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Securities Code: 4922

June 7, 2019

To Our Shareholders:

3-6-2 Nihonbashi, Chuo-ku, Tokyo

**KOSÉ Corporation**

Kazutoshi Kobayashi

Representative Director and President

## Notice of the 77th Annual General Meeting of Shareholders

You are cordially invited to attend the 77th Annual General Meeting of Shareholders of KOSÉ Corporation (the “Company”), which will be held as indicated below.

**If you are unable to attend the Meeting in person, you may exercise your voting rights either of the following ways. Please review the attached Reference Documents for General Meeting of Shareholders, and exercise your voting rights no later than 5:30 p.m. on Wednesday, June 26, 2019 (JST).**

### **[Exercise of voting rights by postal mail (in writing)]**

Please indicate your approval or disapproval to each proposal on the enclosed voting card, and return it so that it will be received by us no later than the above date and time.

### **[Exercise of voting rights via the Internet, etc.]**

Please read the “Instructions for Exercise of Voting Rights via the Internet, etc.” on pages 13 to 14 and access the website (<https://evote.tr.mufig.jp/>) designated by the Company, follow the instructions on the screen, and indicate your approval or disapproval no later than the above date and time.

If you exercise your voting rights both by postal mail (in writing) and via the Internet, etc., only the vote placed via the Internet, etc. will be treated as valid.

If you exercise your voting rights more than once via the Internet, etc., the last exercise shall be deemed to be valid.

## Meeting Details

- 1. Date and Time:** Thursday, June 27, 2019, at 10:00 a.m. (Reception starts at 9:00 a.m.)
- 2. Venue:** “Daigo,” B2 floor, Sheraton Miyako Hotel Tokyo  
1-1-50 Shirokanedai, Minato-ku, Tokyo

### 3. Purpose of the Meeting

#### Matters to be reported

1. The Business Report and the Consolidated Financial Statements for the 77th fiscal year (from April 1, 2018 to March 31, 2019), and the results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board
2. The Non-consolidated Financial Statements for the 77th fiscal year (from April 1, 2018 to March 31, 2019)

#### Matters to be resolved

- Proposal No. 1:** Appropriation of Surplus
- Proposal No. 2:** Election of Five (5) Directors
- Proposal No. 3:** Election of Three (3) Audit & Supervisory Board Members
- Proposal No. 4:** Granting of Retirement Benefits to Retiring Audit & Supervisory Board Member

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- When attending the meeting, please present the enclosed voting card at the reception desk on arrival at the meeting and bring this notice to the meeting.
  - Any corrections in the Reference Documents for General Meeting of Shareholders, Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements will be posted on the Company’s website on the Internet.

Company’s website: <https://www.kose.co.jp/company/ja/ir/stock/meeting/> (in Japanese only)

## Reference Documents for General Meeting of Shareholders

### Proposal No. 1: Appropriation of Surplus

Concerning profit distribution, the Company has made it a basic policy to pay stable dividend. The Company's policy is to work on the return of profit to its shareholders while giving considerations to securing sufficient internal reserves for future business expansion, the financial position, the progress of business performance, dividend payout ratio, and other factors. Based on this policy, the Company proposes the appropriation of surplus as follows:

Year-end dividends

(1) Type of dividend property

Cash

(2) Allotment of dividend property and their aggregate amount

¥95 per common stock of the Company

The total dividends will be ¥5,419,134,115.

As the Company has already paid an interim dividend of ¥85 per share on December 10, 2018, the annual dividend will be ¥180 per share.

(3) Effective date of dividends of surplus

June 28, 2019

**Proposal No. 2:** Election of Five (5) Directors

The terms of office of Directors Atsuo Kumada, Masanori Kobayashi, Koichi Shibusawa and Michihito Yanai will expire at the conclusion of this meeting. Therefore, the Company proposes to elect five (5) Directors, increasing the number of Outside Directors by one (1) to enhance the corporate governance structure.

The candidates for Director are as follows:

Provided that this proposal is approved, the number of Directors will be ten (10), of which Outside Director will be three (3) at the conclusion of this meeting.

