Conference Presentation for Financial Results of FY2012

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POLA ORBIS HOLDINGS INC.

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.

1. Highlights of Consolidated Performance
2. Segment Analysis and Progress of Key Strategies
3. Forecasts for FY2013
4. Initiatives for FY2013 Onward

1. Highlights of Consolidated Performance

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Overview of FY2012

Consolidated net sales significantly increased 8.5% YoY, accompanied with revenue growth of existing brands and consolidation of Jurlique.
Although existing brands achieved significant increase in operating income, consolidated operating income increased only 5.2% due to M&A related expenses for Jurlique and anticipatory investment in China.

Consolidated FY2012

Net Sales ¥180,873 mil.
+ 8.5% YoY
- 0.6% (compared with forecast)

Operating Income ¥13,520 mil.
+ 5.2% YoY
- 4.8% (compared with forecast)

Existing Brands

Net Sales ¥170,855 mil. (+2.5% YoY) Operating Income ¥14,705 mil. (+14.4% YoY)

- POLA ⇒ Net Sales ¥99,204 mil. (+1.9%) Operating Income ¥7,031 mil. (+14.0%)
  POLA THE BEAUTY (PB) contributed significantly.
- ORBIS ⇒ Net Sales ¥48,009 mil. (+0.2%) Operating Income ¥7,881 mil. (+20.8%)
  Skincare focused product strategy and cost reduction backed with increased online orders improved profitability.

Jurlique

Net Sales ¥10,018 mil. (consolidated from February) Operating Income - ¥1,185 mil.

- Sales was close to forecasted figures. Operating income was approx. - ¥900 mil. compared with 2Q revised forecast.
- Factors of differences between operating income result and forecast:
  Business factors ⇒ Approx. - ¥500 mil. Anticipatory investment to open stores in China and changes in the proportion of sales by each country.
  PPA Factor ⇒ Approx. - ¥400 mil. M&A related expenses increased more than forecasted.

*Annual M&A related expenses: ¥1,886 mil. (including one-time expense of ¥901 mil.)
⇒ Valuation difference on inventories ¥734 mil., Fixed asset and goodwill amortization ¥916 mil., Others ¥235 mil.

PPA ＝ Purchase Price Allocation

Factors of Differences between Results and Forecasts

	FY2012 Results	Compared with Jul. 30 revised Forecasts	Key Factors
Consolidated Net Sales	¥180,873 mil.	- ¥1,126 mil. (-0.6%)	･A change in H2O PLUS's agent in China caused shipments in stasis. ･Brands under development fell below forecasts.
Operating Income	¥13,520 mil.	- ¥679 mil. (-4.8%)	･POLA and ORBIS exceeded forecasts by approx. ¥700 mil. ･Overseas brands fell below forecasts by approx. ¥1,400 mil. ⇒ Jurlique: increased M&A related expenses and increased anticipatory investment in China ⇒ H2O PLUS: shipments in stasis caused by a change in agent in China. ･Brands under development: as forecasted.
Ordinary Income	¥14,604 mil.	- ¥95 mil. (-0.6%)	･Decrease: Operating income fell below forecast. ･Increase: Positive impact of yen depreciation.
Net Income	¥6,681 mil.	- ¥518 mil. (-7.2%)	･Deteriorated profits of the overseas brands caused increased effective tax rate.

Highlights of Consolidated Performance
PL Summary

(millions of yen)	FY2011 Results	FY2012 Results	YoY Amount	YoY %	Compared with Jul. 30 revised forecasts Amount	Compared with Jul. 30 revised forecasts %
Net Sales	166,657	180,873	14,215	8.5%	-1,126	-0.6%
Cost of Sales	33,461	36,946	3,484	10.4%	-363	-1.0%
Gross Profit	133,196	143,927	10,731	8.1%	-762	-0.5%
Selling, General and Administrative Expenses	120,342	130,407	10,064	8.4%	-82	-0.1%
Operating Income	12,853	13,520	666	5.2%	-679	-4.8%
Ordinary Income	13,322	14,604	1,281	9.6%	-95	-0.6%
Income before Income Taxes	11,255	14,311	3,055	27.1%	-38	-0.3%
Net Income	8,039	6,681	-1,358	-16.9%	-518	-7.2%

Jurlique、H2O+ YoY changes

- Net Sales: + ¥11,159 mil.
- Cost of Sales: + ¥3,220 mil. (including valuation difference on inventories ¥734 mil.)
- Selling, General and Administrative Expenses: + ¥9,756 mil. (including goodwill amortization)
- Operating Income: - ¥1,816 mil.

Summary of Consolidated Results

Consolidated Net Sales ⇒ Significantly increased by increase in sales of flagship brands and brands under development and consolidation of Jurlique.

Operating Income ⇒ Although flagship brands and brands under development increased significantly, overseas brands caused overall figure to fall below forecasts.

Net Income ⇒ Non-operating income increased because of foreign exchanges and income before income taxes was as forecasted. However, deteriorated profits of the overseas brands caused increase in effective tax rate and overall figure did not meet the forecasts.

