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Securities Code: 4922

June 8, 2018

To Our Shareholders:

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

## Notice of the 76th Annual General Meeting of Shareholders

You are cordially invited to attend the 76th 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 27, 2018 (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 9 and access the website (<https://soukai.mizuho-tb.co.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 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 28, 2018, 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 76th fiscal year (from April 1, 2017 to March 31, 2018), 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 76th fiscal year (from April 1, 2017 to March 31, 2018)

#### Matters to be resolved

- Proposal No. 1:** Appropriation of Surplus  
**Proposal No. 2:** Election of Six (6) Directors  
**Proposal No. 3:** Granting of Retirement Benefits to Retiring Directors

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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: <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 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

¥85 per common stock of the Company

The total dividends will be ¥4,848,715,605.

As the Company has already paid an interim dividend of ¥63 per share on December 8, 2017, the annual dividend will be ¥148 per share.

(3) Effective date of dividends of surplus

June 29, 2018

**Proposal No. 2: Election of Six (6) Directors**

The terms of office of Directors Kazutoshi Kobayashi, Takao Kobayashi, Yusuke Kobayashi, Iwao Toigawa and Hideto Hokao will expire at the conclusion of this meeting. In addition, Directors Kazumasa Hanagata, Noboru Naito and Kiyoto Nagahama will resign from their position at the conclusion of this meeting. Therefore, the Company proposes to elect six (6) Directors.

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 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	Kazutoshi Kobayashi (August 8, 1962) <u>Reelection</u> <u>Internal</u>	<p>Apr. 1986    Joined the Company</p> <p>Mar. 1991    Director of the Company</p> <p>Mar. 1995    Executive Director of the Company</p> <p>Jun. 2004    Representative Director and Vice President of the Company</p> <p>Jun. 2007    Representative Director and President of the Company (present)</p> <p>(Responsibilities) -</p> <p>(Significant Concurrent Positions Outside the Company) Representative Director and President of KOSÉ SALES CO., LTD. Director of ALBION Co., Ltd.</p> <p>(Reasons for Nomination as Candidate for Director) Mr. Kazutoshi Kobayashi has been engaged in the management as a Director of the Company for many years. He has worked on the management reforms as Representative Director and President since 2007, and has played an important role in business expansion and growth in earnings throughout the group. Primarily operating under the medium-term strategy, VISION2020, he has shown strong leadership and had great success in accelerating growth in Japan and overseas. Thus, the Company recommends his reappointment as a Director.</p>	7,294,974
2	Takao Kobayashi (April 6, 1965) <u>Reelection</u> <u>Internal</u>	<p>Apr. 1993    Joined the Company</p> <p>Jun. 1998    Director of the Company</p> <p>Jun. 2013    Executive Director of the Company</p> <p>Jun. 2014    Senior Executive Director of the Company (present)</p> <p>(Responsibilities) -</p> <p>(Significant Concurrent Positions Outside the Company) Representative Director and President of KOSÉ COSMEPORT CORP.</p> <p>(Reasons for Nomination as Candidate for Director) Mr. Takao Kobayashi has been engaged in the management as a Director of the Company for many years. He has promoted business expansion as Representative Director and President of KOSÉ COSMEPORT CORP. since 2006 and developed business that will become the heart of the Group through accelerated growth. Also, he has contributed to the management throughout the group as Senior Executive Director of the Company since 2014. Thus, the Company recommends his reappointment as a Director.</p>	7,240,510

Candidate No.	Name (Date of Birth)	Career Summary and Position in the Company	Number of the Company's Shares Owned
3	Yusuke Kobayashi (December 24, 1970) <b>Reelection</b> <b>Internal</b>	<p>Apr. 2000    Joined ALBION Co., Ltd.</p> <p>Sep. 2005    Executive Officer of ALBION Co., Ltd.</p> <p>Sep. 2006    Director of ALBION Co., Ltd.</p> <p>Jun. 2014    Director of the Company (present)</p> <p>Apr. 2017    Executive Director of ALBION Co., Ltd. (present)</p> <p>(Responsibilities) -</p> <p>(Significant Concurrent Positions Outside the Company) Executive Director, General Manager of Global Business Div. and Administrative Div. of ALBION Co., Ltd. Representative Director of ALBION Cosmetics (America), Inc.</p> <p>(Reasons for Nomination as Candidate for Director) Mr. Yusuke Kobayashi has abundant experience primarily in the fields of international business gained at ALBION Co., Ltd., a Group company, and extensive knowledge and experience related to overall corporate management. He has also succeeded in strengthening the functions of the Board of Directors. Thus, the Company recommends his reappointment as a Director.</p>	463,537
4	Iwao Toigawa (August 22, 1953) <b>Reelection</b> <b>Outside</b> <b>Independent Director</b>	<p>Apr. 1991    Registered as an attorney at law</p> <p>Jul. 2001    Established Toigawa Law Office</p> <p>May 2006    Established Hibiya T&amp;Y Law Office (present)</p> <p>Jun. 2014    Director of the Company (present)</p> <p>(Responsibilities) -</p> <p>(Significant Concurrent Positions Outside the Company) Attorney at law of Hibiya T&amp;Y Law Office Outside Director of NIHON NOHYAKU CO., LTD. Outside Audit &amp; Supervisory Board Member of Tohto Suisan Co., Ltd.</p> <p>(Reasons for Nomination as Candidate for Outside Director) Mr. Iwao Toigawa has advanced expertise as an attorney at law and abundant knowledge in the corporate management. He fulfills his responsibility to provide advice and guidance regarding management of the Company from an independent and objective viewpoint. Although he has never been involved in the management of a company except as an Outside Director or Outside Audit &amp; Supervisory Board Member, the Company recommends his reappointment as an Outside Director based on the above reasons.</p>	-
5	Kazuya Kitagawa (May 16, 1963) <b>New election</b> <b>Internal</b>	<p>Apr. 1987    Joined The Dai-ichi Mutual Life Insurance Company (currently The Dai-ichi Life Insurance Company, Limited)</p> <p>Aug. 1989    Established AXLE Co., Ltd.</p> <p>Apr. 2010    Joined the Company</p> <p>May 2010    General Manager of Advertising Dept. (present)</p> <p>Mar. 2013    Executive Officer of the Company (present)</p> <p>Mar. 2018    General Manager of Digital Marketing Div. (present)</p> <p>(Responsibilities) -</p> <p>(Significant Concurrent Positions Outside the Company) -</p> <p>(Reasons for Nomination as Candidate for Director) Mr. Kazuya Kitagawa, while promoting marketing, primarily advertisement, has made major contributions to improving the Company's corporate image and brand image by creating advertisements that led to products becoming hits and successfully carrying out large-scale events. The Company judges that he is a skilled individual that is capable of improving future management with his experience and abundant knowledge gained while handling various marketing-related endeavors. Thus, the Company recommends his appointment as a Director.</p>	388

