KOSÉ

August 6, 2026

Summary of Financial Results for the Second Quarter of Fiscal Year Ending December 31, 2026 (Six Months Ended June 30, 2026)

[Japanese GAAP]

Company name: **KOSÉ Holdings Corporation** Stock listing: Tokyo Stock Exchange, Prime Market
Stock code: 4922 URL: https://koseholdings.co.jp/en/
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Scheduled date of filing of Semi-annual Report: August 10, 2026
Scheduled date of dividend payment: September 10, 2026
Preparation of supplementary materials for financial results: Yes
Holding of financial results meeting: Yes (for institutional investors and analysts)

(Rounded down to million yen)

1. Consolidated Financial Results for the Six Months Ended June 30, 2026 (January 1, 2026 – June 30, 2026)

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

	Net sales (Million yen)	YoY change (%)	Operating profit (Million yen)	YoY change (%)	Ordinary profit (Million yen)	YoY change (%)	Profit attributable to owners of parent (Million yen)	YoY change (%)
2Q 2026	164,915	2.7	6,617	(41.5)	8,816	(8.2)	5,682	(19.9)
2Q 2025	160,524	0.9	11,319	(17.7)	9,607	(49.1)	7,096	(38.9)

Note: Comprehensive income (million yen) 2Q 2026: 6,257 (Up 167.2%) 2Q 2025: 2,341 (down 86.7%)

	Net income per share (basic) (Yen)	Net income per share (diluted) (Yen)
2Q 2026	99.84	-
2Q 2025	124.36	-

(2) Consolidated financial position

	Total assets (Million yen)	Net assets (Million yen)	Equity ratio (%)	Net assets per share (Yen)
2Q 2026	391,070	304,740	72.7	5,011.92
2025	393,454	304,784	72.2	4,979.35

Ref.: Shareholders' equity (million yen) 2Q 2026: 284,428 2025: 284,193

2. Dividends

	Dividend per share				
	1Q-end (Yen)	2Q-end (Yen)	3Q-end (Yen)	Year-end (Yen)	Total (Yen)
2025	-	70.00	-	70.00	140.00
2026	-	70.00			
2026 (forecast)			-	80.00	150.00

Note: Revisions to the most recently announced dividend forecast: None
The year-end dividend forecast for 2026 comprises an ordinary dividend of 70.00 yen and a commemorative dividend of 10.00 yen.

3. Consolidated Forecast for 2026 (January 1, 2026 – December 31, 2026)

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

	Net sales (Million yen)	YoY change (%)	Operating profit (Million yen)	YoY change (%)	Ordinary profit (Million yen)	YoY change (%)	Profit attributable to owners of parent (Million yen)	YoY change (%)	Net income per share (Yen)
Full year	350,000	6.0	20,000	8.3	21,000	(2.2)	12,100	(19.9)	213.21

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

*** Notes**

(1) Significant changes in scope of consolidation during the period: None

Newly added: - Excluded: -

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

(3) Changes in accounting policies and accounting-based estimates, and 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) Restatements	: None

(4) Number of shares outstanding (common stock)

1) Number of shares outstanding (incl. treasury shares) at end of the period			
As of June 30, 2026	60,592,541 shares	As of December 31, 2025	60,592,541 shares
2) Number of treasury shares at end of the period			
As of June 30, 2026	3,842,095 shares	As of December 31, 2025	3,518,215 shares
3) Average number of shares outstanding during the period			
2Q 2026	56,917,454 shares	2Q 2025	57,068,008 shares

Note 1: The current financial report is not subject to quarterly (semi-annual) review by certified public accountants or auditing firms.

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 KOSÉ Holdings as of the announcement date of the summary. These statements are not promised by KOSÉ Holdings regarding future performance. 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 KOSÉ Holdings in preparing the above projections, please refer to the section “1. Qualitative Information on Consolidated Interim Financial Performance, (2) Explanation of Consolidated Forecast and Other Forward-looking Statements” on page 3 of the attachments.

