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The Company has taken measures for electronic provision in convening the Shareholders' Meeting and posted electronic provision measures matters in the "CONVOCAION NOTICE OF THE 18TH ANNUAL SHAREHOLDERS' MEETING" on the following website on the Internet.

The Company's website: <https://ir.po-holdings.co.jp/en/Stock/Meeting.html>

In addition to the above, the Company has taken measures for electronic provision on Tokyo Stock Exchange (TSE)'s website as well. You can review the electronic provision measures matters by accessing the following website of TSE (Listed Company Search), querying the Company by inputting "POLA ORBIS HOLDINGS INC." in the "Issue name (company name)" field or "4927" (in single-byte characters) in the securities "Code" field, and selecting "Basic information" and then "Documents for public inspection/PR information."

Website of TSE (Listed Company Search):

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

(Securities Code: 4927)

March 8, 2024

(Start date of electronic provision measures: March 1, 2024)

To Our Shareholders:

Yoshikazu Yokote
Representative Director and President
POLA ORBIS HOLDINGS INC.
2-2-3 Nishigotanda, Shinagawa-ku, Tokyo
[Head Office:
1-7-7 Ginza, Chuo-ku, Tokyo]

**CONVOCAION NOTICE OF
THE 18TH ANNUAL SHAREHOLDERS' MEETING**

- 1. Date and Time:** 1:30 p.m. on Thursday, March 28, 2024
(Reception will start from 1:00 p.m.)
- 2. Place:** Prince Hall, Annex Tower 5F, Shinagawa Prince Hotel, located at
4-10-30 Takanawa, Minato-ku, Tokyo, Japan
- 3. Meeting Agenda:**
 - Matters to be reported:**
 1. 18th fiscal year (January 1, 2023 - December 31, 2023):
Business Report, Consolidated Financial Statements content and the Audit Report of the Consolidated Financial Statements by the Accounting Auditor and the Board of Corporate Auditors
 2. Non-consolidated Financial Statements for the Company's 18th fiscal year (January 1, 2023 - December 31, 2023)
 - Proposals to be resolved:**
 - Proposal 1:** Appropriation of Surplus
 - Proposal 2:** Election of Eight (8) Directors

- Starting from the 17th Annual Shareholders' Meeting (held in March 2023), the materials for Shareholders' Meeting (Reference Documents for the Shareholders' Meeting, Business Report, Consolidated Financial Statements, Non-consolidated Financial Statements, and Audit Report) have been provided through websites, instead of sending them in writing, following the enforcement of the electronic provision system based on the amendments to the Companies Act. Shareholders are kindly requested to review the documents by accessing the URLs referred to on page 1 of this Convocation Notice. The Reference Documents for the Shareholders' Meeting are attached to this Convocation Notice so that Shareholders are able to have the Reference Documents in hand to review the key points of such materials. Shareholders who have requested, by the record date, to receive a hard copy of the electronic provision measures matters will receive documents containing such matters in accordance with the laws and regulations as well as the Articles of Incorporation of the Company. Shareholders who desire to receive the hard copy next time onward but have not yet requested to receive it are kindly asked to request it by the record date. Please contact Mitsubishi UFJ Trust and Banking Corporation, which is the shareholder registry administrator of the Company, or your securities company, for details concerning how to request a hard copy.
- Any revisions to the electronic provision measures matters will be posted on the websites on which these matters are presented.
- The items listed below are not contained in the hard copy provided to Shareholders who requested it pursuant to the provisions of laws and regulations and Article 15, Paragraph 2 of the Articles of Incorporation of the Company. Accordingly, please note that the hard copy provided to Shareholders who have requested it is a part of documents subject to audit by the Corporate Auditor and the Accounting Auditor when preparing the Audit Report.
 - (1) Matters Concerning the Company's Stock Acquisition Rights, Etc., Status of Accounting Auditor, Systems to Ensure That the Execution of Duties by Directors Complies With Laws and Regulations and the Articles of Incorporation, Other Systems to Ensure the Appropriateness of Operations, and Overview of Operational Status of Systems to Ensure the Appropriateness of Operations,
 - (2) Consolidated Statements of Changes in Net Assets, and Notes to the Consolidated Financial Statements, and
 - (3) Non-consolidated Statements of Changes in Net Assets, and Notes to Non-consolidated Financial Statements.
- This English translation of the Convocation Notice as reference is made available on the Company's website.
- Please be advised in advance that the electronic provision measures matters posted on the websites are the full text of the materials for Shareholders' Meeting, and therefore, the page and item numbers do not match with the Convocation Notice.

[Guidance for Exercise of Voting Rights]

Prior to the Shareholders' Meeting

If you are not attending the Shareholders' Meeting in person

■ Exercise of Voting Rights via the Internet, Etc. [Recommended]

Please access the website for exercise of voting rights (<https://evote.tr.mufg.jp/>) and enter your vote of approval or disapproval following the instructions on the screen.

Voting deadline: No later than 5:40 p.m. (JST) on Wednesday, March 27, 2024

■ Exercise of Voting Rights in Writing

We kindly request you to indicate your approval or disapproval to the proposals on the enclosed Voting Rights Exercise Form, and return it so that it reaches us no later than the voting deadline below.

