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(Securities Code: 4927)
March 8, 2019

To Shareholders with Voting Rights:

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

NOTICE OF
THE 13TH ANNUAL SHAREHOLDERS' MEETING

1. **Date and Time:** 1:30 p.m. on Tuesday, March 26, 2019
   (Reception will start from 0:30 p.m.)
2. **Place:** Hiten Main Banquet Hall, Grand Prince Hotel New Takanawa, located at 3-13-1 Takanawa, Minato-ku, Tokyo, Japan
3. **Meeting Agenda:**

Matters to be reported:
1. The Business Report, Consolidated Financial Statements for the Company's 13th fiscal year (January 1, 2018 - December 31, 2018) and the auditing report for the Consolidated Financial Statements by the Accounting Auditors and the Board of Corporate Auditors
2. Non-consolidated Financial Statements for the Company's 13th fiscal year (January 1, 2018 - December 31, 2018)

Proposal to be resolved:

Proposal 1: Appropriation of Surplus
Proposal 2: Election of One (1) Corporate Auditor
Proposal 3: Revision of Executive Compensation Plan in Line with the Introduction of a New Share-based Compensation Plan for Directors, etc.

- Any revisions to the Reference Document for the Shareholders' Meeting, the Business Report, and/or the Consolidated and the Non-consolidated Financial Statements will be posted on the Company's website. (URL: https:www.po-holdings.co.jp/).
- This Notice of the Shareholders' Meeting and the attached documents hereto as well as their English translation are available on the Company's website.
- Of the documents required to be attached to this Notice of the Shareholders' Meeting, Notes to Consolidated Financial Statements and Notes to Non-consolidated Financial Statements are posted on the Company's website (https://ir.po-holdings.co.jp/ja/Stock/Meeting.html) on the Internet based on relevant laws and regulations and Article 15 of the Company's Articles of Incorporation, and are therefore not included in this Notice. Consolidated Financial Statements and Non-consolidated Financial Statements audited by the Board of Corporate Auditors and Accounting Auditors comprise documents attached to this Notice and Notes to Consolidated Financial Statements and Notes to Non-consolidated Financial Statements posted on the Company's website.

[Guidance for Exercise of Voting Rights]

■ If you are "able to attend" the Shareholders' Meeting:
Please submit the enclosed Voting Rights Exercise Form at the reception desk of the Meeting.

● Please note that the attendance commemoration gifts will be limited to one per shareholder attending the Meeting, regardless of the number of Voting Rights Exercise Forms each shareholder may bring.

■ If you are "unable to attend" the Shareholders' Meeting:

<Exercise of Voting Rights in Writing>

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

Voting deadline: No later than 5:40 p.m. on Monday, March 25, 2019

<Exercise of Voting Rights via the Internet>

Please exercise your voting rights no later than the voting deadline below on the website for exercise of voting rights (https://evote.tr.mufg.jp/).

Voting deadline: No later than 5:40 p.m. on Monday, March 25, 2019

● The Electronic Voting Rights Exercise Platform
Nominee shareholders (including standing proxies) such as management trust banks can use the electronic voting rights exercise platform operated by ICJ, Inc. 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 set the amount of year-end dividend as follows.

If this proposal is approved, the total dividend for the 13th fiscal year, including the interim dividend, will be 80 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
45 yen per share (ordinary dividend)
Total: 9,953,068,635 yen

(3) Date when dividends of surplus become effective
March 27, 2019

(Reference) Trends of Dividends and Dividend Payout Ratio

	The 10th fiscal year	The 11th fiscal year	The 12th fiscal year	The 13th fiscal year
Dividend	150 yen	200 yen	70 yen	80 yen (scheduled)
After taking stock split into account	37.50 yen	50 yen	70 yen	80 yen (scheduled)
Dividend payout ratio	58.8%	67.7%	57.1%	210.9% (scheduled)

* Effective on April 1, 2017 (the 12th fiscal year), the Company conducted a 4-for-1 stock split. Therefore, dividends after taking stock split into account, which are calculated on the assumption that the stock split was conducted at the beginning of the 10th fiscal year, are also shown above. Dividend and dividend payout ratio figures for the 13th fiscal year are stated on the assumption that this proposal is approved as originally proposed.

