

Sustainability

Sustainability Strategy
of the Vision for Lifelong Beauty Partner
—Milestone2030

2025 Progress Report

KOSÉ Holdings Corporation

Creating Beauty
in a Sustainable World



Your Lifelong Beauty Partner

A radiance that is uniquely yours.
May you recognize your unique value
and let it shine freely,
every moment of every day.
We celebrate your individuality
to bring boundless joy.

KOSÉ revitalizes people and the Earth,
constantly making life shine brighter.

Creating Beauty
in a Sustainable World

Approach to the Sustainability Strategy

The role of the Sustainability Strategy in the KOSÉ Group is to integrate commitment to solving social and environmental material issues into value creation and our corporate fundamentals within our medium- to long-term vision. Our corporate message was made “Creating Beauty in a Sustainable World” as a guiding principle for sustainability, and we set “Mind to Follow the Right Path” as a fundamental policy, which is the same as the code of conduct. We will strive for sustainable growth in both society and the Group while being there for people and the Earth, and aim for “Your Lifelong Beauty Partner” using an approach that encompasses the ideal of society and the environment.

Guiding Principle for Sustainability

Creating Beauty in a Sustainable World

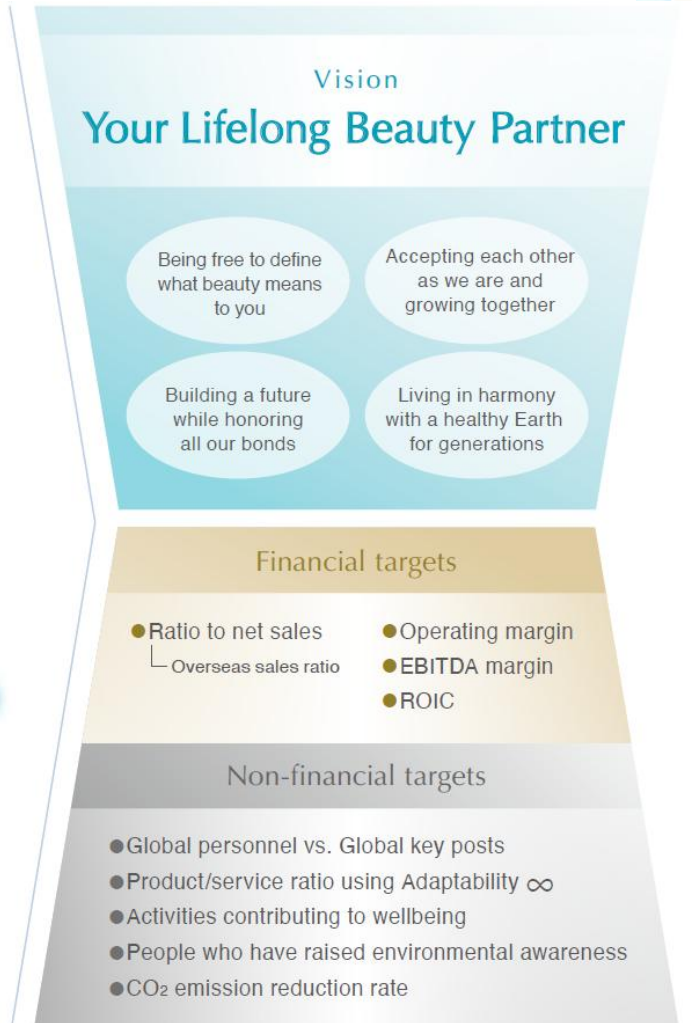
As in our Corporate Message, this expresses our commitment to the value we create for the benefit of people and all of society, and for the future of the Earth.

Since our founding, we have conducted business activities with the help of social ties and the blessings of nature. It means we will contribute to the world using all the intelligent creation of beauty in order to realize the future we are aiming for.

Fundamental Policy

Mind to Follow the Right Path.

Just like our Behavioral Charter which is the foundation of the governance system, this policy shows that we will continue to be a fair and transparent public institution with the same sincerity as the meaning of part of the company’s name.



Highlights of the Sustainability Strategy in Milestone2030

In addition to the initiatives and targets highlighted in medium-term strategy, the Sustainability Strategy sets targets and initiatives for each issue to address the material issues of medium- to long-term vision.

