Summary of Financial Results

For the First Quarter of the Fiscal Year Ending December 31, 2012 (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.

May 1, 2012

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 15, 2012
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 Ended March 31, 2012
(January 1, 2012–March 31, 2012)

(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	%
FY2012 Three Months	38,945	9.8	1,225	5.2	1,580	8.1	721	21.4
FY2011 Three Months	35,477	(1.2)	1,165	(3.0)	1,462	7.3	594	2.8

Note: Comprehensive income: ¥2,750 million (703.2%) for the three months ended March 31, 2012;
¥342 million (— %) for the three months ended March 31, 2011

	Net Income Per Share	Diluted Net Income Per Share
	Yen	Yen
FY2012 Three Months	13.06	—
FY2011 Three Months	10.76	—

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets Per Share
	Millions of yen	Millions of yen	%	Yen
FY2012 First Quarter	192,728	158,426	82.2	2,864.06
FY2011	193,027	157,057	81.3	2,839.36

Reference: Equity capital: FY2012 First Quarter: ¥158,336 million; FY2011: ¥156,971 million

2. Dividends

	Annual Cash Dividends Per Share				
	Q1-end	Q2-end	Q3-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY2011	—	20.00	—	25.00	45.00
FY2012	—				
FY2012 (Forecast)		25.00	—	25.00	50.00

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

3. Consolidated Performance Forecast for the Fiscal Year Ending December 31, 2012
(January 1, 2012–December 31, 2012)

(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	86,400	9.5	4,700	(15.1)	4,900	(17.8)	2,000	(33.1)	36.18
Full Year	182,000	9.2	13,800	7.4	14,300	7.3	7,000	(12.9)	126.62

Note: Revisions to the consolidated performance forecast announced most recently: yes

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

Newly established: Pola Orbis Jurlique Holdings Pty Ltd
Pola Orbis Jurlique Pty Ltd
Newly acquired: Jurlique International Pty Ltd

(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 : None
2) Changes other than (3)-1) : None
3) Changes in accounting estimates : None
4) Restatements : None

(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, 2012 57,284,039 shares
At December 31, 2011 57,284,039 shares
2) Number of shares of treasury stock at the end of each period
At March 31, 2012 2,000,000 shares
At December 31, 2011 2,000,000 shares
3) Average number of shares issued and outstanding in each period
Three months ended March 31, 2012 55,284,039 shares
Three months ended March 31, 2011 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 2012 (3) Qualitative Information on Consolidated Performance Forecast” on page 5.

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1. Qualitative Information on Consolidated Performance for the First Quarter of Fiscal 2012

(1) Qualitative Information on Consolidated Operating Results

In the first quarter of the fiscal year ending December 31, 2012 (January 1–March 31, 2012), the Japanese economy recovered gradually from the slump in consumer sentiment and slowdown in corporate earnings due to the Great East Japan Earthquake in March 2011. Although business conditions are expected to pick up steadily, there is still a risk that they could worsen in Japan as a consequence of an economic downturn overseas triggered by the European fiscal crisis, higher crude oil prices and other factors.

Trends within the domestic cosmetics market are likely to remain firm, especially in the area of skincare cosmetics, which have generated relatively strong sales since the end of 2011. In the overseas cosmetics markets, conditions weakened in Europe, partly reflecting the impact of the fiscal crisis. However, sales in Asia, particularly in China and India, are expected to remain robust, supported by growing internal demand.

Within this market environment, the Group entered the second year of its three-year management plan launched in 2011, and persisted in its efforts to improve the profitability of domestic flagship brands while raising the profile of brands under development. At the same time, the Group continued to expand into overseas markets, completing the acquisition of Jurlique International Pty Ltd, an Australian cosmetics company in February.

As a result of the above, the Group achieved the following consolidated operating results for the first quarter of fiscal 2012.

