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Announcement Regarding Revision to Consolidated Performance Results Forecast for Fiscal 2022

POLA ORBIS HOLDINGS INC. (the “Company”) hereby announces that the consolidated performance results forecast for fiscal 2022 that was announced on April 28, 2022 has been revised as outlined below.

1. Revisions to the Consolidated Performance Results Forecast for Fiscal 2022 (January 1 – December 31, 2022)

Millions of yen (except per share data and percent)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Net income per share (yen)
Previous forecast (A)	186,000	17,700	17,700	16,200	73.23
Revised forecast (B)	170,000	11,700	15,700	14,000	63.29
Amount changes (B – A)	(16,000)	(6,000)	(2,000)	(2,200)	
Percent changes (%)	(8.6)	(33.9)	(11.3)	(13.6)	
(Reference) Fiscal 2021 results	178,642	16,888	18,968	11,734	53.04

2. Reasons for the revision

The revision to net sales reflects the fact that the recovery of the consignment sales business for POLA brand, centered on in-store counseling sales, is progressing below expectations. The Company is executing an online shift in customer contact points and sales methods with the aim of re-expanding its customer base, which shrank due to the impact of COVID-19. However, while there are signs of a turnaround, the Company has determined that a rapid improvement is difficult to expect given the current customer structure. In addition, for its overseas business, as the POLA brand was particularly impacted heavily by the lockdowns in mainland China.

The revision to operating income is mainly due to a decrease in gross profit resulting from lower net sales, despite cost controls. The revision to ordinary income is made in light of the current situation with respect to the forecast for foreign exchange and other factors, in addition to the lower forecast for operating income.

The revision to profit attributable to owners of parent reflects the impact of the extraordinary losses incurred up to the second quarter, and the tax expenses based on the contents of the above revision, in addition to the lower forecast for ordinary income.

Note: These forecasts were made based on the information available at the time this news release was prepared, and actual results may differ from these forecasts as a result of changes in various factors going forward.