

First Quarter of Fiscal 2025 Supplementary Material

POLA ORBIS HOLDINGS INC.

Director and Vice President

Finance, Legal, Administration and IR

Naoki Kume

1. Highlights of Consolidated Performance
2. Segment Analysis
3. Initiatives Going Forward
4. Forecasts for Fiscal 2025
5. Appendices

Cosmetics Market

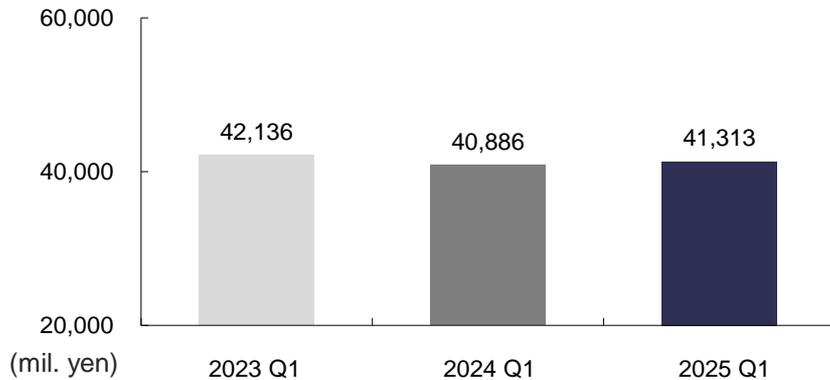
- The scale of the Japanese cosmetics market as a whole was on par with the previous year.
- Although the Chinese cosmetics market showed signs of recovery, consumption trends are unclear and require close monitoring.

Source: Ministry of Economy, Trade and Industry, Ministry of Internal Affairs and Communications, Japan Tourism Agency, Japan Department Stores Association, Intage SLI, and National Bureau of Statistics of China

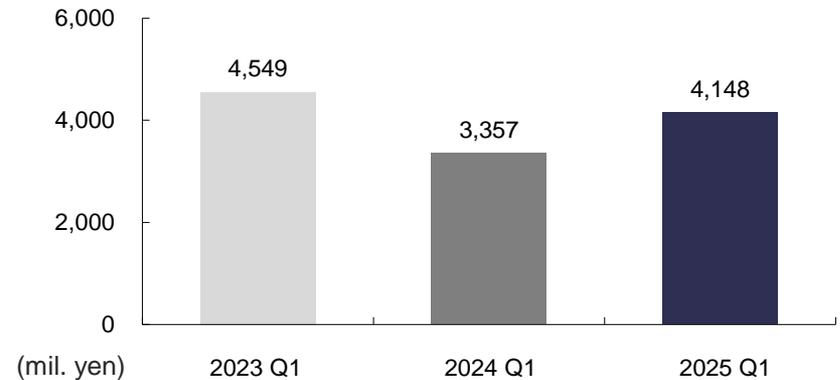
Our Group

- Consolidated net sales and operating income increased, due to strong results from ORBIS.
- POLA's domestic business progressed as expected, and revenue in its overseas business decreased, impacted by the challenging business conditions and the streamlining of unprofitable stores in mainland China.
- ORBIS achieved increased revenue and double-digit growth in income due to continued growth in the direct selling channel and strong performance in external channels.

Quarterly Consolidated Net Sales



Quarterly Consolidated Operating Income



(mil. yen)	FY2024	FY2025	YoY Change	
	Q1 Results	Q1 Results	Amount	%
Net sales	40,886	41,313	427	1.0%
Cost of sales	7,360	7,270	(89)	(1.2%)
Gross profit	33,525	34,042	517	1.5%
SG&A expenses	30,168	29,894	(273)	(0.9%)
Operating income	3,357	4,148	790	23.5%