Operating Results Overview (Millions of yen)

	Three Months Ended March 31			
	2011	**2012**	Year-on-Year Amount Change	Year-on-Year Percent Change (%)
Net Sales	¥35,477	**¥38,945**	¥3,468	9.8
Operating Income	1,165	**1,225**	60	5.2
Ordinary Income	1,462	**1,580**	118	8.1
Net Income	¥ 594	**¥ 721**	¥ 127	21.4

Operating Results by Segment

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

	Three Months Ended March 31			
	2011	**2012**	Year-on-Year Amount Change	Year-on-Year Percent Change (%)
Beauty Care	¥32,807	**¥36,320**	¥3,513	10.7
Real Estate	775	**745**	(30)	(4.0)
Others	1,894	**1,879**	(14)	(0.8)
Total	¥35,477	**¥38,945**	¥3,468	9.8

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

	Three Months Ended March 31			
	2011	**2012**	Year-on-Year Amount Change	Year-on-Year Percent Change (%)
Beauty Care	¥ 804	**¥ 995**	¥191	23.8
Real Estate	319	**354**	35	11.2
Others	(44)	**(216)**	(171)	—
Reconciliations of Segment Income (Note)	86	**91**	4	5.2
Total	¥1,165	**¥1,225**	¥ 60	5.2

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 centers on the flagship brands ***POLA*** and ***ORBIS***; the brands under development—***pdc***, ***FUTURE LABO***, ***ORLANE***, ***decencia***, and ***THREE***; and the overseas brand ***H2O PLUS***. In addition, ***Jurlique*** was introduced as a new brand in the first quarter of fiscal 2012.

In the POLA-brand business, efforts were focused on creating sales channels matched to market needs through the development of department store outlets and customer-attracting POLA THE BEAUTY stores, which integrate cosmetics, consulting and esthetic treatments. Efforts were also directed toward boosting customer satisfaction through measures to enhance the sales techniques and consulting skills of sales partners. In the domestic market, the Group conducted a skin-whitening marketing campaign, with the February launch of ***WHITE SHOT CX***, a new skin-whitening product developed to prevent overall darkening of the skin due to aging. The Group also implemented sales promotions and launched products tailored to specific seasons, introducing ***B. A THE MAKE SUMMER*** series, the first seasonal variation of the ***B. A*** series in March. In overseas markets, the Group expanded operations in Thailand and Hong Kong. As a result of the above, the performance of the POLA-brand business surpassed that in the corresponding period a year earlier.

In the ORBIS-brand business, the Group strove to increase the rate of repeat purchases and improve profitability, partly through renewing skincare cosmetics products, bolstering Internet sales and streamlining sales costs. Within the domestic market, sales of the ***EXCELLENT ENRICH*** series—conceived as a skincare cosmetics for women in their forties and older and launched in December 2011—and sales promotions for skincare products suited to specific seasons proved successful. Efforts in overseas markets focused on broadening the scope of operations in China. As a reflection of the above, the ORBIS-brand business generated stronger results than in the corresponding quarter of the previous year.

Sales of brands under development and overseas brands also exceeded year-earlier levels. This reflected strong domestic sales of ***THREE*** and ***FUTURE LABO***, as well as the expansion of the ***H20 PLUS*** brand mainly in Asia, and just under two months of earnings contribution from ***Jurlique***, which was consolidated in February.

As a result of the above, net sales—sales to external customers— generated by the Beauty Care segment for the first quarter of fiscal 2012 reached ¥36,320 million, edging up 10.7% year on year, while operating income totaled ¥995 million, up 23.8%.

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 higher rents and raising occupancy rates by creating attractive office environments. Another area of emphasis is the rental residential properties business. This business spotlights new-model condominiums perfect for families with young children. During the first quarter, the Group continued to make efforts to sustain rent levels. However, sales slowed year on year, owing to the downward trend of rents within the overall leasing market.

As a result of the above, net sales—sales to external customers—generated by the Real Estate segment for the first quarter of fiscal 2012 totaled ¥745 million, down 4.0% year on year, while operating income reached ¥354 million, up 11.2%.

Others

The Others segment comprises the pharmaceuticals and building maintenance businesses. Note that the printing businesses included in the Others segment in the same quarter a year earlier was withdrawn from the third quarter of fiscal 2011.

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 hospitals and universities throughout Japan. Although the number of medical institutions using ***Lulicon*** grew steadily during the first quarter, sales volume per institution decreased, resulting in a slight year-on-year decline.

The building maintenance business caters primarily to the needs of Group companies. During the first quarter, the Group stepped up sales activities to sign up new customers and expand orders from outside the Group. This led to an increase in orders received and a year-on-year improvement in performance.

As a reflection of the above, net sales—sales to external customers—generated by the Others segment totaled ¥1,879 million, down 0.8% year on year, while the operating loss amounted to ¥216 million, versus a loss of ¥44 million in the same quarter a year earlier.

