

Fiscal 2024 Supplementary Material

POLA ORBIS HOLDINGS INC.
Representative Director and President
Yoshikazu Yokote

1. **Highlights of Consolidated Performance**
2. Segment Analysis
3. Progress on the Medium-term Management Plan
4. Initiatives Going Forward and Forecasts for Fiscal 2025
5. Sustainability and ESG Initiatives
6. Appendices

Cosmetics Market

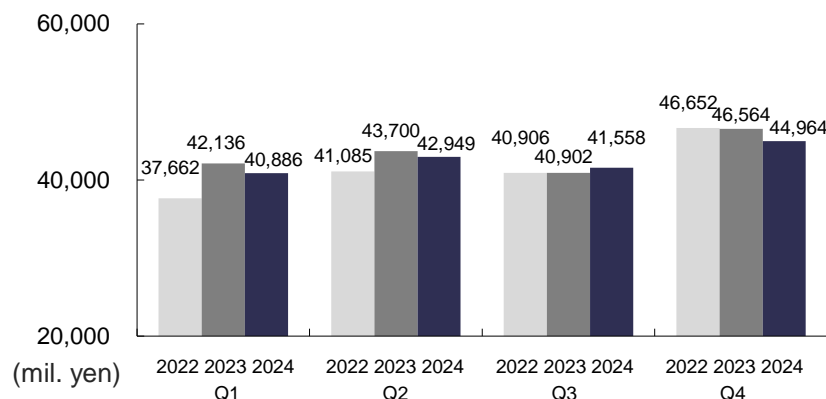
- We believe the scale of the Japanese cosmetics market as a whole experienced low-single-digit growth amid a moderate recovery in business conditions.
- In mainland China, the economic stagnation persisted and cosmetics consumption remained sluggish.

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

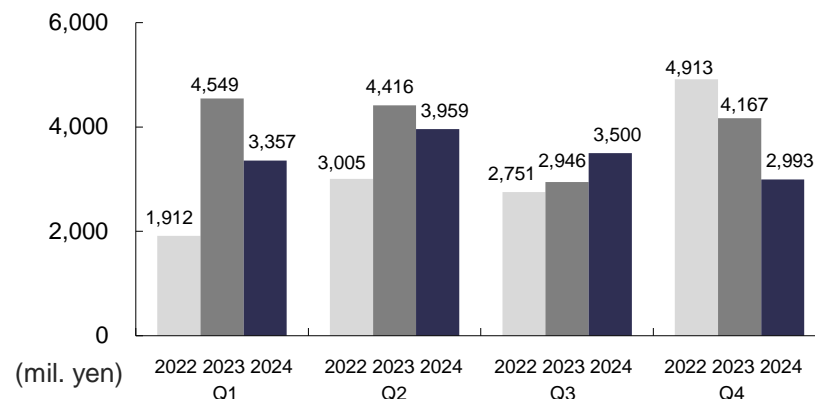
Our Group

- Consolidated net sales decreased (up 1% YoY in Japan, down 13% YoY in overseas) as did consolidated operating income, due to a deterioration in POLA's performance, despite strong results from ORBIS.
- POLA's domestic consignment sales saw an improvement in the rate of revenue decline in the second half compared to the first half, while the overseas business continued to be impacted by business conditions in mainland China.
- ORBIS maintained double-digit growth in revenue and income due to growth in customer numbers and purchase per customer in direct selling channel, together with the expansion of external channels.

Quarterly Consolidated Sales



Quarterly Operating Income



Actual vs Planned Variance Analysis

(mil. yen)	FY2023	FY2024	YoY change		Aug. 5, 2024	vs. Plan	
	Results	Results	Amount	%	Plan	Amount	%
Consol. net sales	173,304	170,359	(2,944)	(1.7%)	173,500	(3,140)	(1.8%)
Operating income	16,080	13,810	(2,269)	(14.1%)	14,500	(689)	(4.8%)
Ordinary income	18,469	16,083	(2,386)	(12.9%)	17,900	(1,816)	(10.1%)
Profit attributable to owners of parent	9,665	9,286	(379)	(3.9%)	11,600	(2,313)	(19.9%)

Average exchange rates: 1.00 AUD = 99.97 JPY, 1.00 CNY = 21.02 JPY

	Variance from Aug. 5 Plan	Main causes of Variance
Consol. net sales	down ¥3,140 mil. (down 1.8%)	Variance in the beauty care business: down approx. ¥3,400 mil. ■ POLA: down approx. ¥2,200 mil. ■ Jurlique: down approx. ¥200 mil. ■ THREE: down approx. ¥700 mil.
Operating income	down ¥689 mil. (down 4.8%)	■ POLA: up approx. ¥150 mil. (cost control) ■ Jurlique: down approx. ¥450 mil. (decline in gross profit and increase in SG&A expenses) ■ THREE: down approx. ¥300 mil. (decline in gross profit)
Ordinary income	down ¥1,816 mil. (down 10.1%)	■ Operating income below the plan ■ Decrease in foreign exchange gains due to a stronger yen than anticipated when revising the plan
Profit attributable to owners of parent	down ¥2,313 mil. (down 19.9%)	■ Posting of extraordinary losses: approx. ¥1,400 mil.

Consolidated P&L Changes Analysis

Net Sales to Operating Income

(mil. yen)	FY2023 Results	FY2024 Results	YoY Change	
			Amount	%
Consolidated net sales	173,304	170,359	(2,944)	(1.7%)
Cost of sales	31,227	31,846	619	2.0%
Gross profit	142,076	138,513	(3,563)	(2.5%)
SG&A expenses	125,996	124,702	(1,293)	(1.0%)
Operating income	16,080	13,810	(2,269)	(14.1%)

Key Factors

- **Consol. net sales** Revenue decreased due mainly to POLA, on par with FY2023 excluding the impact of the liquidation of the H2O PLUS, Amplitude, and ITRIM brand businesses (net sales of the liquidated brands FY2023: ¥2,314 mil.)
- **Cost of sales** Cost of sales ratio FY2023: 18.0% ⇒ FY2024: 18.7%
- **SG&A expenses** Labor expenses: up ¥739 mil. YoY
 Sales commissions: down ¥2,034 mil. YoY
 Sales related expenses: down ¥689 mil. YoY
 Administrative expenses, etc.: up ¥691 mil. YoY
- **Operating income** Operating margin FY2023: 9.3% ⇒ FY2024: 8.1%

