Conference Presentation for Financial Results of Fiscal 2011

Satoshi Suzuki
President
POLA ORBIS HOLDINGS INC.

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 and Progress of Key Strategies
3. Forecasts for Fiscal 2012
4. Initiatives for Fiscal 2012 Onward
5. Acquisition of Jurlique International Pty Ltd

Highlights of Consolidated Performance
P&L Summary

POLA ORBIS HOLDINGS

(Millions of yen)	FY2010 Results	FY2011 Results	YoY Amount	YoY %	Compared with Oct. 31 revised forecasts Amount	Compared with Oct. 31 revised forecasts %
Net sales	165,253	166,657	1,404	0.8%	1,057	0.6%
Cost of sales	33,321	33,461	140	0.4%	-138	-0.4%
Gross profit	131,932	133,196	1,263	1.0%	1,196	0.9%
Selling, general and administrative expenses	119,661	120,342	680	0.6%	742	0.6%
Operating income	12,270	12,853	582	4.8%	453	3.7%
Ordinary income	12,247	13,322	1,075	8.8%	422	3.3%
Income before income taxes	12,030	11,255	-775	-6.4%	355	3.3%
Net income	7,086	8,039	953	13.5%	639	8.6%

Summary of consolidated results

Consolidated net sales ⇒ The flagship POLA brand drove consolidated earnings, achieving sales growth for the second consecutive year.

Operating income ⇒ Gross profit rose due to sales growth, and sales-related costs were held flat year on year. As a result, sales growth outpaced profit growth.

Net income ⇒ Profit growth surpassed Company forecasts, partly reflecting reduced tax costs due to the sale of the commercial printing business.

Analysis of Consolidated P&L Changes
Net Sales to Operating Income

(Millions of yen)	FY2010 Results	FY2011 Results	YoY Amount	YoY %	Compared with Oct. 31 revised forecasts Amount	Compared with Oct. 31 revised forecasts %
Net sales	165,253	166,657	1,404	0.8%	1,057	0.6%
Cost of sales	33,321	33,461	140	0.4%	-138	-0.4%
Gross profit	131,932	133,196	1,263	1.0%	1,196	0.9%
Selling, general and administrative expenses	119,661	120,342	680	0.6%	742	0.6%
Operating income	12,270	12,853	582	4.8%	453	3.7%

Consolidated net sales	▪H2O PLUS ⇒ up ¥1,851 mil. ▪POLA ⇒ up ¥810 mil. ▪THREE ⇒ up ¥256 mil. ▪ORBIS ⇒ down ¥1,437 mil. (year-on-year basis)
Cost of sales	▪Cost of sales ratio FY2010: 20.16% ⇒ FY2011: 20.08% Factors lowering the ratio: Improvement in cost of sales ratio for POLA and ORBIS brands due to skincare-centered product strategy Factor raising the ratio: Entry of H2O PLUS into the Group
SG&A	▪Sales commissions ⇒ up ¥404 mil. ▪Personnel expenses ⇒ up ¥170 mil. ▪Sales-related expenses ⇒ down ¥169 mil. ▪Administrative expenses ⇒ up ¥276 mil. (year-on-year basis)
Operating income	▪up ¥582 mil. (up ¥621 mil. in the Beauty Care segment) (year-on-year basis)

Analysis of Consolidated P&L Changes
Operating Income to Net Income

POLA ORBIS HOLDINGS

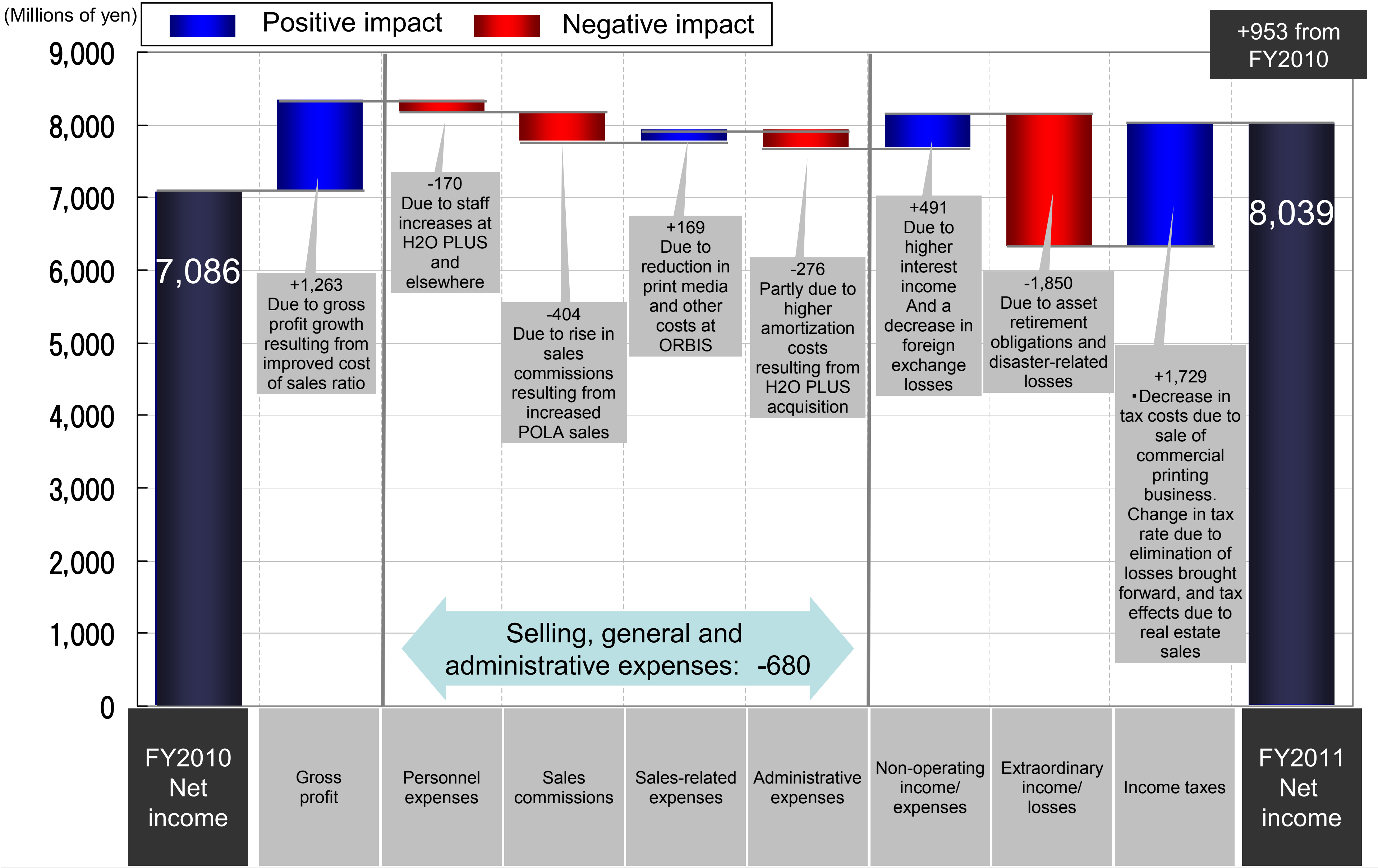
(Millions of yen)	FY2010 Results	FY2011 Results	YoY Amount	YoY %	Compared with Oct. 31 revised forecasts Amount	Compared with Oct. 31 revised forecasts %
Operating income	12,270	12,853	582	4.8%	453	3.7%
Non-operating income	729	829	99	13.7%	29	3.7%
Non-operating expenses	752	359	-392	-52.2%	59	20.0%
Ordinary income	12,247	13,322	1,075	8.8%	422	3.3%
Extraordinary income	1,327	569	-757	-57.1%	69	13.9%
Extraordinary losses	1,544	2,636	1,092	70.8%	136	5.5%
Income before income taxes	12,030	11,255	-775	-6.4%	355	3.3%
Income taxes	5,038	3,226	-1,812	-36.0%	-273	-7.8%
Minority interests in net loss of consolidated subsidiaries	-94	-10	83	—	-10	—
Net income	7,086	8,039	953	13.5%	639	8.6%

Non-operating income/expenses	・Interest income due to investment of funds grew ¥144 mil. ・Owing to a decrease in foreign exchange losses, profits grew ¥289 mil. (year-on-year basis)
Extraordinary income/losses	・Reversal of foreign currency translation adjustments: -¥661 mil. (amount recorded in FY2010) ・Asset retirement obligations: ¥954 mil. ・Loss on disaster: ¥467 mil. (includes relief supplies)
Income taxes	・Tax rate: FY2010: 41.9% ⇒ FY2011: 28.7% ・Tax effects due to real estate sales: -¥1,427 mil. ・Change in effective tax rate due to elimination of losses brought forward: -¥610 mil.

