

May 26, 2025

Company Name: POLA ORBIS HOLDINGS INC.
Representative: Yoshikazu Yokote,
Representative Director and President
TSE Code: 4927 (Prime Market)
Contact: Yuta Abe, General Manager, Corporate Div.
TEL: +81-3-3563-5517

Announcement Regarding the Dissolution and Liquidation of a Consolidated Subsidiary

POLA ORBIS HOLDINGS INC. (the “Company”) announces that, at a meeting of the Board of Directors on May 26, 2025, the Company resolved to dissolve and liquidate one of the Company’s consolidated subsidiaries, Orbis Beijing Inc. (Orbis Beijing).

1. Reasons for the dissolution

The POLA ORBIS Group (the “Group”), looking toward 2029 as the 100th anniversary of its founding, has established VISION 2029 as “A collection of unique businesses that respond to diversifying values of ‘beauty,’ ” and its three basic strategies as “Develop the cosmetics business globally; reform and enhance the brand portfolio,” “Create new value and expand business domains,” and “Strengthen research and technical strategy.” The Group has positioned the expansion of its business portfolio as the new pillar of its strategies, while working to further enhance profitability by reforming its brand portfolio in the existing cosmetics business and transitioning to an organizational structure that allows for the maximization of performance in each region. As such, the Group has decided to dissolve and liquidate Orbis Beijing as part of these initiatives.

Orbis Beijing has been selling the ORBIS brand in mainland China since its establishment as a local subsidiary in 2008. However, with the Chinese economy stagnating and competition in the e-commerce market becoming increasingly intense, it is difficult to foresee an immediate improvement in profitability, and the Group has been compelled to reduce the scale of business. Therefore, as part of its local strategy in mainland China, the Group has decided to liquidate Orbis Beijing and adopt a policy of concentrating resources on other brands. Going forward, the Group intends to focus on brands and regions where more stable growth is expected, in order to achieve growth in global business.

2. Overview of the subsidiary, to be dissolved

(1) Company name	Orbis Beijing Inc.
(2) Location	Beijing, People’s Republic of China
(3) Name and title of the representative	Seiji Kurehara, Representative Director and President
(4) Description of business	Sales of cosmetics, etc.
(5) Capital	US \$58,680 thousand
(6) Date of foundation	September 2008

(7)	Major shareholder and shareholding ratio	POLA ORBIS HOLDINGS INC. 61.49% ORBIS Inc. 38.51%		
(8)	Relationship between the listed company and the company in question	Capital relationship	The Company owns 61.49% of the shares of the Company in question.	
		Personnel relationship	-	
		Transaction relationship	-	
		Applicability to related parties	A consolidated subsidiary of the Company.	
(9) Operating results and financial position of the company in question for the preceding three financial years				
(Millions of yen)				
Financial year		Fiscal year ended December 31, 2022	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024
Net assets		(1,956)	(2,491)	(3,333)
Total assets		958	952	663
Net sales		914	976	783
Operating income		(494)	(378)	(499)
Ordinary income		(570)	(458)	(598)
Profit attributable to owners of parent		(570)	(438)	(605)

3. Schedule of the dissolution

May 26, 2025: The ORBIS Beijing Board of Directors and General Meeting of Shareholders resolve to dissolve the company

The liquidation is scheduled to be concluded upon the completion of the necessary procedures in accordance with local laws, but the specific date has not yet been determined.

4. Impact on business performance

In the event that the liquidation is completed in the fiscal year ending December 2025, the impact of the liquidation of this consolidated subsidiary, on the consolidated performance results is forecasted, as follows:

- 1) Loss due to liquidation: Approximately 1,300 million yen (extraordinary losses)
- 2) Decrease in income taxes: Approximately 1,600 million yen (income taxes – deferred)

If the liquidation is completed in the next fiscal year or later, a portion of the above-mentioned 1) loss due to the liquidation (extraordinary losses) is expected to be recognized in the next fiscal year or thereafter. The Group has made no revisions to the full-year consolidated performance forecast announced on February 14, 2025.

Note: The forecast impact on the consolidated performance results is based on information available on the date this news release was prepared. The actual impact may differ from this forecast as a result of future changes in various factors.