Candidate No.	Name (Date of Birth)	Career Summary and Position in the Company	Number of the Company's Shares Owned
1	Atsuo Kumada (April 29, 1956) <u>Reelection</u> <u>Internal</u>	<p>Apr. 1980    Joined the Company</p> <p>Mar. 2008    Director and General Manager of Cosmetics Specialty Stores Dept. of KOSÉ SALES CO., LTD.</p> <p>Mar. 2011    Executive Officer of the Company and Executive Director of KOSÉ SALES CO., LTD.</p> <p>Mar. 2013    Executive Officer of the Company and Senior Executive Director of KOSÉ SALES CO., LTD.</p> <p>Jun. 2013    Director of the Company and Senior Executive Director of KOSÉ SALES CO., LTD.</p> <p>Jun. 2016    Executive Director of the Company and Senior Executive Director of KOSÉ SALES CO., LTD.</p> <p>Apr. 2019    Executive Director of the Company and Representative Director and President of KOSÉ SALES CO., LTD. (present)</p> <p>(Responsibilities) -</p> <p>(Significant Concurrent Positions Outside the Company) Representative Director and President of KOSÉ SALES CO., LTD.</p> <p>(Reasons for Nomination as Candidate for Director) Mr. Atsuo Kumada has been involved in sales department for many years, and has advanced knowledge in field sales and distribution in the domestic market. In 2013, he took on the roles of Director of KOSÉ Corporation and Senior Executive Director of KOSÉ SALES CO., LTD., and amid a challenging domestic market environment, promoted reforms to our sales outlet system, the creation of an optimal sales system, and improvements in customer service, to achieve dramatic improvements in results. Furthermore, since 2016, he has been involved in all aspects of management as an Executive Director of the Company, and possesses extensive knowledge. Thus, the Company recommends his reappointment as a Director.</p>	4,500

Candidate No.	Name (Date of Birth)	Career Summary and Position in the Company	Number of the Company's Shares Owned
2	Masanori Kobayashi (April 19, 1973) <u>Reelection</u> <u>Internal</u>	<p>Mar. 2004    Joined the Company</p> <p>Mar. 2008    General Manager of Corporate Strategy Office of President Office of the Company</p> <p>Mar. 2009    General Manager in charge of Medium-term Strategy of Corporate Strategy Office of President Office of the Company</p> <p>Mar. 2010    General Manager of Global Business Div. of the Company</p> <p>Mar. 2011    Executive Officer and General Manager of Global Business Div. of the Company</p> <p>Jun. 2013    Director and General Manager of Global Business Div. of the Company</p> <p>Jun. 2017    Executive Director and General Manager of Global Business Div. of the Company</p> <p>Mar. 2018    Executive Director of the Company (present)</p> <p>(Responsibilities) Marketing Headquarters</p> <p>(Significant Concurrent Positions Outside the Company) -</p> <p>(Reasons for Nomination as Candidate for Director) As the General Manager of Global Business Division, Mr. Masanori Kobayashi has contributed to achieving dramatic improvement in results by pursuing reforms in the international business, including restructuring businesses in Asia, new initiatives in the Europe and America Business, and expanding the travel retail business. Furthermore, since 2018, as Executive Director in charge of Marketing Headquarters, he has promoted the creation of global brands and expanded results both in Japan and overseas. In addition to this abundant experience in global marketing, he has knowledge of all aspects of management as an Executive Director. Thus, the Company recommends his reappointment as a Director.</p>	6,515,066

