POLA ORBIS HOLDINGS

POLA ORBIS HOLDINGS
Integrated Report 2025

POLA

ORBIS

Jurlique

DECENCIA

THREE

FUJIMI

HOME

Index

Editorial Policy

This report, incorporating non-financial information such as management's policies, strategies and the underlying basis for these decisions in addition to financial information, is intended to give stakeholders greater insight into our activities. In addition, it has been compiled with reference to the International Integrated Reporting Framework, issued by the International Integrated Reporting Council (IIRC), as well as Guidance for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation, prepared by Japan's Ministry of Economy, Trade and Industry. Our sustainability report and a database related to ESG are available for viewing on our website.

WEB https://www.po-holdings.co.jp/en/csr/index.html

Time Frame

This report focuses on activities and results achieved in fiscal 2025—the 12 months from January 1, 2025 to December 31, 2025—but some fiscal 2026 content is also included.

Scope

POLA ORBIS HOLDINGS INC. and consolidated subsidiaries

Disclaimer

Forecasts and other forward-looking statements in this report are predictions related to future results or events, except where the information is historical fact, and are based on assumptions made by the Company using information available at the time. The risks and uncertainties inherent in such assumptions may cause actual results to differ from stated expectations. Information related to the financial results for fiscal 2025 has been prepared on the basis of data available as of February 13, 2026.

Editorial Structure

The Corporate Division functions as the production office and coordinates with corporate planning departments, finance departments, human resources departments and Group companies to compile this report. The director in charge of IR carries responsibility for production of this report.

WE SUPPORT UN GLOBAL COMPACT

SUSTAINABLE DEVELOPMENT GOALS

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To Our Stakeholders

The POLA ORBIS Group formulated the long-term management plan VISION 2029 to guide the Group toward 2029—the year marking its 100th anniversary. We seek to be a collection of unique businesses that respond to diversifying values of "beauty." To achieve this goal, in addition to our existing value provision centered on cosmetics, we are expanding our business portfolio into the realms of well-being and social value creation, aiming for sustainable business growth in Japan and overseas.

Under the current medium-term management plan (2024–2026), the second stage of our VISION 2029 journey, six priority strategies are in the spotlight: 1) strengthen the customer base in the domestic business to achieve sustainable growth and improve profitability; 2) further grow the overseas business and establish business bases in new markets; 3) achieve profitability through growth in brands under development, contributing to sustainable earnings; 4) enhance the brand portfolio and expand business domains; 5) strengthen R&D capabilities for new value creation and 6) strengthen sustainability combining the resolution of social issues with uniqueness.

Taking into account market trends and the business environment, we will continue to prioritize improving profitability in fiscal 2026, ending December 31, 2026, while working to establish a business foundation for future profitable growth. In our domestic business, POLA is moving to restructure its salon channel, previously referred to as the consignment sales channel, and deepen its base of loyal customers to support the brand's future growth. In our overseas business, an emphasis will be placed on putting operations in mainland China back on a growth trajectory while establishing a stronger presence in the ASEAN market, which will be a driver of future growth. In addition, we remain committed to building a cost structure capable of generating sustainable profits.

For the POLA ORBIS Group, 2026 will be a year of crucial preparation for the next medium-term management plan. The first item on the list will be to steadily respond to immediate challenges and, once issues are addressed, finalize the details of the new plan and ensure the successful implementation of stated strategies.

We ask for the continued support of stakeholders as we travel new roads together.

A Message from the President

We will leverage a value chain that directly connects science to individuals, add in value contributed by individuals and make the POLA ORBIS Group a corporate group whose creativity and sensitivity to issues ensure first-choice status.

横手喜一

Yoshikazu Yokote

Representative Director and President

How does our mission/vision contribute to value creation?

The underlying mission statement of the POLA ORBIS Group is "Sensitize the world to beauty." To me, this statement means stimulating the sensitivity, essentially, inspiring the imagination of not only each and every employee but also beyond—to our customers, the people who choose our products and services, and everyone else associated with the POLA ORBIS Group—and fostering new insights, discoveries and creativity. This is the starting point of value creation and our mission. To achieve that, we set the vision that "we will maximize the unique character of each brand, and become a global corporate group that enriches the lives of people around the world." Each of the brands in our multi-brand portfolio operates as an independent business entity, with its own set of values, philosophy and corporate culture. Each brand becomes firmly established when unique products and services created against a backdrop infused with originality and brimming with distinctive appeal are chosen by customers reflecting their own feelings and emotional connection to the brand. This is our picture-perfect image of the POLA ORBIS Group.

A value chain that allows qualities unique to each of these brands to emerge forms a crucial building block in the foundation that supports the Group's operations. Most noteworthy is cutting-edge scientific knowledge regarding the skin, the body and life accumulated through many years of basic research. New materials and proprietary technologies derived from insights gained and discoveries made inevitably lead to the development of highly differentiated products and services tailored to each brand's value proposition. In addition, each brand has promptly delivered these products and services to customers through personalized experiences and interactive messaging via direct marketing. This integrated value chain, connecting science, multi-brands and direct marketing links, enables each brand to extend unparalleled value directly to its customers, leading to enhanced customer loyalty. The resulting value is something that only the POLA ORBIS Group can provide. As a top executive at POLA ORBIS HOLDINGS, my role is to ensure that this comprehensive approach to value creation permeates every corner of the Group and to reinforce these strengths so that they continue to function effectively into the future.

MISSION

Sensitize the world to beauty.
Approach life with boundless curiosity and fill it with heartwarming encounters and new discoveries.
Make the world different tomorrow.
Inspire a sensitivity to beauty that changes people's lives, making them feel happier and more emotionally fulfilled.

VISION

To maximize the unique character of each brand, and become a global corporate group that enriches the lives of people around the world.

WAY

- Be gracious to others, and express your individuality with flair.
- Cultivate your esthetic sense and personal tastes.
- Respond to challenges and changing circumstances with flexibility.
- Show care for the environment in all that you do.
- Think independently and work cooperatively to grow as individuals and as a group.

Focus on "individuals" rather than "cosmetics users"

The science that forms the basis of our value chain seeks to understand the biological mechanisms that enable us, as human beings, to maintain beautiful, healthy skin, mind and body. That said, no matter how exceptional a cosmetics product may be, it is but one avenue for achieving beauty. Every aspect of life,

Global flagship store POLA GINZA

including health, lifestyle, social interactions and relationships with others, has an impact on beauty and well-being. For exactly this reason, we view customers not just as "cosmetics users" but as "individuals" who pursue beauty and well-being on their own terms within the contexts of society and the environment. As technology advances and lifestyles diversify, it is only natural that individuals are keen to embrace alternatives beyond cosmetics to pursue beauty and well-being, seeking to enrich their lives in their own unique way. In VISION 2029, formulated ahead of the Group's 100th anniversary, we describe our image of the POLA ORBIS Group as "a collection of unique businesses that respond to diversifying values of 'beauty.' " In other words, our definition of the Group goes beyond that of a mere "cosmetics company." Beauty and well-being will become inextricably intertwined. It is difficult for people to feel happy if they are not comfortable in their social interactions and their living environments. Without happiness, true beauty remains an elusive objective. Our mission is not simply to develop and sell excellent cosmetics but to realize the beauty and well-being of individuals into the future. Our mission and vision serve as symbolic expressions of this commitment.

POLA GINZA, POLA's global flagship store, was renovated and reopened in December 2025 as a space that embodies our philosophy. The store was designed as not just a place to showcase and recommend cosmetics but as a unique environment providing a pleasant sensory experience from the moment a customer steps inside. Lighting, sound and scent are all designed to excite the senses—sight, hearing and smell—in a way that is unique to that specific place and time. Engaging the five senses, the spatial design transforms the process of selecting and trying out cosmetics into a special and memorable experience. POLA GINZA is a place where experiential value holistically nurtures both mind and body, embodying the Group's philosophy.

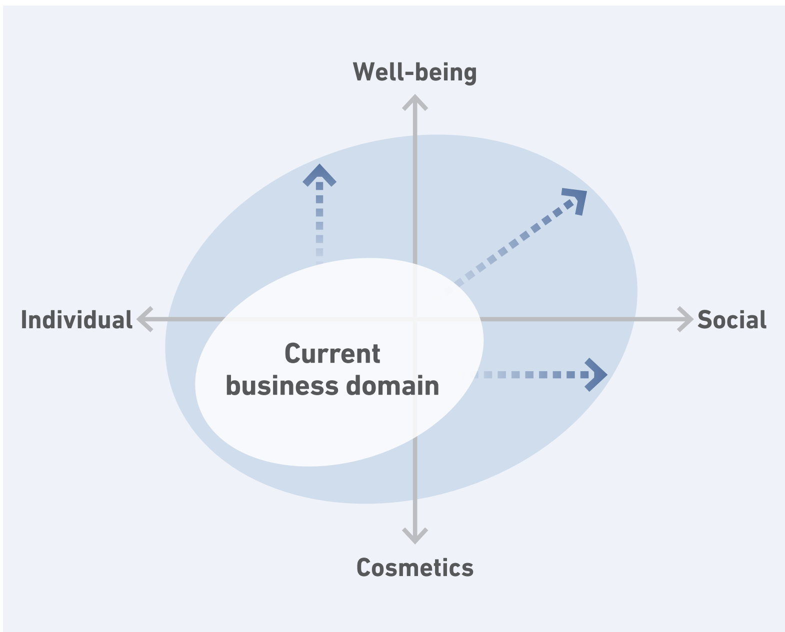
VISION 2029

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

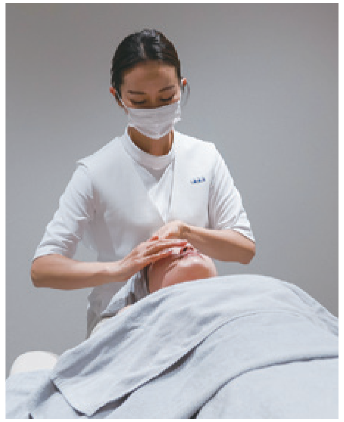
Basic strategy 3
Strengthen research and technical strategy



Looking back on fiscal 2025

The fiscal year ended December 31, 2025, marked the midway point of VISION 2029, which was launched in 2021. As for performance, in core domestic operations, ORBIS recorded steady growth, but POLA continued to struggle, albeit with a smaller decline in sales and issues in need of solutions. In overseas operations, POLA's mainland China operations and the overseas brand Jurlique are still in a process of business restructuring aimed at reducing their losses. Progress is on track, and a return to growth is expected in 2027. As a result, on a consolidated basis, net sales settled at ¥170.2 billion, virtually unchanged from that of the previous fiscal year, but operating income rose by double digits, to ¥15.6 billion, mainly thanks to the success of measures to streamline selling, general and administrative expenses and implement structural reforms. Consequently, the operating margin improved, to 9.2%. Despite favorable movement, operating income did not reach the target set in our medium-term management plan. We acknowledge that further efforts are needed to improve profitability figures, including ROE.

In 2027, we will embark on the 2027–2029 medium-term management plan—the final stage of our VISION 2029 journey. Therefore, we recognize 2026 as a crucial year to halt our declining performance by successfully turning around POLA's domestic business. At the same time, we must fully execute the structural reforms for POLA's mainland China business and Jurlique, thereby building a solid foundation for the Group's renewed growth and improved profitability from 2027 onward. Of note, while the POLA salon channel continues to struggle and customer numbers are still charting downward, we can see the structure of the salon network divided into two clearly distinct store groups. The strength of POLA's salon channel lies in building customer loyalty through high-quality esthetic treatments, but not all locations are equally successful in this effort. New customers, that is, people curious about esthetic treatments, will turn to digital platforms, such as social media, in their search for reputable, trustworthy salons. Salons that effectively utilize digital platforms in their marketing strategy are successfully attracting new customers. Furthermore, by providing personalized services and attentive support by the entire staff, they build trust early on and deepen customer loyalty. Salons that have successfully incorporated these activities into daily operations have seen their customer base grow, expanding their revenue 104% year on year as salons on a growth track. In fiscal 2025, revenue from salons on a growth track rose, accounting for about half of total salon revenue. POLA aims to achieve a turnaround in business results from its domestic operations by fully supporting activities at these salons and further accelerating growth.

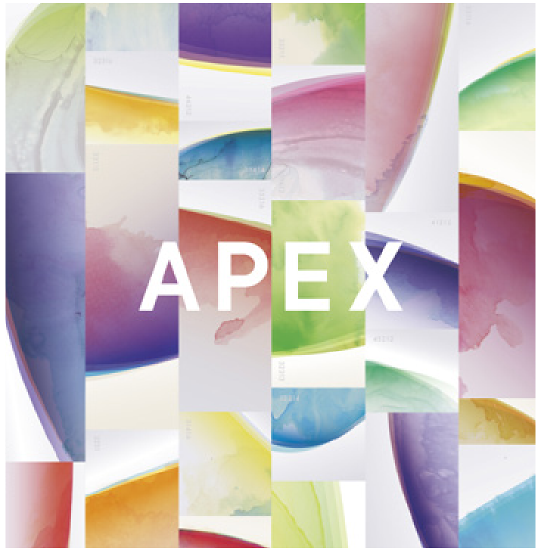

Treatment at a POLA salon

Intrinsic motivation of every employee driving the Group's value chain

The driving force behind the Group's value chain is the intrinsic motivation of each and every employee—that is, proactive initiative born from personal sensitivity, awareness and recognition of issues. New research themes often emerge from a little seed of curiosity or an observation by a single researcher, and innovation in customer communication often begins with the question "Is this the best way?" I believe we must base management on a daily routine that elicits those little seeds of curiosity, observations and inquiries from perceptive individuals, and channels this content into value creation. There are about 4,000 employees across the POLA ORBIS Group. With 4,000 people, there will be 4,000 different questions and insights. If we can mine this source of input from across the Group daily and manage it to affect our colleagues positively, we can maintain the Group's evolution. We call this management style "A Person-Centered Management." Employees are, by nature, unique individuals. We seek to build a corporate group where every employee—each with a unique presence—can fully demonstrate personal perspectives and sensitivity.

Group history sustained by intrinsic motivation of individuals

The reason we place such importance on the intrinsic motivation of individuals is because it has sustained the history of the Group. Shinobu Suzuki, the founder of POLA, crafted a homemade hand cream with meticulous attention to detail out of a keen desire to help his wife, who suffered from dry, rough hands. Then came direct selling, a marketing route paved by a woman who came into a POLA office and asked, “Will you hire a woman?” at a time—the early Showa Era (1926–1989)—when sales was considered a man’s job. Direct selling became POLA’s distinctive style, with female sales representatives going door-to-door in cities and towns all over Japan. Personalized skincare, epitomized by APEX, resulted from a discovery by a researcher who realized that everyone’s skin is different and unique. The transition from door-to-door sales to the salon business was sparked by a suggestion from an employee who said to the president at that time, “President, we are going to go out of business if we keep this up.” DECENCIA, a line of skincare for sensitive skin, is a brand under development. The impetus for creating this brand was a researcher’s wish to address the needs of his sister, who suffered from atopic dermatitis. He applied to our own internal venture program, seeking to utilize extensive research accumulated in his search for skincare that would be kind to his sister’s skin. Today’s POLA ORBIS Group maintains the spirit that infused POLA in its early days to constantly evolve by listening to and sincerely engaging with individuals who possess intrinsic motivation and by harnessing the full potential of such power.



This approach is not limited to employees but extends to business models that are an extension of a brand commitment to engage sincerely with all customers, notably, direct selling. The founding brand POLA, as well as ORBIS, our other core brand, and DECENCIA and THREE, our brands under development, pursue business with direct selling at the core of operations to deliver products and services directly to each and every customer. Even if customers are using the same cosmetics, their reasons and the circumstances behind their choices vary from person to person. For direct selling, it is essential to build continuous, attentive communication by closely engaging with and addressing the unique expectations, hopes and feelings of each customer. Long-time customers loyal to the POLA brand mention that women in their family have been using POLA products since their mother’s generation. We also hear customers who have been visiting POLA salons for years say things like “My daughter turned 20, and I’ve brought her here for her first salon treatment.” ORBIS was established in 1987, and many customers have been purchasing its products since then. Quite likely, they are more knowledgeable about the brand than even employees are. The enduring support of customers who feel attached to our brands and remain loyal to these brands across generations will be met with a continued commitment to be there for them. Such commitment generates trust and builds relationships that transcend generations, becoming a major asset for the Group.

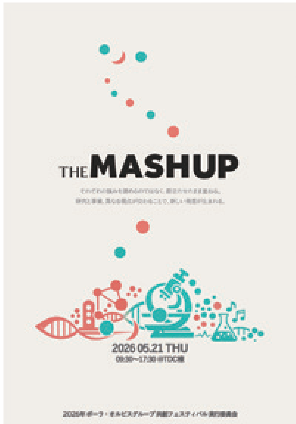
How do we leverage Group strengths to drive growth in a rapidly changing business environment?

Today's society is often described as a VUCA* era. Even in an environment of such unpredictability, I believe we must consider two key points for the value we deliver to our customers to truly meet their needs and bring them joy.

First point. We should not view our customers simply as "cosmetics users." Adopting a perspective and attitude that treat customers as individuals is becoming increasingly important. For example, when we asked to see a selection of electronic customer care records used at POLA salons, we expected to see entries heavily weighted toward skin concerns and future beauty treatment plans. Instead of beauty-related notes, the records were filled with comments about customers' personal lives, including work-related issues, such as a lot of overtime worked lately or anxious feelings about the next job transfer, and personal updates, such as thoughts on the bride's change of dress at the wedding reception or disappointment over not getting tickets to a certain artist's concert. I believe it is really important to engage sincerely with our customers as individuals and consider how best to serve them within that context.