Proposal 2: Election of One (1) Corporate Auditor

Corporate Auditor Hisao Iwabuchi will resign at the conclusion of this Annual Shareholders' Meeting. Accordingly, the election of one (1) Corporate Auditor as his substitute is proposed. As Mr. Hideki Komoto, a candidate for Corporate Auditor, will be elected as a substitute for Corporate Auditor Hisao Iwabuchi, the term of office of Mr. Hideki Komoto shall be until the expiration of the remaining term of office of the resigning Corporate Auditor, as stipulated in the Company's Articles of Incorporation.

The Company obtained the consent of the Board of Corporate Auditors with respect to the submission of this proposal.

The name, career summary, etc. of the candidate for Corporate Auditor are as follows:

Hideki Komoto (November 16, 1959) (New Appointment)

Attendance at meetings of the Board of Directors: —

Number of shares of the Company held: 2,000 shares

Career summary:

April 1983	Joined POLA Cosmetics, Inc. (currently POLA INC.)
January 2008	General Manager, Accounting Division, POLA INC.
January 2012	General Manager, Finance Division, POLA ORBIS HOLDINGS INC.
January 2017	Corporate Officer, POLA INC.

Significant concurrent positions:
No significant concurrent positions

Reasons for nominating the candidate for Corporate Auditor:

Mr. Hideki Komoto has held positions in charge of accounting and finance divisions in POLA INC. and the Company, and has abundant business experience and knowledge in the management division.

For the reasons mentioned above, we propose election of Mr. Komoto as Corporate Auditor as we believe he is qualified for the role.

(Notes)

1. There are no special conflicts of interest between the candidate and the Company.
2. The number of shares of the Company held by the candidate is based on the final register of shareholders as of December 31, 2018.

Proposal 3: Revision of Executive Compensation Plan in Line with the Introduction of a New Share-based Compensation Plan for Directors, etc.

I Amount and Contents of Share-based Compensation, etc. in Relation to the New Share-based Compensation Plan for Directors, etc.

1. Reason for the proposal and reasons justifying such compensation

The purpose of this proposal is to seek shareholders' approval to introduce a new share-based compensation plan (hereinafter referred to as the "Plan") for the Company's Directors and Corporate Officers (excluding Directors/Corporate Officers that are non-residents of Japan; hereinafter referred to as "Directors, etc."). More specifically, the Company seeks shareholders' approval on the amount and contents of compensation, etc. for providing share-based compensation to Directors, etc., separate from the maximum amount of the existing compensation for Directors (500 million yen per year; excluding the employee portion of salaries for Directors who concurrently serve as employees).

The purpose of introducing the Plan is to clarify the linkage between compensation for Directors, etc. and the Group's performance and stock value, further incentivize Directors, etc. toward increasing corporate value over the medium to long term, and promote the sharing of interests with shareholders, for the attainment of the long-term vision and the medium-term business plan. While Outside Directors of the Company are also subject to the Plan, they will only be granted fixed share-based compensation that is not linked to performance as they are charged with the function of overseeing management, that is to determine the appropriateness of business execution from an objective standpoint. For these reasons, the Company considers that the introduction of the Plan is appropriate.

For the purpose of ensuring objectivity and transparency in the process of determining compensation, the Company has established the Compensation Advisory Committee, a voluntary advisory body to the Board of Directors, the majority of which is composed of Outside Directors. The introduction of the Plan has been deliberated at the Compensation Advisory Committee.

The number of the Company's Directors subject to the Plan is six (out of which two are Outside Directors) and the number of Corporate Officers subject to the Plan who does not concurrently serve as Directors is five.

Directors of the Company's subsidiaries (excluding Outside Directors and Directors that are non-residents of Japan; hereinafter referred to as "Subsidiaries' Directors," and together with Directors, etc., collectively referred to as "Eligible Directors, etc.") are also subject to the Plan. Share-based compensation for Eligible Directors, etc. shall be managed integrally.