Consolidated P&L Changes Analysis

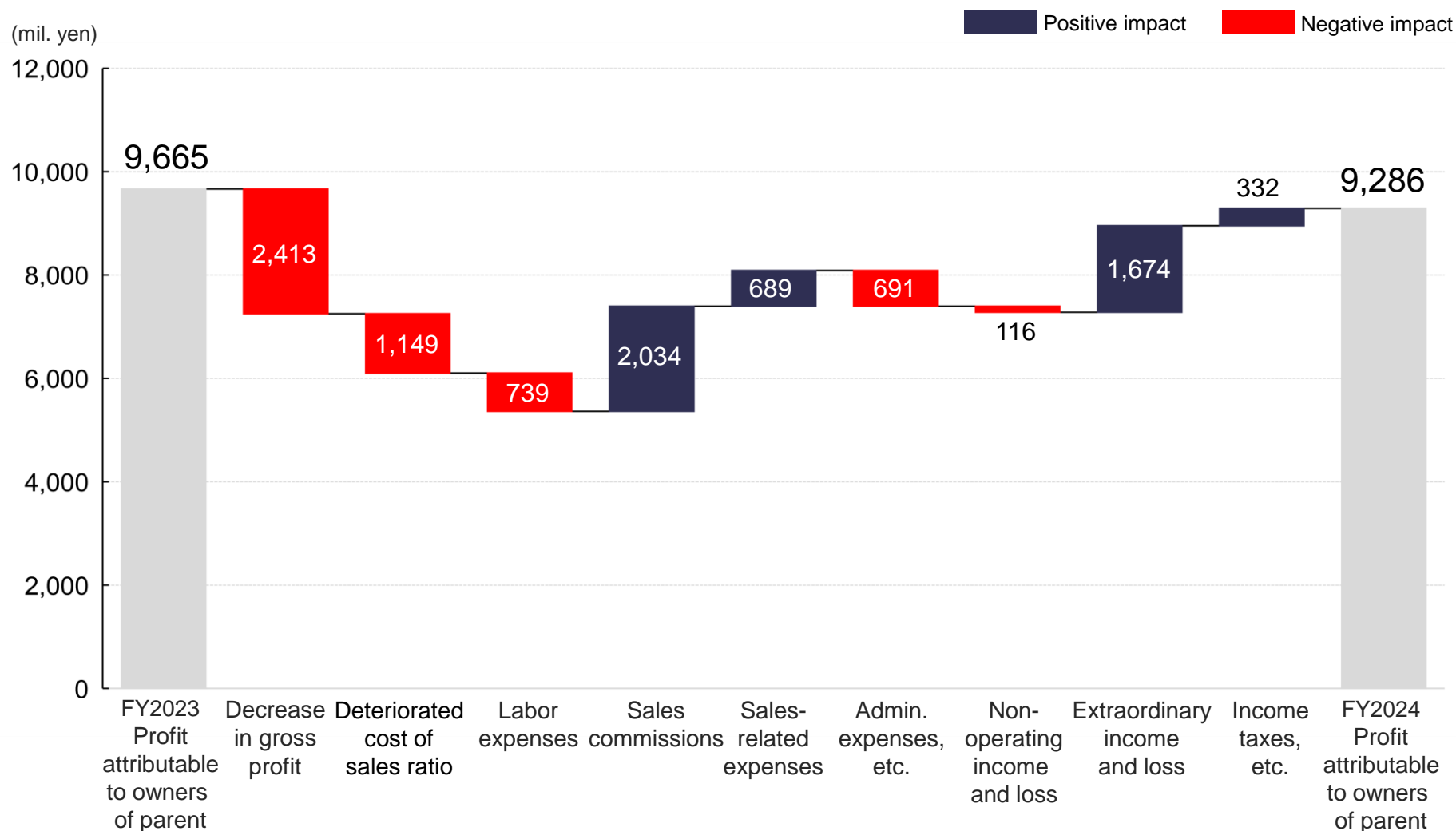
Operating Income to Profit Attributable to Owners of Parent

(mil. yen)	FY2023	FY2024	YoY Change	
	Results	Results	Amount	%
Operating income	16,080	13,810	(2,269)	(14.1%)
Non-operating income	2,691	2,529	(161)	(6.0%)
Non-operating expenses	302	257	(45)	(14.9%)
Ordinary income	18,469	16,083	(2,386)	(12.9%)
Extraordinary income	674	-	(674)	-
Extraordinary losses	3,783	1,434	(2,348)	(62.1%)
Profit before income taxes	15,360	14,649	(711)	(4.6%)
Income taxes etc.	5,627	5,341	(286)	(5.1%)
Profit attributable to non-controlling interests	67	21	(45)	(67.7%)
Profit attributable to owners of parent	9,665	9,286	(379)	(3.9%)

Key Factors

- Non-operating income Foreign exchange gains ¥1,749 mil.
- Extraordinary losses Impairment loss ¥696 mil. (FY2023 ¥1,813 mil.)

Profit attributable to owners of parent decreased by ¥379 mil. YoY due to a decrease in gross profit caused by lower revenue.



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(mil. yen)	FY2023 Results	FY2024 Results	YoY Change	
			Amount	%
Consolidated net sales	173,304	170,359	(2,944)	(1.7%)
Beauty care	168,477	165,060	(3,417)	(2.0%)
Real estate	2,078	2,214	135	6.5%
Others	2,748	3,085	337	12.3%
Operating income	16,080	13,810	(2,269)	(14.1%)
Beauty care	16,354	14,926	(1,427)	(8.7%)
Real estate	440	76	(363)	(82.5%)
Others	149	231	81	54.7%
Reconciliations	(863)	(1,424)	(561)	-

Segment Results Summary

- Beauty care Sales decreased YoY, mainly due to a decline in revenue from POLA.
Operating income decreased mainly due to a decrease in gross profit resulting from revenue decline.

Beauty Care Business Results by Brands

(mil. yen)	FY2023 Results	FY2024 Results	YoY Change	
			Amount	%
Beauty care net sales	168,477	165,060	(3,417)	(2.0%)
POLA	98,499	92,798	(5,700)	(5.8%)
ORBIS	42,874	48,190	5,315	12.4%
Jurlique	9,032	8,763	(268)	(3.0%)
Brands under development	17,368	15,307	(2,060)	(11.9%)
Beauty care operating income	16,354	14,926	(1,427)	(8.7%)
POLA	11,555	9,933	(1,622)	(14.0%)
ORBIS	6,340	8,306	1,966	31.0%
Jurlique	(1,350)	(2,461)	(1,111)	-
Brands under development	(298)	(851)	(552)	-

Note: Consolidated operating income and loss for each brand are shown for reference purposes only (figures are unaudited).

Totals for the beauty care business in FY2023 include results for the H2O PLUS brand (liquidation completed in December 2023).

FY2024 Result

- There was an overall improvement in the rate of revenue decline from consignment sales, with an increase in sales growth at growing stores compared to the first half.
- We progressively closed unprofitable stores in mainland China, while opening store with new formats to create contact points with the wealthy customer group.
- We achieved a YoY increase in income in the second half through efficient expense execution.

Q4 (YTD)		Results (mil. yen)	YoY Change
Net sales		92,798	(5.8%)
Operating income		9,933	(14.0%)
Key indicators			
Sales ratio	Domestic		84.6%
	Consignment sales		60.3%
	E-commerce		7.0%
	Dept. store, B2B ⁽¹⁾ etc.		17.3%
	Overseas		15.4%
Sales growth ⁽²⁾	Domestic		down 4.5%
	Consignment sales		down 8.2%
	E-commerce		down 2.0%
	Dept. store, B2B ⁽¹⁾ etc.		up 9.7%
	Overseas		down 12.3%
Domestic business Purchase per customer ⁽²⁾ / # of customers ⁽²⁾			down 0.5% / down 8.0%
# of stores domestic ⁽³⁾		2,528 (down 138)	
# of stores overseas ⁽³⁾		147 (down 15)	

