



(Translation)

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Notice of Revision of the Consolidated Forecast for the Fiscal Year Ending December 31, 2022

Shiseido Company, Limited (the “Company”) hereby announces that it has revised its consolidated forecast for the fiscal year ending December 31, 2022, previously announced on May 12, 2022, as described below.

1. Revised Forecast of Consolidated Results for the Fiscal Year Ending December 31, 2022 (from January 1 to December 31, 2022)

(Millions of yen unless otherwise stated)

	Net Sales	Core Operating Profit	Profit before Tax	Profit Attributable to Owners of Parent	Basic Earnings per Share (Yen)
Previous Forecast (A)	1,075,000	62,000	68,700	44,000	110.13
Revised Forecast (B)	1,070,000	40,000	41,200	25,500	63.83
Change (B-A)	(5,000)	(22,000)	(27,500)	(18,500)	
Change (%)	(0.5)%	(35.5)%	(40.0)%	(42.0)%	
(Reference) Results for the Previous Fiscal Year (Ended December 31, 2021)	1,009,966	42,553	99,111	46,909	117.43

Notes:

- Results for the previous fiscal year are based on IFRS.
- Core operating profit is operating profit less profit and loss caused by non-ordinary factors such as structural reform expenses and impairment losses, etc.

2. Reasons for the Revision

In the first half of the fiscal year ending December 31, 2022, the Company was greatly affected by the slow recovery of the cosmetics market in Japan and the impact of the lockdown mainly in Shanghai, China. In view of the current market environment, the Company has reviewed the market assumptions primarily for Japan and China from the second half onwards, and at the same time, plans to make marketing investments to strengthen its brand value for medium-to-long-term growth as well as investments in our people. Taking these factors into account, the Company has revised the forecasts for net sales to 1,070.0 billion yen, down 5.0 billion yen from the previous forecast, and core operating profit to 40.0 billion yen, down 22.0 billion yen.

In addition, the Company is expecting a loss of approximately 14.0 billion yen including impairment loss in the fiscal year ending December 31, 2022, on the business transfer as announced in the “Notice of Company Split (Simple Absorption-type Split) and Other Changes Accompanying the Transfer of the Manufacturing Business of Personal Care Products” released on August 1, 2022, and other factors. As a result, profit before tax will be revised to 41.2 billion yen, down 27.5 billion yen from the previous forecast, and profit attributable to owners of parent to 25.5 billion yen, down 18.5 billion

yen. This revision of the consolidated results forecast does not impact the Company's dividend forecast for the fiscal year 2022.

Major average foreign currency exchange rates assumed for the fiscal year are JPY128/USD, JPY135/EUR, and JPY19/CNY.

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

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