

CONTENTS KOSÉ REPORT 2026

Introduction	Contents	1
	Corporate Philosophy	2
	KOSÉ's Shift to KOSÉ Holdings	3
	The Journey of the KOSÉ Group	5
	Brand Lineup	7
	KOSÉ Group at a Glance	9
Value Creation Story	Leadership Messages Group CEO & Group COO Dialogue	11
	The KOSÉ Group's Sustainable Growth Process	15
	Capital Inputs	17
	Analysis of Social and Environmental Issues, Opportunities, and Risks Surrounding the KOSÉ Group	19
	Material Issues	20
	Medium- to Long-Term Vision "Vision for Lifelong Beauty Partner—Milestone2030"	21
	Milestone2030	23
	Review of Fiscal 2025	24
	Value Chain, Stakeholder Engagement	25
	Growth Strategy	Business Structure Following the Transition to a Pure Holding Company Structure
KOSÉ Business		28
ALBION Business		29
KOSÉ Cosmeport Business		30
Tarte Business		31
PURI Business		32
Manufacturing Strategy		33
Financial Strategy		35
Fiscal 2026 Plan, Management that is Conscious of Cost of Capital and Stock Price, Cash Allocation, Shareholder Returns		41
Digital Transformation Strategy		43
Human Resources Strategy		47
Sustainability Strategy		47
Responsible Initiatives in the Supply Chain		55
Roundtable Discussion among External Directors		57
Message from a Newly Appointed External Director		60
Governance	Management Introduction	61
	Management Team and Skills Matrix	63
	Corporate Governance	65
	Initiatives to Strengthen Corporate Governance	66
	Overview of Officer Remuneration	69
	Process for Determining Officer Remuneration	70
	Succession Plan	71
	Risk Management and Compliance	72
	Business and Other Risks, Responding to Risks	73
	Data	Financial and Non-Financial Highlights
11-Year Summary of Selected Financial Data		77
5-Year Summary of Selected Non-Financial Data		79
Principal Group Companies		81
Corporate Information, Stock Information		82

Reporting Period and Scope
The report covers KOSÉ Corporation ("the Company")* and its consolidated subsidiaries for the period from January 1, 2025 to December 31, 2025.

Purpose of the KOSÉ Report

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

Disclaimer of Forward-Looking Statements

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

* Effective January 1, 2026, the Company transitioned to a holding company structure. In this report, references to the "Company" generally refer, for fiscal 2025, to the former KOSÉ Corporation, now KOSÉ Holdings Corporation, which functioned as a holding company of operating companies. Please note that certain information regarding governance structures and strategies from January 2026 onward is presented based in part on the new organizational structure.

Corporate Philosophy Corporate Message

Creating Beauty in a Sustainable World

Purpose

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

Management Philosophy

Deeply devoted to all the people who believe in and support KOSÉ.

- Respect the values and skills of each employee.
- Always aim for higher growth – never settle for stability.
- Strive for the highest possible quality backed by exclusive technology.
- Meet and exceed the expectations of customers.
- Build a stronger global presence.

Action Guidelines

Your actions shape the present and future KOSÉ.

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

Mind to Follow the Right Path

In 1946, amidst the profound challenges of the postwar recovery, Kozaburo Kobayashi founded KOBAYASHI UNLIMITED PARTNERSHIP with the belief that cosmetics would brighten people's hearts and support the country's recovery. To secure the necessary capital, Kobayashi established a unique "Partnership Agreement Sales System." Under this model, he traveled nationwide to invite retailers to become partners by providing upfront deposits for future distributions. Demonstrating his commitment to these partners, he personally packaged even the smallest orders and covered all freight costs, ensuring that products reached shops in the most remote and underserved regions. This unwavering dedication fostered a profound sense of trust in KOSÉ, forming the foundation of our spirit of "Co-existence and Co-prosperity." To this day, our employees remain guided by the core philosophy, "A Mind to Follow the Right Path"—a commitment to acting with sincerity and integrity toward all our stakeholders.

