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FOR IMMEDIATE RELEASE

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Stock Listing:	Tokyo Stock Exchange Standard Market
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Polaris Resolves to Issue New Shares as Restricted Stock Compensation

Polaris Holdings Co., Ltd. ("Polaris") resolved at a meeting of its Board of Directors held today to issue 160,000 new common shares to eight directors, excluding directors who are Audit & Supervisory Committee members, as restricted stock compensation. The payment date is scheduled for August 21, 2026.

1. Overview of the Share Issuance

(1) Payment date	August 21, 2026
(2) Class and number of shares to be issued	160,000 common shares of Polaris
(3) Issue price	¥197 per share
(4) Total issue amount	¥31,520,000
(5) Allottees and number of shares to be allotted Eight directors of Polaris who are not members of the Audit & Supervisory Committee:	160,000 shares

2. Background to the Issuance

After taking into account the purpose of the restricted stock compensation plan (the "Plan"), Polaris' business performance and other relevant factors, the Board of Directors resolved today to grant monetary compensation claims totaling ¥31,520,000 to eight directors of Polaris who are not members of the Audit & Supervisory Committee (the "Eligible Directors").

The Eligible Directors will contribute all such monetary compensation claims as property contributed in kind, in exchange for an aggregate of 160,000 newly issued common shares of Polaris (the "Allotted Shares").

The background to the issuance is as follows:

Purpose of the Plan

The Plan is intended to provide the Eligible Directors with an incentive to contribute to the sustainable enhancement of the corporate value of the Polaris Group while further aligning their interests with those of shareholders.

Shareholder Approval

The framework of the Plan was approved at the 151st Annual General Meeting of Shareholders held on June 26, 2025.

Approved Terms

- Monetary compensation claims of up to ¥50 million per year may be granted to the Eligible Directors separately from the existing monetary compensation limit;
- The total number of common shares of Polaris to be issued or disposed of under the Plan may not exceed 600,000 shares per year; and
- The transfer restriction period will run from the payment date of the shares until the date on which the relevant Eligible Director ceases to hold a position as a director of Polaris or any other position designated by the Board of Directors.

3. Summary of the Restricted Stock Allotment Agreements

Polaris will enter into a restricted stock allotment agreement with each Eligible Director. The principal terms of the agreements are as follows.

(1) Transfer Restriction Period

Each Eligible Director may not transfer, create a security interest over, make an inter vivos gift of, or otherwise dispose of the Allotted Shares during the period from the payment date until the later of:

- the date on which the Eligible Director ceases to serve as a director of Polaris; or
- the date on which Polaris files its Annual Securities Report for the fiscal year that includes the payment date, or its Semi-annual Securities Report if the payment date falls within six months after the beginning of that fiscal year.

(2) Conditions for Lifting the Transfer Restrictions

The transfer restrictions on all of the Allotted Shares will be lifted upon expiration of the transfer restriction period, provided that the Eligible Director has continuously served as a director of Polaris from the date of the Annual General Meeting of Shareholders immediately preceding the payment date until the conclusion of the next Annual General Meeting of Shareholders.

If an Eligible Director ceases to serve as a director during the transfer restriction period for a justifiable reason or due to death, the transfer restrictions will be lifted on a pro rata portion of the Allotted Shares. The number of shares released will be calculated based on the number of months served, divided by 12, subject to a maximum ratio of one, with any fraction of less than one share rounded down.

(3) Acquisition by Polaris without Consideration

If an Eligible Director ceases to serve as a director during the transfer restriction period without a justifiable reason, Polaris will automatically acquire all of the Allotted Shares held by that director without consideration.

Polaris will also automatically acquire without consideration any Allotted Shares for which the transfer restrictions have not been lifted when the transfer restrictions are otherwise lifted under the agreements.

(4) Treatment in the Event of a Corporate Reorganization

If, during the transfer restriction period, a merger agreement under which Polaris will cease to exist, a share exchange agreement or share transfer plan under which Polaris will become a wholly owned subsidiary, or another corporate reorganization is approved by a General Meeting of Shareholders—or by the Board of Directors where shareholder approval is not required—the transfer restrictions will be lifted on a pro rata portion of the Allotted Shares by resolution of the Board of Directors.

The number of shares released will be calculated based on the period from the month following the month in which the Annual General Meeting of Shareholders immediately preceding the payment date was held through the month in which the corporate reorganization is approved, divided by 12, subject to a maximum ratio of one, with any fraction of less than one share rounded down.

The transfer restrictions will be lifted immediately before the business day preceding the effective date of the corporate reorganization. Polaris will automatically acquire without consideration any remaining Allotted Shares for which the transfer restrictions have not been lifted.

(5) Management of the Shares

Each Eligible Director will open a dedicated account with Mizuho Securities Co., Ltd. in the manner designated by Polaris. All of the Allotted Shares will be held and maintained in that account until the applicable transfer restrictions are lifted.

4. Basis for Determining the Issue Price

To ensure that the issue price is determined objectively, the issue price has been set at ¥197 per share, equal to the closing price of Polaris' common shares on the Tokyo Stock Exchange on July 21, 2026, the business day immediately preceding the date of the Board of Directors resolution.

Polaris considers this price to be reasonable because it reflects the market price immediately preceding the Board resolution and does not constitute a particularly favorable issue price.

NOTE: This document is an English translation of the Company's announcement in Japanese. While every effort has been made to ensure the accuracy of this translation, the Japanese original shall prevail in the event of any discrepancy.