Analysis of Consolidated PL Changes
Net Sales to Operating Income

(millions of yen)	FY2011 Results	**FY2012 Results**	YoY Amount	YoY %	Compared with Jul. 30 revised forecasts Amount	Compared with Jul. 30 revised forecasts %
Net Sales	166,657	**180,873**	14,215	8.5%	Δ1,126	Δ0.6%
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Gross Profit	133,196	**143,927**	10,731	8.1%	Δ762	Δ0.5%
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Operating Income	12,853	**13,520**	666	5.2%	Δ679	Δ4.8%

Consolidated Net Sales	･Jurlique ⇒ + ¥ 10,018 mil. ･POLA ⇒ + ¥ 1,851 mil. ･H2O PLUS ⇒ + ¥ 1,142 mil. ･THREE ⇒ + ¥ 347 mil. (YoY basis)
Cost of Sales	･Cost of Sales Ratio: FY2011 20.08% ⇒ FY2012 20.43% Factors lowering the ratio: Improved cost of sales ratios especially in flagship brands. Factors raising the ratio: Consolidations of H2O PLUS and Jurlique and impact of valuation difference on inventories of inventories of ¥734 mil.
SG&A	･Sales Commissions ⇒ + ¥ 1,762 mil. ･Personnel Expenses ⇒ + ¥ 3,061 mil. ･Sales-related Expenses ⇒ + ¥ 1,203 mil. ･Administrative Expenses ⇒ + ¥ 4,037 mil. (Key factors of the changes above: Increase of ¥9,756 mil. in SG&A at the overseas brands) (YoY basis)
Operating Income	･+ ¥ 666 mil. (¥ 1,025 mil. increase in Beauty Care segment) (YoY basis)

Analysis of Consolidated PL Changes
Operating Income to Net Income

POLA ORBIS HOLDINGS

(millions of yen)	FY2011 Results	**FY2012 Results**	YoY Amount	YoY %	Compared to Jul. 30 revised forecasts Amount	Compared to Jul. 30 revised forecasts %
Operating Income	12,853	13,520	666	5.2%	-679	-4.8%
Non-operating Income	829	1,243	414	49.9%	443	55.4%
Non-operating Expenses	359	158	-200	-55.8%	-141	-47.0%
Ordinary Income	13,322	14,604	1,281	9.6%	-95	-0.6%
Extraordinary Income	569	136	-433	-76.1%	136	–
Extraordinary Losses	2,636	429	-2,207	-83.7%	79	22.7%
Income before Income Taxes	11,255	14,311	3,055	27.1%	-38	-0.3%
Income Taxes	3,226	7,646	4,419	137.0%	496	6.9%
Minority Interests in Net Loss of Consolidated Subsidiaries	-10	-16	-5	55.6%	-16	–
Income Taxes	8,039	6,681	-1,358	-16.9%	-518	-7.2%

Non-operating Income/Expenses

・Income increase of ¥ 665 mil. YoY due to change in foreign exchange rate.
(FY2011: - ¥ 121 mil. ⇒ + ¥ 544 mil.)

Extraordinary Income/Losses

Extraordinary Income — FY2012: Reversal of provision for directors' retirement benefits ¥119 mil.
FY2011: Gain on sale of stocks of a subsidiary - ¥529 mil.