Key Factors

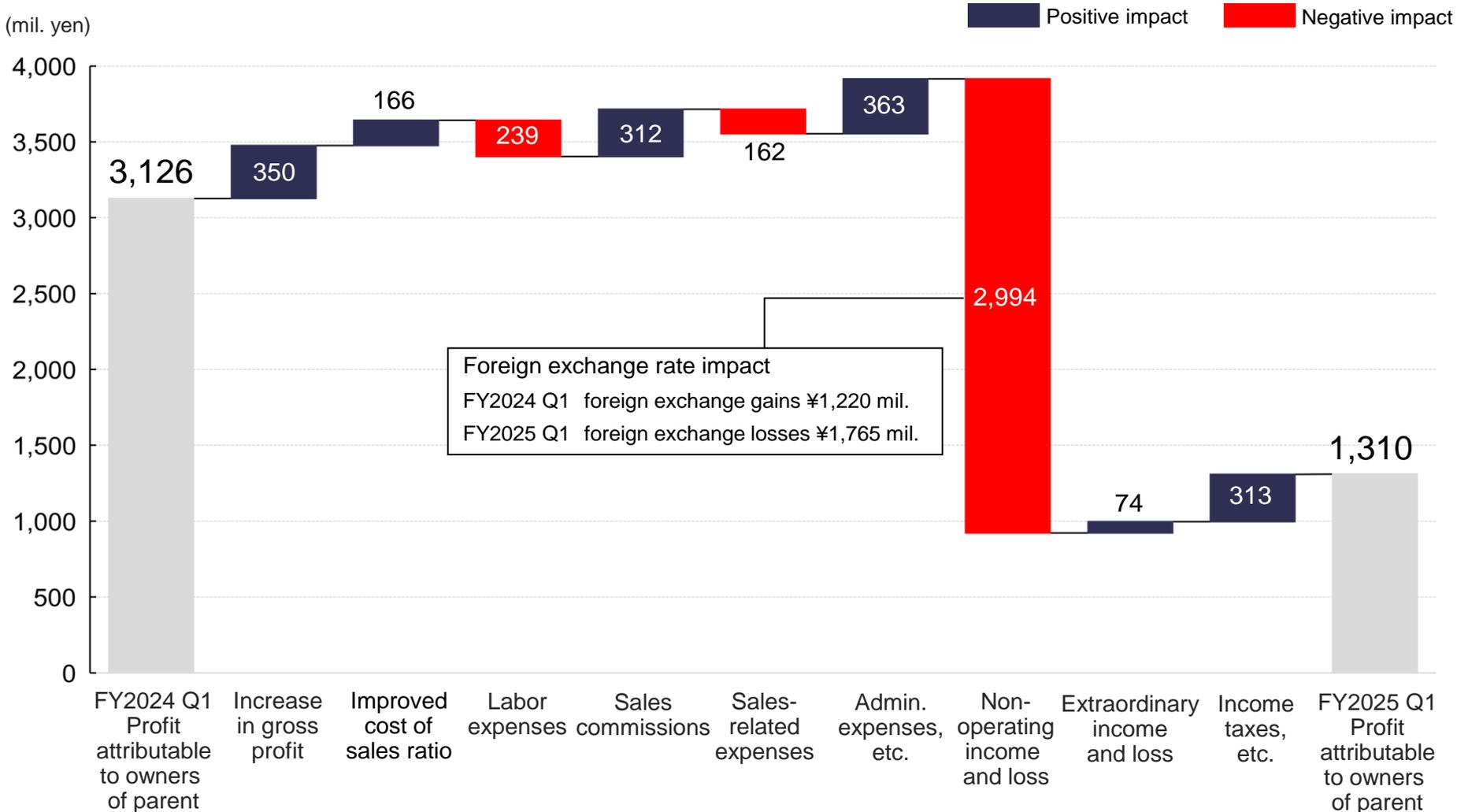
- Net sales** Sales increased mainly due to higher revenue in ORBIS.
- Cost of sales** Cost of sales ratio 2024Q1: 18.0% ⇒ 2025Q1: 17.6%
- SG&A expenses** Labor expenses: up ¥239 mil. YoY
 Sales commissions: down ¥312 mil. YoY
 Sales related expenses: up ¥162 mil. YoY
 Administrative expenses, etc.: down ¥363 mil. YoY
- Operating income** Operating margin 2024Q1: 8.2% ⇒ 2025Q1: 10.0%

(mil. yen)	FY2024	FY2025	YoY Change	
	Q1 Results	Q1 Results	Amount	%
Operating income	3,357	4,148	790	23.5%
Non-operating income	1,423	137	(1,285)	(90.3%)
Non-operating expenses	105	1,815	1,709	-
Ordinary income	4,675	2,470	(2,204)	(47.1%)
Extraordinary income	-	-	-	-
Extraordinary losses	112	38	(74)	(65.9%)
Profit before income taxes	4,562	2,432	(2,129)	(46.7%)
Income taxes etc.	1,426	1,122	(304)	(21.3%)
Profit attributable to non-controlling interests	9	-	(9)	-
Profit attributable to owners of parent	3,126	1,310	(1,816)	(58.1%)

Key Factors

- Non-operating income and loss** Posting of foreign exchange gains and losses
 (FY2024 Q1: foreign exchange gains of ¥1,220 mil.,
 FY2025 Q1: foreign exchange losses of ¥1,765 mil.)

Despite an increase in operating income, profit attributable to owners of parent decreased by ¥1,816 mil. YoY due to the impact of foreign exchange rates.



1. Highlights of Consolidated Performance
2. **Segment Analysis**
3. Initiatives Going Forward
4. Forecasts for Fiscal 2025
5. Appendices

(mil. yen)	FY2024	FY2025	YoY Change	
	Q1 Results	Q1 Results	Amount	%
Consolidated net sales	40,886	41,313	427	1.0%
Beauty care	39,552	39,811	259	0.7%
Real estate	499	737	238	47.7%
Others	834	764	(70)	(8.4%)
Consolidated operating income	3,357	4,148	790	23.5%
Beauty care	3,575	4,132	557	15.6%
Real estate	52	207	154	292.3%
Others	51	1	(50)	(97.3%)
Reconciliations	(322)	(192)	129	-

Segment Results Summary

- Beauty care** Sales increased YoY, mainly due to an increase in revenue from ORBIS. Operating income increased due to an increase in gross profit and cost control.
- Real estate** Revenue and income increased in FY2025 Q1 because the POLA aoyama building opened in March 2024.

Beauty Care Business Results by Brands

(mil. yen)	FY2024	FY2025	YoY Change	
	Q1 Results	Q1 Results	Amount	%
Beauty care net sales	39,552	39,811	259	0.7%
POLA	22,161	22,098	(63)	(0.3%)
ORBIS	11,446	12,169	723	6.3%
Jurlique	2,270	2,069	(201)	(8.9%)
Brands under development	3,673	3,474	(199)	(5.4%)
Beauty care operating income	3,575	4,132	557	15.6%
POLA	2,305	2,647	342	14.9%
ORBIS	1,962	2,195	233	11.9%
Jurlique	(645)	(404)	240	-
Brands under development	(46)	(305)	(258)	-

Note: Consolidated results for each brand are shown for reference purposes only (figures are unaudited).