Subject to the approval for this proposal as initially proposed, the Company's stock compensation type stock options approved at the 6th Annual Shareholders' Meeting held on March 29, 2012 will not be newly allotted after 2019.

2. Amount and contents of compensation, etc. under the Plan

(1) Outline of the Plan

The Plan is a stock compensation plan under which the Company's shares are acquired through a trust using compensation for Eligible Directors, etc. contributed by the Company and its subsidiaries and the Company's shares and money equivalent to the value of the Company's shares (hereinafter referred to as the "Company's Shares, etc.") are granted or paid (hereinafter referred to as the "Grant, etc.") to Eligible Directors, etc. during the fiscal years subject to the Group's medium-term business plan (three to four years, in principle; hereinafter referred to as the "Applicable Period") (details are described in (2) onward).

The initial Applicable Period is two fiscal years from the year ending December 31, 2019 to the year ending December 31, 2020, which are the remaining period of the Group's four-year medium-term business plan that started in 2017.

(2) Maximum amount of money contributed by the Company and its subsidiaries

The Company and its subsidiaries will contribute a maximum amount of money, that is, the maximum amount of money per year as shown in the table below multiplied by the number of years in the Applicable Period, as compensation to Eligible Directors, etc. for the respective Applicable Period, and establish a trust (hereinafter referred to as the "Trust") for a period corresponding to the Applicable Period, with Eligible Directors, etc. who meet the beneficiary requirements as beneficiaries.

Eligible Directors, etc.	Maximum amount of money per year	Maximum amount of money for the initial Applicable Period
The Company's Directors (excluding Outside Directors)	133 million yen	266 million yen
The Company's Outside Directors	7 million yen	14 million yen
The Company's Corporate Officers	45 million yen	90 million yen
Subsidiaries' Directors (excluding Outside Directors)	173 million yen	346 million yen

The Trust will follow the instructions of the trust administrator and will acquire the Company's shares from the Company (disposition of treasury shares) or the stock market using the money entrusted to the Trust. The Company and its subsidiaries will grant points to Eligible Directors, etc. for the Applicable Period and the Trust will deliver the Grant, etc. of the Company's Shares, etc. corresponding to the points granted (as described in (3) below) at a certain time determined previously.

Upon expiry of the trust period, the Trust may be continued as the Plan or a share-based compensation plan similar to the Plan by amending the trust contract or making additional entrustment. In this case, the number of years corresponding to the medium-term business plan established by the Group at that time will be the new Applicable Period and the trust period of the Trust will be extended for as long as the new Applicable Period. The Company and its subsidiaries will make additional entrustment of up to the maximum amount of contribution to the Trust approved at the respective annual meetings of shareholders, and will continue to grant points to Eligible Directors, etc. However, in cases where such additional contribution is made, when the Company's shares (excluding the Company's shares corresponding to the points granted to Eligible Directors, etc. that are not delivered as the Grant, etc.) and money (hereinafter referred to as "Residual Shares, etc.") remain in the Trust on the last day of the trust period prior to the extension, the total amount of the Residual Shares, etc. and additionally contributed trust money shall be within the maximum amount of contribution to the Trust approved at the respective annual meetings of shareholders. The extension of the trust period is not limited to once, and may be similarly extended multiple times.

(3) Calculation method and the maximum number of the Company's Shares, etc. delivered as the Grant, etc. to Eligible Directors, etc.

The number of the Company's Shares, etc. to be delivered as the Grant, etc. to Eligible Directors, etc. is determined by the number of points granted. One share of the Company shall be issued per point (any fraction of less than one point shall be rounded up). However, in the event of an increase or decrease of the Company's shares held within the Trust due to a stock split, gratis allotment of shares, or reverse stock split, etc., the Company and its subsidiaries will adjust the number of the Company's shares to be delivered as the Grant, etc. per point and the maximum number of shares to be granted as defined below, in proportion to the ratio, etc. of such increase or decrease.

The number of points granted to Eligible Directors, etc. is calculated as follows. If any of the Directors is excluded from the Plan due to resignation or other reasons during the Applicable Period, the number of points granted shall be adjusted based on the term of office, etc.

