

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The Company assumes no responsibility for this translation or for any damages arising from it, whether direct, indirect or otherwise.

The Company has taken measures for electronic provision in convening the Shareholders' Meeting and posted electronic provision measures matters in the "CONVOCATION NOTICE OF THE 19TH ANNUAL SHAREHOLDERS' MEETING" on the following website on the Internet.

The Company's website: <https://ir.po-holdings.co.jp/en/Stock/Meeting.html>

In addition to the above, the Company has taken measures for electronic provision on Tokyo Stock Exchange (TSE)'s website as well. You can review the electronic provision measures matters by accessing the following website of TSE (Listed Company Search), querying the Company by inputting "POLA ORBIS HOLDINGS INC." in the "Issue name (company name)" field or "4927" (in single-byte characters) in the securities "Code" field, and selecting "Basic information" and then "Documents for public inspection/PR information."

Website of TSE (Listed Company Search):

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

(Securities Code: 4927)

March 11, 2025

(Start date of electronic provision measures: March 3, 2025)

To Our Shareholders:

Yoshikazu Yokote
Representative Director and President
POLA ORBIS HOLDINGS INC.
2-2-3 Nishigotanda, Shinagawa-ku, Tokyo
[Head Office:
1-7-7 Ginza, Chuo-ku, Tokyo]

CONVOCATION NOTICE OF THE 19TH ANNUAL SHAREHOLDERS' MEETING

- 1. Date and Time:** 1:30 p.m. on Thursday, March 27, 2025
(Reception will start from 1:00 p.m.)
- 2. Place:** Prince Hall, Annex Tower 5F, Shinagawa Prince Hotel, located at
4-10-30 Takanawa, Minato-ku, Tokyo, Japan
- 3. Shareholders' Meeting Agenda:**
 - Matters to be reported:**
 1. 19th fiscal year (January 1, 2024 - December 31, 2024):
Business Report, content of the Consolidated Financial Statements, and the Audit Report on the Consolidated Financial Statements prepared by the Accounting Auditor and the Board of Corporate Auditors
 2. Non-consolidated Financial Statements for the Company's 19th fiscal year (January 1, 2024 - December 31, 2024)
 - Proposals to be resolved:**
 - Proposal 1:** Appropriation of Surplus
 - Proposal 2:** Election of Two (2) Directors
 - Proposal 3:** Election of Two (2) Corporate Auditors
 - Proposal 4:** Partial Revisions of Share-based Compensation Plan for Outside Directors

- Starting from the 17th Annual Shareholders' Meeting (held in March 2023), the materials for Shareholders' Meeting (Reference Documents for the Shareholders' Meeting, Business Report, Consolidated Financial Statements, Non-consolidated Financial Statements, and Audit Report) have been provided through websites, instead of sending them in writing, following the enforcement of the electronic provision system based on the amendments to the Companies Act. Shareholders are kindly requested to review the documents by accessing the URLs referred to on page 1 of this Convocation Notice. The Reference Documents for the Shareholders' Meeting are attached to this Convocation Notice so that Shareholders are able to have the Reference Documents in hand to review the key points of such materials. Shareholders who have requested, by the record date, to receive a hard copy of the electronic provision measures matters will receive documents containing such matters in accordance with the laws and regulations as well as the Articles of Incorporation of the Company. Shareholders who desire to receive the hard copy next time onward but have not yet requested to receive it are kindly asked to request it by the record date. Please contact Mitsubishi UFJ Trust and Banking Corporation, which is the shareholder registry administrator of the Company, or your securities company, for details concerning how to request a hard copy.
- Any revisions to the electronic provision measures matters will be posted on the websites on which these matters are presented.
- The items listed below are not contained in the hard copy provided to Shareholders who requested it pursuant to the provisions of laws and regulations and Article 15, Paragraph 2 of the Articles of Incorporation of the Company. Accordingly, please note that the hard copy provided to Shareholders who have requested it is a part of the documents subject to audit by the Corporate Auditor and the Accounting Auditor when preparing the Audit Report.
 - (1) Matters Concerning the Company's Stock Acquisition Rights, Etc., Status of Accounting Auditor, Systems to Ensure That the Execution of Duties by Directors Complies With Laws and Regulations and the Articles of Incorporation, Other Systems to Ensure the Appropriateness of Operations, and Overview of Operational Status of Systems to Ensure the Appropriateness of Operations,
 - (2) Consolidated Statements of Changes in Net Assets, and Notes to the Consolidated Financial Statements,
 - (3) Non-consolidated Statements of Changes in Net Assets, and Notes to Non-consolidated Financial Statements, and
 - (4) Audit Report of the Consolidated Financial Statements by the Accounting Auditor, Audit Report by the Accounting Auditor, and Audit Report by the Board of Corporate Auditors
- This English translation of the Convocation Notice as reference is made available on the Company's website.
- Please be advised in advance that the electronic provision measures matters posted on the websites are the full text of the materials for Shareholders' Meeting, and therefore, the page and item numbers do not match with the Convocation Notice.

[Guidance for Exercise of Voting Rights]

Prior to the Shareholders' Meeting

If you are not attending the Shareholders' Meeting in person

■ Exercise of Voting Rights via the Internet, Etc. [Recommended]

Please access the website for exercise of voting rights (<https://evote.tr.mufg.jp/>) and enter your vote of approval or disapproval following the instructions on the screen.