Second point. We must revitalize cross-functional collaboration, exchange and networking within the Group even more. The Group comprises a variety of companies that differ in terms of size and history, including the holding company, our core brands—POLA and ORBIS—as well as POLA CHEMICAL INDUSTRIES, which handles research and production, along with operating companies responsible for brands under development and the overseas brand Jurlique. Against this backdrop, if these companies were to become isolated and self-contained, they would inevitably become inward looking. To ensure that each brand can constantly adapt to changes in society and evolving trends in individuals' behavior, operating companies must open lines of communication and exchange talent, rather than closing themselves off from interaction. The most symbolic example of this corporate embrace is the current leadership appointments at our core operating companies. The current president of POLA came from ORBIS, the current ORBIS president came from DECENCIA and the current DECENCIA president came from ORBIS. By bringing in leaders with other-brand experience, we are leveraging fresh perspectives to drive brand evolution in unprecedented ways. We intend to actively expand these cross-brand personnel transfers beyond top management to include younger employees as well. In addition, we are actively increasing opportunities to revitalize talent exchange and information sharing across the Group. Efforts include a research festival that brings planning and development staff from Group companies together at the research institute, which forms the foundation of the Group's value chain, and the start of the "D-1 Grand Prix," a cross-Group event that showcases improvement in corporate activity by using data analysis from daily operations. In these ways, we are cultivating human resources whose talent grows as they gain diverse experience across Group operations rather than being confined to a single company. To support this process, we are reinforcing training programs across the Group. In 2026, we added the APCM Lab (A Person-Centered Management Lab) for employees in their 30s and 40s to the already existing Wonder Camp for employees who have been with the Company for three years or less, the Future Study Program for employees in their 20s and 30s, the Cocreation Workshop for young leaders and the Business Innovation Academy for administrative management. We actively invite candidates from Group companies to participate in these training programs, share values that the Group holds dear, explore each person's intrinsic motivation and implement a curriculum designed to identify future challenges and drive operational transformation.

*VUCA stands for volatility, uncertainty, complexity and ambiguity.



Held cross-Group research festival

Awards presentation for cross-Group event "D-1 Grand Prix"

Three initiatives to expand brand portfolio and business domains

As described in VISION 2029, our goal is for the POLA ORBIS Group to be “a collection of unique businesses that respond to diversifying values of ‘beauty.’ ” To realize this goal, it is essential that the Group not only grow its existing core cosmetics business but also vigorously capitalize on new opportunities in other areas. Toward this end, we are actively implementing three initiatives.

The first initiative is to create new businesses using our core strength—research and technology capabilities—as the starting point. We are already seeing a favorable impact on business results from a blossoming presence in the field of esthetic medicine, underpinned by extensive expertise accumulated in dermatology, and also seeing progress, exemplified by the launch of an AI camera business for heat countermeasures that draws on facial analysis technology. Our research institute still holds a wealth of technological resources with untapped potential and thus the promise of new business opportunities. Seeking to accelerate efforts, POLA ORBIS HOLDINGS and POLA CHEMICAL INDUSTRIES joined forces to create a new promotion structure and are currently working on proposals for and collaboration with external business partners.

Kaokara AI camera for heat countermeasures

The second initiative is the internal venture program. The idea of developing new businesses inspired by ideas and insights from individual employees has welcomed a growing number of participants year after year and is now well established within the Group. We will continue to launch new businesses driven by the intrinsic motivation of employees, following in the footsteps of DECENCIA, a business born out of the internal venture program and now contributing to consolidated results.

The third initiative is collaboration with external talent. Individuals with innovative ideas and those who are simply interested in doing something about social issues and eager to take on new challenges exist outside the Group, not just within it. We will listen carefully to the ideas and aspirations of motivated individuals, build new businesses from the ground up and develop them together as a team. Driven by the intrinsic motivation of individuals, we are perfectly positioned to develop new startups as only the POLA ORBIS Group can.

Corporate vision defined by the Group

In fiscal 2026, ending December 31, 2026, we will formulate the next medium-term management plan for 2027 through 2029. To prepare this three-year plan, we must start by envisioning the kind of corporate group we want to be in the future, not just in the next three years. Shinobu Suzuki, the founder of POLA, left these words: “Deliver beauty, serve our customers.” Returning to this spirit, each brand in our portfolio must think carefully about the path along which perceptions of beauty will evolve in parallel with changes in society, the environment and lifestyles of the future. By working together as a cohesive corporate group toward our shared image of the future, we will realize our vision that “we will maximize the unique character of each brand, and become a global corporate group that enriches the lives of people around the world.”

POLA SALON + AOYAMA offering Resense esthe, a POLA-original total care service

POLA ORBIS Group History

With refined sensitivity, we transform ahead of changing times.

1929 — 1979 Growth of sales channels of door-to-door business

Active participation of women in society
As Japan welcomes more active participation of women in society, POLA embarks on what is now a 96-year history in the cosmetics business with expansion of its door-to-door business.

POLA

- **1929** Shinobu Suzuki founds the business in Shizuoka Prefecture.
- **1940** POLA CHEMICAL INDUSTRIES, INC. is established.
- **1946** The current POLA INC. is established.

Mortar used by the Company's founder

1980 — 1999 Business diversification

Diversifying lifestyles
Business activities becoming more diversified to match changing lifestyles.
ORBIS is established and will later develop into a flagship brand.

- **1981** Fashion business is launched.
- **1989** Department store business is launched.

ORBIS

- **1984** ORBIS Inc. is established.
- **1988** Mail-order business is launched.
- **1999** Internet order system is launched.

ORBIS's first generation 100% oil-free series

2000 — 2004 More sales channel variety

Fragmentation of needs
New ways to shop appear with advances in information technology. Sales channels expand in response to changes in society.

- **2000** Begins steps to transform sales approach of door-to-door business.
- **2004** POLA enters mainland China's market.
- **2000** ORBIS THE SHOP is launched.

- **2001** ORBIS commences international sales.

2005 — 2010 Multi-brand strategy

Multi-brand emphasis
Launches multiple brands matched to diversifying customer needs.

- **2006** POLA ORBIS HOLDINGS INC. is established and the Group transitions to a pure holding company system.
- **2010** POLA ORBIS HOLDINGS INC. is listed on the Tokyo Stock Exchange, First Section (currently Prime Market).
- **2005** POLA THE BEAUTY stores are launched.
- **2006** ORBIS enters the Taiwanese market.
- **2008** ORBIS enters mainland China's market.

Brands under Development

2007–2008
Current DECENCIA INC. is established.
DECENCIA
ACRO INC. is established.
THREE

2011 — 2020 Stock listing, selection and concentration of domestic operations, full-fledged overseas development

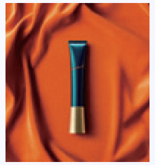
New stage of growth
Takes opportunity afforded by stock listing to draw up long-term vision. Makes headway on improving domestic profitability and expanding overseas presence. But in final year of vision, operating environment undergoes huge shift.

Overseas Brand

- **2012** The Group acquires Jurlique International Pty. Ltd.

Jurlique

- **2016** First quasi-drug to improve wrinkles approved in Japan.
- **2017** POLA launches WRINKLE SHOT SERUM.



- **2018** Group's R&D structure realigned and research oversight function consolidated at Multiple Intelligence Research Center (MIRC).

2021 — 2023 VISION 2029 STAGE 1

Launch of VISION 2029 toward the Group's 100th anniversary

- **2021** The Group acquires tricot, Inc.

FUJIMI

- **2023** Establishes the Technical Development Center (TDC), commencing operations in 2024.

2024 — 2026 VISION 2029 STAGE 2

"Three years of re-challenging and establishing a foundation for growth" to achieve VISION 2029

- **2024** Esthetic medicine business is launched. (POLA MEDICAL INC.)

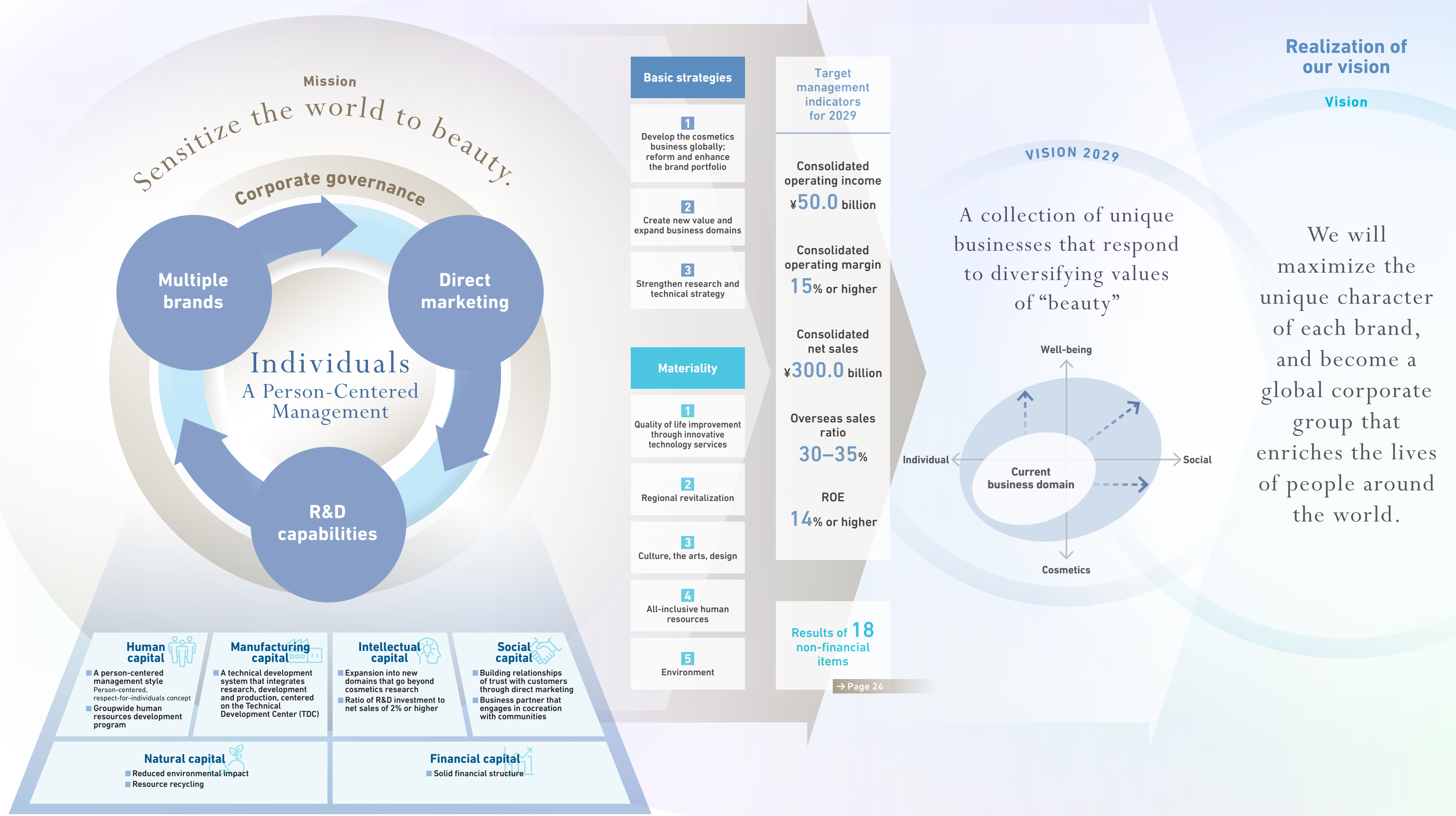
- **2024** Launches Kaokara, an AI camera using facial analysis technology for heat countermeasures.
- **2024** Captures award for ninth time at International Federation of Societies of Cosmetic Chemists (IFSCC) Congress.

Environmental/Social/Governance Efforts

- **1937** POLA hires its first saleswoman.
- **1979** The current POLA Foundation of Japanese Culture is established.
- **1985** POLA introduces product refills.
- **1990** ORBIS introduces simplified packaging.
- **1996** The current Pola Art Foundation is established.
- **1998** The Fukuroi Factory obtains ISO 9001 certification (quality-related).
- **2000** The Fukuroi Factory obtains ISO 14001 certification (environment-related).
- **2005** In-house training across the Group. Introduction of Future Study Program and Top Management Development Program (currently, Business Innovation Academy).
- **2008** Appoints outside corporate auditor.
- **2009** Creates Groupwide risk management structure.
- **2013** Introduces corporate officer system.
- **2015** Appoints outside directors.
- **2016** Puts together Corporate Governance Report and forms Basic Policy on Corporate Governance.
- **2016** Initiates Board of Directors' effectiveness evaluation.
- **2017** Formulates new Group philosophy.
- **2017** Becomes signatory to UN Global Compact.
- **2017** Formulates Group Code of Conduct.
- **2018** Introduces senior corporate officer system.
- **2018** Establishes Group human rights policy. Initiates human rights due diligence.
- **2018** Begins CSR procurement activities.
- **2019** Establishes voluntary advisory committees to focus on nomination and appointment of executives and associated compensation.
- **2021** Adds reduction of CO_2 emissions to medium- to long-term incentive evaluation criteria for corporate officers.
- **2021-2025** Included in CDP* Climate Change A List for fifth consecutive year.
  Selected as a constituent stock of MSCI Japan Empowering Women Index (WIN).
  Selected as a constituent stock of the FTSE4Good Index Series and the FTSE Blossom Japan Index.
- **2024** Set reduction of CO_2 emissions, reduction of water consumption, sustainable palm oil procurement, number of new businesses created and percentage of female managers as medium- to long-term incentive evaluation criteria for directors.
- **2024, 2025** Selected for CDP* Water Security A List.
- **2025** The Fukuroi Factory and TDC obtain ISO 22716 certification (GMP for cosmetics products).
- **2025** TDC obtains ISO 14001 certification (environment-related).

*CDP: International non-governmental organization that researches, evaluates and discloses corporate strategies on climate change and efforts to curb greenhouse gas emissions

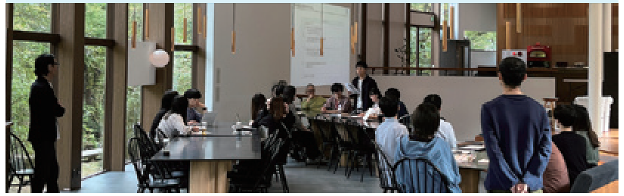
Value Creation Process of the POLA ORBIS Group



Capitals of the POLA ORBIS Group

The POLA ORBIS Group has conducted business activities for many years, keeping direct ties with customers as its pivotal resource. We will aim for sustainable growth by fully using the six capitals we have cultivated since our founding.

Human capital



In line with our human resources management policy, "A Person-Centered Management," we enhance corporate value through maximization of the value of human resources by enabling them to express individuality and thrive.

Job satisfaction and engagement score[*1]	Number of participants in Groupwide training programs[*2]
66.0%	534 (cumulative)

Manufacturing capital

Led by the Technical Development Center (TDC), we integrate research, development and production functions, and revolutionize manufacturing through the combined forces of new formulations and new production technologies, creating results in new domains that go beyond the boundaries of cosmetics.

Production facilities	International standard
3 facilities	ISO 22716 Certification obtained (GMP for cosmetics products)

Intellectual capital

Leveraging customer data accumulated through many years of direct selling, we have established a strong customer base. In addition, we are utilizing our knowledge gained through skin research to expand business into the well-being domain.

Ratio of R&D investment to net sales	Number of IFSCC awards received[*3]
2% or higher	9 (cumulative)

Social capital

We build relationships of trust through communication facilitated by direct selling and contribute to the local economy through collaborations with stakeholders, primarily local governments.

Number of POLA Beauty Directors	Number of initiatives contributing to the local economy
Approx. 17,000	62 (cumulative)

Natural capital

We promote the reduction of the environmental impact across the entire value chain through solid research, technological expertise and connections forged with customers through direct marketing.

CO_2 emissions[*4] (compared to 2019) Scope 1 and 2	CO_2 emissions[*4] (compared to 2019) Scope 3	Water consumption[*4] (compared to 2019)
Down 60.2%	Down 56.9%	Down 20.8%

Financial capital

We sustainably expand corporate value through continuous growth investments that leverage a stable financial foundation.

ROE	Equity ratio
5.8%	82.3%

*1 Measured and calculated for the "Great Place to Work Survey" by the Great Place To Work® Institute Japan *2 Includes retired employees *3 Awards received at the International Federation of Societies of Cosmetic Chemists (IFSCC) Congress *4 On a per unit of sales basis

Recognizing and Responding to Opportunities and Risks

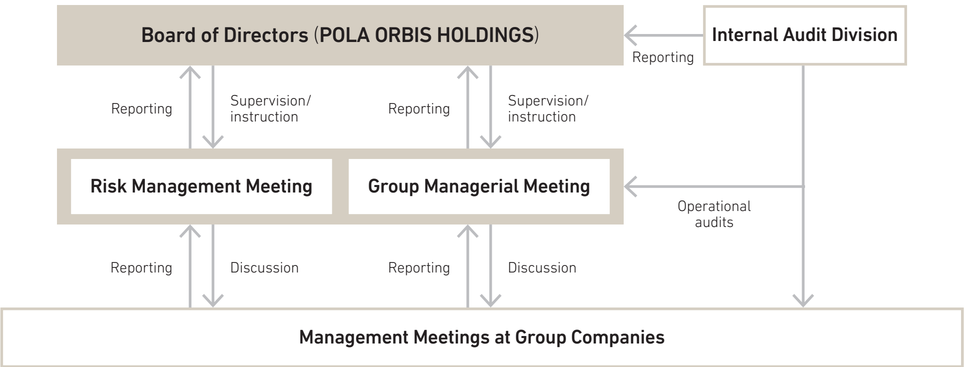
Opportunity and risk structure

One of the functions of the Board of Directors is to oversee opportunities and risks related to the Group's business continuity. To handle this function, we established the Group Managerial Meeting and the Risk Management Meeting directly under the Board of Directors. Each Group company lists up the opportunities and risks associated with its business and addresses them in management meetings at Group companies. Information from those meetings is discussed and monitored monthly at the Group Managerial Meeting and quarterly at the Risk Management Meeting, then reported to the Board of Directors.

The Group Managerial Meeting consists of the Company's directors and full-time corporate auditors, as well as presidents and directors of Group companies who are appointed as members by the Board of Directors. Focusing on business management aimed at maximizing opportunities for each Group company, Group Managerial Meeting members discuss solutions to various risks that may materialize and work out details for supervision and instruction that are deployed across all Group companies as shared information.

The Risk Management Meeting consists of members of the CSR Committee (management level) from the Company and other Group companies. The meeting aims to prevent problems from arising by identifying risks that may materialize during corporate activities, including strategic and operational risks, and by practicing risk management across the Group.

Organization



Opportunities

For business-related opportunities, we analyze possible business pursuits from various angles, including those of the social environment, market trends and the target customer's sense of values, at home and abroad, and draft the investment plans and growth strategies necessary to achieve the goals stated in the medium-term management plan.

In addition, the Multiple Intelligence Research Center (MIRC) is responsible for seeking out innovative projects that will contribute to Group development over the medium to long term and studies domestic and international trends and needs related to technology, society and culture.

Through activities in 2025, new opportunities based on global trends and consumer insights were identified.

