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# **Results of Operations**

## **Six Months Ended September 30, 2021**

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KOSÉ Corporation  
October 29, 2021

➤ Fiscal year end changes to December 31 beginning in FY2021

The consolidated financial statements for the transitional fiscal period ending on December 31, 2021 will include the following periods:

- KOSÉ and its consolidated subsidiaries in Japan with a March 31 fiscal year end: April-December 2021
- Consolidated subsidiaries with a December 31 fiscal year end: January-December 2021

The KOSÉ Group applies the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 30, 2020) and the Implementation Guidance on Accounting Standard for Revenue Recognition (ASBJ Guidance No. 30, March 30, 2020) from FY2021.

\* Adjusted results of operations and their changes

The Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 30, 2020) and the Implementation Guidance on Accounting Standard for Revenue Recognition (ASBJ Guidance No. 30, March 30, 2020) have been applied retrospectively. These comparisons have not been audited by the independent auditor and are provided solely for reference purposes.

➤ FY12/2021 Full-year Earnings Announcement: Monday, February 14, 2022 (tentative)

➤ FY12/2022 Earnings Announcement Schedule (tentative)

1st quarter earnings announcement: Middle of May 2022

2nd quarter earnings announcement: Early August 2022

3rd quarter earnings announcement: Early November 2022

Full-year earnings announcement: Middle of February 2023

➤ FY2022 Small Meetings with CEO: four times a year (tentative)

**1. 2Q FY12/2021 Results of Operations**  
**Shinichi Mochizuki, Director & CFO**

**2. Progress with Post-COVID Structural Reforms and the New Growth Strategy**  
**Kazutoshi Kobayashi, President & CEO**

**3. Supplementary Information**

## Small sales increase but strong earnings growth due to a decline in the cost of sales and cost controls

- ✓ Net sales      **¥122.9 billion (up 0.4% YoY; down 0.9% after excluding the effects of changes in foreign exchange rates)**
  - ❑ Sales recovery in Japan was slow but sales were strong in China and USA
- ✓ Operating profit      **¥8.7 billion (up 121.0% YoY)**
  - ❑ A big increase due to a decline in the cost of sales and cost controls for all operations

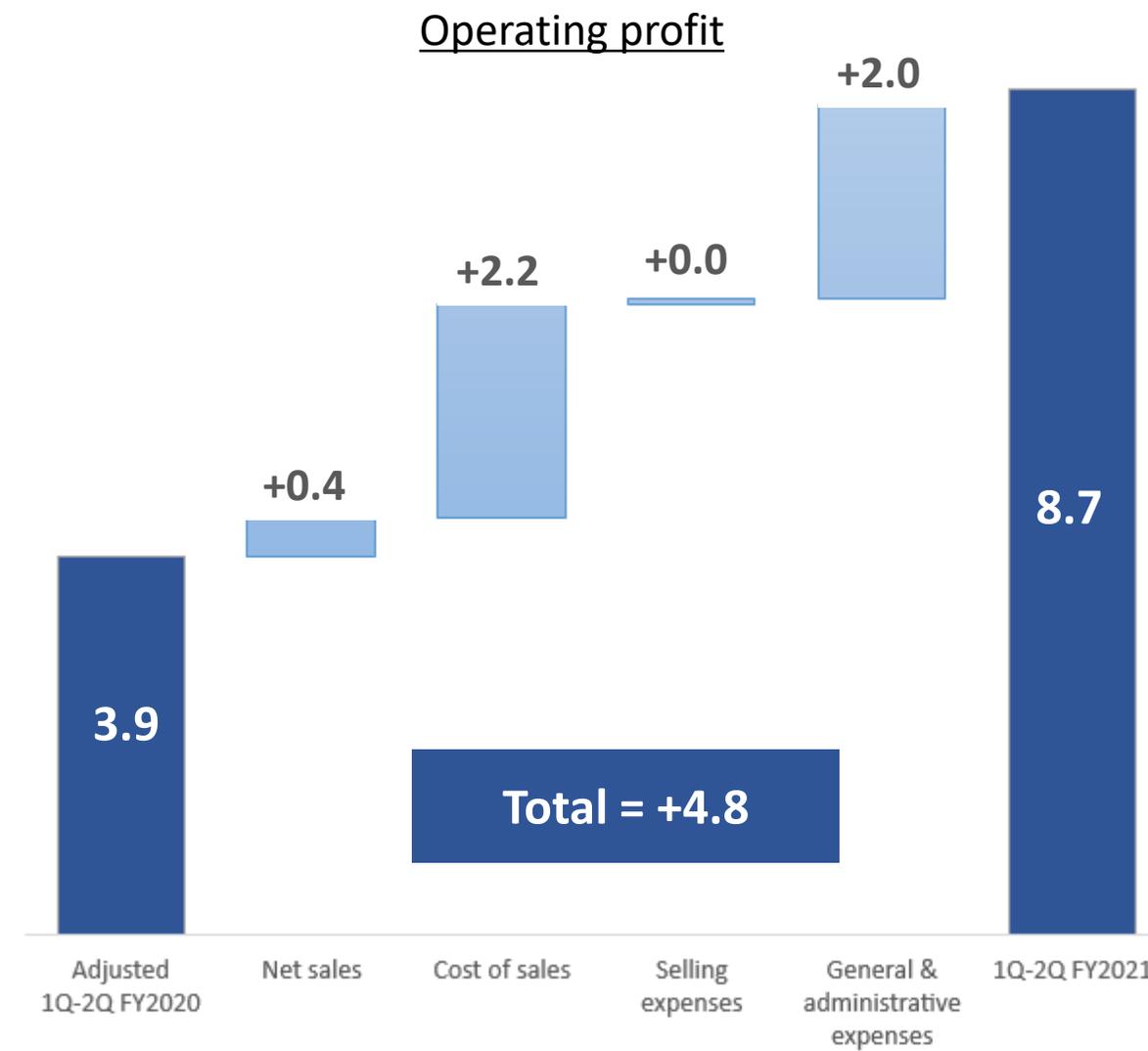
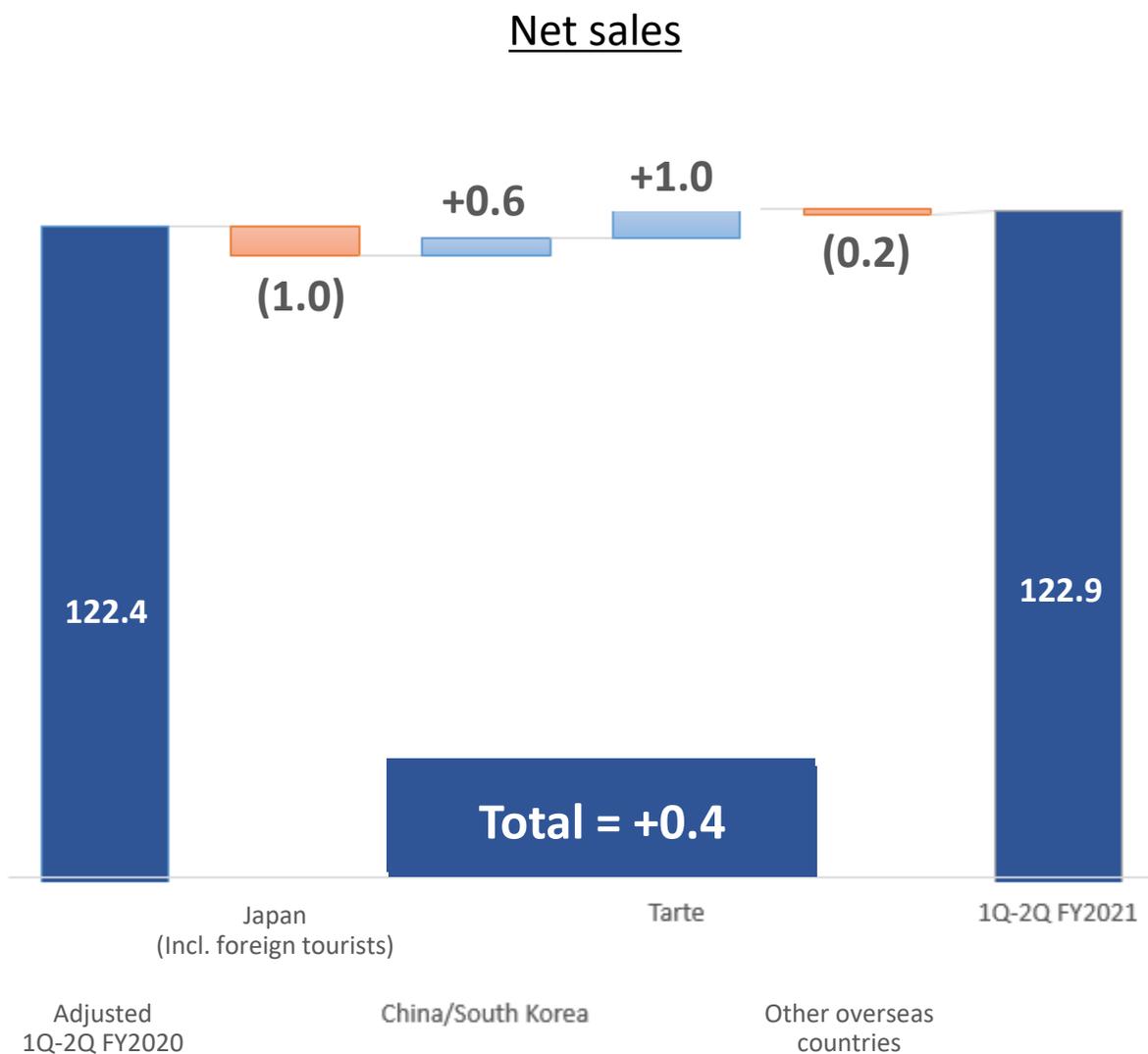
Evaluation as of 2Q FY2021	
▲	
▲	

