

## Summary of Financial Results for the Second Quarter of Fiscal Year Ending December 31, 2025 (Six Months Ended June 30, 2025)

[Japanese GAAP]

Company name: **KOSÉ Corporation** Stock listing: Tokyo Stock Exchange, Prime Market  
 Stock code: 4922 URL: <https://corp.kose.co.jp/en/>  
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 Scheduled date of filing of Semi-annual Report: August 8, 2025  
 Scheduled date of dividend payment: September 10, 2025  
 Preparation of supplementary materials for financial results: Yes  
 Holding of financial results meeting: Yes (for analysts and institutional investors)

(Rounded down to million yen)

### 1. Consolidated Financial Results for the Six Months Ended June 30, 2025 (January 1, 2025 – June 30, 2025)

(1) Consolidated financial results (YoY change % represents changes from the previous fiscal year)

	Net sales (Million yen)	YoY change (%)	Operating profit (Million yen)	YoY change (%)	Ordinary profit (Million yen)	YoY change (%)	Profit attributable to owners of parent (Million yen)	YoY change (%)
2Q 2025	160,524	0.9	11,319	(17.7)	9,607	(49.1)	7,096	(38.9)
2Q 2024	159,133	10.3	13,748	31.9	18,882	34.3	11,610	33.5

Note: Comprehensive income (million yen) 2Q 2025: 2,341 (down 86.7%) 2Q 2024: 17,617 (up 44.7%)

	Net income per share (basic) (Yen)	Net income per share (diluted) (Yen)
2Q 2025	124.36	-
2Q 2024	203.47	-

### (2) Consolidated financial position

	Total assets (Million yen)	Net assets (Million yen)	Equity ratio (%)	Net assets per share (Yen)
2Q 2025	368,337	290,114	73.3	4,733.10
2024	386,793	292,276	70.4	4,771.69

Ref.: Shareholders' equity (million yen) 2Q 2025: 270,138 2024: 272,295

Note: The provisional accounting treatment for a business combination has been finalized in the second quarter of 2025.

All figures for 2024 reflect the finalized figures.

### 2. Dividends

	Dividend per share				
	1Q-end (Yen)	2Q-end (Yen)	3Q-end (Yen)	Year-end (Yen)	Total (Yen)
2024	-	70.00	-	70.00	140.00
2025	-	70.00	-	-	-
2025 (forecast)	-	-	-	70.00	140.00

Note: Revisions to the most recently announced dividend forecast: None

### 3. Consolidated Forecast for 2025 (January 1, 2025 – December 31, 2025)

(YoY change % represents changes from the previous fiscal year)

	Net sales (Million yen)	YoY change (%)	Operating profit (Million yen)	YoY change (%)	Ordinary profit (Million yen)	YoY change (%)	Profit attributable to owners of parent (Million yen)	YoY change (%)	Net income per share (Yen)
Full year	336,000	4.1	20,000	15.2	20,700	(4.4)	13,800	83.7	241.83

Note: Revisions to the most recently announced consolidated forecast: None

## Notes

(1) Significant changes in scope of consolidation during the period: None

Newly added: -

Excluded: -

(2) Application of special accounting methods for presenting consolidated interim financial statements: None

(3) Changes in accounting policies and accounting-based estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others : None

2) Changes in accounting policies other than 1) above : None

3) Changes in accounting-based estimates : None

4) Restatements : None

(4) Number of shares outstanding (common stock)

1) Number of shares outstanding (incl. treasury shares) at end of the period

As of June 30, 2025	60,592,541 shares	As of December 31, 2024	60,592,541 shares
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2) Number of treasury shares at end of the period

As of June 30, 2025	3,518,181 shares	As of December 31, 2024	3,527,676 shares
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3) Average number of shares outstanding during the period

2Q 2025	57,068,008 shares	2Q 2024	57,059,953 shares
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Note 1: The current financial report is not subject to quarterly (semi-annual) review by certified public accountants or auditing firms.

