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August 12, 2021

Consolidated Financial Results for the Three Months Ended June 30, 2021 (Under Japanese GAAP)

Company name: Polaris Holdings Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 3010
 URL: <https://www.polaris-holdings.com>
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 Scheduled date to file quarterly securities report: August 13, 2021
 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on quarterly financial results: None
 Holding of quarterly financial results briefing: None

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

1. Consolidated financial results for the three months ended June 30, 2021 (from April 1, 2021 to June 30, 2021)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended								
June 30, 2021	764	104.7	(427)	-	(447)	-	(461)	-
June 30, 2020	373	(73.8)	(500)	-	(509)	-	(591)	-

Note: Comprehensive income For the three months ended June 30, 2021: ¥(461) million [-%]
 For the three months ended June 30, 2020: ¥(591) million [-%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended		
June 30, 2021	(7.81)	-
June 30, 2020	(11.02)	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of			
June 30, 2021	8,116	(1,245)	(15.4)
March 31, 2021	4,997	(784)	(15.8)

Reference: Equity
 As of June 30, 2021: ¥(1,249) million
 As of March 31, 2021: ¥(788) 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, 2021	-	0.00	-	0.00	0.00
Fiscal year ending March 31, 2022	-				
Fiscal year ending March 31, 2022 (Forecast)		0.00	-	0.00	0.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

Given the current situation regarding COVID-19 and the potential impact on the Group's business activities for the fiscal year ending March 31, 2022, it is difficult to reasonably estimate consolidated earnings forecasts at this time. As a result, the Group has made the decision to not disclose earnings forecasts at this time. An announcement will be made as soon as disclosure of earnings forecasts can be made.

*** Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation):None

Newly included: - companies

Excluded: - companies

(2) Adoption of accounting treatment specific to the preparation of quarterly 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: Yes

(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 June 30, 2021	59,018,889 shares
As of March 31, 2021	59,018,889 shares

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

As of June 30, 2021	1,625 shares
As of March 31, 2021	1,625 shares

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

Three months ended June 30, 2021	59,017,264 shares
Three months ended June 30, 2020	53,639,216 shares

* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

Given the current situation regarding COVID-19 and the potential impact on the Group's business activities for the fiscal year ending March 31, 2022, it is difficult to reasonably estimate consolidated earnings forecasts at this time. As a result, the Group has made the decision to not disclose earnings forecasts at this time. An announcement will be made as soon as disclosure of earnings forecasts can be made.

Quarterly Consolidated Financial Statements

1) Quarterly Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2021	As of June 30, 2021
Assets		
Current assets		
Cash and deposits	1,839,505	1,587,078
Notes and accounts receivable - trade	334,446	291,250
Real estate for sale	39,123	2,799,821
Raw materials and supplies	22,337	18,252
Other	279,556	597,678
Allowance for doubtful accounts	△255	△341
Total current assets	2,514,713	5,293,738
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	463,366	458,361
Land	248,123	248,123
Other, net	494,840	477,040
Total property, plant and equipment	1,206,330	1,183,525
Intangible assets		
Other	15,150	14,001
Total intangible assets	15,150	14,001
Investments and other assets		
Investment securities	17,009	211,846
Beneficial interests in real estate trust	642,048	634,304
Leasehold and guarantee deposits	582,243	735,217
Other	20,232	43,771
Allowance for doubtful accounts	△872	—
Total investments and other assets	1,260,660	1,625,138
Total non-current assets	2,482,140	2,822,664
Total assets	4,996,853	8,116,402

(Thousands of yen)

	As of March 31, 2021	As of June 30, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	282	218
Short-term borrowings	693,600	930,914
Current portion of long-term borrowings	367,160	403,340
Income taxes payable	22,062	6,133
Provision for shareholder benefit program	6,400	6,400
Other	783,053	723,303
Total current liabilities	1,872,556	2,070,309
Non-current liabilities		
Convertible-bond-type bonds with share acquisition rights	900,000	900,000
Long-term borrowings	1,628,879	3,999,620
Subordinated capital loans	950,000	950,000
Long-term deposits received	—	1,030,000
Retirement benefit liability	7,279	7,056
Asset retirement obligations	165,628	165,999
Other	256,944	238,555
Total non-current liabilities	3,908,730	7,291,230
Total liabilities	5,781,286	9,361,538
Net assets		
Shareholders' equity		
Share capital	429,830	429,830
Capital surplus	763,411	763,411
Retained earnings	△1,978,571	△2,439,273
Treasury shares	△2,988	△2,988
Total shareholders' equity	△788,318	△1,249,020
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	142	141
Total accumulated other comprehensive income	142	141
Share acquisition rights	3,742	3,742
Total net assets	△784,433	△1,245,136
Total liabilities and net assets	4,996,853	8,116,402

2) Quarterly Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
(Quarterly Consolidated Statements of Income)
(For the First Three Months Ended June 30, 2021)

(Thousands of yen)

	Three months ended June 30, 2020	Three months ended June 30, 2021
Net sales	373,177	763,893
Cost of sales	51,239	43,036
Gross profit	321,937	720,857
Selling, general and administrative expenses	822,145	1,147,620
Operating loss	△500,208	△426,762
Non-operating income		
Interest income	1,254	2
Subsidy income	8,290	8,980
Foreign exchange gains	22	—
Other	1,052	17
Total non-operating income	10,618	8,999
Non-operating expenses		
Interest expenses	18,608	24,068
Other	1,212	5,062
Total non-operating expenses	19,820	29,130
Ordinary loss	△509,409	△446,894
Extraordinary losses		
Loss on sale of non-current assets	7,070	—
Loss on valuation of investment securities	—	9,161
Impairment losses	44,126	—
Loss on store closings	29,533	—
Total extraordinary losses	80,729	9,161
Loss before income taxes	△590,138	△456,055
Income taxes - current	1,075	4,648
Total income taxes	1,075	4,648
Loss	△591,213	△460,702
Loss attributable to owners of parent	△591,213	△460,702

(Quarterly Consolidated Statements of Comprehensive Income)
(For the First Three Months Ended June 30, 2021)

(Thousands of yen)

	Three months ended June 30, 2020	Three months ended June 30, 2021
Loss	△591,213	△460,702
Other comprehensive income		
Valuation difference on available-for-sale securities	13	△1
Total other comprehensive income	13	△1
Comprehensive income	△591,200	△460,703
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	△591,200	△460,703