Roundtable Discussion among External Directors

DIALOGUE

Miwa Suto
Director (External)

Norika Yuasa
Director (External)

Kumi Kobayashi
Director (External)

Issues and Expectations for Enhancing the KOSÉ Group's Corporate Value Over the Medium to Long Term Under the New Management Structure

In January 2026, KOSÉ transitioned to a pure holding company structure, and in March of the same year, Kazutoshi Kobayashi was newly appointed Chairman and Group CEO while Koichi Shibusawa was newly appointed President and Group COO. We held a roundtable discussion among External Directors Norika Yuasa, Miwa Suto, and Kumi Kobayashi to exchange views on the effectiveness of the Board of Directors under this new structure, further strengthening the management framework and the enhancement of corporate value over the medium to long term.

Effectiveness of the Board of Directors

Yuasa: I joined the Board as an External Director in 2019, and since then it has evolved into a forum for more substantive and constructive discussions, with members bringing a diverse range of expertise. Another defining feature is the speed of top-down decision-making under Chairman Kobayashi's leadership. Drawing on my many years of experience as a lawyer engaged in international corporate legal affairs, I monitor and provide recommendations on matters such as M&A and overseas business expansion from the standpoint of legal risk.

Suto: The Board engages in substantive questioning and candid exchanges of views, resulting in in-depth discussions. Chairman Kobayashi is also a major shareholder, and he is highly committed to enhancing corporate value over the medium to long term, with a very rigorous perspective on investment recovery. In discussions on M&A, emphasis is placed not only on whether the investment can be recovered within a short period but also on whether both our company and the other party can leverage each other's strengths and generate results that appear in actual figures, rather than merely conceptual synergies.

Drawing on my experience as a management consultant and my knowledge gained from supporting the growth of startup companies, I primarily focus on reviewing the validity of the KOSÉ Group's growth strategies and business plans, as well as the direction of its branding. In particular, I provide advice and oversight with close attention to whether the measures being implemented fully capitalize on the Group's brand strength, which is one of its core strengths.

Kobayashi: Specializing in M&A, investment, and finance, I ensure that all relevant matters are thoroughly examined and that decisions are made with full consideration of the necessary perspectives. I also supervise and offer recommendations, in my capacity as an External Director, on whether sufficient discussions have been undertaken to fulfill accountability to stakeholders.

As for the Board itself, the system for providing information in advance has been strengthened even further. Not only have the quality, quantity, and timing of the information provided on agenda items improved, but the content of questions and answers exchanged in advance is now shared with all directors, which has led to a deeper understanding of discussions on the day of meetings. Through this decision-making process, I assess that the Board has become a forum for more substantive and efficient decision-making and that the effectiveness of governance has been further heightened.

Toward Further Strengthening the Management Structure

Suto: In preparation for the transition to a holding company structure in fiscal 2026, discussions were held not only at Board meetings but also at regularly scheduled lecture sessions for external officers. Under the new structure, I look forward to seeing the Group maintain a holistic perspective on the entire organization, with each company learning from and absorbing the strengths of the others as it grows into a corporate group with a strong global presence.

Going forward, under the new structure, it will be important to accurately grasp what is happening on the ground and to continuously monitor whether initiatives are steadily moving forward in order to enable appropriate decision-making. In addition to ensuring that information on each Group company and each business is updated in a timely manner, I intend to seek opportunities for direct dialogues, as needed, with the heads of each company and those responsible for frontline operations.

Kobayashi: Under the holding company structure, we need to continue strengthening governance while constantly confirming that discussions aimed at value creation are being conducted appropriately at Board meetings. In doing so, I believe it is important to ensure that the Board is one in which holding company board members appointed from operating companies are able to speak candidly to other Group companies, and I would like to encourage a constant return to the perspective of enhancing the corporate value of the Group as a whole. In addition, under the new structure, I see significant potential for future development because it has become easier to share knowledge among Group companies such as Tarte and PURI, which have strengths in overseas markets that differ from those of KOSÉ.

Yuasa: The new structure has only just begun, but with ALBION now positioned alongside KOSÉ under the holding company, I have had more opportunities to hear directly from its president, and I observe that a stronger sense of Group-wide unity has emerged.

Under the previous structure, I recognized a need for more robust information sharing concerning our overseas operations. I anticipate that the holding company structure will centralize and streamline reporting processes, thereby enhancing the effectiveness

of our global risk management. Furthermore, I am convinced of the importance of revitalizing personnel exchanges among Group companies. By sharing individual challenges and initiatives across the Group, I believe there will be opportunities to reexamine the business from entirely new perspectives.

Suto: In March 2026, President Kobayashi became Chairman, and President Shibusawa was newly appointed. As for the succession plan, Chairman Kobayashi had proactively shared his vision on the matter for some time. Going forward, I look forward to management being steered through the close partnership of Chairman Kobayashi's foresight and President Shibusawa's decisive execution capability, while I myself will seek to offer recommendations from an investor's perspective.

Yuasa: Chairman Kobayashi and President Shibusawa had already been exchanging frank views at Board meetings, so I could clearly envision a future where, under the new management structure, the holding company's centripetal force based on the founding family's ownership and the centrifugal force arising from the distinctive worldviews and individuality of each business and brand would coexist at a high level.

In addition, regarding the development of next-generation leaders, executive officers and managers are frequently given opportunities to present at Board meetings. By assigning them specific roles and providing firsthand experience of the management team's strategic mindset, I recognize steady progress in their development.

Kobayashi: While management talent at the operating company level is being developed, I believe we need to further strengthen the development of executive leadership required under the holding company structure.

In promoting the holding company structure, above all it is important that the holding company and the operating companies trust each other and share information appropriately. In that context, discussions at the Nomination and Remuneration Committee also indicated that the joint leadership structure led by Chairman Kobayashi and President Shibusawa is deemed appropriate.

Toward Enhancing Corporate Value Over the Medium to Long Term

Kobayashi: As the environment surrounding the cosmetics industry undergoes major change, the KOSÉ Group's organizations and employees are being called upon to change both the direction they should take and the actions they should pursue. While ROIC is a management discipline, achieving the ROIC targets will be a challenge unless it is embedded as part of the corporate culture. It must resonate across every department and down to each frontline employee, ensuring that every aspect of daily corporate activity is linked to ROIC management. It is important to break down the target figures, roll them out quickly to the front lines, and clearly identify which person in which department is responsible for each figure.

Suto: To achieve that, the first step is to visualize frontline management indicators to ensure the steady achievement of our final goals. There are many issues that need to be addressed, including system modifications and revisions to cost allocation rules, and some of these will be challenging. Even so, in my role as an External Director, I have been urging the acceleration of the measures necessary to firmly establish ROIC management.

The medium- to long-term strategy, *Milestone2030*, sets forth ambitious goals, and achieving these quantitative targets is an important commitment to stakeholders. In order for stakeholders to have confidence in the achievement of these goals, the Board has been continuing its discussions on how to further strengthen the management foundation for sustainable growth. Going forward, we will closely monitor progress and continue to provide recommendations that contribute to further value enhancement from the objective and multifaceted perspective expected of External Directors.

At the same time, it is also important to communicate in a way that ensures the strong initiatives of the executive side are not undervalued relative to the reality. When one looks into the details, there are in fact cases in which steady progress is being made. Under President Shibusawa's leadership, I aim to foster a deeper understanding of the KOSÉ Group's true value among our stakeholders by further visualizing our processes and systematizing these initiatives while ensuring proactive communication both internally and externally.

Yuasa: As these initiatives are advanced, it is important not only that the entire Group shares the 2030 vision but also that it clearly articulates, in a narrative linked to that vision, how growth investments such as expansion into the well-being domain and M&A will lead to enhanced corporate value over the medium to long term. By continuing to communicate that message, I believe the Group's valuation in the stock market will also improve. I feel that the current share price level does not yet fully reflect the KOSÉ Group's true potential. I believe dialogue aimed at securing a fair valuation should be strengthened further. In Japan, the KOSÉ Group enjoys strong customer loyalty and a very significant presence. Going forward, I would like to offer recommendations that help the Group become a corporate group capable of earning high customer loyalty globally as well and establishing an even greater presence. I truly feel that the KOSÉ Group makes outstanding products, and I hope the Group will strengthen its appeal in overseas markets and grow toward its target of an overseas sales ratio of 50% or more.

Kobayashi: In Japan, trust in quality manufacturing is the starting point of a brand, but overseas a completely different approach is required. I anticipate that the Group will further deepen the sharing of knowledge with overseas Group companies, including Tarte, on how to create new customer entry points without being bound by conventional marketing assumptions. In doing so, I expect the Group to sharpen its global strategies. KOSÉ has solid product capabilities cultivated over its 80-year history, and I believe that if this value can be conveyed more broadly to consumers overseas, it will lead to sustainable growth.

