



OUR MISSION is  
BEAUTY INNOVATIONS  
FOR A BETTER WORLD

# To Be a Global Winner with Our Heritage

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President and COO

March 26, 2024

**SHISEIDO**

# Shiseido Creates a New Culture of Beauty



A wide-angle photograph of the Tokyo skyline at sunset. The sun is low on the horizon to the right, creating a bright orange and yellow glow that fades into a blue sky on the left. The city's buildings are silhouetted against the light, with the Tokyo Tower being a prominent feature on the right side of the frame.

Be a Global Winner with Our Heritage

A wide-angle photograph of a city skyline at sunset. The sky is a gradient of blue, purple, and orange. The city is filled with numerous skyscrapers and buildings. The text "Always Challenge the Status Quo" is overlaid in the center in a red, serif font.

*Always Challenge the Status Quo*

# Our Missions to be Accomplished by 2025

## Priority: Revitalizing Japan!

- Japan  
Structural reforms
- China and Travel Retail  
Respond to market changes
- Americas, EMEA, and Asia Pacific  
Accelerate growth
- Create new markets

# Japan Business is Lagging Behind in the post-COVID Recovery

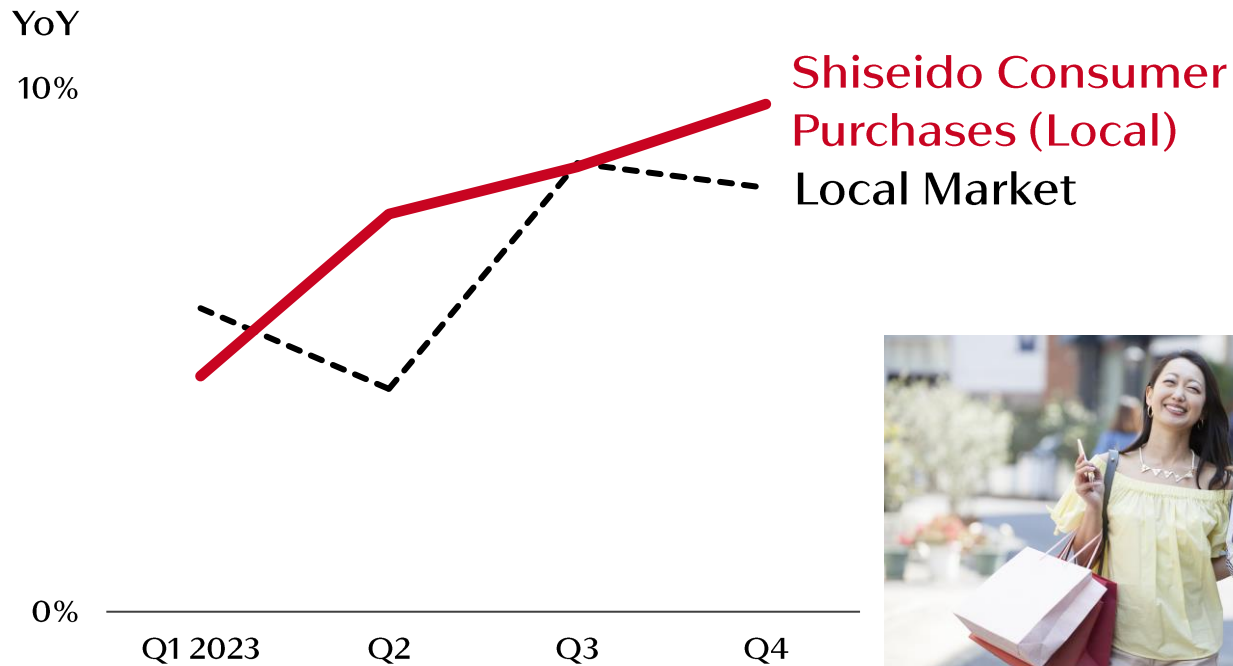
Initially (as of Aug. 2020)  
assumed to recover in

