# Third Quarter of Fiscal 2026
# Supplementary Material

POLA ORBIS HOLDINGS INC.
Director and Vice President
Finance, Legal, Administration, IR, and Sustainability Promotion
Naoki Kume

This report contains projections of performance and other projections based on information currently available and certain assumptions judged to be reasonable.
Actual performance may differ materially from these projections resulting from changes in the economic environment and other risks and uncertainties.

1. Highlights of Consolidated Performance
2. Segment Analysis
3. Initiatives Going Forward
4. Forecasts for Fiscal 2026
5. Appendices

## Cosmetics Market

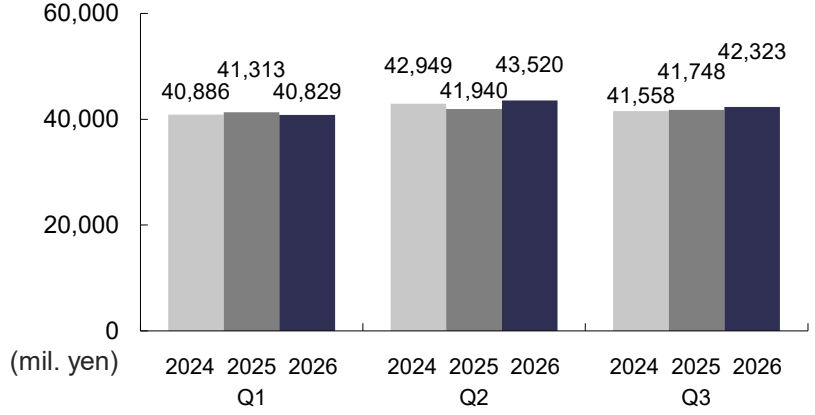
- The scale of the Japanese cosmetics market (not including inbound demand) was on a par with a year earlier.
- In the Chinese cosmetics market, consumption continued to outpace the year-earlier level, with demand solid.

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

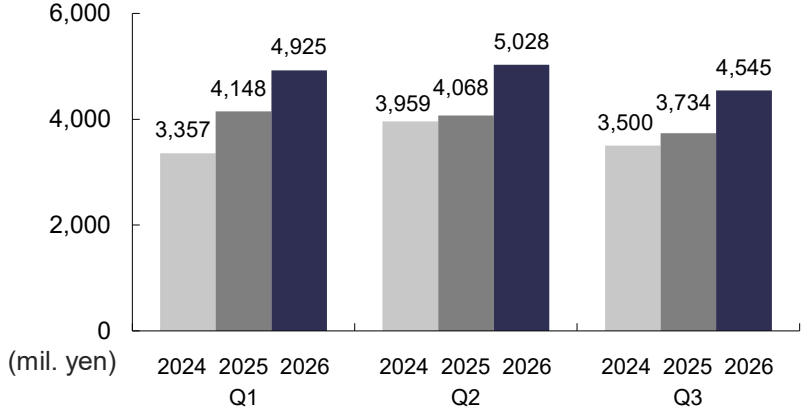
## Our Group

- Consolidated net sales, excluding foreign exchange effects, were flat year on year and overseas businesses returned to growth on the same basis. Consolidated operating profit increased due to higher gross profit from ORBIS revenue growth and lower SG&A expenses reflecting cost controls and related factors.
- For POLA's domestic business, revenue decreased mainly due to lower sales in the salon channel, including the impact of the tightening of secondary distribution controls. For the overseas business, further growth for the China business, centered on the strong-selling B.A series contributed to revenue growth.
- ORBIS revenue and operating profit increased due to stable growth in the direct selling channel and growth in external channels.

Quarterly Consolidated Net Sales




Quarterly Consolidated Operating Profit



# Consolidated P&L Changes Analysis: Net Sales to Operating Profit

| (mil. yen) | FY2025 Q3 (YTD) | FY2026 Q3 (YTD) | YoY Change | |
|---|---|---|---|---|
| | | | Amount | % |
| Net sales | 125,002 | 126,672 | 1,670 | 1.3% |
| Cost of sales | 23,130 | 24,105 | 974 | 4.2% |
| Gross profit | 101,871 | 102,567 | 695 | 0.7% |
| SG&A expenses | 89,919 | 88,067 | (1,851) | (2.1%) |
| Operating profit | 11,952 | 14,499 | 2,547 | 21.3% |

## Key Factors

- **Net sales** — Net sales increased due to foreign exchange impacts
- **Cost of sales** — Cost of sales ratio FY2025 Q3: 18.5% ⇒ FY2026 Q3: 19.0%
- **SG&A expenses**
  - Labor expenses : down ¥244 mil. YoY
  - Sales commissions : down ¥835 mil. YoY
  - Sales related expenses : down ¥474 mil. YoY
  - Administrative expenses, etc. : down ¥297 mil. YoY
- **Operating profit** — Operating margin FY2025 Q3: 9.6% ⇒ FY2026 Q3: 11.4%

