

---

# Results of Operations

## Six Months Ended June 30, 2025

---



KOSÉ Corporation

August 7, 2025

## **1. First Half (1H) 2025 Results of Operations**

**Keita Matsunami, Executive Officer & CFO**

## **2. Second half (2H) 2025 Initiatives**

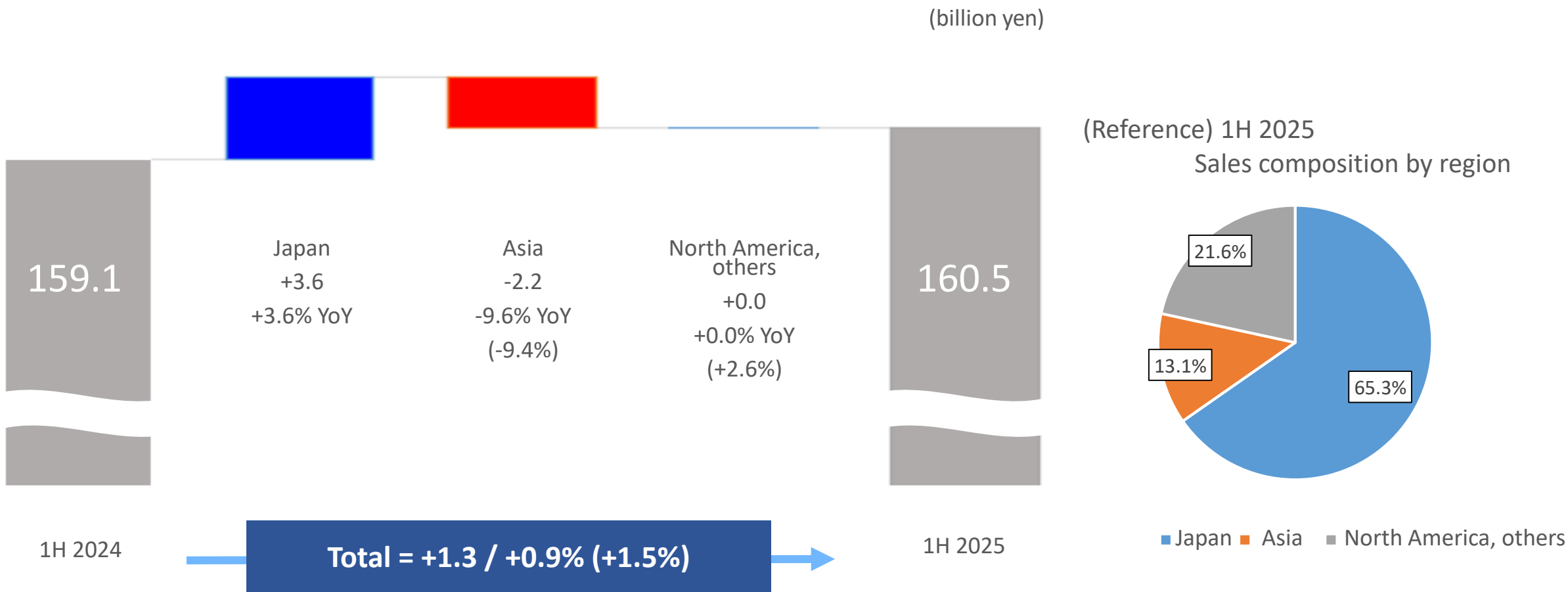
**Kazutoshi Kobayashi, President & CEO**

## **3. Supplementary Information**

- **Net sales**      ¥160.5 billion: Up¥1.3 billion (+0.9%) YoY (+1.5% excluding forex)  
Although sales decreased in Greater China, overall sales increased slightly due to strong growth in sales of DECORTÉ and major brands of ALBION in Japan.
- **Operating profit**    ¥11.3 billion: Down ¥2.4 billion (-17.7%) YoY  
Earnings declined due to an increase in SG&A expenses.
- **Profit attributable to owners of parent**  
¥7.0 billion: Down ¥4.5 billion (-38.9%) YoY  
A higher foreign exchange loss due to the yen appreciation was partially offset by gain on sale of fixed assets.

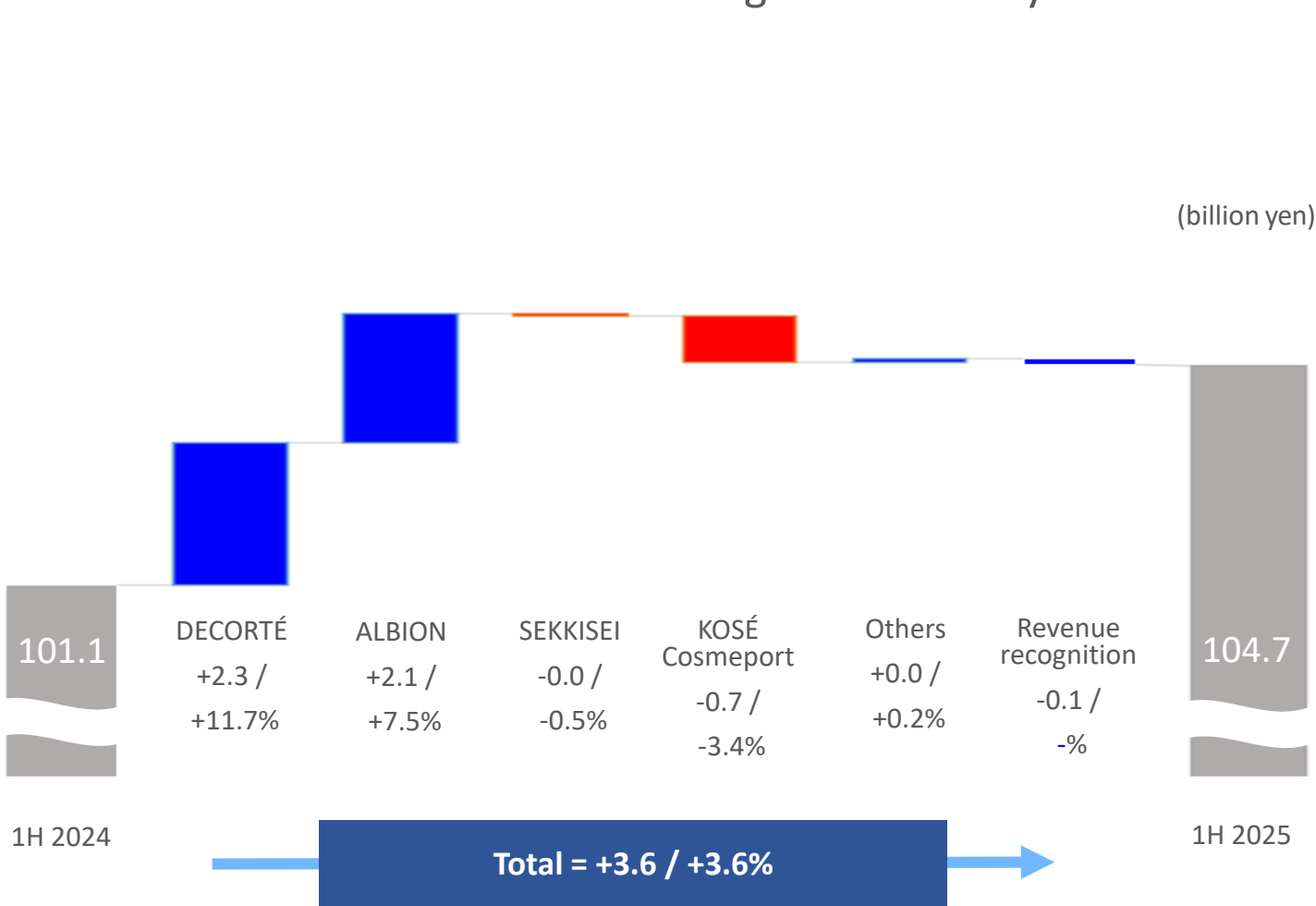
(billion yen)	1H						
	2024		2025		Change (amount)	Change (ratio)	Change (ratio) excluding the effect of foreign exchange rate changes
	Amount	Ratio to net sales	Amount	Ratio to net sales			
Net sales	159.1	100.0%	160.5	100.0%	+1.3	+0.9%	+1.5%
Operating profit	13.7	8.6%	11.3	7.1%	-2.4	-17.7%	
Ordinary profit	18.8	11.9%	9.6	6.0%	-9.2	-49.1%	
Profit attributable to owners of parent	11.6	7.3%	7.0	4.4%	-4.5	-38.9%	
Net income per share	203.47 yen		124.36 yen		-79.12 yen		

➤ Total sales increased as growth in Japan more than offset a decline in Asia.



\* Percentages in parentheses exclude changes in foreign exchange rates.

