

First Half of Fiscal 2024 Supplementary Material

POLA ORBIS HOLDINGS INC.
Representative Director and President
Yoshikazu Yokote

- 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.
- POLA ORBIS HOLDINGS INC. has applied Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020), etc. from fiscal 2022. The results for fiscal 2021 in this presentation have been calculated using the same accounting standards as those in fiscal 2022, and are shown as reference information (unaudited) for the purpose of comparison.

1. Highlights of Consolidated Performance
2. Segment Analysis
3. Initiatives Going Forward
4. Forecasts for Fiscal 2024
5. Appendices

Cosmetics Market

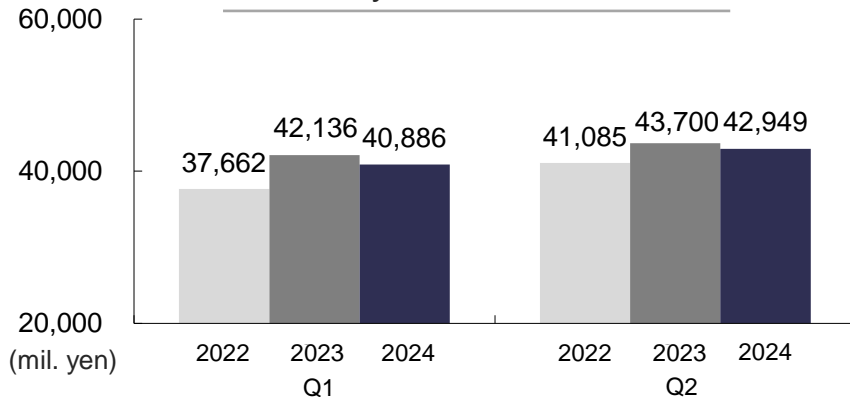
- The scale of the Japanese cosmetics market as a whole continued to show steady growth.
- A difficult business environment persisted for the cosmetics market in mainland China amid uncertain economic conditions.

Source: Ministry of Economy, Trade and Industry, Ministry of Internal Affairs and Communications, Japan Tourism Agency, Japan Department Stores Association, Intage SLI, and National Bureau of Statistics of China

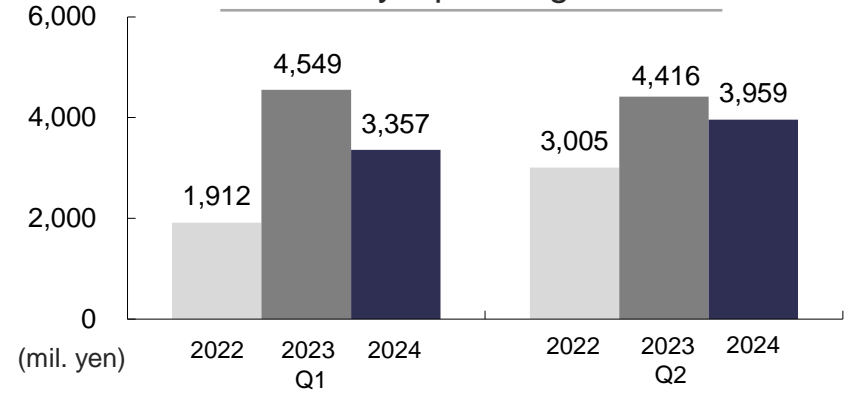
Our Group

- Consolidated net sales decreased (up 1% YoY in Japan, down 16% YoY in overseas) as did consolidated operating income, impacted by POLA's performance.
- Despite a persistently strong performance in department stores, POLA's revenue from consignment sales channel declined in Japan. Overseas, revenue in mainland China fell due to a continued deterioration in business sentiment.
- ORBIS continued to record double-digit growth in revenue and income, with growth in external channels, in addition to the direct selling channel.
- Jurlique saw increased revenues, with growth in Australia and duty free channel.
- Losses from brands under development were ameliorated.

Quarterly Consolidated Sales



Quarterly Operating Income



(mil. yen)	FY2023	FY2024	YoY Change	
	H1 Results	H1 Results	Amount	%
Consolidated net sales	85,836	83,836	(2,000)	(2.3%)
Cost of sales	15,177	15,057	(119)	(0.8%)
Gross profit	70,659	68,778	(1,880)	(2.7%)
SG&A expenses	61,692	61,461	(230)	(0.4%)
Operating income	8,966	7,316	(1,649)	(18.4%)

Key Factors

- Consol. net sales** Revenue decreased, mainly due to lower revenue at POLA, despite an increase in revenue at ORBIS. Excluding the impact of the liquidation of the H2O PLUS, Amplitude, and ITRIM brand businesses in FY2023, net sales were in line with the previous year.
- Cost of sales** Cost of sales ratio 2023H1: 17.7% ⇒ 2024H1: 18.0%
- SG&A expenses** Labor expenses: up ¥140 mil. YoY
 Sales commissions: down ¥1,038 mil. YoY
 Sales related expenses: down ¥286 mil. YoY
 Administrative expenses, etc.: up ¥954 mil. YoY
- Operating income** Operating margin 2023H1: 10.4% ⇒ 2024H1: 8.7%
 Improved from 8.2% in Jan.-Mar. to 9.2% in Apr.-Jun.