To build greater trust in the stock market, it is important to steadily deliver on each of the commitments set out in *Milestone2030*. At a time when the market environment is changing dramatically and sustainability initiatives are essential, I expect the Group to meet the market's expectations by improving profit margins and increasing ROI through the development of high-value-added products tailored to consumer needs in each region.

Suto: The vision of *Your Lifelong Beauty Partner* we set for 10 years from now embodies our desire to stay close to each and every person around the world throughout their lives, offering a wide range of beauty options so they can shine in their own unique way. Considering not only the value of the products themselves but also the value they provide to consumers, I am convinced that the KOSÉ Group makes a highly meaningful contribution to society and has tremendous potential, and I would like to support its further development.

Message from a Newly Appointed External Director

As I deepen my understanding of KOSÉ Group's corporate culture, DNA, and history of value creation, I hope to contribute to management oversight as an External Director from two main perspectives.

First, I will draw on the expertise in capital policy, risk management, and governance that I have cultivated at global financial institutions in overseeing management. In addressing the challenge of capital efficiency, with ROE remaining in the 5% range despite a strong financial base with an equity ratio exceeding 70%, I will provide recommendations aimed at strengthening capital allocation discipline through such measures as verifying investment profitability, optimizing the allocation between growth investment and shareholder returns, and designing KPIs that reflect the cost of capital.

Second, I will contribute to the development of new customer segments centered on the 3Gs (Global, Gender, and Generation) particularly by strengthening the Group's global expansion. In particular, with regard to growth strategies for the Chinese market, the world's second-largest economy, I will identify key issues by drawing on my firsthand insights into policy trends and changes in consumption and distribution as someone originally from China, thereby supporting effective discussion and decision-making.

Through these efforts, I will strive to contribute to sustainable growth and the enhancement of corporate value.

Jenny Chang
Director (External)

Management Introduction (As of March 27, 2026)

Kazutoshi Kobayashi
Representative Director, Chairman & Group CEO

Apr. 1986	Joined the Company
Mar. 1991	Director of the Company
Mar. 1995	Executive Director of the Company
Jun. 2004	Representative Director and Vice President of the Company
Jun. 2007	Representative Director and President of the Company
Jan. 2026	Director & Chairman of KOSÉ Corporation (present)
Mar. 2026	Representative Director, Chairman & Group CEO of the Company (present)

Koichi Shibusawa
Representative Director, President & Group COO

Apr. 1984	Joined the Company
Mar. 1997	General Manager of Marketing Policy Office of the Company
Mar. 2001	General Manager of Global Marketing Gr., Global Business Div. of the Company
Mar. 2004	Deputy General Manager of Global Business Div. of the Company
Mar. 2005	Vice General Manager of KOSÉ COSMETICS CO., LTD. (CHINA)
Mar. 2008	Representative Director and President of KOSÉ COSMETICS CO., LTD. (CHINA) and KOSÉ COSMETICS SALES (CHINA) CO., LTD.
Mar. 2010	General Manager of Accounting and Finance Dept. of the Company
Jun. 2010	Audit & Supervisory Board Member of KOSÉ SALES CO., LTD.
Mar. 2011	Executive Officer and General Manager of Accounting and Finance Dept. of the Company
Jun. 2011	Audit & Supervisory Board Member of KOSÉ Cosmeport Corp.
Jun. 2013	Director and General Manager of Accounting and Finance Dept. of the Company
Jun. 2018	Executive Director and General Manager of President Office of the Company
Jan. 2026	Executive Director, General Manager of Corporate Management Headquarters of the Company (present)
Jan. 2026	Senior Executive Director of KOSÉ Corporation (present)
Mar. 2026	Director of KOSÉ Cosmeport Corp. (present)
Mar. 2026	Representative Director, President & Group COO of the Company (present)

Shoichi Kobayashi
Director and Vice President

Feb. 1988	Joined ALBION CO., LTD.
Mar. 1991	Director of ALBION CO., LTD.
Mar. 1995	Executive Director and General Manager of Marketing Div. of ALBION CO., LTD.
Feb. 1999	Executive Director and General Manager of Sales Div. of ALBION CO., LTD.
Jun. 2004	Representative Director and Vice President of ALBION CO., LTD.
Jun. 2006	Representative Director and President of ALBION CO., LTD. (present)
Apr. 2014	Visiting Professor of Tokyo University of Agriculture (present)
Mar. 2026	Director and Vice President of the Company (present)

Takao Kobayashi
Senior Executive Director

Apr. 1993	Joined the Company
Jun. 1998	Director of the Company
Mar. 2005	Deputy General Manager of Global Business Div. of the Company
Jun. 2006	Representative Director and President of KOSÉ Cosmeport Corp. (present)
Jun. 2013	Executive Director of the Company
Jun. 2014	Senior Executive Director of the Company (present)
Jan. 2026	Representative Director and Vice President of KOSÉ Corporation (present)

Shinichi Mochizuki
Executive Director & Group CFO

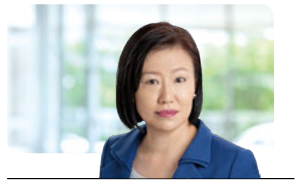
Apr. 1985	Joined The Mitsubishi Bank, Ltd.
Sep. 2008	General Manager of Environmental Project Office of The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Jun. 2011	General Manager of Corporate & Investment Banking Credit Division of The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Nov. 2015	Joined the Company, General Manager of Global Business Div.
Mar. 2016	General Manager of Global Business Administration Dept., Global Business Div. of the Company
Mar. 2018	Executive Officer and General Manager of Accounting and Finance Dept. of the Company
Mar. 2020	Senior Executive Officer and General Manager of Accounting and Finance Dept. of the Company
Jun. 2021	Director and General Manager of Accounting and Finance Dept. of the Company
Mar. 2024	Full-time Audit & Supervisory Board Member of the Company
Jan. 2026	Full-time Audit & Supervisory Board Member of KOSÉ Corporation
Mar. 2026	Executive Director of KOSÉ Corporation (present)
Mar. 2026	Executive Director & Group CFO of the Company (present)

Tadashi Saito
Executive Director

Apr. 1992	Joined Exxon Chemical Japan Ltd. (business analyst, assignment in the U.S.)
Apr. 2004	National Sales Manager of Selective Div. of NIHON L'Oréal K.K.
Oct. 2005	General Manager (Kerastase, Alexandre de Paris) of Selective Div. of NIHON L'Oréal K.K.
Feb. 2008	General Manager of Professional Products Div. of L'Oréal Singapore Pte. Ltd.
Apr. 2011	Deputy General Manager of Professional Products Div. of NIHON L'ORÉAL K.K.
Apr. 2012	Director and Representative Executive Officer, President of Shaklee Japan K.K.
Dec. 2014	Representative Director, President & CEO of TSI HOLDINGS CO.,LTD.
May 2018	Vice President and General Manager of Professional Products Div. of NIHON L'Oréal K.K.
Oct. 2025	Joined the Company, Corporate Advisor of President Office of the Company
Jan. 2026	General Manager of Global Business Development Headquarters of the Company
Jan. 2026	Executive Director of KOSÉ Corporation (present)
Mar. 2026	Executive Director, General Manager of Global Business Development Headquarters of the Company (present)

Shinji Tanaka
Director

Apr. 1989	Joined the Company
Mar. 2019	General Manager of SK Brand Office of the Company
Mar. 2020	General Manager of Strategic Brands Div. of the Company
Jan. 2023	Executive Officer, General Manager of Strategic Brands Div. of the Company
Jan. 2024	Executive Officer, Chief Marketing Officer of the Company, General Manager of DECORTÉ Div.
Mar. 2024	Director, Chief Marketing Officer of the Company, General Manager of DECORTÉ Div.
Jan. 2026	Director, General Manager of Marketing Headquarters of the Company (present)
Jan. 2026	Representative Director and President of KOSÉ Corporation (present)

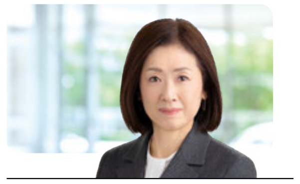


Atsuko Ogura
Director

Apr. 1988	Joined the Company
Mar. 2015	General Manager of IT Management Dept. of the Company
Mar. 2019	Executive Officer, General Manager of IT Management Dept. of the Company
Mar. 2021	Executive Officer, Director of R&D Laboratories and General Manager of Advanced Research Laboratories of the Company
Mar. 2023	Director of the Company, Director of R&D Laboratories
Jan. 2025	Director, Deputy General Manager of Product Headquarters of the Company, Director of R&D Laboratories
Jan. 2026	Director, General Manager of Product Management Headquarters of the Company (present)
Jan. 2026	Director of KOSÉ Corporation (present)