If there is no indication of approval or disapproval of a proposal in the Voting Rights Exercise Form, it will be treated as a vote of approval.

Voting deadline: No later than 5:40 p.m. (JST) on Wednesday, March 27, 2024

If you are attending the Shareholders' Meeting

Please submit the enclosed Voting Rights Exercise Form at the reception desk of the Meeting.

Date and time of the Shareholders' Meeting: 1:30 p.m. (JST) on Thursday, March 28, 2024

● For institutional investors

The electronic voting rights exercise platform operated by ICJ, Inc. can be used if application for participation in the platform is made in advance.

Reference Document for the Shareholders' Meeting

Proposal 1: Appropriation of Surplus

The Company regards the return of profits to shareholders as one of its significant management issues, and has set the enhancement of shareholder return through stable profit growth as a basic policy. Accordingly, the Company would like to propose the amount of year-end dividend as follows.

If this proposal is approved, the total dividend for the 18th fiscal year, including the interim dividend, will be 52 yen per share.

Matters pertaining to year-end dividend

- (1) Type of dividend property
Cash
- (2) Allocation of dividend property to shareholders and the total amount thereof
31 yen per share (ordinary dividend of 31 yen per share)
Total: 6,865,697,193 yen
- (3) Date when dividends of surplus become effective
March 29, 2024

(Reference) Trends of Dividends and Dividend Payout Ratio

| | The 15th fiscal year | The 16th fiscal year | The 17th fiscal year | The 18th fiscal year |
|-----------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Dividend | 50 yen | 51 yen | 52 yen | 52 yen (scheduled) |
| Dividend payout ratio | 238.8% | 96.1% | 100.5% | 119.0% (scheduled) |

* Dividend and dividend payout ratio figures for the 18th fiscal year are stated on the assumption that this proposal is approved as originally proposed.

Proposal 2: Election of Eight (8) Directors

The terms of office for all eight (8) Directors will expire upon conclusion of this Annual Shareholders' Meeting. Accordingly, the Company proposes the election of eight (8) Directors.

The names, career summaries, etc. of the Director candidates are as follows:

| No. | Name | Current positions and responsibilities | Attendance at meetings of the Board of Directors |
|--|------------------|--|--|
| 1 (Reelection) | Satoshi Suzuki | Representative Director and Chairman | 20/20 (100%) |
| 2 (Reelection) | Yoshikazu Yokote | Representative Director and President | 20/20 (100%) |
| 3 (Reelection) | Naoki Kume | Director and Vice President In charge of Finance, Legal, and Administration | 20/20 (100%) |
| 4 (Reelection) | Koji Ogawa | Director In charge of Management Planning, IT, HR, and Business Development | 20/20 (100%) |
| 5 (Reelection) | Takuma Kobayashi | Director | 20/20 (100%) |
| 6 (Reelection) (Outside Director) (Independent) | Kazuyoshi Komiya | Outside Director | 18/20 (90%) |
| 7 (Reelection) (Outside Director) (Independent) | Naomi Ushio | Outside Director | 19/20 (95%) |
| 8 (Reelection) (Outside Director) (Independent) | Hikaru Yamamoto | Outside Director | 20/20 (100%) |

See page 17 for details of "Director Competency" stated in reasons for nominating each candidate for Director on the following pages.

Candidate No. 1

Satoshi Suzuki (March 18, 1954)

(Reelection)

Attendance at meetings of the Board of Directors: 20/20 (100%)

Number of shares of the Company held: 50,624,480 shares

Term of office (at the conclusion of this Meeting): 17 years and 7 months



Career summary:

| | | | |
|---------------|--|----------------|---|
| April 1979 | Joined Honda R&D Co., Ltd. | January 2000 | Representative Director and President, POLA Cosmetics, Inc. (currently POLA INC.) |
| May 1986 | Joined POLA Cosmetics, Inc. (currently POLA INC.) | September 2006 | Representative Director and President, POLA ORBIS HOLDINGS INC. |
| February 1996 | General Manager, General Coordination Office, POLA Cosmetics, Inc. | April 2010 | Representative Director and Chairman, POLA INC. |
| June 1996 | Director, POLA Cosmetics, Inc. | January 2016 | Chairman, POLA INC. (current) |
| | Representative Director and President, POLA CHEMICAL INDUSTRIES INC. | January 2023 | Representative Director and Chairman, POLA ORBIS HOLDINGS INC. (current) |

Significant concurrent positions:

Chairman, POLA INC.

Reasons for nominating the candidate for Director:

Mr. Satoshi Suzuki assumed office of Representative Director and Chairman in 2023, and as the Chairman of the Board of Directors, he has provided support to the new President as well as the new executive system. He has consistently been working to develop the next generation of human resources, and is concentrating on developing talents who will play a central role in creating sustainable value of the Group. In addition, Mr. Suzuki has supported deliberation on the formulation of the new Medium-term Management Plan by thinking from a long-term perspective and having unwavering commitment to achieving the growth of the Group.

