November 9, 2026

Summary of Key Questions and Answers Concerning the Financial Results for FY 2026 Q3

1. **[Consolidated results] How did Q3 performance compare to the company forecast? How did it break down by brand?**

   On a consolidated basis, cumulative sales for the first three quarters exceeded the forecast by 300 million yen and exceeded the forecast for operating profit by 1.3 billion yen. The operating profit surplus breakdown by brand was as follows: POLA at 300 million yen, ORBIS at 500 million yen, and the brands under development at just over 300 million yen in total.

2. **[Consolidated results] Have there been any changes to the full-year outlook by brand based on the Q3 results?**

   The sales outlook remains unchanged. POLA's operating profit forecast was increased by 200 million yen, reaching 9.5 billion yen for the full year. Meanwhile, the forecast for the brands under development was decreased by 200 million yen, projecting a loss of 1.45 billion yen.

3. **[Consolidated results] Regarding the full-year operating profit outlook: Why did you keep the full-year forecast the same even though operating profit exceeded the third-quarter forecast?**

   One reason the Q3 operating profit exceeded the forecast was that certain expenses originally planned for Q3 were postponed to Q4. We plan to make investments in Q4 that will drive growth in the next fiscal year and beyond. This includes investments aimed at attracting senior customers to ORBIS. We intend to proceed with the planned investments. However, depending on sales performance, we may control costs to meet our operating profit target even if sales fall short of the forecast.

4. **[POLA] Provide the year-over-year change in Q3 standalone sales for the salon channel, excluding the impact of secondary distribution controls.**

   Sales for Q3 alone fell by about two percent. This decline was greater than that seen in the first half of the year. Unfavorable weather in September made the condition severe.

5. **[POLA] Regarding the status of the salon channel: Provide an update on the status of stores on a growth track in Q3.**

   In Q3 alone, sales from stores on a growth track increased by about four percent. Although we achieved a certain level of growth, it fell short of our expectations. From now on, we will focus on strengthening our customer base by rolling out initiatives that facilitate store visits and improve the customer retention rate across stores on a growth track with the aim of increasing their growth rates.

6. **[POLA] Regarding the salon channel's full-year forecast: Based on the forecast at the start of the fiscal year, sales in the second half of this year are expected to be similar to those in the same period last year. Are there any plans to revise this forecast?**

   To achieve sales similar to those of the last year in the second half of this year, it is crucial to boost the growth rate of stores on a growth track. However, we were unable to increase the rate sufficiently. These stores' monthly sales had been growing in July and August, but they were affected by unfavorable weather in September. We aim for sales at the salon channel for Q4 alone to be similar to those in the same period last year.

7. **[POLA] Provide the year-over-year change in sales from inbound tourists.**

In Q3 alone, sales from inbound tourists totaled 680 million yen, which is about a 100 million yen decrease compared to the same period last year.

8. **[POLA] Overseas sales increased. Provide an update on the status of each sales channel.**

Sales growth was driven by business in China and duty-free sales in South Korea. Although duty-free sales in South Korea showed an increase during the first three quarters, full-year sales are expected to be similar to those of the last year, and the business is generally proceeding as planned. Sales from the China business totaled 4 billion yen for the first three quarters, marking a 30 percent year-over-year increase and about a 15 percent increase on a local currency basis. In the past, the business expanded primarily through offline channels, such as department stores, and by increasing their number. Currently, however, the company is in the process of closing unprofitable stores. Consequently, sales through offline channels have declined with the exception of travel retail. Conversely, sales through online channels have remained strong. The revamped B.A. Series, in particular, has gained popularity among Chinese customers, contributing to the increase in sales.

9. **[POLA] Provide an update on the status of ASEAN.**

Sales increased by about five percent during the first three quarters. Since the business is still in the stage of making up-front investments, we will work to improve profitability as the business foundation expands.

10. **[POLA] Regarding the revamp of Wrinkle Shot: What is the sales target for the next fiscal year?**

We aim to achieve a sales increase of about 10 percent for the entire Wrinkle Shot Series compared to 2026. However, since we are currently discussing the business plan for the next fiscal year, the target is still under consideration.

11. **[POLA] Provide an update on the status of the hotel amenities channel.**

Sales increased for the first three quarters. However, because of such factors as tourist trends and the situation in the Middle East, our client hotels and facilities have reviewed their orders for amenities, resulting in a lower year-over-year sales growth rate.

12. **[ORBIS] Now that the positive impact of cleansing oil sales appears to have ended, what factors are driving the continued strong performance in both sales and operating profit?**

Cumulative sales for the first three quarters exceeded the forecast by about 300 million yen and exceeded the forecast for operating profit by 500 million yen. From July to September, sales increased by 3.8 percent year-over-year, though the growth rate slowed slightly. However, growth itself continued thanks to an increase in the number of existing customers through direct sales channels, as well as an increase in the number of stores carrying our products and in the product variety at each store through external channels, as well as increased repeat purchases. From a product category perspective, increased sales of cleansing oil are driving overall sales, while ORBIS “U.” (U-Dot) and special care products are also showing growth.

13. **[ORBIS] Are new customers in the senior demographic being successfully acquired?**

We have conducted tests on customer acquisition methods. As a result, we are on the way to identifying approaches that lead to more efficient customer acquisition and improved retention rates. We plan to continue investing in order to promote this initiative substantially.

14. **[Jurlique] What is the current status of the structural reforms? What are the chances of becoming profitable this fiscal year? How much will the structural reforms cost next fiscal year?**

We are steadily promoting structural reforms and aim to become profitable this fiscal year. We will work hard to achieve profits even if sales fall short of the forecast. We do not anticipate incurring the same level of structural reform costs next fiscal year as we spent this year. We aim to achieve top-line growth by building on the results of this fiscal year's reforms.

15. **[Brands under development] While the cumulative operating loss for the first three quarters of this fiscal year was smaller than the company's forecast, the company explained that it was lowering its full-year forecast. What is the reason for this?**

The main reason for the discrepancy between the forecasted and actual cumulative figures for the first three quarters was the delayed execution of Group scientific research expenses for the future to Q4. The amount was just under 200 million yen. We have reviewed our full-year forecast in light of the Q3 top-line performance of brands, such as DECENCIA, THREE, and FUJIMI.

16. **[Other] Some have observed differences in consumer trends between younger and older demographics in the Japanese market. How do you view this market environment?**

When we examine the market environment by price range rather than by age, we see that sales in the high-price range of 10,000 yen and above remain steady, while the 5,000-to-10,000-yen range has been relatively weak. Sales in the price range of our Group's main brands remain relatively strong. Therefore, we do not consider the current market environment to be a significant negative factor for our business operations.

17. **[Other] What measures are implemented to protect customer information on the company's e-commerce site?**

We recognize that the protection of personal information is one of our key management priorities, and we are constantly working to improve our security measures from both the technical and operational perspectives. Although it may be difficult to completely prevent cyberattacks, we are working to mitigate risks by providing employee training and establishing emergency response systems, in addition to preventing unauthorized access.

[Attention]
This document contains our summary (in random order, edited for the disclosure format) of the questions and answers regarding the financial results in view of fair disclosure while taking responsibility for the summarization. We do not guarantee the accuracy and completeness of the information provided, and such information is subject to change without notice. Statements about the future included in this material, including financial projections, are based on information currently available and certain assumptions considered reasonable, which do not guarantee the achievement of the projected results. The actual financial results may vary from such forecasts depending on the economic situation and various other uncertain factors.