

CONTENTS KOSÉ REPORT 2025

Corporate Philosophy

Corporate Message

Creating Beauty
in a Sustainable World

Introduction

Contents, Purpose of the KOSÉ Report, Forward-Looking Statements	1
Corporate Philosophy	2
KOSÉ's Journey of Value Creation	3
Brand Lineup	5
KOSÉ Group at a Glance	7

Value Creation Story

CEO Message	9
New Medium- to Long-Term Vision "Vision for Lifelong Beauty Partner — Milestone2030"	13
The KOSÉ Group's Sustainable Growth Process	19
KOSÉ Group Capital	21
Value Chain	23
Stakeholder Engagement	24

Growth Strategy

Business Strategy	25
Column	28
Regional Strategy	29
Customer Strategy	31
Group Strategy	32
Functional Strategy	33
Financial Strategy	33
HR Strategy	37
Sustainability Strategy	41
Business Fundamentals	49

Governance

Message from External Directors	51
Management Introduction	53
Management Team	55
Succession Plan	57
Corporate Governance	58
Overview of Corporate Governance Structure and Board of Directors Effectiveness Assessment	59
Overview of Executive Remuneration	60
Executive Remuneration Determination Process	61
Risk Management, Compliance, and Sustainability	62
Business Risks, Response to Risks	63

Data

Financial and Non-Financial Highlights	65
10-Year Summary of Selected Financial Data	67
3-Year Summary of Selected Non-Financial Data	69
Principal Group Companies	71
Corporate Information/Stock Information	72

Statement of Purpose

Create a culture and values embodying a distinctive beauty through a sophisticated fusion of sensuousness and intelligence.

Management Philosophy

- Deeply devoted to all the people who believe in and support KOSÉ.
- Respect the values and skills of each employee.
 - Always aim for higher growth – never settle for stability.
 - Strive for the highest possible quality backed by exclusive technology.
 - Meet and exceed the expectations of customers.
 - Build a stronger global presence.

Action Guidelines

- Your actions shape the present and future KOSÉ.
- Be sincere, retain an intent focus on goals.
 - Go beyond the conventional.
 - Never lose your enthusiasm and the desire to improve.
 - Have the courage to communicate with others openly and honestly.

Behavioral Charter

Mind to Follow the Right Path

The KOSÉ Group is committed to remaining an honest and trustworthy company that is respected by our customers and the public at large. We do this by always seeking to do the right thing, acting in an ethical manner at all times, complying with laws, regulations and social norms, respecting the human rights of everyone who is involved with the KOSÉ Group, and having mind to follow the right path.

Scope
The report covers KOSÉ Corporation and its consolidated subsidiaries for the period from January 1, 2024 to December 31, 2024.

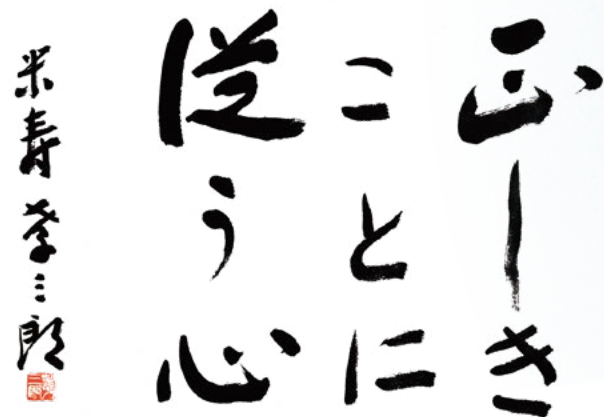
Purpose of the KOSÉ Report
This report aims to provide stakeholders with a deeper understanding of the KOSÉ Group's activities by presenting not only financial information, but also non-financial information including management policies, strategies and our underlying rationale. Please refer to our website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

Disclaimer of Forward-Looking Statements
This report contains forward-looking statements about KOSÉ Corporation's future plans, strategies and performance outlooks that may differ materially from actual results. 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.

KOSÉ's Journey of Value Creation

In 1946, Kozaburo Kobayashi founded KOBAYASHI UNLIMITED PARTNERSHIP, the predecessor of KOSÉ, in the Oji (Kita-ku) area of Tokyo. He was convinced that, even in the turmoil of the postwar period, the cosmetics industry would play an important role in rebuilding Japan. With the spirit of co-existence and co-prosperity, and a commitment to high quality, the Company launched numerous innovative, industry leading products. The attitude that Mr. Kobayashi cherished with regard to manufacturing and sales since the Company's founding is part of the spirit of KOSÉ and has been passed down through generations to the present day.