<Highlights : For people>

Continue creating ideas involving the value of beauty that originate from diversity

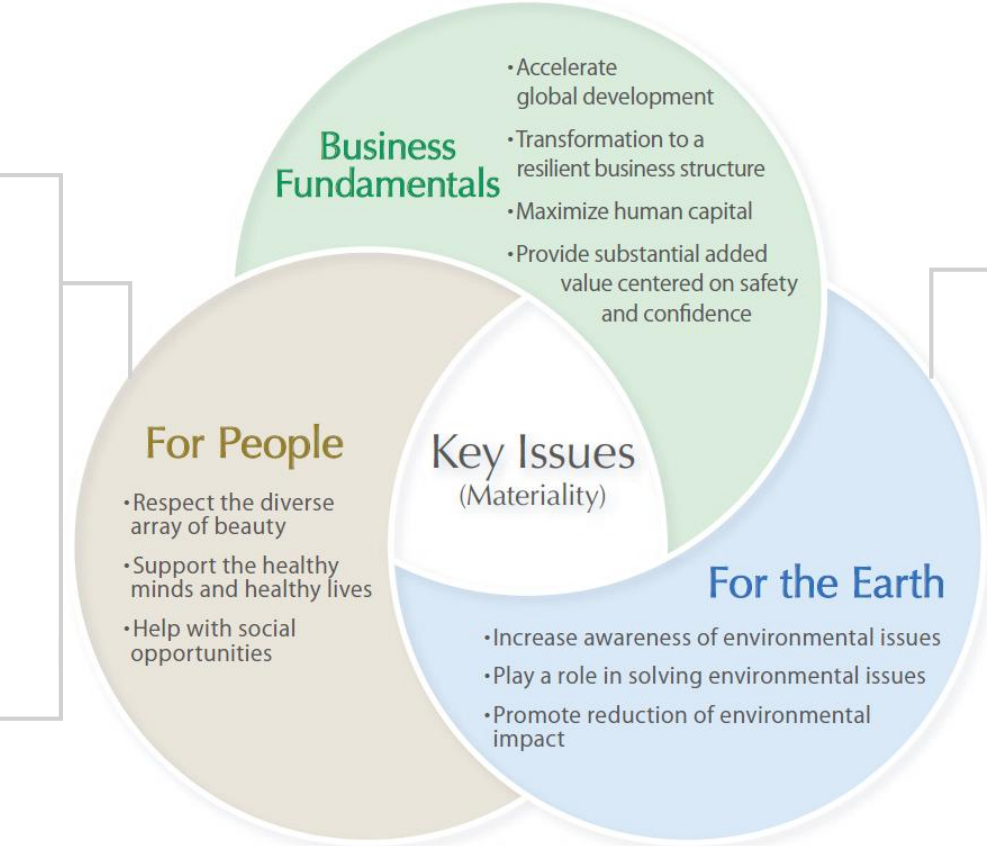
- Adaptability activities for reflecting diversity in business operations
- Many ideas for value involving the diversity of beauty while using both global and local perspectives

Indicator: Ratio of products and services provided based on Adaptability ∞(Eight)

Use beauty for lives with greater fulfillment of body and mind

- Increase activities in the wellbeing and corporate social responsibility domains
- Build support frameworks for specific purposes, such as education for members of the next generation

Indicator: No. of initiatives for achieving well-being



< Highlights : For the Earth >

Raise public awareness of environmental issues

- Visualization of KOSÉ’s contributions involving environmental issues by disclosing environmental data concerning products and other activities
- Provision of a large volume of environmental data to help consumers select products

Indicator: Increase in awareness of environmental issues through products, services and information transmissions

Lower environmental impact of global operations and the value chain

- More information about the global environment and activities concerning environmental issues
- Strengthening the understanding of information in the value chain in climate change action and more

Indicator: Reduce CO2 emissions (Scope1·2·3)

<Business Fundamentals>

Issues in Promoting Sustainability Support Foundation Enhancement

- Respect for human rights
- Strengthening the corporate governance framework
- Customer’s perspective
- Supply Chain Management

- ▶▶▶ Adaptability(WEB)
- ▶▶▶ Medium-term strategy(WEB)
- ▶▶▶ Sustainability(WEB)

Progress of Each Initiative (For People)

Activity Theme	Commitment	Indicators	FY2025 Results	Target	Achiev by	Relevant SDGs	
For People	Respect the diverse array of beauty	Through adaptability, provide products and services where customers of various backgrounds can experience their own unique beauty	Ratio of products and services provided based on Adaptability ∞(Eight)	88.8%*1	100%	2030	
	Support the healthy minds and healthy lives	Pursue activities where the people of society can experience well-being through beauty	No. of initiatives for achieving well-being	265activities Cumulative total since FY2020	500 or more activities	2030	
			No. of participants in social contribution activities based on hands-on experiences	To be disclosed in 2027	50,000 or more people	2030	
			Procurement of certified raw materials and purchase of RSPO-certified credits through the Book & Claim (B&C) method	45.4%	100%	2030	
Help with social opportunities	Raise awareness and provide opportunities to participate in society for people of all diversities	Raising awareness of and initiatives in DE&I focusing on the 3Gs*2	993,047people Cumulative total since FY2020	1 million or more people	2030		

*1 Based on the unique eight initiatives in KOSÉ's Adaptability ∞ (Eight), we decide the focus items of each brand every year and calculate the overall achievement rate by counting the number of products and services that meet the targets those items.