Note 2: Cautionary statement with respect to forward-looking statements

These materials contain forward-looking statements and statements of this nature based on assumptions judged to be valid and information available to KOSÉ as of the announcement date of the summary. These statements are not promises by KOSÉ regarding future performance. As such, actual results may differ significantly from these projections resulting from changes in the economic environment and other risks and uncertainties. For discussion of the assumptions and other factors considered by KOSÉ in preparing the above projections, please refer to the section "1. Qualitative Information on Consolidated Interim Financial Performance, (2) Explanation of Consolidated Forecast and Other Forward-looking Statements" on page 4 of the attachments.

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## 1. Qualitative Information on Consolidated Interim Financial Performance

### (1) Explanation of Results of Operations

Six Months Ended June 30, 2025 (January 1, 2025 – June 30, 2025)

Millions of yen, %

Operating segment	2Q 2024 (Jan. 1, 2024 – Jun. 30, 2024)		2Q 2025 (Jan. 1, 2025 – Jun. 30, 2025)		YoY change	
	Amount	% comp.	Amount	% comp.	Amount	%
Cosmetics	126,731	79.6	127,915	79.7	1,183	0.9
Cosmetaries	31,250	19.6	31,257	19.5	7	0.0
Others	1,151	0.7	1,351	0.8	200	17.4
Total net sales	159,133	100.0	160,524	100.0	1,391	0.9

	2Q 2024 (Jan. 1, 2024 – Jun. 30, 2024)		2Q 2025 (Jan. 1, 2025 – Jun. 30, 2025)		YoY change	
	Amount	% of sales	Amount	% of sales	Amount	%
Operating profit	13,748	8.6	11,319	7.1	(2,428)	(17.7)
Ordinary profit	18,882	11.9	9,607	6.0	(9,275)	(49.1)
Profit attributable to owners of parent	11,610	7.3	7,096	4.4	(4,513)	(38.9)

During the first half (January 1 to June 30) of 2025, although the Japanese economy continued to recover, the pace of the recovery was slow due to sluggish consumer spending caused by inflation and to other reasons. There is still a risk of an economic downturn caused by a decline in consumer sentiment, actions by the U.S. government or other events.

The economic outlook in Asia and the United States, the primary markets for the KOSÉ Group outside Japan, remained uncertain. In China, the economy has been flat due to trade friction with the United States and the continuation of real estate sector weakness and price declines. In the United States, economic growth is slowing but the economy was supported by a rush of demand in March prior to the tariff hikes. Since April, U.S. consumers have become reluctant to make purchases due to a downturn in sentiment about the economy.

In the Japanese cosmetics market, sales have been firm with no significant changes even following the end in the second half of 2024 of the post-pandemic upturn in demand. The growth in sales to foreign tourists in Japan slowed in the second quarter due to a decline in average consumer spending and a slowing growth in the number of visitors to Japan.

The Asian cosmetics market, particularly in China, remains polarized due to the rise of Chinese cosmetics brands and sluggish consumer spending.

In the United States, the business climate is challenging for cosmetics, particularly for middle to high-end brands, as consumers become more price sensitive. In addition, caution is still required concerning the outlook for cosmetic product expenditures by consumers in part because there are signs of increasing business risks such as higher costs caused by tariffs.

In November 2024, KOSÉ announced a medium to long-term vision called Vision for Lifelong Beauty Partner–Milestone 2030. Phase 1 of this vision is currently under way with the goal of completing structural reforms and rebuilding an infrastructure. Measures during this phase include a reexamination of the structure of business operations to improve profitability in Japan and investments for the growth of sales in Asia.

In the first half of 2025, sales were higher than one year earlier, as a significant increase in sales at DECORTÉ and ALBION in Japan more than offset the decrease in China. As a result, consolidated sales increased 0.9% from the same period of 2024 to 160,524 million yen (up 1.5% after excluding the effects of changes in foreign exchange rates). Overseas sales were 34.7% of total sales.