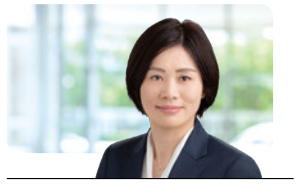
Norika Yuasa
Director (External)

Sep. 2003	Registered as an attorney at law
Aug. 2011	Registered as an attorney at law in New York
Sep. 2017	Part-time Professor of Waseda Law School
Jan. 2019	Partner of Miura & Partners (present)
Jun. 2019	Director of the Company (present)
Jun. 2021	Outside Audit & Supervisory Board Member of TOKYO ELECTRON DEVICE LIMITED (present)
Jun. 2021	Outside Director of SAINT-CARE HOLDING CORPORATION (present)
Jun. 2024	Vice President of the Daini Tokyo Bar Association (present)



Miwa Suto
Director (External)

Apr. 1988	Joined Hakuhodo Inc.
Oct. 1991	Joined Arthur Andersen
Apr. 1995	Registered as a certified public accountant
Oct. 1996	Joined Schroeder PTV Partners KK
Jan. 2001	Partner of Bain & Company
Apr. 2006	Managing Director of PLANETPLAN, Inc. (present)
Jun. 2021	Outside Director of KATITAS Co., Ltd. (present)
Jun. 2021	Executive Board Member of Japanese Olympic Committee (present)
Mar. 2023	Director of the Company (present)
Jun. 2023	Outside Director of KANDENKO CO., LTD. (present)
Jun. 2023	Vice President of Japan Volleyball Association (present)
Mar. 2024	Outside Director of ASICS Corporation (present)



Kumi Kobayashi
Director (External)

Mar. 2006	Registered as a certified public accountant
Sep. 2006	Joined GCA Corporation
Sep. 2015	Representative Partner of Kobayashi CPA Office (present)
Apr. 2017	Representative Director of Tokyo Athletes Office, Inc. (present)
Jun. 2019	Director of SPOKACHI, Inc. (present)
Jun. 2020	Audit & Supervisory Board Member of the Company
Jun. 2022	External Auditor of Oisix ra daichi Inc.
Jun. 2023	Outside Audit & Supervisory Board Member of ITOCHU Corporation (present)
Mar. 2024	Director of the Company (present)

Jenny Chang
Director (External)

Apr. 1998	Financial advisor, Personal Finance Div. of Citibank Japan Ltd. (current Citibank, N.A.)
Nov. 1999	Founder and Sales Manager of CitiChinese
Feb. 2002	General Manager of China Business Development Office of The Hongkong and Shanghai Banking Corporation Limited
Oct. 2004	Obtained an MBA from Bond University, Australia
Apr. 2008	Professor of Business Administration Graduate School of BBT University (present)
Jun. 2013	External Audit & Supervisory Board member of ZACROS Corporation (formerly Fujimori Kogyo Co., Ltd.)
Jun. 2016	Director (Audit & Supervisory Committee member) of ZACROS Corporation
Jan. 2025	Completed the doctoral course in Business Administration, Cote d'Azur University, France
Mar. 2026	Director of the Company (present)

Minoru Onagi
Full-time Audit & Supervisory Board Member

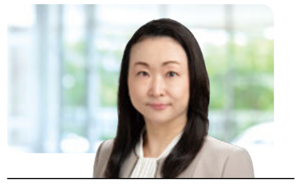
Apr. 1986	Joined the Company
Mar. 2018	General Manager of Legal Dept. of the Company
Mar. 2021	General Manager of Audit Office of the Company
Jan. 2023	Senior Chief Manager of Audit Office of the Company
Mar. 2023	Full-time Audit & Supervisory Board Member of the Company (present)
Jan. 2026	Full-time Audit & Supervisory Board Member of KOSÉ Corporation (present)
Mar. 2026	Audit & Supervisory Board Member of KOSÉ Cosmeport Corp. (present)

Masato Nakade
Full-time Audit & Supervisory Board Member

Apr. 1992	Joined the Company
Mar. 2016	General Manager of Basic Research Laboratory of the Company
Mar. 2018	General Manager of Dermatology and Cosmeceutical Research Laboratory of the Company
Mar. 2020	General Manager of Technical Research Management Dept. of the Company
Mar. 2021	General Manager of Legal Dept. of the Company
Jan. 2024	Executive Officer and General Manager of Legal Dept. of the Company
Jan. 2026	Senior Adviser of Legal Dept. of KOSÉ Corporation
Mar. 2026	Full-time Audit & Supervisory Board Member of the Company (present)
Mar. 2026	Full-time Audit & Supervisory Board Member of KOSÉ Corporation (present)
Mar. 2026	Audit & Supervisory Board Member of KOSÉ INDUSTRIES CO., LTD. (present)

Toru Miyama
Audit & Supervisory Board Member (External)

Apr. 1998	Registered as an attorney at law
Oct. 2006	Established Miyama Law Office (present)
Jun. 2019	Audit & Supervisory Board Member of the Company (present)
Aug. 2020	Outside Auditor of Ozu Corporation (present)
Jun. 2022	Outside Director (Audit & Supervisory Committee Member) of RICOH LEASING COMPANY, LTD. (present)



Nobuko Takagi
Audit & Supervisory Board Member (External)

Oct. 2002	Joined Deloitte Touche Tohmatsu LLC
May 2006	Registered as a certified public accountant
Nov. 2007	Joined GCA Corporation
Mar. 2011	Joined NEC Corporation
Jul. 2017	Representative of Nobuko Takagi Certified Public Accountants' Office (present)
Jul. 2017	Outside corporate auditor of I-ne Co., Ltd.
Apr. 2018	Representative Director of COEING AND COMPANY Inc. (present)
Jun. 2018	Outside Director of USS Co., Ltd.
Jun. 2022	Outside Director (Audit & Supervisory Committee Member) of SMS Co., Ltd. (present)
Mar. 2024	Audit & Supervisory Board Member of the Company (present)

