

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

August 10, 2022

Consolidated Financial Results for the Three Months Ended June 30, 2022 (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
 Inquiries: Satoshi Hosono, CFO
 Telephone: +81-3-5822-3010
 Scheduled date to file quarterly securities report: August 12, 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 three months ended June 30, 2022 (from April 1, 2022 to June 30, 2022)

(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, 2022	1,192	56.1	(58)	-	(107)	-	(120)	-
June 30, 2021	764	104.7	(427)	-	(447)	-	(461)	-

Note: Comprehensive income For the three months ended June 30, 2022: ¥(120) million [-%]
 For the three months ended June 30, 2021: ¥(461) million [-%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended		
June 30, 2022	(1.30)	-
June 30, 2021	(7.81)	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of			
June 30, 2022	13,030	973	7.4
March 31, 2022	12,036	193	1.5

Reference: Equity
 As of June 30, 2022: ¥964 million
 As of March 31, 2022: ¥182 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, 2022	-	0.00	-	0.00	0.00
Fiscal year ending March 31, 2023	-				
Fiscal year ending March 31, 2023 (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, 2023 (from April 1, 2022 to March 31, 2023)

Given the current situation regarding COVID-19 and the potential impact on the Group's business activities for the fiscal year ending March 31, 2023, 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 June 30, 2022	102,041,589 shares
As of March 31, 2022	91,576,389 shares

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

As of June 30, 2022	1,674 shares
As of March 31, 2022	1,674 shares

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

Three months ended June 30, 2022	92,494,732 shares
Three months ended June 30, 2021	59,017,264 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, 2023, 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, 2022	As of June 30, 2022
Assets		
Current assets		
Cash and deposits	2,404,386	3,275,871
Accounts receivable - trade	616,258	762,395
Real estate for sale	5,953,143	5,932,817
Raw materials and supplies	16,487	19,794
Other	372,384	371,158
Allowance for doubtful accounts	△75	△75
Total current assets	9,362,583	10,361,960
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	434,568	429,753
Land	248,123	248,123
Other, net	348,361	333,813
Total property, plant and equipment	1,031,052	1,011,689
Intangible assets		
Other	6,863	5,877
Total intangible assets	6,863	5,877
Investments and other assets		
Investment securities	210,001	209,989
Beneficial interests in real estate trust	611,072	603,328
Leasehold and guarantee deposits	755,908	781,908
Other	58,200	54,822
Total investments and other assets	1,635,181	1,650,048
Total non-current assets	2,673,095	2,667,613
Total assets	12,035,678	13,029,573

(Thousands of yen)

	As of March 31, 2022	As of June 30, 2022
Liabilities		
Current liabilities		
Short-term borrowings	1,099,400	786,100
Current portion of long-term borrowings	364,860	381,234
Income taxes payable	29,916	19,736
Provision for shareholder benefit program	3,400	3,400
Other	689,676	1,020,728
Total current liabilities	2,187,253	2,211,197
Non-current liabilities		
Convertible-bond-type bonds with share acquisition rights	900,000	900,000
Long-term borrowings	6,391,845	6,593,386
Subordinated capital loans	950,000	950,000
Long-term deposits received	1,039,940	1,039,847
Retirement benefit liability	9,070	9,388
Asset retirement obligations	167,119	167,493
Other	197,852	185,690
Total non-current liabilities	9,655,825	9,845,803
Total liabilities	11,843,078	12,057,000
Net assets		
Shareholders' equity		
Share capital	1,829,803	2,280,800
Capital surplus	2,163,383	2,614,381
Retained earnings	△3,808,387	△3,928,413
Treasury shares	△2,992	△2,992
Total shareholders' equity	181,807	963,776
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	143	135
Total accumulated other comprehensive income	143	135
Share acquisition rights	10,650	8,662
Total net assets	192,600	972,573
Total liabilities and net assets	12,035,678	13,029,573

2) Quarterly Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
(Quarterly Consolidated Statements of Income)
(For the three months ended June 30, 2022)

(Thousands of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Net sales	763,893	1,192,320
Cost of sales	43,036	93,262
Gross profit	720,857	1,099,059
Selling, general and administrative expenses	1,147,620	1,157,056
Operating loss	△426,762	△57,997
Non-operating income		
Interest income	2	2
Subsidy income	8,980	5,038
Other	17	251
Total non-operating income	8,999	5,291
Non-operating expenses		
Interest expenses	24,068	46,489
Other	5,062	7,398
Total non-operating expenses	29,130	53,887
Ordinary loss	△446,894	△106,593
Extraordinary losses		
Loss on valuation of investment securities	9,161	—
Total extraordinary losses	9,161	—
Loss before income taxes	△456,055	△106,593
Income taxes - current	4,648	13,433
Total income taxes	4,648	13,433
Loss	△460,702	△120,026
Loss attributable to owners of parent	△460,702	△120,026

(Quarterly Consolidated Statements of Comprehensive Income)
(For the three months ended June 30, 2022)

(Thousands of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Loss	△460,702	△120,026
Other comprehensive income		
Valuation difference on available-for-sale securities	△1	△8
Total other comprehensive income	△1	△8
Comprehensive income	△460,703	△120,035
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	△460,703	△120,035