

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.
---

Securities Code: 4922

June 12, 2017

To Our Shareholders:

3-6-2 Nihonbashi, Chuo-ku, Tokyo  
**KOSÉ Corporation**  
Kazutoshi Kobayashi  
Representative Director and President

## **Notice of the 75th Annual General Meeting of Shareholders**

You are cordially invited to attend the 75th 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 28, 2017 (JST).**

### **[Exercise of voting rights by postal mail]**

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 page 13 and access the website (<http://www.it-soukai.com/>) 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 and via the Internet, only the vote placed via the Internet will be treated as valid.

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

## Meeting Details

**1. Date and Time:** Thursday, June 29, 2017, 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 75th fiscal year (from April 1, 2016 to March 31, 2017), 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 75th fiscal year (from April 1, 2016 to March 31, 2017)

**Matters to be resolved**

**Proposal No. 1:** Appropriation of Surplus

**Proposal No. 2:** Election of Seven (7) Directors

**Proposal No. 3:** Election of One (1) Audit & Supervisory Board Member

**Proposal No. 4:** Granting of Retirement Benefits to Retiring Director

**Proposal No. 5:** Granting of Retirement Benefits to Retiring Audit & Supervisory Board Member

- 
- For those 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: <http://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 maintains a basic policy to pay stable dividends. The Company will 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

¥63 per common stock of the Company

The total dividends will be ¥3,593,779,371.

As the Company has already paid an interim dividend of ¥47 per share on December 9, 2016, the annual dividend will be ¥110 per share.

(3) Effective date of dividends of surplus

June 30, 2017

**Proposal No. 2: Election of Seven (7) Directors**

The terms of office of Directors Kazumasa Hanagata, Noboru Naito, Kiyoto Nagahama, Atsuo Kumada, Kumi Arakane, Koichi Shibusawa and Masanori Kobayashi will expire at the conclusion of this meeting. Therefore, the Company proposes to elect seven (7) Directors.

The candidates for Director are as follows:

Provided that this proposal is approved, the number of Directors will be twelve (12), of which Outside Director will be one (1) at the conclusion of this meeting.

Candidate No.	Name (Date of Birth)	Career Summary, Position, and Responsibility in the Company	Number of the Company's Shares Owned (thousand shares)
1	Kazumasa Hanagata (January 13, 1954)  <div>Reelection</div> <div>Internal</div>	<div> Apr. 1977    Joined the Company  Mar. 2001    General Manager of General Administration Dept. of the Company  Apr. 2003    General Manager of IT System Dept. of the Company  Mar. 2006    General Manager of Business Reform Dept. of the Company  Mar. 2007    Executive Officer and General Manager of President Office of the Company  Jun. 2009    Director and General Manager of President Office of the Company  Jun. 2013    Executive Director and General Manager of President Office of the Company (present) </div> <div>(Responsibilities) Corporate Strategy Dept., General Administration Dept., IT Management Dept., and E-commerce Business Office</div> <div>(Significant Concurrent Positions Outside the Company) Representative Director and President of KOSÉ PROVISION CO., LTD. Director of ALBION Co., Ltd.</div> <div>(Reasons for Nomination as Candidate for Director) Mr. Kazumasa Hanagata has promoted business reforms at the Group, such as by introducing SCM, and he currently oversees the President Office, corporate strategy, general administration, IT management, and the E-commerce business, while also serving as a Director of the consolidated subsidiary, ALBION Co., Ltd. He has been at the core of management in his role as Executive Director, and possesses ample business experience, such as promoting the enhancement of the management strategy and management structure of the Group as a whole, and knowledge spanning all aspects of management. Thus, the Company recommends his reappointment as a Director.</div>	5

