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(Securities Code: 4927)
March 8, 2022

To Our Shareholders:

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]

CONVOCATION NOTICE OF THE 16TH ANNUAL SHAREHOLDERS' MEETING

1. **Date and Time:** 1:30 p.m. on Friday, March 25, 2022
   (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. The Business Report, Consolidated Financial Statements for the Company's 16th fiscal year (January 1, 2021 - December 31, 2021) and the Auditing Report for the Consolidated Financial Statements by the Accounting Auditor and the Board of Corporate Auditors
2. Non-consolidated Financial Statements for the Company's 16th fiscal year (January 1, 2021 - December 31, 2021)

Proposal to be resolved:

Proposal 1: Appropriation of Surplus
Proposal 2: Partial Amendments to the Articles of Incorporation
Proposal 3: Election of Eight (8) Directors
Proposal 4: Election of Three (3) Corporate Auditors

- 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 Convocation Notice of the Shareholders' Meeting and the attached documents hereto as well as their English translation are available on the Company's website.
- Among the documents required to be provided with this Convocation Notice of the Shareholders' Meeting, (1) Matters Concerning the Company's Stock Acquisition Rights, Etc., 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 are posted on the Company's website (https://ir.po-holdings.co.jp/ja/Stock/Meeting.html) on the internet, based on relevant laws, regulations and Article 15 of the Company's Articles of Incorporation, and are therefore not included in this Convocation Notice. The Business Report audited by the Corporate Auditors consists of this Convocation Notice and (1) above. The Consolidated Financial Statements and Non-consolidated Financial Statements audited by the Corporate Auditors and the Accounting Auditor consist of the documents in this Convocation Notice and (2) and (3) above.

[Guidance for Exercise of Voting Rights]

In order to prevent the spread of COVID-19, we urge that you exercise your voting rights in advance in writing or via the Internet, etc. and refrain from attending the Shareholders' Meeting.

■ Exercise of Voting Rights via the Internet, Etc.
Please access the website for exercise of voting rights (https://evote.tr.mufg.jp/) and exercise your voting rights no later than the voting deadline below.

Voting deadline: No later than 5:40 p.m. on Thursday, March 24, 2022

■ Exercise of Voting Rights in Writing
We kindly request you to indicate your approval or disapproval to the proposals 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 Thursday, March 24, 2022

■ If you are attending the Shareholders' Meeting
Please submit the enclosed Voting Rights Exercise Form at the reception desk of the Meeting.
* Please note that no attendance commemoration gifts will be distributed to the shareholders attending the Meeting.

Date and time of the Shareholders' Meeting: 1:30 p.m. on Friday, March 25, 2022

● 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 propose the amount of year-end dividend as follows.

If this proposal is approved, the total dividend for the 16th fiscal year, including the interim dividend, will be 51 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 28, 2022

(Reference) Trends of Dividends and Dividend Payout Ratio

	The 13th fiscal year	The 14th fiscal year	The 15th fiscal year	The 16th fiscal year
Dividend	80 yen	116 yen	50 yen	51 yen (scheduled)
Dividend payout ratio	210.9%	130.3%	238.8%	96.1% (scheduled)

* Dividend and dividend payout ratio figures for the 16th fiscal year are stated on the assumption that this proposal is approved as originally proposed.

Proposal 2: Partial Amendments to the Articles of Incorporation

1. Reasons for amendments

The amended provisions stipulated in the proviso of Article 1 of the Supplementary Provisions of the "Act Partially Amending the Companies Act" (Act No. 70 of 2019) will be enforced from September 1, 2022. Accordingly, these amendments are made so that information contained in the Reference Documents for the Shareholders' Meeting, etc. will be provided electronically, and it will be allowed to limit the scope of matters to be provided in hardcopy to shareholders who have requested such hardcopy of such documents.

Further, since the provisions related to the internet disclosure and deemed provision of the Reference Documents for the Shareholders' Meeting, etc. (Article 15 of the current Articles of Incorporation) will no longer be necessary and will be deleted. In addition, Supplementary Provisions related to the effective date, etc. for the changes made herein shall be stipulated herein as well.

2. Details of amendments

The details of the amendments are as follows.