Management Team and Skills Matrix

› Management Team

Name	Position	Reasons for Appointment
Kazutoshi Kobayashi	Representative Director, Chairman & Group CEO	Appointed as a Director in recognition of his active role in accelerating management reforms and global expansion since becoming Representative Director and President, as well as his strong leadership in driving the medium- to long-term vision, *Vision for Lifelong Beauty Partner.*
Koichi Shibusawa	Representative Director, President & Group COO	Appointed as a Director in recognition of his contributions to strengthening the Company's management structure and enhancing corporate value through his roles in marketing, international business as an overseas representative, and overseeing investor relations. He is currently involved in Group-wide management strategy and brings a wealth of experience and broad insight into overall corporate management.
Shoichi Kobayashi	Director and Vice President	Appointed as a Director in recognition of his leadership in promoting ALBION's high value-added strategy as Representative Director and President, his commitment to expanding markets in Japan and overseas and enhancing brand value, and his significant contribution to the Group's growth through the establishment of a sustainable earnings base by strengthening R&D and rebuilding sales channels. He brings extensive management experience and outstanding brand-building capabilities.
Takao Kobayashi	Senior Executive Director	Appointed as a Director in recognition of his long-standing involvement in the Company's management, his significant contribution to rapidly expanding market share in the cosmetaries segment, and his broader contributions to overall Group management.
Shinichi Mochizuki	Executive Director & Group CFO	Appointed as a Director in recognition of his global experience and extensive knowledge. Following earlier experience in international operations, after joining the Company he played a central role in strengthening the management structure for overseas subsidiaries in the international business. From 2018, as General Manager of the Accounting and Finance Department, he led the formulation of financial strategies and the development of a fund management framework. After serving as a Director involved in management decision-making from 2021, he contributed from 2024 as a full-time Audit & Supervisory Board Member to ensuring the soundness of internal controls and accounting across the Group.
Tadashi Saito	Executive Director	Appointed as a Director in recognition of his engagement in corporate planning and strategy formulation, including an assignment in the United States at previous companies, and his leadership of structural reforms and the strengthening of the e-commerce business as Representative Director, President and CEO. More recently, as Vice President of NIHON L'Oréal K.K., he drove a V-shaped business recovery and digital transformation. He brings extensive international experience, strategic thinking grounded in scientific knowledge, and outstanding execution capabilities and leadership across overall management.
Shinji Tanaka	Director	Appointed as a Director in recognition of his extensive experience in both marketing and business management. He has been engaged in marketing for many years, serving as General Manager of the SK Brand Office from 2019 and later as General Manager of the Strategic Brands Div., where he contributed to the growth of these businesses. He has led brand development while expanding his areas of responsibility and driving business management.
Atsuko Ogura	Director	Appointed as a Director in recognition of her extensive experience and expertise in both IT and R&D. She has contributed to product development, basic research, and research technology management and system development at the R&D Laboratories. Since 2015, she has driven the development of IT infrastructure as General Manager of the IT Management Dept. She currently serves as General Manager of Product Management Headquarters.
Norika Yuasa	Director (External)	Appointed as an External Director in anticipation of her oversight and advice on the Company's global strategies, primarily from a legal perspective, based on her high-level legal expertise spanning Japan, Asia, Europe, and the United States. The Company has determined that she has no conflict of interest with general shareholders and has designated her as an Independent Director.
Miwa Suto	Director (External)	Appointed as an External Director in anticipation of her supervision and advice on corporate management from a broad perspective, based on her expert knowledge and practical experience as a certified public accountant, as well as her involvement in supporting start-up companies. The Company has determined that she has no conflict of interest with general shareholders and has designated her as an Independent Director.
Kumi Kobayashi	Director (External)	Appointed as an External Director in anticipation of her appropriate oversight and advice to enhance the effectiveness of the Board of Directors, based on her extensive experience in accounting and finance as a certified public accountant, along with broad domestic and international experience and deep knowledge of M&A and corporate finance. The Company has determined that she has no conflict of interest with general shareholders and has designated her as an Independent Director.
Jenny Chang	Director (External)	Appointed as an External Director in recognition of her high level of expertise in international finance and management, as well as her extensive practical experience in cross-border transactions and other areas. In addition to her outstanding track record in financial and capital strategy and international fund management, she also brings deep insight into management education and human resource development. She is expected to provide oversight and advice based on her international perspective. The Company has determined that she has no conflict of interest with general shareholders and has designated her as an Independent Director.
Minoru Onagi	Full-time Audit & Supervisory Board Member	Appointed as an Audit & Supervisory Board Member in recognition of his many years of contributions to the creation and protection of research-related intellectual property through his work in R&D and intellectual property strategy, leveraging his qualifications as a patent attorney. He has also contributed to the comprehensive protection and management of intellectual property legal matters and, since 2021, as General Manager of the Audit Office, played a key role in strengthening internal controls and internal auditing. He brings extensive experience and insight in these areas.
Masato Nakade	Full-time Audit & Supervisory Board Member	Appointed as an Audit & Supervisory Board Member in recognition of his many years of demonstrated expertise across a broad range of fields, including R&D, quality management, and patent administration, through which he has contributed to establishing the Company's technological foundation. Since 2021, as General Manager of the Legal Department and Chairperson of the Compliance Promotion Committee, he has promoted the development of the internal reporting system, the strengthening of the governance framework, and the advancement of legal functions. He brings extensive experience and insight in these areas.
Toru Miyama	Audit & Supervisory Board Member (External)	Appointed as an External Audit & Supervisory Board Member in recognition of his high level of expertise as an attorney at law and his deep knowledge of corporate compliance and risk management. He is expected to provide appropriate guidance and advice from an independent and objective standpoint. The Company has determined that there is no risk of conflict of interest with general shareholders and has therefore designated him as an independent officer.
Nobuko Takagi	Audit & Supervisory Board Member (External)	Appointed as an External Audit & Supervisory Board Member in recognition of her qualifications as a certified public accountant and her experience beginning with financial auditing, as well as in formulating and executing management strategies at M&A advisory firms and operating companies. She currently leads her own consulting firm, where she supports and advises top management from a position close to executive leadership. She brings extensive experience in advising on management strategy, advanced financial analysis capabilities, and business management. The Company has determined that there is no risk of conflict of interest with general shareholders and has therefore designated her as an independent officer.

› Skills Matrix

Name	Corporate management	Global	Marketing/R&D/ Digital	Sustainability/ESG	Legal affairs/ Risk management	Finance/ Accounting/ Capital policy
Kazutoshi Kobayashi	●	●	●			
Koichi Shibusawa	●	●		●		●
Shoichi Kobayashi	●	●	●			
Takao Kobayashi	●	●	●			
Shinichi Mochizuki	●				●	●
Tadashi Saito	●	●	●			
Shinji Tanaka	●		●			
Atsuko Ogura			●	●		
Norika Yuasa		●		●	●	
Miwa Suto	●		●			●
Kumi Kobayashi				●		●
Jenny Chang		●		●		●
Minoru Onagi					●	
Masato Nakade					●	
Toru Miyama				●	●	
Nobuko Takagi			●			●

› Reasons for Skill Selection / Definitions

Corporate management	The skill to drive and supervise the enhancement of corporate value over the medium to long term, based on a broad range of management experience, including deep understanding of the corporate culture, specialized knowledge of industries and business sectors, leadership in management and human resource strategies, and the realization of inorganic growth through transformation of the business portfolio and the use of M&A and other measures, in order to pursue the Statement of Purpose, "Create a culture and values embodying a distinctive beauty through a sophisticated fusion of sensuousness and intelligence," achieve the medium- to long-term vision, and realize sustainable corporate growth.
Global	The skill to make decisions and provide oversight from a global perspective, based on international business experience and deep knowledge of the appropriate business environment and trends, including increasingly complex geopolitical risks, in order to accelerate global expansion based on the medium- to long-term vision while achieving business growth optimized to regional characteristics around the world.
Marketing/R&D/Digital	The skill to monitor and supervise the Group's appropriate market positioning and competitive advantage, based on experience and knowledge in promoting customer experience (CX) enhancement and business model transformation (DX) through the use of marketing, manufacturing, and digital technologies, in order to maintain its B-to-C beauty business backed by the Company's strength in high quality as its core business while expanding business domains into adjacent fields.
Sustainability/ESG	The skill to drive and supervise the balancing of economic value with social and environmental value, based on knowledge of how to integrate into management strategy the risks and opportunities that social and environmental issues pose to companies, in order to realize a sustainable society and achieve the Company's enduring and sustainable growth.
Legal affairs/Risk management	The skill to monitor and supervise a fair, equitable, and sound management and business foundation that supports strategic risk-taking, based on the knowledge necessary for risk management and compliance, in order to strengthen Group governance that contributes to enhancing Group management.
Finance/Accounting/Capital policy	The skill to monitor and supervise capital policy and appropriate financial and accounting execution for realizing the medium- to long-term vision, based on knowledge of how to build an optimal capital structure and financial foundation while balancing strategic business investment with shareholder returns, in order to enhance corporate value over the medium to long term.

Corporate Governance

Basic Policy

The nucleus of the management policy of the KOSÉ Group is "consistently managing to heighten corporate value" by pursuing growth and greater efficiency. The Group recognizes corporate governance functions as essential from the standpoint of managing the Group to consistently increase its enterprise value and positions corporate governance as one of its highest management priorities. Accordingly, the Group is working on establishing the necessary organizational systems and frameworks to ensure sound management and consistently earn the trust of society.

KOSÉ Holdings Corporation believes strongly in managing the Group so as to maintain harmonious relations with all stakeholders, including shareholders, investors, creditors, customers, business partners, employees and communities. Furthermore, the Company is committed to enhancing transparency and fairness to earn the support as a company with value. The Company strives to communicate sincerely with its stakeholders and considers building trust-based relationships to be fundamental.

Corporate Governance Structure

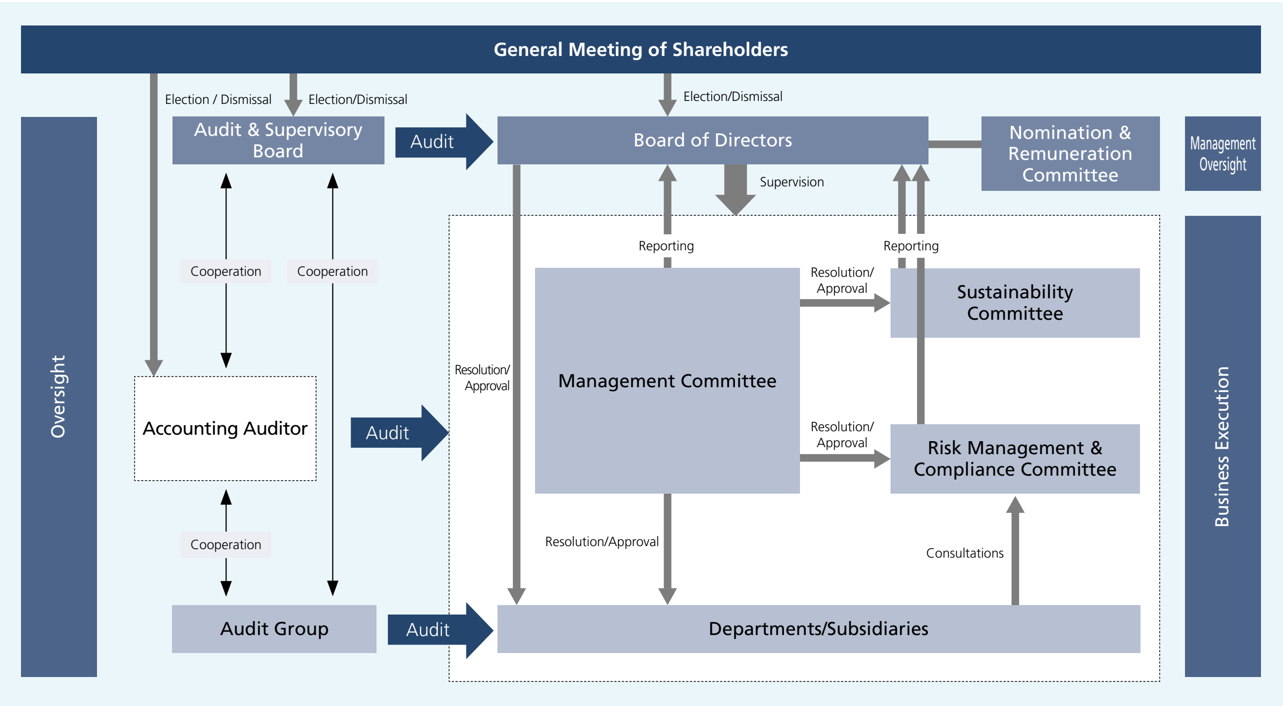
The Company has adopted the Company with an Audit & Supervisory Board system and conducts audits to ensure the appropriateness of directors' execution of duties.