Initial outlook (sales)		Progress	Evaluation as of 2Q FY2021	
			Net sales	Operating profit
Japan	Mid-single-digit increase	Progress with vaccinations but consumer sentiment continues to decline due to the fourth state of emergency; expect a slow recovery starting in October.	▲	▲
China	+20%	Online and offline performance remains strong. Travel retail started to recover in October despite the temporary negative effect of an upturn in COVID-19 cases.	○	▲
South Korea	+10%	High profitability in the travel retail sector; some products affected by supply shortages	▲	▲
Europe & USA (Tarte)	Mid-single-digit increase	EC sales down from one year earlier as stores reopened, but the recovery is continuing. High prestige market share is remaining steady.	○	○

1Q-2Q						
(billion yen)	Adjusted FY2020		FY2021		YoY change (amount)	YoY change (ratio)
	Amount	Ratio to net sales	Amount	Ratio to net sales		
Net sales	122.4	100.0%	122.9	100.0%	+0.4	+0.4%
Cost of sales	36.9	30.2%	34.6	28.2%	(2.2)	(6.2)%
SG&A expenses	81.5	66.6%	79.4	64.7%	(2.0)	(2.6)%
Operating profit	3.9	3.2%	8.7	7.1%	+4.8	+121.0%
Ordinary profit	4.0	3.3%	9.7	7.9%	+5.7	+142.3%
Profit before income taxes	4.9	4.0%	9.5	7.8%	+4.6	+93.6%
Profit attributable to owners of parent	3.0	2.5%	5.4	4.4%	+2.3	+78.1%
Net income per share	53.75 yen		95.69 yen		+41.94 yen	

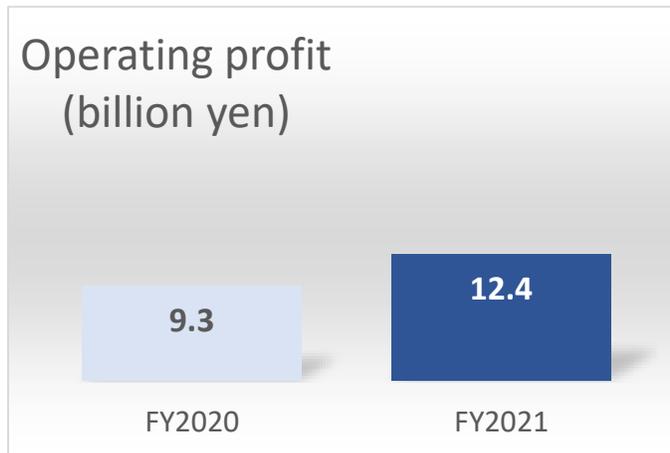
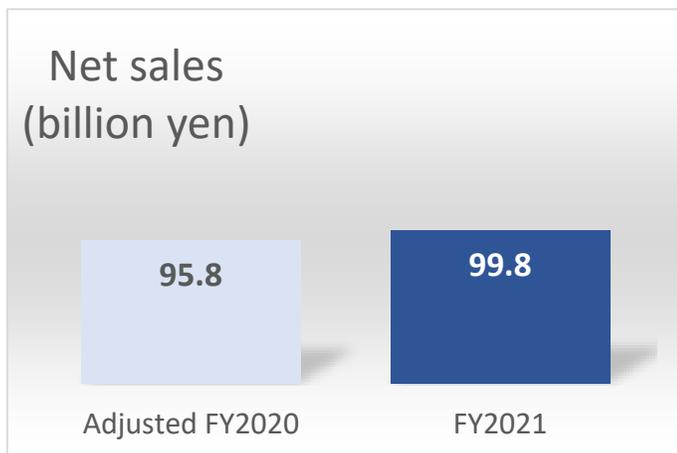
# YoY Changes in Net Sales and Operating Profit

