(Translation)

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Notice of Revision of the Consolidated Forecast for the Fiscal Year Ending December 31, 2021

Shiseido Company, Limited (the "Company") hereby announces that it has revised its consolidated forecast for the fiscal year ending December 31, 2021, previously announced on May 12, 2021, as described below.

1. Revised Forecast of Consolidated Results for the Fiscal Year Ending December 31, 2021 (from January 1 to December 31, 2021)

(Millions of yen unless otherwise stated)

	Net Sales	Operating Profit	Ordinary Profit	Net Profit (Loss) Attributable to Owners of Parent	Net Profit (Loss) per Share (Yen)
Previous Forecast (A)	1,067,000	27,000	27,000	35,500	88.87
Revised Forecast (B)	1,044,000	32,000	33,500	30,000	75.10
Change (B−A)	(23,000)	5,000	6,500	(5,500)	
Change (%)	(2.2)%	18.5%	24.1%	(15.5)%	
(Reference) Results for the Previous Fiscal Year (Ended December 31, 2020)	920,888	14,963	9,638	(11,660)	(29.19)

2. Reasons for the Revision

The revised forecast for the fiscal year 2021 is based on the assumption of gradual market recovery in line with the COVID-19 vaccination rollout, while incorporating the impacts of the recently announced business transfers and other structural reforms, and foreign currency translation effects. Net sales forecast has been revised upward for the EMEA and Americas Businesses, which have already recovered to the 2019 levels on the back of vaccination rollout, whereas the Japan Business, which has been largely affected by the states of emergency, has undergone a downward revision. Moreover, the updated forecast also reflects such negative effects as the spread of new COVID-19 variants and unfavorable weather in China. Furthermore, net sales and operating profit have been adjusted in light of the transfer of makeup brands ***bareMinerals***, ***BUXOM***, and ***Laura Mercier*** (planned effective date: beginning of December 2021) and the transition service agreement.

As a result, net sales are expected at ¥1,044.0 billion, down ¥23.0 billion from the previous forecast, while operating profit is estimated at ¥32.0 billion, up ¥5.0 billion, mainly due to effective cost management in line with market changes. Net profit attributable to owners of parent has been revised to ¥30.0 billion, down ¥5.5 billion from the previous forecast despite higher operating profit and lower tax expenses. This is chiefly due to extraordinary losses of ¥7.3 billion, namely impairment loss on goodwill resulting from the abovementioned transfer of makeup brands. Like-for-like, excluding structural reform expenses incorporated in the revised forecast, net profit attributable to owners of parent is expected at ¥46.5 billion, up ¥11.0 billion from the previous forecast. Major foreign currency exchange rate assumptions for the fiscal year 2021 are: JPY110/USD, JPY130/EUR, and JPY17/CNY.

3. Dividend Forecast

This revision of the consolidated results forecast does not impact the Company's dividend forecast for the fiscal year 2021: in addition to the already paid interim dividend of ¥20, the year-end dividend is expected at ¥30 per share. As a result, the annual dividend will be ¥50 per share, up ¥10 from the previous year.

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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