Summary of Financial Results

For the First Quarter of the Fiscal Year Ending December 31, 2013 (Consolidated)

These financial statements have been prepared in accordance with accounting principles and practices generally accepted in Japan. The following English translation is based on the original Japanese-language document.

April 30, 2013

POLA ORBIS HOLDINGS INC.
Listing: Tokyo Stock Exchange, First Section (Code No.: 4927)
URL: http://www.po-holdings.co.jp/
Representative: Satoshi Suzuki, President
Contact: Naoki Kume, Vice President, Finance Tel: +81-3-3563-5517
Filing Date of Quarterly Securities Report: May 13, 2013
Start of Cash Dividend Payment: —
Supplemental Materials Prepared for Quarterly Financial Results: Yes
Conference Presentation for Quarterly Financial Results: None

(Amounts less than one million yen have been truncated)

1. Consolidated Performance for the First Three Months of Fiscal 2013 (January 1, 2013–March 31, 2013)

(1) Consolidated Operating Results

(Percentage figures indicate year-on-year change)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2013 Three Months	41,238	5.9	1,601	30.7	2,144	35.7	1,258	74.3
FY2012 Three Months	38,945	9.8	1,225	5.2	1,580	8.1	721	21.4

Note: Comprehensive income: ¥4,904 million (78.3%) for the three months ended March 31, 2013;
¥2,750 million (703.2%) for the three months ended March 31, 2012

	Net Income Per Share	Diluted Net Income Per Share
	Yen	Yen
FY2013 Three Months	22.76	22.75
FY2012 Three Months	13.06	—

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets Per Share
	Millions of yen	Millions of yen	%	Yen
FY2013 First Quarter	207,354	168,431	81.2	3,044.00
FY2012	209,140	164,896	78.8	2,980.48

Reference: Equity capital: FY2013 First Quarter: ¥168,284 million; FY2012: ¥164,773 million

2. Dividends

	Annual Cash Dividends Per Share				
	Q1-end	Q2-end	Q3-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY2012	—	25.00	—	25.00	50.00
FY2013	—				
FY2013 (Forecast)		25.00	—	30.00	55.00

Note: Revisions to the cash dividends forecast announced most recently: none

3. Consolidated Performance Forecast for the Fiscal Year Ending December 31, 2013
(January 1, 2013–December 31, 2013)

(Percentage figures indicate year-on-year change)

	Net Sales		Operating Income		Ordinary Income		Net Income		Net Income Per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First Half	90,000	4.2	5,900	4.4	6,100	1.5	2,800	0.5	50.65
Full Year	188,500	4.2	16,000	18.3	16,300	11.6	8,200	22.7	148.32

Note: Revisions to the consolidated performance forecast announced most recently: none

4. Other Information

(1) Changes in significant subsidiaries during the current period
(changes in specific subsidiaries resulting in changes in the scope of consolidation) :Yes

Dissolved: CSW H2O Holdings, Inc.

Note: Please refer to "2. Summary Information (Notes) (1) Changes in Significant Subsidiaries during the Current Period" on page 6 for further detailed information.

(2) Application of special accounting methods for the preparation of the quarterly consolidated financial statements : None

(3) Changes in accounting policies, accounting estimates, and restatement

1) Changes in accounting policies associated with revision of accounting standards : Yes
2) Changes other than (3)-1) : None
3) Changes in accounting estimates : Yes
4) Restatements : None

Note: Changes are subject to Article 10-5 of the Ordinance on Terminology, Forms, and Preparation Methods of Quarterly Consolidated Financial Statements. Please refer to "2. Summary Information (Notes) (2) Changes in Accounting Policies, Accounting Estimates, and Restatement" on page 6 for further detailed information.

