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February 10, 2022

Consolidated Financial Results for the Nine Months Ended December 31, 2021 (Under Japanese GAAP)

Company name: Polaris Holdings Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 3010
 URL: <https://www.polaris-holdings.com/en/>
 Representative: Atsuo Umeki, President & CEO
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 Scheduled date to file quarterly securities report: February 14, 2022
 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 nine months ended December 31, 2021 (from April 1, 2021 to December 31, 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	%
Nine months ended								
December 31, 2021	2,800	29.7	(1,005)	-	(1,252)	-	(1,348)	-
December 31, 2020	2,159	(52.4)	(1,057)	-	(1,110)	-	(1,212)	-

Note: Comprehensive income For the nine months ended December 31, 2021: ¥(1,348) million [-%]
 For the nine months ended December 31, 2020: ¥(1,212) million [-%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended		
December 31, 2021	(21.23)	-
December 31, 2020	(22.13)	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of			
December 31, 2021	12,032	674	5.5
March 31, 2021	4,997	(784)	(15.8)

Reference: Equity
 As of December 31, 2021: ¥663 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	-	0.00	-		
Fiscal year ending March 31, 2022 (Forecast)				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
- (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 December 31, 2021	91,576,389 shares
As of March 31, 2021	59,018,889 shares

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

As of December 31, 2021	1,674 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)

Nine months ended December 31, 2021	63,516,098 shares
Nine months ended December 31, 2020	54,789,430 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

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Quarterly Consolidated Financial Statements

1) Quarterly Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2021	As of December 31, 2021
Assets		
Current assets		
Cash and deposits	1,839,505	2,486,549
Notes and accounts receivable - trade	334,446	417,429
Real estate for sale	39,123	5,967,979
Raw materials and supplies	22,337	20,259
Other	279,556	361,342
Allowance for doubtful accounts	△255	△64
Total current assets	2,514,713	9,253,494
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	463,366	450,442
Land	248,123	248,123
Other, net	494,840	442,272
Total property, plant and equipment	1,206,330	1,140,838
Intangible assets		
Other	15,150	19,679
Total intangible assets	15,150	19,679
Investments and other assets		
Investment securities	17,009	210,005
Beneficial interests in real estate trust	642,048	618,816
Leasehold and guarantee deposits	582,243	730,529
Other	20,232	58,772
Allowance for doubtful accounts	△872	-
Total investments and other assets	1,260,660	1,618,123
Total non-current assets	2,482,140	2,778,640
Total assets	4,996,853	12,032,134

(Thousands of yen)

	As of March 31, 2021	As of December 31, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	282	329
Short-term borrowings	693,600	812,700
Current portion of long-term borrowings	367,160	342,240
Income taxes payable	22,062	23,616
Provision for shareholder benefit program	6,400	19,600
Other	783,053	687,752
Total current liabilities	1,872,556	1,886,237
Non-current liabilities		
Convertible-bond-type bonds with share acquisition rights	900,000	900,000
Long-term borrowings	1,628,879	6,196,550
Subordinated capital loans	950,000	950,000
Long-term deposits received	—	1,039,940
Retirement benefit liability	7,279	7,430
Asset retirement obligations	165,628	166,746
Other	256,944	211,186
Total non-current liabilities	3,908,730	9,471,851
Total liabilities	5,781,286	11,358,089
Net assets		
Shareholders' equity		
Share capital	429,830	1,829,803
Capital surplus	763,411	2,163,383
Retained earnings	△1,978,571	△3,326,945
Treasury shares	△2,988	△2,992
Total shareholders' equity	△788,318	663,249
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	142	146
Total accumulated other comprehensive income	142	146
Share acquisition rights	3,742	10,650
Total net assets	△784,433	674,045
Total liabilities and net assets	4,996,853	12,032,134

2) Quarterly Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
(Quarterly Consolidated Statements of Income)
(For the nine months ended December 31, 2021)

(Thousands of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Net sales	2,158,526	2,799,683
Cost of sales	237,564	202,813
Gross profit	1,920,962	2,596,871
Selling, general and administrative expenses	2,978,201	3,602,160
Operating loss	△1,057,239	△1,005,289
Non-operating income		
Interest income	1,261	11
Dividend income	2	3
Subsidy income	49,127	29,943
Other	1,916	888
Total non-operating income	52,306	30,845
Non-operating expenses		
Interest expenses	57,583	91,008
Share issuance costs	—	152,793
Bond issuance costs	29,634	—
Commission expenses	13,830	27,273
Other	4,202	6,808
Total non-operating expenses	105,249	277,882
Ordinary loss	△1,110,183	△1,252,326
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	35,776	78,275
Total extraordinary losses	86,972	87,436
Loss before income taxes	△1,197,154	△1,339,762
Income taxes - current	15,254	8,612
Total income taxes	15,254	8,612
Loss	△1,212,409	△1,348,374
Loss attributable to owners of parent	△1,212,409	△1,348,374

(Quarterly Consolidated Statements of Comprehensive Income)
(For the nine months ended December 31, 2021)

(Thousands of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Loss	△1,212,409	△1,348,374
Other comprehensive income		
Valuation difference on available-for-sale securities	43	4
Total other comprehensive income	43	4
Comprehensive income	△1,212,365	△1,348,371
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	△1,212,365	△1,348,371