

Summary of Financial Results

For the First Quarter of Fiscal Year Ended December 31, 2025 (Consolidated)

These financial statements have been prepared in accordance with accounting principles and practices generally accepted in Japan. The following English translation is based on the original Japanese-language document.

May 9, 2025

POLA ORBIS HOLDINGS INC.

Listing: Tokyo Stock Exchange, Prime Market (Code No.: 4927)
 URL: <https://www.po-holdings.co.jp/>
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 Start of Cash Dividend Payment: -
 Supplemental Materials Prepared for Quarterly Financial Results: Yes
 Conference Presentation for Quarterly Financial Results: Yes(for analysts)

(Amounts less than one million yen have been truncated)

1. Consolidated Performance for the First Three Months of Fiscal 2025

(January 01, 2025–March 31, 2025)

(1) Consolidated Operating Results

(Percentage figures indicate year-on-year change)

	Net Sales		Operating Income		Ordinary Income		Profit Attributable to Owners of Parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2025 Three Months	41,313	1.0	4,148	23.5	2,470	(47.1)	1,310	(58.1)
FY2024 Three Months	40,886	(3.0)	3,357	(26.2)	4,675	(3.2)	3,126	14.0

Note: Comprehensive income: ¥1,921 million (-30.9%) for the three months ended March 31, 2025;
¥2,780 million (1.4%) for the three months ended March 31, 2024

	Net Income Per Share	Diluted Net Income Per Share
	Yen	Yen
FY2025 Three Months	5.92	5.92
FY2024 Three Months	14.13	14.12

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets Per Share
	Millions of yen	Millions of yen	%	Yen
FY2025 First Quarter	190,142	159,977	84.0	721.83
FY2024	200,320	164,916	82.2	744.16

Reference: Equity capital: FY2025 First Quarter: ¥159,719 million; FY2024: ¥164,656 million

2. Dividends

	Annual Cash Dividends Per Share				
	Q1-end	Q2-end	Q3-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY2024	-	21.00	-	31.00	52.00
FY2025	-				
FY2025 (Forecast)		21.00	-	31.00	52.00

Note: Revisions to the cash dividends forecast announced most recently: none

3. Consolidated Performance Forecast for Fiscal Year Ending December 31, 2025

(January 01, 2025–December 31, 2025)

(Percentage figures indicate year-on-year change)

	Net Sales		Operating Income		Ordinary Income		Profit Attributable to Owners of Parent	Net Income Per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	Yen
Full year	174,000	2.1	14,500	5.0	14,700	(8.6)	8,500 (8.5)	38.42

Note: Revisions to the consolidated performance forecast announced most recently:none

Notes to Summary Information

(1) Changes in significant subsidiaries during the current period
(Changes in specific subsidiaries resulting in changes in the scope of consolidation) : None

(2) Application of special accounting methods for the preparation of the quarterly consolidated financial statements : None

(3) Changes in accounting policies, accounting estimates, and restatement
1) Changes in accounting policies associated with revision of accounting standards : Yes
2) Changes other than (3)-1) : None
3) Changes in accounting estimates : None
4) Restatements : None

(4) Number of shares issued and outstanding (common stock)
1) Number of shares issued and outstanding at the end of each period (including treasury stock)
At March 31, 2025 229,136,156 shares
At December 31, 2024 229,136,156 shares
2) Number of shares of treasury stock at the end of each period
At March 31, 2025 7,865,338 shares
At December 31, 2024 7,870,726 shares
3) Average number of shares issued and outstanding in each period
Three months ended March 31, 2025 221,267,177 shares
Three months ended March 31, 2024 221,241,296 shares

Note: The number of shares of treasury stock at the end of each period includes the Company's shares held by the officer compensation Board Incentive Plan (BIP) trust (341,210 shares at March 31, 2025, 344,998 shares at December 31, 2024). The number of shares of treasury stock deducted in the calculation of average number of shares outstanding during each period includes the Company's shares held by BIP trust (344,051 shares in the three months ended March 31, 2025, 232,807 shares in the three months ended March 31, 2023).

Information Regarding Quarterly Review Procedures

The quarterly financial results report is exempt from quarterly review by certified public accountants or accounting firms.

Explanation of Appropriate Use of Performance Forecast and Other Special Items

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. For performance projections, please refer to "1. Qualitative Information on Consolidated Performance for the First Quarter of Fiscal 2025 (3) Explanation of Consolidated Performance Forecast and Other Predictive Information" on page 5.