Voting deadline: No later than 5:40 p.m. (JST) on Wednesday, March 26, 2025

■ Exercise of Voting Rights in Writing

We kindly request you to indicate your approval or disapproval to the proposals on the enclosed Voting Rights Exercise Form, and return it so that it reaches us no later than the voting deadline below.

If there is no indication of approval or disapproval of a proposal in the enclosed Voting Rights Exercise Form, it will be treated as a vote of approval.

Voting deadline: No later than 5:40 p.m. (JST) on Wednesday, March 26, 2025

If you are attending the Shareholders' Meeting

Please submit the enclosed Voting Rights Exercise Form at the reception desk of the Shareholders' Meeting.

Date and time of the Shareholders' Meeting: 1:30 p.m. (JST) on Thursday, March 27, 2025

● For institutional investors

The electronic voting rights exercise platform operated by ICJ, Inc. can be used if an application for participation in the platform is made in advance.

Reference Document for the Shareholders' Meeting

Proposal 1: Appropriation of Surplus

The Company regards the return of profits to shareholders as one of its significant management issues, and has set the enhancement of shareholder return through stable profit growth as a basic policy. Accordingly, the Company would like to propose the amount of year-end dividend as follows.

If this proposal is approved, the total dividend for the 19th fiscal year, including the interim dividend, will be 52 yen per share.

Matters pertaining to year-end dividend

- (1) Type of dividend property
Cash
- (2) Allocation of dividend property to shareholders and the total amount thereof
31 yen per share (ordinary dividend)
Total: 6,869,923,268 yen
- (3) Date when dividends of surplus become effective
March 28, 2025

(Reference) Trends of Dividends and Dividend Payout Ratio

	The 16th fiscal year	The 17th fiscal year	The 18th fiscal year	The 19th fiscal year
Dividend	51 yen	52 yen	52 yen	52 yen (scheduled)
Dividend payout ratio	96.1%	100.5%	119.0%	123.9% (scheduled)

* Dividend and dividend payout ratio figures for the 19th fiscal year are stated on the assumption that this proposal is approved as originally proposed.

Proposal 2: Election of Two (2) Directors

The Company proposes the election of two (2) Directors, to increase the number of Outside Directors by two (2) to further strengthen corporate governance and ensure transparency.

The term of office of the newly elected Directors will expire at the end of the term of office of the other incumbent Directors, as provided for in the Articles of Incorporation of the Company.

The names, career summaries, etc. of the Director candidates are as follows:

No.	Name	Current positions and responsibilities	Attendance at meetings of the Board of Directors
1	(New election) (Outside Director) (Independent) Kayoko Tanaka		
2	(New election) (Outside Director) (Independent) Hiroki Taniguchi		

Candidate No. 1

Kayoko Tanaka (February 27, 1976)

(New election) (Outside Director) (Independent)

Attendance at meetings of the Board of Directors: —

Number of shares of the Company held: —

Term of office (at the conclusion of this Meeting): —



Career summary:

April 1998	Joined Zoshinkai Publishers Inc. (currently Zoshinkai Holdings Inc.)	October 2018	Chief Human Resources Officer (CHRO) and Managing Director, Industrial Growth Platform, Inc.
December 2002	Resigned from Zoshinkai Publishers Inc.	January 2019	Director, IGPI (Shanghai) Limited(current)
December 2004	Joined Yahoo Japan Corporation (currently LY Corporation)	April 2019	Director, Industrial Growth Platform Pte. Ltd. (current)
January 2006	Resigned from Yahoo Japan Corporation (currently LY Corporation)	October 2020	Director and CHRO, Industrial Growth Platform, Inc.
February 2006	Joined Tsutaya Online Co., Ltd. (currently Culture Convenience Club Co., Ltd.)	October 2024	Partner, Director and CHRO, IGPI Group, Inc. (current)
February 2008	Resigned from Tsutaya Online Co., Ltd. (currently Culture Convenience Club Co., Ltd.)	October 2024	Managing Director, Industrial Growth Platform, Inc. (current)
March 2008	Joined Industrial Growth Platform, Inc.		
October 2014	Director, Industrial Growth Platform, Inc.		
October 2016	Partner and Managing Director, Industrial Growth Platform, Inc.		

Significant concurrent positions:

Partner, Director and CHRO, IGPI Group, Inc.
Director, IGPI (Shanghai) Limited
Director, Industrial Growth Platform Pte. Ltd.
Managing Director, Industrial Growth Platform, Inc.

Reasons for nominating the candidate for Outside Director and outline of expected roles:

Ms. Kayoko Tanaka has broad knowledge and expertise in new business creation, management strategy, and organizational human resources. She also plays a leading role in corporate management as a partner at a management consulting firm.

For the reasons mentioned above, we propose the election of Ms. Tanaka as Outside Director, as she can be expected to provide advice and recommendations on strategic planning and problem-solving.