Operating profit decreased 17.7% from the same period of 2024 to 11,319 million yen mainly because of higher

SG&A expenses. Goodwill amortization and expenses of the newly consolidated PURI CO., LTD. and higher logistics expenses at Tarte were the main reasons for the lower earnings.

Ordinary profit decreased 49.1% to 9,607 million yen due to a rise in foreign exchange losses caused by the yen appreciation. Profit attributable to owners of parent was down 38.9% to 7,096 million yen due to a gain on sale of fixed assets.

In the cosmetics segment, sales increased in the high prestige and prestige categories.

In the high prestige category, sales were down at DECORTÉ and at makeup brands such as JILL STUART. These declines were offset by higher sales of the major brands of ALBION CO., LTD. and the first inclusion of the sales of newly consolidated PURI CO., LTD. Although DECORTÉ sales increased in Japan, it was insufficient to offset the decrease in sales in Asia.

In the prestige category, sales surpassed the high level of sales one year earlier. Sales of SEKKISEI, the core brand of this category, maintained its sales in Japan at the same level and increased in other countries. As a result, the total sales of SEKKISEI increased.

The segment operating profit dropped as decreases in operating profit at the China Travel Retail sector and at Tarte were not fully offset by increases in operating profit at ALBION and in mainland China. Mainland China returned to profitability in the first half, as the effects of structural reforms began to materialize. At Tarte, a sales rebound in the second quarter offset the first quarter downturn as a drop in North American offline sales was offset by an increase in online channel sales. However, in such a challenging business climate, increased proactive marketing expenses aimed at maintaining a strong brand presence, along with higher logistics costs, adversely impacted earnings at Tarte.

As a result, sales in the cosmetics business segment increased 0.9% from the same period of 2024 to 127,915 million yen and operating profit was down 20.0% to 9,786 million yen.

In the cosmetaries business segment, sales remained at the same level as one year earlier. Sales were lower for the major brands of KOSÉ Cosmeport Corp. and for Visée and FASIO, which are self-makeup brands. Sales of MAKE KEEP were strong. Sales growth of the major brands of KOSE Cosmeport were slow due to some major renewals carried out in the same period of the last year. In addition, CLEAR TURN was impacted by intensifying competition in the sheet mask category.

The segment operating profit margin decreased slightly from the same period of 2024, but remained high.

As a result, sales in this business segment increased 0.0% from the same period of 2024 to 31,257 million yen and operating profit decreased 3.4% to 3,769 million yen.

Earnings in the others business segment were higher because sales of amenity products increased and the cost of sales ratio decreased. As a result, sales in this business segment increased 17.4% from the same period of 2024 to 1,351 million yen. Operating profit increased 26.0% to 722 million yen.

#### Net Sales by Region (Sales to Third Parties)

Millions of yen, %

	2Q 2024 (Jan. 1, 2024 – Jun. 30, 2024)		2Q 2025 (Jan. 1, 2025 – Jun. 30, 2025)		YoY change	
	Amount	% comp.	Amount	% comp.	Amount	%
Japan	101,156	63.6	104,768	65.3	3,611	3.6
Asia	23,313	14.7	21,083	13.1	(2,230)	(9.6)
North America	30,484	19.2	30,839	19.2	354	1.2
Others	4,177	2.6	3,833	2.4	(344)	(8.2)
Total net sales	159,133	100.0	160,524	100.0	1,391	0.9

## Japan

In the cosmetics segment, sales increased mainly because of higher sales of DECORTÉ products and the major brands of ALBION CO., LTD. Meanwhile, cosmetaries segment sales were flat from one year earlier. As a result, sales in Japan increased overall.

DECORTÉ sales increased because of a rush of demand prior to price revisions and the success of new products.

As one of the major brands of ALBION CO., LTD., Elégance saw a rush of demand in the first quarter ahead of a price revision on some products in April and a rebound in sales in the second quarter. As a result, the brand still secured an increase in sales for the first half as a whole. ALBION sales were strong primarily due to sales to Japanese customers.

