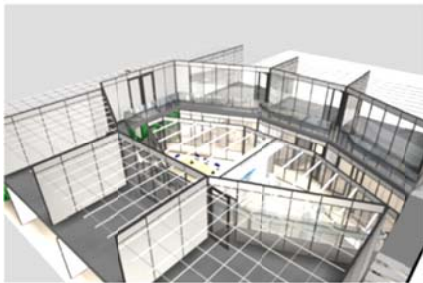


KOSÉ to Establish KOSÉ R&D France, its First European Research Facility, in Lyon

On July 31, 2017, KOSÉ Corporation (Headquarters: Chuo-ku, Tokyo, President & CEO: Kazutoshi Kobayashi) decided to establish its own research laboratory inside a research facility owned by CTIBIOTECH*¹ (Headquarters: Lyon, France, President: Professor Colin McGuckin, CEO: Dr. Nico Forraz) of France in the EU. The new laboratory, to be named KOSÉ R&D France*², will be KOSÉ's first R&D facility in Europe. From October 2017, a KOSÉ researcher will be stationed full-time at the French laboratory to engage in research activities with the mission of creating new value in cosmetics. The laboratory will advance dermatological research, focusing on the analysis of aging mechanisms, and the application of that research in cosmetic technologies.



Bird's eye view of laboratory layout
(for illustrative purposes only)



Research scene
(for illustrative purposes only)



Shared area

Europe is very active in the field of cutting-edge dermatological research. In particular, the region is a world leader in development trends in new cosmetic ingredients and research into technologies for assessing their efficacy and safety. The city of Lyon, where KOSÉ's new laboratory will be based, has a well-established environment for dermatological research, with numerous leading life sciences research facilities, including the research centers of foreign companies, located there. Established in 2009, CTI BIOTECH is a pioneer in the fields of stem cell research and regenerative medicine. The establishment of its laboratory on CTI BIOTECH's premises will give KOSÉ access to the French company's facilities and technologies, which will help to further advance KOSÉ's dermatological research. KOSÉ has been engaged in joint research with the Hospices Civils de Lyon using reconstructed skin models since 2014, and will use the establishment of its new laboratory to advance that research further.

KOSÉ's corporate philosophy is "to create a culture and values embodying a distinctive beauty through a sophisticated fusion of sensuousness and intelligence." Europe, and France in particular, has a long history as a transmitter of culture to the world, in terms of both "sensuousness and intelligence," and is also a global leader in the cosmetics market. The establishment of its new research facility in Lyon will be the first step for KOSÉ in its pursuit of highly distinctive dermatological research, through its interaction with the sensuousness and intelligence of France.

Also, in its VISION 2020, KOSÉ has declared its aim of "growing to become a company with a global presence," and, to this end, is currently strengthening its product creation systems, which are the cornerstone of value creation. As part of the realignment of KOSÉ's R&D facilities, preparations are underway for the construction of a fundamental research laboratory in the Oji region of Kita-ku, Tokyo.*³ On the theme of "Compact & Swift," KOSÉ is in the process of consolidating its research functions in Japan and locating them close to company headquarters. The goal of these moves is to establish a creative and effective R&D structure based on close communication.

With the realignment of its domestic R&D facilities and the establishment of a new overseas laboratory, KOSÉ will create new customer value from Japan and use that value in its global cosmetics business.

***1 CTI BIOTECH**



- CEO Dr. Nico Forraz
- President Professor Colin McGuckin
- Established 2009
- Address Bâtiment A16-5 Avenue Lionel Terray 69330 Meyzieu-LYON, FRANCE

A pioneer in the field of regenerative medicine established by Professor Colin McGuckin and Dr. Nico Forraz in 2009. Created the world's first artificial liver tissue using adult-derived stem cells. It is a member of the French cancer research consortium, IMODI, and a biobank with an inventory of biological tissue of various kinds from a wide range of age groups. To date, it has developed reconstructive technologies for many types of human tissue, including liver, kidney, nerves, bones, blood, immune system, blood vessels, skin, and cornea.

***2 KOSÉ R&D France**

- Posting One (1) researcher from KOSÉ Research Center
- Address 5, 5 bis et 5 ter Avenue Lionel Terray 69330 Meyzieu-LYON, FRANCE
- Date of Establishment October 2017

***3 Construction of Fundamental Research Laboratory in Japan**

See the news release below for details.

Construction of Fundamental Research Laboratory to Realign R&D Facilities as KOSÉ Reaches Its 70th Anniversary (March 2, 2016)

http://v4.eir-parts.net/v4Contents/View.aspx?template=ir_material&sid=50351&code=4922