For the swift and efficient execution of business, the Company employs the Board of Directors, the Management Committee chaired by the Representative Director and President, Strategy Review Meeting, the Executive Committee, and other bodies, as necessary.

The Company has also voluntarily established the Nomination and Remuneration Committee, a majority of which is composed of independent external officers and which is chaired by an Independent External Director, to deliberate on the appropriateness of officer remuneration and officer appointments.

The Company has determined that it is appropriate to have Independent External Directors and Audit & Supervisory Board Members to provide audit and supervisory functions in addition to a system of checks and balances by officers familiar with the business.

Corporate Governance Structure



Initiatives to Strengthen Corporate Governance

Board of Directors

The Company strives to ensure that the Board of Directors as a whole has the optimal balance of knowledge, experience, and abilities, as well as the appropriate size, for the Company. Diversity is also a major requisite of the Board's members, and as such the Board is composed of diverse individuals without distinction as to nationality, gender, or other attributes.

In appointing External Directors, the Company places emphasis on advanced expertise and extensive insight. They provide advice on business execution, as well as monitoring and overseeing the performance of individual directors.

For the execution of business, the Company has established a structure that clearly defines the areas of responsibility of each director and enables swift decision-making.

Following the transition to a pure holding company structure, the role of Chairperson of the Board of Directors has been transferred from the Group CEO to the Group COO, with the aim of supervising and monitoring the businesses of Group companies and enabling speedy decision-making. The Company will also continue to consider the possibility of having an Independent External Director serve as Chairperson in the future.

In principle, the Board of Directors meets once a month to decide on matters stipulated in laws, regulations, and the Articles of Incorporation, as well as other important management-related matters, and to supervise the execution of duties by directors. In addition, the appointment of officers is submitted to the General Meeting of Shareholders as separate proposals. In fiscal 2025, the Board engaged in active discussions incorporating the knowledge of External Officers on matters including the reorganization of the Group's management structure, centered on preparations for the transition to a holding company structure, as well as strengthening competitiveness in global markets and further advancing sustainability management.

Management Oversight Structure (As of March 27, 2026)

Chairperson of the Board of Directors	(Breakdown) All Directors	Internal Directors	External Directors	Audit & Supervisory Board: Full-time Audit & Supervisory Board Members	External Audit & Supervisory Board Members
Group COO	12	8	4	2	2

Nomination & Remuneration Committee

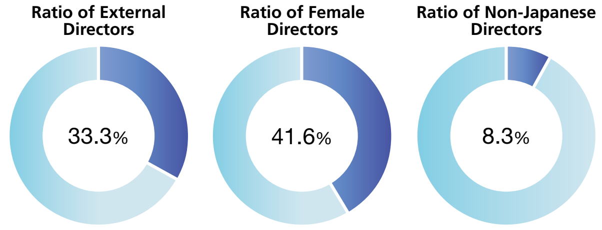
The Nomination & Remuneration Committee examines proposals concerning nominations, remuneration and other matters that are submitted by the Representative Director and President to the Board of Directors. The purpose of the committee is to reinforce the independence, objectivity, and accountability of activities by the Board of Directors concerning nominations, remuneration, and other matters involving the directors and Audit & Supervisory Board Members.

In addition, objectivity is ensured by appointing an External Director as Chairperson and by having external members account for a majority of the committee at 75% (six of the eight members are external members).

Composition of the Nomination & Remuneration Committee (As of March 27, 2026)

Chairperson	Total Members	(Breakdown) Internal Directors	External Directors	External Audit & Supervisory Board Members
Directors (External)	8	2	4	2

Board Composition (As of March 27, 2026)



Number of Board of Directors Meetings Held[1]	Attendance Rate of Directors at Board of Directors Meetings[1]	Attendance Rate of Audit & Supervisory Board Members at Board of Directors Meetings[1, 2]
16	98.4%	100%

Notes:
1. From the conclusion of the Annual General Meeting of Shareholders in March 2025 to immediately before the Annual General Meeting of Shareholders in 2026.
2. In addition to attending all meetings of the Board of Directors, each Audit & Supervisory Board Member also attended all meetings of the Audit & Supervisory Board.

Examples of Board of Directors Agenda Items (Fiscal 2025)

Category	Main Agenda Items Reviewed (Examples)
Management Strategy / Growth Investment	• Review of progress on the medium- to long-term vision • Expansion of global operations and investment decisions • Diversification of the portfolio and improvement of profitability
Management Foundation / Systems	• Optimization of earning power through the digital transformation • Priority investment in next-generation infrastructure
Capital Expenditure	• Deliberation on investments for the establishment of the Minami Alps Factory and review of progress • Deliberation on IT investment governance
Governance / Risk	• Transition to a holding company structure and organizational restructuring • Sharing the results of the evaluation of Board effectiveness and discussions on further enhancement • Strengthening compliance and internal controls • Strengthening cybersecurity measures
Sustainability	• Disclosure based on recommendations such as TCFD and TNFD • Promotion of human rights and human capital management, including DE&I
Shareholder Dialogue / Shareholder Returns	• Consideration of the approach to ROIC management and measures to improve capital efficiency • Sharing feedback from investors • Consideration of management measures in response to share price issues • Capital policy

Examples of Nomination & Remuneration Committee Agenda Items (Fiscal 2025)

	Main Agenda Items Reviewed (Examples)
Meetings Held: 2	• Deliberation on officer appointment proposals for the Company • Deliberation on proposed organizational structures for the Company and major operating subsidiaries • Deliberation on the proposal for the appointment of a substitute Audit & Supervisory Board Member candidate • Deliberation on the annual policy regarding remuneration, etc. for the Company's directors and for directors and executive officers of major operating companies

Note: From the conclusion of the Annual General Meeting of Shareholders in March 2025 to immediately before the Annual General Meeting of Shareholders in 2026.

Initiatives to Promote More Active Board Discussions

The Company is implementing a range of initiatives to eliminate information asymmetry between internal directors and External Directors and to make the Board of Directors a forum for more advanced management decision-making through vigorous discussions grounded in the diverse skills and experience of each director.

Internal Directors
Deepening understanding of agenda items through deliberations at management meetings and other important meetings, as well as through the business execution

External Directors
Deepening understanding through advance briefings on agenda items

Officers Attending Board Meetings
Ensuring sufficient time to review agenda items through the advance distribution of explanatory materials

Board of Directors
Multifaceted discussions of agenda items and advanced management decision-making

External Directors
Deepening understanding of the Company's business environment and holding discussions in settings outside formal agenda items through briefing sessions for external officers (held, in principle, every other month)
<Examples of Topics Covered in Fiscal 2025>
- Sharing of the status of internal discussions related to the transition to a holding company structure
- Review of the medium- to long-term vision
- Human capital strategy
- Proposed organizational structures for the holding company and major operating companies

Risk Management and Compliance Committee
Prompt sharing of important risks, compliance matters, and related issues

External Directors
Prompt identification of and advice on risk and compliance matters

Evaluation of the Effectiveness of the Board of Directors

The Company conducts an evaluation of Board effectiveness at least once a year, using a third-party organization, with the aim of strengthening the functions of the Board of Directors and further enhancing governance. Areas identified as strengths included the appropriate reflection of feedback obtained through dialogues with shareholders in management decision-making and the ongoing discussion of important sustainability-related issues aimed at enhancing corporate value over the medium to long term.

At the same time, future challenges identified included building a risk management framework that takes into account the entire value chain and strengthening the advance preparation process for Board meetings. In addition, the Company needs to further reinforce efforts to improve capital efficiency, including the use of the ROIC tree and the further sophistication of management resource allocation.

