POLA ORBIS HOLDINGS

February 16, 2026

Summary of Key Questions and Answers Concerning the Financial Results for FY2025 Q4

1. **[Consolidated results] FY2025 consolidated P/L: What is the breakdown of the ¥930 million impairment loss?**

   The impairment loss mainly relates to store-related assets.

2. **[POLA] How was the performance of the renewed B.A launched in September 2025?**

   Based on customer data, we strengthened our approach toward customers with particularly high loyalty. As a result, initial sales after the launch were generally favorable. However, sales activities targeting other customer segments did not progress as expected. Since then, B.A has been gaining stronger momentum, supported by such external recognition as winning the Second Half Best Cosmetics Awards. With the renewal of the cleansing and wash items scheduled for March 2026— of completing the full renewal of the B.A series—, we believe this will sufficiently contribute to the recovery of the consignment sales channel.

3. **[POLA] Regarding the measures to curb secondary distribution: What is the impact on FY2025 and FY2026 results?**

   While the size of the secondary distribution is based on our internal estimates, consignment sales in October–December 2025 declined 7% year on year. Excluding the impact of secondary distribution measures, we estimate the decline would have been around 2%. For FY2026, we are planning a 2%–3% year-on-year decline for the consignment sales channel overall, of which approximately 4% is attributable to the secondary distribution control measures. We refrain from disclosing further details regarding the specific methods or initiatives.

4. **[POLA] Regarding the early retirement program: What will be the impact on consolidated P/L and how is it reflected in the FY2026 outlook?**

   Based on our management policy to strengthen profitability as we work to restore POLA INC.'s growth, we have initiated structural reforms. While we refrain from disclosing specific financial impacts, the planned number of applicants is around 160, equivalent to about 10% of POLA INC. employees. Accordingly, we expect personnel expenses to decrease on a similar scale. The impact has already been incorporated into the FY2026 outlook.

5. **[POLA] Outlook for the consignment sales channel: FY2026 plans indicate revenue growth for stores on a growth track. What is the expected contribution from these stores?**

   Stores on a growth track are those that offer services suited to current customer needs, centered on esthetic treatments while also utilizing online channels. By making greater use of customer data to strengthen customer retention and by expanding the introduction of higher value-added esthetic services, we aim to accelerate growth in these stores. We expect stores on a growth track to contribute approximately +3% sales growth to the consignment sales channel in FY2026. While a certain number of closures is expected among normal stores, the strong growth of stores on a growth track should allow the consignment channel as a whole to return to topline growth from FY2027 onward.

6. **[POLA] For the consignment sales channel, how should we think about customer numbers and spend per customer?**

We aim to halt the decline in customer numbers within FY2026. As for spend per customer, we believe we can increase it through enhanced repeat and cross-selling using customer data, the introduction of higher value-added, higher-priced services, and improvements in customer experience value.

7. **[POLA] Overseas business: What are the latest developments in China and ASEAN, and what initiatives are planned?**

In China, revenue is expected to decline because of continued store closures; however, on a same-store basis excluding closure impacts, we anticipate growth. ASEAN is performing well. We are expanding our presence not only in department stores and shopping malls but also in specialty stores. We aim to shift the overseas business into a growth phase in FY2027.

8. **[ORBIS] FY2026 outlook: Revenue is expected to grow, but operating profit growth appears limited. Why?**

This is because we plan to invest in acquiring customers in the senior segment in FY2026. Currently, ORBIS' core customers are in their 30s to 50s, and our share among those aged 60+ remains limited. To drive further domestic growth, it is essential to cultivate this untapped segment where our strengths in skincare can be fully leveraged. That said, we are not aiming to grow customer numbers at the expense of profitability; we intend to maintain a higher level of profit discipline and ensure that returns exceed the level of investment.

9. **[ORBIS] To capture the senior segment, will you launch new products or leverage existing ones?**

We are not planning new product launches for the senior segment for now. Within our existing lineup, the ORBIS Amber series—, which is designed for simple, low-step skincare—, and ORBIS U. are both well suited for senior customers. We plan to tailor our communication, media selection, and ordering methods to the preferences of the senior segment as we work to acquire new customers.

10. **[ORBIS] What is your topline growth outlook for FY2027 and beyond?**

Further verification is needed regarding our ability to achieve a higher growth rate than before. However, we believe there remains solid demand for mid-priced skincare in the market. Growth will continue to be driven by existing customers, and by accumulating both current users and newly acquired senior customers, we believe further topline expansion is achievable.

11. **[Jurlique] Progress of structural reforms and topline growth outlook**

We are reviewing the headquarters structure and advancing reforms even in areas previously considered difficult to change. We are optimizing the organizational structure, and greater improvements in profitability are expected in FY2026 compared with FY2025. Although the reforms are fundamental, there has been no major impact on business operations. For FY2026, we expect to return to profitability even without topline growth; however, this does not imply that flat sales are acceptable. We are not pursuing profitability at the expense of future sales. Instead, we envision business growth centered on skincare and body care products made from plants grown on our own farm.

12. [Other] Trends in the domestic cosmetics market by price segment.

We recognize that polarization by price segment continues. The prestige segment remains relatively solid, and POLA must continue to firmly capture this market. Meanwhile, the low- to mid-price segments will be approached primarily through ORBIS.

13. [Other] Approach to overseas expansion across the Group: Will the focus remain on the prestige segment? Any plans beyond prestige?

We have established a structure that enables Group-wide overseas expansion, and discussions are also underway regarding overseas strategies for ORBIS and THREE. We will provide further details at an appropriate time.