals of the attached consolidated financial statements by certified public accountants or an audit firm: None

* 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.

Attachments

1. Overview of Operating Results and Financial Condition

(1) Overview of Operating Results for the Fiscal Year

During the current consolidated fiscal year (April 1, 2025, to March 31, 2026), the Japanese economy continued to recover moderately, supported by improvements in employment and income conditions and expansion in inbound demand. However, the outlook remains uncertain due to rising prices, the depreciation of the yen, travel advisories regarding Japan issued by the Chinese government since November 2025, and increasing geopolitical risks, including tensions in the Middle East.

In the hotel and tourism industry, inbound demand continued to drive accommodation demand against the backdrop of an increase in the number of international visitors to Japan and a recovery in domestic travel demand, resulting in continued solid performance. According to statistics published by the Japan National Tourism Organization, the number of international visitors to Japan in March reached a record high for a single month and remained at a high level. In addition, the number of visitors from countries and regions other than China continued to increase, and the total number of overnight stays by international guests also showed an upward trend. On the other hand, concerns remained regarding the impact on inbound demand in certain regions due to factors such as travel restraint requests issued by the Chinese government and heightened tensions in the Middle East.

Under these circumstances, the Group promoted expansion of its business scale and strengthening of its operational structure through the management integration with Minacia Co., Ltd. implemented in December 2024. In addition, the Group opened eight new hotels, including “KOKO HOTEL Osaka Namba Sennichimae” (Osaka), “Hotel Futari Komorebi” (Ito, Shizuoka), and “yugen kyoto shijo” (Kyoto). The Group also advanced rebranding toward integration under the “KOKO HOTELS” brand and further expanded its hotel management platform.

As a result, net sales amounted to 48,469 million yen (up 73.8% year-on-year), operating income was 4,042 million yen (up 44.1% year-on-year), ordinary income was 2,896 million yen (up 53.0% year-on-year), and net income attributable to owners of parent was 4,596 million yen (up 76.1% year-on-year).

This was mainly attributable to the continued solid performance of the hotel market, the expansion of business scale due to the management integration with Minacia Co., Ltd. and the commencement of operations at newly opened hotels, as well as steady performance in room occupancy rates and average daily rate (ADR). In addition, net income attributable to owners of parent increased significantly due to the recognition of deferred tax assets related to tax loss carryforwards, resulting in the recording of income taxes – deferred (benefit) of 1,857 million yen.

Segment results were as follows.

- Hotel Operations Business

The Hotel Operations Business recorded net sales of 48,435 million yen and operating income of 5,099 million yen.

The Group continues to expand its hotel management platform through the commencement of operations at eight new hotels, including:

- April 2025: “KOKO HOTEL Numazu Inter” and “KOKO HOTEL Numazu Ekimae”
- May 2025: “KOKO HOTEL Osaka Namba Sennichimae”
- July 2025: “Hotel Futari Komorebi”
- August 2025: “KOKO HOTEL Tokyo Nishi-Kasai” and “KOKO HOTEL Yokohama Tsurumi”
- September 2025: “yugen kyoto shijo”
- February 2026: “Compass Hotel Nagoya”

- Hotel Investment Business

The Hotel Investment Business recorded net sales of 35 million yen and operating income of 35 million yen.

“KOKO HOTEL Osaka Namba Sennichimae,” a newly constructed hotel for which the Group commenced operations, is a property jointly invested in with its sponsor, Star Asia Group, in May 2025, and its operations have been stable.

(2) Overview of Financial Position

- Assets

Current assets as of the end of the current consolidated fiscal year amounted to 13,934 million yen, an increase of 832 million yen compared with the end of the previous fiscal year. This was mainly due to an increase of 684 million yen in accounts receivable.

Non-current assets amounted to 55,271 million yen, an increase of 1,198 million yen compared with the end of the previous fiscal year. This was mainly due to an increase of 3,302 million yen in investments and other assets.

As a result, total assets amounted to 69,205 million yen, an increase of 2,030 million yen compared with the end of the previous fiscal year.

- Liabilities

Current liabilities as of the end of the current consolidated fiscal year amounted to 9,171 million yen, an increase of 942 million yen compared with the end of the previous fiscal year. This was mainly due to increases of 434 million yen in accrued expenses and 398 million yen in accounts payable.

Non-current liabilities amounted to 27,878 million yen, a decrease of 2,738 million yen compared with the end of the previous fiscal year. This was mainly due to a decrease of 2,751 million yen in long-term borrowings.

As a result, total liabilities amounted to 37,049 million yen, a decrease of 1,796 million yen compared with the end of the previous fiscal year.