Consolidated P&L Changes Analysis

Operating Income to Interim Profit Attributable to Owners of Parent

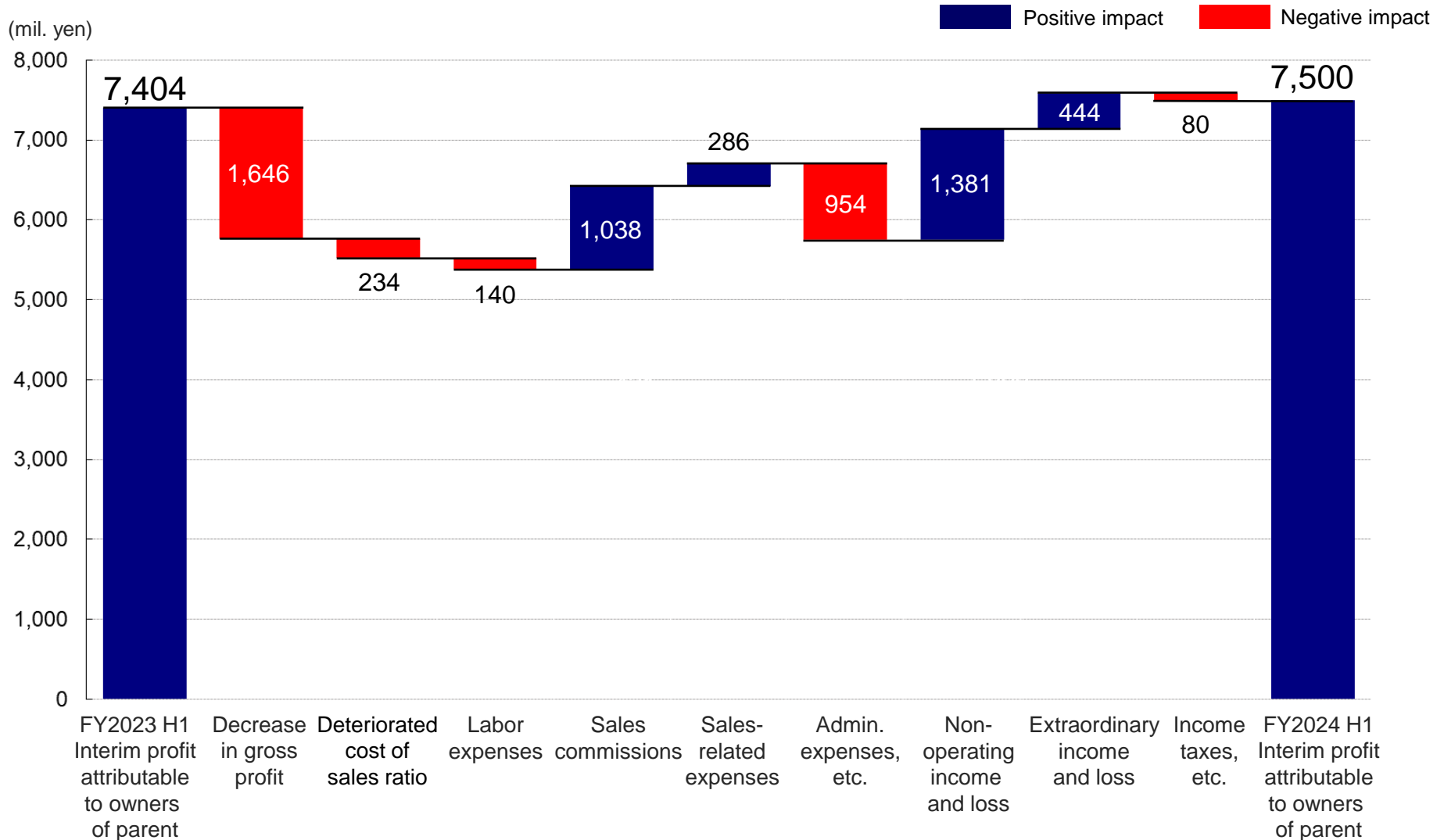
(mil. yen)	FY2023	FY2024	YoY Change	
	H1 Results	H1 Results	Amount	%
Operating income	8,966	7,316	(1,649)	(18.4%)
Non-operating income	2,560	3,979	1,418	55.4%
Non-operating expenses	137	174	37	27.4%
Ordinary income	11,389	11,121	(268)	(2.4%)
Extraordinary income	376	-	(376)	-
Extraordinary losses	1,046	225	(821)	(78.5%)
Interim net income before income taxes	10,720	10,896	175	1.6%
Income taxes etc.	3,275	3,374	98	3.0%
Interim profit attributable to non-controlling interests	40	21	(18)	(46.2%)
Interim profit attributable to owners of parent	7,404	7,500	95	1.3%

Key Factors

- Non-operating income Foreign exchange gains of ¥3,582 mil.
- Extraordinary losses Recorded ¥589 mil. in extraordinary losses in the same period of FY2023 due to the liquidation of Amplitude and ITRIM.

Factors Impacting Interim Profit Attributable to Owners of Parent

Despite a decrease in gross profit due to lower revenue, interim profit attributable to owners of parent increased by ¥95 mil. YoY due to the impact of foreign exchange rates.



1. Highlights of Consolidated Performance
2. **Segment Analysis**
3. Initiatives Going Forward
4. Forecasts for Fiscal 2024
5. Appendices

(mil. yen)	FY2023	FY2024	YoY Change	
	H1 Results	H1 Results	Amount	%
Consolidated net sales	85,836	83,836	(2,000)	(2.3%)
Beauty care	83,529	81,322	(2,207)	(2.6%)
Real estate	1,036	995	(40)	(3.9%)
Others	1,270	1,518	247	19.5%
Operating income	8,966	7,316	(1,649)	(18.4%)
Beauty care	8,713	7,890	(823)	(9.5%)
Real estate	277	0	(277)	(99.9%)
Others	30	141	110	359.3%
Reconciliations	(55)	(714)	(659)	-

Segment Results Summary

- Beauty care Net sales decreased, mainly due to a decline in revenue from the POLA, and the resulting decrease in gross profit led to a decline in operating income.

Beauty Care Business Results by Brands

(mil. yen)	FY2023	FY2024	YoY Change	
	H1 Results	H1 Results	Amount	%
Beauty care net sales	83,529	81,322	(2,207)	(2.6%)
POLA	49,763	45,966	(3,796)	(7.6%)
ORBIS	20,902	23,992	3,090	14.8%
Jurlique	3,838	4,100	261	6.8%
Brands under development	8,350	7,262	(1,087)	(13.0%)
Beauty care operating income	8,713	7,890	(823)	(9.5%)
POLA	7,012	5,245	(1,767)	(25.2%)
ORBIS	3,127	4,518	1,391	44.5%
Jurlique	(1,083)	(1,574)	(490)	-
Brands under development	(428)	(299)	128	-

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

Totals for the beauty care business in FY2023 include results for the H2O PLUS brand (liquidation completed in December 2023).

H1 Result

- New customer acquisitions were on an improving trend in the consignment sales channel.
- Maintained double-digit revenue growth in department stores by strengthening beauty counseling pivot on new products.
- For Chinese business, revenue from the stores providing aesthetic treatment increased in the second quarter, but the business environment remains adverse.