*2 Global, Gender, and Generation

Progress of Each Initiative (For the Earth 1)

Activity Theme	Commitment	Indicators	FY2025 Results	Target	Achieve by	Relevant SDGs
Increase awareness of environmental issues	Provide customers with opportunities to become aware of environmental issues through products, services, and information transmitted	Increase in awareness of environmental issues through products, services and information transmissions	7,803,684people Cumulative total since FY2020	10 million people or more	2030	
		Increase in awareness related to water conservation	217,362people Cumulative total since FY2025	2 million people or more		
Play a role in solving environmental issues	Pursue conservation and solving issues in various regions around the world	Waterfront environmental contribution activities	55activities Cumulative total since FY2020	100 activities or more	2030	
		Area planted with coral reefs	To be disclosed in 2027	1 million or more people	2030	
		Initiatives that contribute to ecosystem conservation and restoration at raw material cultivation sites	14activities Cumulative total since FY2025	30 activities or more	2030	
		Water source Conservation initiatives	4activities Cumulative total since FY2025	10 activities or more	2030	
		Local community environmental conservation activities	13,036m ² Cumulative total since FY2009	20,000m ² About 53 times the area of a 25m Regulation size swimming pool	2030	

For the Earth

Progress of Each Initiative (For the Earth 2)

Activity Theme	Commitment	Indicators	FY2025 Results	Target	Achieve by	Relevant SDGs	
For the Earth Promote reduction of environmental impact	Reduce CO ₂ emissions	Scope 1·2	-50.2%*1 total, compared to 2018	-55% Target for total emission reduction vs. 2018	2030	 	
			12,772.5 t-CO ₂ *1	Carbon Neutrality	2040		
		Scope 3	-20.2%*1 total, compared to 2018	-30% Target for total emission reduction vs. 2018	2030		
		Scope1·2·3	792,687.6 t-CO ₂ *1	Net Zero	2050		
	Sustainability-conscious design for plastic packaging materials	Use of containers and packaging materials aligned with the 4Rs 4R:Reduce/Reuse/Recycle/Renewable	4R implementation	46.2%*2	100%	2030	 
			Usage rate of recycled and biomass plastic	28.0%*2	50%		
			Amount of usage of petroleum-based virgin plastic	-16.9%*3	- 50% Production units vs.2018		
			Refillable container share	43.4%*3	50%		
	Waste reduction for the purpose of responsible resource utilization	Recycling rate	100%*4	100%	2025	 	
			Waste that is not sent to landfills	To be disclosed in 2027			2030
Reduce use of water resources through Responsible practices	Water use reduction	11.3%*1*5 Production units vs. 2018	-12% Production units vs. 2018	2030	 		
Responsible palm oil procurement	Procurement of certified raw materials and purchase of RSPO-certified credits through the Book & Claim (B&C) method	45.4%	100%	2030	 		

*1 Updated after third-party verification *2 Figures for new products launched within the target achievement year
*3 Actual products shipped in the relevant year *4 KOSÉ Group Production Department



Main Initiatives During 2025

For People

Respect the diverse array of beauty

Products and services provided based on Adaptability ∞(Eight)

Adaptability

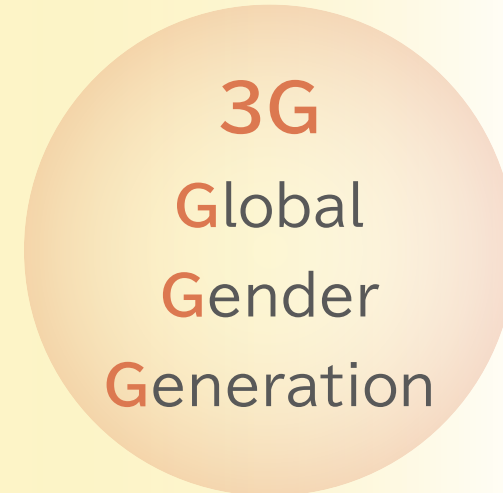
In order to broaden our customer vision, we promote the creation of value with a focus on individual identity so that we can meet the needs of our diverse customers. We have defined eight concrete initiative themes, which we have named "Adaptability∞," and we are applying them throughout all of our value creation. We have also linked the "3Gs" of "Global," "Gender," and "Generation," keywords for cultivating new customers, with adaptability, thereby creating new value.

