



2022 First Three Months Results (January–March) and 2022 Outlook

May 12, 2022

Shiseido Company, Limited

Takayuki Yokota

Director, Executive Officer

Chief Financial Officer

150
YEARS
SHISEIDO

In this document, statements other than historical facts are forward-looking statements that reflect our plans and expectations. These forward-looking statements involve risks, uncertainties, and other factors that may cause actual results and achievements to differ from those anticipated in these statements.

Voluntary Adoption of IFRS

Shiseido adopts International Financial Reporting Standards (“IFRS”) for its financial reporting from the first three months of fiscal 2022.

*For major impacts of transition from Japanese GAAP to IFRS, see Supplemental Data from 1-1 to 1-5.

Purpose:

Enhance global business management by unifying accounting standards across the Group, improve the international comparability of financial information in the capital markets

Business management KPI:

Core operating profit = Operating profit – Non-recurrent items*

* Items such as one-time profits or expenses related to structural reforms as well as business reorganization costs, impairment loss, loss on disposal of fixed assets, and other losses resulting from external factors and litigation, which were previously disclosed mainly as extraordinary gains or losses under the Japanese GAAP.

2022 Q1 Key Headlines

Americas, EMEA, and TR continued strong, while Japan and China declined YoY
Secured profit thanks to structural reforms and agile cost management

- **Like-for-like (LfL)* Net Sales YoY: -1%; excluding Japan: +0%**
 - Continued strong in the Americas, EMEA, and Travel Retail
 - Declined YoY in Japan due to slow market recovery and in China due to the zero-COVID policy, etc.
- **Skin beauty brands sales ratio grew to 75% thanks to portfolio restructuring**
- **DX acceleration (E-commerce (EC) sales: +3%*, ratio: 29%)**
- **Core operating profit: ¥4.4 bn, -¥4.8 bn YoY**
 - Secured profit due to lower fixed costs from structural reforms in Americas and EMEA and agile cost management
- **Global transformation**
 - Personal Care (PC) business: transfers in Asia Pacific on track
 - Professional business: planned transfer date July 1st
 - FOCUS: full-scale rollout in Asia Pacific
 - Fukuoka Kurume Factory: operations to start in May

* Like-for-like increase (decrease) excludes the impact from all business transfers in the first three months of 2022 and the first three months of 2021 as well as the impact of all related transfer agreements ("business transfer impacts").

2022 Q1 (January–March): Executive Summary

(Billion yen)	2021	% of Net Sales	2022	% of Net Sales	YoY	YoY %	YoY FX- Neutral %	YoY LfL ^{*3} %
Net Sales	237.0	100%	234.0	100%	−3.0	−1.3%	−6.3%	−0.9%
Core Operating Profit	9.2	3.9%	4.4	1.9%	−4.8	−52.3%		
Non-recurrent items	−15.7	−6.6%	−0.0	−0.0%	+15.7	-		
Operating Profit	−6.5	−2.7%	4.4	1.9%	+10.9	-		
Profit Before Tax	−5.9	−2.5%	8.2	3.5%	+14.1	-		
Income Tax Expense	4.1	1.7%	2.5	1.1%	−1.6	−39.3%		
Profit ^{*1}	−11.1	−4.7%	4.4	1.9%	+15.5	-		
EBITDA ^{*2}	22.3	9.4%	17.1	7.3%	−5.2	−23.4%		

*1. Profit Attributable to Owners of Parent *2. Core Operating Profit + Depreciation and amortization (excluding depreciation of right-of-use assets)

*3. Excluding business transfer impacts

Net Sales:

- Continued strong growth in Americas, EMEA, and Travel Retail partially offsetting the decline in Japan and China
- Skincare sales ratio grew thanks to portfolio restructuring

Core Operating Profit: Secured profit due to lower fixed costs from structural reforms in Americas and EMEA, agile cost management

Non-recurrent items: Impairment loss on *Dolce&Gabbana* trademark rights in 2021: −¥15.3 bn

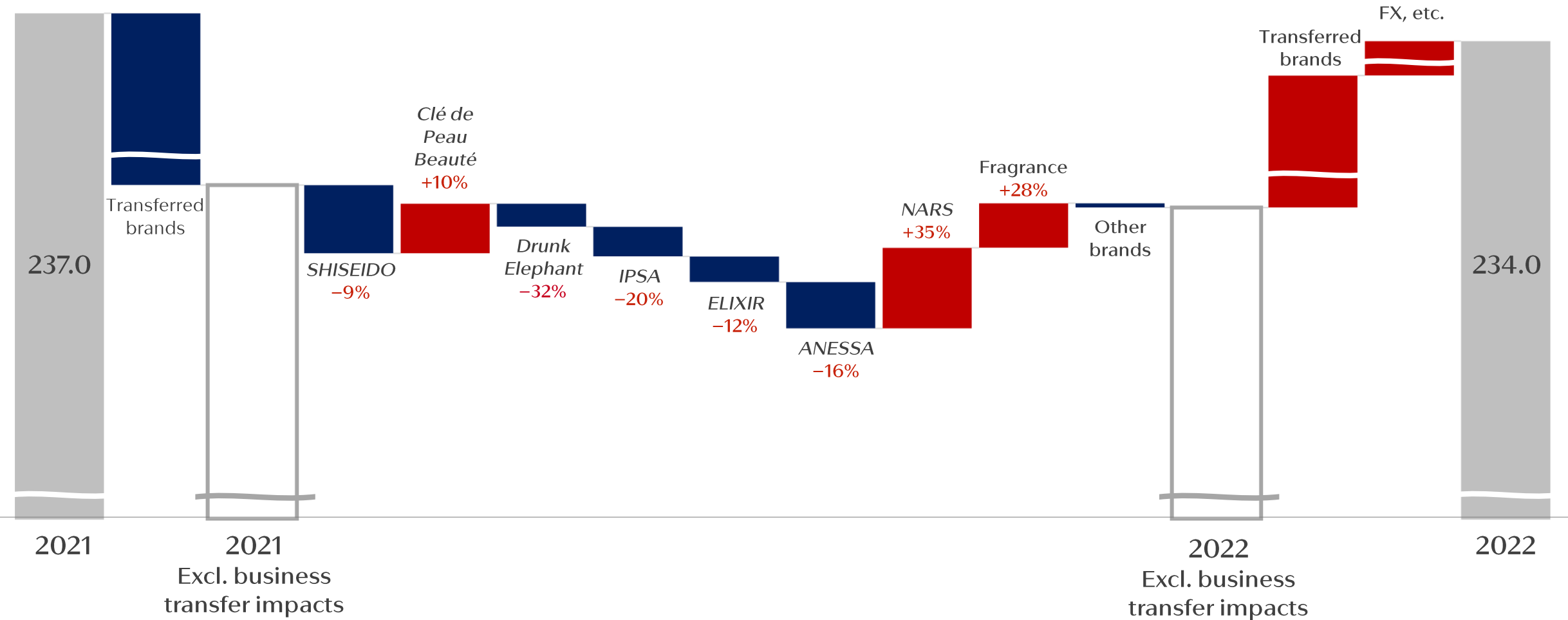
Profit before Tax: Finance income/costs: ¥2.5 bn (FX gain: ¥1.5 bn), Share of profit of investments accounted for using equity method: ¥1.2 bn

Income Tax Expense: Valuation allowance for impairment loss on *Dolce&Gabbana* trademark rights in 2021

2022 Q1 Net Sales by Brand

Like-for-like*

(Billion yen)



* YoY change (%) for each brand is calculated based on initial exchange rate assumptions and excludes the impact of foreign currency exchange, etc.