H1	Results (mil. yen)	YoY Change
Net sales	45,966	(7.6%)
Operating income	5,245	(25.2%)
Key indicators		
Sales ratio	Domestic	83.3%
	Consignment sales	59.8%
	E-commerce	7.0%
	Dept. store, B2B ⁽¹⁾ etc.	16.5%
	Overseas	16.7%
Sales growth ⁽²⁾	Domestic	down 6.3%
	Consignment sales	down 11.1%
	E-commerce	down 0.7%
	Dept. store, B2B etc.	up 13.5%
	Overseas	down 14.0%
Domestic business	Purchase per customer ⁽²⁾ / # of customers ⁽²⁾	down 5.0% / down 4.8%
# of stores domestic ⁽³⁾		2,598 (down 68)
# of stores overseas ⁽³⁾		158 (down 4)

(1) Hotel amenities business (2) YoY basis (3) vs Dec. 2023

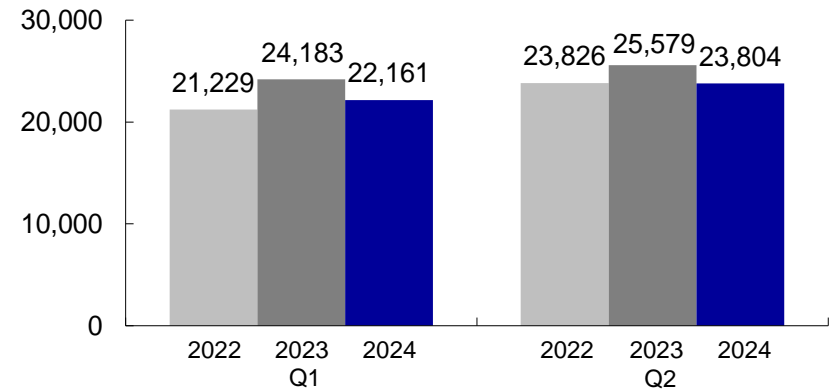
Topics

- Our new products performed strongly, receiving multiple best cosmetics awards.

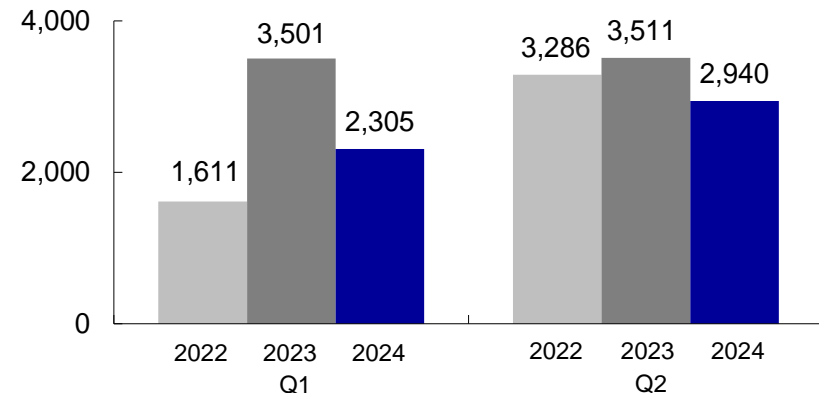


(Left) POLA B.A LIGHT SELECTOR
(Right) POLA WHITE SHOT FACIAL SERUM

Quarterly net sales (mil. yen)



Quarterly operating income (mil. yen)



H1 Result

- Customer numbers increased for both new and existing customers in the direct selling channel, and both revenue and income continued to grow.
- The highly functional, high price range products such as *ORBIS U.* and *ORBIS WRINKLE BRIGHT UV PROTECTOR* grew substantially, contributing to the rise in purchase per customer.
- ORBIS' external channels remained strong, maintaining a high growth rate.

H1	Results (mil. yen)	YoY Change
Net sales	23,992	14.8%
Operating income	4,518	44.5%
Key indicators		
Sales ratio	Domestic	96.8%
	Direct selling ⁽¹⁾	81.4%
	External channels etc.	15.4%
	Overseas	3.2%
Sales growth ⁽²⁾	Domestic	up 17.0%
	Direct selling	up 9.2%
	External channels etc.	up 88.7%
	Overseas	down 26.9%
Direct selling purchase per customer ⁽²⁾		up 4.1%
Number of direct selling customers ⁽²⁾		up 5.0%

(1) Total of in-house mail-order (e-commerce and catalog) and directly-operated stores sales

(2) YoY basis

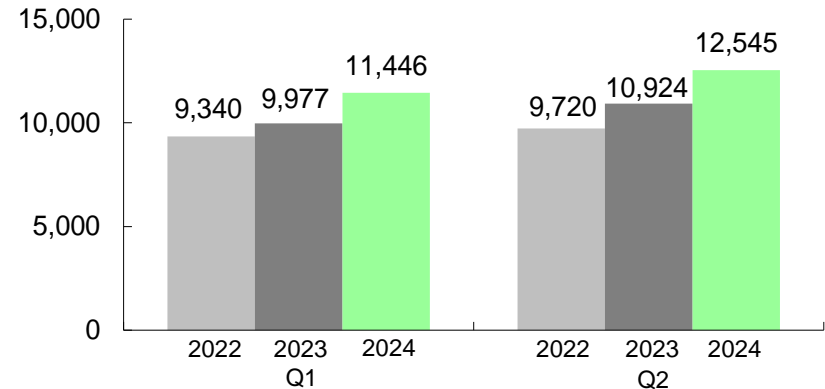
Topics

- Launch of a limited-edition large size from the popular UV product (April); revenue growth of over 40% YoY.

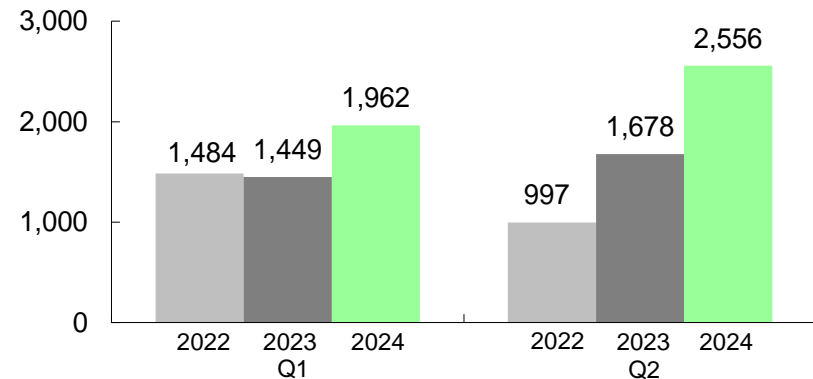


ORBIS WRINKLE BRIGHT UV PROTECTOR

Quarterly net sales (mil. yen)



Quarterly operating income (mil. yen)



H1 Result

- Despite a struggle in mainland China and Hong Kong, we focused on customer acquisition centered on new products in Australia, leading to growth.
- An increase in SG&A expenses aimed at expanding new product sales prevented amelioration of losses.