Candidate No. 2

Hiroki Taniguchi (April 3, 1979)

(New election) (Outside Director) (Independent)

Attendance at meetings of the Board of Directors: —

Number of shares of the Company held: —

Term of office (at the conclusion of this Shareholders' Meeting): —



Career summary:

April 2004	Joined McKinsey & Company Incorporated Japan	October 2016	General Manager, Data Solution Business Division, Yahoo Japan Corporation (currently LY Corporation)
December 2012	Resigned from McKinsey & Company Incorporated Japan	April 2021	Chief Data Officer (CDO), Yahoo Japan Corporation (currently LY Corporation)
January 2013	Joined Yahoo Japan Corporation (currently LY Corporation)	February 2025	Resigned from LY Corporation
April 2014	General Manager, Integrated Business Planning Office, Corporate Strategy Division, Corporate Management Group, Yahoo Japan Corporation (currently LY Corporation)	March 2025	Joined Sakana AI K.K., General Manager, Business Development Division (current)
January 2015	Partner, YJ Capital Inc. (currently Z Venture Capital Corporation)		

Significant concurrent positions:

General Manager, Business Development Division, Sakana AI K.K.

Reasons for nominating the candidate for Outside Director and outline of expected roles:

Mr. Hiroki Taniguchi has broad knowledge and expertise in the data area, including leading data strategy as CDO of a major IT company.

For the reasons mentioned above, we propose the election of Mr. Taniguchi as Outside Director, as he can be expected to enhance the use of data in decision-making, create business value, and strengthen IT governance.

Although Mr. Taniguchi has no past experience of involvement in corporate management, for the reasons above, the Company believes he is capable of appropriately conducting his duty as Outside Director.

(Notes)

1. There are no special conflicts of interest between either of the candidates and the Company.
2. The numbers of shares of the Company held by the candidates are based on the final register of shareholders as of December 31, 2024.
3. Ms. Kayoko Tanaka and Mr. Hiroki Taniguchi are candidates for Outside Director. The Company has notified the Tokyo Stock Exchange, Inc. that it will appoint Ms. Kayoko Tanaka and Mr. Hiroki Taniguchi as Independent Directors, as provided for in the regulations of the Tokyo Stock Exchange, Inc., if their election is approved.
4. The Company has established a provision concerning liability limitation agreements with Outside Directors under its current Articles of Incorporation. If the election of Ms. Kayoko Tanaka and Mr. Hiroki Taniguchi is approved, the Company plans to enter into liability limitation agreements with them pursuant to said provision of the Articles of Incorporation regarding the liability specified in Article 423, Paragraph 1 of the Companies Act. Under said agreements, they shall be liable for damages within the minimum amount of liability stipulated in Article 425, Paragraph 1 of the Companies Act, if they perform their duties in good faith and without gross negligence.
5. The Company has concluded a directors and officers liability insurance agreement provided for in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. Said insurance agreement shall compensate for damage including compensation for damages and legal expenses to be borne by the insured. Each candidate will be included as the insured under such insurance agreement. In addition, the Company plans to renew the insurance agreement with the same level of coverage at the next renewal.

Proposal 3: Election of Two (2) Corporate Auditors

Mr. Hideki Komoto, Corporate Auditor, will retire at the conclusion of this Annual Shareholders' Meeting. Accordingly, the Company proposes the election of one (1) Corporate Auditor to replace him. Since Mr. Akira Toyoda, a candidate for Corporate Auditor, will be elected to replace Mr. Hideki Komoto, Corporate Auditor, Mr. Toyoda's term of office will expire at the end of the term of office of Mr. Komoto, as provided for in the Articles of Incorporation of the Company.

In addition, the Company proposes the election of one (1) Outside Corporate Auditor, to increase the number of Outside Corporate Auditors to further strengthen corporate governance and ensure transparency.

The Company has obtained the consent of the Board of Corporate Auditors with respect to the submission of this proposal.

The names, career summaries, etc. of the Corporate Auditor candidates are as follows:

No.	Name	Current positions	Attendance at meetings of the Board of Directors	Attendance at meetings of the Board of Corporate Auditors
1	(New election)	Akira Toyoda		
2	(New election) (Outside Director) (Independent)	Emiko Suzuki		

Candidate No. 1

Akira Toyoda (February 22, 1963)

(New election)

Attendance at meetings of the Board of Directors: —

Attendance at meetings of the Board of Corporate Auditors: —

Number of shares of the Company held: 151 shares



Career summary:

April 1987	Joined POLA CHEMICAL INDUSTRIES INC.	April 2017	General Manager, Preparation Office, Regulatory Affairs Center, POLA ORBIS HOLDINGS INC.
January 2006	General Manager, OEM Business Department, POLA Cosmetics, Inc. (currently POLA INC.)	January 2018	Director, Regulatory Affairs Center, POLA ORBIS HOLDINGS INC.
July 2007	General Manager, Technology Business Development Office, POLA CHEMICAL INDUSTRIES INC.	January 2019	Director, POLA ORBIS Holdings Intellectual Property & Regulatory Affairs Center, POLA ORBIS HOLDINGS INC.
January 2009	General Manager, Technology Business Department, POLA CHEMICAL INDUSTRIES INC.	July 2021	Director, tricot, Inc.
January 2012	General Manager, Purchasing Department, POLA CHEMICAL INDUSTRIES INC.	January 2022	Corporate Auditor, tricot, Inc. Corporate Auditor, ACRO INC.
January 2013	General Manager, Tokyo Metropolitan Sales Management Department, P.O. TECHNO SERVICE INC.	January 2024	Corporate Auditor, POLA CHEMICAL INDUSTRIES INC.