Q1 Result

- The declining revenue trend in consignment sales improved due to stronger approaches to existing customers, a rise in purchase per customer, and sales growth at growing stores.
- For the Chinese business, continued to focus its marketing on the wealthy customer group.
- Income increased across the brand due to the promotion of cost efficiency in the domestic business.

Q1	Results (mil. yen)	YoY Change
Net sales	22,098	(0.3%)
Operating income	2,647	14.9%
Key indicators		
Sales ratio	Domestic ⁽¹⁾	85.9%
	Consignment sales	59.9%
	Department store	13.6%
	E-commerce	7.9%
	Hotel amenities	4.4%
	Overseas	14.1%
Sales growth ⁽²⁾	Domestic ⁽¹⁾	up 2.2%
	Consignment sales	down 0.6%
	Department store	up 11.7%
	E-commerce	up 0.0%
	Hotel amenities	up 18.8%
	Overseas	down 13.3%
Domestic business Purchase per customer ⁽²⁾ / # of customers ⁽²⁾		up 6.7% / down 7.5%
# of stores domestic (vs Dec. 2024)		2,519 (up 1)
# of stores overseas (vs Dec. 2024)		147 (unchanged)

(1) Includes results outside the four major domestic channels (2) YoY basis

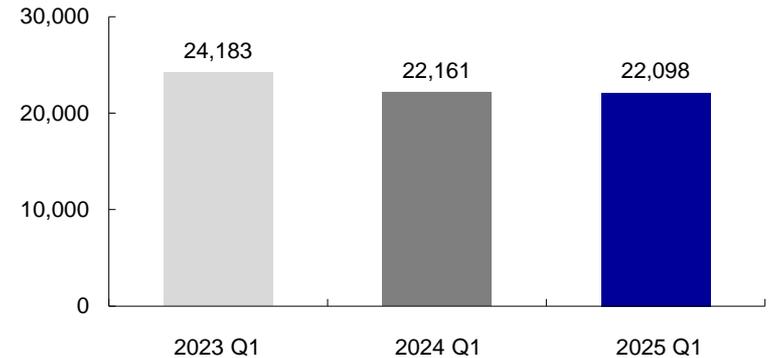
Topics

- Launched the first serum for the entire face containing *NEI-L1* from the *WRINKLE SHOT* series (January)

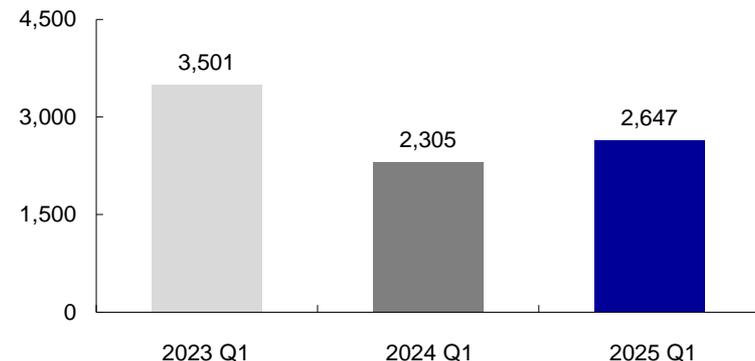


POLA WRINKLE SHOT
SERUM DUO

Quarterly net sales (mil. yen)



Quarterly operating income (mil. yen)



Q1 Result

- We achieved increased revenue and double-digit income growth due to higher lifetime value (LTV) and an increase in customer contact points.
- In the direct selling channel, the strong performance of highly functional and high-priced products such as skin-brightening serum and sun protection products contributed to growth in purchase per customer.
- We have been gradually expanding the sales channels of *SHOT PLUS*, a dedicated product line for external channels, in order to increase customer touchpoints.

Q1	Results (mil. yen)	YoY Change
Net sales	12,169	6.3%
Operating income	2,195	11.9%
Key indicators		
Sales ratio	Domestic	97.5%
	Direct selling ⁽¹⁾	80.3%
	External channels etc.	17.2%
	Overseas	2.5%
Sales growth ⁽²⁾	Domestic	up 7.0%
	Direct selling ⁽¹⁾	up 4.4%
	External channels etc.	up 21.2%
	Overseas	down 15.3%
Direct selling	Purchase per customer ⁽²⁾	up 4.3%
Direct selling	Number of customers ⁽²⁾	up 0.5%

(1) Total of in-house mail-order (e-commerce and catalog) and directly-operated stores sales