Examples of Adaptability∞

- Excluding no one
- Blending diverse cultures
- Adapted to all skin and hair types
- User-friendly and simple
- Unfettered by gender
- Respectful expression
- Harmonizing with personal beliefs
- Transcending age constraints

- Supporting diverse skin colors
- Supporting women
- Expression that takes everyone into consideration
- Easy to use containers
- Support for developing countries
- Support for sports

Cosmetic products that even children can use



Main Initiatives During 2025

For People

Respect the diverse array of beauty

Products and services provided based on Adaptability ∞(Eight)

Adaptability ∞

Universal Design Reflecting Consumer Voices and Pursuing Usability



■ Typography Designed for Enhanced Visibility and Readability



■ Open and close easily with one hand; access effortlessly with a side-opening design



We designed the INFINITY "The Repair" line to deliver exceptional skin firmness while thoroughly pursuing user-centric usability. By bringing consumer voices to life, we developed containers that open with minimal effort and feature highly visible designs. We created this forward-looking design to reduce physical strain, empowering everyone to continue their skincare routines with ease and comfort.

News Release

<https://prtimes.jp/main/html/rd/p/000000693.000041232.html>

World's First* Optimal Approach to Pore Concerns Through Cosmetic Formulation Development



We utilize quantum computing formulation logic in the DECORTÉ AQ Pore Serum Oil to scientifically target complex pore plugs. We propose a new daily habit that enables everyone to effectively remove accumulated impurities through at-home care.

*Refers to the calculation of cosmetic formulations using a quantum computer.

News Release

<https://prtimes.jp/main/html/rd/p/000000671.000041232.html>



Main Initiatives During 2025

For People

Help with social opportunities

Raising awareness of and initiatives in DE&I focusing on the 3Gs

Initiatives with Schools and Local Governments to Promote DE&I



We partner with local governments and schools to foster a diverse, inclusive society. Our track record includes lectures at Mukogawa Women’s University and Showa Women’s University, gender equality training in Yao City, and workshops in Himeji City.

KOSÉ Sustainability Site | INITIATIVE 1: Gender Diversity
<https://koseholdings.co.jp/en/sustainability/diversity/action1/>

Establishing a Peer-Led Unit and Hosting DE&I Lectures to Foster an Inclusive Workplace



Driven by the mission of “finding joy in work,” the “Soumu Unit” leverages the individual strengths of employees with disabilities to maintain a comfortable and inclusive workplace. Additionally, we invited President Kakiuchi of Mirairo Inc. for an Online Seminar on embracing disability as a form of diversity and transforming it into value.

KOSÉ Sustainability Site | INITIATIVE 2: Addressing Diverse Personalities
<https://koseholdings.co.jp/en/sustainability/diversity/action2/>

Main Initiatives During 2025

For People

Support the healthy minds and healthy lives

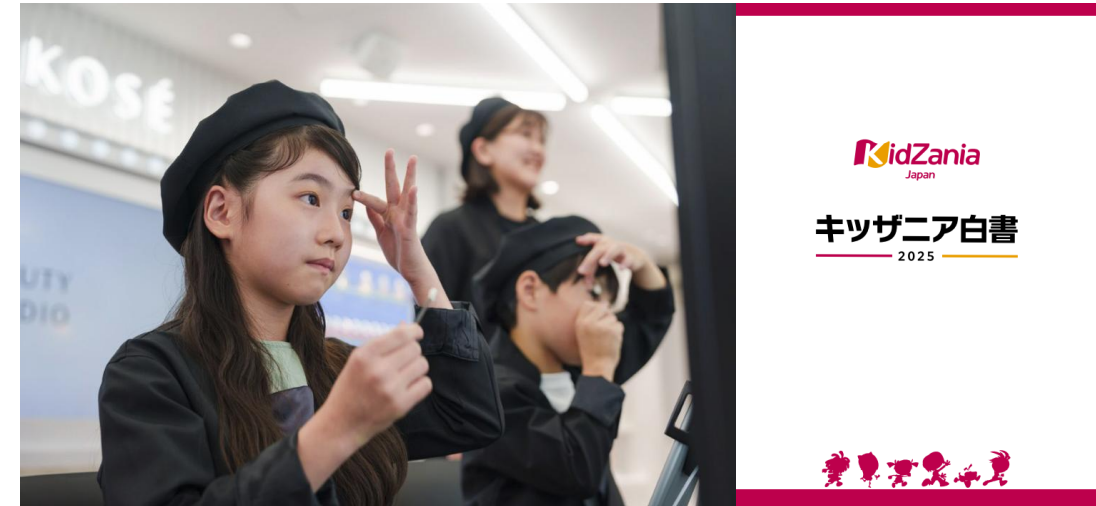
Initiatives for achieving well-being

Promoting Well-Being Initiatives Transformation Events for Employee Health

Joint Research Leading to Next-Generation Well-Being Featured in KidZania White Paper