(4) Number of shares issued and outstanding (common stock)

1) Number of shares issued and outstanding at the end of each period (including treasury stock)

At March 31, 2013	57,284,039 shares
At December 31, 2012	57,284,039 shares

2) Number of shares of treasury stock at the end of each period

At March 31, 2013	2,000,000 shares
At December 31, 2012	2,000,000 shares

3) Average number of shares issued and outstanding in each period

Three months ended March 31, 2013	55,284,039 shares
Three months ended March 31, 2012	55,284,039 shares

Information Regarding Quarterly Review Procedures

This quarterly financial report is not included in the scope of the quarterly review procedures pursuant to the Financial Instruments and Exchange Act (the "Act"). At the time of disclosure of this report, review procedures for the quarterly financial statements pursuant to the Act, have not been completed.

Explanation of Appropriate Use of Performance Forecast and Other Special Items

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. For performance projections, please refer to "1. Qualitative Information on Consolidated Performance for the First Quarter of Fiscal 2013 (3) Qualitative Information on Consolidated Performance Forecast" on page 5.

Table of Contents

1. Qualitative Information on Consolidated Performance for the First Quarter of Fiscal 2013

(1) Qualitative Information on Consolidated Operating Results

In the first quarter of the fiscal year ending December 31, 2013 (January 1–March 31, 2013), in the Japanese economy, the weakening yen and rising stock prices resulting from economic policy and monetary policy affected consumer sentiment. Thus, with personal spending remaining firm, the economy has undergone a partial recovery after the phase of economic deceleration caused by the European fiscal crisis. In the future, although downside risks to the overseas economy will remain, sign of a global recovery, coupled with the effectiveness of monetary policy, will likely lead to a domestic economic recovery.

As for the domestic cosmetics market, due to the recovery momentum in the Japanese economy as a whole, the overall market remains strong. In the overseas cosmetics market, while slowdowns in personal spending are apparent in China and India, the whole Asian region continues to grow slowly.

Within this market environment, in the current fiscal year, which is the final year of its three-year medium-term management plan that started in 2011, the POLA ORBIS Group (the “Group”) will continue to improve the profitability of its domestic flagship brands and to expand its brands under development. In addition, the Group will also continue to pursue its overseas market expansion, whose linchpins are the two overseas companies that it acquired.

As a result of the factors noted above, the Group achieved the following consolidated operating results for the first quarter of fiscal 2013.

Consolidated net sales for the first quarter of fiscal 2013 increased 5.9% year on year to ¥41,238 million. This is because Jurlique, which joined the Group in February of last year, became subject to consolidation from January of this year, Jurlique and H2O PLUS enjoyed steady growth in Asia, and exchange rate movements were favorable. On the profit front, due to elimination of one-time expenses arising from the acquisition of Jurlique, and to streamlining of selling, general and administrative expenses, operating income increased 30.7% year on year to ¥1,601 million, and ordinary income increased 35.7% year on year to ¥2,144 million. Net income, meanwhile, increased 74.3% year on year to ¥1,258 million. This was because the Group incurred a loss on business liquidation arising from POLA’s withdrawal from business in the United States but consequently recorded a decrease in tax expenses.

Operating Results Overview (Millions of yen)

	Three Months Ended March 31			
			Year-on-Year	
	2012	**2013**	Amount Change	Percent Change (%)
Net Sales	¥38,945	**¥41,238**	¥2,292	5.9
Operating Income	1,225	**1,601**	376	30.7
Ordinary Income	1,580	**2,144**	563	35.7
Net Income	¥ 721	**¥ 1,258**	¥ 536	74.3

Operating Results by Segment

Net Sales (Segment Sales to External Customers) (Millions of yen)

	Three Months Ended March 31			
			Year-on-Year	
	2012	**2013**	Amount Change	Percent Change (%)
Beauty Care	¥36,320	**¥38,559**	¥2,238	6.2
Real Estate	745	**719**	(26)	(3.5)
Others	1,879	**1,960**	80	4.3
Total	¥38,945	**¥41,238**	¥2,292	5.9

Segment Income (Loss) (Operating Income [Loss]) (Millions of yen)

	Three Months Ended March 31			
			Year-on-Year	
	2012	**2013**	Amount Change	Percent Change (%)
Beauty Care	¥ 995	¥1,472	¥477	47.9
Real Estate	354	321	(33)	(9.5)
Others	(216)	(132)	83	—
Reconciliations of Segment Income (Note)	91	(60)	(151)	—
Total	¥1,225	¥1,601	¥376	30.7

Note: Reconciliations of segment income refer to elimination of profits arising from inter-company transactions and expenses not allocated to reportable segments. Please see note 2 in "1. Information about Net Sales and Profit (Loss) by Reportable Segment" on page 11 and 12 for the details of reconciliations of segment income during the period.

