

# 2022 Third Quarter Results (January–September)

November 10, 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.

## 2022 Q3 Key Headlines

Japan's solid recovery and EMEA's strong performance covered China affected by lockdowns. YTD LfL Net Sales turned to growth.  
Profit increased thanks to agile cost management and structural reforms.

- Like-for-like (LfL)\* Net Sales YoY: +2%
  - Japan: recovered including mid-price range, EMEA: kept strong momentum
  - China: share increased despite slow market recovery
  - Consumer purchase recovered despite global retail inventory adjustments amid market uncertainties
- Skin beauty brands sales ratio remained at a high level (74%\*)
- E-commerce (EC) sales ratio: 31%, sales: +2%\* Successful touch point expansion in China
- Core operating profit: ¥36.2 bn, +¥6.5 bn YoY
  - Company-wide agile cost management, structural reforms and FX
- Global transformation
  - Impairment loss on transfer of manufacturing business for Personal Care products: –¥12.7 bn
  - Gain on transfer of Professional Business: ¥10.9 bn

## 2022 Q3 YTD (January–September): Executive Summary

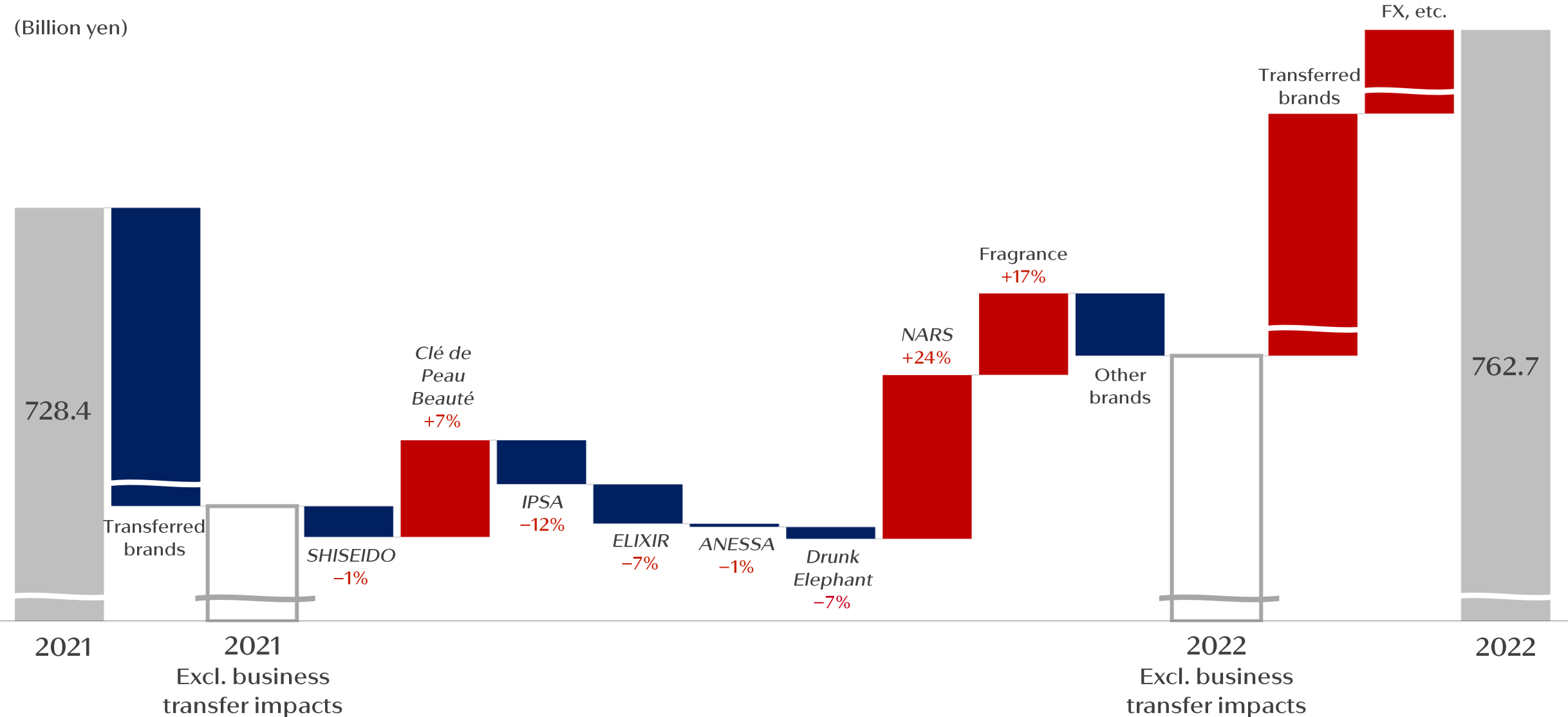
(Billion yen)	2021	% of Net Sales	2022	% of Net Sales	YoY Change	YoY Change %	YoY Fx-Neutral %	YoY LfL*2 %
Net Sales	728.4	100%	762.7	100%	+34.3	+4.7%	−4.1%	+1.8%
Core Operating Profit	29.7	4.1%	36.2	4.8%	+6.5	+21.9%		
Non-recurrent items	65.9	9.0%	−0.6	−0.1%	−66.4	-		
Operating Profit	95.6	13.1%	35.7	4.7%	−59.9	−62.7%		
Profit Before Tax	94.3	12.9%	43.6	5.7%	−50.7	−53.8%		
Income Tax Expense	45.6	6.2%	11.8	1.5%	−33.8	−74.0%		
Profit Attributable to Owners of Parent	47.0	6.5%	29.0	3.8%	−18.0	−38.2%		
EBITDA *1	67.5	9.3%	74.6	9.8%	+7.1	+10.5%		

\*1 Core Operating Profit + Depreciation and Amortization (excl. amortization of right-of-use assets) \*2 Excludes impact from business transfer

- Net Sales:** ➤ Japan's solid recovery and EMEA's strong performance cover China still affected by lockdowns
- Strong consumer purchase in China outperforming market, despite ongoing global retail inventory adjustments amid market uncertainties
- Core Operating Profit:** ➤ Profit increased thanks to agile cost management, structural reforms and FX impacts, etc.
- Non-recurrent items:** ➤ 2021; gain on transfer of personal care business: ¥132.2 bn, impairment loss and structural reform expense related to *Dolce&Gabbana*: −¥33.9 bn
- 2022; impairment loss on transfer of personal care production business: −¥12.7 bn, gain on transfer of Professional business: ¥10.9 bn
- Profit Before Tax:** ➤ Finance income: +¥4.9 bn, share of profit of investments accounted for using equity method: +¥3.3 bn
- Income Tax Expense:** ➤ Recorded valuation allowance for impairment loss on *Dolce&Gabbana* trademark rights in 2021

# 2022 Q3 YTD Net Sales by Brand

Like-for-like\*  
(Billion yen)



\* YoY change (%) for each brand is calculated based on foreign exchange rate assumptions as of Feb 2022 and excludes exchange rate differences etc.