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed Amendments
(Internet Disclosure and Deemed Provision of Reference Documents for the Shareholders' Meeting, Etc.) Article 15 The Company may, when convening a Shareholders' Meeting, deem that it has provided information to shareholders pertaining to matters to be described or indicated in the Reference Documents for the Shareholders' Meeting, Business Report, Non-consolidated Financial Statements, and Consolidated Financial Statements (including Auditing Reports for the Consolidated Financial Statements by the Accounting Auditor and the Board of Corporate Auditors), by disclosing such information through the internet in accordance with the provisions provided in the Ordinance of the Ministry of Justice.	<Deleted>
<Newly established>	(Measures for Electronic Provision, Etc.) Article 15 The Company shall, when convening a Shareholders' Meeting, provide information contained in the Reference Documents for the Shareholders' Meeting, etc. electronically. 2. Among the matters to be provided electronically, the Company may choose not to include all or part of the matters stipulated in the Ordinance of the Ministry of Justice in the hardcopy to be provided to shareholders who have requested it by the record date for voting rights.

Current Articles of Incorporation	Proposed Amendments
<Newly established>	(Supplementary Provisions) (Transitional Measures Regarding Electronic Provision, Etc.) 1. The deletion of Article 15 (Internet Disclosure and Deemed Provision of Reference Documents for the Shareholders' Meeting, Etc.) of the current Articles of Incorporation and the establishment of the proposed Article 15 (Measures for Electronic Provision, Etc.) shall come into effect from September 1, 2022. 2. Notwithstanding the provisions of the preceding paragraph, Article 15 of the current Articles of Incorporation (Internet Disclosure and Deemed Provision of Reference Documents for the Shareholders' Meeting, Etc.) shall remain in force with respect to Shareholders' Meeting to be held on or before end of February 2023. 3. These Supplementary Provisions shall be deleted automatically as of March 1, 2023 or after the lapse of three months from the date of the Shareholders' Meeting set forth in the preceding paragraph, whichever is later.

Proposal 3: 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 President	19/19 (100%)
2	(Reelection)	Naoki Kume	Director and Vice President In charge of Finance	19/19 (100%)
3	(Reelection)	Yoshikazu Yokote	Director General Manager of International Business Management In charge of Group International Business	19/19 (100%)
4	(Reelection)	Takuma Kobayashi	Director	19/19 (100%)
5	(New election)	Koji Ogawa	Corporate Officer In charge of Management Planning, IT, HR and Business Development	
6	(Reelection) (Outside Director) (Independent)	Kazuyoshi Komiya	Outside Director	19/19 (100%)
7	(Reelection) (Outside Director) (Independent)	Naomi Ushio	Outside Director	19/19 (100%)
8	(Reelection) (Outside Director) (Independent)	Hikaru Yamamoto	Outside Director	19/19 (100%)

See pages 24 and 25 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: 19/19 (100%)

Number of shares of the Company held: 50,625,480 shares

Term of office (at the conclusion of this Meeting): 15 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.) General Manager, General Coordination Office, POLA Cosmetics, Inc.	September 2006	Representative Director and President, POLA ORBIS HOLDINGS INC. (current)
February 1996	Director, POLA Cosmetics, Inc.	April 2010	Representative Director and Chairman, POLA INC.
June 1996	Representative Director and President, POLA CHEMICAL INDUSTRIES INC.	January 2016	Chairman, POLA INC. (current)

Significant concurrent positions:
Chairman, POLA INC.

Reasons for nominating the candidate for Director:

Mr. Satoshi Suzuki has a proven record of success in attaining sustainable growth for and increasing corporate value of the Group as Representative Director and President. Although the business environment has been extremely challenging following the global spread of COVID-19 since 2020, Mr. Suzuki took the difficulties as opportunities and has promoted new initiatives actively. In addition, Mr. Suzuki has exercised strong leadership in the formulation of the current Medium-term Management Plan and the new Long-term Management Plan by thinking always from a broad perspective as the leader of the Group who has unwavering commitment to its growth.

The “Director Competency” evaluation indicates that Mr. Suzuki has the distinctive ability to take actions with strong determination and power to figure out the social significance of the business as well as its current state and future direction and to make a large shift for the entire Group toward that direction.

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

Candidate No. 2

Naoki Kume (June 9, 1961)



(Reelection)

Attendance at meetings of the Board of Directors: 19/19 (100%)

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

Term of office (at the conclusion of this Meeting): 14 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 (currently H2O PLUS HOLDINGS, INC.)
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.	January 2014	Director and Vice President, POLA ORBIS HOLDINGS INC. (current)
	Corporate Officer, General Manager of Management Planning and Group Organization Strategy, POLA ORBIS HOLDINGS INC.	March 2018	Director and Vice President, General Manager of International Business Management, POLA ORBIS HOLDINGS INC.