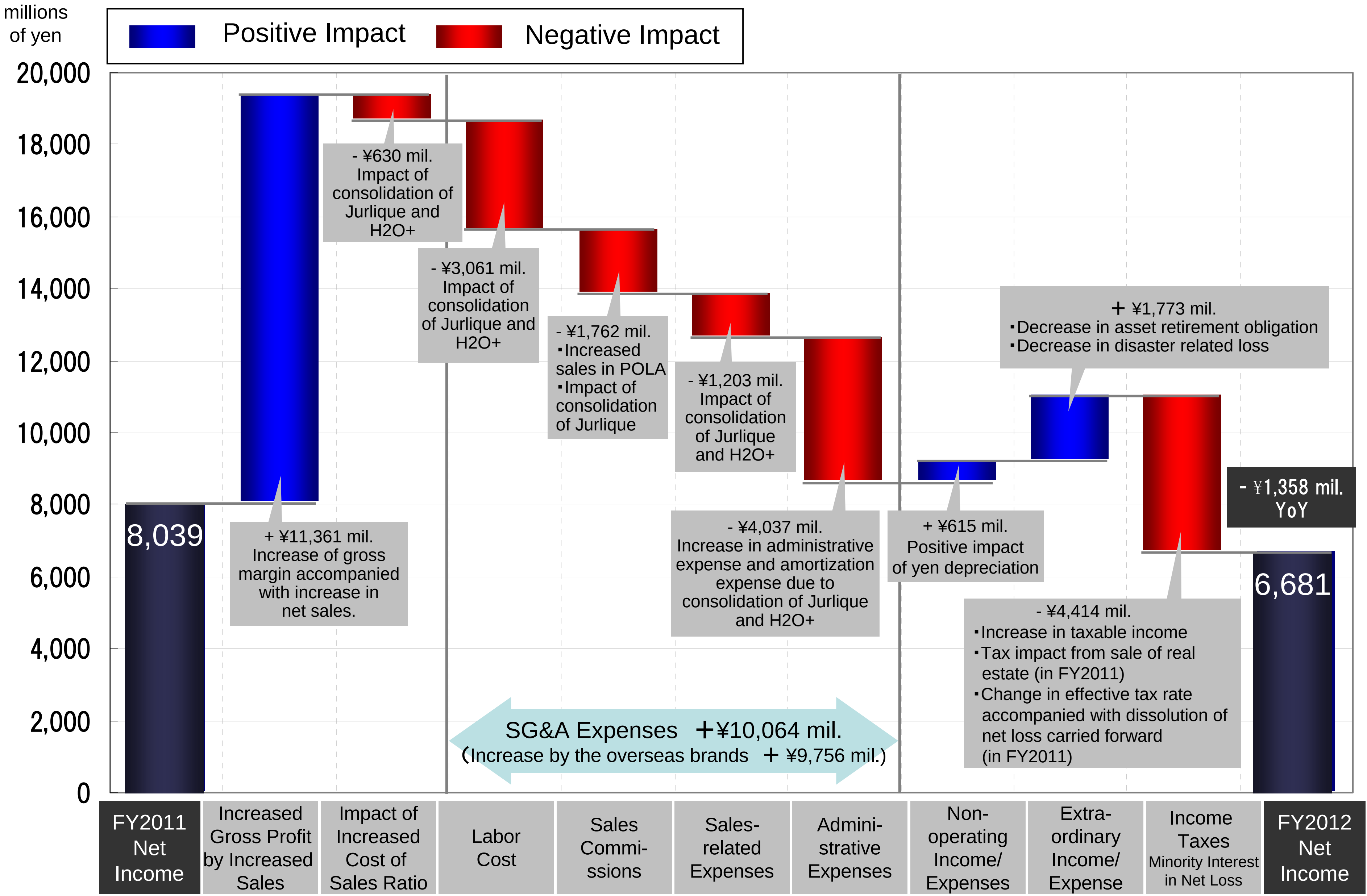
Extraordinary Losses — FY2011: Loss on Disaster - ¥467 mil.,
Asset Retirement Obligations - ¥954 mil.

Income Taxes

・Increase in income taxes caused by increase in domestic taxable income: + ¥2,346 mil. YoY
・Dissolved tax related special factors in FY2011: + ¥2,037 mil. YoY

(special factors of FY2011: Tax impact from sale of real estate, + ¥1,427 mil.
Change in effective tax rate accompanied with dissolution of net loss carried forward: + ¥610 mil.)

Factors Impacting Net Income



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Operating Results by Segment

(millions of yen)	FY2011 Results	FY2012 Results	YoY Amount	YoY %	Compared with Jul. 30 revised forecasts Amount	Compared with Jul. 30 revised forecasts %
Consolidated Net Sales	166,657	180,873	14,215	8.5%	-1,126	-0.6%
Beauty Care	154,778	168,811	14,033	9.1%	-1,388	-0.8%
Real Estate	3,089	2,841	-247	-8.0%	-58	-2.0%
Others	8,790	9,220	430	4.9%	320	3.6%
Operating Income	12,853	13,520	666	5.2%	-679	-4.8%
Beauty Care	10,787	11,812	1,025	9.5%	-687	-5.5%
Real Estate	1,283	1,139	-144	-11.3%	39	3.6%
Others	501	335	-166	-33.2%	35	11.7%
Reconciliations	280	232	-47	-16.9%	-67	-22.4%

Beauty Care Segment Operating Results by Product Type

(millions of yen)	FY2011 Results	FY2012 Results	YoY Amount	YoY %
Net Sales	154,778	168,811	14,033	9.1%
Cosmetics	141,453	155,849	14,396	10.2%
Fashion	13,324	12,962	-362	-2.7%
Operating Income	10,787	11,812	1,025	9.5%
Cosmetics	11,192	11,644	451	4.0%
Fashion	-404	168	573	—

◆Cosmetics ⇒ Both flagship brands and brands under development had firm net sales. Overseas brands contributed to achieve significant increase in overall net sale.
Regarding operating income, domestic brands had significant increase, but increase in M&A related expenses for the overseas brands held down overall figure. As a result, operating income increased only 4.0%.

◆Fashion ⇒ Net Sales was lower than FY2011, but focus on highly profitable products and successful cost reduction led to positive operating income.

Note: Results are shown for each product type for reference purpose only (unaudited).

Beauty Care Segment Operating Results by Brand

(millions of yen)	FY2011 Results	FY2012 Results	YoY Amount	YoY %
Net Sales	154,778	168,811	14,033	9.1%
POLA	97,353	99,204	1,850	1.9%
ORBIS	47,918	48,009	90	0.2%
Brands under development	7,654	8,587	932	12.2%
Overseas brands (Jurlique・H2O+)	1,851	13,011	11,159	602.8%
Operating Income	10,787	11,812	1,025	9.5%
POLA	6,168	7,031	863	14.0%
ORBIS	6,526	7,881	1,354	20.8%
Brands under development	-1,826	-1,202	623	–
Overseas brands (Jurlique・H2O+)	-81	-1,897	-1,816	–

◆POLA ⇒ Achieved significant earnings growth by motivating sales organization, especially PB. Successful "***B.A***" series and improved efficiency of selling expenses also helped.