Quality Should Be the Top Priority

In the 1940s—an era when a seller's market led to a flood of inferior goods—the founder, Kobayashi, was concerned that product prices failed to match their quality. Committed to providing customers with unwavering confidence through superior quality, he insisted on using only the finest raw materials and fragrances. Although there were suggestions to expand the business through mass production, Kobayashi insisted that KOSÉ's goal was quality over quantity. He focused on developing superior products, a robust organization, and exceptional human capital, creating a company capable of competing on excellence rather than scale. This dedication culminated in 1957, during the height of Japan's rapid economic growth, with the launch of the premium line LA BONNE. Its instant success marked a dramatic leap forward for the brand. Today, this philosophy—"Quality Should Be the Top Priority"—remains the bedrock of KOSÉ's manufacturing strategy.



*A coined term combining “cosmetics” and “toiletries”

Embracing each other, we color our lives with beautiful moments

KOSÉ’s Shift to KOSÉ Holdings

On January 1, 2026, the KOSÉ Group transitioned to a pure holding company structure and embarked on a new chapter as KOSÉ Holdings Corporation. For us, this transition marks a major step into the future. We will continue to refine our concept of “creating beauty” and take on new challenges to bring greater brightness and color to the world.

Two Objectives of the Transition to a Pure Holding Company Structure

By deploying our diverse brand portfolio through the most appropriate sales channels, we achieve multifaceted market coverage and maximize total Group value. In addition, by building a structure in which each business complements the others, the Group aims to establish a management foundation that is resilient even in the face of unforeseen circumstances.

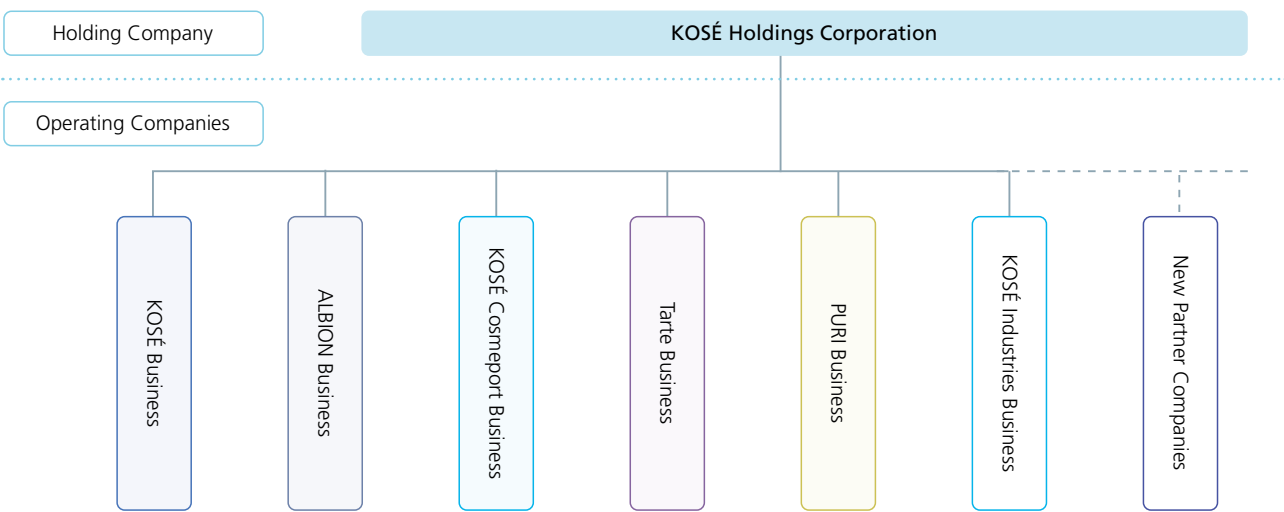
Improving Productivity and Profitability

By centralizing shared functions and infrastructure across Group companies and streamlining Group operations, we aim to improve productivity and profitability. At the same time, we will enhance cross-business coordination and collaboration among businesses while creating an environment in which each operating company can focus on its core business. By leveraging the Group’s strengths, we will build a more profitable business structure.