(billion yen)



# Sales and Operating Profit by Segment

## Cosmetics



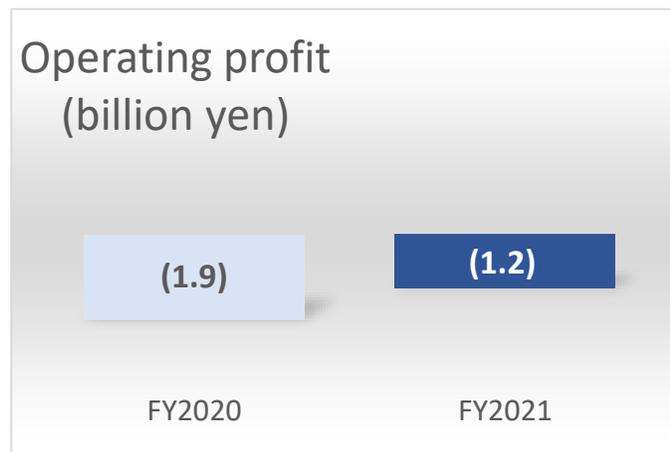
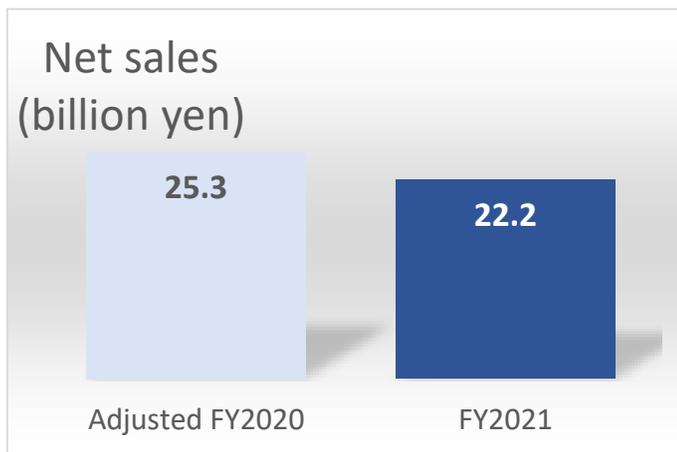
Operating margin

9.8%	12.5%
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- Net sales
- Sales remain strong in China
  - Higher sales of DECORTÉ, ALBION, ADDICTION and JILL STUART products
  - Strong SEKKISEI sales

- Operating profit
- Cost of sales ratio decreased because of strong DECORTÉ and ALBION sales
  - Operating margin increased despite higher expenses for aggressive marketing activities

## Cosmetaries



Operating margin

-	-
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- Net sales
- Slow sales in Japan as people stayed home due to the pandemic

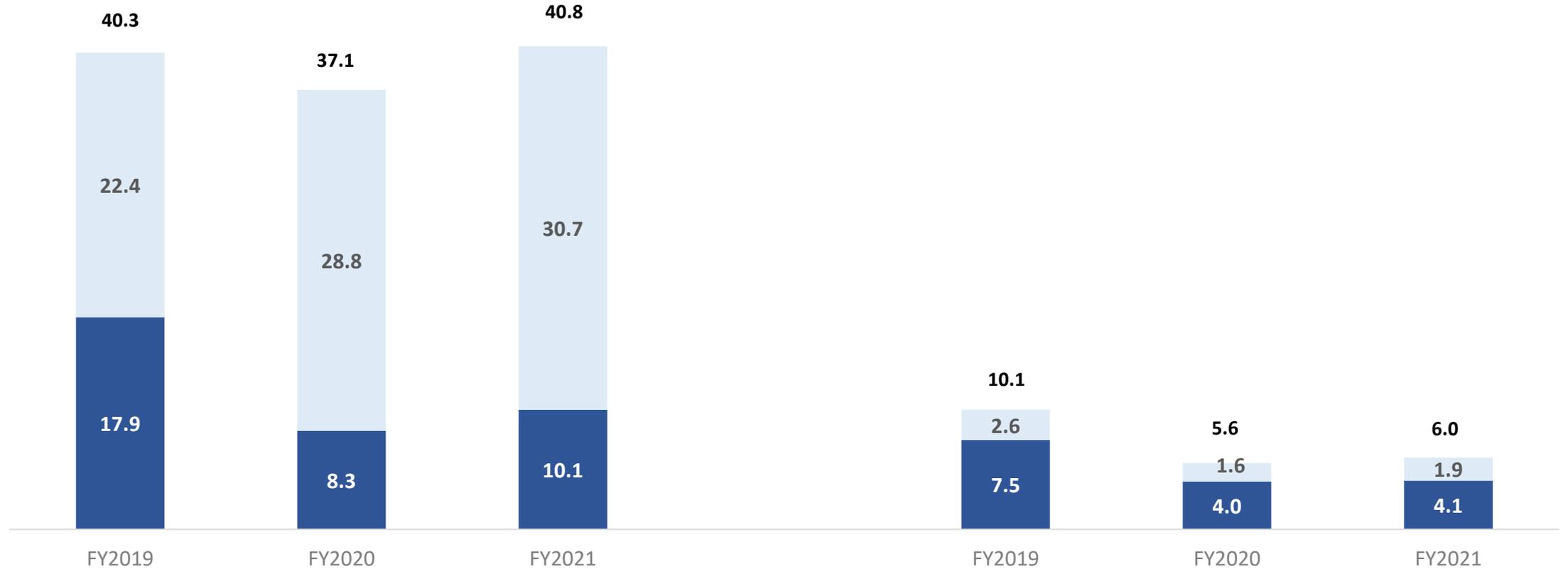
- Operating profit
- Cost of sales increased due to an increase in discarded merchandise
  - Operating loss was reduced due to a decrease in SG&A expenses through cost controls and more efficient sales promotion activities