◆ORBIS⇒ Accelerated the rebuilding of the brand (to improve profitability). Following factors led improved operating income in spite of the flat net sales:

lowered sales cost ratio by focusing on skincare products, improved ratio of repeat customers and improved cost efficiency in sales related expenses by strengthening online sales.

◆Brands under development ⇒ Sustained double-digit growth in net sales and improved operating income.

◆Overseas brands ⇒ Jurlique's net sales was as projected. Its operating income fell below forecasts due to the increased M&A related expenses and anticipatory investment in China.
H2O PLUS has shipments in stasis due to a change in agent in China.

Note: Consolidated operating income and losses are shown for each brand for reference purpose only (unaudited).

Real Estate and Others Results

(millions of yen)	FY2011 Results	FY2012 Results	YoY Amount	YoY %
Real Estate Net Sales	3,089	2,841	-247	-8.0%
Operating Income	1,283	1,139	-144	-11.3%

◆ The segment performed as projected even though net sales and operating income decreased due to the decline of rent in real estate market and vacancy of a large property.

(millions of yen)	FY2011 Results	FY2012 Results	YoY Amount	YoY %
Others Net Sales	8,790	9,220	430	4.9%
Operating Income	501	335	-166	-33.2%

◆ Pharmaceuticals ⇒ Outperformed FY2011 by increasing number of medical institutions to supply the key product, "***Lulicon***".

◆ Building maintenance ⇒ All segments (building maintenance, construction and contracting) sustained good performances.

Note: The commercial printing business has been excluded from the scope of consolidation since FY2011 3Q.
(FY2011 2Q cumulated result Net Sales: Approx. ¥230 mil. Operating Income: ¥200 mil.)

Progress of Key Strategies During FY2012 (1)

Strategy 1 ― Generate stable profits with flagship brands

POLA

Continued to reinforce the flagship ***B.A*** series.
PB sustained strong growth and the organization is expanding smoothly.

Door-to-door sales	Products	◆ Bolstered the flagship ***B.A*** series ⇒ ***B.A*** Summer line ⇒ ***B.A*** eye cream and Christmas limited edition package
	Sales Channels	◆ Number of POLA THE BEAUTY (PB) stores: + 39 YoY, Total 572 ◆ PB annual sales: + 9.1% YoY Note: Esthe-inn + 2.8%, Door-to-door - 8.2% ◆ PB existing stores: + 8.4% YoY ◆ Total number of sales offices (including PB) +115 stores YoY (Total: 4,668 as of December 2012)
	Customers	◆ Amount spent by a customer: - 3.3% YoY ◆ Number of customers: + 6.3% YoY (Number of new customers + 11.4%)
Other sales	Department stores and Business use	◆ Both number of customers and amount spent by a customer in department stores outperformed FY2011 and sustained double-digit growth. ◆ Business use products, especially high-value added products, performed well and achieved double-digit growth.

"***B.A Summer***",
"***B.A RED Summer***",
launched in April.

"***B.A THE MASK PREMIUM BOX***",
launched in November.

Progress of Key Strategies During FY2012 (2)

POLA ORBIS HOLDINGS

ORBIS

Announced the new brand statement, “Oil Free Hada” (100% Oil-cut).

「オイルフリー派ダ」宣言

Accelerated the rebuilding of the brand.

Brand Rebuilding

Product	◆ March: “*AQUA FORCE SHEET MASK*” limited offer ◆ August: Launched “*AQUA FORCE EXTRA*”
Sales Channels	◆ Renewed a part of the online store, “ORBIS THE NET” ⇒Focused on skincare products and improved the usability. ◆ Online order ratio: + 2.4pt YoY ◆ Mail-order catalog related expenses: - ¥260 mil. YoY
Customers	◆ Amount spent by a customer: Online and mail-orders + 7.8%, Store + 1.0% YoY ◆ Ratio of customers purchased skincare products through online and mail-orders: + 3.8pt YoY ◆ Ratio of new customers purchasing skincare products: + 3.5pt YoY ◆ Ratio of repeat online and mail-order customers: + 2.6pt YoY
Services	◆ 1st place in FY2012 JSCI (Japanese Customer Satisfaction Index) mail-order sector. ◆ Completed migration to dual-site logistics centers in east and west Japan.

New “***AQUA FORCE EXTRA***”, launched in August.

West Japan Logistics Center “Picking Line”

Progress of Key Strategies During FY2012 (3)

Strategy 2 ー Accelerate growth of the portfolio of brands under development

THREE

- ◆ High growth in net sales, approx. + 50% YoY
- ◆ Number of counters in department stores: + 5 stores YoY, Total: 19 stores
- ◆ Started to expand into semi-self cosmetic counters and DFS.

THREE
New products,
"***Concentrate***" line,
launched in September.