# Net Sales YoY : Growth Momentum Accelerated; Japan Turned to Growth from Market Recovery and EMEA Continued Strong Performance

Like-for-like

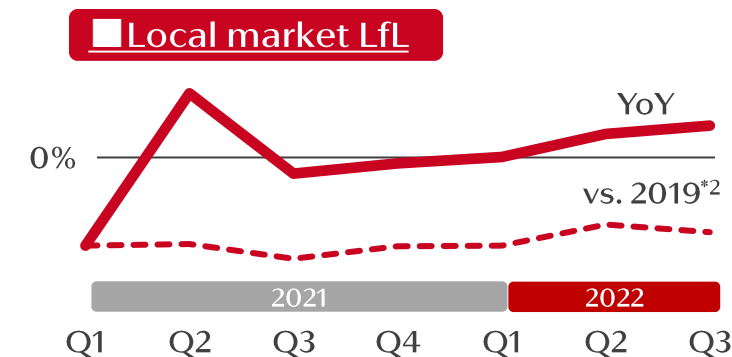
	2022							
	vs. 2019				vs. 2021			
	Q1	Q2	Q3	Q3 YTD	Q1	Q2	Q3	Q3 YTD
Japan	-37%	-35%	-31%	-34%	-3%	-2%	+9%	+1%
China	+14%	+19%	+16%	+16%	-14%	-14%	-2%	-11%
Asia Pacific	-13%	-8%	-5%	-9%	-0%	+20%	+12%	+10%
Americas	+29%	+28%	+31%	+29%	+7%	+15%	+3%	+8%
EMEA	+7%	+5%	+7%	+6%	+9%	+1%	+21%	+10%
Travel Retail	+29%	+3%	+15%	+15%	+21%	+15%	+9%	+15%
Total	-9%	-9%	-7%	-8%	-1%	-1%	+7%	+2%
ex-Japan	+15%	+11%	+13%	+13%	+0%	-0%	+6%	+2%

\* Excluding business transfer impacts

# Japan: Prestige Growth Accelerated, Mid-Price Range to Recover

## ● Local Market:

- All price ranges grew YoY, mid price range signs of recovery
- Department sales on the uptrend, while not reaching 2019 levels in all channels except for EC



## ● Shiseido Consumer Purchases<sup>\*1</sup>: Q3 YTD +low single digit% / Q3 +mid single digit%

### ➤ Local: +low single digit% / +mid single digit%

- *Clé de Peau Beauté*: +low teen% *SHISEIDO*: +high single digit%

Number of loyal users increasing

Department store share increase continues

- *ELIXIR* momentum on recovery with successful renewal
- *BENEFIQUE*, *PRIOR* strong new product launches

- EC: +low teen% / +high single digit%

### ➤ Inbound: -high single digit% / +mid teen%



Clé de Peau Beauté

SHISEIDO



ELIXIR



BENEFIQUE



PRIOR

# Japan: Strong Sales from *ELIXIR* Renewal (Launched on Sep. 21st)

## Stronger initial sales vs. previous renewal in 2018

Successfully captured new users  
Increased share and user base  
Contributed to mid-price skincare market recovery

Brand consumer purchases + **high teen%** \*1

Shares after launch \*2

Lotion, emulsion  
skincare market  
**No.1 share**



## Largest-ever company-wide initiatives rolled out in collaboration with business partners

Promoted product trial at store front with personal beauty partner\*3 and business partners



Boosted the mid-price range market in collaboration with business partners



## Great reaction from consumers and KOLs on high efficacy

Outstanding initial reaction from consumers;  
"blends and absorbs into the skin instantly"  
"Amazing value for money" using the latest collagen technology "just like prestige department store cosmetics"

~Awarded Best Cosmetics~

〈MORE magazine〉  
2022 Best Affordable  
Price Cosmetics  
Lotion Category **No.1** \*4



and more to come...

## Strengthen investments towards actions in Q4 to accelerate momentum

Multifaceted enhancement such as TV coverage, tie-up with magazines, in-store presentation, and digital communication



Enhance appeal at storefront reflecting feedback from customers

Encourage wrinkle cream usage from new lotion / emulsion consumers



\*1. Sep. 21- Oct. 31 YoY \*2. Intage SRI, SRI+I, Sep. 21- Oct. 31 (compared with 4 weeks preceding launch) \*3. Changed name from beauty consultant as of Oct. 2022 \*4. ELIXIR lifting moisture lotion SP II



# Japan: Q4 Powerful Marketing to Capture the Market Recovery

- **Market reopening:** increased opportunities for going out / gathering events
- **Equity enhancement in key brands:** stimulate consumer demand backed by strategic investment
- **Beauty Key:** accelerate high quality 1-to-1 marketing through DX

## Effective communication connecting digital and real store experiences

Digital

clé de peau  
BEAUTÉ



Promote awareness, conduct sampling

SHISEIDO  
GINZA TOKYO



Tie-up with magazines and special web sites

ELIXIR



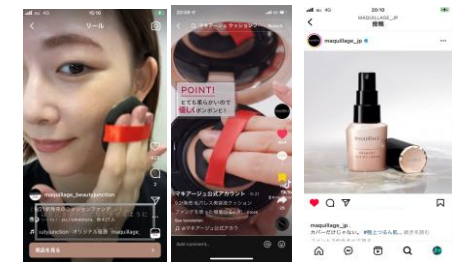
Multifaceted enhancement such as TV/ newspaper ads, digital, etc.

PRIOR



TV ads, newspaper ads

MAQUILLAGE



Tie-up with SNS

In store



Foster excitement when redeeming samples



Measure beauty circulation inside the skin with a contact-free device



Special experiences unique to real stores



Store front promotion linked ads addressing skin concerns



Conduct personal beauty check

# China: Outperformed Market Growth amid Challenging Environment

## Offline - Recovered to Last Year's Level

## Online - Accelerated Growth through Touch Point Expansion

- Market: tough competitive environment continues
  - Impact from lockdowns in multiple cities
  - Retail inventory adjustments due to uncertain outlook
  - Consumers focus more on savings

### ● Shiseido (Consumer Purchases)\*

**Total** : Q3 YTD –mid single digit% / Q3 + high single digit%

➢ **Mainland China:** –mid single digit% / + high single digit%

• **Prestige** : –mid single digit% / + high single digit %

- *SHISEIDO* Future Solution performed well; capture trade-up needs

- *SHISEIDO*, *NARS* offline sales turned to growth

• **EC** : +low teen% / +high 20%

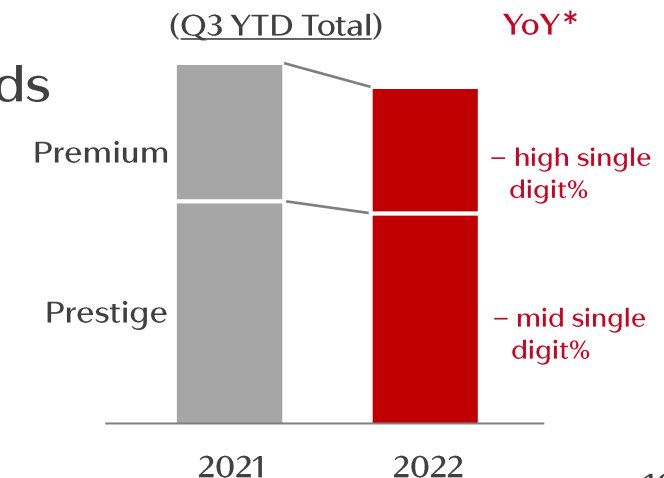
Expand brand rollout at JD.com, TikTok, etc.



SHISEIDO  
Offline Promotion

Clé de Peau Beauté  
TikTok

#### ■ Consumer Purchases by Category



\* Excluding business transfer impacts

# China: Actions in 2H toward Brand Equity Enhancement

Increase loyal users by enhancing value appeal with additional investments

## 150<sup>th</sup> year anniversary



POP-UP event with  
TSUTAYA BOOKS



## Investment for Brand value

Collaboration with  
fashion / media



Relevancy for the  
Holistic Beauty

Q3 Sales\* **+10%**

<Tmall in Aug.>

# of brand searches **4x**

# of EC store visits **9x**

## High functionality with advanced technologies



## Enhance appeal of eye cream

Strengthen communication on efficacy;  
Crème Régénérante Suprême Contour Des Yeux



Reviews on effect and  
efficacy on SNS in Aug.

**4x**

Q3 EC Sales

**2.5x**

August Eye care search ranking at  
review app REDBOOK in Aug.

