Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The Company assumes no responsibility for this translation itself or for any damages arising from the translation, whether direct, indirect or otherwise.

The Company has taken measures for electronic provision in convening the Shareholders' Meeting and posted electronic provision measures matters in the "CONVOCATION NOTICE OF THE 17TH 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) 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 10, 2023
(Start date of electronic provision measures: March 1, 2023)

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]

CONVOCATION NOTICE OF THE 17TH ANNUAL SHAREHOLDERS' MEETING

1. **Date and Time:** 1:30 p.m. on Tuesday, March 28, 2023
   (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. 17th fiscal year (January 1, 2022 - December 31, 2022): 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 17th fiscal year (January 1, 2022 - December 31, 2022)

   Proposals to be resolved:
   Proposal 1: Appropriation of Surplus
   Proposal 2: Partial Amendments to the Articles of Incorporation

- Starting from this Shareholders' Meeting, the materials for Shareholders' Meeting (Reference Documents for the Shareholders' Meeting, Business Report, Consolidated Financial Statements, Non-consolidated Financial Statements, and Audit Report), which the Company previously sent in writing, will be provided through websites instead, 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 2 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 paper 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 following matters 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, 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 Monday, March 27, 2023

■ 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 Monday, March 27, 2023

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 Tuesday, March 28, 2023

● 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 16th 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, 2023

(Reference) Trends of Dividends and Dividend Payout Ratio

	The 14th fiscal year	The 15th fiscal year	The 16th fiscal year	The 17th fiscal year
Dividend	116 yen	50 yen	51 yen	52 yen (scheduled)
Dividend payout ratio	130.3%	238.8%	96.1%	100.5% (scheduled)

* Dividend and dividend payout ratio figures for the 17th 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

(i) Article 2: Amendment pertaining to the purpose of the Company

We are accelerating development of new business domains and new businesses under our long-term management plan, "VISION 2029", and the role to be taken by the Company can be expected to include not only proof of concept (PoC) of new businesses but also business operations to be led by the Company. Accordingly, we intend to amend Article 2 of the Articles of Incorporation to the effect that the Company itself will engage in the businesses listed in the same article in addition to the fact that the Company will own shares in and control companies engaged in such businesses.

(ii) Article 13: Amendment pertaining to the convocation of Shareholders' Meeting

Holding of a Shareholders' Meeting without a designated location (so-called virtual-only Shareholders' Meeting) is accepted under the "Act for Partially Amending the Industrial Competitiveness Enhancement Act and Other Related Acts" enforced on June 16, 2021.

The Company believes that expanding the number of methods of holding Shareholders' Meeting that can be selected will contribute to the safety and interests of shareholders, bearing in mind infectious diseases, large-scale disasters including natural disasters, advancement of digitalization of society as a whole, and other factors. Therefore, the Company intends to add Article 13, Paragraph 2 in the Articles of Incorporation so it can select holding of a Shareholders' Meeting without a designated location as one of the options.

Even if this proposal is approved, when selecting a method of holding a Shareholders' Meeting, the Company will make a decision through a resolution by the Board of Directors each time we hold a Shareholders' Meeting with the highest priority placed on the interests of shareholders and in consideration of social demand, etc. based on such factors as infectious diseases and large-scale disasters.

(iii) Article 24: Amendment pertaining to the convener and chair of the Board of Directors

The Company has adopted the current design of the corporate structure and the composition of the Board of Directors in comprehensive consideration of such factors as the business size, business domains, and business characteristics of the Company, as well as the environment surrounding the Company. Today, markets and environments are changing day by day, and the Company believes that it is necessary to consider and implement the organizational design and composition of the Board of Directors optimal for the Company on an ongoing basis. Under such circumstances, the Company intends to make changes to the effect that the convener and the chair of a meeting of the Board of Directors shall be the Director predetermined by the Board of Directors, and if said Director is absent, another Director selected according to an order predetermined by the Board of Directors shall convene and chair a meeting of the Board of Directors so that flexible actions may be taken in cases where roles and responsibilities have changed.

2. Details of amendments

The details of the amendments are as follows.

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed Amendments
(Purpose) Article 2 The purpose of the Company is to hold shares in companies which are engaged in the following businesses and companies which are engaged in the businesses equivalent thereto in order to control and manage business activities of such companies.	(Purpose) Article 2 The purpose of the Company is to <u>be engaged in the following businesses and</u> hold shares in companies which are engaged in the following businesses and companies which are engaged in the businesses equivalent thereto in order to control and manage business activities of such companies.
Items 1 to 18 (Omitted)	Items 1 to 18 (Unchanged)
(Convocation of Shareholders' Meeting) Article 13 Annual Shareholders' Meeting of the Company shall be convened within three months after the termination of each fiscal year, and Extraordinary Shareholders' Meeting may be convened whenever necessary. <Newly established>	(Convocation of Shareholders' Meeting) Article 13 <Unchanged> <u>2. The Company may hold a Shareholders' Meeting without a designated location.</u>
(Convener and Chair of the Board of Directors) Article 24 The Director <u>and President</u> shall convene and chair the meetings of the Board of Directors, unless otherwise provided for by laws and regulations. 2. If the Director <u>and President</u> is unable to act due to vacancy or an accident, another Director, selected according to an order predetermined by the Board of Directors, shall convene and chair a meeting of the Board of Directors.	(Convener and Chair of the Board of Directors) Article 24 The Director <u>predetermined by the Board of Directors</u> shall convene and chair the meetings of the Board of Directors, unless otherwise provided for by laws and regulations. 2. If the Director <u>in the preceding paragraph</u> is unable to act due to vacancy or an accident, another Director, selected according to an order predetermined by the Board of Directors, shall convene and chair a meeting of the Board of Directors.

<Reference>

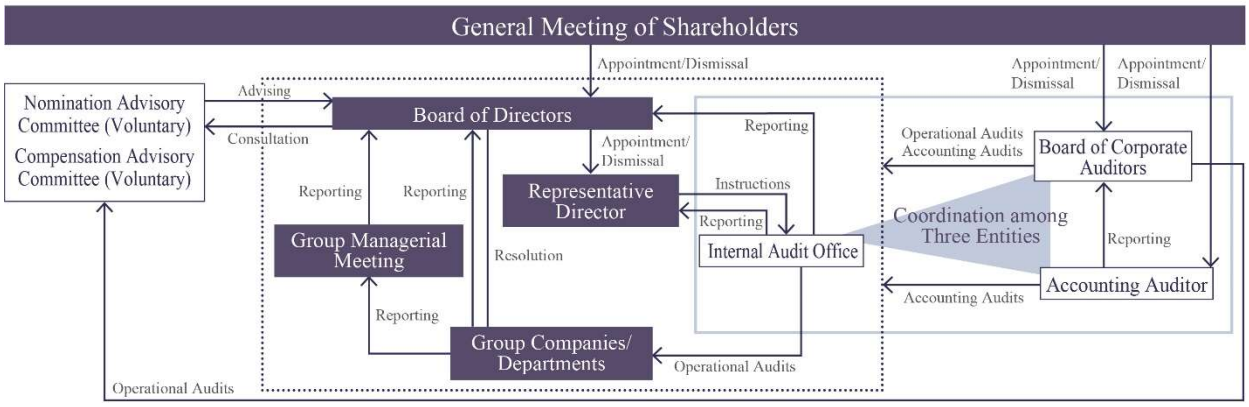
Basic Philosophy on Corporate Governance

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 pages 10 and 11).

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.

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.

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								
			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 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 "◎."