Strategy 3 ー Develop the Group's presence overseas by capitalizing on the Group's strengths

Overseas Brands

◆Jurlique
- ⇒ Significantly expanded sales in China.
- ⇒ Number of counters in department stores in China: + 29 stores YoY
- ⇒ Strong sales in DFS backed with improvement of brand recognition.

◆H2O PLUS
- ⇒ Launched new products co-developed with POLA CHEMICAL INDUSTRIES.

Existing Brands

◆POLA ⇒ Waiting for the direct-selling license in China.
Smoothly expanding the organization in Thailand.

◆ORBIS ⇒ Started the brand rebuilding in overseas.

Jurlique
"***Rose Moisture Plus Collection***"

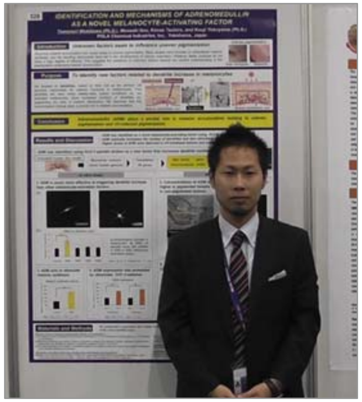
H2O PLUS
"***total SOURCE NIGHT CREAM***",
launched in September.

Progress of Key Strategies During FY2012 (4)

Strategy 4 ー Reinforce R&D capabilities

POLA CHEMICAL INDUSTRIES

- 1st prize in poster presentation division at 27th International Federation of Societies of Cosmetic Chemists (IFSCC) World Convention.
- Launched new products co-developed with two overseas brands.
  (H2O PLUS: Launched in Sep. 2012, Jurlique: Expected to launch in Fall 2013)



27th IFSCC World Convention

Strategy 5 ー Reinforce the operating base

Business Integration

- Execute Post Merger Integration (PMI) with two brands acquired.

Step up personal training

- Personnel exchange among the Group including two brands acquired.
- Accelerate internal trainings across the Group, transfers to overseas offices and cultivation of international personnel.
- Proactive hiring from outside the Group.

Internal Training

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Forecasts for FY2013

POLA ORBIS HOLDINGS

Aim to improve sales and operating income significantly with sustainable growth of existing brands and accelerated expansions of the overseas brands.

(millions of yen)	FY2013 Full Year	YoY Amount	YoY %	FY2013 First Half	YoY Amount	YoY %
Consolidated Net Sales	188,500	7,626	4.2%	90,000	3,592	4.2%
Beauty Care	175,800	6,988	4.1%	84,100	3,408	4.2%
Real Estate	3,000	158	5.6%	1,400	-44	-3.1%
Others	9,700	479	5.2%	4,500	228	5.3%
Operating Income	16,000	2,479	18.3%	5,900	247	4.4%
Beauty Care	15,000	3,187	27.0%	5,600	712	14.6%
Real Estate	1,200	60	5.3%	600	-27	-4.4%
Others	300	-35	-10.5%	0	12	–
Reconciliations	-500	-732	–	-300	-449	–
Ordinary Income	16,300	1,695	11.6%	6,100	91	1.5%
Net Income	8,200	1,518	22.7%	2,800	14	0.5%

Forecasts for loss in reconciliations

Reconciliations = amount of intersegment elimination (business management fee charged to subsidiaries) – expenses at holding company
Along with consolidations of the overseas brands, calculation method of business management fee will be changed to international standard from FY2013. Thus, amount of intersegment elimination will decrease. The decreased amount will be added to operating income of each segment.

Note: Impact of the consolidation of the production system listed on page 28 has not been reflected on FY2013 forecasts. Revised forecasts will be disclosed as soon as figures are determined.

POLA ORBIS HOLDINGS

Beauty Care Segment: Increase Operating Income (plan)

+ ¥3,187 mil.

Domestic Brands	▪POLA ⇒ ▪ Increase in gross margin accompanied with increase in sales, mainly driven by PB ▪ Efficient cost management ▪ORBIS ⇒ Decrease in cost of sales and improved efficiency of SG&A expense, accompanied with acceleration of brand rebuilding. ▪Brands under development ⇒ Decrease loss by improving sales	+ ¥1,400 mil.
Overseas Brands	▪Jurlique ⇒ Dissolution of M&A related one-time expenses (+ ¥901 mil.). Increase in profit by improving sales. ▪H2O PLUS ⇒ Recovery from the impact of change in agent in China and expansion of sales in China and developing countries.	+ ¥1,400 mil.
Changes in Reconciliations	▪Decrease in business management fee due to the change of calculation method.	+ ¥400 mil.

