

KOSÉ Corporation

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Revision to Sales and Earnings Forecasts

KOSÉ Corporation has reviewed current trends in its performance and revised its sales and earnings forecasts that were announced on October 31, 2016 as follows.

● Revised Forecast

Revision to Consolidated Forecast for the Fiscal Year Ending March 31, 2017

(April 1, 2016 – March 31, 2017)

| | Net sales | Operating income | Ordinary income | Profit attributable to owners of parent | Net income per share |
|--|------------------------|------------------------|------------------------|---|----------------------|
| | <i>Millions of yen</i> | <i>Millions of yen</i> | <i>Millions of yen</i> | <i>Millions of yen</i> | <i>Yen</i> |
| Previous forecast (A) | 256,000 | 37,000 | 36,300 | 20,900 | 366.38 |
| Revised forecast (B) | 266,700 | 39,100 | 39,500 | 21,600 | 378.65 |
| Change (B – A) | 10,700 | 2,100 | 3,200 | 700 | - |
| Percentage change (%) | 4.2 | 5.7 | 8.8 | 3.3 | - |
| (Reference) Previous fiscal year results (Fiscal year ended Mar. 31, 2016) | 243,390 | 34,634 | 34,566 | 18,655 | 327.04 |

Reasons for Revisions

The sales forecast is higher because of strong sales of high-prestige products in the cosmetics business and of major brands in the cosmetaries business. Higher sales of makeup brands in both segments are another reason for the forecast revision. As a result, KOSÉ expects sales to climb to a new record for the fourth consecutive year.

KOSÉ has increased the earnings forecasts, which are also all-time highs, mainly because of the higher sales.

* The above forecasts are based on judgments made in accordance with information available as of the announcement date of this report. Readers should be aware that actual results may differ significantly from these forecasts for a number of reasons.