Beauty Care

The Beauty Care segment consists of the flagship brands ***POLA*** and ***ORBIS***; the brands under development — ***pdc***, ***FUTURE LABO***, ***ORLANE***, ***decencia***, and ***THREE***, and the overseas brands ***Jurlique*** and ***H2O PLUS***.

POLA is making concerted efforts to boost customer satisfaction. These include aggressively developing sales channels through POLA THE BEAUTY stores, which integrate cosmetics, consulting and esthetic treatments, and through department store outlets; increasing customer contact points through expansion of the door-to-door sales organization; and further enhancing POLA's sales-process quality and consulting skills. In the domestic market, the Group implemented seasonal initiatives that included, in February, its launching ***WHITE SHOT CLEAR SERUM SX*** and ***WHITE SHOT INNER LOCK SX***, the first cosmetics products in the world focused on "aggressive lipidization," and, in March, its conducting the Whitening Day campaign. In overseas markets, POLA remains strong as awareness of the brand gradually increases. For example, in Russia, a key market, ***B.A THE MASK,*** which also competed against other Japanese brands, won the best cosmetics product award. As a result, POLA recorded net sales above those recorded in the corresponding period of the previous year.

ORBIS is striving to rebuild the brand through efforts to streamline sales costs by, for example, working to increase the rate of repeat purchases, improving its skincare-focused product strategy, and increasing its online sales. In the domestic market, the ***LIVE RICH*** anti-aging series, which was launched in February and is sold only online and by catalog, were doing well. Although the restraint of sales discounts as a step of the brand rebuilding caused the temporary decline in the number of customers acquired, the level of amount spent per purchase rose year on year. With the shift to a two-point logistics structure in the second half of last year, the effectiveness of the ORBIS's streamlining of costs has been apparent. Furthermore, in March, the Japanese Customer Satisfaction Index survey—an evaluation conducted by Service Productivity & Innovation for Growth on behalf of the Ministry of Economy, Trade and Industry—ranked ORBIS the highest in the "perceived value" category for the second consecutive year and third in overall "customer satisfaction." In overseas markets, ORBIS has continued to work to increase brand awareness. As a result, ORBIS recorded net sales on line with those in the corresponding period of the previous year.

Meanwhile, due to strong sales of ***THREE*** and ***decencia***, the brands under development recorded net sales above those recorded in the corresponding period of the previous year.

Furthermore, the Group's overseas brands saw net sales substantially exceeded those in the corresponding period of the previous year. This is because Jurlique, which joined the Group in February of last year, became subject to consolidation from January of this year, Jurlique and H2O PLUS enjoyed steady growth in Asia, and exchange rate movements were favorable.

As a result of the factors noted above, net sales—sales to external customers—were ¥38,559 million, up 6.2% year on year, and operating income was ¥1,472 million, up 47.9% year on year.

Real Estate

The Real Estate segment concentrates on the leasing of office buildings in cities. Efforts are currently directed toward at sustaining rent levels but leaning more toward raising rents and occupancy rates by creating attractive office environments. Another area of emphasis is the rental residential properties business. This business highlights new-model condominiums perfect for families with young children. During the first quarter of fiscal 2013, the Group continued to make efforts to sustain rent levels and attract tenants. However, sales slowed year on year, owing to the downward trend of rents within the overall leasing market which continued until last year.

As a result of the above, net sales—sales to external customers—generated by the Real Estate segment totaled ¥719 million, down 3.5%, while operating income reached ¥321 million, down 9.5% year on year.