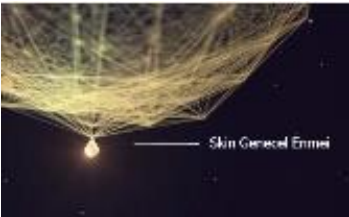
**No.1**

Q3 YTD EC new customers

**+over 30%**

## Strengthen investments in Q4 activities to accelerate growth momentum

Aim to increase high prestige line contribution to sales



Future Solution

Expand sales of the entire line



the Supreme Series

\* SHISEIDO consumer purchase in Mainland China



# China: Deliver Sustainable Growth

Shift from major event-driven growth model to a sustainable growth model of personalized brand value-based communication

- Reduce sales ratio from large-scale promotional events

- Shift investments to normal times

- Optimize strategy for KOL utilization

- Enhance promotions at Shiseido's EC flagship stores
- Leverage our own expertise (R&D personnel and consulting)
- Communicate effects and efficacy as our core strength

- Diversify EC platforms

- Expand growth at JD.com, TikTok, etc.



Live commerce at Tmall flagship store



Live commerce at cross border EC flagship store



SHISEIDO, Clé de Peau Beauté newly started roll out at JD.com



IPSA, ANESSA TikTok EC store



# All Four Segments Continued to Grow amid Volatile Market Environments

Market

## Americas

### NARS kept strong momentum

Market growth in all categories

- Shiseido External Sales<sup>\*1</sup> : Q3 YTD +8% / Q3 +3%
  - NARS: Continued to gain share, climbed 5 ranks<sup>\*2</sup>
  - EC: +low single digit% / +low teen%

## EMEA

### Overall strong momentum continued

Continued to grow in all categories

- Shiseido External Sales<sup>\*1</sup> : Q3 YTD +10% / Q3 +21%
  - ex-Russia : +15% / +24%
  - *narciso rodriguez* : Musc Noir series strong
  - EC: -mid single digit% / +mid single digit%
    - Rebound from lockdowns in LY Q1

## Travel Retail

### Impacted by lockdowns in Hainan

Lockdowns in Hainan, gradual market recovery

- Shiseido Consumer Purchases<sup>\*1</sup> :  
Asia Q3 YTD +low single digit% / Q3 +mid single digit%  
(Global +mid single digit% / +high single digit%)
  - EC (Asia) : -high single digit% / +mid single digit%

## Asia Pacific

### South Korea and South-East Asia continued to grow

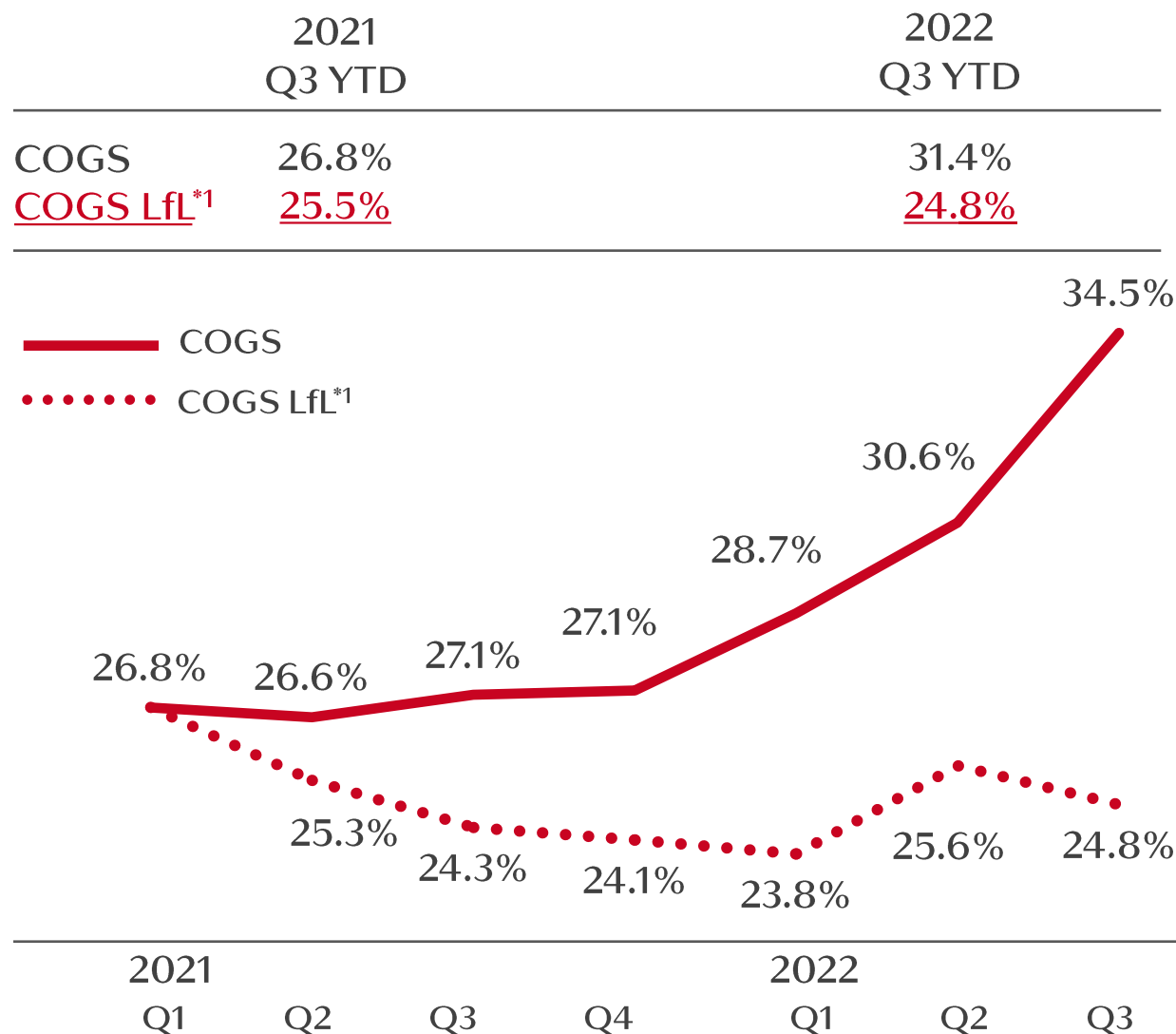
Recovery delay in some markets such as Taiwan

- Shiseido External Sales<sup>\*1</sup> : Q3 YTD +10% / Q3 +12%
  - ANESSA : Strong sales from Gold series renewal
  - EC<sup>\*3</sup> : +low single digit% / -high teen%
    - Rebound from lockdowns in LY Q3