(1) Hotel amenities business (2) YoY basis (3) vs Dec. 2023

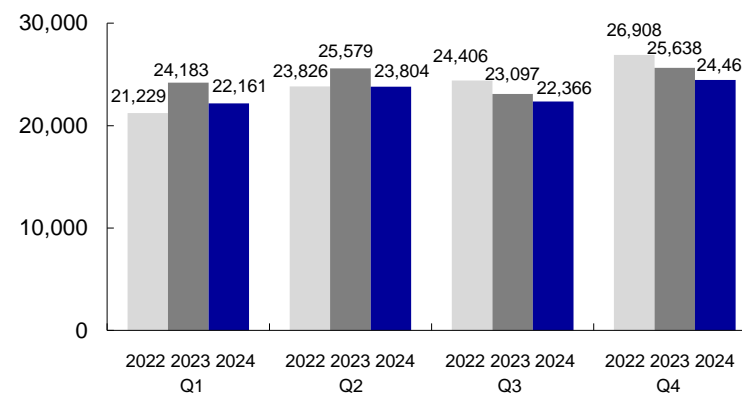
Topics

- Launched the first-ever cream from *B.A GRANDLUXE*, the *B.A* series premium line (October)

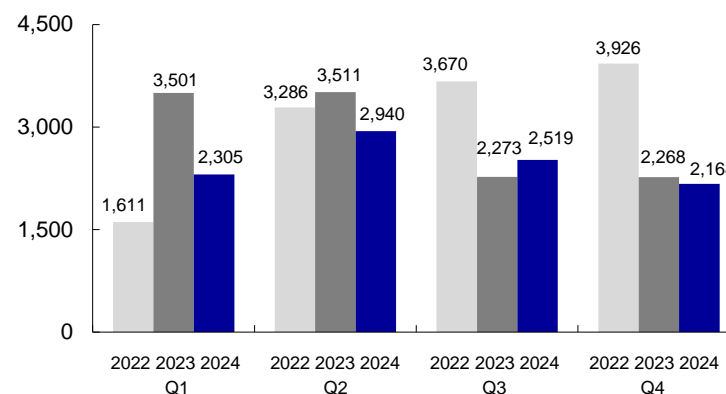


POLA B.A GRANDLUXE O

Quarterly net sales (mil. yen)



Quarterly operating income (mil. yen)



FY2024 Result

- We maintained double-digit revenue and income growth.
- In the direct selling channel, customer retention rates rose, contributing to higher lifetime value (LTV).
- In external channels, we expanded customer contact points and continued to achieve high growth.

Q4 (YTD)	Results (mil. yen)	YoY Change
Net sales	48,190	12.4%
Operating income	8,306	31.0%
Key indicators		
Sales ratio	Domestic	96.9%
	Direct selling ⁽¹⁾	80.8%
	External channels etc.	16.1%
	Overseas	3.1%
Sales growth ⁽²⁾	Domestic	up 13.6%
	Direct selling ⁽¹⁾	up 6.5%
	External channels etc.	up 70.2%
	Overseas	down 14.9%
Direct selling	Purchase per customer ⁽²⁾	up 4.2%
Direct selling	Number of customers ⁽²⁾	up 2.1%

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

(2) YoY basis

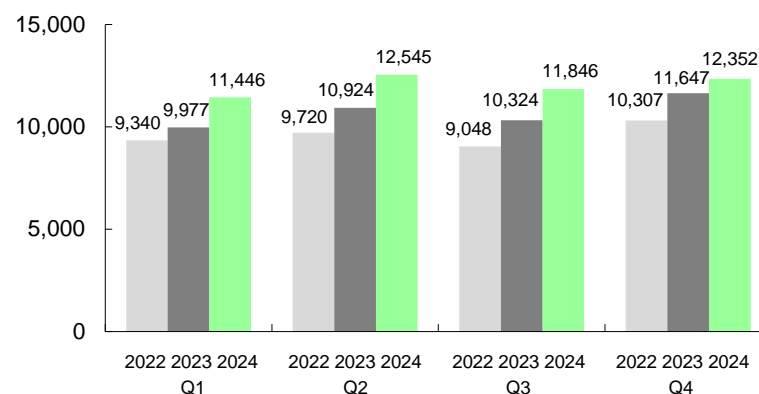
Topics

- Launched an eye serum containing retinol, strengthening the lineup of functional products (November)

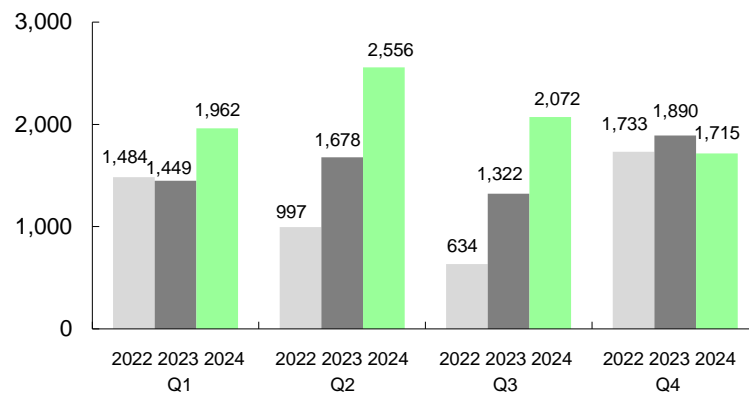
ORBIS RETIFOCUS EYE CREAM



Quarterly net sales (mil. yen)



Quarterly operating income (mil. yen)



FY2024 Result

- Revenue increased in Australia but impacted by further deterioration in business conditions in mainland China and Hong Kong.
- Gross profit declined due to the decrease in sales and losses worsened due to lack of cost reductions.

Q4 (YTD)	Results (mil. yen)	YoY Change
Net sales	8,763	(3.0%)
Operating income ⁽¹⁾	(2,461)	(1,111)
Key indicators		
Sales ratio	Australia	24.0%
	Mainland China	34.7%
	Hong Kong	12.0%
	Duty free	14.1%
Sales growth ⁽²⁾	Australia	up 6.4%
	Mainland China	down 18.6%
	Hong Kong	down 16.8%
	Duty free	up 1.7%

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

(2) AUD basis, YoY

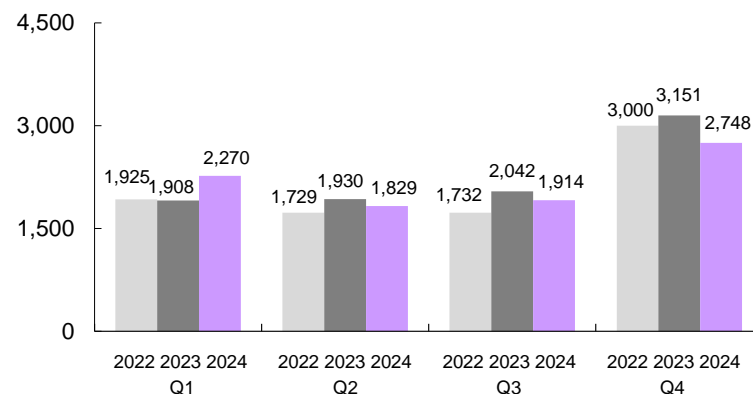
Topics

- Launched multiple limited-edition kits containing popular skincare products.