Sales of SEKKISEI, the primary brand of the prestige category, were about the same as one year earlier. Although sales in the first half of 2024 were high due to an increase in shipments of new lotion and emulsion products, the popularity of new products contributed to sales.

As a result, sales in Japan increased 3.6% from the same period of 2024 to 104,768 million yen.

## Asia

Duty-free store sales and mainland China sales were lower than in the same period of 2024.

In mainland China, the sales strategy was implemented to avoid excessive competition that could damage brand value. As a result, sales during large sales events in March and June were lower than in the same period of 2024.

In the duty-free channel, KOSÉ is continuing its voluntary shipment controls. Another reason for lower sales in this region than one year earlier was the increase in shipments during the second quarter of 2024. These shipments were made in anticipation of a rapid recovery in the Chinese market in the second half of the last year.

Although sales in Asia include those of newly consolidated PURI CO., LTD., sales in Asia decreased 9.6% from the same period of 2024 to 21,083 million yen.

## North America/Others

At Tarte, which accounts for most of the sales in these areas, sales on a local currency basis were about the same as in the same period of 2024 but were lower after the conversion to yen. Offline sales decreased because of negative consumer sentiment. However, sales in existing e-commerce channels were strong and an additional shipment to the newly contracted major e-commerce operator contributed to sales.

Sales of KOSÉ brand products increased following large orders for SEKKISEI products in the second quarter.

As a result, sales in North America increased 1.2% from the same period of 2024 to 30,839 million yen, and sales in Others (including Europe) decreased 8.2% to 3,833 million yen.

## (2) Explanation of Consolidated Forecast and Other Forward-looking Statements

There are no revisions to the full-year earnings forecast announced on February 12, 2025.

**2. Details of Stock, etc.****(1) Total Number of Shares, etc.****(i) Total number of shares**

Class	Total number of authorized shares (Shares)
Common stock	200,000,000
Total	200,000,000

**(ii) Outstanding shares**

Class	Number of shares outstanding as of Jun. 30, 2025 (Shares)	Number of shares outstanding as of the filing date (Aug. 7, 2025) (Shares)	Name of stock exchange on which the company is listed or name of authorized financial instruments firms association with which the company is registered	Description
Common stock	60,592,541	60,592,541	Prime Market of Tokyo Stock Exchange	The number of shares per one unit is 100 shares.
Total	60,592,541	60,592,541	-	-

**(2) Transition of Total Number of Shares Outstanding and Amount of Share Capital**

Date	Increase (decrease) in total number of shares outstanding (Thousand shares)	Balance of total number of shares outstanding (Thousand shares)	Increase (decrease) in share capital (Million yen)	Balance of share capital (Million yen)	Increase (decrease) in legal capital surplus (Million yen)	Balance of legal capital surplus (Million yen)
Jan. 1, 2025 – Jun. 30, 2025	-	60,592	-	4,848	-	6,390

**(3) Voting Rights****(i) Outstanding shares**

As of June 30, 2025

Category	Number of shares (Shares)	Number of voting rights (Units)	Description
Shares with no voting rights	-	-	-
Shares with restricted voting rights (treasury shares, etc.)	-	-	-
Shares with restricted voting rights (other)	-	-	-
Shares with full voting rights (treasury shares, etc.)	Common stock 3,518,100	-	-
Shares with full voting rights (other)	Common stock 56,931,400	569,314	-
Odd-lot shares	Common stock 143,041	-	Less than one unit (fewer than 100 shares)
Total number of shares outstanding	60,592,541	-	-
Voting rights held by all shareholders	-	569,314	-

Note: "Shares with full voting rights (other)" of common stock includes 3,800 shares of unknown holders' stock registered under the name of Japan Securities Depository Center, Inc.

"Number of voting rights" includes 38 units of voting rights related to such shares with full voting rights under the name of Japan Securities Depository Center, Inc.