# COGS Ratio

LfL: Improved from Favorable Product Mix

Reported: Impacts from Impairment Loss on PC Manufacturing Business Transfer



## Q3 YTD Factors for increases/decreases

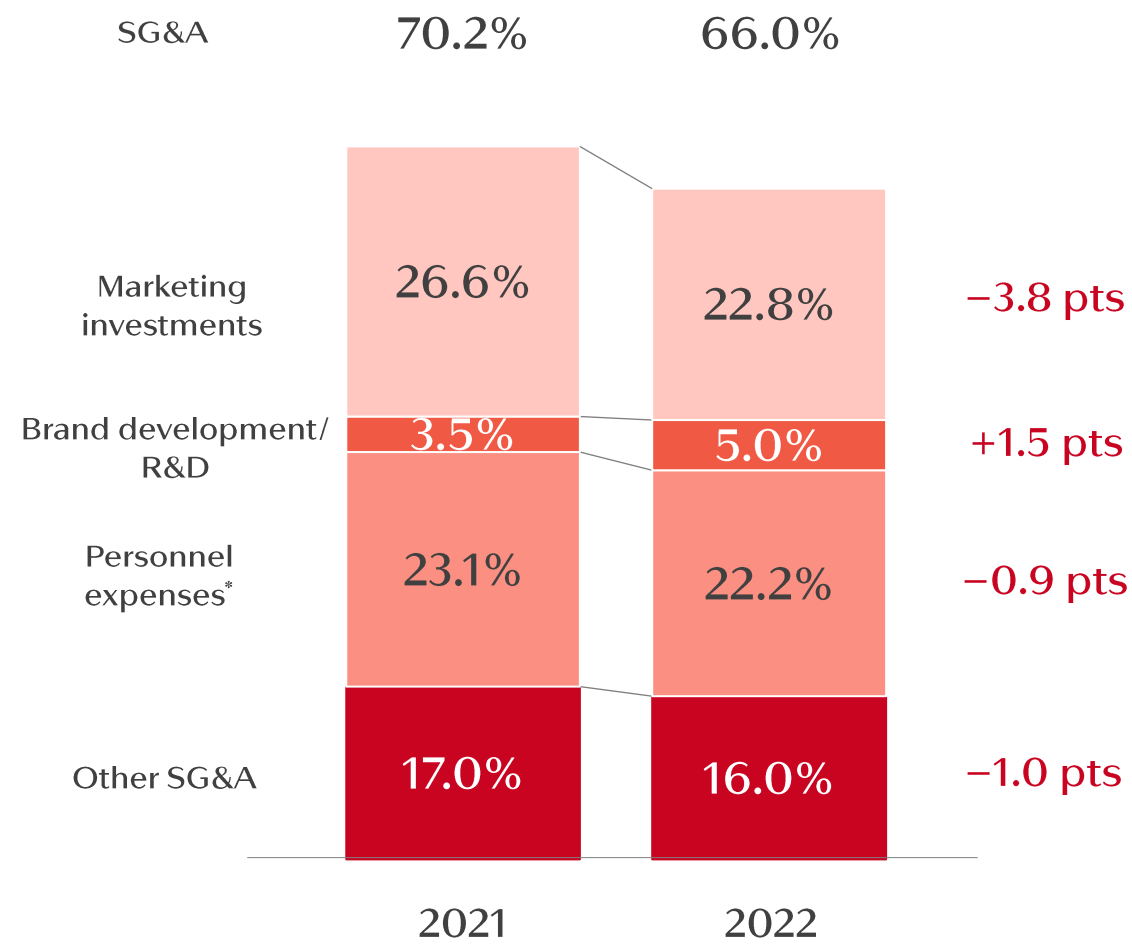
- (+) Favorable product mix from business transfers
- (+) Lower inventory write-offs
- (+) Higher productivity (lower fixed costs due to shift to in-house manufacturing)
- (+) Impairment loss from withdrawal from hyaluronic acid business in 2021
- (-) Higher fixed costs due to launch of new factories
- (-) Higher raw materials and logistics costs
- (-) Impairment loss of factories on transfer of personal care manufacturing business in 2022
- (-) Negative impact from MSA<sup>\*2</sup> for business transfers (4.9 pts)

<sup>\*1</sup> Excludes impacts from product supply due to business transfer and from impairment loss

<sup>\*2</sup> Manufacturing Service Agreement

# Cost Structure in 2022 Q3 YTD: Continued Agile Cost Management, Cost Reduced due to Structural Reforms

(% of Net Sales  
based on Core Operating Profit)



- Marketing investments
  - Lower costs thanks to business transfers
  - Agile cost management
- Brand development / R&D
  - Higher DX-related investments
- Personnel expenses
  - Optimization of personnel expenses by structural reforms, etc.
- Other SG&A
  - Lower freight costs
  - Higher DX-related investments (FOCUS, etc.)

\* Including POS personnel expenses

# 2022 Q3 YTD Core Operating Profit by Reportable Segment

## Agile Cost Management Implemented; Americas, EMEA and TR Increased Profit

- Japan : Declined mainly due to the impact of PC business transfer
- China : Declined mainly due to lower margins coming from decline in sales
- Asia Pacific : Maintained due to higher margins from increased sales despite increase in personnel and other expenses
- Americas, EMEA : Increased thanks to higher margins coming from sales growth and decrease in fixed costs due to organizational and structural reforms
- Travel Retail : Improved thanks to sales growth and higher margins
- Other : Enhanced investments in new factories and DX
- Adjustments : Cost reduced from inventory and sample production control with market fluctuation

Core Operating Profit (Core OPM)	2021		2022		YoY (Billion yen)
Japan	7.5	(3.4%)	−5.9	(−3.2%)	−13.4
China	−5.2	(−2.7%)	−8.7	(−5.0%)	−3.4
Asia Pacific	4.1	(8.4%)	4.1	(8.0%)	−0.0
Americas	1.3	(1.3%)	6.8	(6.7%)	+5.5
EMEA	2.7	(3.2%)	8.6	(8.8%)	+5.9
Travel Retail	15.5	(17.4%)	26.8	(22.3%)	+11.3
Professional	1.1	(9.5%)	1.3	(15.0%)	+0.2
Other	12.6	(6.5%)	5.7	(2.6%)	−6.9
Adjustments	−9.9	-	−2.5	-	+7.4
Total	29.7	(4.1%)	36.2	(4.8%)	+6.5



# Brand Enhancement in Q4 for Strong Growth in 2023 onwards



The Shiseido logo is rendered in a red, stylized font. It features a large, elegant 'S' followed by the word 'HISEIDO' in a bold, sans-serif typeface. The background of the entire image is a deep space scene with a view of Earth's horizon from space, showing the blue and white clouds of the planet and the glowing city lights of East Asia at night.