- Net Assets

Total net assets as of the end of the current consolidated fiscal year amounted to 32,156 million yen, an increase of 3,826 million yen compared with the end of the previous fiscal year. This was mainly due to net income attributable to owners of parent of 4,596 million yen and dividends of 701 million yen.

As a result, the equity ratio was 46.5% (42.2% as of the end of the previous fiscal year).

(3) Overview of Cash Flows

Cash and cash equivalents (hereinafter referred to as “cash”) as of the end of the current consolidated fiscal year decreased by 35 million yen compared with the end of the previous fiscal year to 7,160 million yen.

The status of each cash flow and the main factors are as follows.

- Operating Activities

Net cash provided by operating activities amounted to 5,806 million yen (up 35.5% year-on-year). This was mainly due to profit before income taxes of 2,840 million yen, depreciation of 1,748 million yen, and interest expenses of 1,186 million yen.

- Investing Activities

Net cash used in investing activities amounted to 2,127 million yen (down 45.1% year-on-year). This was mainly due to payments for the purchase of investment securities of 1,500 million yen and payments for the acquisition of property, plant and equipment of 531 million yen.

- Financing Activities

Net cash used in financing activities amounted to 3,705 million yen (compared with net cash provided of 4,043 million yen in the previous fiscal year). This was mainly due to repayments of long-term borrowings of 2,376 million yen and lease liabilities of 629 million yen.

(4) Outlook

While continued expansion of inbound demand and recovery in domestic travel demand are expected, the outlook remains uncertain due to concerns over the impact of increasing geopolitical risks on the domestic economy and inbound demand.

Under these circumstances, the Group will continue to promote the further expansion of its hotel management platform to achieve the new medium-term management plan announced today.

(Millions of yen)

	Current fiscal year (FY2026/3)	Next fiscal year (FY2027/3)	Change
Net sales	48,469	54,500	12.4%
Operating income	4,042	4,200	3.9%
Ordinary income	2,896	3,000	3.6%
Net income attributable to owners of parent	4,596	1,600	(65.2%)

Reference: Earnings Forecast Adjusted for Goodwill Amortization and Income Tax Adjustments

Following the acquisition of Minacia Co., Ltd. as a subsidiary in December 2024, the Company issued new shares and recognizes approximately 1.3 billion yen in annual goodwill amortization in its consolidated financial statements. Accordingly, the Company places importance on profit figures before deduction of goodwill amortization, as indicators of the substantive earnings power of the Group as a whole.

In addition, in FY2026/3, net income increased significantly due to the recording of income taxes – deferred (benefit). In contrast, for the FY2027/3 forecast, net income is expected to decrease due to the recording of income taxes – deferred (expense) associated with the reversal of deferred tax assets. Excluding these factors, the substantive profit figures at each level and their rates of change are as follows.

(Millions of yen)

	Current fiscal year (FY2026/3)	Next fiscal year (FY2027/3)	Change
Net sales	48,469	54,500	12.4%
Operating income	5,346	5,504	3.0%
Ordinary income	4,200	4,304	2.5%
Net income attributable to owners of parent	4,043	4,253	5.2%
Goodwill amortization	1,304	1,304	—
Income taxes – deferred	1,857	(1,349)	—

2. Basic Approach to the Selection of Accounting Standards

The Group prepares its consolidated financial statements in accordance with Japanese GAAP, taking into account comparability of the consolidated financial statements over time and among companies.

Regarding the adoption of IFRS, the Group will continue to consider its application, taking into account various factors including domestic and international developments, international comparability, improved convenience, and requests from investors.

