

FOR IMMEDIATE RELEASE

Company Name: Polaris Holdings Co., Ltd.
 Representative: Takahiro Tsujikawa
 President & CEO
 Stock Listing: Tokyo Stock Exchange, Standard Section
 Stock Code: 3010
 Inquiries: Takashi Handa
 Director & CFO
 (TEL: 03-5822-3010)

**Upward Revision of Consolidated Financial Forecast for the Year Ending March 31, 2024
 and Recognition of Extraordinary Income**

Polaris Holdings Co., Ltd. (hereinafter the “Polaris” or the “Company”) announced today that based on recent strong business performance trends and the future business outlook, the Company has decided to revise upward the consolidated financial forecast for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024).

1. Consolidated Financial Forecast

Consolidated Financial Forecast for the Fiscal Year Ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

(JPY million)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share
Previous forecast (A)	21,000	2,726	2,134	1,780	JPY 14.56
Revised forecast (B)	22,100	3,070	2,340	2,670	JPY 21.75
Change (B-A)	1,100	344	206	890	
Change %	5.2%	12.6%	9.7%	50.0%	
Ref: FY2023/3	7,018	3	△215	534	JPY 4.98

2. Background

Compared to the previous forecast, the Company has an upward revision across the board including Net sales, Operating profit, Ordinary profit, and Profit attributable to owners of parent. This revision is mainly due to Polaris Group’s hotel operating business, surpassing the anticipated results since the last forecast announcement. The outlook for the second half of the year remains strong due to the opening of new hotels as well as the positive performance momentum observed in the first half of the fiscal year at the existing hotels under management. Furthermore, the impact on consolidated financial results from the opportunistic acquisition of Red Planet Hotels Manila Corporation completed on October 2, 2023 was not included in the previously announced forecast and is now reflected in the revised

forecast. Red Planet Hotels Manila Corporation is currently finalizing the development and upcoming opening of the "Red Planet Hotel Manila The Fort" (hereinafter the "Fort Hotel") in the "Bonifacio Global City" district, located in the heart of Manila, Philippines. Polaris is diligently working towards a soft opening of the Fort Hotel scheduled for February 2024 which will result in early revenue generation. It is anticipated that there will be upfront costs, such as pre-opening expenses, leading up to the opening and a certain period afterward to stabilize operations.

The net profit attributable to the parent company shareholders for the second quarter consolidated accounting period has undergone a significant upward revision. This is primarily attributed to specific accounting treatments related to the termination of a lease agreement for a domestic hotel property that had been closed and the termination of land lease agreements of unprofitable overseas hotel operations. As a result of recognition of lease assets, right-of-use assets, lease liabilities, etc., accounting gains exceeding the losses incurred from penalties related to these terminations and the Company recognized lease termination gains of JPY 366 million. Additionally, the allowance for store closing losses that was recognized at the end of the previous consolidated fiscal year for losses associated with store withdrawal and business restructuring, the Company reversed the allowance due to the actual losses being less than initially projected, resulting in a reversal of the allowance for store closing losses of JPY 57 million.

Please note that actual results may possibly differ from the revised forecasts due to various factors because the revised forecasts are estimated based on the information available at present.

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.