Opportunities for the Group revealed through global beauty trends redefined by MIRC

- Relationship between technology and the body
- Wellness/well-being based on *yojo* (concept of nourishing vitality)
- Ecological/regenerative perspective facilitating reevaluation of nature as large ecosystem
- Redefining holistic approach beyond mind, body and skin
- Updating traditional values
- Luxury created by fusing tradition, regional characteristics and technology

Risk management

In risk management, POLA ORBIS HOLDINGS comprehensively, inclusively and strategically identifies risks that could affect the Group's business as well as risks related to information security, compliance and climate change, from an organizational perspective, and then properly evaluates those items. We then assess the listed items once a year and define items deemed highly important as "corporate risks," for which we take countermeasures to ensure optimal outcomes. In line with recent trends, we have expanded the scope of risk management beyond the operations of the Group to include the entire supply chain, and we have decided on risk owner divisions and committees to implement action plans for improvement.

2025 corporate risks

- IT security risk
- Environment risk
- Personnel and work-related risk
- Business risk

Please see our Securities Report for further details (available only in Japanese)
WEB https://ir.po-holdings.co.jp/news/news/news-4193836080906576381/main/0/link/FY2025Q4_yukasyoukenhoukokusyo_s.pdf

Financial Strategies

We will maintain efforts directed at improving return on equity (ROE) and enriching shareholder returns, which will translate into higher corporate value.

Naoki Kume

Director and Vice President, POLA ORBIS HOLDINGS INC.

Message from director in charge of finance

Fiscal 2025 consolidated net sales reached ¥170.2 billion, essentially on par with the level recorded in fiscal 2024. But operating income climbed 13.6% year on year, to ¥15.6 billion, ordinary income rose 5.8%, to ¥17.0 billion, and profit attributable to owners of parent edged up 2.0%, to ¥9.4 billion. Although ROE improved to 5.8%, that figure is still far from our long-term target of at least 14%, and we recognize that the disparity between the current status and the future target is a significant issue for management to address. We consider ROE a key indicator of capital efficiency and higher corporate value. Guided by our long-term policy of generating returns that exceed the cost of capital, we will initially address our ROE issue from two perspectives—increasing profit attributable to owners of parent and strengthening the efficiency of net assets.

Investment aimed at sustainable growth, and improved profitability

Indispensable to the success of measures to grow profit attributable to owners of parent is a concerted effort to reinforce the business foundation and thereby underpin sustainable sales and income while leveraging R&D investment in activities that support competitiveness. An urgent issue in domestic cosmetics operations is to put flagship brand POLA back on a growth trajectory. Toward this end, the company is engaged in large-scale restructuring across the salon channel aimed at providing an enhanced customer experience. Following the renovation of POLA GINZA in 2025, the company opened POLA SALON+ AOYAMA, under a new salon format, in the Aoyama area of Tokyo, and has been rolling out new services, such as Resense esthe, to provide comprehensive care for the face and body. POLA will also encourage higher productivity at stores on a growth track by strengthening recruitment and training for Beauty Directors and enhancing the consulting system at brand headquarters. To build a more robust customer base, the company will utilize our customer data platform to promote customer relationship management (CRM) that integrates stores, brands and digital channels. This arrangement will initially require upfront investment critical for achieving a return to growth, but management expects growth commensurate with profitability, supported by a solid foundation underpinned by customers who are particularly loyal to the brand and thus present high retention potential and lifetime value. In overseas operations, especially business in mainland China, POLA aims to get back on track to growth by emphasizing measures to maximize customer lifetime value. Specifically, the company will strive to build a base of highly brand-loyal customers through wider sales of the successful B.A series and upgraded customer touch points. At the same time, POLA is keen to capitalize on anticipated market growth in the ASEAN region by enhancing brand presence along both department store and cosmetics specialty store sales channels. This approach should accelerate business growth.

The Technical Development Center (TDC), a research and development facility that opened in 2024, is the hub of R&D activities and will fuel highly original, new-formulation research and high-value-added product development. Efforts are being directed toward augmenting world-first and industry-first new material pipelines as well as pursuing research into new domains, including artificial skin (Mirror Skin) and measures to combat frailty. R&D investment will be maintained at more than 2% of consolidated net sales, creating a medium- to long-term advantage vis-à-vis the competition.

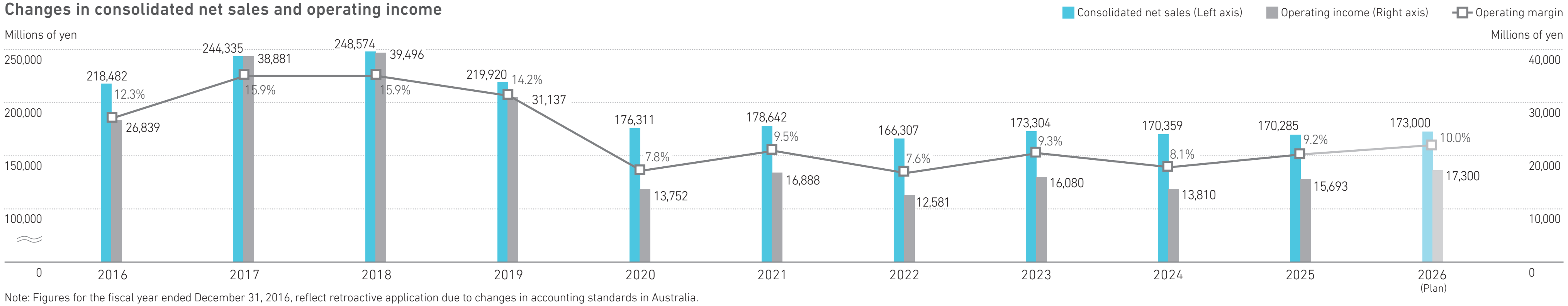
A crucial key to improved profitability is a remedy for the losses that plague unprofitable brands. Jurlique is implementing fundamental structural reforms and cost control measures. Approaches include withdrawing from unprofitable markets, streamlining SKUs (stock-keeping units), reducing personnel costs and reviewing marketing expenses, with the aim of turning a profit in 2026. At THREE, a brand under development, the goal is to attract high lifetime-value customers through empathy-based marketing. The company is emphasizing efforts to strengthen its lineup of holistic care products centered on essential oils and deepening the brand experience through experience-oriented stores. With these initiatives, we aim to boost profitability across our entire business portfolio and achieve both growth and efficiency.

Enhanced return to shareholders

To enhance the efficiency of net assets, we will prioritize return to shareholders in line with our dividend policy, which hinges on a consolidated payout ratio of 60% or higher, and seek stable dividend increases commensurate with profit growth. The annual dividend for fiscal 2025 was ¥52 per share. Regarding decisions on the purchase of treasury stock, our policy calls for flexibility based on comprehensive consideration of investment strategies, stock prices and the liquidity of Company shares.

These measures will support efforts to achieve a consolidated operating margin of 15% or more in the medium to long term, while ensuring growth at the net profit level through a better revenue structure and reduced effective tax rate based on sound overseas operations. This approach will ultimately lead to an improvement in ROE and sustainable expansion in corporate value.

Changes in consolidated net sales and operating income



Note: Figures for the fiscal year ended December 31, 2016, reflect retroactive application due to changes in accounting standards in Australia.

Improve capital efficiency

[Enhancing capital profitability]

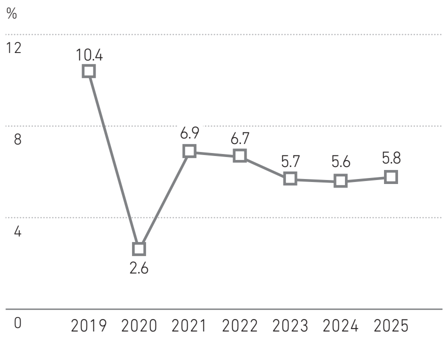
ROE is on a downward trend paralleling the decrease in net income, but we are targeting ROE of 14% or higher by 2029 through turning stable and sustainable business growth into a pillar supporting enhanced capital profitability.

Initiatives to achieve the ROE targets

	FY2025 result	2029 target
ROE	5.8%	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

Return on equity



Enrich shareholder returns

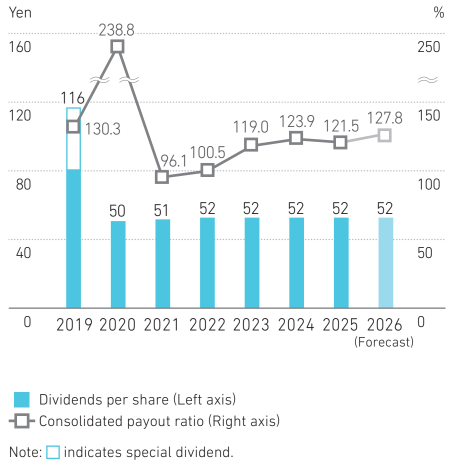
Basic policies

- **With a policy of a consolidated payout ratio of 60% or higher, aim for stable increase in shareholder returns in line with profit growth**
- **Purchases of treasury stock shall be considered based on our investment strategies, market prices and the liquidity of the Company's shares.**

Shareholder return policy for fiscal 2026

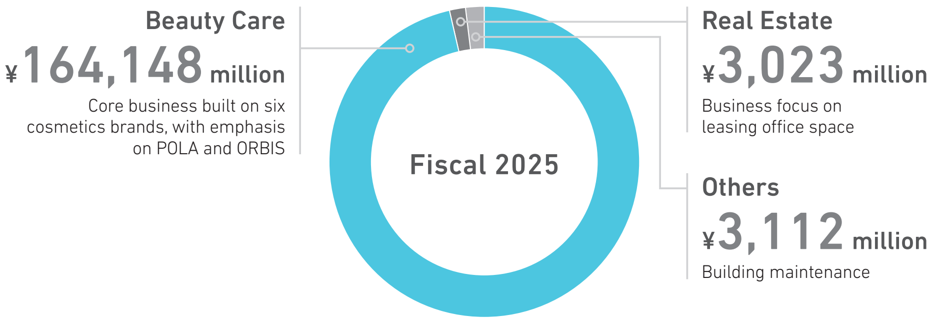
Dividends per share (Forecast)	Annual dividend: ¥52 Comprising ¥21 interim and ¥31 year-end dividends Consolidated payout ratio: 127.8%

Annual dividend and consolidated payout ratio

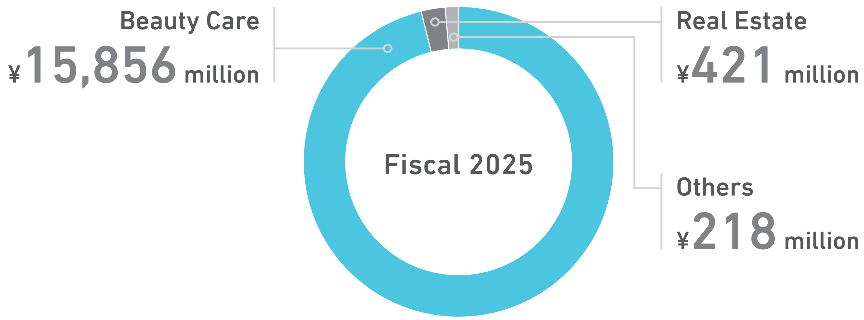


At a Glance (Business Structure)

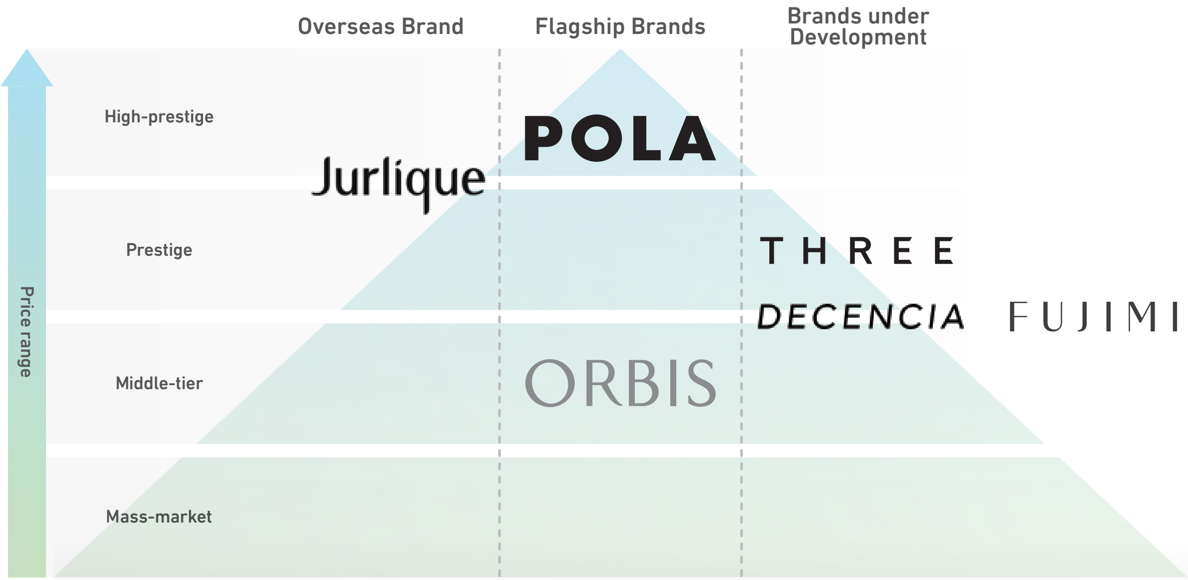
Net sales by business segment



Operating income by business segment



Multiple Brands (Beauty Care Brand Portfolio)



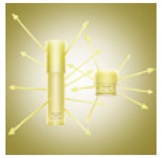
POLA R&M R&D and manufacturing arm of POLA ORBIS Group, providing high-value-added, high-performance skincare products based on material and formulation technologies cultivated through years of research

POLA
A brand offering unique experiences through high-end products and services

ORBIS
An anti-aging care brand that draws out people's intrinsic beauty

Jurlique
A premium natural skincare brand from Australia

DECENCIA
A skincare brand specializing in products for sensitive skin



THREE
A holistic care brand that draws on the gifts of plants, centered on essential oils, to balance the skin, mind and body

FUJIMI
A personalized beauty care brand

Growth Strategies by Brand (Flagship Brands)

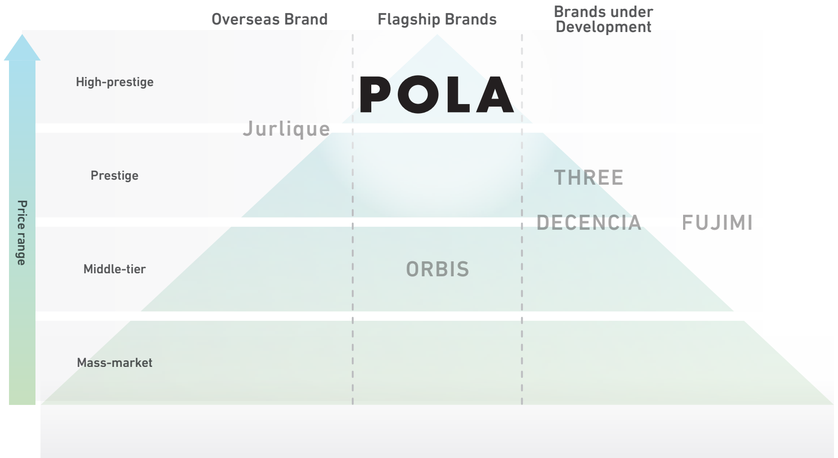
POLA

A brand offering unique experiences through high-end products and services

B.A series

WHITE SHOT series


WRINKLE SHOT series



President's message

Takuma Kobayashi
Representative Director and President
POLA INC.

POLA is working to realize its vision for 2029—"Towards a society with abundant connections that trusts in the potential of individuals and society itself"—under the "Science. Art. Love." corporate philosophy. After I assumed the role of Representative Director and President of POLA INC. in 2025, my first priority was to directly engage with about 17,000 Beauty Directors, visit their locations nationwide and rebuild trust relationships with them. The COVID-19 pandemic led to a decline in real-world communication in terms of in-person training and information-sharing, which, in my view, weakened the relationship between the sales front and headquarters. The situation may adversely affect POLA's ability to fully leverage human power—that is, the customer service capabilities and experience cultivated by Beauty Directors and the sales front, which are POLA strengths. For this reason, we must first rebuild trust relationships with Beauty Directors and then strive to raise human power to an even higher level. Once that is accomplished, in order to link inherent strengths to future growth, we have to improve our customer data infrastructure and reinforce data-driven operations, which will enhance our ability to improve reproducibility and boost productivity.

In addition, POLA will strive to develop diverse marketing channels (not only salons but also department stores, cosmetics specialty shops and e-commerce) and expand customer touch points, thereby achieving high customer lifetime value. Companies tend to get stuck in a channel-based mindset of real-world versus digital, but focusing on understanding the customer is far more important. At POLA, we believe that maximizing lifetime value through analysis based on the customer structure is the key to brand growth.

In December 2025, POLA GINZA was renewed as a global flagship store. The renovation drew on the expertise of architect Kazuyo Sejima, composer Keiichiro Shibuya, lighting designer Shozo Toyohisa and olfactory artist Kan Izumi to create new experience value. Resense esthe, a new total care service offered on the ESTHETIC floor, has garnered high praise. In the high-prestige brand sector, it is essential that POLA resonate with customers who value not only science but also artistry and liberal arts.

POLA boasts excellent R&D capabilities. Through cosmetics, we have consistently provided value by engaging with customers individually and bringing out their unique personality and beauty. Going forward, we will draw on our greatest strength—high lifetime value based on strong relationships between customers and Beauty Directors firmly rooted in the community—while integrating science, art and human power, and further enhance the experience value our customers receive.

Market environment

In 2025, polarization of the cosmetics market became more pronounced both at home and abroad. In Japan, the skincare market as a whole shifted further toward value-driven consumption, with customer purchases leaning heavily toward products that offer "convincing value"—value derived from the allure of ingredients, noticeable results and captivating brand stories. On the one hand, salon and other traditional channels continue to see a decline in customer numbers, prompting the need to redefine the value of real-world touch points. On the other hand, high-end cosmetics in department stores are in a recovery phase, supported by purchases by discerning customers. Although e-commerce continues to expand because of its convenience over in-store purchasing methods, intensifying competition is making it harder for POLA to distinguish itself. Overseas, mainland China is experiencing a slowdown in general consumption, but demand from high-prestige customers remains strong. POLA will face the tasks of optimizing store operations and making efficient investment decisions. The ASEAN region remains on an economic growth trajectory and presents an expanding market with considerable potential to increase customer touch points.

In this market environment, POLA has positioned reinvigorating demand from existing customers and improving lifetime value as important themes. The situation requires that the company leverage premium brand assets, experience value including esthetic services and real-world touch points to build the foundation for a return to growth.