A Spirit Passed Down to the Present Day



Mind to Follow the Right Path

In 1946, at the start of the postwar period, people throughout Japan were suffering from severe economic uncertainty. Kozaburo Kobayashi founded KOBAYASHI UNLIMITED PARTNERSHIP with the belief that cosmetics would brighten people's hearts and support the country's recovery. To raise funds, he set up a contract sales system, under which he received advance payments from product retailers, and visited retailers throughout Japan to invite them to participate in the system. No matter how small the order, he would package the items and cover the freight cost, and even deliver to individual retailers in regions with no supplies. This approach generated significant trust in KOSÉ as a brand. In this way, the Company's spirit of co-existence and co-prosperity has been developed. Since then, all employees have continued to treat everyone involved with KOSÉ with sincerity and honesty, guided by the spirit, "Mind to Follow the Right Path."

Quality Should Be the Top Priority

The 1940s (the era the Company was founded in) were a time when anything could be sold (as long as it was in stock), and low-quality goods flooded the market.

Mr. Kobayashi was concerned that products were being sold at prices that did not reflect their quality. He wanted to provide high-quality products that would give customers peace of mind, so he used the finest raw materials and fragrances. At the time, some people advised him to begin mass production and aggressively expand the scale of the Company's operations. However, Mr. Kobayashi strongly asserted that KOSÉ's objective was not quantity, but quality. He focused on development of excellent products, a solid organization and human resources, to create a company that could compete on quality even as a small business. Then, in 1957—at the height of Japan's postwar economic recovery—KOSÉ made a dramatic leap forward by launching the premium cosmetics line *LA BONNE*, which was instantly popular. KOSÉ's commitment to quality, which insists that "Quality Should Be The Top Priority," is the foundation of the Company's approach to manufacturing to this day.



1951



PERLIGHT SKIN: A big hit in the company's early days

We improved the vanishing-type cream, which was prone to crystallization at the time, and developed a smooth yellow cream with skin-friendly pigments. This product remained on the market for 25 years at its original price of ¥200. It marked the origin of KOSÉ's commitment to quality.

1970



DECORTÉ: Faith in quality and the pursuit of the ideal luxury product

With the liberalization of imports in Japan and the appearance of foreign manufacturers in the domestic market, this product was created to compete with the best cosmetic products worldwide. Our goal was to create a luxury item with value in terms of both quality and design. It is now globally recognized as one of our flagship brands.

1976



FIT-ON powder foundation: An industry-pioneering product

This product offers truly beautiful skin that looks finished with foundation followed by loose powder, creating a striking appearance. At a time when women were entering the workforce, the product became a huge hit by meeting the growing demand for convenience, speed, and ease of use.

1980



Production Headquarters' QC operation received Deming Prize

Assessed for quality assurance and improved productivity, the Company became the first in the cosmetics industry to receive the Deming Prize (Quality Control Award for Operations Business Units). This followed on major reforms, including a review of production activities, updated quality control standards and the creation of various internal systems, demonstrating our commitment to quality.

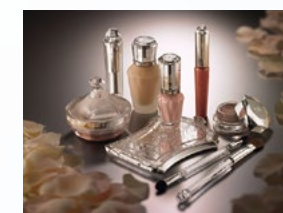
1992



Established ADVANCE, a Special Subsidiary

Inspired by then-President Reiji Kobayashi's strong desire to support the vocational independence of people with disabilities, KOSÉ established a Special Subsidiary where individuals with disabilities and able-bodied people work together to manufacture cosmetics. This was the first of its kind in the cosmetics industry and has grown to become a core company of the KOSÉ Group.

2005



Jill Stuart: Collaborating with a fashion brand

The brand, centered on makeup with a commitment to pursuing cuteness, remains one of the most enduringly popular brands today. Launching a range of unique brands that do not carry the company's name allows us to better address the diverse needs of our customers.

2009



SEKKISEI Save the Blue project to protect Okinawa's coral

For each *SEKKISEI* bottle purchased, an area of coral equivalent to the size of the bottle's base is planted in Okinawa's sea. We continue to donate a portion of our sales to nature conservation activities and to educational activities that deepen interest in and understanding of environmental conservation in Japan and overseas.

2024



Formulated our Medium- to Long-Term Vision

With "Your Lifelong Beauty Partner" as our Vision, we promise society that "Embracing each other, we color our lives with beautiful moments." We strive to build mutually enhancing relationships with all stakeholders by offering an attractive brand portfolio, viewing our customers from a broad 3G* perspective.