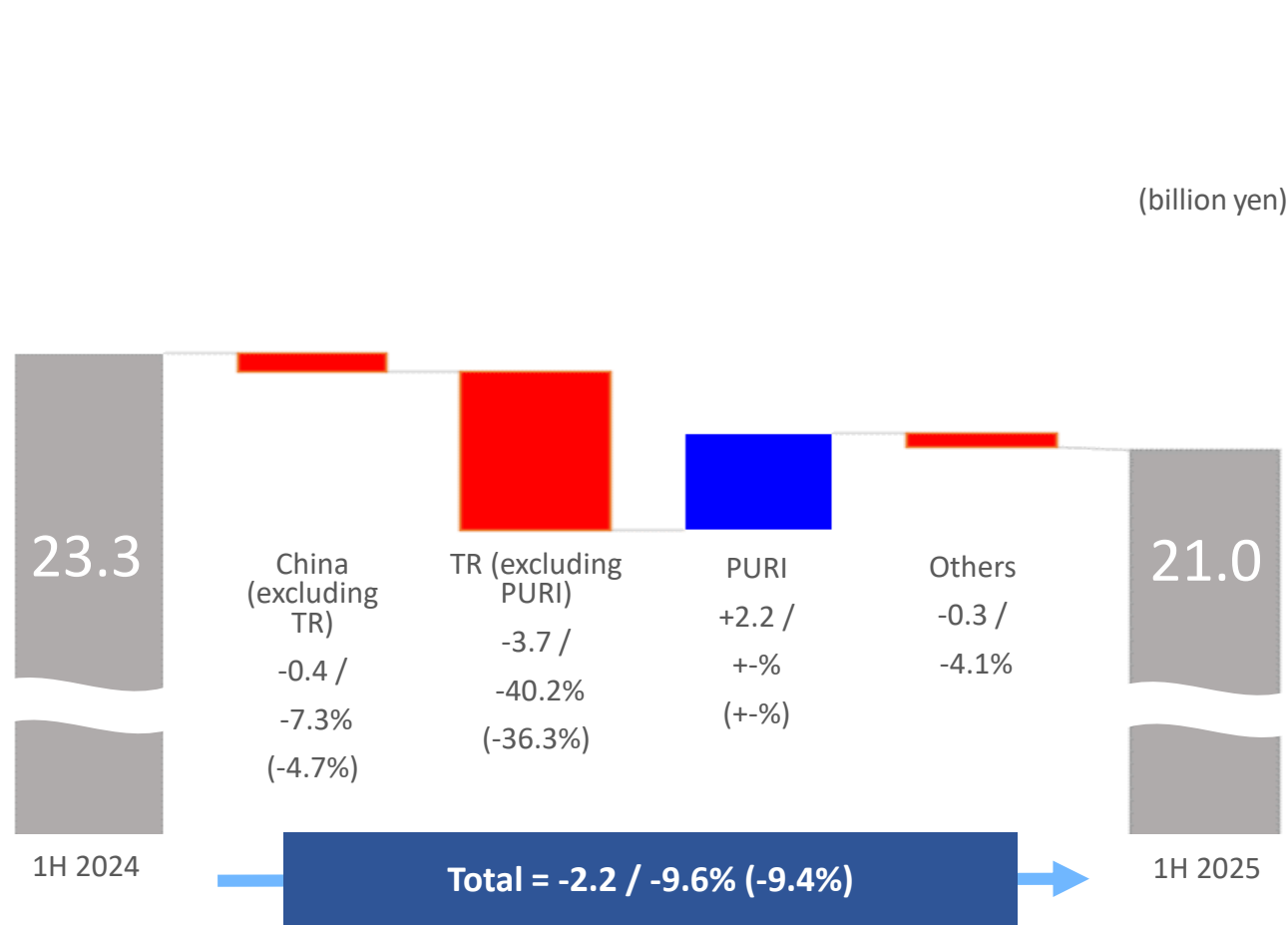
➤ Sales growth was due to significant increases in DECORTÉ sales and sales of the major brands of ALBION. Cosmetaries sales were unchanged from one year earlier.



KOSÉ	
DECORTÉ	<ul style="list-style-type: none"><li>Sales were higher because of the rush to buy products before the June 1 price revisions and the success of AQ Deep Pore Cleanser, which was launched on May 16.</li><li>Successful development of existing products.</li></ul>
ALBION	<ul style="list-style-type: none"><li>ALBION products contributed to sales growth.</li><li>Prices of some Elégance products were revised in April. First half sales increased, the result of strong 1Q sales as customers rushed to buy before price revisions and weaker 2Q sales following the 1Q upturn.</li></ul>
SEKKISEI	<ul style="list-style-type: none"><li>Sales in 1H 2024 were high because of an increase in shipments of new lotion and emulsions. However, first half sales were basically unchanged because of strong sales of some new products.</li></ul>
KOSÉ Cosmeport	<ul style="list-style-type: none"><li>Sales of major brands in 1H 2024 were high due to the launch of many new versions of products. In addition, intense competition in the sheet mask category impacted CLEAR TURN sales. The result was a decrease in KOSÉ Cosmeport’s sales.</li></ul>

\*The Accounting Standard for Revenue Recognition is not applied for each brand.

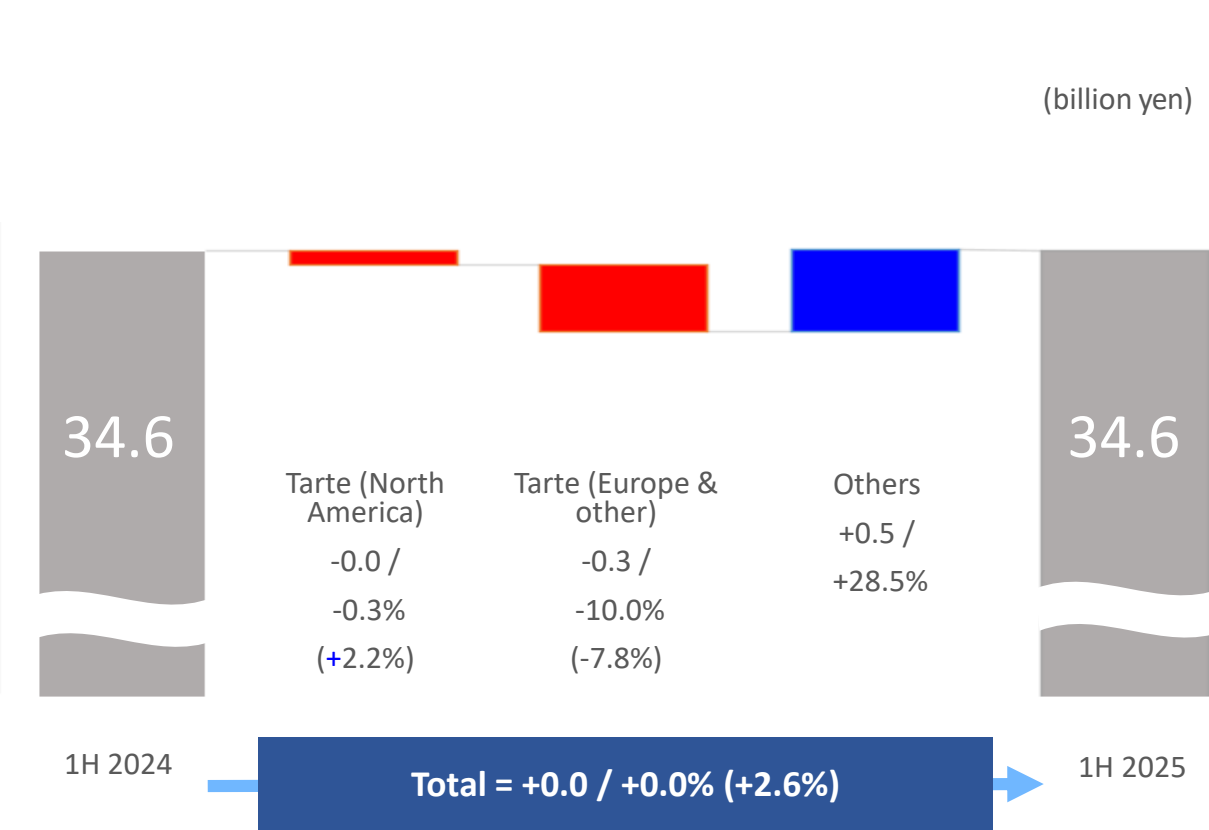
➤ Although sales include those of newly consolidated PURI CO., LTD., total sales in Asia were down because of lower mainland China and duty-free store sales.



\* Percentages in parentheses exclude changes in foreign exchange rates.