SHISEIDO

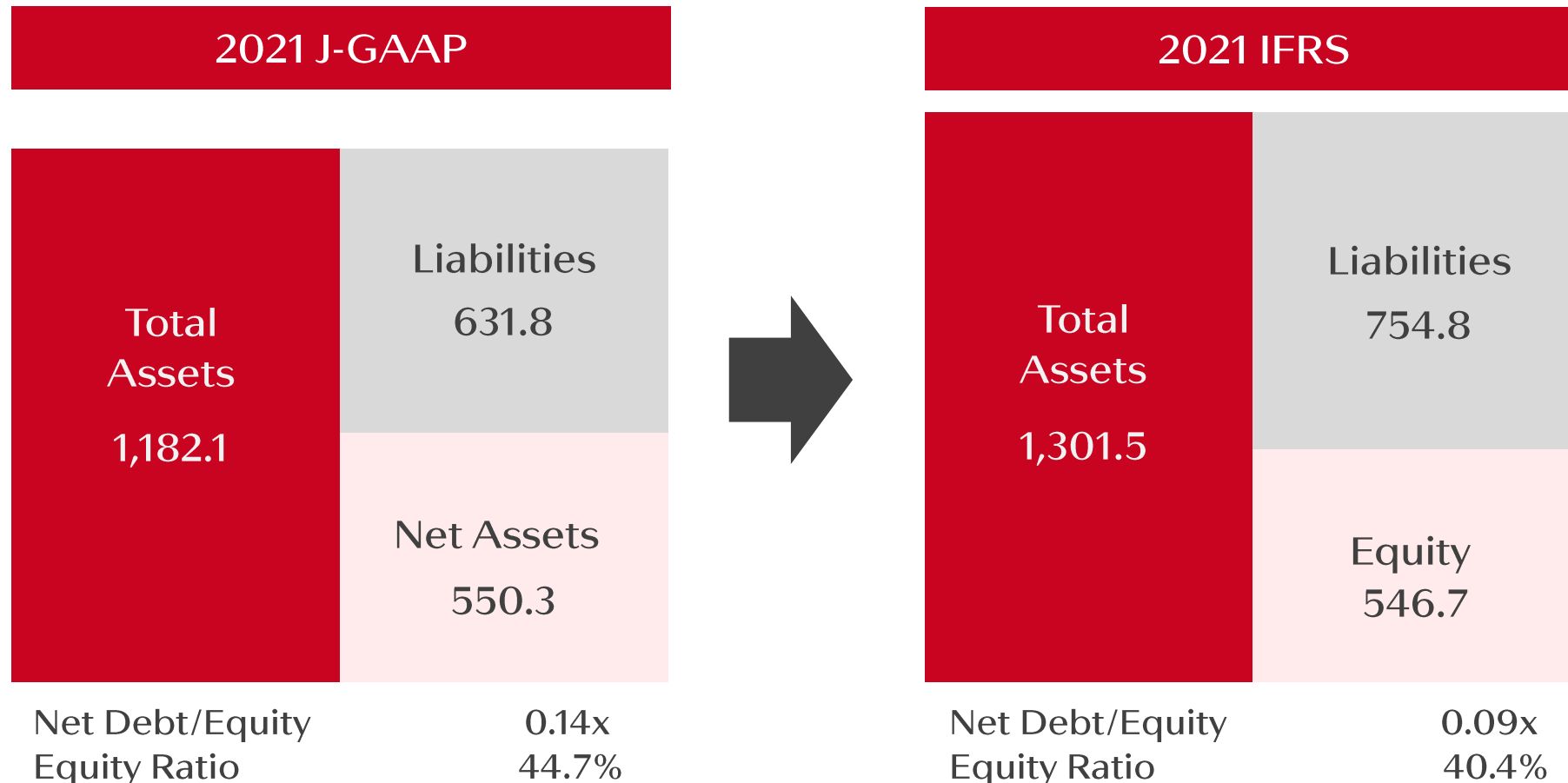
Be a Global Winner  
with Our Heritage

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

## 2021 Q3 Consolidated Financial Position

- Total Assets +119.4 : Right-of-use assets +100.1 reflected on the balance sheet, etc.
- Liabilities +123.0 : Lease liabilities +111.6 reflected on the balance sheet, Increase in liabilities due to increased retirement benefits +26.0, etc.
- Equity -3.6 : Remeasurements of defined benefit plans -14.8, Differences in P/L due to changes in accounting standards +7.4

(Billion yen)

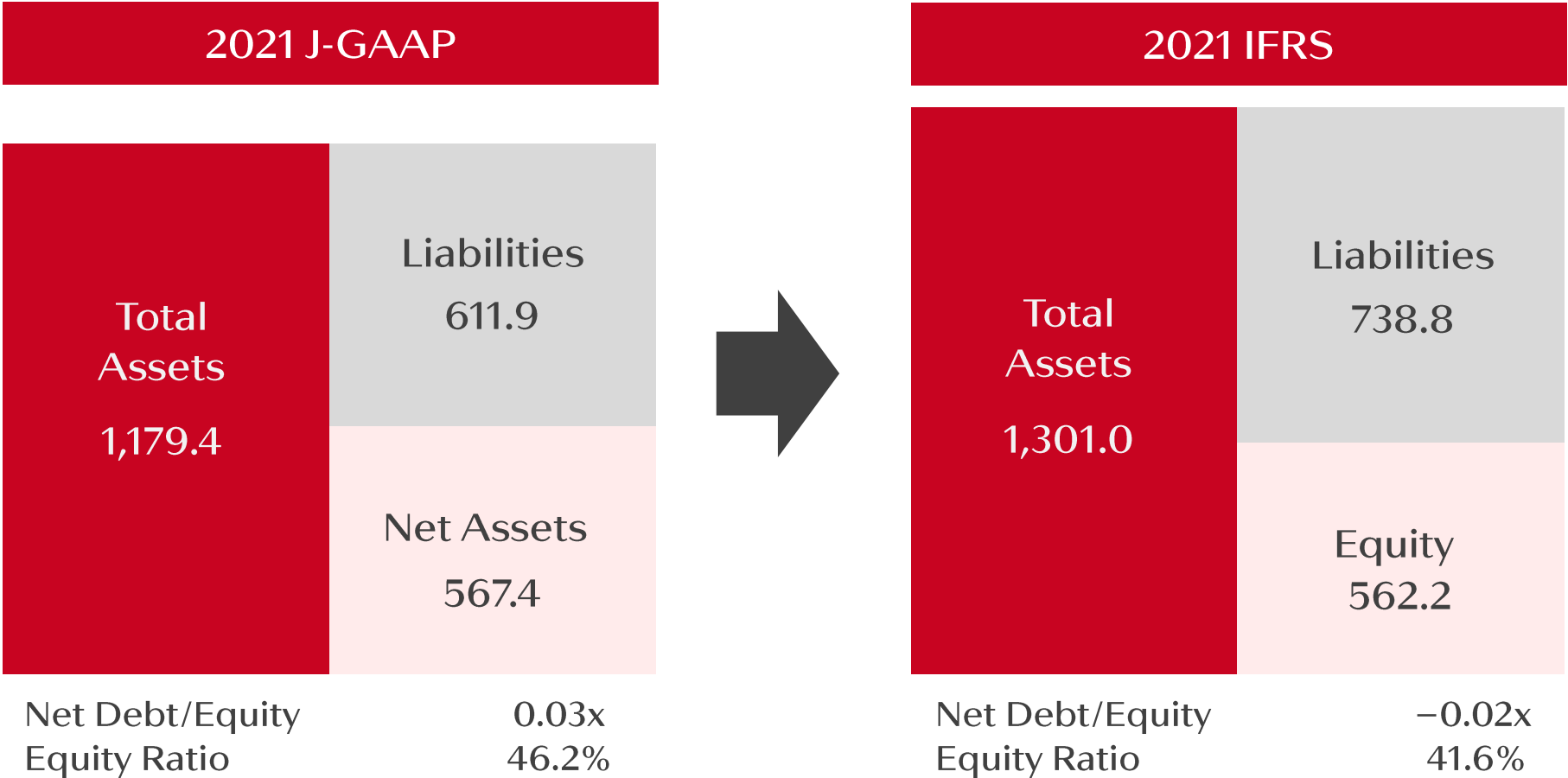


# Supplemental Data 1-2   Impacts of Transition from J-GAAP to IFRS

## 2021 Consolidated Financial Position

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

(Billion yen)





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

## 2021 Q3 YTD Consolidated Statement of Profit and Loss

(Billion yen)	J-GAAP	IFRS	Major impacts of transition from J-GAAP to IFRS
Net Sales	745.4	Net Sales 728.4	Differences -16.9
Cost of Sales SG&A Part of SG&A		Part of SG&A Cost of Sales SG&A	<ul style="list-style-type: none"> <li>•Deduction of rebates and provision for points from Net Sales -16.9</li> </ul>
Operating Profit	26.3	Core Operating Profit 29.7	Differences +3.5
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	<ul style="list-style-type: none"> <li>•Non-amortization of goodwill +5.3</li> <li>•Recording of postretirement benefits -2.3, etc.</li> </ul>
Profit before Tax	62.4	Profit before Tax 94.3	Differences +10.3
Income Taxes Net Profit Attributable to Non-Controlling Interests		Income Tax Expense Profit Attributable to Non-Controlling Interests	<u>Profit before Tax +31.9</u> <ul style="list-style-type: none"> <li>•Gain on transfer of business, etc.</li> </ul> <u>Income Tax Expense -21.6</u> <ul style="list-style-type: none"> <li>•Tax effect of accounting differences related to gain on transfer of business and the effects related to elimination of unrealized gains on inventories, etc.</li> </ul>
Net Profit Attributable to Owners of Parent	36.8	Profit Attributable to Owners of Parent 47.0	