Note: Global, Gender, and Generation

Provide new value by embracing the beauty of the individual

Brand Lineup

KOSÉ has been creating attractive brands inspired by two keywords—Sensibility and Intelligence—for many years. By developing our business around distinctive “individual brands” and “KOSÉ brands,” we provide unique value for people of all ages and genders across the globe.

Main Countries and Regions Where We Operate: J Japan A Asia U North America/Other E Europe

High-Prestige Brands
The Highest Levels of Quality and Service

Prestige Brands
High-Value-Added Cosmetics for Everyone

Cosmetaries Brands
For Daily Life One Step Above



High-Prestige Brands

DECORTÉ

J A U E

ALBION

J A U E

INFINITY KOSÉ PRESTIGIOUS

J A

tarte high-performance naturals

J A U E

JILLSTUART

J A

Prestige Brands

雪肌精 SEKKISEI

J A U E

ONE BY KOSÉ

J A

ESPRIQUE

J A

米 MAIHADA 肌

J

カルテHD

J

Cosmetaries Brands

Visée

J A

MAKE KEEP

J A U

softymo ソフトイモ

J A

CLEAR TURN クリアターン

J A

STEPHEN KNOLL NEW YORK

J A U

KOSÉ Group 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 highlight how the KOSÉ Group of today is linked to its past and future.

(Fiscal year ended December 31, 2024)

Corporate Profile

Founded

1946

Number of Employees
(including temporary staff)

13,013

(2,233 men and 10,780 women)

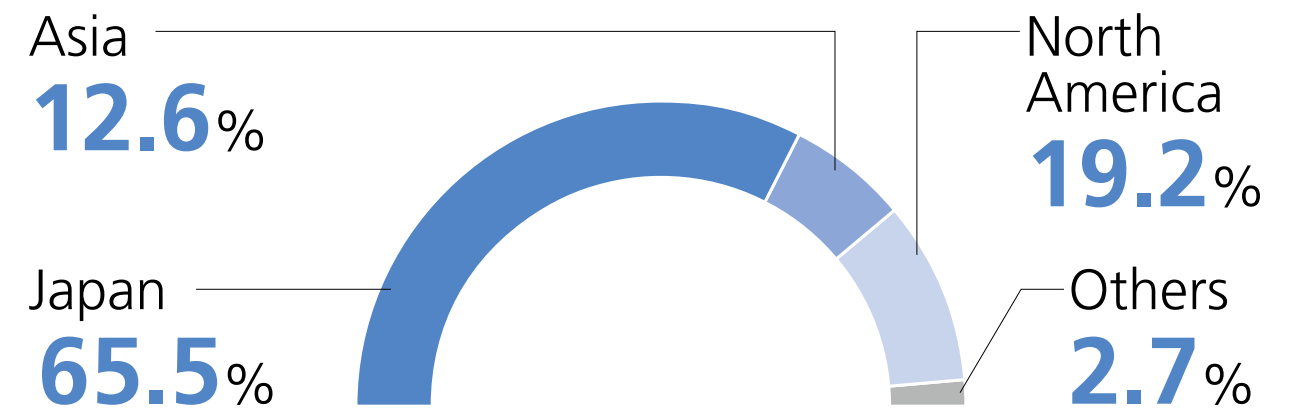
Number of Countries and Regions
Where We Operate

67

Number of Brands

38

Share of Net Sales by Region



Financial Highlights

Net Sales

¥ **322.7** billion

Operating Margin

5.4%

Overseas Sales Ratio

34.5%

R&D Expenses

¥ **6.3** billion

ROE

2.8%

ROIC

2.6%

Non-Financial Highlights

CO₂ Emission Reduction Rate
(Scope 1 and 2, Scope 3)

Scope 1 and 2: -45.1%

Scope 3: -19.3%

(Total volume compared to 2018)

Ratio of Female Employees in
Leadership Positions¹

34.4%²

Notes:
1. Leadership position: A position with subordinates, or equivalent
2. 38.3% in fiscal 2024, including PURI CO., LTD.

Waste Recycling Rate
at Factories

100%

Note: KOSÉ Group manufacturing departments

Total Area Planted
with Coral Reefs
(Cumulative)

12,736 m²

Note: About 34 times the area of a 25 m regulation-size swimming pool

Responsible Palm Oil
Procurement

36.1%

Note: Procurement of certified raw materials and purchase of RSPO-certified credits through the Book & Claim (B&C) method