

May 13, 2026

FOR IMMEDIATE RELEASE

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Polaris Reports FY2026 Results Above Latest Forecast; Recognizes Deferred Tax Assets

Polaris Holdings Co., Ltd. (“Polaris”) recognized deferred tax assets related to tax loss carryforwards for the fiscal year ended March 31, 2026. As the amount of deferred income taxes recorded differed from the estimate announced on March 25, 2026, differences arose between the consolidated earnings forecast and actual results for the fiscal year ended March 31, 2026.

1. Recognition of Deferred Tax Assets

In prior years, Polaris Group incurred tax loss carryforwards mainly due to the impact of the COVID-19 pandemic. In view of the recent improvement in performance and future business plans, Polaris carefully reassessed the recoverability of deferred tax assets (DTAs) and decided to recognize deferred tax assets related to such tax loss carryforwards.

With respect to the estimated deferred income taxes announced on March 25, 2026, Polaris had adopted a conservative approach in light of the deterioration in Japan–China relations, heightened tensions in the Middle East, and the resulting uncertainty regarding future economic conditions. Following detailed tax calculations and further examination in connection with the finalization of its fiscal year-end results, Polaris ultimately recorded deferred income taxes of JPY 1,857 million.

2. Difference Between Forecast and Actual Results

Difference Between Consolidated Earnings Forecast and Actual Results for the Fiscal Year Ended March 31, 2026 (April 1, 2025 – March 31, 2026)

(Unit: JPY million, except per share data)

	Net Sales	Operating Profit	Ordinary Profit	Profit Attributable to Owners of Parent	Earnings per Share (JPY)
Previous Forecast (A) Announced on March 25, 2026	47,000	3,700	2,600	4,000	17.10
Actual Results (B)	48,469	4,042	2,896	4,596	19.66

Change (B – A)	1,469	342	296	596	2.55
Change (%)	3.1%	9.2%	11.4%	14.9%	—
Reference: Previous Fiscal Year Results	27,881	2,804	1,893	2,611	16.90

3. Reasons for the Difference

For the fiscal year ended March 31, 2026, Polaris achieved significant year-on-year increases in both revenue and profit, driven by continued strength in the hotel market and the effects of the business integration with Minacia Co., Ltd. completed in December 2024, including the commencement of operations at eight new hotels.

According to data published by the Japan National Tourism Organization (JNTO), the number of international visitors to Japan reached an all-time monthly high in March 2026, while cumulative visitor arrivals for the January–March period exceeded 10 million for the second consecutive year. Although the number of visitors from China declined, guest demand from other countries and regions continued to increase, supporting solid occupancy rates and strong ADRs across Polaris Group’s hotel portfolio, resulting in revenue and profit exceeding the revised forecast announced on March 25, 2026.

In addition, with respect to profit attributable to owners of parent, Polaris reassessed the recoverability of deferred tax assets in light of its strong business performance in recent years and determined that future reductions in corporate tax expenses are expected through the utilization of tax loss carryforwards generated during the COVID-19 pandemic. Accordingly, Polaris recognized deferred tax assets of JPY 4,785 million for the fiscal year ended March 31, 2026.

As a result of the recognition of deferred tax assets, Polaris recorded deferred income taxes of JPY 1,856 million, resulting in profit attributable to owners of parent exceeding profit before income taxes by a significant margin.

Reference: Difference Between Earnings Forecast and Actual Results Excluding Goodwill Amortization

Following the acquisition of Minacia Co., Ltd. as a subsidiary in December 2024, Polaris issued new shares and recorded annual goodwill amortization of approximately JPY 1.3 billion in its consolidated financial statements. Accordingly, Polaris places importance on earnings and earnings per share before goodwill amortization as indicators of the Group’s underlying profitability.

The results before goodwill amortization are as follows:

(Unit: JPY million, except per share data)

	Net Sales	Operating Profit	Ordinary Profit	Profit Attributable to Owners of Parent	Earnings per Share (JPY)
Previous Forecast (A) Announced on March 25, 2026	47,000	5,004	3,904	5,304	22.68
Actual Results (B)	48,469	5,346	4,200	5,900	25.23

Change (B - A)	1,469	342	296	596	2.55
Change (%)	3.1%	6.8%	7.6%	11.2%	—
Reference: Previous Fiscal Year Results	27,881	3,130	2,219	2,937	19.01

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.