2H 2021

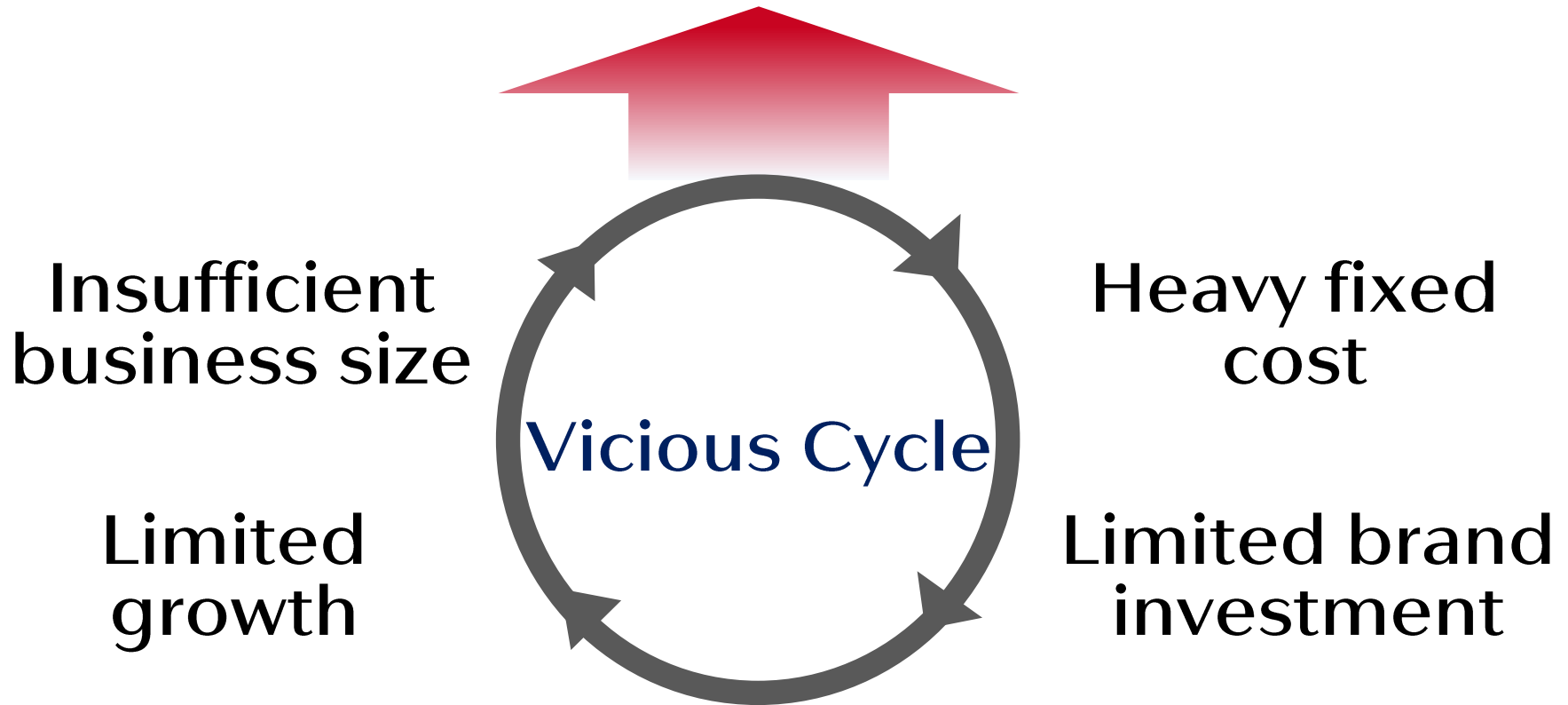
2023 vs 2019  
Net Sales\*

– 25%

# Capturing Opportunities from the Market Recovery



# Business Model Transition is Inevitable





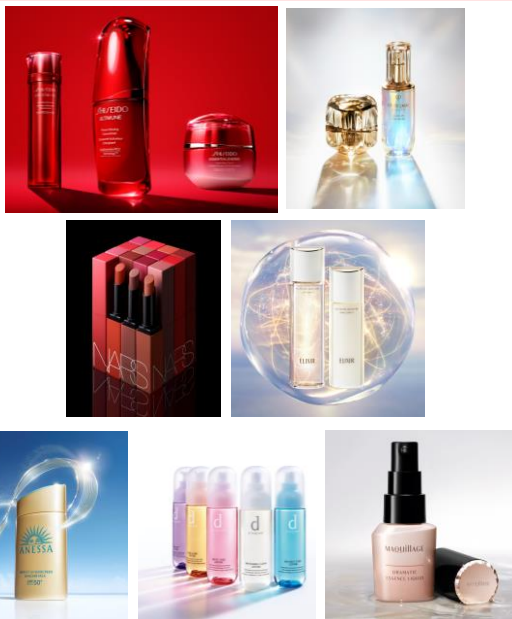
# Structural Reforms of Japan Business

- Achieve sustainable growth
- Profitable business model
- Consumer oriented strategy