(2) Qualitative Information on Consolidated Financial Position

As of March 31, 2012, total assets stood at ¥192,728 million, down 0.2%, or ¥298 million from December 31, 2011. The primary increases were ¥13,762 million in goodwill mainly arising from the acquisition of Jurlique International Pty Ltd, ¥12,553 million in intangible assets—other, ¥1,665 million in merchandise and finished goods, and ¥1,066 million in buildings and structures. The main decreases were ¥25,701 million in cash and deposits used to fund the acquisition of Jurlique International Pty Ltd, and ¥2,761 million in investments in securities.

Total liabilities amounted to ¥34,302 million, down 4.6%, or ¥1,667 million, from December 31, 2011. Key decrease was ¥1,737 million in current liabilities—other, due to a decline in unpaid sales commissions.

Net assets amounted to ¥158,426 million, up 0.9%, or ¥1,368 million from December 31, 2011. Primary increases were ¥1,792 million in foreign currency translation adjustments, ¥721 million in quarterly net income, and ¥242 million in valuation difference on available-for-sale securities. The main decrease was ¥1,382 million in dividends from retained earnings.

(3) Qualitative Information on Consolidated Performance Forecast

The Company has made the following revisions to the consolidated performance forecast announced on February 14, 2012 for the first half and full-year periods of the fiscal year ending December 31, 2012. The revisions factor in the impact of the acquisition of Jurlique International Pty Ltd following the completion of share acquisition procedures.

Revisions to the Consolidated Performance Forecast for the First Half of Fiscal 2012

	(Millions of yen, Except Per Share Data and Percent Change)				
	Six Months Ending June 30				
	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income Per Share
Previous Forecast (A)	¥82,200	¥5,500	¥5,800	¥2,700	¥48.84
Current Forecast (B)	**86,400**	**4,700**	**4,900**	**2,000**	**36.18**
Amount Change (B－A)	4,200	(800)	(900)	(700)	—
Percent Change (%)	5.1	(14.5)	(15.5)	(25.9)	—
Actual Result for First Half of Fiscal 2011	¥78,937	¥5,534	¥5,962	¥2,989	¥54.08

Revisions to the Consolidated Performance Forecast for Fiscal 2012

	(Millions of yen, Except Per Share Data and Percent Change)				
	Year Ending December 31				
	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income Per Share
Previous Forecast (A)	¥172,000	¥13,700	¥14,200	¥7,000	¥126.62
Current Forecast (B)	**182,000**	**13,800**	**14,300**	**7,000**	**126.62**
Amount Change (B－A)	10,000	100	100	—	—
Percent Change (%)	5.8	0.7	0.7	—	—
Actual Result for Fiscal 2011	¥166,657	¥12,853	¥13,322	¥8,039	¥145.43

(Information for reference)

Cumulative Results for Fiscal 2011

	(Millions of yen)			
	Three Months	Six Months	Nine Months	Full Year
Net Sales	¥35,477	¥78,937	¥119,946	¥166,657
Operating Income	1,165	5,534	8,784	12,853
Ordinary Income	1,462	5,962	9,108	13,322
Net Income	¥ 594	¥ 2,989	¥ 5,475	¥ 8,039

Quarterly Operation Results for Fiscal 2011

	(Millions of yen)			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Net Sales	¥35,477	¥43,459	¥41,009	¥46,710
Operating Income	1,165	4,366	3,250	4,069
Ordinary Income	1,462	4,496	3,146	4,214
Net Income	¥ 594	¥ 2,395	¥ 2,485	¥ 2,564

2. Summary Information (Others)

(1) Changes in Significant Subsidiaries during the Current Period

For the first quarter of fiscal 2012, the procedure for investing in Pola Orbis Jurlique Holdings Pty Ltd and Pola Orbis Jurlique Pty Ltd was finalized. As a result, the two companies were included in the scope of consolidation. Jurlique International Pty Ltd was also included in the scope of consolidation following the acquisition of its all outstanding shares.

