



Commitment to Regain Growth
~ Build Back Better Shiseido ~

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Chairman and CEO

November 30, 2023

SHISEIDO

Agenda

Introduction

Current Challenges

Our Strategic Priorities to Regain Growth

Evolution of Shiseido

Founded **1872**

1 in Japan

3 in the prestige beauty industry

Distributed in **120** countries/regions

39,000 employees

100 nationalities



Driven with KAKUGO and Determination

To make Shiseido a truly global company
that continues shining for the next 100 years

覚悟

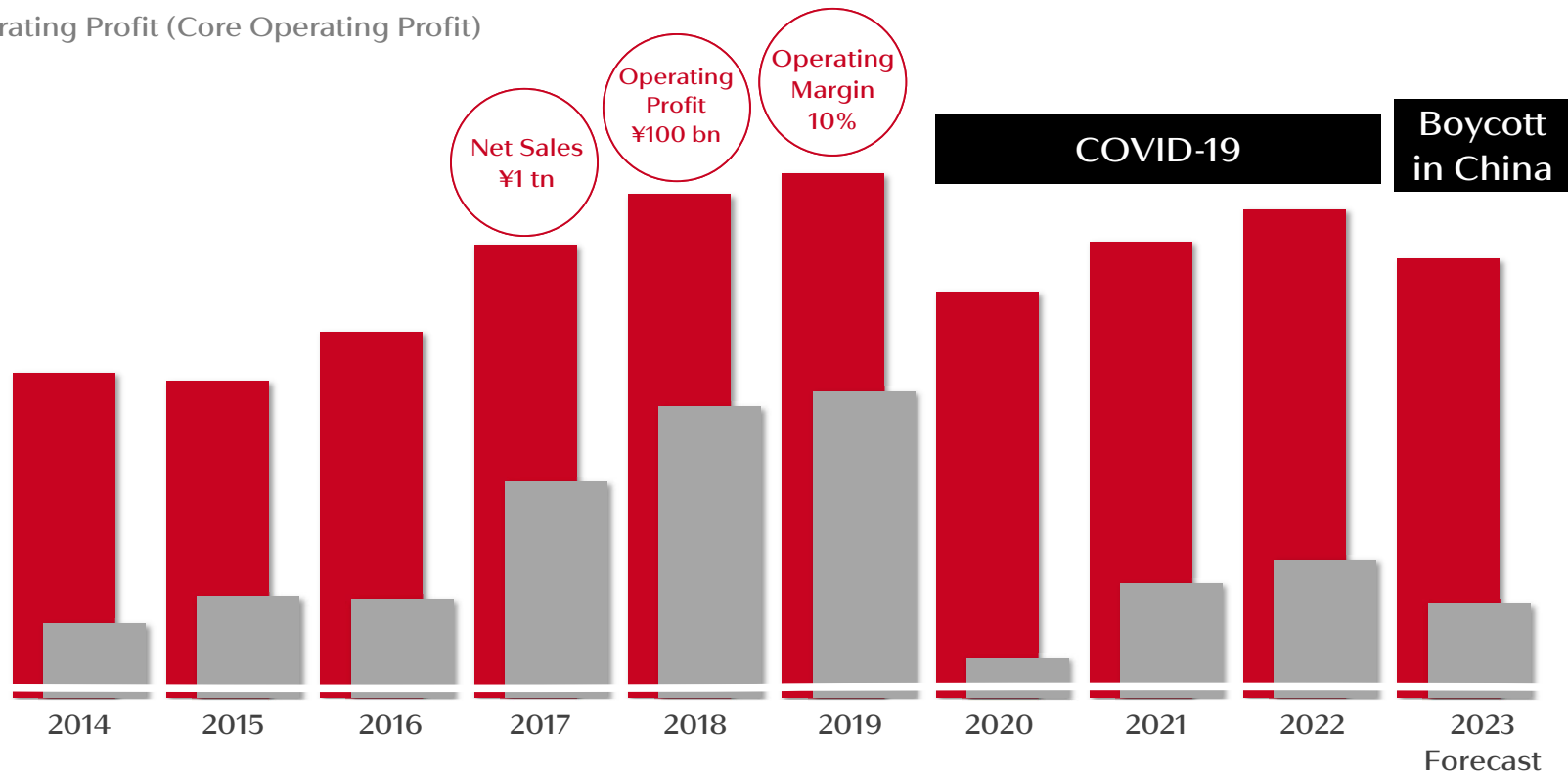
KAKUGO



Where We Are in Our Journey

■ Net Sales

■ Operating Profit (Core Operating Profit)



Current Challenges

- Slower-than-expected recovery from COVID crisis in Japan
- Disrupted by China volatility
 - Boycotting due to treated water release (despite no causal relationship!)
 - Travel Retail inventory adjustment from Daigou crackdown



Transform into Opportunities for Growth

Structural Reforms in Japan and China

➤ Japan, China

- Grow topline with strategic investments
- Reduce fixed cost base for productivity

