

## Activities to commemorate the 70th anniversary of the founding of KOSÉ

2 March 2016 marks the 70<sup>th</sup> anniversary of the founding of KOSÉ Corporation (Head Office: Chuo-ku, Tokyo, President & CEO: Kazutoshi Kobayashi). We have defined the roughly one-year period from the anniversary date of 2 March 2016 through to end-March 2017 as its “70<sup>th</sup> Year” and will engage in various activities to commemorate the company’s 70 years in operation in order to communicate our thanks to customers and all other stakeholders and to play a more active role in the global community.

On 2 March 1946, shortly after the end of the Second World War, Kozaburo Kobayashi founded Kobayashi Unlimited Partnership in Oji, Oji-ku (now Kita-ku), Tokyo with capital of ¥100,000 and four employees, and began manufacturing and marketing cosmetics. Two years later, in 1948, the company was reconfigured as Kobayashi KOSÉ Co., Ltd., the predecessor organization to KOSÉ today. Since its founding, KOSÉ has been passionate about providing cosmetics to help people achieve their dreams and wishes and has continued to expand, leveraging its unrivalled development capabilities to produce various groundbreaking, industry-first products and its solid sales network that focuses on direct business dealings with cosmetics retailers across the country.

In 1991, the company updated its corporate identity and changed the company name to KOSÉ Corporation. Under the management philosophy of “Creating a culture and values embodying a distinctive beauty through a sophisticated fusion of sensuousness and intelligence,” KOSÉ has evolved and expanded its business through marketing strategies for the various brands in our portfolio today, diverse sales routes, and efforts to meet consumer needs. KOSÉ shares were listed for over-the-counter sale in 1999 and the company listed on the First Section of the Tokyo Stock Exchange in December 2000.

### <Message from the CEO>

On the 70<sup>th</sup> anniversary of the company’s founding, I would like to express my sincere thanks to our customers for their patronage of our product line-up and all our stakeholders for their support for our business.

Since the company was first established, we have adapted our operations to respond to changing times and evolving consumer needs, but throughout our 70-year history, we have remained committed to the concept of “Bringing light to the world through cosmetics”, our basic corporate motto of “Mind to follow the right path” that we inherited from our founder, and our goal to “Conscientiously provide superior products” by prioritizing the views of customers using our products and providing original products through appropriate sales channels.

Looking to the future, we will continue to respect these values, while evolving our business to meet changing times and seamlessly expanding our business into global markets, from our origins in Japan out into Asia, Europe, and the US, in order to meet the high expectations that global consumers have for cosmetics from Japan. By taking on this challenge and continuing to create new value, we aim to build our presence as a company that provides “Wisdom and beauty for people and the Earth.”

We thank you for your continued support.



小林 一俊

Kazutoshi Kobayashi

<Program of activities to commemorate the 70<sup>th</sup> anniversary of the company's founding>

### 1. Production of the 70<sup>th</sup> anniversary commemorative logo

We have created a logo to commemorate the 70<sup>th</sup> anniversary of our founding, in order to express our thanks to the many people who have supported our business since its founding and to ensure all our employees remember our founding concepts.

The logo is based on the image of the Earth and encapsulates the idea of “future” and “active”. The logo features a round planet (our world) loosely tied with a ribbon to express the concept that we want to gift KOSÉ products to people around the world. This logo will be used in all the activities and relevant promotional products over the coming (Press release on products branded with the 70<sup>th</sup> anniversary logo, dated 5 January 2016)



- Sekkisei Herbal Gel <http://news.kose.co.jp/pdf/news/2016010504.pdf>
- Infinity Perfectiv White XX <http://news.kose.co.jp/pdf/news/20160105.pdf>

### 2. Global KOSÉ website to mark the 70<sup>th</sup> anniversary

From 2 March, launch the KOSÉ 70<sup>th</sup> anniversary website will be available for use for a limited time only. The site will include a message from President Kobayashi and details of our company history and product line-up since KOSÉ was founded, as well as information on the various activities planned during our 70<sup>th</sup> anniversary year. (The site is scheduled to run from 2 March 2016 to 31 March 2017.)