(billion yen)

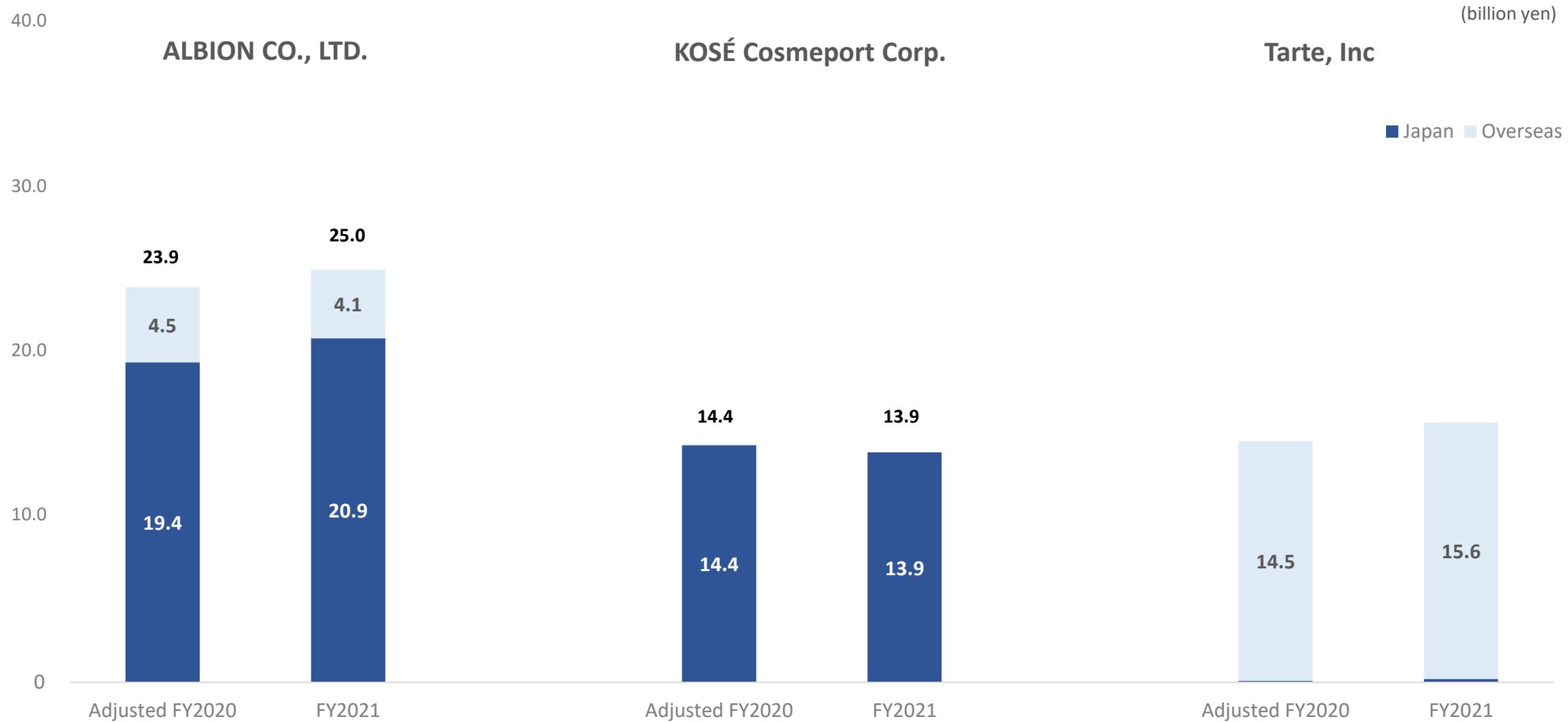
## DECORTÉ

## SEKKISEI

■ Japan ■ Overseas



# Global Sales of Major Group Companies (after adjustment)



## Net Sales by Region (after adjustment)

Sales in Japan decreased and the overseas sales ratio increased to 42.4% in part because of higher sales in China and strong Tarte sales

(billion yen)	Adjusted FY2020		FY2021		YoY change (amount)	YoY change (ratio)
	Amount	Ratio to net sales	Amount	Ratio to net sales		
Japan	71.8	58.7%	<b>70.8</b>	<b>57.6%</b>	<b>(1.0)</b>	<b>(1.5)%</b>
Asia	35.9	29.4%	<b>36.4</b>	<b>29.7%</b>	<b>+0.5</b>	<b>+1.4%</b>
North America	12.9	10.6%	<b>14.0</b>	<b>11.4%</b>	<b>+1.0</b>	<b>+7.9%</b>
Other	1.6	1.3%	<b>1.6</b>	<b>1.3%</b>	<b>(0.0)</b>	<b>(3.1)%</b>
Total	122.4	100.0%	<b>122.9</b>	<b>100.0%</b>	<b>+0.4</b>	<b>+0.4%</b>
Overseas sales	50.6	41.3%	<b>52.1</b>	<b>42.4%</b>	<b>+1.4</b>	<b>+2.9%</b>

## No big change in the business climate from the 1Q due to the fourth state of emergency

(billion yen)	Adjusted FY2020	FY2021	YoY change (amount)	YoY change (ratio)
1Q-2Q	71.8	<b>70.8</b>	<b>(1.0)</b>	<b>(1.5)%</b>
1Q	32.0	<b>33.7</b>	<b>+1.7</b>	<b>+5.4%</b>
2Q	39.8	<b>37.0</b>	<b>(2.7)</b>	<b>(7.0)%</b>

### KOSÉ

#### Overall

- Slow sales of mid/low-price products as in the 1Q
- Official online boutique started selling DECORTÉ products in September

#### High prestige

- Very successful launch of DECORTÉ LIPOSOME ADVANCED SERUM
- Strong demand for high prestige makeup products even during the pandemic

#### Prestige

- SEKKISEI sales are recovering compared with prior-year sales
- Lower sales of ONE BY KOSÉ products due to strong sales of a new product in 2020

#### Cosmetaries

- COSMEPORT sales were held down by slow sales of hair care products, which are a large share of this company's sales

### Market Trends

#### Japan

- The fourth state of emergency was declared in July 2021 (July 12 to September 30) as COVID-19 cases increased
- Department stores limited the number of customers to comply with government requests
- No big rebound in consumer spending yet after the end of the state of emergency