H1	Results (mil. yen)	YoY Change
Net sales	4,100	6.8%
Operating income ⁽¹⁾	(1,574)	(490)
Key indicators		
Sales ratio	Australia	21.6%
	Mainland China	34.4%
	Hong Kong	11.0%
	Duty free	16.4%
Sales growth ⁽²⁾	Australia	up 11.2%
	Mainland China	down 13.7%
	Hong Kong	down 22.3%
	Duty free	up 25.6%

(1) The YoY change is shown as the amount (mil. yen)

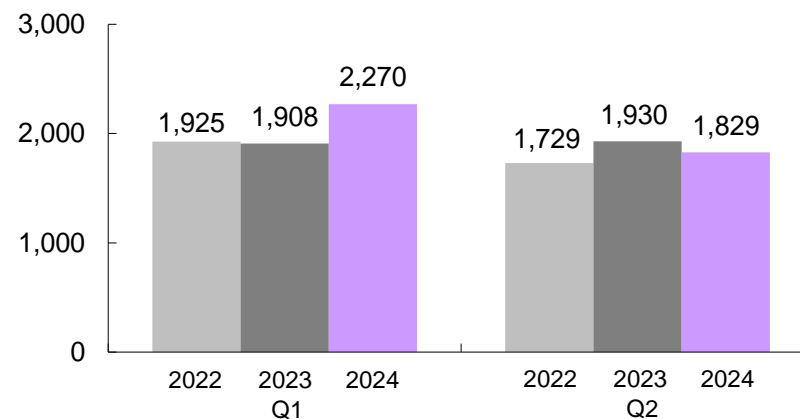
(2) AUD basis, YoY

Topics

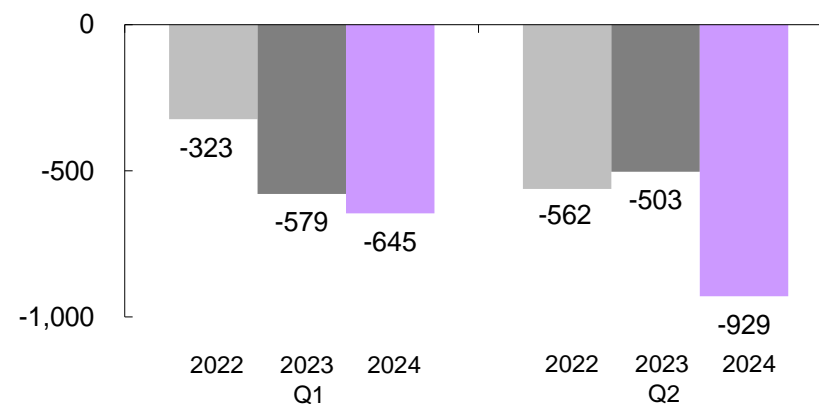
- Domestic launch of the *HERBAL RECOVERY* series, condensing the blessings of herbs and flowers (June).



Quarterly net sales (mil. yen)



Quarterly operating income (mil. yen)



H1 Result

- THREE promoted the acquisition of repeat customers through a holistic approach centered on products such as the *BALANCING* series.
- DECENCIA strengthened its cross-selling proposals and continued its strong performance.
- Excluding the impact of the liquidation of the Amplitude and ITRIM brands, overall net sales of brands under development were in line with the same period in the previous year.

H1	Results (mil. yen)	YoY Change
Net sales	7,262	(13.0%)
Operating income ⁽¹⁾	(299)	128
THREE Net sales	2,554	(8.1%)
THREE OP income ⁽¹⁾	(458)	(20)
DECENCIA Net sales	2,673	12.9%
DECENCIA OP income	303	140.3%

Key indicators

THREE

Sales ratio	Domestic	81.3%
	Overseas	18.7%
Sales growth ⁽²⁾	Domestic	down 3.2%
	Overseas	down 24.7%

(1) The YoY change is shown as the amount (mil. yen)

(2) YoY basis

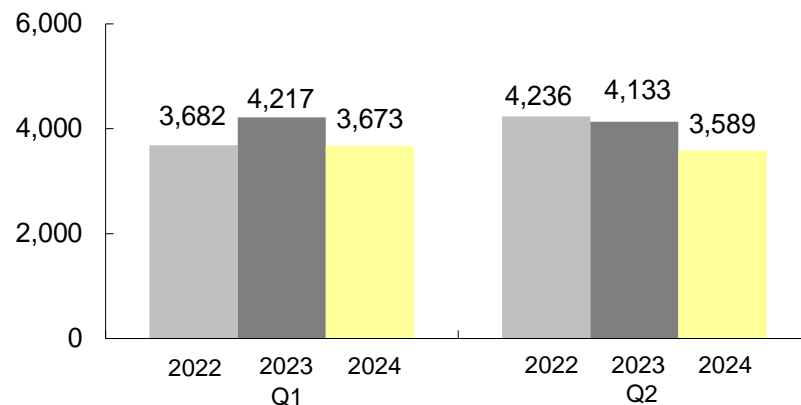
Topics

- Launched a new cleansing balm from THREE's *BALANCING* series (May).