3. Quarterly Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	FY2011 December 31, 2011	**FY2012 First Quarter March 31, 2012**
Assets		
Current assets		
Cash and deposits	¥ 50,679	**¥ 24,977**
Notes and accounts receivable – trade	20,719	**17,658**
Short-term investments in securities	18,412	**19,315**
Merchandise and finished goods	9,664	**11,329**
Work in process	1,648	**1,774**
Raw materials and supplies	4,351	**4,774**
Other	5,686	**5,567**
Allowance for doubtful accounts	(69)	**(91)**
Total current assets	111,093	**85,305**
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	16,134	**17,201**
Land	20,761	**21,071**
Other, net	12,523	**12,773**
Total property, plant and equipment	49,420	**51,046**
Intangible assets		
Goodwill	3,583	**17,345**
Other	8,553	**21,107**
Total intangible assets	12,137	**38,453**
Investments and other assets		
Investments in securities	13,582	**10,821**
Other	6,958	**7,267**
Allowance for doubtful accounts	(165)	**(165)**
Total investments and other assets	20,376	**17,923**
Total non-current assets	81,933	**107,423**
Total assets	¥193,027	**¥192,728**

(Millions of yen)

	FY2011 December 31, 2011	**FY2012 First Quarter March 31, 2012**
Liabilities		
Current liabilities		
Notes and accounts payable – trade	¥ 2,894	**¥ 3,355**
Short-term loans payable	1,500	**1,557**
Income taxes payable	1,806	**1,070**
Provision for bonuses	1,561	**1,895**
Other	16,026	**14,288**
Total current liabilities	23,788	**22,168**
Non-current liabilities		
Provision for retirement benefits	6,795	**6,707**
Other	5,384	**5,425**
Total non-current liabilities	12,180	**12,133**
Total liabilities	35,969	**34,302**
Net assets		
Shareholders' equity		
Common stock	10,000	**10,000**
Capital surplus	90,718	**90,718**
Retained earnings	59,469	**58,809**
Treasury stock	(2,199)	**(2,199)**
Total shareholders' equity	157,988	**157,328**
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(35)	**206**
Deferred gain or loss on hedges	9	—
Foreign currency translation adjustments	(991)	**801**
Total accumulated other comprehensive income	(1,017)	**1,008**
Minority interests	86	**89**
Total net assets	157,057	**158,426**
Total liabilities and net assets	¥193,027	**¥192,728**

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

Consolidated Statements of Income

(Millions of yen)

	Three Months Ended March 31	
	FY2011 (January 1, 2011– March 31, 2011)	**FY2012 (January 1, 2012– March 31, 2012)**
Net sales	¥35,477	**¥38,945**
Cost of sales	6,958	**8,068**
Gross profit	28,518	**30,877**
Selling, general and administrative expenses		
Sales commission	9,662	**9,972**
Promotion expenses	3,902	**4,296**
Advertising expenses	1,259	**1,337**
Salaries, allowances and bonuses	3,846	**4,280**
Provision for bonuses	884	**955**
Provision for point program	339	**371**
Other	7,458	**8,439**
Total selling, general and administrative expenses	27,353	**29,651**
Operating income	1,165	**1,225**
Non-operating income		
Interest income	121	**124**
Foreign exchange gain	155	**215**
Other	64	**47**
Total non-operating income	341	**387**
Non-operating expenses		
Interest expense	14	**16**
Equity in losses of affiliates	—	**8**
Other	29	**6**
Total non-operating expenses	43	**31**
Ordinary income	1,462	**1,580**
Extraordinary income		
Reversal of allowance for doubtful accounts	3	—
Reversal of provision for directors' retirement benefits	—	**119**
Other	0	**2**
Total extraordinary income	3	**121**
Extraordinary loss		
Loss on disposal of non-current assets	27	**63**
Loss on disaster	277	—
Loss on adjustment for changes of accounting standard for asset retirement obligations	954	—
Other	50	**6**
Total extraordinary loss	1,308	**70**
Income before income taxes	157	**1,632**
Income taxes – current	459	**1,162**
Income taxes – deferred	(894)	**(248)**
Total income taxes	(435)	**914**
Income before minority interests	592	**717**
Minority interests in net loss of consolidated subsidiaries	(2)	**(4)**
Net income	¥ 594	**¥ 721**