# Consolidated P&L Changes Analysis: Operating Profit to Profit Attributable to Owners of Parent

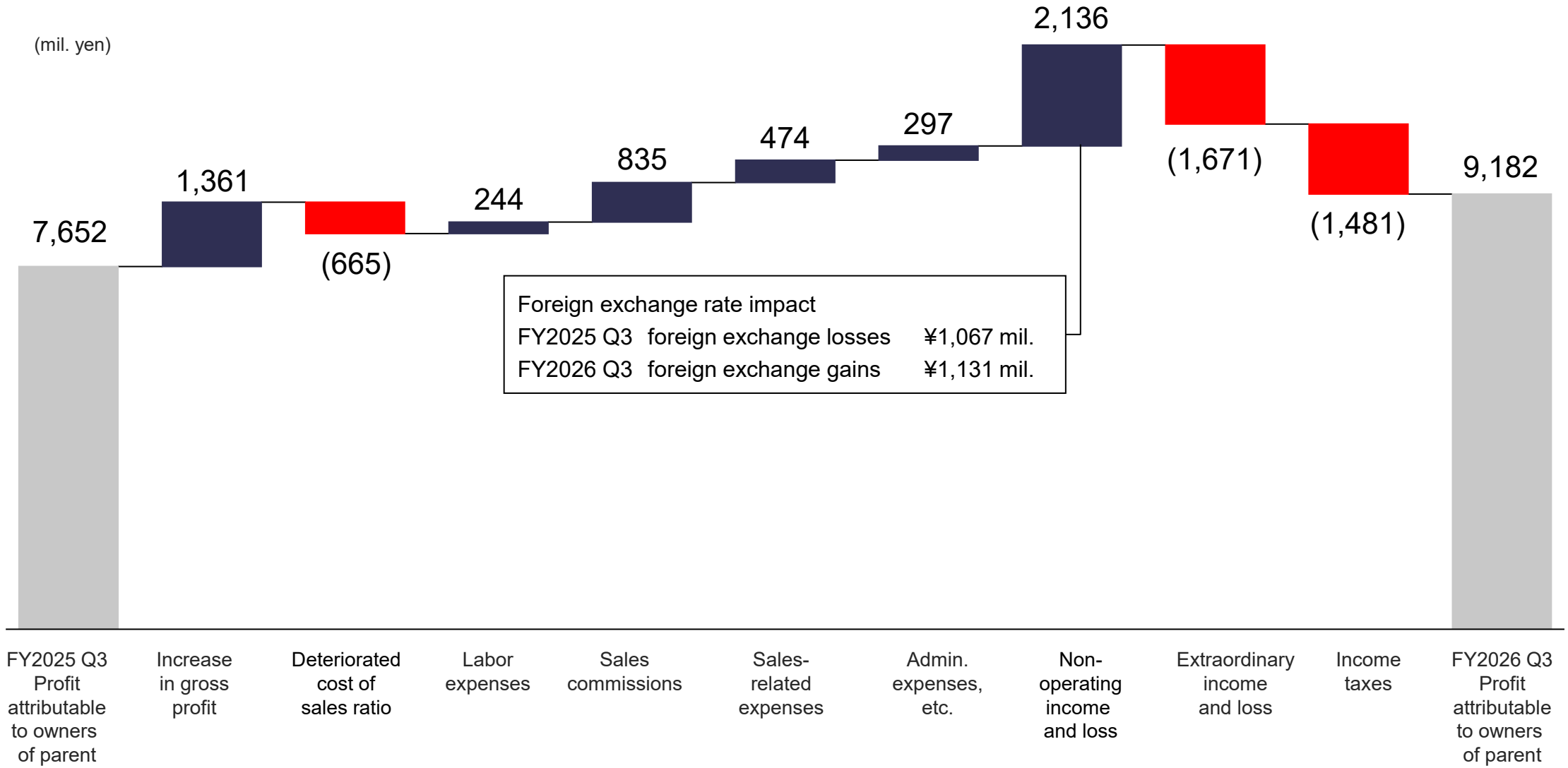
| (mil. yen) | FY2025 Q3 (YTD) | FY2026 Q3 (YTD) | YoY Change | |
|---|---|---|---|---|
| | | | Amount | % |
| Operating profit | 11,952 | 14,499 | 2,547 | 21.3% |
| Non-operating income | 623 | 1,680 | 1,056 | 169.5% |
| Non-operating expenses | 1,350 | 271 | (1,079) | (79.9%) |
| Ordinary profit | 11,224 | 15,908 | 4,683 | 41.7% |
| Extraordinary income | - | - | - | - |
| Extraordinary losses | 853 | 2,524 | 1,671 | 196.0% |
| Profit before income taxes | 10,371 | 13,383 | 3,011 | 29.0% |
| Income taxes | 2,719 | 4,200 | 1,481 | 54.5% |
| Profit attributable to owners of parent | 7,652 | 9,182 | 1,530 | 20.0% |

## Key Factors

- Non-operating income and loss: Posting of foreign exchange gains and losses (FY2025 Q3: foreign exchange losses of ¥1,067 mil., FY2026 Q3: foreign exchange gains of ¥1,131 mil.)
- Extraordinary loss: ¥1,605 mil. from POLA INC.'s early retirement program, ¥486 mil. in structural reform expenses for Jurlique
- Income taxes: In FY2025 Q3, income taxes decreased ¥1,345 mil. due to the resolution to liquidate Orbis Beijing

# Factors Impacting Profit Attributable to Owners of Parent

Despite an increase in extraordinary losses and the rebound from lower income taxes in the same period of the previous year, profit attributable to owners of parent increased by ¥1,530 million YoY, driven by SG&A cost controls and lower expenses, as well as gains from foreign exchange effects.



1. Highlights of Consolidated Performance
2. Segment Analysis
3. Initiatives Going Forward
4. Forecasts for Fiscal 2026
5. Appendices

# Segment Results

| (mil. yen) | FY2025 Q3 (YTD) | FY2026 Q3 (YTD) | YoY Change | |
|---|---|---|---|---|
| | | | Amount | % |
| Consolidated net sales | 125,002 | 126,672 | 1,670 | 1.3% |
| Beauty care | 120,411 | 121,934 | 1,523 | 1.3% |
| Real estate | 2,238 | 2,339 | 100 | 4.5% |
| Others | 2,352 | 2,399 | 47 | 2.0% |
| Consolidated operating profit | 11,952 | 14,499 | 2,547 | 21.3% |
| Beauty care | 11,855 | 14,507 | 2,651 | 22.4% |
| Real estate | 375 | 519 | 144 | 38.4% |
| Others | 125 | 170 | 45 | 36.6% |
| Reconciliations | (403) | (698) | (294) | - |

## Segment Results Summary

■ Beauty Care

Net sales increased YoY due to foreign exchange impacts, while operating profit increased, driven by higher gross profit due to increased ORBIS revenue, as well as by lower SG&A expenses due in part to cost controls.