The “Director Competency” evaluation indicates that Mr. Suzuki has the distinctive abilities to consider how to shift the direction of the entire Group without any exceptions from a long-term perspective, use insight to enter new businesses with new ideas without being confined to existing domains, and demonstrate the capability and power to take actions with strong determination.

For the reasons mentioned above, we propose reelection of Mr. Suzuki as Director.

Candidate No. 2

Yoshikazu Yokote (September 10, 1967)

(Reelection)

Attendance at meetings of the Board of Directors: 20/20 (100%)

Number of shares of the Company held: 18,800 shares

Term of office (at the conclusion of this Meeting): 8 years



Career summary:

| | | | |
|--------------|--|--------------|---|
| April 1990 | Joined POLA Cosmetics, Inc. (currently POLA INC.) | January 2016 | Representative Director and President, POLA INC. |
| August 2006 | Representative Director and President, FUTURE LABO INC. | March 2016 | Director, POLA ORBIS HOLDINGS INC. |
| July 2011 | Chairman, Managing Director, POLA CHINA BEAUTY CO. LTD. (POLA Shenyang) | January 2020 | Director and General Manager of International Business Management, POLA ORBIS HOLDINGS INC. |
| January 2015 | Corporate Officer, General Manager, Product Planning Division, POLA INC. | January 2021 | Director & CEO, POLA ORBIS Travel Retail Limited |
| | | January 2023 | Representative Director and President, POLA ORBIS HOLDINGS INC. (current) |

Significant concurrent positions:

No significant concurrent positions

Reasons for nominating the candidate for Director:

Mr. Yoshikazu Yokote took the baton from the founding family president and assumed the position of Representative Director and President in 2023. Since then, he has organized a management team consisting of members who are key executives of the Company and Group companies, and promoted the transition to a new system. To move the Company towards the realization of VISION 2029, he has led the reforms of the existing businesses, development of new businesses and formulation of the new Medium-term Management Plan. Drawing on his own extensive management experience, Mr. Yokote makes use of the diverse personalities, knowledge, and experience of the members to the maximum extent possible to envision the future of the Group and the strategies to realize it, and executes them.

The “Director Competency” evaluation indicates that Mr. Yokote has the distinctive ability to take actions to realize the long-term vision with keen awareness of social mission of a corporation, while understanding the relationships and issues with businesses, organizations, society, and markets by taking a panoramic and structured view.

For the reasons mentioned above, we propose reelection of Mr. Yokote as Director.

Candidate No. 3

Naoki Kume (June 9, 1961)

(Reelection)

Attendance at meetings of the Board of Directors: 20/20 (100%)

Number of shares of the Company held: 111,708 shares

Term of office (at the conclusion of this Meeting): 16 years and 3 months



Career summary:

| | | | |
|--------------|--|---------------|---|
| April 1984 | Joined POLA Cosmetics, Inc. (currently POLA INC.) | January 2008 | Director, General Manager of Management Planning and Group Organization Strategy, POLA ORBIS HOLDINGS INC. |
| October 2004 | General Manager, Accounting Division, POLA Cosmetics, Inc. | July 2011 | Director, H2O PLUS HOLDINGS, LLC |
| April 2005 | Corporate Officer and General Manager, Group Organization Strategy Division, POLA Cosmetics, Inc. | February 2012 | Director, Jurlique International Pty. Ltd. |
| January 2007 | Director, POLA Cosmetics, Inc. Corporate Officer, General Manager of Management Planning and Group Organization Strategy, POLA ORBIS HOLDINGS INC. | January 2014 | Director and Vice President, POLA ORBIS HOLDINGS INC. (current) |
| | | March 2018 | Director and Vice President, General Manager of International Business Management, POLA ORBIS HOLDINGS INC. |
| | | October 2023 | Director, POLA CHEMICAL INDUSTRIES INC. (current) |

Significant concurrent positions:

Director, POLA CHEMICAL INDUSTRIES INC.

Responsibility:

In charge of Finance, Legal, and Administration

Reasons for nominating the candidate for Director:

Mr. Naoki Kume has abundant experience and achievements mainly in finance and accounting as a director responsible for finance, legal, and administration divisions. Mr. Kume has contributed to the execution of VISION 2029 through actions that strike a balance between offense and defense for various issues concerning management in general toward the realization of the business growth in the medium to long term. In addition, drawing on his extensive experience, he has also been engaged in the establishment of the cosmetic medicine business.

The “Director Competency” evaluation indicates that Mr. Kume has the distinctive abilities related to flexible thoughts and actions for changes in the environment, etc. in making management decisions, possessing a firm idea of the values and social significance that the Company should have, and taking also into account the history of the Company.

For the reasons mentioned above, we propose reelection of Mr. Kume as Director.