Factors causing disparity between net income and Company forecasts

- Higher pre-tax income due to sales growth: +355
- Decrease in income taxes: +283
  - ⇒ Decrease in tax costs due to sale of commercial printing business: +822
  - ⇒ Increase in income taxes due to sales growth: -142
  - ⇒ Impact of tax system reforms: -432
  - ⇒ Other: +35

Factors Impacting Net Income



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Operating Results by Segment

(Millions of yen)	FY2010 Results	FY2011 Results	YoY Amount	YoY %	Compared with Oct. 31 revised forecasts Amount	Compared with Oct. 31 revised forecasts %
Consolidated net sales	165,253	166,657	1,404	0.8%	1,057	0.6%
Beauty care	153,091	154,778	1,686	1.1%	978	0.6%
Real estate	3,102	3,089	-13	-0.4%	-10	-0.4%
Others	9,059	8,790	-268	-3.0%	90	1.0%
Operating income	12,270	12,853	582	4.8%	453	3.7%
Beauty care	10,165	10,787	621	6.1%	387	3.7%
Real estate	1,304	1,283	-20	-1.6%	83	7.0%
Others	223	501	278	124.9%	101	25.5%
Reconciliations	576	280	-296	-51.4%	-119	-30.0%

Beauty Care Segment Operating Results by Product Type

(Millions of yen)	FY2010 Results	FY2011 Results	YoY Amount	YoY %
Net sales	153,091	154,778	1,686	1.1%
Cosmetics	139,638	141,453	1,814	1.3%
Fashion	13,453	13,324	-128	-1.0%
Operating income	10,165	10,787	621	6.1%
Cosmetics	10,618	11,192	574	5.4%
Fashion	-452	-404	47	—

◆Cosmetics ⇒ POLA, brands under development, and H2O PLUS performed well, achieving sales and profit growth.

◆Fashion ⇒ Sales remained level year on year. The operating loss did not shrink as much as initially expected, reflecting weak sales of highly profitable luxury products.

Note: Figures are based on the same calculation methods used for the previous fiscal year, for reference purposes only (unaudited)

Beauty Care Segment Operating Results by Brand

POLA ORBIS HOLDINGS

(Millions of yen)		FY2010 Results	FY2011 Results	YoY Amount	YoY %
Net sales		153,091	154,778	1,686	1.1%
	POLA	96,543	97,353	810	0.8%
	ORBIS	49,356	47,918	-1,437	-2.9%
	H2O PLUS/Brands under development	7,192	9,506	2,314	32.2%
Operating income		10,165	10,787	621	6.1%
	POLA	5,592	6,168	576	10.3%
	ORBIS	6,169	6,526	357	5.8%
	H2O PLUS/Brands under development	-1,596	-1,907	-311	—

H2O PLUS 3Q−4Q results (in scope of consolidation): Net sales: ¥1,851 mil.; Operating loss: -¥81 mil.

- ◆ POLA ⇒ Sales grew and profits rose sharply, owing to a revitalization of the sales organization, success with the ***B.A*** series, and a lower cost of sales ratio.
- ◆ ORBIS ⇒ Despite a year-on-year decline in sales, profits continued to grow as the rebuilding of brands gradually yielded benefits.
- ◆ H2O PLUS and brands under development ⇒ Reflecting the contribution of H2O PLUS and the strength of brands under development, sales grew sharply year on year, while operating income weakened, owing to increased investment in the contract manufacturing businesses.

Note: Consolidated operating income and losses are shown for each brand, for reference purposes only (unaudited).

Real Estate and Others Segment Results

(Millions of yen)	FY2010 Results	FY2011 Results	YoY Amount	YoY %
Real estate segment net sales	3,102	3,089	-13	-0.4%
Operating income	1,304	1,283	-20	-1.6%

◆ Despite such hurdles as a drop in rents for new tenancy contracts, sales and operating income remained level year on year, owing to rental income from redeveloped properties and curbs on repair costs.

(Millions of yen)	FY2010 Results	FY2011 Results	YoY Amount	YoY %
Others segment net sales	9,059	8,790	-268	-3.0%
Operating income	223	501	278	124.9%

◆ Pharmaceuticals ⇒ Strength in ***Lulicon*** and generic drugs led to year-on-year sales growth and a return to profit at the operating level.

◆ Building maintenance ⇒ Sales remained level year on year and profits grew, reflecting strong performances in building maintenance and staffing services.

Note: The commercial printing business has been excluded since the scope of consolidation from 3Q of FY2011.

Progress of Key Strategies During Fiscal 2011 (1)

POLA ORBIS HOLDINGS

Strategy 1 ー Generate stable profits with flagship brands

POLA

Door-to-door sales	Products	◆ Bolstered the flagship ***B.A*** series ⇒ ***B.A THE MASSAGE, B.A THE MASK*** and Christmas limited edition set ⇒ Launch of ***B.A RED*** (entry-level series)
	Sales channels	◆ Number of POLA THE BEAUTY (PB) stores: Total 533 (+33) ◆ PB annual sales: +10.4% Note: Reference: Esthe Inn: -0.2%; Door-to-door: -7.7% ◆ PB existing store sales: +8.8% ◆ Sales offices (including PB stores): +31 offices(4,553 as of December 2011) (year-on-year basis)
	Customers	◆ Amount spent per customer: +1.8% (year-on-year basis)
Non-door-to-door sales	Department stores	◆ Double-digit growth in department store sales, due to year-on-year increases in customer traffic and amount spent per customer
	Business use	◆ Temporary impact due to East Japan Earthquake and Tsunami disaster, but back on track for growth

B.A THE MASK, launched in October, received an award for the best cosmetic product of the year (skincare category) from three major beauty magazines!

B.A RED, launched in August

Progress of Key Strategies During Fiscal 2011 (1)

POLA ORBIS HOLDINGS

Strategy 1 ー Generate stable profits with flagship brands

ORBIS

Products	◆ Renewal and strengthening of key series ⇒Renewal of ***AQUA FORCE*** and ***WHITENING*** ⇒Launch of ***EXCELLENT ENRICH*** series of strategic anti-aging products
Sales channels	◆ Ratio of Internet sales to total ORBIS sales: +3.3 pp (year-on-year basis)
Customers	◆ Amount spent per customer: Mail-order sales: +0.9%; Store sales: +0.4% ◆ Mail-order skincare purchaser ratio: +0.8 pp ◆ Sales ratio for skincare products out of new customer sales: +14.0 pp ◆ Mail-order repeat customer ratio: +1.9 pp (year-on-year basis)

NEW AQUA FORCE, launched in March

EXCELLENT ENRICH, launched in December

Strategy 2 ー Accelerate growth of the portfolio of brands under development

THREE	◆ Rapid sales growth of over 50% year on year ◆ Number of stores: 14 (+4) ◆ Existing stores maintaining year-on-year growth of over 30% (year-on-year basis)
pdc	◆ Firm sales due to strong revenues from products for variety stores, as well as items limited to certain distribution channels

THREE ***CONCENTRATE*** line, launched in September

Progress of Key Strategies During Fiscal 2011 (2)

POLA ORBIS HOLDINGS

Strategy 3 – Develop the Group's presence overseas by capitalizing on the Group's strengths

Develop via existing brands

POLA

- China ⇒ Steady progress in preparing for development of door-to-door sales business
- Russia ⇒ Ongoing double-digit growth, network of 100 stores (department stores, "perfumeries" [boutiques handling luxury cosmetics])
- Other ⇒ Strong performance in Thailand and Hong Kong

Outlets in overseas department stores

ORBIS

- China ⇒ Launch of Internet sales
- South Korea ⇒ Solid progress in acquiring new online customers
- Taiwan ⇒ Efforts focused on raising amount spent per customer

http://www.orbis.com.cn

Accelerate growth through M&A

H2O+ sea-derived skincare

- Acquisition of equity stake in H2O PLUS HOLDINGS, LLC, a U.S. company
  ⇒ 3−4Q Net sales: ¥1,851 mil.