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1. Qualitative Information on Consolidated Performance for the Three Months of Fiscal 2025

(1) Explanation of Consolidated Operating Results

During the three months of fiscal 2025 (January 1–March 31, 2025), despite a moderate recovery in the Japanese economy, factors such as trade policies in the United States have led to market uncertainties. In terms of personal consumption, although consumer sentiment declined mainly due to ongoing price hikes, there are signs of recovery thanks to continued improvements in the employment and income environment..

In the domestic cosmetics market, personal consumption has improved thanks to the moderate economic recovery. Moreover, inbound demand continues to exceed that of the previous year. In the Chinese market, although supply has increased as policy measures take hold, the economy has remained stagnant

Within this market environment, as part of its medium-term management plan (from 2024 to 2026) that started in 2024, the POLA ORBIS Group (the “Group”) implemented four business growth strategies, namely, “strengthen the customer base in the domestic business to achieve sustainable growth and improve profitability,” “further grow the overseas business and establish business bases in new markets,” “achieve profitability through growth in brands under development, contributing to sustainable earnings,” and “enhance the brand portfolio and expand business domains.” At the same time, in effort to sustainably strengthen the management foundations that will support these strategies, the Group has worked to “strengthen R&D capabilities for new value creation” and “strengthen sustainability combining the resolution of social issues with uniqueness.”

As a result of the above, the Group’s consolidated operating results for the three months of fiscal 2025 were as follows.

Consolidated net sales for the three months of fiscal 2025 increased 1.0% year on year to ¥41,313 million, due mainly to an increase in revenue from the flagship ORBIS brand. Operating income increased 23.5% year on year to ¥4,148 million due mainly to an increase in gross profit from higher net sales, while ordinary income decreased 47.1% year on year to ¥2,470 million due to foreign exchange losses. As a result of the factors noted above, profit attributable to owners of parent decreased 58.1% year on year to ¥1,310 million.

Operating Results Overview

(Millions of yen)

Three Months Ended March 31				
	2024	2025	Year-on-Year	
			Amount Change	Percent Change (%)
Net Sales	¥40,886	¥41,313	¥427	1.0
Operating Income	3,357	4,148	790	23.5
Ordinary Income	4,675	2,470	(2,204)	(47.1)
Profit Attributable to Owners of Parent	¥3,126	¥1,310	¥(1,816)	(58.1)

Operating Results by Segment

Net Sales (Segment Sales to External Customers)

(Millions of yen)

Three Months Ended March 31				
	2024	2025	Year-on-Year	
			Amount Change	Percent Change (%)
Beauty Care	¥39,552	¥39,811	¥259	0.7
Real Estate	499	737	238	47.7
Others	834	764	(70)	(8.4)
Total	¥40,886	¥41,313	¥427	1.0

Segment Profit (Loss) (Operating Income (Loss))

(Millions of yen)

Three Months Ended March 31				
	2024	2025	Year-on-Year	
			Amount Change	Percent Change (%)
Beauty Care	¥3,575	¥4,132	¥557	15.6
Real Estate	52	207	154	292.3
Others	51	1	(50)	(97.3)
Reconciliations of Segment Profit (Note)	(322)	(192)	129	-
Total	¥3,357	¥4,148	¥790	23.5

Note: Reconciliations of segment profit refer to elimination of profits arising from inter-company transactions and expenses not allocated to reportable segments. Please see note 2 in “1. Information about Net Sales and Profit (Loss) by Reportable Segment” on page 11 and 12 for the details of reconciliations of segment income during the period.

Beauty Care

The Beauty Care segment consists of the flagship brands POLA and ORBIS, the overseas brand Jurlique, and the brands under development DECENCIA, THREE and FUJIMI.

POLA is working to establish a business base to return to a growth trajectory. In the domestic business, we are working to accelerate sales growth among growth stores in the consignment sales channel and achieve further business growth in other sales channels. Overall performance in the domestic business exceeded that of the previous year, due in part to a rise in unit purchase price from the strategic roll out of WRINKLE SHOT SERUM DUO, which was launched in January. In the overseas business, we are continuing to establish our brand presence in China, our priority market, by expanding contact points with high-prestige customers and strengthening CRM. However, due to the continued impact of the economic slowdown in some areas of Asia, particularly in China, the overall performance of the overseas business fell short of that of the previous year. As a result, POLA brand net sales decreased year on year. However, thanks to our ongoing work to optimize costs in the domestic business, operating income increased year on year.