Evaluation of Initiatives in Fiscal 2025
Self-evaluation by directors and Audit & Supervisory Board Members through a questionnaire format
<Main Evaluation Items>
- Composition and operation of the Board of Directors
- Management and business strategies
- Corporate ethics and risk management
- Monitoring of business performance
- Evaluation and compensation of the management team
- Dialogue with shareholders

Analysis and Evaluation Results
Evaluation discussion by the Board of Directors
<Main Evaluation Items>
[Strengths]
- Governance foundations, including oversight of internal controls and internal audits
- Initiatives to enhance corporate value on a sustainable basis through digital transformation, etc.

[Challenges]
- Consideration of the use of management resources to generate earnings
- Comprehensive and multifaceted review of strategy and advice on its execution, etc.

Action Plan
- Strengthening the governance framework, including management strategy and KPI management
- Reforming the deliberation process for strategies and other matters
- Strengthening portfolio management to systematically evaluate the ROIC and growth potential of each business, etc.

Issues for Fiscal 2026 and Beyond
- Further enhancement of Group oversight functions
- Improving the quality of discussions on strategic investments and ensuring thorough post-merger integration
- Securing diversity among senior management and reorganizing required skills, etc.

Major Annual Initiatives to Strengthen Board Effectiveness

Fiscal 2021
- Created opportunities for information sharing among external officers
- Feedback to the Board of Directors from dialogue with shareholders

Fiscal 2022
- Clarified the rules for information sharing among Internal and external officers
- Status reporting on the internal reporting system

Fiscal 2023
- Shared information from important internal meetings with external officers
- Sufficient deliberation at Board meetings on human capital strategy

Fiscal 2024
- Clarified the risk management process
- Appropriate status reporting on internal audits

Fiscal 2025
- Established the governance framework in connection with the transition to a holding company structure
- Strengthened the Group's risk management framework

Audit & Supervisory Board

The Audit & Supervisory Board consists of two full-time Audit & Supervisory Board Members and two External Audit & Supervisory Board Members. Attorneys and certified public accountants with advanced expertise and extensive insight are appointed as External Audit & Supervisory Board Members, and they monitor and supervise the execution of duties by directors. Audit & Supervisory Board Members regularly attend important meetings, including Board of Directors meetings and Management Committees, collaborate with Audit & Supervisory Board Members of domestic Group companies, exchange information and opinions with the internal audit department and the accounting auditors, and conduct audits of internal departments and subsidiaries on a regular basis.

Audit & Supervisory Board Results (Fiscal 2025)

Number of Audit & Supervisory Board Meetings Held: 13

Attendance Rate of External Audit & Supervisory Board Members at Audit & Supervisory Board Meetings: 100%

Audit & Supervisory Board Structure (As of March 27, 2026)

Chairperson	Total Number of Audit & Supervisory Board Members	(Breakdown) Full-time Audit & Supervisory Board Members	(Breakdown) External Audit & Supervisory Board Members
Full-time Audit & Supervisory Board Members	4	2	2

Name of Audit & Supervisory Board Member	Primary Area of Responsibility
Minoru Onagi (Chairperson)	Overall Audit & Supervisory Board audit duties
Masato Nakade	Overall Audit & Supervisory Board audit duties
Toru Miyama	Focus on audits concerning the legality of corporate governance bodies
Nobuko Takagi	Focus on audits concerning accounting

Examples of Audit & Supervisory Board Agenda Items (Fiscal 2025)

Main Agenda Items Reviewed in Fiscal 2025 (Examples)
- Review of regulations and other rules in connection with the transition to a pure holding company structure
- Audit activity reports, procedures for the General Meeting of Audit & Supervisory Board Members, Audit & Supervisory Board audit reports, and other matters
- Organizational design, consent to remuneration, and other matters
- Reports on meetings with Representative Directors and specific directors
- Sharing of the substance of deliberations at important meetings and reports on on-site audits by Audit & Supervisory Board Members
- Evaluation of the accounting auditor and consent to reappointment
- Deliberation on the appointment of a substitute Audit & Supervisory Board Member and consent to appointment

Initiatives to Improve the Effectiveness of the Audit & Supervisory Board

The Company conducts an annual evaluation of activities for each fiscal year, with the aim of further improving the effectiveness of audits conducted by Audit & Supervisory Board Members with respect to the execution of duties by directors, internal controls, and accounting audits. The Audit & Supervisory Board reviews and discusses activities implemented by each Audit & Supervisory Board Member, and after deliberating on and agreeing the monitoring items for the following fiscal year, these are reflected in activities for the following year.

Issues Identified and Key Observations from Activities in Fiscal 2024
- Ongoing monitoring of the execution of duties by directors
- Monitoring of business operations and strengthening of governance under Group strategy
- Enhancement of discussions on the various strategies for advancing the medium- to long-term vision, etc.

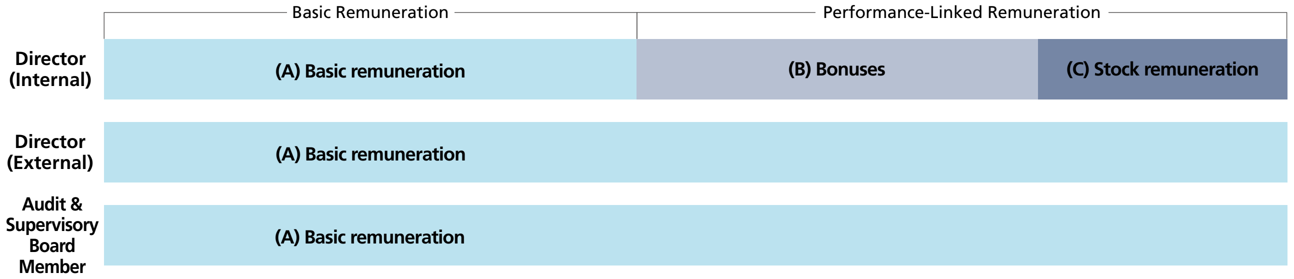
Priority Monitoring Items for Fiscal 2025
- Appropriate transition to a pure holding company structure
- Appropriate deliberation of matters submitted to the Board of Directors that contribute to the Beauty Consortium Concept
- Monitoring of the process of expanding the global framework
- Enhancement of the Group governance framework, etc.

Activities of Audit & Supervisory Board Members in Fiscal 2025
- Deliberations at Audit & Supervisory Board meetings
- Monitoring and advice through attendance at or participation in Board of Directors meetings and other important meetings
- Regular information exchanges with Representative Director and specific directors
- Interviews with directors, executive officers, department heads, and representatives of affiliated companies
- Regular reporting from and advice by the accounting auditors, the internal audit department, and the compliance department
- Audits by Audit & Supervisory Board Members at business sites, etc.

Priority Monitoring Items for Fiscal 2026
- Enhancement of audits relating to the internal control system
- Understanding the management status of each affiliated company after the transition to a pure holding company structure
- Monitoring of the succession planning process
- Monitoring, in coordination with the internal audit department, the appropriate exercise of delegated authority after the transition to a pure holding company structure, etc.

Overview of Officer Remuneration

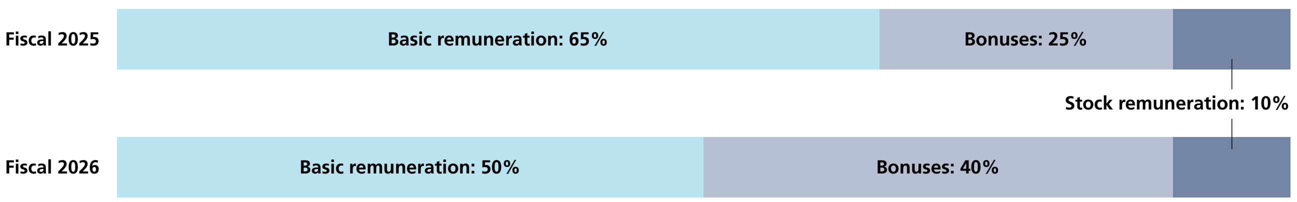
The KOSÉ Group has structured its officer remuneration system with a focus on enhancing medium- to long-term corporate value.