Jurlique

- Announcement on acquisition of Jurlique International Pty Ltd, an Australian company, on November 30

H2O Plus Oasis™ series

Progress of Key Strategies During Fiscal 2011 (3)

POLA ORBIS HOLDINGS

Strategy 4 ー Reinforce R&D capabilities

POLA CHEMICAL INDUSTRIES	◆ Development of innovative formulation technology and using the technology to develop new POLA products ⇒ Launched ***B.A THE MASK*** in October ◆ Cooperation with H2O PLUS to create projects harnessing synergies in R&D and start product development (to be launched during 2012)

B.A THE MASK, launched in October

Strategy 5 ー Reinforce the operating base

Enhance brand recognition (unaided recall)	◆ FY2011 brand recognition ratio (yearly average) ⇒ POLA: +1.7 pp (19.0%) ⇒ ORBIS: +4.2 pp (19.6%) ◆ Volume of published publicity materials (Groupwide): Up roughly fivefold (year-on-year basis)
Concentration on core competence	◆ Sale of shares in P.O. MEDIA SERVICE INC.
Step up personnel training	◆ Further reinforcement of personnel training for each level of the organization as operations become more globalized

What is unaided recall?

Unaided recall is a measure of how well consumers remember brands, based on the "recall method." In this case, it is defined as the ratio of respondents naming the Company or its subsidiaries, when asked to think of a cosmetics company.

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Forecasts for FY2012

POLA ORBIS HOLDINGS

(Millions of yen)	FY2012 Full year	YoY Amount	YoY %
Consolidated net sales	172,000	5,342	3.2%
Beauty care	160,200	5,421	3.5%
Real estate	2,900	-189	-6.1%
Others	8,900	109	1.2%
Operating income	13,700	846	6.6%
Beauty care	12,000	1,212	11.2%
Real estate	1,100	-183	-14.3%
Others	300	-201	-40.2%
Reconciliations	300	19	7.1%
Ordinary income	14,200	877	6.6%
Net income	7,000	-1,039	-12.9%

(Millions of yen)	FY2012 First half	YoY Amount	YoY %
Consolidated net sales	82,200	3,262	4.1%
Beauty care	76,800	3,528	4.8%
Real estate	1,400	-152	-9.8%
Others	4,000	-113	-2.8%
Operating income	5,500	-34	-0.6%
Beauty care	5,000	479	10.6%
Real estate	500	-159	-24.2%
Others	-100	-244	—
Reconciliations	100	-109	-52.2%
Ordinary income	5,800	-162	-2.7%
Net income	2,700	-289	-9.7%

Aim for steady sales and profit growth to achieve the targets of the medium-term management plan for 2011–2013

Jurlique's impact on consolidated earnings is currently being assessed and has not been factored into the above forecasts. A prompt disclosure will be made as soon as Jurlique's impact becomes clear.

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Cosmetics Market Trends in Japan

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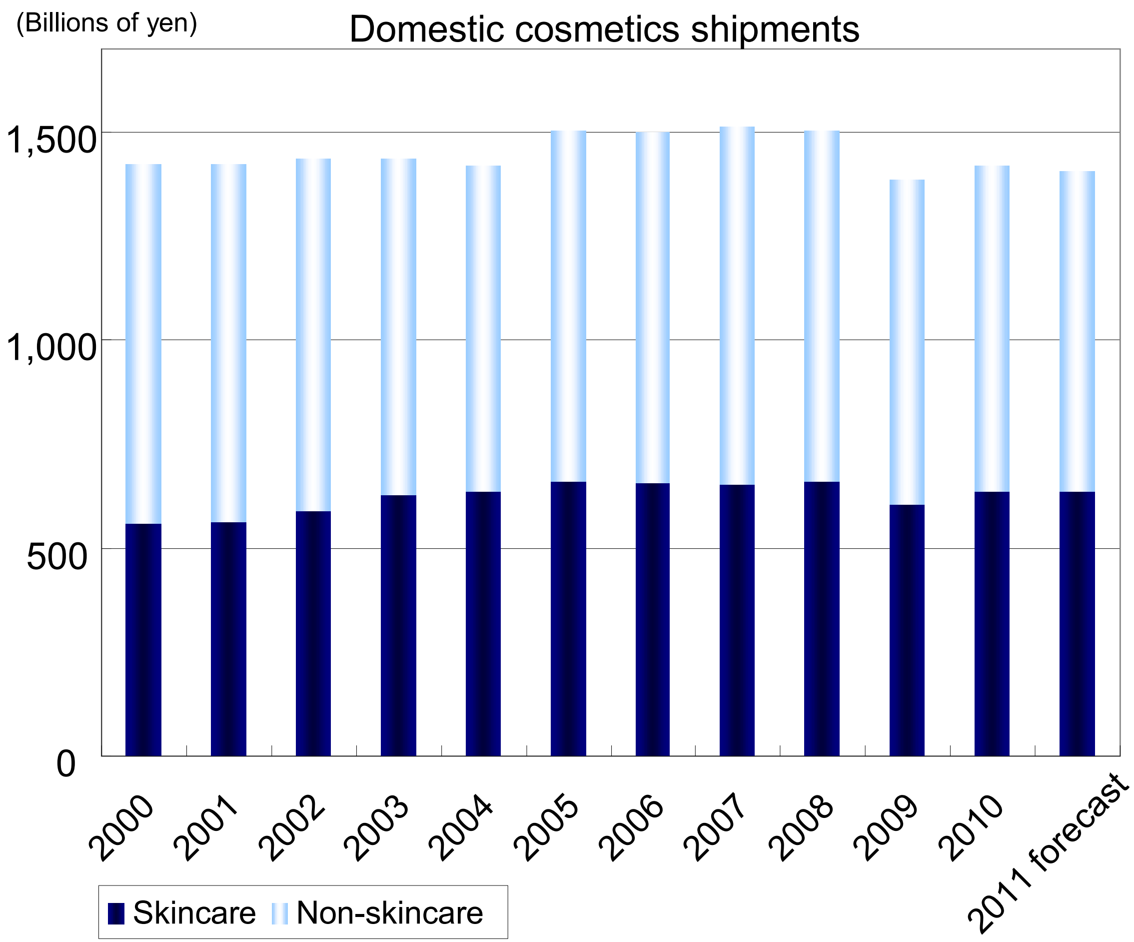
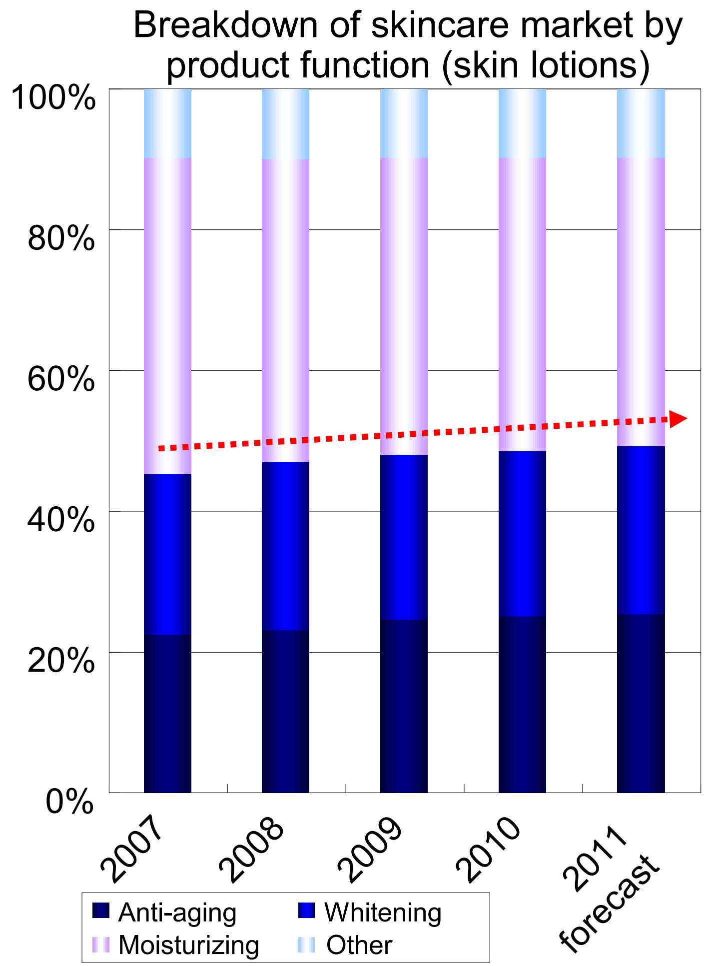


Source: The Office of Current Survey for Mining and Manufacturing within the Ministry of Economy, Trade and Industry; 2011 forecasts are based on Company estimates



Source: Fuji Keizai Group's "Marketing Handbook of Cosmetics 2011"

Conditions remain harsh in the domestic cosmetics market, but the skincare market is stable.