# Beauty Care Business Results by Brands

| (mil. yen) | FY2025 Q3 (YTD) | FY2026 Q3 (YTD) | YoY Change | |
|---|---|---|---|---|
| | | | Amount | % |
| Beauty care net sales | 120,411 | 121,934 | 1,523 | 1.3% |
| POLA | 65,997 | 65,607 | (389) | (0.6%) |
| ORBIS | 37,508 | 39,374 | 1,865 | 5.0% |
| Jurlique | 5,604 | 5,697 | 93 | 1.7% |
| Brands under development* | 11,301 | 11,255 | (45) | (0.4%) |
| Beauty care operating profit | 11,855 | 14,507 | 2,651 | 22.4% |
| POLA | 6,720 | 7,778 | 1,058 | 15.7% |
| ORBIS | 6,871 | 7,920 | 1,048 | 15.3% |
| Jurlique | (1,242) | (528) | 714 | - |
| Brands under development* | (494) | (663) | (168) | - |

Note: Consolidated results for each brand are shown for reference purposes only (figures are unaudited).
* The brands under development consist primarily of the DECENCIA and THREE brands and also include other businesses.

# Brand Analysis (POLA)

| Q3 (YTD) | | Results (mil. yen) | YoY Change |
|---|---|---|---|
| Net sales | | 65,607 | (0.6%) |
| Operating profit | | 7,778 | 15.7% |
| **Key indicators** | | | |
| Sales ratio | Domestic(1) | | 83.2% |
| | Salon(2) | | 56.5% |
| | Department store | | 12.5% |
| | E-commerce | | 8.2% |
| | Hotel amenities | | 5.8% |
| | Overseas | | 16.8% |
| Sales growth(YoY) | Domestic(1) | | down 4.0% |
| | Salon(2) | | down 6.0% |
| | Department store | | down 6.5% |
| | E-commerce | | up 7.3% |
| | Hotel amenities | | up 5.1% |
| | Overseas | | up 20.8% |
| Domestic business | Purchase per customer(YoY) | | up 2.1% |
| Domestic business | Number of customers(YoY) | | down 7.2% |
| # of stores domestic (vs Dec. 2025) | | | 2,443 (down 38) |
| # of stores overseas (vs Dec. 2025) | | | 110 (down 16) |

(1) Includes results outside the four major domestic channels.
(2) The "Consignment Sales" channel has been renamed the "Salon" channel.

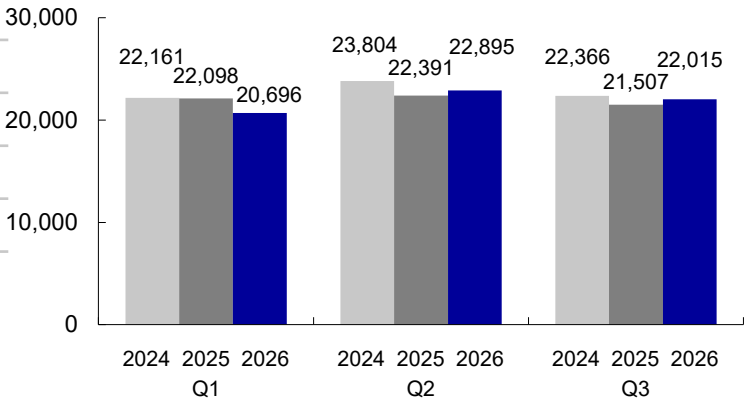
## Performance Overview

- Revenue for the salon channel fell short of expectations due partly to unfavorable weather in September. Stores on a growth track saw slower-than-expected revenue growth.
- Revenue declined for the department store channel, despite an upturn in domestic-based customers, due mainly to the decline in inbound customers.
- Overseas, revenue for the China business continued to grow.
  Despite the impact of store closures, same-store sales and e-commerce sales increased due to the strong-selling B.A series.

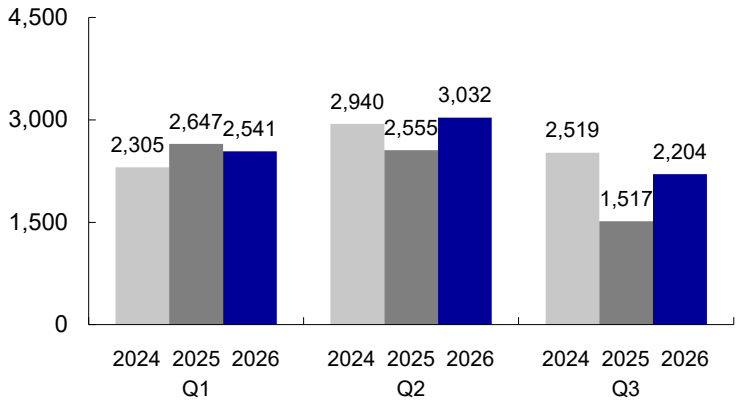


B.A series

Quarterly net sales (mil. yen)




Quarterly operating profit (mil. yen)



# Brand Analysis (ORBIS)

| Q3 (YTD) | | Results (mil. yen) | YoY Change |
|---|---|---|---|
| Net sales | | 39,374 | 5.0% |
| Operating profit | | 7,920 | 15.3% |
| Key indicators | | | |
| Sales ratio | Domestic(1) | | 98.8% |
| | Direct selling(2) | | 76.2% |
| | External channels | | 22.5% |
| | Overseas | | 1.2% |
| Sales growth(YoY) | Domestic(1) | | up 5.8% |
| | Direct selling(2) | | up 1.6% |
| | External channels | | up 23.4% |
| | Overseas | | down 37.9% |
| Direct selling | Purchase per customer(YoY) | | up 2.0% |
| Direct selling | Number of customers(YoY) | | down 0.2% |

(1) Include performance outside direct selling and external channels.
(2) Total in-house sales (EC and directly-operated stores).

