First Half of Fiscal 2023
Supplementary Material

POLA ORBIS HOLDINGS INC.
Representative Director and President
Yoshikazu Yokote

- This report contains projections of performance and other projections based on information currently available and certain assumptions judged to be reasonable. Actual performance may differ materially from these projections resulting from changes in the economic environment and other risks and uncertainties.
- POLA ORBIS HOLDINGS INC. has applied Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020), etc. from fiscal 2022. The results for fiscal 2021 in this presentation have been calculated using the same accounting standards as those in fiscal 2022, and are shown as reference information (unaudited) for the purpose of comparison.

We will now begin the first half financial results briefing for the fiscal year ending December 31, 2023.

1. Highlights of Consolidated Performance
2. Segment Analysis
3. Forecasts for Fiscal 2023
4. Initiatives Going Forward & Appendices

First, I will explain the consolidated financial highlights.

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Q2 Key Topics

Cosmetics Market

- The scale of the Japanese cosmetics market (including exports) was strong.
- In terms of domestic demand, as COVID-19 was reclassified as Class 5 infectious disease, customer traffic increased with more people going out, and economic activity progressed toward normalization, resulting in a steady upturn in personal consumption.
- Signs of a recovery were seen in inbound demand due to an increase in the number of foreign tourists (consolidated inbound net sales for the first half: up approx. 60% YoY, a revenue increase of approx. ¥0.5 billion).
- Recovery in the cosmetics market in mainland China was moderate, against the Company's expectations.

Source: Ministry of Economy, Trade and Industry, Ministry of Internal Affairs and Communications, Japan Tourism Agency, Japan Department Stores Association, Intage SLI, and National Bureau of Statistics of China

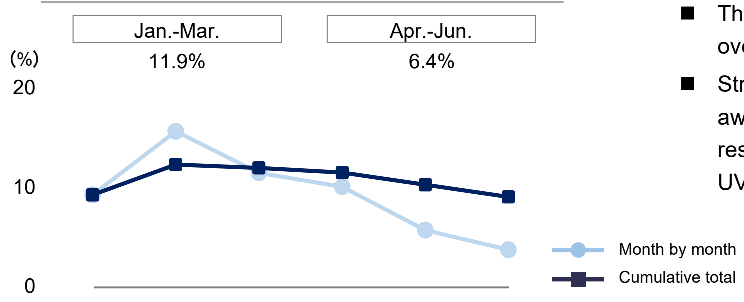
Our Group

- Revenue increased both in Japan and overseas with a substantial increase in operating income (consolidated net sales in Japan up 7% YoY, overseas net sales up 20% YoY).
- POLA's revenue increased across all sales channels in Japan, supported by vigorous activity as seen in growth in aesthetic treatment and *B.A*, while overseas revenue increased by 33%, driving the Group's overseas business
- ORBIS's performance also grew in Japan and the margin of revenue increase expanded from the first quarter, achieving a double-digit rise in revenue in the second quarter.
- Jurlique's revenue increased in the first half, losses were ameliorated in the second quarter.
- Losses from brands under development were ameliorated.

Medium-term Management Plan Indicators (FY2023 H1)	
Overseas sales ratio	17.7% (+0.3 ppt*)
Domestic e-commerce sales ratio	27.8% (+0.9 ppt*)

*vs Dec. 2022

YoY Change in Consolidated Monthly Net Sales



- The revenue growth trend continued both in Japan and overseas.
- Strengthened further the appeal that captures the shift away from masks and an increase in opportunities to go out, resulting in growth in products that improve wrinkles and UV care products.

The domestic cosmetics market has been growing steadily, with recovery in customer flow, normalization of economic activity, and steady progress over the previous year. Inbound consumption is gradually recovering with an increase in the number of tourists; however, the rise in the number of Chinese tourists coming to Japan is slow and has not yet achieved full-fledged recovery.
In addition, the Chinese cosmetics market recovered moderately compared with our expectations although the impact of COVID-19 has subsided.

Under these circumstances, our Group achieved an increase in consolidated revenue and a significant increase in income. Looking at sales by region, domestic sales increased by 7% and overseas sales increased by 20%.
POLA's domestic sales increased in all channels due to high sales of high-priced B.A and the revitalization of aesthetic activities in consignment sales. In addition, POLA's overseas sales grew by 33%, driving the Group's overseas business.
ORBIS continued its revenue growth trend. The rate of increase in revenues has also increased compared with the rate in Q1.

Consolidated P&L Changes Analysis
Net Sales to Operating Income

(mil. yen)	FY2022 H1 Results	FY2023 H1 Results	YoY Change Amount	YoY Change %
Consolidated net sales	78,748	85,836	7,088	9.0%
Cost of sales	14,263	15,177	913	6.4%
Gross profit	64,484	70,659	6,174	9.6%
SG&A expenses	59,567	61,692	2,125	3.6%
Operating income	4,917	8,966	4,049	82.3%

Key Factors

- **Consol. net sales**: Revenue increased both in Japan and overseas.
- **Cost of sales**: Cost of sales ratio declined due to higher sales ratio from POLA.
  Cost of sales ratio 2022H1 : 18.1% ⇒ 2023H1 : 17.7%
- **SG&A expenses**: Labor expenses: up ¥170 mil. YoY
  Sales commissions: up ¥957 mil. YoY
  Sales related expenses: up ¥617 mil. YoY
  Administrative expenses, etc.: up ¥380 mil. YoY
- **Operating income**: Operating margin 2022H1: 6.2% ⇒ 2023H1: 10.4%

Now, I will explain the consolidated P&L. Sales amounted to JPY85.8 billion, with a YoY increase of 9%. The cost of sales ratio is declining due to the rising sales composition ratio of POLA, which has a low cost of sales ratio.

