

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 was announced on August 10, 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	20,000	22,600	16,500	289.22
Revised forecast (B)	283,000	16,500	22,600	16,500	289.22
Change (B – A)	(10,000)	(3,500)	0	0	0
Percentage change (%)	(3.4)	(17.5)	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

The 2022 sales forecast has been lowered by 10,000 million yen, or 3.4%, to 283,000 million yen compared with the previous forecast. Restrictions on economic activity in China due to the zero-COVID policy are holding down sales and sales in South Korea are down significantly. In addition, sales in the drug store and other mass retail channels in Japan were sluggish. Tarte sales in local currency also fell short of plan.

The 2022 operating profit forecast has been lowered to 16,500 million yen, a decrease of 3,500 million yen, or 17.5%, compared with the previous forecast. In addition to the lower sales mainly due to the above reasons, deteriorating profitability resulting from intense competition in the Chinese market is expected and the cost of sales ratio is expected to remain high, especially for Tarte products, mainly due to soaring raw material prices.

There is 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 depreciation.

There is also no change in the dividend forecast.

By business segment, the sales forecasts have been decreased by 6,273 million yen, or 2.6%, to 232,226 million yen in the cosmetics business, decreased by 3,663 million yen, or 7.0%, to 48,936 million yen in the cosmetaries business, and decreased by 63 million yen, or 3.3%, to 1,836 million yen in the other business segment, from the previous forecasts.

* 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.