ORBIS is proceeding with initiatives that focus on customer retention and higher lifetime value as it aims for an even higher profit structure. In the domestic business, the direct selling channel for highly functional, higher-priced products including brightening serum and UV care products performed strongly, contributing to a rise in unit purchase price. In the external channels, customer touchpoints are increasing as a result of effort such as the steady expansion of sales channels for the specialty product ORBIS SHOT PLUS, and strong sales continued. In the overseas business, the overall performance fell short of that of the previous year due to the continued impact of the economic slowdown in some areas of Asia, particularly in China. As a result of the above, ORBIS brand net sales and operating income exceeded those of the previous year.

Jurlique continues to work toward business growth in the markets of Asia, mainly in Australia and in China. In Australia, the home country of the brand, although the e-commerce channels performed well, overall performance fell below that of the previous year due to sluggish sales in the department store and directly operated retail store channels. In China, the effects of the economic slowdown continued, hampering sales in both the department store and e-commerce channels, leading to weaker performance than that of the previous year. As a result of the above, Jurlique brand net sales fell below those of the previous year. However, thanks to organizational structure reforms and appropriate control of selling and administrative expenses, operating losses improved.

For brands under development, DECENCIA is working to build a stable customer structure to achieve further growth. Customer retention is improving thanks to the reinforcement of sales strategies tailored to customer attributes, and results were higher than the previous year. Efforts are underway to regenerate THREE. We are focusing on

strengthening the customer base through a holistic approach using essential oils that are the brand's differentiation. However, new customer acquisition did not reach the plan and results fell short of the previous year. FUJIMI is engaging in initiatives to expand the scale of the business, and results were on par with the previous year. In addition to the above, affected by the performance of the OEM business, overall net sales and operating income for brands under development decreased year on year.

As a result of the factors noted above, net sales—sales to external customers—were ¥39,811 million, up 0.7% year on year, and operating income was ¥4,132 million, up 15.6% year on year.

Real Estate

The Real Estate segment concentrates on the leasing of office buildings in urban areas. Efforts are currently directed at sustaining and improving rental income and reducing vacancy rates by creating attractive office environments. Another area of emphasis is the residential properties rental business. This business highlights condominiums perfect for families with young children. During the three months of fiscal 2025, net sales and operating income increased year on year thanks to the opening of the “POLA aoyama building,” which was completed in the previous year.

As a result of the above, net sales—sales to external customers—totaled ¥737 million, up 47.7% year on year, and operating income was ¥207 million, up 292.3% year on year.

Others

The Others segment is the building maintenance business.

The building maintenance business is engaged in the operation and management of buildings, renovation work, and more. During the three months of fiscal 2025, net sales and operating income decreased year on year due mainly to a drop in the number of renovation projects.

As a result of the above, net sales—sales to external customers—totaled ¥764 million, down 8.4% year on year, and operating income was ¥1 million, down 97.3% year on year.

(2) Explanation of Consolidated Financial Position

As of March 31, 2025, total assets stood at ¥190,142 million, down 5.1%, or ¥10,178 million, from December 31, 2024. Factors related to this change included increases of ¥1,807 million in investments in securities and ¥1,575 million in cash and deposits, as well as decreases of ¥7,996 million in short-term investments in securities, ¥3,851 million in “other” under current assets associated with a decrease in accounts receivable – other, and ¥1,225 million in notes and accounts receivable – trade.

Total liabilities amounted to ¥30,165 million, down 14.8%, or ¥5,239 million, from December 31, 2024. Factors related to this change included an increase of ¥204 million in notes and accounts payable – trade, as well as decreases of ¥2,948 million in income taxes payable and ¥1,671 million in “other” under current liabilities associated with a decrease in accounts payable – other.

Net assets amounted to ¥159,977 million, down 3.0%, or ¥4,938 million, from December 31, 2024. Factors related to this change included a recording of ¥1,310 million in profit attributable to owners of parent and ¥6,869 million in dividends from retained earnings.

(3) Explanation of Consolidated Performance Forecast and Other Predictive Information

The Group has made no revisions to the full-year consolidated performance forecast announced on February 14, 2025.

(Information for reference)

Cumulative Results for Fiscal 2024

	(Millions of yen)			
	Three Months	Six Months	Nine Months	Full Year
Net Sales	¥40,886	¥83,836	¥125,395	¥170,359
Operating Income	3,357	7,316	10,817	13,810
Ordinary Income	4,675	11,121	11,725	16,083
Profit Attributable to Owners of Parent	¥3,126	¥7,500	¥6,948	¥9,286

Quarterly Results for Fiscal 2024

	(Millions of yen)			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Net Sales	¥40,886	¥42,949	¥41,558	¥44,964
Operating Income	3,357	3,959	3,500	2,993
Ordinary Income	4,675	6,446	604	4,358
Profit Attributable to Owners of Parent	¥3,126	¥4,373	¥(551)	¥2,337