Significant concurrent positions:
No significant concurrent positions

Responsibility:
In charge of Finance

Reasons for nominating the candidate for Director:

Mr. Naoki Kume has abundant experience and achievements in management and finance & accounting as a director responsible for management planning and accounting & finance divisions. Under the current Medium-term Management Plan, Mr. Kume has pushed forward with such measures as expansion of the brand portfolio and investment in and acceleration of new business with the aim of attaining medium- to long-term business growth. Mr. Kume provides directions on various issues concerning management in general, maintaining a balance between offense and defense.

The “Director Competency” evaluation indicates that Mr. Kume has the distinctive ability related to flexible thoughts and actions in making management decisions such as portfolio reforms made with an accurate grasp of social changes while keeping a wide range of fields in sight without clinging to existing domains.

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

Candidate No. 3

Yoshikazu Yokote (September 10, 1967)



(Reelection)

Attendance at meetings of the Board of Directors: 19/19 (100%)

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

Term of office (at the conclusion of this Meeting): 6 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. (current)
January 2015	Corporate Officer, General Manager, Product Planning Division, POLA INC.	January 2021	CEO, POLA ORBIS Travel Retail Limited (current)

Significant concurrent positions:
CEO, POLA ORBIS Travel Retail Limited

Responsibility:
In charge of Group International Business
General Manager of International Business Management

Reasons for nominating the candidate for Director:

Having served as Representative Director and President of POLA INC., Mr. Yoshikazu Yokote has abundant management experience such as promoting organizational and cultural reforms. Mr. Yokote is currently serving as Director in charge of Group International Business and steadily generating results in management reforms aimed at making Jurlique International Pty. Ltd. profitable, which has been a long-standing issue. POLA ORBIS Travel Retail Limited was established in January 2021 to oversee the travel retail business of the Group with the aim of accelerating post-COVID-19 growth, where Mr. Yokote, as the business manager, promotes speedier expansion of the travel retail business in the entire Asian region and leads international business of the Group.

The “Director Competency” evaluation indicates that Mr. Yokote has the distinctive ability to take actions with keen awareness of social mission of a corporation, in which he leads in reforms and seizes opportunities ahead of others even in adverse situations, without being bound by conventional frameworks, by drawing on his ability to make breakthroughs and perseverance backed by the sense of mission.

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

Candidate No. 4

Takuma Kobayashi (September 1, 1977)



(Reelection)

Attendance at meetings of the Board of Directors: 19/19 (100%)

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

Term of office (at the conclusion of this Meeting): 2 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.)		Senior Corporate Officer, POLA ORBIS HOLDINGS INC.
November 2009	Director, decencia Inc.	January 2020	Director, H2O PLUS HOLDINGS, INC. (current)
February 2010	Representative Director and President, decencia Inc.	March 2020	Director, POLA ORBIS HOLDINGS INC. (current)
January 2017	Director, ORBIS Inc.	January 2022	Director, tricot, inc. (current)
	Director, decencia Inc. (currently DECENCIA INC.)		

Significant concurrent positions:
Representative Director and President, ORBIS Inc.
Director, H2O PLUS HOLDINGS, INC.
Director, tricot, Inc.

Reasons for nominating the candidate for Director:

Mr. Takuma Kobayashi has abundant experience and achievements as a business leader such as driving the rapid growth of DECENCIA INC. as Representative Director and President. At ORBIS Inc., Mr. Kobayashi has achieved steady progress in rebranding and restructuring and embarked on reforms ahead of others within the Group by, for example, proactively using and promoting digital transformation from a perspective of users.

The “Director Competency” evaluation indicates that Mr. Kobayashi excels in developing future visions and taking actions to instill them within the organization, and his strengths lie in the abilities to make decisions flexibly and achieve breakthroughs to generate results. It also indicates that Mr. Kobayashi has a broad network of personal contacts and the distinctive ability to take actions in a timely manner, from an innovative perspective and based on creative thinking, with a focus on speediness.

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

Candidate No. 5

Koji Ogawa (July 16, 1968)



(New election)

Attendance at meetings of the Board of Directors: -

Number of shares of the Company held: -

Term of office (at the conclusion of this Meeting): -

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. (current)
January 2012	General Manager, PR & IR, POLA ORBIS HOLDINGS INC.		Director, ORLANE JAPON INC.
January 2014	General Manager, Corporate Communications, POLA ORBIS HOLDINGS INC.	January 2018	Director, ORBIS Inc. (current)
		January 2021	Director, Jurlique International Pty. Ltd. (current)

Significant concurrent positions:
Director, ORBIS Inc.
Director, Jurlique International Pty. Ltd.

