

KOSÉ Corporation

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Stock exchange listing: Tokyo Stock Exchange, Prime Market; Stock code: 4922

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

KOSÉ Corporation has reviewed current trends in its performance and revised its Consolidated Forecast for the Fiscal Year Ending December 31, 2022 that were announced on February 14, 2022 as follows.

1. Revised Forecast

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

(January 1, 2022 – December 31, 2022)

	Net sales	Operating profit	Ordinary profit	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)	293,000	22,000	22,600	16,500	289.22
Revised forecast (B)	293,000	20,000	22,600	16,500	289.22
Change (B – A)	0	(2,000)	0	0	0
Percentage change (%)	0.0	(9.1)	0.0	0.0	0.0
(Reference) Previous fiscal year results (Adjusted) (January - December 2021)	268,992	15,672	22,050	11,135	-

Note: The figures in “Previous fiscal year results (Adjusted)” are calculated as ones for the same period of 2021 (January 1, 2021 – Dec 31, 2021) after retroactively applying the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29) to the financial statements. These figures have not been audited by an independent auditor.

2. Reasons for Revisions

There is no change in the sales forecast. This was the net result of the negative effect of China’s restrictions on economic activities because of lockdowns, mainly in Shanghai and other cities, and other measures based on its zero-COVID policy and the positive effect of the slow recovery of the performance of the cosmetics business in Japan.

The 2022 operating profit forecast has been lowered to 20,000 million yen, a decrease of 2,000 million yen (down 9.1%) compared with the previous forecast. The cost of sales ratio is expected to rise because of increasing price of crude oil and other resources caused by the worsening of the Ukraine crisis and inflation in Japan caused by the weaker yen as the difference between U.S. and Japanese interest rates widens. In addition, profitability in China is declining caused by intense competition.

There is also no change in the forecasts for ordinary profit and profit attributable to owners of parent

because the foreign exchange gains are increasing due to the yen's weakness.

KOSÉ has not changed the initial segment sales forecasts, which are 238,500 million yen for the cosmetics business, 52,600 million yen for the cosmetaries business, and 1,900 million yen for the other businesses.

There is also no change in the dividend forecast.

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