Facilitating Collaboration with New Partners

We will build a structure that enables new partners to join the Group quickly and smoothly. By accelerating the Beauty Consortium Concept, under which diverse businesses collaborate flexibly to deliver a broad range of value, we aim to become one of Japan’s leading beauty corporate groups.

> Holding Company Structure



KOSÉ Business



KOSÉ operates a broad brand portfolio spanning the high-prestige to cosmetaries’* categories. As a beauty creation company guided by its Statement of Purpose—“Create a culture and values embodying a distinctive beauty through a sophisticated fusion of sensuousness and intelligence”—it owns a diverse range of distinctive brands, including *DECORTÉ* and *SEKKISEI*, supported by advanced R&D capabilities. These brands are distributed through a wide variety of channels, including department stores, cosmetics specialty stores, drugstores, and e-commerce. Guided by the 3Gs (Global, Gender, and Generation), KOSÉ is promoting a customer strategy that stays close to each individual customer across a broader spectrum, regardless of gender or age while seeking to establish a stronger presence in the global market.

P.28

ALBION Business



ALBION operates a brand portfolio focused exclusively on the high-prestige category. Guided by its management philosophy—“As a leading luxury cosmetics company, ALBION remains unwavering in its commitment to authenticity, expanding a circle of trust and inspiring beauty throughout the world”—it continues to pursue the quality and service worthy of luxury products. Through its *ALBION*, *Elégance*, *IGNIS*, *ANNA SUI*, and *PAUL & JOE* brands, it places particular emphasis on customer satisfaction through in-person service. With uncompromising internal manufacturing infrastructure at its own factories and the high standard of education provided to its beauty staff, ALBION maintains brand value that delivers trust and inspiration.

P.29

KOSÉ Cosmeport Business



KOSÉ Cosmeport operates cosmetaries’* brands primarily through drugstores and mass retailers. Guided by its philosophy, “More, Kindness for Beauty,” it provides high-quality products at affordable prices. Through brands such as *Softymo*, *SUNCUT®*, and *CLEAR TURN*, it pursues convenience and functionality while supporting the everyday beauty needs of a broad customer base. With strengths in speedy product development and agile marketing, KOSÉ Cosmeport has achieved steady growth by expanding its market share in Japan and actively promoting overseas expansion, particularly in Asia.

P.30

Tarte Business



Based in New York, *Tarte* is a natural cosmetics brand experiencing rapid growth in the global prestige market. Under the concept of “high-performance naturals™,” it combines naturally derived ingredients with high makeup performance. Through digital marketing, including social media strategies, the brand enjoys tremendous support from millennials and Generation Z. Its flagship product, *SHAPE TAPE™ CONCEALER*, continues to maintain an overwhelming market share in North America. Tarte is now expanding beyond North America into Europe and Asia and serves as a key driver of global growth, helping raise the Group’s overseas sales ratio.