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Cosmetics Market Trends

Domestic

Market Overview	Market flattened in 2012. Although market slightly improved towards the end of the year, it is difficult to expect mid to long term growth. ⇒ Sell-in amount (January to November): + 0.4% (YoY)
Products	Skincare products recovered nearly to the level before the financial crisis. ⇒ Sell-in amount (January to August): Skincare -2.5% (compared with 2008), Make-ups: -20.2% (compared with 2008) Anti-aging products and skin-whitening products are performing well. ⇒ Anti-aging: + 9.8%, Skin-whitening: + 3.8%, Moisturizing: - 7.1% (YoY)
Price	Polarization in pricing patterns is becoming noticeable. ⇒ Over ¥10,000: + 2.5%, ¥3,000～¥5,000: - 1.5%, Under ¥1,000: + 2.8%
Sales Channels	Competition is increasing in online and mail order channels with new players. ⇒ Online and mail orders: + 1.3%, Cosmetics stores: +1.0%, Drug stores: + 0.7%, Door-to-door: -7.4%, Department stores: unchanged

Source: Sell-in amount from Ministry of Economy Mining and Manufacturing Dynamic Research. Other figures from Intage SLI

Overseas

Growing Market	China ⇒ Seems to slow down from CAGR 12～15% but likely to sustain double-digit growth. ASEAN ⇒ Most growing market next to China, forecasted to grow CAGR 5%～8%. Russia ⇒ Expected to continue the solid growth of CAGR 3～5%.

Note: CAGR is calculated by POLA ORBIS Holdings Inc.

Products, pricing range and overseas markets that we focus on are expected to continue growing.

FY2011 – FY2013 Medium-term Management Plan

POLA ORBIS HOLDINGS

Generate stable profits with flagship brands and invest funds to implement growth strategy

- ◆ Consolidated Net Sales ⇒ CAGR 2～3%
- ◆ Operating Income ⇒ CAGR 10% or higher
- ◆ Operating Margin ⇒ 9% (10% in Japan) in FY2013

Strategy 1 ー Generate stable profits with flagship brands

POLA

- ･Increase profits from POLA THE BEAUTY
- ･Increase market share in luxury skincare cosmetics

ORBIS

- ･Implement measures to rebuild the ORBIS brand

Generate stable profits

Strategy 2: Accelerate growth of the portfolio of brands under development

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Strategy 3: Development the Group's presence overseas by capitalizing on the Group's strengths

POLA / ORBIS

- ･Develop door-to-door sales channels in China
- ･Consulting-based sales in Russia and neighboring countries
- ･Mail-order sales business in China

Jurlique / h2O+

- ･Accelerate growth and improve profitability in Asia
- ･Swiftly achieve synergistic effects

Strategy 4 ー Reinforce R&D capabilities

- ･Reinforce skincare ingredient development capabilities

Strategy 5 ー Reinforce the operating base

1. Enhance brand recognition (unaided recall)	2. Concentration on more competence	3. Business process management	4. Step up personnel training

Initiatives for FY2013 Onward (1)

POLA ORBIS HOLDINGS

Strategy 1 ー Generate stable profits with flagship brands

POLA

- Reinforce the anti-aging series, "***B.A***" and the skin-whitening series, "***White Shot***".
- Continue to open PB stores (30 stores per year) and maintain sustainable growth at existing stores.
- Accelerate the expansion of sales organization.
- Earn new customers by improving active contacts to customers.

ORBIS

Accelerate further rebuilding of the brand

- Increase the ratio of customers purchasing skincare products and lower the cost of sales ratio by strengthening skincare products.
- Increase repeat customers and improve cost efficiency by renewal of core system and reinforcement of One-to-One marketing.
- Improve customer service and reduce cost with migration of logistics centers (dual-site logistics centers in east and west Japan).

Strategy 2 ー Accelerate growth of the portfolio of brands under development

THREE

- Continue to open stores in department stores and expand into new sales channels
- Expected to start expanding into Thailand this Spring

POLA
"***WHITE SHOT CLEAR SERUM SX***"
and
"***WHITE SHOT INNER LOCK SX***",
launched in February.

ORBIS
"***LIVE RICH***",
launched in February.

THREE
"***Balancing***" series,
launched in February.

Initiatives for FY2013 Onward (2) - 1

Strategy 3 ー Develop the Group's presence overseas by capitalizing on the Group's strengths

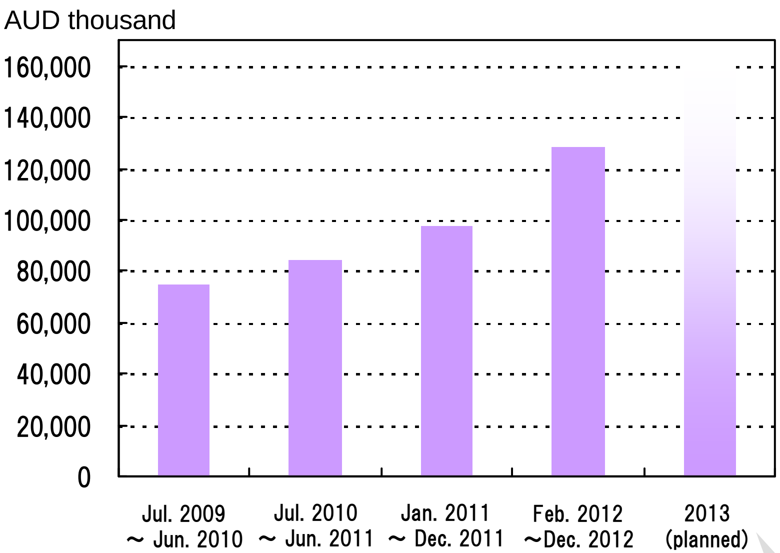
POLA ORBIS GROUP	◆ Newly established "Global Business Strategy Division" to achieve long-term vision. ⇒ Develop overseas strategies for the Group ⇒ Realize synergies among brands ⇒ Gather M&A related information
Jurlique	◆ Net sales 20% growth or higher ◆ Open new stores, especially in China ◆ Expected to launch a new product co-developed with POLA CHEMICAL INDUSTEIES (Fall 2013)
h2O+	◆ Net sales growth 30% or higher ◆ Develop the brand with the new agent in China ◆ Launched another product co-developed with POLA CHEMICAL INDUSTRIES
Existing Brands	◆ POLA ⇒ Aim to receive a door-to-door sales license in China soon. Accelerate the expansion of sales organization in Thailand, where POLA is performing well. ◆ ORBIS ⇒ Planned to establish a corporation in Singapore and start expanding into ASEAN