Contents of Attachments

1. Qualitative Information on Consolidated Interim Financial Performance

(1) Explanation of Results of Operations

Six Months Ended June 30, 2026 (January 1, 2026 – June 30, 2026) *Millions of yen, %*

Operating segment	2Q 2025 (Jan. 1, 2025 – Jun. 30, 2025)		2Q 2026 (Jan. 1, 2026 – Jun. 30, 2026)		YoY change	
	Amount	% comp.	Amount	% comp.	Amount	%
Cosmetics	127,915	79.7	133,305	80.8	5,389	4.2
Cosmetaries	31,257	19.5	30,185	18.3	(1,072)	(3.4)
Others	1,351	0.8	1,425	0.9	73	5.5
Total net sales	160,524	100.0	164,915	100.0	4,390	2.7

	2Q 2025 (Jan. 1, 2025 – Jun. 30, 2025)		2Q 2026 (Jan. 1, 2026 – Jun. 30, 2026)		YoY change	
	Amount	% of sales	Amount	% of sales	Amount	%
Operating profit	11,319	7.1	6,617	4.0	(4,702)	(41.5)
Ordinary profit	9,607	6.0	8,816	5.3	(790)	(8.2)
Profit attributable to owners of parent	7,096	4.4	5,682	3.4	(1,414)	(19.9)

In the first half (January 1 to June 30) of 2026, sales were down at the ALBION and KOSÉ Cosmeport businesses and higher at the Tarte business and in the China duty-free sector of the KOSÉ business. As a result, consolidated sales increased 2.7% from the same period of 2025 to 164,915 million yen (up 0.2% after excluding the effects of changes in foreign exchange rates). Overseas sales were 38.6% of total sales.

Operating profit fell 41.5% from the same period of 2025 to 6,617 million yen. Although earnings were high at the KOSÉ business, lower earnings at the ALBION and KOSÉ Cosmeport businesses impacted the consolidated results.

Ordinary profit, including a higher foreign exchange gain due to the yen's weakness, was down 8.2% to 8,816 million yen. Profit attributable to owners of parent was 5,682 million yen, a decline of 19.9% from one year earlier when there was a gain on sale of non-current assets of 2,715 million yen.

In the cosmetics business segment, sales increased because of higher sales in the high prestige category.

In the high prestige category, although sales at the ALBION business were down, sales at the Tarte business and DECORTÉ sales in the KOSÉ business increased.

In the prestige category, sales decreased as higher sales of ONE BY KOSÉ, a core brand of the KOSÉ business were offset by lower sales of the SEKKISEI and other brands.

The segment operating profit decreased. Although earnings at the KOSÉ business increased due to strong duty-free sales in China, expenditures for advertising and special events to raise awareness of ALBION as the company celebrates its 70th anniversary were concentrated in the first half.

As a result, sales in this business segment increased 4.2% from the same period of 2025 to 133,305 million yen and operating profit was down 19.5% to 7,875 million yen.

In the cosmetaries business segment, sales were down from one year earlier. At the KOSÉ Cosmeport business, sales of the SUNCUT® and Softymo brands, which are core brands of this business, were higher, and CLEAR TURN sales decreased because of intense competition.

The segment operating profit decreased because of a lower gross profit at the KOSÉ Cosmeport business, the result of a sales decline, higher cost of sales ratio, and higher marketing expenses for major marketing campaign.

As a result, sales in this business segment decreased 3.4% from the same period of 2025 to 30,185 million yen and operating profit decreased 62.6% to 1,411 million yen.

Sales in the others business segment increased 5.5% from the same period of 2025 to 1,425 million yen and operating profit decreased 15.0% to 614 million yen.

