
Results of Operations

Fiscal Year Ended December 31 , 2025



KOSÉ Holdings Corporation

February 12, 2026

1) FY12/2025 Results of Operations

Keita Matsunami, Senior Executive Officer, KOSÉ Corporation

2) Strategy by business for FY12/2026

Kazutoshi Kobayashi, President & CEO, KOSÉ Holdings Corporation

3) Improvement of Resilient Business Structure and Capital Efficiency / Shareholder Return

Koichi Shibusawa, Senior Executive Director, KOSÉ Holdings Corporation

4) Supplementary Information

➤ **Net sales**

¥330.1 billion: up ¥7.4 billion (+2.3%) YoY (up 2.6% excluding forex); down ¥5.8 billion (-1.7%) vs. plan

- YoY change: Sales were higher at KOSÉ, ALBION and KOSÉ Cosmepot, which are core businesses of the KOSÉ Holdings Group.
- Vs. plan: Sales in Asia were above the plan but sales in Japan were below the plan.

➤ **Operating profit**

¥18.4 billion: up ¥1.1 billion (+6.3%) YoY; down ¥1.5 billion (-7.7%) vs. plan

- YoY change: Earnings were lower at Tarte and ALBION but profitability of the KOSÉ business improved.
- Vs. plan: Efforts to control marketing expenses, primarily at KOSÉ and KOSÉ Cosmepot, were insufficient to fully offset the impact of soft domestic sales and a rising cost of sales ratio.

(billion yen)	1Q-4Q							2025 plan		Change (ratio)	
	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	Amount	Ratio to net sales							
Net sales	322.7	100.0%	330.1	100.0%	+7.4	+2.3%	+2.6%	336.0	100.0%	-5.8	
Operating profit	17.3	5.4%	18.4	5.6%	+1.1	+6.3%		20.0	6.0%	-1.5	
										-7.7%	

Consolidated Income Statement Highlights

- Ordinary profit: Mostly unchanged YoY due to a smaller foreign exchange gain, despite higher operating profit.
- Profit attributable to owners of parent: Big increase driven by a decline in income taxes and the impact of loss related to China structural reforms in 2024.

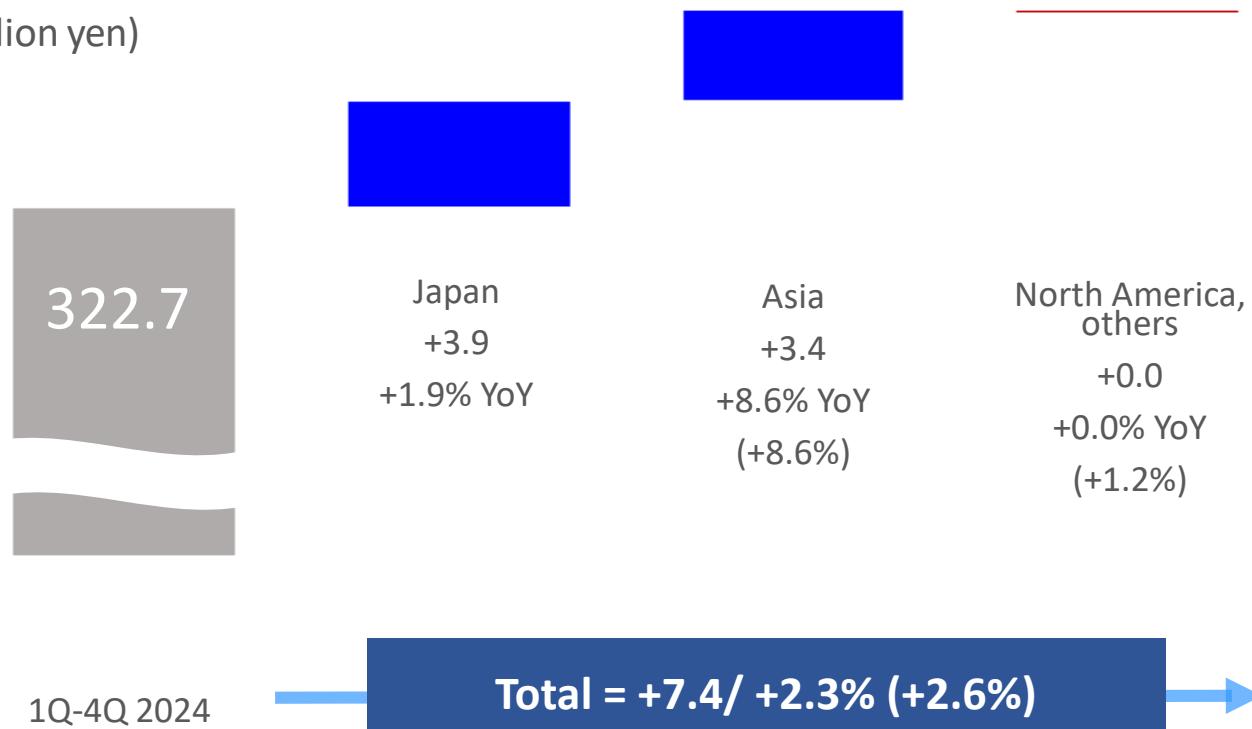
	2024		2025		Change (billion yen)	Change (ratio)	2025 plan		Change (billion yen)	Change (ratio)
	Amount (billion yen)	Ratio to net sales	Amount (billion yen)	Ratio to net sales			Amount (billion yen)	Ratio to net sales		
Net sales	322.7	100.0%	330.1	100.0%	+7.4	+2.3%	336.0	100.0%	-5.8	-1.7%
Gross profit	222.5	69.0%	227.9	69.0%	+5.4	+2.4%	-	-	-	-
Operating profit	17.3	5.4%	18.4	5.6%	+1.1	+6.3%	20.0	6.0%	-1.5	-7.7%
Ordinary profit	21.6	6.7%	21.4	6.5%	-0.1	-0.8%	20.7	6.2%	+0.7	+3.7%
Profit attributable to owners of parent	7.5	2.3%	15.1	4.6%	+7.6	+101.2%	13.8	4.1%	+1.3	+9.5%
Net income per share	131.62 yen		264.84 yen		+133.22 yen		241.83 yen			
ROE	2.8%		5.4%							
ROIC	2.6%		3.7%							
Capital expenditures	21.4		21.2							
Depreciation	9.7		10.8							

* Segment and major group company sales comparisons with 2025 plan are on page 41 of the Supplementary Information.

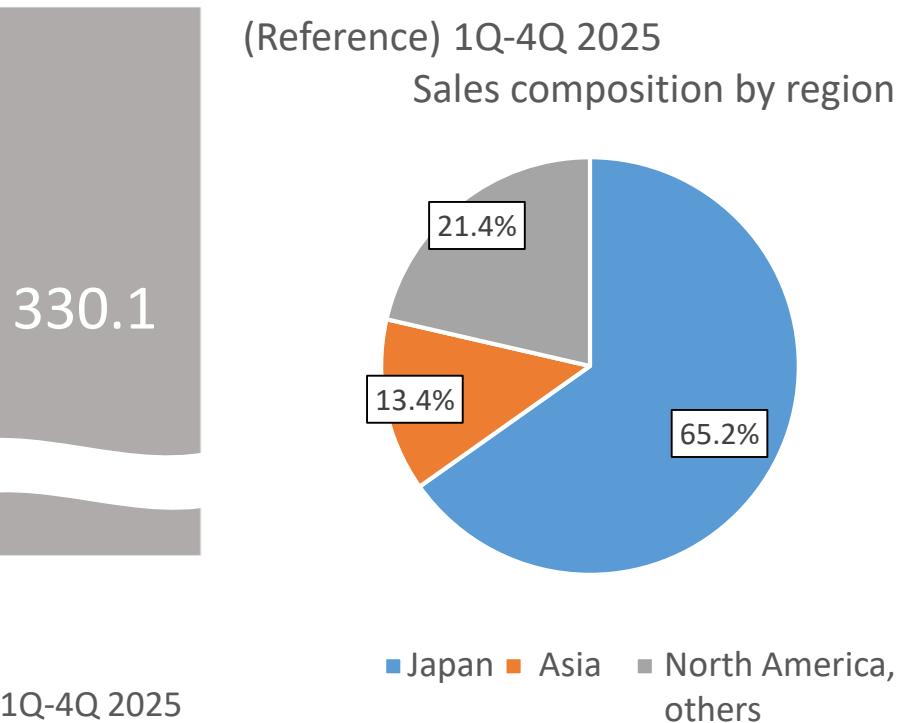
2025 Regional Sales (YoY Change)

➤ Higher sales in Japan and Asia

(billion yen)



(Reference) 1Q-4Q 2025
Sales composition by region



1Q-4Q 2024

Total = +7.4/ +2.3% (+2.6%)

1Q-4Q 2025

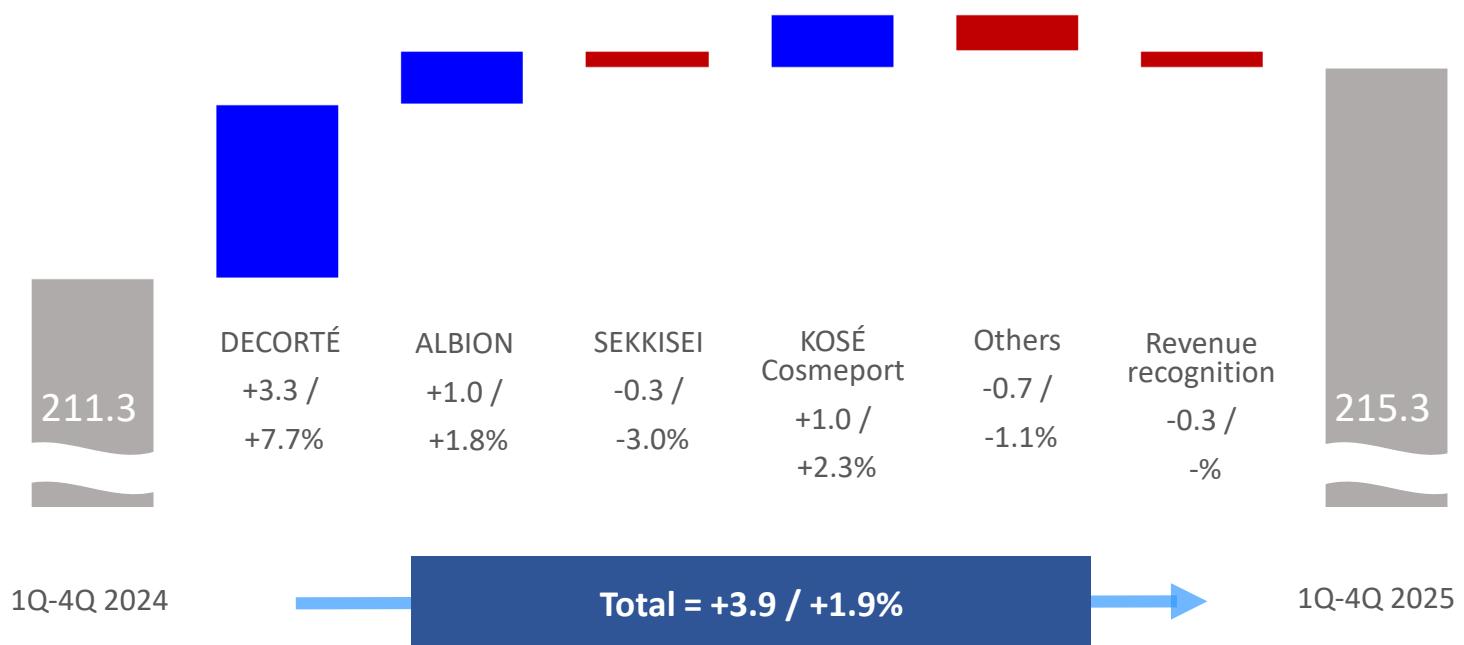
* Percentages in parentheses exclude changes in foreign exchange rates.

Net Sales by Region: Japan

➤ DECORTÉ and KOSÉ Cosmeport sales in Japan increased to a record high.

Strong sales of ALBION and ONE BY KOSÉ products more than offset lower sales of makeup brand products.