KOSÉ	
China (excluding TR)	<ul style="list-style-type: none"><li>Despite lower sales from one year earlier, sales progressed as originally planned.</li><li>A decline in the number of stores due to structural reforms and a reexamination of sales strategies for major EC events in March and June to avoid excessive competition were the main reasons for the lower sales.</li></ul>
TR (excluding PURI)	<ul style="list-style-type: none"><li>Sales were down from the high level of sales one year earlier in China and South Korea when shipments increased in the 2Q due to the outlook for a rapid recovery of the Chinese market in 2H 2024.</li><li>Duty-free store sales in Hong Kong and Macau declined because of voluntary shipment controls for the purpose of reducing bulk sales by duty-free store retailers to resellers.</li></ul>
PURI	<ul style="list-style-type: none"><li>Newly consolidated PURI made its contribution to sales starting in 2025.</li><li>Duty-free stores and directly operated stores in Thailand account for most of PURI’s sales.</li></ul>

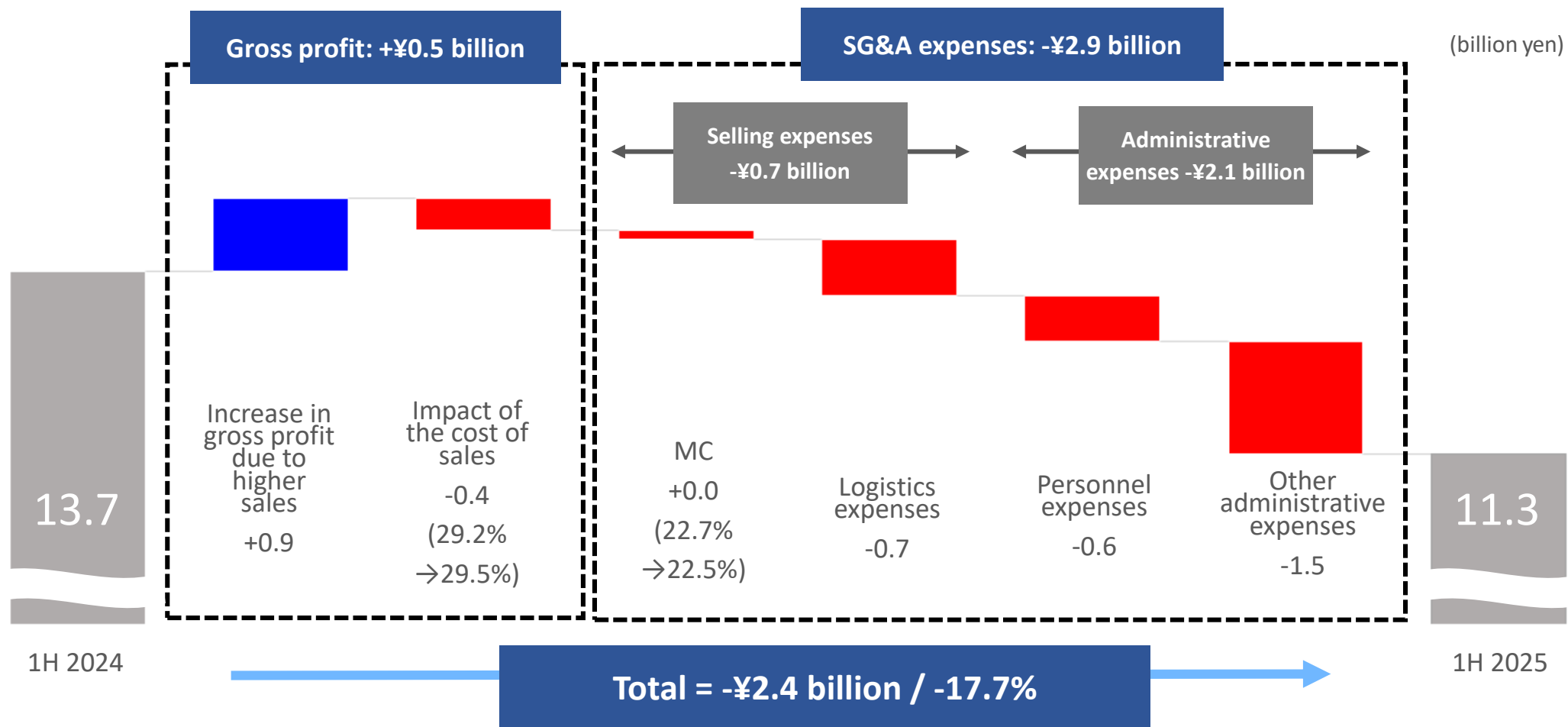
- Tarte sales were nearly unchanged from one year earlier on a local currency basis but decreased after conversions to yen because of the yen appreciation.
- In Others, sales increased mainly because of more shipments of SEKKISEI products to a major retailer.



KOSÉ	
Tarte (North America)	<div>■ Uncertainty about the economic outlook held down sales.</div> <div>■ Offline channel sales were down from one year earlier. 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 increased on a local currency basis.)</div>
Tarte (Europe & other)	<div>■ First half sales decreased but signs of a recovery began to emerge in May.</div> <div>■ Strong sales of mascara products but lower sales in other categories. (Local currency sales were also lower.)</div>

\* Percentages in parentheses exclude changes in foreign exchange rates.

- Operating profit decreased due to an increase in SG&A expenses.
- Goodwill amortization and other expenses of newly consolidated PURI CO., LTD. and higher logistics expenses at Tarte were the main reasons for the increase in SG&A expenses.





# Sales and Operating Profit by Segment

- In the cosmetics 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.
- The profitability in the cosmetaries segment declined slightly but remained high.

## Net sales

Operating segment	1H					
	2024		2025		Change (billion yen)	Change (ratio)
	Amount (billion yen)	Ratio to net sales	Amount (billion yen)	Ratio to net sales		
Cosmetics	126.7	79.6%	127.9	79.7%	+1.1	+0.9%
Cosmetaries	31.2	19.6%	31.2	19.5%	+0.0	+0.0%
Others	1.1	0.7%	1.3	0.8%	+0.2	+17.4%
Total	159.1	100.0%	160.5	100.0%	+1.3	+0.9%

## Operating profit

Operating segment	1H					
	2024		2025		Change (billion yen)	Change (ratio)
	Amount (billion yen)	Operating margin	Amount (billion yen)	Operating margin		
Cosmetics	12.2	9.7%	9.7	7.7%	-2.4	-20.0%
Cosmetaries	3.9	12.5%	3.7	12.1%	-0.1	-3.4%
Others	0.5	40.8%	0.7	45.1%	+0.1	+26.0%
Adjustment	-2.9	-	-2.9	-	+0.0	-
Total	13.7	8.6%	11.3	7.1%	-2.4	-17.7%

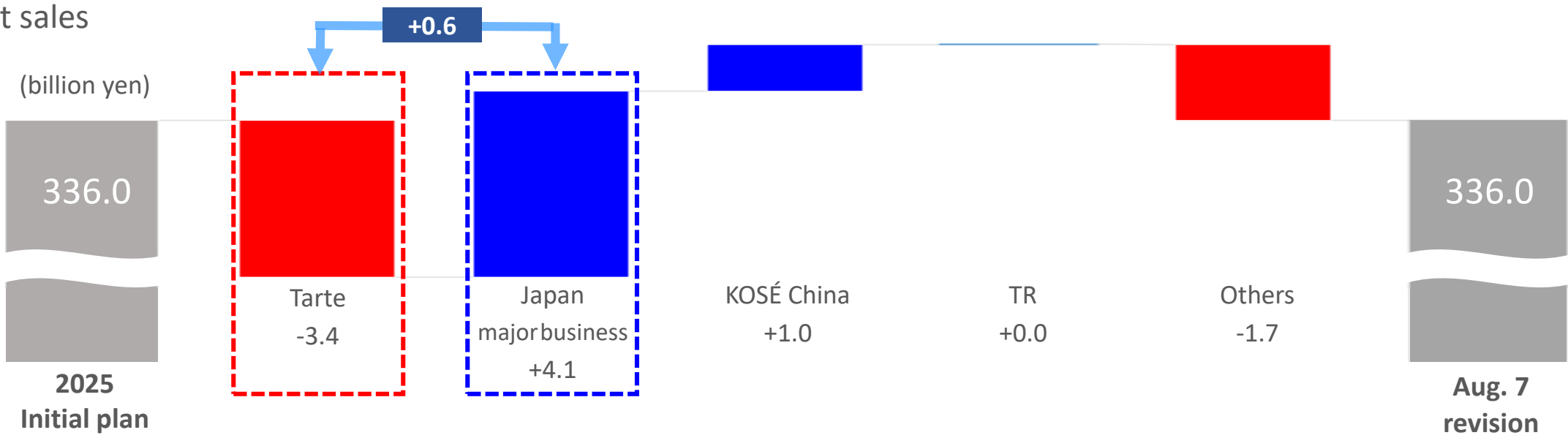
- There is currently no revision to 2025 outlook announced on February 12, 2025.
- Reviewed the breakdown by region considering the first-half results. Strong Sales in Japan is offsetting the shortfall in Tarte's performance in North America, Europe, others.