Net Sales by Region (Sales to Third Parties) *Millions of yen, %*

	2Q 2025 (Jan. 1, 2025 – Jun. 30, 2025)		2Q 2026 (Jan. 1, 2026 – Jun. 30, 2026)		YoY change	
	Amount	% comp.	Amount	% comp.	Amount	%
Japan	104,768	65.3	101,196	61.4	(3,571)	(3.4)
Asia	21,083	13.1	26,141	15.9	5,058	24.0
North America	30,839	19.2	32,658	19.8	1,819	5.9
Others	3,833	2.4	4,918	3.0	1,085	28.3
Total net sales	160,524	100.0	164,915	100.0	4,390	2.7

Japan

Sales decreased from one year earlier. Higher ONE BY KOSÉ sales were offset by lower sales at the ALBION and KOSÉ Cosmeport businesses.

ONE BY KOSÉ sales were brisk for new and existing products. Sales of DECORTÉ brand products decreased year on year, reflecting a high base effect from the launch of a major new product in the same period of 2025.

In the ALBION business, sales decreased mainly due to a drop in domestic duty-free sales, which was affected by flight reductions caused by travel restrictions between Japan and China. Sales at the KOSÉ Cosmeport business were lower because of intense competition.

As a result, sales in Japan decreased 3.4% from the same period of 2025 to 101,196 million yen.

Asia

There was double-digit sales growth in Asia. Duty-free sales in China grew, driven by a demand recovery in Hainan Island, along with the completed integration and resumed operations of duty-free operators. In mainland China, strong sales of promotional sets featuring “AQ PORE BLACKHEAD DISSOLVER” (Deep Pore Cleanser) contributed to higher revenue.

Furthermore, the PAÑPURI business also contributed to overall sales growth, driven by strong sales in Thailand and new store openings.

As a result, sales in Asia increased 24.0% from the same period of 2025 to 26,141 million yen.

North America/Others

In the Tarte business, both store-level sell-through and shipments achieved record highs, driven by expanded sales of core products at Sephora and strong sales on TikTok.

In the KOSÉ business, sales declined year on year due to a reactionary drop from a large order for SEKKISEI in the same period of 2025.

As a result, sales in North America increased 5.9% from the same period of 2025 to 32,658 million yen, and sales in Others (including Europe) increased 28.3% to 4,918 million yen.

(2) Explanation of Consolidated Forecast and Other Forward-looking Statements

There are no revisions to the full-year earnings forecast announced on February 12, 2026.

2. Details of Stock, etc.

(1) Total Number of Shares, etc.

(i) Total number of shares

Class	Total number of authorized shares (Shares)
Common stock	200,000,000
Total	200,000,000

(ii) Outstanding shares

Class	Number of shares outstanding as of Jun. 30, 2026 (Shares)	Number of shares outstanding as of the filing date (August 6, 2026) (Shares)	Name of financial instruments exchange or authorized financial instruments firms association (where shares are listed or registered)	Description
Common stock	60,592,541	60,592,541	Prime Market of Tokyo Stock Exchange	The number of shares per one unit is 100 shares.
Total	60,592,541	60,592,541	-	-

(2) Transition of Total Number of Shares Outstanding and Amount of Share Capital

Date	Increase (decrease) in total number of shares outstanding (Thousand shares)	Balance of total number of shares outstanding (Thousand shares)	Increase (decrease) in share capital (Million yen)	Balance of share capital (Million yen)	Increase (decrease) in legal capital surplus (Million yen)	Balance of legal capital surplus (Million yen)
Jan. 1, 2026 – Jun. 30, 2026	-	60,592	-	4,848	-	6,390

(3) Voting Rights

(i) Outstanding shares

As of June 30, 2026

Category	Number of shares (Shares)	Number of voting rights (Units)	Description
Shares with no voting rights	-	-	-
Shares with restricted voting rights (treasury shares, etc.)	-	-	-
Shares with restricted voting rights (other)	-	-	-
Shares with full voting rights (treasury shares, etc.)	Common stock 3,842,000	-	-
Shares with full voting rights (other)	Common stock 56,599,500	565,995	-
Odd-lot shares	Common stock 151,041	-	Less than one unit (fewer than 100 shares)
Total number of shares outstanding	60,592,541	-	-
Voting rights held by all shareholders	-	565,995	-

Note: "Shares with full voting rights (other)" of common stock includes 3,800 shares of unknown holders' stock registered under the name of Japan Securities Depository Center, Inc.
"Number of voting rights" includes 38 units of voting rights related to such shares with full voting rights under the name of Japan Securities Depository Center, Inc.