(2) YoY basis

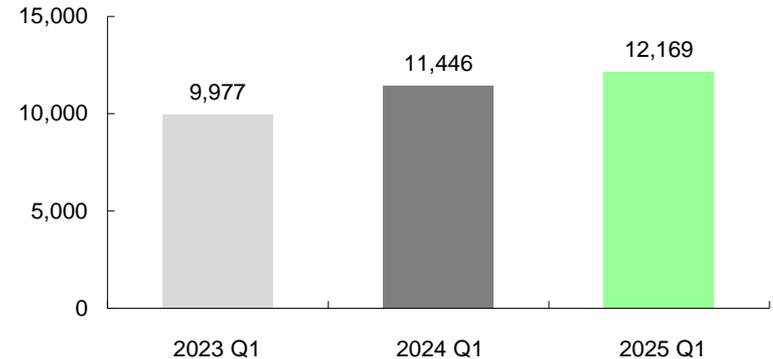
Topics

- Expanded *ORBIS U* base makeup

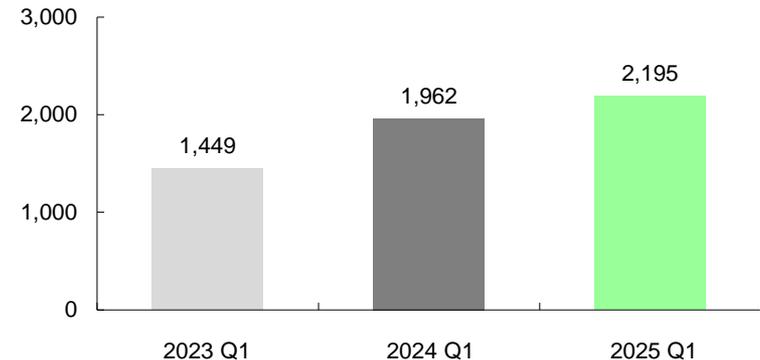


ORBIS U TREATMENT
CUSHION FOUNDATION N

Quarterly net sales (mil. yen)



Quarterly operating income (mil. yen)



Q1 Result

- Sales remained sluggish amid a challenging market environment. Losses were reduced through structural reforms and cost control.
- Organizational restructuring progressed as planned.

Q1	Results (mil. yen)	YoY Change
Net sales	2,069	(8.9%)
Operating income ⁽¹⁾	(404)	240
Key indicators		
Sales ratio	Australia	18.8%
	Mainland China	38.1%
	Hong Kong	12.0%
	Duty free	14.6%
Sales growth ⁽²⁾	Australia	down 12.7%
	Mainland China	down 10.5%
	Hong Kong	up 10.1%
	Duty free	down 17.8%

(1) The YoY change is shown as the amount (mil. yen)

(2) AUD basis, YoY

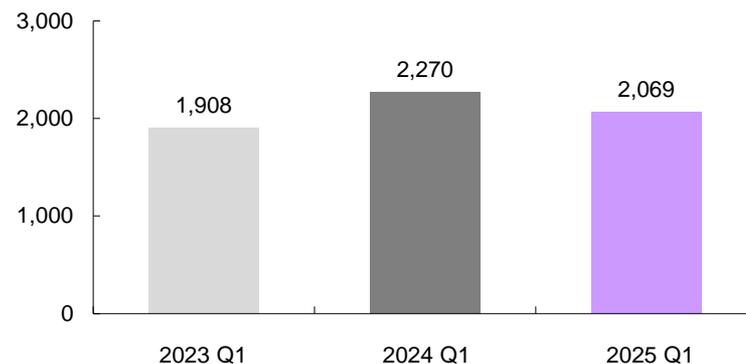
Topics

- Launched a limited-edition body oil in 40th anniversary packaging (January)

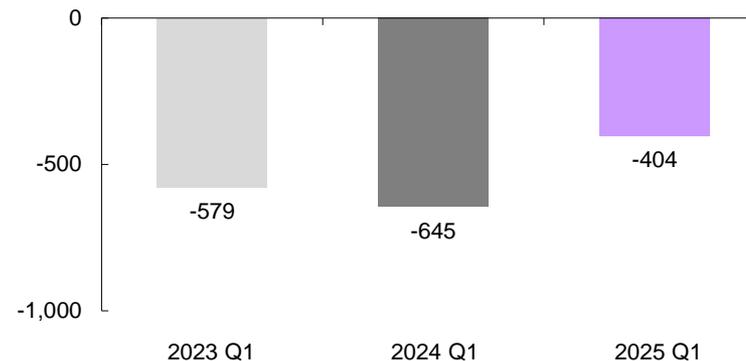


Rose Body Oil <Limited Edition>

Quarterly net sales (mil. yen)



Quarterly operating income (mil. yen)



Q1 Result

- DECENCIA's revenue increased as customer retention improved.
- Both revenue and income fell for THREE, with lower-than-planned customer acquisition for holistic care product.

Topics

- Launched a skin-brightening cream for sensitive skin from the DECENCIA premium series *DECENCY* (January)



DECENCIA DECENCY BRIGHTLIFT CREAM

Q1	Results (mil. yen)	YoY Change
Net sales	3,474	(5.4%)
Operating income ⁽¹⁾	(305)	(258)
THREE Net sales	1,169	(7.3%)
THREE OP income ⁽¹⁾	(307)	(103)
DECENCIA Net sales	1,351	8.0%
DECENCIA OP income	127	(5.5%)

Key indicators

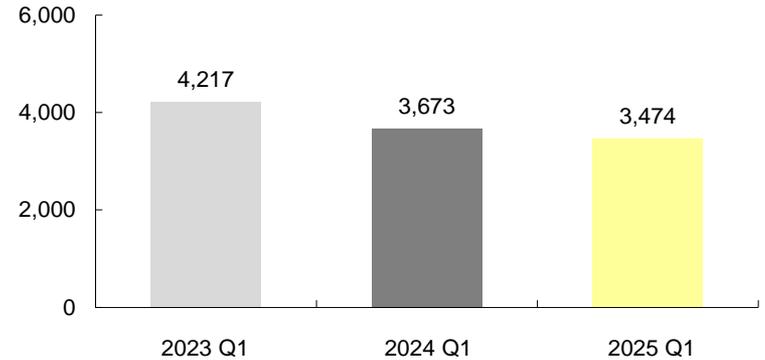
THREE

Sales ratio	Domestic	81.3%
	Overseas	18.7%
Sales growth ⁽²⁾	Domestic	down 11.4%
	Overseas	up 15.7%