New Product Launches in 2022 Q1

Core Skincare

SHISEIDO
GINZA TOKYO



Essential Energy
Hydrating Cream



Future Solution LX
Infinite Treatment Primer

ESTD 2012
DRUNK ELEPHANT™



A-Gloe Retinol Oil

clé de peau
BEAUTÉ



Key Radiance Care
Limited 40th anniversary
package



Sérum Éclat S

ELIXIR
エリクシル



Day Care Revolution

Makeup / Foundation

NARS



Light Reflecting Foundation

MAQUILLAGE



Dramatic Essence Liquid

Suncare

ANESSA



Day Serum

Men

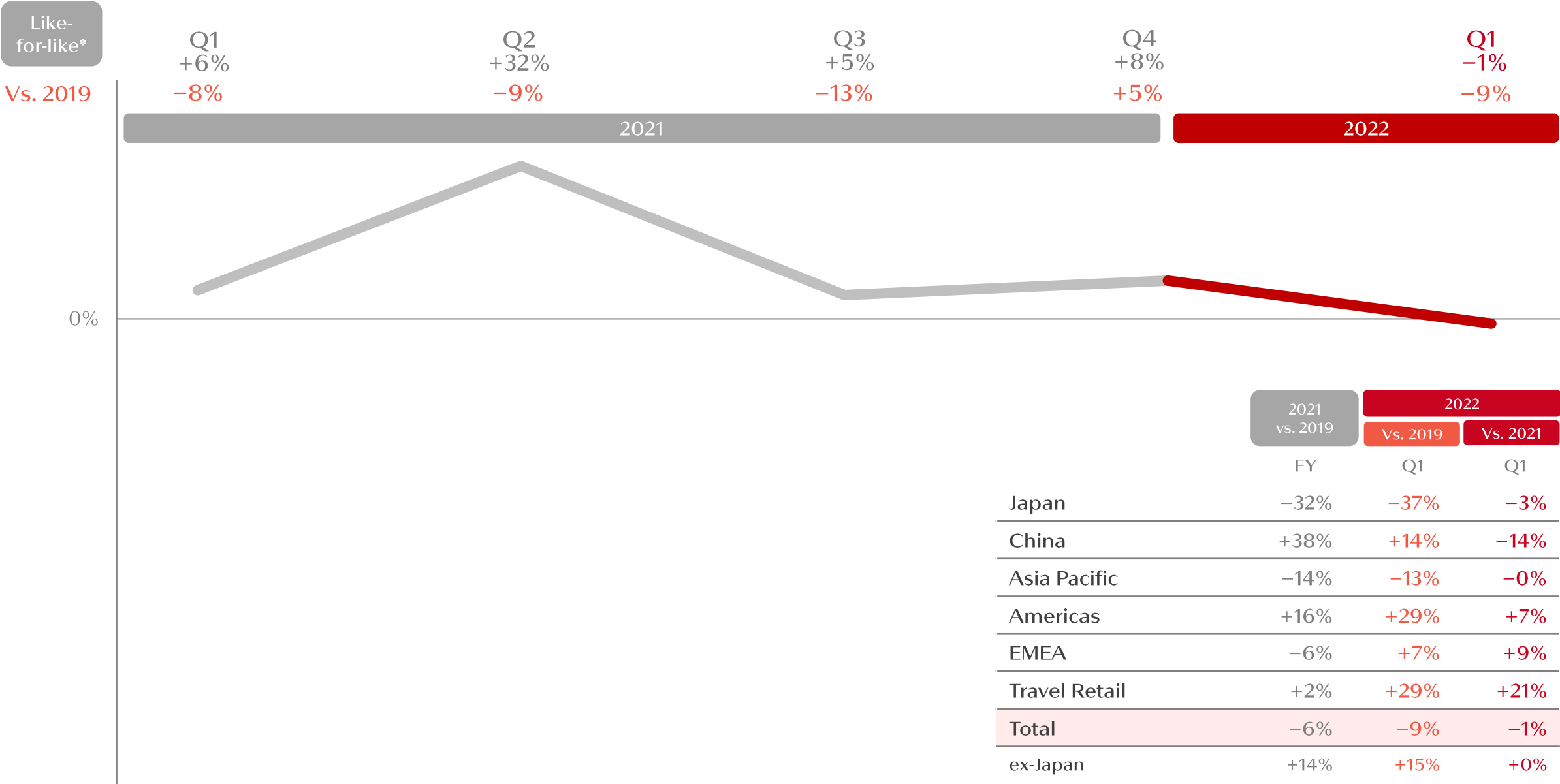
SHISEIDO MEN
GINZA TOKYO



Renewal of high-performance
aging care* cosmetics

*Care centering on age-appropriate moisturization

Net Sales YoY: Strong Americas, EMEA, and TR Offset Decline in Japan and China



*Excluding business transfer impacts

Japan: Continued Growth Driven by Prestige; Grew Share in Mid-to-High End Amid Delayed Market Recovery

● Q1 Local Market:

- Flat YoY, traffic recovery slower than expected
Department, drugstore, and EC sales grew
- While overall cosmetics purchase rate continued to decline, sales in the low-end segments grew

● Shiseido Consumer Purchases*: -low single digit%

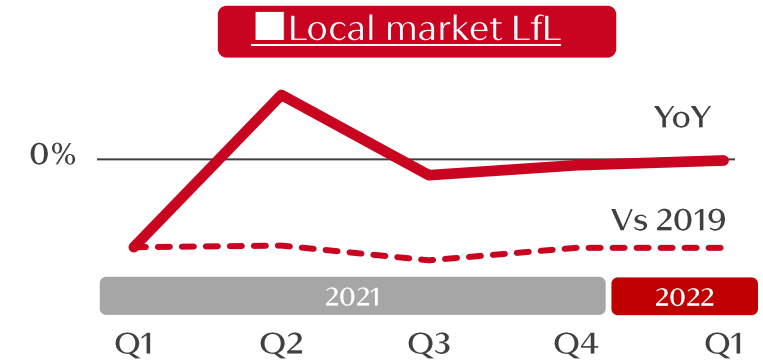
➤ Local: +low single digit%

- Stimulated demand with a range of skin beauty products
 - *SHISEIDO, Clé de Peau Beauté*: strong
 - *MAQuillage, ANESSA*: new products with enhanced functionality and efficiency
 - *ELIXIR*: daytime moisturizer saw growth in loyal users, while lotions and creams struggled

• EC: +mid-teen%

- Kept strong momentum in retailer EC
- Enhanced OMO initiatives: Personal Beauty Plan

➤ Inbound: -mid-teen%



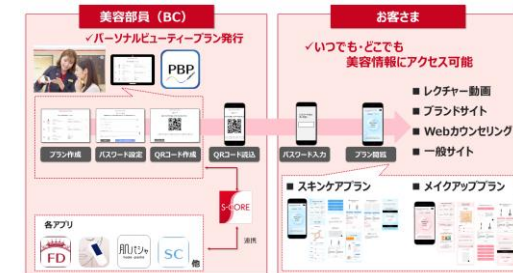
Clé de Peau Beauté
Sérum Éclat S



MAQuillage
Dramatic Essence Liquid



ANESSA
Day Serum



Personal Beauty Plan,
a new service that delivers in-store beauty experience online

* Excluding business transfer impacts

China: Offline Affected by COVID-19 Variants, but Online Continued to Grow

● Q1 Market:

- Offline slowed down due to COVID-19 variants; further impacts from lockdowns in March
- EC: continued growth, including Chinese New Year and Women's Day promotions

● Shiseido Consumer Purchases*:

Total: -low single digit%

➤ **Mainland China:** -low single digit%

• **Prestige:** -low single digit%

- *SHISEIDO* Future Solution performed well; trade-up trends

• **EC:** +low 20%

- **Prestige EC:** +mid-teen%

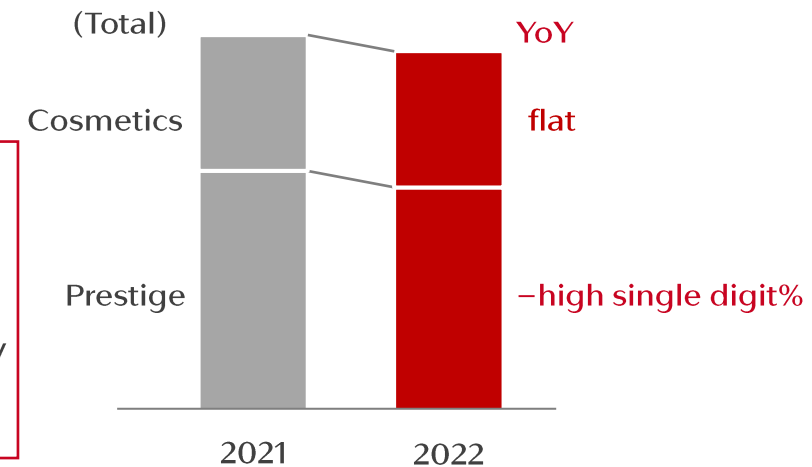
Online promotions for Women's Day:

- *SHISEIDO*, *Clé de Peau Beauté*, and *NARS* drove growth
 - EC channels expansion: *SHISEIDO* launched at JD.com in January
- ANESSA* was No.1 in suncare on Tiktok



Women's Day promotions

Consumer Purchases by Category



*Excluding business transfer impacts

Seized Recovery Opportunities in Americas, EMEA, and TR for Steady Growth

Market (Q1)

Americas

Growth Continued, Largely Exceeding 2019

Growth in all categories, market expansion

- Shiseido External Sales*1: +7%
 - NARS: +over 40%
continued to gain share; climbed five ranks*2
 - Clé de Peau Beauté: +over 40%
 - EC: –mid-single digit%