(billion yen)

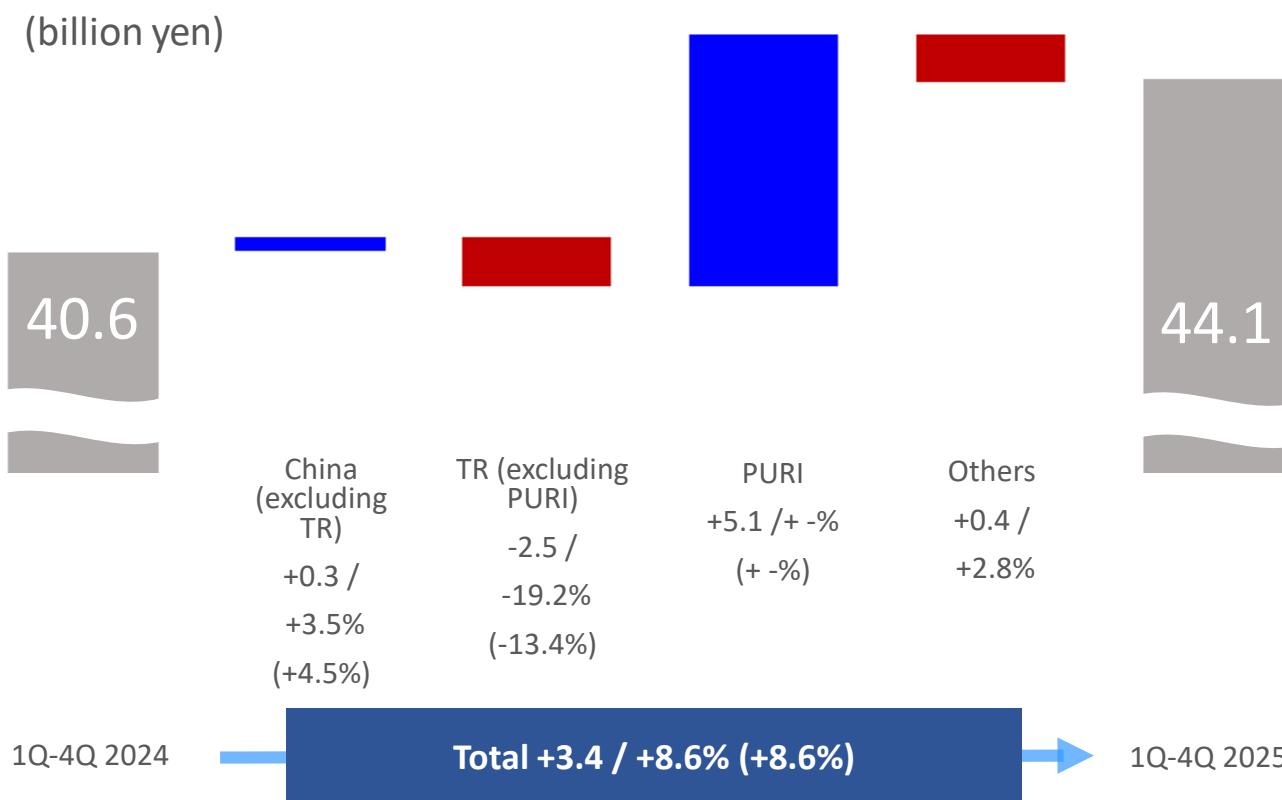


*The Accounting Standard for Revenue Recognition is not applied for each brand.

KOSÉ	
DECORTÉ	<ul style="list-style-type: none"> DECORTÉ sales in Japan reached a record high. Sales were higher because of the strong sales of AQ PORE BLACKHEAD DISSOLVER (Deep Pore Cleanser) and YOUTH POWER ESSENCE LOTION, which were launched on May 16 and September 16, respectively.
ALBION	<ul style="list-style-type: none"> ALBION (Brand) products captured demand in Japan primarily through the EXCIA Series and contributed to sales growth. Elégance sales decreased due to a downturn after the rush to make purchases prior to April 2025 price revisions for some products and to lower sales to foreign tourists in Japan caused by worsening Japan-China relations.
SEKKISEI	<ul style="list-style-type: none"> Sales decreased despite strong BRIGHTENING Series sales. Main reasons were lower sales caused by the shift from the CLASSIC Series and the discontinuation of certain product series.
KOSÉ Cosmeport	<ul style="list-style-type: none"> A new record for sales. Sales were higher due to strong sales of Softymo and GRACE ONE products.
Others	<ul style="list-style-type: none"> Products of MAKE KEEP series sold well but sales of Visée and other makeup brand products were lower. Sales of ONE BY KOSÉ were higher due to the success of new products.

Net Sales by Region: Asia

➤ Asia sales increased, supported by growth in mainland China and the contribution from the newly consolidated PURI CO., LTD, which was higher than offset lower sales in the duty-free channel caused by the voluntarily shipment control.

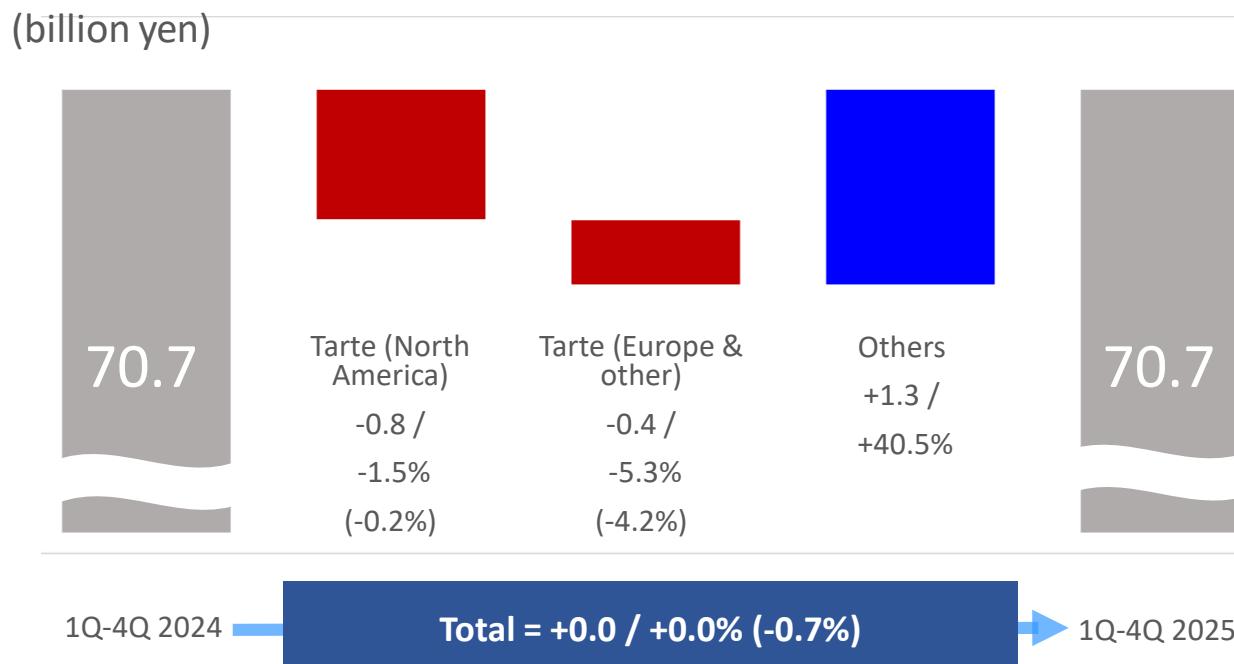


KOSÉ	
China (excluding TR)	<ul style="list-style-type: none"> Sales were higher than one year earlier <ul style="list-style-type: none"> A decline of 10% was planned initially due to structural reforms, but the performance of a large EC sales events was stronger than expected. In offline sales, a rising share of high-end DECORTÉ products reflects a steady improvement in our brand image.
TR (excluding PURI)	<ul style="list-style-type: none"> Sales in China declined, reflecting continued voluntary shipment controls and a tough comparison against a strong 2Q 2024. Despite a YoY decline, sales were above the plan mainly because of above-plan China TR sales.
PURI	<ul style="list-style-type: none"> Slow 2Q and 3Q sales because of the decline in Chinese tourists in Thailand, but sales are recovering due to strong sales during the 4Q year-end holiday season .

* Percentages in parentheses exclude changes in foreign exchange rates.

Net Sales by Region: North America, Europe, Others

- Tarte sales remained flat year-on-year on a local currency basis, but declined on a yen basis due to yen appreciation.
- More sales of SEKKISEI products to a major North America retailer contributed to “Others” sales growth.



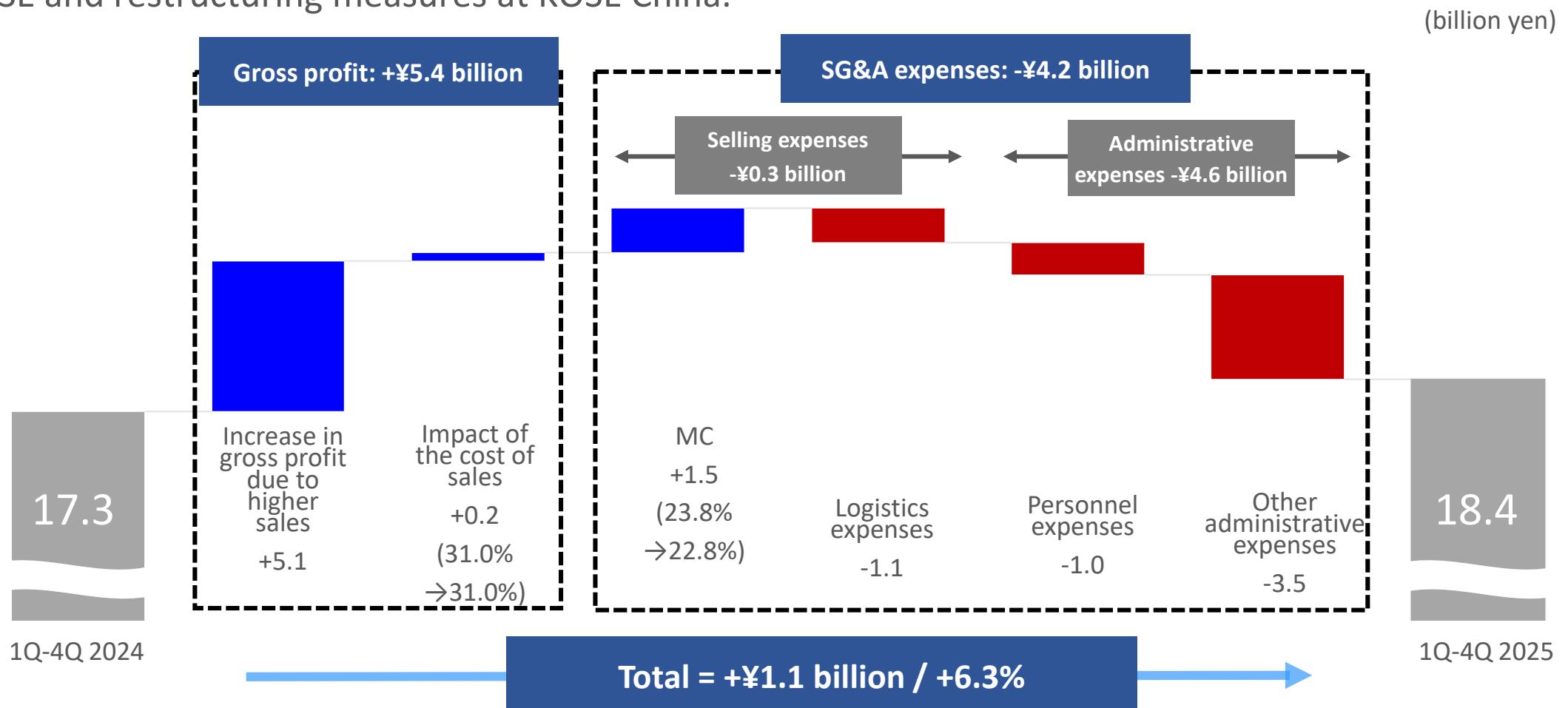
* Percentages in parentheses exclude changes in foreign exchange rates.

KOSÉ

Tarte (North America)	<ul style="list-style-type: none"> ■ Uncertainty regarding the economic outlook dampened overall market conditions. ■ Strong performance in existing EC channels and the launch of another major EC platform contributed to growth, but these gains were offset by lower offline sales in early 2025. ■ Offline channel sales were down from one year earlier. However, increased marketing investment drove a recovery in sell-through and helped us maintain a strong market presence in the North America prestige makeup category.
Tarte (Europe & other)	<ul style="list-style-type: none"> ■ Despite higher sales YoY in Asia, Oceania, and the Middle East, overall sales declined, primarily due to poor performance in Europe, which represents a significant portion of the revenue.
Others	<ul style="list-style-type: none"> ■ Sales of SEKKISEI products to a major North America retailer increased.