### Strategies for FY2021

#### Overall

- Start sales of DECORTÉ products on EC sites operated by distributors
- SEKKISEI sales increased due to heightened marketing activities for SEKKISEI CLEAR WELLNESS
- Increased sales activities for THE WRINKLESS S, a ONE BY KOSÉ product
- Measures to limit returns of limited-time-only products and of existing products when a product line or brand is updated

## Travel retail was strong overall despite the temporary impact of an upturn in new COVID-19 cases

(billion yen)	Adjusted FY2020	FY2021	YoY change (amount)	YoY change (ratio)
1Q-2Q	35.9	<b>36.4</b>	<b>+0.5</b>	<b>+1.4%</b>
1Q	16.6	<b>17.8</b>	<b>+1.2</b>	<b>+7.4%</b>
2Q	19.2	<b>18.5</b>	<b>(0.7)</b>	<b>(3.7)%</b>

### Market Trends

China	<ul style="list-style-type: none"> <li>■ A steady economic recovery and cosmetics demand remains strong</li> <li>■ The pandemic held down growth of the travel retail sector</li> </ul>
South Korea	<ul style="list-style-type: none"> <li>■ Consumer sentiment began to improve in April, compared with January-March, but market trends must be closely monitored</li> </ul>
Taiwan	<ul style="list-style-type: none"> <li>■ Online demand increased due to restrictions on going out in response to an increase in COVID-19 cases that started in mid-May</li> </ul>

### KOSÉ

China	<ul style="list-style-type: none"> <li>■ Online profitability improved compared to 1Q due to the success of the June 18 sale</li> <li>■ Travel retail was impacted in the July-September quarter by an increase in COVID-19 cases on Hainan Island</li> </ul>
South Korea	<ul style="list-style-type: none"> <li>■ Sales were below the plan due to problems involving the supply of products; profitability was unchanged</li> </ul>
Taiwan	<ul style="list-style-type: none"> <li>■ Lower sales of DECORTÉ products but the popularity of SEKKISEI and other brands remains high</li> </ul>

### Strategies for FY2021 (Jul.-Dec. but Oct.-Dec. for travel retail)

China	<ul style="list-style-type: none"> <li>■ Focusing on EC promotions; strengthening live commerce by training more beauty consultants</li> <li>■ Plan to start selling DECORTÉ LIPOSOME ADVANCED SERUM worldwide in January 2022</li> <li>■ Aiming for higher sales with the same profit margins on Singles Day (11/11)</li> <li>■ Starting to sell products on new or recently launched EC platforms</li> <li>■ Complying with amended laws and regulations in China</li> </ul>
South Korea	<ul style="list-style-type: none"> <li>■ Increase the supply of merchandise to the level needed to fill orders from store operators</li> <li>■ Move rapidly to maintain sufficient supplies of popular products</li> </ul>

## Consumer spending is recovering as pandemic restrictions end

(billion yen)	Adjusted FY2020	FY2021	YoY change (amount)	YoY change (ratio)
1Q-2Q	14.6	15.6	+0.9	+6.6%
1Q	8.5	7.1	(1.4)	(16.8)%
2Q	6.1	8.5	+2.4	+39.0%

### Market Trends

USA	<ul style="list-style-type: none"> <li>Restrictions on store capacity and use of testers are ending and the economy continues to recover, but concerns about the negative effect of the delta variant on the recovery</li> <li>The EC market is shrinking and competition is more intense</li> </ul>
Europe	<ul style="list-style-type: none"> <li>Economic recovery fueled by consumer spending as many people go out and purchase goods and services</li> <li>As in USA, retail companies in Europe are increasingly forming partnerships with companies in other industries</li> </ul>

### Tarte

#### Overall

- EC sales are down from one year ago as stores reopen; actions to increase sales are needed
- Prestige makeup market share is steady
- Large volume of repeat orders for concealer, a major product category of Tarte
- Stores are reopening in Europe as countries end lockdowns

### Strategies for FY2021

#### Tarte

- More investments in the Tarte.com EC site operated by Tarte
- Increase sales at the new sales channels of Target and Kohl's
- Continue focusing on sales of concealer and other core products
- Increase Tmall International sales activities and raise awareness of the Tarte brand
- Sell Tarte products at more stores in Europe

#### Other brands

- Increase the number of stores in Europe selling DECORTÉ products

## Total assets remain at over ¥300 billion and equity ratio above 70%; inventories increase

(billion yen)	As of March 31, 2021		As of September 30, 2021		Change
	Amount	Share	Amount	Share	Amount
Current assets	205.0	66.5%	<b>207.3</b>	<b>66.5%</b>	<b>+2.2</b>
Cash and deposits	103.3	33.5%	<b>104.6</b>	<b>33.6%</b>	<b>+1.2</b>
Accounts receivable	39.4	12.8%	<b>34.6</b>	<b>11.1%</b>	<b>(4.8)</b>
Inventories	57.3	18.6%	<b>61.8</b>	<b>19.9%</b>	<b>+4.5</b>
Non-current assets	103.3	33.5%	<b>104.3</b>	<b>33.5%</b>	<b>+0.9</b>
Property, plant and equipment	62.8	20.4%	<b>60.5</b>	<b>19.4%</b>	<b>(2.3)</b>
Intangible assets	14.1	4.6%	<b>14.2</b>	<b>4.6%</b>	<b>+0.0</b>
<b>Total assets</b>	<b>308.3</b>	<b>100.0%</b>	<b>311.6</b>	<b>100.0%</b>	<b>+3.2</b>
Current liabilities	61.6	20.0%	<b>56.9</b>	<b>18.3%</b>	<b>(4.6)</b>
Accounts payable	20.2	6.6%	<b>24.9</b>	<b>8.0%</b>	<b>+4.7</b>
Short-term borrowings	7.6	2.5%	<b>4.1</b>	<b>1.3%</b>	<b>(3.5)</b>
Non-current liabilities	5.4	1.8%	<b>6.8</b>	<b>2.2%</b>	<b>+1.3</b>
<b>Total liabilities</b>	<b>67.0</b>	<b>21.8%</b>	<b>63.7</b>	<b>20.5%</b>	<b>(3.3)</b>
<b>Total net assets</b>	<b>241.2</b>	<b>78.2%</b>	<b>247.8</b>	<b>79.5%</b>	<b>+6.5</b>
Shareholders' equity	225.5	73.1%	<b>232.0</b>	<b>74.4%</b>	<b>+6.5</b>
Non-controlling interests	15.7	5.1%	<b>15.8</b>	<b>5.1%</b>	<b>+0.0</b>
<b>Total liabilities and net assets</b>	<b>308.3</b>	<b>100.0%</b>	<b>311.6</b>	<b>100.0%</b>	<b>+3.2</b>