# Japan Business: Drive Sustainable Growth

## Focus on Core Brands



## Win at places where people gather



## Strong Collaboration with Partners to Drive Profitability



# Japan Business: Success of Existing Products

## SHISEIDO MEN



## ELIXIR

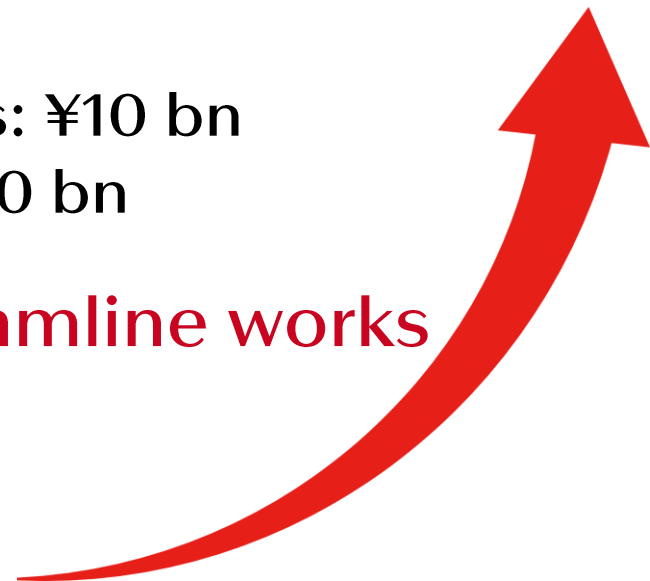


## Clé de Peau Beauté



# Japan Business: Building Profitable Business Model

- **Cost reduction: ¥25 bn**
  - COGS: ¥5 bn
  - Marketing and Other Expenses: ¥10 bn
  - Organizational Productivity: ¥10 bn
- **Work styles change and streamline works**



# Japan Business: Optimize the Allocation of Personal Beauty Partners

## Work style changes to meet more consumers in person

### Geographic Areas

Expand our coverage  
from limited areas



### Channel & Digital

Expand into all channels  
from limited channels



### New Business

Leverage our expertise  
out of store activities



# Japan Business: Foster Talent Towards Sustainable Growth

## PEOPLE FIRST

At Shiseido, we always put PEOPLE FIRST

Our transformation and growth all starts with  
an action and behavior of each and every employee

We offer equal opportunities for all employees by rewarding  
their contributions

# Japan Business: Career Support Plan to Drive Human Capital Transformation for the Future

## “Mirai Career Plan”

```
graph TD; A["Mirai Career Plan"] --> B["Proactive Investments & Talent Development"]; A --> C["Reward Employees' Contributions"]; B --> D["Support Capability Enhancement for Pursuing New Roles & Responsibilities"]; C --> E["Support Career Planning (Special Additional Benefits / Reemployment Support)"];
```

Proactive Investments  
& Talent Development



Support Capability  
Enhancement for Pursuing  
New Roles & Responsibilities

Reward Employees'  
Contributions



Support Career Planning  
(Special Additional Benefits /  
Reemployment Support)



# Japan Business: Our Future Beyond Transformation

Transforming to an organization where  
our people can share the future of Shiseido and  
always challenge the status quo





# China Market: Continues to be Strategically Important

Achieve stable growth by capturing market dynamics

## Short-term Impact

- Transient impact from the treated water release has bottomed out
- Recovery in consumer trust in Japanese products

## Growth Potential

- Skincare market **#1 in the World** (3x of Japan)
- Beauty market: **#2 in the World** (3x of Japan)
- Luxury market: **grew 13% YoY** (in 2023)
- Middle-class & affluent: **over 0.5 billion** (in 2030)
- Continued diversification of EC market

# China Business: Diversified Brand Portfolio

High prestige brands  
for affluent consumers



Brands originated  
in the U.S.