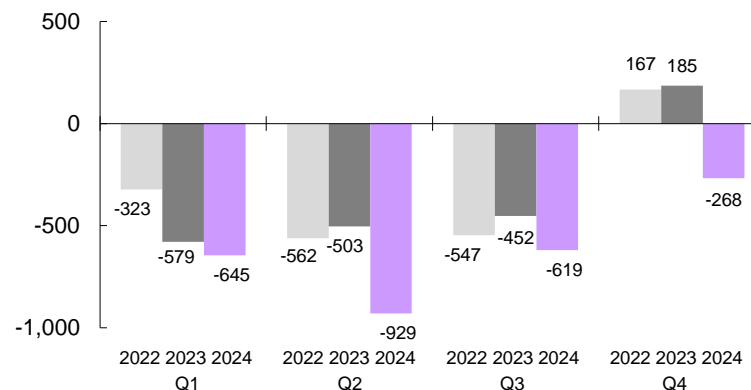


Herbal Kit for Holiday

Quarterly net sales (mil. yen)



Quarterly operating income (mil. yen)



FY2024 Result

- DECENCIA's revenue increased with a more stable customer base due to strong new customer acquisitions and customer accumulation. Income also increased, excluding the impact of accounting treatment in FY2023.
- Both revenue and income fell for THREE, with lower-than-planned customer acquisition and retention.
- Operating income of brands under development was on par with FY2023, excluding new business investment.

Q4 (YTD)	Results (mil. yen)	YoY Change
Net sales	15,307	(11.9%)
Operating income ⁽¹⁾	(851)	(552)
THREE Net sales	5,496	(4.8%)
THREE OP income ⁽¹⁾	(935)	(68)
DECENCIA Net sales	5,593	7.2%
DECENCIA OP income	488	(28.1%)

Key indicators

THREE

Sales ratio	Domestic	79.9%
	Overseas	20.1%
Sales growth ⁽²⁾	Domestic	(5.3%)
	Overseas	(2.5%)

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

(2) YoY basis

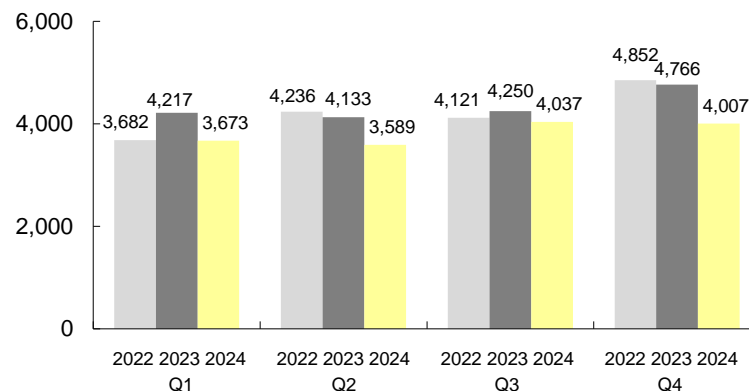
Topics

- Launched a moisturizing cream containing essential oils from THREE, expanding the lineup of holistic products (October)

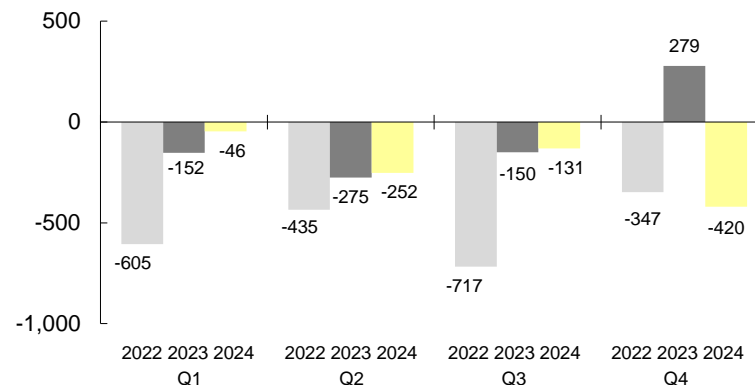
THREE Balancing Concentrate Soft Cream



Quarterly net sales (mil. yen)



Quarterly operating income (mil. yen)



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Management Indicators for 2026

Consolidated
Net Sales

¥200.0 bil.
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

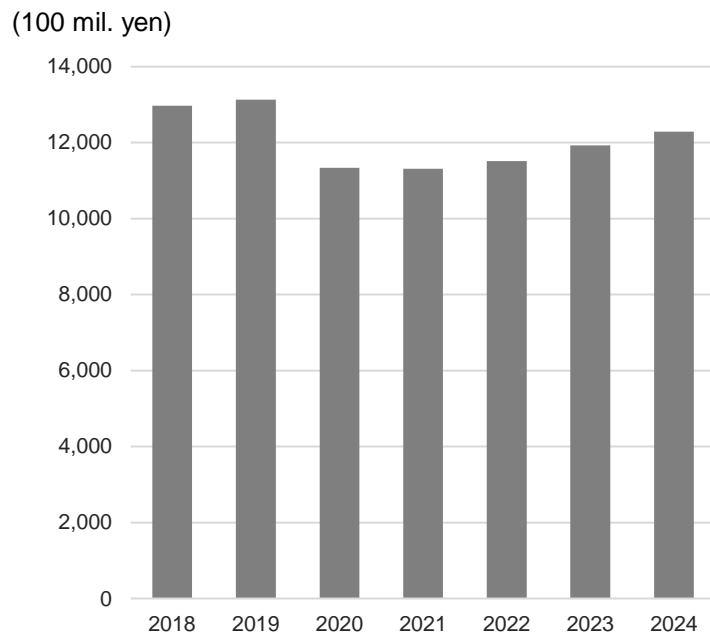
Consolidated payout ratio
60% or higher

Growth Strategies and Evaluations

Strategy 1	Strengthen the customer base in the domestic business to achieve sustainable growth and improve profitability	Slightly behind	Although POLA promoted seamless cross-channel customer acquisition and purchasing, it has been unable to halt the decline in customer numbers, while ORBIS has built a strong customer base.
Strategy 2	Further grow the overseas business and establish business bases in new markets	Behind	Further efforts are required to improve profitability in the Chinese business, which is impacted by the deterioration of business conditions in mainland China, and to develop new markets.
Strategy 3	Achieve profitability through growth in brands under development, contributing to sustainable earnings	Slightly behind	While the amelioration of losses across all brands under development is taking longer than anticipated, DECENCIA is progressively building a stable customer base and FUJIMI has achieved a profit; the issue is regenerating the THREE brand.
Strategy 4	Enhance the brand portfolio and expand business domains	On track	We are progressively receiving orders of the <i>Kaokara</i> , the AI camera for heat countermeasures and seeing business expansion in the aesthetic medicine-related field.
Strategy 5	Strengthen R&D capabilities for new value creation	On track	The expansion of the new materials pipeline is progressing as planned, with TDC* beginning operation and the release of a new product in the <i>WRINKLE SHOT</i> series utilizing new technology in January 2025.
Strategy 6	Strengthen sustainability combining the resolution of social issues with uniqueness	On track	Selected by CDP as an “A List” company, the highest rating, for “climate change” and “water security,” the latter for the first time.