EMEA

Growth Accelerated, Mainly in Fragrance

Recovery in makeup and fragrance continued

- Shiseido External Sales*1: +9%
 - narciso rodriguez: grew in all countries and regions, Musc Noir series particularly strong
 - EC: –low 20%
 - Cycling of lockdowns and stay-at-home policies LY

Travel Retail

Growth Largely Exceeded 2019, Driven by Hainan

Growth in Hainan continued, albeit affected by the spread of COVID-19 variants in mainland China in March

- Shiseido Consumer Purchases*1: Asia: +high single digit%
(Global: +low teen%)
 - All prestige brands grew over 20%
 - EC (Asia): –high single digit%

Asia Pacific

Growth Continued, Led by EC and Prestige

Recovery delayed in some markets such as Taiwan

- Shiseido External Sales*1: – 0%
 - NARS: strong thanks to promotions and new products
 - EC*3: +high 20%
 - Expanded rollouts on major EC platforms

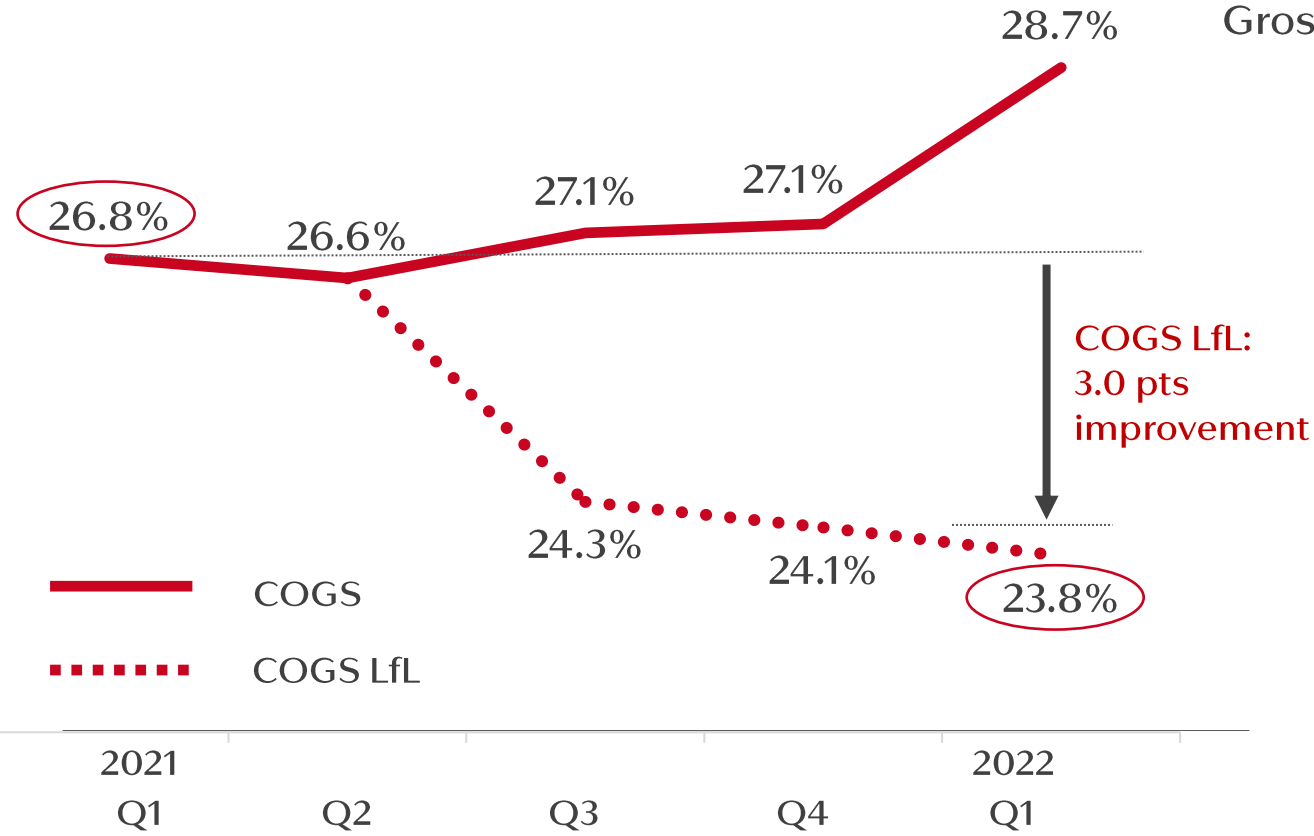
*1. Excluding business transfer impacts

*2. NPD ranking for the makeup category

*3. Only for Prestige brands

COGS Ratio: Favorable Product Mix from Business Transfers, Continued LfL Improvement

		Billion yen (% of Net Sales)			
		2021	2022	YoY Change	YoY Change %
COGS LfL (excl. impact from MSA* for business transfers)	FY2021 25.4%				
	2022 Q1 23.8%				
Net Sales		237.0	234.0	-3.0	-1%
COGS		63.6 (26.8%)	67.2 (28.7%)	+3.6	+6%
Gross Profit		173.4 (73.2%)	166.8 (71.3%)	-6.6	-4%

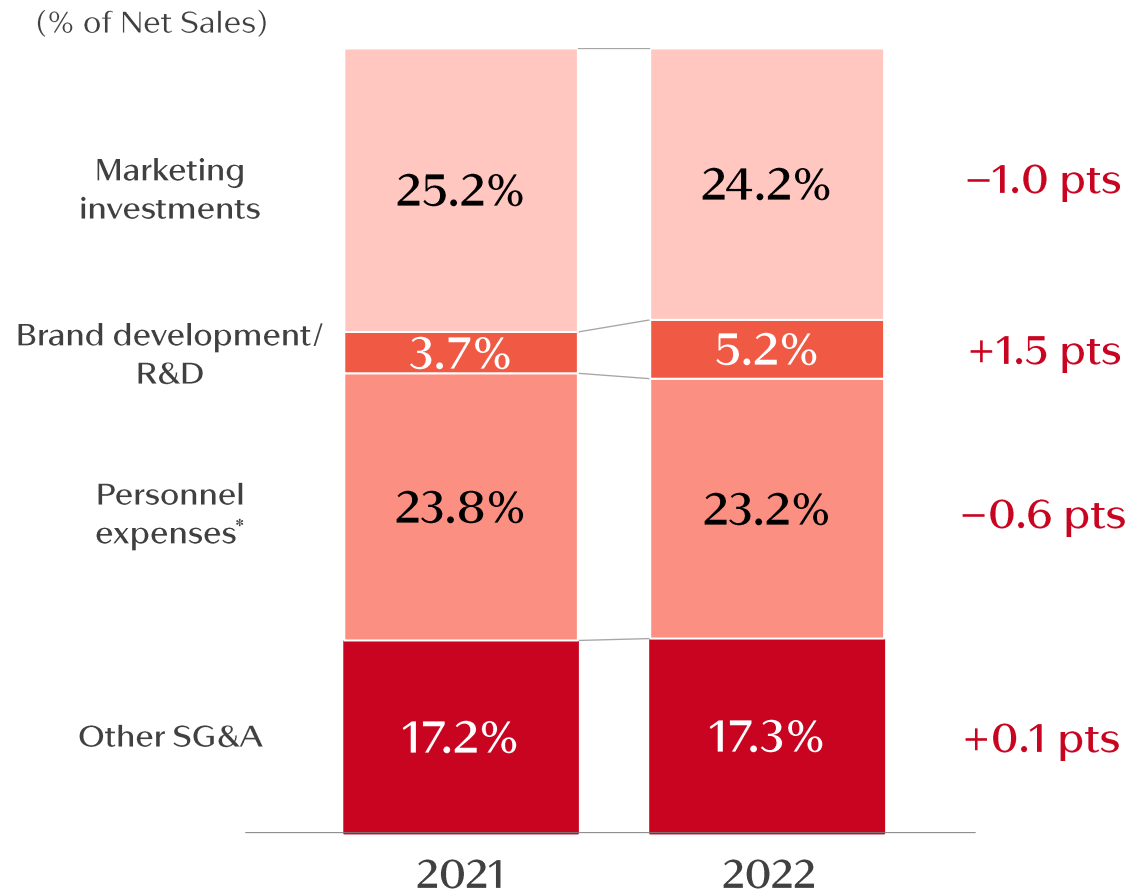


Major Factors

- (+) Favorable product mix from business transfers
- (+) Lower inventory write-offs
- (+) Higher productivity
(lower fixed costs due to shift to in-house manufacturing)
- (-) Higher fixed costs due to launch of new factories
- (-) Negative impact from MSA* for business transfers (4.9 pts)

* Manufacturing Service Agreement

Cost Structure in 2022 Q1: Effective Cost Management Compensated for Investments Related to 150th Anniversary and Aimed at Sustainable Sales Growth



- Marketing investments

- Agile cost management in line with sales
- Lower costs thanks to business transfers
- Higher media costs associated with the 150th anniversary of founding

- Brand development / R&D

- Higher DX-related investments

- Personnel expenses

- Reduction in unprofitable counters and structural reforms mainly in Americas and EMEA

- Other SG&A

- Lower freight costs
- Higher DX-related investments (FOCUS, etc.)