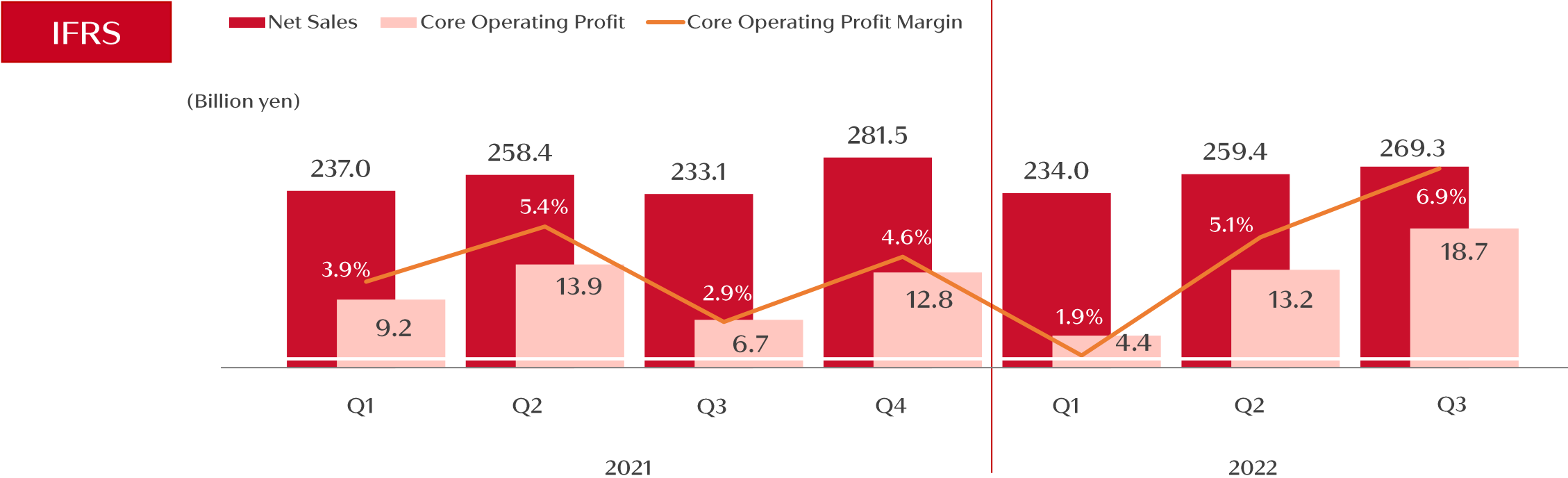
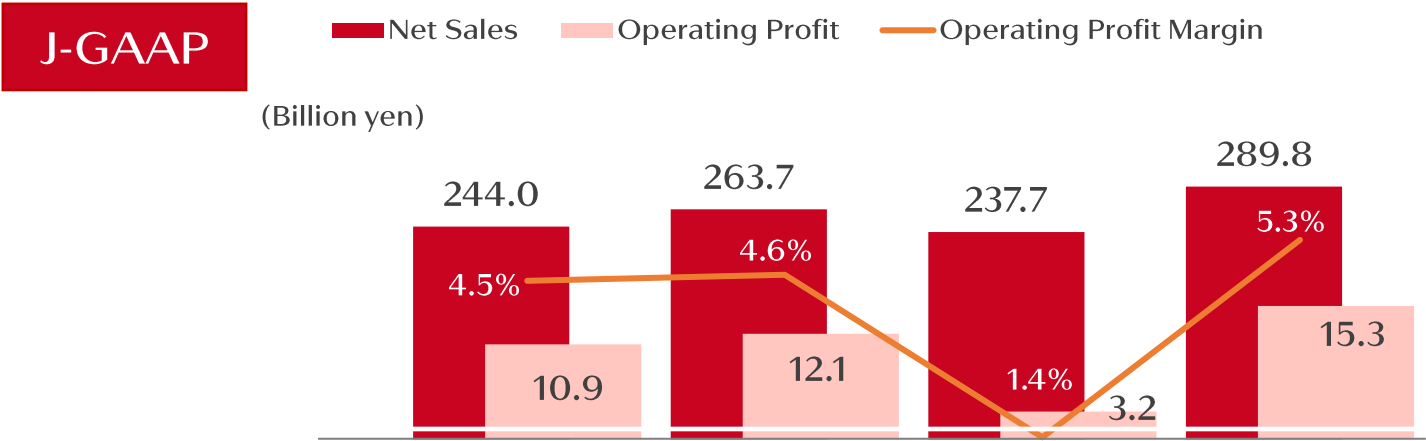
# Supplemental Data 1-4     Impacts of Transition from J-GAAP to IFRS

## 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		<ul style="list-style-type: none"> <li>• Deduction of rebates from Net Sales -21.1</li> <li>• Deduction of provision for points from Net Sales, changes in accounting items related to returns, etc. -4.1</li> </ul>	
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		<ul style="list-style-type: none"> <li>• Non-amortization of goodwill +6.9</li> <li>• Partial expensing of samples -0.9</li> <li>• Recording of post-retirement benefits -3.0</li> <li>• Deferral of subsidies -1.4</li> <li>• Accrued paid absences recorded as liability -0.3</li> </ul>	
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> <ul style="list-style-type: none"> <li>• Gain on transfer of business +45.4, Impairment-related GAAP differences -15.6, Elimination of gain on sale of financial instruments -2.7</li> </ul> <u>Income Tax -21.3</u> <ul style="list-style-type: none"> <li>• Tax effects related to gain on transfer of business resulting from accounting standard differences -14.9</li> <li>• Tax effects related to elimination of unrealized gains on inventories, etc. -6.5</li> </ul>	
Net Profit Attributable to Owners of Parent	42.4	Profit Attributable to Owners of Parent	46.9		