Analysis of Change in Operating Profit (YoY Change)

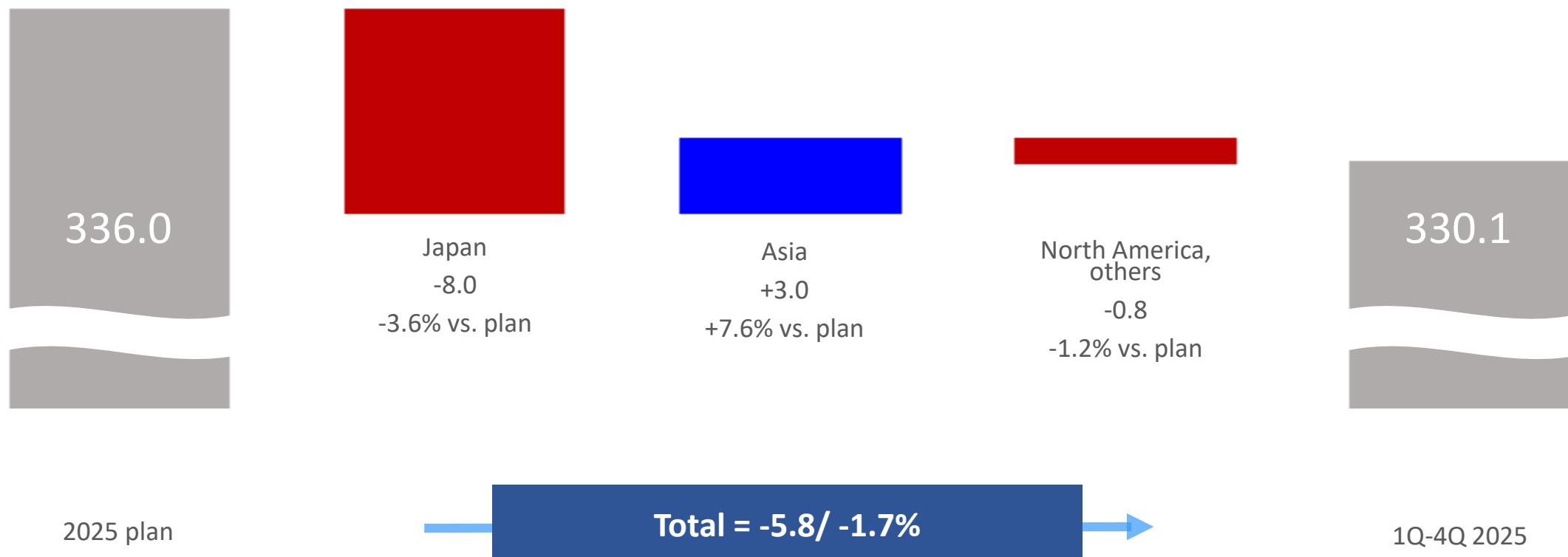
- Gross profit largely increased due to higher sales.
- Total SG&A expenses increased, as higher logistics costs (primarily at Tarte) and increased administrative expenses—including goodwill amortization for PURI CO., LTD.—were only partially offset by cost savings at KOSÉ and restructuring measures at KOSÉ China.



*Percentages in parentheses are items as a pct. of total sales.

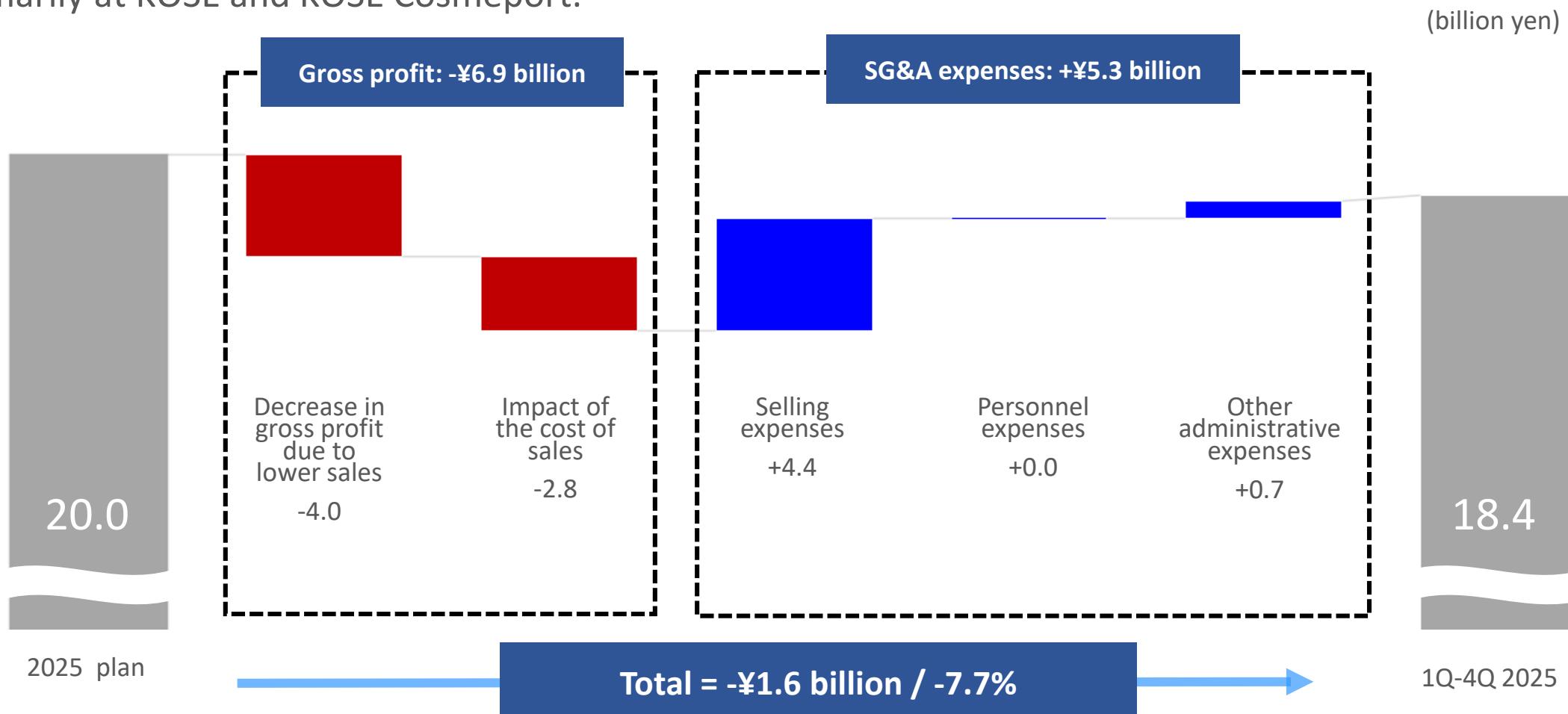
- Japan: Domestic sales, mainly at KOSÉ and Albion, were below the plan as 4Q results failed to recover the 3Q shortfall, resulting in underperformance relative to the revised plan as of August 7. The primary factors were sluggish inbound demand due to the impact of Japan-China relations and the continued struggles of makeup brands.
- Asia: Performance exceeded the plan, driven by strong results from major e-commerce sales in mainland China and recovery in other Asian countries.

(billion yen)



Analysis of Change in Operating Profit (Vs. Plan)

- Operating profit was below the plan because sales were below the plan and the cost of sales ratio was higher than expected.
- SG&A expenses were much less than initially planned because of the effective use of marketing expenses, primarily at KOSÉ and KOSÉ Cosmepo.



*Percentages in parentheses are items as a pct. of total sales.

Sales and Operating Profit by Segment

- In the cosmetics segment, earnings increased as mainland China turned profitable, and cost-reduction efforts raised KOSÉ's earnings, fully offsetting profit declines at Tarte and ALBION.
- In the cosmetaries segment, earnings declined. While KOSÉ Cosmepart's results remained flat, lower sales of Visée and other makeup brands weighed on gross profit.

Net sales

Operating segment	1Q-4Q					
	2024		2025		Change (billion yen)	Change (ratio)
	Amount (billion yen)	Ratio to net sales	Amount (billion yen)	Ratio to net sales		
Cosmetics	255.3	79.1%	262.3	79.4%	+6.9	+2.7%
Cosmetaries	64.7	20.1%	64.4	19.5%	-0.2	-0.3%
Others	2.6	0.8%	3.3	1.0%	+0.7	+26.3%
Total	322.7	100.0%	330.1	100.0%	+7.4	+2.3%

Operating profit

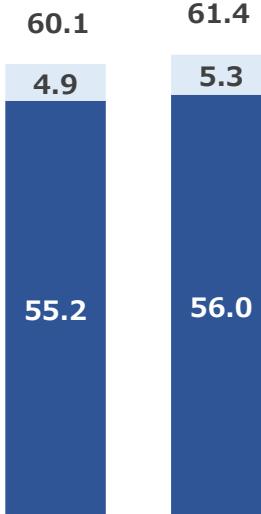
Operating segment	1Q-4Q					
	2024		2025		Change (billion yen)	Change (ratio)
	Amount (billion yen)	Operating margin	Amount (billion yen)	Operating margin		
Cosmetics	15.0	5.9%	16.7	6.4%	+1.7	+11.4%
Cosmetaries	6.9	10.8%	6.2	9.7%	-0.7	-10.4%
Others	1.4	44.5%	1.6	43.3%	+0.2	+18.8%
Adjustment	-6.0	-	-6.2	-	-0.1	-
Total	17.3	5.4%	18.4	5.6%	+1.1	+6.3%

Global Sales of Major Group Companies and Major Brands

(billion yen)

Major group companies (The Accounting Standard for Revenue Recognition is applied.)

ALBION	
	Operating Margin
2024	2025
12.0%	8.8%



Tarte	
	Operating Margin
2024	2025
11.0%	7.9%



*Tarte operating profit is before goodwill amortization. Goodwill from acquisitions is not included.

* Global Sales of Major Group Companies and Major Brands —Quarterly are on page 41 of the Supplementary Information.

- Forecast sales increase of 6.0% YoY to ¥350 billion based on the outlook for higher sales at the three core companies in Japan and at Tarte and PURI.
- FY2026 operating profit is planned at ¥20 billion (+8.3% YoY). While some expenses are expected to rise—reflecting depreciation at the new Minami Alps factory, higher personnel costs, and inflation-driven administrative expenses—these increases are more than offset by gross profit growth from higher sales and savings from the Resilient Business Structure initiatives.
- Leveraging our holding company structure, we will improve profitability and efficiency across the Group over the medium to long term.

(billion yen)	2025 results		2026 plan		YoY change (amount)	YoY change (ratio)		
	Amount	Ratio to net sales	Amount	Ratio to net sales				
Net sales	330.1	100.0%	350.0	100.0%	+19.8	+6.0%		
Operating profit	18.4	5.6%	20.0	5.7%	+1.5	+8.3%		
Ordinary profit	21.4	6.5%	21.0	6.0%	-0.4	-2.2%		
Profit attributable to owners of parent	15.1	4.6%	12.1	3.5%	-3.0	-19.9%		
Net income per share	264.84 yen		132.19 yen		Foreign exchange rate			
ROE	5.4%		4.0%					
ROIC	3.7%		3.5%					
Capital expenditures	21.2		30.0					
Depreciation	10.8		13.0					

Currency	2025 results	2026 estimate
US dollar/yen	149.7	156.0
Chinese yuan/yen	20.8	22.3
Korean won/yen	0.105	0.109

2026 Sales Plan (Regional/ Business Segment/ Major Group Companies)

Region (YoY change)	2025 sales (%)	2026 sales plan (%)	2025 outlook
Japan	+1.9%	+ mid single-digit %	The goal is consistent sales growth mainly in the high prestige and cosmetaries categories.
Asia	+8.6%	+ mid single-digit %	Expect growing sales at Panpuri in Thailand and a recovery in mainland China.
North America, others	+0.0%	+ high single-digit %	The goal is more sales growth, mainly at Tarte.