Others

The Others segment comprises the pharmaceuticals and building maintenance businesses.

The pharmaceuticals business draws on results accumulated by Group companies in research related to cosmetics and quasi-pharmaceuticals to develop and sell new drugs. Thus far, two products—***Lulicon***, an antifungal agent for topical application, and ***DIVIGEL***, a treatment for menopausal symptoms—have successfully been brought to market. In addition, existing ethical pharmaceuticals, such as the laxative ***Alosenn*** and dermatological drugs have been supplied to medical institutions, including university hospitals throughout Japan. In the first quarter of fiscal 2013, due to the Group's continued sales activities specializing in the field of dermatology, such as visits to medical institutions, ***Lulicon*** continued to expand its market share, recording net sales above those recorded in the corresponding period of the previous year.

The building maintenance business primarily caters to the needs of Group companies. In the first quarter of fiscal 2013, in order to increase orders from outside the Group, the Group engaged in sales activities to conclude contracts with new customers. Nonetheless, due to falling unit prices of orders, net sales fell below those in the corresponding period of the previous year.

As a reflection of the above, net sales—sales to external customers—generated by the Others segment totaled ¥1,960 million, up 4.3%, while operating loss amounted to ¥132 million (operating loss was ¥216 million in fiscal 2012).

(2) Qualitative Information on Consolidated Financial Position

As of March 31, 2013, total assets stood at ¥207,354 million, down 0.9%, or ¥1,785 million from December 31, 2012. The principal items of increase or decrease were as follows. There were increases of ¥1,374 million in goodwill (amortized) due to the depreciation of yen, ¥1,051 million in right of trademark, ¥1,176 million in merchandise and finished goods, and ¥1,352 million in current assets—other due mainly to an increase in short-term deferred tax assets arising from POLA's withdrawal from business in the United States. Meanwhile, there was a decrease of ¥3,802 million in notes and accounts receivable – trade and a decrease of ¥2,901 million in short-term investments in securities.

Total liabilities amounted to ¥38,922 million, down 12.0%, or ¥5,321 million, from December 31, 2012. As for the principal items of increase or decrease, there were decreases of ¥4,825 million in income taxes payable and ¥1,628 million in current liabilities—other. The latter was due to the Group's recording a provision for loss on business liquidation arising from POLA's withdrawal from business in the United States and to a decline in unpaid sales commissions.

Net assets amounted to ¥168,431 million, up 2.1%, or ¥3,535 million from December 31, 2012. The principal items of increase or decrease were as follows. While ¥1,258 million was recorded in net income and there was an increase of ¥3,369 million in foreign currency translation adjustments as a result of exchange rate movements, there was a decrease due to ¥1,382 million in dividends from retained earnings.

(3) Qualitative Information on Consolidated Performance Forecast

The Company has made no revisions to the full-year consolidated performance forecast announced on February 14, 2013.

(Information for reference)

Cumulative Results for Fiscal 2012

	(Millions of yen)			
	Three Months	Six Months	Nine Months	Full Year
Net Sales	¥38,945	¥86,407	¥129,724	¥180,873
Operating Income	1,225	5,652	8,013	13,520
Ordinary Income	1,580	6,008	8,425	14,604
Net Income	¥ 721	¥ 2,785	¥ 3,687	¥ 6,681

Quarterly Operation Results for Fiscal 2012

	(Millions of yen)			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Net Sales	¥38,945	¥47,461	¥43,316	¥51,149
Operating Income	1,225	4,426	2,360	5,506
Ordinary Income	1,580	4,427	2,417	6,178
Net Income	¥ 721	¥ 2,063	¥ 902	¥ 2,994

2. Summary Information (Notes)

(1) Changes in Significant Subsidiaries during the Current Period

In the first quarter of the fiscal year ending December 31, 2013, since CSW H2O Holdings, Inc. extinguished as a result of its merger with H2O PLUS HOLDINGS, INC., which is a consolidated subsidiary of the Company, it is excluded from the scope of consolidation.