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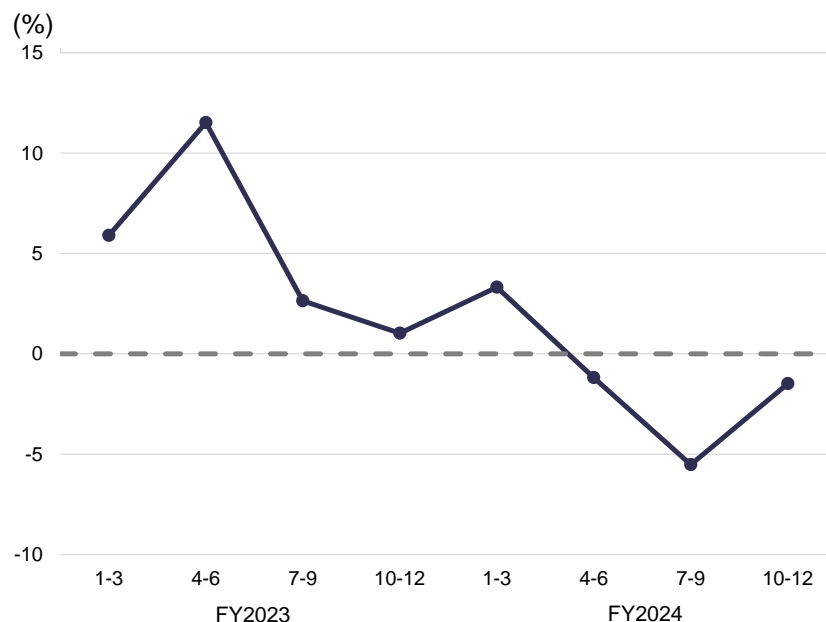
Domestic Cosmetics Market



Source: Data published in January 2025 by Intage SLI

Chinese Cosmetics Sales

2023–2024 Mainland China Retail Sales, YoY change <Cosmetics>



Source: Company assumption based on data from National Bureau of Statistics of China

【Domestic Market】

- Domestic demand remains strong and moderate market expansion is expected to continue.
- While the number of foreign visitors to Japan continues to rise, with 2024 bringing the most visitors since records began in 1964, a change is apparent in tourists' purchasing behavior, and inbound cosmetics consumption is not expected to recover to the levels seen before COVID-19.

【Overseas Market】

- The Chinese skincare market is the largest in the world, and remains important to our Group. However current cosmetics consumption is weak, and flat to low growth is anticipated in 2025.
- We perceive ASEAN as a key market, with high-single-digit growth expected to continue.

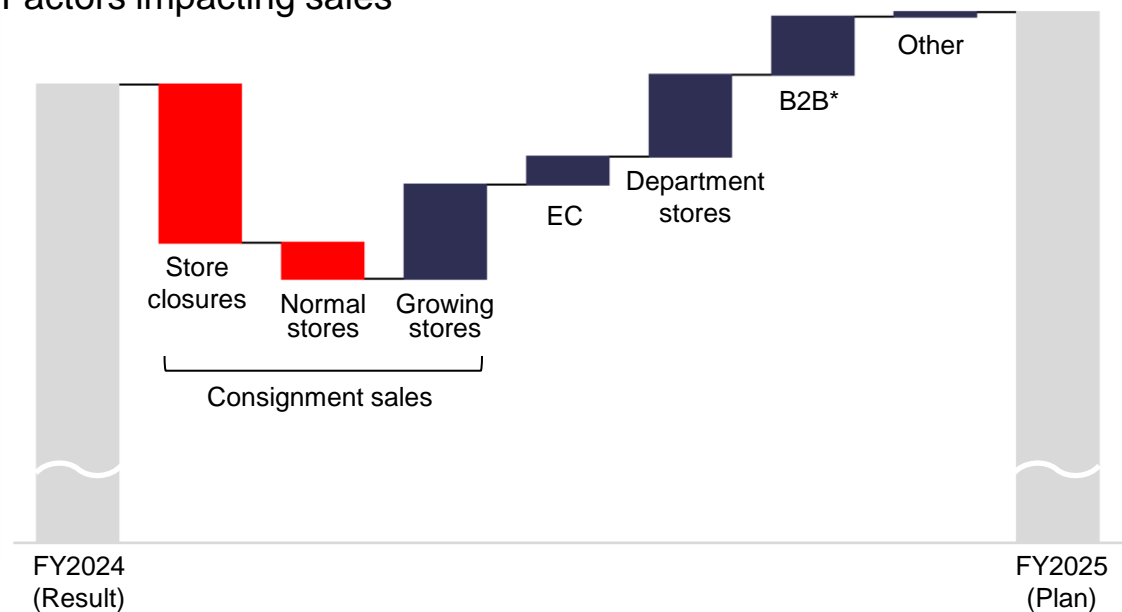
In 2024, the speed of recovery in consignment sales and the growth of the Chinese market fell far short of initial expectations. We will strive to build the business base to get back on a growth trajectory.

FY2025
Plan

Net sales: in line with FY2024
Operating income: down approx. 10 to 12%

Domestic Business

Factors impacting sales



*B2B: Hotel amenities business

Direction for 2025

- Accelerate sales growth at growing stores
- Mitigate the decrease in revenue from store closures
- Achieve further business growth in channels other than consignment sales

Although we plan for a decrease in overall consignment sales in 2025 to optimize customer contact points, with a decrease in the number of stores expected, we will achieve further growth in our growing stores and aim for an overall increase in revenue in Japan.

FY2025
Plan

Domestic sales:
up approx. 1 to 2%

Consignment Sales

We will achieve an increase in brand value for POLA salons.

We will update our plan for new salon openings based on a close examination of the concept and growth potential of store locations, aiming to open a total of 180 stores by 2027.

- Open large stores in major commercial areas.
- Branding through the relocation and renovation of existing stores.



Department Stores, E-commerce, B2B, New Channels

- Strengthen new customer acquisition and engagement pivoting on brand experience through counseling and providing trial use of the products to customers.
- Increase the number of facilities offering hotel amenities.
- Expand customer contact points by opening counters in cosmetics specialty stores.



A POLA counter in a department store



SHOWER BREAK
(Hotel amenity)

Enhance Brand Presence

We will launch strong new products, define the roles and target customers for each series, and develop products with clearer product positioning to acquire new customers and increase LTV through cross-selling.



POLA WRINKLE SHOT
SERUM DUO

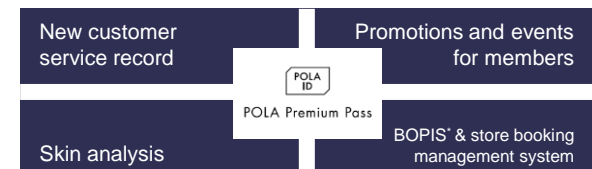


POLA WHITE
SHOT SERUM UV

Second half of 2025
Renewal plans for
large-scale product
and service

Achieve Seamless Cross-channel Customer Experience

We will expand customer experience through the utilization of customer data and the promotion of Online Merges with Offline (OMO). We will develop purchasing paths across channels and raise customer retention rates.



The POLA Premium Pass is the starting point for our direct model

*BOPIS: Buy Online Pick-up In Store

Overseas Business

FY2025 Plan Overseas sale: down approx. 7 to 8%

Rebuild the strategy for the Chinese business

- Revenue is expected to decrease in 2025 due to the impact of business conditions and the closure of unprofitable stores. We will prioritize improving profitability in the Chinese business.
- We will revise our store opening strategy, aiming to acquire target customers and increase LTV by creating contact points with wealthy customer group.