Candidate No.	Name (Date of Birth)	Career Summary and Position in the Company	Number of the Company's Shares Owned
3	Koichi Shibusawa (October 31, 1960)  <u>Reelection</u>  <u>Internal</u>	<p>Apr. 1984    Joined the Company</p> <p>Mar. 2008    Representative Director and President of KOSÉ COSMETICS CO., LTD. (CHINA) and Representative Director and President of KOSÉ COSMETICS SALES (CHINA) CO., LTD.</p> <p>Mar. 2010    General Manager of Accounting and Finance Dept. of the Company</p> <p>Mar. 2011    Executive Officer and General Manager of Accounting and Finance Dept. of the Company</p> <p>Jun. 2013    Director and General Manager of Accounting and Finance Dept. of the Company</p> <p>Jun. 2018    Executive Director of the Company (present)</p> <hr/> <p>(Responsibilities)            President Office, Corporate Strategy Dept., General Administration Dept., Legal Dept., IT Management Dept., Domestic Consolidated Subsidiaries and Associates of the Company, and Risk Management</p> <hr/> <p>(Significant Concurrent Positions Outside the Company)            Audit &amp; Supervisory Board Member of KOSÉ SALES CO., LTD.            Audit &amp; Supervisory Board Member of KOSÉ COSMEPORT CORP.            Director of ALBION Co., Ltd.</p> <hr/> <p>(Reasons for Nomination as Candidate for Director)            Mr. Koichi Shibusawa has experience in the marketing department and as the overseas head of the global business, having also overseen the IR department as a Director and General Manager of the Accounting and Finance Department since 2013, contributing to financial strategies aimed at enhancing the Company's management structure and improving corporate value. Currently, he is working to build a management platform as an Executive Director in charge of the management departments and concurrently serves as Director of the Company's consolidated subsidiary ALBION Co., Ltd., thereby being involved in the Group's overall corporate strategy. He has ample business experience and knowledge spanning all aspects of management. Thus, the Company recommends his reappointment as Director.</p>	1,762

Candidate No.	Name (Date of Birth)	Career Summary and Position in the Company	Number of the Company's Shares Owned
4	Michihito Yanai (December 10, 1960) <u>Reelection</u> <u>Internal</u>	<p>Apr. 1984    Joined the Company</p> <p>Mar. 2006    General Manager of Planning Dept. of the Company</p> <p>Mar. 2007    General Manager in charge of Marketing Policy of President Office of the Company</p> <p>Mar. 2010    General Manager of Business Strategy Office of the Company</p> <p>Mar. 2011    General Manager of Strategic Brands Div. and SK Brand Div. of the Company</p> <p>Mar. 2015    Executive Officer and General Manager of Strategic Brands Div. of the Company</p> <p>Jun. 2017    Director of the Company</p> <p>Mar. 2018    Director and General Manager of Europe and America Business Div. of the Company (present)</p> <p>(Responsibilities) Europe and America Business Div.</p> <p>(Significant Concurrent Positions Outside the Company) Director (Chairman) of Tarte, Inc. Director (Chairman &amp; Secretary) of KOSÉ America, Inc.</p> <p>(Reasons for Nomination as Candidate for Director) Mr. Michihito Yanai has been involved in planning, corporate strategy, and business strategy over many years, and he has played a leading role in the Company's marketing and management strategies. He has contributed largely to the growth of the Company's licensing business and M&amp;A through the development of core brands. In his current role as Director and General Manager of Europe and America Business Div., he is promoting the expansion of the Europe and America Business, which is essential to the "acceleration of global development." He has ample experience in these global businesses and in promoting management strategy. Thus, the Company recommends his reappointment as a Director.</p>	1,010
5	Norika Yuasa (August 18, 1974) <u>New election</u> <u>Outside</u> <u>Independent Director</u>	<p>Sep. 2003    Registered as an attorney at law</p> <p>Aug. 2011    Registered as an attorney at law in New York State</p> <p>Sep. 2017    Part-time Professor of Waseda Law School (present)</p> <p>Jan. 2019    Partner   Attorney at law of Miura &amp; Partners (present)</p> <p>(Responsibilities) -</p> <p>(Significant Concurrent Positions Outside the Company) Partner   Attorney at law of Miura &amp; Partners</p> <p>(Reasons for Nomination as Candidate for Outside Director) Ms. Norika Yuasa has advanced expertise as an attorney at law, the scope of which covers not only Japan, but also Asia, Europe and the U.S. She has extensive work experience particularly in China, allowing her to make observations and provide advice on the Company's global strategy from her ample knowledge. Thus, the Company recommends her appointment as an Outside Director. Although she has never been involved in the management of a company, the Company judges her capable of appropriately fulfilling duties as Outside Director based on the above reasons.</p>	-

[Special notes regarding candidates for Director]

1. There is no special interest between each candidate for Director and the Company.
2. Ms. Norika Yuasa is a candidate for Outside Director and special note regarding the candidate for Outside Director is as follows.

