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POLA CHEMICAL INDUSTRIES, INC.

Corporate Introduction

POLA CHEMICAL INDUSTRIES, INC.
January, 2011
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The end of slide show
1. President’s Message

Yasuo Iwazaki,
President of POLA CHEMICAL INDUSTRIES, INC.

As a company to propose “smile and deep emotion” to the people all over the world in a form as “the highest (supreme) products”
President’s Message

Thank you very much for visiting a Web-site of POLA CHEMICAL INDUSTRIES, INC. I am delighted if you know our technological portfolio, history, corporate activities and so on through this site. As the only one company which is involved in R&D and Manufacture in our group, we are going to propose “smile and deep emotion” to the people all over the world as “the highest products” in the market.

In order to provide “the highest products”, we are dealing with daily research & development and production for the products which will transmit “belief of craft manufacturer of products” to the customers, as aims at “to be superior in quality and to be used at ease” and “to have functions and sensual feelings which overwhelm other products.”

In a division of research and development which are the basis of product development, research scientists are conducting fundamental research and development research. The outcome from research or technology are disclosed by a number of patents and academic meeting reports every year. The major three brand cosmetics such as POLA, Orbis and pdc are manufactured in our factories with ISO9001 certification in Shizuoka and Fukuroi. Besides the major brands, we are providing over 5,800 cosmetics and health foods to eight brands which are composing POLA Orbis group.

Our idea at the basis of research and technological development is to absorb the highest technology and to add our own technical development and to create up our cosmetics and health foods. The technology obtained for product development and manufacture is reflected upon not only our products but also academic meeting activities and social activities.

The biggest goal of POLA CHEMICAL INDUSTRIES, INC. is that our business activities will be able to not only raise up our group’s product brands but also make our stakeholders be delightful and arouse their sympathy and contribute to our society.

We would like to ask a great favor of you to receive your continuous guidance and support for us. Thank you very much.

Yasuo Iwazaki, President
## 2. Corporate Outline

<table>
<thead>
<tr>
<th>Established</th>
<th>December 30, 1940</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital</td>
<td>¥1.6 billion (approx. $20 million)</td>
</tr>
<tr>
<td>Official Address</td>
<td>6-48 Yayoi-cho, Suruga-ku, Shizuoka, JAPAN</td>
</tr>
<tr>
<td>Employees</td>
<td>1,063 (as of January, 2010)</td>
</tr>
<tr>
<td>Headquarters</td>
<td>2-2-10 Nishi-Gotanda, Shinagawa-ku, Tokyo 141-0031 JAPAN</td>
</tr>
<tr>
<td>President</td>
<td>Yasuo Iwazaki</td>
</tr>
</tbody>
</table>
| Facilities   | 1 R&D center (Yokohama)  
               | 2 Factories (Fukuroi and Shizuoka) |

POLA CHEMICAL INDUSTRIES, INC. is one of the group companies of POLA ORBIS HOLDINGS, INC.
POLA CHEMICAL INDUSTRIES, INC.
Address

Headquarters:
2-2-10 Nishi-Gotanda, Shinagawa-ku,
Tokyo 141-0031 Japan

Yokohama R&D Laboratories:
560 Kashio-cho, Totsuka-ku,
Yokohama 244-0812 Japan

Shizuoka Plant:
6-48 Yayoi-cho, Suruga-ku,
Shizuoka 422-8009 Japan

Fukuroi Plant:
1234 Aino, Fukuroi 437-8765 Japan
3. Company History

1929  Shinobu Suzuki, founder, started business in Shizuoka.
1940  POLA CHEMICAL INDUSTRIES, INC. was established.
1954  Shizuoka Plant was completed.
1961  Yokohama Plant was completed and the mass production system was established.
1964  Yokohama R&D Center, offering all modern science resources, was completed.
1972  Polissima based on Chinese herbal medicine was launched.
1977  Fukuroi Plant was completed.
1982  As the world’s first cosmetic including hyaluronic acid, Perbona was launched.
Corporate History  (Continued)

1983  POLA became a major investor in KAYAKU CO., LTD. and entered the pharmaceutical business.
1984  As skin whitening products including co-developed vitamin C derivative (AP), Whitissimo Lumiera MC2 series were launched.
1985  The first B.A based on BioActive theory was launched and the B.A series were consecutively marketed up to now.

1989  Launched APEX-i, for individual skin type with skin analysis.

1992  Totsuka R&D Center was established in Yokohama.

1995  Health Science Research Center was established.

(to be continued)
Corporate History  (Continued)

1997  Shizuoka and Fukuroi Plants received ISO 9002 certification.
1998  An original ingredient, Rucinol, for skin-whitening was approved as a quasi-drug in Japan and the skin whitening product, Whitissimo WHITESHOT was launched.