Responsibility:
Corporate Officer
In charge of Management Planning, IT, HR and Business Development

Reasons for nominating the candidate for Director:

Mr. Koji Ogawa has broad knowledge and experience such as working for a business company and then successively holding positions as the head of the corporate communications division and the legal & administration division at POLA ORBIS HOLDINGS INC. Since 2017, as a corporate officer of POLA ORBIS HOLDINGS INC., Mr. Ogawa has led important projects of many Group companies and new initiatives such as standardization of frameworks to create new business, etc. Mr. Ogawa also takes the lead in building a sustainable management foundation in such ways as accelerating the establishment of a voluntary advisory committee concerning nomination and appointment of and compensation for management team members and thorough workstyle reforms.

The “Director Competency” evaluation indicates that Mr. Ogawa excels in taking an open mindset unbound by precedents and thinking strategically toward the creation of corporate value, and has the distinctive ability to make decisions in a timely manner in order to seize opportunities and to take actions to steadily generate results by motivating individuals through various ways to take on challenges while allowing the organization to feel secure.

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

Candidate No. 6

Kazuyoshi Komiya (December 20, 1957)



(Reelection) (Outside Director) (Independent)

Attendance at meetings of the Board of Directors: 19/19 (100%)

Number of shares of the Company held: 400 shares

Term of office (at the conclusion of this Meeting): 7 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. Representative Director, President, Komiya Consultants, Inc.	April 2015	Representative Director, Head Office, Komiya Consultants, Inc. (current)
		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.

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: 19/19 (100%)

Number of shares of the Company held: 400 shares

Term of office (at the conclusion of this Meeting): 4 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 ("*Jokyoju*"), Meiji University	February 2019	Member of 10th Central Council for Education, Ministry of Education, Culture, Sports, Science and Technology
April 2007	Associate Professor ("*Junkyoju*"), Meiji University		
April 2009	Professor, School of Information and Communication, Meiji University (current)	June 2019	Outside Corporate Auditor, The Shizuoka Bank Ltd. (current)
August 2009	Expert Member, Liaison Conference for the Promotion of Gender Equality, Cabinet Office	June 2020	Outside Corporate Auditor, Hagoromo Foods Corporation (current)
June 2011	Outside Corporate Auditor, Seven Bank, Ltd.	June 2021	Outside Director, The Dai-ichi Life Insurance Company, Limited (current)

Significant concurrent positions:
Professor, School of Information and Communication, Meiji University
Outside Corporate Auditor, The Shizuoka Bank Ltd.
Outside Corporate Auditor, Hagoromo Foods Corporation
Outside Director, The Dai-ichi Life Insurance Company, Limited

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.

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: 19/19 (100%)

Number of shares of the Company held: 100 shares

Term of office (at the conclusion of this Meeting): 2 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 2008	Associate Professor, Faculty of Economics, Seikei University		
April 2014	Associate Professor, Graduate School of Business Administration, Keio University (current)		

Significant concurrent positions:
Associate Professor, Graduate School of Business Administration, 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 mainly engaging in consumer behavioral research in a digital environment. As Outside Director, she has been playing an appropriate role in providing advice and recommendations which contribute to an increase in corporate value and overseeing business execution and other operations.

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, 2021.
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.

Proposal 4: Election of Three (3) Corporate Auditors

The terms of office for all three (3) Corporate Auditors will expire upon conclusion of this Annual Shareholders' Meeting. Accordingly, the Company proposes the election of three (3) Corporate Auditors.

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

The names, career summary, etc. of the candidates for Corporate Auditors are as follows:

No.	Name		Current positions	Attendance at meetings of the Board of Directors	Attendance at meetings of the Board of Corporate Auditors
1	(Reelection)	Hideki Komoto	Corporate Auditor (full-time)	19/19 (100%)	16/16 (100%)
2	(Reelection) (Outside Corporate Auditor) (Independent)	Akio Sato	Outside Corporate Auditor	17/19 (89%)	16/16 (100%)
3	(Reelection) (Outside Corporate Auditor) (Independent)	Motohiko Nakamura	Outside Corporate Auditor	18/19 (95%)	16/16 (100%)

Candidate No. 1

Hideki Komoto (November 16, 1959)

