



(Translation)

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Notice of Revisions to Consolidated Earnings Forecasts for the Fiscal Year Ending December 31, 2023

Shiseido Company, Limited (the “Company”) has revised its consolidated earnings forecasts for the fiscal year ending December 31, 2023 announced on February 10, 2023 as provided below.

1. Revisions to the Consolidated Earnings Forecasts for the Fiscal Year 2023 (from January 1 to December 31, 2023)

(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)	1,000,000	60,000	47,000	28,000	70.08
Revised Forecast (B)	980,000	35,000	27,000	18,000	45.04
Change (B-A)	(20,000)	(25,000)	(20,000)	(10,000)	
Change (%)	(2.0)%	(41.7)%	(42.6)%	(35.7)%	
(Reference) Results for the Previous Fiscal Year (Ended December 31, 2022)	1,067,355	51,340	50,428	34,202	85.60

Notes:

- Core operating profit is calculated as operating profit excluding profits or losses incurred by non-ordinary factors (non-recurring items), such as expenses related to structural reforms, impairment losses, etc.
- Currency exchange assumptions are as follows:
 Previous: USD/JPY: 130 yen, EUR/JPY: 140 yen, CNY/JPY: 19.0 yen
 Revised: USD/JPY: 140 yen, EUR/JPY: 150 yen, CNY/JPY: 19.8 yen

2. Reasons for the Revision

The net sales on a like-for-like basis* for the fiscal year 2023 is expected to fall below our previous forecast due primarily to the weakness in the Travel Retail Business and the China Business, which continue to be affected by retailer inventory adjustments in light of tighter regulations, as well as an ongoing trend of retailers shifting back towards the business model with focus on tourists. This was compounded by the weakening sentiment towards China’s economy as well as consumer pull back on purchases of Japanese products after the release of treated water in Japan. Overall, however, the net sales are projected to be largely in line with our previous forecast, offset by the positive impacts of foreign exchange translation due to the weaker yen.

*Like-for-like basis excludes the impacts of foreign exchange translation and business transfers.

The core operating profit for the fiscal year 2023 is expected to fall short of our previous forecast, due to the expected decline in the net sales on a like-for-like basis. We have also revised our forecasts

for the profit before tax and profit attributable to owners of parent due in large part to the decline in core operating profit. Additionally, the impact of the gain on the sales of fixed assets of ¥10.0 billion from the sales of the real estates as well as the impairment loss of ¥6.0 billion on the integration of the two factories in Osaka Prefecture are also reflected.

3. Dividend Forecast

This revision to the consolidated earnings forecast does not impact the Company's dividend forecast for the fiscal year 2023. In addition to the interim dividend of ¥30 already paid, the Company plans to pay a year-end dividend of ¥30 per share. As a result, the annual dividend will be ¥60 per share.

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

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