

KOSÉ Corporation

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Stock exchange listing: Tokyo Stock Exchange, First Section; Stock code: 4922

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Notice Regarding Dividends from Surplus

KOSÉ Corporation, in accordance with a resolution approved by its Board of Directors on April 28, 2017, will submit the following proposal concerning dividends from surplus with a record date of March 31, 2017 for approval at the 75th Annual General Meeting of Shareholders to be held on June 29, 2017.

1. Details of dividends

| | Final amount | Most recent dividend forecast (announced on April 28, 2016) | Previous fiscal year (ended March 31, 2016) |
|---------------------------|-------------------|--|--|
| Record date | March 31, 2017 | Same as on the left. | March 31, 2016 |
| Dividend per share | 63.00 yen | 47.00 yen | 57.00 yen (Ordinary dividend: 47.00 yen) (Commemorative dividend: 10.00 yen) |
| Total amount of dividends | 3,593 million yen | - | 3,251 million yen |
| Effective date | June 30, 2017 | - | June 30, 2016 |
| Dividend resource | Retained earnings | - | Retained earnings |

2. Reasons

KOSÉ's basic policy for determining dividends is to pay steady and continuous dividends while retaining sufficient funds to build a more powerful foundation for long-term growth.

KOSÉ decided to pay a year-end dividend of 63 yen per share, which is 16 yen higher than the forecast of 47 yen that was announced on April 28, 2016. This dividend increase is based on comprehensive consideration of strong performance for the fiscal year ended March 31, 2017 and the current financial position.

Since an interim dividend of 47 yen was paid, the total dividend applicable to the fiscal year will be 110 yen per share.

(Reference) Description of annual dividend

| Record date | Dividend per share | | |
|---|--------------------|-----------|------------|
| | 2Q-end | Year-end | Total |
| Current fiscal year (ended March 31, 2017) | 47.00 yen | 63.00 yen | 110.00 yen |
| Previous fiscal year (ended March 31, 2016) | 37.00 yen | 57.00 yen | 94.00 yen |