Jurlique
"***Pure White***",
launched in April.

H2O PLUS
"***total SOURCE OPTIMUM SERUM & ALL DAY CREAM***",
launched in February.

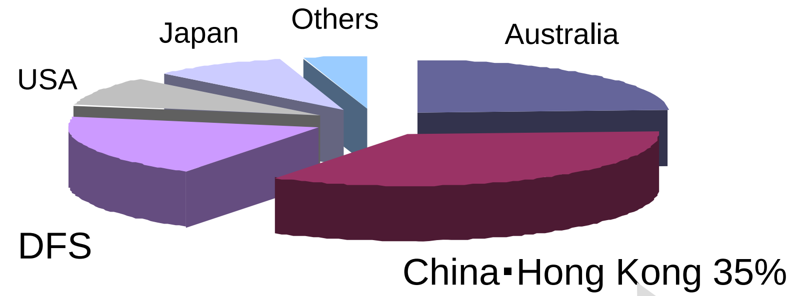
Initiatives for FY2013 Onward (2) - 2

Jurlique Net Sales



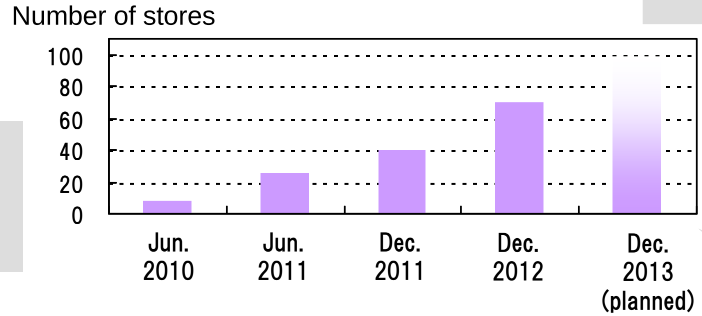
Net Sales
Aim high growth of
+ 20% YoY or higher

Net Sales by Country (FY2012)



Approx. 40% by the end of FY2013

Number of Stores in China



Aim to open approx. 100 stores

FY2013 Plans for Priority Markets

- ◆ China ⇒ Aim to increase sales significantly by increasing the number of stores (aim 100 stores).
- ◆ HK ⇒ Open 1~2 stores per year and improve sales of existing stores.
- ◆ DFS ⇒ Accelerate the expansion, especially in southeast Asia.
- ◆ USA ⇒ Increase the amount of sell-in to new retailers and SPA.

Jurlique: Cosmetic counter in Chinese department store

Initiatives for FY2013 Onward (3)

Strategy 4 ー Reinforce R&D capabilities

POLA CHAMICAL INDUSTRIES	◆ Aim to create revolutionary material for anti-aging products.

Strategy 5 ー Reinforce the operating base

Concentration on core competence	◆ Restructure of the production system (consolidate into one factory) ⇒ Improve the availability of skincare products ⇒ Improve the efficiency by flexibly outsourcing

Fukuroi Factory (Shizuoka prefecture)

Consolidation of the Production System *Details are to be decided.

Schedule	2013	2014	2015	2016	2017
Fukuroi Factory	Reinforce production equipments	Consolidate the production system to one factory			
Shizuoka Factory	Relocate production equipments	2014 End Production			

Note: Impact of this consolidation of the production system has not been reflected on FY2013 forecasts on page 20. Revised forecasts will be disclosed as soon as figures are determined.