Pursuant to the provisions of Article 427, paragraph 1 of the Companies Act, the Company plans to enter into an agreement with Ms. Norika Yuasa to limit her liability for damages under Article 423, paragraph 1 of the Companies Act. Pursuant to this agreement, the defined maximum amount of liability for damages is the amount stipulated by laws and regulations.

3. Ms. Norika Yuasa satisfies the requirements for an independent director as provided for by Tokyo Stock Exchange, Inc., and the Company plans to submit notification to the aforementioned exchange concerning her appointment as an independent director.
4. Ms. Norika Yuasa's name on her family register is Norika Kunii.



**Proposal No. 3:** Election of Three (3) Audit & Supervisory Board Members

The terms of office of Audit & Supervisory Board Members Kazuhiro Suzuki and Minoru Murakami will expire at the conclusion of this meeting. In addition, Audit & Supervisory Board Member Kumi Arakane will resign from the position at the conclusion of this meeting. Therefore, the Company proposes to elect three (3) Audit & Supervisory Board Members. The consent of the Audit & Supervisory Board has been obtained for the submission of this proposal.

The candidates for Audit & Supervisory Board Member are as follows:

Provided that this proposal is approved, the number of Audit & Supervisory Board Members will be four (4), of which Outside Audit & Supervisory Board Members will be two (2) at the conclusion of this meeting.

Candidate No.	Name (Date of Birth)	Career Summary and Position in the Company	Number of the Company's Shares Owned
1	Kazuhiro Suzuki (November 15, 1957) <u>Reelection</u> <u>Internal</u>	<p>Apr. 1984    Joined the Company</p> <p>Mar. 2011    General Manager of Makeup Product Development Laboratories of R&amp;D Laboratories of the Company</p> <p>Mar. 2015    Senior Advisor of R&amp;D Laboratories of the Company</p> <p>Jun. 2015    Full-time Audit &amp; Supervisory Board Member of the Company (present)</p> <p>(Significant Concurrent Positions Outside the Company) -</p> <p>(Reasons for Nomination as Candidate for Audit &amp; Supervisory Board Member) As the person responsible for Product Development Laboratories of R&amp;D Laboratories of the Company, Mr. Kazuhiro Suzuki has contributed to the development of many cosmetic products. Since being appointed as Full-time Audit &amp; Supervisory Board Member in 2015, he has contributed to improving the efficacy of the auditing of the overall Audit &amp; Supervisory Board and improved the Company's governance by providing appropriate suggestions based on detailed auditing activities. The Company expects that he will continue to perform his duties based on this experience and knowledge. Thus, the Company recommends his reappointment as an Audit &amp; Supervisory Board Member.</p>	3,507
2	Noboru Matsumoto (December 20, 1960) <u>New election</u> <u>Internal</u>	<p>Apr. 1984    Joined the Company</p> <p>Mar. 2006    General Manager of Product Supply Management Planning Demand Planning Dept. of the Company</p> <p>Mar. 2007    General Manager of Cosmetaries Planning Dept. of the Company</p> <p>Mar. 2008    General Manager of Sales Planning Dept. of KOSÉ SALES CO., LTD.</p> <p>Mar. 2011    Representative Director and President of TAIWAN KOSÉ CO., LTD.</p> <p>Mar. 2013    General Manager of General Administration Dept. of the Company</p> <p>Mar. 2018    Executive Officer of the Company (present)</p> <p>(Significant Concurrent Positions Outside the Company) -</p> <p>(Reasons for Nomination as Candidate for Audit &amp; Supervisory Board Member) Mr. Noboru Matsumoto has contributed to the creation of many brands as the person responsible for product development in the marketing department and has advanced knowledge in corporate management both in Japan and overseas through various posts including the General Manager of Sales Planning Dept. of KOSÉ SALES CO., LTD. and overseas manager. In his current position as Executive Officer in charge of General Administration Dept. and Legal Dept., he plays a central role in the management departments and makes a range of contributions to management support from the standpoint of corporate governance. He has ample knowledge based on this abundant work experience. Thus, the Company recommends his appointment as an Audit &amp; Supervisory Board Member.</p>	200