(ii) Treasury shares, etc.

As of June 30, 2026

Name of shareholder	Address of shareholder	Number of shares held in own name (Shares)	Number of shares held in others' name (Shares)	Total number of shares held (Shares)	Ratio against total number of shares outstanding (%)
KOSÉ Holdings Corporation	3-6-2 Nihonbashi, Chuo-ku, Tokyo	3,842,000	-	3,842,000	6.34
Total	-	3,842,000	-	3,842,000	6.34

3. Consolidated Interim Financial Statements and Notes

(1) Consolidated Interim Balance Sheet

Millions of yen

	2025 (As of Dec. 31, 2025)	2Q 2026 (As of Jun. 30, 2026)
Assets		
Current assets		
Cash and deposits	92,462	76,837
Notes and accounts receivable-trade	56,075	50,758
Merchandise and finished goods	43,537	44,442
Work in process	3,931	4,180
Raw materials and supplies	25,551	26,976
Other	7,529	7,953
Allowance for doubtful accounts	(141)	(411)
Total current assets	228,947	210,737
Non-current assets		
Property, plant and equipment		
Buildings and structures	54,564	54,640
Accumulated depreciation	(31,002)	(31,772)
Buildings and structures, net	23,562	22,867
Machinery, equipment and vehicles	22,998	23,007
Accumulated depreciation	(20,468)	(20,859)
Machinery, equipment and vehicles, net	2,530	2,148
Tools, furniture and fixtures	43,765	43,207
Accumulated depreciation	(37,910)	(37,466)
Tools, furniture and fixtures, net	5,855	5,740
Land	18,527	18,537
Leased assets	14,955	15,748
Accumulated depreciation	(5,891)	(6,489)
Leased assets, net	9,063	9,258
Construction in progress	22,262	38,449
Total property, plant and equipment	81,800	97,002
Intangible assets		
Software	4,929	5,856
Goodwill	5,629	4,824
Other	14,933	12,839
Total intangible assets	25,492	23,520
Investments and other assets		
Investment securities	19,852	20,105
Retirement benefit asset	27,729	27,910
Deferred tax assets	5,639	7,262
Other	4,665	5,164
Allowance for doubtful accounts	(673)	(633)
Total investments and other assets	57,213	59,810
Total non-current assets	164,506	180,333
Total assets	393,454	391,070

Millions of yen

	2025 (As of Dec. 31, 2025)	2Q 2026 (As of Jun. 30, 2026)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	9,204	11,624
Electronically recorded obligations-operating	13,127	9,397
Short-term borrowings	799	794
Lease liabilities	1,465	1,746
Accounts payable-other	15,563	12,160
Accrued expenses	10,417	10,111
Income taxes payable	2,641	3,211
Accrued consumption taxes	717	989
Refund liabilities	6,510	6,007
Other	2,765	4,094
Total current liabilities	63,212	60,137
Non-current liabilities		
Lease liabilities	8,391	8,251
Deferred tax liabilities	12,137	12,560
Other	4,928	5,381
Total non-current liabilities	25,457	26,192
Total liabilities	88,669	86,330
Net assets		
Shareholders’ equity		
Share capital	4,848	4,848
Capital surplus	206	713
Retained earnings	250,470	252,158
Treasury shares	(9,031)	(11,544)
Total shareholders’ equity	246,493	246,175
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,441	4,598
Foreign currency translation adjustment	18,796	20,000
Remeasurements of defined benefit plans	14,461	13,653
Total accumulated other comprehensive income	37,699	38,253
Non-controlling interests	20,591	20,311
Total net assets	304,784	304,740
Total liabilities and net assets	393,454	391,070

