



October 28, 2011

**Summary of Financial Results for the Second Quarter of Fiscal Year Ending March 31, 2012
(Six Months Ended September 30, 2011)**

[Japanese GAAP]

Company name: **KOSÉ Corporation** Stock listing: Tokyo Stock Exchange, First Section
 Stock code: 4922 URL: <http://www.kose.co.jp>
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 Scheduled date of filing of Quarterly Report: November 11, 2011
 Scheduled date of dividend payment: December 9, 2011
 Preparation of supplementary materials for quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for analysts)

(Rounded down to million yen)

**1. Consolidated Financial Results for the Six Months Ended September 30, 2011
(April 1, 2011 – September 30, 2011)**

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

	Net sales (Million yen)	YoY change (%)	Operating income (Million yen)	YoY change (%)	Ordinary income (Million yen)	YoY change (%)	Net income (Million yen)	YoY change (%)
2Q FY03/2012	80,963	(4.8)	4,514	(30.1)	4,191	(31.0)	1,723	(28.3)
2Q FY03/2011	85,067	(0.2)	6,454	128.7	6,071	134.5	2,403	224.3

Note: Comprehensive income (million yen) 2Q FY03/2012: 2,365 (down 15.2%) 2Q FY03/2011: 2,788 (n.a.)

	Net income per share (basic) (Yen)	Net income per share (diluted) (Yen)
2Q FY03/2012	29.70	-
2Q FY03/2011	41.40	-

(2) Consolidated financial position

	Total assets (Million yen)	Net assets (Million yen)	Equity ratio (%)	Net assets per share (Yen)
2Q FY03/2012	169,490	112,964	62.6	1,826.50
FY03/2011	169,262	111,796	62.2	1,813.28

Ref.: Shareholders' equity (million yen) 2Q FY03/2012: 106,022 FY03/2011: 105,255

2. Dividends

	Dividend per share				
	1Q-end (Yen)	2Q-end (Yen)	3Q-end (Yen)	Year-end (Yen)	Total (Yen)
FY03/2011	-	20.00	-	20.00	40.00
FY03/2012	-	20.00	-	-	-
FY03/2012 (forecast)	-	-	-	20.00	40.00

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

3. Consolidated Forecast for the Fiscal Year Ending March 31, 2012 (April 1, 2011 – March 31, 2012)

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

	Net sales (Million yen)	YoY change (%)	Operating income (Million yen)	YoY change (%)	Ordinary income (Million yen)	YoY change (%)	Net income (Million yen)	YoY change (%)	Net income per share (Yen)
Full year	169,000	(1.2)	10,000	(27.7)	10,200	(25.5)	5,300	(21.2)	91.31

Note: Revisions to the most recently announced consolidated forecast: Yes

4. Others

(1) Changes in consolidated subsidiaries during the period (changes in scope of consolidation): None

Newly added: - Excluded: -

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

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

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

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

3) Changes in accounting-based estimates : None

4) Revised restatements : None

(4) Number of shares outstanding (common stock)

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

As of September 30, 2011: 60,592,541 shares

As of March 31, 2011: 60,592,541 shares

2) Number of shares of treasury stock at end of the period

As of September 30, 2011: 2,545,525 shares

As of March 31, 2011: 2,545,558 shares

3) Average number of shares outstanding during the period

2Q FY03/2012: 58,046,955 shares

2Q FY03/2011: 58,047,443 shares

Note 1: Indication of quarterly review procedure implementation status

The current quarterly financial statements are exempted from quarterly review procedures based on the Financial Instruments and Exchange Law. At the time of disclosure, we have not completed the review process for these consolidated statements.

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

These materials contain forward-looking statements and statements of this nature based on assumptions judged to be valid and information available to the Company as of the announcement date of the summary. As such, actual results may differ significantly from these projections resulting from changes in the economic environment and other risks and uncertainties. For discussion of the assumptions and other factors considered by the Company in preparing the above projections, please refer to the section "1. Qualitative Information on Consolidated Quarterly Financial Performance, (2) Qualitative Information Regarding Consolidated Forecast" on page 4.

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1. Qualitative Information on Consolidated Quarterly Financial Performance

(1) Qualitative Information Regarding Consolidated Results of Operations

Six Months Ended September 30, 2011 (April 1, 2011 – September 30, 2011)

Millions of yen, %

Operating segment	2Q FY03/2011		2Q FY03/2012		YoY change	
	Amount	% comp.	Amount	% comp.	Amount	%
Cosmetics	61,949	72.8	59,966	74.1	(1,982)	(3.2)
Cosmetaries	22,306	26.2	20,195	24.9	(2,110)	(9.5)
Other	812	1.0	801	1.0	(10)	(1.3)
Total net sales	85,067	100.0	80,963	100.0	(4,103)	(4.8)

