

First Half of Fiscal 2025 Supplementary Material

POLA ORBIS HOLDINGS INC.
Representative Director and President
Yoshikazu Yokote

1. Highlights of Consolidated Performance
2. Segment Analysis
3. Initiatives Going Forward
4. Forecasts for Fiscal 2025
5. Appendices

Cosmetics Market

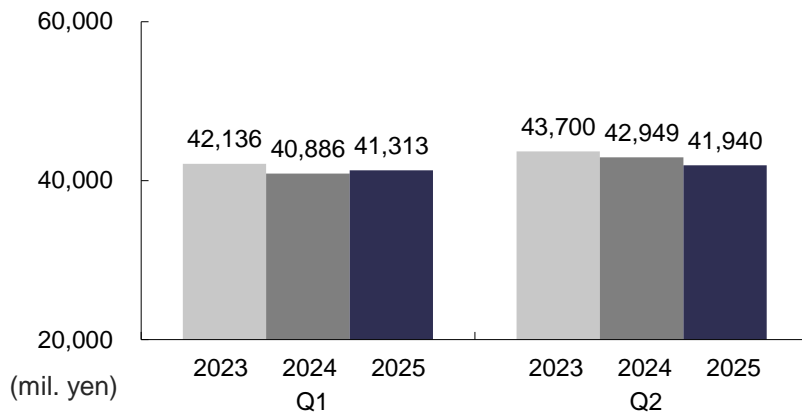
- The Japanese cosmetics market grew slightly, as the post-COVID-19 recovery stabilized.
- Although the Chinese cosmetics market is influenced by government economic stimulus policies, consumption trends are unclear and require close monitoring.

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

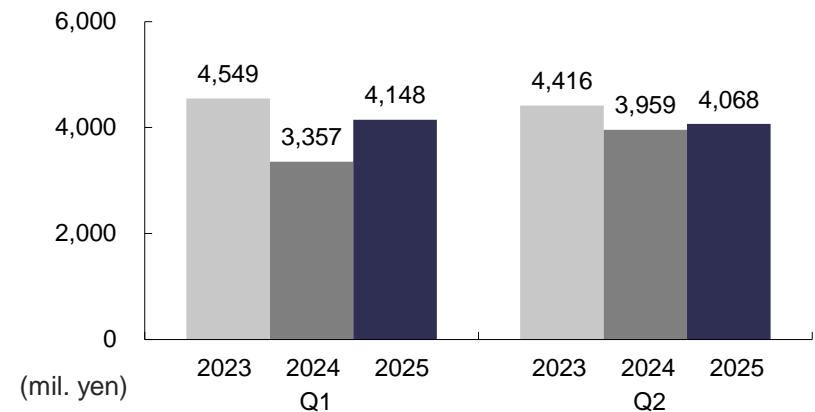
Our Group

- Consolidated net sales decreased due to a YoY decline in POLA's revenue, but consolidated operating income increased, mainly due to cost reduction and the optimization of costs, including the timing of investment expenditures.
- For POLA's domestic business, consignment sales channel saw a reduction in the rate of revenue decline in FY2025 H1 compared to FY2024. Revenue in its overseas business decreased, impacted by the streamlining of unprofitable stores in mainland China.
- ORBIS maintained revenue growth, but income declined due to investment aimed at expanding sales of strategic product.

Quarterly Consolidated Net Sales



Quarterly Consolidated Operating Income



(mil. yen)	FY2024	FY2025	YoY Change	
	H1 Results	H1 Results	Amount	%
Net sales	83,836	83,253	(582)	(0.7%)
Cost of sales	15,057	15,210	152	1.0%
Gross profit	68,778	68,043	(735)	(1.1%)
SG&A expenses	61,461	59,826	(1,635)	(2.7%)
Operating income	7,316	8,217	900	12.3%

Key Factors

- Net sales** Sales decreased YoY, mainly due to lower revenue from POLA.
- Cost of sales** Cost of sales ratio FY2024 H1: 18.0% ⇒ FY2025 H1: 18.3%
- SG&A expenses** Labor expenses: up ¥253 mil. YoY
 Sales commissions: down ¥1,011 mil. YoY
 Sales related expenses: up ¥90 mil. YoY
 Administrative expenses, etc.: down ¥968 mil. YoY
- Operating income** Operating margin FY2024 H1: 8.7% ⇒ FY2025 H1: 9.9%