P.31

PURI Business



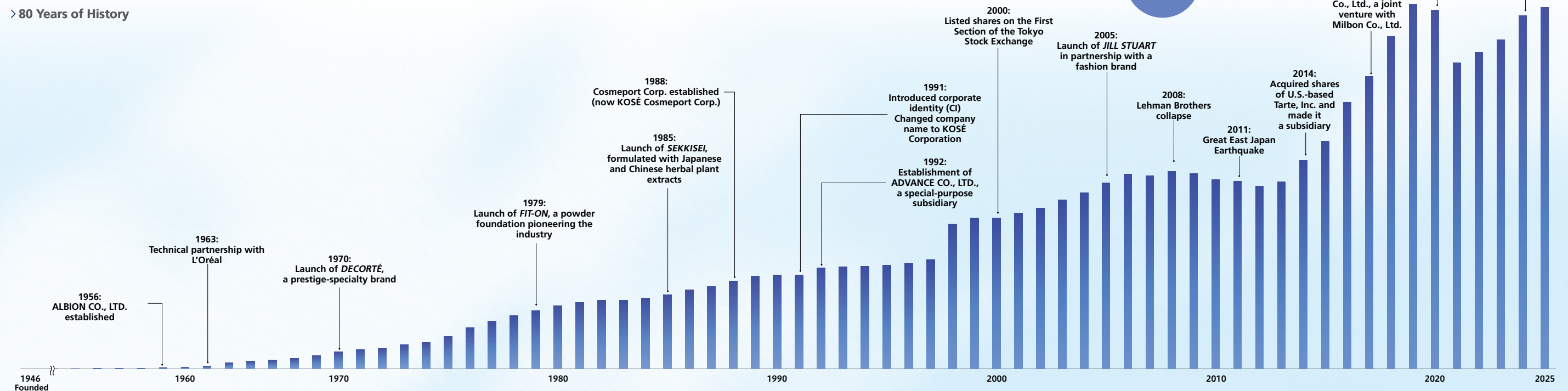
PURI operates *PAÑPURI*, a luxury holistic wellness brand from Thailand. Guided by the belief that true holistic wellness is the harmony between inner health and outer beauty, the company’s strengths lie in clean beauty products based on its proprietary ingredient selection standard, The ZeroList™, and in premium customer experiences delivered through spa services. Since joining the Group in 2024, PURI has expanded the business portfolio into the wellness domain and serves as a core operating company supporting the enhancement of the KOSÉ Group’s presence in the fast-growing Global South market.

P.32

The Journey of the KOSÉ Group

Since its founding in 1946, when Kozaburo Kobayashi launched the Company with the aspiration of “rebuilding Japan through cosmetics,” the KOSÉ Group has placed great importance on a spirit of co-existence and co-prosperity in pursuing that goal. Carrying this DNA forward, the Group now maximizes Group value by developing a diverse portfolio of cosmetics-focused brands through optimal sales channels. Now, as we mark our 80th anniversary, we are consolidating common functions through the transition to a holding company structure to improve profitability and accelerating the Beauty Consortium Concept through collaboration with new partners. As a lifelong partner, we will drive transformation toward our next centennial.

> 80 Years of History



1946	1956	1963	1988	1991	2000	2014	2024
Founding of Kobayashi Unlimited Partnership (Kita-ku, Tokyo)	Establishment of ALBION CO., LTD.	Entered into technical tie-up with L'Oréal of France (joint venture agreement dissolved in August 2001)	Establishment of Cosmeport Corp. (now KOSÉ Cosmeport Corp.)	Introduction of Corporate Identity and Change of Company Name to KOSÉ Corporation	Listed on the First Section of the Tokyo Stock Exchange	Acquisition of Tarte, Inc. in the United States as a subsidiary	Acquisition of PURI CO., LTD. in Thailand as a subsidiary
Kozaburo Kobayashi founded the Company convinced that cosmetics would contribute to Japan's postwar reconstruction. Guided by a spirit of co-existence and co-prosperity through integrated manufacturing and sales, the Company built trust with society through sincere management by complying with official prices and ensuring the stable supply of high-quality products. This remains a source of the Company's sustainable growth today.	At the dawn of Japan's period of rapid economic growth, ALBION was established in Ginza with the ambition of becoming Japan's and the world's leading cosmetics manufacturer. By maintaining an unwavering commitment to authenticity through one-of-a-kind manufacturing together with face-to-face customer service that comes into direct contact with customers' skin, ALBION has established a unique position in the luxury cosmetics market.	Through a strategic partnership with L'Oréal of France, the Company pioneered the professional salon business in Japan. In just two years, it expanded into approximately 1,000 salons. By supporting salon education from the basics through to advanced professional techniques, it contributed to significantly elevating the standard of hairstyling artistry across the Japanese beauty industry.	Cosmeport was founded to provide reliable, high-quality products at affordable prices to a broad customer base. In 1994, the company changed its name to KOSÉ Cosmeport Corp. It develops products that bring happiness and joy to everyday life. First brand, NEXT	The Company officially became KOSÉ Corporation, debuting a new symbol and its Statement of Purpose: “Create a culture and values embodying a distinctive beauty through a sophisticated fusion of sensuousness and intelligence.” This was accompanied by the corporate message, “Creating Beauty in a Sustainable World,” expressing its commitment to the next stage of growth.	To strengthen its management base and meet its growing social responsibilities, KOSÉ Corporation went public in 2000. Guided by the founder's credo, “Mind to Follow the Right Path,” the Company established a highly transparent management structure.	To accelerate global expansion and strengthen its presence worldwide, KOSÉ Corporation acquired Tarte, a U.S. cosmetics company. By integrating Tarte's robust North American presence and sophisticated e-commerce capabilities, KOSÉ Group significantly enhanced its digital-first approach and global market footprint.	To accelerate its global expansion, KOSÉ Group acquired PURI, which operates the Thai luxury brand PANPURI. By leveraging the strong affinity between the two companies, both of which pursue tradition, innovation, and sensorial quality, the KOSÉ Group is strengthening its presence in the Global South.