**(ii) Treasury shares, etc.**

As of June 30, 2025

Name of shareholder	Address of shareholder	Number of shares held in own name (Shares)	Number of shares held in others' name (Shares)	Total number of shares held (Shares)	Ratio against total number of shares outstanding (%)
KOSÉ Corporation	3-6-2 Nihonbashi, Chuo-ku, Tokyo	3,518,100	-	3,518,100	5.81
Total	-	3,518,100	-	3,518,100	5.81

**3. Consolidated Interim Financial Statements and Notes****(1) Consolidated Interim Balance Sheet**

	<i>Millions of yen</i>	
	2024	2Q 2025
	(As of Dec. 31, 2024)	(As of Jun. 30, 2025)
<b>Assets</b>		
Current assets		
Cash and deposits	113,970	91,354
Notes and accounts receivable-trade	50,020	45,659
Merchandise and finished goods	40,216	42,505
Work in process	3,105	4,095
Raw materials and supplies	26,311	26,511
Other	6,864	5,211
Allowance for doubtful accounts	(151)	(148)
Total current assets	240,336	215,188
Non-current assets		
Property, plant and equipment		
Buildings and structures	54,466	54,237
Accumulated depreciation	(29,694)	(30,380)
Buildings and structures, net	24,771	23,856
Machinery, equipment and vehicles	22,967	23,092
Accumulated depreciation	(19,772)	(20,156)
Machinery, equipment and vehicles, net	3,194	2,935
Tools, furniture and fixtures	45,881	45,017
Accumulated depreciation	(40,715)	(39,607)
Tools, furniture and fixtures, net	5,166	5,410
Land	18,800	18,527
Leased assets	14,675	13,751
Accumulated depreciation	(4,957)	(5,046)
Leased assets, net	9,717	8,704
Construction in progress	12,099	21,240
Total property, plant and equipment	73,749	80,675
Intangible assets		
Software	5,535	5,069
Goodwill	6,972	5,812
Other	14,436	13,627
Total intangible assets	26,944	24,510
Investments and other assets		
Investment securities	16,750	19,215
Retirement benefit asset	18,828	18,903
Deferred tax assets	6,131	5,717
Other	4,752	4,809
Allowance for doubtful accounts	(700)	(681)
Total investments and other assets	45,762	47,963
Total non-current assets	146,456	153,149
Total assets	386,793	368,337



*Millions of yen*

	2024 (As of Dec. 31, 2024)	2Q 2025 (As of Jun. 30, 2025)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	7,356	9,817
Electronically recorded obligations-operating	14,859	13,569
Short-term borrowings	831	765
Lease obligations	1,406	1,292
Accounts payable-other	16,628	9,867
Accrued expenses	13,447	8,736
Income taxes payable	5,721	2,904
Accrued consumption taxes	1,736	941
Refund liabilities	6,532	4,925
Other	2,641	3,449
Total current liabilities	71,162	56,270
Non-current liabilities		
Lease obligations	8,985	8,045
Deferred tax liabilities	8,893	9,363
Other	5,474	4,542
Total non-current liabilities	23,353	21,952
Total liabilities	94,516	78,223
Net assets		
Shareholders' equity		
Share capital	4,848	4,848
Capital surplus	179	206
Retained earnings	243,345	246,447
Treasury shares	(9,055)	(9,031)
Total shareholders' equity	239,316	242,470
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,929	4,133
Foreign currency translation adjustment	18,461	14,336
Remeasurements of defined benefit plans	9,588	9,197
Total accumulated other comprehensive income	32,979	27,668
Non-controlling interests	19,980	19,975
Total net assets	292,276	290,114
Total liabilities and net assets	386,793	368,337

**(2) Consolidated Interim Statements of Income and Comprehensive Income****Consolidated Interim Statement of Income***Millions of yen*

