



Creating Beauty in a Sustainable World.

Activity Themes Toward 2030

A source of adaptable products and services

We cherish your unique beauty.
To serve customers with diverse social and cultural backgrounds, genders, ages, skin colors, values and more,
we create products and services that exclude no one.

Support for a beautiful, healthy and happy life

We support lifestyles that allow people to enjoy mental and physical health and happiness, as one of life's fundamental goals.
In addition to our commitment to realizing fulfilling lifestyles for all of our stakeholders, including the next generation of children
and the customers who use our products and services directly, we are committed to tackling social issues.

Help create a world with true gender equality

KOSÉ started in the postwar years, providing various cosmetics to brighten both skin and hearts.
Considering this background, we will contribute to creating a future where there is no gender gap and individuals can
play an active role regardless of gender, both inside and outside of the Company.

Use the theme of beauty to help solve environmental issues

In conducting our business activities that deliver products and services, we have proposed measures
for resolving environmental issues through beauty. We will consider environmental issues together
with everyone, and raise awareness of our work to solve issues in society.

Environmental conservation programs in areas where KOSÉ operates

For us to carry out corporate activities sustainably, it is important that we co-exist and prosper together with the
regions where we manufacture products or offer services. We strive to protect the environment in the regions where
we operate and contribute to the ongoing development of the entire region.

Lower the overall environmental impact of business operations

We benefit from the natural environment every day we do business.
This is because many of the ingredients in cosmetics are obtained from nature. As such, we appreciate the blessings of
nature, and continue to advance efforts to reduce our environmental impact for a sustainable world.

Cover Story 02

The People Who Make KOSÉ Work

To promote recognition of KOSÉ brands among customers globally, we will strengthen our digital marketing from a global perspective.

KOSÉ Travel Retail Co., Ltd.



We are working to develop fully optimized Customer Relationship Management (CRM)-related systems that make the most of our strengths, both in stores and online, with the aim of providing even better service to customers.

IT Management Department



Creating Beauty in a Sustainable World.

We support wide-ranging business operations, such as management of overseas subsidiaries. Employees in Japan and at overseas subsidiaries are working together to deliver the appeal of KOSÉ's cosmetics, and how they could enrich people's feelings, to the world.

Asia Business Division



We are working to communicate KOSÉ's appeal outside the Company through advertising. We also strive to increase motivation within the Company by creating content that makes employees feel proud of working at KOSÉ.

Corporate Strategy Department



We plan and implement content that combines online (e-commerce) and offline (stores) operations, using new forms of marketing to widen the appeal of KOSÉ brands to a large number of customers in Japan and overseas.

KOSÉ PROVISION CO., LTD.



In our richly diverse and changing society, the KOSÉ Group will create a bright future based on belief in the power of cosmetics.

I want customers to have positive encounters with brilliant KOSÉ cosmetics, and to like themselves even more. Such desire gives me a great sense of purpose in my work researching beauty ingredients.

R&D Laboratories



As an engineer, I promote further digital transformation at KOSÉ through the development and operation of analytics systems. I am using our databases to increase customer value.

IT Management Department



Cover Story 03

KOSÉ's History of Value Creation

KOSÉ's founder Kozaburo Kobayashi believed in "co-existence and co-prosperity of manufacturers, distributors, and consumers." This belief has been passed down through generations of the Company, evolving with the times, with the aim of creating mutually beneficial relationships with customers and various stakeholders. Through this KOSÉ Beauty Partnership, we will continue to create new value and build a bright future.

Creation of High-Quality Cosmetics

New Beauty for the Times

Delivering New Value to Customers around the World

1946 Kozaburo Kobayashi founded KOBAYASHI UNLIMITED PARTNERSHIP, the predecessor of KOSÉ

KOSÉ's predecessor, KOBAYASHI UNLIMITED PARTNERSHIP, was founded in March 1946 with the mission of bringing happiness to all stakeholders who manufacture and use cosmetics. KOSÉ introduced a contract sales system based on direct transactions with retail stores, which embodied Kozaburo's ideal of co-existence and co-prosperity as well as joint management of manufacturing and sales. His motto, "Mind to Follow the Right Path," is the foundation of KOSÉ's corporate spirit to this day.