Candidate No.	Name (Date of Birth)	Career Summary and Position in the Company	Number of the Company's Shares Owned
3	Toru Miyama (February 26, 1964)	Apr. 1998 Registered as an attorney at law	-
		Oct. 2006 Established Miyama Law Office (present)	
		(Significant Concurrent Positions Outside the Company) Attorney of Miyama Law Office	
	<div style="border: 1px solid black; padding: 2px; display: inline-block;">New election</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">Outside</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">Independent Auditor</div>	(Reasons for Nomination as Candidate for Outside Audit & Supervisory Board Member) Mr. Toru Miyama has advanced expertise as an attorney at law and extensive knowledge regarding corporate legal affairs in particular. Also, he has advanced knowledge of corporate compliance and risk management, and the Company judges that he will provide appropriate guidance and advice from an objective viewpoint independent of the Company's management. Thus, the Company recommends his appointment as an Outside Audit & Supervisory Board Member. Although he has never been involved in the management of a company, the Company judges him capable of appropriately fulfilling duties as Outside Audit & Supervisory Board Member based on the above reasons.	

[Special notes regarding candidates for Audit & Supervisory Board Member]

1. There is no special interest between each candidate for Audit & Supervisory Board Member and the Company.
2. Mr. Toru Miyama is a candidate for Outside Audit & Supervisory Board Member and special note regarding the candidate for Outside Audit & Supervisory Board Member is as follows.  
Pursuant to the provisions of Article 427, paragraph 1 of the Companies Act, the Company plans to enter into an agreement with Mr. Toru Miyama to limit his liability for damages under Article 423, paragraph 1 of the Companies Act. Pursuant to this agreement, the defined maximum amount of liability for damages is the minimum liability amount provided for by Article 425, paragraph 1 of the Companies Act.
3. Mr. Toru Miyama satisfies the requirements for an independent auditor as provided for by Tokyo Stock Exchange, Inc., and the Company plans to submit notification to the aforementioned exchange concerning his appointment as an independent auditor.

**Proposal No. 4: Granting of Retirement Benefits to Retiring Audit & Supervisory Board Member**

Audit & Supervisory Board Member Kumi Arakane will retire at the conclusion of this meeting. The Company would like to pay her a reasonable amount of retirement benefits to reward her services during her terms in accordance with the Company’s internal rules. It is also proposed that the determination as to the specific amount, timing and method of payment be left to the consultation of the Audit & Supervisory Board Members.

Name	Career Summary
Kumi Arakane	June 2017 Full-time Audit & Supervisory Board Member of the Company (present)

(Note) Ms. Kumi Arakane’s name on her family register is Kumi Kameyama.

**(Reference)**

Organizational Structure of Officers after Proposal No. 2 and Proposal No. 3 are Approved

Ten (10) Directors (including three (3) Outside Directors)

Four (4) Audit & Supervisory Board Members (including two (2) Outside Audit & Supervisory Board Members)

Name	Position	Attribute			Remarks
Kazutoshi Kobayashi	Representative Director and President	Internal			Member of Nomination & Remuneration Committee
Takao Kobayashi	Senior Executive Director	Internal			
Atsuo Kumada	Senior Executive Director	Reelection	Internal		
Masanori Kobayashi	Executive Director	Reelection	Internal		
Koichi Shibusawa	Executive Director	Reelection	Internal		Member of Nomination & Remuneration Committee
Yusuke Kobayashi	Director	Internal			
Michihito Yanai	Director	Reelection	Internal		
Iwao Toigawa	Director		Outside	Independent	Member of Nomination & Remuneration Committee
Yukino Kikuma	Director		Outside	Independent	Member of Nomination & Remuneration Committee
Norika Yuasa	Director	New election	Outside	Independent	Member of Nomination & Remuneration Committee
Kazuhiro Suzuki	Full-time Audit & Supervisory Board Member	Reelection	Internal		
Noboru Matsumoto	Full-time Audit & Supervisory Board Member	New election	Internal		
Nobuo Iwafuchi	Audit & Supervisory Board Member		Outside	Independent	Member of Nomination & Remuneration Committee
Toru Miyama	Audit & Supervisory Board Member	New election	Outside	Independent	Member of Nomination & Remuneration Committee