## Overall cash flow remained stable despite a decrease of ¥8.8 billion in cash

(billion yen)	1Q-2Q		
	FY2020	FY2021	Change
Quarterly profit before income taxes	+4.9	<b>+9.5</b>	<b>+4.5</b>
Depreciation	+4.5	<b>+4.8</b>	<b>+0.2</b>
Decrease (increase) in trade receivables	+3.0	<b>+5.2</b>	<b>+2.2</b>
Decrease (increase) in inventories	(3.9)	<b>(3.6)</b>	<b>+0.3</b>
Increase (decrease) in trade payables	+1.9	<b>+4.7</b>	<b>+2.7</b>
Others	(9.3)	<b>(11.6)</b>	<b>(2.2)</b>
<b>Cash flows from operating activities</b>	+1.2	<b>+9.1</b>	<b>+7.9</b>
Capital expenditures	(6.1)	<b>(2.4)</b>	<b>+3.6</b>
<b>Cash flows from investing activities</b>	(2.2)	<b>(12.8)</b>	<b>(10.6)</b>
Funds procured from external sources and repayments	+6.9	<b>(3.5)</b>	<b>(10.4)</b>
Cash dividends paid	(5.6)	<b>(3.6)</b>	<b>+2.0</b>
Acquisition of stock	(4.9)	-	<b>+4.9</b>
<b>Cash flows from financing activities</b>	(3.8)	<b>(7.2)</b>	<b>(3.4)</b>
Effect of exchange rate change on cash and cash equivalents	(1.6)	<b>+2.1</b>	<b>+3.7</b>
Change in cash and cash equivalents	(6.4)	<b>(8.8)</b>	<b>(2.3)</b>
Cash and cash equivalents at beginning of period	70.2	<b>80.0</b>	<b>+9.7</b>
Cash and cash equivalents at end of the quarterly period	63.7	<b>71.2</b>	<b>+7.4</b>

(billion yen)	FY03/2021		Adjusted FY2020		(Initial plan) FY12/2021		(Revised plan) FY12/2021		(Vs. initial plan) FY12/2021	
	Amount (billion yen)	Ratio to net sales	Amount (billion yen)	Ratio to net sales	Amount (billion yen)	Ratio to net sales	Amount (billion yen)	Ratio to net sales	Amount	Ratio
Net sales	279.3	100.0%	213.4	100.0%	<b>238.0</b>	<b>100.0%</b>	<b>224.0</b>	<b>100.0%</b>	<b>(14.0)</b>	<b>(5.9)%</b>
Cosmetics	218.4	78.2%	172.9	81.0%	196.7	82.6%	188.5	84.2%	(8.2)	(4.2)%
Cosmetaries	58.4	20.9%	38.5	18.0%	39.5	16.6%	34.0	15.2%	(5.5)	(13.9)%
Other	2.4	0.9%	1.9	1.0%	1.8	0.8%	1.5	0.6%	(0.3)	(16.7)%
Operating profit	13.2	4.8%	16.5	7.8%	<b>20.0</b>	<b>8.4%</b>	<b>16.0</b>	<b>7.1%</b>	<b>(4.0)</b>	<b>(20.0)%</b>
Ordinary profit	18.7	6.7%	19.0	8.9%	<b>20.5</b>	<b>8.6%</b>	<b>17.1</b>	<b>7.6%</b>	<b>(3.4)</b>	<b>(16.6)%</b>
Profit attributable to owners of parent	11.9	4.3%	13.9	6.6%	<b>14.2</b>	<b>6.0%</b>	<b>12.1</b>	<b>5.4%</b>	<b>(2.1)</b>	<b>(14.8)%</b>
Net income per share	210.11 yen		-		248.92 yen		212.10 yen			
ROA	4.5%		-		6.8%		5.5%			
ROE	5.3%		-		6.5%		4.9%			

Dividend per share		
Dividend (yen)	60	60
Payout ratio (%)	56.6%	

Note: Adjusted comparisons are the changes between FY03/2021 results of operations for consolidated subsidiaries with a March year end that have been adjusted to a nine-month period (April-December 2020) and the forecast for FY12/2021.

Area	Initial outlook	Outlook for the fiscal year	Second-half outlook		Fiscal-year outlook	
			Net sales	Operating profit	Net sales	Operating profit
Overall	+11.5%	Sales: Unable to offset 1H sales downturns in Japan and South Korea. Operating profit: Lower due to sales shortfall and expenditures for growth in FY2022.	○	▲	▲	▲
Japan	Mid-single-digit increase	Sales subsidiaries are sluggish and unlikely to achieve the high 2H goal; sales are recovering steadily and 2H operating profit likely to be much higher than in the 1H.	▲	▲	▲	▲
China	+20%	A temporary downturn in Hainan Island sales in July-September; sales remain strong, including the EC and department store channels but investments needed to become more competitive. Actions needed to maintain current level of earnings.	○	▲	○	▲
South Korea	+10%	Unlikely to offset the 1H downturn due to the current product shortage. YoY improvement expected in 2H performance. Profitability is remaining high.	○	○	▲	▲
Europe & USA (Tarte)	Mid-single-digit increase	1H performance was consistent with the FY plan and FY performance may be even better than expected depending on sales at year-end events.	○	○	○	○

**1. 2Q FY12/2021 Results of Operations**  
**Shinichi Mochizuki, Director & CFO**

**2. Progress with Post-COVID Structural Reforms and the New Growth Strategy**  
**Kazutoshi Kobayashi, President & CEO**

**3. Supplementary Information**

## Key initiatives

**(1) Target China and travel retail for growth**

**(2) Increase brand value (focus on personal customer experiences and distinctive forms of value)**

**(3) Strengthen the business portfolio**

**(4) Activities based on the sustainability strategy**

(1) Strategic investments in China/travel retail, the markets with the most growth potential, to achieve global and borderless growth

✓ Strategic investments to further increase activities for the growth of flagship global brands

(2) Use digital/real methods for more and better personal customer experiences in order to supply value for the success of the strategy for growth

✓ New customer interaction value by using online counseling

✓ Utilize external technologies for manufacturing products

(3) Stronger manpower and processes, which are essential for building the powerful foundation that is critical for implementing the growth strategy and for the pursuit of value

✓ Use a more powerful sales infrastructure in Japan to improve profitability in Japan