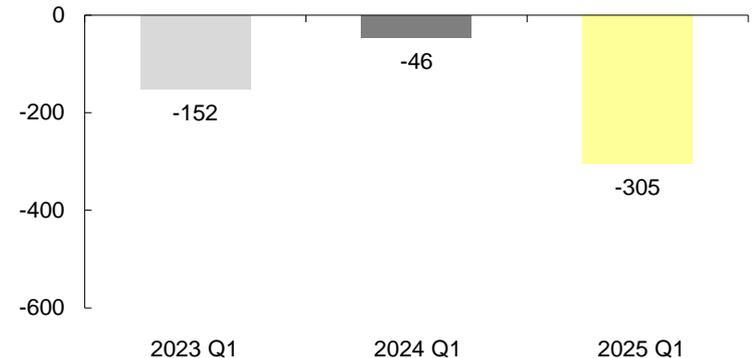
(1) The YoY change is shown as the amount (mil. yen)

(2) YoY basis

Quarterly net sales (mil. yen)



Quarterly operating income (mil. yen)



1. Highlights of Consolidated Performance
2. Segment Analysis
3. **Initiatives Going Forward**
4. Forecasts for Fiscal 2025
5. Appendices

POLA

- Strengthen proposals for skin-brightening serum and sunscreen in preparation for the peak demand period for skin-brightening, and introduce kit products that include sun protection products to stimulate customer demand.
- Aesthetic treatment to capture the overall No. 1 spot for the second consecutive year in the 2025 Oricon Customer Satisfaction® Ranking Survey*; aim to improve customer experience value and LTV by renewing aesthetic treatment services with enhanced effectiveness (August).
- Focus on improving profitability in the Chinese business, continue opening community stores, and enhance LTV by strengthening relationships with the wealthy customer group.
- Promote the expansion of customer contact points to accelerate growth in ASEAN.

*Oricon Customer Satisfaction® Ranking Survey "Facial Treatment" Rankings



WHITE SHOT SXS BRIGHT EXPERIENCE KIT M



Aesthetic treatment

ORBIS

- Launch the brand's first cleansing oil *ORBIS THE CLEANSING OIL* (May), to secure a position in the makeup remover market.
- Expand touchpoints with customers and further expand into external channels.



ORBIS THE CLEANSING OIL

Jurlique

- Reduce losses through steady implementation of structural reforms and thorough cost control.
- Revamp the sensitive skincare series for new customer acquisition, promoting customer acquisition with natural and highly functional skincare.



Skincare for sensitive skin
Calendula series

Brands Under Development

DECENCIA

- Launch a lotion from DECENCIA's premium series *DECENCY* (June) and increase brand presence by introducing functional products.

THREE

- Launch sunscreen and hair care products containing essential oils (April), to increase THREE's recognition as a holistic care brand.
- Thoroughly implement effective expense control in line with sales toward achieving profitability in 2026.

FUJIMI

- Reduce cancellation rates and strengthen the customer base with proposals centered on personalized protein products.



*DECENCIA DECENCY
BRIGHTLIFT LOTION*



*THREE Essential Scents
hair care series*

1. Highlights of Consolidated Performance
2. Segment Analysis
3. Initiatives Going Forward
4. **Forecasts for Fiscal 2025**
5. Appendices

Forecasts for Fiscal 2025 (Unchanged)

(mil. yen)	FY2024	YoY Change	
	Full-year Results	Amount	%
Consol. net sales	170,359	(2,944)	(1.7%)
Beauty care	165,060	(3,417)	(2.0%)
Real estate	2,214	135	6.5%
Others	3,085	337	12.3%
Consol. operating income	13,810	(2,269)	(14.1%)
Beauty care	14,926	(1,427)	(8.7%)
Real estate	76	(363)	(82.5%)
Others	231	81	54.7%
Reconciliations	(1,424)	(561)	-
Ordinary income	16,083	(2,386)	(12.9%)
Profit attributable to owners of parent	9,286	(379)	(3.9%)

	FY2025	YoY Change	
	Full-year Plan	Amount	%
	174,000	3,640	2.1%
	168,200	3,139	1.9%
	2,900	685	31.0%
	2,900	(185)	(6.0%)
	14,500	689	5.0%
	15,450	523	3.5%
	300	223	289.7%
	150	(81)	(35.2%)
	(1,400)	24	-
	14,700	(1,383)	(8.6%)
	8,500	(786)	(8.5%)

Assumed exchange rates: 1.00 AUD = 99.0 JPY (PY 99.97) 1.00 CNY = 19.9 JPY (PY 21.02)

	FY2024
Shareholder returns	Annual ¥52 (Consol. payout ratio 123.9%)
Capital investment	¥14,518 mil.
Depreciation	¥8,352 mil.

	FY2025 (plan)
Shareholder returns	Annual ¥52 (Interim ¥21, Year-end ¥31) (Consol. payout ratio 135.4%)
Capital investment	¥10,000 mil. to ¥11,000 mil.
Depreciation	¥8,000 mil. to ¥9,000 mil.