(2) Consolidated Interim Statements of Income and Comprehensive Income

Consolidated Interim Statement of Income

Millions of yen

	2Q 2025 (Jan. 1, 2025 – Jun. 30, 2025)	2Q 2026 (Jan. 1, 2026 – Jun. 30, 2026)
Net sales	160,524	164,915
Cost of sales	47,360	48,446
Gross profit	113,163	116,469
Selling, general and administrative expenses		
Advertising expenses	13,294	16,387
Promotion expenses	22,873	25,427
Freight and packing costs	10,103	10,915
Salaries and allowances	27,331	28,841
Retirement benefit expenses	(56)	(763)
Legal welfare expenses	4,188	4,323
Depreciation	3,207	3,212
Other	20,901	21,508
Total selling, general and administrative expenses	101,844	109,851
Operating profit	11,319	6,617
Non-operating income		
Interest income	375	562
Dividend income	245	130
Consumption taxes refund	46	2
Foreign exchange gains	-	1,277
Miscellaneous income	447	383
Total non-operating income	1,114	2,357
Non-operating expenses		
Interest expenses	32	31
Provision of allowance for doubtful accounts	-	36
Loss on investments in investment partnerships	71	59
Foreign exchange losses	2,684	-
Miscellaneous losses	39	31
Total non-operating expenses	2,827	158
Ordinary profit	9,607	8,816
Extraordinary income		
Gain on sale of non-current assets	2,715	4
Gain on sale of investment securities	96	148
Total extraordinary income	2,811	152
Extraordinary losses		
Loss on disposal of non-current assets	254	277
Impairment losses	0	41
Loss on valuation of investment securities	-	1
Total extraordinary losses	254	320
Profit before income taxes	12,164	8,648
Income taxes-current	3,332	3,378
Income taxes-deferred	1,074	(394)
Total income taxes	4,406	2,983
Profit	7,757	5,664
Profit (loss) attributable to non-controlling interests	660	(18)
Profit attributable to owners of parent	7,096	5,682

Consolidated Interim Statement of Comprehensive Income

Millions of yen

	2Q 2025 (Jan. 1, 2025 – Jun. 30, 2025)	2Q 2026 (Jan. 1, 2026 – Jun. 30, 2026)
Profit	7,757	5,664
Other comprehensive income		
Valuation difference on available-for-sale securities	(797)	198
Foreign currency translation adjustment	(4,208)	1,232
Remeasurements of defined benefit plans, net of tax	(409)	(838)
Total other comprehensive income	(5,415)	592
Comprehensive income	2,341	6,257
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,785	6,253
Comprehensive income attributable to non-controlling interests	556	3

(3) Consolidated Interim Statement of Cash Flows

Millions of yen

	2Q 2025 (Jan. 1, 2025 – Jun. 30, 2025)	2Q 2026 (Jan. 1, 2026 – Jun. 30, 2026)
Cash flows from operating activities		
Profit before income taxes	12,164	8,648
Depreciation	5,242	4,903
Impairment losses	0	41
Amortization of goodwill	737	810
Increase (decrease) in allowance for doubtful accounts	(23)	229
Decrease (increase) in retirement benefit asset	(288)	(1,343)
Loss (gain) on disposal of non-current assets	(2,461)	273
Interest and dividend income	(621)	(693)
Interest expenses	32	31
Foreign exchange losses (gains)	956	(332)
Loss (gain) on sale of investment securities	(96)	(148)
Loss (gain) on valuation of investment securities	-	1
Loss (gain) on investments in investment partnerships	71	59
Decrease (increase) in trade receivables	3,574	5,722
Decrease (increase) in inventories	(5,373)	(1,593)
Increase (decrease) in trade payables	3,392	(2,131)
Increase (decrease) in refund liabilities	(1,281)	(661)
Decrease (increase) in other assets	413	494
Increase (decrease) in other liabilities	(11,308)	(1,465)
Subtotal	5,130	12,846
Interest and dividends received	697	712
Interest paid	(35)	(11)
Income taxes paid	(6,139)	(2,508)
Net cash provided by (used in) operating activities	(347)	11,040
Cash flows from investing activities		
Payments into time deposits	(1,043)	(1,112)
Proceeds from withdrawal of time deposits	4,134	932
Purchase of property, plant and equipment	(12,947)	(17,842)
Proceeds from sale of property, plant and equipment	3,006	100
Purchase of intangible assets	(1,660)	(1,571)
Proceeds from sale of intangible assets	12	-
Purchase of investment securities	(3,645)	(58)
Proceeds from sale and redemption of investment securities	132	332
Net decrease (increase) in short-term loans receivable	(3)	21
Purchase of shares of subsidiaries	-	(30)
Decrease (increase) in investments and other assets	(184)	(26)
Net cash provided by (used in) investing activities	(12,197)	(19,254)

