

KOSÉ Corporation

President & CEO: Kazutoshi Kobayashi

Stock exchange listing: Tokyo Stock Exchange, First Section; Stock code: 4922

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Notice of Establishment of a Company Jointly Owned with Maruho

The Board of Directors of KOSÉ Corporation approved a resolution today to establish KOSÉ Maruho Pharma Co., Ltd. on the same day. The formation of this company, which is a KOSÉ subsidiary jointly owned with Maruho Co., Ltd. (President & CEO: Koichi Takagi, Headquarters: Kita-ku, Osaka), is based on the agreement with Maruho that was announced by KOSÉ on January 31, 2019.

1. Reason for establishing KOSÉ Maruho Pharma

KOSÉ Maruho Pharma will perform planning, development, marketing and sales activities for consumer healthcare products in the markets of over-the-counter drugs (quasi-drugs) and cosmetics by using both the cosmetics value of KOSÉ and the pharmaceutical value of Maruho. The new company will also function as a platform for planning a variety of other activities for the long-term success of this alliance between KOSÉ and Maruho.

2. Profile of KOSÉ Maruho Pharma

(1) Name	KOSÉ Maruho Pharma Co., Ltd.
(2) Location	3-6-2, Nihombashi, Chuo-ku, Tokyo
(3) Representatives	President & CEO: Hidenori Takahashi (from KOSÉ) Executive Vice President: Yasutomo Nishimori (from Maruho)
(4) Businesses	Planning, development, marketing and sales of over-the-counter drugs, quasi-drugs, and cosmetics
(5) Capital	10 million yen
(6) Establishment	July 31, 2019
(7) Investment ratio	KOSÉ Corporation: 51% Maruho Co., Ltd.: 49%
(8) Fiscal year end	December

3. Outlook

The establishment of KOSÉ Maruho Pharma will have only a negligible effect on results of operations in the fiscal year ending in March 2020. Any expected contribution of this company to results of operations in the following fiscal year will be included in the forecast for that fiscal year.