1) Eligible Directors, etc. excluding the Company's Outside Directors

The number of points will be determined by accumulating the number of points granted to an Eligible Director, etc. according to his/her job grade in each fiscal year in the Applicable Period, and then by multiplying such cumulative total by the performance-linked factor after the end of the Applicable Period.

* The performance-linked factor fluctuates between 0% and 200% according to the level of attainment of performance targets in the Group's medium-term business plan and other factors.

The target figures for the initial Applicable Period will be set by each company (indicators: net sales, operating income, ROE, etc.).

2) The Company's Outside Directors

The number of points will be determined by calculating the cumulative total of the points granted based on an Outside Director's position for each fiscal year in the Applicable Period.

The maximum number of the Company's Shares, etc. to be delivered as the Grant, etc. to Eligible Directors, etc. for the Applicable Period shall be the number produced by multiplying the number of the Company's Shares, etc. to be delivered as the Grant, etc. per year as shown in the table below by the number of years in the Applicable Period (hereinafter referred to as the "Maximum Number of Shares to be Granted"). The Maximum Number of Shares to be Granted is set by considering the maximum amount of money to be contributed by the Company and its subsidiaries as described in (2) above, in addition to the most recent share price, etc.

Eligible Directors, etc.	Maximum number of the Company's Shares, etc. to be delivered as the Grant, etc. per year	Maximum number of the Company's Shares, etc. to be delivered as the Grant, etc. for the initial Applicable Period
The Company's Directors (excluding Outside Directors)	45,200 shares	90,400 shares
The Company's Outside Directors	2,400 shares	4,800 shares
The Company's Corporate Officers	15,300 shares	30,600 shares
Subsidiaries' Directors (excluding Outside Directors)	59,000 shares	118,000 shares

(4) Timing and method of delivering the Company's Shares, etc. as the Grant, etc. to Eligible Directors, etc.

Eligible Directors, etc. who meet the beneficiary requirements shall be granted the Company's shares equivalent to 50% of the number of points (fractional shares of less than a share unit shall be rounded down) from the Trust, while the Company's shares corresponding to the remaining number of points are converted to money within the Trust and the money equivalent to the value of the Company's shares is paid to Eligible Directors, etc., after the end of the Applicable Period, in principle (if an Eligible Director resigns due to expiration of term of office, etc., after resignation).

In the event of death of an Eligible Director, etc. during the trust period, the Company's shares corresponding to the number of points at that time shall be converted to money in full and paid to the heirs of the Eligible Director, etc. from the Trust. In the event that an Eligible Director, etc. becomes a non-resident of Japan during the trust period, the Company's shares corresponding to the number of points at that time shall be converted to money in full and paid to the Eligible Director, etc. from the Trust.

(5) Method of acquisition of the Company's shares

The Trust plans to acquire the Company's shares from the Company (disposition of treasury shares) or the stock market. Details of the method of acquisition shall be determined at the meeting of the Board of Directors to be held after this Annual Shareholders' Meeting and disclosed thereafter.

(6) Voting rights pertaining to the Company's shares

Voting rights pertaining to the Company's shares held within the Trust shall not be exercised during the trust period to ensure neutrality in the Company's management.

(7) Treatment of dividends of surplus pertaining to the Company's shares

Dividends on the Company's shares held within the Trust will be provided to Eligible Directors, etc. together with the Company's Shares, etc. to be delivered as the Grant, etc. pursuant to (4) above, based on the amount of dividends as of each dividend record date during the Applicable Period, and according to the number of points determined by multiplying the cumulative total of points of Eligible Directors, etc. by the performance-linked factor. Dividends of surplus shall be used as trust fees and trust expenses of the Trust except for the portion reserved for payments to Eligible Directors, etc.

(8) Other details of the Plan

Other details of the Plan shall be determined by the Company's Board of Directors each time the Trust is established, the trust contract is modified and additional contributions are made to the Trust.

II The Group's Executive Compensation After the Introduction of the Plan

(1) Basic policy

The Group regards executive compensation as one of the important means of realizing the Group's sustainable growth and improvement of corporate value over the medium to long term.