Business strengths

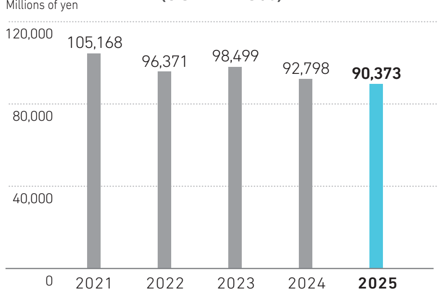
POLA's greatest strength lies in people-oriented customer service capabilities and an understanding of customers centered on about 17,000 Beauty Directors. Deep, community-based relationships are translating into high customer lifetime value and stable increases in sales at stores on a growth track. Strong brand assets in the premium sector, epitomized by the high-prestige series, B.A, as well as an aptitude for original R&D and the strong experience value inherent in esthetic treatments, are also advantages that POLA enjoys over its rivals. Of note, in 2025, the company revamped its treatment method by reinforcing techniques and establishing a link with skincare, attracting considerable attention, with particular interest paid to treatments featuring B.A. Overseas, POLA is seeing positive results from efforts to build a customer base of individuals in mainland China loyal to the brand. In the ASEAN region, POLA is developing business designed to accelerate growth and has confirmed a strong market fit. By combining the data infrastructure and these strengths to improve reproducibility, POLA will enhance its ability to successfully deepen brand value.

Growth strategies

Although facing declining revenues in 2025, POLA prioritized measures to build a solid foundation to return to growth. In Japan, the company utilized the launch of a new generation of B.A to deepen communication with existing customers and boost brand loyalty and lifetime value. Going forward, POLA's approach will continue to evolve, in line with customer attributes and purchase history, focusing on measures to encourage cross-selling and improve customer engagement. Meanwhile, for esthetic treatments, POLA aims to enhance experience value by introducing high-value-added services and drive sales growth through enhanced performance by stores on a growth track. Overseas, POLA will proceed to close unprofitable stores in mainland China and build a customer base of individuals loyal to the brand, while in the ASEAN region, the brand looks to add new customer touch points and accelerate growth. Through these initiatives, POLA aims to refine its unique value proposition that combines the skills of Beauty Directors with research capabilities and brand power, putting the company firmly back on track to growth. This approach will lead to medium- to long-term improvement in corporate value.

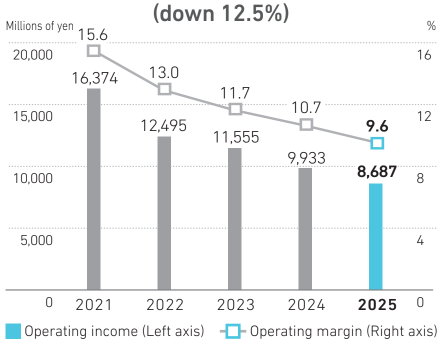
Net sales

¥90,373 million
(down 2.6%)



Operating income and operating margin

¥8,687 million
(down 12.5%)



Global flagship store POLA GINZA

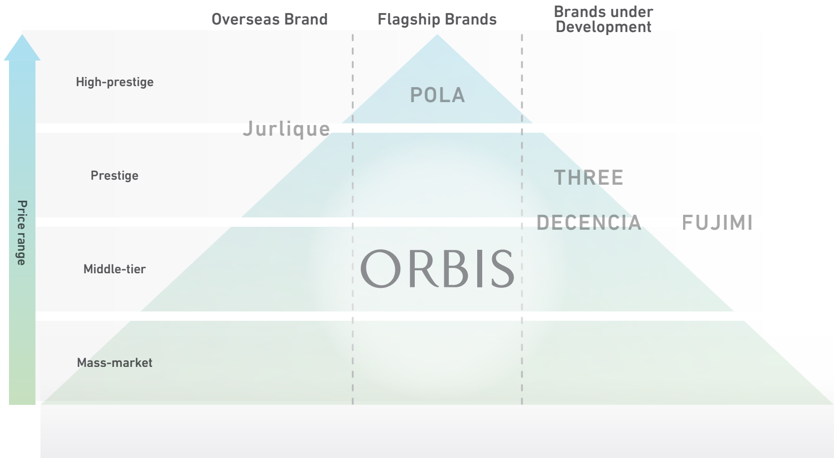
B.A series

ORBIS

An anti-aging care brand that draws out people's intrinsic beauty

ORBIS U. series

ORBIS WRINKLE BRIGHT series



President's message

Hiroe Yamaguchi
Representative Director and President
ORBIS Inc.

Extending back to the company's earliest days is the belief that skin has an inherent power that we, at ORBIS, strive to bring out. An enduring philosophy here at ORBIS is SMART AGING®, whereby each person ages naturally in an individual way. Since we started rebranding in 2018, ORBIS has evolved into a brand that delivers high-value-added skincare and established a solid presence in the anti-aging skincare segment with such series as ORBIS U and ORBIS U. Underpinned by these successes, the company has posted higher sales and income for three consecutive years.

Our goal is to make ORBIS a lifelong brand. We believe that supporting customers through the anxieties and uncertainties that emerge at milestones in life, such as going on to higher education, starting a new job, giving birth and transitioning into menopause, and helping customers rediscover their true selves and a sense of comfort beyond changes in their skin and body will ultimately enhance the value inherent in the ORBIS brand.

ORBIS was initially engaged in the mail-order business, which enabled the company to accumulate many years of data, a vital asset. But when employees talk about customers, they do so with a deep sense of respect, seeing customers not as a data set but as individuals. They focus not on age or attributes but on addressing the realities of daily life with sincerity and empathy. This perspective is a strength unique to ORBIS and epitomizes the corporate culture that I, as president, want to be more widely recognized.

To further refine our approach, we will gather feedback from existing customers and also consider broader factors, such as the daily routines and feelings of people who are not yet ORBIS customers, and try to pinpoint latent needs. To us, science is more than technology or techniques used to achieve effectiveness. Science is also a means of providing emotional support. This idea is exemplified by ORBIS THE CLEANSING OIL, launched in 2025. The development process started with a two-fold goal: being gentle on the skin and providing a pleasant feeling after use.

A priority at ORBIS is to create conditions where daily care is pleasant and part of a sustainable routine, prompting the product user to think, "I can be my best again tomorrow." To make this a reality for our customers, data-driven analysis is as essential as sensitivity to customers' feelings and the nuances that define their lives. We believe that by integrating trends revealed through data with an innate understanding of people, we can create products and experiences that address the essential needs of customers.

Utilizing the trust built over nearly 40 years, ORBIS will continue to evolve as a lifelong brand close to the hearts of an ever-increasing number of customers.

Market environment

The cosmetics market is orienting itself more toward value, with an emphasis on tangible results and functionality, especially for skincare products. This is leading to increasingly intense competition for customer attention. A structure that prioritizes the quality of the customer experience across all sales channels is in place. And we see that the flexibility afforded through direct-selling channels to promote high-value-added products can advantageously influence average order value and customer retention rates, even as sales through external channels, such as e-commerce and drugstores, continue to grow. In addition, balancing the acquisition of new customers and the retention of existing customers is key to brand growth, and efforts to improve lifetime value are taking on greater importance.

Against this backdrop, ORBIS is expanding touch points to reach new customers through external channels but also applying a direct-selling strategy that includes cross-selling opportunities—with the cleansing oil serving as the starting point—and the sale of high-value-added skincare products to help boost average order value. A market structure centered on skincare is highly compatible with ORBIS's brand strategies, making it easier to leverage brand strengths. While skincare is an intensely competitive segment of the cosmetics market, efforts to enhance brand recognition and reinforce customer retention and lifetime value are vital to future success.

Business strengths

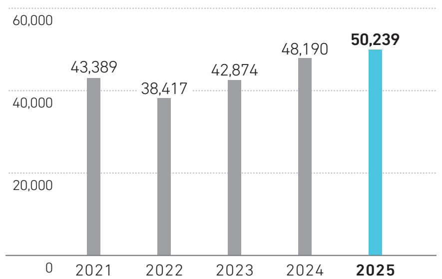
ORBIS's strengths lie in strong product development capabilities in the skincare segment, a direct-selling base cultivated from the company's roots as a mail-order business and highly accurate marketing methods using abundant customer data. In 2025, ORBIS THE CLEANSING OIL performed favorably right from its debut as a strategic product, raising overall brand awareness and fueling interest in ORBIS from first-time customers. On the direct-selling channel, ORBIS is using skincare as a starting point for cross-selling to boost average order value and strengthen the brand's base of existing customers. On external channels, ORBIS achieved high growth of channel-specific products, notably, ORBIS SHOT PLUS, and is expanding touch points targeting new customers. In addition, efforts are being directed toward building a stronger brand portfolio that emphasizes high-value-added products, including a reformulated serum that brightens the skin and reduces the appearance of wrinkles. ORBIS aims to realize further growth by leveraging strong product appeal, accumulated customer data, a direct sales base and multi-channel expansion opportunities.

Growth strategies

ORBIS has built a solid customer base centered on skincare users. In 2025, the company maximized cross-selling opportunities to promote skincare products to customers recently added to the customer base through their purchase of cleansing oil. The company also encouraged customers to add a product to their order from a high-value-added line, such as the reformulated ORBIS THE WRINKLE SERUM, which brightens the skin and improves wrinkles. These approaches underpinned increases in retention rates and customer lifetime value. Efforts were also directed toward deepening engagement with loyal customers through customer-oriented events and other activities. By sales channel, ORBIS is keen to expand brand presence along external channels by increasing touch points and constantly working to raise brand recognition. On direct-selling channels, the company will build a stronger, more stable customer base by further encouraging customer purchasing habits specific to skincare choices. ORBIS seeks to make its namesake brand a lifelong brand that provides value to customers throughout their lives. By promoting diversification of touch points, the company will create new customer segments and purchasing opportunities, fueling further business growth.

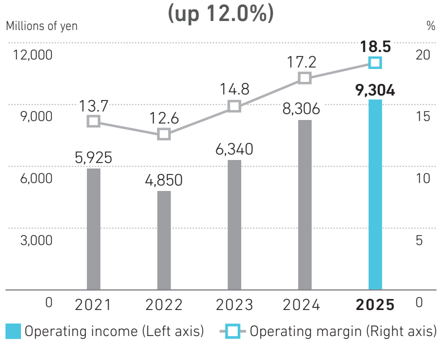
Net sales

¥50,239 million
(up 4.3%)



Operating income and operating margin

¥9,304 million
(up 12.0%)



ORBIS THE CLEANSING OIL

ORBIS THE WRINKLE SERUM

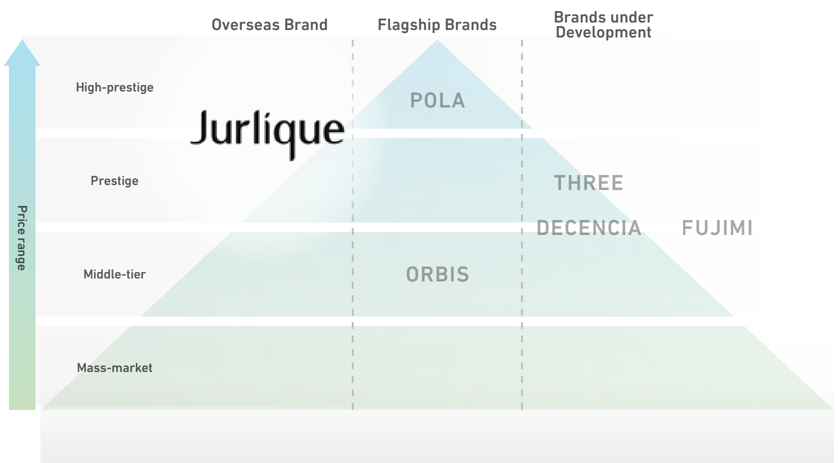
Growth Strategies by Brand (Overseas Brand)

Jurlique

A premium natural skincare brand from Australia

Rare Rose Face Oil

Moisture Replenishing Day Cream



Market environment

Jurlique faces a mixed operating environment, with further deterioration of business conditions in mainland China and Hong Kong overshadowing favorable demand in Australia. Overall, net sales remain under unrelenting pressure. As elsewhere, competition is intensifying in the natural and organic brand segment, worsening the impact of sluggish consumer spending on high-end products due to deteriorating economic conditions. Jurlique's revenues continue to decline, and the challenging market environment is pressing down on profits.

Business strengths

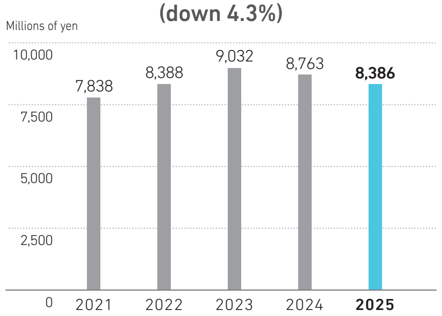
Jurlique's strength lies in its sustainable brand platform, epitomized by integrated production at company-owned organic farms and its B Corporation certification. Rare Rose Face Oil, which features company-original rose ingredients, has gained popularity as one of the brand's iconic products. Jurlique enjoys a solid reputation for all-natural yet highly functional formulations. Its unique status as a holistic and conscious beauty brand gives it an edge in a competitive market.

Growth strategies

Seeking to achieve profitability in 2026, Jurlique will lower its break-even point through structural reforms and thorough cost control. The company will strive to capture the attention of new customers by focusing on face oils—products that showcase the brand—and revamped series for sensitive skin while simplifying the business structure by withdrawing from unprofitable markets and streamlining SKUs. To improve profitability, Jurlique will implement measures to optimize personnel and advertising expenses, downsize the organization and close unprofitable stores.

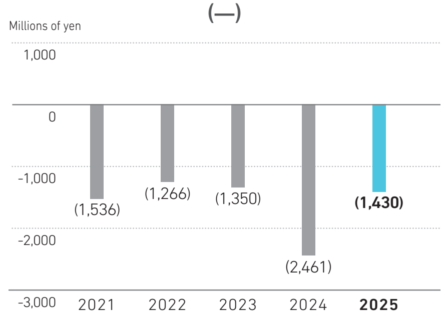
Net sales

¥**8,386** million
(down 4.3%)



Operating loss

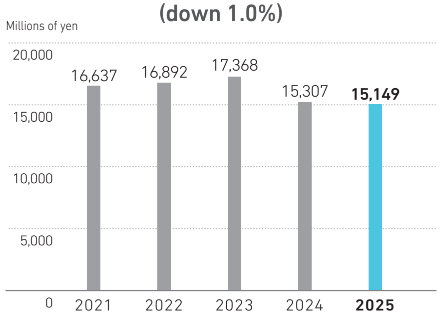
¥**1,430** million
(—)



Growth Strategies by Brand (Brands under Development)

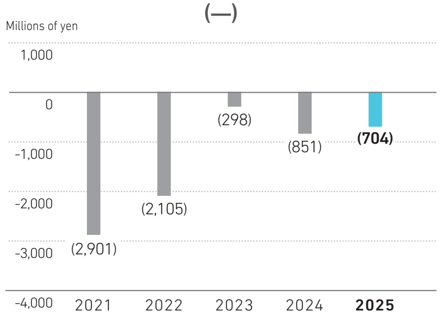
Net sales

¥15,149 million
(down 1.0%)



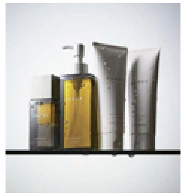
Operating loss

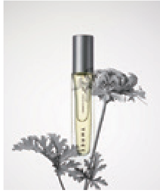
¥704 million
(—)



THREE

A holistic care brand that draws on the gifts of plants, centered on essential oils, to balance the skin, mind and body


BALANCING CLEAR LINE


ESSENTIAL SCENTS

Business strengths

THREE offers a unique worldview through holistic care products centered on essential oils extracted from natural herbs grown on its own farm in Kyushu. The THREE Holistic Research Center is working to enhance R&D capabilities in natural essential oils through initiatives that include joint research with Tokyo University of Agriculture and Technology.

Growth strategies

THREE will secure a solid brand position and high customer retention rates by expanding the range of holistic products offered, including UV care, haircare and fragrances featuring original essential oils. The brand will deepen its connection to customers by emphasizing the value of essential oils and then build a base of customers drawn to the holistic care focus. This process will help revitalize the brand.

DECENCIA

A skincare brand specializing in products for sensitive skin


DECENCIA WHITE SPIKE–VC

Business strengths

In 2026, DECENCIA opened the DECENCIA Sensitive Skin Science Center ("3S Center") at POLA CHEMICAL INDUSTRIES, under a dedicated structure to strengthen research into sensitive skin topics. Through well-crafted communication utilizing customer data, the company has achieved high retention rates, creating a customer base with high lifetime value.

Growth strategies

DECENCIA seeks to optimize expenses incurred to attract new customers by strengthening research into sensitive skin and enhancing brand presence, while improving retention rates through personalized communication. The company will prioritize investment efficiency while attracting and retaining customers, an approach that will underpin expansion of a robust customer base.

FUJIMI

A personalized beauty care brand


Personalized proteins

Business strengths

FUJIMI's strength lies in personalized products, such as supplements and proteins, based on proprietary analysis. In particular, proteins have a high rate of continued use and have attracted a loyal following among target wellness-conscious consumers.

Growth strategies

Showcasing its mainstay proteins, FUJIMI seeks to expand business scale by capturing the attention of new customers and increasing its reach through channel expansion beyond the company's own e-commerce site. Another goal is to achieve higher customer retention rates and lifetime value by improving the brand's loyalty program and expanding freedom of product selection, which will lead to stable growth.

Initiatives on Sustainability

Leveraging strengths and originality to fuel solutions to social issues and sustainable business growth simultaneously

Sustainability Statement

We, the POLA ORBIS Group, offer enriched lives to people all over the world, with our supple minds in which rich sensitivity and individuality is woven.

In order to do so, we hereby declare that we will deal with all our stakeholders and global/social environments in good faith and continue to grow as a company which helps create a sustainable society.

Sustainability promotion structure

The POLA ORBIS Group pursues sustainability activities led by the Group CSR Committee under the supervision of the Board of Directors. Specific targets are discussed, and measures are considered with each Group company's ability to achieve assigned targets in mind. These targets and measures are periodically discussed and monitored by the Group CSR Committee, the status is reported to the Board of Directors and revisions are made as required.