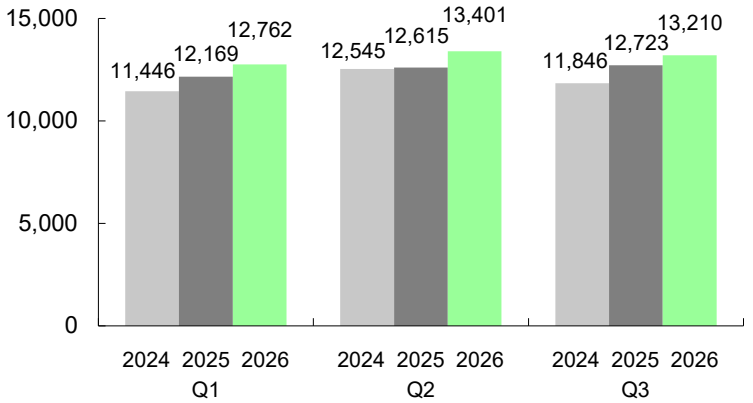
## Performance Overview

- In the direct selling channel, stable growth continued, driven by growth in sales to existing customers.
- In external channels, we achieved continued strong growth thanks to the creation and expansion of customer contact points.
- Sales of skincare products increased further due to brisk demand for highly functional products, such as cleansing oil and specialty care products.

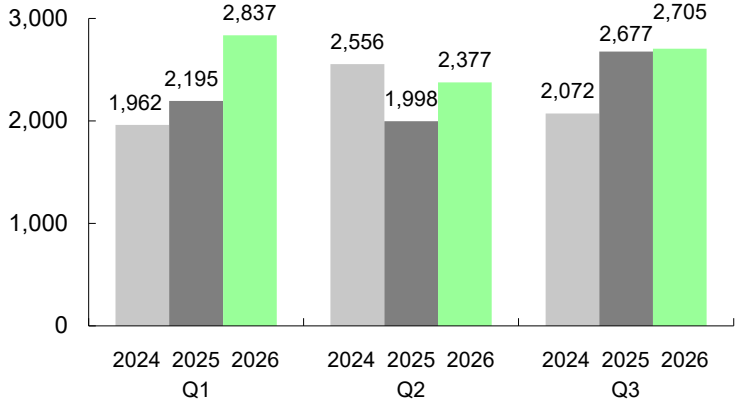


ORBIS THE WRINKLE SERUM

Quarterly net sales (mil. yen)




Quarterly operating profit (mil. yen)



# Brand Analysis (Jurlique)

| Q3 (YTD) | Results (mil. yen) | YoY Change(1) |
|---|---|---|
| Net sales | 5,697 | 1.7% |
| Operating profit | (528) | 714 |
| **Key indicators** | | |
| Sales ratio | Australia | 28.3% |
| | Mainland China | 33.6% |
| | Hong Kong | 10.6% |
| | Duty free | 14.5% |
| Sales growth(YoY) (2) | Australia | up 1.7% |
| | Mainland China | down 13.5% |
| | Hong Kong | down 19.1% |
| | Duty free | down 21.1% |

(1) Where operating profit (current or previous year) is negative or the YoY change exceeds 1,000%, YoY change is shown as the amount (mil. yen).
(2) AUD basis.

## Performance Overview (AUD basis, YoY.)

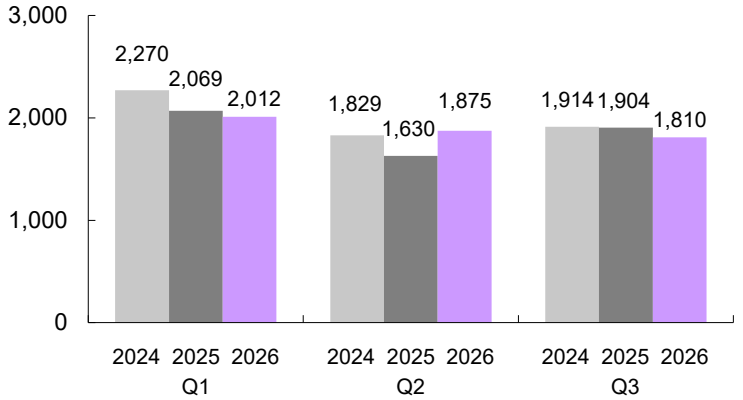
- Revenue declined excluding foreign exchange effects. In mainland China, revenue was impacted by store closures and lower shipments following channel optimization efforts.
- Losses continued to improve due to structural reform and cost controls.
- Launched a renewed Rose series, a high-performing skincare line blended with our original rose (September).
- Announced efficacy of our proprietary herbal extraction method at the IFSCC Congress* and enhanced functional appeal.

  * Congress of International Federation of Societies of Cosmetic Chemists

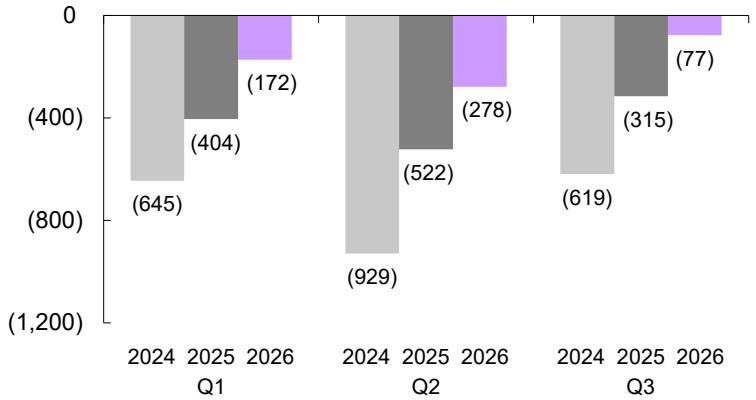


Jurlique Rose Collection

Quarterly net sales (mil. yen)




Quarterly operating profit (mil. yen)



# Brand Analysis (Brands Under Development)

| Q3 (YTD) | Results (mil. yen) | YoY Change(1) |
|---|---|---|
| Net sales | 11,255 | (0.4%) |
| DECENCIA | 4,132 | 1.1% |
| THREE | 3,426 | (2.6%) |
| Others(2) | 3,695 | 0.0% |
| Operating profit | (663) | (168) |
| DECENCIA | 452 | 22.4% |
| THREE | (677) | 240 |
| Others(2) | (438) | (491) |

(1) Where operating profit (current or previous fiscal year) is negative or the YoY change exceeds 1,000%, YoY change is shown as the amount (mil. yen) .
(2) Other businesses apart from the DECENCIA and THREE brands.