1998  Shizuoka and Fukuroi Plants received ISO 9001 certification.
2000  Shizuoka and Fukuroi Plants received ISO 14001 certification.
2004  Fukuroi Plant received the Prime Minister's Award, recognizing it as an Outstanding Green Plant.
2008  POLA ORBIS HOLDINGS, INC. was established.

2009  The third generation of anti-aging B.A series was launched.
2010  Yokohama R&D Center and Totsuka R&D Center were combined and Yokohama Research Laboratories were established in Totsuka, Yokohama.
4. R&D and Product Strategy

- Cosmetics and health foods based on advanced research and analysis
- Sophisticated package design
- Skincare & Makeup Products Development
- Dermatological Research & Active Ingredients Development
- Skin Analysis & Quality Research
- Health Food Science R&D
- R&D Planning
- Design Laboratories (Tokyo)
Research Fields

- Dermatological research
  (anti-aging, skin brightening, skin roughness etc.)
- Formulation research
- Optical research
- Skin analytical research
- Health foods research
## IFSCC Awards
(IFSCC: International Federation of Societies of Cosmetic Chemists)

<table>
<thead>
<tr>
<th>Year</th>
<th>IFSCC (Location)</th>
<th>Award</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>1986</td>
<td>14th IFSCC (Barcelona, Spain)</td>
<td>Second best paper &amp; presentation</td>
<td>“Blurring of wrinkles through control of optical properties”</td>
</tr>
<tr>
<td>1994</td>
<td>18th IFSCC (Venice, Italy)</td>
<td>Best paper &amp; presentation</td>
<td>“Psychoneuroimmunological benefits of cosmetics”</td>
</tr>
<tr>
<td>1996</td>
<td>19th IFSCC (Sydney, Australia)</td>
<td>Second best paper &amp; presentation</td>
<td>“Optical properties of stratum corneum and development of natural looking make-up”</td>
</tr>
<tr>
<td>1998</td>
<td>20th IFSCC (Cannes, France)</td>
<td>Best paper &amp; presentation</td>
<td>“A new approach for the improvement of photo-aged skin through collagen fiber reconstruction mechanism”</td>
</tr>
<tr>
<td>2008</td>
<td>25th IFSCC (Barcelona, Spain)</td>
<td>Best paper &amp; presentation in the basic research field</td>
<td>“Epidermal Tight Junction: The Master Skin Barrier Regulator”</td>
</tr>
</tbody>
</table>
Developed Compounds

• **Magnesium Ascorbyl Phosphate** (Skin-whitening)
• **Arbutin** (Skin-whitening)
• **Rucinol®** (Skin-whitening)
• **Ursolic Acid Derivative** (Anti-wrinkle)

Developing Pipeline

Skin-whitening compounds
Anti-wrinkle compounds ....etc.
Sophisticated Package Design

Package Design that Speaks Harmoniously for the Brand

History of Recent Awards

- 2010 Pentawards Gold Award by “BA The Cream”, Gold Award by “K.O.U” and Silver Award by “Whitissimo”
- 2010 iF Communication Design Award Prize by “K.O.U”
- 2009 Pentawards Silver Award by “Aglaira”
- 2009 iF Communication Design Award Prize by “Apex-i”
- 2009 Pentawards Blonze Award by “The Make B.A”
- 2008 Worldstar Worldstar Award by “Premium Aura Collection”
- 2006 World Star Prize by “The Make B.A”
- 2006 iF Design Award Prize by “Whitissimo”
- 2006 The New York Festivals Finalist Award by “Creatage Excellent”
Multi-Brand Strategy - Package Design -
5. Manufacture at POLA R&M

International Standard

High quality cosmetics have been manufactured under the International Standards, ISO9001 and ISO14001.

Shizuoka Plant

Fukuroi Plant
Outline of Shizuoka Plant

Manufacturing skin cares, fragrance, lip colors, etc.

◇ Shizuoka Laboratory

There is a research wing in the same premises, which is devoted to new product development by fully utilizing technology development and manufacturing abilities.

<table>
<thead>
<tr>
<th>Foundation</th>
<th>1954</th>
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<tbody>
<tr>
<td>Employees</td>
<td>320</td>
</tr>
<tr>
<td>Manufacturing Items</td>
<td>1,100</td>
</tr>
<tr>
<td>Production Number</td>
<td>62 million pieces/year</td>
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</table>
Outline of Fukuroi Plant

Manufacturing skin cares, powder items, new products, toiletries, etc.

