

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 April 26, 2019 as follows.

● Revised Forecast

Revision to Consolidated Forecast for the Fiscal Year Ending March 31, 2020

(April 1, 2019 – March 31, 2020)

	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)	352,000	54,000	54,700	37,100	650.37
Revised forecast (B)	336,000	45,000	46,100	30,000	525.91
Change (B – A)	(16,000)	(9,000)	(8,600)	(7,100)	-
Percentage change (%)	(4.5)	(16.7)	(15.7)	(19.1)	-
(Reference) Previous fiscal year results (FY03/2019)	332,995	52,408	53,976	37,004	648.71

Reasons for Revisions

Although sales in Asia remained strong, the end of the upturn in sales prior to Japan's October 2019 consumption tax hike, the impact on the duty-free stores channel from declining inbound tourist numbers caused by the spread of the coronavirus epidemic in China and the effect of yen's appreciation negatively affected sales. As a result, sales are likely to fall short of the previous forecast. Gross profit is likely to be lower due to the above factors. As a result, earnings are expected to be lower than the previous forecast.

Although the earnings forecast has been revised, there is no change in the dividend forecast.

By business segment, KOSÉ has decreased the sales forecasts by 15,800 million yen, or 5.8%, to 257,500 million yen in the cosmetics business and 200 million yen, or 0.3%, to 74,500 million yen in the cosmetaries business, from the previous forecasts. Sales in the other business segment are expected to be 4,000 million yen, which has been initially planned.

* 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.