1976 World-leading development of powder foundation

We launched an appealing foundation that acted as a "triple threat": not only creating a beautiful skin tone, but also offering the convenience of quick and easy application and excellent portability. The basis for this invention was the notion that, in an era in which women were taking on various challenges they needed to save time wherever possible, and the product was created to resolve these social issues.



1954 First generation of KOSÉ beauticians

The first KOSÉ beauticians were the predecessors of Beauty Consultants. When KOSÉ advertised for its first applicants for beauticians in newspapers, over 50 times as many people applied as expected. Beauticians played an important role in popularizing beauty knowledge and techniques, contributing to the development of the cosmetics industry. They also raised the image of what a beauty professional was, helping to establish it as a popular job.



1985 Launch of SEKKISEI

The Company has opened up new markets by responding rapidly to diversifying needs and developing and selling products with specific effects. Among these, SEKKISEI, which began as one skin lotion product containing Japanese and Chinese herbal extracts, has grown into a brand with steady long-term sales based on support from an extensive customer base that trusts in its distinctive feel on the skin and reliable effectiveness.



1975 Establishment of a new genre: beauty serum

Before the concept of beauty serum existed, the Company launched ALPHARD R-C Liquid Precious as a pioneering product in the industry. Packed with beauty ingredients, it met the demand for a time-saving product that made skin rich and supple. As it had a distinctive texture and effect, the product was later registered as a new category of cosmetics: beauty serum.



1988 Establishment of KOSÉ Cosmeport Corp.

KOSÉ Cosmeport Corp. was established as a company that sells cosmetics through the general retail sales routes. In addition to cosmetics, the Company sells own-brand products developed based on cosmetics concepts, including toiletries such as shampoo, through a wide range of channels. It has widened its customer base by offering products that reflect customer feedback at affordable prices.



1991 Introduction of corporate identity to increase the Company's global presence

At the 45th anniversary of its founding, it introduced a corporate identity (CI) to strengthen its raison d'être as a business and to communicate an easily understandable message. We revised our corporate image from the ground up, established a total marketing strategy and a visual identity, and relaunched with a new corporate philosophy: "Create a culture and values embodying a distinctive beauty through a sophisticated fusion of sensuousness and intelligence."



1992 Proactive approach to CSR activities and engagement with local communities

After the introduction of our CI, the Company also focused on providing support in areas such as culture, the arts, and sports. In 1992, we established a special subsidiary as part of efforts to support the employment of people with disabilities. The initiative was an industry first at the time, and was the 25th special subsidiary company to be approved in Japan across all industries. In April 2016, we established the Gunma branch of ADVANCE CO., LTD. at our Gunma Plant.



2009 SEKKISEI SAVE the BLUE, KOSÉ's flagship environmental conservation activities

To pass on our beautiful blue planet to the future, we launched the SEKKISEI SAVE the BLUE project in the summer of 2009. We donate a portion of the sales of SEKKISEI to environmental conservation activities, and are engaged in global environmental protection and awareness-raising activities. We hope to pass on the beautiful earth, represented by the lapis lazuli blue of the iconic SEKKISEI bottle, to future generations.



2013 Creating spaces for communicating with customers

Aiming to create fans across all of KOSÉ's popular brands, we held "The KOSÉ Beauty Festa," which was intended to create opportunities for customers to encounter these brands. Bringing our 17 main brands together, this event gave customers an opportunity to explore freely and try the products. This was the first such event in the industry to be led by a manufacturer.