Candidate No. 4

Koji Ogawa (July 16, 1968)

(Reelection)

Attendance at meetings of the Board of Directors: 20/20 (100%)

Number of shares of the Company held: 11,004 shares

Term of office (at the conclusion of this Meeting): 2 years



Career summary:

| | | | |
|--------------|---|--------------|---|
| April 1991 | Joined POLA Cosmetics, Inc. (currently POLA INC.) | January 2015 | General Manager, Legal & Administration, POLA ORBIS HOLDINGS INC. |
| January 2009 | Saitama Area Manager, POLA INC. | January 2017 | Corporate Officer, POLA ORBIS HOLDINGS INC. Director, ORLANE JAPON INC. |
| January 2012 | General Manager, PR & IR, POLA ORBIS HOLDINGS INC. | | |
| January 2014 | General Manager, Corporate Communications, POLA ORBIS HOLDINGS INC. | January 2018 | Director, ORBIS Inc. |
| | | January 2021 | Director, Jurlique International Pty. Ltd. (current) |
| | | March 2022 | Director, POLA ORBIS HOLDINGS INC. (current) |
| | | January 2023 | Director, POLA INC. (current) |

Significant concurrent positions:

Director, POLA INC.

Director, Jurlique International Pty. Ltd.

Responsibility:

In charge of Management Planning, IT, HR, and Business Development

Reasons for nominating the candidate for Director:

Mr. Koji Ogawa has served as a director responsible for management planning, IT, HR, and business development divisions, and has coped with management issues of the Company and the Group with his extensive knowledge and experience. In executing VISION 2029, he promoted the establishment and reorganization of organizational functions to strengthen the Group's management foundation. At the same time, Mr. Ogawa promoted new business development, CVC activities, and designing and implementation of cross-group systems and measures to develop Group management human resources. Through such and other efforts, he has been leading the way in raising issues and taking action to resolve them from a medium- to long-term perspective.

The "Director Competency" evaluation indicates that Mr. Ogawa possesses a sense of mission to fulfill his role and the tenacity to steadily move forward even in the face of opposition. At the same time, he has the distinctive abilities to make decisions in a timely manner in order to seize opportunities and to take actions to steadily generate results by drawing forth challenges in various ways while allowing the organization to feel secure.

For the reasons mentioned above, we propose reelection of Mr. Ogawa as Director.

Candidate No. 5

Takuma Kobayashi (September 1, 1977)

(Reelection)

Attendance at meetings of the Board of Directors: 20/20 (100%)

Number of shares of the Company held: 6,444 shares

Term of office (at the conclusion of this Meeting): 4 years



Career summary:

| | | | |
|---------------|--|--------------|---|
| October 2002 | Joined POLA Cosmetics, Inc. (currently POLA INC.) | January 2018 | Representative Director and President, ORBIS Inc. (current) |
| April 2009 | General Manager, Marketing Division, decencia Inc. (currently DECENCIA INC.) | January 2020 | Senior Corporate Officer, POLA ORBIS HOLDINGS INC. Director, H2O PLUS HOLDINGS, INC. |
| November 2009 | Director, decencia Inc. | March 2020 | Director, POLA ORBIS HOLDINGS INC. (current) |
| February 2010 | Representative Director and President, decencia Inc. | January 2022 | Director, tricot, Inc. (current) |
| January 2017 | Director, ORBIS Inc. Director, decencia Inc. (currently DECENCIA INC.) | | |

Significant concurrent positions:

Representative Director and President, ORBIS Inc.

Director, tricot, Inc.

Reasons for nominating the candidate for Director:

Mr. Takuma Kobayashi strongly promotes the re-growth of the ORBIS brand as Representative Director and President of ORBIS Inc. He promotes digital transformation of ORBIS from aspects of both capacity improvement of internal organizations and expansion of customer benefits. As a director of the Company, he has contributed to spreading his knowledge to Group companies, not limited to ORBIS.

The “Director Competency” evaluation indicates that Mr. Kobayashi has a strong belief and sense of mission, and his strengths lie in the abilities to take action and realize break through drawing on his capability of building external relationships and strong capability to send out information. It also indicates that Mr. Kobayashi has the distinctive ability to take actions to strive for generating results based on the venture spirit, without being bound by the existing framework.

For the reasons mentioned above, we propose reelection of Mr. Kobayashi as Director.

Candidate No. 6

Kazuyoshi Komiya (December 20, 1957)

(Reelection) (Outside Director) (Independent)

Attendance at meetings of the Board of Directors: 18/20 (90%)

Number of shares of the Company held: 400 shares

Term of office (at the conclusion of this Meeting): 9 years



Career summary:

| | | | |
|---------------|---|--------------|--|
| April 1981 | Joined The Bank of Tokyo, Ltd. (currently The Bank of Mitsubishi UFJ, Ltd.) | March 2005 | Outside Corporate Auditor, Sankei Giken Holdings Co., Ltd. (current) |
| November 1991 | Resigned from The Bank of Tokyo, Ltd. | June 2011 | Outside Corporate Auditor, APOLLO MEDICAL HOLDINGS Co., Ltd. |
| December 1991 | Joined Okamoto Associates, Inc. | May 2012 | Outside Director, Kindware Corporation |
| March 1994 | Resigned from Okamoto Associates, Inc. | October 2014 | Visiting professor, Nagoya University (current) |
| April 1994 | Joined Nippon Fukushi Service K.K. (currently SAINT-CARE HOLDING CORPORATION) | March 2015 | Outside Director, POLA ORBIS HOLDINGS INC. (current) |
| January 1996 | Resigned from Nippon Fukushi Service K.K. | April 2015 | Representative Director, Head Office, Komiya Consultants, Inc. (current) |
| | Representative Director, President, Komiya Consultants, Inc. | April 2017 | Representative Director, Chairman, Komiya Consultants, Inc. |
| June 1997 | Outside Corporate Auditor, Sankei Giken Kogyo Co., Ltd. (current) | April 2020 | Representative Director, Komiya Consultants, Inc. (current) |
| June 2002 | Outside Director, WAO CORPORATION (current) | | |
| March 2003 | Outside Director, CAS Capital, Inc. (current) | | |

Significant concurrent positions:

Representative Director, Head Office, Komiya Consultants, Inc.