(2) Changes in Accounting Policies, Accounting Estimates, and Restatement

(Changes in accounting policies that are difficult to distinguish from changes in accounting estimates)

Following the revision of the Corporation Tax Act, from the first quarter of the fiscal year ending December 31, 2013, for property, plant and equipment acquired on or after January 1, 2013, the Company and its domestic consolidated subsidiaries have changed to the depreciation method based on the revised Corporation Tax Act.

As a result of the change, the impact on operating income, ordinary income, and income before income taxes is minor.

3. Quarterly Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	FY2012 December 31, 2012	**FY2013 First Quarter March 31, 2013**
Assets		
Current assets		
Cash and deposits	¥ 22,551	**¥ 22,373**
Notes and accounts receivable – trade	22,684	**18,881**
Short-term investments in securities	19,801	**16,900**
Merchandise and finished goods	10,883	**12,059**
Work in process	1,493	**1,741**
Raw materials and supplies	4,901	**5,032**
Other	6,653	**8,005**
Allowance for doubtful accounts	(125)	**(125)**
Total current assets	88,844	**84,870**
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	17,248	**18,511**
Land	22,448	**22,457**
Other, net	15,711	**14,693**
Total property, plant and equipment	55,408	**55,662**
Intangible assets		
Goodwill	18,256	**19,630**
Right of trademark	11,841	**12,892**
Other	9,579	**9,836**
Total intangible assets	39,677	**42,360**
Investments and other assets		
Investments in securities	18,572	**17,982**
Other	6,801	**6,645**
Allowance for doubtful accounts	(163)	**(165)**
Total investments and other assets	25,209	**24,462**
Total non-current assets	120,296	**122,484**
Total assets	¥209,140	**¥207,354**

(Millions of yen)

	FY2012 December 31, 2012	**FY2013 First Quarter March 31, 2013**
Liabilities		
Current liabilities		
Notes and accounts payable – trade	¥ 3,630	**¥ 4,308**
Short-term loans payable	1,733	**600**
Income taxes payable	6,282	**1,457**
Provision for bonuses	1,504	**1,916**
Other	17,935	**16,306**
Total current liabilities	31,086	**24,589**
Non-current liabilities		
Long-term loans payable	—	**1,000**
Provision for retirement benefits	6,394	**6,258**
Other	6,763	**7,075**
Total non-current liabilities	13,157	**14,333**
Total liabilities	44,244	**38,922**
Net assets		
Shareholders' equity		
Common stock	10,000	**10,000**
Capital surplus	90,718	**90,718**
Retained earnings	63,386	**63,262**
Treasury stock	(2,199)	**(2,199)**
Total shareholders' equity	161,905	**161,781**
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	331	**597**
Foreign currency translation adjustments	2,535	**5,904**
Total accumulated other comprehensive income	2,867	**6,502**
Subscription rights to shares	40	**53**
Minority interests	82	**93**
Total net assets	164,896	**168,431**
Total liabilities and net assets	¥209,140	**¥207,354**

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
Consolidated Statements of Income

(Millions of yen)

	Three Months Ended March 31	
	FY2012 (January 1, 2012– March 31, 2012)	**FY2013 (January 1, 2013– March 31, 2013)**
Net sales	¥38,945	**¥41,238**
Cost of sales	8,068	**8,131**
Gross profit	30,877	**33,107**
Selling, general and administrative expenses		
Sales commission	9,972	**10,253**
Promotion expenses	4,296	**4,612**
Advertising expenses	1,337	**1,395**
Salaries, allowances and bonuses	4,280	**4,754**
Provision for bonuses	955	**1,053**
Provision for point program	371	**406**
Other	8,439	**9,030**
Total selling, general and administrative expenses	29,651	**31,505**
Operating income	1,225	**1,601**
Non-operating income		
Interest income	124	**109**
Foreign exchange gains	215	**390**
Other	47	**64**
Total non-operating income	387	**564**
Non-operating expenses		
Interest expense	16	**16**
Equity in losses of affiliates	8	**0**
Other	6	**4**
Total non-operating expenses	31	**21**
Ordinary income	1,580	**2,144**
Extraordinary income		
Gain on sales of non-current assets	1	**211**
Reversal of provision for directors' retirement benefits	119	**—**
Other	0	**1**
Total extraordinary income	121	**213**
Extraordinary losses		
Loss on disposal of non-current assets	63	**50**
Loss on business liquidation	—	**1,001**
Other	6	**1**
Total extraordinary losses	70	**1,053**
Income before income taxes	1,632	**1,304**
Income taxes – current	1,162	**1,008**
Income taxes – deferred	(248)	**(966)**
Total income taxes	914	**42**
Income before minority interests	717	**1,262**
Minority interests in net income (loss) of consolidated subsidiaries	(4)	**3**
Net income	¥ 721	**¥ 1,258**