We hosted body transformation events designed to maintain employee health. We provided personalized exercise guidance, measured standing age to prevent fall risks, and offered tailored advice on physical activities and dietary improvements.



© & © KidZania 2026 / © KCJ GROUP

Under the theme "More Freedom in Beauty," we conducted joint research with KidZania to share insights leading to next-generation well-being. We focused not only on physical appearance care but also on supporting self-esteem and the understanding of diversity.



Main Initiatives During 2025

For the Earth

Increase awareness of environmental issues

Increase in awareness of environmental issues through products, services and information transmissions

[In-Store Container Collection Program] Launching the "SEKKISEI BLUE Prédia BLUE Recycle Project"



雪肌精 BLUE Prédia BLUE Recycle Project



Collection Boxes Installed at Flagship Stores

We launched a program to collect used containers at stores carrying "SEKKISEI BLUE" and "Prédia BLUE" nationwide. Through resource circulation initiatives that leverage our brand value, we contribute to realizing a sustainable, circular society together with our customers.

"SEKKISEI BLUE" and "Prédia BLUE" Brand Site
https://sekkisei.jp/site/p/savetheblue_snowproject.aspx

Three-Company Collaboration with KOSÉ, Kao, and Aeon Retail: Launching Horizontal Recycling Initiatives for Plastic Cosmetic Containers

使用済み化粧品容器を新しい化粧品容器へ再生する
化粧品プラスチック容器 リサイクルプロジェクト

対象品 カネボウ、ソフィーナ、コーセーのスキンケア品のプラスチック容器、プラマークがついている容器

<p>回収OKなアイテム</p> <p>スキンケア品でプラマークが記載されたプラスチック製のもの <small>※パウチ容器は除く</small></p>	<p>回収NGなアイテム</p> <p>メイクアップ品 ・口紅・マスカラ・ネイル・ファンデーション・ 詰めこみパウチなど ・パウチ容器 ・ガラス容器 ・エポキシ樹脂 ・紙や木製素材</p>
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回収方法 プラスチック容器の内側を水道水で洗い、乾かしてから、回収BOXへ入れてください(回収後のご返却できません)

洗淨 → 乾燥 → 回収BOXへ

In collaboration with Aeon Retail Co., Ltd., KOSÉ Corporation and Kao Corporation installed collection boxes at approximately 70 "Aeon" and "Aeon Style" stores across Tokyo, Chiba, and Saitama prefectures, officially launching full-scale operations for the "horizontal recycling of plastic cosmetic containers."

News Release
<https://koseholdings.co.jp/ja/kose/news/9577/>



Main Initiatives During 2025

For the Earth

Increase awareness of environmental issues

Increase in awareness of environmental issues through products, services and information transmissions

SEKKISEI “SAVE the BLUE ~Ocean Project~”: Conducting “Coral Study Abroad” for Local Students and Beauty Consultants



As part of the project, we interact with local communities in Yomitan Village and Itoman City, Okinawa Prefecture. We also conduct a “Coral Study Abroad” program as employee training for top-performing SEKKISEI Beauty Consultants nationwide. Through hands-on coral planting and beach cleanup activities, we actively work to increase awareness of environmental issues.

PRTIMES

<https://prtims.jp/main/html/rd/p/000000703.000041232.html>

Publishing a Picture Book to Convey the Philosophy of Environmentally Friendly Ingredient Development by the Albion Shirakami Research Center



A picture book featuring the Albion Shirakami Research Center is finally complete! We published this book with words directly from the center’s director, expressing our passion for plants grown using nature-friendly farming methods. By sharing our approach to nature, we strive to increase awareness of environmental issues among employees, boost engagement, and cultivate brand value.

Publication of the Picture Book “Shirakami’s Little Herbs”: Sankeisha

<https://www.sankeisha.com/book-search/detail/20251029083133>



Main Initiatives During 2025

For the Earth

Increase Awareness of Environmental Issues

Raising Awareness Related to Water Conservation

Sharing the KOSÉ Group's Dedication and Initiatives Regarding Water Water Symposium 2025 in Yamanashi



Under the theme "Our Passion for Yamanashi, Found in the Pursuit of Abundant Water," we introduced the background to the construction of our Minami-Alps factory, focusing on the region's abundant water resources and natural environment, which are highly compatible with cosmetics. We also presented the KOSÉ Group's sustainability strategy, TNFD disclosures, and water-related initiatives.