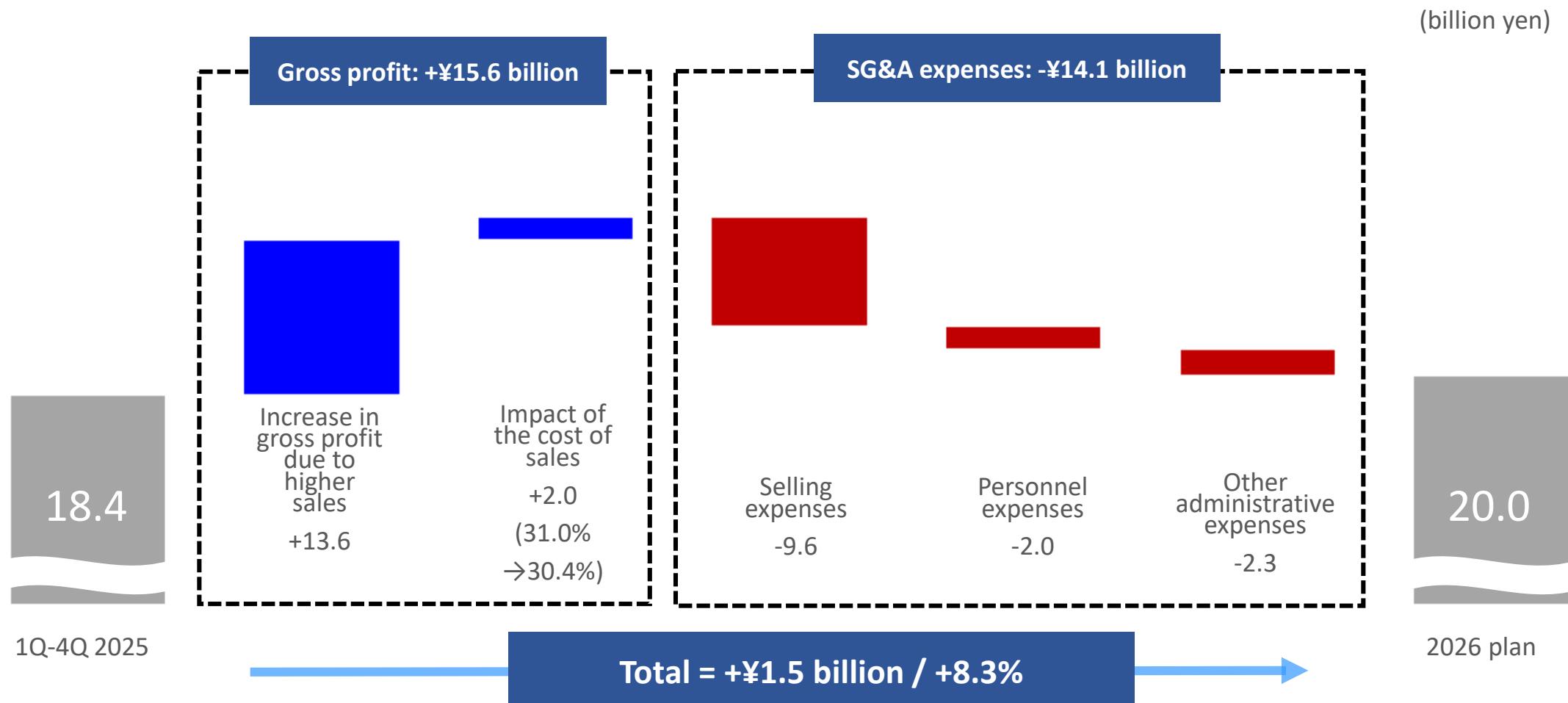
- In the cosmetics segment, sales are expected to increase, driven by growth in both the high-prestige category (mainly Tarte, DECORTÉ, and ALBION) and the prestige category (primarily SEKKISEI).
- Forecast firm sales in the cosmetaries segment.

Segment (YoY change)	2025 sales (%)	2026 sales plan (%)
Consolidated sales *	+2.3%	+6.0%
Cosmetics *	+2.7%	+6.4%
High prestige	+3.0%	+ mid single-digit %
DECORTÉ	+4.4%	+ mid single-digit %
Prestige	+3.9%	+ mid single-digit %
SEKKISEI	+3.9%	Around +15%
Cosmetaries *	-0.3%	+3.9%

Major group companies (YoY change)	2025 sales (%)	2026 sales plan (%)
JPY	ALBION	+2.2%
	KOSÉ Cosmeport	+2.5%
	Tarte *	-1.5%
Local currency	PURI	-%
	Tarte *	-0.3%
PURI *	-%	Around +25%

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

- Large increase in gross profit due to higher sales.
- More marketing activities at ALBION, KOSÉ Cosmeport and Tarte are the main reason for the expected increase in selling expenses.



*Percentages in parentheses are items as a pct. of total sales.

1) FY12/2025 Results of Operations

Keita Matsunami, Senior Executive Officer, KOSÉ Corporation

2) Strategy by business for FY12/2026

Kazutoshi Kobayashi, President & CEO, KOSÉ Holdings Corporation

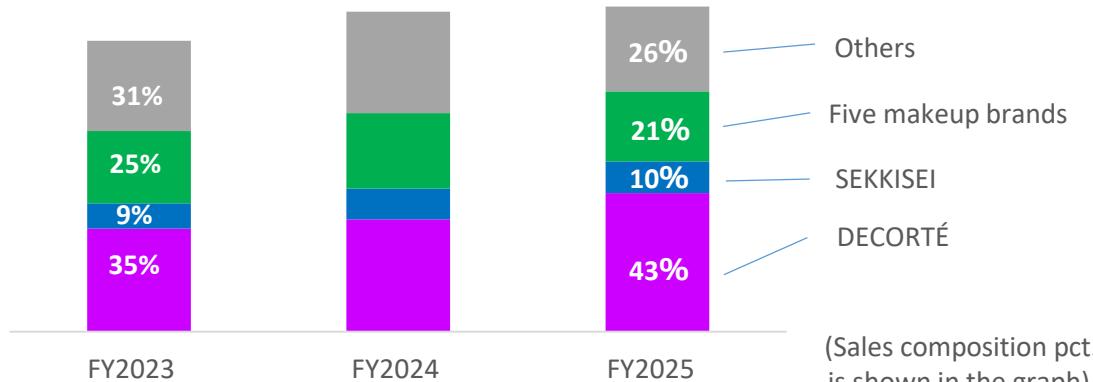
3) Improvement of Resilient Business Structure and Capital Efficiency / Shareholder Return

Koichi Shibusawa, Senior Executive Director, KOSÉ Holdings Corporation

4) Supplementary Information

Sales in Japan

- DECORTÉ is more than 40% of sales in Japan
- Sales growth of makeup brands is slower than that of skincare brands



[CAGR (FY2023-FY2025)]

Total in Japan: 5.8%

DECORTÉ 16.1%, SEKKISEI 11.6%, five makeup brands ▲1.6%

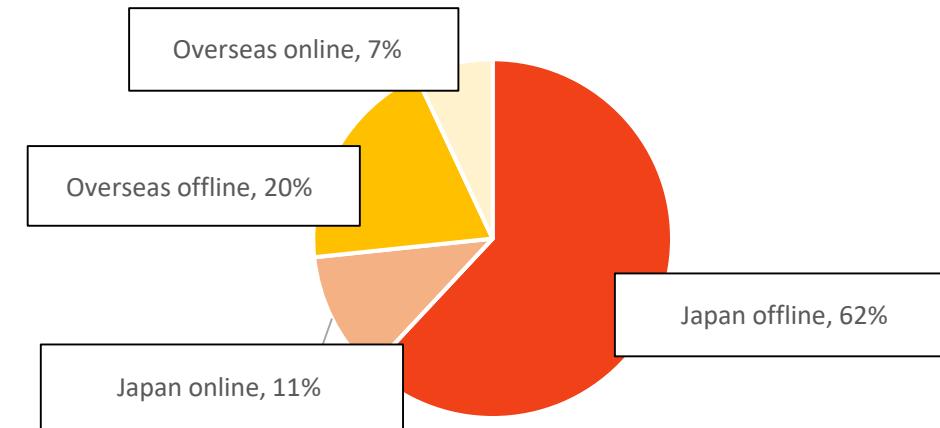
*Five makeup brands include ADDICTION, JILL STUART, ESPRIQUE, Visée and FASIO.

Consistent sales growth of DECORTÉ in Japan

Build a second and third pillar brands in addition to DECORTÉ

Global Sales Composition

Japan/overseas sales ratio is now about 7:3 due to strong sales in Japan



(Reference: FY2023 sales comp.)

Offline sales in Japan 60%, Online sales in Japan 9%

Overseas offline sales 18%, Overseas online sales 9%

Improving a resilient business structure

Globalization

Foster highly attractive makeup brands

2025

2026

Strategy for
2026

Brand growth driven by science-based high quality and trend creation

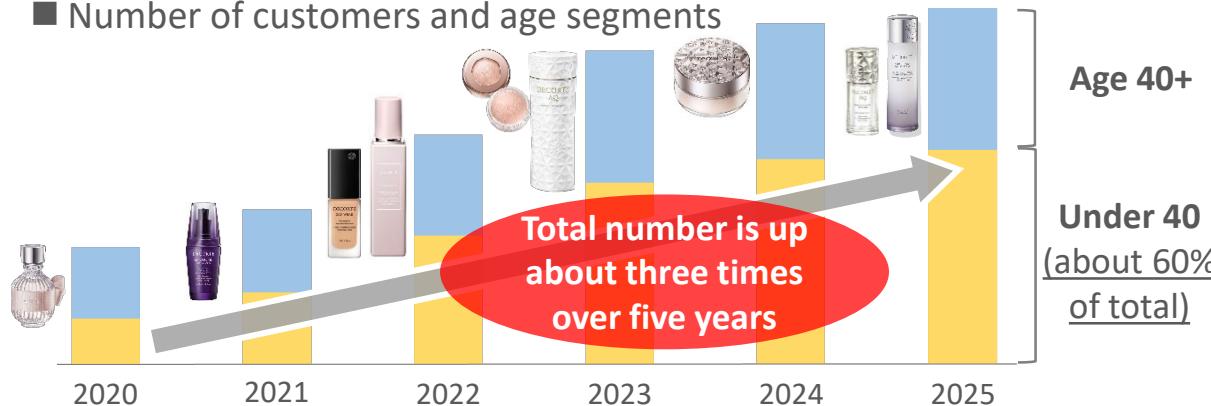
<<Accomplishments in 2025>>

- Strong sales of AQ PORE BLACKHEAD DISSOLVER (Deep Pore Cleanser) and YOUTH POWER ESSENCE LOTION
- More customers due to popular new products. Number of young customers is up about five times* over five years

*Based on KOSÉ data

<<2026 priorities/more growth potential>>

- Raise awareness among customers older than 40 and build a base of loyal customers
- Number of customers and age segments



*New and updated products in each year are shown

<<Initiatives in 2026>>

More actions to appeal functional benefits of LIPOSOME and AQ Series products

- More measures to add age 40+ customers, who have a high repeat purchase pct., by emphasizing the products' aging care benefits



Develop innovative products that draw customers' attention

- Continue adding new customers through innovative new products.

More channel-specific measures and customer relationship management

- Distribute products that match the characteristics of the dept. store, cosmetics specialty store and online channels and maximize lifetime value through personalized marketing activities

2025

2026



Strategy for
2026

Focus on the BRIGHTENING Series and SEKKISEI BLUE.
Establish a sound position in global markets with traditional herbal medicine concepts.

<<Accomplishments in 2025>>

- The BRIGHTENING Series contributed to growth due to success in the mass market. Started selling SEKKISEI BLUE in the prestige market, mainly in Japan and Asia.

<<2026 priorities/more growth potential>>

- Although repeat customer sales of the BRIGHTENING Series are increasing, the acquisition of new customers is slower than planned. Also a slow start-up for SEKKISEI BLUE, which is intended to be a future source of growth.

<<Initiatives in 2026>>

Channel-specific actions and new products with functional benefits

- Add customers and increase profitability by strengthening ecommerce channel sales, working with retailers and using other measures. More BRIGHTENING Series and sunscreen sales by launching innovative products. For SEKKISEI BLUE, focus on Essence Liquid, the brand's flagship product.



From left: SKINCARE UV DEFENSE ESSENCE MILK N and SKINCARE UV DEFENSE ESSENCE GEL N (to be released on February 16)

Right: BRIGHTENING DAY CARE ADVANCE EMULSION (to be released on March 16)



Strategy for
2026

Expand share of the beauty serum market and reinforce the customer base by encouraging repeat purchases

<<Accomplishments in 2025>>

- Strong sales of SERUM VEIL DEEP REPAIR and more sales in younger customer segments for PORE CLEAR SCRUB WASH and other products. ONE BY KOSÉ CLUB added new customers and raised sales per customer.

<<2026 priorities/more growth potential>>

- Robust individual product sales contrast with weak cross-selling and limited brand synergy.

<<Initiatives in 2026>>

Drive cross-selling, using beauty serums as the entry point.

- Leverage high-retention serum users to drive cross-selling.
- Use the membership program to increase the number of loyal customers.



Key products of ONE BY KOSÉ
From left: SERUM VEIL DEEP REPAIR, SERUM SHIELD, THE WRINKLESS W, MELANOSHOT P (to be released on February 16)

2025

2026

Strategy
for 2026

Enhance market presence by redefining brand value and focusing on target categories

JILL STUART

ADDICTION

ESPRIQUE

Visée

FASIO

MAKE KEEP

<<2026 priorities/more growth potential>>

JILL STUART: Limited edition products are popular, but only a small positive effect on existing products

ADDICTION: Sluggish growth in the younger customer segment.

<<Initiatives in 2026>>

JILL STUART: Focus on high added value to build Hero Items and capture gift demand.

