

August 21, 2014

Company Name: POLA ORBIS HOLDINGS INC.
Representative: Satoshi Suzuki, President & CEO
TSE Code: 4927 (TSE 1st Section)
Contact: Akira Fujii, Director in charge of PR & IR
TEL: +81-3-3563-5517

Announcement Regarding Liquidation and Dissolution of an Overseas Subsidiary

The POLA ORBIS Group (hereinafter referred to as “the Group”) hereby announces that it resolved at a meeting of the Board of Directors held today, to liquidate and dissolve its subsidiary, ORBIS KOREA Inc. (headquartered in Seoul, Korea, hereinafter referred to as “ORBIS KOREA”).

1. Reason for Liquidation

ORBIS KOREA has been importing and selling cosmetic products and health food as a hub of ORBIS Inc. in Korea. However, under the current market reaction and the economic environment in Korea, the operating results became different from the initial business plan. In addition, the market competition has been fierce, and it requires a large amount of investments to sustain the business. Therefore, the Group concluded that it is difficult to see the benefit of continuing the business, and resolved to liquidate and dissolve ORBIS KOREA.

2. Overview of ORBIS KOREA

- 1) Company Name: ORBIS KOREA Inc.
- 2) Address: Cheongho Tower 10F, 483, Gangnam-daero, Seocho-gu, Seoul, Korea
- 3) President: Shin Higuchi
- 4) Description of Business: Import and sale of cosmetic products and health food
- 5) Amount of Capital: KRW 5,000,000,000
- 6) Date of Establishment: February 2001
- 7) Shareholder: ORBIS Inc. (100% ownership)
- 8) Fiscal Year-End: December 31
- 9) Sales: KRW 9,086 million (as of fiscal 2013)
- 10) Net Assets: KRW 3,597 million (as of fiscal 2013)

3. Schedule

August 21, 2014: Liquidation resolved
From February 2015 onward: Dissolution to be completed

4. Forecast

Impact of this liquidation on the consolidated financial results is estimated as follows:

- 1) Loss on liquidation: ¥100 to ¥200 million (extraordinary loss)
- 2) Decrease in tax expenses: ¥500 to ¥600 million (income taxes – deferred)

These are expected to be recorded in fiscal 2014 third quarter.

Due to the other expected losses related to the consolidation of domestic production system, there are no changes to the consolidated performance forecast for fiscal 2014.

Note: The impact to the consolidated financial results is estimated based on the information available today and the actual impact may differ due to various changes of situation in the future.