* Including POS personnel expenses

2022 Q1 Core Operating Profit by Reportable Segment: Fixed Costs Down Thanks to Structural Reforms in Americas and EMEA; Secured Profit Through Agile Cost Management

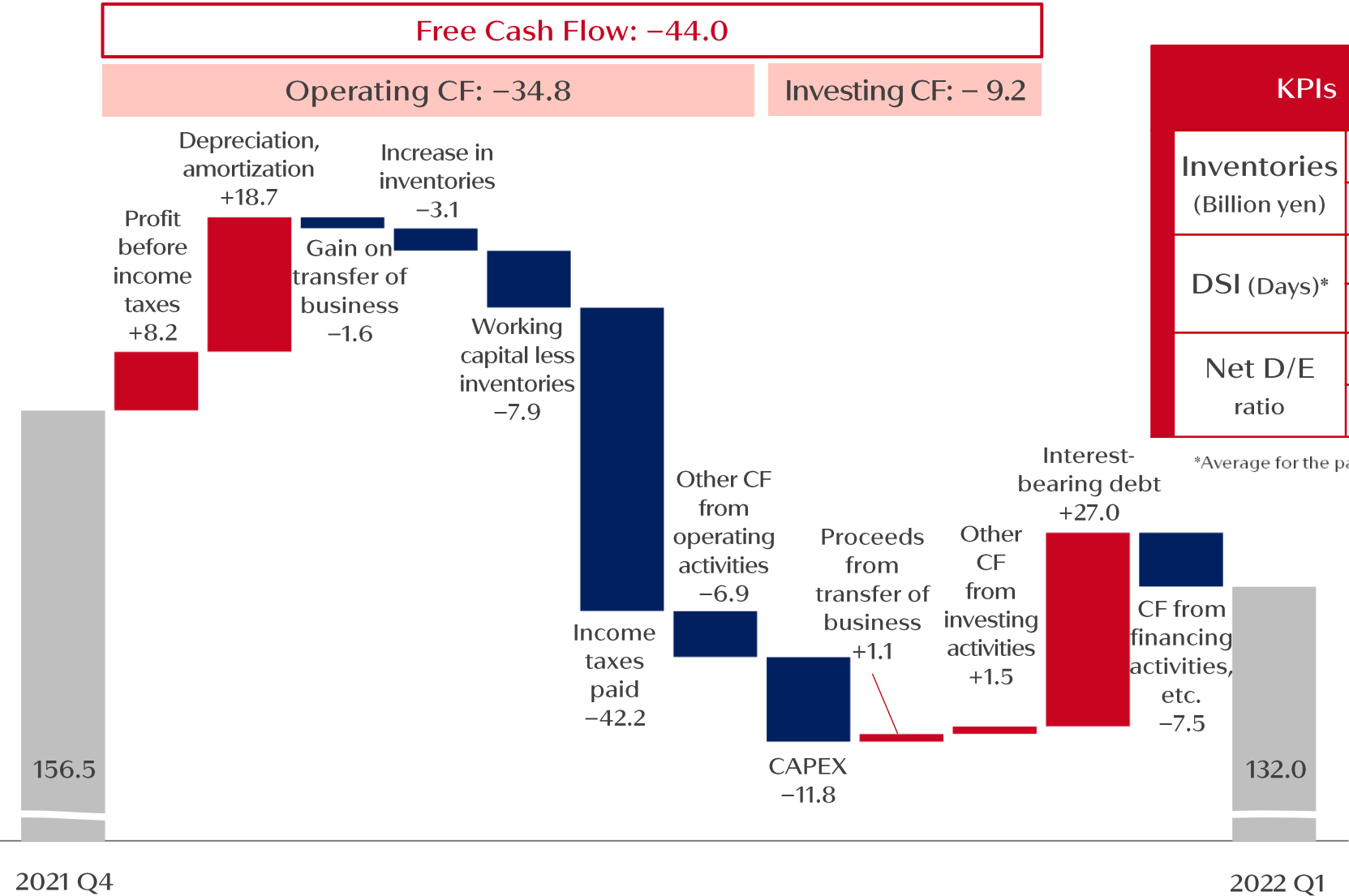
- Japan: ➤ Declined mainly due to lower margins coming from decline in sales and the impact of the PC business transfer
- China: ➤ Declined mainly due to lower margins coming from decline in sales and enhanced marketing investments
- Asia Pacific: ➤ Declined due to an increase in marketing investments in major brands
- Americas, EMEA: ➤ Improved significantly and turned to profit mainly thanks to higher margins coming from sales growth and a decrease in fixed costs due to organizational and structural reforms
- Travel Retail: ➤ Grew, OPM improved thanks to higher margins coming from sales growth
- Other: ➤ Strengthened investment in new factories and DX
- Adjustments: ➤ Decrease in elimination of unrealized gains and sample production costs

Core Operating Profit (Core OPM)	2021		2022		YoY	(Billion yen)
Japan	4.1	(5.1%)	−4.1	(−7.0%)	−8.2	
China	2.1	(3.2%)	−2.8	(−5.4%)	−4.9	
Asia Pacific	2.1	(12.6%)	1.2	(7.1%)	−0.9	
Americas	−2.1	(−7.9%)	1.1	(4.2%)	+3.2	
EMEA	−0.8	(−2.9%)	2.0	(6.2%)	+2.7	
Travel Retail	4.9	(17.7%)	8.1	(21.8%)	+3.2	
Professional	0.5	(13.0%)	0.6	(15.5%)	+0.1	
Other	4.1	(6.7%)	−2.5	(−3.5%)	−6.6	
Adjustments	−5.8	-	0.8	-	+6.5	
Total	9.2	(3.9%)	4.4	(1.9%)	−4.8	

Cash Flow Management:

Continued CAPEX for Further Growth While Maintaining Stable Cash Position

(Billion yen)



KPIs		2021 Q1	2021 Q2	2021 Q3	2021 Q4	2022 Q1
Inventories (Billion yen)	J-GAAP	167.2	165.5	149.0	143.8	-
	IFRS	-	-	-	134.1	139.6
DSI (Days)*	J-GAAP	260	250	236	218	-
	IFRS	-	-	-	200	185
Net D/E ratio	J-GAAP	0.41	0.39	0.14	0.03	-
	IFRS	-	-	-	- 0.02	0.09

*Average for the past 12 months

Market Changes and Shiseido's Response

Market

- ⊖ Delay in Japan market recovery
- ⊖ Lockdowns in China
- ⊖ Ukraine crisis
(incl. suspended shipments to Russia)
- ⊖ Disruptions in distribution networks
- ⊖ Price fluctuations for raw materials
- ⊖ Impact of inflation on consumer sentiment

- ⊕ Continuous positive market environment in the Americas
- Recovery in economic activities from the
- ⊕ COVID-19 pandemic thanks to vaccination and antiviral pills



Shiseido

Brands	• Innovation in brand value, stimulating demand through commemorative and limited-edition products • Expansion of product lines, category expansion by capturing trade-up trends • Profitability improvement through higher skin beauty sales ratio, COGS ratio improvement through better sales mix
DX	• Personalization • New contact points with consumers through channel diversification
Cost Structure	• Initiatives to further reduce COGS ratio; higher utilization rate and productivity of owned factories • Cost management to balance investment for the future • Maximizing the effects of structural reforms

Japan: Accelerate Reforms Assuming that Market Continues to Struggle, Improve Profitability in a Sustainable Manner

Secure profits under assumption of near-term stagnation for both local and inbound

Structural transformations to improve profitability

- Reduce ratio of personnel and other SG&A expenses
- Reduce COGS ratio
- Shift to digital; improve marketing ROI

Capital
for
invest-
ment

Growth through market share gains focused on skin beauty

- Concentrate selectively on mid- to high-priced brands
- Grow and secure a loyal user base through CRM
- Enhance brand equity by leveraging R&D and digital capabilities

Shift to a cost structure that will ensure stable profitability
Medium-term goal for SG&A ratio: lower 60%

China: Seize Opportunities Arising from Rapid Diversification Amid Market Slowdown