(Reelection)



Attendance at meetings of the Board of Directors: 19/19 (100%)

Attendance at meetings of the Board of Corporate Auditors: 16/16 (100%)

Number of shares of the Company held: 75,349 shares

Career summary:

April 1983	Joined POLA Cosmetics, Inc. (currently POLA INC.)	January 2017	Corporate Officer, POLA INC.
January 2008	General Manager, Accounting Division, POLA INC.	March 2019	Corporate Auditor, POLA ORBIS HOLDINGS INC. (current)
January 2012	General Manager, Finance Division, POLA ORBIS HOLDINGS 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, and provides advice on management as Corporate Auditor.

For the reasons mentioned above, we propose reelection of Mr. Komoto as Corporate Auditor.

Candidate No. 2

Akio Sato (February 4, 1966)



(Reelection) (Outside Corporate Auditor) (Independent)

Attendance at meetings of the Board of Directors: 17/19 (89%)

Attendance at meetings of the Board of Corporate Auditors: 16/16 (100%)

Number of shares of the Company held: -

Career summary:

April 1997	Registered as an attorney at law (Daini Tokyo Bar Association)	June 2015	Outside Director, Kirayaka Bank, Ltd. (current)
March 2003	Opened Sato Sogo Law Office	June 2016	Outside Director, Aozora Trust Bank, Ltd. (currently GMO Aozora Net Bank, Ltd.) (current)
March 2008	Outside Corporate Auditor, POLA ORBIS HOLDINGS INC. (current)	July 2017	Outside Director, U-NEXT Co., Ltd. (currently USEN-NEXT HOLDINGS Co., Ltd.) (current)
December 2008	Outside Director, GMO Payment Gateway, Inc. (current)		
April 2012	Part-time Lecturer, Keio Business School (current)		

Significant concurrent positions:
Attorney at law, Sato Sogo Law Office
Outside Director, GMO Payment Gateway, Inc.
Outside Director, Kirayaka Bank, Ltd.
Outside Director, USEN-NEXT HOLDINGS Co., Ltd.

Reasons for nominating the candidate for Outside Corporate Auditor:

Mr. Akio Sato has professional knowledge and experience as an attorney and is well versed in corporate legal affair, and provides advice on management of the Company from an objective perspective as a legal expert.

For the reasons mentioned above, we propose reelection of Mr. Sato as Outside Corporate Auditor.

Although Mr. Sato 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 he is capable of appropriately conducting his duty as Outside Corporate Auditor.

Candidate No. 3

Motohiko Nakamura (December 21, 1965)



(Reelection) (Outside Corporate Auditor) (Independent)

Attendance at meetings of the Board of Directors: 18/19 (95%)

Attendance at meetings of the Board of Corporate Auditors: 16/16 (100%)

Number of shares of the Company held: 4,000 shares

Career summary:

October 1990	Joined Showa Ota & Co. (currently Ernst & Young ShinNihon LLC)
August 1994	Registered as a certified public accountant
July 2003	Resigned from Showa Ota & Co.
August 2003	Opened Certified Public Accountant Nakamura Office
October 2003	Registered as a tax accountant
July 2007	Partner, Mai Tax Accountant Corporation (current)
October 2008	Outside Corporate Auditor, POLA ORBIS HOLDINGS INC. (current)
March 2011	Outside Corporate Auditor, KAYAC Inc.
July 2013	Chief Executive, JICPA
April 2014	Associate Professor, Graduate School of Accounting & Finance, MBA Program, Chiba University of Commerce
May 2015	Independent Committee Member, Nitori Holdings Co., Ltd.
June 2015	Outside Corporate Auditor, Jorte Inc.
April 2016	Professor, Graduate School of Accounting & Finance, MBA Program, Chiba University of Commerce (current)
April 2019	Part-time Lecturer, Graduate School of Professional Accountancy, Aoyama Gakuin University (current)

Significant concurrent positions:
Partner, Mai Tax Accountant Corporation
Professor, Graduate School of Accounting & Finance, MBA Program, Chiba University of Commerce

Reasons for nominating the candidate for Outside Corporate Auditor:

Mr. Motohiko Nakamura has professional knowledge and experience as a certified public accountant and tax accountant, and provides advice on management of the Company from an objective perspective.

For the reasons mentioned above, we propose reelection of Mr. Nakamura as Outside Corporate Auditor.