Department stores and stores providing aesthetic treatment



Large commercial centers and major cities

Brand promotion

Store opening area

Purpose

Community stores



Wealthy residential areas across mainland China

Community development and the establishment of strong relationships

- Locations that facilitate close access to our target customers
- Enhance engagement through counseling and workshops

Expand the ASEAN business

- Expand customer contact points and make this region a growth driver for the overseas business. Approximately double the number of stores by 2027 (from 23 stores as of December 31, 2024), including stores providing aesthetic treatment services.
- We will acquire customers through communication tailored to the culture and customs of each region.

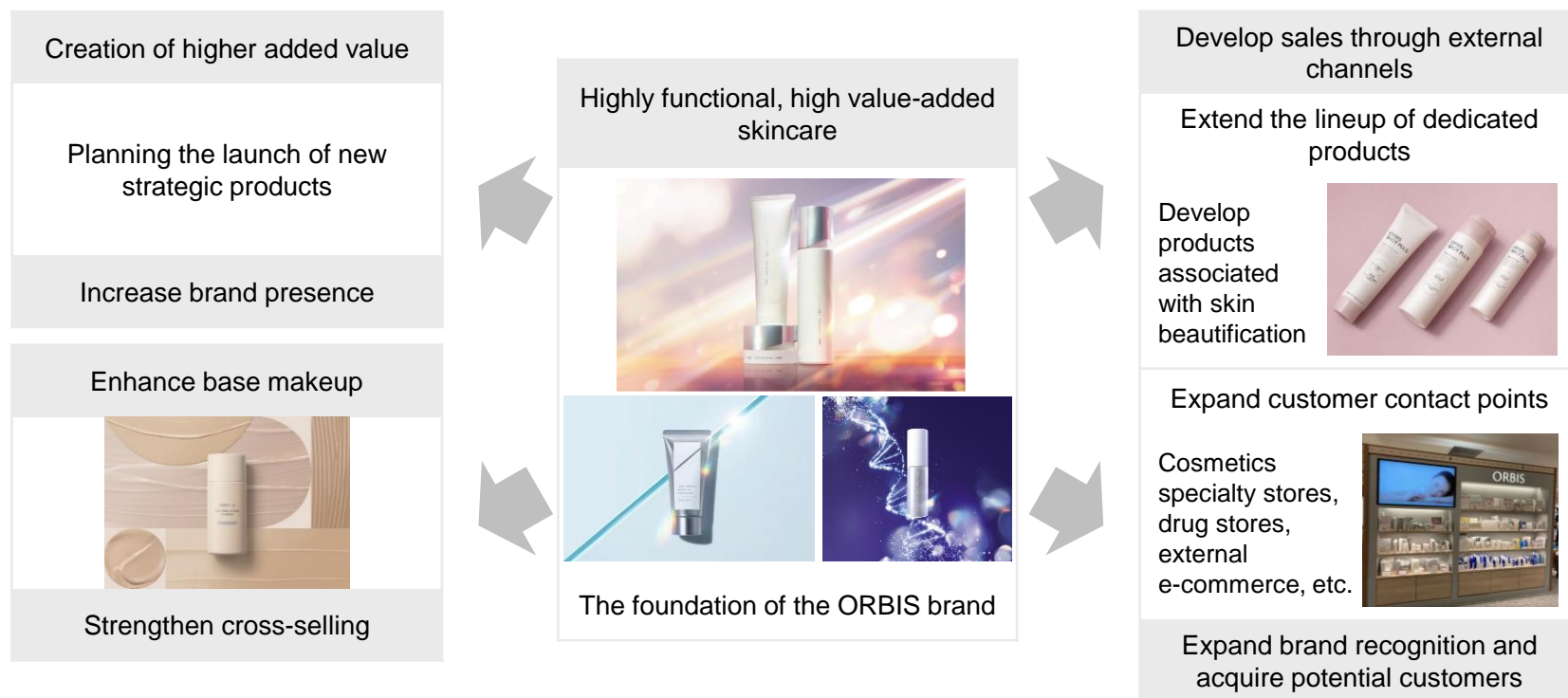


In 2024, we achieved high growth through the stabilization of the customer base and the expansion of sales channels. Going forward, we will aim for an even higher-profit business structure by focusing on customer retention and LTV improvement.

FY2025
Plan

Net sales: up approx. 2 to 3%
Operating income: up approx. 5 to 6%

Expand customer touchpoints



Strengthen the customer base

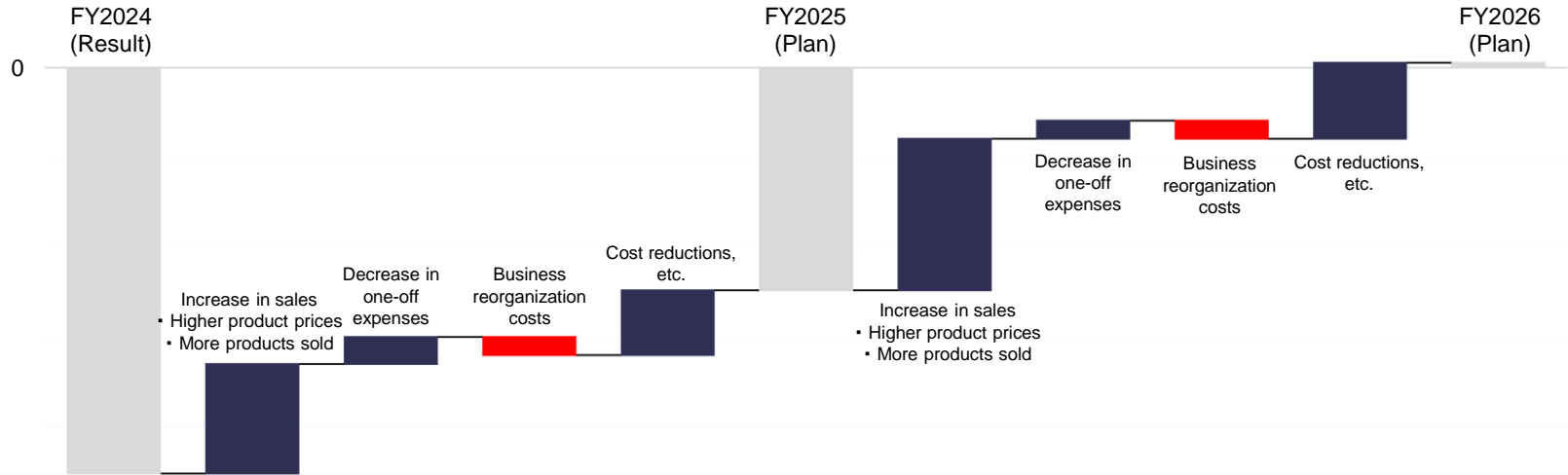
- Utilize customer data to transition from communication based on purchasing history to communication based on behavior and value perceptions, strengthen engagement and increase LTV.



ORBIS app

Results have fallen far short of the plan in 2024 due to the impact of deteriorating business conditions in mainland China and Hong Kong. We will engage in structural reforms to swiftly achieve profitability.

Factors impacting operating income



Structural reform

- Streamline and shrink the organizational structure by consolidating overlapping functions, etc.
- Close unprofitable stores.
- Improve the inventory management process.
- Optimize the number of SKUs.

Thoroughly revise costs to lower the break-even point

Establish brand presence

- Appeal with product benefits and results.
- Continue to promote face oil as a star product.
- Enhance brand experience through the renewal of spas.