➤ Travel Retail

- Rebuild healthy customer base; Travelers to be 70-80%

Our Strategic Priorities to Regain Growth

- Corporate mission and vision
- Brands and portfolio
- Innovation, DX and technologies
- Geography
- People and organization

Skin Beauty and Wellness Company



Brands and Portfolio

Global Brands



Asian Brands

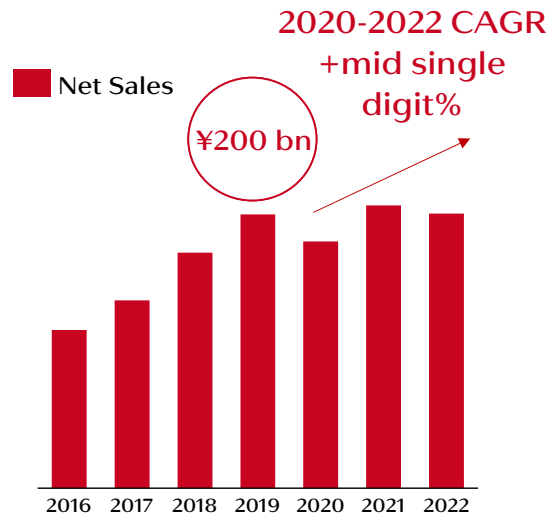


Fragrance Brands



Our flagship skincare brand

No. 2 skincare brand in major European countries



Communicating Value of Japanese Beauty to the World



SHISEIDO
GINZA TOKYO



For a +35% firmer,
brighter, and more lifted look
in just 1 week.*



SHISEIDO
VITAL PERFECTION
Uplifting and Firming Advanced Cream
Chinese Lift Firmers
ReNeuralRED Technology™

NEW

VITAL PERFECTION
Uplifting and Firming Advanced Cream

Potential Has No Age

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Untapped Opportunities - *A Man's Appeal Manifests in His Skin*

男の美しさは、
肌に出る。

SHISEIDO MEN
GINZA TOKYO



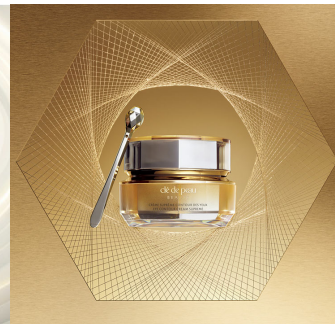
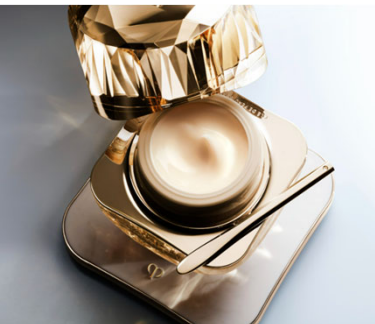
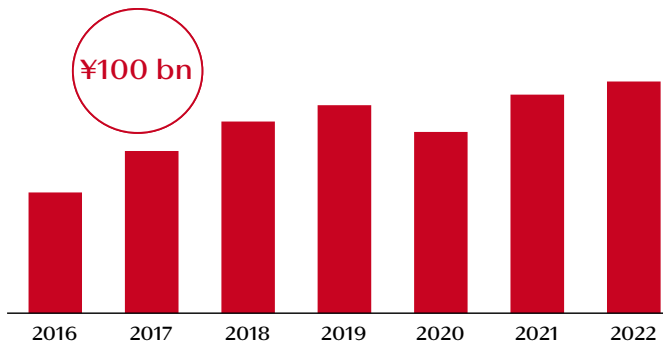