ADDICTION: Increase contact points with age-20s customers by using online and offline channels



ADDICTION
THE SINGLE EYESHADOW

<<Accomplishments in 2025>>

FASIO: Stabilized sales by focusing on the base makeup category

<<2026 priorities/more growth potential>>

- Intensifying competition from Korean and low-priced cosmetics. Differentiation is increasingly challenging due to high competitor quality.

<<Initiatives in 2026>>

ESPRIQUE/FASIO: Attracted new customers by launching base makeup products with outstanding functions

Visée: Concentrating on the lip category. Promotions throughout the year following the February 16 launch of NENMAKU FAKE ROUGE II lipstick



Visée
NENMAKU
FAKE ROUGE II

<<Accomplishments in 2025>>

- MAKE KEEP MIST sales surpassed 20 million units. Market share of about 80% in the makeup setting category

<<Initiatives in 2026>>

- Maintain market leadership in makeup setting mists while expanding into new product categories. Expand customer touchpoints by broadening sales channels and regional presence.

2025

2026

KOSÉ China

Strategy for
2026

Focus on improving profitability following structural reforms and adopt marketing strategies tailored to local customer needs

<<Accomplishments in 2025>>

- Achieved profitability in 2025.
- Efficient marketing activities because of collaboration with KOL.
- Sales of high-end DECORTÉ products expanded in department stores.

<<2026 priorities/more growth potential>>

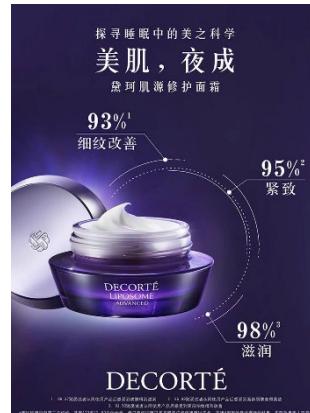
- Create CRM-based demand, which is resistant to changes in Japan-China relations, and enhance efficiency of digital marketing.

【Department Stores】

DECORTÉ Sales mix by series



With a shift toward high-end products, the sales mix of AQ and Liposome series has increased.



Strengthening CRM utilization and evidence-based communication.



In addition to SEKKISEI, rolling out KOSÉ Make Keep Mist EX+ for the mass market.

<<Initiatives in 2026>>

DECORTÉ:

- ✓ Grow the sales share of AQ and LIPOSOME series while leveraging CRM to deepen existing customer relationships.
- ✓ Increase sales at DECORTÉ stores and provide evidence about product ingredients and benefits

SEKKISEI:

- ✓ Target cosmetics specialty stores and ecommerce for activities for mass market growth. Use mainly online activities for growth in inland regional cities, aiming for higher profitability.

2025

2026

KOSÉ TR

Strategy for
2026

Stabilize profitability of the China business and accelerate activities in Japan, Europe and North America

<<Accomplishments in 2025>>

- Implemented voluntary shipment controls in Greater China to preserve brand equity. Robust growth in Japan offset this impact, maintaining high profitability.

<<2026 priorities/more growth potential>>

- Responding to the realignment of duty-free companies in China and building a base for growth that does not rely on demand in China.

<<Initiatives in 2026>>

- More group synergies by using unified KOSÉ Group activities at global duty-free exhibitions and other events
- Boosting sales growth in Japan while driving market expansion in Europe and North America.

KOSÉ
AmericaStrategy for
2026

Raise brand recognition and use ecommerce to establish a more powerful position in the prestige market sector

<<Accomplishments in 2025>>

- Added a new ecommerce channel; DECORTÉ ranks among the top new brands in the Ulta Marketplace.

<<2026 priorities/more growth potential>>

- Increase awareness of KOSÉ and enlarge sales channels.

<<Initiatives in 2026>>

- Maximize sales performance in the growing ecommerce channel.
- Expand and reinforce the customer base by using digital marketing.

2025

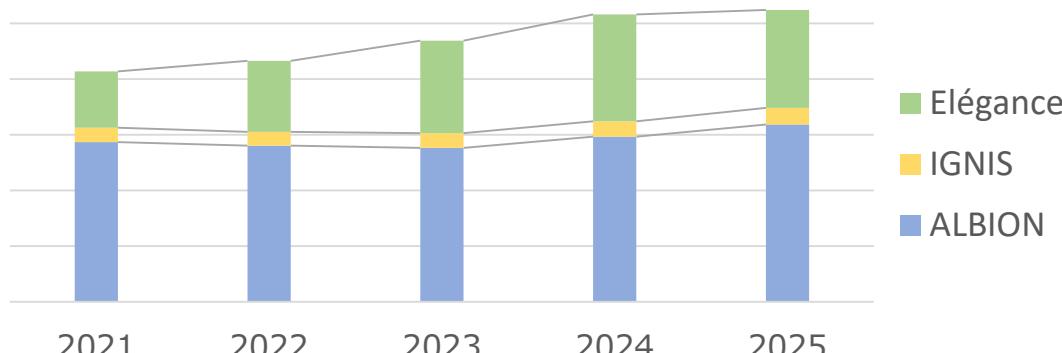
2026

**Strategy
for 2026**

Full-scale start of digital strategy due to customer ID integration and start of ecommerce sales. More customer points of contact and sales opportunities by combining ecommerce with store customer services, a key strength of ALBION.

<<Accomplishments in 2025>>

- Strong sales of ALBION and IGNIS brand products supported overall performance.
- Elégance sales briefly down to foreign tourists in Japan following price revisions, but sales to Japanese customers remained firm. Solid progress in building a loyal customer base, mainly at cosmetics specialty stores.

■ Sales Trends for Major Brands

<<2026 priorities/more growth potential>>

- Acquire new customer segments previously unreachable by launching an e-commerce channel.
- Improve productivity and profitability by increasing sales per store.

Sales target

Up + mid single-digit %

<<Initiatives in 2026>>
Customer ID integration (from Jan.) and e-commerce launch (from Apr.)

- Launched a company-wide loyalty program to drive manufacturer-led customer retention.
- Start e-commerce sales to strengthen points of contact with online-centric customers. Aims to expand brand awareness and enhance convenience for existing customers.

Strengthening in-store sales through the Integration of physical and digital channels

- Direct customers acquired via e-commerce to physical stores. Boosting the sales power of individual stores to further refine store productivity.



FLARUNÉ Bright Line
(To be renewed on March 17)



Wrinkle Illuminating Day Cream
(To be released on February 17)

2025

2026

Strategy
for 2026

Increase brand sales and market share by producing category leadership items

<<Accomplishments in 2025>>

• Posted record-high sales

- Although the high cost of ingredients raised the cost of sales ratio, the operating margin remained above 10% due to fewer product returns and efficient marketing activities.
- Growth in the four major brands contributed to higher earnings.

Category leading performance for the four major brands



Softymo
Cleansing oil category
Cleansing cream category
(Sales amount/volume)



CLEAR TURN
Sheet masks
Aging care category
(Sales amount)



SUNCUT®
UV protection spray
category
(Sales amount/volume)



GRACE ONE
All-in-one
anti-aging skincare
category
(Sales amount)

Sales target

Up + low single-digit %

<<Initiatives in 2026>>

Increase marketing activities for the four major brands

- Concentrate investments in our four major brands to fuel the development of new products. Goals are sales growth and high market shares.
 - ✓ SUNCUT®: Draw more customers' attention for new products and promote daily use of sunscreen to extend the period of demand.
 - ✓ CLEAR TURN: Launch the new CLINI SHOT line of high-volume face masks with outstanding functional benefits.

Turn around hair care brands

- Restore hair care products by aligning with market trends and enhancing functionality.

<<2026 priorities/more growth potential>>

- Maintain market positions amid intense competition in Japan.
- Accelerate the expansion of these brands in Greater China and the ASEAN region to increase overseas sales.



SUNCUT®
Ultra Light Touch
UV Protection Essence
(To be released on
February 2)



CLEAR TURN
CLINI SHOT
(To be released on
February 20)



GRACE ONE
Brightening Repair Gel
(To be released on
February 20)



Softymo
Cleansing Wash (black)
(Released on
November 4, 2025)

2025

2026

Strategy
for 2026

Maintain Tarte's market presence through substantial marketing expenditures, and promote growth in ecommerce and retail stores

<<Accomplishments in 2025>>

- Maintained prior-year sales level on a local currency basis despite a consumer sentiment downturn in North America.
- Top U.S. market shares in the concealer and mascara categories. Leading prestige makeup brand in the industry.
- Rapid growth in social commerce and major ecommerce platforms offset retail store performance.

<<2026 priorities/more growth potential>>

- Continue sales growth on ecommerce and recovery of offline channel sales.
- Achieving higher profits over the previous year despite challenging market conditions.



Holiday 2025 Collection

Collaboration with Dunkin'
(Activity in 2025)Makeup kits using collaboration
with influencers

Sales target

Up + high single-digit %*

*Yen basis

<<Initiatives in 2026>>

Establishing market presence in core categories

Maintaining top market share in concealer and mascara categories.

Continue investments in growth categories and for actions that generate interest

- Expanding growth categories (cheeks, etc.) and promoting cross-industry collaborations. Driving demand across ecommerce and physical stores.
- Offsetting tariff-driven cost increases by optimizing product mix and sampling efficiency to maintain gross margin at the previous year's level.

The Shape Tape series celebrates
its 10th anniversary in 2026

Cheek blush

2025

2026

Strategy
for 2026

Further increase brand value in Thailand and speed up globalization measures to start operations in Japan and other Asian countries

<<Accomplishments in 2025>>

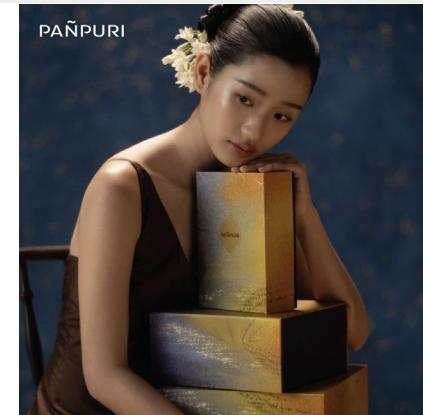
- Despite a decline in Chinese tourists, successful pop-up shops and influencer marketing drove growth in the local customer base in Thailand.
- Returned to sales growth in the fourth quarter with sales up about 10%.

<<2026 priorities/more growth potential>>

- Lower reliance on sales to Chinese tourists in Thailand.



Perfume oil (left) and scented sachets (right) contributed to the growth in the number of customers in Thailand



A holiday campaign (Oct.-Dec. 2025) featured Japanese artist Kazu Saito

Sales target

Up +30% to +35%

<<Initiatives in 2026>>

Create highly successful products and target demand within Thailand

- Use perfume oil and other popular products to raise brand value in Thailand and bring in new customers

Move faster for global growth by starting full-scale activities in Japan and other Asian countries

- Increase stores in Japan and Asia



The first store opened in Singapore at the Takashimaya Shopping Centre on September 26, 2025

Benefits of Expenditures for the Minami Alps Factory

➤ A sound production infrastructure for high profitability and sustainable growth

Stronger production infrastructure

- Higher output capacity for the Group's long-term sales growth (40% above current level)
- Centralization of skincare product production to reduce dispersed investments and maintenance expenditures



Higher profitability and capital efficiency

- More internal processes to reduce outsourcing expenses
- Use automated guided vehicles and other automation for higher productivity
- Lower inventories by reducing time needed to make products



A sustainable production model

- A sustainable factory that is responsible for people and the environment
- Use high environmental added value for higher quality and more powerful brands
- Reduce the risk of labor shortages in the future through advanced automation

■ Capital expenditures and depreciation expenses at the Minami Alps factory

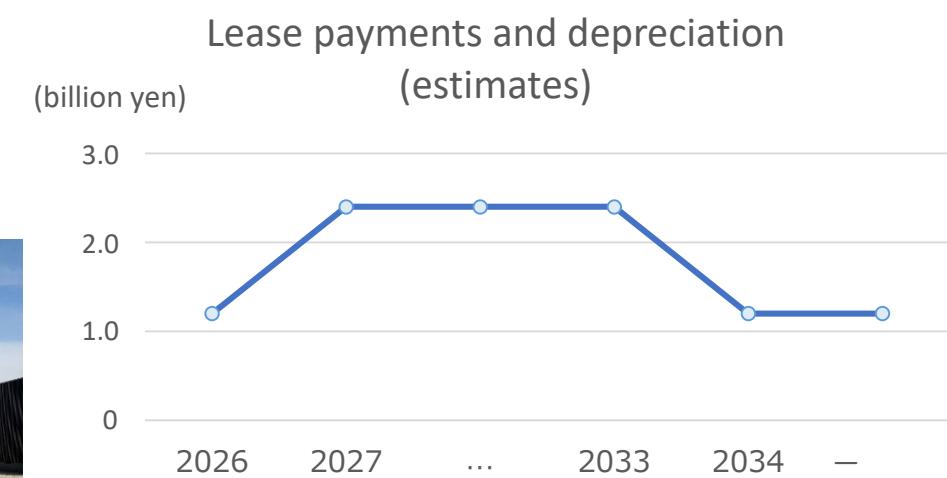
(billion yen)	2024	2025	2026
Capital expenditures	12.0	10.0	16.0
Depreciation expenses	0	0	1.2



Minami Alps Factory (exterior)



Collaborating with Yamanashi Prefecture's green hydrogen initiative. A first for Japan's cosmetics industry to adopt hydrogen energy in production.