Overhaul brand operations in response to diversification and sophistication of consumer needs

Evolution of operations, Cost efficiency

- Shift to digital, close unprofitable stores, optimize personnel allocation
- Localize sample production
- Centralize procurement

Capital
for
invest-
ment

Win in a competitive environment Establish brand equity

- **Break away from price competition**
Strengthen investment in brand/product value proposition to support medium-to-long-term
- **Localize value creation**
Respond to/anticipates the market
- **Adopt strategic approach by channel**
Strengthen expansion into major EC platforms
Offline store = place for novel brand experiences

Gain top market share in strategic areas

2022 Outlook (IFRS-based)

➤ Revision solely due to change in accounting standards

(Billion yen)	2021	2022 Outlook	% of Net Sales	YoY Change	YoY Change %	2022 Outlook Feb 2022 (J-GAAP)
Net Sales	1,010.0	1,075.0	100%	+65.0	+6.4%	1,100.0
Core Operating Profit	42.6 (ref.)	62.0	5.8%	+19.4	+45.7%	60.0 (Operating Profit)
Non-recurrent items	58.0 (ref.)	4.8	0.4%	-53.2	-91.7%	-
Operating Profit	100.6	66.8	6.2%	-33.8	-33.6%	-
Profit*	46.9	44.0	4.1%	-2.9	-6.2%	40.0
Dividend (Yen/share) (Plan)	50	100 Interim: 25; Year-end: 25 Commemorative dividend for 150 th anniversary: 50				

* Profit Attributable to Owners of Parent

Exchange rates for 2022: USD 1 = JPY 114 (+3.7%), EUR 1 = JPY 131 (+0.9%), CNY 1 = JPY 17.5 (+2.7%)

ESG Initiatives

Diversity & Inclusion

- No. 1 in overall ranking for Japan's "100 Best Companies Where Women Actively Take Part"*1
 - Female leaders in Japan: 37%*2 (Mid-term target: 50%)
 - Diverse and flexible working styles
- Towards 100%*3 Paternity Leave Ratio by end-2023



Mentoring program by female executives
"Speak Jam"



Training for male employees
to support inclusion in childcare

Social Contribution Activities

Support for Ukraine

- €1 M donation to UNHCR
- Voluntary employee donation program
- Provision of daily necessities, accommodation in European countries, volunteer support
- Provision of educational opportunities for students evacuated from Ukraine
 - Support for living expenses and tuition, opportunities of internship and part-time jobs, etc. jointly with International Christian University

Charity Concert "MUSIC for PEACE"

*1. According to the "Survey on Female Workers' Workplace Opportunities" conducted by Nikkei Woman together with the Nikkei Womenomics Project of the Nikkei Group and published by Nikkei BP Consulting; based on the survey responses of 535 companies *2. As of January 1, 2022 *3. For Shiseido Group companies in Japan; results as of end-2021: 34.3%

The Shiseido logo is displayed in a red, stylized font. It features a large, flowing 'S' followed by the word 'HISEIDO' in a more structured, serif-like font. The background of the entire image is a view of Earth from space, showing the curvature of the planet and city lights at night.

SHISEIDO

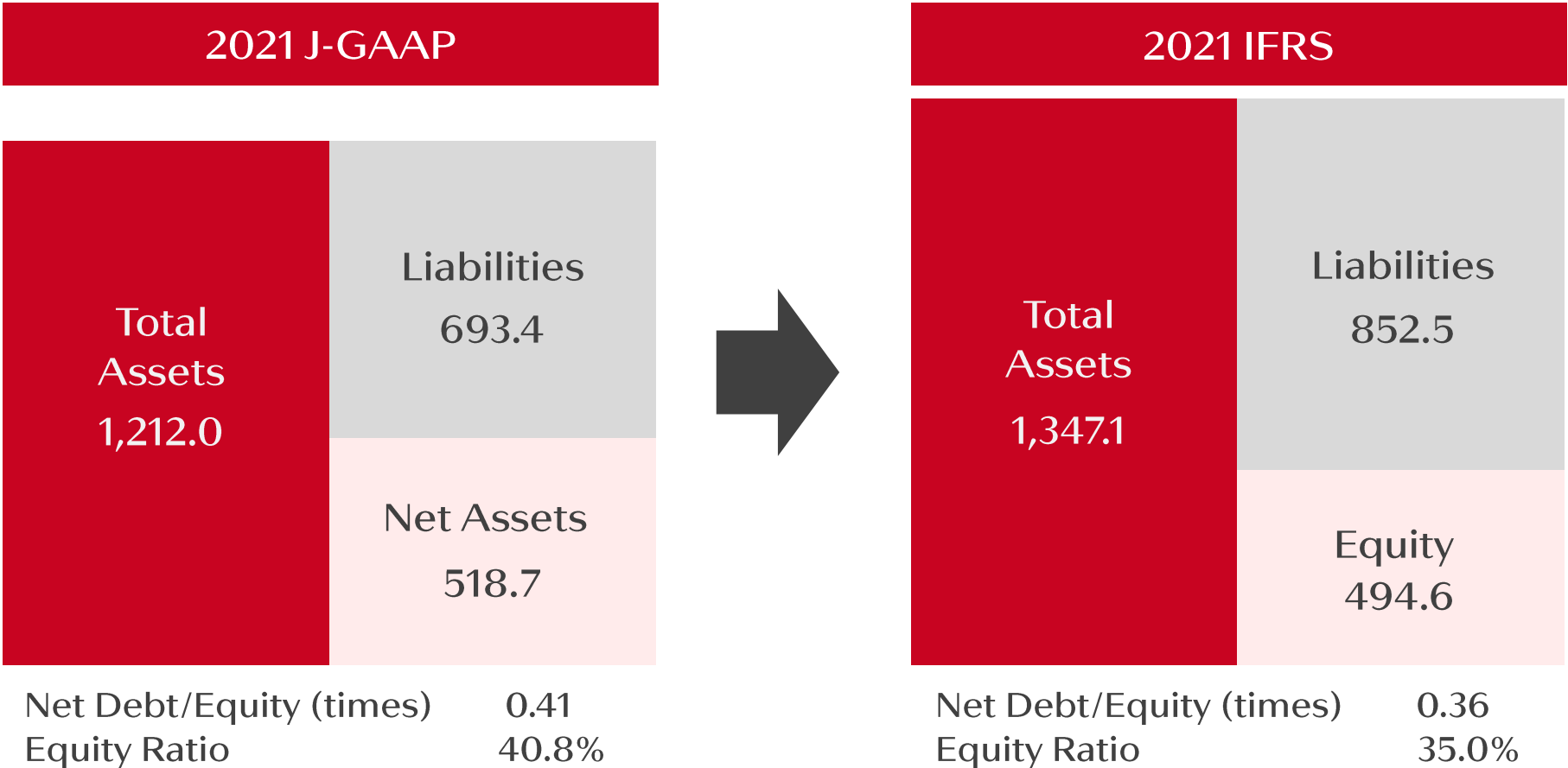
Be a Global Winner
with Our Heritage

Supplemental Data 1-1 Impacts of Transition from J-GAAP to IFRS

2021 Q1 Consolidated Financial Position

- Total Assets +135.0 Bn: Right-of-use assets +107.7 Bn reflected on the balance sheet, Increase in DTA due to increased retirement benefits +9.1 Bn, etc.
- Liabilities +159.2 Bn: Lease liabilities +121.0 Bn reflected on the balance sheet, Increase in liabilities due to increased retirement benefits +23.3 Bn, etc.
- Equity -24.1 Bn: Remeasurements of defined benefit plans -15.2 Bn, Differences in P/L due to changes in accounting standards -12.5 Bn

(Billion yen)