Local brands



# China Business: Growth Strategy

Strong  
Brand Equity



80 million  
Consumer  
Database



Localized  
Innovation

Deep understanding of Chinese consumers x Agility



Sustainable Business Growth

# Strategic Collaboration in China and Travel Retail

Drive synergy through advancing our cohesive approach to China and Travel Retail Businesses



CEO, Shiseido China  
Toshinobu Umetsu



CEO, Shiseido Travel Retail  
Philippe Lesné

# Accelerate Growth in Americas, EMEA, Asia Pacific

NARS

NARS

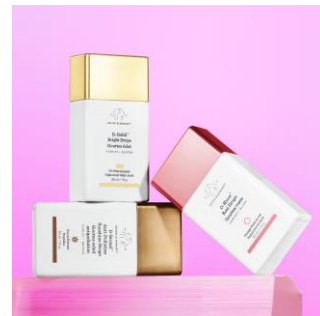
Achieved growth across all regions  
Newly launched in India



Drunk Elephant



+77% growth



Fragrance

narciso rodriguez

ISSEY MIYAKE



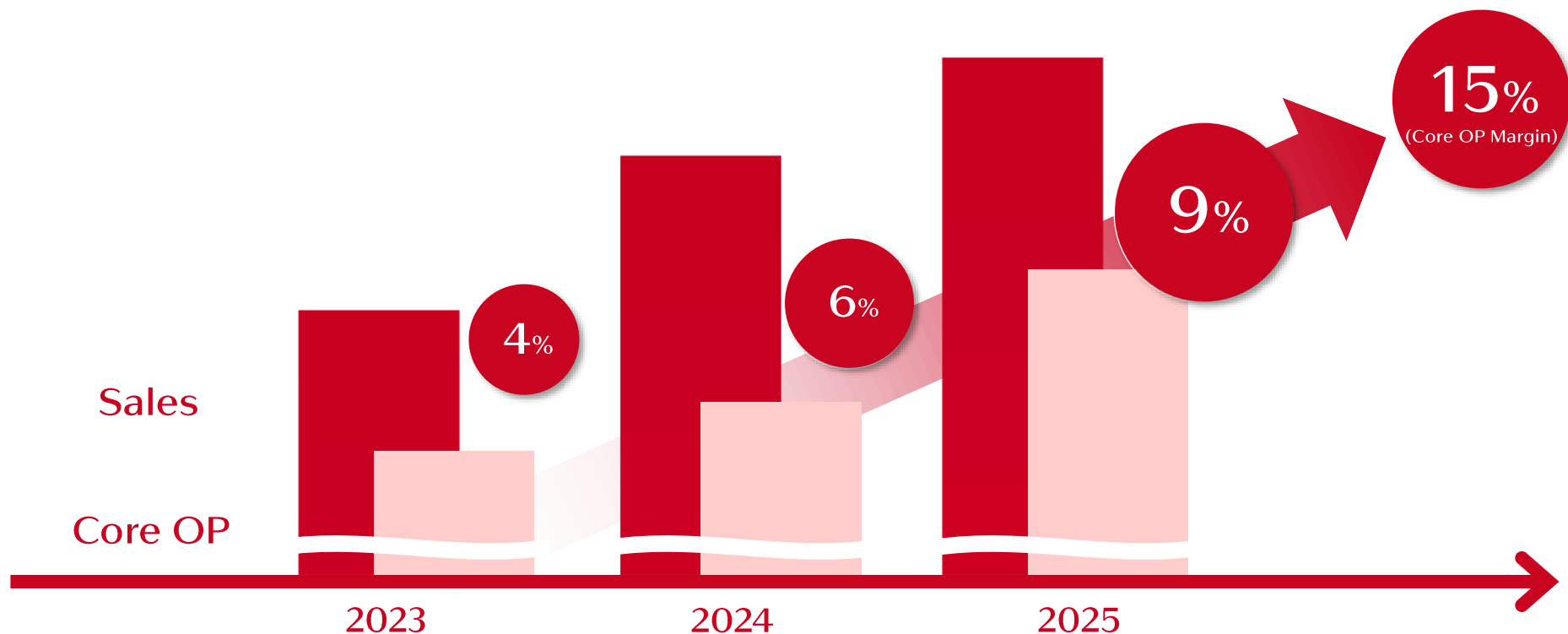
+21%  
growth

M&A

Dr Dennis Gross  
SKINCARE



# Medium-Term Strategy SHIFT 2025 and Beyond





# Ensuring Sustainable Business Growth

Achieve Carbon Neutrality<sup>\*1</sup> &  
40% Reduction in Water Consumption<sup>\*2</sup> by 2026