(billion yen)	2024 results		2025 plan		YoY change (amount)	YoY change (ratio) Initial plan	YoY change (ratio) August 7 revision		
	Amount	Ratio to net sales	Amount	Ratio to net sales					
Net sales	322.7	100.0%	336.0	100.0%	+13.2	+4.1%	No change		
Japan	211.3	65.5%	—	—	—	+ mid single-digit %	No change		
Asia	40.6	12.6%	—	—	—	- high single-digit %	Flat		
North America, Europe, others	70.7	21.9%	—	—	—	+ mid single-digit %	Flat		
Operating profit	17.3	5.4%	20.0	6.0%	+2.6	+15.2%	No change		
Ordinary profit	21.6	6.7%	20.7	6.2%	-0.9	-4.4%			
Profit attributable to owners of parent	7.5	2.3%	13.8	4.1%	+6.2	+83.7%			
Net income per share	131.62 yen		241.83 yen			Foreign exchange rate			
ROA	4.9%					Currency	2024 results	2025 initial estimate	2025 estimate Aug. 7 revision
ROE	2.8%								
ROIC	2.6%								
Capital expenditures	21.4		25.5						
Depreciation	9.7		10.2						
						US dollar/yen	151.5	150.0	146.7
					Chinese yuan/yen	21.0	19.7	20.3	

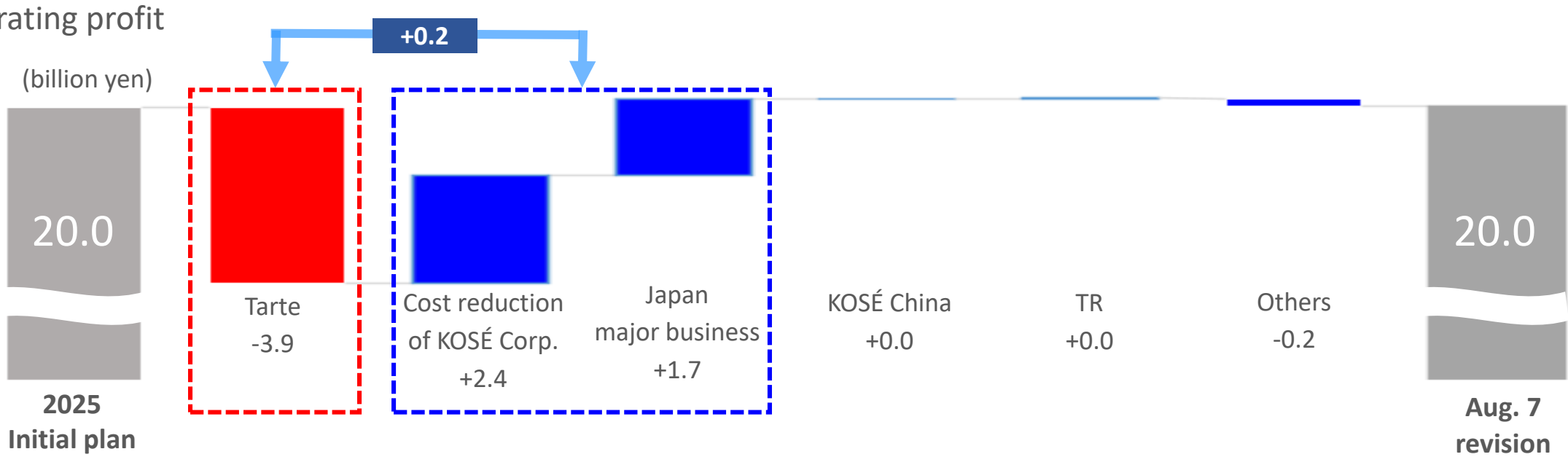
\*See page 13 for sales growth rate by business segment.

# FY2025 Plan Changes as of August 7 (vs. Initial Plan)

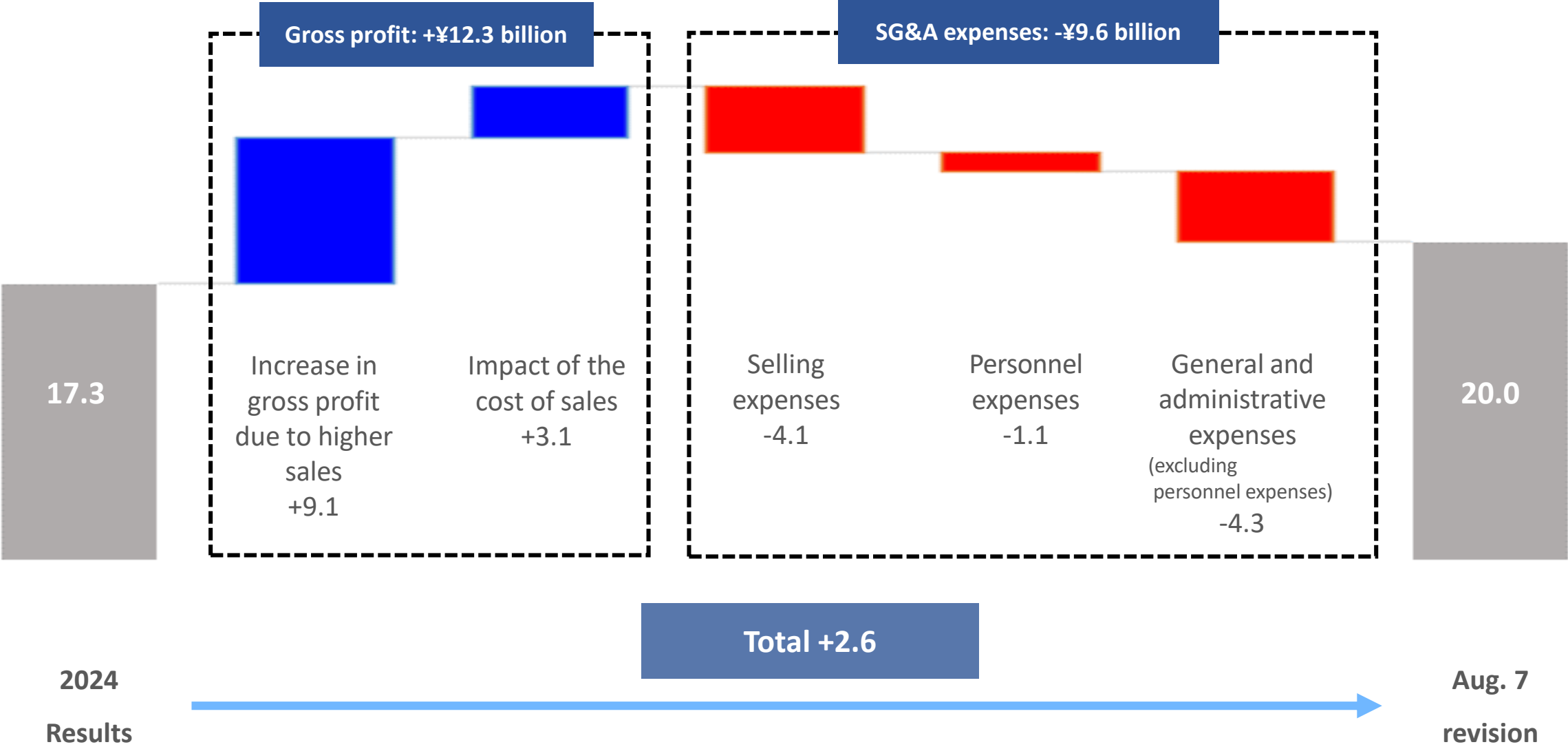
## ■ Net sales



## ■ Operating profit



(billion yen)