Consolidated P&L Changes Analysis

Operating Income to Interim Profit Attributable to Owners of Parent

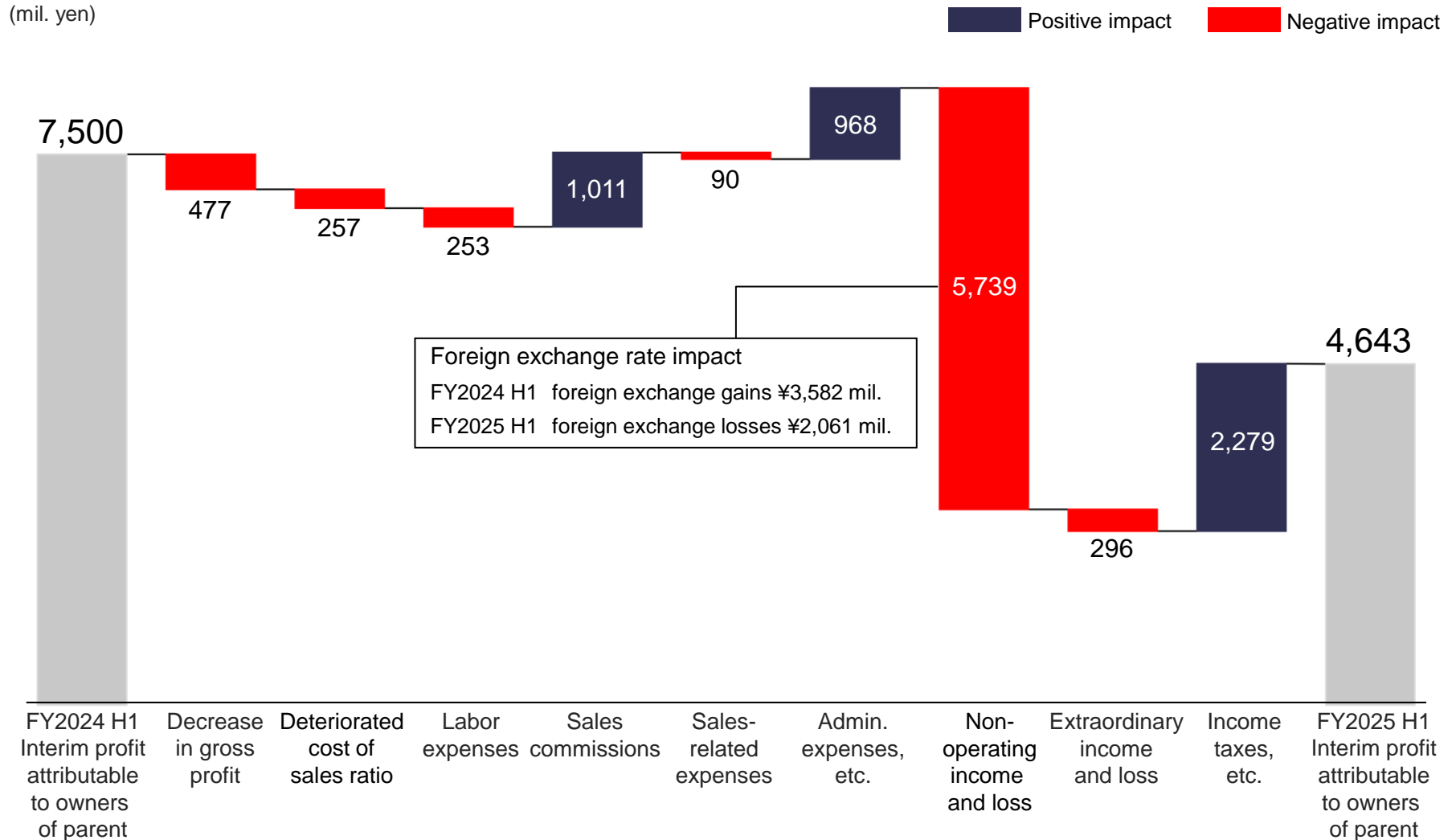
(mil. yen)	FY2024	FY2025	YoY Change	
	H1 Results	H1 Results	Amount	%
Operating income	7,316	8,217	900	12.3%
Non-operating income	3,979	325	(3,653)	(91.8%)
Non-operating expenses	174	2,260	2,085	-
Ordinary income	11,121	6,282	(4,839)	(43.5%)
Extraordinary income	-	-	-	-
Extraordinary losses	225	521	296	131.7%
Interim net income before income taxes	10,896	5,760	(5,135)	(47.1%)
Income taxes etc.	3,374	1,116	(2,257)	(66.9%)
Interim profit attributable to non-controlling interests	21	-	(21)	-
Interim profit attributable to owners of parent	7,500	4,643	(2,856)	(38.1%)

Key Factors

- Non-operating income and loss** Posting of foreign exchange gains and losses (FY2024 H1: foreign exchange gains of ¥3,582 mil., FY2025 H1: foreign exchange losses of ¥2,061 mil.)
- Income taxes etc.** Decrease of ¥1,352 mil. in income taxes etc. due to the resolution to liquidate Orbis Beijing.

Factors Impacting Interim Profit Attributable to Owners of Parent

Despite an increase in operating income, interim profit attributable to owners of parent decreased by ¥2,856 mil. YoY due to the impact of foreign exchange rates.



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(mil. yen)	FY2024	FY2025	YoY Change	
	H1 Results	H1 Results	Amount	%
Consolidated net sales	83,836	83,253	(582)	(0.7%)
Beauty care	81,322	80,200	(1,121)	(1.4%)
Real estate	995	1,488	492	49.5%
Others	1,518	1,564	46	3.0%
Consolidated operating income	7,316	8,217	900	12.3%
Beauty care	7,890	8,064	174	2.2%
Real estate	0	431	431	-
Others	141	70	(70)	(50.2%)
Reconciliations	(714)	(349)	365	-

Key Factors

- Beauty care** Sales decreased YoY, mainly due to lower revenue from POLA, but operating income increased, mainly due to the cost reduction and the optimization of costs, including the timing of investment expenditures.
- Real estate** Revenue and income increased in FY2025 H1 because the POLA aoyama building opened in March 2024.