	2Q FY03/2011		2Q FY03/2012		YoY change	
	Amount	% of sales	Amount	% of sales	Amount	%
Operating income	6,454	7.6	4,514	5.6	(1,940)	(30.1)
Ordinary income	6,071	7.1	4,191	5.2	(1,879)	(31.0)
Net income	2,403	2.8	1,723	2.1	(679)	(28.3)

1) Review of Operations

In the first half of the current fiscal year, the Japanese economy remained weak because of sluggish consumer spending caused by the Great East Japan Earthquake. In the Japanese cosmetics industry, according to statistics for cosmetics shipments compiled by the Ministry of Economy, Trade and Industry, there were increases in unit volume but monetary sales declined in the first eight months of the calendar year 2011 compared with one year earlier.

The KOSÉ Group responded by further refining its original brand marketing to meet diversifying markets and consumer needs with even greater flexibility. The Group also focused on achieving the optimal allocation of resources and improving operating efficiency and earnings.

First half net sales decreased 4.8% from one year earlier to 80,963 million yen as sales in all business segments were lower. Sales were down 4.3% after excluding the effects of changes in foreign exchange rates.

The decrease in sales caused operating income to fall 30.1% to 4,514 million yen, ordinary income to fall 31.0% to 4,191 million yen and net income to fall 28.3% to 1,723 million yen.

2) Results by Business Segment**(a) Cosmetics Business***Millions of yen, %*

	2Q FY03/2011	2Q FY03/2012	YoY change	
			Amount	%
Sales to third parties	61,949	59,966	(1,982)	(3.2)
Intragroup sales and transfers	-	-	-	-
Total net sales	61,949	59,966	-	-
Operating income	6,998	5,418	(1,580)	(22.6)
Operating margin	11.3	9.0	-	-

In the cosmetics business, KOSÉ took steps to increase luxury products sold at specialty cosmetics stores and department stores. In addition, there were extensive advertising and sales promotion activities to increase the number of customers. Overseas, there were activities to expand business operations primarily in Asia, such as by increasing the number of specialty cosmetics stores selling KOSÉ products in China.

Overall, sales in the cosmetics business decreased 3.2% to 59,966 million yen and operating income decreased 22.6% to 5,418 million yen.

(b) Cosmetaries Business*Millions of yen, %*

	2Q FY03/2011	2Q FY03/2012	YoY change	
			Amount	%
Sales to third parties	22,306	20,195	(2,110)	(9.5)
Intragroup sales and transfers	0	0	-	-
Total net sales	22,306	20,195	-	-
Operating income	795	726	(69)	(8.8)
Operating margin	3.6	3.6	-	-

In the cosmetaries business, KOSÉ developed products that meet customers' needs and used effective advertising and sales promotion activities in order to make its brands even more appealing.

As a result, sales decreased 9.5% to 20,195 million yen. Operating income decreased 8.8% to 726 million yen.

(c) Other Business*Millions of yen, %*

	2Q FY03/2011	2Q FY03/2012	YoY change	
			Amount	%
Sales to third parties	812	801	(10)	(1.3)
Intragroup sales and transfers	542	569	-	-
Total net sales	1,354	1,370	-	-
Operating income	233	314	81	35.0
Operating margin	17.2	23.0	-	-

In the other business segment, there was a decrease in orders for the manufacture of OEM products. As a result, sales decreased 1.3% to 801 million yen and operating income increased 35.0% to 314 million yen.

(2) Qualitative Information Regarding Consolidated Forecast

The outlook for the Japanese economy will probably remain uncertain. Although the impact of the Great East Japan Earthquake is slowly declining, personal income is falling and consumer spending is weak because of deflation, concerns about rising unemployment and other problems. In Asia, the outlook is for a continuation in economic recovery and growth.

The KOSÉ Group will continue to upgrade its operations. Goals include making core brands in Japan even more powerful and strengthening global brands and sales channels for those brands overseas.

Based on this outlook, KOSÉ has revised the forecast for the current fiscal year as follows.

Due to a revision in foreign exchange rate assumptions and performance in the first half, KOSÉ forecasts a 1.2% decrease in net sales to 169,000 million yen. However, as to profits, there are no revisions to the full-year consolidated forecast announced on April 28, 2011.