Although Mr. Nakamura has no past experience of involvement in corporate management other than as outside corporate auditor, for the reasons above, the Company believes he is capable of appropriately conducting his duty as Outside Corporate Auditor.

(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, 2021.
3. Mr. Akio Sato and Mr. Motohiko Nakamura are candidates for Outside Corporate Auditor. The Company has appointed Mr. Akio Sato and Mr. Motohiko Nakamura as Independent Corporate Auditor as provided for in the regulations of the Tokyo Stock Exchange, Inc. and notified such to the Exchange.
4. The term of office of Mr. Akio Sato as Outside Corporate Auditor of the Company will be 14 years, at the conclusion of this Annual Shareholders' Meeting.
5. The term of office of Mr. Motohiko Nakamura as Outside Corporate Auditor of the Company will be 13 years and five months, at the conclusion of this Annual Shareholders' Meeting.
6. The Company has established a provision concerning liability limitation agreements with Outside Corporate Auditors 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. Akio Sato and Mr. Motohiko Nakamura 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. Akio Sato and Mr. Motohiko Nakamura are reelected, the Company plans to continue the aforementioned liability limitation agreements with them.
7. 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>

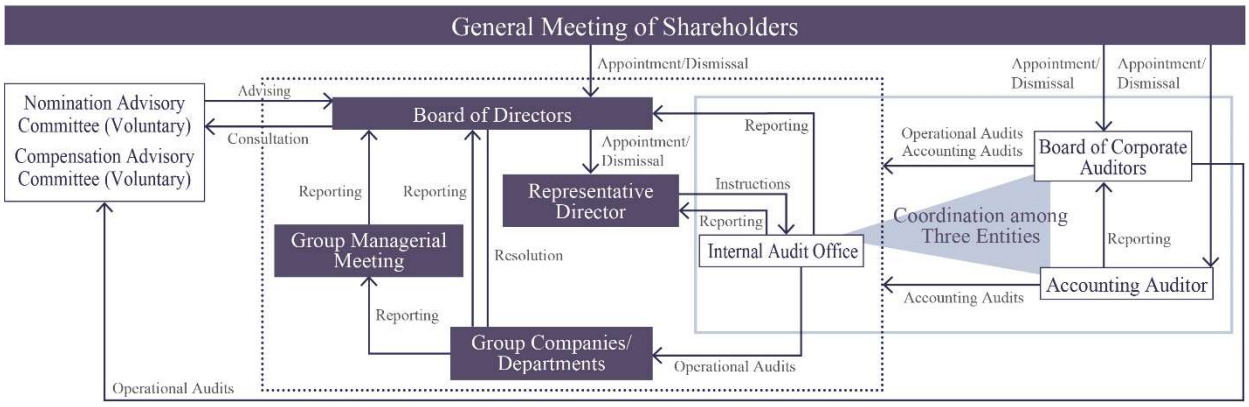
Basic Views on Corporate Governance

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 pages 24 and 25).

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.

Advisory body to the Board of Directors	Role	Member
Nomination Advisory Committee	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, based on requests from the Board of Directors.	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.
Compensation Advisory Committee	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 of the Company, based on requests from the Board of Directors.	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.

Director Competency

The Group has prepared a competency model that spells out 10 performance characteristics required of directors and personnel with management responsibilities for the Group to accommodate to accelerated changes in the business environment and attain sustained growth. Redefined in January 2022, 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. Competency placing an emphasis on “people centricity,” “evolution,” and “reform” 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
	Impact & Influence	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 mindset	Creates innovation without sticking to conventional corporate thinking and actively leads it 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	Decision making to enhance agility	Enhances organizational agility by making timely decisions without relying on past experience
	Action-driven mindset	Believe in yourself and demonstrates repeat 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 (Prospective) Directors and Corporate Auditors After 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								
			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 President	–	Satoshi Suzuki	◎	◎	◎	●		●	●	●		●		
Director and Vice President	Finance	Naoki Kume	●	●	●		●	●					●	●
Director	Group International Business	Yoshikazu Yokote	●	●	◎	●	●		●					
Director	(Representative Director and President, ORBIS Inc.)	Takuma Kobayashi	●	●	◎	●	●		●		●			
Director	Management Planning, IT, HR, and Business Development	Koji Ogawa	●		●			●			●	●		●
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 descriptions 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 shall be 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 on behalf of the Company or Company affiliates (hereinafter "POLA ORBIS Group") *1 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 of those meeting any of the descriptions under 2.–7. above (persons in important positions *5) *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 "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.

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