◇ Skin Analysis Center:
Personal counseling system based on scientific analysis.

<table>
<thead>
<tr>
<th>Foundation</th>
<th>1977</th>
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</thead>
<tbody>
<tr>
<td>Employees</td>
<td>500</td>
</tr>
<tr>
<td>Manufacturing Items</td>
<td>2,100</td>
</tr>
<tr>
<td>Product Number</td>
<td>40 million pieces/year</td>
</tr>
</tbody>
</table>
6. Typical Products

High Prestigious Products

Creatage Excellent
B.A Grandluxe
The Lotion B.A
The Milk B.A
The Cream B.A
Skin-Whitening Products

White shot W

White shot Melanosshooter

White shot QL
Anti-aging Products

Wrinkle shot
Wrinkle shot essence
Wrinkle shot energy sealed
Make-up Products

The Make B.A
Creamy Foundation

The Make B.A
Day Advance Serum Extra S
Make-up Products

The Make B.A
Compact Powder S

The Make B.A
Powdery Foundation

Muselle
Full Brush Face Color
Typical Products

- AQUAFORCE Lotion
- Cleansing Liquid
- Pure Precious Rouge
7. Outline of Business Development

POLA CHEMICAL INDUSTRIES, INC. is conducting OEM (Original Equipment Manufacturing, or Contract Manufacture) business. Our style of consignment of OEM is rather ODM (Original Design Manufacturing) as shown in the next page.
Characteristics of ODM by POLA

1. Unique and original product development with our state-of-the-art technologies in the field of active ingredient development and formulation development.

2. Development of the products which possess market supremacy with hard evidences and give highly impressive texture.

3. Responsible for all stages of cosmetics development.
   - concept making, formulation, safety check, package design, production etc.

4. Supply clients a finished product to warrant high quality.

5. Consignment of package design or other designs.
1) Skin Whitening Products
   Cream, Gel cream, Lotion, Essence, Wash, Mask

POLA's original ingredients for skin whitening effects (some plant extract or active ingredients for quasi-drugs in Japan)

Inhibition of tyrosinase and reduction of melanin by Ascorbyl Glucoside (Vitamin C derivative)

Anti-inflammation by Dipotassium Glycyrrhizate

Inhibition of alpha-MSH action by Sophora Root Extract alpha

POLA has been studying basic and applied research in skin whitening and depigmentation. There are several scientific documents (academic journal papers and study reports).
2) Anti-aging, Anti-wrinkle Products

Cream, Lotion, Essence
Containing some plant extracts.

POLA original, special treatment for wrinkle improvement through the remodeling of collagen bundle by the effect of UAB (Ursolic acid derivative, INCI name: Benzyl ursolate). This basic research is the 20th IFSCC (1998) award winner study.

There are several scientific documents (academic journal papers and study reports of both non-clinical and clinical).

3) Makeup Products

Base makeup, Foundation (cream foundation, powder foundation), SPF makeup products. Original multiple beads and fiber.
4) Sunscreen Products

There are several types of sunscreen products with various characteristics. Milk, Cream, O/W Milk for face, O/W Milk for face and body

Two-layers-separated shaking type for face and body, W/O Cream for face.

UV absorbents free, zinc oxide-free, D5-free, paraben-free, preservatives-free.

Allergy tested, low stimulus for sensitive skin, a little shielding feel. No need of special cleansing.

No sticky, lightly and smoothly spread, actual feeling of moisture without shielding feel. Recommended for day care milk of moisture-type.

High SPF and high PFA (PA+++ ) cream with skin whitening effects. No white remaining. Actual feeling of moisture.
9. Contact Us

9.-1 For inquiry to POLA CHEMICAL INDUSTRIES, INC.

Please write to:
Headquarters
POLA CHEMICAL INDUSTRIES, INC.
2-2-10 Nishi-Gotanda, Shinagawa-ku,
Tokyo 141-0031 Japan

or e-mail to: rm-webmaster@pola.co.jp
9.-2 For Inquiry of ODM (contract manufacturing),
please write to: Technology Business Department,
POLA CHEMICAL INDUSTRIES, INC.
560 Kashio-cho, Totsuka-ku,
Yokohama 244-0812 JAPAN
or e-mail: pola-oem@pola.co.jp

For consignment of Package Design,
please write to: Design Laboratories,
POLA CHEMICAL INDUSTRIES, INC.
2-2-3 Nishi-Gotanda, Shinagawa-ku, Tokyo
141-8523 JAPAN
The End of Slide Show.

Thank you for visiting our Corporate Introduction.

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January, 2011