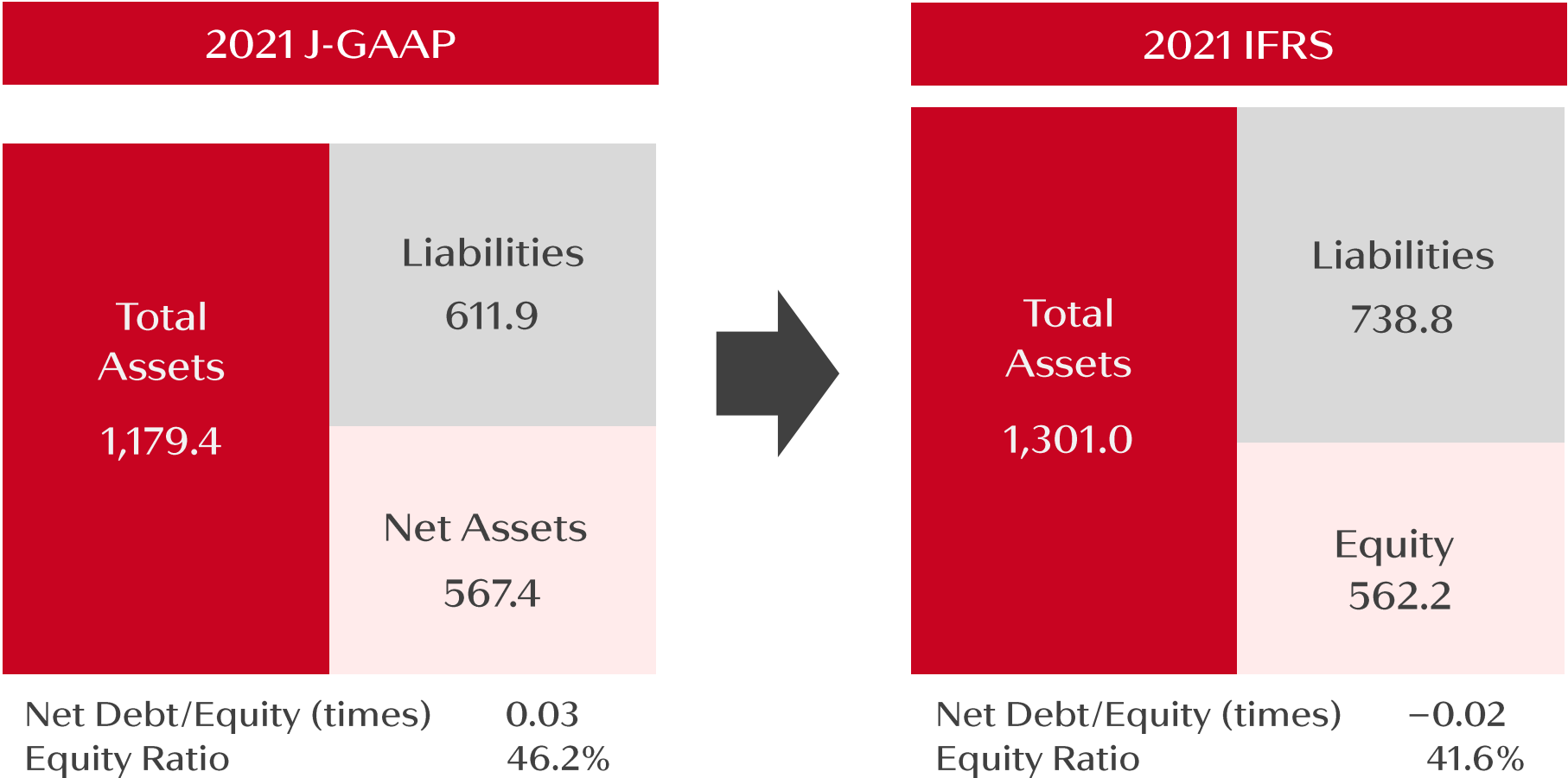


Supplemental Data 1-2 Impacts of Transition from J-GAAP to IFRS

2021 Consolidated Financial Position

- Total Assets +121.6 Bn: Right-of-use assets reflected on the balance sheet +98.8 Bn, Impacts of investments accounted for using equity method +19.3 Bn, etc.
- Liabilities +126.9 Bn: Lease liabilities reflected on the balance sheet +114.9 Bn, Increase in liabilities due to increased retirement benefits +22.7 Bn, etc.
- Equity –5.3 Bn: Remeasurements of defined benefit plans –13.2 Bn, Measurements of financial instruments +3.9 Bn, Differences in P/L due to changes in accounting standards +1.6 Bn, etc.

(Billion yen)



Supplemental Data 1-3 Impacts of Transition from J-GAAP to IFRS

2021 Q1 Consolidated Statement of Profit and Loss

(Billion yen)	J-GAAP	IFRS	Major impacts of transition from J-GAAP to IFRS
Net Sales	244.0	Net Sales 237.0	Differences -7.0 • Deduction of rebates from Net Sales -5.2 • Deduction of provision for points from Net Sales, changes in accounting items related to returns, etc. -1.8
Cost of Sales SG&A Part of SG&A		Part of SG&A Cost of Sales SG&A	
Operating Profit	10.9	Core Operating Profit 9.2	Differences -1.7 • Non-amortization of goodwill +1.8 • Partial expensing of samples -0.9 • Recording of postretirement benefits -0.7 • Differences in recognition of property tax expense, etc. -1.9
Non-Operating Income (Expenses) Finance Income (Expenses) Profit (Loss) of Investments Accounted for Using Equity Method Other Operating Income (Expenses) Extraordinary Profit (Loss)		Non-recurrent items Finance Income (Costs) Profit (Loss) of Investments Accounted for Using Equity Method	
Profit before Tax	-2.3	Profit before Tax -5.9	Differences -9.6 <u>Profit before Tax -3.6</u> • In addition to the above differences in core operating profit -1.7, deferral of subsidies, etc. -1.9 <u>Income Tax Expense -5.8</u> • Tax effects related to change in method of computing quarterly tax expense and elimination of unrealized gains on inventories, etc.: -5.8
Income Taxes Net Profit Attributable to Non-Controlling Interests		Income Tax Expense Profit Attributable to Non-Controlling Interests	
Net Profit Attributable to Owners of Parent	-1.5	Profit Attributable to Owners of Parent -11.1	

Supplemental Data 1-4 Impacts of Transition from J-GAAP to IFRS

2021 Consolidated Statement of Profit and Loss

(Billion yen) J-GAAP		IFRS		Major impacts of transition from J-GAAP to IFRS	
Net Sales	1,035.2	Net Sales	1,010.0	Differences	-25.2
Cost of Sales SG&A Part of SG&A		Part of SG&A Cost of Sales SG&A		• Deduction of rebates from Net Sales -21.1 • Deduction of provision for points from Net Sales, changes in accounting items related to returns, etc. -4.1	
Operating Profit	41.6	Core Operating Profit	42.6	Differences	+1.0
Non-Operating Income (Expenses) Finance Income (Expenses) Profit (Loss) of Investments Accounted for Using Equity Method Other Operating Income (Expenses) Extraordinary Profit (Loss)		Non-recurrent items Finance Income (Costs) Profit (Loss) of Investments Accounted for Using Equity Method		• Non-amortization of goodwill +6.9 • Partial expensing of samples -0.9 • Recording of postretirement benefits -3.0 • Deferral of subsidies -1.4 • Accrued paid absences recorded as liability -0.3	
Profit before Tax	73.3	Profit before Tax	99.1	Differences	+4.5
Income Taxes Net Profit Attributable to Non-Controlling Interests		Income Tax Expense Profit Attributable to Non-Controlling Interests		<u>Profit before Tax +25.8</u> • Gain on transfer of business +45.4, Impairment-related GAAP differences -15.6, Elimination of gain on sale of financial instruments -2.7 <u>Income Tax -21.3</u> • Tax effects related to gain on transfer of business resulting from accounting standard differences -14.9 • Tax effects related to elimination of unrealized gains on inventories, etc. -6.5	
Net Profit Attributable to Owners of Parent	42.4	Profit Attributable to Owners of Parent	46.9		

Supplemental Data 1-5 Impacts of Transition from J-GAAP to IFRS

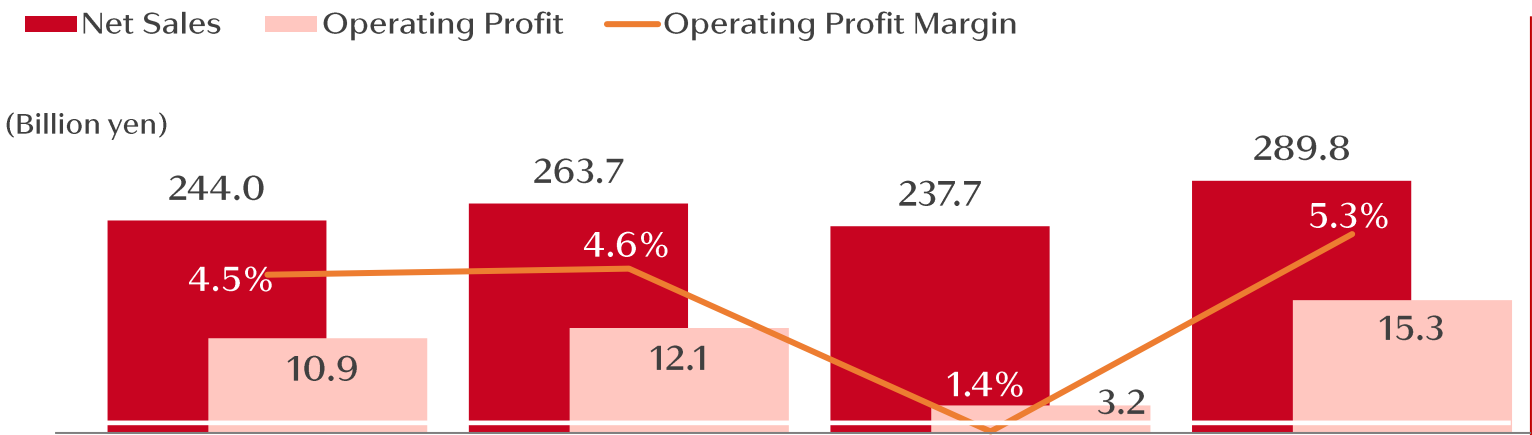
Outlook for 2022 Consolidated Statement of Profit and Loss