SG&A expenses were maintained below the rate of revenue growth, which was due in part to the flexible reclassification of marketing initiatives in response to the inventory status of new products, resulting in efficient cost execution. As a result, operating income increased by 82% YoY to JPY8.9 billion.

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Consolidated P&L Changes Analysis
Operating Income to Profit Attributable to Owners of Parent

(mil. yen)	FY2022 H1 Results	FY2023 H1 Results	YoY Change Amount	YoY Change %
Operating income	4,917	8,966	4,049	82.3%
Non-operating income	4,168	2,560	(1,608)	(38.6%)
Non-operating expenses	209	137	(72)	(34.6%)
Ordinary income	8,876	11,389	2,513	28.3%
Extraordinary income	-	376	376	-
Extraordinary losses	621	1,046	424	68.3%
Profit before income taxes	8,254	10,720	2,465	29.9%
Income taxes etc.	(2,688)	3,275	5,964	-
Profit attributable to non-controlling interests	39	40	1	3.4%
Profit attributable to owners of parent	10,904	7,404	(3,499)	(32.1%)

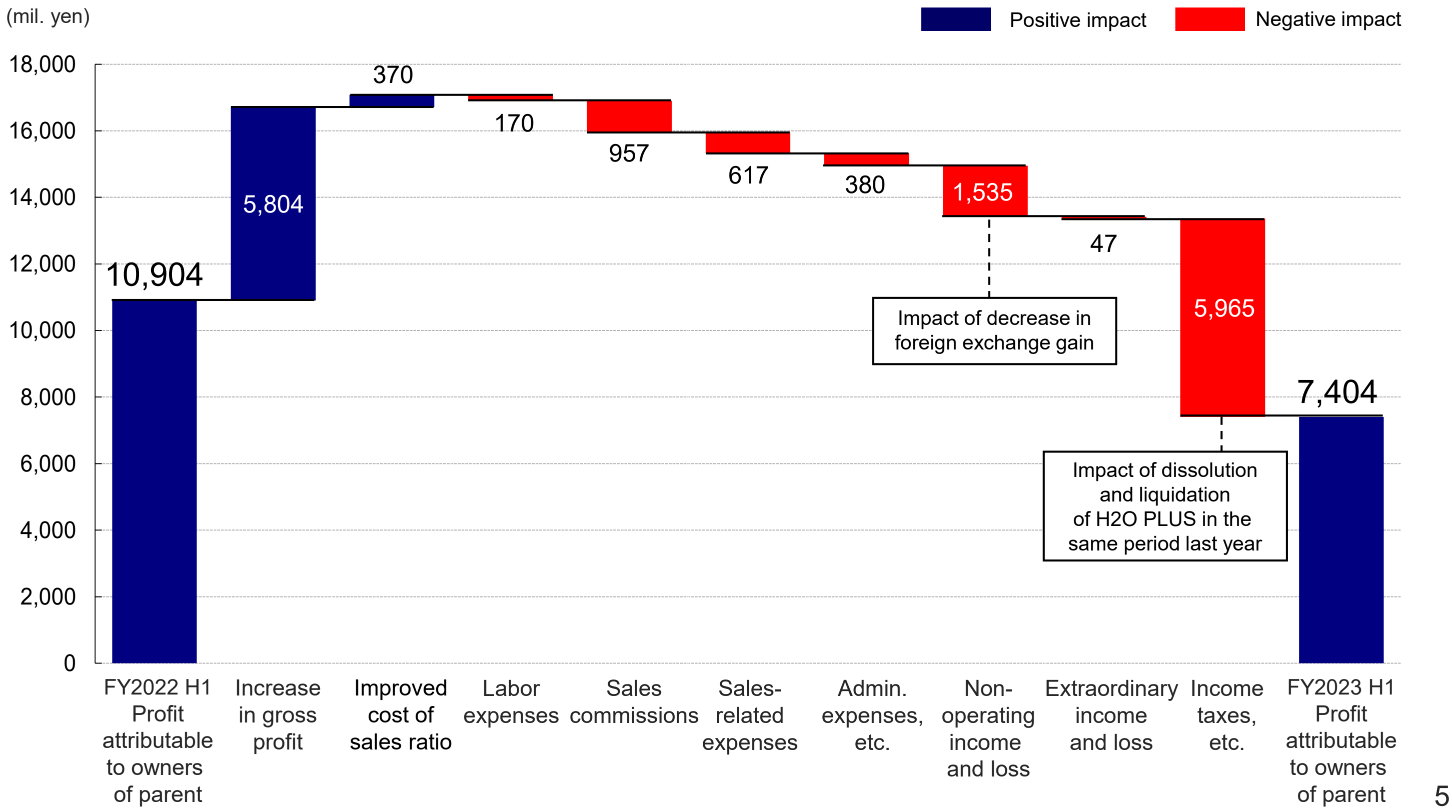
Key Factors

- Non-operating income: Decrease in foreign exchange gain (foreign exchange gain 2022H1: ¥3,938 mil., 2023H1: ¥2,288 mil.)
- Extraordinary losses: Extraordinary losses due to discontinuation of Amplitude and ITRIM ¥589 mil.
- Income taxes etc.: Reduction in income taxes etc. – recorded in the same period last year due to liquidation of H2O PLUS ¥4,466 mil.

This is about operating income to profit attributable to owners of parent.
While operating income increased, net profit decreased. This was due to a decrease in foreign exchange gains in non-operating income and in the same period of the previous year due to the resolution to liquidate H2O PLUS, which resulted in negative income taxes etc.

Factors Impacting Profit Attributable to Owners of Parent

Despite an increase in gross profit due to higher revenue, profit attributable to owners of parent declined by ¥3,499 mil. YoY due to a decrease in foreign exchange gain and the rebound of the reduction in income taxes, etc. in the same period last year.



Factors impacting profit attributable to owners of parent are shown here.

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Next, the status of the business by segment.