# Sales Growth Rate by Business Segment

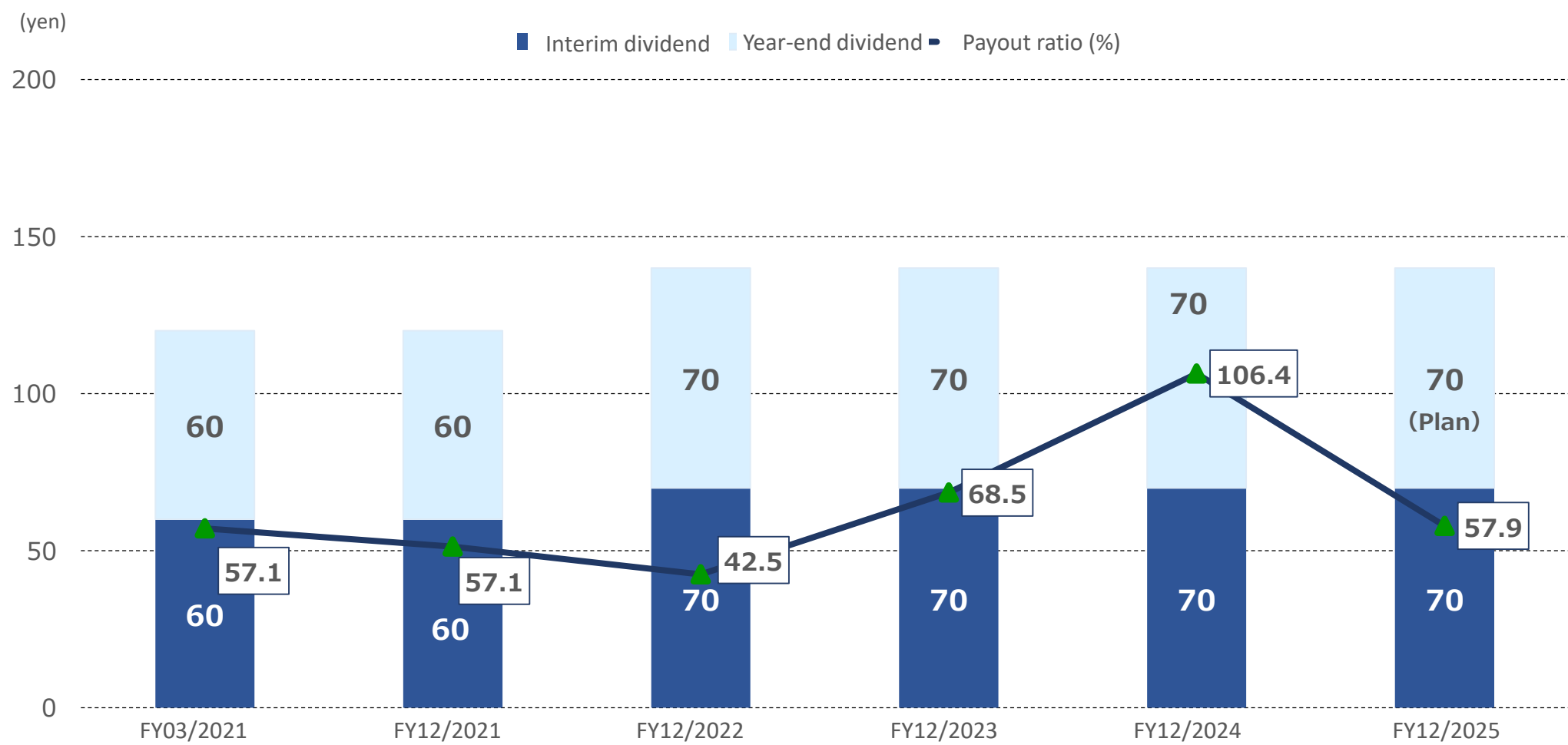
YoY changes in sales, %		FY2024					FY2025			FY2025 Outlook →Aug. 7 revision	
		1Q	2Q	3Q	4Q	Total	1Q	2Q	1H		
Consolidated sales*note 1		+13.8%	+7.1%	+6.6%	+3.2%	+7.4%	+1.8%	+0.0%	+0.9%	+4.1% → No change	
【Segment】											
Cosmetics*note1		+11.2%	+5.6%	+5.7%	+2.9%	+6.2%	+2.2%	-0.3%	+0.9%	+3.9% → + mid single-digit %	
High prestige		+6.4%	+3.7%	+6.2%	+4.2%	+5.1%	+5.0%	-0.9%	+1.9%	+ mid single-digit % → No change	
DECORTÉ		-14.1%	-17.5%	-5.9%	+7.5%	-8.3%	-2.8%	-0.4%	-1.5%	- mid single-digit % → + low single-digit %	
Prestige		+14.0%	+10.7%	+9.3%	-2.4%	+7.5%	-5.6%	+11.2%	+2.3%	- low single-digit % → + low single-digit %	
SEKKISEI		+28.2%	+21.1%	-2.4%	+10.6%	+13.6%	-10.7%	+11.4%	+0.5%	- low single-digit % → + low double-digit %	
Cosmetaries*note 1		+25.9%	+13.5%	+9.3%	+3.4%	+12.3%	+0.0%	+0.0%	+0.0%	+5.1% → Flat	
【 Major Group Companies】											
JPY	ALBION	+12.7%	+14.3%	+11.1%	+5.9%	+10.8%	+24.4%	-7.0%	+7.0%	+ low single-digit % → + mid single-digit %	
	KOSÉ Cosmeport	+21.2%	+16.8%	+10.6%	+0.7%	+12.0%	-1.0%	-4.9%	-3.1%	+ mid single-digit % → No change	
	KOSÉ China*note 1, 2	-28.2%	-37.4%	-34.4%	-31.1%	-33.4%	-3.4%	-9.6%	-7.3%	--	
	KOSÉ China TR	-71.4%	-20.1%	-54.4%	+0.7%	-43.2%	+4.6%	-47.4%	-33.1%	--	
	KOSÉ Korea*note 1	+43.7%	-27.8%	-56.7%	--	-38.5%	-62.1%	-60.5%	-61.3%	--	
	Tarte*note 1	+30.0%	+37.5%	+19.1%	+0.1%	+19.5%	-4.8%	+3.1%	-1.1%	+ low single-digit % → Slight decrease	
Local currency	KOSÉ China*note 1, 2	-32.7%	-42.6%	-35.8%	-33.6%	-37.2%	-4.8%	-4.6%	-4.7%	--	
	KOSÉ China TR	-73.3%	-29.5%	-58.9%	+5.5%	-47.7%	-5.9%	-46.7%	-35.5%	--	
	KOSÉ Korea*note 1	+33.7%	-33.6%	-55.9%	--	-40.5%	-59.8%	-56.6%	-58.2%	--	
	Tarte*note 1	+15.8%	+21.1%	+14.7%	-3.8%	+10.9%	-7.3%	+11.2%	+1.3%	+ mid single-digit % → Slight increase	

Note 1: Figures are after applying the Accounting Standard for Revenue Recognition. All other figures are before applying the standard.

Note 2: KOSÉ China sales includes online and offline operations and does not include travel retail.

➤ Dividend for 2025: The first half dividend is ¥70 and the dividend for full year is expected to be ¥140 per share.

No change in the initial plan for 2025.



## **1. First Half (1H) 2025 Results of Operations**

**Keita Matsunami, Executive Officer & CFO**

## **2. Second half (2H) 2025 Initiatives**

**Kazutoshi Kobayashi, President & CEO**

## **3. Supplementary Information**

- ◆ In an uncertain market environment, focus on improving sell-through to maintain a strong brand presence.
- ◆ Profitability is expected to decline in 2025 due to increased SG&A expenses, but a recovery is targeted from 2026 onward.

## Evaluation of 1H 2025 Results

- ✓ Consumer spending weakened due to natural disasters and economic uncertainty arising from new tariffs of the Trump administration.
- ✓ The makeup market is still challenging as the growth rate of this market declines.

## Initiatives for 2H 2025

### Focus on maintaining a strong brand presence, even amid a low-growth market and intensifying competition

- ✓ Continue effective marketing investments in core products to support the recovery of store sell-through.
- ✓ Maintain strategic focus on selection and concentration across channels and categories.



Collaboration with Dunkin'



Collaboration with trüfrü

## Specific Measures

### Increase sales in growth channels

- ✓ EC channels: Leveraged each platform's unique characteristics to drive sales.
  - Major e-commerce platform: Expanded into a major platform with a broad market reach. Actions to reduce resales of Tarte products and adapt to changes in purchasing behavior.
  - Social commerce: Promote brand buzz by leveraging a social media platform.
- ✓ Europe: Launched shape tape concealer in a stick-type format to target sales growth in the rebounding cosmetics market.

### Selection and concentration on competitive product categories

- ✓ Concealer and mascara: Strengthen high-loyalty categories
  - Achieved the No.1 NPD ranking in mascara, following concealer.
  - Nurture product categories with strong growth potential.



Left: tartelette™ tubing mascara  
Right: CC undereye corrector

- ✓ Lip: Acquire new customers through buzz creation.
  - Launched a joint promotional campaign with Dunkin' and trüfrü.



- ◆ Planning to include an additional ¥2.4 billion in planned cost reductions on top of the initial plan's reductions. Based on the 2025 cost reductions, we aim to use marketing expenses more efficiently and thoroughly examine fixed costs. The goal is a consistent improvement in profit margins.