	Net sales	Operating income	Ordinary income	Net income	Net income per share
	<i>Million yen</i>	<i>Million yen</i>	<i>Million yen</i>	<i>Million yen</i>	<i>Yen</i>
Previous forecast (A)	171,100	10,000	10,200	5,300	91.31
Revised forecast (B)	169,000	10,000	10,200	5,300	91.31
Change (B – A)	(2,100)	-	-	-	-
Percentage change (%)	(1.2)	-	-	-	-
Reference: Previous fiscal year results (Fiscal year ended Mar. 31, 2011)	171,071	13,838	13,695	6,726	115.87

Consolidated Forecast for the Fiscal Year Ending March 31, 2012 (April 1, 2011 – March 31, 2012)

Millions of yen, %

Operating segment	FY03/2011		FY03/2012 (forecast)		YoY change	
	Amount	% comp.	Amount	% comp.	Amount	%
Cosmetics	127,020	74.2	127,700	75.6	679	0.5
Cosmetaries	42,253	24.7	39,900	23.6	(2,353)	(5.6)
Other	1,797	1.1	1,400	0.8	(397)	(22.1)
Total net sales	171,071	100.0	169,000	100.0	(2,071)	(1.2)

	FY03/2011		FY03/2012 (forecast)		YoY change	
	Amount	% of sales	Amount	% of sales	Amount	%
Operating income	13,838	8.1	10,000	5.9	(3,838)	(27.7)
Ordinary income	13,695	8.0	10,200	6.0	(3,495)	(25.5)
Net income	6,726	3.9	5,300	3.1	(1,426)	(21.2)

Note: The above forecasts are based on foreign exchange rates of 81 yen to the U.S. dollar, 2.8 yen to the Taiwan dollar and 12.4 yen to the Chinese yuan.

2. Matters Related to Summary Information (Others)

(1) Changes in Consolidated Subsidiaries during the Period

Not applicable.

3. Consolidated Quarterly Financial Statements**(1) Consolidated Quarterly Balance Sheets***Millions of yen*

	FY03/2011 (As of Mar. 31, 2011)	2Q FY03/2012 (As of Sep. 30, 2011)
Assets		
Current assets		
Cash and deposits	27,210	28,032
Notes and accounts receivable-trade	22,544	21,733
Short-term investment securities	24,761	22,092
Merchandise and finished goods	11,045	11,690
Work in process	1,315	1,369
Raw materials and supplies	8,450	9,408
Deferred tax assets	4,664	4,788
Other	3,159	5,614
Allowance for doubtful accounts	(305)	(271)
Total current assets	102,847	104,460
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	30,450	30,485
Accumulated depreciation	(18,047)	(18,265)
Buildings and structures, net	12,403	12,219
Machinery, equipment and vehicles	12,521	12,495
Accumulated depreciation	(10,859)	(10,883)
Machinery, equipment and vehicles, net	1,662	1,611
Tools, furniture and fixtures	29,349	28,956
Accumulated depreciation	(24,356)	(24,263)
Tools, furniture and fixtures, net	4,992	4,693
Land	16,934	16,614
Lease assets	786	805
Accumulated depreciation	(138)	(205)
Lease assets, net	647	599
Construction in progress	140	128
Total property, plant and equipment	36,780	35,867
Intangible assets		
Software	1,506	1,341
Other	2,077	1,963
Total intangible assets	3,583	3,304
Investments and other assets		
Investment securities	11,322	11,693
Deferred tax assets	11,116	10,672
Other	3,797	3,670
Allowance for doubtful accounts	(185)	(179)
Total investments and other assets	26,050	25,857
Total noncurrent assets	66,415	65,030
Total assets	169,262	169,490

Millions of yen

	FY03/2011 (As of Mar. 31, 2011)	2Q FY03/2012 (As of Sep. 30, 2011)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	11,443	14,546
Short-term loans payable	4,418	4,398
Lease obligations	136	139
Accounts payable-other	6,116	4,253
Accrued expenses	6,937	6,847
Income taxes payable	2,552	1,558
Accrued consumption taxes	725	430
Provision for sales returns	1,725	1,896
Other	1,748	1,611
Total current liabilities	35,804	35,682
Noncurrent liabilities		
Lease obligations	549	497
Provision for retirement benefits	18,316	17,481
Provision for directors' retirement benefits	2,539	2,598
Other	256	265
Total noncurrent liabilities	21,661	20,842
Total liabilities	57,466	56,525
Net assets		
Shareholders' equity		
Capital stock	4,848	4,848
Capital surplus	6,390	6,390
Retained earnings	102,215	102,777
Treasury stock	(7,230)	(7,229)
Total shareholders' equity	106,223	106,786
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(157)	(93)
Foreign currency translation adjustment	(811)	(670)
Total accumulated other comprehensive income	(968)	(764)
Minority interests	6,541	6,941
Total net assets	111,796	112,964
Total liabilities and net assets	169,262	169,490

(2) Consolidated Quarterly Statements of Income and Consolidated Quarterly Statements of Comprehensive Income
Consolidated Quarterly Statements of Income
(For the Six-month Period)