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Three Months Ended March 31	
	FY2012 (January 1, 2012– March 31, 2012)	**FY2013 (January 1, 2013– March 31, 2013)**
Income before minority interests	¥717	**¥1,226**
Other comprehensive income		
Valuation difference on available-for-sale securities	242	**266**
Deferred gain or loss on hedges	(9)	—
Foreign currency translation adjustments	1,800	**3,374**
Share of other comprehensive income of associates accounted for using equity method	—	**1**
Total other comprehensive income	2,032	**3,642**
Quarterly comprehensive income	2,750	**4,904**
Comprehensive income attributable to owners of the parent	2,747	**4,893**
Comprehensive income attributable to minority interests	¥ 3	**¥ 11**

(3) Going Concern Assumptions
Not applicable for the first quarter of fiscal 2013 (January 1, 2013–March 31, 2013)

(4) Segment Information
I. First Quarter of Fiscal 2012 (January 1, 2012–March 31, 2012)
1. Information about Net Sales and Profit (Loss) by Reportable Segment

(Millions of yen)

	Reportable Segments			Others (Note 1)	Subtotal	Reconciliations (Note 2)	Amount Shown on the Consolidated Statements of Income (Note 3)
	Beauty Care	Real Estate	Subtotal				
Net Sales							
Sales to External Customers	¥36,320	¥745	¥37,066	¥1,879	¥38,945	—	¥38,945
Intersegment Sales or Transfers	14	156	171	559	730	¥(730)	—
Total	36,335	902	37,237	2,438	39,676	(730)	38,945
Segment Income (Loss)	¥ 995	¥354	¥ 1,350	¥ (216)	¥ 1,134	¥ 91	¥ 1,225

Notes: 1. "Others" comprises business operations that are not categorized as reportable segments and include the pharmaceuticals and building maintenance.
2. The segment income reconciliation of ¥91 million includes intersegment transaction eliminations of ¥622 million minus corporate expenses of ¥531 million, not allocated to each segment. Corporate expenses are primarily the Company's administrative expenses not allocated to reportable segments.
3. Segment income is adjusted for operating income reported in the quarterly consolidated statements of income.

2. Information about Assets by Reportable Segment
There were significant changes in the amount of assets by reportable segment in the first quarter of fiscal 2012 compared with the end of fiscal 2011. The summary information is as follows:

In the Beauty Care segment, the amount of segment assets increased ¥27,934 million, arising from the establishment of Pola Orbis Jurlique Holdings Pty Ltd and Pola Orbis Jurlique Pty Ltd, the addition of Jurlique International Pty Ltd and its 11 subsidiaries as consolidated subsidiaries through the acquisition of all outstanding shares in Jurlique, and some other factors.

3. Information about Impairment Loss of Non-current Assets and Goodwill by Reportable Segment
(Significant Impairment Loss of Non-current Assets)
None

(Significant Changes in Goodwill)
In the Beauty Care segment, new goodwill was recorded due to the addition of Jurlique International Pty Ltd and its 11 subsidiaries as consolidated subsidiaries through the acquisition of all outstanding shares in Jurlique as of February 3, 2012.

Due to this development, the amount of goodwill increased ¥13,714 million in the first quarter of fiscal 2012.