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Segment Results

(mil. yen)	FY2022 H1 Results	FY2023 H1 Results	YoY Change Amount	YoY Change %
Consolidated net sales	78,748	85,836	7,088	9.0%
Beauty care	76,420	83,529	7,108	9.3%
Real estate	1,039	1,036	(3)	(0.3%)
Others	1,287	1,270	(17)	(1.4%)
Operating income	4,917	8,966	4,049	82.3%
Beauty care	5,246	8,713	3,467	66.1%
Real estate	316	277	(39)	(12.4%)
Others	71	30	(40)	(56.7%)
Reconciliations	(716)	(55)	661	-

Segment Results Summary

- Beauty care: Net sales increased YoY, primarily due to an increase in revenue from POLA and ORBIS, and operating income rose, mainly due to an increase in gross profit.

The increase in revenue and income of the beauty care business drove the consolidated results.

POLA ORBIS HOLDINGS

Beauty Care Business Results by Brands

(mil. yen)	FY2022 H1 Results	FY2023 H1 Results	YoY Change Amount	YoY Change %
Beauty care net sales	76,420	83,529	7,108	9.3%
POLA	45,056	49,763	4,706	10.4%
ORBIS	19,060	20,902	1,841	9.7%
Jurlique	3,655	3,838	183	5.0%
Brands under development	7,919	8,350	431	5.5%
Beauty care operating income	5,246	8,713	3,467	66.1%
POLA	4,897	7,012	2,114	43.2%
ORBIS	2,482	3,127	644	26.0%
Jurlique	(886)	(1,083)	(197)	-
Brands under development	(1,041)	(428)	612	-

Note: Consolidated operating income and loss for each brand are shown for reference purposes only (figures are unaudited).
Totals for the beauty care business include results for the H2O PLUS brand (completion of liquidation planned during 2023).

The results for each brand are shown here. The conditions of each brand are explained in detail on the following pages.

POLA

Brand Analysis (1)

H1 Result

- Continued expanding the top line in the domestic businesses. The number of new customers in Japan increased YoY.
- Revenue increased across all channels, with an increase in purchase per customer in consignment sales, and the number of customers grew in department stores and e-commerce.
- Revenue in mainland China increased by approx. 20%.

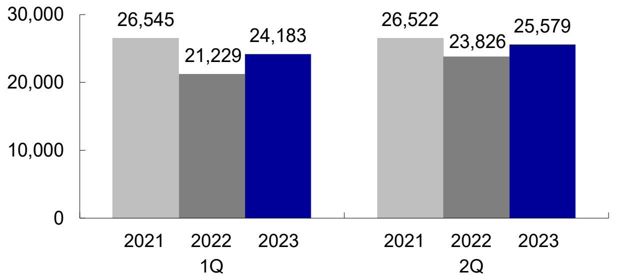
H1		Results (mil. yen)	YoY Change
Net sales		49,763	10.4%
Operating income		7,012	43.2%
Key indicators			
Sales ratio	Domestic		82.0%
	Consignment sales		62.1%
	E-commerce		6.5%
	Dept. store, B2B		13.4%
	Overseas		18.0%
Sales growth*	Domestic		up 6.6%
	Consignment sales		up 1.5%
	E-commerce		up 21.6%
	Dept. store, B2B		up 28.3%
	Overseas		up 32.6%
Consignment sales channel Purchase per customer*/ # of customers*			up 13.6% / down 9.0%
# of stores domestic**			2,747 (down 87)
# of stores overseas**/ # of stores mainland China**			156 (up 4) / 90 (up 3)

Topics

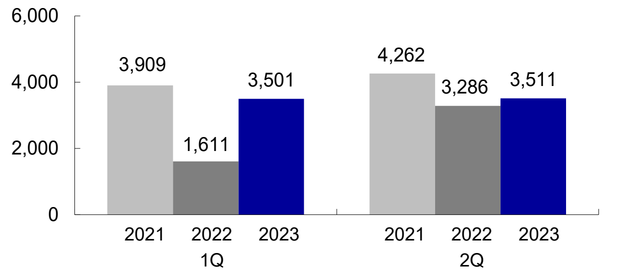
- Launched a foam-type emulsion in the *B.A* series (April), which was selected as the best cosmetic awards and ranked among the list of hit products.

POLA B.A MILK FOAM

Quarterly net sales (mil. yen)



Quarterly operating income (mil. yen)



*YoY basis
** vs Dec. 2022

Note: Results for FY2021 have been calculated using the same revenue recognition standards as FY2022.

First, POLA. Domestic sales continued to trend upward following Q1.

In the domestic business of consignment sales, department store and e-commerce, the number of new customers exceeded that of the previous year. In the consignment sales channel, in addition to the creation of online contact points, aesthetic-based communication was used to promote store visits, leading to an increase in the purchase per customer.

In addition, department stores and e-commerce as entry channels contributed significantly to the number of customers. In terms of products, the new product B.A Milk Foam was a hit, resulting in double-digit sales growth for the B.A series as a whole.

Overseas, the China business as a whole, including travel-retail, increased the revenue by approximately 20%.

The market recovery has been slow relative to our expectations; however, the scale of the business has steadily expanded, and the number of customers has been increasing.

ORBIS

Brand Analysis (2)

H1 Result

- The upward trend in the number of direct selling customers continued, especially the number of new customers saw a double-digit rise YoY. Customer base became stabilized and achieved revenue growth and a substantial increase in operating income.
- External channels continued to post a significant increase in revenue, contributing to expanding customer contact points.