Candidate No.	Name (Date of Birth)	Career Summary, Position, and Responsibility in the Company	Number of the Company's Shares Owned (thousand shares)
2	Noboru Naito (June 14, 1954) <div>Reelection</div> <div>Internal</div>	<p>Apr. 1977    Joined the Company</p> <p>Mar. 2000    General Manager of First Product R&amp;D Laboratory of the Company</p> <p>Mar. 2002    General Manager of Advanced Cosmetic R&amp;D Laboratories of the Company</p> <p>Mar. 2004    General Manager of Second Advanced Cosmetic R&amp;D Laboratory of the Company</p> <p>Mar. 2006    Deputy General Manager of R&amp;D Headquarters and General Manager of Second Product R&amp;D Laboratory of the Company</p> <p>Mar. 2007    Executive Officer, General Manager of R&amp;D Laboratories and General Manager of Second Product R&amp;D Laboratory of the Company</p> <p>Mar. 2008    Executive Officer, General Manager of R&amp;D Laboratories and General Manager of Advanced Cosmetic Research Laboratories of the Company</p> <p>Jun. 2009    Director and General Manager of R&amp;D Laboratories of the Company</p> <p>Mar. 2010    Director and General Manager of Product Development Dept. of the Company</p> <p>Mar. 2011    Director and General Manager of R&amp;D Laboratories of the Company</p> <p>Jun. 2014    Executive Director and General Manager of R&amp;D Laboratories of the Company</p> <p>Mar. 2017    Executive Director of the Company (present)</p> <p>(Responsibilities) R&amp;D Laboratories and Product Development Dept.</p> <p>(Significant Concurrent Positions Outside the Company) —</p> <p>(Reasons for Nomination as Candidate for Director) Mr. Noboru Naito has been involved in areas ranging from fundamental research, which is a core department for the Company's manufacturing, to advanced cosmetics research and the product development, serving as the General Manager of R&amp;D Laboratories for many years. He has overseen the R&amp;D departments in his role as Executive Director, and he has facilitated brand development and innovative product development involving the Group as a whole, and promoted the establishment of a global development system associated with active overseas expansion. He possesses ample business experience relating to R&amp;D, and knowledge spanning all aspects of management. Thus, the Company recommends his reappointment as a Director.</p>	2

Candidate No.	Name (Date of Birth)	Career Summary, Position, and Responsibility in the Company	Number of the Company's Shares Owned (thousand shares)
3	Kiyoto Nagahama (March 3, 1954) <div>Reelection</div> <div>Internal</div>	<p>Apr. 1978    Joined the Company</p> <p>Mar. 2005    President of KOSÉ COSMETICS CO., LTD. (CHINA)</p> <p>Mar. 2006    President of KOSÉ COSMETICS CO., LTD. (CHINA) and President of KOSÉ COSMETICS SALES (CHINA) CO., LTD.</p> <p>Mar. 2008    General Manager of Global Sales Dept. of Global Business Div. of the Company</p> <p>Mar. 2009    Executive Officer and General Manager of COSME DECORTE Div. of the Company</p> <p>Mar. 2011    Executive Officer and General Manager of Selective Brands Div. of the Company</p> <p>Jun. 2011    Director and General Manager of Selective Brands Div. of the Company</p> <p>Mar. 2012    Director, General Manager of Selective Brands Div. and General Manager of S/B (Planning) Dept. of the Company</p> <p>Jun. 2014    Executive Director, General Manager of Selective Brands Div. and General Manager of S/B (Planning) Dept. of the Company</p> <p>Mar. 2015    Executive Director and General Manager of SK Brand Div. of the Company</p> <p>Mar. 2017    Executive Director of the Company (present)</p> <p>(Responsibilities) Selective Brands Div.</p> <p>(Significant Concurrent Positions Outside the Company) —</p> <p>(Reasons for Nomination as Candidate for Director) Mr. Kiyoto Nagahama has been involved in the marketing department and brand development for many years, and he possesses extensive global business experience. As an Executive Director, he has strongly promoted global marketing, such as by introducing DECORTÉ to North America and expanding our businesses into Brazil. He has contributed to the dramatic business expansion of Tarte, Inc. in the US, as well as having advanced knowledge in the global business strategy and branding of the whole Group, and he possesses ample business experience and knowledge spanning all aspects of management. Thus, the Company recommends his reappointment as a Director.</p>	6

Candidate No.	Name (Date of Birth)	Career Summary, Position, and Responsibility in the Company	Number of the Company's Shares Owned (thousand shares)
4	Atsuo Kumada (April 29, 1956) <u>Reelection</u> <u>Internal</u>	<p>Apr. 1980    Joined the Company</p> <p>Mar. 2000    General Manager of Sales Dept. of KOSÉ SALES CO., LTD.</p> <p>Mar. 2003    General Manager of Cosmetics Specialty Stores Dept. of KOSÉ SALES CO., LTD.</p> <p>Mar. 2006    General Manager of Tokyo Branch of KOSÉ SALES CO., LTD.</p> <p>Jun. 2006    Director and General Manager of Tokyo Branch of KOSÉ SALES CO., LTD.</p> <p>Mar. 2007    Director and General Manager of Sales Planning Dept. of KOSÉ SALES CO., LTD.</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. (present)</p> <p>(Responsibilities) —</p> <p>(Significant Concurrent Positions Outside the Company) Senior Executive Director of KOSÉ SALES CO., LTD.</p> <p>(Reasons for Nomination as Candidate for Director) Mr. Atsuo Kumada has been involved in KOSÉ's cosmetics 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., engaged in reforms for the domestic market, which is undergoing drastic changes, and promoted reforms to our sales outlet system, speedy sales response, and improvements in customer service, to achieve dramatic improvements in results. He has been involved in all aspects of management as an Executive Director of KOSÉ Corporation, and possesses ample sales experience and knowledge spanning all aspects of management. Thus, the Company recommends his reappointment as a Director.</p>	4

