

December 16, 2022

Company Name: Polaris Holdings Co., Ltd.
Representative: Atsuo Umeki, President and Representative Director
Stock Listing: Tokyo Stock Exchange, Standard Market
Stock Code: 3010
Inquiries: Satoshi Hosono, Director and CFO (TEL:03-5822-3010)

Polaris Agrees to Redeem Convertible Bond

Polaris Holdings Co., Ltd. (“Polaris” or the “Company”) has entered into an agreement (the “Agreement”) with Capital RE LLC (the “Allottee”) regarding the modification of terms for the Convertible Bonds with Share Acquisition Rights (hereinafter referred to as the “Convertible Bond” of which the bonds are to be referred to as the “Bonds” and the stock acquisition rights are to be referred to as the “Stock Acquisition Rights”) allocated to the Allottee on July 30, 2020.

1. Details of the MOU

The Convertible Bond had an early redemption provision at a price of JPY110.8 per JPY100 of the Bonds upon the request of the bondholders on or after October 30, 2021. As the Bonds were to mature on July 28, 2023 (the “Initial Redemption Date”), Polaris has been in proactive discussions with the Allottee regarding an extension of the redemption date for the remaining 900 million yen to help maintain a stable financial base for the Company. As a result of the discussions, Polaris and the Allottee have agreed to waive the Stock Acquisition Rights (now not convertible) and extend the redemption date of the Bonds to June 30, 2024 (the “New Redemption Date”). There will be no change in the pricing of the Bonds on the New Redemption Date (JPY110.8 per JPY100 of the Bonds). The difference between the face value and the redemption amount of the Bonds, will be JPY97 million, and will be recorded in non-operating expenses as bond interest until the New Redemption Date.

2. Outlook

The Company plans to record the JPY18 million difference between the face value of the bonds and the redemption amount as a non-operating expense for the current fiscal year.

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.