1. Highlights of Consolidated Performance
2. Segment Analysis
3. Initiatives Going Forward
4. Forecasts for Fiscal 2025
5. Appendices

(Appendix) Quarterly Segment Results

(mil. yen)	FY2025 Jan.–Mar.		FY2025 Apr.–Jun.		FY2025 Jul.–Sep.		FY2025 Oct.–Dec.	
	Results	YoY Change						
Consolidated net sales	41,313	1.0%	-	-	-	-	-	-
Beauty care	39,811	0.7%	-	-	-	-	-	-
Real estate	737	47.7%	-	-	-	-	-	-
Others	764	(8.4%)	-	-	-	-	-	-
Consolidated operating income	4,148	23.5%	-	-	-	-	-	-
Beauty care	4,132	15.6%	-	-	-	-	-	-
Real estate	207	292.3%	-	-	-	-	-	-
Others	1	(97.3%)	-	-	-	-	-	-
Reconciliations	(192)	129	-	-	-	-	-	-

(mil. yen)	FY2025 Jan.–Mar.		FY2025 Apr.–Jun.		FY2025 Jul.–Sep.		FY2025 Oct.–Dec.	
	Results	YoY Change						
Beauty care net sales	39,811	0.7%	-	-	-	-	-	-
POLA	22,098	(0.3%)	-	-	-	-	-	-
ORBIS	12,169	6.3%	-	-	-	-	-	-
Jurlique	2,069	(8.9%)	-	-	-	-	-	-
Brands under development	3,474	(5.4%)	-	-	-	-	-	-
Beauty care operating income	4,132	15.6%	-	-	-	-	-	-
POLA	2,647	14.9%	-	-	-	-	-	-
ORBIS	2,195	11.9%	-	-	-	-	-	-
Jurlique	(404)	240	-	-	-	-	-	-
Brands under development	(305)	(258)	-	-	-	-	-	-

Note: Where operating income (current or previous year) is negative or the YoY change exceeds 1,000%, YoY change is shown as the amount (mil. yen). Consolidated results for each brand are shown for reference purposes only (figures are unaudited).

(Appendix) Beauty Care Business Results for FY2022–FY2024 by Brands

(mil. yen)	FY2022	FY2023	FY2024	FY2023–FY2024 YoY Change	
	Results	Results	Results	Amount	%
Consolidated net sales	166,307	173,304	170,359	(2,944)	(1.7%)
Beauty care net sales	161,654	168,477	165,060	(3,417)	(2.0%)
POLA	96,371	98,499	92,798	(5,700)	(5.8%)
ORBIS	38,417	42,874	48,190	5,315	12.4%
Jurlique	8,388	9,032	8,763	(268)	(3.0%)
Brands under development	16,892	17,368	15,307	(2,060)	(11.9%)
Consolidated operating income	12,581	16,080	13,810	(2,269)	(14.1%)
Beauty care operating income	13,793	16,354	14,926	(1,427)	(8.7%)
POLA	12,495	11,555	9,933	(1,622)	(14.0%)
ORBIS	4,850	6,340	8,306	1,966	31.0%
Jurlique	(1,266)	(1,350)	(2,461)	(1,111)	-
Brands under development	(2,105)	(298)	(851)	(552)	-

Note : Consolidated results for each brand are shown for reference purpose only (unaudited).

Totals for the beauty care business include results for the H2O PLUS brand (liquidation completed in December 2023).

(Appendix) Sales Results by Channels: POLA and ORBIS

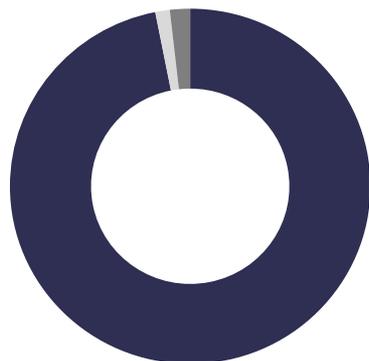
(mil. yen)	FY2024	FY2025	YoY Change	
	Q1 Results	Q1 Results	Amount	%
POLA net sales	22,161	22,098	(63)	(0.3%)
Domestic ⁽¹⁾	18,559	18,974	414	2.2%
Consignment sales	13,310	13,240	(70)	(0.6%)
Department store	2,696	3,013	317	11.7%
E-commerce	1,739	1,740	1	0.0%
Hotel amenities	814	967	153	18.8%
Overseas	3,602	3,123	(478)	(13.3%)
ORBIS net sales	11,446	12,169	723	6.3%
Domestic	11,088	11,867	780	7.0%
Direct Selling ⁽²⁾	9,360	9,773	413	4.4%
External Channels etc.	1,727	2,093	366	21.2%
Overseas	359	304	(55)	(15.3%)