Candidate No.	Name (Date of Birth)	Career Summary, Position, and Responsibility in the Company	Number of the Company's Shares Owned (thousand shares)
5	Koichi Shibusawa (October 31, 1960) <div>Reelection</div> <div>Internal</div>	<p>Apr. 1984    Joined the Company</p> <p>Mar. 2008    President of KOSÉ COSMETICS CO., LTD. (CHINA) 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 (present)</p> <p>(Responsibilities) Domestic Consolidated Subsidiaries and Associates of the Company</p> <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.</p> <p>(Reasons for Nomination as Candidate for Director) Mr. Koichi Shibusawa has been involved in the marketing department and global business for many years. He has experience as an overseas manager and advanced knowledge in global business management. He currently oversees the IR department as a Director and General Manager of the Accounting and Finance Department, and has promoted financial strategies aimed at enhancing the Company's management structure, as well as promoting sustainable corporate growth and improvements in corporate value. He concurrently serves as an Audit &amp; Supervisory Board Member of consolidated subsidiaries of the Company, and possesses ample knowledge spanning all aspects of the Group's management and finance. Thus, the Company recommends his reappointment as a Director.</p>	1
6	Masanori Kobayashi (April 19, 1973) <div>Reelection</div> <div>Internal</div>	<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 (present)</p> <p>(Responsibilities) Business in India and Business in Europe &amp; USA</p> <p>(Significant Concurrent Positions Outside the Company) —</p> <p>(Reasons for Nomination as Candidate for Director) Mr. Masanori Kobayashi has been a strong leader when it comes to developing innovations as General Manager of Global Business Division, such as by restructuring existing businesses in Asia, creating new businesses to expand in Europe and India, and expanding the travel retail business. He has worked to globalize the brands, and promoted reforms of the global business. In addition to extensive business experience in the field of global business, he possesses ample knowledge spanning all aspects of corporate management and global business operations and administration. Thus, the Company recommends his reappointment as a Director.</p>	7,115



Candidate No.	Name (Date of Birth)	Career Summary, Position, and Responsibility in the Company	Number of the Company's Shares Owned (thousand shares)
7	Michihito Yanai (December 10, 1960) New election Internal	<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>Mar. 2017    Executive Officer of the Company (present)</p> <p>(Responsibilities) Strategic Brands Div. and SK Brand Div.</p> <p>(Significant Concurrent Positions Outside the Company) Director (Chairman) of Tarte, Inc. Managing Director 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 at the core of the Company's marketing and management strategies. He has established businesses that play important roles in the management of the Company, such as the licensing business with JILL STUART and the M&amp;A of Tarte, Inc., and promoted the global expansion of the Company. He possesses ample knowledge of marketing and business strategy. Thus, the Company recommends his appointment as a Director.</p>	1

[Special note regarding candidates for Director]

There is no special interest between each candidate for Director and the Company.

**Proposal No. 3: Election of One (1) Audit & Supervisory Board Member**

The Audit & Supervisory Board Member Hiroshi Kawai will resign from the position at the conclusion of this meeting. Therefore, the Company proposes to elect one (1) Audit & Supervisory Board Member. The consent of the Audit & Supervisory Board has been obtained for the submission of this proposal.

The candidate for Audit & Supervisory Board Member is as follows:

Name (Date of Birth)	Career Summary and Position in the Company	Number of the Company's Shares Owned (thousand shares)
<p>Kumi Arakane (Real name: Kumi Kameyama) (July 4, 1956)</p> <p>New election</p> <p>Internal</p>	Apr. 1981    Joined the Company	2
	Mar. 2004    General Manager of Product Development Dept. of the Company	
	Mar. 2006    Executive Officer, Deputy General Manager of Marketing Headquarters and General Manager of Product Development Dept. of the Company	
	Mar. 2007    Executive Officer and General Manager of Product Development Dept. of the Company	
	Mar. 2010    Executive Officer and General Manager of R&D Laboratories of the Company	
	Mar. 2011    Executive Officer and General Manager of Quality Assurance Dept. of the Company	
	Jun. 2011    Director and General Manager of Quality Assurance Dept. of the Company	
	Mar. 2017    Director of the Company (present)	
	(Significant Concurrent Positions Outside the Company) —	
<p>(Reasons for Nomination as Candidate for Audit &amp; Supervisory Board Member)</p> <p>Ms. Kumi Arakane has previously served as General Manager of Product Development Department, General Manager of R&amp;D Laboratories, and General Manager of Quality Assurance Department, and she has served as a Director since 2011. Based on her extensive knowledge of product development, she has worked to reform the Quality Assurance Department to meet the needs of globalization, and promoted improvements in the Company's level of quality. Because she has advanced knowledge in the Group's business as a member of the management team, the Company judges that she can utilize her extensive experience in the auditing of the performance of duties by Directors. Thus, the Company recommends her appointment as an Audit &amp; Supervisory Board Member.</p>		