## Performance Overview

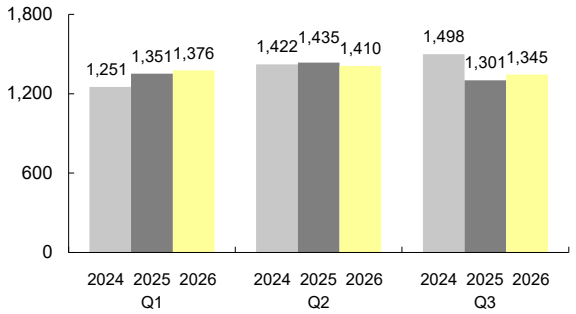
- For DECENCIA, we made investments aimed at customer acquisitions while focusing on acquisition efficiencies.
- THREE's domestic sales were flat with a year earlier, with domestic holistic care sales rising by double digits, thanks mainly to the strong showing by the mainstay cleansing oil.
- Overall for brands under development, losses widened from the recording of Group scientific research expenses.



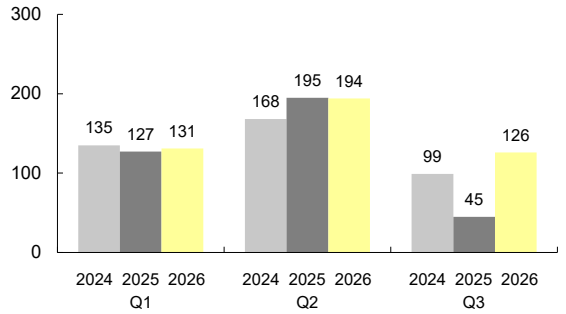
THREE Sales staff visit a farm

## DECENCIA

Quarterly net sales (mil. yen)

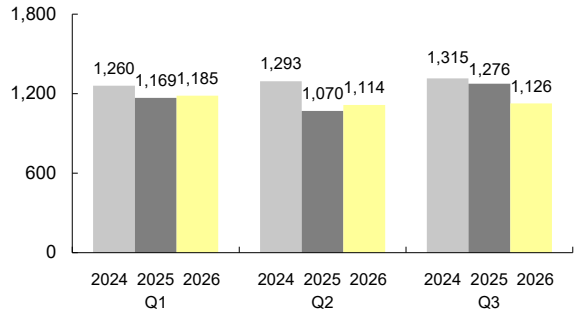



Quarterly operating profit (mil. yen)

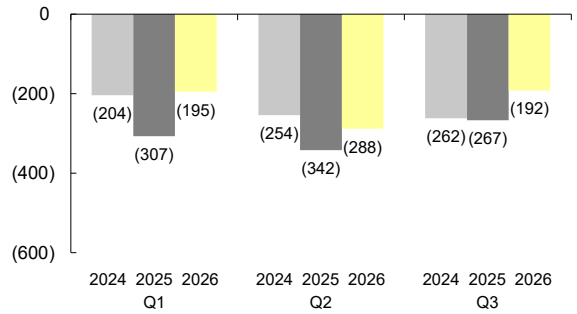



## THREE

Quarterly net sales (mil. yen)




Quarterly operating profit (mil. yen)



1. Highlights of Consolidated Performance
2. Segment Analysis
3. Initiatives Going Forward
4. Forecasts for Fiscal 2026
5. Appendices

# Initiatives Going Forward

## POLA

- With the launch of POLA B.A EYE ZONE CREAM 7 (October), focus on sales promotion by creating opportunities to experience products through events and the like.
- Promote salon visits using initiatives tied to ongoing esthetic care and seek to accelerate growth for stores on a growth track.
- For the China business, we will continue to promote proposals for the strong-selling B.A series and capitalize on growing demand in the e-commerce channel, thanks in part to the Double 11 shopping festival, to expand sales.
- We seek to further enhance brand power in the wrinkle care market by launching an updated version of long-seller, POLA WRINKLE SHOT SERUM (January 2027), and improving noticeable benefits.



POLA B.A EYE ZONE CREAM



POLA WRINKLE SHOT SERUM

## ORBIS

- Activate customers by launching a hydrating serum mask (October) tailored to seasonal demand.
- In external channels, continue to expand the in-store product lineup.
- Through events for customers, provide brand experiences, deepen relationships with customers, and foster deeper empathy and support for the brand.
- Promote new customer acquisitions by expanding our reach to our target of customers aged 60 and above.



ORBIS U SPA MOUSSE MASK



Customer event
（ORBIS Marche）

# Initiatives Going Forward

## Jurlique

- Continue with extensive cost reductions and cost controls to achieve profitability in 2026.
- We will focus on sales during the year-end shopping season, centering on the updated Rose series and holiday kit, and will seek to expand seasonally-driven sales.



Holiday Kit

## DECENCIA

- We seek to enhance LTV by driving cross-selling proposals leveraging our sensitive-skin eye cream, launched in October.
- We seek to strengthen the customer base to achieve sustained growth and will focus on promotions for new customer acquisitions and continued usage.



DECENCIA HYALO BOOST EYE CREAM

## THREE

- We will focus on strengthening ties with customers through the updated flagship skincare series, BALANCING FLOW, and appeal the brand's uniqueness, backed by the benefits of our essential oils.
- We seek to improve customer loyalty by renewing our membership program (January 2027) and expand brand experiences.