clé de peau BEAUTÉ

Highly acclaimed luxury brand

Backed by cutting-edge science

Net Sales



Clé de Peau Beauté at the Forefront of Innovation



INFUSED WITH
RETINOL

In 2 weeks, wrinkles
look reduced by

29%*

*Clinically tested by 34 women



INFUSED WITH
RETINOL

In 2 weeks, wrinkles
look reduced by

29%*

*Clinically tested by 34 women



BOOSTS PLUMPNESS

In 4 weeks,
sagging of cheeks
visibly improved by

14%*

*Clinically tested by 32 women



CONTOURED EYES

83%
felt deep wrinkles
around the eyes are visibly reduced in 8 weeks*

*Consumer tested by 104 women

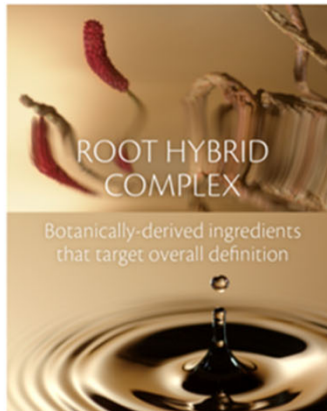


4D-FUTURE FIRM

3D FIRMING
by stimulating tightening
and inner resilience

+
EXTRA
DIMENSION
FIRMING
by improving surface strength

*Clinically tested by 32 women



ROOT HYBRID
COMPLEX

Botanically-derived ingredients
that target overall definition



UPLIFT TIME
DEFY GRAVITY

In 2 weeks,
facial contours are

10%* firmer.*

*Clinically tested by 32 women



RE-ENERGIZE EYES

10
min

Puffiness, dark circles,
and fine lines look visibly reduced.



INSTANT BRIGHTENING
RENEWAL

STEP 1
WARM
Brightening Gentle
Exfoliator

STEP 2
COOL
Brightening
Mask



TIME-DEFYING
BRIGHTENING

In 12 weeks,
dark spots
visibly reduced by

12%*

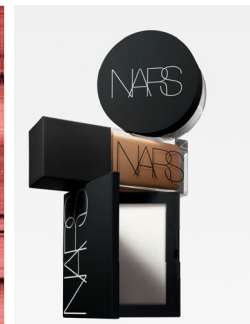
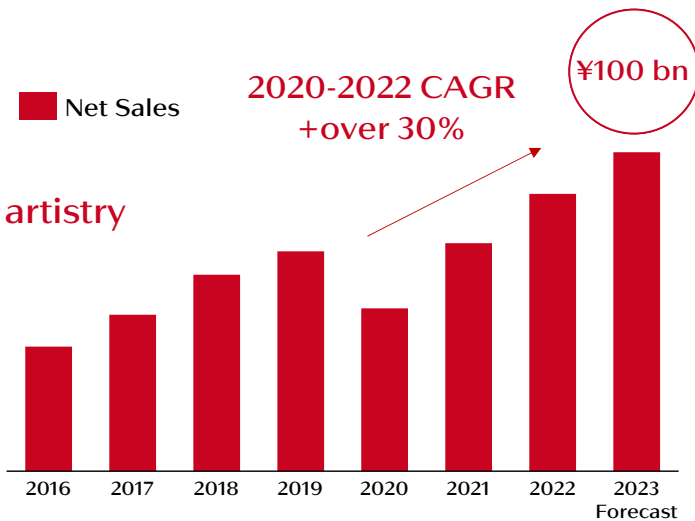
*Clinically tested by 32 women