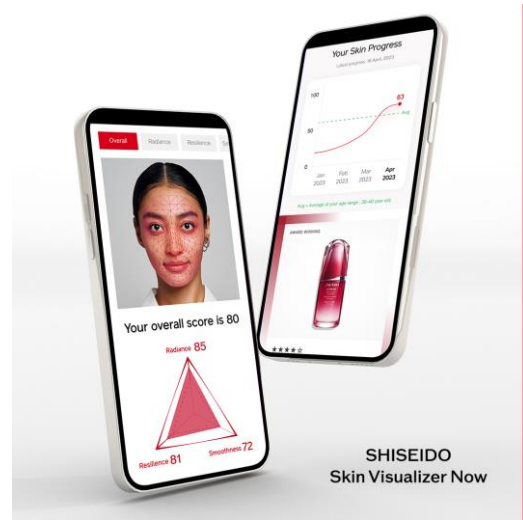
Ratio of Female Leaders in Japan  
**40%<sup>\*3</sup>**



<sup>\*1</sup> At all our sites (compared to 2019, including offsets) <sup>\*2</sup> At all our sites, intensity per sales (compared to 2014) <sup>\*3</sup> As of January 1, 2024, preliminary figures

# Ensuring Sustainable Business Growth

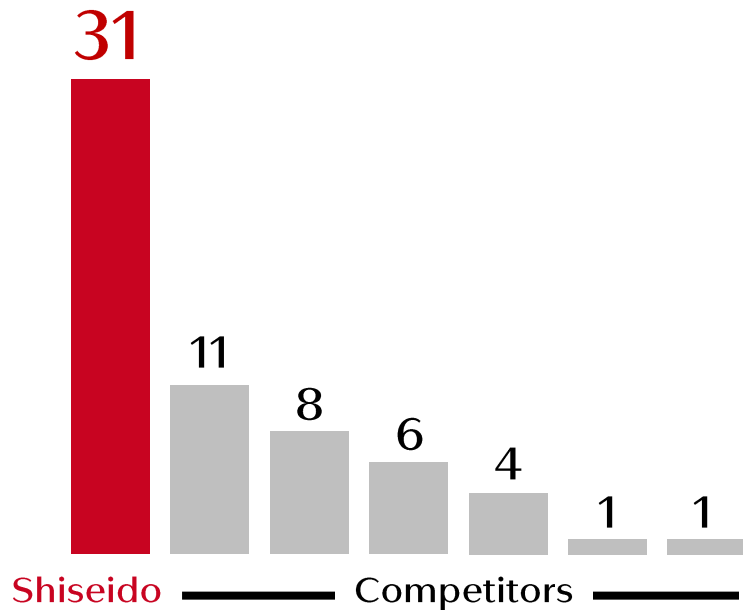
Provide beauty experiences tailored to individual needs of consumers by leveraging our digital capabilities





# Ensuring Sustainable Business Growth

Number of Awards at IFSCC



Regional Innovation Centers



# Develop New Beauty Frontiers by Expanding the Skincare Category



Sagging



Second Skin



Foundation Serum

彩る美容液、という奇跡

SERUM  
FIRST  
TECHNOLOGY

美容液がずっと肌に触れる



#ファンデ美容液

# PERSONAL BEAUTY WELLNESS COMPANY

## Strengthen our Core in Skincare while Expanding into New Beauty Frontiers



The Shiseido logo, featuring a stylized red 'S' followed by the word 'HISEIDO' in red capital letters. The background of the entire image is a view of Earth from space, showing the horizon and city lights at night.

SHISEIDO

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with Our Heritage