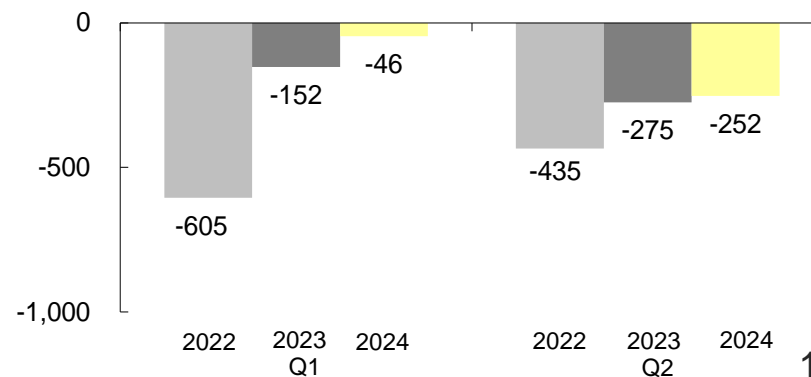


THREE Balancing Cleansing Balm

Quarterly net sales (mil. yen)



Quarterly operating income (mil. yen)



1. Highlights of Consolidated Performance
2. Segment Analysis
3. **Initiatives Going Forward**
4. Forecasts for Fiscal 2024
5. Appendices

POLA

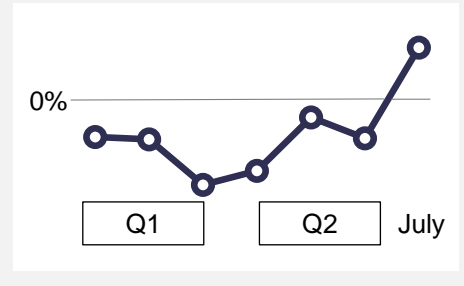
Domestic Business

- Launch the new *APEX* and renew the skin analysis system (July).
 - Acquire new customers and encourage existing customers to visit stores through the introduction of new skin analysis services.
 - Boost customer retention rate and promote higher purchase per customer and more items purchased by strengthening customer engagement through beauty counseling.
- Use skin analysis and best cosmetics award-winning new products as hooks to expand customer contact points. Achieved an upturn in POLA's domestic monthly net sales in July.
- Launch *B.A GRANDLUXE O* from the *B.A* series premium line, *B.A GRANDLUXE* (October).
 - Introduce the first-ever cream of *B.A GRANDLUXE*, expanding our product lineup in this premium line.
 - Raise our presence in high prestige cosmetics markets, primarily in Japan and mainland China, aiming to boost *B.A*'s brand presence.
- Plan to open multiple stores featuring our new salon model by the end of June 2025, progressively developing specialized aesthetic treatment options.



POLA skin analysis

(Reference) POLA YoY Change in Domestic Monthly Net Sales



POLA *B.A GRANDLUXE O*

Overseas Business

- Our marketing strategy is to focus on high prestige customers.
 - Promote greater customer loyalty through special events for VIP customers etc.
- Change customer strategy and revise the store opening strategy to improve profitability.



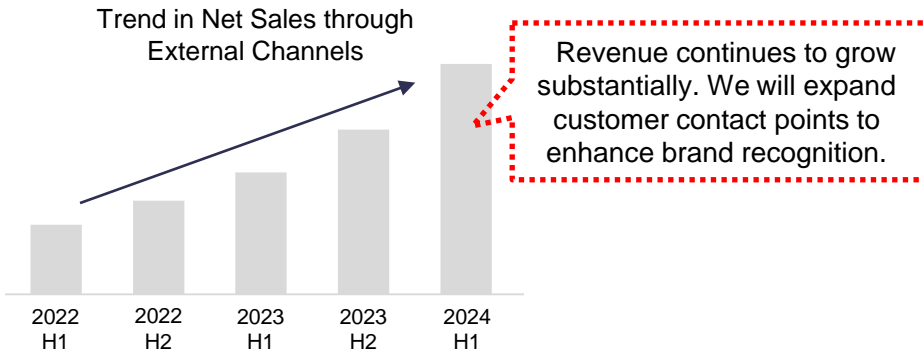
ORBIS

Domestic Business

- Expand the top line by continuing to introduce new products focused on high value-added type.
 - Launch the first liquid foundation in the *ORBIS U* series (September) and aim to boost lifetime value (LTV) by cross-selling the *ORBIS U* skincare series.
- Strengthen external sales channels, which we have positioned as new growth drivers.



(Left) *ORBIS U* series
(Right) *ORBIS U COLOR SKINCARE MASK FOUNDATION*



(Left) LOOK, Sun Station Terrace Fukuyama store
(Right) @cosme OSAKA

Jurlique

- Promote new customer acquisition pivot on major skincare products including the *HERBAL RECOVERY* series and face oil.
- Implement thorough cost controls to achieve profitability next fiscal year.



HERBAL RECOVERY series

THREE

- Appeal to customers with essential oils to develop sales promotions with an added experiential element.
 - Establish the open laboratory AROMARIUM THREE, featuring a lineup of made-in-Japan essential oils, at the THREE HIBIYA concept shop (July).



AROMARIUM THREE

DECENCIA

- Maintain the revenue growth trend through new customer retention and cross-selling for LTV enhancement.
- Open a new corner at an @cosme store to expand brand recognition (June).
- Introduce online counseling (July) and enhance engagement with customers.



DECENCIA counseling website

FUJIMI

- Launch new products in the strongly performing personalized protein line and strive to improve LTV.



FUJIMI FASTING SET

1. Highlights of Consolidated Performance
2. Segment Analysis
3. Initiatives Going Forward
4. **Forecasts for Fiscal 2024**
5. Appendices

Forecasts for Fiscal 2024 (Revised)

Forecasts have been revised downward for POLA but upward for ORBIS.
We aim for an increase in consolidated revenue and income in the second half of the fiscal year.

(mil. yen)	FY2024 H1 Results	YoY Change		FY2024 Full-year plan	Vs. Initial Plan	YoY Change	
		Amount	%			Amount	%
Consol. net sales	83,836	(2,000)	(2.3%)	173,500	(5,500)	195	0.1%
Beauty care	81,322	(2,207)	(2.6%)	168,500	(5,500)	22	0.0%
Real estate	995	(40)	(3.9%)	2,250	-	171	8.3%
Others	1,518	247	19.5%	2,750	-	1	0.1%
OP income	7,316	(1,649)	(18.4%)	14,500	(3,400)	(1,580)	(9.8%)
Beauty care	7,890	(823)	(9.5%)	16,250	(3,400)	(104)	(0.6%)
Real estate	0	(277)	(99.9%)	(50)	-	(490)	-
Others	141	110	359.3%	100	-	(49)	(33.2%)
Reconciliations	(714)	(659)	-	(1,800)	-	(936)	-
Ordinary income	11,121	(268)	(2.4%)	17,900	-	(569)	(3.1%)
Profit attributable to owners of parent	7,500	95	1.3%	11,600	-	1,934	20.0%

Initial assumed exchange rates: 1.00 AUD = 93.0 JPY (PY 93.33) 1.00 CNY = 19.7 JPY (PY 19.82)

	FY2023	FY2024 (plan) *Dividend forecasts are unchanged
Shareholder returns	Annual ¥52 (consol. payout ratio 119.0%)	Annual ¥52 (interim ¥21, year-end ¥31) (consol. payout ratio 99.2%)
Capital investment	¥17,478 mil.	¥13,000 mil. - ¥14,000 mil.
Depreciation	¥7,712 mil.	¥8,000 mil. - ¥9,000 mil.

