

December 4, 2017

Company Name: POLA ORBIS HOLDINGS INC.
Representative: Satoshi Suzuki,
Representative Director and President
TSE Code: 4927 (TSE 1st Section)
Contact: Akira Fujii, Director in charge of PR & IR
TEL: +81-3-3563-5517

Announcement Regarding the Group's New Research and Development System and Establishment of New Organizations at the Company and its Subsidiary

POLA ORBIS HOLDINGS INC. (the "Company") hereby announces that it will reform its research and development system and establish new organizations at the Company and its subsidiary in January 2018 as described below, in order to build a system for the creation of new value that will be a growth engine for the Group's long-term development.

1. Overview of the new research and development system

The research control function for the Group as a whole will be consolidated in the Company's "Multiple Intelligence Research Center" (newly established), and the "Frontier Research Center" (newly established) will be set up in POLA CHEMICAL INDUSTRIES, INC. The organizations will work together in collaboration with existing cosmetics development divisions to pursue scientific exploration and cultivation of new research areas.

2. Overview of establishment of new organizations at the Company and its subsidiary (as of January 1, 2018)

1) POLA ORBIS HOLDINGS INC.

The Multiple Intelligence Research Center will formulate research strategies and intellectual property strategies from a Group perspective and will be responsible for optimal allocation of research results within the Group, with the aim of creating new value that goes beyond the existing borders of cosmetics.

In addition, dedicated staff specialized in market research and exploring innovative proposals will be assigned to the Center to gather information on next-generation needs from around the world and seek out collaboration with cutting-edge technologies and investment proposals.

2) POLA CHEMICAL INDUSTRIES, INC.

The Frontier Research Center will conduct research aimed at creating new value based on the strategies decided by the Multiple Intelligence Research Center, and will be responsible for generating seeds for use in new and existing businesses.

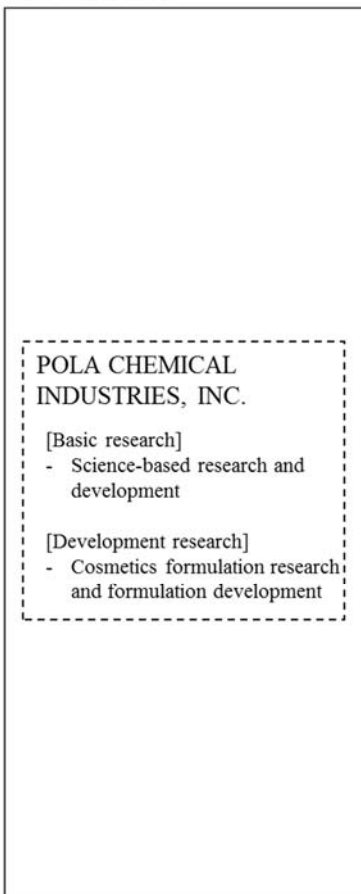
Note: See next page for diagram.

3. Research and development expenditures

The Group will increase research and development expenditures by 20 to 30% (compared with 2016) by 2020, and work as one to further enhance its corporate value.

[Reference] Diagram of the new research and development system

[Current system]



[New system]