	Payment Methods	Evaluation Indicators	Calculation Methods
(A) Basic remuneration (Cash)	Paid in the form of fixed remuneration on a monthly basis, the amount of which is determined based on the position and role of each officer	–	• Directors: Set according to the position of each director, taking the operating environment into account • External directors and Audit & Supervisory Board Members: Set based on comparisons with other domestic companies in the same industry or of the same size, as well as on the Company's financial conditions and business results
(B) Bonuses (Cash)	Paid as an incentive to improve the Company's business performance in a single fiscal year	• Consolidated net sales • Consolidated operating profit • Net sales and operating profit, etc. in each business area • Non-financial indicators (employee engagement, etc.) • ESG items (climate change measures, use of RSPO-certified palm oil, water conservation, etc.) • ROIC	Varies from 0 to 200% of the standard amount, depending on the difference between actual achievement and the performance target indicators for the single fiscal year
(C) Stock remuneration (Stock)	Each year, the Company allots a fixed number of shares of its common stock, subject to certain stipulations such as those of the restricted period, and lifts the restrictions upon retirement of the recipient	The Company's stock price*	–

* The Company's stock price is used for evaluations for the purposes of further motivating directors to achieve medium- to long-term growth of corporate value and to further align the interests of directors with those of shareholders. There is no specific target for this indicator because it is based on the actual stock price.

Composition of Remuneration for the Representative Director and Chairman (Group CEO) and the Representative Director and President (Group COO)



For directors other than the Representative Director and Chairman (Group CEO) and the Representative Director and President (Group COO), the policy is to reduce the percentage of basic remuneration as the position becomes more senior while increasing the proportions of bonuses and stock remuneration.

Going forward, the Company plans to periodically review the remuneration mix—placing greater emphasis on stock remuneration—in order to support sustainable growth over the medium to long term.

Process for Determining Officer Remuneration

Officer remuneration shall be classified into (1) directors and (2) Audit & Supervisory Board Members for the purpose of voting at the General Meeting of Shareholders and allocated to each officer within the total amount allowed for each classification. The Nomination & Remuneration Committee, which is composed mainly of external officers, discusses the appropriateness and validity of remuneration, and the Board of Directors has resolved to re-entrust the final decision on remuneration to the Representative Director and President, premised on the results of this discussion.

Remuneration of Audit & Supervisory Board Members is determined by mutual agreement among the Audit & Supervisory Board Members.

1. Basic policy for officer remuneration

For the remuneration of the Company's directors and Audit & Supervisory Board Members (officer remuneration), the basic policy is designed and implemented based on the following goals in order to achieve medium- to long-term growth of corporate value.

- A remuneration framework that enables the Group to achieve global and borderless growth
- An appropriately competitive level of remuneration for attracting and retaining highly talented individuals
- A highly independent, objective, and transparent remuneration framework that fulfills the responsibility of accountability to business partners, shareholders, employees and all other stakeholders

2. Remuneration levels

A suitable level of remuneration is determined by taking into account the Company's business environment as well as a survey and analysis using external databases and other sources to ascertain remuneration at companies in the same industry and of the same size.

At the 65th General Meeting of Shareholders, held on June 28, 2007, shareholders approved a resolution that limits the annual compensation of directors to ¥1,800 million (excluding employee salaries and bonuses paid to directors who serve concurrently as employees).

3. Process for determining remuneration

At the General Meeting of Shareholders, separate resolutions for officer remuneration for directors and Audit & Supervisory Board Members are determined and submitted to shareholders for approval. Each officer receives remuneration allocated within the total allowed for the corresponding officer classification.

To ensure the objectivity and transparency of the officer remuneration system, the validity and suitability of the allocation to each director are first discussed by the Nomination & Remuneration Committee, which is composed mainly of external officers.

Using the results of these discussions as the premise for determining remuneration, the final decisions about individual remuneration are entrusted to the Representative Director and President by the Board of Directors. The Representative Director and President has the authority to determine the basic remuneration for each director and the bonuses and stock remuneration based on the results of operations of the business overseen by that director. The Representative Director and President is given this authority because, as the executive who oversees all business management, the Representative director is best suited for evaluating the businesses units managed by that director. Remuneration of Audit & Supervisory Board Members is determined by the mutual agreement of these Members.

Total Remuneration by Officer Classification, Amount of Remuneration by Type and Number of Eligible Officers (Fiscal 2025)

Officer Classification	Total Remuneration (Millions of Yen)	Amount of Remuneration by Type (Millions of Yen)				Number of Eligible Officers
		Basic Remuneration	Performance-Linked Remuneration	Provision for Officers' Retirement Benefits	Non-Monetary Compensation Included in Amounts on the Left	
Directors (Excluding External Directors)	558	384	174	–	57	7
Audit & Supervisory Board Members (Excluding External Audit & Supervisory Board Members)	55	55	–	–	–	2
External Officers	66	66	–	–	–	6

Persons Receiving Total Remuneration of ¥100 Million or More

Name	Officer Classification	Company	Amount of Remuneration by Type (Millions of Yen)				Total Remuneration (Millions of Yen)
			Basic Remuneration	Performance-Linked Remuneration	Provision for Officers' Retirement Benefits	Non-Monetary Compensation Included in Amounts on the Left	
Kazutoshi Kobayashi	Director	Filing Company	225	103	–	30	328

Succession Plan

The Company considers the development of future executive leadership to be one of its key priorities in achieving sustainable growth and strengthening competitiveness. In order to drive global business growth, leaders must understand diverse and rapidly changing markets and possess the ability to solve problems unconstrained by convention. Executive Management, who are responsible for critical decision-making, must be capable of responding flexibly to changes in the business environment and making sound judgments.

To ensure the strategic and continuous development of successors, we have clarified the qualifications required for executive roles, selected candidates from a long-term perspective, and are promoting a structured and deliberate approach to leadership development.

Qualities Required of Executive Management

We have classified the qualities required of executive leaders into five categories and identified their specific requirements. By accumulating diverse experiences, we will develop talent who can acquire these attributes and competencies to effectively respond to the changing business environment.

This succession plan applies to executive-level personnel (excluding the Group CEO), with tiered development programs implemented at each level based on specific requirements aligned with five core qualities. Through this approach, we aim to establish a leadership structure capable of driving business growth while embodying the uniqueness of the KOSÉ Group.

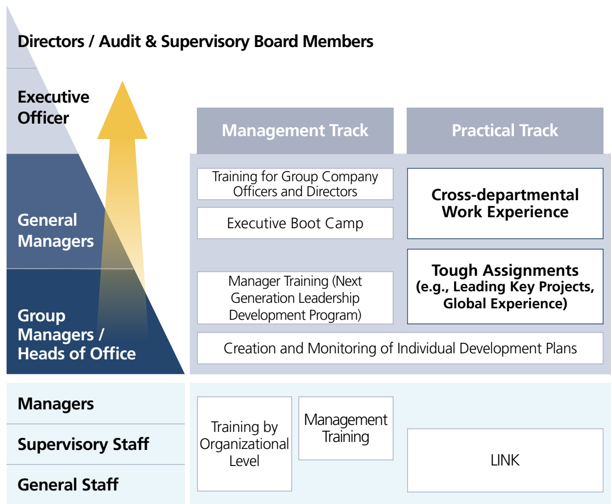
Five Core Qualities	Specific Requirements
Embodiment of Management Philosophy / Internal Dissemination	· Loves the KOSÉ Group, understands and embodies its management philosophy · Instills the philosophy within the company among subordinates and stakeholders
Mindset	· Leads through to value creation · Engages sincerely and honestly with diverse stakeholders
Humanity	· Possesses warmth and compassion · Respects diverse values with a humble attitude
Skills	· Possesses solid skills with strong management literacy and expertise · Develops talent and builds a strong organization
Experience	· Has successful experience across multiple domains · Has experience in driving organizational transformation

Selection Process

Director candidates are first considered by the Personnel Committee, then reviewed by the Nomination & Remuneration Committee, which submits recommendations to the Board of Directors. The Board then makes a comprehensive assessment and final decision.

Development and Support

To help department head-level personnel—our future executive candidates—acquire and develop the necessary mindset, humanity, skills, and experience, we provide training from both managerial and practical perspectives.

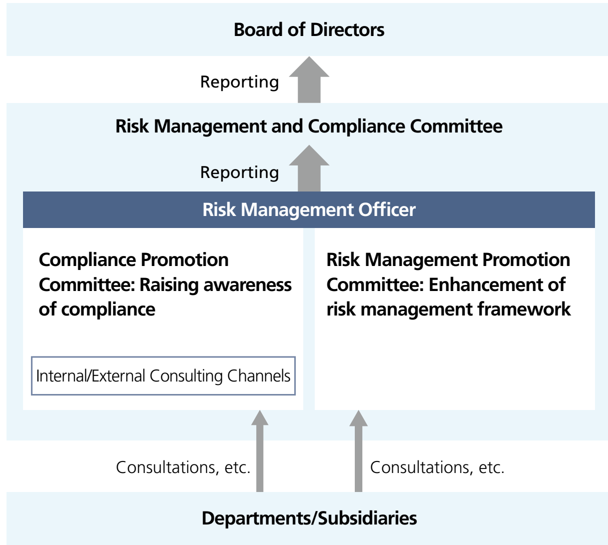


We will also focus on expanding the pool of future executive candidates by fostering mid-level managers at the manager level and below. This includes implementing leadership training and job rotation to help them acquire the core qualities required for Executive Management.