Forecasts for Fiscal 2024 (Revised)

(mil. yen)	FY2024 H1 Results	YoY Change		FY2024 Full-year plan	Vs. Initial Plan	YoY Change	
		Amount	%			Amount	%
Consolidated net sales	83,836	(2,000)	(2.3%)	173,500	(5,500)	195	0.1%
Operating income	7,316	(1,649)	(18.4%)	14,500	(3,400)	(1,580)	(9.8%)
Ordinary income	11,121	(268)	(2.4%)	17,900	-	(569)	(3.1%)
Profit attributable to owners of parent	7,500	95	1.3%	11,600	-	1,934	20.0%

Net sales

- POLA vs. initial plan down ¥7,000 mil.
 - Domestic: Results in the consignment sales channel were lower than anticipated. We will expand customer contact points in the second half, raising LTV and bringing about an upturn in revenue.
 - Overseas: The revision incorporates the continuation of a difficult business environment in mainland China. We will improve the earnings structure by shrinking unprofitable stores, using these funds to invest in growth businesses in the ASEAN region.
- ORBIS vs. initial plan up ¥2,500 mil.
 - We aim to maintain the strong performance, targeting further top line growth.

Operating income

- POLA vs. initial plan down ¥3,600 mil.
- ORBIS vs. initial plan up ¥900 mil.

Ordinary income / Profit

- Reflect the foreign exchange gains in the first half.

Appendices

■ Net sales

(mil. yen)	FY2024 Jan.–Mar.		FY2024 Apr.–Jun.		FY2024 Jul.–Sep.		FY2024 Oct.–Dec.	
	Results	YoY Change	Results	YoY Change	Results	YoY Change	Results	YoY Change
Consolidated net sales	40,886	(3.0%)	42,949	(1.7%)	-	-	-	-
Beauty care	39,552	(3.4%)	41,770	(1.9%)	-	-	-	-
Real estate	499	(3.7%)	496	(4.2%)	-	-	-	-
Others	834	25.2%	683	13.2%	-	-	-	-

■ Operating income

(mil. yen)	FY2024 Jan.–Mar.		FY2024 Apr.–Jun.		FY2024 Jul.–Sep.		FY2024 Oct.–Dec.	
	Results	YoY Change	Results	YoY Change	Results	YoY Change	Results	YoY Change
Consolidated operating income	3,357	(26.2%)	3,959	(10.4%)	-	-	-	-
Beauty care	3,575	(18.0%)	4,314	(0.9%)	-	-	-	-
Real estate	52	(67.4%)	(52)	(168)	-	-	-	-
Others	51	49	89	212.6%	-	-	-	-
Reconciliations	(322)	(348)	(392)	(311)	-	-	-	-

■ Net sales

(mil. yen)	FY2024 Jan.–Mar.		FY2024 Apr.–Jun.		FY2024 Jul.–Sep.		FY2024 Oct.–Dec.	
	Results	YoY Change	Results	YoY Change	Results	YoY Change	Results	YoY Change
Beauty care net sales	39,552	(3.4%)	41,770	(1.9%)	-	-	-	-
POLA	22,161	(8.4%)	23,804	(6.9%)	-	-	-	-
ORBIS	11,446	14.7%	12,545	14.8%	-	-	-	-
Jurlique	2,270	19.0%	1,829	(5.2%)	-	-	-	-
Brands under development	3,673	(12.9%)	3,589	(13.2%)	-	-	-	-

■ Operating income

(mil. yen)	FY2024 Jan.–Mar.		FY2024 Apr.–Jun.		FY2024 Jul.–Sep.		FY2024 Oct.–Dec.	
	Results	YoY Change	Results	YoY Change	Results	YoY Change	Results	YoY Change
Beauty care operating income	3,575	(18.0%)	4,314	(0.9%)	-	-	-	-
POLA	2,305	(34.2%)	2,940	(16.3%)	-	-	-	-
ORBIS	1,962	35.4%	2,556	52.3%	-	-	-	-
Jurlique	(645)	(65)	(929)	(425)	-	-	-	-
Brands under development	(46)	105	(252)	23	-	-	-	-

Note: Where operating income (current or previous year) is negative or the YoY change exceeds 1,000%, YoY change is shown as the amount (mil. yen). Consolidated operating income and loss for each brand are shown for reference purposes only (figures are unaudited).

(Appendix) Beauty Care Business Results for FY2021–FY2023 by Brands

(mil. yen)	FY2021	FY2022	FY2023	FY2022–FY2023 YoY Change	
	Results (recalculated under the 2022 standard)	Results	Results	Amount	%
Consolidated net sales	174,896	166,307	173,304	6,996	4.2%
Beauty care net sales	170,403	161,654	168,477	6,822	4.2%
POLA	105,769	96,371	98,499	2,127	2.2%
ORBIS	39,071	38,417	42,874	4,457	11.6%
Jurlique	7,940	8,388	9,032	644	7.7%
Brands under development	16,505	16,892	17,368	475	2.8%
Consol. operating income	15,582	12,581	16,080	3,499	27.8%
Beauty care operating income	15,754	13,793	16,354	2,561	18.6%
POLA	15,144	12,495	11,555	(940)	(7.5%)
ORBIS	5,965	4,850	6,340	1,490	30.7%
Jurlique	(1,542)	(1,266)	(1,350)	(84)	-
Brands under development	(3,011)	(2,105)	(298)	1,807	-

Note : Consolidated operating income and loss for each brand are shown for reference purpose only (unaudited).

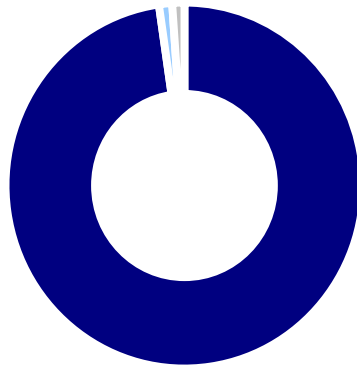
Full-year financial results for 2021 (recalculated under the 2022 standard) have been provided for reference only (unaudited).