Significant concurrent positions:

No significant concurrent positions

Reasons for nominating the candidate for Corporate Auditor:

Mr. Akira Toyoda has served for many years as the person responsible for intellectual property and regulatory affairs and has extensive knowledge in administrative divisions at the Company. He has experience as a corporate auditor at companies including POLA CHEMICAL INDUSTRIES INC.

For the reasons mentioned above, we believe that Mr. Toyoda is an appropriate candidate for Corporate Auditor, and we propose his election.

Candidate No. 2

Emiko Suzuki (January 3, 1964)

(New election) (Outside Corporate Auditor) (Independent)

Attendance at meetings of the Board of Directors: —

Attendance at meetings of the Board of Corporate Auditors: —

Number of shares of the Company held: —



Career summary:

April 1986	Joined The Fuji Bank, Limited (currently Mizuho Bank, Ltd.)	May 2006	Registered as a certified public accountant
August 1996	Resigned from The Fuji Bank, Limited	October 2019	Senior Manager, Deloitte Touche Tohmatsu LLC (current)
October 2002	Joined Tohmatsu & Co.(currently Deloitte Touche Tohmatsu LLC)		

Significant concurrent positions:

Note: Ms. Emiko Suzuki plans to resign from Deloitte Touche Tohmatsu LLC on March 20, 2025, and take up the position of Representative, Emiko Suzuki CPA Office, on March 21, 2025.

Reasons for nominating the candidate for Outside Corporate Auditor:

Ms. Emiko Suzuki has expertise as a certified public accountant, as well as experience concerning the evaluation of listed companies' internal controls, risk management, and corporate governance at a major audit firm.

For the reasons mentioned above, we believe that Ms. Suzuki is an appropriate candidate for Corporate Auditor, and we propose her election.

Although Ms. Suzuki has no past experience of involvement in corporate management, for the reasons above, the Company believes she is capable of appropriately conducting her duty as Outside Corporate Auditor.

(Notes)

1. There are no special conflicts of interest between either of the candidates and the Company.
2. The numbers of shares of the Company held by the candidates are based on the final register of shareholders as of December 31, 2024.
3. Ms. Emiko Suzuki is a candidate for Outside Corporate Auditor. The Company has notified the Tokyo Stock Exchange, Inc. that it will appoint Ms. Emiko Suzuki as an Independent Corporate Auditor, as provided for in the regulations of the Tokyo Stock Exchange, Inc., if her election is approved.
4. The Company has established a provision concerning liability limitation agreements with Outside Corporate Auditors under its current Articles of Incorporation. If the election of Ms. Emiko Suzuki is approved, the Company plans to enter a liability limitation agreement with her pursuant to said provision of the Articles of Incorporation regarding the liability specified in Article 423, Paragraph 1 of the Companies Act. Under said agreement, she shall be liable for damages within the minimum amount of liability stipulated in Article 425, Paragraph 1 of the Companies Act, if she performs her duties in good faith and without gross negligence.
5. The Company has concluded a directors and officers liability insurance agreement provided for in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. Said insurance agreement shall compensate for damage including compensation for damages and legal expenses to be borne by the insured. Each candidate will be included as the insured under such insurance agreement. In addition, the Company plans to renew the insurance agreement with the same level of coverage at the next renewal.

Proposal 4: Partial Revisions of Share-based Compensation Plan for Outside Directors

1. Reason for the proposal and reasons justifying such compensation

The Company has obtained the approval of our shareholders at the 13th Annual Shareholders' Meeting held on March 26, 2019 regarding a share-based compensation plan for Directors and Corporate Officers of the Company (excluding those that are non-residents of Japan; hereinafter referred to as "Directors, etc."), and thus has introduced the plan.

The purpose of the Company's share-based compensation plan is to clarify the linkage between compensation for Directors, etc. and the Company's stock value, further incentivize Directors, etc. toward increasing corporate value over the medium to long term, and promote the sharing of interests with shareholders, for the attainment of the long-term vision and the Medium-term Management Plan of the Group. For Outside Directors, the Company has introduced a fixed share-based compensation plan (hereinafter referred to as the "Plan") that is not linked to performance, as the Outside Directors are charged with the function of overseeing management: that is, determining the appropriateness of business execution from an objective standpoint.

As described in Proposal 2, "Election of Two (2) Directors," the Company proposes to increase the number of Outside Directors to enhance the governance structure. In view of this and other factors, the Company proposes to partially revise the content of the share-based compensation plan for Outside Directors of the Company.

We believe that the revisions of the Plan are reasonable because they are consistent with the content of the policy for determining the details of compensation, etc. of individual Directors, etc.

Under the Plan, the share-based compensation is paid to Outside Directors of the Company separately from the maximum amount of the existing compensation for Directors (500 million yen per year, of which 100 million yen per year is for Outside Directors).

If Proposal 2 "Election of Two (2) Directors" is approved as originally proposed, five (5) Outside Directors of the Company will be eligible for the Plan at the conclusion of this Shareholders' Meeting.

Furthermore, there are no changes to the content of performance-linked stock compensation (the Company's policy for determining the details of compensation, etc. of individual Directors, etc.) for Directors other than Outside Directors of the Company, Executive Officers, and Directors of the Company's subsidiaries that have adopted a similar system (excluding Outside Directors and Directors that are non-residents of Japan; hereinafter referred to as "Subsidiaries' Directors," and together with Directors, etc., collectively referred to as "Eligible Directors, etc.")).