H1			Results (mil. yen)	YoY Change
Net sales			20,902	9.7%
Operating income			3,127	26.0%
Key indicators				
Sales ratio	Domestic			94.9%
		Direct Selling[1]		85.6%
		External channels etc.		9.3%
	Overseas			5.1%
Sales growth*	Domestic			up 9.2%
		Direct Selling[1]		up 4.9%
		External channels etc.		up 75.1%
	Overseas			up 18.7%
Direct Selling[1] purchase per customer*				up 1.0%
Number of Direct Selling[1] customers*				up 2.3%
Core target customer ratio				60.5%

* YoY basis

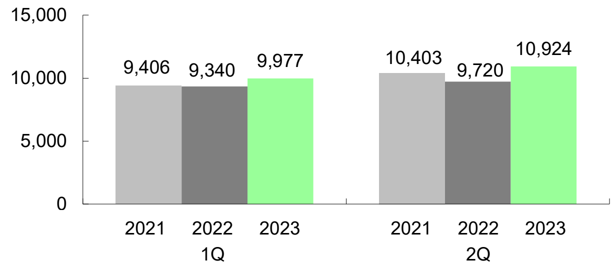
(1) Total of in-house mail-order sales and directly-operated stores sales

Topics

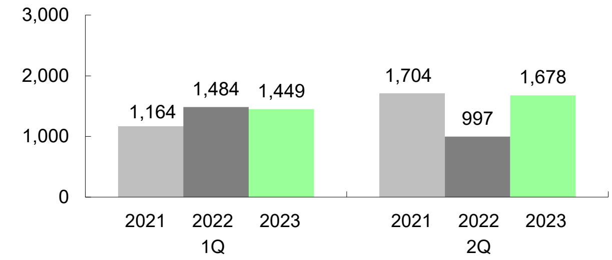
- Sales of highly functional UV protector, which is gaining traction on social media, were favorable and net sales increased approx. 1.5 times YoY.

ORBIS WRINKLE BRIGHT UV PROTECTOR

Quarterly net sales (mil. yen)



Quarterly operating income (mil. yen)



Note: Results for FY2021 have been calculated using the same revenue recognition standards as FY2022.

Next, ORBIS. As for ORBIS, the number of customers in its direct selling channel exceeded that of the previous year, and the number of new customers in particular showed double-digit growth, continuing the trend of customer growth that began at the end of the previous fiscal year.

External channels, especially e-commerce platforms, are growing at a high rate, leading to the expansion of new customer contact points.

In terms of products, ORBIS U and ORBIS U., the core series of ORBIS, showed significant growth, and the new product Wrinkle Bright UV Protector performed extremely well.

As a result of these factors, the Company’s performance exceeded expectations, resulting in higher revenues and double-digit income growth.

Jurlique

Brand Analysis (3)

H1 Result

- Revenue increased in mainland China partly thanks to face oil continued to perform well, and the growth in Douyin.
- Double-digit revenue increase continued in Australia and Hong Kong.
- Achieved revenue growth and ameliorated losses in the second quarter.

H1		Results (mil. yen)	YoY Change
Net sales		3,838	5.0%
Operating income[1]		(1,083)	(197)
Key indicators			
Sales ratio	Australia		18.9%
	Mainland China		38.8%
	Hong Kong		13.8%
	Duty free		12.7%
Sales growth[2]	Australia		up 20.0%
	Mainland China		up 1.6%
	Hong Kong		up 23.5%
	Duty free		down 16.0%

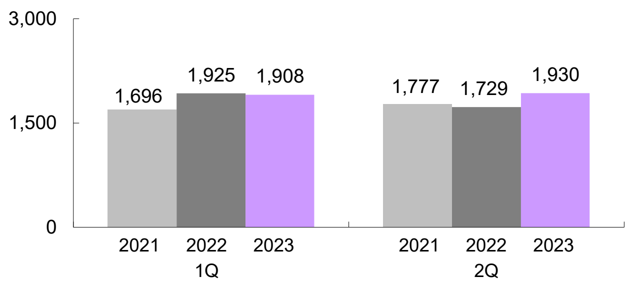
(1) The YoY difference is shown as an amount (mil. yen)
(2) AUD basis, YoY

Topics

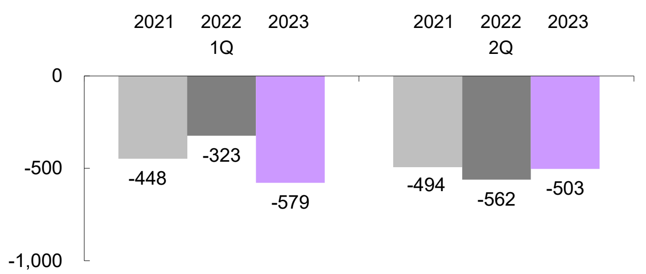
- Sales of star products were favorable in mainland China.

(Left) *Rare Rose Face Oil*
(Right) *Purely Age-Defying Firming Face Oil*

Quarterly net sales (mil. yen)



Quarterly operating income (mil. yen)



Note: Results for FY2021 have been calculated using the same revenue recognition standards as FY2022.

Next, Jurlique. Revenue continued to increase, especially in mainland China and also in Australia and Hong Kong. Particularly in mainland China, face oil, which is being promoted as a star product, has been performing well, resulting in a nearly double-digit increase in sell-through sales.

The cross-selling approach to skincare centered on oil has been successful, and we plan to expand this promotion globally in the future. With regard to SG&A expenses, we were able to improve the loss in Q2 by improving the efficiency of cost execution.

Brand Analysis (4) Brands Under Development

H1 Result

- Ameliorated losses in brands under development.
- THREE expanded *BALANCING* series, and sales of skincare products increased YoY, driving revenue growth in Japan.
- DECENCIA saw a recovery trend in new customer acquisition, in addition to improvement in its customer retention rates.