Board of Directors	
Group CSR Committee (Board members of Group companies)	Role: Formulation and progress management of sustainability policies and strategies Chairperson: Director in charge of CSR
Meeting of Group CSR Office Heads of Group Companies (Corporate planning departments of Group companies)	Role: Promotion of sustainability activities and progress management of important themes
CSR Office of Group Companies (CSR promotion officers)	Role: Formulation and implementation of sustainability action plans of Group companies

Sustainability policy formulation process

Utilizing the strengths of the POLA ORBIS Group and thinking that tracks back to the earliest days of our founding, POLA ORBIS HOLDINGS considered how best to convey value to society and identified priority issues—materiality. All points in areas of materiality are assigned a KPI, and the progress of efforts to achieve these targets is tracked. The Board of Directors decided to link the degree of success in five performance indicators—number of new businesses created, percentage of female managers, reduction of CO_2 emissions, reduction of water consumption and procurement of sustainable palm oil—to medium- to long-term incentive evaluation criteria for executive compensation, starting in 2024.

1 Compiling a list of issues

- **Group philosophy**
- **Vision**
- **Business strategies/ financial conditions**

- **Global trends**
- **ESG/SRI evaluation**
- **Market needs**

2 Identifying issues

- **Build sustainable society**
  - Stakeholder engagement
  - Coexistence with global environment and society
- **Boost corporate value**
  - Continuously provide unique and original value
  - Cultivate sensitivity and individuality in employees
  - Maintain and improve perception of reliability of the Group

3 Determining areas of materiality

4 Discussion/ approval

Commitment by the Board of Directors

- Discuss/approve sustainability KPIs
- Execute action plan
- Monitor progress/results
- Link to executive compensation
- Periodically review

Targets and results in five sustainability categories

Item		Explanation	Target for 2029	2025 actual numbers	Key actions for 2025
1. QOL improvement through innovative technology services	1 Number of new businesses created	Develop new services and new fields to meet diversifying needs	31 (from 2021 through 2026)	19 (since 2021)	• New businesses grown from in-house seeds • Business capture through M&A • Creation of services and products through external collaboration
	2 Brand recognition and loyalty	Leverage each brand's characteristics to improve customer QOL	Set targets for each brand	Researched by brand	Implemented customer services that provide tangible awareness of brand concept
	3 Number of research awards won at home and abroad (POLA CHEMICAL INDUSTRIES)	Develop seeds that grow into high-value-added products	20 (from 2018 through 2029)	19 (since 2018)	Took a positive approach to making presentations at academic conferences and submitted papers in Japan and overseas
	4 Number of researchers in cutting-edge dermatology research (POLA CHEMICAL INDUSTRIES)	People to expand research beyond skin to whole body	120	85 (as of December 2025)	Hired specialists in such areas as dermatology, formulation and data analysis
2. Regional revitalization	5 Number of stores engaged in regional revitalization activities (POLA)	Strengthen cooperation between shops and community (collaboration among industry, government and academia)	700	487	Created mechanism to deepen ties with community
	6 Number of initiatives contributing to the local economy	Expand synergy through joint efforts in our key businesses that energize local economic activity	78	62 (as of December 31, 2025)	Joint events with local governments, NGOs, companies and schools, and community-oriented workshops
3. Culture, the Arts, Design	7 Number of new brand experiences created that utilized art	Develop brand-based products and services with innovative, modern appeal	20	25 (2025 only)	Packaging and stores that foster worldview through art
	8 Number of participants in workshops on liberal arts topics	Cultivate esthetic sense and personal tastes through such events as exhibitions and workshops and give back to society	550,000	337,131 (since 2018)	Provided stakeholders with opportunities to experience art
4. All-inclusive human resources	9 Job satisfaction and engagement score*1	Create an exciting, comfortable work environment in which employees, fueled by a desire to contribute to corporate success, are able to take the initiative	75%	66.0%	Considered, implemented and then monitored action plans designed to spur enthusiasm for work and create comfortable environment
	Women's empowerment: 10 Percentage of female executives*2	• Promote diversity through management-level leadership • Promote diversity with focus on key executive positions • Create system/atmosphere to underpin career planning	30–50%	13.9%	• Participation in 30% Club • Promoted activities through the A Person-Centered Management Committee • Encouraged male employees to take child-care leave
	Women's empowerment: 11 Percentage of female division managers (POLA ORBIS HOLDINGS, POLA and ORBIS)		35% (through 2026)	39.5%	
	Women's empowerment: 12 Percentage of female managers*2		50% or higher	42.2%	
	13 Percentage of candidates to become management executives	Establish/reinforce pipeline for people with management potential	200%	131.3% (as of December 31, 2025)	Examined strategic personnel measures (Talent Development Committee)
	14 Number of applicants for sabbatical program	Increase the desire for self-development and learning	21 (from 2022 through 2026)	19 (since 2022)	Information to employees at briefing sessions from participants in previous year's program
5. Environment	15 CO_2 emissions: Scope 1 and 2	Aiming for net-zero emissions by 2050	Down 42% (from 2019)	Down 60.2% (from 2019)	Switched electricity contracts to CO_2 reduction menu and renewable energy menu
	15 CO_2 emissions: Scope 3		Down 30% (from 2019)	Down 56.9% (from 2019)	• Made containers and packaging materials thinner and lighter • Considered development of products and services that reduce environmental impacts
	16 Water consumption	Aiming to conserve water resources and reduce water risks and water stress	Down 26% (from 2019)	Down 20.8% (from 2019)	Improved monitoring of water usage at factories and invested in water-saving equipment
	17 Sustainable palm oil procurement	Aiming to gradually switch to sustainable cosmetics ingredients	100%	46.0%	Procured sustainable palm oil, acquired supply chain certification for the Fukuroi Factory
	18 Plastic cosmetics containers and packaging consumption	Aiming for resource recycling to conserve limited resources	100% sustainable design	62.5%	• Considered refills and other materials to address environmental concerns at product planning stage • Conducted research into recycling technology

*1 Set survey result of Great Place To Work® as indicator
*2 In principle, this applies to POLA ORBIS HOLDINGS and its subsidiaries.

Quality of Life Improvement through Innovative Technology Services

Overview

Enriching individuals' lives is a concept that permeates the business activities undertaken by the POLA ORBIS Group. We have made improving quality of life through cutting-edge technologies and services a priority materiality issue. Improving quality of life is not limited to the evolution of value delivered to consumers directly through products and services but encompasses an advancement in R&D activities that support such value. While an emphasis is placed on dermatology and pharmaceutical science, our efforts also include sensitivity research and exploration in areas other than skin as well as technology development utilizing AI and data to continuously establish new research and business pipelines. Behind these pursuits is the desire to generate unprecedented added value and sharpen the Group's competitive edge, while raising the intrinsic value of the brand. Moreover, we will leverage expansion of business domains by mutually reinforcing technology and the brand, realizing value creation that balances efforts to address social issues with business growth.

For details on "QOL improvement through innovative technology services," please visit our website.

WEB https://www.po-holdings.co.jp/en/csr/qol/

ORBIS/R&D

TOPICS

R&D paves the way to new consumer value

Development of ORBIS THE CLEANSING OIL

ORBIS THE CLEANSING OIL, launched by ORBIS in May 2025, has earned high praise addressing consumer concerns about hard-to-remove makeup and clogged pores. Behind this success is original technology developed by POLA CHEMICAL INDUSTRIES, which is responsible for R&D within the Group. Featuring Japan's first ultra-fine particle technology*, ORBIS THE CLEANSING OIL penetrates deep into pores to wash away impurities while forming a moisturizing veil on the skin's surface to prevent reattachment of impurities. It effectively addresses a challenge that has plagued conventional cleansers—balancing cleansing power and comfort after use—and elevates the daily skincare routine. As a result, the product contributes to improved quality of life. Since its launch, ORBIS THE CLEANSING OIL has delivered better-than-anticipated sales and a high repeat purchase rate, greatly fueled by customer comments and reviews in beauty magazines.

* First-of-its-kind technology in Japan (as of December 2024, according to POLA CHEMICAL INDUSTRIES's search of science and technology information database on J-GLOBAL website) that forms micelles from Mal$_2$Far ((C12-20) alkyl glucoside), a POLA CHEMICAL INDUSTRIES's proprietary ingredient, to create impurity-repelling water film

ORBIS THE CLEANSING OIL (available only in Japanese)
WEB https://www.orbis.co.jp/small/1201053/

Technical information (available only in Japanese)
WEB https://www.pola-rm.co.jp/pdf/release_20250220.pdf

ORBIS THE CLEANSING OIL

(Right) Yuichiro Takeyama, a researcher at POLA CHEMICAL INDUSTRIES who introduces technological developments, and (left) Masashi Shibata, a professor at Tokyo University of Technology and specialist in cosmetics ingredient development, at a product launch event

R&D

TOPICS

New technology to evaluate safety of cosmetics

Research findings on alternatives to animal testing

The POLA ORBIS Group takes a stance against animal testing. POLA CHEMICAL INDUSTRIES is pursuing research into alternative methods for evaluating the safety of cosmetics while prioritizing methods for evaluating the safety of ingredients based on scientific evidence to ensure that products are safe. This research was instrumental in verifying the practicality of a next-generation risk assessment method using blood concentration simulations to determine systemic toxicity—effects on all organs in the body—for which alternative methods have not yet been established. In 2025, researcher Satoshi Kawamura and others involved in this research won an Excellent Presentation Award at the 38th Annual Meeting of the Japanese Society for Alternatives to Animal Experiments. The research contributes to greater sophistication in safety evaluation platforms that balance ethics and technological innovation while encouraging widespread adoption of alternative methods throughout the industry. Another distinctive feature of this research is that it grew out of an employee-driven innovation initiative, dubbed "Inoberu Katsudo," which epitomizes value creation kindled by the intrinsic motivation of individuals.

Technical information on alternatives to animal testing (available only in Japanese)
WEB https://www.pola-rm.co.jp/pdf/release_20251201.pdf

Inoberu Katsudo (available only in Japanese)
WEB https://www.pola-rm.co.jp/pdf/release_20180419.pdf

POLA CHEMICAL INDUSTRIES's researcher Satoshi Kawamura (center) and co-presenters display Excellent Presentation Award received at the 38th Annual Meeting of the Japanese Society for Alternatives to Animal Experiments.

Discussion setting under Inoberu Katsudo employee-driven innovation initiative

Regional Revitalization

Overview

The POLA ORBIS Group knows that bonds of trust with local communities are the building blocks of a business foundation. Having sales offices and customer touch points all across Japan is a Group strength. Efforts that contribute to revitalizing local communities are one of the Group's most important social responsibilities. Leveraging the business foundation, Group companies engage in community-rooted initiatives through collaboration with local governments, educational institutions and regional organizations. These activities address social issues, such as population decline and stagnated local economies, and underpin opportunities of job creation and sustainable community development that respect local characteristics and cultural diversity. By advancing a positive cycle that increases the charm and vitality of local communities, POLA ORBIS HOLDINGS will reinforce the sustainability of the Group's business foundation and enhance medium- to long-term corporate value.

For details on "regional revitalization," please visit our website.
WEB https://www.po-holdings.co.jp/en/csr/region/

POLA

TOPICS

Cocreating value with local communities, driven by the power of individuals

Community collaboration initiatives supported by Beauty Directors nationwide

POLA draws on a strong network of people and places across Japan, underpinned by about 17,000 Beauty Directors and more than 2,500 shops, to engage in community-rooted activities, including partnership agreements with local governments. A representative example of the company's local involvement is "BLOOM OUR TOWN," a community cocreation project that utilizes beauty as the starting point to work closely with people in the community to solve local issues. Case in point, in Wakayama Prefecture, a pop-up market—marché— is regularly held to liven up the area. In cooperation with local businesses and the local government, the market has developed into a well-attended event with some 1,000 visitors and 45 vendor booths. This initiative even led to recognition at the Wakayama Prefecture women's empowerment awards. The market itself benefits both the company and the area since POLA deepens trust in and affinity for its namesake brand while the neighborhood receives an economic boost. Such initiatives are being implemented as a sustainable model for regional cocreation that leverages on-site planning and execution capabilities.

BLOOM OUR TOWN (available only in Japanese)
WEB https://note.com/pola_inc/m/m79988e2df39b

Kana Nakao (left), POLA Fujito-dai Ekimae Shop Grand Owner, receives award in the individual category from Shuhei Kishimoto (right), then governor of Wakayama Prefecture, at awards ceremony for women's empowerment in Wakayama Prefecture in 2024.

Scene from "POLA marché" market event designed to energize the area

THREE

TOPICS

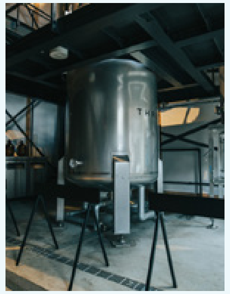
Deepening brand value through regional cocreation in manufacturing

Distilling essential oils from herbs delivered straight from own farm

Essential oils, the raw materials for THREE products, are a core feature of the brand that focuses on customers' well-being. ACRO, the company behind THREE, established the Holistic Research Center to explore the relationship between botanicals, scents, mind and body. While using an external supply chain, the company built a structure to handle everything else in-house, from cultivation to distillation, research and commercialization, aiming to respond to procurement risks such as expanded global demand and price fluctuations, thereby ensuring quality and traceability. Since 2022, ACRO has partnered with local governments in the village of Minamiaso, Kumamoto Prefecture, and the city of Karatsu and the town of Genkai, Saga Prefecture, to promote pesticide-free cultivation of plants on abandoned farmland, developing more than 22 acres of herb gardens. In 2025, ACRO opened the THREE Aroma Distillery in the town of Yobuko, Saga Prefecture, simultaneously enhancing brand value and stimulating the local economy through integrated local production and the utilization of by-products.

Holistic Research Center
WEB https://hrc.threecosmetics.com/en/

Harvesting herbs in Kumamoto Prefecture



Essential oils produced domestically at THREE Aroma Distillery in Yobuko, Saga Prefecture

Culture, the Arts, Design

Overview

Expressing beauty and sensitivity is a source of competitive excellence in our brand-based business, which centers on cosmetics. From a Groupwide perspective, culture, arts and design are viewed as important elements of value creation. For a long time, we have supported cultural and artistic activities and operated galleries. Today we draw on the cultural capital and knowledge accumulated over these many years to enhance the value of our businesses. Specifically, we showcase the brand worldview through the design of products, spaces and experiences cocreated with artists. We also incorporate perspectives communicated through fine art and liberal arts into management and talent development to enhance innovative thinking and creativity by breaking free from stereotypes. Through these initiatives, we stimulate consumer sensitivity to beauty and contribute to realizing a rich and vibrant society. We believe that continued engagement in cultural and artistic activities underpins a strategic foundation that promotes brand differentiation and sharpens our competitive advantage over the medium to long term.

For details on "culture, the arts, design," please visit our website.
WEB https://www.po-holdings.co.jp/en/csr/culture_art/

POLA

TOPICS

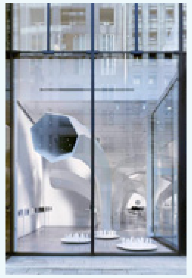
New beauty-space experience fusing architecture, light, sound and scent

Providing new value through cocreation with artists at global flagship store POLA GINZA

Looking ahead to its 100th anniversary in 2029 and growth into the future, POLA opened the renovated global flagship store POLA GINZA in December 2025 as a hub for communicating values that symbolize the next era under the corporate philosophy "Science. Art. Love." In the beauty market, customers increasingly seek value that goes beyond tangible results and creates an emotional experience that resonates deeply. POLA GINZA is POLA's response to this market trend, achieved through cocreation with leading artists in Japan to deliver a comprehensive experience space blending architecture, light, sound and scent into a revolutionary beauty experience where technique, service and sensitivity to customer needs coalesce. In addition, in January 2026, POLA opened POLA SALON + AOYAMA, extending the hub network for communicating the POLA brand experience. These locations exemplify a strategic approach for creating brand value for the next 100 years.

POLA GINZA (available only in Japanese)
WEB https://www.pola.co.jp/store/polaginza/index.html
POLA SALON + AOYAMA (available only in Japanese)
WEB https://www.pola.co.jp/store/pola-salon-plus/index.html

POLA GINZA was cocreated by (from third from left) architect Kazuyo Sejima, composer Keiichiro Shibuya, lighting designer Shozo Toyohisa and olfactory artist Kan Izumi.
Photo by Naoki Takehisa



POLA GINZA
Photo by Kenshu Shintsubo

Real estate

TOPICS

Utilize city space to provide cultural value to society

The POLA Aoyama Building is a starting point for cultural messaging and community cocreation.

P.O. REAL ESTATE INC. strategically utilizes real estate owned by companies under the Group umbrella as hubs supporting brand value and our cultural messaging. The POLA Aoyama Building, where rebuilding was completed in 2024, functions as a portal for conveying information about the POLA ORBIS Group's cultural capital and values to society through art-related activities. In 2025, the Minami-Aoyama 2-chome area became the backdrop for Kids Art Walk in Minami Aoyama, a community-driven walk-around art event held in collaboration with local companies and facilities as well as the Minato-ku government and neighborhood associations. The objective is to create opportunities for children to cultivate sensitivity by seeing, feeling and making art and also to expand community involvement and raise the profile of this event as a public initiative. Cocreation activities like this, which leverage the spatial value of real estate and human networks, deepen connections within the community, while encouraging greater understanding of the Group's brand worldview and its areas of activity.

POLA Aoyama Building
WEB https://www.po-realestate.co.jp/aoyama-art_en/

Key visual for Kids Art Walk in Minami Aoyama

Scenes on day of Art Walk

All-Inclusive Human Resources

For details on "all-inclusive human resources," please visit our website.
WEB https://www.po-holdings.co.jp/en/csr/employee/

POLA ORBIS Group's approach to human resources

The POLA ORBIS Group maintains a portfolio of brands, each with its own concept, sales channels and market appeal. In the future, business pursuits and brands will likely become increasingly diversified. Against this backdrop, people who can picture future changes, imagine new businesses and also continuously drive diverse brand growth will become a vital cornerstone of support for creating corporate value Groupwide over the medium to long term. Toward realizing VISION 2029, which sees the Group as "a collection of unique businesses that respond to diversifying values of 'beauty,' " POLA ORBIS HOLDINGS places human resources at the starting point of value creation. Under a human resources management policy hinging on a person-centered management style, the Company, fueled by the resolve and expertise of people, seeks to reinforce organizational capabilities and thereby flexibly adapt to changes in the business environment.