NARS

Continues to inspire creativity, self-expression and limitless artistry

Celebrates diversity

Globally recognized as a bold and provocative brand





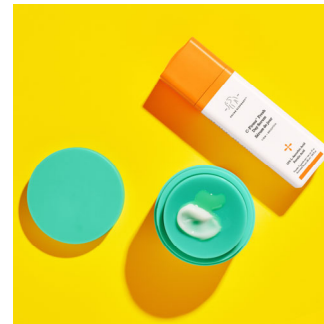
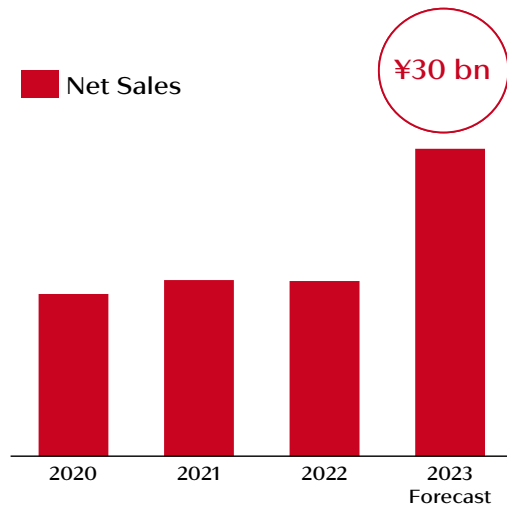
DRUNK ELEPHANT™

Acquired in 2019

Pioneer of “Clean” category

Strong digital marketing expertise

Global rollout in progress



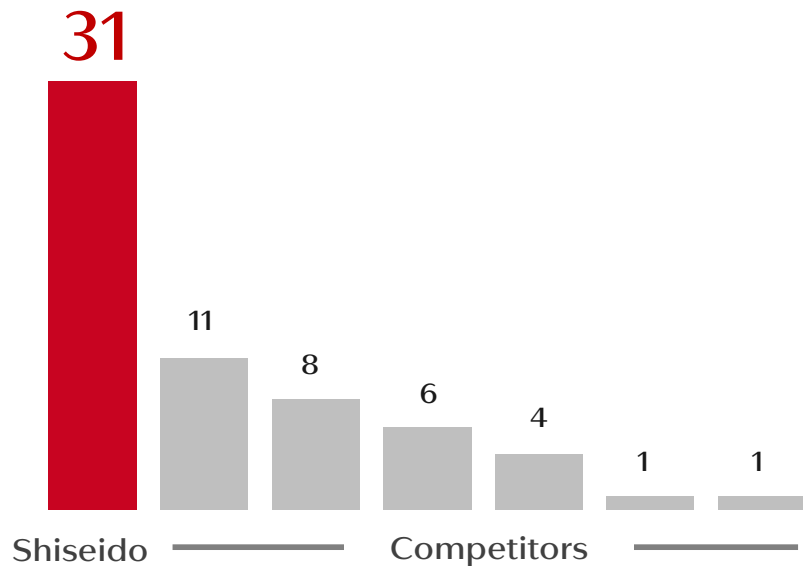
Significant Investment in Building Brands

3-year incremental accumulation vs. 2022
Additional ¥100 bn in 2023-25

- Scale core brands for profitability
- Build a process for monitoring brand ROI
- Rationalize non-core brands and SKUs



IFSCC Awards: Testament to Superior Technology



Cutting-Edge Innovations

LiquiForm®

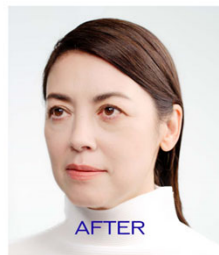
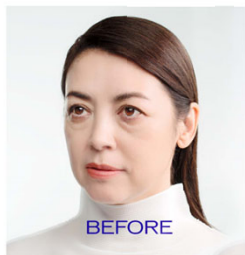


