NEWS RELEASE

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POLA to Launch in Duty Free Store on Hainan Island, <u>China from July 2021</u>

POLA ORBIS Travel Retail Limited (Headquarters: Hong Kong; President: Yoshikazu Yokote), established to oversee and operate the travel retail business of the POLA ORBIS Group, will begin selling POLA products in a duty free store on Hainan Island, China from July 2021. The CDF Haikou Downtown Duty Free Shop on Hainan Island will be POLA's first duty free store venture. The Duty Free Shop is already selling Jurlique brand products.

POLA ORBIS

Travel Retail

POLA



Hainan Island CDF Haikou Downtown Duty Free Shop

Growth in domestic demand and the relaxation of tax regulations has resulted in higher market growth on Hainan Island, China than in the rest of the world. A further duty free store is scheduled to open in the area after 2021. As well as Hainan Island, POLA will accelerate the opening of new stores in the Chinese duty free market in other areas.

In the first quarter of 2021, POLA's sales in China saw a year-on-year increase of 120%, with high growth rates in both retail store and e-commerce channels. Going forward, POLA will continue to view China as a key market and expand points of contact with Chinese customers, including duty free stores, as it works proactively to expand its business.

About POLA's stores

Chinese: CDF 海口日月广场免税店 / English: CDF Haikou Downtown Duty Free Shop Mainly stocks skincare products.

POLA's business expansion

Renowned for its anti-aging skincare¹, which is expected to grow, POLA is the powerhouse brand of the Group and has a strong presence in the domestic prestige cosmetics market. In Japan, products are currently available nationwide at Beauty Directors, around 3,800 POLA stores including approximately 640 POLA THE BEAUTY stores, the flagship POLA GINZA store, and 68 POLA counters in major department stores, as well as through POLA's official online shop (net.pola.co.jp). Overseas, the company operates in six countries and regions: Mainland China (including cross-border e-commerce), Taiwan, Hong Kong, Thailand, Macau, and Singapore, as well as in duty free stores in South Korea.

*1 Anti-aging care means age-based care.

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