Brand Lineup

The KOSÉ Group has been creating attractive brands inspired by two keywords—Intelligence and Sensuousness—for many years. By developing our business around two brand groups, highly distinctive individual brands and KOSÉ brands bearing the Company name, we provide unique value for people of all ages and genders across the globe.

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

High-Prestige Brands

The Highest Levels of Quality and Service



High Prestige Brands



DECORTÉ

J A U E



ALBION

J A U E



INFINITY

J A



tarte
high-performance naturals

J A U E



PAÑPURI

J A E *Spa only

Prestige Brands



雪肌精
SEKKISEI

J A U E



ONE
BY KOSÉ

J A



ESPRIQUE

J A



米
MAIHADA
肌

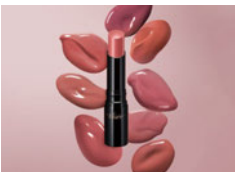
J



カルテHD

J A

Cosmetaries Brands



Visée

J A



MAKE KEEP

J A U



softymo
ソフトイモ

J A



CLEAR
TURN
クリアターン

J A



STEPHEN
KNOLL
NEW YORK

J A U

KOSÉ Group at a Glance

“What we want most of all is to inspire hopes and dreams, building a brighter world.”
The KOSÉ Group is devoted to cosmetics, and we have continued our search for the essence of beauty throughout our long history. In this section, we will highlight how the Group today is linked to its past and future.

Finance

Net Sales

¥330.1 billion

↑ Year on year
+¥7.4 billion +2.3%

Operating Margin

5.6%

↑ Year on year
+0.2 ppt

R&D Expenses

¥6.9 billion

(R&D expenses to net sales ratio 2.1%)

ROE

5.4%

↑ Year on year
+2.6 ppt

ROIC

3.7%

↑ Year on year
+1.1 ppt

PBR

1.05_x

(1.50x at the end of the previous fiscal year)

Non-Financial

Founded

1946

Number of Employees

(Including Temporary Employees)

13,135

(2,287 men and 10,848 women)

Number of Countries and Regions Where We Operate

63

Ratio of Female Employees in Leadership Positions

38.7%

Note: "Leadership positions" refers to positions with subordinates or equivalent.

CO₂ Emission Reduction Rate

(Scope 1, 2, and Scope 3)

Scope 1 & 2 -50.2%

Scope 3 -20.2%

(Total volume compared to 2018)

Waste Recycling Rate at Factories

100%

Note: KOSÉ Group Manufacturing departments

Refillable Container Share

43.4%

Note: Applies to bottle and jar containers for skincare and haircare products included in the lineup for the relevant year

Responsible Palm Oil Procurement

45.4%

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