[Special note regarding candidate for Audit & Supervisory Board Member]

There is no special interest between the candidate for Audit & Supervisory Board Member and the Company.

**Proposal No. 4: Granting of Retirement Benefits to Retiring Director**

Director Kumi Arakane will resign 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 decision of the Board of Directors.

Name	Career Summary
Kumi Arakane	June 2011 Director of the Company (present)

**Proposal No. 5: Granting of Retirement Benefits to Retiring Audit & Supervisory Board Member**

Audit & Supervisory Board Member Hiroshi Kawai will resign at the conclusion of this meeting. The Company would like to pay him a reasonable amount of retirement benefits to reward his services during his 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
Hiroshi Kawai	June 2014 Full-time Audit & Supervisory Board Member of the Company (present)

**(Reference)**

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

Name	Position	Attribute		Remarks
Kazutoshi Kobayashi	Representative Director and President	Internal		Member of Personnel Committee
Takao Kobayashi	Senior Executive Director	Internal		
Kazumasa Hanagata	Executive Director	Reelection	Internal	Member of Personnel Committee
Noboru Naito	Executive Director	Reelection	Internal	
Kiyoto Nagahama	Executive Director	Reelection	Internal	
Atsuo Kumada	Executive Director	Reelection	Internal	
Masanori Kobayashi	Executive Director	Reelection	Internal	
Koichi Shibusawa	Director	Reelection	Internal	
Yusuke Kobayashi	Director	Internal		
Hideto Hokao	Director	Internal		
Michihito Yanai	Director	New election	Internal	
Iwao Toigawa	Director	Outside	Independent	Chairman of Personnel Committee
Kazuhiro Suzuki	Full-time Audit & Supervisory Board Member	Internal		
Kumi Arakane	Full-time Audit & Supervisory Board Member	New election	Internal	
Minoru Murakami	Audit & Supervisory Board Member	Outside	Independent	Member of Personnel Committee
Nobuo Iwafuchi	Audit & Supervisory Board Member	Outside	Independent	Member of Personnel Committee

Note: 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.

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

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

- (1) Instead of exercising your voting rights 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. To use this website, you need to log in with the “Code for Exercising Voting Rights” and the “Password” printed on the right-hand side of the enclosed voting card and enter information in accordance with the instructions on the screen. For security reasons, it is necessary for you to change your password when you log in for the first time.

<a href="http://www.it-soukai.com/">http://www.it-soukai.com/</a> (in Japanese only)
--

- (2) The voting deadline is 5:30 p.m. on Wednesday, June 28, 2017 (JST).
- (3) If you exercise your voting rights both in writing and via the Internet, only the vote placed via the Internet will be treated as valid. If you exercise your voting rights via the Internet more than once, the last exercise shall be deemed to be valid.
- (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.

#### **(Notes)**

- Using the password is a method to identify each person as a qualified shareholder. Please note that the Company does not make any inquiries regarding your password.
- If you enter your password incorrectly for a certain number of times, the password will be locked and you will no longer be able to use it. If this occurs, please complete the procedures indicated in the instruction on the screen.
- Please note that you cannot exercise your voting rights via the Internet by a mobile phone.
- You may have some problems exercising your voting rights with smart phones as they are not guaranteed to operate normally.
- Although operational checks have been carried out for the Exercise of Voting Rights Website for common Internet connection equipment, there is a possibility that you may be unable to use the site due to the equipment you are using.

### **2. For your inquiries**

If you have any inquiries, please contact the Securities Agent Dept. of Mizuho Trust & Banking Co., Ltd., 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: 0120-768-524 (9 a.m. to 9 p.m. on weekdays, available only in Japan)
- (2) Inquiries regarding share procedures other than the above:  
Toll free: 0120-288-324 (9 a.m. to 5 p.m. on weekdays, available only in Japan)

### **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.