

KOSÉ Corporation

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

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Notice Regarding Partial Amendments to Articles of Incorporation

KOSÉ Corporation, in accordance with a resolution approved by its Board of Directors on May 24, 2021, will submit the following proposal concerning Partial Amendments to Articles of Incorporation for approval at the Annual General Meeting of Shareholders to be held on June 29, 2021. Details are as follows.

1. Purpose of Amendments to the Articles of Incorporation

- (1) Currently, KOSÉ's fiscal year begins on April 1 and ends on March 31 of the following year. This amendment will change the fiscal year to the period from January 1 to December 31. The purpose of this change is to make KOSÉ's fiscal year the same as the fiscal years of overseas consolidated subsidiaries in order to facilitate unified business operations on a global scale and disclose financial and other corporate information in a timely and proper manner. Consequently, the use of a single fiscal year is expected to improve the transparency and quality of KOSÉ's management. In the KOSÉ Articles of Incorporation, the proposed change in the fiscal year will require amending Article 37 (Fiscal Year) as well as amendments to the following articles for consistency with the new fiscal year: Article 13 (Convocation), Article 14 (Record Date for Annual Shareholders Meeting), Article 38 (Record Date for Dividend Payments) and Article 39 (Interim Dividends). In addition, supplementary provisions are to be established as transitional measures because the 80th fiscal year will be the nine-month period from April 1, 2021 to December 31, 2021 for the change to the new fiscal year.
- (2) Shareholders will be asked to approve an amendment to Article 21 (Directors' Term of Office) in order to reduce the term of office from two years to one year. The purposes of this change are to establish a management framework that can quickly adapt to changes in the business climate, increase opportunities for shareholders to make decisions about the directors' performance, and further strengthen corporate governance. Supplementary provisions are to be established as transitional measures concerning the term of office of directors who were elected at the shareholders meeting held on June 26, 2020.

2. Description of Proposed Changes

Proposed changes are as follows.

(Revised sections are underlined.)

Current	Proposed changes
(Convocation) Article 13 Annual Shareholders Meeting of the Company shall be called in <u>June</u> annually, and Extraordinary Shareholders Meeting may be called whenever necessary.	(Convocation) Article 13 Annual Shareholders Meeting of the Company shall be called in <u>March</u> annually, and Extraordinary Shareholders Meeting may be called whenever necessary.
(Record Date for Annual Shareholders Meeting) Article 14 The record date of voting rights for the Annual Shareholders Meeting shall be <u>March 31</u> of each year.	(Record Date for Annual Shareholders Meeting) Article 14 The record date of voting rights for the Annual Shareholders Meeting shall be <u>December 31</u> of each year.

Current	Proposed changes
<p>(Directors' Term of Office) Article 21 Directors' term of office shall continue until the conclusion of the Annual Shareholders Meeting for the last fiscal year which ends within <u>two years</u> from the time of their election.</p> <p>(Fiscal Year) Article 37 The fiscal year of the Company shall be the 1-year period from <u>April 1 of each year</u> to <u>March 31 of the following year</u>.</p> <p>(Record Date for Dividend Payments) Article 38 The record date for the year-end dividend is <u>March 31</u> of each year.</p> <p>(Interim Dividends) Article 39 The Company may, by resolution of the Board of Directors, distribute interim dividends with <u>September 30</u> of each year as a record date.</p>	<p>(Directors' Term of Office) Article 21 Directors' term of office shall continue until the conclusion of the Annual Shareholders Meeting for the last fiscal year which ends within <u>one year</u> from the time of their election.</p> <p>(Fiscal Year) Article 37 The fiscal year of the Company shall be the 1-year period from <u>January 1</u> to <u>December 31 of each year</u>.</p> <p>(Record Date for Dividend Payments) Article 38 The record date for the year-end dividend is <u>December 31</u> of each year.</p> <p>(Interim Dividends) Article 39 The Company may, by resolution of the Board of Directors, distribute interim dividends with <u>June 30</u> of each year as a record date.</p>
<p>(New addition)</p> <p>(New addition)</p>	<p><u>Supplementary Provisions</u> <u>(The 80th Fiscal Year)</u> <u>Article 1 Irrespective of the provisions of Article 37, the 80th fiscal year of the Company shall be the nine-month period from April 1, 2021 to December 31, 2021. This article is valid until December 31, 2021 and will be deleted on the same day.</u></p>
<p>(New addition)</p>	<p><u>(Interim Dividends for the 80th Fiscal Year)</u> <u>Article 2 Irrespective of the provisions of Article 39, the Company may, by resolution of the Board of Directors, distribute interim dividends with September 30, 2021 as a record date in the 80th fiscal year. This article is valid until December 31, 2021 and will be deleted on the same day.</u></p>
<p>(New addition)</p>	<p><u>(Transitional Measure for Directors' Term of Office)</u> <u>Article 3 Irrespective of the provisions of Article 21, the term of office of Directors who were elected at the Annual Shareholders Meeting held on June 26, 2020 will end at the end of the Annual Shareholders Meeting for the 80th fiscal year. This article is valid until the end of the Annual Shareholders Meeting for the 80th fiscal year and will be deleted at that time.</u></p>

3. Timetable

Shareholders meeting for amendments to Articles of Incorporation: June 29, 2021
Date when amendments become effective: June 29, 2021

4. Outlook

For information about the consolidated forecast for the transitional fiscal period ending December 2021 (the 80th fiscal year), please refer to “Summary of Financial Results for the Fiscal Year Ended March 31, 2021” that was announced on April 30, 2021.