The 29th Water Symposium in Yamanashi
<https://amsys.jp/mizusyμπο2025/>

KOSÉ, KOSÉ Cosmeport, KOSÉ Industries, and ALBION Certified as "Water Cycle ACTIVE Companies" by the Cabinet Secretariat



KOSÉ Industries: Cooperation in National Water Surveys



Albion: Factory Wastewater Quality Management Exceeding Standards

The Cabinet Secretariat recognized the KOSÉ Group's proactive water cycle initiatives under the "Water Cycle Company Registration and Certification System," granting us the "Water Cycle ACTIVE Company" certification. Alongside KOSÉ Industries and Albion, KOSÉ earned this certification by promoting natural environment conservation activities in Minami-Alps City, Yamanashi Prefecture, utilizing the "Corporate Hometown Tax" program. KOSÉ Cosmeport also achieved certification through Bioliss tree-planting efforts.

Water Cycle ACTIVE Companies
https://www.cas.go.jp/jp/seisaku/mizu_junka_n/category/active_introduction.html

News Release
<https://koseholdings.co.jp/ja/news/9700/>



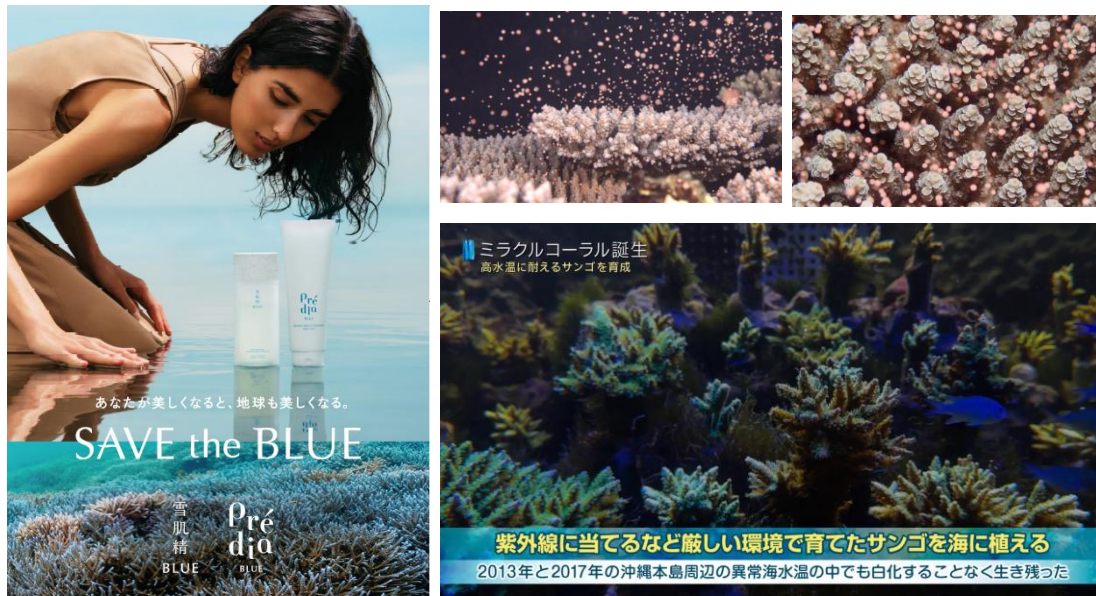
Main Initiatives During 2025

For the Earth

Play a role in solving environmental issues

Waterside Environmental Contribution Activities

17th Year of SEKKISEI “SAVE the BLUE ~Ocean Project~”: Confirming the Emergence of Highly Temperature-Resistant Corals and Continuing Planting Efforts



Through 17 years of activities, we have planted a cumulative total of 130,356,598 m² of coral. Furthermore, the project identified “Miracle Corals,” which boast excellent heat resistance and resist bleaching even in abnormally high water temperatures. By observing, researching, and continuously planting these corals, we create opportunities to raise public awareness about climate change and ecosystem shifts caused by global warming.