2. Quarterly Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	FY2024 December 31, 2024	FY2025 First Quarter March 31, 2025
Assets		
Current assets		
Cash and deposits	¥ 45,176	¥ 46,751
Notes and accounts receivable – trade	17,465	16,239
Short-term investments in securities	18,907	10,910
Merchandise and finished goods	12,094	12,683
Work in process	904	812
Raw materials and supplies	3,621	3,457
Other	8,047	4,195
Allowance for doubtful accounts	(96)	(69)
Total current assets	106,120	94,981
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	31,420	30,967
Land	14,252	14,239
Other, net	11,857	11,527
Total property, plant and equipment	57,530	56,733
Intangible assets		
Right of trademark	19	18
Software	11,590	11,610
Other	90	90
Total intangible assets	11,700	11,718
Investments and other assets		
Investments in securities	15,407	17,215
Deferred Tax Assets	5,220	5,197
Other	4,781	4,731
Allowance for doubtful accounts	(440)	(435)
Total investments and other assets	24,969	26,708
Total non-current assets	94,200	95,161
Total assets	¥200,320	¥190,142

(Millions of yen)

	FY2024 December 31, 2024	FY2025 First Quarter March 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable – trade	¥ 2,264	¥ 2,468
Current portion of long-term borrowings	6	7
Income taxes payable	4,206	1,258
Contract liabilities	4,795	4,450
Provision for bonuses	1,578	1,384
Other provisions	185	70
Other	14,314	12,642
Total current liabilities	27,351	22,282
Non-current liabilities		
Long-term borrowings	40	36
Other provisions	106	122
Net defined benefit liability	229	245
Asset retirement obligations	3,885	3,846
Other	3,791	3,631
Total non-current liabilities	8,053	7,883
Total liabilities	35,404	30,165
Net assets		
Shareholders' equity		
Common stock	10,000	10,000
Capital surplus	80,451	80,451
Retained earnings	78,674	73,114
Treasury stock	(2,922)	(2,912)
Total shareholders' equity	166,203	160,653
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	75	(33)
Foreign currency translation adjustments	(2,106)	(1,375)
Remeasurements of defined benefit plans	483	474
Total accumulated other comprehensive income	(1,547)	(934)
Subscription rights to shares	236	235
Non-controlling interests	23	22
Total net assets	164,916	159,977
Total liabilities and net assets	¥200,320	¥190,142

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	Three Months Ended March 31	
	FY2024 (January 01, 2024– March 31, 2024)	FY2025 (January 01, 2025– March 31, 2025)
Net sales	¥40,886	¥41,313
Cost of sales	7,360	7,270
Gross profit	33,525	34,042
Selling, general and administrative expenses		
Sales commission	8,162	7,849
Promotion expenses	2,688	2,860
Advertising expenses	2,707	2,696
Salaries, allowances and bonuses	5,005	5,245
Provision for bonuses	811	693
Other	10,792	10,547
Total selling, general and administrative expenses	30,168	29,894
Operating income	3,357	4,148
Non-operating income		
Interest income	71	77
Foreign exchange gains	1,220	-
Other	130	60
Total non-operating income	1,423	137
Non-operating expenses		
Interest expense	29	29
Foreign exchange losses	-	1,765
Commission expenses	56	11
Other	19	9
Total non-operating expenses	105	1,815
Ordinary income	4,675	2,470
Extraordinary losses		
Loss on disposal of non-current assets	15	12
Loss on valuation of investment securities	93	24
Other	3	1
Total extraordinary losses	112	38
Income before income taxes	4,562	2,432
Income taxes – current	774	1,071
Income taxes – deferred	652	50
Total income taxes	1,426	1,122
Net Income	3,135	1,310
Profit attributable to non-controlling interests	9	-
Profit attributable to owners of parent	¥ 3,126	¥ 1,310

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Three Months Ended March 31	
	FY2024 (January 01, 2024– March 31, 2024)	FY2025 (January 01, 2025– March 31, 2025)
Net Income	¥3,135	¥1,310
Other comprehensive income		
Valuation difference on available-for-sale securities	2	(109)
Foreign currency translation adjustments	(364)	730
Remeasurements of defined benefit plans	6	(9)
Total other comprehensive income	(355)	611
Comprehensive income	2,780	1,921
Comprehensive income attributable to owners of parent	2,800	1,922
Comprehensive income attributable to non-controlling interests	¥(20)	¥(1)

(3) Notes to Consolidated Financial Statements**(Going Concern Assumptions)**

None

(Significant Changes in Shareholders' Equity)

None

(Changes in Accounting Policies)

(Application of Accounting Standard for Current Income Taxes)

The company has adopted the "Accounting Standard for Current Income Taxes" (ASBJ Statement No. 27, October 28, 2022), etc. from the beginning of the first quarter period under review.