Following the start of operations in July 2026, lease payments and depreciation are expected to be about ¥1.2 billion in the first year (six months) and about ¥2.4 billion annually starting in 2027

1) FY12/2025 Results of Operations

Keita Matsunami, Senior Executive Officer, KOSÉ Corporation

2) Strategy by business for FY12/2026

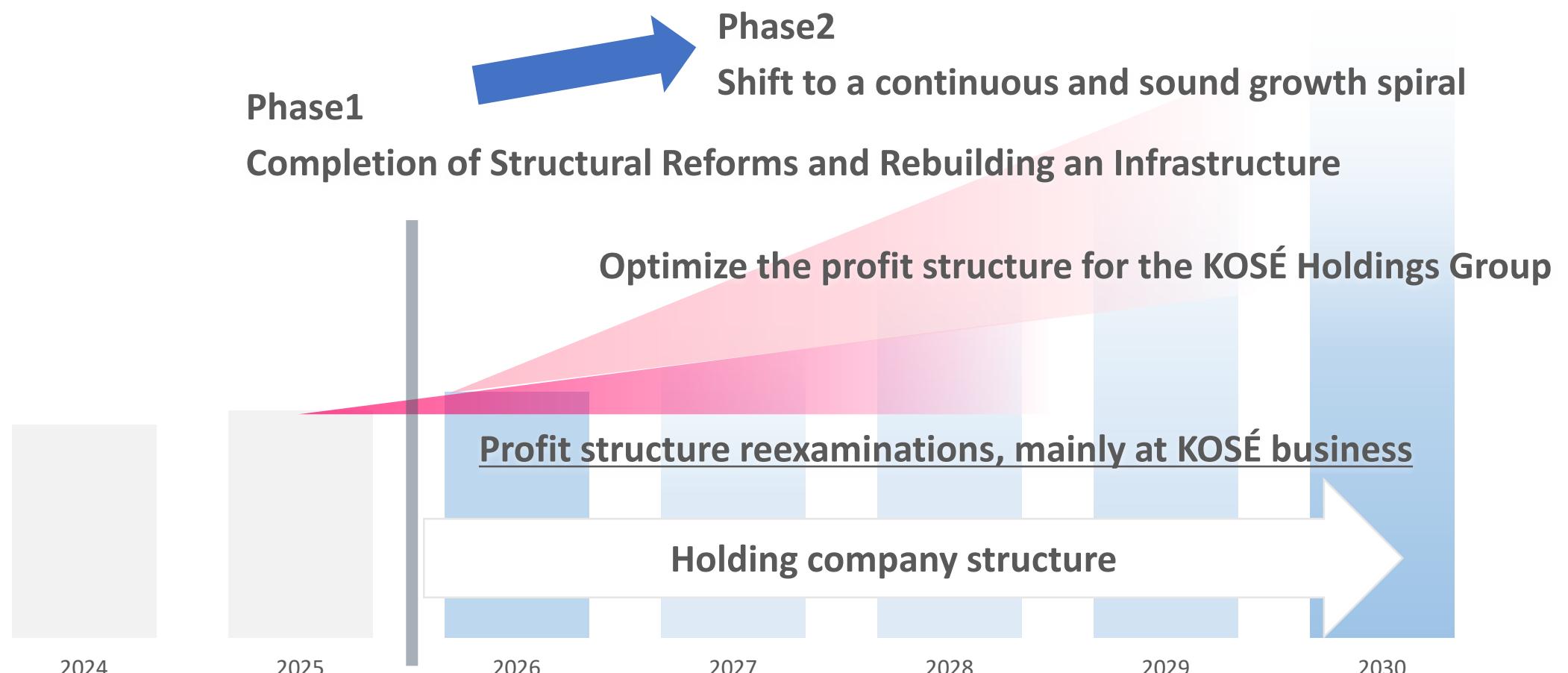
Kazutoshi Kobayashi, President & CEO, KOSÉ Holdings Corporation

3) Improvement of Resilient Business Structure and Capital Efficiency / Shareholder Return

Koichi Shibusawa, Senior Executive Director, KOSÉ Holdings Corporation

4) Supplementary Information

- Use the new holding company structure for quickly implementing measures for improving a resilient business structure as one step for accomplishing the medium/long-term vision.
- Beginning in 2026, the first step is reexamining profit structures, mainly at KOSÉ business. At the same time, activities encompassing the KOSÉ Holdings Group will start.



As initiatives in 2026, we focus on “Higher earnings due to top-line growth” and “Reexamination of profit structure”
Expected increases in operating profit in FY2026 is ¥3.0 billion compared to FY2025

Higher earnings due to top-line growth
+¥1.5 billion (Sales up ¥8.0 billion)



Reexamination of profit structure
+¥2.0 billion

◇ Reinforce ecommerce channels
• Push forward with more activities on major ecommerce platforms
• Upgrade CRM by using accumulated customer identifiers

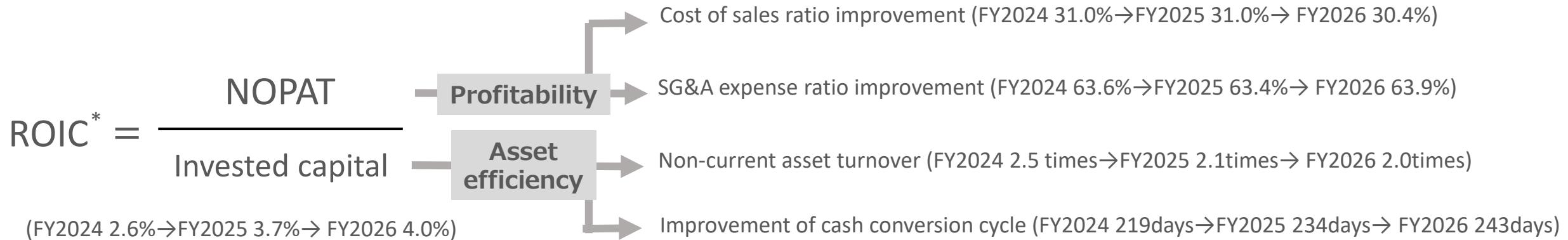
◇ Drive forward with global business
• More ASEAN activities in the KOSÉ business
• Improve profitability of Tarte business
• Increase Puri activities in Japan and the ASEAN region

◇ Improve gross profit margin
• Revise prices to reflect higher procurement expenses
• Reduce discarded products by more tightly controlling inventories at distributors and stores
• Higher productivity at KOSÉ Group factories

◇ Reexamine marketing activities
• Reexamine marketing and advertising expenses
• Drastic review of profit structures of brands

◇ Higher administrative productivity
• Continue cost-cutting measures
• Use the DX and AI to improve business process and to make the size of the administrative workforce appropriate

The 2025 ROIC of 3.7% was below the weighted average cost of capital (WACC) of (5%-6%).
Stronger governance is needed as well as improvements of profitability and asset efficiency



*Definition: NOPAT = Operating profit after tax

Invested capital = Interest bearing debt + Net assets

*Numbers of FY2026 are estimate.

(Essential for all improvements) Stronger governance

2026 Action Plan for Improvements

►New

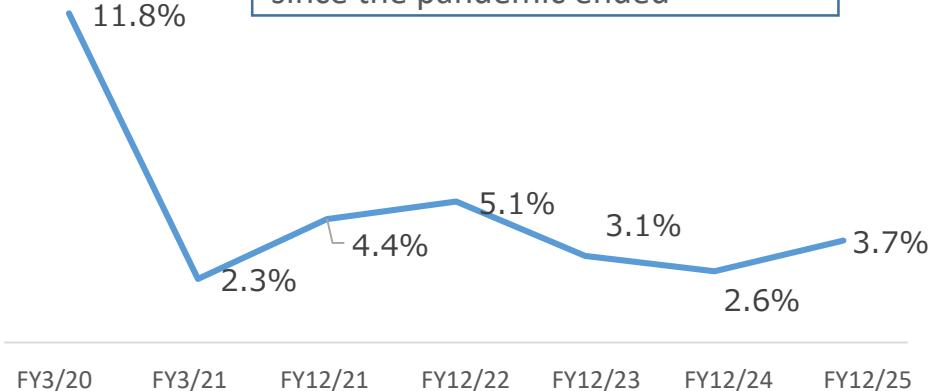
- Use the ROIC as a metric for determining officer remuneration
- Adopt a ROIC tree to evaluate business performance at all business units
- Strengthen group governance through the new holding company structure
- Alter the composition of the board of directors to achieve an even more diverse skill matrix

►Ongoing/Upgraded

- More emphasis on ecommerce, which has high profitability
- Price revisions for a suitable level of profitability
- Higher ROI by rigorously examining marketing expenses
- Increase administrative productivity

ROIC

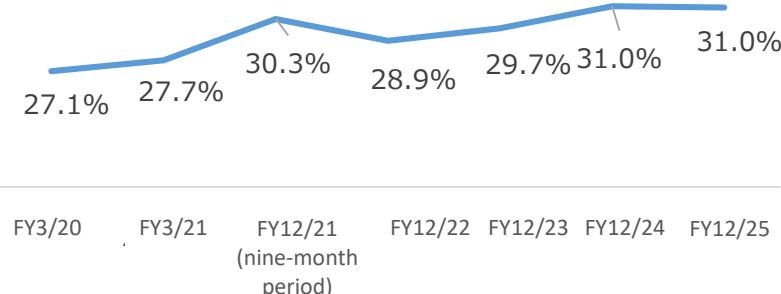
Low ROIC is mainly due to lower operating margin/capital efficiency since the pandemic ended



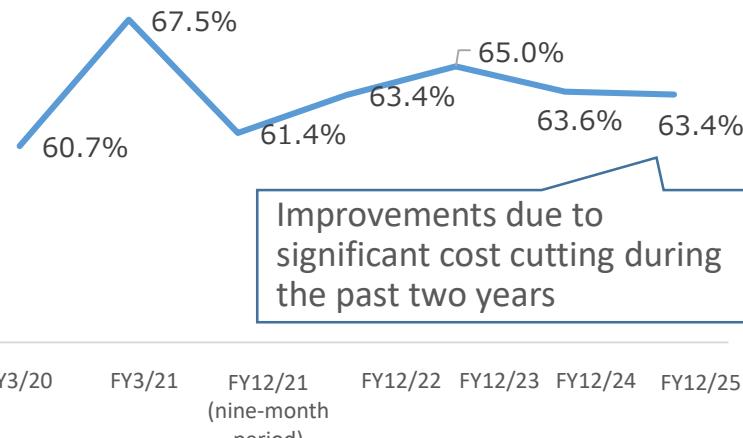
(Profitability)

Cost of sales ratio (ratio to net sales)

The cost ratio of manufactured goods is on an upward trend.



(Resilient business structure)
SG&A expense ratio



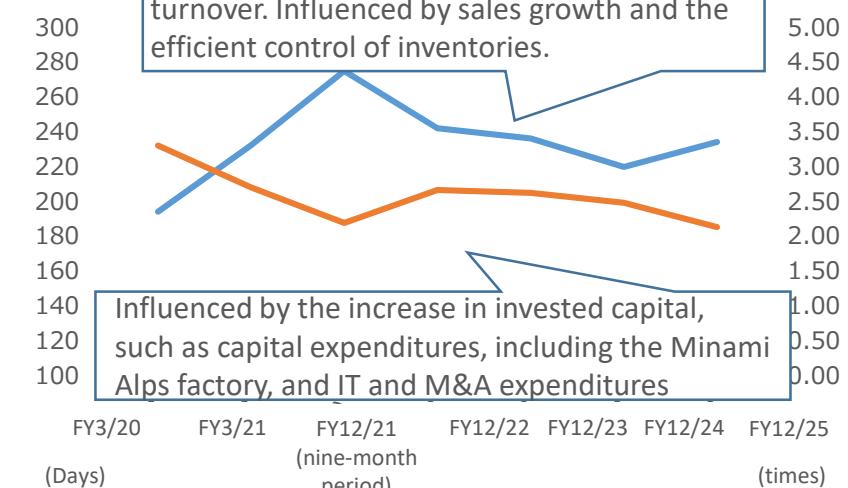
(Reference)ROE



(Asset efficiency)

Blue: CCC / Red: Non-current asset turnover

Changed mainly because of a shorter inventory turnover. Influenced by sales growth and the efficient control of inventories.