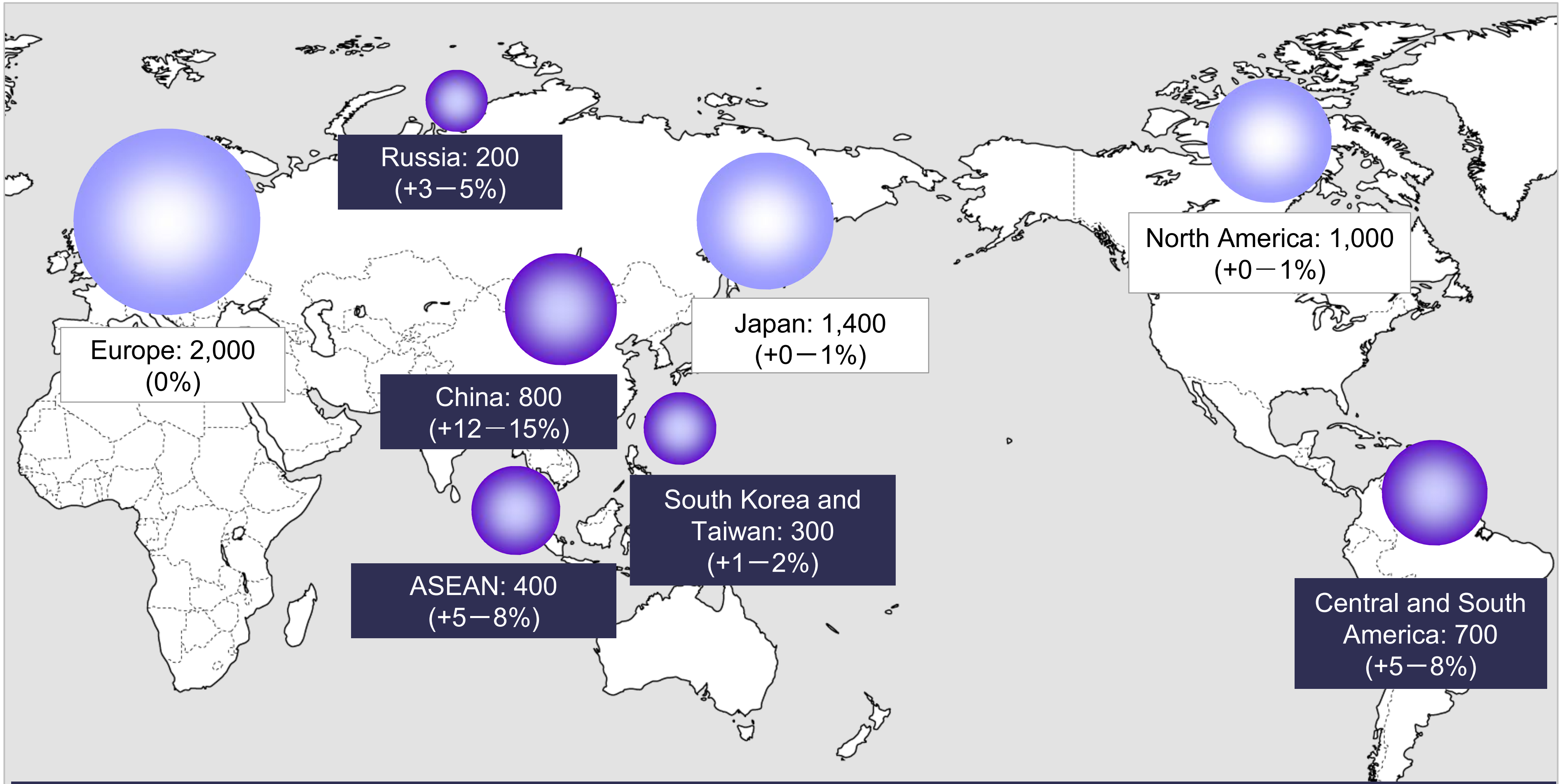
Skin-whitening and anti-aging products are occupying an increasingly large part of the skincare market.

Overseas Cosmetics Market Trends

POLA ORBIS HOLDINGS

Scale of skincare markets in 2010, by region
Average annual growth projections for 2011–2013

Note: Data based on Company estimates
(Billions of yen)



Markets in Europe, North America and Japan are maturing; markets in other parts of Asia, as well as in Central America and South America are expected to grow steadily.

2011–2013 Medium-term Management Plan

POLA ORBIS HOLDINGS

Generate stable profits with flagship brands and invest funds to implement growth strategy

- ◆ Consolidated net sales ⇒ CAGR* of 2–3%
- ◆ Operating income ⇒ CAGR of 10% or higher
- ◆ Operating margin ⇒ 9% (10% in Japan) in 2013

* CAGR: Compound annual growth rate

Strategy 1—Generate stable profits with flagship brands

POLA
- Increase profits from POLA THE BEAUTY
- Increase market share in luxury skincare cosmetics

ORBIS
- Implement measures to rebuild the ORBIS brand

Generate stable profits

Strategy 2—Accelerate growth of the portfolio of brands under development

pdc, FUTURE LABO, ORLANE PARIS, decencia, THREE

Strategy 3—Develop the Group's presence overseas by capitalizing on the Group's strengths

POLA
- Develop door-to-door sales channels in China
- Consulting-based sales in Russia and neighboring countries

ORBIS
- Mail-order sales business in China

Jurlique, H2O+ sea-derived skincare
- Accelerate growth and improve profitability in Asia
- Swiftly achieve synergistic effects

Strategy 4—Reinforce R&D capabilities
- Reinforce skincare ingredient development capabilities

Strategy 5—Reinforce the operating base

1. Enhance brand recognition (unaided recall)	2. Concentration on core competence	3. Business process management	4. Step up personnel training

Initiatives for Fiscal 2012 Oward (1)

POLA ORBIS HOLDINGS

Strategy 1－Generate stable profits with flagship brands

POLA

- Strengthen the three major series: ***B.A***, ***WHITISSIMO WHITE SHOT***, and ***APEX-i*** ⇒ Launch a ***B.A*** summer series in April 2012
- Continue to open PB stores (30 per year) and ensure stable sales growth at existing stores
- Try out next-generation PB stores (such as stores using smaller spaces, or with a stronger focus on product sales)
- Accelerate expansion of sales organization

ORBIS

- Accelerate efforts to rebuild the brand
  - ⇒ Improve the OIL-CUT (oil-free) concept
  - ⇒ Strengthen marketing targeted at women in their 40s and older
  - ⇒ Promote a "one-on-one" approach to marketing
  - ⇒ Revamp core systems
  - ⇒ Increase Internet order ratio and improve cost efficiency
- Reorganize warehouse system (integrate or close warehouses, build a new one in Kansai)
  - ⇒ Achieve next-day delivery capability nationwide and reduce fulfillment costs

Reinforce earnings structure

Strategy 2－Accelerate growth of the portfolio of brands under development

THREE

- Develop a larger presence through ongoing store openings and strengthening of products/promotions
- Begin to consider plans for further expansion overseas

B.A and B.A RED Summer, to be launched in April

Recommended products are displayed, based on each customer's profile

THREE ***CONDITIONING*** line, launched in February

Initiatives for Fiscal 2012 Onward (2)