For our global customers, we will link with our corporate information site to provide English and Chinese (simplified) language options through April. <70<sup>th</sup> anniversary website>

Japanese language version URL: <http://www.kose.co.jp/company/ja/70th>

### 3. Construction of the Basic Research Laboratory and reorganization of R&D sites

We are building new research facilities (see press release dated 2 March), scheduled for completion in spring 2019, at a site adjacent to our product research facilities in Sakae-cho (Oji), Kita-ku, Tokyo. By consolidating research facilities currently dispersed around Tokyo (in Oji, Kita-ku and Azusawa, Itabashi-ku) into neighboring sites, we aim to accelerate R&D, improve the quality and quantity of communication between researchers, and make operations more efficient, thereby increasing the company's competitive edge and raising enterprise value.



<Image of the new Basic Research Laboratory>

The construction site in Oji is alongside the site where the company was founded 70 years ago and within walking distance of the KOSÉ Oji Training Center. By co-locating our research facilities where we develop products and our training facilities where we develop employees, we aim to improve our ability to create value and build up our corporate capabilities.

[Overview of the new Basic Research Laboratory] (see press release dated 2 March)

Site for construction: 46-3 Sakae-cho, Kita-ku, Tokyo (currently our Technology Research Center)  
Total floor space: Approx. 4,300 square meters  
Architects: Nikken Sekkei  
Planned building: Three-story building plus one basement level, reinforced concrete structure  
Investment: ¥4 billion  
Scheduled for completion: March 2019

#### 4. Name change for the KOSÉ Beauty Academy in Tokyo

The Tokyo Hair Make College (located in Kita-ku, Tokyo; Chairman: Yasukiyo Kobayashi; College Principal: Shoji Usami) will be renamed the KOSÉ Beauty Academy in April 2016. The predecessor organization to the KOSÉ Beauty Academy was the KOSÉ Advanced School of Beauty established by our founder Kozaburo Kobayashi in 1968 who was also the first principal of the school. This educational facility trained many beauty specialists under the philosophy of taking pride in people development.

Following the change in name, we will provide comprehensive support for young people trying to follow their dreams and will work to develop beauty professionals who have confidence and pride in their skills and are equipped with technical capabilities and social skills, in order to deepen our existing links with the beauty industry.



KOSÉ Beauty Academy website: <http://www.hairmake.ac.jp/>

#### 5. CSR activities

##### ◇ Fukushima Sakura Project

In 2013, we began participating in the Fukushima Sakura Project to provide ongoing support for Fukushima and Tohoku through the supply of a new variety of cherry tree, called Haruka, across Japan to symbolize the recovery after the Great East Japan Earthquake. Our contribution is to donate a portion of cosmetics sales to cover the costs to propagate the Haruka variety. In April 2015, we donated and planted one of the Haruka saplings propagated thus far as a commemorative tree for the Fukushima Aizu Wakaba Kindergarten (in Aizuwakamatsu, Fukushima Prefecture).

Press release dated 17 April 2014: <http://news.kose.co.jp/pdf/news/20150417.pdf>

During our 70<sup>th</sup> anniversary year, we hope the Haruka variety can be nurtured along with the dreams and hopes of the children who are the future of our nation. On 11 March, we will donate a second sapling to Irifune Elementary School (in Urayasu, Chiba Prefecture).

Press release dated 5 February 2016: <http://news.kose.co.jp/pdf/news/20160205.pdf>

Turning to other events to support the Fukushima area, the venue for the projection-mapping show, which has been conducted at Tsuruga Castle in Aizuwakamatsu City through 2015, will now transfer to Shirakawa City, Fukushima Prefecture. As we approach the fifth anniversary of the earthquake, we hope to make sure that the next generation keeps alive the gradually fading memories of the disaster and that we do not miss the opportunity to keep providing support for the revival of the Fukushima and Tohoku regions. We have therefore decided to continue providing support for the Fukushima Projection Mapping 2016 Haruka event in 2016.

Fukushima Projection Mapping 2016 Haruka: Shirakawa Hanakagari

When: Friday 15 and Saturday 16 April 2016, four shows each day

\* A private media showing is scheduled for Thursday 14 April

Where: Shirakawa Cultural Exchange Center “Comines” (currently under construction)

Aizumachi 1-17, Shirakawa City, Fukushima Prefecture

Tickets: Free entry, prior reservations required (bookings open on the website below from 4 March)

Website: <http://www.fukushimasakura.jp/2016/>



\* More information on the events and activities described in this press release will be made available at a later date.