(1) Includes results outside the four major domestic channels

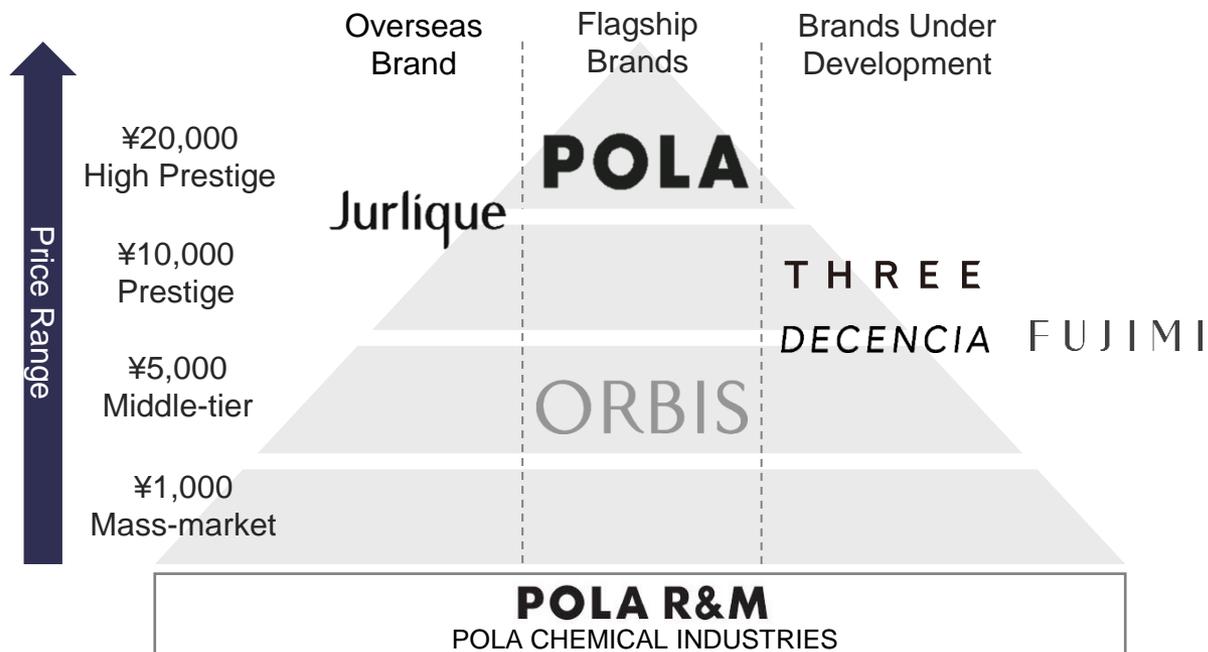
(2) Total of in-house mail-order (e-commerce and catalog) and directly-operated stores sales

Beauty care is the core business of the Group, and six different cosmetics brands are operated under the Group umbrella.

FY2024
Consol. Net Sales
¥170.3 bn.



- Beauty care business 97%
- Real estate business 1%
- Other businesses 2% (building maintenance business)



Our strengths

- Multi-brand strategy
- Focus on skincare products
- Flagship brands, POLA and ORBIS, own and operate through their own direct selling channels
- Meeting diversified needs of customers
- High customer repeat ratio
- Strong relationships with customers

	Sales Ratio*	Brand	Concept and Products	Price	Main Sales Channel
Flagship Brands	56%	POLA Since 1929	<ul style="list-style-type: none"> High-prestige skincare Leading-edge technology in aging-care and skin-brightening fields 	Approx. ¥10,000 or higher	<ul style="list-style-type: none"> Japan: Consignment sales, department stores, e-commerce and cosmetics specialty stores Overseas: Department stores, directly-operated stores, duty free stores, e-commerce and cross-border e-commerce
	29%	ORBIS Since 1984	<ul style="list-style-type: none"> Aging-care brand to draw out people's intrinsic beauty 	Approx. ¥2,000-¥5,000	<ul style="list-style-type: none"> Japan: Mail-order (e-commerce and catalog), directly-operated stores, cosmetics specialty stores, and drugstores Overseas: E-commerce, duty free stores, and cosmetics specialty stores
Overseas Brand	6%	Jurlique Acquired in 2012	<ul style="list-style-type: none"> Premium natural skincare brand from Australia 	Approx. ¥5,000 or higher	<ul style="list-style-type: none"> Australia: Department stores, directly-operated stores and e-commerce Overseas: Department stores, directly-operated stores, duty free stores, e-commerce and cross-border e-commerce
Brands Under Development		T H R E E Since 2009	<ul style="list-style-type: none"> Holistic care using essential oils and other natural botanical ingredients 	Approx. ¥5,000 or higher	<ul style="list-style-type: none"> Japan: Department stores, directly-operated stores and e-commerce Overseas: Department stores, duty free stores, e-commerce and cross-border e-commerce
	9%	DECENCIA Since 2007	<ul style="list-style-type: none"> Skincare for sensitive skin 	Approx. ¥5,000-¥10,000	<ul style="list-style-type: none"> Japan: E-commerce Overseas: Cross-border e-commerce
		F U J I M I Acquired in 2021	<ul style="list-style-type: none"> Personalized beauty care brand operated by tricot, Inc. 	Approx. ¥6,000-¥10,000	<ul style="list-style-type: none"> Japan: E-commerce

*Sales ratio in the beauty care business as of FY2024. Brands under development include OEM business and new business.

【Enhancing Capital Profitability】

Return on equity (ROE) has been declining due to the decrease in profit. Under the Medium-term Management Plan, we aim to achieve ROE of at least 10% by 2026 through capital profitability enhancement founded on stable and sustainable business growth.