POLA ORBIS HOLDINGS

Strategy 3ー Develop the Group’s presence overseas by capitalizing on the Group’s strengths

Expansion via existing brands

POLA	◆ China ⇒ Launch door-to-door sales business (planned for spring 2012) ◆ Other ⇒ Ensure stable growth with improved profitability in each country
ORBIS	◆ China ⇒ Step up Internet sales promotions ◆ Countries where ORBIS already operates ⇒ Ensure stable growth in South Korea and Taiwan

ORBIS website in China
http://www.orbis.com.cn

Accelerate growth through M&A

Jurlique	◆ China ⇒ Open outlets in department stores and directly operated stores Begin shipping products to luxury cosmetics stores ◆ Hong Kong ⇒ Open directly operated stores and expand sales per store
H2O+™ sea-derived skincare	◆ China ⇒ Begin shipping products to luxury cosmetics stores ◆ Increase shipments to new markets (Russia, South Korea and Brazil)

Herbal Recovery

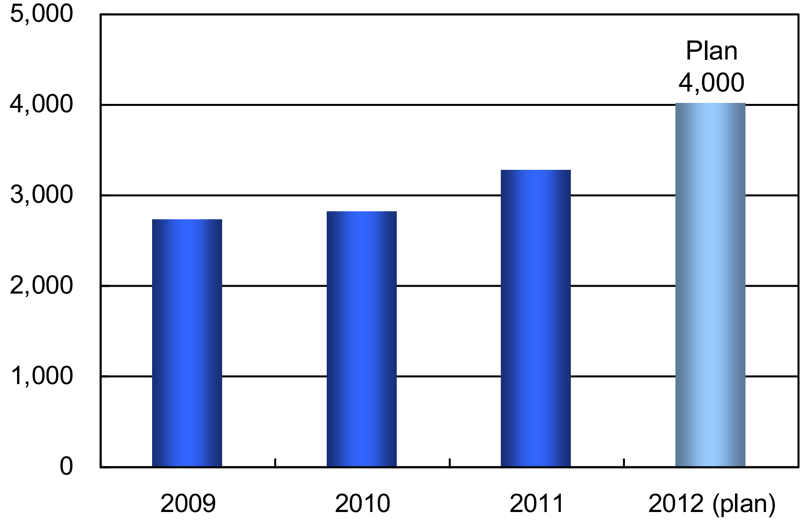
Aquafirm+ ™

Initiatives for Fiscal 2012 Onward (2)-2

H2O PLUS earnings

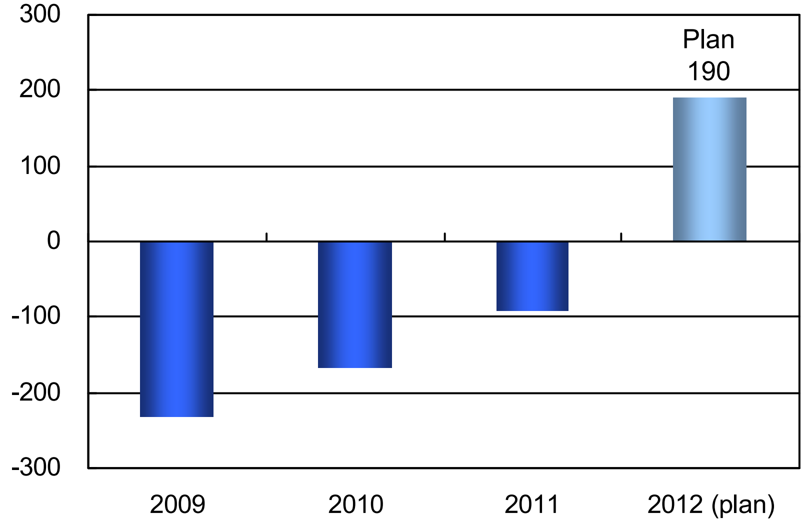
(Millions of yen)
1$=¥78.95

Net sales



(Millions of yen)

Operating income



Note: Figures for 2011 and 2012 (plan) are for operating income prior to deductions for the costs for amortization of goodwill.

Initiatives for Fiscal 2012

- Over 20% sales growth for H2O PLUS businesses overall
- 20–30% growth in China. Plan for shipments to luxury cosmetics stores
- Expanding new agents in Central and South America

H20 PLUS outlet in a Chinese department store

Initiatives for Fiscal 2012 Onward (3)

Strategy 4ー Reinforce R&D capabilities

POLA CHEMICAL INDUSTRIES	◆ Steadily shift the development of anti-aging and whitening skincare ingredients to the next phase ◆ Further evolve the OIL-CUT (oil-free) concept and formula ⇒ Introduce the concept and formula when needed for ORBIS products

Strategy 5ー Reinforce the operating base

Business integration	◆ Implement a highly effective post-merger integration (PMI) of the two acquired companies
Personnel training	◆ Swiftly recruit and train global management personnel ⇒ Establish Groupwide cross-organizational training seminars for management personnel ⇒ Promote the exchange of staff with the two acquired companies ⇒ Aggressively recruit from outside the Group

Internal company training

Shareholder Return and Basic Dividend Policy

POLA ORBIS HOLDINGS

Basic dividend policy

- A stable dividend of ¥40.00 per share
- Dividend increases considered according to level of profit growth

Fiscal 2012

Increase ¥5.00 per share as planned, factoring in the forecast for operating income growth, as well as the impact of income tax rate changes, and tax effects

Fiscal 2012	Annual dividend ⇒ ¥50.00 (planned) (Interim: ¥25.00; Year-end: ¥25.00) Payout ratio: 39.5%

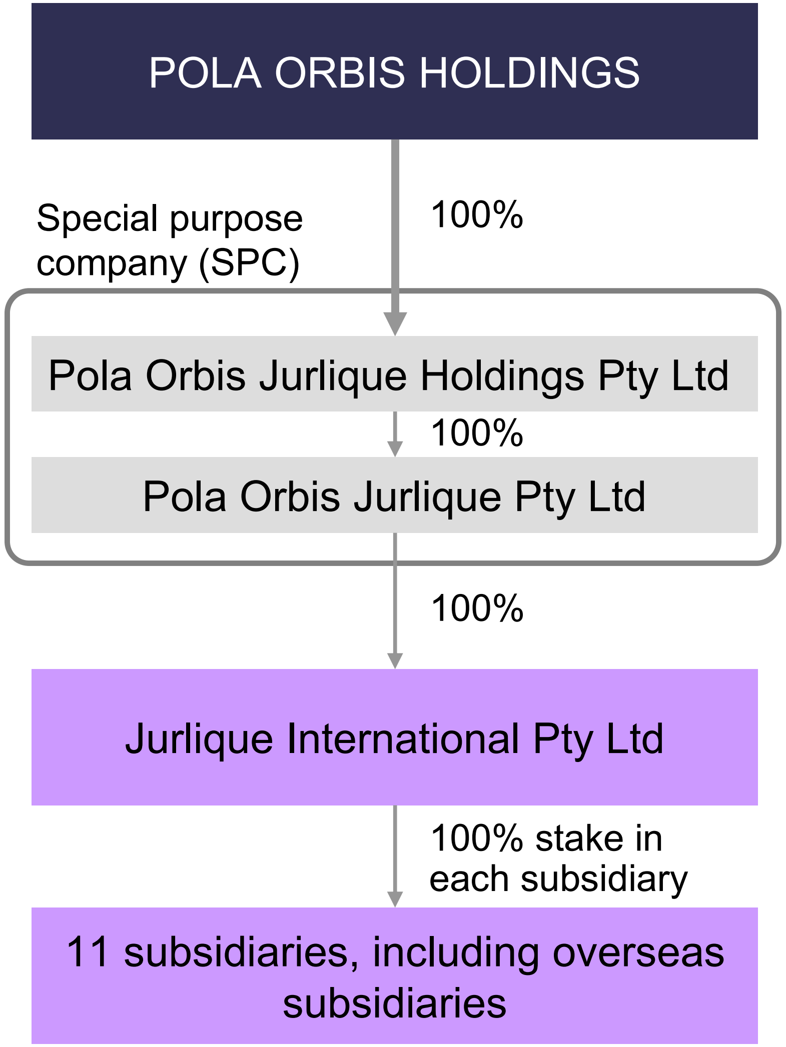
Reference

Fiscal 2010	Year-end dividend ⇒ ¥40.00 (single payment for the year) Payout ratio: 29.1%
Fiscal 2011	Annual dividend ⇒ ¥45.00 (Interim: ¥20.00; Year-end: ¥25.00) Payout ratio: 30.9%

