

KOSÉ Corporation

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Stock exchange listing: Tokyo Stock Exchange, Prime Market; Stock code: 4922

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Transition to a Pure Holding Company Structure Through a Split and Establishment of a Preparatory Company

The Board of Directors of KOSÉ Corporation approved a resolution today to transition to a pure holding company structure through an absorption-type split and to establish a company to prepare for this transition.

1. Purpose of establishment of a preparatory company

As was announced on November 11, 2024, in a press release titled “Start of Consideration of a Transition to a Pure Holding Company Structure,” KOSÉ has been conducting studies concerning this transition to a pure holding company structure. These studies resulted in the decision to make a transition to a pure holding company structure. The change will take place if the necessary resolutions are approved at the General Meeting of Shareholders that will be held in March 2025 and if the regulatory approvals are received as necessary.

An absorption-type split will be used for the transition to a pure holding company structure. As part of this process, KOSÉ will establish a wholly owned preparatory company to receive the operations that are separated from KOSÉ.

2. Method for transition to a pure holding company structure

To make a transition to a pure holding company structure, KOSÉ will use the absorption-type split method in which the preparatory company receives the operations to be separated from KOSÉ in the absorption-type split.

The plan is to complete the transition to a pure holding company structure by January 1, 2026. Subsequently, the pure holding company will retain the listing of KOSÉ stock.

3. Schedule (tentative)

(1) Establishment of a preparatory company:	January 2025
(2) Board of Directors approval of absorption-type split:	February 26, 2025
(3) Conclusion of absorption-type split agreement:	February 26, 2025
(4) General Meeting of Shareholders to approve the absorption-type split agreement:	March 28, 2025
(5) Effective date of the absorption-type split:	January 1, 2026

4. Outline of preparatory company

(1)	Name	KOSÉ Split Preparation Corporation
(2)	Head Office location	3-6-2 Nihonbashi, Chuo-ku, Tokyo
(3)	Name & Position of Representative Director	Kazutoshi Kobayashi, President & CEO
(4)	Business activity	Manufacturing and sales of cosmetics and other beauty products (No business activities prior to this absorption-type split)
(5)	Capital	100 million yen
(6)	Establishment	January 2025 (tentative)
(7)	Number of shares outstanding	2,000 shares
(8)	Fiscal year-end	December
(9)	Major shareholder and shareholding ratio	KOSÉ Corporation: 100%
(10)	Relationship with KOSÉ	Capital: To be established as a wholly owned subsidiary of KOSÉ. Personnel: Representative Director of KOSÉ will also be the Representative Director of the preparatory company. Business: There is no business relationship because the company has not started operations.

5. Outlook

The proposed transition to a pure holding company structure will not have a material effect on consolidated results of operations because the preparatory company that will receive the operations to be separated from KOSÉ in the absorption-type split is a wholly owned subsidiary. Further information about this absorption-type split will be announced as decisions are made.