Notes:

1. Directors with Special Titles will be determined at the Board of Directors meeting after this General Meeting of Shareholders, and Full-time Audit & Supervisory Board Members, at the following Audit & Supervisory Board meeting.
2. The Nomination & Remuneration Committee examines proposals concerning nominations, remuneration and other matters that are submitted by the President to the Board of Directors. This committee exists for the purposes of reinforcing the autonomy and objectivity of activities by the Board of Directors concerning nominations, remuneration and other matters involving the Directors, Audit & Supervisory Board Members and executive officers and of better fulfilling the obligation to provide explanations for decisions concerning these matters.

## **Instructions for Exercise of Voting Rights via the Internet, etc.**

### **1. Exercise of Voting Rights Website**

- (1) Instead of exercising your voting rights by postal mail (in writing), you may exercise your voting rights by accessing the “Exercise of Voting Rights Website” (refer to the URL below) designated by the Company from your computer or smartphone. (Please note that the website is not available daily from 2:00 a.m. to 5:00 a.m. (JST).)

<https://evote.tr.mufg.jp/> (in Japanese only)

- (2) There is a possibility that you may be unable to use the Exercise of Voting Rights Website due to your Internet connection environment, the service to which you are subscribed or the equipment you are using.
- (3) The deadline for exercising your voting rights is 5:30 p.m. on Wednesday, June 26, 2019 (JST).
- (4) Your password (including the password after you have changed it) shall be effective only for this meeting.
- (5) You shall bear your own expenses for connection to the Internet.

### **2. Exercise of voting rights via the Internet**

- (1) On the Exercise of Voting Rights Website, please enter your “Login ID” and “Temporary Password” printed on the enclosed voting card, and indicate your approval or disapproval in accordance with the instructions on the screen.
- (2) Please note that, in order to prevent illegal online access and alteration of voting by non-shareholders, you will be requested to change your “Temporary Password” on the website.
- (3) You will be notified of a new “Login ID” and “Temporary Password” every time a General Meeting of Shareholders is convened.
- (4) By scanning the “Login QR Code” on the voting card with your smartphone, you will automatically receive one-time access to the Exercise of Voting Rights Website where you can exercise your voting rights. (From the second time onward, you will need to enter your “Login ID” and “Temporary Password.”)

### **3. Platform for exercising voting rights**

Institutional investors may use the electronic platform for exercising voting rights operated by ICJ, Inc., provided that an application to use the platform has been submitted beforehand.

### **4. For your inquiries**

If you have any inquiries, please contact the Stock Transfer Agency of Mitsubishi UFJ Trust and Banking Corporation, which is the Company’s shareholder registry administrator, as shown below.

- (1) Inquiries regarding operation of the Exercise of Voting Rights Website, etc.:  
Toll free: 0120-173-027 (9 a.m. to 9 p.m., available only in Japan)
- (2) Inquiries regarding share procedures other than the above:  
Toll free: 0120-232-711 (9 a.m. to 5 p.m. on weekdays, available only in Japan)

### **5. Notes**

- (1) If you exercise your voting rights both by postal mail (in writing) and via the Internet etc., only the vote placed via the Internet, etc. will be treated as valid.
- (2) If you exercise your voting rights via the Internet, etc. more than once, the last exercise shall be deemed to be valid.
- (3) You shall bear your own expenses (expenses for connection to the Internet, etc.) incurred when accessing the Exercise of Voting Rights Website.