# Supplemental Data 2

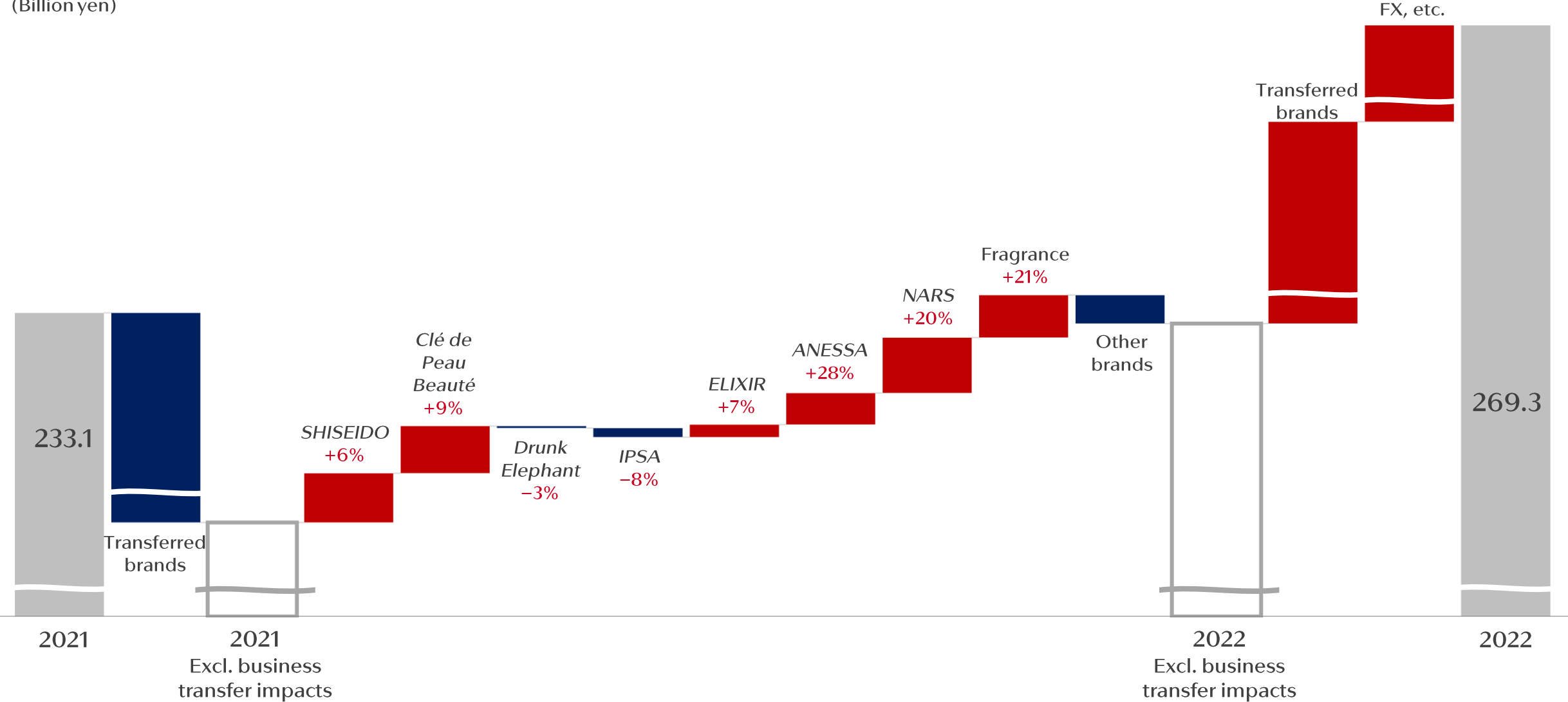
## KPI Trends



# Supplemental Data 3

## 2022 Q3 Net Sales by Brand

Like-for-like\*1  
(Billion yen)



\*1. YoY change (%) for each brand is calculated based on initial exchange rate assumptions and excludes the impact of foreign currency exchange, etc.



# Supplemental Data 4

## 2022 Q3 Net Sales and Core Operating Profit by Reportable Segment

Top: Net Sales Bottom: Core OP (Billion yen)	2021	% of Net Sales / Core OPM % <sup>*1</sup>	2022	% of Net Sales / Core OPM % <sup>*1</sup>	YoY Change	YoY Change %	YoY Change FX-Neutral %	Like-for-like % <sup>*2</sup>
Japan	58.0 -0.6	24.9% -1.1%	62.9 1.4	23.3% 2.2%	+4.8 +2.1	+8.3% -	+8.3% -	+8.7% -
China	46.7 -7.6	20.1% -16.1%	56.2 -6.7	20.9% -11.8%	+9.4 +0.9	+20.1% -	+0.1% -	-1.5% -
Asia Pacific	16.6 2.5	7.1% 14.6%	17.4 1.7	6.4% 9.2%	+0.7 -0.8	+4.4% -33.0%	-9.0% -	+12.2% -
Americas	35.9 3.2	15.4% 8.3%	38.9 3.1	14.5% 7.5%	+3.0 -0.1	+8.4% -2.1%	-12.6% -	+3.0% -
EMEA	28.0 2.8	12.0% 9.1%	34.0 6.0	12.6% 16.6%	+5.9 +3.2	+21.2% +115.3%	+13.3% -	+21.2% -
Travel Retail	31.0 6.8	13.3% 21.8%	42.3 9.8	15.7% 23.2%	+11.3 +3.0	+36.3% +44.7%	+10.4% -	+9.4% -
Professional	3.8 0.4	1.6% 9.1%	0.6 0.1	0.2% 24.0%	-3.2 -0.2	-84.9% -61.8%	-88.5% -	- -
Other	12.9 4.4	5.6% 5.9%	17.2 6.5	6.4% 8.1%	+4.3 +2.1	+33.0% +47.2%	+30.4% -	+14.1% -
Subtotal	233.1 11.8	100% 3.9%	269.3 22.0	100% 6.5%	+36.3 +10.2	+15.6% +86.8%	+2.8% -	+7.3% -
Adjustment	- -5.1	- -	- -3.3	- -	- +1.8	- -	- -	- -
Total	233.1 6.7	100% 2.9%	269.3 18.7	100% 6.9%	+36.3 +12.0	+15.6% +180.0%	+2.8% -	+7.3% -

\*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 Q3 YTD Net Sales and Core Operating Profit by Reportable Segment

Top: Net Sales Bottom: Core OP (Billion yen)	2021	% of Net Sales / Core OPM % <sup>*1</sup>	2022	% of Net Sales / Core OPM % <sup>*1</sup>	YoY Change	YoY Change %	YoY Change FX-Neutral %	Like-for-like % <sup>*2</sup>
Japan	198.1 7.5	27.2% 3.4%	178.6 -5.9	23.4% -3.2%	-19.6 -13.4	-9.9% -	-9.9% -	+1.3% -
China	190.9 -5.2	26.2% -2.7%	171.9 -8.7	22.5% -5.0%	-19.0 -3.4	-9.9% -	-22.1% -	-10.7% -
Asia Pacific	47.1 4.1	6.5% 8.4%	48.7 4.1	6.4% 8.0%	+1.6 -0.0	+3.4% -0.9%	-6.4% -	+10.2% -
Americas	89.8 1.3	12.3% 1.3%	97.9 6.8	12.8% 6.7%	+8.1 +5.5	+9.1% +427.5%	-7.3% -	+7.7% -
EMEA	79.4 2.7	10.9% 3.2%	89.7 8.6	11.8% 8.8%	+10.3 +5.9	+12.9% +213.9%	+7.8% -	+10.0% -
Travel Retail	88.7 15.5	12.2% 17.4%	120.1 26.8	15.8% 22.3%	+31.5 +11.3	+35.5% +73.1%	+16.5% -	+15.2% -
Professional	11.0 1.1	1.5% 9.5%	8.4 1.3	1.1% 15.0%	-2.6 +0.2	-23.8% +20.6%	-28.8% -	- -
Other	23.4 12.6	3.2% 6.5%	47.4 5.7	6.2% 2.6%	+24.1 -6.9	+103.0% -54.6%	+101.1% -	+1.1% -
Subtotal	728.4 39.6	100% 4.2%	762.7 38.7	100% 4.1%	+34.3 -0.9	+4.7% -2.2%	-4.1% -	+1.8% -
Adjustment	- -9.9	- -	- -2.5	- -	- +7.4	- -	- -	- -
Total	728.4 29.7	100% 4.1%	762.7 36.2	100% 4.8%	+34.3 +6.5	+4.7% +21.9%	-4.1% -	+1.8% -

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

# Supplemental Data 6

## 2022 Q3 YTD Net Sales by Category

(Billion yen)

Japan	2021	% of Net Sales	2022	% of Net Sales	YoY Change	YoY Change % / YoY Change FX-Neutral % <sup>*1</sup>	Like-for-like <sup>*2</sup>
Prestige	45.6	23.0%	49.8	27.9%	+4.2	+9.2%	
Premium	106.9	53.9%	106.9	59.8%	-0.0	-0.0%	
Lifestyle	24.0	12.1%	-	-	-24.0	-	
Others	21.7	11.0%	21.9	12.3%	+0.2	+1.0%	
Total Japan Sales	198.1	100%	178.6	100%	-19.6	-9.9%	+1.3%

China	2021	% of Net Sales	2022	% of Net Sales	YoY Change	YoY Change % / YoY Change FX-Neutral % <sup>*1</sup>	Like-for-like <sup>*2</sup>
Prestige	105.6	55.4%	112.0	65.1%	+6.3	-8.4%	
Premium	58.1	30.4%	52.9	30.8%	-5.2	-21.2%	
Personal Care	24.9	13.0%	-	-	-24.9	-	
Others	2.3	1.2%	7.1	4.1%	+4.8	+166.9%	
Total China Sales	190.9	100%	171.9	100%	-19.0	-22.1%	-10.7%