Totals for the beauty care business include results for the H2O PLUS brand (liquidation completed in December 2023).

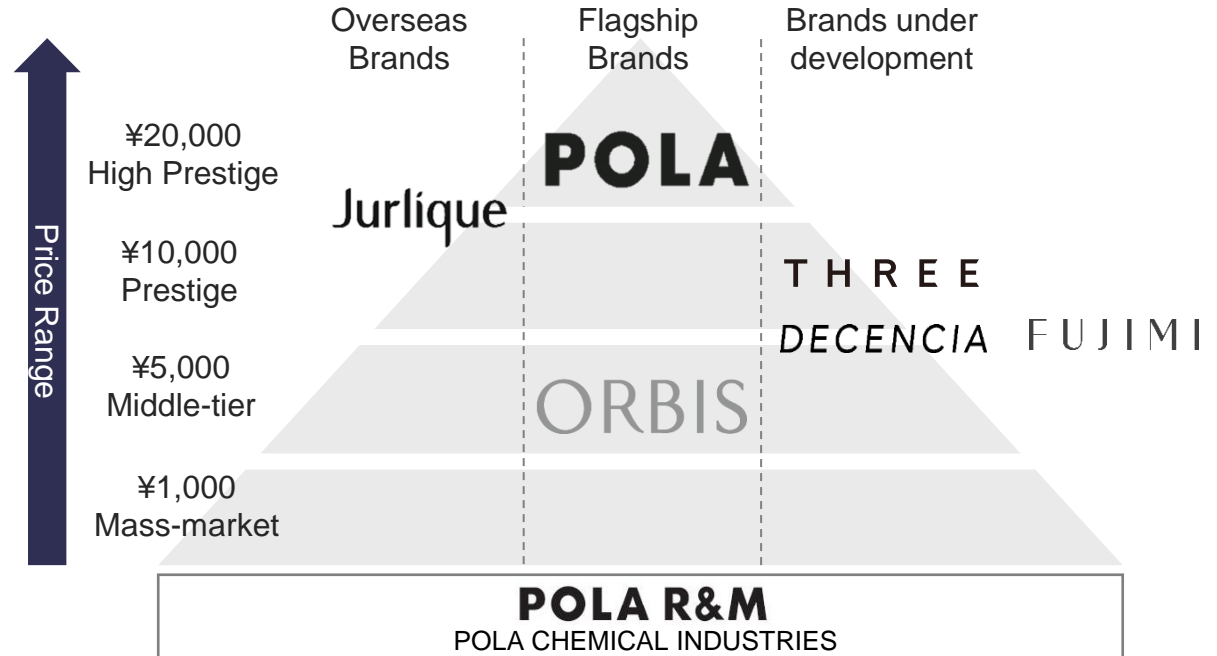
Beauty care is the core business of the Group, and six different cosmetics brands are operated under the Group umbrella.

FY2023

Consol. Net Sales
¥173.3 bil.



- Beauty care business 97%
- Real estate business 1%
- Other businesses 2%
(building maintenance business)



Our strengths

- Multi-brand strategy
- Focus on skincare products
- Flagship brands, POLA and ORBIS own and operate through their own unique sales channels
- Meeting diversified needs of customers
- High customer repeat ratio
- Strong relationships with customers

	Sales ratio*	Brand	Concept and products	Price	Main sales channel
Flagship brands	59%	POLA Since 1929	<ul style="list-style-type: none"> High-prestige skincare Leading-edge technology in aging-care and skin-brightening fields 	Approx. ¥10,000 or higher	<ul style="list-style-type: none"> Japan: Consignment sales, department stores, e-commerce and retail stores Overseas: Department stores, directly-operated stores, duty free stores, e-commerce and cross-border e-commerce
	25%	ORBIS Since 1984	<ul style="list-style-type: none"> Aging-care brand to draw out people's intrinsic beauty 	Approx. ¥2,000-¥5,000	<ul style="list-style-type: none"> Japan: Mail-order (e-commerce and catalog), directly-operated stores and retail stores Overseas: E-commerce, cross-border e-commerce, duty free stores, and retail stores
Overseas Brands	6%	Jurlique Acquired in 2012	<ul style="list-style-type: none"> Premium natural skincare brand from Australia 	Approx. ¥5,000 or higher	<ul style="list-style-type: none"> Australia: Department stores, directly-operated stores and e-commerce Overseas: Department stores, directly-operated stores, duty free stores, e-commerce and cross-border e-commerce
Brands under development	10%	T H R E E Since 2009	<ul style="list-style-type: none"> Skincare made with natural ingredients from Japan and fashion-forward make-up 	Approx. ¥5,000 or higher	<ul style="list-style-type: none"> Japan: Department stores, directly-operated stores and e-commerce Overseas: Department stores, duty free stores, e-commerce and cross-border e-commerce
		DECENCIA Since 2007	<ul style="list-style-type: none"> Skincare for sensitive skin 	Approx. ¥5,000-¥10,000	<ul style="list-style-type: none"> Japan: E-commerce Overseas: Cross-border e-commerce
		FUJIMI Acquired in 2021	<ul style="list-style-type: none"> Personalized beauty care brand operated by tricot, Inc. 	Approx. ¥6,000-¥10,000	<ul style="list-style-type: none"> Japan: E-commerce

*Sales ratio in the beauty care business as of FY2023. Brands under development includes OEM business.

【Enhancing Capital Profitability】

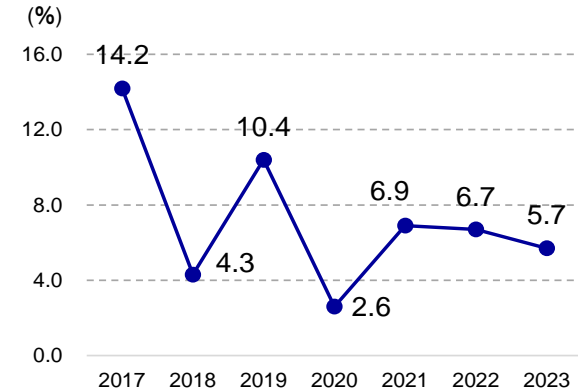
Return on equity (ROE) has been declining due to the decrease in profit. Under the new Medium-term Management Plan, we aim to achieve ROE of at least 10% by 2026 through capital profitability enhancement founded on stable and sustainable business growth.