H1		Results (mil. yen)	YoY Change
Net sales		8,350	5.5%
Operating income(1)		(428)	612
THREE Net sales		2,780	(2.6%)
THREE OP income(1)		(438)	144
DECENCIA Net sales		2,369	(4.5%)
DECENCIA OP income		126	(68.8%)
Key indicators			
THREE			
Sales ratio	Domestic		77.2%
	Overseas		22.8%
Sales growth(2)	Domestic		up 4.4%
	Overseas		down 20.5%

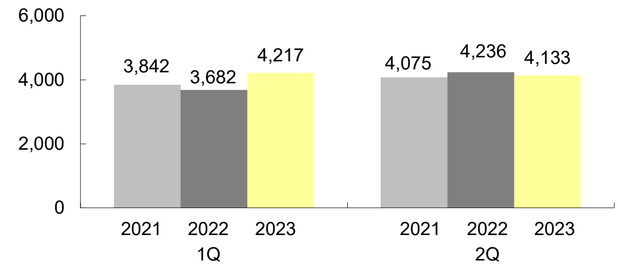
(1) The YoY change is shown as the amount (mil. yen)
(2) YoY basis

Topics

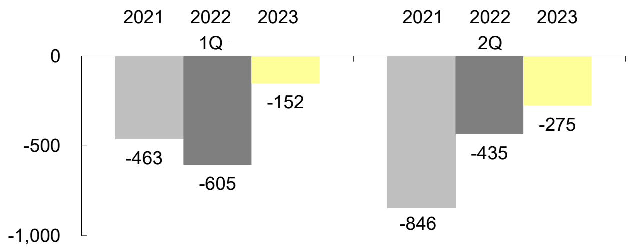
- Launched new skincare products from THREE *BALANCING* series. (April)

THREE BALANCING STEM

Quarterly net sales (mil. yen)



Quarterly operating income (mil. yen)



Note: Results for FY2021 have been calculated using the same revenue recognition standards as FY2022.

Next, brands under development. The overall sales of brands under development increased, and losses were ameliorated.

THREE's domestic sales are increasing. With new products centered on skincare, we are expanding new online contact points and activating in-store sales.

Although DECENCIA's sales have declined, the branding-oriented appeal of the Company has increased the customer retention rate. In addition, there has been a significant recovery in the acquisition of new customers.

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That's all for the explanation of results by brands.
I will now explain the forecast for the current fiscal year.

Forecasts for Fiscal 2023 (Revised)

The Company has revised upward its forecast of operating income, up ¥0.9 billion, considering the performance for the first half of the fiscal year.

(mil. yen)	FY2023 H1 Results	YoY Change		FY2023 Full-year plan	Vs. Initial Plan	YoY Change	
		Amount	%			Amount	%
Consol. net sales	85,836	7,088	9.0%	180,000	-	13,692	8.2%
Beauty care	83,529	7,108	9.3%	175,500	-	13,845	8.6%
Real estate	1,036	(3)	(0.3%)	2,000	-	(83)	(4.0%)
Others	1,270	(17)	(1.4%)	2,500	-	(69)	(2.7%)
OP income	8,966	4,049	82.3%	16,000	900	3,418	27.2%
Beauty care	8,713	3,467	66.1%	16,350	900	2,556	18.5%
Real estate	277	(39)	(12.4%)	300	-	(191)	(39.0%)
Others	30	(40)	(56.7%)	80	-	(16)	(17.3%)
Reconciliations	(55)	661	-	(730)	-	1,070	-
Ordinary income	11,389	2,513	28.3%	17,500	2,400	2,571	17.2%
Profit attributable to owners of parent	7,404	(3,499)	(32.1%)	11,600	1,600	153	1.3%

Assumed exchange rates: 1.00 AUD = 91.0 JPY (PY 91.00) 1.00 CNY = 18.6 JPY (PY 19.48)

Details of upward revision

- Operating income: Based on the progress of income for H1, operating income forecast was revised considering the sales plan to be achieved in H2 and investments for building a customer base scheduled in the next fiscal year onward.
- Ordinary income and profit: Reflected foreign exchange gain, in addition to an increase in operating income.

	FY2022	FY2023 (plan)
Shareholder returns	Annual ¥52 (Consol. Payout ratio 100.5%)	Annual ¥52 (Interim ¥21, Year-end ¥31) (Consol. Payout ratio 99.2%)
Capital investment	¥12,532 mil.	¥18,000 mil. - ¥19,000 mil.
Depreciation	¥8,482 mil.	¥8,000 mil. - ¥9,000 mil.

Based on our progress in H1, we have revised our full-year forecast upward as shown here.

Operating income increased by JPY0.9 billion to JPY16 billion. In addition, ordinary income and net profit reflect the increase in operating income and foreign exchange gains, respectively, in light of the current situation.
We are forecasting operating income for H2 with caution. The reason for this is that we would like to make investments, particularly in the domestic business, to strengthen our customer base and give impetus to a full-fledged improvement in profitability in the new medium-term management plan that will start next year. However, we will continue to pursue maximization of profitability by monitoring the return on investment seriously and controlling execution firmly.

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I will now explain our initiatives for H2 and beyond.

Initiatives for FY2023 Q3 Onward

POLA

Domestic Business

- To acquire new customers, continue expanding customer contact points mainly via digital means, such as stronger online advertising and social media presence. Introduce kit products leading up to brand entry and stimulate willingness to try.
- For existing customers, encourage their store visit with a focus on aesthetic treatment and improve LTV. Renew and launch the POLA's premium serum *B.A GRANDLUXE* in October.
- Promote customer retention by providing value only possible at physical stores such as offering opportunities for experiencing aesthetic treatment to e-commerce customers.

POLA B.A STARTER KIT

POLA B.A GRANDLUXE Ⅳ

Overseas Business

- In mainland China, acquire new customers and strengthen cross-selling proposals with *POLA B.A MILK FOAM.*
- Expand business into Indonesia to enhance brand presence in Asia (October).

ORBIS

Domestic Business

- Continue to introduce new products while strengthening investment in new customer acquisition. Grow further the customer base that started to expand, and retain the revenue growth trend.
  - Launch the renewed aging care series *ORBIS U.*, a growth driver (August).
  - For *WRINKLE BRIGHT UV PROTECTOR,* use the best cosmetics awards as a hook to aim for further growth.
- Cumulative number of ORBIS app downloads exceeded 5,000,000*. Continue communication centered on app to increase LTV.