Candidate No.	Name (Date of Birth)	Career Summary and Position in the Company	Number of the Company's Shares Owned
6	Yukino Kikuma (Mar. 5, 1972) <u>New election</u> <u>Outside</u> <u>Independent Director</u>	Apr. 1995    Joined Fuji Television Network, Inc. Dec. 2011    Registered as an attorney at law Joined Law Office of Matsuo & Kosugi (present)	-
		(Responsibilities) -	
		(Significant Concurrent Positions Outside the Company) Attorney at law of Law Office of Matsuo & Kosugi	
		(Reasons for Nomination as Candidate for Director) Ms. Yukino Kikuma has advanced expertise as an attorney at law and extensive knowledge regarding corporate legal affairs in particular. Also, her experience with mass media will allow her to identify issues and provide advice regarding corporate management from a broad perspective. Although she has never been involved in the management of a company except as an Outside Director or Outside Audit & Supervisory Board Member, the Company recommends her appointment as an Outside Director based on the above reasons.	

[Special note regarding candidates for Director]

1. Mr. Yusuke Kobayashi, a candidate for Director, is the President of ALBION Cosmetics (America), Inc., which has a competitive relationship with the Company.
2. There is no special interest between any other candidates for Director and the Company.
3. Mr. Iwao Toigawa is a candidate for Outside Director and special notes regarding the candidate for Outside Director are as follows.
  - 1) Tenure as Outside Director of the Company  
His tenure as Outside Director will have been four years at the conclusion of this meeting.
  - 2) Limited liability agreement with the candidate for Outside Director  
Pursuant to the provisions of Article 427, paragraph 1 of the Companies Act, the Company has entered into an agreement with Mr. Iwao Toigawa 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 amount stipulated by laws and regulations. If the reelection of Mr. Iwao Toigawa is approved, the Company plans to renew this agreement with him.
4. The Company has submitted notification to the Tokyo Stock Exchange, Inc. that Mr. Iwao Toigawa satisfies the requirements for an independent director as provided for by the aforementioned exchange. If the reelection of Mr. Iwao Toigawa is approved, the Company plans to submit notification concerning his appointment as an independent director to continue.
5. Ms. Yukino Kikuma 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. Yukino Kikuma 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.
6. Ms. Yukino Kikuma 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 if her election is approved.

**Proposal No. 3: Granting of Retirement Benefits to Retiring Directors**

Directors Kazumasa Hanagata, Noboru Naito, Kiyoto Nagahama and Hideto Hokao will retire at the conclusion of this meeting. The Company would like to pay them a reasonable amount of retirement benefits to reward their services during their 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	
Kazumasa Hanagata	June 2009	Director of the Company
	June 2013	Executive Director of the Company (present)
Noboru Naito	June 2009	Director of the Company
	June 2014	Executive Director of the Company (present)
Kiyoto Nagahama	June 2011	Director of the Company
	June 2014	Executive Director of the Company (present)
Hideto Hokao	June 2016	Director of the Company (present)

**(Reference)**

## Organizational Structure of Officers after Proposal No. 2 is Approved

Ten (10) Directors (including two (2) Outside Directors)

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

Name	Position	Attribute			Remarks
Kazutoshi Kobayashi	Representative Director and President	Reelection	Internal		Member of Personnel Committee
Takao Kobayashi	Senior Executive Director	Reelection	Internal		
Atsuo Kumada	Executive Director		Internal		
Masanori Kobayashi	Executive Director		Internal		
Koichi Shibusawa	Executive Director		Internal		Member of Personnel Committee
Yusuke Kobayashi	Director	Reelection	Internal		
Michihito Yanai	Director		Internal		
Kazuya Kitagawa	Director	New election	Internal		
Iwao Toigawa	Director	Reelection	Outside	Independent	Chairman of Personnel Committee
Yukino Kikuma	Director	New election	Outside	Independent	Member of Personnel Committee
Kazuhiro Suzuki	Full-time Audit & Supervisory Board Member		Internal		
Kumi Arakane	Full-time Audit & Supervisory Board Member		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

## 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 Personnel 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 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.

<https://soukai.mizuho-tb.co.jp/> (in Japanese only)

- (2) The voting deadline is 5:30 p.m. on Wednesday, June 27, 2018 (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.