2. Amount and contents of compensation, etc. under the Plan

(1) Major revisions of the Plan

Subject to the approval of this proposal, the maximum amount of money to be contributed by the Company as compensation for Outside Directors, and the maximum number of the Company's shares, etc., to be granted and paid (hereinafter collectively referred to as the "Grant, etc.") to Outside Directors in the form of the Company's shares and money equivalent to the value of the Company's shares (hereinafter collectively referred to as the "Company's Shares, etc.") will be revised as follows, based on factors such as an increase in the number of Outside Directors.

Item	Before revisions	After revisions
Maximum amount of money to be contributed by the Company as compensation for Outside Directors	<ul style="list-style-type: none">• 7 million yen per year• The amount calculated by multiplying the number of years of the Applicable Period defined in (2) below by the above	<ul style="list-style-type: none">• 17 million yen per year• The amount calculated by multiplying the number of years of the Applicable Period defined in (2) below by the above
Maximum number of the Company's Shares, etc. subject to the Grant, etc. to Outside Directors	<ul style="list-style-type: none">• 2,400 shares per year• The number of shares calculated by multiplying the number of years of the Applicable Period defined in (2) below by the above	<ul style="list-style-type: none">• 6,000 shares per year• The number of shares calculated by multiplying the number of years of the Applicable Period defined in (2) below by the above

(2) Outline of the Plan

The Plan is a share-based compensation plan under which the Company's shares are acquired through a trust using compensation for Outside Directors, contributed by the Company, and the Company delivers the Grant, etc. of the Company's Shares, etc. to Outside Directors. (Details are described in (3), below, onward.)

The Plan is applicable to the fiscal years subject to the Group's Medium-term Management Plan (three to four years, in principle; hereinafter referred to as the "Applicable Period"). The Applicable Period under the current Plan is the three fiscal years from the fiscal year ended December 31, 2024 to the fiscal year ending December 31, 2026. If this Proposal is approved, the revisions shall be applied for the two fiscal years from the fiscal year ending

December 31, 2025 to the fiscal year ending December 31, 2026 (hereinafter referred to as the “Applicable Period After the Revisions”).

(3) Maximum amount of money contributed by the Company

The Company will contribute a maximum amount of money (*) calculated by multiplying 17 million yen, which is the maximum amount of the money per year, by the number of years of the Applicable Period (34 million yen for the Applicable Period After the Revisions) and will extend or amend the trust for a period corresponding to the Applicable Period, with Outside Directors who meet the beneficiary requirements as beneficiaries (hereinafter referred to as the “Trust”).

The Trust will follow the instructions of the trust administrator and will acquire the Company’s shares from the Company (disposition of treasury shares) or the stock market using the money entrusted to the Trust. The Company will grant points (as described in (4), below) to Outside Directors during the Applicable Period and the Trust will deliver the Grant, etc. of the Company’s Shares, etc. corresponding to the points granted at a certain time determined previously.

Upon expiry of the trust period, the Trust may be continued as the Plan or a share-based compensation similar to the Plan by amending the trust contract or making additional entrustment. In this case, the number of years corresponding to the Medium-term Management Plan established by the Group at that time will be the new Applicable Period and the trust period of the Trust will be extended for as long as the new Applicable Period. The Company will make additional entrustment of up to the maximum amount of money to be contributed to the Trust approved by the Shareholders’ Meeting, and will continue to grant points and deliver Grant, etc. of Company’s Shares, etc. to Outside Directors during the extended trust period. However, in cases where such additional contribution is made, when the Company’s shares (excluding the Company’s shares corresponding to the points granted to Outside Directors, that are not delivered as the Grant, etc.) and money (hereinafter referred to as “Residual Shares, etc.”) attributable to Outside Directors remain in the trust property on the last day of the trust period prior to the extension, the total amount of the Residual Shares, etc. and additionally contributed trust money shall be within the maximum amount of money to be contributed to the Trust approved by the Shareholders’ Meeting. The extension of the trust period is not limited to once, and it may be similarly extended multiple times.

(*) The money contributed in the trust includes the fund for acquiring shares by the Trust during the trust period as well as trust fees and trust expenses.

(4) Calculation method and the maximum number of the Company’s Shares, etc. delivered as the Grant, etc. to Outside Directors

The number of the Company’s Shares, etc. to be delivered as the Grant, etc. to Outside Directors will be determined by the number of points granted. One share of the Company shall be issued per point (any fraction of less than one point shall be rounded up). However, in the event of an increase or decrease of the Company’s shares held within the Trust due to a stock split, gratis allotment of shares, or reverse stock split, etc., the Company shall adjust the number of the Company’s shares to be delivered as the Grant, etc. per point and the maximum number of shares to be granted as defined below, in proportion to the ratio, etc. of such increase or decrease.

The number of points granted to Outside Directors is calculated as the cumulative total of the points granted based on the Outside Director’s position for each fiscal year in the Applicable Period. If any of the Outside Directors are excluded from the Plan due to resignation or other reasons during the Applicable Period, the number of points granted shall be adjusted based on the term of office, etc.