Representative Director, Komiya Consultants, Inc.

Reasons for nominating the candidate for Outside Director and outline of expected roles:

Mr. Kazuyoshi Komiya has a wealth of knowledge and experience in corporate management. As Outside Director, he has been playing an appropriate role in providing proper advice and recommendations on management of POLA ORBIS HOLDINGS INC. in general and overseeing business execution and other operations. In addition, he serves as the chairperson of the voluntary Nomination Advisory Committee and a member of the voluntary Compensation Advisory Committee, and has fulfilled an appropriate role.

For the reasons mentioned above, we propose reelection of Mr. Komiya as Outside Director.

We expect that Mr. Komiya will continue to play the role as described above if elected.

Candidate No. 7

Naomi Ushio (March 8, 1961)

(Reelection) (Outside Director) (Independent)

Attendance at meetings of the Board of Directors: 19/20 (95%)

Number of shares of the Company held: 400 shares

Term of office (at the conclusion of this Meeting): 6 years



Career summary:

| | | | |
|---------------|--|---------------|--|
| April 1983 | Joined Fuji Television Network, Inc. | June 2014 | Outside Corporate Auditor, JX Holdings, Inc. (currently ENEOS Holdings, Inc.) |
| February 1989 | Resigned from Fuji Television Network, Inc. | April 2016 | Vice President, Meiji University |
| April 1998 | Senior Assistant Professor, Meiji University | March 2018 | Outside Director, POLA ORBIS HOLDINGS INC. (current) |
| April 2003 | Associate Professor (“ <i>Jokyoju</i> ”), Meiji University | February 2019 | Member of 10th Central Council for Education, Ministry of Education, Culture, Sports, Science and Technology |
| April 2007 | Associate Professor (“ <i>Junkyoju</i> ”), Meiji University | | Outside Corporate Auditor, The Shizuoka Bank Ltd. |
| April 2009 | Professor, School of Information and Communication, Meiji University (current) | June 2019 | Director, Gender Center, School of Information and Communication, Meiji University (current) |
| August 2009 | Expert Member, Liaison Conference for the Promotion of Gender Equality, Cabinet Office | April 2020 | Outside Corporate Auditor, Hagoromo Foods Corporation (current) |
| June 2011 | Outside Corporate Auditor, Seven Bank, Ltd. | June 2020 | Outside Director, The Dai-ichi Life Insurance Company, Limited (current) |
| | | June 2021 | Outside Director, Shizuoka Financial Group, Inc. (current) |
| | | October 2022 | |

Significant concurrent positions:

Professor, School of Information and Communication, Meiji University
Director, Gender Center, School of Information and Communication, Meiji University
Outside Corporate Auditor, Hagoromo Foods Corporation
Outside Director, The Dai-ichi Life Insurance Company, Limited
Outside Director, Shizuoka Financial Group, Inc.

Reasons for nominating the candidate for Outside Director and outline of expected roles:

Ms. Naomi Ushio specializes in business administration and human resource management theories. She has broad knowledge and expertise in addressing the issue of utilizing the abilities of working women. As Outside Director, she has been playing an appropriate role in providing proper advice and recommendations on the development of human resources and the promotion of diversity at POLA ORBIS HOLDINGS INC. and overseeing business execution and other operations. In addition, she serves as the chairperson of the voluntary Compensation Advisory Committee and a member of the voluntary Nomination Advisory Committee, and has fulfilled an appropriate role.

For the reasons mentioned above, we propose reelection of Ms. Ushio as Outside Director.

We expect that Ms. Ushio will continue to play the role as described above if elected.

Although Ms. Ushio has no past experience of involvement in corporate management other than as outside director and outside corporate auditor, for the reasons above, the Company believes she is capable of appropriately conducting her duty as Outside Director.

Candidate No. 8

Hikaru Yamamoto (October 2, 1973)

(Reelection) (Outside Director) (Independent)

Attendance at meetings of the Board of Directors: 20/20 (100%)

Number of shares of the Company held: 100 shares

Term of office (at the conclusion of this Meeting): 4 years



Career summary:

| | | | |
|------------|--|---------------|--|
| April 2004 | Assistant Professor, Graduate School of Economics, The University of Tokyo | December 2015 | Outside Director, MTI Ltd. (current) |
| | | March 2020 | Outside Director, POLA ORBIS HOLDINGS INC. (current) |
| April 2005 | Lecturer, Faculty of Economics, Seikei University | April 2023 | Professor, Faculty of Business and Commerce, Keio University (current) |
| April 2008 | Associate Professor, Faculty of Economics, Seikei University | | |
| April 2014 | Associate Professor, Graduate School of Business Administration, Keio University | | |

Significant concurrent positions:

Professor, Faculty of Business and Commerce, Keio University

Outside Director, MTI Ltd.