(billion yen)	Total amount	Included in initial plan	Not included in initial plan	Remarks
Marketing expenses	2.4	0.0	2.4	✓ Lower advertising/marketing, production and other expenses. <u>Hold marketing expenses to the same pct. of sales as in 2024.</u>
Freightage and packing expenses	0.6	0.6	0.0	✓ Careful examination of transportation expenses and more efficient logistics
Administrative expenses	1.8	1.8	0.0	✓ Careful examination of administrative expenses, including training, outsourcing and other categories
Total	4.8	2.4	2.4	

- ◆ As a key region for global operations, aiming for continued expansion of sales and profit in Japan. Those profits will be invested into the next growth markets.

Initiatives in 2025

Continue to attract new customers by expanding sales of AQ and LIPOSOME products and adding new products

Key products: AQ and LIPOSOME series



- AQ: Target the growing premium market sector.
- LIPOSOME: As a symbolic item of the brand, expand customer segments and promote continued use by customers.

Initiatives in 2H 2025



- Left: YOUTH POWER ESSENCE LOTION will be released on September 16. This highly functional aging care lotion features KUROKOJI®, a black koji fermentation fungus (Aspergillus) known for its skin moisturizing and moisture-retention properties, along with liposomes. The goal is to acquire new customer segments by appealing these ingredients.
- Right: Planning on adding new products from a broad range of categories, which is the strength of DECORTÉ. The goal is to maintain sales growth by creating customer demand.

- ◆ **Stores:** Focus on promoting customer development primarily in stores. Use ALBION's appeal as a high prestige brand to increase customer loyalty and raise sales of individual stores. The goal is even higher profitability.
- ◆ **E-commerce:** Plan to launch in 2026. Amplify brand communication and strengthen store traffic through expanded customer touchpoints.

## Initiatives in 2025

Strengthen counseling at stores and prepare for the start of e-commerce operations to maximize the value provided to customers at stores



### A new beauty care experience at stores and promotion of beauty care activities

Started placing PYR-KNIGHT beauty care devices in stores in March followed by starting sales of products exclusively for beauty care activities. Planning on installing a new skin analysis unit too.

## Initiatives in 2H 2025



**Left:** Start sales of new versions of the Lively Line of FLARUNÉ moisture retention skin care products on August 17. For the launch, a multi-channel media advertising campaign focused on the emulsion will be conducted.



**Right:** Start sales of the updated Elégance MODELING COLOR UP BASE on September 18. Aim for sales growth by capturing inbound demand from foreign tourists in Japan.

Plan to start using large advertisements in September to raise ALBION brand awareness.

- ◆ Continue the category leadership strategy.  
Aim for full-year sales growth through aggressive product launches and marketing activities.

■ KOSÉ Cosmeport

Initiatives in 2025

Expand growing categories (skin care and hair care) and become more competitive in key categories (cleansing, sheet masks and sunscreen)



New line of Je l'aime products  
Layered shampoo/treatment,  
damage repair type/curl and wave hair correction type



CLEAR TURN  
Gomenne Suhada  
Itsunomani Mask

Initiatives in 2H 2025

- ✓ Hair care: Start sales of a new line of Je l'aime products on August 21.
- ✓ Skin care: To retain aging care category leadership, release a new Night Repair Cream from the GRACE ONE brand on August 21.
- ✓ Cleansing: Launch new and limited-time-only products to stimulate demand and increase market share
- ✓ Sheet masks: Boost demand creation for the core products such as Illustrator series. Increase production capacity to meet expected growth in demand.

■ KOSÉ's self-service brands

Initiatives in 2025

Use items with specialized functional value as hooks to increase customer points of contact.



Visée  
ESSENCE PLUMP BALM



MAKE KEEP Series

Initiatives in 2H 2025

- Visée
  - ✓ Start sales of ESSENCE PLUMP BALM on August 21. Aiming to develop a series of products with the popular ESSENCE LIP PLUMPER with the goal of capturing a larger share of the growing lip product category.
- MAKE KEEP
  - ✓ The goal is more customer points of contact and sales growth by strengthening the product lineup incl. OIL BLOCK PAPER POWDER.

- ◆ Raising prices for products of major brands in Japan due to the higher cost of ingredients. The goal is higher profit margins while maintaining the proper balance between the value of products and the needs of customers.

## First half price revisions



ALBION  
Elégance  
(April 1)

DECORTÉ  
(June 1)

## Effect on the 2025 Performance

- ✓ The initial 2025 plan included these price revisions.
- ✓ Impact on first-half sales was positive, despite the rush to buy products before the price revisions and the subsequent drop in sales.

## Price revisions planned for October 1



INFINITY

SEKKISEI

ONE BY KOSÉ

MAKE KEEP

Carté HD

## Effect on the 2025 Performance

- ✓ These price revisions were not included in the initial 2025 plan. The positive effect on 2025 sales and earnings will be small because the increases are late in the year.
- ✓ These price revisions are expected to improve the gross profit margin beginning in 2026 due to higher sales.

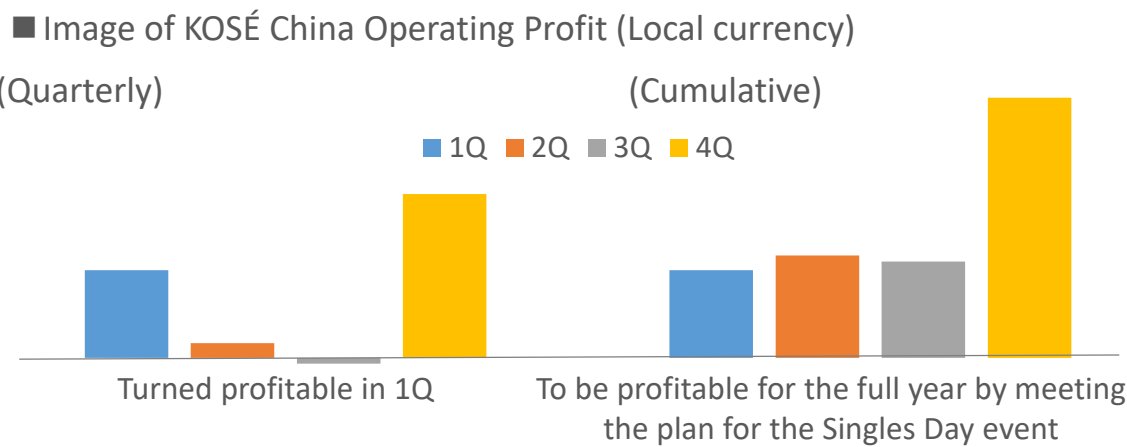


- ◆ **Greater China:** Firm commitment to returning to profitability in China in 2025. First half performance was good, and the initial plan is expected to be achieved.
- ◆ **Global South:** For more growth, PAÑPURI is strengthening store sales in Thailand and speeding up the overseas business development.

■ **KOSÉ China**

Initiatives in 2025

The goal is to improve profitability through strategic activities to continuously control sales via unauthorized channels following the structural reforms



Initiatives in 2H 2025

- ✓ Although the number of stores selling DECORTÉ products has decreased due to structural reforms, the remaining stores are strengthening their sales activities.
- ✓ Continue promoting sales of LIPOSOME and AQ products, resulting in a slow increase in the percentage of high-end DECORTÉ products sold at department stores.
- ✓ For SEKKISEI, cultivate cosmetics specialty stores and e-commerce channels at inland regional cities of China.
- ✓ The goal is profitability for 2025.

■ **Global South**

Initiatives in 2025

Use M&A/alliances for asset utilization that upgrades capabilities



The remodeled Bangkok EmQuartier store opened in May

Initiatives in 2H 2025

- **PAÑPURI**
- ✓ The number of Chinese tourists in Thailand has dropped due to concerns over personal safety. To enhance sales efforts in Thailand, leverage CRM and target tourists from countries other than China. The goal for 2025 is to grow both sales and profits.
- ✓ Planning on rapid overseas development, including in Japan and other Asian countries.