POLA ORBIS HOLDINGS

Acquisition of Jurlique

Acquisition method	Acquisition of all outstanding shares in Jurlique from investment funds and individual investors
Acquisition cost	Share acquisition cost ⇒ AUD278 mil. Assumption of liabilities, etc. ⇒ AUD57 mil. Miscellaneous costs* ⇒ AUD6 mil. * Including advisory fees and lawyer fees
Financing	Entire acquisition amount covered by the Company's own funds
Timetable	November 30, 2011: Execution of share purchase agreement February 3, 2012: Completion of the acquisition
Comments	Earnings will be included in consolidated statements from February 2012 The Company is currently assessing the likely impact on fiscal 2012 consolidated earnings and will accordingly make a prompt announcement as soon as this becomes clear



Purpose of the Acquisition

Vision for 2020: Become a highly profitable global company

Net sales: ¥250.0 billion or more
Overseas sales ratio: 20% or more
Operating margin: Top level in the industry (13–15%)

Domestic: Achieve stable growth in Japan (CAGR of around 2%)	Domestic and overseas: Accelerate growth through M&A and alliances	Overseas: Grow flagship brands overseas, centering on Asia

M&A Policy

Selection criteria

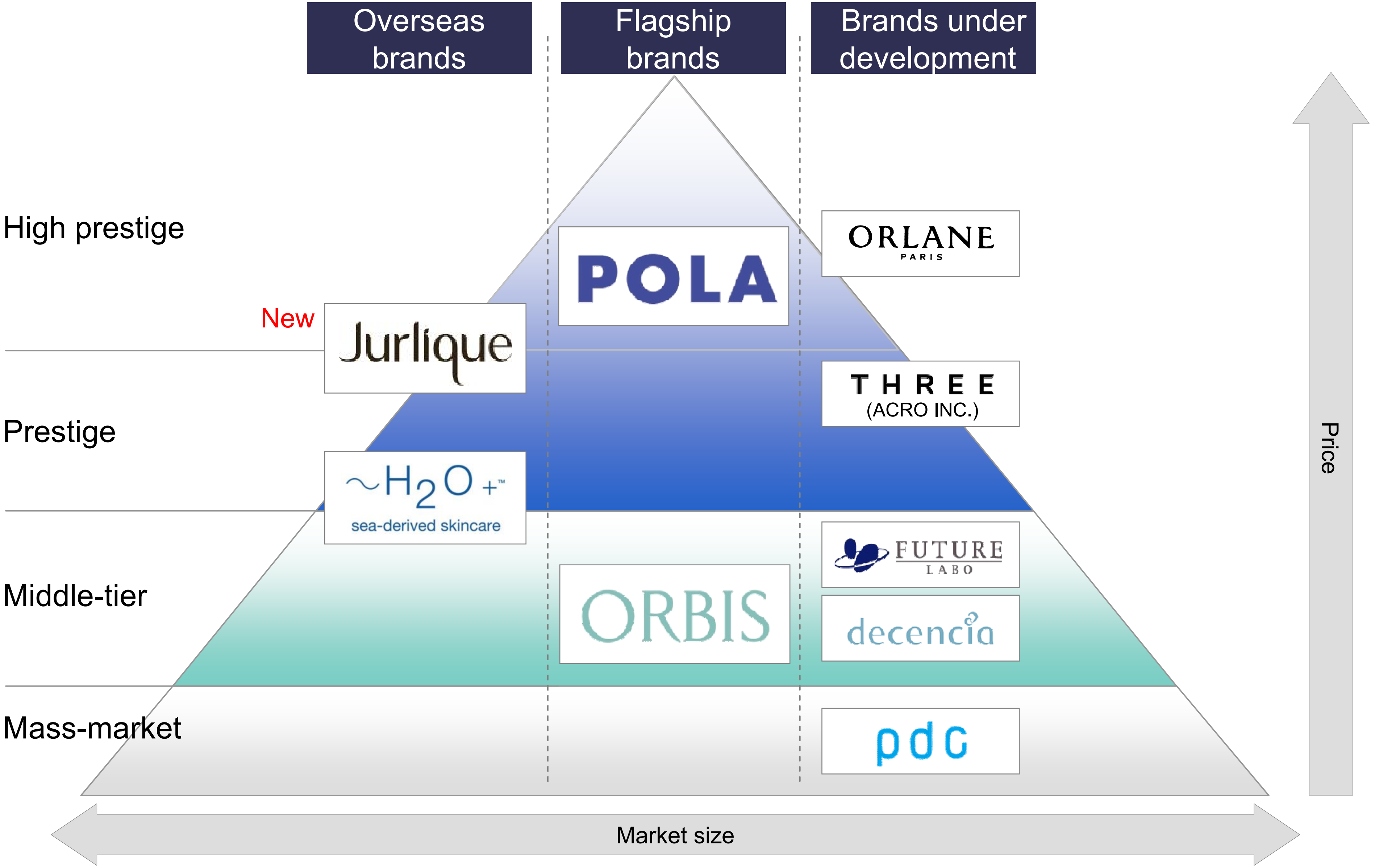
1. Brand concept ⇒ Clear brand concept (placing top priority on differentiation)
2. Ability to expand in Asia ⇒ Growth potential and ability to develop businesses in Asia
3. Generation of synergies ⇒ Able to generate synergies in R&D areas and in distribution
4. Management structure ⇒ A sound management structure that facilitates independence and autonomy

Valuation of target company

Based on an overall assessment of the company, using several valuation methods, including the DCF method and the “guideline company transactions method,” and factoring in the potential of the brand itself

Brand Portfolio

POLA ORBIS HOLDINGS



Company Outline and History

Outline

Company name:	Jurlique International Pty Ltd
Foundation:	1985
Capital:	AUD72,389 thousand (as of June 26, 2011)
Location:	Mount Barker, State of South Australia, Australia (Head office in suburban Adelaide)
Details of business:	Selling cosmetics in 20 countries, using mainly organic ingredients A pioneer of organic cosmetics, maintaining a consistent focus on original concepts since the company's foundation
Number of employees:	Approximately 300

History

- **1980**: Dr. Jurgen Klein and his wife Ulrike Klein emigrated to Australia to establish an organic farm in Adelaide Hills
- **1985**: Launch of first organic cosmetics product using ingredients produced by the organic farm

- **1998**: First expansion (store opening)
- **2002**: Expansion into North America (directly operated store opening)

- **2007**:
  - Renewal of stores and product designs
  - Establishment of Asian office (Hong Kong)

- **2008**: Launch of anti-aging products
- **2009**:
  - Japanese business converted into subsidiary
  - Expansion into China (department stores)

- **2011**:
  - Launch of skin-whitening products
  - Hong Kong business converted into subsidiary
  - Chinese business converted into subsidiary

Management Structure

President & CEO: Sam McKay

Background
Born in Australia. Joined the company six years ago. In charge of Jurlique's Australian, Asian and Duty-free store (DFS) businesses. Previously engaged in management and marketing strategy for an entertainment group.

CFO: Rob Gratton

Background
Born in Australia. Joined the company six years ago. In charge of Jurlique's finance and IT departments. Previously worked in the investment banking division of a major U.S. financial institution.

COO: Takafumi Takezawa

Background
1994: Joined POLA INC.
1998–2006: Engaged in business strategy in the Overseas Business Department of POLA INC.
2007–2011: Representative Director and President at ORLANE JAPON INC.

Note: The five-member Board of Directors comprises the three corporate officers mentioned above and the following two part-time Directors:
Part-time Director: Naoki Kume, currently Director of POLA ORBIS HOLDINGS INC.
Part-time Director: Takako Konishi, currently Executive Vice President of POLA INC.

Jurlique Brand Concept and Product Lineup

POLA ORBIS HOLDINGS

Brand concept

Nature. Science. Innovation.