3. Consolidated Financial Statements and Key Notes

(1) Consolidated Balance Sheet

(Thousands of yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	7,514,013	7,515,563
Accounts receivable - trade	3,815,875	4,500,265
Raw materials and supplies	211,570	247,077
Other	1,573,771	1,704,142
Allowance for doubtful accounts	(13,402)	(32,815)
Total current assets	13,101,826	13,934,232
Non-current assets		
Property, plant and equipment		
Buildings and structures	17,276,041	17,131,273
Accumulated depreciation	(6,469,917)	(6,977,051)
Buildings and structures, net	10,806,124	10,154,222
Machinery, equipment and vehicles	538,880	533,359
Accumulated depreciation	(438,533)	(441,475)
Machinery, equipment and vehicles, net	100,347	91,884
Tools, furniture and fixtures	2,396,013	2,415,091
Accumulated depreciation	(1,808,059)	(1,934,675)
Tools, furniture and fixtures, net	587,954	480,416
Land	510,860	502,292
Leased assets	11,430,160	11,430,160
Accumulated depreciation	(3,695,022)	(4,313,362)
Leased assets, net	7,735,138	7,116,798
Right-of-use assets	3,036,568	3,831,344
Accumulated depreciation	(1,010,111)	(1,166,148)
Right-of-use assets, net	2,026,457	2,665,196
Construction in progress	45,810	22,313
Total property, plant and equipment	21,812,688	21,033,121
Intangible assets		
Software	49,359	47,945
Goodwill	25,750,263	24,446,452
Other	36,831	17,517
Total intangible assets	25,836,453	24,511,915
Investments and other assets		
Investment securities	2,415	1,537,210
Long-term prepaid expenses	256,808	259,913
Leasehold and guarantee deposits	2,543,431	2,627,585
Deferred tax assets	3,070,022	4,785,124
Other	551,172	515,913
Total investments and other assets	6,423,848	9,725,745
Total non-current assets	54,072,989	55,270,781
Total assets	67,174,815	69,205,013

(Thousands of yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Accounts payable - trade	486,270	428,329
Current portion of long-term borrowings	1,690,887	2,009,274
Lease liabilities	755,349	704,766
Accounts payable - other	2,804,949	3,202,580
Accrued expenses	1,720,229	2,154,472
Income taxes payable	84,745	76,095
Provision for bonuses	109,223	178,577
Provision for shareholder benefit program	—	27,700
Other	577,601	389,158
Total current liabilities	8,229,253	9,170,951
Non-current liabilities		
Long-term borrowings	15,429,788	12,679,284
Subordinated capital loans	1,800,000	1,800,000
Lease liabilities	12,155,112	12,367,233
Deferred tax liabilities	123,523	—
Retirement benefit liability	53,022	55,863
Asset retirement obligations	227,677	260,668
Other	827,019	715,456
Total non-current liabilities	30,616,141	27,878,504
Total liabilities	38,845,394	37,049,455
Net assets		
Shareholders' equity		
Share capital	10,000	26,640
Capital surplus	21,007,884	21,024,524
Retained earnings	7,049,615	10,944,714
Treasury shares	(2,992)	(3,009)
Total shareholders' equity	28,064,507	31,992,869
Accumulated other comprehensive income		
Foreign currency translation adjustment	264,914	162,689
Total accumulated other comprehensive income	264,914	162,689
Total net assets	28,329,421	32,155,558
Total liabilities and net assets	67,174,815	69,205,013

(2) Consolidated Statement of Income and Comprehensive Income

Consolidated Statement of Income

(Thousands of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net sales	27,881,446	48,469,321
Cost of sales	1,062,838	1,939,215
Gross profit	26,818,607	46,530,106
Selling, general and administrative expenses	24,014,512	42,488,056
Operating income	2,804,095	4,042,050
Non-operating income		
Interest income	23,581	27,524
Subsidy income	7,153	1,880
Foreign exchange gains	3,680	36,404
Insurance claim income	—	30,897
Other	11,335	48,527
Total non-operating income	45,748	145,232
Non-operating expenses		
Interest expenses	718,326	1,185,906
Commission expenses	212,294	6,322
Other	25,961	99,000
Total non-operating expenses	956,581	1,291,227
Ordinary income	1,893,262	2,896,055
Extraordinary income		
Cancellation income	—	90,932
Total extraordinary income	—	90,932
Extraordinary losses		
Loss on retirement of non-current assets	—	17,151
Impairment losses	3,889	118,457
Loss on store closings	—	11,600
Total extraordinary losses	3,889	147,208
Profit before income taxes	1,889,373	2,839,779
Income taxes - current	59,085	100,107
Income taxes - deferred	(780,384)	(1,856,686)
Total income taxes	(721,299)	(1,756,579)
Profit	2,610,672	4,596,358
Profit attributable to owners of parent	2,610,672	4,596,358

Consolidated Statement of Comprehensive Income

(Thousands of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Profit	2,610,672	4,596,358
Other comprehensive income		
Foreign currency translation adjustment	200,179	(102,225)
Total other comprehensive income	200,179	(102,225)
Comprehensive income	2,810,851	4,494,133
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,810,851	4,494,133

(3) Consolidated Statement of Changes in Equity

For the previous consolidated fiscal year (April 1, 2024 to March 31, 2025)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	65,571	2,317,803	4,438,943	(2,992)	6,819,325
Changes during period					
Issuance of new shares - exercise of share acquisition rights	163,765	163,765			327,531
Capital reduction	(219,336)	219,336			—
Increase by share exchanges		18,306,980			18,306,980
Profit (loss) attributable to owners of parent			2,610,672		2,610,672
Net changes in items other than shareholders' equity					
Total changes during period	(55,571)	18,690,081	2,610,672	—	21,245,182
Balance at end of period	10,000	21,007,884	7,049,615	(2,992)	28,064,507