SEKKISEI “SAVE the BLUE” Project Webpage:
https://sekkisei.jp/site/p/savetheblue_oceanproject.aspx

News Release
<https://koseholdings.co.jp/ja/kose/news/9330/>

Engaging in Waterside Cleanups Linked to Water Conservation: Sekkisei and AL Okinawa Research Institute Participating in “Cleanpic,” and KCP Conducting “Beach Cleanup Activities”



As an initiative to protect water resources, we are expanding waterside cleanup activities across various regions. Members from Sekkisei and the AL Okinawa Research Institute participated in the “Cleanpic” organized by an NPO at Hamahiga Island, Okinawa Prefecture. Additionally, KOSÉ Cosmeport promoted beach cleanup activities at Zaimokuza Beach in Kanagawa Prefecture as part of the sustainability initiatives for the sunscreen brand SUNCUT®.

News Release
<https://prtmes.jp/main/html/rd/p/000000325.000064425.html>

Main Initiatives During 2025

For the Earth

Play a role in solving environmental issues

Initiatives Leading to Ecosystem Conservation and Restoration at Ingredient Cultivation Sites

Albion Collaborates with a Company in Miyakojima City: Developing Original Cosmetic Ingredients at the Okinawa Research Institute and Incorporating Them into New Products for the First Time



Formulated into FLARUNÉ Emulsion

Albion Okinawa Research Institute (established April 2021): We focus on developing cosmetic ingredients derived from Okinawan plants and marine resources. Four years after opening, we successfully commercialized an extract from Heartleaf (Madeira vine) grown in Miyakojima and formulated it into our products. We cultivate these plants in organic JAS-certified fields, carefully considering soil degradation prevention, water conservation, and biodiversity.

News Release

<http://www01.rashisa.albion.co.jp/news/details.html?id=14316>

[DECORTÉ White Birch Forest Project] Planting White Birch for Raw Materials to Build a Sustainable Cycle



We conducted our first tree-planting activity as part of the "DECORTÉ White Birch Forest Project," which supports Bifuka Town in Hokkaido to conserve white birch forests and revitalize the local community. We plant white birch trees, a key raw material, aiming to build a sustainable cycle. Participants included KOSÉ employees, the Mayor of Bifuka Town, local government officials, representatives from KOSÉ's partner cosmetics specialty stores, and eight local elementary school students.

"DECORTÉ White Birch Forest Project"

<https://www.decorte.com/site/s/sdgs.sip.whitebirch.aspx>



Main Initiatives During 2025

For the Earth

Play a role in solving environmental issues

Water source Conservation initiatives

Promoting Natural Environment Conservation Activities in Minami-Alps City Promoting Natural Environment Conservation in Minami-Alps City, Yamanashi Prefecture Utilizing the "Corporate Hometown Tax" System



Planting Trees Around Lake Inagako

We donate a portion of the proceeds from the "KOSÉ Green Bazaar"—where we offer unsold seasonal products at accessible prices—to environmental conservation activities in Minami-Alps City through the corporate hometown tax program. We actively support the city's management and operation of facilities around Lake Inagako by planting Japanese maple trees and conducting forest maintenance, such as thinning.

News Release

<https://koseholdings.co.jp/ja/media/2022/06/2022062901.pdf>

"BIOLISS PEACEFUL GREEN Project Tree-Planting Activities Leading to Forest Regeneration and Regional Revitalization



In 2022, we planted 400 broadleaf saplings, including Japanese beech, Japanese oak, wild cherry, and Amur cork tree, in Fuefuki City, Yamanashi Prefecture. These trees have now grown to approximately 160–200 cm, actively contributing to the recovery of diverse ecosystems.
 Cumulative trees planted: 1,600 ,Total planting area: 3,372 m²
 Estimated CO₂ absorption: 900 kg

News Release

<https://www.kosecosmeport.co.jp/corporate/source/250528PEACEFULGREEN.pdf>



Main Initiatives During 2025

For the Earth

Promote reduction of environmental impact

Reduce CO₂ emissions / Sustainability-conscious design for plastic packaging materials