Asia Pacific	2021	% of Net Sales	2022	% of Net Sales	YoY Change	YoY Change % / YoY Change FX-Neutral % <sup>*1</sup>	Like-for-like <sup>*2</sup>
Prestige	24.7	52.4%	28.8	59.0%	+4.1	+4.9%	
Premium	8.4	17.8%	9.8	20.0%	+1.4	+4.3%	
Personal Care	9.0	19.1%	2.3	4.7%	-6.7	-78.0%	
Others	5.0	10.7%	7.9	16.3%	+2.9	+48.4%	
Total Asia Pacific Sales	47.1	100%	48.7	100%	+1.6	-6.4%	+10.2%

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

## Supplemental Data 7

### 2022 Q3 YTD SG&A

(Billion yen)	2021	% of Net Sales	2022	% of Net Sales	YoY Change	YoY Change %	YoY Change FX- Neutral %
Marketing Investments <sup>*1</sup>	264.0	36.3%	245.8	32.2%	-18.3	-6.9%	-14.4%
Brand Development / R&D Investments	25.5	3.5%	37.9	5.0%	+12.4	+48.6%	+44.0%
Personnel Expenses	97.5	13.4%	97.7	12.8%	+0.2	+0.2%	-6.5%
Other SG&A Expenses	123.9	17.0%	122.4	16.0%	-1.5	-1.2%	-6.4%
SG&A (Core OP-based)	511.0	70.2%	503.7	66.0%	-7.3	-1.4%	-8.0%
Non-recurrent items <sup>*2</sup>	54.7	-	3.4	-	-51.4	-	-
SG&A	565.7	77.7%	507.1	66.5%	-58.6	-10.4%	-16.3%

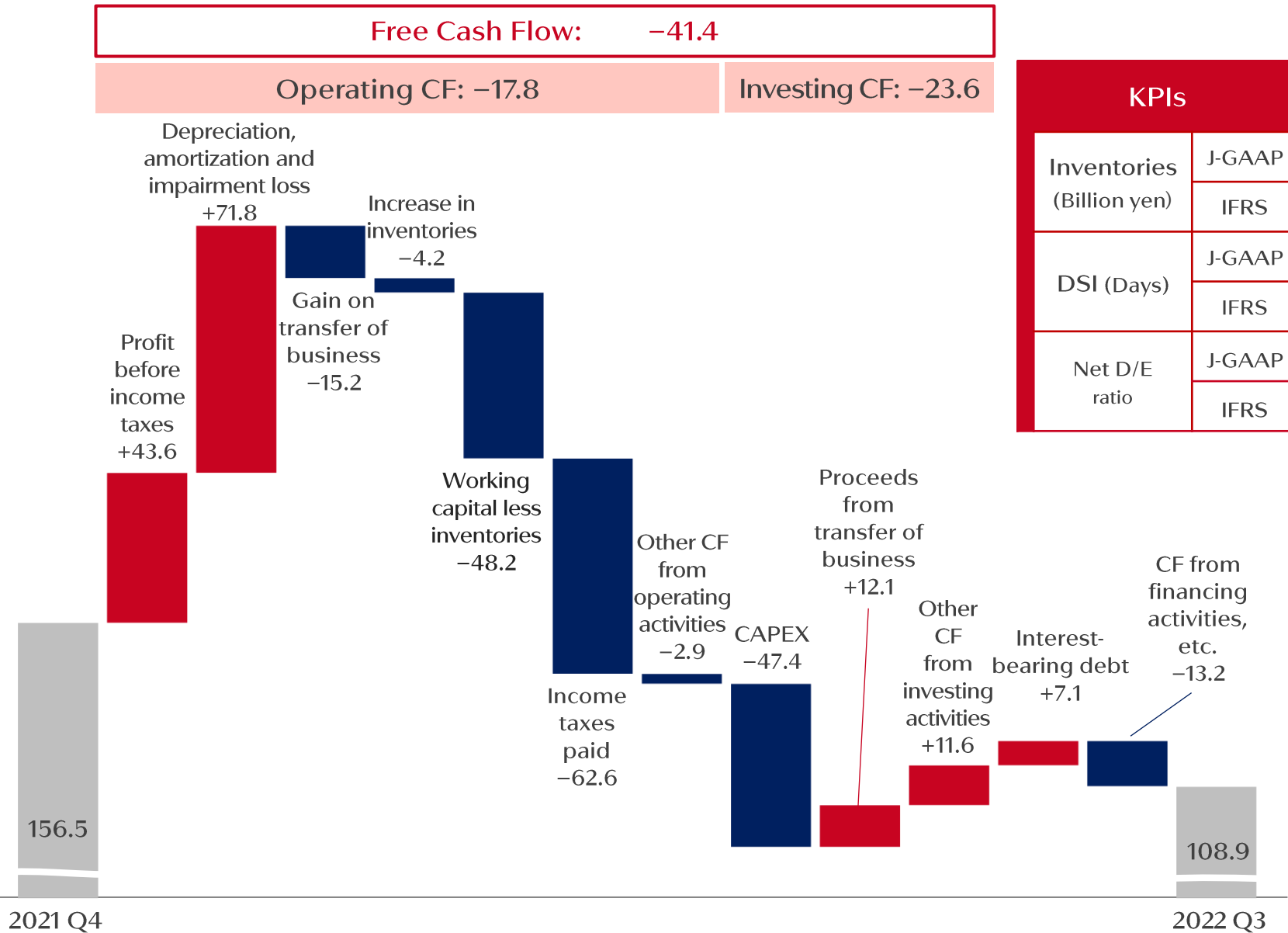
\*1 Including POS personnel expenses

\*2 Non-recurrent items attributable to SG&A

# Supplemental Data 8

## Cash Flow Management

(Billion yen)



KPIs		2021 Q1	2021 Q2	2021 Q3	2021 Q4	2022 Q1	2022 Q2	2022 Q3
Inventories (Billion yen)	J-GAAP	167.2	165.5	149.0	143.8	-	-	-
	IFRS	-	-	-	134.1	139.6	151.6	148.2
DSI (Days)	J-GAAP	260	250	236	218	-	-	-
	IFRS	-	-	-	200	185	185	163
Net D/E ratio	J-GAAP	0.41	0.39	0.14	0.03	-	-	-
	IFRS	-	-	-	-0.02	0.09	0.11	0.11

## Supplemental Data 9

### 2022 Q3 YTD Non-recurrent Items

	2021			2022		
(Billion yen)	1H	Q3	Q3 YTD	1H	Q3	Q3 YTD
<b>Core Operating Profit</b>	<b>23.0</b>	<b>6.7</b>	<b>29.7</b>	<b>17.5</b>	<b>18.7</b>	<b>36.2</b>
Gain on Transfer of Business	-	132.2	132.2	4.3	10.9	15.2
Gain on Sales of Fixed Assets	-	-	-	-	3.7	3.7
Structural Reform Revenue / Expenses	-22.7	-1.9	-24.6	-3.5	0.1	-3.4
Impairment Loss	-19.1	-19.8	-38.9	-	-14.8	-14.8
Structural Reforms-Related	-41.7	110.4	68.7	0.7	-0.1	0.6
Profit (Subsidy income)	1.0	0.6	1.6	0.3	0.2	0.6
Loss (Salaries and allowances for employees, etc.)	-3.5	-0.9	-4.4	-1.6	-0.2	-1.8
COVID-19-Related	-2.5	-0.4	-2.8	-1.3	0.1	-1.2
<b>Non-recurrent items</b>	<b>-44.2</b>	<b>110.1</b>	<b>65.9</b>	<b>-0.6</b>	<b>0.0</b>	<b>-0.6</b>
<b>Operating Profit</b>	<b>-21.2</b>	<b>116.8</b>	<b>95.6</b>	<b>17.0</b>	<b>18.7</b>	<b>35.7</b>

SHISEIDO