THREE BALANCING CLEAR SERIES
THREE BALANCING FLOW SERIES

1. Highlights of Consolidated Performance
2. Segment Analysis
3. Initiatives Going Forward
4. Forecasts for Fiscal 2026
5. Appendices

# Forecasts for Fiscal 2026 (Revised)

POLA ORBIS HOLDINGS

Revised ordinary profit and profit attributable to owners of parent to reflect foreign exchange gains in Q3.

| (mil. yen) | FY2025 Full-year Results | YoY Change Amount | YoY Change % | FY2026 Full-year Plan | YoY Change Amount | YoY Change % | FY2026 Initial Plan | Vs. Initial Plan |
|---|---|---|---|---|---|---|---|---|
| Consol. net sales | 170,285 | (74) | (0.0%) | 173,000 | 2,714 | 1.6% | 173,000 | - |
| Beauty care | 164,148 | (911) | (0.6%) | 166,900 | 2,751 | 1.7% | 166,900 | - |
| Real estate | 3,023 | 809 | 36.6% | 3,060 | 36 | 1.2% | 3,060 | - |
| Others | 3,112 | 27 | 0.9% | 3,040 | (72) | (2.3%) | 3,040 | - |
| Consol. operating profit | 15,693 | 1,882 | 13.6% | 17,300 | 1,606 | 10.2% | 17,300 | - |
| Beauty care | 15,856 | 929 | 6.2% | 17,750 | 1,893 | 11.9% | 17,750 | - |
| Real estate | 421 | 344 | 447.4% | 400 | (21) | (5.1%) | 400 | - |
| Others | 218 | (13) | (5.8%) | 150 | (68) | (31.2%) | 150 | - |
| Reconciliations | (801) | 622 | - | (1,000) | (198) | - | (1,000) | - |
| Ordinary profit | 17,022 | 938 | 5.8% | 18,400 | 1,377 | 8.1% | 17,300 | 1,100 |
| Profit attributable to owners of parent | 9,472 | 186 | 2.0% | 9,800 | 327 | 3.5% | 9,000 | 800 |

Assumed exchange rates: 1.00 AUD = 111 JPY (PY 96.49) 1.00 CNY = 23 JPY (PY 20.81)

| | Shareholder returns (Dividend forecasts are unchanged) | Capital investment | Depreciation |
|---|---|---|---|
| FY2025 | Annual ¥52 (interim ¥21, year-end ¥31) (consol. payout ratio 121.5%) | ¥8,385 mil. | ¥8,170 mil. |
| FY2026（Plan） | Annual ¥52 (interim ¥21, year-end ¥31) (consol. payout ratio 117.4%) | ¥9,000 mil. to ¥10,000 mil. | ¥9,000 mil. to ¥10,000 mil. |

1. Highlights of Consolidated Performance
2. Segment Analysis
3. Initiatives Going Forward
4. Forecasts for Fiscal 2026
5. Appendices

# (Appendix) Quarterly Segment Results

| (mil. yen) | FY2026 Jan.–Mar. | | FY2026 Apr.–Jun. | | FY2026 Jul.–Sep. | | FY2026 Oct.–Dec. | |
|---|---|---|---|---|---|---|---|---|
| | Results | YoY Change* | Results | YoY Change* | Results | YoY Change* | Results | YoY Change* |
| Consolidated net sales | 40,829 | (1.2%) | 43,520 | 3.8% | 42,323 | 1.4% | - | - |
| Beauty care | 39,277 | (1.3%) | 41,993 | 4.0% | 40,663 | 1.1% | - | - |
| Real estate | 776 | 5.3% | 781 | 4.1% | 780 | 4.0% | - | - |
| Others | 775 | 1.4% | 745 | (6.8%) | 878 | 11.6% | - | - |
| Consolidated operating profit | 4,925 | 18.7% | 5,028 | 23.6% | 4,545 | 21.7% | - | - |
| Beauty care | 4,973 | 20.3% | 4,976 | 26.6% | 4,557 | 20.2% | - | - |
| Real estate | 244 | 18.0% | 181 | (19.2%) | 94 | 150 | - | - |
| Others | 41 | 40 | 62 | (9.9%) | 66 | 21.9% | - | - |
| Reconciliations | (333) | (141) | (191) | (34) | (173) | (119) | - | - |

* Where operating profit (current or previous year) is negative or the YoY change exceeds 1,000%, YoY change is shown as the amount (mil. yen).

# (Appendix) Quarterly Beauty Care Business Results by Brands

| (mil. yen) | FY2026 Jan.–Mar. | | FY2026 Apr.–Jun. | | FY2026 Jul.–Sep. | | FY2026 Oct.–Dec. | |
|---|---|---|---|---|---|---|---|---|
| | Results | YoY Change(2) | Results | YoY Change(2) | Results | YoY Change(2) | Results | YoY Change(2) |
| Beauty care net sales | 39,277 | (1.3%) | 41,993 | 4.0% | 40,663 | 1.1% | - | - |
| POLA | 20,696 | (6.3%) | 22,895 | 2.2% | 22,015 | 2.4% | - | - |
| ORBIS | 12,762 | 4.9% | 13,401 | 6.2% | 13,210 | 3.8% | - | - |
| Jurlique | 2,012 | (2.7%) | 1,875 | 15.0% | 1,810 | (5.0%) | - | - |
| Brands under development(1) | 3,806 | 9.6% | 3,821 | 1.9% | 3,627 | (11.0%) | - | - |
| Beauty care operating profit | 4,973 | 20.3% | 4,976 | 26.6% | 4,557 | 20.2% | - | - |
| POLA | 2,541 | (4.0%) | 3,032 | 18.7% | 2,204 | 45.3% | - | - |
| ORBIS | 2,837 | 29.2% | 2,377 | 19.0% | 2,705 | 1.0% | - | - |
| Jurlique | (172) | 232 | (278) | 243 | (77) | 238 | - | - |
| Brands under development(1) | (233) | 72 | (155) | (56) | (274) | (185) | - | - |

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

(1) The brands under development consist primarily of DECENCIA and THREE, as well as other businesses.