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Three Months Ended March 31	
	FY2011 (January 1, 2011– March 31, 2011)	**FY2012 (January 1, 2012– March 31, 2012)**
Income before minority interests	¥592	**¥717**
Other comprehensive income		
Valuation difference on available-for-sale securities	(173)	**242**
Deferred gain or loss on hedges	—	**(9)**
Foreign currency translation adjustments	(76)	**1,800**
Total other comprehensive income	(249)	**2,032**
Quarterly comprehensive income	342	**2,750**
Comprehensive income attributable to owners of the parent	341	**2,747**
Comprehensive income attributable to minority interests	¥ 0	**¥ 3**

(3) Going Concern Assumptions

Not applicable for the first quarter of fiscal 2012 (January 1, 2012–March 31, 2012)

(4) Segment Information

I. First Quarter of Fiscal 2011 (January 1, 2011–March 31, 2011)

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	¥32,807	¥775	¥33,583	¥1,894	¥35,477	—	¥35,477
Intersegment Sales or Transfers	15	173	189	1,580	1,769	¥(1,769)	—
Total	32,822	949	33,772	3,474	37,247	(1,769)	35,477
Segment Income (Loss)	¥ 804	¥319	¥ 1,123	¥ (44)	¥ 1,078	¥ 86	¥ 1,165

Notes: 1. "Others" comprises business operations that are not categorized as reportable segments and include the pharmaceuticals, building maintenance and printing businesses.

2. The segment income reconciliation of ¥86 million includes intersegment transaction eliminations of ¥561 million minus corporate expenses of ¥475 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

(Significant Impairment Loss of Non-current Assets)

None

(Significant Changes in Goodwill)

None

II. 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
The 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.

(5) Significant Changes in Shareholders' Equity
None

(6) Notes on Business Combination
Business Combination by Acquisition
On November 30, 2011, the Company's Board of Directors approved a definitive agreement to acquire all outstanding shares in Jurlique International Pty Ltd ("Jurlique"), an Australia-based leading developer, manufacturer and marketer of natural organic skin and body care products, mainly operating in Asia, the United States and Europe. In addition, the Board also approved a resolution to establish two special purpose companies (SPCs) in Australia for acquiring all outstanding shares in Jurlique. The two SPCs were established on December 19, 2011. Following their establishment, the procedure for investing in the two SPCs was finalized on January 31, 2012. The acquisition of shares in Jurlique was completed on February 3, 2012.

1. Outline of Business Combination
1) Name and Main Business of Acquired Company

a. Name:	Jurlique International Pty Ltd
b. Business:	Manufacturing and marketing of cosmetics products
c. Capital:	A$72,389 thousand (At February 3, 2012)

2) Names of Selling Investor Groups and Individuals
a. JJHP, LLC
b. CPH Products Pty Limited
c. Ulrike Klein Investments Pty Limited
d. Other entities and Directors of Jurlique

3) Reason for Business Combination
To become a highly profitable global company—the Company's long-term strategic goal—by strengthening its global business base through the acquisition of Jurlique, which has 11 subsidiaries in five countries and has developed retail points of distribution in 20 countries and regions, mainly in Asia, the United States and Europe. (The figures are as of February 3, 2012.)

4) Date of Business Combination
February 3, 2012

5) Legal Method Used for Business Combination
Purchase of Shares in Cash

6) Names of Companies and Percentage of Voting Rights Acquired after Business Combination
Jurlique International Pty Ltd 100%

7) Main Reason for Determination of Acquiring Company
By acquisition of shares in Jurlique, Pola Orbis Holdings Inc. retains 100% voting rights of Jurlique and its 11 subsidiaries.

2. Operating Period of Acquired Company Included in Consolidated Financial Statements
February 4, 2012–March 31, 2012

3. Breakdown of Acquisition Cost

Purchase consideration	Cash	¥27,300 million	(Estimated)
Expenses directly related to acquisition	Advisory fees	¥800 million	(Estimated)
Acquisition cost		¥28,100 million	(Estimated)

4. Reason for and Amount of Goodwill Incurred, and Amortization Method and Period

a. Amount of Goodwill	¥13,714 million (Estimated amount) *
b. Reason for Goodwill	Due to excess earning power including synergies expected in future
c. Amortization Method and Period	Straight-line method over 20 years

* At the end of the first quarter of fiscal 2012, for the assets acquired and liabilities assumed through the acquisition of Jurlique and its 11 subsidiaries, purchase price allocation has not been finalized due to unfinished business in term of identifying recognizable assets, liabilities and their fair value on the date of business combination. For this reason, the estimated amount of goodwill is temporarily calculated.