Beauty Care Business Results by Brands

(mil. yen)	FY2024	FY2025	YoY Change	
	H1 Results	H1 Results	Amount	%
Beauty care net sales	81,322	80,200	(1,121)	(1.4%)
POLA	45,966	44,490	(1,476)	(3.2%)
ORBIS	23,992	24,785	792	3.3%
Jurlique	4,100	3,699	(400)	(9.8%)
Brands under development	7,262	7,225	(37)	(0.5%)
Beauty care operating income	7,890	8,064	174	2.2%
POLA	5,245	5,202	(42)	(0.8%)
ORBIS	4,518	4,194	(324)	(7.2%)
Jurlique	(1,574)	(926)	647	-
Brands under development	(299)	(405)	(105)	-

Note: Consolidated results for each brand are shown for reference purposes only (figures are unaudited).

H1 Results

- Consignment sales continued to grow at stores on a growth track and the declining trend in existing customers eased compared to the first quarter.
- Overseas, the Chinese business saw steady progress in the revision of store rollout, aimed at improving profitability, while ASEAN experienced double-digit revenue growth.
- Optimized the use and timing of sales-related expenses with a focus on cost-effectiveness.

H1	Results (mil. yen)	YoY Change
Net sales	44,490	(3.2%)
Operating income	5,202	(0.8%)
Key indicators		
Sales ratio	Domestic ⁽¹⁾	85.3%
	Consignment sales	59.4%
	Department store	13.3%
	E-commerce	7.5%
	Hotel amenities	5.1%
	Overseas	14.7%
Sales growth ⁽²⁾	Domestic ⁽¹⁾	down 0.9%
	Consignment sales	down 4.0%
	Department store	up 3.1%
	E-commerce	up 2.9%
	Hotel amenities	up 23.3%
	Overseas	down 14.7%
Domestic business Purchase per customer ⁽²⁾ / # of customers ⁽²⁾		up 3.6% / down 6.2%
# of stores domestic (vs Dec. 2024)		2,509(down 9)
# of stores overseas (vs Dec. 2024)		140(down 7)

(1) Includes results outside the four major domestic channels (2) YoY basis

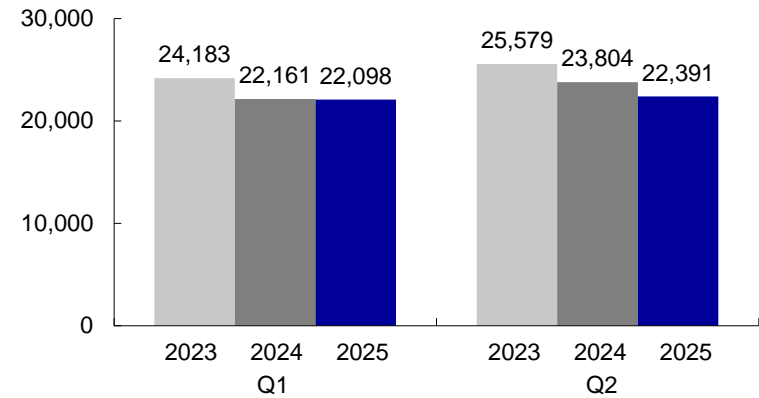
Topics

- Our new products received multiple best cosmetics awards.

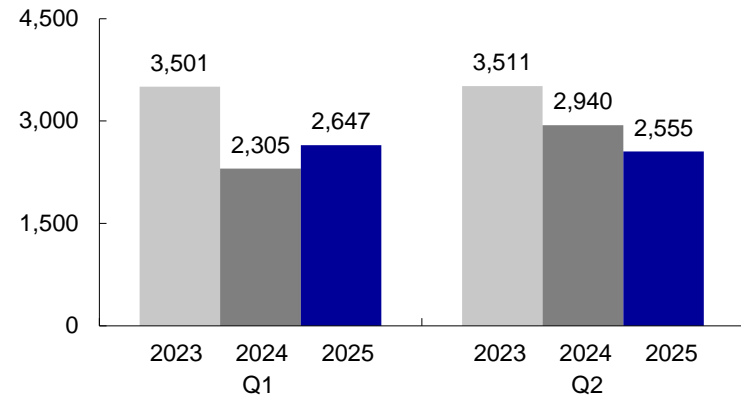


(Left) POLA WHITE SHOT SERUM UV
(Right) POLA WRINKLE SHOT SERUM DUO

Quarterly net sales (mil. yen)



Quarterly operating income (mil. yen)



H1 Results

- The strengthening of the customer base progressed due to a stable increase in existing customers.
- In external channels, we maintained a high sales growth rate.
- The new cleansing oil has shown a strong initial sales performance, and we invested in expanding its sales as a strategic product.