We constantly focus on leveraging the nature's abundance. We believe that there is nothing better than the power of nature, and we harness that power to produce luxurious products.
We continue to search the world for ingredients that ensure skincare efficacy and are full of natural vitality.
We aim to consistently create highly effective cosmetics as we continue to support customers in their pursuit of beauty.
This is the essence of our company, Jurlique.

Product lineup

Skincare

Bath & Body

Gifts & Baby

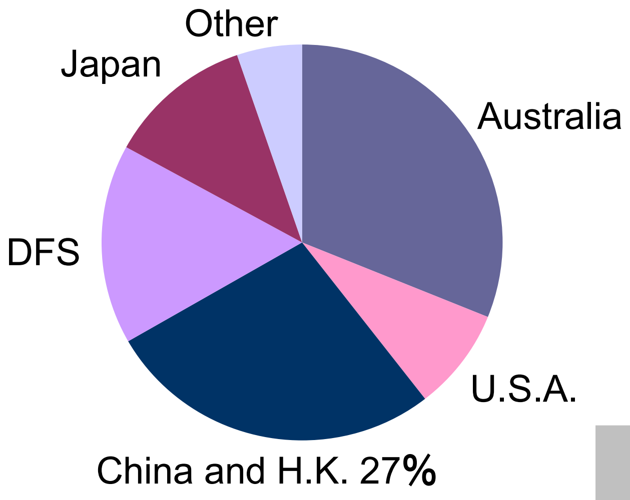
	Core price range	Ratio	Customer
Skincare	Basic $40—50 Whitening $30—60 Anti-aging $40—70	Approx. 60%	20s—40s
Bath & Body	Hand care $25—50 Body $12—40 Bath $20—40	Approx. 20%	
Gifts & Baby	Gifts $25—100 Baby $20—30	Approx. 20%	

Note: Core price ranges are based on Australian prices.

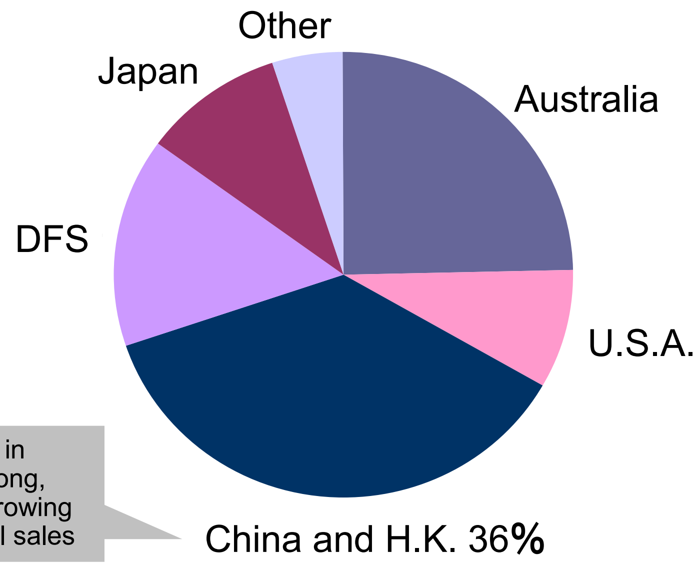
Sales Breakdown by Country and Channel

Sales breakdown by country

Fiscal year ended June 2011 (Actual)

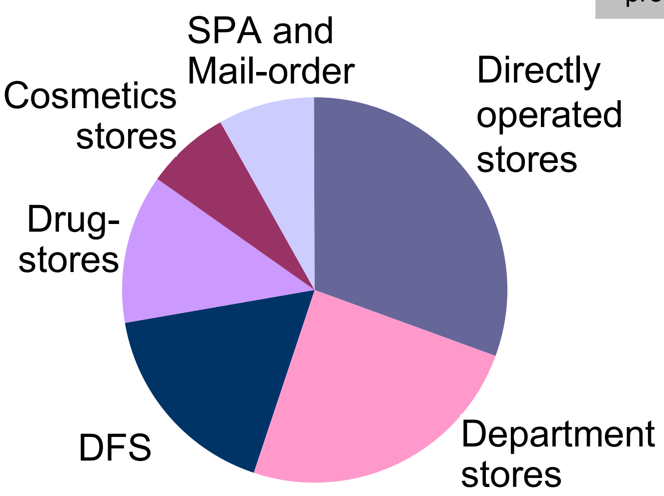


Fiscal year ending June 2012 (Forecast)

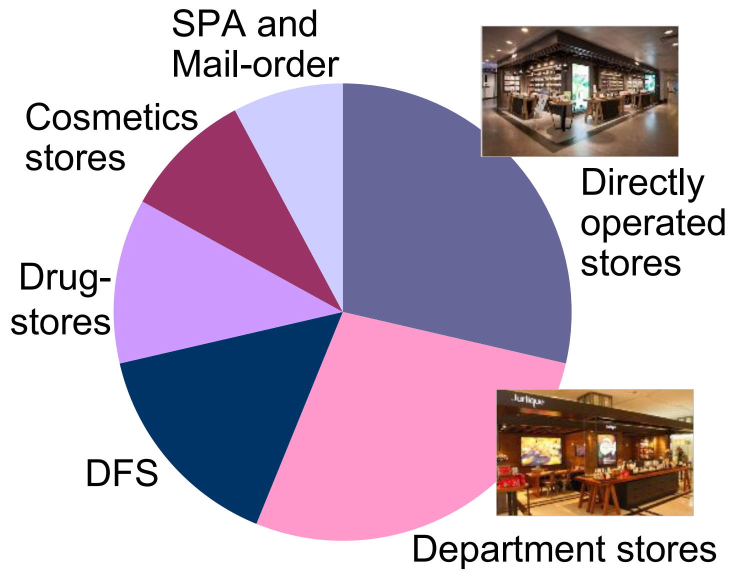


Strong sales in China/Hong Kong, representing a growing proportion of total sales

Sales breakdown by channel



Sales mainly generated at directly operated stores, department stores and duty-free stores



Synergistic Effects

POLA ORBIS Group

R&D → **Manufacturing** → **Marketing/Sales**

R&D:
- ◆ 13 million sets of skin data
- ◆ Material development capabilities in whitening and anti-aging skincare

Marketing/Sales:
- ◆ Direct consulting
  - ⇒ Consulting
  - ⇒ Marketing capability based on customer information

1. R&D phase

- R&D leveraging the expertise of both Jurlique and H2O PLUS. Planned launches of new anti-aging and whitening skincare products by Jurlique and H2O PLUS.
- Joint procurement of ingredients and packaging, leading to cost reductions and increased efficiency in manufacturing.

2. Sales/Distribution phase

Creation of Groupwide cross-organizational task force, with the involvement of Jurlique and H2O PLUS management. Combination of the know-how of both companies with the direct-selling capability that is a key resource of the POLA ORBIS Group.

3. Personnel training

Develop human resources via task force and personnel exchanges.

Jurlique and H2O PLUS

R&D → **Manufacturing** → **Marketing/Sales**

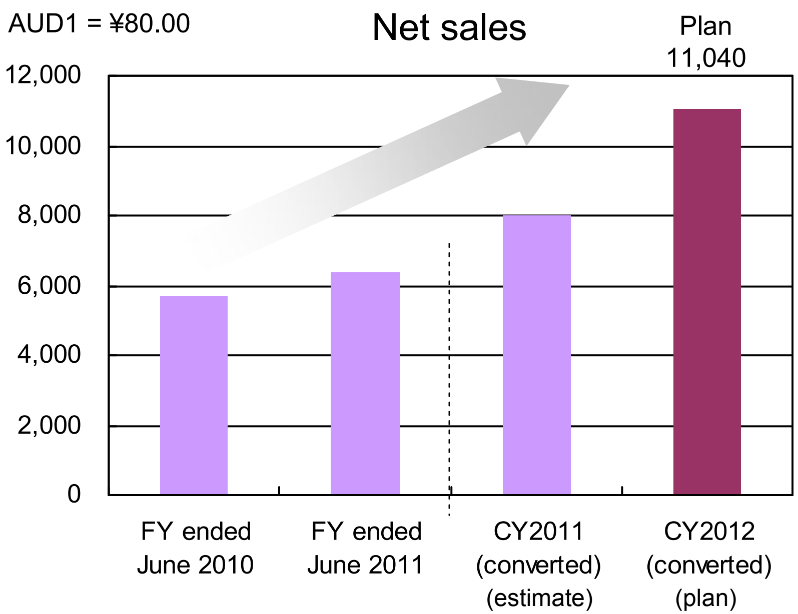
R&D:
- ◆ Clear product concept
- ◆ Skills in developing original materials and ingredients