(Billion yen) J-GAAP		IFRS		Major impacts of transition from J-GAAP to IFRS	
Net Sales	1,100.0	Net Sales	1,075.0	Difference	−25.0
Cost of Sales SG&A Part of SG&A		Part of SG&A Cost of Sales SG&A		• Deduction of rebates and provisions for points from Net Sales −25.0	
Operating Profit	60.0	Core Operating Profit	62.0	Difference	+2.0
Non-Operating Income (Expenses) Finance Income (Expenses) Profit (Loss) of Investments Accounted for Using Equity Method Other Operating Income (Expenses)		Non-recurrent items Finance Income (Costs) Profit (Loss) of Investments Accounted for Using Equity Method		• Non-amortization of goodwill +6.5 • Recording of postretirement benefits −2.7 • Deferral of subsidies, provision for paid absences, etc.	
Extraordinary Profit (Loss)					
Profit before Tax	66.5	Profit before Tax	68.7	Difference	+4.0
Income Taxes Net Profit Attributable to Non-Controlling Interests		Income Tax Expense Profit Attributable to Non-Controlling Interests		<u>Profit before Tax +2.2</u> • Differences in Core Operating Profit +2.0 <u>Income Tax +1.8</u> • Tax effects related to elimination of unrealized gains on inventories, etc. +1.8	
Net Profit Attributable to Owners of Parent	40.0	Profit Attributable to Owners of Parent	44.0		

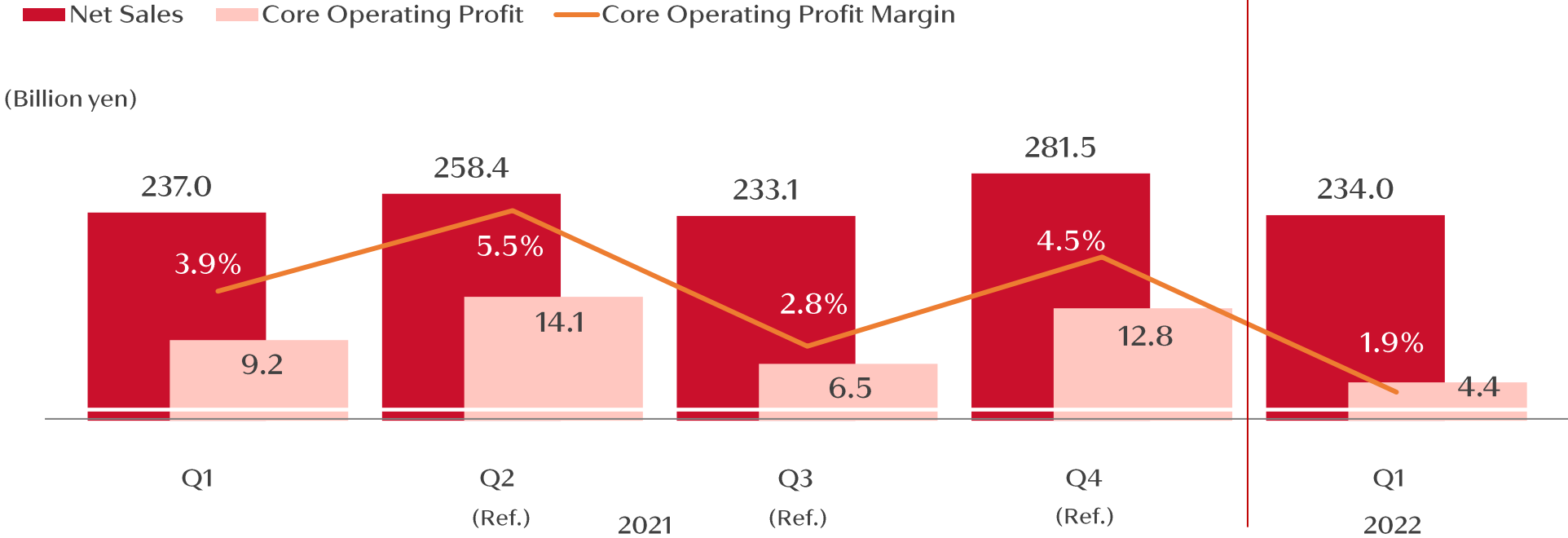
Supplemental Data 2

KPI Trends

J-GAAP



IFRS



Supplemental Data 3

2022 Q1 Results

(Billion yen)	2021	% of Net Sales	2022	% of Net Sales	YoY Change	YoY Change %	YoY Change FX-Neutral %	Like-for-like % ^{*3}
Net Sales	237.0	100%	234.0	100%	-3.0	-1.3%	-6.3%	-0.9%
Cost of Sales	63.6	26.8%	67.2	28.7%	+3.6	+5.7%		
Gross Profit	173.4	73.2%	166.8	71.3%	-6.6	-3.8%		
SG&A	181.9	76.7%	164.6	70.3%	-17.3	-9.5%		
Other Operating Income	2.0	0.8%	2.2	0.9%	+0.2	+10.4%		
Operating Profit	-6.5	-2.7%	4.4	1.9%	+10.9	-		
Non-recurrent items	-15.7	-6.6%	-0.0	-0.0%	+15.7	-		
Core Operating Profit	9.2	3.9%	4.4	1.9%	-4.8	-52.3%		
Profit before Tax	-5.9	-2.5%	8.2	3.5%	+14.1	-		
Income Tax Expense	4.1	1.7%	2.5	1.1%	-1.6	-39.3%		
Profit ^{*1}	-11.1	-4.7%	4.4	1.9%	+15.5	-		
EBITDA ^{*2}	22.3	9.4%	17.1	7.3%	-5.2	-23.4%		

(Exchange rates)
 USD 1 = JPY 116.2 (YoY +9.0%)
 EUR 1 = JPY 130.5 (YoY +2.0%)
 CNY 1 = JPY 18.3 (YoY +11.6%)

*1 Profit Attributable to Owners of Parent

*2 Core operating profit + Depreciation and amortization (excluding depreciation of right-of-use assets)

*3 Excluding business transfer impacts

Supplemental Data 4

2022 Q1 Net Sales and Core Operating Profit by Reportable Segment (IFRS)

Top: Net Sales Bottom: Core OP (Billion yen)	2021	% of Net Sales / Core OPM %	2022	% of Net Sales / Core OPM %	YoY Change	YoY Change %	YoY Change FX-Neutral %	Like-for-like %*2
Japan	69.9	29.5%	57.1	24.4%	-12.8	-18.3%	-18.3%	-2.8%
	4.1	5.1%	-4.1	-7.0%	-8.2	-	-	-
China	65.3	27.6%	51.9	22.2%	-13.4	-20.6%	-28.5%	-14.4%
	2.1	3.2%	-2.8	-5.4%	-4.9	-	-	-
Asia Pacific	16.1	6.8%	15.4	6.6%	-0.7	-4.2%	-9.7%	-0.1%
	2.1	12.6%	1.2	7.1%	-0.9	-41.4%	-	-
Americas	24.4	10.3%	25.2	10.7%	+0.8	+3.3%	-5.3%	+6.7%
	-2.1	-7.9%	1.1	4.2%	+3.2	-	-	-
EMEA	24.4	10.3%	28.5	12.2%	+4.0	+16.6%	+14.2%	+8.6%
	-0.8	-2.9%	2.0	6.2%	+2.7	-	-	-
Travel Retail	27.7	11.7%	37.2	15.9%	+9.5	+34.3%	+23.9%	+21.3%
	4.9	17.7%	8.1	21.8%	+3.2	+65.3%	-	-
Professional	3.7	1.5%	3.9	1.7%	+0.2	+5.5%	+1.0%	-
	0.5	13.0%	0.6	15.5%	+0.1	+24.9%	-	-
Other	5.4	2.3%	14.8	6.3%	+9.4	+174.2%	+172.7%	-8.1%
	4.1	6.7%	-2.5	-3.5%	-6.6	-	-	-
Subtotal	237.0	100%	234.0	100%	-3.0	-1.3%	-6.3%	-0.9%
	14.9	4.9%	3.6	1.2%	-11.3	-75.8%	-	-
Adjustment	-	-	-	-	-	-	-	-
	-5.8	-	0.8	-	+6.5	-	-	-
Total	237.0	100%	234.0	100%	-3.0	-1.3%	-6.3%	-0.9%
	9.2	3.9%	4.4	1.9%	-4.8	-52.3%	-	-