Reasons for nominating the candidate for Outside Director and outline of expected roles:

Ms. Hikaru Yamamoto specializes in marketing. She has broad knowledge and expertise accumulated through such activities as engaging in consumer behavioral research in the use of digital technology. As Outside Director, she has been playing an appropriate role in providing advice and recommendations which contribute to an increase in corporate value of the Company and overseeing business execution and other operations. In addition, she serves as a member of the voluntary Nomination Advisory Committee and a member of the voluntary Compensation Advisory Committee, and has fulfilled an appropriate role.

For the reasons mentioned above, we propose reelection of Ms. Yamamoto as Outside Director.

We expect that Ms. Yamamoto will continue to play the role as described above if elected.

Although Ms. Yamamoto has no past experience of involvement in corporate management other than as outside director, for the reasons above, the Company believes she is capable of appropriately conducting her duty as Outside Director.

(Notes)

1. There are no special conflicts of interest between any of the candidates and the Company.
2. The numbers of shares of the Company held by the candidates are based on the final register of shareholders as of December 31, 2023.
3. Mr. Kazuyoshi Komiya, Ms. Naomi Ushio and Ms. Hikaru Yamamoto are candidates for Outside Director. The Company has appointed Mr. Kazuyoshi Komiya, Ms. Naomi Ushio, and Ms. Hikaru Yamamoto as Independent Director as provided for in the regulations of the Tokyo Stock Exchange, Inc. and notified as such to the Tokyo Stock Exchange, Inc.
4. The Company has established a provision concerning liability limitation agreements with Outside Directors under its current Articles of Incorporation. Pursuant to said provision of the Articles of Incorporation, the Company has entered into liability limitation agreements with Mr. Kazuyoshi Komiya, Ms. Naomi Ushio and Ms. Hikaru Yamamoto regarding the liability specified in Article 423, Paragraph 1 of the Companies Act. Under said agreements, they shall be liable for damages within the minimum amount of liability stipulated in Article 425, Paragraph 1 of the Companies Act, if they perform their duties in good faith and without gross negligence. If this proposal is approved and Mr. Kazuyoshi Komiya, Ms. Naomi Ushio and Ms. Hikaru Yamamoto are reelected, the Company plans to continue the aforementioned liability limitation agreements with them.
5. The Company has concluded a directors and officers liability insurance agreement provided for in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. Said insurance agreement shall compensate for damage including compensation for damages and legal expenses to be borne by the insured. Each candidate will be included as the insured under such insurance agreement. In addition, the Company plans to renew the insurance agreement with the same level of coverage at the next renewal.

<Reference>

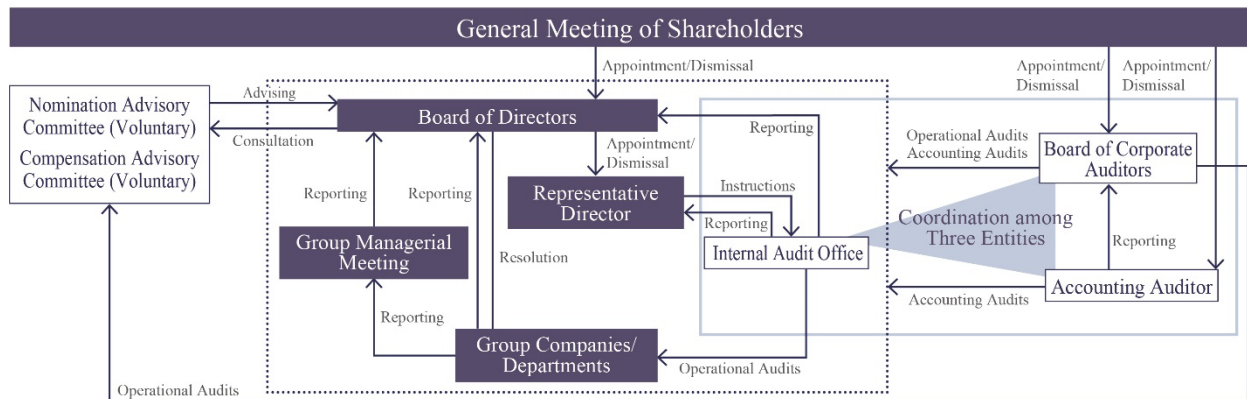
Basic Philosophy on Corporate Governance

Based on our Group mission *to sensitize the world to beauty*, the Group offers a number of brands each with differing properties. We deploy our businesses based on the recognition that our strengths are in our *high brand loyalty through direct ties with customers, R&D capabilities in the skincare area through concentration of our resources, and multi-value chain strategy exploiting strong synergistic effects of our brands upon each other*. Each operating company under the Group umbrella essentially manages itself autonomously and independently, while POLA ORBIS HOLDINGS, as the holding company, retains management control over each operating company and strives to increase corporate value through ensuring sound management and improved efficiency in Group operations overall.