MISSION	Sensitize the world to beauty.
Human resources management policy	A person-centered management style Bring about organizational change and create new value, driven by intrinsic motivation of individuals and independent behavior
Our ideal	Realize individuality that allows people to play active roles To be an organization in which everyone has an important role to play and can demonstrate inherent individuality and potential to the greatest extent possible

Human resources strategy

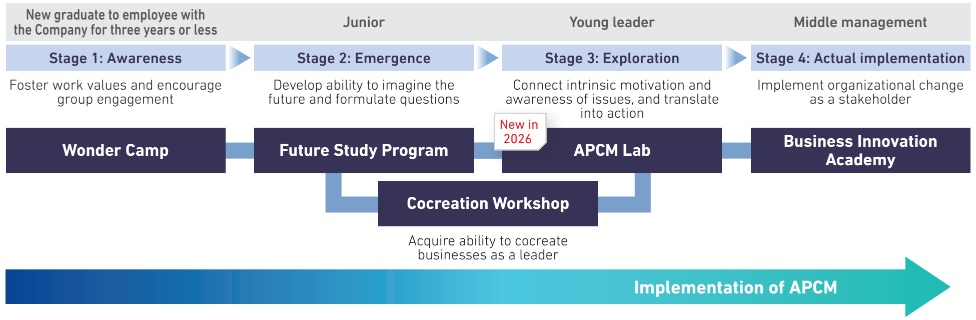
POLA ORBIS HOLDINGS adopted a person-centered management style as a human resources management policy appropriate for the entire POLA ORBIS Group. By creating a corporate group that puts people at its center, the Company aims to build a corporate structure that is highly responsive to change and ensures sustainable growth. Believing that personal relationships expand concentrically from individuals and that organizations are formed as an extension of these relationships, we maintain that empowering every employee to identify issues independently and act in line with intrinsic motivation makes for better decision-making and the ability to execute those decisions.

The Group's systems were designed to support self-directed learning as a planform shared Groupwide for skills and career development. In addition to a sabbatical program and a program that enables employees to take courses while continuing to work, the Company offers diverse opportunities for employees to gain experience across businesses and brands through the Group free-agent system, open-offer system and internal venture program. These help employees develop expertise and acquire a broader perspective. Regarding evaluation and compensation systems, the Company is shifting to a framework that emphasizes expected performance of roles and the level of contribution to business performance, which will encourage the early development of next-generation leaders.

Next-generation leader skills development programs

POLA ORBIS HOLDINGS maintains a system of programs tailored to different stages of career development to cultivate human resources to become candidates to fill management positions. In 2026, the Company added the APCM Lab for employees in their 30s and 40s to the already existing Wonder Camp for employees who have been with the Company for three years or less, the Future Study Program for employees in their 20s and 30s, the Cocreation Workshop for young leaders and the Business Innovation Academy for administrative management. The new program is built on the A Person-Centered Management (APCM) philosophy and strengthens efforts to consistently instill in up-and-coming leaders the values and decision-making criteria that make the POLA ORBIS Group unique. More than 300 people have completed these programs Groupwide, underpinning a mechanism that supports a sustainable management foundation.

Groupwide human resources development programs



VOICE

Comment from participant in Business Innovation Academy

Changing corporate perceptions one by one

Ryosuke Suzuki
Store Business Division, ORBIS Inc.

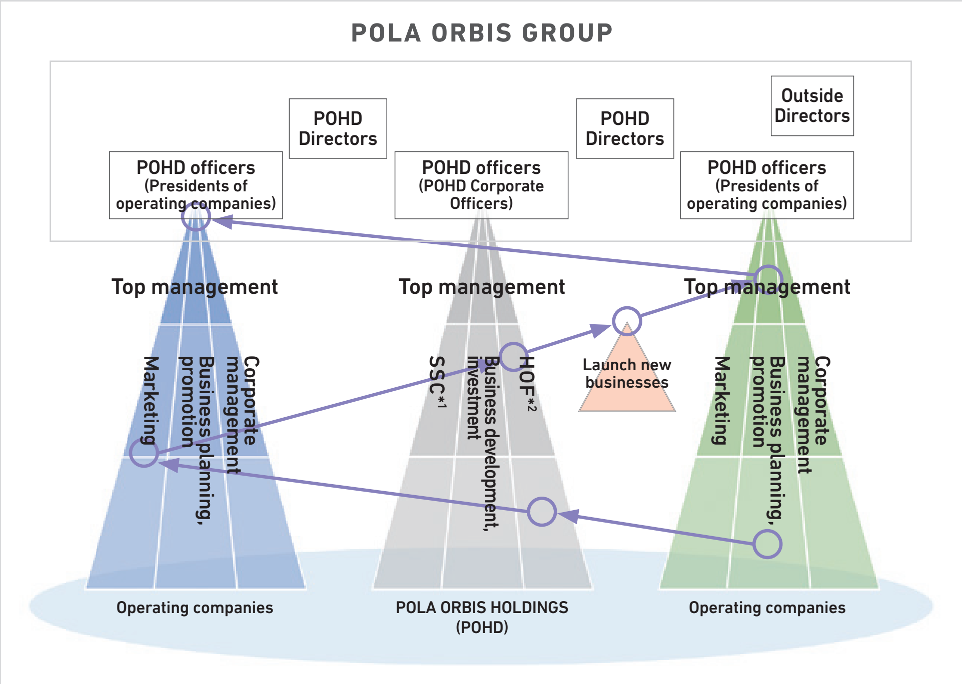
The Business Innovation Academy led me to raise issues with the way promotional offers are presented. Specifically, I challenged the conventional ORBIS thinking that "sales will decrease if discounts are stopped." What stood out most to me during the whole process was the support we all received from the academy instructors, academy administration including the chairman and the president of POLA ORBIS HOLDINGS, and the management team of ORBIS, who encouraged me to identify management issues that seemed out of harmony and made me, as an individual, think "there has got to be a better way." I felt this was a program that would not work unless top management genuinely believed that it is individuals—as transformational leaders, with a strong sense of purpose—who will ultimately effect change in their companies and in society. Now that I have completed the program, I am enjoying my work, content in knowing that I am the one who can achieve change in the company, one corporate perception at a time.

HOME

Groupwide skills and career development

The POLA ORBIS Group views the stable development of human resources who will oversee the Group's future management as an important issue. By systematically providing employees with opportunities to gain experience with multiple functions and in different workplace cultures, as well as acquire experience in challenging roles where they might carry responsibility for achieving profitability or for formulating strategy, we are promoting the development of human resources capable of Groupwide management.

Rotation (for illustrative purpose)



*1 Shared Service Center: Operational integration
*2 Head Office Functions: Planning and management of the Group's overall strategy and oversight of each company's strategy

A Person-Centered Management Committee

The Group established the A Person-Centered Management (AP-CM) Committee in March 2025 to promote important human resources-related themes and to carry out the achievement of human capital-related strategies and indicators across the Group.

The committee links the Board of Directors of POLA ORBIS HOLDINGS and the Board of Directors and management meetings at each Group company, thereby increasing the effectiveness of initiatives to achieve shared themes and KPIs. The concept of "a person" refers to all individuals regardless of their attributes. For health management, DE&I and the recruitment of people with disabilities, we emphasize work styles that leverage the uniqueness and strengths of each person. Through these initiatives, we aim to create an environment where all employees can demonstrate their abilities, as well as grow and take on challenges autonomously, thereby enhancing the value of human capital and creating medium- to long-term corporate value.

Earned the "Great Place to Work Certification™"

The Group has set increased job satisfaction and engagement as a key issue. We are working to create an environment in which all employees are able to express diverse ideas and fully demonstrate their abilities.

The Group defines job satisfaction both as a comfortable place to work and work that motivates. In 2025, we promoted improved self-governance at each company, in addition to strengthening information dissemination and mutual understanding through internal meetings led by management.

As a result of these initiatives, backed by the consolidated results of our domestic Group companies, we earned the "Great Place to Work Certification™" from the Great Place To Work® Institute Japan in 2025.

Health management: Recognized as a White 500 company for the third consecutive year

In 2017, the Group drafted the POLA ORBIS Group Health Management Declaration and made the physical and mental health of employees a management priority. Under the Board of Directors' supervision, companies, occupational health professionals and health insurance associations have worked together to promote the well-being of Group employees and their families. For nine straight years since 2018, the Company has earned certification as one of the Outstanding Organizations of KENKO Investment for Health (Large Enterprise Category). Since 2024, the Company has been selected as a White 500 company for three consecutive years.

Environment

Overview

The Group recognizes the impact of its business activities on the environment as a significant management issue and encourages measures across the value chain to shrink the environmental footprint. In our business strategy, we apply insights gained through R&D and direct marketing to reflect risks and opportunities related to climate change, resource recycling and natural capital and biodiversity. These issues are disclosed, and appropriate steps are taken in line with TCFD[*1] and TNFD[*2] recommendations. We have set KPIs for reducing CO_2 emissions, curbing water consumption and ensuring sustainable raw material procurement, and we monitor progress on stated medium- to long-term targets. We are also strengthening environmental consciousness, with an emphasis on raw materials, containers and packaging across the supply chain to realize sustainable business activities and long-term improvement in corporate value.

*1 TCFD: Initialism for Task Force on Climate-related Financial Disclosures, established by the Financial Stability Board
*2 TNFD (Taskforce on Nature-related Financial Disclosures): International organization that establishes frameworks for assessing and disclosing risks and opportunities related to natural capital and biodiversity

For details on "environment," please visit our website.
WEB https://www.po-holdings.co.jp/en/csr/environmental/

Addressing climate change, with emphasis on reducing CO_2 emissions

To the Group, climate change is simultaneously a significant business risk that affects business operations and an opportunity for business transformation. Realizing this, the Group is addressing issues mainly on the reduction of CO_2 emissions. We recognize the potential impact on our business activities from risks inherent in raw materials procurement, fluctuations in energy prices and increasingly rigorous regulations, and have identified medium- to long-term risks and opportunities through scenario analysis based on TCFD recommendations. The results of this analysis prompted us to formulate the Low Carbon Transition Plan, targeting net-zero CO_2 emissions by 2050. Specifically, we aim to achieve net-zero CO_2 emissions from our own operations (Scope 1 and 2) by 2040 and net-zero CO_2 emissions associated with business activities across the life cycle (Scope 3) by 2050. Toward these goals, for 2029, we set the 1.5°C greenhouse gas emissions reduction target decided on by the Science Based Targets initiative (SBTi). We are working to curb emissions across the value chain through measures that include expanding the use of renewable energy, raising the efficiency of production and logistics operations, and reviewing the status of raw materials, containers and packaging materials. For reducing emissions, we identify areas that account for a significant percentage of output, evaluate the benefit achieved through the reduction and the impact on business, then prioritize initiatives based on return on investment. For reduction measures, we combine multiple approaches, such as equipment upgrades, energy conversion and design modifications, seeking to balance effectiveness and sustainability. Progress is monitored under the supervision of the Board of Directors, supporting efforts to enhance our responsiveness to climate change and maintain and improve corporate value over the medium to long term.

Information disclosure on climate change and nature
WEB https://www.po-holdings.co.jp/en/csr/environmental/risk/

R&D

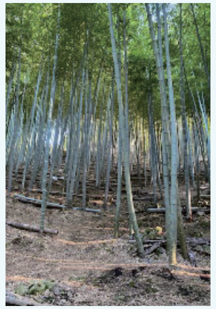
TOPICS

Technological innovation that balances environmental consciousness with high performance

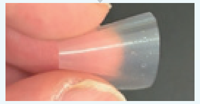
Development of new sunscreen technology to meet demand for UV protection

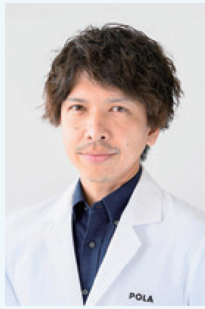
Responding to growing demand for UV protection and diversification in locations where UV protection is used, POLA CHEMICAL INDUSTRIES developed new technology that balances long-lasting effectiveness with a comfortable feel. Through collaborative research with Yokohama National University, the company applied optical coherence tomography (OCT) technology to visualize changes in the film of sunscreen on the skin. The research team also established fiber emulsification technology using bamboo-derived cellulose fibers that facilitated formation of a uniform, highly durable water-repellent film without using surfactants, which are a common cause of re-emulsification. Showcasing plant-derived materials, this technology will be featured in future product formulation designs and rolled out for highly functional product lines. We expect this technology to contribute to higher product value in the medium to long term as a differentiating technology that balances functionality with environmental consciousness.

Interview (available only in Japanese)
WEB https://www.po-holdings.co.jp/rd/story_0001/index.html


Bamboo—the raw material


Bamboo cellulose fiber aqueous solution


Turns into flexible film when dry


Akihiro Nakatani, researcher
POLA CHEMICAL INDUSTRIES

Water resource management and identification of water risks

Cosmetics require water as a raw material, in production processes and, for some products, during use as well. Therefore, the Group recognizes water as both a resource essential to business continuity and a significant business risk. Realizing this, we operate an environmental management system based on standards such as ISO 14001, primarily at our production sites, including POLA CHEMICAL INDUSTRIES's Fukuroi Factory and Jurlique's Adelaide Factory, to reduce the environmental impact associated with water use and discharge and prevent pollution. In 2025, the Technical Development Center (TDC) newly obtained ISO 14001 certification, strengthening its management structure.

The WWF Water Risk Filter is used to determine our water risks. Water risk countermeasures—matched to the risk characteristics specific to each location—are continuously reviewed. We are addressing issues both on equipment and operational fronts to minimize the impact on business continuity. At the Fukuroi Factory, BCP measures anticipate flood risk, while at Jurlique, the emphasis is on preparing for water shortages by utilizing rainwater and installing storage facilities. In addition, reducing water consumption has been set as a sustainability goal and linked to executive compensation to encourage effective initiatives across the Group.

Water resources
WEB https://www.po-holdings.co.jp/en/csr/environmental/water/

Plastics recycling through sustainable container design

Viewing the impact of plastics use in the cosmetics business as a critical management issue, the Group is working to improve resource recycling efforts. In line with the POLA ORBIS Group Plastic Policy, a sustainability goal was set to transition 100% of plastic cosmetics containers to sustainable designs, based on the "4Rs," by 2029, and highly effective measures to achieve this goal are already in play.

Specifically, seeking to reduce the environmental impact throughout the life cycle of containers and packaging materials, we encourage efforts to combine Reduce and Reuse initiatives to make containers more lightweight, simplify packaging and expand refill options, with Replace initiatives, namely, wider use of biomass materials and recycled plastics, and Recycle initiatives, such as collecting and recycling used containers. We also promote research into plastics recycling that extends from collecting to recycling and make efforts to investigate and refine circular schemes in collaboration with consumers and partner companies. Cosmetics containers must meet stringent requirements for functionality, safety and esthetics, which make them more challenging in terms of circular design than general-purpose products. However, the Group is advancing construction of a feasible circular model for cosmetics containers, using a development structure that integrates three key components: formulation design, container design and user experience.

Plastics recycling
WEB https://www.po-holdings.co.jp/en/csr/environmental/plastic/

POLA ORBIS Group

TOPICS

Enhancing medium- to long-term corporate value through environmental management

Selected for A List of CDP in climate change and water security categories

The Group promotes environmental management that emphasizes transparency in setting targets, monitoring implementation and disclosing information about climate change and water resources. These efforts were evaluated by CDP, and the Company was named to its A List, the highest rating, for the second consecutive year. This marks the fifth consecutive year of selection in the Climate Change category and the second consecutive year in the Water Security category. Having our action capabilities and disclosure standards verified through third-party evidence confirms our ability to respond to environmental risks and demonstrates effective governance. We see such recognition as a key factor supporting stable corporate value over the medium to long term.

Climate Water
CDP
A List
2025

ORBIS

TOPICS

Streamlined, environment-conscious design

Manufacturing that balances esthetics (design) and environmental considerations

Cosmetics have to be esthetically appealing—exciting even—but balancing these essential qualities with the environmental response is a challenge in the cosmetics business. Since its earliest days, ORBIS has been committed to creating products that convey value without relying on excessive embellishments, guided by the philosophy "Strip away the unnecessary, and what is left is the truly necessary." In the 1990s, ORBIS introduced simplified packaging, and efforts are currently underway to reduce the use of plastics by, among other measures, expanding refill options. The company has also been investigating a circular model for social implementation through a demonstration on collecting and recycling used containers in collaboration with POLA CHEMICAL INDUSTRIES and with an exhibition at Expo 2025 Osaka, Kansai, Japan. ORBIS will strive to balance beauty and environmental consciousness, efforts that will lead to sustainable improvement in business value.

ORBIS: Simplified packaging that balances container design with eco-friendly appeal

Human Rights

Overview

In support of the Guiding Principles on Business and Human Rights, the POLA ORBIS Group formulated the POLA ORBIS Group Human Rights Policy in 2018. The aim of that policy, under the slogan "For appreciating each one to be one's self," is to ensure that people all over the world are able to demonstrate their individuality in an environment of safety, liberty and equality where their basic needs are fulfilled. Through this commitment, we are able to enhance our value as a corporate group. Furthermore, to prevent, mitigate and rectify negative impacts on human rights in business activities and in the supply chain, POLA ORBIS HOLDINGS identifies and evaluates issues in line with the Human Rights Due Diligence Regulations and sets priority themes. Under the CSR Committee, initiatives are implemented through a collaborative system involving representatives and relevant departments from Group companies. Particular importance is placed on identifying human rights risks in the supply chain, properly managing customers' personal information and ensuring a good work environment. In addition to regular training for all employees, POLA ORBIS HOLDINGS requires business partners to be made aware of the Group's CSR Procurement Guidelines and suppliers to be subject to evaluations and audits. In palm oil procurement, the Group has established numerical targets for procuring RSPO-certified palm oil, and the achievement of targets is linked to executive compensation.

Respect for Human Rights
WEB https://www.po-holdings.co.jp/en/csr/social/respect/
POLA ORBIS Group CSR Procurement Guidelines
WEB https://www.po-holdings.co.jp/en/csr/social/procurement/pdf/pogr_csr_guideline.pdf?2024

POLA ORBIS Group

TOPICS Sustainable palm oil procurement

Sustainable Palm Oil
WEB https://www.po-holdings.co.jp/en/csr/environmental/diversity/

Dialogue aimed at supporting small-scale farmers in Malaysia

As a participant in RSPO and given the social and environmental risks associated with raw materials derived from palm oil, the POLA ORBIS Group promotes sustainable palm oil procurement. The Fukuroi Factory, a key production base, maintains Roundtable on Sustainable Palm Oil (RSPO) supply chain certification and continuously strives to investigate palm-growing areas and support farmers. Also, since 2023, POLA ORBIS HOLDINGS has participated in a program promoted by an Indonesian NGO to assist small-scale farmers. In 2025, corporate representatives visited small-scale farms in Malaysia, identified issues requiring attention and deepened dialogue with stakeholders.