*1. Core OPM is calculated using total sales including intersegment sales and internal transfers between segments. *2. Excluding business transfer impacts

Supplemental Data 5

2022 Q1 Net Sales in Japan, China, and Asia Pacific by Category

(Billion yen)

Japan	2021	% of Net Sales	2022	% of Net Sales	YoY Change	YoY Change % / YoY Change FX-Neutral %*1	Like-for-like*2
Prestige	16.0	22.8%	16.1	28.2%	+0.1	+0.9%	
Premium	36.5	52.2%	34.5	60.3%	-2.0	-5.5%	
Lifestyle	11.1	15.9%	-	-	-11.1	-	
Others	6.4	9.1%	6.6	11.5%	+0.2	+2.7%	
Total Japan Sales	69.9	100%	57.1	100%	-12.8	-18.3%	-2.8%

China	2021	% of Net Sales	2022	% of Net Sales	YoY Change	YoY Change % / YoY Change FX-Neutral %*1	Like-for-like*2
Prestige	34.9	53.4%	32.4	62.3%	-2.6	-16.6%	
Premium	19.8	30.2%	18.7	36.0%	-1.1	-15.0%	
Personal Care	10.2	15.7%	-	-	-10.2	-	
Others	0.5	0.7%	0.9	1.7%	+0.4	+77.8%	
Total China Sales	65.3	100%	51.9	100%	-13.4	-28.5%	-14.4%

Asia Pacific	2021	% of Net Sales	2022	% of Net Sales	YoY Change	YoY Change % / YoY Change FX-Neutral %*1	Like-for-like*2
Prestige	8.1	50.4%	9.0	58.7%	+0.9	+4.8%	
Premium	3.4	21.1%	2.7	17.9%	-0.6	-24.8%	
Personal Care	3.2	19.9%	1.1	7.4%	-2.1	-66.4%	
Others	1.4	8.6%	2.5	16.0%	+1.1	+74.1%	
Total Asia Pacific Sales	16.1	100%	15.4	100%	-0.7	-9.7%	-0.1%

*1. YoY Change for Japan, and YoY Change FX-Neutral for China and Asia Pacific *2. Excluding business transfer impacts

Supplemental Data 6

2022 Q1 SG&A

(Billion yen)	2021	% of Net Sales	2022	% of Net Sales	YoY Change	YoY Change %	YoY Change FX- Neutral %
Marketing Investments*1	84.4	35.6%	80.9	34.6%	-3.5	-4.1%	-9.2%
Brand Development / R&D Investments	8.7	3.7%	12.2	5.2%	+3.5	+40.3%	+38.5%
Personnel Expenses	31.7	13.4%	29.9	12.8%	-1.9	-5.9%	-9.4%
Other SG&A Expenses	40.7	17.2%	40.5	17.3%	-0.2	-0.5%	-3.2%
SG&A (Core OP-based)	165.6	69.9%	163.5	69.9%	-2.0	-1.2%	-5.2%
Non-recurrent items*2	16.3	-	1.1	-	-15.2	-	-
SG&A	181.9	76.7%	164.6	70.3%	-17.3	-9.5%	-

*1 Including POS personnel expenses

*2 Non-recurrent items attributable to SG&A

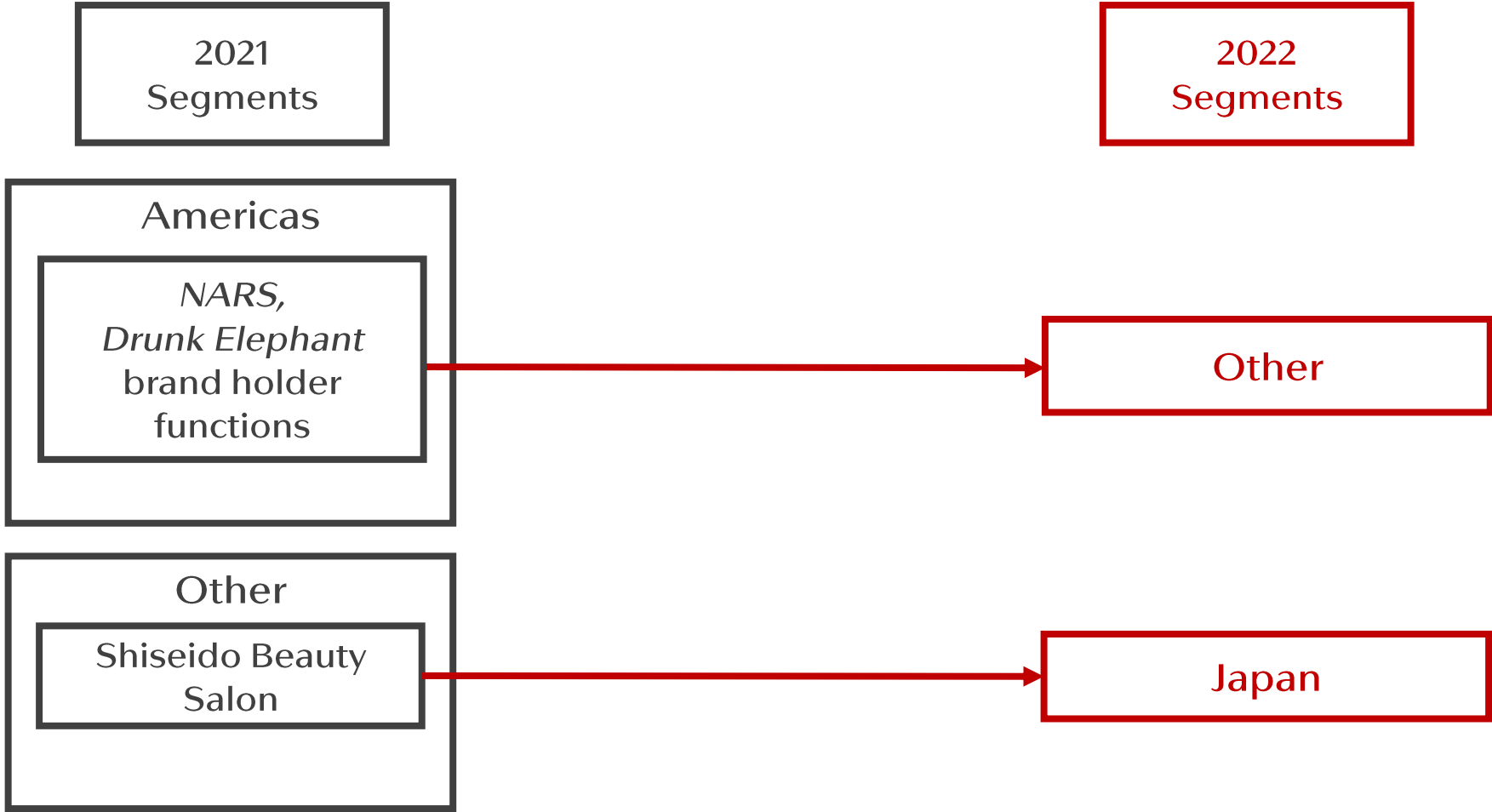
Supplemental Data 7

2022 Q1 Non-recurrent Items

(Billion yen)	2021	2022
Core Operating Profit	9.2	4.4
Gain on Transfer of Business	-	1.6
Structural Reform Expenses	-	-1.5
Impairment Loss	-15.3	-
Structural Reforms-Related	-15.3	0.1
Profit (Subsidy income)	0.6	0.1
Loss (Salaries and allowances for employees, etc.)	-0.9	-0.2
COVID-19-Related	-0.3	-0.1
Non-recurrent items	-15.7	-0.0
Operating Profit	-6.5	4.4

Supplemental Data 8

Change in Reportable Segments



* The Group revised its reportable segment classifications from the fiscal year 2022. The brand holder functions of *NARS* and *Drunk Elephant* (global marketing strategy planning, product development communication and creative development, brand business management functions, etc.), previously included in the Americas Business, are included in the Other segment, and business results of the Shiseido Beauty Salon Co., Ltd., previously included in the Other segment, are now included in the Japan Business.

SHISEIDO