(2) Where operating profit (current or previous year) is negative or the YoY change exceeds 1,000%, YoY change is shown as the amount (mil. yen).

# (Appendix) Sales Results by Channels: POLA and ORBIS

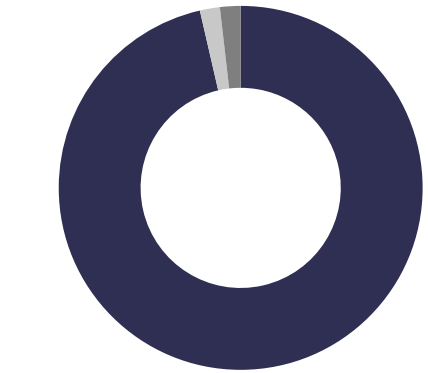
| (mil. yen) | FY2025 Q3 (YTD) | FY2026 Q3 (YTD) | YoY Change | |
|---|---|---|---|---|
| | | | Amount | % |
| POLA net sales | 65,997 | 65,607 | (389) | (0.6%) |
| Domestic(1) | 56,851 | 54,558 | (2,293) | (4.0%) |
| Salon(2) | 39,435 | 37,082 | (2,352) | (6.0%) |
| Department store | 8,745 | 8,181 | (565) | (6.5%) |
| E-commerce | 5,011 | 5,380 | 369 | 7.3% |
| Hotel amenities | 3,610 | 3,795 | 185 | 5.1% |
| Overseas | 9,145 | 11,048 | 1,903 | 20.8% |
| ORBIS net sales | 37,508 | 39,374 | 1,865 | 5.0% |
| Domestic(3) | 36,776 | 38,920 | 2,144 | 5.8% |
| Direct Selling(4) | 29,535 | 30,009 | 474 | 1.6% |
| External Channels | 7,191 | 8,878 | 1,686 | 23.4% |
| Overseas | 732 | 454 | (277) | (37.9%) |

(1) Includes results outside the four major domestic channels.
(2) The "Consignment Sales" channel has been renamed the "Salon" channel.
(3) Include performance outside direct selling and external channels.
(4) Total in-house sales (EC and directly-operated stores).

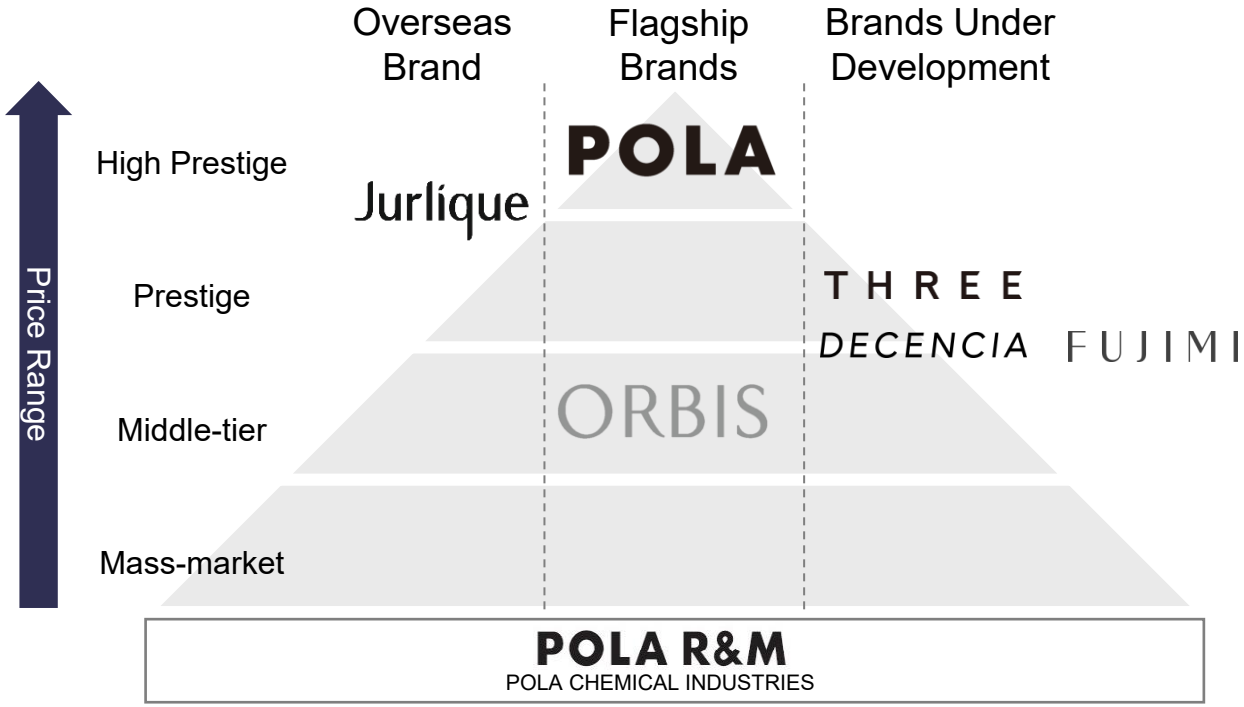
# (Appendix) About POLA ORBIS Group

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

FY2025
Consol. Net Sales
¥170.2 bn.