	Accumulated other comprehensive income		Share acquisition rights	Total net assets
	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	64,735	64,735	722	6,884,782
Changes during period				
Issuance of new shares - exercise of share acquisition rights			(722)	326,809
Capital reduction				—
Increase by share exchanges				18,306,980
Profit (loss) attributable to owners of parent				2,610,672
Net changes in items other than shareholders' equity	200,179	200,179		200,179
Total changes during period	200,179	200,179	(722)	21,444,639
Balance at end of period	264,914	264,914	—	28,329,421

For the current consolidated fiscal year (April 1, 2025 to March 31, 2026)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	10,000	21,007,884	7,049,615	(2,992)	28,064,507
Changes during period					
Dividends of surplus			(701,259)		(701,259)
Profit (loss) attributable to owners of parent			4,596,358		4,596,358
Purchase of treasury shares				(17)	(17)
Restricted Stock Unit	16,640	16,640			33,280
Net changes in items other than shareholders' equity					
Total changes during period	16,640	16,640	3,895,099	(17)	3,928,362
Balance at end of period	26,640	21,024,524	10,944,714	(3,009)	31,992,869

	Accumulated other comprehensive income		Total net assets
	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	264,914	264,914	28,329,421
Changes during period			
Dividends of surplus			(701,259)
Profit (loss) attributable to owners of parent			4,596,358
Purchase of treasury shares			(17)
Restricted Stock Unit			33,280
Net changes in items other than shareholders' equity	(102,225)	(102,225)	(102,225)
Total changes during period	(102,225)	(102,225)	3,826,137
Balance at end of period	162,689	162,689	32,155,558

(4) Consolidated Statement of Cash Flows

(Thousands of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit before income taxes	1,889,373	2,839,779
Depreciation	1,145,598	1,747,829
Impairment losses	3,889	118,457
Loss on retirement of non-current assets	—	17,931
Amortization of goodwill	325,953	1,303,811
Increase (decrease) in allowance for doubtful accounts	6,399	19,459
Increase (decrease) in provision for shareholder benefit program	(6,235)	27,700
Increase (decrease) in retirement benefit liability	9,234	4,005
Interest and dividend income	(23,581)	(27,524)
Interest expenses	718,326	1,185,906
Decrease (increase) in trade receivables	(720,501)	(686,920)
Decrease (increase) in inventories	(13,025)	(37,082)
Increase (decrease) in trade payables	43,074	(46,726)
Increase (decrease) in accounts payable - other	197,772	397,634
Decrease (increase) in advances paid	711,726	47,364
Decrease (increase) in consumption taxes refund receivable	45,701	(319)
Other, net	334,241	190,959
Subtotal	4,667,944	7,102,261
Interest and dividends received	16,725	20,287
Interest paid	(831,945)	(1,208,406)
Income taxes paid	(18,976)	(108,191)
Income taxes refund	451,571	—
Net cash provided by (used in) operating activities	4,285,318	5,805,951
Cash flows from investing activities		
Purchase of property, plant and equipment	(480,437)	(531,320)
Payments of leasehold and guarantee deposits	(21,584)	(122,095)
Proceeds from refund of leasehold and guarantee deposits	5,243	38,991
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(3,423,620)	—
Purchase of investment securities	—	(1,500,000)
Payments for purchases of long-term loans receivable	(74,825)	—
Other, net	119,159	(12,217)
Net cash provided by (used in) investing activities	(3,876,064)	(2,126,641)
Cash flows from financing activities		
Repayments of short-term borrowings	(4,808,315)	—
Proceeds from long-term borrowings	14,555,000	—
Repayments of long-term borrowings	(5,769,368)	(2,375,558)
Proceeds from issuance of shares resulting from exercise of share acquisition rights	326,809	—
Repayments of lease liabilities	(260,781)	(628,749)
Dividends paid	—	(700,444)
Other, net	—	(17)
Net cash provided by (used in) financing activities	4,043,345	(3,704,767)
Effect of exchange rate change on cash and cash equivalents	19,998	(10,493)
Net increase (decrease) in cash and cash equivalents	4,472,597	(35,950)
Cash and cash equivalents at beginning of period	2,723,271	7,195,869
Cash and cash equivalents at end of period	7,195,869	7,159,918