Initiatives to achieve the ROE targets

	FY2023 Result	2026 Target	2029 Target
ROE	5.7%	10% or higher	14% or higher

- Swifter decisions to discontinue unprofitable businesses and brands
- Shareholder returns through stable dividends
- Greater balance sheet efficiency
- Strategic investment to achieve sustainable growth

ROE movement

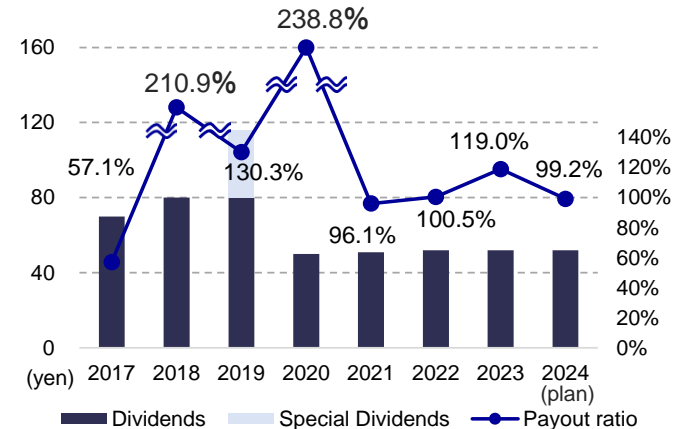


Improvement of Shareholder Return

- With a policy of consolidated payout ratio of **60% or higher**, aim for steady increases in dividends, in line with profitable growth.
- Purchases of treasury stock shall be considered based on our investment strategies, as well as market prices and liquidity of the Company's shares.

Dividends forecast for FY2024:

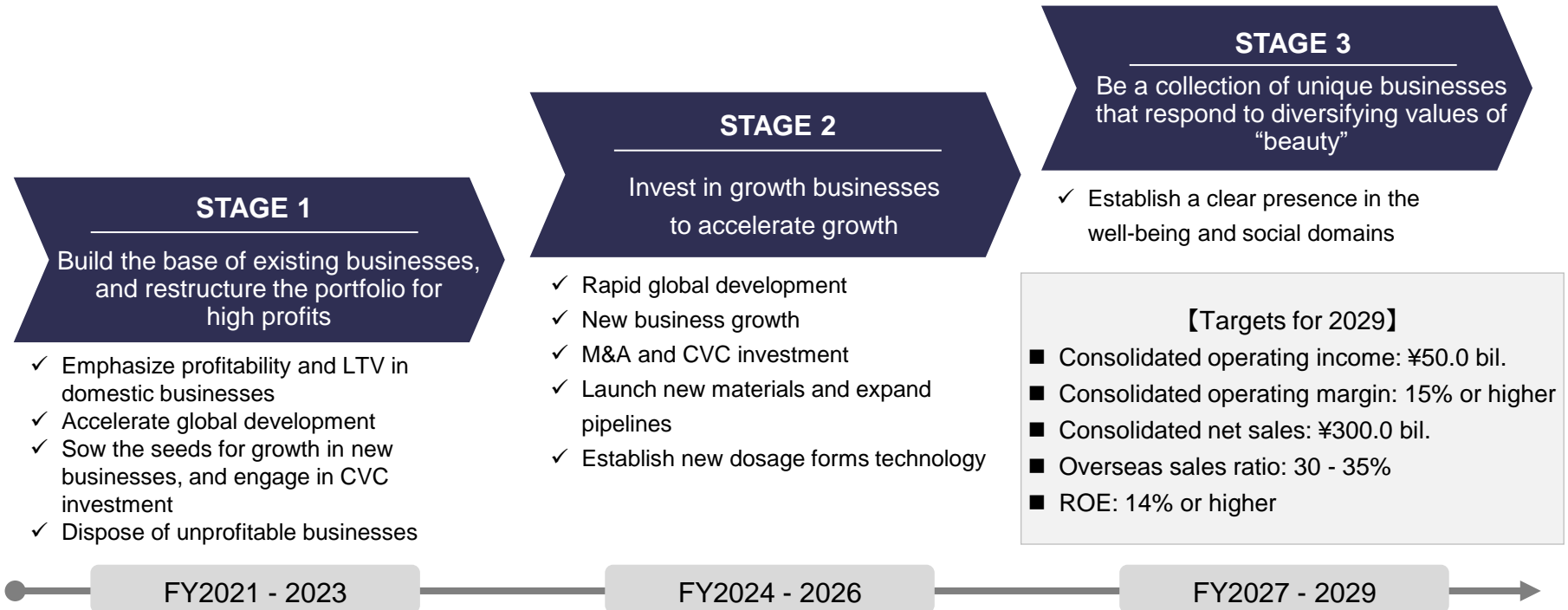
- Dividend per share : **¥52** (interim ¥21, year-end ¥31)
- Consol. payout ratio : 99.2%



VISION 2029

A collection of unique businesses that respond to diversifying values of “beauty”

Basic strategy 1	Develop the cosmetics business globally; reform and enhance the brand portfolio
Basic strategy 2	Create new value and expand business domains
Basic strategy 3	Strengthen research and technical strategy



Management Indicators for 2026

Consolidated Net Sales	¥200.0 bil. CAGR approx. 5%	Domestic Net Sales	CAGR approx. 4%
		Overseas Net Sales	CAGR approx. 12%
		Overseas Sales Ratio	20%
Consolidated Operating Income	Operating margin 12-13%		
Capital Efficiency	ROE 10% or higher	Shareholder Returns	Consolidated payout ratio 60% or higher

4 Business Growth Strategies

Strategy 1	Strengthen the customer base in the domestic business to achieve sustainable growth and improve profitability
Strategy 2	Further grow the overseas business and establish business bases in new markets
Strategy 3	Achieve profitability through growth in brands under development, contributing to sustainable earnings
Strategy 4	Enhance the brand portfolio and expand business domains

Sustainably Strengthen Management Foundations

Strategy 5	Strengthen R&D capabilities for new value creation	Strategy 6	Strengthen sustainability combining the resolution of social issues with uniqueness
-------------------	--	-------------------	---