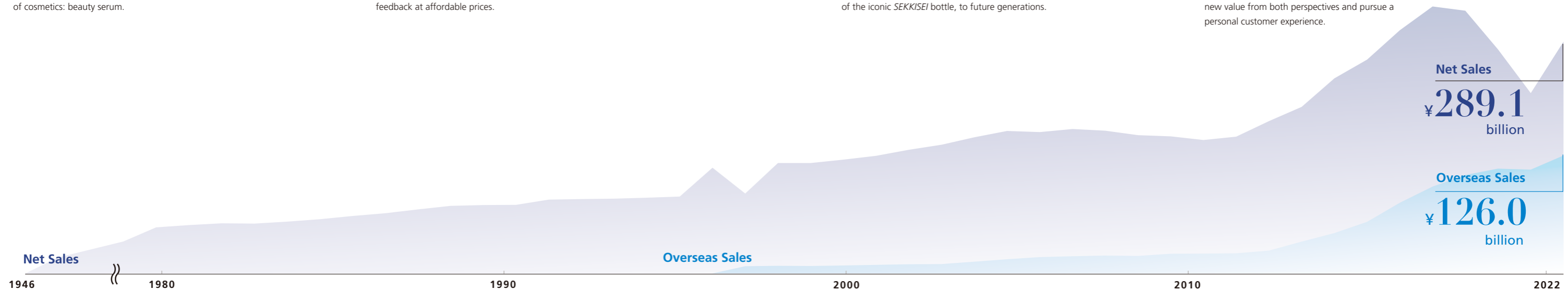
2014 Acceleration of globalization with the acquisition of North American brands

As well as developing its existing global brands, KOSÉ is working to expand its global brand portfolio through measures such as acquiring the U.S. brand Tarte and making the company a subsidiary. KOSÉ's increasing presence in global markets is part of its ongoing commitment to providing unique value.



2019 Communication that evolves with the times

The KOSÉ beauty platform was launched with the goal of shifting from "moving even closer to customers" to "connecting directly with customers." We subsequently opened directly managed stores in Tokyo's Ginza and Omotesando areas, where customers can enjoy all of our brands. Combining digital and real-world experiences, the stores provide new value from both perspectives and pursue a personal customer experience.



Cover Story 04 | KOSÉ at a Glance

“What we want most of all is to inspire hopes and dreams, building a brighter world.”

KOSÉ is devoted to cosmetics, and we have continued our search for the essence of beauty throughout our long history. In this section, we will explore how the KOSÉ Group of today is linked to its past and future.

Net Sales
¥289.1 billion

Operating Margin
7.7%

Overseas Sales Ratio
43.6%

Number of Employees
13,179
 (2,182 men and 10,997 women)

Number of Brands
37

Number of Countries and Regions Where We Operate
68

Note: Figure is for the Group and its consolidated subsidiaries for the current period, and includes countries and regions where we have an online presence only.

E-Commerce/Travel Retail Sales Ratio
29.7%

ROE
7.5%

ROA
6.7%

Ratio of Female Employees in Leadership Positions
35.2%

Leadership position: A position with subordinates, or equivalent

Recycling Rate
100%

Note: KOSÉ Group production departments

Total Area Planted with Coral Reefs (Cumulative)
11,858m²

Short-term Vision

Strategy for the Next Fiscal Year

Medium-term Vision

Toward VISION2026

Long-term Vision

Sustainability Story

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What We Want to Communicate via the KOSÉ Report

This report aims to provide stakeholders with a deeper understanding of the KOSÉ Group's activities by presenting not only financial information, but also non-financial information including management policies, strategies and our underlying rationale. Please refer to our website for information related to IR and sustainability.

Forward-Looking Statements

This report contains forward-looking statements about KOSÉ Corporation's future plans, strategies, and performance that are not historical facts. Risks and uncertainties resulting from changes in the business environment may have a significant effect on actual business results. Please also note that we shall not be held responsible for any omissions or errors in data and content in this document.

Scope

The report covers KOSÉ Corporation and its consolidated subsidiaries for the period from January 1, 2022 to December 31, 2022.