Millions of yen

	2Q FY03/2011 (Apr. 1, 2010 – Sep. 30, 2010)	2Q FY03/2012 (Apr. 1, 2011 – Sep. 30, 2011)
Net sales	85,067	80,963
Cost of sales	21,959	20,800
Gross profit	63,108	60,163
Selling, general and administrative expenses		
Advertising expenses	4,624	4,166
Promotion expenses	15,942	15,837
Freightage and packing expenses	2,669	2,731
Salaries and allowances	18,950	18,773
Retirement benefit expenses	645	646
Legal welfare expenses	2,504	2,570
Depreciation	1,196	1,115
Other	10,119	9,807
Total selling, general and administrative expenses	56,653	55,648
Operating income	6,454	4,514
Non-operating income		
Interest income	105	87
Dividends income	71	79
Patent royalty income	32	38
Miscellaneous income	72	113
Total non-operating income	282	318
Non-operating expenses		
Interest expenses	22	23
Foreign exchange losses	633	602
Miscellaneous loss	9	14
Total non-operating expenses	665	640
Ordinary income	6,071	4,191
Extraordinary income		
Gain on sales of noncurrent assets	2	62
Gain on sales of investment securities	0	-
Reversal of provision for directors' retirement benefits	85	-
Compensation income	-	238
Total extraordinary income	88	301
Extraordinary loss		
Loss on disposal of noncurrent assets	186	61
Loss on valuation of investment securities	151	251
Loss on adjustment for changes of accounting standard for asset retirement obligations	284	-
Other	54	-
Total extraordinary losses	677	312
Income before income taxes and minority interests	5,482	4,179
Income taxes-current	1,876	1,737
Income taxes-deferred	724	278
Total income taxes	2,600	2,015
Income before minority interests	2,881	2,163
Minority interests in income	478	440
Net income	2,403	1,723

Consolidated Quarterly Statements of Comprehensive Income
(For the Six-month Period)

Millions of yen

	2Q FY03/2011 (Apr. 1, 2010 – Sep. 30, 2010)	2Q FY03/2012 (Apr. 1, 2011 – Sep. 30, 2011)
Income before minority interests	2,881	2,163
Other comprehensive income		
Valuation difference on available-for-sale securities	(77)	64
Foreign currency translation adjustment	(15)	136
Total other comprehensive income	(93)	201
Comprehensive income	2,788	2,365
Attributable to:		
Comprehensive income attributable to owners of the parent	2,297	1,928
Comprehensive income attributable to minority interests	490	436

(3) Going Concern Assumption

Not applicable.

(4) Segment Information

Segment Information

I. 2Q FY03/2011 (Apr. 1, 2010 – Sep. 30, 2010)

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

Millions of yen

	Reportable segment			Other (Note 1)	Total	Adjustment (Note 2)	Amounts shown on consolidated quarterly statements of income (Note 3)
	Cosmetics	Cosmetaries	Total				
Net sales							
(1) Sales to third parties	61,949	22,306	84,255	812	85,067	-	85,067
(2) Intragroup sales and transfers	-	0	0	542	542	(542)	-
Total sales	61,949	22,306	84,255	1,354	85,609	(542)	85,067
Segment profit	6,998	795	7,794	233	8,027	(1,573)	6,454

Notes: 1. The "other" segment consists of activities that are not included in any of the reportable segments: amenity products and real estate leasing.

2. Adjustments to segment profits are as follows.

Eliminations for intersegment transactions (millions of yen)	(26)
Corporate expenses that cannot be allocated to reporting segments (millions of yen)	(1,546)

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

3. Segment profit is adjusted to be consistent with operating income shown on the consolidated quarterly statements of income.

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

No significant items in the first half.

3. Geographic sales information

Millions of yen

Japan	Asia	Other areas	Total
75,443	9,336	287	85,067

II. 2Q FY03/2012 (Apr. 1, 2011 – Sep. 30, 2011)

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

Millions of yen

	Reportable segment			Other (Note 1)	Total	Adjustment (Note 2)	Amounts shown on consolidated quarterly statements of income (Note 3)
	Cosmetics	Cosmetaries	Total				
Net sales							
(1) Sales to third parties	59,966	20,195	80,162	801	80,963	-	80,963
(2) Intragroup sales and transfers	-	0	0	569	569	(569)	-
Total sales	59,966	20,195	80,162	1,370	81,533	(569)	80,963
Segment profit	5,418	726	6,144	314	6,459	(1,944)	4,514

Notes: 1. The "other" segment consists of activities that are not included in any of the reportable segments: amenity products and real estate leasing.

2. Adjustments to segment profits are as follows.

Eliminations for intersegment transactions (millions of yen)	(85)
Corporate expenses that cannot be allocated to reporting segments (millions of yen)	(1,858)

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

3. Segment profit is adjusted to be consistent with operating income shown on the consolidated quarterly statements of income.

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

No significant items in the first half.

3. Geographic sales information

Millions of yen

Japan	Asia	Other areas	Total
71,390	9,382	190	80,963

(5) Precaution Concerning Significant Changes in Shareholders' Equity

Not applicable.

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