In terms of education, we provide management training that cultivates the ability to think from a management perspective on matters such as management strategy, organizational management, and successor development while also fostering the appropriate mindset. In addition, through assessments, we regularly confirm the extent to which the qualities required of senior management have been acquired and measure the progress of development.

Risk Management and Compliance

Risk Management and Compliance Promotion Structure



For the KOSÉ Group, "compliance" encompasses compliance with laws and regulations as well as behavior consistent with social ethics based on our code of conduct, "Mind to Follow the Right Path."

The risk management and compliance promotion structure and activities are regularly reported to the Board of Directors via the Risk Management and Compliance Committee. The Compliance Promotion Committee conducts raising awareness of compliance activities, such as training for directors and employees. The Company has established internal and external consulting channels, creating a framework for responding to reports and consultations. In addition, to respond to risk factors that pose a threat to the sustainable development of the Company, particularly various risks such as problems involving compliance, quality, information security and markets as well as natural disasters, the Company has established Risk Management and Compliance Regulations and is working to enhance its risk management structure through its Risk Management Promotion Committee. The Company has also created a framework based on its Crisis Management Regulations for minimizing damage in the event a major risk materializes.

Sustainability Promotion System

Chairperson: Representative Director and President

Main Agenda Items:

- Consider and move forward with countermeasures related to social issues such as climate change and human rights
- Company-wide information sharing on the status of sustainability promotion activities

The KOSÉ Group has identified sustainability-related issues in management and has established a promotion system to resolve them.

We established the Sustainability Committee (chaired by the Representative Director and President), which proposes sustainability strategies to and receives approval from the Management Committee and then reports the results to the Board of Directors.

The Board of Directors deliberates and makes decisions about material issues related to sustainability strategies and is responsible for supervising the sustainability promotion activities of the entire Company.

In addition, based on the KOSÉ Group's sustainability strategies, the Sustainability Promotion Committee establishes subcommittees and projects for individual themes and promotes more effective initiatives across the Group by coordinating activities on a cross-functional basis.

Business and Other Risks

Among matters related to the state of the KOSÉ Group, including the status of its business and finances reported in the Securities Report, we believe that the following risks could have a material impact on the Group's results and financial condition and that the factors described here are of material interest to investors for making investment decisions.

Please note that the forward-looking statements contained herein are based on the Company's judgments regarding main risks made as of March 24, 2026, and are not limited to those presented here.

To ensure business continuity and stable growth going forward, the Company has established the Risk Management Promotion Committee as a cross-divisional Company-wide organization to conduct qualitative analysis and evaluation to comprehensively identify risks and to take necessary countermeasures for those risks that may have a substantial impact. Specifically, each year the Company selects risk items using a questionnaire sent to persons in charge of subsidiaries and departments and prioritizes them along two evaluation axes: the impact on business performance and other factors if the risk materializes and the likelihood of the risk materializing.

The risks selected through the risk assessment are aggregated by risk category: strategy risk, business/financial risk, political/economic risk, accident/disaster risk, personnel/labor risk, or legal violation/indemnification risk. The Company has established and operates a system to monitor the current status and progress of each of its risk countermeasures on a regular basis.

Responding to Risks

Risk Categories	Main Risks	Main Measures
Strategy Risk	**Price competition** Damage to brand value Decrease in market share	The Company conducts product development, marketing and sales taking into account changes in market needs and customer preferences and works to maintain and improve its competitive advantage by adding functional and emotional value to achieve differentiation.
	Entry of new competitors Decrease in market share due to entrants from other industries and expansion into new channels by competitors	In addition to constantly keeping track of information from its business partners and sales and marketing sites, the Company works to remain abreast of market information in a timely manner through regular consumer surveys. It also strategically pursues unique value through active cooperation with companies in other industries and linkages with external resources and technologies.
	Research and development delays Decrease in brand competitiveness Decline in innovation	At the Advanced Technology Laboratory, the Company conducts basic and applied research using data science while our branch in Lyon, France, is engaged in cutting-edge dermatological research. The Company is also actively engaged in open innovation using external resources.
	Changes in consumer preferences Decrease in brand value due to deviation from consumer needs	In addition to regularly conducting market surveys to properly obtain consumer information and conducting consumer surveys in Japan, the Company is also stepping up its surveys in countries outside Japan where it does business. It is also actively deploying digital technologies in pursuit of new customer experiences.
	Delays in responding to climate change Decline in business profitability due to inability to accommodate a decarbonized society	The Company is proactively engaged in various efforts to mitigate climate change, including reducing greenhouse gases. It also strives to respond to international trends, such as disclosing information about risks and opportunities posed to business by climate change, in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). https://koseholdings.co.jp/en/sustainability/environment/tcfd/
	Delayed response to biodiversity and water resource issues Decreased business continuity due to inability to respond to the degradation of natural capital and rising water risks	The Company is identifying its dependencies and impacts on natural capital and is conducting analyses of risks and opportunities related to biodiversity and water resources. Furthermore, the Company is enhancing information disclosure based on the TNFD recommendations and promoting initiatives to achieve "Nature Positive" outcomes, reflecting these efforts in its sustainability strategy. https://koseholdings.co.jp/en/sustainability/environment/biodiversity/

Risk Categories	Main Risks	Main Measures
Strategy Risk	**Delays in addressing human rights issues and employment discrimination** Decline in business profitability and reputation due to inability to address human rights risk	In accordance with international standards such as the UN Guiding Principles on Business and Human Rights, the Company has formulated the KOSÉ Group Human Rights Policy. Under the supervision of the Board of Directors, it conducts an annual assessment of human rights risks at each stage of our supply chain, within the Group, and among consumers and society. After taking appropriate actions, we proactively disclose the results. Furthermore, from a compliance perspective, we conduct education activities to raise awareness of all forms of harassment and individual human rights issues. We have also established internal and external contact points for consultation. https://koseholdings.co.jp/en/sustainability/rights/hrdd/
Business/ Financial Risk	**Increase in raw material prices** Decline in profitability due to increased raw material prices	The Company conducts procurement globally to minimize market risk. It also strives to procure necessary raw materials and outsourced products at reasonable prices in a timely manner while maintaining good relationships with suppliers. The Company has also established the Cost and Inventory Reduction Promotion Committee, which is working to maintain reasonable costs and secure inventories.
	Discontinuation of raw material supply Obstacles to stable product supply Impact on sales and profit margins Decline in the Company's creditworthiness	
Political/ Economic Risk	**Changes in legal regulations and responses** Demand fluctuation risk Impact on product exports	The Company collects information on a daily basis regarding legal regulations related to its business. In product development, the Company reviews raw material standards in light of changes in legal regulations and responds by effectively utilizing domestic and overseas information networks to secure alternative raw materials. https://koseholdings.co.jp/en/sustainability/scm/
	Abrupt changes in the political situation in countries and regions where the Company does business Impact on sales due to fluctuations in demand Employee safety risk	The Company takes necessary measures by enhancing cooperation with overseas affiliates and business partners to collect information on economic, political, and social conditions in each country and region in a timely fashion.
Accident/ Disaster Risk	**Natural disasters (earthquakes, volcanic eruptions, tsunamis, etc.)** Delays or interruptions of business activities due to suspension of production and logistics functions	In the event of a disaster or the spread of an infectious disease, the Company will immediately establish an emergency headquarters to discuss and implement countermeasures. To prepare for disasters, the Company takes various steps, such as creating crisis management rules, disaster preparedness manuals, and business continuity plans (BCP). It also works to confirm workplace safety, rectify deficiencies, and secure alternative means in the event of an emergency.
	Spread of highly virulent infectious disease Delays or interruption of business activities including production, supply, and sales	
Personnel/ Labor Risk	**Securing outstanding talent** Decline in corporate competitiveness	The Company works to create an environment in which diverse human resources can play an active role. In its recruitment activities, the Company secures expert human resources through hiring by job type and outstanding talent through revision of the Beauty Consultant compensation system.
Legal Violation/ Indemnification Risk	**Problems related to product accidents** Reputation loss among customers and decline in corporate brand value due to serious product accidents	The Company prioritizes delivering safe and reliable products to its customers in all its manufacturing efforts. It has articulated the KOSÉ Group's commitment to quality as its Quality Policy, under which it has established a Quality Policy Message and Five Activity Declarations that it upholds in the Group's daily activities.
	Leaks of confidential or personal information Reputation loss and compensation for damage due to information leaks	In addition to raising awareness of compliance through the Compliance Promotion Committee, the Company has established a Personal Information Management Committee based on laws and guidelines of the Ministry of Economy, Trade and Industry and is working to build a comprehensive management system by strengthening information security. Furthermore, the Company holds regular training, shares information on risks, and conducts thorough prevention measures.