The Company, as the holding company, clarifies the respective roles and responsibilities of business execution for each of the Directors, etc. whose main duty is to oversee decision-making of the entire Group and business execution, and subsidiaries' Directors who are delegated the authority to execute business from the Company. Executive compensation reflects the responsibility of each executive for the results including the performance in the respective business execution areas and also highly motivates them to attain performance targets not only over the short-term, but also over the medium to long term.

The Company also aims to further enhance the sharing of interests with shareholders by clarifying the linkage between executive compensation and the stock value of the Company.

(2) Compensation standards

The Group's compensation standards are commensurate with the roles and responsibilities of each executive. The standards are determined by considering the Group's business environment and its competitiveness in external markets and by comparing with other domestic and overseas companies in the same business or with the same business size.

(3) Compensation determining process

For the purpose of ensuring objectivity and transparency in the process of determining executive compensation, the Company has established the Compensation Advisory Committee as a voluntary advisory body to the Board of Directors, the majority of which is composed of Outside Directors. The Group's executive compensation is determined by the Board of Directors based on deliberation and reports at the Compensation Advisory Committee. The proposal concerning the introduction of the Plan will be submitted to this Annual Shareholders' Meeting after deliberation at the Compensation Advisory Committee.

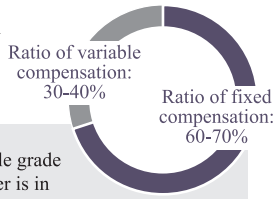
(4) Composition of compensation

Composition of compensation for Directors after the introduction of the Plan

■ **Composition of Compensation**

Directors/Corporate Officers

Compensation of Directors/Corporate Officers comprises basic compensation which is fixed compensation, and performance-linked annual bonus and medium- to long-term incentive (performance-linked share-based compensation) which are variable compensation.



Fixed compensation	Basic compensation	● Basic compensation shall be paid according to each officer's role grade set based on its role and responsibility in the field that the officer is in charge.
Variable compensation	Following compensation shall be paid within the range of 0%-200% of each grade's base amount, according to the level of attainment of performance targets.	
	Annual bonus	● This compensation shall be paid according to the level of attainment of the Group's performance targets for a single fiscal year, as an incentive to attain each fiscal year's performance targets. ● Performance indicators shall be set by sales, profits and ROE, etc. for each fiscal year.
	Medium- to long-term incentive (performance-linked share-based compensation)	● This compensation shall be paid according to the level of attainment of the Group's performance targets such as medium-term management plan, as an incentive to attain performance targets and improve corporate value over the medium- to long-term. The Company's shares shall be granted with the aim to further enhance sharing of interests with shareholders. ● Performance indicators shall be set by sales, profits and ROE, etc. for each medium-term management plan.

Outside Directors

Compensation of Outside Directors comprises basic compensation and medium- to long-term incentive (non-performance-linked share-based compensation) which are fixed compensation, in order to ensure the effective performance of their supervisory functions.



Fixed compensation	Basic compensation	● Basic compensation shall be paid according to its rank of position.
	Medium- to long-term incentive (non-performance-linked share-based compensation)	● This share-based compensation shall be granted as an incentive to improve corporate value over the medium- to long-term, with the aim to further enhance sharing of interests with shareholders. This compensation shall not be varied based on the performance.

(5) Limit on the Company's executive compensation

Limit on the Company's executive compensation after the introduction of the Plan

	Monetary compensation		Medium- to long-term incentive (share-based compensation)	Number of executives subject to the Plan at the conclusion of this Annual Shareholders' Meeting
	Basic compensation	Annual bonus		
Directors	Up to 500 million yen per year (*)		Maximum amount of money to be contributed per year: Up to 140 million yen	6
(Outside Directors)	(Of which, up to 100 million yen)	—	(Of which, up to 7 million yen)	(Of which, 2)
Corporate Auditors	Up to 100 million yen per year	—	—	3

(*) Excluding the employee portion of salaries for Directors who concurrently serve as employees.