**KOSÉ**

*Your Lifelong Beauty Partner*

誰とも比べることができない、自分だけの輝き。  
世界中の一人ひとりが、その価値に気づき  
どんな瞬間も、あなたらしく自由に輝けるように。  
ともに個性を引き出し、幸せで満たしたい。

コーセーは、美を通じて人と地球に寄り添い  
かけがえない生涯を  
いつまでも明るく彩っていきます。

美しい知恵 人へ、地球へ。

## **1. First Half (1H) 2025 Results of Operations**

**Keita Matsunami, Executive Officer & CFO**

## **2. Second half (2H) 2025 Initiatives**

**Kazutoshi Kobayashi, President & CEO**

## **3. Supplementary Information**



	1H						
	2024		2025		Change (billion yen)	Change (ratio)	Change (ratio) excluding the effect of foreign exchange rate changes
	Amount (billion yen)	Ratio to net sales	Amount (billion yen)	Ratio to net sales			
Net sales	159.1	100.0%	160.5	100.0%	+1.3	+0.9%	+1.5%
Cost of sales	46.5	29.2%	47.3	29.5%	+0.8	+1.8%	
Gross profit	112.6	70.8%	113.1	70.5%	+0.5	+0.5%	
SG&A expenses	98.8	62.1%	101.8	63.4%	+2.9	+3.0%	
Operating profit	13.7	8.6%	11.3	7.1%	-2.4	-17.7%	
Ordinary profit	18.8	11.9%	9.6	6.0%	-9.2	-49.1%	
Profit before income taxes	18.6	11.7%	12.1	7.6%	-6.5	-34.9%	
Profit attributable to owners of parent	11.6	7.3%	7.0	4.4%	-4.5	-38.9%	
Net income per share	203.47 yen		124.36 yen		-79.12 yen		
Capital expenditures	5.6		13.4				
Depreciation	4.4		5.2				

1H									
				2024		2025		Change (billion yen)	Change (ratio)
				Amount (billion yen)	Ratio to net sales	Amount (billion yen)	Ratio to net sales		
Cost of sales				46.5	29.2%	47.3	29.5%	+0.8	+1.8%
SG&A expenses				98.8	62.1%	101.8	63.4%	+2.9	+3.0%
	Selling expenses		Sales promotion	22.9	14.4%	22.8	14.2%	-0.0	-0.3%
			Advertising	13.2	8.3%	13.2	8.3%	+0.0	+0.6%
		Marketing cost		36.1	22.7%	36.1	22.5%	+0.0	+0.0%
		Freightage and packing		9.3	5.9%	10.1	6.3%	+0.7	+8.2%
	Subtotal			45.4	28.6%	46.2	28.8%	+0.7	+1.7%
	General and administrative expenses	Personnel		30.8	19.4%	31.4	19.6%	+0.6	+2.0%
		R&D		3.2	2.0%	3.3	2.1%	+0.0	+2.9%
		Depreciation		2.5	1.6%	3.2	2.0%	+0.6	+27.9%
		Others		16.7	10.5%	17.5	10.9%	+0.7	+4.6%
	Subtotal			53.3	33.5%	55.5	34.6%	+2.1	+4.1%

1Q-4Q											
(billion yen / %)		2024					2025				
		1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Japan	Sales	48.8	52.3	54.3	55.9	211.3	51.7	53.0			
	YoY change	+18.2%	+13.2%	+7.9%	+7.7%	+11.4%	+6.0%	+1.3%			
	Ratio to net sales	62.9%	64.2%	68.3%	66.5%	65.5%	65.5%	65.0%			
Asia	Sales	9.6	13.6	6.7	10.6	40.6	9.7	11.3			
	YoY change	-23.7%	-29.2%	-24.5%	-11.3%	-23.0%	+1.2%	-17.2%			
	Ratio to net sales	12.4%	16.8%	8.4%	12.6%	12.6%	12.4%	13.9%			
North America, others	Sales	19.0	15.5	18.5	17.5	70.7	17.4	17.2			
	YoY change	+34.6%	+46.3%	+20.2%	-0.3%	+22.3%	-8.6%	+10.6%			
	Ratio to net sales	24.6%	19.1%	23.3%	20.9%	21.9%	22.1%	22.1%			
Total	Sales	77.5	81.5	79.5	84.0	322.7	78.9	81.5			
	YoY change	+13.8%	+7.1%	+6.6%	+3.2%	+7.4%	+1.8%	+0.0%			
	Ratio to net sales	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%			

# Global Sales of Major Group Companies and Major Brands —Quarterly



Major group companies (billion yen)	ALBION						KOSÉ Cosmeport						Tarte					
	2024		2025		YoY change (ratio)		2024		2025		YoY change (ratio)		2024		2025		YoY change (ratio)	
	Japan	Asia/ others	Japan	Asia/ others	Japan	Asia/ others	Japan	Asia/ others	Japan	Asia/ others	Japan	Asia/ others	North America	Europe/ others	North America	Europe/ others	North America	Europe/ others
1Q	11.7	1.0	14.7	1.0	+26.1%	+1.9%	8.8	0.2	9.0	0.2	+2.3%	-6.8%	15.5	2.6	14.6	2.6	-5.6%	-0.2%
2Q	14.3	1.3	13.1	1.4	-8.2%	+1.7%	10.6	0.1	10.2	0.1	-3.3%	+36.9%	13.3	2.5	14.1	2.2	+5.9%	-11.6%
3Q	14.3	1.1					11.3	0.1					15.3	2.7				
4Q	14.7	1.4					8.4	0.0					15.0	2.9				
Subtotal	55.2	4.9					39.2	0.5					59.3	10.8				
Total sales	60.1						39.7						70.2					
OP (ratio)	7.2 (12.0%)						4.5 (11.5%)						7.7 (11.0%)					

\* The Accounting Standard for Revenue Recognition is applied for major group companies.

Major brands (billion yen)	DECORTÉ						SEKKISEI					
	2024		2025		YoY change (ratio)		2024		2025		YoY change (ratio)	
	Japan	Asia/ others	Japan	Asia/ others	Japan	Asia/ others	Japan	Asia/ others	Japan	Asia/ others	Japan	Asia/ others
1Q	10.0	6.5	10.1	5.9	+1.2%	-9.0%	2.4	1.7	2.6	1.1	+7.6%	-36.2%
2Q	10.0	10.1	12.2	7.8	+22.2%	-22.7%	3.0	1.2	2.8	1.9	-7.0%	+56.1%
3Q	9.7	4.0					2.3	1.5				
4Q	13.2	7.2					3.1	1.0				
Subtotal	43.0	27.9					10.9	5.5				
Total sales	71.0						16.5					

\* The Accounting Standard for Revenue Recognition is not applied for major brands.

E-commerce/Travel Retail Sales (by region) —Quarterly



EC (billion yen)	Total		YoY change
	2024	2025	
Total	51.2		
1Q	10.5	12.9	+22.0%
2Q	14.1	15.3	+8.3%
3Q	9.5		
4Q	17.0		

Japan			China			Other Asian countries			North America, others		
2024	2025	YoY change	2024	2025	YoY change	2024	2025	YoY change	2024	2025	YoY change
18.2			10.4			1.0			21.4		
3.7	4.7	+27.3%	2.2	1.8	-16.9%	0.2	0.3	+41.2%	4.3	5.9	+36.9%
4.5	4.6	+1.7%	3.7	3.1	-16.0%	0.2	0.4	+67.6%	5.6	7.1	+27.1%
4.4			1.3			0.2			3.5		
5.4			3.1			0.3			7.9		

TR (billion yen)	Total		YoY change
	2024	2025	
Total	22.1		
1Q	5.1	5.6	+9.2%
2Q	8.0	5.7	-28.2%
3Q	4.3		
4Q	4.6		

Japan			China			Other Asian countries			North America, others		
2024	2025	YoY change	2024	2025	YoY change	2024	2025	YoY change	2024	2025	YoY change
8.9			8.6			4.4			0.0		
1.5	2.7	+73.4%	1.7	1.8	+5.7%	1.7	0.9	-44.4%	0.0	0.0	+306.7%
2.2	2.3	+5.1%	4.6	2.4	-46.9%	1.1	0.9	-18.0%	0.0	0.0	-65.7%
2.7			0.8			0.7			0.0		
2.4			1.3			0.7			0.0		

Offline (billion yen)	China		
	2024	2025	YoY change
Total	4.2		
1Q	0.7	0.8	+22.2%
2Q	1.2	1.2	-1.0%
3Q	0.9		
4Q	1.1		

\* The Accounting Standard for Revenue Recognition is not used.