In adopting the new accounting categories for current income taxes (taxes on other comprehensive income), we follow the transitional dispensation provided in a proviso for Article 20-3 of ASBJ Statement No.27 and the transitional dispensation provided in a proviso for Article 65-2 (2) of "Guidance on Accounting Standard of Tax Effect Accounting" (ASBJ Guidance No.28, October 28, 2022). Applying the accounting standard will have no impact on the quarterly consolidated financial statements.

From the first quarter period under review, the company has also adopted ASBJ Guidance No.28 in applying new treatments to consolidated financial statements in the case of deferring the gains or losses on sale of subsidiaries' shares between consolidated companies for tax purpose. We have retroactively applied these changes of accounting policy to their effects on the comparative quarterly consolidated financial statements in the previous fiscal year and the consolidated financial statements for the previous fiscal year. Applying the Guidance will have no impact on the consolidated financial statements described as above.

(Consolidated Statements of Cash Flows)

The consolidated statement of cash flows for the quarterly consolidated accounting period has not been prepared. The depreciation expenses for the quarterly consolidated accounting period, including the amortization of intangible fixed assets and long-term prepaid expenses, are as follows.

	FY2024 (January 01, 2024– September 30, 2024)	FY2025 (January 01, 2025– September 30, 2025)
Depreciation and amortization	¥1,969 Millions	¥1,984 Millions

(Segment Information)

I. First Quarter of Fiscal 2024 (January 01, 2024-March 31, 2024)

1. Information about Net Sales and Profit (Loss) by Reportable Segment

							(Millions of yen)
	Reportable Segments			Others (Note 1)	Subtotal	Reconciliations (Note 2)	Amount Shown on the Consolidated Financial Statements (Note 3)
	Beauty Care	Real Estate	Subtotal				
Net Sales							
Sales to External Customers	¥39,552	¥499	¥40,051	¥834	¥40,886	-	¥40,886
Intersegment Sales or Transfers	56	110	167	411	579	¥(579)	-
Total	39,609	610	40,219	1,246	41,465	(579)	40,886
Segment Profit	¥3,575	¥52	¥3,628	¥51	¥3,679	¥(322)	¥3,357

- Notes:
1. "Others" comprises business operations that are not categorized as reportable segments and includes the building maintenance business.
 2. The segment profit reconciliation of ¥(322) million includes intersegment transaction eliminations of ¥2,336 million, and corporate expenses of ¥(2,658) million not allocated to each segment. Corporate expenses are primarily the Company's administrative expenses not allocated to reportable segments.
 3. Segment profit is adjusted for operating income reported in the quarterly consolidated statements of income.

2. Information about Impairment Loss of Non-current Assets and Goodwill by Reportable Segment

(Significant Impairment Loss of Non-current Assets)

None

(Significant Changes in Goodwill)

None

II. First Quarter of Fiscal 2025 (January 01, 2025–March 31, 2025)

1. Information about Net Sales and Profit (Loss) by Reportable Segment

(Millions of yen)

	Reportable Segments			Others (Note 1)	Subtotal	Reconciliations (Note 2)	Amount Shown on the Consolidated Financial Statements (Note 3)
	Beauty Care	Real Estate	Subtotal				
Net Sales							
Sales to External Customers	¥39,811	¥737	¥40,548	¥764	¥41,313	-	¥41,313
Intersegment Sales or Transfers	53	120	173	306	479	¥(479)	-
Total	39,864	858	40,722	1,070	41,793	(479)	41,313
Segment Profit	¥4,132	¥207	¥4,339	¥1	¥4,341	¥(192)	¥4,148

- Notes:
1. "Others" comprises business operations that are not categorized as reportable segments and includes the building maintenance business.
 2. The segment profit reconciliation of ¥(192) million includes intersegment transaction eliminations of ¥939 million, and corporate expenses of ¥(1,132) million not allocated to each segment. Corporate expenses are primarily the Company's administrative expenses not allocated to reportable segments.
 3. Segment profit is adjusted for operating income reported in the quarterly consolidated statements of income.

2. Information about Impairment Loss of Non-current Assets and Goodwill by Reportable Segment

(Significant Impairment Loss of Non-current Assets)

None

(Significant Changes in Goodwill)

None

(Subsequent Events)

None