Millions of yen

	2Q 2025 (Jan. 1, 2025 – Jun. 30, 2025)	2Q 2026 (Jan. 1, 2026 – Jun. 30, 2026)
Cash flows from financing activities		
Net decrease (increase) in treasury shares	(0)	(3,473)
Dividends paid	(3,994)	(3,995)
Proceeds from share issuance to non-controlling shareholders	0	-
Dividends paid to non-controlling interests	(563)	(283)
Other, net	(129)	(659)
Net cash provided by (used in) financing activities	(4,686)	(8,411)
Effect of exchange rate change on cash and cash equivalents	(1,939)	735
Net increase (decrease) in cash and cash equivalents	(19,170)	(15,890)
Cash and cash equivalents at beginning of period	107,757	90,747
Cash and cash equivalents at end of period	88,586	74,856

(4) Notes to Consolidated Interim Financial Statements

Changes in Presentation

(Interim Consolidated Statement of Income)

"Subsidy income" under "Non-operating income," which was separately presented in the previous interim consolidated fiscal year, is included in "Miscellaneous income" from the current interim consolidated fiscal year due to its decreased financial materiality. To reflect this change in presentation, the interim consolidated financial statements for the previous interim consolidated fiscal year have been reclassified.
As a result, 232 million yen of "Subsidy income" under "Non-operating income" in the interim consolidated statements of income for the previous interim consolidated fiscal year has been reclassified into "Miscellaneous income."

Going Concern Assumption

Not applicable.

Precaution Concerning Significant Changes in Shareholders' Equity

Based on the resolution of the Board of Directors meeting held on February 12, 2026, the Company purchased 508,300 shares of its own stock during the first six months of 2026.
In addition, based on the resolution of the Board of Directors meeting held on March 28, 2025, the Company disposed of 172,110 treasury shares as restricted stock for the KOSÉ Employee Stock Ownership Plan, and based on the resolution of the Board of Directors meeting held on April 24, 2026, disposed of 15,127 treasury shares as restricted stock compensation.
As a result, treasury shares increased by 2,512 million yen during the first six months of 2026 to 11,544 million yen at the end of the first half.

Segment and Other Information

Segment Information

I. 2Q 2025 (Jan. 1, 2025 – Jun. 30, 2025)

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 interim statement of income (Note 3)
	Cosmetics	Cosmetaries	Subtotal				
Net sales							
(1) Sales to third parties	127,915	31,257	159,172	1,351	160,524	-	160,524
(2) Intragroup sales and transfers	-	-	-	252	252	(252)	-
Total sales	127,915	31,257	159,172	1,603	160,776	(252)	160,524
Segment profit	9,786	3,769	13,555	722	14,278	(2,958)	11,319

Notes: 1. The "other" segment consists of activities that are not included in any of the reportable segments: amenity products, etc.

2. Adjustments to segment profit are as follows. *Millions of yen*

Eliminations for intersegment transactions	54
Corporate expenses that cannot be allocated to reportable segments	(3,013)

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

3. Segment profit is adjusted with operating profit shown on the consolidated interim statement of income.

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

Significant change in goodwill

In the cosmetics segment, a provisional accounting treatment was used in 2024 for the acquisition of Puri Co., Ltd. on December 26, 2024. This treatment was finalized in the second quarter of 2025.