Visit to small-scale palm plantation in Malaysia

Fundamental Activities That Fulfill Our Corporate Responsibilities

Internal control

POLA ORBIS HOLDINGS has formulated a basic policy for establishing an internal control system to ensure the appropriateness of Group operations.

Compliance and ethics system

POLA ORBIS HOLDINGS has established a code of conduct applicable throughout the Group to ensure management based on legal compliance and high ethical standards. The Group requires all executives and employees to adhere to the code. The CSR Committee has compliance oversight authority and continuously conducts training and awareness campaigns. A policy has been established, and a manual has been prepared to deal with eliminating ties with anti-social forces as well.

Risk management and crisis management

Risk management is addressed from an entire Group perspective by the Risk Management Meeting, headed by the director responsible for risk management. Here, critical risks are identified and managed. In a serious emergency, a task force is established in accordance with regulations to ensure a response to the crisis.

Operational audits and monitoring

The internal auditing section performs business audits on the entire Group to verify the status of control measures and recommends steps to correct issues and prevent a recurrence. Audit results are shared with related divisions and corporate auditors.

Group governance

Matters important to Group companies are addressed in the Group Managerial Meeting and by the Board of Directors through discussions and reports, in accordance with standards such as the Affiliate Management Rules. Progress on business plans and measures to deal with important issues are monitored regularly.

Corporate auditor auditing structure

Corporate auditors attend important meetings, including those of the Board of Directors, and supervise the execution of duties. Corporate auditors work with the internal auditing section and accounting auditors to ensure the effectiveness of audits.

Reporting and correction mechanism

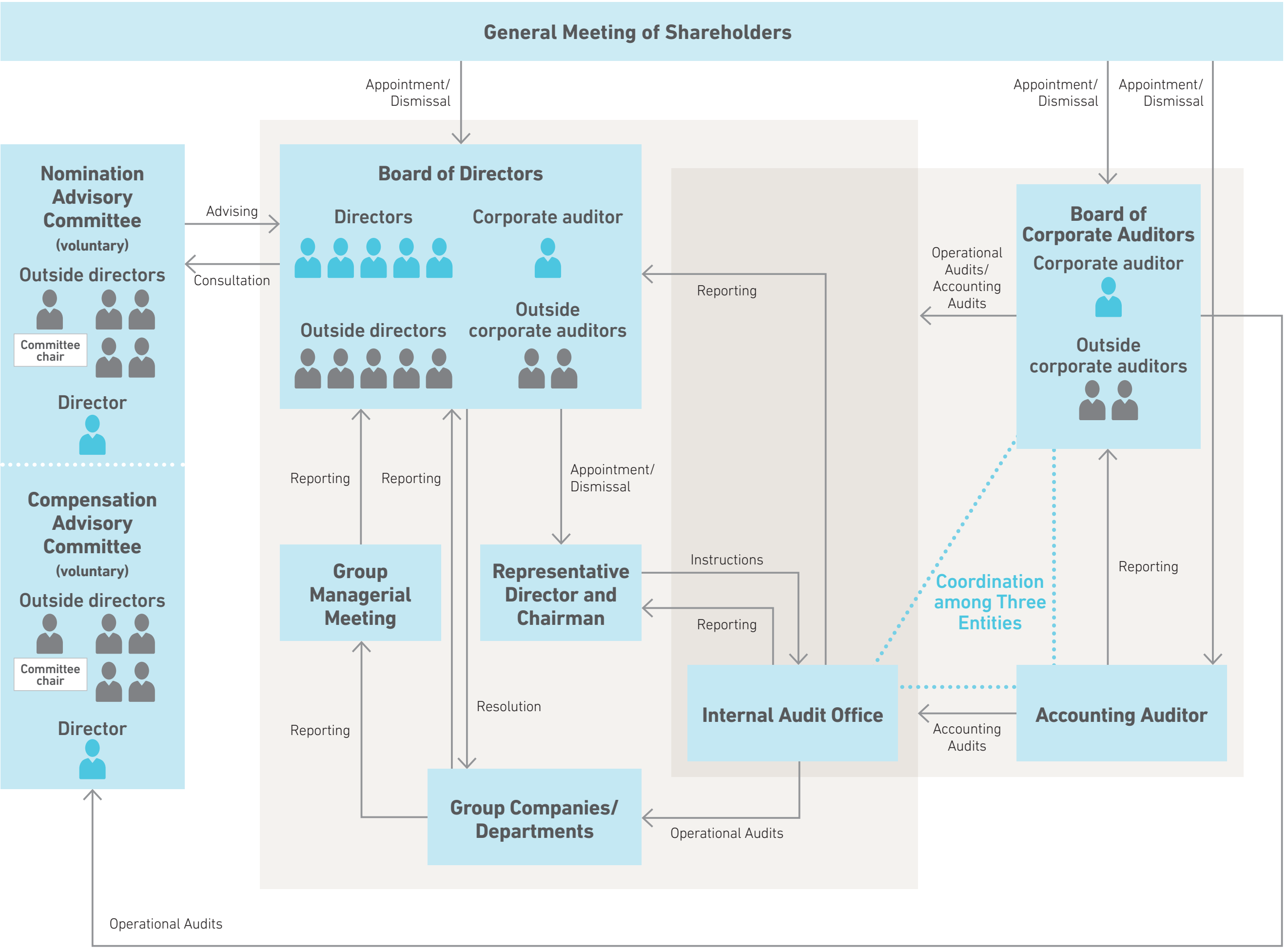
POLA ORBIS HOLDINGS maintains a Group helpline that accepts reports of legal violations, misconduct and other concerns. A system is in place to prohibit unfavorable treatment of whistleblowers and to ensure that corrective measures are implemented.

Internal control of financial reporting

To ensure reliability in financial reporting, POLA ORBIS HOLDINGS has prepared and implemented a structure based on the fundamental elements of internal control and promotes highly transparent financial disclosure by assigning and training personnel with specialized knowledge about financial reporting.

Basic Stance on Corporate Governance

Corporate governance structure (as of March 27, 2026)



Structural overview (as of March 27, 2026)

Functional structure	Company with a Board of Corporate Auditors
Number of directors/Term of office	10 directors/1 year
Number of outside directors	5 outside directors
Number of corporate auditors/Term of office	3 corporate auditors/ 4 years
Number of outside corporate auditors	2 outside corporate auditors
Number of outside directors and outside corporate auditors designated as independent outside officers	7 outside directors and outside corporate auditors

Steps in governance

2006	Shifted to holding company structure
2008	Added outside corporate auditors to structure
2010	Listed on First Section of the Tokyo Stock Exchange
2013	Introduced corporate officer system
2015	Added outside directors to structure
2016	Established Basic Policy on Corporate Governance Initiated Board of Directors' effectiveness evaluation
2019	Established Nomination Advisory Committee (voluntary) and Compensation Advisory Committee (voluntary)
2022	Transitioned to the Prime Market of the Tokyo Stock Exchange
2026	Changed term of office for directors from 2 years to 1 year

Matters Related to the Board of Directors

Evaluation of the Board of Directors' effectiveness

Steps taken in 2025

Through an evaluation of the Board of Directors' effectiveness implemented in 2024, these issues were recognized as requiring action. Steps taken in 2025 to address these issues are described below.

Item	Steps taken
1 **Address priority issues for the Group through ongoing leadership team activities spearheaded by the management board**	After priority issues for the Group were set, the leadership team held off-site meetings, where discussions were focused on structural reforms and strategies. This arrangement has tangibly improved the efficiency and quality of discussions within the Board of Directors. The board will continue to hold these meetings and position them within the action plan.
2 **Constantly draw on outside executives' knowledge**	In addition to spirited discussions at regular board meetings, the Board of Directors provided opportunities for off-site discussions aimed at resolving management issues by obtaining expert advice and recommendations from outside executives. This approach has improved the quality of decision-making by the Board of Directors.
3 **Pursue discussions from multiple perspectives to improve corporate value**	While the Board of Directors needs to further expand discussions that contribute to improving corporate value from a medium- to long-term perspective, there is a tendency for discussions to focus on current performance. Recognizing that challenges about the depth of substantive discussions remain, the board will develop an action plan to address this issue and ensure continuous improvement.

Summary of analysis and evaluation results for fiscal 2025

The following are evaluation results and the outcome of discussions at the Board of Directors' meeting.

Points rated highly

The following points were recognized as demonstrating the high effectiveness of the Board of Directors. The board will strive to maintain and further improve these strengths.

1 The diverse skill sets of the Board of Directors encourage frank exchanges of opinions, leading to spirited discussions

2 A high level of awareness of governance improvement is shared among internal directors

Points recognized as requiring action

The following points are seen as issues requiring attention by the Board of Directors. To address these issues, POLA ORBIS HOLDINGS will formulate action plans and continuously implement and verify these plans to raise the Board of Directors' effectiveness.

1 Ensure that the management board itself demonstrates greater leadership in formulating the new medium-term management plan

2 Review the handling of matters to be discussed by the Board of Directors, etc., and expand discussions that contribute to improving corporate value

Independent outside executives' meeting
(held on February 20, 2026)

POLA ORBIS HOLDINGS regularly holds meetings exclusively for independent outside executives. At the recent meeting, participants exchanged opinions on the medium- to long-term growth of the POLA ORBIS Group with the aim of sustainably improving corporate value.

- Management needs to redefine future growth scenarios based on the market environment and business conditions. It must set policies and strategies in accordance with the current landscape without being overly constrained by existing numerical targets.
- Management needs to clearly define its areas of focus from a medium- to long-term perspective and provide a forum for continuously discussing and following up on priority themes. Time tends to be spent reviewing the Company's performance, while meeting formats and materials should be reviewed to allow for sufficient discussion on market trends and key focus points for the future.
- Strengthening data utilization and further promoting research and development are essential for enhancing competitiveness. Making steady investments aimed at future growth, rather than focusing on short-term earnings, will also prove important.
- Regarding the organization's culture, the strong preference for stability is an issue that needs addressing. It would be preferable for management to appoint personnel who can drive transformation and foster an atmosphere that encourages people to proactively take on new challenges.
- Developing future leaders is also crucial. Management should strengthen efforts starting from the recruitment stage and regularly monitor the progress of employee development.

Dialogue with Outside Directors

We held a dialogue with two outside directors who discussed the business environment surrounding the POLA ORBIS Group and their expectations for future growth.

Kayoko Tanaka
Outside Director

Hikaru Yamamoto
Outside Director

In an era of diversifying values and easy replication, no better time than now to create unique, one-and-only value and demonstrate this value to customers

Yamamoto My specialty fields are marketing and consumer behavior, so I stay fully aware of changes in consumer behavior. With an incredible number of brands in the cosmetics market, it is unlikely that anyone would choose one single brand for toner, lotion and cream. In fact, the market has become so fragmented that if you asked people to name their favorite brand, you would instead get a long list of brands, both big and small. Another obvious change is the growing popularity of esthetic medicine. At one time, surgical procedures were the norm, and barriers to enter the surgical field were quite high. But today, more and more clinics are offering affordable esthetic medical services. Such services are gaining attention in terms of supply and demand, driven by people in their 40s and 50s who feel the need for esthetic medical procedures, but interest also extends to younger people who casually take a treatment. Until now, the POLA ORBIS Group's main competition came from cosmetics companies, but today, competition exists in the form of alternatives to cosmetics.

Tanaka I think advances in technology have been a major factor influencing these market changes. Generative AI has accelerated product development and changed how consulting services are provided. In addition, digital marketing has facilitated a very personalized approach regarding the needs of each customer. Digitization has also exposed customers to a wide range of information, enabling them to gain basic knowledge about cosmetics as well as scientific expertise, effectively making them pretty well informed. However, while digitization that makes direct communication unnecessary is becoming more widespread, the value of services that foster direct human connections is rising. I believe in-person experiences, such as the reassurance that comes from a personal recommendation or the opportunity to touch and smell a product, will be appreciated even more from now on.

Yamamoto Personalized service imbued with the warmth of human connections and built on strong relationships with customers is exactly what the POLA ORBIS Group delivers. This is what the Group does best. In addition, the trend of attaching importance to identity and culture based on personal origins is catching on worldwide. I think it is precisely because of the times we live in, when generative AI makes it easy to produce copies, that there is an underlying appreciation for something created with one-and-only value. In the future, it will be more important than ever before for the Group to draw on its origin and identity to create something characteristically unique to the Group and thereby demonstrate value to customers.

R&D capabilities, multi-brand portfolio and direct-marketing strategies—knowing how to leverage those strengths is key to success in domestic and overseas markets.

Tanaka | I was already aware of the Group's R&D capabilities, but when I became an outside director, I was amazed all over again. I do not think there is any other corporate group with a structure as dedicated to providing products and services rooted in such robust R&D and technological expertise.

Yamamoto | These days, anyone can advertise on social media and, with access to OEM services, anyone can operate a cosmetics company. But I believe the straightforward approach to manufacturing that characterizes the POLA ORBIS Group, underpinned by robust R&D capabilities, is a major strength that no other company can match. Moreover, POLA ORBIS HOLDINGS oversees a portfolio of several distinctive brands—the outlet for the Group's approach to manufacturing—and that approach aligns perfectly with today's era of diversifying values.

Tanaka | The direct marketing platform is also unique to the POLA ORBIS Group. Other companies could not possibly build a system with this many customer touch points in so short a time. The key to future growth undoubtedly lies in how well the companies that oversee the brands integrate original, person-to-person services into direct marketing. The decision to fully implement structural reforms at POLA and Jurlique to enhance corporate value is highly commendable. For the process to be deemed successful, the reforms must be pushed through to completion, then discussions must address what steps to take next in both the domestic and overseas markets. Members of the Board of Directors bring different skills to the table, a structure that allows us to tackle issues from various perspectives.

Yamamoto | I think we should have more discussions that deal with medium- to long-term issues. The executive team tends to emphasize immediate issues, while we outside directors take a more medium- to long-term perspective. As I mentioned when I joined the board as an outside director, I will step on the brakes when slowing down is appropriate and push down the accelerator when moving forward is appropriate. Hence, I will extend the necessary support to push the POLA ORBIS Group in a positive direction while maintaining a cautious stance.

Kayoko Tanaka
Outside Director

Ms. Tanaka has a wealth of knowledge and experience gained as a partner at a management consulting firm. She brings wide-ranging insights related to management strategies, corporate revitalization, new business creation and organizational and personnel affairs. She is an advisor of the IGPI Group, Inc. (current) and has served as an outside director of POLA ORBIS HOLDINGS since 2025.

Hikaru Yamamoto
Outside Director

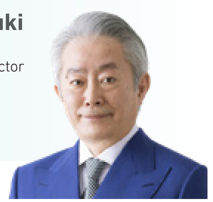
Ms. Yamamoto specializes in marketing and consumer behavior research in the digital domain and has a high level of knowledge in light of changes in the digital society. She is a professor at Keio University, Faculty of Business and Commerce (current), and has served as an outside director of POLA ORBIS HOLDINGS since 2020.

Believe in foundational origin and prevailing strengths to fine-tune internal resources and convey mission statement "sensitize the world to beauty" in markets around the globe

Tanaka | When I saw the expression "a sense of beauty" listed for Director Competency, I wondered, "what company really expects its executives to have such a unique quality?" As the Group's "sensitize the world to beauty" mission statement suggests, the most important thing is to express unique values through business activities in the global market. I believe this is exactly what will lead to breakthrough results on the Group's growth journey.

Yamamoto | From a medium- to long-term perspective, efforts to expand in global markets will be a major theme. But since the POLA ORBIS Group is unique, it is my opinion that establishing a wider presence through operations or activities that are not true to the Group's underlying values and objectives is pointless. Consumers are savvy. They will see right through disingenuous and performative moves. POLA ORBIS HOLDINGS and the Group it leads must believe in the foundational origin and prevailing strengths of the Group, focus not only on the external environment but also on the internal environment and constantly fine-tune internal resources. It is also important to ensure that uniqueness does not become self-indulgent but instead effectively turns opportunities to build direct connections with customers and foster good rapport into tangible results.

Management Structure (As of June 1, 2026)

Satoshi Suzuki
Representative Director and Chairman


Yoshikazu Yokote
Representative Director and President

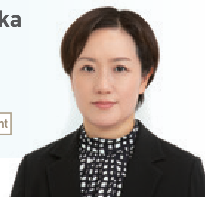

Naoki Kume
Director and Vice President


Koji Ogawa
Director


Takuma Kobayashi
Director (Part-time)


Naomi Ushio
Outside Director
Outside Independent


Hikaru Yamamoto
Outside Director
Outside Independent


Kayoko Tanaka
Outside Director
Outside Independent


Hiroki Taniguchi
Outside Director
Outside Independent


Yoshio Kometani
Outside Director
Outside Independent


Akira Toyoda
Corporate Auditor


Emiko Suzuki
Outside Corporate Auditor
Outside Independent


Shohei Onishi
Outside Corporate Auditor
Outside Independent


Hiroe Yamaguchi
Senior Corporate Officer (Part-time)


Takayuki Katagiri
Senior Corporate Officer (Part-time)


Takahiro Tabata
Corporate Officer


Shinya Chiba
Corporate Officer


Skills Matrix of Directors and Corporate Auditors of POLA ORBIS HOLDINGS

Position at the Company	Areas of responsibility	Name	Competency strength/Behavior and performance particularly expected			Strength related to experience and expertise/Area of contribution particularly expected									
			Person-centered management	*SHINKA* (Evolution)	Value creation	Corporate management (top management)	Overseas business	Business planning (business creation)	Brand business/ marketing	R&D	IT/digital	ESG	Finance/ accounting	Legal affairs	HR
Representative Director and Chairman	—	Satoshi Suzuki	◎	◎	◎	●		●	●	●		●			
Representative Director and President	—	Yoshikazu Yokote	●	●	◎	●	●		●						
Director and Vice President	Finance, legal affairs, administration, IR, sustainability promotion	Naoki Kume	●	●	●		●	●				●	●	●	●
Director	Management planning, IT, HR, business development	Koji Ogawa	●		●			●			●	●			●
Director	(Representative Director and President, POLA INC.)	Takuma Kobayashi	●	●	◎	●	●		●		●				
Outside Director	—	Naomi Ushio	—	—	—							●			●
Outside Director	—	Hikaru Yamamoto	—	—	—				●		●				
Outside Director	—	Kayoko Tanaka	—	—	—	●		●							●
Outside Director	—	Hiroki Taniguchi	—	—	—			●			●				
Outside Director	—	Yoshio Kometani	—	—	—	●	●	●			●				
Corporate Auditor	—	Akira Toyoda	—	—	—			●		●					
Outside Corporate Auditor	—	Emiko Suzuki	—	—	—						●		●		
Outside Corporate Auditor	—	Shohei Onishi	—	—	—			●			●			●	

Notes: 1. The above is not an exhaustive description of all the knowledge and experience each executive has.
2. Characteristics related to competency strengths expected to be demonstrated in executives' actions are indicated by ●, and strengths expected to be especially demonstrated in their actions are indicated by ◎.