H1	Results (mil. yen)	YoY Change
Net sales	24,785	3.3%
Operating income	4,194	(7.2%)
Key indicators		
Sales ratio	Domestic	97.6%
	Direct selling ⁽¹⁾	79.8%
	External channels etc.	17.8%
	Overseas	2.4%
Sales growth ⁽²⁾	Domestic	up 4.2%
	Direct selling ⁽¹⁾	up 1.2%
	External channels etc.	up 20.3%
	Overseas	down 24.7%
Direct selling	Purchase per customer ⁽²⁾	up 1.0%
Direct selling	Number of customers ⁽²⁾	up 0.5%

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

(2) YoY basis

Topics

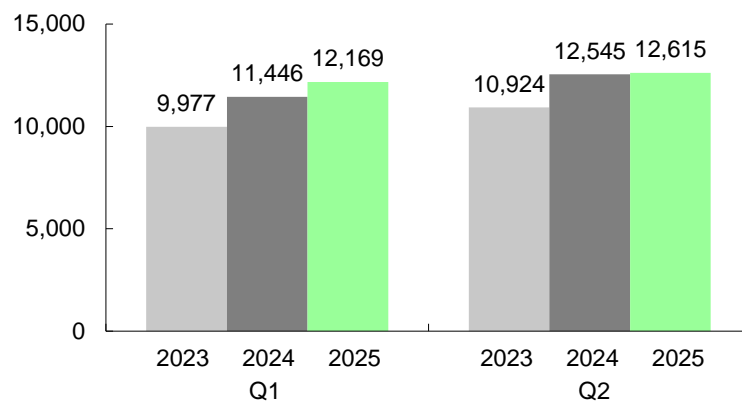
- Launched the brand's first cleansing oil (May), simultaneously winning the 2025 First Half Best Cosmetics Awards (cleansing category) from three major beauty magazines*

*VOCE, BITEKI, and MAQUIA

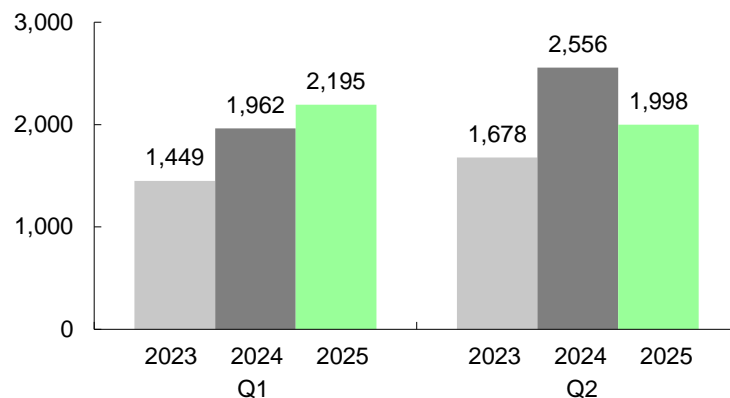


ORBIS THE CLEANSING OIL

Quarterly net sales (mil. yen)



Quarterly operating income (mil. yen)



H1 Results

- While sales in the second quarter were in line with the same period of FY2024 on an AUD basis, the brand continued to struggle in a difficult market environment.
- Losses were reduced through the progress of structural reforms and cost control.

H1	Results (mil. yen)	YoY Change
Net sales	3,699	(9.8%)
Operating income ⁽¹⁾	(926)	647
Key indicators		
Sales ratio	Australia	22.0%
	Mainland China	34.1%
	Hong Kong	12.4%
	Duty free	15.5%
Sales growth ⁽²⁾	Australia	down 2.2%
	Mainland China	down 4.9%
	Hong Kong	up 7.5%
	Duty free	down 8.9%

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

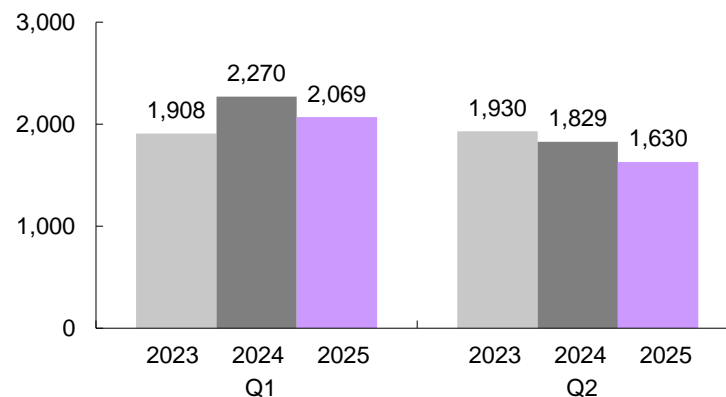
(2) AUD basis, YoY

Topics

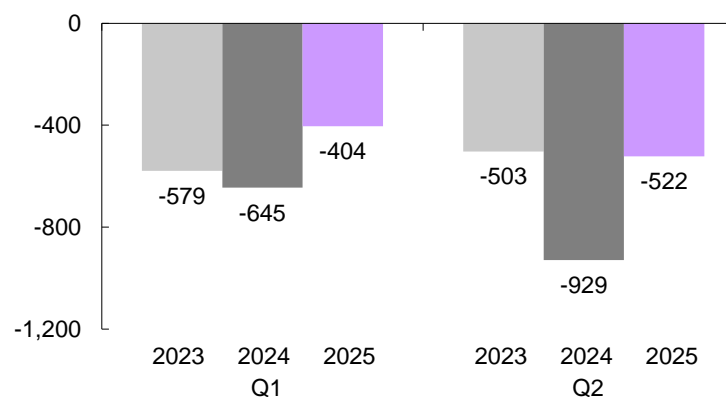
- Launched three skincare products from the *Calendula* series for sensitive skin (May)



Quarterly net sales (mil. yen)



Quarterly operating income (mil. yen)



H1 Results

- DECENCIA's revenue and income both increased as we accelerating offline expansion by opening beauty counters with a focus on increasing customer contact points.
- THREE's sales ratio of holistic care products steadily increased.