POWERED BY
LiquiForm®

Sun Dual Care



Second Skin



MolecuShift Technology

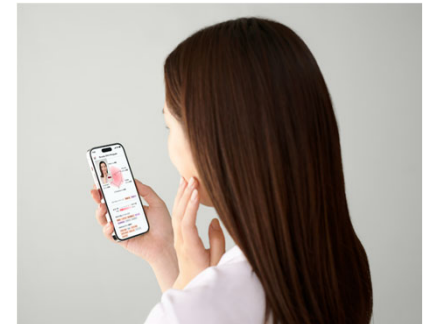
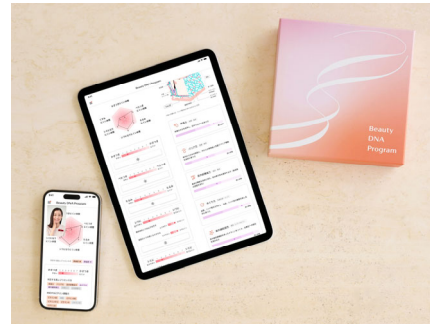


Skin Diagnosis Utilizing DX

Skin Diagnosis Technology



Beauty DNA Program



R&D Capability with 1,200 Researchers around the World

France



China



US



Singapore

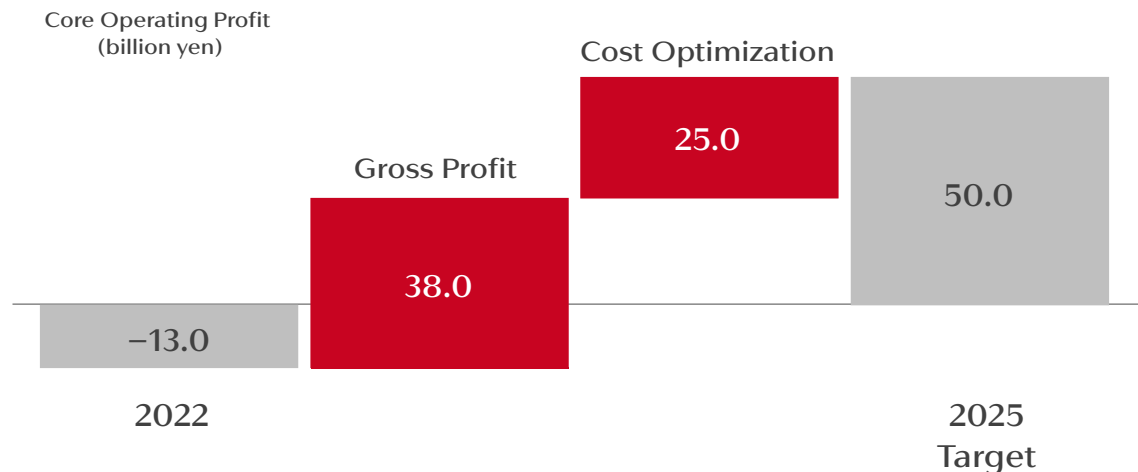


Global Innovation Center



Japan: Structural Reforms

Major cost optimization plans to reach core operating profit ¥50 bn



Cost Optimization

- COGS: **¥5.0 bn**
- Marketing and Other Expenses: **¥10.0 bn**
- Organizational Productivity: **¥10.0 bn**

China: Business Transformation to Align with New Reality

Growth strategy

- Market growth: from rapid to stable and moderate
- High-prestige (*Clé de Peau Beauté, The GINZA*)
- Decrease dependence on KOL promotion
- Tier 3-5 cities
- Communicate quality and efficacy