ORBIS U.

*as of June, 2023

First, let us talk about POLA. With respect to POLA's domestic business, the Company will work to acquire new customers and improve the lifetime value of existing customers. For new customers, we will continue to strengthen our efforts to create digital contact points. Kit products are prepared seasonally to trigger brand entry.

For existing customers, we will improve the frequency of visits and promote repeat business by popularizing aesthetic treatments as the core of our services. In October, POLA will promote B.A Granluxe, POLA's top-of-the-line beauty serum and develop a high-grade aesthetic menu in conjunction with this serum for business partners to conduct aggressive sales activities.

In the e-commerce, where new customers are being acquired, we will strengthen measures to promote experiencing aesthetic treatments among customers. By providing brand experience only possible at physical stores, which is one of our strengths, we will strive to retain customers.

In the overseas business in mainland China, we will strive to acquire customers and retain existing customers by using B.A Milk Foam, as a strategic product. In addition, following the department store in South Korea in May, opened a new store in Indonesia in October. Outside of China, we will work to expand our customer contact points and strengthen our brand presence in Asia.

Next, ORBIS. ORBIS aims to increase its number of customers and expand the top line for the regrowth of the brand this fiscal year. Customer acquisition is progressing well, and we will continue this trend throughout the year. We will renew ORBIS U. in August as a strategic product for this purpose. We will further enhance the functionality of our products to attract new customers and increase lifetime value.

The total number of downloads of the ORBIS app has exceeded 5 million, and the proportion of app users among purchasing customers is steadily increasing. Since the lifetime value of app users is relatively high, we will continue to develop our own CRM strategy with app communication at its core.

Initiatives for FY2023 Q3 Onward

Jurlique

- Promote approach to customers with skincare products, focusing on face oil that is performing well, with a view to acquiring new customers and increasing retention rates.
- Aiming for turning to profitability in the next year, review and reduce fixed cost and lower the breakeven point.

(Left) *Rare Rose Face Oil*
(Right) *Activating Water Essence+*

Brands Under Development

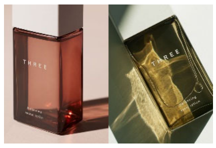
THREE

Domestic Business

- Revitalize storefront with new products in the makeup and lifestyle category, in addition to the cleansing product and *BALANCING* series that received best cosmetics awards.

Overseas Business

- Proceed with offline store openings in the market of mainland China, expand sales channels and build the base for local business.



THREE
BALANCING series

DECENCIA

- Renew a serum that improves wrinkles (September). Aim to acquire highly loyal customers by appealing with “stratum corneum” as a core, which is the brand’s differentiator.

FUJIMI

- Introduce new flavors to protein products (July). Expand options for the subscription sales to increase the utilization rates by existing customers.

DECENCIA wrinkle O/L concentrate

Next, Jurlique. Face oil, as I explained earlier, is gaining recognition in the Chinese market as a representative product of the brand. We will focus on these products as the communications in skincare to lead to repeat purchases. Along with top-line expansion, we will review our cost structure in order to turn to profitability in 2024.

In addition to skincare, which has won the Best Cosmetics awards, THREE will launch new products in makeup and new category in H2 to revitalize its storefront for renewed growth. In the Chinese market, we will continue to expand sales channels and quickly build a foundation for local business development.

DECENCIA is working to attract new customers with the potential for retention. We will renew our popular wrinkle-improving serum and make further efforts to attract and retain new customers.

FUJIMI will work to acquire highly rated protein customers and improve the use frequency of regular members.

Through these efforts, we will firmly achieve the annual forecast that we have shown to you.

(Appendix) Quarterly Segment Results

■ Net sales

(mil. yen)	FY2023 Jan.-Mar.		FY2023 Apr.-Jun.		FY2023 Jul.-Sep.		FY2023 Oct.-Dec.	
	Results	YoY Change	Results	YoY Change	Results	YoY Change	Results	YoY Change
Consolidated net sales	42,136	11.9%	43,700	6.4%	-	-	-	-
Beauty care	40,950	12.1%	42,578	6.7%	-	-	-	-
Real estate	518	(0.9%)	518	0.3%	-	-	-	-
Others	666	7.1%	603	(9.3%)	-	-	-	-

■ Operating income

(mil. yen)	FY2023 Jan.-Mar.		FY2023 Apr.-Jun.		FY2023 Jul.-Sep.		FY2023 Oct.-Dec.	
	Results	YoY Change	Results	YoY Change	Results	YoY Change	Results	YoY Change
Consolidated operating income	4,549	137.9%	4,416	47.0%	-	-	-	-
Beauty care	4,359	115.1%	4,354	35.2%	-	-	-	-
Real estate	161	(14.7%)	115	(9.0%)	-	-	-	-
Others	2	113.5%	28	(59.1%)	-	-	-	-
Reconciliations	26	331	(81)	329	-	-	-	-

Note: Where operating income (current or previous year) is negative, YoY change represents YoY difference (mil. yen).