3. Geographic sales information

Millions of yen

Japan	Asia	North America	Other	Total
104,768	21,083	30,839	3,833	160,524

II. 2Q 2026 (Jan. 1, 2026 – Jun. 30, 2026)

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 Interim statement of income (Note 3)
	Cosmetics	Cosmetaries	Subtotal				
Net sales							
(1) Sales to third parties	133,305	30,185	163,490	1,425	164,915	-	164,915
(2) Intragroup sales and transfers	-	-	-	149	149	(149)	-
Total sales	133,305	30,185	163,490	1,574	165,065	(149)	164,915
Segment profit	7,875	1,411	9,286	614	9,901	(3,284)	6,617

Notes: 1. The “other” segment consists of activities that are not included in any of the reportable segments: amenity products, etc.

2. Adjustments to segment profit are as follows. *Millions of yen*

Eliminations for intersegment transactions	(105)
Corporate expenses that cannot be allocated to reportable segments	(3,178)

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

3. Segment profit is adjusted with operating profit shown on the consolidated Interim statement of income.

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

No significant items in 2Q 2026

3. Geographic sales information

Millions of yen

Japan	Asia	North America	Other	Total
101,196	26,141	32,658	4,918	164,915

Business Combinations

Transaction under common control

Transition to a holding company structure through a split

To change to a holding company structure, in accordance with a resolution of the Board of Directors of KOSÉ Corporation (now KOSÉ Holdings Corporation) on February 26, 2025, a corporate split on January 1, 2026, was used to transfer all business operations to the new KOSÉ Corporation. This company was previously KOSÉ Split Preparation Corporation and was renamed KOSÉ Corporation on January 1, 2026. The transfer did not include activities involving the control and administration of the business activities of companies in which the former KOSÉ Corporation holds stock, nor activities involving the operation of the KOSÉ Group. Due to this transfer, the original KOSÉ Corporation was renamed KOSÉ Holdings Corporation.

1. Overview of the corporate split
(1) Details of the transferred business operations

All business activities other than those involving the control and administration of the business activities of companies in which KOSÉ Holdings holds stock, and activities involving the operation of the KOSÉ Group

(2) Date of the corporate split

January 1, 2026

(3) Legal form used for the corporate split

An absorption-type split in which KOSÉ Holdings Corporation serves as the splitting company and KOSÉ Corporation, a wholly owned subsidiary of KOSÉ Holdings Corporation, serves as the succeeding company.

(4) Name of the company after the corporate split

Splitting Company: KOSÉ Holdings Corporation
Succeeding Company: KOSÉ Corporation

(5) Purpose of the corporate split

KOSÉ Holdings provides various types of value to customers worldwide as a beauty creation company with operations based on the mission of “Creating Beauty in a Sustainable World.” Significant changes are taking place in the business climate for these activities. Achieving the goals of more growth in Japan and a major expansion of operations outside Japan will require going beyond business models used by KOSÉ Group in the past to become a source of a diverse array of products and services. To continue growing as these medium to long-term changes take place in its markets, the KOSÉ Group must reexamine the organizational structure used for business operations. As a result, the decision has been made for transition to a pure holding company structure for accomplishing the following two goals.

(i) Make the KOSÉ Group more competitive and increase corporate value

A pure holding company structure is expected to enable group companies to benefit from more synergies. Other anticipated benefits are better linkage and oversight of the functions of group companies, the more strategic allocation of KOSÉ Group resources among these companies, and the ability to take actions with even greater speed and flexibility. Overall, these benefits are expected to make the entire group more competitive and contribute to the growth of corporate value.

(ii) Stronger governance of the KOSÉ Group

Operations on a global scale using many business models will require the ability to make decisions quickly and allocate resources efficiently. The pure holding company structure is expected to facilitate the even stronger governance needed for the optimization of operations of group companies.