The Group also incorporates compliance into CSR activities, emphasizing compliance as an integral part of business. The Group strives to realize sustainable development of the Group through initiatives where the Group, as a good corporate citizen, works to deepen cooperation and establish trustful relationships with various stakeholders, including shareholders and business partners, and fulfills its corporate responsibilities.

In addition, the Company has established the POLA ORBIS Group Code of Conduct to cover the various facets of responsible corporate activity, including legal compliance, environmental protection, and shareholder relations, which all executives and employees pledge to abide by such Code of Conduct.

■ Corporate Governance Structure



Policies and Procedures for Nomination of Director Candidates

Director candidates are nominated from persons who have the ability to contribute to the Group's sustained growth and medium- to long-term increases in its corporate value, who fully understand the Group's management policies and strategies, and who possess such properties as multifaceted points of view, flexible thinking on reforms, and specialization with consideration for balance among such factors as knowledge, experience, abilities, and diversity of the Board of Directors as a whole based on an evaluation of Director Competency (see page 17).

In addition, to ensure objectivity and transparency in the appointment process for candidates for Director, the Company has established the Nomination Advisory Committee to serve as a voluntary advisory body to the Board of Directors. Decisions on appointment are made by the Board of Directors and submitted to the General Meeting of Shareholders based on deliberations and reporting by the Nomination Advisory Committee. The majority of the membership of the Nomination Advisory Committee consists of outside directors, and an outside director designated by the Board of Directors shall chair the committee.

Nomination Advisory Committee Number of meetings held 5

| Role | Member | Major matters discussed in the 18th fiscal year |
|---|---|---|
| <p>The Committee's role is to ensure the objectivity, transparency, and effectiveness of the decision-making process regarding personnel affairs important from a management perspective by deliberating and reporting on matters such as the nomination of Company director candidates, appointment of Corporate Officers, and nomination of director candidates at subsidiaries, etc., based on requests from the Board of Directors.</p> | <p>Committee members are determined according to matters to be discussed from the perspective of ensuring the objectivity, transparency, and effectiveness in decision-making processes. The Group makes it a policy that personnel affairs of particular importance, including the nomination of Company director candidates, appointment of Corporate Officers, and appointment and dismissal of representative directors at major subsidiaries, are discussed by members whose majority consists of outside directors and such discussions are chaired by an outside director.</p> | <ul style="list-style-type: none"> · Matters regarding the nomination of Directors · Matters regarding the appointment of Corporate Officers · Matters regarding the nomination of Directors and the appointment of Corporate Officers of subsidiaries, etc. |

Compensation Advisory Committee Number of meetings held 11

| Role | Member | Major matters discussed in the 18th fiscal year |
|--|---|--|
| <p>The Committee's role is to ensure the objectivity, transparency, and effectiveness of the decision-making process by deliberating and reporting on matters such as the system design of the compensation program for Company executives, compensation for Company directors, and compensation, etc. for Directors and Corporate Officers at subsidiaries, etc. of the Company, based on requests from the Board of Directors.</p> | <p>Committee members are determined according to matters to be discussed from the perspective of ensuring the objectivity, transparency, and effectiveness in decision-making processes. The Group makes it a policy that revisions to the compensation program for executives, compensation for Company directors, and other matters of particular importance to be discussed are discussed by members whose majority consists of outside directors and such discussions are chaired by an outside director.</p> | <ul style="list-style-type: none"> · Matters regarding the compensation plan · Matters regarding the compensation of Directors and Corporate Officers · Matters regarding the compensation for Directors and Corporate Officers of subsidiaries, etc. |

Director Competency

The Group has prepared a competency model that spells out 10 performance characteristics (“Competency”) required of directors and personnel with management responsibilities for the Group to accommodate accelerated changes in the business environment and attain sustained growth. Redefined in January 2022, the Competency sets out characteristics from a long-term perspective of how we should be toward the future and using reforms as a starting point, based on performance characteristics demonstrated by past high performers. By putting emphasis on Competency regarding “people centricity,” “evolution,” and “reform”, the Competency conveys the Group’s essence.

Director Competency Model

| Cluster | Characteristic | Definition |
|---|---|---|
| A Person-Centered Management Represents our group strength, Individual-centered management | Pursuit of Social Significance | Earn trust by promoting business activities from a social point of conduct based on the mission to contribute to society |
| | Bi-i-shiki (≒ Esthetic Sense) | Ability to have impact on one’s surroundings as a personal/unique leader by exhibiting one’s attractive personality |
| | Concern for Diversity | Believing in one’s individual abilities, respects and makes use of individuals |
| SHINKA (Evolution) Sensitivity to changes in society and active evolution | Long-term Vision | Define and penetrate the desired future image and direction with a long-term vision |
| | Business Context Awareness | Envisions the future market according to changes in social environment and recognizes the company’s roles and positioning correctly |
| | Change-oriented | Creates innovation without sticking to conventional corporate thinking and actively leads to evolutionary opportunities |
| | Leverages an extensive external network | Utilizing a wide range of external networks in different fields, effectively incorporates diverse perspectives into the company |
| Value Creation Achieves corporate value creation by taking on new challenges | Make Decisions to Enhance Mobility | Enhances organizational agility by making timely decisions without relying on past experience |
| | Action-Oriented | Believe in oneself and repeats the process without fear of making mistake even if there is no perfect supporting evidence |
| | Passion for Results | Stays passionate about what he/she wants to achieve through intrinsic motivation |