H1	Results (mil. yen)	YoY Change
Net sales	7,225	(0.5%)
Operating income ⁽¹⁾	(405)	(105)
THREE Net sales	2,239	(12.3%)
THREE OP income ⁽¹⁾	(649)	(190)
DECENCIA Net sales	2,786	4.2%
DECENCIA OP income	323	6.7%

Key indicators

THREE

Sales ratio	Domestic	81.0%
	Overseas	19.0%
Sales growth ⁽²⁾	Domestic	down 12.7%
	Overseas	down 10.7%

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

(2) YoY basis

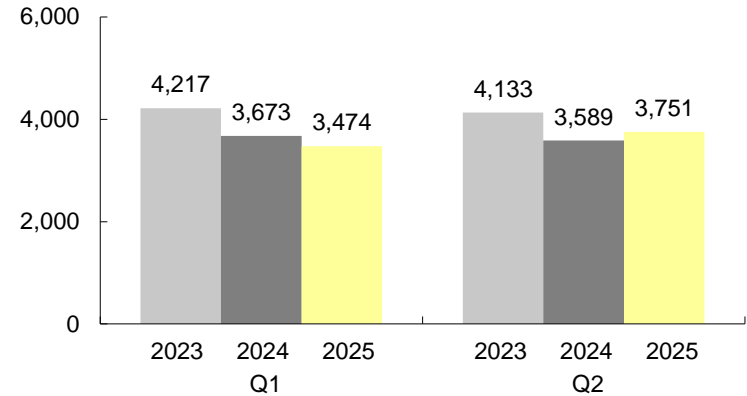
Topics

- Launched a hair care series containing essential oils from THREE (April)

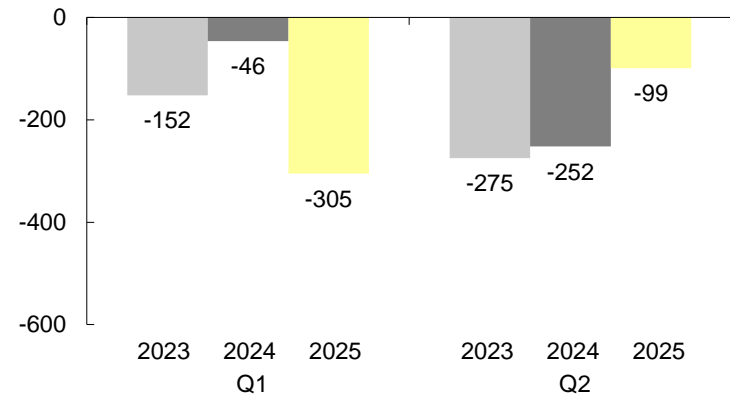


THREE Essential Scents hair care series

Quarterly net sales (mil. yen)



Quarterly operating income (mil. yen)



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POLA

- Launch three renewed skincare products (lotion/facial milk/cream) from the premium series, *B.A* (September).
- Use new products as a hook to promote communication with existing customers to stabilize the customer base, and strive for greater brand loyalty and lifetime value (LTV).
- Actively implement promotions to enhance brand presence.
- Renew aesthetic treatment services (August), enhancing customer experience value through enhanced effectiveness and achieving further growth at stores on a growth track, which are performing strongly.
- In the Chinese business, focus on our approach to the wealthy customer group and continue to streamline unprofitable stores and implement effective expense control to stabilize the earnings base.



B.A series



Aesthetic treatment

ORBIS

- Aim to enhance brand recognition through promotions focusing on the strongly performing cleansing oil and the expansion of touchpoints in external channels.
- Launch renewed wrinkle-improving and skin-brightening serum product (August) and strengthen cross-selling proposals of high-value-added products to increase LTV.



ORBIS THE WRINKLE SERUM

Jurlique

- Continue structural reforms and thorough cost control.
- Strengthen proposals for our star products, face oils, and focus on appealing to customers with product benefits and results in an effort to acquire customers through facial skincare products.



(Left) *Rare Rose Face Oil*
(Right) *Calendula Face Oil*

Brands Under Development

DECENCIA

- Strengthen proposals of the renewed premium aging-care series and aim to increase LTV.



DECENCIA
DECENCY series

T H R E E

- Release a renewed fragrance (August), continue to expand holistic care products, and focus on acquiring customers with high expected retention rates.
- Promote opportunities for customers to experience the brand, focusing on experiential stores and trial use of products, to encourage empathy with the brand.



