

March 6, 2023

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Notice of the Termination of the Cosmetics Brands Amplitude and ITRIM

The POLA ORBIS Group (the “Group”) hereby announces that, the Board of Directors of its consolidated subsidiary, ACRO INC., at the extraordinary meeting held on March 6, 2023, resolved to terminate the cosmetics brands Amplitude and ITRIM.

1. Reasons for terminating the brands

Looking ahead to 2029, the 100th anniversary of its founding, the Group has announced VISION 2029, which states its goal to be a collection of unique businesses that respond to diversifying values of “beauty.” Our three basic strategies to this end aim to “develop the cosmetics business globally; reform and enhance the brand portfolio,” “create new value and expand business domains,” and “strengthen research and technical strategy.” While we focus on business portfolio expansion as a new pillar of our strategy, we will work to reform our brand portfolio in the existing cosmetics business, aiming to further improve our profitability. As part of this plan, we have decided to terminate the Amplitude and ITRIM brands.

Both Amplitude and ITRIM were started in September 2018, and we developed them mainly in department stores in Japan as the brands under development in the Beauty Care business of the Group. However, the business environment of these brands has been harsh and their performance fell short of our plans. We have implemented several measures to achieve growth, but have determined that it will be difficult to find benefits in continuing these businesses in the future.

2. Schedule for termination

We will begin notifying customers and business partners, and gradually close stores and end sales on e-commerce sites, with the plan of completing termination procedures in 2023.

3. Impact on performance

With regard to the impact on consolidated performance from the termination of these brands for the current fiscal year, we expect to incur an extraordinary loss of approximately ¥800 million.

In the future, if it is necessary to revise performance forecast or if there are other matters that should be announced, we will disclose them promptly.

Note: The impact on consolidated performance was prepared based on information that was available as of the date of this material was published. Actual performance may differ from forecast figures due to changes in various factors in the future.