Cost optimization

- Rationalize brands and SKUs
- Reorganize for productivity

Now is the Time to Implement

Transformation in Japan and China



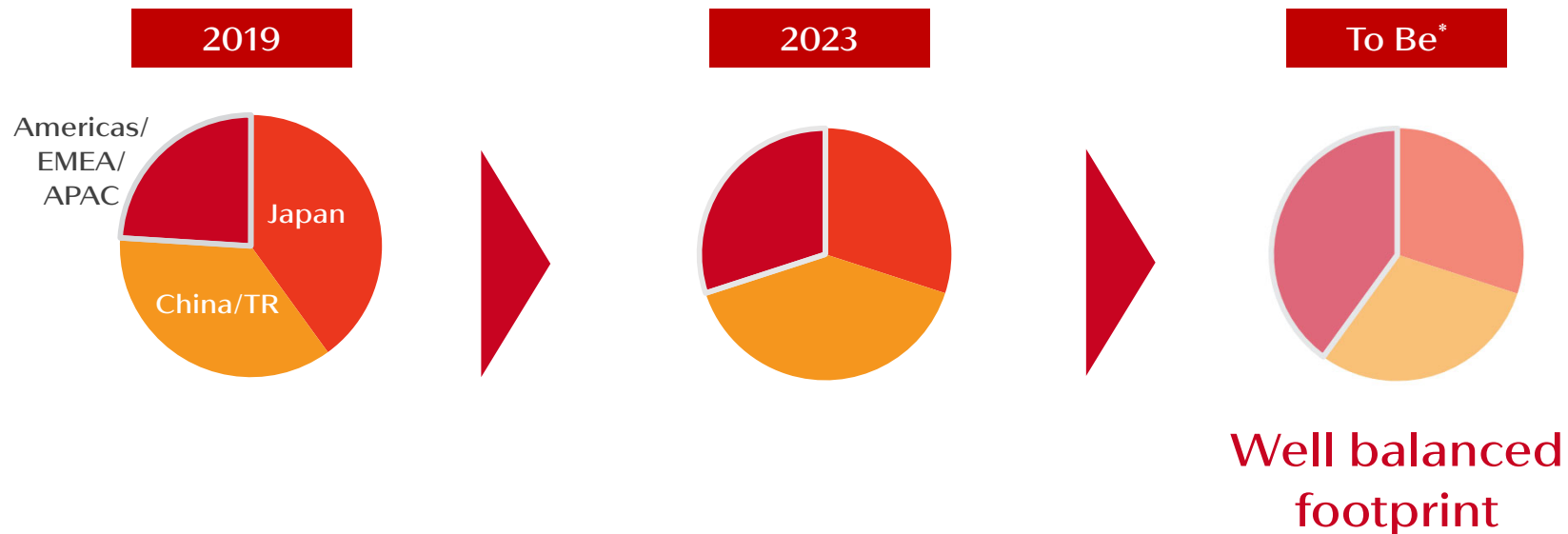
Expected Global Cost Savings

¥40 bn+ (2025 vs 2022)

Realign Geographic Presence

Quantum leap growth in Americas/EMEA/APAC

Net Sales excl. divest impacts



Americas

- Successfully improved profitability
- Grow core global brands through enriched marketing and local brands development
- Aggressively seek for M&A opportunities



- Successfully improved profitability
- Grow core global brands through enriched marketing and local brands development
- Enforce profitability in Fragrance
- Maximize opportunities in the Middle East