THREE ESSENTIAL SCENTS R

F U J I M I

- Expand the variety of the personalized protein flavors, which is the brand's main product, to promote usage frequency.

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Forecasts for Fiscal 2025 (Unchanged)

(mil. yen)	FY2024	YoY Change	
	Full-year Results	Amount	%
Consol. net sales	170,359	(2,944)	(1.7%)
Beauty care	165,060	(3,417)	(2.0%)
Real estate	2,214	135	6.5%
Others	3,085	337	12.3%
Consol. operating income	13,810	(2,269)	(14.1%)
Beauty care	14,926	(1,427)	(8.7%)
Real estate	76	(363)	(82.5%)
Others	231	81	54.7%
Reconciliations	(1,424)	(561)	-
Ordinary income	16,083	(2,386)	(12.9%)
Profit attributable to owners of parent	9,286	(379)	(3.9%)

	FY2025	YoY Change	
	Full-year Plan	Amount	%
	174,000	3,640	2.1%
	168,200	3,139	1.9%
	2,900	685	31.0%
	2,900	(185)	(6.0%)
	14,500	689	5.0%
	15,450	523	3.5%
	300	223	289.7%
	150	(81)	(35.2%)
	(1,400)	24	-
	14,700	(1,383)	(8.6%)
	8,500	(786)	(8.5%)

Assumed exchange rates: 1.00 AUD = 99.0 JPY (PY 99.97) 1.00 CNY = 19.9 JPY (PY 21.02)

	FY2024
Shareholder returns	Annual ¥52 (Consol. payout ratio 123.9%)
Capital investment	¥14,518 mil.
Depreciation	¥8,352 mil.

	FY2025 (plan)
Shareholder returns	Annual ¥52 (Interim ¥21, Year-end ¥31) (Consol. payout ratio 135.4%)
Capital investment	¥10,000 mil. to ¥11,000 mil.
Depreciation	¥8,000 mil. to ¥9,000 mil.

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(Appendix) Quarterly Segment Results

(mil. yen)	FY2025 Jan.–Mar.		FY2025 Apr.–Jun.		FY2025 Jul.–Sep.		FY2025 Oct.–Dec.	
	Results	YoY Change	Results	YoY Change	Results	YoY Change	Results	YoY Change
Consolidated net sales	41,313	1.0%	41,940	(2.4%)	-	-	-	-
Beauty care	39,811	0.7%	40,389	(3.3%)	-	-	-	-
Real estate	737	47.7%	750	51.3%	-	-	-	-
Others	764	(8.4%)	799	17.1%	-	-	-	-
Consolidated operating income	4,148	23.5%	4,068	2.8%	-	-	-	-
Beauty care	4,132	15.6%	3,931	(8.9%)	-	-	-	-
Real estate	207	292.3%	224	277	-	-	-	-
Others	1	(97.3%)	68	(23.2%)	-	-	-	-
Reconciliations	(192)	129	(156)	236	-	-	-	-

(Appendix) Quarterly Beauty Care Business Results by Brands

(mil. yen)	FY2025 Jan.–Mar.		FY2025 Apr.–Jun.		FY2025 Jul.–Sep.		FY2025 Oct.–Dec.	
	Results	YoY Change	Results	YoY Change	Results	YoY Change	Results	YoY Change
Beauty care net sales	39,811	0.7%	40,389	(3.3%)	-	-	-	-
POLA	22,098	(0.3%)	22,391	(5.9%)	-	-	-	-
ORBIS	12,169	6.3%	12,615	0.6%	-	-	-	-
Jurlique	2,069	(8.9%)	1,630	(10.9%)	-	-	-	-
Brands under development	3,474	(5.4%)	3,751	4.5%	-	-	-	-
Beauty care operating income	4,132	15.6%	3,931	(8.9%)	-	-	-	-
POLA	2,647	14.9%	2,555	(13.1%)	-	-	-	-
ORBIS	2,195	11.9%	1,998	(21.8%)	-	-	-	-
Jurlique	(404)	240	(522)	407	-	-	-	-
Brands under development	(305)	(258)	(99)	152	-	-	-	-

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 results for each brand are shown for reference purposes only (figures are unaudited).

(Appendix) Beauty Care Business Results for FY2022–FY2024 by Brands

(mil. yen)	FY2022	FY2023	FY2024	FY2023–FY2024 YoY Change	
	Results	Results	Results	Amount	%
Consolidated net sales	166,307	173,304	170,359	(2,944)	(1.7%)
Beauty care net sales	161,654	168,477	165,060	(3,417)	(2.0%)
POLA	96,371	98,499	92,798	(5,700)	(5.8%)
ORBIS	38,417	42,874	48,190	5,315	12.4%
Jurlique	8,388	9,032	8,763	(268)	(3.0%)
Brands under development	16,892	17,368	15,307	(2,060)	(11.9%)
Consolidated operating income	12,581	16,080	13,810	(2,269)	(14.1%)
Beauty care operating income	13,793	16,354	14,926	(1,427)	(8.7%)
POLA	12,495	11,555	9,933	(1,622)	(14.0%)
ORBIS	4,850	6,340	8,306	1,966	31.0%
Jurlique	(1,266)	(1,350)	(2,461)	(1,111)	-
Brands under development	(2,105)	(298)	(851)	(552)	-

Note : Consolidated results for each brand are shown for reference purpose only (unaudited).