DECENCIA

- Promote the implementation of customer retention measures utilizing customer data and build a stable customer structure to achieve further growth.
- Focus on acquiring highly loyal customers by developing star products and stronger communication concerning sensitive skin, while also maintaining the current strength in new customer acquisition.



DECENCIA DECENCY
BRIGHTLIFT CREAM

THREE

- Promote a holistic approach centered on differentiated “essential oils” and focus on acquiring customers with high expected retention rates and LTV to strengthen the customer base.
- Narrow down the number of SKUs and expand product lineup centered on “essential oils” to strengthen holistic products.
- Revise customer contact points, opening more experiential stores and developing contact points that encourage empathy with brand value.



THREE KOBÉ

FUJIMI

- Aim to further expand business scale after having achieved profitability in 2024.
- Not only for online channel but also strengthen offline contact points centered on personalized protein products that capture women’s beauty- and health-consciousness to acquire new customers and continue to launch new products to increase customer utilization rates.



FUJIMI PERSONALIZED
PROTEIN POTATO CREAM

Forecasts for Fiscal 2025

(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%
OP income	13,810	(2,269)	(14.1%)
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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	¥8,000mil. to ¥9,000 mil.

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The unique KPIs to realize a sustainable society

Materiality Categories	Corresponding SDGs	KPIs	Targets for 2029
QOL improvement through innovative technology services	  	Number of new businesses created ⁽¹⁾	31 in total (2026 target)
		Brand recognition and loyalty	Brand awareness and enthusiasm
		Number of research awards won at home and abroad	20 in total Revised target in 2025
		Number of researchers in cutting-edge dermatology research	120
Regional revitalization	  	Number of stores engaged in regional revitalization activities Revised KPI in 2025	700 Revised KPI in 2025
		Number of initiatives contributing to the local economy	78
Culture, Arts, and Design	 	Number of new brand experiences created that utilized art	20
		Number of participants in workshops on liberal arts topics	550,000 in total
All-inclusive human resources	   	Job satisfaction and engagement score	75%
		Women's empowerment	Percentage of female executives: 30-50%
			Percentage of female division managers ⁽²⁾ : 35% (2026 target)
			Percentage of female managers: 50% or higher
		Percentage of candidates to become management executives	200%
		Number of sabbatical program applicants	21 (2026 target)
Environment	    	CO ₂ emissions	Scope 1, 2 down 42% (vs. 2019) Scope 3 down 30% (vs. 2019)
		Water consumption	Down 26% (vs. 2019)
		Sustainable palm oil procurement	100%
		Plastic cosmetics containers and packaging consumption	100% sustainable design based on 4R's

(1) The degree of achievement of the KPIs boxed in red is linked to compensation for the Group's corporate executives (medium- to long-term incentive).

(2) POLA ORBIS HOLDINGS INC., POLA INC. and ORBIS Inc.

Main Initiatives

QOL improvement through innovative technology services

POLA CHEMICAL INDUSTRIES, INC. presented three papers at the 34th Congress of the International Federation of Societies of Cosmetic Chemists (IFSCC), all of which were selected for awards.

Winner of the Johann Weichers Poster Award (top award)

*"Mirror skin" generated from cells in one's own urine:
A perfect skin replica for the ultimate personalized cosmetics*

Selected among the Poster Award Top 10

A unique gaseous solution for cleansing leaves no trace of irritating chemicals on the skin "Can Ultra-Fine-Bubble serve as a new means of cosmetic emulsification?"

Selected among the Applied Research Award Top 5

Does the cosmetic stimulation of brain regions involved in multiple senses amplify multisensory perception? ~ Beyond their traditional benefits, cosmetics as potential sensory transformation tools. ~



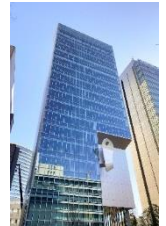
Tomoyuki Iwanaga,
the researcher (Ph.D.)
who won the top award

Culture, Arts, and Design

The POLA aoyama building was completed in March 2024.

We aim to promote the revitalization of regional society and community formation, together with the creation of contact points with the arts and culture, aiming to achieve well-being and real estate value enhancement.

- We were awarded the top-ranking "AACA Award"⁽¹⁾ from the Japan Association of Artists Craftsmen & Architects in recognition for richly artistic environments integrating art and architecture and the restoration and relocation of Tsuchiura Kameki House⁽²⁾
- Collect materials, investigate, and disseminate information on cosmetics culture
- Establish an incubation space to support startup entrepreneurs



POLA aoyama building



Tsuchiura Kameki House
Photo: Kameki Tsuchiura Archives

Environment

We were selected by CDP as an "A List" company, the highest rating, for "climate change" and "water security." This is the first time we have been selected as an "A List" company for "water security."



(1) AACA Award: An award presented by the Japan Association of Artists Craftsmen & Architects, recognizing creations that achieve cultural and artistic environments and landscapes through the integration of various fields such as architecture, art, craftsmanship, and landscaping.

(2) Tsuchiura Kameki House: A tangible cultural property (building) designated by the Tokyo Metropolitan Government, this existing building is a valuable example of pre-War modernism, constructed in 1935 as the home of architect Kameki Tsuchiura and his wife Nobuko.

1. Highlights of Consolidated Performance
2. Segment Analysis
3. Progress on the Medium-term Management Plan
4. Initiatives Going Forward and Forecasts for Fiscal 2025
5. Sustainability and ESG Initiatives
6. Appendices

【Enhancing Capital Profitability】

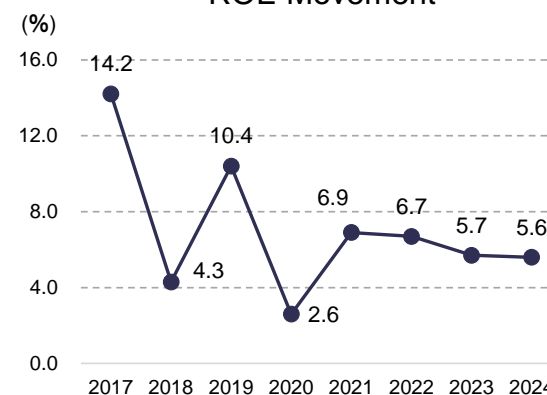
Return on equity (ROE) has been declining due to the decrease in profit. Under the Medium-term Management Plan, we aim to achieve ROE of at least 10% by 2026 through capital profitability enhancement founded on stable and sustainable business growth.