II. First Quarter of Fiscal 2013 (January 1, 2013–March 31, 2013)

1. Information about Net Sales and Profit (Loss) by Reportable Segment

(Millions of yen)

	Reportable Segments			Others (Note 1)	Subtotal	Reconciliations (Note 2)	Amount Shown on the Consolidated Statements of Income (Note 3)
	Beauty Care	Real Estate	Subtotal				
Net Sales							
Sales to External Customers	**¥38,559**	**¥719**	**¥39,278**	**¥1,960**	**¥41,238**	—	**¥41,238**
Intersegment Sales or Transfers	**18**	**167**	**186**	**617**	**803**	**¥(803)**	—
Total	**38,578**	**886**	**39,464**	**2,577**	**42,042**	**(803)**	**41,238**
Segment Income (Loss)	**¥1,472**	**¥321**	**¥ 1,794**	**¥(132)**	**¥ 1,661**	**¥ (60)**	**¥ 1,601**

Notes:
1. "Others" comprises business operations that are not categorized as reportable segments and include the pharmaceuticals and building maintenance.
2. The segment income reconciliation of ¥(60) million includes intersegment transaction eliminations of ¥504 million minus corporate expenses of ¥564 million, not allocated to each segment. Corporate expenses are primarily the Company's administrative expenses not allocated to reportable segments.
3. Segment income is adjusted for operating income reported in the quarterly consolidated statements of income.

2. Information about Impairment Loss of Non-current Assets and Goodwill by Reportable Segment

The Significant Impairment Loss of Non-current Assets

None

Significant Changes in Goodwill

None

(5) Significant Changes in Shareholders' Equity

None

(6) Significant Subsequent Events

1. Introduction of the early retirement incentives program

Accompanying with the termination of the manufacturing at the Shizuoka Plant and the transfer of the functions to the Fukuroi Plant in fiscal 2014, the Board Directors of POLA CHEMICAL INDUSTRIES INC., a consolidated subsidiary of the Company, resolved to adopt an early retirement incentives program on March 29, 2013. The program was subsequently introduced on April 1, 2013.

1) Outline of the early retirement incentives program

i. Eligibility: An employee who has reached the age of 40 and works at either the Shizuoka Plant or the Fukuroi Plant
ii. Recruitment period: April 22, 2013－May 31, 2013
iii. Retirement date: August 31, 2014
iv. Number of staff to be recruited: Approximately 100
v. Incentives: The company will pay extra amount in addition to the retirement benefit package and provide assistance through external employment supporting agencies to those who request for aid to gain re-employment.

2) Impact on performance

The degree of impact on performance has not yet been determined due to insufficient data with regard to the number of applicants seeking early retirement at the time of disclosure of this report.

P.O.TECHNO SERVICE INC., a consolidated subsidiary of the Company, passed a similar resolution at a meeting of the Board of Directors held on April 10, 2013, although the impact of its resolution is minor.

2. Establishment of a subsidiary

At a meeting of the Board of Directors held on March 29, 2013, H2O PLUS HOLDINGS, INC. (“H2O PLUS”), a consolidated subsidiary of the Company, resolved to establish a joint venture with Asia Development Enterprise Co., Ltd. (“ADE”), which has a distributorship agreement with H2O PLUS in China. The payment of capital from H2O PLUS, LLC, a subsidiary of H2O PLUS, was completed on April 11, 2013.

1) Purpose of establishment

H2O PLUS, LLC has already been engaged in business in China, with ADE acting as its distributor. With the aim of accelerating the growth of business in China, a joint venture was established to improve brand controls throughout retail stores and swiftly launch new products based on the reliable over-the-counter information.

2) Profile of the joint venture

i.	Company name:	C2O Plus Asia Limited
ii.	Location:	Hong Kong, China
iii.	Description of business:	Sale of cosmetic products and health foods,etc.
iv.	Amount of capital:	USD 10 million
v.	Ownerships:	H2O PLUS, LLC: 51%, ADE: 49%