Initiatives to Achieve the ROE Targets

	FY2024 Result	2026 Target	2029 Target
ROE	5.6%	10% or higher	14% or higher

- Swifter decisions to discontinue unprofitable businesses and brands
- Shareholder returns through stable dividends
- Greater balance sheet efficiency
- Strategic investment to achieve sustainable growth

ROE Movement

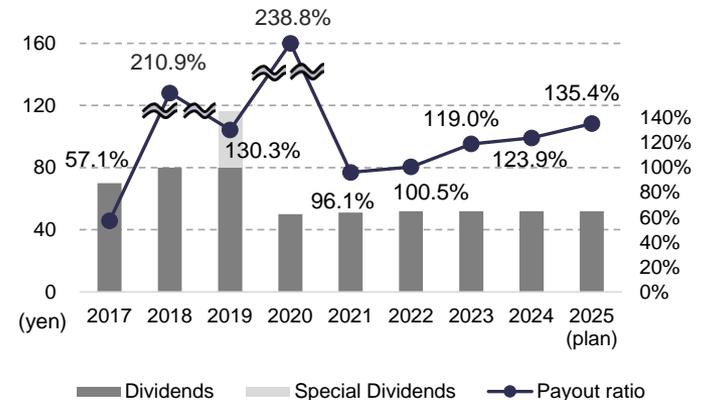


Improvement of Shareholder Return

- With a policy of consolidated payout ratio of **60% or higher**, aim for steady increases in dividends, in line with profitable growth.
- Purchases of treasury stock shall be considered based on our investment strategies, as well as market prices and liquidity of the Company's shares.

【Dividends forecast for FY2025】

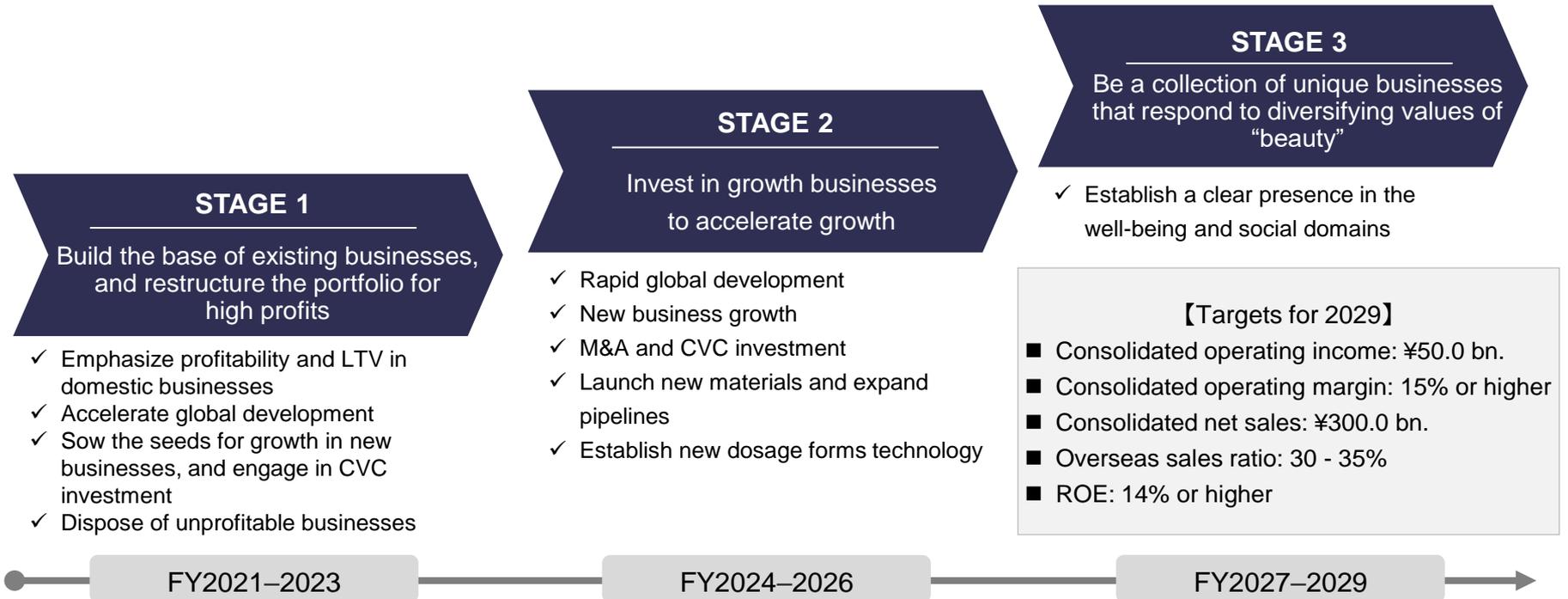
- Dividend per share : **¥52** (interim ¥21, year-end ¥31)
- Consol. payout ratio : 135.4%



VISION 2029

A collection of unique businesses that respond to diversifying values of “beauty”

Basic strategy 1	Develop the cosmetics business globally; reform and enhance the brand portfolio
Basic strategy 2	Create new value and expand business domains
Basic strategy 3	Strengthen research and technical strategy



Management Indicators for 2026

Consolidated Net Sales	¥200.0 bn. CAGR approx. 5%	Domestic Net Sales	CAGR approx. 4%
		Overseas Net Sales	CAGR approx. 12%
		Overseas Sales Ratio	20%
Consolidated Operating Income	Operating margin 12-13%		
Capital Efficiency	ROE 10% or higher	Shareholder Returns	Consolidated payout ratio 60% or higher

4 Business Growth Strategies

- | | |
|-------------------|---|
| Strategy 1 | Strengthen the customer base in the domestic business to achieve sustainable growth and improve profitability |
| Strategy 2 | Further grow the overseas business and establish business bases in new markets |
| Strategy 3 | Achieve profitability through growth in brands under development, contributing to sustainable earnings |
| Strategy 4 | Enhance the brand portfolio and expand business domains |

Sustainably Strengthen Management Foundations

- | | | | |
|-------------------|--|-------------------|---|
| Strategy 5 | Strengthen R&D capabilities for new value creation | Strategy 6 | Strengthen sustainability combining the resolution of social issues with uniqueness |
|-------------------|--|-------------------|---|