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

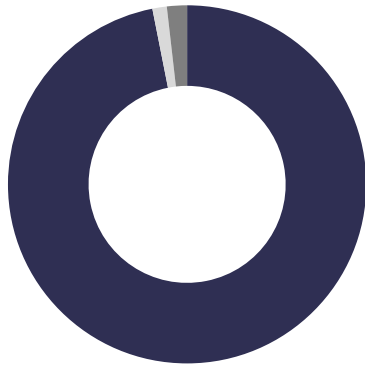
(mil. yen)	FY2024	FY2025	YoY Change	
	H1 Results	H1 Results	Amount	%
POLA net sales	45,966	44,490	(1,476)	(3.2%)
Domestic ⁽¹⁾	38,283	37,935	(347)	(0.9%)
Consignment sales	27,506	26,430	(1,076)	(4.0%)
Department store	5,722	5,902	180	3.1%
E-commerce	3,226	3,322	97	2.9%
Hotel amenities	1,830	2,258	427	23.3%
Overseas	7,683	6,554	(1,128)	(14.7%)
ORBIS net sales	23,992	24,785	792	3.3%
Domestic	23,217	24,201	984	4.2%
Direct Selling ⁽²⁾	19,539	19,777	237	1.2%
External Channels etc.	3,678	4,425	747	20.3%
Overseas	775	584	(191)	(24.7%)

(1) Includes results outside the four major domestic channels

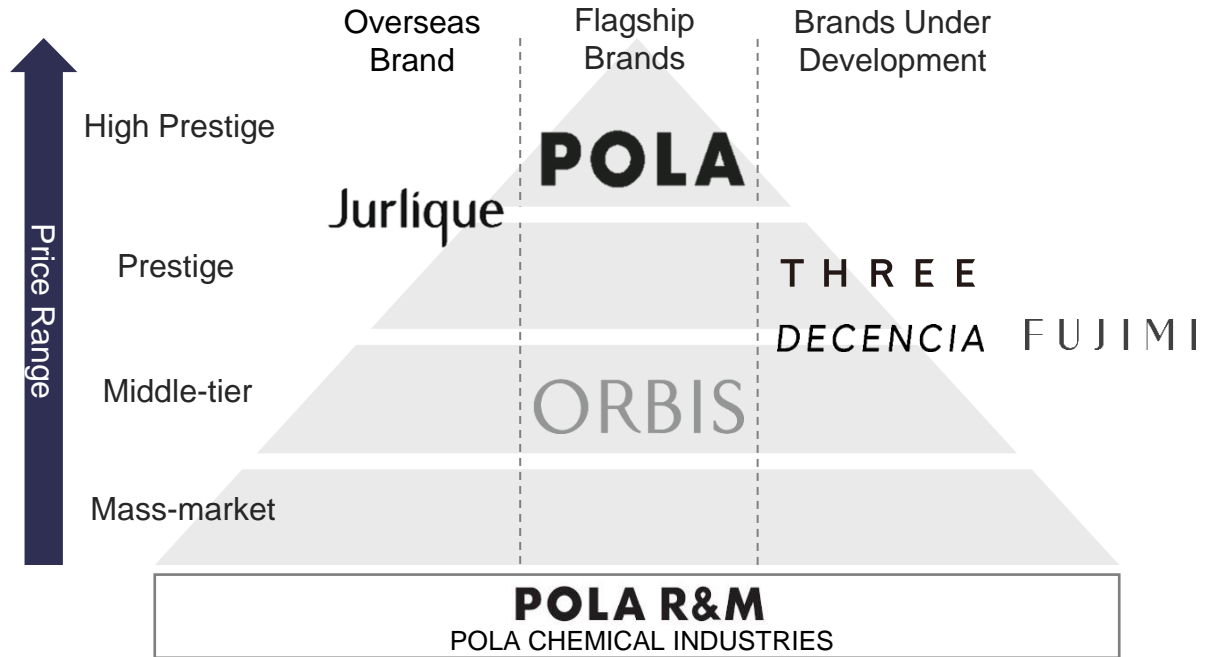
(2) Total of in-house mail-order (e-commerce and catalog) and directly-operated stores sales

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

FY2024
Consol. Net Sales
¥170.3 bn.



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



Our strengths

- Multi-brand strategy
- Focus on skincare products
- Flagship brands, POLA and ORBIS, own and operate through their own direct selling 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	56%	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 cosmetics specialty stores Overseas: Department stores, directly-operated stores, duty free stores, e-commerce and cross-border e-commerce
	29%	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, cosmetics specialty stores, and drugstores Overseas: E-commerce, duty free stores, and cosmetics specialty stores
Overseas Brand	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		T H R E E Since 2009	<ul style="list-style-type: none"> Holistic care using essential oils and other natural botanical ingredients 	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
	9%	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
		F U J I M I 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 FY2024. Brands under development include OEM business and new business.

