

KOSÉ Corporation

President & CEO: Kazutoshi Kobayashi

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

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Notice of Establishment of Company Jointly Owned with Milbon

The Board of Directors of KOSÉ Corporation approved a resolution today to establish KOSÉ Milbon Cosmetics Co., Ltd. on the same day. The formation of this company, which is a KOSÉ subsidiary jointly owned with Milbon Co., Ltd., is based on the capital and business alliance with Milbon that was announced by KOSÉ on January 25, 2017.

1. Reason for establishing the new company

This alliance makes it possible to combine the skin care and makeup product development expertise of KOSÉ with the sales network and beauty care education resources of Milbon. One objective of the alliance is the joint development of skin care and makeup products for beauty salons and the sale of these products in Japan. KOSÉ and Milbon also plan to build a platform for a broad range of other activities for the long-term success of this alliance.

2. Profile of KOSÉ Milbon Cosmetics

(1) Name	KOSÉ Milbon Cosmetics Co., Ltd.
(2) Location	2-2-1, Kyobashi, Chuo-ku, Tokyo
(3) Representatives	President & CEO: Hiroe Fujiwara (from Milbon) Executive Vice President: Yasuhiro Yuzawa (from KOSÉ)
(4) Businesses	Planning, development, marketing and sales of skin care and makeup products for beauty salons
(5) Capital	10 million yen
(6) Establishment	July 31, 2017
(7) Investment ratio	KOSÉ Corporation: 51% Milbon Co., Ltd.: 49%
(8) Fiscal year-end	March

3. Outlook

This alliance will have only a negligible effect on results of operations in the fiscal year ending in March 2018. Any expected contribution of the alliance to results of operations in the following fiscal year will be included in the forecast for that fiscal year.