	2Q 2024 (Jan. 1, 2024 – Jun. 30, 2024)	2Q 2025 (Jan. 1, 2025 – Jun. 30, 2025)
Net sales	159,133	160,524
Cost of sales	46,509	47,360
Gross profit	112,623	113,163
Selling, general and administrative expenses		
Advertising expenses	13,216	13,294
Promotion expenses	22,939	22,873
Freight and packing costs	9,336	10,103
Salaries and allowances	26,649	27,331
Retirement benefit expenses	27	(56)
Legal welfare expenses	4,161	4,188
Depreciation	2,507	3,207
Other	20,037	20,901
Total selling, general and administrative expenses	98,875	101,844
Operating profit	13,748	11,319
Non-operating income		
Interest income	489	375
Dividend income	231	245
Subsidy income	81	232
Refunded consumption taxes	45	46
Gain on investments in investment partnerships	106	-
Foreign exchange gains	4,020	-
Miscellaneous income	193	214
Total non-operating income	5,169	1,114
Non-operating expenses		
Interest expenses	7	32
Provision of allowance for doubtful accounts	14	-
Loss on investments in investment partnerships	-	71
Foreign exchange losses	-	2,684
Miscellaneous loss	13	39
Total non-operating expenses	35	2,827
Ordinary profit	18,882	9,607
Extraordinary income		
Gain on sale of non-current assets	-	2,715
Gain on sale of investment securities	-	96
Total extraordinary income	-	2,811
Extraordinary losses		
Loss on disposal of non-current assets	43	254
Impairment loss	1	0
Loss on liquidation of business	153	-
Total extraordinary losses	198	254
Profit before income taxes	18,684	12,164
Income taxes-current	6,456	3,332
Income taxes-deferred	12	1,074
Total income taxes	6,469	4,406
Profit	12,214	7,757
Profit attributable to non-controlling interests	604	660
Profit attributable to owners of parent	11,610	7,096

**Consolidated Interim Statement of Comprehensive Income***Millions of yen*

	2Q 2024 (Jan. 1, 2024 – Jun. 30, 2024)	2Q 2025 (Jan. 1, 2025 – Jun. 30, 2025)
Profit	12,214	7,757
Other comprehensive income		
Valuation difference on available-for-sale securities	(138)	(797)
Foreign currency translation adjustment	5,924	(4,208)
Remeasurements of defined benefit plans, net of tax	(383)	(409)
Total other comprehensive income	5,402	(5,415)
Comprehensive income	17,617	2,341
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	16,937	1,785
Comprehensive income attributable to non-controlling interests	680	556

**(3) Consolidated Interim Statement of Cash Flows***Millions of yen*

	2Q 2024 (Jan. 1, 2024 – Jun. 30, 2024)	2Q 2025 (Jan. 1, 2025 – Jun. 30, 2025)
Cash flows from operating activities		
Profit before income taxes	18,684	12,164
Depreciation	4,435	5,242
Impairment loss	1	0
Amortization of goodwill	555	737
Loss on liquidation of business	153	-
Increase (decrease) in allowance for doubtful accounts	57	(23)
Decrease (increase) in retirement benefit asset	(198)	(288)
Loss (gain) on disposal of non-current assets	43	(2,461)
Interest and dividend income	(721)	(621)
Interest expenses	7	32
Foreign exchange losses (gains)	(1,332)	956
Loss (gain) on sale of investment securities	-	(96)
Loss (gain) on investment in partnerships	(106)	71
Decrease (increase) in trade receivables	511	3,574
Decrease (increase) in inventories	(8,623)	(5,373)
Increase (decrease) in trade payables	(189)	3,392
Increase (decrease) in refund liabilities	(231)	(1,281)
Decrease (increase) in other assets	635	413
Increase (decrease) in other liabilities	(8,105)	(11,308)
Subtotal	5,577	5,130
Interest and dividend income received	645	697
Interest expenses paid	(6)	(35)
Corporate income taxes paid	(2,858)	(6,139)
Net cash provided by (used in) operating activities	3,358	(347)
Cash flows from investing activities		
Payments into time deposits	(16,191)	(1,043)
Proceeds from withdrawal of time deposits	15,123	4,134
Purchase of property, plant and equipment	(4,692)	(12,947)
Proceeds from sales of property, plant and equipment	0	3,006
Purchase of intangible assets	(1,024)	(1,660)
Proceeds from sale of intangible assets	-	12
Purchase of investment securities	(890)	(3,645)
Proceeds from sales and redemption of investment securities	158	132
Proceeds from distributions from investment partnerships	64	-
Net decrease (increase) in short-term loans receivable	(8)	(3)
Proceeds from collection of long-term loans receivable	0	-
Decrease (increase) in other investments	(99)	(184)
Net cash provided by (used in) investing activities	(7,561)	(12,197)