- Beauty care 96%
- Real estate 2%
- Others 2%
  (building maintenance business)




## Our strengths

- Multi-brand strategy
- Focus on skincare products
- Flagship brands, POLA and ORBIS, own and operate through their own direct selling channels

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

# (Appendix) Beauty Care Business Brand Portfolio

| | Sales Ratio[1] | Brand | Concept and Products | Price | Main Sales Channel |
|---|---|---|---|---|---|
| Flagship Brands | 55% | POLA<br>Since 1929 | A brand offering unique experiences through high-end products and services. | Approx. ¥10,000 or higher | ■ Japan: Salon, department stores, e-commerce and cosmetics specialty stores<br>■ Overseas: Department stores, directly-operated stores, duty free stores, e-commerce and cross-border e-commerce |
| | 31% | ORBIS<br>Since 1984 | An aging-care brand that draws out people's intrinsic beauty. | Approx. ¥2,000-¥5,000 | ■ Japan: E-commerce, catalog sales, directly-operated stores, cosmetics specialty stores, and drugstores<br>■ Overseas: E-commerce and duty free stores |
| Overseas Brand | 5% | Jurlique<br>Acquired in 2012 | A premium natural skincare brand from Australia. | Approx. ¥5,000 or higher | ■ Australia: Department stores, directly-operated stores and e-commerce<br>■ Overseas: Department stores, directly-operated stores, duty free stores, e-commerce and cross-border e-commerce |
| Brands Under Develop-ment[2] | 9% | DECENCIA<br>Since 2007 | A skincare brand specializing in products for sensitive skin. | Approx. ¥5,000-¥10,000 | ■ Japan: E-commerce<br>■ Overseas: Cross-border e-commerce |
| | | THREE<br>Since 2009 | A holistic care brand that draws on the gifts of plants, centered on essential oils, to balance the skin, mind, and body. | Approx. ¥5,000 or higher | ■ Japan: Department stores, directly-operated stores and e-commerce<br>■ Overseas: Department stores, duty free stores, e-commerce and cross-border e-commerce |
| | | FUJIMI<br>Acquired in 2021 | A personalized beauty care brand. | Approx. ¥6,000-¥10,000 | ■ Japan: E-commerce |

(1) Sales ratio in the beauty care business as of FY2025.
(2) Brands under development include OEM business and new business.

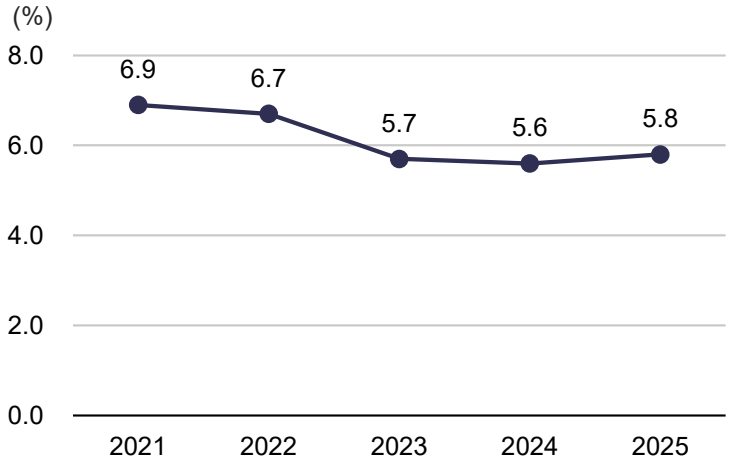
# (Appendix) Improvement in Capital Efficiency and Shareholder Returns

## 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

### ROE Trend

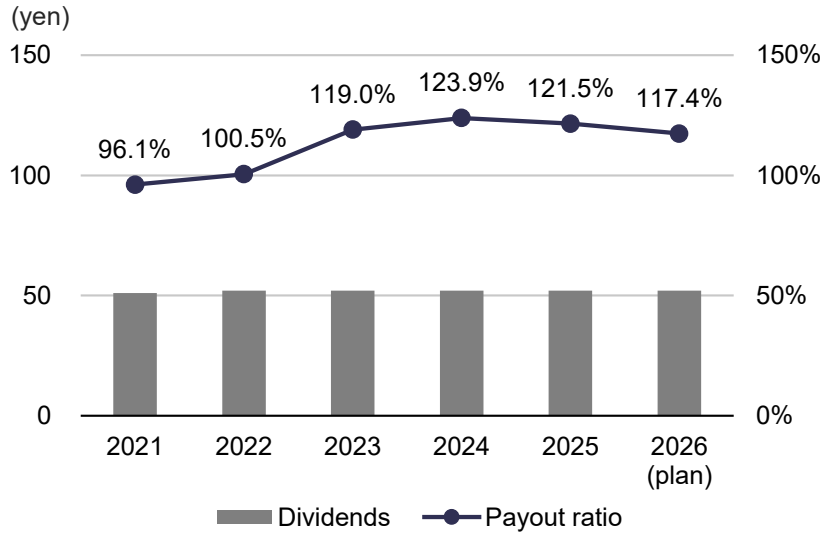



## Improvement of Shareholder Return

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

【Dividends forecast for FY2026】
- Dividend per share : ¥52 (interim ¥21, year-end ¥31)
- Consol. payout ratio : 117.4%

### Dividends and consolidated payout ratio



# (Appendix) Long-term Management Plan – VISION 2029

## 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 |

### STAGE 1
Build the base of existing businesses, and restructure the portfolio for high profits

- ✓ Emphasize profitability and LTV in domestic businesses
- ✓ Accelerate global development
- ✓ Sow the seeds for growth in new businesses, and engage in CVC investment
- ✓ Dispose of unprofitable businesses

### STAGE 2
Invest in growth businesses to accelerate growth

- ✓ Rapid global development
- ✓ New business growth
- ✓ M&A and CVC investment
- ✓ Launch new materials and expand pipelines
- ✓ Establish new dosage forms technology

### STAGE 3
Be a collection of unique businesses that respond to diversifying values of “beauty”

- ✓ Establish a clear presence in the well-being and social domains

【Targets for 2029】
- ■ Consolidated operating profit ¥50.0 bn.
- ■ Consolidated operating margin: 15% or higher
- ■ Consolidated net sales: ¥300.0 bn.
- ■ Overseas sales ratio: 30 - 35%
- ■ ROE: 14% or higher

FY2021-2023 → FY2024-2026 → FY2027-2029