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

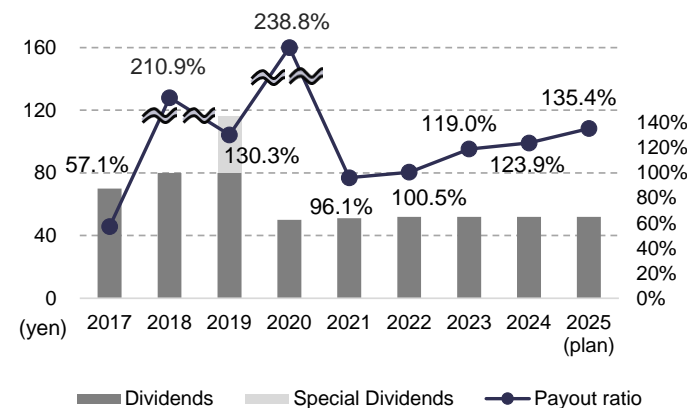


Improvement of Shareholder Return

- 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%



(Appendix) Quarterly Segment Results

■ Net sales

(mil. yen)	FY2024 Jan.–Mar.		FY2024 Apr.–Jun.		FY2024 Jul.–Sep.		FY2024 Oct.–Dec.	
	Results	YoY Change	Results	YoY Change	Results	YoY Change	Results	YoY Change
Consolidated net sales	40,886	(3.0%)	42,949	(1.7%)	41,558	1.6%	44,964	(3.4%)
Beauty care	39,552	(3.4%)	41,770	(1.9%)	40,165	1.1%	43,573	(3.6%)
Real estate	499	(3.7%)	496	(4.2%)	581	11.5%	637	22.3%
Others	834	25.2%	683	13.2%	812	24.9%	754	(8.8%)

■ Operating income

(mil. yen)	FY2024 Jan.–Mar.		FY2024 Apr.–Jun.		FY2024 Jul.–Sep.		FY2024 Oct.–Dec.	
	Results	YoY Change	Results	YoY Change	Results	YoY Change	Results	YoY Change
Consolidated operating income	3,357	(26.2%)	3,959	(10.4%)	3,500	18.8%	2,993	(28.2%)
Beauty care	3,575	(18.0%)	4,314	(0.9%)	3,841	28.3%	3,195	(31.2%)
Real estate	52	(67.4%)	(52)	(168)	55	(61.0%)	21	6.1%
Others	51	49	89	212.6%	48	43.0%	41	(50.9%)
Reconciliations	(322)	(348)	(392)	(311)	(445)	(220)	(264)	318

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).

(Appendix) Quarterly Beauty Care Business Results by Brands

■ Net sales

(mil. yen)	FY2024 Jan.–Mar.		FY2024 Apr.–Jun.		FY2024 Jul.–Sep.		FY2024 Oct.–Dec.	
	Results	YoY Change	Results	YoY Change	Results	YoY Change	Results	YoY Change
Beauty care net sales	39,552	(3.4%)	41,770	(1.9%)	40,165	1.1%	43,573	(3.6%)
POLA	22,161	(8.4%)	23,804	(6.9%)	22,366	(3.2%)	24,465	(4.6%)
ORBIS	11,446	14.7%	12,545	14.8%	11,846	14.7%	12,352	6.0%
Jurlique	2,270	19.0%	1,829	(5.2%)	1,914	(6.2%)	2,748	(12.8%)
Brands under development	3,673	(12.9%)	3,589	(13.2%)	4,037	(5.0%)	4,007	(15.9%)

■ Operating income

(mil. yen)	FY2024 Jan.–Mar.		FY2024 Apr.–Jun.		FY2024 Jul.–Sep.		FY2024 Oct.–Dec.	
	Results	YoY Change	Results	YoY Change	Results	YoY Change	Results	YoY Change
Beauty care operating income	3,575	(18.0%)	4,314	(0.9%)	3,841	28.3%	3,195	(31.2%)
POLA	2,305	(34.2%)	2,940	(16.3%)	2,519	10.8%	2,168	(4.4%)
ORBIS	1,962	35.4%	2,556	52.3%	2,072	56.7%	1,715	(9.3%)
Jurlique	(645)	(65)	(929)	(425)	(619)	(166)	(268)	(453)
Brands under development	(46)	105	(252)	23	(131)	19	(420)	(700)

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 operating income and loss for each brand are shown for reference purposes only (figures are unaudited).

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

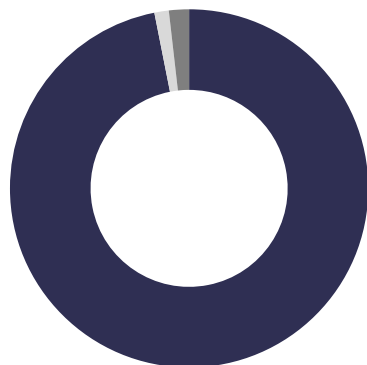
(mil. yen)	FY2022	FY2023	FY2024	FY2023–FY2024 YoY Change	
	Results	Results	Results	Amount	%
Consolidated net sales	166,307	173,304	170,359	(2,944)	(1.7%)
Beauty care net sales	161,654	168,477	165,060	(3,417)	(2.0%)
POLA	96,371	98,499	92,798	(5,700)	(5.8%)
ORBIS	38,417	42,874	48,190	5,315	12.4%
Jurlique	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 operating income and loss for each brand are shown for reference purpose only (unaudited).

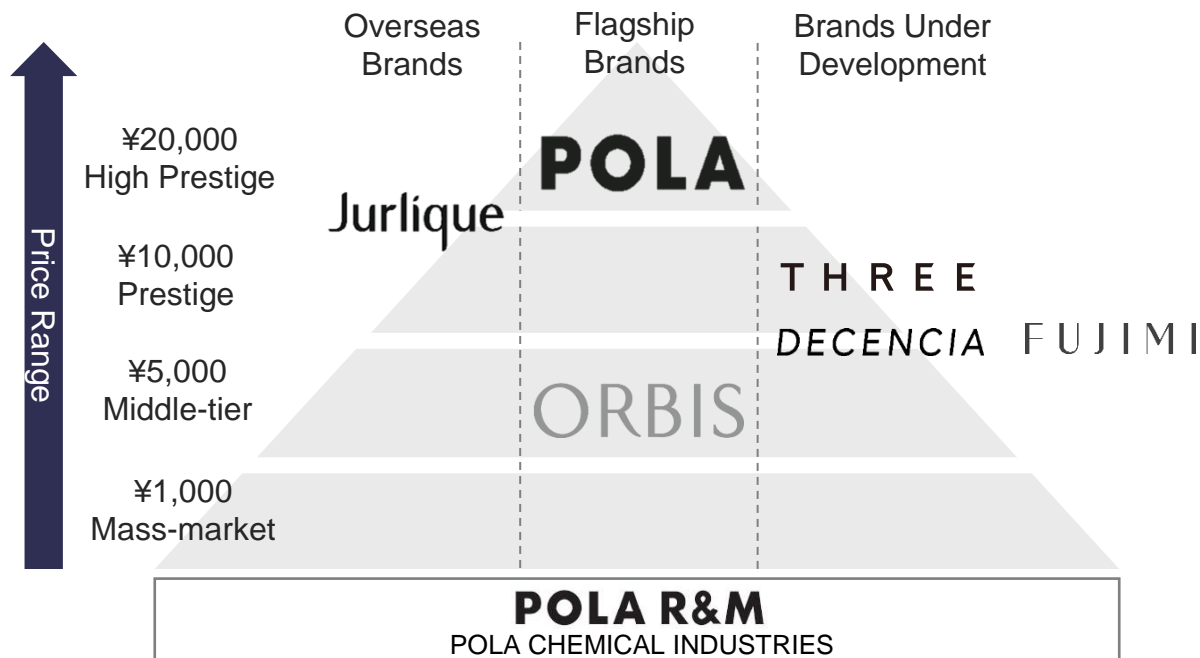
Totals for the beauty care business include results for the H2O PLUS brand (liquidation completed in December 2023).

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 bil.



- 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 unique sales channels



- Meeting diversified needs of customers
- High customer repeat ratio
- Strong relationships with customers

(Appendix) Beauty Care Business Brand Portfolio

	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 and cosmetics specialty stores ■ Overseas: E-commerce, duty free stores, and cosmetics specialty stores
Overseas Brands	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 includes OEM business.

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