Shareholder Return and Basic Dividend Policy

POLA ORBIS HOLDINGS

Basic Dividend Policy

Minimum dividend of
¥40.00 per share
Increase dividend according to
the level of profit growth

FY2013

Increase ¥5.00 per share
as operating income increases

FY2013	Annual dividend ⇒ ¥55.00(planned) (Interim: ¥25.00, Year-end: ¥30.00） Payout ratio: 37.1%

Reference

FY2010	Year-end dividend ⇒ ¥40.00 Payout ratio: 29.1%
FY2011	Annual dividend ⇒ ¥45.00 (Interim ¥20.00, Year-end: ¥25.00) Payout ratio: 30.9%
FY2012	Annual dividend ⇒ ¥50.00 (Interim: ¥25.00, Year-end: ¥25.00) Payout ratio: 41.3%

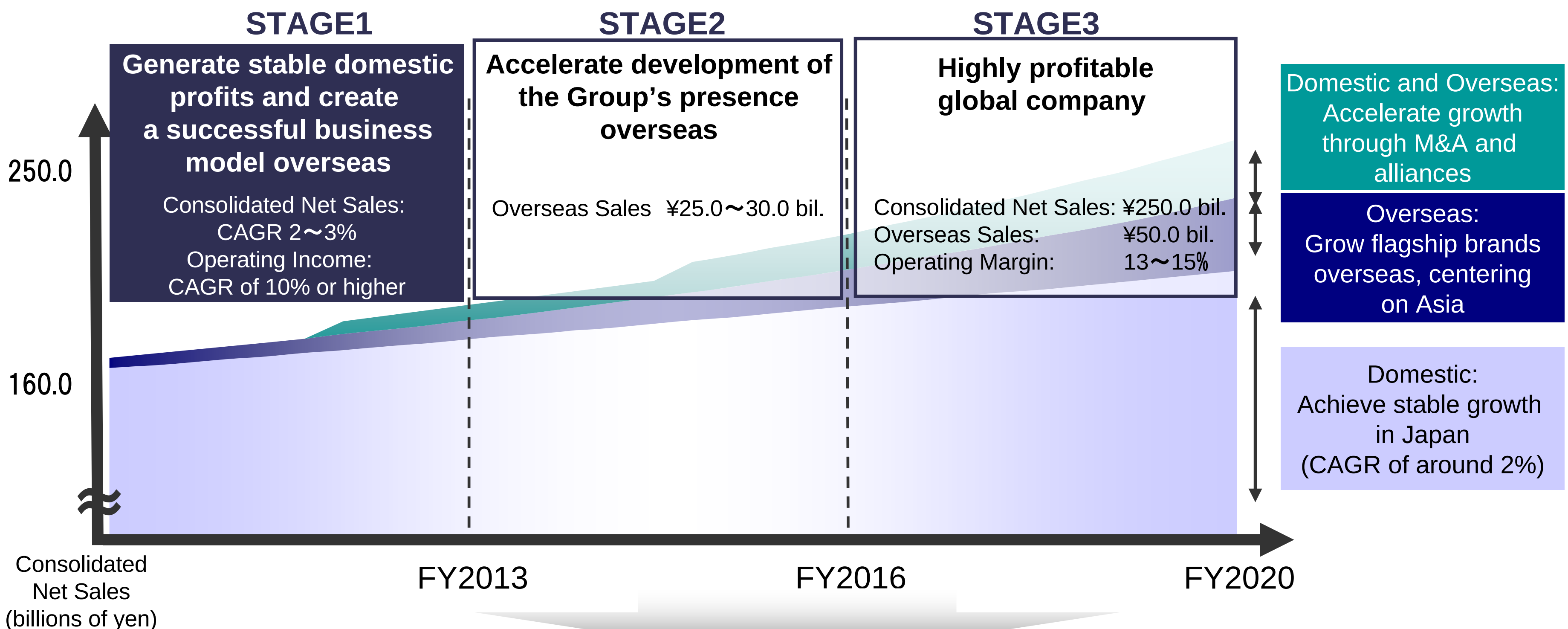
Steps Towards Achieving Our Long-term Vision

Corporate Philosophy

“Inspire all people and touch their hearts”

Management Indicators

Consolidated Net Sales: ¥250.0 billion or more
(Overseas Sales Ratio: 20% or more)
Operating Margin: Top level in the industry (13%〜15%)



In 2013, the final year of stage 1, we will focus on following as our priorities to achieve management indication goals:
1. Strengthen domestic earning structure, 2. Accelerate development of the Group’s presence overseas and 3. Improve earnings of the overseas brands.

Progress of FY2011 - FY2013 Medium-term Management Plan

POLA ORBIS HOLDINGS

Basic Plan:
Generate stable domestic profits and create a successful business model overseas

Financial Targets:
- Consolidated Net Sales ⇒ CAGR 2～3%
- Operating Income ⇒ CAGR 10% or higher
- Operating Margin ⇒ 9% by the end of FY2013 (Domestic: 10%)

Generate stable domestic profits	▪ Evolve the business of POLA brand and improve the efficiency in SG&A ▪ Smooth progress of the rebuild of ORBIS brand		◎
Create a successful business model overseas	▪ Effective M&A and creation of the synergies ▪ Expansion to Asia by capitalizing the strengths of the existing brands		○

	FY2010 results		FY2013 forecasts	2011～2013 CAGR	
Consolidated Net Sales	¥165,253 mil.	⇒	¥188,500 mil.	4.5%	◎
Operating Income	¥12,270 mil.	⇒	¥16,000 mil.	9.3%	△
Operating Margin	7.4%	⇒	8.5% (Domestic 10%)	―	△

Aim to firmly achieve FY2013 plan and aim to further achieve the medium-term management plan