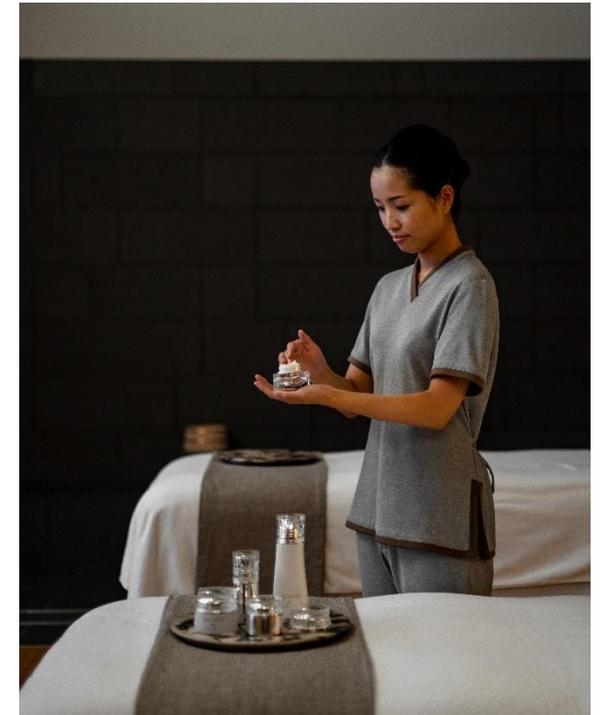
✓ Start new initiatives in Japan

(4) Activities based on the sustainability strategy

✓ Activities aimed at helping solve issues in order to help achieve a sustainable society

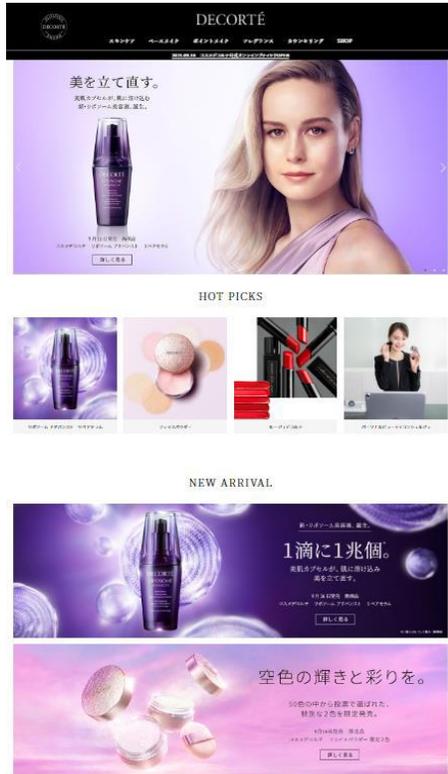
## ◆ Exclusive Facial and Body treatments to launch at Aman Tokyo in December using AQ MELIORITY, DECORTE's Finest Product Line

Starting with Amanyangyun (Shanghai) in October, facial and body treatments will be offered globally at selected Aman Spas, including Aman Spa at The Connaught (London) in November, and Aman Le Mélézin (France) in December.



## ◆ DECORTÉ started its first online counseling service in September

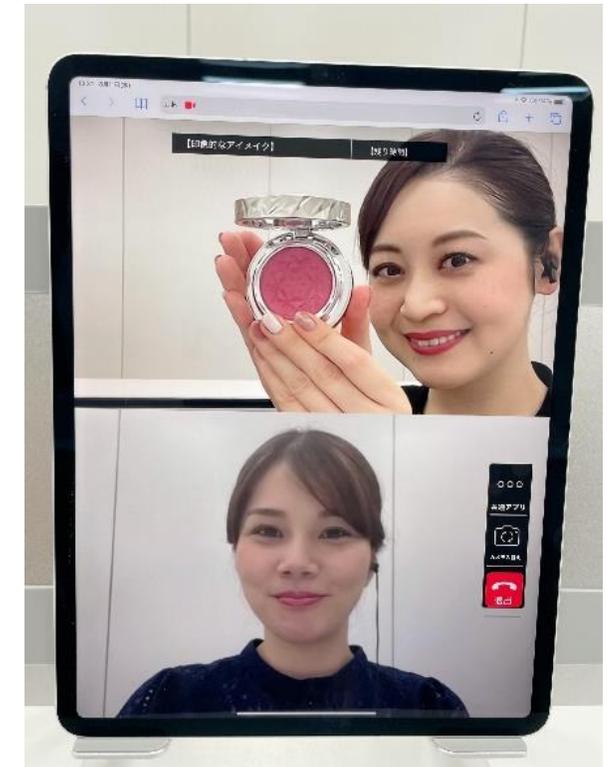
The new DECORTÉ online boutique (official web shop) increases synergies involving online and offline operations.



The DECORTÉ online boutique opened on September 16 and allows visitors to make reservations for online counseling.



DECORTÉ Personal Beauty Concierge services are provided by KOSÉ beauty consultants who specialize in these services.



An exclusive KOSÉ technology is used to produce images that accurately reproduce the delicate colors and sensations of cosmetics.

## ◆ Dedicated shops nationwide in Japan for the brands of KOSÉ and ALBION

Heightening the KOSÉ Group's market profile in Japan based on the commitment to mutual prosperity with cosmetics stores.



cosmeteria:  
AEON MALL Asahikawa Station Store



cosmeteria:  
Contact-free automatic testing device



cosmeteria:  
A display that includes a large number of KOSÉ Group  
makeup brands



ATELIER ALBION



ALBION DRESSER

# ◆ “4R” container designs are part of sustainable manufacturing activities

Container and packaging designs reflecting 4R’s – Reduce/Reuse/Recycle/Renewable

## (1) Reduce (Use less plastic)



Resin in bottle: 65.6 grams

Resin in bottle: 52.0 grams

Plastic reduction: 13.6 grams; CO2 emission reduction: about 21%

## (2) Reuse



Many KOSÉ brands use refillable containers

## (3) Recycle



Use of cardboard; also reducing film packaging

Collection and recycling of used bottles

## (4) Renewable (Sustainable resources)



DECORTÉ LIPOSOME ADVANCED REPAIR SERUM

### Renewable



Use of biomass PET (caps and bottles)

- 75ml container: Biomass PET
- Clear top cap: Biomass PET

### Reduce



50ml and 30ml products use glass bottles

### Reuse



Replacement products for reusing containers

## ◆ Comprehensive agreement with Kao concerning sustainability of the cosmetics business

This cosmetics sustainability agreement has the goal of helping create a sustainable society



Yoshihiro Hasebe (left), President and CEO of Kao Corporation, and Kazutoshi Kobayashi, President and CEO of KOSÉ

Kao and KOSÉ will combine their respective strengths involving many environmental programs in order to create solutions for enabling the cosmetics business to make an even greater contribution to achieving a sustainable society.