Skills Matrix of Directors and Corporate Auditors as of the Timing of This Annual Shareholders' Meeting

| Position at the Company Areas of responsibility | Name | Competency strength | | | Strength related to experience and specialization/area of contribution expected in particular | | | | | | | | | |
|---|-------------------|------------------------------|--------------------|----------------|---|------------------------|---------------------------------------|--------------------------|-----|------------|-----|-----------------------|----|---|
| | | A Person-Centered Management | SHINKA (Evolution) | Value Creation | Corporate management (top management) | International business | Business planning (business creation) | Brand business Marketing | R&D | IT/digital | ESG | Finance/legal affairs | HR | |
| Representative Director and Chairman - | Satoshi Suzuki | ◎ | ◎ | ◎ | ● | | ● | ● | ● | | | ● | | |
| Representative Director and President - | Yoshikazu Yokote | ● | ● | ◎ | ● | ● | | ● | | | | | | |
| Director and Vice President Finance, Legal, and Administration | Naoki Kume | ● | ● | ● | | ● | ● | | | | | ● | ● | |
| Director Management Planning, IT, HR, and Business Development | Koji Ogawa | ● | | ● | | | ● | | | | ● | ● | | ● |
| Director (Representative Director and President, ORBIS Inc.) | Takuma Kobayashi | ● | ● | ◎ | ● | ● | | ● | | | ● | | | |
| Outside Director - | Kazuyoshi Komiya | - | - | - | ● | | | | | | | ● | | |
| Outside Director - | Naomi Ushio | - | - | - | | | | | | | | ● | | ● |
| Outside Director - | Hikaru Yamamoto | - | - | - | | | | | ● | | ● | | | |
| Full-time Corporate Auditor - | Hideki Komoto | - | - | - | | | | | | | | | ● | |
| Outside Corporate Auditor - | Akio Sato | - | - | - | | | | | | | | ● | ● | |
| Outside Corporate Auditor - | Motohiko Nakamura | - | - | - | | | | | | ● | ● | ● | | |

(Notes)

1. The above matrix is not an exhaustive description of all knowledge and experience each executive possesses.
2. Characteristics related to competency strengths which are expected to be demonstrated in their actions are indicated with “●,” and are expected to be especially demonstrated in their actions are indicated with “◎.”

Criteria for Judging Independence of Outside Executives

Outside directors and outside corporate auditors (hereinafter “outside executives”) or candidates for outside executives are judged to be independent from the Company and to have no risk of conflict of interest with general shareholders when the Company has determined that any of the items described below do not apply, as a result of investigation conducted to a reasonable extent by the Company.

1. Those involved in business execution *1 on behalf of the Company or Company affiliates (hereinafter “POLA ORBIS Group”) or who were involved in business execution on behalf of the POLA ORBIS Group within the previous 10 years
2. Those for whom the POLA ORBIS Group is an important transaction partner *2 or those involved in business execution on behalf of such parties
3. Important transaction partners of the POLA ORBIS Group *3 or those involved in business execution on behalf of such parties
4. Those providing specialized services, such as consultants, CPAs, or attorneys, and receiving from the POLA ORBIS Group large amounts of monetary or other assets *4 other than executive remuneration
5. Those involved in business execution on behalf of companies appointing as executives persons involved in business execution on behalf of the POLA ORBIS Group
6. Those receiving donations in large amounts *4 from the POLA ORBIS Group (or those involved in business execution of corporations, unions, or other organizations receiving such donations in large amounts)
7. Shareholders holding 10% or more of voting rights in the Company, either directly or indirectly (or those involved in business execution of corporations, unions, or other organizations holding such voting rights)
8. Those who have met any of the descriptions under 2.–7. above within the previous three years
9. Close relatives *5 of those meeting any of the descriptions under 2.–7. above (persons in important positions *6)
10. Others in circumstances that could lead to conflicts of interest with general shareholders and reasonably judged unsuitable for the position of independent outside executives

*1 “Those involved in business execution” refer to directors in charge of business execution, executive directors, executive officers, and other staff and employees.

*2 “Those for whom the POLA ORBIS Group is an important transaction partner” refer to transaction partners providing products or services to the POLA ORBIS Group for whom the value of such transactions in the most recent fiscal year was more than 2% of their consolidated net sales.

*3 “Important transaction partners of the POLA ORBIS Group” refer to transaction partners provided products or services by the POLA ORBIS Group for whom the value of such transactions in the most recent fiscal year was more than 2% of the POLA ORBIS Group’s consolidated annual net sales.

*4 As used in “large amounts of monetary or other assets” and “donations in large amounts,” “large amounts” refer to amounts received of 10 million yen or more in the most recent fiscal year.

*5 “Close relative” refers to a spouse, family members within two degrees of consanguinity, and family members living together with the individual concerned.

*6 “Persons in important positions” refer to directors involved in business execution, executive directors, executive officers, and others judged reasonably and objectively to be in similarly important positions.