# Balance Sheet and Cash Flow Highlights

(billion yen)	As of December 31, 2024		As of June 30, 2025		Change
	Amount	Share	Amount	Share	Amount
Current assets	240.3	62.1%	215.1	58.4%	-25.1
Cash and deposits	113.9	29.5%	91.3	24.8%	-22.6
Accounts receivable	50.0	12.9%	45.6	12.4%	-4.3
Inventories	69.6	18.0%	73.1	19.8%	+3.4
Non-current assets	146.4	37.9%	153.1	41.6%	+6.6
Property, plant and equipment	73.7	19.1%	80.6	21.9%	+6.9
Intangible assets	26.9	7.0%	24.5	6.7%	-2.4
Total assets	386.7	100.0%	368.3	100.0%	-18.4

Current liabilities	71.1	18.4%	56.2	15.3%	-14.8
Accounts payable	22.2	5.7%	23.3	6.3%	+1.1
Short-term borrowings	0.8	0.2%	0.7	0.2%	-0.0
Non-current liabilities	23.3	6.0%	21.9	6.0%	-1.4
Total liabilities	94.5	24.4%	78.2	21.2%	-16.2
Total net assets	292.2	75.6%	290.1	78.8%	-2.1
Shareholders' equity*	272.2	70.4%	270.1	73.3%	-2.1
Non-controlling interests	19.9	5.2%	19.9	5.4%	-0.0
Total liabilities and net assets	386.7	100.0%	368.3	100.0%	-18.4

\* Shareholders' equity = Net assets - Share acquisition rights - Non-controlling interests

(billion yen)	1H	
	2024	2025
Profit before income taxes	+18.6	+12.1
Depreciation	+4.4	+5.2
Working capital (+Accounts receivable + Inventories - Accounts payable)	-8.3	+1.5
Others	-11.4	-19.3
<b>Cash flows from operating activities</b>	<b>+3.3</b>	<b>-0.3</b>
(Increase) decrease in time deposits	-1.0	+3.0
Purchase of non-current assets	-5.7	-14.6
Others	-0.7	-0.6
<b>Cash flows from investing activities</b>	<b>-7.5</b>	<b>-12.1</b>
Funds procured from external sources and repayments	-0.0	-0.0
Cash dividends paid	-4.2	-4.5
Others	-0.0	-0.1
<b>Cash flows from financing activities</b>	<b>-4.2</b>	<b>-4.6</b>
Effect of exchange rate change on cash and cash equivalents	+2.1	-1.9
Change in cash and cash equivalents	-6.3	-19.1
Cash and cash equivalents at beginning of period	105.6	107.7
Cash and cash equivalents at end of period	99.2	88.5

(yen)	2024			
	Jan. – Mar.	Jan. – Jun.	Jan. – Sep.	Jan. – Dec.
US\$	148.6	152.2	151.2	151.5
CN¥	20.6	21.0	20.9	21.0
KRW	0.111	0.112	0.111	0.111

2025	
Jan. – Mar.	Jan. – Jun.
152.6	148.6
20.9	20.4
0.105	0.104

- ◆ Held a tree planting event in a location that produces “white birch water,” an ingredient used in DECORTÉ AQ products.
- ◆ As part of the activities promoting awareness through resource circulation initiatives, the SEKKISEI BLUE/Prédia BLUE Recycle Project has started.



This program is part of activities that benefit Bifuka-cho in Hokkaido for the purposes of preserving forests and supporting the local economy. Started with the goal of establishing a sustainable production cycle for white birch water, an ingredient in DECORTÉ products, the program extends from planting white birch trees to the production and sale of products using white birch water.



Stores throughout Japan participating in the SEKKISEI BLUE and Prédia BLUE Recycle Project accept used containers for recycling. Activities are based on the concept that underlies these two brands: Supply products that are kind to people and the Earth. This recycling program is one way that KOSÉ is playing a role in creating a sustainable society where resources are reused.



## ◆ Structural reforms and infrastructure rebuilding for achieving consistent growth

Goals of Phase 1		
Strategies	Structural reforms	Infrastructure rebuilding
<b>Business Strategy</b>	<ul style="list-style-type: none"> <li>➤ Outside Japan, target the premium mass sector</li> </ul>	<ul style="list-style-type: none"> <li>➤ Increase earnings in the high prestige category</li> <li>➤ Use M&amp;A/alliances for asset utilization that upgrades capabilities</li> </ul>
<b>Regional Strategy</b>	<ul style="list-style-type: none"> <li>➤ More resilient structure for Japan operations and the head office</li> <li>➤ Structural reforms in the Greater China business</li> <li>➤ Structural reforms for the Global South operations                             <ul style="list-style-type: none"> <li>- Reinforce local marketing and manufacturing in India</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>➤ Use customer ID data for even stronger personal relationships in Japan</li> <li>➤ Establish a regional headquarters for overseeing all Global South operations</li> </ul>
<b>Customer Strategy</b>		<ul style="list-style-type: none"> <li>➤ More customers centered on the themes of gender and generations</li> </ul>
<b>Functional Strategy</b>	<ul style="list-style-type: none"> <li>➤ Optimization of locations of marketing/manufacturing activities</li> <li>➤ Business reforms and enterprise resource planning innovations</li> </ul>	<ul style="list-style-type: none"> <li>➤ Training for and increase in global personnel</li> <li>➤ Use the Minami Alps Factory as the base for rebuilding manufacturing operations</li> <li>➤ Clear structuring and diversification of product development processes</li> <li>➤ Maximize SKU efficiency</li> <li>➤ Reducing costs, inventories and waste</li> <li>➤ Upgrading business management functions (Management using ROIC, investment governance)</li> <li>➤ Progress with a sustainability strategy</li> </ul>
<b>Strategy for the KOSÉ Group</b>	<ul style="list-style-type: none"> <li>➤ Use the change to a holding company for a reorganization of functions</li> </ul>	<ul style="list-style-type: none"> <li>➤ Stronger governance of operating companies</li> </ul>

Strategies	Key points Blue :Key Initiatives in Phase 1
Business Strategy	<ul style="list-style-type: none"> <li>➤ Position the cosmetaries category as the priority business domain while using a business structure centered on the high prestige category as the main source of earnings</li> </ul>
Regional Strategy	<ul style="list-style-type: none"> <li>➤ Shift strategy from a high dependence on the Greater China market to the Global South market(ASEAN/India) as the next growth area</li> </ul>
	<ul style="list-style-type: none"> <li>➤ Investments for inorganic growth centered on the high prestige/cosmetaries categories and Global South(ASEAN/India)/U.S./Europe regions</li> <li>➤ Starting in Japan, use the KOSÉ ID for stronger personal ties with customers and use digital technologies to offer customers new experiences</li> </ul>
Customer Strategy	<ul style="list-style-type: none"> <li>➤ Strengthen activities for attracting new customers from the gender/generation perspective, positioning these activities as new opportunities for growth</li> </ul>
Functional Strategy	<ul style="list-style-type: none"> <li>➤ Build a powerful infrastructure and delegate more responsibility to local managers for the optimization of regional business operations (Manufacturing/HR)</li> </ul>
	<ul style="list-style-type: none"> <li>➤ Finance: Change to a lean and efficient management system to transform to a resilient business structure (higher profitability and efficiency)</li> <li>➤ Sustainability: Incorporate the KOSÉ Sustainability Plan in the medium to long-term vision and speed up activities to achieve value creation and a stronger infrastructure</li> </ul>
Strategy for the KOSÉ Group	<ul style="list-style-type: none"> <li>➤ Establish a management framework that maximizes group synergies, accelerates decision-making, and enables the strategic and efficient allocation of management resources</li> </ul>
	<ul style="list-style-type: none"> <li>➤ Accelerate the expansion of our diverse business models globally and enhance the value we deliver in the wellbeing domain</li> </ul>

DECORTÉ



Released on May 16  
AQ Deep Pore Cleanser

DECORTÉ



Released on June 1  
FRANCK MULLER Collaboration  
LIPOSOME ADVANCED REPAIR SERUM

ONE  
BY KOSÉ



Released on May 16  
PORE CLEAR SCRUB WASH

Visée



Released on May 16  
FLUFF DESIGN EYEBROW POWDER  
FLUFF DESIGN EYEBROW COLOR

FASIO



Released on April 16  
Hitonuri Cover Long-lasting Foundation

MAKE KEEP



Released on June 1  
POWDER EX  
OIL BLOCK PAPER POWDER

These materials include estimates on the basis of the outlook on the future and plans as of August 7, 2025, but are not promises by KOSÉ Corporation regarding future performance. Actual results may differ from these forecasts due to risks associated with economic trends and other items as well as to other uncertainties. KOSÉ Corporation accepts no responsibility whatsoever with regard to any possible mistakes, missing information and other errors in the data and text in these materials.

These materials were prepared for the purpose of providing information concerning the finances, management strategies and other aspects of KOSÉ Corporation to assist in making investment decisions. This is not a solicitation to purchase securities issued by KOSÉ Corporation.

Investors are cautioned not to rely solely on these materials when making investment decisions. Investors are asked to reach their own decisions regarding investments.

KOSÉ Corporation assumes no responsibility whatsoever for problems, losses and damages of any type resulting from the use of these materials.

- 2025 Earnings Announcement Schedule (tentative)
 

3rd quarter earnings announcement:	November 10, 2025
Full-year earnings announcement:	February 12, 2026

\*Unless otherwise indicated, in these materials figures less than the indicated unit have been truncated, while ratios and percentage changes have been rounded. In addition, cases where the percentage of change exceeds 1,000% are shown as “-%”.