The maximum number of the Company’s Shares, etc. to be delivered as the Grant, etc. to Outside Directors for the Applicable Period shall be the number produced by multiplying 6,000 shares, which is the number of the Company’s Shares, etc. to be delivered as the Grant, etc. per year, by the number of years in the Applicable Period (hereinafter referred to as the “Maximum Number of Shares to be Granted”). (A maximum of 12,000 shares will be delivered during the Applicable Period After the Revisions.)

(5) Timing and method of delivering the Company’s Shares, etc. as the Grant, etc. to Outside Directors and the outline of other requirements for share delivery

Outside Directors who meet the beneficiary requirements shall be granted the Company’s shares equivalent to 50% of the number of points (fractional shares of less than a share unit shall be rounded down) from the Trust, while the Company’s shares corresponding to the remaining number of points are converted to money within the Trust and the money equivalent to the value of the Company’s shares is paid to Outside Directors after the end of the Applicable Period, in principle (if an Outside Director resigns due to expiration of term of office, etc., after resignation).

In the event of the death of an Outside Director during the trust period, the Company’s shares corresponding to the number of points at that time shall be converted to money in full and paid to the heirs of the Outside Director from the Trust. In the event that an Outside Director becomes a non-resident of Japan during the trust period, the

Company's shares corresponding to the number of points at that time shall be converted to money in full and paid to the Outside Director from the Trust.

If an Outside Director commits a significant violation, etc. of his or her duties, the right to receive shares may be forfeited, or return of the amount equivalent to the share-based compensation that has already been paid may be demanded.

(6) Method of acquisition of the Company's shares

The Trust plans to acquire the Company's shares from the Company (disposition of treasury shares) or the stock market.

(7) Voting rights pertaining to the Company's shares

Voting rights pertaining to the Company's shares held within the Trust shall not be exercised during the trust period to ensure neutrality in the Company's management.

(8) Treatment of dividends of surplus pertaining to the Company's shares

Dividends on the Company's shares held within the Trust will be provided to Outside Directors together with the Company's Shares, etc. to be delivered as the Grant, etc. pursuant to (5) above, based on the amount of dividends as of each dividend record date during the Applicable Period, and according to the cumulative total of points held by each Outside Director. Dividends of surplus shall be used as trust fees and trust expenses of the Trust except for the portion reserved for payments to Outside Directors.

(9) Other details of the Plan

Other details of the Plan shall be determined by the Company's Board of Directors each time the Trust is established, the trust contract is modified and additional contributions are made to the Trust.

(Reference)

Maximum amount of money to be paid and number of the Company's Shares, etc. to be delivered as the Grant, etc. to Eligible Directors, etc. if this proposal is approved

Eligible Directors, etc.	Maximum amount of money per year	Maximum amount of money for the Applicable Period (if 3 fiscal years)
The Company's Directors (excluding Outside Directors)	133 million yen	399 million yen
The Company's Outside Directors	17 million yen	51 million yen
The Company's Corporate Officers	45 million yen	135 million yen
Subsidiaries' Directors (excluding Outside Directors)	173 million yen	519 million yen

Eligible Directors, etc.	Maximum number of the Company's Shares, etc. to be delivered as the Grant, etc. per year	Maximum number of the Company's Shares, etc. to be delivered as the Grant, etc. for the Applicable Period (if 3 fiscal years)
The Company's Directors (excluding Outside Directors)	45,200 shares	135,600 shares
The Company's Outside Directors	6,000 shares	18,000 shares
The Company's Corporate Officers	15,300 shares	45,900 shares
Subsidiaries' Directors (excluding Outside Directors)	59,000 shares	177,000 shares

(Reference)

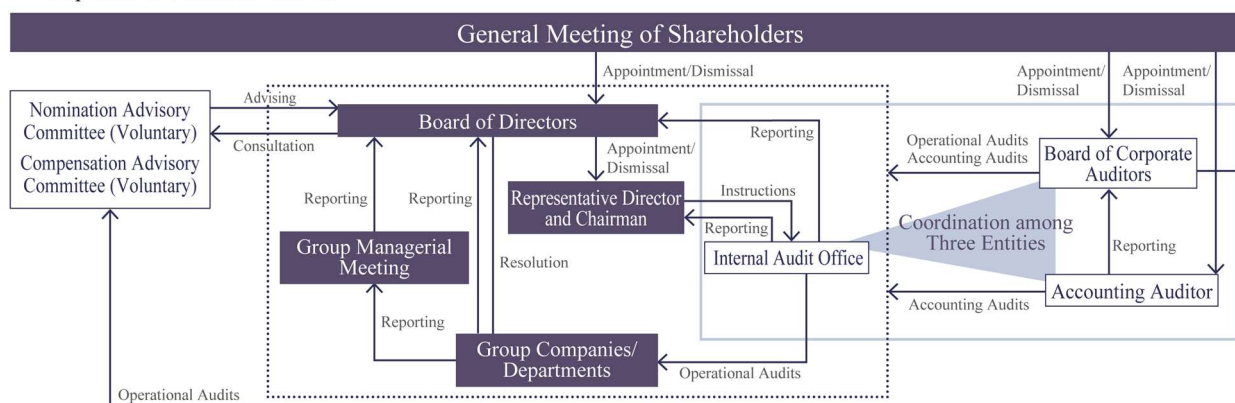
Basic Philosophy on Corporate Governance

Based on our Group mission *to sensitize the world to beauty*, the Group offers a number of brands each with differing properties. We deploy our businesses based on the recognition that our strengths are in our *high brand loyalty through direct ties with customers*, *R&D capabilities in the skincare area through concentration of our resources*, and *multi-value chain strategy exploiting strong synergistic effects of our brands upon each other*. Each operating company under the Group umbrella essentially manages itself autonomously and independently, while POLA ORBIS HOLDINGS, as the holding company, retains management control over each operating company and strives to increase corporate value through ensuring sound management and improved efficiency in Group operations overall.

