

FOR IMMEDIATE RELEASE

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Polaris Revises Upward Consolidated Financial Forecast for the Year Ending March 31, 2025

Polaris Holdings Co., Ltd. (hereinafter the “Polaris” or the “Company”) announced today that the Company has completed the management integration (hereinafter the “Management Integration”) with Minacia Co., Ltd. (hereinafter the “Minacia”) as the effective date of the share exchange, making Minacia a wholly-owned subsidiary as disclosed “Polaris to Drastically Expand Operational Platform through Share Exchange and Wholly-owned Subsidiarization of Minacia with Changes of Shareholder and subsidiaries, etc.” on October 15, 2024. Consequently, the Company has decided to revise the consolidated financial forecast for the fiscal year ending March 31, 2025 (April 1, 2024 to March 31, 2025), which was announced as “Consolidated Financial Results for the Fiscal Year Ended March 31, 2024” on May 14, 2024. Furthermore, the Company has decided to maintain the initial dividend forecast even after the completion of the Management Integration. Details are provided below.

1. Revision of Consolidated Financial Forecast

Consolidated financial forecast for the fiscal year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Unit: JPY million)

	Net Sales	Operating Profit	Ordinary Profit	Profit attributable to owners of parent	Basic earnings per share
Previous forecast (A)	20,078	1,891	1,315	1,473	11.87円
Revised forecast (B)	26,000	2,200	1,500	1,500	9.71円
Change (B-A)	5,922	309	185	27	
Change %	29.5%	16.3%	14.1%	1.8%	
(Ref) Previous FY Actual (FY2024/3)	22,545	3,382	2,609	3,297	26.86円

Reasons for Revision

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 the Management Integration between the Company and Minacia.

Net sales are now forecast to increase significantly to JPY 4,300 million as a result of the Management Integration, including sales for three months of Minacia in the current fiscal year post integration. Additionally, the Company's Hotel Business is also expected to increase by JPY 1,600 million due to stronger performance than initially forecast in hotel operations as well as the change in the operational structure of some hotels from a management contract to a lease agreement type, which collectively, are forecast to increase by approximately JPY 5,900 million.

Operating profit is forecast to increase by JPY 660 million due to the Management Integration. Additionally, the stronger than forecasted performance in the Hotel and other Businesses is projected to contribute an increase of JPY 340 million. Meanwhile, an increase of JPY 350 million in expenses related to the Management Integration including one-time compensation to external advisors, etc. and JPY 310 million in amortization of goodwill arising from the Management Integration are forecast, resulting in an increase of approximately JPY 310 million from the previously announced projections.

Ordinary profit is forecast to increase helped by better operations, however, as noted in the press release, "Polaris Executes JPY 10 billion Syndicated Loan Agreement Led by Mizuho Bank and SMBC" dated December 23, 2024, approximately JPY 110 million in interest and other expenses associated with the execution of the Syndicated Loan Agreement will need to be recognized.

Profit attributable to owners of the parent was revised due to changes in income taxes.

Operating profit, ordinary profit, and profit attributable to owners of the parent excluding the impact of one-time fee to external advisors, etc. and amortization of goodwill arising from the Management Integration are projected to be JPY 2,860 million, JPY 2,160 million, and JPY 2,160 million, respectively.

2. Dividend Forecast Maintained

Although the number of the outstanding shares of the Company has increased as a result of the Management Integration, the Company plans to maintain the initial forecast of JPY 3 per share at the end of the fiscal year ending March 31, 2025 by increasing the consolidated dividend payout ratio to 30.9% as an implementation of strategic measures to increase shareholder value, even after the revision of financial forecast of current fiscal year as described above.

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.