(Appendix) Quarterly Results by Brands

■ Net sales

(mil. yen)	FY2023 Jan.-Mar.		FY2023 Apr.-Jun.		FY2023 Jul.-Sep.		FY2023 Oct.-Dec.	
	Results	YoY Change	Results	YoY Change	Results	YoY Change	Results	YoY Change
Beauty care net sales	40,950	12.1%	42,578	6.7%	-	-	-	-
POLA	24,183	13.9%	25,579	7.4%	-	-	-	-
ORBIS	9,977	6.8%	10,924	12.4%	-	-	-	-
Jurlique	1,908	(0.9%)	1,930	11.6%	-	-	-	-
Brands under development	4,217	14.5%	4,133	(2.5%)	-	-	-	-

■ Operating income

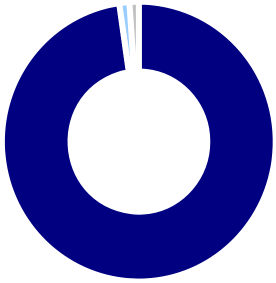
(mil. yen)	FY2023 Jan.-Mar.		FY2023 Apr.-Jun.		FY2023 Jul.-Sep.		FY2023 Oct.-Dec.	
	Results	YoY Change	Results	YoY Change	Results	YoY Change	Results	YoY Change
Beauty care operating income	4,359	115.1%	4,354	35.2%	-	-	-	-
POLA	3,501	117.3%	3,511	6.8%	-	-	-	-
ORBIS	1,449	(2.4%)	1,678	68.2%	-	-	-	-
Jurlique	(579)	(256)	(503)	59	-	-	-	-
Brands under development	(152)	453	(275)	159	-	-	-	-

Note: Where operating income (current or previous year) is negative, YoY change represents YoY difference (mil. yen).
: Consolidated operating income and loss for each brand are shown for reference purposes only (figures are unaudited).
: Totals for the beauty care business include results for the H2O PLUS brand (completion of liquidation planned during 2023).

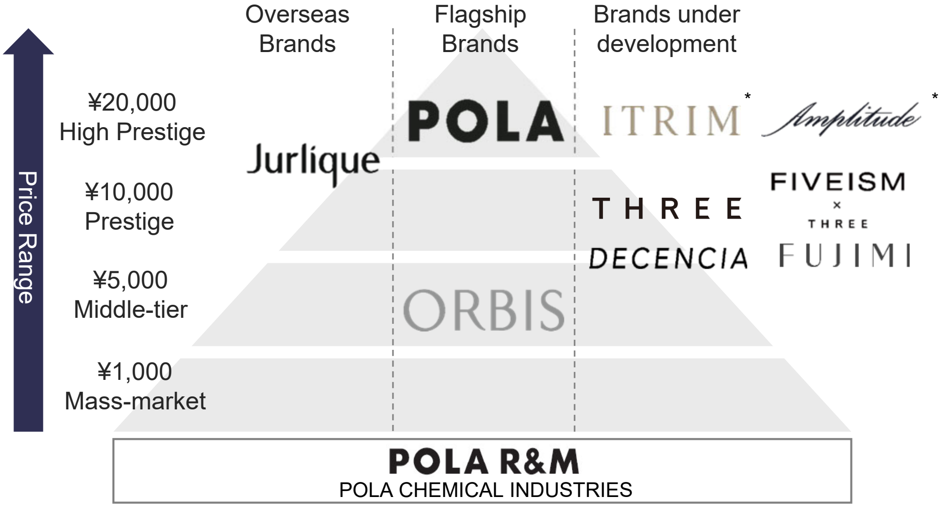
(Appendix) About POLA ORBIS Group

Beauty care is the core business of the Group, and nine different cosmetics brands are operated under the Group umbrella.

FY2022
Consol. Net Sales
¥166.3 bil.



- Beauty care business 97%
- Real estate business 1%
- Other businesses 2% (building maintenance business)



*Amplitude and ITRIM are planned to be discontinued during 2023

Our strengths

- Multi-brand strategy
- Focus on skincare products
- Flagship brands, POLA and ORBIS own and operate through their own unique sales channels

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- Meeting diversified needs of customers
- High customer repeat ratio
- Strong relationships with customers

(Appendix) Beauty Care Business Brand Portfolio

	Sales ratio*	Brand	Concept and products	Price	Main sales channel
Flagship brands	60%	POLA Since 1929	■ High-prestige skincare ■ Leading-edge technology in aging-care and skin-brightening fields	Approx. ¥10,000 or higher	■ JP: Consignment sales, department stores and e-commerce ■ Overseas: Department stores, directly-operated stores, DFS(1), e-commerce and cross-border e-commerce
	24%	ORBIS Since 1984	■ Aging-care brand to draw out people's intrinsic beauty	Approx. ¥1,000~ ¥3,000	■ JP: Mail-order (e-commerce and catalog) and directly-operated stores ■ Overseas: E-commerce, cross-border e-commerce, DFS(1), and retail stores
Overseas Brands	6%	Jurlique Acquired in 2012	■ Premium natural skincare brand from Australia	Approx. ¥5,000 or higher	■ AU: Department stores, directly-operated stores and e-commerce ■ Overseas: Department stores, directly-operated stores, DFS(1), e-commerce and cross-border e-commerce
Brands under develop-ment	10%	THREE Since 2009	■ Skincare made with natural ingredients from Japan and fashion-forward make-up	Approx. ¥5,000 or higher	■ JP: Department stores, directly-operated stores and e-commerce ■ Overseas: Department stores, DFS(1), e-commerce and cross-border e-commerce (Operated by ACRO INC.)
		Amplitude** Since 2018	■ High prestige quality makeup from Japan	Approx. ¥5,000~ ¥10,000	■ JP: Department stores and e-commerce ■ Overseas: DFS(1) (Operated by ACRO INC.)
		ITRIM** Since 2018	■ Premium skincare made from finely selected organic ingredients	Approx. ¥20,000	■ JP: Department stores and e-commerce ■ Overseas: DFS(1) and cross-border e-commerce (Operated by ACRO INC.)
		FIVEISM × THREE Since 2018	■ Cosmetics brand with a gender-fluid concept	Approx. ¥2,000~ ¥12,000	■ JP: Department stores, directly-operated stores and e-commerce ■ Overseas: Department stores, DFS(1) and cross-border e-commerce (Operated by ACRO INC.)
		DECENCIA Since 2007	■ Skincare for sensitive skin	Approx. ¥5,000～ ¥10,000	■ JP: E-commerce ■ Overseas: Cross-border e-commerce
		FUJIMI Acquired in 2021	■ Personalized beauty care brand operated by tricot, Inc.	Approx. ¥6,000～ ¥10,000	■ JP: E-commerce and directly-operated store

*Sales ratio in the beauty care business as of FY2022. Brands under development includes OEM business.
**Amplitude and ITRIM are planned to be discontinued during 2023.