【Enhancing Capital Profitability】

Return on equity (ROE) has been declining due to the decrease in profit. Under the 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

	FY2024 Result	2026 Target	2029 Target
ROE	5.6%	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

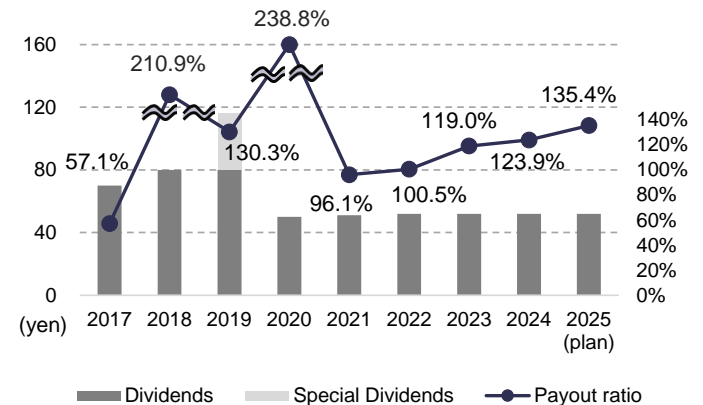
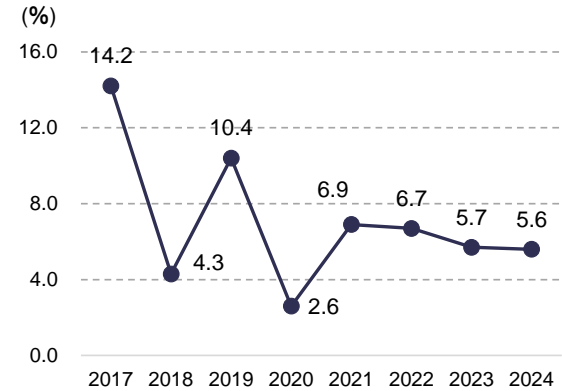
Improvement of Shareholder Return

- 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 FY2025】

- Dividend per share : **¥52** (interim ¥21, year-end ¥31)
- Consol. payout ratio : 135.4%

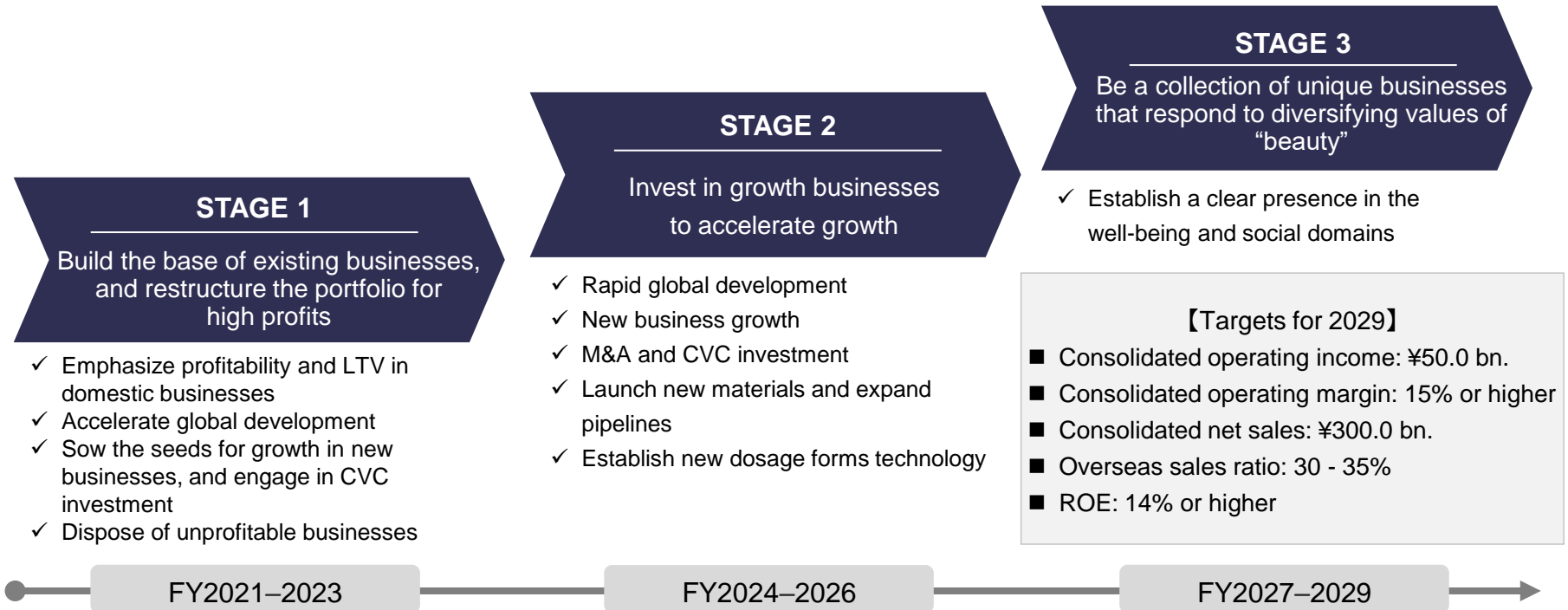
ROE Movement



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 bn. 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
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