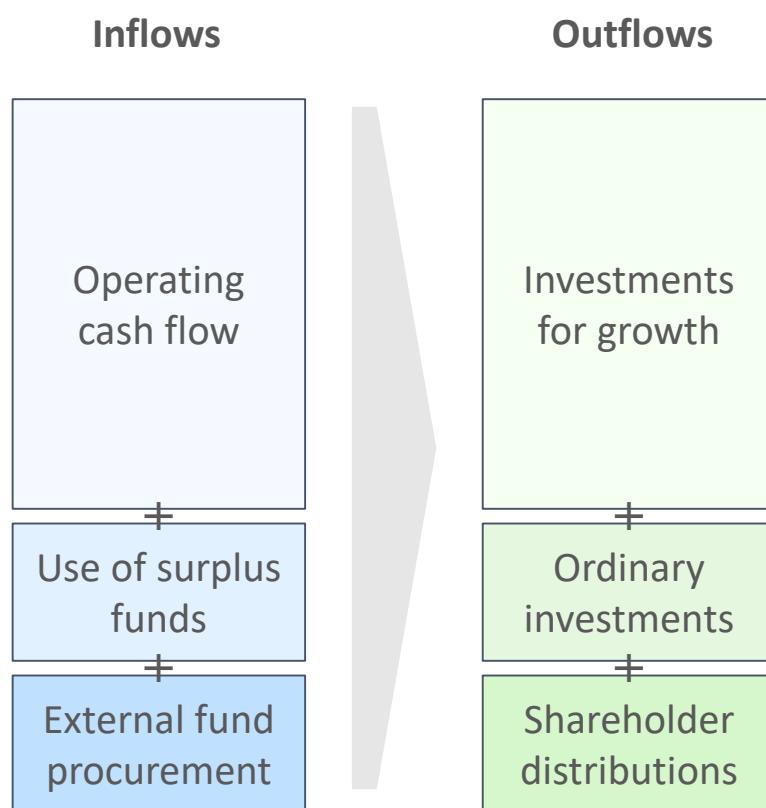
Improvements due to significant cost cutting during the past two years

Influenced by the increase in invested capital, such as capital expenditures, including the Minami Alps factory, and IT and M&A expenditures

Cash Allocation (2025–2030 Cumulative)

- Use cash generated by improving the profitability of existing businesses and reducing surplus funds for investments for growth
- Improve capital efficiency capital more efficiently through the effective use of funds within the group and an increase in distributions to shareholders
- Consider the use of debt too for funding investments to use capital more efficiently

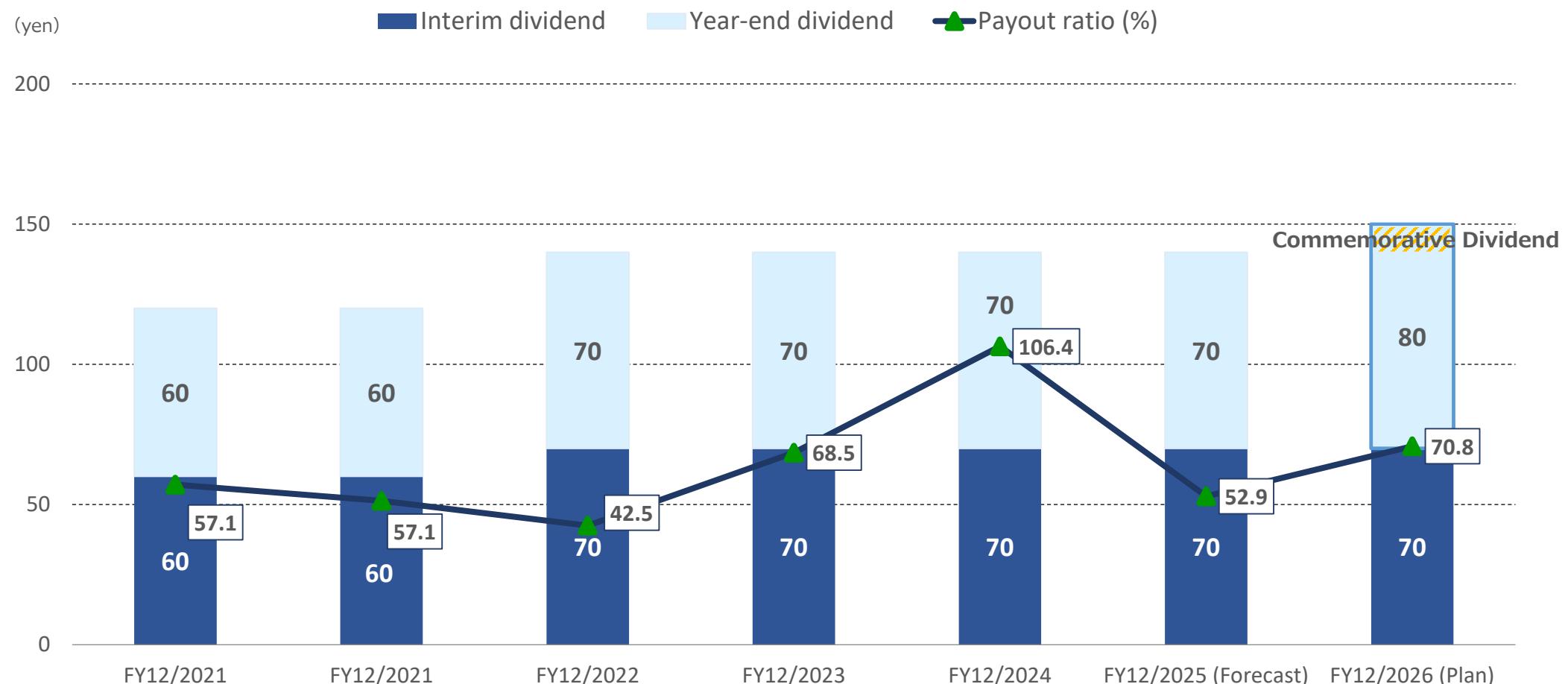
Approximate cash inflows and outflows



Cash inflows	Scale	
Operating cash flow	220 billion yen	<ul style="list-style-type: none"> • Higher earnings
Surplus funds	30 billion yen	<ul style="list-style-type: none"> • Reduce surplus bank deposits • Reduce working capital
External procurement		<ul style="list-style-type: none"> • Use debt to procure funds
Cash outflows	Scale	
Investments for growth (expansion)	110 billion yen	<ul style="list-style-type: none"> • M&A and equity alliances • Global growth and greater brand awareness • Digital investments (customer experiences, better CRM, others) • R&D expenditures (incremental)
Ordinary investments (foundation)	50 billion yen	<ul style="list-style-type: none"> • Sophistication of business management • Stronger supply chain system to reduce costs and Inventories • Enhancing governance across the global group
Ordinary investments	30 billion yen	<ul style="list-style-type: none"> • Manufacturing upgrades (Minami Alps + existing factories) • Sound IT infrastructure and enhancement of security measures
Shareholder distributions	Over 60 billion yen	<ul style="list-style-type: none"> • Steady dividend growth • Well-timed stock repurchases based on opportunities to make investments for growth, the ROIC, current stock price and other considerations

Shareholder Returns

- For 2025, the dividend per share is expected at ¥140 (¥70 interim and year-end dividends) as initially planned, based on the stable dividend policy.
- For 2026, to mark our 80th anniversary, a commemorative dividend of ¥10 is planned, bringing the annual dividend to ¥150.
- We plan to implement a share buyback program with a maximum limit of ¥3.0 billion (1.14% of total shares outstanding, excluding treasury shares).





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4) Supplementary Information

Cost of Sales and SG&A Expenses

		1Q-4Q					
		2024		2025		Change (billion yen)	Change (ratio)
		Amount (billion yen)	Ratio to net sales	Amount (billion yen)	Ratio to net sales		
Cost of sales		100.1	31.0%	102.2	31.0%	+2.0	+2.0%
SG&A expenses		205.2	63.6%	209.5	63.4%	+4.2	+2.1%
Selling expenses	Sales promotion	49.1	15.2%	46.7	14.2%	-2.3	-4.8%
	Advertising	27.7	8.6%	28.6	8.7%	+0.8	+3.0%
	Marketing cost	76.8	23.8%	75.3	22.8%	-1.5	-2.0%
	Freightage and packing	19.3	6.0%	20.4	6.2%	+1.1	+6.1%
Subtotal		96.2	29.8%	95.8	29.0%	-0.3	-0.4%
General and administrative expenses	Personnel	62.5	19.4%	63.6	19.3%	+1.0	+1.7%
	R&D	6.3	2.0%	6.9	2.1%	+0.5	+8.5%
	Depreciation	5.4	1.7%	6.3	1.9%	+0.9	+16.6%
	Others	34.5	10.7%	36.6	11.1%	+2.1	+6.1%
Subtotal		108.9	33.8%	113.6	34.4%	+4.6	+4.3%

Net Sales by Region —Quarterly

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	52.2	58.2	215.3
	YoY change	+18.2%	+13.2%	+7.9%	+7.7%	+11.4%	+6.0%	+1.3%	-3.8%	+4.3%	+1.9%
	Ratio to net sales	62.9%	64.2%	68.3%	66.5%	65.5%	65.5%	65.0%	65.4%	65.0%	65.2%
Asia	Sales	9.6	13.6	6.7	10.6	40.6	9.7	11.3	8.7	14.2	44.1
	YoY change	-23.7%	-29.2%	-24.5%	-11.3%	-23.0%	+1.2%	-17.2%	+31.3%	+34.1%	+8.6%
	Ratio to net sales	12.4%	16.8%	8.4%	12.6%	12.6%	12.4%	13.9%	11.0%	15.9%	13.4%
North America, others	Sales	19.0	15.5	18.5	17.5	70.7	17.4	17.2	18.9	17.1	70.7
	YoY change	+34.6%	+46.3%	+20.2%	-0.3%	+22.3%	-8.6%	+10.6%	+1.9%	-2.0%	+0.0%
	Ratio to net sales	24.6%	19.1%	23.3%	20.9%	21.9%	22.1%	21.1%	23.6%	19.2%	21.4%
Total	Sales	77.5	81.5	79.5	84.0	322.7	78.9	81.5	79.9	89.6	330.1
	YoY change	+13.8%	+7.1%	+6.6%	+3.2%	+7.4%	+1.8%	+0.0%	+0.5%	+6.7%	+2.3%
	Ratio to net sales	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Sales Growth Rate by Business Segment

YoY changes in sales, %	FY2024						FY2025					FY2026 sales plan
	1Q	2Q	3Q	4Q	Total		1Q	2Q	3Q	4Q	Total	
Consolidated sales* ¹	+13.8%	+7.1%	+6.6%	+3.2%	+7.4%		+1.8%	+0.0%	+0.5%	+6.7%	+2.3%	+6.0%
【Segment】												
Cosmetics* ¹	+11.2%	+5.6%	+5.7%	+2.9%	+6.2%		+2.2%	-0.3%	+2.2%	+6.6%	+2.7%	+6.4%
High prestige	+6.4%	+3.7%	+6.2%	+4.2%	+5.1%		+5.0%	-0.9%	+4.7%	+3.5%	+3.0%	+ mid single-digit %
DECORTÉ	-14.1%	-17.5%	-5.9%	+7.5%	-8.3%		-2.8%	-0.4%	+8.1%	+12.6%	+4.4%	+ mid single-digit %
Prestige	+14.0%	+10.7%	+9.3%	-2.4%	+7.5%		-5.6%	+11.2%	-11.3%	+22.9%	+3.9%	+ mid single-digit %
SEKKISEI	+28.2%	+21.1%	-2.4%	+10.6%	+13.6%		-10.7%	+11.4%	-15.1%	+27.3%	+3.9%	Mid +10% range
Cosmetaries* ¹	+25.9%	+13.5%	+9.3%	+3.4%	+12.3%		+0.0%	+0.0%	-5.8%	+5.4%	-0.3%	+3.9%
【Major Group Companies】												
JPY	ALBION	+12.7%	+14.3%	+11.1%	+5.9%	+10.8%	+24.4%	-7.0%	-3.4%	-0.8%	+2.2%	+ mid single-digit %
	KOSÉ Cosmeport	+21.2%	+16.8%	+10.6%	+0.7%	+12.0%	-1.0%	-4.9%	-2.1%	+20.6%	+2.5%	+ low single-digit %
	KOSÉ China* ^{1,2}	-28.2%	-37.4%	-34.4%	-31.1%	-33.4%	-3.4%	-9.6%	+20.9%	+15.0%	+3.5%	-
	KOSÉ China TR	-71.4%	-20.1%	-54.4%	+0.7%	-43.2%	+4.6%	-47.4%	+23.1%	+20.3%	-19.5%	-
	KOSÉ Korea* ¹	+43.7%	-27.8%	-56.7%	-	-38.5%	-62.1%	-60.5%	+54.2%	-	+7.0%	-
	Tarte* ¹	+30.0%	+37.5%	+19.1%	+0.1%	+19.5%	-4.8%	+3.1%	+4.6%	-8.5%	-1.5%	+ high single-digit %
Local currency	KOSÉ China* ^{1,2}	-32.7%	-42.6%	-35.8%	-33.6%	-37.2%	-4.8%	-4.6%	+21.6%	+13.1%	+4.5%	-
	KOSÉ China TR	-73.3%	-29.5%	-58.9%	+5.5%	-47.7%	-5.9%	-46.7%	+37.4%	+15.4%	-20.7%	-
	KOSÉ Korea* ¹	+33.7%	-33.6%	-55.9%	-	-40.5%	-59.8%	-56.6%	+61.6%	-	+13.0%	-
	Tarte* ¹	+15.8%	+21.1%	+14.7%	-3.8%	+10.9%	-7.3%	+11.2%	+6.0%	-9.7%	-0.3%	+ mid single-digit %