*Millions of yen*

	2Q 2024	2Q 2025
	(Jan. 1, 2024 – Jun. 30, 2024)	(Jan. 1, 2025 – Jun. 30, 2025)
Cash flows from financing activities		
Net decrease (increase) in treasury shares	(1)	(0)
Cash dividends paid	(3,994)	(3,994)
Proceeds from share issuance to non-controlling shareholders	-	0
Cash dividends paid to non-controlling shareholders	(219)	(563)
Other, net	(73)	(129)
Net cash provided by (used in) financing activities	(4,289)	(4,686)
Effect of exchange rate change on cash and cash equivalents	2,120	(1,939)
Net increase (decrease) in cash and cash equivalents	(6,372)	(19,170)
Cash and cash equivalents at beginning of period	105,669	107,757
Cash and cash equivalents at end of period	99,297	88,586

**(4) Notes to Consolidated Interim Financial Statements****Going Concern Assumption**

Not applicable.

**Precaution Concerning Significant Changes in Shareholders' Equity**

Not applicable.

**Segment and Other Information****Segment Information**

I. 2Q 2024 (Jan. 1, 2024 – Jun. 30, 2024)

1. Information related to net sales and profit or loss for each reportable segment

*Millions of yen*

	Reportable segment			Other (Note 1)	Total	Adjustment (Note 2)	Amounts shown on consolidated interim statement of income (Note 3)
	Cosmetics	Cosmetaries	Subtotal				
Net sales							
(1) Sales to third parties	126,731	31,250	157,981	1,151	159,133	-	159,133
(2) Intragroup sales and transfers	-	-	-	254	254	(254)	-
Total sales	126,731	31,250	157,981	1,405	159,387	(254)	159,133
Segment profit	12,233	3,900	16,134	573	16,708	(2,960)	13,748

Notes: 1. The "other" segment consists of activities that are not included in any of the reportable segments: amenity products, etc.

2. Adjustments to segment profit are as follows.

*Millions of yen*

Eliminations for intersegment transactions	(68)
Corporate expenses that cannot be allocated to reportable segments	(2,892)

Corporate expenses consist primarily of expenses related to the administration division at KOSÉ and expenses for basic research that are not assigned to any particular reportable segment.

3. Segment profit is adjusted with operating profit shown on the consolidated interim statement of income.

2. Information related to impairment losses on non-current assets and goodwill, etc. for each reportable segment

No significant items in 2Q 2024.

3. Geographic sales information

*Millions of yen*

Japan	Asia	North America	Other	Total
101,156	23,313	30,484	4,177	159,133

## II. 2Q 2025 (Jan. 1, 2025 – Jun. 30, 2025)

## 1. Information related to net sales and profit or loss for each reportable segment

Millions of yen

	Reportable segment			Other (Note 1)	Total	Adjustment (Note 2)	Amounts shown on consolidated interim statement of income (Note 3)
	Cosmetics	Cosmetaries	Subtotal				
Net sales							
(1) Sales to third parties	127,915	31,257	159,172	1,351	160,524	-	160,524
(2) Intragroup sales and transfers	-	-	-	252	252	(252)	-
Total sales	127,915	31,257	159,172	1,603	160,776	(252)	160,524
Segment profit	9,786	3,769	13,555	722	14,278	(2,958)	11,319

Notes: 1. The “other” segment consists of activities that are not included in any of the reportable segments: amenity products, etc.

