

(Translation)

February 7, 2018

Dear Sirs and Madams,

Name of Company: Shiseido Company, Limited
 Name of Representative: Masahiko Uotani
 President and CEO
 (Representative Director)
 (Code No. 4911; The First Section of the Tokyo Stock Exchange)
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Notice of Revision of the Consolidated Financial Result Forecast for the Fiscal Year Ended December 31, 2017

It is hereby notified that Shiseido Company, Limited (hereinafter, “the Company”) revises the consolidated financial result forecast for the year ended December 31, 2017, announced on November 9, 2017, as described below.

- Revision of consolidated financial result forecast for the fiscal year ended December 31, 2017 (January 1, 2017 through December 31, 2017)

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent	Net income per share (yen)
Previous forecast (A)	985,000	65,000	64,000	5,000	12.52
Revised forecast (B)	1,005,000	80,500	80,500	22,500	56.33
Amount of increase or decrease (B-A)	20,000	15,500	16,500	17,500	
Rate of increase or decrease (%)	2.0	23.8	25.8	350	
(Reference) Previous result for the fiscal year ended December 31, 2016	850,306	36,780	37,174	32,101	80.41

- Reasons for the revision

In the consolidated results for the fiscal year ended December 31, 2017, both net sales and operating income are expected to exceed the previous forecast and reach new record highs, reflecting strong business results. Net sales are expected to break the 1 trillion yen mark for the first time since the Company’s founding. This resulted from such factors as rapid global expansion of prestige brands leading to a strong growth in all regions, and a growth in Japan, China and Travel Retail, spurred by the effects of borderless marketing that leverages the Company’s strengths. Major Japan brands are demonstrating growth at a high rate, driven also by capturing a large share of inbound demand. In addition, the Company’s strategy of creating a new anti-wrinkle market is becoming a reality as the number of new target product users is growing at a large scale in Japan as well as other Asian countries. Due to these and other factors, net sales are expected to surpass the previous forecast.

Operating income and ordinary income are also expected to largely exceed the previous forecast,



driven by higher margins accompanying the increase in sales, as well as the reduction in cost of sales ratio due to the growing sales of mid- and high-priced products, improved return on marketing investment, and other factors. Net income attributable to owners of parent was affected by lower tax expenses following the U.S. tax reform at the end of 2017 and lower-than-expected tax expenses on gain from transfer of Zotos International, Inc. business, in addition to the above-mentioned factors. Due to these and other reasons, net income attributable to owners of parent is forecast to largely exceed the original forecast.

Note: The above forecasts are based on information currently available to the Company. Due to various factors, actual results may differ from such forecasts.

- End of News Release -