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

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

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%	+1.8%	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%	+1.8%	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	13.5	1.2	-5.3%	+12.5%	11.3	0.1	10.8	0.1	-4.4%	+4.6%	15.3	2.7	16.2	2.7	+5.4%	-0.2%
4Q	14.7	1.4	14.4	1.6	-1.9%	+17.2%	8.4	0.0	10.2	0.0	+21.1%	+79.6%	15.0	2.9	13.4	3.0	-10.7%	+3.2%
Subtotal	55.2	4.9	56.0	5.3	+1.5%	+8.7%	39.2	0.5	40.4	0.5	+2.9%	+15.7%	59.3	10.8	58.4	10.6	-1.5%	-2.0%
Total sales	60.1		61.4		+2.1%		39.7		41.0		+3.1%		70.2		69.1		-1.5%	
OP (ratio)	7.2(12.0%)		5.4(8.8%)		-24.8%		4.5(11.5%)		4.6(11.3%)		+0.9%		7.7(11.0%)		5.4(7.9%)		-29.5%	

Major brands (billion yen)	DECORTÉ						SEKKISEI						* The Accounting Standard for Revenue Recognition is applied for major group companies.				
	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%	+56.0%					
3Q	9.7	4.0	10.0	4.9	+2.7%	+21.0%	2.3	1.5	2.2	1.0	-3.8%	-32.2%					
4Q	13.2	7.2	13.9	9.0	+5.3%	+26.0%	3.1	1.0	2.8	2.1	-7.0%	+112.5%					
Subtotal	43.0	27.9	46.3	27.7	+7.7%	-0.6%	10.9	5.5	10.6	6.3	-3.0%	+13.2%					
Total sales	71.0		74.9		+4.4%		16.5		16.9		+2.4%						

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

* The Accounting Standard for Revenue Recognition is not applied for major group companies.

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

EC (billion yen)	Total		YoY change
	2024	2025	
Total	51.0	60.4	+18.2%
1Q	10.5	12.9	+22.0%
2Q	14.1	15.9	+12.8%
3Q	9.4	13.8	+46.3%
4Q	16.8	17.6	+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
18.0	21.0	+17.2%	10.5	10.5	-0.1%	1.0	1.8	+66.6%	21.4	26.9	+25.6%	
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	5.2	+15.7%	3.7	3.1	-16.0%	0.2	0.4	+67.6%	5.6	7.1	+27.1%	
4.2	4.8	+13.3%	1.3	1.8	+35.2%	0.2	0.5	+82.6%	3.5	6.6	+87.3%	
5.4	6.2	+14.3%	3.1	3.6	+15.8%	0.3	0.5	+69.3%	7.9	6.1	-22.9%	

TR (billion yen)	Total		YoY change
	2024	2025	
Total	22.1	21.5	-2.9%
1Q	5.1	5.6	+9.2%
2Q	8.0	5.7	-28.2%
3Q	4.3	4.1	-4.6%
4Q	4.6	6.0	+28.9%

	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	9.4	+5.1%	8.6	6.8	-20.8%	4.4	5.2	+16.5%	0.0	0.0	-60.0%	
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	1.9	-28.9%	0.8	0.9	+10.5%	0.7	1.2	+71.1%	0.0	0.0	-57.5%	
2.4	2.4	-1.6%	1.3	1.5	+13.0%	0.8	2.0	+152.0%	0.0	-0.0	-	

Offline (billion yen)	China		
	2024	2025	YoY change
Total	4.0	5.0	+25.5%
1Q	0.7	1.0	+40.2%
2Q	1.2	1.4	+12.0%
3Q	0.8	1.0	+25.1%
4Q	1.2	1.5	+31.4%

* The Accounting Standard for Revenue Recognition is not applied.

Balance Sheet and Cash Flow Highlights

(billion yen)	As of December 31, 2024		As of December 31, 2025		Change
	Amount	Share	Amount	Share	
Current assets	240.3	62.1%	228.9	58.2%	-11.3
Cash and deposits	113.9	29.5%	92.4	23.5%	-21.5
Accounts receivable	50.0	12.9%	56.0	14.3%	+6.0
Inventories	69.6	18.0%	73.0	18.6%	+3.3
Non-current assets	146.4	37.9%	164.5	41.8%	+18.0
Property, plant and equipment	73.7	19.1%	81.8	20.8%	+8.0
Intangible assets	26.9	7.0%	25.4	6.5%	-1.4
Total assets	386.7	100.0%	393.4	100.0%	+6.6
Current liabilities	71.1	18.4%	63.2	16.1%	-7.9
Accounts payable	22.2	5.7%	22.3	5.7%	+0.1
Short-term borrowings	0.8	0.2%	0.7	0.2%	-0.0
Non-current liabilities	23.3	6.0%	25.4	6.5%	+2.1
Total liabilities	94.5	24.4%	88.6	22.5%	-5.8
Total net assets	292.2	75.6%	304.7	77.5%	+12.5
Shareholders' equity*	272.2	70.4%	284.1	72.2%	+11.8
Non-controlling interests	19.9	5.2%	20.5	5.2%	+0.6
Total liabilities and net assets	386.7	100.0%	393.4	100.0%	+6.6

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

(billion yen)	1Q-4Q	
	2024	2025
Profit before income taxes	+18.6	+23.2
Depreciation	+9.7	+10.8
Working capital (+Accounts receivable + Inventories - Accounts payable)	-9.6	-7.3
Others	-0.4	-15.5
Cash flows from operating activities	+18.3	+11.1
(Increase) decrease in time deposits	+21.6	+4.3
Purchase of non-current assets	-21.0	-21.3
Others	-9.5	-0.6
Cash flows from investing activities	-8.9	-17.7
Funds procured from external sources and repayments	-	-
Cash dividends paid	-8.4	-8.8
Others	-0.2	-1.1
Cash flows from financing activities	-8.6	-10.0
Effect of exchange rate change on cash and cash equivalents	+1.3	-0.4
Change in cash and cash equivalents	+2.0	-17.0
Cash and cash equivalents at beginning of period	105.6	107.7
Cash and cash equivalents at end of period	107.7	90.7

(yen)	2024				2025			
	Jan. – Mar.	Jan. – Jun	Jan. – Sep.	Jan. – Dec.	Jan. – Mar.	Jan. – Jun	Jan. – Sep.	Jan. – Dec.
US\$	148.6	152.2	151.2	151.5	152.6	148.6	148.2	149.7
CN¥	20.6	21.0	20.9	21.0	20.9	20.4	20.5	20.8
KR₩	0.111	0.112	0.111	0.111	0.105	0.104	0.105	0.105

	Themes		Indicators		2024	2025	2030 Milestone
Financial targets	Sales	Consistent sales growth	Ratio to net sales		+7.4%	+2.3%	CAGR of more than +5%
		Stronger global operations	Overseas sales ratio		34.5%	34.8%	More than 50%
	Profitability	Continuously generate earnings	Operating margin		5.4%	5.6%	More than 12%
			EBITDA margin		8.8%	9.4%	More than 18%
	Efficiency	Efficient and effective investments for growth	ROIC ^{*1}		2.6%	3.7%	More than 10%
Non-Financial targets	Human capital	Human resources that can support global growth	Global personnel vs. Global key posts ^{*2}		1.4 times	1.85 times	More than 2.5 times
	Social issues	Respect for a diverse array of beauty	Product/service ratio using Adaptability ∞ ^{*3}		86.4%	88.8%	100%
		Support for enjoying fulfilling and healthy lives	Activities contributing to wellbeing		198	265 ^{*4}	More than 500
	Environmental issues	Increasing awareness of environmental issues	People who have raised environmental awareness		7.41 million people	7.8 million people ^{*4}	More than 10 million people
		Measures to the environmental impact of KOSÉ's business operations	CO ₂ emission reduction rate	Scope1・2	-44.8%	-50.2% ^{*5,6}	-55%
				Scope 3	-19.2%	-19.2% ^{*5,7}	-30%

*1 Before application of new lease accounting standard, ROIC = Operating profit after tax / (average of total of interest-bearing liabilities and net assets during the period) x 100 *2 Global personnel divided by the number of global key posts

*3 For the eight action themes of Adaptability ∞ , key annual themes of individual brands were selected and the number of products and services that accomplished these themes were counted to calculate the achievement ratio.

*4 Cumulative values since 2020 *5 Reduction rate compared to 2018 *6 Scheduled for update following the third-party verification *7 Results for 2024

Sustainability Strategy: Major Initiatives in 2H 2025 —For People—

■ Respect the diverse array of beauty

Provision of products and services based on
Adaptability∞ (Eight)



In response to the wishes of consumers, started selling INFINITY The Repair, a universal design container that is very easy to use



DECORTÉ YOUTH POWER ESSENCE LOTION has benefits for diverse skin types and is designed for all ages and genders

■ Support the healthy minds and healthy lives

Initiatives for achieving well-being



Held a KOSÉ DAY event at Sun Rockers Shibuya basketball games to use sports for engagement with the public



Body improvement events were held to encourage employees to stay healthy to maintain their overall wellbeing

■ Help with social opportunities

Raising awareness of and initiatives in DE&I focusing on the 3Gs



A diversity, equity and inclusion seminar for university and local government personnel



Promoted task assignments that leverage the individual characteristics of people with disabilities

Sustainability Strategy: Major Initiatives in 2H 2025 —For the Earth—

■ Increase awareness of environmental issues

Increase in awareness of environmental issues through products, service and information transmissions



Since August 2025, ALBION's new series of FLARUNÉ products uses containers made from recycled packaging materials.



The BLUE Series is also part of the SEKKISEI Save the BLUE Ocean Project, which is now in its sixteenth year. The project uses donations from SEKKISEI product sales to plant coral in Okinawa.

■ Play a role in solving environmental issues

Pursue conservation and solving issues in various regions around the world



KOSÉ Cosmeport held the first beach cleaning event for the SUNCUT® brand. Participants included wind surfer Rina Niijima.



A new product by ALBION incorporates an original ingredient from an Okinawa research center that was developed with a company in the Miyakojima city of Okinawa. The ingredient prevents soil degradation and water pollution and supports biodiversity.

■ Promote reduction of environmental impact

Environmentally responsible manufacturing activities

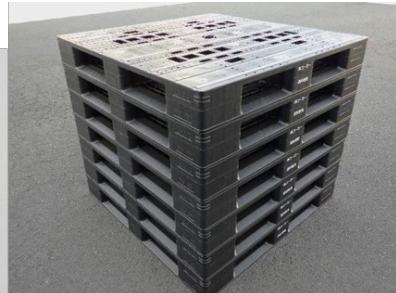


Kumagaya Factory
(ALBION CO., LTD.)



Iriso Factory
(ADVANCE CO., LTD.)

All electricity used at the Kumagaya Factory of ALBION and Iriso Factory of ADVANCE comes from renewable energy sources. Four factories of the KOSÉ Group now use entirely renewable energy.



Plastic containers that were not used for products are reused to make pallets for the storage and transport of various materials at warehouses.

These materials include estimates on the basis of the outlook on the future and plans as of February 12, 2026, 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.

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- 2026 Earnings Announcement Schedule (tentative)
 - 1st quarter earnings announcement: May 14, 2026
 - 2nd quarter earnings announcement: August 6, 2026
 - 3rd quarter earnings announcement: November 10, 2026
 - Full-year earnings announcement: February 15, 2027

*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 “-%”.