Marketing/Sales:
- ◆ Ability to expand swiftly through utilization of agents
- ◆ Know-how in developing directly operated stores overseas

Earnings and Impact on Consolidated Performance

Jurlique Earnings

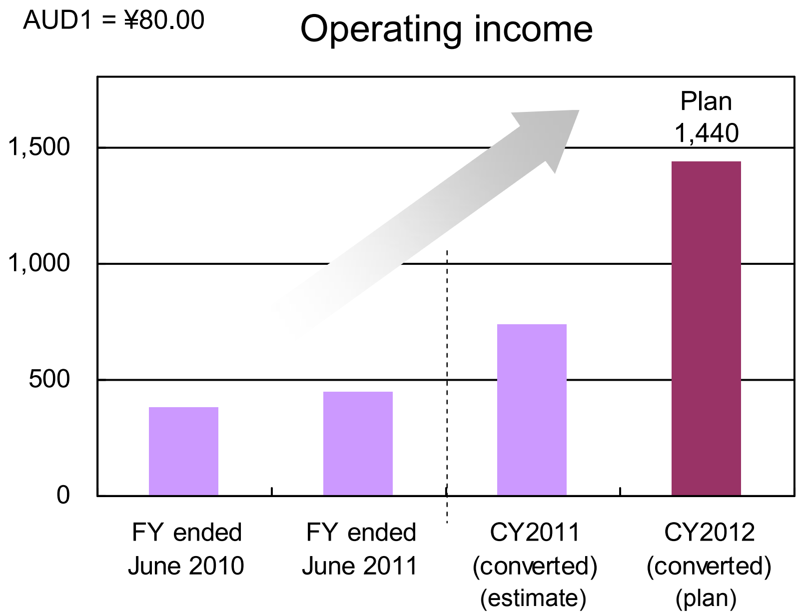
(Millions of yen)
AUD1 = ¥80.00



The CY2011 (converted) estimate includes a six-month contribution from the Hong Kong subsidiary.

The CY2012 (converted) plan includes a 12-month contribution from the Hong Kong subsidiary and a contribution from the mainland China subsidiary from February 3, 2012.

(Millions of yen)
AUD1 = ¥80.00



The CY2011 (converted) estimate includes a six-month contribution from the Hong Kong subsidiary.

The CY2012 (converted) plan includes a 12-month contribution from the Hong Kong subsidiary and a contribution from the mainland China subsidiary from February 3, 2012.

Note: The CY2012 (converted) plan is for operating income prior to deductions for the costs for amortization of goodwill.

Impact on Consolidated Performance

- Jurlique's earnings will be reflected in consolidated statements from the first quarter (contribution starts in February) of fiscal 2012, the fiscal year ending December 31, 2012.
- The Company is currently assessing the likely impact on consolidated earnings and will accordingly make a prompt announcement when necessary.

Steps Toward Achieving Our Long-term Vision

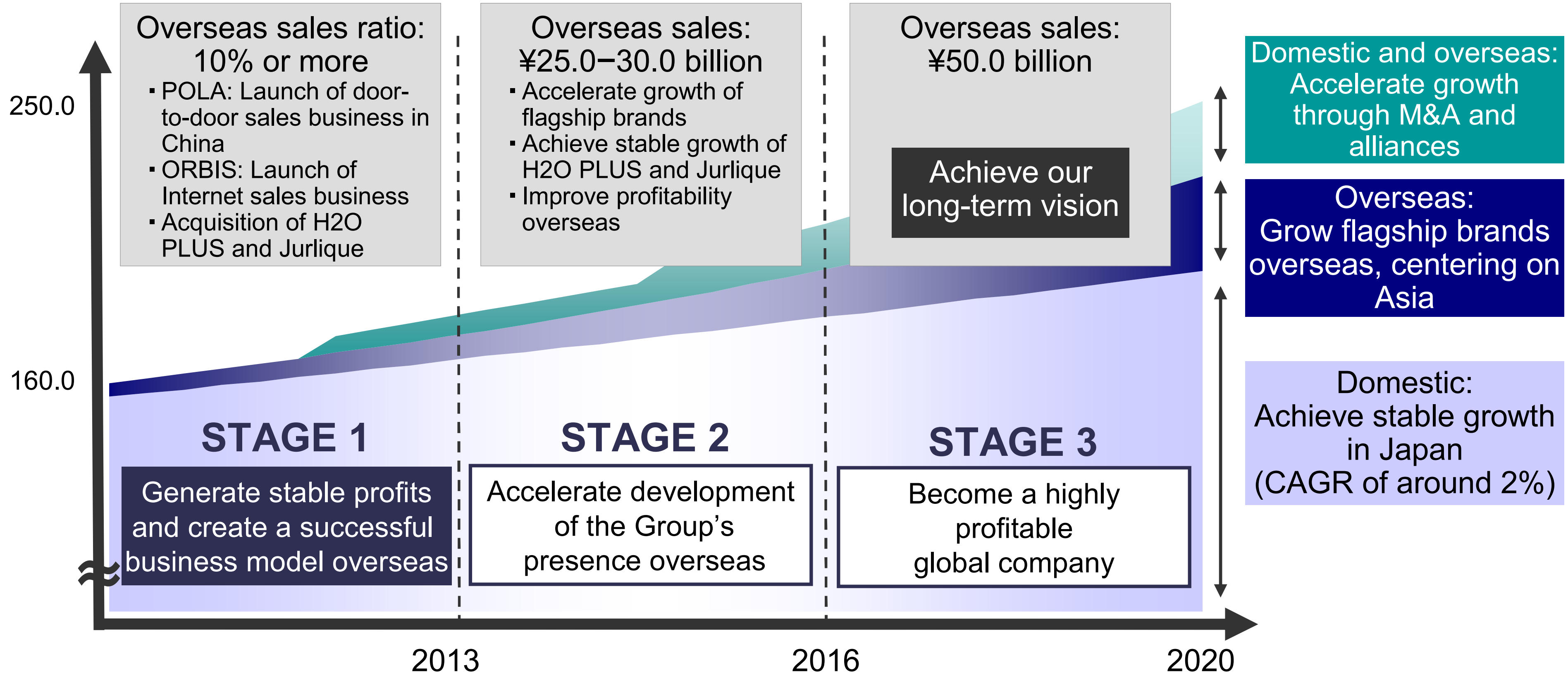
POLA ORBIS HOLDINGS

Corporate Philosophy

“Inspire all people and touch their hearts”

Management Indicators

Net sales: ¥250.0 billion or more
Overseas sales ratio: 20% or more
Operating margin: Top level in the industry (13–15%)



Regarding revisions to reference figures in "Fiscal 2010 Results and Medium-term Management Plan for FY2011–FY2013," P. 11 (February 15, 2011, in Japanese only)

POLA ORBIS HOLDINGS

Owing to a change in segments from fiscal 2011 onward, materials for the fiscal 2010 results briefing held in February 2011 show provisional figures based on the new segments (instead of actual fiscal 2010 results).

↓

As disparities have emerged between the audited results and the provisional figures for fiscal 2010 segment operating income, the changes are shown below.

(Millions of yen)	(1) Feb. 15, 2011 Provisional figures	(2) FY2010 Results	Difference
Operating income	12,270	12,270	0
Beauty care	9,836	10,165	329
POLA	5,592	5,592	0
ORBIS	6,169	6,169	0
Other (brands under development)	-1,926	-1,596	329
Real estate	1304	1,304	0
Others	302	223	-78
Reconciliations	828	576	-251

Fiscal 2010 results in this document are based on the figures in column 2.

Reasons

1. Ginza building costs have been reallocated from the Beauty Care segment to the Group as a whole (under "Reconciliations").
2. Restoration costs have been reallocated from the Beauty Care segment to the Others segment.