Presidents of Major Group Companies

POLA INC.
Takuma Kobayashi
Representative Director and President


ORBIS Inc.
Hiroe Yamaguchi
Representative Director and President


POLA CHEMICAL INDUSTRIES, INC.
Takayuki Katagiri
Representative Director and President


Jurlique International Pty. Ltd.
Takahiro Tabata
Director and CEO


DECENCIA INC.
Emi Nishino
Representative Director and President


ACRO INC.
Toshiaki Miyazaki
Representative Director and President


tricot, Inc.
Toshimi Kato
Representative Director and President


POLA MEDICAL INC.
Tsuyoshi Matsumoto
Representative Director and President


PO GLOBAL INC.
Takahiro Tabata
Director and CEO


POLA ORBIS Travel Retail Limited
Jotaro Wachi
Director and CEO (Part-time)


P.O. REAL ESTATE INC.
Yasuhiro Fukuda
Representative Director and President


Executive compensation

Basic approach to executive compensation

The POLA ORBIS Group has made executive compensation an important way to realize sustainable growth at the Group and improve corporate value over the medium to long term. As the holding company, POLA ORBIS HOLDINGS clearly defines the roles and responsibilities of Company directors and other executives, whose primary duties are to make decisions on the overall management of the Group and to supervise the execution of business as well as the roles and responsibilities of directors at subsidiaries, who are delegated authority by the Company to execute operations. Executive compensation is therefore based on the level of responsibility that each executive assumes for the business results achieved in the area of responsibility. This provides a strong incentive for executives to reach performance targets not only in the short term but over the medium to long term as well.

In addition, the Company seeks to foster a greater sense of common interest between directors, corporate officers and shareholders by making the connection between executive compensation and stock value more obvious.

Compensation standard

The compensation standard is set at a level comparable with those of industry peers or companies of a similar size at home and abroad and is commensurate with the role and level of responsibility held by each individual, with the business environment of the Group and the need to stay competitive in the external market taken into consideration.

Compensation structure

The POLA ORBIS Group's executive compensation (excluding that for outside directors and corporate auditors) is composed of basic compensation, which is fixed, and annual bonuses and performance-linked, share-based compensation, which are variable. Regarding annual bonuses, in addition to compensation paid according to the achievement of performance targets, the Group has introduced a "mission compensation" system for executives responsible for special missions. For outside directors, compensation consists of basic compensation and non-performance-linked, share-based compensation. For corporate auditors, compensation consists solely of basic compensation. The amount of variable compensation in executive compensation is set between 40% and 65% depending on the rank and missions of the individual. Annual bonuses, which are variable, are paid within a range of 0% to 200%, mainly according to the level of success in reaching the Group's performance targets within a single year and each individual's attainment of mission KPIs. Performance-linked, share-based compensation is paid within a range of 0% to 200%, mainly according to the level of success in reaching the performance targets stated in the Group's medium-term management plan, etc.

Process for determining executive compensation

To ensure objectivity and transparency in the process for determining executive compensation, POLA ORBIS HOLDINGS established the Compensation Advisory Committee as a voluntary structure to advise the Board of Directors. Over half of the committee's members including the chairperson are outside directors.

Executive compensation in the Group is set by the Board of Directors within a range of the compensation allotment decided at the general meeting of shareholders, following discussions and recommendations by the Compensation Advisory Committee.

Total, including compensation by executive classification; total, by type of compensation; and number of applicable executives (Fiscal 2025)

Executive classification	Total, including compensation (Millions of yen)	Total, by type of compensation (Millions of yen)			Number of applicable executives (persons)
		Fixed compensation	Short-term performance-linked compensation (bonus)	Medium- to long-term performance-linked compensation (share-based compensation)	
Directors (excluding outside directors)	214	122	84	7	5
Outside directors	49	49	—	—	5
Corporate auditors (excluding outside corporate auditors)	22	22	—	—	2
Outside corporate auditors	23	23	—	—	3

Notes: 1. Fixed compensation for outside directors includes ¥12 million in non-performance-linked, share-based compensation.
2. A portion of the medium- to long-term performance-linked compensation (share-based compensation) is paid as non-monetary compensation.
3. Fixed compensation for corporate auditors includes the compensation paid to a corporate auditor who resigned at the conclusion of the 19th Annual General Meeting of Shareholders, held on March 27, 2025, during his term of office.

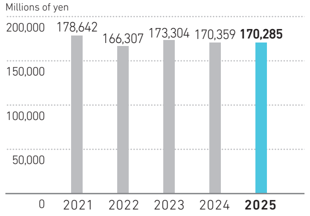
Please see our Securities Report for further details (available only in Japanese).
WEB https://ir.po-holdings.co.jp/ja/Library/Financial/main/0/teaserItems1/08/linkList/01/link/FY2025Q4_yukasyoukenhoukokusyo_s.pdf

Financial and Non-Financial Highlights

Financial Capital

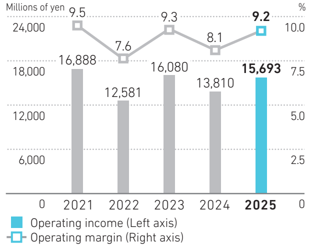
Net sales

¥170,285 million



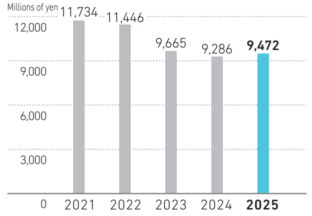
Operating income/ Operating margin

¥15,693 million/ 9.2%



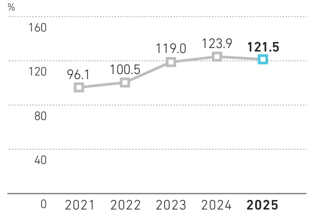
Profit attributable to owners of parent

¥9,472 million



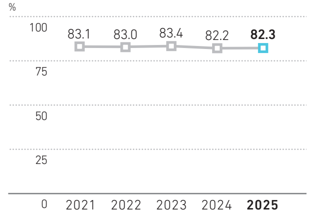
Payout ratio

121.5%



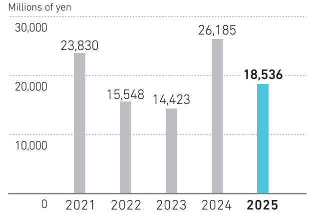
Equity ratio

82.3%



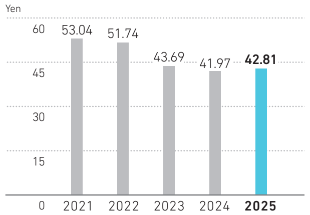
Cash flows from operating activities

¥18,536 million



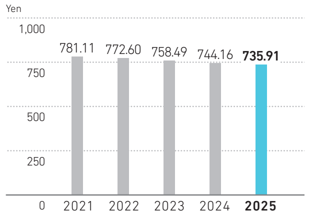
Net income per share

¥42.81



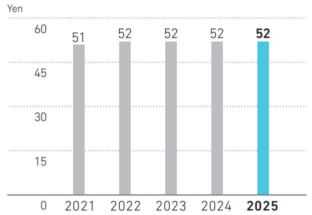
Net assets per share

¥735.91



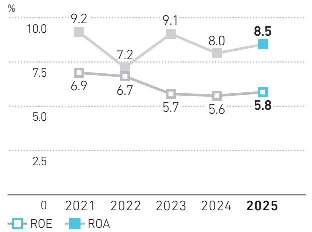
Cash dividends per share

¥52



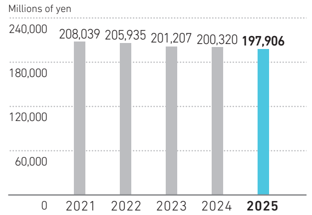
ROE/ROA

5.8%/ 8.5%



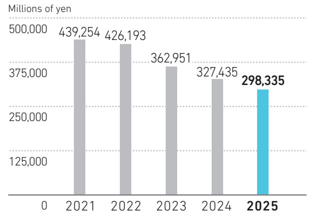
Total assets

¥197,906 million



Total market value

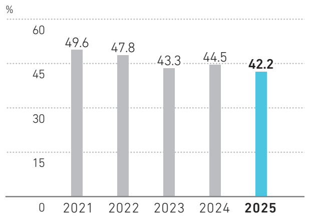
¥298,335 million



Non-Financial Capital

Percentage of female managers

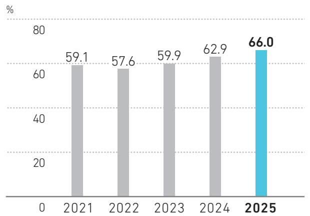
42.2*%



* In principle, this applies to POLA ORBIS HOLDINGS and its subsidiaries from 2024.

Job satisfaction and engagement score

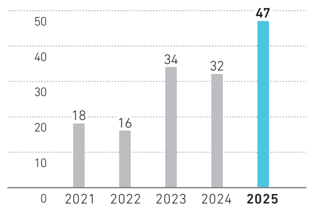
66.0%



Note: Measured and calculated for the "Great Place to Work Survey" by the Great Place To Work® Institute Japan

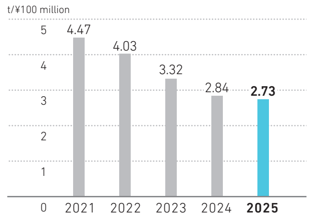
Number of papers presented at scientific conferences by POLA CHEMICAL INDUSTRIES

47



CO_2 emissions (Scope 1 and 2)

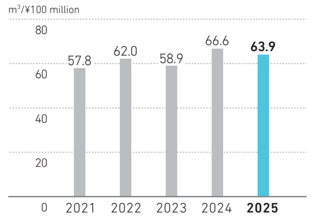
2.73 t/¥100 million



Note: On a per unit of sales basis

Water consumption

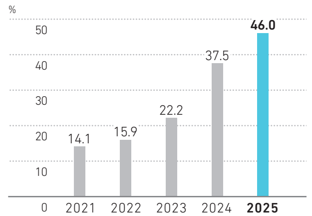
63.9 m^3/¥100 million



Notes: 1. On a per unit of sales basis
2. Actual values from 2021 onward have been changed due to expansion of calculation boundary, effective from 2023

Sustainable palm oil procurement

46.0%



Note: Counted on basis of certified palm oil use, including in-house procurement and subcontracted cosmetics production

Ten-Year Summary of Selected Financial Data

	Millions of yen (Except per share data)										Thousands of U.S. dollars*1 (Except per share data)
Years ended December 31	2016*4	2017	2018	2019	2020	2021	2022	2023	2024	2025	2025
Operating Results											
Net sales*2	¥218,482	¥244,335	¥248,574	¥219,920	¥176,311	¥178,642	¥166,307	¥173,304	¥170,359	¥170,285	$1,087,669
Beauty Care	202,446	227,133	231,207	214,886	171,658	174,150	161,654	168,477	165,060	164,148	1,048,471
POLA	116,126	144,012	150,183	135,502	102,888	105,168	96,371	98,499	92,798	90,373	577,243
ORBIS	55,857	53,066	51,051	50,726	45,415	43,389	38,417	42,874	48,190	50,239	320,897
Overseas Brand	15,665	15,075	12,428	9,235	7,166	8,954	9,972	9,735	8,763	8,386	53,565
Brands under Development	14,796	14,978	17,544	19,421	16,186	16,637	16,892	17,368	15,307	15,149	96,765
Real Estate	3,043	2,694	2,707	2,619	2,291	2,112	2,083	2,078	2,214	3,023	19,315
Others	12,992	14,507	14,659	2,415	2,361	2,379	2,569	2,748	3,085	3,112	19,881
Operating income	26,839	38,881	39,496	31,137	13,752	16,888	12,581	16,080	13,810	15,693	100,241
Beauty Care	25,904	38,121	38,294	30,193	12,965	17,060	13,793	16,354	14,926	15,856	101,279
POLA	16,993	28,584	32,574	25,529	10,927	16,374	12,495	11,555	9,933	8,687	55,488
ORBIS	11,279	9,080	9,340	9,252	7,329	5,925	4,850	6,340	8,306	9,304	59,427
Overseas Brand	(3,210)	(823)	(4,316)	(3,794)	(3,214)	(2,338)	(1,446)	(1,243)	(2,461)	(1,430)	(9,136)
Brands under Development	841	1,278	695	(794)	(2,076)	(2,901)	(2,105)	(298)	(851)	(704)	(4,500)
Real Estate	1,395	1,082	1,001	1,021	710	488	491	440	76	421	2,691
Others	(133)	(314)	796	130	128	70	96	149	231	218	1,392
Operating margin (%)	12.3	15.9	15.9	14.2	7.8	9.5	7.6	9.3	8.1	9.2	
Profit attributable to owners of parent	16,328	27,137	8,388	19,694	4,632	11,734	11,446	9,665	9,286	9,472	60,502
Financial Position											
Net assets	183,282	198,845	188,797	191,069	169,854	173,267	171,459	168,398	164,916	163,094	1,041,736
Total assets	228,845	252,567	244,596	227,256	203,742	208,039	205,935	201,207	200,320	197,906	1,264,095
Cash Flows											
Cash flows from operating activities	23,561	35,333	30,283	21,127	23,394	23,830	15,548	14,423	26,185	18,536	118,401
Cash flows from investing activities	16,379	(22,065)	(9,125)	(12,514)	(3,342)	(2,174)	(12,370)	(18,734)	(12,104)	7,878	50,323
Cash flows from financing activities	(10,030)	(12,945)	(20,127)	(19,336)	(27,133)	(9,100)	(12,668)	(12,375)	(13,376)	(12,361)	(78,954)
Cash and cash equivalents at end of year	75,458	75,944	76,462	65,789	58,844	71,693	62,562	46,376	47,305	61,948	395,683
Depreciation and amortization	6,787	6,551	7,075	7,377	7,255	7,110	8,482	7,712	8,352	8,170	52,187
Capital expenditure	8,127	8,885	10,514	10,091	8,464	8,945	12,532	17,478	14,518	8,385	53,558
Financial Indicators											
Equity ratio (%)	79.9	78.6	77.0	83.9	83.2	83.1	83.0	83.4	82.2	82.3	
Return on equity (%)	9.0	14.2	4.3	10.4	2.6	6.9	6.7	5.7	5.6	5.8	
Return on assets (%)	11.7	16.3	15.7	13.0	5.8	9.2	7.2	9.1	8.0	8.5	
Price-earnings ratio (times)	32.7	32.2	78.3	29.4	100.0	36.1	35.9	36.3	34.0	30.4	
Per Share Data*3											
Net income per share (¥/$)	73.83	122.70	37.93	89.04	20.94	53.04	51.74	43.69	41.97	42.81	0.27
Net assets per share (¥/$)	826.65	897.26	851.78	862.00	766.05	781.11	772.60	758.49	744.16	735.91	4.70
Cash dividends per share (¥/$)	50	70	80	116	50	51	52	52	52	52	0.33

*1 Dollar amounts are shown for convenience only and are calculated based on the prevailing exchange rate of U.S.$1 = ¥156.56 as of December 31, 2025.
*2 Net sales do not include consumption taxes.
*3 On April 1, 2017, the Company executed a four-for-one stock split. Net income per share and net assets per share have been calculated as if this stock split had occurred at the beginning of fiscal 2016.
*4 The Group's consolidated subsidiary has changed its accounting policy, recognizing deferred tax liabilities on intangible assets with an indefinite useful life that have been acquired as part of a business combination. Figures for fiscal 2016, ended December 31, 2016, reflect retroactive adjustment.

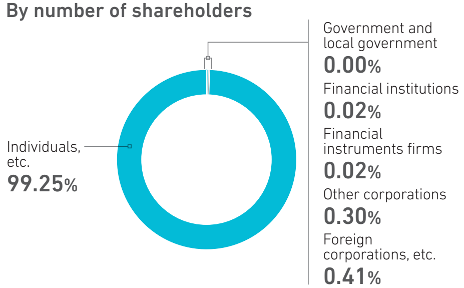
Corporate Information (As of December 31, 2025)

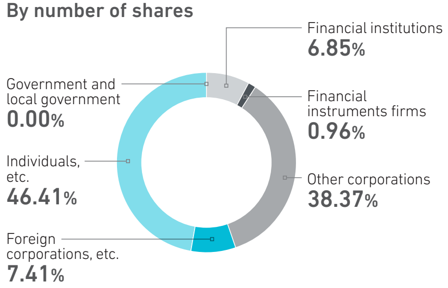
Company name	POLA ORBIS HOLDINGS INC.
Foundation	September 29, 2006
Capital	¥10 billion
Number of employees	3,898 (for the Group) 278 (for the Company) Full-time employees (Excluding those on loan to other companies, including those on loan from other companies)
Fiscal year-end	December 31
General meeting of shareholders	Every March
Business description	Business management of the entire Group
Head office	2-2-3 Nishigotanda, Shinagawa-ku, Tokyo, Japan
Stock listing	Tokyo Stock Exchange, Prime Market
TSE code	4927
Share register	1-4-5 Marunouchi, Chiyoda-ku, Tokyo Mitsubishi UFJ Trust and Banking Corporation

Stock Information (As of December 31, 2025)

Total number of authorized shares	800,000,000
Total number of issued shares	229,136,156
Number of shareholders	148,181

Composition of Shareholders





Principal Shareholders

Shareholders	Number of shares held (Thousands)	Percentage of shareholding (%)
The Pola Art Foundation	78,616	35.5
Satoshi Suzuki	41,223	18.6
The Master Trust Bank of Japan, Ltd. (Trust Account)	10,395	4.7
Machi-No-Kodomo Foundation	6,500	2.9
Naoko Nakamura	4,770	2.2
Custody Bank of Japan, Ltd. (Trust Account)	3,253	1.5
THE BANK OF NEW YORK MELLON 140051	3,208	1.5
Hiromi Suzuki	2,452	1.1
THE BANK OF NEW YORK 133612	1,902	0.9
The POLA Foundation of Japanese Culture	1,800	0.8

Notes: 1. In addition to the above, the Company holds 7,524 thousand shares of treasury stock. Note that the Company introduced a Board Incentive Plan Trust for directors, though the Company's shares held in this trust are not included in treasury stock.
2. For number of shares held, figures are rounded down to the nearest thousand, and for shareholding ratios, figures are rounded to the first decimal place.
3. The percentage of shareholding is calculated by deducting shares of treasury stock.