

January 12, 2016

Company Name: POLA ORBIS HOLDINGS INC.
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Announcement Regarding Liquidation of an Overseas Subsidiary

The POLA ORBIS Group hereby announces that it will liquidate its subsidiary, POLA LLC (headquartered in Moscow, Russia, hereinafter referred to as "POLA Russia").

1. Reason for Liquidation

POLA Russia has been importing and selling cosmetic products as a hub of POLA INC. in Russia. However, due to the recent deteriorating economic climate and the market reaction, the actual business results have deviated from the initial plan. In addition, the market environment in Russia is quite fierce. As a result, POLA ORBIS Group has judged that it is difficult to seek merits in continuing the business, and decided to liquidate POLA Russia.

2. Overview of POLA LLC

1)	Company Name:	POLA LLC
2)	Address:	R-173, Leninsky Prospekt 113/1, Moscow, 117198, Russia
3)	President:	Marina Dmitrieva
4)	Description of Business:	Import and sale of cosmetic products
5)	Amount of Capital:	Ruble 4,128,073
6)	Date of Establishment:	May 2007
7)	Shareholder:	POLA INC. (100% ownership)
8)	Fiscal Year-End:	December 31
9)	Sales:	Ruble 78 million (as of fiscal 2014)
10)	Net Assets:	Ruble 3 million (as of the end of fiscal 2014)

(Reference exchange rate 2014: Average Rate ¥2.79 Current Rate ¥2.04)

3. Schedule

After May 2017: Liquidation to be completed

4. Forecast

Impact of this liquidation on the consolidated financial result is estimated as follows:

- 1) Loss on liquidation: Approximately ¥210 million (extraordinary loss)
- 2) Decrease in tax expenses: Approximately ¥340 million (income taxes – deferred)

These are expected to be recorded in fiscal 2015 consolidated results. (To be released on Feb 15, 2016)

Note: The impact to the consolidated financial results is estimated based on the information available today and the actual impact may differ due to various changes of situation in the future.