The Group also incorporates compliance into CSR activities, emphasizing compliance as an integral part of business. The Group strives to realize sustainable development of the Group through initiatives where the Group, as a good corporate citizen, works to deepen cooperation and establish trustful relationships with various stakeholders, including shareholders and business partners, and fulfills its corporate responsibilities.

In addition, the Company has established the POLA ORBIS Group Code of Conduct to cover the various facets of responsible corporate activity, including legal compliance, environmental protection, and shareholder relations, which all executives and employees pledge to abide by such Code of Conduct.

■ Corporate Governance Structure



Policies and Procedures for Nomination of Director Candidates

Director candidates are nominated from persons who have the ability to contribute to the Group's sustained growth and medium- to long-term increases in its corporate value, who fully understand the Group's management policies and strategies, and who possess such properties as multifaceted points of view, flexible thinking on reforms, and specialization with consideration for balance among such factors as knowledge, experience, abilities, and diversity of the Board of Directors as a whole based on an evaluation of Director Competency.

In addition, to ensure objectivity and transparency in the appointment process for candidates for Director, the Company has established the Nomination Advisory Committee to serve as a voluntary advisory body to the Board of Directors. Decisions on appointment are made by the Board of Directors and submitted to the Shareholders' Meeting based on deliberations and reporting by the Nomination Advisory Committee. The majority of the membership of the Nomination Advisory Committee consists of Outside Directors, and an Outside Director designated by the Board of Directors shall chair the committee.

Nomination Advisory Committee Number of meetings held 4

Role The Committee's role is to ensure the objectivity, transparency, and effectiveness of the decision-making process regarding personnel affairs important from a management perspective by deliberating and reporting on matters such as the nomination of Company Director candidates, appointment of Corporate Officers, and nomination of Director candidates at subsidiaries, etc., based on requests from the Board of Directors.	Member Committee members are determined according to matters to be discussed from the perspective of ensuring the objectivity, transparency, and effectiveness in decision-making processes. The Group makes it a policy that personnel affairs of particular importance, including the nomination of Company Director candidates, appointment of Corporate Officers, and appointment and dismissal of Representative Directors at major subsidiaries, are discussed by members whose majority consists of outside directors and such discussions are chaired by an Outside Director.	Major matters discussed in the 19th fiscal year <ul style="list-style-type: none"> • Matters regarding the nomination of Directors • Matters regarding the appointment of Corporate Officers • Matters regarding the nomination of Directors and the appointment of Corporate Officers of subsidiaries, etc.
---	---	---

Compensation Advisory Committee Number of meetings held 8

Role The Committee's role is to ensure the objectivity, transparency, and effectiveness of the decision-making process by deliberating and reporting on matters such as the system design of the compensation program for Company executives, compensation for Company Directors, and compensation, etc. for Directors and Corporate Officers at subsidiaries, etc. of the Company, based on requests from the Board of Directors.	Member Committee members are determined according to matters to be discussed from the perspective of ensuring the objectivity, transparency, and effectiveness in decision-making processes. The Group makes it a policy that revisions to the compensation program for executives, compensation for Company Directors, and other matters of particular importance to be discussed are discussed by members whose majority consists of Outside Directors and such discussions are chaired by an Outside Director.	Major matters discussed in the 19th fiscal year <ul style="list-style-type: none"> • Matters regarding the compensation plan • Matters regarding the compensation of Directors and Corporate Officers • Matters regarding the compensation for Directors and Corporate Officers of subsidiaries, etc.
--	---	--

Director Competency

The Group has prepared a competency model that spells out 10 performance characteristics (“Competency”) required of directors and personnel with management responsibilities for the Group to accommodate accelerated changes in the business environment and attain sustained growth. Redefined in January 2022, the Competency sets out characteristics from a long-term perspective of how we should be toward the future and using reforms as a starting point, based on performance characteristics demonstrated by past high performers. By putting emphasis on Competency regarding “people centricity,” “evolution,” and “reform”, the Competency conveys the Group’s essence.