Introducing 100% Renewable Energy at All Domestic Production Sites



ALBION Kumagaya Factory

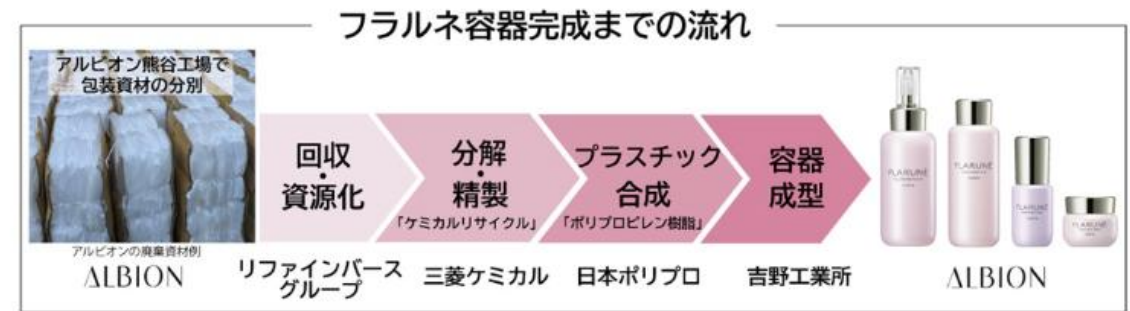


Advance

As part of our efforts to reduce the environmental impact of our production activities, we switched all purchased electricity to renewable energy at Advance in July 2025 and at the Albion Kumagaya Factory in September 2025. With this transition, we have successfully introduced renewable energy across all four of our domestic group factories, joining the previously transitioned KOSÉ Industries Sayama and Gunma Factories.

KOSÉ Sustainability Site | Efforts in manufacturing
<https://corp.kose.co.jp/en/sustainability/environment/production/>

Allocating Recycled Plastics from Our Own Waste Packaging Materials to Containers



As a result of our new circular resource model, Albion introduced plastics recycled from our own waste packaging materials into the containers of the new "FLARUNÉ" skincare series, realizing the social implementation of environmentally friendly containers.

News Release
<https://rashisa.albion.co.jp/wp/wp-content/uploads/2025/07/7.17-.pdf>

FLARUNÉ Web site
<https://www.albion.co.jp/closeup/flarune/>

Main Initiatives During 2025

For the Earth

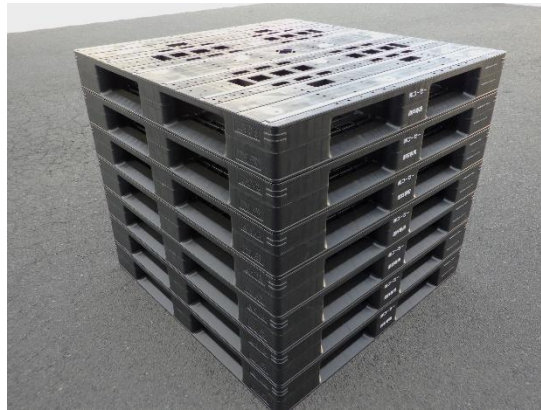
Promote reduction of environmental impact

Waste reduction for the purpose of responsible resource utilization/
Responsible palm oil procurement

KOSÉ Recycles Plastic Containers into Logistics Materials



Resin Recycled from Plastic Containers



Recycled Pallets Used in Warehouses

We recycle unused plastic cosmetic containers into pallets used for transporting and storing goods in our warehouses. Collaborating with industry partners, Nakadai Co., Ltd. processes the plastic containers into recycled resin materials, while Sanko Co., Ltd. handles the molding process. We implement this new resource circulation system to simultaneously reduce waste and effectively utilize logistics materials.

KOSÉ Sustainability Site | Measures for circular economy
<https://corp.kose.co.jp/en/sustainability/environment/circulareconomy/>

Inspecting Palm Production Sites and Smallholder Farms in Indonesia



In December 2025, we visited palm production sites and smallholder farms in Indonesia for an on-site inspection. We observed operations ranging from companies managing the entire process of palm cultivation, manufacturing, and sales, to individual smallholder farms. By engaging in dialogue with various stakeholders about their challenges and needs, we deepened our understanding of the current local situation.

KOSÉ Sustainability Site | Response to Sustainable Palm Oil
<https://corp.kose.co.jp/en/sustainability/scm/>

Listed on ESG Index

FTSE4Good Index Series



FTSE4Good

FTSE Blossom Japan Index



FTSE Blossom Japan Index

FTSE Blossom Japan Sector Relative Index



FTSE Blossom Japan Sector Relative Index

2024 Constituent MSCI Japan Empowering Women Index (WIN)

2026 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

Morningstar® Japan Ex-REIT Gender Diversity Tilt IndexSM



S&P/JPX Carbon Efficient Index



KOSÉ Sustainability Site | External Evaluations and Awards
<https://corp.kose.co.jp/en/sustainability/recognition/>

External Evaluations for Sustainability

KOSÉ Won Award for Excellence in Consumer-Oriented Management



Listed in "Healthand Productivity Outstanding Organizations"



D&I AWARD "Best Workplace"



Climate Change Scoring and WaterSecurity (CDP)



Obtained "Eruboshi (Third Stage)" certification from the Ministry of Health, Labor and Welfare



Obtained SBT (Science Based Targets) certification



Obtained SBT (Science Based Targets) certification





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