### Summary of joint activities

- **Activities to protect the environment and create a circular economy**
  - Use of many environmentally responsible materials for packaging and containers
  - Joint promotion of recycling and upcycling
  - Purchase of raw materials with a small environmental impact
- **Activities to help solve social issues**
  - Collaboration for educational programs about skin care, UV protection and other related subjects
  - Collaboration for educational programs encompassing many aspects of beauty care

# ◆ Support for the arts, culture and environmental protection

## 200 cherry trees for the Queen’s Grove of the Versailles Palace garden in France, a World Heritage site



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A donation for planting 200 cherry trees at the Queen’s Grove

Names of companies that made donations are at the garden entrance

**1. 2Q FY12/2021 Results of Operations**  
**Shinichi Mochizuki, Director & CFO**

**2. Progress with Post-COVID Structural Reforms and the New Growth Strategy**  
**Kazutoshi Kobayashi, President & CEO**

**3. Supplementary Information**

# Cost of Sales and SG&A Expenses

1Q-2Q

(billion yen)		Adjusted FY2020		FY2021		YoY change (amount)	YoY change (ratio)
		Amount	Ratio to net sales	Amount	Ratio to net sales		
Cost of sales		36.9	30.2%	34.6	28.2%	(2.2)	(6.2)%
SG&A expenses		81.5	66.6%	79.4	64.7%	(2.0)	(2.6)%
<Significant accounts>							
Selling expenses	Sales promotion	19.8	16.2%	18.0	14.7%	(1.7)	(9.0)%
	Advertising	7.6	6.2%	8.6	7.1%	+1.0	+13.8%
	Freightage and packing	7.1	5.8%	7.7	6.3%	+0.6	+9.8%
Subtotal		34.5	28.2%	34.5	28.1%	(0.0)	(0.1)%
General and administrative expenses	Personnel	29.2	23.9%	28.0	22.8%	(1.1)	(4.0)%
	Others	12.6	10.3%	11.7	9.6%	(0.8)	(6.7)%
	R&D	2.8	2.3%	2.8	2.3%	(0.0)	(2.2)%
	Depreciation	2.2	1.8%	2.2	1.8%	+0.0	+1.9%
Subtotal		46.9	38.3%	44.9	36.6%	(2.0)	(4.3)%

# Sales Growth by Business Segment

FY2020					
YoY changes in sales, %	1Q	2Q	3Q	4Q	1Q-4Q
Consolidated sales*note	(26.5)	(21.1)	(5.6)	(4.4)	(14.7)
Cosmetics*note	(25.4)	(21.8)	(0.8)	(3.1)	(13.3)
High prestige	(22)	(19)	+1	+1	(10)
DECORTÉ	(10)	(5)	+21	+39	+10
ALBION	(34)	(24)	(7)	(6)	(19)
Tarte	(17)	(36)	(16)	(42)	(29)
Prestige	(38)	(34)	(8)	(21)	(26)
Cosmetaries*note	(29.7)	(17.9)	(22.3)	(6.7)	(18.7)
COSMEPORT	(32)	(19)	(22)	±0	(17)
Other	(26)	(17)	(23)	(19)	(21)

FY2021		
1Q	2Q	1Q-2Q
+2.7	(1.7)	+0.4
+5.1	+3.2	+4.1
+11	+4	+8
+20	+1	+10
+16	(5)	+4
(17)	+41	+7
+6	(12)	(3)
(5.8)	(16.9)	(12.3)
+4	(6)	(2)
(15)	(23)	(19)

Note: Figures are after applying the Accounting Standard for Revenue Recognition.

(billion yen)

EC	Japan			China			Other Asian countries			North America, others		
	2020	2021	YoY change	2020	2021	YoY change	2020	2021	YoY change	2020	2021	YoY change
1Q-2Q	4.0	4.4	+9.3%	7.2	8.8	+22.2%	0.1	0.1	+78.8%	4.9	3.8	(22.1)%
1Q	2.1	1.5	(26.6)%	2.9	3.1	+8.4%	0.1	0.1	+76.3%	1.4	1.8	+24.9%
2Q	1.8	2.8	+49.9%	4.3	5.6	+31.6%	0.1	0.1	+80.3%	3.5	2.0	(41.5)%

Total			YoY change
2020	2021		
16.3	17.3	+5.9%	
6.5	6.6	+0.8%	
9.7	10.6	+9.3%	

TR	Japan			China			South Korea			Other overseas countries		
	2020	2021	YoY change	2020	2021	YoY change	2020	2021	YoY change	2020	2021	YoY change
1Q-2Q	0.2	0.2	+20.3%	10.9	12.6	+15.4%	10.6	9.2	(13.6)%	0.6	0.1	(70.2)%
1Q	0.1	0.1	(13.5)%	4.2	8.2	+94.1%	6.4	4.4	(30.7)%	0.1	0.1	(36.6)%
2Q	0.1	0.1	+88.5%	6.7	4.4	(34.3)%	4.1	4.7	+12.8%	0.4	0.1	(83.7)%

Total			YoY change
2020	2021		
22.4	22.2	(0.7)%	
11.0	12.9	+17.5%	
11.3	9.3	(18.2)%	

Offline	China		
	2020	2021	YoY change
1Q-2Q	3.3	4.4	+31.0%
1Q	0.9	1.7	+77.3%
2Q	2.3	2.6	+11.7%

# DECORTÉ



October 2021

DECORTÉ AQ

Launch of body and hand care series

# ALBION



October 2021

ALBION

Launch of  
EX-VIE GINZA SPECIA (cream)

# ONE BY KOSÉ



October 2021

ONE BY KOSÉ

Launch of THE WRINKLESS S,  
a beauty cream for wrinkles

# SEKKISEI

雪肌精



December 2021

SEKKISEI

Launch of SEKKISEI CLEAR  
WELLNESS Vitalizing Serum,  
a moisture-retention beauty serum



AQ MELIORITY

Skin care Base makeup



AQ

Skin care Base makeup Point makeup  
Hair care



LIFT DIMENSION

Skin care



Phytotune

Skin care



LIPOSOME

Skin care



WHITELOGIST

Skin care



iP.Shot

Skin care



VITA DE REVE

Skin care



PRIME LATTE

Skin care



SUN SHELTER

Skin care Base makeup

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