Director Competency Model

Cluster	Characteristic	Definition
A Person-Centered Management Represents our group strength, Individual-centered management	Pursuit of Social Significance	Earn trust by promoting business activities from a social point of conduct based on the mission to contribute to society
	Bi-i-shiki (≡ Esthetic Sense)	Ability to have impact on one’s surroundings as a personal/unique leader by exhibiting one’s attractive personality
	Concern for Diversity	Believing in one’s individual abilities, respects and makes use of individuals
SHINKA (Evolution) Sensitivity to changes in society and active evolution	Long-term Vision	Define and penetrate the desired future image and direction with a long-term vision
	Business Context Awareness	Envisions the future market according to changes in social environment and recognizes the company’s roles and positioning correctly
	Change-oriented	Creates innovation without sticking to conventional corporate thinking and actively leads to evolutionary opportunities
	Leverages an extensive external network	Utilizing a wide range of external networks in different fields, effectively incorporates diverse perspectives into the company
Value Creation Achieves corporate value creation by taking on new challenges	Make Decisions to Enhance Mobility	Enhances organizational agility by making timely decisions without relying on past experience
	Action-Oriented	Believes in oneself and repeats the process without fear of making mistakes even if there is no perfect supporting evidence
	Passion for Results	Stays passionate about what he/she wants to achieve through intrinsic motivation

(Planned) Skills Matrix of Directors and Corporate Auditors after this Annual Shareholders' Meeting

Position at the Company Areas of responsibility	Name	Competency strength			Strength related to experience and specialization/area of contribution expected in particular									
		A Person- Centered Manage- ment	SHINKA (Evolutio n)	Value Creation	Corporate management (top management)	Internation al business	Business planning (business creation)	Brand business Marketing	R&D	IT/digital	ESG	Finance/ accountin g	legal affairs	HR
Representative Director and Chairman —	Satoshi Suzuki	◎	◎	◎	●		●	●	●		●			
Representative Director and President —	Yoshikazu Yokote	●	●	◎	●	●		●						
Director and Vice President Finance, Legal, Administration, and IR	Naoki Kume	●	●	●		●	●				●	●	●	●
Director Management Planning, IT, HR, and Business Development	Koji Ogawa	●		●			●			●	●			●
Director (Representative Director and President, POLA INC.)	Takuma Kobayas hi	●	●	◎	●	●		●		●				
Outside Director —	Kazuyoshi Komiya	—	—	—	●							●		
Outside Director —	Naomi Ushio	—	—	—							●			●
Outside Director —	Hikaru Yamamoto	—	—	—				●		●				
Outside Director —	Kayoko Tanaka	—	—	—	●		●							●
Outside Director —	Hiroki Taniguchi	—	—	—			●			●				
Full-time Corporate Auditor —	Akira Toyoda	—	—	—			●		●					
Outside Corporate Auditor —	Akio Sato	—	—	—							●		●	
Outside Corporate Auditor —	Motohiko Nakamura	—	—	—						●	●	●		
Outside Corporate Auditor —	Emiko Suzuki	—	—	—						●		●		

(Notes)

1. The above matrix is not an exhaustive description of all knowledge and experience each executive possesses.
2. Characteristics related to competency strengths which are expected to be demonstrated in their actions are indicated with “●,” and are expected to be especially demonstrated in their actions are indicated with “◎.”

Criteria for Judging Independence of Outside Executives

Outside directors and outside corporate auditors (hereinafter “outside executives”) or candidates for outside executives are judged to be independent from the Company and to have no risk of conflict of interest with general shareholders when the Company has determined that any of the items described below do not apply, as a result of investigations conducted to a reasonable extent by the Company.

1. Those involved in business execution *1 on behalf of the Company or Company affiliates (hereinafter “POLA ORBIS Group”) or who were involved in business execution on behalf of the POLA ORBIS Group within the previous 10 years
2. Those for whom the POLA ORBIS Group is an important transaction partner *2 or those involved in business execution on behalf of such parties
3. Important transaction partners of the POLA ORBIS Group *3 or those involved in business execution on behalf of such parties
4. Those providing specialized services, such as consultants, CPAs, or attorneys, and receiving from the POLA ORBIS Group large amounts of monetary or other assets *4 other than executive remuneration
5. Those involved in business execution on behalf of companies appointing as executives persons involved in business execution on behalf of the POLA ORBIS Group
6. Those receiving donations in large amounts *4 from the POLA ORBIS Group (or those involved in business execution of corporations, unions, or other organizations receiving such donations in large amounts)
7. Shareholders holding 10% or more of voting rights in the Company, either directly or indirectly (or those involved in business execution of corporations, unions, or other organizations holding such voting rights)
8. Those who have met any of the descriptions under 2.–7. above within the previous three years
9. Close relatives *5 of those meeting any of the descriptions under 2.–7. above (persons in important positions *6)
10. Others in circumstances that could lead to conflicts of interest with general shareholders and reasonably judged unsuitable for the position of independent outside executives

*1 “Those involved in business execution” refer to directors in charge of business execution, executive directors, executive officers, and other staff and employees.

*2 “Those for whom the POLA ORBIS Group is an important transaction partner” refer to transaction partners providing products or services to the POLA ORBIS Group for whom the value of such transactions in the most recent fiscal year was more than 2% of their consolidated net sales.

*3 “Important transaction partners of the POLA ORBIS Group” refer to transaction partners provided products or services by the POLA ORBIS Group for whom the value of such transactions in the most recent fiscal year was more than 2% of the POLA ORBIS Group’s consolidated annual net sales.

*4 As used in “large amounts of monetary or other assets” and “donations in large amounts,” “large amounts” refer to amounts received of 10 million yen or more in the most recent fiscal year.

*5 “Close relative” refers to a spouse, family members within two degrees of consanguinity, and family members living together with the individual concerned.

*6 “Persons in important positions” refer to directors involved in business execution, executive directors, executive officers, and others judged reasonably and objectively to be in similarly important positions.