(1) Duty free stores

(Appendix) Improvement in Capital Efficiency and Shareholder Returns

Initiatives to Improve Capital Efficiency

Mid-term Management Plan Indicator for 2023
ROE 9% or higher
(Return on equity)

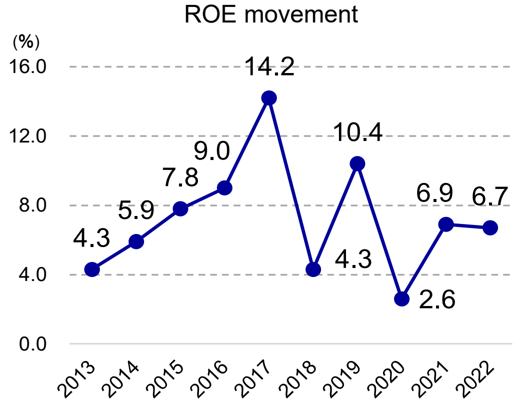
=

EPS
(Earnings per share)

- Operating income CAGR 25% or higher
- Achieve net income growth which is higher than operating income growth by decreasing overseas losses

BPS
(Book value per share)

- Improve shareholder return through dividends
- Optimize balance sheet
- Investment for future growth

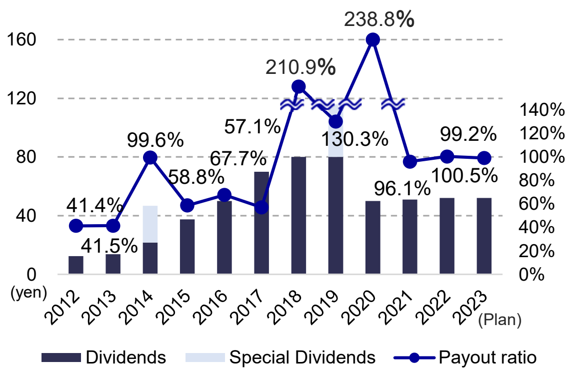


Improvement of Shareholder Return

Basic Policy :

- With a policy of consolidated payout ratio of **60%** or higher, aim for steady increases in dividends, in line with profitable growth.
- Purchases of treasury stock shall be considered based on our investment strategies, as well as market prices and liquidity of the Company's shares.

Dividends forecast for FY2023:
- Dividend per share : **¥52** (Interim ¥21, Year-end ¥31)
- Consol. payout ratio : 99.2%



(Appendix) Long-term Management Plan – VISION 2029

VISION 2029

A collection of unique businesses that respond to diversifying values of "beauty"

Basic strategy 1	Develop the cosmetics business globally; reform and enhance the brand portfolio
Basic strategy 2	Create new value and expand business domains
Basic strategy 3	Strengthen research and technical strategy

STAGE 1 (FY2021 - 2023)

Build the base of existing businesses, and restructure the portfolio for high profits

- ✓ Emphasize profitability and LTV in domestic businesses
- ✓ Accelerate global development
- ✓ Sow the seeds for growth in new businesses, and engage in CVC investment
- ✓ Dispose of unprofitable businesses

STAGE 2 (FY2024 - 2026)

Invest in growth businesses to accelerate growth

- ✓ Rapid global development
- ✓ New business growth
- ✓ M&A and CVC investment
- ✓ Launch new materials and expand pipelines
- ✓ Establish new dosage forms technology

STAGE 3 (FY2027 - 2029)

Be a collection of unique businesses that respond to diversifying values of "beauty"

- ✓ Establish a clear presence in the well-being and social domains

【Targets for 2029】

- ■ Consolidated operating income: ¥50.0 bil.
- ■ Consolidated operating margin: 15% or higher
- ■ Consolidated net sales: ¥300.0 bil.
- ■ Overseas sales ratio: 30 - 35%
- ■ ROE: 14% or higher

FY2021 - 2023 → FY2024 - 2026 → FY2027 - 2029

(Appendix) Beauty Care Business Results for FY2021 – FY2022 by Brands

(mil. yen)	FY2021 Results	FY2021 Results (recalculated under the 2022 standard)	FY2022 Results	FY2021 - FY2022 YoY Change Amount	FY2021 - FY2022 YoY Change %
Consolidated net sales	178,642	174,896	166,307	(8,588)	(4.9%)
Beauty care net sales	174,150	170,403	161,654	(8,749)	(5.1%)
POLA	105,168	105,769	96,371	(9,397)	(8.9%)
ORBIS	43,389	39,071	38,417	(654)	(1.7%)
Jurlique	7,838	7,940	8,388	447	5.6%
H2O PLUS	1,116	1,116	1,584	467	41.9%
Brands under development	16,637	16,505	16,892	387	2.3%
Consol. operating income	16,888	15,582	12,581	(3,000)	(19.3%)
Beauty care operating income	17,060	15,754	13,793	(1,961)	(12.5%)
POLA	16,374	15,144	12,495	(2,648)	(17.5%)
ORBIS	5,925	5,965	4,850	(1,115)	(18.7%)
Jurlique	(1,536)	(1,542)	(1,266)	275	-
H2O PLUS	(802)	(802)	(180)	621	-
Brands under development	(2,901)	(3,011)	(2,105)	905	-

Note : Consolidated operating income and loss for each brand are shown for reference purpose only (unaudited).
Full-year financial results for 2021 (recalculated under the 2022 standard) have been provided for reference only (unaudited).
YoY change has been calculated using the same accounting standards for both years.