2. Summary of accounting methods applied

Accounting methods used for this acquisition as a transaction under common control are based on “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, January 16, 2019) and “Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Guidance No. 10, January 16, 2019).

Information Concerning Revenue Recognition

Division of sales

The KOSÉ Group has two reportable segments: cosmetics business and cosmetaries business. These are business units where the Board of Directors performs periodic studies in order to determine the allocation of resources and evaluate performance. The revenue of these two businesses is presented as sales. In addition, geographic sales are divided according to the locations of customers. The relationship between these geographic divisions of revenue and segment sales is as follows.

2Q 2025 (Jan. 1, 2025 – Jun. 30, 2025)

Millions of yen

	Japan	Asia	North America	Others	Total
Cosmetics	73,098	20,154	30,839	3,823	127,915
Cosmetaries	30,318	928	-	9	31,257
Total	103,417	21,083	30,839	3,833	159,172
Others (Note)	1,245	0	-	-	1,245
Revenue from contracts with customers	104,662	21,083	30,839	3,833	160,418
Other revenue	106	-	-	-	106
Sales to third parties	104,768	21,083	30,839	3,833	160,524

Note: The “others” segment consists of activities that are not included in any of the reportable segments: amenity products, etc.

2Q 2026 (Jan. 1, 2026 – Jun. 30, 2026)

Millions of yen

	Japan	Asia	North America	Others	Total
Cosmetics	70,627	25,157	32,627	4,893	133,305
Cosmetaries	29,145	983	31	25	30,185
Total	99,772	26,140	32,658	4,918	163,490
Others (Note)	1,296	1	-	-	1,297
Revenue from contracts with customers	101,068	26,141	32,658	4,918	164,787
Other revenue	127	-	-	-	127
Sales to third parties	101,196	26,141	32,658	4,918	164,915

Note: The “others” segment consists of activities that are not included in any of the reportable segments: amenity products, etc.

Subsequent Events

On August 6, 2026, the Board of Directors of consolidated subsidiary KOSÉ Corporation and its subsidiary KOSÉ SALES CO., LTD. approved a resolution to implement the voluntary early retirement program for their employees.

1. Reason for implementing the voluntary early retirement program

To realize its medium- to long-term vision, "Vision for Lifelong Beauty Partner—Milestone2030," the KOSÉ Group is currently undertaking structural reforms aimed at sound business growth. To further accelerate reinvestment for future growth, the Group has been advancing initiatives to optimize its cost, organizational, and personnel structures, as well as carrying out fundamental reforms of its business processes.
As part of these reforms, the Group has decided to implement "Special Life Challenge," a program that offers additional premium severance pay on top of its voluntary early retirement program "Life Challenge*." For employees utilizing this program, the Group will also provide outplacement assistance to help them leverage their accumulated experience and expertise toward building new careers and achieving self- fulfillment outside the company.

*Life Challenge: A program designed to support employees who choose to voluntarily retire before the mandatory retirement age based on their life plans, taking on new challenges for the second stage of their lives, such as starting their own business or changing careers.

2. Outline of the voluntary early retirement program

(1) Target Companies	KOSÉ Corporation and KOSÉ SALES CO., LTD.
(2) Eligibility	Employees with at least 5 years of continuous service who fall under any of the following categories: 1) Managerial staff aged 45 to 59 2) General staff aged 45 to 59 3) Re-employed staff aged 60 to 64
(3) Target number of Applicants	Approximately 80 employees
(4) Application Period	From September 1, 2026 to September 15, 2026
(5) Date of Retirement	January 31, 2027
(6) Preferential Conditions	1. Premium severance pay will be provided in addition to standard retirement benefits. 2. Outplacement support services will be available for up to one year after retirement for those who request them.

3. Effect on results of operations

As the number and breakdown of applicants are currently undetermined, the impact on earnings forecasts will be disclosed promptly once determined.

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.