## 2. Adjustments to segment profit are as follows.

Millions of yen

Eliminations for intersegment transactions	54
Corporate expenses that cannot be allocated to reportable segments	(3,013)

Corporate expenses consist primarily of expenses related to the administration division at KOSÉ and expenses for basic research that are not assigned to any particular reportable segment.

## 3. Segment profit is adjusted with operating profit shown on the consolidated interim statement of income.

## 2. Information related to impairment losses on non-current assets and goodwill, etc. for each reportable segment

## Significant change in goodwill

In the cosmetics segment, a provisional accounting treatment was used in 2024 for the acquisition of PURI CO., LTD. on December 26, 2024. This treatment was finalized in the second quarter of 2025. Please refer to “Finalization of provisional accounting treatment of business combination” under “Notes (Business Combinations, etc)” for further information.

## 3. Geographic sales information

Millions of yen

Japan	Asia	North America	Other	Total
104,768	21,083	30,839	3,833	160,524

**Business Combinations**

## Finalization of provisional accounting treatment of business combination

In 2024, a provisional accounting treatment was used for the acquisition of PURI CO., LTD. on December 26, 2024. This treatment was finalized in the second quarter of 2025.

Due to the finalization of the provisional accounting treatment, comparative information included in the consolidated financial statements for the first half of 2025 reflects a significant revision of the initial acquisition cost allocation. As a result, provisional goodwill of 10,625 million yen decreased 6,537 million yen to 4,087 million yen due to the finalized accounting treatment. Consequently, there were increases of 10,229 million yen in other intangible assets, 2,026 million yen in deferred tax liabilities and 1,645 million yen in non-controlling interests, while a decrease of 19 million yen in deferred tax assets.

## Information Concerning Revenue Recognition

### Division of sales

The KOSÉ Group has two reportable segments: cosmetics business and cosmetaries business. These are business units where the Board of Directors performs periodic studies in order to determine the allocation of resources and evaluate performance. The revenue of these two businesses is presented as sales. In addition, geographic sales are divided according to the locations of customers. The relationship between these geographic divisions of revenue and segment sales is as follows.

2Q 2024 (Jan. 1, 2024 – Jun. 30, 2024)

Millions of yen

	Japan	Asia	North America	Others	Total
Cosmetics	69,741	22,348	30,484	4,157	126,731
Cosmetaries	30,265	963	-	20	31,250
Total	100,006	23,312	30,484	4,177	157,981
Others (Note)	1,046	1	-	-	1,047
Revenue from contracts with customers	101,053	23,313	30,484	4,177	159,029
Other revenue	103	-	-	-	103
Sales to third parties	101,156	23,313	30,484	4,177	159,133

Note: The “others” segment consists of activities that are not included in any of the reportable segments: amenity products, etc.

2Q 2025 (Jan. 1, 2025 – Jun. 30, 2025)

Millions of yen

	Japan	Asia	North America	Others	Total
Cosmetics	73,098	20,154	30,839	3,823	127,915
Cosmetaries	30,318	928	-	9	31,257
Total	103,417	21,083	30,839	3,833	159,172
Others (Note)	1,245	0	-	-	1,245
Revenue from contracts with customers	104,662	21,083	30,839	3,833	160,418
Other revenue	106	-	-	-	106
Sales to third parties	104,768	21,083	30,839	3,833	160,524

Note: The “others” segment consists of activities that are not included in any of the reportable segments: amenity products, etc.

*Note: This is a translation of Japanese Kessan Tanshin (including attachments), a summary of financial statements prepared in accordance with accounting principles generally accepted in Japan. This translation is prepared and provided for the purpose of the reader's convenience. All readers are recommended to refer to the original version in Japanese of the report for complete information.*