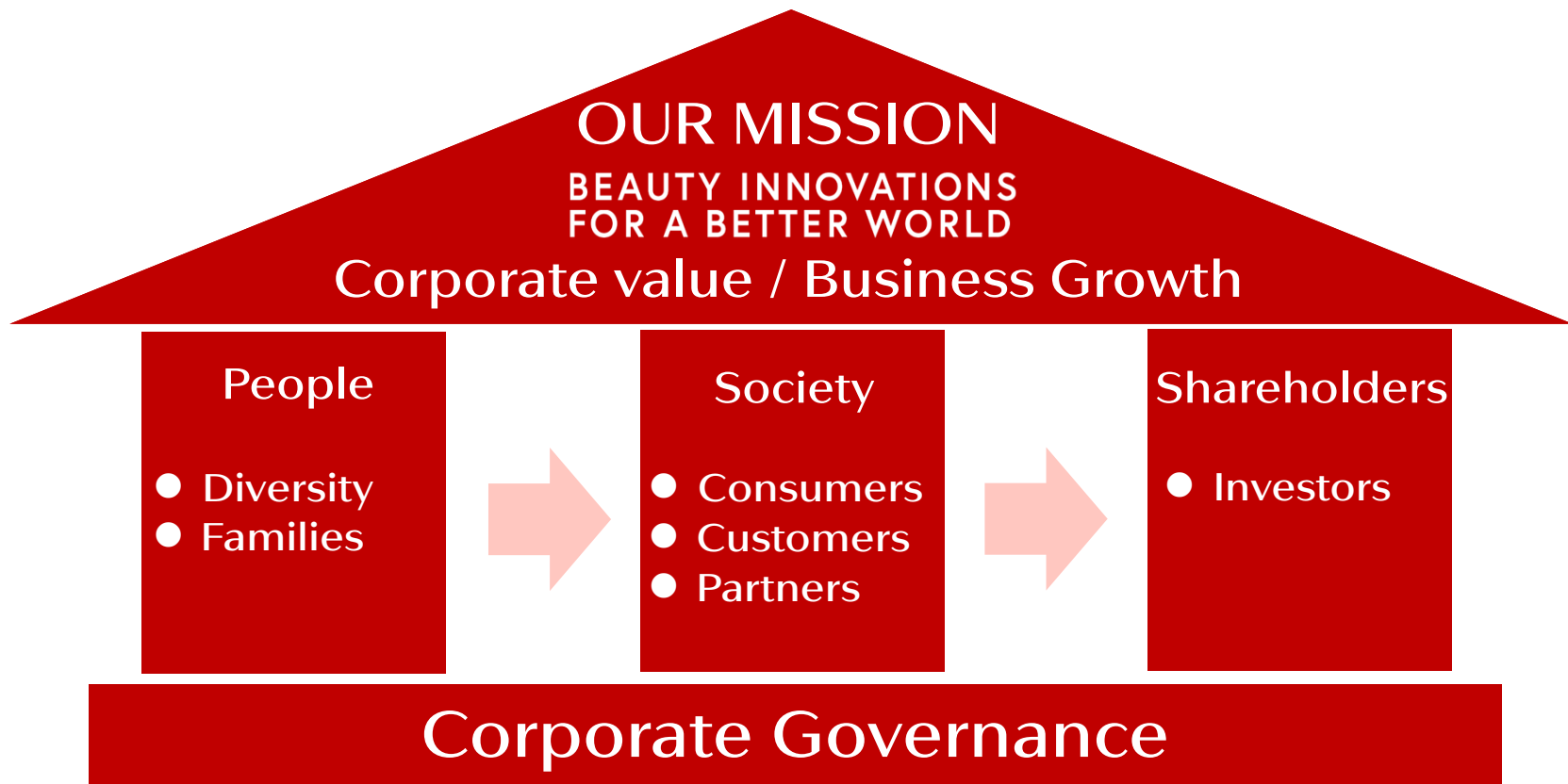
Asia Pacific

- Accelerate growth in emerging prestige beauty market
- Drive localized marketing for diverse consumers
- NARS off to a good start in India



NARS counter in India

People Drive Value Creation: PEOPLE FIRST



Become the Front Runner for DE&I

Female

Board*¹ 40%

Executive Officers*¹ 40%

Leaders globally*² 58%

Leaders in Japan*³ 38%

Non-Japanese

Global Leadership Team*¹ 35%

Mid-Career Hires

In Managerial Positions
in Japan*³ 30%



*¹ As of April 1, 2023

*² As of January 1, 2023 for Japan; as of December 31, 2022 for overseas

*³ As of January 1, 2023

Global Leadership Team



Shiseido Future University: Develop Global Leaders



We are All in Together





SHISEIDO

Be a Global Winner
with Our Heritage